

Amadeus 2016 Results

February 24, 2017

Disclaimer

- _ This presentation may contain certain statements which are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth. Any forward-looking statements in this presentation are based upon information available to Amadeus on the date of this presentation. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Amadeus undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.
- _ This presentation has to be accompanied by a verbal explanation. A simple reading of this presentation without the appropriate verbal explanation could give rise to a partial or incorrect understanding.

2016 review
President & CEO,
Mr. Luis Maroto

2016 - Robust profitable growth

_ Revenue +14.3%

- Strong business performance
- Navitaire and 2015 acquisitions

_ EBITDA +16.0%

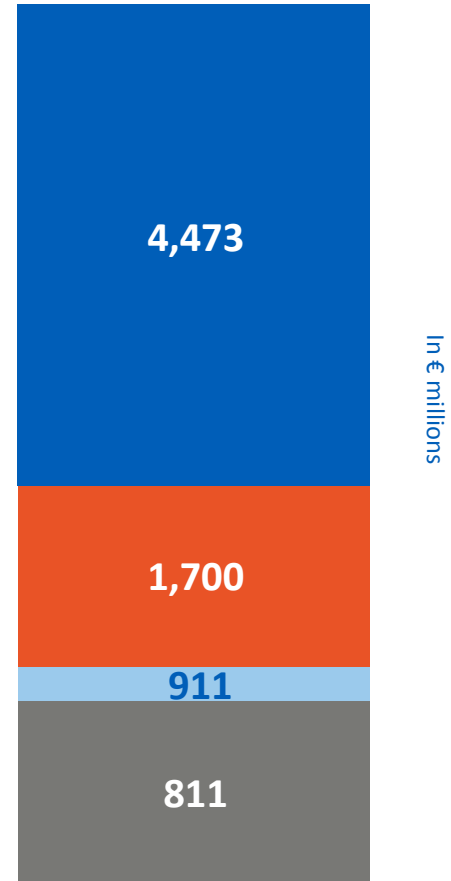
- 38.0% EBITDA margin
- +0.6 p.p. margin expansion
- Positive FX impact

_ Adjusted profit +21.2%

- Adjusted EPS + 21.3%

_ Free cash-flow +23.1%

_ Leverage 1.14x



Putting our customers at the heart of what we do

Recent business highlights

Airline Distribution

- Continued to secure and expand content for travel agency subscribers. 8 content agreements renewed or signed in Q4 (46 over 2016)
- Expanded scope of global distribution partnership with US-based OTA Fareportal (CheapOair and OneTravel), from US, Canada, Mexico, UK to support Fareportal's international expansion over 40 markets across Europe, Asia-Pacific and Latin America
- Supporting our airline customers in achieving their merchandising goals
 - Contracted/implemented customers:
 - ✓ Amadeus Ancillary Services¹ 165 /125 airlines
 - ✓ Amadeus Fare Families² 52/33 airlines
 - ✓ Over 40 OTAs (Fareportal, Ozon in Q4) have integrated our merchandising solutions
 - 66% of air bookings made through Amadeus TAs can offer sales of merchandising products

New business areas

- Hospitality IT- working together with InterContinental Hotels Group in the development of our Guest Reservation System for the hospitality industry
 - Plan to initiate progressive roll-out in Q4 2017
 - Advancing in the development of a next-generation Property Management System

Airline IT

- Q4/recent key business announcements
 - Kuwait Airways has contracted for suite of Altéa solutions (PSS, revenue management, e-commerce, loyalty and mobile and travel intelligence solutions)
 - Ryanair's renewal of its Navitaire's New Skies PSS agreement until 2025 representing 25 years of collaboration
 - Ukraine International Airlines implemented Altéa Reservation and Inventory
 - TAP Portugal's implementation of Amadeus Rich Merchandising³
- Committed to addressing our customers' needs, we continue to invest in the areas of personalisation, merchandising, revenue optimisation and disruption– key 2016 landmark deals progressing well:
 - Avianca: Amadeus Anytime Merchandising⁴ and Amadeus Customer Experience Management⁵
 - Singapore Airlines: Revenue Management⁶
 - SWISS: Amadeus Passenger Recovery⁷

1. For more information on Amadeus Ancillary Services, please click [here](#).

2. For more information on Amadeus Fare Families, please click [here](#).

3. For more information on Amadeus Rich Merchandising, please click [here](#).

4. For more information on Amadeus Anytime Merchandising, please click [here](#).

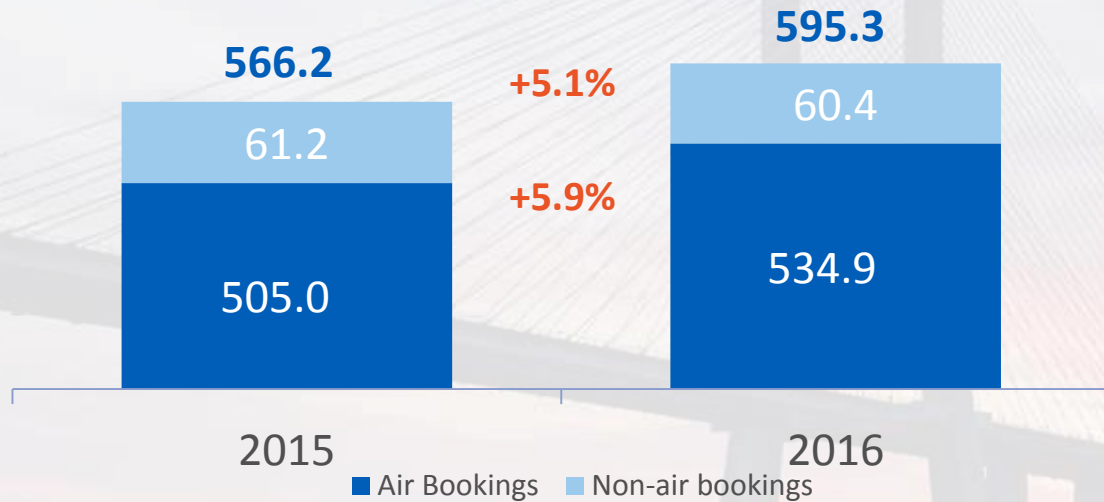
5. For more information on Amadeus Customer Experience Management, please click [here](#).

