Q4 & FY 2021 Earnings Report

15 February 2022

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,” “trend,” “recovery,” “outlook,” "target," "milestone," “future,” “believe,” “plan,” "guidance “anticipate,” “will,” "forecast," "continue," "strategy," "estimate," "project," “may,” “should,” “would,” “intend,” “potential” or the negative of these terms or other comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The potential risks and uncertainties include, among others, 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, our ability to recruit, train and retain employees, including our key executive officers and technical employees, competition in the travel distribution market and solutions markets, exposure to pricing pressure in the Travel Solutions business, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, including from airlines' insolvency, suspension of service or aircraft groundings, failure to adapt to technological advancements, the timing, implementation and effects of the technology investment and other strategic initiatives, the completion and effects of travel platforms, changes affecting travel supplier customers, dependence on establishing, maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements, implementation of software solutions, implementation and effects of new, amended or renewed agreements and strategic partnerships, including anticipated savings, dependence on relationships with travel buyers, our collection, processing, storage, use and transmission of personal data and risks associated with PCI compliance, the effects of any litigation and regulatory reviews and investigations, failure to comply with regulations, use of third-party distributor partners, the financial and business results and effects of acquisitions and divestitures of businesses or business operations, reliance on the value of our brands, reliance on third parties to provide information technology services and the effects of these services, the execution, maintenance of the integrity of our systems and infrastructure and the effect of any security incidents, 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, risks arising from global operations, risks related to our significant amount of indebtedness and tax-related matters.

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 November 2, 2021, in our Annual Report on Form 10-K filed with the SEC on February 25, 2021 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 Technology Costs, Adjusted Operating Loss, Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Loss from continuing operations per share (“Adjusted EPS”), Free Cash Flow, Net Debt / LTM Adjusted EBITDA and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see “2022 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” 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
CEO

