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# Amadeus Q1 2014 Results

May 8, 2014

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- 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.

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# Q1 2014 review

President & CEO,
Mr. Luis Maroto

# Outstanding financial results[1]

_ 9.1% revenue growth, driven by:
- Solid performance in Distribution and IT Solutions
- Newmarket and UFIS consolidation

_ 8.7% EBITDA growth[2] to €351.4 million
- 40.5% EBITDA margin[2]

_ 8.6% adjusted profit increase[2] to €191.3 million
- 8.6% adjusted EPS growth[2] to €0.43

_ Leverage: 1.2x EBITDA
- USD 500 million Newmarket acquisition
- €133.4 million interim dividend payment in January
- €205.0 million free cash-flow generation
- €553.8 million cash & cash equivalents

1. The figures above include Newmarket and UFIS' results, consolidating since February 2014
2. Figures negatively impacted by extraordinary costs amounting to €1.5 million related to the proposal to acquire i:FAO. Excluding these costs, our EBITDA would have grown by 9.1%, EBITDA margin would have been 40.7% and both our adjusted profit and EPS would have grown by 9.4%



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# Key events of a very active quarter

## Hotel IT

- Completion of the Newmarket acquisition
- Announcement of our strategic technology relationship with InterContinental Hotels Group

## Airport IT

- Acquisition of leading airport IT solutions provider UFIS
- Progress in the development of additional modules
- New contract wins, with more than 60 ground handlers already signed

## Distribution

- Progress in the acquisition of Corporate IT solutions provider i:FAO[1]
- Further achievements in US: agreement with Orbitz, content renewals (United Airlines)

## Airline IT

- US market: Southwest Airlines has opted to adopt Altéa to support its domestic operations, following the successful migration of its international service to Altéa in Jan 2014





1. The publication of the offer document for the takeover offer has been approved by the Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)

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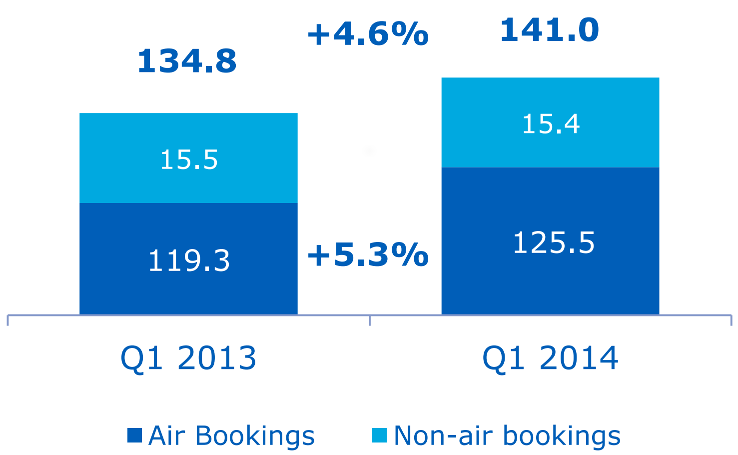
# Consistent volume growth in our businesses

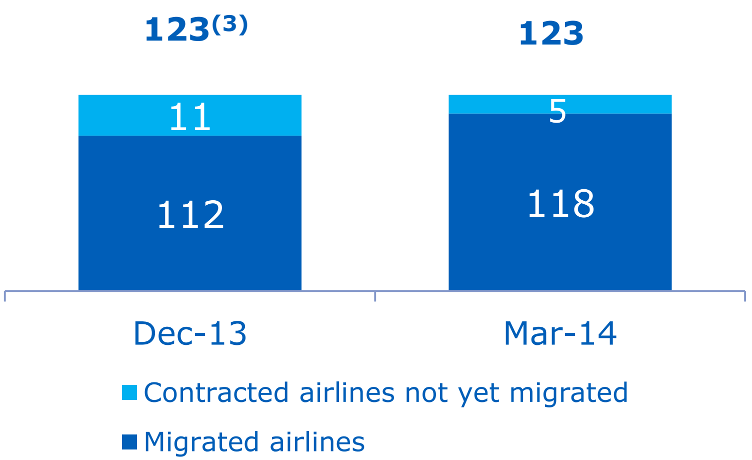
## Amadeus Air bookings (in million)




— Solid volume growth

— Market share gains[1] drive our global market share up to 39.9%

## Altéa[2] customers in IT Solutions




— Successful implementation of scheduled migrations





1. Our share of the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made through in-house or single country operators, primarily in China, Japan, South Korea and Russia
2. Airlines that have contracted at least the Altéa Inventory module, in addition to the Reservations module
3. Airlines that have ceased operation have been removed from December 2013 figures (Brindabella and Airpelican)

