EXHIBIT
PENGAD 800-631-6989
Menke Lit #17
11/21/19

From: "Anderson, Clinton" <Clinton.Anderson@sabre.com>
Sent: Sun, 13 Aug 2017 21:56:07 -0500 (CDT)
To: "Menke, Sean" <Sean.Menke@sabre.com>; "Jones, Wade"<Wade.Jones@sabre.com>; "Lane, Matthew" <Matthew.Lane@sabre.com>; "Wilding, Chris" <Chris.Wilding@sabre.com>; "Altemeier, Jan" <Jan.Altemeier@sabre.com>; "Jones, Jay (TN)" <Jay.Jones@sabre.com>; "Mendis, Roshan"<Roshan.Mendis@sabre.com>; "Burgess, Brett" <Brett.Burgess@sabre.com>; "Mercer, Traci" <Traci.Mercer@sabre.com>; "Shirk, Dave" <Dave.Shirk@sabre.com>; "Doshi, Vinit" <Vinit.Doshi@sabre.com>; "Gilchrist, Greg" <Greg.Gilchrist@sabre.com>; "Subramanian, Hariharan"<Hariharan.Subramanian@sabre.com>; "Jain, Pramod" <Pramod.Jain@sabre.com>; "Qatato, Kamal" <Kamal.Qatato@sabre.com>; "Celis, Rodrigo"<Rodrigo.Celis@sabre.com>; "Krishnamurthy, Balaji"<Balaji.Krishnamurthy@sabre.com>; "Jorgenson, Brian"<Brian.Jorgenson@sabre.com>; "Murphy, St. John" <StJohn.Murphy@sabre.com>; "Kennedy, Sarah" <Sarah.Kennedy@sabre.com>; "Wiegmann, Richard"<Richard.Wiegmann@sabre.com>; "Harris, Lesley" <Lesley.Harris@sabre.com>; "Trampert, Frank" <Frank.Trampert@sabre.com>; "Simonson, Rick"<Rick.Simonson@sabre.com>; "Nester, Chris" <Chris.Nester@sabre.com>; "Boyle, Chris" <Chris.Boyle@sabre.com>; "Finkelstein, Andrew"<Andrew.Finkelstein@sabre.com>; "Sievert, Barry" <Barry.Sievert@sabre.com>; "Herrmann, Christopher" <Christopher.Herrmann@sabre.com>; "Fishman, Josh"<Josh.Fishman@sabre.com>; "Schilsky, Stephen" <Stephen.Schilsky@sabre.com>; "McEntire, Cindy" <Cindy.McEntire@sabre.com>; "Johnson, Doug"<Doug.Johnson@sabre.com>; "Farley, Sha" <Sha.Farley@sabre.com>; "Gonzalez, Rachel" <Rachel.Gonzalez@sabre.com>; "Thorstad, Brett"<Brett.Thorstad@sabre.com>; "Everly, Robin" <Robin.Everly@sabre.com>; "Williams-Ramey, Aimee" <Aimee.Williams-Ramey@sabre.com>; "Chiames, Chris"<Chris.Chiames@sabre.com>; "Samuel, John" <John.Samuel@sabre.com>; "Vinod, Ben" <Ben.Vinod@sabre.com>; "Olsen, James" <James.Olsen@sabre.com>; "Moore, David" <David.Moore@sabre.com>; "Joakim, Hani" <Hani.Joakim@sabre.com>; "DiFonzo, Joe" <Joe.DiFonzo@sabre.com>; "Geoffrey, Nabeel"<Nabeel.Geoffrey@sabre.com>
Cc: "Naylor, Rachel" <Rachel.Naylor@sabre.com>
Subject: Pre-read materials for Strategy Offsite
Attachments: Corp Strategy Session Agenda.pdf;Managing change at Sabre - Strategic Initiatives update.pdf;Pan-Sabre Product Strategy NCR-NGD.pdf;Strategy Offsite - Airline Solutions.pdf;Strategy Offsite - P&T - 1 Project Mercury.pdf;Strategy Offsite - P&T - 2 Data Center Strategy.pdf;Strategy Offsite - Travel Network.pdf;Strategy Offsite - Hospitality Solutions.pdf

PLAINTIFF EXHIBIT
PX197

Dear Sabre Leadership,

In preparation for our annual strategy offsite, our teams have spent the last several months hard at work refining our BU and company strategies. Thank you for all your input and support. I have attached a copy of these materials, along with an agenda, as a pre-read for our upcoming sessions scheduled for Tuesday and Wednesday. Our goal for the sessions is to: a) educate/increase Pan-Sabre understanding across the leadership of our business, b) discuss/debate key questions impacting our future, and c) assist with prioritizing go-forward initiatives and investment.

As you know, these materials are highly confidential so please do not forward or share this content with your team (or anybody else). We are excited for your participation at the offsite, and appreciate the contribution you will be

[redacted]

making to our future strategic direction.

Many thanks,

Clinton

Agenda: Day 1

07:00 – 08:00AM	*Breakfast Buffet* Opus 2 Ballroom The Highland Hotel
08:00 – 08:30AM	*Introduction: Objectives for the Offsite* Sean Menke & Clinton Anderson Opus 1 Ballroom The Highland Hotel
08:30 – 10:00AM	*Pan-Sabre Product Strategy Project: Next Generation Retailing/ Distribution* Clinton Anderson, Matt Lane, Chad Callaghan, Robbie Thomas
10:00 – 10:15AM	*Break*
10:15AM – 12:15PM	*Airline Solutions* Dave Shirk & AS Team

12:15 – 01:15PM	*Lunch*
01:15 – 03:15PM	*Travel Network* Wade Jones & TN Team
03:15 – 03:30PM	*Break*
03:30 – 04:30PM	*Managing change at Sabre: Strategic Initiatives update* Blair Austin
04:30 – 06:00PM	*Free time*
06:00 – 09:00PM	*Dinner* NOLA Restaurant The Highland Hotel

Note: BU presentation slots include time allotted for Q&A/ discussion

[redacted]

Agenda: Day 2

07:00 – 08:00AM	*Breakfast Buffet* Opus 2 Ballroom The Highland Hotel
08:00 – 10:00AM	*Sabre Hospitality Solutions* Clinton Anderson & SHS Team
10:00 – 10:15AM	*Break*
10:15AM – 12:15PM	*Product & Technology* Joe DiFonzo, John Samuel & P&T Team
12:15 – 01:15PM	*Lunch*
01:15 – 02:15PM	*Concluding remarks & offsite wrap-up* Sean Menke & Clinton Anderson

Note: BU presentation slots includes time for Q&A/ discussion

[redacted]

SABR-000110887

Sabre

Sabre Prioritized Initiative Program

Blair Austin

15 AUGUST 2017

[redacted]

Playing 5-year old

[redacted]

It all began with our 2017 Goals

We defined our goals & objectives but required alignment on prioritization & accountability

WHO'S ACCOUNTABLE?

WHEN WILL EACH BE ACHIEVED?

HOW WILL IT ALL SEQUENCE?

WHAT'S NEEDED TO EXECUTE?

WHAT DOES GOOD LOOK LIKE WHEN ACHIEVED?

[redacted]

STEP 1: Align on Initiatives & Accountability

Commercial Leadership and Growth

- 1a Win key campaigns & new business opportunities
- 1b Focus AS Product Portfolio
- 1c Key Account Engagement Strategy
- 1d Define Next Generation Product Strategy and Path to Implementation
- 1e Execute M&A Analysis

Dynamic Innovation in Product and Technology

- Program Atlas: Stability Enhancement Initiatives
- 2b Project Apollo: Data Center migration
- 2c Project Mercury: Investigate and Execute TPF Offload
- 2d Enhance & Evolve Shopping
- 2e Evolve PMS

Unparalleled Teamwork

- 3a Execute P&T Workforce Planning
- 3b Define & Execute Best Practice Product Management & Development
- 3c Drive Executive Talent Management
- 3d Transform Sabre's Culture
- 3e Enhance Communication
- 3f Adopt New Sabre Brand

Impeccable Performance

- Improve Delivery & Care
- Implement Enhanced Enterprise Software Tools & Processes
- Increase Security & Compliance
- 4d Drive Sabre Cost and Efficiency Improvements
- Achieve GDPR Compliance

[redacted]

SABR-000110891

STEP 2: Sequence… Can't Do It All At Once

Commercial Leadership and Growth

Dynamic Innovation in Product and Technology

Unparalleled Teamwork

Impeccable Performance

CURRENT INITIATIVES

Commercial Leadership and Growth:

- 1a Win key campaigns & new business opportunities
- 1b Focus AS Product Portfolio
- 1c Key Account Engagement Strategy
- 1d Define Next Generation Product Strategy and [illegible] implementation
- 1e Execute M&A Analysis

Dynamic Innovation in Product and Technology:

- Program Atlas: Stability Enhancement Initiatives
- Project Apollo: Data Center migration
- Project Mercury: Investigate and Execute TPF Offload
- Enhance & Extend Shopping
- Evolve PMS

Unparalleled Teamwork:

- Drive Executive Talent Management
- 3d Transform Sabre's Culture
- Enhance Communication

Impeccable Performance:

- Implement Enhanced Enterprise Software Tools & Processes
- Increase Risk & Security
- Drive Sabre Cost and Efficiency Improvements
- Achieve GDPR Compliance*

LATE 2017/ 2018 INITIATIVES

Unparalleled Teamwork:

- 3f Execute P&T Workforce Planning*
- Define & Execute Best Practice Product Mgmt & Development*
- Adopt New Sabre Brand*

Impeccable Performance:

- 4f Improve Delivery & Care*

[illegible]

[redacted]

STEP 3: Speak the Same Language

INITIATIVE: Enhance and Evolve Air Shopping

DATE July 17, 2017

OWNER Wade Jones

INITIATIVE DESCRIPTION: Enhance and evolve the Air Shopping platform by:
1. [illegible]
2. [illegible]

PROJECT STATUS: On-Track — On-Track: [illegible]

KEY PRIORITIES
1. Clean up the house, [illegible]
   - [illegible]
   - [illegible]
   - [illegible]
2. [illegible]
   - [illegible]
   - [illegible]
   - [illegible]

WORKING TEAM:
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

KPI	[illegible]	[illegible]
Response times	[illegible] global average	<3 secs for 80% of requests
System availability (Uptime & P0 / P1)	Uptime TBD; No P0 / P1 for 2.5 mos	Uptime TBD; No P0 / P1 for 12 mos
Bookability	[illegible]% globally	[illegible]% globally
Low-fare efficacy	Ahead of TVPT, AMA	Ahead of ITA, TVPT, AMA

MAJOR ISSUE [illegible]	[illegible]	[illegible]
People – reduce organizational fragmentation	C. McEntee	Sep 2017
Funding – secure funding to innovate & evolve	W. Jones	Oct 2017
Tech – improve stability & accelerate innovation	D. Moore	Dec 2017
Process – streamline process/decision overhead	B. Burgess	Dec 2017

PENDING DECISION [illegible]	[illegible]	[illegible]
People – shopping consolidation & comms	W. Jones	May 2017
Tech – approach to streamline & align research efforts	D. Moore	Jun 2017
Funding – 2018 investments	W. Jones	Aug 2017
Product – roadmap prioritization	B. Burgess	Nov 2017

MAJOR MILESTONE / DELIVERABLE	[illegible]	[illegible]
Shopping org consolidation	Wave 1: 06/2017 (P) Wave 2: 09/2017 (P)	Complete (Air Pricing and Online Customer Performance Eng. Moved) On-Track
Flight Cache enhancements (multi destination, alternate date)	07/2017 (P)	Complete
Shopping evolution – investment case and recommended investments	09/2017 (P)	On-Track
Shopping evolution roadmap	11/2017 (P)	On-Track
[illegible] prod. mgmt. & development team structure alignment	12/2017 (P)	On-Track

[redacted]

SABR-000110893

STEP 4: Share & Collaborate

SHOWCASE THE TEAM

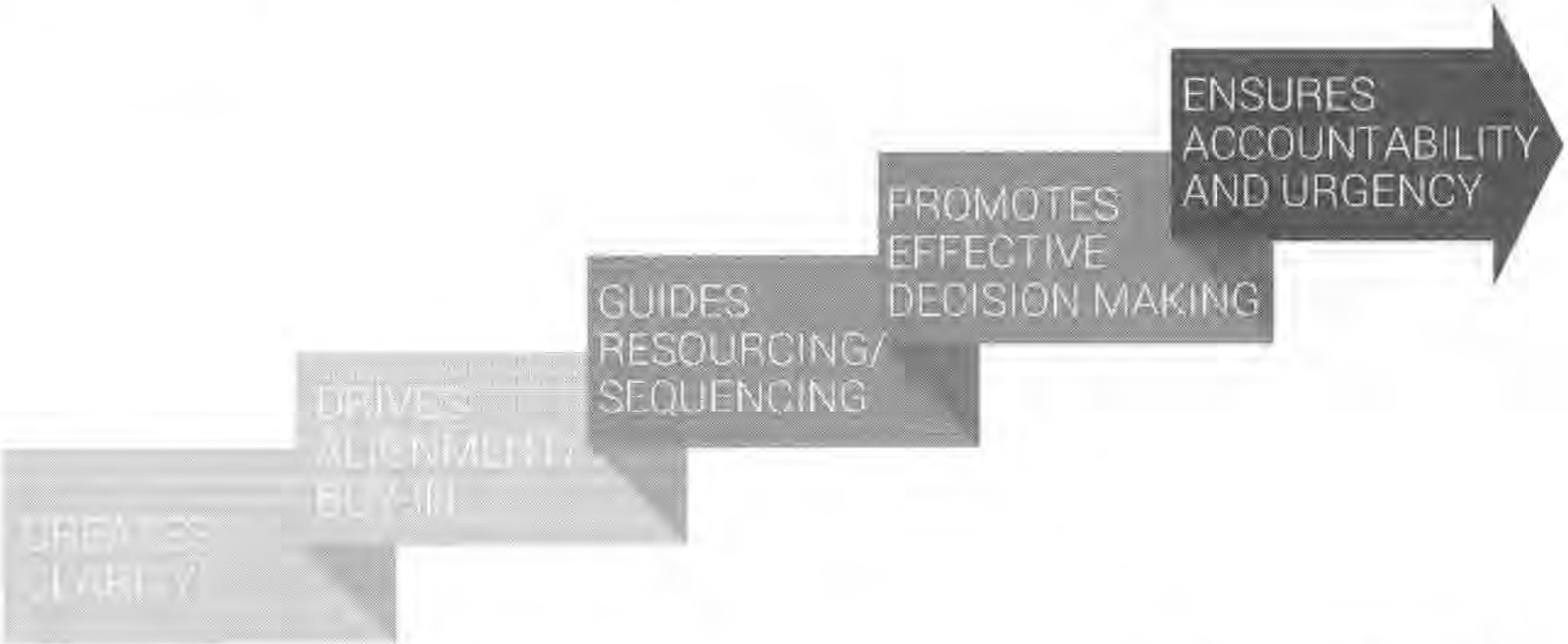
KNOCK-OUT ISSUES & KEY DECISIONS

PLAN FOR UPCOMING MILESTONES

REPEAT REGULARLY

[redacted]

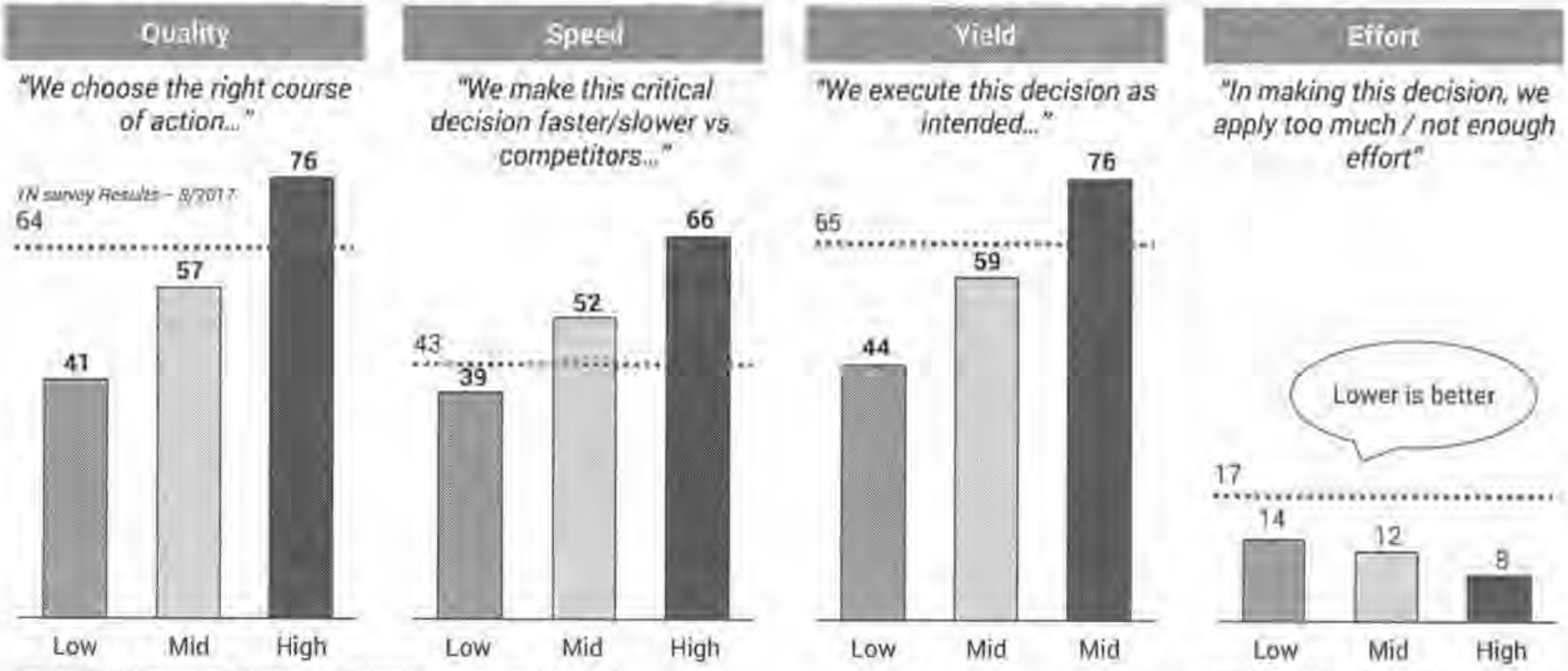
… But How Does This Help Raise Our Game?



[redacted]

Speaking of Effective Decision Making

Effective decisions have 4 characteristics, Speed & Effort are biggest concerns for TN



[redacted]

Adopting RAPID to Improve Decision Making

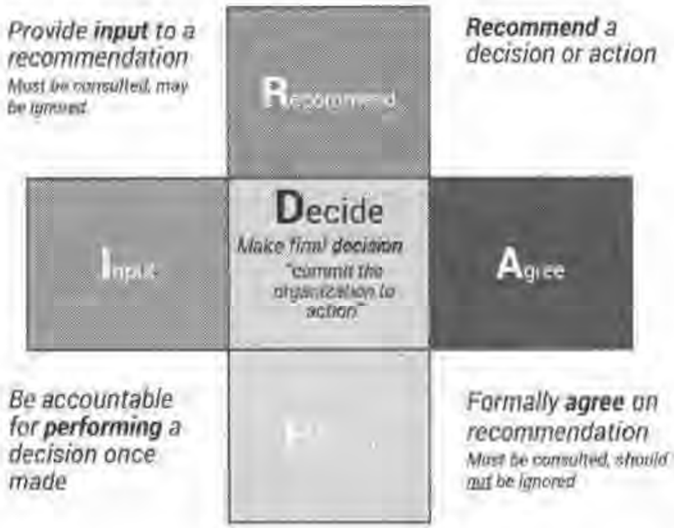
Effective decision making relies on clarifying the What, Who, How & When

WHAT
- Identify key decisions
- Focus on decisions that matter most

WHO
- Define key roles
- Assign decision rights (RAPID)

HOW
- Specify required decision inputs
- Identify decision-making meetings
- Create/ shift org positions if needed

WHEN
- Clarify decision frequency
- Get it on the calendar



* RAPID is a registered trademark of Bain & Company, Inc.

[redacted]

SABR-000110897

How Effective Decision Making Will Look

STOP DOING:

- ✗ Elevating decisions unnecessarily
- ✗ Creating decision bottlenecks
- ✗ Allowing for multiple deciders
- ✗ Revisiting decisions already made
- ✗ Allowing key decisions to go unmade
- ✗ Overtaxing and under delivering

START DOING:

- ✓ Forcing decision ownership to "right" place
- ✓ Aligning on decision rights - RAPID
- ✓ Ensuring there is only ONE 'D' per decision
- ✓ Respecting decision & avoiding escalations
- ✓ Prioritizing key decisions
- ✓ Measuring decision effectiveness

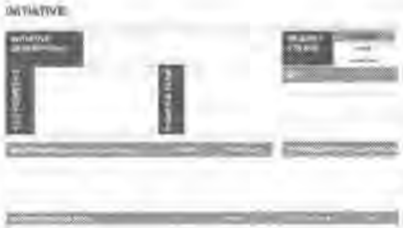
[redacted]

How Can I Contribute?

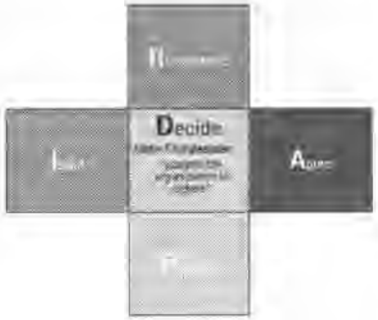
Get to know Sabre Priorities

The priority report

Deploy same (or similar) framework



Adopt RAPID for key decisions



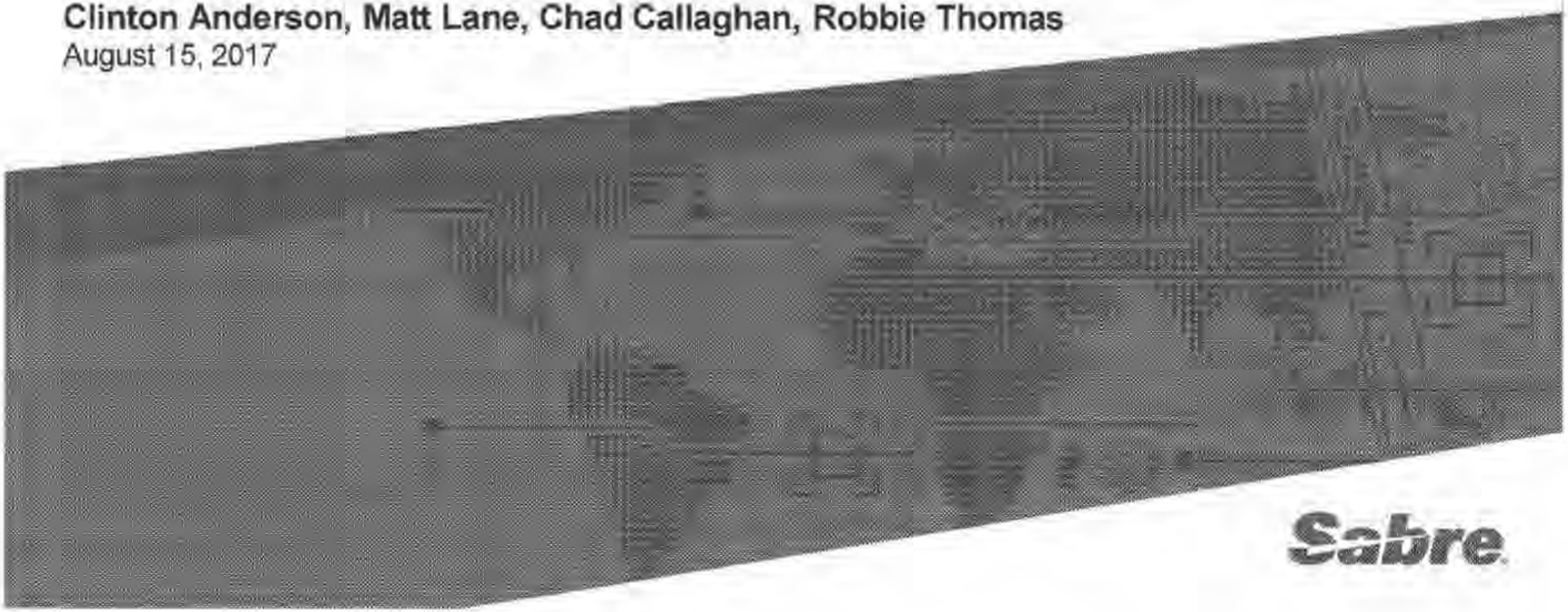
PLAY 5-YEAR OLD!

[redacted]

Sabre®

Pan-Sabre Product Strategy: Next Gen Retailing / Next Gen Distribution

Clinton Anderson, Matt Lane, Chad Callaghan, Robbie Thomas
August 15, 2017



[redacted]

Agenda

- Project context and understanding customer needs
- Defining a "North Star" vision for retailing and distribution capabilities
- Bringing the vision to life: Fast Feedback Team
- Next steps

[redacted]

Executive summary

1. **Extensive interviews with suppliers and agencies confirmed the importance for next generation retailing (NGR) and next generation distribution (NGD) capabilities**
   - Suppliers, particularly airlines, overwhelmingly believed that NGR/NGD was critical for their businesses, a response that is further supported by the pressure being exerted on TN to more rapidly develop NDC connectivity

   For airlines, NGR/NGD capabilities would transform core shopping, booking, and fulfillment processes from a one-size-fits-all format to a more flexible, e-commerce process
   - While airlines have used NDC as a way to express their desires, we believe that Sabre and other technology providers will still have a role in shaping the path forward for technological development and, ultimately, the end state of the ecosystem
   - Because of our support of both direct and indirect distribution, development of NGR and NGD should occur in parallel to provide the greatest benefit to our customers, as well as to retain our own fair share of the market. Failure to invest in NGR along with NGD could create risk for existing TN business
2. **Enabling NGR/NGD will require four key solutions/ capabilities: 1) Offer Engine, 2) Data Services, 3) NGD: Connectivity & Orchestration, and 4) Order Management**
3. **To develop these capabilities over 18 to 30 months, a Fast Feedback team developed a five phased pilot approach that also delivers NDC Level 3 for AS/TN, the ability to create targeted offers with dynamic pricing, and integration with non-air supplier to create holistic travel offers; additionally we propose:**
   - A two-pronged approach for moving forward with NGR/NGD – one approach focuses on accelerating the NGR/NGD strategy through pilots, while the other focuses on examining ways to mitigate near-term NDC pressure
   - Partnerships with a large carrier for NDC/NGD development (e.g. [redacted]) and a mid-size carrier for full pilot implementation (e.g. [redacted]
   - A "secondment" organizational structure where employees will retain current reporting structure but be 100% dedicated to NGR/NGD project

Key questions addressed through the pan-Sabre product strategy project

1 Customer needs

What do our customers view as the technologies, business models and product capabilities to enable their success?

2 Pan-Sabre opportunity

What new solutions/ capabilities require pan-Sabre development to create new value for our customers and Sabre?

3 Analysis and playbook

How should Sabre progress over the next 18-30 months?

- Articulate value potential to merit investment?
- Architect a solution with short-fuse deliverables?
- Meet near-in vs. longer-term strategic needs?
- Engage customers as true development partners?
- Resource and organize differently?

[redacted]

Our customers expect innovative e-commerce capabilities to uncover value for them; they see a role for Sabre as a technology partner

Suppliers

"Today, we have a sledgehammer in how we make offers – we need to ***leverage data to limit and target offers to be successful***"
- Ted Christie, CFO, Spirit

"***We want to create a marketplace***. It's not just about monetizing our hotel rooms, it is about growing revenue through new services"
- Laurent Idrac, CIO, AccorHotels

"We want to be able to reach out to customers with a ***unique product offering and show that offer in the way that we want it displayed***"
- Markus Binkert, RM, LHG

Agency

"Players who can ***leverage their data to drive conversion/yield*** will see a big bottom line impact"
- Christophe Tcheng, VP, Product, AMEX

"We'd ***love to be able to configure our own bundles and offers*** based on what we know about a user and their behavior"
–Adam Goldstein, CEO, Hipmunk

"We're developing inventory, give us a flexible platform that ***allows us to conduct agency retailing***"
- CWT Vallcre Interview

Corporation

"We are starting to think about the ***right answer for our travelers, not just the cheapest answer***"
- Jack Eichhorn, Oracle, Corp. Travel

"What's driving us is how can I ***make the experience as frictionless as possible*** for the traveler"
–Rob Fulnecky, Cisco, Corp. Travel

"In the new world you don't need to own the content, just be smart enough to ***make the connection for the traveler***"
–Dan Maschoff, Accenture, Corp. Travel

[redacted]

Based on these interviews, Next Gen Retailing (NGR) / Next Gen Distribution (NGD) are our customers' most critical capability needs in the near-term

Provide highly relevant offers to travelers based on the information known about them and their trips
Next Generation Retailing

Display travel products the way suppliers want consistently across channels; let them select which channels can access specific content
Next Generation Distribution

Ensure simple, seamless booking and service experiences for the traveler and the service provider across the trip
Frictionless Travel

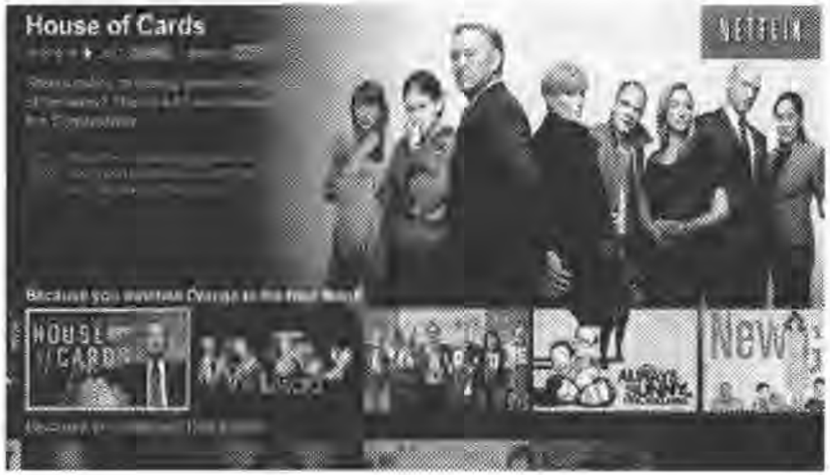
[redacted]

In terms of technology, suppliers desire to shift shopping/distribution from a filing-based system to a more dynamic and modern e-commerce-like platform

Today, travel retailing is tied to an inflexible process

- Inflexible
- Structured
- Filing driven

In the future, suppliers are looking for a modern eCommerce and channel management experience

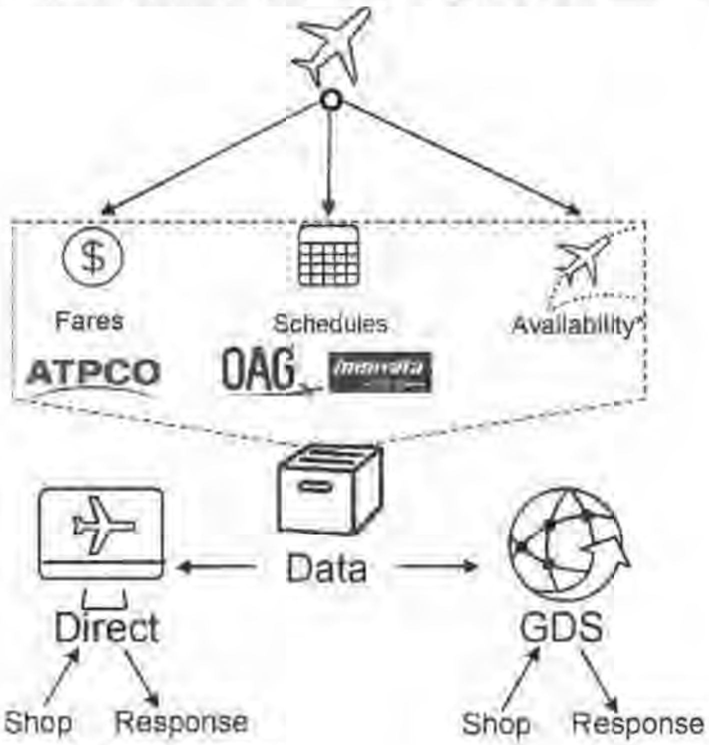


- Intelligent
- Dynamic
- Custom

[redacted]

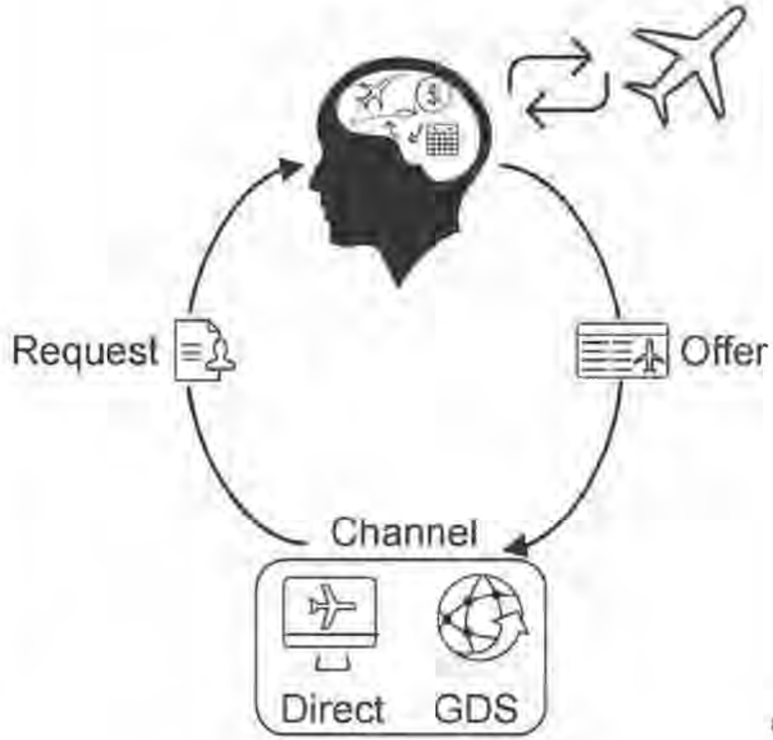
To date, airlines have relied on a filing system to facilitate shopping where fare rules, inventory, and availability are pushed to 3rd parties

