

A man with a backpack is walking away from the camera on the Manhattan Bridge. The bridge's steel structure and suspension cables are visible, and the New York City skyline is in the background under a sunset sky. The man is wearing a white t-shirt, brown pants, and a grey backpack. The bridge deck is made of wooden planks, and there is a white line on the ground. The sky is a mix of orange, yellow, and blue, with some clouds. The bridge's arches are prominent in the background.

# Amadeus Jan-Jun 2022 Results

July 29, 2022

# Disclaimer

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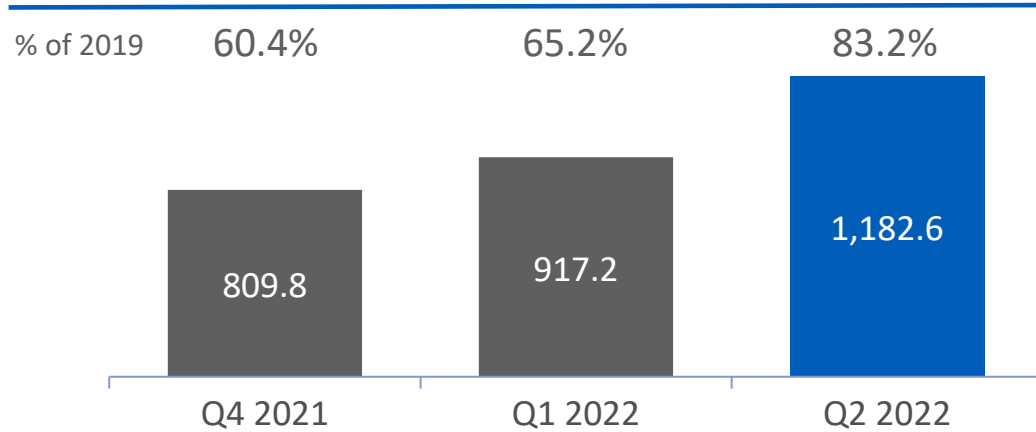


# Operating Review

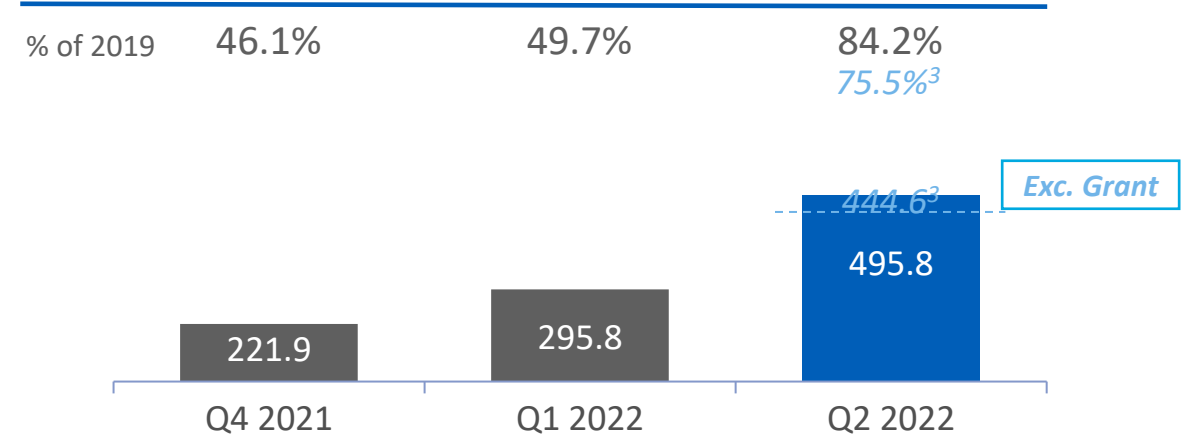
Luis Maroto  
President & CEO

# Q2 – Performance continues to strengthen

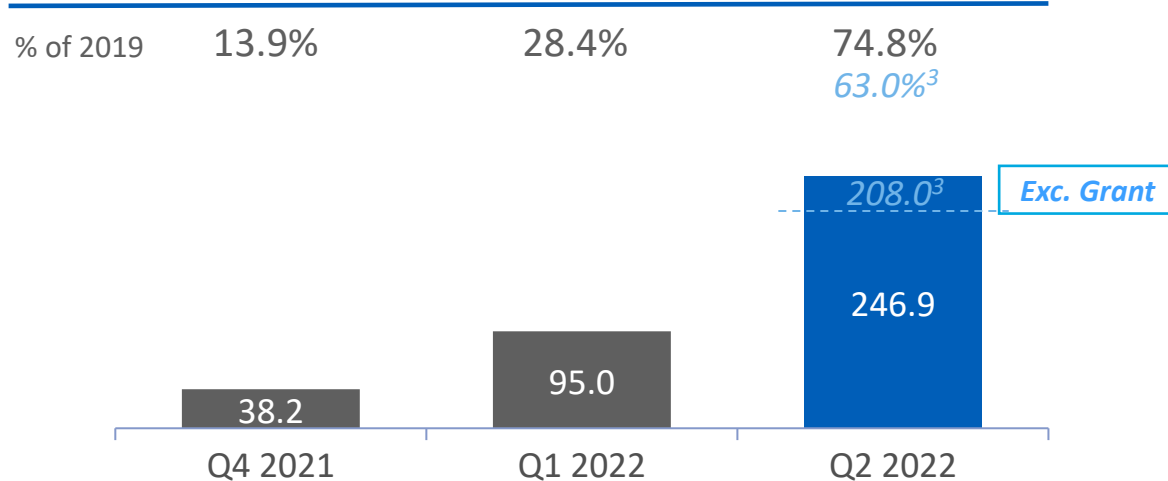
## Revenue (€m)



