



NORWEGIAN CRUISE LINE
HOLDINGS LTD.

Second Quarter 2024 Earnings Conference Call

- July 31, 2024



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All statements other than statements of historical facts contained, or incorporated by reference, in this presentation, including, without limitation, our expectations regarding our future financial position, including our liquidity requirements and future capital expenditures, plans, prospects, actions taken or strategies being considered with respect to our liquidity position, including with respect to refinancing, amending the terms of, or extending the maturity of our indebtedness, our ability to comply with covenants under our debt agreements, expectations regarding our exchangeable notes, valuation and appraisals of our assets, expected fleet additions and cancellations, including expected timing thereof, our expectations regarding the impact of macroeconomic conditions and recent global events, and expectations relating to our sustainability program and decarbonization efforts may be 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: adverse general economic factors, such as fluctuating or increasing levels of interest rates, inflation, 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; implementing precautions in coordination with regulators and global public health authorities to protect the health, safety and security of guests, crew and the communities we visit and to comply with related regulatory restrictions; our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and be in compliance with maintenance covenants and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements; our ability to work with lenders and others or otherwise pursue options to defer, renegotiate, refinance or restructure 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 need for additional financing or financing to optimize our balance sheet, which may not be available on favorable terms, or at all, and our outstanding exchangeable notes and any future financing which may be dilutive to existing shareholders; the unavailability of ports of call; future increases in the price of, or major changes, disruptions or reduction in, commercial airline services; changes involving the tax and environmental regulatory regimes in which we operate, including new regulations aimed at reducing greenhouse gas emissions; the accuracy of any appraisals of our assets; our success in controlling operating expenses and capital expenditures; trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto; adverse events impacting the security of travel, or customer perceptions of the security of travel, such as terrorist acts, armed conflict, such as Russia’s invasion of Ukraine or the Israel-Hamas war, or threats thereof, acts of piracy, and other international events; public health crises, including the COVID-19 pandemic, and their effect on the ability or desire of people to travel (including on cruises); adverse incidents involving cruise ships; our ability to maintain and strengthen our brand; breaches in data security or other disturbances to our information technology systems 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; our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues; impacts related to climate change and our ability to achieve our climate-related or other sustainability goals; 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; any further impairment of our trademarks, trade names or goodwill; our reliance on third parties to provide hotel management services for certain ships and certain other services; fluctuations in foreign currency exchange rates; our expansion into new markets and investments in new markets and land-based destination projects; overcapacity in key markets or globally; and other factors set forth under “Risk Factors” in our most recently filed Annual Report on Form 10 K and subsequent filings with the Securities and Exchange Commission. The above examples are not exhaustive and new risks emerge from time to time. There may be additional risks that we consider immaterial or which are unknown. 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 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.



19 Ships | ~56,000 berths

~85% of annual bed days

\$9B+

2024 Expected Revenue



7 Ships | ~6,300 berths

~10% of annual bed days

\$1.53

2024 Expected Adj. EPS

2.9M

2024 Expected Guests Carried



6 Ships | ~4,100 berths

~5% of annual bed days

32

Current Ships in Fleet

13

Current Ships on Order¹


(1) NCLH expects a four ship Norwegian Cruise Line order to replace a separate, effective, two ship order for Oceania Cruises initially placed to secure availability with the shipyard. Contracts and financing for the four ship order for Norwegian Cruise Line are being negotiated. Expected delivery dates are preliminary and subject to change.

Q2 2024 Highlights


NCLH

NET YIELD  **6.3%** COMPARED TO 2023

ADJUSTED EBITDA

 **14%**
vs 2023 to **\$588M**
above guidance of \$555M

ADJUSTED EPS

 **33%**
vs 2023 to **\$0.40**
above guidance of \$0.32

ADJUSTED NCC EX FUEL PER CAPACITY DAY

\$163, excluding ~\$9
Dry-dock impact would be



essentially
FLAT
year-over-year



Achieved year-end
goal of reducing Net
Leverage* by ~1.5x,
ending quarter at

5.9x

Guidance

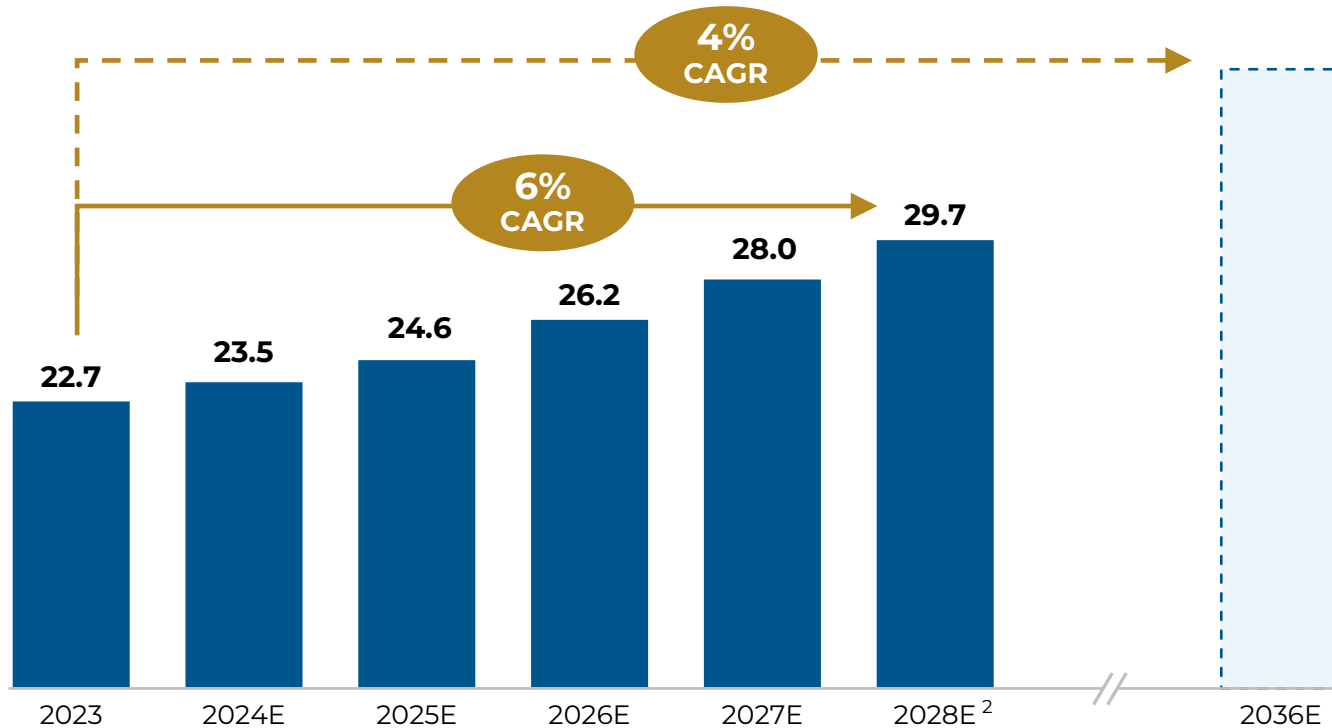


- ① Exceeded all key Q2 guidance
- ② Raised full-year guidance for third time
- ③ Full year Adjusted EPS expected to increase ~120% over 2023 to \$1.53
- ④ Set 2026 financial and sustainability targets with Charting the Course strategy at Investor Day

