

Sabre Innovation Workshop

ROI Unlocked: The value of offer-led transformation

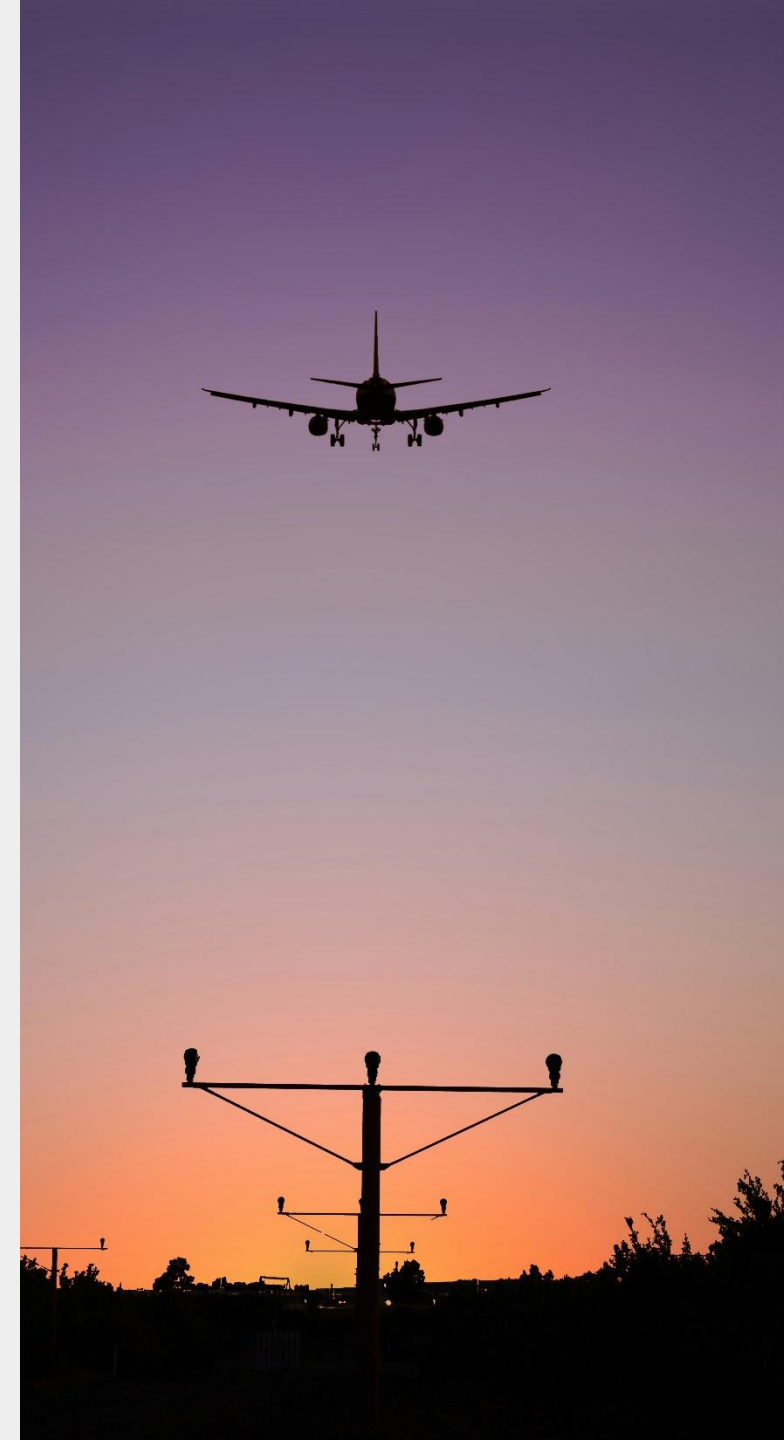
Introductions



Peter Plutecki
Sr Director,
Product Strategy

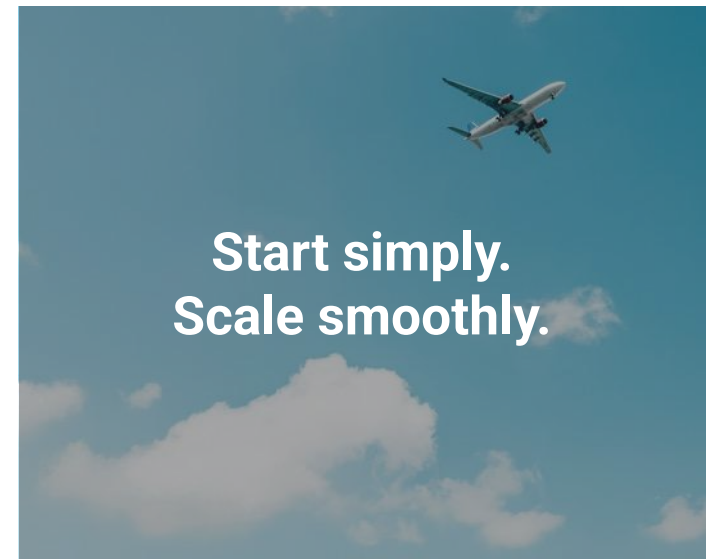
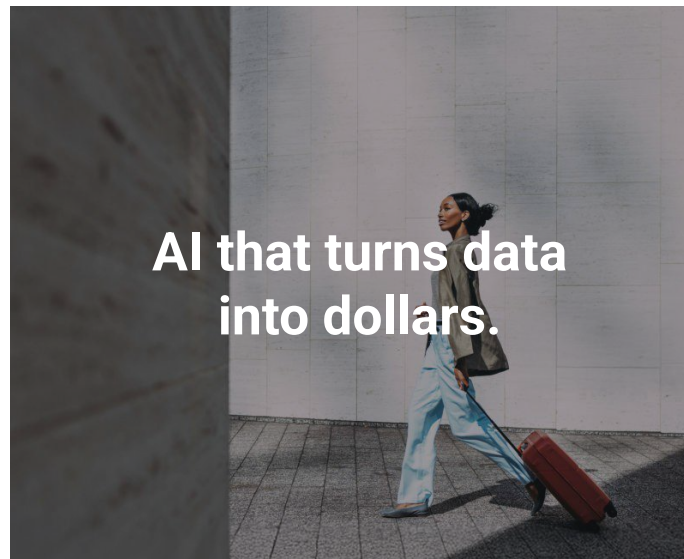