6. For more information on Amadeus Revenue Management, please click [here](#).

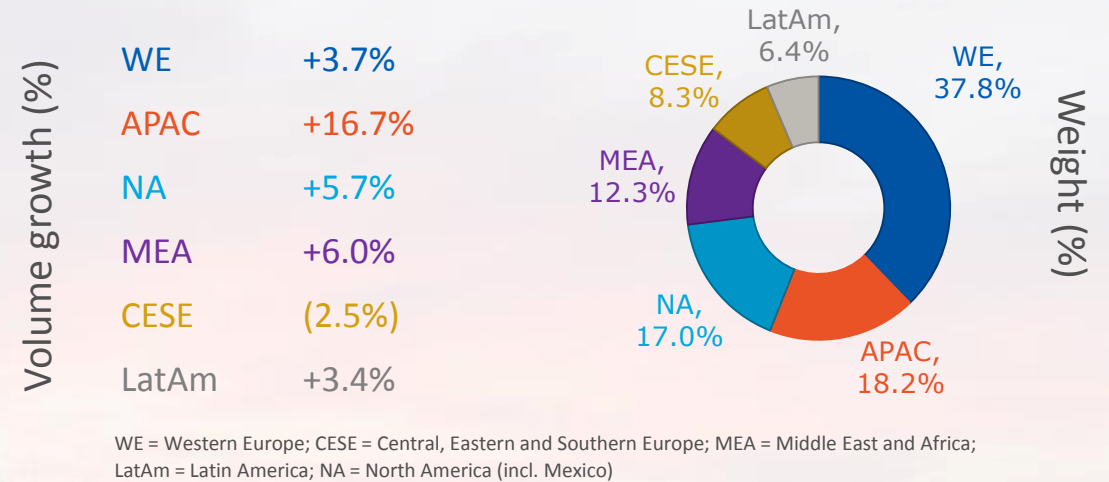
7. For more information on Amadeus Passenger Recovery, please click [here](#).

We continued to expand in Distribution

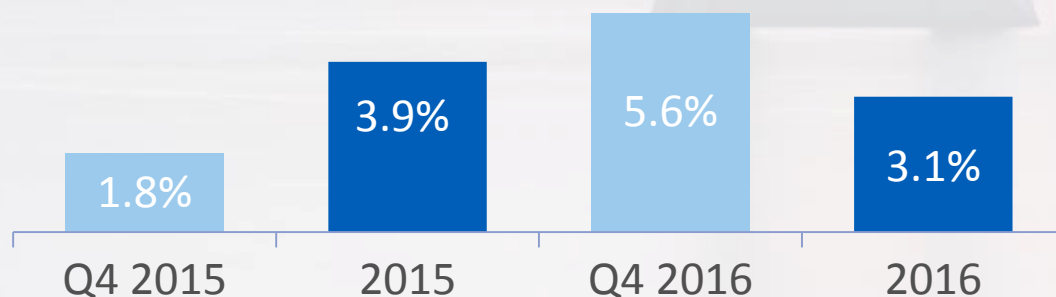
Amadeus TA Bookings (in millions)



Amadeus TA Air Bookings by region



TA Air Booking Industry Growth¹



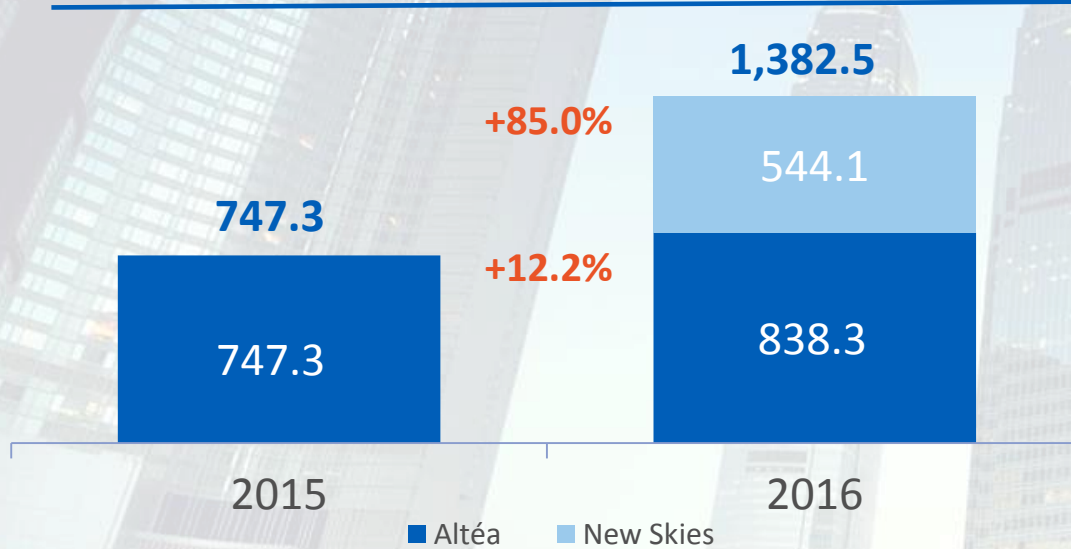
Competitive position¹



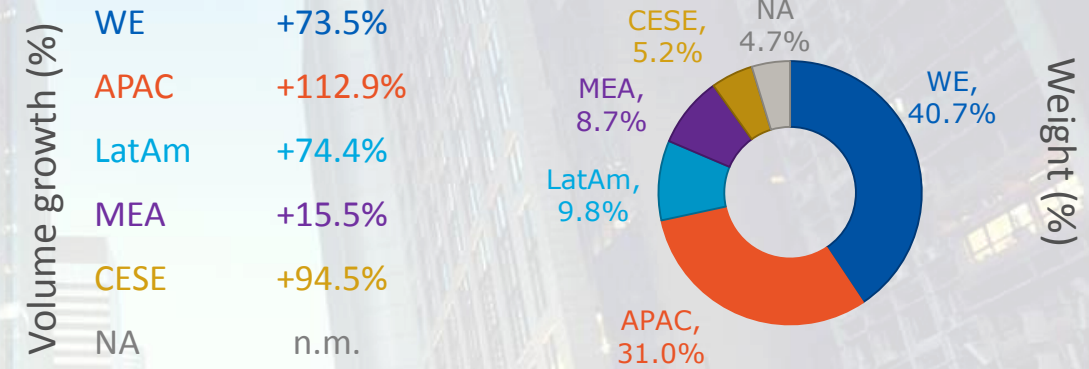
1. When we refer to our competitive position, we consider our travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems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

Solid execution in IT Solutions

Passengers Boarded¹ (in millions)



Passengers Boarded by region



Region	Volume growth (%)
WE	+73.5%
APAC	+112.9%
LatAm	+74.4%
MEA	+15.5%
CESE	+94.5%
NA	n.m.