ON TRACK TO ACHIEVE DOUBLE-DIGIT ADJUSTED ROIC BY YEAR-END

* Net Leverage is based on the trailing twelve months Adjusted EBITDA

Gross Capacity Growth (M)¹



8 New Ships¹
~35,200 berths



3 New Ships¹
~4,100 berths



2 New ships
~1,700 berths

1. Norwegian Cruise Line Holdings Ltd. expects a four ship Norwegian Cruise Line order to replace a separate, effective, two ship order for Oceania Cruises initially placed to secure availability with the shipyard. Contracts and financing for the four ship order for Norwegian Cruise Line are being negotiated. Expected delivery dates are preliminary and subject to change.
2. Delivery for second Oceania Cruises ship is contractually scheduled for the fourth quarter of 2028 but may be delayed to 2029.

Note: Information is based on currently scheduled dates. Timing of delivery of newbuilds is subject to change and additional delivery delays may occur due to circumstances including, but not limited to, macroeconomic/ world events and potential modifications the Company may make to its newbuilds, including potential initiatives to improve environmental sustainability.



Norwegian Aqua

- April 2025 debut
- Float out April 2024



Oceania Allura

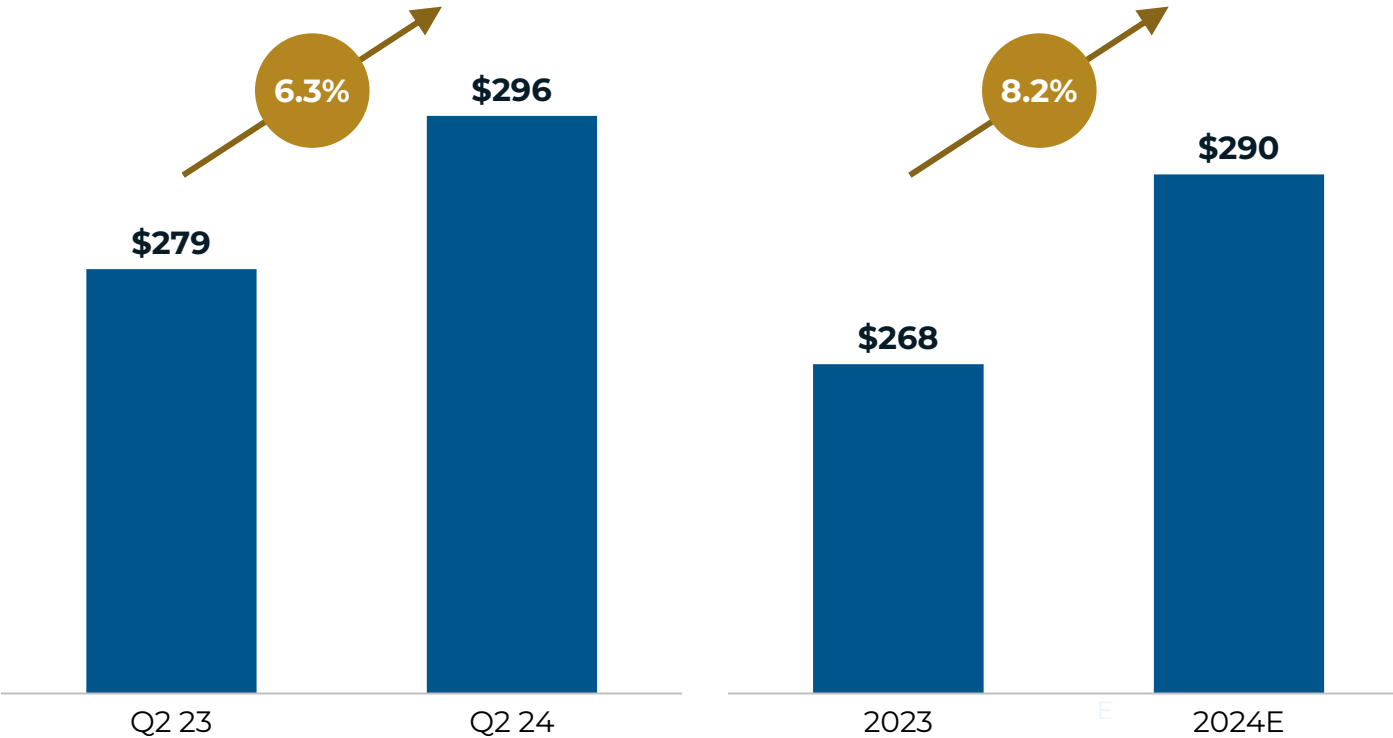
- July 2025 debut
- Float out July 2024



Oceania Marina

- Returned to service in May 2024 after extensive refurbishment
- New culinary venues and reimagined penthouse suites

