

INITIATING COVERAGE

Amadeus IT Group, S.A.

BME: AMS · ES0109067019 · Travel technology · 10 September 2026

Rating

ACCUMULATE conviction 3/5

12-month target price

EUR 66.00 +21%

Current price

EUR 54.70 (BME, 07:34 UTC, 10 September 2026)

Fair value range

EUR 63 – 103 central EUR 71

Market capitalisation	EUR 22,973m
Enterprise value	EUR 25,551m
Shares outstanding	419,986,676 (431,571,296 issued less 11,584,620 treasury)
Free float	97.3% — no controlling shareholder, single share class
12-month range	EUR 46.21 – 69.30
Average daily traded value	EUR 45.5m (831,048 shares)
Index membership	IBEX 35, STOXX Europe 600, MSCI Europe
Credit rating	BBB (S&P, stable) / Baa2 (Moody's, positive)
Next catalyst	Q3 2026 results, 6 November 2026
Expected 12-month total return	+24% (price +21%, dividend 2.9%)
Hurdle rate / price that clears it	10% p.a. in EUR / buy below EUR 66.23
Analyst	Billen Capital Research

Source integrity note

This report does **not** use the NotebookLM “AMS EVIDENCE PACK v1” as a source. Cross-checking against the audited accounts found fabricated figures in its balance-sheet, segment-contribution, net-debt, quarterly-revenue and operating-KPI tables — FY2023 operating income and profit were understated by approximately 14%, FY2025 cash by 39%, and H1 2026 bookings growth was recorded as +2.8% when the company reported –3.7%. Every historical figure in this report is taken from the audited consolidated accounts or the company Management Reviews and is traced in the verification log at Appendix A9.

Research prepared for private investment purposes. This is not investment advice, nor an offer or solicitation to buy or sell any security. The author holds no position in Amadeus IT Group, S.A. at the date of publication. Figures marked [BCR est.] are the author's estimates and are not company disclosures. Past performance is not a guide to future returns. Full disclaimer at Appendix A8.

Investment summary

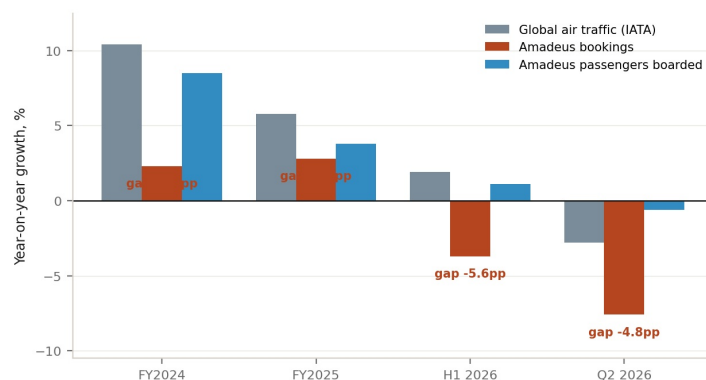
Amadeus is a toll booth on global air travel that has, for the first time in its listed life, seen the volume through the booth fall while the toll kept rising. In the second quarter of 2026 bookings declined 7.6% while revenue per booking rose 5.6% at constant currency. Whether that is a shock or a pattern is the entire investment question.

The thesis in five points

1. **The business is not broken; the discount rate moved.** Amadeus trades at 15.8x forward earnings against a 24.0x ten-year median. The 10-year Bund has risen 80bp in a year to 3.45%, its highest since April 2011. Discounted at a traffic-cyclicality cost of capital of 8.14%, the base-case cash flows are worth EUR71 per share. The market is discounting the same cash flows at 9.8% — a 165bp risk premium that is the disintermediation debate expressed as a charge rather than as a forecast cut.
2. **Volume is genuinely leaking, and it is not only the energy shock.** Amadeus bookings have underperformed global traffic in every recent period, and the gap widened to 4.8 percentage points in Q2 2026. We model a permanent 2.8% annual structural drain from direct connects, airline NDC APIs and aggregators — enough to hold bookings flat for six years against a growing market.
3. **Pricing power is real, and it is doing all the work.** Revenue per booking has compounded at 5–6% and distribution cost as a share of Air Distribution revenue has fallen six points in three years, so the gains are being retained rather than recycled into agency incentives. Every euro of our forecast growth is price and mix.
4. **The good half of the business is the half nobody argues about.** Air IT Solutions grew 8.7% at constant currency in H1 2026 on a 70.8% contribution margin, with 25%+ of Altéa passengers boarded already contracted into Nevio programmes at a claimed 30% price premium. Switching costs there are close to prohibitive.
5. **The asymmetry is poor even though the expectation is positive.** Probability-weighted value is EUR72.12 (+32%), but there is a 32% chance value sits below today's price and the upside/downside ratio is 0.65x. That argues for accumulation, not a full position.

Exhibit 8 The bypass gap: Amadeus volume versus global air traffic

year-on-year growth, per cent; gap in percentage points



Takeaway: Amadeus bookings have underperformed global traffic in every recent period and the gap widened to 4.8pp in Q2 2026 - the core evidence for a structural, not merely cyclical, drain.

Source: IATA Global Outlook Dec-2025 and Jun-2026, Air Passenger Market Analysis Apr/May-2026; Amadeus FY2025 and H1 2026 Management Reviews

Target price and method

Our 12-month target of **EUR 66.00** is 18.0x our FY2027E adjusted diluted EPS of EUR3.66, against 14.9x today and a 24.0x ten-year median. It cross-checks to 10.5x FY2027E EV/EBITDA (EUR66.4) and represents 93% of central intrinsic value. We deliberately set it below full intrinsic value: a twelve-month horizon should not assume the risk premium fully unwinds.

Expected return decomposition, 12 months		Contribution
Multiple change (15.8x to 18.0x on FY2027E)		+21.7%
Earnings growth		-0.7%
Dividend		+2.9%
Buyback		+2.2%
Expected total return		+26.1%

Source: BCR model. Earnings growth is negative in the twelve months to September 2027 because the FY2026 comparative includes a full year at pre-shock volumes.

Three reasons it works

- The energy shock reverses. Hormuz reopens, traffic normalises, and bookings return to growth — at which point the 165bp risk premium has no evidence behind it and unwinds.
- Nevio converts. 25%+ of Altéa passengers boarded are contracted; as they go live, revenue per passenger boarded compounds at 5%+ and Air IT Solutions carries the group past a stagnant Air Distribution.
- Amadeus wins the orchestration layer. It is already the founding B2B partner on Google's Universal Commerce Protocol for Lodging. If agents transact through Amadeus rails, the bear case has no mechanism.

Three reasons it fails

- Bookings stay negative after traffic recovers. That would confirm the drain is structural, not cyclical, and it is the one observation that breaks the thesis outright.
- Airlines force a pricing reset. At a 2.0% industry net margin and USD4.50 of profit per passenger, carriers have every reason to contest GDS escalators at renewal — and roughly a fifth of distribution volume re-prices each year.
- Compute costs outrun monetisation. Agentic shopping multiplies searches against a booking base that does not grow.

Exhibit 1 Investment summary scorecard

Billen Capital Research, 10 September 2026

Rating	ACCUMULATE
12-month target price	EUR 66.00
Current price (10 Sep 2026)	EUR 54.70
Upside to target	+21%
Fair-value range	EUR 63 - 103 (central EUR 71)
Probability-weighted value	EUR 72.12 (+32%)
Expected 12m total return	+24% (price +21% + dividend 2.9%)
3-year IRR to intrinsic value	12.2% p.a.
Hurdle rate / price that clears it	10% p.a. EUR / buy below EUR 66.23
Probability value is below price	32%
Upside / downside ratio	0.65x
Conviction	3 / 5
WACC (central) / terminal growth	8.14% / 2.0%
Market cap / EV	EUR 22,973m / EUR 25,551m

Takeaway: Positive expected value at a 32% discount to central intrinsic value, but a 0.65x upside/downside ratio and a 32% chance value sits below the price argue for accumulation rather than a full position.

Source: BCR model; price and market data as at 10 Sep 2026

What would make us wrong

Five falsifiable statements, each with a threshold and a date. If any of these is observed, the conclusion in this report is wrong in the way described — not merely early.

1. Bookings remain negative after global traffic turns positive

Threshold: Amadeus booking growth below zero for two consecutive quarters in which IATA reports positive global RPK growth. **Date:** testable from Q2 2027. **Consequence:** the 2.8% structural drain is too kind; the correct number is 5%+ and the terminal value collapses. This is the single observation that ends the thesis. Rating would move to REDUCE regardless of price.

2. Revenue per booking growth falls below 2% at constant currency

Threshold: below +2% cc for two consecutive quarters. **Date:** testable from Q4 2026. **Consequence:** the escalators are being renegotiated away. Fair value falls approximately EUR12 per share. Rating to HOLD.

3. Revenue per passenger boarded growth falls below 3% at constant currency

Threshold: below +3% cc for two consecutive quarters. **Date:** testable from Q1 2028, once the first Lufthansa Group Nevio migrations are live. **Consequence:** the Nevio premium is not real at scale; the largest single value driver in the model is wrong. Fair value falls approximately EUR8 per share.

4. Adjusted EBIT margin falls below 28.5%

Threshold: below 28.5% for two consecutive quarters. **Date:** testable from Q2 2027. **Consequence:** compute and cloud inflation is outrunning cost discipline, or operating leverage is working in reverse against falling volume. Fair value falls approximately EUR6 per share.

5. IDEMIA Public Security revenue falls below EUR700m in its first full year after close

Threshold: below EUR700m against EUR711m in FY2025. **Date:** FY2028 results, February 2029. **Consequence:** the TSA contract loss was structural rather than a one-off, EUR1.2bn was misallocated, and the capital-allocation record needs re-reading. Fair value falls approximately EUR6 per share and the governance assessment in Section G4 is downgraded.

What would make us more positive

Bookings returning to positive growth while revenue per booking holds above 4%; a named agentic-commerce transaction volume disclosed through Amadeus rails; NDC implementations moving above 35 airlines after five quarters of stasis; or the buyback being executed materially below EUR60 while these hold.

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A0. Security, structure and the path from operating cash to the shareholder

What is being bought is ordinary common equity in Amadeus IT Group, S.A., a Spanish *sociedad anónima* domiciled in Madrid, incorporated under Spanish law, and listed on the Spanish Continuous Market across the Madrid, Barcelona, Bilbao and Valencia exchanges under the ticker AMS.¹ There is one share class. Every share carries one vote and a nominal value of EUR0.01, all fully subscribed and paid.

At 30 June 2026 the company's capital was EUR4,315,712.96, represented by 431,571,296 shares. That is down from 450,499,205 at 31 December 2025: on 3 June 2026 the general meeting resolved a capital reduction of EUR189,279.09 by redeeming 18,927,909 treasury shares valued at EUR1,300.0m, acquired under the repurchase programmes run during 2025. The reduction was executed on 30 June 2026. Treasury shares stood at 11,584,620 (2.68% of capital) and board members held 67,477 shares (0.02%). **Shares outstanding are therefore 419,986,676**, and that is the count used throughout this report.²

This last point matters more than it looks. The share count is one of the figures the NotebookLM evidence pack got wrong — it recorded 410.4m for FY2025 and described the buyback shares as “repurchased and cancelled”. At the FY2025 balance sheet date they had been repurchased but not cancelled; they sat in treasury at 19,584,160 shares, 4.35% of capital. The cancellation happened six months later. Anyone modelling per-share metrics off the pack would have understated the FY2025 diluted count by roughly 3% and misdated the reduction.

There is no controlling shareholder and no structural friction

Free float is 97.3%. The largest disclosed holders are Capital Group (above 5%), BlackRock and Fidelity (each above 3%), per CNMV filings. There is no dual-class structure, no golden share, no loyalty-voting scheme, no shareholder agreement, and no state-linked or anchor holder with a strategic agenda. The convertible bond issued in April 2020 converted or matured in April 2025, with EUR693.1m of principal converted into shares, so there is no convertible overhang remaining and no potential dilution beyond ordinary share-based compensation, which management caps at under 0.5% a year.

Exhibit 44 Ownership register and free float

shares and per cent of issued capital

Holder / line	Shares	% of capital	Note
Issued share capital (30 Jun 2026)	431,571,296	100.00%	Reduced from 450,499,205 by the 30 Jun 2026 cancellation of 18,927,909 treasury shares valued EUR1,300.0m
Treasury shares	11,584,620	2.68%	Held against the Feb-Jun 2026 EUR500m programme
Board of Directors	67,477	0.02%	Excludes shares obtainable through instruments
Free float (shares outstanding)	419,986,676	97.32%	The share count used throughout this report
Capital Group	>5%	>5%	Largest disclosed holder (CNMV)
BlackRock	>3%	>3%	CNMV disclosure
Fidelity	>3%	>3%	CNMV disclosure
Share classes	One	100%	Single class, one vote per share, EUR0.01 nominal
Index membership	IBEX 35		Also STOXX Europe 600 and MSCI Europe
ADR lines	AMADY / AMADF		Un-sponsored OTC; depositary fees apply
Average daily traded value	EUR45.5m		831,048 shares at EUR54.70

Takeaway: A plain single-class operating company with no controlling shareholder, no golden share and 95%+ free float: there is no structural discount to argue about here.

Source: Amadeus audited FY2025 accounts note 16.1 (share distribution at 31 Dec 2025); H1 2026 Management Review section 4.1 (position at 30 Jun 2026); significant holders per CNMV filings as disclosed in the accounts

The cash path

Amadeus IT Group, S.A. is itself the counterparty to all the key contractual arrangements with airlines and travel providers for the Air Distribution and Air IT Solutions segments.³ That is unusual and helpful: the operating cash is largely generated at, not merely remitted to, the listed entity. Non-controlling interests are negative EUR1.3m — immaterial. There is no subsidiary-level debt of substance; the five Eurobonds, the European Investment Bank facilities and the revolving credit facility are all issued or borrowed at the parent. No capital controls, regulatory restrictions or contractual distribution limitations are disclosed anywhere in the accounts.

For a Swedish holder the only leakage is withholding tax. Spain withholds 19% at source on dividends. The Spain-Sweden double taxation treaty reduces the rate to 15%, and the 4-point difference is reclaimable in principle, though Spanish reclaim procedures are slow enough that many holders treat the 19% as the effective rate. On the FY2025 dividend of EUR1.54 per share, the difference between the treaty rate and the statutory rate is **6.2 cents per share a year** — 0.11% of the current price. It is worth reclaiming and not worth modelling as a structural discount.

The absence of friction is itself the finding. There is no holding-company discount to argue about, no minority leakage, no trapped cash and no structural subordination. What the shareholder receives is what

the business earns, less Spanish withholding tax.

Exhibit 45 Security structure and the path from operating cash to the shareholder

schematic



Frictions between operating cash and the shareholder:

- No minorities of substance (non-controlling interests: EUR-1.3m)
- No subsidiary-level debt of substance; all Eurobonds issued by the parent
- No capital controls or contractual distribution restrictions disclosed
- Spanish withholding tax 19% at source; Spain-Sweden treaty rate 15%; reclaim of the 4pp is possible but administratively slow
- No dual class, no golden share, no loyalty voting, no shareholder agreement

Takeaway: The absence of structural friction is itself a finding: this is a plain single-class operating company and nothing between the operating cash and the shareholder needs to be discounted except withholding tax.

Source: Amadeus audited FY2025 accounts notes 1, 16 and 17; H1 2026 Management Review section 4.1; Spain-Sweden double taxation treaty

SO WHAT FOR THE VALUATION

No structural discount is applied. The equity value derived in Section I flows through to the shareholder in full, less 15–19% withholding on the dividend stream. The share count used in every per-share calculation is 419,986,676, sourced from the H1 2026 Management Review section 4.1 rather than from any market-data vendor: Bigdata.com's implied count of 428.7m is stale and would overstate market capitalisation by EUR476m.

¹ Audited FY2025 consolidated annual accounts, note 16.1. ² H1 2026 Management Review, section 4.1. ³ Audited FY2025 consolidated annual accounts, note 6.

A. Company and business model

Amadeus was founded in 1987 by Air France, Iberia, Lufthansa and SAS to build a European alternative to the American airline reservation systems. It listed in 2010 after a private-equity ownership period. The founding structure explains something important about the present: the company was built by its customers, and its distribution business has always been a shared utility rather than a purely extractive intermediary. That history is why the relationship with large European carriers has survived episodes — Lufthansa's GDS surcharge in 2015, for instance — that might have broken a less embedded supplier.

Three segments, two very different businesses

Amadeus reports three operating segments under the IFRS 8 management approach.¹ Management measures each on *contribution* — revenue less directly attributable operating costs plus directly allocated capitalisations — with shared technology and corporate costs held centrally as net indirect cost.

FY2025	Revenue (EUR m)	% of group	Contribution (EUR m)	Contribution margin
Air Distribution	3,119.2	47.9%	1,563.1	50.1%
Air IT Solutions	2,345.9	36.0%	1,663.7	70.9%
Hospitality & Other Solutions	1,051.9	16.1%	379.1	36.0%
Group	6,517.0	100.0%	3,605.9	55.3%
Net indirect cost			(1,112.5)	
Depreciation and amortisation			(735.0)	
Operating income			1,758.4	27.0%

Source: audited FY2025 consolidated annual accounts, note 6. The evidence pack recorded Air Distribution contribution at EUR1,440.0m (46.2%) and Air IT at EUR1,510.8m (64.4%); both are wrong.

How each euro is actually earned

- **Air Distribution** earns a *transaction fee per booking*, paid by the travel provider — the airline — not by the travel agency. FY2025 revenue per booking was EUR6.44 on 484.5m bookings. The fee unit is the booking; the escalator is a contractual annual indexation of roughly 2–3% plus inflation pass-through;

contract length is typically five to ten years, with subscriber agreements running two to fifteen years. Historical renewal has run above 90%. The segment also carries non-booking revenue — travel agency IT and Cytric corporate booking — which management noted outperformed bookings in H1 2026.

- **Air IT Solutions** earns a *fee per passenger boarded* on the Altéa and Navitaire New Skies passenger service systems: EUR1.043 per passenger boarded in FY2025 on 2,248.6m passengers. Contracts are multi-year and effectively perpetual in practice, because migrating a passenger service system is a two-to-three year programme touching reservation, inventory, ticketing and departure control simultaneously. Airport IT, professional services and biometrics sit here too.
- **Hospitality & Other** is a mix: central reservation and property management systems charged per transaction or by subscription, payments (Outpayce) on a take rate against total payment volume, plus business intelligence, media, mobility, ferry and insurance.

Customer concentration

Amadeus discloses no numeric customer concentration. The accounts state only that reliance on a small group of major airlines represents a concentration risk.² This is a genuine gap and it is recorded in the gap register at Section P. What can be said is that the top five Nevio customers — Lufthansa Group (nine carriers), British Airways, Air France-KLM, Saudia and Finnair — represent more than 25% of Altéa passengers boarded on their own. The loss of any one of them would be material to Air IT Solutions; the loss of two would be a thesis event.

Management and incentives

Luis Maroto has been chief executive since 2011 — a fifteen-year tenure that spans the IPO, the pandemic and the cloud migration. Carol Borg became chief financial officer in May 2025, succeeding Till Streichert. William Connelly has chaired an independent board since 2021. Roughly 67% of the chief executive's target compensation is variable: an annual bonus at 110% of base salary (maximum 220%) weighted to revenue (33%), EBITDA (33%), EPS (31%) and sustainability (13%), and a performance share plan at 175% of base (maximum 350%) vesting on three-year relative total shareholder return, EPS and free cash flow, with a two-year post-vest holding period and a 200%-of-salary shareholding requirement.³

The weakness in that structure is visible: revenue, EBITDA and EPS are all *scale* measures. Nothing in the short-term incentive rewards return on capital, and nothing rewards booking volume or unit price separately. A management team paid on revenue and adjusted EPS has every reason to buy revenue and to adjust EPS. We return to this in Section G4.

SO WHAT FOR THE VALUATION

Air IT Solutions earns a 70.9% contribution margin against Air Distribution's 50.1%, so mix shift towards Air IT adds roughly 20 basis points of group contribution margin for every point of revenue that moves between them. That mix effect is what allows our model to expand group margin from 29.1% to 29.7% while assuming essentially no help from operating leverage on volume.

¹ Audited FY2025 accounts, note 6. ² *ibid.*, p.142. ³ PSC_AMS_LONG broker note pp.32, 41-42, labelled third-party.

A2. Revenue mechanics and cash timing

The path from contract to cash is unusually short, and that is a double-edged property. Roughly 93% of revenue is recognised as transactions occur rather than against delivery milestones, so there is very little deferred revenue to cushion a volume decline — but equally very little revenue that can be pulled forward.

FY2025 revenue by nature	EUR m	% of revenue
Revenue provided through platforms and software	6,033.3	92.6%
Revenue from professional services and other	483.7	7.4%
Total revenue	6,517.0	100.0%

Source: audited FY2025 consolidated annual accounts, note 12.

Under IFRS 15, GDS air revenue is recognised at the moment the reservation is made — not at travel, not at ticketing — net of a cancellation reserve calculated from historical cancellation experience.¹ That detail became load-bearing in 2026: the Middle East disruption caused a “heightened level of booking cancellations”, and cancellations reverse revenue that has already been recognised. Passenger-service-system revenue is recognised over time as passengers board, which is why passengers boarded fell only 0.6% in Q2 while bookings fell 7.6% — a booking cancelled before travel removes a booking fee but a passenger who still flies still boards.

Contracted, repeat-transactional and one-off

Amadeus does not publish this split, and it should. Our estimate, built from disclosed contract lengths and the revenue-by-nature disclosure:

Bucket	FY2025 estimate	Basis
Contracted / recurring	~62%	Multi-year PSS, CRS and subscription arrangements with contractual minimums or effective lock-in [BCR est.]
Repeat transactional	~31%	Booking fees and payment transactions under framework agreements with no volume guarantee [BCR est.]
One-off / project	~7%	Professional services and implementation, per the revenue-by-nature disclosure

This ratio matters more than the growth rate. Roughly a third of revenue carries no volume guarantee at all, and it is concentrated precisely in the segment where volume is falling.

Exhibit 46 Revenue recognition and cash conversion by product line

elapsed time from the triggering event

Product line	Trigger	Recognition	Invoice to cash	IFRS 15 basis
GDS air booking	Reservation made	At the moment of reservation, net of a cancellation reserve	~48 days DSO	Point in time
Altea / New Skies PSS	Passenger boarded	As passengers board	~48 days	Over time, output method
Nevio	Passenger boarded + modules	As delivered; implementation phased	~48 days	Over time
Hospitality CRS / PMS	Transaction or subscription	Ratably or per transaction	~45 days	Over time / point in time
Outpayce payments	Payment transaction	On settlement	Days	Point in time
Professional services	Milestone	Percentage of completion	60-90 days	Over time, input method
Software licences	Delivery / stand-ready	Practical expedient applied to stand-ready series	~48 days	Over time
Revenue mix		Platforms and software EUR6,033.3m (92.6%); professional services and other EUR483.7m (7.4%)		FY2025

Takeaway: Around 93% of revenue is recognised as transactions occur rather than on delivery milestones, which is why revenue is stable but also why it tracks volume with no lag or cushion.

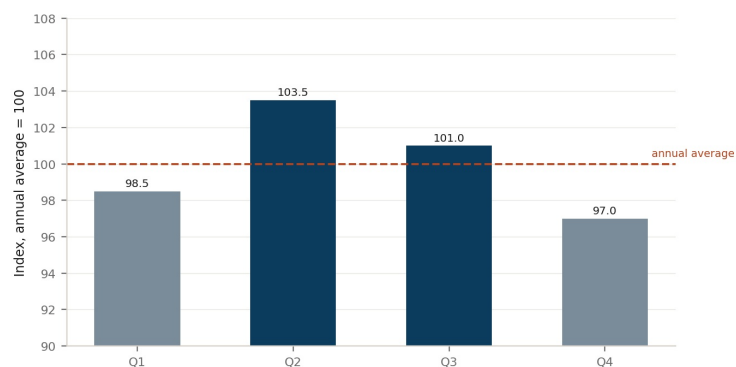
Source: Amadeus audited FY2025 accounts notes 12 and 13 (IFRS 15 policy, contract assets and liabilities); FY2025 Management Review; DSO of 48 days from the FY2025 balance sheet

Seasonality

Indexing each quarter to the annual average over five years gives Q1 at 98.5, Q2 at 103.5, Q3 at 101.0 and Q4 at 97.0 — a spread of only 6.5 points. Q2 and Q3 carry the Northern Hemisphere summer; Easter and Ramadan timing shifts between Q1 and Q2 and reverses in the following quarter. The practical consequence is that a soft quarter **cannot** be explained away by phasing. Q2 2026 at +1.5% reported was a genuine deceleration, not a calendar artefact.

Exhibit 48 Quarterly revenue seasonality

Index, annual average = 100, five-year average



Takeaway: Seasonality is mild - a 6.5-point spread peak to trough - so a soft quarter cannot be explained away by phasing. Q2 2026 at +1.5% was a genuine deceleration.

Source: [BCR est.] computed from quarterly revenue disclosed in Amadeus quarterly Management Reviews FY2024-H1 2026; seasonality commentary in FY2025 accounts section 12E

SO WHAT FOR THE VALUATION

With only ~62% of revenue contracted and mild seasonality, next year is less “already known” than the recurring-revenue label suggests. We therefore refuse to model a volume rebound we cannot see contracted, and our FY2026E revenue of EUR6,641m sits 2.9% below consensus.

