Q4 and FY 2022 Earnings Report

15 Feb 2023

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,” "guidance," "outlook," "trend," "recovery," "goal," "believe", "target," "confident," "milestone," “plan,” “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 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 timing, implementation and effects of the technology investment and other strategic initiatives, the completion and effects of travel platforms, exposure to pricing pressure in the Travel Solutions business, changes affecting travel supplier customers, maintenance of the integrity of our systems and infrastructure and the effect of any security incidents, 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, failure to adapt to technological advancements, implementation of software solutions, 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, the effects of cost savings initiatives, the effects of new legislation or regulations or the failure to comply with regulations or other legal requirements, 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 effects of any litigation and regulatory reviews and investigations, adverse global and regional economic and political conditions, including, but not limited to, recessionary or inflationary economic conditions, risks related to the current military conflict in Ukraine, risks arising from global operations, risks related to our significant amount of indebtedness, including increases in interest rates and our ability to refinance our debt, the effects of the implementation of new accounting standards, 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, 2022 and our Annual Report on Form 10-K filed with the SEC on February 18, 2022 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 Operating Income (Loss), Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Loss from continuing operations per share (“Adjusted EPS”), Free Cash Flow, and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA and Free Cash Flow. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see “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
Chair of the Board and CEO

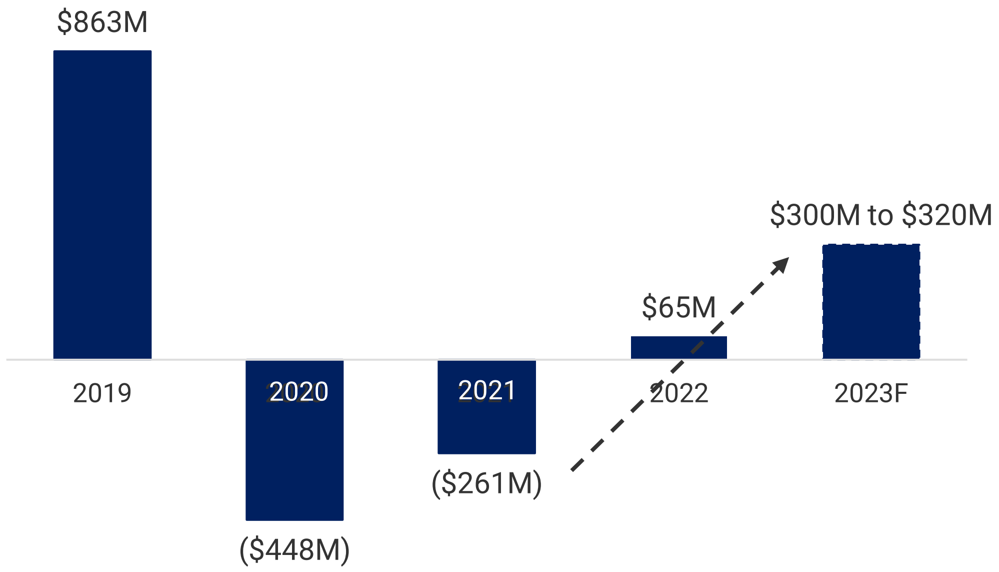
Kurt Ekert
President

Mike Randolfi
EVP & CFO

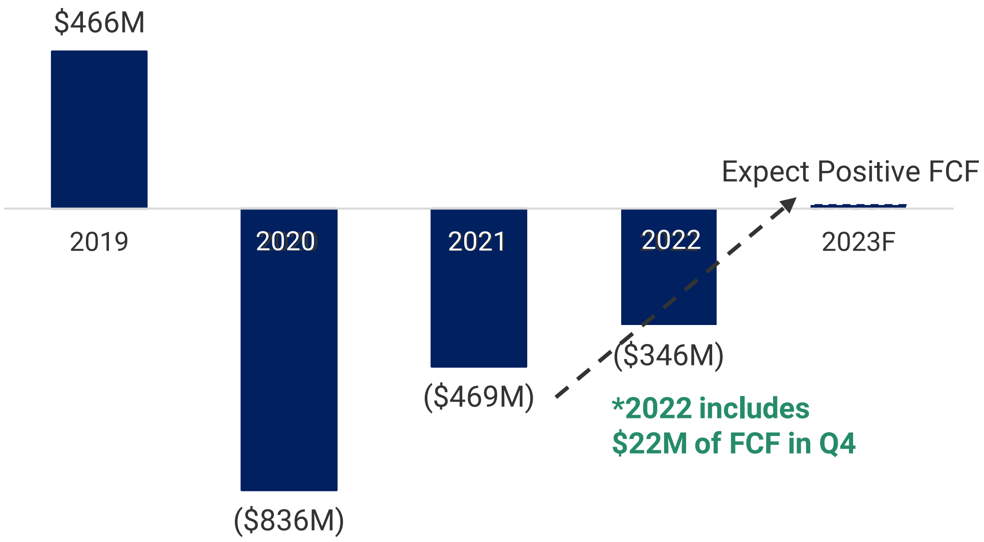
Agenda

At an important inflection point

Adjusted EBITDA turned positive in 2022, further gains expected from the travel recovery and operating leverage

