

## Results for the three months ended March 31, 2019

### Highlights

## Positive start of the year thanks to strength of IT Solutions

#### First quarter highlights (three months ended March 31, 2019)

- Revenue increased 14.6%<sup>1</sup>, to €1,409.9 million
- EBITDA expanded 11.3%<sup>1</sup>, to €599.8 million
- In the Distribution segment, travel agency air bookings grew 1.6% to 162.6 million
- In IT Solutions, Passengers Boarded increased 4.6% to 436.1 million

Amadeus IT Group S.A maintained its positive growth trend in the first quarter of 2019, supported by the solid operating performances of its Distribution and IT Solutions businesses and the consolidation of TravelClick (since October 4, 2018). This contributed to double-digit growth both in revenue and EBITDA in the quarter, as well as to an adjusted profit<sup>2</sup> of €334.7 million, which represents an increase of 9.5%<sup>1</sup> compared to the same period of 2018.

#### Luis Maroto, President & CEO of Amadeus, commented:

“Within a complex travel industry environment, Amadeus has maintained its good momentum into 2019, with healthy growth levels in both of its core segments.

“In Distribution, we continued to expand content for our subscribers and increased our competitive positioning in terms of air bookings. Our IT Solutions also performed positively, thanks to a growth in passengers boarded, an increase in upselling and new functionalities for our customers, and the addition of TravelClick to the Amadeus family.

“I am confident that thanks to the resilience of our business and the broadening of our customer base, we will continue to deliver good growth in 2019.”

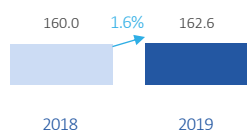
“ I am confident that thanks to the resilience of our business and the broadening of our customer base, we will continue to deliver good growth”

<sup>1</sup> Adjusted to exclude TravelClick's acquisition related costs (amounting to €1.2 million before taxes) and PPA effects (which reduce revenue and EBITDA by €3.9 million and €3.0 million, respectively). Adjusted profit is not impacted by PPA effects.

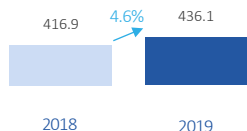
<sup>2</sup> Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

## Operating and financial highlights

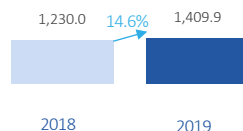
Three months ended 31 March 2019



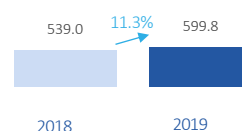
Total travel agency  
air bookings (m)



Passengers boarded (m)



Revenue (€m)<sup>1</sup>



EBITDA (€m)<sup>1</sup>

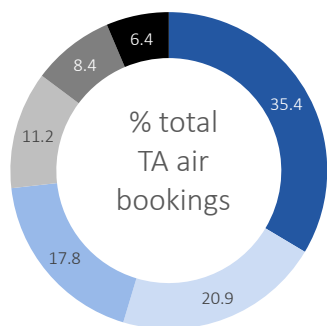
## Business highlights for the quarter

### Distribution

Revenue in this segment grew 5.6% to €839.9 million.

The global slowdown in growth in travel agency industry air bookings continued during the first quarter of 2019 (0.0% growth compared to 1.1% in the fourth quarter of 2018). Apart from North America and Latin America, all other regions reported an industry decline mainly driven by geopolitical and macroeconomic factors. Asia Pacific registered the strongest deceleration, largely driven by a poor performance of India (due to several factors, including the severe financial distress of a large Indian GDS airline and the upcoming elections).

Despite this environment, Amadeus' travel agency air bookings increased 1.6% between January and March, supported by market share growth in all regions except Asia Pacific, mainly due to India (excluding India, our bookings grew 3.4% globally). North America was our fastest growing region with an increase of 14.6%. We returned to growth in Western Europe, on the back of market share gains.



