Q4 & FY 2025 Earnings Call Prepared Remarks

February 18, 2026

Slide 1 – Title Slide

Good morning and welcome to Sabre's full-year and fourth quarter 2025 earnings conference call. As a reminder, please note today's call is being recorded.

I will now turn the call over to the Senior Vice President Finance, Roushan Zenooz. Please go ahead, sir.

Slide 2 – Forward-looking statements

Roushan Zenooz, Senior Vice President Finance

Good morning and welcome to our full-year and fourth quarter 2025 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, commercial and strategic arrangements, our financial guidance, outlook and expectations, pro forma financial information, free cash flow, net leverage, 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-K for the year ended December 31, 2025.

Throughout today's call, we will also be presenting certain non-GAAP financial measures. References during today's call to Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted EBITDA, and Normalized Adjusted EBITDA Margin 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, and we have removed the impact of the $227 million payment-in-kind interest that was recorded in conjunction with the refinancing activity in the second quarter of 2025, from Pro Forma Free Cash Flow. Unless otherwise noted, results presented are based on continuing operations.

Slide 3 – Today's presenters

Participating with me are Kurt Ekert, President and Chief Executive Officer, Mike Randolfi, Chief Financial Officer and Garry Wiseman, President, Product and Engineering.

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

Kurt Ekert, President and CEO

Thanks Roushan.

Hello everyone and thank you for joining us. 2025 was a challenging and dynamic year in which exogeneous events impacted our operational results.

Despite these challenges, we remained focused on execution and met or exceeded our financial guidance in the fourth quarter and ended the year with positive momentum. Moving forward, I believe we are well positioned for strong, sustained performance.

Our growth outlook today is driven by several key catalysts: continued distribution share gains, the expansion of our multi-source content platform, solid growth in both Hotel Distribution and our Payments business, as well as improving performance in our Airline Technology business.

As I've discussed previously, our industry is evolving rapidly, and Sabre is evolving with it. We are in the midst of a fundamental transition, moving Sabre from a GDS focused company to an AI-native technology leader.

Before reviewing 2025 performance, I have some thoughts on recent market sentiment around AI disintermediation risk—the concern that AI bots could bypass our marketplace and connect directly to suppliers. We strongly disagree. AI needs what Sabre has already built: vast, constantly evolving data, integrated content, and complex logic purpose-built to solve travel's uniquely challenging workflows. We provide the foundational transaction layer AI uses to shop, price, book, and service travel. We expect this shift makes us more essential, not less.

We believe agentic AI will reshape the technology landscape and we are positioning Sabre to lead in this next phase. As AI-native companies enter the travel ecosystem, they need Sabre's strong foundation, which provides breadth of content, modern cloud-native platform, and AI-native APIs – which we believe positions us as the platform of choice.

While we are in the early stages of sizing the AI opportunity, and have not included any of the potential significant upside in our forward outlook, we are taking deliberate actions to align our talent and investments with this strategy, and position Sabre for long-term growth and value creation.

As part of these actions, today we announced a series of executive leadership changes, effective tomorrow. Garry Wiseman is promoted to President, Product and Engineering, with his remit expanded to include leadership of innovation and agentic AI. Shawn Williams is appointed Chief Operating Officer and will lead Sabre's revenue and commercial operations functions. Andy Finkelstein steps into the role of Chief Commercial Officer, Travel Marketplace and Dave Medrano is promoted to Chief People Officer.

Separately, Roshan Mendis, who has been a superb leader during his many years with Sabre, most recently as Chief Commercial Officer, has decided to pursue another opportunity. Roshan will transition to Senior Advisor before departing the company in May. We deeply appreciate his contributions and wish him continued success.

On today’s call, I've invited Garry to share our progress on delivering agentic AI solutions to drive long-term growth, and why that makes us a critical part of the evolving AI ecosystem.

Slide 4 – Delivering on our strategic priorities

Kurt Ekert, President and CEO

Now, turning to slide four, for the year, we recorded double-digit year-on-year growth in Normalized Adjusted EBITDA and generated positive Pro Forma Free Cash Flow.

