Q1 2016 Earnings Report

Sabre Corporation
April 28, 2016

Forward-looking Statements

Forward Looking Statements

Certain statements herein are forward-looking statements about trends, future events, uncertainties and our plans and expectations of what may happen in the future. Any statements that are not historical or current facts are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as “will,” “expect,” “believe,” “on track,” “intend,” “outlook,” “guidance,” “continue,” “momentum,” “may,” “should” “anticipate” or the negative of these terms or other comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The potential risks and uncertainties include, among others, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, the financial and business effects of acquisitions, including integration of these acquisitions, adverse global and regional economic and political conditions, including, but not limited to, economic conditions in countries or regions with traditionally high levels of exports to China or that have commodities-based economies, risks arising from global operations, exposure to pricing pressure in the Travel Network business, the implementation and effects of new agreements, dependence on maintaining and renewing contracts with customers and other counterparties, dependence on relationships with travel buyers, changes affecting travel supplier customers, travel suppliers’ usage of alternative distribution models, and competition in the travel distribution market and solutions markets. More information about potential risks and uncertainties that could affect our business and results of operations is included in the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” sections included in our Annual Report on Form 10-K. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, Sabre undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

Non-GAAP Financial Measures

This presentation includes unaudited non-GAAP financial measures, including Adjusted Gross Profit and Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted EPS, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted Capital Expenditures, Free Cash Flow, and the ratios based on these financial measures. We present non-GAAP measures when our management believes that the additional information provides useful information about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See the appendix for an explanation of the non-GAAP measures and the reconciliation of the non-GAAP financial measures to the comparable GAAP measures included below.

Today’s Presenters

Tom Klein
President & CEO

Rick Simonson
EVP & CFO

Executing our strategies

Sabre Airline Solutions

- SabreSonic reservations growth
- AirCentre & AirVision growth
- Completed Air Seychelles SabreSonic implementation

Sabre Hospitality Solutions

- Significant growth driven by SynXis CRS
- Property management solutions growth
- Digital marketing solutions growth

Sabre Travel Network

- Strong bookings growth
- Gained bookings share in every region
- New innovations like Sabre Red Workspace 3.0

Revenue EBITDA EPS

Q1 2016 Highlights

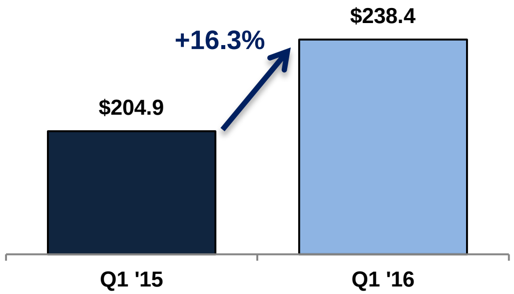
	($ MM)	% Change
Total Revenue	**$860**	**+21.0%**
Total Adjusted EBITDA	**$287**	**+18.0%**
Adjusted EPS	**$0.41**	**+51.9%**
Airline & Hospitality Solutions Revenue	**$238**	**+16.3%**
Airline & Hospitality Solutions Adjusted EBITDA	**$83**	**+16.0%**
Travel Network Revenue	**$625**	**+23.1%**
Travel Network Adjusted EBITDA	**$273**	**+17.7%**

Highlights

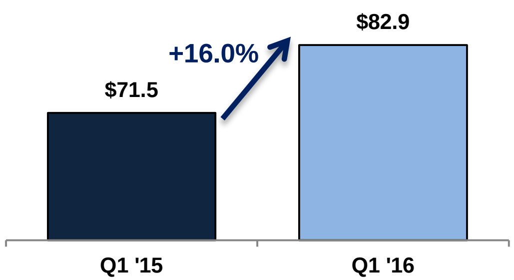
- Solid first quarter and well on track to meet full year financial objectives
- 16% Solutions revenue growth
  - *Airline Solutions revenue increased due to solid contributions from all key product lines*
  - *Strong Hospitality Solutions revenue growth*
  - *Expanded geographic reach and customer base in Hospitality Solutions with the Trust Group acquisition*
- 23% Travel Network revenue growth
  - *Global bookings share increased 1.7 points year over year*
  - *Bookings share growth in all regions*

