Q2 '18 Earnings Report

July 31, 2018

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 “guidance,” “outlook,” “opportunity,” “trajectory,” “on track,” “expect,” “momentum,” “goal,” “believe,” “progress,” “plan,” “estimate,” “preliminary,” “anticipate,” “project,” “will,” “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, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, maintenance of the integrity of our systems and infrastructure and the effect of any security breaches, reliances on third parties to provide information technology services, implementation of software solutions, exposure to pricing pressure in the Travel Network business, the implementation and effects of new or renewed agreements, the effects of the implementation of new accounting standards, travel suppliers' usage of alternative distribution models, failure to adapt to technological advancements, competition in the travel distribution market and solutions markets, the implementation and results of our cost reduction and business alignment program, 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, changes affecting travel supplier customers, our ability to recruit, train and retain employees, including our key executive officers and technical employees, our collection, processing, storage, use and transmission of personal data and risks associated with PCI compliance, 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" and uncertainty due to related negotiations, risks arising from global operations, reliance on the value of our brands, the effects of litigation, failure to comply with regulations, use of third-party distributor partners, the financial and business effects of acquisitions, including integration of these acquisitions, and tax-related matters, including the effect of the Tax Cuts and Jobs Act. More information about potential risks and uncertainties that could affect our business and results of operations is included in the "Risk Factors" section in our Quarterly Report on Form 10-Q filed with the SEC on May 1, 2018, in the “Risk Factors” and “Forward Looking Statements” sections in our Annual Report on Form 10-K filed with the SEC on February 16, 2018 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 Gross Profit, Adjusted Operating Income (Loss), Adjusted Net Income, Adjusted Operating Income margin, Adjusted EBITDA, Adjusted EPS, Free Cash Flow, and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA, Adjusted Operating Income, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see “2018 Business Outlook and Financial Guidance” in the appendix for additional information including estimates of certain components of the non-GAAP adjustments contained in the guidance.

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” below 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

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

Rick Simonson
Senior Advisor & former CFO

Increasing momentum

Over the past 18 months…

- Significantly strengthened position as a trusted and innovative technology partner
- Reinforced commitment to leading in next generation technology across retailing, distribution and fulfillment

Second quarter was continued evidence of progress

- Supportive macro global travel environment
- Strong share gain at Travel Network
- Completed large implementations – LATAM, Wyndham

Confidence in full-year and long-term trajectory

Q2 ’18 Highlights

Travel Network

110bps share growth

Booking.com adds over 28M listings

New Sabre Red Workspace: improvements in agent productivity, conversions and commissions

Airline Solutions

Long-term renewals and increased share of wallet

Completed LATAM implementation

Tech initiative progress – version consolidation & cloud deployment

Hospitality Solutions

Growth accelerated from Q1

Strong growth in CRS transactions, new wins and renewals

Completed Wyndham implementation

Aligning to accelerate our strategy

CREATION OF TRAVEL SOLUTIONS

Increase go-to-market effectiveness, better serve customers and align development of GDS, PSS and NDC solutions with umbrella organization over TN and AS – led by Dave Shirk

DEDICATED DATA & ANALYTICS EFFORT

Unlocking the value of rich data across the platform

NEW TECH LEADERS & SABRE LABS EXPANSION

Sundar Narasimhan – President of Sabre Labs & Product Strategy
Expansion of Sabre Labs and opening of Boston office

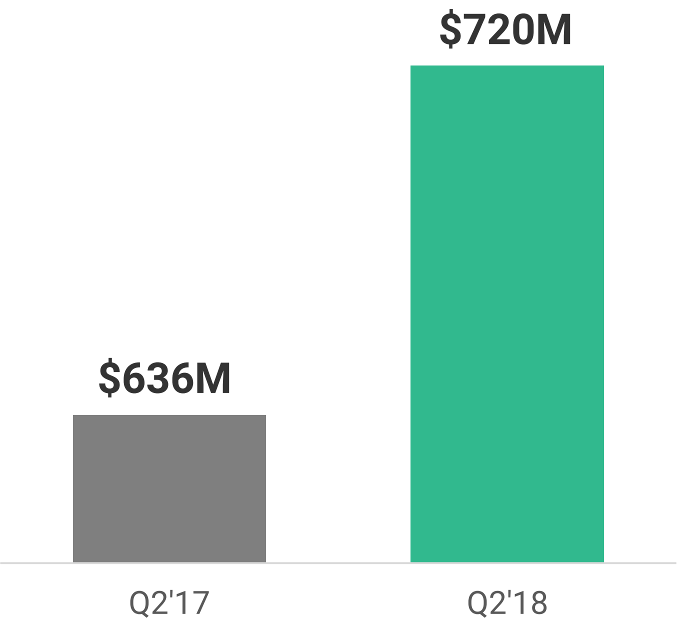
Louis Selincourt – SVP, Global Development Centers
Development quality and productivity

Q2 '18 Financial highlights

	Q2 2018	Growth
Revenue	**$984M**	**+9%**
Adjusted EBITDA	**$277M**	**+6%**
Adjusted Op Income	**$172M**	**0%**
Adjusted EPS	**$0.37**	**+6%**
Free Cash Flow	**$79M**	**+5%**

