Q2 2021 Earnings Report

3 August 2021

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 “expect,” “believe,” “position,” “future,” “trend,” “pipeline,” “opportunity,” “plan,” "guidance," "outlook," “anticipate,” “will,” "forecast," "continue," "strategy," "estimate," "project," “may,” “should,” “would,” “intend,” “potential” 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, the severity, extent and duration of the global COVID-19 pandemic, including any variants, and its impact on our business and results of operations, financial condition and credit ratings, as well as on the travel industry and consumer spending more broadly, the actions taken to contain the disease or treat its impact, the effectiveness and rate of vaccinations, the effect of remote working arrangements on our operations and the speed and extent of the recovery across the broader travel ecosystem, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, including the impact of changes in these transaction volumes from airlines' insolvency, suspension of service or aircraft groundings, the effect of cost savings initiatives, the timing, implementation and effects of the technology investment and other strategic initiatives, the completion and effects of travel platforms, travel suppliers' usage of alternative distribution models, exposure to pricing pressure in the Travel Solutions business, changes affecting travel supplier customers, maintenance of the integrity of our systems and infrastructure and the effect of any security breaches, failure to adapt to technological advancements, competition in the travel distribution market and solutions markets, implementation of software solutions, reliance on third parties to provide information technology services and the effects of these services, the execution, implementation and effects of new, amended or renewed agreements and strategic partnerships, including anticipated savings, dependence on establishing, maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements, dependence on relationships with travel buyers, our collection, processing, storage, use and transmission of personal data and risks associated with PCI compliance, our ability to recruit, train and retain employees, including our key executive officers and technical employees, the financial and business results and effects of acquisitions, the effects of any litigation and regulatory reviews and investigations, 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 and the effect of "Brexit", risks arising from global operations, reliance on the value of our brands, failure to comply with regulations, use of third-party distributor partners, the effects of the implementation of new accounting standards, and tax-related matters.

More information about potential risks and uncertainties that could affect our business and results of operations is included in the "Risk Factors" and “Forward-Looking Statements” sections in our Quarterly Report on Form 10-Q filed with the SEC on May 4, 2021, in our Annual Report on Form 10-K filed with the SEC on February 25, 2021 and in our other filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, 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 Operating Loss, Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Loss from continuing operations per share (“Adjusted EPS”), Free Cash Flow, Net Debt / LTM Adjusted EBITDA 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 “Non-GAAP Financial Measures” in the appendix for an explanation of the non-GAAP measures and “Tabular Reconciliations for Non-GAAP Measures” in the appendix for a reconciliation of the non-GAAP financial measures to the comparable GAAP measures.

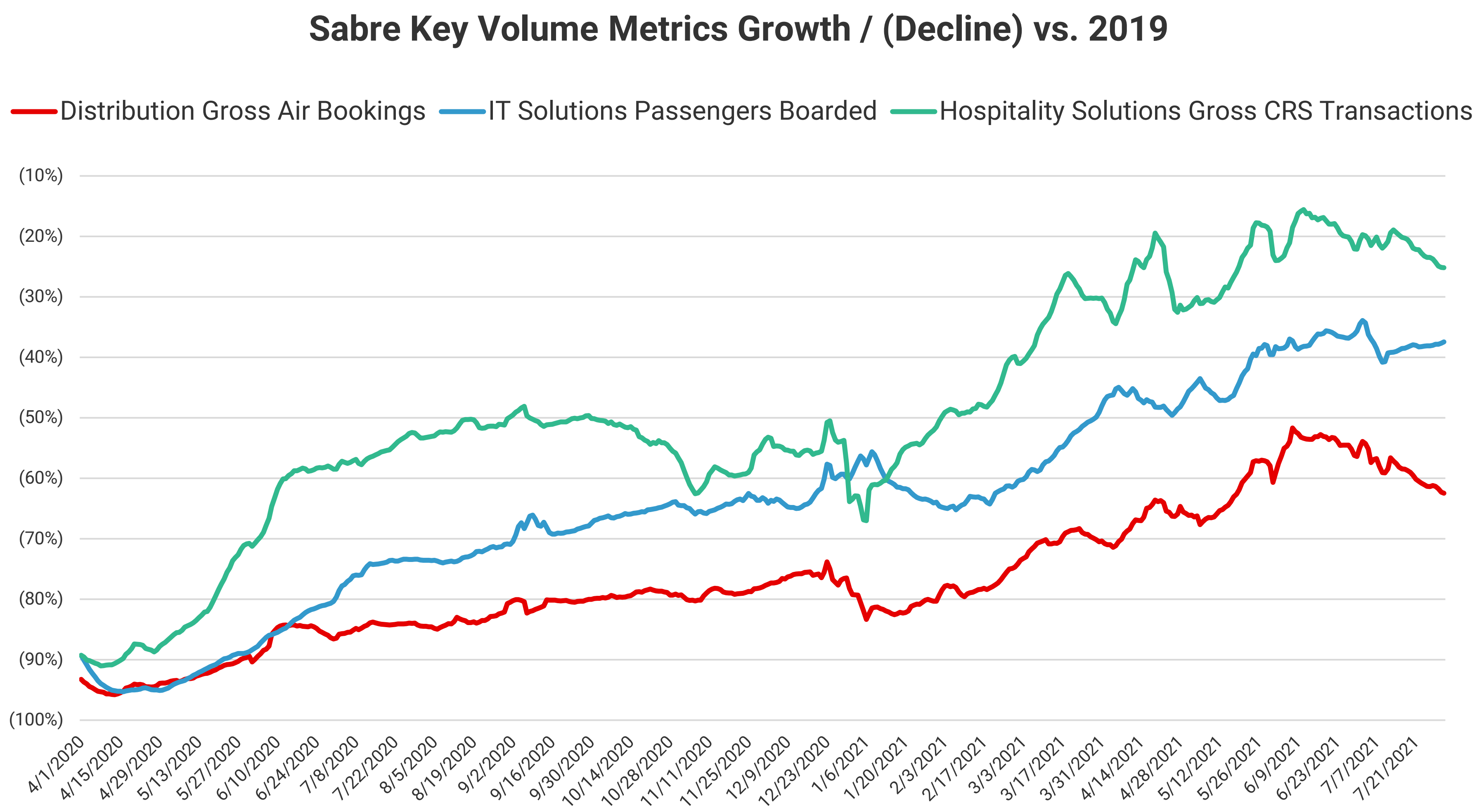
Industry Data/Certain Definitions
This presentation and accompanying comments contain industry data, forecasts and other information that we obtained from industry publications and surveys, public filings and internal company sources, and there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position, bookings share and market estimates are based on independent industry publications, government publications, third-party forecasts and management’s estimates and assumptions about our markets and our internal research. We have not independently verified this third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we cannot assure you of the accuracy or completeness of this information.

