



amadeus

Amadeus

Jan – Jun 2021 Results

July 30, 2021

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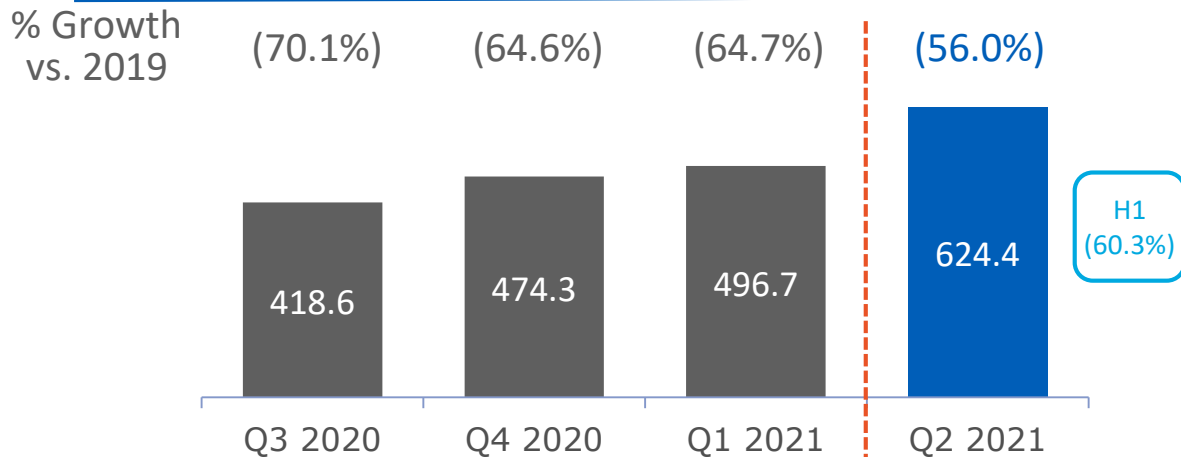


