Q3 2020 Earnings Report

6 November 2020

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 "expect," "believe," "tomorrow," "position," "guidance," "outlook," "hope," "estimate," "project," "anticipate," "will," "continue," "commit," "may," "should," "would," "intend," "potential," "long-term," "growth," "results" 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, the severity, extent and duration of the global COVID-19 pandemic and its impact on our business and results of operations, financial condition and credit ratings, as well as on the travel industry and consumer spending more broadly, the actions taken to contain the disease or treat its impact, the effect of remote working arrangements on our operations and the speed and extent of the recovery across the broader travel ecosystem, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, including from airlines' insolvency, suspension of service or aircraft groundings, the effect of cost savings initiatives, the timing, implementation and effects of the technology investment and other strategic initiatives, the completion and effects of travel platforms, travel suppliers' usage of alternative distribution models, exposure to pricing pressure in the Travel Network business, changes affecting travel supplier customers, maintenance of the integrity of our systems and infrastructure and the effect of any security breaches, failure to adapt to technological advancements, competition in the travel distribution market and solutions markets, implementation of software solutions, reliance on third parties to provide information technology services and the effects of these services, the execution, implementation and effects of new, amended or renewed agreements and strategic partnerships, including anticipated savings, 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, our collection, processing, storage, use and transmission of personal data and risks associated with PCI compliance, our ability to recruit, train and retain employees, including our key executive officers and technical employees, the financial and business results and effects of acquisitions, the effects of any litigation and regulatory reviews and investigations, 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, failure to comply with regulations, use of third-party distributor partners, the effects of the implementation of new accounting standards, 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" and "Forward-Looking Statements" sections in our Quarterly Report on Form 10-Q filed with the SEC on August 10, 2020, in our Annual Report on Form 10-K filed with the SEC on February 26, 2020 and in our other filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, 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 (Loss) Income, Adjusted Net (Loss) Income, Adjusted Operating Income margin, Adjusted EBITDA, Adjusted Net (Loss) Income from continuing operations per share ("Adjusted EPS"), Free Cash Flow, and the ratios based on these financial measures.

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" in the appendix 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/Certain Definitions

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

Today's call

Optimism for the future:

- Q3 booking trends showed signs of improvement from Q2
- 1,400 airline and agency deals signed year-to-date
- Aggressive actions to reduce costs, manage cash burn, extend debt maturities and add liquidity
- Continue to invest in tech transformation and migration to Google Cloud

Major advancements with Google:

- Sabre Travel AI ™
  - Pioneering Artificial Intelligence technology for travel
  - Powered by Google's AI technology and machine-learning capabilities
- Sabre Smart retail engine
  - Industry's first smart, scalable retail engine
  - First product powered by Sabre Travel AI ™
  - Expect to launch early next year
- These are next steps in our Google Innovation Framework

