

Press release

Amadeus maintains strong financial performance in first nine months of 2016

Organic growth in both Distribution and IT Solutions businesses supported by the contribution of last year's acquisitions, including Navitaire

- Revenue increased 14.2%, to €3,386.5 million.
- EBITDA grew 16.4%, to €1,332.1 million.
- In the Distribution business, total air travel agency bookings rose 5.2%, to 409.8 million.
- In the IT Solutions business, Passengers Boarded increased 82.9%, to 1,028.5 million. Excluding Navitaire, Altéa passengers boarded grew 12.1%.

November, 4: Amadeus IT Group, S.A., a leading technology partner for the global travel industry, reported an adjusted profit of €738.1 million in the nine months to September 30, 2016. That represented a growth of 21.3% compared to the same period of 2015. This was driven by a revenue increase of 14.2%, to €3,386.5 million, and EBITDA growth of 16.4%, to €1,332.1 million. Free cash-flow generation grew by 18.2% in the first three quarters of the year, with the debt ratio at 1.21x EBITDA.

Luis Maroto, President & CEO of Amadeus, commented:

“Our strong financial performance is the result of organic growth in our core businesses and the contribution of last year's acquisitions including Navitaire.

“Our Distribution business continues to grow faster than the industry and its competitive position once again increased to 43.1%. We have successfully renewed or signed content agreements with 17 airlines in the quarter, including easyJet. In addition, the world's leading travel search engine, KAYAK, has implemented Amadeus Master Pricer with Instant Search technology.

“The Airline IT business has also experienced strong growth in the first nine months of 2016, supported by upselling and cross-selling, as well as organic growth. The total number of passengers boarded using Amadeus' Passenger Service Systems (Altéa or Navitaire New Skies) increased by 82.9%, to 1,028.5 million. Compared to the same period last year, excluding Navitaire, Altéa passengers boarded grew 12.1%.

“In the third quarter, Malaysia Airlines announced that it had selected the full Amadeus Altéa Passenger Service System, Amadeus Anytime Merchandising as well as our e-commerce solutions. In addition, EVA Air moved to Amadeus Altéa Revenue Management Suite, while Virgin Australia announced that it had become part of the Altéa DC Flight Management family.

"We continue to make progress in our new businesses. We completed the successful implementation of Amadeus Airport Sequence Manager and A-CDM Portal solutions in Copenhagen Airports. We are also advancing in the execution of our Hospitality IT strategy, by integrating Itesso and Hotel SystemsPro and by working with InterContinental Hotels Group in the development of a new-generation Guest Reservation System for the hospitality industry.

"We are confident that Amadeus will deliver another strong final quarter to 2016."

Business highlights during the first three quarters of 2016

Distribution

- Revenue increased 6.3%, to €2,219.9 million.
- Air travel agency bookings rose 5.2%, to 409.8 million – outperforming GDS industry growth of 2.4%.
- Air travel agency competitive position expanded by 0.8 percentage points, reaching 43.1%.

	<i>Amadeus Air TA Bookings (figures in million)</i>				
	<i>Jan-Sep 2016</i>	<i>% of Total</i>	<i>Jan-Sep 2015</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	154.9	37.8%	151.5	38.9%	2.3%
Asia & Pacific	73.6	18.0%	63.7	16.3%	15.6%
North America	71.1	17.4%	66.4	17.0%	7.1%
Middle East and Africa	50.6	12.3%	47.3	12.2%	6.8%
Central, Eastern and Southern Europe	34.0	8.3%	35.4	9.1%	(3.9%)
Latin America	25.6	6.2%	25.4	6.5%	0.6%
Total Air TA Bookings	409.8	100.0%	389.7	100.0%	5.2%

Around 74% of airline bookings made through the Amadeus system worldwide are with airlines that have a content agreement with Amadeus. Since the beginning of the year, new contracts or renewals of existing content agreements were signed with 38 carriers.

Growth also continued in the low-cost carrier segment. Subscribers to the Amadeus system now have access to the inventory of over 90 low cost and hybrid carriers from all over the world. Bookings of this segment grew by 15.8% in the third quarter of 2016, compared to 2015.

easyJet renewed its long-term partnership with Amadeus, giving Amadeus subscribers continued access to easyJet's range of fares. This will enable corporate travellers to easily access and book the airline's range of business friendly products such as Flexi Fares.

As of the end of the third quarter, 64% of the global air bookings processed through the Amadeus system was eligible to carry a merchandising item. Also, 116 airlines had signed up

to Amadeus Airline Ancillary Services for the indirect channel, with 90 of them already implemented. And if we include customers who have signed up to Amadeus Airline Ancillary Services for either direct or indirect channel, the number grows to 163, of which 123 have already been implemented.

During the first nine months of 2016, we saw a 73% increase in airline ancillary services sold through the Amadeus system, primarily through the more than 30 global online travel agencies that are integrating Amadeus merchandising solutions.

Amadeus Fare Families Solution, which allows airlines to distribute branded fares, had 42 contracts in place at the end of the third quarter, with 32 implemented.

The world's leading travel search engine, KAYAK, implemented Amadeus Master Pricer with Instant Search technology. This new, revolutionary solution delivers online search results in milliseconds with no compromise to accuracy. Every one second of improvement in search response time for consumers can translate into an increase in conversion rates.

Airline IT

At the end of the third quarter:

- Navitaire consolidation significantly contributed to strong IT Solutions performance.
- Revenue grew 33.0%, reaching €1,166.7 million.
- Passengers Boarded rose by 82.9% to total 1,028.5 million, with 398.0 million from Navitaire.
- Altéa Passengers Boarded grew 12.1%, 4.2% of which came from the organic growth of existing Altéa carriers and the rest coming from the full year impact of migrations during 2015 and more recent additions such as Swiss International Air Lines, Brussels Airlines and China Airlines.