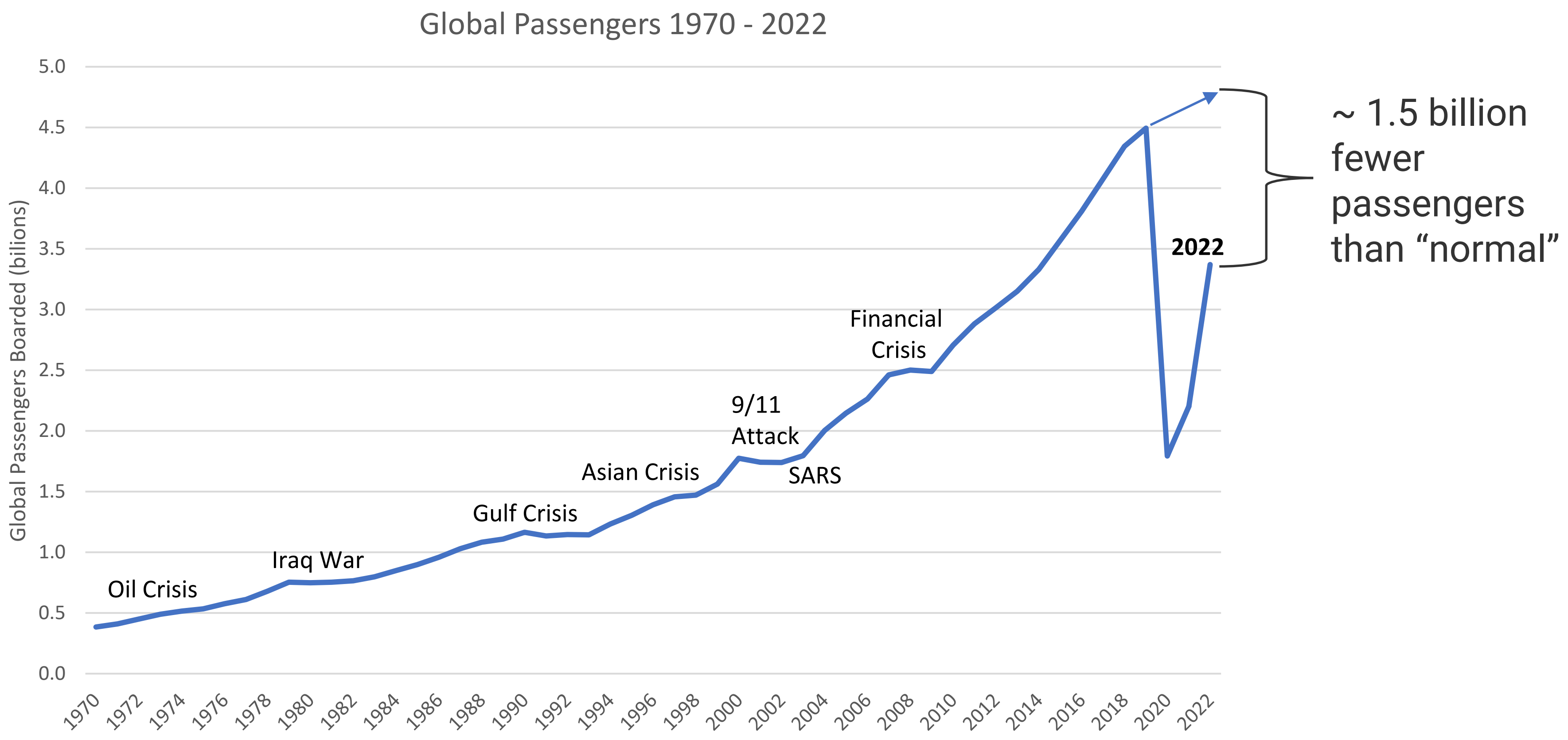


Generated positive FCF in Q4'22 and expect to be FCF + in 2023 and beyond, which will enable de-leveraging



The information presented here represents forward-looking statements and reflects expectations with respect to year-end 2023 as of February 15, 2023. Sabre assumes no obligation to update these statements. Refer to "Forward-looking statements" on slide 2. Results may be materially different and are affected by many factors including those detailed in the accompanying release and in Sabre's Form 10-Q filed with the SEC on November 2, 2022 and Form 10-K filed with the SEC on February 18, 2022