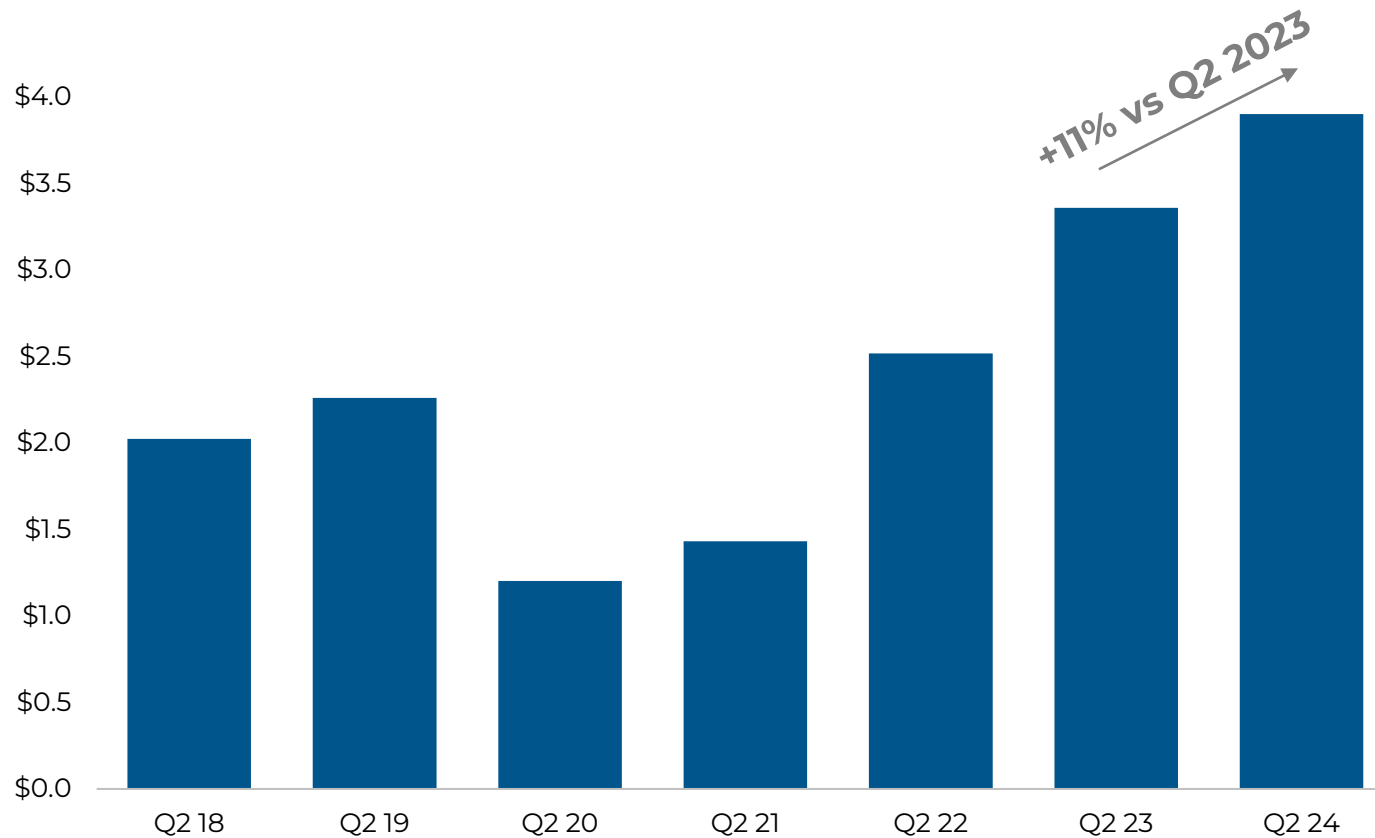
Net Yield Growth



- Company at upper range of optimal booked position
- Current bookings pivoting to 2025
- Strong pricing growth expected across all four quarters in 2024
- **Beat** Q2 2024 Net Yield guidance by **200bps**, growing 6.3%
- **Increased** full year 2024 Net Yield guidance by **100 bps** to 8.2%
- Robust onboard revenue continues across all categories
- Pre-booked onboard revenue per Capacity Day **increased 15%** in Q2 2024

Targeting FY 2024 Net Yield Growth of 8.2% and Q3 2024 Constant Currency Net Yield Growth of 6.4%

Total Advance Ticket Sales (\$B)

ATS Growth Drivers

- + Robust pricing
- + Dynamic deployment mix
- + Enhanced pre-sold onboard revenue
- + Capacity growth

Advanced ticket sales balance up 11% compared to Q2 23 to a record ~\$3.9 billion

GREENHOUSE GAS EMISSIONS



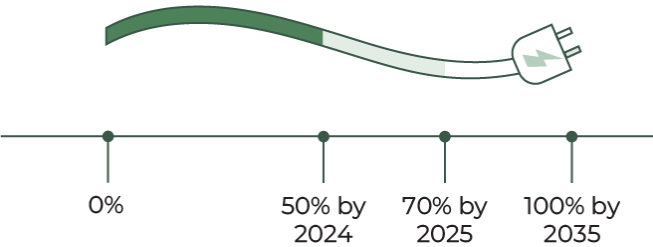
In our most recent submission to CDP, **we received a climate change score of a “B,”** which is higher than the Marine Transport Sector, North America and Global averages.

RESPONSIBLE SOURCING



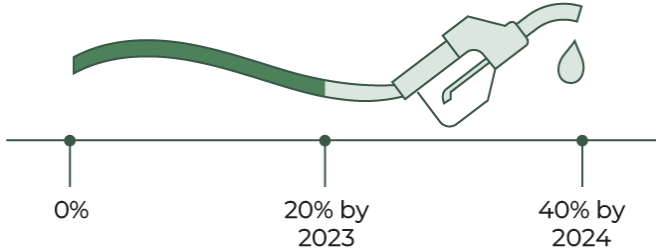
\$635M+ was spent with small businesses and businesses with minority, veteran, or economically disadvantaged qualifications

SHORE POWER



50% of our fleet was equipped with shore power technology, with a goal of 70% by 2025 and 100% by 2035

EXPLORING ALTERNATIVE FUEL



20% of our fleet was tested with a biodiesel blend, with a goal of 40% by 2024

CHARITABLE GIVING



~\$1.6M in cash, cruise and other in-kind donations were given to various important causes, including over 60 cruise donations

CARBON OFFSETS



3,000,000 carbon offsets purchased between 2021-2023, contributing to 16 renewable energy projects¹

WASTE MANAGEMENT



~48% of shipboard waste was diverted from landfill by being incinerated, recycled or donated

1. The last carbon offset purchases were made in Q4 2023 and officially retired in January 2024.


Q2 2024 RESULTS OVERVIEW

	2Q 2024 GUIDANCE	ACTUALS	VS GUIDANCE
Occupancy	~105.7%	~105.9%	✓
Net Yield ² Growth	~4.3% ~\$291	~6.3% ~\$296	✓
Adjusted Net Cruise Cost ex. Fuel per Capacity Day ²	~5.8% 0.3% excluding Dry-dock ~\$165 Including ~\$9 Dry-dock	~5.0% (0.2%) excluding Dry-dock ~\$163 Including ~\$9 Dry-dock	✓
Adjusted EBITDA	~\$555 million	~\$588 million	✓
Adjusted Net Income	~\$160 million	~\$204 million	✓
Adjusted EPS	\$0.32 ¹	\$0.40	✓


Strong first half of 2024 sets foundation for rest of year

(1) Based on guidance and using diluted weighted-average shares outstanding of approximately 514 million for Q2 2024.

(2) Net Yield and Adjusted Net Cruise Cost excluding Fuel per Capacity Day expressed in Constant Currency.



	INITIAL FEBRUARY GUIDANCE	→	NEW GUIDANCE	CHANGE
Net Yield¹ Growth	~5.4%		↑ ~8.2%	+~280bps
Adjusted Net Cruise Cost ex. Fuel per Capacity Day¹	~\$159		✓ ~\$159	-
Adjusted EBITDA	~\$2.20B		↑ ~\$2.35B	+~\$150M
Adjusted EPS²	\$1.23		↑ \$1.53	+\$0.30



24.4% Increase

(1) Net Yield and Adjusted Net Cruise Cost excluding Fuel per Capacity Day expressed in Constant Currency

(2) Based on guidance and using diluted weighted-average shares outstanding of approximately 515 million for FY 2024.

