



January – June 2021 Management Review

July 30, 2021

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1 Summary



1.1 Introduction

Highlights for the three months ended June 30, 2021 (relative to the same period of 2019)

- In Distribution, our travel agency air bookings decreased by 67.6%, to 47.1 million.
- In IT Solutions, our passengers boarded declined by 67.7%, to 164.9 million.
- Revenue contracted by 56.0%, to €624.4 million.
- EBITDA¹ decreased by 75.3%, to €145.3 million.
- Adjusted profit² contracted by 107.2%, to a loss of €23.6 million.
- Free Cash Flow³ amounted to -€110.0 million, or -€78.5 million excluding cost saving program implementation costs paid.
- Net financial debt⁴ was €3,255.8 million and liquidity available⁵ amounted to c.€3.4 billion, at June 30, 2021.

Market background and segment performance

Throughout the second quarter of 2021, our volume performances continued to improve, with an acceleration in the month of June, the best performing month to date since the start of the pandemic.

Amadeus travel agency air bookings declined by 67.6% in the second quarter, compared to the same period in 2019, advancing from the 79.2% air booking reduction we saw in the first quarter of 2021. During the quarter and throughout the first six months of the year, the Amadeus monthly air booking growth rates vs. 2019 gradually improved each month, with a step up in the month of June, where our bookings declined by 58.7%. By region, North America continued to be the best performing geography, followed by our CESE region (which includes Russia). All regions showed improvement in volume performance in the second quarter vs. the first quarter, with the most notable advances taking place in North America, followed by Western Europe and CESE. In the second quarter of 2021, Distribution revenue declined by 66.4% vs. 2019, an improvement compared with the -77.1% revenue fall in the first quarter of 2021.

In the second quarter of 2021, Amadeus passengers boarded contracted by 67.7% compared to the second quarter of 2019, representing an improvement over the -70.8% growth we saw in the first quarter. Monthly growth rates vs. 2019 improved sequentially through the quarter, most notably in June, where passengers boarded declined by 63.4%. Our best performing

¹ Adjusted to exclude costs incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €4.2 million in the second quarter of 2021 (€3.0 million post tax). See section 3 for more details.

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), (iii) costs related to the implementation of the cost saving programs and (iv) other non-operating, non-recurring effects.

³ Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

⁴ Based on our credit facility agreements' definition.

⁵ Composed of (i) cash and cash equivalents, net of overdraft bank accounts (€1,488.9 million), (ii) short term investments, net of associated unrealized hedging results (€871.1 million) and an undrawn revolving credit facility (€1,000 million).

regions in the quarter were North America and Latin America. In the second quarter, led by North America, all regions except for Asia and Middle East, reported improvements in the passengers boarded performance, relative to the first quarter's evolution. In the second quarter of 2021, IT Solutions revenue contracted by 42.8% vs. the same period of 2019. This progression, a continued improvement over prior quarters, was supported by revenues across our business portfolio not directly linked to airline traffic or not driven by transactions, particularly in the areas of Hospitality and Airport IT.

First half 2021 Group financial performance

Driven by the volume evolutions described above, in the second quarter of 2021, Amadeus Group revenue declined by 56.0% and EBITDA contracted by 75.3%⁶ compared to the same period in 2019. Over the period, Free Cash Flow amounted to a €110.0 million cash outflow, or a €78.5 million outflow, excluding cost saving program implementation costs paid. In the second quarter of 2021, we had an Adjusted Profit⁷ loss of €23.6 million.

In the first half of 2021, Amadeus Group revenue and EBITDA contracted by 60.3% and 83.2%⁶, respectively, vs. the first six months of 2019. Free Cash Flow amounted to a €121.8 million cash outflow, or a €47.0 million outflow, excluding cost saving program implementation costs paid. In the six-month period, we had an Adjusted Profit⁷ loss of €106.7 million.

As of June 30, 2021, liquidity available to Amadeus amounted to c.€3.4 billion, supported by cash (€1,488.9 million), short term investments (€871.1 million) and an undrawn revolving credit facility (€1,000 million).

Our cost optimization efforts continued to deliver results. Compared to 2020, our P&L fixed costs⁸ (excluding cost saving program implementation costs and bad debt) declined by €111.3 million in the first six months of the year. Capitalized expenditure, also part of our fixed cost reduction plan, compared to prior year, declined by €56.6 million in the first six months of the year (excluding cost saving program implementation costs). In aggregate, to date in 2021, the total fixed cost reduction achieved relative to 2020, including both P&L fixed costs and capitalized expenditure, amounted to €167.9 million.

Business update

In the second quarter of 2021, in Distribution, we signed 16 new contracts or renewals of distribution agreements with airlines, including Virgin Australia, amounting to 37 signatures in the year to date. Progress in relation to our NDC strategy continued to be made through agreements signed on the airline front with United Airlines, Qantas, Qatar Airways, LOT Polish

⁶ Adjusted to exclude costs incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020, amounting to €19.3 million (€13.9 million post tax) in the first half, and €4.2 million (€3.0 million post tax) in the second quarter of 2021. See section 3 for more details.

⁷ Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost saving programs and (iv) other non-operating, non-recurring effects.

⁸ Including the Personnel and Other operating expenses captions in the Income Statement.

Airlines and Kenya Airways as well as, on the travel agency side, with tiket.com in South East Asia and Seera Group and Sharaf Travel in the Middle East.

In relation to Airline IT, LOT Polish Airlines and Amadeus signed a renewal agreement covering a wide range of state-of-the-art solutions related to passenger services, airline operations, revenue management, merchandizing, passenger disruption management and digital experience. Vistara, the Indian carrier, contracted for Amadeus Network Revenue Management. Nordica, a small Estonian airline, contracted and implemented the full Altéa PSS suite, as well as other solutions related to revenue integrity, digital channel and merchandizing. Air Burkina implemented the Altéa PSS and will implement Amadeus' Digital Experience Suite. Also, Uganda Airlines implemented Altéa DCS and additional solutions, while Breeze Airways implemented Navitaire New Skies.

In Hospitality and in Airport IT, we continued to renew contracts and to grow our respective customer bases. In Hospitality, commercial activity included Marriot, signing for an expansion of our partnership by adding Demand360 business intelligence solution. Also, Swire Properties Hotel Management, Siyam World and Millennium New York, signed for Amadeus Digital Media. Additionally, Shiji, a leading hotel information systems player in China, has partnered with Amadeus to add hotel accommodation options in China to the Amadeus Travel Platform. In Airport IT, Pristina International Airport (Kosovo) will automate the check-in and bag drop processes with Amadeus' solutions. In the U.S., Syracuse Hancock International Airport (New York) contracted for ACUS. Also, Kansas City International Airport (Missouri) contracted for Amadeus Biometric Solutions. Finally, Pittsburg International Airport (Pennsylvania) signed for the deployment of FIDS.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Operating KPI				
TA air bookings (m)	47.1	(19.1)	n.m.	(67.6%)
Non air bookings (m)	7.8	2.4	217.4%	(53.4%)
Total bookings (m)	54.8	(16.7)	n.m.	(66.1%)
Passengers boarded (m)	164.9	31.3	427.6%	(67.7%)
Financial results¹				
Distribution revenue	267.6	(15.9)	n.m.	(66.4%)
IT Solutions revenue	356.8	275.4	29.5%	(42.8%)
Revenue	624.4	259.5	140.6%	(56.0%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)
Profit (Loss) for the period	(35.0)	(314.7)	(88.9%)	(111.8%)
Adjusted profit (loss)²	(23.6)	(231.0)	(89.8%)	(107.2%)
Adjusted EPS (euros)³	(0.05)	(0.51)	(89.8%)	(106.8%)
Cash flow				
Capital expenditure	(110.1)	(113.0)	(2.6%)	(35.4%)
Free cash flow⁴	(110.0)	(462.1)	(76.2%)	(168.4%)
Indebtedness⁵				
Net financial debt	3,255.8	3,073.9	181.9	

¹ 2021 figures adjusted to exclude costs amounting to €4.2 million (€3.0 million post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

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, non-recurring effects.

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.

⁵ Based on our credit facility agreements' definition.