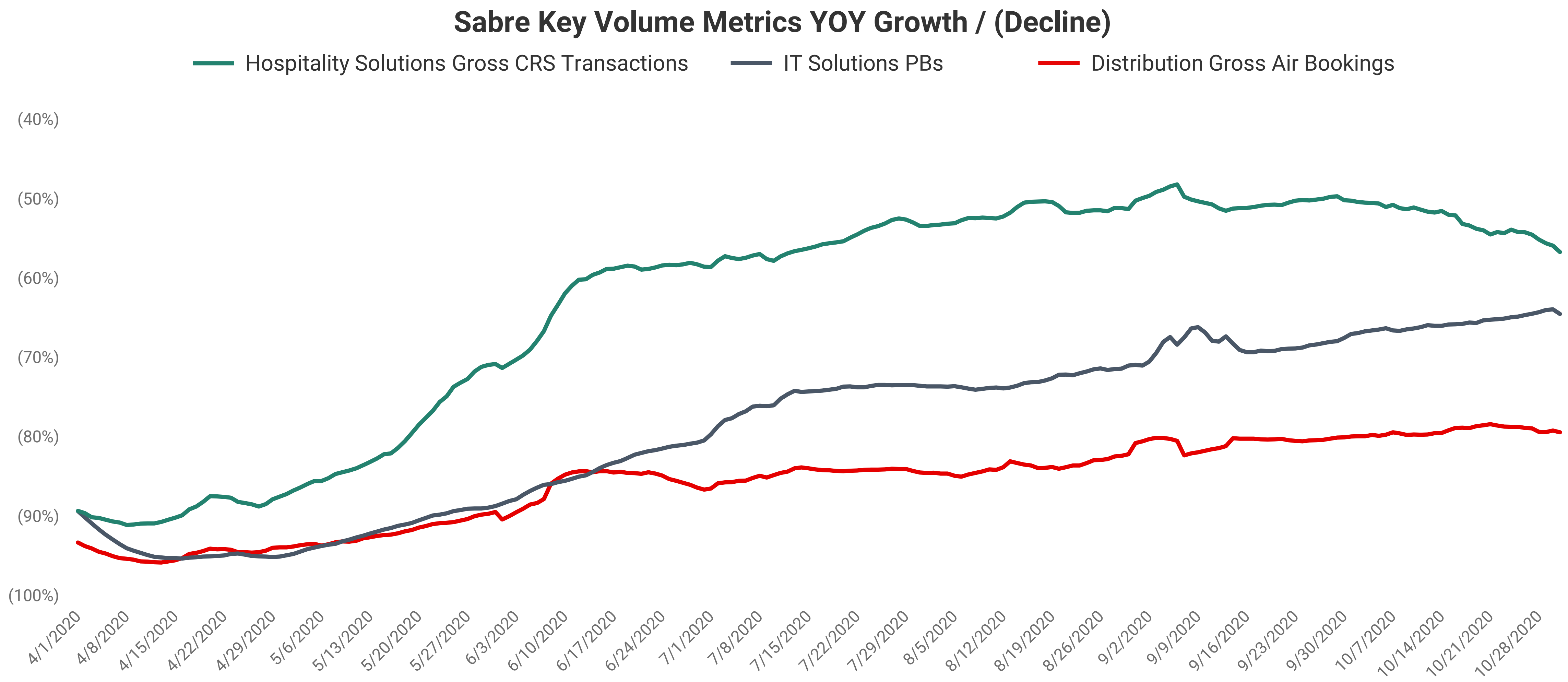
Q3 bookings environment improved vs. Q2

	GDS Industry Net Air Bookings YOY Growth / (Decline)				
	Global	North America	EMEA	Latin America	Asia-Pacific
Q2 2020	**(110%)**	**(107%)**	**(113%)**	**(110%)**	**(110%)**
July	(94%)	(92%)	(95%)	(92%)	(98%)
August	(88%)	(83%)	(88%)	(87%)	(97%)
September	(82%)	(76%)	(83%)	(82%)	(92%)
Q3 2020	**(88%)**	**(83%)**	**(88%)**	**(87%)**	**(96%)**
October	(80%)	(72%)	(83%)	(77%)	(89%)
Sabre Q3 2019 Bookings Mix		*55%*	*16%*	*9%*	*20%*

- Sabre's gross air bookings declined by 84%, 83%, 81% and 79% in Jul, Aug, Sept and Oct; Q3 2020 down 83%
- Sabre's net air bookings declined by 91%, 87%, 81% and 81% in Jul, Aug, Sept and Oct due to cancellations; Q3 2020 down 87%

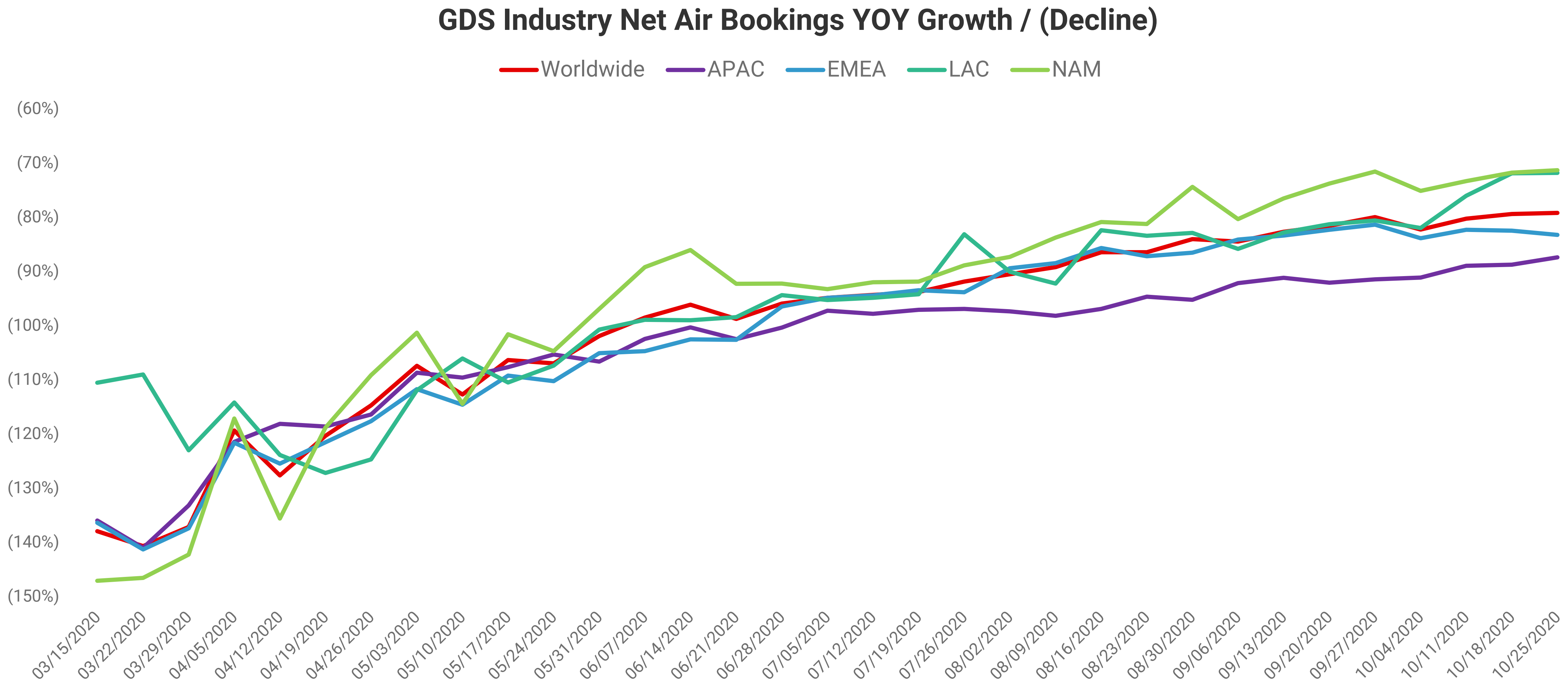
Source: Sabre Market Intelligence; data though Oct 31