Operating Review

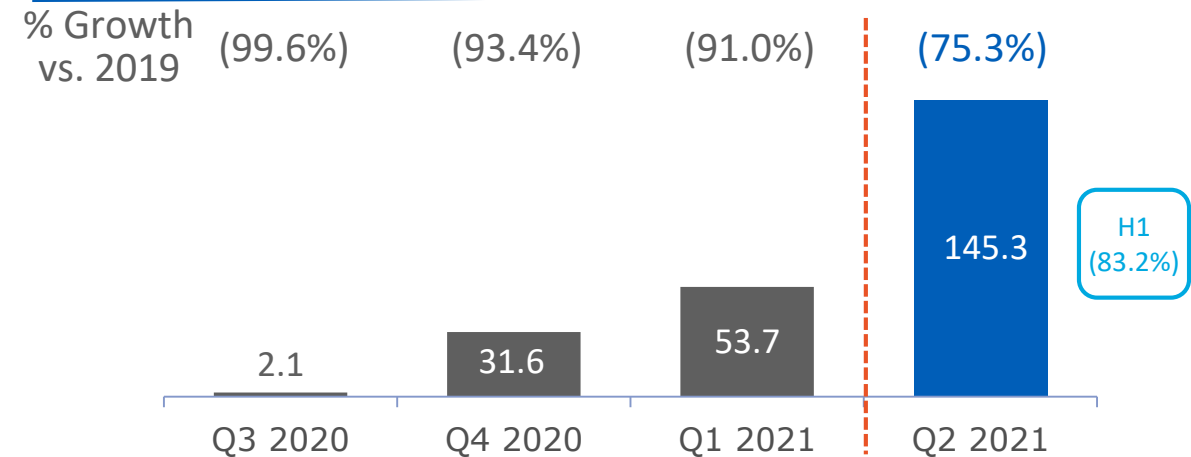
Luis Maroto
President & CEO

Q2/H1 - Financial performance overview

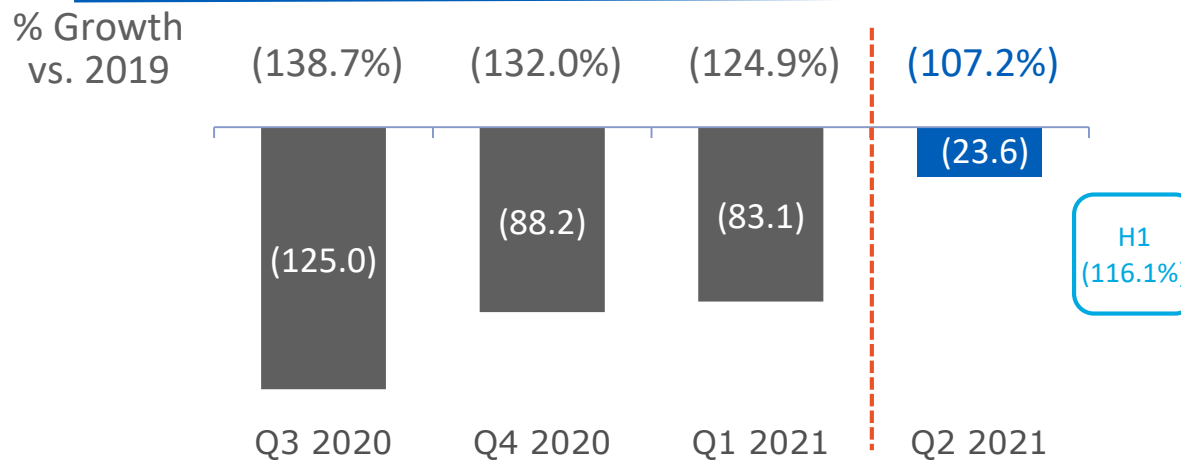
Revenue (€m)



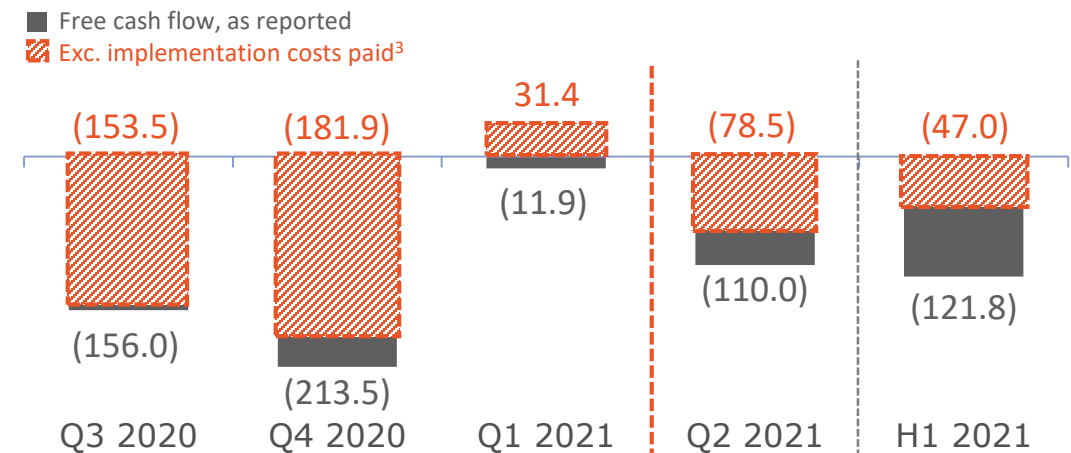
EBITDA¹ (€m)



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 €19.3 million (€13.9 million post tax) in the first half of 2021 (€4.2 million, or €3.0 million post tax, in the second quarter). Total implementation costs incurred in the first half of 2021 amounted to €25.6 million (€7.3 million in the second quarter). The difference relates to costs incurred for office buildings and facilities, which were reported under the capitalized expenditure caption in the cash flow statement. See section 3 of Jan-Jun 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, €43.3 million in the first quarter of 2021 and €31.5 million in the second quarter of 2021. See section 3 of Jan-Jun 2021 Management Review for more details.

Q2/H1 – Improving volume performance

Amadeus volume performance continued to improve through Q2, with an acceleration in June

Amadeus TA air bookings

– Q2 2021: -67.6% vs. 2019, advancing from -79.2% evolution in Q1.

- NORAM was our best performing region in the quarter, followed by CESE.
- Q2 vs. Q1 performance improvements across regions, led by NORAM, followed by Western Europe and CESE.

