

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

| | Year Ended December 31, | | |
|---|-------------------------|--------------|--------------|
| | 2018 | 2017 | 2016 |
| Revenue | \$ 3,866,956 | \$ 3,598,484 | \$ 3,373,387 |
| Cost of revenue | 2,791,414 | 2,513,857 | 2,287,662 |
| Selling, general and administrative | 513,526 | 510,075 | 626,153 |
| Impairment and related charges | — | 81,112 | — |
| Operating income | 562,016 | 493,440 | 459,572 |
| Other (expense) income: | | | |
| Interest expense, net | (157,017) | (153,925) | (158,251) |
| Loss on extinguishment of debt | (633) | (1,012) | (3,683) |
| Joint venture equity income | 2,556 | 2,580 | 2,780 |
| Other, net | (8,509) | 36,530 | 27,617 |
| Total other expense, net | (163,603) | (115,827) | (131,537) |
| Income from continuing operations before income taxes | 398,413 | 377,613 | 328,035 |
| Provision for income taxes | 57,492 | 128,037 | 86,645 |
| Income from continuing operations | 340,921 | 249,576 | 241,390 |
| Income (loss) from discontinued operations, net of tax | 1,739 | (1,932) | 5,549 |
| Net income | 342,660 | 247,644 | 246,939 |
| Net income attributable to noncontrolling interests | 5,129 | 5,113 | 4,377 |
| Net income attributable to common stockholders | \$ 337,531 | \$ 242,531 | \$ 242,562 |
| Basic net income per share attributable to common stockholders: | | | |
| Income from continuing operations | \$ 1.22 | \$ 0.88 | \$ 0.85 |
| Income (loss) from discontinued operations | 0.01 | (0.01) | 0.02 |
| Net income per common share | \$ 1.23 | \$ 0.87 | \$ 0.87 |
| Diluted net income per share attributable to common stockholders: | | | |
| Income from continuing operations | \$ 1.21 | \$ 0.88 | \$ 0.84 |
| Income (loss) from discontinued operations | 0.01 | (0.01) | 0.02 |
| Net income per common share | \$ 1.22 | \$ 0.87 | \$ 0.86 |
| Weighted-average common shares outstanding: | | | |
| Basic | 275,235 | 276,893 | 277,546 |
| Diluted | 277,518 | 278,320 | 282,752 |
| Dividend per common share | | | |
| | \$ 0.56 | \$ 0.56 | \$ 0.52 |

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)

| | December 31, | |
|--|---------------------|---------------------|
| | 2018 | 2017 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 509,265 | \$ 361,381 |
| Accounts receivable, net | 508,122 | 490,558 |
| Prepaid expenses and other current assets | 170,243 | 108,753 |
| Total current assets | 1,187,630 | 960,692 |
| Property and equipment, net | 790,372 | 799,194 |
| Investments in joint ventures | 27,769 | 27,527 |
| Goodwill | 2,552,369 | 2,554,987 |
| Acquired customer relationships, net | 323,731 | 351,034 |
| Other intangible assets, net | 289,517 | 332,171 |
| Deferred income taxes | 24,322 | 31,817 |
| Other assets, net | 610,671 | 591,942 |
| Total assets | <u>\$ 5,806,381</u> | <u>\$ 5,649,364</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities | | |
| Accounts payable | \$ 165,227 | \$ 162,755 |
| Accrued compensation and related benefits | 112,866 | 112,343 |
| Accrued subscriber incentives | 301,530 | 271,200 |
| Deferred revenues | 80,902 | 110,532 |
| Other accrued liabilities | 185,178 | 198,353 |
| Current portion of debt | 68,435 | 57,138 |
| Tax Receivable Agreement | 104,257 | 59,826 |
| Total current liabilities | 1,018,395 | 972,147 |
| Deferred income taxes | 135,753 | 99,801 |
| Other noncurrent liabilities | 340,495 | 480,185 |
| Long-term debt | 3,337,467 | 3,398,731 |
| Commitments and contingencies (Note 15) | | |
| Stockholders' equity | | |
| Common stock: \$0.01 par value; 450,000 authorized shares; 291,664 and 289,138 shares issued, 275,352 and 274,342 shares outstanding at December 31, 2018 and 2017, respectively | 2,917 | 2,891 |
| Additional paid-in capital | 2,243,419 | 2,174,187 |
| Treasury stock, at cost, 16,312 and 14,796 shares at December 31, 2018 and 2017, respectively | (377,980) | (341,846) |
| Retained deficit | (768,566) | (1,053,446) |
| Accumulated other comprehensive loss | (132,724) | (88,484) |
| Noncontrolling interest | 7,205 | 5,198 |
| Total stockholders' equity | 974,271 | 698,500 |
| Total liabilities and stockholders' equity | <u>\$ 5,806,381</u> | <u>\$ 5,649,364</u> |

