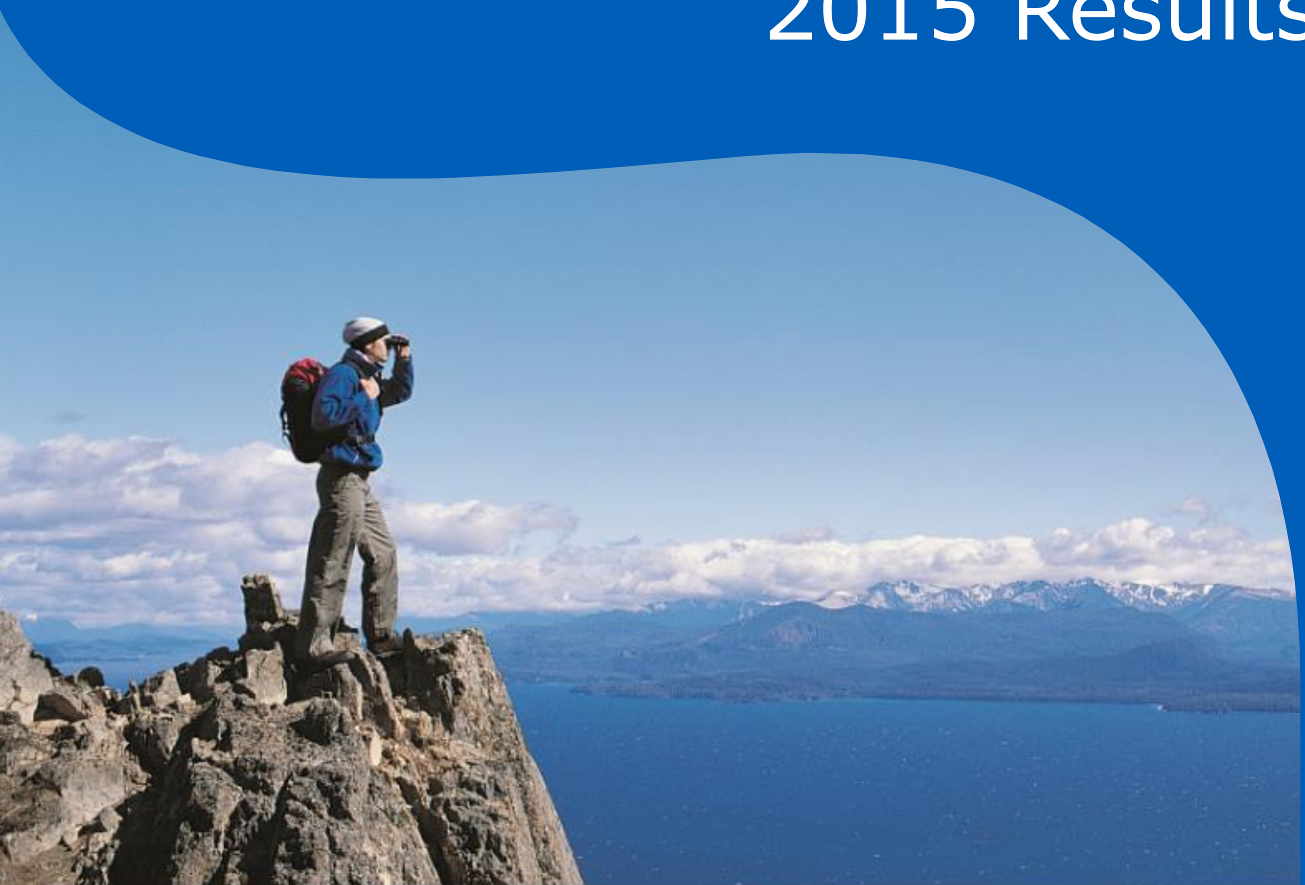
# Amadeus Jan - Sep 2015 Results

November 6, 2015



# 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.

# Sep 2015 YTD review

President & CEO,
Mr. Luis Maroto

# Robust results throughout 9M2015

## Revenue +14.7%

- Solid underlying business performance
- FX and 2014-2015 acquisitions

## EBITDA[1] +10.3%

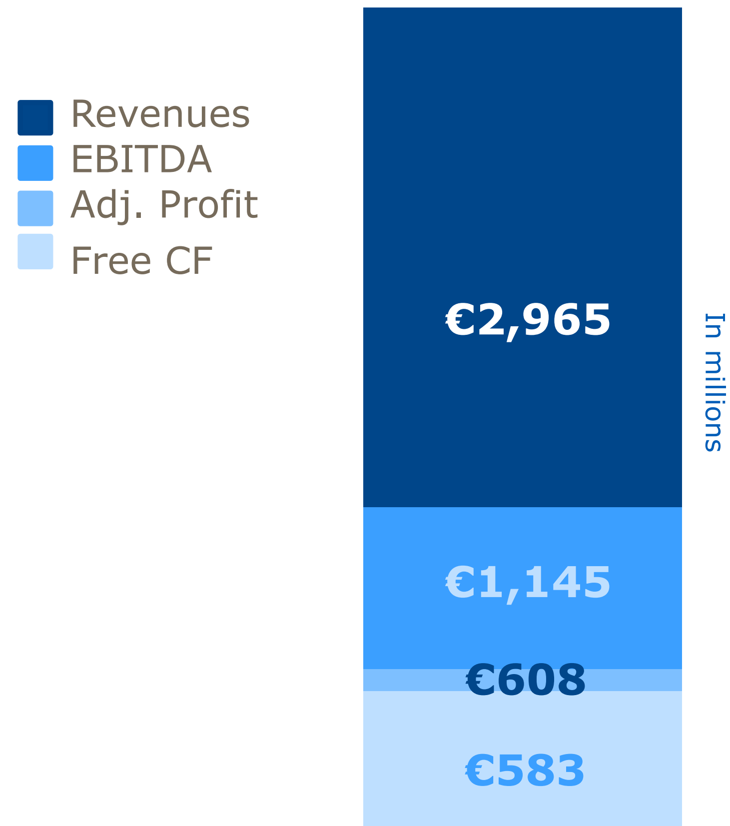
- 38.6% EBITDA margin
- FX and one-off impacts on margin

## Adjusted profit[1] +9.2%

- Adjusted EPS + 11.0%

## Free cash-flow +22.2%

## Leverage 1.20x






1. EBITDA is negatively impacted by extraordinary costs associated with the acquisition of Navitaire in 2015 (€5.1 million) and with the acquisition of i:FAO in 2014 (€1.6 million). Excluding these costs, EBITDA grew by 10.6%, to €1,149.6 million, Adjusted profit increased by 9.6% to €611.9 million and adjusted EPS grew 11.4% to 1.40.

# Continued progress across our strategies

## Distribution

- Renewed / signed content agreements with 9 full-service carriers – Air Canada full content agreement
- Increasing momentum of our merchandising solutions with new customers
