

FY 2020 financial results

Highlights

Amadeus mitigates the impact of the COVID-19 pandemic and continues to invest for the future

Full year highlights (Twelve months ended December 31, 2020)

- Revenue contracted by 61.0%, to €2,174.0 million
- EBITDA¹ decreased by 89.8%, to €227.8 million
- Adjusted profit² declined by 123.9%, to a loss of €302.4 million
- In Distribution, our travel agency air bookings fell by 81.5%, to 107.6 million
- In IT Solutions, our passengers boarded declined 65.4%, to 690.6 million
- Free Cash Flow³ reduced by 152.6%, to a cash outflow of €541.9 million
- Revenue, EBITDA and Adjusted profit *underlying performance*⁴ (excluding cancellation and bad debt COVID-19 effects, cost reduction plan implementation costs and upfront financing fees related to new financings in 2020) were -52.8%, -74.9% and -103.9%, respectively
- Net financial debt⁵ was €3,073.9 million as of December 31, 2020 and liquidity available⁶ was circa €3.5 billion.

Luis Maroto, President & CEO of Amadeus, commented:

“Despite a slight improvement in air traffic in the last quarter of the year, travel remained depressed in 2020 due to the COVID-19 pandemic. As such, the year finished with global air traffic declining by -65.9%⁷ compared to 2019. The situation still remains fluid.”

“As we continue to monitor the situation closely, we have progressed in our efficiency and future-proofing projects. During 2020, we carried out cost-saving measures that allowed us to save more than €500 million. We closed the year with €3.5 billion in liquidity thanks to the different initiatives we took in that area. This, along with our digital and customer-service transformation measures and our move to the cloud, will help us navigate these challenging times and come out of them stronger and even more competitive.”

¹ Adjusted to exclude costs related to the implementation of the cost savings program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €93.4 million and €169.1 million in the fourth quarter and the full year 2020, respectively (€66.4 million and €120.9 million in the fourth quarter and the full year 2019, respectively, post-tax).

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), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.

³ Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

⁴ Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020. Adjusted profit based on the definition provided in footnote 2 above.

⁵ Based on our credit facility agreements' definition.

⁶ Composed of cash (€1,555.1 million), short-term investments (€900.5 million) and an undrawn revolving credit facility (€1,000 million).

⁷ Source: IATA Air Passenger Market Analysis of September, October, November and December. Quarterly air traffic contraction is calculated as the average of the reported IATA monthly growth rates.

“Despite the shock to travel last year, many of our customers continued to invest in technology for future growth. We signed new NDC contracts while agreeing important deals in our IT Solutions segments and expanding our content agreements. In Hospitality and Airports, we saw increasing interest from our customers in our business intelligence and self-service solutions. We remain optimistic about the future of travel and are confident that once movement restrictions are lifted, travel will resume, and the industry will flourish once more”.

Liquidity enhancement and plans to strengthen Amadeus for the future

We remain focused on securing our business and preparing it for the future. With this in mind, we took several measures throughout 2020 to reinforce our financial situation. As of December 31, liquidity available to Amadeus amounted to c.€3.5 billion, represented by cash (€1,555.1 million), short term investments (€900.5 million) and an undrawn revolving credit facility (€1,000 million).

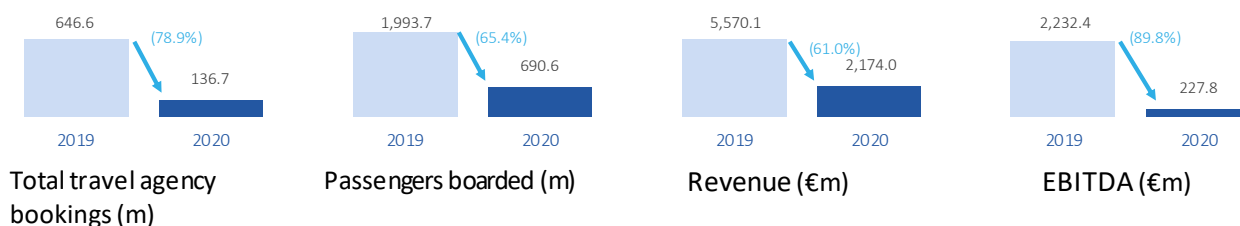
Amadeus has been able to refinance its commercial paper maturities during the second, third and fourth quarters of 2020. However, with the aim to extend the duration of our debt, we issued a €500 million Floating Rate Note on February 2, 2021. This new financing instrument will gradually replace our Commercial Paper maturities.

