



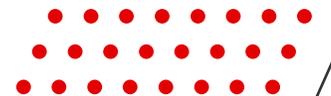
**Sabre**



Q1 2021  
Earnings  
Report

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4 May 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,” “future,” “believe,” “plan,” “guidance,” “outlook,” “anticipate,” “will,” “forecast,” “continue,” “hopeful,” “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 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 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) Income, Adjusted Net (Loss) Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net (Loss) Income 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

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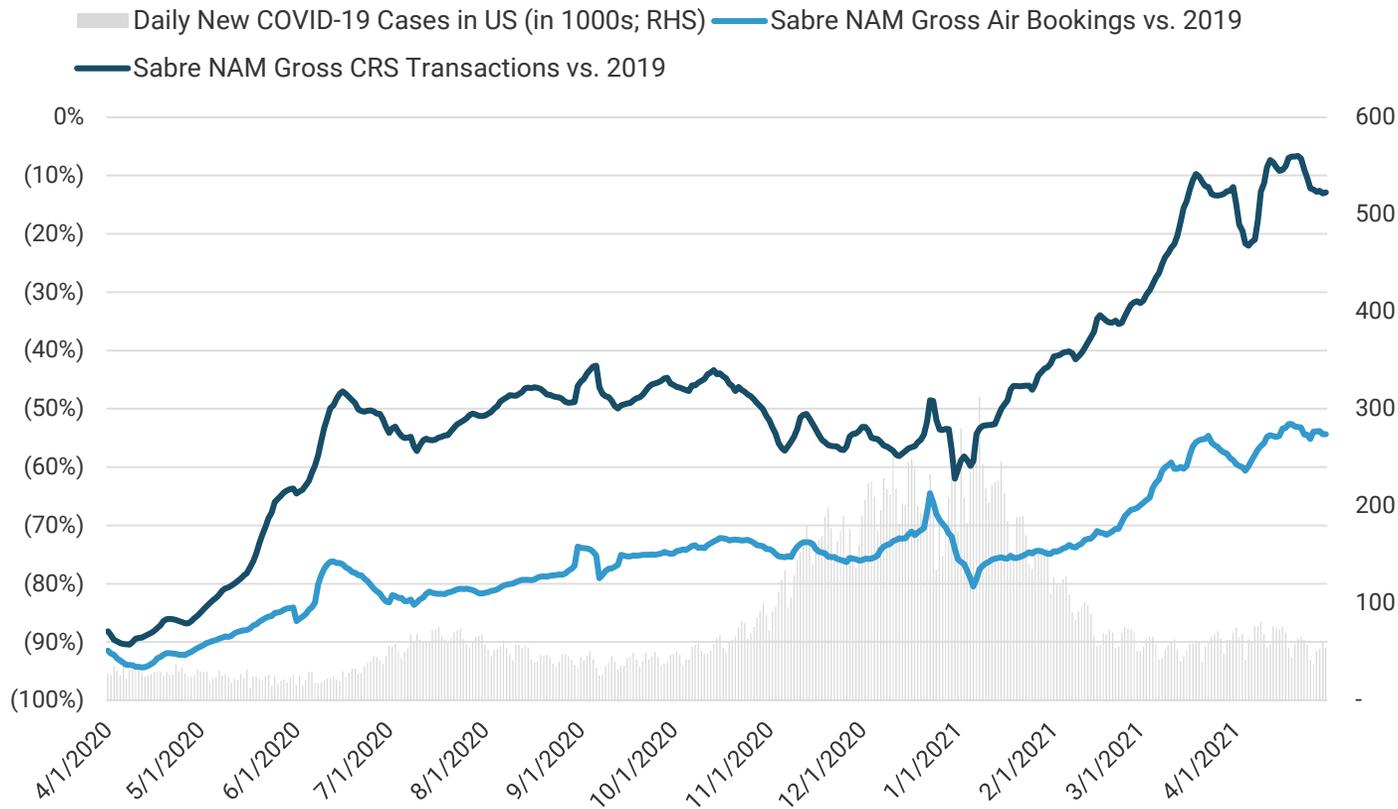
**Sean  
Menke**  
President & CEO