  - Amadeus Ancillary Services - Aeromexico and Air Canada (via xml)
  - Amadeus Fare Families Solution - our proposal to increase adoption in the indirect channel - Aeromexico, Etihad and Air Canada
  - Lufthansa and Austrian implemented Amadeus Fare Families in 3Q2015, joining Swiss International and Brussels Airlines within the Lufthansa Group

## Airline IT

- Traction of our expanded up-sell and component strategy, with new customers
  - Copa Airlines - Amadeus Loyalty Management System
  - Virgin Australia - DCS Flight Management module
- Navitaire acquisition
  - Pending EU approval

## Diversification areas

### Hotel IT

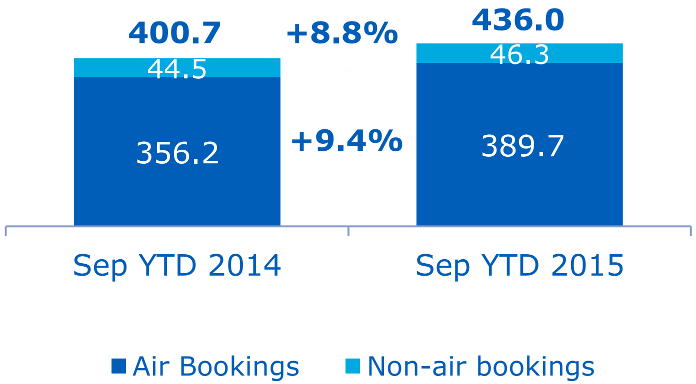
- Steadily advancing with IHG in the development of a new-generation Guest Reservation System
- Acquisition in the PMS space, equally a key piece of our strategy
  - July 21, 2015: based in the Netherlands, cloud-native Itesso Enterprise Lodging System
- Acquisition in the sales and catering space, to expand our offering
  - July 31, 2015: Hotel SystemsPro acquisition by Newmarket, a US-based provider of sales, catering and maintenance management software