Furthermore, in March 2020 Amadeus announced an initial set of measures to reduce costs, followed by a plan of actions in July 2020 to strengthen our capabilities for the future, to improve the way we operate, the way we serve our customers and to enhance innovation. As a result, in the fourth quarter, we achieved a fixed cost reduction (excluding bad debt) relative to 2019 of €195.8 million, totalling €506.1 million for the full year period. In 2021, we aim to maintain this fixed cost reduction and to achieve approximately an additional €50 million fixed cost reduction versus 2020.

The implementation of the operational programs together with the workforce reduction will generate associated implementation costs of broadly €200 million.

In February 2021, we announced a global strategic partnership with Microsoft that will harness cloud technology to innovate and explore new products and solutions. As part of the agreement, we will accelerate the move of our technical platform to the public cloud, with Microsoft becoming Amadeus' preferred cloud provider. By moving to the public cloud, we will achieve increased flexibility to scale our operational capacity up or down or to adjust it as needed given market and demand conditions.

Operating and financial highlights (twelve months ended December 31, 2020)



Business evolution in the year

Distribution

In the fourth quarter of 2020, Distribution revenue declined by 77.9%, driving the full year revenue contraction to 77.1%. This was the result of declining booking volumes from February onwards due to the COVID-19 pandemic.

In the last quarter, Amadeus' travel agency air bookings contracted by 79.4%, an improvement from the 89.8% air booking decline we saw in the third quarter, on the back of enhanced gross booking growth rates and a continued slowdown in the level of cancellations. For the full year, Amadeus travel agency air bookings fell by 81.5%. Amadeus' non air bookings decreased by 68.0% in the fourth quarter, or by 56.0% in the full-year period.

Amadeus TA air bookings Change vs. same period of 2019	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Full year 2020
Western Europe	(118.1%)	(95.3%)	(87.3%)	(84.7%)
North America	(115.0%)	(83.4%)	(72.5%)	(77.8%)
Middle East and Africa	(106.6%)	(84.5%)	(67.8%)	(74.6%)
Central, Eastern & Southern Europe	(106.0%)	(78.0%)	(71.5%)	(72.8%)
Asia-Pacific	(110.5%)	(96.7%)	(89.1%)	(90.4%)
Latin America	(112.8%)	(89.9%)	(68.7%)	(77.0%)
Amadeus TA air bookings	(113.2%)	(89.8%)	(79.4%)	(81.5%)

The continued broadening and enhancement of our content offering for our customers remains one of our priorities. During 2020, we signed 67 new contracts or renewals of distribution agreements with airlines, including Air New Zealand, Fiji Airways, Frontier Airlines and Icelandair.

We made steady progress on our NDC strategy despite the challenges posed by the COVID-19 pandemic. American Airlines implemented Amadeus Ancillary Services via NDC and renewed its content agreement, which now also includes NDC content globally. In September, we announced a strategic and innovative NDC distribution agreement with Air France-KLM Group thanks to which the group's NDC offers will be made available for travel agents through the

Amadeus Travel Platform. Finally, in December, we announced that Singapore Airlines will start offering its NDC content through Amadeus from January 2021.

In February 2021, we expanded our partnership with China's Fliggy, Alibaba's online travel platform. Fliggy, has been working with Amadeus since 2015 and has now contracted Amadeus MetaConnect. Through this solution, Fliggy will be able to better aggregate and normalize travel content from multiple sources, enabling more customized products and services to Chinese travelers globally.

Our customer base for Amadeus merchandizing solutions for the travel agency channel also continued to expand. At the close of the year, 116 airlines had signed up for Amadeus Fare Families and 173 airlines had contracted Amadeus Airline Ancillary Services.

IT Solutions

In the fourth quarter, IT Solutions revenue decreased by 48.5%. Contraction in the full year was 40.2%. The full year revenue decline was mainly driven by the low airline passengers boarded volumes as a result of the pandemic, coupled with a contraction in revenue from our new businesses, albeit at a softer rate than airline passengers boarded (as subscription or license-based revenues are less impacted by the pandemic).

IT Solutions – Airline IT

In the fourth quarter, Amadeus passengers boarded decreased by 72.4% to 137.4 million. This performance represented an improvement from the third quarter of the year, supported by better figures in all regions, except Europe, where the resurgence of the virus and the associated restrictions on mobility impacted travel volumes. For the full year, Amadeus passengers boarded declined by 65.4%.

Amadeus passengers boarded volumes in 2020 included those of customers implemented in 2019, such as Philippine Airlines, Bangkok Airways, Air Canada, Air Europa and FlyOne, and in 2020, such as Azerbaijan Airlines, Mauritania Airlines, STARLUX Airlines, Air Tahiti, JSX, TAAG Angola and Air Senegal. These customer implementations, pre-COVID-19, would have added approximately 114 million passengers boarded annually. On the other hand, the volumes were also impacted by airline customers ceasing or suspending operations in 2019, such as Germania and bmi Regional, Avianca Brasil, Avianca Argentina, and Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France, and in 2020, such as Flybe and Tiger Airways Australia. Pre-pandemic, these accounted for approximately 46 million passengers boarded annually.

