
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 18, 2020

SABRE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36422
(Commission
File Number)

20-8647322
(IRS Employer
Identification No.)

3150 Sabre Drive
Southlake, TX
(Address of principal executive offices)

76092
(Zip Code)

(682) 605-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.01 par value	SABR	The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01. Other Events.

On August 18, 2020, Sabre Corporation (“Sabre,” the “Company,” “we,” “us,” or “our”) issued a press release announcing the commencement of proposed offerings of (1) \$250,000,000 of mandatory convertible preferred stock (or \$287,500,000 if the underwriters fully exercise their overallotment option to purchase additional shares) (the “Preferred Stock”) and (2) \$250,000,000 of common stock (or \$287,500,000 if the underwriters fully exercise their option to purchase additional shares) (the “Common Stock”). A copy of the press release announcing the offerings is attached as Exhibit 99.1 to this Form 8-K and incorporated by reference herein.

The precise timing, size and terms of the offerings are subject to market conditions and other factors. The completion of the Preferred Stock offering is not contingent on the consummation of the Common Stock offering, and the completion of the Common Stock offering is not contingent on the consummation of the Preferred Stock offering.

A preliminary prospectus supplement for each offering is being separately filed in respect of each offering. Certain disclosures that are included in those preliminary prospectus supplements are attached as Exhibit 99.2 to this Form 8-K and incorporated by reference herein.

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 “believe,” “could,” “likely,” “expect,” “plan,” “commit,” “guidance,” “outlook,” “anticipate,” “will,” “incremental,” “preliminary,” “forecast,” “continue,” “strategy,” “confidence,” “momentum,” “estimate,” “objective,” “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 the Company’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. 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 Reports on Form 10-Q filed with the SEC on August 10, 2020 and May 8, 2020, and our Annual Report on Form 10-K filed with the SEC on February 26, 2020 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, the Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

- | | |
|------|------------------------------------------------------------|
| 99.1 | Press Release dated August 18, 2020. |
| 99.2 | Disclosures regarding Sabre Corporation. |
| 104 | Cover Page Interactive Data File-formatted as Inline XBRL. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sabre Corporation

Dated: August 18, 2020

By: /s/ Aimee Williams-Ramey

Name: Aimee Williams-Ramey

Title: Senior Vice President and General Counsel



Sabre Corporation Announces Offerings of Mandatory Convertible Preferred Stock and Common Stock

SOUTHLAKE, Texas, August 18, 2020 — Sabre Corporation (“Sabre”) (Nasdaq: SABR) today announced registered public offerings (the “Offerings”) of (1) \$250,000,000 of mandatory convertible preferred stock (or \$287,500,000 if the underwriters fully exercise their overallotment option to purchase additional shares) and (2) \$250,000,000 of common stock (or \$287,500,000 if the underwriters fully exercise their option to purchase additional shares). The precise timing, size and terms of the offerings are subject to market conditions and other factors. The net proceeds from the Offerings will be used for general corporate purposes. The completion of each Offering is not contingent on the consummation of the other Offering.

Each share of preferred stock is expected to have a liquidation preference of \$100.00 per share. Unless earlier converted, each share of preferred stock will automatically convert into a variable number of shares of Sabre’s common stock on the mandatory conversion date, which is expected to be September 1, 2023. The dividend rate and the conversion terms of the preferred stock will be determined by negotiations between Sabre and the underwriters.

Morgan Stanley and BofA Securities are acting as lead bookrunners for the Offerings; Goldman Sachs & Co. LLC, Mizuho Securities, Wells Fargo Securities, Deutsche Bank Securities and Citigroup are acting as bookrunners. PNC Capital Markets LLC, MUFG, TPG Capital BD, LLC and ING are acting as co-managers for the Offerings. A shelf registration statement and a post-effective amendment thereto relating to these securities has been filed with the U.S. Securities and Exchange Commission (“SEC”) and has become effective. Each of the Offerings may be made only by means of a prospectus supplement and an accompanying base prospectus. A base prospectus was filed with the registration statement and a preliminary prospectus supplement relating to each of the Offerings will be filed with the SEC and will be available on the SEC’s website at www.sec.gov. Copies of the preliminary prospectus supplement and accompanying base prospectus relating to the offerings may be obtained from Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department and BofA Securities, NC1-004-03-43, 200 North College Street, 3rd floor, Charlotte NC 28255-0001, Attn: Prospectus Department, Email: dg.prospectus_requests@bofa.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy shares of preferred stock or shares of common stock or any other security and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful.