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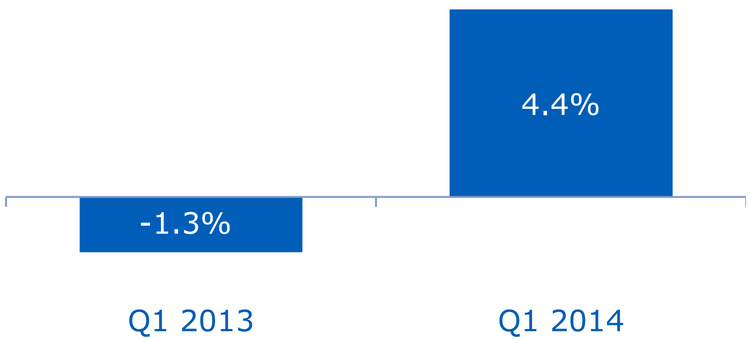
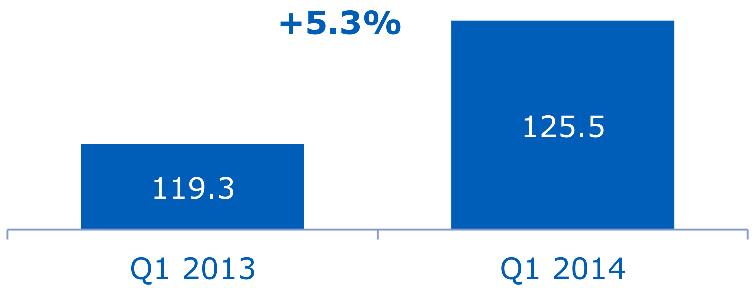
# Healthy growth in Distribution volumes supported by positive industry performance

## Air TA Booking Industry




- Positive Q1 2014 industry growth on the back of positive Q4 2013 trend (+4.3%)
- Amadeus air travel agency bookings grew +5.3% in Q1 2014, driven by underlying sector growth and positive market share gains (+0.1p.p.)
  - Pure market share gains were partially offset by region mix

## Amadeus Air TA Bookings (in million)




## Amadeus Air Bookings by region

**Q1 2014 Volume growth (%)**

***NA +17.6%***

***MEA +11.4%***

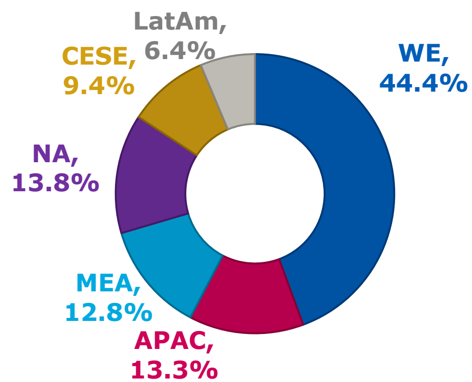
***WE +3.0%***

***APAC +2.2%***

***CESE +0.7%***

***LatAm +0.2%***

**Weight (%)**



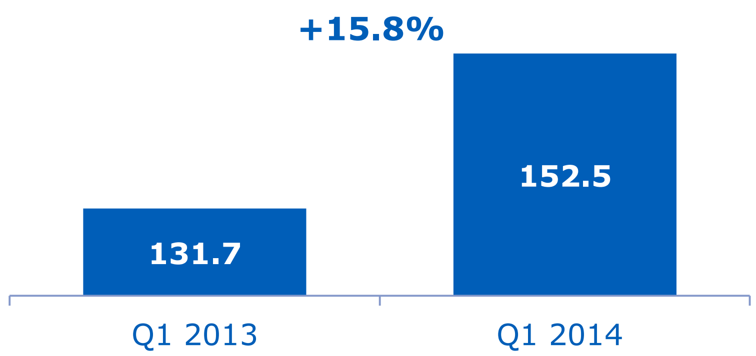





WE = Western Europe; CESE = Central, Eastern and Southern Europe; MEA = Middle East and Africa; LatAm = Latin America; NA = North America (incl. Mexico)

