



From: Unspecified Sender
Sent: Friday, October 19, 2018 2:01 PM
To: Narasimhan, Sundar <Sundar.Narasimhan@sabre.com>; Celis, Rodrigo <Rodrigo.Celis@sabre.com>; Morgan, Kathy <Kathy.Morgan@sabre.com>; Guduru, Ravi <Ravi.Guduru@sabre.com>; Stepp, Brandon <Brandon.Stepp@sabre.com>; Thomas, Robbie <Robbie.Thomas@sabre.com>
Cc: Sievert, Barry <Barry.Sievert@sabre.com>
Subject: FW: AMS- Travelclick slides
Attach: acquisition-of-travelclick-relevant-fact.pdf; NDC+ Sabre Marketecture_1S + FL_v3.pptx; Marlins to NGRD Strategy v2.pptx; Marlins Deal Recommendation Summary 7.23.18 vF.pptx

Barry needs some help in developing pages for the deal announcement that will go with earnings. He attached info shared by Amadeus re: Travelclick, and especially pg 8 has a compelling view of the suite / platform.

Also attached are some things that we have already produced, which may help to start from or instigate thoughts:

From: Sievert, Barry
Sent: Friday, October 19, 2018 1:42 PM
To: Boyle, Chris <Chris.Boyle@sabre.com>
Subject: AMS- Travelclick slides

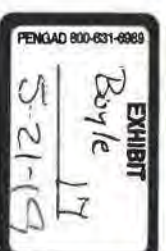
Here are the slides I was referencing from AMS-Travelclick.

XXXXXXXXXXXXXXXXXXXX

Barry Sievert
Senior Vice President
Corporate Communications
& Investor Relations
Phone: 682.605.0214

Passion | Partnership | Curiosity | Rigor | Transparency | Accountability

[Sabre.com](#) / [Blog](#) / [Twitter](#) / [Facebook](#) / [LinkedIn](#) / [YouTube](#)



SABR-000008640

AMADEUS

AMADEUS IT GROUP, S.A. - Amadeus of the Company - (in accordance with the provisions of Article 228 of Restated Text of the Securities Exchange Act (Ley del Mercado de Valores) by this letter communicates the following

RELEVANT INFORMATION

Acquisition of Project Dwight Ultimate Parent Corporation and its group of companies (TravelClick)

Following relevant fact of August 1, 2018 (CNMV registered number 268725), Amadeus IT Group, S.A. today announced that it is to acquire from Thoma Bravo (a private equity investment firm), through its indirect US subsidiary Amadeus Americas Inc., and subject to regulatory approval, Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"), for US\$ 1.52 billion.

TravelClick, which is headquartered in New York City, is a leading global hospitality provider that serves more than 25,000 customers across 176 countries. It provides innovative cloud-based solutions, including an independent and mid-size hotel Central Reservation System (CRS) and Guest Management Solution (GMS), as well as business intelligence and media solutions.

The addition of TravelClick's solutions to the Amadeus portfolio will create a hospitality IT leader providing a broad range of innovative technology to hotels and chains of all sizes across the globe.

As part of the acquisition, approximately 1,100 TravelClick employees are expected to join Amadeus.

Amadeus expects to complete the transaction in the fourth quarter of 2018.

To partially finance this transaction, Amadeus has signed a €1,000 million Facility Agreement with several banking entities for bridge financing with maturity in twelve months plus optional extension of six months, with the aim of refinancing it short term in the Bond market.

We are pleased to inform you that our President and CEO, Luis Maroto, our CFO, Ana de Pro and our Senior Vice-President Strategic Growth Businesses, Francisco Pérez-Lozano at Amadeus, will hold a conference call to provide an overview of the transaction

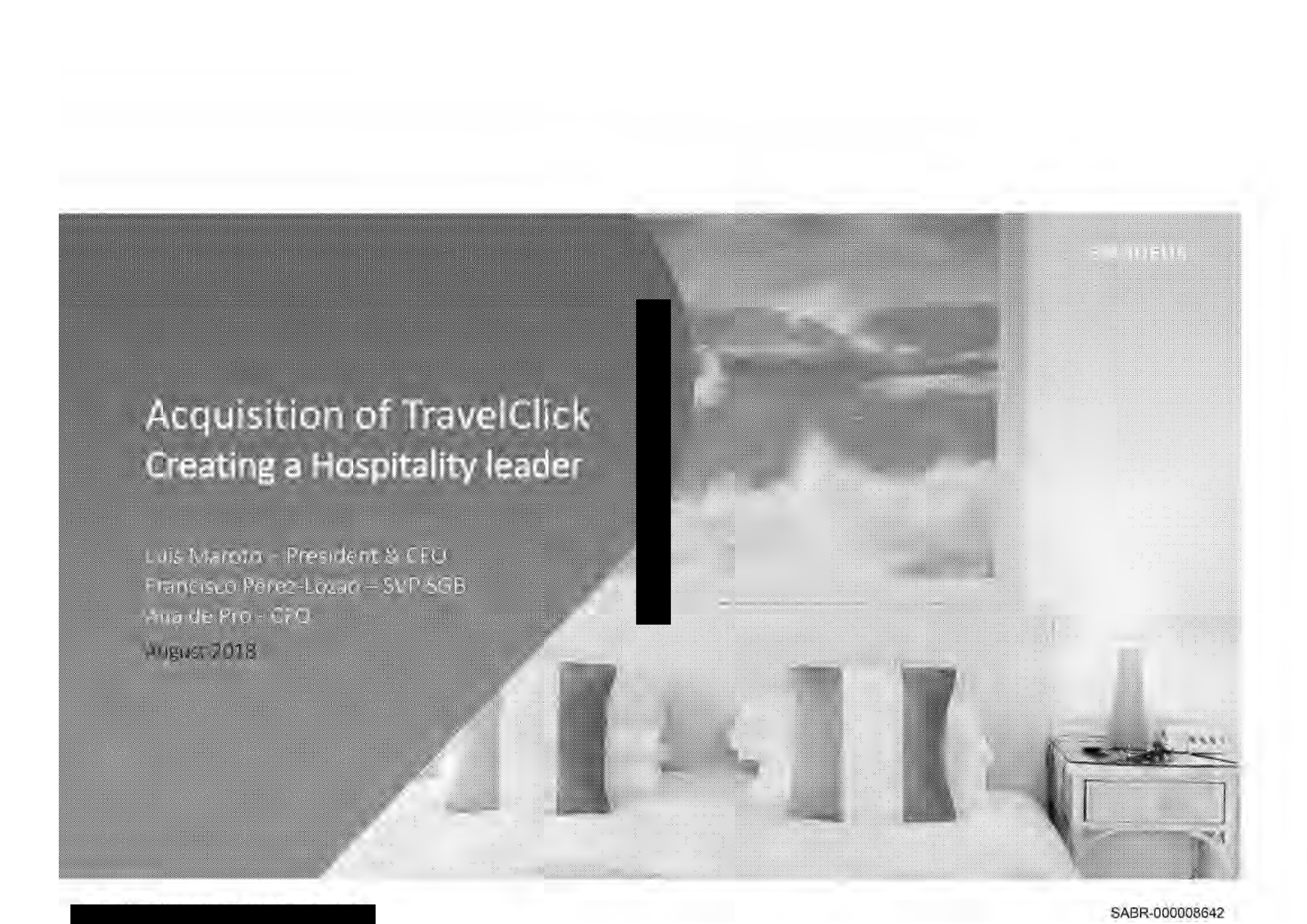
The conference call will take place on August 13, 2018, at 10:00 a.m. CET. If you wish to join this event, please register at the following website, where you will find full details:

<https://event.on24.com/woef/1812301-1/69f55f88fE558988C0E6F073A2E432DB7/partnererefrss-events>

(Presentation attached)

Madrid, 10 August 2018

Amadeus IT Group, S.A.