Today, itinerary creation requires interaction with 3rd party sources



Note: *Availability may be pulled (cache dependent)

In the future, airlines want to control the flow of offer creation



[redacted]

NDC provides a foundation for NGR/NGD development but is not a value creating solution to change the conversation with our customers

	Next Generation Retailing (NGR)	Next Generation Distribution (NGD)
Value-Add Solutions	 • Advanced retailing capabilities accessible through both direct and indirect channels • Utilizes trip context and traveler information from data services to create, price, and deliver custom offers	 • Advanced indirect connectivity between suppliers and GDS • Provides connectivity compatible with proposed NDC guidelines, but with additional functionality • Orchestrates display of traditional and next gen content through POS

Foundational Messaging Standard

New Distribution Capability (NDC)

- XML-based messaging standard promoted by IATA to govern data transmission to/from airlines
- Proposes that creation and control of the offers and orders reside in the airlines instead of the seller or aggregator
- Likely to be used in parallel with traditional shopping/booking processes for foreseeable future

[redacted]

Not only will suppliers have more flexibility during the initial purchase, but will also likely have more opportunities to connect to the traveler in-trip

Improved capabilities could result in new demand, higher conversion, and increased share of wallet for travel suppliers

Trip Decision	Initial Shopping & Booking	Pre-Trip	In-trip
Targeted communications and recommendations to encourage demand and conversion	Differentiate and deliver offers to drive conversion and grow share of wallet	Deliver offers to grow share of wallet	Deliver offers to grow share of wallet

Today's revenue management, distribution channels, and points of sale do not allow them to realize this vision today

Channels Available Today	Channels Available Today	Channels Available Today	Channels Available Today
- Email - SEM/SEO - Digital Ads - Supplier Mobile App Push Notifications	- Agency POS - OTA - CBT - Supplier.com - Supplier Mobile App	- Supplier.com - Supplier Mobile App	- Airport/Hotel Kiosk - Supplier Mobile App

[redacted]

As retailing becomes more complex, airlines will need to increase their focus on identifying value drivers to improve conversion, yield, and share of wallet

Customer Value Drivers

How might we…

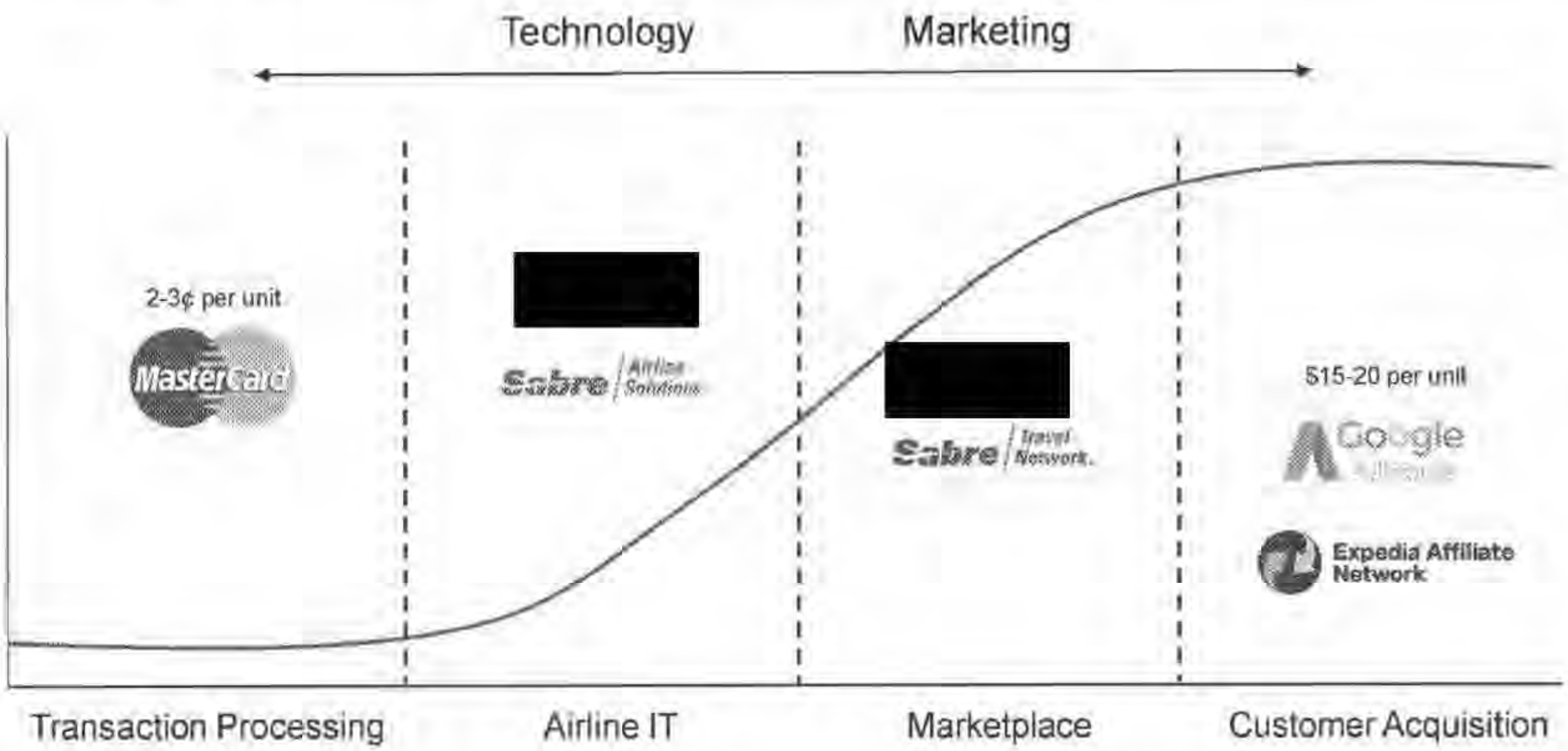
↑ **Conversion**
look to book %

↑ **Yield**
$ value per transaction

↑ **Share of wallet**
% of spend

[redacted]

Sabre's ability to continue to capture a fair share of the available market will likely depend on the value proposition we choose to pursue



[redacted]

Among competitors, Amadeus, Farelogix, and Datalex are the most relevant threats with others providing more limited technology

Full NGR / NGD Offer Engine / Data Services / Connectivity	Limited Solutions
Have the ability to deliver offers through both the direct and indirect channels Amadeus, Sabre	High market traction Travelport, Vayant Travel Technologies, OpenJaw, PROS
Partial NGR / Full NGD Offer Engine / Connectivity Farelogix, Datalex	Other solutions available TPConnects, IBS Technology, Maureva, dcs, Hewlett Packard Enterprise, Indra, SITA, JR Technologies

[redacted]

Critical economic motivators in AS/TN underscore the urgency of investing in both NGR & NGD with initial focus on airlines and other suppliers in longer term

Near-in motivations

De-risk the GDS business

- Achieve similar unit economics
- Protect Sabre GDS booking volumes

Defend installed PSS carrier base

- Retain PSS PBs
- Achieve similar/ advantaged unit economics

Generate new revenue streams from NGR

- Gain market share in NGR space
- Demonstrate differentiated capabilities

Longer-term motivations

Difficult to estimate upside scenarios

- GDS share gain through differentiation
- Unit economic increases through data services
- Access to new suppliers and distributors
- Participate in advertising/ meta optimization

Addressed by ***NGR and NGD*** (De-risk the GDS business)

Addressed by ***NGR only*** (Defend installed PSS carrier base; Generate new revenue streams from NGR; Difficult to estimate upside scenarios)

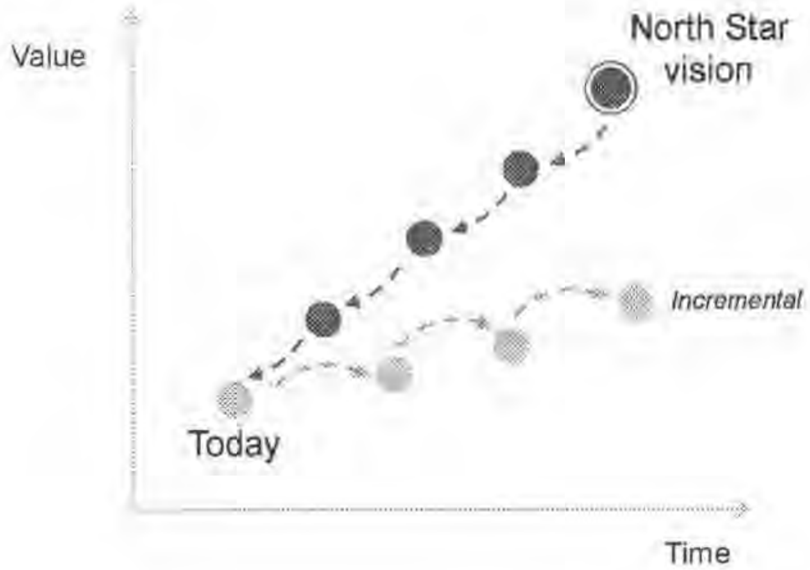
[redacted]

Agenda

- Project context and understanding customer needs
- Defining a "North Star" vision for retailing and distribution capabilities
- Bringing the vision to life: Fast Feedback Team
- Next steps

[redacted]

Define "North Star" vision to set future course for NGR/D



<u>Deliver offers that are:</u>

- Personalized
- Relevant
- Channel agnostic
- Air, hotel, ground, other

[redacted]

Evolution of retailing strategies from the use cases extends from simple rules engine based offers to more intelligent retailing paradigms fueled by AI

Rules Based

Market Fares

- Public Fares
- Public Ancillaries
- Branded Fares

Persona-based Offers

- Loyalty-based Offers
- Negotiated Fares
- Negotiated Offers
  - Ancillaries
  - Bundles
- Persona-based Bundle
- Cross-sell
  - Traditional Supplier Cross-sell
  - 3rd Party Content (TSX)
- Group Bookings
- Rebate

Intelligent & Dynamic

Real-time Pricing

- Real-time RM
- Dynamic Pricing
  - Base Fare
  - Ancillaries
- Bidding
  - Traveler-led Bidding
  - Reverse Auction

Smart Offers

- Affinity Recommendations
- Competitive Offer
- Dynamic Bundle
  - Ancillaries
  - Supplier Cross-sell
  - 3rd Party Content (TSX)
- Bleisure-based Offers
  - Companion Pass
  - Trip Extension Offer
- Push Offers
  - Recurring Trip
  - Calendar-based Shopping
  - Flash Sale
  - Disruption Retailing
  - Post Booking Yield Management

1-to-1 Offers

North Star

'Rack-rate' prices broadly released to the market

Rules-based offers broadly applied by customer attributes

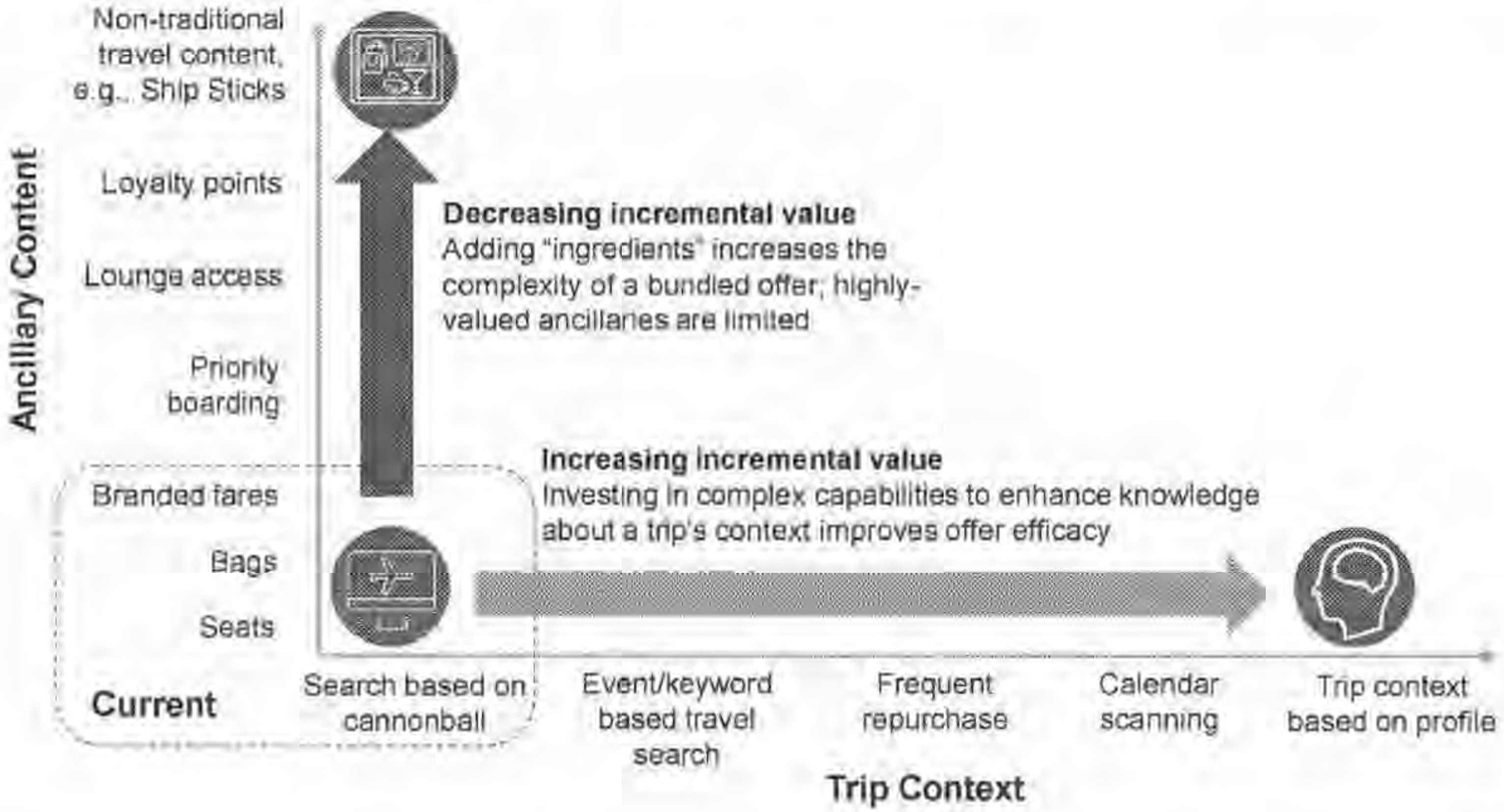
Real-time delivery of prices based on who and when it is asked

Dynamic packaging and pricing of targeted offers based on customer attributes, trip context, shopping activity, and travel history

Full evolution to complete 1-to-1 based offers and pricing

[redacted]

Via indirect channel, tech platforms that can interpret context will create more value than simple rules engines with additional "ingredients"



[redacted]

Example: *Frequent Business Traveler – "Make my life easier!"*

Booking from Calendar

- Proactive offer for travel regarding a meeting scheduled in Microsoft Outlook
- Offer includes upsell on discounted wi-fi
- Option to rebook typical previous trip to same destination

Bleisure-based Offer

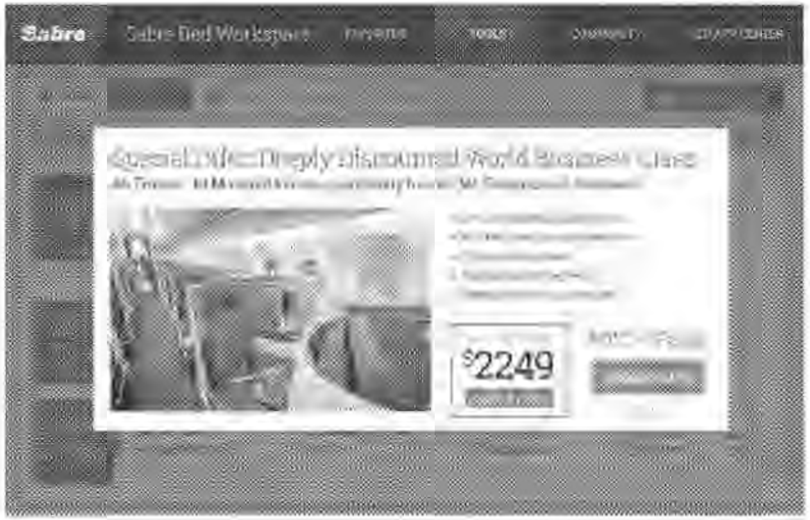
- Proactive offer via email to purchase a discounted airfare for a companion traveler
- Easily one-click book directly via the email offer

Dynamic Pricing - Ancillaries

- Longer than normal security lines and airport activity
- Offer via airline app en route to airport to purchase priority boarding for both travelers

[redacted]

Example: *VIP Business Traveler – "I need help creating the right itinerary"*



Dynamic Offer

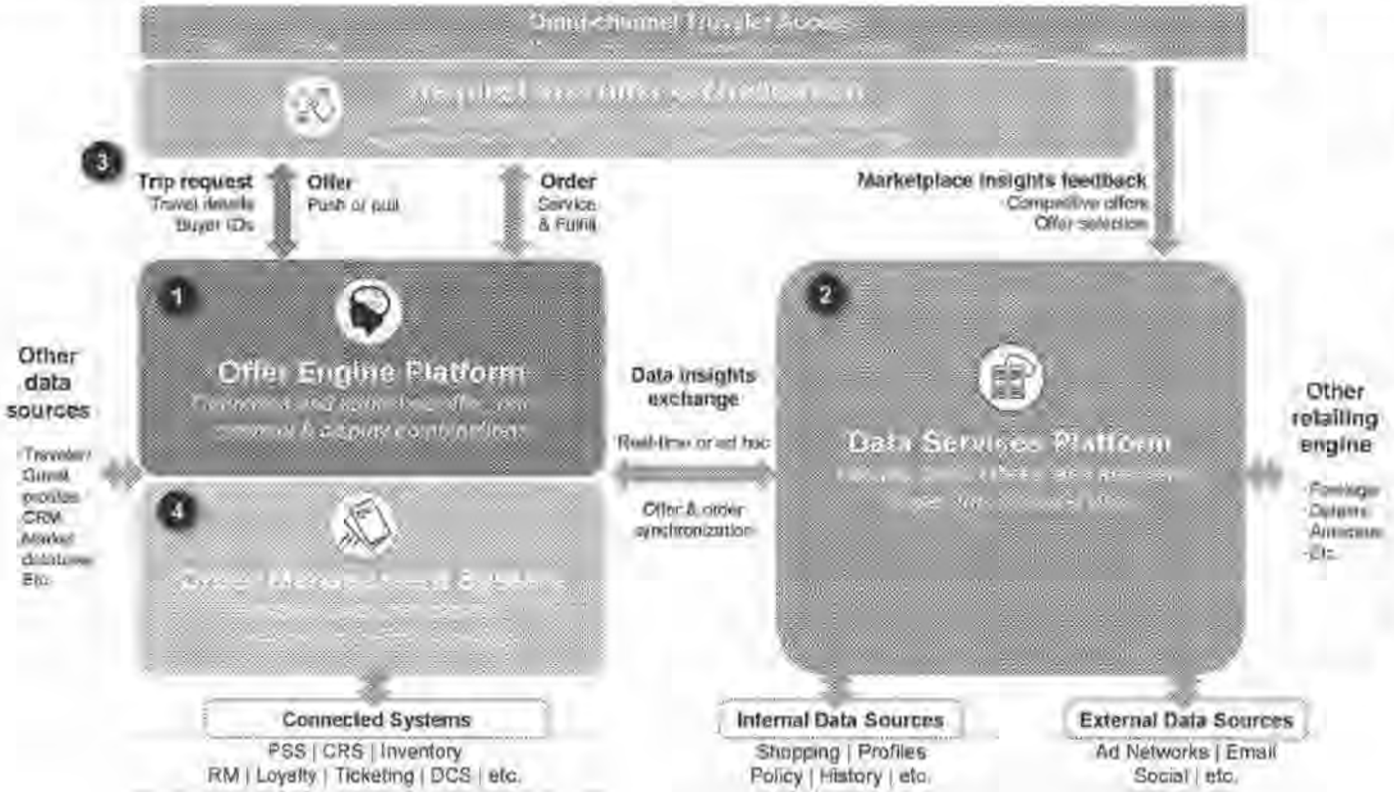
- Contacts VIP desk agent for an upcoming international trip
- Based on traveler preferences and previous travel history, a custom itinerary is developed
- Custom offer includes a business class seat in preferred location, on preferred airline, as well as the preferred route and stop-overs

Competitive Offer

- Receives an offer from another carrier for a deeply discounted upgrade to new business class experience
- Rich media highlights the new features and experience
- Selects the new carrier for that portion of the trip

[redacted]

Full evolution of NGR/NGD capabilities requires development in four areas: Offer Engine, Data Services, NGD: Connectivity & Orchestration, and Order Management



Next Gen Retailing

1. **Offer Engine Platform**
2. **Data Services Platform**

3 Next Gen Distribution

Request & offer orchestration

Standardized connectivity

4 Order Management

Enables service and fulfillment of NRG/NGD

[redacted]

NGR offer paradigms require advanced analysis and real-time access to multiple types of data; incentivizing data sharing among stakeholders is key

NGR Offer Engine results are a function of the data available at time of offer

Data = Buyer + Market + Trip context + Ambient

Traveler insight

- Buyer ID (FF#)
- Business ID (Agency/Corp)
- Previous purchase history
- Associated travelers
- Value scores (RFM)
- Preferences
- Policy constraints
- POS booking source
- 3rd party data exchange

Price and offer attributes

- Booking data
- Macro shopping data (aggregate)
- Micro shopping data (by persona)
- Individual shopping history
- Real-time win/loss performance
- Published fares and schedules

Travel intent

- Cannonball (O&D, dates, # in party, PCC)
- Calendar/events
- Social insights
- Cookies

Indirect relation to request

- Time of request
- Date of request
- Day of week
- Weather
- Geography
- Location

Need to incentivize data sharing among industry stakeholders

[redacted]

NGR/NGD go-to-market strategy will vary based on the size, complexity, and goals of each supplier

Services / APIs	In-house airline offer engine	GDS offer engine
Representative airlines (11) ***Avg carrier size: 40M+ PBs***	**Representative airlines (45)** ***Avg carrier size: 15M - 40M PBs***	**Representative airlines (113)** ***Avg carrier size: 100,000+ TN BKGs***
• *Large FSCs* [redacted] • *LCC interaction with GDS through data service feeds* [redacted]	• *Sabre-hosted carriers with high product adoption* [redacted] • *Non-Amadeus hosted carriers* [redacted] • *Amadeus hosted carriers* [redacted]	• *Carriers with a small TN GDS footprint* [redacted]

Notes: Representative airline list excludes Chinese carriers. High-adoption carriers are Airline Solutions/Sabre hosted carriers. Med-adoption carriers are non-Amadeus or Sabre hosted carriers. Low-adoption carriers are Amadeus hosted. TN products will not work with AMA and TP GDS bookings.

[redacted]

Agenda

- Project context and understanding customer needs
- Defining a "North Star" vision for retailing and distribution capabilities
- Bringing the vision to life: Fast Feedback Team
- Next steps

Over 6 weeks, a cross-functional Fast Feedback team developed strategic recommendations, tactical plans and tech architecture for NGR/NGD

29 member Fast Feedback Team

TN	AS	SHS	Tech	Data	Corporate
Brad Bennett	JP Olmos	Eben Hewitt	Adam Tworkiewicz	<u>Data Architecture</u>	<u>Corp Strategy</u>
Chris Croupe	Sergey Shebalov	Garth Overmyer	Chad Callaghan	Joni Reeves	Rachel Naylor
Cindy Tonnessen	Stan Boyer		Charles Lee		
Dirk Guenther			Justin Ricketts	<u>ED&A</u>	<u>Legal</u>
Richard Marcus			Lisa Woods	Hitendra Kashyap	Chris Rosa
Robbie Thomas			Mark McSpadden		Misty Barnett
Rohit Gupta			Peter Moore		
			Richard Ratliff		<u>P&T Finance</u>
			Wojciech Gworek		Benton Mahaffey
					Chris Barry
					Josh Fishman

Additional extended team of 20+ advisors and SMEs

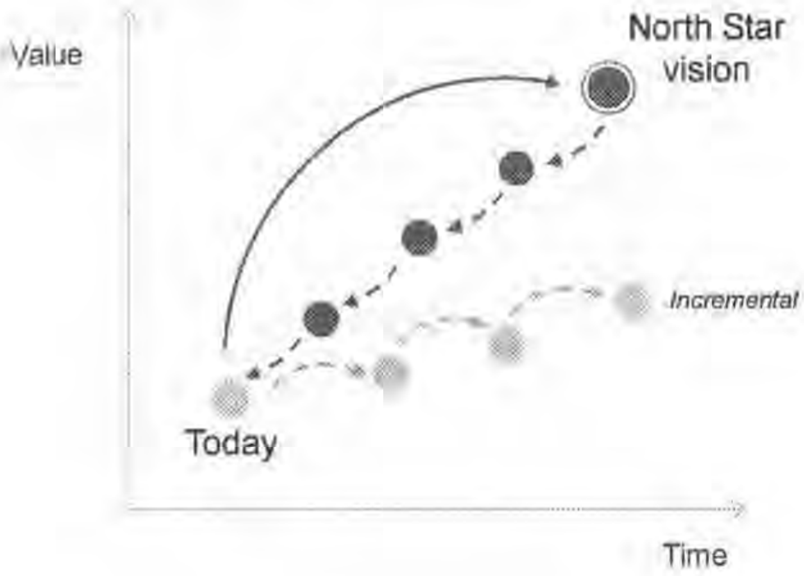
Fast Feedback Team activities

- Explored "North Star" capabilities
- Defined pilots
- Assessed current capabilities
- Identified partners (customers and tech)
- Designed technical architecture
- Estimated resourcing (investment, team, timing)

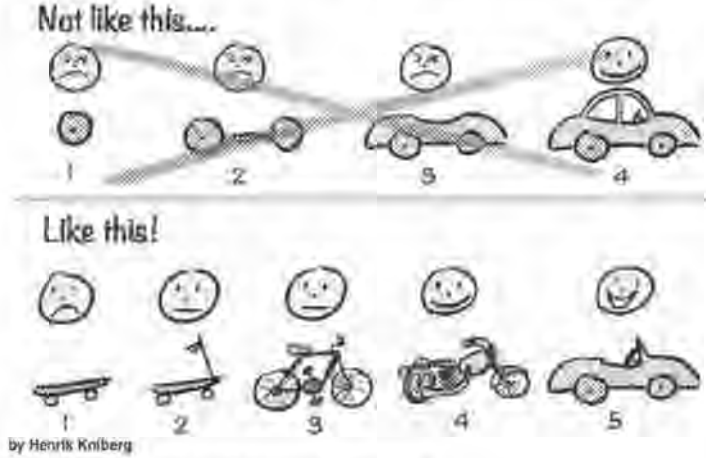
[redacted]

To reach end-state, "North Star" NGR/NGD capabilities, we recommend a phased pilot approach, focusing on creating MVPs at each step

Use pilots as steps to move toward delivering "North Star" NGR/NGD vision



With the deliverable of a MVP with end-to-end functionality during each pilot



Source: https://blog.deming.org/2014/11/minimal-viable-product/

[redacted]

Five phased pilots build upon each other to deliver increasingly sophisticated NGR/NGD capabilities and distinct benefits related to NDC and differentiation

1 Next Gen Offer/ Order infrastructure & pre-formed offers

Modern offer and initial order management capabilities supported E2E

NDC Level 2: Offer

2 Context-based/ trip purpose offers

Customized offers thru trip purpose & traveler segmentation using currently available data, modern order management

NDC Level 3: Offer and Order

3 Rich persona and market-based offers

Micro-segmented offers using richer data and initial competitive market feedback loops

Competitive differentiation

4 Dynamic offers and bundling

Offers based on real-time market data including competitive pricing and bundle composition

Thought leadership on dynamic offers

5 Beyond-air bundles

Include non-air products in the offer package (e.g., hotel, car)

Enables new commercial models

"Test and learn" over 24+ months

Delivered vision

[redacted]

NGR/NGD Pilots 1 and 2 will enable Sabre to integrate New Distribution Capabilities (NDC) within the next 12 months

- Select large air suppliers [redacted] are stipulating in current GDS RFPs that NDC capabilities must be integrated within the next 12 months

NDC Level	Description	Current status		Future status	
		TN	AS	TN	AS
Level 1	Post air booking ancillary shopping schemes	Certified	Capable	Certified	Capable
Level 2	Offer (shopping) Management schemes	✗	✗	Pilot 1	Pilot 1
Level 3	Offer (shopping) and Order Management schemes	✗	✗	Pilot 2	Pilot 2

Notes
Airlines/aggregators = Certified
IT providers = Capable

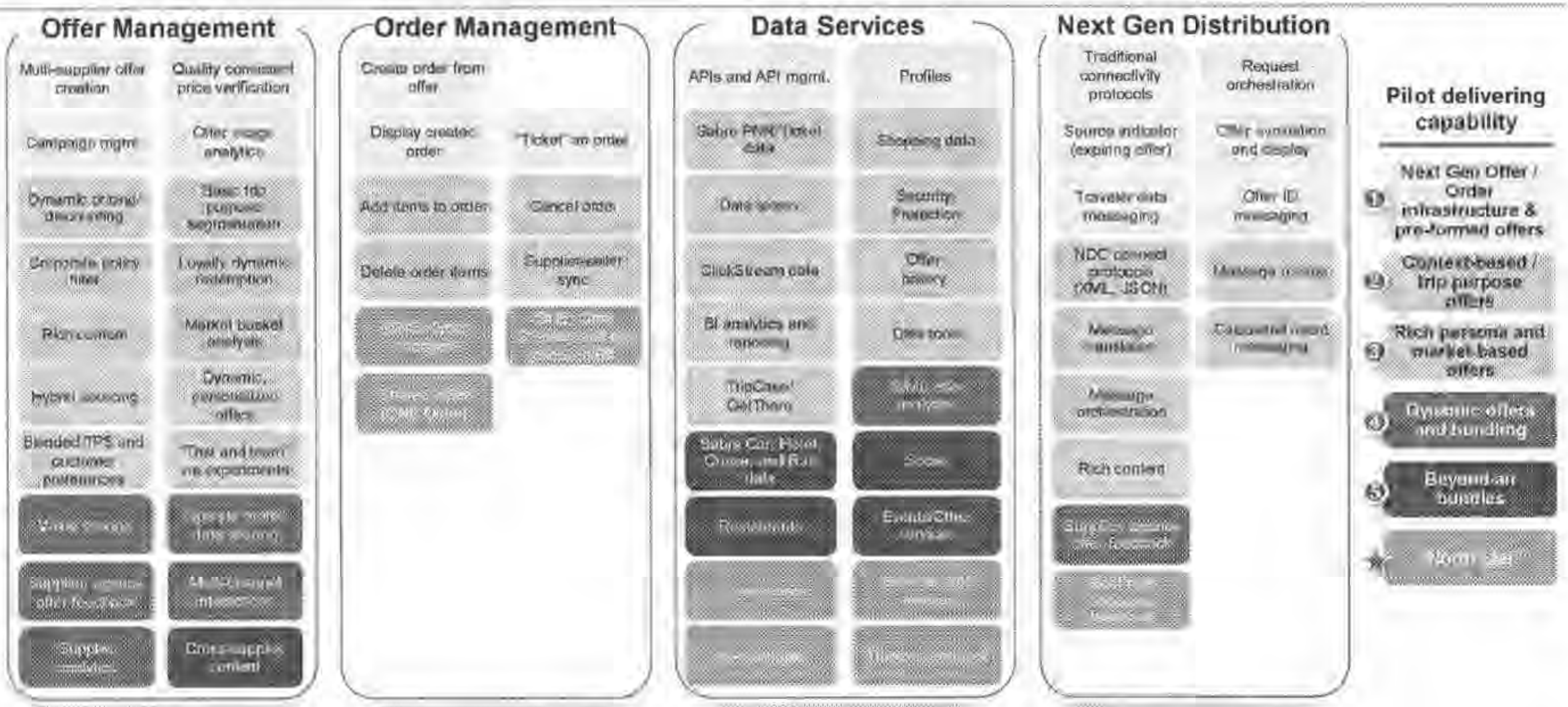
[redacted]

Fast Feedback team identified dozens of relevant capabilities as foundational capabilities to develop for NGR/NGD

Key capabilities to enable NGR/NGD

Offer Management	Order Management	Data Services	NGD
Dynamic offer bundling across customer types and channels	Order Create and Display (NDC/ONE Order) for servicing, fulfillment, and delivery	Ability to access, aggregate, and analyze data sources granted by necessary contractual terms	Low-latency connectivity optimized for large volumes (XML/JSON)
Competitive intelligence and real-time response tools	Change orders at an item level (supplement, exchange, delete)	Scalable, flexible data ingestion connections	Shopping orchestration to support shopping duality (i.e., filed vs. direct/NDC)
Advanced algorithms for decision support, segmentation, and personalization	Recognition of next gen orders by revenue accounting and reporting systems	Rapid data processing to accelerate analysis	Shopping display including both traditional and rich content
Flexible and dynamic retail platform	TN/AS Shared Order to reduce system costs and synchronization complexity	Real-time insights about travelers, cohorts, markets, and offers	Front-end and offer feedback enabled by data analysis (market and clickstream data)