A key focus for us is further strengthening our balance sheet, and we made significant progress this year by paying off over $1 billion in debt, which when combined with growth in pro forma adjusted EBITDA, reduced our pro forma net leverage by approximately 25% compared to year-end 2024.

We continue to be proactive in managing our long-term capital structure. Through two successful refinancings in 2025, we have no large maturities until 2029, and over 90% of our debt now matures in 2029 or later.

We also ended the year with a strong cash balance of $910 million, which includes $98 million of restricted cash for debt repayments in the first quarter of 2026.

While we have more work to do to reach our long-term leverage goals, these actions provide us with significant room to continue to invest and further grow our business.

On the right side of the slide, our technology investments are driving positive measurable results. AI has been a core, systemic part of the Sabre technology stack for years, and we continue to lean into that advantage.

In 2025, we seized the first mover position in our industry with our introduction of agentic APIs and a proprietary MCP server designed for the travel industry. These agentic solutions help AI agents better understand and operate within the complexity of travel content and workflows. We also launched several industry-first AI solutions and partnerships, which Garry will touch on shortly.

Sabre Payments was one of our fastest-growing businesses in 2025, with gross spend on the platform increasing more than 35% year-on-year and producing strong revenue growth.

Our Travel Marketplace continues to deliver multisource travel content on an unprecedented scale and drove agency wins and expansions during the year. In the fourth quarter air distribution bookings grew 4%, which included the direct and indirect impacts from the US government shutdown, and we ended the year with air bookings growth of 7% in December.

Finally, we extended our leadership position in NDC by adding 15 live integrations during the year, bringing our total to 42 and we are seeing adoption ramp. We exited 2025 with NDC representing approximately 4% of total air bookings, and we expect our rate of NDC bookings to accelerate throughout 2026.

Slide 5 – Business and financial results

Moving to slide 5, and details on full-year 2025 results.

Overall results were positive across the board.

Total distribution bookings grew 1% year-on-year, and full-year air distribution bookings were also positive.

Within Airline Technology, passengers boarded grew 2% year-on-year.

Hotel distribution bookings increased 5% year-on-year to 42 million, and the attachment rate to air bookings increased over 130 basis points year-on-year. Gross hotel booking value transacted through the platform now exceeds $20 billion annually.

These positive results drove full-year revenue growth, and combined with ongoing expense management, Normalized Adjusted EBITDA grew 10%. Normalized Adjusted EBITDA margin improved over 160 basis points to 19%.

Slide 6 – Driving growth through innovation

Moving to slide six.

Our cloud native technology foundation is driving growth across our portfolio.

Within Airline Technology, we are delivering a growing suite of modular, AI-driven solutions, ranging from new tools that optimize revenue in real time to a growing suite of GenAI chat and servicing capabilities. As airlines transition to modular, offer/order-based systems, we believe Sabre is well-positioned to be the vendor of choice for their transformation. With our SabreMosaic Airline Technology gaining momentum, we expect to drive positive IT Solutions revenue growth for 2026.

Our Travel Marketplace provides a single connection to what we believe is the widest breadth of travel content in the industry.

Air Expansion is the combination of our 'Distribution Expansion' and 'Multi-Source Platform' growth strategies. Despite a challenging 2025, we ended the year with strong momentum. Driven by continued share gains, growth in NDC bookings, our new LCC solution which is now fully launched, as well as continued growth from the Sabre Mosaic Marketplace, we expect to see a meaningful year-on-year acceleration in air bookings growth. Overall, we expect annual volume growth for both 2026 and 2027 to be in the mid-single digits. Importantly, now six weeks into the quarter, the strength we saw in December has continued, and is broad-based across all regions, and also within corporate travel.

Lodging Expansion continues to scale delivering over $350 million in annual LGS revenue in 2025, and we expect continued solid revenue growth in 2026.

Finally, we believe that Payment Suite, our integrated FinTech hub, is well positioned for sustained growth. It remains one of the fastest growing areas within Sabre, with strong demand for our solutions that simplify operations, increase payment flexibility, and automate risk and fraud management.