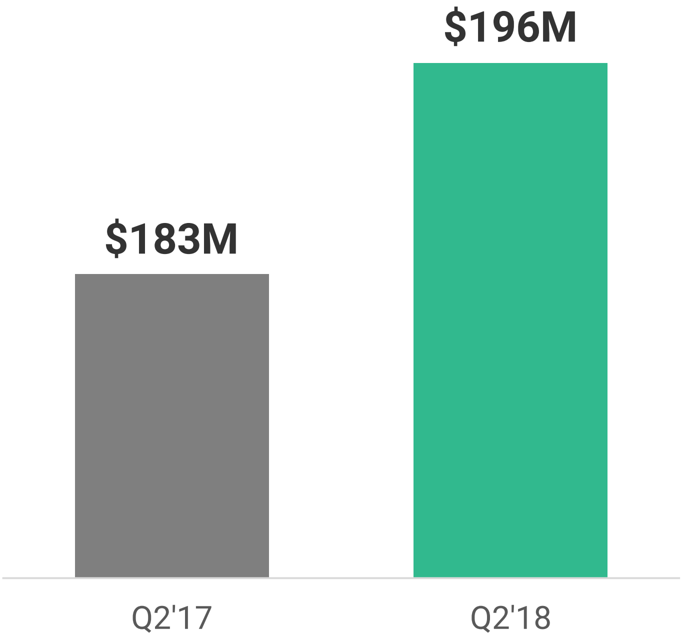
Q2 '18 Travel Network

Revenue



+13.2%
YOY Growth

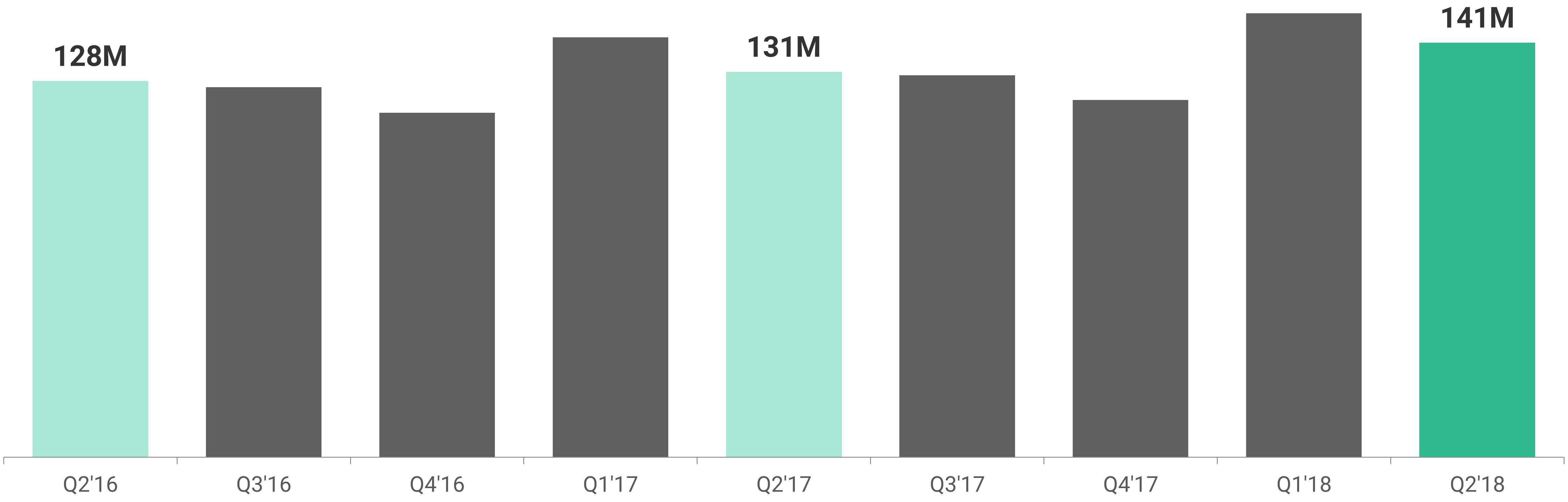
Adjusted Operating Income



+6.9%
YOY Growth

27.2%
Adjusted Operating Income Margin

Total quarterly bookings



+7.6%
Q2 2018
YOY Growth

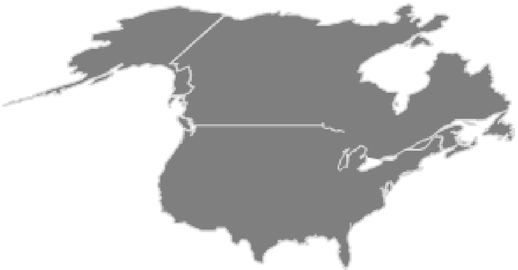
Total Q2 ‘18 bookings growth by region

+23.5%

APAC

+5.0%

NAM



+5.0%

EMEA

(1.4%)