Capability dashboard – by pilot phase



Offer Mgmt capabilities expanded over Pilots 1-5

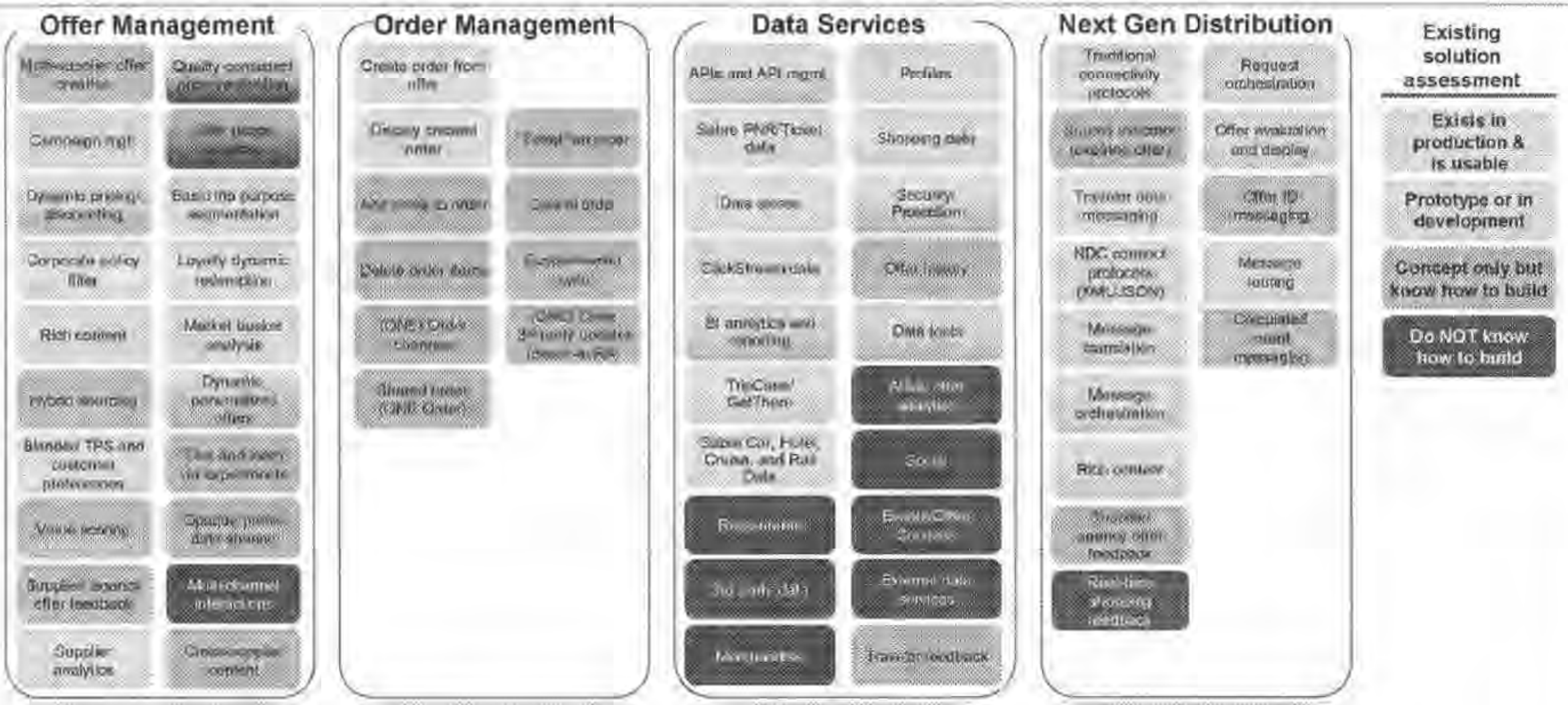
Order Mgmt capabilities in place after Pilot 2

Data expanded and enriched during Pilots 1-5

NGD capabilities mostly in place after Pilot 2

[redacted]

Capability dashboard – by existing capability assessment



Sufficient internal knowledge; leverage existing solutions and prototypes

Sufficient internal knowledge; new build needed

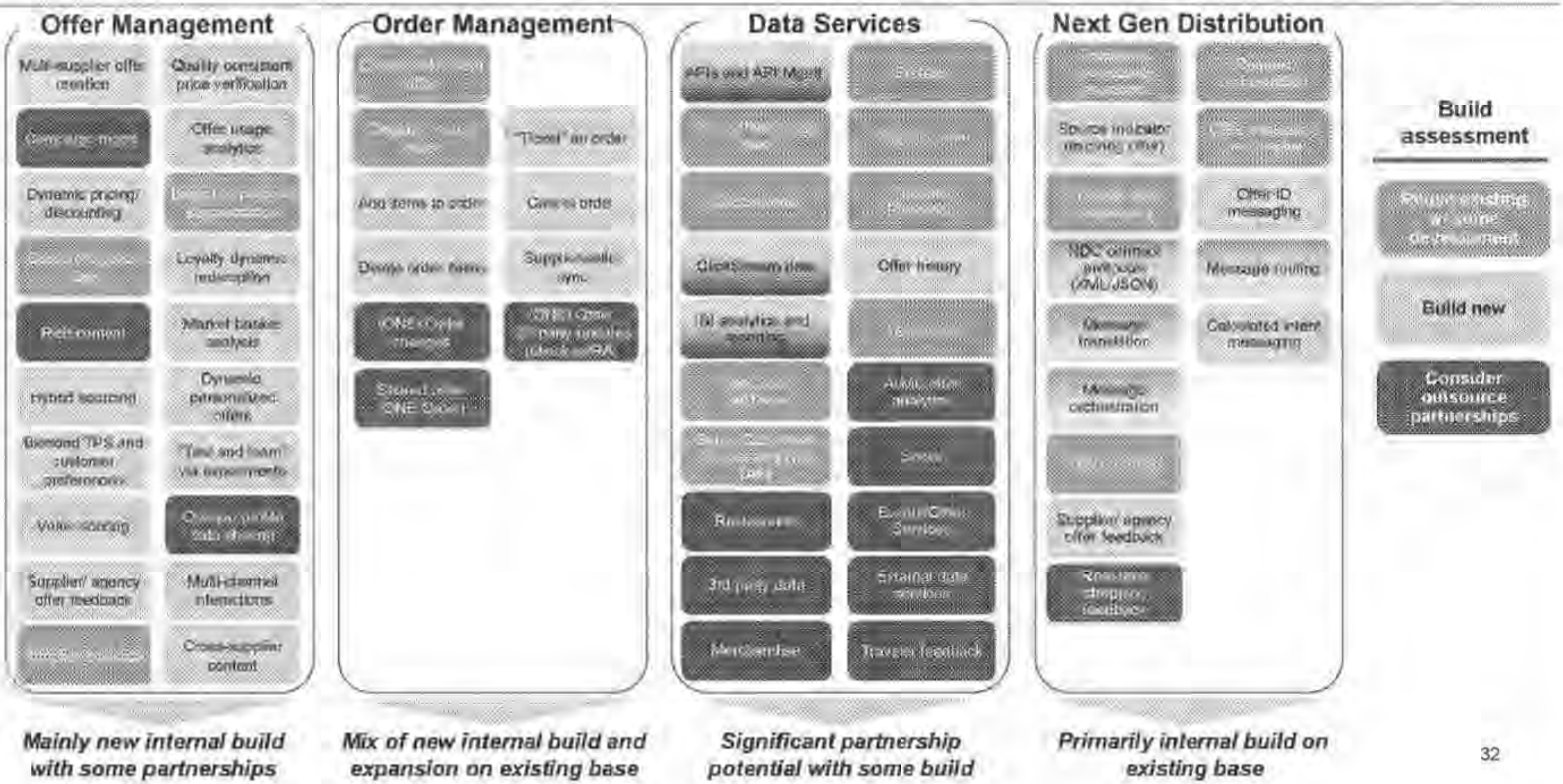
Engage external experts to address data infrastructure & process questions

Sufficient internal knowledge; build on existing base

[redacted]

SABR-000110931

Capability dashboard – by build/partner assessment



[redacted]

SABR-000110932

Redacted

[redacted]

Preliminary technical and legal partners for further evaluation after Aug. 4

Offer Management

Tech and content

Datalex
nor1
FARELOGIX
BOXEVER
hybris
lyft
UBER

Consolidators

amazon
OpenTable
StubHub!
viator
ticketmaster

Order Management

JR Technologies
Hexaware Technologies

Data Services

Data consulting

accenture
IBM

Legal

ALSTON & BIRD

Tech

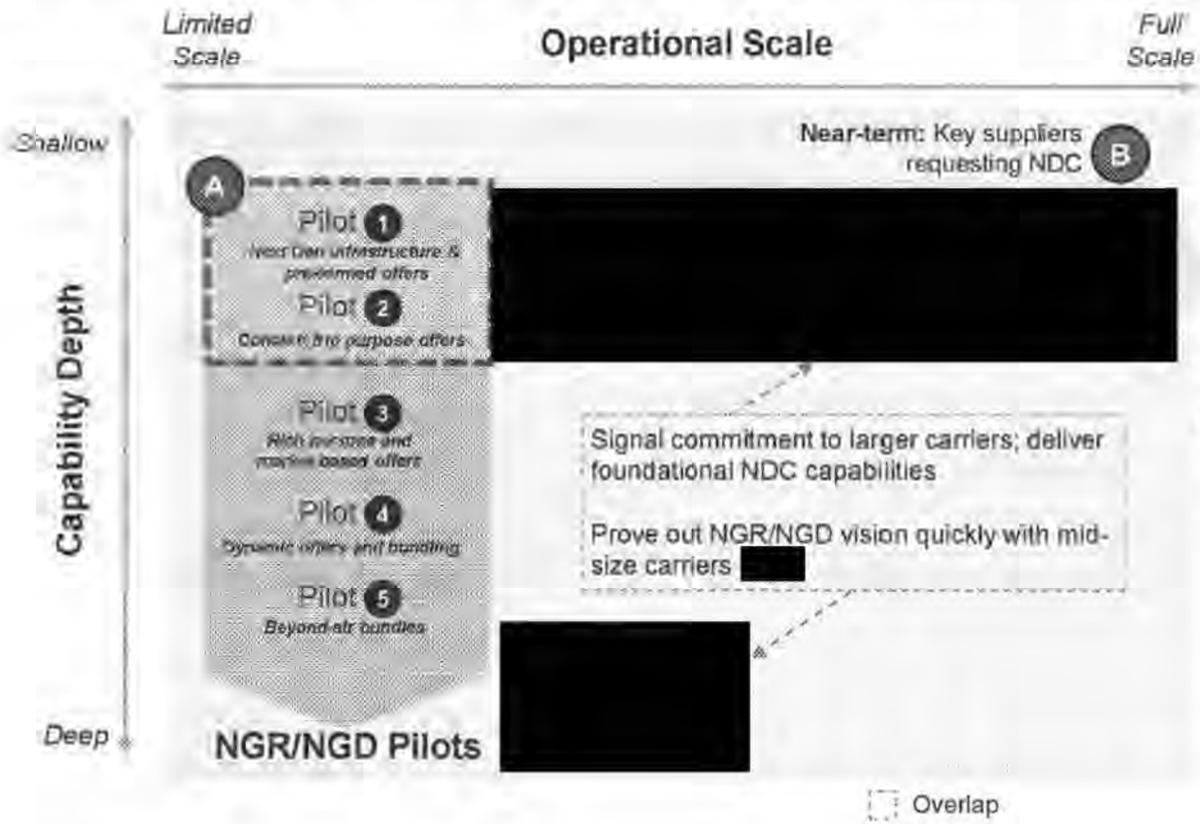
ORACLE
ADARA
krux
Hortonworks
MuleSoft
apigee

NGD

[redacted]

SABR-000110934

Recommend pursuing two-pronged strategy to address near-term needs of TN carriers and support long-term aims of NGR/NGD; however, fund separately



A NGR/NGD Pilots 1-2 would deliver foundational NDC capabilities and cover ~80% of near-term work for key suppliers

- Scope of pilots limited to prove out multiple pan-Sabre capabilities in rapid sequence

B Additional funding needed to build out pilots for individual, full scale carrier implementations

- Product marketing and architecture resources would be shared between work streams
- Dev resources from NGR/NGD pilots would seed NDC near-term effort

[redacted]

Initial partner recommendations suggest mid-size, North American carriers as primary partners with larger carriers as focus for near-in TN efforts

Airline criteria for participation

- Favorable relationship with Sabre and a willing partner
- Location supports efficient working relationship
- Mid-sized with business processes and complexity that replicate those of larger suppliers
- Nimble, progressive company that is willing to invest in the next evolution of technology and the business model
- Willing to participate in PR, with testimonials, and other publicity regarding pilot results

Criteria for other participants

- Agency and corporate participation will be needed to show end-to-end capabilities and to gather feedback
- Carrier participation will dictate which agencies and corporations participate
- Non-air supplier participation is required for Pilot 5

Pilot partner recommendations

[redacted]

Annual PBs [redacted]
PSS – Sabre
GDS – Yes

[redacted]

Annual PBs – [redacted]
PSS – Sabre
GDS – Yes

[redacted]

Annual PBs – [redacted]
PSS – Navitaire
GDS – Limited

[redacted]

Annual PBs – [redacted]
PSS – Sabre
GDS – Yes

TN near-in partner recommendations

[redacted]

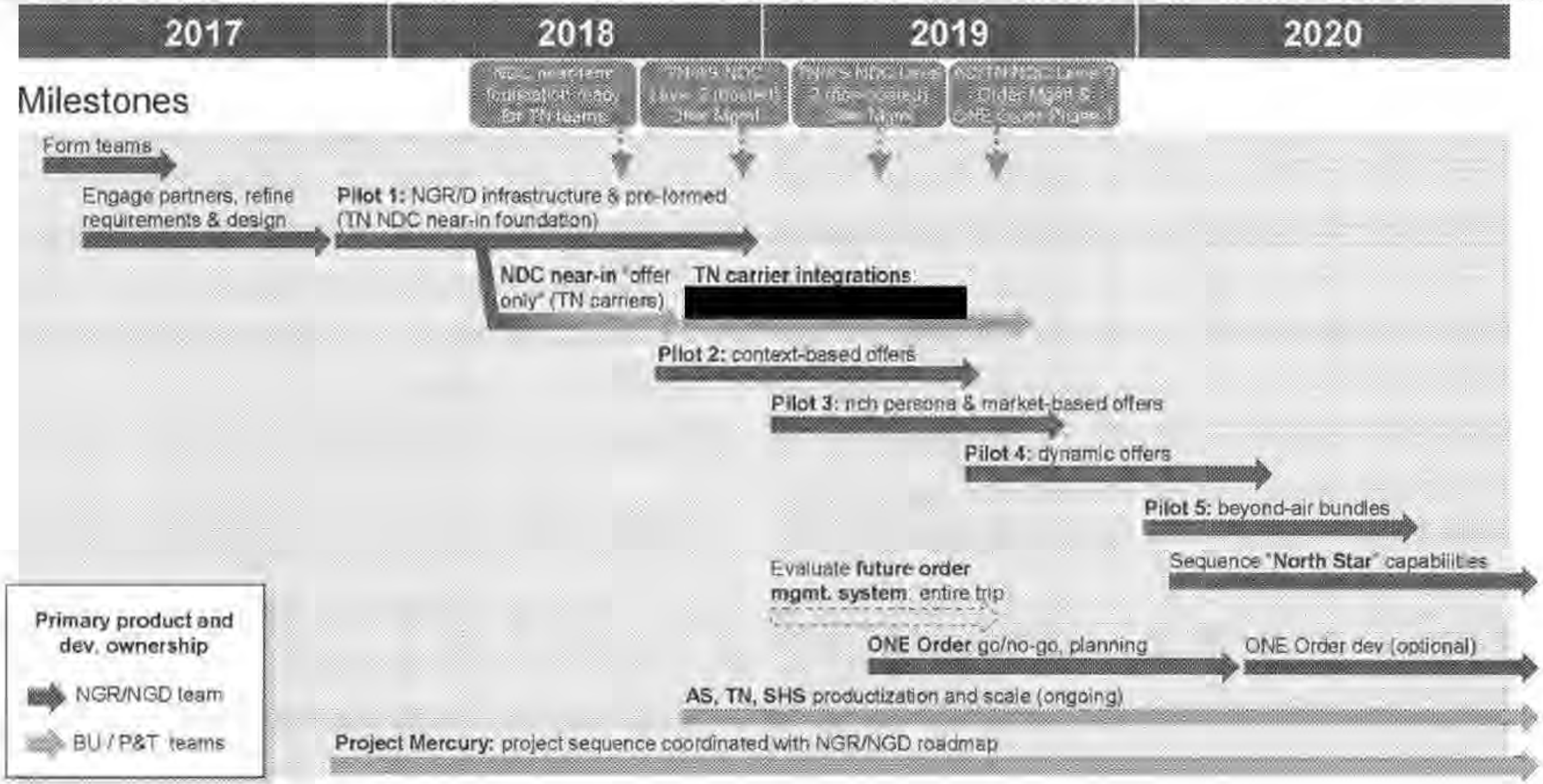
Annual PBs – [redacted]
PSS – Amadeus
GDS – Yes

[redacted]

Annual PBs – [redacted]
PSS – Amadeus
GDS – Yes

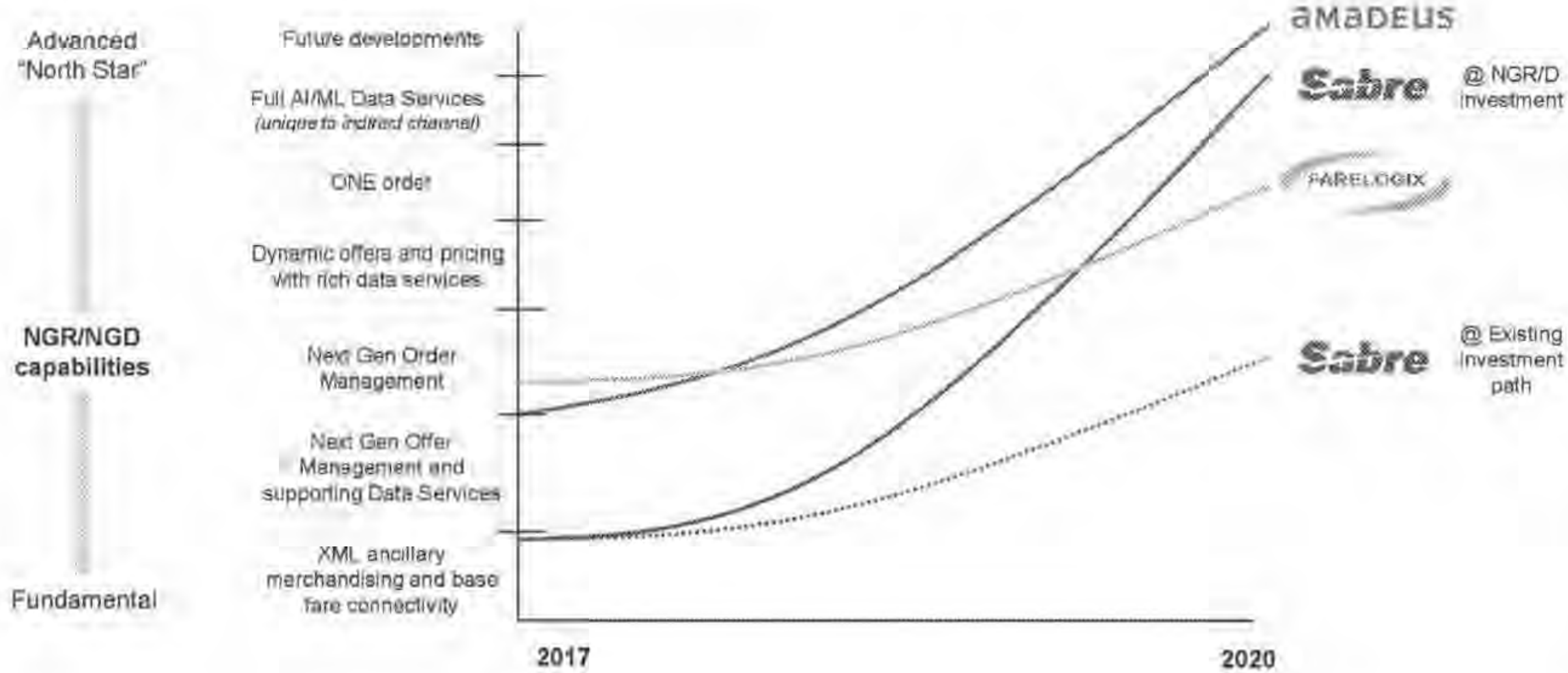
[redacted]

NGR/NGD roadmap considers TN and AS near-in needs, as well as Project Mercury, and puts us on a path to develop market competitive capabilities



[redacted]

Roadmap positions Sabre to exceed offer and order management capabilities of non-GDS competitors and significantly close gaps with Amadeus in TN/ AS

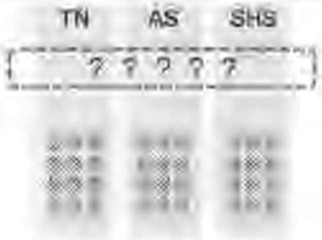


[redacted]

SABR-000110938

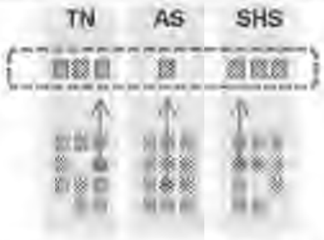
Sabre's current org structure does not support level of coordination needed to develop pan-Sabre capabilities; other options facilitate required coordination

1 Status quo



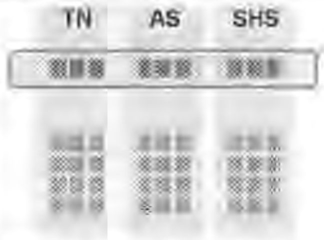
- Status quo operating model
- **Pros**: minimizes organization disruption
- **Cons**: lack of progress stemming from de-prioritization of pan-Sabre projects (i.e., BUs not currently incentivized to coordinate); no pan-Sabre funding mechanism

2 Dedicated project team *(secondment model)*



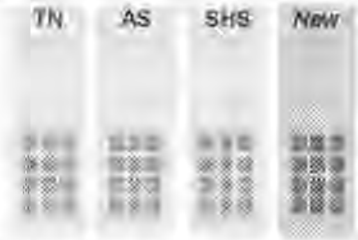
- *"Secondment resources"* remain members of their original orgs, but are dedicated 100% to project for 18-30 months
- Team reports to CEO, with VP leader (monthly updates to BU leads & CTO)
- Funded separately from BUs
- **Pros**: dedicated, cross-functional participation with links to BUs
- **Cons**: "ghost resources" that cannot be backfilled create tension with BUs

3 Pan-Sabre platform product mgmt. team



- New standalone pan-Sabre platform product mgmt. team
- Reports directly to CEO
- **Pros**: Central control of roadmaps and budgeting support pan-Sabre coordination
- **Cons**: Added budgeting complexity; potential tension with BUs for resources

4 End-to-end team (product + tech)



- New standalone BU (product/tech)
- Reports directly to CEO
- **Pros**: End-to-end control eliminates dependencies
- **Cons**: Benefits likely to accrue to new BU, versus existing BUs; unable to realize pan-Sabre efficiencies; complexity from "old co" / "new co" tensions

Less disruption to operating model → ***Greater disruption to operating model***

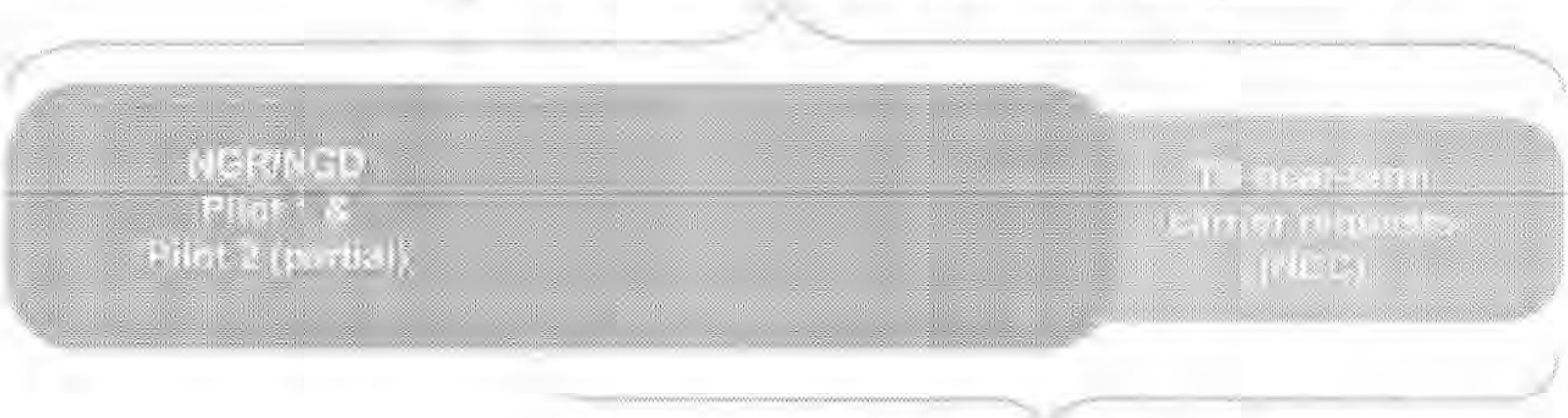
Existing *Seconded* *New*

[redacted]

There are two main investment options: developing full NGR/NGD and meeting TN near-in needs or focusing exclusively on TN near-in

1a **Full NGR/NGD + TN near-in *(US-based dev)*** [redacted]

1b **Full NGR/NGD + TN near-in *(Geomixed dev)*** [redacted]



2 **TN near-in only (TN NDC Lvl 2)**
**risks delivering NGD before NGR*

[redacted]

[redacted]

Agenda

- Project context and understanding customer needs
- Defining a "North Star" vision for retailing and distribution capabilities
- Bringing the vision to life: Fast Feedback Team
- Next steps

[redacted]

Next steps for Next Gen Retailing/Distribution

Determine resource commitment for 2017/2018

- Finalize internal support as a stand-alone, prioritized initiative
- Participate in 2018 budgeting process
- Obtain 2017 funding to build-out workflows and initiate development

Stand-up a transition team and identify an executive leader

- Use existing team as bridge for 2017 planning and kickoff full effort

Connect with airline partner customers

- Based on targeted list, work with sales teams to initiate contact
- Understand each airline's appetite for partnership (NDC/NGD/NGR)
- Engage on airline-specific technical details

[redacted]

Airline Solutions Recovery Plan

Dave Shirk & Vinit Doshi

August 15, 2017

CONFIDENTIAL

Sabre

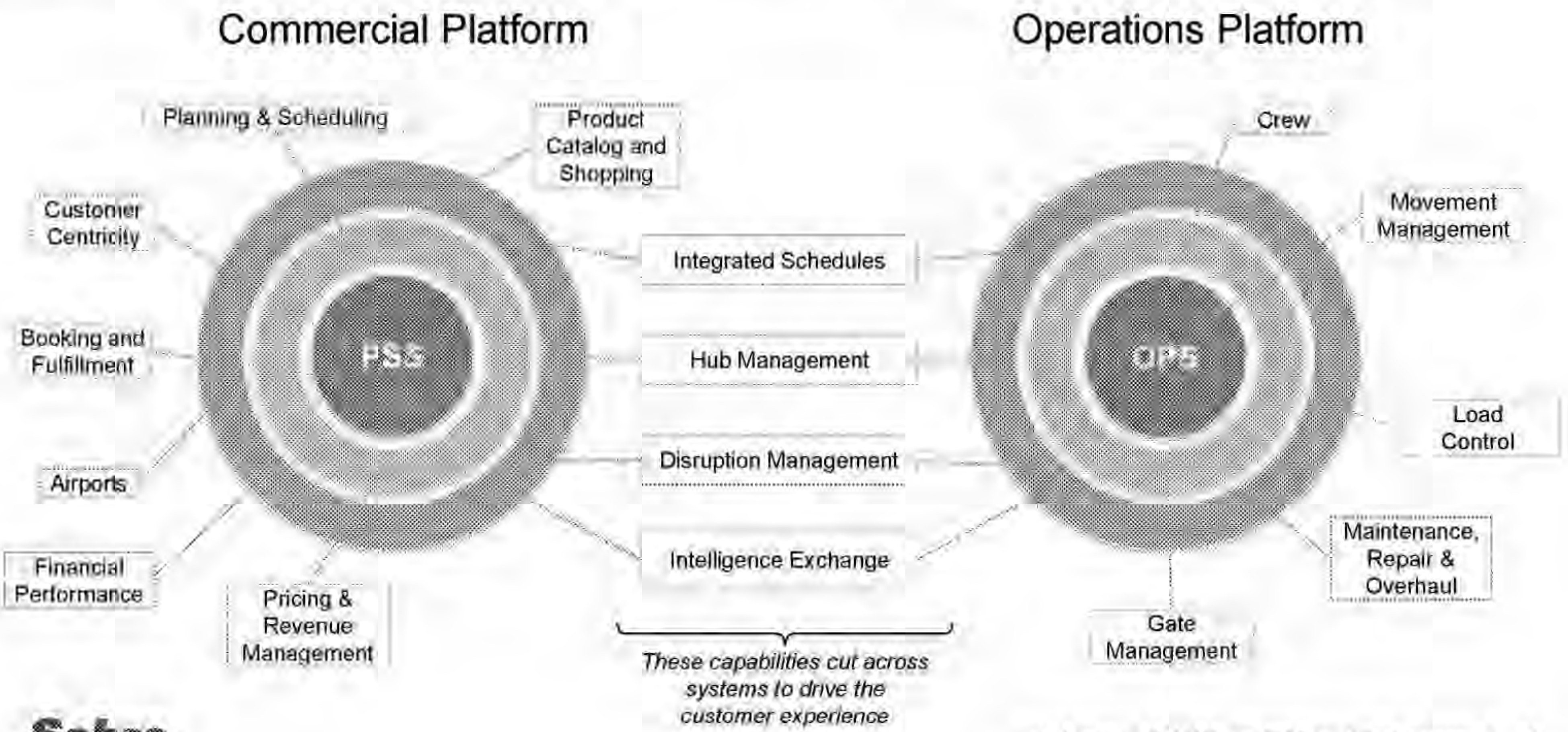
[redacted]

Executive summary

- [redacted]
- In addition, **execution challenges** have undermined business performance and eroded customer satisfaction
- Amadeus and others continue to **aggressively attack** the market while expanding into near adjacencies
- [redacted]
  - **narrowing down the portfolio** to focus more on the commercial platform and reduce complexity (versions, layers)
  - implementing a **18-month get healthy plan** to recover the business with a focus on customer value
  - driving **controlled growth** by focusing on new small and mid-sized SabreSonic deals, AirVision and Data & Analytics sales
- **Investment dollars are being re-prioritized** to align with the new strategy
- MYO now shows revenue **growth stalling in 2018** with primary focus on recovery, returning to mid single-digit growth thereafter
- If we execute well, there is potential for an **additional point of growth** through the MYO period

[redacted]

The market for airline software continues to expand and evolve



Sabre

[redacted]

[redacted]

[redacted]

[redacted]

Sabre 'Source: T2RL

[redacted]

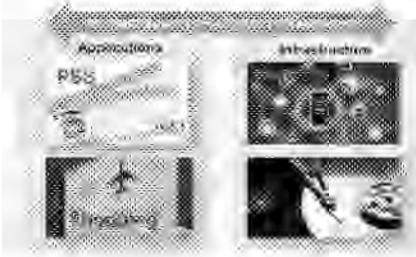
[redacted]

Note: (X) number of products in the family

[redacted]

However, execution challenges have undermined business performance

Stability remains an issue



- >24 months of issues
- SabreSonic customers unwilling to sign deals
- $50M (Sabre Corp. investment) in 2017

Top customers(23 of 25) are not satisfied

Product health is poor in many areas

Ancillaries	Interline Branded Fares
Loyalty	Load Manager
e-Commerce	Flight Plan Manager

Significant impact on sales execution

2017 CTOV Targets ($M)	Original Plan	Revised in May	YTD Signed
SabreSonic	[redacted]		
Data & Analytics			
Air Vision			
Air Centre			
Consulting			
Total(*)			

Implies need for a strategic shift from a diverse portfolio to a focused business that can be strengthened

Sabre

[redacted]

A deeper dive reveals many foundational issues that need resolution

Customers expect whatever they want

Expectations managed to minimize customizations

Delivery terms continually negotiated

Clearly defined package and pricing

Many costly customized product extensions

Supported and upgradable extension model

Customers supported on many product versions

Enforcement of latest n-2 versioning

Typically no instrumentation

Instrumentation in all products

Multiple layers of middleware and orchestration

Aligned reference architecture

Customers impacted by technology decisions

Technology roadmap that drives decisions across all platforms, with clearly defined impacts

<15% test coverage, with no common automation toolset

End-to-end testing, with common automation toolset

Products continue to be supported

End of life plans and premium support model

Complexity limit ability to use 3rd parties

Reference model for 3rd party ecosystem

Sabre

[redacted]

Additionally, Amadeus continues to aggressively attack the market while expanding product offerings into near adjacencies

MARKET

- Fewer major airlines in the market for PSS
- Amadeus going after SITA and Sabre
- RFPs combining GDS/PSS financials
- More SabreSonic customers going to RFP
- RFPs already pushing for NGD/NGR

AMADEUS PRODUCT

- Portfolio continues to expand
- Navitaire-to-Altea path created
- Catching up in customer centricity
- Building platform to compete with IX
- Partnership with Optym
- Architecture enables simpler deployment