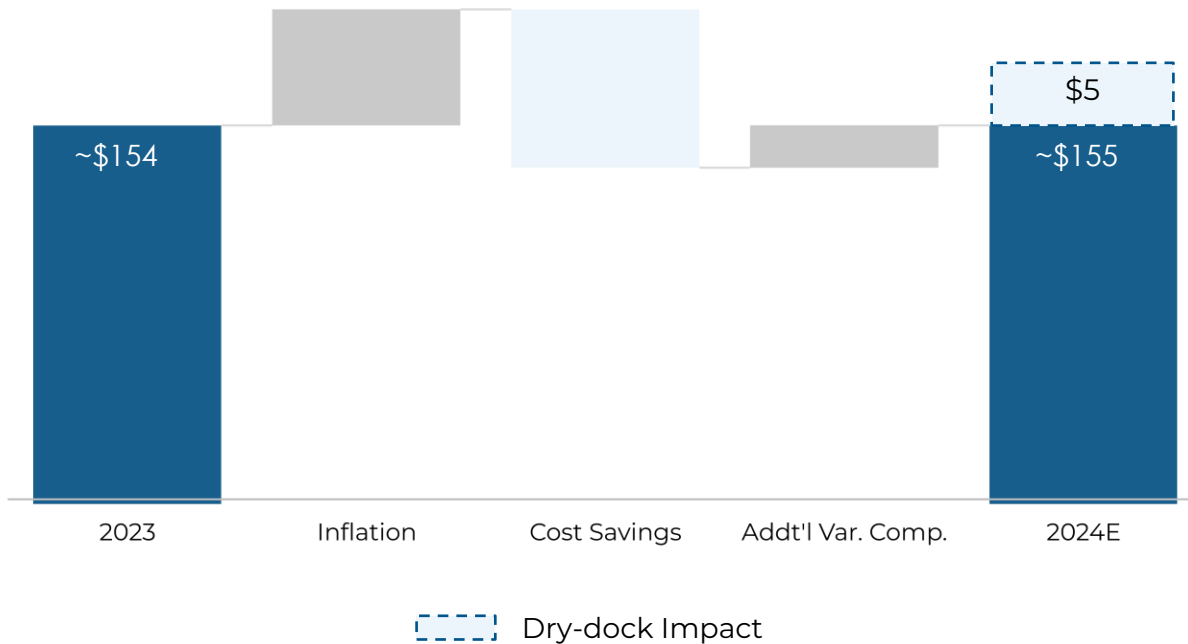
	Q3 2024 GUIDANCE	IMPLIED Q4 2024	FULL YEAR 2024 GUIDANCE
Occupancy	~108.2%	~101.9%	~105.2%
Net Yield ² Growth	~6.4%	~5.0%	~8.2%
Adjusted Net Cruise Cost ex. Fuel per Capacity Day ²	~3.4% 3.6% excluding Dry-dock ~\$156 Including minimal Dry-dock	~2.3% ~\$154	~3.5% 0.5% excluding Dry-dock ~\$159 Including \$5 Dry-dock
Adjusted EBITDA	~\$870 million		~\$2.35 billion
Adjusted Net Income	~\$475 million		~\$790 million
Adjusted EPS ¹	~\$0.92		~\$1.53
Diluted Weighted-Average Shares Outstanding	~515 million		~515 million

(1) Based on guidance and using diluted weighted-average shares outstanding of approximately 515 million for Q3 2024, 445 million for Q4, and 515 million for FY 2024.

(2) Net Yield and Adjusted Net Cruise Cost excluding Fuel per Capacity Day expressed in Constant Currency. Additional guidance metrics can be found in the Appendix on slide 21 and in the Company's earnings release.

	2Q 24	2H 24 (Implied)
Guidance at Q1 Results	4.3%	~3.5%
Investor Day Raise	+90bps	+120bps
Q2 Performance	+110bps	-
2H 2024 Raise	-	+120bps
Current Guidance ¹	6.3%	~5.9%

Raising second half Net Yield by 240bps since Q1 results

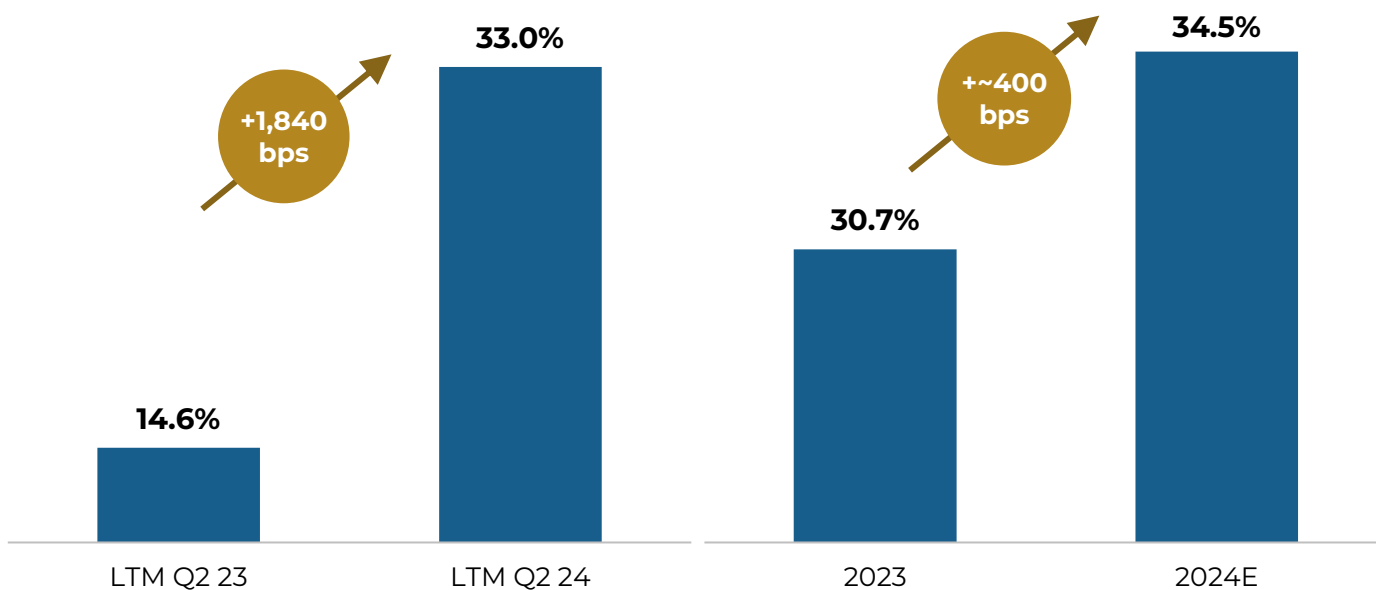
Targeted Cost Savings^{1,2}

- Ongoing margin enhancement initiative remains a top priority. Focus is on both maximizing revenue opportunities and rightsizing cost base
- **2024 Adjusted NCCs ex-fuel per Capacity Day expected to be essentially flat versus 2023** when the as expected ~\$5 impact of dry-dock is excluded.
- Full Year 2024 Adjusted Net Cruise Costs ex-fuel per Capacity Day is expected to be ~\$159, fully offsetting the impact of inflation and an increase in variable compensation.
 - 2024 Adjusted NCC ex-fuel PCD includes a ~\$5 and 300 basis point impact due to increased dry-dock days.
- Net of the dry-dock **impact Adjusted NCC ex-fuel per Capacity Day expected to be essentially flat year-over-year.**

