

Press release

Solid organic growth and Navitaire acquisition support strong first half results for Amadeus

Continued business wins and strong operational performances in Distribution and IT Solutions, supported by the contribution of our acquisitions

- Revenue increased 15.1%, to €2,275.5 million.
- EBITDA grew 16.5%, to €907.1 million.
- In the Distribution business, total air travel agency bookings rose 5%, to 279.3 million.
- In the IT Solutions business, Passengers Boarded increased 75.7%, to 622.4 million. Excluding Navitaire, Altéa passengers boarded grew 10.9%.

July, 29: Amadeus IT Holding, S.A., a leading technology partner for the global travel industry, reported an adjusted profit of €494.5 million for the first half of 2016. That meant a growth of 17.9% compared to the same period of 2015. This was supported by a revenue increase of 15.1%, to €2,275.5 million, and EBITDA growth of 16.5%, to €907.1 million. Free cash-flow generation grew 23.2% in the first half, with the debt ratio at 1.31x EBITDA.

Luis Maroto, President & CEO of Amadeus, commented:

“The strong first half of 2016 is the result of the continued, solid organic growth of our core businesses, and the positive contribution of our recent acquisitions.

“Our Distribution business continues to grow faster than the industry and its competitive position once again increased, to 43.2%. Our geographical diversification strategy continues to bear fruit and Asia & Pacific and North America are the fastest growing regions for Amadeus. We continue to invest in making the GDS the most efficient system for the distribution of travel products, as shown by the success of our merchandising solutions: 157 airlines trust us for the distribution of their ancillaries through the direct and indirect channels.

“The Airline IT business has also experienced strong growth in the first half of 2016. The number of passengers boarded using our Altéa platform grew by 10.9% supported by the organic growth of our customer base and new customer implementations. This strong performance was complemented by the acquisition of Navitaire from Accenture, finalised in January. Thanks to its contribution, the total number of passengers boarded using Amadeus’ PSS systems increased by 75.7%, to 622.4 million.

“At the same time, multiple global airlines continued to contract our solutions. Malaysia Airlines chose Amadeus as their new PSS provider; Singapore Airlines contracted the full suite of Amadeus Revenue Management solutions; Lufthansa Group contracted Amadeus

Altéa Departure Control Flight Management for all of its network airlines; and Avianca became the launch partner for Amadeus Anytime Merchandising.

“Our new businesses also showed progress, proved by new contracts being signed with Quebec City’s Jean Lesage International Airport and with Copenhagen Airports; the new itinerary management mobile app launched for Boston Consulting Group employees worldwide; the two new Travel Intelligence solutions, and the international distribution agreement reached with RENFE, the Spanish rail operator.

“We are confident that we can keep our strong track record going into the future, and look forward to the rest of the year with confidence.”

Business highlights during the first half:

Distribution

- Revenue increased 7.5%, to €1,520.5 million.
- Air travel agency bookings rose 5.0%, to 279.3 million – outperforming GDS industry growth of 2.2%.
- Air travel agency competitive position expanded by 1.0 percentage points, reaching 43.2%.

	<i>Amadeus Air TA Bookings (figures in million)</i>				
	<i>Jan-Jun</i>	<i>% of</i>	<i>Jan-Jun</i>	<i>% of</i>	<i>%</i>
	<i>2016</i>	<i>Total</i>	<i>2015</i>	<i>Total</i>	<i>Change</i>
Western Europe	107.0	38.3%	105.1	39.5%	1.8%
Asia & Pacific	49.7	17.8%	42.4	15.9%	17.3%
North America	49.1	17.6%	45.1	17.0%	8.9%
Middle East and Africa	34.2	12.3%	32.5	12.2%	5.5%
Central, Eastern and Southern Europe	22.7	8.1%	24.1	9.1%	(5.8%)
Latin America	16.5	5.9%	16.7	6.3%	(1.7%)
Total Air TA Bookings	279.3	100.0%	265.9	100.0%	5.0%

Around 75% of airline bookings made through the Amadeus system worldwide are with airlines that have a content agreement with Amadeus. Since the beginning of the year, new contracts or renewals of existing content agreements were signed with 21 carriers, including LATAM Airlines Group S.A. (“LATAM”), Virgin Australia, Emirates, Air Cairo and Etihad Airways.

Growth also continued in the low-cost carrier segment. Chinese low cost carrier Spring Airlines made its content available through the Amadeus system. Also, travel agents using the Amadeus system can now book Ryanair’s Business Plus Fare. Subscribers to the Amadeus system have access to the inventory of more than 80 low cost and hybrid carriers from all

over the world. Bookings of this segment grew by 17% in the first half of 2016, compared to 2015.