[redacted]

[redacted]

Sabre Source: Internal analysis AS Strategy

[redacted]

[redacted]

[redacted]

Our investment priorities are shifting from chasing new revenue streams to customer/product recovery and controlled growth

Deal-Driven Revenue Growth

- Focus on functionality to satisfy deals
- Tech investment de-prioritized

Revenue Growth With Directed Development

- Sabre vision/strategy/roadmap sold to customers
- Less customer-driven, but still functionality-driven and contractually obligated

Customer Acquisition Focus

Customer Value Focus

Rationalize the Portfolio

- Optimize for full P&L/FCF rather than primarily revenue growth
- Fix the SDLC/factory

Get healthy plan

- Recover customer relationships
- Improve stability and reliability
- Address solution gaps

Controlled Growth

- Sell ready solutions (IX, AirVision) to non-SabreSonic customers
- Package SabreSonic for carriers requiring limited development work

Sabre

[redacted]

Our strategy going forward must balance rationalizing the portfolio, recovering customer & product health, and driving controlled growth

Rationalize the portfolio

Focus Investments

- Strengthen the Commercial Platform
- Reallocate investment in some areas to self-fund improvements
- Shifting from growth to execution in AC

Get healthy plan

Protect the Base

- Address unhealthy relationships with top 25 customers
- Retain the revenue that is up for renewal in the next 4 years
- Establish strong base (commercial platform) from which to grow post-2019

Controlled growth

Achieve Revenue Targets

- Achieve revised sales targets to provide 4.3% growth in MYO period
- Focus on selling IX and AV products to non-SabreSonic customers
- Sell to small and mid-size carriers that have limited development work

Sabre

[redacted]

[redacted]

[redacted]

[redacted]

Sabre

[redacted]

We are implementing an 18-month Get Healthy Plan

FIX THE BASICS — 6 months

- Establish and begin execution of "get healthy" product plans
- Execute initiatives to improve stability
- Implement customer recovery plan
- Develop path to customer upgrades

[illegible] — 12 months

- Perform thorough architectural review
- Define architecture and convergence plans
- Develop SDLC process / implementation plan
- Optimize technology teams

PLAN FOR GROWTH — 18+ months

- Address architectural issues
- Define and execute prioritized innovations
- Identify long-term plan for growth

Sabre

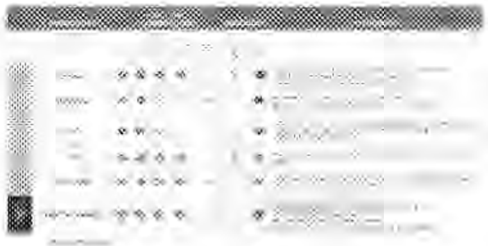
[redacted]

First phase of the get healthy plan focuses on customer and product recovery, prioritizing the top 25 customers and most troubled products

Customer Action Plan

- Specific action plans
- 6 customers so far
- All 25 by September

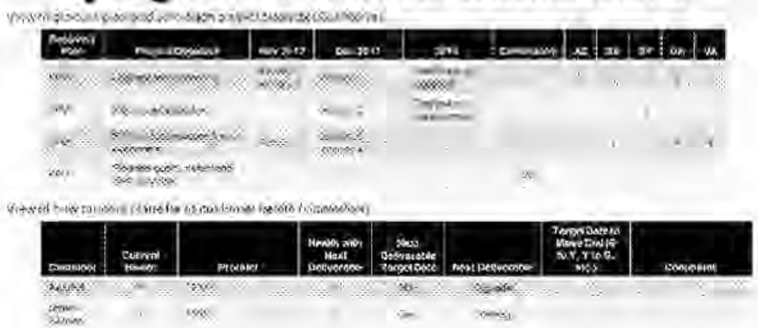
Product Recovery Roadmaps



- Re-prioritized
- 9 products so far
- Tracked around specific objectives

Bringing Customers Up to Date

Tying Activities to Customers



[redacted]

SABR-000110959

Customer get healthy plan has begun with 6 key customers

Focus Airlines

[redacted]

Strategic Coverage

[redacted]

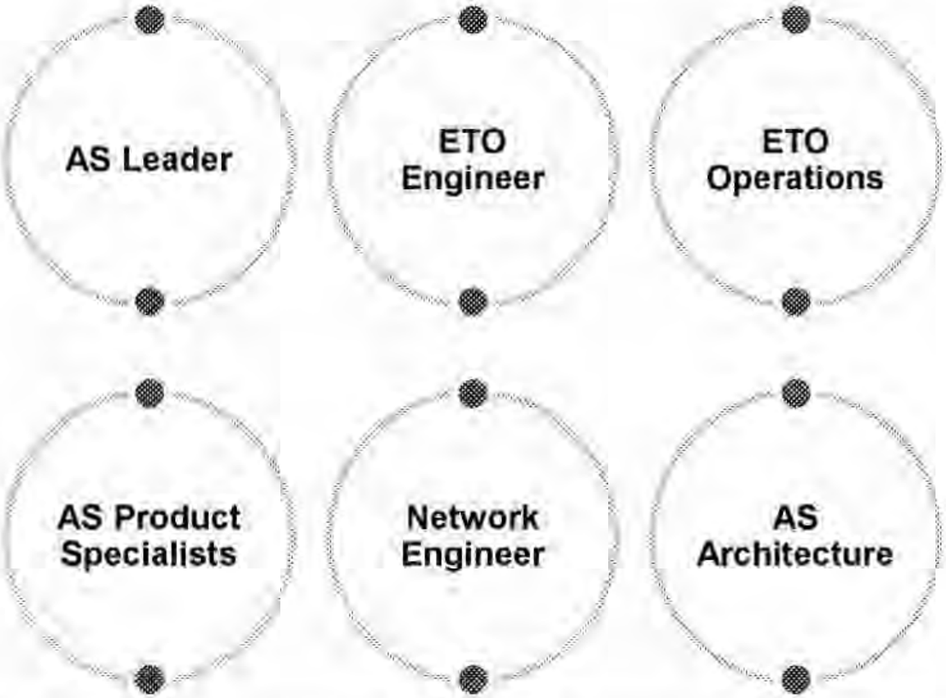
Airline	2017 Sev 1s/Sev 2s	2017 Total Impact by Minutes	Total Products Installed	Open Sev 3's		CRs in Progress	
				Critical Impact	Total	AC / AV	SabreSonic
[redacted]	15	5865	54	12	91	1	12
	45	2819	44	2	278	4	7
	12	1193	59	6	222	2	29

Sabre

[redacted]

SABR-000110960

Focus customers have SWAT teams in place already



SWAT team structure

Improve Stability

Ensure consistent customer communication

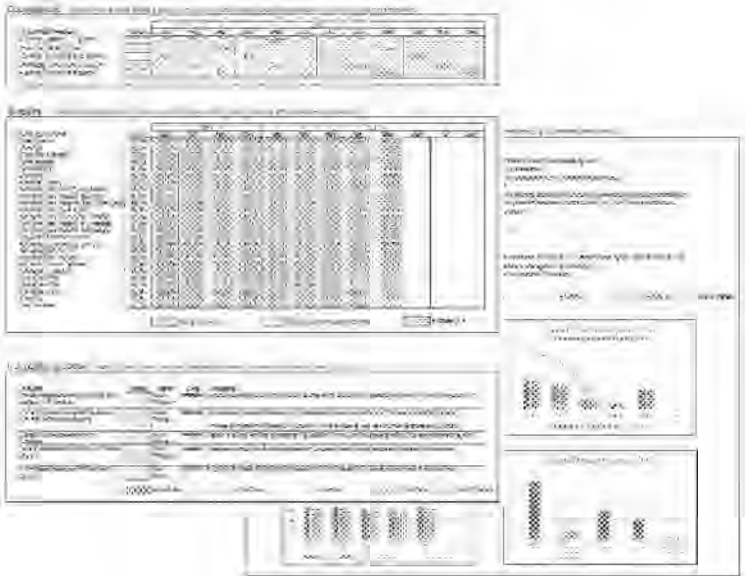
Plan for improvements that strengthen reliability

Track projects and KPIs aligning to specific goals

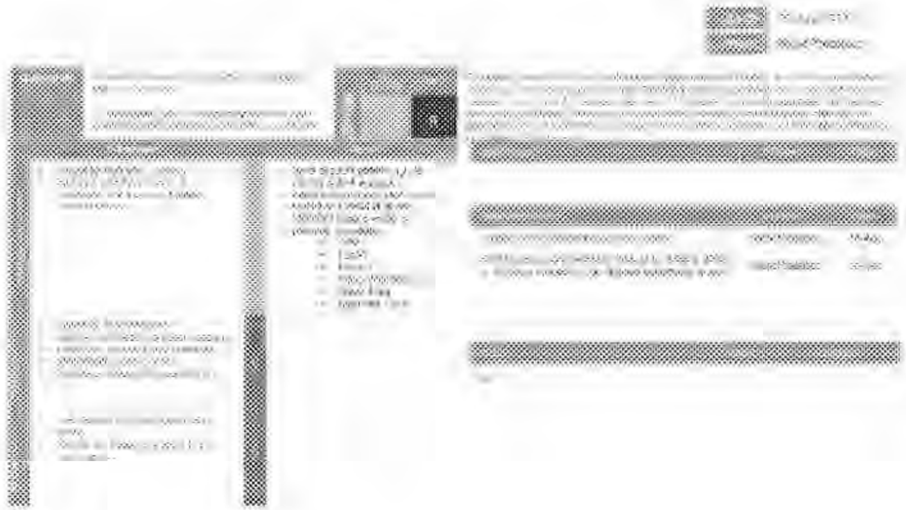
[redacted]

Example: [redacted] monitoring and 30/60/90 milestones being established

Program Dashboards



Progress Tracking



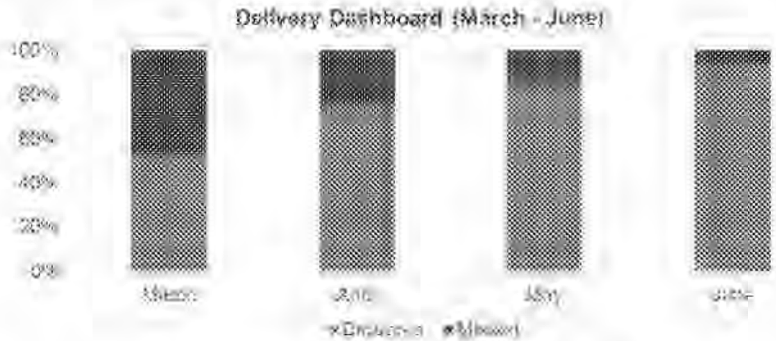
Sabre

[redacted]

Example: [redacted] tracks key initiatives tied to carrier business objectives

Themed Scorecard

Program Delivery Dashboard



- Metrics represent total Delivery activity for [redacted] including BAU activations, development CRs and releases
- Number of successful and missed deliverables is tracked and evaluated jointly with EY each month

Sabre

[redacted]

Path to manage top 25 customers involves putting the right teams in place for the remaining 19 carriers

Marketing & Solution Mgt. Lead

Customer Support Partner

Delivery

Technology

[redacted]

[redacted]

Product get healthy focuses on the first 9 'end-to-end' product improvement areas

Focus Products	Improvements
eCommerce	Stability
Ancillaries	Contractual Obligations
Loyalty	Mandates
Interline Branded Fares	Service Requests
Load Manager	Product Gaps
Interact	Version Control
Flight Plan Manager	Architecture
Crew Manager	Technical Debt
FLICA	Documentation

[redacted]

FPM illustrates how strategically upgrading customers to manage a versioning problem can reduce SRs

Nearly one version / customer

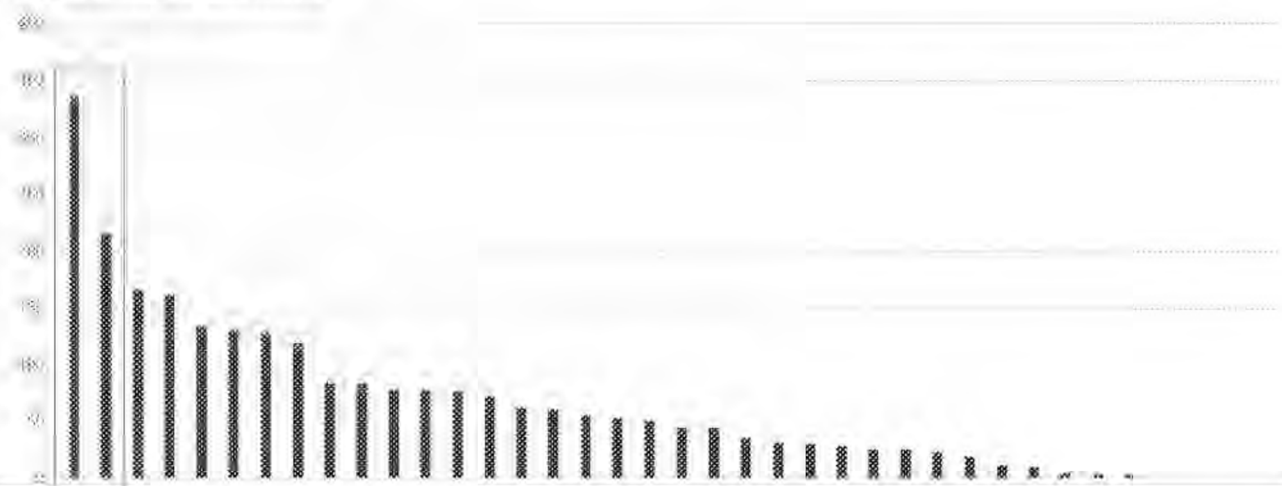
Newest

Release	Mode	Customer
[illegible]	local	[redacted]
[illegible]	local	
[illegible]	local	
4.11.7.8	local	
4.10.7.6	local	
4.10.6.5	local	
4.10.4.4	local	
4.10.1.8	local	
4.10.1.18	Hosted / VIE	
4.10.1.11	local	
4.10.1.10	local	
4.10.1.25	Local / Hosted / LEW	
[illegible]	Hosted / VIE	
[illegible]	Hosted / VIE	
[illegible]	local	
[illegible]	SaaS	
[illegible]	SaaS	
[illegible]	local	
4.6.6.0	Local / Hosted / LEW	
4.6.5.2	local	
4.6.4.1**	local	
4.6.3.4	local	
4.4.1	Hosted / VIE	
4.1.12.4	Hosted / VIE	
24		28

Oldest

[redacted] have opened more SRs than any other FPM customer

SR Backlog by Customer



[redacted]

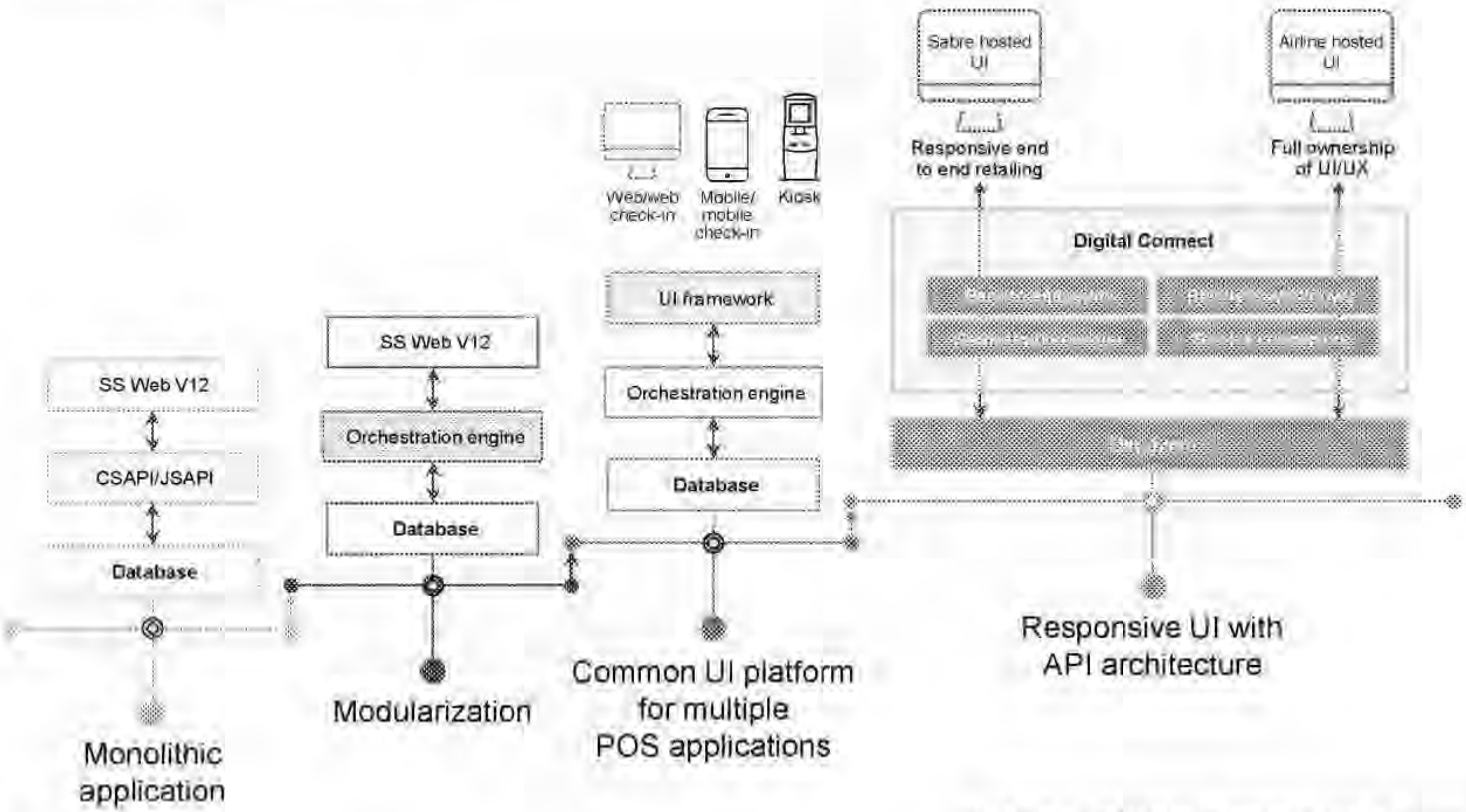
There are 27 versions of Interact distributed across over 50 carriers

Interact v5.X	Interact v6.3+	Interact v7.X	Interact v8.0	Interact v8.1/8.2 TLS Compliant
6 carriers	23 carriers	16 carriers	4 carriers	20 carriers interested

[redacted]

[redacted]

In eCommerce, solution evolution has resulted in multiple platforms with different capabilities

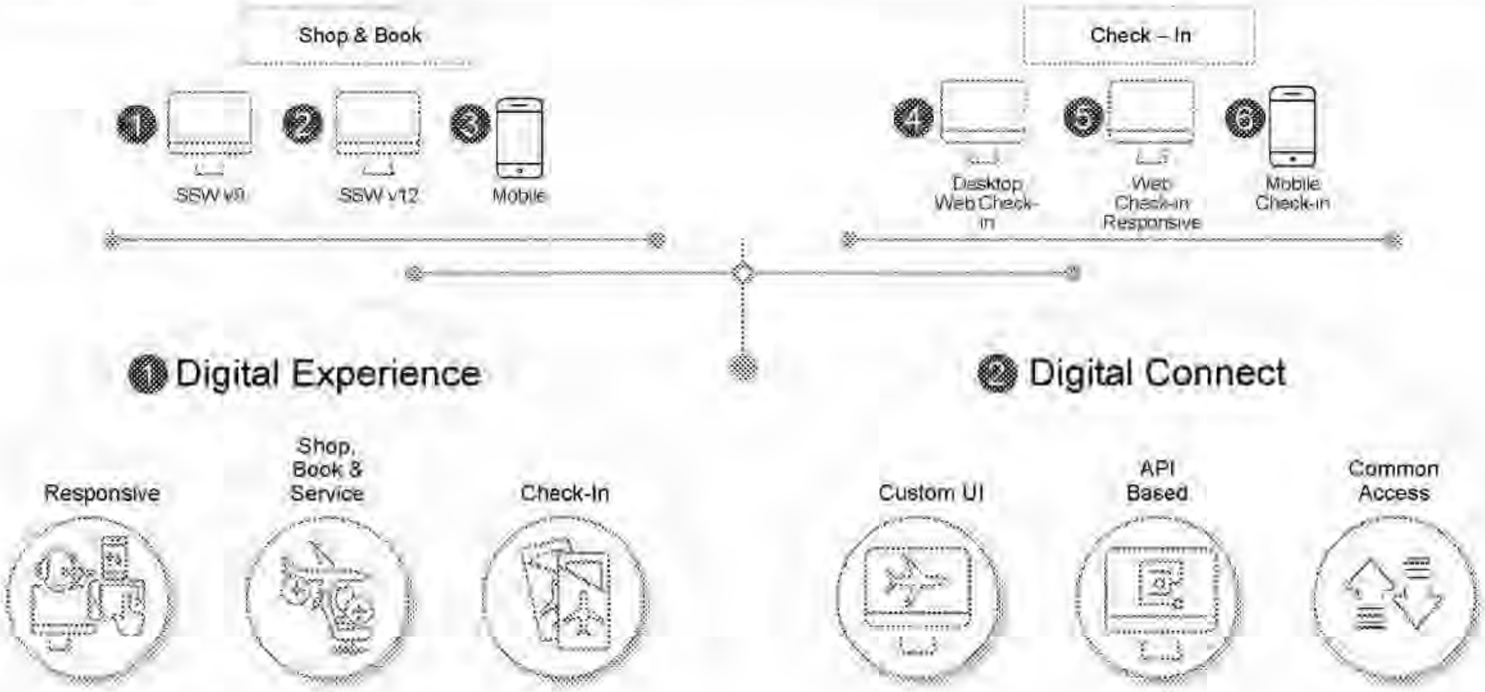


Sabre

[redacted]

SABR-000110968

Platform consolidation will optimize the solution offerings for the current customer base



Reference App
Configurable off-the-shelf white label solution
Pre-defined dynamic & static content guidelines

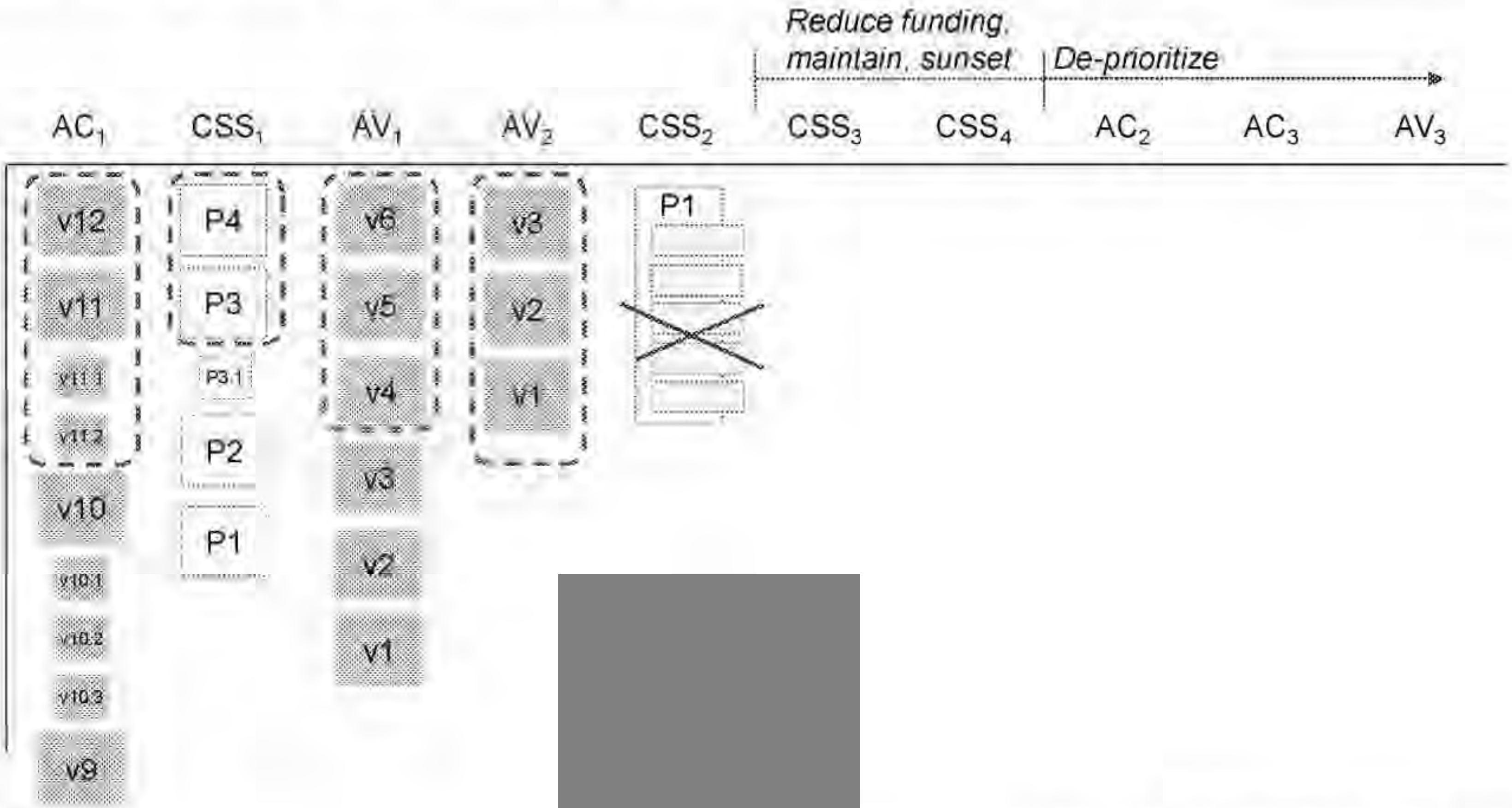
Custom App JSON API based
Managed and maintained by airline
Standardized entry point into Sabre product stack

Sabre

[redacted]

SABR-000110969

With the Get Healthy Plan, portfolio rationalization is extended to address complexity and cost of versions not just breadth

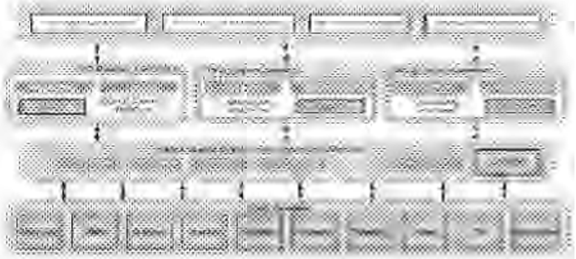


Sabre

[redacted]

The second phase of the get healthy plan will introduce efforts around solidifying technical foundations

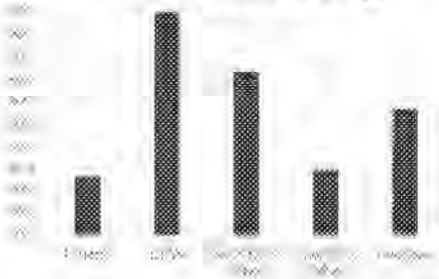
Reference Architecture



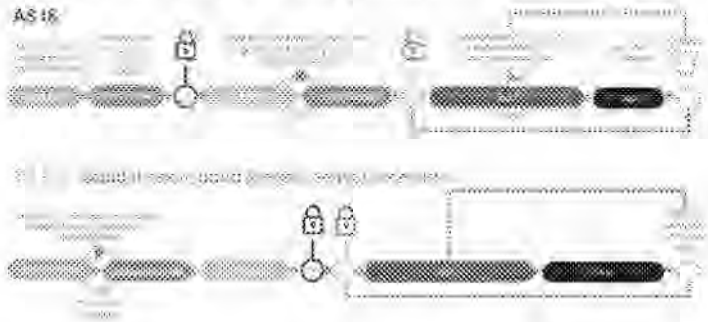
Moving Products to the Cloud

Description	Effective Monthly Cost			
	Tulsa	AWS	Difference	Difference %
Planning and Scheduling	$101K	$66K	$35K	35%
Movement Manager	$40K	$21K	$19K	48%
Revenue Integrity	$190K	$75K	$114K	60%
Revenue Optimizer	$50K	$22K	$28K	56%
AWS Enterprise Support	$0	$19K	[illegible]	N/A
Reduced cost when customers are delayed	$0	[illegible]	$9K	N/A
TOTAL MONTHLY:	$362K	$183K	$180K	49%

Actual Cost Allocation and Multishoring



Software Development Lifecycle



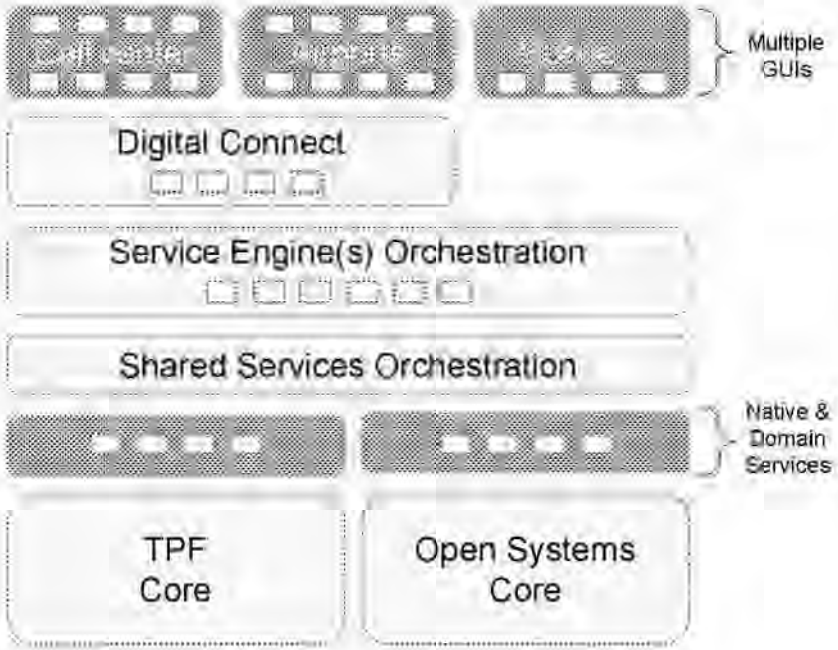
Sabre

[redacted]

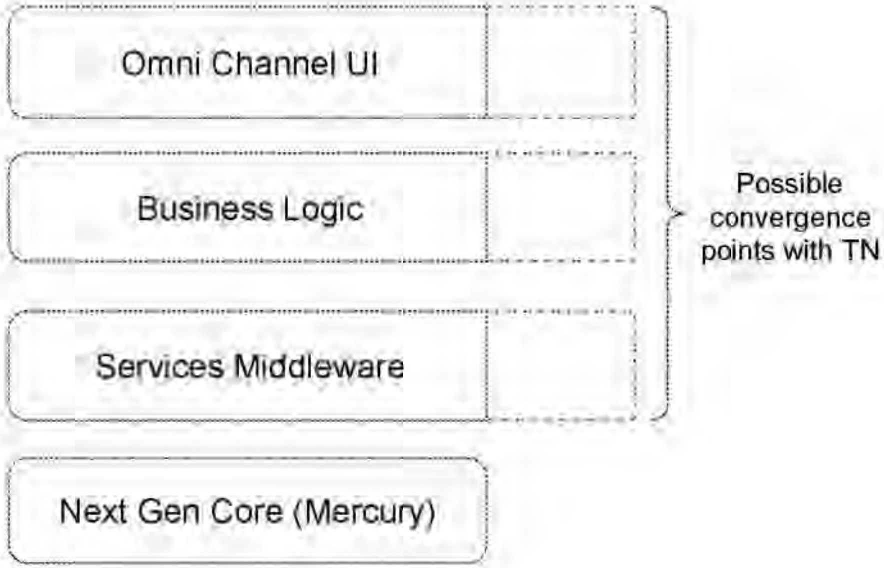
SABR-000110971

The architectural convergence must also be addressed across the portfolio

Current State



Future State

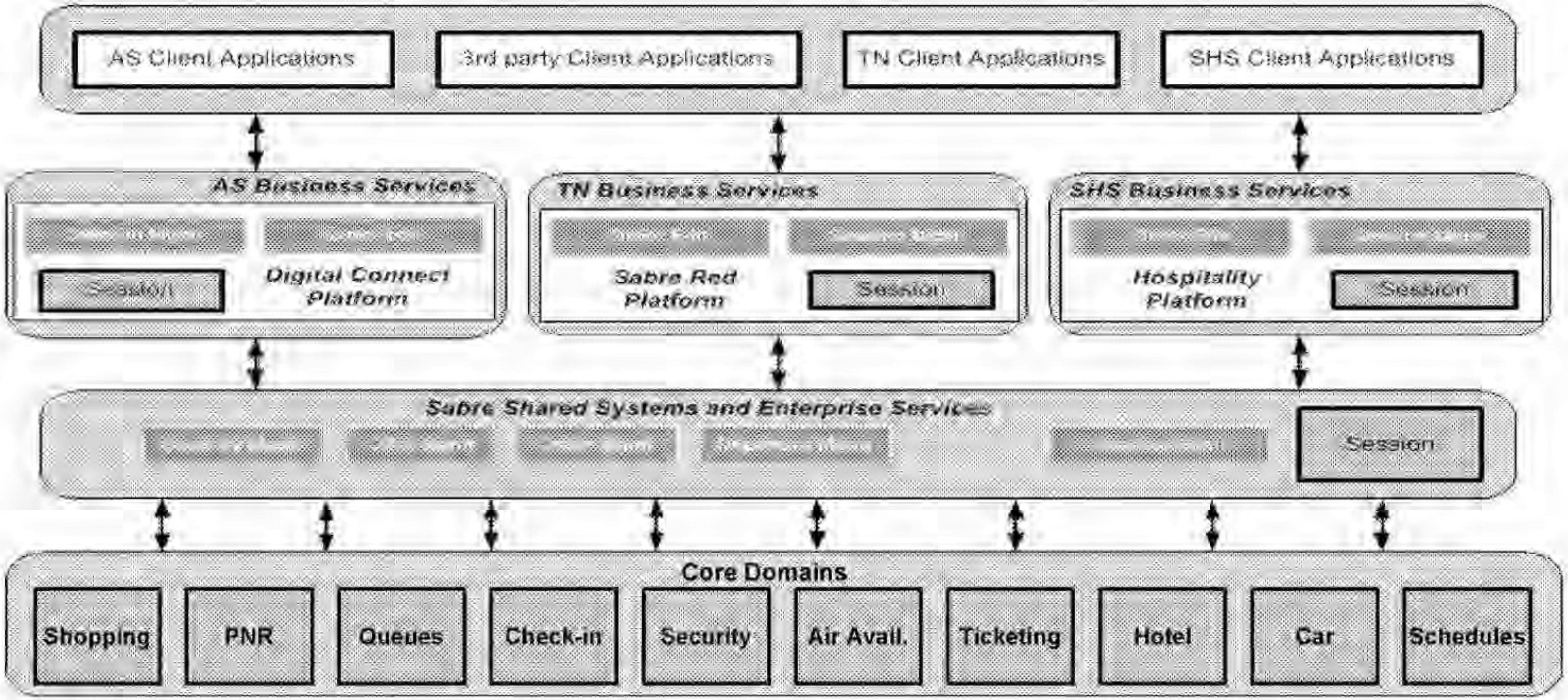


Sabre

[redacted]