Acquisition of TravelClick Creating a Hospitality leader

Luis Maroto - President & CEO

Francisco Pérez-López - SVP SGB

Ángel de Pro - CFO

August 2018

Disclaimer

This presentation may contain certain statements which are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth. Any forward-looking statements in this presentation are based upon information available to Amadeus on the date of this presentation. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Amadeus undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.

This presentation has to be accompanied by a verbal explanation. A simple reading of this presentation without the appropriate verbal explanation could give rise to a partial or incorrect understanding.

Amadeus announces an acquisition
in Hospitality

TravelClick

Transaction overview

Founded in 1985 and based in New York, TravelClick is a **global hospitality solutions provider**.

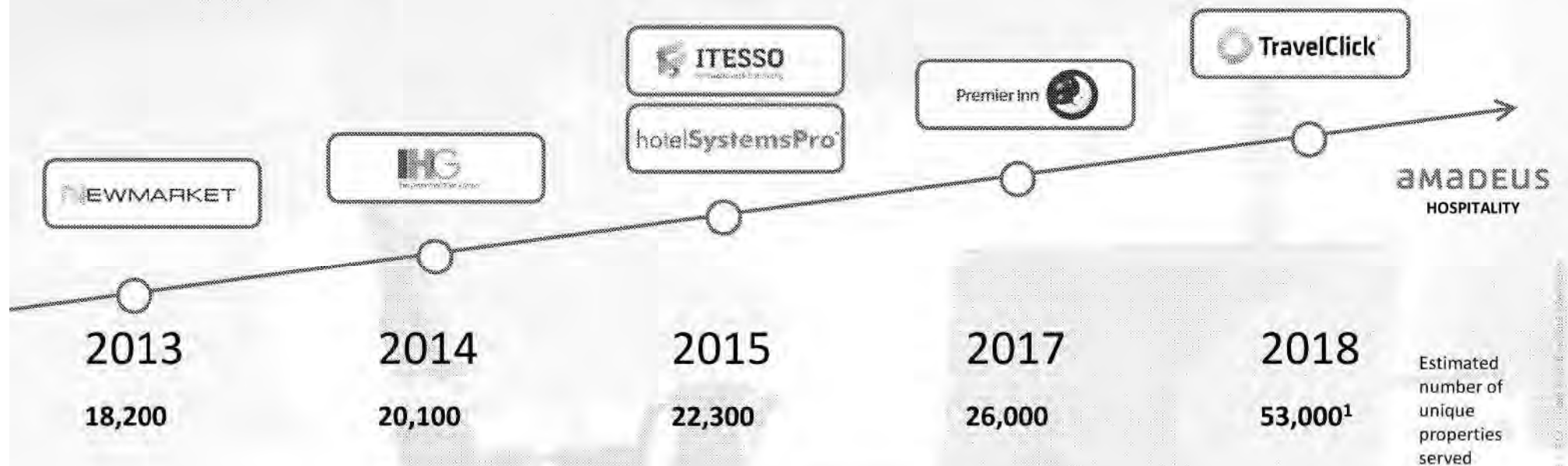
- ✓ 2017 Revenue: \$373m
- ✓ 2017 EBITDA¹: \$86m

Key terms

- ✓ Amadeus has agreed to acquire 100% of TravelClick, for \$1,520 million.
- ✓ 100% debt-financed.
- ✓ Immediately accretive transaction.
- ✓ Transaction subject to customary regulatory approvals with expected closing in Q4 2018.

Amadeus Hospitality strategy

In a journey to become the end-to-end IT solutions provider of reference to the hospitality industry



1. Includes 28,000 estimated unique properties served by Amadeus Hospitality and 25,000 by TravelClick (directly contracted properties, defined by TravelClick as properties to which TravelClick sells one or more services and with whom TravelClick has a direct relationship). There is customer overlap, which has not yet been quantified, so this figure may be revised. The customer overlap is limited and when there is overlap, the services provided by Amadeus and TravelClick are different.

Transaction rationale



Accelerates Amadeus Hospitality strategy

- ✓ Today, Amadeus mainly addresses the higher end of the market with an offer based on Central Reservations System (CRS), Property Management System (PMS), Sales & Catering (S&C), Service Optimization (SO) and Payments.
- ✓ TravelClick brings a complementary hospitality solutions portfolio: including a CRS and Guest Management Solutions (GMS) for the independent/mid-chain hotel segment, a leading, very modern hotel Business Intelligence (BI) platform and media solutions¹.
- ✓ TravelClick also brings brand recognition, a broad customer base and customer knowledge, as well as a strong team of experts in the hospitality industry.

Mid-term potential pivots around synergies from product and segment expansion

- ✓ Cross-sell Amadeus PMS, S&C, SO and Payments to TravelClick customers.
- ✓ Cross-sell TravelClick's solutions to Amadeus Hospitality customer base.
- ✓ Benefits from becoming an integrated provider for a variety of solutions to various customer segments.

Creates a leading hospitality solutions provider – serving c.53,000² properties – positioned to serve the full spectrum of the market with a segmented offer.

¹ See Appendix for details.

² Includes 28,000 estimated unique properties served by Amadeus Hospitality and 25,000 by TravelClick (*directly contracted properties*, defined by TravelClick as properties to which TravelClick sells one or more services and with whom TravelClick has a direct relationship). There is customer overlap, which has not yet been quantified, so this figure may be revised. The customer overlap is limited and when there is overlap, the services provided by Amadeus and TravelClick are different.

TravelClick highlights



Seamlessly integrated portfolio of cloud-based SaaS solutions: CRS, GMS, BI and media solutions.



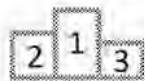
Global footprint with presence in over 176 countries - 1,100 employees, including team of sellers and account managers of 280.



Strong team of experts in hospitality.