LAC

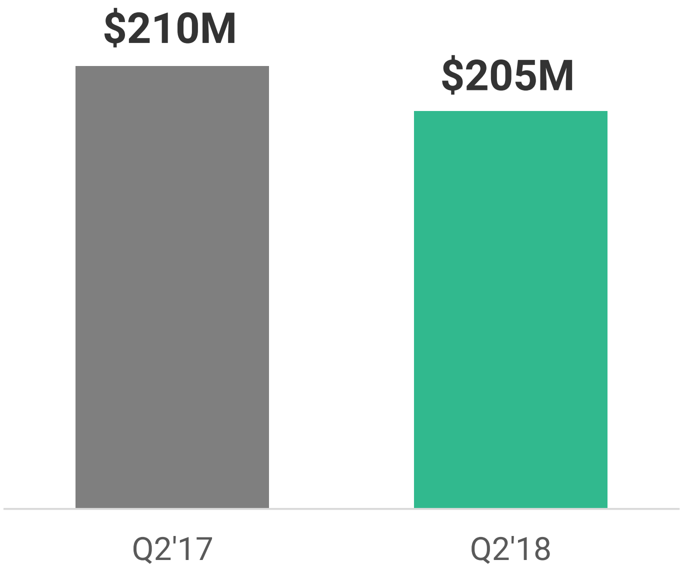
37.1%

Global Air Bookings Share

Q2 ‘18 Airline Solutions

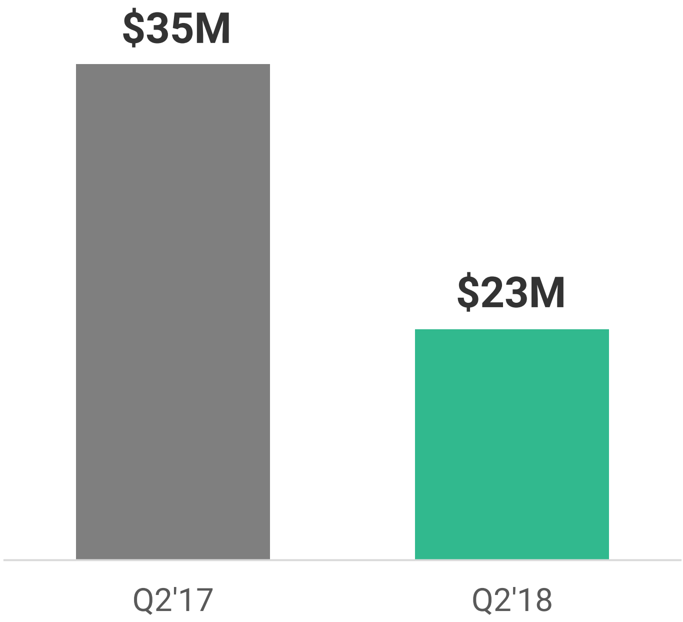
Revenue growth of 8% excluding Southwest Airlines and ASC 606 impacts