Demonstrating commitment to reducing costs with core shift in culture seen across the Company

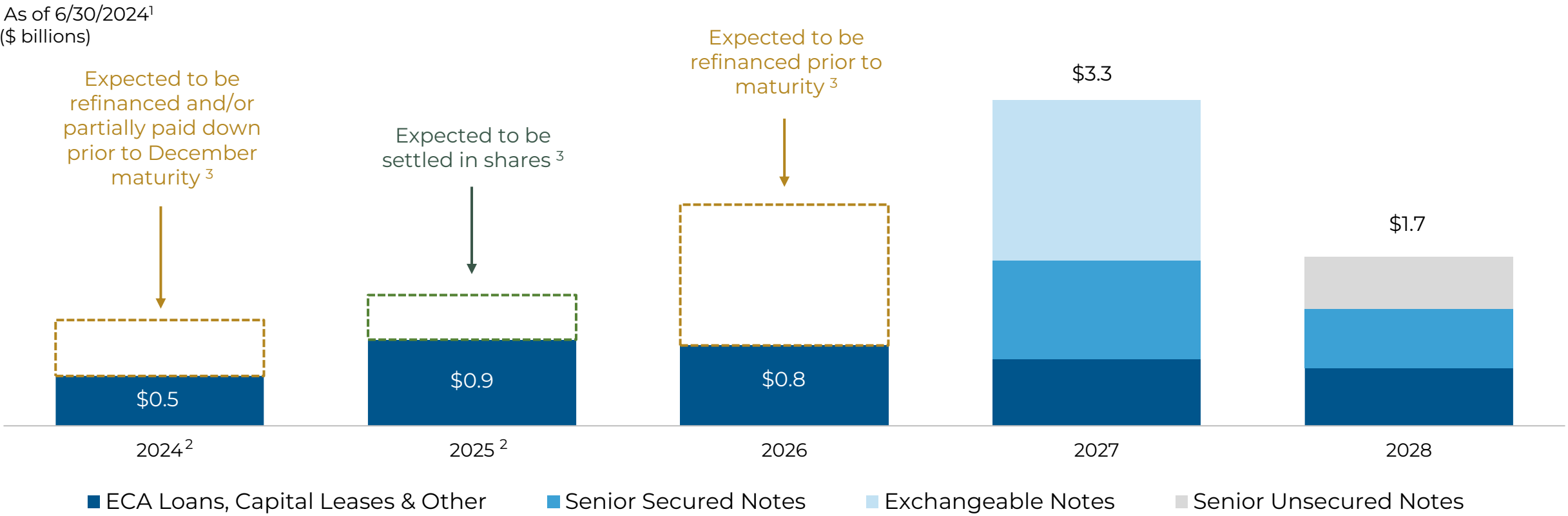
(1) Adjusted Net Cruise Costs Excluding Fuel per Capacity Day as reported.

(2) Adjusted Net Cruise Costs represents a non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP financial measure.

Adj. Operational EBITDA Margin¹

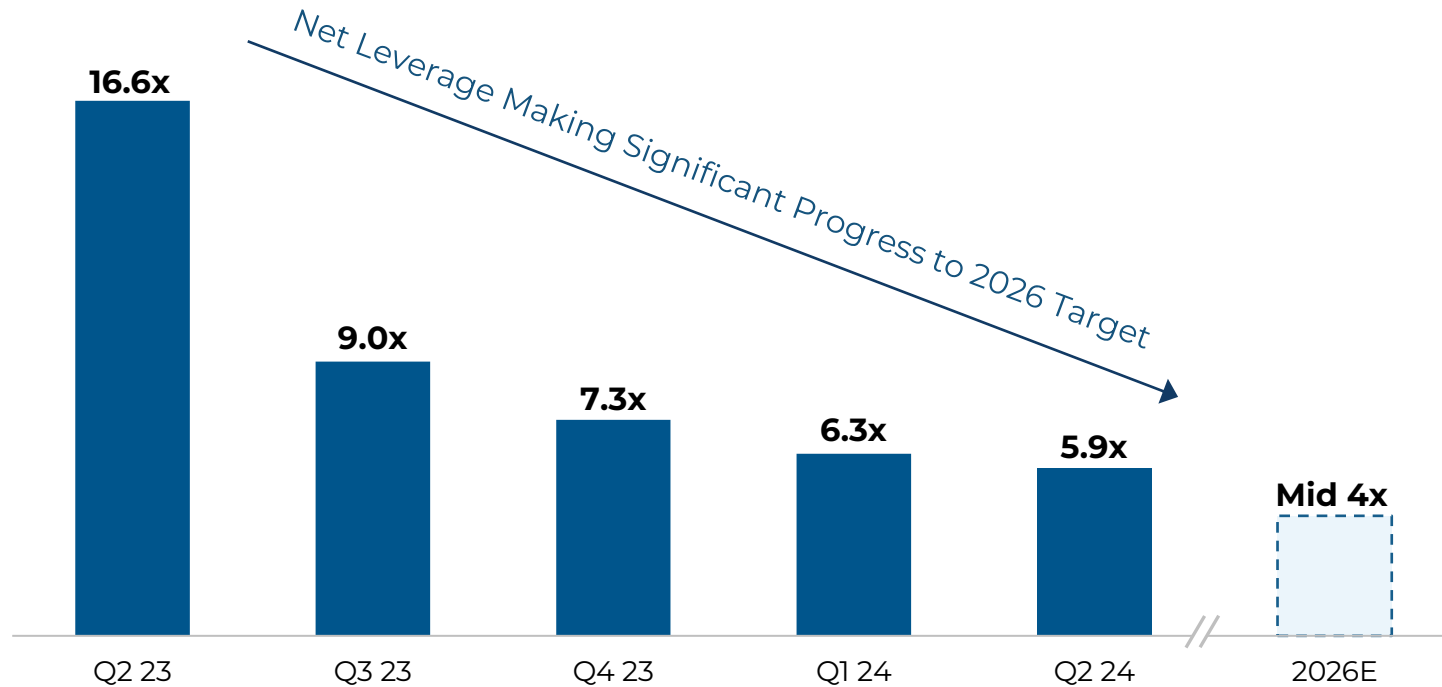
- Q2 LTM Adj. Operational EBITDA Margin improvement to 33.0%
- Full year Adj. Operational EBITDA Margin expected to improve ~400bps to 34.5% versus prior year
- Margin improvements driven by strong revenue and cost savings initiatives:
 - Net Yield expected to be up 8.2% for full year
 - Full year Adjusted Net Cruise Costs ex Fuel per Capacity Day expected to be essentially flat year-over-year excluding Dry-dock impact