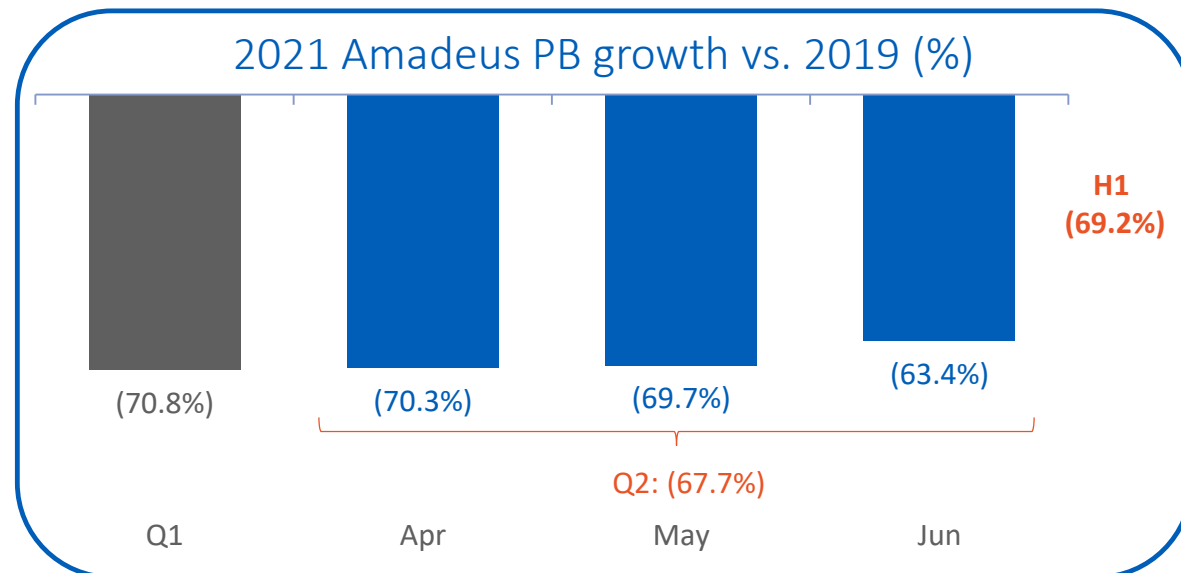
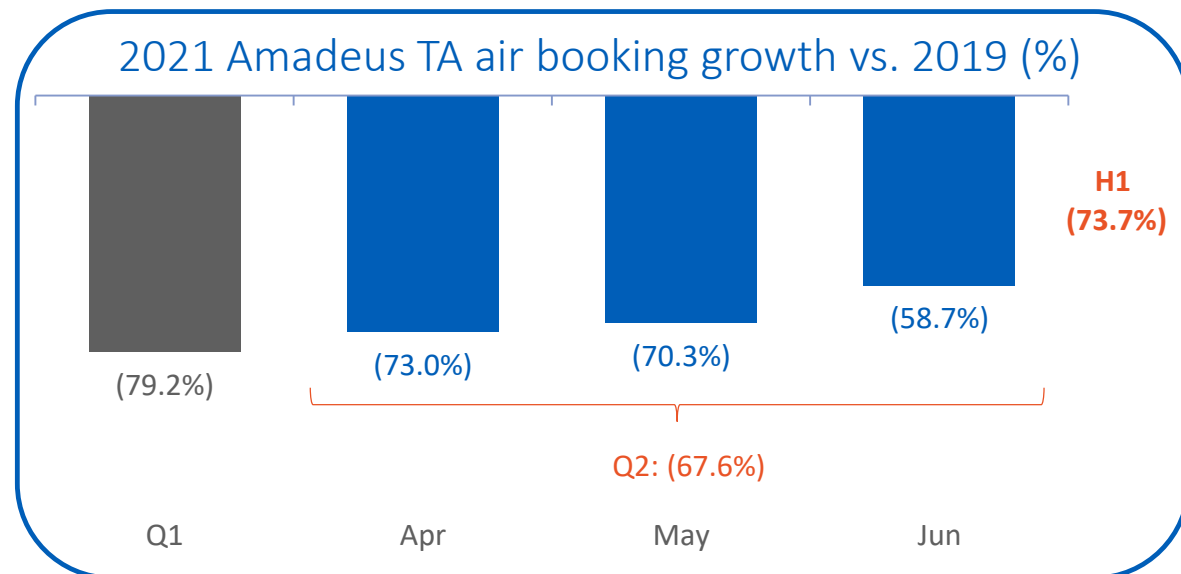
– **Q2 2021 Distribution revenue** -66.4% vs. 2019, vs. -77.1% in Q1.

