11. Shareholders and financial institutions

11.1 Amadeus Investor Relations’ mission and activity

The Amadeus strategy framework has been designed to foster the company’s viability and sustainable growth, providing stakeholders with long-term value. Additionally, it is of vital importance for Amadeus to maintain effective and straightforward communication with its stakeholders in capital markets, ensuring transparency with regards to our performance.

Amadeus Investor Relations’ mission is to maintain an open dialog and build long-term relationships based on credibility and trust with its financial community, including current and potential shareholders, research analysts, debt holders, credit rating agencies and other participants such as the regulator of the Spanish market, the Comisión Nacional del Mercado de Valores (CNMV).

The Investor Relations function, which is part of the Finance function at Amadeus, strives to increase the awareness of Amadeus in its capital markets, ensuring that the various stakeholders are informed on relevant company or industry news, the competitive landscape and Amadeus’ operational and financial performance. The team aim to communicate effectively and proactively, delivering relevant information in a consistent and timely manner.

The Amadeus Investor Relations communication policy was defined in compliance with the best practices and recommendations of good governance that are applicable to listed companies. It is based on the following principles:

- Responsibility, diligence and transparency of information disclosure
- Equal treatment and protection of rights and interests of stakeholders
- Cooperation with shareholders

In particular, Amadeus has further adapted its communication policy via its Directors’ report to the recent updates made in Spanish Legislation, to be aligned with Directive 2014/95/UE, concerning detailed disclosure and external review of non-financial information. The aim is to contribute to a better understanding of
corporate risks, therefore increasing sustainability and shareholder confidence while providing stakeholders with an overall idea of the company’s impact on society.

One of the main channels for the provision of information by Amadeus to its shareholders and its capital markets in general is the CNMV, as well as the channels established by other foreign authorities and supervisory entities, when applicable. These entities ensure the immediate dissemination of information through publication on their websites. These significant events are simultaneously posted on Amadeus’ corporate website. The Annual General Shareholders’ Meetings and our periodic Investor Day events are also means to channel information to shareholders.

At Amadeus, there is a two-way relationship between the company and the financial community. On the one hand Amadeus provides pertinent and relevant information to the financial community, and on the other it collects and receives valuable feedback from our stakeholders. This feedback is taken into account in the decision-making processes of the company’s top management.

In 2018 Amadeus continued with an extensive investor relations activity program, which included:

- Participation in a number of investor conferences and roadshows all over the world. Cities visited included Barcelona, Boston, Brussels, Frankfurt, Lisbon, Milan, Montreal, New York, Paris and Toronto.
- Conference calls, face-to-face meetings and several large reverse roadshows conducted by the Investor Relations team in Madrid, reaching a large number of investors.
- Meetings and ongoing communication with the company’s base of analysts. The number of analysts following the Amadeus stock stood at 38 at the end of the year.
- Website views: in June 2018 Amadeus launched the updated Amadeus Corporate website, which includes investor information as well as our newsroom. Since its launch through to the end of 2018, the new website has had over 160,000 page views by more than 70,000 unique visitors.

In January 2018 Amadeus was ranked among Corporate Knights’ 2018 Global 100 Most Sustainable Corporations in the World for the second consecutive year. Only the top 2% of companies in the world are recognized for their sustainability performance on the Global 100. Furthermore, for the seventh year in a row Amadeus has earned the prestigious recognition of being included in the Dow Jones Sustainability Indices (DJSI), in the IT & Internet Software and Services sector. The Dow Jones Sustainability Indices are made up of global sustainability leaders based on economic, environmental and social criteria. This success has been the result of our commitment to developing a sustainable business, which brings long-term rewards to all our stakeholders and places emphasis on the careful management of resources.

In September 2018 Amadeus was included for the first time in the EURO STOXX 50, a leading index comprising of 50 of the largest blue-chip stocks in Europe, ranked on the basis of a number of factors, such as market capitalization and liquidity.
11.2 The stock market in 2018

Despite a good start to the year, driven by an initial boost from the US tax cuts and good, early economic performance in the US, 2018 proved a more challenging year for capital markets. Growth in other parts of the world, most notably Europe, decelerated, leading to a desynchronization of the homogenous growth seen in 2017. The last quarter of 2018 saw the worst quarterly performance in global markets in seven years, resulting in negative growth in most of the world’s major indices over the full year.