Revenue



(2.4%)
YOY Change

Adjusted Operating Income

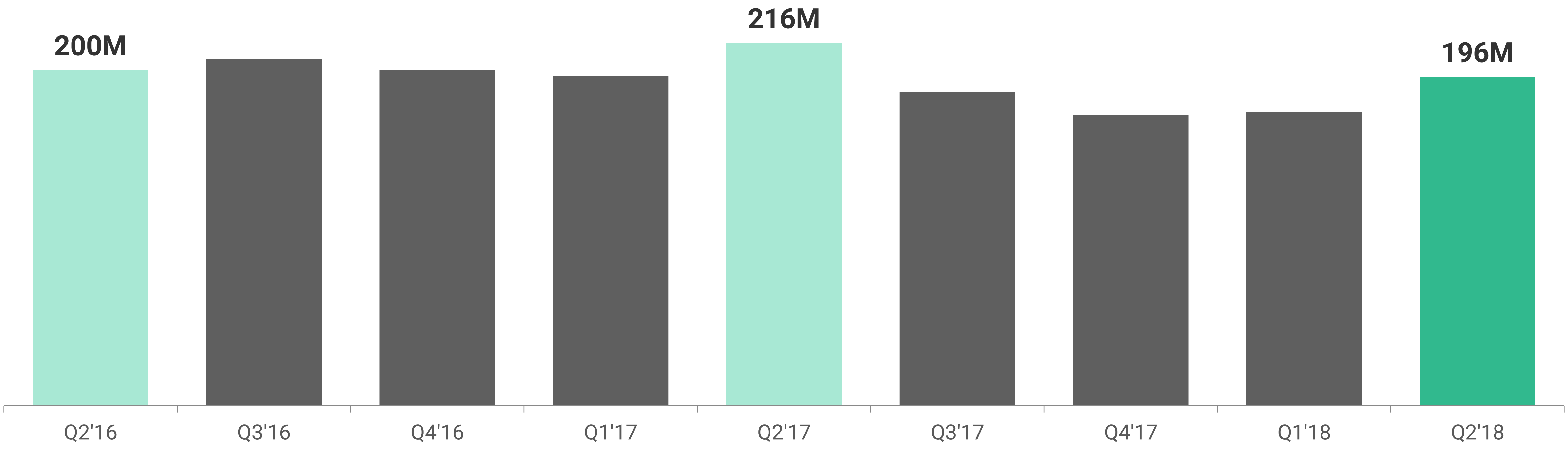


(35.3%)
YOY Change

11.1%
Adjusted Operating Income Margin

Total quarterly passengers boarded

9.8% passengers boarded growth on a consistent carrier basis



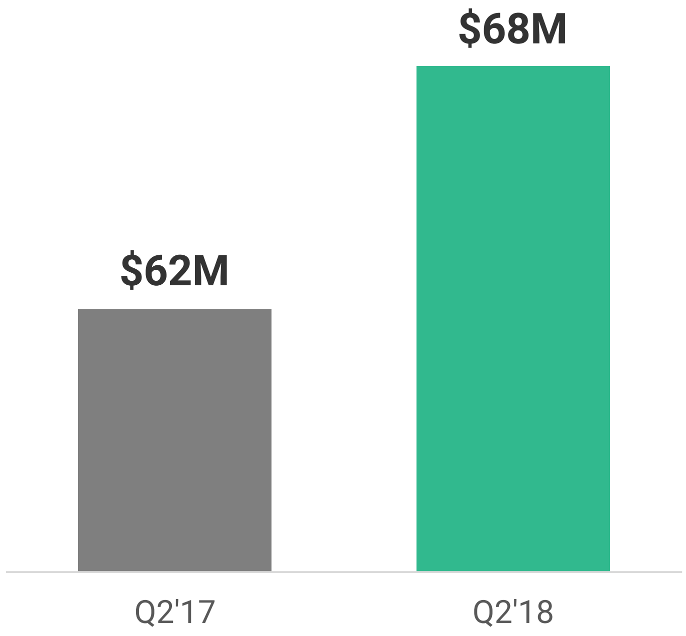
(9.3%)
Q2 2018
YOY Change

Q2 ‘18 Hospitality Solutions

Teens growth in SynXis software revenue

Modest decline in digital marketing services

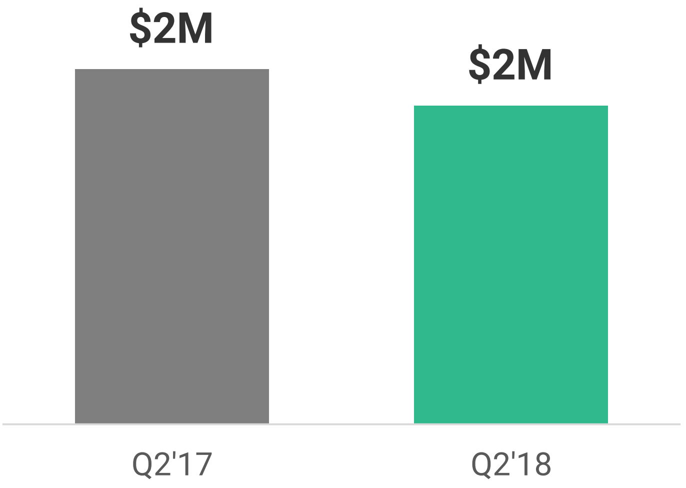
Revenue



+10.4%

YOY Growth

Adjusted Operating Income

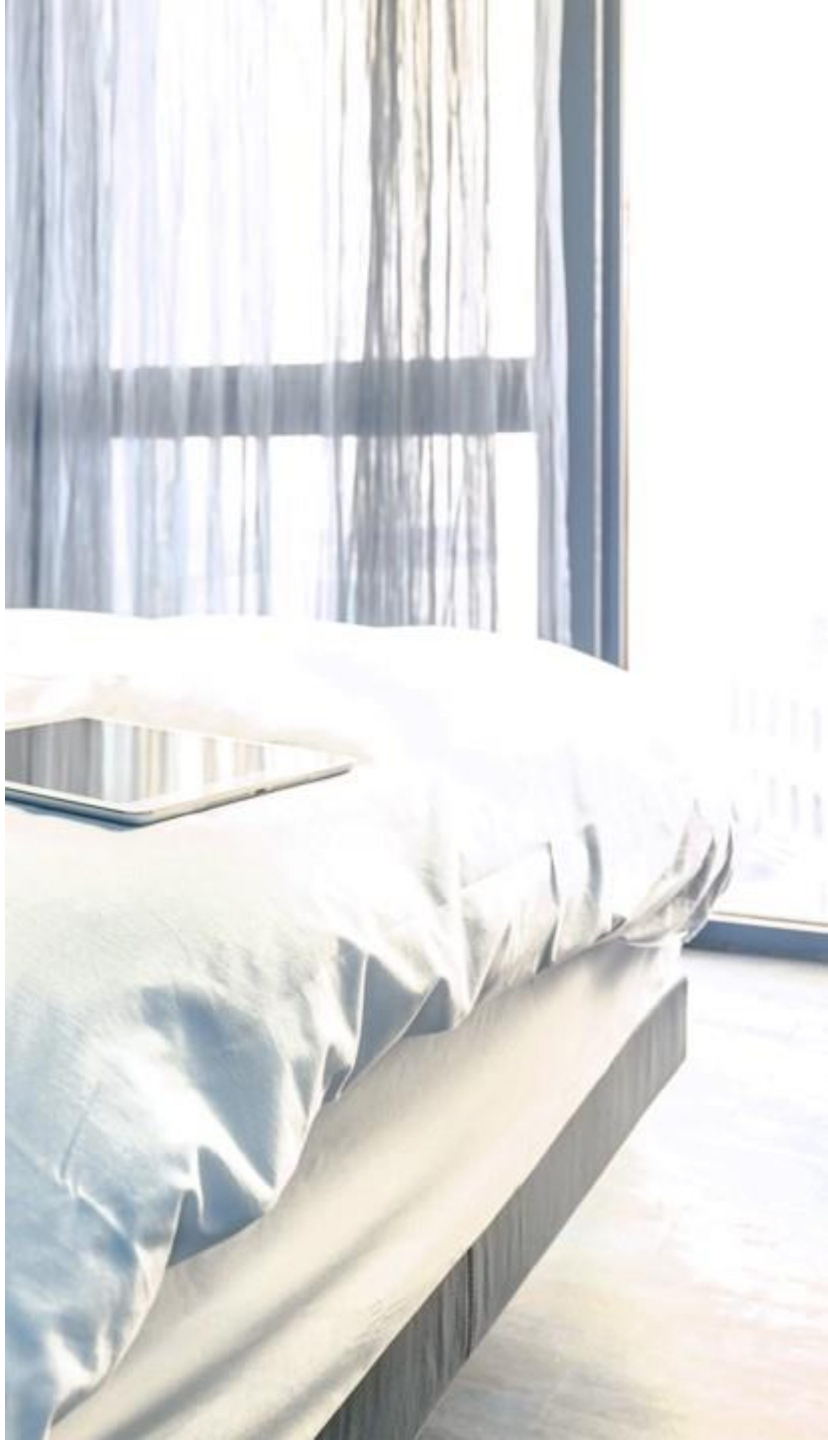


(10.4%)