Passengers Boarded Change vs. same period of 2019	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Full year 2020
Asia-Pacific	(94.0%)	(83.3%)	(75.3%)	(68.4%)
Western Europe	(97.2%)	(75.7%)	(83.1%)	(71.6%)
North America	(85.8%)	(58.9%)	(58.0%)	(50.2%)
Middle East and Africa	(96.0%)	(85.0%)	(72.4%)	(67.4%)
Latin America	(93.1%)	(77.2%)	(48.2%)	(57.4%)
Central, Eastern & Southern Europe	(90.9%)	(53.1%)	(62.4%)	(56.1%)
Amadeus Passengers Boarded	(93.9%)	(74.9%)	(72.4%)	(65.4%)

At the close of 2020, 206 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 195 customers had implemented either of them.

Among the deals of the year, we announced a 40 million passengers boarded contracted Altéa PSS. Air Burkina contracted Altéa Reservations, Inventory, Departure Control System-Flight Management, Loyalty and Revenue Integrity solutions. Air Senegal, who had recently contracted for the Altéa PSS suite, went through with its implementation. At the beginning of 2021, Uganda Airlines, the national flag carrier of Uganda, also signed for the Altéa Suite, Amadeus Revenue Accounting and Amadeus Flex Pricer, and plans to implement them during 2021. The carrier, which started operations in August 2019, is expected to launch regional operations to Harare, Johannesburg, Kinshasa, and Lusaka, as well as international routes to the United Arab Emirates, China and the United Kingdom.

We also had an important deal with Jeju Air, the first and largest South Korean low-cost airline, which signed up for New Skies PSS. Etihad Airways contracted Altéa Departure Control System Flight Management. Mauritania Airlines, Air Tahiti, Azerbaijan Airlines, TAAG Angola, Air Senegal and STARLUX Airlines completed their migration to the Altéa platform, while JSX was implemented to New Skies.

Alaska Airlines became the first airline in the world to implement Amadeus Revenue Management as a non-Altéa passenger service system carrier. Additionally, Alaska Airlines is among the first airlines in the world to benefit from a new revenue forecast model created by Amadeus - Active Forecast Adjustment (AFA). The model helps airlines adapt their revenue management systems to fluctuating air travel demand as it adjusts forecasts across all departure dates based on the latest live sales data.

We remained active on our upselling efforts during 2020. In April, All Nippon Airways (ANA) announced that it had implemented Amadeus Airline Cloud Availability. 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.

In August, we signed an agreement with Turkish Airlines to improve their digital shopping experience. The airline, an Amadeus Flex Pricer customer, has signed for additional shopping solutions from Amadeus' Offer Suite, including Amadeus Massive and Instant Search and Amadeus Ticket Changer Reissue, Shopper and Refund. In December, Gulf Air contracted for Amadeus Rich Merchandising. Qantas successfully implemented Personalized Merchandizing and Personalized Servicing as part of its implementation of Amadeus Customer Experience Management.

Hospitality

We continued to expand our portfolio of customers for our Hospitality solutions, while also expanding the collaboration with existing ones. In November, we signed an agreement with Meeting Point Hotels, which is part of the FTI Group, to adopt the new Amadeus Integrated Booking Suite, which includes Amadeus' iHotelier Central Reservations System, Guest Management Solutions and Web.

We also expanded our strategic partnership with Accor hoteliers to include the use of Demand360. With this new agreement, Accor will recommend Demand360 for use in its properties and work with Amadeus to increase adoption across the organization's brand portfolio, which includes more than 5,000 hotels and 39 brands across 110 countries.

In October, we renewed and expanded our business intelligence partnership with Hilton. The hotel chain will continue to recommend Amadeus Demand360, Rate360 and Agency360 to its properties. Also, as part of the new deal, Demand360 will be the exclusive provider of forward-looking data integrated into the Hilton Revenue Management System (GRO). Finally, the hotel chain will encourage hotels in their portfolio to use Amadeus GDS Advertising services.

In December 2020, we renewed our partnership with InterContinental Hotels Group. IHG will continue using Hotelligence360 Business Intelligence solutions and will extend the recommendation for hotels to use Demand360, Agency360 and RevenueStrategy360.