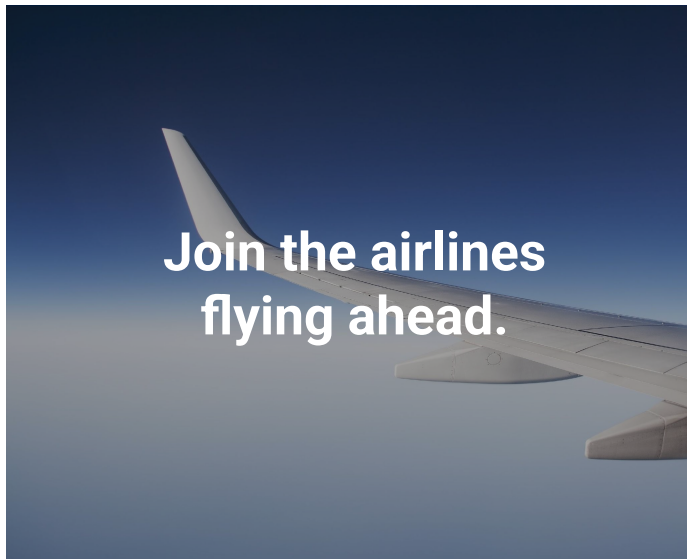
Agenda overview

- 01** Welcome and agenda overview
- 02** SabreMosaic update and value
- 03** Offer Management – growing adoption and value
- 04** Table exercise
- 05** Readout of table exercise
- 06** Wrap up