Jan-March 2019

### Amadeus TA air bookings (figures in millions)

	Q1 2019	% of total	Q1 2018	% of total	% change
Western Europe	57.5	35.4%	56.3	35.2%	2.1%
North America	34.0	20.9%	29.7	18.5%	14.6%
Asia Pacific	28.9	17.8%	33.1	20.7%	(12.9%)
Middle East & Africa	18.1	11.2%	17.8	11.1%	1.8%
Central, Eastern & Southern Europe	13.6	8.4%	13.2	8.2%	3.8%
Latin America	10.4	6.4%	9.9	6.2%	4.3%
<b>Total TA air bookings</b>	<b>162.6</b>	<b>100.0%</b>	<b>160.0</b>	<b>100.0%</b>	<b>1.6%</b>

Amadeus' booking growth was supported by market share expansion in all regions except for Asia Pacific. Our global competitive position<sup>3</sup> expanded by

<sup>3</sup> Competitive position: takes into account Amadeus' travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines'

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Airlines had contracted Amadeus Ancillary Services as of March 31, 2019

1.1 p.p. excluding India. During the first quarter of the year, Amadeus signed 7 new contracts or renewals of content or distribution agreements with airlines, and our subscribers can now access the content of 115 low cost carriers (LCCs) and hybrid carriers worldwide.

We also maintained the positive track record of signings for our merchandizing solutions. During the first three months of the year, we added 3 airlines to Amadeus Fare Families and another 3 to Amadeus Airline Ancillary Services. At the close of March, 84 airlines had contracted for Amadeus Airline Fare Families (of which 74 had already implemented the solution) and 154 airlines had contracted for Amadeus Airline Ancillary Services (of which 132 had already implemented it).

In April, we announced that **FCM Travel Solutions**, the flagship global business travel division of Flight Centre Travel Group, will start using the new NDC-enabled Amadeus Selling Platform Connect interface, and making NDC bookings through it in the coming months. As one of the largest global travel management companies, with a presence in over 97 markets, FCM and Flight Centre's feedback will be key to driving adoption of the NDC standard among travel sellers.

In May, we renewed our distribution agreement with **Finnair**, which now includes the Finnair NDC Partner Program. This agreement will allow Amadeus travel sellers that sign up for this program to access the wide range of content available to it and will bring NDC forward in the indirect channel. Additionally, Finnair, as one of our partners in the NDC-X program, will be the driver airline to integrate Altéa NDC with the Amadeus Travel Platform.

## IT Solutions

The positive operating performance of Airline IT and the solid growth of our new businesses, including the TravelClick consolidation, were the key drivers for the 31.2%<sup>1</sup> increase in IT Solutions' revenue during the first quarter, to €570.0 million.

### IT Solutions – Airline IT

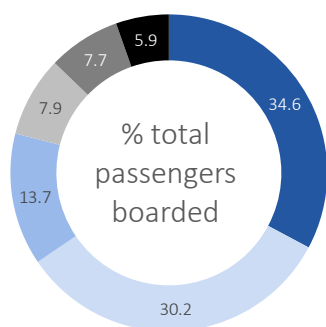
This segment maintained its positive operating performance, with an increase in passengers boarded. Unitary revenue expanded thanks to the good performance of several revenue lines, including revenue management, passenger recovery and merchandizing.

Passengers boarded grew 4.6% during the quarter, to 436.1 million, supported by 2018 implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar to Altéa and Volaris Costa Rica to New Skies) and the ones so far in 2019 (including Philippine Airlines). Organic growth of 6.0% also contributed to this passenger boarded increase. This organic growth is 1.6 p.p

<sup>1</sup> direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry.

less than that in the same period of 2018, mainly due to a softening in global air traffic growth. All these factors contributed to mitigate the negative impact of the de-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018 and the cessation of operations of Germania and bmi Regional (both in February 2019).

We continued to broaden our international footprint. At the close of March, 63.9% of our passengers boarded were generated outside of Europe, compared to the 60.3% registered at the close of 2018.



