

2019 Full year financial results

Highlights

Strength of IT Solutions and diversification strategy drive double digit growth in the year

Full year highlights (twelve months ended December 31, 2019)

- Revenue grew by 12.8%¹, to €5,577.9 million
- EBITDA increased by 10.0%¹, to €2,245.3 million
- In Distribution, our travel agency bookings grew 0.5%, to 646.6 million
- In IT Solutions, our passengers boarded expanded 7.5%, to 1,993.7 million

Amadeus IT Group S.A maintained a positive financial evolution in 2019, supported by the solid operating performances of its businesses, particularly IT Solutions, the consolidation of TravelClick (since October 4, 2018) and positive foreign exchange effects. All these factors drove double-digit growth both in revenue and EBITDA, and an adjusted profit² of €1,270.2 million, 13.4%¹ more than the previous year.

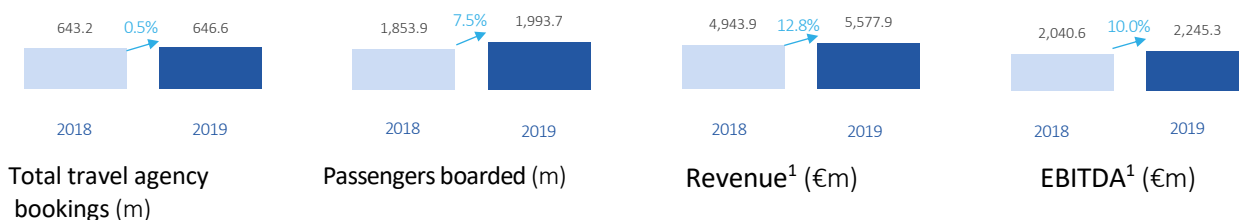
Luis Maroto, President & CEO of Amadeus, commented:

“Amadeus has closed another year of good growth. In Distribution, we saw market share gains in all regions except Asia-Pacific. In IT Solutions, our passengers boarded registered healthy growth thanks to recent customer implementations. We also made progress in our Hospitality business and continued expanding our reach both in Airport IT and Payments.

“Our business demonstrated resilience in 2019 through constant innovation, diversification and the strengthening of our existing businesses. However, the Coronavirus outbreak will impact our industry and our business in 2020, with a sequential rebound, if it replicates past episodes.

“Beyond the Coronavirus outbreak, we are confident that we are well positioned to continue delivering growth in profits and cash generation into the future”

Operating and financial highlights (twelve months ended December 31, 2019)



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).

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.

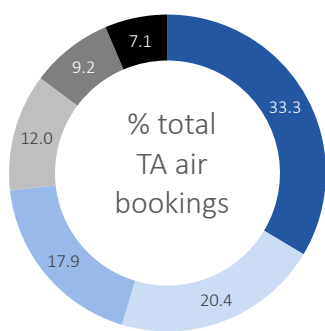
Business highlights for the year

Distribution

The travel agency air booking industry continued to contract in the fourth quarter, leading to an overall decline of 0.9% in 2019 (excluding India, it remained broadly flat). North America and Central, Eastern and Southern Europe registered growth, while Western Europe, Asia Pacific and Middle East and Africa showed a contraction, impacted by several effects including the India situation, geopolitical tensions and the fires in Australia. Latin America was broadly stable in the period.

Amadeus' air bookings once more outperformed the industry, remaining broadly stable (excluding India, our global air bookings grew 2.7%). This performance was supported by market share expansion across regions, except for Asia Pacific. Excluding India, Amadeus' global competitive position³ expanded by 1.0 p.p. in the year. Our non-air bookings increased 5.1% in 2019 driven by several products, including hotel, rail and car bookings. Overall, our travel agency bookings grew 0.5% in 2019.

This was one of the factors which contributed to an increase of 4.2% in revenue in this segment in 2019, to €3,130.6 million. Other positive impacts were the expansive average revenue per booking driven by a positive mix (from higher weight of global bookings and hotel bookings over total bookings), customer renegotiations and the double-digit expansion of our Payments distribution business, as well as a positive foreign exchange effect.