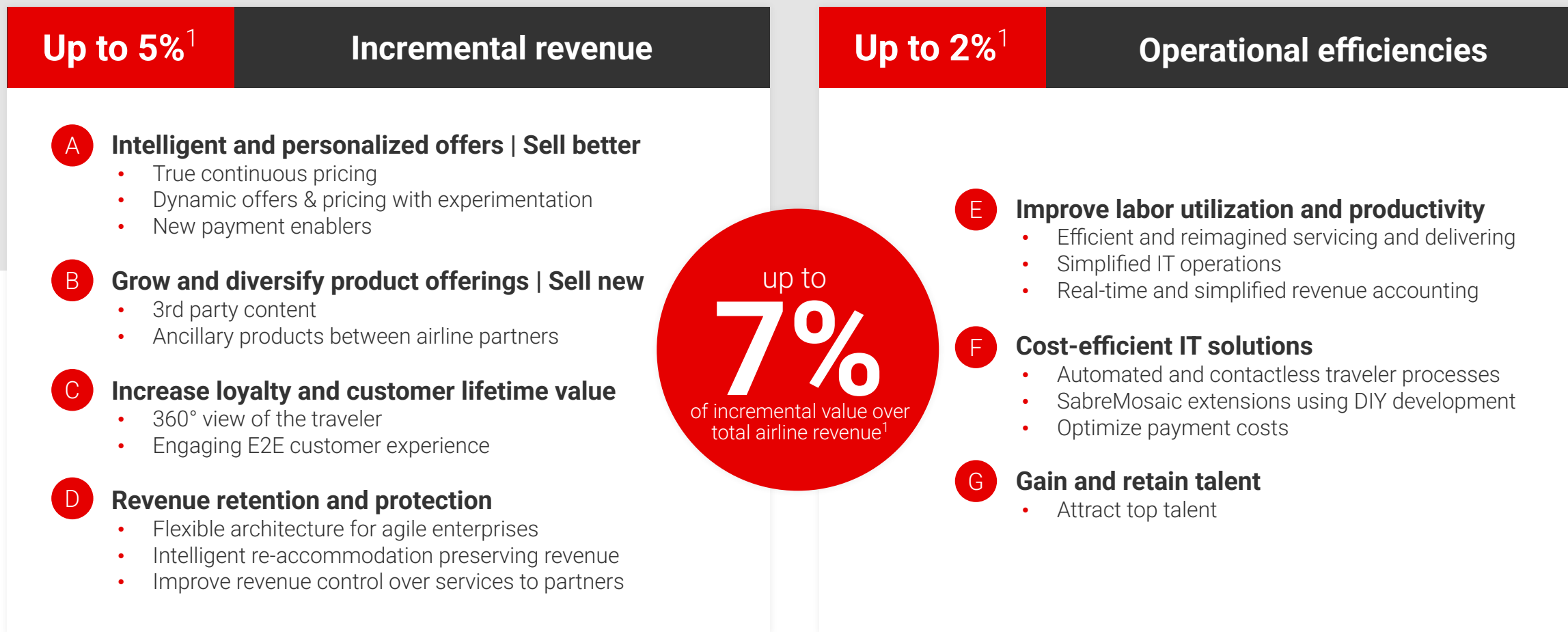


Now you're flying.



SabreMosaic is expected to generate incremental benefits of up to 7%¹ of airline revenue in a steady-state

Potential incremental airline's benefits from SabreMosaic: % Benefit uplift & PB equivalent over total airline revenue



1. Key assumptions: modeled for a complex FSC. Variations in retailing strategies and labor sizing and costs may impact estimates. 2. Airline assumptions: avg. ticket fare = \$150/PB, avg. Ancillary spend = \$10/PB steady up to 2035. PBs with a traffic of ~20M pax in 2024 and a CAGR of 3.6%. 25% NDC traffic up to '35. Third-party content incremental revenue: ~\$1/PB in '35.

An offer management suite that unleashes retail potential

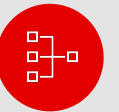
Intelligent offer optimization and offer construction products that deliver personalization and conversion.