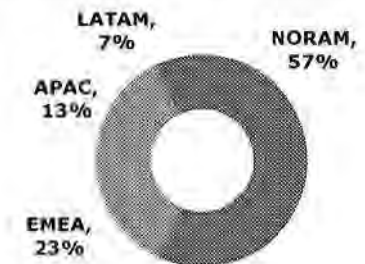


Sizeable customer base serving c.25k properties⁽¹⁾ with customer relationships across segments from independent, mid-sized chains to top-end hotel groups.



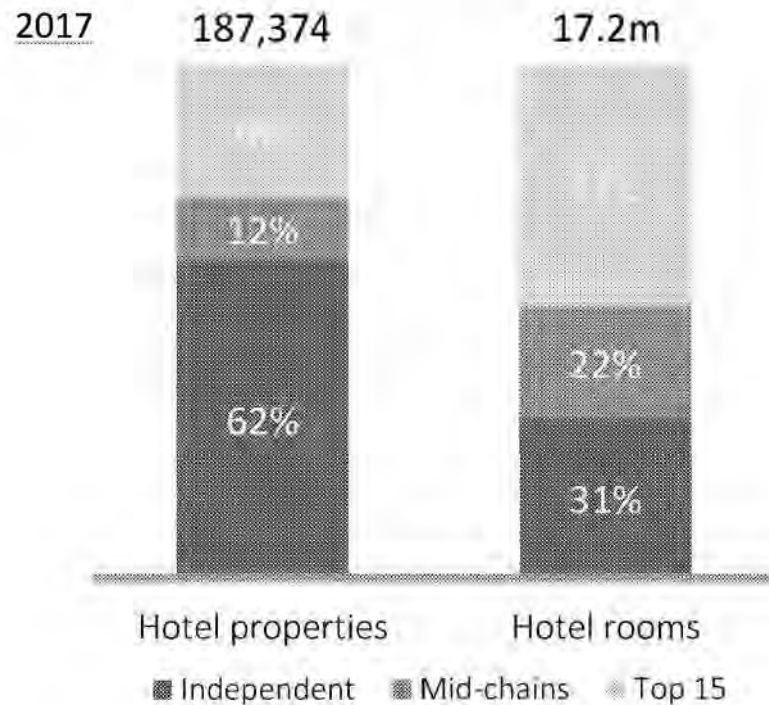
Competitive landscape including Oracle, Sabre and regional players.

Revenue split by geography



¹ Directly contracted properties, defined by TravelClick as properties to which TravelClick sells one or more services and with whom TravelClick has a direct relationship.

The Hospitality industry



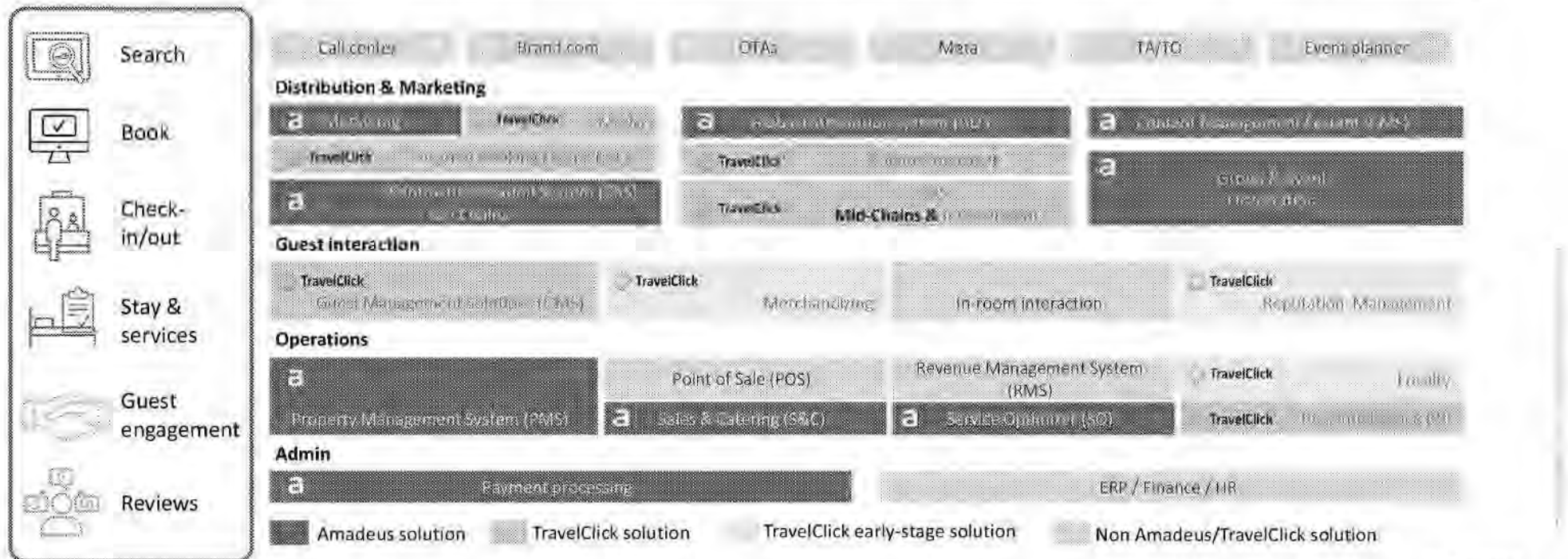
- ✓ Through TravelClick, we acquire an immediate positioning in the independent segment and enhance our capabilities to grow in the middle chain segment.
- ✓ The middle chain and independent hotel segments together account for 74% and 53% of the addressable market by number of properties or number of rooms, respectively.

Sources: STR, Oliver Wyman and other third party research, as well as Amadeus internal estimates. Properties with more than 20 rooms in U.S. and 10 rooms in RoW.