About Sabre Corporation

Sabre Corporation is a leading software and technology company that powers the global travel industry, serving a wide range of travel companies including airlines, hoteliers, travel agencies and other suppliers. The company provides retailing, distribution and fulfilment solutions that help its customers operate more efficiently, drive revenue and offer personalized traveler experiences.

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 “believe,” “could,” “likely,” “expect,” “plan,” “commit,” “guidance,” “outlook,” “anticipate,” “will,” “incremental,” “preliminary,” “forecast,” “continue,” “strategy,” “confidence,” “momentum,” “estimate,” “objective,” “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. 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 26, 2020, our Quarterly Reports on Form 10-Q filed with the SEC on May 8, 2020 and August 10, 2020 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.

SABR-F

Contacts:

Media

Kristin Hays

kristin.hays@sabre.com

sabrenews@sabre.com

Investors

Kevin Crissey

kevin.crissey@sabre.com

sabre.investorrelations@sabre.com

Recent Developments

In December 2019, a novel strain of coronavirus, COVID-19, was first detected in Wuhan, China, and has since spread to other regions, including the United States and Europe. On March 11, 2020, the World Health Organization declared that the rapidly spreading COVID-19 outbreak was a global pandemic. As a result, air, hotel and other travel bookings have suffered unprecedented reductions across the world, significantly adversely affecting our business. See “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020. We have responded to the challenges created by the COVID-19 pandemic with liquidity and cost saving measures, as described below.

Significant events affecting travel, including events such as the terrorist attacks of September 11, 2001 and the 2003 outbreak of SARS (severe acute respiratory syndrome), typically have an impact on booking patterns, with the full extent of the impact generally determined by the length of time the event and related government and societal reactions influence travel decisions. COVID-19 has had a significant adverse effect on the travel industry, global travel bookings and on our business, financial condition and operating results. This adverse effect is very likely to continue until the virus is contained and may continue thereafter, particularly if government regulation of, and consumer attitudes toward, travel change in a lasting way.

Business Impact

Approximately 15% of our revenues are not directly linked to transaction volume for the travel industry as a whole, which mitigates our exposure to the impact of the virus to some extent.

Nonetheless, we are in a time of unprecedented disruption to the travel industry. Our revenue was down 92% in the second quarter of 2020. Travel Network bookings were down 105% for the second quarter of 2020. Gross air bookings were down 95%, 91%, and 86% in April, May and June of 2020, respectively. Net bookings (net of cancellations) were positive in June for the first time since early March and continued in positive territory in July. However, net bookings were negative in April and May, and for the second quarter as a whole as cancellations exceeded our expectations.

As of June 30, 2020, we have a reserve for future cancellations of approximately \$60 million. The net value of revenue booked in respect of segments not yet departed, after taking into account related reserves, was approximately \$27 million as of June 30, 2020. This reflects departures through the remainder of the year.

Liquidity and Cost Savings Measures

The reduction in revenues described above has significantly adversely affected our liquidity. We are responding with measures to increase our cash position, including through the current offerings, as well as previously announced actions such as borrowings under our existing revolving credit facility, implementation of cost savings measures and suspension of dividends and share repurchases. We are also reviewing other potential cost savings actions.

We had a cash balance of approximately \$1.3 billion as of June 30, 2020. We anticipate receiving gross proceeds of approximately \$250 million from this offering, assuming no exercise of the underwriters’ option to purchase additional shares in respect of the stock and approximately \$250 million from the Concurrent Offering, assuming no exercise of the overallotment option in respect of the Mandatorily Convertible Preferred Stock (although settlement of this offering is not conditioned upon settlement of the Concurrent Offering). Our cash balance as of June 30, 2020, after giving effect on a pro forma basis to:

- receipt of the anticipated net proceeds from this offering and the Concurrent Offering (assuming no exercise of the options to purchase additional shares granted to the applicable underwriters in respect of either offering or the overallotment option);
- receipt of the anticipated net proceeds from the Proposed Notes Offering and application of those proceeds to the repayment of existing debt, which does not materially impact the pro forma cash balance;
- liabilities for refunds from cancellations incurred or expected to be incurred but not yet paid, net of associated incentive fees due from agencies; and
- approximately \$60 million in remaining severance payments related to restructuring charges taken in the first half of 2020.

in the aggregate, would have been approximately \$1.7 billion.

