



amadeus

Amadeus

Jan – Mar 2021 Results

May 7, 2021

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- _ This presentation has to be accompanied by a verbal explanation. A simple reading of this presentation without the appropriate verbal explanation could give rise to a partial or incorrect understanding.



Operating Review

Luis Maroto
President & CEO

Q1 – Modest Amadeus volume improvement

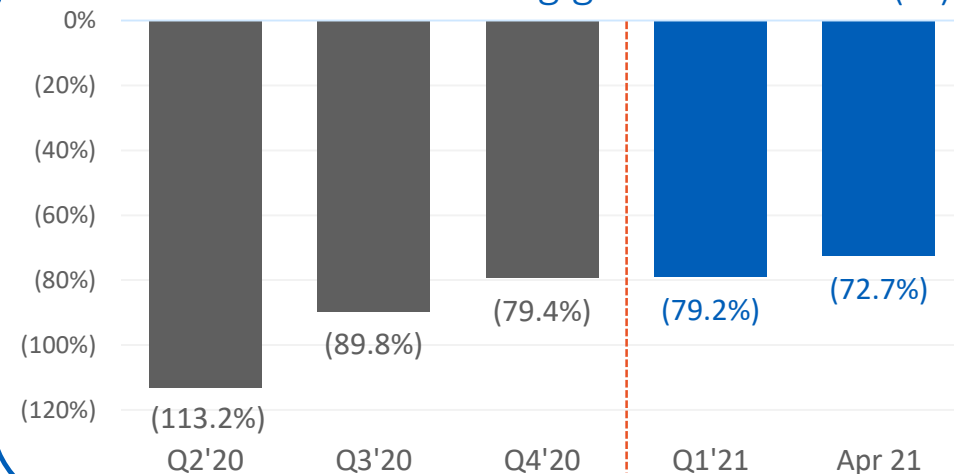
Global Air Traffic

- January and February 2021 saw small air traffic growth deteriorations relative to recent months (-72.0%¹ in January, -74.7%¹ in February vs. 2019).
- However, in March 2021 air traffic growth improved considerably over prior quarters, growing at -67.2%¹ when compared to 2019.

Amadeus volumes

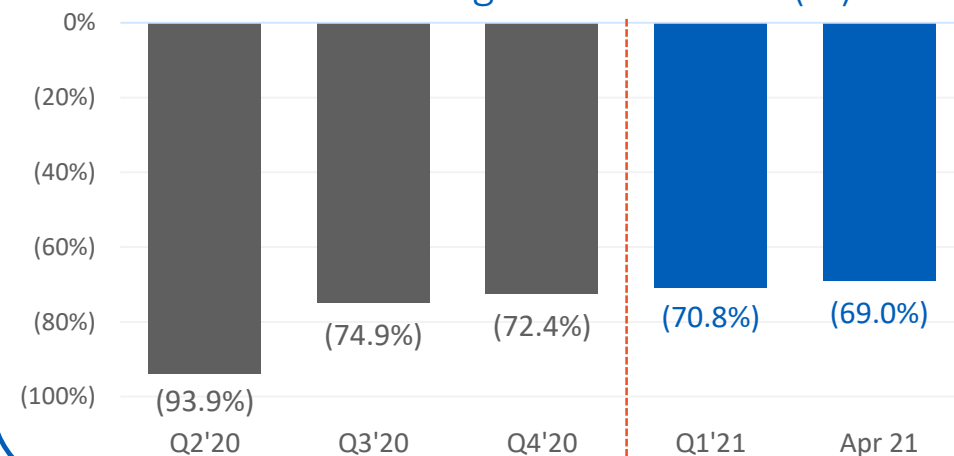
- Uptick in Amadeus volumes in March, making March the best performing month since the start of the pandemic.
- April showing further improved performance over March.
- Q1 2021 TA air bookings -79.2% vs. 2019. Q1 2021 Distribution revenue -77.1% vs. 2019 / -57.9% vs. 2020.**
- Q1 2021 Amadeus PB -70.8% vs. 2019. Q1 2021 IT Solutions revenue growth -46.3% vs. 2019 / -46.1% vs. 2020.**
- IT Solutions revenue outperforms PB growth, supported by revenue streams not directly linked to airline traffic or not driven by transactions.

Amadeus TA air booking growth vs. 2019 (%)



Note: April 21 performance based on internal estimate.