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Year Ended December 31, | | |
|---|-------------------------|-------------|------------|
| | 2018 | 2017 | 2016 |
| Operating Activities | | | |
| Net income | \$ 342,660 | \$ 247,644 | \$ 246,939 |
| Adjustments to reconcile net income to cash provided by operating activities: | | | |
| Depreciation and amortization | 413,344 | 400,871 | 413,986 |
| Amortization of upfront incentive consideration | 77,622 | 67,411 | 55,724 |
| Stock-based compensation expense | 57,263 | 44,689 | 48,524 |
| Deferred income taxes | 43,099 | 48,760 | 48,454 |
| Allowance for doubtful accounts | 7,749 | 9,459 | 10,567 |
| Tax Receivable Agreement | 4,852 | (59,603) | — |
| Amortization of debt issuance costs | 3,981 | 5,923 | 9,611 |
| Joint venture equity income | (2,556) | (2,580) | (2,780) |
| (Income) loss from discontinued operations | (1,739) | 1,932 | (5,549) |
| Debt modification costs | 1,558 | 14,758 | — |
| Dividends received from joint venture investments | 1,411 | 1,088 | 640 |
| Loss on extinguishment of debt | 633 | 1,012 | 3,683 |
| Impairment and related charges | — | 81,112 | — |
| Litigation-related credits | — | — | (25,527) |
| Other | (2,349) | 13,284 | (5,426) |
| Changes in operating assets and liabilities: | | | |
| Accounts and other receivables | (45,586) | (108,596) | (12,949) |
| Prepaid expenses and other current assets | 14,362 | 109 | (11,809) |
| Capitalized implementation costs | (39,168) | (60,766) | (83,405) |
| Upfront incentive consideration | (88,735) | (94,296) | (70,702) |
| Other assets | (29,607) | (21,111) | (2,799) |
| Accounts payable and other accrued liabilities | (27,080) | 67,034 | 56,787 |
| Accrued compensation and related benefits | (15,044) | 6,038 | 2,768 |
| Deferred revenue including upfront solution fees | 8,127 | 13,861 | 22,663 |
| Cash provided by operating activities | 724,797 | 678,033 | 699,400 |
| Investing Activities | | | |
| Additions to property and equipment | (283,940) | (316,436) | (327,647) |
| Acquisitions, net of cash acquired | — | — | (164,120) |
| Proceeds from sale of marketable securities | — | — | 45,959 |
| Other investing activities | 8,681 | (1,089) | — |
| Cash used in investing activities | (275,259) | (317,525) | (445,808) |
| Financing Activities | | | |
| Cash dividends paid to common stockholders | (154,080) | (154,861) | (144,355) |
| Repurchase of common stock | (26,281) | (109,100) | (100,000) |
| Payments on Tax Receivable Agreement | (58,908) | (99,241) | — |
| Payments on borrowings from lenders | (47,310) | (1,880,506) | (999,868) |
| Debt issuance and modification costs | (1,567) | (19,052) | (11,377) |
| Net receipts on the settlement of equity-based awards | 2,040 | 12,647 | 27,344 |
| Proceeds of borrowings from lenders | — | 1,897,625 | 1,055,000 |
| Other financing activities | (20,400) | (4,292) | (16,769) |
| Cash used in financing activities | (306,506) | (356,780) | (190,025) |
| Cash Flows from Discontinued Operations | | | |
| Cash provided by (used in) operating activities | (1,895) | (4,848) | (19,478) |
| Cash provided by (used in) discontinued operations | (1,895) | (4,848) | (19,478) |
| Effect of exchange rate changes on cash and cash equivalents | 6,747 | (1,613) | (1,107) |
| Increase (decrease) in cash and cash equivalents | 147,884 | (2,733) | 42,982 |
| Cash and cash equivalents at beginning of period | 361,381 | 364,114 | 321,132 |
| Cash and cash equivalents at end of period | \$ 509,265 | \$ 361,381 | \$ 364,114 |
| Cash payments for income taxes | \$ 57,629 | \$ 40,211 | \$ 39,032 |
| Cash payments for interest | \$ 156,041 | \$ 149,572 | \$ 151,495 |
| Capitalized interest | \$ 8,823 | \$ 11,142 | \$ 13,887 |