All Sabre key metrics have shown improvement vs. Q2



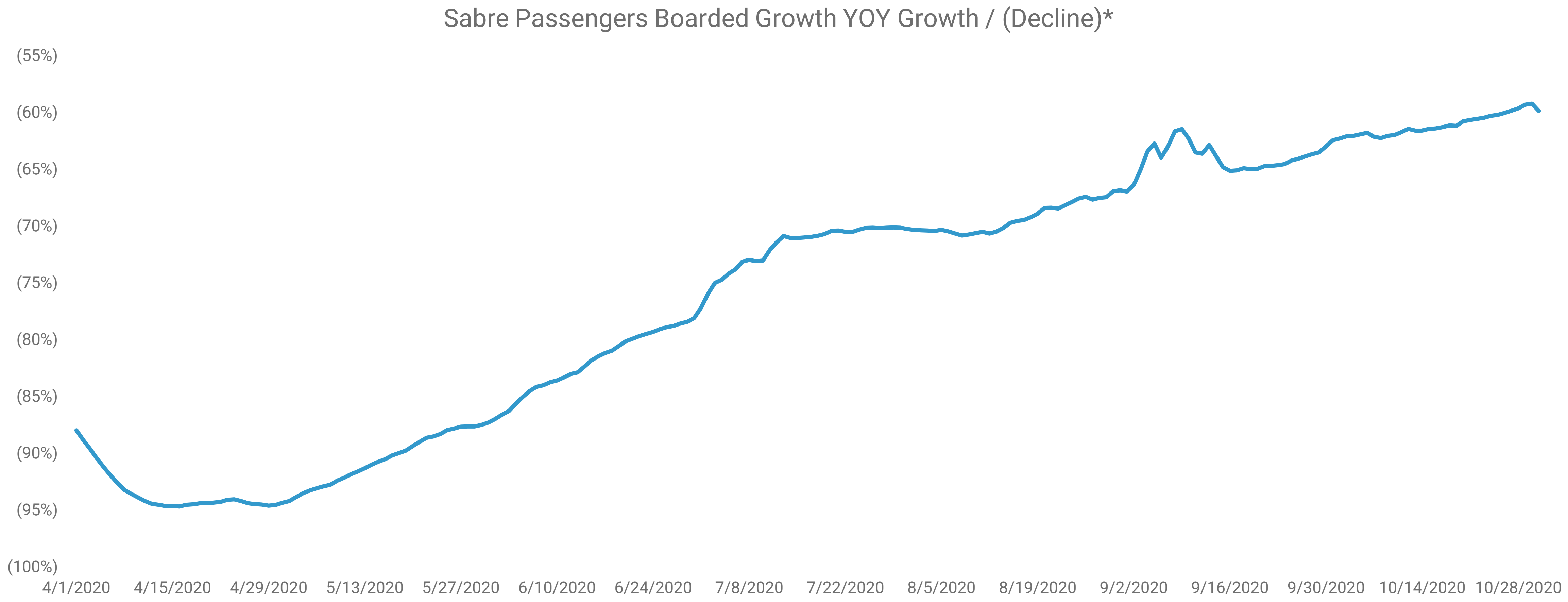
7-day moving average; calendar-shifted bookings; CRS transactions are community model only; data through Oct 31

Air bookings recovery led by NAM, our largest region



Source: Sabre Market Intelligence; calendar-shifted; data through Oct 31

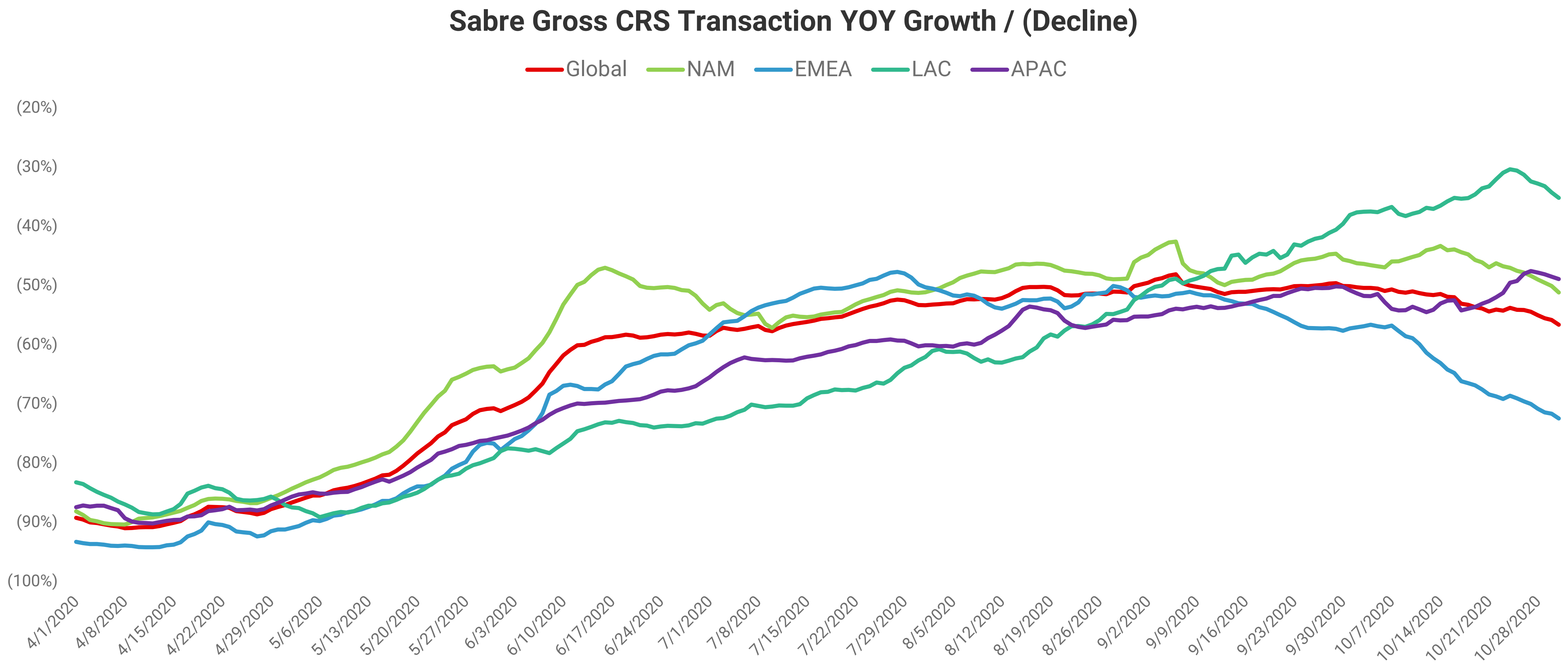
Passengers boarded approaching a 40% recovery