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

- 175²+ airlines contracted for our PSS offering, whether Altéa or New Skies, of which 165+ implemented
- PB growth driven by:
 - +12.2% Altéa PB growth resulting from (i) organic growth (+4.4%)³ and (ii) incremental PB from carriers implemented in 2015 and 2016 (Thomas Cook Group Airlines and All Nippon Airways in 2015, Swiss International Air Lines, Brussels Airlines and China Airlines in 2016)
 - Navitaire PB inclusion (544m PB consolidated since Jan. 26, 2016)
- Increased regional PB weight of APAC and NA. Weight of both regions will continue to expand as the contracted migrations of Japan Airlines, Malaysia Airlines and Southwest Airlines (the domestic passengers business) are implemented in 2017

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

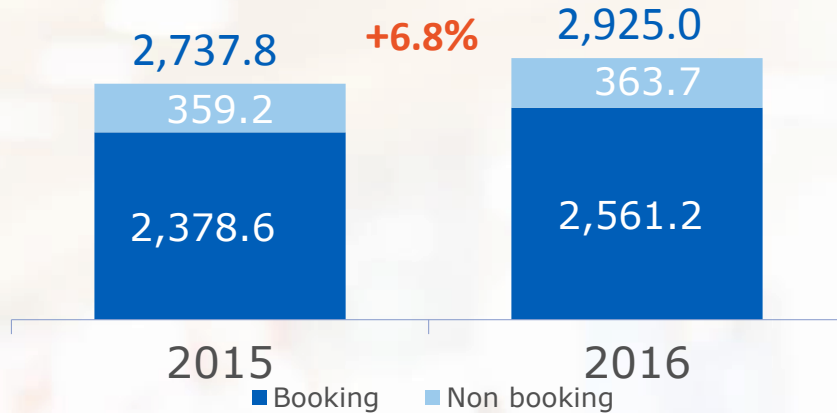
Financial Highlights

CFO, Ms. Ana de Pro



Strong Revenue evolution by segment

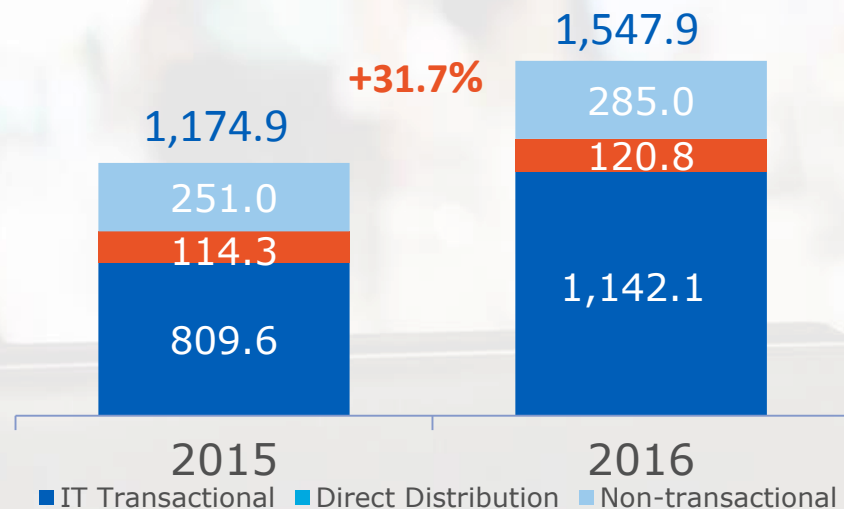
Distribution Revenue (in € millions)



Distribution: +6.8% revenue growth, driven by:

- Booking growth
- Expansive average pricing, due to (i) customer renegotiations and (ii) booking mix (higher weight of global bookings and lower weight of rail bookings)
- Non-booking revenue growth

IT Solutions Revenue (in € millions)

