

Amadeus

Jan-Jun 2018 Results

July 27, 2018



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Operating Review
Luis Maroto
President & CEO

H1 2018

– Revenue +4.1% (Ex.FX: high single-digit growth %)

- Negative FX impact

– EBITDA +8.2% (Ex.FX & IFRS16¹: high single-digit growth %)

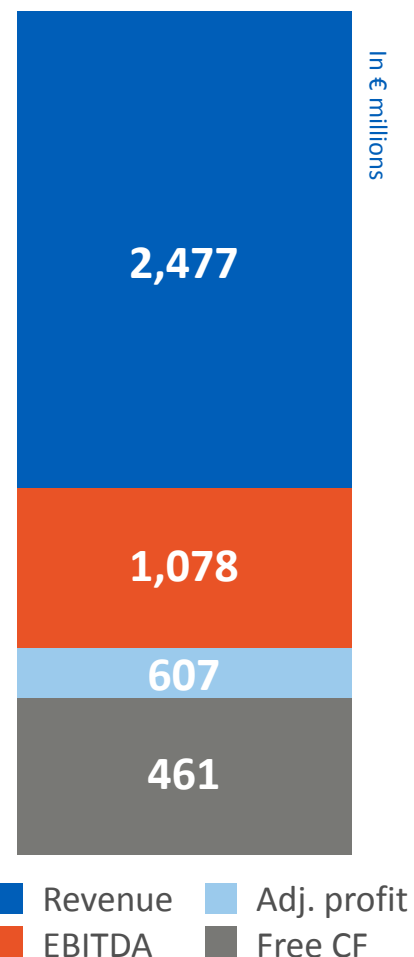
- Positive FX and IFRS 16¹ impact on costs
- Ex-FX and IFRS 16¹: broadly stable margin

– Adjusted profit +6.1%

- Adjusted EPS +8.2%

– Free Cash Flow +2.7%

– Leverage 1.10x



Note: H1 2017 figures displayed throughout this presentation have been restated for IFRS 15 and 9, as well as for a building and facilities expense reallocation to indirect costs, which we applied since January 1, 2018 (see section 3.1 of January-June 2018 Management Review for further details). H1 2018 growth rates have been therefore calculated over 2017 restated figures.

1. We are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In the first half of 2018, IFRS 16 had a positive €22.5 million impact on EBITDA. See section 3.1 of January-June 2018 Management Review for further details.

Recent business highlights

Airline Distribution

- Renewed / signed 15 **distribution agreements** in Q2 2018, including United Airlines, Scandinavian Airlines, Alitalia and Ethiopian Airlines.
- Expanded airlines' **merchandizing capabilities** in the indirect channel
 - Amadeus Airline Ancillary Services – 145 contracted airlines (6 new customers in Q2 2018).
 - Amadeus Airline Fare Families – 75 contracted airlines (4 new customers in Q2 2018).

NDC

- **Level 3 NDC certification** as an *aggregator* from IATA, following existing level 3 NDC certification as an *IT provider*, making Amadeus one of the first with *dual* level 3 certification.
- **Amadeus NDC-X** program aims to bring together all the NDC efforts across Amadeus.
- Evolution of Amadeus' travel platform, bringing together all relevant content from any source to be distributed through any user interface or device.

Airline IT

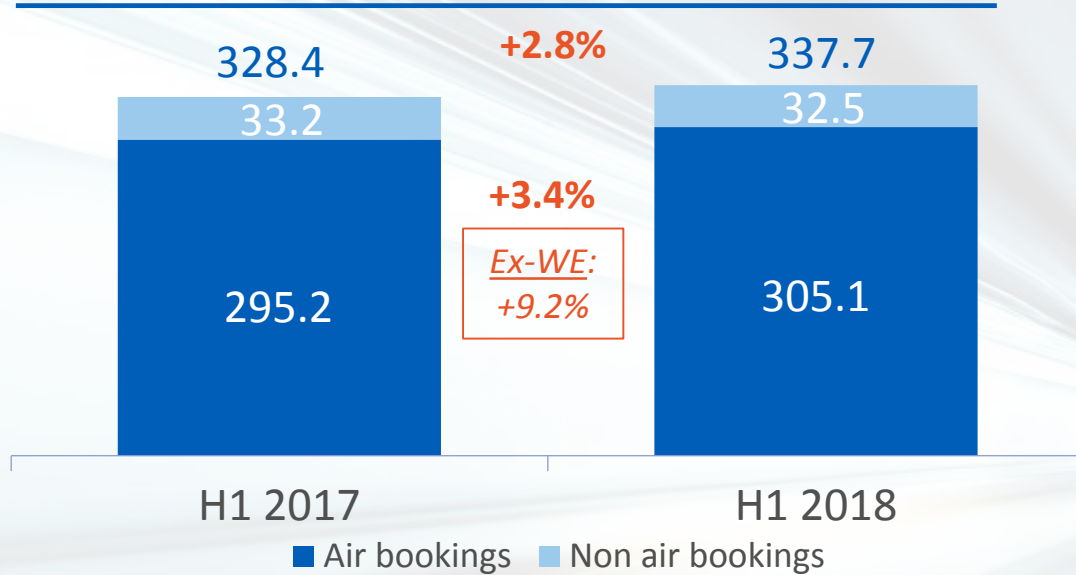
- Russia's second largest airline, S7 Airlines, signed for the full Altéa suite (approximately 14m PB migration expected by year-end).
- Royal Jordanian renewed Altéa and signed additional products, including Amadeus Altéa NDC.
- Scandinavian Airlines renewed Altéa and Amadeus Revenue Management while also signing up for the Amadeus Payment Platform.
- LATAM Airlines implemented Altéa Departure Control Flight Management.
- Hawaiian Airlines contracted for Altéa DCS Flight Management, Garuda Indonesia for Amadeus Customer Experience Management and Malaysia Airlines for Amadeus Revenue Accounting.