SABR-000110972

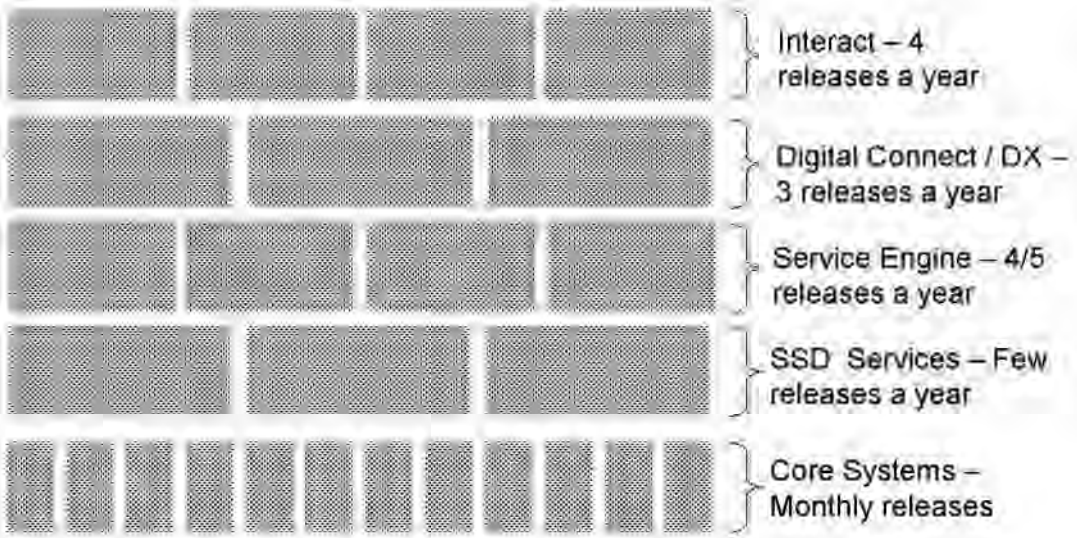
Resulting in an Industry standard reference architecture



[redacted]

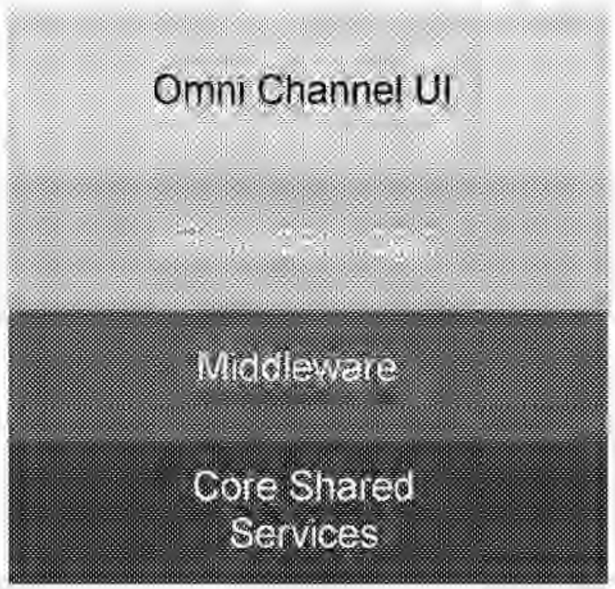
Additionally, we need to introduce release train convergence across the stack

Current state



Desired

X consolidated release trains a year



Sabre

[redacted]

SABR-000110974

As we recover, several areas will get prioritized to strike a balance between investing in core SabreSonic versus innovating

SabreSonic

Fix ancillaries
and invest in modern Airports GUI

NDC++ with NGD/NGR

Continue to build on the Dynamic Retailer
and Ancillaries foundation

Intelligence Exchange

Maintain leadership

Establish strong partnerships

Pricing & Revenue Management

Become competitive and regain leadership

Differentiate with Strategic Pricing

Sabre

[redacted]

SABR-000110975

SabreSonic - Ancillary Platform upgrade across the SabreSonic base lays the foundation to enable NGR

Original Ancillary Platform "1.0"

GetPriceList

- F/Flight Related Ancillaries
- Chargeable Seats
  - (Single or Multiple Prices per map)
  - Seat Prices by GetPriceList
- Pricing by Tier

Foundational

New Ancillary Platform "2.0"

GetAncillaryOffer

- F/Flight Related Ancillaries
- C/Charge (or F) Baggage
- Chargeable Seats
  - (Single or Multiple Prices per map)
  - Enhanced Seat Map
  - Seat Prices by GetSeatPriceAllowance
- Partner Tier Mapping
- Pricing by Tier / Seat Price by Tier
- Pricing by Fare / Seat Price by Fare
- APO data model (AE 2.0)
- Associated SSRs
- SSR structured Text

New Ancillary Platform Add-On Capabilities Based on "2.0"

- Ancillary Inventory
- Ancillaries at Check-In
- Dynamic Retailer
- Dynamic Rewards
- **Anything NGR**

Sabre

[redacted]

SABR-000110976

SabreSonic - Interact Refresh starting with Airports necessary to stay competitive in SabreSonic renewals and RFPs

Interact Refresh

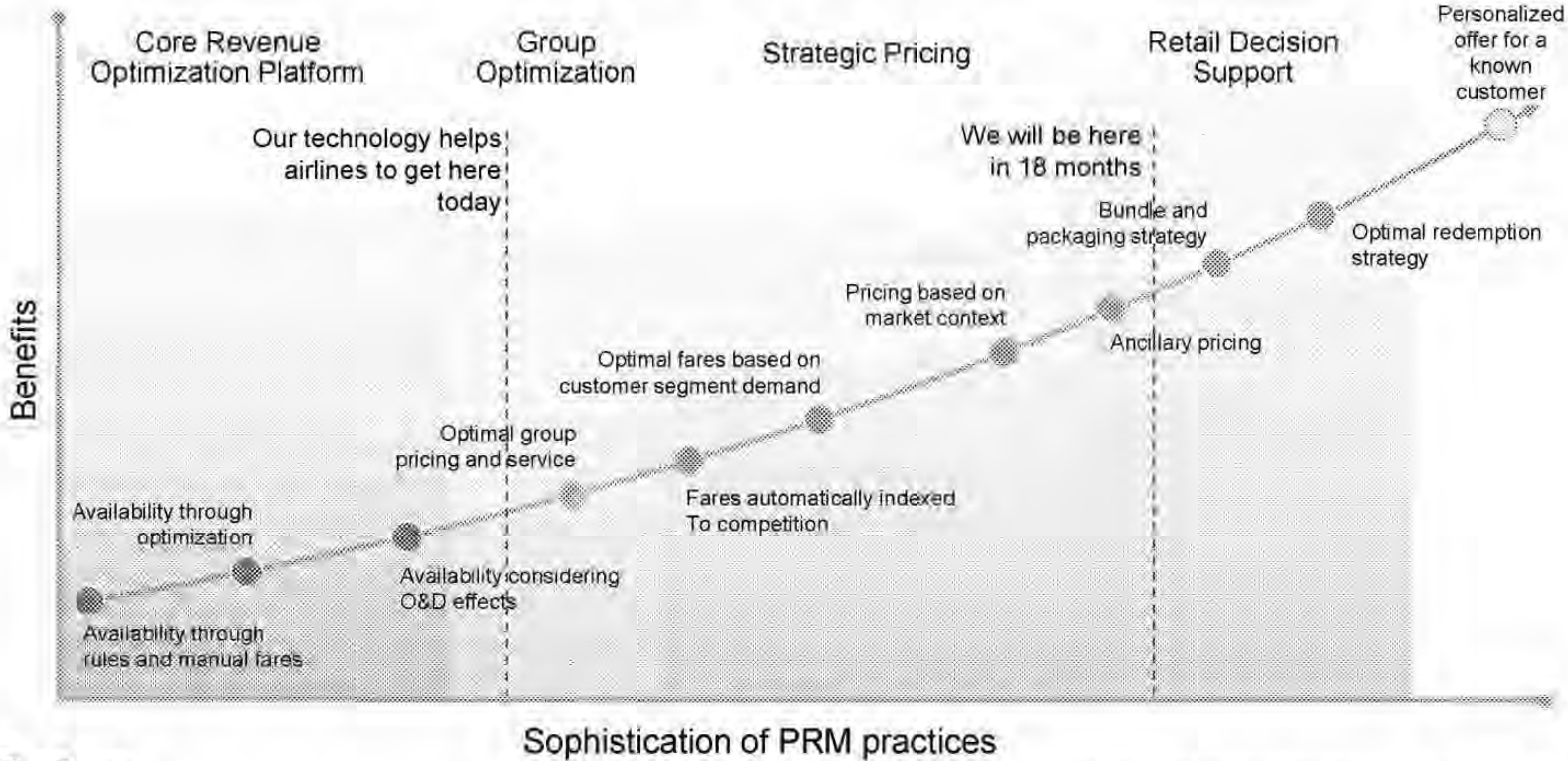
Sabre Red Workspace

Solution Approach

- Consistent Look-And-Feel between products
- Utilize consistent GUI design principles (i.e. SPARK)
- For Call Center, utilize common design layouts already built for SRW (i.e. Shopping and Booking)
- Standardize on underlying GUI design technologies (i.e. responsive designs, CSS, XML schemas)
- Determine underlying GUI technology stack (i.e. DX)

[redacted]

Pricing and Revenue Mgmt - New capabilities moves Sabre up the pricing and revenue management maturity curve



Sabre

[redacted]

Intelligence Exchange - We are bracing the platform for future growth

Scalability and stability investments for mega-carriers

- Improve instrumentation, monitoring & alerting
- Limit queue buildups
- Remove bottlenecks to improve scalability
- Fix the tools that work 80% of the time
- Automate manual deployment steps
- Improve testing

Aggressively sell existing value proposition to new airline partners

Existing Revenue Integrity customers:

[redacted]

Leverage our Amadeus integrations to sell more into the Altea customer base:

[redacted]

[redacted]

To recap, 18-month get healthy plan will reposition AS for future growth

FIX THE BASICS — 6 months

[illegible] — 12 months

PLAN FOR GROWTH — 18+ months

- Establish and begin execution of "get healthy" product plans
- Execute initiatives to improve stability
- Implement customer recovery plan
- Develop path to customer upgrades

- Perform thorough architectural review
- Define architecture and convergence plans
- Develop SDLC process / implementation plan
- Optimize technology teams

- Address architectural issues
- Define and execute prioritized innovations
- Identify long-term plan for growth

[redacted]

Sales and go-to-market efforts will need to be refocused, taking into account product and customer issues

Protect The Core/Drive Renewals

- Execute on current commitments ([redacted]
- Proactively renew current carriers to avoid RFPs
- Provide basic health checks on a regular basis going forward
- Create strategy/planning around providing services versus discounts

Fill SabreSonic Slots

- *Small* Carrier Mar 2019*
- *Medium* Carrier Sept 2019*
- *COPA March 2020*
- *Small* Carrier Aug 2020*
- *Small* Carrier Oct 2020*

Sell Targeted Solutions to Non-SabreSonic Customers

- Focus on selling IX and AV products to non-SabreSonic customers
- Continue selling AC products to make the asset more attractive

Sabre

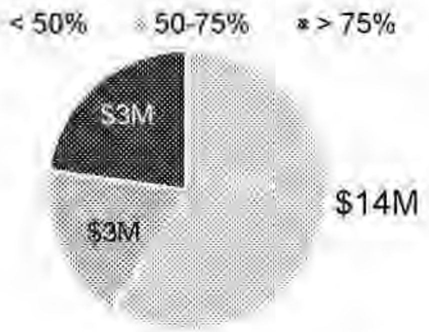
*Note: *In the MYO, Small est. 500k-1M PBs, Medium est. 10M PBs*

[redacted]

The sales pipeline includes pursuits for $137M in CTOV for selected solutions

NP&S

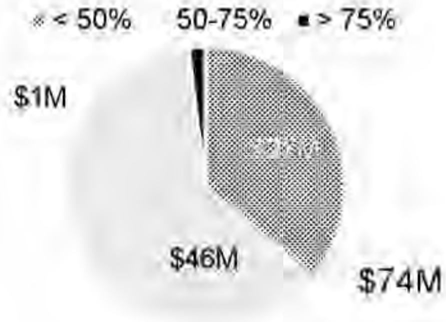
% Probability



Carriers with >50% prob.

IX

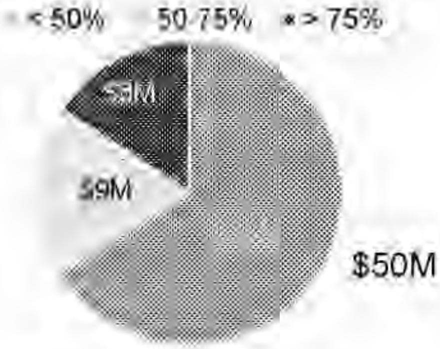
% Probability



Carriers with >50% prob.

RO

% Probability



Carriers with >50% prob.

[redacted]

Note: Sales incentive plan has been adjusted to reflect new strategy. Pipeline reported for this presentation does not include opportunities for carriers that are also evaluating SabreSonic deals.

[redacted]

[redacted]

Sabre

[redacted]

Get Healthy plan results in MYO aligned to show flat performance in 2018 with primary focus on recovery, returning to mid single-digit growth thereafter

2020 Highlights

- Revenue of [redacted] CAGR from 2017-2020
- EBITDA [redacted] CAGR
- Op. Inc. [redacted] CAGR
- Free Cash Flow [redacted] CAGR

- Revenue build assumes 2 sold CSS cutovers and 5 unsold cutovers in 2018-2020 time frame
  - [redacted] new PBs to be implemented (TAM [redacted] in May 2018, Cobalt [redacted] in Dec 2017)
  - 2019 cutover of 1 medium and 1 small; 2020 cutover of 1 medium and 2 small
  - [redacted] volume adjustment as placeholder for business risk

Airline Solutions P&L Key Metrics					CAGR	vs. Jan '17 MYO			vs. Jan '16 MYO		
($ millions)	2017	2018	2019	2020	'17-'20	2018	[illegible]	[illegible]	2017	2018	[illegible]
Revenue	[redacted]										
EBITDA											
EBITDA Margin											
OpInc											
OpInc Margin											
FCF											

Sabre Sources: BOD update March 2016; AS MYO Executive Review, June 2017

[redacted]

Excluding [redacted] the core business is still healthy

($ in Millions)	Airline Solutions Revenue - Current MYO 2014	2015	2016	2017	2018	2019	2020	CAGR 14-'17	CAGR 17-'20	YoY 2017-2018	YoY 2018-2019	YoY 2019-2020
SabreSonic/CSS	[redacted]											
AirCentre												
AirVision												
Data & Analytics												
Business Consulting												
VSOE												
Total Revenue												

($ in Millions)	Airline Solutions Revenue - Net of AA, EY Family, and WN 2014	2015	2016	2017	2018	2019	2020	CAGR 14-'17	CAGR 17-'20	YoY 2017-2018	YoY 2018-2019	YoY 2019-2020
SabreSonic/CSS	[redacted]											
AirCentre												
AirVision												
Data & Analytics												
Business Consulting												
VSOE												
Total Revenue, Net of [redacted]												

Sabre

[redacted]

[redacted]

Sabre

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Sabre

[redacted]

[redacted]

[redacted]

Vision of success

Strong renewals
Customer base is retained

Faster time to value
Reduced implementation efforts and increased quality driving greater solution adoption

Regain trust
Improved NPS and account penetration across customer base

80% of customers on n-2
Older versions of products are sunset, reducing costs and freeing up resource

Sell to Amadeus customers
Sell IX, NP&S, and RO into Amadeus customer base

Profits are predictable
Managing the whole product lifecycle to drive ROIC

Competitive CSS takeaway
Win carriers away from a major competitor PSS

[redacted]

Discussion points

Key questions for consideration:

- Does version consolidation take portfolio rationalization far enough?
- How do we need to evolve services, care and support and deployment methodologies?
- What is the best model for AS/TN to co-approach key airline business relationships
- How do you engineer solutions for lower-touch and lower-cost implementations?
- How do we align with NGD/NGR?
- How do we effectively manage enterprise-level change?

Key risks to manage through:

- Employee motivation
- Rebuilding deep SME knowledge
- Adding new skill sets
- TN/AS coordination and alignment
- Quality versus speed
- Customers' willingness to accept our changing business model

[redacted]

Sabre

Project Mercury Evolving Our Core Capabilities

Anthony Maiello
Senior Vice President

[redacted]

Executive summary

- Sabre's Core Domains (e.g. shopping, reservations) are a critical part of nearly all Sabre applications
- Siloed and competing architectures, piecemeal approach to Core Domain offloading, and short-term decision making, have had negative repercussions related to stability, performance, costs, and business flexibility
- Project Mercury addresses these challenges with a comprehensive, end-to-end approach that leverages the enterprise Polaris Framework
    - Mercury's approach will drive adoption of a common technical implementation framework while transforming Sabre's Core Domains to deliver capabilities that leapfrog the competition
- Project Mercury supports IATA's NDC standards and certification enabling future offer and order management and product bundling capabilities.
- Project Mercury proposes [redacted] **investment over** [redacted] **years, with** [redacted] **in Year** [redacted] **delivering** [redacted] **net run rate operational savings**, as well as strategic benefits, including enhanced stability, performance, business flexibility, and the removal of software barriers to datacenter independence

[redacted]

Core Domains power Sabre's solutions

- Nearly all applications offered by Sabre utilize one or more Core Domains
- Current architecture consists of a mix of TPF (mainframe) and open systems
- Large volume of transactions requires high degree of stability, accessibility, and reusability

- **47,000 peak TPF transactions per second**
  - **47% - Airline Solutions**
  - **43% - Travel Network**
  - **10% - Enterprise transactions**

TN **AS** **SHS**

Core Domains

Major Core Domains

Shopping	**Air Availability**
PNR	**Ticketing**
Queues	**Hotels**
Check-in	**Cars**
Security	**Schedules**

[redacted]

Current State

Historical incremental and siloed technical approach…

- Short-term, BU-focused incremental development often characterized by duplication and fragmentation
- Limited success in creating and enforcing a holistic Enterprise Technology strategy and common sustaining technology framework
- Piecemeal approach to TPF offloading of Core Domains, resulting in complex and costly hybrid mainframe and open systems environments

…now limits Sabre's ability to ensure robust Core Domains

Stability
- Although MTTR is improving, major incidents have been increasing

Performance
- 4.0x necessary processing time compared to optimized enterprise architecture

Current Cost vs. Future Open Systems
- Operating ~2.5x
- Dev costs ~3.0x

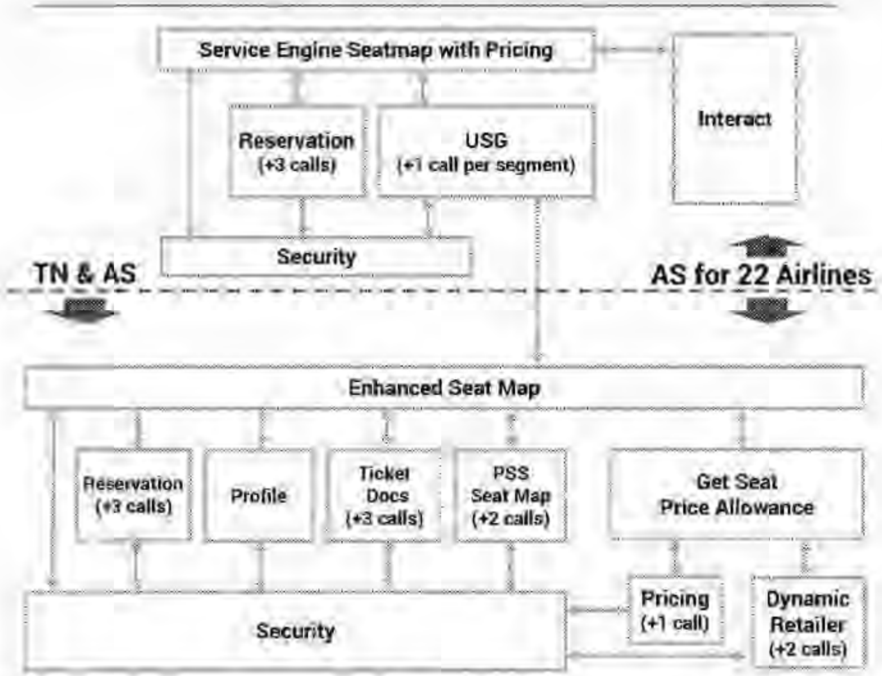
Flexibility
- Difficult and slow to add new capabilities
- Data center and scarce skill set dependence

[redacted]

AS and TN seatmap request case study

User displays Enhanced Seatmap
1 passenger, 2 segments

Current State
Multiple transaction flows

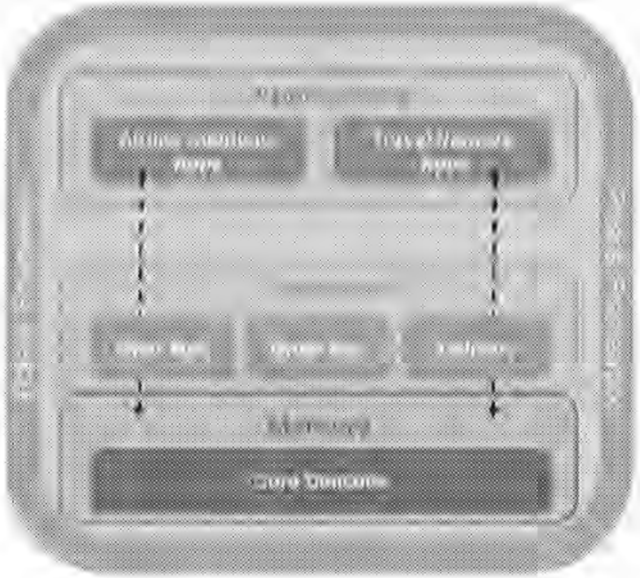


- **Stability**: Too many internal calls result in 68 points of failure
- **Performance**: Latency is high at 1.7 seconds (per segment) due to unnecessary process looping and re-retrieval of the same data
- **Cost**: New development requires changes and testing of many components
- **Flexibility**: Slow to market and not cloud enabled
- **Security**: Does not have full end-to-end application Security

[redacted]

What is Project Mercury?

- A comprehensive, end-to-end approach to solve significant problems with Core Domains
  - Current, competing architectures
  - Dependence on TPF operating system
  - Hybrid TPF / Open Systems environments
- Value of Mercury's approach:
  - Establishes and enforces enterprise framework that drives a simplified and consistent architecture
  - Leverages existing functionality and delivers new business capabilities to leapfrog the competition
  - Phased approach delivers incremental business benefits
- Mercury proposal is comprised of two elements:
  - Adopting and driving new enterprise framework (Polaris) across development to enable consistency of tools, processes and standard interfaces
  - Transformation to reusable and shared Core Domains, enabling business and technical benefits



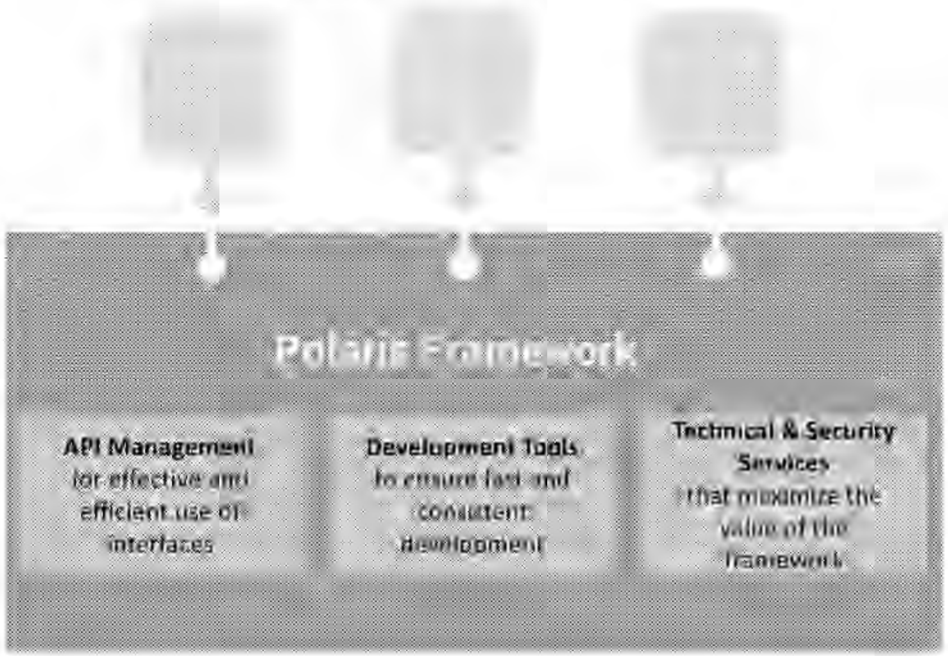
[redacted]

Mercury leverages enterprise Polaris Framework

Mercury leverages and enforces the Polaris Framework to drive technical consistency and integration

- Capabilities to consistently manage APIs for internal and external use
- Common set of development tools to create complex business applications quickly and efficiently
- Technical and Security services that ensure interoperability and re-use across Sabre environments

Core Domains



[redacted]

Mercury approach supports three methods to service-enable Core Domains

Methods for service-enabling Core Domains...

① WRAP

Leverages current software without re-coding by creating a virtual wrapper to enable standard access and interoperability

② RE-WRITE

Re-codes current business processes on a target system to enable standard access and interoperability

③ WRITE NEW

Develops new business processes on target system to enable standard access and interoperability

Use method when...

- Current capabilities meet business and technical needs
- Mostly on Open Systems, needs framework
- Lower technical complexity
- **Example: TPF utilities**

- Difficult for TPF to accommodate new capabilities
- Higher technical complexity
- Material benefits to be realized from a re-write
- **Example: Complex services like PNR**

- New capabilities required
- Need to extend current capabilities
- **Example: Advanced Offer & Order Management**

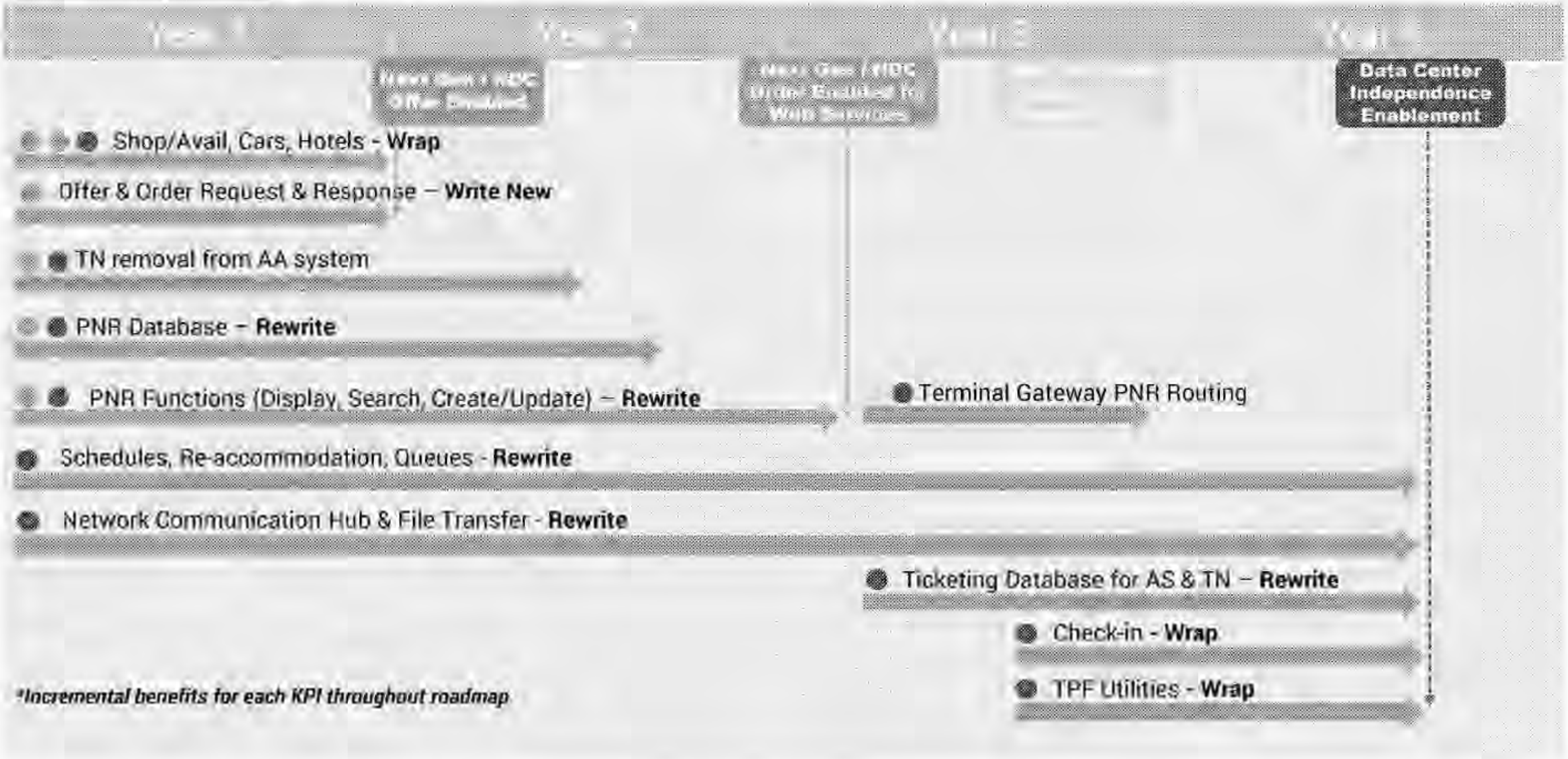
[redacted]

Mercury approach utilizes three methods to service-enable Core Domains

Method	Mercury Core Domains	Reason for Method
❶ **WRAP**	• Air Availability & Shopping • Cars & Hotels • Check-in • TPF Utilities	• Mostly Open Systems, needs framework • Lower technical complexity • Currently meets business need • Low technical complexity
❷ **RE-WRITE**	• PNR • Queues • Schedules	• Material benefits come from re-write • Difficult for TPF to accommodate new capabilities • Higher technical complexity
❸ **WRITE NEW**	• Next Gen <u>Offer</u> and Response • Next Gen <u>Order</u> with bundling • Enhanced Support & <u>Delivery</u> of Next Gen Order • Additional Next Gen capabilities as needed	• Brand new capability set needed • Brand new capability set needed • Brand new capability set needed • Brand new capability set needed

[redacted]

Mercury roadmap: detailed view of workstreams and approach (wrap, rewrite, write new)



[redacted]

Mercury approach validation

Approach discussed, supported, and agreed upon

Hervé Couturier
Former CTO, Amadeus

This is the right direction and the right technical approach...you've got to do this to be able to innovate faster and be competitive

Scott Dickson
Principle Consultant of Airlines

ThoughtWorks

Positive discussions on approach with over 100 internal reviews across BUs and PDs

Sabre

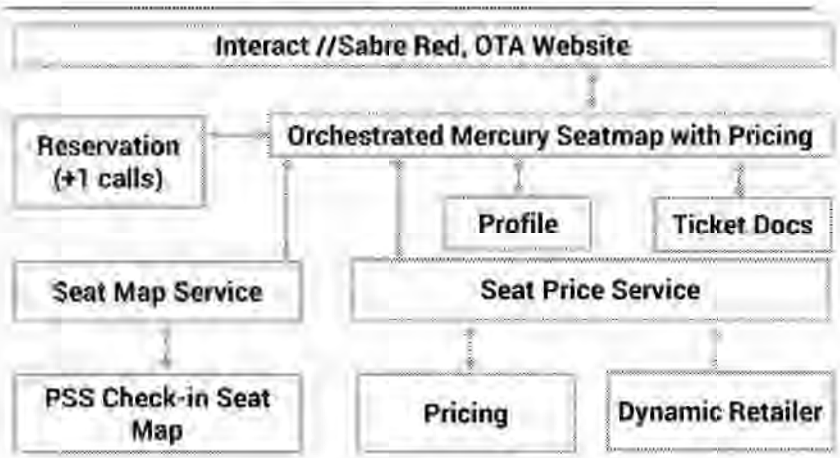
[redacted]