Our customers also continued to contract our merchandising solutions, including LATAM, FlyBe and Ukraine International Airlines. As of the end of the first half, 63% of the global air bookings processed through the Amadeus system are eligible to carry an attached ancillary service. At the end of the first half, 110 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, with 86 of them already implemented. Including customers that have contracted this solution for either their indirect channel or direct channel, the number of contracted airlines is 157, 121 of which have already been implemented.

Amadeus Fare Families Solution, which allows airlines to distribute branded fares, had 39 contracts in place, including the newly signed Scandinavian Airlines, Iberia and Ural Airlines. 30 customers have now implemented the Fare Families solution, including Canada's WestJet.

Merchandising sales through the Amadeus indirect distribution channel had a record first half of the year, with an 80% increase in airline ancillary services sold through the Amadeus system, primarily through the more than 30 global online travel agencies (OTAs) that are integrating Amadeus merchandising solutions.

Airline IT

- Navitaire consolidation significantly contributed to strong IT Solutions performance.
- Revenue grew 34.4%, reaching €754.9 million.
- Passengers Boarded rose by 75.7% to total 622.4 million, with 229.5 million from Navitaire.
- Altéa Passengers Boarded grew 10.9%, 4.1% of which came from the organic growth of existing Altéa carriers and the rest coming from the full year impact of migrations during 2015 and more recent additions such as Swiss International Air Lines, Brussels Airlines and China Airlines.

	Operating KPI					
	Apr-Jun 2016	Apr-Jun 2015	% Change	Jan-Jun 2016	Jan-Jun 2015	% Change
Altéa Passengers Boarded	211.3	188.9	11.9%	392.9	354.2	10.9%
Navitaire Passengers Boarded	141.6	0.0	n.m.	229.5	0.0	n.m.
Total PB	352.9	188.9	86.9%	622.4	354.2	75.7%

In January Amadeus announced that, following regulatory approval, it had closed the deal to acquire Navitaire, a provider of technology and business solutions to the airline industry, from Accenture for €766.5 million. The addition of Navitaire's portfolio of products and solutions for the low-cost and hybrid segments complements Amadeus' Altéa Suite of offerings for its largely full-service carrier customer base, giving the company the ability to

serve a wider group of airlines. Amadeus will market and sell the two product portfolios separately and will continue to invest in both platforms, enhancing the services and functionality to all types of carriers.

Including Navitaire, and at the end of the first half, more than 170 airlines were contracted for either of the Amadeus Passenger Service Systems (PSS) and more than 160 airlines had been implemented.

	<i>Total PB (figures in million)</i>				
	<i>Jan-Jun 2016</i>	<i>% of Total</i>	<i>Jan-Jun 2015</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	252.5	40.6%	151.7	42.8%	66.4%
Asia & Pacific	198.4	31.9%	97.0	27.4%	104.6%
Latin America	61.4	9.9%	37.7	10.6%	62.7%
Middle East and Africa	56.7	9.1%	49.8	14.1%	14.0%
Central, Eastern and Southern Europe	30.2	4.8%	16.2	4.6%	85.8%
North America	23.3	3.7%	1.8	0.5%	n.m.
Total PB	622.4	100.0%	354.2	100.0%	75.7%

Malaysia Airlines announced that it had selected Amadeus as its new IT provider for its PSS. Migrations onto the Altéa platform continued, with Swiss International Air Lines and Brussels Airlines migrating to Altéa Departure Control following their migration to Reservation and Inventory earlier in the year. China Airlines, the largest airline and flag carrier of the Republic of China (Taiwan), along with its subsidiary, Mandarin Airlines, have now migrated to the Altéa Reservation and Inventory modules as part of their contract for the full Amadeus Altéa Suite – making Altéa available in the Chinese language for the first time. Air Cairo also completed its migration to Altéa.

Viva Group was also successfully migrated to Navitaire New Skies, which will allow VivaColombia and VivaAerobus to serve more customers, add additional destinations, and ultimately support sustained and profitable growth.

Existing Altéa customers continued to contract additional solutions from the airline IT portfolio. The Lufthansa Group, which was already an Altéa Reservation, Inventory and Departure Control Customer Management user, contracted to complete the full Amadeus Altéa Suite across all its network airlines through the addition of Amadeus Altéa Departure Control Flight Management. Additionally, the relationship with Singapore Airlines was deepened when the airline contracted the full suite of Amadeus Revenue Management solutions.

Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery solution, to be integrated with the Altéa Suite. Avianca renewed its commitment to Amadeus Altéa Suite long term, and also became the launch customer for Amadeus Anytime Merchandising. Avianca is also launching Amadeus Customer Experience Management.