Hospitality

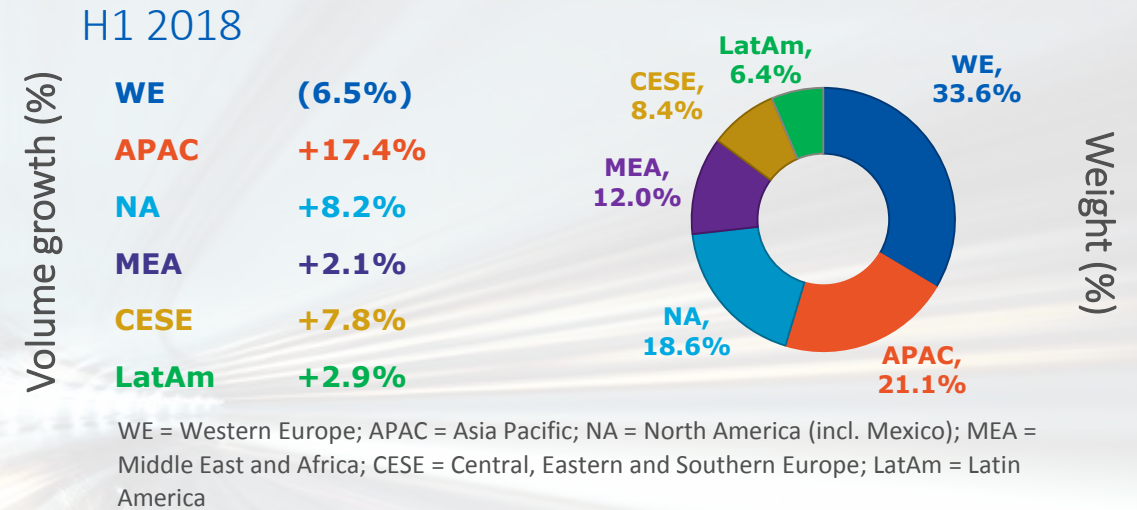
- We are progressing in the roll-out of the Guest Reservation System with InterContinental Hotels Group.
 - Full deployment is expected for late 2018 to early 2019.

Distribution

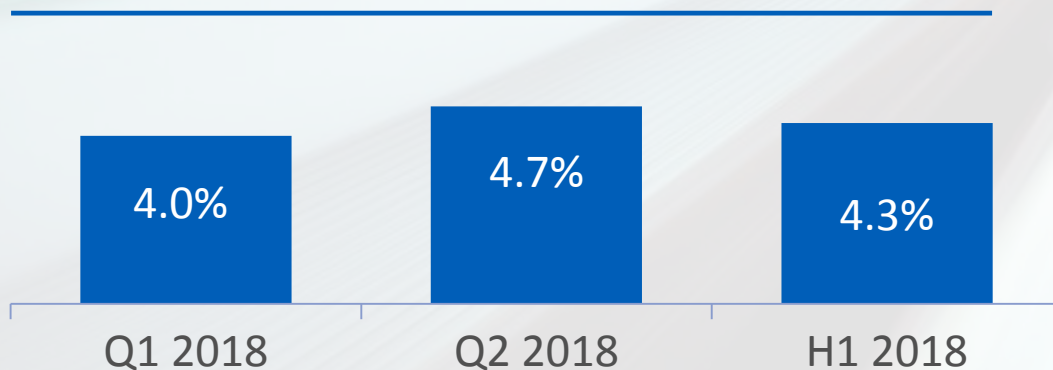
Amadeus TA bookings (millions)