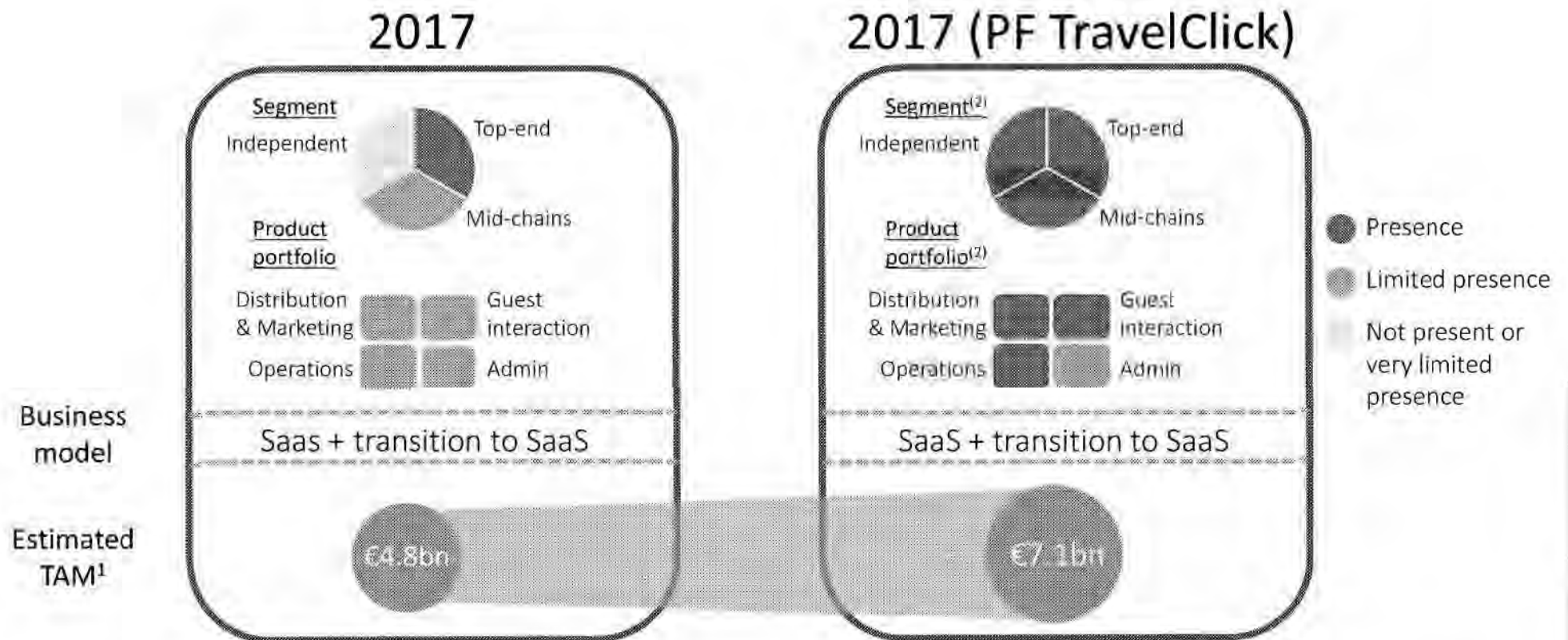
Amadeus Hospitality platform strategy

Fragmentation of technology creates an opportunity for an IT platform strategy. Our objective is to address the different needs of the various customer segments

- ✓ Single-instance, seamlessly integrated cloud platform, data and process consistency
- ✓ Microservices and guest-centric architecture
- ✓ Large chain customers to “pick and choose” capabilities *à la carte*
- ✓ Ind./Mid-chain “One-stop shop” value creation: integrated offering vs. customers sourcing from multiple providers



Amadeus Hospitality addressable market opportunity



¹ Target-Addressable Market calculated based on third party research and internal estimates.
² The segment presence and the product portfolio presence to be viewed independently from each other.

Amadeus Hospitality recap and outlook

Plan to integrate
TravelClick into Amadeus
Hospitality

Accelerate Amadeus
Hospitality strategy

Revenue
synergies from
new customer
segments and
product
categories

TravelClick low
double-digit EBITDA
2013-17 CAGR

We expect Amadeus
Hospitality to continue to
support NBU double-digit
growth rates in the mid-
term

Valuation and proforma combined P&L

TravelClick Valuation

- ✓ Enterprise value of \$1,520 million
- ✓ Valuation multiples
 - 23.6x 2017 FCF
 - 17.6x 2017 EBITDA

PF combined P&L	amadeus H1 2018 LTM ³	TravelClick 2017	amadeus + TravelClick ⁴
Revenue	€4,739m	\$373m	€5,059m
EBITDA	€1,942m	\$86m ²	€2,016m
EBITDA margin	41%	23%	40%
Adjusted EPS ³	2.64		2.71

1. FCF - Free Cash Flow defined as EBITDA less Capex.
2. Amadeus' estimate of TravelClick recurring EBITDA. TravelClick figures may vary as we undertake a PPA exercise and as they are transitioned from US GAAP to IFRS accounting.
3. Amadeus H1 2018 LTM figures, calculated based on Amadeus 2017 restated figures.
4. Translated to Euro using a USD/€ exchange rate of 1.1658 (source: ECB June 30, 2018).

Financing and leverage

- ✓ **100% debt-financed transaction.**
- ✓ Amadeus' acquisition of TravelClick will result in proforma leverage for Amadeus of 1.7x H1 2018 LTM EBITDA¹.
- ✓ Amadeus expects to be close to or within its targeted leverage range of 1.0x-1.5x by the end of the year.

Financials	Amadeus H1 2018 ¹	TravelClick Acquisition	Proforma combined ³
EBITDA	€1,942m	\$86m ²	€2,016m
Net debt	€2,129m	\$1,520m	€3,432m
Net debt / EBITDA	1.1x		1.7x

1. Amadeus H1 2018 LTM figures, calculated based on Amadeus 2017 restated figures.

2. Amadeus' estimate of TravelClick estimated recurring EBITDA. TravelClick figures may vary as we undertake a PPA exercise and as they are transitioned from US GAAP to IFRS accounting.

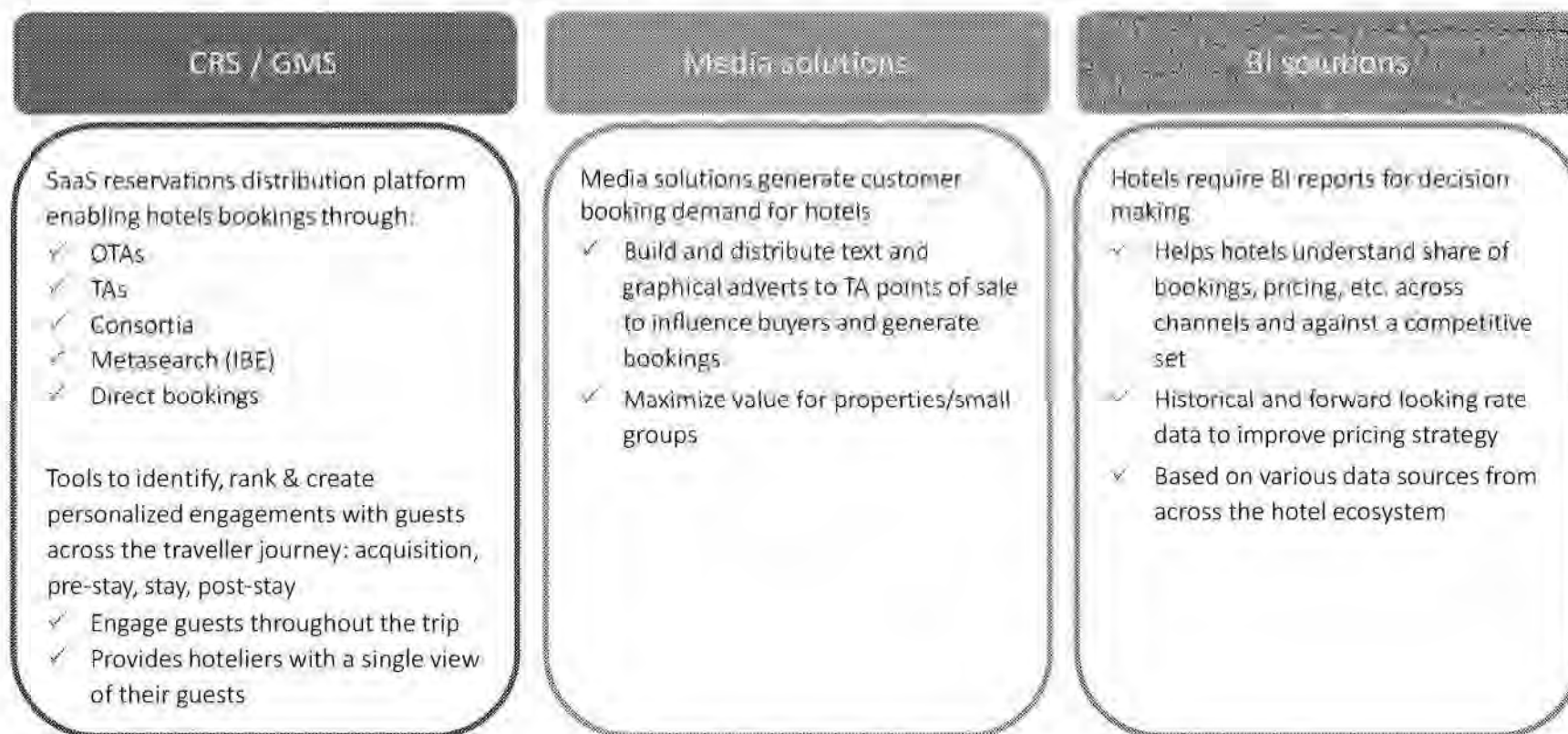
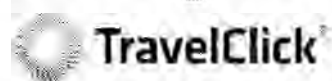
3. Translated to Euro using a USD/€ exchange rate of 1.1658 (source: ECB June 30, 2018).

