



**American Express Global Business Travel  
Q2 2025 Earnings Conference Call  
August 5, 2025**

**Speakers:**

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- Jennifer Thorington – Vice President of Investor Relations
- Paul Abbott – Chief Executive Officer
- Karen Williams – Chief Financial Officer
- Eric Bock – Chief Legal Officer, Global Head of M&A and Compliance & Corporate Secretary

**Slide 1: Title Slide**

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**Operator:** Good morning and welcome to the American Express Global Business Travel second quarter 2025 earnings conference call. As a reminder, please note today's call is being recorded.

I will now turn the call over to the Vice President of Investor Relations, Jennifer Thorington. Please go ahead.

**Slide 2: Legal Disclaimer**

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**Jennifer Thorington, VP of IR:** Hello, and good morning, everyone. Thank you for joining us for our second quarter 2025 earnings conference call.

This morning, we issued an earnings press release, which is available on SEC.gov and our website at [investors.amexglobalbusinesstravel.com](https://investors.amexglobalbusinesstravel.com). A slide presentation, which accompanies today's prepared remarks, is also available on the Amex GBT Investor Relations web page.

We would like to advise you that our comments contain forward-looking statements that represent our beliefs or expectations about future events, including industry and macroeconomic trends, cost savings and acquisition synergies, among others. All forward looking statements involve risks and uncertainties that may cause actual results to differ materially from the statements made on today's conference call. More information on these and other risks and uncertainties is contained in our earnings release issued this morning and our other SEC filings.

### **Slide 3: Legal Disclaimer, Cont.**

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Throughout today's call, we will also be presenting certain non-GAAP financial measures, such as EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Expenses, Free Cash Flow and Net Debt. All references during today's call to such non-GAAP financial measures have been adjusted to exclude certain items. Definitions of these terms and the most directly comparable GAAP measures and reconciliations for non-GAAP measures are available in the supplemental materials of this presentation and in the earnings release.

### **Slide 4: Today's Presenters**

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Participating with me today are Paul Abbott, our Chief Executive Officer, and Karen Williams, our Chief Financial Officer. Also joining for the Q&A session today is Eric Bock, our Chief Legal Officer and global head of M&A. With that, I will now turn the call over to Paul. Paul?

### **Slide 5: Solid Second Quarter and Continued Momentum**

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**Paul Abbott, CEO:** Thank you, Jennifer. Welcome to everyone and thank you for joining our second quarter 2025 earnings call.

In the second quarter, we delivered financial results ahead of expectations and reached a significant milestone with the achievement of over \$500 million in Adjusted EBITDA over the last twelve months.

Our focus on efficiency gains and driving operating leverage is clearly evidenced in our Q2 results. Adjusted Operating Expenses were flat, and we delivered strong Adjusted EBITDA margin expansion.

Increased demand for our software and services resulted in continued share gains. Total New Wins Value reached \$3.2 billion over the last twelve months, including \$2.2 billion from SME customers. And importantly, we continue to have a high customer retention rate of 95% over the last twelve months.

Our commercial success, margin expansion and improved demand environment give us confidence to raise and narrow our full-year 2025 guidance.

I'm also very pleased to share an important update on our pending CWT acquisition. We reached a key milestone last week with the U.S. Department of Justice's dismissal of its challenge to the acquisition and are now positioned to complete the transaction in the third quarter. We look forward to creating even more value for customers, suppliers and shareholders.

Finally, we have a strong balance sheet with reductions in Net Debt and leverage. We have nearly \$1 billion in available liquidity, and importantly, maintain the flexibility to pursue our capital allocation priorities after funding the CWT close, including share repurchases.

Given the recent clarity on CWT, we will put a 10b5-1 stock repurchase plan in place under our previously announced \$300 million stock repurchase program upon the opening of our trading window tomorrow. This will facilitate additional share repurchases over the next few months, signals management confidence and drives shareholder value with strong expected return on invested capital given the current share price.

### **Slide 6: CWT Acquisition Now Expected to Close in Q3 2025**

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So, before we get into the quarterly details, I want to reiterate how excited we are to welcome CWT customers and employees to Amex GBT. We now expect to close the transaction in the third quarter. Our experienced team is ready for the integration, and we are confident in the growth opportunity of the combined company.

In addition to benefitting customers, suppliers and colleagues, it's a compelling financial transaction, with a highly attractive post-synergy multiple. We expect to deliver approximately \$155 million in identified net synergies and have a proven track record of integrating large acquisitions and achieving our synergy targets.

This is a stock and cash transaction, so it will help diversify our shareholder base. CWT shareholders, which are primarily investment funds, will own approximately 10% of the combined company upon closing.

The transaction is valued at \$540 million on a cash-free, debt-free basis. Upon closing, approximately 50 million of shares will be issued to the CWT shareholders at a fixed price of \$7.50 per share. The remaining consideration will be funded with cash on hand.