Summary of KPI (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Operating KPI				
TA air bookings (m)	80.8	65.9	22.7%	(73.7%)
Non air bookings (m)	12.9	17.0	(24.3%)	(62.0%)
Total bookings (m)	93.7	82.9	13.0%	(72.6%)
Passengers boarded (m)	292.1	415.2	(29.6%)	(69.2%)
Financial results¹				
Distribution revenue	460.1	441.6	4.2%	(71.9%)
IT Solutions revenue	660.9	839.6	(21.3%)	(44.4%)
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)
EBITDA	199.0	194.1	2.6%	(83.2%)
Profit (Loss) for the period	(130.3)	(196.9)	(33.8%)	(121.9%)
Adjusted profit (loss)²	(106.7)	(89.2)	19.7%	(116.1%)
Adjusted EPS (euros)³	(0.24)	(0.20)	17.0%	(115.3%)
Cash flow				
Capital expenditure	(214.2)	(264.5)	(19.0%)	(42.1%)
Free cash flow⁴	(121.8)	(172.4)	(29.3%)	(127.6%)

¹ 2021 figures adjusted to exclude costs amounting to €19.3 million (€13.9 million post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

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, non-recurring effects.

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.

2 Business highlights



Distribution

- During the second quarter of 2021, we signed 16 new contracts or renewals of distribution agreements with airlines, including Virgin Australia, amounting to a total of 37 signatures for the first half of the year.
- Amadeus and United Airlines renewed their distribution agreement, reinforcing their commitment to modern retailing and enhancing communication between the airline and travel sellers. Included in the agreement is the addition of new NDC-enabled content, which will be available to travel agencies and corporations globally later this year via the Amadeus Travel Platform.
- NDC offers from Australia’s flag carrier, Qantas, are now available through the Amadeus Travel Platform to pilot agents for testing. During this pilot phase, these travel agents will be able to test the shop, book and pay processes for NDC offers, sourced from the Qantas Distribution Platform. These include ancillary services not available via EDIFACT, such as carbon offset credits, special frequent flyer price offers, as well as fully integrated post-booking servicing, like cancelling, refunding and modifying an NDC booking.
- In June, Qatar Airways entered into a Letter of Agreement with Amadeus. This deal will make Qatar Airways’ offer, including content via NDC, available globally. The airline is also looking to adopt Amadeus Altéa NDC from 2022 onward. The seamless integration with the Amadeus Travel Platform will allow Qatar Airways to distribute its NDC-sourced content to Amadeus’ global network of travel sellers, and therefore enhance its retailing and digital touchpoints.
- As part of an expanded distribution and IT partnership, LOT Polish Airlines (“LOT”) will start to distribute new and tailored content through the Amadeus Travel Platform. The airline has chosen to deploy Amadeus Altéa NDC, which will offer new retailing and personalization opportunities consistently across multiple channels. With this technology backbone, the airline will be able to distribute NDC-enabled offers in all its distribution channels.
- Also, Kenya Airways has selected Altéa NDC for the distribution of their NDC content and will connect to the Amadeus Travel Platform, which will provide the airline with reach throughout the global community of Amadeus’ connected travel sellers.
- On the travel agency side, tiket.com will be the first online travel agency (OTA) to adopt NDC in South East Asia, enabling its customers to access increased options, via a full range of NDC content. The OTA will now be able to distribute NDC offers from carriers which are connected to the Amadeus Travel Platform, such as special seat selection, baggage and other personalized offers.
- Seera Group extended its long-standing partnership with Amadeus to adopt NDC. As the Middle East leading provider of travel and tourism services, Seera Group will join Amadeus’ NDC [X] program and implement the NDC-enabled Travel API solution. This solution will allow the travel agency group to distribute richer airline products to its customers, through the selling of new fares and services that are only available via NDC.
- Also, in May, Sharaf Travel and Amadeus announced a partnership to drive NDC forward in the UAE.

- Our customer base for Amadeus merchandizing solutions for the travel agency channel continued to expand. At the close of June, 120 airlines had signed for Amadeus Airline Fare Families and 176 airlines had contracted Amadeus Ancillary Services.

Number of customers (at June 30, 2021)	Contracted	Implemented
Amadeus Ancillary Services	176	151
Amadeus Airline Fare Families	120	101

Airline IT

- At the close of June, 208 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies PSS) and 201 customers had implemented either of them.
- LOT Polish Airlines and Amadeus have signed a multi-year deal that will see the airline maximize the benefits of the Amadeus Airline Platform. The renewal agreement covers a wide range of state-of-the-art solutions related to passenger services, airline operations, revenue management, merchandizing, passenger disruption management, and digital experience. By signing this new agreement with Amadeus, LOT will add a range of new IT solutions on top of its existing PSS. On the digital front, Amadeus will power the airline's website, providing LOT with levers to help increase traffic acquisition and boost sales conversions by enriching the shopping and booking experience on LOT.com.
- Vistara, the Indian carrier carrying more than 7 million passengers in 2019, has contracted for Amadeus Network Revenue Management. This solution will allow the carrier to grow revenues by adopting the latest technologies in Origin & Destination Revenue Management, as Vistara expands its domestic and international network.
- Nordica, a small Estonian based airline, has contracted and implemented the full Altéa PSS suite, as well as other solutions related to revenue integrity, digital channel and merchandizing.
- Air Burkina implemented the Altéa PSS and agreed to implement Amadeus' Digital Experience Suite to enable travelers to enjoy a best-in-class online retailing experience for shopping and booking flights.
- Uganda Airlines implemented Altéa DCS plus additional solutions.
- Breeze Airways implemented Navitaire New Skies.
- Also, Amazonas Bolivia contracted for additional functionality from our merchandizing solutions portfolio.

Hospitality

- Marriott signed for the renewal and expansion of their current partnership with Amadeus for the recommended use of Agency360 and GDS Media Services across their portfolio. The expansion of our partnership includes the addition of Demand360 to their portfolio, providing the most comprehensive market insight available.

- Shiji, a leading hotel information systems player in China, has partnered with Amadeus to add new content from small, independent hotel chains to the Amadeus Travel Platform, expanding the hotel accommodation options in China available through it.
- The positive momentum for our Hospitality business continued during the quarter, particularly with small and medium size hotels. Swire Properties Hotel Management, based in Hong Kong, which oversees a collection of unique urban hotels; Siyam World, an all-inclusive resort in Maldives; and Millennium New York, just footsteps from Broadway and Times Square, all signed for Amadeus Digital Media, helping to promote their online presence and increase demand for their properties.
- In July, we announced the extension of our data partnership with Duetto, a hospitality revenue management service provider. As a result, participating hoteliers can gain access to the breadth and depth of business intelligence provided by Amadeus' Demand360 solution inside their Duetto Revenue Management tool, enriching and improving decision-making for Duetto's customer base of hotels and resorts. The expanded partnership will immediately benefit mutual customers, such as Meliá Hotels International, and from now on, will extend to participating hotels in Duetto's entire base of customers.

Airport IT

- Pristina International Airport (Kosovo) will automate the check-in and bag drop processes with Amadeus' solutions, reducing interpersonal contact, in response to COVID-19.
- In U.S., Syracuse Hancock International Airport (New York) contracted for ACUS. Also, Kansas City International Airport (Missouri) contracted for Amadeus Biometric Solutions and Pittsburg International Airport (Pennsylvania) signed for the deployment of FIDS.

Other

- Amadeus, as the digital connector and tech enabler in the rapidly growing Safe Travel Ecosystem, is creating a range of solutions with the aim to support air traffic recovery. In April, Air Europa became the first airline to pilot Traveler ID's health capability. In May, Air Corsica, French Bee and Air Caraïbes implemented Traveler ID for Safe Travel. In June, Air Canada and Norwegian Air Shuttle announced that they are piloting this solution.
- In July, we announced the integration of IBM Digital Health Pass into our digital health verification technology. Airlines can verify digital health credentials using IBM Digital Health Pass, which uses a combination of encryption, QR codes and blockchain technology to authenticate health status against a global network of laboratories, vaccination centers and healthcare providers.
- The EU Digital COVID Certificate is the European Commission's initiative to facilitate free movement of citizens across the European Union during the pandemic. At Amadeus, we have been working to integrate this through our Safe Travel Ecosystem. Using Traveler ID, travelers will be able to scan their European QR code directly from the airline digital channels, whether web or mobile. Our solution can automatically read that QR code, recognizing key details in the documentation, such as name, date and test result, to confirm that the details are in line with travel requirements.

