

Amadeus Jan – Sep 2020 Results

November 6, 2020



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



Operating Review

Luis Maroto
President & CEO

Q3 2020: COVID-19 impact on volumes

Depressed volumes improved month-over-month, across regions

Global Air Traffic

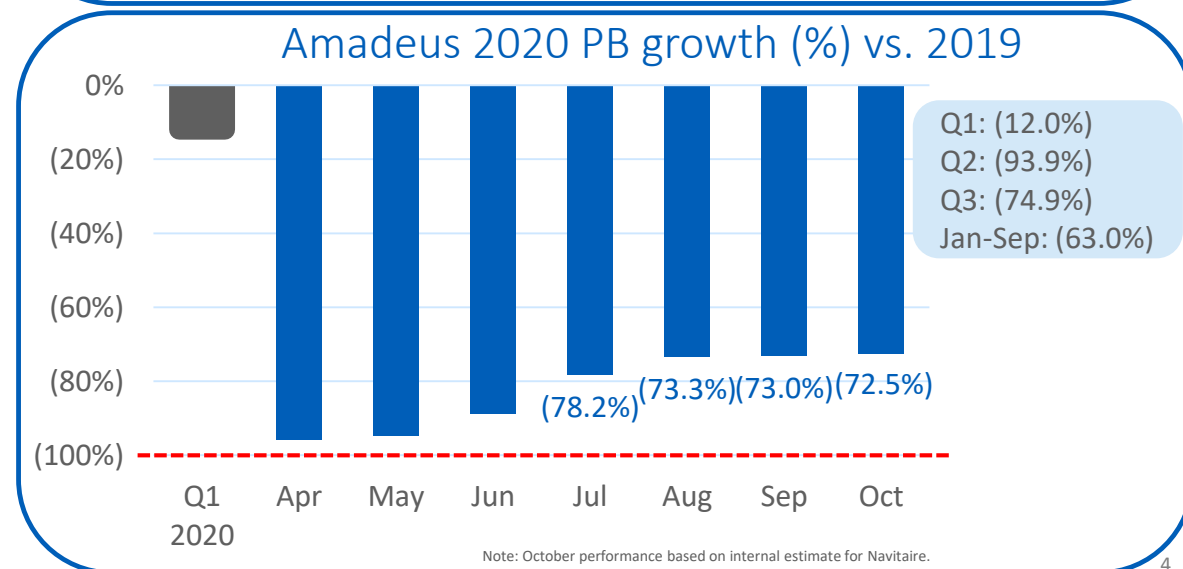
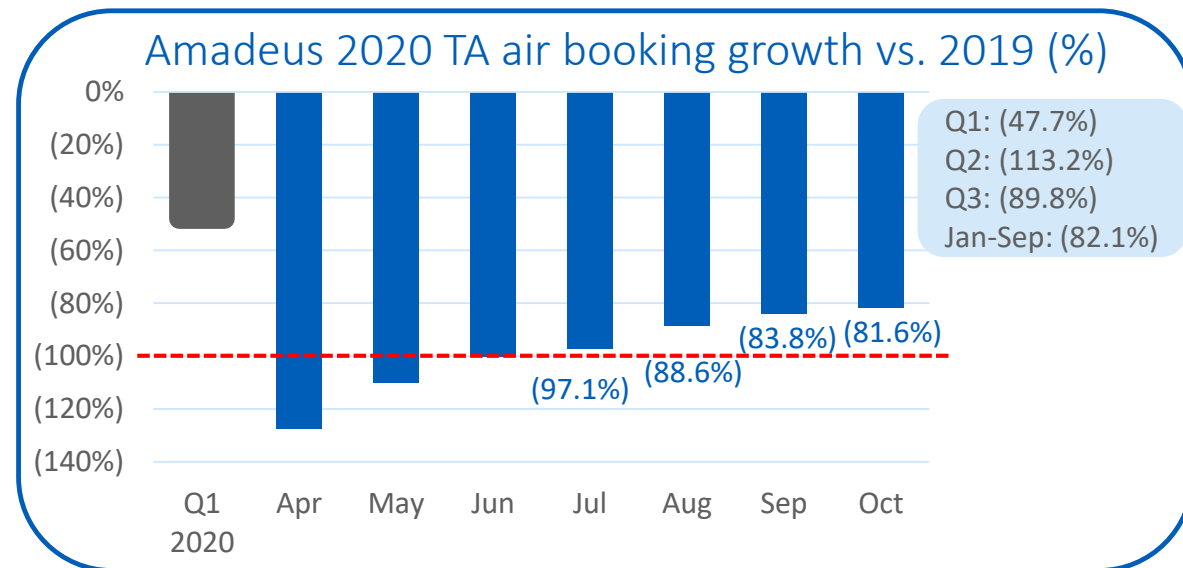
- Following signs of activity resuming in May and June, we continued to see global air traffic growth improve month-over-month and across most regions.
- New COVID-19 outbreaks impacting the tail of the summer season brought the return of governmental restrictions, softening the pace of improvement.

