

2018 Full year financial results

Highlights

IT Solutions' strength drives Amadeus' growth in 2018

Amadeus maintained its solid financial growth in 2018, supported by the operating performances of both its Distribution and IT Solutions businesses, as well as the acquisition and consolidation of the TravelClick business from October 4, 2018.

Full year highlights (twelve months ended December 31, 2018)

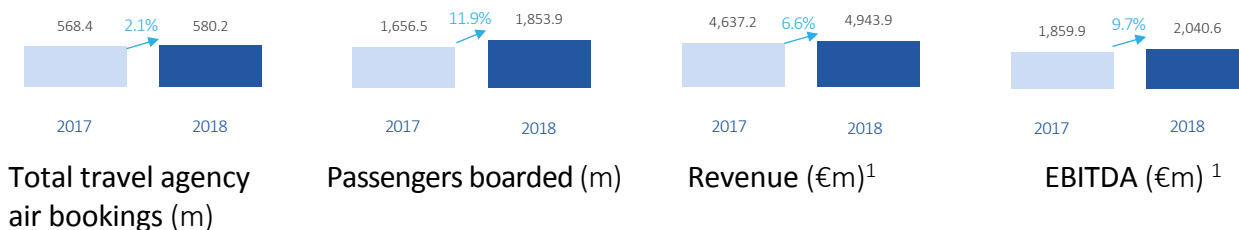
- Revenue increased 6.6%¹, to €4,943.9 million
- EBITDA grew 9.7%¹, to €2,040.6 million
- In the Distribution segment, travel agency air bookings grew 2.1% to 580.2 million
- In IT Solutions, Passengers Boarded increased 11.9% to 1,853.9 million

Amadeus IT Group S.A achieved an adjusted profit² of €1,122.8 million in 2018, which represents growth of 1.0%¹ compared to 2017 (or 6% excluding extraordinary tax adjustments in 2017).

During 2018, Amadeus' financial performance was distorted by the USD/Euro exchange rate fluctuation compared to 2017, which had a negative impact both on revenue and EBITDA. Excluding this effect, and also the IFRS 16¹ impact on EBITDA, both revenue and EBITDA grew at high single-digit growth rates¹ during 2018.

Operating and financial highlights

Twelve months ended 31 December 2018



¹ Including TravelClick's 2018 consolidation effect of: Revenue, EBITDA and Adjusted Profit contributions of €86.7m, €22.3m and €14.3m, respectively, while excluding TravelClick's related acquisition transaction costs, PPA adjustment and bank acquisition financing interest expense. Also, compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. In addition, we are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In 2018, IFRS 16 had a positive €47.4 million impact on EBITDA.

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) and (iii) other non-recurring items.

“We are confident about our financial performance in 2019. We will continue to invest in our business to underpin its success in the long term”

Luis Maroto, President & CEO of Amadeus, commented:

“Amadeus maintained its long track record of revenue and profitability growth in 2018. Our diversification efforts, including the broadening of our Hospitality offering through the acquisition of TravelClick, also supported our growth.

“Operationally, we have made good progress, maintaining a steady flow of new customer signatures and implementations in Airline IT. We have also continued to expand content for our subscribers with 50 new contracts or renewals of distribution agreements in 2018.

“We are confident about our financial performance in 2019. We will continue to invest in our technology to underpin our success in the long term.”

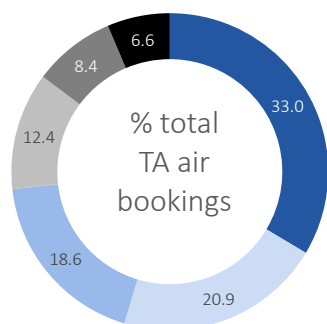
Business highlights for the year

Distribution

In 2018, revenue in our Distribution segment increased 2.8% to €3,004.3 million. Excluding foreign exchange effects, revenue in this segment grew at a mid single-digit rate, supported by an increase of bookings and the underlying expansion of average revenue per booking.

Although travel agencies’ air bookings industry grew 2.9% globally last year, during the fourth quarter the pace of expansion of the industry was notably slower (1.1% compared to 3.5% for the first nine months of the year). This deceleration was consistent across all regions, and in particular in Western Europe, where macroeconomic volatility, the bankruptcy of one airline and the evolving distribution strategies adopted by some airlines in the region continued to weigh on growth.

Despite this market context, Amadeus bookings grew 2.1% last year, to 580.2 million. We continued to make good progress in Asia & Pacific and North America, in particular, which balanced the decline in Western Europe. In fact, excluding this region, Amadeus bookings grew 7.2% in 2018.