### Airport IT

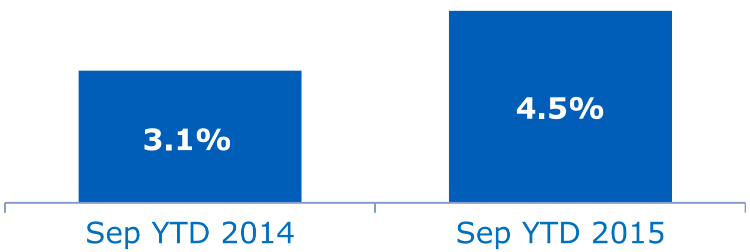
- Continued momentum in the market with our ACUS offering (Amadeus Airport Common Use Service)
  - Perth airport becomes Amadeus' first airport customer in Australia
  - Perth airport has forecast to reduce its passenger processing costs by 26% with the implementation of ACUS

# Distribution – volume expansion driving growth

## Amadeus TA Bookings (in million)




## Air TA Booking Industry Growth[1]




## Amadeus air TA Bookings by region

**Volume growth (%)**

***WE +2.4%***

***NA +35.1%***

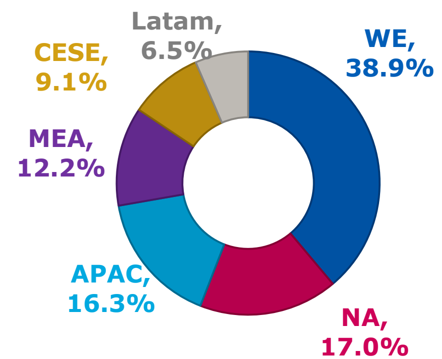
***APAC +24.3%***

***MEA (1.0%)***

***CESE 0.6%***

***Latam 2.1%***

**Weight (%)**



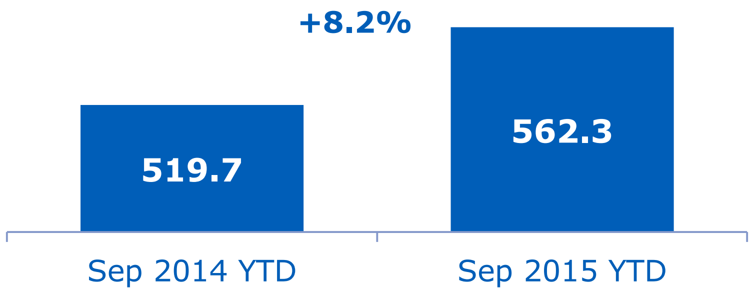

WE = Western Europe; CESE = Central, Eastern and Southern Europe; MEA = Middle East and Africa; Latam = Latin America; NA = North America (incl. Mexico)

– Our competitive position[1] improved by 1.9p.p. in the first nine months of 2015

1. When we refer to our competitive position, we consider only 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. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets. Since the end of the third quarter of 2014, it includes the bookings processed by the travel agencies connected to the Amadeus platform, which were previously connected to the local CRS Topas in South Korea.