Amadeus TA air bookings

- Growth improved (i) month-over-month and through October, (ii) driven by both, gross bookings growth and cancellations further normalizing, as well as, (iii) across regions (except in Europe in October). Amadeus gross bookings in the past weeks growing daily in a range of -70% to -75% vs. 2019.
- Q3 2020 TA air bookings -89.8%. Q3 2020 Distribution revenue -85.3%** (-75.0% excluding COVID-19 cancellations effect).

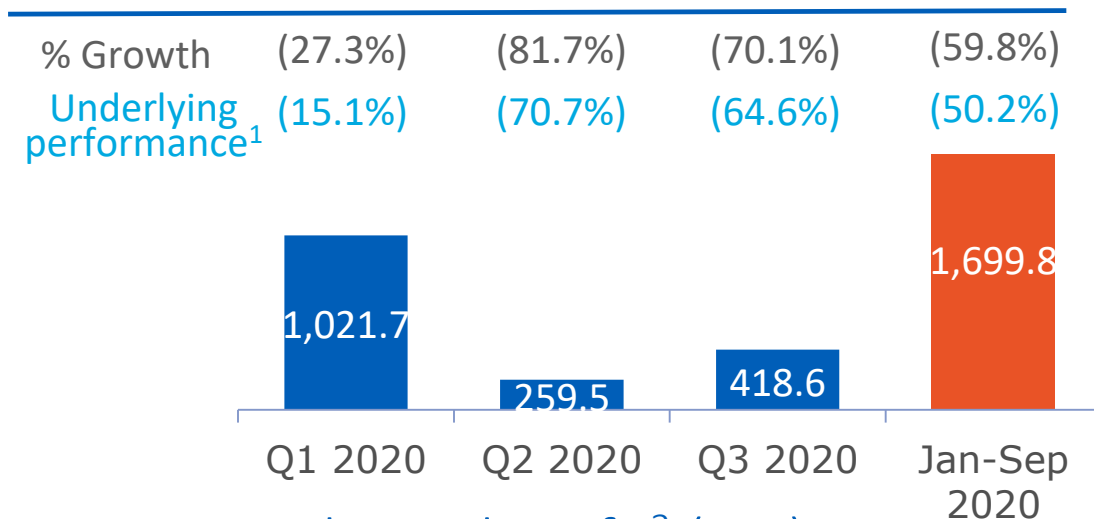
Amadeus Passengers Boarded

- Growth improved month-over-month, softening in September. We saw growth improve across regions (except in Europe in September). In October, we estimate another small improvement over September, with PBs at -72.5%.
- Q3 2020 Amadeus PB -74.9%. Q3 2020 IT Solutions revenue growth -52.4%**, outperforms PB growth supported by revenues not directly linked to airline traffic or not driven by transactions, particularly in Hospitality.