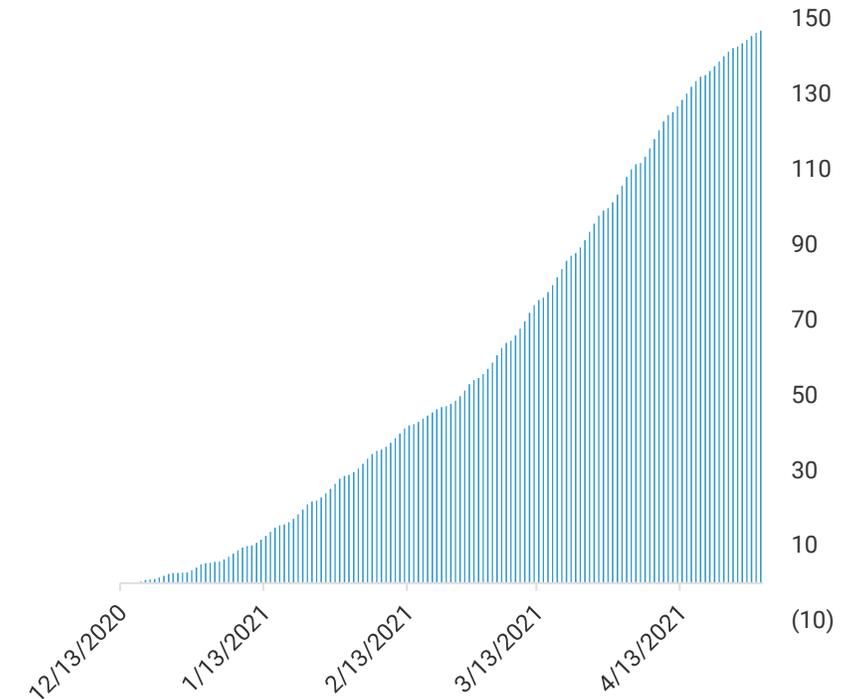
**Doug  
Barnett**  
EVP & CFO

# Travel trends improving in the U.S. with vaccine rollout

## COVID-19 Cases vs. Travel Recovery in North America



## Total People Receiving 1 or More COVID-19 Vaccine Doses in US (Cumulative, in M)



Source: Centers for Disease Control and Prevention (CDC) COVID Data Tracker and Sabre Market Intelligence; Daily new COVID-19 cases in US based on number of COVID-19 cases reported to the CDC 7-day moving average gross air bookings and CRS transactions; calendar-shifted; CRS transactions are community model only; data through April 30, 2021

# Strongest bookings improvement in March & April

## GDS Industry Net Air Bookings Growth / (Decline) vs. 2019

	Global	North America	EMEA	Latin America	Asia-Pacific
<b>Q2 2020</b>	<b>(110%)</b>	<b>(107%)</b>	<b>(113%)</b>	<b>(110%)</b>	<b>(110%)</b>
<b>Q3 2020</b>	<b>(88%)</b>	<b>(83%)</b>	<b>(88%)</b>	<b>(87%)</b>	<b>(96%)</b>
<b>Q4 2020</b>	<b>(79%)</b>	<b>(75%)</b>	<b>(80%)</b>	<b>(69%)</b>	<b>(87%)</b>
January 2021	(82%)	(77%)	(83%)	(75%)	(89%)
February 2021	(77%)	(71%)	(81%)	(66%)	(85%)
March 2021	(71%)	(56%)	(78%)	(70%)	(82%)
<b>Q1 2021</b>	<b>(77%)</b>	<b>(68%)</b>	<b>(81%)</b>	<b>(70%)</b>	<b>(86%)</b>
April 2021	(70%)	(54%)	(76%)	(69%)	(86%)
<i>Sabre 2019 Total Bookings Mix</i>		55%	16%	9%	20%

- Sabre's gross air bookings declined by (82%), (77%), (69%), (76%) and (68%) in January, February, March, Q1 and April 2021 vs. 2019
  - Year-over-year growth / (declines) of (80%), (73%), +4%, (65%) and +528% in January, February, March, Q1 and April 2021 vs. 2020
- Sabre's net air bookings declined by (81%), (76%), (66%), (75%) and (66%) in January, February, March, Q1 and April 2021 vs. 2019
  - Year-over-year growth / (declines) of (79%), (69%), +409%, (52%) and +267% in January, February, March, Q1 and April 2021 vs. 2020