Jan-Dec 2018

Amadeus TA air bookings (figures in millions)

	Full year 2018	% of total	Full year 2017	% of total	% change
Western Europe	191.7	33.0%	206.0	36.2%	-7.0%
Asia & Pacific	121.2	20.9%	108.6	19.1%	11.7%
North America	108.1	18.6%	99.0	17.4%	9.3%
Middle East & Africa	71.9	12.4%	69.3	12.2%	3.8%
Central, Eastern & Southern Europe	48.9	8.4%	48.1	8.5%	1.8%
Latin America	38.3	6.6%	37.5	6.6%	2.2%
Total TA air bookings	580.2	100.0%	568.4	100.0%	2.1%

Securing content for subscribers is key to maintain booking growth. In this respect, during 2018, Amadeus signed 50 new contracts or renewals of content or distribution agreements with airlines, including Vistara, United Airlines,

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Airlines had contracted
Amadeus Ancillary
Services as of
December 31, 2018

Scandinavian Airlines (SAS) and Norwegian. Subscribers to Amadeus' inventory can access the content of 115 low cost carriers (LCCs) and hybrid carriers worldwide. LCC and hybrid carriers' bookings grew 13%³ in 2018.

In March, Amadeus signed an agreement with Air France KLM enabling distribution through a private channel. Amadeus' travel seller customers who enter into a private channel agreement with Air France-KLM will be able to book Air France KLM content through Amadeus' system without a surcharge, which started to be levied from April 2018. In February 2019, Amadeus signed a similar agreement with Qantas, enabling the Qantas Channel, from August 2019. The agreement ensures that Amadeus travel sellers that sign up to the Qantas Channel can continue to access the airline's wide range of fares and products available for agents – including future NDC content – while enjoying the efficiencies and servicing capabilities of the Amadeus GDS.

As for Amadeus' merchandizing solutions, they continued to gather interest from customers. A total of 18 airlines signed up for Amadeus Airline Ancillary Services for the indirect channel and 16 airlines signed for Amadeus Fare Families in 2018. At the close of the year, 151 airlines benefitted from Amadeus Airline Ancillary Services (of which 128 had already implemented it) and 81 from Amadeus Fare Families (of which 69 had already implemented the solution).

IT Solutions

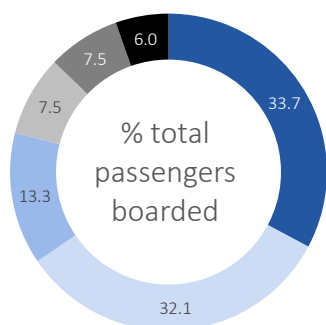
The healthy progress of IT Solutions was a major driver of growth for Amadeus during 2018. Revenue in this segment grew 13.1%¹ to €1,939.7 million, supported by a solid volume expansion in Airline IT and double-digit growth delivered by new businesses. Excluding the negative impact of exchange effects, IT Solutions revenue expanded at a low double-digit rate.

IT Solutions – Airline IT

Growth in this segment was supported by the implementations completed both in 2017 (including Southwest Airlines, Japan Airlines and Malaysia Airlines for Altéa, and Viva Air Perú and GoAir for New Skies) and in 2018 (Maldivian Airlines, S7 Airlines and Aeromar in Altéa, and KC International and Volaris Costa Rica in New Skies), as well as organic growth of 7.6%. Together, these contributed to an increase of 11.9% in passengers boarded last year, to 1,853.9 million.

Amadeus' international footprint is increasingly well balanced. At the close of the year, 60.3% of its passengers boarded were generated outside of Europe. Passenger growth in North America was particularly strong, of 39.9%, with Asia Pacific also growing at a double-digit rate, thanks to the implementations of Southwest Airlines, Japan Airlines and Malaysia Airlines, among others, in 2017.

³ Adjusted to exclude the effect of ceasing of operations of Air Berlin



Jan-Dec 2018

214

carriers had contracted
Altéa or New Skies as
of December 31, 2018

Total passengers boarded (figures in millions)

	Full year 2018	% of total	Full year 2017	% of total	% change
● Western Europe	624.3	33.7%	611.2	36.9%	2.1%
● Asia and Pacific	594.3	32.1%	502.8	30.4%	18.2%
● North America	247.0	13.3%	176.5	10.7%	39.9%
● Latin America	138.8	7.5%	149.2	9.0%	-6.9%
● Middle East & Africa	138.1	7.5%	127.2	7.7%	8.6%
● Central, Eastern & Southern Europe	111.5	6.0%	89.6	5.4%	24.4%
Total passengers boarded	1,853.9	100.0%	1,656.5	100.0%	11.9%

Amadeus also continued to expand its portfolio of customers in this segment and, at the close of December, 214 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 204 had implemented them.