# Steady IT Solutions growth driven by migrations

## Passengers Boarded [1] (in million)




## Altéa PB by region (%)

**Q1 2014 volume growth (%)**

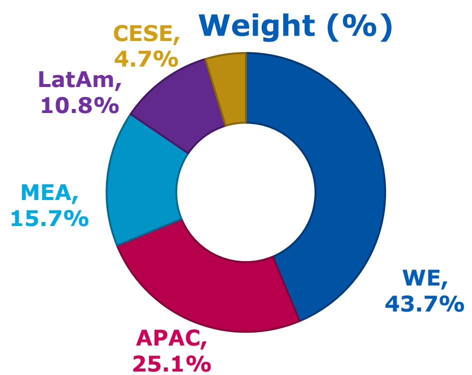
***APAC +85.2%***

***CESE +22.2%***

***WE +2.8%***

***LatAm +1.1%***

***MEA -0.4%***




- 15.8% Q1 2014 Altéa PB growth based on:
  - Full-year impact of 2013 migrations (Garuda Indonesia, Thai Airways, Eva Airways and Asiana mainly)
  - Like-for-like growth of 3.5%, negatively affected by the underperformance of Western Europe relative to the average global traffic growth, which accounts for 44% of our passengers
- Various Q1 regional Altéa growth patterns
  - Growing weight of Asia & Pacific region to continue, driven by recent and projected migrations (2014's Korean Air and All Nippon Airways international business)
  - CESE growth supported by the full-year impact of 2013 migrations
  - Latam and MEA negatively impacted by slowdown in the number of passengers carried by some of our clients and airlines no longer using the Altéa platform

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



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# Financial Highlights

CFO, Ms. Ana de Pro

# Consolidated results and Newmarket /UFIS effects

| | A | B | | C | |
|---|---|---|---|---|---|
| **Key financial metrics** *(€ million)* | **Reported Q1 2014** | **Q1 2013** | **% Change (Reported)** | **Q1 2014 (excl M&A)** | **% Change (excl. M&A)** |
| Revenue | 867.6 | 795.0 | 9.1% | 854.0 | 7.4% |
| EBITDA (1) | 351.4 | 323.4 | 8.7% | 347.2 | 7.4% |
| EBITDA margin (%) (1) | 40.5% | 40.7% | -0.2p.p. | 40.7% | 0 p.p. |
| Adjusted profit (1) | 191.3 | 176.3 | 8.6% | 189.8 | 7.7% |
| Adjusted EPS (1) | 0.43 | 0.40 | 8.6% | 0.43 | 7.7% |

- Column A above shows reported figures (including the Newmarket and UFIS' consolidated results, since February 2014)
- Column B represents reported figures for Q1 2013, as reported last year (therefore not including Newmarket and UFIS' results)
- Column C shows figures adjusted to exclude the Newmarket and UFIS' consolidated results
- For comparability purposes, the following slides, as indicated, provide the evolution of our financials in Q1 2014 vs. Q1 2013, excluding the Newmarket and UFIS' consolidated results



1. We incurred extraordinary, non-deductible costs amounting to €1.5 million related to our proposal to acquire i:FAO in the first quarter of 2014. Excluding these extraordinary costs, our figures excluding Newmarket and UFIS would result in an EBITDA margin of 40.8%, EBITDA growth of 7.8% and Adjusted profit growth of 8.6%. Our reported figures excluding these extraordinary cost, would result in 40.7% EBITDA margin, 9.1% EBITDA growth and Adjusted profit growth of 9.4%.