Source: Sabre Market Intelligence; April data is preliminary

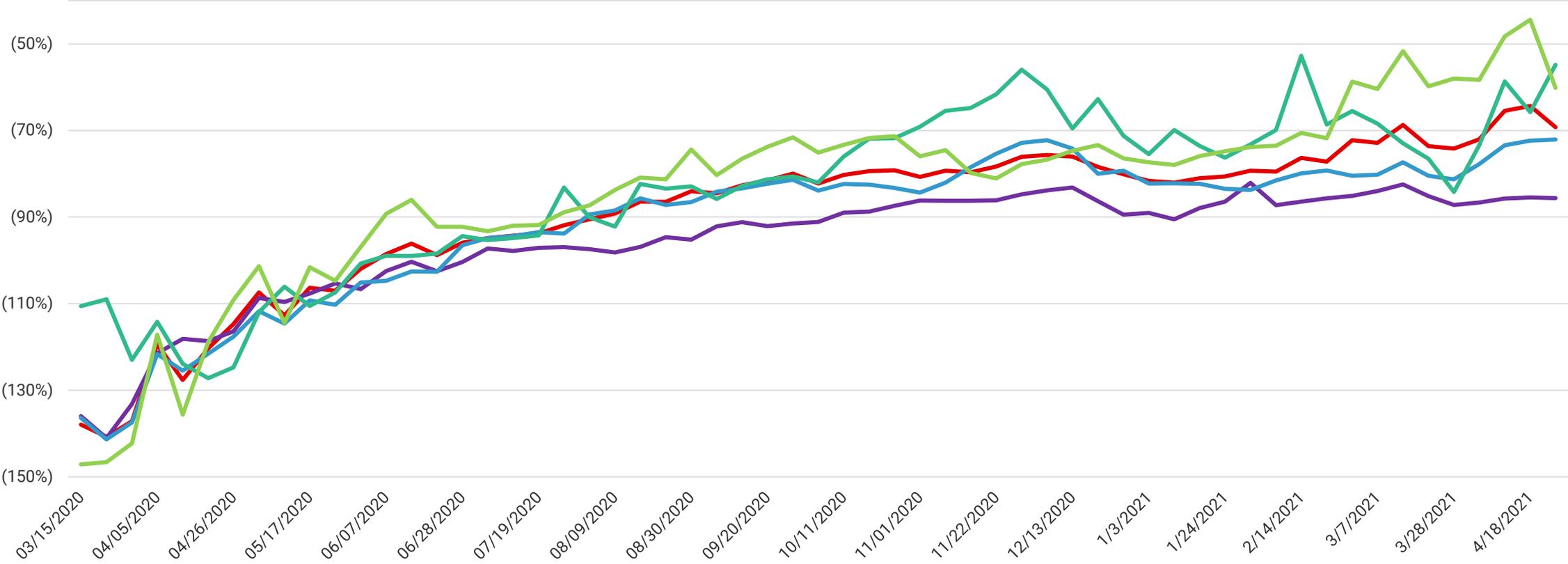
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# North America is leading the air bookings recovery