We believe that about two-thirds of our cost structure is adjustable in the near-term, comprised largely of incentive expenses that decline proportionally with bookings and including other variable expenses that are subject to the cost savings measures described below. Based on this, we estimate that, if there were no net bookings at all utilizing our services, we would incur cash outlay of revenue less expense, inclusive of interest, capital expenditures and debt amortization, of approximately \$80 million per month based on our current cost structure after giving effect to:

- the realization of approximately \$275 million of estimated net savings in 2020 (assuming the effectiveness of the cost savings measures described below); and

- consummation of the Concurrent Offering, the Proposed Notes Offering and current borrowings under our revolving credit facility.

This amount is an estimate and would be increased or decreased by any changes affecting our cost structure and on receipt of any bookings.

As previously announced, we identified and are in the process of removing costs from the business in 2020 that we currently estimate would result in over \$275 million in net cash cost savings during 2020. In 2021 and beyond, on an annual run-rate basis, we expect these actions to result in approximately \$200 million in savings versus 2019. Given the magnitude of travel decline and the unknown duration of the COVID-19 impact, we will continue to monitor travel activity and take additional steps should we determine they are necessary.

As part of these cost reduction efforts, we have taken the following actions with regard to our workforce and compensation programs:

- A temporary reduction in base compensation pay for our US-based salaried workforce, including a 25% reduction for our CEO, from March 16, 2020 through July 5, 2020,
- A temporary reduction in the cash retainer for members of the Board of Directors from March 16, 2020 through June 30, 2020,
- The temporary suspension of our 401(k) match program for US-based employees,
- Reductions in third-party contracting, vendor costs and other discretionary spending.
- An offering of voluntary unpaid time off, voluntary severance and a voluntary early retirement program in the first quarter of 2020;
- A temporary furlough of approximately one-third of our workforce during the second quarter of 2020; and
- A right-sizing of our global organization through a reduction in force that impacted approximately 800 team members across 44 office locations. This reduction is in addition to the separation of approximately 400 participants in voluntary severance and voluntary early retirement programs described above.

Additionally, the decline in global travel driven by COVID-19 is expected to result in:

- A proportional decline in Sabre Travel Network incentive expense, and
- A reduction in our semi-variable technology hosting costs, which were approximately \$250 million in 2019.

We also announced an expanded, multi-year agreement with DXC Technology (“DXC”) that we expect will further reduce technology hosting costs.

In addition to the cost reductions described above:

- On March 16, 2020, our Board of Directors voted to suspend the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment, and
- We announced the suspension of our multi-year share repurchase program (the “Share Repurchase Program”).

Under the terms of the Amended and Restated Credit Agreement, the financial covenant related to our leverage ratio is suspended for a limited time if a “Material Travel Event Disruption” has occurred. As defined in the Amended and Restated Credit Agreement, a “Material Travel Event Disruption” means, in any given calendar month, a decrease of 10% or more in the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) has occurred as a result of or in connection with a Travel Event (as defined in the Amended and Restated Credit Agreement) as compared to the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) occurring in the corresponding month during the prior year or, if a Material Travel Event Disruption existed during such month, the most recent corresponding month in which no Material Travel Event Disruption occurred/existed.

As of June 30, 2020, the recent capacity reductions by domestic airlines in response to the COVID-19 outbreak and related anticipated decreases in domestic passenger enplanements, and a recent sharp decline in GDS bookings, has led to a finding that a Material Travel Event Disruption has occurred. As such, the leverage ratio covenant has been suspended for at least the second and third quarters of 2020. Based on July 2020 volumes, we expect the suspension of the leverage ratio covenant will continue into the fourth quarter of 2020.

DIVIDEND POLICY

Given the impacts of COVID-19, we have currently suspended share repurchases under our Share Repurchase Program as well as the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment. See “Risk Factors—Risks Related to the Offering and Our Common Stock —We do not expect to pay any cash dividends for the foreseeable future.” Any future dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. In the future we will periodically evaluate whether to make a dividend, and the amount and timing of any such dividends, based on our operating results, financial condition, capital requirements and general business conditions. If we recommence the payment of quarterly dividends in the future, we will not be obligated to continue a dividend for any fixed period, and the payment of dividends may be suspended or discontinued at any time at our discretion and without prior notice.