Amadeus PB growth vs. 2019 (%)

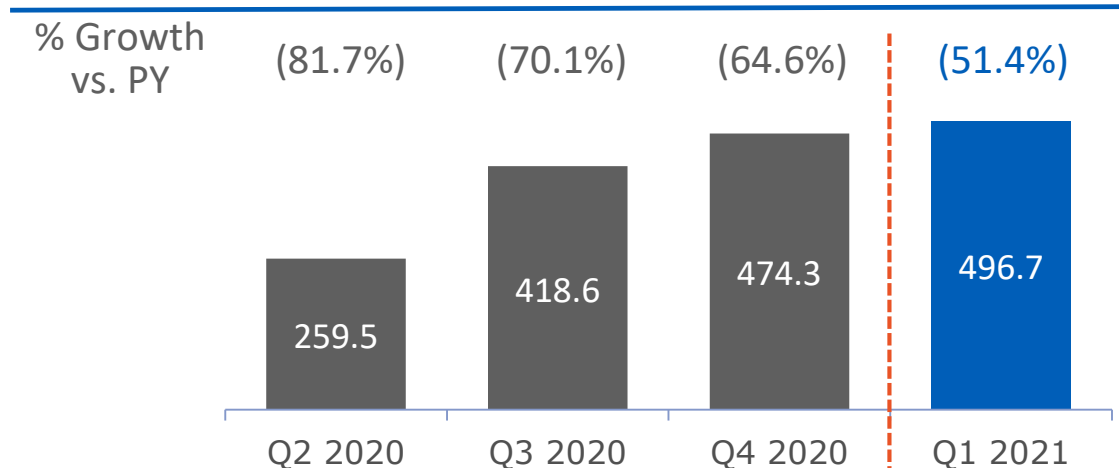


Note: April 21 performance based on internal estimate for Navitaire PB.

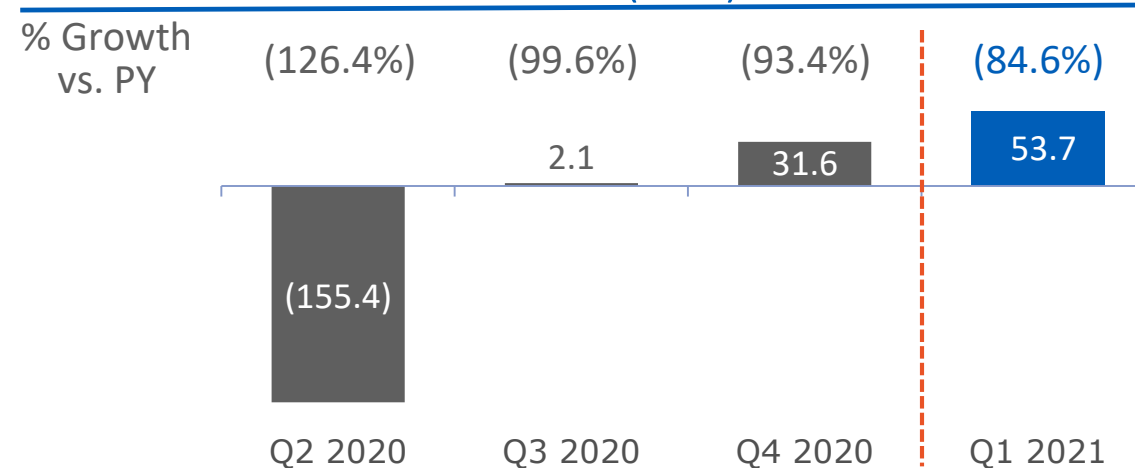
1. Source: IATA Air Passenger Market Analysis of January, February and March 2021.