# Continued robust growth in IT Solutions

## Passengers Boarded[1] (in million)

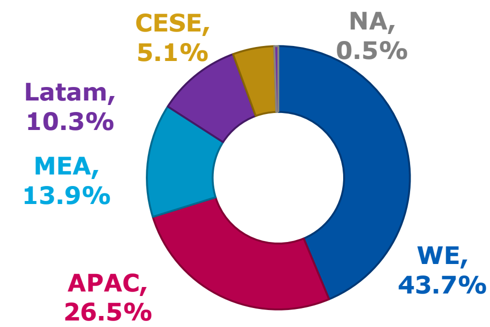



## Altéa PB by region (%)

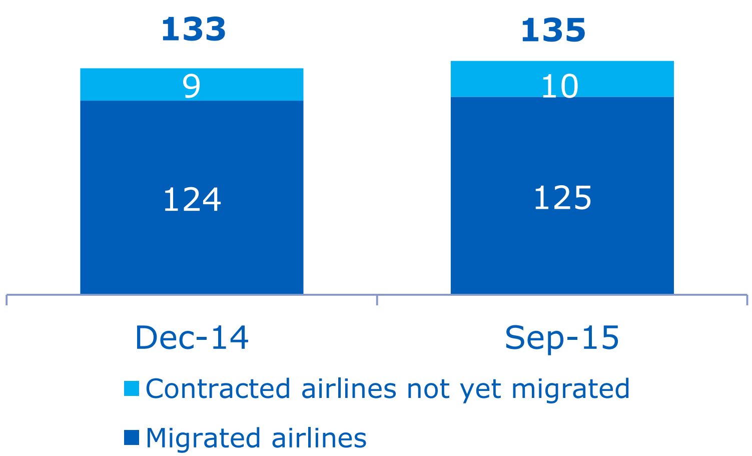
**Volume growth**

***WE +1.3%***
***APAC +25.1%***
***MEA +2.5%***
***Latam +8.0%***
***CESE 3.5%***
***NA n.m.***

**Weight**




## Number of Altéa[3] clients in IT Solutions




- 135 airlines contracted for Altéa and 125 implemented
- 8.2% September 2015 YTD Altéa PB growth, driven by:
  - Strong volume growth in APAC driven by 2014 migration activity (mainly Korean Air) and migration in 2015 of All Nippon Airways (the international part)
  - Positive evolution in other regions although Western Europe affected by strikes
  - 2.4% organic growth[2]
- Continued upselling and implementations to DCS, E-commerce and standalone solutions





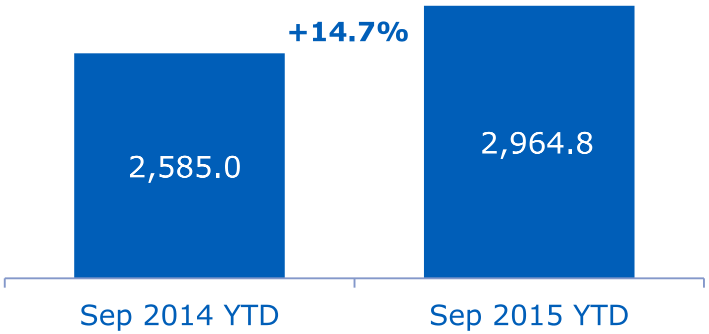
1. Passengers Boarded refers to actual passengers boarded onto flights operated by our migrated airlines
2. Adjusted to reflect growth for comparable airlines on the platform during both periods
3. Airlines that have contracted at least the Altéa Inventory module, in addition to the Reservations module

# Financial Highlights

CFO, Ms. Ana de Pro

# Double-digit group revenue growth

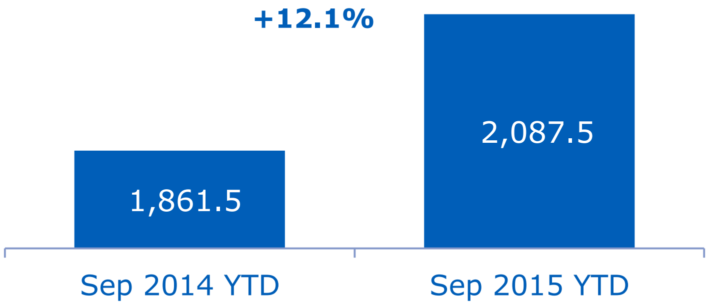
## Group Revenue (in € million)



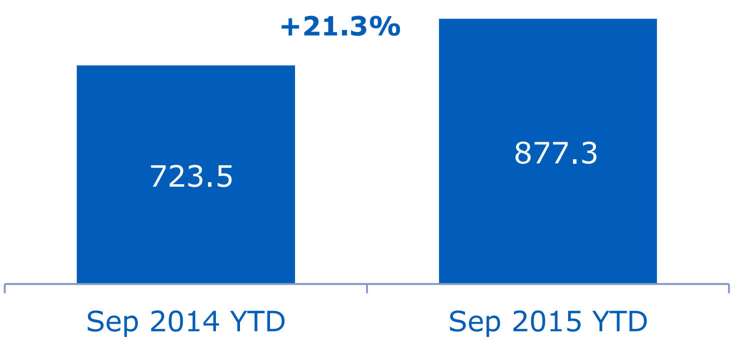

- **Group revenue** expanded by 14.7%, driven by a 12.1% and a 21.3% increase in Distribution and IT Solutions, respectively, supported by the positive impacts from 2014/2015 acquisitions and FX
- The underlying revenue growth was driven by:
- **Distribution**: volume growth supported by improved competitive position and a positive price effect from certain customer renegotiations. Regional/booking mix (increased weight of local bookings through high growth in the US and South Korea) continues to dilute the average booking fee
- **IT Solutions**: positive contribution of all revenue lines
  - Solid Altéa revenue performance – driven by PB growth and higher yield due to DCS migrations and other upselling
  - Growing contribution from new initiatives such as airport IT and payments