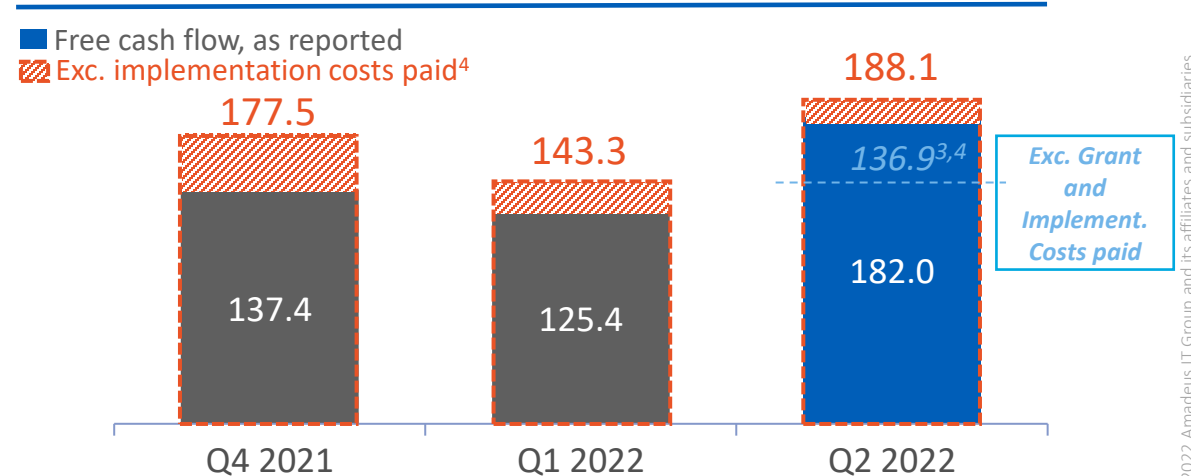
## EBITDA<sup>1</sup> (€m)



## Adjusted profit<sup>2</sup> (€m)



## Free cash flow (€m)



- 2021 EBITDA adjusted to exclude one-time costs related to the implementation of the cost saving program announced in 2020. 2022 EBITDA is not impacted by cost saving program implementation costs. See section 3 of Jan-Jun 2022 Management Review.
- Excludes after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-operating, non-recurring effects. In 2021, it also excludes cost saving program implementation costs.
- Excluding the effect from a non-refundable government grant received in the second quarter of 2022, amounting to €51.2 million (€38.9 million post tax).
- Adjusted to exclude cost saving program implementation costs paid, amounting to €17.9 million and €6.1 million in the first and second quarters of 2022, respectively, and €40.1 million in the fourth quarter of 2021. See sections 3 of 2021 and Jan-Jun 2022 Management Reviews for more details.