*Top 20 carriers excluding airlines substantially impacted by government travel restrictions

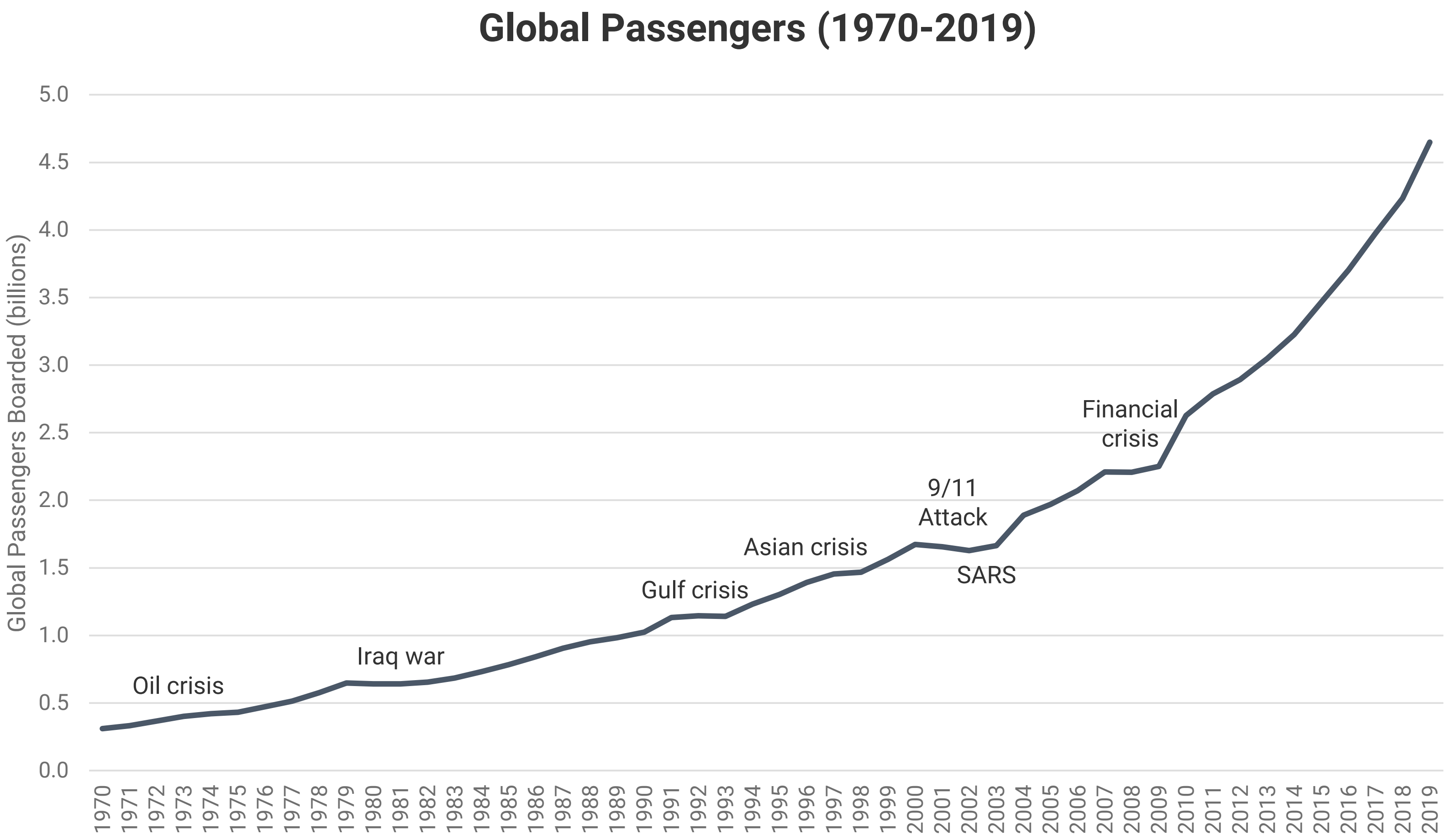
7-day moving average; data through Oct 31

Hospitality recovery by region



Community model only; 7-day moving average; data through Oct 31

Travel industry bookings have historically been resilient



Decade	Average Annual Growth
1970s	8.6%
1980s	4.3%
1990s	4.8%
2000s	3.8%
2010s	7.6%

