

From: Boyle, Chris
Sent: Wed, 16 May 2018 19:58:48 -0500 (CDT)
To: Menke, Sean[Sean.Menke@sabre.com]; Shirk, Dave[Dave.Shirk@sabre.com]
Cc: Simonson, Rick (Rick.Simonson@sabre.com)[Rick.Simonson@sabre.com]
Subject: RE: how is it going?

Sean,

A good dinner with Jim, Tim and Theo. Jim volunteered that they are not having these conversations with anyone else. That they would expect to have an in person session to go over the materials that they send to us, though could still be two weeks out. And that they are frustrated by their own process to get ready.....though I think that they are being advised that they need to be prepared to pivot and they could also be looking for some commercial deals to get in place as they look to support a price. But we are keeping up the candid dialogue and Dave Shirk and Moore were able to give them the view that a) this is a good time to join and there is great opportunity with how the team is looking at things, and b) we are going to do stuff here whether with or without them but we see an exciting opportunity with them.

One other salient takeaway is that as we consider which FLX products to value, they fundamentally see Availability and Schedule Builder to be connected to the expanded view of the Offer, e.g., an airline would not show Tuesday morning flights to an OTA shop request but would hold those for the corp travel booking. So it is worth thinking about how they help us reimagine those core products.

We recognize the putting the right team together to do further evaluation and integration planning is critically important.
Thanks,
Chris

From: Boyle, Chris
Sent: Wednesday, May 16, 2018 4:38 PM
To: Menke, Sean <Sean.Menke@sabre.com>; Shirk, Dave <Dave.Shirk@sabre.com>
Subject: RE: how is it going?

You mean their PE owner, Sandler, I presume.....the problem is that the guy, Mike Marocco, is the one who says that we should take number of segments/trips in GDS and add \$0.50 each and that is the value creation and that they should get some of that. They also generally believe that we can raise prices on their products. I do believe that they are preparing their book to go into a wide process (including PE buyers) if we don't meet their price expectations. I think that the numbers will show value of say \$150 and then we can think about synergy value that gets more and maybe even an earn-out that could be of size (though definitely can be complicated and tend to get paid no matter, but benefit of using as retention too). So I we get their deck and then prepare an offer and go for in person dialogue with Jim with price and explicitly how we got to it, i.e., give him argument why it is fair and good, and even be open to getting negotiated up some but at least start with a lower number and have our own reservation price set. To me that looks like following:

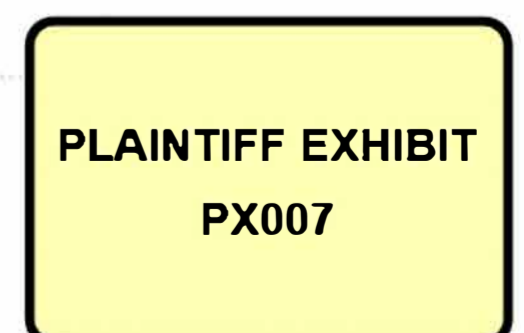
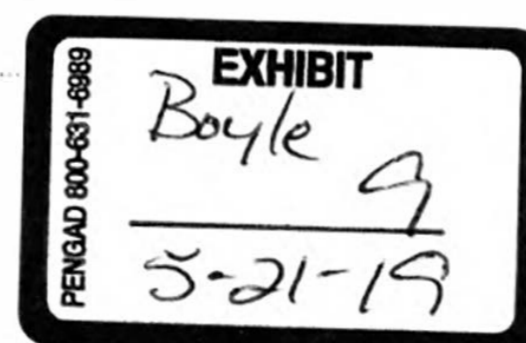
1. Stand-alone value that a PE buyer would pay
2. Our view on synergy and sharing it
3. Possibly our view on an earn-out assuming that the forecast will be big growth despite low historical growth

I don't want them to go into a full process, but if we see numbers and are convinced that they can't get a price they expect, then we may need the market to tell them that. But I think that a candid dialogue with Jim once we have their numbers will give him the opportunity to tell us what he thinks it will take and then we try to solve.

Worth thinking on this more. I will try to get Jim to tell me the expected number or more on their financials even before we get their materials and will use our next week Board meeting as a catalyst.

Chris

From: Menke, Sean
Sent: Wednesday, May 16, 2018 3:48 PM



SABR-000135734

To: Shirk, Dave <Dave.Shirk@sabre.com>
Cc: Boyle, Chris <Chris.Boyle@sabre.com>
Subject: Re: how is it going?

Chris, thoughts on how we get PE to play their hand.

Sean

Sent from my iPhone

On May 16, 2018, at 3:33 PM, Shirk, Dave <Dave.Shirk@sabre.com> wrote:

Discussions going well. Tough timing still for their book. Probably June 1. Heading to dinner. Think they want to do something but feels like investors are pulling strings to look for price so feels like could be tough one. But thinking is well aligned to a bigger story and vision.

-Dave

From: Menke, Sean
Sent: Wednesday, May 16, 2018 4:17:41 PM
To: Shirk, Dave; Boyle, Chris
Subject: how is it going?