## Segment Revenue (in € million)

**Distribution**




**IT Solutions**





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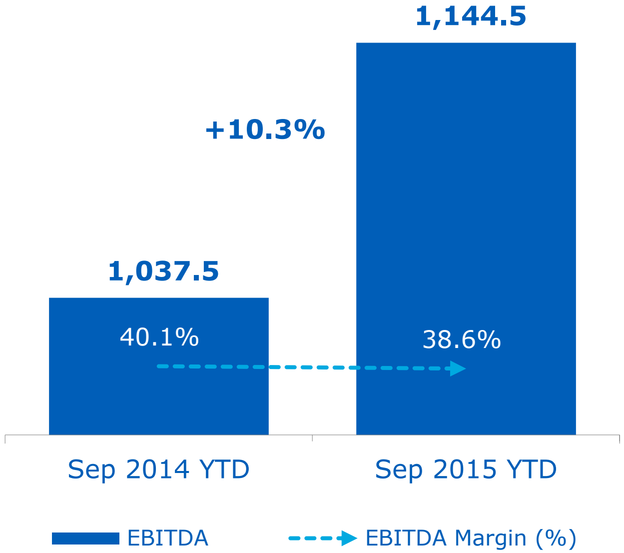
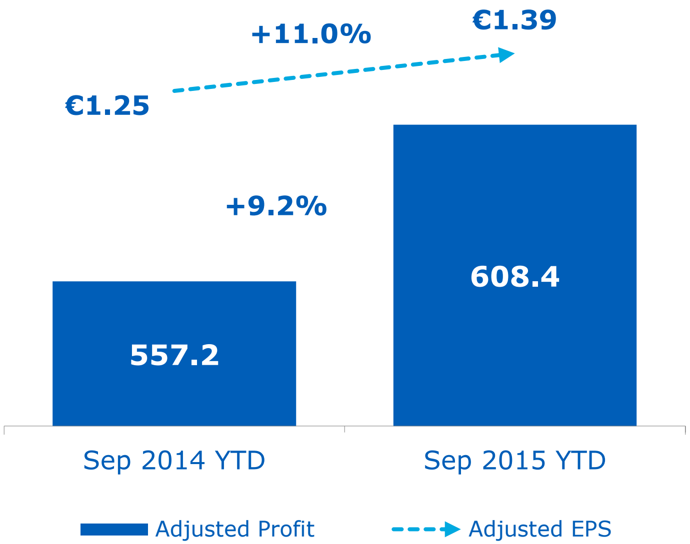
# Double-digit EBITDA and Adjusted EPS growth

## EBITDA[3] growth (in € million)




- EBITDA growth resulting from a positive performance of both Distribution and IT solutions, the contribution from our 2014 /2015 acquisitions and a positive FX impact
- Margin dilution driven by FX impact and certain extraordinary items such as: costs linked to M&A activity, bad debt increase in certain countries and provisions for potential local taxes - excluding these effects, EBITDA margin would have remained broadly stable

## Adj.Profit[1] [3] (€ million) & Adj. EPS[2] (€)




- Adjusted profit expansion driven by EBITDA growth, offset by high depreciation growth, higher financial expenses and higher absolute taxes (lower tax rate)
- Adjusted EPS growth supported by share repurchase program

1. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of interest rate hedging agreements and 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
3. EBITDA is negatively impacted by extraordinary costs associated with the acquisition of Navitaire in 2015 (€5.1 million) and with the acquisition of i:FAO in 2014 (€1.6 million). Excluding these costs, EBITDA grew by 10.6%, to €1,149.6 million, Adjusted profit increased by 9.6% to €611.9 million and adjusted EPS grew 11.4% to 1.40.