Q1 - Financial performance overview

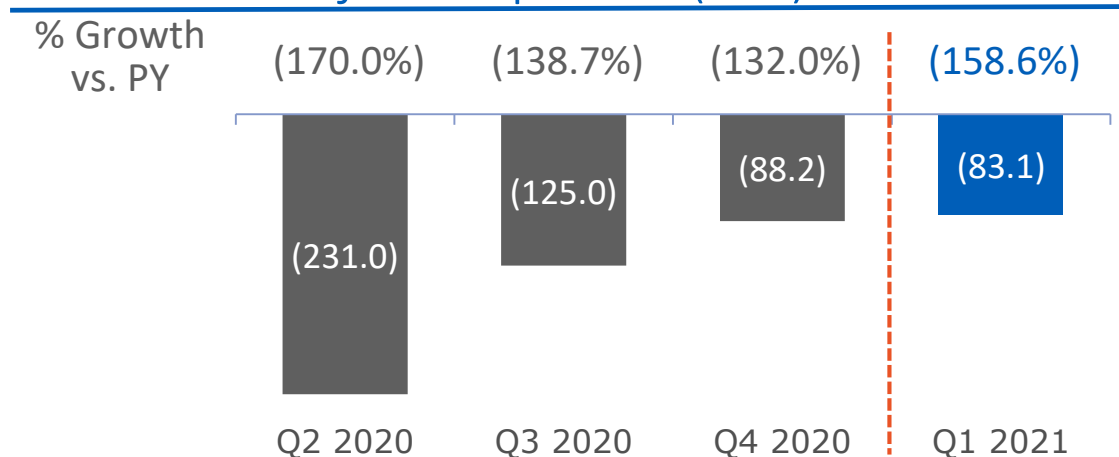
Revenue (€m)



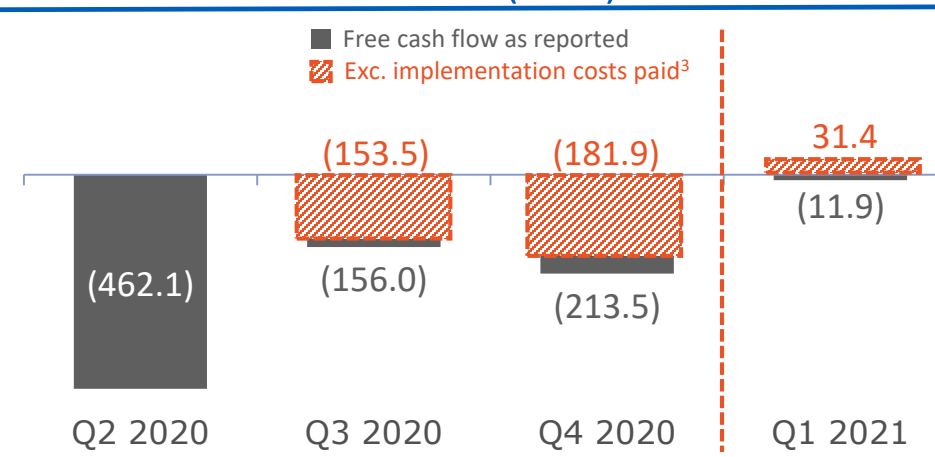
EBITDA¹ (€m)



Adjusted profit² (€m)



Free cash flow (€m)



- Adjusted to exclude one-time costs related to the implementation of the cost saving program announced in Q2 2020, amounting to €15.1 million (€10.9 million post tax). Total implementation costs incurred in the first quarter of 2021 amounted to €18.3 million. The €3.2 million difference to the €15.1 million impacting EBITDA corresponds to costs incurred for office buildings and facilities, which were paid and reported under the capitalized expenditure caption in the cash flow statement. See section 3 of Jan-Mar 2021 Management Review for more details.
- Excludes after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) cost saving program implementation costs and (iv) other non-operating, non-recurring effects.
- Adjusted to exclude cost saving program implementation costs paid, amounting to €2.5 million in the third quarter of 2020, €31.6 million in the fourth quarter of 2020 and €43.3 million in the first quarter of 2021.

Q1 - Commercial and corporate update

Airline Distribution

- Renewed / signed **21 distribution agreements**.
- China's **Trip.com**, parent company to leading online travel brands Trip.com, Ctrip, Skyscanner and Qunar, will adopt Amadeus Custom Search.
- **ezTravel**, Taiwan's largest online travel agency, is implementing NDC-enabled Amadeus Travel API.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand:
 - Amadeus Ancillary Services – 176 contracted airlines.
 - Amadeus Airline Fare Families – 117 contracted airlines.

Airline IT

- **Air Arabia** contracted for Altéa DCS.
- **Qantas** contracted our Airport Companion App.
- **Fiji Airways** implemented Altéa Segment Revenue Management System.

Safe Travel Ecosystem

- **Air Europa** is the first airline to pilot Traveler ID's health capability.

Hospitality

- **THE Park Hotels** and **Q Hotels** contracted Amadeus' iHotelier Central Reservations System.
- **Lore Group** signed for Digital Media.
- **Sun Siyam** contracted Amadeus' Guest Management Solutions.
- **Langham Hospitality Group** contracted Amadeus Sales and Event Management and Amadeus Service Optimization.
- **HEI Hotels** signed for Demand360.