Amadeus Passengers Boarded

– Q2 2021: -67.7% vs. 2019, an improvement over the -70.8% growth in Q1.

- NORAM was our best performing region in the quarter, followed by LATAM.
- Q2 performance accelerations vs. Q1, led by NORAM, Western Europe and CESE.

– **Q2 2021 IT Solutions revenue** -42.8% vs. 2019, vs. -46.3% in Q1. IT Solutions revenue outperforms PB growth, supported by revenue streams not directly linked to airline traffic or not driven by transactions.



Quarterly business and corporate update

Airline Distribution

- Renewed / signed **16 distribution agreements** (37 year-to-date).
- Continued progress with NDC strategy:
 - Airlines: **United Airlines, Qantas, LOT Polish Airlines, Qatar Airways** and **Kenya Airways**.
 - Travel agencies: **Tiket.com, Seera Group** and **Sharaf Travel**.

Airline IT

- **LOT Polish Airlines** new PSS agreement, including a wide range of solutions: airline operations, revenue management, merchandizing, passenger disruption management and digital experience.
- **Vistara** signed for Amadeus Network Revenue Management.
- **Nordica**, a small Estonian based airline, contracted for and implemented the full Altéa PSS suite.
- **Air Burkina** implemented the Altéa PSS and will implement Amadeus' Digital Experience Suite.
- **Breeze Airways** implemented Navitaire New Skies.
- **Uganda Airlines** implemented Altéa DCS and additional solutions.
- **Amazonas Bolivia** contracted for merchandizing functionality.

Safe Travel Ecosystem

- **Air Canada** and **Norwegian Air Shuttle** are piloting our Traveler ID solution.
- **Air Corsica, French Bee** and **Air Caraïbes** implemented Traveler ID.

Hospitality

- **Marriott** expanded current partnership by contracting for Amadeus Demand360 business intelligence solution.
- **Swire Properties Hotel Management, Siyam World** and **Millennium New York** signed for Amadeus Digital Media.
- Partnership with **Shiji** in China to add hotel accommodation options to the Amadeus Travel Platform.

Airport IT

- **Pristina International Airport** (Kosovo) will automate the check-in and bag drop processes with Amadeus' solutions.
- In U.S., **Syracuse Hancock International Airport** contracted for ACUS, **Kansas City International Airport** contracted for Amadeus Biometric Solutions, and **Pittsburg International Airport** signed for FIDS.

European Commission Enquiry

- Closed investigation into our agreements with airlines and travel agents, open in November 2018.