Today's presenters

Sean Menke
President & CEO

Doug Barnett
EVP & CFO

Recovery across key volume metrics accelerated in Q2

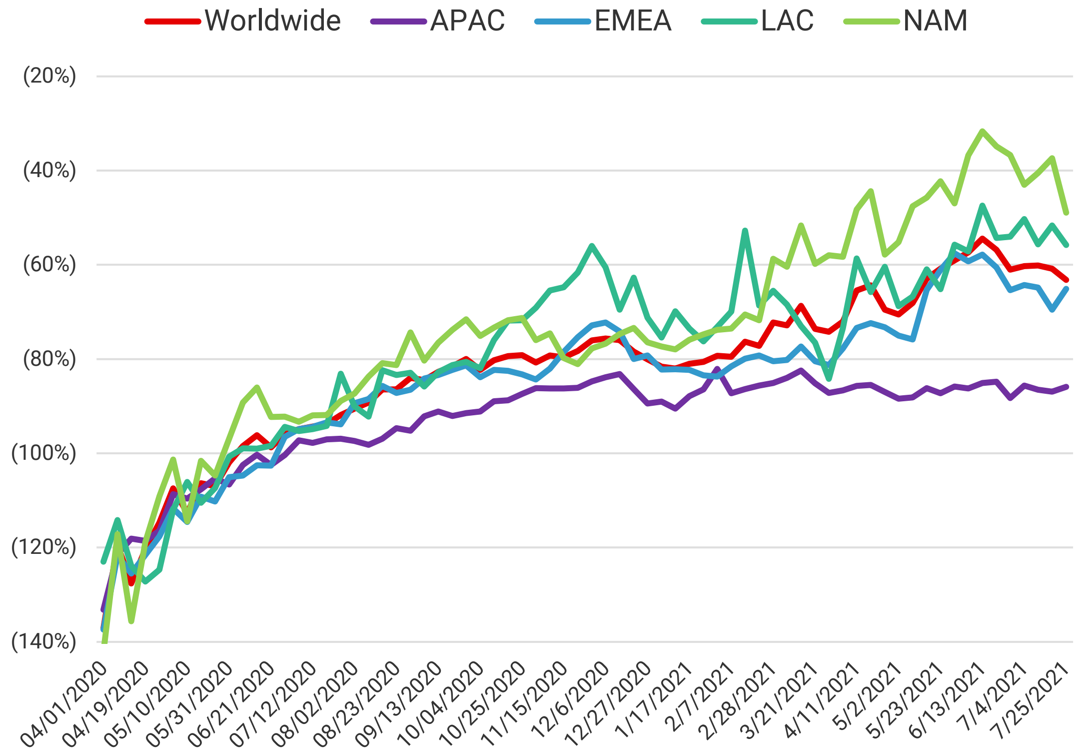


- Q2 recovery showed strongest sequential improvement since Q3 of 2020
- Hotel CRS transactions continued to lead recovery
- Strong recovery trends in June regressed in July due to impact of the Delta and other COVID-19 variants
- Passengers boarded recovery continues to outpace Distribution bookings due to mix of leisure travelers