Q1 2016 Airline and Hospitality Solutions

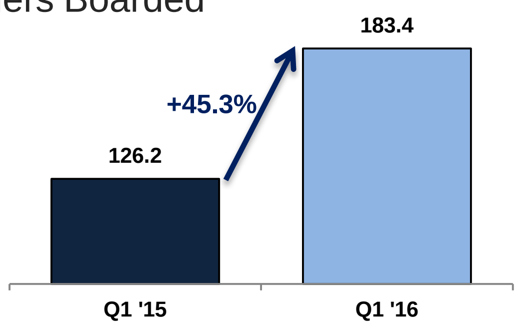
Revenue
(millions)



Adjusted EBITDA
(millions)



Passengers Boarded
(millions)



Highlights

- 16% revenue and EBITDA growth
- 45% growth in passengers boarded
  - *Implementation of American Airlines to SabreSonic in 4Q'15*
  - *Passengers boarded growth of 10% on a consistent carrier basis*
  - *Air Seychelles SabreSonic migration on March 19*
- Growth across AirVision and AirCentre commercial and operations solutions
- Continued momentum in Hospitality Solutions
  - *Closed Trust Group acquisition on January 14*
  - *Wyndham implementation progressing*

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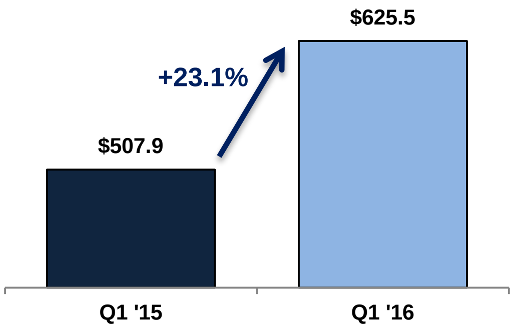
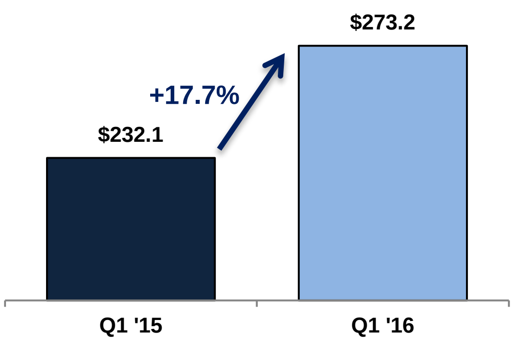
Q1 2016 Travel Network

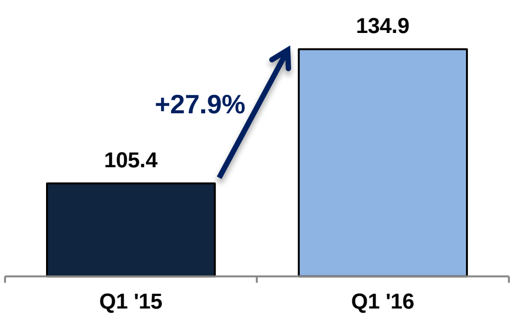
Revenue
(millions)



Adjusted EBITDA
(millions)



Bookings
(millions)



Highlights

- Revenue growth of 23% and EBITDA growth of 18%
- Growth driven by Abacus acquisition and bookings growth across much of the world
- Total bookings increased 28%;
  Q1 global share up 1.7 points to 37.4%
- Excluding Abacus, revenue increased 7% and bookings increased 5%
  - *North American bookings increased 4%*
  - *EMEA bookings increased 12%*
  - *Latin America bookings declined 2%*