Financial highlights

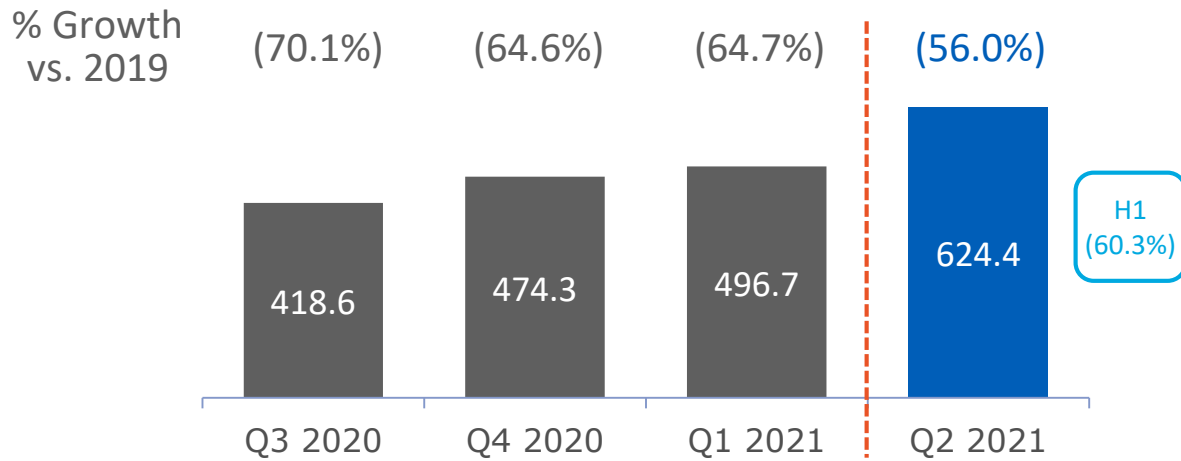
Till Streichert

CFO



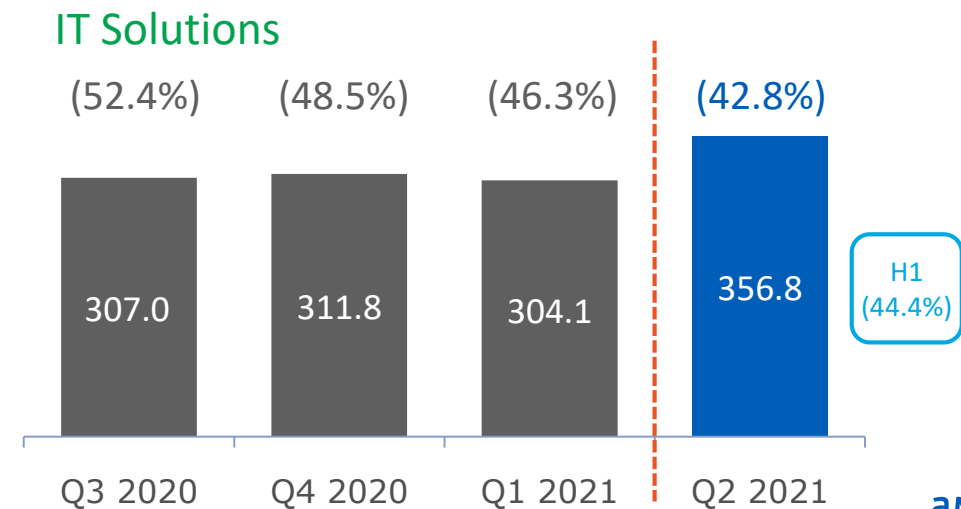
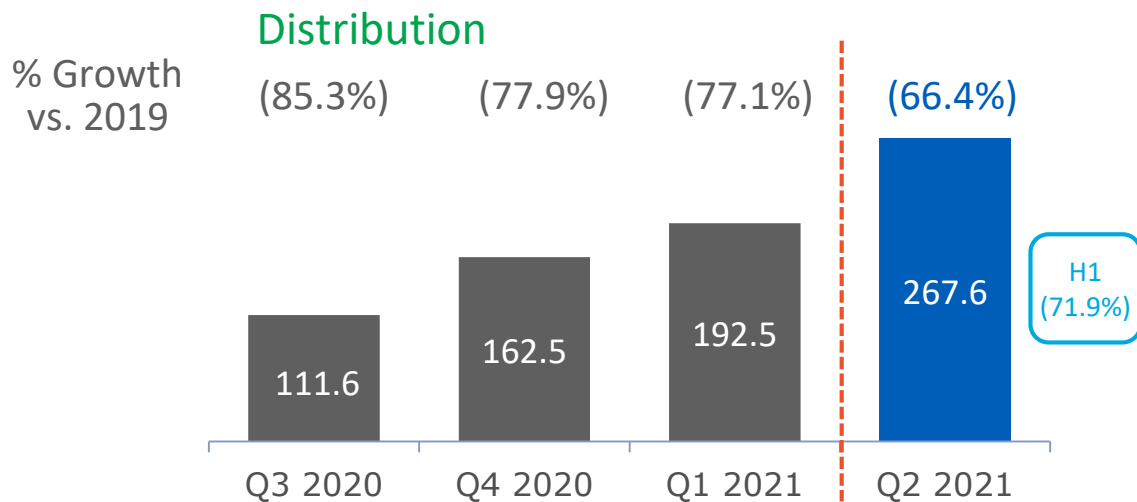
Revenue evolution by segment

Group revenue (€ millions)