Source: Worldbank.org

Signed 1,400 airline and agency deals year-to-date

Airline Distribution	Agency Distribution	Airline IT Solutions
American Airlines	BID Travel	Vietravel
SAS	Royal Travel	AIR CHINA
JEJUair	BERGHANSEN	中國東方航空 CHINA EASTERN
FLY GANGWON	فرسان للسفر FURSAN TRAVEL	الإتحاد ETIHAD AIRWAYS
AIR PREMIA	TRAVELSTORE WE'VE BEEN WHERE YOU WANT TO GO	American Airlines
THAI Smile	TripActions	Southwest
AIR BELGIUM	TravelMatic	
VOYAGEAIR WE ARE VOYAGERS	Tandem Travel	

Sabre Smart retail engine with Google technology

TODAY

Static content based on manual rules with infrequent adjustments

Limited intelligence or self-learning capabilities

Flight and ancillary content priced and offered separately

Pre-defined, manual rules/SKUs that limit scale

TOMORROW

Dynamic content with thousands of scenarios running continuously

Intelligent, ML-based retail engine with real-time feedback into decision support

Flight, ancillary and third-party content priced and bundled together

Responsive, cloud-based solution that scales to support infinite SKUs

Q3 results significantly impacted by COVID-19

	Q3'20	Q3'19	YOY %	Commentary
Total Revenue	**$278M**	**$984M**	**(72%)**	Significantly impacted by COVID-19; ~15% of revenue not tied to travel volumes
Travel Solutions	$237M	$919M	(74%)	New reporting segment – see next slide for more information on reporting changes
Distribution	*$105M*	*$673M*	*(84%)*	*Total bookings down 86%*
IT Solutions	*$132M*	*$246M*	*(46%)*	*Passengers Boarded down 70%*
Hospitality Solutions	$45M	$75M	(40%)	Central Reservation System transactions down 37%
Adj. Gross Profit[1]	**$193M**	**$597M**	**(68%)**	Driven by decline in revenue; partially offset by decline in incentives expense due to lower bookings
Adj. EBITDA	**($104M)**	**$242M**	**(143%)**	Driven by decline in revenue; partially offset by decline in incentives expense due to lower bookings, headcount expenses due to cost savings initiatives and technology expenses due to lower transaction volume environment
Adj. Operating (Loss) Income	**($197M)**	**$133M**	**(248%)**	Driven by decline in EBITDA; partially offset by lower D&A
Adj. Net (Loss) Income	**($240M)**	**$74M**	**(427%)**	Driven by decline in OpInc and higher interest expense; partially offset by lower taxes
Adj. EPS	**($0.82)**	**$0.27**	**(404%)**	Driven by decline in Net Income and higher share count
Free Cash Flow	**($201M)**	**$142M**	**(242%)**	Includes $20M severance payments and $13M net cash outflow from previous cancellations

[1]As a result of our business realignment, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure. While there is no impact to other financial measures, as a result of these changes, our Adjusted Gross Profit (Loss) is more favorable than previously reported as it excludes costs that were previously classified as cost of revenue. Technology costs are evaluated separately from Adjusted Gross Profit (Loss) and excluded from this measure to provide a more transparent view of variable expenses, gross margin, and key operational expense ratios.

Financial reporting changes

Travel Network | **Airline Solutions** | **Hospitality Solutions**

Cost of Revenue:
Primarily incentives, other transactional costs and tech expenses

Selling, General & Administrative:
Primarily headcount-related expenses for sales and administrative support

Travel Solutions | **Hospitality Solutions**

Cost of Revenue

Technology Costs

SG&A

Benefits of re-alignment:

- More transparent view of variable expenses and gross margin
- Direct accountability of expense to revenue ratios to drive productivity
- Closer benchmarking to peer tech companies
- Alignment of management and external reporting