With the US Federal Reserve interest rates gradually but continually rising, weaker economic growth in China and rising geopolitical concerns (Brexit, the Italian budget and the ongoing trade conflict between the US and China), 2018 was a difficult year for investors. The global decline mainly centered on Europe, with all major indices falling in the double-digit range (CAC40: -11%, FTSE 100: -12.5%, EURO STOXX 50: -14%, IBEX: -15%, DAX: -18%). However, the US stocks also suffered (NASDAQ: -1%, DOW JONES: -6%, S&P 500: -6%).
11.3 Amadeus’ share performance

Despite a challenging economic backdrop, Amadeus’ share price increased by 1.2% in 2018, outperforming global markets. The share price reached its historical maximum of €82.06 on October 1, 2018 following a 37% growth over the first nine months of the year. This growth was augmented, thanks to the inclusion of Amadeus in the EURO STOXX 50 from September 21, 2018. Following a difficult fourth quarter for global markets, Amadeus closed the year at €60.84.

Amadeus’ share performance in 2018

Our market capitalization at December 31, 2018 was €26,698 million. The average daily trading volume was 1.3 million shares, for a total traded volume of €23.5 billion for the year. The proportion of our stock in free float reached 98.03% at year-end.

Amadeus has increased its weight within the IBEX 35 to 5.1% as of December 31, 2018, remaining the sixth largest company in the index.

In 2018 adjusted earnings\(^1\) per share stood at €2.61 and on December 31, 2018 the price to adjusted earnings ratio was 23.3x.

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\(^1\) Including TravelClick’s 2018 consolidation effect of €14.3m, on the adjusted profit, while excluding TravelClick’s related acquisition transaction costs, PPA adjustment and bank acquisition financing interest expense.
**Amadeus key trading for the year**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in share price (%)</td>
<td>39.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Maximum share price (figures in €)</td>
<td>61.95</td>
<td>82.06</td>
</tr>
<tr>
<td>Minimum share price (figures in €)</td>
<td>42.58</td>
<td>56.90</td>
</tr>
<tr>
<td>Weighted average share price (figures in €)*</td>
<td>51.75</td>
<td>67.38</td>
</tr>
<tr>
<td>Average daily volume (number of shares)</td>
<td>1,369,088</td>
<td>1,330,007</td>
</tr>
<tr>
<td>Average daily volume (figures in € thousand)</td>
<td>68,391</td>
<td>90,242</td>
</tr>
<tr>
<td>Annual volume (figures in € thousand)</td>
<td>17,781,616</td>
<td>23,462,832</td>
</tr>
</tbody>
</table>

* Excluding cross trades.

**Amadeus key trading data at year-end**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares issued at Dec 31</td>
<td>438,822,506</td>
<td>438,822,506</td>
</tr>
<tr>
<td>Share price at Dec 31 (figures in €)</td>
<td>60.11</td>
<td>60.84</td>
</tr>
<tr>
<td>Market capitalization at Dec 31 (figures in € million)</td>
<td>26,378</td>
<td>26,698</td>
</tr>
<tr>
<td>Earnings per share (adjusted profit share), full year (figures in €)</td>
<td>2.54</td>
<td>2.61</td>
</tr>
<tr>
<td>Dividend per share, full year (figures in €)</td>
<td>1.135</td>
<td>1.175</td>
</tr>
<tr>
<td>Dividend yield, full year (%)*</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Payout ratio, full year (%)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Price to earnings ratio at Dec 31 (x)</td>
<td>23.7x</td>
<td>23.3x</td>
</tr>
</tbody>
</table>

* Based on year-end share price.

**11.4 Shareholder remuneration**

Amadeus has a proven track record of operating a solid and resilient business model that generates strong free cash flow, allowing for continued and sustained investment in R&D and innovation as well as shareholder remuneration, while maintaining a flexible financial capital structure.