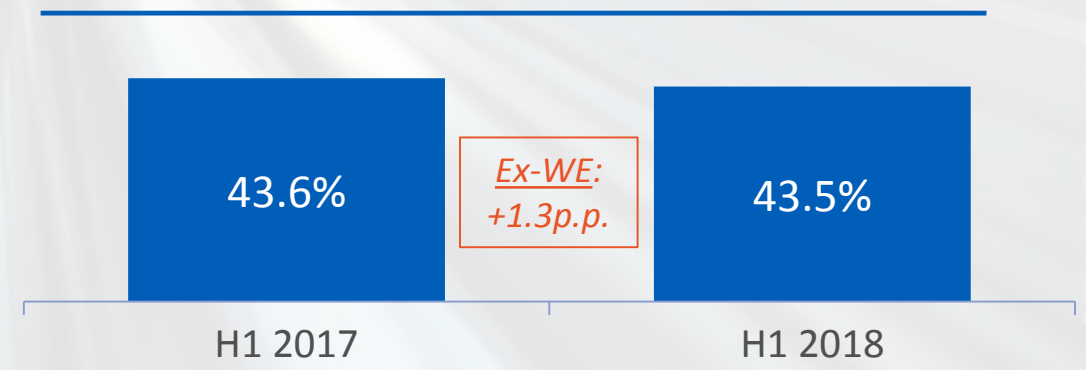
Amadeus TA air bookings by region



TA air booking industry growth¹



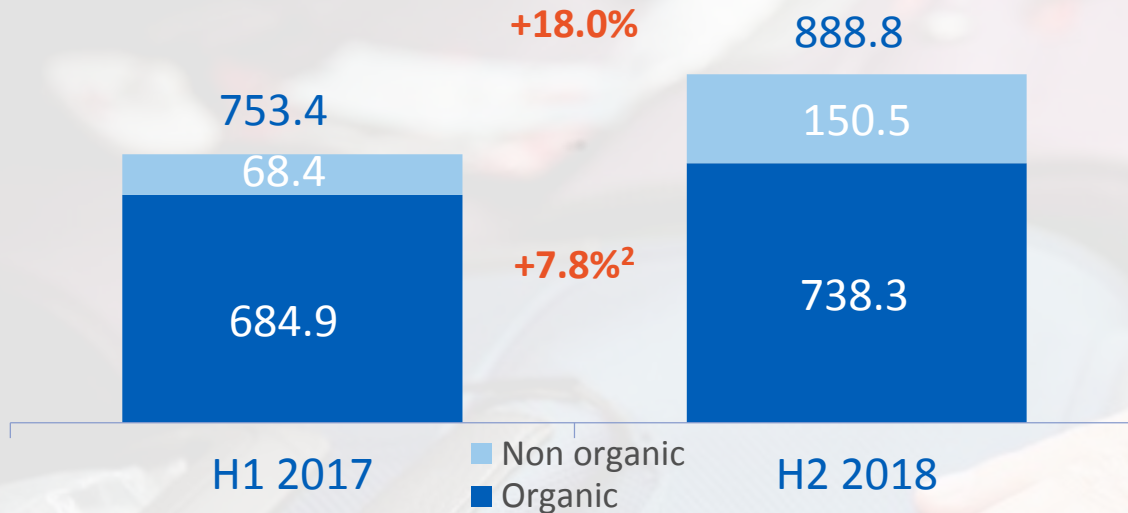
Competitive position¹



1. When we refer to our competitive position, we are taking into account our TA air bookings in relation to the TA air booking industry, defined as the total volume of TA air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.

IT Solutions

Passengers Boarded¹ (millions)

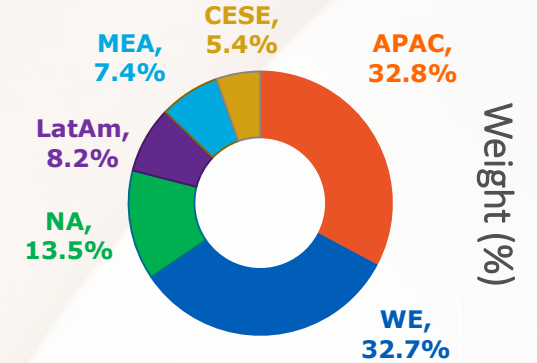


Amadeus PB¹ by region

H1 2018

Volume growth (%)

APAC	+23.5%
WE	+1.6%
NA	+104.1%
LatAm	+1.2%
MEA	+7.8%
CESE	+21.8%



WE = Western Europe; APAC = Asia Pacific; NA = North America (incl. Mexico); MEA = Middle East and Africa; CESE = Central, Eastern and Southern Europe; LatAm = Latin America

- As of June 30, 2018, 205³ customers had contracted for Altéa or New Skies, of which 196 had been migrated
- 18.0% PB growth driven by:
 - 7.8%² organic growth
 - Full-year effect from the 2017 migrations (including Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings, Germania, Norwegian Air Argentina, Air Algerie and MIAT Mongolian Airlines on Altéa, as well as, GoAir, Viva Air Perú, Andes Líneas Aéreas, JetSMART and flyadeal on New Skies)
 - Ceasing of operations of Air Berlin and Monarch Airlines in 2017
 - De-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018

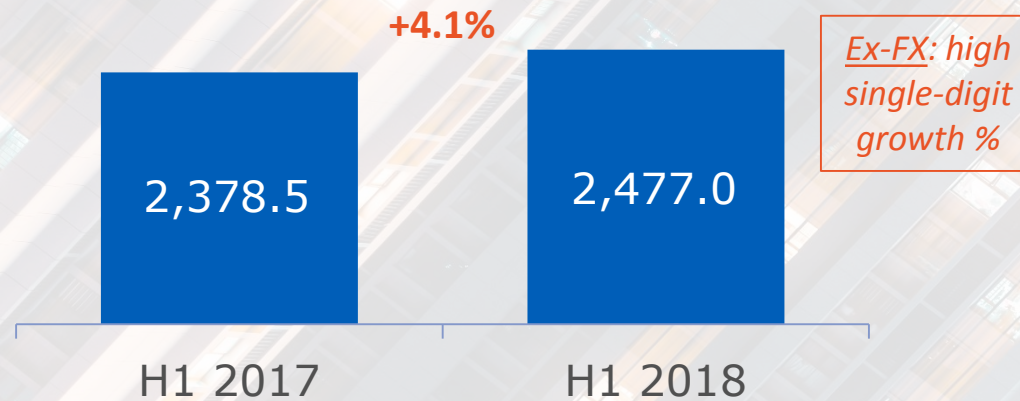
1. Passengers Boarded ("PB") refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated customers.
 2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.
 3. Customers that have contracted at least the Altéa Inventory module, in addition to the Reservations module, or Navitaire's New Skies solution.

Financial highlights

Ana de Pro
CFO

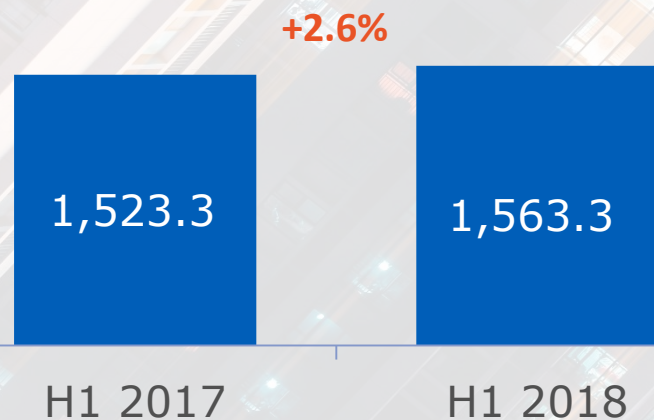
Revenue growth by segment

Group revenue (€ millions)

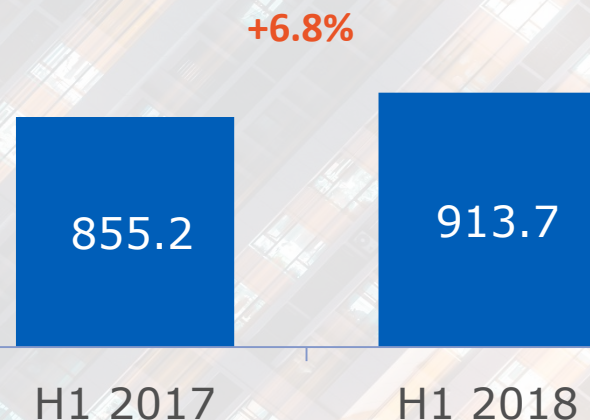


Segment revenue (€ millions)