I'll now hand the call over to Garry who will discuss AI and Sabre's AI strategy in greater detail.

Slide 7 – Sabre's agentic opportunity

Thank you Kurt, moving to slide 7.

AI needs us to power results, and we believe it is a huge opportunity for us. Let me explain why from a technology perspective.

We sit on over 50 petabytes of curated travel data, and we have the greatest depth and breadth of content in the travel space. We process 14,000 transactions per second and 11 billion shopping signals per month. These unparalleled demand signals don't exist anywhere in the public domain. However, we enable pure-play AI companies to participate in a complex space with a simple connection to these insights.

We believe we are also critical in an AI-first world because of our proprietary and constantly evolving logic. Travel is extraordinarily complex. We house over 50 years of servicing workflows, travel policies and compliance logic across 200+ countries and thousands of supplier-specific fare rules and partner network agreements - all built through billions of real transactions. In short, we believe we have solved for almost every single edge case that has ever existed in travel, anywhere in the world. This logic is proprietary and cannot be scraped from the web or reverse-engineered. AI engines cannot independently obtain and orchestrate this logic.

While chatbots can generate itineraries, they can't book or service them reliably at scale. For example, we aggregate and normalize real-time flight results in sub-seconds across hundreds of sources. This is a huge technical hurdle for most AI players today. And this is why Virgin Australia, PayPal, and a growing pipeline are building on us, not around us.

And finally, we have a first-mover advantage in the industry. We launched the first agentic APIs and MCP server for travel almost 6 months ago — this was purpose-built for LLM consumption at enterprise scale. It’s in production now while competitors have yet to unveil their agentic APIs. Our open, modular platform plugs into wherever travel gets sold and wherever consumers go next, which we believe is conversational commerce.

In summary, we own the foundational layer AI needs to transact travel. We believe the shift to agentic makes us more essential than ever.

Slide 8 – Powering the next age of travel with AI

Moving to slide 8, I’ll discuss our three recent strategic partnerships – which serve to demonstrate our leadership position within AI infrastructure

We believe Sabre is becoming the essential AI infrastructure for travel, serving both established companies modernizing their stacks and AI-native startups building next-generation experiences.

Our three recent partnerships confirm this.

PayPal and MindTrip are building with us a next-generation agentic experience unifying discovery, planning, booking, payment and servicing in one conversational interface. MindTrip brings the consumer platform, PayPal brings flexible payments and agentic commerce, and Sabre brings an enterprise travel platform and agentic AI expertise. The product launch is targeted for the second quarter of 2026.

BizTrip, a Silicon Valley-based AI-native TMC, is combining our agentic capabilities with their AI assistants to build corporate travel functionality handling complex bookings, real-time itinerary management, and intelligent policy automation through natural language interfaces. They're leveraging our Travel Marketplace, agentic APIs, and global network.

Virgin Australia is the first airline deploying our Concierge IQ solution. It handles layered questions, delivers accurate bookable results, and goes beyond booking to manage rebooking, miles redemption, refunds, and bag tracking. Virgin Australia is seeing improved experience and higher satisfaction with Concierge IQ. Additionally, we are exposing this functionality via a new

ChatGPT plug-in for Virgin Australia. This ChatGPT plug-in solution is available for all of our travel supply partners.

Our AI solutions help our customers compete and win in the emerging AI ecosystem. Further, we believe we are well positioned to win in the new channel of conversational travel commerce, by providing comprehensive shopping, booking, and servicing capabilities to any company that is developing an agentic travel experience.

Thank you, and now over to Mike.

Slide 9 – EVP & CFO, Mike Randolfi

Mike Randolfi, CFO

Thanks Garry, and good morning everyone.

Please turn to Slide 10.

Slide 10 – Q4 2025 financial highlights

Fourth quarter financial results were solid and generally met the expectations we shared on our third quarter call. These results reflect the continued improvement in operating trends we saw at the end of the third quarter, partially offset by impacts related to the Government shutdown during the quarter.

