

Amadeus 2019 Results

February 28, 2020



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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.



Operating Review

Luis Maroto

President & CEO

2019 Expansion

Revenue +12.8%¹

- Solid business performance
- New businesses strong growth + TravelClick consolidation
- Positive FX impact

EBITDA +10.0%¹

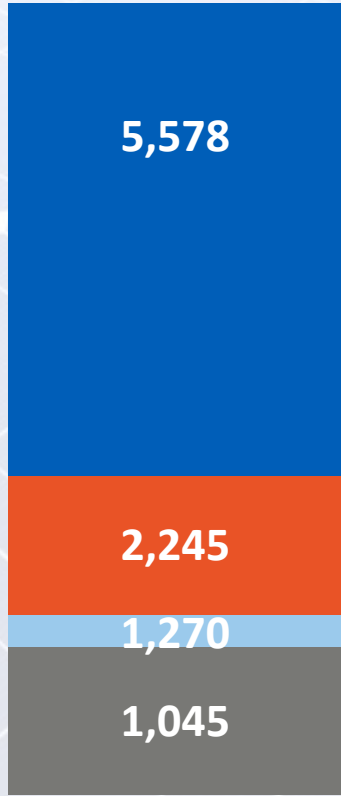
Adjusted profit +13.4%¹

- Adjusted EPS +13.3%¹

Free Cash Flow² +5.7%

- +8.1%² increase pre-tax

Leverage 1.23x



In € millions



■ Revenue ■ EBITDA ■ Adj. profit ■ Free CF

1. Adjusted to exclude TravelClick’s acquisition related costs (amounting to €9.4 million and €19.5 million in 2019 and 2018, respectively, before taxes) and PPA effects (which reduced revenue and EBITDA by €7.8 million and €3.6 million, respectively, in 2019, and by €8.2 million and €7.7 million, respectively, in 2018. Adjusted profit is not impacted by PPA effects). For full details on TravelClick’s acquisition and impacts, see section 3.1 of 2019 Management Review.
 2. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick’s acquisition related costs of €14.4 million and €4.8 million, paid in 2019 and 2018, respectively, and TravelClick’s acquisition financing related fees of €8.2 million, paid in 2018. For full details on TravelClick’s acquisition and impacts, please see section 3.1 of 2019 Management Review.

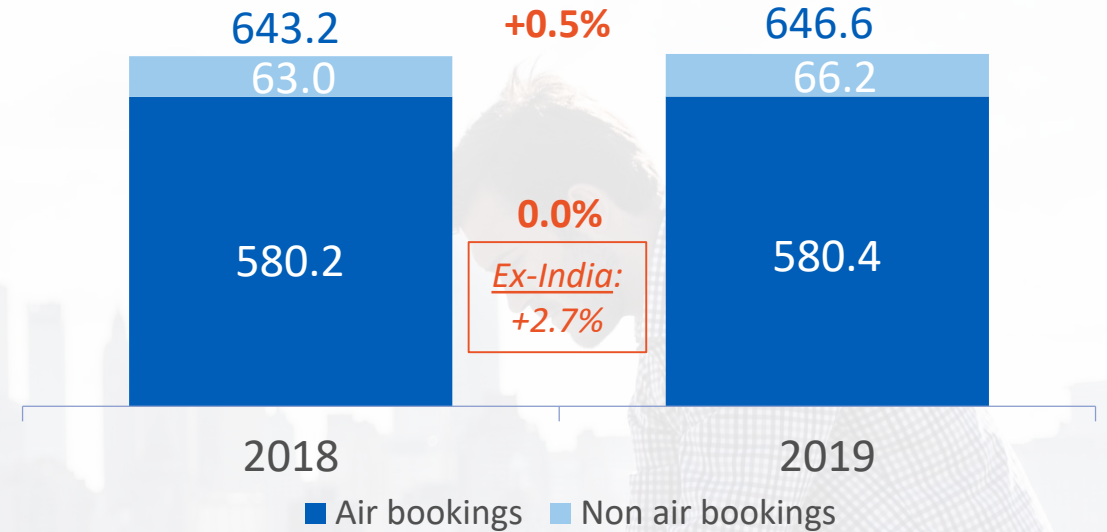
Developments

- Renewed / signed 17 **content agreements** in Q4 2019, including easyJet.
- New distribution agreement with **Air India**, resulting from which travel sellers connected to Amadeus in India, have access to Air India's international content and travel sellers connected to Amadeus outside of India, have access to Air India's full range of content.
- Extended partnership with **Japan Airlines**, whereby the carrier will implement Amadeus Altéa NDC and will integrate its NDC content into the Amadeus Travel Platform.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand.
 - Amadeus Ancillary Services – 157 contracted airlines.
 - Amadeus Airline Fare Families – 101 contracted airlines.

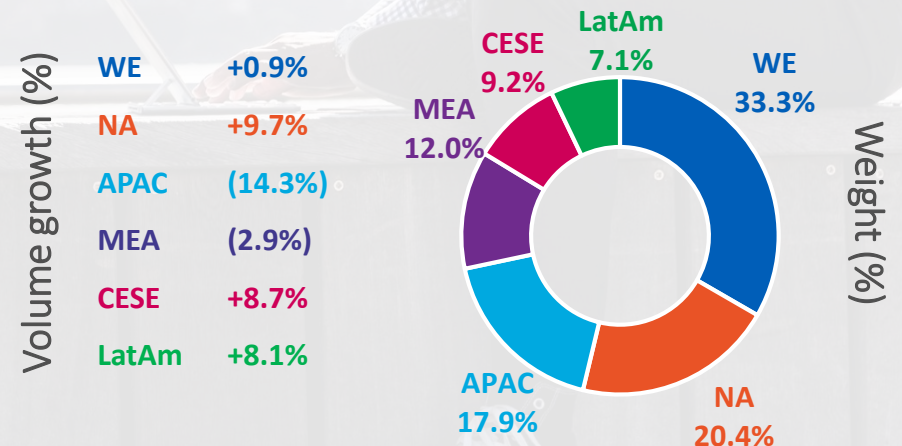
Performance

- Continued **weak industry backdrop** in 2019: -0.9% industry decline (impacted by India - broadly flat, excluding India) with mixed performance by regions.
- Amadeus **market share gains across regions**, except for Asia Pacific (+0.3 p.p. global market share gain, +1.0 p.p. ex. India).