# Air Distribution

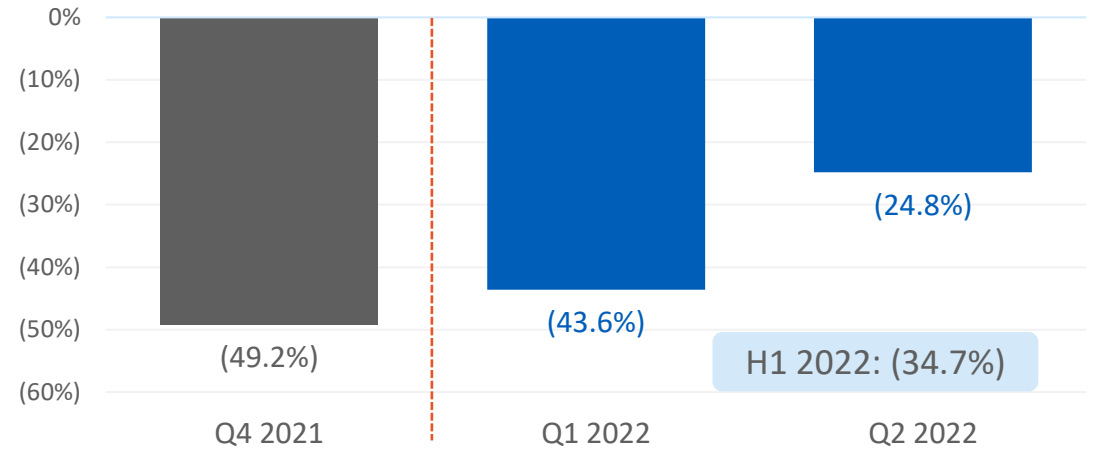
## Developments

- Renewed / signed 8 distribution agreements.
- Finnair** NDC-sourced content to be made available through the Amadeus Travel Platform.
- Expanded **Hopper** distribution partnership, including access to NDC-enabled content.
- Trip.com** and **Seera Group** contracted for solutions within our Air Distribution portfolio.
- Expansion of our Corporations business: **Microsoft** to deploy Cytric Travel, including Cytric Easy (the integration of Cytric Travel into Microsoft 365).

## Volumes performance

- Q2 2022 bookings: 75.2% of Q2 2019 level, up 18.8 p.p. from Q1 2022.
- All regions reported important quarter-on-quarter improvements, led by Asia Pacific and Western Europe.
- Amadeus booking evolution supported by **industry recovery and strong market share gains**, despite negative region mix.
- Market share gains in most regions, most notably, in NORAM.**
- NORAM continued to be our best performing region and represented our largest region in H1.

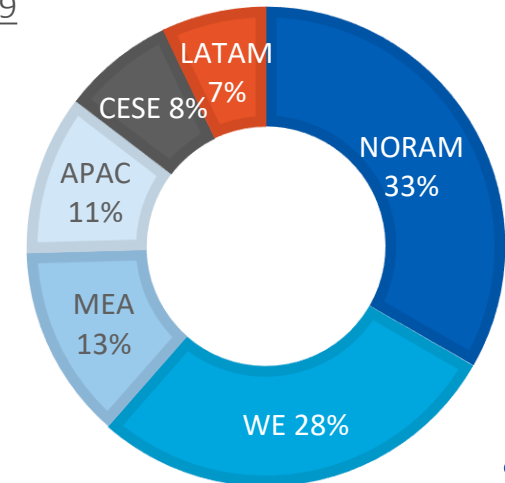
## Amadeus air bookings evolution vs. 2019



## H1 2022 Amadeus air bookings by region

### Q2 Booking growth vs. 2019

NORAM	+11.3%
WE	(34.3%)
MEA	(21.0%)
APAC	(46.7%)
CESE	(40.9%)
LATAM	(21.0%)



# Air IT Solutions

## Developments

### Airline IT

**Air India** contracted and implemented the Altéa PSS. The carrier will implement the full Altéa PSS, including revenue management, revenue accounting, retailing and merchandizing, website, mobile and frequent flyer components.

**Fiji Airways** will implement Amadeus Digital Commerce and Reference Experience.

**Binter Canarias** contracted for Disruption Management solutions.

**Airlink** signed for Altéa NDC.

### Airport IT

**Vancouver International Airport** will implement Amadeus Flow, our integrated airport cloud solution to manage passenger services end-to-end.

## Volumes performance

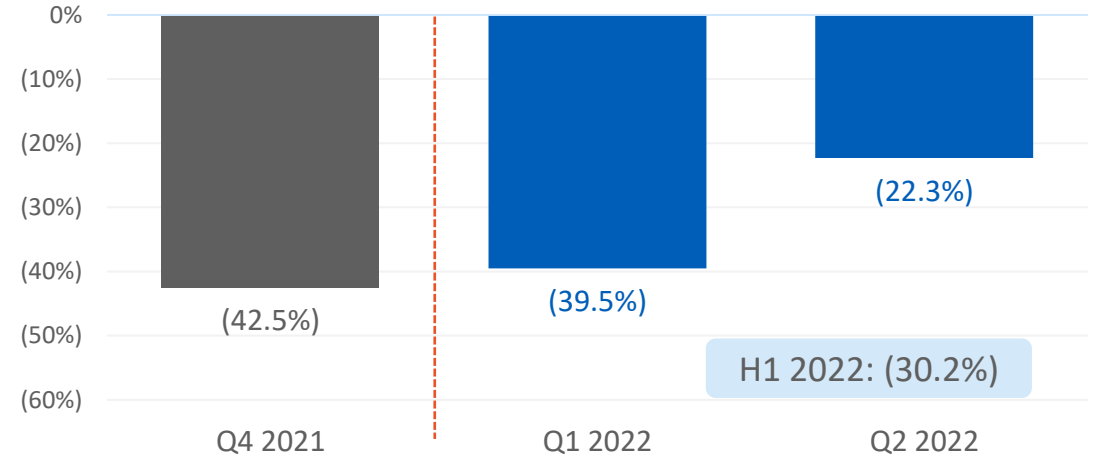
Q2 2022 PB: 77.7% of Q2 2019 level, up 17.1 p.p. over Q1 2022.