Jan-March 2019

### Total passengers boarded (figures in millions)

	Q1 2019	% of total	Q1 2018	% of total	% change
● Asia and Pacific	150.8	34.6%	144.4	34.6%	4.4%
● Western Europe	131.7	30.2%	124.3	29.8%	6.0%
● North America	59.9	13.7%	56.3	13.5%	6.5%
● Middle East & Africa	34.3	7.9%	32.5	7.8%	5.5%
● Latin America	33.5	7.7%	39.2	9.4%	(14.5%)
● Central, Eastern & Southern Europe	25.9	5.9%	20.3	4.9%	27.7%
<b>Total passengers boarded</b>	<b>436.1</b>	<b>100.0%</b>	<b>416.9</b>	<b>100.0%</b>	<b>4.6%</b>

Amadeus continued to expand its portfolio of customers in Airline IT and at the close of March, 214 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 205 had implemented one of them.

**Etihad Airways** contracted Altéa Departure Control System Flight Management to improve productivity, better manage capacity and reduce costs.

Our upselling efforts during the first quarter of the year also contributed to the positive growth. In April, **All Nipon Airways** (ANA) announced that it had implemented Amadeus Airline Cloud Availability. The carrier is now able to boost customer conversion because its offers are consistent across all sales channels, while having a cost-effective way to distribute content dynamically. ANA is also the first airline to take advantage of Interactive Codeshare through Amadeus' Cloud Availability solution, which means that it can process availability interactively with codeshare partners.

Also in April, **Qatar Airways** signed up for additional functionality to improve its revenue optimization: Amadeus Altéa Revenue Availability with Active Valuation (RAAV) and Amadeus Altéa Booking Intelligence. RAAV calculates real-time availability at Origin & Destination level and can be customized to help the airline tailor its offer and generate more revenue. Altéa Booking Intelligence helps detect abusive or fraudulent bookings during the booking process in real time and takes corrective actions before the booking is completed. **Kenya Airways**, a customer of Altéa for the last 12 years, implemented Amadeus Altéa Network Revenue Management in April.

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Amadeus' NDC-X program continued to drive the industrialization of NDC and making the standard works for all players in the value chain. As an IT provider, Amadeus is now certified by IATA as NDC capable at level 4.

Both Navitaire and Amadeus were granted ONE Order certifications by IATA during the first quarter of 2019. IATA's ONE Order initiative is an industry program which aims to simplify and replace the multiple booking, ticketing, delivering and accounting records with one single order record. In March, Navitaire was granted ONE Order capable certification as Accounting Provider, which recognizes that Navitaire's revenue accounting system supports deployments for ancillaries whose schemas are compliant with the ONE Order message standard. A month later, IATA certified that Amadeus is ONE Order capable as an Order Management System. This means that our ONE Order-based solution can communicate and receive orders from both delivery and accounting systems following the ONE Order standard.

#### **IT Solutions – New Businesses**

Our new businesses grew strongly during the first three months of the year, boosted by the TravelClick consolidation and double-digit revenue growth in our new businesses excluding TravelClick.

#### **New businesses – Hospitality**

During the first quarter of the year we also strengthened our Hospitality business, as we expanded our portfolio of customers and shopping options.

We partnered with Agoda, one of the world's fastest growing online travel agents, to extend our hospitality content offer. Now, all of Agoda's pre-paid hotel content, a total of 150,000 properties, will be available to travel agents through Amadeus at the same price as Agoda's website.

We also signed an agreement with Restel, the Spanish hotel booking platform, which sees Amadeus become the only hotel distribution service to offer Restel's portfolio of 200,000 hotel properties.

Amadeus now offers over 4 million hotel shopping options.

#### **New Businesses – Airport IT**

Our Airport IT business progressed well between January and March. Carrasco International Airport in Montevideo (Uruguay) signed up for Amadeus Passenger Verification, while San Diego County Regional Airport Authority (U.S.) contracted Amadeus Airport Operational Database and Resource Management System. Mobile Brookley Field (Alabama, U.S.) signed up for Amadeus Extended Airline System Environment (EASE).

New Orleans Louis Armstrong International Airport (U.S.), already a customer of EASE, signed for Amadeus Airport Operational Database and Resource Management System.

