Q4 '17 Earnings Report

February 14, 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 “expect,” “estimate,” “guidance,” “outlook,” “momentum,” “will,” “believe,” “position,” “goal,” “continue,” “forecast,” “preliminary,” “plan,” “anticipate,” “provisional,” “objective,” “project,” “intend,” “potential,” “guide,” “may,” “should,” “would,” 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, exposure to pricing pressure in the Travel Network business, maintenance of the stability and integrity of our systems and infrastructure and the effect of any security incidents, the implementation and effects of new or renewed agreements, the effects of the implementation of new accounting standards, the effects of tax laws changes, including the Tax Cuts and Jobs Act, travel suppliers' usage of alternative distribution models, competition in the travel distribution market and solutions markets, the implementation and results of our cost reduction and business alignment program, failure to adapt to technological developments, dependence on establishing, maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements, changes affecting travel supplier customers, use of third-party distributor partners, dependence on relationships with travel buyers, 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 third parties to provide information technology services, compliance with regulatory and other requirements, including data privacy, our ability to recruit, train and retain employees, including our key executive officers and technical employees, and the effects of litigation. 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 October 31, 2017 and our Annual Report on Form 10-K filed with the SEC on February 17, 2017 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 EBITDA, Adjusted EBITDA margin, Adjusted EPS, Adjusted Capital Expenditures, 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

Rick Simonson
EVP & CFO

Chris Nester
SVP & Treasurer

2017 – A transformational year

1. Infused our leadership team with fresh ideas
2. Evolved our technology
3. Enhanced our customer engagement strategies
4. Realized efficiencies in SG&A and total technology investment
5. Delivered financial results largely in line with our guidance communicated on Feb 7, 2017

The strong foundation is set as we work to complete our transformation into an even stronger, agile technology leader positioned at the center of the business of travel

FY '17 Financial highlights

	FY 2017 Original Guidance Issued on Feb 7	2017 Reported Results
Revenue	$3,540M - $3,620M *5% - 7%*	$3,598M *+ 7%*
Adjusted EBITDA	$1,080M - $1,120M *3% - 7%*	$1,079M *+3%*
Adjusted Net Income	$370M - $410M *0% - 11%*	$390M *+5%*
Adjusted EPS	$1.31 - $1.45 *0% - 11%*	$1.40 *+7%*
Free Cash Flow	Approximately $350M	$362M

Business highlights

Deployed shopping complex in private cloud architecture

Reached NDC Level 3 capable ahead of schedule

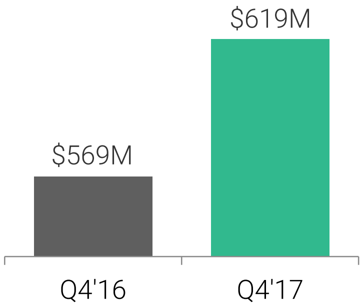
Financial performance underpinned by new business wins, renewals and successful implementations

Q4 ‘17 Financial highlights

	Q4 2017	Growth
Revenue	$882M	+6%
Adjusted EBITDA	$257M	+3%
Adjusted Op Income	$155M	(5%)
Adjusted Net Income	$88M	+14%
Adjusted EPS	$0.32	+19%