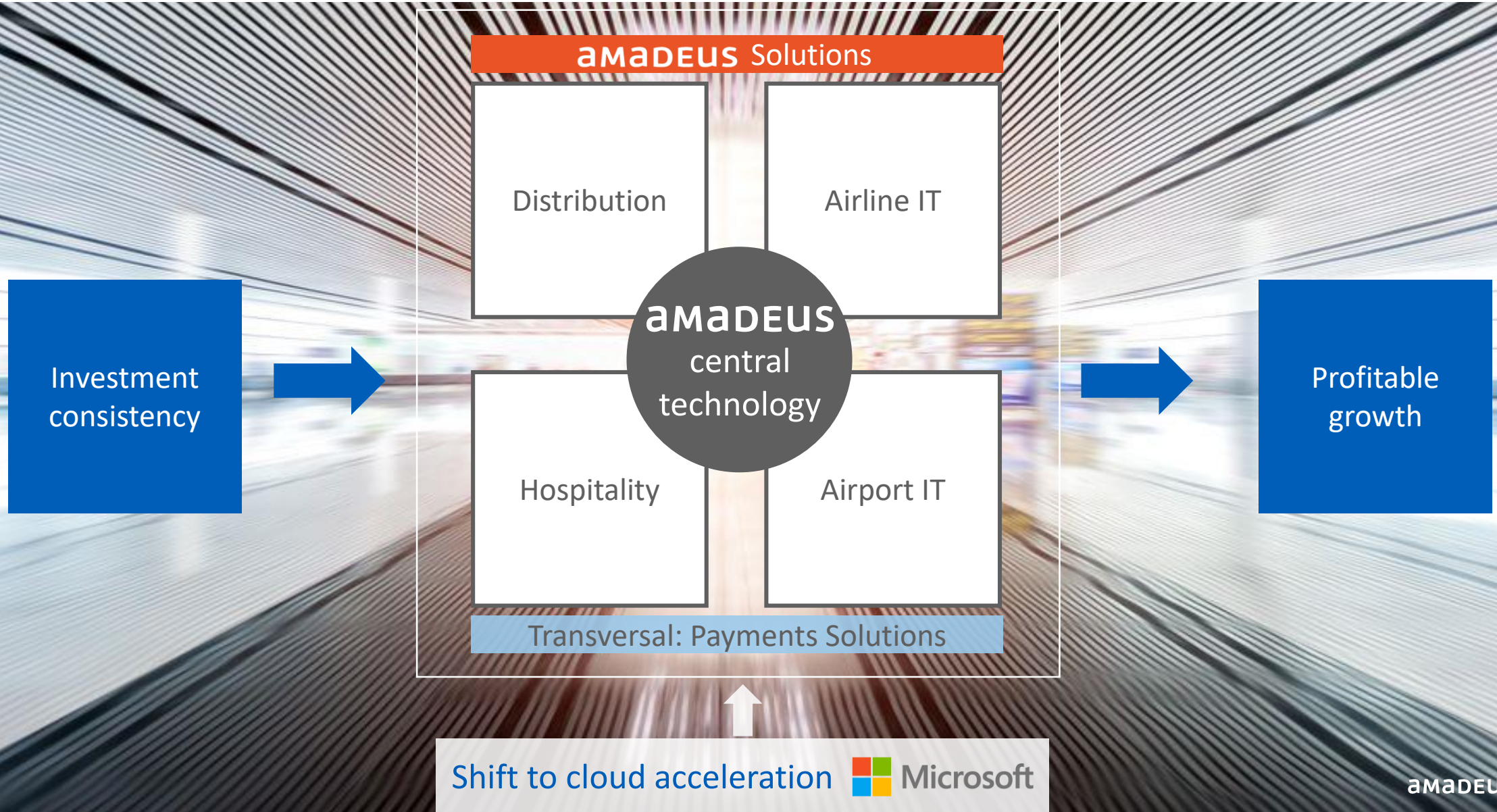
Airport IT

- We introduced Japan's first end-to-end biometric boarding process in partnership with **Narita Airport** and **NEC**.
- **Finavia** (Finland) and **Cambodia Airports** chose Amadeus Flow, our new integrated cloud solution for passenger handling.
- Eight airports in Turkey (Turkish Ground Services) will move to Amadeus Altéa Departure Control for Ground Handlers.