7-day moving average; calendar-shifted; CRS transactions are community model only; data through July 31, 2021

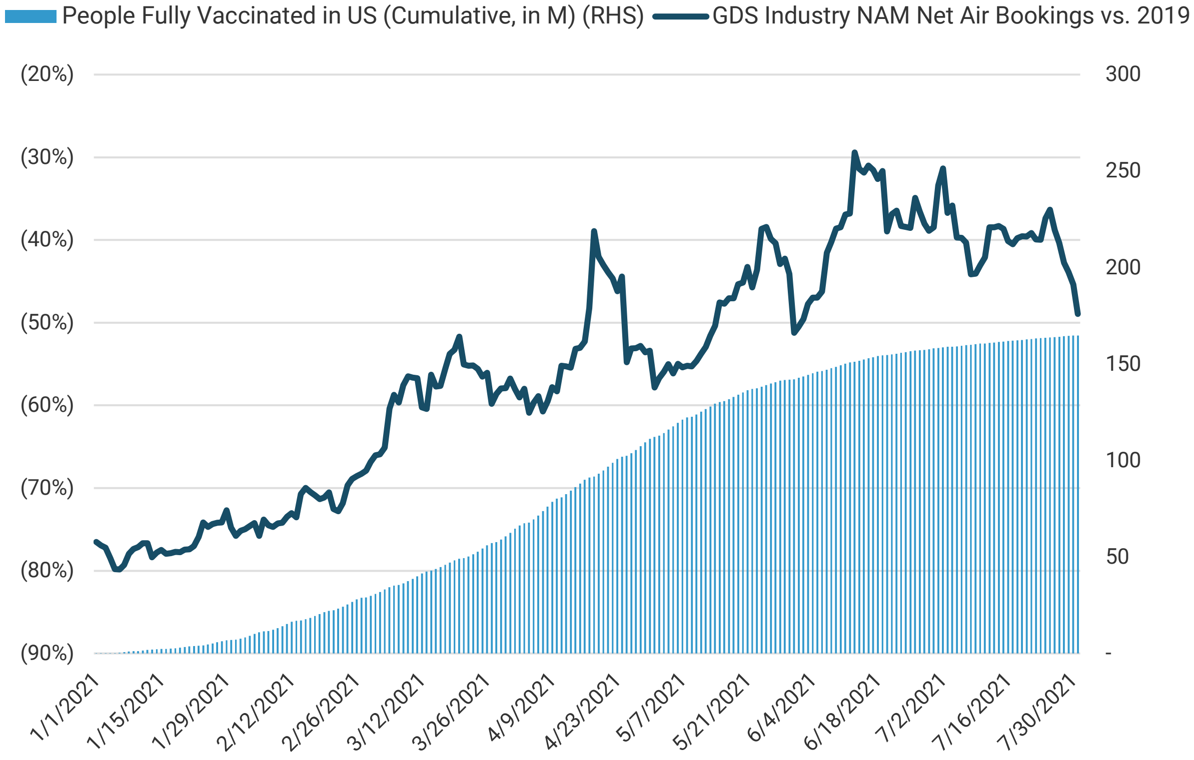
North America continued to lead air bookings recovery

Weekly GDS Industry Net Air Bookings Growth / Decline vs. 2019



Source: Sabre Market Intelligence; calendar-shifted; data through July 31, 2021

COVID-19 Vaccinations vs. Travel Recovery in North America



Source: Centers for Disease Control and Prevention (CDC) COVID Data Tracker and Sabre Market Intelligence; 7-day moving average air bookings; calendar-shifted; data through July 28, 2021

Sabre's booking recovery outpaced the industry

Sabre's net air bookings declined by (65%), (62%), (49%), (59%) and (61%) in April, May, June, Q2 and July 2021 vs. 2019

	GDS Industry Net Air Bookings Growth / (Decline) vs. 2019				
	Global	North America	EMEA	Latin America	Asia-Pacific
Q2 2020	**(110%)**	**(107%)**	**(113%)**	**(110%)**	**(110%)**
Q3 2020	**(88%)**	**(83%)**	**(88%)**	**(87%)**	**(96%)**
Q4 2020	**(79%)**	**(75%)**	**(80%)**	**(69%)**	**(87%)**
Q1 2021	**(77%)**	**(68%)**	**(81%)**	**(70%)**	**(86%)**
April 2021	(70%)	(54%)	(76%)	(69%)	(86%)
May 2021	(67%)	(51%)	(70%)	(66%)	(88%)
June 2021	(55%)	(35%)	(57%)	(51%)	(85%)
Q2 2021	**(64%)**	**(47%)**	**(68%)**	**(62%)**	**(86%)**
July 2021	(62%)	(43%)	(68%)	(55%)	(87%)
Sabre 2019 Total Bookings Mix		*55%*	*16%*	*9%*	*20%*