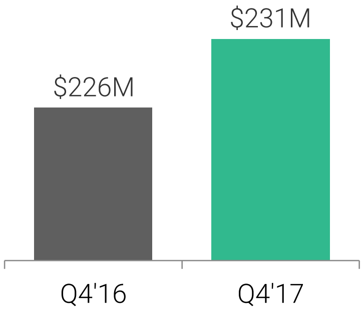
Q4 and FY ‘17 Travel Network

Revenue



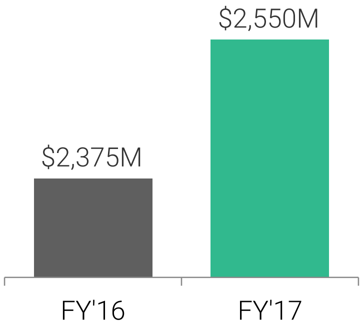
+8.8%
Q4 2017
YOY Growth

Adjusted EBITDA

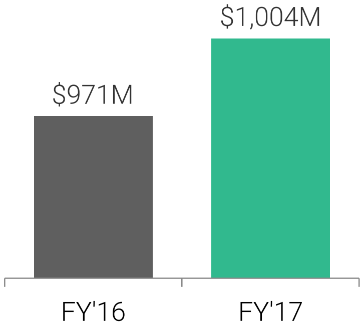


+2.2%
Q4 2017
YOY Growth

37.3%
EBITDA Margin



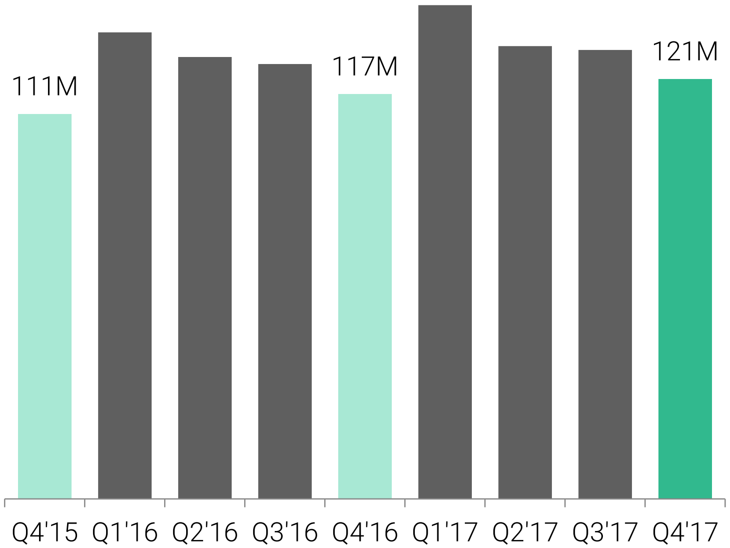
+7.4%
FY 2017
YOY Growth

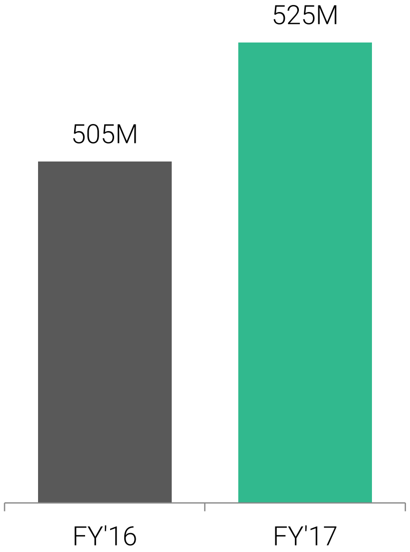


+3.5%
FY 2017
YOY Growth

39.4%
EBITDA Margin

Travel Network total bookings





3.7%

Q4 2017
YOY Growth

3.8%

FY 2017
YOY Growth

Travel Network total Q4 ‘17 bookings growth by region

+12.5%
APAC

+5.3%
LAC

+3.9%
EMEA

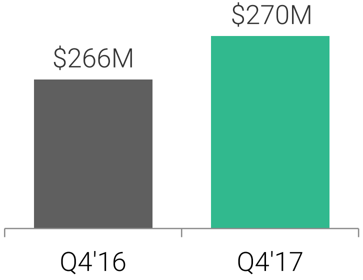
+0.3%
NAM

36.0%
Q4 2017
Global Air Bookings Share

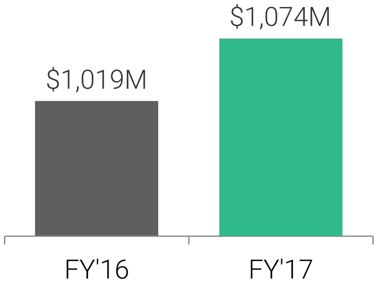
36.3%
FY 2017
Global Air Bookings Share

Q4 and FY '17
Airline & Hospitality Solutions

Revenue

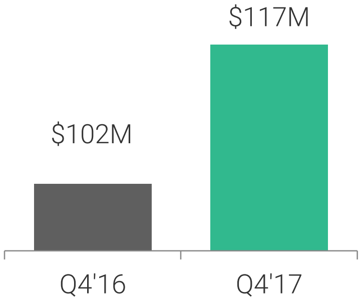


+1.2%
Q4 2017
YOY Growth



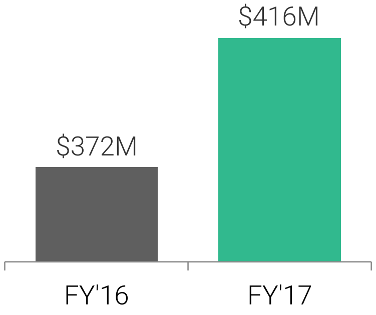
+5.4%
FY 2017
YOY Growth

Adjusted EBITDA



+14.5%
Q4 2017
YOY Growth

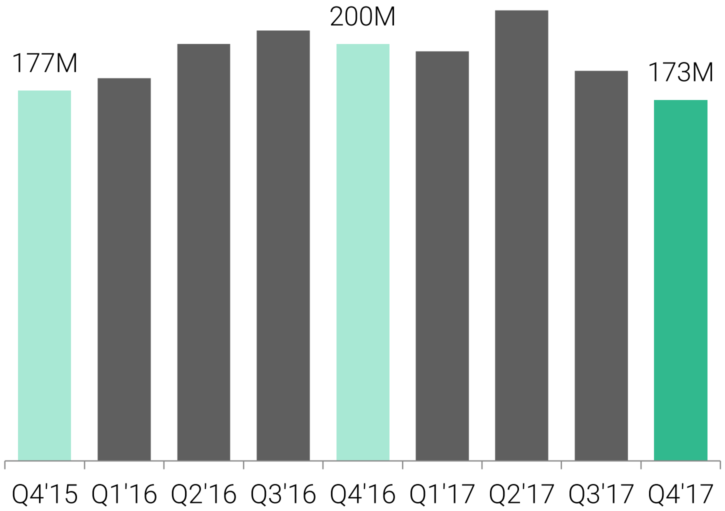
43.4%
EBITDA Margin



+11.8%
FY 2017
YOY Growth

38.7%
EBITDA Margin

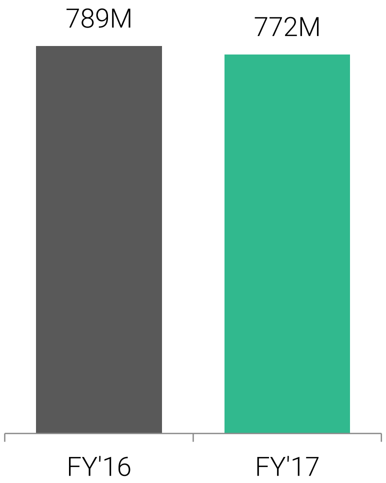
Total passengers boarded



(13.4%)