Jan - Dec 2019

Amadeus TA air bookings (figures in millions)

	Full year 2019	% of total	Full year 2018	% of total	% change
Western Europe	193.4	33.3%	191.7	33.0%	0.9%
North America	118.6	20.4%	108.1	18.6%	9.7%
Asia Pacific	103.9	17.9%	121.2	20.9%	(14.3%)
Middle East & Africa	69.8	12.0%	71.9	12.4%	(2.9%)
Central, Eastern & Southern Europe	53.2	9.2%	48.9	8.4%	8.7%
Latin America	41.4	7.1%	38.3	6.6%	8.1%
Total TA air bookings	580.4	100.0%	580.2	100.0%	0.0%

Securing content is essential for Amadeus to serve our customers and underpin our future growth in this segment. During 2019, we signed 47 new contracts or renewals of content agreements with airlines, including easyJet and the low-cost carrier Thai Lion Air. Subscribers to Amadeus' inventory can access more than 110 low cost carriers (LCCs) and hybrid carriers' content worldwide.

In August, Southwest announced a distribution agreement as a result of which travel managers and travel management companies will be able to book,

³ Competitive position: we take into account our travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines' direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry.

change, and modify reservations through the Amadeus Travel Platform. This agreement further builds on our relationship with the carrier following its migration to Altéa in 2017.

At the beginning of 2020, we signed a new distribution agreement with Air India whereby sellers in India will have access to the airline's full international content, while travel sellers in the rest of the world will have access to the full range of Air India's content, both domestic and international.

Last year, we continued to make important progress in our efforts to make NDC a reality for the industry. We reached important milestones in our NDC-X program, thanks to the launch of new solutions and to new contracts both with airlines and travel sellers. In April, we announced that FCM Travel Solutions, the flagship global business travel division of Flight Centre Travel Group, will start using the new NDC-enabled Amadeus Selling Platform Connect interface, and making NDC bookings through it. In July we launched Amadeus Travel API, an NDC-enabled solution providing travel agencies worldwide access to new airline content and fares via an NDC connectivity. Travel agencies including Travix, AERTICKET, American Express Global Business Travel, BCD Travel, House of Travel and integrated tourism group TUI are early adopters of this new API. In January 2020, we announced that Japan Airlines has signed up for Altéa NDC.

The trend towards increased personalization remains strong within the travel industry, as travelers demand more tailored offers and services. Our merchandizing solutions for the travel agency channel are one of the options we offer our customers to meet this demand. During 2019, 24 airlines signed up for Amadeus Fare Families (of which 11 have implemented the solution) and 10 contracted Amadeus Airline Ancillary Services (of which 8 have implemented it, including Shanghai Airlines in the fourth quarter of 2019).

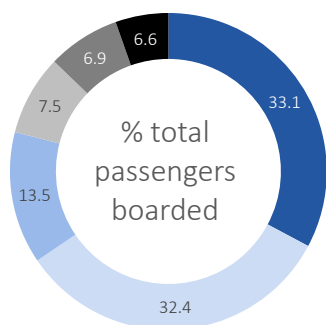
IT Solutions

Revenue in 2019 grew 26.2%, to €2,447.3 million, supported by the positive operating performance of Airline IT and our new businesses, as well as the consolidation of TravelClick.

IT Solutions – Airline IT

Passengers boarded increased 7.5% last year, supported by organic growth of 6.4% and the positive impact from customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, and Philippine Airlines, Bangkok Airways, Flybe and Air Canada in 2019).

This growth was negatively impacted by several customers ceasing operations, including Germania; bmi Regional; Avianca Brasil; Avianca Argentina; Thomas Cook UK; Aigle Azur; Adria Airways and XL Airways France, and the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018. Excluding these impacts, Amadeus passengers boarded grew 8.5% in 2019.



Jan - Dec 2019

Total passengers boarded (figures in millions)

	Full year 2019	% of total	Full year 2018	% of total	% change
Western Europe	660.7	33.1%	624.3	33.7%	5.8%
Asia and Pacific	645.2	32.4%	594.3	32.1%	8.6%
North America	269.9	13.5%	247.0	13.3%	9.3%
Middle East & Africa	148.8	7.5%	138.1	7.5%	7.7%
Central, Eastern & Southern Europe	137.1	6.9%	111.5	6.0%	23.0%
Latin America	132.0	6.6%	138.8	7.5%	(4.9%)
Total passengers boarded	1,993.7	100.0%	1,853.9	100.0%	7.5%

216

airlines had contracted either of the Amadeus Passenger Service Systems as of December 31, 2019

At the close of 2019, 216 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 208 had implemented them.