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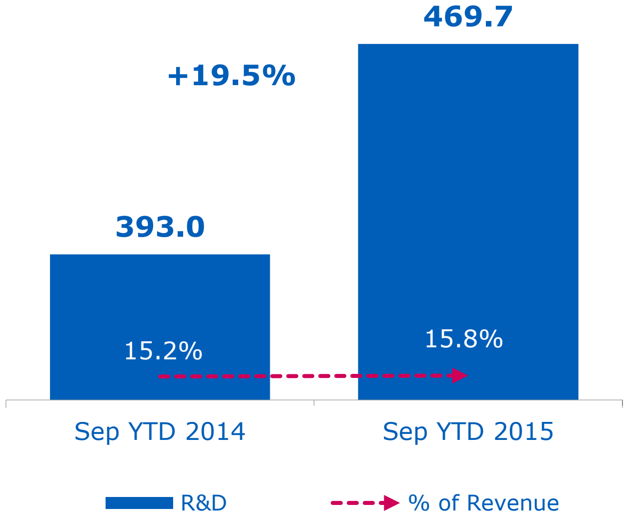
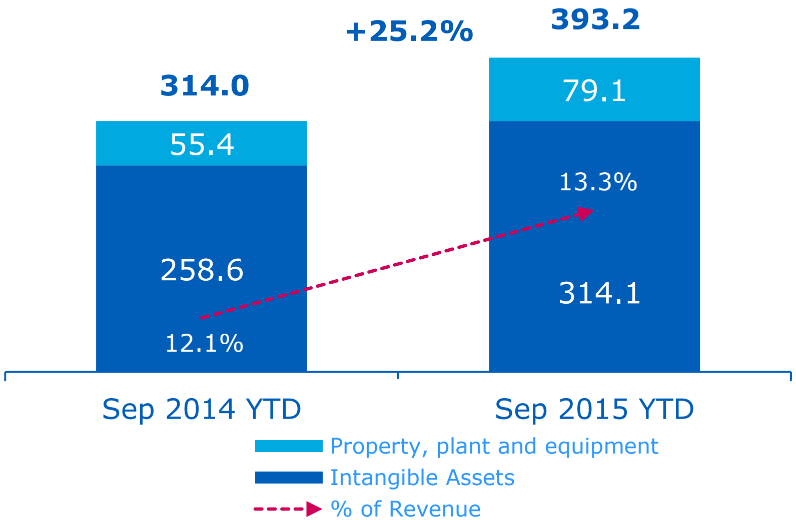
# Sustained investment in R&D and Capex

## R&D investment[1] (in € million)




- R&D investment represented 15.8% of revenue for the first nine months of the year
- R&D investment related to: (i) customer implementations, (ii) product portfolio expansion and evolution and (iii) internal technological projects

## Capex (in € million)




- Capex increase driven by growth in both PP&E and intangibles
- High growth in PP&E was motivated by (i) an increase in hardware purchases to enhance and optimize our data centre and to support higher processing activity and (ii) purchase of equipment for our new buildings in Bad Homburg (Germany) and in Nice (France)
- Investment in intangible assets driven by: (i) higher R&D investment (ii) consolidation of 2014/2015 acquisitions and (iii) higher signing bonuses



1. Net of Research Tax Credit



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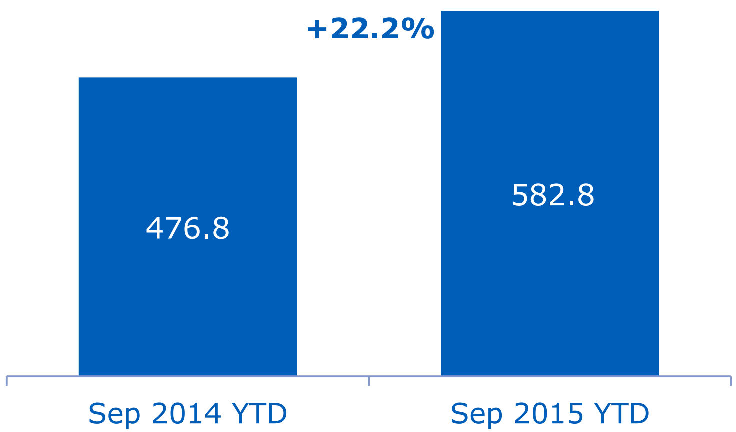
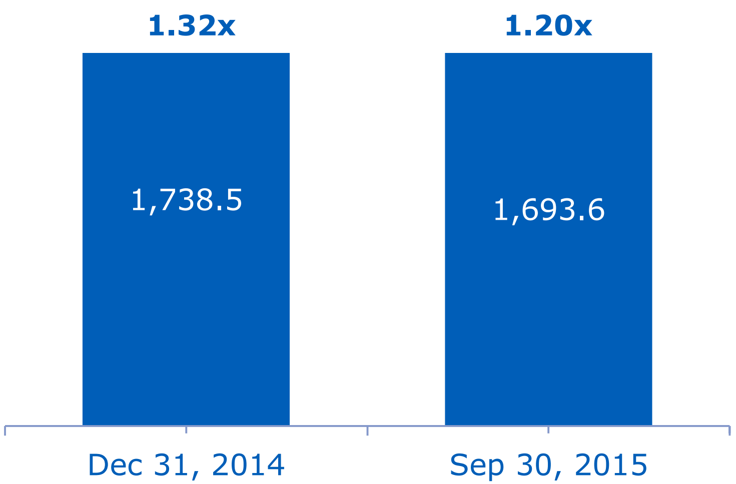
# Free cash-flow generation and leverage