Source: Sabre Market Intelligence; July data is preliminary

Commercial & technology update

Airline Distribution	Agency Distribution	IT Solutions	Hospitality Solutions
Southwest	etraveli group	SCAT Airlines	Mandarin Oriental The Hotel Group
Virgin australia	GTT	Alaska	yotel
rex. Regional Express	MisterFly	AirSERBIA	Noble House Hotels & Resorts
air astana	POLANI'S Group of Travel Companies	SWISS	De Historiske
BAMBOO AIRWAYS	DIESENHAUS BTC Israel's Tourism Company	SAS	Corinthia Hotels
WINDROSE	ITL World	jetBlue	TFE Hotels
	אופקים	Ravn Alaska	The Ascott Limited
	LOTTE		

New wins for SabreSonic, our full-service airline reservation system, represent 40 million passengers boarded based on 2019 levels

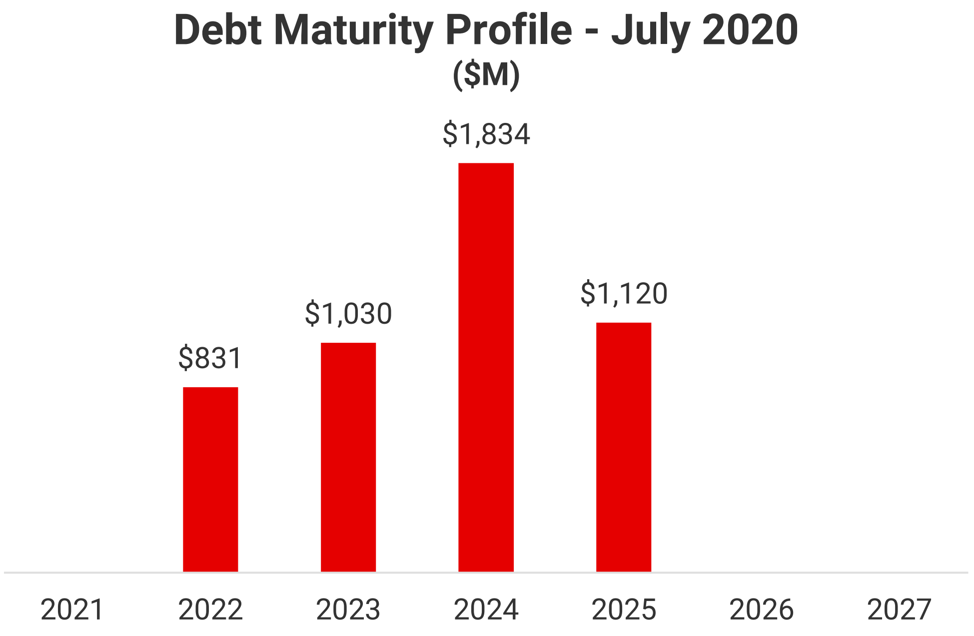
- 100% of shopping for airlines in Google Cloud production –all Sabre air shopping now in public cloud environments
- SynXis CRS running in Google Cloud production for a new enterprise hotel customer, further cutovers planned in the fall
- Continuing progress building Google Cloud foundations and completed integration of many Google platform services

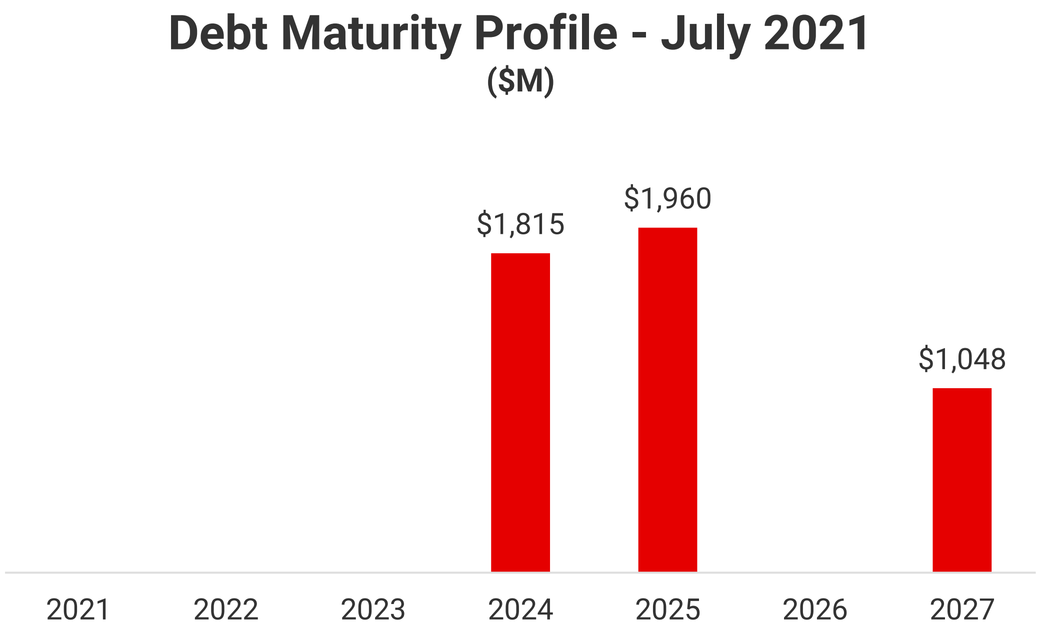
Significant YOY financial improvement in Q2'21

