

# Press Release

## Amadeus delivers strong first quarter results

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

#### First quarter highlights (three months ended March 31, 2016)

- Revenue increased 13.2%, to €1,120.0 million.
- EBITDA grew 15.2%, to €448.8 million.
- In the Distribution business, total air travel agency bookings<sup>1</sup> rose 2.4%, to 141.2 million.
- In the IT Solutions business, Passengers Boarded increased 63.0%, to 269.5 million – excluding Navitaire  
Altéa Passengers Boarded grew 9.9%.

May, 5: Amadeus IT Holding, S.A., a leading technology partner for the global travel industry, reports year-on-year financial and operating results for the first quarter of 2016 (three months ended March 31, 2016). Adjusted profit for the period grew 17.0%, to €245.6 million supported by a revenue increase of 13.2%, to €1,120.0 million and EBITDA growth of 15.2%, to €448.8 million. Free cash-flow generation expanded 17.9% in the quarter, in the context of a robust capital structure, with leverage at 1.43x EBITDA.

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

“We have experienced a strong start to the year, delivering solid financial results and various successful business announcements in both Distribution and IT Solutions.

“In Distribution, we continued to grow our business steadily and revenues increased 4.2% in the quarter; whilst in IT Solutions, revenue grew at a pace of 37.6% in the first quarter of 2016, driven by underlying strong double-digit growth, combined with the consolidation of Navitaire and the 2015 acquisitions.

“We are focused on technology as a means to always serve our customers better and to support long-term growth. We look forward to the rest of the year with confidence.”

---

<sup>1</sup> Air travel agency bookings were positively affected in the first quarter of 2015 by a one-time seasonality impact linked to the way Topas group bookings were made. This impact reverted in the second quarter of 2015 and the Topas booking dynamics normalised. For comparability purposes, we have made a reclassification between the first quarter and second quarter of 2015 for such air travel agency bookings, slightly impacting industry growth and competitive position. Note first half and full-year 2015 figures are not impacted by this reclassification.

## Summary of operating and financial information

Summary of KPI Figures in million euros	Jan-Mar 2016	Jan-Mar 2015	% Change
<b>Operating KPI</b>			
<b>Air TA competitive position<sup>1,2</sup></b>	<b>42.6%</b>	<b>41.9%</b>	<b>0.7 p.p.</b>
Air TA bookings (m) <sup>2</sup>	141.2	137.9	2.4%
Non air bookings (m)	15.8	16.5	(4.0%)
<b>Total bookings (m)<sup>2</sup></b>	<b>157.0</b>	<b>154.4</b>	<b>1.7%</b>
<b>Passengers Boarded (m)</b>	<b>269.5</b>	<b>165.3</b>	<b>63.0%</b>
<b>Financial results</b>			
Distribution Revenue	751.7	721.6	4.2%
IT Solutions Revenue	368.3	267.7	37.6%
<b>Revenue</b>	<b>1,120.0</b>	<b>989.4</b>	<b>13.2%</b>
<b>EBITDA</b>	<b>448.8</b>	<b>389.6</b>	<b>15.2%</b>
EBITDA margin (%)	40.1%	39.4%	0.7 p.p.
<b>Adjusted profit<sup>3</sup></b>	<b>245.6</b>	<b>209.9</b>	<b>17.0%</b>
<b>Adjusted EPS (euros)<sup>4</sup></b>	<b>0.56</b>	<b>0.48</b>	<b>17.0%</b>
<b>Cash flow</b>			
Capital expenditure	142.3	137.0	3.9%
Free cash-flow <sup>5</sup>	264.5	224.3	17.9%
	<b>31/03/2016</b>	<b>31/12/2015</b>	<b>% Change</b>
<b>Indebtedness<sup>6</sup></b>			
<b>Covenant Net Financial Debt</b>	<b>2,267.4</b>	<b>1,611.6</b>	<b>40.7%</b>
Covenant Net Financial Debt / LTM Covenant EBITDA	1.43x	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 or regional 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. Air travel agency bookings were positively affected in the first quarter of 2015 by a one-time seasonality impact linked to the way Topas group bookings were made. This impact reversed in the second quarter of 2015 and the Topas booking dynamics normalised. For comparability purposes, we have made a reclassification between the first quarter and second quarter of 2015 for such air travel agency bookings, slightly impacting industry growth and competitive position. Note first half and full-year 2015 figures are not impacted by this reclassification.
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 less capital expenditure plus changes in our operating working capital less taxes paid less interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants.