## Free cash-flow[1] (in € million)




- Increased free cash-flow generation, as a result of:
  - EBITDA growth
  - A positive contribution from working capital and reduced taxes and interests paid
  - Partially offset by higher capex levels

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




- Slight net debt decrease resulting from free cash-flow generation and lower equity investments year-to-date, partially offset by higher shareholder remuneration
- Leverage within the target range of 1.0x-1.5x net debt / EBITDA

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.

# Thank you

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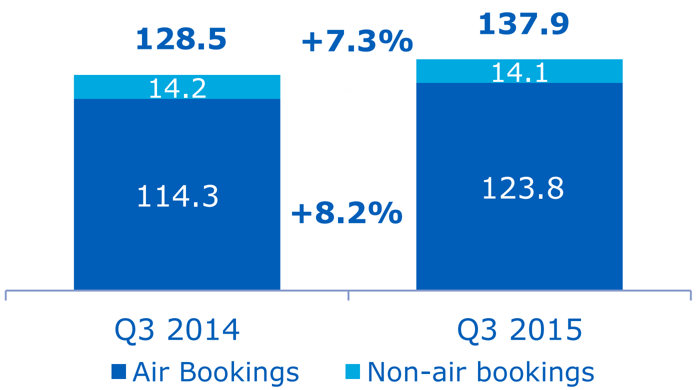
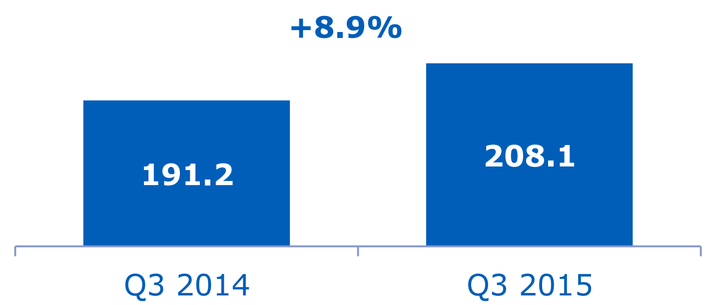
## Support materials