	Operating KPI - PB (figures in million)					
	<i>Jul-Sep</i> 2016	<i>Jul-Sep</i> 2015	<i>%</i> <i>Change</i>	<i>Jan-Sep</i> 2016	<i>Jan-Sep</i> 2015	<i>%</i> <i>Change</i>
Altéa Passengers Boarded	237.6	208.1	14.2%	630.5	562.3	12.1%
Navitaire Passengers Boarded	162.2	0.0	n.m.	398.0	0.0	n.m.
Total PB	399.8	208.1	92.1%	1,028.5	562.3	82.9%

Including Navitaire, at the end of the third quarter, more than 170 airlines were contracted for one of the Amadeus Passenger Service Systems (Altéa or Navitaire New Skies) and more than 160 airlines had been implemented.

	<i>Total PB (figures in million)</i>				
	<i>Jan-Sep</i>	<i>% of</i>	<i>Jan-Sep</i>	<i>% of</i>	<i>%</i>
	<i>2016</i>	<i>Total</i>	<i>2015</i>	<i>Total</i>	<i>Change</i>
Western Europe	425.0	41.3%	245.9	43.7%	72.8%
Asia & Pacific	313.6	30.5%	149.0	26.5%	110.5%
Latin America	98.3	9.6%	57.8	10.3%	70.2%
Middle East and Africa	90.9	8.8%	78.3	13.9%	16.1%
Central, Eastern and Southern Europe	53.5	5.2%	28.6	5.1%	87.0%
North America	47.1	4.6%	2.7	0.5%	n.m.
Total PB	1,028.5	100.0%	562.3	100.0%	82.9%

Malaysia Airlines announced that it had selected the full Amadeus Altéa Passenger Service System, Amadeus Anytime Merchandising as well as our e-commerce solutions to help it transform passenger services, develop new revenue streams and revamp the online shopping experience for travellers.

EVA Air migrated to Amadeus Altéa Revenue Management Suite. The airline will now benefit from a solution that takes into account the travellers' entire journey from origin to destination, not simply managing revenue on a leg-by-leg basis. The Amadeus Altéa Revenue Management Suite will enable EVA Air to price airline packages and offers, based on travellers' price sensitivity and travel purpose.

Virgin Australia became part of the Altéa DC Flight Management family. Virgin will use Amadeus Altéa Departure Control FM for its aircraft control processes and benefit from Altéa operational excellence for fuel savings, agent productivity and flight safety.

Hotel Distribution

Accor Hotels announced that it had renewed its distribution agreement with Amadeus for another three years to ensure that its hotels' full inventory is made available to Amadeus-connected travel agencies and travellers worldwide.

In addition, Teldar Travel incorporated its hotel content into Amadeus. Agents will now be able to sell Teldar Travel's hotel net rates with a guarantee of parity, which means hotel rates shown on Amadeus are the same as on Teldar Travel direct channels.

DerbySoft, a market leader in hospitality distribution technology, announced its partnership with Amadeus to connect hotels of all sizes to metasearch engines and online travel agents.

Hospitality

Zingle, a leading provider of mobile messaging software platforms, announced its partnership with Amadeus to integrate Zingle messaging technology with Amadeus' hospitality service optimisation solutions. This will provide hotels with the mobile texting and messaging technology they need to better service and communicate with guests.

Airport IT

Copenhagen Airports, the company that owns and operates the Copenhagen airports of Kastrup and Roskilde, announced the successful implementation of Amadeus Airport Sequence Manager and A-CDM Portal solutions, which provide the airport, its airline customers, ground handlers and air traffic controllers with accurate and synched information on aircraft departures.

Summary of operating and financial information

	Summary of KPI (figures in million euros)		
	Jan-Sep 2016	Jan-Sep 2015	% Change
Operating KPI			
Air TA competitive position ¹	43.1%	42.2%	0.8 p.p.
Air TA bookings (m)	409.8	389.7	5.2%
Non air bookings (m)	45.2	46.3	(2.5%)
Total bookings (m)	454.9	436.0	4.3%
Passengers Boarded (m)	1,028.5	562.3	82.9%
Financial results			
Distribution Revenue	2,219.9	2,087.5	6.3%
IT Solutions Revenue	1,166.7	877.3	33.0%
Revenue	3,386.5	2,964.8	14.2%
EBITDA	1,332.1	1,144.5	16.4%
EBITDA margin (%)	39.3%	38.6%	0.7 p.p.
Adjusted profit²	738.1	608.4	21.3%
Adjusted EPS (euros)³	1.69	1.39	21.6%
Cash flow			
Capital expenditure	429.4	393.2	9.2%
Free cash-flow ⁴	688.6	582.8	18.2%
	30/09/2016	31/12/2015	% Change
Indebtedness⁵			
Covenant Net Financial Debt	2,048.1	1,611.6	27.1%
Covenant Net Financial Debt / LTM Covenant EBITDA	1.21x	1.09x	

1. Competitive position is measured as our air TA bookings in relation to the air TA booking industry, defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.
2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises, (ii) non-operating exchange gains (losses), (iii) other non-recurring items, and (iv) impairment losses.
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4. Calculated as EBITDA less capital expenditure plus changes in our operating working capital less taxes paid less interests and financial fees paid.
5. Based on the definition included in the senior credit agreement covenants.

Notes to the editors:

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

The Amadeus group employs around 13,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as 71 local Amadeus Commercial Organisations globally. The group operates a transaction-based business model.

Amadeus is listed on the Spanish Stock Exchange under the symbol "AMS.MC" and is a component of the IBEX 35 index. To find out more about Amadeus please visit www.amadeus.com, and www.amadeus.com/blog for more on the travel industry.

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