Distribution



IT Solutions



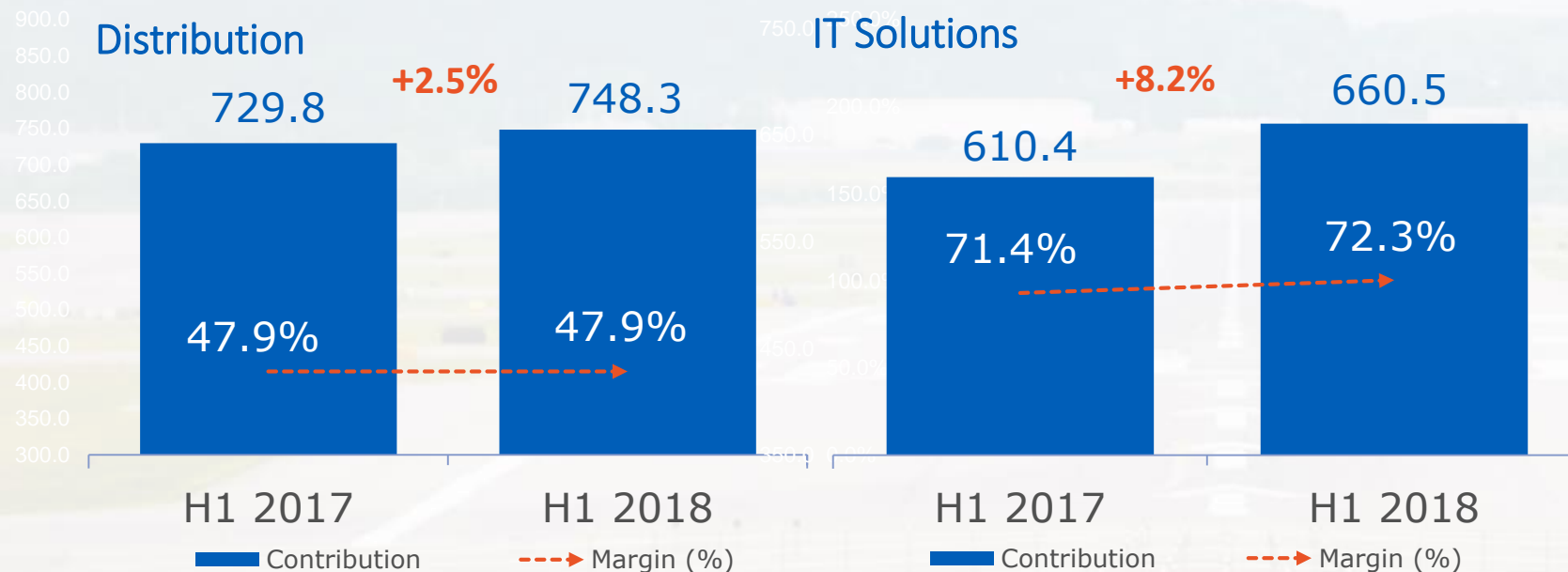
Group revenue expanded by 4.1%, supported by the performances across our Distribution and IT Solutions segments. Per segment, Distribution revenue grew 2.6% and IT Solutions grew 6.8%. Revenue was negatively impacted by FX effects. Excluding FX, Group revenue grew at a high single-digit growth rate:

Distribution: volume growth coupled with expansive revenue per booking, driven by booking mix (increasing weight of global bookings, non-air bookings weight decline) and customer renegotiations.

IT Solutions: volume expansion coupled with (i) dilutive PSS average pricing from increasing weight of low-cost and hybrid carriers, (ii) slower than PB growth revenue increase from other airline IT revenue lines, as well as (iii) a positive performance of our new businesses (double-digit growth rate ex-FX), supported by customer implementations and organic growth.

Contribution growth across segments

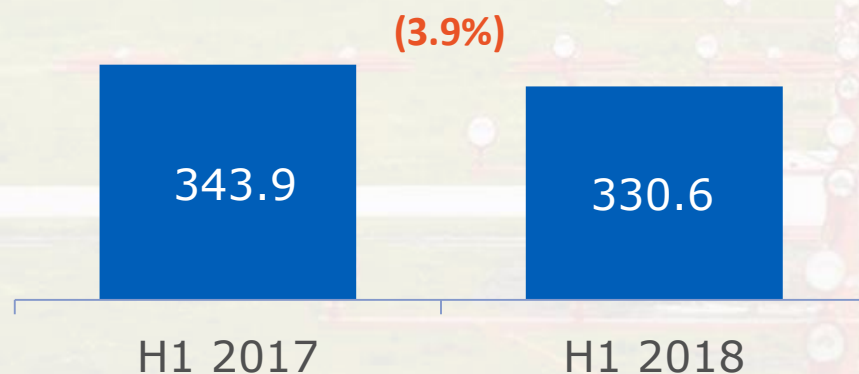
Segment Contribution (€ millions)



Distribution: stable margin driven by (i) a unitary distribution cost expansion, resulting from competitive pressure and regional and customer mix, as well as by (ii) a net fixed costs decline and (iii) a positive FX impact.

IT Solutions: margin expansion resulting from (i) airline IT operating leverage, (ii) positive non-recurring effects, and (iii) a positive FX impact, partly offset by NBU cost expansion.