Q4 2017 YOY Change

6.0% consistent carrier growth

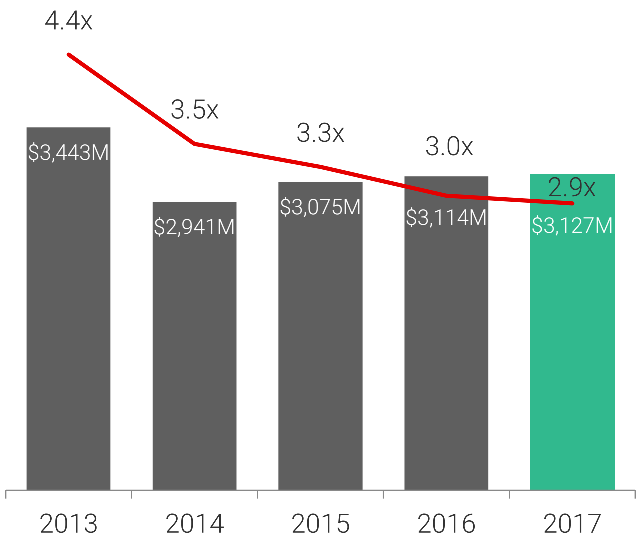


(2.2%)

FY 2017 YOY Change

9.1% excluding Southwest;
5.8% consistent carrier growth

Net debt, leverage[1] and cash flow



$222M
Q4 2017
Cash provided by operating activities

$149M
Q4 2017
Free Cash Flow

$50M
Q4 2017
Returned to Shareholders

$678M
FY 2017
Cash provided by operating activities

$362M
FY 2017
Free Cash Flow

$264M
FY 2017
Returned to Shareholders

[1]Net Debt/LTM Adjusted EBITDA.

FY ‘18 Guidance

	FY 2018 Reflects Impacts of ASC 606 & U.S. Tax Reform		FY 2018 Excludes Impacts of ASC 606 & U.S. Tax Reform
	$	% Growth	% Growth
Revenue	$3,685M - $3,765M	2% - 5%	4% - 6%
Adjusted EBITDA	$1,055M - $1,095M	(2%) - 2%	2% - 5%
Adjusted Operating Income	$650M - $690M	(8%) – (2%)	(2%) – 3%
Adjusted Net Income	$375M - $415M	(4%) - 6%	(5%) - 5%
Adjusted EPS	$1.34 - $1.48	(4%) - 6%	(5%) - 5%
Free Cash Flow	~$390M	~8%	~8%
GAAP Capital Expenditures	$305M - $325M	(4%) - 3%	(4%) - 3%

The information presented here represents forward-looking statements and reflects expectations as of February 14, 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 third quarter 2017 Form 10-Q and 2016 Form 10-K.