Strong Net Yield growth and efforts to right-size cost base are yielding results, as evidenced by improvement in Adj. Operational EBITDA Margin



Debt portfolio is 96% fixed rate, at a weighted average cost of ~5.6%

(1) All amounts presented are as of June 30, 2024.
 (2) Total debt maturing for the remainder of 2024 is \$1.1 billion, \$1.3 billion in 2025, and \$2.2 billion in 2026.
 (3) \$565 million 3.625% Senior Notes due 2024 and \$1,425 million 5.875% Senior Notes due 2026 are highlighted as expected to be refinanced, and 2025 Exchangeable Notes are expected to be settled in shares.
 Note: All future repayments, total debt amounts and certain variable interest rates are forward-looking and involve risks and uncertainties and are subject to change based on future events. These statements should be considered in conjunction with the Cautionary Statement Concerning Forward-Looking Statements contained in our Q2 2024 earnings release.

Net Leverage Reduction¹

Achieved Net Leverage goal 6 months early – reduced Net Leverage by ~1.5x turn from year end

Expect significant organic reduction in Net Leverage from current levels driven by ongoing cash generation and scheduled amortization payments

Executing on multi-year plan to reduce Net Leverage levels and de-risk balance sheet to drive shareholder value

CHARTING THE COURSE

EXECUTING ON OUR STRATEGY

PEOPLE
EXCELLENCE

GUEST-CENTRIC
PRODUCT OFFERING

LONG-TERM
GROWTH PLATFORM

EXCEPTIONAL
PERFORMANCE

SAIL  SUSTAIN

STRONG 2026 FINANCIAL TARGETS

Adj. Operational
EBITDA Margin

~39%

Approaching
historical margins

Adj. EPS

~\$2.45

>30% CAGR
from 2024²

Net Leverage

Mid 4x

Strengthening the
balance sheet

Adj. ROIC

12%

Record levels

10% GHG Intensity¹ Reduction from 2019 baseline

(1) GHG intensity is measured by MTCO₂e on a per Capacity Day basis. The targets cover NCLH's emissions from its fleet of ships, islands and facilities (Scopes 1 & 2) as well as upstream fuel- and energy-related activities, including well-to-tank emissions (portion of Scope 3). Capacity Days is defined as Berths available for sale multiplied by the number of cruise days for the period for ships in service.

(2) Based on May 2024 guidance.

APPENDIX

FLEET EXPANSION DETAIL

YEAR	BRAND	DETAIL	GROSS TONS ¹	BERTHS ¹
2025	Norwegian Cruise Line	Norwegian Aqua	~156,000	~3,550
2025	Oceania Cruises	Allura	~68,000	~1,250
2026	Norwegian Cruise Line	Next Generation Norwegian Prima Class	~156,000	~3,550
2026	Regent Seven Seas	Seven Seas Prestige ²	~77,000	~850
2027	Norwegian Cruise Line	Next Generation “Methanol-Ready” Norwegian Prima Class	~169,000	~3,850
2027	Oceania Cruises	New Class ²	~86,000	~1,450
2028	Norwegian Cruise Line	Next Generation “Methanol-Ready” Norwegian Prima Class	~169,000	~3,850
2029	Oceania Cruises	New Class ^{2,3}	~86,000	~1,450
2029	Regent Seven Seas	Seven Seas Prestige Class ²	~77,000	~850
2030	Norwegian Cruise Line	New Class ^{2,4}	~225,000	~5,100
2032	Norwegian Cruise Line	New Class ^{2,4}	~225,000	~5,100
2034	Norwegian Cruise Line	New Class ^{2,4}	~225,000	~5,100
2036	Norwegian Cruise Line	New Class ^{2,4}	~225,000	~5,100

(1) Berths and gross tons are preliminary and subject to change as we approach delivery.

(2) Newbuild orders related to fleet expansion announced on April 8, 2024.

(3) Delivery for second Oceania Cruises ship is contractually scheduled for the fourth quarter of 2028, but may be delayed to 2029.

(4) Norwegian Cruise Line Holdings Ltd. expects a four ship Norwegian Cruise Line order to replace a separate, effective, two ship order for Oceania Cruises initially placed to secure availability with the shipyard. Contracts and financing for the four ship order for Norwegian Cruise Line are being negotiated. Expected delivery dates are preliminary and subject to change.

2024					
	Q1	Q2	Q3	Q4	FY
Alaska	0%	17%	20%	4%	10%
Asia/Africa/Pacific	16%	5%	3%	12%	9%
Bermuda	2%	10%	6%	3%	5%
Caribbean	58%	18%	8%	30%	28%
Europe	0%	34%	51%	21%	27%
Hawaii	3%	4%	3%	5%	4%
Other	21%	13%	8%	25%	17%
TOTAL	100%	100%	100%	100%	100%

Variance vs 2023					
	Q1	Q2	Q3	Q4	FY
Alaska	0%	0%	(3%)	(0%)	(1%)
Asia/Africa/Pacific	8%	3%	2%	1%	3%
Bermuda	(1%)	(1%)	(1%)	(1%)	(1%)
Caribbean	4%	(2%)	2%	3%	2%
Europe	(5%)	1%	(1%)	(5%)	(3%)
Hawaii	(0%)	(0%)	(0%)	1%	0%
Other	(5%)	(1%)	1%	2%	(1%)

Note: Based on voyage plan as of 7/19/24.

\$ Millions unless otherwise noted	Q3 2024	FY 2024	
Depreciation & Amortization	\$225M	\$895M	
Run-Rate Interest Expense, net ¹	\$180M	\$735M	
Non-Newbuild Capital Expenditures	\$141M	\$575M	
Fuel Consumption (metric tons)	235,000	995,000	
Fuel Price Per Metric Ton (net of hedges)	\$725	\$714	

\$ Billions unless otherwise noted	Q3 2024	FY 2024	FY 2025	FY 2026
Newbuild-Related Capital Expenditures, Pre-Financing ²	\$227M	\$0.7B	\$2.2B	\$2.3B
Export Credit Financing for Newbuild-Related Capital Expenditures	\$108M	\$0.4B	\$1.6B	\$1.5B
Newbuild-Related Capital Expenditures, Net of Financing	\$119M	\$0.3B	\$0.6B	\$0.8B

(1) Run-rate interest expense excluding debt extinguishment and modification costs.

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

Note: Numbers may not add due to rounding.