Amadeus TA bookings (millions)



Amadeus TA air bookings by region



Developments

Airline IT

Air Canada implemented Altéa Reservations and Inventory, Amadeus Anytime Merchandizing and Amadeus Customer Experience Management.

TAAG Angola signed for the full Altéa suite and Amadeus Revenue Integrity. **Norwegian** signed for Amadeus Passenger Recovery. **Korean Air** contracted for some of our disruption related solutions. Chinese carriers **Sichuan Airlines** and **Xiamen Airlines**, both, signed for additional functionality within our Digital suite. **SriLankan Airlines** contracted for Amadeus Group Manager. Russian carrier **S7 Airlines** contracted and implemented Amadeus Loyalty. **Fiji Airways** contracted for Amadeus Revenue Management, Amadeus Revenue Accounting and Amadeus Revenue Integrity, among others.

The **Lufthansa Group** renewed their PSS agreements and contracted for additional functionality.

In January 2020, Amadeus completed the acquisition of **Sky Suite**, Optym's airline network planning software business.

Airport IT

Perth Airport, a customer of Amadeus Airport Common Use Service since 2015, signed for ICM's Hybrid Auto Bag Drop units, check-in kiosks and its local platform to serve the kiosks. Perth Airport will also implement Amadeus Passenger Verification.

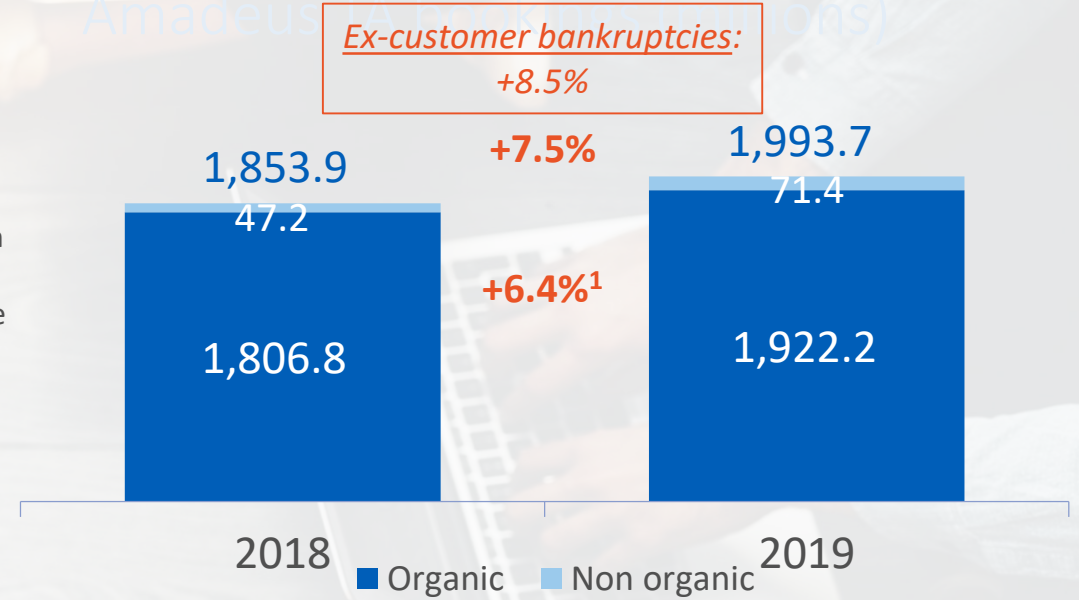
We continued to grow our footprint in the U.S. **Nashville International Airport** (Tennessee), **Daytona Beach International Airport** (Florida) and **Fort Lauderdale-Hollywood International Airport** (Florida) contracted for our solutions.

Performance

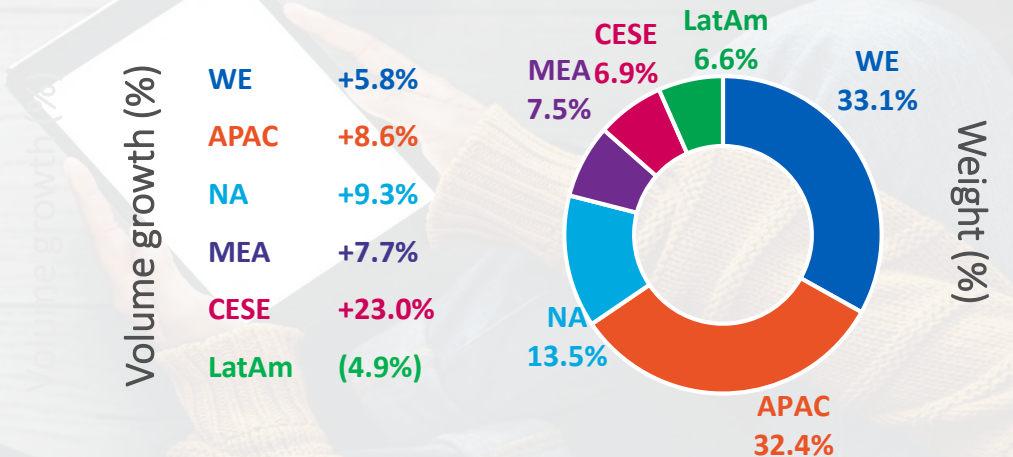
7.5% PB growth driven by +6.4%¹ organic growth, and:

- Customer implementations (S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, and Philippine Airlines, Bangkok Airways, Flybe, Air Canada and Air Europa in 2019).
- Growth slowed down by (i) cessation/suspension of operations of customers: Germania and bmi Regional (February 2019), Avianca Brasil (May 2019), Avianca Argentina (June 2019), and Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France (September 2019) and (ii) de-migration of LATAM Airlines Brasil from our platform in Q2 2018.
- Excluding airlines ceasing or suspending operations, Amadeus passengers boarded grew 8.5% in 2019.

Passengers Boarded (PB) (millions)



Amadeus PB by region



1. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

IT Solutions - Hospitality

Developments

- American hotel chain **Coast Hotels** contracted TravelClick's iHotelier and business intelligence solutions, which will be implemented across its almost 40 properties.
- **Welk Resorts Group** opted for Single Media Agency for 3 of its properties. London-based hotel **St Giles London** also contracted this solution.
- **World Trade Center Boston & Seaport Hotel** and the Australian chain **Crown Hotels** renewed their contracts and upgraded to our most advanced version of the Amadeus Sales & Event Management solution.