	Q2'21	Q2'20	Vs. Guidance	Commentary
Total Revenue	**$420M**	**$83M**	✓ At high end of range $400M - $420M	YOY improvement driven by continued gradual recovery from the impact of the COVID-19 pandemic, which caused an unprecedented disruption in global travel in Q2'20
Travel Solutions	$373M	$56M		
Distribution	*$218M*	*($48M)*		Total Bookings down (60%) vs. 2019; Domestic leisure mix of 50% (vs. 29% in FY 2019)
IT Solutions	*$155M*	*$104M*		Passengers Boarded down (43%) vs. 2019
Hospitality Solutions	$51M	$29M		Central Reservation System Transactions down (17%) vs. 2019
Adj. EBITDA[1]	**($70M)**	**($229M)**	✓ Exceeded better end of range ($75M) – ($95M)	YOY improvement driven by revenue, partially offset by increased Travel Solutions incentives expense and Hospitality Solutions transaction fees due to higher volumes. Temporary cost savings measures, such as furloughs, were put into place in Q2'20 to partially mitigate impact of COVID-19 pandemic. Accordingly, labor and professional services expenses increased vs. prior year quarter. Longer-term cost savings actions were put into place in Q3'20, including DXC renegotiation and 15% workforce reduction
Adj. Operating Loss	**($122M)**	**($307M)**		YOY improvement driven by increase in EBITDA and lower D&A
Adj. Net Loss	**($168M)**	**($356M)**		YOY improvement driven by increase in OpInc, partially offset by higher interest expense
Adj. EPS	**($0.52)**	**($1.29)**		YOY improvement driven by increase in net income, includes higher share count
Free Cash Flow	**($152M)**	**($446M)**		Sequential improvement vs. ($204M) in Q1'21

Extended debt maturities; no significant cash uses

- Sabre has completed a series of transactions over the last 15 months to bolster liquidity and maintain flexibility amidst the COVID-19 pandemic
- July 2021 refinancing eliminated certain restrictive financial covenants and further extended our debt maturity profile with a pro forma average maturity of >4 years while keeping weighted average cost of debt flat
- June 30, 2021 ending cash balance of **$1.1B**





Sabre is positioned for long-term strength

1. Travel and Booking trends continue to show meaningful improvement
2. Continued progress in achieving strategic initiatives
3. Long-standing customer relationships
4. High incremental margins after fixed cost base is covered
5. Operating leverage expected over medium term
6. No near-term significant uses of cash and extended debt maturities
7. With technology transformation, positioning for expected larger revenue opportunity and lower costs

Thank you

APPENDIX

Tabular reconciliations for Non-GAAP measures

Reconciliation of net loss attributable to common stockholders to Adjusted Net Loss from continuing operations, operating loss to Adjusted Operating Loss, and loss from continuing operations to Adjusted EBITDA:
(in thousands, except per share amounts; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss attributable to common stockholders	$ (251,282)	$ (442,570)	$ (517,388)	$ (655,250)
Loss from discontinued operations, net of tax	81	672	344	2,798
Net income (loss) attributable to non-controlling interests[1]	459	(71)	943	712
Preferred stock dividends	5,428	—	10,856	—
Loss from continuing operations	(245,314)	(441,969)	(505,245)	(651,740)
Adjustments:				
Acquisition-related amortization[2a]	16,136	16,509	32,357	33,310
Restructuring and other costs[4]	(856)	48,001	(5,991)	73,282
Other, net[3]	3,199	6,098	(8,432)	53,584
Acquisition-related costs[5]	1,709	4,373	2,429	22,200
Litigation costs, net[6]	11,521	115	12,251	1,856
Stock-based compensation	29,478	8,762	53,904	26,339
Tax impact of adjustments[7]	16,355	1,791	22,681	4,873
Adjusted Net Loss from continuing operations	$ (167,772)	$ (356,320)	$ (396,046)	$ (436,296)
Adjusted Net Loss from continuing operations per share	$ (0.52)	$ (1.29)	$ (1.24)	$ (1.59)
Diluted weighted-average common shares outstanding	319,755	275,693	318,700	274,865
Operating loss	$ (180,370)	$ (384,070)	$ (382,923)	$ (535,481)
Add back:				
Equity method income (loss)	630	(499)	(281)	(1,185)
Acquisition-related amortization[2a]	16,136	16,509	32,357	33,310
Restructuring and other costs[4]	(856)	48,001	(5,991)	73,282
Acquisition-related costs[5]	1,709	4,373	2,429	22,200
Litigation costs, net[6]	11,521	115	12,251	1,856
Stock-based compensation	29,478	8,762	53,904	26,339
Adjusted Operating Loss	$ (121,752)	$ (306,809)	$ (288,254)	$ (379,679)
Loss from continuing operations	$ (245,314)	$ (441,969)	$ (505,245)	$ (651,740)
Adjustments:				
Depreciation and amortization of property and equipment[2b]	42,916	68,028	91,508	137,541
Amortization of capitalized implementation costs[2c]	8,378	9,417	16,788	18,964
Acquisition-related amortization[2a]	16,136	16,509	32,357	33,310
Restructuring and other costs[4]	(856)	48,001	(5,991)	73,282
Interest expense, net	64,272	55,931	128,373	93,373
Other, net[3]	3,199	6,098	(8,432)	53,584
Acquisition-related costs[5]	1,709	4,373	2,429	22,200
Litigation costs, net[6]	11,521	115	12,251	1,856
Stock-based compensation	29,478	8,762	53,904	26,339
(Benefit) provision for income taxes	(1,897)	(4,629)	2,100	(31,883)
Adjusted EBITDA	$ (70,458)	$ (229,364)	$ (179,958)	$ (223,174)
Net loss margin	(59.9)%	(532.9)%	(69.2)%	(88.3)%
Adjusted EBITDA margin	(16.8)%	(276.2)%	(24.1)%	(30.1)%