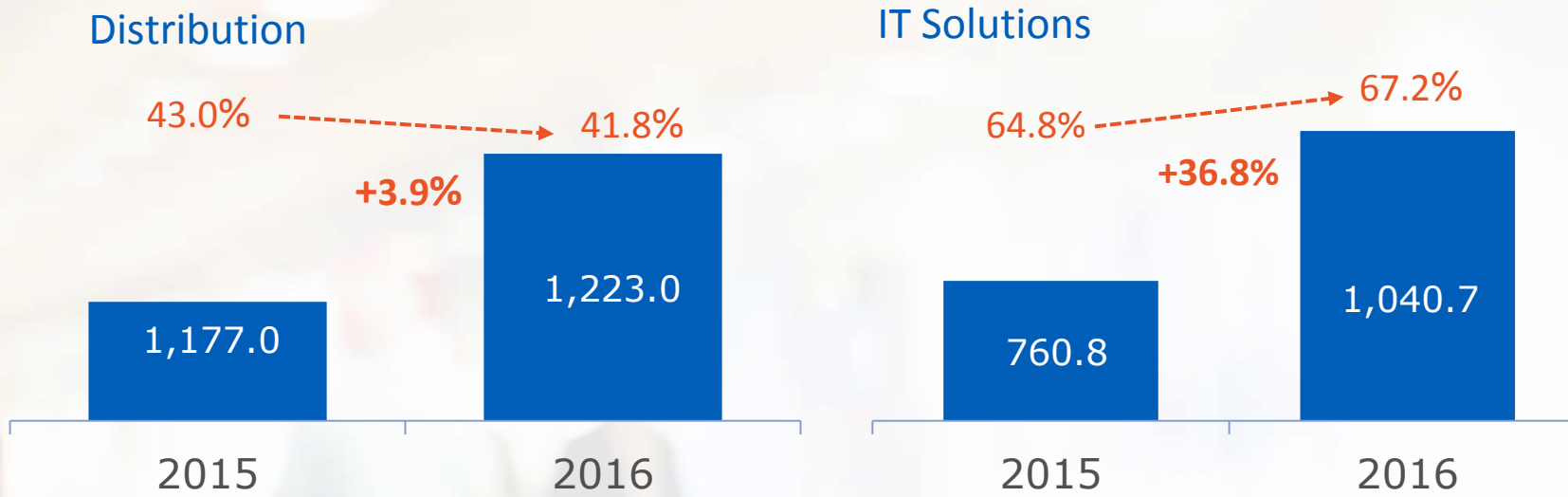


IT Solutions: +31.7% revenue growth, resulting from underlying double-digit growth, plus the consolidation of Navitaire and 2015 acquisitions

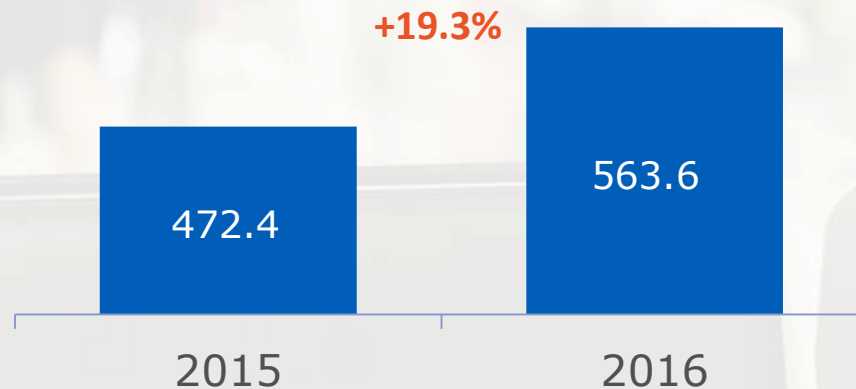
- IT Transactional revenue growth:
 - ✓ Higher PB volumes
 - ✓ Underlying pricing expansion (successful upselling strategy and increased contribution from Airport IT and Payments)
 - ✓ Navitaire's contribution
- Non-transactional revenue growth
 - ✓ Underlying growth in Hospitality IT and Airline IT
 - ✓ 2015 acquisitions and Navitaire

Positive Contribution growth

Contribution by segment (in € millions)



Net indirect costs (in € millions)



- **Distribution**: +3.9% contribution growth, resulting from a solid revenue increase and margin contraction (impacted by non-recurring effects, and higher unitary distribution cost due to competitive pressure and country mix)

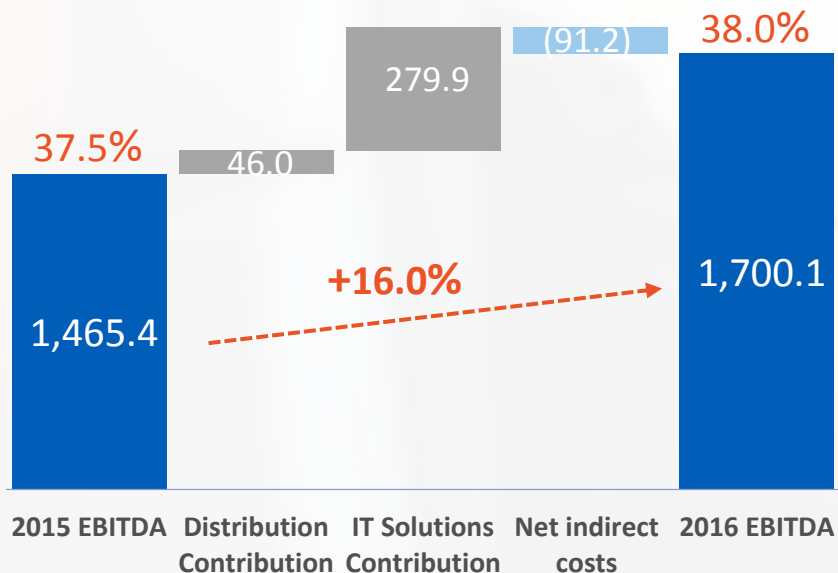
- **IT Solutions**: +36.8% contribution growth, resulting from strong underlying double-digit growth and the consolidation of Navitaire and our 2015 acquisitions

- Margin expansion driven by
 - ✓ Average pricing increase in Airline IT (excluding Navitaire) resulting from continued successful upselling activity
 - ✓ New businesses contribution margin expansion

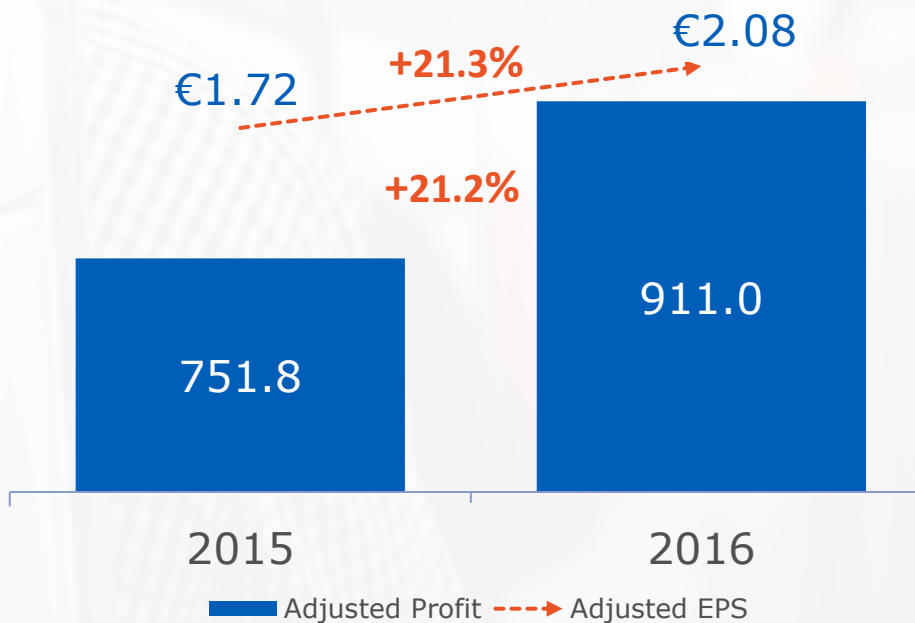
- **Net indirect costs**: +19.3% growth, highly impacted by the consolidation of Navitaire. Mid-single digit underlying growth to support overall business expansion