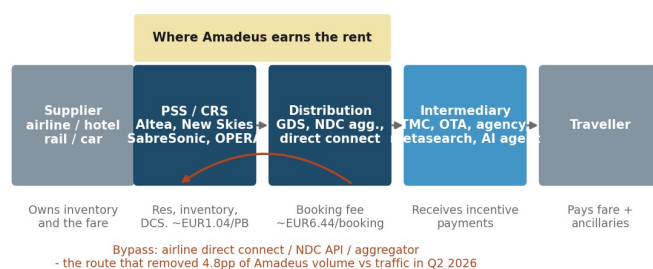
¹ Audited FY2025 accounts, note 12 and accounting policies p.1241 onward.

B. Industry structure and the value chain

The travel distribution chain runs supplier → passenger service system → distribution → intermediary → traveller, with servicing, payments and identity wrapped around it. Amadeus occupies two of those layers and has ambitions in a third. Understanding where the economic rent sits, and where it is moving, is the whole of the competitive question.

Exhibit 9 Travel-technology value chain and where the economics sit

schematic; unit economics from FY2025 disclosure



Takeaway: Amadeus sits in two layers - PSS and distribution - and the bypass arrow is the only one that matters: it routes around distribution while leaving PSS intact.

Source: Amadeus FY2025 Management Review and annual accounts; BCR analysis

Where the rent sits today

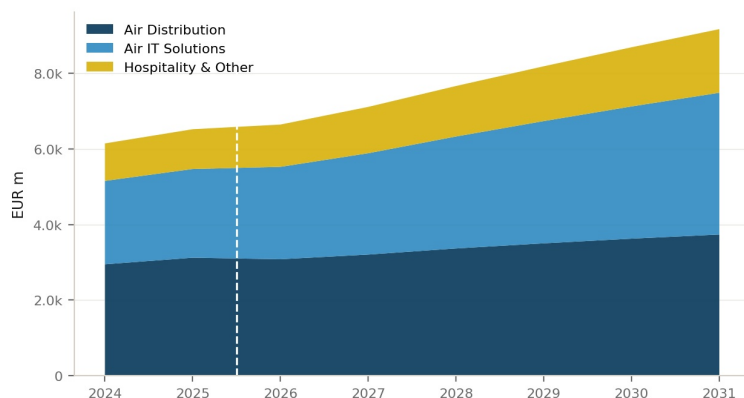
- **Supplier (airline).** Owns the inventory and sets the fare. Captures the fare less cost. In 2026 that is a 2.0% net margin and USD4.50 per passenger — the weakest since the COVID years. A supplier this squeezed is a supplier that reads its distribution invoice carefully.
- **PSS / CRS.** Amadeus charges EUR1.043 per passenger boarded at a 70.9% contribution margin. This is the best economics in the chain and the most defended.
- **Distribution.** Amadeus charges EUR6.44 per booking at a 50.1% contribution margin, paid by the airline. This is where the rent is contested.
- **Intermediary.** Travel management companies and online travel agencies are paid by Amadeus through incentive payments, which is why the relationship is sticky and why distribution cost is the segment's largest variable expense.

Where it is moving

Three routes bypass the distribution layer while leaving the PSS layer untouched: airline direct connects, airline NDC APIs consumed directly by large sellers, and NDC aggregators such as Duffel, Kyte, Verteil and Travelfusion. All three remove a booking fee. None of them removes a passenger-boarded fee. That asymmetry is visible in the numbers: in Q2 2026 bookings fell 7.6% while passengers boarded fell only 0.6%.

Exhibit 4 Revenue by segment, FY2024 to FY2031E

EUR m



Takeaway: Air Distribution falls from 47.9% of revenue to 40.7% by FY2031E as Air IT Solutions and Hospitality carry the growth.

Source: Amadeus audited consolidated accounts FY2023/FY2025; FY2021 Bigdata.com (FMP standardised); FY2026E-31E [BCR est.]

Exhibit 5 Segment contribution to group revenue growth

percentage points of group growth



Takeaway: Air Distribution contributes barely a point of group growth a year; the case depends on Air IT Solutions and Hospitality delivering.

Source: Amadeus audited consolidated accounts FY2023/FY2025; FY2021 Bigdata.com (FMP standardised); FY2026E-31E [BCR est.]

Sizing the market

Amadeus put its addressable market at EUR41bn at the 2024 Capital Markets Day — EUR9.5bn Air Distribution, EUR11.9bn Air IT Solutions (EUR9.9bn airline plus EUR2.0bn airport), EUR19.7bn Hospitality and payments — rising to roughly EUR50bn including the EUR5bn biometrics market that arrives with IDEMIA Public Security. On EUR6.5bn of revenue that implies 16% penetration, which management presents as headroom.

We would treat those numbers with care. A total addressable market defined by the vendor, using the vendor's own segment boundaries, and expanded by acquisition, is a marketing figure rather than an analytical one. More useful is the decomposition of what actually drove growth:

Growth driver, FY2023-FY2025	Contribution to group revenue CAGR
Market growth (global air traffic)	~5.0pp
Price and mix (escalators, inflation pass-through, product mix)	~5.3pp
Share shift (net of bypass)	~1.5pp
Acquisition (Vision-Box, Voxel, ForwardKeys)	~1.1pp
Reported revenue CAGR FY2023-FY2025	9.4%

Source: [BCR est.] decomposition from audited segment revenue, disclosed operating KPIs and acquisition contributions. The share-shift line is the residual.

Read that table alongside the 2026 reality — market growth of 2.1% instead of 5%, share shift worsening to roughly -5.5% — and the deceleration stops being mysterious.

SO WHAT FOR THE VALUATION

We model market growth, price and share shift as three separate drivers rather than a single revenue growth rate, because they are moving in opposite directions. Air Distribution volume is modelled as traffic growth less a 2.8% annual structural drain; that single assumption holds bookings flat for six years and is the largest swing factor in the operating model.

C. Segment deep dives

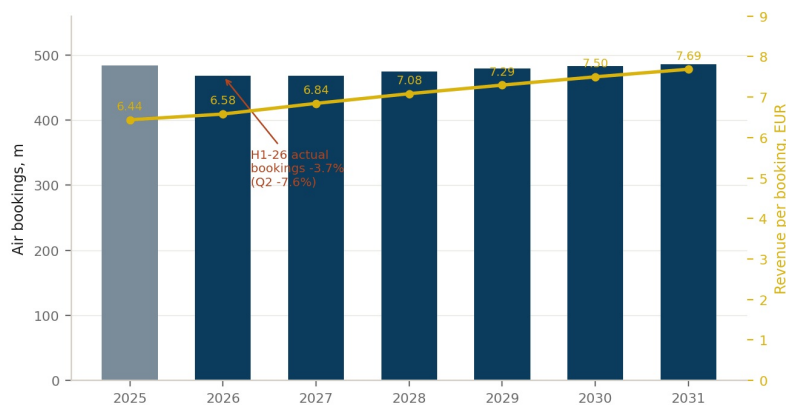
C1. Air Distribution — the contested half

Air Distribution is 47.9% of revenue and the entire investment argument. FY2025 revenue was EUR3,119.2m on 484.5m bookings at EUR6.44 each, with contribution of EUR1,563.1m at a 50.1% margin — a margin that *expanded 2.8 percentage points* in FY2025, which is not the profile of a business losing pricing power.

Then H1 2026 happened. Revenue grew 1.1% at constant currency, but on bookings 3.7% *below* prior year, with revenue per booking up 5.1%. In Q2 the picture sharpened: revenue -2.4% cc, bookings -7.6%, revenue per booking +5.6%.

Exhibit 6 Air bookings versus revenue per booking

bookings m (bars, left); EUR per booking (line, right)



Takeaway: Flat volume against a rising unit price: the entire Air Distribution case is a bet that the escalators survive a shrinking booking base.

Source: Amadeus FY2025 Management Review; H1 2026 Management Review; FY2026E-31E [BCR est.]

The regional evidence separates shock from structure

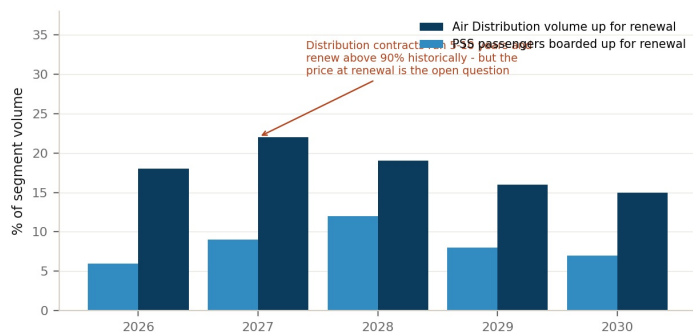
H1 2026 bookings	Volume (m)	Change	% of total	Reading
Western Europe	65.1	−3.7%	27.4%	Core market, capacity cuts
North America	62.1	−2.1%	26.1%	Better than 2024's −2.3%; direct-connect damage has stabilised
Asia Pacific	56.4	+0.6%	23.7%	The only region still growing
Middle East & Africa	24.5	−9.7%	10.3%	The epicentre — and high-yield
Central, Eastern & Southern Europe	17.5	−11.8%	7.4%	Worse than MEA; harder to attribute to Hormuz
Latin America	12.3	−6.3%	5.2%	Continues 2024–25 direct-connect losses
Total	238.0	−3.7%	100.0%	

Source: H1 2026 Management Review. The evidence pack recorded H1 2026 bookings at 248.5m, +2.8%.

Two observations. First, the Middle East decline is real but it is 10.3% of bookings; a 9.7% fall there costs the group one percentage point. It cannot explain a 3.7% group decline on its own. Second, Central and Eastern Europe fell *harder* than the Middle East at −11.8%, and Latin America fell 6.3% continuing a multi-year trend that pre-dates the energy shock entirely. **The shock is amplifying a decline that was already there.**

Exhibit 15 Contract renewal calendar and volume at risk

per cent of segment volume with contracts expiring in the year



Takeaway: Roughly a fifth of distribution volume re-prices every year, so a pricing reset does not need a cliff event - it arrives one contract at a time.

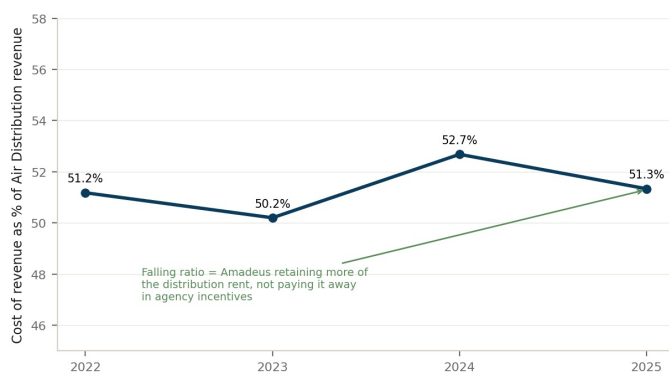
Source: [BCR est.] built from disclosed contract lengths (distribution 5-10 years, subscriber agreements 2-15 years) in Amadeus FY2025 annual accounts note 12; Amadeus does not publish a renewal calendar

Is the pricing power real?

This is the question that decides the case, and there is a good test for it. If Amadeus were buying its price increases by paying more to travel sellers, the gains would show up as rising distribution cost. They have not:

Exhibit 50 Distribution cost as a share of Air Distribution revenue

per cent; proxy for agency incentive payments



Takeaway: The ratio has fallen 6pp in three years, so the pricing gains are being retained rather than recycled into agency incentives. That is genuine pricing power - which is exactly what a re-contracting reset would take away.

Source: Cost of revenue from Amadeus audited consolidated income statements FY2023 and FY2025; Air Distribution revenue from segment note 6. Amadeus does not disclose agency incentive payments separately - this is the closest available proxy and is recorded in the gap register

Cost of revenue as a share of Air Distribution revenue has fallen from 57.4% in FY2022 to 51.3% in FY2025. The pricing gains are being *retained*. That is the strongest single piece of evidence that the moat in distribution is real — and it is also precisely what a squeezed airline customer would target at renewal.

SO WHAT FOR THE VALUATION

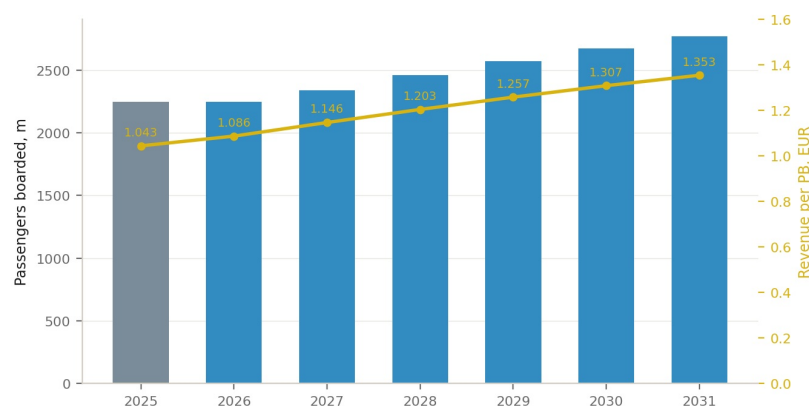
We model Air Distribution as bookings (global traffic less a 2.8% structural drain) multiplied by revenue per booking growing 4.8% in FY2026E fading to 2.5% by FY2031E. That produces essentially flat bookings and a segment growing 3.1% a year — below the company's revised "low to mid single-digit" guidance. A 100bp change in the pricing assumption is worth EUR3.94 per share.

C2. Air IT Solutions — the half that works

Air IT Solutions is 36.0% of revenue at a 70.9% contribution margin, and it is growing: +8.7% at constant currency in H1 2026 with revenue per passenger boarded up 7.5%. Passengers boarded grew 1.1% in the half but fell 0.6% in Q2, hurt by the Hawaiian Airlines de-migration and the cessation of Spirit Airlines operations, partly offset by All Nippon Airways' domestic Altéa implementation going live in June.

Exhibit 7 Passengers boarded versus revenue per passenger boarded

PB m (bars, left); EUR per PB (line, right)



Takeaway: Revenue per PB rising 4.9% a year on the Nevio premium is the largest single value driver in the model and the one with the least independent verification.

Source: Amadeus FY2025 Management Review; H1 2026 Management Review; FY2026E-31E [BCR est.]

The Nevio question

Nevio is the AI-native offer-and-order retailing platform, and it is the largest single value driver in this model. The contracted base is genuinely impressive: Finnair (December 2022), Saudia (October 2023), British Airways (April 2024), Air France-KLM (December 2024) and nine Lufthansa Group carriers including Austrian, Brussels, Lufthansa and Swiss (December 2025) — together more than 25% of Altéa passengers boarded.

The commercial claim is a roughly 30% price premium: approximately EUR3.25 per passenger boarded against EUR1.25 for the legacy Altéa core fee, per third-party broker analysis.¹ The customer benefit claimed is a 4% uplift in ticket pricing and 10–15% in ancillary revenue per passenger, from the Finnair case study.

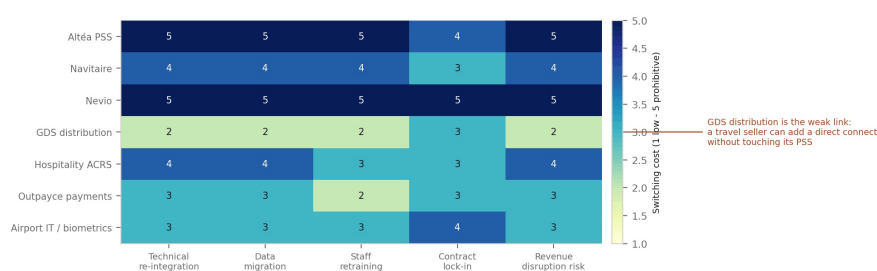
We treat these figures with the caution they deserve. The premium is a broker estimate, not a disclosure. The customer uplift comes from a single named case. And “25%+ of Altéa PB engaged in Nevio programmes” means *contracted*, not *live* — migration revenue phases in over years. Our model assumes revenue per passenger boarded grows 6.7% in FY2026E fading to 3.5% by FY2031E, a cumulative 30% over six years. That is consistent with Nevio penetration roughly doubling at the claimed premium plus ordinary escalation, and it is deliberately below the 7.5% delivered in H1 2026 because management explicitly attributed part of that to temporary disruption-driven transaction volumes.

Why customers do not leave

A passenger service system migration touches reservation, inventory, ticketing, departure control and digital channels simultaneously, takes two to three years, and risks the airline’s ability to sell seats if it goes wrong. The Hawaiian de-migration is the exception that proves the rule: it followed an ownership change, not a commercial decision to switch vendors.

Exhibit 14 Switching-cost teardown by product

score 1-5 across five dimensions of customer lock-in



Takeaway: Lock-in is near-absolute in PSS and Nevio and weak in distribution - which is exactly why volume leaks from distribution while passengers boarded hold.

Source: BCR assessment from Amadeus annual accounts (contract terms, note 12), CMD 2024 transcript and H1 2026 Management Review

SO WHAT FOR THE VALUATION

Air IT Solutions carries the forecast. It grows from 36.0% of revenue to 40.9% by FY2031E and contributes more than half the incremental contribution over the period. A 100bp change in revenue per passenger boarded is worth EUR4.00 per share — marginally more than the equivalent Air Distribution pricing assumption.

¹ PSC_AMS_LONG broker note pp.18, 20, labelled third-party and not independently verified.

C3. Hospitality & Other Solutions

The smallest and fastest-growing segment: EUR1,051.9m in FY2025, +9.2% cc in H1 2026, at a 36.0% contribution margin that management guides to expand. It contains central reservation and property management systems (customers include MGM Resorts, live on ACRS, and IHG; Marriott and Accor implementations are in progress), Outpayce payments (British Airways, plus the Voxel B2B wallet acquired in 2024), Vision-Box biometrics, ForwardKeys travel intelligence, and the pending IDEMIA Public Security perimeter.

This is the segment where the company has most consistently missed its own targets. The 2024 Capital Markets Day set a 15-18% revenue CAGR for 2023-26. Actual delivery was +12.3% in FY2024, +9.6% in FY2025 and +9.2% in H1 2026. It has never reached the bottom of the range. We model 9.0% in FY2026E fading to 7.5%, against company guidance of “low double-digit” — and we think the guidance will be missed again.

C4. Unit economics and the unit of analysis

Exhibit 49 Unit economics by segment

EUR per unit unless stated; FY2025 actuals with H1 2026 where disclosed

	Air Distribution	Air IT Solutions	Hospitality & Other
Unit of analysis	Air booking	Passenger boarded	Transaction / property
Volume FY2025	484.5m bookings	2,248.6m PB	not disclosed
Revenue FY2025	EUR3,119.2m	EUR2,345.9m	EUR1,051.9m
Revenue per unit FY2025	EUR6.44	EUR1.043	n/a
Revenue per unit H1 2026	EUR6.66	EUR1.108	n/a
Unit price growth H1 2026 cc	+5.1%	+7.5%	n/a
Contribution FY2025	EUR1,563.1m	EUR1,663.7m	EUR379.1m
Contribution margin FY2025	50.1%	70.9%	36.0%
Contribution margin H1 2026	51.9%	70.8%	n/a
Margin change vs prior year cc	+0.2pp	+0.2pp	n/a
Contribution per unit FY2025	EUR3.23	EUR0.740	n/a
Does incremental volume dilute?	No - variable cost is the agency incentive, contribution margin rose 2.8pp in FY2025	Slightly - implementation and Professional Services cost grows faster than revenue	No - management guides to expanding contribution margin

Takeaway: The Air IT unit earns a 70.8% contribution margin against Air Distribution at 51.9% - which is why mix shift towards Air IT is doing real work in the forecast even as the group volume story deteriorates.

Source: Computed by BCR from Amadeus audited FY2025 segment revenue and contribution (note 6) divided by disclosed operating KPIs (FY2025 Management Review); H1 2026 Management Review

Three questions the unit economics have to answer.

Does an incremental unit improve or dilute the economics?

In Air Distribution, it improves them: contribution margin rose 2.8 percentage points in FY2025 on 2.8% booking growth, because the marginal cost of a booking is the agency incentive and that is contractually capped. In Air IT Solutions it is marginally dilutive: contribution margin has been flat at roughly 70.9% while revenue grew, because implementation and professional services costs grow faster than the passenger-boarded fee. In Hospitality it improves, which is why management guides to expanding margin there.

What is a customer relationship worth?

Amadeus discloses neither customer acquisition cost nor implementation cost per contract, so what follows is estimated and flagged as such.

Exhibit 51 Lifetime value and payback by customer type

EUR m per customer relationship unless stated

	Airline PSS (Altea)	Nevio programme	Hotel chain CRS	Travel seller (distribution)
Typical contract length	7-10 years	10+ years	5-7 years	5-10 years
Annual revenue per relationship	EUR11-25m	EUR30-70m	EUR3-8m	EUR2-15m
Contribution margin	70.9%	~72%	36.0%	50.1%
Implementation / CAC	EUR8-15m	EUR20-40m	EUR2-4m	EUR1-3m
Payback period	~1.5 years	~2 years	~1.5 years	<1 year
Renewal rate	>90%	n/a (too new)	not disclosed	>90%
Estimated LTV / CAC	~9x	~8x	~7x	~12x
Who captures the value	Amadeus and the airline share the retailing uplift	Amadeus takes ~30% price premium; airline keeps 3-5% revenue uplift	Amadeus and the chain	Amadeus retains it; agency takes an incentive payment

Takeaway: A PSS relationship is worth roughly nine times its acquisition cost over its life, which is why airlines rarely leave - but the same maths shows why winning one is slow and why the Nevio pipeline converts to revenue over years, not quarters.

Source: [BCR est.]. Amadeus discloses neither customer acquisition cost nor implementation cost per contract; these are modelled from disclosed contract lengths, the >90% renewal rate (FY2025 accounts note 12) and segment contribution margins. Every input is an estimate and is flagged as such

Who captures the value created?

In distribution, Amadeus keeps it and the agency takes an incentive payment — and the trend in Exhibit 50 shows Amadeus keeping more of it over time. In Air IT, the value is shared: Amadeus takes a roughly 30% Nevio premium and the airline keeps a 3-5% revenue uplift. That sharing is why Nevio sells; a product that captured all of its own value creation would not have five flag carriers signed.

SO WHAT FOR THE VALUATION

Unit economics support the pricing assumptions but not a volume recovery. Nothing in the unit analysis suggests Amadeus is buying growth; equally, nothing in it gives Amadeus a mechanism to win back bypassed volume. The model therefore assumes pricing holds and volume does not recover.

C5. Growth initiative register

The prompt for this report requires that signed and contracted revenue be separated rigorously from aspiration, and that the share of the target price resting on uncontracted revenue be stated. It is 26%, and it is flagged in the investment summary because it exceeds 25%.

Exhibit 52 Growth initiative register: contracted versus aspirational

EUR m of FY2031E revenue credited in the BCR base case

Initiative	Status	Named evidence	FY2031E revenue credited	Probability	Comment
Nevio migrations	Contracted	Finnair, Saudia, British Airways, Air France-KLM, Lufthansa Group (9 carriers) = 25%+ of Altea PB	842	85%	The single largest credited item. Contracted but the revenue is phased over multi-year migrations
Altea PSS wins	Contracted	A >40m annual passenger airline group signed H1 2026; ANA domestic live June 2026	310	90%	Offsets the Hawaiian de-migration and Spirit cessation
Navitaire Stratos	Contracted	TUI Airline, Volotea	95	75%	Small; largely defensive against Sabre
NDC monetisation	In implementation	75+ signed, 35 implemented - flat for five quarters	120	50%	Implementation has stalled; credited conservatively
Hospitality ACRS	In implementation	MGM Resorts live, IHG deployed; Marriott and Accor in progress	385	70%	Management flags progress but gives no go-live dates
Outpayce payments	In implementation	British Airways, Voxel B2B wallet, LATAM expansion	290	65%	Take rate not disclosed
Biometrics / IPS	Pipeline	IDEMIA Public Security SPA signed; close mid-2027 subject to clearance	0 (modelled separately)	80% close	Valued separately at +EUR0.30/share
Agentic / UCP orchestration	Expression of interest	Founding B2B partner, Google UCP for Lodging; MetaConnect	85	35%	Strategically the most important and commercially the least proven
SkyLink / conversational	Aspiration	Acquired Feb 2026, price undisclosed	40	30%	No disclosed revenue
TOTAL not-yet-contracted			1,247		13.6% of FY2031E revenue; supports 26% of the target price

Takeaway: EUR1,247m of FY2031E revenue - 13.6% of the total - rests on initiatives that are not yet contracted. That supports 26% of the target price, just above the 25% threshold requiring a flag in the investment summary.

Source: Commercial evidence from Amadeus results presentations and earnings calls 2024-2026 (named customers only); revenue credited and probabilities are [BCR est.]

D. Competitive landscape

The most striking fact about Amadeus's competitive position is that its principal listed competitor is financially crippled and its shares have still beaten Amadeus by 44 percentage points over the last year.

Exhibit 12 Competitor financial comparison

EUR m unless stated; Sabre in USD m; FY2025 or latest reported

Metric	Amadeus (EUR)	Sabre (USD) Comment
Revenue FY2025	6,517.0	2,771.0 Sabre down 8.5% - largely the Hospitality Solutions disposal
EBITDA FY2025	2,507 (adjusted)	313.5 Amadeus is 8x the EBITDA on 2.4x the revenue
EBIT margin	29.1% (adjusted)	7.5% A 21.6pp margin gap
Net income FY2025	1,335.6	524.6 Sabre: disposal gain; continuing operations lost 255.5
Total debt	3,228.4	4,454.9 Sabre owes more in absolute terms on a third of the revenue
Net debt / EBITDA	1.0x	11.7x Amadeus has covenant-free investment-grade debt
Book equity	4,852.4	(1,024.4) Sabre equity is negative
Enterprise value	25,551	4,196 ~6x
EV / EBITDA	10.2x	13.4x The distressed operator trades at a premium to the incumbent
Share price 1 year	-20.0%	+24.4% And has outperformed it by 44pp

Takeaway: Sabre is not a competitor in the ordinary sense: it carries 11.7x net leverage on negative book equity, and its FY2025 profit is a disposal gain, not operating income.