In the fourth quarter, total revenue grew by 3% year-on-year, consistent with our guidance of low single digit year-on-year growth.

Distribution revenue grew $27 million, an increase of 5%, primarily due to an increase in air and hotel distribution bookings, favorable rate impacts, and an increase in other revenue.

Air distribution bookings grew 4% year-on-year, below the guidance of 6% to 8% we provided on our third quarter earnings call. While our previous outlook accounted for the government and military travel reductions known at the time, the impacts were broader than expected due to lower inbound U.S. traffic and an increase in flight cancellations.

As Kurt mentioned, we ended the year with strong momentum – achieving 7% air distribution bookings growth in December and we anticipate mid-single digit air distribution bookings growth in the first quarter.

IT Solutions revenue of $140 million was within the range of expectations we shared on our third quarter call.

Gross margin of 58% was also in line with our expectations. The year-on-year decrease in gross margin was primarily due to revenue mix and FX impacts of a weaker US dollar.

Fourth quarter 2025 Normalized Adjusted EBITDA of $119 million increased 10% year-on-year, with Normalized Adjusted EBITDA margin expanding by 107 basis points to 18%. Normalized Adjusted EBITDA growth was driven by higher revenue and continued expense management.

Pro Forma Free Cash Flow was $116 million for the fourth quarter, a year-on-year increase of $45 million. And recall, our quarterly pro forma free cash flow includes the negative impact of $19 million of disbursements related to refinancing fees and interest paid earlier than previously expected.

Slide 11 – FY 2025 financial highlights

Moving to slide 11 and full year 2025 results.

For the full year, Sabre reported revenue of $2.8 billion, up 1% year-on-year, driven primarily by growth in distribution revenue.

Gross margin for the year of 57.2% was within our expectations.

Full year 2025 Normalized Adjusted EBITDA of $536 million increased 10% year-on-year, with Normalized Adjusted EBITDA margin expanding by 166 basis points to 19%.

Pro Forma Free Cash Flow was $57 million. We ended the year with a strong cash balance of $910 million, which includes $98 million of restricted cash for debt repayments in the first quarter of 2026.

Slide 12 – 2025 actual results versus guidance

Moving to Slide 12.

Full year results were largely in line with the expectations we outlined on our third quarter earnings call.

Revenue growth of 1%, met our guidance for flat year-on-year growth.

Normalized Adjusted EBITDA of $536 million was above our guidance of approximately $530 million driven by continued cost management.

Pro Forma Free Cash Flow of $57 million includes $19 million of disbursements related to refinancing fees and interest paid earlier than previously expected due to the refinancing activity in December 2025.

Slide 13– Focused on improving balance sheet and de-levering

Turning to slide 13.

In 2025, we made significant progress on our capital structure, lowering overall debt and extending our maturities. We paid off over $1 billion of debt using cash on the balance sheet and proceeds from the sale of Hospitality Solutions. Importantly, we have also extended our debt maturity profile. Following two successful refinancings in 2025, we have no large debt maturities until the spring of 2029 and over 90% of our debt matures in 2029 or later.

Through growth in Pro Forma Adjusted EBITDA and the reduction of debt, combined with our strong year-end cash balance, we have reduced our pro forma net leverage ratio by approximately 25% versus year-end 2024.

We remain focused on further de-levering, and I am proud of the work we have done this year.

Slide 14 – FY 2026 pro forma guidance

Moving to Slide 14 and our outlook for 2026, including a walk from 2026 pro forma Adjusted EBITDA to free cash flow.

Consistent with our strategy, we are providing 2026 guidance as well as commentary on 2027 to demonstrate that we believe we are well-positioned to generate sustainable positive free cash flow over the long-term. Our outlook excludes the potential upside from agentic AI initiatives, which we believe could be meaningful, but is too early to quantify.

For full year 2026, we expect mid-single digit volume growth driven by continued share gains, growth of NDC bookings, and our recently launched LCC solution. We expect the growth in volumes will lead to year-on-year revenue growth of mid-single digits. We also expect IT Solutions revenue to grow in the mid-single digits for the year and to be in the range of $140 - $150 million per quarter with growth coming primarily in the back half of the year.