AI-powered offer optimization



Dynamic pricing & personalization



API-enabled system integrations



Google Cloud-native architecture

SabreMosaic Offer Management Suite

Offer Optimization

SabreMosaic Air Price IQ™

SabreMosaic Ancillary IQ™

SabreMosaic Upgrade IQ™

SabreMosaic Bundle IQ™ coming soon

SabreMosaic™ Continuous Revenue Optimizer

SabreMosaic™ Group Optimizer



Offer Orchestration

SabreMosaic™ Offer Orchestration

SabreMosaic™ Availability & Pricing

SabreMosaic™ Offer Translator

SabreMosaic™ Product Search

SabreMosaic™ Offer Repository

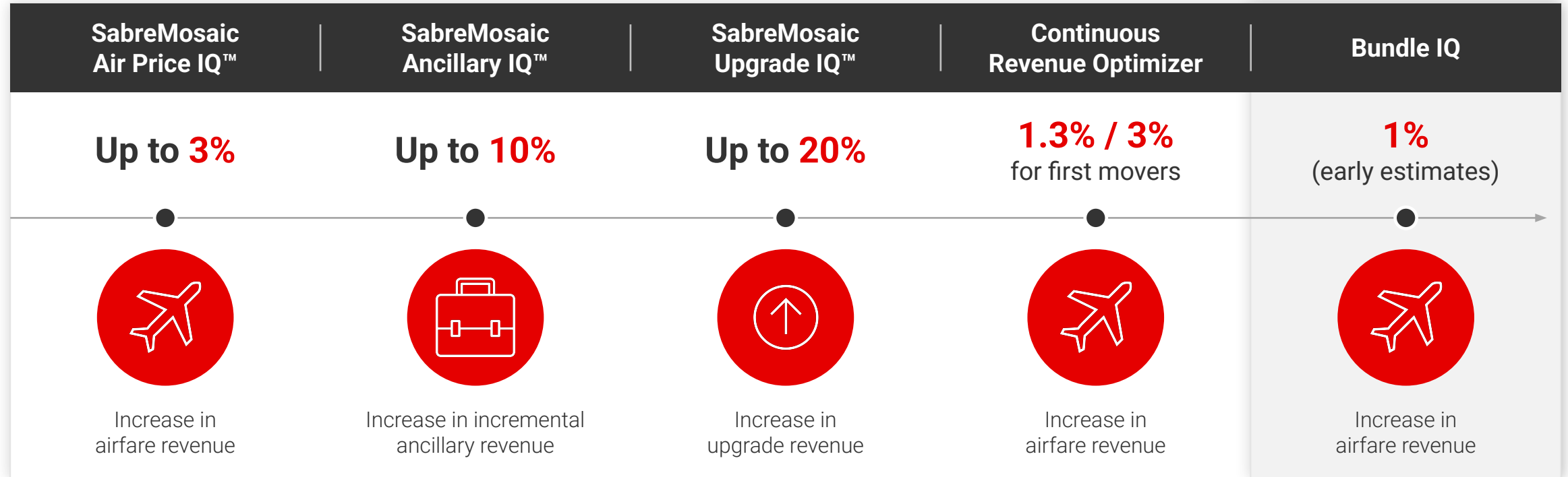
SabreMosaic™ Retailer

SabreMosaic™ Marketing

SabreMosaic™ Air Shopping

Industry-leading offer optimization

OMS with optimization products that dynamically match offers to travelers across all channels



See demo
at Sabre booth

Scope of today's
workshop



What is SabreMosaic™ Bundle IQ?

Launching Q3 2025

Air Price IQ

- Continuous and optimal price & Willingness to Pay (WTP) of right to fly
- Competition aware
- Trip purpose personalized

Ancillary IQ

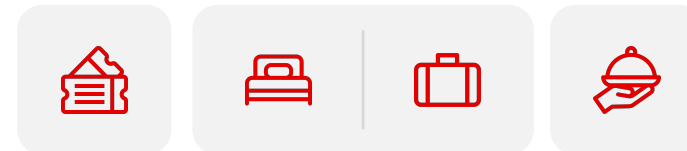
- Continuous and optimal price & WTP of individual ancillaries including 3rd party content
- Competition aware



Bundle IQ

- Ensure bundle product and price sanity
- Rank the bundled products / fare brands
- Experimentation of products and prices
- Generate Next Best Offer (NBO)
- Retarget high propensity drop-offs with NBO
- Real-time shopping cart optimization
- Handle concurrent and sequential passengers