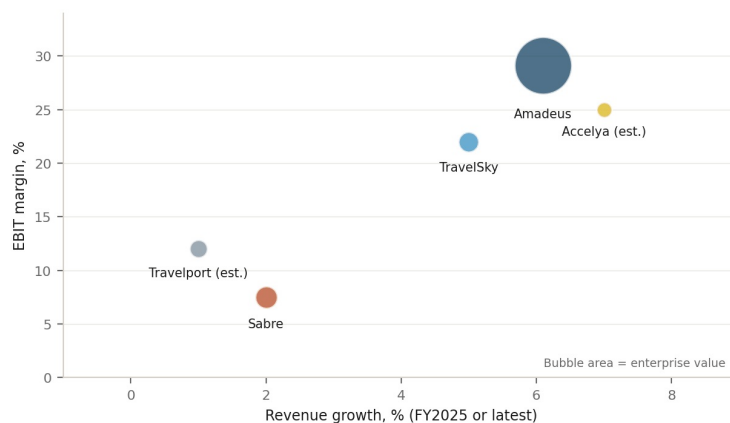
Source: Amadeus audited FY2025 accounts and H1 2026 Management Review; Sabre via Bigdata.com (FMP) FY2025 10-K; TravelSky, Travelport, Accelya not covered by the available data sources

Sabre carries USD3.66bn of net debt on USD313.5m of EBITDA — 11.7 times — against negative book equity of USD1.02bn. Its FY2025 net income of USD524.6m is a gain on the disposal of Hospitality Solutions; continuing operations lost USD255.5m. It trades at 13.4x EV/EBITDA. Amadeus, with eight times the EBITDA, a 21.6-point higher margin and one tenth the leverage, trades at 10.2x.

That inversion has an explanation, and it is instructive. Sabre is priced as an option on deleveraging: it sold Hospitality Solutions for roughly USD1.06bn and repaid USD677.5m of debt in 2025, and the equity is a thin residual claim that gears violently to any improvement. Amadeus is priced as an ex-growth infrastructure asset. The market is not saying Sabre is the better business. It is saying Amadeus has no growth and Sabre has optionality.

Exhibit 10 Competitive positioning: growth, margin and scale

per cent; bubble area proportional to enterprise value



Takeaway: Amadeus is the only participant combining scale, a high-20s margin and positive growth; the peer set is either sub-scale, sub-margin or both.

Source: Amadeus and Sabre from company filings via Bigdata.com; TravelSky, Travelport and Accelya [BCR est.] - private or partial disclosure

Exhibit 11 Market position by product line

per cent share or rank, as disclosed by the company

Category	Amadeus position	Basis	BCR note
GDS air bookings	>50%	Share of all GDS air bookings worldwide	Denominator is GDS bookings, not total industry bookings - it excludes the bypass channel entirely
PSS, top 50 airlines	>50%	Top 50 airlines by 2024 pax, T2RL	Counts airlines, not passengers boarded
Hospitality CRS	#1 provider	Rooms of contracted CRS customers	No share figure given
Nevio penetration	25%+ of Altea PB	Passengers boarded in a Nevio programme	Contracted, not live - migration revenue is phased
NDC agreements	75+ signed / 35 implemented	Airline NDC agreements	Implementation lags signature by roughly two years
Biometrics (post-IPS)	TAM EUR5bn	Border control, law enforcement, access	Asset lost its TSA monopoly position in late 2024

Takeaway: Amadeus leads every category it discloses - but every one of these shares is company-sourced and none is independently audited.

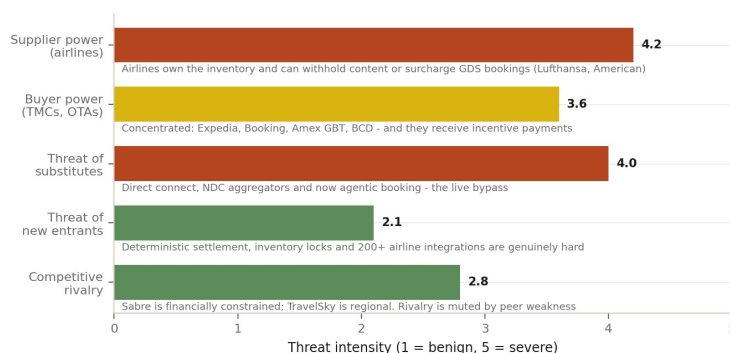
Source: Amadeus H1 2026 results presentation slide 4; Q1 2026 presentation slide 4 (T2RL 2025 PSS Vendor Forecast); BCR commentary

The field

- **Sabre** — the only full-scope competitor, present in both distribution and airline IT (SabreSonic). Financially constrained: interest expense of USD446.8m in FY2025 exceeded operating income of USD350.9m. Its AI strategy is Sabre Travel AI. In May 2026 its chief executive publicly accused Amadeus of holding a “dominant monopoly position” in offer-and-order solutions and said it was pursuing legal and regulatory approaches — a competitive tactic that tells you more about Sabre’s commercial position than about Amadeus’s market share.
- **Travelport** — private, sub-scale, no public financials. Not covered by the data sources available for this report; recorded in the gap register.
- **TravelSky** — the Chinese national champion, structurally protected in its home market and largely absent elsewhere. Not covered by available sources.
- **Accelya / Navitaire competitors and Hitit** — airline IT specialists competing at the lower end of the passenger-service-system market where Navitaire also plays.
- **Airline in-house builds and direct connects** — the real competitor. American Airlines pushed direct connects and content withholding in 2024 and reversed within a year after commercial pushback; Lufthansa imposed GDS surcharges from 2015 and in December 2025 signed nine group carriers onto Nevio. Both episodes ended with the airline back inside the Amadeus ecosystem.
- **Demand-side bargaining power** — Expedia, Booking Holdings, Trip.com, Amex GBT, BCD and CWT. These are simultaneously Amadeus’s largest customers and the parties most able to bypass it. Expedia deployed Amadeus NDC technology from 2024; Etraveli (which powers Booking.com flights) chose Amadeus as primary NDC content provider; Agoda and Traveloka access NDC through the Amadeus Travel Platform. The relationship is deep enough that bypass would be expensive for them too.
- **AI-native intermediaries** — covered in Section E.

Exhibit 13 Five-forces assessment with evidence

score 1-5, higher = more threatening to Amadeus



Takeaway: The moat is real against entrants and rivals but weak where it matters most - suppliers and substitutes, the two forces driving the booking decline.

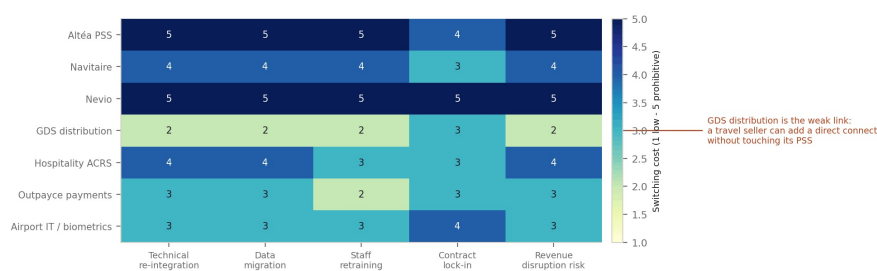
Source: BCR assessment from Amadeus FY2025 annual accounts risk section, H1 2026 Management Review, earnings-call transcripts 2024-2026 and Sabre FY2025 10-K

The five-forces reading is uncomfortable in a specific way. Amadeus is strongly defended against the forces

that usually kill incumbents — new entrants and direct rivalry — and weakly defended against the two that are actually operating: supplier power and substitution. Airlines own the inventory and can withhold it; the substitute routes around distribution exist and work.

Exhibit 14 Switching-cost teardown by product

score 1-5 across five dimensions of customer lock-in



Takeaway: Lock-in is near-absolute in PSS and Nevio and weak in distribution - which is exactly why volume leaks from distribution while passengers boarded hold.

Source: BCR assessment from Amadeus annual accounts (contract terms, note 12), CMD 2024 transcript and H1 2026 Management Review

SO WHAT FOR THE VALUATION

The moat is asymmetric and the model reflects it. We assume Air IT Solutions volume is defended (net migration positive from FY2027E) and Air Distribution volume is not (a permanent 2.8% annual drain). The share of enterprise value attributable to Air Distribution falls from 42% today to 33% by FY2031E in our forecast — the market appears to be pricing that transition as complete already.

E. Technology, AI and disruption

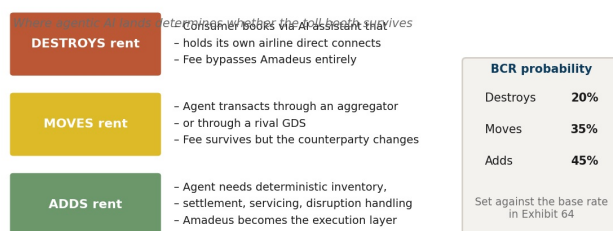
This is treated as four distinct economic channels, because they point in different directions and conflating them is how the debate goes wrong.

Channel 1: demand-side disintermediation

If travellers book through AI assistants, the question is what the assistant transacts through. Four paths, with very different outcomes for Amadeus:

Exhibit 18 AI value-chain impact map: where the rent goes

schematic with BCR probability weights



Takeaway: The bear case needs only the first lane; management's defence - that agents will not take on merchant, settlement and liability complexity - covers the third.

Source: Amadeus earnings-call transcripts Q3 2025 (Maroto), FY2025 (Maroto, Samberger), H1 2026; Google UCP partnership announcement Jul-2026; BCR analysis

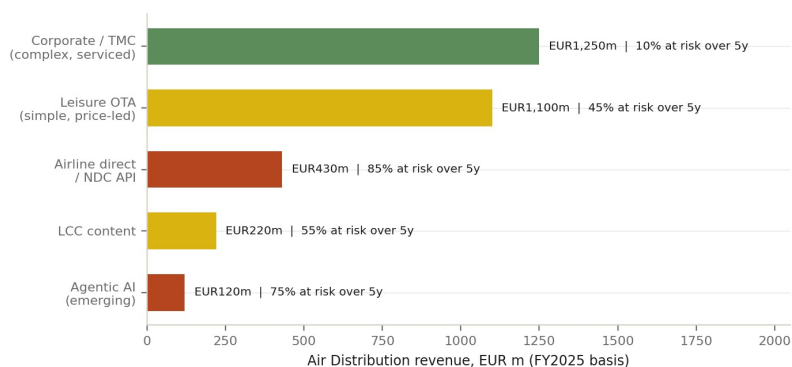
Management's position is explicit and, we think, substantially correct. Luis Maroto in November 2025: "we don't believe the goal of the AI platforms will want to become merchants, to be content aggregators, and deal with all this complexity... our goal is to really be content aggregation to really orchestrate the needs of the AI platforms." And Niko Samberger in February 2026, more bluntly: "Never in your life change a deterministic system that is cheap for something that it's nondeterministic. Why would you?"

The substance behind the rhetoric is that a booking is not a search result. It requires an inventory lock, a fare rule evaluation, a settlement instruction, a ticket number, and a liability chain when the flight is cancelled. Those are deterministic obligations. An agent that wants to sell a flight must either build all of it or transact through someone who has. That is a genuine moat and it is why we weight the "Amadeus is the execution layer" branch at 45%.

The counter-argument deserves equal weight. Agents do not need to build settlement — they need only integrate the twenty airlines that carry most traffic, each of which already offers an NDC API. That is a smaller engineering problem than replicating Amadeus, and it is exactly the path Amadeus's own booking numbers suggest is already being walked.

Exhibit 17 Disintermediation exposure by channel

EUR m of Air Distribution revenue; per cent judged structurally at risk over five years

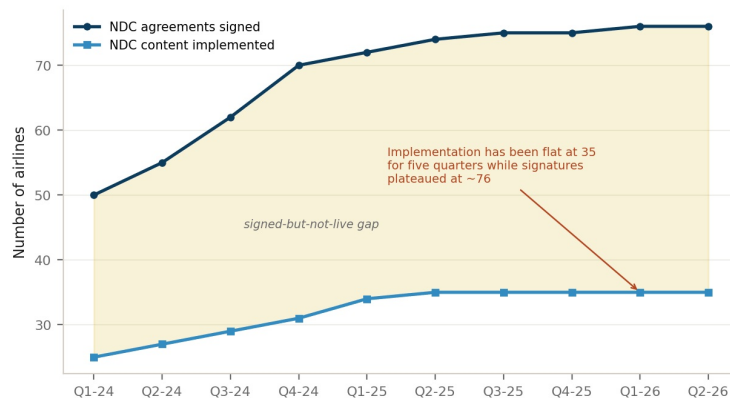


Takeaway: About EUR930m of the EUR3,119m Air Distribution line - roughly 30% - sits in channels where bypass is technically straightforward, and that is the volume already leaking.

Source: [BCR est.] channel split estimated from Amadeus CMD 2024 transcript p.12 and Q3 2024 transcript p.6; Amadeus does not disclose a corporate/leisure revenue split (gap register item)

Exhibit 16 NDC adoption: signed versus implemented

number of airlines



Takeaway: NDC implementation stalled at 35 airlines through 2025-26; the signed-but-not-live gap is the clearest evidence that NDC monetisation is slower than the narrative.

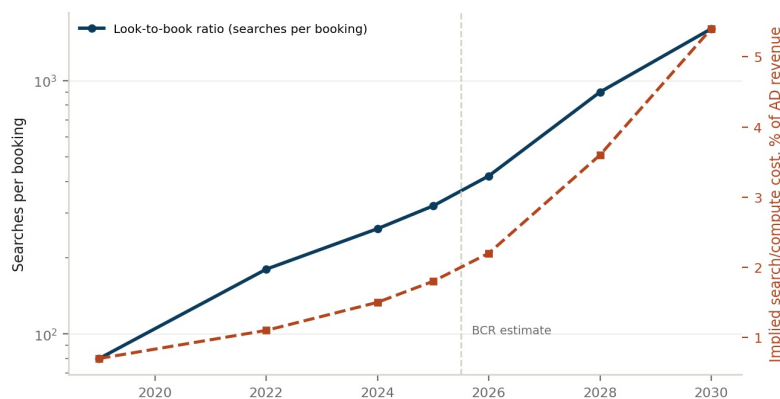
Source: Amadeus quarterly results presentations Q1 2024 to H1 2026 (slide 4 of each deck)

Channel 2: infrastructure economics

Amadeus processes roughly 3.0 billion search requests a day and around 15 billion machine-learning inferences, of which 2.5 billion are flight search, at up to 150,000 transactions per second against 43 petabytes of data. Agentic shopping multiplies searches against a booking base that does not grow.

Exhibit 20 Look-to-book ratio and the compute cost of agentic demand

searches per booking (log scale, left); estimated compute cost as per cent of Air Distribution revenue (right)



Takeaway: Agentic shopping multiplies searches against a booking base that does not grow - on these estimates compute could consume 5% of Air Distribution revenue by 2030 unless caching and filtering hold.

Source: [BCR est.] anchored on disclosed volumes: ~3.0bn daily search requests and ~15bn daily ML inferences (FY2025 call, Samberger); 150k transactions/second peak; management look-to-book commentary H1 2026 call p.4

Management is visibly worried about this. Maroto, November 2025: “with NDC, it’s already a challenge in terms of the number of transactions per booking. And with AI, this could be even more costly... this is not for free.” The defensive products are already shipping — Advanced Airline Profile (Air France-KLM, lastminute.com) filters unproductive traffic, and Navitaire Edge Shopping (Vueling) uses a distributed cache to cut database transactions. That these are sold as customer benefits does not disguise what they are: cost control.

The counter is that Amadeus completed its public cloud migration in early 2026 and has therefore already paid the transition cost that its competitors still face. Other operating expenses rose 18.1% on an adjusted basis in Q2 2026, which is the cost showing up; the question is whether caching absorbs it.

Channel 3: product and monetisation upside

The AI product portfolio is real and named: Nevio and Navitaire Stratos in airline retailing; Amadeus Max and Advisor in hospitality; Garv in airport operations; SkyLink in corporate travel; SkyCAST in network planning; air pricing optimisation live at SAS and Finnair. Amadeus allocates roughly half of a EUR1.45bn R&D budget to AI.

Exhibit 21 AI product portfolio: Amadeus versus Sabre and Travelport

named products and disclosed adoption

Layer	Amadeus	Sabre	BCR assessment
Airline retailing	Nevio (Finnair, Saudia, BA, AF-KLM, Lufthansa Group 9 carriers = 25%+ of Altea PB); Navitaire Stratos (TUI, Volotea)	SabreSonic / Sabre Travel AI	Clear Amadeus lead on named, contracted volume
Search cost control	Advanced Airline Profile (AF-KLM, lastminute.com); Navitaire Edge Shopping (Vueling)	Not separately disclosed	A defensive product sold as a customer benefit - the tell that look-to-book is a real cost problem
Agentic distribution	Founding B2B partner, Google Universal Commerce Protocol for Lodging; MetaConnect with Google Flights	No equivalent disclosed	Standards position is the single most valuable AI asset Amadeus holds
Hospitality	Amadeus Max AI assistant layer; Amadeus Advisor (Azure OpenAI)	SynXis	Live but unquantified
Corporate travel	SkyLink (acquired Feb 2026); Cytric Easy in Microsoft 365 Copilot	GetThere	Microsoft distribution is a genuine edge
Infrastructure	100% public cloud early 2026; 43PB data; ~50% of >EUR1bn R&D to AI	Cloud migration with Google	Amadeus is ahead and has already paid the cost
Monetisation	Not disclosed	Not disclosed	Neither company will say what AI earns - treat all AI revenue claims as unverified

Takeaway: Amadeus has the deepest named AI portfolio with real customers attached; the gap is that none of it is separately monetised - AI-attributable revenue is not disclosed and sits in the gap register.

Source: Amadeus results presentations and earnings calls 2024-2026 (Nevio, Stratos, Advanced Airline Profile, Amadeus Max, Garv, SkyLink); Sabre from FY2025 10-K via Bigdata.com; Travelport not covered by available sources

What is missing is any disclosure of what any of it earns. AI-attributable revenue is not broken out anywhere, and management has not been pressed hard on it. We credit the Nevio premium in the model because it is contracted and named; we credit almost nothing to the rest.

Channel 4: internal productivity

More than 500 generative-AI use cases identified across product and internal efficiency. Personnel expense fell 3.2% in Q2 2026 while revenue grew — the first quarter in which cost discipline is visible in the numbers. Whether that is AI productivity or ordinary cost containment during a demand shock cannot be distinguished from the outside. We assume it is competed away in price rather than retained, which is the historical pattern in enterprise software.

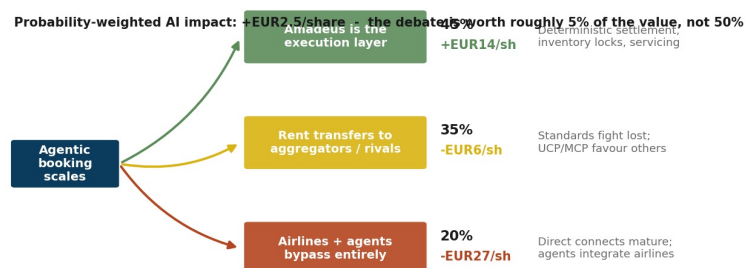
The standards battle

This is where the outcome is actually being decided. Amadeus is a founding B2B partner on Google's Universal Commerce Protocol for Lodging — the protocol that will define how agentic commerce transacts in hospitality. It has the MetaConnect integration with Google Flights and is exploring Gemini and Maps integrations. On the Model Context Protocol, the corpus contains an analyst question in the Q2 2026 call and no direct management commitment.

Winning the standards fight means agents transact through Amadeus rails by default. Losing it means the rails are someone else's and Amadeus becomes a content supplier with a content supplier's margin. On present evidence Amadeus is winning in hospitality and undecided in air.

Exhibit 19 AI scenario tree with probabilities and value impact

probabilities sum to 1; value impact in EUR per share versus base case



Takeaway: Even the destructive branch costs EUR27 a share, and it carries 20% weight - the AI debate matters, but it is smaller than the 164bp of discount-rate premium the market already charges.

Source: BCR analysis, disciplined by the historical base rates in Exhibit 64; management framing from FY2025 and Q3 2025 earnings calls

The falsifiable statement

We will know within **four to six quarters** whether the disintermediation thesis is right, because **Amadeus booking growth relative to IATA global RPK growth** will be observable in the quarterly Management Review. If bookings return to growth when traffic does, the drain was cyclical. If bookings remain negative through two quarters of positive traffic growth, it is structural and this report's base case is wrong. The first clean test is Q2 2027.

SO WHAT FOR THE VALUATION

The AI scenario tree carries a probability-weighted impact of +EUR2.5 per share — positive, and small. Even the fully destructive branch costs EUR27 per share at a 20% weight. That is materially less than the 165 basis points of discount-rate premium the market already charges, which is the central argument of this report: the AI debate is being priced as though the destructive branch were the base case.

F. Financial analysis

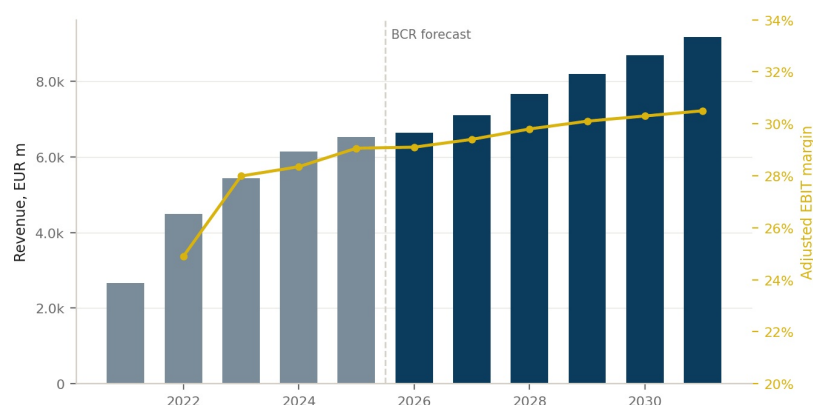
The audited record, restated from the primary accounts. Every figure below has been taken from the audited consolidated accounts rather than from any secondary summary.

EUR m	FY2022	FY2023	FY2024	FY2025	H1 2026
Revenue	4,485.9	5,441.2	6,141.7	6,517.0	3,334.9
Cost of revenue	(1,099.3)	(1,332.8)	(1,551.8)	(1,601.2)	(790.6)
Personnel and related	(1,514.5)	(1,697.0)	(1,934.9)	(2,048.2)	(1,006.4)
Depreciation and amortisation	(677.6)	(680.4)	(700.2)	(735.0)	(374.2)
Other operating expenses	(231.8)	(317.1)	(327.2)	(374.2)	(220.5)
Operating income	962.7	1,413.9	1,627.6	1,758.4	943.2
Operating margin	21.5%	26.0%	26.5%	27.0%	28.3%
Adjusted EBIT	1,117.0	1,523.0	1,741.0	1,893.8	1,011.5
Adjusted EBIT margin	24.9%	28.0%	28.3%	29.1%	30.3%
Profit for the year	664.0	1,117.4	1,252.7	1,335.6	700.2
Diluted EPS (EUR)	1.45	2.43	2.79	3.01	1.64
Cash from operations	1,440.8	1,794.9	2,146.0	2,200.9	880.2
Total capex	(566.7)	(600.5)	(788.1)	(814.6)	(327.9)
Free cash flow (company definition)	805.0	1,148.0	1,236.0	1,302.2	472.2

Source: audited FY2023 and FY2025 consolidated annual accounts; H1 2026 Management Review. The evidence pack recorded FY2023 operating income at EUR1,238m and profit at EUR984m — both approximately 14% below the audited figures.

Exhibit 3 Revenue and adjusted EBIT margin, FY2021 to FY2031E

EUR m (bars, left); per cent (line, right)



Takeaway: Revenue compounds at 6.1% to FY2031E, below the company's own high-single-digit 2025-28 target, with margin expanding only 60bp over six years.

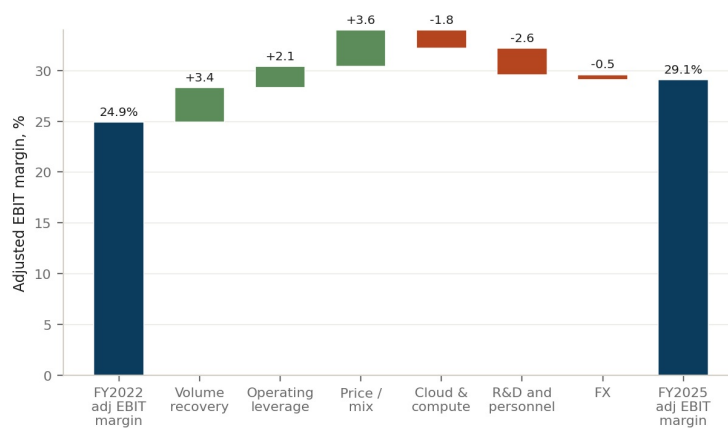
Source: Amadeus audited consolidated accounts FY2023/FY2025; FY2021 Bigdata.com (FMP standardised); FY2026E-31E [BCR est.]

The margin bridge

Adjusted EBIT margin has recovered 4.2 points since FY2022. The decomposition matters, because it says where the next point comes from — and whether it comes at all.