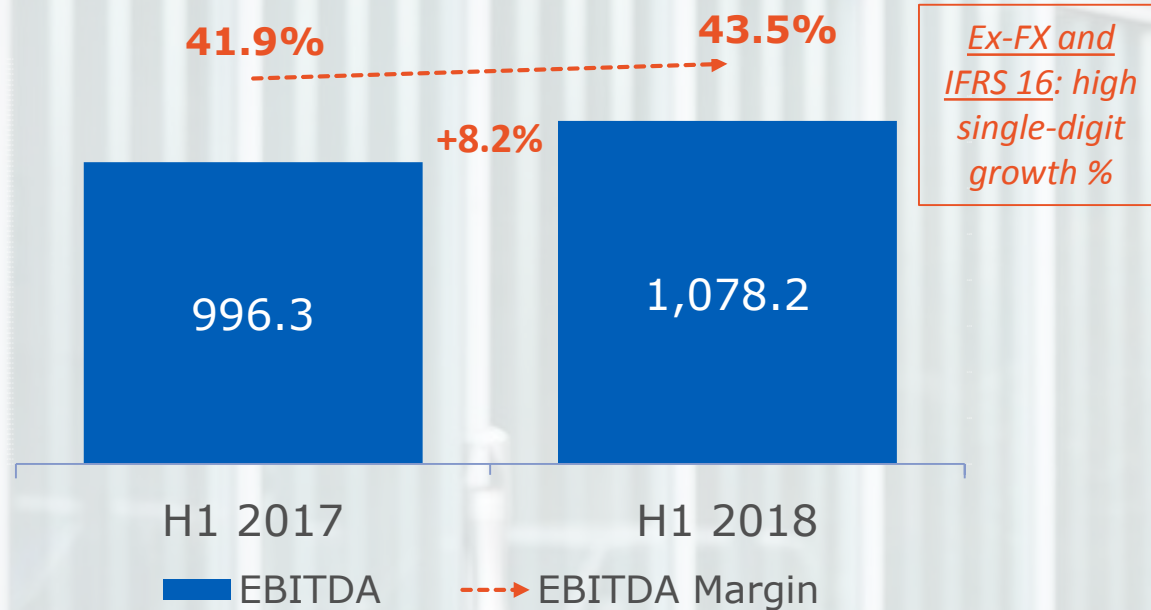
Net indirect costs (€ millions)



Indirect costs: decline driven by IFRS 16 adoption. Excluding it, net indirect costs grew 2.6%, resulting from (i) R&D investment expansion in cross-area technology, (ii) higher resources in corporate functions to support our overall business expansion, (ii) a higher capitalization ratio and (iii) a positive FX impact.

EBITDA and Adjusted EPS growth

EBITDA (€ millions)

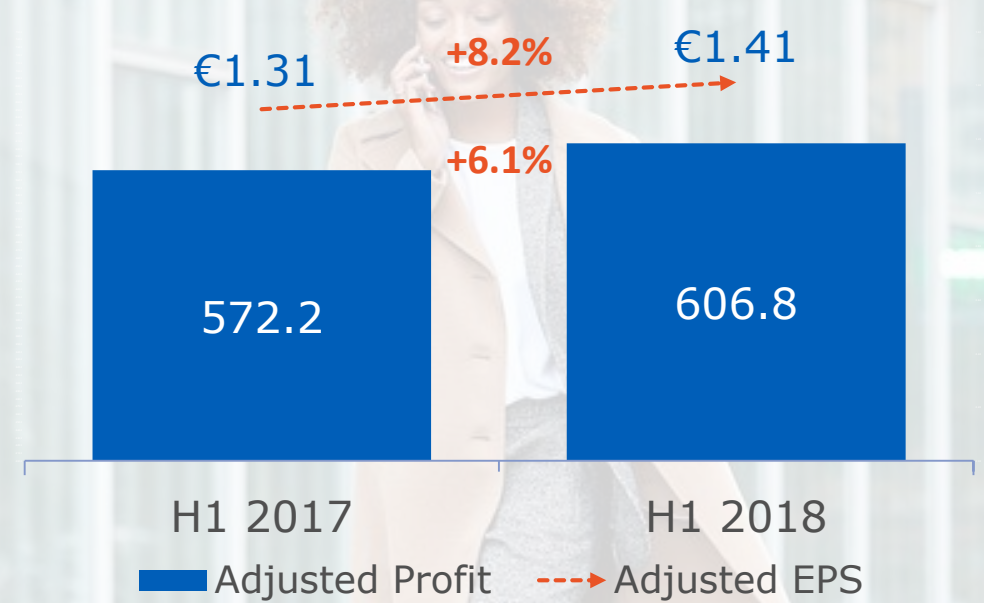


EBITDA growth resulting from:

- Distribution and IT Solutions positive performance
- Positive IFRS 16 impact and negative FX effect

Excluding FX and IFRS 16 impacts, EBITDA grew at a high single-digit growth rate and EBITDA margin was broadly stable

Adj. Profit¹ (€ millions) & Adj. EPS² (€)



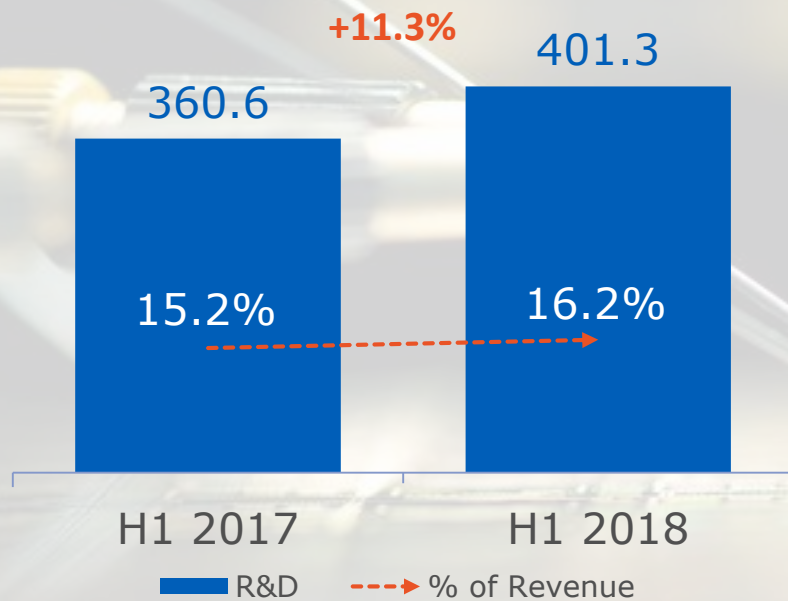
Adjusted profit increase as a result of:

- EBITDA growth, coupled with lower financial expenses, partly offset by D&A and tax increase
- Tax rate in line with H1 2017, although higher than FY 2017 which was impacted by several non-recurring effects, including adjustments to deferred tax liabilities in France and the U.S.