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

Worldwide APAC EMEA LAC NAM

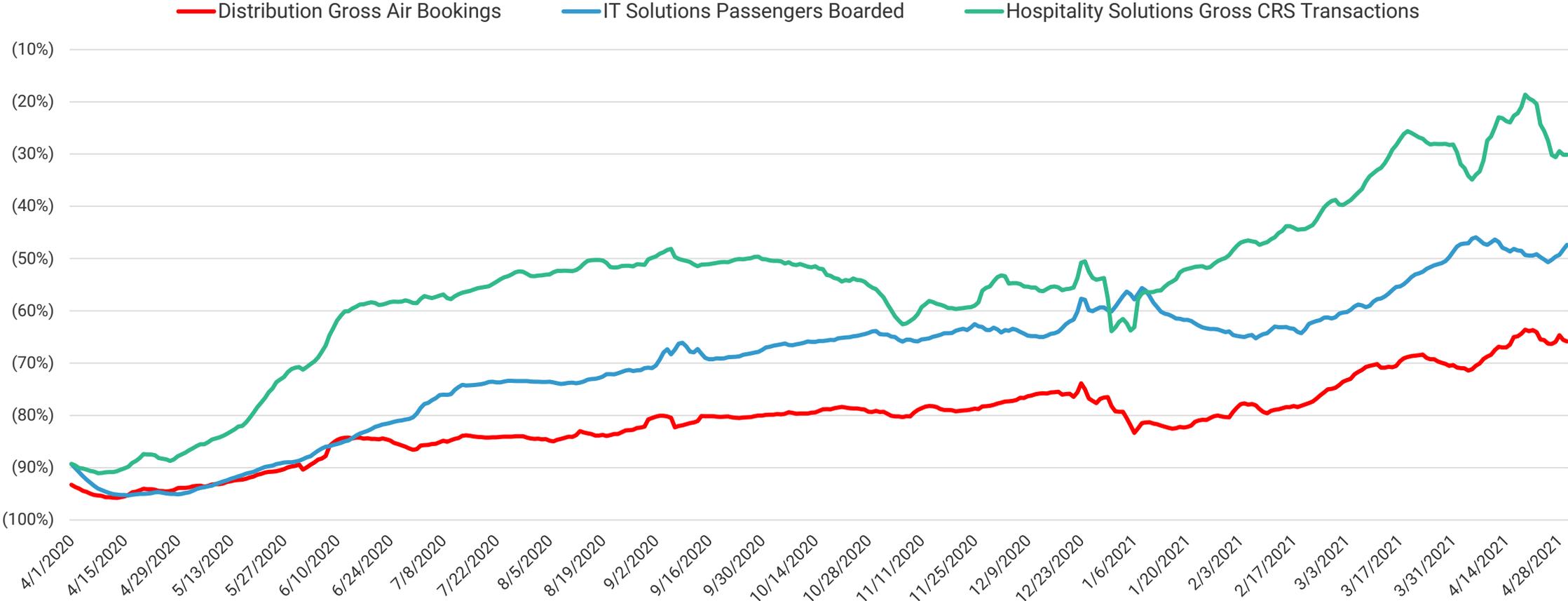


Source: Sabre Market Intelligence; calendar-shifted; data through April 29, 2021

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# Key volume metrics trending positively since January

**Sabre Key Volume Metrics Growth / (Decline) vs. 2019**



7-day moving average; calendar-shifted; CRS transactions are community model only; data through April 30, 2021

# Commercial update

Airline Distribution	Agency Distribution	IT Solutions	Hospitality Solutions
	 	 	 
 	 	 	 
 	 	 	 
 	 	 	 
 			

# Continued progress in achieving our strategic initiatives

 <p><b>#1. PERSONALIZED OFFERS</b></p>	<ul style="list-style-type: none"><li>• Implemented Dynamic Pricing at LATAM</li><li>• Deployed Revenue Optimizer at JetBlue, Binter and ASKY</li><li>• On track to deliver first phase of Sabre Smart Retail Engine</li></ul>
 <p><b>#2. FUTURE OF DISTRIBUTION &amp; NDC</b></p>	<ul style="list-style-type: none"><li>• Introduced new airline storefront for brand differentiation and merchandizing</li><li>• Announced new, value-based, multi-year distribution agreement with Delta</li><li>• Announced NDC milestones and achievement of Level 4 as an IT Provider</li></ul>
 <p><b>#3. LOW-COST CARRIER GROWTH</b></p>	<ul style="list-style-type: none"><li>• Expanding Radixx capabilities to increase sales in this faster growing segment</li><li>• Integrated Radixx with SabreSonic Inventory for Availability – increases Radixx’s ability to scale to larger carriers</li></ul>
 <p><b>#4. HOSPITALITY SOLUTIONS GROWTH</b></p>	<ul style="list-style-type: none"><li>• Announced two enterprise wins last quarter – over 1,600 properties</li><li>• Progressed on these new enterprise-level CRS deployments</li><li>• Set up Google Cloud environments in 2 out of 4 global regions</li></ul>
 <p><b>#5. TECH TRANSFORMATION</b></p>	<ul style="list-style-type: none"><li>• Deployed Agency Shopping in Google Cloud</li><li>• Delivered Google Cloud network connection to simplify DXC offload process</li><li>• Completed offloads of several compute-heavy mainframe capabilities</li></ul>