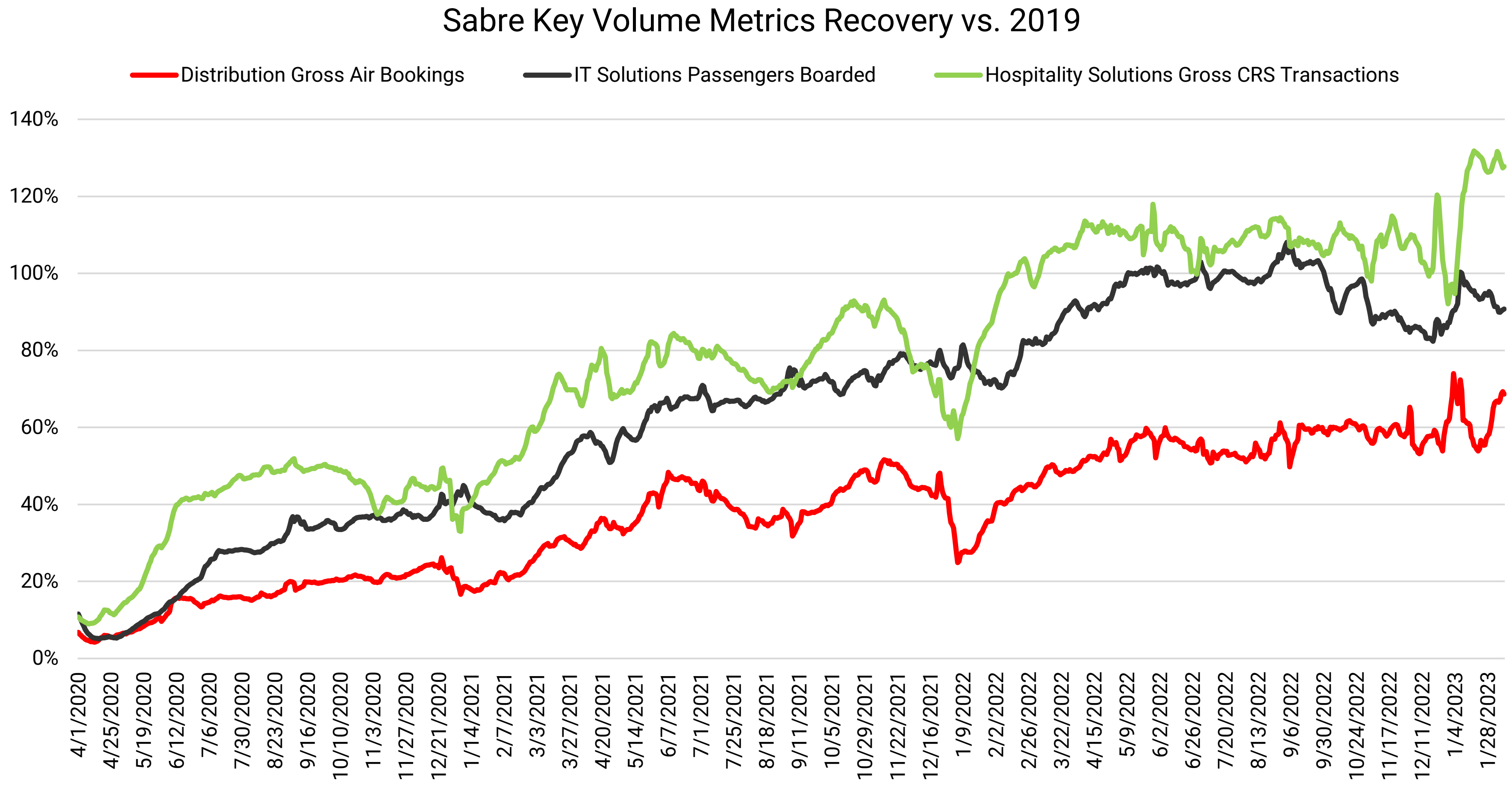
Travel industry still recovering



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

Source: Worldbank.org, Sabre estimates

Recovery Continuing into 2023



- Rate of recovery improved in January relative to December for both Air bookings and CRS transactions
- Corporate and Asia-Pacific air bookings, which were below expectations in December, have both resumed positive recovery trends in 2023

7-day moving average; calendar-shifted; CRS transactions are community model only; IT Solutions Passengers Boarded includes current and historical Radixx volumes not previously included in prior versions of this chart. Chart includes Data through Feb. 9, 2023.