In December, we partnered with Booking.com and Conferma Pay to allow business travelers to simplify the checkout payment process. Thanks to this alliance, when business travel is arranged through Amadeus Hotel Billback solutions, the business travelers will not have to pay with their credit card. Conferma Pay automatically generates a virtual card number, which Booking.com then sends on to the property. At checkout, the property charges the booking to the virtual card, and the booking and payment data are then reconciled. Amadeus facilitates and enables the communication between Conferma Pay and Booking.com. The number of Booking.com properties available to be paid following this procedure has increased from 20% to 80%.

New Businesses – Airport IT

We had several contract wins in our Airport IT business during 2020, particularly related to touchless technology, which is helping our airport customers adapt to the new social distancing rules. Fort Lauderdale-Hollywood International Airport, a customer of our airportsuite, contracted for Amadeus Biometric Boarding.

In July, we announced that Avinor, the firm operating Norway's 44 state-owned airports, contracted touchless check-in and bag drop technology from the ICM Amadeus portfolio for several of its properties.

Stuttgart Airport completed a successful migration to the Amadeus Airport Cloud Use Service (ACUS) platform, at more than 200 check-in counters and self-boarding gates, as well as the installation of 30 Amadeus self-service check-in kiosks, for a smoother check-in experience. The airport has also adopted Amadeus' technology for payments.

Salt Lake City Airport chose Amadeus to help it manage the current flow of traffic at its extended facilities, while also adapting to future demand. The airport contracted Airport Operational Database, Resource Management System, Flight Information Display System, EASE Common Use check-in boarding and Self-Service Kiosks.

New Businesses – Payments

In December, we announced a new currency conversion module, the first of the solutions from a suite of new foreign exchange (FX) services called 'FX Box'. The solution allows travel agencies and airlines to offer customers the possibility to see ticket prices in the currency of their choice. For many travel companies today, currency conversion is handled by third parties in the payment chain. By re-engineering the way payments are presented and managed from authorization to settlement, FX Box can help to empower travel suppliers to internalize the proceeds of a cross-currency payment and generate significant savings. Amadeus is currently working to add more foreign exchange providers so that travel companies can select their preferred partner, with Citibank being the first available on the platform.

Other

In November, it was announced that for the ninth consecutive year Amadeus IT Group, S.A. had been selected as an index component of the Dow Jones Sustainability Europe and World Indices. Our long-term continuity in the index is proof of Amadeus commitment to ESG.

During 2020, we made some changes to our Executive Committee. In September, we announced the appointment of Mr. Till Streichert as new Chief Financial Officer (CFO), replacing Ana de Pro, who after a decade with Amadeus will be focusing now on Board and Audit Committee positions as a non-executive director, including in the not-for-profit sector. In December Mr.

Stefan Ropers, Senior Vice-President Strategic Growth Business, took up a new role outside of Amadeus and Ms. Julia Sattel, Senior Vice-President Airline IT, after a 25-year career in the Company, left Amadeus to continue focusing on activities related to the tourism industry. The functions of both executives have been assumed by the other members of the Executive Committee.

Summary of operating and financial information

Summary of KPI (€millions)	Full year 2020	Full year 2019	Change	Underlying financial performance ¹
Operating KPI				
TA air bookings (m)	107.6	580.4	(81.5%)	
Non air bookings (m)	29.1	66.2	(56.0%)	
Total bookings (m)	136.7	646.6	(78.9%)	
Passengers boarded (m)	690.6	1,993.7	(65.4%)	
Financial results²				
Distribution revenue	715.6	3,130.6	(77.1%)	(62.6%)
IT Solutions revenue	1,458.4	2,439.5	(40.2%)	(40.2%)
Revenue	2,174.0	5,570.1	(61.0%)	(52.8%)
EBITDA	227.8	2,232.4	(89.8%)	(74.9%)
Profit (Loss) for the period	(505.3)	1,113.2	(145.4%)	(113.1%)
Adjusted profit ³	(302.4)	1,263.1	(123.9%)	(103.9%)
Adjusted EPS (euros) ⁴	(0.68)	2.93	(123.1%)	(103.7%)
Cash flow				
Capital expenditure	501.5	736.1	(31.9%)	
Free cash flow ⁵	(541.9)	1,030.4	(152.6%)	
Indebtedness⁶				
	Dec 31, 2020	Dec 31, 2019	Change	
Net financial debt	3,073.9	2,758.4	315.5	

¹ Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020.

² 2020 figures adjusted to exclude costs amounting to €169.1 million (€120.9 million post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.

³ Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.

⁴ EPS corresponding to the Adjusted profit attributable to the parent company.

⁵ Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

⁶ Based on our credit facility agreements' definition.

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 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. The company is also part of the EuroStoxx50 and has been recognized by the Dow Jones Sustainability Index for the last eight years.

To find out more about Amadeus, visit www.amadeus.com.

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