Succession plan: Chairman of the Board

- Amadeus will appoint **William Connelly** as Chairman of the Board, succeeding José Antonio Tazón.

Amadeus' goals and priorities



Financial highlights

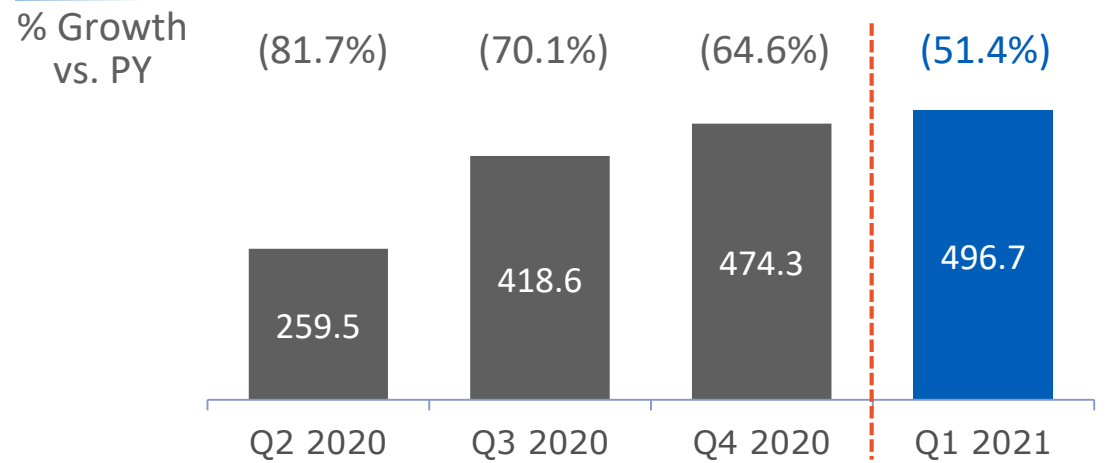
Till Streichert

CFO



Revenue evolution by segment

Group revenue (€ millions)

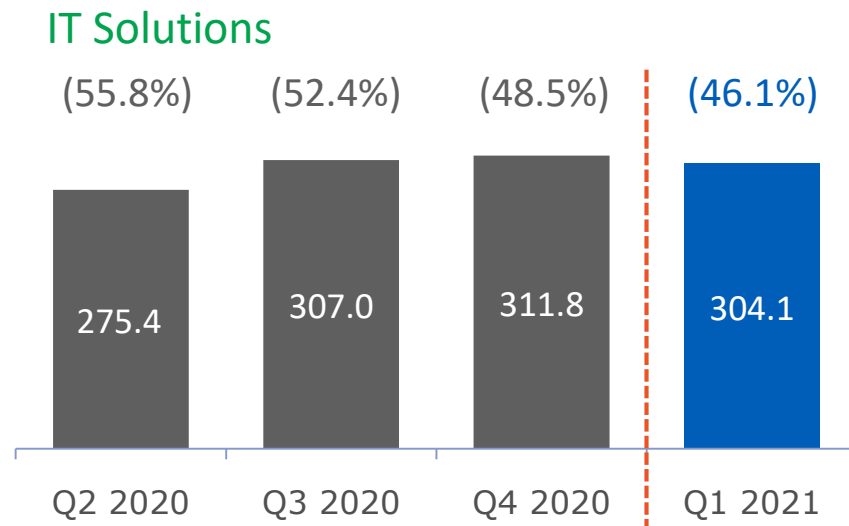
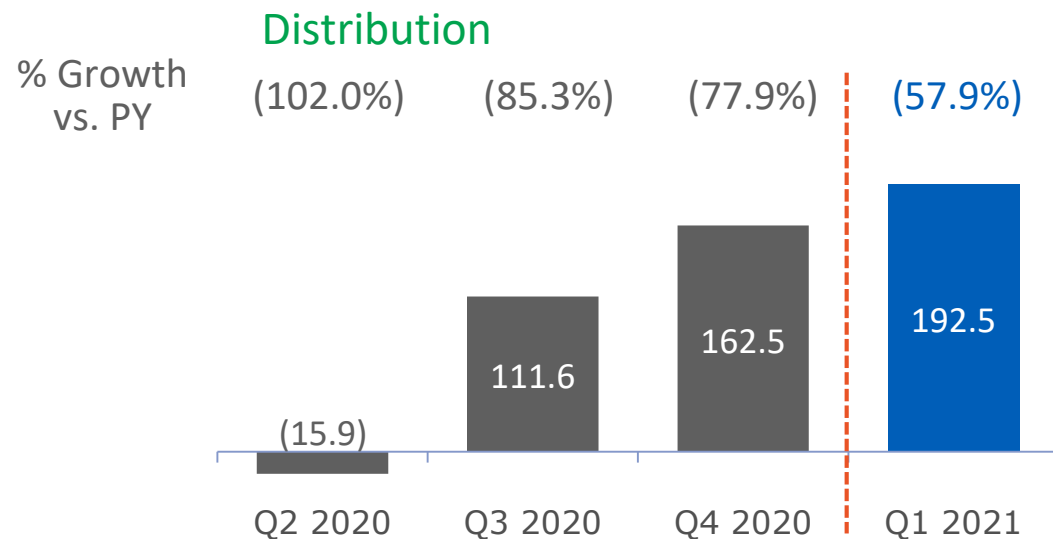