A year of accomplishments in our tech transformation

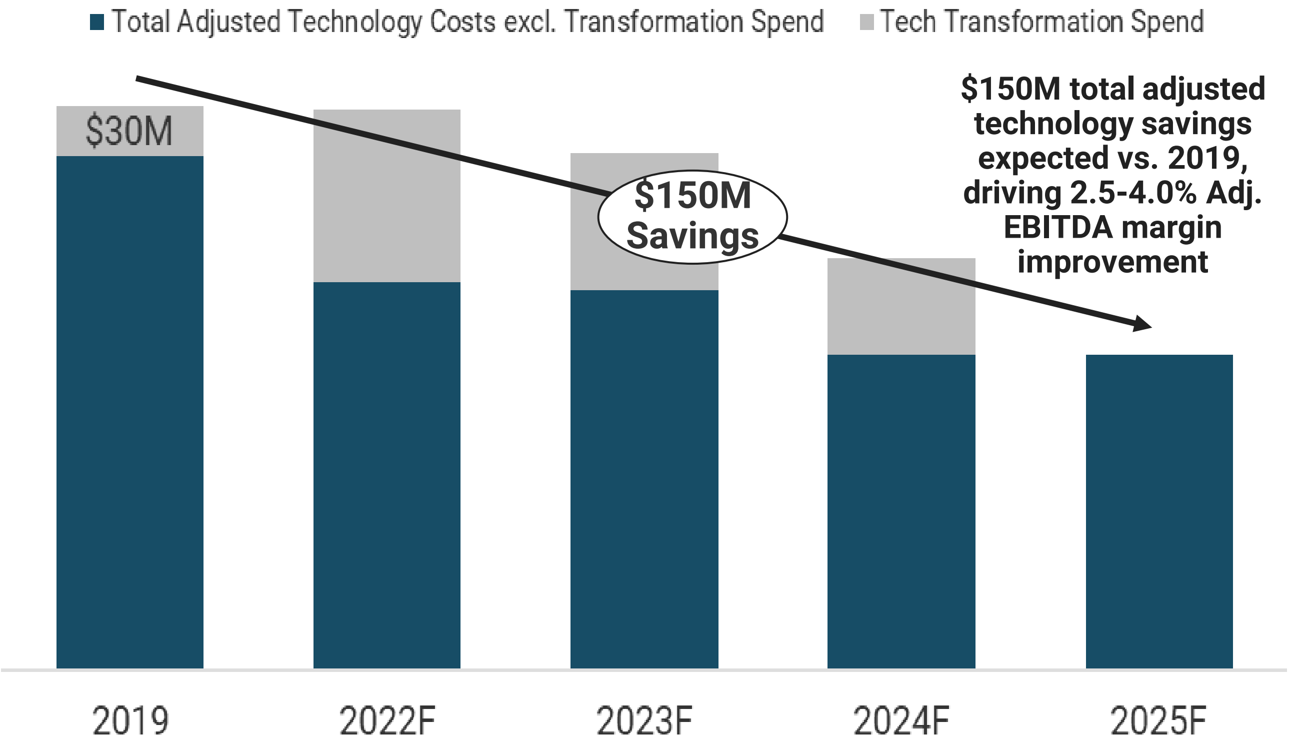
Our technology transformation remains on track to achieve stated goals by the end of 2024

2023 Expected Milestones

- Reach 90% of compute in public cloud
- Exit Tulsa midrange
- Complete 85% of mainframe offload for GDS functionality

2022 Accomplishments

- Migrated approximately 15,000 servers to GCP, which now contains ~66% of our total compute capacity
- Mainframe offload exceeded 2022 annual savings goal
- Passenger Name Record (PNR) development goal achieved, client migrations underway
- Exited all four remaining Sabre-managed datacenters in TX