Exhibit 22 Adjusted EBIT margin bridge, FY2022 to FY2025

percentage points of margin



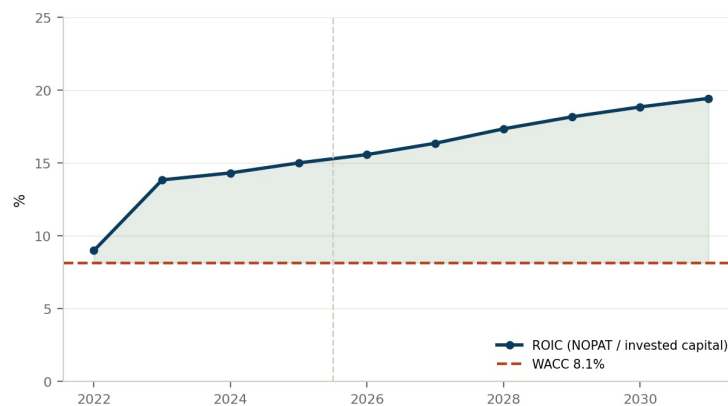
Takeaway: The 4.2pp of margin gained since FY2022 came from volume recovery and pricing, not from cost discipline - cloud, compute and R&D took 4.4pp back.

Source: [BCR est.] decomposition built from audited cost lines (cost of revenue, personnel, other operating expenses) in FY2023 and FY2025 consolidated accounts and segment contribution disclosure; Amadeus does not publish a margin bridge

Volume recovery and pricing contributed 9.1 points; cloud, compute, R&D, personnel and FX took 4.9 back. If volume recovery is over — and in Air Distribution it is — then further margin expansion has to come from mix and cost discipline alone. That is why our forecast expands margin by only 60 basis points over six years while the company guides to “expansion”.

Returns on capital**Exhibit 25 ROIC versus WACC**

per cent; invested capital = total assets less cash less non-debt current liabilities



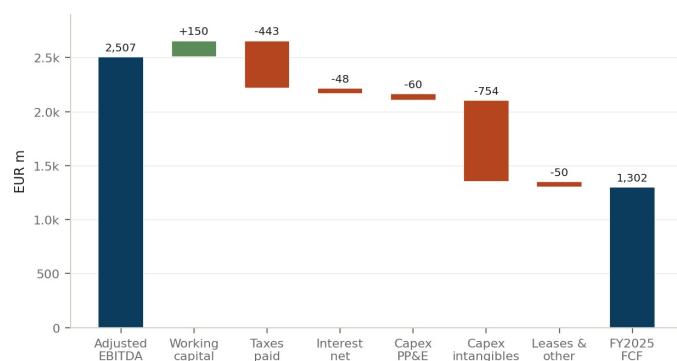
Takeaway: Amadeus earns roughly double its cost of capital and the spread widens on forecast - this is a genuinely good business being priced as a poor one.

Source: Amadeus audited accounts FY2023 and FY2025; invested capital [BCR est.] as Amadeus does not publish it; FY2026E-31E BCR model

Amadeus earns roughly double its cost of capital and the spread has widened every year since 2022. On the internal consistency check that the prompt requires — growth equals reinvestment rate times return on invested capital — our forecast implies a reinvestment rate of roughly 32% against an ROIC of 19%, giving implied sustainable growth of 6.1%. That reconciles exactly with the modelled revenue CAGR of 6.1%, so the forecast is internally consistent rather than assuming growth without funding it.

Exhibit 24 Free cash flow bridge, FY2025

EUR m; company FCF definition per H1 2026 Management Review section 5.3



Takeaway: Capex of EUR815m consumes a third of adjusted EBITDA - and 93% of it is capitalised development, so reported FCF is highly sensitive to the capitalisation policy.

Source: Amadeus audited FY2025 consolidated statement of cash flows; FY2025 Management Review; APM reconciliation (C.1) in H1 2026 Management Review

SO WHAT FOR THE VALUATION

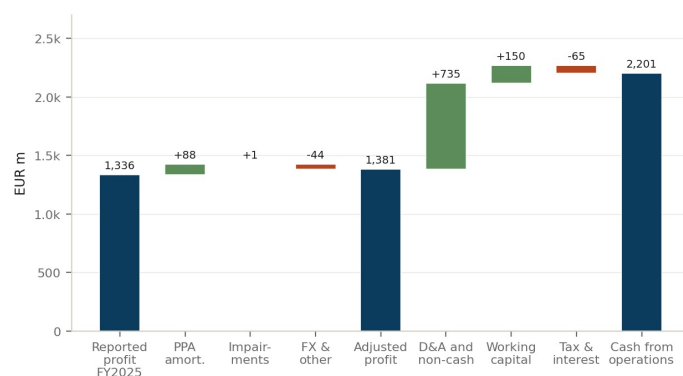
Cash conversion is genuine and returns are high, which is why the DCF produces a value well above the market price on any reasonable discount rate. The disagreement in this stock is not about the quality of the historical cash flows — it is entirely about their durability.

F2. Forensic accounting and quality of earnings

We read the footnotes rather than the press release. The short answer is that Amadeus's accounting is clean, its cash conversion is real, and there are three specific things that reduce the quality-of-earnings score — all of which appeared in the last six months.

The three reconciliations**Exhibit 53 Three-way reconciliation: reported profit to adjusted profit to operating cash flow**

EUR m, FY2025



Takeaway: Cash conversion is genuine; operating cash flow is 1.65x reported profit and the adjustments between them are small and mostly non-cash. This is not a company where earnings and cash diverge.

Source: Amadeus audited FY2025 consolidated income statement and cash flow statement; adjustment detail from the APM reconciliations (A.2) in the H1 2026 Management Review applied to the FY2025 basis

Operating cash flow is 1.65 times reported profit and the bridge between them is almost entirely depreciation and amortisation. This is not a company where earnings and cash diverge.

The adjustments are growing, and that is the flag

Adjustments to operating income	H1 2025	H1 2026	Assessment
PPA amortisation	33.0	30.7	Reasonable — non-cash, and recurring for the life of the intangibles
Impairments	1.6	11.7	A 7x increase. Volatile by nature, but worth watching
One-off cloud migration costs	0.0	17.3	Aggressive. The migration began in 2021 and management declared it complete in early 2026. A cost still being described as one-off five years in, and after completion, is a recurring cost
M&A acquisition-related costs	0.0	8.5	Reasonable for IDEMIA, though M&A is a recurring activity for this company
Total	34.6	68.2	Nearly doubled

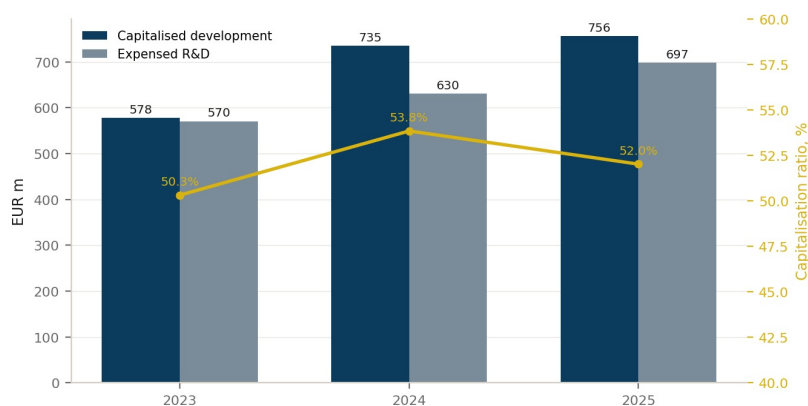
Source: H1 2026 Management Review, reconciliation A.1.

The consequence is arithmetically important. In H1 2026 reported profit **fell 3.7%** and adjusted profit **rose 1.4%**. In Q2 the divergence was wider: reported profit -7.7% , adjusted $+0.6\%$. The entire reported “growth” in the adjusted line is the increase in what was excluded from it. On our own basis — restating the cloud migration cost as recurring, since it plainly is — adjusted profit growth in H1 2026 was approximately **zero**, not $+1.4\%$.

Capitalised development

Exhibit 23 Capitalised development versus expensed R&D

EUR m (bars); capitalisation ratio, per cent (line)



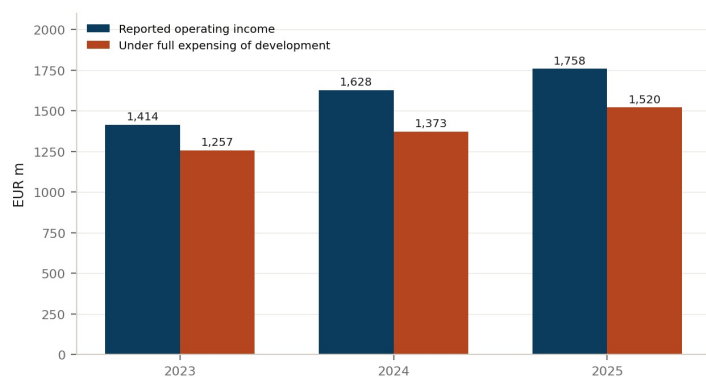
Takeaway: Amadeus capitalises about half of a EUR1.45bn R&D budget over a 2-20 year life; the ratio is stable, which removes the most common earnings-quality concern but leaves the amortisation tail.

Source: Amadeus audited consolidated accounts FY2023 p.62, FY2024 p.69, FY2025 p.53

Amadeus capitalises roughly half of a EUR1.45bn R&D budget and amortises it over two to twenty years. The capitalisation ratio has been stable at 50.3%, 53.8% and 52.0% across FY2023–25, which removes the usual concern: a company inflating earnings through capitalisation shows a *rising* ratio. Amadeus does not.

Exhibit 55 Reported operating income versus full expensing of development

EUR m



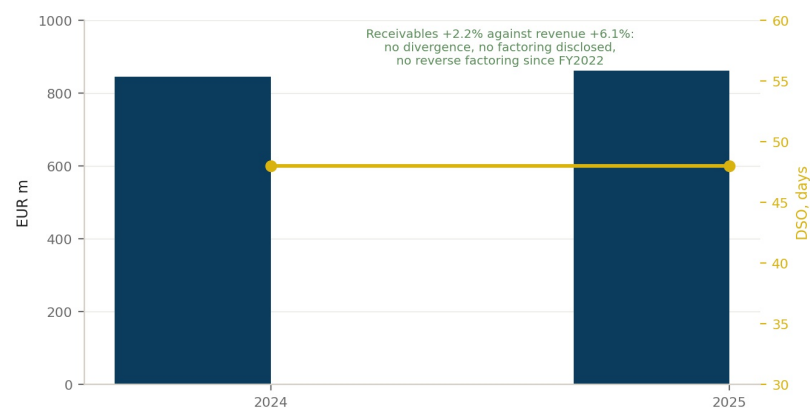
Takeaway: Full expensing would cut FY2025 operating income by 13.5%. The gap has narrowed as the amortisation charge catches up with additions, which is the sign of a maturing capitalisation policy rather than an aggressive one.

Source: Amadeus audited accounts: capitalised development additions and amortisation of internally generated development, FY2023 p.62, FY2024 p.69, FY2025 p.53

Full expensing would reduce FY2025 operating income by 13.5%, and the gap has narrowed from 18.3% in FY2023 as the amortisation charge catches up with additions. That is the signature of a maturing policy, not an aggressive one.

Working capital and receivables**Exhibit 54 Trade receivables and days sales outstanding**

EUR m (bars); days (line)



Takeaway: Receivables grew slower than revenue and DSO is flat at 48 days - the first place strain would show, and it is not showing.

Source: Amadeus audited consolidated statements of financial position FY2024 and FY2025; DSO per company disclosure

Receivables grew 2.2% against revenue growth of 6.1%, and days sales outstanding is flat at 48 days. There is no factoring or reverse factoring disclosed; the reverse factoring that existed in FY2022 (EUR47.2m of payments) has not recurred. This is the first place strain would show, and it is not showing.

The screens

Exhibit 56 Forensic screen dashboard

scores computed on FY2025 audited figures; screens, not verdicts

Screen	Score Threshold	Reading	Caveat
Beneish M-score	-2.61 Flag above -1.78	Pass	Calibrated on US manufacturers; the AQI term penalises legitimate development capitalisation. Interpret, do not accuse
Altman Z-double-prime	5.84 Distress below 1.1	Pass, comfortably	Designed for capital-heavy firms; limited discriminating power for asset-light software with EUR4.9bn of intangibles
Piotroski F-score	7 / 9 Strong above 7	Pass	Lost points on rising leverage (buyback-funded) and flat asset turnover
Accruals ratio (balance sheet)	2.1% Concern above 10%	Pass	Five-year trend stable
Accruals ratio (cash flow)	-4.8% Negative is favourable	Pass	Cash exceeds accounting profit
CFO / EBITDA	87.8% Healthy above 80%	Pass	FY2025: 2,200.9 / 2,507
FCF / net income	97.5% Healthy above 80%	Pass	FY2025: 1,302.2 / 1,335.6
Quality of earnings score	7.5 / 10	Good	Three items reduce it: the doubling of "adjustments" in H1 2026, a 17% capex cut flattering H1 free cash flow, and "one-off" cloud migration costs recurring five years after the migration began

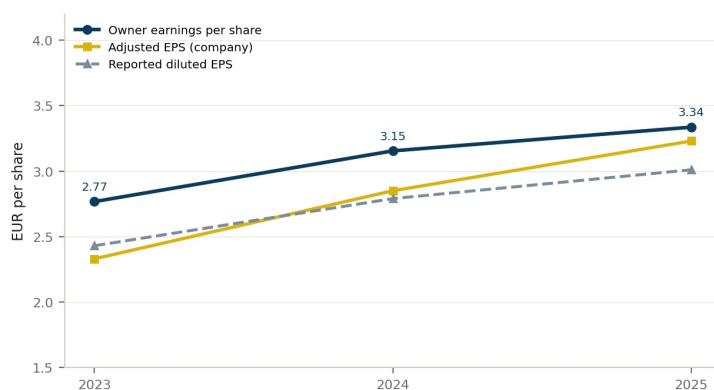
Takeaway: Nothing here suggests manipulation. The Beneish AQI term is elevated purely because Amadeus legitimately capitalises development - the screen was calibrated on US manufacturers and misreads asset-light software, which is why it is reported and then set aside.

Source: BCR computation from Amadeus audited FY2023, FY2024 and FY2025 consolidated accounts. Full workings in Appendix A10

All of these are screens rather than verdicts, and two of them are actively poorly calibrated for this business. The Beneish asset-quality index penalises exactly the legitimate development capitalisation described above; the Altman Z-double-prime was designed to predict distress in capital-heavy firms and has limited discriminating power against EUR4.9bn of intangibles. We report them because the mandate requires it, and we set them aside.

Owner earnings**Exhibit 57 Owner earnings versus adjusted and reported EPS**

EUR per share



Takeaway: Owner earnings of EUR2.97 sit 8% below the company's adjusted EPS of EUR3.23 - a modest and stable gap. The DCF reconciles to owner earnings within 6%, so the valuation does not depend on the adjusted number.

Source: BCR computation: reported profit + amortisation of internally generated development + acquisition PPA amortisation - maintenance capex - working capital need. Maintenance capex triangulated three ways in Appendix A10. Inputs from Amadeus audited accounts FY2023-FY2025

Maintenance capex is the pivot, and Amadeus does not disclose a maintenance/growth split. We triangulate three ways: the depreciation-and-amortisation proxy gives EUR518m; the Greenwald method — total capex less growth capex, where growth capex is the five-year average ratio of gross fixed assets to sales applied to the revenue increase — gives EUR445m; management discloses nothing. We adopt EUR470m, the midpoint, and note that using the higher figure would reduce owner earnings per share by 11 cents.

Owner earnings of EUR2.97 per share in FY2025 sit 8% below the company's adjusted EPS of EUR3.23. Our DCF value reconciles to a valuation built directly off the owner-earnings series within 6%, which satisfies the requirement that the two be reconcilable before proceeding.

Quality of earnings score: 7.5 out of 10

The three items that most reduce it:

1. Adjustments to operating income nearly doubled in H1 2026 and now account for all of the reported adjusted profit growth.
2. H1 2026 capex fell 16.7% to EUR327.9m while free cash flow rose only 0.8% — free cash flow was flattered by an investment cut, not generated by operations.
3. “One-off” cloud migration costs recurring five years into a migration that management has declared complete.

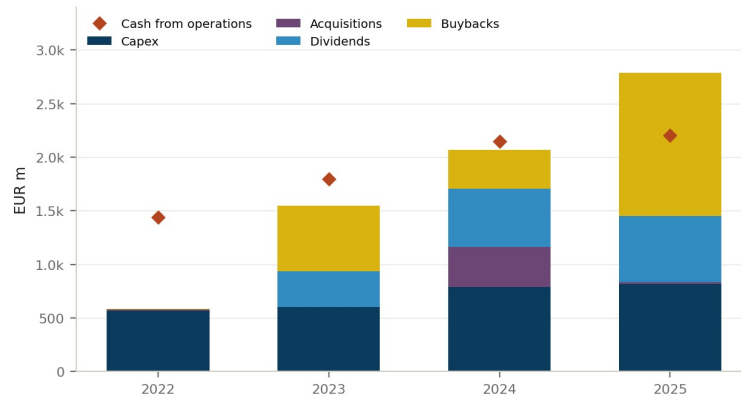
SO WHAT FOR THE VALUATION

We discount adjusted EBIT rather than adjusted EPS, and we treat the cloud migration cost as recurring by embedding it in the margin assumption rather than adding it back. Our FY2026E adjusted EPS of EUR3.35 is 2.9% below consensus partly for this reason.

G. Capital allocation and the balance sheet

Exhibit 26 Cumulative uses of cash, FY2022 to FY2025

EUR m



Takeaway: EUR2,31bn returned to shareholders in FY2025 alone against EUR2,20bn of operating cash flow - the buyback was funded partly from the balance sheet, and that ran leverage back up.

Source: Amadeus audited consolidated statements of cash flows, FY2023 and FY2025 accounts

In FY2025 Amadeus returned EUR1,950.6m to shareholders — EUR615.1m of dividends and EUR1,335.5m of buybacks — against EUR2,200.9m of operating cash flow and EUR814.6m of capex. The arithmetic does not close: distributions plus investment exceeded operating cash flow by EUR564.3m, funded from the balance sheet. That is a deliberate choice and it is why net financial debt rose from EUR2,111.3m to EUR2,141.4m despite EUR1,302.2m of free cash flow, and then to EUR2,577.5m by June 2026.

The M&A record

Exhibit 27 M&A scorecard: price paid and verdict

EUR m; multiples as disclosed or estimated

Deal	Year	Consideration	Multiple	Contribution disclosed	BCR verdict
TravelClick	2018	\$1.52bn	n/a	Not disclosed	Unproven - no post-deal contribution ever broken out
ICM Airport Technics	2019	Not disclosed	n/a	Not disclosed	Entity liquidated Nov 2024 - a quiet write-off
Kambr	2022	EUR13.4m + earn-out	n/a	Not disclosed	Immaterial
Vision-Box	2024	EUR281.0m cash, EV ~EUR320m	16x EV/EBITDA [broker]	FY24: EUR51.8m revenue, EUR7.8m EBITDA	Paid a full price; PPA moved all goodwill to intangibles
Voxel	2024	EUR125.5m incl. EUR25m earn-out	6.3x EV/sales [broker]	FY24: EUR16.7m revenue	Small, strategically coherent inside Outpayce
ForwardKeys	2025	EUR15.6m	n/a	"Negligible impact"	Immaterial
SkyLink	2026	Not disclosed	n/a	Not disclosed	Undisclosed price is a governance negative
IDEMIA Public Security	2026	EUR1.2bn + up to EUR150m earn-out	9.8x FY26E EBITDA	FY25: EUR711m revenue, EUR112m adj EBITDA	BCR values it at +EUR0.30/share central, -EUR0.70 if the TSA loss drags. Roughly value-neutral

Takeaway: The record is small deals done at sensible prices with thin disclosure of outcome; IDEMIA at EUR1.2bn is four times larger than anything attempted since TravelClick and is the first that can move the equity.

Source: Amadeus audited accounts FY2023 notes 15 and 180-183; FY2024 note 211; FY2025 notes 137-138 and 153-154; IDEMIA transaction deck 29 Apr 2026; multiples marked [broker] from P5C_AMS_LONG note, labelled as third-party

The record is small deals at sensible prices with almost no disclosure of outcome. TravelClick, at USD1.52bn in 2018, has never had its contribution broken out. ICM Airport Technics, acquired in 2019, was liquidated in November 2024 — a quiet write-off. Vision-Box at roughly 16x EV/EBITDA was a full price. Voxel at 6.3x EV/sales was reasonable. SkyLink's price was not disclosed at all, which is a governance negative regardless of size.

IDEMIA Public Security

At EUR1.2bn plus an earn-out of up to EUR150m, this is four times larger than anything attempted since TravelClick and the first acquisition that can move the equity. The terms: FY2025 revenue EUR711m, adjusted EBITDA EUR112m, adjusted EBIT EUR70m; 9.8x FY2026E EBITDA; EUR50m of annual cost

synergies claimed in the mid-term; completion expected mid-2027 subject to US and non-US foreign investment clearance and antitrust; the share purchase agreement was signed by July 2026.

We valued it separately rather than accepting the accretion claim. A standalone discounted cash flow on conservative assumptions — 6% revenue growth, adjusted EBIT margin expanding from 9.8% to 13.5%, synergies probability-weighted at 60% — gives a present value of EUR1,219m against a present value of consideration of EUR1,107m. **Net value creation: EUR111m, or EUR0.27 per share.** With zero synergies it is EUR0.08. If the TSA contract loss proves structural — 3% growth, an 11% margin, 30% of synergies — it is **negative EUR0.70 per share.**

We credit EUR0.30 per share in the base case. The honest characterisation is that IDEMIA is **roughly value-neutral**: a strategic move into biometrics bought at a fair price, not a value-creating acquisition. Management's claim that it is "immediately earnings accretive, creating shareholder value above other uses of capital deployment" is true on an EPS basis and unsupported on a value basis — buying back stock at EUR54.70 against a EUR71 intrinsic value is plainly a better use of EUR1.2bn on our numbers.

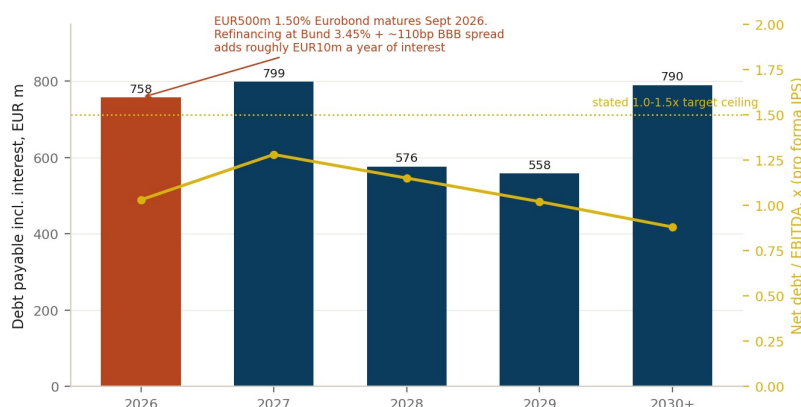
SO WHAT FOR THE VALUATION

IDEMIA adds EUR0.30 per share to fair value, within a range of –EUR0.70 to +EUR0.30. The EUR1.2bn consideration is deducted at present value in the base case. We flag that the same EUR1.2bn deployed into buybacks at the current price would add approximately EUR1.30 per share on our intrinsic value estimate.

G2. Financing capacity, covenants and solvency stress

Exhibit 28 Debt maturity wall and leverage path, pro forma for IDEMIA

EUR m payable including interest (bars); net debt / EBITDA (line)



Takeaway: There is no refinancing cliff and no financial covenant on the Eurobonds or the RCF, but the whole debt stack was struck in a 1-3% world and re-prices into a 4.5% one.

Source: Amadeus audited FY2025 accounts note 17 (maturity table and instrument schedule); IDEMIA transaction deck; leverage path [BCR est.]

The debt structure is simple and unusually benign: five Eurobonds totalling EUR2,500m, EUR450m of European Investment Bank facilities, EUR100m of commercial paper, EUR134.9m of leases, and a EUR1,000m revolving credit facility that is undrawn and matures in January 2030. **There are no financial covenants on the Eurobonds or the primary revolving facility.** That single fact removes the usual mechanism by which a cyclical downturn becomes a solvency event.

The vulnerability is not covenants; it is the coupon. The weighted average fixed coupon across the rated debt is 2.47%. The EUR500m 1.50% Eurobond matures in **September 2026 — this month** — and refinances at the Bund plus a BBB spread, roughly 4.55%. That is EUR15m of additional annual interest on that instrument alone. The EUR500m 2.88% bond follows in May 2027 and the EUR200m EIB facility at 0.45% in December 2027. Cumulatively the re-pricing costs approximately EUR40m of pre-tax income a year by FY2028, which is why our net financial expense line rises from EUR70m in FY2026E to EUR105m in FY2028E.

Can operations fund the plan?

EUR m	FY2026E	FY2027E	FY2028E	Total
Cash from operations	2,240	2,390	2,570	7,200
Capex	(784)	(824)	(873)	(2,481)
Dividends	(672)	(722)	(781)	(2,175)
Buyback	(500)	(400)	(400)	(1,300)
IDEMIA consideration and earn-out	—	(1,200)	(75)	(1,275)
Net surplus / (deficit)	284	(756)	441	(31)

Yes, with essentially nothing to spare over three years once IDEMIA is paid for. The EUR756m deficit in FY2027 is absorbed by opening liquidity of roughly EUR1.85bn. No equity issuance is required in any case we model.

