

An aerial photograph of a tropical island with vibrant turquoise water and white sandy beaches. Several large cruise ships are visible in the deep blue ocean. The island features palm trees, buildings, and a lighthouse-like structure. The overall scene is bright and scenic.

**NCLH**

NORWEGIAN CRUISE LINE  
HOLDINGS LTD.

# FOURTH QUARTER AND FULL YEAR 2020 EARNINGS CONFERENCE CALL

FEBRUARY 25, 2021

# FORWARD LOOKING STATEMENT

Some of the statements, estimates or projections contained in this presentation are "forward-looking statements" within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our business strategy, financial position, results of operations, plans, prospects, actions taken or strategies being considered with respect to our liquidity position, valuation and appraisals of our assets and objectives of management for future operations (including those regarding expected fleet additions, our voluntary suspension, our ability to weather the impacts of the COVID-19 pandemic and the length of time we can withstand a suspension of voyages, our expectations regarding the resumption of cruise voyages and the timing for such resumption of cruise voyages, the implementation of and effectiveness of our health and safety protocols, operational position, demand for voyages, financing opportunities and extensions, and future cost mitigation and cash conservation efforts and efforts to reduce operating expenses and capital expenditures) are forward-looking statements. Many, but not all, of these statements can be found by looking for words like "expect," "anticipate," "goal," "project," "plan," "believe," "seek," "will," "may," "forecast," "estimate," "intend," "future" and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to the impact of: the spread of epidemics, pandemics and viral outbreaks and specifically, the COVID-19 pandemic, including its effect on the ability or desire of people to travel (including on cruises), which are expected to continue to adversely impact our results, operations, outlook, plans, goals, growth, reputation, cash flows, liquidity, demand for voyages and share price; our ability to comply with the CDC's Framework for Conditional Sailing Order and any additional or future regulatory restrictions on our operations and to otherwise develop enhanced health and safety protocols to adapt to the pandemic's unique challenges once operations resume and to otherwise safely resume our operations when conditions allow; coordination and cooperation with the CDC, the federal government and global public health authorities to take precautions to protect the health, safety and security of guests, crew and the communities visited and the implementation of any such precautions; our ability to work with lenders and others or otherwise pursue options to defer, renegotiate or refinance our existing debt profile, near-term debt amortization, newbuild related payments and other obligations and to work with credit card processors to satisfy current or potential future demands for collateral on cash advanced from customers relating to future cruises; our future need for additional financing, which may not be available on favorable terms, or at all, and may be dilutive to existing shareholders; our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements; the accuracy of any appraisals of our assets as a result of the impact of COVID-19 or otherwise; our success in reducing operating expenses and capital expenditures and the impact of any such reductions; our guests' election to take cash refunds in lieu of future cruise credits or the continuation of any trends relating to such election; trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto; the unavailability of ports of call; future increases in the price of, or major changes or reduction in, commercial airline services; adverse events impacting the security of travel, such as terrorist acts, armed conflict and threats thereof, acts of piracy, and other international events; adverse incidents involving cruise ships; adverse general economic and related factors, such as fluctuating or increasing levels of unemployment, underemployment and the volatility of fuel prices, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence; any further impairment of our trademarks, trade names or goodwill; breaches in data security or other disturbances to our information technology and other networks or our actual or perceived failure to comply with requirements regarding data privacy and protection; changes in fuel prices and the type of fuel we are permitted to use and/or other cruise operating costs; mechanical malfunctions and repairs, delays in our shipbuilding program, maintenance and refurbishments and the consolidation of qualified shipyard facilities; the risks and increased costs associated with operating internationally; fluctuations in foreign currency exchange rates; overcapacity in key markets or globally; our expansion into and investments in new markets; our inability to obtain adequate insurance coverage; pending or threatened litigation, investigations and enforcement actions; volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees; our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues; our reliance on third parties to provide hotel management services for certain ships and certain other services; our inability to keep pace with developments in technology; changes involving the tax and environmental regulatory regimes in which we operate; and other factors set forth under "Risk Factors" in our most recently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q and subsequent filings with the Securities and Exchange Commission. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 pandemic. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. The above examples are not exhaustive and new risks emerge from time to time. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we expect to operate in the future. These forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