FY ’18 Guidance considerations

1. Impact of U.S. tax reform is expected to increase Adjusted EPS by $0.12
   - ↳ Effective tax rate of ~24% versus previous expectations of ~30% in 2018

2. Accelerating use of private and public cloud environments and continued enhancements for stability, security and GDPR compliance expected to rotate to operating expense and decrease Adjusted EPS by $0.08
   - ↳ Capital intensity as % of revenue expected to begin to decline: expect ~flat CapEx in 2018

3. ASC 606 revenue reduction at bottom end of previous expectations
   - ↳ Expected to reduce 2018 EPS by $0.11

Reporting changes

1. Breaking out Hospitality Solutions
   ⮡ To reflect increasing size and relevance

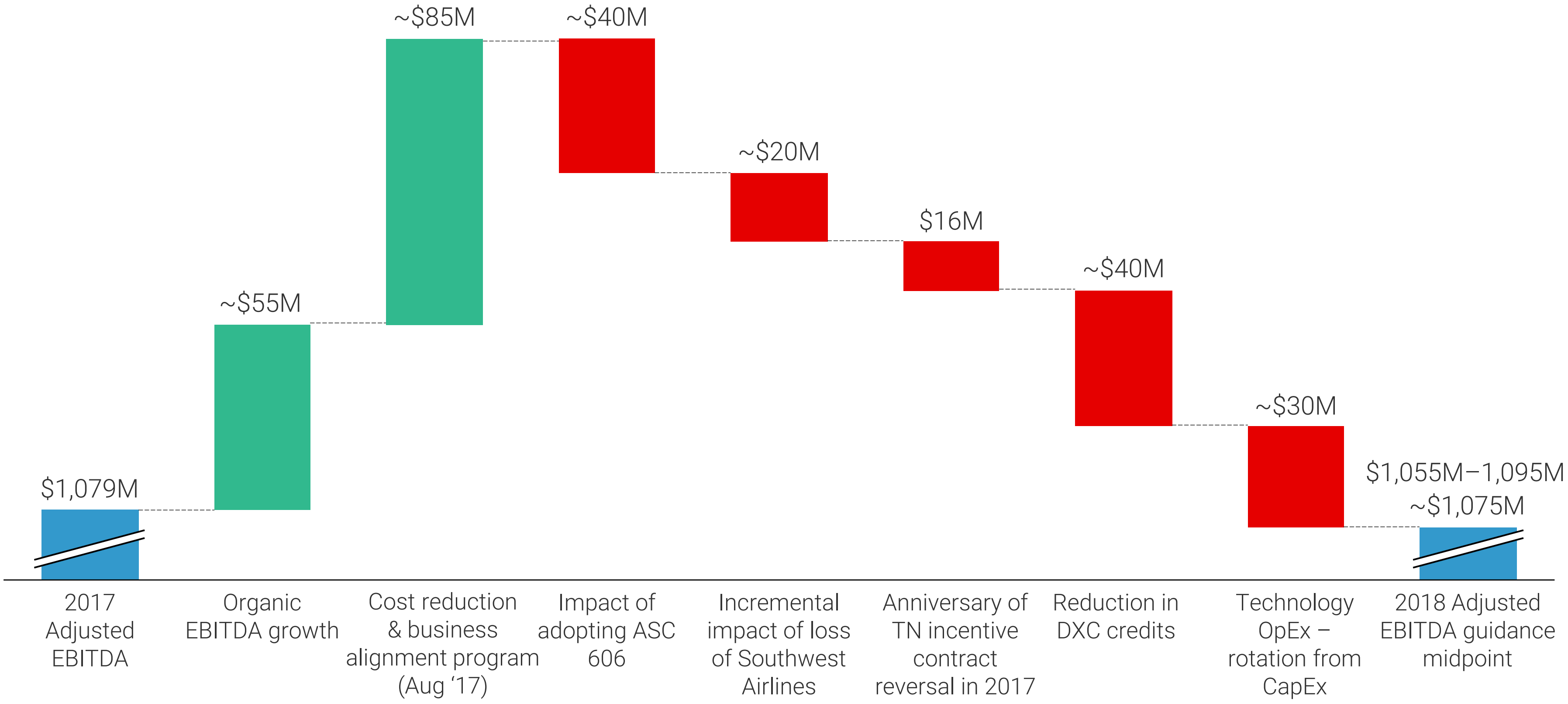
2. Allocating platform & product technology costs to business segments
   ⮡ To provide additional clarity and visibility and align with how we currently operate and measure segment performance

Reporting changes: 2017 pro forma

	Hospitality Solutions Break-out FY 2017 ($M)	Technology Expense Allocation Change ($M)	After Technology Expense Allocation FY 2017 Pro Forma ($M)
Revenue	**$3,598**	**$0**	**$3,598**
Travel Network	$2,550	$0	$2,550
Airline Solutions	$816	$0	$816
Hospitality Solutions	$258	$0	$258
Eliminations	($26)	$0	($26)
Adjusted EBITDA	**$1,079**	**$0**	**$1,079**
Travel Network	$1,004	($81)	$924
Travel Network Adj. EBITDA Margin	*39.4%*		*36.2%*
Airline Solutions	$359	($62)	$296
Airline Solutions Adj. EBITDA Margin	*44.0%*		*36.3%*
Hospitality Solutions	$57	($14)	$43
Hospitality Solutions Adj. EBITDA Margin	*22.1%*		*16.6%*
Corporate expense	($342)	$157	($184)
Adjusted Operating Income	**$706**	**$0**	**$706**
Travel Network	$851	($104)	$747
Travel Network Adj. Operating Margin	*33.4%*		*29.3%*
Airline Solutions	$220	($82)	$138
Airline Solutions Adj. Operating Margin	*26.9%*		*16.9%*
Hospitality Solutions	$27	($18)	$10
Hospitality Solutions Adj. Operating Margin	*10.5%*		*3.7%*
Corporate expense	($392)	$204	($188)
Free Cash Flow	**$362**	**$0**	**$362**