Performance

- Hospitality revenue expanded at a **double-digit growth rate** (delivered excluding TravelClick and by TravelClick standalone).
- This solid performance resulted from double-digit growth **at each of our Hospitality business lines**: (i) Reservations, Property and Guest Management, (ii) Sales & Catering and Service Optimization, (iii) Media and Distribution, and (iv) Business Intelligence.
- We today offer solutions to customers at more than 49,000 unique properties worldwide.

Amadeus Hospitality Solutions Portfolio



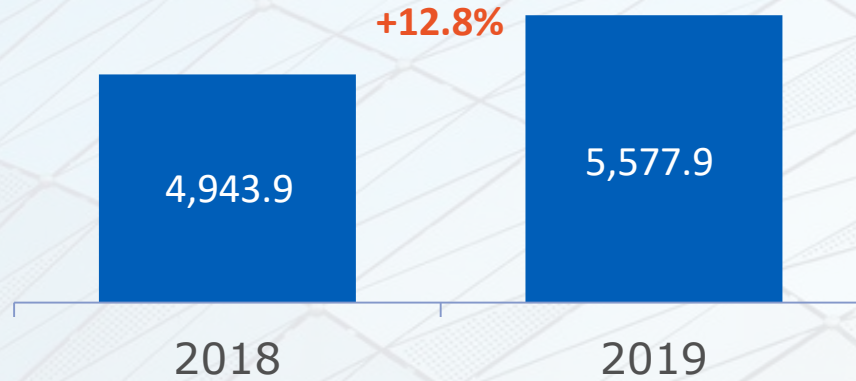
Financial highlights

Ana de Pro
CFO



Revenue growth by segment¹

Group revenue (€ millions)



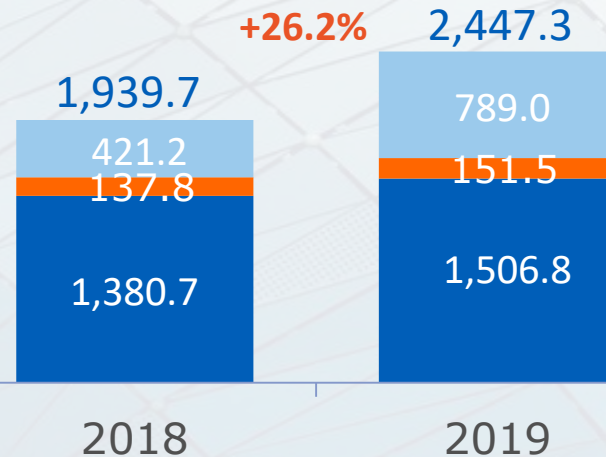
- **Group revenue** expanded by 12.8%, driven by the positive performances of our Distribution and IT Solutions segments. Revenue growth was positively impacted by FX and TravelClick's consolidation.

Segment revenue (€ millions)

Distribution



IT Solutions



- **Distribution:** resulting from volume growth and an expansive revenue per booking, driven by (i) booking mix (increasing weight of global bookings, and hotel bookings) and customer renegotiations, as well as, (ii) high double-digit growth delivered by our payments distribution business.

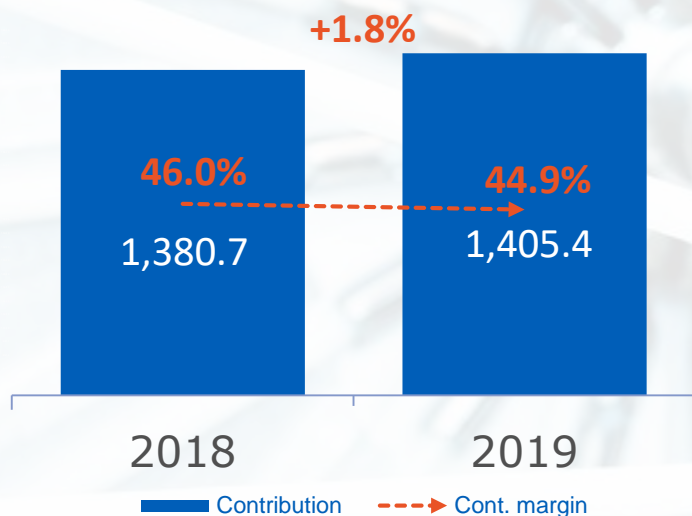
- **IT Solutions:** driven by (i) PB volume growth coupled with an expansion in Airline IT unitary revenue, (ii) double-digit growth of new businesses and (iii) the TravelClick consolidation impact.

1. The figures in this slide have been adjusted to exclude TravelClick's related PPA effects, which had a negative impact of €7.8 and €8.2 million on both IT Solutions and Group revenue, in 2019 and 2018, respectively. For full details on TravelClick's acquisition and impacts, see section 3.1 of 2019 Management Review.

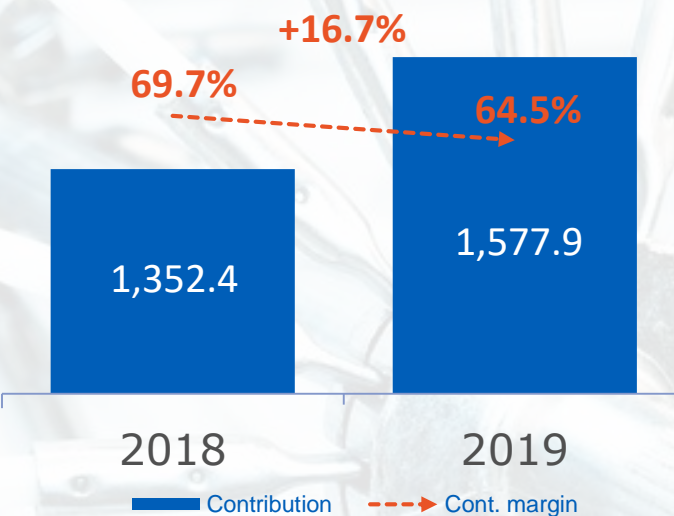
Contribution growth across segments¹

Segment contribution (€ millions)