Kurt Ekert
President

Doug Barnett
EVP & CFO

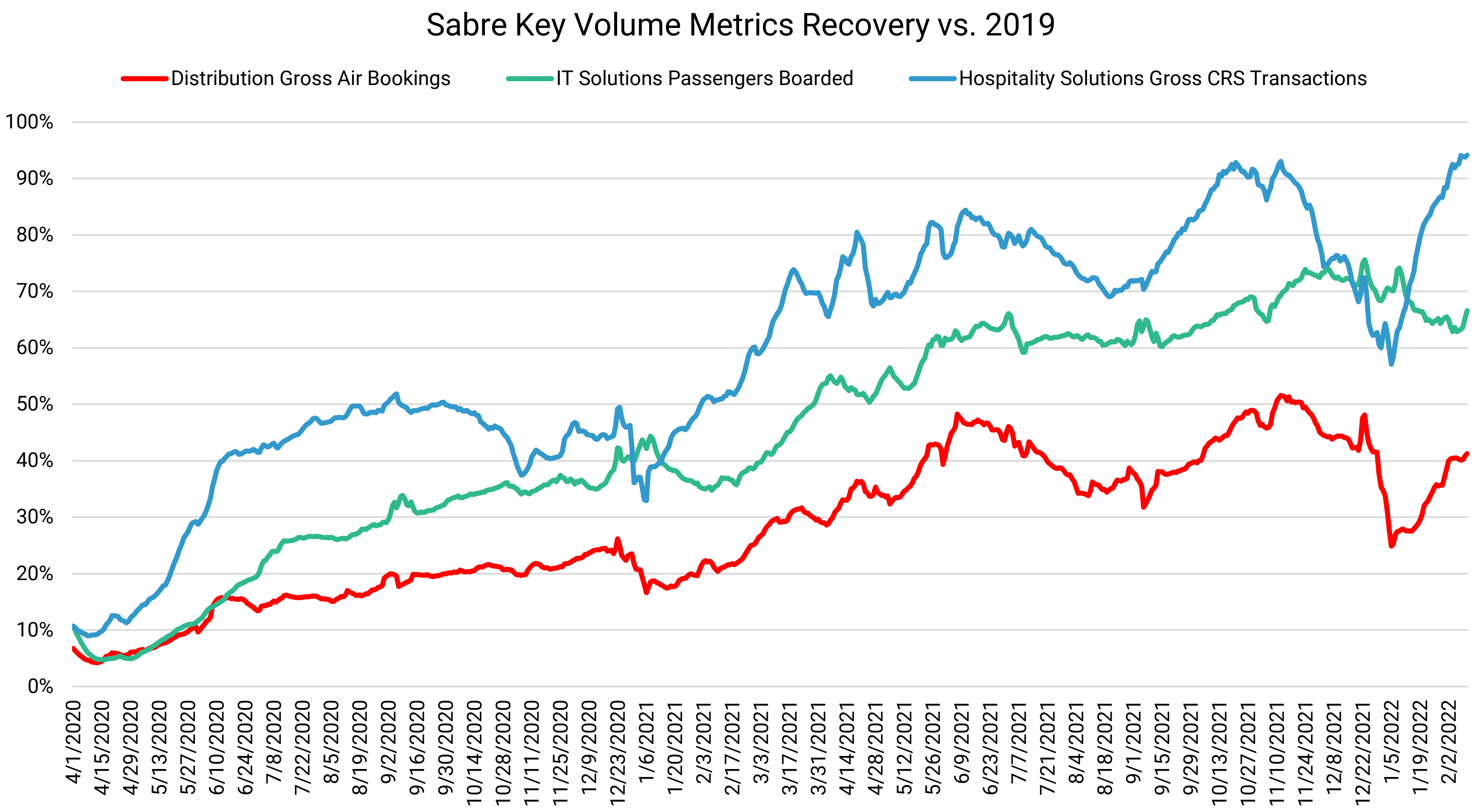
Agenda

SABR Investment Thesis

1. Revenue expected to grow as global travel recovers
2. Adjusted EBITDA & Adjusted EBITDA margin expected to exceed pre-COVID levels
3. Adjusted Operating Income expected to grow faster than revenue and Adj. EBITDA
4. Free Cash Flow generation expected to enable de-leveraging

The information presented here represents forward-looking statements and reflects expectations with respect to year-end 2025 as of February 15, 2022. 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 2021 Form 10-Q and 2020 Form 10-K.

Bookings are recovering from Omicron impact



- Volume metrics have broadly tracked the inverse of COVID-19 cases over time
- Slowdown in travel mid-June 2021 associated with increased Delta variant cases
- The Omicron variant hurt booking trends in December and mid-January, but we are seeing improving trends
- We are optimistic the impact of this COVID-19 variant will be short-lived

7-day moving average; calendar-shifted; CRS transactions are community model only; data through February 11, 2022.

Omicron impact was largest in January but recovering

Sabre's net air bookings were at 44%, 51%, 39%, 45%, and 29% of 2019 levels in Oct, Nov, Dec & Q4 2021 and Jan 2022

	GDS Industry Net Air Bookings Recovery vs. 2019				
	Global	North America	EMEA	Latin America	Asia-Pacific
Q2 2020	**(10%)**	**(7%)**	**(13%)**	**(10%)**	**(10%)**
Q3 2020	**12%**	**17%**	**12%**	**13%**	**4%**
Q4 2020	**21%**	**25%**	**20%**	**31%**	**13%**
Q1 2021	**23%**	**32%**	**19%**	**30%**	**14%**
Q2 2021	**36%**	**53%**	**32%**	**38%**	**14%**
Q3 2021	**40%**	**52%**	**40%**	**53%**	**16%**
October	50%	60%	52%	64%	25%
November	55%	68%	53%	74%	31%
December	40%	49%	38%	67%	22%
Q4 2021	**49%**	**59%**	**48%**	**68%**	**26%**
January	35%	43%	37%	47%	16%
Sabre 2019 Total Bookings Mix		*55%*	*16%*	*9%*	*20%*

Source: Sabre Market Intelligence

Tech transformation expected to provide fast benefit

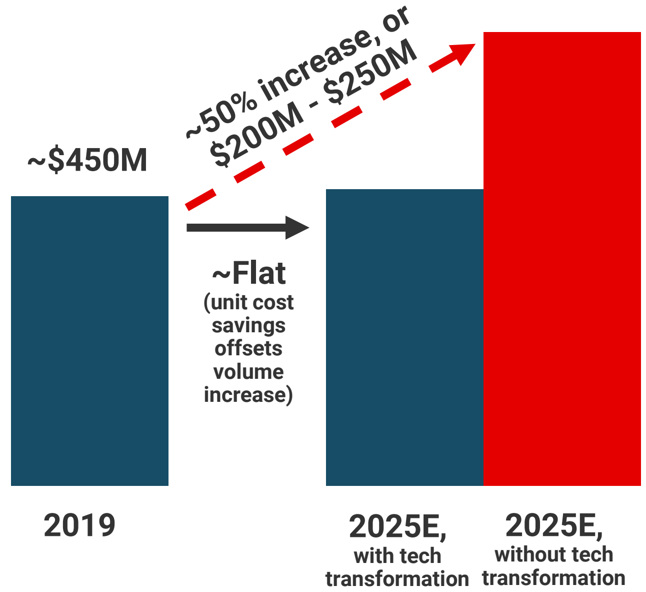
1

Expected product enhancements:

- Faster time to market
- Enhanced stability & security
- Reduced latency
- Easier customer deployments
- Lower cost of development

2

Significantly lower expected hosting costs:



3

Expected to avoid $150 - $200 million capex investment[1]:

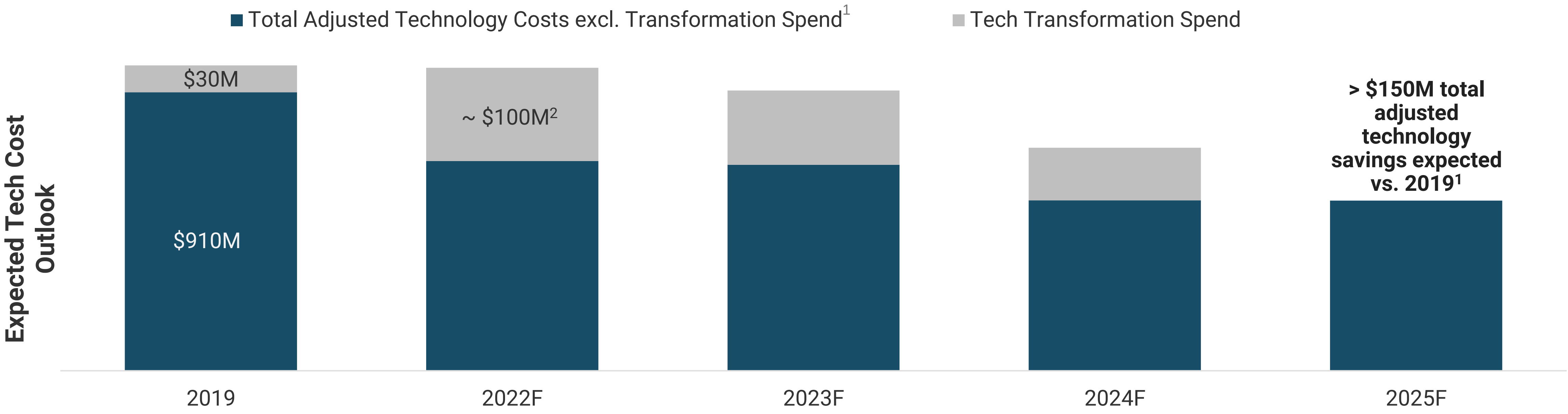
- Server hardware refresh to support growth
- Infrastructure update in Sabre-managed data centers
- DXC data center refresh and expansion

[1]2020 to 2024

Expect 10-year ROI of **30% - 35%** with NPV of **$300M+**

Our leadership to the cloud is driving new business

Investing in tech transformation for expected savings



Expected Milestones

2019	2022F	2023F	2024F	2025F
	Plan to: Offload PNR from mainframe to Google Cloud Exit Sabre-managed data centers (migrate to Google Cloud)	**Plan to:** Exit Tulsa midrange Complete 85% of mainframe offload for GDS functionality Reach 90% compute in cloud (GCP + AWS)	**Plan to:** Complete offload for remaining 15% of GDS functionality Migrate AWS cloud to Google Cloud	Tech transformation goals expected to be met

[1]Assumes >80% Sabre bookings recovery in 2025 and divestiture of AirCentre in Q1 2022.
[2]Of the expected $100M in tech transformation spend in 2022, $45M is expected incremental investment over 2021 described in slide 14.

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2025 Financial Targets

	2019	2025 Financial Targets at possible Sabre booking recovery levels[2]			Notes
		> 80% Sabre Bookings Recovery	> 100% Sabre Bookings Recovery	> 120% Sabre Bookings Recovery	
Adjusted EBITDA	$863M	> $900M	> $1.1B	> $1.3B	
Adjusted EBITDA Margin[1]	22%[1]	> 23%	> 26%	> 28%	In line or better than guidance provided in February 2020, before the pandemic
Adjusted OpInc	$513M	> $800M	> $1B	> $1.2B	7pts – 13pts targeted Adj. OpInc margin expansion; D&A expected to decline significantly
Free Cash Flow	$466M	> $500M	> $700M	> $900M	Assumes ~$50M annual CapEx

[1]Sabre's capitalization rate was 9% in 2019 and 3% in 2021. If 2019 had the same capitalization mix as 2021, 2019 Adjusted EBITDA margin would have been ~20% due to higher expensing of technology spend.

[2]Assumes AirCentre divestiture in Q1 2022.