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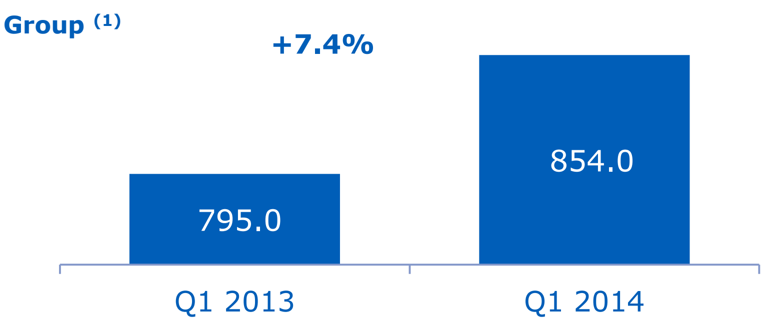
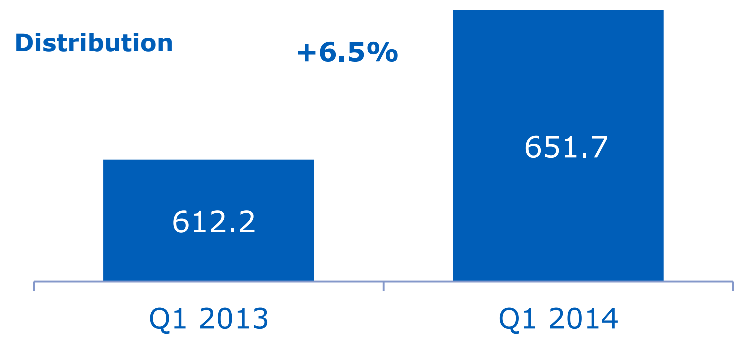
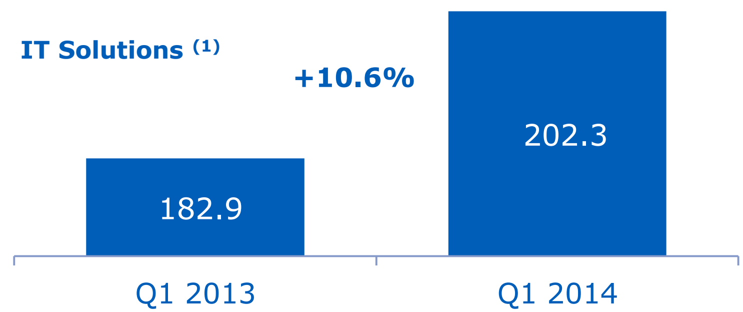
# Group revenue growth supported by Distribution and IT solutions

## Group Revenue[1] ( in € million)




## Segment Revenue (in € million)




- **Group** revenue[1] growth of 7.4%, based on 6.5% and 10.6% growth in Distribution and IT Solutions[1] revenue, respectively
- **Distribution** revenue driven by underlying sector air TA volume growth (non-air volumes impacted by declining rail bookings) air TA market share gains, average pricing expansion and non-booking revenue growth
- **IT Solutions** revenue[1] growth supported by IT Transactional revenue's steady growth fuelled by PB growth

1. Excludes Newmarket and UFIS. Including Newmarket and UFIS, group revenue and IT solutions revenue growth would have been 9.1% to reach €m 867.6 and 18.0% up to €m 215.9, respectively. Distribution revenue is not impacted by these acquisitions.



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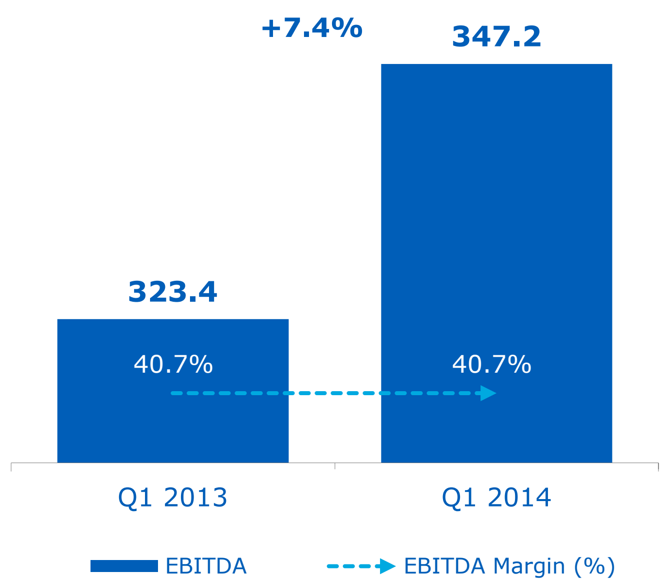
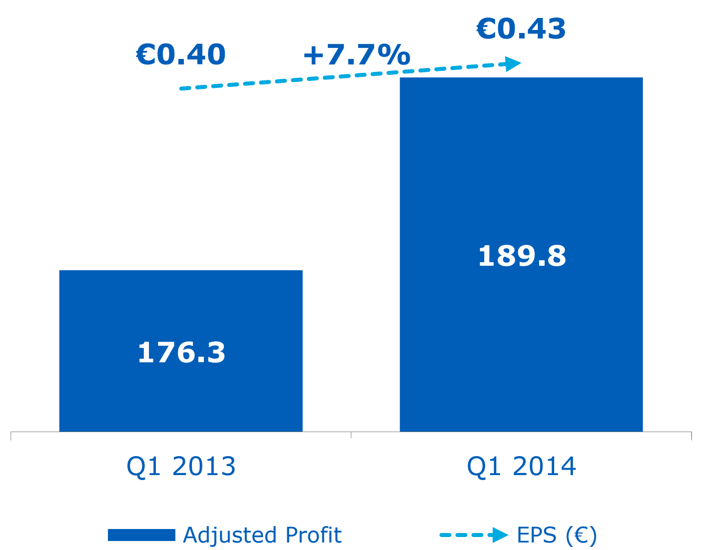
# Strong growth at EBITDA and Profit level[1]