Distribution



IT Solutions

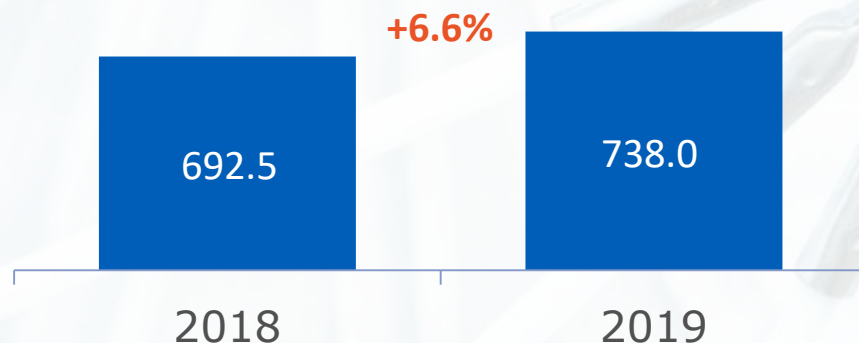


- **Distribution:** margin dilution mainly driven by a unitary distribution cost expansion, resulting from competitive pressure, and double-digit payments distribution growth (a lower margin business).

- **IT Solutions:** margin dilution resulting from TravelClick's consolidation, double-digit growth of new businesses (exc. TC) and a lower capitalization ratio.

- **Indirect costs:** 6.6% growth, resulting from (i) higher resources in corporate functions to support our overall business expansion, (ii) TravelClick's consolidation effect and (iii) a negative FX impact.

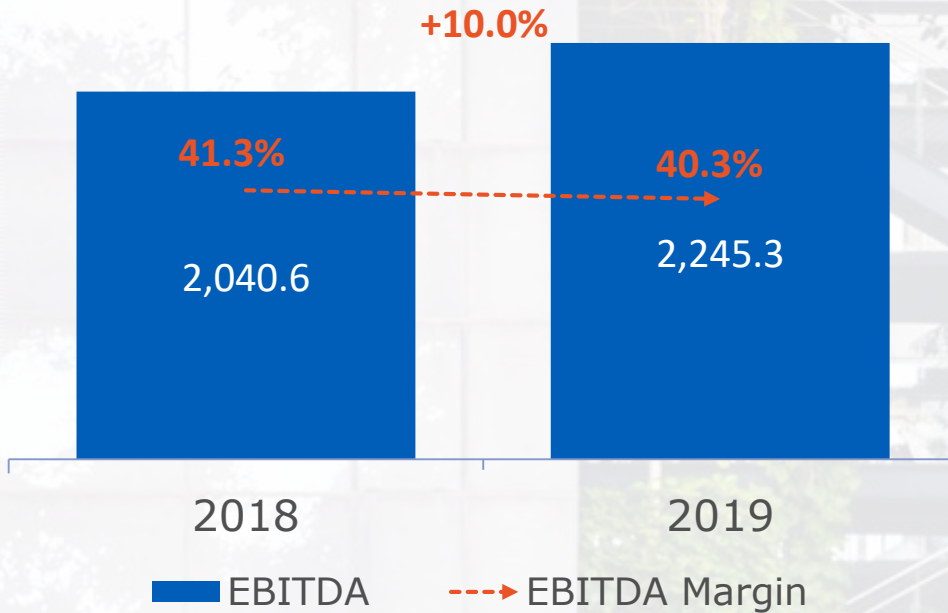
Net indirect costs (€ millions)



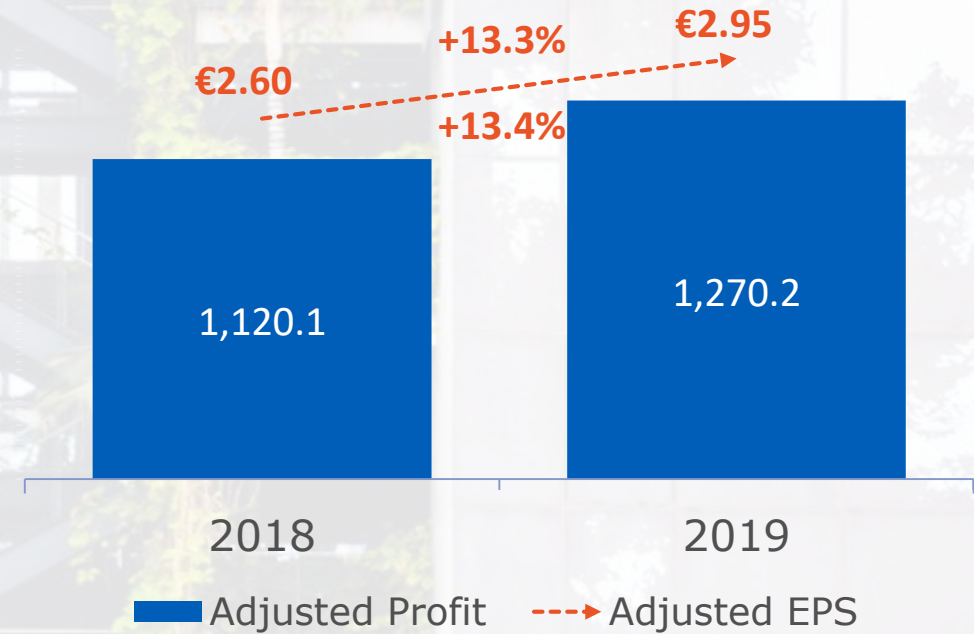
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EBITDA and Adjusted EPS growth¹

EBITDA (€ millions)



Adj. Profit² (€ millions) & Adj. EPS³ (€)



EBITDA growth resulting from:

- Distribution and IT Solutions positive performance.
- TravelClick consolidation.
- Positive FX effect.

EBITDA margin evolution impacted by TravelClick's consolidation, a lower capitalization ratio and payments distribution business growth.

Adjusted profit increase as a result of EBITDA growth and lower income taxes, impacted by a reduction in income tax rate vs. 2018, partly offset by higher D&A and financial expense.