Certain unaudited pro forma financial information for 2015, 2016 and 2017 is available on the Investor Relations website at investors.sabre.com

Estimated impacts on 2018 Adjusted EBITDA



The information presented here represents forward-looking statements and reflects expectations as of February 14, 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 third quarter 2017 Form 10-Q and 2016 Form 10-K.

Estimated impact of U.S. tax reform

	Sabre 2017 Impact	Sabre 2018+ Impact
U.S. corporate tax rate reduction	No material impact	Expecting ~24% ETR in 2018 vs. previous expectations of ~30% – no material impact to FCF
One-time "transition tax" on accumulated foreign earnings	$48M expense (GAAP P&L and balance sheet)	$48M paid out in cash through 2025
Tax Receivable Agreement	$58M gain (GAAP P&L and balance sheet)	TRA liability reduced by $58M (TRA payments expected to be made through 2021)

Estimates are preliminary.

Update on estimated impact of ASC 606 in 2018

New revenue recognition guidance is expected to reduce Sabre recognized revenue by ~$40M in 2018

~($45M) Gross revenue reduction[1]

+ ~$5M Estimated impact from revenue timing of new sales

= ~($40M) Estimated Net impact

The reduction in revenue recognized is expected to impact Airline Solutions, with no material impact expected for Travel Network and Hospitality Solutions.

The revenue reduction is expected to flow through to EBITDA and EPS, with no impact to Free Cash Flow.

In summary, ASC 606 is expected to be reduce 2018 financial results by the following amounts[1]:

~($40M) Revenue | ~($40M) EBITDA | ~($40M) OpInc | ~($0.11) EPS | $0M FCF

[1]Represents the midpoint of our estimated range of ($40M) – ($50M) range. Estimates are preliminary until period of adoption.

We look forward to our Investor Day on March 6

What we hope you will take away…

- Understanding of how we believe we are positioned to lead in retailing, distribution & fulfillment
- Visibility into how we engage with our customers as a partner and trusted advisor
- Confidence in our technology strategy and approach
- Alignment with how we will communicate our strategies, KPIs & progress going forward
- Clarity on how we believe we are competitively well-positioned and focused on growth
- Medium-term outlook & comfort in how we believe we are responsible stewards of shareholder capital

Thank you

APPENDIX

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Net income attributable to common stockholders	$ 82,090	$ 24,561	$ 242,531	$ 242,562
(Income) loss from discontinued operations, net of tax	(296)	5,309	1,932	(5,549)
Net income attributable to noncontrolling interests(1)	1,387	1,150	5,113	4,377
Income from continuing operations	83,181	31,020	249,576	241,390
Adjustments:				
Impairment and related charges(2)	(10,910)	—	81,112	—
Acquisition-related amortization(3a)	20,194	35,847	95,860	143,425
Loss on extinguishment of debt	—	—	1,012	3,683
Other, net(5)	(56,318)	(23,100)	(36,530)	(27,617)
Restructuring and other costs(6)	(1,329)	16,463	23,975	18,286
Acquisition-related costs(7)	—	65	—	779
Litigation costs (reimbursements)(8)	963	41,906	(35,507)	46,995
Stock-based compensation	10,276	12,512	44,689	48,524
Tax impact of net income (loss) adjustments(9)	41,904	(37,830)	(34,069)	(104,528)
Adjusted Net Income from continuing operations	$ 87,961	$ 76,883	$ 390,118	$ 370,937
Adjusted Net Income from continuing operations per share	$ 0.32	$ 0.27	$ 1.40	$ 1.31
Diluted weighted-average common shares outstanding	274,951	282,455	278,320	282,752
Adjusted Net Income from continuing operations	$ 87,961	$ 76,883	$ 390,118	$ 370,937
Adjustments:				
Depreciation and amortization of property and equipment(3b)	73,438	65,153	264,880	233,303
Amortization of capitalized implementation costs(3c)	11,510	9,030	40,131	37,258
Amortization of upfront incentive consideration(4)	17,113	12,352	67,411	55,724
Interest expense, net	37,348	41,837	153,925	158,251
Remaining provision for income taxes	29,297	44,570	162,106	191,173
Adjusted EBITDA	256,667	249,825	1,078,571	1,046,646
Less:				
Depreciation and amortization(3)	105,142	110,030	400,871	413,986
Amortization of upfront incentive consideration(4)	17,113	12,352	67,411	55,724
Acquisition-related amortization(3a)	(20,194)	(35,847)	(95,860)	(143,425)
Adjusted Operating Income	$ 154,606	$ 163,290	$ 706,149	$ 720,361