# KEY EVENTS SINCE Q3 2020 EARNINGS CALL

November 17	Company launches common equity offering of 40M shares raising \$824M
December 1	Norwegian Cruise Line launches joint effort with its partner JUST® Goods, Inc. to support GivingTuesday by providing donations to local food banks in Miami and New York City
December 2	Company announces voyage suspension for all voyages on Norwegian Cruise Line embarking through February 28 and select voyages in March 2021 and all voyages on Oceania Cruises and Regent Seven Seas Cruises through March 31, 2021
December 7	Announces AtmosAir Solutions partnership to install continuous disinfection bi-polar ionization air purification systems across fleet
	Norwegian Cruise Line launches "Week Of You" series for travel partners
December 8	Company improves CDP climate change score to "B" above the Marine Transport Sector, North America and Global average
December 14	Company releases <a href="#">2019 Stewardship Report</a>
December 15	Company launches offering of \$850M of 5.875% senior unsecured notes due 2026
January 19	Company announces voyage suspension through April 30, 2021
February 4	Government of Canada issues Interim Order suspending passenger cruising in Canadian waters through February 2022
	Company announces amendments to Pride of America, Norwegian Jewel and Senior Secured credit facilities
February 8	Oceania Cruises announces that its 2023 <i>Around the World in 180 Days</i> voyage sold out within one day of opening for sale to the general public on January 27, 2021 with more than one-third of all bookings from new-to-brand guests
February 9	Signed agreement to defer approximately €220 million of newbuild-related payments through March 31, 2022
February 16	Company announces voyage suspension through May 31, 2021
February 23	Company announces amendments to ECA-backed facilities to defer ~\$680M of amortization payments through March 31, 2022

# NAVIGATING THROUGH COVID-19

## Addressed Significant Operational Challenges

- Announced voyage suspension through May 31 across all three brands
- Majority of ships are at or transitioning to reduced manning status
- Repatriating certain crew members

## Swift Execution of Financial Action Plan

- Raised ~\$6.5 billion from various sources since the onset of the pandemic allowing the Company to withstand a prolonged voyage suspension
- Significantly reduced operating expenses and capital expenditures
- Temporary pay reduction and furloughs for certain shoreside team members
- Improved debt maturity profile

## Roadmap to Relaunch

- The Healthy Sail Panel (HSP), a team of leading experts, provided 74 detailed recommendations across five key focus areas for safer cruising in the current public health environment
- CLIA and its member lines announce mandatory core elements of health protocols including a travel-industry first with 100% COVID-19 testing for guests and crew
- Continue to work through requirements of the CDC's Framework for Conditional Sailing Order to resume cruising in the U.S.

# ROADMAP TO RELAUNCH AND RESUMPTION OF CRUISE VOYAGES

1

## Develop Enhanced Health and Safety Protocols

- Healthy Sail Panel provides 74 detailed recommendations
- CLIA lines commit to 100% COVID-19 testing of guests and crew
- Operationalization of CDC Conditional Order
- Incorporating vaccine advancements into strategy

2

## Address Global Port Availability and Travel Restrictions

- Industry cruising re-started in certain regions, most of which were subsequently paused and are beginning to resume again
- Virus prevalence declining but still elevated in many regions

3

## Activate Sales and Marketing Machine and Stimulate Demand

- Focus on market-to-fill strategy versus discount-to-fill
- Disciplined ramp up of marketing investments once voyage resumption plan is set

4

## Initiate Gradual Phased Relaunch

- Trial sailings & independent third-party audit prior to guest voyages
- Limited initial re-start with gradual approach to mobilizing full fleet over time