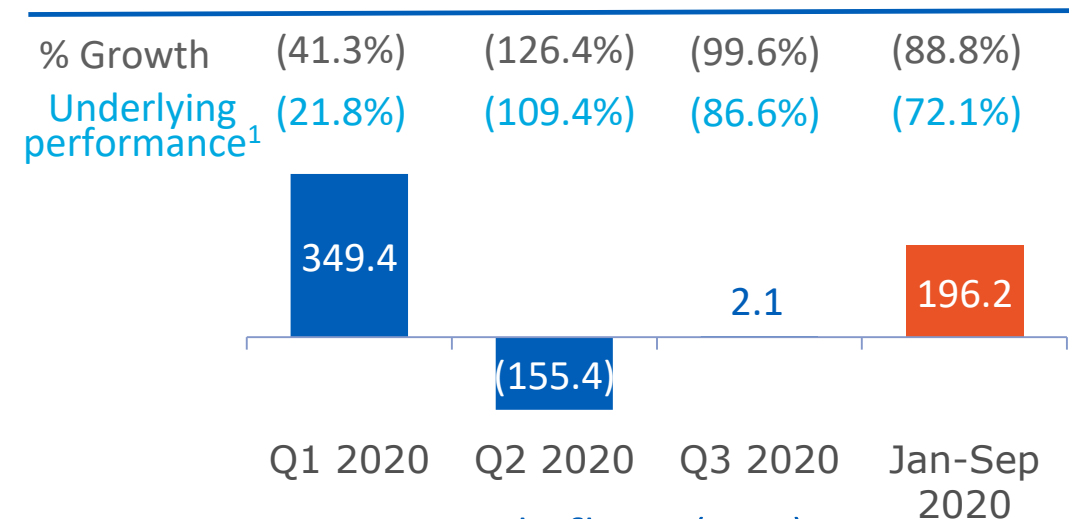


Q3/Jan-Sep performance recap - COVID-19 impact

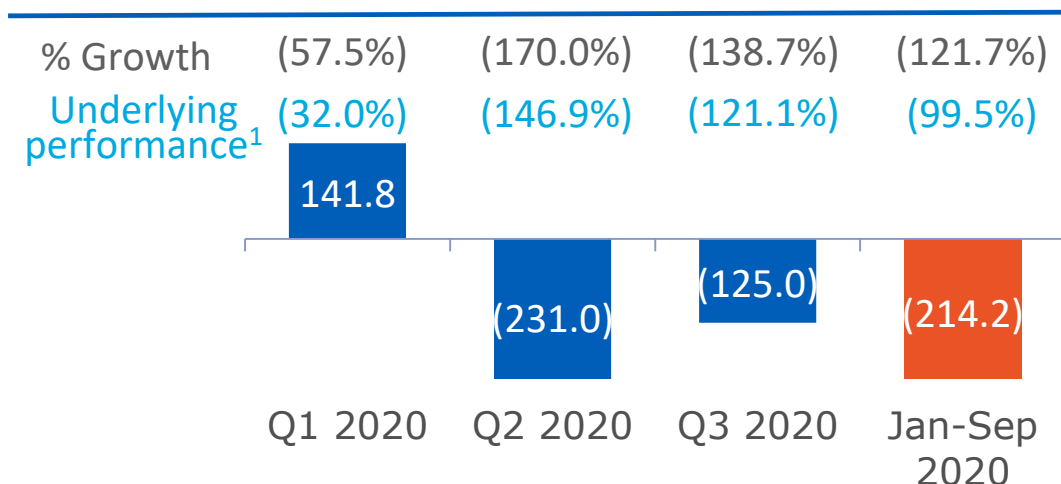
Revenue (€m)



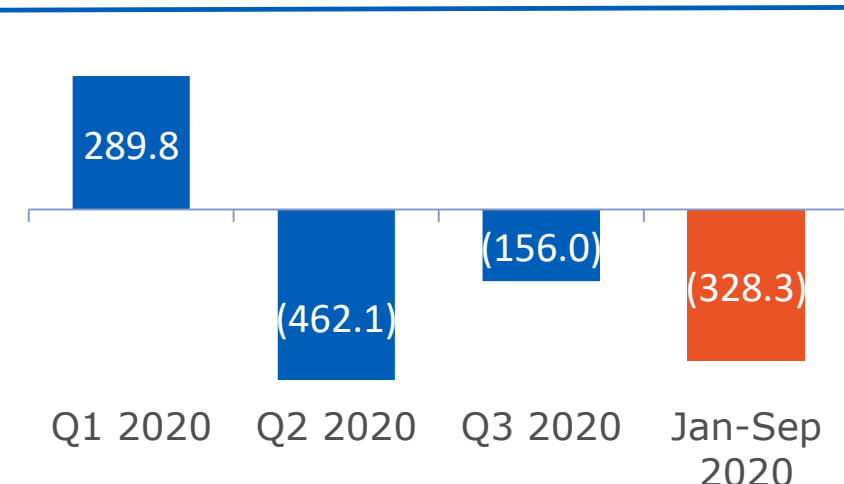
EBITDA² (€m)



Adjusted profit³ (€m)



Free cash flow (€m)



1. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the bridge to bond facility and convertible bond issuance, as described in section 5 of the Jan-Sep 2020 Management Review. It also excludes one-time costs related to the implementation of the cost savings program announced in Q2 2020.

2. Adjusted to exclude one-time costs related to the implementation of the cost savings program announced in Q2 2020.

3. Adjusted profit excludes after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) implementation costs.

Q3 business developments

Airline Distribution

- Renewed / signed **24 distribution agreements**.
- Since October, **Southwest Airlines'** complete offer for business travel is available through the Amadeus Travel Platform.
- Key strategic NDC distribution agreement with **Air France-KLM**.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand.
 - Amadeus Ancillary Services – 168 contracted airlines.
 - Amadeus Airline Fare Families – 111 contracted airlines.

Airport IT

- **Stuttgart Airport** implemented the Amadeus Airport Cloud Use Service (ACUS) platform and adopted Amadeus technology for payments.
- **Nashville International Airport** implemented airline agent-facing common use passenger processing technology and Common Use Self Service kiosks.
- **Long Beach International Airport** signed for Amadeus Extended Airline System Environment and Common Use Self Service kiosks.

Airline IT

- **Jeju Air**, the largest South Korean low-cost airline, contracted for the New Skies PSS (c.14 million annual PB pre-COVID).
- **Turkish Airlines** signed for additional shopping solutions from Amadeus' Offer Suite, **Mauritania Airlines** contracted and implemented Altéa DCS Flight Management and **Azores Airlines** contracted Altéa NDC, among other Amadeus solutions.
- **Alaska Airlines** became the first airline in the world to implement Amadeus Revenue Management as a non-Altéa passenger service system carrier.

Hospitality

- Strategic partnership with **Accor** for our business intelligence solutions, which will include Demand360 for use in its properties.
- Renewal and expansion of our business intelligence partnership with **Hilton**, also including Media solutions.
- **Sunway Hotels & Resorts** contracted for Amadeus' iHotelier Central Reservation System, Guest Management Solutions and Website Management Solutions.
- **Blossom Hotel Houston** selected our full hospitality platform for their hotel and **Resorts World Las Vegas** contracted our service optimization solution HotSOS Advanced.
- **Northland Properties** contracted our comprehensive Amadeus Integrated Booking Suite, which includes iHotelier (Channel Management, Reservations, Booking Engine), Guest Management, Loyalty and Website.