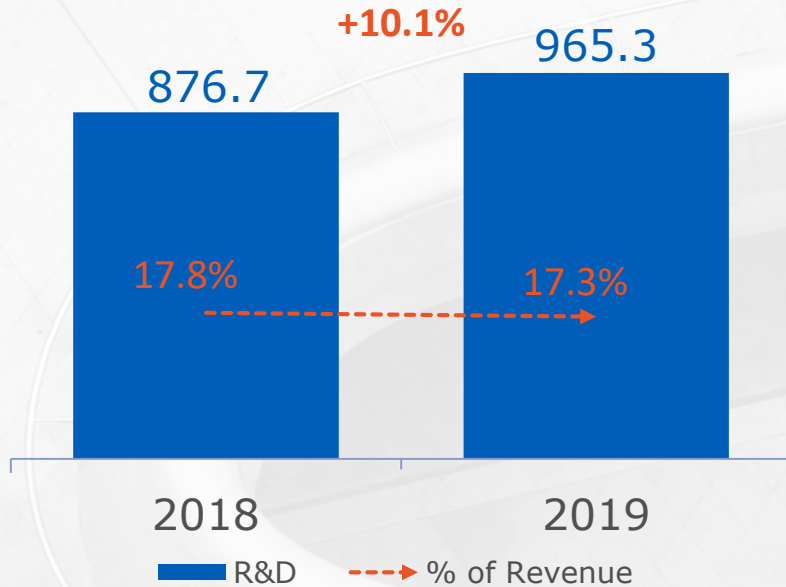
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2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-operating items.

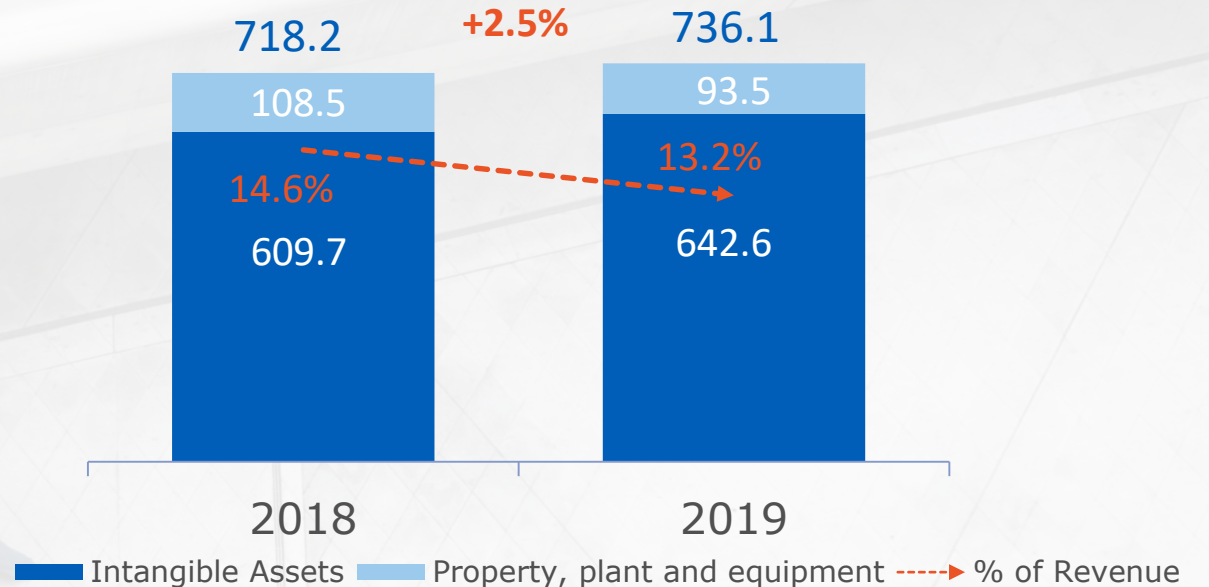
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Investment in R&D and Capex

R&D investment¹ (€ millions)



Capex (€ millions)



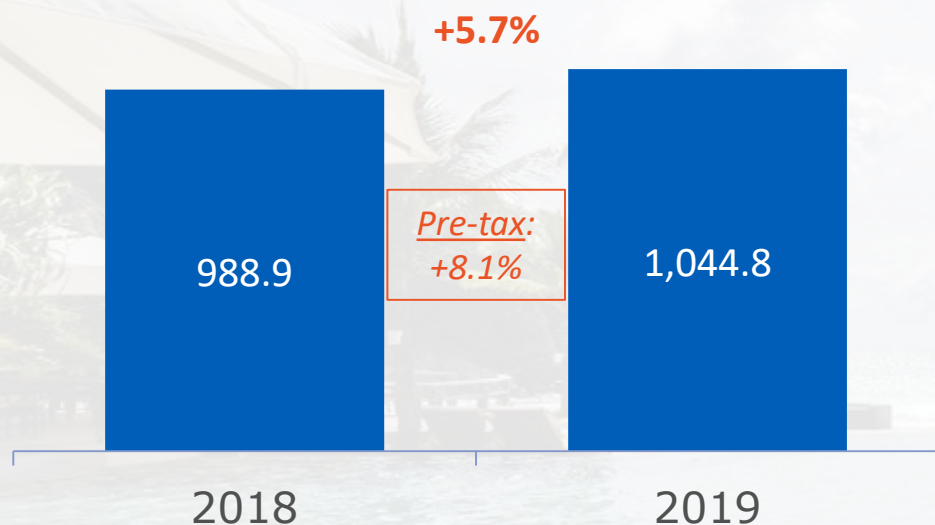
- R&D investment related to: (i) new product development and portfolio expansion, (ii) customer implementations, and (iii) cross-area technological projects.
- R&D investment represented 17.3% of revenue.

- Increase in capex in intangible assets, resulting from higher software capitalizations, signing bonuses paid and TravelClick's consolidation.
- Capex represented 13.2% of revenue.

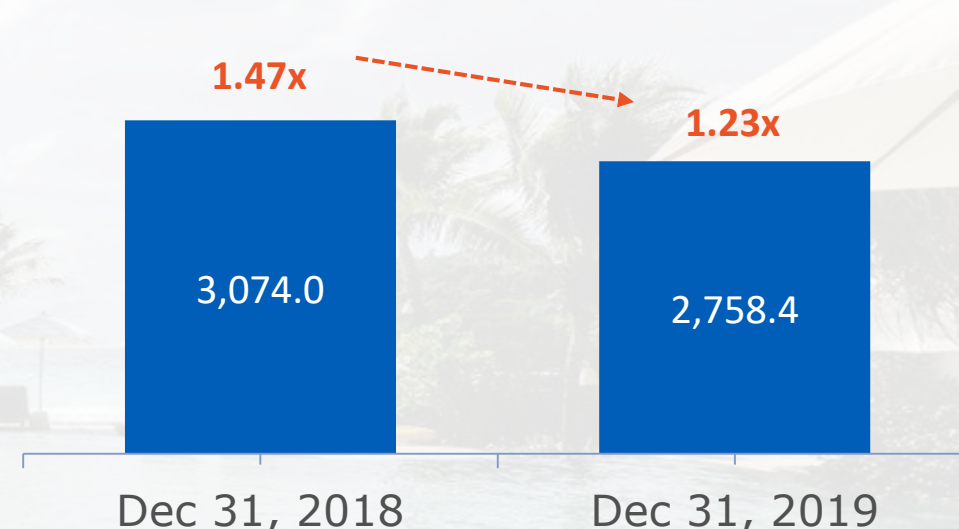
1. Net of research tax credit.