Optimal product / bundle components

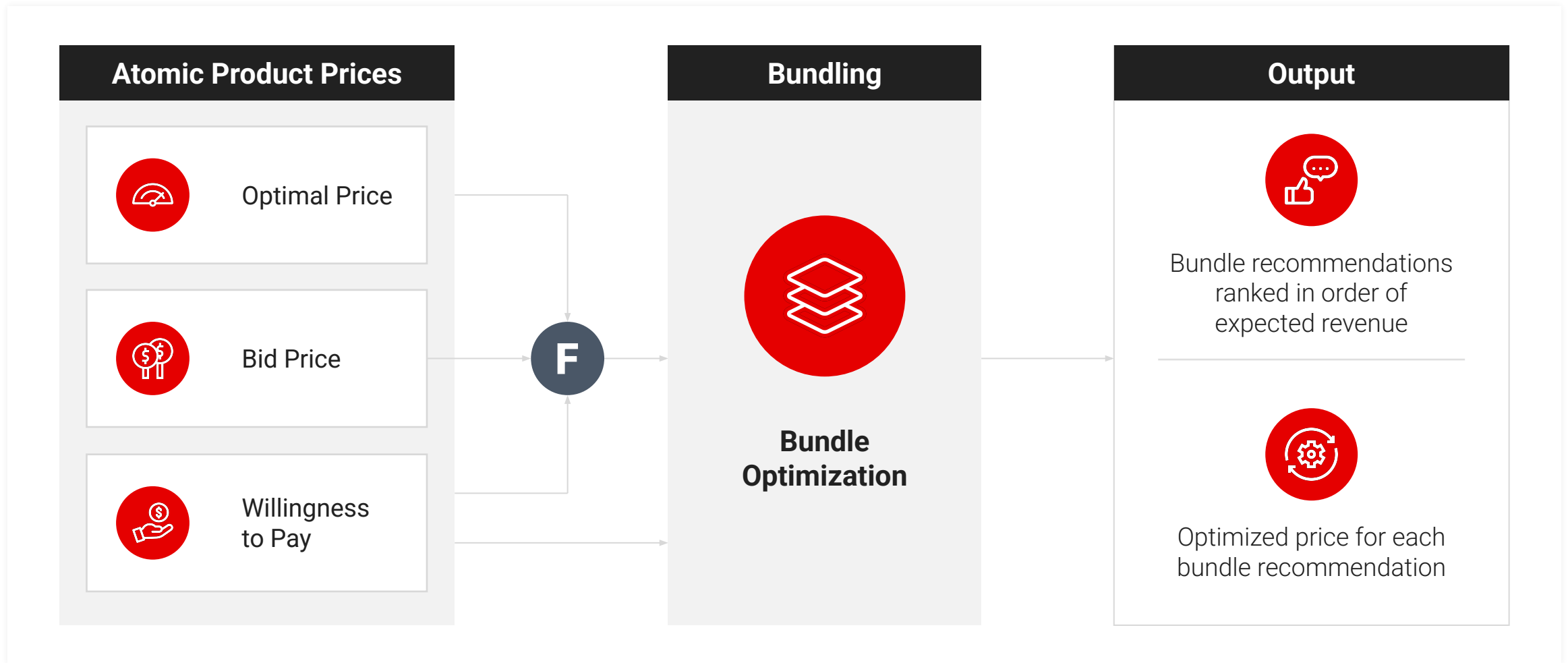


Right to fly + ancillaries + 3rd party

Optimal bundle price discount

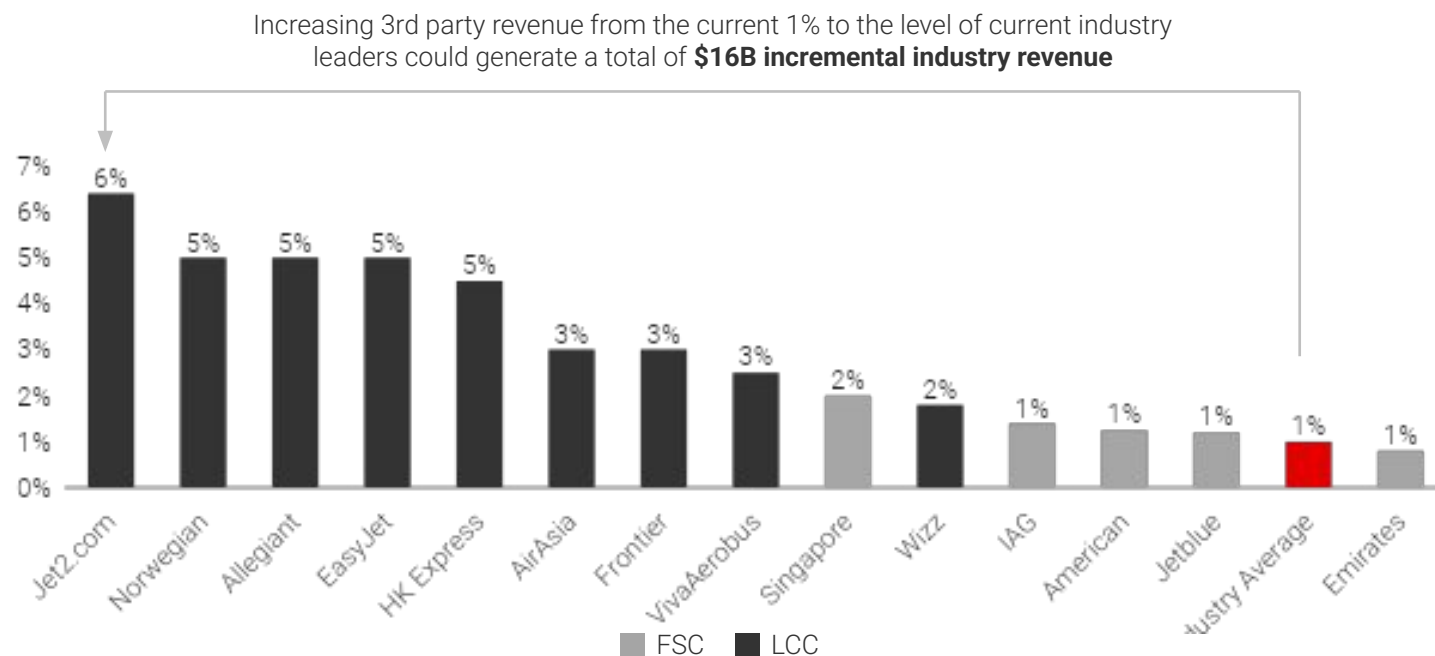


How does SabreMosaic Bundle IQ work?



Currently, 3rd party ancillaries make up about 1% of total airline revenue (with industry leaders generating up to 6%) and many airlines are looking to grow this business

Selected airline 3rd party revenue as percent of total revenue¹



Key notes

- The global industry average 3rd party revenue is around **1% of total revenue**, with industry leaders achieving as high as 6-7%
- Many LCCs have **stated the intent to increase non-flight ancillaries** to be the majority of their revenue: Jet2, AirAsia, Discover
- A number of larger airlines are **investing in their holiday/vacation package** platforms and looking to expand their impact (most notably BA, WN)
- **60% of airlines participate** in some form of airfare + hotel/car bundling
- Increasing the industry average 3rd party revenue from the current 1% to the level of current industry leaders (~7%) could **increase 3rd party revenue by \$16B**

1. Third party ancillary revenue (reported as commission revenue or package revenue net of flight and accommodation purchase costs) reported by Jet2, Allegiant, Frontier, Wizz, Emirates. All other carriers are proxies based on vacation website traffic.

