

## Press release

# Amadeus delivers solid financial results in the first half of 2017

July 28, 2017

Amadeus' financial performance was positive in the first six months of the year. This was supported by strong operating performances in our businesses and the consolidation effect of Navitaire.

### First half of the year highlights (six months ended June 30, 2017)

- Revenue increased 9.5%, to €2,490.7 million
- EBITDA grew 10.1%, to €998.9 million
- In the Distribution segment, total travel agency air bookings rose to 295.2 million, which represents growth of 5.7%
- In IT Solutions, Passengers Boarded<sup>1</sup> increased 19.8% to 753.4 million

Amadeus IT Group, S.A., a leading technology partner for the global travel industry, achieved adjusted profit of €574.0 million during the first half of 2017. This represents an increase of 16.1% compared to the same period last year. From January to June, Amadeus' revenue grew 9.5%, to €2,490.7 million, while EBITDA increased 10.1% to €998.9 million.

### Luis Maroto, President & CEO of Amadeus, commented:

"Amadeus' progression in the first half of the year was positive. Our businesses performed well and completed important milestones successfully, such as the migration of Southwest Airlines' domestic flights to Altéa".

"Our Distribution segment continued to grow ahead of the industry, which allowed us to improve our competitive position<sup>2</sup>. In IT Solutions, we had important migrations that have contributed to the expansion of our international footprint. In the first half of the year 56.8% of our passengers boarded were generated outside of Europe".

"We look forward to the second half of the year with confidence".

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<sup>1</sup> Passengers boarded (PB): actual passengers boarded onto flights operated by airlines using at least Amadeus Altéa Reservation and Inventory modules or Navitaire's New Skies solution.

<sup>2</sup> Competitive position is measured as our TA air bookings in relation to the TA air booking industry, defined as the total volume of travel agency air bookings processed by the global Central Reservation System (CRS). Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia

## Financial highlights for the first half of the year

Our shareholders approved the annual gross dividend from the 2016 profit during the Annual General Meeting, held on June 15, 2017. The total value of the dividend increased 21.3% compared to the previous year, to €412.5 million. This represents a pay-out of 50%, or €0.94 per share (gross). Regarding the payment, a complementary dividend of €0.54 per share was distributed on June 30. An interim dividend of €0.40 per share was paid in February.

Consolidated debt as per our financial covenants' terms amounted to €1,975.1 million at June 30, 2017 (1.10 times last-twelve-month covenant EBITDA). In May we issued Eurobonds (under the Euro Medium Term Note Programme) for a value of €500 million, with a maturity of two years and an annual coupon of 0.0%. The issue price was 99.932% of their nominal value.

In July, Standard and Poor's affirmed its "BBB/A-2" Credit Rating and the positive outlook for Amadeus.

## Business highlights for the first half of the year

### Distribution

- Revenue increased to €1,635.5 million, 7.6% more than in the same period of 2016
- Travel agency air bookings registered growth of 5.7% to 295.2 million – outperforming GDS industry growth of 4.3%

The positive performance of our Distribution segment was supported by growth in travel agency air bookings. These increased across all regions, which contributed to an increase in our travel agency air competitive position of 0.5 percentage points, to 43.6%. Latin America and Asia and Pacific continued to be our fastest-growing regions, increasing 14.7% and 10.0% respectively.

	<i>Amadeus TA air bookings (figures in million)</i>				
	<i>Jan-Jun 2017</i>	<i>% of Total</i>	<i>Jan-Jun 2016</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	109.5	37.1%	107.0	38.3%	2.4%
Asia & Pacific	54.7	18.5%	49.7	17.8%	10.0%
North America	52.5	17.8%	49.1	17.6%	6.9%
Middle East and Africa	35.8	12.1%	34.2	12.3%	4.6%
Central, Eastern and Southern Europe	23.7	8.0%	22.7	8.1%	4.5%
Latin America	18.9	6.4%	16.5	5.9%	14.7%
<b>Total TA air bookings</b>	<b>295.2</b>	<b>100.0%</b>	<b>279.3</b>	<b>100.0%</b>	<b>5.7%</b>

In the first half of 2017, we signed 21 new contracts or renewals of content agreements, including Westjet Airlines and Korean Air. Subscribers to Amadeus' inventory can now access over 100 low cost carriers (LCC) and hybrid carriers' content worldwide.

At the close of June, 130 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, including Malaysia Airlines and Middle East Airlines in the second quarter of

2017. 101 of the airlines had already implemented the solution. In the case of Amadeus Fare Families, which allows airlines to distribute branded fares, 54 airline customers had contracted the system and 46 had implemented it at the end of June.

In July, we announced a customised solution for the online travel agency Kiwi.com relying on a combination of our solutions including Instant Search technology. The solution will complement Kiwi.com's unique search algorithms, which combine flight segments from low cost carriers with travel content available in the Amadeus. This solution ensures a response time of just milliseconds with no compromise to accuracy.

## Corporate IT

We continued to strengthen our portfolio of corporate customers. In April, we announced a partnership with Daimler to redefine its entire business travel process. Amadeus delivers the search, booking engine and user interface through i:FAO cytric technology. During the search process, the company's travellers now receive only the most relevant offers. This standardises the booking process for all employees worldwide, saving Daimler time and resources.

## IT Solutions

- Revenue grew 13.3% to €855.2 million
- Amadeus passengers boarded increased 19.8%, to a total of 753.4 million

## Airline IT

Growth in passengers boarded was supported by the consolidation of Navitaire New Skies passengers boarded (consolidated since late January 2016), as well as 8.1% organic growth, new carrier implementations on our Passenger Service Systems (PSS - Altéa or New Skies) and airlines implemented in 2016.