Double-digit EBITDA and Adjusted EPS growth

Breakdown of EBITDA growth



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



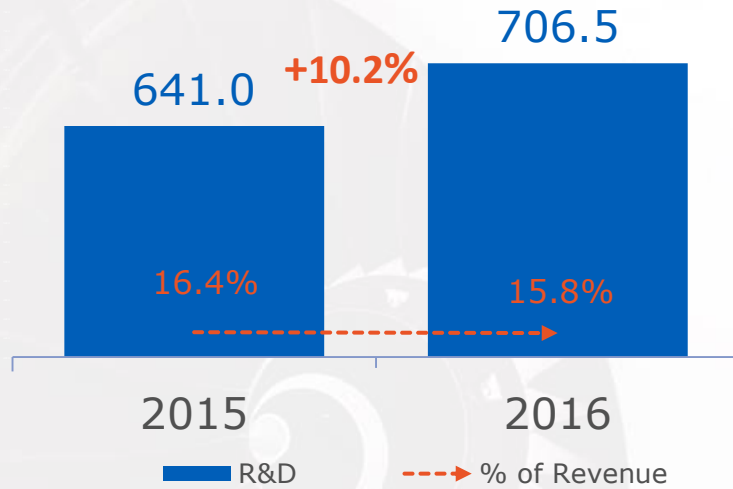
- 0.6 p.p. margin expansion
- EBITDA growth resulting from:
 - Positive underlying performances in Distribution and IT Solutions
 - Navitaire and 2015 acquisitions
 - Positive FX impact
- Excluding FX and Navitaire, EBITDA grew at a high single-digit pace and margin was broadly stable

Adjusted Profit increase as a result of EBITDA growth and lower interest expense, partly offset by higher D&A charges. Income taxes broadly in line with prior year (reduction in effective tax rate)

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.

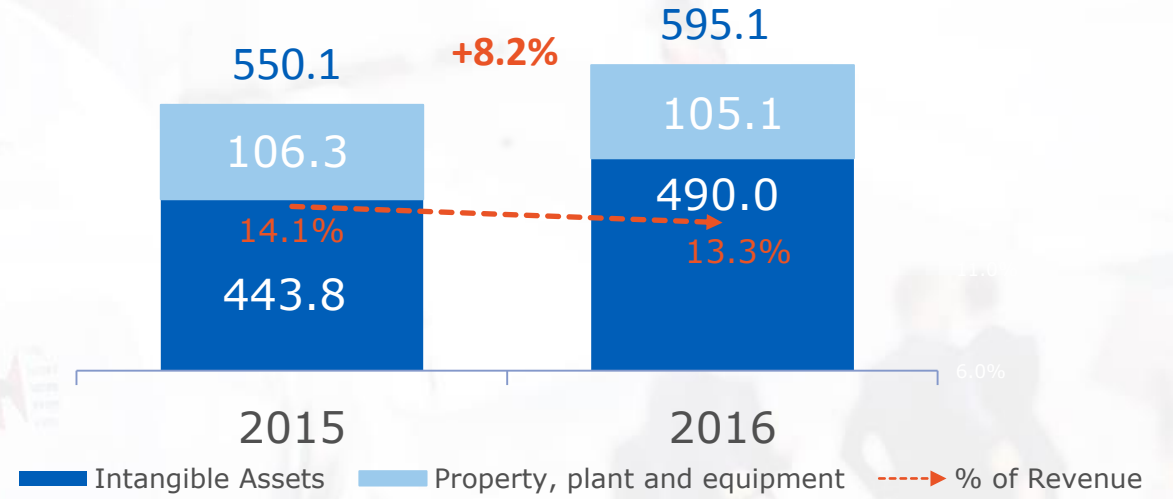
Sustained investment in R&D and Capex

R&D investment¹ (in € millions)



- R&D investment related to: (i) customer implementations, (ii) product portfolio expansion and evolution, including new businesses, and (iii) internal technological projects
- R&D represented 15.8% of revenue

Capex (in € millions)

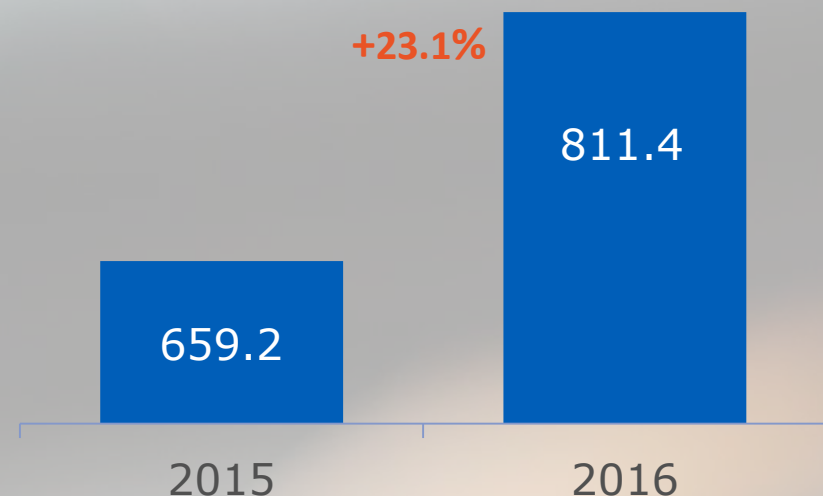


- 10.4% growth in capex in intangible assets, driven by higher capitalised R&D (also impacted by Navitaire and 2015 acquisitions) and signing bonuses
- Almost flat variation in capex in PP&E, as additional hardware and software purchases (mostly aiming to enhance our data centre's agility and flexibility) were offset by less equipment required than in 2015, when new buildings in Nice (France) and Bad Homburg (Germany) were equipped
- Capex represented 13.3% of revenue