Financial highlights

Till Streichert - CFO

Ana de Pro - Departing CFO

Plan to further strengthen Amadeus for the future

€550 million fixed cost reduction in 2021 vs. 2019

Enhancement Plan actions on track

- Fixed cost reduction achieved in 2020 vs. 2019:
 - In Q3 2020: €144.2 million. €91.5 million from P&L fixed costs, excluding bad debt, and €52.7 million from capex.
 - At Sep. YTD 2020: €310.3 million. €152.3 million from P&L fixed costs, excluding bad debt, and €158.1 million from capex.
- We expect a fixed cost reduction in Q4 2020 vs. Q4 2019 larger in absolute terms than that achieved in Q3 2020 vs. Q3 2019.
- We expect a larger fixed cost reduction in FY 2020 than what will be generated from the plans announced in H1, driven by additional initiatives such as, voluntary unpaid leaves and other expenses temporarily reduced, which depending on business context could ramp up eventually and to an extent, in 2021.
- Even if we see these temporarily cut costs in 2020 reverting to growth in 2021, in 2021 we are expecting a €550 million fixed cost reduction compared to the 2019 base. 50%-60% should come through P&L fixed costs and the remainder through capex.

Cost Savings Program Implementation Costs

- Approximately €200 million costs related to the implementation of the cost savings program announced in Q2 2020, mostly impacting 2020.
- €75.8 million implementation costs incurred in Q3 2020, mainly related to severances.
- A large part of the balance, to be incurred in Q4 2020.
- We expect that approximately 35% of the €200 million is paid out in Q4 2020 and the balance in 2021.

Liquidity available (at Sept. 30, 2020 proforma for Oct. bond maturity)

— **c.€3.7 billion liquidity** (at Sept.30, 2020 proforma for the Oct. bond maturity) composed of:

- Cash (€2,952.4 million at September 30, 2020 less €500 million bond maturity payment on October 6, 2020 resulting in proforma cash of €2,452.4 million)
- Undrawn revolving facility (€1,000 million)
- Undrawn covenant-free EIB loan (€200m)

— Key financial maturities over 2020 and 2021:

- €500 million bond maturity in November 2021
- €80 million of EIB loan (covenants waived until September 2021)
- Commercial Paper of €558.5 million outstanding as of September 30, 2020:
 - Eligible for European Central Bank purchases (Pandemic Emergency Purchase Program)

— In a hypothetical sustained severe scenario of air traffic at -80% vs. 2019 in Q4 2020 and through FY 2021, we would expect monthly free cashflow ranging between -€50 million to -€100 million over the period

— With fluctuations through the period due to seasonality and timings of flows

1. Based on our credit facility agreements' definition. Calculated as net debt / last-twelve month EBITDA.

Q3/Jan-Sep financial performance: reported vs *underlying*

- The table below shows:
 - A. Amadeus Group results (adjusted to exclude implementation costs¹) growth in 2020 vs. 2019.
 - B. Effects related to the COVID-19 pandemic, which have been adjusted to calculate the underlying performance view. These effects are: higher than usual booking cancellations combined with the cancellation provision, bad debt and impairment effects, and upfront financing fees.
 - C. Underlying growth of Amadeus Group results, adjusted for the effects mentioned above.

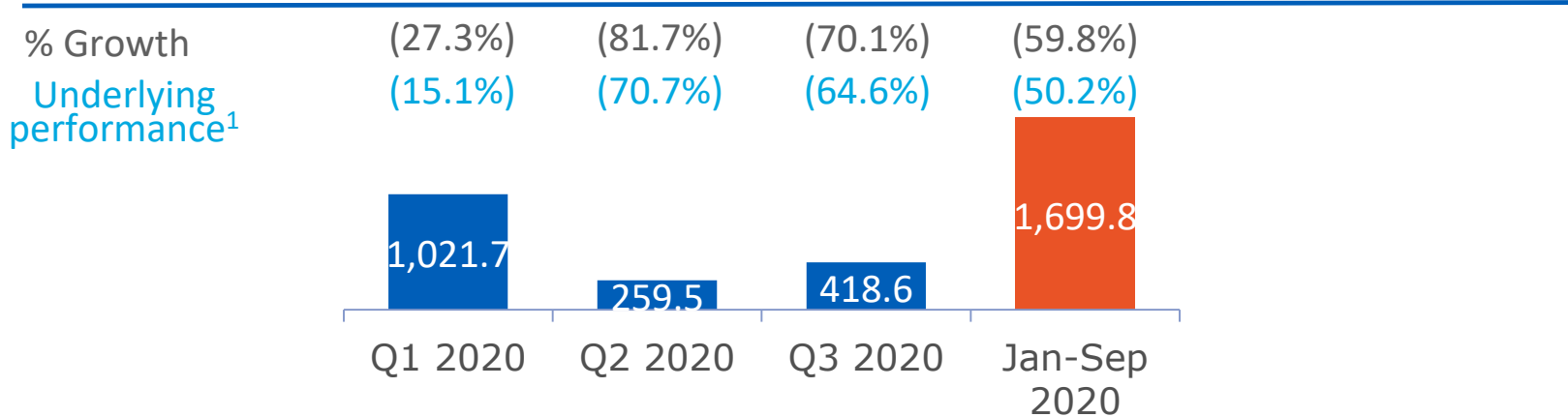
2020 performance vs. 2019	A – Reported change ¹ (%)		B – Adjustments (€m) ²		C–Underlying change (%)	
	Q3	Jan-Sep	Q3	Jan-Sep	Q3	Jan-Sep
Revenue	(70.1%)	(59.8%)	77.5	406.7	(64.6%)	(50.2%)
Cost of revenue	(94.2%)	(79.7%)	(21.4)	(173.6)	(88.2%)	(63.7%)
Personnel & Other opex	(16.8%)	(8.0%)	18.4	64.9	(19.5%)	(11.1%)
EBITDA	(99.6%)	(88.8%)	74.4	298.0	(86.6%)	(72.1%)
D&A	(10.8%)	10.1%	16.2	80.8	(11.4%)	(0.3%)
Operating income	(150.5%)	(135.0%)	90.6	378.8	(123.8%)	(103.2%)
Net financial expense	n.m.	61.0%	2.8	5.0	n.m.	49.6%
Profit before taxes	(160.4%)	(142.1%)	93.4	383.8	(132.6%)	(108.7%)
Taxes	(187.8%)	(150.0%)	(25.7)	(105.6)	(147.6%)	(111.6%)
Profit	(154.6%)	(140.2%)	67.8	278.2	(129.8%)	(108.5%)
Adjusted profit	(138.7%)	(121.7%)	56.0	219.7	(121.1%)	(99.5%)

