

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Revenue	\$ 3,974,988	\$ 3,866,956	\$ 3,598,484
Cost of revenue	3,035,003	2,791,414	2,513,857
Selling, general and administrative	576,568	513,526	510,075
Impairment and related charges	—	—	81,112
Operating income	363,417	562,016	493,440
Other (expense) income:			
Interest expense, net	(156,391)	(157,017)	(153,925)
Loss on extinguishment of debt	—	(633)	(1,012)
Joint venture equity income	2,044	2,556	2,580
Other, net	(9,432)	(8,509)	36,530
Total other expense, net	(163,779)	(163,603)	(115,827)
Income from continuing operations before income taxes	199,638	398,413	377,613
Provision for income taxes	35,326	57,492	128,037
Income from continuing operations	164,312	340,921	249,576
(Loss) Income from discontinued operations, net of tax	(1,766)	1,739	(1,932)
Net income	162,546	342,660	247,644
Net income attributable to noncontrolling interests	3,954	5,129	5,113
Net income attributable to common stockholders	\$ 158,592	\$ 337,531	\$ 242,531
Basic net income per share attributable to common stockholders:			
Income from continuing operations	\$ 0.58	\$ 1.22	\$ 0.88
(Loss) Income from discontinued operations	(0.01)	0.01	(0.01)
Net income per common share	\$ 0.57	\$ 1.23	\$ 0.87
Diluted net income per share attributable to common stockholders:			
Income from continuing operations	\$ 0.58	\$ 1.21	\$ 0.88
(Loss) Income from discontinued operations	(0.01)	0.01	(0.01)
Net income per common share	\$ 0.57	\$ 1.22	\$ 0.87
Weighted-average common shares outstanding:			
Basic	274,168	275,235	276,893
Diluted	276,217	277,518	278,320
Dividend per common share	\$ 0.56	\$ 0.56	\$ 0.56

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 436,176	\$ 509,265
Accounts receivable, net	546,533	508,122
Prepaid expenses and other current assets	139,211	170,243
Total current assets	1,121,920	1,187,630
Property and equipment, net	641,722	790,372
Investments in joint ventures	27,494	27,769
Goodwill	2,633,251	2,552,369
Acquired customer relationships, net	311,015	323,731
Other intangible assets, net	262,638	289,517
Deferred income taxes	21,812	24,322
Other assets, net	670,105	610,671
Total assets	\$ 5,689,957	\$ 5,806,381
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 187,187	\$ 165,227
Accrued compensation and related benefits	94,368	112,866
Accrued subscriber incentives	316,254	301,530
Deferred revenues	84,661	80,902
Other accrued liabilities	189,548	185,178
Current portion of debt	81,614	68,435
Tax Receivable Agreement	71,911	104,257
Total current liabilities	1,025,543	1,018,395
Deferred income taxes	107,402	135,753
Other noncurrent liabilities	347,522	340,495
Long-term debt	3,261,821	3,337,467
Commitments and contingencies (Note 16)		
Stockholders' equity		
Common stock: \$0.01 par value; 450,000 authorized shares; 294,319 and 291,664 shares issued, 273,733 and 275,352 shares outstanding at December 31, 2019 and 2018, respectively	2,943	2,917
Additional paid-in capital	2,317,544	2,243,419
Treasury stock, at cost, 20,587 and 16,312 shares at December 31, 2019 and 2018, respectively	(468,618)	(377,980)
Retained deficit	(763,482)	(768,566)
Accumulated other comprehensive loss	(149,306)	(132,724)
Noncontrolling interest	8,588	7,205
Total stockholders' equity	947,669	974,271
Total liabilities and stockholders' equity	\$ 5,689,957	\$ 5,806,381

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
Operating Activities			
Net income	\$ 162,546	\$ 342,660	\$ 247,644
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	414,621	413,344	400,871
Amortization of upfront incentive consideration	82,935	77,622	67,411
Stock-based compensation expense	66,885	57,263	44,689
Deferred income taxes	(22,925)	43,099	48,760
Allowance for doubtful accounts	20,563	7,749	9,459
Amortization of debt issuance costs	3,972	3,981	5,923
Joint venture equity income	(2,044)	(2,556)	(2,580)
Loss (income) from discontinued operations	1,766	(1,739)	1,932
Dividends received from joint venture investments	1,352	1,411	1,088
Tax Receivable Agreement	—	4,852	(59,603)
Debt modification costs	—	1,558	14,758
Loss on extinguishment of debt	—	633	1,012
Impairment and related charges	—	—	81,112
Other	2,777	(2,349)	13,284
Changes in operating assets and liabilities:			
Accounts and other receivables	(33,911)	(45,586)	(108,596)
Prepaid expenses and other current assets	1,145	14,362	109
Capitalized implementation costs	(28,588)	(39,168)	(60,766)
Upfront incentive consideration	(71,447)	(88,735)	(94,296)
Other assets	38,795	(29,607)	(21,111)
Accounts payable and other accrued liabilities	(27,232)	(27,080)	67,034
Accrued compensation and related benefits	(17,469)	(15,044)	6,038
Deferred revenue including upfront solution fees	(12,481)	8,127	13,861
Cash provided by operating activities	581,260	724,797	678,033
Investing Activities			
Additions to property and equipment	(115,166)	(283,940)	(316,436)
Acquisitions, net of cash acquired	(107,462)	—	—
Other investing activities	(20,398)	8,681	(1,089)
Cash used in investing activities	(243,026)	(275,259)	(317,525)
Financing Activities			
Cash dividends paid to common stockholders	(153,508)	(154,080)	(154,861)
Payments on borrowings from lenders	(106,560)	(47,310)	(1,880,506)
Payments on Tax Receivable Agreement	(101,482)	(58,908)	(99,241)
Repurchase of common stock	(77,636)	(26,281)	(109,100)
Proceeds of borrowings from lenders	45,000	—	1,897,625
Net (payments) receipts on the settlement of equity-based awards	(5,736)	2,040	12,647
Debt issuance and modification costs	—	(1,567)	(19,052)
Other financing activities	(9,799)	(20,400)	(4,292)
Cash used in financing activities	(409,721)	(306,506)	(356,780)
Cash Flows from Discontinued Operations			
Cash used in operating activities	(2,383)	(1,895)	(4,848)
Cash used in discontinued operations	(2,383)	(1,895)	(4,848)
Effect of exchange rate changes on cash and cash equivalents	781	6,747	(1,613)
(Decrease) increase in cash and cash equivalents	(73,089)	147,884	(2,733)
Cash and cash equivalents at beginning of period	509,265	361,381	364,114
Cash and cash equivalents at end of period	\$ 436,176	\$ 509,265	\$ 361,381
Cash payments for income taxes	\$ 55,137	\$ 57,629	\$ 40,211
Cash payments for interest	\$ 157,648	\$ 156,041	\$ 149,572
Capitalized interest	\$ 5,085	\$ 8,823	\$ 11,142
Non-cash additions to property and equipment	\$ 33,136	\$ —	\$ —

See Notes to Consolidated Financial Statements.