All regions had important volume performance improvements, most notably, Western Europe and Asia Pacific.

**NORAM continued to be our best performing region, reporting 11.7% PB growth vs. 2019**, driven by positive organic growth and airline migrations, most notably, Air Canada (migrated end of 2019).

WE our largest region in H1: 35% of Amadeus PB.

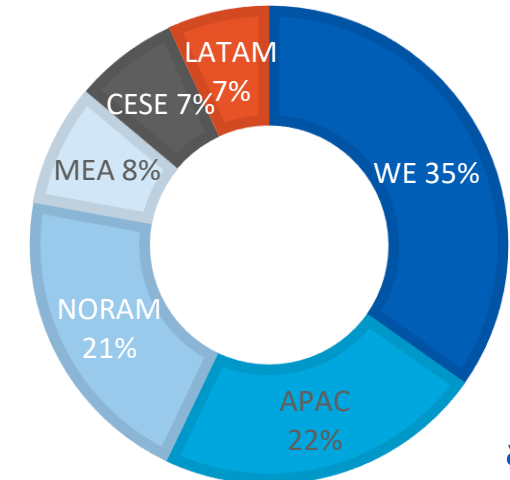
## Amadeus PB evolution vs. 2019



## H1 2022 Amadeus PB by region

### Q2 PB growth vs. 2019

WE	(16.8%)
APAC	(44.5%)
NORAM	+11.7%
MEA	(19.4%)
CESE	(17.0%)
LATAM	(24.1%)

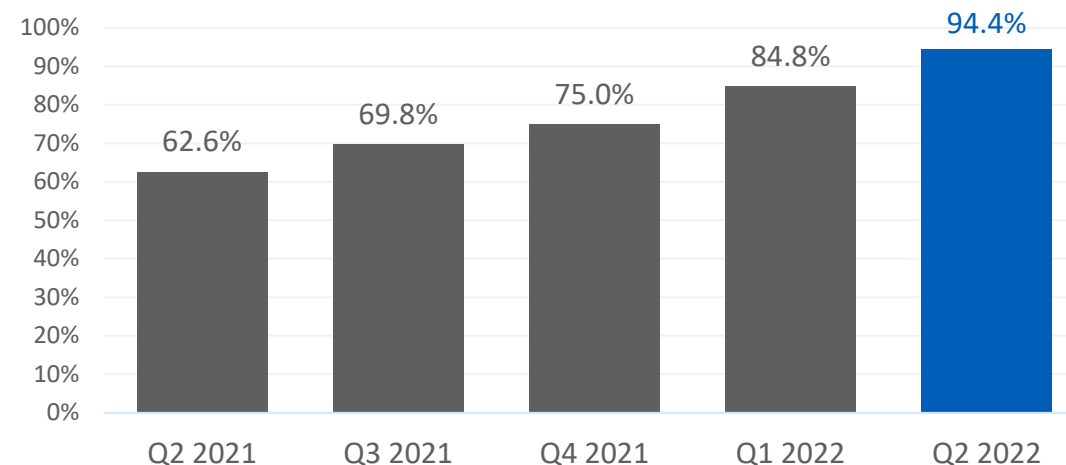


# Hospitality & Other Solutions (HOS)

## Developments and Performance

- Q2 2022 revenue: **94.4% of Q2 2019 levels, a 9.6 p.p. enhancement over Q1 2022.**
- Continued hospitality industry strengthening, with **global hotel weekly occupancies over 2019 levels** through the quarter. (Amadeus' Demand360® Business Intelligence data).
- Hospitality revenue growth advanced, supported by stronger revenue performances across its revenue lines, on the back of volume growth and new customer implementations.
- Customer portfolio expansion: among others, **Casa Andina** signed for iHotelier Central Reservation System and Guest Management Solutions; **Great Wolf Resorts** and **Karisma Hotels & Resorts** contracted for Sales & Event Management solutions; and **Aimbridge Hospitality** and **Sonesta International Hotels Corporation** endorsed Amadeus business intelligence solutions for use across their portfolios.