1. Adjusted to exclude costs amounting to €75.8 million (€54.5 million post tax), incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of Jan-Sep 2020 Management Review for more detail.

2. See section 5 of Jan-Sep 2020 Management Review for full details on the adjustments.

Revenue evolution by segment

Group revenue (€ millions)



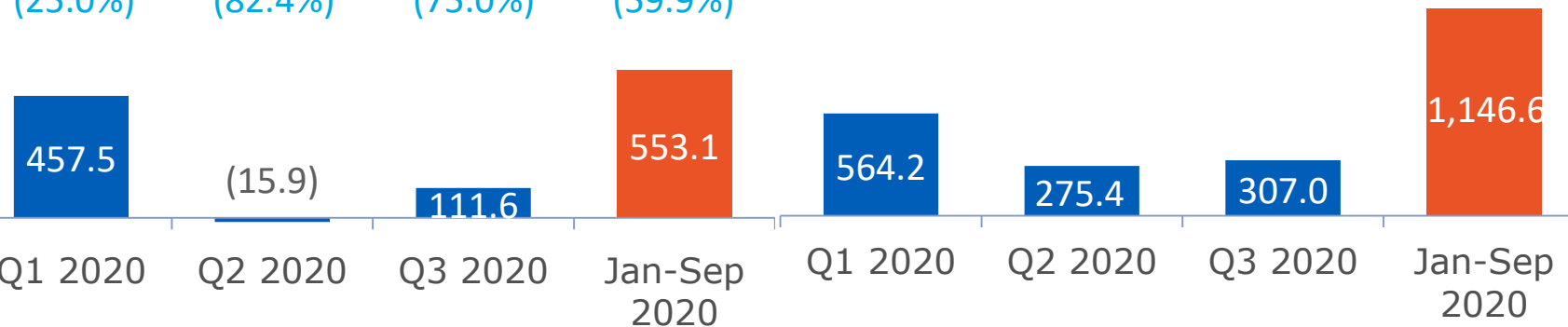
Segment revenue (€ millions)

Distribution

	Q1 2020	Q2 2020	Q3 2020	Jan-Sep 2020
% Growth	(45.5%)	(102.0%)	(85.3%)	(76.9%)
Underlying performance ¹	(25.0%)	(82.4%)	(75.0%)	(59.9%)

IT Solutions

	Q1 2020	Q2 2020	Q3 2020	Jan-Sep 2020
% Growth	(0.3%)	(55.8%)	(52.4%)	(37.5%)



– **Q3 Group revenue** contracted by 70.1% (64.6% excluding COVID-19 related bookings cancellation effects), driven by the COVID-19 impact on the travel industry.