– **Group revenue:** -51.4% vs. 2020, or -64.7% vs. 2019.

– **Distribution revenue:** -57.9%, resulting from the booking decline and a higher revenue per booking, driven by (i) cancellation provision effects, and (ii) a contraction in other revenue lines, albeit at a softer rate than bookings, partly offset by (iii) a higher weight of local bookings.

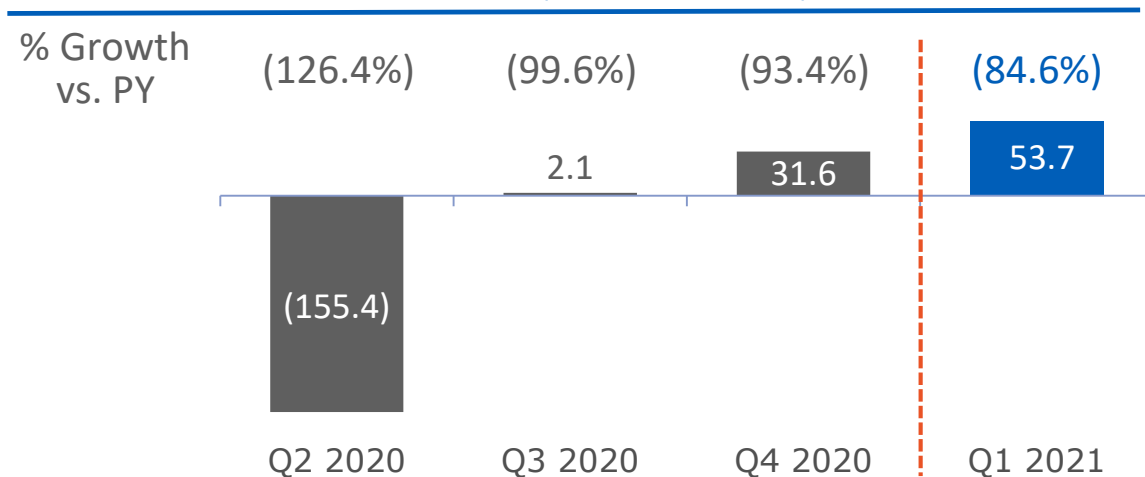
– **IT Solutions revenue:** -46.1%, driven by the PB evolution and a contraction in revenue from our new businesses, albeit at a softer rate than airline PB.

Segment revenue (€ millions)