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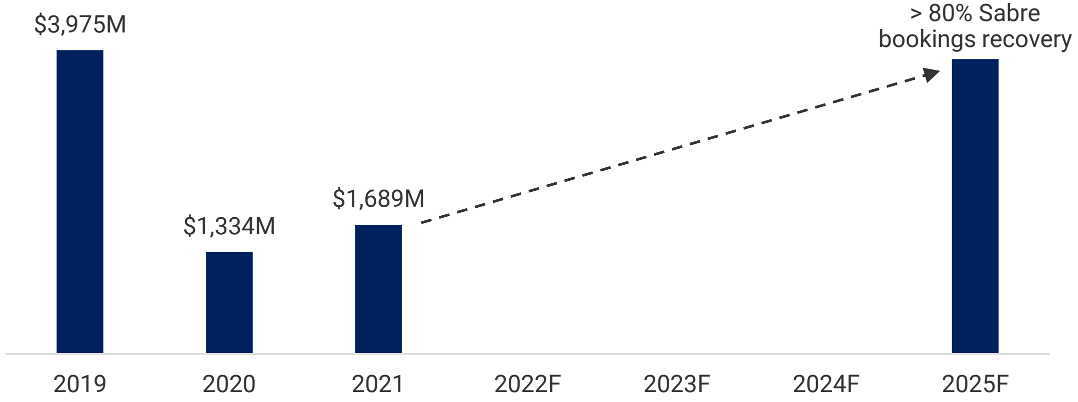
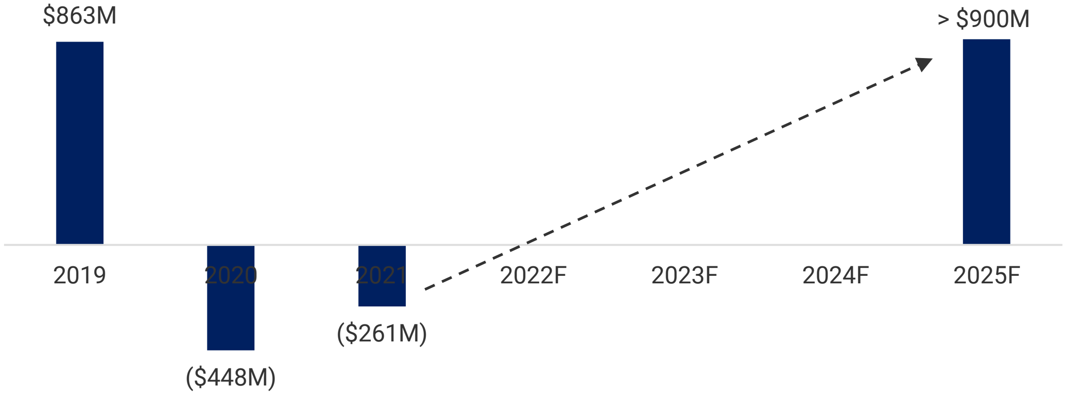
Moving toward higher margins & Free Cash Flow[1]

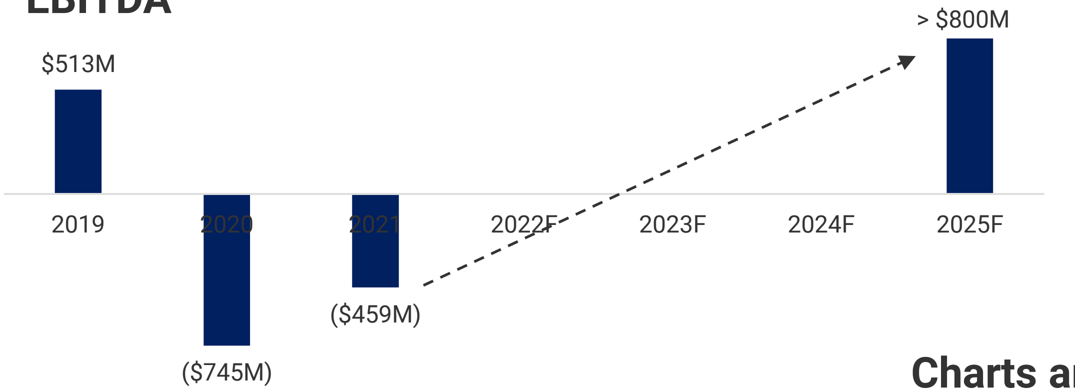
Revenue expected to grow as global travel recovers



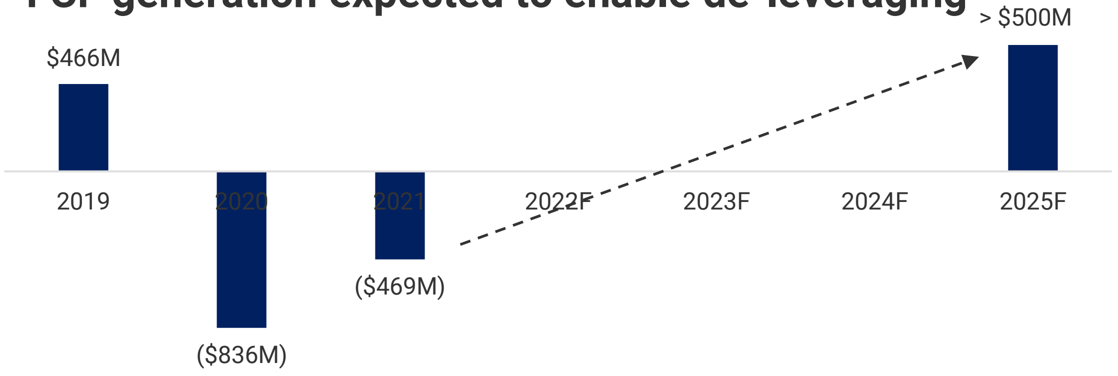
Adj. EBITDA & Adj. EBITDA margin expected to exceed pre-COVID levels



Adj. OpInc expected to grow faster than revenue & Adj. EBITDA



FCF generation expected to enable de-leveraging



Charts are illustrative only

[1]Assumes >80% Sabre bookings recovery in 2025 and divestiture of AirCentre in Q1 2022.