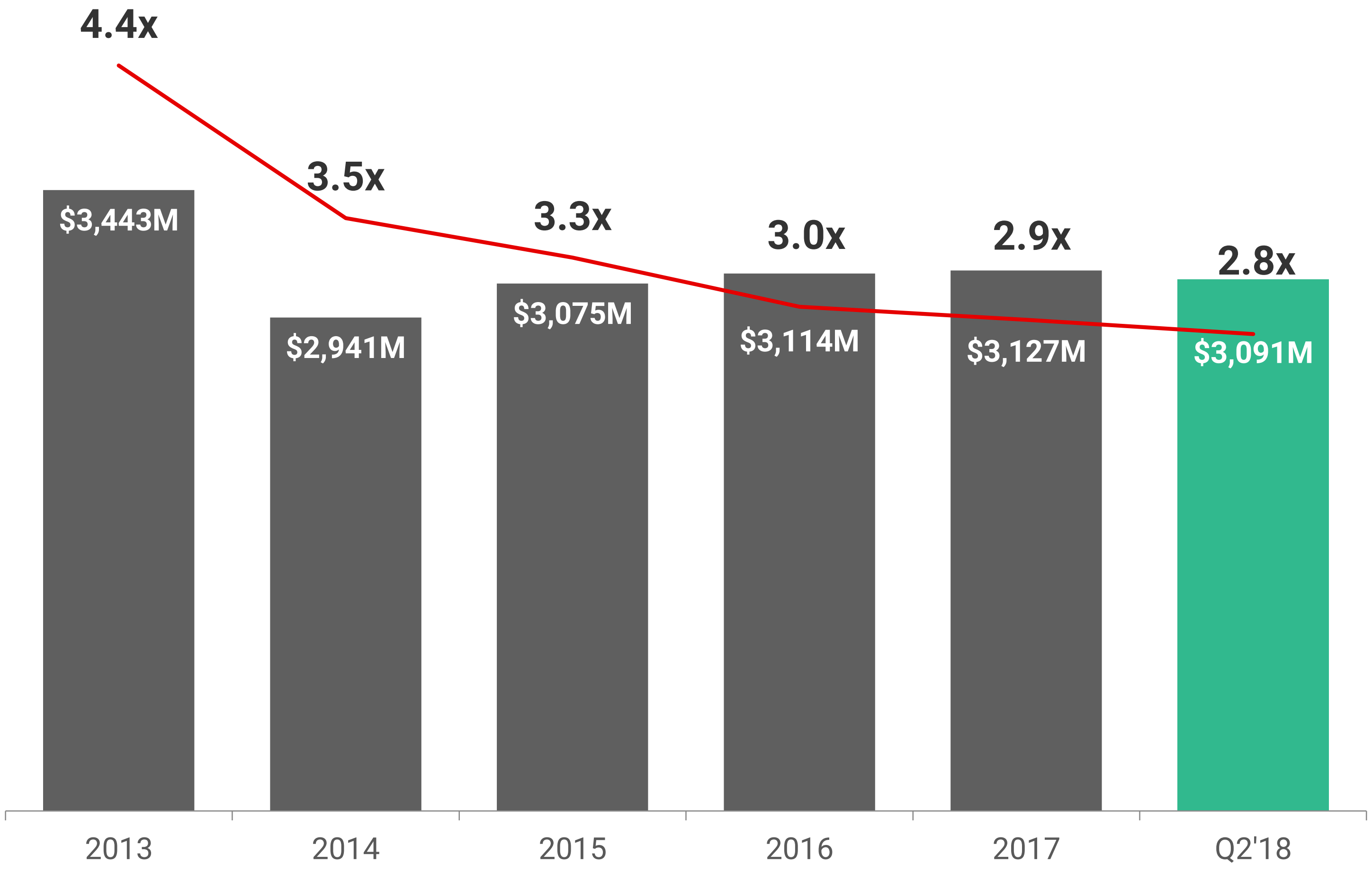
YOY Change

2.9%

Adjusted Operating Income Margin



Q2 ‘18 Net debt, leverage[1] and cash flow



$147M
Cash provided by operating activities

$79M
Free Cash Flow

$65M
Returned to Shareholders

[1]Net Debt/LTM Adjusted EBITDA.

Reiterating FY '18 Guidance

	FY 2018 Guidance	
	$	% Growth
Revenue	**$3,760M - $3,840M**	**4% - 7%**
Adjusted EBITDA	**$1,075M - $1,115M**	**0% - 3%**
Adjusted Operating Income	**$665M - $705M**	**(6%) – 0%**
Adjusted Net Income	**$385M - $425M**	**(1%) - 9%**
Adjusted EPS	**$1.39 - $1.53**	**(1%) - 9%**
Free Cash Flow	**~$425M**	**~18%**
GAAP Capital Expenditures	**$290M - $310M**	**(8%) – (2%)**

The information presented here represents forward-looking statements and reflects expectations as of July 31, 2018. 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 1Q 2018 Form 10-Q and 2017 Form 10-K.

Continuing momentum

Measurable progress
As we reimagine the business of travel

Strong second quarter
Evidence of our strategy and focus on execution

Continuing momentum
Confidence over the balance of the year and beyond

Thank you

APPENDIX

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net income (loss) attributable to common stockholders	$ 92,246	$ (6,487)	$ 180,126	$ 69,452
(Income) loss from discontinued operations, net of tax	(760)	1,222	447	1,699
Net income attributable to noncontrolling interests[1]	1,079	1,113	2,441	2,419
Income (loss) from continuing operations	92,565	(4,152)	183,014	73,570
Adjustments:				
Acquisition-related amortization[2a]	17,588	20,259	35,178	55,440
Impairment and related charges[6]	—	92,022	—	92,022
Loss on extinguishment of debt	—	—	633	—
Other, net[4]	7,735	752	8,841	15,986
Restructuring and other costs[7]	—	25,304	—	25,304
Litigation costs[5]	1,020	958	1,848	4,459
Stock-based compensation	13,594	14,724	26,200	22,758
Tax impact of net income adjustments	(30,159)	(52,735)	(32,161)	(74,303)
Adjusted Net Income from continuing operations	$ 102,343	$ 97,132	$ 223,553	$ 215,236
Adjusted Net Income from continuing operations per share	$ 0.37	$ 0.35	$ 0.81	$ 0.77
Diluted weighted-average common shares outstanding[8]	277,180	279,833	276,565	279,919
Adjusted Net Income from continuing operations	$ 102,343	$ 97,132	$ 223,553	$ 215,236
Adjustments:				
Depreciation and amortization of property and equipment[2b]	74,960	63,810	149,423	125,110
Amortization of capitalized implementation costs[2c]	10,395	8,948	20,218	18,137
Amortization of upfront incentive consideration[3]	19,661	16,161	39,117	32,293
Interest expense, net	39,409	38,097	77,518	77,658
Remaining provision for income taxes	30,234	37,269	68,511	90,544
Adjusted EBITDA	$ 277,002	$ 261,417	$ 578,340	$ 558,978
Less:				
Depreciation and amortization[2]	102,943	93,017	$ 204,819	$ 198,687
Amortization of upfront incentive consideration[3]	19,661	16,161	$ 39,117	$ 32,293
Acquisition-related amortization[2a]	(17,588)	(20,259)	$ (35,178)	$ (55,440)
Adjusted Operating Income	$ 171,986	$ 172,498	$ 369,582	$ 383,438