## Quarterly revenue as % of 2019 revenue



## Hospitality revenue lines



### Hospitality IT

- Central Reservation System
- Guest Management Solutions
- Property Management System
- Sales & Event Management
- Service Optimization

### Media & Distribution

- Media Solutions
- Hospitality Distribution
- Mobility & Travel Protection Distribution

### Business Intelligence

- Agency360+
- Demand360
- RevenueStrategy360

Financial highlights

Till Streichert

CFO

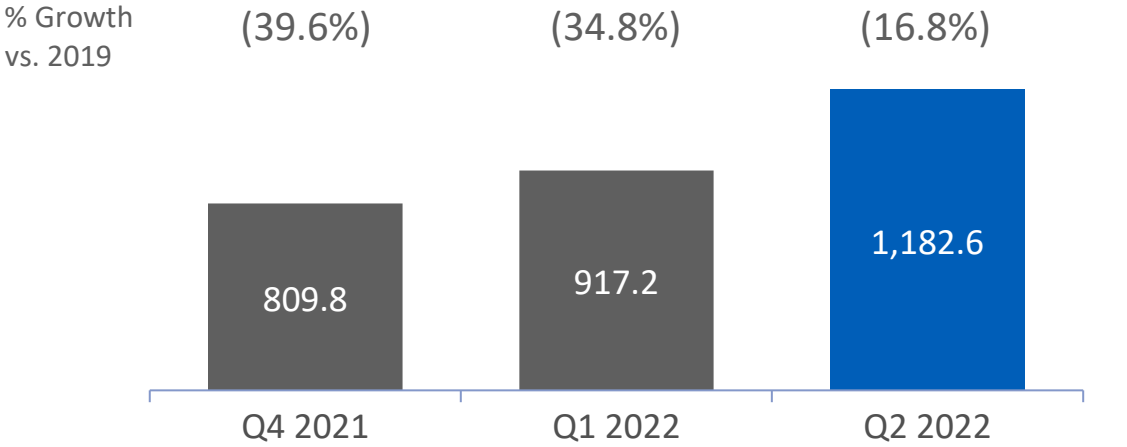


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# Revenue evolution by segment

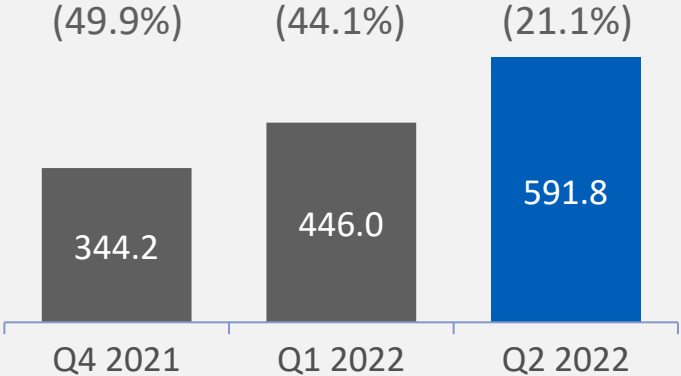
## Group revenue (€ millions)



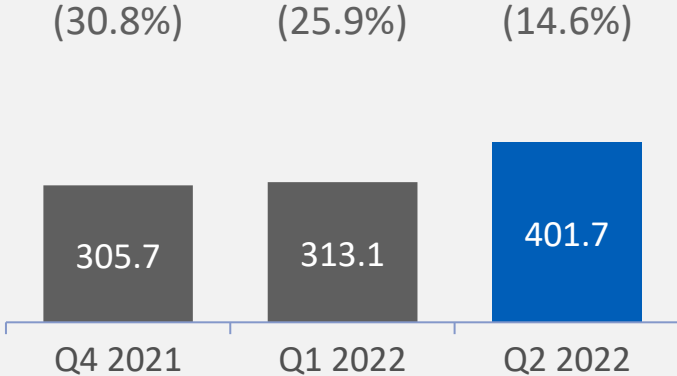
- **Group revenue:** -16.8% in Q2 2022 vs. 2019, advancing from -34.8% in Q1, driven by progress in volume performance.
- **Air Distribution revenue:** -21.1% in Q2 2022 vs. 2019, resulting from (i) the bookings evolution (-24.8%) and (ii) a 4.9% higher revenue per booking than in 2019, resulting mainly from various positive pricing effects and a positive FX impact, partly offset by a higher weight of local bookings, compared to 2019.
- **Air IT Solutions revenue:** -14.6% in Q2 2022 vs. 2019, driven by the PB evolution (-22.3%) and an increase in revenue per PB (+10.0%), mainly resulting from part of Air IT revenues not linked to PB, having a stronger performance than PB and PB-linked revenues, as well as, a positive FX impact.
- **Hospitality & Other Solutions revenue:** -5.6% in Q2 2022 vs. 2019, impacted by the COVID-19 effects on travel, although, to a lesser extent than in Air IT, also supported by a higher weight of non transaction-based revenues. In Hospitality, quarter-on-quarter performance improvements seen across its revenue lines, supported by volume growth (reservations, media clicks and bookings) and customer implementations.