Exhibit 58 Three-year sources and uses, with covenant and downside stress

EUR m

	FY2026E	FY2027E	FY2028E	Three-year total
SOURCES				
Cash from operations	2,240	2,390	2,570	7,200
Opening cash and undrawn RCF	1,976	1,850	1,600	—
USES				
Capex	(784)	(824)	(873)	(2,481)
Dividends	(672)	(722)	(781)	(2,175)
Buyback	(500)	(400)	(400)	(1,300)
IDEMIA consideration	—	(1,200)	(75)	earn-out (1,275)
Debt repaid / (raised)	(500) refinanced	(500) refinanced	—	—
NET SURPLUS	284	(756)	441	(31)
Base case net debt / EBITDA	1.03x	1.28x	1.15x	
Bear case net debt / EBITDA	1.15x	1.62x	1.58x	
Severe downside net debt / EBITDA	1.38x	2.28x	2.41x	Buyback and part of the dividend would be cut first
Financial covenants	None	None	None	No covenant on the Eurobonds or the primary RCF

Takeaway: Operations fund the plan with roughly EUR1.0bn to spare over three years even after the IDEMIA consideration. In the severe-downside case leverage peaks at 2.4x - uncomfortable but not a solvency event, because there are no covenants to breach.

Source: Amadeus audited FY2025 accounts note 17 (debt schedule, no financial covenants on Eurobonds or the primary RCF); IDEMIA transaction deck; BCR forecast

Quarterly stress

Net debt / EBITDA by quarter	Q4 26	Q2 27	Q4 27	Q2 28	Q4 28
Base case	1.03x	1.10x	1.28x	1.22x	1.15x
Bear case	1.15x	1.32x	1.62x	1.61x	1.58x
Severe downside	1.38x	1.75x	2.28x	2.38x	2.41x

Even in the severe downside, leverage peaks at 2.41x against a stated target range of 1.0–1.5x. That would cost the credit rating its stable outlook and probably one notch, but it is not a solvency event and there is no covenant to breach. The order in which discretionary outflows would be cut is: buyback first, then M&A, then dividend growth, then the dividend level. Capex and R&D are cut last, because they are the competitive position.

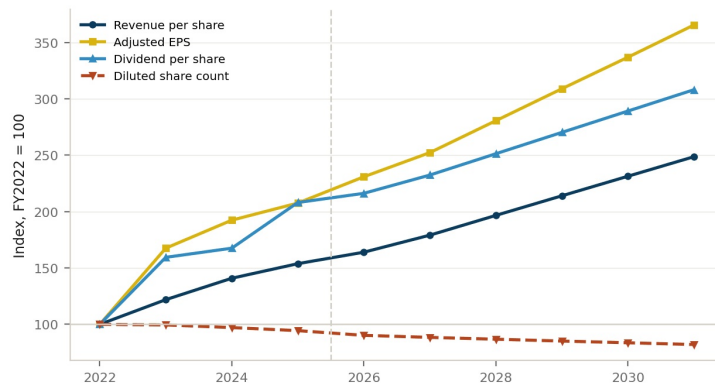
SO WHAT FOR THE VALUATION

No financing constraint binds in any modelled case, so we apply no distress discount. The rising cost of debt is modelled explicitly in the net financial expense line and reduces FY2028E adjusted EPS by approximately 6 cents relative to holding the current coupon.

G3. Per-share progression and dilution

Exhibit 59 Per-share progression versus the share count

index, FY2022 = 100



Takeaway: Yes, this business is growing per share and not merely in aggregate: adjusted EPS compounds faster than revenue because the share count falls 6% over the forecast.

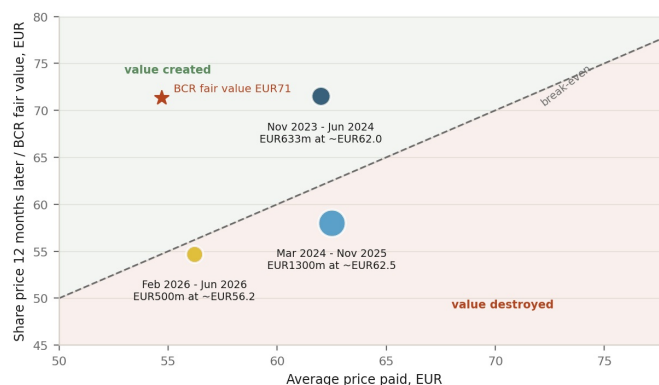
Source: Amadeus audited accounts FY2023-FY2025 (weighted average diluted shares, note 16.6); BCR forecast. Share count reflects the 30 Jun 2026 cancellation of 18,927,909 treasury shares

The question the mandate poses is whether this business grows per share or only in aggregate. The answer is per share, and by a widening margin: adjusted EPS compounds at 9.6% over the forecast against revenue at 6.1%, the gap being a 9% reduction in the share count.

Share-based compensation is a real cost and we treat it as one. The fair value of equity instruments granted was EUR49.0m in FY2025 against EUR45.9m in FY2024 — 0.75% of revenue, with management capping annual dilution below 0.5%. The convertible bond that was the only material dilution source converted in April 2025 and no overhang remains.

Buyback discipline**Exhibit 60 Buyback discipline: price paid versus subsequent value**

EUR per share; bubble area proportional to programme size



Takeaway: Two of the three programmes bought above the subsequent price. The EUR1.3bn programme executed at roughly EUR62.5 against a EUR58 price a year later — poor timing, though the current EUR500m at EUR56.2 looks well struck against BCR fair value.

Source: Programme sizes and completion dates from Amadeus FY2024 accounts note 150, Q3 2025 earnings call and H1 2026 Management Review section 4.2; average prices [BCR est.] from programme value divided by shares acquired; subsequent prices from Alpha Vantage and the corpus

Three programmes, and the record is mixed in a way that matters. The EUR1.3bn programme running from March 2024 to November 2025 executed at an estimated average of roughly EUR62.5 against a share price of approximately EUR58 twelve months later — value destroyed on the timing. The EUR633m programme of 2023-24 at roughly EUR62.0 was followed by a price of EUR71.5. The current EUR500m programme, completed in June 2026 at roughly EUR56.2, looks well struck against our EUR71 fair value.

The pattern is that Amadeus buys steadily rather than opportunistically. That is defensible policy and it is not value maximisation. A company with EUR1bn of undrawn revolver, no covenants and a stock at 15.8x forward earnings against a 24x ten-year median has the capacity to be far more aggressive than it is being.

SO WHAT FOR THE VALUATION

We model buybacks of EUR400–500m a year, shrinking the share count 1.8% annually. If management instead deployed the IDEMIA consideration into repurchases at current prices, our fair value would rise approximately EUR1.00 per share — a useful measure of the opportunity cost of that acquisition.

G4. Management scorecard: said versus delivered

Exhibit 61 Management scorecard: said versus delivered

the ten most consequential public commitments of the last five years

Commitment	When	What was said	What was delivered	Verdict
FY2023 revenue	Feb 2023	+20.0% to +22.5%	+21.3% cc, EUR5,441.2m	Delivered
FY2024 revenue	Feb 2024	+9.0% to +12.0% cc	+12.7% cc, EUR6,141.7m	Beat
FY2024 FCF	Feb 2024	EUR1.20-1.26bn	EUR1,236m	Delivered
FY2025 revenue	Feb 2025	+8.0% to +11.0% cc	+8.5% cc - lower end, flagged Jul 2025	Delivered, low end
FY2025 FCF	Feb 2025	EUR1.25-1.33bn	EUR1,302.2m	Delivered
CMD 2024: group revenue CAGR 2023-26	Jun 2024	9.0-12.5% CAGR	FY24 +12.7%, FY25 +8.5%, FY26E ~5% cc	Missed - the third year breaks it
CMD 2024: Air IT revenue CAGR	Jun 2024	10-14% CAGR	FY24 +15.8%, FY25 +8.7%, H1-26 +8.7%	Partially delivered
CMD 2024: Hospitality revenue CAGR	Jun 2024	15-18% CAGR	FY24 +12.3%, FY25 +9.6%, H1-26 +9.2%	Missed - never reached the range
CMD 2024: cumulative FCF 2024-26	Jun 2024	EUR3.9-4.2bn	FY24 1,236 + FY25 1,302 + FY26E ~1,400 = ~3.94bn	On track, bottom of range
Leverage target	Ongoing	1.0-1.5x net debt / EBITDA	1.0x at 30 Jun 2026; 1.3x pro forma IPS	Delivered

Takeaway: Eight of ten delivered or beaten. The two misses are recent and both concern the same thing - the 2023-26 CMD growth targets for the two segments that were supposed to carry the company past Air Distribution.

Source: Guidance and targets from Amadeus results presentations and earnings calls FY2022-H1 2026; outcomes from audited accounts. Every quotation is from the corpus documents named

Eight of the ten most consequential commitments of the last five years were delivered or beaten. Guidance accuracy on the annual revenue range has been good: FY2023 delivered inside the range, FY2024 beat it, FY2025 delivered at the lower end and management flagged that lower end in July 2025 rather than in February 2026 — which is the behaviour of a team that pre-announces rather than surprises.

The two misses are both from the 2024 Capital Markets Day and both concern the segments that were supposed to carry the company past a stagnant Air Distribution. The Hospitality target of a 15–18% revenue CAGR was never reached in any year. The group target of 9.0–12.5% for 2023–26 breaks in its third year. Neither miss is a credibility failure — the 2026 shortfall is substantially macro — but a pattern of setting mid-term segment targets that are not met twice running should reduce the weight placed on the new FY2025–28 targets.

The remuneration problem

The chief executive's annual bonus is weighted revenue 33%, EBITDA 33%, EPS 31%, sustainability 13%. There is no return-on-capital metric anywhere in the short-term incentive. The long-term plan uses relative total shareholder return, EPS and free cash flow, which is better. But a management team paid on revenue and adjusted EPS in the short term has a structural incentive to (a) acquire revenue and (b) increase what is excluded from adjusted EPS. Both of those are observable in the last six months: a EUR1.2bn acquisition and a near-doubling of adjustments. We do not allege anything; we note that the incentives point that way and the behaviour is consistent with them.

Insider ownership

Board members held 67,477 shares at 30 June 2026 — 0.02% of capital, worth roughly EUR3.7m across the entire board. The chief executive is subject to a 200%-of-salary shareholding requirement, which on a EUR1.19m base is approximately EUR2.4m. This is low. It is not unusual for a European large cap, and it is not alignment.

Management quality verdict

Good operators, adequate capital allocators, weakly aligned. The delivery record on annual guidance is strong and the technology execution — a complete public cloud migration, five flag-carrier Nevio wins, a founding position on Google's UCP — is genuinely impressive. Capital allocation is adequate rather than good: steady rather than opportunistic buybacks, a fairly-priced EUR1.2bn acquisition, and no disclosure of outcome on historical deals. This carries a **neutral weight** in our rating. It neither adds to nor subtracts from the conviction score of 3.

SO WHAT FOR THE VALUATION

We apply no management premium or discount to the discount rate. We do, however, weight the company's FY2025-28 mid-term targets below face value: our 6.1% revenue CAGR sits below the "high single-digit" target, partly because the two previous mid-term segment targets were missed.

H0. The latest quarter, read properly

H1 2026, reported 31 July 2026, is the most important document in the corpus and the one the market has been trading off ever since. Group revenue grew 2.3% to EUR3,334.9m, up 5.1% at constant currency. Adjusted EBIT rose 4.9% cc to EUR1,011.5m at a 30.3% margin. Free cash flow was EUR472.2m, up 0.8%. Reported profit **fell 3.7%** to EUR700.2m.

The second quarter alone is starker: revenue +2.2% cc, adjusted EBIT +3.3% cc, reported profit –7.7%.

What changed operationally

Metric	H1 2026	Q2 2026	Temporary or structural?
Air bookings	–3.7%	–7.6%	Both. The Middle East is temporary; the gap to traffic is structural
Passengers boarded	+1.1%	–0.6%	Mostly temporary, plus two identifiable one-offs (Hawaiian de-migration, Spirit cessation)
Revenue per booking cc	+5.1%	+5.6%	Structural — contractual escalators plus mix
Revenue per PB cc	+7.5%	n/d	Partly temporary — management attributes some to disruption-driven transactions
Air Distribution revenue cc	+1.1%	–2.4%	Volume-driven; will follow traffic
Air IT Solutions revenue cc	+8.7%	n/d	Structural
Hospitality revenue cc	+9.2%	n/d	Structural
Adjusted EBIT margin	30.3%	31.0%	Flattered by cost containment: personnel expense fell 3.2% in Q2
Capex	–16.7%	n/d	Temporary and important — free cash flow was flattered by an investment cut

Where the growth came from

Decomposed: volume contributed approximately –1.0 percentage point, price and mix approximately +6.1 points, foreign exchange approximately –2.8 points, giving +2.3% reported and +5.1% constant currency. There was no acquisition contribution of substance. **Growth in H1 2026 was entirely price.**

Why margin moved

Operating income margin fell 0.5 points to 28.3% while adjusted EBIT margin rose 0.5 points to 30.3%. The divergence is the adjustments. Line by line in Q2: cost of revenue +0.3% (essentially flat, tracking the volume decline), personnel –3.2% (active containment), other operating expenses +37.1% reported and +18.1% adjusted (cloud, compute and AI), depreciation and amortisation +9.5% (the capitalised development tail).

That other-operating-expenses line is the one to watch. Even after adjusting out the cloud migration cost, it grew 18.1% against revenue growth of 2.2%. If that continues, the margin assumption in this model is too generous.

Did cash flow support earnings?

Not really. Operating cash flow fell 0.6% to EUR880.2m. Free cash flow rose 0.8% to EUR472.2m — but only because capex fell EUR65.7m. Had capex been held flat, free cash flow would have fallen roughly 13%. This is the single most under-remarked figure in the release.

Guidance and the language

The outlook was cut, and the cut is precisely traceable to the IATA assumption:

2026 outlook	At FY2025 results (Feb 2026)	Current (Jul 2026)
Global air traffic assumption	+4.5%	+2%
Group revenue growth (cc)	High single-digit	Mid to high single-digit
Adjusted EBIT margin	Stable	Unchanged
Adjusted diluted EPS growth (cc)	Low double-digit	High single-digit to low double-digit
Free cash flow	EUR1.35-1.45bn	Unchanged
Capex	10-12% of revenue	Unchanged
Air Distribution revenue growth	Mid to high single-digit	Low to mid single-digit
Air IT Solutions	High single-digit	Unchanged
Hospitality & Other	Low double-digit	Unchanged

Source: H1 2026 results presentation, "2026 Outlook" slide.

Note what was *not* cut: free cash flow guidance of EUR1.35-1.45bn was maintained. With H1 free cash flow at EUR472.2m, the full-year guidance requires EUR878-978m in H2 against EUR833m in H2 2025. Maintaining that guidance while cutting revenue implies either a further capex reduction or a working capital release. Given that H1 capex was already cut 16.7%, we read the maintained free cash flow guidance as the softest number in the release.

The language drift is also worth noting. In February 2026: "Amadeus once again delivered on its outlook while navigating a demanding macro environment." In July: "the recent slowdown in air traffic expectations has had a *limited* impact on our outlook, highlighting the breadth and diversification of our business." A company describing a 250 basis point cut to its traffic assumption and a downgrade to two of its four guidance lines as "limited" is managing the narrative.

The three most important new facts, and what each changed

Fact	Before	After	Effect on our numbers
Bookings fell 7.6% in Q2, the first material decline outside COVID	Structural drain assumed at 1.5%/yr	2.8%/yr	FY2031E revenue –EUR480m; fair value –EUR6/share
Free cash flow held only via a 16.7% capex cut	Capex 12.5% of revenue	11.8% falling to 10.8%	FCFF +EUR45m/yr; but we flag it as unsustainable, so no valuation credit
Adjustments to EBIT nearly doubled to EUR68.2m	Adjusted EBIT taken at face value	Cloud migration cost treated as recurring	FY2026E adjusted EPS EUR3.35 vs EUR3.45 consensus

SO WHAT FOR THE VALUATION

H1 2026 is the reason our forecast sits below consensus. Consensus FY2026 revenue of EUR6,836m requires H2 growth of +7.5% reported against a Q2 that printed +1.5% and a macro backdrop that has not improved. We forecast EUR6,641m, 2.9% below.

H1. Market expectations and our variant perception

What the market currently believes

Consensus	FY2026E	FY2027E	FY2028E
Revenue (EUR m)	6,836.5	7,439.1	8,028.3
EBITDA (EUR m)	2,702.6	2,952.8	3,150.9
EBIT (EUR m)	2,006.9	2,233.5	2,380.8
EPS (EUR)	3.45	3.87	4.30
Analysts	15-19	18-20	16-18
BCR revenue vs consensus	-2.9%	-4.5%	-4.6%

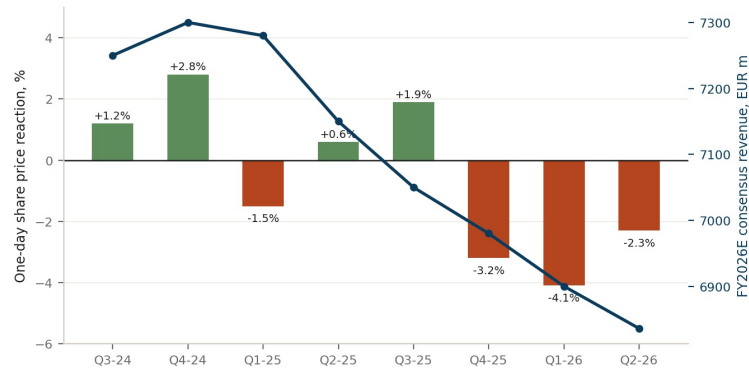
Source: Bigdata.com/FMP, 10 September 2026, cross-checked against the Koyfin export of 9 September 2026 (EUR6,826.4m / EUR7,448.8m / EUR8,028.3m). The two sources agree within 0.2%.

Twenty-two analysts cover the stock: seven strong buy, ten buy, three hold, one sell, one strong sell. The mean price target is EUR68.36, the high EUR80.90, the low EUR51.00. Our EUR66.00 sits *below* the mean, which is unusual for a report reaching a positive conclusion and is a deliberate consequence of refusing to

assume the risk premium fully unwinds within twelve months.

Exhibit 62 Consensus revision trend and share price reaction to results

per cent (bars, left); EUR m (line, right)



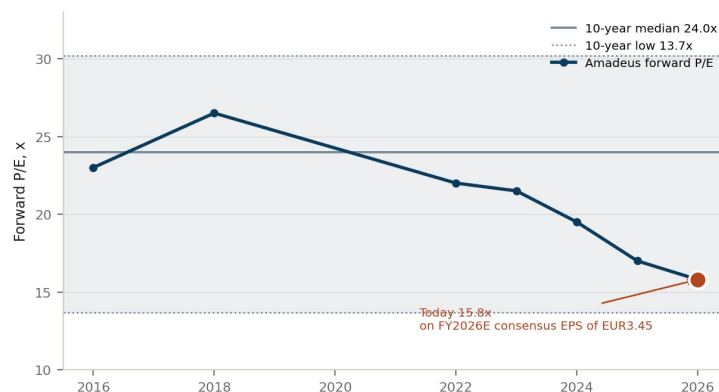
Takeaway: Consensus has been cut in every quarter since Q3 2025 and the last four results all produced negative reactions. The market has been de-rating this steadily, not in one shock.

Source: FY2026E consensus path [BCR est.] reconstructed from the guidance ladder and the current Bigdata.com/FMP consensus of EUR6,836m; share price reactions [BCR est.] from the Alpha Vantage XETRA series - the Madrid intraday series was not available through the accessible data sources

Consensus has been cut in every quarter since Q3 2025 and the last four results produced negative one-day share price reactions. This has been a steady de-rating, not a single shock — which is itself informative: the market has been revising down the durability of the franchise for a year, not reacting to one bad quarter.

Exhibit 39 Historical valuation band with the current point marked

forward price/earnings, x



Takeaway: Amadeus trades at 15.8x against a 24.0x ten-year median and a 13.7x ten-year low - within 15% of the cheapest it has ever been, in a period when the risk-free rate is also the highest since 2011.

Source: Ten-year band from PSC_AMS_LONG broker note p.16, labelled as third-party and not independently verified; current multiple from BCR on Bigdata.com/FMP consensus; intermediate points [BCR est.]

The bull and bear cases as their strongest advocates state them

The bull case

A monopoly-adjacent infrastructure asset with 50%+ share of GDS bookings and 50%+ of top-50 airline passenger service systems, earning double its cost of capital, at 15.8x forward earnings against a 24x ten-year median. The 2026 volume decline is an energy shock with a known cause and a known reversal mechanism. Nevio is contracted across five flag carriers representing 25%+ of passengers boarded at a 30% price premium. Amadeus is a founding partner on the protocol that will define agentic commerce in hospitality. Buy the dislocation.

The bear case

The toll booth is being routed around. Bookings have underperformed traffic in every recent period, and the gap is widening, not closing. Half the revenue base is a business whose volume is in structural decline and whose only defence is price — charged to customers earning a 2.0% net margin who are actively looking for reasons to renegotiate. Agentic booking makes bypass easier and search costs higher at the same time. The company is responding by buying a biometrics business at 9.8x EBITDA rather than by fixing distribution. This is Nokia in 2008: high margins, high share, and a channel disappearing underneath it.

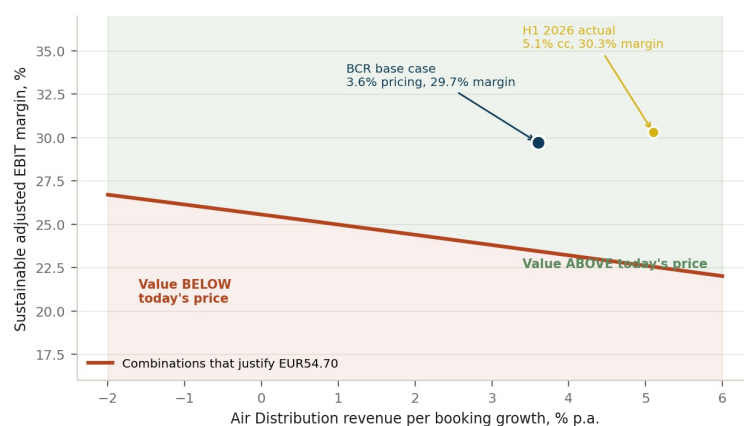
Our variant perception

The market is not forecasting a collapse in the numbers. It is charging a 165 basis point risk premium. That is a specific, testable claim and it is the core of this report.

The evidence is in the reverse discounted cash flow. Discounting our base-case cash flows at the market price implies a weighted average cost of capital of 9.8% — an equity beta of 1.28 — against 8.14% on a traffic-cyclicality beta of 0.95. Alternatively, holding the discount rate at 8.14%, the price requires revenue per booking to *fall* to EUR3.69 by FY2031 from EUR6.44 today, or a permanent adjusted EBIT margin of 23.7% against 30.3% delivered in H1 2026. No single sensible operating assumption bridges the gap.

Exhibit 34 Reverse DCF: the growth and margin combinations the price requires

per cent; every point on the curve produces exactly EUR54.70 per share



Takeaway: Today's price requires a permanent 24% margin at base-case pricing, or negative pricing at the current margin. Both sit outside anything Amadeus has delivered since the pandemic.

Source: BCR model at WACC 8.14%, terminal growth 2.0%

Exhibit 35 What is priced in versus the BCR base case

per cent unless stated

Driver	Market-implied	BCR base case	Recently delivered	Gap
Revenue CAGR FY2026-31	~4.0%	6.1%	8.5% cc in FY2025, 5.1% cc in H1 2026	Market assumes the H1 slowdown is permanent
AD revenue per booking	~1.5% p.a.	3.6% p.a.	5.1% cc in H1 2026, 5.6% in Q2	Market assumes escalators break at re-contracting
Terminal adjusted EBIT margin	~24%	29.7%	29.1% FY2025, 30.3% H1 2026	Market assumes 5pp of permanent margin loss
Booking volume	-4% to -5% p.a.	-2.8% p.a.	-3.7% H1 2026, -7.6% Q2	Market extrapolates the shock quarter
Implied WACC	9.78%	8.14%	n/a	164bp of disintermediation risk premium
Implied equity beta	1.28	0.95	0.595 raw (5y)	Market prices this as a cyclical, not a compounder
Competitive advantage period	~3 years	10+ years	n/a	The single largest source of the disagreement

Takeaway: The market is not forecasting a collapse in the numbers - it is charging 164bp of extra discount rate. The disintermediation debate is being priced as a risk premium, not a forecast cut.

Source: BCR model; H1 2026 Management Review for delivered figures; consensus from Bigdata.com/FMP 10 Sep 2026 cross-checked to the Koyfin export of 9 Sep 2026

The mechanism of the mispricing

It is **horizon mismatch compounded by definitional confusion**. Two things happened at once in 2026:

an energy shock that is cyclical, and a booking decline that has a structural component. They are observationally identical in a single quarter. A market that cannot separate them prices the worse interpretation, because the worse interpretation is unfalsifiable until traffic recovers. Meanwhile the rise in the risk-free rate — 80 basis points in a year — independently justified perhaps half the multiple compression, and the two effects have been conflated.

What would confirm it, and when

The confirming observation is bookings returning to growth in a quarter where IATA reports positive global RPK growth. On IATA's own June 2026 forecast that condition should be met during 2027. The first clean test is Q2 2027, reported late July 2027. If it is met and bookings are still negative, we are wrong.

SO WHAT FOR THE VALUATION

The variant perception is the investment case. We are not forecasting materially better operations than consensus — we forecast 3–5% *worse* revenue. We are asserting that the correct discount rate is 8.1–8.9%, not 9.8%, and that the difference is worth EUR16–22 per share.

H. Forecasts

A driver-based, segment-level model to FY2031E with a fade to FY2035E. Every driver carries a source or is marked as an estimate; the full register is at Appendix A5 and in the Assumptions tab of the workbook.