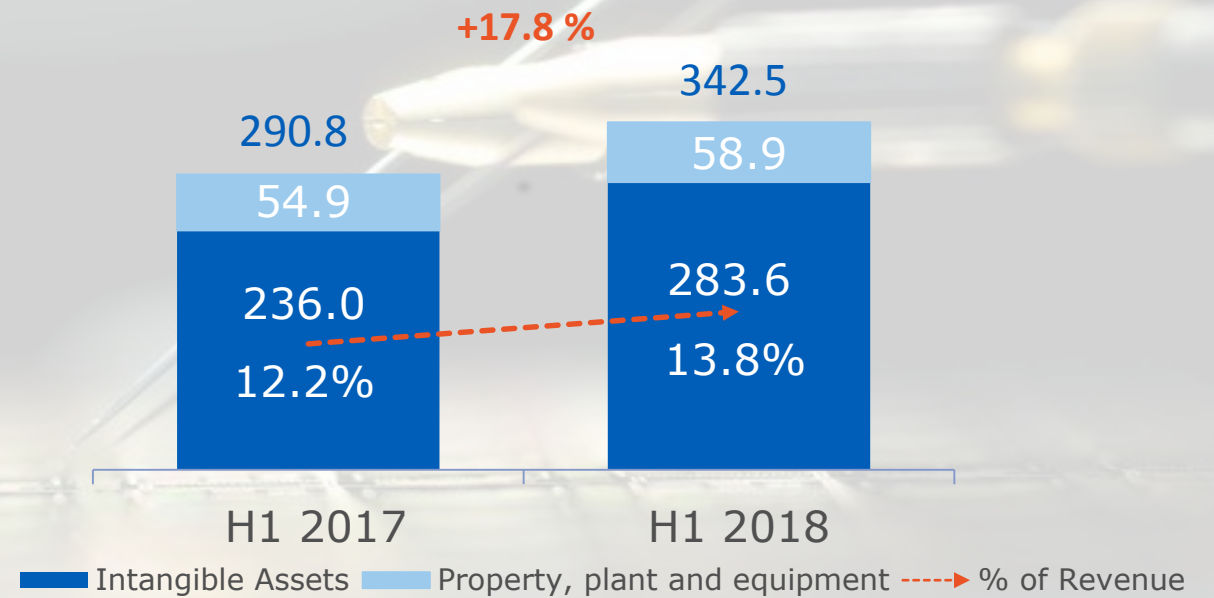
1. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
 2. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Investment in R&D and Capex

R&D investment¹ (€ millions)



Capex (€ millions)



- R&D investment related to: (i) product portfolio expansion and evolution, (ii) customer implementations, and (iii) cross-area technological projects
- R&D investment represented 16.2% of revenue

- Increase in capex in intangible assets, resulting from higher software capitalizations and signing bonuses paid
- Capex represented 13.8% of revenue

1. Net of research tax credit.

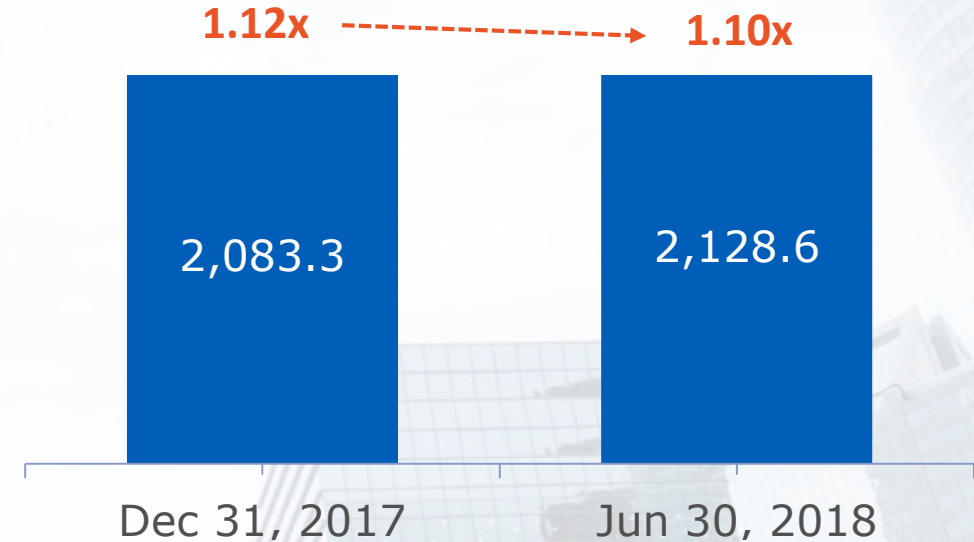
Free cash flow generation and leverage

Free cash flow¹ (€ millions)



— Increased free cash flow generation, as a result of higher EBITDA and lower interests and taxes paid, partly offset by higher capex and working capital needs.

Net debt (€ millions) and leverage (x)²



— Net debt increase resulting from shareholder remuneration (including our share repurchases) and cash generation.

1. Free cash flow defined as EBITDA, less capex, plus changes in operating working capital, less taxes paid, less interests and financial fees paid.