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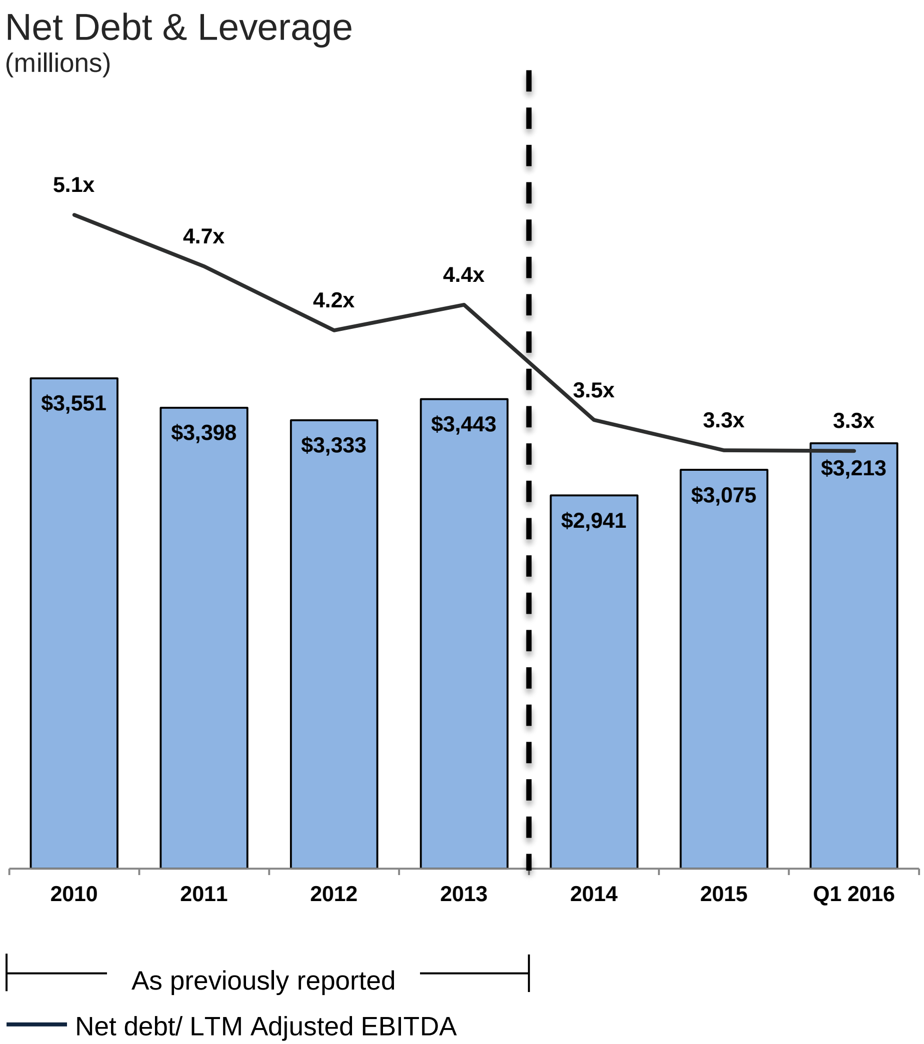
Q1 2016 Income Statement

Adjusted Results

In $ millions, except EPS

	Q1 '16	B/(W) vs. PY	
		$	%
Revenue	**$860**	**$149**	**21.0%**
Cost of Revenue	($471)	($82)	(21.0%)
Gross profit	**$388**	**$67**	**21.0%**
SG&A	($101)	($15)	(17.4%)
JV Equity Income	$1	($9)	(91.8%)
EBITDA	**$287**	**$44**	**18.0%**
Operating income	**$213**	**$50**	**30.5%**
Net income	**$115**	**$40**	**53.0%**
Earnings per share	**$0.41**	**$0.14**	**51.9%**

Net Debt and Leverage



Highlights

- Modest increase in Net Debt from year end reflects the Trust Group acquisition
- Q1 '16 Leverage 3.3x
  - *Moody's upgrade to Ba2*
  - *Paid down remaining $165M 2016 8.35% bonds with cash and revolver borrowings*
  - *WACD 4.42%; 4.53% swap adjusted*
- Q1 Free Cash Flow of $65M
- Q1 Adjusted CapEx of $95M
  - *$75M GAAP CapEx*
  - *$20M Capitalized Implementation Costs*

Reiterating Guidance for FY 2016

In $ millions, except EPS

	Guidance	Growth
Revenue	**$3,390 - $3,430**	*14.5% - 15.8%*
Adjusted EBITDA	**$1,080 - $1,100**	*14.7% - 16.8%*
Adjusted Net Income	**$395 - $415**	*28.2% - 34.7%*
Adjusted EPS	**$1.40 - $1.47**	*27.3% - 33.6%*
Free Cash Flow	**Approaching $400M**	*Over 60%*

	Guidance	Growth
Target Dividend Payout Ratio	**35% - 40%** of Adjusted Net Income	*up from 30% - 35%*
GAAP Capital Expenditures	**~$300**	*up $13M from 2015*
Capitalized Implementation Costs	**~$95**	*up $32M from 2015*

The information presented here represents forward-looking statements and reflects expectations as of April 28, 2016. Sabre assumes no obligation to update these statements. Results may be materially different and are affected by many factors detailed in the accompanying release and in Sabre's Form 10-K filed on February 19, 2016.