amadeus 

Appendix



TravelClick offers a wide range of Hospitality solutions



Glossary

- BI: Business Intelligence
- CAGR: Compound Annual Growth Rate
- CMS: Content Management System
- CRS: Central Reservation System
- ECB: European Central Bank
- ERP: Enterprise Resource Planning
- GAAP: Generally Accepted Accounting Principles
- GDS: Global Distribution System
- GMS: Guest Management Solutions
- HR: Human Resources
- IBE: Internet Booking Engine
- IFRS: International Financial Reporting Standards
- Ind./Mid Chain: Independents – Mid-sized chains
- Meta: Metasearch engine
- NBU: New Business Units
- OTA: Online Travel Agency
- POS: Point Of Sale
- PMS: Property Management Solutions
- RMS: Revenue Management System
- S&C: Sales and Catering
- SaaS: Software as a service
- SGB: Strategic Growth Businesses
- SO: Service Optimization
- TA/TO: Travel agent / Tour operator



Thank you!

Building.com
by Amazon.com

Presented by
Amazon Web Services



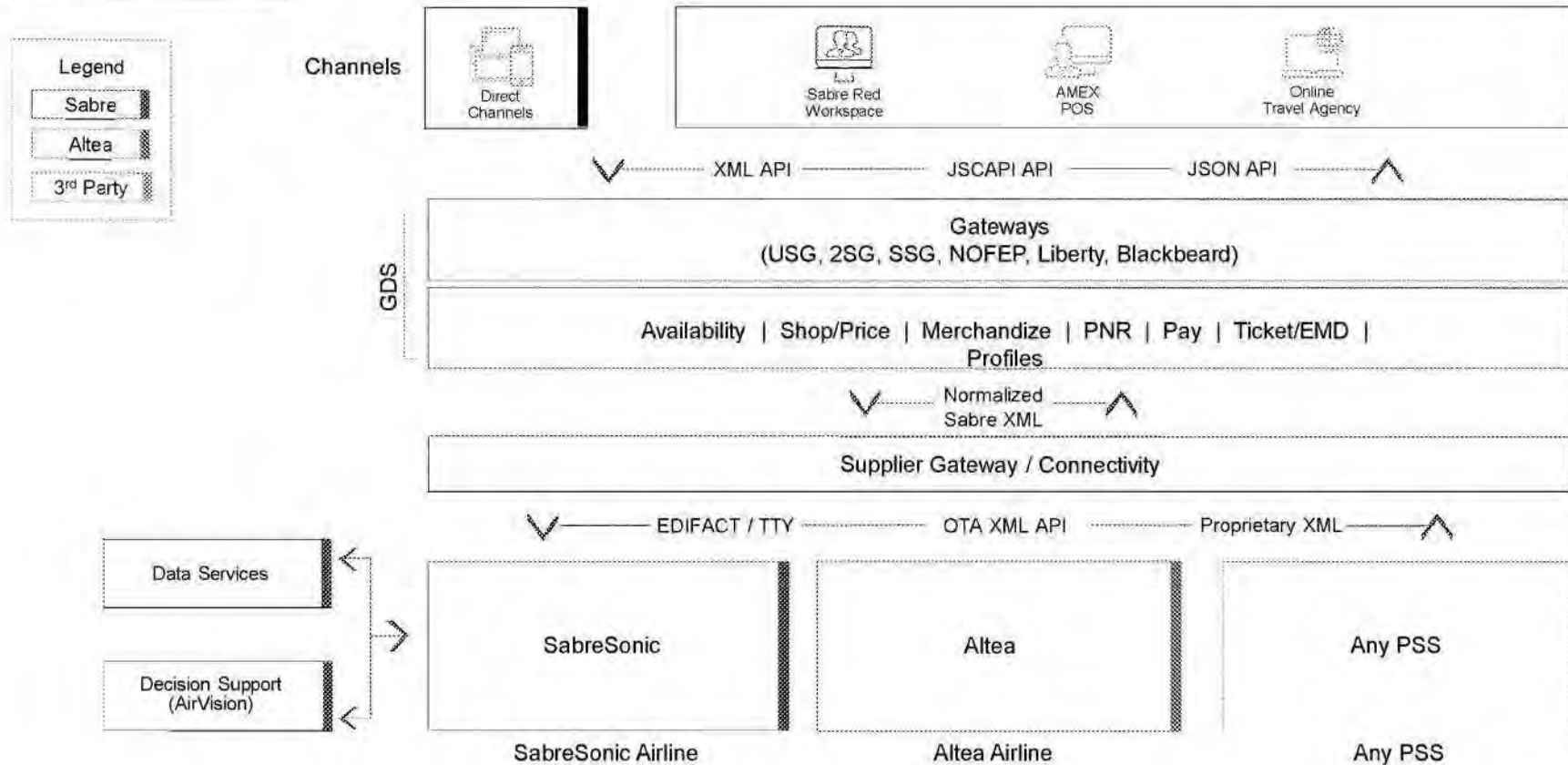
AMAZON

Sabre

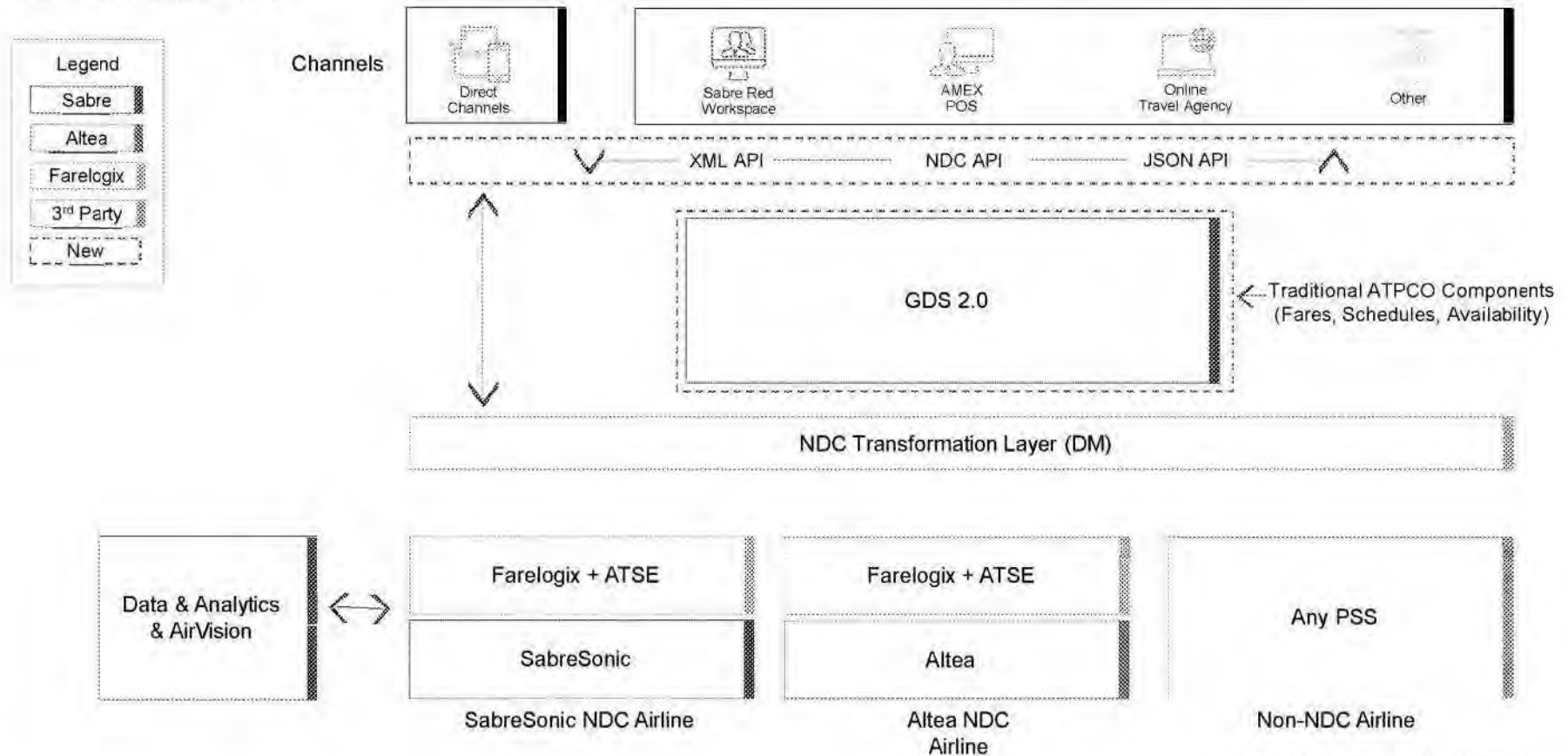
NDC+ Marketecture

October 2017

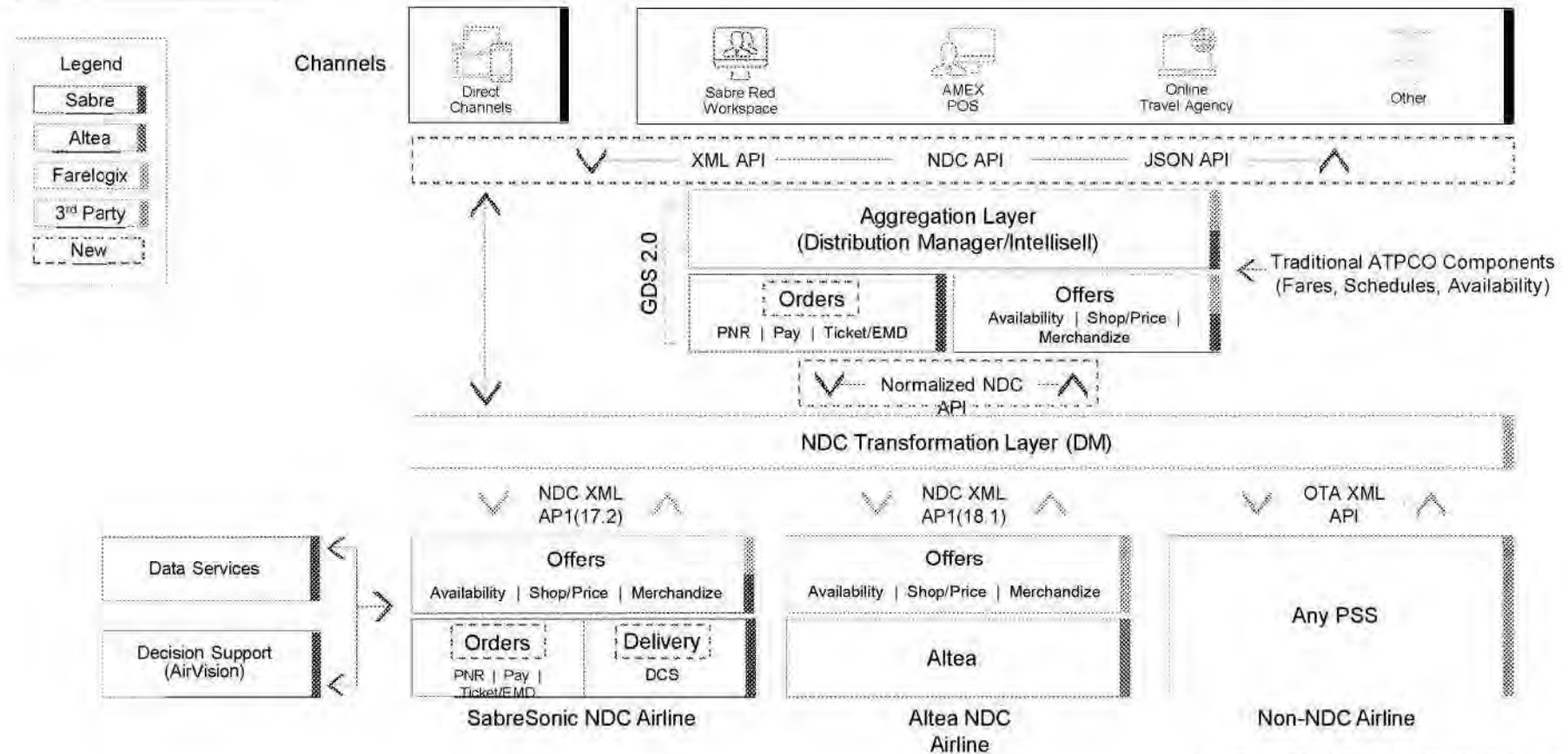
Current State Marketecture



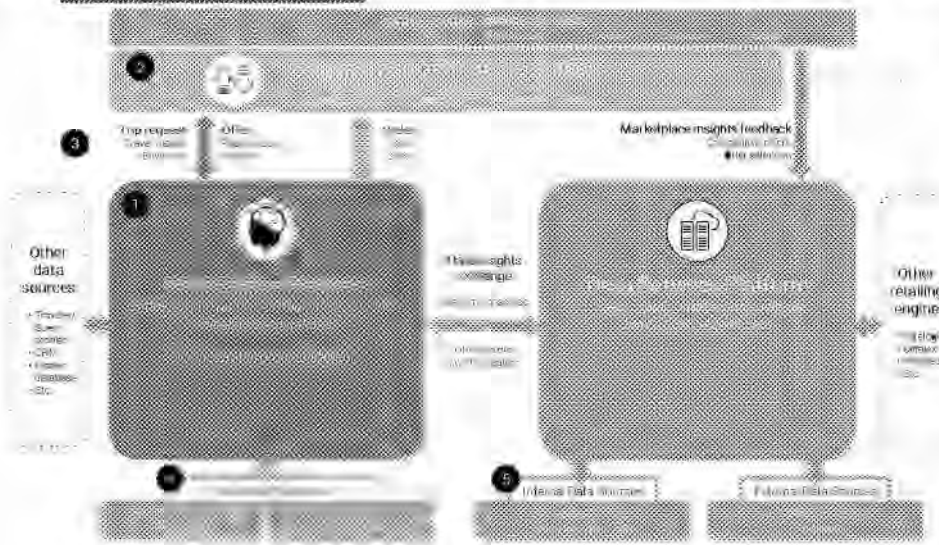
Future State NDC+ Marketecture (high-level)



Future State NDC+ Marketecture (detailed)



Marlins products fit into NGRD vision and will accelerate further development to bring full NGRD functionality



1 FLX Merchandise:

- Provides: Flexible rules based offer creation, PSS agnostic – Most tangible deal benefit, foundation to NGRD strategy
- Requires: Additional development to make offers intelligent and truly dynamic

2 FLX Open Connect:

- Provides: Orchestration of FLX product suite
- Requires: Additional connections to orchestrate offer using non-FLX components

3 FLX NDC API:

- Provides: NDC compliant connection between offer system and POS
- Requires: Only supports most common NDC components, additional development to support all NDC components

4 FLX Schedule Builder & FLX Availability:

- Provides: PSS like components currently under development, work independent of core PSS
- Requires: Need comparison to existing Sabre capabilities

5 FLX Shop & Price:

- Provides: Shopping engine able to accept both ATPCO and custom airline fares
- Requires: Comparison against capabilities of both AS and TN shopping solutions