3 Presentation of financial information



The consolidated financial statements of Amadeus IT Group S.A. and subsidiaries corresponding to the first six months of 2021 are the source to the financial information included in this document. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have been subject to a limited review by the auditors.

Certain amounts and figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

Alternative Performance Measures

This document includes unaudited Alternative Performance Measures such as segment contribution, EBITDA, operating income, net financial debt as defined by our credit facility agreements, adjusted profit and their corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2016.

- Segment contribution is defined as the segment revenue less operating direct costs plus direct capitalizations. A reconciliation to EBITDA is included in section 5.3.
- EBITDA corresponds to Operating income (loss) plus D&A expense. A reconciliation of EBITDA to Operating income (loss) is included in section 5.3. The Operating income (loss) calculation is displayed in section 5.
- Adjusted profit (loss) corresponds to reported profit (loss) for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-operating, non-recurring items, as detailed in section 5.6.1.
- Net financial debt as defined by our credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for operating lease liabilities and non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.1.1.
- Liquidity available is defined as (i) cash and cash equivalents, net of overdraft bank accounts, (ii) short term investments considered cash equivalent assets under our credit facility agreements' definition, net of associated unrealized hedging results, and (iii) undrawn revolving credit facilities at the Company's disposal.

We believe that these Alternative Performance Measures provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures are not standard and therefore may not be comparable to those presented by other companies.

Cost saving program implementation costs

In the first six months of 2021, we incurred one-time costs amounting to €25.6 million (€7.3 million in the second quarter), related to the implementation of the cost saving program announced in the second quarter of 2020. Of these costs, an amount of €19.3 million (€13.9 million post tax) was

reported under the Personnel and Other operating expenses captions in the income statement (€4.2 million pre-tax, or €3.0 million post tax, in the second quarter) and mainly corresponded to severances. Under the capitalized expenditure caption in the cash flow statement, €6.3 million (€3.1 million in the second quarter), largely related to costs incurred for office buildings and facilities, were reported.

In the first half of 2021, we paid cost saving program implementation costs amounting to €74.8 million (€31.5 million in the second quarter). Of these cash-outs, an amount of €6.3 million was reported under the capitalized expenditure caption in the cash flow statement in the first half of 2021 (€3.1 million in the second quarter). The remaining €68.5 million were reported, partly under the EBITDA (€19.3 million) and partly under the Change in working capital (€49.2 million) captions in the cash flow statement in the first half of 2021 (€4.2 million under EBITDA and €24.2 million under Change in working capital, in the second quarter).

Since the implementation of our cost efficiency plan, the related implementation costs incurred amounted to €194.8 million, of which €108.9 million have been paid.

For purposes of comparability with 2020 and 2019, income statement figures shown in section 5 have been adjusted to exclude cost saving program implementation costs. A reconciliation of these figures to the financial statements is provided below.

Income statement (€millions)	Apr-Jun 2021			Jan-Jun 2021		
	Excl. implementation costs	Implementation costs	As reported	Excl. implementation costs	Implementation costs	As reported
Group revenue	624.4	0.0	624.4	1,121.0	0.0	1,121.0
Cost of revenue	(102.0)	0.0	(102.0)	(177.1)	0.0	(177.1)
Personnel expenses	(312.5)	(4.3)	(316.8)	(649.2)	(19.0)	(668.3)
Other op. expenses	(64.6)	0.1	(64.5)	(95.7)	(0.3)	(95.9)
EBITDA	145.3	(4.2)	141.1	199.0	(19.3)	179.7
Dep. and amortization	(160.1)	0.0	(160.1)	(322.8)	0.0	(322.8)
Operating income (loss)	(14.7)	(4.2)	(18.9)	(123.8)	(19.3)	(143.1)
Net financial expense	(29.4)	0.0	(29.4)	(54.3)	0.0	(54.3)
Other income (expense)	3.3	0.0	3.3	3.1	0.0	3.1
Profit before income taxes	(40.9)	(4.2)	(45.1)	(175.0)	(19.3)	(194.3)
Income taxes	11.4	1.2	12.6	49.0	5.4	54.4
Profit (Loss) after taxes	(29.4)	(3.0)	(32.4)	(126.0)	(13.9)	(139.9)
Share in profit assoc/JV	(5.6)	0.0	(5.6)	(4.3)	0.0	(4.3)
Profit (Loss) for the period	(35.0)	(3.0)	(38.0)	(130.3)	(13.9)	(144.2)
EPS (€)	(0.08)	0.00	(0.08)	(0.29)	(0.03)	(0.32)
Adjusted profit (Loss)	(23.6)	0.0	(23.6)	(106.7)	0.0	(106.7)
Adjusted EPS (€)	(0.05)	0.00	(0.05)	(0.24)	0.00	(0.24)

4 Main financial risks and hedging policy



4.1 Foreign exchange rate risk

Our reporting currency is the Euro. However, as a result of Amadeus' global activity and presence, part of our results are generated in currencies different from the Euro and therefore are impacted by foreign exchange fluctuations. Similarly, part of our cash inflows and outflows are denominated in non-Euro currencies. As a consequence, both our results and our cash flows are impacted, either positively or negatively, by foreign exchange fluctuations.

Exposure to foreign currencies

Our revenue is almost entirely generated either in Euro or in US Dollar (the latter representing 40%-50% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs⁹ are denominated in many currencies different from the Euro, including the US Dollar, which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

Amadeus' target is to reduce the volatility generated by foreign exchange fluctuations on its non-Euro denominated net cash flows. Our hedging strategy is as follows:

- To manage our exposure to the US Dollar, we have a natural hedge to our net operating cash flow generated in US Dollar or US Dollar-correlated currencies through, among others, payments of USD-denominated debt (when applicable), as well as investments and taxes paid in the U.S. We may enter into derivative arrangements when this natural hedge is not sufficient to cover our outstanding exposure.
- We also hedge a number of currencies, including the GBP, AUD, INR and SEK, for which we enter into foreign exchange derivatives with banks.

When the hedges in place covering operating flows qualify for hedge accounting under IFRS, profits and losses are recognized within EBITDA. Our hedging arrangements typically qualify for hedge accounting under IFRS.

Both in the second quarter and the first half of 2021, foreign exchange fluctuations had a negative impact on revenue and a positive impact on costs and EBITDA, relative to 2020.

⁹ Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes depreciation and amortization expense.

4.2 Interest rate risk

Our target is to reduce volatility in net interest flows. In order to achieve this objective, Amadeus may enter into interest rate hedging agreements (interest rate swaps, caps, collars) to cover the floating rate debt.

At June 30, 2021, 23% of our total financial debt¹⁰ (mainly related to the European Commercial Paper Program and two Eurobond issues) was subject to floating interest rates, indexed to the EURIBOR. As of this date, no interest rate hedges were in place.

4.3 Treasury shares price evolution risk

Amadeus has three different staff remuneration schemes which are settled with Amadeus shares. According to the rules of these plans, when they mature all beneficiaries will receive a number of Amadeus shares which for the outstanding plans amount to (depending on the evolution of certain performance conditions), between a minimum of 500,000 shares and a maximum of 1,800,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

¹⁰ Based on our credit facility agreements' definition.