Amadeus Air TA Bookings <i>Figures in million</i>	Jan-Mar 2016	% of Total	Jan-Mar 2015	% of Total	% Change
Western Europe	56.3	39.9%	56.9	41.3%	(1.0%)
Asia and Pacific <sup>1</sup>	25.1	17.8%	22.8	16.6%	9.7%
North America	24.1	17.1%	22.6	16.4%	6.9%
Middle East and Africa	16.7	11.8%	15.8	11.5%	5.6%
Central, Eastern and Southern Europe	11.1	7.9%	11.7	8.5%	(4.6%)
Latin America	7.8	5.5%	8.1	5.9%	(3.7%)
<b>Total Air TA Bookings<sup>1</sup></b>	<b>141.2</b>	<b>100.0%</b>	<b>137.9</b>	<b>100.0%</b>	<b>2.4%</b>

1. Air travel agency bookings were positively affected in the first quarter of 2015 by a one-time seasonality impact linked to the way Topas group bookings were made. This impact reverted in the second quarter of 2015 and the Topas booking dynamics normalised. For comparability purposes, we have made a reclassification between the first quarter and second quarter of 2015 for such air travel agency bookings, slightly impacting industry growth and competitive position. Note first half and full-year 2015 figures are not impacted by this reclassification.

Total PB <i>Figures in million</i>	Jan-Mar 2016	% of Total	Jan-Mar 2015	% of Total	% Change
Western Europe	101.7	37.7%	67.0	40.5%	51.8%
Asia and Pacific	89.2	33.1%	47.0	28.5%	89.6%
Latin America	29.7	11.0%	19.1	11.6%	55.2%
Middle East and Africa	27.7	10.3%	24.7	14.9%	12.0%
Central, Eastern and Southern Europe	11.8	4.4%	6.6	4.0%	77.1%
North America	9.5	3.5%	0.8	0.5%	n.m.
<b>Total PB (Altéa and Navitaire)</b>	<b>269.5</b>	<b>100.0%</b>	<b>165.3</b>	<b>100.0%</b>	<b>63.0%</b>

## Business highlights during the first quarter

### Distribution

- Revenue increased 4.2%, to €751.7 million.
- Air travel agency bookings<sup>1</sup> rose 2.4%, to 141.2 million – outperforming GDS industry growth<sup>1</sup> of 0.8%.
- Air travel agency competitive position<sup>1</sup> expanded by 0.7 percentage points, reaching 42.6%.

Around 75% of airline bookings made through the Amadeus system worldwide are with airlines that have a content agreement with Amadeus. Over the first quarter, new contracts or renewals of existing content agreements were signed with 12 carriers including **LATAM Airlines Group S.A. ("LATAM")** – which serves more than 70 million passengers a year – **Virgin Australia** and **Etihad Airways**, whose contract also included expanded rich content capabilities for displaying images for ancillary services such as exit row seating.

Increasingly, travellers want to compare airline offers – including both the basic fare and ancillary services – before booking to ensure they gain the best services and price from the airline they choose whatever their preferred channel of purchasing. Amadeus has long been at the forefront of developing solutions that anticipate and fulfill the traveller need for both price comparison and purchasing ancillary services. During the quarter our customers continued contracting our merchandising solutions. As of end of the quarter, 138 airlines had signed-up to Amadeus Airline Ancillary Services, including LATAM, with 100 customers – including **Aeromexico** recently – having implemented the solution. Amadeus Fare Families Solution, which allows airlines to distribute branded fares, had 36 contracts in place with airlines, including **Scandinavian Airlines**. 26 customers have now implemented the Fare Families Solution, including Canada’s **WestJet**.

The trend for travel agencies adopting merchandising solutions continued with the online travel agency **Travix** recently introducing Amadeus Fare Families across its 35 website brands, including **CheapTickets.nl**, **BudgetAir.com**, and **Vayama.com**. **Egencia**, the travel management company owned by **Expedia** and whose services are available in 65 countries, on March 1 began using Amadeus Web Services to offer business travellers the ability to book extra baggage whilst booking flights – offering merchandising content to its clients from more than 10 airlines, including **Air France**, its pilot airline partner.

Furthering our commitment to our subscribers, in the UK market, Amadeus launched Selling Platform Connect, the world’s first fully cloud-based GDS booking and fulfilment platform, accessible anywhere from any device with internet access and without the hassle of a complicated installation. This product brings key benefits including flexibility, real customization capabilities and an innovative “Cryptic Magic” tool that allows users to switch seamlessly between cryptic and graphic during any part of the booking process.

Continuing our growth in the important growing Low-Cost Carrier (LCC) sector, travel agents using the Amadeus system can now book **Ryanair**’s Business Plus Fare, which includes benefits such as one free 20Kg checked-in bag, a premium seat with extra legroom or a speedy exit (subject to availability), and Flexible ticket changes without fees. The majority of corporate travel is booked through the indirect channel, and Amadeus is the only GDS with Light Ticketing technology that allows travel agents to book flights with LCC and hybrid carriers in the same way as they do with full-service carriers. This quarter Amadeus saw a 12.4% increase in total LCC bookings by travel agencies, compared to the same period last year. Today, more than 80 LCC and hybrid carriers distribute their fares to travel agencies through Amadeus.