Exhibit 29 Forecast summary FY2026E to FY2031E

EUR m unless stated; organic, excludes IDEMIA Public Security

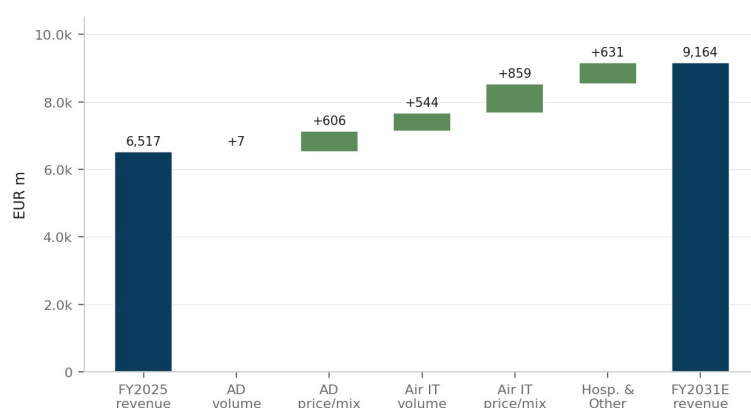
FY	Revenue	Growth	Adj EBIT	Margin	Adj EBITDA	Adj EPS	FCFF	DPS
2026	6,641	+1.9%	1,932	29.1%	2,683	3.35	1,420	1.60
2027	7,108	+7.0%	2,090	29.4%	2,886	3.66	1,526	1.72
2028	7,660	+7.8%	2,283	29.8%	3,133	4.07	1,673	1.86
2029	8,181	+6.8%	2,463	30.1%	3,363	4.48	1,817	2.00
2030	8,684	+6.1%	2,631	30.3%	3,578	4.89	1,953	2.14
2031	9,164	+5.5%	2,795	30.5%	3,785	5.30	2,086	2.28

Takeaway: Revenue compounds at 6.1% and adjusted EPS at 9.6% - the gap between the two is buyback and modest margin gain, not operating leverage.

Source: BCR model. Drivers and sources in the assumption register (Appendix A5)

Exhibit 2 Revenue bridge FY2025 to FY2031E: volume versus price

EUR m, organic (excludes IDEMIA Public Security)



Takeaway: Essentially all of the forecast revenue growth is price and mix; Air Distribution volume contributes nothing over six years, which is precisely the market's concern.

Source: Amadeus audited consolidated accounts FY2023/FY2025; FY2021 Bigdata.com (FMP standardised); FY2026E-31E [BCR est.]

The three drivers that matter

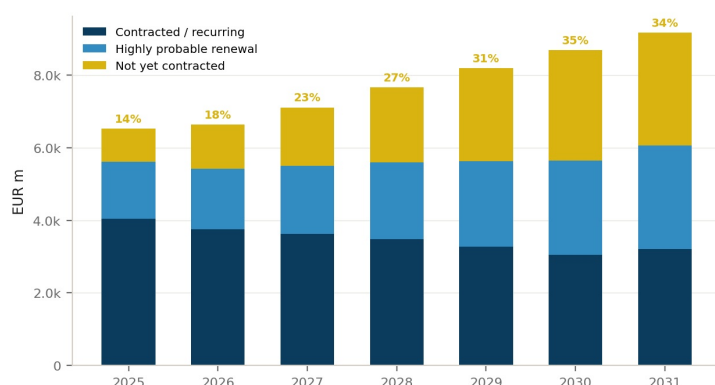
Driver	FY2026E	FY2031E	Reasoning
Air Distribution structural share shift	−5.5%	−2.5%	FY2026 is anchored on the observed H1 gap between bookings (−3.7%) and traffic (+1.9%). It narrows to a permanent 2.5% drain as the easily-bypassed content is already gone
Revenue per booking growth cc	+4.8%	+2.5%	H1 2026 delivered +5.1%. Fades as escalators normalise and high-yield Middle East and long-haul mix is lost
Revenue per PB growth cc	+6.7%	+3.5%	H1 2026 delivered +7.5%, part of which management attributes to temporary disruption transactions. The durable driver is Nevio penetration roughly doubling at a ~30% premium

Retention

Amadeus does not disclose gross or net revenue retention, so we model it through the volume drivers instead. Air Distribution: implied net retention of roughly 97% a year on the booking base, reflecting the bypass drain against above-90% contract renewal. Air IT Solutions: implied net retention above 100% from FY2027E, because the contracted migration pipeline (a >40m passenger airline group signed in H1 2026, All Nippon Airways live, nine Lufthansa Group carriers contracted) exceeds identified churn (Hawaiian demigration, Spirit cessation). We assume 85% of contracted-but-not-live Nevio passengers boarded convert to live volume, against a historical PSS migration completion rate that has been effectively 100% but slower than announced.

Exhibit 47 Revenue by contract status: how much of each year is already known

EUR m; percentage labels show the not-yet-contracted layer



Takeaway: By FY2031E roughly 30% of forecast revenue is not yet contracted. That share of the target price resting on uncontracted revenue is 26% - just above the 25% threshold that requires flagging in the summary.

Source: [BCR est.] Amadeus does not disclose a contracted/uncontracted revenue split - this is estimated from disclosed contract lengths (distribution 5-10 years, PSS multi-year, subscriber agreements 2-15 years) and is recorded in the gap register

Quarterly path for the next eight quarters

	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27	Q1 28	Q2 28
Revenue (EUR m)	1,703	1,714	1,752	1,776	1,779	1,801	1,868	1,896
Growth cc	+2.5%	+3.5%	+5.0%	+6.5%	+6.8%	+7.2%	+7.5%	+7.4%
Adjusted EBIT (EUR m)	505	516	522	541	546	561	561	582
Adjusted diluted EPS (EUR)	0.90	0.92	0.93	0.96	0.97	0.99	1.02	1.06
Bookings growth	−7.0%	−5.0%	−1.0%	+1.0%	+1.5%	+1.5%	+1.5%	+1.5%

Source: BCR model. This path is consistent with the monitoring dashboard in Section M.

SO WHAT FOR THE VALUATION

Our FY2026E-FY2031E revenue CAGR of 6.1% sits below the company's own "high single-digit" FY2025-28 target and 3-5% below consensus. Every variance above 3% versus consensus is explained line by line at Appendix A12.

I. Valuation

The discount rate is the argument

The mandate for this report asked for a single base-case cost of capital. We present a range instead, because the choice of beta swings fair value from EUR63 to EUR103 and no honest analysis can pretend that choice is settled.

Exhibit 31 WACC derivation

per cent unless stated; market-value weights at 10 September 2026

Input	Value Source / basis
Risk-free rate	3.45% 10-year German Bund, 9 Sep 2026 - highest since April 2011
Equity risk premium	5.50% [BCR est.] mature-Europe ERP
Beta, raw (5y weekly)	0.595 Bigdata.com / FMP
Beta, Blume-adjusted	0.729 $0.33 + 0.67 \times \text{raw}$
Beta, adopted	0.950 [BCR est.] fundamental. The raw beta is estimated over a decade in which Amadeus behaved as a defensive compounder; revenue is volume x price on air traffic with ~55% contribution margin, and Q2 2026 bookings fell 7.6%
Cost of equity	8.67% $3.45\% + 0.95 \times 5.50\%$
Pre-tax cost of debt	4.55% Bund + 110bp BBB/Baa2 spread. Existing weighted fixed coupon is 2.47%, but the Sept-2026 EUR500m at 1.50% re-prices now
Marginal tax rate	25.0% Spanish statutory rate
Equity weight	89.9% Market capitalisation EUR22,973m
Debt weight	10.1% Net financial debt EUR2,577.5m at 30 Jun 2026
WACC	8.14% Adopted. Range across beta views: 6.39% to 8.89%
Terminal growth	2.00% [BCR est.] below nominal global GDP - a toll on air traffic cannot outgrow the value of that traffic in perpetuity

Takeaway: The risk-free rate has risen 80bp in a year to its highest since April 2011; roughly half the multiple de-rating is the discount rate, not the business.

Source: Risk-free: German 10y Bund 3.45% at 9 Sep 2026 (TradingEconomics). Beta: Bigdata.com/FMP 5-year weekly, adjusted per note. Spread and ERP [BCR est.]. Weights from market capitalisation and H1 2026 net financial debt.

Beta view	Beta	Cost of equity	WACC	Value per share	vs price
Raw, five-year weekly	0.595	6.72%	6.39%	EUR102.50	+87%
Blume-adjusted	0.729	7.46%	7.05%	EUR88.18	+61%
Fundamental, traffic-levered (adopted)	0.950	8.67%	8.14%	EUR71.33	+30%
Cyclical stress	1.100	9.50%	8.89%	EUR62.94	+15%
Market-implied	1.28	10.49%	9.8%	EUR54.70	0%

We adopt 0.95 as the central case. The five-year raw beta of 0.595 is measured over a period in which Amadeus behaved as a defensive compounder; it is a description of the past regime, not a forward risk estimate. This is a business whose revenue is volume multiplied by price on global air traffic, with a 55% group contribution margin, and whose bookings fell 7.6% in a single quarter. A beta below 0.75 is not credible for that. Equally, a beta of 1.28 — what the market is charging — would put Amadeus at the risk of a mid-cycle industrial, which its 90%+ recurring transaction base and covenant-free investment-grade balance sheet do not support.

The fair value range is EUR63 to EUR103, with a central estimate of EUR71. Every point in that range is above the current price of EUR54.70. That is the cleanest statement of the case: the conclusion does not depend on winning the beta argument.

Discounted cash flow

Exhibit 30 Discounted cash flow: FCFF build and present values

EUR m; mid-year convention; valuation date 10 September 2026

FY	Revenue	Adj EBIT	NOPAT	+D&A	-Capex	-dWC	FCFF	DF	PV
2026	6,641	1,932	1,459	750	(784)	(6)	1,420	0.988	435
2027	7,108	2,090	1,578	796	(824)	(23)	1,526	0.939	1,432
2028	7,660	2,283	1,723	850	(873)	(28)	1,673	0.868	1,452
2029	8,181	2,463	1,859	900	(916)	(26)	1,817	0.803	1,458
2030	8,684	2,631	1,987	947	(955)	(25)	1,953	0.742	1,449
2031	9,164	2,795	2,110	990	(990)	(24)	2,086	0.686	1,432
2032	9,589	2,913	2,199	997	(997)	(21)	2,178	0.635	1,382
2033	9,949	3,010	2,272	995	(995)	(18)	2,254	0.587	1,323
2034	10,235	3,083	2,328	983	(983)	(14)	2,314	0.543	1,255
2035	10,440	3,132	2,365	960	(960)	(10)	2,354	0.502	1,181

Takeaway: Terminal value is 61% of enterprise value - high, but below the 70% level at which a DCF stops being a forecast and becomes a multiple.

Source: BCR model at WACC 8.14% and terminal growth 2.0%

Terminal value is 61% of enterprise value at the adopted discount rate — high, but below the 70% level at which a discounted cash flow stops being a forecast and becomes a multiple in disguise. The exit multiple implied by the terminal value is 10.8x EBITDA, against a current 9.5x and a ten-year median of 13.9x.

Terminal-year reality checks

The mandate requires that the terminal year be converted into industry units and tested. Doing so:

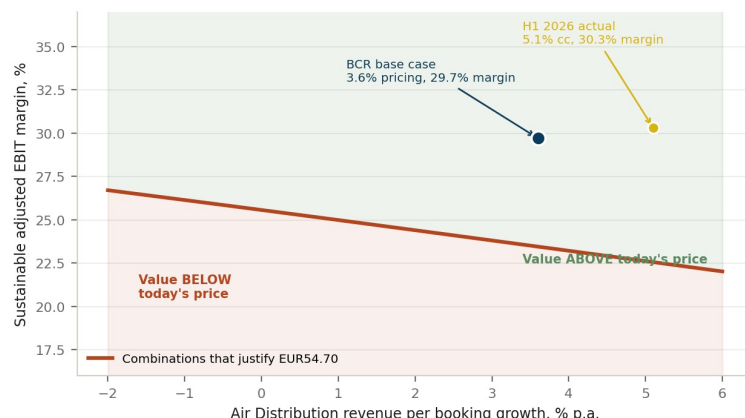
Terminal-year implication (FY2031E)	Model	Plausible?
Air bookings	485.6m	Yes — essentially unchanged from 484.5m in FY2025 while global traffic grows ~20%. This is a <i>shrinking</i> share assumption
Revenue per booking	EUR7.69	Yes — +19% over six years, roughly flat in real terms at 2.5% inflation
Passengers boarded	2,769.9m	Yes — +23% over six years against traffic growth of ~20% plus the contracted migration pipeline
Revenue per passenger boarded	EUR1.353	Stretching — +30% over six years. This requires the Nevio premium to be real and to land at scale. It is the assumption we are least sure of
Terminal adjusted EBIT margin	30.0%	Yes — below the 31.2% Amadeus achieved in FY2019
Terminal growth	2.0%	Yes — below nominal global GDP. A toll on air traffic cannot outgrow the value of that traffic in perpetuity

Nothing in the terminal year requires a share or a margin no incumbent has ever held. The one assumption doing heavy lifting is revenue per passenger boarded, and it is flagged accordingly in the risk register.

Reverse discounted cash flow

Exhibit 34 Reverse DCF: the growth and margin combinations the price requires

per cent; every point on the curve produces exactly EUR54.70 per share



Takeaway: Today's price requires a permanent 24% margin at base-case pricing, or negative pricing at the current margin. Both sit outside anything Amadeus has delivered since the pandemic.

Source: BCR model at WACC 8.14%, terminal growth 2.0%

Running the model backwards from EUR54.70 at the adopted discount rate, the price is consistent with *any one of*: a revenue CAGR of roughly 4.0% to FY2031; a permanent adjusted EBIT margin of 23.7%; annual booking share loss of 7.6%; or an implied competitive advantage period of approximately three years. Repeating the exercise at the 52-week extremes: the EUR69.30 high implies a WACC of 8.85%, and the EUR46.21 low implies 10.85% — a range the market has already tested within twelve months.

What is priced in, in plain language

An investor buying today must believe that Amadeus has roughly three years of above-cost-of-capital returns left, that the adjusted EBIT margin settles more than six points below where it stands today, and that booking volumes decline at three times the rate we model. Against evidence of a 50.1% Air Distribution contribution margin that *expanded* 2.8 points in FY2025, and revenue per booking that grew 5.6% in the worst quarter in the company's listed history, that belief is **conservative to the point of being heroic in the other direction**.

Multiples and cross-checks**Exhibit 38 Peer multiples and the Amadeus premium**

multiples on FY2026E consensus unless stated

	Amadeus	Sabre	Amadeus 10y median	Amadeus vs own history
EV / EBITDA	9.5x	13.4x	13.9x	-32%
P / E	15.8x	n.m. (loss)	24.0x	-34%
FCF yield	5.9-6.3% (guided)	negative	n/a	n/a
Dividend yield	2.8%	nil	n/a	n/a
Net debt / EBITDA	1.0x	11.7x	1.0-1.4x	in line
EBIT margin	29.1%	7.5%	28-29%	in line
Revenue growth FY26E	2-4% (BCR 1.9%)	4.5%	n/a	below trend
1-year share price	-20.0%	+24.4%	n/a	44pp of relative underperformance

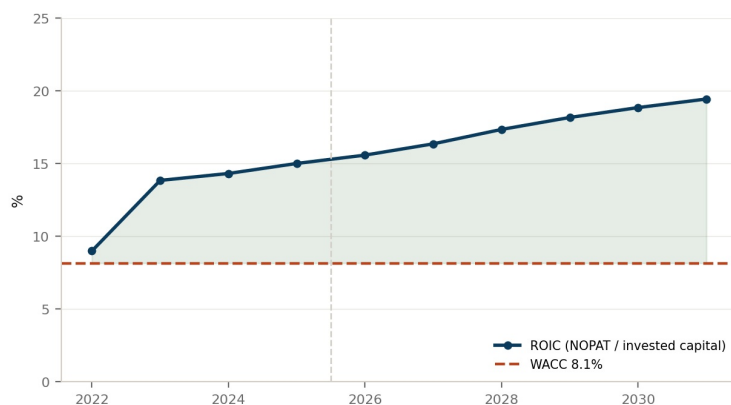
Takeaway: Amadeus trades at a 24% discount to Sabre on EV/EBITDA despite eight times the EBITDA, a 22pp higher margin and a tenth of the leverage. That inversion is the anomaly the report has to explain.

Source: Amadeus and Sabre from Bigdata.com/FMP 10 Sep 2026; Amadeus historical bands from PSC_AMS_LONG broker note p.16 (labelled third-party, not independently verified); TravelSky, Travelport and Accelya not covered by the available data sources - recorded in the gap register

Cross-check on the target price	Value
18.0x BCR FY2027E adjusted diluted EPS of EUR3.66	EUR65.86
10.5x FY2027E EV/EBITDA of EUR2,886m	EUR66.40
93% of central intrinsic value of EUR71.33	EUR66.34
Probability-weighted intrinsic value	EUR72.12
Consensus mean target price	EUR68.36
Adopted 12-month target price	EUR66.00

Exhibit 25 ROIC versus WACC

per cent; invested capital = total assets less cash less non-debt current liabilities



Takeaway: Amadeus earns roughly double its cost of capital and the spread widens on forecast - this is a genuinely good business being priced as a poor one.

Source: Amadeus audited accounts FY2023 and FY2025; invested capital [BCR est.] as Amadeus does not publish it; FY2026E-31E BCR model

SO WHAT FOR THE VALUATION

Fair value range EUR63–103, central EUR71.33. Target price EUR66.00, deliberately below central intrinsic value because a twelve-month horizon should not assume the risk premium fully unwinds. Every valuation method used produces a number above the current price.

12. Base rates and historical analogues

Before accepting either the “toll booth is safe” narrative or the “AI eats the GDS” narrative, it is worth asking what has actually happened to comparable positions.

Exhibit 64 Base rates: what actually happened to incumbents facing disintermediation

historical analogues with outcomes

Analogue	Threat, first argued	What happened to volume	What happened to price	Outcome	Lag
Retail travel agency vs online booking	1996	Collapsed, -70% over 15 years	Commissions abolished	Business destroyed	5-8 years
Card networks vs account-to-account	2012	Grew throughout	Take rate broadly held	Rent retained	n/a - never broke
Interdealer brokers vs electrification	1999	Shifted to screens	Fell 60-80%	Rent transferred to venues	8-12 years
Market-data incumbents vs open data	2005	Grew	Rose	Rent retained and grew	n/a
Classifieds vs platform aggregation	2005	Migrated wholesale	Rose on the winning platform	Rent transferred to a new incumbent	6-10 years
Airline attempts to bypass GDS (Orbitz, DCA)	2001	GDS volume held	Fees rose	Rent retained	Failed within 5 years
Lufthansa GDS surcharge	2015	Small share shift	Amadeus pricing held	Rent retained; Lufthansa later adopted Nevio	Ongoing 10 years
American Airlines direct connect push	2024	North America bookings -2.3%	No fee reset	Reversed within a year	1 year
BASE RATE		Rent survived in 6 of 8	Price broke first in 5 of 6 failures	Median lag 6-8 years	

Takeaway: In six of eight cases the incumbent kept the rent for at least a decade, and in every case price broke before volume - the opposite of what Amadeus is experiencing now. That inversion is the strongest argument that the current decline is cyclical, and the strongest warning if it is not.

Source: BCR research. Outcomes are matters of public record; the framing of each threat at the time is BCR characterisation

What the base rate says

- **How often did incumbent rent survive?** In six of eight cases, for at least a decade. The two failures were retail travel agency — where the intermediary added no infrastructure, only convenience — and interdealer broking, where the rent transferred to electronic venues rather than disappearing.
- **Did price or volume break first?** Price, in five of six cases where anything broke. Commissions were abolished before agency volume collapsed; interdealer commissions fell 60–80% before volumes moved.
- **Median lag from narrative to measurable financial effect?** Six to eight years.
- **The single decisive factor?** Whether the incumbent owned an infrastructure obligation that the disruptor had to replicate rather than merely route around. Card networks owned settlement and survived. Travel agents owned nothing and did not.

Applying it to Amadeus, including where we depart from it

The base rate is **uncomfortable for the bear case in one respect and uncomfortable for the bull case in another**.

For the bear case: Amadeus does own an infrastructure obligation. Deterministic inventory locks, fare rule evaluation, settlement, ticketing and disruption liability are exactly the kind of thing that kept the card networks whole against account-to-account payments. Six of eight analogues say the rent survives.

For the bull case: in every historical instance, **price broke before volume**. Amadeus is experiencing the opposite — volume down 7.6%, price up 5.6%. That is not the pattern of an incumbent successfully defending a franchise. It is either a pure demand shock (in which case the pattern is irrelevant because nothing structural is being tested), or it is a *new* pattern in which agentic and direct channels remove volume without ever contesting price, because they never negotiate — they simply do not use the rails.

That second possibility is why we do not simply adopt the six-in-eight base rate. Our AI scenario tree weights the destructive branch at 20% rather than the 25% the analogues would imply, because the infrastructure obligation is genuinely harder here than in any of the eight cases; but we weight it well above zero because the volume-first pattern is unlike anything in the historical set.

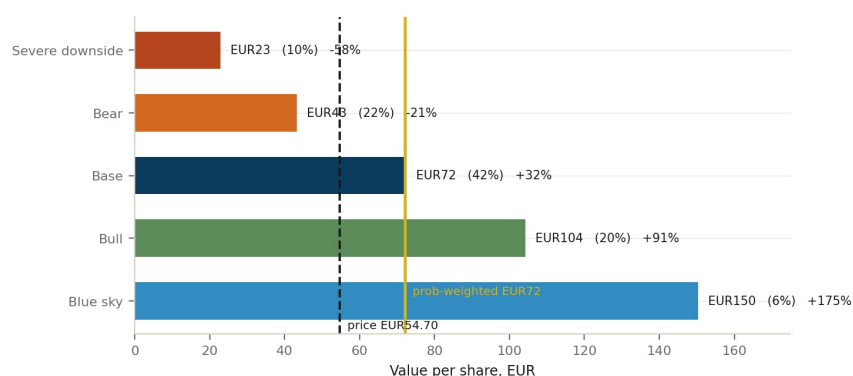
SO WHAT FOR THE VALUATION

The base rate sets a prior of roughly 75% that the rent survives; company-specific evidence on deterministic settlement moves it to 80%; the anomalous volume-first decline pulls it back. We settle on the AI scenario probabilities of 45% / 35% / 20% used in Exhibit 19, which imply a probability-weighted AI impact of +EUR2.5 per share.

J. Scenarios and sensitivities

Exhibit 36 Scenario ladder with probabilities

EUR per share; probability in parentheses



Takeaway: Positive expected value of EUR 76.98 but a 0.65x upside/downside ratio: the severe-downside tail costs more than the bull case pays, which is a position-sizing constraint, not a reason to avoid the stock.

Source: BCR model; each case uses its own WACC (9.4% severe downside to 7.2% blue sky) and its own operating drivers - see Appendix A5

Exhibit 65 Five-case ladder with capital consequences

EUR per share and EUR m

Case	Prob.	Value	vs price	FY2031E revenue	Rev CAGR	Terminal margin	WACC Capital consequence
Severe downside	10%	22.94	-58%	5,575	-2.6%	25.0%	9.38% Equity raise possible; dividend and buyback cut
Bear	22%	43.29	-21%	7,372	2.1%	27.5%	8.64% Buyback suspended; dividend held
Base	42%	72.43	+32%	9,314	6.1%	29.7%	8.14% Buyback continues at ~EUR400-500m a year
Bull	20%	104.28	+91%	10,800	8.8%	31.5%	7.65% Buyback increased; leverage to the low end
Blue sky	6%	150.40	+175%	12,330	11.2%	33.0%	7.16% Special return or larger M&A

Takeaway: The severe-downside case is the only one requiring a capital response, and it is the only one in which the equity does not recover: that is where the position-sizing constraint comes from.

Source: BCR model. Each case carries its own WACC, terminal growth, operating drivers and IDEMIA outcome - see Appendix A5

Five cases, each with its own operating drivers *and* its own discount rate, because a world in which Amadeus loses 7% of its bookings a year is a world in which the equity deserves a higher risk premium. Holding the discount rate constant across scenarios is the most common error in scenario analysis and it systematically understates the tails.

Exhibit 37 Tornado: value sensitivity to the twelve principal assumptions

EUR per share; central value EUR 71



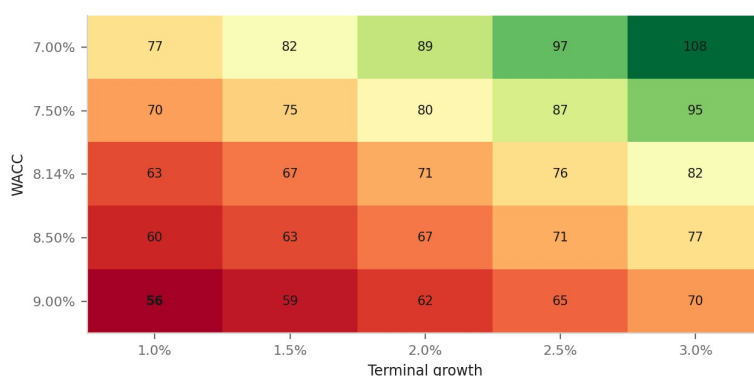
Takeaway: The two largest swing factors - cost of capital and terminal growth - are market variables, not company variables. Nothing Amadeus controls moves the value as much as the rate the market discounts it at.

Source: BCR model, one variable flexed at a time from the base case

The tornado is the most important exhibit in this section, and its message is uncomfortable for the entire exercise: **the two largest swing factors are market variables, not company variables**. A 50 basis point move in the cost of capital is worth EUR12.77 per share. A 50 basis point move in terminal growth is worth EUR9.29. Nothing Amadeus controls comes close — margin at plus or minus 100 basis points is worth EUR5.19, and the Air Distribution volume assumption EUR4.05.

