Q3'26 Earnings Call Prepared Remarks

November 5, 2026

Slide 1 – Title Slide

Good morning and welcome to Sabre's third quarter 2026 earnings conference call. As a reminder, please note today's call is being recorded.

I will now turn the call over to the Vice President of Investor Relations, Jim Mathias. Please go ahead, sir.

Slide 2 – Forward-looking statements

Jim Mathias Vice President Investor Relations

Good morning and welcome to our third quarter 2026 earnings call.

This morning, we issued an earnings press release, which is available on our website at investors.sabre.com. A slide presentation, which accompanies today's prepared remarks, is also available during this call on the Sabre Investor Relations web page. A replay of today's call will be available on our website later this morning.

We advise you that our comments contain forward-looking statements that represent our beliefs or expectations about future events, including results of our growth strategies, our AI offerings and AI-related developments in the industry, transactions and bookings growth, expectations regarding the Middle East conflict and recovery, including fuel prices, as well as the impact of other geopolitical events, commercial and strategic arrangements, our financial guidance, outlook and

expectations, pro forma financial information, free cash flow, and liquidity, among others. All forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the statements made on today's conference call. More information on these risks and uncertainties is contained in our earnings release issued this morning and our SEC filings, including our Form 10-Q for the quarter ended September 30, 2026.

Throughout today's call, we will also be presenting certain non-GAAP financial measures. References during today's call to Free Cash Flow, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted EBITDA, Normalized Adjusted EBITDA Margin, and Adjusted Technology and Adjusted SG&A Expenses have been adjusted to exclude certain items. The most directly comparable GAAP measures and reconciliations for non-GAAP measures are available in the earnings release and other documents posted on our website at investors.sabre.com. Normalized amounts have been adjusted for estimated costs historically allocated to our Hospitality Solutions business, which was sold on July 3, 2025. We are also presenting certain financial information on a pro forma basis to give effect to the sale of the Hospitality Solutions business. Unless otherwise noted, results presented are based on continuing operations.

Slide 3 – Today's presenters

Participating with me today are Kurt Ekert, President and Chief Executive Officer, and Mike Randolfi, Chief Financial Officer.

With that, I will turn the call over to Kurt.

Slide 4 – Strong Q3'26 growth

Kurt Ekert, President and CEO

Thanks, Jim.

Good morning and thank you for joining us.

We delivered strong third-quarter results, favorable to our expectations, and made progress against our financial and strategic objectives.

Reflecting on our performance year-to-date and our outlook, for the second consecutive quarter, we are raising our full-year 2026 guidance for both Pro Forma Adjusted EBITDA and Free Cash Flow, while reaffirming our outlook for full-year revenue and air marketplace bookings growth.

Third quarter revenue grew 3% year-on-year, while Normalized Adjusted EBITDA increased 13% year-on-year to $170 million dollars, exceeding our expectations.

Total marketplace bookings were flat year-on-year, demonstrating resilience amid a challenging external environment and continued disruption to global travel patterns.

Air marketplace bookings declined one percent in the quarter, reflecting continued impacts from the Middle East conflict and higher fuel prices, which have led to capacity reductions by airlines and higher airfares.

While performance in the Americas remained strong and corporate travel remained resilient, we experienced softer leisure travel, particularly in EMEA and Asia Pacific.

We estimate these factors created a combined 300 to 400 basis point headwind to air marketplace bookings growth in the third quarter. Absent these headwinds, we believe third quarter total marketplace bookings growth would have been in the mid-single-digit range.

Importantly, year-to-date through the third quarter, we believe that Sabre has outperformed airline industry volume broadly, and our competitors by approximately 400 to 500 basis points, demonstrating the strength of our competitive position and the progress we are making against our growth strategies.

Consistent with our expectations, both air marketplace and total marketplace bookings have improved sequentially in the fourth quarter to date, supporting our outlook for full-year 2026 air marketplace bookings growth in the low-to-mid single digit range.

While the external environment remains dynamic, our business is performing well, our growth strategies are delivering results, and we continue to generate both revenue and Adjusted EBITDA growth.

I'm pleased with our progress and increasingly confident in our ability to build on this momentum as we execute against the many opportunities ahead.

Slide 5 – Delivering on our strategic priorities

Now, turning to slide 5.

Our momentum this year is reflected in our fourth consecutive quarter of year-on-year revenue growth and fifth consecutive quarter of double-digit year-on-year growth in Normalized Adjusted EBITDA.

This performance marks an important shift at Sabre. Our growth strategies are gaining traction and driving consistent top-line growth. Combined with disciplined cost management, this momentum is translating into stronger profitability, expanding margins, and sustainable improvement in our financial performance.