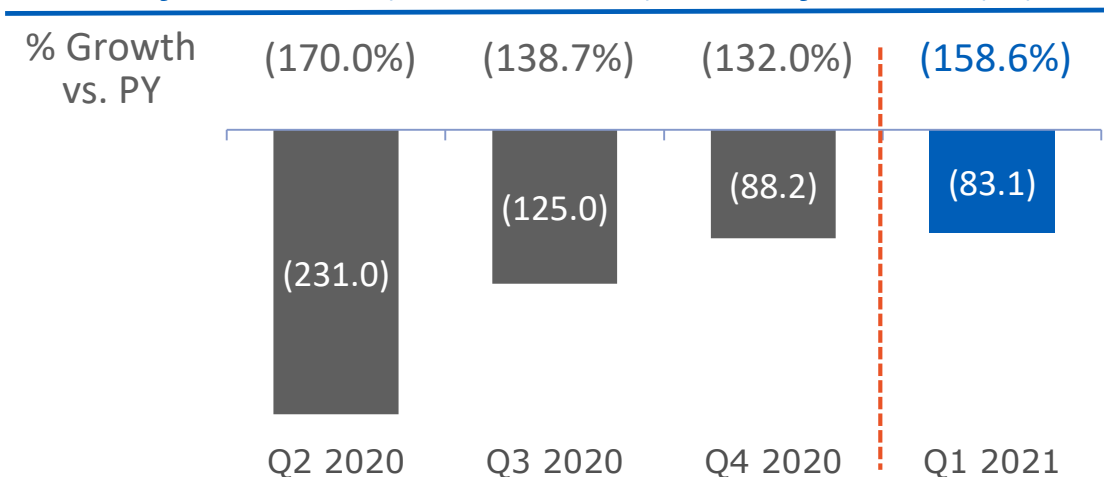


EBITDA and Adjusted EPS growth

EBITDA¹ (€ millions)



Adj. Profit² (€ millions) & Adj. EPS² (€)



Adj. EPS	(€0.51)	(€0.28)	(€0.20)	(€0.18)
% Growth	(166.9%)	(136.9%)	(130.5%)	(156.0%)

-84.6% EBITDA evolution, resulting from:

- the reduction in Group revenue, as well as in cost of revenue, linked to the evolution of air bookings.
- a 21.0% decline in personnel and other opex, supported by the progress in our fixed cost reduction plan.

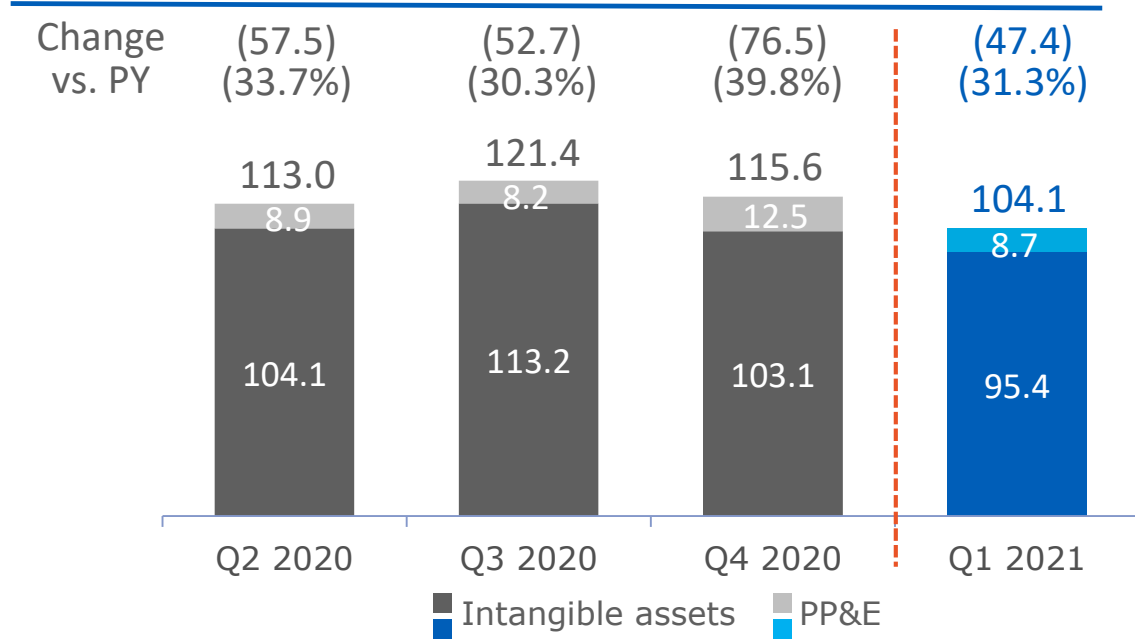
Adjusted profit (loss) driven by the negative operating results and a higher interest expense, partly offset by tax income.

1. Adjusted to exclude costs amounting to €15.1 million, incurred in the first quarter of 2021, related to the implementation of the cost savings program announced in Q2 2020. See section 3 of Jan-Mar 2021 Management Review for more details.