# BOOKING TRENDS UPDATE

- Continued strong demand for future cruise vacations, despite reduced marketing investments.
- Cumulative booked position for 2H 2021 remains below historical levels, driven by continued uncertainty around timing of the resumption of cruising and the shift of limited marketing investments to 2022 sailings. Pricing for 2H 2021 is in line with pre-pandemic levels, even after including the impact of enhanced FCCs.
  - ~75% of the cumulative booked position for 2H 2021 is cash bookings vs. FCCs
  - ~60% of the cumulative booked position for 2H 2021 are loyal repeat cruisers to our brands
- While still early in the booking cycle, 2022 booking trends are very positive driven by strong pent up demand. The Company is experiencing robust future demand across all brands with the overall cumulative booked position for the first half of 2022 significantly ahead of 2019's record levels with pricing in line when excluding the dilutive impact of FCCs.
  - Booking volumes in January and February sequentially improved by approximately 40% from November and December 2020 levels. Over 80% of these bookings were new, cash bookings.
- Approximately 40% of FCCs issued have been rebooked to-date.
- Oceania Cruises' 2023 *Around the World in 180 Days* voyage sold out within one day of opening for sale to the general public on January 27, 2021. More than one-third of all bookings came from new-to-brand guests and approximately 20% of guests opted to extend their voyage beyond 180 days up to a total of 218 days.

**Strong demand for future cruises continues**



# COVID-19 FINANCIAL ACTION PLAN

Q 420-Q 121 Initiatives

1

## Further Reduction of Operating Expenses & Capital Expenditures

- Transitioning all vessels to expected reduced manning status
- Extended furloughs and temporary pay reductions for certain shoreside team members
- Reductions or deferrals of near-term marketing expenses and non-essential capital expenditures
- Deferred approximately €220 million of newbuild-related payments through March 31, 2022

2

## Improved Debt Maturity Profile

- Amended ECA-backed agreements to defer ~\$680M of amortization through March 31, 2022 and received covenant waivers through December 31, 2022
- Amended Senior Secured Credit Facility to defer ~\$70M of amortization payments due prior to June 30, 2022 and suspend testing of certain covenants through December 31, 2022
- Amended covenant requirements for the Pride of America and Norwegian Jewel credit facilities to suspend certain covenants