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended December 31, 2017			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 188,614	$ 69,777	$ (123,791)	$ 134,600
Add back:				
Selling, general and administrative	35,024	16,084	75,830	126,938
Impairment and related charges[2]	—	—	(10,910)	(10,910)
Cost of revenue adjustments:				
Depreciation and amortization[3]	23,169	46,219	18,736	88,124
Restructuring and other costs [6]	—	—	(372)	(372)
Amortization of upfront incentive consideration[4]	17,113	—	—	17,113
Stock-based compensation	—	—	4,106	4,106
Adjusted Gross Profit	263,920	132,080	(36,401)	359,599
Selling, general and administrative	(35,024)	(16,084)	(75,830)	(126,938)
Joint venture equity income	812	—	—	812
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	1,296	918	14,804	17,018
Restructuring and other costs[6]	—	—	(957)	(957)
Litigation costs[8]	—	—	963	963
Stock-based compensation	—	—	6,170	6,170
Adjusted EBITDA	231,004	116,914	(91,251)	256,667
Less:				
Depreciation and amortization[3]	24,465	47,137	33,540	105,142
Amortization of upfront incentive consideration[4]	17,113	—	—	17,113
Acquisition-related amortization[3a]	—	—	(20,194)	(20,194)
Adjusted Operating Income (Loss)	$ 189,426	$ 69,777	$ (104,597)	$ 154,606
Operating income margin	30.5%	25.9%	NM	15.4%
Adjusted EBITDA margin	37.3%	43.4%	NM	29.1%

Tabular reconciliations for Non-GAAP measures

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

	Three Months Ended December 31, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 193,963	$ 61,756	$ (199,758)	$ 55,961
Add back:				
Selling, general and administrative	28,836	17,277	144,116	190,229
Cost of revenue adjustments:				
Depreciation and amortization(3)	17,911	40,006	20,160	78,077
Restructuring and other costs (6)	—	—	12,660	12,660
Amortization of upfront incentive consideration(4)	12,352	—	—	12,352
Stock-based compensation	—	—	4,954	4,954
Adjusted Gross Profit	253,062	119,039	(17,868)	354,233
Selling, general and administrative	(28,836)	(17,277)	(144,116)	(190,229)
Joint venture equity income	536	—	—	536
Selling, general and administrative adjustments:				
Depreciation and amortization(3)	1,300	346	30,307	31,953
Restructuring and other costs(6)	—	—	3,803	3,803
Acquisition-related costs(7)	—	—	65	65
Litigation costs(8)	—	—	41,906	41,906
Stock-based compensation	—	—	7,558	7,558
Adjusted EBITDA	226,062	102,108	(78,345)	249,825
Less:				
Depreciation and amortization(3)	19,211	40,352	50,467	110,030
Amortization of upfront incentive consideration(4)	12,352	—	—	12,352
Acquisition-related amortization(3a)	—	—	(35,847)	(35,847)
Adjusted Operating Income (Loss)	$ 194,499	$ 61,756	$ (92,965)	$ 163,290
Operating income margin	34.1%	23.2%	NM	6.7%
Adjusted EBITDA margin	39.7%	38.3%	NM	30.1%

Tabular reconciliations for Non-GAAP measures

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

	Year Ended December 31, 2017			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 848,336	$ 246,833	$ (601,729)	$ 493,440
Add back:				
Selling, general and administrative	130,700	79,955	299,420	510,075
Impairment and related charges[(2)]	—	—	81,112	81,112
Cost of revenue adjustments:				
Depreciation and amortization[(3)]	80,780	165,551	71,481	317,812
Restructuring and other costs[(6)]	—	—	12,604	12,604
Amortization of upfront incentive consideration[(4)]	67,411	—	—	67,411
Stock-based compensation	—	—	17,732	17,732
Adjusted Gross Profit	1,127,227	492,339	(119,380)	1,500,186
Selling, general and administrative	(130,700)	(79,955)	(299,420)	(510,075)
Joint venture equity income	2,580	—	—	2,580
Selling, general and administrative adjustments:				
Depreciation and amortization[(3)]	5,305	3,425	74,329	83,059
Restructuring and other costs[(6)]	—	—	11,371	11,371
Litigation reimbursements[(8)]	—	—	(35,507)	(35,507)
Stock-based compensation	—	—	26,957	26,957
Adjusted EBITDA	1,004,412	415,809	(341,650)	1,078,571
Less:				
Depreciation and amortization[(3)]	86,085	168,976	145,810	400,871
Amortization of upfront incentive consideration[(4)]	67,411	—	—	67,411
Acquisition-related amortization[(3a)]	—	—	(95,860)	(95,860)
Adjusted Operating Income (Loss)	$ 850,916	$ 246,833	$ (391,600)	$ 706,149
Operating income margin	33.3%	23.0%	NM	13.8%
Adjusted EBITDA margin	39.4%	38.7%	NM	30.0%