During the year, several airlines including S7 Airlines, Bangkok Airways, Philippine Airlines (PAL) and Cyprus Airways signed up for the full Altéa suite, including the reservation, inventory, ticketing and departure control modules. The Altéa suite will help these airlines to enhance customer experience by delivering more consistent and personalized customer service, develop new revenue streams, and improve operational efficiency. KC International Airlines, a new Cambodian carrier, and Volaris Costa Rica contracted and implemented New Skies.

Amadeus also announced that Singapore Airlines and Avianca had both implemented Amadeus Altéa NDC.

In March 2018, Qantas completed its ambitious digital redesign. As part of this process, the airline implemented some e-Commerce solutions, including Amadeus e-Personalize, Amadeus Affinity Shopper and Amadeus Flex Pricer Premium.

Additionally, during 2018, a total of eight airlines had contracted Amadeus Revenue Management, including Finnair; seven airlines had contracted Amadeus Anytime Merchandising including Singapore Airlines; five for Passenger Recovery and another seven for Customer Experience Management, including Garuda Indonesia. Also, Malaysia Airlines contracted for Amadeus Revenue Accounting.

IHG

has now successfully
completed the roll-out
of the Guest
Reservation System

IT Solutions – Hospitality

In the fourth quarter of the year, Amadeus completed the roll-out of the Guest Reservation System with InterContinental Hotels Group. InterContinental Hotels Group's more than 5,600 properties across 15 brands and more than 100 countries are now live. Going forward, there will be future updates to the platform bringing enhanced features and functionality, including attribute-based selling.

Also, as part of its continuous drive to strengthen our offering and expand its business, Amadeus completed in October the acquisition of TravelClick for \$1.52 billion. TravelClick provides innovative cloud-based solutions to mid-sized chains and independent hotels. The addition of TravelClick's solutions to the Amadeus portfolio has created a hospitality leader providing a broad range of innovative technology to hotels and chains of all sizes across the globe.

IT Solutions – New Businesses

Amadeus reached important milestones in all its new business segments in 2018, in particular in Hospitality and Airport IT, with new contracts signed and migrations. It also expanded its Rail content and launched new solutions in Payments which captured the interest of customers.

New Businesses – Airport IT

Amadeus also made important progress in its Airport IT business, expanding considerably the portfolio of customers. At the close of the year, 126 ground handlers, 115 airport operators and 34 airlines were using our airport IT portfolio of solutions.

In February, Billund Airport, Denmark's second largest airport, deployed Amadeus Altéa Departure Control System and Amadeus Baggage Reconciliation System (BRS). Together, these solutions will support the airport's digitalization journey and improve the passenger experience through process automation and self-service capabilities.

ASA Cape Verde Airports, a customer of Amadeus' Airport Common Use Service (ACUS), contracted ACUS Mobile during 2018. The company also saw increasing interest from customers in the Amadeus Extended Airline System Environment (EASE) and signed contracts with airports such as JFK Airport, Los Angeles International Airport, Bozeman Yellowstone International Airport BZN and Charleston County Aviation Authority.

New Businesses – Payments

In April, the company launched Amadeus Agent Pay to facilitate payments of bookings made through airlines' call centers. Rather than discussing payment details over the phone, with Amadeus Agent Pay airline agents send their customers a link, via SMS or email, to a secure webpage, so that the traveler can then complete the payment from their smartphone, tablet or PC. Meanwhile, the ticket is kept on hold, and issued automatically once the

payment is complete. Finnair is using it for its call center and also for its chat-based customer service agents.

In January 2019, the company announced Wizz Air as the first low cost airline to use Amadeus' payment platform via Navitaire. By integrating our payment platform with Navitaire New Skies, we were able to connect the low-cost airline directly to Wirecard, providing more flexibility while reducing payment costs.

In February 2019, Amadeus partnered with Barclaycard to integrate its virtual card solution, Precisionpay, into Amadeus' B2B Wallet. The addition of Barclaycard's Precisionpay, which is similar to a standard corporate credit card, to B2B Wallet, will bring greater choice and a deeper availability of credit options to travel agencies across Europe.

New Businesses – Rail

During 2018, Swiss Federal Railways (SBB) contracted Amadeus to design and power its new intelligent and flexible booking solution, which will be used across all of SBB's sales channels. Amadeus also expanded its distribution agreement with SNCF, the French national railway, which will grant travel agencies beyond Europe access to SNCF content for the first time.