AS and TN seat request case study

User displays Enhanced Seatmap - 1 passenger, 2 segments

Future State with Mercury

One transaction flow for all



- Enables consolidation of systems and services
- Removes unnecessary internal calls and complexity
  - Remembers data so only one retrieval is needed
  - Passes only necessary data as needed
  - Passes a list of data once instead of calling for each data element one at a time
- Delivers consistent Security via Digital Signature and user traceability

Stability	• **85%** reduction in points of failure (68 down to 10) • **80%** reduction in MTTR via transaction tracking
Performance	• **74%** reduction in processing time
Cost	• **30-40%** improvement in development productivity
Flexibility	• Supports cloud enablement and time to market
Security	• Enables Security at every point in the system

[redacted]

Mercury Pan-Sabre engagement - Opportunities

Identifying options for Mercury architecture to solve current BUPD challenges – from Deep Dives

AS & TN	AS	TN
Provide configurable services for airlines to accommodate unique business flows, without introducing new complexity	Interact Refresh with Stability and Performance improvement	Exploring Mercury value add for new Lodging Platform
Remove redundancy of services	Simplify technology stack – Services Engine, Digital Connect…	Use Mercury architect to assist in deconstructing GetThere services so they can be monetized
Ensure consumption of services is not only simplified, but stable, predictable and high performing	Enable Check-in to continue at the airports during a Core domain outage	
Clarify and streamline domain ownership across the enterprise to align with the business products and objectives	Automated cutover and fallback	
Clean up versioning and versioning compatibility		
Deliver cross domain Shopping and Booking services in Mercury framework		
Automated deployment		
Converge roadmaps for mobile devices		

[redacted]

Mercury PoC status update proving goals

Queues domain creates lists of PNRs needing action, then removes them from list when complete

	GOAL	POC CURRENT STATUS
Stability	• Reduce system points of failure (PoFs) • Proactively discover potential failure • Automate system recovery & reduce MTTR	✓ Reduced 20 to 12 hops (40%) using via service enablement ✓ Implemented Transaction Object for real-time tracking ✓ No additional hops for cloud enablement
Performance	• Reduce system processing time • Optimize customer response time based on location • Scale with modern micro-services	✓ Implemented Pass-by-value to improve response time ✓ Demonstrated distributed framework to reduce latency
Cost	• Reduce operational costs (MIPs) • Reduce development costs	✓ Wrapped PNR & User Login ✓ Re-wrote Queues features and mainframe user Security ✓ Wrote new reusable services to reduce development costs ❑ Demonstrate reduction of deployment time to save costs
Flexibility	• Deliver new business capabilities quickly • Support data center independence • Enable cloud	✓ Quickly developed new media and Profile features using orchestration framework ❑ Demonstrate distributed architecture to enable data center independence and cloud options
Security	• Enhance end-to-end application Security	✓ Implemented enhanced end-to-end application Security via User-Object ❑ Implement digital signature Security feature to remove vulnerable functional accounts

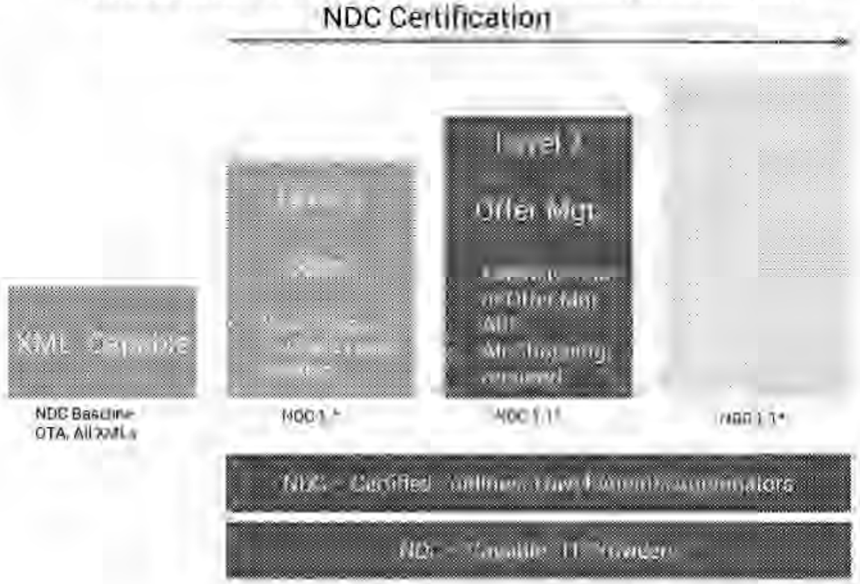
[redacted]

Project Mercury in coordination with NDC and Sabre's strategic projects

- Project Mercury enables the implementation of the **IATA New Distribution Capability (NDC)**, establishing the foundation necessary to support and deliver future NDC standards by providing the capability to bundle new product offerings and orders on demand

- Sabre's Product Strategy project focuses on developing future state E-commerce capabilities
  - **Next Gen Retailing (NGR)**: creating and selling tailored offer bundles (core + ancillary content)
  - **Next Gen Distribution (NGD)**: merchandising offers through direct and indirect channels

IATA's NDC Standard – different levels of certification



Source: NDC [illegible] Edition 3

[redacted]

SABR-000111007

Mercury roadmap: enabling Sabre enterprise strategy

Year 1	Year 2	Year 3	Year 4
Stability	25% MTTR improvement 25% less points of failure, reducing outages	50% MTTR improvement 50% less points of failure, reducing outages	75% MTTR improvement 80% less points of failure, reducing outages
Performance	75% faster PNR display	75% faster PNR Create/Update	75% faster in Schedules updates
Cost (Net Ops/productivity)	[redacted]		
Flexibility	Product bundling for Offer Mgt.	Product bundling for Order Mgt. and Delivery	DXC independence enabled

Next Gen / NDC Offer Enabled

Next Gen / NDC Order Enabled for Web Services

Data Center Independence Enabled

*Note: KPIs become realized upon business adoption

[redacted]

Project Mercury enables incremental benefits over 4-year period

Investment

- [redacted] ove[redacted] years, wit[redacted] in year [redacted]

Cost Savings

- [redacted] net operational run rate savings afte[redacted] years
- [redacted] increase in development productivity

Strategic benefits

- Proactively prevent outages with end-to-end (E2E) traceability and self-healing
- Decreases outages by reducing points of failure by 80% and shortens MTTR by 75%
- Achieves 75% faster internal processing
- Ability to assemble new products and services on demand to leapfrog competition
- Enable NDC, Next Gen Retailing (NGR) & Next Gen Distribution (NGD) evolution
- Removes the software barriers to becoming data center independent (i.e., cloud enabled)
- Reduces dependence on scarce TPF resources

[redacted]

[redacted]

[redacted]

Sabre

High-level Data Center Strategy

Joe DiFonzo
CIO

August 11, 2017

[redacted]

Current Data Center Architecture

3 DXC-owned sites in Tulsa
- SCC and TCC in Mingo and CDC in Cherokee
- All mainframes (active + DR) and thousands of mid-range servers
- Servicing the vast majority of TN and AS business

13 Sabre-managed colocation sites
- Lewisville and Austin, Texas that host > 1.5K servers mainly for the HS business
- New sites coming on line in Carrollton and Plano, Texas with > 2K servers for ATSE and eLab
- 9 other small sites in the US, Europe, and Australia that host various applications mainly for AS

Six AWS regions hosting several hundred assorted servers
- US West, US East, EU West, Japan, Sydney, Singapore

[redacted]

Current Plans

Consolidate from 12 to 8 production Mainframes in Tulsa (2017)

Migrate ATSE to Carrollton/Plano and turn down servers in Tulsa (2017/2018)

Migrate SHS to AWS – PMS by 2018 and CRS by 2020

Move eLab from Lewisville to Carrollton by 2018

Initiate Project Mercury to further decouple services from mainframe tech

[redacted]

Considerations

Cost Efficiency – move to lower-cost infrastructure, reduce availability costs

Business Agility – add, grow, and move workloads as needed

Customer Perceptions – mainframe tech, US centric, poor reliability

Customer Locality Preferences – Regionalize services and data stores

DXC Partnership – Poor performance, high cost, low agility, Hopper EoL

Tulsa Facility Quality – Power/thermal limitations, space & environmental concerns

Mainframe Technology – Propagation and insourcing concerns

Regional Disaster Vulnerability – Tornado alley, Texas grid

[redacted]

Strategic Options

DXC + Sabre-managed Colocation

- Remain with DXC and expand our own colocation facilities (Carrollton, Plano, or elsewhere)
- Continue service migration from mainframes, exit Mingo, stay in Cherokee with upgrades/cleanup
- Provides more flexibility on mainframe migration timeline, higher cost trade-off

Sabre-managed Colocation

- Expand Carrollton and Plano and add a third colocation site (will also need to expand team!)
- Concern over two sites on Texas power grid, may want to reconsider/move one of these
- Will require complete mainframe turndown, mainframe propagation, or extension in Tulsa

Public Cloud

- With either of the above, or (eventually) exclusively
- Could be good solution for seasonal variations and bursts
- Requires lots of application re-engineering, but will provide the best agility and skills focus

[redacted]

Also Recommended: 3-Site Distribution Model

Reducing Costs for Availability

- 50% overhead in processing capacity vs. 100% overhead in a 2-site model
- Note that storage cost is always double since every byte has to be in at least 2 places

Providing <u>real</u> availability in disasters

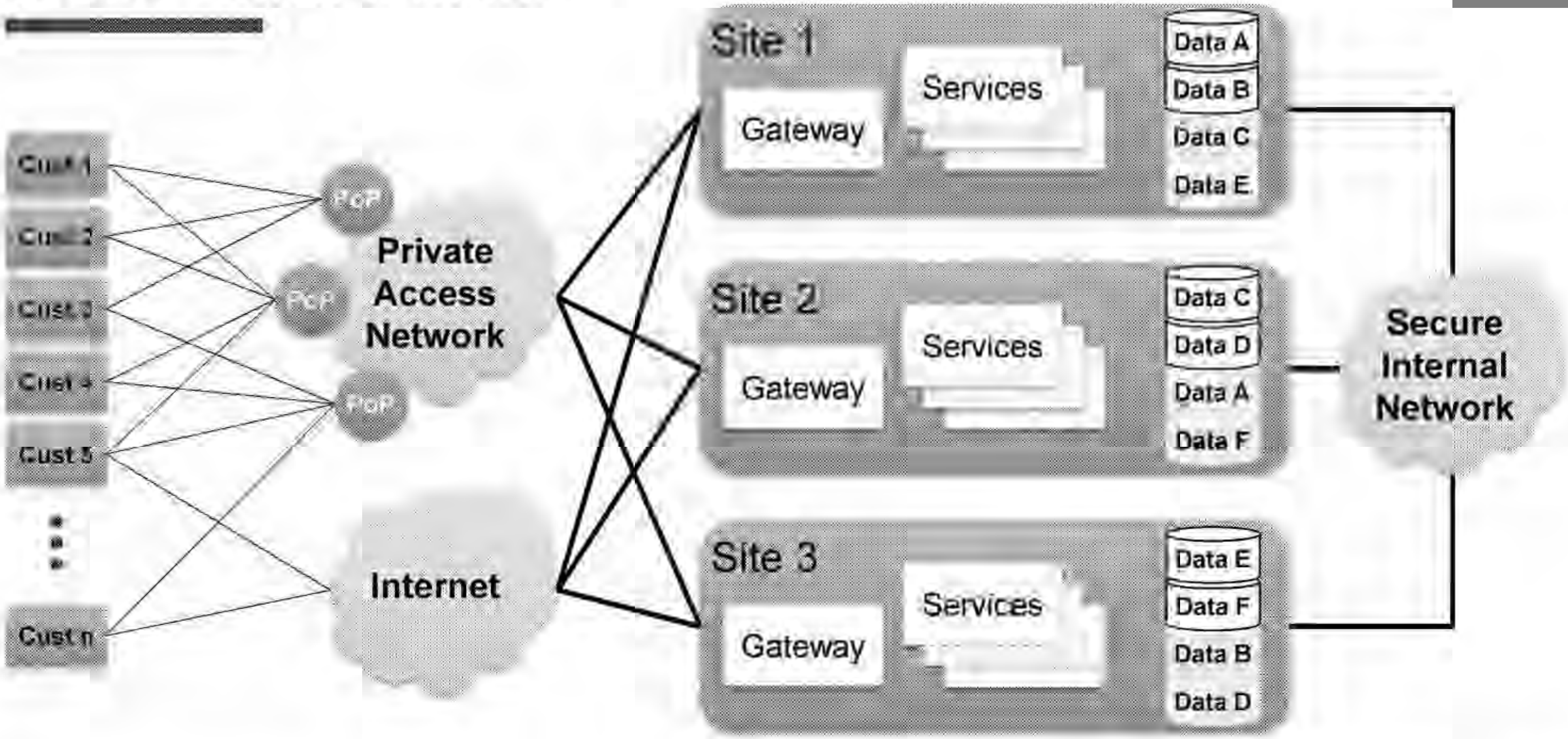
- The odds of a successful failover in an actual disaster scenario are low, despite practice
- 3-site model is always dynamically distributing workload, so nothing for ops to do but recover

Simplifying Operation

- All sites have the same capabilities, equipment, and application configuration
- 17% excess capacity exists in all sites to deal with unexpected spikes
- No need for special DR processes and recovery drills
- Possible to take whole site out of service for major maintenance if needed (e.g., core network)

[redacted]

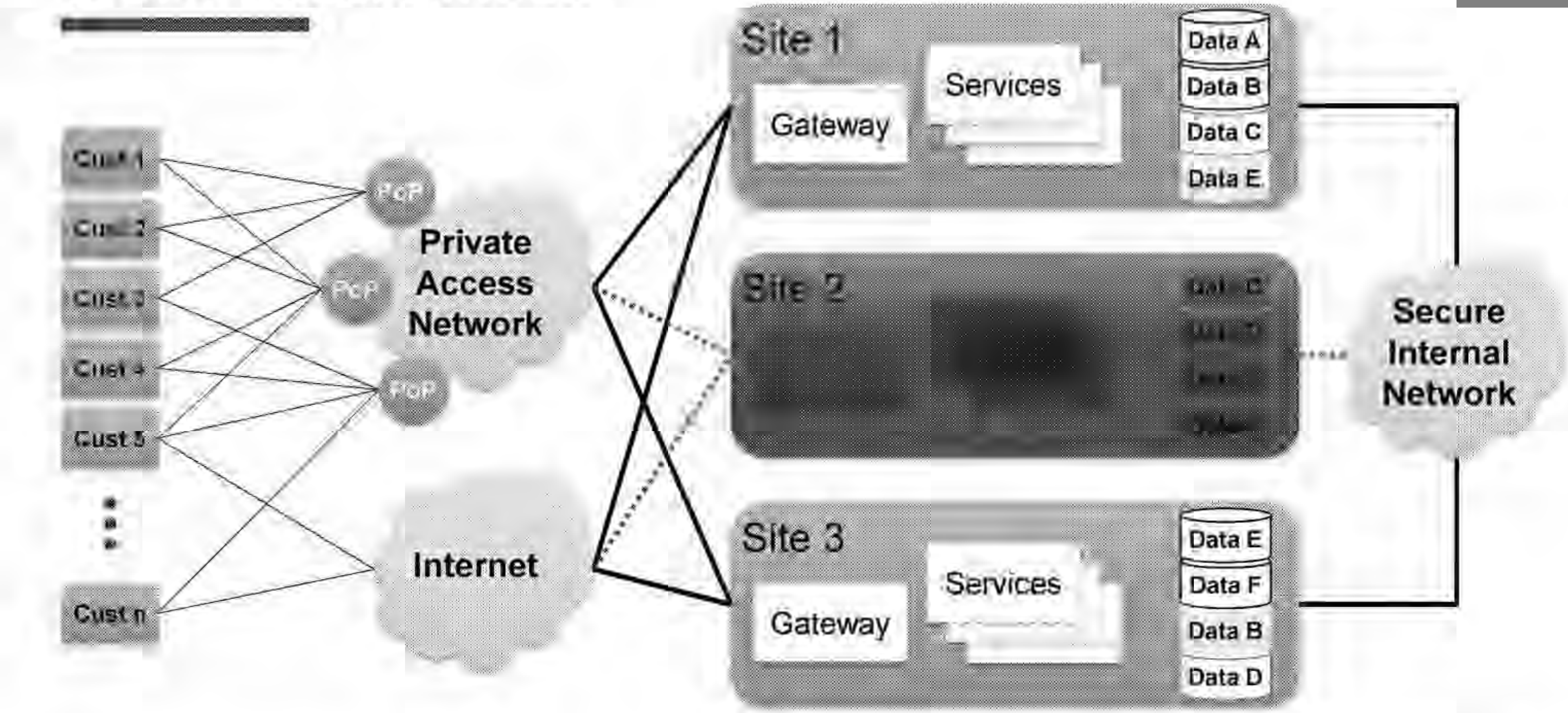
3-Site Normal Mode



[redacted]

SABR-000111017

3-Site Failure Mode



[redacted]

SABR-000111018

Required Techniques

Data distribution and synchronization strategy
- Partitioning keys (real or artificial) and directory service
- Background high-performance, high-reliability data synchronization
- Some data (e.g., seat inventory) may require 2-site synchronized update (2PC)

Recovery resynchronization and reactivation (failback)
- Adequate processing and network capacity to recover after an outage of arbitrary duration
- Time to complete and failback should be a simple function of outage duration

Simpler approach possible for some systems
- App in three sites, database in two
- Active/standby database with fast failover and application decoupling where necessary
- Supported by off-the-shelf tools like Oracle Active Data Guard

[redacted]

Next Steps

Complete detailed financial analysis of AWS hosting vs. Sabre-managed colocation

Compare options and select plan for Hopper EoL re: DXC and mainframe tech

Work with Development to speed progress on Mercury program

Work with Development teams to architect 3 site distribution in key applications

Examine options for geographic distribution (EU, APAC, MEA, China, India, SA)

[redacted]

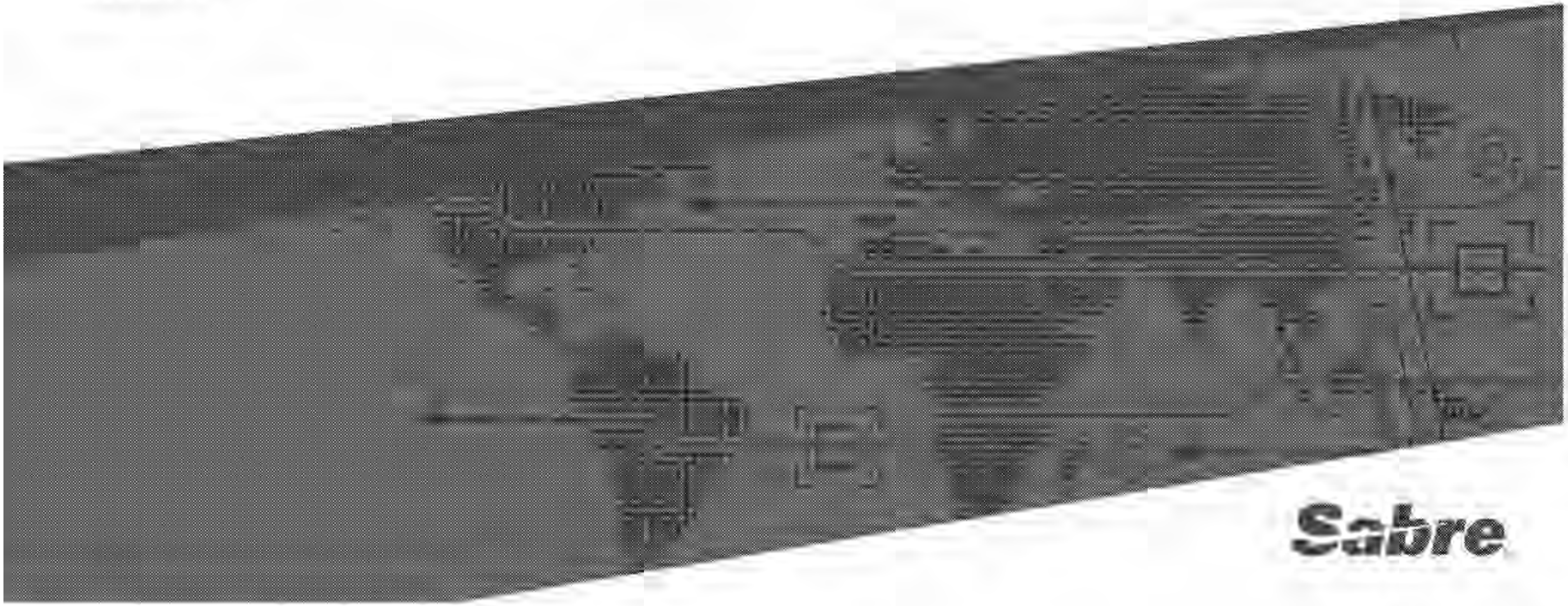
Sabre®

[redacted]

SABR-000111021

Travel Network Strategy Update

August 2017



Sabre

[redacted]

Agenda

Tuesday, August 15th – Wednesday, August 16th

Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

[redacted]

Agenda

Tuesday, August 15th – Wednesday, August 16th

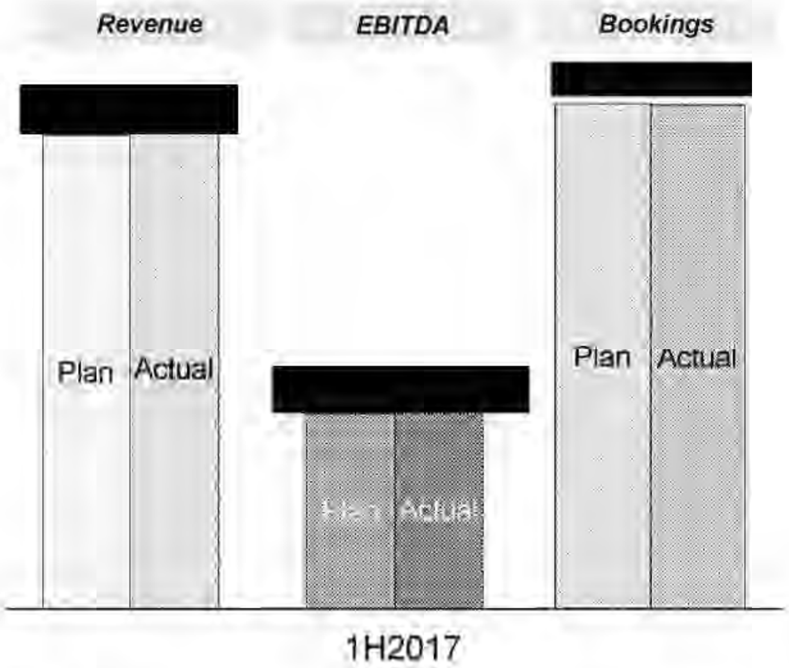
Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

[redacted]

TN beating financial plan despite bookings slightly below plan due to agency mix

TN beating financial plan, slightly under plan in bookings



What's going well

- Beating plan on revenue: [redacted] 1H17
- Beating plan on EBITDA: [redacted] 1H17
- Flight Centre - 4 locations deployed in July, remaining 1,692 locations to be deployed over remainder of 2017
- Conversions – gains outpace losses (0.4% share gain)

Where we have more work to do

- Under plan on bookings: [redacted]
- Incentive rate management
- Bookings market share is down, but mix driven
- Supplier pressure is growing
- Large agency deals in 2016 impact costs

Sabre Source: Travel Network finance

[redacted]

Sabre's strategy is to provide travel buyers and suppliers even more flexibility in maximizing the value of our deep and rich travel marketplace

Get healthy and fit

- Stabilize and harden our systems in the face of increasing volumes
- Grow our "low cost producer" advantage

Drive LGS full potential

- Participate more meaningfully in LGS distribution

Reduce supplier channel friction

- Sell products and services the way our suppliers want across channels
- Calibrate the cost of distribution to the value in the channel

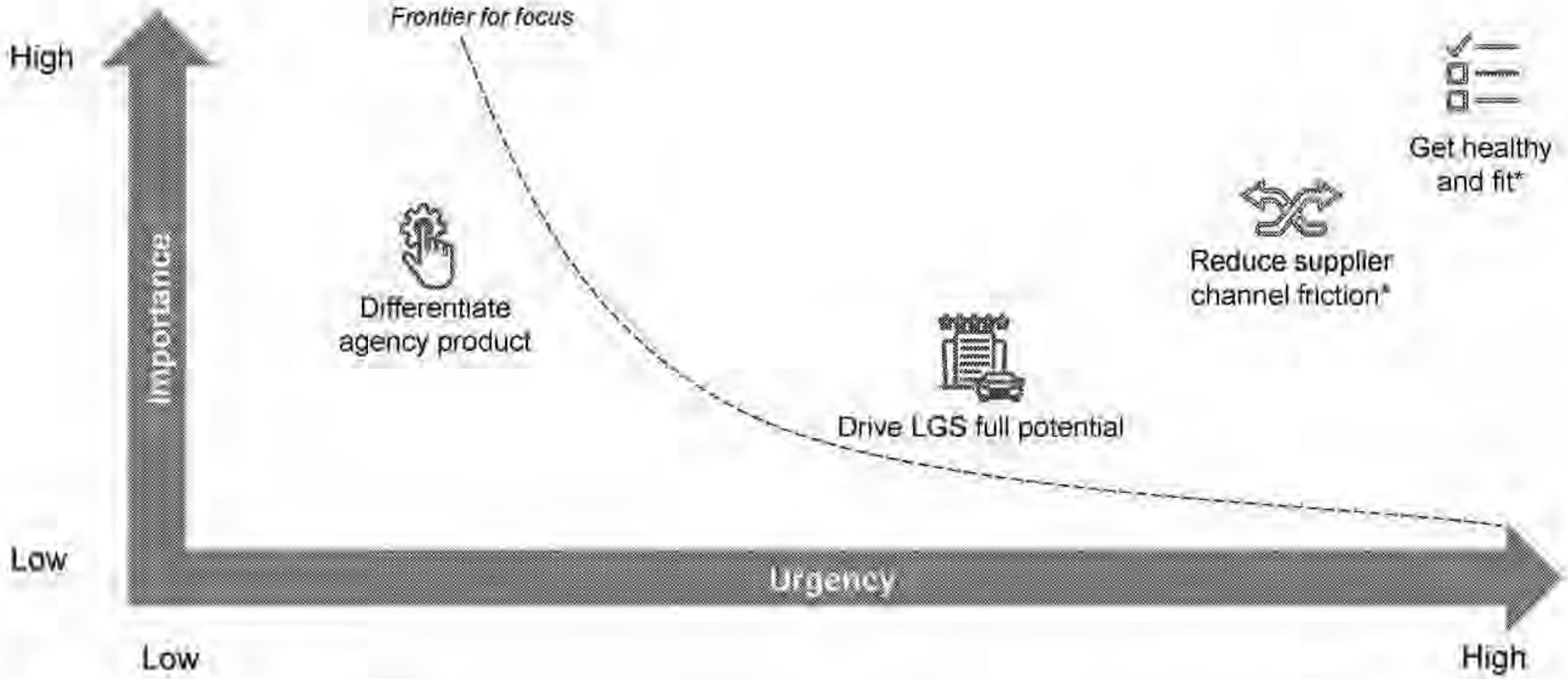
Differentiate agency product

- Deepen and widen our technology relationships with agencies
- Deliver technology capabilities via APIs

Sabre

[redacted]

TN prioritizes strategy resources by balancing the importance of an initiative with the urgency with which an answer is needed



Sabre

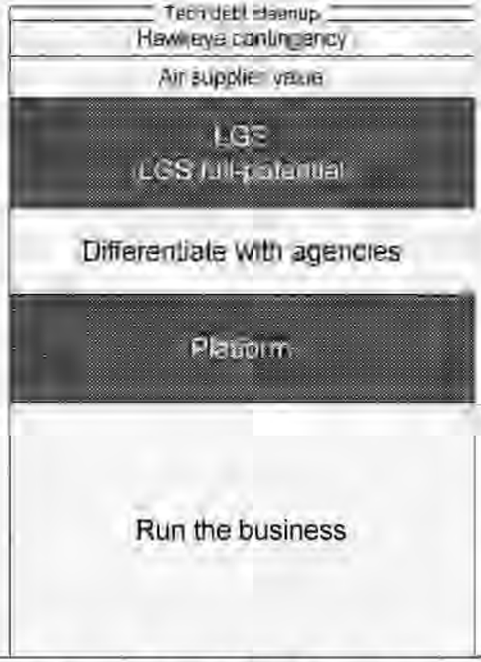
*Pan-Sabre focus area

[redacted]

SABR-000111027

The prioritized focus areas are to be addressed via our 2018 capital allocation plan

Excludes corporate-level initiatives such as security/stability, TPF offload and NGR/NGD



- Nearer term improvements to our air supplier product
- Drive LGS bookings (hotel in particular) back into our channel
- Optimize shopping and drive yield / conversion improvements
- Build our services on a common platform
- Service enable our capabilities for agencies to consume via APIs
- Do what it takes tactically to win and retain agency business in the near term

Estimate - 2018 CAPEX allocation

[redacted]

SABR-000111028

Agenda

Tuesday, August 15th – Wednesday, August 16th

Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

[redacted]

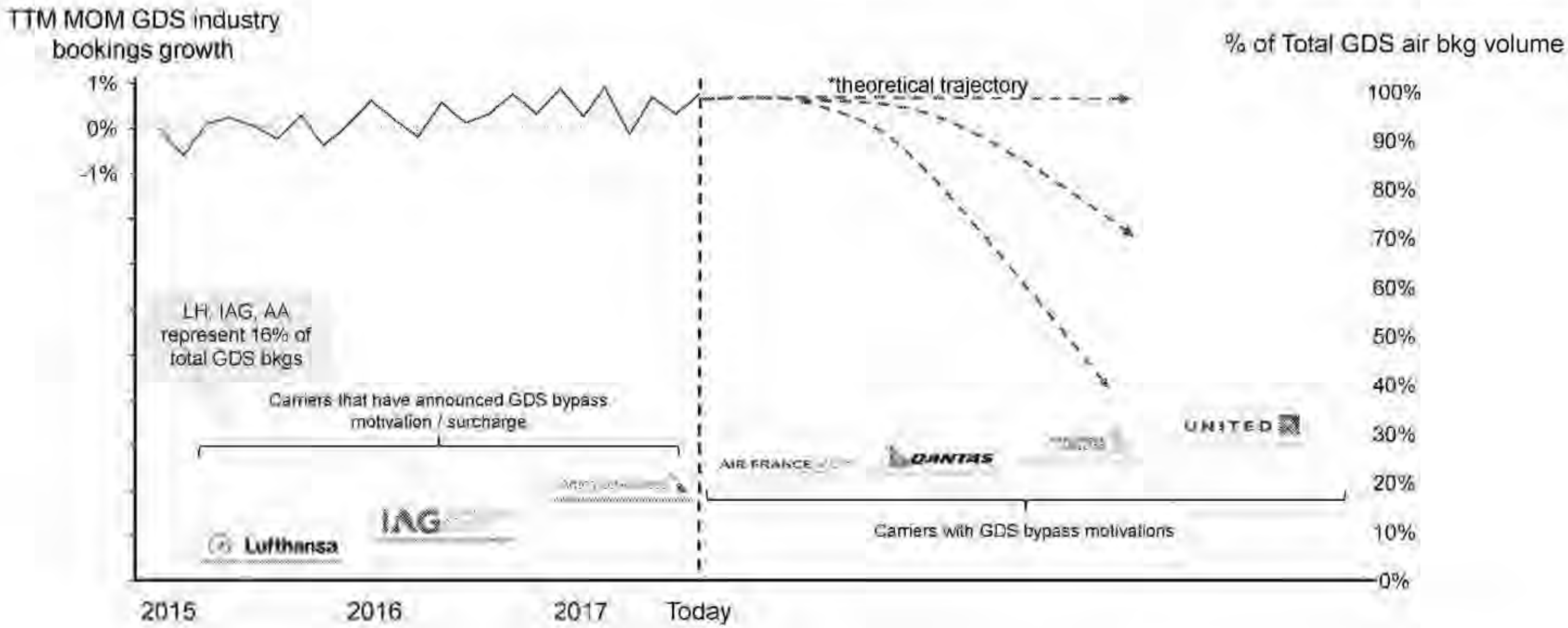
[redacted]

[redacted]

[redacted]

[redacted]

We believe there is a tipping point where Sabre agencies will determine GDS content to be inadequate resulting in negative indirect channel shift