## Segment revenue (€ millions)

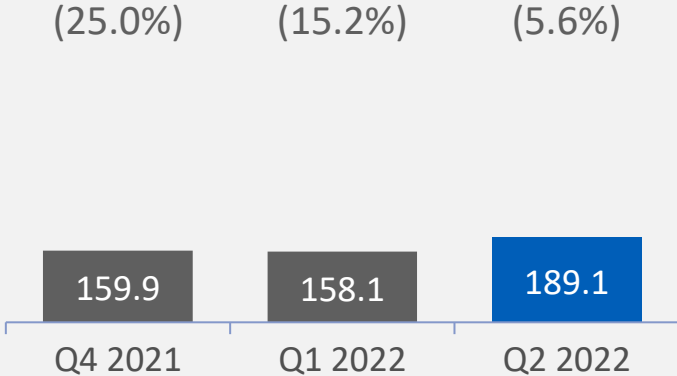
### Air Distribution



### Air IT Solutions

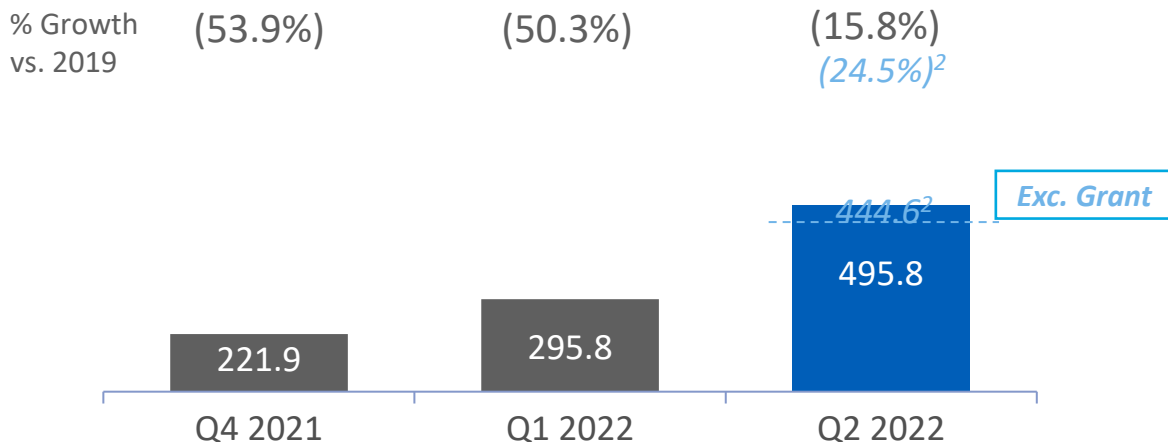


### Hospitality & Other Solutions



# EBITDA and Adjusted profit

## EBITDA<sup>1</sup> (€ millions)



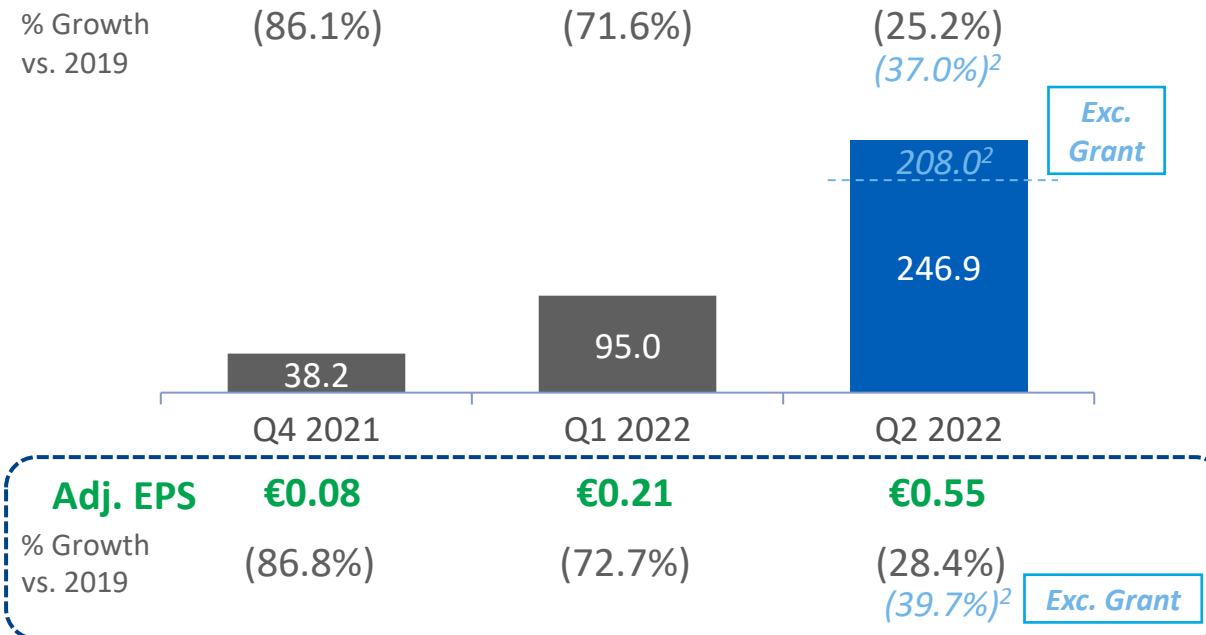
Q2 2022 EBITDA growth vs. 2019 improved from last quarter on the back of stronger volume performance.