In January 2019, China Railway started distributing its content outside of mainland China through Amadeus, which became the first technological platform to do so. Travel agencies using Amadeus Selling Platform are now able to book and refund China Railways tickets in multiple languages.

R&D investment during 2018

Maintaining its technology leadership is of vital importance to Amadeus. The company continues to invest significantly in R&D activities and in 2018 devoted 17.8%⁴ of its revenue to these activities, 1.7 p.p higher than in the previous year.

Amadeus is currently undertaking key projects to support its mid to long-term growth. Among them is the NDC-X program and the development of Amadeus' platform to combine content from all sources, ensuring easy adoption in the market with minimum disruption. NDC-X is part of the evolution of Amadeus' travel platform which will bring together all relevant content – including air, hotel and other travel content – from any source (EDIFACT, NDC, proprietary APIs and other aggregated content) to be distributed via any user interface or device. For airlines, the company is investing in merchandizing and personalization solutions, to offer enhanced shopping and retailing tools, as well solutions to optimize revenue.

In the case of travel agencies, meta-search engines and corporations, R&D efforts are focused on Amadeus' cloud-based new-generation selling platform, search engines and self-booking and travel expense management tools. All these will

⁴ Compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. Excluding TravelClick.

facilitate a better booking and post-booking experience for travel sellers and corporations. In Hospitality, the company maintains its investment in the development of its new-generation Central Reservation System and its Property Management System.

Along with these initiatives, Amadeus continues to invest heavily in customer implementations and in its shift to new technologies (including artificial intelligence and machine learning) and cloud services, which provides a flexible and powerful framework for massive deployment of large transactional and data traffic.

System reliability, availability and security remain key priorities for Amadeus and as are also a key focus in terms of R&D investments.

Financial highlights for the year

On December 10 2018, Amadeus announced it had completed its share repurchase program after having reached the maximum investment under the first tranche (€500 million) of the program. In total, Amadeus has acquired 7,554,070 shares (representing 1.721% of Amadeus share capital) as part of the program.

On December 13, 2018 the Board of Directors of Amadeus proposed a 50% payout ratio for the 2018 dividend. 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. 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 €3,074.0 million at December 31, 2018 (representing 1.47x times last-twelve-month EBITDA).

In the last quarter of the year, Standard & Poor's and Moody's confirmed their ratings and outlook. Moody's gives a 'Baa2' long-term rating for Amadeus, with a stable outlook, and Standard & Poor's gives 'BBB' long-term and 'A-2' short-term ratings, with a positive outlook.

Summary of operating and financial information

Summary of KPI (€million)

Summary of KPI (€millions)	Full Year 2018 ¹	Full year 2017 ¹	Change
Operating KPI			
TA air bookings (m)	580.2	568.4	2.1%
Non air bookings (m)	63.0	64.0	(1.5%)
Total bookings (m)	643.2	632.3	1.7%
Passengers boarded (m)	1,853.9	1,656.5	11.9%
Financial results¹			
Distribution revenue	3,004.3	2,922.1	2.8%
IT Solutions revenue	1,939.7	1,715.1	13.1%
Revenue	4,943.9	4,637.2	6.6%
Distribution contribution	1,380.7	1,350.1	2.3%
IT Solutions contribution	1,352.4	1,219.7	10.9%
Contribution	2,733.0	2,569.8	6.4%
EBITDA	2,040.6	1,859.9	9.7%
EBITDA margin (%)	41.3%	40.1%	1.2 p.p.
Adjusted profit ³	1,122.8	1,112.1	1.0%
Adjusted EPS (euros) ⁴	2.61	2.54	2.7%
Cash flow			
Capital expenditure	718.2	612.1	17.3%
Free cash flow ²	989.0	917.6	7.8%
Indebtedness⁵			
Net financial debt	3,074.0	2,083.3	47.6%
Net financial debt/LTM EBITDA	1.47x	1.12x	

¹Including TravelClick's 2018 consolidation effect of: Revenue, EBITDA and Adjusted Profit contributions of €86.7m, €22.3m and €14.3m, respectively, while excluding TravelClick's related acquisition transaction costs, PPA adjustment and bank acquisition financing interest expense. Also, compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. In addition, we are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In 2018, IFRS 16 had a positive €47.4 million impact on EBITDA.

²Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Including TravelClick's 2018 Free Cash Flow contribution of €14.8m, while excluding TravelClick's related acquisition transaction costs paid and TravelClick's acquisition financing interest paid and related non-recurring fees.

³Excluding 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.

⁴EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

⁵Based on our credit facility agreements' definition.

Notes to the 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.

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