Ordinary dividends paid have grown consistently every year since Amadeus’ initial Public Offering (IPO), at an average annual rate of 20%. Amadeus complemented this with share repurchase programs in 2015 and 2018. We aim to continue to support this growth in the coming years based on a healthy cash-generation profile and a sound balance sheet.

**Amadeus shareholder remuneration**

- Total €3.2 billion returned since IPO.
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Ordinary dividend payments

The annual gross dividend from 2017’s profits was approved by our shareholders at the General Shareholders’ Meeting held on June 21, 2018. The total value of the dividend increased 20.7% vs. prior year to €498.1 million, representing a pay-out of 50% of the 2017 reported profit for the year, or €1.135 per share (gross). An interim amount of €0.48 per share (gross) was paid on January 31, 2018 and the complementary dividend of €0.655 per share (gross) was paid on June 29, 2018.

On December 13, 2018 the Board of Directors of Amadeus proposed a 50% pay-out ratio for the 2018 dividend.

In June 2019 the Board of Directors will submit to the General Shareholders’ Meeting for approval a final gross dividend of €1.175 per share, representing a 3.5% increase vs. the 2017 dividend and a 50% of the reported profit, adjusted to exclude TravelClick’s acquisition related effects. An interim dividend of €0.51 per share (gross) was paid in full on January 17, 2019. Based on this, the proposed appropriation of the 2018 results included in our 2018 audited consolidated financial statements includes a total amount of €515.6 million corresponding to dividends pertaining to the financial year 2018.

Extraordinary shareholder remuneration

Additionally, Amadeus has stated that in low-leverage scenarios, it would complement ordinary shareholder remuneration with extraordinary remuneration.

On December 14, 2017 Amadeus’ Board of Directors agreed to undertake a share repurchase program, in accordance with the authorization granted to it by the General Shareholders’ Meeting held on June 20, 2013. The purpose of the share repurchase program was the redemption of shares (subject to the approval of the General Shareholders’ Meeting). The maximum investment approved under the program was €1,000 million, not exceeding 25,000,000 shares (or 5.69% of share capital), to be carried out in two tranches:

_ Tranche 1: up to €500 million (non-cancellable), from January 1, 2018 to March 31, 2019.

_ Tranche 2: up to €500 million (cancelable at Amadeus’ discretion), from April 1, 2019 to March 31, 2020.

Following the acquisition of TravelClick on October 25, 2018, Amadeus announced that the Board of Directors agreed to cancel the second (cancelable) tranche of the share repurchase program, which was due to start on April 1, 2019.

On December 10, 2018 Amadeus announced that it had reached the maximum investment under the first tranche (€500 million), thus completing the share repurchase program. Under the program, Amadeus has acquired 7,554,070 shares (representing 1.721% of Amadeus’ share capital).

11.5 Financial institutions

Net financial debt, as per our credit facility agreements’ terms, amounted to €3,074.0 million as of December 31, 2018 (representing 1.47 times last-twelve-month EBITDA).

The main objectives of Amadeus’ financial strategy are to reduce the cost of financing, diversify funding sources as much as possible, increase flexibility and extend the maturity profile of our debt.

The main changes to our debt in 2018 were:

_ Three Eurobond issues on September 18, 2018 (under our Euro Medium Term Note Programme) for a total amount of €1,500 million, with the following conditions: (i) a €500 million issue, with a three-year-and-a-half maturity and an interest rate of three-month Euribor plus 0.45% margin (with a minimum annual coupon of 0%), (ii) a €500 million issue, with a five-year maturity, an annual coupon of 0.875% and an issue price of 99.898% of nominal value, and (iii) a €500 million issue, with an eight-year maturity, an annual coupon of 1.5% and an issue price of 99.761% of nominal value.

_ The use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €30.0 million.

_ A repayment of €65.0 million related to the European Investment Bank loan.

In October 2018 Standard & Poor’s confirmed its “BBB” long-term and “A-2” short-term ratings for Amadeus, with a positive outlook. In November 2018 Moody’s confirmed its “Baa2” long-term rating for Amadeus, with a stable outlook.