3

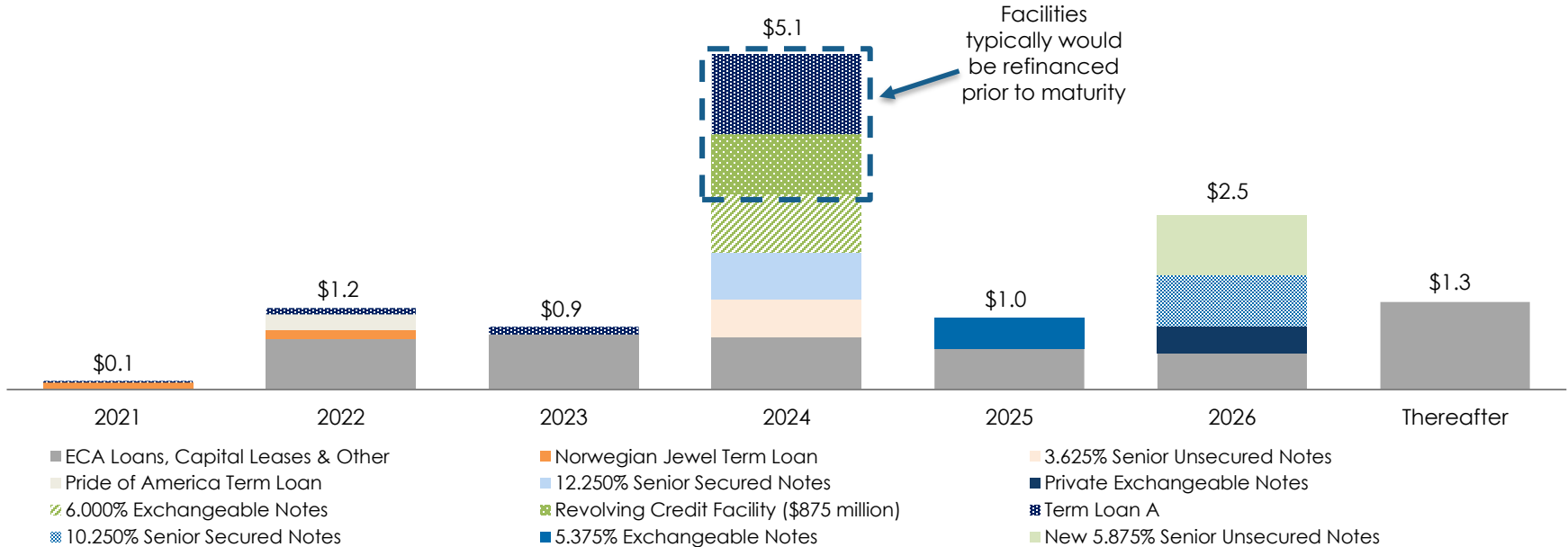
## Secured Additional Capital

- Successfully raised \$824 million, net in November through a common equity offering
- Successfully issued \$850 million in December through a senior unsecured notes offering

**Enhanced liquidity profile through continued efforts to reduce costs, conserve cash, raise capital and extend debt maturities**

# IMPROVED DEBT MATURITY PROFILE

Debt Maturity Profile (\$ in Billions)



Significantly extended debt maturity profile

Note: Based on debt outstanding as of 12/31/2020, pro-forma for debt modifications and deferrals through 2/25/21