Tabular reconciliations for Non-GAAP measures

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

	Year Ended December 31, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 835,248	$ 217,631	$ (593,307)	$ 459,572
Add back:				
Selling, general and administrative	132,537	71,685	421,931	626,153
Cost of revenue adjustments:				
Depreciation and amortization(3)	72,110	153,204	62,039	287,353
Restructuring and other costs(3)	—	—	12,660	12,660
Amortization of upfront incentive consideration(4)	55,724	—	—	55,724
Stock-based compensation	—	—	19,213	19,213
Adjusted Gross Profit	1,095,619	442,520	(77,464)	1,460,675
Selling, general and administrative	(132,537)	(71,685)	(421,931)	(626,153)
Joint venture equity income	2,780	—	—	2,780
Selling, general and administrative adjustments:				
Depreciation and amortization(3)	4,826	1,228	120,579	126,633
Restructuring and other costs(6)	—	—	5,626	5,626
Acquisition-related costs(7)			779	779
Litigation costs(8)	—	—	46,995	46,995
Stock-based compensation	—	—	29,311	29,311
Adjusted EBITDA	970,688	372,063	(296,105)	1,046,646
Less:				
Depreciation and amortization(3)	76,936	154,432	182,618	413,986
Amortization of upfront incentive consideration(4)	55,724	—	—	55,724
Acquisition-related amortization(3a)	—	—	(143,425)	(143,425)
Adjusted Operating Income (Loss)	$ 838,028	$ 217,631	$ (335,298)	$ 720,361
Operating income margin	35.2%	21.4%	NM	13.6%
Adjusted EBITDA margin	40.9%	36.5%	NM	31.0%

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				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	LTM
Net income attributable to common stockholders	$ 75,939	$ (6,487)	$ 90,989	$ 82,090	$ 242,531
(Income) loss from discontinued operations, net of tax	477	1,222	529	(296)	1,932
Net income attributable to noncontrolling interests[1]	1,306	1,113	1,307	1,387	5,113
Income (loss) from continuing operations	77,722	(4,152)	92,825	83,181	249,576
Adjustments:					
Impairment and related charges[2]	—	92,022	—	(10,910)	81,112
Acquisition-related amortization[3a]	35,181	20,259	20,226	20,194	95,860
Loss on extinguishment of debt	—	—	1,012	—	1,012
Other, net [5]	15,234	752	3,802	(56,318)	(36,530)
Restructuring and other costs [6]	—	25,304	—	(1,329)	23,975
Litigation costs (reimbursements)[8]	3,501	958	(40,929)	963	(35,507)
Stock-based compensation	8,034	14,724	11,655	10,276	44,689
Depreciation and amortization of property and equipment[3b]	61,300	63,810	66,332	73,438	264,880
Amortization of capitalized implementation costs[3c]	9,189	8,948	10,484	11,510	40,131
Amortization of upfront incentive consideration[4]	16,132	16,161	18,005	17,113	67,411
Interest expense, net	39,561	38,097	38,919	37,348	153,925
Provision (benefit) for income taxes	31,707	(15,466)	40,595	71,201	128,037
Adjusted EBITDA	$ 297,561	$ 261,417	$ 262,926	$ 256,667	$ 1,078,571
Net Debt (total debt, less cash)					$ 3,126,652
Net Debt / LTM Adjusted EBITDA					2.9x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 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				
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	LTM
Net income attributable to common stockholders	$ 105,167	$ 72,019	$ 40,815	$ 24,561	$ 242,562
(Income) loss from discontinued operations, net of tax	(13,350)	2,098	394	5,309	$ (5,549)
Net income attributable to noncontrolling interests[1]	1,102	1,078	1,047	1,150	4,377
Income from continuing operations	92,919	75,195	42,256	31,020	241,390
Adjustments:					
Acquisition-related amortization[3a]	34,130	34,018	39,430	35,847	143,425
Loss on extinguishment of debt	—	—	3,683	—	3,683
Other, net[5]	(3,360)	(876)	(281)	(23,100)	(27,617)
Restructuring and other costs[6]	124	1,116	583	16,463	18,286
Acquisition-related costs[7]	108	516	90	65	779
Litigation (reimbursements) costs, net [8]	(3,846)	1,901	7,034	41,906	46,995
Stock-based compensation	10,289	12,810	12,913	12,512	48,524
Depreciation and amortization of property and equipment [3b]	53,665	56,214	58,271	65,153	233,303
Amortization of capitalized implementation costs [3c]	8,488	8,211	11,529	9,030	37,258
Amortization of upfront incentive consideration[4]	12,337	13,896	17,139	12,352	55,724
Interest expense, net	41,202	37,210	38,002	41,837	158,251
Provision for income taxes	41,424	31,273	7,208	6,740	86,645
Adjusted EBITDA	$ 287,480	$ 271,484	$ 237,857	$ 249,825	$ 1,046,646
Net Debt (total debt, less cash)					$ 3,114,380
Net Debt / LTM Adjusted EBITDA					3.0x