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In March, we reinforced our Airport IT offering with the announcement of the acquisition of ICM Airport Technics (“ICM”). ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia Pacific and Europe. The acquisition brings Amadeus a portfolio of market leading products, complementary to our own components. ICM serves around 25 airports, including some of the most important airports in the world. The acquisition of ICM is expected to close during the second quarter of 2019.

#### **New Businesses – Rail**

In March, Ctrip and Amadeus announced a new distribution agreement through which Ctrip customers from anywhere in the world will be able to book and pay for tickets from Renfe, the Spanish rail operator, in their own language and currency.

Also in March, Deutsche Bahn unveiled its new booking engine, developed in partnership with Amadeus, to enable passengers to book rail journeys across Europe in one place. Thanks to this new engine, Deutsche Bahn’s customers can now buy cross border trips outside of Germany on bahn.de, bahn.com and via our mobile app DB Navigator.

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## **Financial highlights for the quarter**

In June 2019, the Board of directors will submit to the General Shareholders’ Meeting for approval a final gross dividend of €1.175 per share, representing a 3.5% increase vs. the 2017 dividend and 50% of the reported profit, adjusted to exclude TravelClick acquisition related effects. An interim dividend of €0.51 per share (gross) was paid in full on January 17, 2019.

Net financial debt, as per our credit facility agreements’ terms, amounted to €3,038.2 million as of March 31, 2019 (representing 1.43x times last-twelve-month EBITDA).

## Summary of operating and financial information

### Summary of KPI (€million)

	Jan-Mar 2019 <sup>1</sup>	Jan-Mar 2018	Change
<b>Summary of KPI (€millions)</b>			
<b>Operating KPI</b>			
TA air bookings (m)	162.6	160.0	1.6%
Non air bookings (m)	17.2	17.1	0.6%
Total bookings (m)	179.8	177.1	1.5%
Passengers boarded (m)	436.1	416.9	4.6%
<b>Financial results</b>			
Distribution revenue	839.9	795.5	5.6%
IT Solutions revenue	570.0	434.5	31.2%
Revenue	1,409.9	1,230.0	14.6%
EBITDA	599.8	539.0	11.3%
EBITDA margin (%)	42.5%	43.8%	(1.3 p.p.)
Adjusted profit <sup>2</sup>	334.7	305.6	9.5%
Adjusted EPS (euros) <sup>3</sup>	0.78	0.71	9.1%
<b>Cash flow</b>			
Capital expenditure	199.4	162.9	22.4%
Free cash flow <sup>4</sup>	282.7	305.1	(7.3%)
<b>Indebtedness<sup>5</sup></b>			
	Mar 31, 2019	Dec 31, 2018	Change
Net Financial Debt	3,038.2	3,074.0	(35.8)
Net Financial Debt/LTM EBITDA	1.43x	1.47x	

<sup>1</sup> Adjusted to exclude TravelClick's acquisition related costs and PPA adjustment.

<sup>2</sup> 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-recurring items.

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

<sup>4</sup> Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs paid.

<sup>5</sup> Based on our credit facility agreements' definition.

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## Notes to editors:

Travel powers progress. Amadeus powers travel. Amadeus' solutions connect travelers to the journeys they want through travel agents, search engines, tour operators, airlines, airports, hotels, cars and railways.

We have developed our technology in partnership with the travel industry for over 30 years. We combine a deep understanding of how people travel with the ability to design and deliver the most complex, trusted, critical systems our customers need. We help connect over 1.6 billion people a year to local travel providers in over 190 countries.

We are one company, with 17,000 employees across 70 offices. We have a global mindset and a local presence wherever our customers need us.

Our purpose is to shape the future of travel. We are passionate in our pursuit of better technology that makes better journeys.

Amadeus is an IBEX 35 company, listed on the Spanish Stock Exchange under AMS.MC.

To find out more about Amadeus, visit [www.amadeus.com](http://www.amadeus.com).

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### Contact details

Alba Redondo, Amadeus, Corporate Communications

T: +34 686747619

E: [alba.redondo@amadeus.com](mailto:alba.redondo@amadeus.com)