Free cash flow generation and leverage

Free cash flow¹ (€ millions)



Net debt (€ millions) and leverage (x)²



- +8.1% pre-tax free cash flow growth, resulting from EBITDA growth, partly offset by higher capex, interests and working capital outflow.

- Free cash flow generation, impacted by an increase in taxes paid in Q1 2019.

- Net debt decrease mainly resulting from free cash flow generation, partially offset by the 2018 dividend payment.

1. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs of €14.4 million and €4.8 million, paid in 2019 and 2018, respectively, and TravelClick's acquisition financing related fees of €8.2 million, paid in 2018. For full details on TravelClick's acquisition and impacts, see section 3.1 of 2019 Management Review.

2. Based on our credit facility agreements' definition.

2020 Views



2020 Business-as-usual scenario pre Coronavirus impact

	Distribution	IT Solutions	Group
Revenue growth rate	<p>Solid mid single-digit</p> <ul style="list-style-type: none"> — Air traffic growth in line with 2019 <ul style="list-style-type: none"> • IATA projects 4.1% air traffic growth for 2020 (with downside risk)¹ — GDS industry recovery (India) and expansion (Japan) — Market share gains (Air India, Japan) — Distribution payments growth 	<p>High single-digit</p> <ul style="list-style-type: none"> — High single-digit PB growth <ul style="list-style-type: none"> • +50m PB inorganic impact: (i) +65m PB from 2019 and 2020 migrations², and (ii) impact from airlines ceasing operations³ — Double-digit growth from new businesses 	<p>Revenue growth rate: Mid to High single-digit</p>
Margin evolution	<p>Dilution</p> <ul style="list-style-type: none"> — Competitive pressure — Faster distribution payments growth (a lower margin business) 	<p>Small dilution</p> <ul style="list-style-type: none"> — Airline IT operating leverage — Faster new businesses growth 	<p>EBITDA growth rate: Mid to High single-digit</p>

1. Source: IATA Air Passenger Market Analysis December 2019 (Feb 2020).

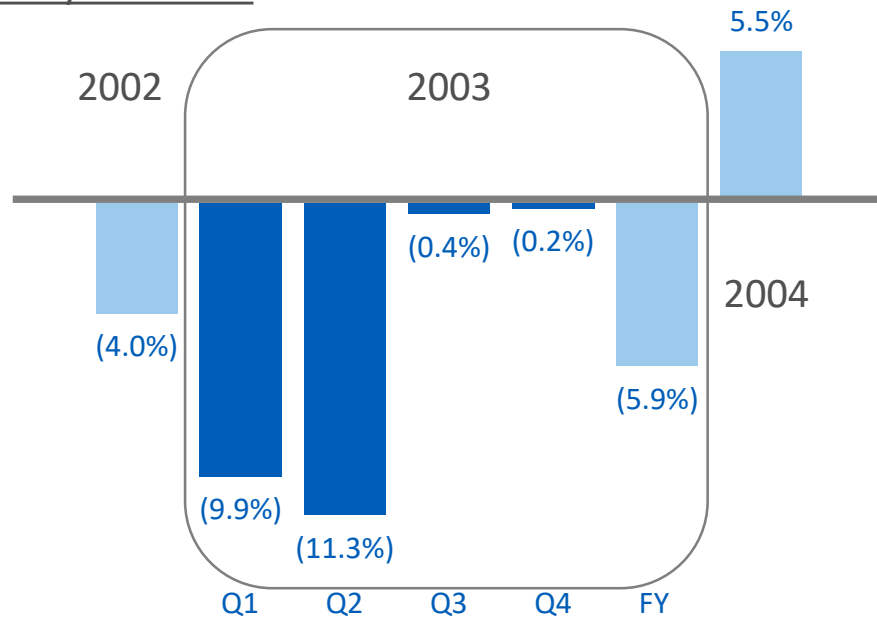
2. In 2019: mainly Philippine Airlines (Q1), Bangkok Airways (Q2), Flybe (Q2) and Air Canada (Q4). In 2020: mainly Azerbaijan Airlines, TAAG Angola, Mauritania Airlines, Air Tahiti and Flyone.

3. Germania and bmi Regional (February 2019), Avianca Brasil (May 2019), Avianca Argentina (June 2019), and Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France (September 2019).

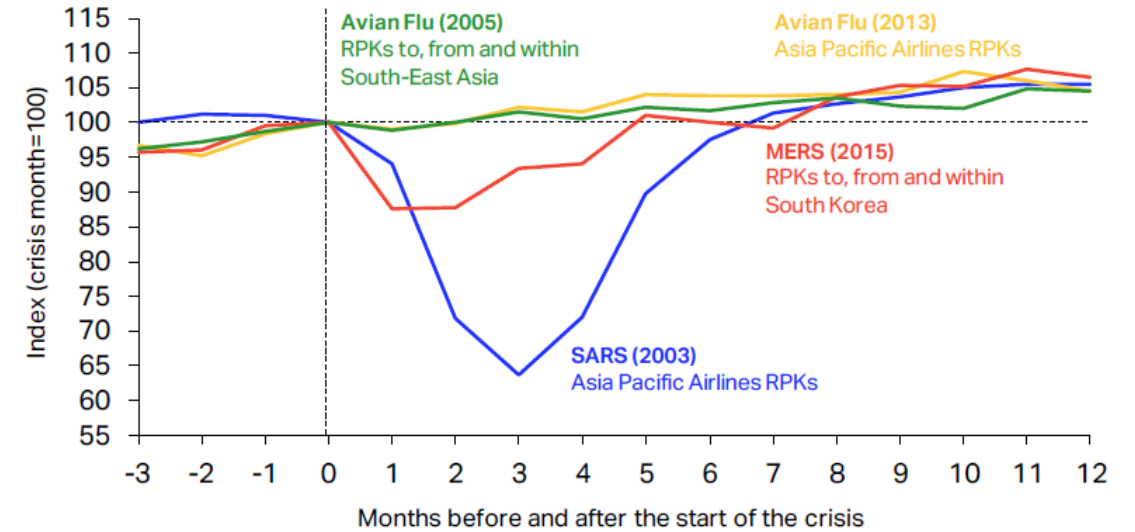
Coronavirus impact?