Tabular reconciliations for Non-GAAP measures

Reconciliation of Free Cash Flow:
(in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cash used in operating activities	$ (141,057)	$ (435,467)	$ (338,460)	$ (395,036)
Cash (used in) provided by investing activities	(771)	(10,896)	7,634	(43,746)
Cash (used in) provided by financing activities	(20,399)	1,070,047	(44,620)	1,308,193

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cash used in operating activities	$ (141,057)	$ (435,467)	$ (338,460)	$ (395,036)
Additions to property and equipment	(10,805)	(10,896)	(17,240)	(39,333)
Free Cash Flow	$ (151,862)	$ (446,363)	$ (355,700)	$ (434,369)

Tabular reconciliations for Non-GAAP measures

Reconciliation of net loss attributable to common stockholders to Last Twelve Months' (LTM) Adjusted EBITDA (for Net Debt Ratio):
(in thousands; unaudited)

	Three Months Ended				
	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	LTM
Net loss attributable to common stockholders	$ (309,664)	$ (325,091)	$ (266,106)	$ (251,282)	$(1,152,143)
Loss (income) from discontinued operations, net of tax	533	(6,119)	263	81	(5,242)
Net income attributable to noncontrolling interests[1]	125	363	484	459	1,431
Preferred stock dividends	2,231	5,428	5,428	5,428	18,515
Loss from continuing operations	(306,775)	(325,419)	(259,931)	(245,314)	(1,137,439)
Adjustments:					
Acquisition-related amortization[2a]	16,465	16,223	16,221	16,136	65,045
Impairment and related charges	—	8,684	—	—	8,684
Loss on extinguishment of debt	10,333	11,293	—	—	21,626
Restructuring and other costs[4]	947	11,568	(5,135)	(856)	6,524
Other, net[3]	18,431	(5,054)	(11,631)	3,199	4,945
Acquisition-related costs[5]	591	(6,004)	720	1,709	(2,984)
Litigation costs, net[6]	247	(4,022)	730	11,521	8,476
Stock-based compensation	18,566	25,041	24,426	29,478	97,511
Depreciation and amortization of property and equipment[2b]	63,733	59,377	48,592	42,916	214,618
Amortization of capitalized implementation costs[2c]	9,146	8,984	8,410	8,378	34,918
Interest expense, net	64,376	68,043	64,101	64,272	260,792
(Benefit) provision for income taxes	(19,874)	30,745	3,997	(1,897)	12,971
Adjusted EBITDA	$ (123,814)	$ (100,541)	$ (109,500)	$ (70,458)	$ (404,313)
Net Debt (total debt, less cash)					$ 3,662,764
Net Debt / LTM Adjusted EBITDA					NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common stockholders to Last Twelve Months' (LTM) Adjusted EBITDA (for Net Debt Ratio):
(in thousands; unaudited)