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Significant YOY financial improvement in Q4’21

	Q4’21	Q4’20	Commentary
Total Revenue	**$501M**	**$314M**	YOY improvement driven by increase in global air, hotel and other travel bookings due to continued recovery from the COVID-19 pandemic
Travel Solutions	$451M	$276M	
Distribution	*$286M*	*$131M*	Total Bookings at 45% recovery vs. 2019 Average booking fee of $4.96, versus $3.90, $3.84 and $4.59 in Q1, Q2 and Q3 2021, respectively
IT Solutions	*$165M*	*$145M*	Passengers Boarded at 69% recovery vs. 2019
Hospitality Solutions	$54M	$41M	Central Reservation System Transactions at 90% recovery vs. 2019
Adj. EBITDA	**($26M)**	**($101M)**	YOY improvement driven by revenue, partially offset by increased Travel Solutions incentives expenses and Hospitality Solutions transaction-related costs. Technology costs and SG&A increased due to increased hosting costs from volume recovery trends and increased labor and professional service
Adj. Operating Loss	**($68M)**	**($169M)**	YOY improvement driven by increase in EBITDA and lower D&A
Adj. Net Loss	**($152M)**	**($253M)**	YOY improvement driven by improvement in operating results and lower tax expense
Adj. EPS	**($0.47)**	**($0.80)**	YOY improvement driven by increase in net income
Free Cash Flow	**($30M)**	**($200M)**	Continued sequential improvement in quarterly cash burn rate vs. ($204M), ($152M) and ($83M) in Q1, Q2 and Q3 2021, respectively. Q4 aided by working capital seasonality.

2022 Financial Outlook

	Outlook at possible Sabre bookings recovery scenarios (excluding incremental investments)		
Sabre Bookings Recovery (% of 2019)[1]	50%	60%	70%
Excluding AirCentre[2]:			
Revenue	$2.2B to $2.5B	$2.5B to $2.8B	$2.8B to $3.1B
Adj. EBITDA	> Flat	> $100M	> $250M
Including AirCentre[3]:			
Revenue	$2.4B to $2.7B	$2.7B to $3.0B	$3.0B to $3.3B
Adj. EBITDA	> $50M	> $150M	> $300M

[1] Assumes related incremental benefit from Lodging, Ground and Sea (LGS) bookings and passengers boarded.
[2] Excludes AirCentre results after expected sale in Q1 2022.
[3] Includes expected AirCentre results for reference only; the sale of AirCentre is expected to close in Q1 2022.

2022 Incremental Investments[4] to capture expected growth and margin opportunities:

Technology transformation (~$45M):

- ~$25M technology transformation spend
  - Offload of PNR from mainframe to Google Cloud (GCP)
  - Migrating/exiting Sabre-managed data centers to GCP
- ~$20M hosting bubble costs due to temporary inefficiencies from running workloads across multiple legacy environments

SG&A (~$40M):

- ~$10M business systems
- ~$15M cybersecurity and insurance
- ~$15M increased compensation to attract and retain talent

[4] Incremental investments represent operational investments and expenditures that will be expensed within our results of operations (and therefore impact Adj. EBITDA) above what was expensed in 2021.

Q1 free cash flow is expected to reflect Omicron impact and timing of working capital / employee incentives

Expect free cash flow (FCF) to turn positive during the second half of 2022;
FCF expected to remain positive thereafter under each Sabre bookings recovery scenario described above

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1. Revenue expected to grow as global travel recovers
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Thank you