2003 SARS precedent

GDS industry evolution



Asia Pacific RPKs in past outbreaks



Source: IATA Economics

Recap

- Recent GDS industry and organic PB evolution confirm a deceleration.
 - Amadeus year-to-date volumes benefit from pre-virus January performance and incremental PB from new PSS customer migrations.
 - Tight cost control.
- Early to know how long this trend will last, which will determine size of impact.
- Based on past health episodes, acute negative impact at first, which should be followed by a rebound.
- Revenue and EBITDA growth largely dependent on evolution of Coronavirus.
- Free cash flow should grow faster than EBITDA, supported by improved working capital dynamics and tax payments.
- Monitoring situation closely. We will be providing updates quarterly.

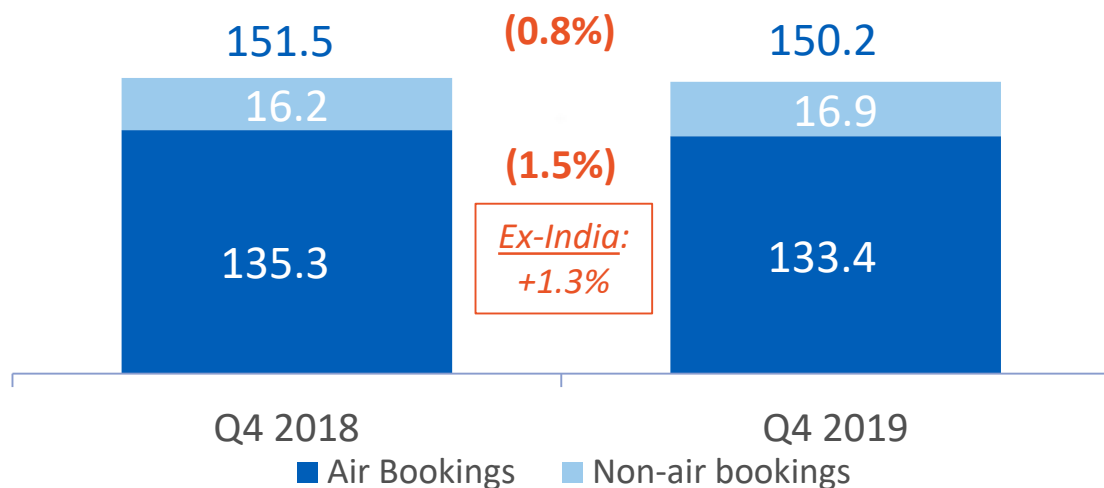


Support materials

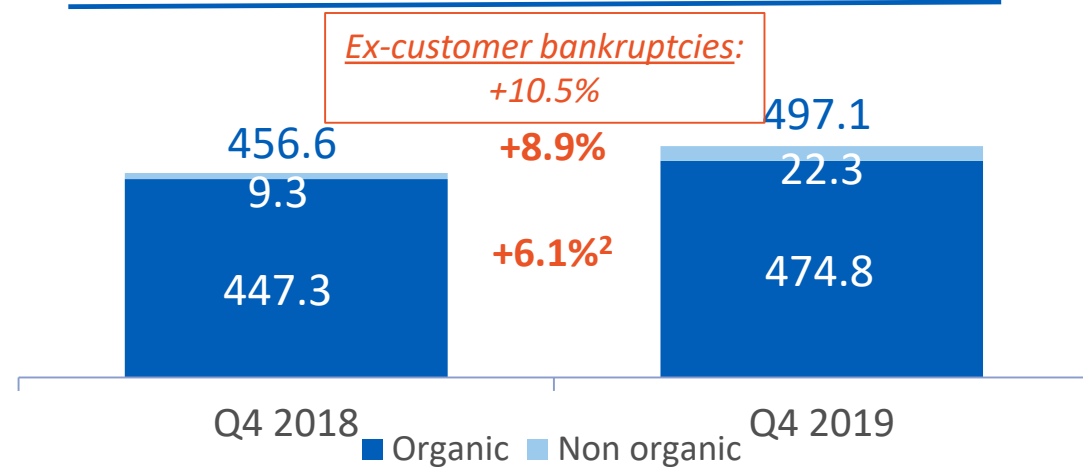


Q4 Volumes

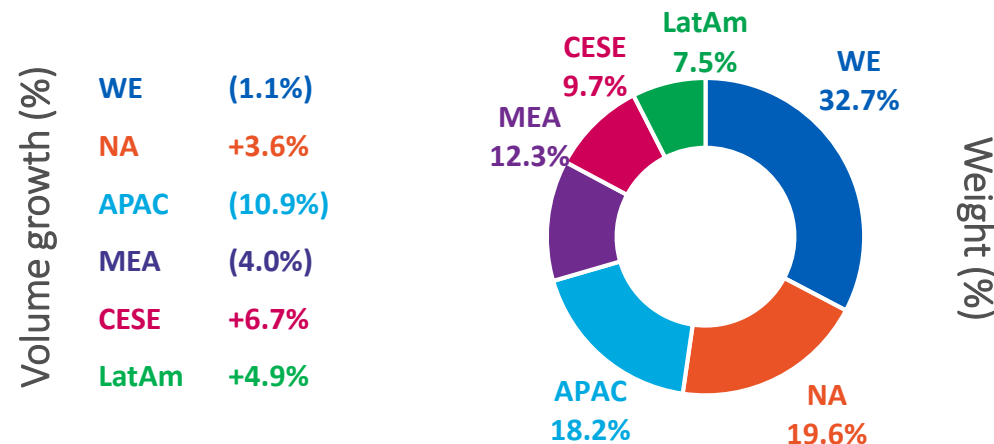
Amadeus TA Bookings (in millions)