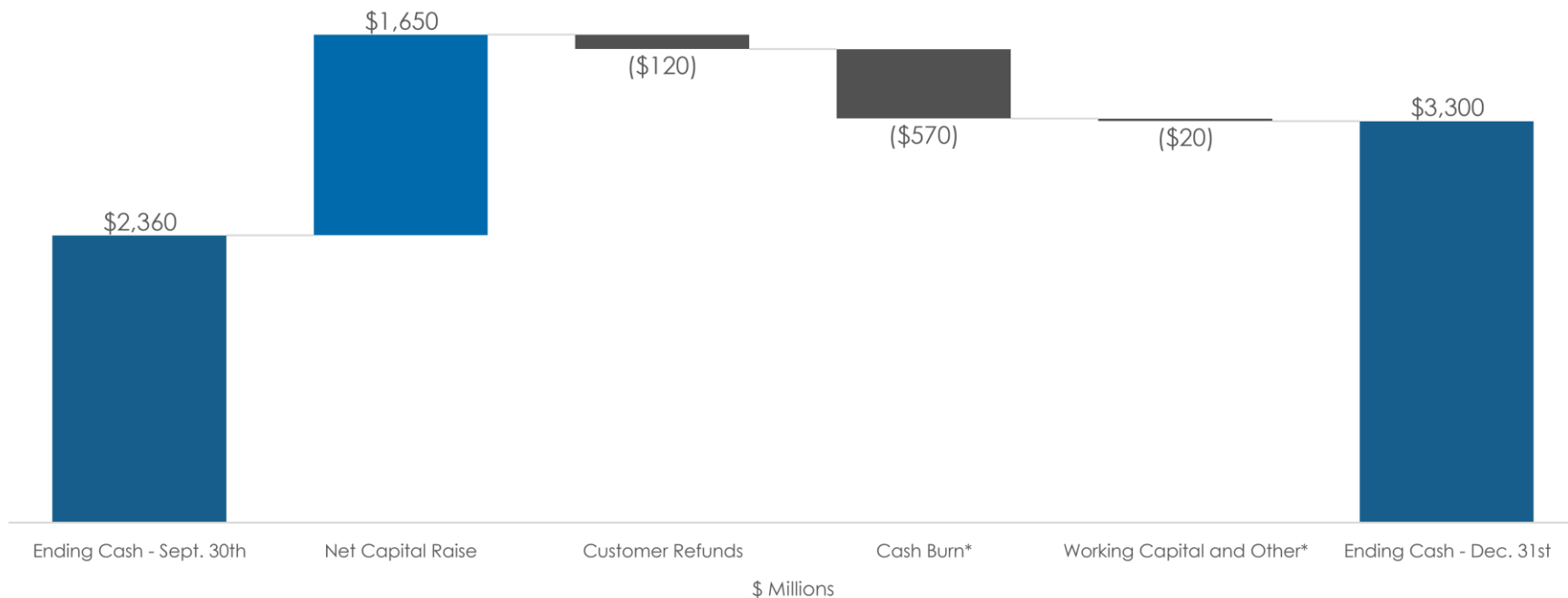
# ILLUSTRATIVE LIQUIDITY PROFILE

Illustrative Liquidity	
(\$ in Billions)	
Liquidity (As of 31-Dec)	~\$3.3
(-) Customer refunds payable (As of 31-Dec)	~(\$0.1)
<b>Total Liquidity</b>	<b>~\$3.2B</b>
Estimated health and safety initiatives and other collateral obligations	~(\$0.3)
<b>Net Liquidity</b>	<b>~\$2.9B</b>

- Q4 2020 average cash burn was ~\$190M/month including ~\$15M/month of relaunch-related expenses as the Company began preparations for a phased return to service in early 2021, in connection with the CDC Conditional Order, which did not materialize.
- Q1 2021 average cash burn rate is expected to temporarily remain elevated at ~\$190M/month, or ~\$170M/month excluding non-recurring debt modification costs, as it ramps down relaunch-related expenses and repatriates crew.
  - Incurred ~\$60M of one-time debt modification costs in Q1 as a result of successful debt deferral and newbuild payment extensions which have resulted in ~\$1B of additional liquidity over the next 12 months.
- Once the ramp down of relaunch-related expenses is complete, the average cash burn rate is expected to decrease and remain at reduced levels until return to service preparations resume.
- Cash advance ticket sales associated with future voyages is \$0.3B as of December 31st.

Cash burn rates include ongoing ship operating expenses, administrative operating expenses, interest expense, taxes and expected non-newbuild capital expenditures and excludes cash refunds of customer deposits as well as cash inflows from new and existing bookings, newbuild related capital expenditures and other working capital changes. Future cash burn rate estimates also exclude unforeseen expenses. The fourth quarter 2020 cash burn rate and first quarter 2021 estimate also reflect the deferral of debt amortization and newbuild related payments. Additional debt modification costs may be incurred in the future. Net liquidity is provided for illustrative purposes only and does not take into account all expected expenditures and commitments.

# FOURTH QUARTER SOURCES AND USES OF CASH



**Cash and cash equivalents increased in Q4 as a result of capital raises**

\*Cash burn includes operating expenses, SG&A, interest expense and capital expenditures. Working capital and other is net of cash collections and includes health and safety investments.

# MEDIUM AND LONG-TERM FINANCIAL RECOVERY PLAN

1

Rebuild Margins

2

Maximize Cash Flow  
Generation

3

Optimize  
Balance Sheet

Upon resumption of voyages, attention will shift to medium and long-term financial recovery plan