Reclassified financials provided at investors.sabre.com

$275M expected annual cost savings by 2024

Expected Non-Transaction Cost Savings 2021 - 2024

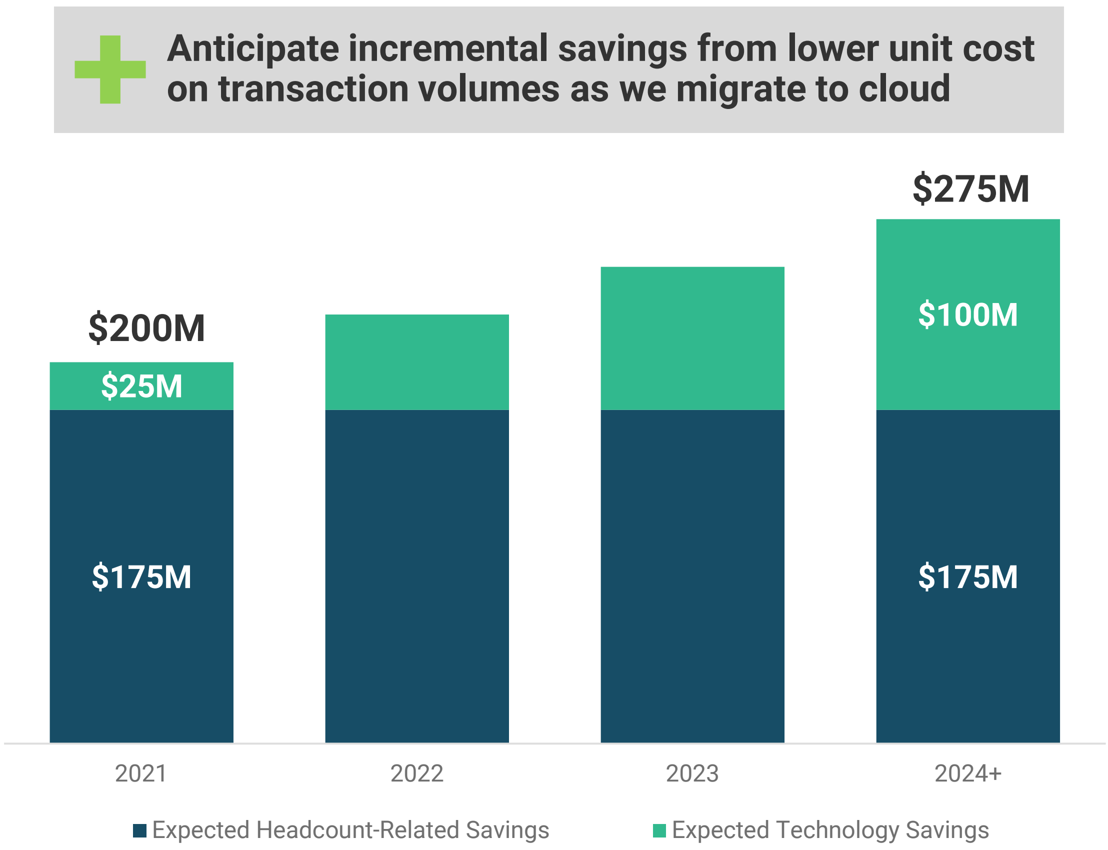


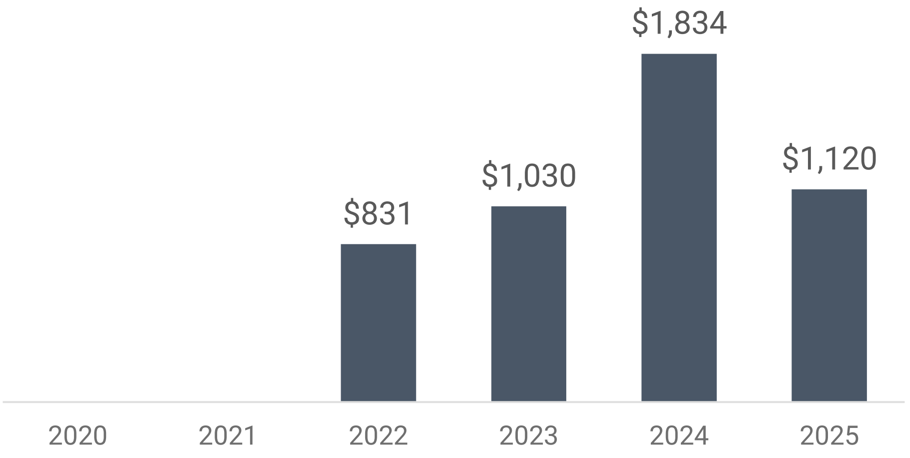
Chart is illustrative only for 2022 and 2023.

- $275M savings expected in 2020
  - Volume-related savings in incentives and technology hosting expenses caused by lower volume environment are incremental
- $200M annual savings expected in 2021+
  - $175M from previously executed headcount reduction
  - $25M fixed technology cost savings from DXC contract renegotiation
- $275M cost savings expected in 2024+
  - $175M from previously executed headcount reduction; not temporary items
  - $100M fixed technology cost savings supported by Google partnership and DXC contract renegotiation
  - Anticipate incremental savings from lower unit costs as we migrate to cloud

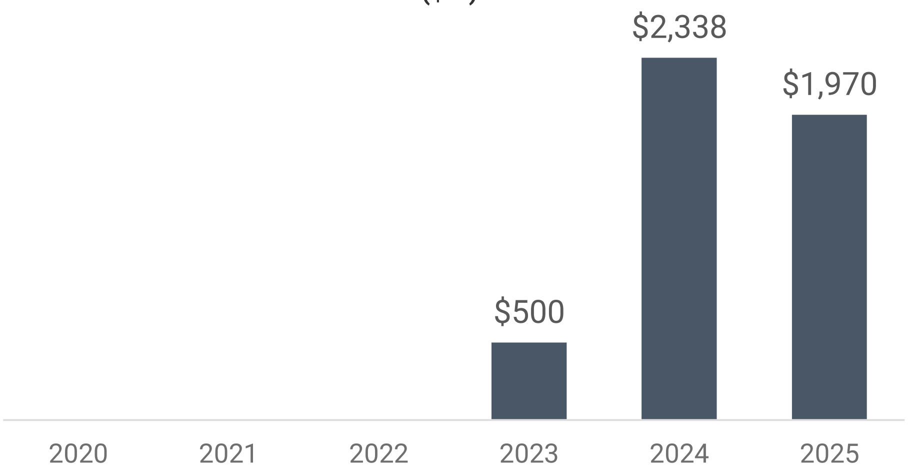
Strengthened liquidity & extended debt maturities

- In August, raised additional liquidity in the event COVID-19 pandemic persists
  - $598M net proceeds from common stock and mandatory convertible preferred issuance
  - Pushed out debt maturity schedule with new senior secured notes & debt paydown

Debt Maturity Profile – July 2020
($M)



Pro Forma Debt Maturity Profile – September 2020[1]
($M)



[1]Pro forma maturity dates assume certain "springing" maturity conditions are met and the $500M senior secured notes due November 2023 and Term Loan B due February 2024 are refinanced beyond February 2024 in accordance with the provision. See appendix slide 19 for actual vs. pro forma debt maturity profile.