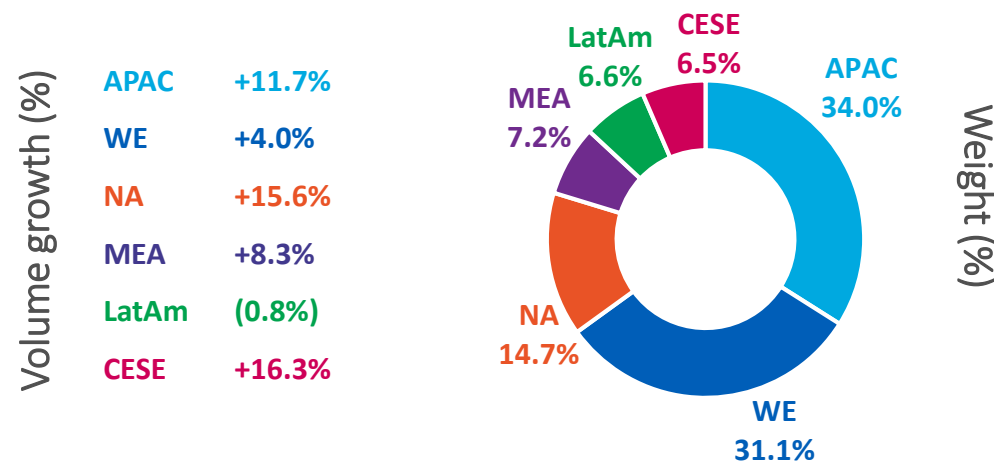
Passengers Boarded¹ (in millions)



Amadeus TA Air Bookings by region



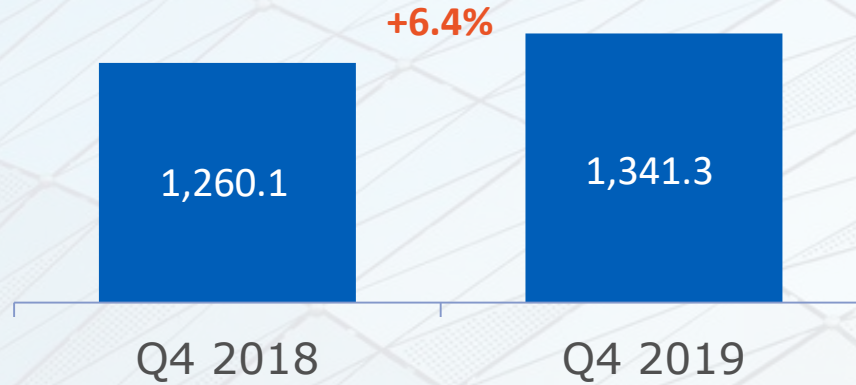
Amadeus PB¹ by region



1. Passengers Boarded ("PB") refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated airlines.
 2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

Q4 revenue by segment¹

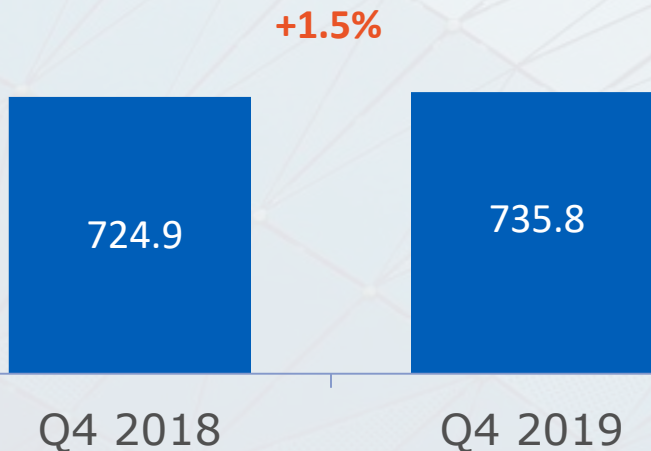
Group revenue (€ millions)



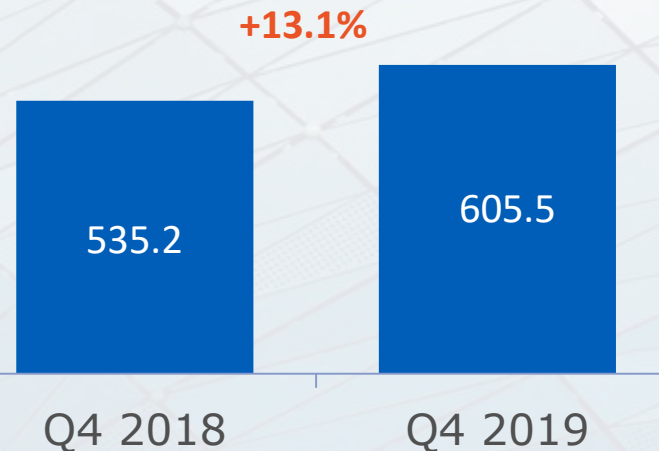
- **Group revenue** expanded by 6.4%, supported by the positive performances of our Distribution and IT Solutions segments. Revenue growth was positively impacted by FX.

Segment revenue (€ millions)

Distribution



IT Solutions



- **Distribution:** resulting from (i) an expansive distribution pricing, and (ii) double-digit payments distribution growth.

- **IT Solutions:** driven by (i) Airline IT low double-digit growth, on the back of PB volume expansion and a higher average revenue per PB, and (ii) new businesses double-digit growth.

1. The figures in this slide have been adjusted to exclude TravelClick's related PPA effects, which had a negative impact of €8.2 million on both IT Solutions and Group revenue in Q4 2018, respectively (no impact in Q4 2019). For full details on TravelClick's acquisition and impacts, see section 3.1 of 2019 Management Review.

Key Performance Indicators

	2019	2018	Change
Amadeus TA bookings (m)	646.6	643.2	0.5%
Passengers Boarded (m)	1,993.7	1,853.9	7.5%
Revenue ¹ (€m)	5,577.9	4,943.9	12.8%
EBITDA ¹ (€m)	2,245.3	2,040.6	10.0%
Adjusted profit ¹ (€m)	1,270.2	1,120.1	13.4%
Adjusted EPS ¹ (€)	2.95	2.60	13.3%
Free Cash Flow ² (€m)	1,044.8	988.9	5.7%

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Thank you!