## EBITDA growth (in € million)




## Adj.Profit[2] (in € million) and EPS[3] (€)



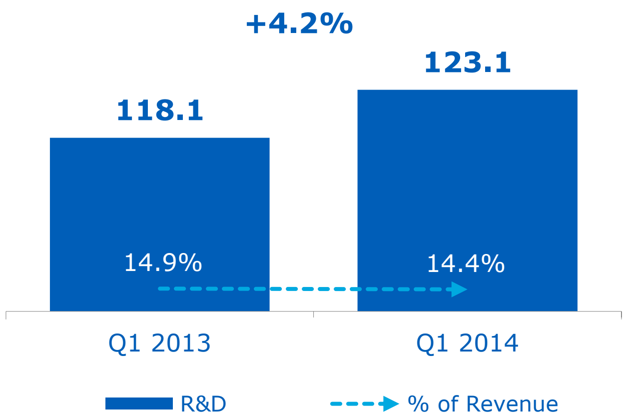

- Significant growth in EBITDA based on the positive performance of our businesses
- Sustained margin due to increased weight of IT solutions and despite i:FAO acquisition costs

- Significant Adjusted profit and EPS growth, mainly driven by EBITDA growth, a reduction in interest expense and lower income tax rate

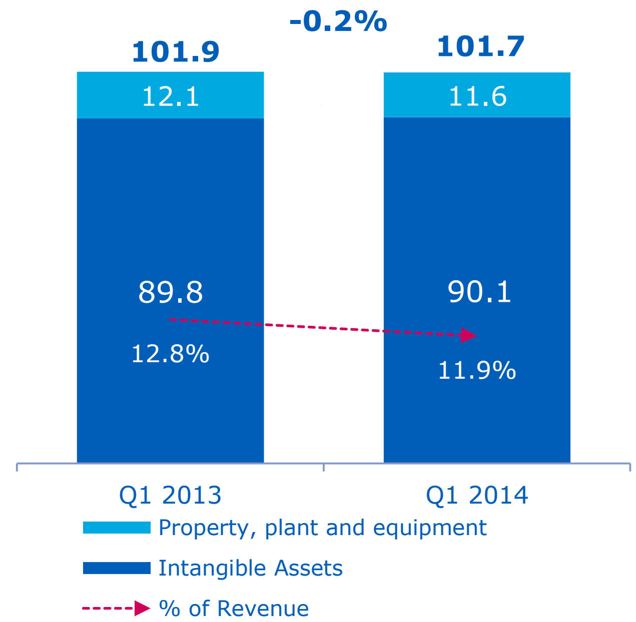
1. These figures shown above exclude Newmarket and UFIS. Including Newmarket and UFIS, reported EBITDA and Adjusted profit growth would have been 8.7% and 8.6%, respectively. In addition, we incurred extraordinary, non-deductible, costs amounting to €1.5 million related to the proposal to acquire i:FAO in the first quarter of 2014. Excluding these costs, our EBITDA margin would have been 40.8% and our Adjusted profit would have grown by 8.6% (excluding the Newmarket and UFIS' consolidated results)
2. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains (losses) and (iii) other non-recurring items
3. 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 investment[1] (in € million)




## Capex[1] (in € million)




- Consistent commitment to Research & Development as a core part of our long term strategy: R&D represented 14.4% of revenue
- Main projects undertaken are: (i) implementation efforts (Altéa migrations, ground handlers), (ii) progress in new initiatives (airports, hotel, payments, travel intelligence and mobile), (iii) portfolio expansion (e.g. revenue management, ancillary services), (iv) preparation work to migrate Korean travel agencies connected to Topas, and (v) ongoing TPF decommissioning and platform stability and security enhancements

- Capex decrease mainly driven by decline in tangible assets invesment (due to timing differences)
  - Investment in intangible assets growth as a result of higher signing bonuses paid, partially offset by the slowdown in capitalised R&D and lower capitalised licenses (in part driven by timing differences)