Tabular reconciliations for Non-GAAP measures

Reconciliation of operating income (loss) to Adjusted Gross Profit, Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Operating Income margin by business segment
(in thousands; unaudited)

	Three Months Ended June 30, 2018				
	Travel Network	Airline Solutions	Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 195,052	$ 22,813	$ 1,964	$ (80,996)	$ 138,833
Add back:					
Selling, general and administrative	35,467	18,568	8,043	61,706	123,784
Cost of revenue adjustments:					
Depreciation and amortization(2)	25,560	42,879	8,646	7,928	85,013
Amortization of upfront incentive consideration(3)	19,661	—	—	—	19,661
Stock-based compensation	—	—	—	6,387	6,387
Adjusted Gross Profit	275,740	84,260	18,653	(4,975)	373,678
Selling, general and administrative	(35,467)	(18,568)	(8,043)	(61,706)	(123,784)
Joint venture equity income	951	—	—	—	951
Selling, general and administrative adjustments:					
Depreciation and amortization(2)	2,875	3,424	344	11,287	17,930
Litigation costs(5)	—	—	—	1,020	1,020
Stock-based compensation	—	—	—	7,207	7,207
Adjusted EBITDA	244,099	69,116	10,954	(47,167)	277,002
Less:					
Depreciation and amortization(2)	28,435	46,303	8,990	19,215	102,943
Amortization of upfront incentive consideration(3)	19,661	—	—	—	19,661
Acquisition-related amortization(2a)	—	—	—	(17,588)	(17,588)
Adjusted Operating Income (Loss)	$ 196,003	$ 22,813	$ 1,964	$ (48,794)	$ 171,986
Operating income margin	27.1 %	11.1 %	2.9 %	NM	14.1 %
Adjusted Operating Income Margin	27.2 %	11.1 %	2.9 %	NM	17.5 %

Tabular reconciliations for Non-GAAP measures

Reconciliation of operating income (loss) to Adjusted Gross Profit, Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Operating Income margin by business segment
(in thousands; unaudited)

	Three Months Ended June 30, 2017				
	Travel Network	Airline Solutions	Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 182,779	$ 35,240	$ 2,193	$ (201,494)	$ 18,718
Add back:					
Selling, general and administrative	38,126	21,227	12,348	75,155	146,856
Impairment and related charges(6)	—	—	—	92,022	92,022
Cost of revenue adjustments:					
Depreciation and amortization(2)	23,326	35,699	7,242	9,748	76,015
Amortization of upfront incentive consideration(3)	16,161	—	—	—	16,161
Restructuring and other costs(7)	—	—	—	12,976	12,976
Stock-based compensation	—	—	—	5,830	5,830
Adjusted Gross Profit	260,392	92,166	21,783	(5,763)	368,578
Selling, general and administrative	(38,126)	(21,227)	(12,348)	(75,155)	(146,856)
Joint venture equity income	513	—	—	—	513
Selling, general and administrative adjustments:					
Depreciation and amortization(2)	3,197	2,195	388	11,222	17,002
Restructuring and other costs(7)	—	—	—	12,328	12,328
Litigation costs(5)	—	—	—	958	958
Stock-based compensation	—	—	—	8,894	8,894
Adjusted EBITDA	225,976	73,134	9,823	(47,516)	261,417
Less:					
Depreciation and amortization(2)	26,523	37,894	7,630	20,970	93,017
Amortization of upfront incentive consideration(3)	16,161	—	—	—	16,161
Acquisition-related amortization(2a)	—	—	—	(20,259)	(20,259)
Adjusted Operating Income (Loss)	$ 183,292	$ 35,240	$ 2,193	$ (48,227)	$ 172,498
Operating income margin	28.8 %	16.8 %	3.5 %	NM	2.1 %
Adjusted Operating Income Margin	28.8 %	16.8 %	3.5 %	NM	19.2 %

Tabular reconciliations for Non-GAAP measures

Reconciliation of operating income (loss) to Adjusted Gross Profit, Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Operating Income margin by business segment
(in thousands; unaudited)

	Six Months Ended June 30, 2018				
	Travel Network	Airline Solutions	Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 405,725	$ 53,525	$ 4,101	$ (159,117)	$ 304,234
Add back:					
Selling, general and administrative	75,972	36,784	17,459	123,680	253,895
Cost of revenue adjustments:					
Depreciation and amortization[2]	52,942	83,714	17,336	14,947	168,939
Amortization of upfront incentive consideration[3]	39,117	—	—	—	39,117
Stock-based compensation	—	—	—	12,072	12,072
Adjusted Gross Profit	573,756	174,023	38,896	(8,418)	778,257
Selling, general and administrative	(75,972)	(36,784)	(17,459)	(123,680)	(253,895)
Joint venture equity income	2,122	—	—	—	2,122
Selling, general and administrative adjustments:					
Depreciation and amortization[2]	5,780	6,296	1,276	22,528	35,880
Litigation costs[5]	—	—	—	1,848	1,848
Stock-based compensation	—	—	—	14,128	14,128
Adjusted EBITDA	505,686	143,535	22,713	(93,594)	578,340
Less:					
Depreciation and amortization[2]	58,722	90,010	18,612	37,475	204,819
Amortization of upfront incentive consideration[3]	39,117	—	—	—	39,117
Acquisition-related amortization[2a]	—	—	—	(35,178)	(35,178)
Adjusted Operating Income (Loss)	$ 407,847	$ 53,525	$ 4,101	$ (95,891)	$ 369,582
Operating income margin	28.2 %	13.0 %	3.0 %	NM	15.4 %
Adjusted Operating Income Margin	28.3 %	13.0 %	3.0 %	NM	18.7 %