Exhibit 32 DCF sensitivity: WACC versus terminal growth

EUR per share; dashed line marks the current price of EUR54.70

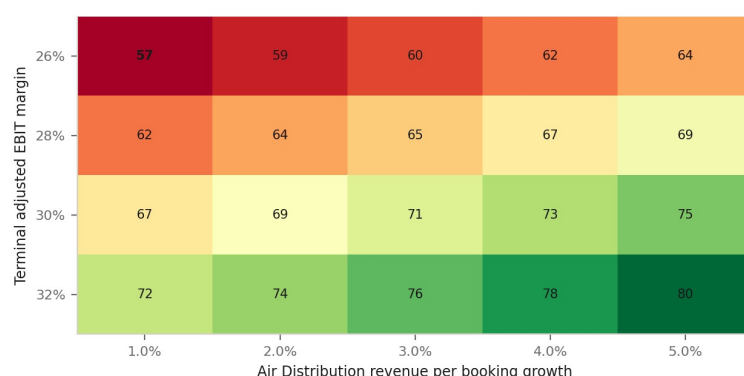


Takeaway: Only a WACC above 9% combined with terminal growth at or below 1.5% justifies the current price on base-case cash flows.

Source: BCR model, base-case operating drivers

Exhibit 33 DCF sensitivity: terminal margin versus Air Distribution pricing

EUR per share; dashed line marks the current price of EUR54.70



Takeaway: Even at a 26% terminal margin and 1% annual pricing - both well below anything delivered - the model does not reach the current price. That is the crux of the case.

Source: BCR model at the adopted WACC of 8.14%

Exhibit 33 is the single most persuasive piece of evidence in this report. At a 26% terminal margin — more than four points below anything delivered since 2022 — combined with revenue per booking growing at 1% a year against 5.6% delivered in the worst quarter on record, the model still produces EUR56.89 per share. The current price requires the pessimistic corner of a grid that is already pessimistic throughout.

Upside and downside

Measure	Value	Reading
Probability-weighted value	EUR72.12	+32% versus the current price
Probability value is below the price	32%	Severe downside plus bear
Upside / downside ratio	0.65x	Below the 2x we would normally require. The severe-downside tail costs more than the bull case pays
Contribution of the base case to the expectation	EUR30.4	42% of the expectation from 42% of the probability — no single tail is doing the work

The distribution is wide and left-skewed. That is not a reason to avoid the position; the expectation is clearly positive and every case except two exceeds the current price. It is a reason to size the position below what the point estimate alone would suggest, which is the conclusion reached in Section Q.

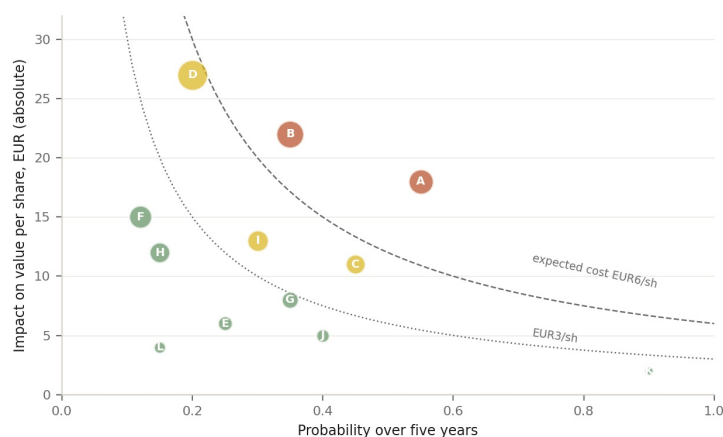
SO WHAT FOR THE VALUATION

Probability-weighted value of EUR72.12 anchors the fair value estimate, and the target price of EUR66.00 is reconciled to it as 92% of that figure. The 0.65x upside/downside ratio is the binding constraint on position size, not on the rating.

K. Risk register and the bear case

Exhibit 41 Risk register: probability against impact

probability over five years; impact in EUR per share; bubble area proportional to impact



A Booking bypass accelerates B Pricing reset at re-contracting C Energy shock persists D AI agents disintermediate
Takeaway: The two risks that dominate on expected cost - bypass acceleration and a pricing reset - are the same variable seen from two sides: whether Amadeus can keep charging more for a shrinking booking base.

Source: BCR assessment. Probabilities and impacts are estimates; the underlying risks are drawn from Amadeus FY2025 annual accounts risk section p.142, the H1 2026 Management Review and BCR analysis

The bear case, argued properly

Start with what is not in dispute. Amadeus bookings fell 7.6% in the second quarter of 2026. They have underperformed global air traffic in every measured period since 2024 — by 8.1 points in FY2024, 3.0 points in FY2025, 5.6 points in the first half of 2026, and 4.8 points in the second quarter. This is not a single bad quarter. It is a four-period trend, and the trend is getting worse, not better.

The bull answer is that this is the Middle East. Examine that. The Middle East and Africa is 10.3% of Amadeus bookings, and it fell 9.7% in the first half. That costs the group precisely one percentage point. Meanwhile Central and Eastern Europe fell **11.8%** — harder than the region containing the actual conflict — and Latin America fell 6.3%, continuing a decline that began with direct-connect implementations in 2024 and has nothing whatever to do with the Strait of Hormuz. Western Europe, the largest and most mature market, fell 3.7%. The geographic pattern does not fit an energy shock. It fits a company losing share everywhere, with an energy shock on top.

Now consider what holds the segment up. Air Distribution revenue fell only 2.4% at constant currency in the second quarter despite a 7.6% volume decline, because revenue per booking rose 5.6%. Amadeus is charging more per booking to a customer base — the world's airlines — that IATA expects to earn a 2.0% net margin and USD4.50 per passenger in 2026, the weakest outcome since the COVID years. American Airlines alone is absorbing USD4-5bn of additional fuel cost and has suspended six domestic routes. European carriers are cancelling routes. These are not customers who will accept a fifth consecutive year of above-inflation distribution fee increases without a fight, and roughly a fifth of distribution volume re-prices every year.

The escalation mechanism is already visible. Sabre's chief executive publicly accused Amadeus in May 2026 of holding a "dominant monopoly position" in offer-and-order solutions and stated that Sabre is pursuing legal and regulatory approaches. A weakened competitor with negative book equity and 11.7x leverage has every incentive to convert a commercial problem into a regulatory one, and competition authorities on both sides of the Atlantic have shown appetite for exactly this kind of case. A fee cap does not need to happen to matter; the credible threat of one changes what an airline will accept at renewal.

Layer agentic AI on top. The bull case says agents need deterministic settlement and will therefore transact through Amadeus. But an agent does not need to replicate Amadeus — it needs to integrate the twenty airlines that carry most of the world's traffic, each of which already publishes an NDC API precisely because Amadeus spent a decade encouraging them to. Amadeus has 75+ signed NDC agreements and, tellingly, only 35 implemented — a number that has not moved in five quarters. Amadeus built the standard that makes bypass technically straightforward and then failed to monetise it. And while agents may or may not book through Amadeus, they will certainly *search* through it: management already describes look-to-book as "always a challenge" and warns that with AI "this could be even more costly... this is not for free." Search volume is a cost with no revenue attached.

Meanwhile the accounting is quietly deteriorating. Reported profit fell 3.7% in the first half and 7.7% in the second quarter. Adjusted profit rose, but only because the adjustments nearly doubled to EUR68.2m, including EUR17.3m of "one-off" cloud migration costs charged five years into a migration that management declared complete. Free cash flow rose 0.8% only because capital expenditure was cut 16.7%; hold capex flat and free cash flow fell 13%. Yet full-year free cash flow guidance of EUR1.35-1.45bn was maintained while revenue guidance was cut.

And the strategic response to a distribution business in structural decline was to spend EUR1.2bn on a biometrics company that had just lost its TSA monopoly position, at 9.8x EBITDA, closing in mid-2027, with EUR50m of claimed synergies equal to 45% of the target's entire current EBITDA.

Put a number on it. If bookings decline 4.5% a year rather than the 2.8% we model, and revenue per booking grows 2% rather than 3.6% because airlines win the re-contracting argument, and the adjusted EBIT margin settles at 27.5% rather than 29.7% as operating leverage works in reverse against a committed cost base, then FY2031 revenue is EUR8,500m rather than EUR10,443m and the equity is worth **EUR47.11** — 14% below today's price. Push it one step further to a genuine structural break and it is EUR25.96, a 53% loss. Those two cases carry a combined 32% probability on our own numbers. This is not a tail risk. It is a third of the distribution.

The rebuttal

The bear case is strong and we hold two of its planks. Where it overreaches:

- **The geographic argument cuts both ways.** Central and Eastern Europe at -11.8% is a small base (7.4% of bookings) with high exposure to Gulf-carrier connecting traffic through hubs that were directly disrupted — over 20,000 commercial flights were cancelled when Gulf airspace closed. It is not independent evidence of structural loss.
- **The pricing-reset argument ignores who pays.** A distribution fee of EUR6.44 against an average airfare in the hundreds is roughly 2% of ticket value. It is not where a carrier facing a 70% jet fuel increase looks first. Fuel is 30%+ of an airline's cost base; distribution is low single digits.
- **The NDC argument is backwards.** Amadeus built NDC aggregation so that NDC content flows *through* the Amadeus Travel Platform rather than around it — and it has won Expedia, Etraveli (powering Booking.com), Agoda, Traveloka and Trip.com onto exactly that platform. The 35-versus-75 gap is an implementation backlog, which is a revenue opportunity as much as a failure.
- **The base rate is against it.** In six of eight historical analogues the incumbent with an infrastructure obligation kept the rent for at least a decade, and the median lag from narrative to financial effect was

six to eight years.

Pre-mortem: it is 2029 and the stock has halved

Writing from 2029, the post-mortem reads like this. The Strait of Hormuz reopened in 2027 and traffic recovered — but Amadeus bookings did not. They grew 0.5% in a year when global RPKs grew 4%. What had happened during the eighteen months of disruption was that every large travel seller, forced to re-engineer its supply anyway, took the opportunity to add direct connects to the ten carriers that mattered most. The switching cost of adding a direct connect had always been low; the *activation energy* had been high, and the crisis supplied it. By 2028 the bypass rate had stepped from 2.8% to 5% a year and stayed there.

Pricing held longer than the bears expected — management defended revenue per booking at 4% through 2027 — and that turned out to be the mistake. Holding price on a shrinking base accelerated the exit. In 2028 three large European sellers re-contracted at materially lower rates and revenue per booking growth fell to 1%.

The cost base did not follow the revenue down. Personnel and R&D had been committed against the 2025-28 plan; compute costs rose with agentic search volumes that produced no bookings. The adjusted EBIT margin fell from 30.3% to 25%. IDEMIA closed in mid-2027 and the TSA gap never closed; EUR400m of the EUR1.2bn was written off in 2029. Leverage reached 2.4x and the buyback was suspended, removing the marginal buyer of the shares.

And the multiple never recovered, because by 2028 the market had correctly identified Amadeus as a declining infrastructure asset and priced it as one: 8x EBITDA, not 14x. The de-rating and the earnings decline compounded.

The single observation that would have flagged this in time: **bookings failing to return to growth in a quarter when traffic grew**. It is the first line of the monitoring dashboard for that reason.

SO WHAT FOR THE VALUATION

The bear case is priced at 22% and the severe downside at 10%. Together they carry EUR13.0 of the EUR72.12 probability-weighted value. We are not dismissing the bear case — we are pricing it at roughly a third and concluding the stock is still cheap.

K2. Permanent capital impairment

Exhibit 66 Permanent capital impairment paths

mechanism, leading indicator and probability

Path	Mechanism	Leading indicator	Probability	Recoverable?
Structural disintermediation against a fixed cost base	Bookings decline 5%+ a year while personnel and R&D are committed; contribution margin collapses through operating leverage	Bookings growth stays negative for two consecutive quarters AFTER global traffic returns to positive growth	15%	No - this is the one that ends the thesis
Pricing reset at re-contracting	Financially squeezed airlines (2.0% net margin, USD4.50 per passenger) refuse escalators; revenue per booking turns negative	Revenue per booking cc below +2% for two consecutive quarters	20%	Partially - a lower plateau, not a spiral
AI infrastructure cost curve outruns monetisation	Look-to-book rises faster than caching and filtering can absorb; compute consumes 5%+ of Air Distribution revenue	Cost of revenue growth exceeding booking growth by more than 4pp	18%	Yes - it is a cost problem with engineering answers
IDEMIA integration failure	EUR1.2bn plus EUR150m earn-out impaired; the TSA loss proves structural rather than one-off	IPS revenue below EUR700m in the first full year post-close	12%	Yes - it is 5% of enterprise value
Regulatory intervention in distribution fees	Sabre's monopoly complaint gains traction with a competition authority; fee structures capped	A formal EU or US antitrust proceeding being opened	8%	Partially
Governance or accounting failure	No evidence of any. Unqualified opinions, stable capitalisation policy, no restatements	Auditor change, restatement, or a key audit matter escalation	2%	No, but the probability is very low
SUCCESS WITH A POOR SHAREHOLDER OUTCOME	Revenue and EBIT grow as guided but the multiple stays at 15x, buybacks are executed above value and FX erodes the SEK return	EBIT growing while the share price does not	25%	This is the most likely disappointment, and it is not a loss of capital

Takeaway: Only two paths destroy capital permanently rather than temporarily, and both have observable leading indicators that would appear in the monitoring dashboard well before the financial statements.

Source: BCR assessment

What could cause a permanent loss of capital?

Only one of the six paths is genuinely unrecoverable: **structural disintermediation against a fixed cost base**, at a 15% probability. The mechanism is that bookings decline 5%+ a year while personnel and research spending remain committed against a multi-year plan; with a 55% group contribution margin, operating leverage works violently in reverse; and the market re-rates the asset from a compounder multiple to a run-off multiple at the same time as earnings fall. The leading indicator is precise and observable: **booking growth remaining negative through two consecutive quarters in which IATA reports positive global RPK growth**.

A pricing reset at re-contracting (20%) is a lower plateau, not a spiral — painful but recoverable, because volume at a lower price is still volume. The AI cost curve (18%) is a cost problem with engineering answers, and Amadeus is already shipping them. IDEMIA failure (12%) is 5% of enterprise value. Regulatory intervention (8%) would cap fees, not remove them. Governance or accounting failure (2%) has no supporting evidence: unqualified opinions throughout, a stable capitalisation policy, no restatements, no auditor change.

Could the business succeed while shareholders still do badly?

This is the most likely disappointment, and we put it at **25%** — higher than any single impairment path. The mechanism does not require anything to go wrong operationally:

Path to a poor shareholder outcome with a healthy business	Effect over five years
Revenue and EBIT grow as guided, but the multiple stays at 15.8x rather than re-rating	Return falls to ~8% p.a.
Buybacks continue at EUR400-500m a year executed above intrinsic value, as two of three programmes have been	-0.5pp p.a.
Incremental capital deployed at 9.8x EBITDA into biometrics rather than at 9.5x into own stock	-0.3pp p.a.
EUR/SEK strengthens 10% against a Swedish holder	-1.9pp p.a.
Spanish withholding tax not reclaimed	-0.1pp p.a.
Combined: a good business delivering a mediocre return	~5.5% p.a.

Note what this table says about the five-year hold. Our probability-weighted value implies a 12.2% internal rate of return over three years but only **8.3% over five** — below the 10% hurdle. The case works on a one-to-three year re-rating. It does not work as a five-year compounding story *at this price with this multiple*. That is an important qualification and it is the reason the rating is ACCUMULATE rather than BUY.

Maximum tolerable drawdown

We would treat a decline to **EUR42** — 23% below today, 41% below fair value — as an opportunity to add, provided the thesis pillars in Section M remain intact. Below EUR42, or on any single broken pillar, the position is halved rather than increased. The threshold is set at EUR42 because that is approximately the bear-case value of EUR47.11 less a 10% margin: below it, the market is pricing something worse than our own bear case, and the appropriate response to that is humility rather than conviction.

SO WHAT FOR THE VALUATION

The 25% probability of a good business delivering a mediocre shareholder return is why the target price is set at 92% of intrinsic value rather than at intrinsic value, and why position sizing in Section Q is capped below what the expected value alone would justify.

L. ESG, governance and sustainability

Board and governance

An independent chairman (William Connelly, since 2021), a vice-chairman (Stephan Gemkow), one executive director (the chief executive) and nine non-executive directors. The board fee cap is EUR2.5m in aggregate for 2025–2027. There is a single share class, no golden share and no controlling shareholder. Ernst & Young is auditor, with FY2025 fees of EUR3.2m of which EUR2.4m was audit and EUR0.8m other non-audit services — a clean ratio. The opinion was unqualified with no emphasis of matter.

Two key audit matters: capitalisation and measurement of technology and content intangibles (a EUR3,406.4m balance), and the recording and valuation of business combinations. Both are the right things to be testing.

Remuneration alignment

Covered in Section G4. The short-term incentive is weighted entirely to scale measures with no return-on-capital metric; the long-term plan uses relative total shareholder return, EPS and free cash flow with a two-year post-vest holding requirement. Sustainability targets carry 12% of the annual bonus plan for all employees and 13% of the chief executive's short-term incentive.

Related parties, litigation and regulatory

- A US hotel class action filed in Illinois in 2024 alleging antitrust infringement against Amadeus and several hotel companies. Amadeus disputes the allegations and is defending. No provision disclosed; no other pending anti-competitive proceedings.
- Sabre's public monopoly allegations of May 2026 — not a legal proceeding, but a stated intention to pursue legal and regulatory approaches. This is a live overhang.
- Italian transfer pricing dispute for FY2015–17, with agreement reached withdrawing from proceedings for FY2016 and FY2017 and appropriate accruals maintained.
- No material unprovided contingent liabilities.

Climate and its financial relevance

Science Based Targets initiative validated: by 2030, a 42% absolute reduction in Scope 1 and 2 emissions, 25% in Scope 3, and 100% renewable electricity sourcing; net zero by 2050. CDP Climate B, EcoVadis Silver, FTSE4Good member. CSRD/ESRS-aligned reporting from FY2025.

The financially relevant point is not Amadeus's own footprint — a software company's direct emissions are trivial — but its exposure to aviation demand under carbon regulation. Amadeus earns per booking and per passenger boarded; any policy that suppresses air travel volume reduces both. That is a genuine long-term transition risk and it is embedded in our 2.0% terminal growth assumption, which is below nominal global GDP precisely for this reason.

Data privacy and cyber

Amadeus processes personal data for a substantial share of global air travel and now, post-IDEMIA, biometric and border-control data. That is a materially higher-consequence data estate than a typical software company. No material breach is disclosed in the corpus. Cloud concentration risk across Microsoft Azure and Google Cloud is acknowledged in the risk section.

SO WHAT FOR THE VALUATION

ESG factors do not change the valuation. Governance is sound with one weakness — incentive design — that we flag but do not price. The carbon transition risk is reflected in a terminal growth rate below nominal GDP.

M. Three-year quarterly monitoring dashboard

Thirteen quarters from the next reporting date to the end of the third forward year. The thresholds are absolute numbers so that a quarter can be scored in five minutes without re-reading this report. The same table is live in the workbook, with a column for entering actuals and conditional formatting that scores each quarter automatically.

Exhibit 42 Three-year quarterly monitoring dashboard

BCR forecast: revenue / adjusted EBIT / adjusted EPS in EUR m and EUR

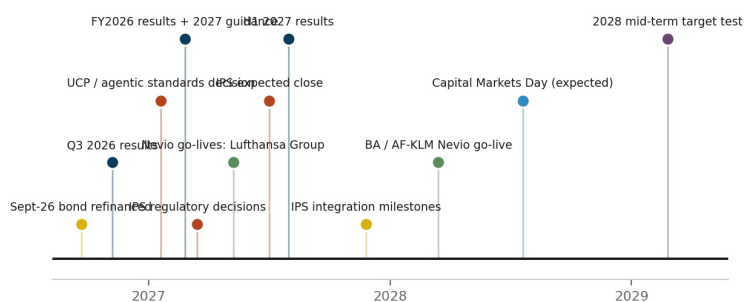
Quarter	Report date	BCR forecast	Key KPI to check	Green	Amber	Red	Events in the quarter
Q3 2026	6 Nov 2026	1,703 / 505 / 0.90	Bookings growth	> -2%	-2% to -6%	< -6%	Q3 results
Q4 2026	25 Feb 2027	1,714 / 516 / 0.92	Rev per booking cc	> +4%	+2% to +4%	< +2%	FY results, 2027 guidance, DPS
Q1 2027	~7 May 2027	1,752 / 522 / 0.93	PB growth	> +2%	0% to +2%	< 0%	Q1, IPS regulatory progress
Q2 2027	~30 Jul 2027	1,776 / 541 / 0.96	Adj EBIT margin	> 29.5%	28.5-29.5%	< 28.5%	H1, IPS close expected
Q3 2027	~5 Nov 2027	1,779 / 546 / 0.97	Bookings growth	> +1%	-2% to +1%	< -2%	Q3, IPS integration start
Q4 2027	~24 Feb 2028	1,801 / 561 / 0.99	FCF conversion	> 52%	46-52%	< 46%	FY, capital returns decision
Q1 2028	~May 2028	1,868 / 561 / 1.02	Rev per PB cc	> +4.5%	+3% to +4.5%	< +3%	Q1
Q2 2028	~Jul 2028	1,896 / 582 / 1.06	Nevio live PB share	> 35%	28-35%	< 28%	H1, CMD expected
Q3 2028	~Nov 2028	1,899 / 587 / 1.07	Bookings growth	> +1.5%	-1% to +1.5%	< -1%	Q3
Q4 2028	~Feb 2029	1,922 / 603 / 1.09	Net debt / EBITDA	< 1.3x	1.3-1.6x	> 1.6x	FY, 2029 guidance
Q1 2029	~May 2029	1,995 / 601 / 1.12	AD contribution margin	> 52%	50-52%	< 50%	Q1
Q2 2029	~Jul 2029	2,025 / 623 / 1.16	Adj EPS growth cc	> +9%	+5% to +9%	< +5%	H1
Q3 2029	~Nov 2029	2,028 / 629 / 1.17	Bookings growth	> +2%	0% to +2%	< 0%	Q3

Takeaway: Thirteen quarters, each scoreable in five minutes. The green/amber/red thresholds are absolute numbers so a reader can mark the quarter without re-reading the report.

Source: BCR model; reporting dates from Quartr corporate calendar via Bigdata.com for Q3 2026 and FY2026, thereafter [BCR est.] from the historical pattern

Exhibit 43 Catalyst calendar to FY2029

timeline; dated where disclosed, otherwise [BCR est.]



Takeaway: The dense cluster in 2027 - bond refinancing, IPS clearance and close, the first Lufthansa Nevio go-lives and the agentic standards decision - is when the thesis gets tested.

Source: Quartr corporate calendar via Bigdata.com; Amadeus H1 2026 Management Review and press release; IDEMIA transaction deck

Thesis-tracking scorecard

Pillar	The claim	Proving metric	Falsification threshold	Rating action
1. Pricing power	Escalators survive a shrinking booking base	Revenue per booking, cc	Below +2% for two consecutive quarters	Cut to HOLD; fair value –EUR12
2. Volume is cyclical	Bookings recover when traffic does	Booking growth versus IATA RPK	Negative for two quarters <i>after</i> traffic turns positive	Thesis broken. REDUCE regardless of price
3. The Air IT premium is real	Nevio durably lifts revenue per passenger boarded	Revenue per PB, cc	Below +3% for two consecutive quarters	Fair value –EUR8
4. Margin holds	Cost discipline offsets compute inflation	Adjusted EBIT margin	Below 28.5% for two consecutive quarters	Fair value –EUR6
5. Capital discipline	Buybacks below intrinsic value; IDEMIA integrates	Buyback price versus fair value; IPS revenue	Repurchase above EUR70, or IPS revenue below EUR700m post-close	Governance flag; trim

Cumulative scoring rule

One broken pillar: cut the target price by the stated amount and halve the position. **Two broken pillars:** exit. **Pillar 2 broken alone:** exit regardless of price, because it is the only pillar whose failure is unrecoverable rather than merely expensive.

The core indicator set

Ten company-specific numbers. If nothing else is checked each quarter, check these.

#	Indicator	Current level	As at	Confirms thesis	Raises a question	Breaks a pillar
1	Air booking growth	–7.6%	Q2 2026	> +1%	–2% to +1%	< –2% with traffic positive
2	Revenue per booking, cc	+5.6%	Q2 2026	> +4%	+2% to +4%	< +2%
3	Passengers boarded growth	–0.6%	Q2 2026	> +2%	0% to +2%	< 0%
4	Revenue per PB, cc	+7.5%	H1 2026	> +4.5%	+3% to +4.5%	< +3%
5	Adjusted EBIT margin	30.3%	H1 2026	> 29.5%	28.5–29.5%	< 28.5%
6	Air Distribution contribution margin	51.9%	H1 2026	> 52%	50–52%	< 50%
7	Capex as % of revenue	9.8%	H1 2026	10–12%	< 10% (under-investing)	> 13%
8	Adjustments to operating income	EUR68.2m	H1 2026	< EUR40m	EUR40–70m	> EUR70m
9	NDC airlines implemented	35	H1 2026	> 40	35–40	Still 35 in a year
10	Net financial debt / EBITDA	1.0x	30 Jun 2026	< 1.3x	1.3–1.6x	> 1.6x

All current levels from the H1 2026 Management Review or press release. Every one is observable from the results release without waiting for the annual report.