Q2 EBITDA impacted by a one-time positive effect, related to a **government grant, which lowered fixed costs and increased EBITDA by €51.2 million. Excluding this effect, Q2 EBITDA amounted to €444.6 million, 24.5% below 2019.**

2022/21 fixed costs growth, excluding €51.2 million government grant<sup>2</sup>:

- Q2 P&L fixed costs: +15.5%<sup>1</sup> growth, resulting from (i) higher R&D investment, (ii) business activity expansion driving more travel and training spend (among others) and (iii) a negative FX effect on costs (positive FX effects at EBITDA level).
- Q2 P&L fixed costs + capex: +13.3%<sup>1</sup> growth exc. FX (+18.0%<sup>1</sup> reported).
- H1 2022 P&L fixed costs and capex: +12.1%<sup>1</sup> growth exc. FX, within fixed cost growth range expectation for 2022<sup>1</sup> of +10-14% exc. FX.**
- Fixed cost growth in Q3 to step up from Q2 as we further advance in our investment plan and to support new customer implementations.

## Adj. Profit<sup>3</sup> (€ millions) & Adj. EPS<sup>3</sup> (€)



- Adjusted profit quarter-on-quarter improvement driven by EBITDA expansion.
- In Q2 2022, Adjusted profit positively impacted by the government grant (€38.9 million post tax), excluding which, adjusted profit was €208.0 million, 37.0% below adjusted profit in Q2 2019.

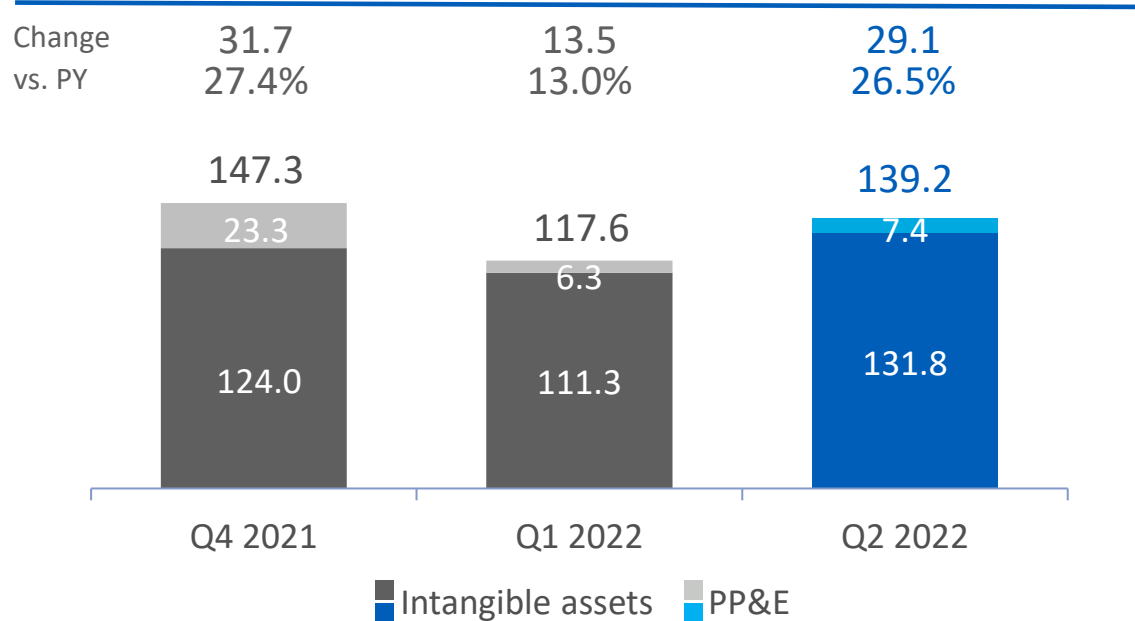
1. Excluding P&L cost saving program implementation costs in 2021, related to the implementation of the cost saving program announced in 2020. See section 3 of Jan-Jun 2022 Management Review for more details.

2. Excluding the effect from a government grant amounting to €51.2 million (€38.9 million post tax) received in the second quarter of 2022.

3. 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 program in 2021 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.