5 Group income statement



Q2 Income statement (€millions)	Apr-Jun 2021¹	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Revenue	624.4	259.5	140.6%	(56.0%)
Cost of revenue	(102.0)	7.8	n.m.	(72.0%)
Personnel and related expenses	(312.5)	(357.5)	(12.6%)	(18.4%)
Other operating expenses	(64.6)	(65.2)	(0.9%)	(23.9%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)
Depreciation and amortization	(160.1)	(239.1)	(33.1%)	(12.3%)
Operating income (loss)	(14.7)	(394.5)	(96.3%)	(103.6%)
Net financial expense	(29.4)	(29.8)	(1.3%)	16.5%
Other income (expense)	3.3	(0.2)	n.m.	(74.4%)
Profit (loss) before income tax	(40.9)	(424.5)	(90.4%)	(110.4%)
Income taxes	11.4	110.9	(89.7%)	(111.4%)
Profit (loss) after taxes	(29.4)	(313.5)	(90.6%)	(110.0%)
Share in profit from assoc./JVs	(5.6)	(1.2)	364.6%	(342.9%)
Profit (loss) for the period	(35.0)	(314.7)	(88.9%)	(111.8%)
EPS (€)	(0.08)	(0.70)	(88.9%)	(111.3%)
Adjusted profit (loss)²	(23.6)	(231.0)	(89.8%)	(107.2%)
Adjusted EPS (€)³	(0.05)	(0.51)	(89.8%)	(106.8%)

¹ 2021 figures adjusted to exclude costs amounting to €4.2 million (€3.0 million post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

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, non-recurring effects.

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

H1 Income statement (€millions)	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)
Cost of revenue	(177.1)	(199.0)	(11.0%)	(75.5%)
Personnel and related expenses	(649.2)	(734.9)	(11.7%)	(13.7%)
Other operating expenses	(95.7)	(153.2)	(37.6%)	(42.8%)
EBITDA	199.0	194.1	2.6%	(83.2%)
Depreciation and amortization	(322.8)	(430.1)	(24.9%)	(8.1%)
Operating income (loss)	(123.8)	(236.0)	(47.5%)	(114.9%)
Net financial expense	(54.3)	(33.7)	60.8%	18.2%
Other income (expense)	3.1	(0.2)	n.m.	(75.3%)
Profit (loss) before income tax	(175.0)	(269.9)	(35.2%)	(121.9%)
Income taxes	49.0	76.9	(36.3%)	(123.6%)
Profit (loss) after taxes	(126.0)	(193.0)	(34.7%)	(121.3%)
Share in profit from assoc./JVs	(4.3)	(3.9)	10.2%	(266.0%)
Profit (loss) for the period	(130.3)	(196.9)	(33.8%)	(121.9%)
EPS (€)	(0.29)	(0.45)	(35.4%)	(120.9%)
Adjusted profit (loss)²	(106.7)	(89.2)	19.7%	(116.1%)
Adjusted EPS (€)³	(0.24)	(0.20)	17.0%	(115.3%)

¹ 2021 figures adjusted to exclude costs amounting to €19.3 million (€13.9 million post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

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, non-recurring effects.

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

For purposes of comparability with 2020 and 2019, figures shown in section 5 (Group income statement) have been adjusted to exclude cost saving program implementation costs, amounting to €19.3 million (€13.9 million post tax) in the first half of 2021, and €4.2 million (€3.0 million post tax) in the second quarter of 2021.

5.1 Revenue

In the second quarter of 2021, revenue amounted to €624.4 million, a decrease of 56.0% relative to the same period in 2019. This growth rate represents an enhancement over the -64.7% revenue growth rate delivered in the first quarter of 2021, supported by segment revenue growth improvements in both Distribution and IT Solutions. Compared to the same period in 2019, Distribution revenue contracted by 66.4% in the second quarter, a 10.7 p.p. improvement vs. the -77.1% growth rate reported in the first quarter. IT Solutions revenue decreased by 42.8% in the second quarter, relative to the same period in 2019, also an

improvement compared to the 46.3% revenue contraction reported in the first quarter. With respect to 2020, Group revenue in the second quarter increased by 140.6%, as traffic continues to improve from the low it reached in the same quarter of prior year.

In the first half of 2021, revenue declined by 60.3% vs. the same period of 2019.

	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Q2 Revenue (€millions)				
Distribution revenue	267.6	(15.9)	n.m.	(66.4%)
IT Solutions revenue	356.8	275.4	29.5%	(42.8%)
Revenue	624.4	259.5	140.6%	(56.0%)

	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
H1 Revenue (€millions)				
Distribution revenue	460.1	441.6	4.2%	(71.9%)
IT Solutions revenue	660.9	839.6	(21.3%)	(44.4%)
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)

5.1.1 Distribution

Evolution of Amadeus bookings

	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Q2 Operating KPI				
TA air bookings (m)	47.1	(19.1)	n.m.	(67.6%)
Non air bookings (m)	7.8	2.4	217.4%	(53.4%)
Total bookings (m)	54.8	(16.7)	n.m.	(66.1%)

	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
H1 Operating KPI				
TA air bookings (m)	80.8	65.9	22.7%	(73.7%)
Non air bookings (m)	12.9	17.0	(24.3%)	(62.0%)
Total bookings (m)	93.7	82.9	13.0%	(72.6%)

In the second quarter of 2021, Amadeus travel agency air bookings declined by 67.6% compared to the same period in 2019, an enhancement from the 79.2% air booking reduction we reported in the first quarter of 2021. The Amadeus air booking growth rates vs. 2019 gradually improved each month during the quarter, with an acceleration in the month of June.

All regions reported air booking performance enhancements in the second quarter of 2021, relative to the first quarter of 2021 (vs. 2019). The regions that reported the largest growth

rate accelerations were North America, which improved its booking performance from -67.9% in the first quarter of 2021 to -48.9% in the second quarter of 2021, and Western Europe, which delivered an enhanced volume growth rate of -76.6% in the second quarter, compared to -89.3% in the first quarter of 2021. Central, Eastern and Southern Europe and Latin America also showed notable booking growth rate improvements in the second quarter of 2021.

In the first six months of 2021, Amadeus' travel agency air bookings decreased by 73.7% vs. the first half of 2019.

Amadeus TA air bookings	Jul-Sep 2020 vs. 2019	Oct-Dec 2020 vs. 2019	Jan-Mar 2021 vs. 2019	Apr-Jun 2021 vs. 2019
Western Europe	(95.3%)	(87.3%)	(89.3%)	(76.6%)
North America	(83.4%)	(72.5%)	(67.9%)	(48.9%)
Middle East and Africa	(84.5%)	(67.8%)	(67.4%)	(61.0%)
CESE ¹	(78.0%)	(71.5%)	(67.6%)	(55.5%)
Asia-Pacific	(96.7%)	(89.1%)	(88.6%)	(86.8%)
Latin America	(89.9%)	(68.7%)	(70.5%)	(61.4%)
Amadeus TA air bookings	(89.8%)	(79.4%)	(79.2%)	(67.6%)

¹ Central, Eastern and Southern Europe.

Amadeus' non air bookings decreased by 53.4% in the second quarter of 2021 vs. the same period of 2019, an enhancement over the first quarter performance of -70.3%. All products reported progress vs. the first quarter of 2021 (relative to 2019), most notably, hotel and car rental bookings.

Revenue

In the second quarter of 2021, Distribution revenue amounted to €267.6 million, a 66.4% contraction relative to the second quarter of 2019 and a notable improvement over the revenue performance delivered in the first quarter of 2021. The Distribution revenue contraction vs. 2019 resulted from the reduction in booking volumes explained above. Distribution revenue per booking diluted slightly vs. 2019, impacted by a negative effect from the cancellation provision and the higher weight of local bookings (driven by the faster recovery in domestic air traffic compared to international air traffic). This was partly offset by contractions in non-booking related revenue lines, such as revenues from travel agency IT solutions, albeit at softer rates than the travel agency bookings decline.

In the first half of 2021, Distribution revenue decreased by 71.9% vs. the same period of 2019, driven by the reduction in booking volumes.

5.1.2 IT Solutions

Evolution of Amadeus Passengers boarded

Q2 Passengers boarded (millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Total passengers boarded	164.9	31.3	427.6%	(67.7%)

H1 Passengers boarded (millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Total passengers boarded	292.1	415.2	(29.6%)	(69.2%)

In the second quarter of 2021, Amadeus passengers boarded monthly growth rates improved sequentially, most notably in June, contracting by 67.7% in the quarter vs. the second quarter of 2019. This was an enhancement over the -70.8% reported in the first quarter of 2021, relative to 2019.