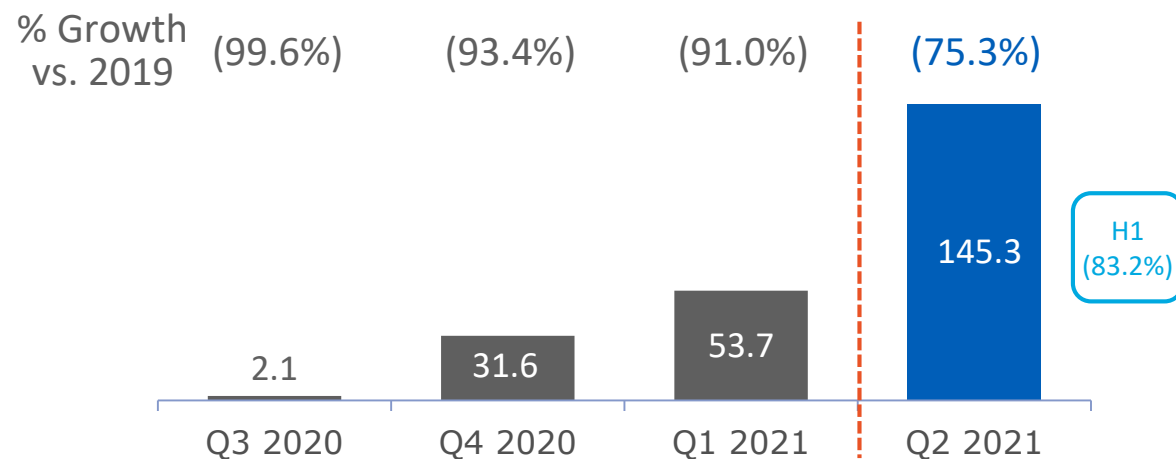
- **Group revenue:** -56.0% in Q2 vs. 2019, progressing from Q1's evolution, driven by improved volume performance.
- **Distribution revenue:** -66.4% in Q2, resulting from the bookings evolution and a dilution in revenue per booking, resulting from negative cancellation provision and local booking weight effects, partly offset by a contraction in non-booking related revenues, albeit at softer rates than bookings.
- **IT Solutions revenue:** -42.8% in Q2, driven by the PB evolution and a contraction in revenue from our new businesses, albeit at a softer rate than PB.

Segment revenue (€ millions)

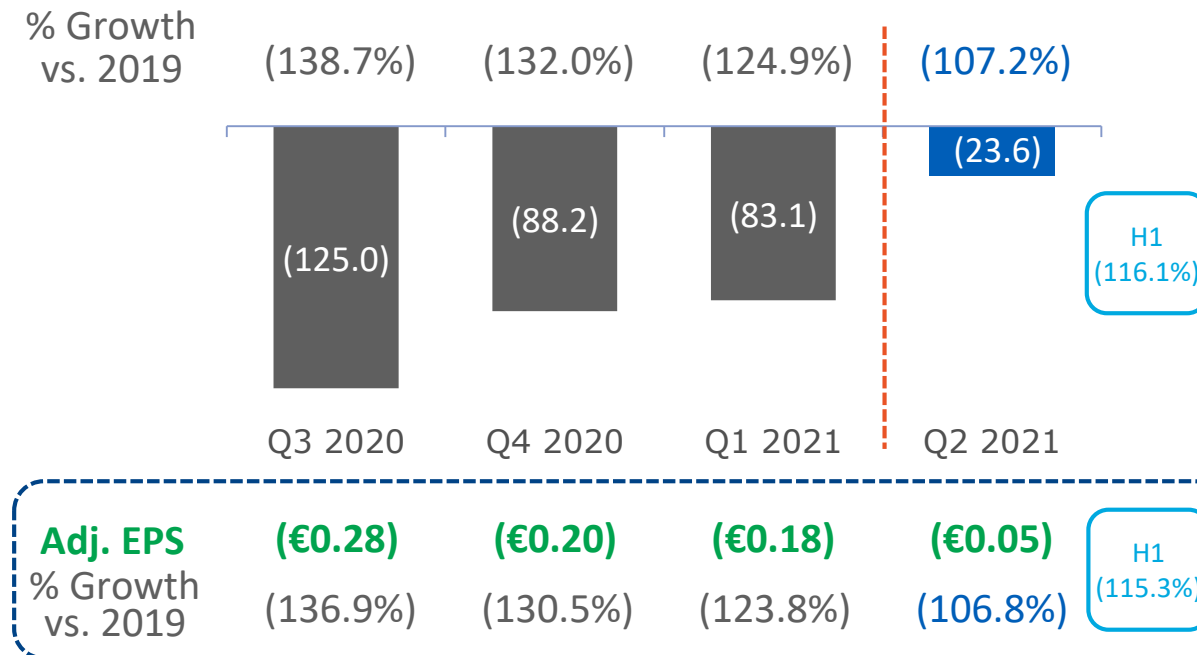


EBITDA and Adjusted profit growth

EBITDA¹ (€ millions)