NCLH FUEL HEDGE PROGRAM AS OF 6/30/2024

	2024	2025
% of HFO Consumption Hedged ¹	36%	40%
Blended HFO Hedge Price / Metric Ton	~\$395	~\$413
% of MGO Consumption Hedged	69%	38%
Blended MGO Hedge Price / Metric Ton	~\$746	~\$737
Total % of Consumption Hedged	53%	39%



Hedge program in place to provide partial protection from fuel price volatility

ILLUSTRATIVE DILUTED SHARE COUNT MODELING

Q3 2024			
GAAP Net Income (Loss) (\$m)	Shares (m) ¹		Interest Expense Reduction ² (\$m)
	Basic	Diluted	
Net Loss	~440	~440	\$0
Up to \$60	~440	~444	\$0
\$60 to \$119	~440	~478	\$5
\$119 to \$128	~440	~491	\$8
Above \$128	~440	~515	\$15

FULL YEAR 2024			
GAAP Net Income (Loss) (\$m)	Shares (m) ¹		Interest Expense Reduction ² (\$m)
	Basic	Diluted	
Net Loss	~435	~435	\$0
Up to \$236	~435	~439	\$0
\$236 to \$441	~435	~473	\$18
\$441 to \$468	~435	~477	\$22
\$468 to \$503	~435	~491	\$36
Above \$503	~435	~515	\$63

1. Estimates provided for a range of scenarios for illustrative purposes only. Shares outstanding are based upon several estimates and assumptions. The number of shares in actual calculations of earnings per share will likely be different from those set forth above. Estimates are calculated using the "if-converted" method for exchangeable notes consistent with FASB accounting standards. The exchangeable notes considered for full year 2024 include our 1.125% Exchangeable Notes due 2027, our 6% Exchangeable Notes due 2024, our 2.5% Exchangeable Notes due 2027 and our 5.375% Exchangeable Notes due 2025. The exchangeable notes considered for Q3 2024 include our 1.125% Exchangeable Notes due 2027, our 2.5% Exchangeable Notes due 2027 and our 5.375% Exchangeable Notes due 2025. Our Exchangeable Notes due 2024 were settled in shares, and our Exchangeable Notes Due 2025 must be settled in shares, while both of our Exchangeable Notes due 2027 can be settled in cash or shares at our election.

2. Interest addback for earnings per diluted share, net of taxes.

DEFINITIONS AND NON-GAAP INFORMATION AND RECONCILIATION



Non-GAAP financial measures should not be used as a substitute for GAAP financial measures, or considered in isolation, for the purpose of analyzing operating performance, financial position or cash flows. The Company does not provide certain estimated future results on a GAAP basis because the Company is unable to predict, with reasonable certainty, the future movement of foreign exchange rates or the future impact of certain gains and charges. These items are uncertain and will depend on several factors, including industry conditions, and could be material to the Company's results computed in accordance with GAAP.

Adjusted EBITDA. EBITDA adjusted for other income (expense), net and other supplemental adjustments.

Adjusted EPS. Adjusted Net Income (Loss) divided by the number of diluted weighted-average shares outstanding.

Adjusted Gross Margin. Gross margin adjusted for payroll and related, fuel, food, other and ship depreciation. Gross margin is calculated pursuant to GAAP as total revenue less total cruise operating expense and ship depreciation.

Adjusted EBITDA Margin. Adjusted EBITDA divided by revenue.

Adjusted Operational EBITDA Margin. Adjusted EBITDA divided by Adjusted Gross Margin.

Adjusted Net Cruise Cost Excluding Fuel. Net Cruise Cost less fuel expense adjusted for supplemental adjustments.

Adjusted Net Income (Loss). Net income (loss), adjusted for the effect of dilutive securities and other supplemental adjustments.

Adjusted ROIC. An amount expressed as a percentage equal to (i) Adjusted EBITDA less depreciation and amortization plus other supplemental adjustments, divided by (ii) the sum of total long-term debt and shareholders' equity as of the end of a respective quarter, averaged for the most recent five fiscal quarters ending with the last date of the applicable fiscal year.

Capacity Days. Berths available for sale multiplied by the number of cruise days for the period for ships in service.

Constant Currency. A calculation whereby foreign currency-denominated revenues and expenses in a period are converted at the U.S. dollar exchange rate of a comparable period in order to eliminate the effects of foreign exchange fluctuations.

Dry-dock. A process whereby a ship is positioned in a large basin where all of the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.

EBITDA. Earnings before interest, taxes, and depreciation and amortization.

2024 Exchangeable Notes. On May 8, 2020, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$862.5 million aggregate principal amount of exchangeable senior notes due 2024.

Net Debt. Long-term debt, including current portion, less cash and cash equivalents.

Net Leverage. Net Debt divided by Adjusted EBITDA for the trailing twelve-months.

Net Per Diem. Adjusted Gross Margin divided by Passenger Cruise Days.

Net Yield. Adjusted Gross Margin per Capacity Day.

Occupancy, Occupancy Percentage or Load Factor. The ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.

Passenger Cruise Days. The number of passengers carried for the period, multiplied by the number of days in their respective cruises.

(UNAUDITED)

Adjusted EPS was calculated as follows**(in thousands, except share and per share data):**

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Net income	\$163,436	\$86,116
Effect of dilutive securities - exchangeable notes	\$16,017	\$4,603
Net income and assumed conversion of exchangeable notes	\$179,453	\$90,719
Non-GAAP Adjustments:		
Non-cash deferred compensation	1,232	1,010
Non-cash share-based compensation	22,984	44,536
Extinguishment and modification of debt	-	719
Adjusted Net Income	\$203,669	\$136,984
Diluted weighted-average shares outstanding -Net income and Adjusted Net Income	513,589,734	461,075,240
Diluted EPS	\$0.35	\$0.20
Adjusted EPS	\$0.40	\$0.30

Adjusted EBITDA is calculated as follows**(in thousands):**

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Net income	\$163,436	\$86,116
Interest expense, net	178,472	177,692
Income tax expense	1,549	694
Depreciation and amortization expense	222,405	197,115
EBITDA	\$565,862	\$461,617
Other (income) expense, net	(1,896)	8,043
Non-cash deferred compensation	718	578
Non-cash share-based compensation	22,984	44,536
Adjusted EBITDA	\$587,668	\$514,774

Adjusted EBITDA	\$587,668	\$514,774
Total Revenue	\$2,372,492	\$2,205,492
Adjusted EBITDA Margin	24.8%	23.3%

Adjusted EBITDA	\$587,668	\$514,774
Adjusted Gross Margin	\$1,699,746	\$1,536,757
Adjusted Operational EBITDA Margin	34.6%	33.5%

(UNAUDITED)

Adjusted Gross Margin, Net Per Diem, and Net Yield were calculated as follows

(in thousands, except Passenger Cruise Days and Net Per Diem Data):