# STRONG COMMITMENT TO ESG INITIATIVES

## SAIL SUSTAIN

- Global sustainability program, Sail & Sustain, is a core focus in everyday operations
- Dedicated ESG<sup>1</sup> department to enhance overall ESG strategy and coordinate across the organization
- ESG oversight by executive team and TESS<sup>2</sup> Committee of the Board of Directors
- In Q4 2020, released [2019 Stewardship report](#) and announced improvement in CDP climate change score to “B” above the Marine Transport Sector, North America and Global average
- Launched unconscious bias, microaggressions and diversity and inclusion training in 2020
- Supplier diversity program resulted in 2019 spending increasing 36% YoY with diverse vendors in the US
- Named on Forbes' America's Best Employers 2021 list, ranking in the top 75 in the Large Employer category and in the top 10 in the Travel & Leisure sector
- Offering paid volunteer day for US shoreside team beginning in 2021 to support community involvement
- In 2020, Norwegian Cruise Line became the first major global cruise company to become plastic water bottle free with its partnership with JUST Goods, Inc.
- Joined industry commitment of 40% target reduction in rate of carbon emissions by 2030<sup>3</sup>
- Established partnerships with several leading environmental organizations:



WYLAND  
FOUNDATION



Ocean Conservancy



FLORIDA SOUTHEASTERN  
UNIVERSITY  
NSU  
Florida



GUY HARVEY OCEAN FOUNDATION



TRASH FREE SEAS  
ALLIANCE



North America's Marine Environmental Protection Association  
NAMEPA



**55 MILLION**

Plastic straws  
eliminated fleetwide  
annually



**11 MILLION**

Plastic water  
bottles  
eliminated  
fleetwide  
annually



**Over 50%**

of Company's Board  
of Directors comprised  
of members with  
diverse backgrounds



<sup>1</sup> ESG is Environmental, Social and Governance.

<sup>2</sup> Technology, Environmental, Safety and Security.

<sup>3</sup> Commitment is for aggregate industry fleet emissions from 2008 baseline.

# KEY TAKEAWAYS

## Continued Focus on Roadmap to Relaunch

- Continue to develop enhanced health and safety protocols
- Address global port availability and travel restrictions
- Activate sales and marketing machine and stimulate demand
- Initiate gradual phased relaunch

## Strong Demand for Cruising Continues

- Booking trends continue to indicate strong future demand for cruising
- While still early, 1H 2022 booked position is significantly ahead of 2019 levels with pricing in line when excluding FCCs

## Medium and Long-Term Financial Recovery Plan

- Upon resumption of voyages, attention will shift to medium and long-term financial recovery plan
- Focus on rebuilding margins, generating cash flow and optimizing balance sheet going forward

# APPENDIX

# HEALTHY SAIL PANEL MEMBERS

The Healthy Sail Panel (HSP), assembled in collaboration with Royal Caribbean Group and led by co-chairs Governor Mike Leavitt and Dr. Scott Gottlieb, consists of a group of globally recognized experts in public health, infectious diseases, medical research and maritime operations.



**GOVERNOR MICHAEL LEAVITT**  
Leavitt Partners, Founder  
Former Governor of Utah and Secretary of Health  
and Human Services under President George W. Bush



**DR. SCOTT GOTTLIEB**  
Resident Fellow at AEI, Contributor at CNBC  
and Former Commissioner of the U.S.  
Food and Drug Administration



**HELENE  
GAYLE**  
M.D., M.P.H.



**JULIE  
GERBERDING**  
M.D., M.P.H.



**STEVEN  
HINRICHS**  
M.D.



**MICHAEL  
OSTERHOLM**  
M.D., PH.D.



**STEPHEN  
OSTROFF**  
M.D.



**WILLIAM  
RUTALA**  
Ph.D., M.S., M.P.H.



**KATE  
WALSH**  
Ph.D.



**PATRIK  
DAHLGREN**  
S.V.P. of Global Marine  
Operations & Fleet  
Optimization  
Royal Caribbean Group



**ROBIN  
LINDSAY**  
E.V.P. of Vessel  
Operations  
Norwegian Cruise Line  
Holdings Ltd.



# HEALTH AND SAFETY

- The Healthy Sail Panel (HSP), a group of globally recognized scientific and medical experts assembled in collaboration with Royal Caribbean Group, provided 74 detailed health and safety recommendations across five focus areas to reduce the risk of COVID-19 on cruise ships.
- Our health and safety strategy is expanding from focusing on preventative measures to now including the benefit of vaccines.
- CLIA member lines have committed to mandatory core elements of health protocols upon a resumption of cruising in the U.S., including 100% COVID-19 testing for guest and crew prior to boarding, *a travel industry first*.
- Company announced partnership with AtmosAir Solutions to install continuous disinfection air purification systems across its 28-ship fleet. The new air filtration system technology will feature continuous active disinfection through bi-polar ionization in the air and on surfaces using an all-natural solution with no harmful chemicals, radiations or by-products.