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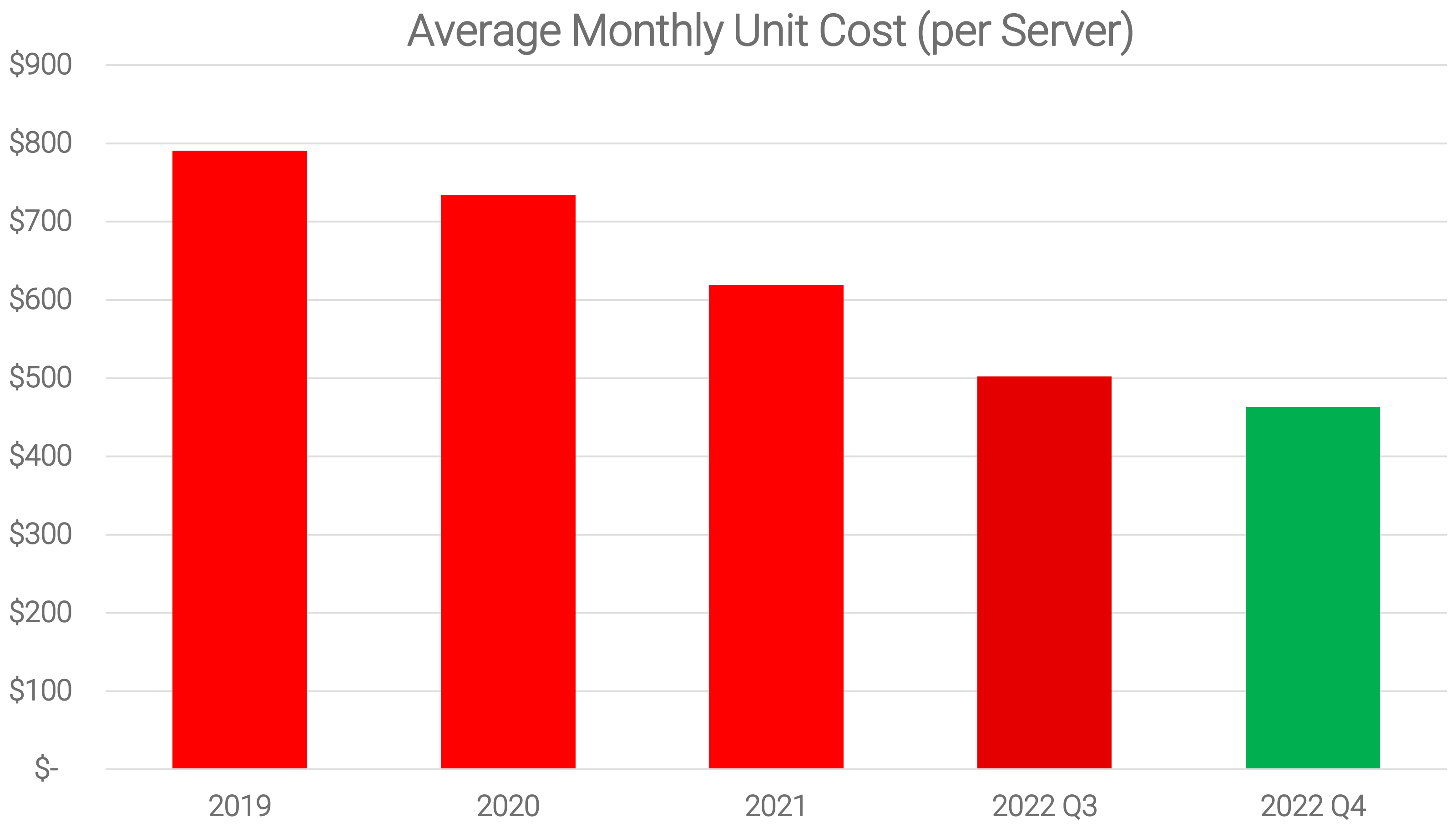
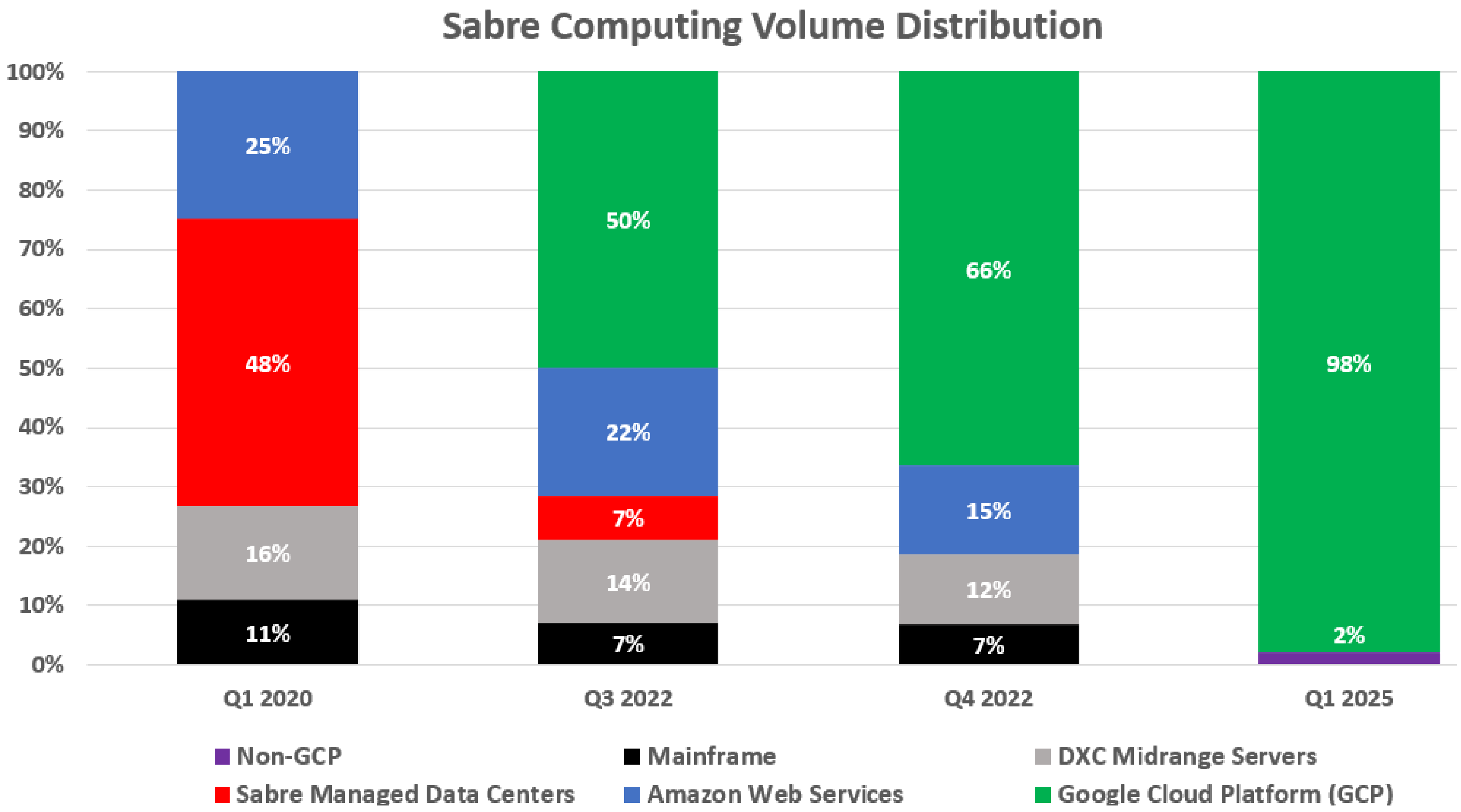
Driving our cost of compute lower