### **Slide 7: Powerful Financial Model Drives Efficient Growth**

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Turning back to the quarter and the financial highlights, total transaction volume was up 1% on a workday-adjusted basis. Heightened macro uncertainty impacted April, but I am pleased to say that demand improved in May and June. So, the quarter results overall were slightly above our expectations.

TTV, or Total Transaction Value, which reflects both volume and price, grew 3% on a workday-adjusted basis to reach \$7.9 billion. This was driven by Transaction Growth, modestly higher average ticket prices and hotel room rates and a favorable FX impact.

Revenue was up 1% to reach \$631 million for the quarter, which was above our guidance midpoint.

Our focus on margin expansion and operating leverage resulted in Adjusted EBITDA growth of 4% to \$133 million, with strong margin expansion of 70 basis points year over year to reach 21%.

## **Slide 8: Transaction Growth Improved 450bps After April Uncertainty with Green Shoots in June and into July**

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Turning to the Transaction Growth in more detail, macroeconomic uncertainty resulted in a modest year-over-year decline in corporate travel demand in April. This impact was temporary, and our Transaction Growth inflected back into positive territory, up 2%, in May and June combined. We continue to see green shoots into July that give us confidence that the demand environment has improved.

And as a reminder, these growth rates are all workday adjusted, which helps neutralize the year-over-year timing impact of Easter.

Transaction growth remained stronger with Global Multinational customers and was up 3% in May and June. SME customers reached 2% growth, a significant improvement versus April.

Air transactions stabilized in May and June after declining modestly in April. This trend was most pronounced in regional and international air routes. Domestic air routes were more stable during the period.

Hotel transactions also saw an encouraging acceleration to reach 4% growth in May and June. So once again, hotel transactions outpaced air. Our strategy to increase our hotel revenues is working well.

Finally, on a regional basis, transaction growth in the Americas reached 2% in May and June, and EMEA transactions improved dramatically from April to reach 3% in May and June.

Importantly, our growth continued to outpace the industry. Our strong net new wins impact contributed two percentage points of Transaction Growth in May and June.

## **Slide 9: Global Multinational (GMN) Performance Demonstrates Sequential Improvement**

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The trends you see here on slide 9 are Global Multinational customers' same-store transaction growth rates, so they isolate what is happening on a like-for-like basis and do not include the benefit of net new wins.

All of our major industry verticals demonstrated sequential improvement from April into May and June.

IT, Pharma, Business, Professional and Financial services posted growth in May and June.

Industries with greater exposure to tariffs, Mining, Oil, Consumer Goods and Retail, continued to see slower demand.

The automotive industry saw the sharpest decline in transaction growth but improved substantially from April to May and June.

And as previously mentioned, on top of same store sales growth, our strong net new wins contributed two percentage points of Transaction Growth in May and June.

## **Slide 10: Current Transaction Growth Trends & Customer Outlook**

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So, demand has improved, in line with the commentary from major US airlines.

In our most recent Top 100 customer survey, macro uncertainty seems to be moderating, with customers seemingly less concerned or increasingly neutral on the impact of tariffs. We have seen little by way of tangible customer actions taken in terms of travel policy restrictions.

Spend outlooks across industry verticals remains mixed. Technology and Financial Services look strong. Conversely, Consumer, Manufacturing, Energy and Mining look softer.

Finally, our Meetings & Events business is performing well. And this is important because it tends to be a forward-looking indicator. We currently anticipate a 5% year-over-year increase in the number of meetings in the second half of this year.

So, let me close by summarizing the key highlights of the quarter:

- We again delivered on our commitments with Q2 results ahead of expectations,
- We raised our full-year guidance,
- We are excited to close the CWT acquisition in Q3,
- And we can now accelerate share repurchases to demonstrate our confidence in the business.

And now, I'd like to hand it over to Karen to discuss the financial results and the updated 2025 outlook in more detail.

## **Slide 11: Financial Results in Q2 2025 Exceeded Guidance Midpoints; Significant Milestone of >\$500M in Adj. EBITDA over LTM**

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**Karen Williams, CFO:** Thank you Paul, and hello everyone.

Before we get into the specifics for the quarter, I want to reflect on the progress we have made in Q2. I am incredibly pleased with our continued momentum in driving the business forward. We delivered financial results ahead of expectations, exceeding the guidance midpoints we previously communicated. Adjusted EBITDA margin expanded, we continue to invest, and importantly, we have reached a pivotal inflection point in our financial strategy. The announcement of CWT last week will accelerate our strategic ambitions and enables us to execute on our share repurchases, deploying capital in a disciplined, value-accretive manner.

So, let's turn to our financial performance in more detail. Revenue reached \$631 million, up 1% year-over-year. The increase in total revenue was driven by modest growth in transactions and TTV, increased Product and Professional Services revenue and favorable foreign currency impact. On a constant currency basis, revenue was largely flat year-over-year.