## Healthy Sail Panel Key Focus Areas

Testing, Screening and Exposure Reduction	Sanitation and Ventilation	Response, Contingency Planning and Execution	Destination and Excursion Planning	Mitigating Risks for Crew Members
				

For the full Healthy Sail Panel report visit <http://www.nclhld.com/Health-and-Safety> or click [here](#).  
To learn more about the AtmosAir partnership click [here](#).

# SECURED ADDITIONAL CAPITAL

<b>Revolver Addition (March)</b>	<ul style="list-style-type: none"> <li>Secured new short-term \$675M revolving credit facility and drew down total amount of new and existing revolving credit facilities, resulting in ~\$1.55 billion of cash added to the balance sheet</li> </ul>
<b>Quad-Tranche Raise (May)</b>	<ul style="list-style-type: none"> <li>\$675M of 12.25% senior secured notes due 2024</li> <li>\$862.5M of 6% exchangeable senior notes due 2024</li> <li>\$460M from a public offering of ordinary shares at \$11 per share</li> <li>\$400M in private investment from L Catterton (exchangeable senior notes)</li> </ul>
<b>Triple-Tranche Raise (July)</b>	<ul style="list-style-type: none"> <li>\$750M of 10.250% senior secured notes due 2026 (proceeds used in part to refinance \$675M short-term revolving credit facility)</li> <li>\$450M of 5.375% exchangeable senior notes due 2025</li> <li>\$288M from a public offering of ordinary shares at \$15 per share</li> </ul>
<b>Equity Offering (November)</b>	<ul style="list-style-type: none"> <li>\$824M, net through a common equity offering at \$20.80 per share to the public</li> </ul>
<b>Notes Offering (December)</b>	<ul style="list-style-type: none"> <li>\$850M of 5.875% senior unsecured notes due 2026</li> </ul>

**Raised ~\$6.5 billion through various capital initiatives**

# FUEL HEDGE PROGRAM

NCLH Fuel Hedge Program as of 12/31/2020			
	2021	2022	2023
% of HFO Consumption Hedged <sup>1</sup>	44%	15%	0%
Average USGC Price / Barrel	\$46.19	\$48.36	N/A
% of MGO Consumption Hedged	70%	56%	25%
Average Gasoil Price / Barrel	\$81.12	\$70.00	\$67.45
<b>Total % of Consumption Hedged</b>	<b>59%</b>	<b>37%</b>	<b>15%</b>

1) These derivatives were de-designated for accounting purposes in the fourth quarter of 2020 but still represent economic hedges and may be re-designated in the future.

## 2021-2023 OUTLOOK

\$ Billions	2021	2022	2023
Depreciation & Amortization	\$0.7		
Interest Expense, net	\$0.65 <sup>1</sup>		
Newbuild-Related Capital Expenditures, Pre-Financing <sup>2</sup>	\$0.4	\$1.6	\$2.5
Export Credit Financing for Newbuild-Related Capital Expenditures	\$0.2	\$0.8	\$1.8
Newbuild-Related Capital Expenditures, Net of Financing	\$0.2	\$0.8	\$0.7

1) Includes approximately \$50 million of one-time debt modification costs in the first quarter 2021. Excludes approximately \$10 million of associated lender fees incurred in the first quarter 2021 which are expected to be capitalized and amortized over the life of the associated loans.

2) Includes all newbuild related capital expenditures including shipyard progress payments.