Tabular reconciliations for Non-GAAP measures

Reconciliation of operating income (loss) to Adjusted Gross Profit, Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Operating Income margin by business segment
(in thousands; unaudited)

	Six Months Ended June 30, 2017				
	Travel Network	Airline Solutions	Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 410,911	$ 54,959	$ 1,871	$ (285,697)	$ 182,044
Add back:					
Selling, general and administrative	77,836	41,115	24,408	147,938	291,297
Impairment and related charges(6)	—	—	—	92,022	92,022
Cost of revenue adjustments:					
Depreciation and amortization(2)	46,419	70,622	14,319	18,352	149,712
Amortization of upfront incentive consideration(3)	32,293	—	—	—	32,293
Restructuring and other costs(7)	—	—	—	12,976	12,976
Stock-based compensation	—	—	—	9,011	9,011
Adjusted Gross Profit	567,459	166,696	40,598	(5,398)	769,355
Selling, general and administrative	(77,836)	(41,115)	(24,408)	(147,938)	(291,297)
Joint venture equity income	1,411	—	—	—	1,411
Selling, general and administrative adjustments:					
Depreciation and amortization(2)	6,456	4,387	655	37,477	48,975
Restructuring and other costs(7)	—	—	—	12,328	12,328
Litigation costs(5)	—	—	—	4,459	4,459
Stock-based compensation	—	—	—	13,747	13,747
Adjusted EBITDA	497,490	129,968	16,845	(85,325)	558,978
Less:					
Depreciation and amortization(2)	52,875	75,009	14,974	55,829	198,687
Amortization of upfront incentive consideration(3)	32,293	—	—	—	32,293
Acquisition-related amortization(2a)	—	—	—	(55,440)	(55,440)
Adjusted Operating Income (Loss)	$ 412,322	$ 54,959	$ 1,871	$ (85,714)	$ 383,438
Operating income margin	31.6 %	13.6 %	1.5 %	NM	10.0 %
Adjusted Operating Income Margin	31.7 %	13.6 %	1.5 %	NM	21.1 %

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to LTM Adjusted EBITDA (for Net Debt Ratio)
(in thousands; unaudited)

	Three Months Ended				
	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	LTM
Net income attributable to common stockholders	$ 90,989	$ 82,090	$ 87,880	$ 92,246	$ 353,205
Loss (income) from discontinued operations, net of tax	529	(296)	1,207	(760)	680
Net income attributable to noncontrolling interests[1]	1,307	1,387	1,362	1,079	5,135
Income from continuing operations	92,825	83,181	90,449	92,565	359,020
Adjustments:					
Acquisition-related amortization[2a]	20,226	20,194	17,590	17,588	75,598
Impairment and related charges[6]	—	(10,910)	—	—	(10,910)
Loss on extinguishment of debt	1,012	—	633	—	1,645
Other, net[4]	3,802	(56,318)	1,106	7,735	(43,675)
Restructuring and other costs[7]	—	(1,329)	—	—	(1,329)
Litigation (reimbursements) costs, net[5]	(40,929)	963	828	1,020	(38,118)
Stock-based compensation	11,655	10,276	12,606	13,594	48,131
Depreciation and amortization of property and equipment[2b]	66,332	73,438	74,463	74,960	289,193
Amortization of capitalized implementation costs[2c]	10,484	11,510	9,823	10,395	42,212
Amortization of upfront incentive consideration[3]	18,005	17,113	19,456	19,661	74,235
Interest expense, net	38,919	37,348	38,109	39,409	153,785
Provision for income taxes	40,595	71,201	36,275	75	148,146
Adjusted EBITDA	$ 262,926	$ 256,667	$ 301,338	$ 277,002	$ 1,097,933
Net Debt (total debt, less cash)					$ 3,090,737
Net Debt / LTM Adjusted EBITDA					2.8x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 12/31/2016, 12/31/2015, 12/31/2014 and 12/31/2013.

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to LTM Adjusted EBITDA (for Net Debt Ratio)
(in thousands; unaudited)

	Three Months Ended				
	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	LTM
Net income (loss) attributable to common stockholders	$ 40,815	$ 24,561	$ 75,939	$ (6,487)	$ 134,828
Loss from discontinued operations, net of tax	394	5,309	477	1,222	7,402
Net income attributable to noncontrolling interests[1]	1,047	1,150	1,306	1,113	4,616
Income (loss) from continuing operations	42,256	31,020	77,722	(4,152)	146,846
Adjustments:					
Acquisition-related amortization[2a]	39,430	35,847	35,181	20,259	130,717
Impairment and related charges[6]	—	—	—	92,022	92,022
Loss on extinguishment of debt	3,683	—	—	—	3,683
Other, net[4]	(281)	(23,100)	15,234	752	(7,395)
Restructuring and other costs[7]	583	16,463	—	25,304	42,350
Acquisition-related costs[9]	90	65	—	—	155
Litigation costs[5]	7,034	41,906	3,501	958	53,399
Stock-based compensation	12,913	12,512	8,034	14,724	48,183
Depreciation and amortization of property and equipment[2b]	58,271	65,153	61,300	63,810	248,534
Amortization of capitalized implementation costs[2c]	11,529	9,030	9,189	8,948	38,696
Amortization of upfront incentive consideration[3]	17,139	12,352	16,132	16,161	61,784
Interest expense, net	38,002	41,837	39,561	38,097	157,497
Provision (benefit) for income taxes	7,208	6,740	31,707	(15,466)	30,189
Adjusted EBITDA	$ 237,857	$ 249,825	$ 297,561	$ 261,417	$ 1,046,660
Net Debt (total debt, less cash)					$ 3,211,648
Net Debt / LTM Adjusted EBITDA					3.1x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 12/31/2016, 12/31/2015, 12/31/2014 and 12/31/2013.