1. Net of Research Tax Credit

Free cash-flow generation and leverage

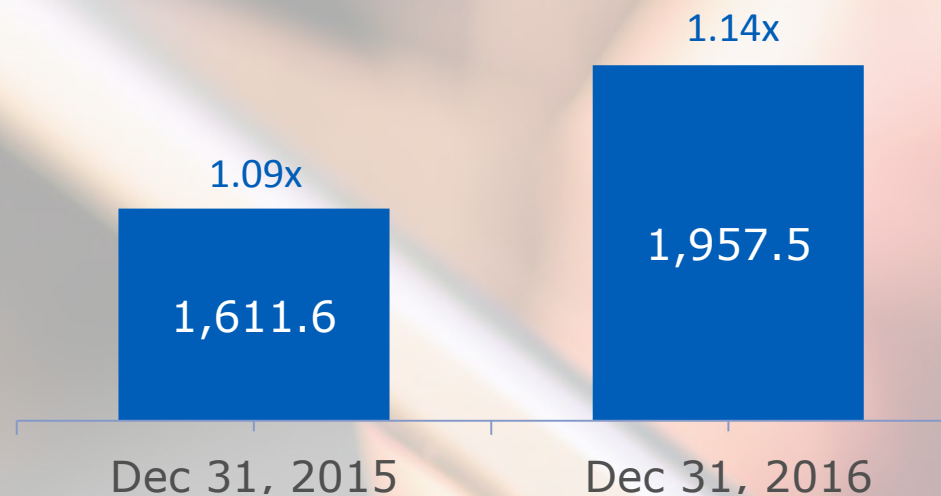
Free cash-flow¹ (in € millions)



Strong free cash-flow generation, as a result of:

- Double-digit rate EBITDA growth
- A positive contribution from working capital
- Partially offset by higher Capex levels, tax payments and interest and financial fees paid

Net Debt (in € millions) and Leverage (x)²

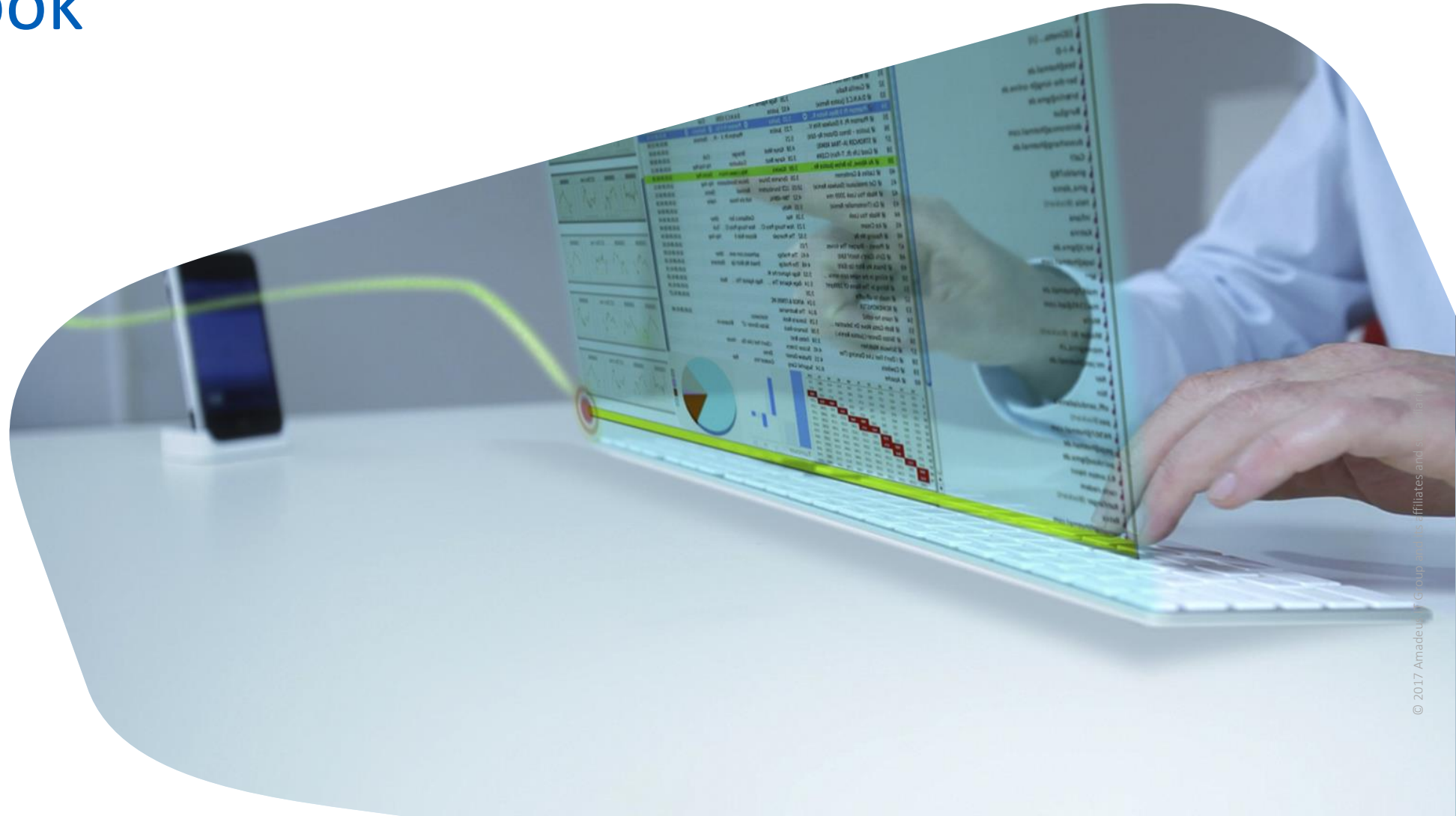


Leverage increase driven by the acquisition of Navitaire

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

2. Covenant net financial debt and leverage as defined in the Senior Credit Agreement. Leverage calculated as covenant net financial debt divided by LTM covenant EBITDA.