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



EBITDA performance has advanced quarterly, supported by improved volumes, variable costs linked to volume evolution and fixed cost optimization efforts.

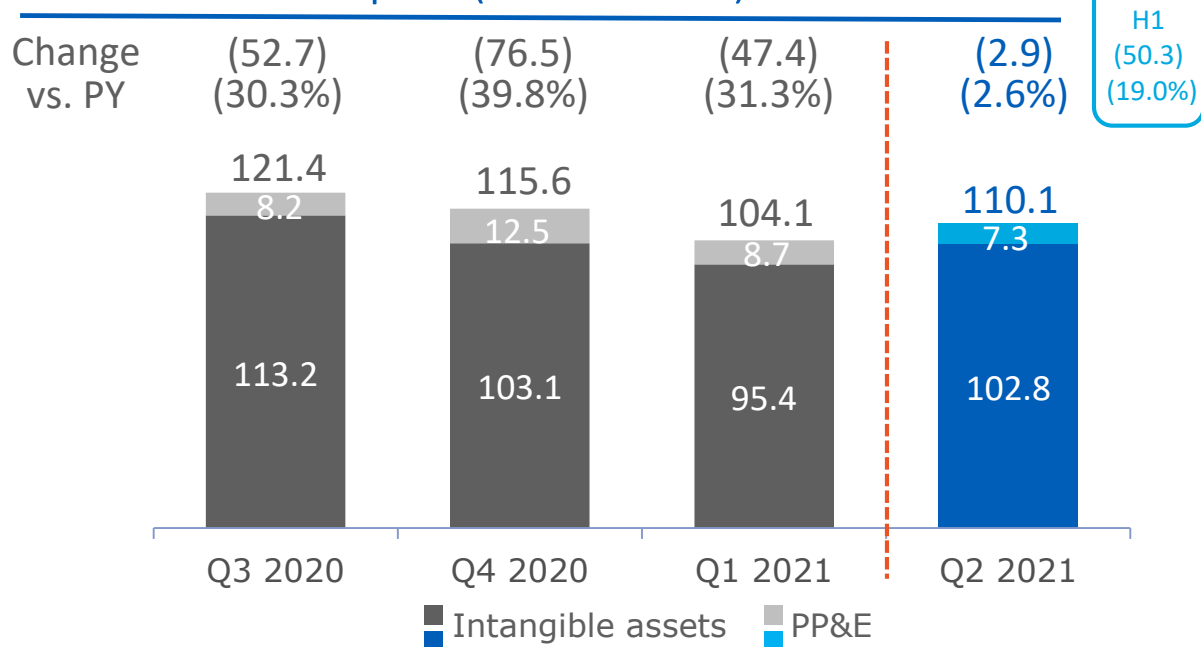
Adjusted profit progressing quarterly, driven by EBITDA evolution.

1. Adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021 (€4.2 million in the second quarter), related to the implementation of the cost savings program announced in Q2 2020. See section 3 of Jan-Jun 2021 Management Review for more details.