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

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Capital Expenditures
(in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Additions to property and equipment	$ 73,625	$ 73,415	$ 316,436	$ 327,647
Capitalized implementation costs	12,798	18,828	60,766	83,405
Adjusted Capital Expenditures	$ 86,423	$ 92,243	$ 377,202	$ 411,052

Reconciliation of Free Cash Flow
(in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Cash provided by operating activities	$ 222,127	$ 266,866	$ 678,033	$ 699,400
Cash used in investing activities	(74,573)	(27,095)	(317,525)	(445,808)
Cash used in financing activities	(55,844)	(143,378)	(356,780)	(190,025)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Cash provided by operating activities	$ 222,127	$ 266,866	$ 678,033	$ 699,400
Additions to property and equipment	(73,625)	(73,415)	(316,436)	(327,647)
Free Cash Flow	$ 148,502	$ 193,451	$ 361,597	$ 371,753

2018 Business outlook and financial guidance

With respect to the guidance below, full-year Adjusted Net Income guidance consists of full-year expected net income attributable to common stockholders less 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 these adjustments of approximately $30 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 Adjusted Operating Income guidance consists of Adjusted Net Income guidance less the impact of interest expense, net of approximately $155 million and provision for income taxes less tax impact of net income adjustments of approximately $120 million.

Full-year Adjusted EBITDA guidance consists of Adjusted Operating Income guidance less the impact of depreciation and amortization of property and equipment, amortization of capitalized implementation costs and amortization of upfront incentive consideration of approximately $405 million.

Full-year Free Cash Flow guidance consists of expected full-year cash provided by operating activities of $695 million to $715 million less additions to property and equipment of $305 million to $325 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 Net Income from continuing operations per share ("Adjusted EPS"), Adjusted Capital Expenditures, 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.

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, acquisition-related costs, litigation (reimbursements) costs, net, and stock-based compensation.

We define Adjusted Net Income as net income attributable to common stockholders adjusted for income (loss) 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, acquisition-related costs, litigation costs (reimbursements), 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 the diluted weighted-average common shares outstanding.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

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. Adjusted Capital Expenditures include cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Profit, Adjusted Operating Income (Loss), Adjusted Net Income, Adjusted EBITDA, Adjusted EPS and Adjusted Capital Expenditures 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, Adjusted Capital Expenditures, 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 Capital Expenditures, 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 interest held in (i) Sabre Travel Network Middle East of 40% for all periods presented, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014, (iii) Abacus International Lanka Pte Ltd of 40% beginning in July 2015, and (iv) Sabre Bulgaria of 40% beginning in November 2017.
2) Impairment and related charges represents an $81 million charge in 2017 associated with net capitalized contract costs related to an Airline Solutions' customer based on our analysis of the recoverability of such amounts.
3) 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. Also includes amortization of the excess basis in our underlying equity interest in Sabre Asia Pacific Pte Ltd's ("SAPPL") net assets prior to our acquisition of SAPPL on July 1, 2015.
    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.
4) 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.
5) In 2017, Other, net includes a benefit of $60 million due to a reduction to our liability under the TRA primarily due to a provisional adjustment resulting from the enactment of 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 2016, we recognized a gain of $15 million from the sale of our available-for-sale marketable securities, and $6 million gain associated with the receipt of an earn-out payment related to the sale of a business in 2013. In addition, all periods presented include 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.
6) Restructuring and other costs represents 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. We recorded $25 million and $20 million in charges associated with announced actions to reduce our workforce in 2017 and 2016, respectively. These reductions aligned our operations with business needs and implemented an ongoing cost and organizational structure consistent with our expected growth needs and opportunities. In 2015, we recognized a restructuring charge of $9 million associated with the integration of Abacus, and reduced that estimate by $4 million in 2016, as a result of the reevaluation of our plan derived from a shift in timing and strategy of originally contemplated actions. As of December 31, 2017, our actions under this plan have been substantially completed and payments under the plan have been made.
7) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of Abacus, the Trust Group and Airpas Aviation.
8) 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.
9) In 2017, the tax impact on net income adjustments includes a provisional impact of $47 million recognized in the fourth quarter of 2017 as a result of the enactment of the TCJA in December 2017.