Among them was Azerbaijan Airlines, which in July signed for the full Altéa suite and for Revenue Management. Also that month, Bangkok Airways implemented the Reservation, Inventory, Ticketing and Departure Control modules of the Altéa suite. During the first quarter of the year, Etihad Airways contracted Altéa Departure Control System Flight Management to improve productivity, better manage capacity and reduce costs.

Our upselling and cross-selling efforts continued bearing positive results during last year. In February, we announced we have renewed and expanded our longstanding technology partnership with the Lufthansa Group (LHG). Through this agreement, Lufthansa, Austrian Airlines, Brussels Airlines, Swiss International Air Lines and Air Dolomiti will continue to rely on the Altéa Passenger Service System. Eurowings will continue on New Skies. In addition to the renewed solutions, LHG has contracted an array of new services which are set to transform the way the airline group serves its customers — both online and at the airport — including shopping solutions, Amadeus Instant Search (that improves the returns of the airline's Search Optimisation Engine (SEO) to convert more "lookers" into "bookers") and Amadeus Sales Watcher (a revenue integrity solution to secure ticket revenues).

Qatar Airways signed up for additional functionality to improve its revenue optimization: Amadeus Altéa Revenue Availability with Active Valuation (RAAV) and Amadeus Altéa Booking Intelligence. Norwegian signed up for Amadeus Passenger Recovery. In April, All Nippon Airways (ANA) announced that it had implemented Amadeus Airline Cloud Availability.

In May, LATAM Airlines Group signed a multi-year agreement to implement two components of the Amadeus Sky Suite by Optym: SkyMAX and SkySYM, enabling LATAM to optimize their flight schedules.

The positive results of this partnership were one of the factors which lead us to acquire Sky Suite from Optym in January 2020. The Amadeus Sky Suite will be further integrated into the Amadeus Airline Platform, including software for network optimization and simulation, frequency and capacity planning, network planning and forecasting, and a flight scheduling development platform.

IT Solutions – New Businesses

Our new businesses maintained a strong growth trend in 2019, reporting double-digit growth (excluding TravelClick).

New Businesses – Hospitality

We continued expanding our base of customers in this segment. American hotel chain Coast Hotels contracted Travelclick's iHotelier and business intelligence solutions, which will be implemented across its almost 40 properties. During the last part of the year, World Trade Center Boston & Seaport Hotel, and the Australian chain Crown hotels and its 7 properties renewed their contracts and implemented the most advanced version of our Amadeus Sales & Event Management solution. This solution helps hotels deliver exciting, engaging events, underpinned by excellent customer services and operational efficiency. Welk Resorts Group opted for Single Media Agency for 3 of its properties.

We also continue enhancing our hotel content offering through the Amadeus system. In April, we announced a landmark partnership with Booking.com. Through this agreement, Booking.com's content will now be available on the Amadeus Travel Platform, as well as on Amadeus Selling Platform Connect and, for corporate bookers, through Amadeus cytric Travel & Expense.

New Businesses – Airport IT

Skyserv, Greece's leading independent ground handler, contracted and implemented Altéa Departure Control System for Ground Handlers for its 37 airports.

We also grew our footprint in the United States last year, with several customers signing up for Amadeus Extended Airline System Environment (EASE), including Eagle County Airport (Colorado), Kelowna International Airport (Canada), South Bend International Airport (Indiana), Santa Barbara Airport (California) and Daytona International Airport (Florida).

Our upselling efforts in this segment also continued. In December, Perth Airport, a customer of Amadeus Airport Common Use Service (ACUS) since 2015, signed up for ICM's Hybrid Auto Bag Drop units and check-in kiosks, along with ICM's local platform to serve the kiosks. The hybrid functionality means passengers can check-in and drop their bags independently, or the same units can be switched to full-service mode and staffed for conventional check-in. The airport will also implement Amadeus Passenger Verification.

In June, we completed the acquisition of ICM Airport Technics. ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia-Pacific and Europe.

New Businesses – Payments

In May, we launched Amadeus B2B Wallet Partner Pay in partnership with Elavon and Mastercard. This new solution allows agencies to pay using an airline branded virtual card, reducing the cost of payments by up to 70% compared to existing methods. Thai Airways and Swedish travel agency Select Travel were the pilot customers.