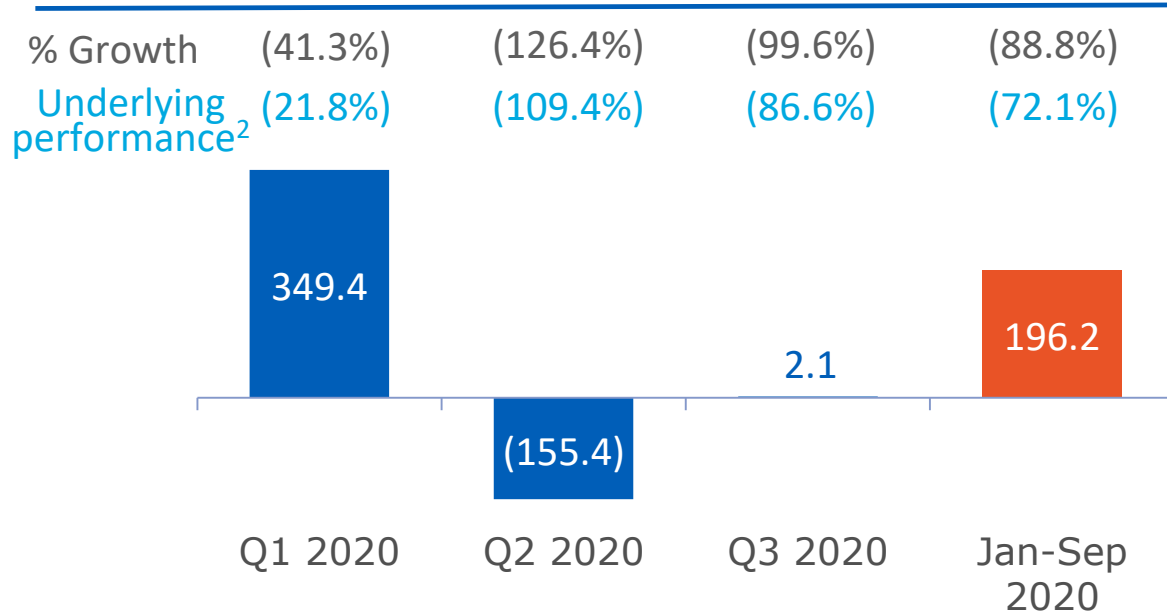
– **Q3 Distribution:** -85.3% revenue evolution (-75.0%, excluding COVID-19 related bookings cancellation effects), resulting from -89.8% booking decline and, to a lesser extent, a lower unitary air pricing (driven by a higher weight of local bookings), partly offset by (i) the cancellation provision, and (ii) revenue from solutions supporting cancellation processes. Also, contraction in other revenue lines, albeit at a softer rate than air bookings.

– **Q3 IT Solutions:** -52.4% revenue growth, driven by -74.9% PB evolution and a contraction in revenue from our new businesses, albeit at a softer rate than airline PB.

1. Adjusted to exclude booking cancellations associated with the COVID-19 pandemic, impacting the Distribution business, as described in section 5 of the Jan-Sep 2020 Management Review.

EBITDA and Adjusted EPS growth

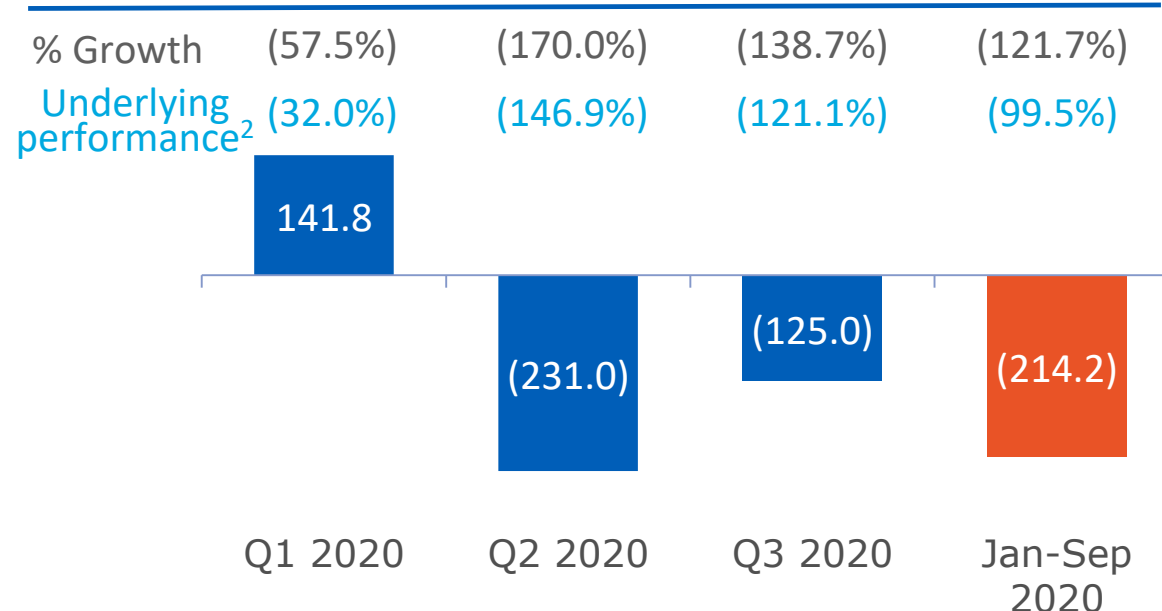
EBITDA¹ (€ millions)



Q3 2020: -99.6% EBITDA evolution (-86.6%, excluding COVID-19 associated effects), resulting from:

- the reduction in Group revenue, as well as in cost of revenue, which continued to flex with air bookings.
- a 16.8% decline in personnel and other opex, (or 19.5% excluding COVID-19 linked bad debt effects), supported by the progress in our fixed cost reduction plan.

Adj. Profit³ (€ millions) & Adj. EPS³ (€)



	Q1 2020	Q2 2020	Q3 2020	Jan-Sep 2020
Adj. EPS	€0.33	(€0.51)	(€0.28)	(€0.48)
% Growth	(57.6%)	(166.9%)	(136.9%)	(121.0%)
Underlying performance ¹	(32.0%)	(144.9%)	(120.1%)	(99.4%)

Q3 Adjusted profit (loss) driven by the negative operating results and a higher interest expense, partly offset by tax income.