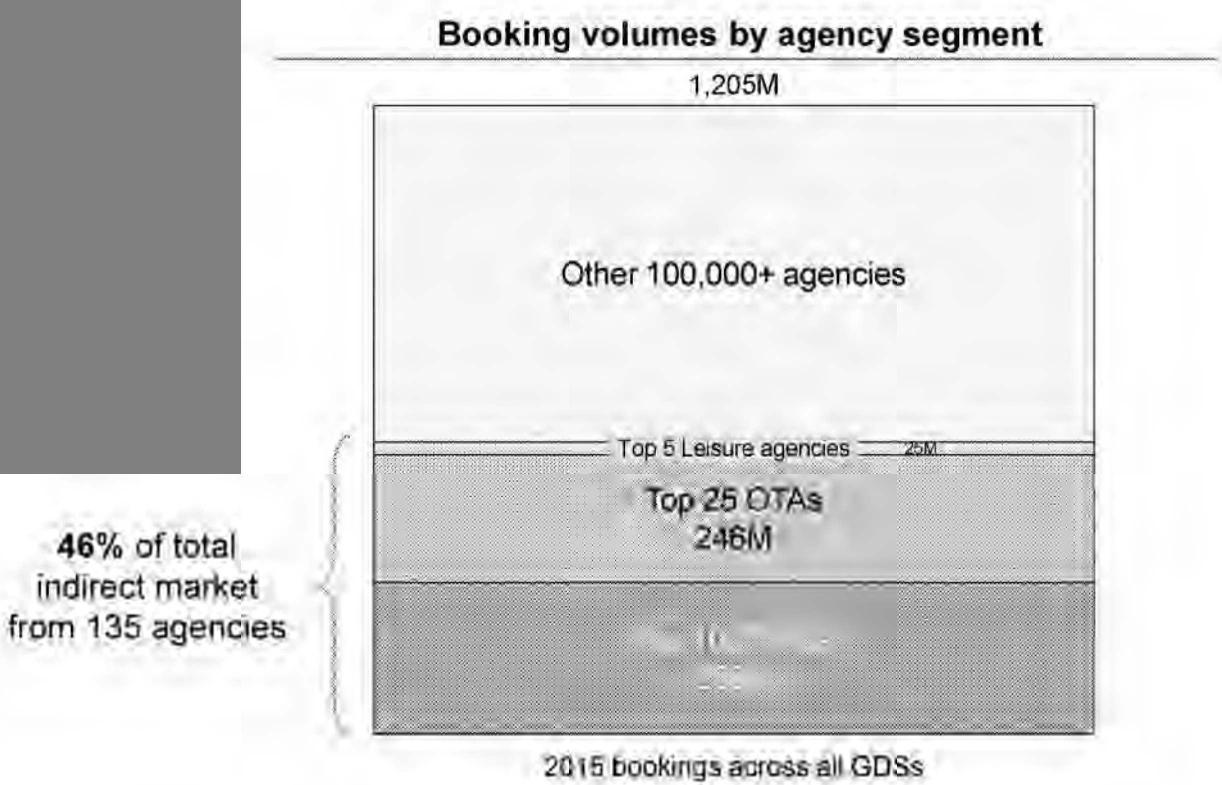


Source: August 2014 – August 2017 total GDS air MIDT volume
Notes: IAG carriers include BA, IB, VY, and EI. Total GDS carrier volume is a snapshot of 2016 total indirect volume.
Total GDS carrier volume percentage: LH (3%), IAG (4%), AA (9%), AF-KLM (4%), QF (1%), SQ (1%), UA (6%)

[redacted]

SABR-000111032

GDS market has a long, thin tail with 135 agencies comprising around half of the bookings and ~100,000 additional agencies making up the other half



[redacted]

[redacted]

[redacted]

Sabre

[redacted]

Agenda

Tuesday, August 15^{th} – Wednesday, August 16^{th}

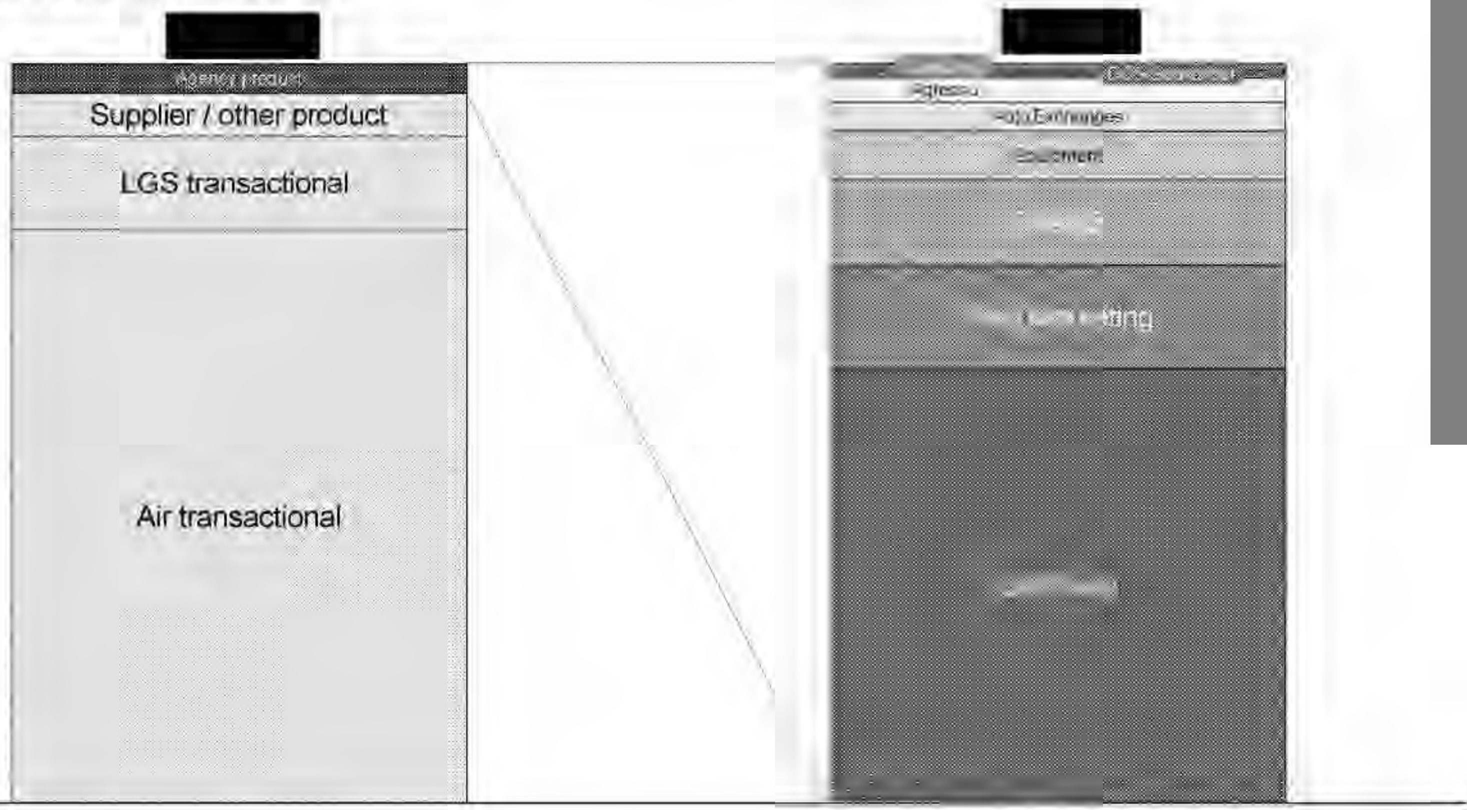
Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

[redacted]

Travel Network offers a wide variety of agency products, however derives little direct revenue from these agency products

2016 Sabre Travel Network revenue



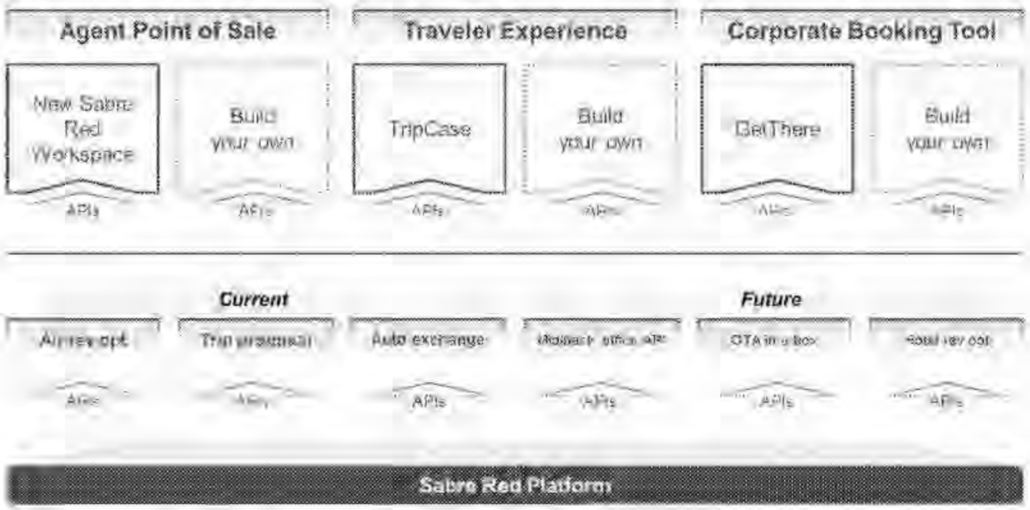
Sabre

Source: Sabre finance

[redacted]

SABR-000111037

The Sabre Platform strategy is to deepen and widen our technology relationship with agencies through flexible solutions built upon APIs

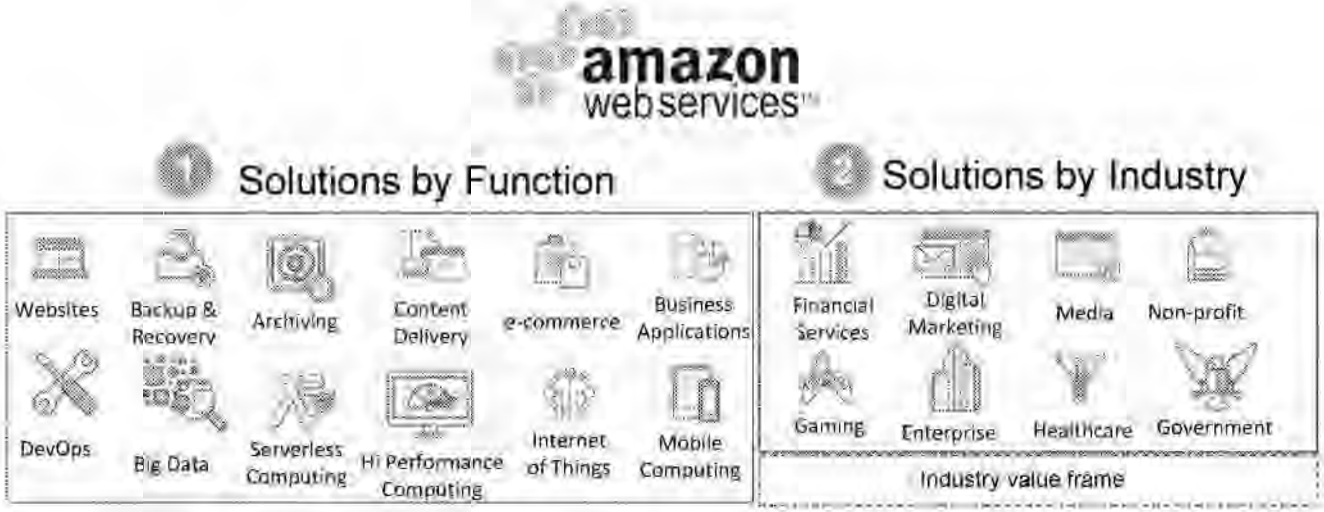


1. Continue offering our products off the shelf & refactor our solutions on new APIs
2. Enable customers to enhance their current tools using the APIs that power our solutions
3. Empower customers to develop their own custom branded experience and solutions

[redacted]

SABR-000111038

Amazon Web Services provides a good "north star" vision for how we would like the Sabre Platform to offer and deliver solutions for our customers



Sabre

[redacted]

SABR-000111039

Air shopping and booking is a good proof point of our vision for Sabre Platform services and will be delivered in Q1 2018

Project Scope

Air
Policy driven air shopping and booking

- New Air Booking
- Multi-GDS
- Policy & Preferencing
- Modify & Cancel

- Ancillaries
- Seat Maps and Paid Seats
- Full Payment Options
- Low Cost Carrier (Air Connect) Content

Initial Proof of Concept

✓ Completed a prototype which proves these services are technically feasible.

✓ Targeted a phase 1 scope that allows both companies to be successful

✓ Demonstrated that we are the right partner.

have never seen a more productive team within CWT and this team contains members from two different companies
-Andrew Jordan, CTO, CWT

Remaining Timeline

July	Finalizing commercial agreement
August	CWT North America & Canada Employees
September	Amazon & Remaining CWT Regions
October	Begin implementing additional CWT Customer Sites (~100)
Q1 2018	Complete First Phase Implementations

Sabre

[redacted]

SABR-000111040

Agenda

Tuesday, August 15th – Wednesday, August 16th

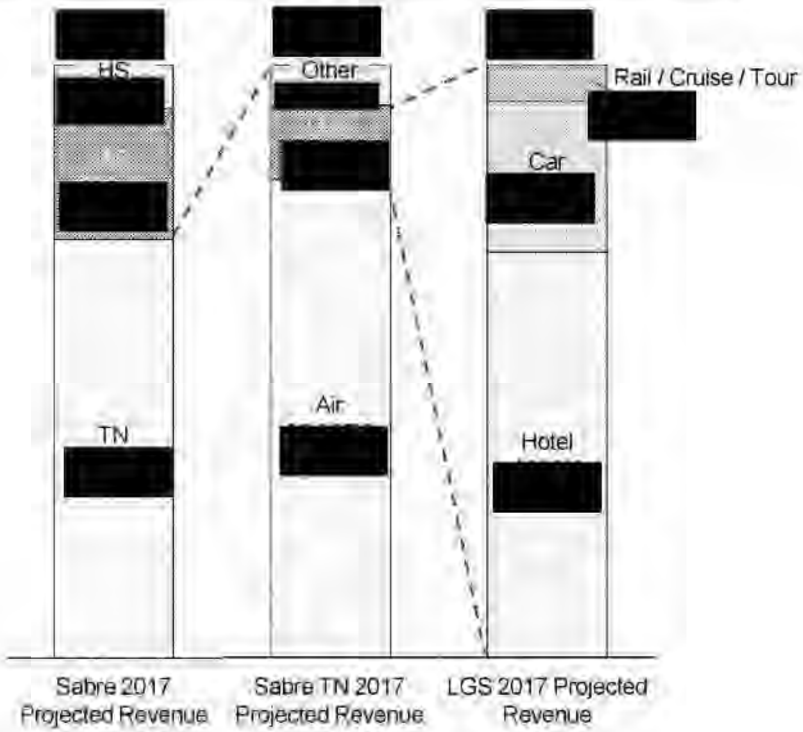
Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

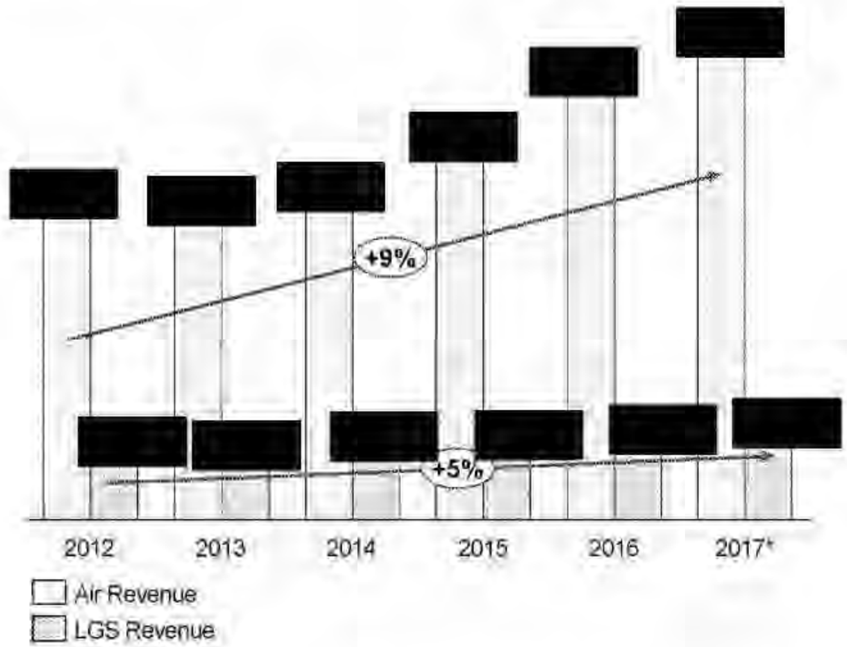
[redacted]

Lodging, Ground, and Sea bookings drive substantial revenue to Sabre

LGS represents 13% of TN's 2017 revenue[1]



Air is growing nearly twice as fast as hotel



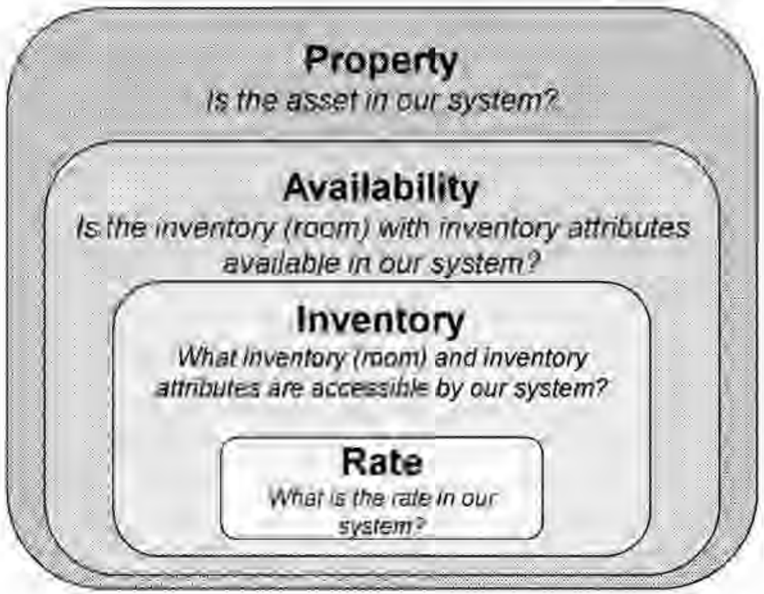
Sabre

1. 2017 Finance TN Forecast 6 + 6

[redacted]

SABR-000111042

Air-centric concepts around "content" and "full content" are not directly applicable to hotel supply



Key differences in hotel supply versus air content

- There is not a hotel version of ATPCo where all content is filed across the industry
- In many ways, and unlike airlines, hoteliers "lost control" of their supply by giving special deals to OTAs
  - It is common for a hotel rate to be better on OTA than hotelier's direct channel
  - This is very uncommon for air content where aggregators are often unable to display rates better than airline's direct channel
- Unlike air, Sabre hotel contracts only include a GDS rate parity clause (not channel parity)

Sabre

[redacted]

Less attractive rates / availability, UI / UX disadvantages, and revenue optimization limitations drive bookings outside channel

Supply

Properties | Availability | Inventory | Rates

Product

Shopping | Media | Payment | UI / UX

Rev. optimization | Preferencing | Suppression | Commission collection

Economics

Markup | Booking fee | Commission | Incentive

Control

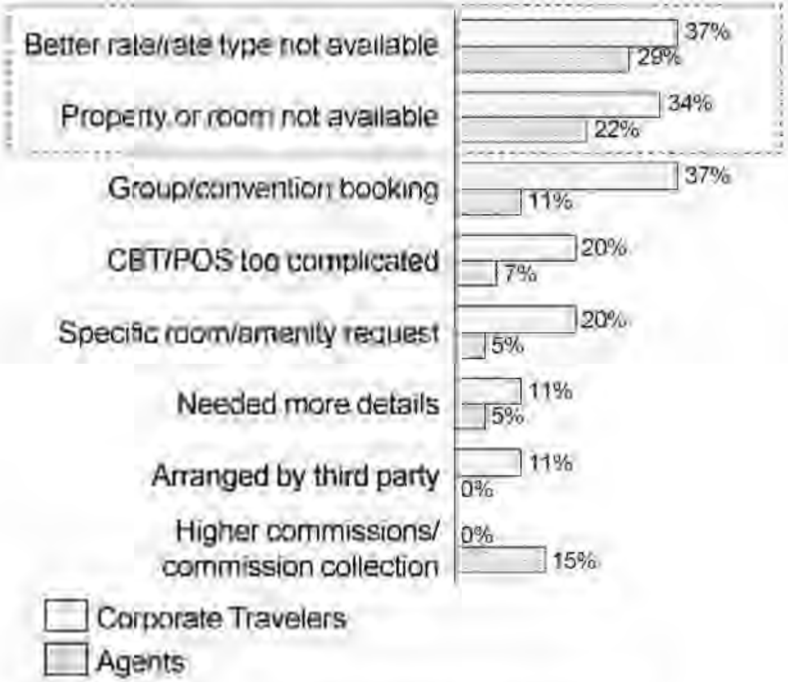
Channel control | Corporate traveler | Supply direct | Agency direct

Supply cited as a key driver of bookings moving outside of channel

[redacted]

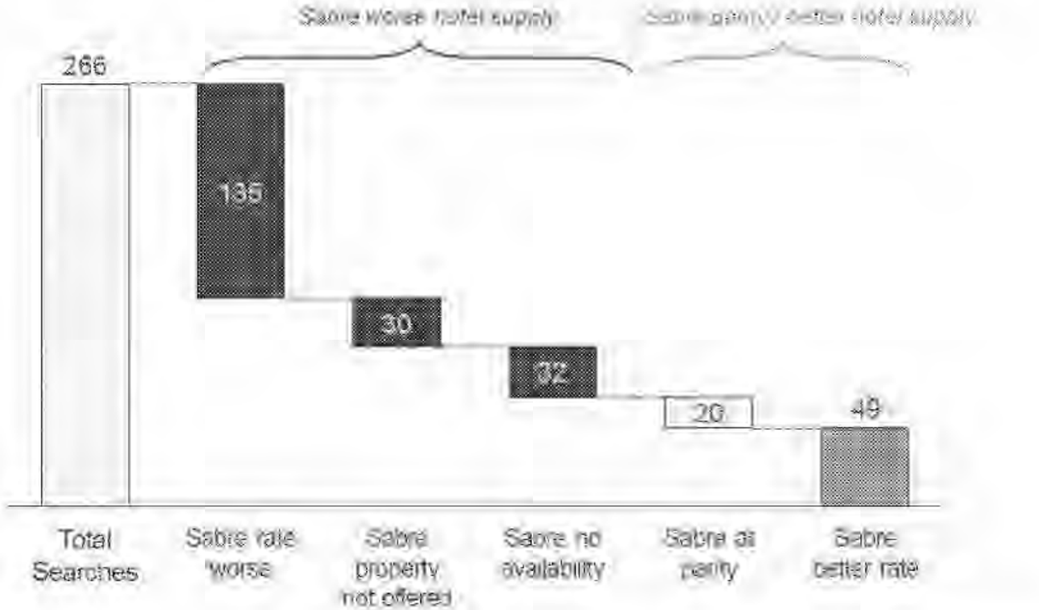
Qualitative feedback and quantitative data suggests Sabre has disadvantaged supply versus other booking options

Agencies and travelers cite supply as primary driver for booking outside GDS



"Why do you booking lodging outside of the CBT/GDS?"
Source: US Tripcase Business Traveler Survey (June 2017) and Sabre LGS Travel Agency Customer Study (June 2017)

In 74% of shopping comparisons, Sabre had a higher rate or less availability than other channels



Notes: Rate differences less than $2 considered tie; ties included in Sabre wins. Total searches excluded when all 3 channels were sold out. Rate losses exclude sabre sold out (these were counted in property losses)
Source: June 2017 Sabre analysis of 840 shopping comparisons; 266 comparison points

Sabre

[redacted]

[redacted]

Sabre

1. Assumes ADR of $150 and length of stay 2.3 based on average of Sabre and EAN 2017 actuals
2. Numbers vary slightly due to rounding

[redacted]

Global Accounts taking control of hotel content integration and optimization

TMCs want to **integrate** their preferred supply, **normalize** the content, **preference** to optimize revenues, and **distribute** to all points of sale

Carlson Wagonlit Travel

TRAVEL

BCD travel

OUTSOURCING

- Contracted with TCT to provide sourcing platform and services (two years remaining)
- Sourcing their own supply
- Small sales team in place
- Focused on more targeted suppliers
- Higher control = Better economics

BUILDING

- Bought KDS (Europe based OBT)
- Developing Supplier Management Platform, but would prefer Sabre-provided solution
- Focused on dynamic revenue management and preferencing
  - Consortia rates offer highest yield ([redacted] / booking)

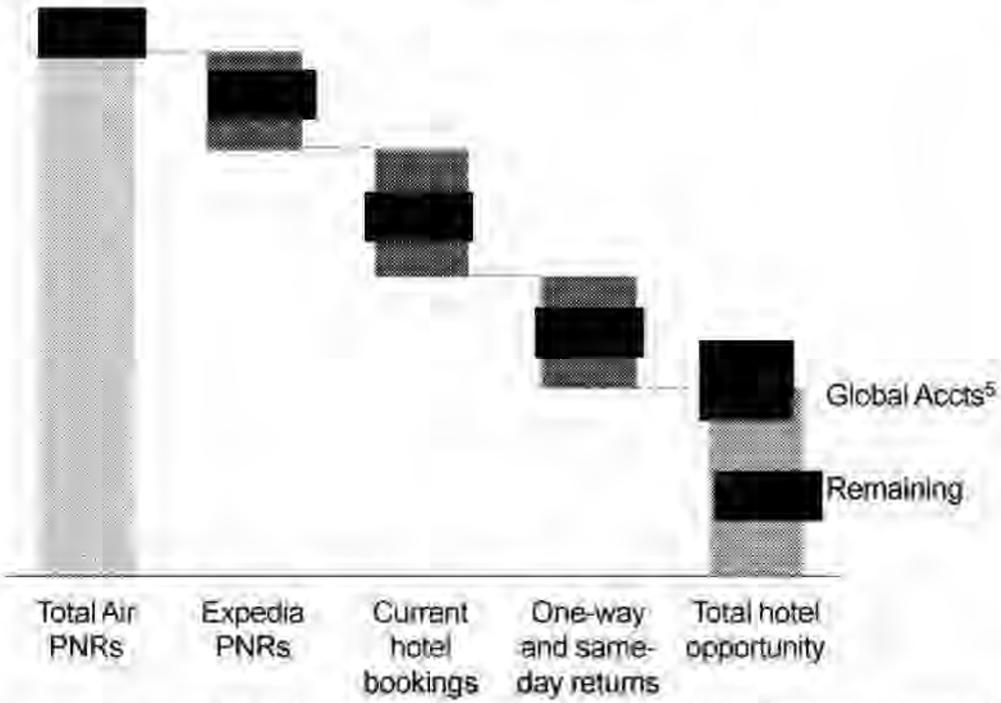
ACQUIRED

- Bought GetGoing for supply integration and management platform
- Supportive of GDS sourcing
- Focus on fee-based revenue and GDS incentives

[redacted]

Opportunity to add hotel booking on 36% of current air PNRs resulting in additional [redacted] incremental revenue

Unattached air tickets represent [redacted] potential annual hotel bookings



Potential ~$[redacted] revenue opportunity*

		% of opportunity captured (# bookings captured)		
		30% ([redacted]	*40% ([redacted]*	*50% [redacted]*
% reduction in current booking fee	*5%*	[redacted]		
	10%			
	15%			

*assumes flat incentive

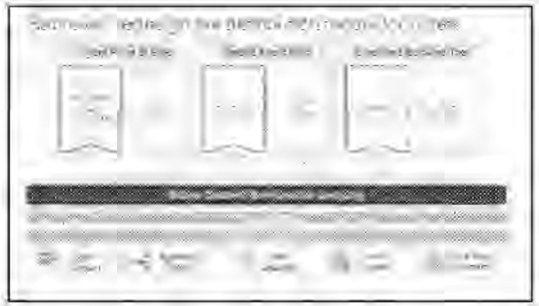
1. Total Air PNRs and One-way and same-day return PNRs based on TDW 2016 FY. Assumes no future growth in air bookings
2. Expedia PNRs based on SC Code K7P4
3. Hotel bookings based on 2016FY Actuals using Finance 2017 Plan Hotel Supplier Rollup 0317
4. Revenue assumes current average booking fee of [redacted] prior to reduction
5. Includes Amex (G1YO, G6DH), CWT (H9M1), and BCD (D2V0)

[redacted]

SABR-000111048

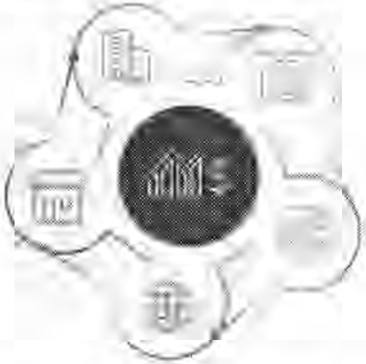
Develop a flexible hotel supply platform to allow customers to find and consume hotel content via our POS or their own

Create a flexible technology platform to address supply issues



- Sabre creates a multi-source / multi-rep hotel platform that is source agnostic
- GDS hotel supply is displayed side by side with other content, such as aggregator or agency's private supply

Drive economic value through best-in-class normalization and preferencing



- Provide platform that facilitates supply integration with revenue optimization support capabilities
- Normalize and structure data for consumption by customers
- Enhance preferencing capabilities to allow agencies greater control over hotel supply and bookings

Enhance POS and API capability to improve UX / UI

- Ensure consumer grade search capability with SRW and GetThere
- Create orchestrated APIs to power 3rd party connectivity (i.e. Concur, DEEM)
- Reduce setup costs and time for Sabre and suppliers through API capability

Sabre

[redacted]

SABR-000111049

Agenda

Tuesday, August 15th – Wednesday, August 16th

Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

[redacted]

Marketplace dynamics

Enabling personalization across all distribution channels	*A platform to meet changes in shopping behaviour*	*A seamless, mobile-first user-experience*	*A unique and personalized retail experience*
Supplier	**Technology**	**Traveler**	**Agency**
Holistic distribution Ancillaries and merchandising Dynamic pricing and bundling Customer centricity	Infrastructure investments APIs and inspirational shopping Mobile commerce and payments	Personalized, instant results Travel snacking Mobility throughout the journey	Automation and efficiency Ancillaries and merchandising Business intelligence

[redacted]

Internal cost performance driven by volume growth

Shopping requests growing at 94% vs. booking growth of 6% (Q4 2014 - Q1 2017)

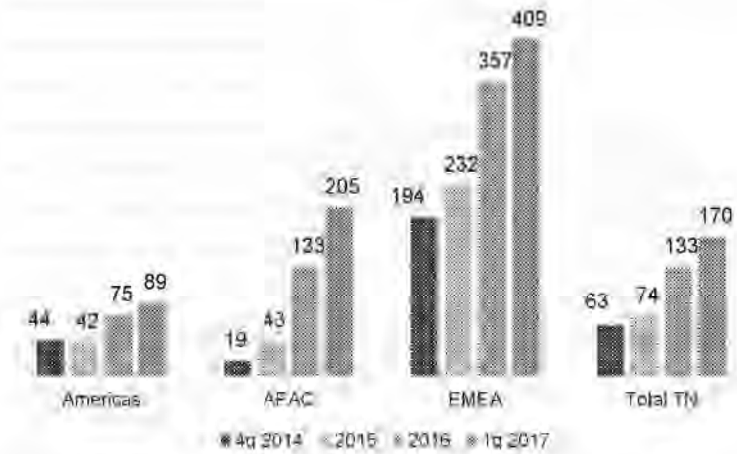
Q4 '14 2015 2016 Q1 '17

Bookings

Max Daily

[redacted]

Volume growth leading to exploding look-to-book



AMER +42% **APAC +230%** **EMEA +45%** **TN +64%**

Sabre

[redacted]

Cost growth is further amplified by increasing complexity

Complexity growth drivers

FEATURE	COMPLEXITY VS. AVERAGE
Flex Fares	300%
Branded Fares	300%
Multi-Ticket	250%
Multi-PCC Shop	400%
Alt Date	200%

[redacted]

What we've accomplished so far…

Growth and innovation

- 20% efficiency improvement in 1H 2017, additional 30% in 2H 2017
- Defined role of air shopping in next generation retailing and distribution
- Pilots: agency-facing pricing optimization, machine learning-based cache optimization
- "Best offer" campaign and benchmarking

Teamwork

- Piloting team-based funding; 2018 investments based on team-level funding
- Defined approach to persistent, cross-functional teams

Impeccable performance

- Dedicated three persistent stability teams [redacted] investment in 2017
- No P0 / P1 since May 2017; target is 12 months
- Independent, 3rd party stability assessment underway

Sabre

[redacted]

Where we are headed

SABRE PILLARS	Commercial Leadership & Growth	Dynamic Innovation in Technology & Products	Unparalleled Teamwork	Impeccable Performance
TN 2016 STRATEGY	Enrich our Channel for Suppliers	Expand & Build Capabilities	Cultural Shift	Evolve Commercial Model & Go-to-market
Air Shopping strategic imperatives	Enable a **Multi-Source Retail Platform**	Provide "**best offer**" search	**Empowered, persistent feature teams** with end-to-end accountability	Market-competitive **pricing**
	Optimize offer value in the marketplace	**Cost-efficiently serve** our customers		**Engaged, knowledgeable sales** teams

Sustain our **stability and scalability**

Sabre

[redacted]

SABR-000111055

Agenda

Tuesday, August 15th – Wednesday, August 16th

Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

[redacted]

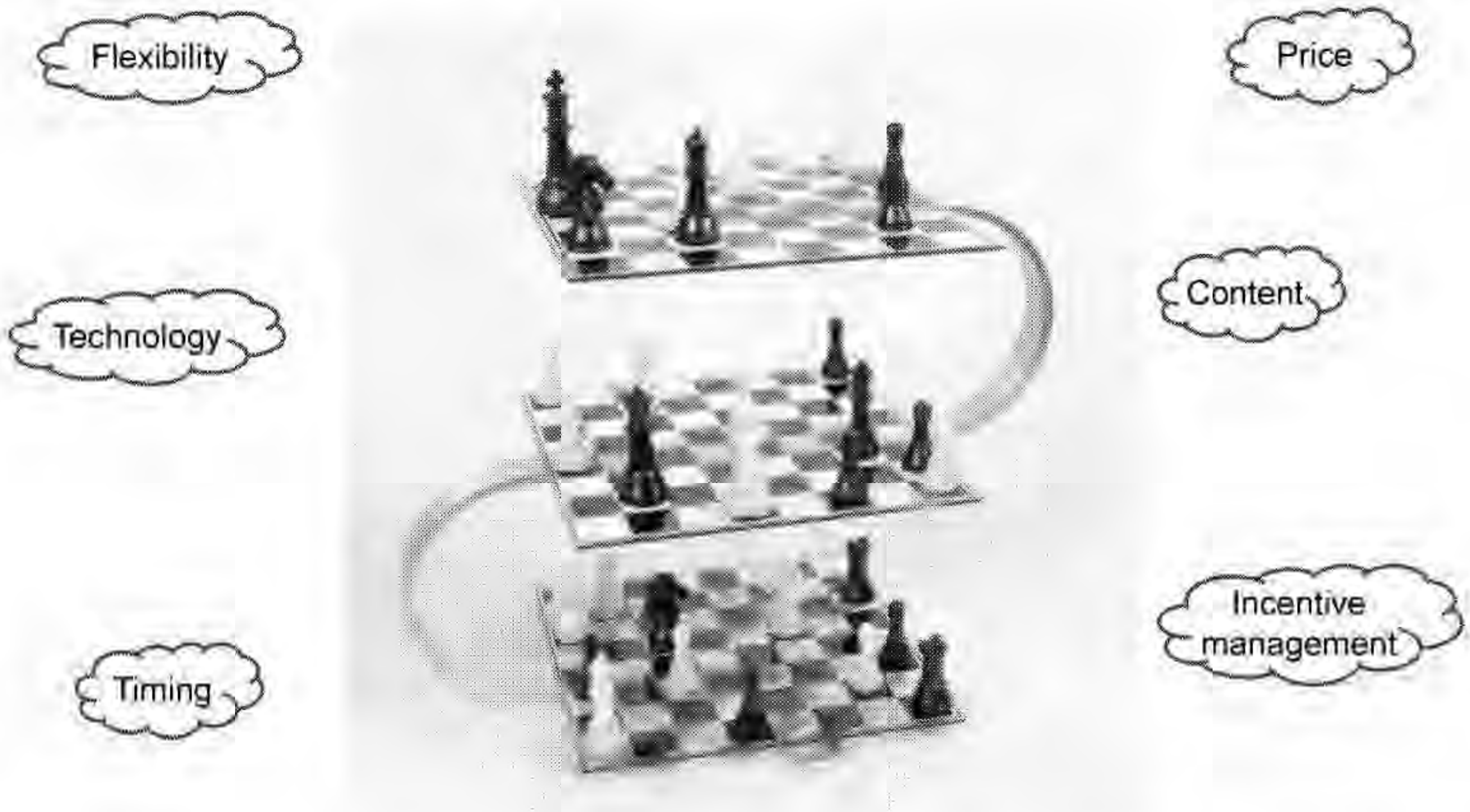
[redacted]

[redacted]

[redacted]

[redacted]

There is a multi-dimensional aspect of Supplier Commerce negotiations



[redacted]

Agenda

Tuesday, August 15th – Wednesday, August 16th

Topic area	Presenter	Time
Introduction	Wade Jones / Matt Lane	20
Major strategic questions facing TN		
• Evolving airline retailing model	Matt Lane	15
• The Sabre Platform	Matt Lane	15
• LGS full potential	Traci Mercer	15
Shopping update	Brett Burgess	15
Key supplier activities	Chris Wilding	15
Key agency activities	Wade Jones	15

Sabre

[redacted]

Agency sales and account management play a critical role in TN's value chain

[redacted]

The underlying question driving strategic decisions in the agency space

What is Sabre doing to focus our efforts and ensure that we are winning in the marketplace with the right customers?