Sabre

Project Marlins Recommendation

Draft Subject to
Legal Review

Corporate Development

23 July 2018



SABR-000008664



Sabre

Project Marlins Recommendation

Draft Subject to
Legal Review

Corporate Development


23 July 2018

Deal Rationale & Recommendation

Summary Rationale:

- Accelerate our technology and commercial objectives in delivering next generation Retailing, Distribution and Fulfillment to airlines
- Leverage Marlins market position with key products in merchandising and NDC content distribution to create a leadership position and bridge to longer term Sabre vision for Travel Solutions -- Marlins is a major component to make real the objective of bringing the PSS and GDS together in the basket of goods sought by airlines
- Utilize the Marlins "seat at the table" to strengthen and grow our PSS market position with end-to-end integration. Fits into our view on the future of PSS as microservices driven
- Meaningfully enhance our ability to work with airlines in commercializing NDC standards and evolving the GDS business model to align with a holistic view on enabling airlines to grow and optimize revenue across all channels
- Leverage the Marlins team that has successfully launched products focused on Retailing and Distribution with large carriers and who may influence our technology and commercial development

Recommendation:

- Submit a non-binding LOI to acquire the stock of Marlins for cash consideration at close of \$300M, with ability to pay up to \$400M that may be somewhat subject to a 2019 revenue-based earnout
- 

Analysis at Various Prices

Sabre Base Case

(\$ in Millions)	
Purchase Price	
Revenue Multiple	
2018E	
2019F	
2020F	
EBITDA Multiple	
2018E	
2019F	
2020F	
ROIC	
2018E	
2019F	
2020F	
2021F	
Q4 Net Debt Level	
2018E	
2019F	
2020F	

Sabre Synergy Case

(\$ in Millions)	
Purchase Price	
Revenue Multiple	
2018E	
2019F	
2020F	
EBITDA Multiple	
2018E	
2019F	
2020F	
ROIC	
2018E	
2019F	
2020F	
2021F	
Q4 Net Debt Level	
2018E	
2019F	
2020F	

Non-Binding LOI Proposed Terms

- Acquire the stock of Marlins in a reverse triangular merger for cash consideration at close of \$250M
 - Plan not to introduce possible earnout in initial letter
 - Next step would be cash consideration at close up to \$300M, possibly in combination with earnout to reach up to \$400M, depending on feedback we receive