As mentioned, we do expect that a portion of 2026 revenue growth will be driven by increasing NDC and LCC volumes, which drive incremental gross profit at a slightly lower margin. In addition due to the impact of these accelerating volumes, some additional expected changes in mix, as well as FX pressure, we anticipate 2026 pro forma gross margin to be in the range of 56% to 57%.

We are targeting to keep Pro Forma Adjusted Technology and Pro Forma Adjusted SG&A expense lines relatively flat over the next two to three years through an inflation offset program. The goal of this program is to offset normal inflationary pressures over the next two to three years.

We anticipate the Pro Forma Adjusted Technology line will reflect a low single-digit percent increase due to increased technology costs from higher volumes.

We expect Pro Forma Adjusted SG&A will decrease by a low single digit amount for the full year 2026.

Through keeping costs relatively flat, we expect strong flow through from revenue growth to Pro Forma Adjusted EBITDA, which is expected to be approximately $585 million in 2026.

We do not expect any significant change to our annual capex spend of approximately $80 million.

Annual cash interest in 2026 is expected to be approximately $470 million. This represents a year-on-year increase of approximately $140 million. The increase is primarily due to Sabre no longer receiving the cash benefit from the paid-in-kind instrument Sabre had in place from June 2023 through May of 2025, which provided us with the option to defer cash interest.

As part of our inflation offset program, we estimate total restructuring costs will be around $65 million. In the fourth quarter of 2025, we recorded a $51 million restructuring charge related to this program. We expect approximately $60 million in cash outflows related to the program in 2026.

One item to note before discussing our free cash flow guidance – going forward we will not be utilizing the pro forma free cash flow metric as there are no further adjustments to be made to free cash flow for the sale of Hospitality Solutions.

We expect 2026 free cash flow to be negative $70 million driven primarily by the impact of the $60 million in restructuring costs associated with our previously discussed inflation offset program. Excluding the restructuring charge, free cash flow for 2026 would be near break-even.

Looking beyond 2026, with the continued execution of our growth strategies, we anticipate the positive growth trends we have guided to in 2026 will extend into 2027. Our current expectation is also for mid-single digit revenue growth in 2027. Driven by continued revenue growth and ongoing cost discipline, we expect sustained year-on-year Adjusted EBITDA growth and importantly, positive free cash flow in 2027.

Slide 15 – Q1 2026 pro forma guidance

Looking at slide 15 and our expectations for the first quarter.

We expect solid growth in the first quarter with volume and revenue growth in the mid-single digits.

We anticipate our first quarter revenue growth will result in higher year-on-year gross income. We expect first quarter pro forma gross margin to be at the lower end of our expected annual range of 56% to 57%, primarily due to revenue mix and FX impacts of a weaker US dollar. We expect gross margins for the remaining three quarters of 2026 to be higher versus the first quarter due to the impact of higher margin sales including media as well as payments.

Additionally, in the first quarter, we expect Pro Forma Adjusted Technology Expense will be higher on a year-on-year basis, primarily due to volume growth and typical wage inflation.

Moving to Pro Forma Adjusted SG&A, we expect a year-on-year increase due to a combination of typical wage inflation and the impact of a sales tax refund benefit of $7 million in the prior year that is not expected to recur.

For the remainder of 2026, we expect that our costs will generally trend down due to the impacts of our inflation offset program.

Overall, we expect first quarter Pro Forma Adjusted EBITDA to be approximately $130 million.

We expect quarterly free cash flow to follow historical seasonality and expect the first and third quarters to reflect the majority of the full-year increase to cash interest expense. For additional details, we have included a schedule of expected quarterly cash interest within our website financials, available on our investor relations website.

Our strategy remains focused on generating free cash flow and de-levering our balance sheet and driving sustainable growth through innovation. We made significant progress against these priorities in 2025. Building on the momentum we exited 2025 with, we are excited for the year ahead and we are optimistic that Sabre is positioned to transition to a period of higher revenue growth going forward.

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

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