APPENDIX

Tabular reconciliations for Non-GAAP measures

Reconciliation of net loss attributable to common stockholders to Adjusted Net Loss from continuing operations, operating loss to Adjusted Operating Loss, and loss from continuing operations to Adjusted EBITDA:
(in thousands, except per share amounts; unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2020
Net loss attributable to common stockholders	$ (192,042)	$ (325,084)	$ (950,071)	$ (1,289,998)
Loss (Income) from discontinued operations, net of tax	2,374	(6,119)	2,532	(2,788)
Net income attributable to non-controlling interests[1]	505	363	2,162	1,200
Preferred stock dividends	5,346	5,428	21,602	7,659
Loss from continuing operations	$ (183,817)	$ (325,412)	$ (923,775)	$ (1,283,927)
Adjustments:				
Impairment and related charges[2]	—	8,684	—	8,684
Acquisition-related amortization[3a]	15,848	16,223	64,144	65,998
Restructuring and other costs[5]	(1,886)	11,568	(7,608)	85,797
Loss on extinguishment of debt	—	11,293	13,070	21,626
Other, net[4]	4,187	(5,054)	1,748	66,961
Acquisition-related costs[6]	3,445	(6,004)	6,744	16,787
Litigation costs, net[7]	5,149	(4,022)	22,262	(1,919)
Stock-based compensation	34,770	25,041	120,892	69,946
Tax impact of adjustments[8]	(29,368)	14,837	(6,867)	23,273
Adjusted Net Loss from continuing operations	$ (151,672)	$ (252,846)	$ (709,390)	$ (926,774)
Adjusted Net Loss from continuing operations per share	$ (0.47)	$ (0.80)	$ (2.21)	$ (3.20)
Diluted weighted-average common shares outstanding	323,469	317,271	320,922	289,855
Operating loss	$ (125,876)	$ (219,509)	$ (665,487)	$ (988,039)
Add back:				
Equity method income (loss)	131	(883)	(264)	(2,528)
Impairment and related charges[2]	—	8,684	—	8,684
Acquisition-related amortization[3a]	15,848	16,223	64,144	65,998
Restructuring and other costs[5]	(1,886)	11,568	(7,608)	85,797
Acquisition-related costs[6]	3,445	(6,004)	6,744	16,787
Litigation costs, net[7]	5,149	(4,022)	22,262	(1,919)
Stock-based compensation	34,770	25,041	120,892	69,946
Adjusted Operating Loss	$ (68,419)	$ (168,902)	$ (459,317)	$ (745,274)
Loss from continuing operations	$ (183,817)	$ (325,412)	$ (923,775)	$ (1,283,927)
Adjustments:				
Depreciation and amortization of property and equipment[3b]	32,785	59,377	163,291	260,651
Amortization of capitalized implementation costs[3c]	9,244	8,984	34,750	37,094
Acquisition-related amortization[3a]	15,848	16,223	64,144	65,998
Impairment and related charges[2]	—	8,684	—	8,684
Restructuring and other costs[5]	(1,886)	11,568	(7,608)	85,797
Interest expense, net	63,984	68,036	257,818	225,785
Other, net[4]	4,187	(5,054)	1,748	66,961
Loss on extinguishment of debt	—	11,293	13,070	21,626
Acquisition-related costs[6]	3,445	(6,004)	6,744	16,787
Litigation costs, net[7]	5,149	(4,022)	22,262	(1,919)
Stock-based compensation	34,770	25,041	120,892	69,946
(Benefit) provision for income taxes	(10,099)	30,745	(14,612)	(21,012)
Adjusted EBITDA	$ (26,390)	$ (100,541)	$ (261,276)	$ (447,529)
Adjusted EBITDA margin	(5.3)%	(32.0)%	(15.5)%	(33.5)%
Net Debt (total debt, less cash)			$ 3,828,434	$ 3,307,840
Net Debt / LTM Adjusted EBITDA			NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Free Cash Flow:
(in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Cash used in operating activities	$ (6,502)	$ (183,176)	$ (414,654)	$ (770,245)
Cash (used in) provided by investing activities	(23,893)	51,343	(29,428)	(1,291)
Cash (used in) provided by financing activities	(13,545)	(36,063)	(50,558)	1,837,741

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Cash used in operating activities	$ (6,502)	$ (183,176)	$ (414,654)	$ (770,245)
Additions to property and equipment	(23,893)	(17,161)	(54,302)	(65,420)
Free Cash Flow	$ (30,395)	$ (200,337)	$ (468,956)	$ (835,665)