We believe we are well positioned to achieve our increased outlook for 2026 Pro Forma Adjusted EBITDA and free cash flow, which Mike will discuss shortly.

Importantly, Sabre is already generating significant unlevered free cash flow, with approximately $395 million dollars expected in 2026. As we continue to grow revenue and expand profitability, we expect to build on this strong cash generation and transition to positive free cash flow in 2027, marking a meaningful inflection point in our financial performance.

During the quarter, we executed a successful refinancing, and as a result, have extended $1.35 billion dollars of maturities out to 2032. Strong investor demand enabled us to secure a lower interest rate on this refinancing of 9 and 7/8s, while significantly extending our maturity profile and providing us with greater flexibility to execute on our strategic priorities.

We believe we are well-positioned from a debt maturity perspective, with no large maturities until the third quarter 2029.

Revenue growth and expanding profitability are driving stronger cash generation, which in turn provides greater financial flexibility to invest in our business, and create long-term shareholder value. We look forward to discussing this in greater detail at our Investor day on November 17th.

Turning to the right side of the slide, innovation is key to our ongoing growth and success as well as our improving financial performance.

Importantly, our growth is becoming increasingly broad-based, with positive momentum across the business:

In Airline Technology, commercial momentum continues to build and I'm excited about our recent wins in the space. We currently have four customer implementations completed or underway, reflecting the

progress we are making across the business. We grew revenue in the quarter and continue to expect revenue growth for the full-year. Our recent Sabre Mosaic and Offer-Order win with Kenya Airways further reinforces the growing demand for our open, modular technology solutions.

In air marketplace we are executing against our growth priorities, focusing on expanding customer relationships and capturing additional share. We recently renewed our distribution agreement with United Airlines, including continued access to United's NDC content and related capabilities through Sabre. This agreement reinforces Sabre's position as the backbone of global travel commerce, connecting buyers and sellers of travel, through our platform.

NDC bookings also continue to grow, representing 5% of our total air marketplace bookings in the third quarter.

Marketplace Lodging and Other bookings volumes grew 8% in the quarter, with growth across hotel, car and rail.

Hotel-related revenue grew 14% in the quarter, reflecting our success in driving higher hotel attach rates, as well as strong growth in media. Hotel attach rates are now greater than 35%, and we see meaningful opportunity to improve this metric as we continue to enhance our platform.

Our payments business continues to deliver strong growth, with more than $26 billion dollars in annualized gross spend and quarterly gross spend increasing 27% year-on-year. Payments revenue grew at a double-digit rate in the quarter, with an annualized run rate of approximately $60 million dollars.

Importantly, these are the businesses and growth strategies driving our performance today.

Slide 6 – Q3'26 Business and financial results

Turning to slide 6, our key financial and operational metrics demonstrate that we are delivering broad-based growth across our business.

Our positive quarterly trends reflect the disciplined execution of our strategy and the progress we are making against our long-term priorities.

This progress, together with our strong year-to-date financial performance, supports our second consecutive increase to 2026 Pro Forma Adjusted EBITDA and Free Cash Flow guidance.

Looking ahead, we see multiple pathways to accelerate growth while maintaining cost discipline and driving continued operating leverage. At our November 17th Investor Day, we'll share more about these opportunities, and how we expect this to translate into meaningful revenue growth, Adjusted EBITDA expansion and strong cash flow generation.

We believe this combination positions Sabre to deliver sustainable growth and create a compelling opportunity to drive significant long-term shareholder value.

With that, I'll turn the call over to Mike, to walk through our third-quarter financial results and our outlook in more detail.

Slide 7 – EVP & CFO, Mike Randolfi

Mike Randolfi, CFO

Thanks Kurt, and good morning everyone.

Please turn to Slide 8.

Slide 8 – Q3 2026 financial highlights

We delivered another strong quarter, with third quarter Normalized Adjusted EBITDA exceeding our outlook.

Based on year-to-date performance and our outlook for the remainder of the year, we are reaffirming our full-year 2026 guidance for revenue and air marketplace bookings growth. For the second consecutive quarter, we are increasing our full-year 2026 guidance for both pro forma Adjusted EBITDA and Free Cash Flow.

Turning to the financials, total revenue was $738 million dollars, an increase of 3% year-on-year, meeting our expectations of flat-to-low-single-digit growth.

Marketplace revenue grew $19 million dollars, an increase of 3%, due primarily to a 3% increase in average booking fee.

Airline Technology revenue grew 3% year-on-year to $144 million dollars, in line with growth in passengers boarded and in line with our expectations. We expect fourth-quarter revenue to be in the range of $140 million to $150 million dollars, supported by continued execution of our strategy. We remain on track to deliver full-year revenue growth.