Revenue yield, which we define as revenue divided by TTV, was 8.0%. This was down 10 basis points year over year, but in line with expectations, reflecting the non-TTV-driven components of the revenue base and a continued strategic shift to more digital transactions, which has a downward impact on yield but a positive impact on our Adjusted EBITDA margin.

I am incredibly pleased with the momentum we continue to see across the enterprise when it comes to our focus on driving efficiency and increasing productivity. Our Traveler Care cost per transaction, our productivity metric, improved by 5% year-over-year in the quarter.

Adjusted Operating Expenses were flat year-over-year and actually 2% down on a constant currency basis.

And so putting these together, Adjusted EBITDA grew 4% to \$133 million. And our Adjusted EBITDA margin grew 70 basis points year over year to reach 21%.

We continued to see momentum when it comes to cash, generating \$27 million of Free Cash Flow in the quarter. Free Cash Flow declined year over year due to one-time elements of the Egencia working capital benefits in the prior year, as well as increased investments.

Finally, moving to the balance sheet, I am incredibly proud of the strength of our balance sheet. Our Net Debt declined \$70 million year over year, and our leverage ratio, or Net Debt divided by last twelve months Adjusted EBITDA, continued to decline to 1.6x as of June 30, 2025, down from 2.0x one year ago and 3.5x two years ago.

And so, with our balance sheet in the strong position, we are confident to execute on our M&A agenda while also initiating our share repurchase program. This dual-track approach reflects our confidence in the underlying strength of the business and our commitment to driving long-term shareholder value.

### **Slide 12: Executing on the Factors in our Control with Efficiency Gains Offset by Increased Investments**

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So taking a closer look at our expense line items, we can clearly see how we are hitting the mark on the factors in our control.

Cost of revenue went down 2% in the quarter, and general and administrative costs went down 14%. This enabled us to grow our sales and marketing costs by 13% and technology and content by 8% while keeping costs strongly in control.

So, our efficiency gains are enabling us to make continued investments for driving future growth and productivity.

### **Slide 13: Raised and Narrowed FY 2025 Guidance**

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Now moving to guidance, the improved demand environment, our Q2 performance, share gains and strong margin expansion give us confidence to raise and narrow our full-year 2025 guidance.

As a reminder, our updated guidance does not include the impact of the CWT acquisition, which we now expect to close in Q3. We will provide updated guidance including the impact of CWT on our next earnings call in November.

We are now guiding to full-year revenue growth of 2% to 4% year over year, with the midpoint up 3 percentage points to \$2.488 billion. This is a significant improvement versus our previous revenue guidance, which had a wider range of minus 2% to up 2%, and reflects our confidence.

Now it's important to note our updated guidance midpoint incorporates expectations for 4% revenue growth in H2, which is 4 percentage points higher than our previous expectations. Approximately half of this increase is driven by improvements in recent trends and our performance, and half is driven by FX, which as a reminder does not fall through to Adjusted EBITDA due to our natural hedge.

We continue to expect a modest decline in revenue yield as we intentionally increase our mix of higher margin digital transactions.

We are now guiding to full-year Adjusted EBITDA growth of 6% to 13%, or \$505 million to \$540 million with a full-year midpoint of \$523 million.

We now expect strong Adjusted EBITDA margin expansion of 80 to 180 basis points year over year, or 130 basis points at the midpoint, to 21%. This reflects our strong efficiency gains. We are continuing to execute on our \$110 million cost savings program while making incremental investments.

We expect to see higher volumes on an absolute basis in the third quarter versus the fourth quarter, given our seasonality with September being a strong month for business travel. However, we expect revenue and Adjusted EBITDA to be equally split across the third and fourth quarter given that Q4 is seasonally our highest revenue yield quarter.

And so finally, back to full year, we expect to generate a strong level of Free Cash Flow. We are now guiding to a range of \$140 million to \$160 million, or \$150 million at the midpoint.

Our capital allocation strategy remains the same, but as I said earlier, we have reached a pivotal inflection point in our financial strategy with CWT. As a reminder, the acquisition will be funded with stock and cash on hand. We are ready to integrate CWT while maintaining a strong and flexible balance sheet and remain within our target leverage range. We are also now able to execute against our \$300 million share repurchase authorization.

In summary, we delivered Q2 results ahead of expectations. We raised and narrowed our full-year guidance. It's a critical moment to accelerate our strategic ambitions and deploy capital in a disciplined manner with the CWT acquisition and accelerate share repurchases. We remain focused on what we can control and driving shareholder value.

## **Slide 14: Q&A**

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So we can move into Q&A. Paul and I are joined by Eric Bock, who is our Chief Legal Officer and Global Head of M&A. Operator, please go ahead and open the line.

## **Post Q&A Wrap-Up**

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**Paul Abbott, CEO:** Before closing, I want to also thank our team for their dedication to our customers and the strong results they have delivered.

Thank you for joining us today and for your continued interest in American Express Global Business Travel.

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