- We will explain our approach to valuation and high level plan for company integration in transmittal email
- We will include some key terms such as employee retention, key employee non-competition, indemnification and escrow, purchase price adjustment for transaction expenses but not for working capital (any can change based on diligence)
- Deal will have HSR filing so will not be a simultaneous sign and close
- Will seek 60 days binding exclusivity from time that the Seller has released data room complying with DD requests
- We will not include reference to possible antitrust analysis or remedies but will invite a dialogue between counsel at the appropriate time

Critical Valuation Factors

Forecast Related:

- Marlins forecast shows very aggressive growth in 2019 and 2020, both in number of Offer product sales and in the hard-to-predict Order Transaction revenue
- The market seems to be available to sell products – current Marlins qualified pipeline is [REDACTED] for subscription product sales against [REDACTED] run rate go get for 2018 and [REDACTED] for 2019 (pipeline will likely grow)
- We don't believe that they can execute against growth plan with limited increases in sales, support, etc. and in this timeframe
 - Offer (FLX M, Avail, S&P, SB) and Order product sales are expected to be [REDACTED] in 2018 [REDACTED] in 2019 and [REDACTED] in 2020 (they were [REDACTED] in 2019), and at higher ASP
 - Sabre Case assumes a lower close rate for sales of [REDACTED] in 2018 [REDACTED] in 2019 and [REDACTED] in 2020 and at a lower average price
- The more significant driver is the adoption and integration to various POS for Open Connect that will drive transaction revenue (FLX OC contracts have both subscription and transaction components)
 - Transaction revenue from distributing tickets to non-GDS 3rd parties (NDC Connect) and to the GDS (NDC GDS Connect), with a target of [REDACTED]/ticket which equals [REDACTED] segment at [REDACTED] segments per ticket
 - NDC Connect is similar in concept to our AS Direct Connect, though priced lower
 - Question is really around NDC GDS Connect and [REDACTED]
 - If we take away all NDC GDS Connect revenue it decreases overall DCF Enterprise Value by [REDACTED] Sabre Base Case assumes fewer tickets at a lower price