# Q3 Financial review - Volumes

## Amadeus TA Bookings (in million)




## Passengers Boarded (in million)




## Amadeus Air Bookings by region

**Q3 2015 Volume growth (%)**

***WE +1.1%***

***NA +39.0%***

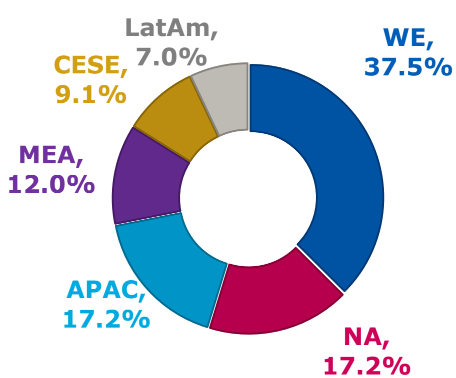
***APAC +16.9%***

***MEA +1.5%***

***CESE -2.3%***

***Latam -1.2%***

**Weight (%)**




## Altéa PB by region (%)

**Q3 2015 Volume growth (%)**

***WE +3.0%***

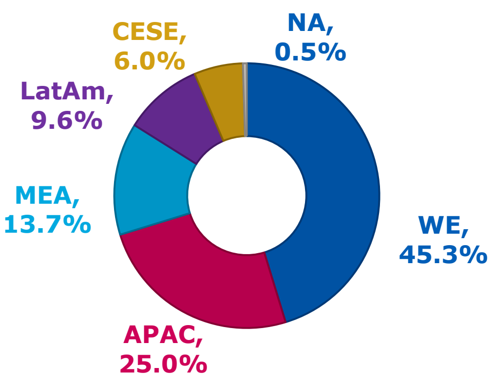
***APAC +24.1%***

***MEA +6.0%***

***Latam +3.4%***

***CESE +9%***

**Weight (%)**





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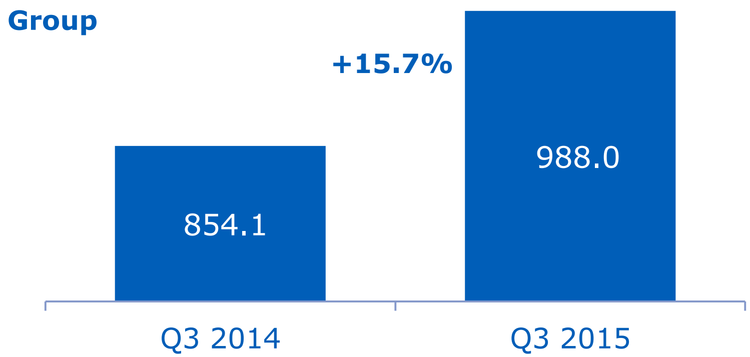
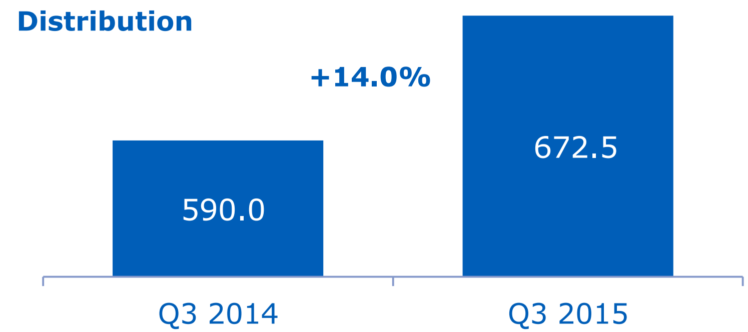
# Q3 Financial review - Revenue by segment

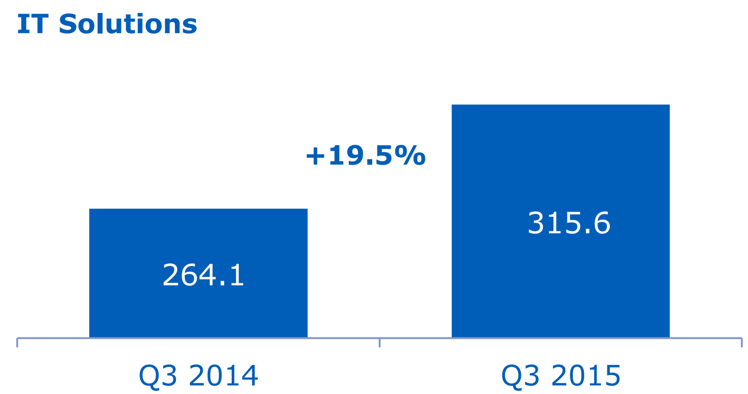
## Group Revenue (in € million)




- **Group** revenue growth of 15.7%, based on 14.0% and 19.5% increase in Distribution and IT Solutions revenue, respectively
- Higher **Distribution** revenue driven primarily by strong volume increase and higher yield due to certain customer renegotiations and FX
- **IT Solutions** revenue growth supported by PB growth and upselling

## Segment Revenue (in € million)





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# Key Performance Indicators

| | Sep 2015 YTD | Sep 2014 YTD | % Change |
|---|---|---|---|
| Air TA Booking Industry Change (%) [1] | 4.5% | 3.1% | - |
| Amadeus Air TA Bookings (in m) | 389.7 | 356.2 | 9.4% |
| Passengers Boarded (PB) (in m) | 562.3 | 519.7 | 8.2% |
| Revenue | 2,964.8 | 2,585.0 | 14.7% |
| EBITDA[3] | 1,144.5 | 1,037.5 | 10.3% |
| Adjusted[2,3] profit | 608.4 | 557.2 | 9.2% |
| Adjusted EPS (in €) | 1.39 | 1.25 | 11.0% |
| R&D | 469.7 | 393.0 | 19.5% |
| CAPEX % of revenues | 13.3% | 12.1% | 1.1p.p. |

1. The air TA booking industry is defined as the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia. Since the end of the third quarter of 2014, it includes the bookings processed by the travel agencies connected to the Amadeus platform, which were previously connected to the local CRS Topas in South Korea. Our competitive position is calculated as our air TA bookings over the air TA 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) changes in fair value of interest rate hedging agreements and non-operating exchange gains (losses) and (iii) other non-recurring items
3. EBITDA is negatively impacted by extraordinary costs associated with the acquisition of Navitaire in 2015 (€5.1 million) and with the acquisition of i:FAO in 2014 (€1.6 million). Excluding these costs, EBITDA grew by 10.6%, to €1,149.6 million, Adjusted profit increased by 9.6% to €611.9 million and adjusted EPS grew 11.4% to 1.40.