Simplified technology infrastructure in Google Cloud



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Financial improvement continued in Q4’22

	Q4’22	Q4’21	Commentary
Total Revenue	**$631M**	**$501M**	YOY improvement driven by increase in global air, hotel and other travel bookings due to continued recovery from the COVID-19 pandemic
Travel Solutions	$574M	$451M	
Distribution	*$417M*	*$286M*	Total Bookings at 59% recovery vs. 2019 (Air bookings recovery 58%) Average booking fee of $5.49
IT Solutions	*$157M*	*$165M*	Passengers Boarded at 90% recovery vs. 2019
Hospitality Solutions	$65M	$54M	Central Reservation System Transactions at 104% recovery vs. 2019
Adj. EBITDA	**$1M**	**($26M)**	YOY improvement driven by revenue, partially offset by increased Travel Solutions incentives expenses. Technology costs increased due to increased hosting costs from volume recovery trends
Adj. EPS	**($0.36)**	**($0.47)**	YOY improvement driven by improved Adjusted Net Loss
Free Cash Flow	**$22M**	**($30M)**	YOY improvement driven by increase in Adj. EBITDA, and the timing of certain technology payments

2023 Financial Outlook

	Q1 2023	FY 2023
Revenue	~$725M	$2.8B to $3.0B
Adj. EBITDA	~$50M	$300M to $320M
Free Cash Flow	($80M) to ($90M) **driven by Q1 seasonality*	Positive

The information presented here represents forward-looking statements and reflects expectations as of February 15, 2023. Sabre assumes no obligation to update these statements. Refer to "Forward-looking statements" on Slide 2.
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Thank you

APPENDIX

Business outlook and financial guidance

With respect to the 2023 financial outlook: First quarter 2023 Adjusted EBITDA guidance consists of (1) first quarter 2023 expected net income attributable to common stockholders adjusted for the estimated impact of loss from discontinued operations, net of tax, of approximately $125 million; net income attributable to noncontrolling interests of approximately $1 million; preferred stock dividends of approximately $5 million; acquisition-related amortization of approximately $10 million; stock-based compensation expense of approximately $25 million; other costs including litigation, acquisition-related costs, other foreign non-income tax matters and foreign exchange gains and losses of $1 million; less the tax impact of the above adjustments of approximately $2 million, (2) the impact of depreciation and amortization of property and equipment and amortization of capitalized implementation costs of approximately $30 million; interest expense, net of approximately $100 million; and provision for income taxes less tax impact of net income adjustments of approximately $5 million.

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 $380 million; net income attributable to noncontrolling interests of approximately $3 million; preferred stock dividends of approximately $15 million; acquisition-related amortization of approximately $40 million; stock-based compensation expense of approximately $95 million; other costs including litigation, acquisition-related costs, and other foreign non-income tax matters and foreign exchange gains and losses of $5 million; less the tax impact of the above adjustments of approximately $5 million, (2) the impact of depreciation and amortization of property and equipment and amortization of capitalized implementation costs of approximately $120 million; interest expense, inclusive of amortization of issuance costs and debt discounts net of approximately $400 million; and provision for income taxes less tax impact of net income adjustments of approximately $15 million.