- Ended the quarter with **$1.7B** cash balance; no significant near-term uses of cash

Thank you

Appendix

Reconciliation for debt maturity profile

	Rate	Actual Maturity	Actual Face Value as of 9/30/20	Pro Forma[3] Maturity	Pro Forma[3] Face Value as of 9/30/20
Senior secured credit facilities:					
Term Loan A[1]	L + 2.75%	August 2023	$ 133,995	February 2024	$ 133,995
Term Loan B	L + 2.00%	February 2024	1,829,319	February 2024	1,829,319
Revolver, $400 million[2]	L + 2.75%	August 2023	375,000	February 2024	375,000
5.25% senior secured notes due 2023	5.25%	November 2023	500,000	November 2023	500,000
9.25% senior secured notes due 2025	9.25%	April 2025	775,000	April 2025	775,000
7.375% senior secured notes due 2025	7.375%	September 2025	850,000	September 2025	850,000
4.00% senior exchangeable notes due 2025	4.00%	April 2025	345,000	April 2025	345,000
Finance lease obligations			899		899
Face value of total debt outstanding			4,809,213		4,809,213
Less current portion of debt outstanding			(33,452)		(33,452)
Face value of long-term debt outstanding			$ 4,775,761		$ 4,775,761

[1] Pursuant to the August 27, 2020 refinancing, the interest rate on Term Loan A was increased from L+2.50% to L+2.75% and the maturity was extended from July 2022 to August 2023. Subject to certain "springing" maturity conditions, the maturity may extend to February 2024 at the latest.

[2] Pursuant to the August 27, 2020 refinancing, the interest rate on the Revolver was increased from L+2.50% to L+2.75% and the maturity was extended from July 2022 to August 2023. Subject to certain "springing" maturity conditions, the maturity may extend to February 2024 at the latest.

[3] Pro forma maturity dates assume certain “springing” maturity conditions are met and the $500M senior secured notes due November 2023 and Term Loan B due February 2024 are refinanced beyond February 2024 in accordance with the provision.

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income attributable to common stockholders	$ (312,449)	$ 63,813	$ (969,260)	$ 148,501
Loss from discontinued operations, net of tax	533	596	3,331	698
Net income attributable to non-controlling interests(1)	125	771	837	3,289
Preferred stock dividends	2,231	—	2,231	—
(Loss) income from continuing operations	(309,560)	65,180	(962,861)	152,488
Adjustments:				
Acquisition-related amortization(2a)	16,465	15,976	49,775	47,971
Restructuring and other costs(8)	947	—	74,229	—
Loss on extinguishment of debt	10,333	—	10,333	—
Other, net(4)	18,431	1,769	72,015	6,118
Acquisition-related costs(6)	591	9,696	22,791	30,337
Litigation costs, net(5)	247	(24,179)	2,103	(21,355)
Stock-based compensation	18,566	17,094	44,905	51,083
Tax impact of adjustments(7)	3,633	(11,971)	8,384	(31,424)
Adjusted Net (Loss) Income from continuing operations	$ (240,347)	$ 73,565	$ (678,326)	$ 235,218
Adjusted Net (Loss) Income from continuing operations per share ("Adjusted EPS")	$ (0.82)	$ 0.27	$ (2.42)	$ 0.85
Diluted weighted-average common shares outstanding	292,392	276,235	280,750	276,474
Adjusted Net (Loss) Income from continuing operations	$ (240,347)	$ 73,565	$ (678,326)	$ 235,218
Adjustments:				
Depreciation and amortization of property and equipment(2b)	63,733	78,060	201,274	232,617
Amortization of capitalized implementation costs(2c)	9,146	9,579	28,110	31,317
Amortization of upfront incentive consideration(3)	19,444	20,851	56,733	59,825
Interest expense, net	67,651	39,743	163,674	117,364
Remaining provision for income taxes	(23,997)	19,766	(61,720)	63,207
Adjusted EBITDA	$ (104,370)	$ 241,564	$ (290,255)	$ 739,548
Less:				
Depreciation and amortization(2)	89,344	103,615	279,159	311,905
Amortization of upfront incentive consideration(3)	19,444	20,851	56,733	59,825
Acquisition-related amortization(2a)	(16,465)	(15,976)	(49,775)	(47,971)
Adjusted Operating (Loss) Income	$ (196,693)	$ 133,074	$ (576,372)	$ 415,789
Adjusted EBITDA margin	NM	24.5 %	NM	24.4 %

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended September 30, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Operating loss	$ (145,877)	$ (12,609)	$ (74,563)	$ (233,049)
Add back:				
Selling, general and administrative	55,870	10,501	53,255	119,626
Technology costs	232,666	25,332	18,364	276,362
Cost of revenue adjustments:				
Depreciation and amortization(2)	6,868	1,283	1,113	9,264
Restructuring and other costs	—	—	(237)	(237)
Amortization of upfront incentive consideration(3)	19,444	—	—	19,444
Stock-based compensation	—	—	1,422	1,422
Adjusted Gross Profit (Loss)	168,971	24,507	(646)	192,832
Selling, general and administrative	(55,870)	(10,501)	(53,255)	(119,626)
Technology costs	(232,666)	(25,332)	(18,364)	(276,362)
Equity method loss	(460)	—	—	(460)
Selling, general and administrative and technology costs adjustments:				
Depreciation and amortization(2)	54,475	9,104	16,501	80,080
Restructuring and other costs(8)	—	—	1,184	1,184
Acquisition-related costs(6)	—	—	591	591
Litigation costs, net(5)	—	—	247	247
Stock-based compensation	—	—	17,144	17,144
Adjusted EBITDA	$ (65,550)	$ (2,222)	$ (36,598)	$ (104,370)
Less:				
Depreciation and amortization(2)	61,343	10,387	17,614	89,344
Amortization of upfront incentive consideration(3)	19,444	—	—	19,444
Acquisition-related amortization(2a)	—	—	(16,465)	(16,465)
Adjusted Operating Loss	$ (146,337)	$ (12,609)	$ (37,747)	$ (196,693)
Operating income margin	NM	NM	NM	NM
Adjusted Operating Income Margin	NM	NM	NM	NM