Southwest Airlines migrated its domestic flights to Altéa in May. Southwest's new reservation system will allow the carrier to optimise its flight schedule and manage the inventory between any given origin and destination. It will also help govern the value of potential ancillary services and automate re-bookings during flight disruptions.

	<i>Total passengers boarded (figures in million)</i>				
	<i>Jan-Jun 2017</i>	<i>% of Total</i>	<i>Jan-Jun 2016</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	286.3	38.0%	252.5	40.2%	13.4%
Asia & Pacific	235.8	31.3%	199.3	31.7%	18.4%
Latin America	71.7	9.5%	61.4	9.8%	16.9%
Middle East and Africa	61.2	8.1%	56.7	9.0%	8.0%
North America	58.8	7.8%	28.8	4.6%	104.3%
Central, Eastern and Southern Europe	39.5	5.2%	30.2	4.8%	30.8%
<b>Total passengers boarded<sup>1</sup></b>	<b>753.4</b>	<b>100.0%</b>	<b>628.7</b>	<b>100.0%</b>	<b>19.8%</b>

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).

Including Southwest, at the close of June 199 customers had contracted Altéa or New Skies and 189 had implemented these systems. Malaysia Airlines and Kuwait Airways were also among the carriers that implemented Altéa during the second quarter of the year. GoAir, Viva Air Peru, Andes Líneas Aéreas and JetSMART were among the airlines which implemented New Skies.

Air Dolomiti, part of the Lufthansa group, renewed in May its contract for Amadeus e-Retail. The airline also signed up for Amadeus Airline Ancillary Services, increasing its merchandising options.

Existing Altéa customers continued to show their confidence in our airline IT portfolio. We strengthened our partnership with FlyDubai with the launch of OPEN, the airline's unique loyalty programme. Using Amadeus Loyalty Management, FlyDubai now offers its customers an innovative and flexible loyalty programme that truly meets their needs: travellers can for example team up with family and friends to pool points.

## New Businesses

### Payments

In an effort to simplify ancillary payments, Amadeus and Ingenico launched Amadeus Airport Pay with Lufthansa Group in June. This is a payment solution that accepting EMV (Europay, MasterCard and Visa) chip card payments (including contactless and EMV compliant mobile wallets), can be used by multiple airlines and ground handlers and multiple banks. Carriers and ground handlers can take payments anywhere in the airport and the solution is independent from airport technology. Lufthansa Group, as the launch partner, has already started the roll-out of the solution, to be deployed at check-in desks and ticket offices in over 170 airports around the globe.

### Travel Intelligence

We launched Amadeus Destination Insight in May. The solution uses advanced data analytics to offer Destination Marketing Organisations (DMOs) timely insights into the competition and traveller intentions. By analysing up-to-date air travel transactions in near real time, the suite can reveal opportunities for DMOs to boost their growth. They can for example gain insights into searches and bookings to measure, adjust and define more effective campaigns.

## Summary of operating and financial information

	Summary of KPI ( figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
<b>Operating KPI</b>			
TA air competitive position <sup>1</sup>	43.6%	43.2%	0.5 p.p.
TA air bookings (m)	295.2	279.3	5.7%
Non air bookings (m)	33.2	31.2	6.3%
<b>Total bookings (m)</b>	<b>328.4</b>	<b>310.5</b>	<b>5.8%</b>
<b>Passengers boarded (m)<sup>2</sup></b>	<b>753.4</b>	<b>628.7</b>	<b>19.8%</b>
<b>Financial results</b>			
Distribution Revenue	1,635.5	1,520.5	7.6%
IT Solutions Revenue	855.2	754.9	13.3%
<b>Revenue</b>	<b>2,490.7</b>	<b>2,275.5</b>	<b>9.5%</b>
Distribution Contribution	707.5	677.2	4.5%
IT Solutions Contribution	588.5	499.3	17.9%
<b>Contribution</b>	<b>1,296.0</b>	<b>1,176.5</b>	<b>10.2%</b>
<b>EBITDA</b>	<b>998.9</b>	<b>907.1</b>	<b>10.1%</b>
EBITDA margin (%)	40.1%	39.9%	0.2 p.p.
<b>Adjusted profit<sup>3</sup></b>	<b>574.0</b>	<b>494.5</b>	<b>16.1%</b>
<b>Adjusted EPS (euros)<sup>4</sup></b>	<b>1.31</b>	<b>1.13</b>	<b>15.9%</b>
<b>Cash flow</b>			
Capital expenditure	290.8	288.4	0.8%
Free cash-flow <sup>5</sup>	449.1	417.3	7.6%
	<b>30/06/2017</b>	<b>31/12/2016</b>	<b>% Change</b>
<b>Indebtedness<sup>6</sup></b>			
<b>Covenant Net Financial Debt</b>	<b>1,975.1</b>	<b>1,957.5</b>	<b>0.9%</b>
Covenant Net Financial Debt / LTM Covenant EBITDA	1.10x	1.14x	

1. Competitive position as defined in page 1.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
3. 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.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
5. Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants.

## Notes to the editors:

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

The Amadeus group employs around 15,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as over 70 local Amadeus Commercial Organisations globally and has a presence in more than 190 countries.

This year marks 30 years since Amadeus was founded. Throughout 2017, the company will be celebrating 30 years of collaboration with customers, 30 years of technological innovation and 30 years of helping power better journeys for travellers all over the world. The group operates a transaction-based business model.

Amadeus is listed on the Spanish Stock Exchange under the symbol "AMS.MC" and is a component of the IBEX 35 index.

To find out more about Amadeus please visit [www.amadeus.com](http://www.amadeus.com), and [www.amadeus.com/blog](http://www.amadeus.com/blog) for more on the travel industry.

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