2017 Outlook



2017 Outlook

Excluding FX considerations

Revenue

- Mid-high single-digit growth

EBITDA

- Broadly stable margin / Mid-high single-digit growth

Free cash flow

- Capex: 12-15% of revenue
- Free cash flow: €850-900 million

Capital structure

- Net debt/EBITDA ratio within target range: 1.0-1.5x EBITDA

Ordinary shareholder remuneration

- Proposed pay-out ratio: 50% of 2016 reported profit
 - Interim dividend of €0.40 per share (gross) paid in February 2017
 - Complementary final dividend of €0.54 (gross) subject to Shareholding General Meeting approval in June 2017, to be paid in July 2017



2017 Outlook by segment

Excluding FX considerations

Distribution

Revenue growth rate: mid single-digit

- Sustained underlying traffic growth
 - IATA 5.1% air traffic growth projection¹
- Continued improvement of our competitive position

Margin evolution

- Dilution
 - Competitive pressure

IT Solutions

Revenue growth rate: low double-digit

- Double-digit PB growth
 - +c.100m PB impact from 2016² and 2017³ migrations
 - Expected de-migration of Air Berlin / Potential de-migration of TAM (uncertain dates)
- IT Transactional Revenue/PB dilution, driven by higher weight of low-cost and hybrid carriers
- Increased contribution from new businesses

Margin evolution

- Slightly expansive
 - Operating leverage
 - New businesses expansion

1. Source: IATA Economic performance of the airline industry (Dec 8, 2016)

2. Mainly Brussels Airlines, Swiss International Air Lines, China Airlines and Ukraine International Airlines

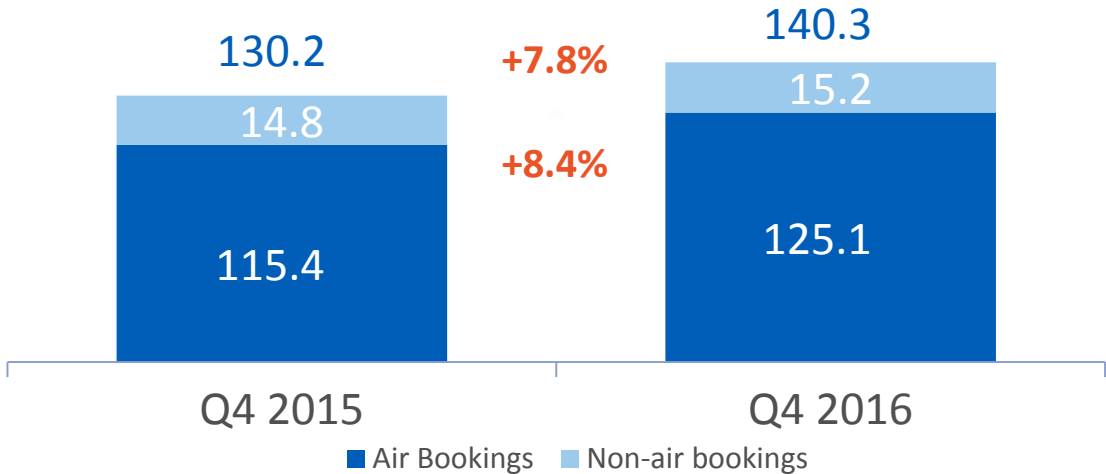
3. Mainly Southwest Airlines (the domestic passengers business) (Q2), Kuwait Airways (Q2), Malaysia Airlines (Q3) and Japan Airlines (end of the year)

Q4 2016 Highlights

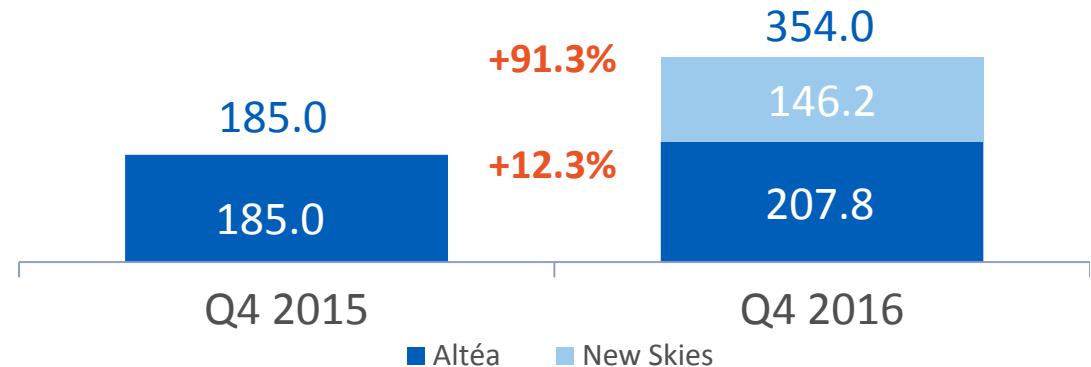


Q4 Volumes

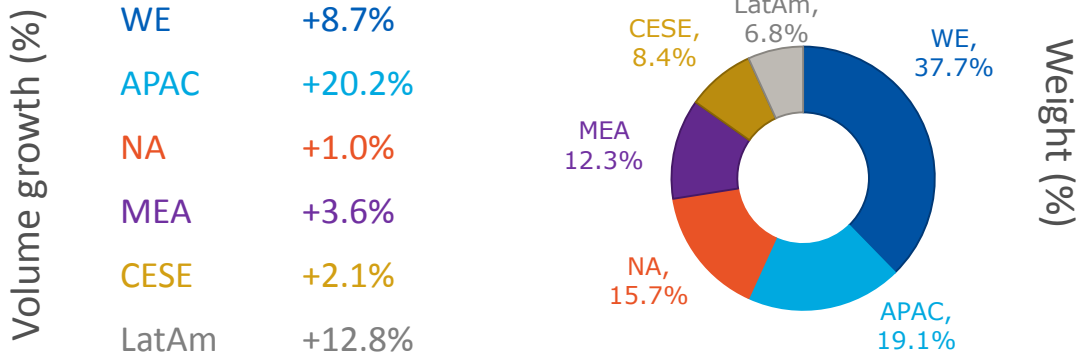
Amadeus TA Bookings (in millions)