Tabular reconciliations for Non-GAAP measures

Reconciliation of Free Cash Flow
(in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cash provided by operating activities	$ 146,647	$ 154,841	$ 341,839	$ 277,876
Cash used in investing activities	(67,187)	(79,092)	(131,886)	(167,410)
Cash used in financing activities	(73,054)	(54,524)	(201,525)	(162,312)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cash provided by operating activities	$ 146,647	$ 154,841	$ 341,839	$ 277,876
Additions to property and equipment	(67,187)	(79,092)	(131,886)	(167,410)
Free Cash Flow	$ 79,460	$ 75,749	209,953	110,466

2018 Business outlook and financial guidance

With respect to the 2018 guidance provided, full-year Adjusted EBITDA guidance consists of Adjusted Operating Income guidance adjusted for the impact of depreciation and amortization of property and equipment, amortization of capitalized implementation costs and amortization of upfront incentive consideration of approximately $410 million.

Full-year Adjusted Operating Income guidance consists of Adjusted Net Income guidance adjusted for the impact of interest expense, net of approximately $155 million and provision for income taxes less tax impact of net income adjustments of approximately $125 million.

Full-year Adjusted Net Income guidance consists of full-year expected net income attributable to common stockholders adjusted for the estimated impact of loss from discontinued operations, net of tax, of approximately $5 million; net income attributable to noncontrolling interests of approximately $5 million; acquisition-related amortization of approximately $70 million; stock-based compensation expense of approximately $60 million; other items (primarily consisting of litigation and other costs) of approximately $5 million; and the tax benefit of the above adjustments of approximately $20 million. Full-year Adjusted EPS guidance consists of Adjusted Net Income divided by the projected weighted-average diluted common share count for the full year of approximately 278 million.

Full-year Free Cash Flow guidance consists of expected full-year cash provided by operating activities of $715 million to $735 million adjusted for additions to property and equipment of $290 million to $310 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Operating Income (Loss), Adjusted Net Income from continuing operations ("Adjusted Net Income"), Adjusted EBITDA, Adjusted EPS, Free Cash Flow and ratios based on these financial measures.

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

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

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

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

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

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

Non-GAAP financial measures

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. We also believe that Adjusted Gross Profit, Adjusted Operating Income (Loss), Adjusted Net Income, Adjusted EBITDA and Adjusted EPS 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.

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

these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted Gross Profit and Adjusted EBITDA do not reflect cash requirements for such replacements;

Adjusted Operating Income (Loss), Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;

Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;

Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;

Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and

other companies, including companies in our industry, may calculate Adjusted Gross Profit, Adjusted Operating Income (Loss), Adjusted Net Income, Adjusted EBITDA, Adjusted EPS or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP footnotes

1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, (iii) Abacus International Lanka Pte Ltd of 40%, and (iv) Sabre Bulgaria of 40% beginning in November 2017.
2) Depreciation and amortization expenses:
   a) Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
   b) Depreciation and amortization of property and equipment includes software developed for internal use.
   c) Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.
3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. This consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. These service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. These service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.
4) In the fourth quarter 2017, Other, net includes a benefit of $60 million due to a reduction to our liability under the tax receivable agreement ("TRA") primarily due to a provisional adjustment resulting from the enactment of the Tax Cuts and Jobs Act ("TCJA") which reduced the U.S. corporate income tax rate, offset by a loss of $15 million related to debt modification costs associated with a debt refinancing. In the first quarter of 2017, we recognized a $12 million loss in other, net related to debt modification costs associated with our debt refinancing. In 2016, we recognized a gain of $15 million from the sale of our available-for-sale marketable securities. In addition, other, net includes foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.
5) Litigation (reimbursements) costs, net represent charges and legal fee reimbursements associated with antitrust litigation. In 2017, we recorded a $43 million reimbursement, net of accrued legal and related expenses, from a settlement with our insurance carriers with respect to the American Airlines litigation. In 2016, we recorded an accrual of $32 million representing the trebling of the jury award plus our estimate of attorneys' fees, expenses and costs in the US Airways litigation.
6) In the three months ended June 30, 2017, we recorded an impairment charge of $92 million associated with net capitalized contract costs related to an Airline Solutions' customer based on our analysis of the recoverability of such amounts. In the fourth quarter of 2017, we recorded an $11 million adjustment to this charge.
7) Restructuring and other costs represent charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs. In the second quarter of 2017, we recorded a $25 million charge associated with an announced action to reduce our workforce. In 2016, we recorded a $20 million charge associated with an announced action to reduce our workforce. These reductions aligned our operations with business needs and implemented an ongoing cost and organizational structure consistent with our expected growth needs and opportunities.
8) The diluted weighted-average common shares outstanding presented for the three months ended June 30, 2017 differs from GAAP and assumes the inclusion of 1,392,438 common stock equivalents associated with stock options and restricted stock awards. Because we recognized a loss from continuing operations during the three months ended June 30, 2017, the basic weighted-average shares outstanding and the diluted weighted-average shares outstanding are otherwise the same under GAAP.
9) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of the Trust Group and Airpas Aviation.