	Three Months Ended June 30, 2024	Constant Currency compared to 2023	Three Months Ended June 30, 2023	Twelve Months Ended December 31, 2023
Total revenue	\$2,372,492	\$2,372,616	\$2,205,492	\$8,549,924
Less: Total cruise operating expense	1,454,755	1,454,748	1,383,610	5,468,587
Less: Ship depreciation	206,351	206,351	183,499	753,629
Gross Margin	\$711,386	\$711,517	\$638,383	\$2,327,708
Ship depreciation	206,351	206,351	183,499	753,629
Payroll and related	330,578	330,554	308,220	1,262,119
Fuel	174,964	174,955	164,242	716,833
Food	77,046	77,133	87,770	358,310
Other	199,421	199,227	154,643	648,142
Adjusted Gross Margin	\$1,699,746	\$1,699,737	\$1,536,757	\$6,066,741
Passenger Cruise Days	6,077,574	6,077,574	5,781,750	23,311,672
Capacity Days	5,736,385	5,736,385	5,513,288	22,652,588
Total revenue per Passenger Cruise Day	\$390.37	\$390.39	\$381.46	\$366.77
Gross margin per Passenger Cruise Day	\$117.05	\$117.07	\$110.41	\$99.85
Net Per Diem	\$279.68	\$279.67	\$265.79	\$260.24
Gross margin per Capacity Day	\$124.01	\$124.04	\$115.79	\$102.76
Net Yield	\$296.31	\$296.31	\$278.74	\$267.82

(UNAUDITED)

Gross Cruise Cost, Net Cruise Cost, Net Cruise Cost Excluding Fuel and Adjusted Net Cruise Cost Excluding Fuel were calculated as follows (in thousands, except Capacity Days and per Capacity Day data):			
	Three Months Ended June 30, 2024	Constant Currency compared to 2023	Three Months Ended June 30, 2023
Total cruise operating expense	\$1,454,755	\$1,454,748	\$1,383,610
Marketing, general and administrative expense	353,771	353,774	352,222
Gross Cruise Cost	\$1,808,526	\$1,808,522	\$1,735,832
Less: Commissions, transportation and other expense	501,039	501,172	506,855
Less: Onboard and other expense	171,707	171,707	161,880
Net Cruise Cost	\$1,135,780	\$1,135,643	\$1,067,097
Less: Fuel expense	174,964	174,955	164,242
Net Cruise Cost Excluding Fuel	\$960,816	\$960,688	\$902,855
Less: Non-cash deferred compensation	718	718	578
Less: Non-cash share-based compensation	22,984	22,984	44,536
Adjusted Net Cruise Cost Excluding Fuel	\$937,114	\$936,986	\$857,741
Capacity Days	5,736,385	5,736,385	5,513,288
Gross Cruise Cost per Capacity Day	\$315.27	\$315.27	\$314.85
Net Cruise Cost per Capacity Day	\$198.00	\$197.97	\$193.55
Net Cruise Cost Excluding Fuel per Capacity Day	\$167.50	\$167.47	\$163.76
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$163.36	\$163.34	\$155.58

(UNAUDITED)

Gross Cruise Cost, Net Cruise Cost, Net Cruise Cost Excluding Fuel and Adjusted Net Cruise Cost Excluding Fuel were calculated as follows
(in thousands, except Capacity Days and per Capacity Day data):

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023	Twelve Months Ended December 31, 2023
Total cruise operating expense	\$1,073,316	\$1,383,610	\$5,468,587
Marketing, general and administrative expense	329,080	352,222	1,341,858
Gross Cruise Cost	\$1,402,396	\$1,735,832	\$6,810,445
Less: Commissions, transportation and other expense	256,190	506,855	1,883,279
Less: Onboard and other expense	96,155	161,880	599,904
Net Cruise Cost	\$1,050,051	\$1,067,097	\$4,327,262
Less: Fuel expense	181,189	164,242	716,833
Net Cruise Cost Excluding Fuel	\$868,862	\$902,855	\$3,610,429
Less: Non-cash deferred compensation	699	578	2,312
Less: Non-cash share-based compensation	30,048	44,536	118,940
Adjusted Net Cruise Cost Excluding Fuel	\$838,115	\$857,741	\$3,489,177
Capacity Days	4,639,435	5,513,288	22,652,588
Gross Cruise Cost per Capacity Day	\$302.28	\$314.85	\$300.65
Net Cruise Cost per Capacity Day	\$226.33	\$193.55	\$191.03
Net Cruise Cost Excluding Fuel per Capacity Day	\$187.28	\$163.76	\$159.38
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$180.65	\$155.58	\$154.03

(UNAUDITED)

Adjusted EBITDA is calculated as follows (in thousands):	Twelve Months Ended,				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Net income (loss)	(\$851,079)	(\$209,817)	\$166,178	\$342,852	\$420,172
Interest expense, net	678,399	707,270	727,531	774,451	775,231
Income tax (benefit) expense	(19,799)	(785)	(3,002)	8,172	9,027
Depreciation and amortization expense	780,568	798,625	808,568	836,707	861,997
EBITDA	588,089	1,295,293	1,699,275	1,962,182	2,066,427
Other (income) expense, net	9,543	28,944	40,204	13,112	3,173
Other	138,109	135,467	121,252	115,186	93,774
Adjusted EBITDA	\$735,741	\$1,459,704	\$1,860,731	\$2,090,480	\$2,163,374
Adjusted EBITDA	\$735,741	\$1,459,704	\$1,860,731	\$2,090,480	\$2,163,374
Total Revenue	\$7,162,070	\$8,082,597	\$8,549,924	\$8,919,200	\$9,086,200
Adjusted EBITDA Margin	10.3%	18.1%	21.8%	23.4%	23.8%
Adjusted EBITDA	\$735,741	\$1,459,704	\$1,860,731	\$2,090,480	\$2,163,374
Adjusted Gross Margin	\$5,044,246	\$5,709,591	\$6,066,741	\$6,397,152	\$6,560,141
Adjusted Operational EBITDA Margin	14.6%	25.6%	30.7%	32.7%	33.0%

(UNAUDITED)

Net Debt and Net Leverage were calculated as follows	Twelve Months Ended,				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Long-term debt	\$11,994,555	\$12,634,609	\$12,314,147	\$12,005,296	\$11,913,073
Current portion of long-term debt	1,125,754	1,240,088	1,744,778	1,744,221	1,525,488
Total Debt	\$13,120,309	\$13,874,697	\$14,058,925	\$13,749,517	\$13,438,561
Less: Cash and cash equivalents	899,135	681,558	402,415	559,814	594,098
Net Debt	\$12,221,174	\$13,193,139	\$13,656,510	\$13,189,703	\$12,844,463
Adjusted EBITDA	\$735,741	\$1,459,704	\$1,860,731	\$2,090,480	\$2,163,374
Net Leverage	16.6x	9.0x	7.3x	6.3x	5.9x