In the second quarter, all regions except Asia-Pacific (impacted by the COVID-19 situation in India) and Middle East and Africa, reported improvements in the passengers boarded performances relative to the first quarter, vs. 2019. North America showed a clear acceleration, with PB declining by 19.8% in the second quarter, compared to -46.0% in the first quarter, all vs. 2019. In Western Europe, Amadeus volumes contracted by 81.5% in the second quarter vs. 2019, from -88.0% reported in the first quarter.

Amadeus' first half passengers boarded decreased by 69.2% vs. the first half of 2019.

Passengers Boarded	Jul-Sep 2020 vs. 2019	Oct-Dec 2020 vs. 2019	Jan-Mar 2021 vs. 2019	Apr-Jun 2021 vs. 2019
North America	(58.9%)	(58.0%)	(46.0%)	(19.8%)
Asia-Pacific	(83.3%)	(75.3%)	(74.4%)	(81.0%)
Western Europe	(75.7%)	(83.1%)	(88.0%)	(81.5%)
Latin America	(77.2%)	(48.2%)	(47.8%)	(47.2%)
CESE ¹	(53.1%)	(62.4%)	(55.3%)	(48.6%)
Middle East and Africa	(85.0%)	(72.4%)	(67.3%)	(67.5%)
Amadeus PB	(74.9%)	(72.4%)	(70.8%)	(67.7%)

¹ Central, Eastern and Southern Europe.

Revenue

In the second quarter of 2021, IT Solutions revenue contracted by 42.8% vs. the same period of 2019. This revenue contraction, an enhancement over prior quarters, was driven by the reduced airline passengers boarded volumes, impacted by the COVID-19 pandemic, coupled with a decrease in other revenue lines, albeit at a softer rate than airline passengers boarded,

due to either (i) their non-transactional nature (such as services, subscription-based or license-based revenues), or (ii) linked to transactions less impacted by the COVID-19 disruption (such as in hospitality).

5.2 Group operating costs

5.2.1 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel sellers for bookings done through our reservations platforms, (ii) distribution fees paid to local commercial organizations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea), (iii) data communication expenses related to the maintenance of our computer network, including connection charges, (iv) fees paid in relation to advertising and data analytics activities in Hospitality, and (v) commissions paid to travel agencies for the use of our payments distribution solutions.

In the second quarter of 2021, cost of revenue amounted to €102.0 million, a 72.0% reduction vs. the same period of 2019. Cost of revenue was impacted by the sharp reduction in air booking volumes due to the COVID-19 pandemic over the period, as detailed in section 5.1.1.

5.2.2 Personnel and related expenses and other operating expenses

Resulting from our fixed cost reduction plans announced in 2020, we have undertaken a number of measures, including a reduction of our permanent staff and contractor base. This has supported a reduction of our combined Personnel and Other operating expenses cost line in the first half of 2021 vs. the same period of 2020 (excluding cost saving program implementation costs) of €143.3 million, or 16.1%. Excluding bad debt effects also (and cost saving program implementation costs), our combined operating expenses cost line declined by €111.3 million, or by 13.2%, in the first half of 2021, relative to the same period of 2020. Compared to the first six months of 2019, our combined Personnel and Other operating expenses lines (excluding bad debt effects and implementation costs) decreased by €172.0 million, or 19.1%.

Q2 Personnel + Other op. expenses (€millions)	Apr-Jun 2021¹	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Personnel + Other operating expenses	(377.0)	(422.7)	(10.8%)	(19.4%)

¹ Figures adjusted to exclude costs amounting to €4.2 million, incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

H1 Personnel + Other op. expenses (€millions)	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Personnel + Other operating expenses	(744.9)	(888.1)	(16.1%)	(19.0%)

¹ Figures adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

5.2.3 Depreciation and amortization

In the second quarter of 2021, depreciation and amortization expense amounted to €160.1 million, a reduction of 33.1% vs. the same period of 2020 (-12.3% vs. the same quarter of 2019). In the first six months of 2021, depreciation and amortization expense was 24.9% lower than the first half of 2020 (8.1% lower than the first half of 2019). This first half reduction vs. prior year resulted from:

- A 1.9% increase in ordinary D&A, primarily caused by (i) higher amortization expense, due to an increase in capitalized, internally developed assets, largely offset by (ii) a contraction in depreciation, driven by a reduction in leased office space and the termination of some building rental contracts, as a result of the cost reduction programs put in place in 2020.
- A 62.1% decrease in amortization from purchase price allocation exercises, due to certain assets which reached the end of their useful lives at the end of the second quarter of 2020.
- €0.5 million impairment losses accounted for in the first six months of 2021, vs. €64.6 million posted in the first half of 2020. 2020 impairment losses were largely driven by the COVID-19 impact on the travel industry, and related to some customers ceasing operations or cancelling contracts, as well as some assets that were not expected to deliver the benefits over the same timeframe as before.

Q2 Depreciation & Amortization (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Ordinary D&A	(145.4)	(138.0)	5.3%	4.9%
Amortization derived from PPA	(14.7)	(38.0)	(61.4%)	(61.4%)
Impairments	0.0	(63.1)	n.m.	n.m.
D&A expense	(160.1)	(239.1)	(33.1%)	(12.3%)

H1 Depreciation & Amortization (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Ordinary D&A	(292.8)	(287.5)	1.9%	8.5%
Amortization derived from PPA	(29.5)	(78.0)	(62.1%)	(61.0%)
Impairments	(0.5)	(64.6)	(99.3%)	(91.8%)
D&A expense	(322.8)	(430.1)	(24.9%)	(8.1%)

5.3 EBITDA and Operating income

In the second quarter of 2021, EBITDA (excluding cost reduction program implementation costs of €4.2 million) amounted to €145.3 million, a contraction of 75.3% vs. the same period of 2019. The second quarter EBITDA evolution was an improvement vs. the -91.0% contraction reported in the first quarter of 2021 (vs. 2019), supported by enhanced booking and PB volumes performances and continued cost efficiency (see sections 5.1 and 5.2 above). In turn, Operating income contracted by 103.6% in the second quarter of 2021, vs. the same period of

2019, driven by the negative EBITDA growth and a decrease in depreciation and amortization expense of 12.3% relative to 2019 (as described in section 5.2.3).

Q2 Operating income – EBITDA (€millions)	Apr-Jun 2021¹	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Operating income (loss)	(14.7)	(394.5)	(96.3%)	(103.6%)
D&A expense	160.1	239.1	(33.1%)	(12.3%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)

¹ Adjusted to exclude costs amounting to €4.2 million, incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

H1 Operating income – EBITDA (€millions)	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Operating income (loss)	(123.8)	(236.0)	(47.5%)	(114.9%)
D&A expense	322.8	430.1	(24.9%)	(8.1%)
EBITDA	199.0	194.1	2.6%	(83.2%)

¹ Adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

In the first half of 2021, EBITDA and Operating income contracted by 83.2% and 114.9%, respectively, vs. 2019. EBITDA evolution in the six-month period (excluding cost saving program implementation costs), relative to 2019, was driven by:

- A 79.8% decrease in Distribution contribution, resulting from a decline in revenue of 71.9%, as explained in section 5.1.1 above, and a 64.9% reduction in net operating costs, which mainly resulted from (i) a decline in variable costs, driven by the booking volume evolution, and (ii) a reduction in net fixed costs, impacted by our cost reduction measures.
- A 55.9% contraction in our IT Solutions contribution, as a result of a 44.4% revenue decrease, as explained in section 5.1.2, and a 23.1% net operating costs reduction, supported by cost saving measures.
- A 16.8% decline in indirect costs, impacted by the cost containment measures announced in 2020.

Contribution by segment and EBITDA (€millions)	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Distribution				
Revenue	460.1	441.6	4.2%	(71.9%)
Net operating costs	(305.1)	(342.6)	(10.9%)	(64.9%)
Contribution	155.0	99.0	56.6%	(79.8%)
IT Solutions				
Revenue	660.9	839.6	(21.3%)	(44.4%)
Net operating costs	(319.3)	(428.4)	(25.5%)	(23.1%)
Contribution	341.6	411.3	(16.9%)	(55.9%)
Net indirect costs	(297.6)	(316.2)	(5.9%)	(16.8%)
EBITDA	199.0	194.1	2.6%	(83.2%)

¹ Adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

5.4 Net financial expense

In the second quarter of 2021, net financial expense amounted to an expense of €29.4 million, a decrease of €0.4 million, or 1.3%, vs. the same period of 2020. Interest expense increased by 32.3%, as a consequence of both a higher average gross debt outstanding and a higher average cost of debt, driven by the new financings undertaken in 2020. This effect was more than offset by a reduction in exchange losses by €9.4 million in the quarter, compared to the second quarter of 2020.