Passengers Boarded¹ (in millions)

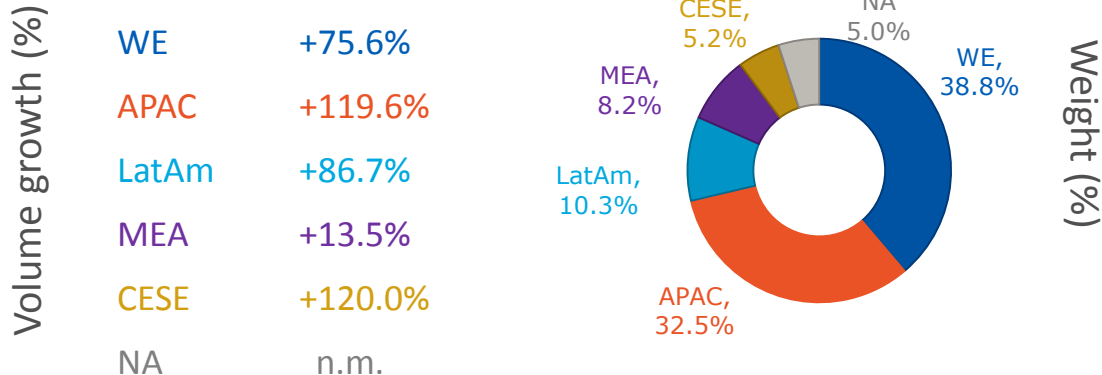


Amadeus TA Air Bookings by region



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

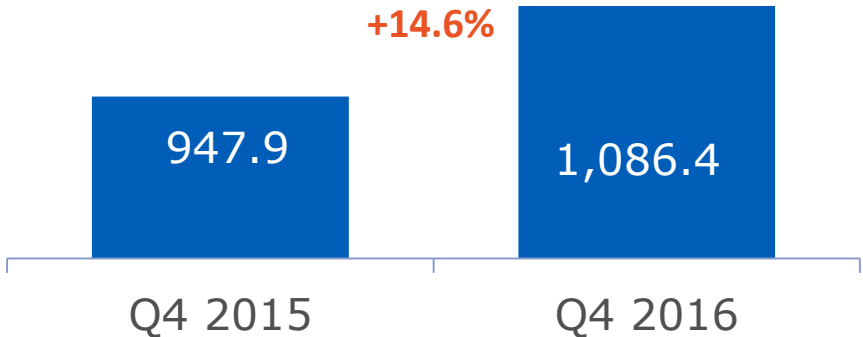
Amadeus PB by region



1. Passengers Boarded ("PB") refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated airlines.

Q4 Revenue by segment

Group Revenue (in € millions)



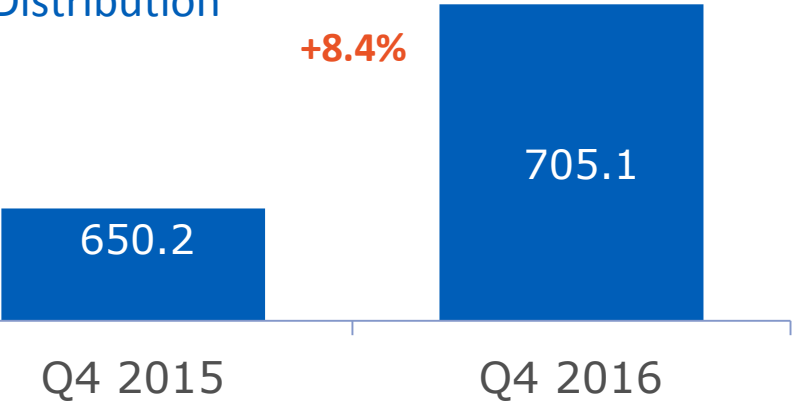
Group revenue: expansion, driven by Distribution and IT Solutions revenue growth

Distribution: solid volume evolution, particularly in WE, APAC and LATAM, coupled with average pricing expansion

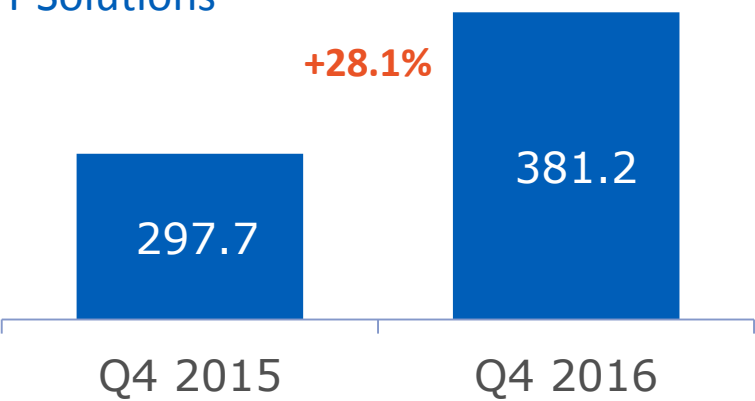
IT Solutions: (i) underlying double-digit growth, fuelled by higher Altéa volumes, average pricing expansion, and an increased contribution from new businesses, as well as, (ii) the contribution of Navitaire

Segment Revenue (in € millions)

Distribution



IT Solutions



Key Performance Indicators

	FY2016	FY 2015	% Change
TA Air Booking Industry Growth (%) ¹	3.1%	3.9%	-
Amadeus TA Air Bookings (in m)	534.9	505.0	5.9%
Passengers Boarded (PB) (in m)	1,382.5	747.3	85.0%
Revenue	4,472.9	3,912.7	14.3%
EBITDA	1,700.1	1,465.4	16.0%
Adjusted profit ²	911.0	751.8	21.2%
Adjusted EPS (in €)	2.08	1.72	21.3%
R&D	706.5	641.0	10.2%
CAPEX as % of Revenue	13.3%	14.1%	(0.8 p.p.)

1. The TA air booking industry is defined as the total volume of travel agency 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. Our competitive position is calculated as the TA air bookings processed by Amadeus over the TA air booking industry, as defined in this note.
2. 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.

Thank you!

amadeus.com
amadeus.com/blog

You can follow us on:
AmadeusITgroup



amadeus