In June, Ypsilon, one of the largest aggregators of LCC content, integrated Amadeus' B2B Wallet Solution within its booking platform to simplify agent payments to Low Cost Carriers (LCCs). By integrating Amadeus' B2B Wallet solution, agents can now automatically generate a virtual card quickly and simply within the Ypsilon booking flow. Each virtual card is unique to each individual booking making reconciliation simple whilst reducing fraud.

R&D investment during 2019

A sustained and consistent investment in technology has been key to our success. In 2019, we devoted 17.3% of our revenue to R&D, or €965.3 million. This investment was dedicated to support our mid to long-term growth. Among other initiatives, we are focused on portfolio expansion and new customers implementations; our internal digitalization and transformational projects to better integrate newly acquired businesses and enhance our performance. System performance optimization and our continued shift to next-generation technologies and cloud architectures remain a key priority.

In December, Amadeus was once more recognized as a key R&D investor within Europe. According to the European Commission 2019 Industrial R&D scorecard, Amadeus is the leading investor in R&D within the travel sector in Europe, and second in the software industry.

Financial highlights for the year

On December 12, 2019 the Board of Directors of Amadeus proposed a 50% payout ratio for the 2019 dividend. In June 2020, the Board will submit to the General Shareholders' Meeting for approval a final gross dividend of €1.30 per share, which represents a 10.6% increase compared to the 2018 dividend and a 50% of the reported profit. An interim dividend of €0.56 per share (gross) was paid in full on January 17, 2020.

Net financial debt, as per the terms of our credit facility agreement, amounted to €2,758.4 million at December 31, 2019 (representing 1.23x times last-twelve-months EBITDA).

Summary of operating and financial information

Summary of KPI (€million)

Summary of KPI (€millions)	Full Year 2019 ¹	Full year 2018 ¹	Change
Operating KPI			
TA air bookings (m)	580.4	580.2	0.0%
Non-air bookings (m)	66.2	63.0	5.1%
Total bookings (m)	646.6	643.2	0.5%
Passengers boarded (m)	1,993.7	1,853.9	7.5%
Financial results¹			
Distribution revenue	3,130.6	3,004.3	4.2%
IT Solutions revenue	2,447.3	1,939.7	26.2%
Revenue	5,577.9	4,943.9	12.8%
Distribution contribution	1,405.4	1,380.7	1.8%
IT Solutions contribution	1,577.9	1,352.4	16.7%
Contribution	2,983.3	2,733.1	9.2%
EBITDA	2,245.3	2,040.6	10.0%
EBITDA margin (%)	40.3%	41.3%	(1.0 p.p.)
Adjusted profit ²	1,270.2	1,120.1	13.4%
Adjusted EPS (euros) ³	2.95	2.60	13.3%
Cash flow			
Capital expenditure	736.1	718.2	2.5%
Free cash flow ⁴	1,044.8	988.9	5.7%
Indebtedness⁵			
	Dec 31,2019	Dec 31,2018	Change
Net financial debt	2,758.4	3,074.0	(315.6)
Net financial debt/LTM EBITDA	1.23x	1.47x	

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 (i) 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, and (ii) increased amortization expense by €51.6 million and €12.2 million in 2019 and 2018, respectively). Adjusted profit is not impacted by PPA effects.

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.

⁴ 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. Also, 2019 free cash flow was impacted by an increase in taxes paid in the first quarter of 2019. Excluding TravelClick's acquisition related costs and financing related fees, pre-tax free cash flow increased by 8.1%.

⁵ Based on our credit facility agreements' definition.

Notes to editors:

Travel powers progress. Amadeus powers travel. Amadeus' solutions connect travelers to the journeys they want through travel agents, search engines, tour operators, airlines, airports, hotels, cars and railways.

We have developed our technology in partnership with the travel industry for over 30 years. We combine a deep understanding of how people travel with the ability to design and deliver the most complex, trusted, critical systems our customers need. We help connect over 1.6 billion people a year to local travel providers in over 190 countries.

We are one company, with 19,000 employees across 70 offices. We have a global mindset and a local presence wherever our customers need us.

Our purpose is to shape the future of travel. We are passionate in our pursuit of better technology that makes better journeys.

Amadeus is an IBEX 35 company, listed on the Spanish Stock Exchange under AMS.MC. The company is also part of the EuroStoxx50 and has been recognized by the Dow Jones Sustainability Index for the last eight years.

To find out more about Amadeus, visit www.amadeus.com.

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