Amadeus took another step forward in the world of personalised shopping for travellers when it launched the world’s first self-service online rebooking solution, Amadeus Ticket Changer (ATC) Shopper. Customers of participating travel agencies can go online to rebook their flights any day, any time. This helps online travel agents greatly reduce the number of calls to call centres, lowers the risk of errors, and improves customer satisfaction and loyalty. **Tickets Travel Network**, a leading Eastern European online travel agency, was amongst one of the first agencies to test Amadeus’ new ATC Shopper functionality.

## Rail

**AccesRail**, an IATA travel partner and content aggregator specialising in intermodal travel, strengthened its commitment to a door-to-door travel future through an extended 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. This link allows railways to broaden their reach in a key sales channel and increase revenue.

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.

## IT Solutions

- Navitaire consolidation significantly contributed to strong IT Solutions performance.
- Revenue grew 37.6%, reaching €368.3 million.
- Passengers Boarded rose by 63.0% to total 269.5 million, with 87.9m from Navitaire.
- Altéa Passengers Boarded grew 9.9%, 4.5% 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** and **China Airlines**.

## Airline IT:

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 availability to all types of carriers.

At the end of the first quarter 132 airlines globally were contracted for both Altéa Reservation and Altéa Inventory, 121 of which were contracted to use the full Altéa Suite (which additionally includes Altéa Departure Control); 127 airlines had already been implemented for Altéa Reservation and Altéa Inventory, 110 of which were already using the full Altéa Suite. The Altéa Suite enables the same traveller experience across alliance members by facilitating closer integration between partner airlines that need to share availability, fares, customer and booking information.

Migrations onto the Altéa platform continued, with **Swiss International Air Lines** and **Brussels Airlines** migrating to Altéa Departure Control towards the end of the quarter following its migration to Reservation and Inventory earlier in the year. Swiss International Air Lines and Brussels Airlines flew more than 16 million and 7 million passengers respectively in 2015. **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.

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 airlines through the addition of Amadeus Altéa

Departure Control Flight Management. Starting with Lufthansa, **Swiss International Air Lines**, **Brussels Airlines** and **Lufthansa Cargo**, Amadeus will work with the Lufthansa Group to automate aircraft load control and will eventually optimise loads for the group's 3,000 daily flights. Additionally, the relationship with **Singapore Airlines** was deepened when the airline contracted the full suite of Amadeus Revenue Management solutions, which are specifically designed to counter the 'buy-down effect' generated by traditional revenue management practices. By providing the airline with the necessary platform to future-proof its revenue management capabilities, Amadeus will allow the carrier to react more nimbly in the face of a rapidly evolving landscape. Singapore Airlines will also adopt the Amadeus Dynamic Pricing and Amadeus Altéa Group Manager solutions.

## Airport IT:

Quebec City's **Jean Lesage International Airport** is implementing next-generation cloud-based Amadeus technology, to provide a more efficient passenger departure experience and create substantial cost and energy savings. By introducing the Amadeus Airport Common Use Service (ACUS), which revolutionises check-in technology by using application virtualisation, and deploying self-service kiosks at the airport, Amadeus' solutions will increase operational flexibility to respond to peak demand.

Additionally **Copenhagen Airports**, the company that owns and operates the Copenhagen airports of **Kastrup** and **Roskilde**, has chosen to harness the power of the cloud through a ten-year IT partnership with Amadeus. By improving operational performance and the customer experience as part of an ambitious vision to become a world-class hub for Northern Europe, they hope to grow from 25 to 40 million passengers per year. 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.

## Additional information from the first quarter:

**Norwegian Air Shuttle** announced that generous passengers have donated approximately 3.3 million NOK (Almost USD 0.390 million) since June of 2015 via the Amadeus Donation Engine, which allows travellers to contribute funds to **UNICEF** when purchasing flights online. Passengers simply 'Click for Change' when finishing ticket purchase and a small donation of choice goes directly to support UNICEF's work for children.

The Amadeus commitment to its employees was recognised earlier this year when it was awarded the **Top Employers 2016 Certification** in Spain for the fourth consecutive year, in Germany at our data centre for the third consecutive year, for the first time ever in Thailand at our Bangkok regional office, and at our UK & Ireland Amadeus Commercial Office. The Top Employers Institute is a well-known independent organisation that assesses the employee offerings of companies around the world against international standards.

## Notes to 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](http://www.amadeus.com), and [www.amadeus.com/blog](http://www.amadeus.com/blog) for more on the travel industry.

Follow us on: 

## Contact details:

### Amadeus IT Group

Roman Townsend

Telephone: +34 91 177 1917

Email: [roman.townsend@amadeus.com](mailto:roman.townsend@amadeus.com)