Source: 2023 CarTrawler yearbook of ancillary revenue

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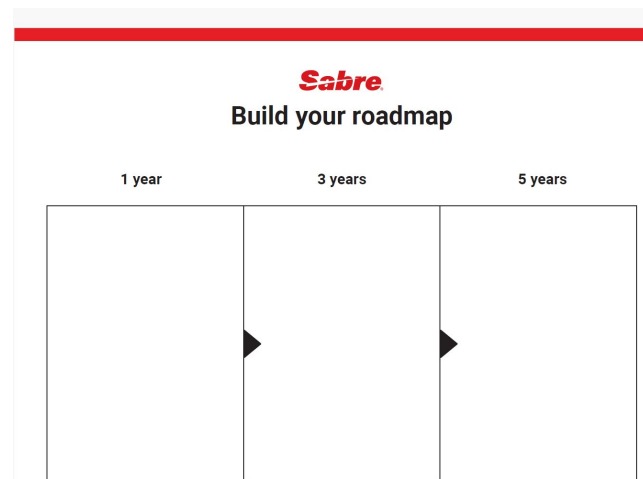
Let's explore SabreMosaic Bundle IQ capabilities

Step 1: Collect your value drivers



Step 2: Build your roadmap

Place each value driver on your roadmap based on priority. 1, 3 or 5 years away.



Step 3: Discuss

Discussion

- Where were differing priorities and what compromises did you make?
- What's driving ROI expectations?
- What are risks/blockers?
- What would support from Sabre look like?

30 minutes

| Bundle IQ: Content & Capabilities

Content

1. Sell Hotel
2. Sell Car
3. Sell Cruise
4. Sell Tours & Activities
5. Sell Fintech
6. Sell Airport services (duty-free, dining, fast lanes, lounges)

Capabilities

1. Continuous & dynamic pricing
2. Real-time experimentation
3. Willingness to pay: Hyper-segmentation
4. Hyper personalized UX/UI
5. AI-powered autonomous agent
6. Flexible, drag-and-drop reconfiguration
7. AR/VR immersive shopping
8. Subscription-based products
9. Next Best Offer: GenAI-driven retargeting

Discussion



What's driving your ROI expectations?



What are risks and/or blockers to beginning?



What would support from Sabre look like?