# Significant & negative impact from COVID-19 in Q1'21

	Q1'21	Q1'20	B/(W) %	Commentary
<b>Total Revenue</b>	<b>\$327M</b>	<b>\$659M</b>	<b>(50%)</b>	Significantly impacted by COVID-19; ~15% of revenue not tied to travel volumes
Travel Solutions	\$289M	\$608M	(52%)	
<i>Distribution</i>	\$152M	\$395M	(62%)	<i>Total Bookings down 55% vs. 2020</i>
<i>IT Solutions</i>	\$137M	\$213M	(36%)	<i>Passengers Boarded down 55% vs. 2020</i>
Hospitality Solutions	\$42M	\$59M	(29%)	Central Reservation System Transactions down 16% vs. 2020
<b>Adj. EBITDA<sup>1</sup></b>	<b>(\$110M)</b>	<b>\$6M</b>	<b>NM</b>	Driven by decline in revenue; partially offset by declines in Travel Solutions incentives expense and Hospitality Solutions transaction fees due to lower volumes, headcount expenses due to effects of cost savings initiatives and technology expenses
<b>Adj. Operating Loss</b>	<b>(\$167M)</b>	<b>(\$73M)</b>	<b>(128%)</b>	Driven by decline in EBITDA; partially offset by lower D&A
<b>Adj. Net Loss</b>	<b>(\$228M)</b>	<b>(\$80M)</b>	<b>(185%)</b>	Driven by decline in OpInc, higher interest expense and lower tax benefit
<b>Adj. EPS</b>	<b>(\$0.72)</b>	<b>(\$0.29)</b>	<b>(148%)</b>	Driven by decline in net income and higher share count
<b>Free Cash Flow</b>	<b>(\$204M)</b>	<b>\$12M</b>	<b>NM</b>	Significantly impacted by COVID-19; expect Q1 to be lowest FCF quarter in 2021 due to working capital timing

<sup>1</sup>The calculation of Adjusted EBITDA has been revised to no longer exclude the amortization of upfront incentive consideration in all periods presented

The information presented here represents forward-looking statements and reflects expectations as of May 4, 2021. 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 2020 Form 10-K.

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# Financial reporting change

- We are no longer excluding amortization of upfront incentive consideration from Adjusted EBITDA
- Adjusted EBITDA has been revised for all reported periods
- Amortization of upfront incentive consideration was:
  - \$78M in 2018
  - \$83M in 2019
  - \$75M in 2020
- There is no impact to Adjusted Operating Income, Adjusted EPS, Free Cash Flow or any reported GAAP metrics
- Over the medium term, amortization of upfront incentive consideration is expected to be \$50M - \$70M annually

	Prior Reporting (2019 FY)		New Reporting (2019 FY)
Revenue	\$3,975M	=	\$3,975M
Adjusted EBITDA	\$946M	(\$83M) ↓	\$863M
Adjusted OpInc	\$513M	=	\$513M
Adjusted EPS	\$1.01	=	\$1.01
Free Cash Flow	\$466M	=	\$466M

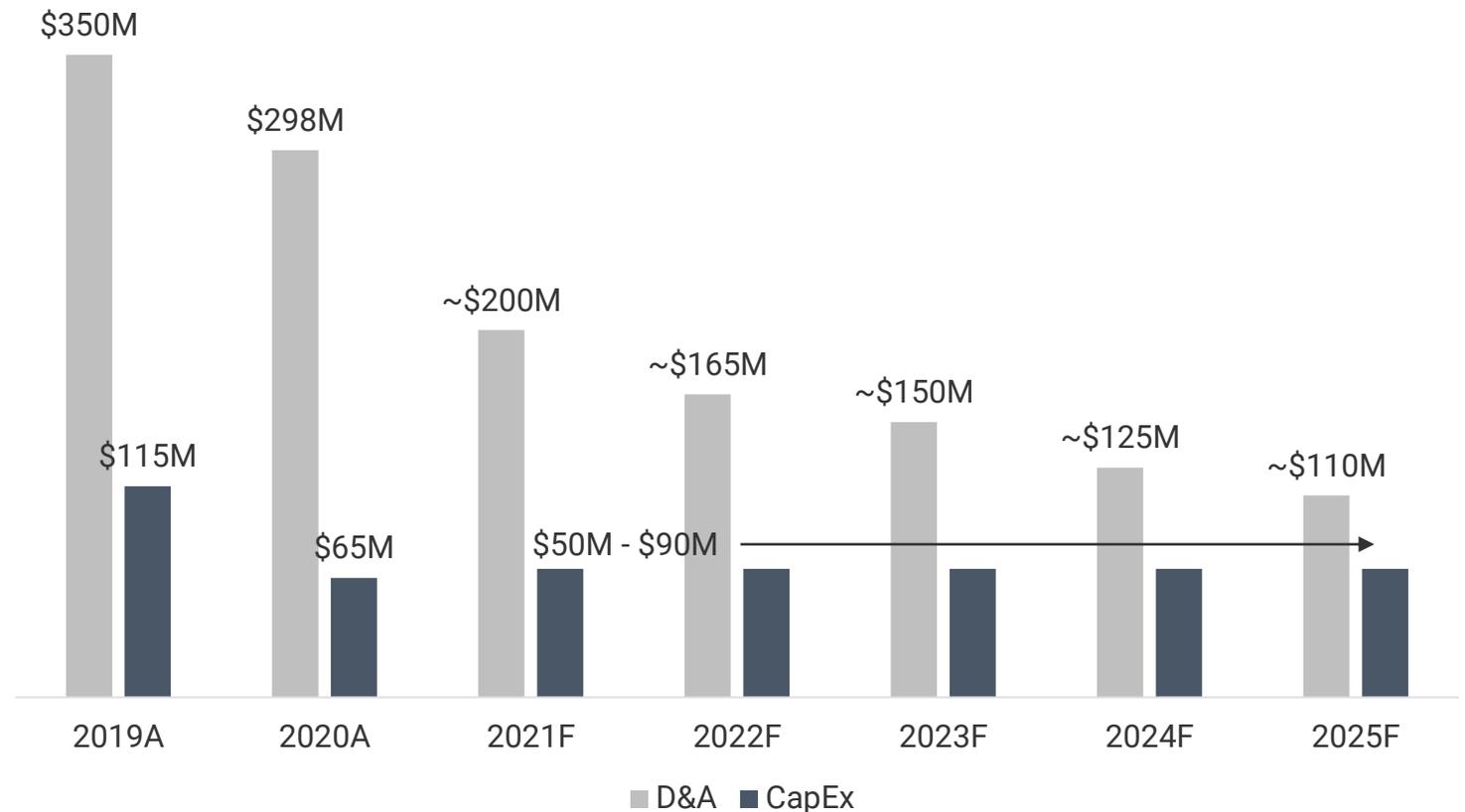
*Across the GDS industry, travel agency incentive consideration is provided in two ways:*