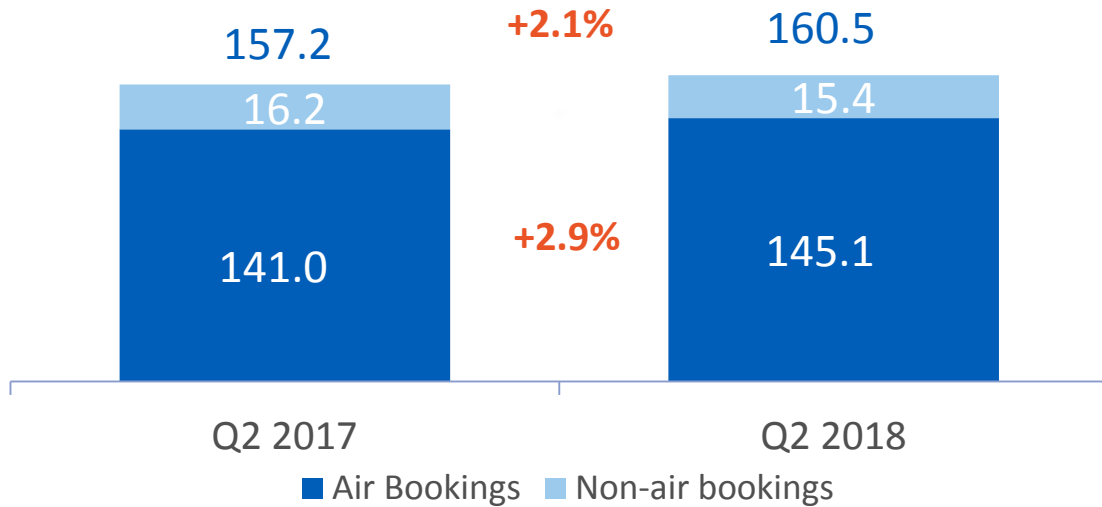
2. Covenant net financial debt and leverage based on the definition included in the senior credit agreement covenants. Leverage calculated as covenant net financial debt divided by LTM covenant EBITDA.

Q2 2017 Highlights

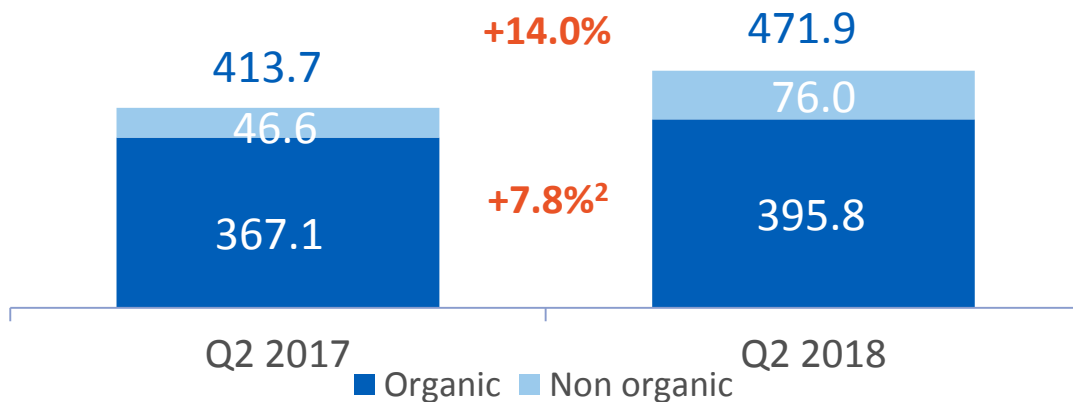


Q2 Volumes

Amadeus TA Bookings¹ (in millions)

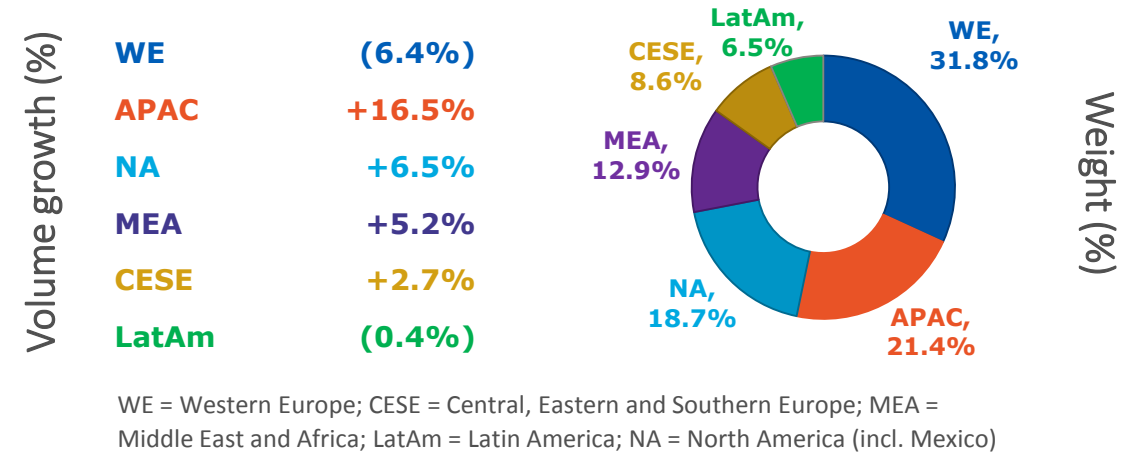


Passengers Boarded¹ (in millions)