2. Excluding after-tax impact of: (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 savings programs and (iv) other non-operating, non-recurring effects. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

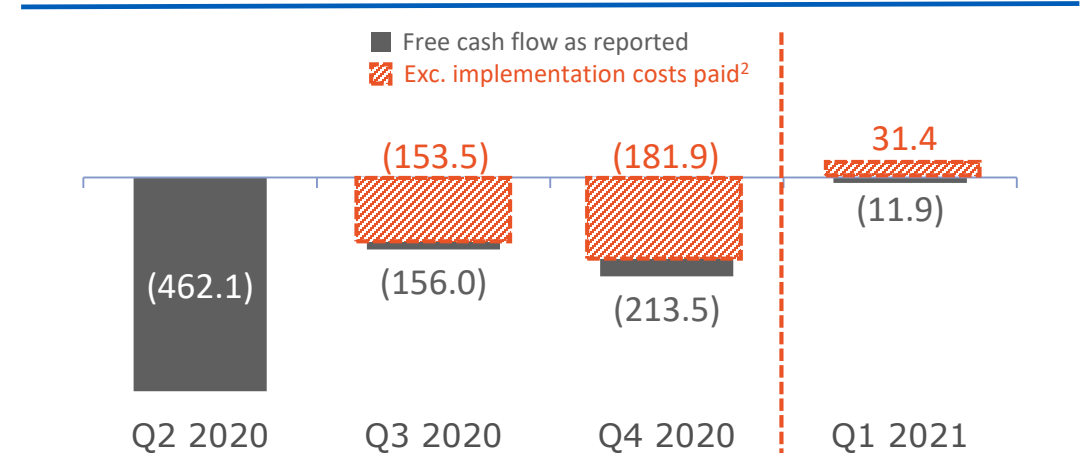
Capex and Free cash flow

Capex (€ millions)



- Capex decrease of 31.3% resulting from lower software capitalizations, no signing bonuses paid and reduced capex in PP&E, driven by our fixed cost reduction plan measures.
- Software capitalizations decline driven by a reduction in R&D investment of 28.7% (resulting from a selective approach to investment and prioritizing strategic projects).

Free cash flow¹ (€ millions)



- Free cash flow of +€31.4 million, excluding implementation costs paid, supported by positive EBITDA, a reduced capex amount relative to last year, a working capital inflow and no interests paid in Q1.
- Q2 free cash flow will deteriorate comparatively to Q1, impacted by quarterly seasonality and timing differences (expected working capital outflow ranging between -€100 million and -€120 million) and expected c.€30 million quarterly average interest payments from Q2 to Q4 2021.
- Q3 free cash flow expected to improve vs. Q2.

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

2. Adjusted to exclude cost saving program implementation costs paid, amounting to €2.5 million in the third quarter of 2020, €31.6 million in the fourth quarter of 2020 and €43.3 million in the first quarter of 2021. See section 3 of the Jan-Mar 2021 Management Review for more details.

Q1 - Fixed cost reduction plan progress

€143.4 million¹ reduction in Q1 2021 vs. Q1 2020

- P&L: -€92.8 million¹ / Capex: -€50.6 million¹
- For Q2 2021, similar to lower fixed costs¹ compared to Q2 2020
- In H2 2021, some fixed cost¹ growth over H2 2020
- Discretionary costs trend looking better than originally projected
- Confidence on target +50m fixed cost reduction in FY2021 vs. FY2020

Cost saving program implementation costs

- Incurred to date: €187.4 million (vs. full amount of €200 million)
 - 2020: €169.1 million
 - Q1 2021: €18.3 million (€15.1 million of P&L fixed costs and €3.2 million of capex)
 - Balance to be incurred throughout 2021
- Paid to date: €77.4 million
 - 2020: €34.1 million
 - Q1 2021: €43.3 million
 - Balance to be paid out throughout 2021-early 2022

1. Including P&L fixed costs and capex, and excluding bad debt and cost saving program implementation costs.

Support materials



Key Performance Indicators

	Jan-Mar 2021	Jan-Mar 2021	Change
Amadeus TA bookings (m)	38.9	99.6	(61.0%)
Passengers Boarded (m)	127.2	383.9	(66.9%)
Revenue (€m)	496.7	1,021.7	(51.4%)
EBITDA (€m) ¹	53.7	349.4	(84.6%)
Adjusted profit (loss) ² (€m)	(83.1)	141.8	(158.6%)
Adjusted EPS ² (€)	(0.18)	0.33	(156.0%)
Free Cash Flow ³ (€m)	(11.9)	289.8	(104.1%)

1. 2021 EBITDA adjusted to exclude costs amounting to €15.1 million (€10.9 million post tax), incurred in the first quarter of 2021, related to the implementation of the cost savings program announced in Q2 2020. See section 3 of Jan-Mar 2021 Management Review 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 savings programs and (iv) other non-operating, non-recurring effects. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
3. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

Thank you!