	Three Months Ended				
	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	LTM
Net income (loss) attributable to common stockholders	$ 63,813	$ 10,091	$ (212,680)	$ (442,570)	$ (581,346)
Loss from discontinued operations, net of tax	596	1,068	2,126	672	4,462
Net income (loss) attributable to noncontrolling interests[1]	771	665	783	(71)	2,148
Income (loss) from continuing operations	65,180	11,824	(209,771)	(441,969)	(574,736)
Adjustments:					
Acquisition-related amortization[2a]	15,976	16,633	16,801	16,509	65,919
Restructuring and other costs[4]	—	—	25,281	48,001	73,282
Other, net[3]	1,769	3,314	47,486	6,098	58,667
Acquisition-related costs[5]	9,696	10,700	17,827	4,373	42,596
Litigation costs, net[6]	(24,179)	(3,224)	1,741	115	(25,547)
Stock-based compensation	17,094	15,802	17,577	8,762	59,235
Depreciation and amortization of property and equipment[2b]	78,060	77,956	69,513	68,028	293,557
Amortization of capitalized implementation costs[2c]	9,579	8,127	9,547	9,417	36,670
Interest expense, net	39,743	39,027	37,442	55,931	172,143
Provision (benefit) for income taxes	7,795	3,543	(27,254)	(4,629)	(20,545)
Adjusted EBITDA	$ 220,713	$ 183,702	$ 6,190	$ (229,364)	$ 181,241
Net Debt (total debt, less cash)					$ 3,510,798
Net Debt / LTM Adjusted EBITDA					NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Three Months Ended June 30, 2021			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (67,182)	$ (8,521)	$ (46,049)	$ (121,752)
Less:				
Equity method income	630	—	—	630
Acquisition-related amortization(2a)	—	—	16,136	16,136
Restructuring and other costs(4)	—	—	(856)	(856)
Acquisition-related costs(5)	—	—	1,709	1,709
Litigation costs, net(6)	—	—	11,521	11,521
Stock-based compensation	—	—	29,478	29,478
Operating loss	$ (67,812)	$ (8,521)	$ (104,037)	$ (180,370)
Adjusted EBITDA	$ (22,618)	$ (2,031)	$ (45,809)	$ (70,458)
Less:				
Depreciation and amortization of property and equipment(2b)	37,228	5,448	240	42,916
Amortization of capitalized implementation costs(2c)	7,336	1,042	—	8,378
Acquisition-related amortization(2a)	—	—	16,136	16,136
Restructuring and other costs(4)	—	—	(856)	(856)
Acquisition-related costs(5)	—	—	1,709	1,709
Litigation costs, net(6)	—	—	11,521	11,521
Stock-based compensation	—	—	29,478	29,478
Equity method income	630	—	—	630
Operating loss	$ (67,812)	$ (8,521)	$ (104,037)	$ (180,370)
Interest expense, net				(64,272)
Other, net(3)				(3,199)
Equity method income				630
Benefit for income taxes				1,897
Loss from continuing operations				$ (245,314)

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Three Months Ended June 30, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (251,640)	$ (19,409)	$ (35,760)	$ (306,809)
Less:				
Equity method loss	(499)	—	—	(499)
Acquisition-related amortization(2a)	—	—	16,509	16,509
Restructuring and other costs(4)	—	—	48,001	48,001
Acquisition-related costs(5)	—	—	4,373	4,373
Litigation costs, net(6)	—	—	115	115
Stock-based compensation	—	—	8,762	8,762
Operating loss	$ (251,141)	$ (19,409)	$ (113,520)	$ (384,070)
Adjusted EBITDA	$ (187,114)	$ (8,051)	$ (34,199)	$ (229,364)
Less:				
Depreciation and amortization of property and equipment(2b)	56,241	10,226	1,561	68,028
Amortization of capitalized implementation costs(2c)	8,285	1,132	—	9,417
Acquisition-related amortization(2a)	—	—	16,509	16,509
Restructuring and other costs(4)	—	—	48,001	48,001
Acquisition-related costs(5)	—	—	4,373	4,373
Litigation costs, net(6)	—	—	115	115
Stock-based compensation	—	—	8,762	8,762
Equity method loss	(499)	—	—	(499)
Operating loss	$ (251,141)	$ (19,409)	$ (113,520)	$ (384,070)
Interest expense, net				(55,931)
Other, net(3)				(6,098)
Equity method loss				(499)
Benefit for income taxes				4,629
Loss from continuing operations				$ (441,969)

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Six Months Ended June 30, 2021			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (173,315)	$ (22,108)	$ (92,831)	$ (288,254)
Less:				
Equity method loss	(281)	—	—	(281)
Acquisition-related amortization(2a)	—	—	32,357	32,357
Restructuring and other costs(4)	—	—	(5,991)	(5,991)
Acquisition-related costs(5)	—	—	2,429	2,429
Litigation costs, net(6)	—	—	12,251	12,251
Stock-based compensation	—	—	53,904	53,904
Operating loss	$ (173,034)	$ (22,108)	$ (187,781)	$ (382,923)
Adjusted EBITDA	$ (79,981)	$ (7,691)	$ (92,286)	$ (179,958)
Less:				
Depreciation and amortization of property and equipment(2b)	78,600	12,363	545	91,508
Amortization of capitalized implementation costs(2c)	14,734	2,054	—	16,788
Acquisition-related amortization(2a)	—	—	32,357	32,357
Restructuring and other costs(4)	—	—	(5,991)	(5,991)
Acquisition-related costs(5)	—	—	2,429	2,429
Litigation costs, net(6)	—	—	12,251	12,251
Stock-based compensation	—	—	53,904	53,904
Equity method loss	(281)	—	—	(281)
Operating loss	$ (173,034)	$ (22,108)	$ (187,781)	$ (382,923)
Interest expense, net				(128,373)
Other, net(3)				8,432
Equity method loss				(281)
Provision for income taxes				(2,100)
Loss from continuing operations				$ (505,245)