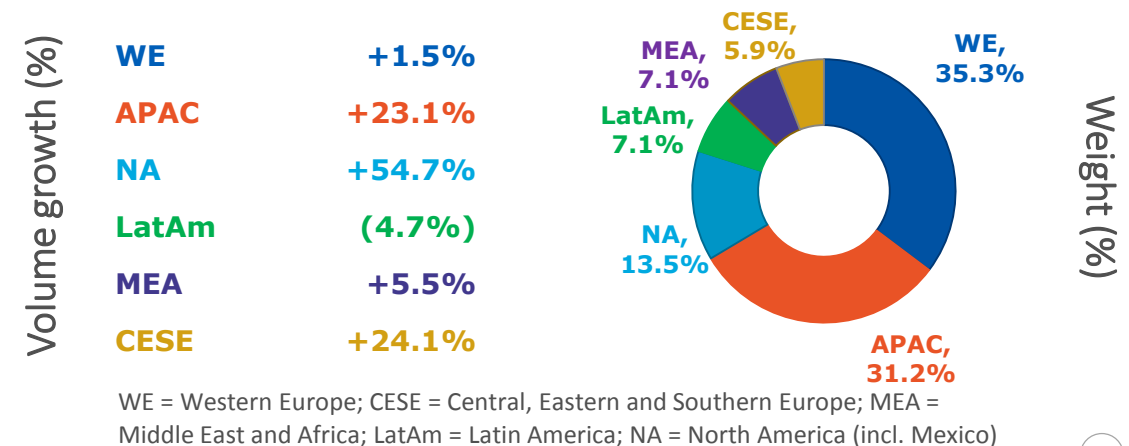


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Amadeus TA Air Bookings by region

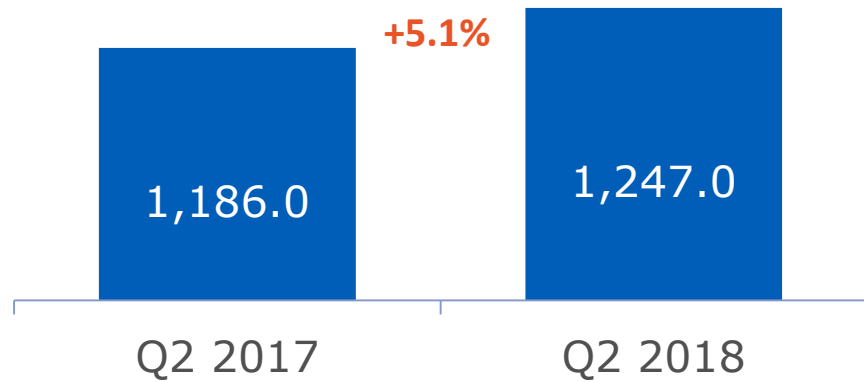


Amadeus PB¹ by region



Q2 revenue by segment

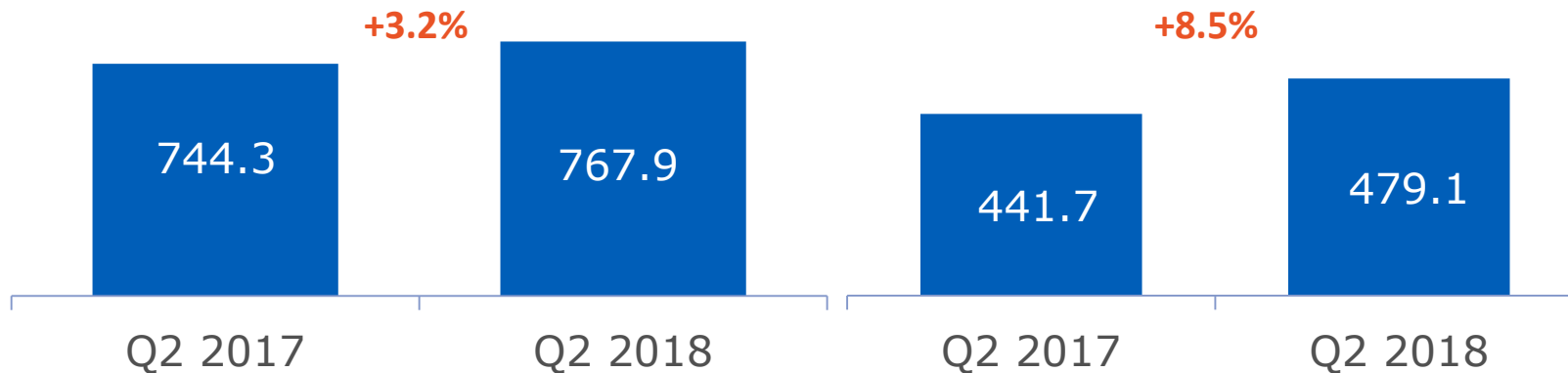
Group Revenue (in € millions)



Segment Revenue (in € millions)

Distribution

IT Solutions



– **Group revenue** expanded by 5.1%, resulting from the positive evolution of Distribution and IT Solutions and a negative FX impact.

– **Distribution:** volume growth, coupled with an expansionary average revenue per booking (positive booking mix from higher weight of global bookings and lower non-air bookings).

– **IT Solutions:** (i) airline IT growth, driven by: PB volume growth, dilutive PSS average pricing from a higher weight of low-cost and hybrid carriers, and slower than PB growth revenue increase from other revenue lines, as well as (ii) a positive evolution of our new businesses.

Support materials



USD-Euro average quarterly FX rate evolution

Average USD-Euro FX rate ¹	2018	2017	USD appreciation / (depreciation)
January - March	1.233	1.068	(15.4%)
April - June	1.181	1.119	(5.6%)
July - September		1.179	
October - December		1.183	

1. Calculated as the average of the month-end FX rates in the periods (official ECB USD-Euro exchange rates).

Key Performance Indicators

	H1 2018	H1 2017	Change
Amadeus TA air bookings (m)	305.1	295.2	3.4%
Passengers Boarded (m)	888.8	753.4	18.0%
Revenue (€m)	2,477.0	2,378.5	4.1%
EBITDA (€m)	1,078.2	996.3	8.2%
Adjusted profit (€m)	606.8	572.2	6.1%
Adjusted EPS (€)	1.41	1.31	8.2%
R&D investment (€m)	401.3	360.6	11.3%
CAPEX as % of Revenue	13.8%	12.2%	1.6 p.p.
Free Cash Flow (€m)	461.2	449.1	2.7%

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