In the first six months of 2021, net financial expense grew by 60.8% vs. the same period in 2020, due to a higher interest expense, linked to the new financings arranged in 2020.

Q2 Net financial expense (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Financial income	2.0	4.6	(56.0%)	234.2%
Interest expense	(24.7)	(18.7)	32.3%	133.1%
Other financial expenses	(2.8)	(2.4)	19.4%	56.2%
Exchange losses	(3.9)	(13.3)	(71.0%)	(71.2%)
Net financial expense	(29.4)	(29.8)	(1.3%)	16.5%

H1 Net financial expense (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Financial income	6.5	4.9	34.3%	831.3%
Interest expense	(49.7)	(28.0)	77.6%	138.8%
Other financial expenses	(6.4)	(5.9)	9.4%	56.1%
Exchange losses	(4.7)	(4.7)	(1.4%)	(78.4%)
Net financial expense	(54.3)	(33.7)	60.8%	18.2%

5.5 Income taxes

In the first half of 2021, income taxes (adjusted to exclude the €5.4 million tax impact from the implementation costs related to cost saving programs) amounted to an income of €49.0 million. The Group income tax rate for the period was 28.0%, lower than the 28.5% income tax rate reported in the first six months of 2020, and the 29.5% income tax rate reported for 2020. In comparison with the full-year 2020 rate, the reduction was mainly driven by (i) a lower corporate tax rate in France starting in 2021, in accordance with government regulatory changes, and (ii) non-recurring adjustments to deferred tax liabilities impacting the 2020 income tax rate positively.

5.6 Profit (loss) for the period. Adjusted profit (loss)

5.6.1 Reported and Adjusted profit (loss)

In the second quarter of 2021, Reported profit (adjusted to exclude post-tax costs amounting to €3.0 million, related to the implementation of the cost saving program announced in the second quarter of 2020) amounted to losses of €35.0 million, a contraction of 111.8% vs. the same period of 2019. In turn, Adjusted profit decreased by 107.2% to a loss of €23.6 million (excluding cost saving program implementation costs), relative to 2019. In the first half, reported profit amounted to losses of €130.3 million, and adjusted profit to losses of €106.7 million, a reduction of 121.9% and 116.1%, respectively.

Q2 Reported-Adj. profit (loss) (€millions)	Apr-Jun 2021¹	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Reported profit (loss)	(35.0)	(314.7)	(88.9%)	(111.8%)
Adjustments				
Impact of PPA ²	11.0	28.7	(61.8%)	(62.4%)
Impairments ²	0.0	44.9	0.0%	0.0%
Non-operating FX ³	2.8	10.1	(72.4%)	(73.3%)
Non-recurring items	(2.3)	0.1	n.m.	(75.7%)
Adjusted profit (loss)	(23.6)	(231.0)	(89.8%)	(107.2%)

¹ Adjusted to exclude costs amounting to €3.0 million (post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

² After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.

³ After tax impact of non-operating exchange gains (losses).

H1 Reported-Adj. profit (loss) (€millions)	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Reported profit (loss)	(130.3)	(196.9)	(33.8%)	(121.9%)
Adjustments				
Impact of PPA ²	22.0	58.1	(62.1%)	(62.2%)
Impairments ²	0.3	46.1	(99.3%)	(92.3%)
Non-operating FX ³	3.4	3.4	(0.7%)	(79.5%)
Non-recurring items	(2.2)	0.2	n.m.	(77.1%)
Adjusted profit (loss)	(106.7)	(89.2)	19.7%	(116.1%)

¹ Adjusted to exclude costs amounting to €13.9 million (post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

² After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.

³ After tax impact of non-operating exchange gains (losses).

5.6.2 Earnings (loss) per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed in section 5.6.1). In the first half of 2021, our reported EPS (excluding cost saving program implementation costs) decreased by 120.9% to a loss of €0.29, and our adjusted EPS by 115.3% to a loss of €0.24, compared to the first half of 2019.

Q2 Earnings per share	Apr-Jun 2021¹	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Weighted average issued shares (m)	450.5	449.9	0.1%	2.5%
Weighted av. treasury shares (m)	(0.3)	(0.6)	(50.7%)	(92.8%)
Outstanding shares (m)	450.2	449.3	0.2%	4.3%
EPS (€)²	(0.08)	(0.70)	(88.9%)	(111.3%)
Diluted EPS (€) ²	(0.07)	(0.68)	(89.5%)	(110.3%)
Adjusted EPS (€)³	(0.05)	(0.51)	(89.8%)	(106.8%)
Diluted adjusted EPS (€) ³	(0.05)	(0.49)	(90.6%)	(106.0%)

¹ Adjusted to exclude costs amounting to €3.0 million (post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

² EPS and diluted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Profit attributable to the parent company. EPS is calculated based on weighted average outstanding shares of the period.

³ Adjusted EPS and diluted adjusted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Adjusted profit attributable to the parent company. Adjusted EPS is calculated based on weighted average outstanding shares of the period.

H1 Earnings per share	Jan-Jun 2021¹	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Weighted average issued shares (m)	450.5	440.6	2.3%	2.2%
Weighted av. treasury shares (m)	(0.2)	(0.5)	(48.8%)	82.8%
Outstanding shares (m)	450.3	440.1	2.3%	2.1%
EPS (€)²	(0.29)	(0.45)	(35.4%)	(120.9%)
Diluted EPS (€) ²	(0.27)	(0.43)	(36.7%)	(119.6%)
Adjusted EPS (€)³	(0.24)	(0.20)	17.0%	(115.3%)
Diluted adjusted EPS (€) ³	(0.22)	(0.19)	15.1%	(114.3%)

¹ Adjusted to exclude costs amounting to €13.9 million (post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

² EPS and diluted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Profit attributable to the parent company. EPS is calculated based on weighted average outstanding shares of the period.

³ Adjusted EPS and diluted adjusted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Adjusted profit attributable to the parent company. Adjusted EPS is calculated based on weighted average outstanding shares of the period.

6 Other financial information



6.1 Statement of financial position (condensed)

Statement of financial position (€millions)	Jun 30,2021	Dec 31,2020	Change
Intangible assets	3,940.0	3,946.9	(6.9)
Goodwill	3,584.8	3,539.8	45.0
Property, plant and equipment	295.1	347.7	(52.6)
Other non-current assets	801.2	748.2	53.0
Non-current assets	8,621.1	8,582.6	38.5
Cash and equivalents	1,490.3	1,555.1	(64.8)
Other current assets ¹	1,528.0	1,562.4	(34.4)
Current assets	3,018.3	3,117.5	(99.2)
Total assets	11,639.4	11,700.1	(60.7)
Equity	3,656.6	3,755.3	(98.7)
Non-current debt	4,346.9	4,343.0	3.9
Other non-current liabilities	1,207.5	1,209.3	(1.8)
Non-current liabilities	5,554.4	5,552.3	2.1
Current debt	1,411.0	1,320.6	90.4
Other current liabilities	1,017.4	1,071.9	(54.5)
Current liabilities	2,428.4	2,392.5	35.9
Total liabilities and equity	11,639.4	11,700.1	(60.7)
Net financial debt (as per financial statements)¹	3,381.3	3,208.0	173.3

¹ Other current assets include €886.3 million short term investments that have been included in Net financial debt as per financial statements as they are considered cash equivalent assets under our credit facility agreements' definition.