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Three Months Ended December 31, 2021			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (10,286)	$ (8,830)	$ (49,303)	$ (68,419)
Less:				
Equity method income	131	—	—	131
Acquisition-related amortization[3a]	—	—	15,848	15,848
Restructuring and other costs[5]	—	—	(1,886)	(1,886)
Acquisition-related costs[6]	—	—	3,445	3,445
Litigation costs, net[7]	—	—	5,149	5,149
Stock-based compensation	—	—	34,770	34,770
Operating loss	$ (10,417)	$ (8,830)	$ (106,629)	$ (125,876)
Adjusted EBITDA	$ 25,554	$ (2,881)	$ (49,063)	$ (26,390)
Less:				
Depreciation and amortization of property and equipment[3b]	27,765	4,780	240	32,785
Amortization of capitalized implementation costs[3c]	8,075	1,169	—	9,244
Acquisition-related amortization[3a]	—	—	15,848	15,848
Restructuring and other costs[5]	—	—	(1,886)	(1,886)
Acquisition-related costs[6]	—	—	3,445	3,445
Litigation costs, net[7]	—	—	5,149	5,149
Stock-based compensation	—	—	34,770	34,770
Equity method income	131	—	—	131
Operating loss	$ (10,417)	$ (8,830)	$ (106,629)	$ (125,876)
Interest expense, net				(63,984)
Other, net[4]				(4,187)
Equity method income				131
Benefit for income taxes				10,099
Loss from continuing operations				$ (183,817)
Operating income margin	NM	NM	NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Three Months Ended December 31, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (114,538)	$ (15,440)	$ (38,924)	$ (168,902)
Less:				
Equity method loss	(883)	—	—	(883)
Impairment and related charges[2]	—	—	8,684	8,684
Acquisition-related amortization[3a]	—	—	16,223	16,223
Restructuring and other costs[5]	—	—	11,568	11,568
Acquisition-related costs[6]	—	—	(6,004)	(6,004)
Litigation costs, net[7]	—	—	(4,022)	(4,022)
Stock-based compensation	—	—	25,041	25,041
Operating loss	$ (113,655)	$ (15,440)	$ (90,414)	$ (219,509)
Adjusted EBITDA	$ (56,082)	$ (5,998)	$ (38,461)	$ (100,541)
Less:				
Depreciation and amortization of property and equipment[3b]	50,517	8,397	463	59,377
Amortization of capitalized implementation costs[3c]	7,939	1,045	—	8,984
Acquisition-related amortization[3a]	—	—	16,223	16,223
Impairment and related charges[2]	—	—	8,684	8,684
Restructuring and other costs[5]	—	—	11,568	11,568
Acquisition-related costs[6]	—	—	(6,004)	(6,004)
Litigation costs, net[7]	—	—	(4,022)	(4,022)
Stock-based compensation	—	—	25,041	25,041
Equity method loss	(883)	—	—	(883)
Operating loss	$ (113,655)	$ (15,440)	$ (90,414)	$ (219,509)
Interest expense, net				(68,036)
Other, net[4]				5,054
Loss on extinguishment of debt				(11,293)
Equity method loss				(883)
Provision for income taxes				(30,745)
Loss from continuing operations				$ (325,412)
Operating income margin	NM	NM	NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Year Ended December 31, 2021			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (222,679)	$ (39,806)	$ (196,832)	$ (459,317)
Less:				
Equity method loss	(264)	—	—	(264)
Acquisition-related amortization[(3a)]	—	—	64,144	64,144
Restructuring and other costs[(5)]	—	—	(7,608)	(7,608)
Acquisition-related costs[(6)]	—	—	6,744	6,744
Litigation costs, net[(7)]	—	—	22,262	22,262
Stock-based compensation	—	—	120,892	120,892
Operating loss	$ (222,415)	$ (39,806)	$ (403,266)	$ (665,487)
Adjusted EBITDA	$ (52,006)	$ (13,452)	$ (195,818)	$ (261,276)
Less:				
Depreciation and amortization of property and equipment[(3b)]	140,231	22,046	1,014	163,291
Amortization of capitalized implementation costs[(3c)]	30,442	4,308	—	34,750
Acquisition-related amortization[(3a)]	—	—	64,144	64,144
Restructuring and other costs[(5)]	—	—	(7,608)	(7,608)
Acquisition-related costs[(6)]	—	—	6,744	6,744
Litigation costs, net[(7)]	—	—	22,262	22,262
Stock-based compensation	—	—	120,892	120,892
Equity method loss	(264)	—	—	(264)
Operating loss	$ (222,415)	$ (39,806)	$ (403,266)	$ (665,487)
Interest expense, net				(257,818)
Other, net[(4)]				(1,748)
Loss on extinguishment of debt				(13,070)
Equity method loss				(264)
Benefit for income taxes				14,612
Loss from continuing operations				$ (923,775)
Operating income margin	NM	NM	NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Loss to operating loss in our statement of operations and Adjusted EBITDA to loss from continuing operations in our statement of operations by business segment:
(in thousands; unaudited)

	Year Ended December 31, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (523,122)	$ (63,915)	$ (158,237)	$ (745,274)
Less:				
Equity method loss	(2,528)	—	—	(2,528)
Impairment and related charges(2)	—	—	8,684	8,684
Acquisition-related amortization(3a)	—	—	65,998	65,998
Restructuring and other costs(5)	—	—	85,797	85,797
Acquisition-related costs(6)	—	—	16,787	16,787
Litigation costs, net(7)	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Operating loss	$ (520,594)	$ (63,915)	$ (403,530)	$ (988,039)
Adjusted EBITDA	$ (272,582)	$ (21,126)	$ (153,821)	$ (447,529)
Less:				
Depreciation and amortization of property and equipment(3b)	217,808	38,427	4,416	260,651
Amortization of capitalized implementation costs(3c)	32,732	4,362	—	37,094
Acquisition-related amortization(3a)	—	—	65,998	65,998
Impairment and related charges(2)	—	—	8,684	8,684
Restructuring and other costs(5)	—	—	85,797	85,797
Acquisition-related costs(6)	—	—	16,787	16,787
Litigation costs, net(7)	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Equity method loss	(2,528)	—	—	(2,528)
Operating loss	$ (520,594)	$ (63,915)	$ (403,530)	$ (988,039)
Interest expense, net				(225,785)
Other, net(4)				(66,961)
Loss on extinguishment of debt				(21,626)
Equity method loss				(2,528)
Benefit for income taxes				21,012
Loss from continuing operations				$(1,283,927)
Operating income margin	NM	NM	NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Technology Costs to technology costs in our statement of operations:
(in thousands; unaudited)