In June, Amadeus became one of the first industry players to receive the highest level of NDC certification from IATA. Airlines using Amadeus' new Altéa NDC solution developed earlier in 2016 will have the option to distribute their prices and fares, including ancillary and fare family content, using NDC Offers & Orders. This was followed shortly after by Navitaire also receiving the highest level of NDC certification.

Rail

AccesRail, an IATA travel partner and content aggregator specialising in intermodal travel, extended its partnership with Amadeus. Using Amadeus' Air-Rail Display, travel agents are now able to book 18 rail and bus operators across 26 countries on the same screen as air travel, including Deutsche Bahn's stand-alone services in Germany and National Express bus routes in the UK.

Meanwhile RENFE, the Spanish rail operator that transported a record 31 million passengers on its high speed trains in 2015, agreed to distribute its rail content to Amadeus subscribers globally. Search, booking, ticketing, payment and settlement flow for the travel agency are all handled by Amadeus.

Travel Intelligence

Two Travel Intelligence solutions were launched during the first half: Amadeus Performance Insight, a cloud-based open architecture solution that allows airlines of all sizes to better understand their performance, using data to help them make better business decisions as a result; and Amadeus Booking Analytics, which allows airlines to monitor bookings - per route, per airline, per booking class, per agency point of sale, among other criteria, and act upon them.

Mobile

Amadeus and The Boston Consulting Group (BCG) launched a new itinerary management app available to the consulting firm's entire workforce worldwide. The MyBCGTrip app is based on the Amadeus Mobile Platform and personalised for the corporation's travel needs.

Payments

Amadeus partnered with two pioneers in Fintech innovation to enhance its recently announced B2B Wallet product. Amadeus is partnering with MasterCard to offer travel agencies payment acceptance and security around the globe, as well as better protection against supplier default when using B2B Wallet. Amadeus' solution will build on MasterCard's vast global network to expand virtual B2B payments in travel.

Amadeus is also partnering with Ixaris to drive efficient virtual card management on B2B Wallet. With its innovative payments technology, Ixaris allows travel agents to easily create and add funds to their virtual payment cards.

Airport IT

Quebec City's Jean Lesage International Airport will implement the Amadeus Airport Common Use Service (ACUS) to provide a more efficient passenger departure experience and create substantial cost and energy savings. Additionally Copenhagen Airports, the company that owns and operates the Copenhagen airports of Kastrup and Roskilde, has signed a ten-year IT partnership with Amadeus. Both airports will remove their current Air Traffic System and replace them with nine Amadeus solutions to transform operations across a diverse range of areas, including Airport Collaborative Decision Making Portal, Airport Operational Database and Baggage Reconciliation System.

Summary of operating and financial information

	<i>Summary of KPI (figures in million euros)</i>		
	<i>Jan-Jun 2016</i>	<i>Jan-Jun 2015</i>	<i>% Change</i>
Operating KPI			
Air TA competitive position¹	43.2%	42.2%	1.0 p.p.
Air TA bookings (m)	279.3	265.9	5.0%
Non air bookings (m)	31.2	32.2	(3.1%)
Total bookings (m)	310.5	298.1	4.1%
Passengers Boarded (m)	622.4	354.2	75.7%
Financial results			
Distribution Revenue	1,520.5	1,415.1	7.5%
IT Solutions Revenue	754.9	561.7	34.4%
Revenue	2,275.5	1,976.8	15.1%
Distribution Contribution	677.2	632.2	7.1%
IT Solutions Contribution	499.3	367.0	36.0%
Contribution	1,176.5	999.2	17.7%
EBITDA	907.1	778.8	16.5%
EBITDA margin (%)	39.9%	39.4%	0.5 p.p.
Adjusted profit²	494.5	419.6	17.9%
Adjusted EPS (euros)³	1.13	0.96	17.9%
Reported profit	451.0	391.5	15.2%
Cash flow			
Capital expenditure	288.4	251.7	14.6%
Free cash-flow ⁴	417.3	338.7	23.2%
	<i>30/06/2016</i>	<i>31/12/2015</i>	<i>% Change</i>
Indebtedness⁵			
Covenant Net Financial Debt	2,147.5	1,611.6	33.3%
Covenant Net Financial Debt / LTM Covenant EBITDA	1.31x	1.09x	

1. Competitive position is measured as our air TA bookings in relation to the air TA 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.
2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises, (ii) non-operating exchange gains (losses), (iii) other non-recurring items, and (iv) impairment losses.
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4. Calculated as EBITDA less capital expenditure plus changes in our operating working capital less taxes paid less interests and financial fees paid.
5. 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 13,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as 71 local Amadeus Commercial Organisations globally. 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, and www.amadeus.com/blog for more on the travel industry.

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