6.1.1 Financial indebtedness

Indebtedness¹ (€millions)	Jun 30, 2021	Dec 31, 2020	Change
Long term bonds	3,250.0	3,250.0	0.0
Short term bonds	1,000.0	500.0	500.0
Convertible bonds	750.0	750.0	0.0
European Commercial Paper	200.0	622.0	(422.0)
European Investment Bank loan	230.0	262.5	(32.5)
Obligations under finance leases	96.0	68.4	27.6
Other debt with financial institutions	106.4	76.6	29.8
Financial debt	5,632.4	5,529.5	102.9
Cash and cash equivalents	(1,490.3)	(1,555.1)	(64.8)
Other current financial assets ²	(886.3)	(900.5)	(14.2)
Net financial debt	3,255.8	3,073.9	181.9
Reconciliation with financial statements			
Net financial debt (as per financial statements)	3,381.3	3,208.0	173.3
Operating lease liabilities	(157.4)	(178.0)	20.5
Interest payable	(32.4)	(28.4)	(4.0)
Convertible bonds	30.8	34.6	(3.8)
Deferred financing fees	33.5	37.4	(3.9)
EIB loan adjustment	0.1	0.2	(0.1)
Net financial debt (as per credit facility agreements)	3,255.8	3,073.9	181.9

¹ Based on our credit facility agreements' definition.

² Short term investments that are considered cash equivalent assets under our credit facility agreements' definition.

Net financial debt, as per our credit facility agreements' terms, amounted to €3,255.8 million at June 30, 2021.

The main changes to our debt in the first half of 2021, were:

- On February 2, 2021 Amadeus issued a €500 million Floating Rate Note with a two-year term and an optional redemption for the issuer within 374 days after the issuance date. The notes have a variable 3-month Euribor interest rate plus 65 basic points rate and an issue price of 100.101% of its nominal value.
- The decrease in the use of the Multi-Currency European Commercial Paper program by a net amount of €422.0 million.
- The repayment of €32.5 million related to our European Investment Bank (EIB) loan, as scheduled.

On April 27, 2018 Amadeus executed a €1,000 million Euro Revolving Loan Facility, with maturity in April 2025, to be used for working capital requirements and general corporate purposes. This facility remained undrawn at June 30, 2021.

Reconciliation with net financial debt as per our financial statements

Under our credit facility agreements' terms, financial debt (i) does not include debt related to assets under operating lease agreements (which form part of the financial debt in the statement of financial position) amounting to €157.4 million at June 30, 2021, (ii) does not include the accrued interest payable (€32.4 million at June 30, 2021) which is treated as financial debt in our financial statements, (iii) includes the part of the convertible bond that has been accounted for as equity in our financial statements (€40.1 million) and does not include the accrued interest of the convertible bonds (€9.3 million), which has been accounted for as financial debt in our financial statements, (iv) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortized cost, i.e. after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the convertible bond issued in April 2020, and amount to €33.5 million at June 30, 2021), and (v) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€0.1 million at June 30, 2021).

6.2 Group cash flow

Consolidated Cash Flow (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
EBITDA	141.1	(155.4)	n.m.	179.7	194.1	(7.4%)
Change in working capital	(91.8)	(185.2)	(50.4%)	(32.9)	(70.6)	(53.5%)
Capital expenditure	(110.1)	(113.0)	(2.6%)	(214.2)	(264.5)	(19.0%)
Pre-tax operating cash flow	(60.8)	(453.6)	(86.6%)	(67.3)	(141.0)	(52.3%)
Cash taxes	(12.8)	20.6	n.m.	(20.0)	1.3	n.m.
Interest & financial fees paid	(36.4)	(29.1)	24.8%	(34.6)	(32.6)	5.9%
Free cash flow	(110.0)	(462.1)	(76.2%)	(121.8)	(172.4)	(29.3%)
Equity investment	0.0	0.2	0.0%	(0.2)	(39.4)	(99.4%)
Non-operating items	(8.7)	(35.4)	(75.3%)	0.6	(34.0)	n.m.
Debt payment	(304.3)	1,471.2	n.m.	10.7	1,594.5	n.m.
Cash from (to) shareholders	(14.2)	727.6	n.m.	(14.2)	469.5	n.m.
Short-term financial flows ¹	19.0	0.0	n.m.	60.0	0.0	n.m.
Change in cash	(418.2)	1,701.5	n.m.	(65.0)	1,818.1	n.m.
Cash and cash equivalents, net²						
Opening balance	1,907.0	677.7	181.4%	1,553.9	561.0	177.0%
Closing balance	1,488.9	2,379.1	(37.4%)	1,488.9	2,379.1	(37.4%)

¹ Mainly related to hedge results from USD-denominated short term investments, which are 100% hedged.

² Cash and cash equivalents are presented net of overdraft bank accounts.

Amadeus Group free cash flow amounted to -€110.1 million in the second quarter of 2021. Excluding €31.5 million cost saving program implementation costs paid in the quarter, free cash flow amounted to -€78.5 million in the second quarter of 2021. Amadeus' first half of 2021 free cash flow amounted to -€121.8 million, or -€47.0 million excluding cost saving program implementation costs paid in the period. See further details on the implementation costs in section 3.

6.2.1 Change in working capital

Change in working capital amounted to an outflow of €91.8 million in the second quarter of 2021. Change in working capital was negatively impacted by cost saving program implementation costs amounting to €24.2 million, paid in the second quarter of 2021. Excluding these, Change in working capital amounted to an outflow of €67.6 million in the second quarter of 2021, mainly resulting from (i) a net outflow driven by collections and payments from previous periods vs. revenues and expenses accounted for in the second quarter of 2021, and (ii) timing differences in collections and payments, including, among others, personnel related payments, accrued for in 2020 and paid in the second quarter of 2021, as scheduled.

In the first six months of 2021, Change in working capital amounted to an outflow of €32.9 million, or an inflow of €16.4 million, if cost saving program implementation costs paid in the period are excluded. Change in working capital inflow (adjusted for the cost saving program implementation costs paid) mainly resulted from (i) a net inflow driven by collections and payments from previous periods vs. revenues and expenses accounted for in the first half of 2021, partly offset by (ii) timing differences in collections and payments, including, among others, the above mentioned personnel related payments.

6.2.2 Capital expenditure, R&D investment

Capital expenditure

The table below details the capital expenditure, both in relation to property, plant and equipment ("PP&E") and to intangible assets. Based on the nature of our investments in PP&E, the figures may show variations on a quarterly basis, depending on the timing of certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the negotiations. In turn, our capitalized R&D investment may fluctuate depending on the level of capitalization ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages of the various projects.

Capital Expenditure (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
Capital Expenditure in intangible assets	102.8	104.1	(1.2%)	198.2	241.8	(18.0%)
Capital Expenditure PP&E	7.3	8.9	(18.1%)	16.0	22.7	(29.5%)
Capital Expenditure	110.1	113.0	(2.6%)	214.2	264.5	(19.0%)

In the first six months of 2021, capex declined by €50.3 million, or 19.0%, compared to the first half of 2020. Capex in intangible assets decreased by €43.6 million, or 18.0%, mainly as a result of lower capitalizations from software development, in turn driven by a 23.4% decline in R&D investment. The decrease in R&D investment resulted from the COVID-19 impact on our business, in response to which we have prioritized our most strategic and important projects over others and have postponed more long-term initiatives. Also, a lower amount of signing bonuses was paid in the six-month period, compared to signing bonuses paid in the first half of 2020. On the other hand, capex in property, plant and equipment declined by €6.7 million, or 29.5%, in the first half of 2021 vs. the same period of 2020, mostly due to a reduction in hardware investment.

R&D investment (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
R&D investment	183.5	222.2	(17.4%)	364.3	475.7	(23.4%)

R&D investment amounted to €183.5 million in the second quarter of 2021, driving first half investment to €364.3 million. Our main projects included, among others:

- Ongoing efforts for NDC. Investments related to the evolution of our platform and airline solutions to combine content from different sources (existing technology, NDC and content from aggregators and other sources), ensuring easy adoption in the marketplace with minimal disruption.
- For the hospitality industry: continued efforts devoted to the evolution of our hospitality platform to integrate our offering, resources dedicated to the development of our modular and combined central reservation system and property management system and further enhancements to our sales and catering technology stack.
- Investments in digitalization and enhanced shopping, retailing and merchandizing tools.
- Continued shift to cloud services and next-generation technologies, including the application of artificial intelligence and machine learning to our product portfolio.
- Efforts related to customer implementations across our businesses.