- *On a periodic basis over the term of the contract*
- *Upfront at contract inception or renewal, which is capitalized and amortized over life of the contract (typically require certain travel agency customer commitments)*

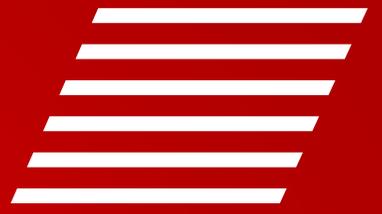
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# Updated D&A & CapEx expectations

- Depreciation & amortization is expected to decline over medium term as D&A schedule catches up to lower capitalization rate on technology spend
- CapEx expected to remain within current guidance range of \$50M - \$90M over medium term
- Lower D&A and flat CapEx provide expectations for **earnings leverage** over medium term



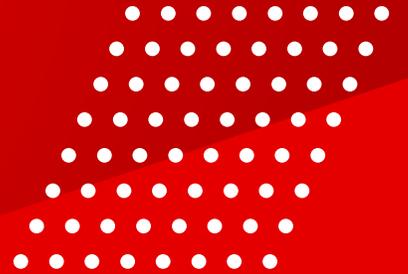
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Thank you



# 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 March 31,	
	2021	2020
Net loss attributable to common stockholders	\$ (266,106)	\$ (212,680)
Loss from discontinued operations, net of tax	263	2,126
Net income attributable to non-controlling interests <sup>(1)</sup>	484	783
Preferred stock dividends	5,428	—
Loss from continuing operations	(259,931)	(209,771)
Adjustments:		
Acquisition-related amortization <sup>(2a)</sup>	16,221	16,801
Restructuring and other costs <sup>(4)</sup>	(5,135)	25,281
Other, net <sup>(3)</sup>	(11,631)	47,486
Acquisition-related costs <sup>(5)</sup>	720	17,827
Litigation costs, net <sup>(6)</sup>	730	1,741
Stock-based compensation	24,426	17,577
Tax impact of adjustments <sup>(7)</sup>	6,326	3,082
Adjusted Net Loss from continuing operations	\$ (228,274)	\$ (79,976)
Adjusted Net Loss from continuing operations per share	\$ (0.72)	\$ (0.29)
Diluted weighted-average common shares outstanding	317,634	274,037
Operating loss	\$ (202,553)	\$ (151,411)
Add back:		
Equity method loss	(911)	(686)
Acquisition-related amortization <sup>(2a)</sup>	16,221	16,801
Restructuring and other costs <sup>(4)</sup>	(5,135)	25,281
Acquisition-related costs <sup>(5)</sup>	720	17,827
Litigation costs, net <sup>(6)</sup>	730	1,741
Stock-based compensation	24,426	17,577
Adjusted Operating Loss	\$ (166,502)	\$ (72,870)
Loss from continuing operations	\$ (259,931)	\$ (209,771)
Adjustments:		
Depreciation and amortization of property and equipment <sup>(2b)</sup>	48,592	69,513
Amortization of capitalized implementation costs <sup>(2c)</sup>	8,410	9,547
Acquisition-related amortization <sup>(2a)</sup>	16,221	16,801
Restructuring and other costs <sup>(4)</sup>	(5,135)	25,281
Interest expense, net	64,101	37,442
Other, net <sup>(3)</sup>	(11,631)	47,486
Acquisition-related costs <sup>(5)</sup>	720	17,827
Litigation costs, net <sup>(6)</sup>	730	1,741
Stock-based compensation	24,426	17,577
Provision for income taxes	3,997	(27,254)
Adjusted EBITDA	\$ (109,500)	\$ 6,190
Net loss margin	(81.3)%	(32.3)%
Adjusted EBITDA margin	(33.4)%	0.9%

# Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended March 31,	
	2021	2020
Cash (used in) provided by operating activities	\$ (197,403)	\$ 40,431
Cash provided by (used in) investing activities	8,405	(32,850)
Cash (used in) provided by financing activities	(24,221)	238,146

	Three Months Ended March 31,	
	2021	2020
Cash (used in) provided by operating activities	\$ (197,403)	\$ 40,431
Additions to property and equipment	(6,435)	(28,437)
Free Cash Flow	<u>\$ (203,838)</u>	<u>\$ 11,994</u>

# 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				LTM
	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	
Net loss attributable to common stockholders	\$ (442,570)	\$ (309,664)	\$ (325,091)	\$ (266,106)	\$ (1,343,431)
Loss (income) from discontinued operations, net of tax	672	533	(6,119)	263	(4,651)
Net (loss) income attributable to noncontrolling interests <sup>(1)</sup>	(71)	125	363	484	901
Preferred stock dividends	—	2,231	5,428	5,428	13,087
Loss from continuing operations	(441,969)	(306,775)	(325,419)	(259,931)	(1,334,094)
Adjustments:					
Acquisition-related amortization <sup>(2a)</sup>	16,509	16,465	16,223	16,221	65,418
Impairment and related charges	—	—	8,684	—	8,684
Loss on extinguishment of debt	—	10,333	11,293	—	21,626
Restructuring and other costs <sup>(4)</sup>	48,001	947	11,568	(5,135)	55,381
Other, net <sup>(3)</sup>	6,098	18,431	(5,054)	(11,631)	7,844
Acquisition-related costs <sup>(5)</sup>	4,373	591	(6,004)	720	(320)
Litigation costs, net <sup>(6)</sup>	115	247	(4,022)	730	(2,930)
Stock-based compensation	8,762	18,566	25,041	24,426	76,795
Depreciation and amortization of property and equipment <sup>(2b)</sup>	68,028	63,733	59,377	48,592	239,730
Amortization of capitalized implementation costs <sup>(2c)</sup>	9,417	9,146	8,984	8,410	35,957
Interest expense, net	55,931	64,376	68,043	64,101	252,451
Provision for income taxes	(4,629)	(19,874)	30,745	3,997	10,239
Adjusted EBITDA	\$ (229,364)	\$ (123,814)	\$ (100,541)	\$ (109,500)	\$ (563,219)
Net Debt (total debt, less cash)					\$ 3,516,273
Net Debt / LTM Adjusted EBITDA					NM

# 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				LTM
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	
Net income (loss) attributable to common stockholders	\$ 27,838	\$ 63,813	\$ 10,091	\$ (212,680)	\$ (110,938)
(Income) loss from discontinued operations, net of tax	(1,350)	596	1,068	2,126	2,440
Net income attributable to noncontrolling interests <sup>(1)</sup>	1,606	771	665	783	3,825
Income (loss) from continuing operations	28,094	65,180	11,824	(209,771)	(104,673)
Adjustments:					
Acquisition-related amortization <sup>(2a)</sup>	16,011	15,976	16,633	16,801	65,421
Restructuring and other costs <sup>(4)</sup>	—	—	—	25,281	25,281
Other, net <sup>(3)</sup>	2,479	1,769	3,314	47,486	55,048
Acquisition-related costs <sup>(5)</sup>	8,935	9,696	10,700	17,827	47,158
Litigation costs, net <sup>(6)</sup>	1,386	(24,179)	(3,224)	1,741	(24,276)
Stock-based compensation	18,295	17,094	15,802	17,577	68,768
Depreciation and amortization of property and equipment <sup>(2b)</sup>	79,209	78,060	77,956	69,513	304,738
Amortization of capitalized implementation costs <sup>(2c)</sup>	9,627	9,579	8,127	9,547	36,880
Interest expense, net	39,608	39,743	39,027	37,442	155,820
Provision for income taxes	12,145	7,795	3,543	(27,254)	(3,771)
Adjusted EBITDA	\$ 215,789	\$ 220,713	\$ 183,702	\$ 6,190	\$ 626,394
Net Debt (total debt, less cash)					\$ 3,033,589
Net Debt / LTM Adjusted EBITDA					4.8x