Gross margin of 57.7% exceeded our previous annual expected guidance of 56% to 57%, driven by favorable bookings mix and continued growth in our higher-margin payments and media businesses.

Third quarter Normalized Adjusted EBITDA increased 13% year-on-year to $170 million dollars and Normalized Adjusted EBITDA margin expanded 200 basis points to 23%. As Kurt highlighted, this is our fifth consecutive quarter of double-digit Adjusted EBITDA growth.

Operating income totaled $109 million dollars, up 17% year-on-year.

Turning to third-quarter free cash flow, we reported negative $48 million dollars, which included approximately $15 million associated with transaction fees for our recent $1.35 billion dollar financing, maturing in 2032.

This refinancing was treated as a debt modification. This resulted in transaction fees being recorded in operating cash flow rather than financing cash flow.

Additionally, we paid $40 million of accrued interest associated with notes that were settled as part of the third quarter refinancing. Absent these payments, free cash flow would have been positive for the third quarter.

We ended the quarter with a cash balance of $688 million dollars.

This includes $78 million dollars of cash used to settle certain notes in October.

Slide 9 – Q3'26 actual results versus guidance

Moving to Slide 9.

Air marketplace bookings declined 1% in the quarter, reflecting continued pressure on global travel from the conflict in the Middle East and higher fuel prices. We estimate these factors represented a combined 300 to 400 basis point headwind in the quarter. As Kurt mentioned, excluding these headwinds, third quarter air marketplace bookings growth would have been positive.

Revenue grew 3% in the third quarter, primarily attributed to growth in Marketplace revenue driven by higher average booking fee as well as growth in Airline Technology.

Our Normalized Adjusted EBITDA result of $170 million dollars was favorable to our guide of $155 million dollars by $15 million dollars. Approximately $5 million dollars of the outperformance was driven by higher gross profit, reflecting growth in average booking fee. The remaining $10 million dollars of outperformance reflected lower Adjusted Technology expenses and a tax refund benefit.

All-in, we are pleased with this quarter's results.

Slide 10 – Improving the balance sheet and deleveraging

Turning to slide 10.

During the third quarter, we successfully completed a refinancing, and issued a $1.35 billion dollar notes offering maturing in 2032. Our strong year-to-date performance helped drive significant investor demand, allowing us to secure a lower interest rate on the new debt.

Importantly, we have no large debt maturities until the third quarter of 2029, providing us with significant flexibility as we execute on our growth strategies.

Slide 11 – FY 2026 guidance

Moving to Slide 11, and our outlook for 2026.

Based on our strong year-to-date performance and fourth-quarter outlook, we are raising our full-year 2026 guidance for Pro Forma

Adjusted EBITDA and Free Cash Flow for the second consecutive quarter.

We are increasing Pro Forma Adjusted EBITDA guidance by $10 million dollars to approximately $610 million dollars, representing 14% year-on-year growth. We are also raising our Free Cash Flow outlook to approximately negative $50 million dollars, including approximately $60 million dollars in restructuring costs associated with our inflation offset program. Excluding these costs, we would expect to generate positive Free Cash Flow in 2026.

The primary driver of our Adjusted EBITDA outlook is an increased expectation for 2026 gross margin of approximately 57% versus a prior range of 56% - 57%. Our outlook for full-year air marketplace bookings, revenue growth and operating expenses remains unchanged.

Turning to Adjusted Technology expense and Capex, we see opportunities to increase fourth-quarter investments in areas that support our 2027 growth strategies. As a result, we continue to expect a low-single-digit increase in Adjusted Technology expense for the full-year and we are slightly increasing our 2026 Capex outlook by $5 million dollars to approximately $95 million dollars.

We expect full-year cash interest expense of approximately $445 million dollars, reflecting the impact and timing of our third quarter refinancing. As a reminder, within the website financials available on our investor relations website, we provide a quarterly interest walk.

Our expectations for cash taxes and other increased to $60 million dollars, primarily due to approximately $20 million dollars of transaction fees impacting operating cash flow.

We are pleased with our third quarter and year-to-date performance. Our increased outlook for both full-year 2026 Pro Forma Adjusted EBITDA

and Free Cash Flow reinforces our confidence in our ability to deliver sustained growth and positive Free Cash Flow in 2027 and going forward.

Before we open the call for questions, I want to remind everyone that we plan to provide multi-year financial projections at our Investor Day on November 17th. As a result, we will defer any questions about our outlook for 2027 and beyond until that event.

And with that Operator, please open the line for questions.

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