Summary

First quarter provided a good start to the year with solid execution by each of our businesses

Leaning into our strengths to drive value for our customers and results for our shareholders

Delivering against our commitments today, while making the investments to drive our success tomorrow

Thank you

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Appendix

Tabular Reconciliations for Non-GAAP Measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended March 31,	
	2016	2015
Net income attributable to common stockholders	$ 105,167	$ 207,494
Income from discontinued operations, net of tax	(13,350)	(158,911)
Net income attributable to noncontrolling interests[1]	1,102	747
Income from continuing operations	92,919	49,330
Adjustments:		
Acquisition-related amortization[2a]	34,130	21,675
Other, net [4]	(3,360)	4,445
Restructuring and other costs [5]	124	—
Acquisition-related costs[6]	108	1,811
Litigation (reimbursements) costs, net[7]	(3,846)	3,436
Stock-based compensation	10,289	8,794
Tax impact of net income adjustments	(15,716)	(14,557)
Adjusted Net Income from continuing operations	$ 114,648	$ 74,934
Adjusted Net Income from continuing operations per share	$ 0.41	$ 0.27
Diluted weighted-average common shares outstanding	281,963	276,688
Adjusted Net Income from continuing operations	$ 114,648	$ 74,934
Adjustments:		
Depreciation and amortization of property and equipment[2b]	53,665	61,663
Amortization of capitalized implementation costs[2c]	8,488	7,524
Amortization of upfront incentive consideration[3]	12,337	11,172
Interest expense, net	41,202	46,453
Remaining provision for income taxes	57,140	41,840
Adjusted EBITDA	$ 287,480	$ 243,586

Reconciliation of Operating Income to Adjusted Operating Income:

(in thousands; unaudited)

	Three Months Ended March 31,	
	2016	2015
Operating income	$ 171,422	$ 118,992
Adjustments:		
Joint venture equity income	763	8,519
Acquisition-related amortization(2a)	34,130	21,675
Restructuring and other costs (5)	124	—
Acquisition-related costs(6)	108	1,811
Litigation (reimbursements) costs, net(7)	(3,846)	3,436
Stock-based compensation	10,289	8,794
Adjusted Operating Income	$ 212,990	$ 163,227

Reconciliation of Adjusted Capitalized Expenditures and Free Cash Flow:

(in thousands; unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Additions to property and equipment	$ 75,472	$ 61,912
Capitalized implementation costs	19,957	14,327
Adjusted Capital Expenditures	$ 95,429	$ 76,239

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Cash provided by operating activities	140,165	131,773
Cash used in investing activities	(234,140)	(61,764)
Cash used in financing activities	(110,902)	(22,281)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Cash provided by operating activities	$ 140,165	$ 131,773
Additions to property and equipment	(75,472)	(61,912)
Free Cash Flow	$ 64,693	$ 69,861

Reconciliation of Adjusted Gross Margin and Adjusted EBITDA by Segment:

(in thousands; unaudited)

	Three Months Ended March 31, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 241,544	$ 47,145	$ (117,267)	$ 171,422
Add back:				
Selling, general and administrative	33,373	18,241	82,242	133,856
Cost of revenue adjustments:				
Depreciation and amortization(2)	17,660	35,490	13,357	66,507
Amortization of upfront incentive consideration(3)	12,337	—	—	12,337
Stock-based compensation	—	—	4,074	4,074
Adjusted Gross Margin	304,914	100,876	(17,594)	388,196
Selling, general and administrative	(33,373)	(18,241)	(82,242)	(133,856)
Joint venture equity income	763	—	—	763
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	870	303	28,603	29,776
Restructuring and other costs (5)	—	—	124	124
Acquisition-related costs(6)	—	—	108	108
Litigation reimbursements, net(7)	—	—	(3,846)	(3,846)
Stock-based compensation	—	—	6,215	6,215
Adjusted EBITDA	$ 273,174	$ 82,938	$ (68,632)	$ 287,480

Reconciliation of Adjusted Gross Margin and Adjusted EBITDA by Segment:

(in thousands; unaudited)