# 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 March 31, 2021			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	\$ (106,133)	\$ (13,587)	\$ (46,782)	\$ (166,502)
Less:				
Equity method loss	(911)	—	—	(911)
Acquisition-related amortization <sup>(2a)</sup>	—	—	16,221	16,221
Restructuring and other costs <sup>(4)</sup>	—	—	(5,135)	(5,135)
Acquisition-related costs <sup>(5)</sup>	—	—	720	720
Litigation costs, net <sup>(6)</sup>	—	—	730	730
Stock-based compensation	—	—	24,426	24,426
Operating loss	\$ (105,222)	\$ (13,587)	\$ (83,744)	\$ (202,553)
Adjusted EBITDA	(57,363)	(5,660)	(46,477)	(109,500)
Less:				
Depreciation and amortization of property and equipment <sup>(2b)</sup>	41,372	6,915	305	48,592
Amortization of capitalized implementation costs <sup>(2c)</sup>	7,398	1,012	—	8,410
Acquisition-related amortization <sup>(2a)</sup>	—	—	16,221	16,221
Restructuring and other costs <sup>(4)</sup>	—	—	(5,135)	(5,135)
Acquisition-related costs <sup>(5)</sup>	—	—	720	720
Litigation costs, net <sup>(6)</sup>	—	—	730	730
Stock-based compensation	—	—	24,426	24,426
Equity method loss	(911)	—	—	(911)
Operating loss	\$ (105,222)	\$ (13,587)	\$ (83,744)	\$ (202,553)
Interest expense, net				(64,101)
Other, net <sup>(3)</sup>				11,631
Equity method loss				(911)
Provision for income taxes				(3,997)
Loss from continuing operations				\$ (259,931)

# 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 March 31, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	\$ (10,607)	\$ (16,457)	\$ (45,806)	\$ (72,870)
Less:				
Equity method loss	(686)	—	—	(686)
Acquisition-related amortization <sup>(2a)</sup>	—	—	16,801	16,801
Restructuring and other costs <sup>(4)</sup>	—	—	25,281	25,281
Acquisition-related costs <sup>(5)</sup>	—	—	17,827	17,827
Litigation costs, net <sup>(6)</sup>	—	—	1,741	1,741
Stock-based compensation	—	—	17,577	17,577
Operating loss	\$ (9,921)	\$ (16,457)	\$ (125,033)	\$ (151,411)
Adjusted EBITDA	55,608	(4,855)	(44,563)	6,190
Less:				
Depreciation and amortization of property and equipment <sup>(2b)</sup>	57,760	10,510	1,243	69,513
Amortization of capitalized implementation costs <sup>(2c)</sup>	8,455	1,092	—	9,547
Acquisition-related amortization <sup>(2a)</sup>	—	—	16,801	16,801
Restructuring and other costs <sup>(4)</sup>	—	—	25,281	25,281
Acquisition-related costs <sup>(5)</sup>	—	—	17,827	17,827
Litigation costs, net <sup>(6)</sup>	—	—	1,741	1,741
Stock-based compensation	—	—	17,577	17,577
Equity method loss	(686)	—	—	(686)
Operating loss	\$ (9,921)	\$ (16,457)	\$ (125,033)	\$ (151,411)
Interest expense, net				(37,442)
Other, net <sup>(3)</sup>				(47,486)
Equity method loss				(686)
Provision for income taxes				27,254
Loss from continuing operations				\$ (209,771)

# 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 (loss) income, 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 (income) from discontinued operations, net of tax, net income attributable to noncontrolling interests, 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 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 \$15 million gain on sale of equity securities during the three months ended March 31, 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.