First quarter 2023 Free Cash Flow guidance consists of the expected first quarter 2023 cash used by operating activities of $60 million to $65 million less additions to property and equipment of $20 million to $25 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Operating Income (Loss), Adjusted Net Loss from continuing operations ("Adjusted Net Loss"), 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 Operating Income (Loss) as operating loss adjusted for equity method income (loss), 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 as net loss 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 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 provision (benefit) 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 divided by diluted weighted-average common shares outstanding.

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

We define Adjusted Net Loss from continuing operations per share as Adjusted Net Loss 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, Adjusted EBITDA Margin 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 Operating Income (Loss), Adjusted Net Loss, Adjusted EBITDA, Adjusted EBITDA Margin, 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 Income (Loss), Adjusted Net Loss 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 Income (Loss), Adjusted Net Loss, Adjusted EBITDA, Adjusted EPS or Free Cash Flow differently, which reduces their usefulness as comparative measures.

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 Income (Loss), and loss from continuing operations to Adjusted EBITDA:
(in thousands, except per share amounts; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net loss attributable to common stockholders	$ (165,437)	$ (192,042)	$ (456,833)	$ (950,071)
Loss from discontinued operations, net of tax	83	2,374	679	2,532
Net income attributable to non-controlling interests[1]	737	505	2,670	2,162
Preferred stock dividends	5,346	5,346	21,385	21,602
Loss from continuing operations	$ (159,271)	$ (183,817)	$ (432,099)	$ (923,775)
Adjustments:				
Impairment and related charges[2]	—	—	5,146	—
Acquisition-related amortization[3a]	10,179	15,848	51,254	64,144
Restructuring and other costs[5]	221	(1,886)	14,500	(7,608)
Loss on extinguishment of debt	940	—	4,473	13,070
Other, net[4]	2,972	4,187	(136,645)	1,748
Acquisition-related costs[6]	521	3,445	6,854	6,744
Litigation costs, net[7]	326	5,149	31,706	22,262
Stock-based compensation	12,791	34,770	82,872	120,892
Tax impact of adjustments[8]	14,648	(29,368)	847	(6,867)
Adjusted Net Loss from continuing operations	$ (116,673)	$ (151,672)	$ (371,092)	$ (709,390)
Adjusted Net Loss from continuing operations per share	$ (0.36)	$ (0.47)	$ (1.14)	$ (2.21)
Diluted weighted-average common shares outstanding	328,440	323,469	326,742	320,922
Operating loss	$ (54,800)	$ (125,876)	$ (261,060)	$ (665,487)
Add back:				
Equity method income (loss)	471	131	686	(264)
Impairment and related charges[2]	—	—	5,146	—
Acquisition-related amortization[3a]	10,179	15,848	51,254	64,144
Restructuring and other costs[5]	221	(1,886)	14,500	(7,608)
Acquisition-related costs[6]	521	3,445	6,854	6,744
Litigation costs, net[7]	326	5,149	31,706	22,262
Stock-based compensation	12,791	34,770	82,872	120,892
Adjusted Operating Loss	$ (30,291)	$ (68,419)	$ (68,042)	$ (459,317)
Loss from continuing operations	$ (159,271)	$ (183,817)	$ (432,099)	$ (923,775)
Adjustments:				
Depreciation and amortization of property and equipment[3b]	22,108	32,785	96,397	163,291
Amortization of capitalized implementation costs[3c]	9,653	9,244	36,982	34,750
Acquisition-related amortization[3a]	10,179	15,848	51,254	64,144
Impairment and related charges[2]	—	—	5,146	—
Restructuring and other costs[5]	221	(1,886)	14,500	(7,608)
Interest expense, net	90,169	63,984	295,231	257,818
Other, net[4]	2,972	4,187	(136,645)	1,748
Loss on extinguishment of debt	940	—	4,473	13,070
Acquisition-related costs[6]	521	3,445	6,854	6,744
Litigation costs, net[7]	326	5,149	31,706	22,262
Stock-based compensation	12,791	34,770	82,872	120,892
Provision (benefit) for income taxes	10,861	(10,099)	8,666	(14,612)
Adjusted EBITDA	$ 1,470	$ (26,390)	$ 65,337	$ (261,276)
Adjusted EBITDA margin	0.2 %	(5.3)%	2.6 %	(15.5)%
Net Debt (total debt, less cash)			$ 4,044,238	$ 3,828,434
Net Debt / LTM Adjusted EBITDA			NM	NM

Tabular reconciliations for Non-GAAP measures

Reconciliation of Free Cash Flow:

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Cash provided by (used in) operating activities	$ 38,312	$ (6,502)	$ (276,458)	$ (414,654)
Cash (used in) provided by investing activities	(12,274)	(23,893)	173,977	(29,428)
Cash used in financing activities	(13,724)	(13,545)	(75,370)	(50,558)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Cash provided by (used in) operating activities	$ 38,312	$ (6,502)	$ (276,458)	$ (414,654)
Additions to property and equipment	(16,020)	(23,893)	(69,494)	(54,302)
Free Cash Flow	$ 22,292	$ (30,395)	$ (345,952)	$ (468,956)

Tabular reconciliations for Non-GAAP measures

Reconciliation of Adjusted Operating Income (Loss) to operating income (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, 2022			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	$ 40,789	$ (13,110)	$ (57,970)	$ (30,291)
Less:				
Equity method income	471	—	—	471
Acquisition-related amortization(3a)	—	—	10,179	10,179
Restructuring and other costs(5)	—	—	221	221
Acquisition-related costs(6)	—	—	521	521
Litigation costs, net(7)	—	—	326	326
Stock-based compensation	—	—	12,791	12,791
Operating income (loss)	$ 40,318	$ (13,110)	$ (82,008)	$ (54,800)
Adjusted EBITDA	$ 66,973	$ (7,827)	$ (57,676)	$ 1,470
Less:				
Depreciation and amortization of property and equipment(3b)	17,866	3,948	294	22,108
Amortization of capitalized implementation costs(3c)	8,318	1,335	—	9,653
Acquisition-related amortization(3a)	—	—	10,179	10,179
Restructuring and other costs(5)	—	—	221	221
Acquisition-related costs(6)	—	—	521	521
Litigation costs, net(7)	—	—	326	326
Stock-based compensation	—	—	12,791	12,791
Equity method income	471	—	—	471
Operating income (loss)	$ 40,318	$ (13,110)	$ (82,008)	$ (54,800)
Interest expense, net				(90,169)
Other, net(4)				(2,972)
Loss on extinguishment of debt				(940)
Equity method income				471
Provision for income taxes				(10,861)
Loss from continuing operations				$ (159,271)
Operating income margin	7.0 %	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, 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 Income (Loss) to operating income (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, 2022			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	$213,290	$ (51,579)	$ (229,753)	$ (68,042)
Less:				
Equity method income	686	—	—	686
Impairment and related charges[(2)]	—	—	5,146	5,146
Acquisition-related amortization[(3a)]	—	—	51,254	51,254
Restructuring and other costs[(5)]	—	—	14,500	14,500
Acquisition-related costs[(6)]	—	—	6,854	6,854
Litigation costs, net[(7)]	—	—	31,706	31,706
Stock-based compensation	—	—	82,872	82,872
Operating income (loss)	$212,604	$ (51,579)	$ (422,085)	$ (261,060)
Adjusted EBITDA	$323,803	$ (29,794)	$ (228,672)	$ 65,337
Less:				
Depreciation and amortization of property and equipment[(3b)]	78,601	16,715	1,081	96,397
Amortization of capitalized implementation costs[(3c)]	31,912	5,070	—	36,982
Acquisition-related amortization[(3a)]	—	—	51,254	51,254
Impairment and related charges[(2)]	—	—	5,146	5,146
Restructuring and other costs[(5)]	—	—	14,500	14,500
Acquisition-related costs[(6)]	—	—	6,854	6,854
Litigation costs, net[(7)]	—	—	31,706	31,706
Stock-based compensation	—	—	82,872	82,872
Equity method income	686	—	—	686
Operating income (loss)	$212,604	$ (51,579)	$ (422,085)	$ (261,060)
Interest expense, net				(295,231)
Other, net[(4)]				136,645
Loss on extinguishment of debt				(4,473)
Equity method income				686
Provision for income taxes				(8,666)
Loss from continuing operations				$ (432,099)
Operating income margin	9.2 %	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

Non-GAAP footnotes

(1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling 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 represents a $5 million impairment charge associated with the impact of regulatory changes in Russia on the future recoverability of certain assets for the year ended December 31, 2022.

(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 $180 million gain on the sale of AirCentre during 2022, a fair value loss of $26 million on our GBT investment during 2022, and a $15 million gain on sale of equity securities during the first quarter of 2021, as well as debt modification costs for financing fees of $2 million recorded in the third quarter of 2021. In addition, all periods presented include pension settlement charges and 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 planning and implementing business restructuring activities, including costs associated with third party consultants advising on our business structure and strategy going forward which are integral to the restructuring plan and severance benefits related to employee terminations, which primarily occurred in the third quarter of 2022.

(6) Acquisition-related costs represent fees and expenses incurred associated with acquisition and disposition-related activities.

(7) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters.

(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.