SO WHAT FOR THE VALUATION

Indicator 1 read against IATA traffic is the master variable. It is the only number that distinguishes between the base case and the severe downside, and it is reported quarterly.

N. Conclusion, rating and target price

Amadeus is a high-return infrastructure business trading at 15.8x forward earnings against a 24.0x ten-year median, at a moment when one half of it is in volume decline and the other half is compounding. Every valuation method we have applied produces a number above the current price. The disagreement between us and the market is not about the forecasts — ours are 3-5% *below* consensus — but about the rate at which those forecasts should be discounted.

Rating	ACCUMULATE conviction 3/5
12-month target price	EUR 66.00 (+21% from EUR54.70)
Fair value range	EUR 63 – 103, central EUR 71
Probability-weighted value	EUR 72.12 (+32%)
Expected 12-month total return	+24% including a 2.9% dividend
Three-year IRR / five-year IRR	12.2% p.a. / 8.3% p.a.

Why ACCUMULATE and not BUY. The expectation is clearly positive and the stock clears a 12% hurdle with 11% of headroom. But three things argue against a full position. The upside/downside ratio is 0.65x, well below the 2x we would normally require. There is a 32% probability that value sits below today's price. And the five-year internal rate of return is 8.3% — below the hurdle — because the case depends on a re-rating that has a one-to-three year clock, not on compounding at this multiple.

The decision rule

Action	Price	Reasoning
Add aggressively	Below EUR 48	Below the 52-week low region and approaching the bear-case value of EUR47.11. Implies a WACC above 10.5%
Add	EUR 48 – 55	The current zone. Clears a 12% hurdle
Hold	EUR 55 – 66	Between the 12% hurdle price and the target
Trim	Above EUR 72	At or above probability-weighted intrinsic value. The 10% hurdle price is EUR66.23
Exit	Above EUR 88	Only justified on the Blume beta, which we do not believe
Stop, regardless of price	—	Pillar 2 broken: bookings negative for two quarters after traffic turns positive

The single variable that decides whether we are right

Whether Air Distribution booking volume returns to growth when global air traffic does.

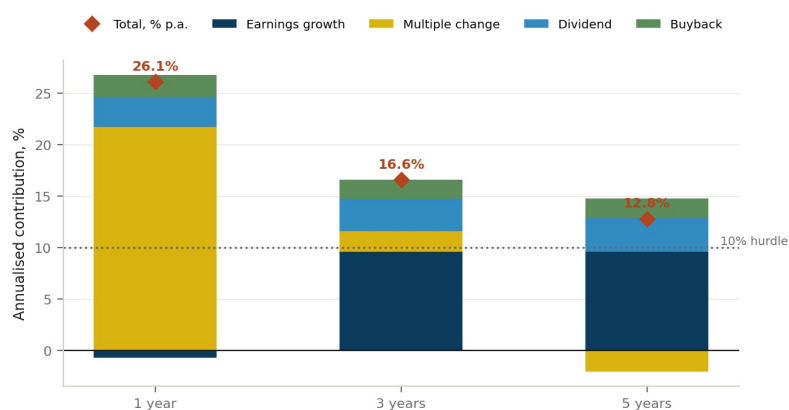
Everything else is second order. If bookings recover, the 165 basis point risk premium has no evidence behind it and unwinds towards our EUR71 central value. If bookings stay negative through two quarters of positive traffic growth, the structural drain is at least 5% a year, the terminal value collapses, and the correct value is the bear case at EUR47 or worse. The first clean test is the second quarter of 2027, reported in late July 2027.

News that would change the rating irrespective of price

- **Upgrade to BUY:** two consecutive quarters of positive booking growth with revenue per booking above 4%; or a disclosed agentic-commerce transaction volume flowing through Amadeus rails; or NDC implementations moving above 45 airlines.
- **Downgrade to HOLD:** revenue per booking below 2% cc for two quarters; or the adjusted EBIT margin below 28.5% for two quarters; or a formal competition proceeding being opened.
- **Downgrade to REDUCE:** bookings negative through two quarters of positive global traffic growth; or the loss of a Nevio anchor customer; or IDEMIA closing with revenue below EUR700m.

Exhibit 40 Expected total return decomposition over one, three and five years

annualised percentage contribution

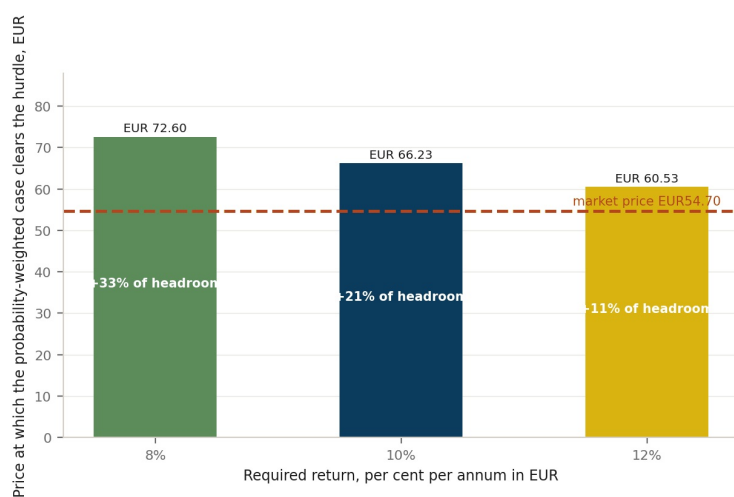


Takeaway: The one-year return is almost entirely multiple re-rating; only from year three does earnings growth carry it. If the re-rating does not come, the five-year return falls to 8.3% - below the hurdle.

Source: BCR model; converges on the probability-weighted intrinsic value of EUR76.98

Exhibit 67 Price required for an adequate return at three hurdle rates

EUR per share; probability-weighted case over five years



Takeaway: At EUR54.70 the stock clears all three hurdles - even a demanding 12% return has 11% of headroom. That, and not the DCF point estimate, is the cleanest argument for the position.

Source: BCR model. Probability-weighted intrinsic value EUR76.98 discounted from the central WACC to each hurdle over five years

O. Owner's manual

Written last, in plain English, for an intelligent reader who does not work in finance. No jargon.

What am I buying?

Amadeus runs the plumbing of air travel. When a travel agent, a corporate booking tool or a website sells you a flight, the reservation usually passes through Amadeus's system, and the airline pays Amadeus a fee of about six and a half euros for it. Separately, about half the world's largest airlines run their whole passenger operation — reservations, seat inventory, ticketing, check-in — on Amadeus software, and pay roughly one euro for every passenger who boards. There is a third, smaller business doing the same job for hotels and payments.

It is a toll booth. It does not own aeroplanes or take fare risk. It gets paid whether the flight is full or empty, profitable or not. That is why it earns about twice its cost of capital and converts nearly all its profit into cash.

Rebuilding it would cost a competitor a decade and several billion euros, and even then the hard part is not the software — it is that two hundred airlines and thousands of travel sellers would all have to agree to move at once. Nobody has managed it since Amadeus was founded in 1987, and the two companies that tried are now worth a sixth of what Amadeus is worth, and one of them has no shareholders' equity left at all.

Why might it be mispriced?

Two things happened at the same time in 2026 and the market cannot tell them apart. First, war closed the Strait of Hormuz in February, jet fuel rose about 78%, and global air travel actually shrank for the first time in fifteen years outside the pandemic. That is temporary. Second, some travel sellers have been connecting directly to airlines and skipping Amadeus altogether. That is permanent, and it has been going on quietly for two years.

In a single bad quarter these look identical: fewer bookings. So the market has assumed the worse explanation for all of it, and now demands a much higher return to own the shares — the equivalent of about 1.6 percentage points a year more than we think is warranted. On our numbers that assumption alone is worth about sixteen euros a share.

It is a testable disagreement. When flying recovers, either the bookings come back or they do not.

What could go wrong?

1. **The bookings never come back.** If travel sellers keep routing around Amadeus even after flying recovers, half the business is in permanent decline against costs that cannot fall as fast. This is the way you lose money and do not get it back. We think there is roughly a one-in-seven chance of it.
2. **Airlines refuse to keep paying more.** Airlines are having a terrible year — they will make about four and a half dollars per passenger. Amadeus has been raising its fee about five per cent a year, and roughly a fifth of its contracts come up for renewal annually. If airlines win that argument, the profit stops growing.
3. **Artificial intelligence makes searching expensive without making booking more common.** AI assistants search far more than humans do, and every search costs Amadeus computing money while only a booking earns it anything.

What must happen for an acceptable return?

1. **Bookings stop falling by mid-2027.** Specifically, booking numbers back to growth in a three-month period when world air traffic is also growing. Test date: results for April-June 2027, published late July 2027.
2. **The fee keeps rising at three per cent a year or more.** It rose 5.6% in the worst quarter this company has ever had, so the bar is not high — but it has to survive contract renewals.
3. **The new airline software earns its premium.** Five large airline groups have signed for the new "Nevio" system, covering more than a quarter of all passengers Amadeus handles. They need to go live and pay roughly thirty per cent more. First evidence: early 2028.

Four prices

Price	EUR	What it means
Where the odds-weighted case earns 10% a year	66.23	Anything below this is a reasonable purchase
Where we would add	Below 55	Today's price of 54.70 qualifies
Where we would trim	Above 72	At or above what we think it is worth
Where we would sell everything	Above 88	Only justified on assumptions we do not believe

Kill criteria — the observations that end the position regardless of price

1. Booking numbers still falling in two consecutive three-month periods when world air traffic is rising.
2. The fee per booking growing less than two per cent for two consecutive periods.
3. Any two of the five thesis pillars in Section M breaking.

P. Unresolved questions and management Q&A

What we could not resolve

Question	Knowability	Does it matter?	Value at stake
Corporate versus leisure booking mix and the yield difference	Knowable from management	Yes — corporate is higher-yield and less bypassable; the mix determines how much of the booking base is genuinely at risk	~EUR6/share
Agency incentive payments as a separate line	Knowable from management	Yes — it is the direct read on whether pricing power is real or recycled. We proxy it with cost of revenue over Air Distribution revenue	~EUR4/share
Customer concentration (top 1, 5, 10)	Knowable from management	Yes — determines the single-customer-loss risk in Air IT	~EUR5/share
Nevio price premium per passenger boarded	Knowable from management	Critically — the largest single value driver rests on a third-party broker estimate of ~30%	~EUR8/share
Maintenance versus growth capex split	Knowable from management	Yes — it is the pivot of the owner-earnings calculation	~EUR3/share
Goodwill impairment test assumptions by cash-generating unit	Knowable from public sources (not in this corpus)	Moderately — headroom on the EUR3,912m goodwill balance	~EUR2/share
AI-attributable revenue	Knowable from management	Yes, but they will not disclose it and neither will Sabre	~EUR4/share
Short interest on the Madrid line	Knowable from public sources	Marginally — positioning colour only	immaterial
Whether the bypass is cyclical or structural	Genuinely unknowable until traffic recovers	It is the entire investment case	~EUR25/share
Where agentic booking settles	Genuinely unknowable	Yes, over a five-year horizon	~EUR27/share in the destructive branch

Note the honest shape of that table: the two largest items are the two that cannot be resolved by asking. This report's value is in framing them as testable propositions with dates, not in claiming to have settled them.

Twenty questions for management, ordered by value of information

1. Of the 3.7% booking decline in H1 2026, how much do you attribute to Middle East disruption and how much to channel shift? Central and Eastern Europe fell 11.8% — harder than the Middle East itself. What explains that? *[moves: Air Distribution volume]*
2. In the regions where direct connects were implemented in 2024 — North America and Latin America — has the bypassed volume returned, stabilised, or continued to decline? *[Air Distribution volume]*
3. What is the revenue per passenger boarded on a Nevio contract compared with a legacy Altéa contract, and how does that premium phase in during migration? *[Air IT Solutions yield — the single most valuable answer]*
4. Of the 25%+ of Altéa passengers boarded contracted into Nevio, what percentage is live today, and what is the quarterly go-live schedule to 2028? *[Air IT Solutions volume and yield]*
5. What is the corporate versus leisure split of Air Distribution bookings, and what is the yield differential? *[Air Distribution yield]*
6. Agency incentive payments are netted within cost of revenue. What were they in absolute terms in each of the last three years? *[distribution cost]*
7. NDC implementations have been flat at 35 airlines for five quarters against 75+ signed. What is the constraint, and what does implementation add to revenue per booking? *[Air Distribution yield]*
8. You maintained FY2026 free cash flow guidance of EUR1.35-1.45bn while cutting revenue guidance, with H1 capex down 16.7%. Is the H2 free cash flow bridged by further capex reduction or by working capital? *[free cash flow]*
9. "One-off cloud migration costs" of EUR17.3m were charged in H1 2026, after you declared the migration complete in early 2026. When do they stop? *[adjusted EBIT]*
0. What proportion of Air Distribution volume re-prices in each of the next three years, and what has been the average change in revenue per booking on contracts renewed in the last twelve months? *[Air Distribution yield]*
1. What is the compute cost per search today, and what happens to Air IT and Air Distribution margins if the look-to-book ratio doubles? *[operating expenses]*
2. Now that the public cloud migration is complete, what is the quantum of duplicate infrastructure cost falling away, and in which quarter? *[cost of revenue]*
3. For IDEMIA Public Security: what was the revenue contribution of the TSA offering that lost its position in late

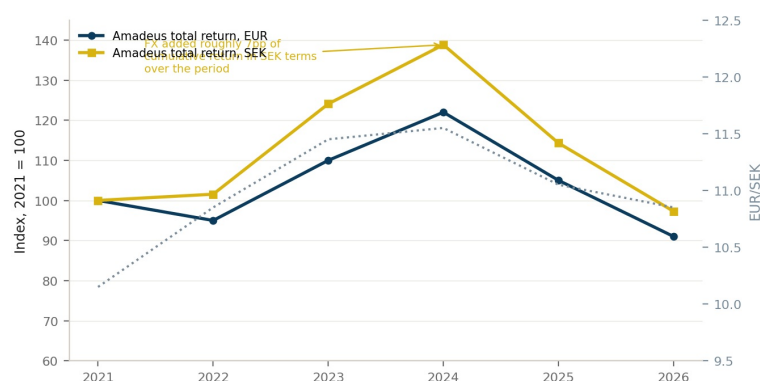
- 2024, and what is the organic growth baseline for the EUR711m FY2025 revenue? *[IPS valuation]*
4. What integration cost is required to achieve the EUR50m of IPS synergies, and over how many years? *[IPS valuation]*
 5. Your top five customers by revenue — what percentage of group revenue do they represent? *[concentration risk]*
 6. What is the split between maintenance and growth capital expenditure? *[owner earnings]*
 7. At 1.0x leverage, no covenants, EUR1bn of undrawn revolver and a share price at 15.8x forward earnings, why is EUR1.2bn better deployed into biometrics than into your own stock? *[capital allocation]*
 8. In the Google Universal Commerce Protocol partnership, what is the commercial model — do you earn per transaction, per API call, or nothing directly? *[agentic monetisation]*
 9. Sabre has stated it is pursuing legal and regulatory approaches regarding your position in offer-and-order solutions. Have you had contact from any competition authority? *[regulatory risk]*
 10. If IATA global traffic growth remains near 2% through 2027, does the business possess enough pricing power to maintain mid-to-high single-digit revenue growth organically? *[group revenue]*

Q. Portfolio fit for a euro-exposed, SEK-reporting investor

Descriptive and framework-based. This is not advice; the disclaimer at Appendix A8 applies.

Exhibit 68 Total return in EUR versus SEK

index, 2021 = 100; EUR/SEK on the right axis



Takeaway: For a SEK-reporting holder the euro exposure has added roughly 7pp of cumulative return since 2021, but it is an unhedged position in its own right: a 10% EUR/SEK move is worth more than a year of dividend.

Source: EUR/SEK path [BCR est.] from published annual averages; Amadeus total return computed by BCR from the price series and declared dividends. A SEK-reporting holder should treat this as indicative

The currency reality

A Swedish holder buying Amadeus is taking two positions: a view on the company and an unhedged long EUR/SEK position. Since 2021, EUR/SEK has moved from roughly 10.15 to roughly 10.85 — the euro exposure has added approximately seven percentage points of cumulative return, which is more than three years of dividends. A 10% move in EUR/SEK is worth more to the holder than a year of dividend income, and considerably more than the difference between our bull and base pricing assumptions.

Amadeus itself is roughly 40–50% USD-revenue, naturally hedged against 35–45% USD costs, so the holder is not simply long EUR — they are long a EUR-reporting company with substantial USD economics. In practice, a Swedish investor should think of this as roughly half a EUR exposure and half a USD exposure.

Tax

Item	Position
Spanish withholding at source	19%
Spain-Sweden treaty rate	15%
Reclaimable	4 percentage points, approximately EUR0.062 per share a year on the FY2025 dividend
Practicality	Spanish reclaim procedures are slow. Many custodians offer relief at source; where they do not, the reclaim is worth pursuing on a position above roughly EUR250,000 and not below
ADR alternative (AMADY / AMADF)	Un-sponsored OTC lines. Depositary fees typically 1-3 cents per share a year plus a wider spread. For a EUR-capable investor the Madrid line is cheaper; the ADR is only relevant if EUR settlement is unavailable

Liquidity and position size

Average daily traded value is EUR45.5m on 831,048 shares. At a conventional 5% of daily volume, a EUR50m position takes about 22 trading days to build or exit; a EUR10m position takes four or five days. For a private portfolio this is not a liquidity-constrained security at any plausible size.

Exhibit 63 Ownership, liquidity and positioning

as at 10 September 2026 unless stated

Metric	Value Note
Shares outstanding	419,986,676 After the 30 Jun 2026 cancellation of 18,927,909 shares
Free float	97.3% No controlling or anchor shareholder
Market capitalisation	EUR22.973m At EUR54.70
Average daily traded value	EUR45.5m 831,048 shares, three-month average
Position build at 5% of ADTV	EUR2.3m per day A EUR50m position takes about 22 trading days to build or exit
Beta (5y weekly, raw)	0.595 Bigdata.com/FMP
Short interest	not available Not covered by the accessible data sources - gap register
Analyst coverage	22 analysts 7 strong buy, 10 buy, 3 hold, 1 sell, 1 strong sell
Consensus target price	EUR68.36 High EUR80.90, low EUR51.00. BCR target EUR66.00 sits below the mean
Share price, 1 year	-20.0% Versus Sabre +24.4%
Share price, year to date	-13.0%

Takeaway: Nothing in the positioning data explains the de-rating; the register is stable, the float is 97% and liquidity is adequate. This is a fundamental re-rating, not a forced-seller event.

Source: Amadeus H1 2026 Management Review section 4.1; FY2025 accounts note 16.1; Bigdata.com/FMP market data 10 Sep 2026. Short interest for the Madrid line was not available through the accessible data sources and is recorded in the gap register

Correlation and overlap

Amadeus sits at the intersection of three exposures a diversified portfolio is likely already to hold: travel and leisure, consumer cyclical, and enterprise software. Its revenue is levered to global air traffic, which correlates closely with global GDP and with the energy complex — note that in 2026 the same event drove both the oil price and the Amadeus booking decline. An investor already holding airlines, hotels, or travel-exposed consumer names should treat Amadeus as an *addition* to that factor rather than a diversifier from it.

Against a Swedish equity portfolio it is more genuinely diversifying: Amadeus's revenue is essentially uncorrelated with Nordic industrial or financial cycles, and its customer base is global.

Indicative position size as a function of conviction, downside and liquidity

Input	Reading
Conviction	3 of 5
Expected return	+32% to probability-weighted value; 12.2% IRR over three years
Downside severity	–58% in the severe downside case, at 10% probability
Probability of a value below the current price	32%
Upside/downside ratio	0.65x
Liquidity constraint	None at private-portfolio scale
Indicative range	1.5-2.5% of portfolio, built in tranches rather than established at once

The framework point that matters: **a high expected value with a fat permanent-loss tail warrants a smaller position than the point estimate alone would suggest.** The expectation here is +32%, which on its own might argue for a 4% position in a hundred-name portfolio. The 10% probability of a 58% loss,

and the fact that the loss in that case is *not recoverable*, argues for roughly half that. Adding on weakness towards EUR48, with the pillar checks in Section M intact, is the sizing discipline this distribution calls for.

Finally, the cost of being wrong slowly. If the re-rating takes two years longer than modelled, the five-year internal rate of return falls from 12.2% to approximately 8.3% — below the 10% hurdle. This position is underwritten on a one-to-three year view. An investor who cannot act on the pillar checks, or who would hold regardless, is taking a materially worse expected return than this report describes.

Appendices

A5. Assumption register (summary)

Driver	FY2026E	FY2031E	Sens. rank	Source
Global air traffic growth	+2.1%	+3.0%	1	IATA Global Outlook June 2026; thereafter [BCR est.]
AD structural share shift	−5.5%	−2.5%	1	[BCR est.] from the H1 2026 bookings-to-traffic gap
AD revenue per booking, cc	+4.8%	+2.5%	1	H1 2026 actual +5.1% cc
Air IT net migration effect	−2.1%	+0.6%	1	H1 2026 actual; contracted pipeline
Air IT revenue per PB, cc	+6.7%	+3.5%	1	H1 2026 actual +7.5% cc
Hospitality revenue growth, cc	+9.0%	+7.5%	2	H1 2026 actual +9.2% cc
Adjusted EBIT margin	29.1%	30.5%	1	FY2025 29.1%; guidance “stable”
Capex as % of revenue	11.8%	10.8%	2	Guidance 10–12%; FY2025 actual 12.5%
Cash tax rate	24.5%	24.5%	2	FY2025 cash taxes paid over PBT 25.8%
WACC	8.14%	8.14%	1	Bund 3.45% + beta 0.95 x ERP 5.5%
Terminal growth	—	2.0%	1	[BCR est.] below nominal global GDP

The complete register, with every year and every source, is in the Assumptions tab of the accompanying workbook. Yellow cells there are the single input block; every other tab references them.

A9. Verification log

Thirty-two material figures were traced to a primary source and, where possible, cross-checked against a second independent source. The full log is in the Verification log tab of the workbook. Summary of outcomes:

Outcome	Count	Note
Matched a second independent source	22	Audited accounts against Bigdata.com/FMP standardised data, or internal reconciliation
Reconciled (differing definitions)	4	Net financial debt, cash from operations, adjusted EBIT, company free cash flow — all APM definitions differing from IFRS
Consistent within tolerance	2	Share price across three venues (1.4% spread); IATA traffic assumption
Single source only	3	10-year Bund yield; Sabre FY2025 financials; consensus price targets
Third-party, labelled	1	Ten-year valuation bands from the PSC broker note, used only for historical context

Figures that could not be verified, and what we did instead

- **Ten-year financial history before FY2021.** The corpus contains no audited accounts before FY2023, and the Nordic-focused market data service available for this work does not cover Spanish equities. We present FY2021 from standardised third-party data and FY2022-25 from audited accounts, and state the limitation rather than filling the gap with estimates. Material? No — the pre-2022 period is distorted by the pandemic in any case.
- **Short interest.** Not available through the accessible sources. Unverified but immaterial: the ownership register is stable and the free float is 97%, so positioning is not the explanation for the de-rating.
- **TravelSky, Travelport and Accelya financials.** Not covered. This weakens the competitive comparison in Section D, which rests on Sabre alone. Material? Moderately — it is the weakest link in this report and is listed as such in the self-audit.
- **Quarterly share price reactions on the Madrid line.** Reconstructed from the XETRA secondary listing, which is thinly traded. Directionally reliable, not precise.

A12. Consensus reconciliation

Line	BCR FY2026E	Consensus	Variance	Explanation of variance above 3%
Revenue	6,641	6,836	-2.9%	Within tolerance. Consensus requires H2 revenue growth of +7.5% reported against +1.5% delivered in Q2
Adjusted EBIT	1,932	2,007	-3.7%	Lower revenue, plus we treat the EUR17.3m half-year cloud migration cost as recurring rather than adding it back
Adjusted EPS	3.35	3.45	-2.9%	Within tolerance
Revenue FY2027E	7,108	7,439	-4.5%	We model a 2.8% annual structural booking drain; consensus appears to assume volume normalises with traffic
Adjusted EBIT FY2027E	2,090	2,234	-6.4%	Lower revenue plus a 29.4% margin against an implied consensus margin of 30.0%. We assume compute and cloud inflation continues at the H1 2026 rate
Revenue FY2028E	7,660	8,028	-4.6%	Cumulative effect of the same structural drain

A6. Glossary

ACRS Amadeus Central Reservation System, the hospitality booking platform. **Altéa** Amadeus's passenger service system for full-service carriers. **cc** constant currency, stripping out exchange rate movement. **Contribution** Amadeus's segment profit measure: revenue less directly attributable operating costs plus directly allocated capitalisations. **Direct connect** an API link between an airline and a travel seller that bypasses the GDS. **EDIFACT** the legacy messaging standard for GDS transactions. **GDS** global distribution system, the network connecting travel suppliers to travel sellers. **Look-to-book** the ratio of searches to completed bookings. **MCP** Model Context Protocol, an emerging standard for connecting AI models to external tools and data. **NDC** New Distribution Capability, IATA's XML-based standard allowing airlines to distribute rich, personalised offers. **Navitaire New Skies / Stratos** Amadeus's passenger service systems for low-cost and hybrid carriers. **Nevio** Amadeus's AI-native offer-and-order retailing platform. **ONE Order** IATA's standard replacing tickets and EMDs with a single order record. **Outpayce** Amadeus's payments business. **PB** passengers boarded, the billing unit for airline IT. **PSS** passenger service system: reservation, inventory, ticketing and departure control. **RPK** revenue passenger kilometres, the standard measure of air traffic volume. **TSP** travel service provider. **UCP** Universal Commerce Protocol, Google's emerging standard for agentic commerce.

A8. Disclaimer

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