7 Investor information



7.1 Capital stock. Share ownership structure

At June 30, 2021, Amadeus' capital stock amounted to €4,504,992.05, represented by 450,499,205 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2021 is as described in the table below:

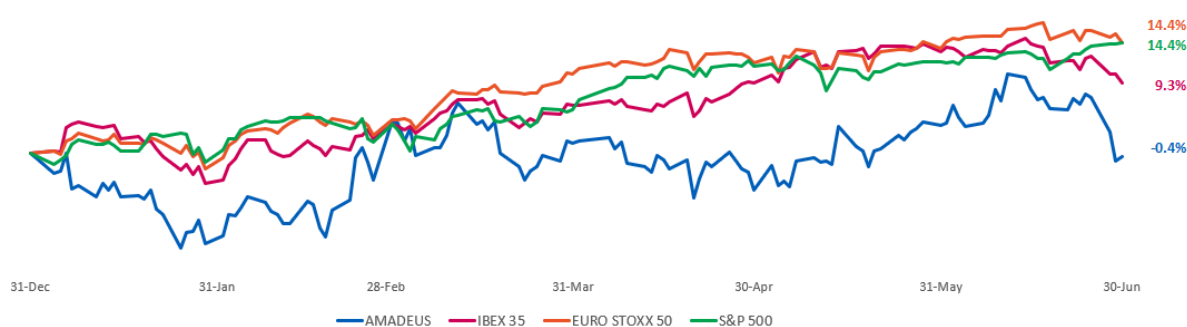
Shareholders	Shares	% Ownership
Free float	450,083,789	99.91%
Treasury shares ¹	326,636	0.07%
Board members	88,780	0.02%
Total	450,499,205	100.00%

¹ Voting rights suspended for as long as the shares are held by the company. Includes treasury shares acquired to cover the exchange ratio related to the merger of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. not yet delivered.

Following the partial cancellation on March 23, 2020 of the share repurchase program announced on February 28, 2020 in response to the COVID-19 situation, on May 7, 2021, Amadeus announced a share repurchase program for a maximum investment of €44 million, or 550,000 shares (representing 0.12% of share capital), to meet the obligations related to the allocation of shares to employees, Senior Management and CEO of the Amadeus Group for the years 2021 and 2022. The program execution period is from May 10, 2021 to December 31, 2021, with a minimum of 70,000 shares to be acquired before or on June 30, 2021. As of June 30, 2021, 138,069 shares had been acquired under this program.

On June 15, 2021, Amadeus announced a share repurchase program for a maximum investment of €7.2 million, or 90,000 shares (representing 0.019% of share capital), to meet the obligations related to the allocation of shares to employees and Senior Management of Amadeus SAS (and its wholly owned subsidiary Amadeus Labs) for the year 2021. The maximum investment under this program was reached on June 28, 2021.

7.2 Share price performance in 2021



Key trading data (as of June 30, 2021)

Number of publicly traded shares (# shares)	450,499,205
Share price at June 30, 2021 (in €)	59.32
Maximum share price in 2021 (in €) (June 11, 2021)	65.70
Minimum share price in 2021 (in €) (January 25, 2021)	52.26
Market capitalization at June 30, 2021 (in € million)	26,723.6
Weighted average share price in 2021 (in €) ¹	59.05
Average daily volume in 2021 (# shares)	1,043,075.0

¹Excluding cross trade

7.3 Shareholder remuneration

On January 17, 2020 an interim dividend of €0.56 per share (gross), corresponding to the 2019 profit, was paid in full. The complementary dividend of €0.74 per share corresponding to the 2019 profit, proposed by the Board of Directors of Amadeus on February 27, 2020, was subsequently cancelled, as part of a set of measures that Amadeus announced in response to the COVID-19 pandemic.

Considering the 2020 financial results due to the COVID-19 pandemic, the Board of Directors of Amadeus agreed to not distribute a dividend pertaining to the 2020 financial year.

8 Annex

8.1 Key terms

- Cancellation provision: as a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail in section 3.
- “CESE”: stands for “Central, Eastern and Southern Europe”
- “D&A”: stands for “depreciation and amortization”
- “EDIFACT”: stands for “Electronic Data Interchange For Administration, Commerce and Transport”, a set of internationally agreed standards, directories, and guidelines for the electronic interchange of structured data, between independent computerized information systems.
- “EIB”: stands for “European Investment Bank”
- “EPS”: stands for “Earnings Per Share”
- “IFRS”: stands for “International Financial Reporting Standards”
- “JV”: stands for “Joint Venture”
- “KPI”: stands for “Key Performance Indicators”
- “NDC”: stands for “New Distribution Capability”. NDC is a travel industry-supported program launched by IATA for the development and market adoption of a new, XML-based data transmission standard
- “n.m.”: stands for “not meaningful”
- “PB”: stands for “passengers boarded”, i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- “p.p.”: stands for “percentage point”
- “PPA”: stands for “Purchase Price Allocation”
- “PP&E”: stands for “Property, Plant and Equipment”
- “PSS”: stands for “Passenger Services System”
- “R&D”: stands for “Research and Development”
- “RevPAR”: stands for “Revenue Per Available Room”
- “TA”: stands for “Travel Agencies”
- “TA air bookings”: air bookings processed by travel agencies using our distribution platform

8.2 Product descriptions

Airline portfolio

- Amadeus Altéa Departure Control – Customer Management: streamlines airline activities and optimizes every revenue opportunity from booking to take-off. It is focused on passenger services, providing a high level of automation for key airport processes from passenger check-in to departure.
- Amadeus Altéa Departure Control - Flight Management: analyzes passenger and cargo loads with precision, automatically defines optimal aircraft load utilizing a fully Graphical User Interface to maximize productivity and centralizes airlines' operations.
- Amadeus Altéa Digital Experience Suite: provides an open and flexible platform where Amadeus, airlines and third-party providers can connect, develop and share technology, helping airlines to differentiate their business with a high speed to market.
- Amadeus Network Revenue Management: enables network airlines to maximize their network revenue by computing the optimal availability to be used in real-time in any shopping session, taking into account the origin and final destination and real time data feeds, such as booking curves and customer willingness to pay.
- Amadeus Traveler ID is Amadeus' secure and agnostic identity data exchange and verification solution that connects a passenger's digital ID to any online and biometric portal at opportune moments of the traveler journey.

Airport portfolio

- Amadeus Airport Common Use Service (ACUS): is a cloud- based solution, which enables airlines' passenger processing systems to be accessed and deployed anywhere, on demand (both within and outside the airport terminal).
- Amadeus Auto Bag Drop solutions: help the airport to increase flexibility and capacity without further infrastructure investment. As it is self-service and allows for touchless processes controlled with the passengers' mobile phones, it allows airports to better adapt to social distance and new health requirements.
- Amadeus Biometric: a complete one-stop-shop solution to enable boarding on flights with biometric facial recognition. It includes cameras (Biopod) at boarding gates, connectivity with airlines for booking data and with Customs and Border Protection, and integration services to match information: the image of faces captured at the cameras is matched to the passenger's reservation and the passenger's data provided by the Border authorities.
- Amadeus Flight Information Display System (FIDS): helps to maintain the airport screens up-to-date with the latest flight, gate and baggage belt information.

Hospitality portfolio

- Amadeus Sales and Event Management: helps hoteliers to sell, organize and manage events efficiently.
- Agency 360: is a business intelligence product that tracks 100% of travel agent bookings from all major GDS providers, allowing hotels to take the most informed decisions.

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- Demand360: is a business intelligence product that helps the hotel to understand forward-looking booking data to identify need periods compared to a competitive set and market, creating a strategy to maximize RevPAR.
 - Digital media: places cross-channel advertising campaigns including search, display, social, and meta-search to drive highly profitable direct bookings on a hotel's website.
 - GDS Media Services: allows hoteliers to optimize their presence in GDSs and display campaigns that use proprietary data from the business intelligence suite, to drive more revenue through travel agents.

Travel agency portfolio

- Amadeus Travel API: provides travel agencies worldwide access to content and fares from our airline customers via an NDC connectivity, as well as to the main servicing capabilities that an agency requires to serve a booking, such as changes, cancellations or addition of ancillary services.

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