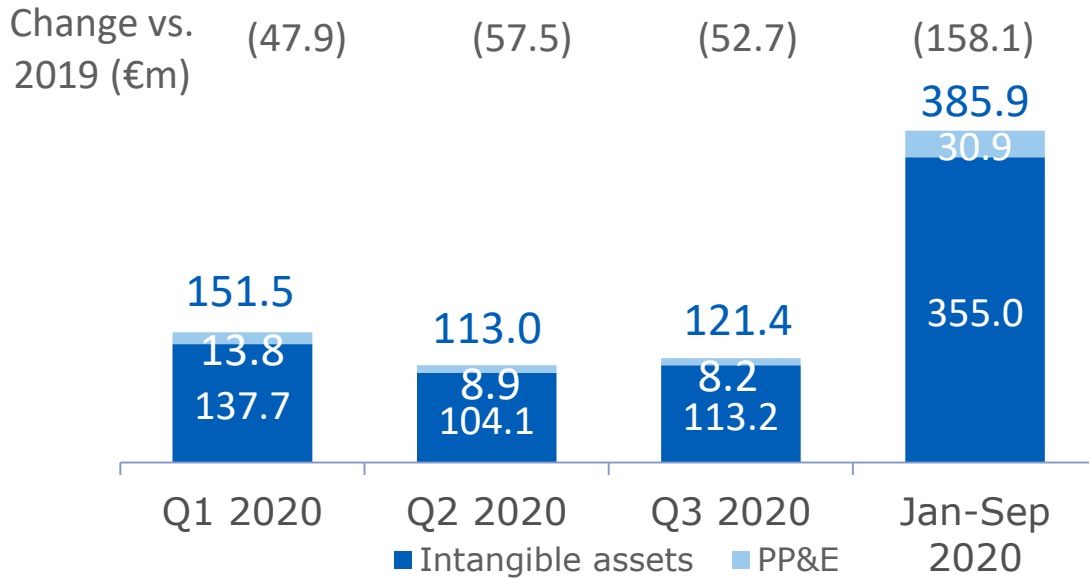
1. Adjusted to exclude costs amounting to €75.8 million, incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of Jan-Sep 2020 Management Review for more detail.

2. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the bridge to bond and convertible bond issuance, as described in section 5 of the Jan-Sep 2020 Management Review. It also excludes one-time costs related to the implementation of the cost savings program announced in Q2 2020.

3. 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) costs related to the implementation of the cost savings programs. 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

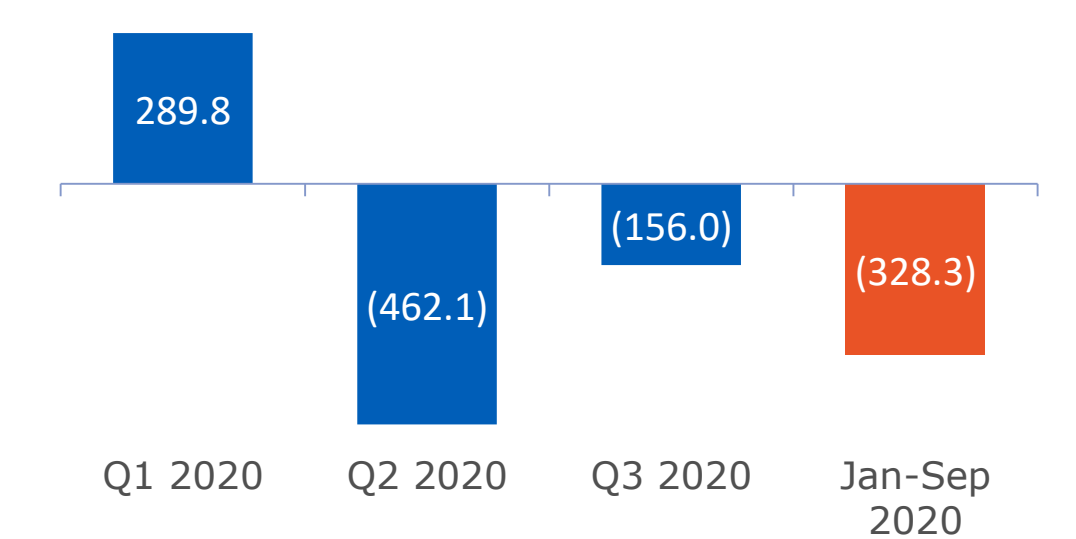
Capex (€ millions)



Q3 / Sep YTD 2020 reductions in capex vs. 2019, resulting from lower software capitalizations, lower signing bonuses paid and lower capex in PP&E, driven by our fixed cost reduction plan measures.

Q3 / Sep YTD 2020 software capitalizations decline relative to last year driven by (i) a reduction in R&D investment of 23.2% in Q3 and 12.9% at Sep YTD, resulting from a selective approach, in the context of COVID-19, prioritizing investment in strategic projects, whilst postponing efforts devoted to more long-term initiatives, and (ii) a lower capitalization ratio, due to project mix.