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Six Months Ended June 30, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (262,247)	$ (35,866)	$ (81,566)	$ (379,679)
Less:				
Equity method loss	(1,185)	—	—	(1,185)
Acquisition-related amortization(2a)	—	—	33,310	33,310
Restructuring and other costs(4)	—	—	73,282	73,282
Acquisition-related costs(5)	—	—	22,200	22,200
Litigation costs, net(6)	—	—	1,856	1,856
Stock-based compensation	—	—	26,339	26,339
Operating loss	$ (261,062)	$ (35,866)	$ (238,553)	$ (535,481)
Adjusted EBITDA	$ (131,506)	$ (12,906)	$ (78,762)	$ (223,174)
Less:				
Depreciation and amortization of property and equipment(2b)	114,001	20,736	2,804	137,541
Amortization of capitalized implementation costs(2c)	16,740	2,224	—	18,964
Acquisition-related amortization(2a)	—	—	33,310	33,310
Restructuring and other costs(4)	—	—	73,282	73,282
Acquisition-related costs(5)	—	—	22,200	22,200
Litigation costs, net(6)	—	—	1,856	1,856
Stock-based compensation	—	—	26,339	26,339
Equity method loss	(1,185)	—	—	(1,185)
Operating loss	$ (261,062)	$ (35,866)	$ (238,553)	$ (535,481)
Interest expense, net				(93,373)
Other, net(3)				(53,584)
Equity method loss				(1,185)
Benefit for income taxes				31,883
Loss from continuing operations				$ (651,740)

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Operating Loss, Adjusted Net Loss from continuing operations ("Adjusted Net Loss"), Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Free Cash Flow, Net Debt / LTM Adjusted EBITDA and ratios based on these financial measures. As a result of the strategic realignment in the third quarter of 2020, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure.

We define Adjusted Operating Loss as operating loss adjusted for equity method income (loss), acquisition-related amortization, restructuring and other costs, acquisition-related costs, litigation costs, net, and stock-based compensation.

We define Adjusted Net Loss as net loss attributable to common stockholders adjusted for loss from discontinued operations, net of tax, net income (loss) attributable to noncontrolling interests, preferred stock dividends, impairment and related charges, acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs, net, stock-based compensation, and the tax impact of adjustments.

We define Adjusted EBITDA as Loss from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, restructuring and other costs, interest expense, net, other, net, acquisition-related costs, litigation costs, net, stock-based compensation and the remaining (benefit) provision for income taxes. We have revised our calculation of Adjusted EBITDA to no longer exclude the amortization of upfront incentive consideration in all periods presented.

We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

We define Adjusted EPS as Adjusted Net Loss divided by diluted weighted-average common shares outstanding.

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

We define Net Debt / LTM Adjusted EBITDA as the face value of total debt outstanding less cash divided by the last twelve months Adjusted EBITDA.

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, fund our investments in technology transformation, and meet working capital requirements. The Net Debt / LTM Adjusted EBITDA leverage ratio is used to evaluate our ability to service debt obligations as it provides an indication of our ability to pay down current debt levels given recent operational results. We also believe that Adjusted Operating Loss, Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS and Net Debt / LTM Adjusted EBITDA 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.

Non-GAAP financial measures

Adjusted Operating Loss, Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Free Cash Flow, Net Debt / LTM Adjusted EBITDA and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them are unaudited and 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 EBITDA does not reflect cash requirements for such replacements;
- Adjusted EBITDA does not reflect amortization of capitalized implementation costs associated with our revenue contracts, which may require future working capital or cash needs in the future;
- Adjusted Operating Loss, Adjusted Net Loss 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 Adjusted Operating Loss, Adjusted Net Loss, Adjusted EBITDA, Adjusted EPS or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP footnotes

1) Net income attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, (iii) Sabre Travel Network Lanka (Pte) Ltd of 40%, and (iv) Sabre Bulgaria 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.
   b) Depreciation and amortization of property and equipment includes software developed for internal use as well as amortization of contract acquisition costs.
   c) Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

3) Other, net includes a $4 million pension settlement charge recorded in the second quarter of 2021, a $15 million gain on sale of equity securities during the first quarter of 2021, and a $46 million charge related to termination payments incurred in the first quarter of 2020 in connection with the now-terminated acquisition of Farelogix Inc. ("Farelogix"). In addition, all periods presented include 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.

4) Restructuring and other costs represents charges, and adjustments to those charges, associated with business restructuring and associated changes as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business, facilities and cost structure.

5) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix.

6) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters.

7) The tax impact of adjustments includes the tax effect of each separate adjustment based on the statutory tax rate for the jurisdiction(s) in which the adjustment was taxable or deductible, the impact of the adjustments on valuation allowance assessments, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, and other items.