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended September 30, 2019			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 182,555	$ (4,008)	$ (65,087)	$ 113,460
Add back:				
Selling, general and administrative	74,227	10,061	44,503	128,791
Technology costs	276,572	28,322	17,669	322,563
Cost of revenue adjustments:				
Depreciation and amortization(2)	7,167	1,387	871	9,425
Amortization of upfront incentive consideration(3)	20,851	—	—	20,851
Stock-based compensation	—	—	1,536	1,536
Adjusted Gross Profit (Loss)	561,372	35,762	(508)	596,626
Selling, general and administrative	(74,227)	(10,061)	(44,503)	(128,791)
Technology costs	(276,572)	(28,322)	(17,669)	(322,563)
Equity method income	1,027	—	—	1,027
Selling, general and administrative and technology costs adjustments:				
Depreciation and amortization(2)	65,651	12,239	16,300	94,190
Acquisition-related costs(6)	—	—	9,696	9,696
Litigation costs, net(5)	—	—	(24,179)	(24,179)
Stock-based compensation	—	—	15,558	15,558
Adjusted EBITDA	$ 277,251	$ 9,618	$ (45,305)	$ 241,564
Less:				
Depreciation and amortization(2)	72,818	13,626	17,171	103,615
Amortization of upfront incentive consideration(3)	20,851	—	—	20,851
Acquisition-related amortization(2a)	—	—	(15,976)	(15,976)
Adjusted Operating Income (Loss)	$ 183,582	$ (4,008)	$ (46,500)	$ 133,074
Operating income margin	19.9 %	NM	NM	11.5 %
Adjusted Operating Income Margin	20.0 %	NM	NM	13.5 %

Tabular reconciliations for Non-GAAP measures

Reconciliation of Free Cash Flow
(in thousands; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Cash (used in) provided by operating activities	$ (192,033)	$ 166,704	$ (587,069)	$ 424,365
Cash used in investing activities	(8,888)	(32,319)	(52,634)	(108,482)
Cash provided by (used in) financing activities	565,611	(58,449)	1,873,804	(351,424)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Cash (used in) provided by operating activities	$ (192,033)	$ 166,704	$ (587,069)	$ 424,365
Additions to property and equipment	(8,926)	(24,928)	(48,259)	(92,124)
Free Cash Flow	$ (200,959)	$ 141,776	$ (635,328)	$ 332,241

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 (Loss), Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income from continuing operations ("Adjusted Net (Loss) Income"), Adjusted EBITDA, Adjusted Net (Loss) Income from continuing operations per share ("Adjusted EPS"), Free Cash Flow and ratios based on these financial measures. As a result of our business realignment, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure. While there is no impact to other financial measures, as a result of these changes, our Adjusted Gross Profit (Loss) is more favorable than previously reported as it excludes costs that were previously classified as cost of revenue. Technology costs are evaluated separately from Adjusted Gross Profit (Loss) and excluded from this measure to provide a more transparent view of variable expenses, gross margin, and key operational expense ratios.

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

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

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

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

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

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

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 (Loss), Adjusted Operating (Loss) Income, Adjusted Net (Loss) 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.

Non-GAAP financial measures

Adjusted Gross Profit (Loss), Adjusted Operating (Loss) Income, Adjusted Net (Loss) 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 are unaudited and 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 (Loss) and Adjusted EBITDA do not reflect cash requirements for such replacements;
- Adjusted Gross Profit (Loss), Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted Gross Profit (Loss) does not include technology costs, including transaction-based technology costs, which differs from our previous presentations;
- 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 (Loss), Adjusted Operating (Loss) Income, Adjusted Net (Loss) 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 non-controlling interests represents an adjustment to include earnings allocated to non-controlling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, (iii) Sabre Travel Network Lanka (Pte) Ltd of 40%, and (iv) Sabre Bulgaria of 40%.

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.
   (b) Depreciation and amortization of property and equipment includes software developed for internal use as well as amortization of contract acquisition costs.
   (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 Solutions 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 ten 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 up front. 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) Other, net includes a $46 million charge related to termination payments incurred in the first quarter of 2020 in connection with the now-terminated acquisition of Farelogix Inc. ("Farelogix") and a $14 million pension settlement charge recorded in the third quarter of 2020, as well as 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 costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters and includes the reversal of our previously accrued loss related to the US Airways legal matter for $32 million in the third quarter of 2019.

6) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix.

7) The tax impact of adjustments includes the tax effect of each separate adjustment based on the statutory tax rate for the jurisdiction(s) in which the adjustment was taxable or deductible, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, valuation allowance assessments and other items.

8) Restructuring and other costs represent charges associated with business restructuring and associated changes, including a strategic realignment of our airline and agency-focused businesses, as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business and cost structure.