Free cash flow¹ (€ millions)

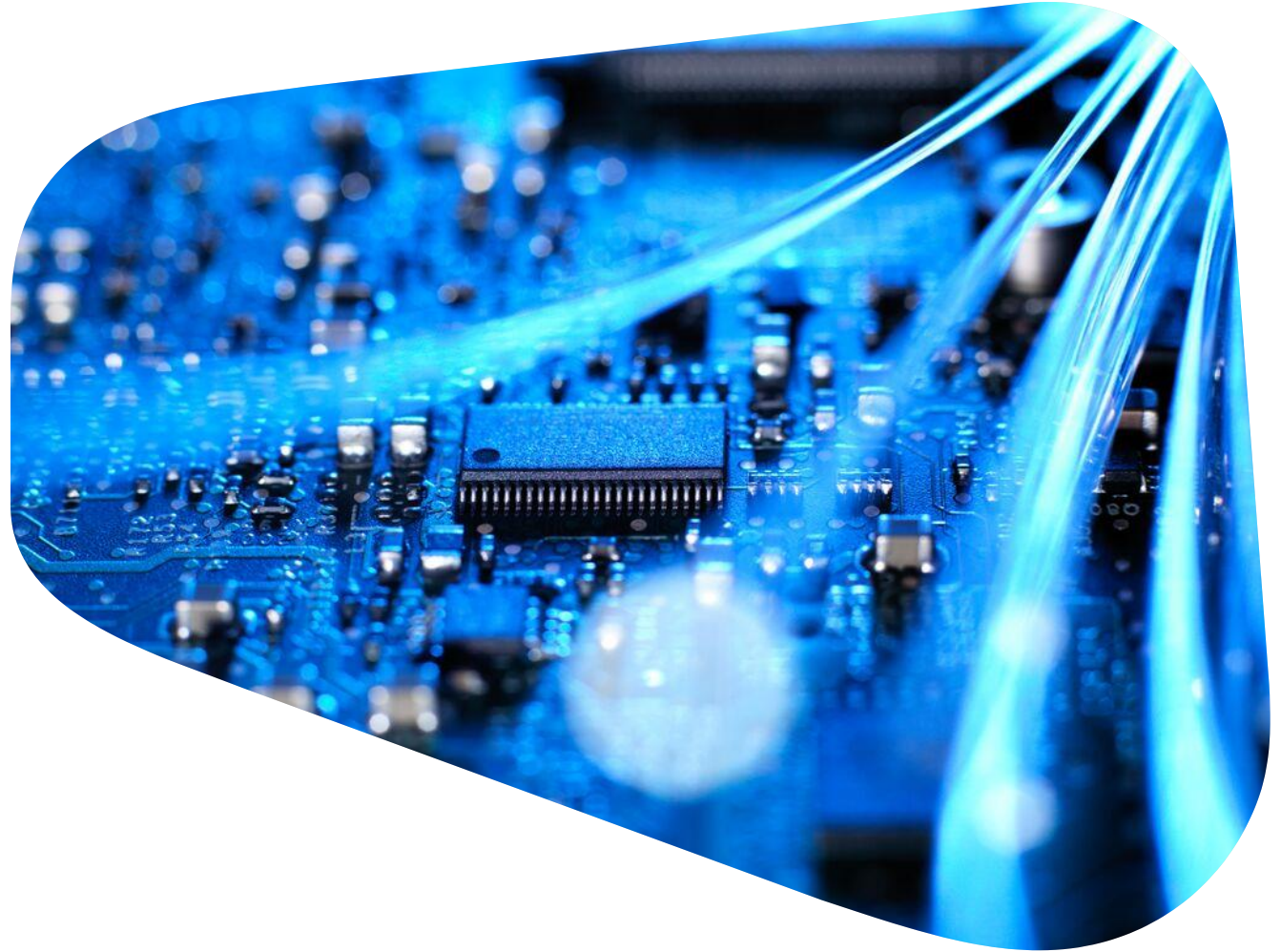


Negative free cash flow in Q3, resulting from EBITDA evolution, reduced capex, a working capital inflow and tax and interest payments.

A small amount of costs related to the implementation of our fixed cost reduction plan announced in Q2 2020 have been paid. Excluding this, free cash flow amounted to -€153.5 million and -€325.8 million in Q3 and Sep YTD 2020, respectively.

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

Support materials



Key Performance Indicators

	Jan-Sep 2020	Jan-Sep 2019	Change	<i>Underlying financial performance¹</i>
Amadeus TA bookings (m)	103.8	496.4	(79.1%)	
Passengers Boarded (m)	553.2	1,496.6	(63.0%)	
Revenue (€m)	1,699.8	4,228.8	(59.8%)	(50.2%)
EBITDA (€m) ²	196.2	1,751.0	(88.8%)	(72.1%)
Adjusted profit ³ (€m)	(214.2)	987.0	(121.7%)	(99.5%)
Adjusted EPS ³ (€)	(0.48)	2.29	(121.0%)	(99.4%)
Free Cash Flow ⁴ (€m)	(328.3)	809.3	(140.6%)	

- Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5 of Jan-Sep 2020 Management Review.
- 2020 EBITDA adjusted to exclude costs amounting to €75.8 million (€54.5 million post tax), incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of Jan-Sep 2020 Management Review for more detail.
- 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) costs related to the implementation of the cost savings programs. 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!