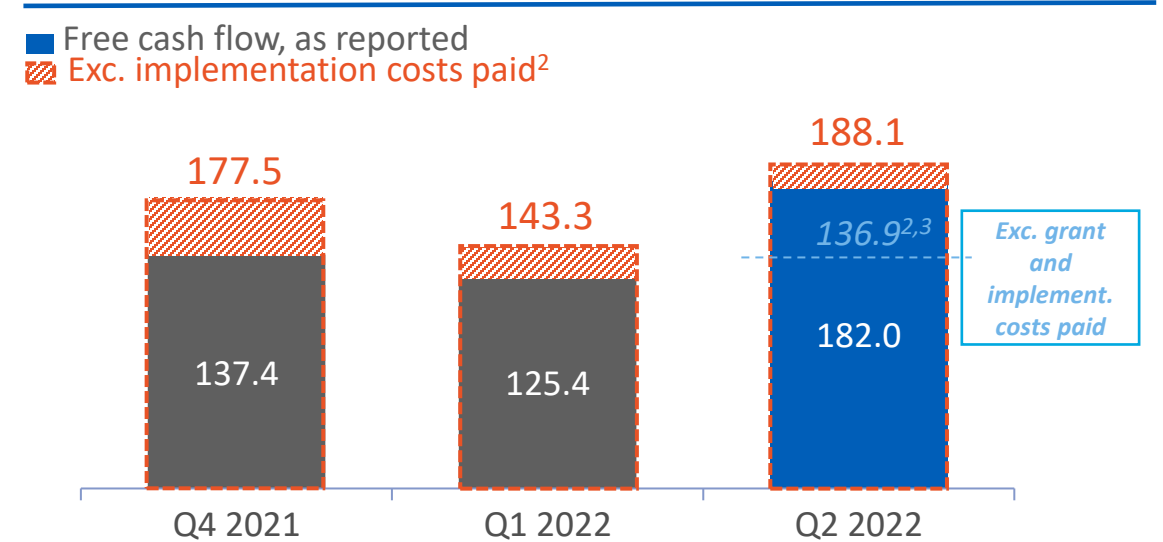
# Capex and Free cash flow

## Capex (€ millions)



- Capex in Q2 vs. prior year: increased by €29.1 million, or 26.5%, in line with our expectations, due to higher R&D capitalizations (R&D investment growth of 31.1% in the quarter vs. prior year).
- R&D investment focused on (i) the evolution of our hospitality platform, (ii) NDC related solutions and capabilities, (iii) Airline IT digitalization and enhanced shopping, retailing and merchandizing tools, (iv) customer implementations and (v) our partnership with Microsoft, including our shift to cloud and our co-innovation program.

## Free cash flow<sup>1</sup> (€ millions)



- Free cash flow of €188.1 million in Q2, excluding implementation costs paid, or €136.9 million excluding also the positive effect from the government grant.
- Strong EBITDA expansion compared to prior quarter drove cash flow generation in Q2, however, cash flow was softened by working capital seasonality in Q2 (scheduled annual personnel-related cash outflows).

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

2. Adjusted to exclude cost saving program implementation costs paid, amounting to €17.9 million and €6.1 million in the first and second quarters of 2022, respectively. See section 3 of Jan-Jun 2022 Management Review for more details.

3. Excluding the effect from a government grant amounting to €51.2 million, received in the second quarter of 2022.

# Support materials



# Key Performance Indicators

	Apr-Jun 2022 <sup>1</sup>	Change vs. Q2'21 <sup>2</sup>	Change vs. Q2'19	Jan-Jun 2022 <sup>1</sup>	Change vs. H1'21 <sup>2</sup>	Change vs. H1'19
Amadeus bookings (m)	109.2	132.0%	(24.8%)	200.9	148.5%	(34.7%)
Passengers Boarded (m)	396.7	140.5%	(22.3%)	660.7	126.2%	(30.2%)
Revenue (€m)	1,182.6	89.4%	(16.8%)	2,099.7	87.3%	(25.7%)
EBITDA (€m)	495.8	241.2%	(15.8%)	791.6	297.7%	(33.2%)
Adjusted profit (loss) <sup>3</sup> (€m)	246.9	n.m.	(25.2%)	341.8	n.m.	(48.5%)
Adjusted EPS <sup>3</sup> (€)	0.55	n.m.	(28.4%)	0.76	n.m.	(50.7%)
Free Cash Flow <sup>4</sup> (€m)	182.0	n.m.	13.2%	307.4	n.m.	(30.5%)

1. 2022 results were positively impacted by a non-refundable government grant, amounting to €51.2 million pre-tax (€38.9 million post tax), received in the second quarter of 2022. Excluding this grant, in the second quarter of 2022, vs. Q2 2019, EBITDA was -24.5%, Adjusted profit was -37.0% and Adjusted EPS was -39.7%, and Free Cash Flow amounted to €130.8 million. In the first half of 2022, vs. H1 2019, EBITDA was -37.5%, Adjusted profit was -54.4% and Adjusted EPS was -56.3%, and Free Cash Flow was €256.2 million. See section 5.2.2 of Jan-Jun Management Review for further details.

2. 2021 results adjusted to costs related to the implementation of the cost saving program announced in 2020. See section 3 of Jan-Jun 2022 Management Review for more details.

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) 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.

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

# Thank you!