[redacted]

[redacted]

[redacted]

Next steps

- Drive to agency level P+L detail
- Better understand industry-wide profit pools
- Refine our sales and account management strategy at a segment and regional level
- Further align our product, marketing, sales, and account management strategies

[redacted]

Sabre Hospitality Solutions
Summer Strategy Session, August 2017

Clinton Anderson & Balaji Krishnamurthy

Sabre

[redacted]

Executive summary

- SHS has delivered 5-year revenue and EBITDA CAGR of 21% and 38% respectively
- SHS is executing a three part strategy across both segments and products

	Status / Adjustments
1. **Grow distribution share of wallet in the core:** Focus on OTA adoption and direct booking capabilities ➡	Healthy core, need to execute on OTA product adoption. IBE and VA product launches; innovation must keep pace
2. **Become provider of choice in Enterprise:** Execute successfully with Wyndham, win the next deals ➡	Need to ensure WHG is successful, harden our product and processes for Enterprise
3. **Invest to build a significant/sustainable PMS business:** Execute v4.0 development, line up deals, plan for Full Service ➡	PMS v4.0 delivery critical for success, need to figure out path to FS PMS by end of year

- SHS has the potential to grow to [redacted] revenue, but capabilities need to be hardened to pursue PMS and Enterprise opportunities
- Risk-adjusting for PMS and Enterprise, with no large M&A, SHS is still a double-digit grower over next 5 years
- Need to balance investment across: a) scaling SHS capabilities, b) CRS innovation, c) Enterprise pursuits, d) PMS, and 5) International Growth. Unclear whether we can pursue all in parallel → Hard choices this Fall

Sabre

[redacted]

Most companies aspire to outgrow their market

Revenue growth target:
2x market

Earnings growth target:
4x market

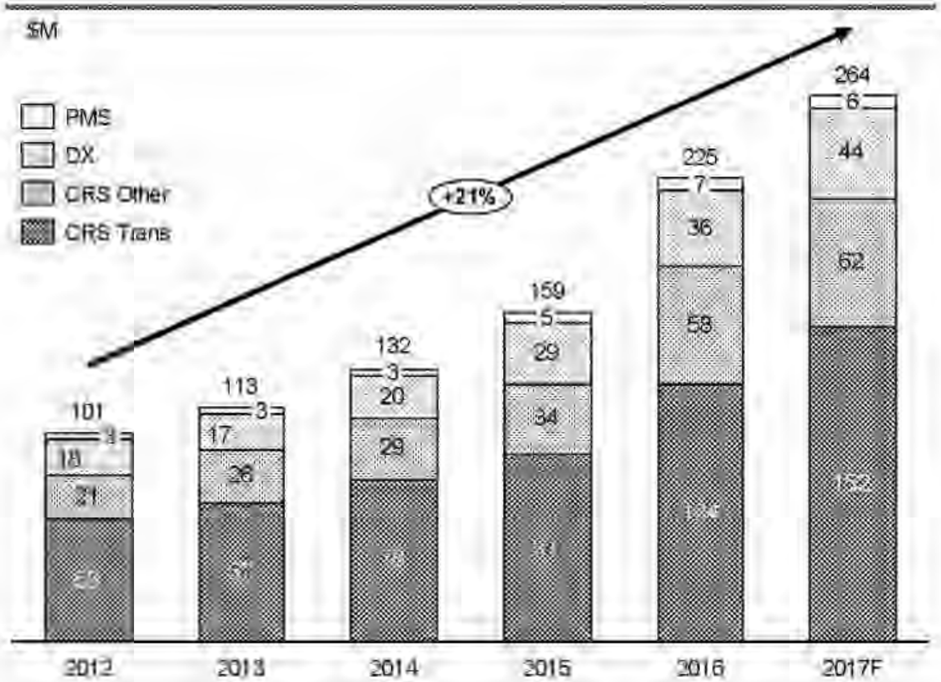
Only 1 in 9 outpace market revenue & earnings >10 yrs

Sabre

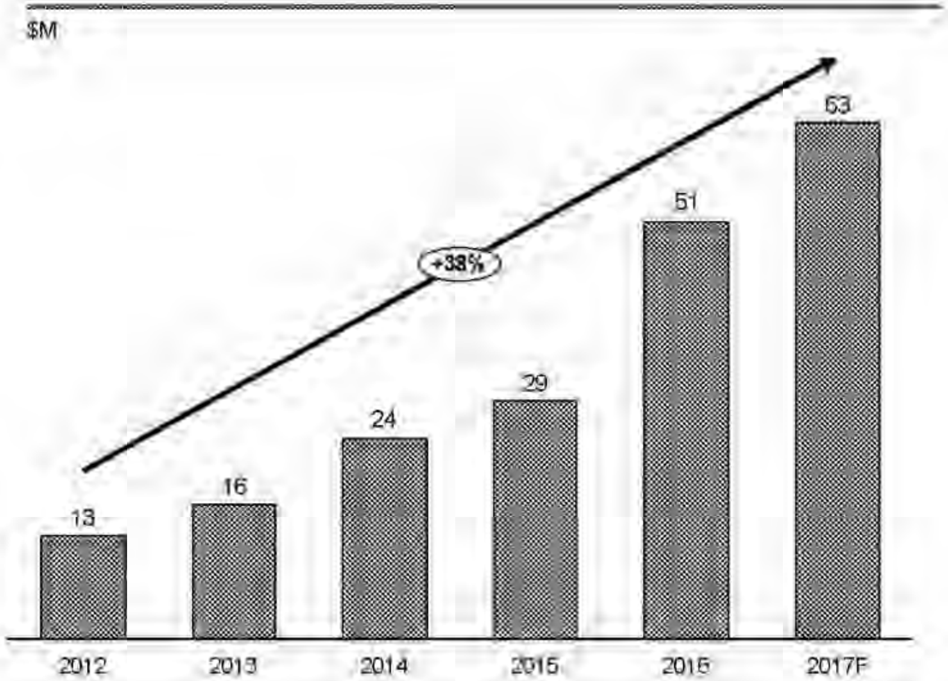
[redacted]

SHS has delivered strong revenue and EBITDA gains through a combination of new wins, same-store sales growth, and M&A

SHS Revenue



SHS EBITDA

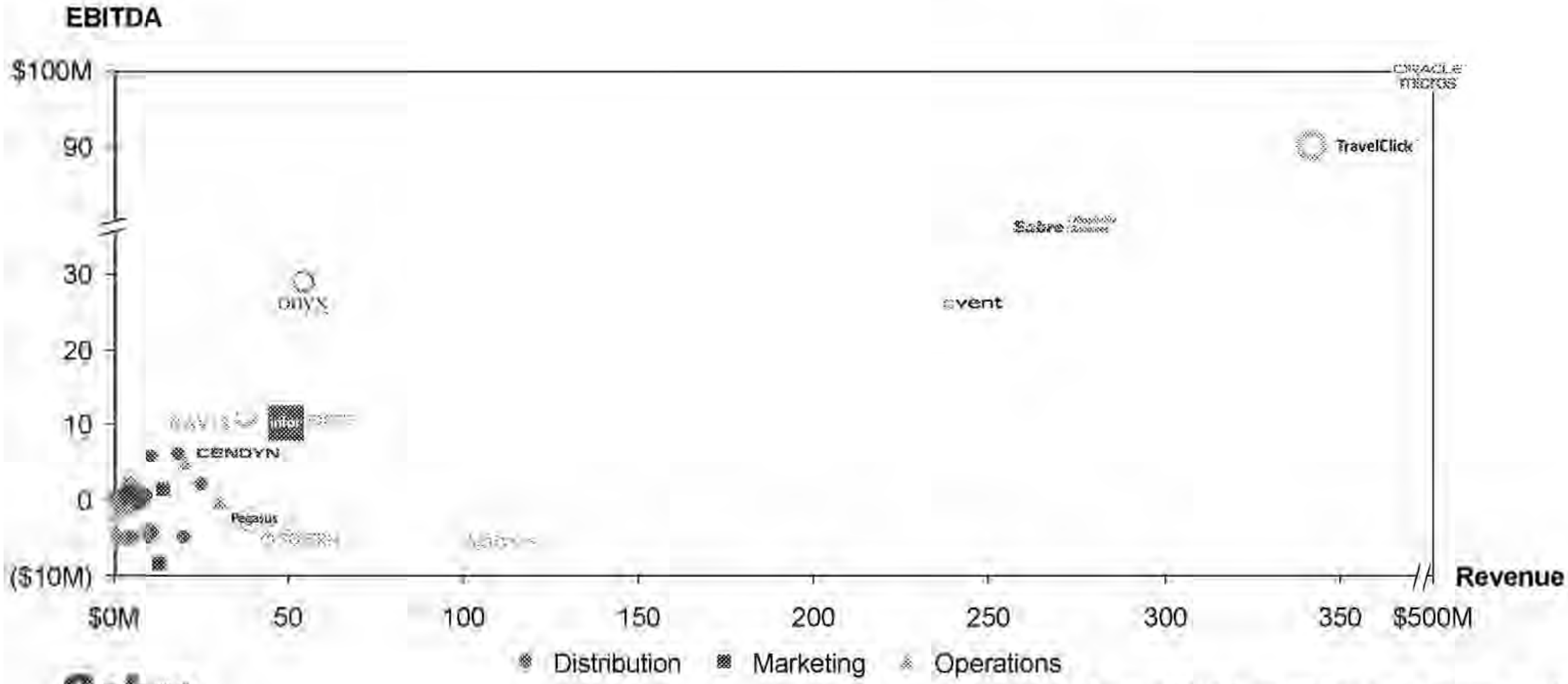


Sabre

[redacted]

SABR-000111068

Only two companies in hospitality technology with $300M in revenue



Sabre

[redacted]

SABR-000111069

Hospitality industry trends fueling growth

- Ongoing strong global macro environment with 29 consecutive quarters of positive US GDP growth since the last recession
- U.S. hotel industry RevPAR up for 88 consecutive months, even as supply growth expected to surpass demand
- Similar to airline industry, yet still earlier in the process, many hotel chains are deciding to outsource their technology and operations
- Explosive OTA growth powered through industry consolidation and outsized marketing spend relative to hotel brands
- Hotel brands investing in loyalty and direct booking venues to counter the growing power of OTAs for "top of the funnel"

[redacted]

[redacted]

[redacted]

SABR-000111071

SHS has the potential for continued impressive growth

[redacted]

[redacted]

SHS has the potential for continued impressive growth

[redacted]

Sabre

[redacted]

[redacted]

Sabre

[redacted]

This isn't unique; it is typical of high growth businesses

Small Company Growth

- Nascent processes/few tools
- Product isn't hardened (but good enough)
- Heroic efforts by few (STP principal)
- Growth pains addressed by adding resources to the problem
- "All revenue is good revenue" mantra
- Platform challenges

Sustainable Growth at Scale

- Standard, repeatable, scalable processes
- Use of tools/automation to enhance scale
- Hardened products
- Heroes replace by empowered/focused many
- Focus and relentless pursuit of core markets
- Smart expansion (product, customer, geographies)
- Scaling platforms

Sabre

[redacted]

One overarching question (really an imperative) for SHS…

How do we grow at scale?

[redacted]

...Followed by an economic truth

Resources are limited, so where do we invest scarce time, capital and talent?

[redacted]

We can learn from our team's experience in AS

market sell serve operate
the way you want

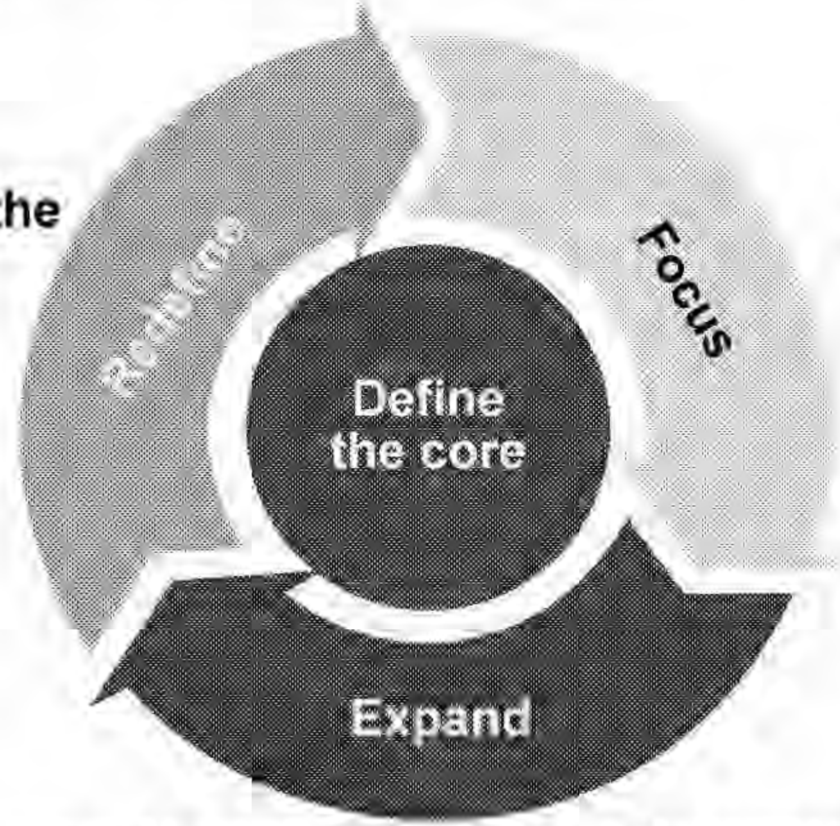
[redacted]

[redacted]

A framework for growth

When and how **will I need to redefine the core**?

What is the **full potential of the core**?



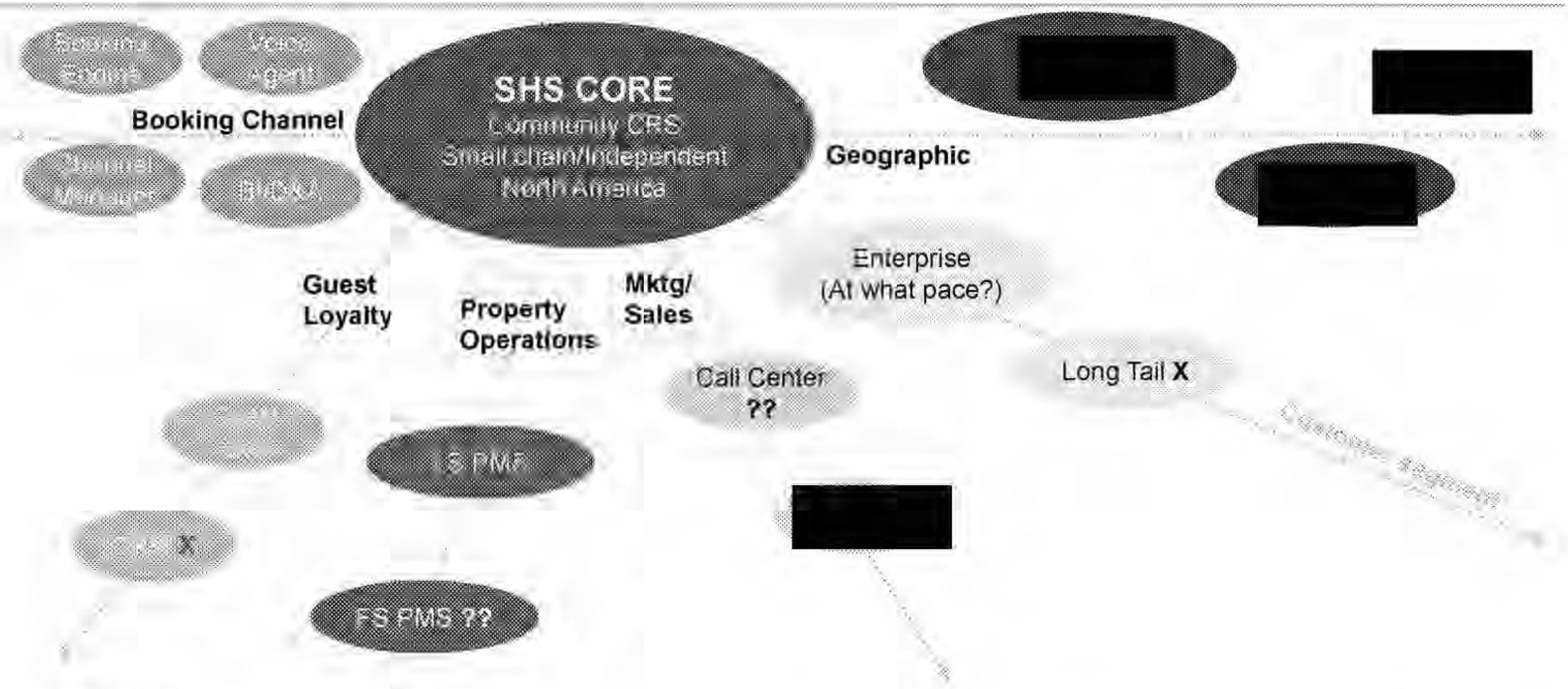
How do you **expand into adjacencies** with a repeatable formula?

Sabre

[redacted]

SABR-000111079

SHS Core and Adjacency Evolution



Sabre

[redacted]

SABR-000111080

SHS end-state vision / aspired landing zone

[redacted]

[redacted]

Key questions for today's discussion

1. How do we grow distribution share of wallet in the core Mid-Market CRS?
2. What is required to successfully win and serve [redacted] customers?
3. Can we succeed in Limited Service PMS? What about Full Service?
4. What is the greatest competitive threat in the marketplace today?
5. What is our path to [redacted] What underlying capabilities do we need to build? What tradeoffs does that require?

[redacted]

Key questions for today's discussion

1 How do we grow distribution share of wallet in the core Mid-Market CRS?

What is required to successfully win and serve [redacted] customers?

Can we succeed in Limited Service PMS? What about Full Service?

What is the greatest competitive threat in the marketplace today?

What is our path to [redacted] What underlying capabilities do we need to build? What tradeoffs does that require?

Sabre

[redacted]

Collision between indirect and direct distribution in hospitality: Sabre is well-positioned to benefit from both sides

DIRECT DISTRIBUTION

INDIRECT DISTRIBUTION

MAJOR HOTEL BRANDS ARE INVESTING IN LOYALTY AND DIRECT CONVERSION TOOLS TO DRIVE DIRECT BOOKINGS

[redacted]

[redacted] launches major updates to its [redacted] a year after launching the biggest campaign in the company's [redacted] year history, promoting discounted, member-only rates for direct bookings

[redacted] announces the company's most significant redesign of [redacted] increasing contributions generated by proprietary reservation systems by 240 basis points from previous year to over 50%

[redacted] growth in the digital retail channel rate up 5% while OTA growth rate is down 2% since the launch of [redacted] loyalty member rates

[redacted] guarantees the best rate booking direct; if a guest discovers a rate that is lower than their websites, they will honor the rate plus a 25% additional discount

OTAs ARE FUELING GROWTH WITH LARGE MARKETING BUDGETS AND CONSOLIDATION

[redacted]

[redacted] spent $8.7B in marketing (average increase of 26% over the prior year), significantly outspending hotels especially in SEO, and winning OTA channel share from direct

[redacted] have consolidated the OTA landscape, spending $7.5B in acquisitions from 2013 through 2016 globally

OTAs are competing on loyalty by offering their own reward programs and by automatically linking customers to hotel reward programs on their sites

Property Direct | **BE** | **Voice** | **OTA** | **GDS**

[redacted]

Hotel Distribution market shifting toward online channels, with OTAs steadily outpacing growth relative to other channels

With heavy consolidation, the OTAs have steadily increased booking share in the market

Global Hotel Reservations Mix by Channel

Transactions	[redacted]	Transaction CAGR 14-17
Online: OTA		9%
Online: GDS		2%
Online: BE		8%
Offline: Voice		2%
Offline: Property Direct		-2%
	2014 2015 2016 2017F 2018F 2019F 2020F	

Key distribution trends

OTA

- OTA is the fastest growing channel, fueled by consolidation and [redacted] in combined annual marketing by Expedia and Booking.com
- GDS remains a stronghold for corporate agencies, though usage among independent and leisure agencies is declining
- Chains are making a major push to encourage hotel.com bookings through loyalty programs and by offering additional incentives
- Despite increasing prominence in digital distribution, especially ancillary sales, voice remains a stable [redacted]f channel booking

Voice

Sabre *Source: Phocuswright, Skift, Kalibri Labs, SHS Analysis*

[redacted]

SABR-000111085

SHS distribution growth driven by GDS and OTA channels, with significant runway for growth in the OTA channel

OTA revenue growth is tied with GDS but at much lower base

OTA booking growth is twice the rate of GDS; now makes up half the CRS volume

Significant runway for growth in Distribution, especially in OTA

[redacted]

OTA has the largest opportunity for growth and is critical to core distribution growth

SHS is pursuing a 4 part strategy to increase adoption of OTA connectivity

Significant opportunity to grow share of wallet in OTA bookings

[redacted]

#	Area	Challenges to address/overcome		SHS strategy	Progress to-date
1	Product	Competitor Channel Manager solutions are highly streamlined, simple, and easy to use	›	Developing easy to use, simplified UI targeted to less sophisticated Independent hoteliers and small chains	
2	Connectivity	Need greater breadth of connectivity to OTAs and Tour Operators, especially outside NAM	›	Adding relevant channel breadth and enhancing connection reliability	
3	Delivery/ activation	Reduce implementation complexity and activation lead time, while providing responsive support	›	Reducing setup time to less than 5 days by optimizing and automating end-to-end process	
4	Price	Need competitive pricing to counter heavy discounting by Channel Managers (e.g., Siteminder)	›	Launched value-based flat pricing model in each regional market (pilot and rollout in Q1-Q2 2017 successfully)	

Value based flat pricing model has helped customers in winning new properties

[redacted]

SHS can maintain its GDS growth by continuing to increase market share (new store), and by enhancing the GDS hotel platform

Top three corporates account for more than half of total GDS transactions; New hotel chains drive majority of SHS growth

[redacted]

Sabre can grow share by enhancing the GDS hotel platform to address key agency needs around supply quality and economics

Supply: Lack of relevant hotel inventory, competitive rates, and availability are the primary reasons Sabre agents and corporate travelers book outside the GDS

- Internal shopping comparison showed Sabre hotel supply was less attractive [redacted] of the time versus OTAs and hotel direct
- Supply gap is largely driven by higher rates ([redacted], property not available in Sabre ([redacted]) or sold out inventory ([redacted])

Economics: Agencies can load and manage their own rates through Sabre and earn commissions on corporate negotiated rates, but cannot access the best aggregator / OTA rates in the marketplace

- Agencies have expressed dissatisfaction with their ability to manage supply (suppression, preferencing, etc.) to optimize hotel revenue

Sabre

(1) Excludes transactions from Enterprise and Trust
Source: Sabre analysis, SynXis CRS

[redacted]

CRS/Distribution Implications

1. Need to be successful in Next Gen Booking Engine and Voice Agent product development and go-to-market in 2018
2. Complete our EMEA and APAC strategies for core CRS
3. Complete Trust Voyager migration
4. Channel manager is a must win, but a two edged sword, handle with care (price erosion)
5. As a company, figuring out the GDS hotel path could benefit TN and SHS

Sabre

[redacted]

SABR-000111089

Key questions for today's discussion

How do we grow distribution share of wallet in the core Mid-Market CRS?

2 **What is required to successfully win and serve [redacted] customers?**

Can we succeed in Limited Service PMS? What about Full Service?

What is the greatest competitive threat in the marketplace today?

What is our path to [redacted] What underlying capabilities do we need to build? What tradeoffs does that require?

[redacted]

[redacted]

[redacted]

The Enterprise segment consists of [redacted] properties, and proliferation of in-house legacy systems

Enterprise Accounts ranked by number of properties

[redacted]

Total property count: ~50,000

However, the Enterprise market is not without challenges

Characteristics of the Enterprise segment	Implications for SHS
Need for significant customization	[redacted] of PMS product development and [redacted] of CRS product development unique to WHG versus broader community
Scale demands can overwhelm small company resources	[redacted] development resources allocated to WHG development over the last year
Higher product expectations	Gaps in feature/functionality versus customer requirements has delayed WHG implementation/rollout by almost 2 years
Expectation of a "perfect release"	Need for systematic product development and testing platform to deliver high-quality software
Large-scale implementations with tight timelines and stringent SLA's	Need for Enterprise-grade delivery, program management and customer care

[redacted]

SHS is increasingly in discussions with [redacted] customers; but have yet to prove our ability to win and implement in this segment beyond [redacted]

Enterprise Pipeline by Stage of Sales Cycle

Sabre

[redacted]

SHS is adapting its Enterprise Strategy based on key learnings to-date

Sales

Key learnings

- Top-down selling to complement bottoms-up sales approach
- Deep technical/ product engagement at every stage of sales cycle

Adjustments

- Foster C-level relationships
- Expand sales capacity in solutions selling
- Use DX, D&A and Consulting to get foot in the door

Product

Key learnings

- Product roadmap flexibility to meet targeted customization needs
- Best-in-class solution with broad and deep integration with other core systems

Adjustments

- Design upfront for performance, scalability and reliability
- Develop products in collaboration with customer needs/requirements
- Scope customer needs rigorously

Delivery/Implementation

Key learnings

- Need robust program management and change management skills
- Highly complex implementations with large spikes in required engagement

Adjustments

- Upgrade talent to build program/ change management capabilities
- Leverage automation tools to reduce deployment time
- Evaluate Systems Integrators partnerships

Customer Support

Key learnings

- SMEs to handle complex, high volume tickets
- Advanced product knowledge required for Level 2 support

Adjustments

- Create dedicated desk/resource model to improve SLA adherence
- Fill the gap between product evolution and helpdesk product expertise

[redacted]

[redacted]

Enterprise Implications

1. Enterprise chains will outsource an increasingly significant portion of their technology to third-party partners; this trend will create material growth opportunities for SHS
2. However, we have learned that serving the Enterprise space is fundamentally different challenge than growing the Mid-Market Community model
   - Product functionality/quality expectations
   - Pace of implementation/program management (much higher level of scrutiny and a measured approach)
   - Delivery requirements/expectations
   - Expectations re: customization
3. [redacted]
4. Across the board, we need to up our game (product, process, tools, talent) in the areas of product management, design, development, delivery, support and account management

Sabre

[redacted]

Key questions for today's discussion

How do we grow distribution share of wallet in the core Mid-Market CRS?

What is required to successfully win and serve [redacted] customers?

3 **Can we succeed in Limited Service PMS? What about Full Service?**

What is the greatest competitive threat in the marketplace today?

What is our path to [redacted] What underlying capabilities do we need to build? What tradeoffs does that require?

Sabre

[redacted]

Property Management (PMS) represents the largest opportunity with an estimated [redacted] of the total $6.0B hospitality technology market

[redacted]

Source: Sabre analysis, expert interviews, surveys, review of public materials/documents
Note: PMS includes first year implementation fees

[redacted]

[redacted]

Sabre

[redacted]

SABR-000111100

[redacted]

[redacted]

While the [redacted] PMS market opportunity seems sizeable, the opportunity is significantly reduced without a FS offering to [redacted]

PMS Total Addressable Market (TAM)

PMS opportunity without FS offering

FS Ent

FS MM

LS Ent - req. FS

LS Ent - not req. FS

LS MM

[redacted]

* MM is estimated using current CRS customer base; Ent. is estimated using 30% win rate leading to a blended win rate of 16% (i.e., expect to win 1 out of 6 deals)

[redacted]

Given SHS current business context, getting LS right is a prerequisite for winning in FS

Our success in the greater PMS space hinges on our ability to deliver value to Enterprise	LS PMS product architected to be foundation for FS PMS product	Stage gates (KPIs) before we proceed to FS
Mid-market/ Independents [redacted] Enterprise [redacted] 1	• Develop market leading PMS offering using best-in-class architecture, design, and user experience • Build for LS space with expansion into FS space (single LS product meets needs of both Enterprise and Mid-market/Independent segment) • Deliver on critical [redacted] gaps for Q4 LS pilot • [redacted] as the potential launch partner for PMS LS V4.0	☑ Scalable sales pipeline ☑ Pricing assumptions validated ☐ LS contract with a 2nd chain signed ☐ PMS V4.0 (LS) delivered ☐ [redacted] (LS) referenceable ☐ FS requirements completed

We are sequencing product development to **establish LS leadership** before embarking on FS product development

[redacted]

[redacted]

Key questions for today's discussion

How do we grow distribution share of wallet in the core Mid-Market CRS?

What is required to successfully win and serve [redacted] customers?

Can we succeed in Limited Service PMS? What about Full Service?

4 **What is the greatest competitive threat in the marketplace today?**

What is our path to [redacted] What underlying capabilities do we need to build?
What tradeoffs does that require?

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Competitive Implications

1. We need to defend core CRS (and related innovation), and find our path in the PMS marketplace
2. [redacted] (the old, the new) are the two players with the resources to benefit at scale from the outsourcing trend
3. We need to avoid distractions that cause deviation of resources, time and talent

Sabre

[redacted]

Key questions for today's discussion

How do we grow distribution share of wallet in the core Mid-Market CRS?

What is required to successfully win and serve [redacted] customers?

Can we succeed in Limited Service PMS? What about Full Service?

What is the greatest competitive threat in the marketplace today?

5 **What is our path to [redacted] What underlying capabilities do we need to build? What tradeoffs does that require?**

Sabre

[redacted]

And not Or

In order to achieve:

GROWTH

SPEED

We must first ensure:

STABILITY

SECURITY

QUALITY

[redacted]

SHS 1H Operating Metrics

Metric	1H Target	Status	Areas for Improvement
[redacted]			

Sabre

[redacted]

Finish 2017 Strong

[redacted]

A Culture of Individual Ownership

- We all own **stability, security**, and **quality**
- **Everyone must be empowered** to speak out when you see opportunities for improvement
- **Escalation is not a failure; it is a responsibility**

[redacted]

Risk-adjusting for Full Service PMS, SHS has the opportunity to generate continued YoY double-digit growth and strong FCF

[redacted]

Scenario Description

- Limited Service PMS only + Large M&A
- Limited Service + Full Service PMS (Independent & Enterprise)
- Limited Service PMS (Independent & Enterprise)
- Continued growth in core distribution market
- Tuck-in CRS acquisitions

Sabre

[redacted]

[redacted]

[redacted]