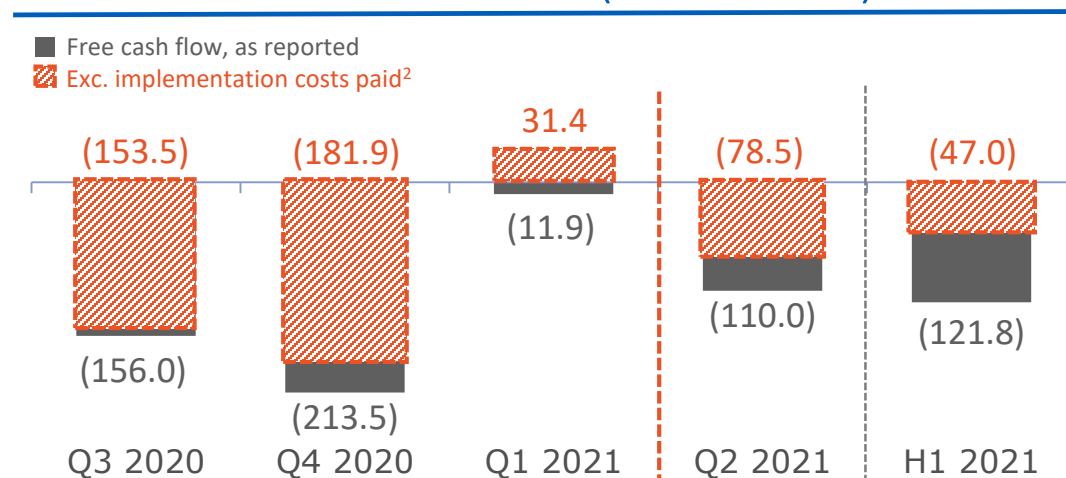
2. Excluding after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost saving programs and (iv) other non-operating, non-recurring effects. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Capex and Free cash flow

Capex (€ millions)



Free cash flow¹ (€ millions)



- Capex decrease of 2.6% in Q2 (-19.0% in H1) vs. prior year, resulting from lower software capitalizations 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 17.4% in Q2 (-23.4% in H1), resulting from a selective approach to investment and prioritizing strategic projects.

- Free cash flow of -€78.5 million in Q2, excluding implementation costs paid, resulting mainly from a positive EBITDA result, a reduced capex amount relative to last year and an expected working capital outflow.
- Q2 free cash flow deteriorated over Q1, due to working capital dynamics and the interest payments calendar.
- Expected positive free cash flow in H2, excluding implementation costs paid and supported by continued volume performance progress.

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, €43.3 million in the first quarter of 2021 and €31.5 million in the second quarter of 2021. See section 3 of the Jan-Jun 2021 Management Review for more details.

H1 - Fixed cost optimization progress

€167.9 million¹ reduction in H1 2021 vs. H1 2020

- P&L: -€111.3 million¹ / Capex: -€56.6 million¹.
- As planned, P&L cost growth in Q3 2021 vs. Q3 2020, and further advancing in Q4, due to some discretionary costs coming back in H2 2021.
- Capex in Q3 and Q4 expected to be broadly stable in relation to prior year.
- Confidence on 2020 target: +€50 million fixed cost reduction in FY2021 vs. FY2020.

Cost saving program implementation costs

- Incurred over 2020 - 2021 to date: €194.8 million (expecting c.€200 million).
 - H1 2021: €25.6 million (€19.3 million of P&L fixed costs and €6.3 million of capex).
 - Balance to be incurred in H2.
- Paid over 2020 - 2021 to date: €108.9 million.
 - H1 2021: €74.8 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

	Apr-Jun 2021	Change vs. Q2'20	Change vs. Q2'19	Jan-Jun 2021	Change vs. H1'20	Change vs. H1'19
Amadeus TA bookings (m)	47.1	n.m.	(67.6%)	80.8	22.7%	(73.7%)
Passengers Boarded (m)	164.9	427.6%	(67.7%)	292.1	(29.6%)	(69.2%)
Revenue (€m)	624.4	140.6%	(56.0%)	1,121.0	(12.5%)	(60.3%)
EBITDA (€m) ¹	145.3	n.m.	(75.3%)	199.0	2.6%	(83.2%)
Adjusted profit (loss) ² (€m)	(23.6)	(89.8%)	(107.2%)	(106.7)	19.7%	(116.1%)
Adjusted EPS ² (€)	(0.05)	(89.8%)	(106.8%)	(0.24)	17.0%	(115.3%)
Free Cash Flow ³ (€m)	(110.0)	(76.2%)	(168.4%)	(121.8)	(29.3%)	(127.6%)

- 2021 EBITDA adjusted to exclude costs amounting to €19.3 million (€13.9 million post tax), incurred in the first half of 2021 (€4.2 million, or €3.0 million post tax, incurred in the second quarter of 2021) related to the implementation of the cost saving program announced in Q2 2020. See section 3 of Jan-Jun 2021 Management Review for more details.
- 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. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
- Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

Thank you!