Market Related:

- Trading comparables indicate a revenue multiple of [REDACTED] 2018E is reasonable, implying [REDACTED] purchase price and multiples of 2019E Sabre Case revenue of [REDACTED]
 - Sabre trades at just under [REDACTED] 2018E revenue, Amadeus at [REDACTED], PROS at [REDACTED] and application software comps at [REDACTED] average
- Precedent transactions are mixed in usefulness as comparisons, but there are certainly vertical software deals traded for [REDACTED] revenue

Key Diligence Issues

- Continued business diligence including named pipeline analysis
- Contract evaluation and tie to revenue
 - We believe majority of contracts have change of control termination, though commercial benefits should persist
 - Evaluate details of revenue model, obligations
- Continued and more detailed technology diligence, including cyber / data security
- Implications of likely Marlins product sunset for Shop & Price, Schedule Builder
- Legal diligence
- Capitalization and employee ownership and implications on retention
- Accounting diligence, including full balance sheet diligence and impact of applying 606
- HR diligence
- Product / tech more detailed diligence and integration planning with implications on organic roadmap / capex, etc.
- Team and brand integration plan

Adding Marlins technology creates an opportunity to accelerate the vision of Travel Solutions

GDS + Marlins

- Airline Value**
- NDC Offers integrated in the GDS sooner
 - Tighter collaboration decreases delivery timeliness and increases quality
- Sabre Value**
- Opportunity to define standards (tech and commercial)
 - Immediate access to NDC API
 - Ability to scale NDC volume quickly



PSS + Marlins

- Airline Value**
- Adds NDC platform to existing product offering
 - Integrate production merchandising engine with PSS for E2E tech stack solution
- Sabre Value**
- Ability to drive tech conversations with non-hosted carriers
 - Capture value from non-hosted airline direct connect and other GDS bookings

PSS + GDS + Marlins

- Airline Value**
- Fully integrated E2E solution across tech stack and all distribution channels
- Sabre Value**
- Accelerate Travel Solutions vision on retailing, distribution, and fulfillment
 - Deeper relationships with carriers

● Existing Sabre technology
● New technology

Marlins Product Summary

	Offer	Order
Products (# customers)	<ul style="list-style-type: none">• Merch (18), Availability (2), Shop & Price (4), Schedule Builder (2)	<ul style="list-style-type: none">• Open Connect, incl. NDC APIs (15)
Sabre Use Hypotheses	<ul style="list-style-type: none">• FLX M replaces DR and ANCS; integrate to Sabre POS• Availability – use calculator for SSI, evaluate rules engine use• No clear use for Shop & Price or Schedule Builder	<ul style="list-style-type: none">• Maintain FLX OC for current and near-term customers• Continue organic build for modern NDC Offer and Order management solutions• Evaluate ticketing tech for possible TPF offload savings

Deal Model Case Comparison

	Mgmt. Case			Sabre Base Case			Sabre Synergy Case		
<i>\$millions, ex per ticket</i>	2018E	2019F	2020F	2018E	2019E	2020E	2018E	2019E	2020E
Revenue Drivers	[REDACTED]								
Offer Products New Sales									
Offer Cumulative Sales									
Offer Products ASP									
Order Product New Sales									
Order Cumulative Sales									
Order Products ASP									
NDC Connect Tickets									
NDC Connect Rev / Ticket									
NDC GDS Connect Tickets									
NDC GDS Connect Rev / Ticket									
Offer Subscription Revenue									
Order Subscription Revenue									
Order Dedicated Team Revenue									
NDC Connect Transaction Rev									
NDC GDS Connect Transaction Rev									
Sabre Product Synergy Revenue									
Total Revenue									
% growth									
Gross Profit Margin									
Opex Synergy									
SG&A									
SG&A % of revenue									
EBITDA									
% margin									
Capex Synergy									
Integration Costs									
DCF EV Range									
30% Discount to DCF EV Range									

Comments


- Biggest unknown driving value is how many and what airlines will pay for tickets being distributed to the GDS
 - Mgmt. Case has [REDACTED] GDS tickets in 2020 and removing all would result in [REDACTED] valuation reduction
 - We do think that airlines will connect to the GDS via Marlins in places and near term as NDC develops, just more slowly and may pay less for the IT to do this
- Sabre Base Case derisks by:
 - Reducing # of product sales and ASP [REDACTED] of forecast [REDACTED] sales are closed)
 - Reducing # of transactions and price / ticket
 - Increasing SG&A
- Synergy includes
 - More product sales with our embedded base and global sales and support
 - Winning [REDACTED] PSS deals with Medium carriers, [REDACTED] each, at [REDACTED] Large carrier, [REDACTED] at [REDACTED]
 - Winning [REDACTED] Very Large Carrier Shopping deal at [REDACTED]
 - Minor Opex, Capex synergy largely offset by Integration costs

Go To Market and Integration Highlights

External:

- Coordinated multi-prong approach to announce deal and its benefits to airlines in delivering on the promise of next gen retailing, distribution and fulfillment
 - Leverage industry conference if possible
 - Tailored customer roadshow
- Messaging not just about Marlins benefits but also should include Sabre specific highlights, activity, etc. to bring together an integrated story for end-to-end, intelligent Offer – Order – Fulfillment

Internal:



Pro Forma Sabre Financials

Sabre Base Case

Sabre Synergy Case

(Millions of USD)	2018E	2019F	2020F	2021F	CAGR '17-'21	2018E	2019F	2020F	2021F	CAGR '17-'20
Revenue										
Sabre Revenue										
Growth										
Marlins Revenue										
Growth										
Pro Forma Total Revenue										
Growth										
Gross Profit										
Sabre Gross Profit										
Margin										
Marlins Gross Profit										
Margin										
Pro Forma Total Gross Profit										
Margin										
EBITDA										
Sabre EBITDA										
Margin										
Marlins EBITDA										
Margin										
Pro Forma Total EBITDA										
Margin										
Free Cash Flow										
Sabre Free Cash Flow										
Margin										
Marlins Free Cash Flow										
Margin										
Pro Forma Total Free Cash Flow										
Margin										
Net Income										
Sabre Net Income										
Margin										
Marlins Net Income										
Margin										
Pro Forma Total Net Income										
Margin										