	Three Months Ended March 31, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 197,251	$ 28,491	$ (106,750)	$ 118,992
Add back:				
Selling, general and administrative	21,884	17,979	82,495	122,358
Cost of revenue adjustments:				
Depreciation and amortization(2)	13,812	42,729	8,126	64,667
Amortization of upfront incentive consideration(3)	11,172	—	—	11,172
Stock-based compensation	—	—	3,533	3,533
Adjusted Gross Margin	244,119	89,199	(12,596)	320,722
Selling, general and administrative	(21,884)	(17,979)	(82,495)	(122,358)
Joint venture equity income	8,519	—	—	8,519
Joint venture intangible amortization(2a)	801	—	—	801
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	532	268	24,594	25,394
Restructuring and other costs (5)	—	—	—	—
Acquisition-related costs(6)	—	—	1,811	1,811
Litigation costs(7)	—	—	3,436	3,436
Stock-based compensation	—	—	5,261	5,261
Adjusted EBITDA	$ 232,087	$ 71,488	$ (59,989)	$ 243,586

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Reconciliation of Adjusted Cost of Revenue, Adjusted SG&A, and Adjusted JV Equity Income:

(in thousands; unaudited)

	Three Months Ended March 31,	
	2016	2015
Cost of revenue [(1)] [(2)]	$ 554,265	$ 468,998
Depreciation and amortization[(2)]	(66,507)	(64,667)
Amortization of upfront incentive consideration[(3)]	(12,337)	(11,172)
Stock-based compensation	(4,074)	(3,533)
Adjusted Cost of Revenue	$ 471,347	$ 389,626

	Three Months Ended March 31,	
	2016	2015
SG&A	$ 133,856	$ 122,358
Depreciation and amortization[(2)]	(29,776)	(25,394)
Restructuring and other costs [(5)]	(124)	—
Acquisition-related costs[(6)]	(108)	(1,811)
Litigation reimbursements (costs), net[(7)]	3,846	(3,436)
Stock-based compensation	(6,215)	(5,261)
Adjusted SG&A	$ 101,479	$ 86,456

	Three Months Ended March 31,	
	2016	2015
Joint venture equity income	$ 763	$ 8,519
Joint venture intangible amortization[(2a)]	—	801
Adjusted Joint Venture Equity Income	$ 763	$ 9,320

Non-GAAP Financial Measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Gross Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Net Income from continuing operations per share (Adjusted EPS), Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted Capital Expenditures, Free Cash Flow and ratios based on these financial measures.

We define Adjusted Gross Margin as operating income (loss) adjusted for selling, general and administrative expenses, amortization of upfront incentive consideration, and the cost of revenue portion of depreciation and amortization, restructuring and other costs, and stock-based compensation.

We define Adjusted Operating Income as operating income adjusted for joint venture equity income, acquisition-related amortization, restructuring and other costs, acquisition-related costs, litigation (reimbursements) costs, net, and stock-based compensation.

We define Adjusted Net Income as income from continuing operations adjusted for acquisition-related amortization, other, net, restructuring and other costs, acquisition-related costs, litigation (reimbursements) costs, stock-based compensation, and the tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net, and remaining provision (benefit) for income taxes.

We define Adjusted EPS as Adjusted Net Income divided by the applicable share count.

We define Adjusted Cost of Revenue as cost of revenue adjusted for stock-based compensation, amortization of upfront incentive consideration and depreciation and amortization.

We define Adjusted SG&A as SG&A adjusted for restructuring and other costs, litigation (reimbursements) costs, net, stock-based compensation, acquisition-related amortization, and depreciation and amortization.

We define Adjusted Joint Venture Equity Income as joint venture equity income adjusted for joint venture intangible amortization.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment.

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. Adjusted Capital Expenditures include cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted EPS, and Adjusted Capital Expenditures assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

These non-GAAP financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted Gross Margin and Adjusted EBITDA do not reflect cash requirements for such replacements;
- Adjusted Operating Income, Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and
- other companies, including companies in our industry, may calculate these non-GAAP financial measures, which reduces their usefulness as comparative measures.

Non-GAAP Footnotes

1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in Sabre Travel Network Middle East of 40% and in Sabre Seyahat Dagitim Sistemleri A.S. of 40%.

2) Depreciation and amortization expenses:
   a. Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
   b. Depreciation and amortization of property and equipment includes software developed for internal use.
   c. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

4) In the first quarter of 2016, we recognized a gain of $6 million associated with the receipt of an earn-out payment related to the sale of a business in 2013. In addition, other, net includes foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

5) Restructuring and other costs represent charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs.

6) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of the Trust Group and Abacus.

7) Litigation (reimbursements) costs, net represent charges and legal fee reimbursements associated with antitrust litigation.

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