		Year Ended December 31, 2019
Adjusted Technology Costs	**$**	**940,430**
Add:		
Impairment and related charges(2)		-
Depreciation & Amortization(3)		323,078
Restructuring and other costs(5)		-
Acquisition-related costs(6)		-
Litigation, costs net(7)		-
Stock-based compensation		21,696
Technology Costs	**$**	**1,285,204**

2022 Business outlook and financial guidance

With respect to the 2022 financial outlook, full-year Adjusted EBITDA guidance consists of (1) full-year expected net income attributable to common stockholders adjusted for the estimated impact of loss from discontinued operations, net of tax, of approximately $3 million; net income attributable to noncontrolling interests of approximately $2 million; preferred stock dividends of approximately $20 million; acquisition-related amortization of approximately $50 million; stock-based compensation expense of approximately $100 million; other costs including litigation, acquisition-related costs, other foreign non-income tax matters and foreign exchange gains and losses of $40 million; and the tax impact of the above adjustments of approximately $1 million, less (2) the impact of depreciation and amortization of property and equipment and amortization of capitalized implementation costs of approximately $135 million; interest expense, net of approximately $245 million; and provision for income taxes less tax impact of net income adjustments of approximately $18 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Technology costs, Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income from continuing operations ("Adjusted Net (Loss) Income"), Adjusted EBITDA, Adjusted EPS, Free Cash Flow and ratios based on these financial measures. As a result of our business realignment in the third quarter of 2020, 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.

We define Adjusted Technology Costs as technology costs adjusted for impairment and related charges, depreciation and amortization, restructuring and other costs, acquisition-related costs, litigation costs, net, and stock-based compensation.

We define Adjusted Operating (Loss) Income as Operating (loss) income adjusted for equity method (loss) income, impairment and related charges, 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, preferred stock dividends, impairment and related charges, acquisition-related amortization, restructuring and other costs, loss on extinguishment of debt, other, net, acquisition-related costs, litigation costs, net, stock-based compensation, and the tax impact of adjustments.

We define Adjusted EBITDA as (Loss) Income from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, impairment and related charges, restructuring and other costs, interest expense, net, other, net, loss on extinguishment of debt, acquisition-related costs, litigation costs, net, stock-based compensation and the remaining (benefit) provision for income taxes. We have revised our calculation of Adjusted EBITDA to no longer exclude the amortization of upfront incentive consideration in all periods presented.

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.
We define Adjusted Net (Loss) Income from continuing operations per share as Adjusted Net (Loss) Income divided by diluted weighted-average common shares outstanding.

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, fund our investments in technology transformation, and meet working capital requirements. We also believe that 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 Technology Costs, 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 EBITDA does not reflect cash requirements for such replacements;
- Adjusted EBITDA does not reflect amortization of capitalized implementation costs associated with our revenue contracts, which may require future working capital or cash needs in the future;
- 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 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 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) Impairment and related charges consists of $5 million associated with software developed for internal use and $4 million associated with capitalized implementation costs related to a specific 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.

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.

(4) Other, net includes a $15 million gain on sale of equity securities during the first quarter of 2021, an $8 million pension settlement charge recorded in 2021, debt modification costs for financing fees of $2 million recorded in the third quarter of 2021, a $46 million charge related to termination payments incurred in 2020 in connection with the now-terminated acquisition of Farelogix Inc. ("Farelogix") and an $18 million pension settlement charge recorded in 2020, partially offset by a $10 million gain on sale of our headquarters building in the fourth quarter of 2020. 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

(5) Restructuring and other costs represents charges, and adjustments to those charges, associated with business restructuring and associated changes, 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, facilities and cost structure.

(6) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix, as well as costs related to the acquisition of Radixx in 2019 and other acquisition and disposition related activities.

(7) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters. In 2020, we reversed the previously accrued non-income tax expense of $4 million due to success in our claims. In 2019, we recorded the reversal of our previously accrued loss related to the US Airways legal matter for $32 million.

(8) 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, the impact of the adjustments on valuation allowance assessments, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, and other items.