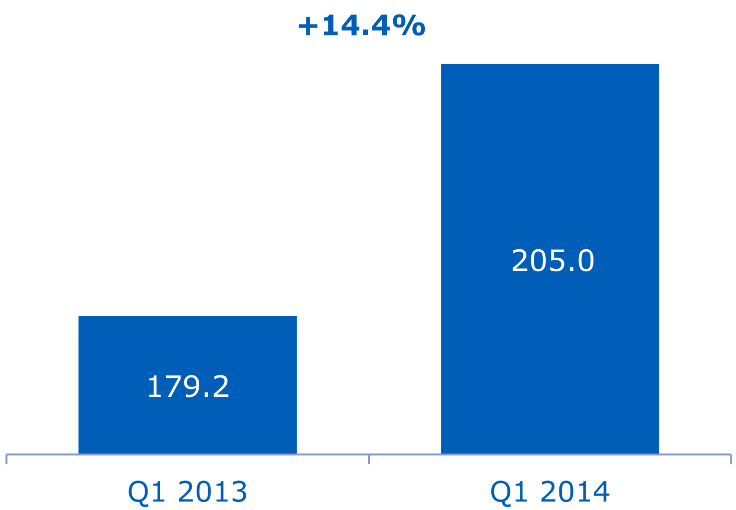




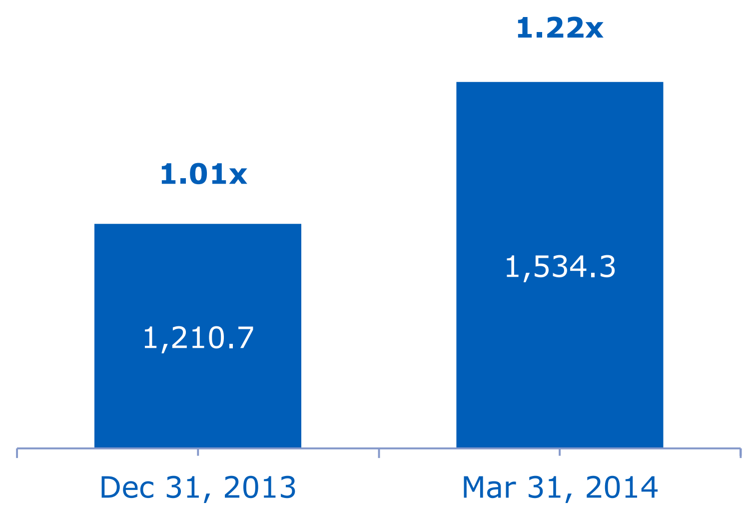
1. Excludes Newmarket and UFIS. Including Newmarket and UFIS, R&D investment and Capex would have grown by 6.1% and 0.6%, respectively

# Free cash flow generation and deleveraging
## (Including Newmarket and UFIS' consolidated statements)

**Free cash flow[1] (in € million)**




**Net Debt (in € million) and Leverage (x) [2]**




- Higher free cash flow generation of additional €27 million, mainly due to:
  - Increased EBITDA contribution
  - Improved performance of working capital
  - Sustained capex levels
- Partly offset by higher taxes paid

- Net Debt increase due to:
  - Newmarket and UFIS acquisition
  - €133.4 million interim dividend payment
- Within our target capital structure of 1.0x-1.5x net debt / EBITDA



1. Defined as: EBITDA less capex, plus change in working capital, less tax cash, less interest and financial fees.
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.

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# Support materials

# Key Performance Indicators

| | Q1 2014 Reported(1) | Q1 2014 Adjusted(1) (2) | Q1 2013 | % Change (2) |
|---|---|---|---|---|
| **Volumes** | | | | |
| Air TA Booking Industry Change (%) | 4.4% | 4.4% | -1.3% | - |
| Amadeus Air TA Bookings (in mm) | 125.5 | 125.5 | 119.3 | 5.3% |
| Passengers Boarded (PB) (in mm) | 152.5 | 152.5 | 131.7 | 15.8% |
| **Financial Results (€ mm)** | | | | |
| Revenue | 867.6 | 854.0 | 795.2 | 7.4% |
| EBITDA | 351.4 | 347.2 | 323.4 | 7.4% |
| Adjusted(3) profit | 191.3 | 189.8 | 176.3 | 7.7% |
| **Investment (€ mm)** | | | | |
| R&D | 125.3 | 123.1 | 118.1 | 4.2% |
| CAPEX | 102.5 | 101.7 | 101.9 | -0.2% |

1. Figures include extraordinary extraordinary costs of €1.5 million associated to the acquisition of i:FAO, in Q1 2014
2. For comparability purposes, we have excluded the Newmarket and UFIS' consolidated results, which consolidate for the first time in the first quarter of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note
3. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains (losses) and (iii) other non-recurring items

Thank you

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