

NCLH

NORWEGIAN CRUISE LINE
HOLDINGS LTD.



FOURTH QUARTER AND FULL YEAR 2023 EARNINGS CONFERENCE CALL

February 27, 2024

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, or incorporated by reference, 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 expectations regarding the impact of macroeconomic conditions and recent global events, our expectations regarding cruise voyage occupancy, operational position, demand for voyages, plans or goals for our sustainability program and decarbonization efforts, our expectations for future cash flows and profitability, financing opportunities and extensions, 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: 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, Quarterly Report on Form 10-Q 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.

NCLH OVERVIEW



1966

Year Founded



32

Ships in Fleet



~66,500

Berths



5

Ships on Order



~16,000

Berths on Order



~700

Global Destinations Visited



~41,000

Team Members



~2.9M

Expected Guests Carried in 2024



2

Luxurious Private Island Destinations

KEY EVENTS SINCE Q3 2023 EARNINGS CALL

Nov 2	Norwegian Cruise Line unveiled the evolution of the Prima Class with the all-new Norwegian Aqua, the first of the expanded Prima Plus Class setting sail in April 2025. The legacy continues with renowned Italian shipbuilder Fincantieri constructing this next-generation Prima Plus Class. Building upon the award-winning experiences of Norwegian Prima and Norwegian Viva, Norwegian Aqua will set new standards and deliver brand-new guest experiences to be discovered and will offer more outdoor space and the highest staffing levels of any new contemporary cruise ship.
Nov 14	Regent Seven Seas Cruises® took delivery of the highly anticipated Seven Seas Grandeur™, which is the sixth ship to join The World's Most Luxurious Fleet™. Inspired by the past and stunningly reimagined for the future, this magnificent vessel was designed by the multi-award-winning Studio DADO and built by premier ship builder Fincantieri in Ancona, Italy in just over two years. Seven Seas Grandeur will provide among the highest space and staff to guest ratios in the industry providing unrivaled space, unparalleled service, Epicurean Perfection, fascinating art, and transformative experiences for guests beginning the moment they step on board.
Nov 21	Oceania Cruises announced that its 1,250-passenger ship, Marina, will undergo an all-encompassing refurbishment in May 2024. The refurbishment will include the addition of three new dining options: Aquamar Kitchen, the new wellness-focused dining venue which debuted on Vista this year; an expanded poolside ice cream parlor serving milkshakes and smoothies, plus inventive flavors from artisan ice cream company Humphry Slocombe; and a new casual al fresco trattoria offering sumptuous Italian dishes, including freshly-made pizzas.
Dec 1	Norwegian Cruise Line's all-new Norwegian Viva completed her exclusive christening voyage following a star-studded event in Miami. Norwegian Viva is the second ship in the award-winning Prima Class. Luis Fonsi, Norwegian Viva's godfather and GRAMMY® Award-nominated singer, songwriter, musician, and producer, officially named and christened the vessel with the ceremonial champagne bottle break across the ship's hull which signifies good fortune and safe travels for all who sail aboard. As a native Puerto Rican, who is also based in Miami, Fonsi embodies the vibrant energy guests can enjoy aboard Norwegian Viva with warm-weather itineraries spanning from the Caribbean to the Mediterranean.
Jan 4	Oceania Cruises announced that its 1,250-guest ship Riviera will explore the continents of Africa and Asia at the end of 2024, and into 2025, with three brand new itineraries. The jewel of these itineraries is a once-in-a-lifetime 59-day Grand Voyage which offers guests the opportunity to explore the truly off-the-beaten path ports across Africa and Asia.
Jan 23	Regent Seven Seas Cruises® announced a collection of six unique Immersive Overnights voyages where each port of call features an overnight stay – allowing for deeper exploration and discovery in much-loved destinations. These voyages, currently on board four of the fleet's six ships, will include special shoreside experiences exclusively crafted to make each overnight call a memorable part of the journey.
Feb 9	Regent Seven Seas Cruises® announced a landmark partnership with the iconic Aston Martin Aramco Formula One Team®, becoming the team's first official Global Cruise Line Partner. As part of the partnership, Regent and Aston Martin Aramco Formula One Team® will collaborate to create exclusive experiences for luxury travelers.
Feb 20	In late 2023, we made the decision to cancel all sailings to Israel in 2024, and in response to the ongoing conflict in the region, we have strategically rerouted or cancelled all the sailings that were scheduled to pass through the Red Sea this year.

A landmark year introducing three world-class ships and returning to profitability

● FLEET EXPANSION

Three new ships, one for each of our brands.

● REACHED FULL OCCUPANCY

Returned to full Occupancy in Q2 2023.

● REVENUE GROWTH

Revenue PCD up 17% compared to 2019.

● PROGRESS ON RIGHTSIZING COST BASE

Reduced Adj. NCC ex Fuel PCD by 21% in 2023 compared to 2022.

● RETURN TO PROFITABILITY

Ended 2023 with Adjusted EPS of \$0.70.

● LEVERAGE REDUCTION

Paid down \$1.9 billion in debt during 2023, including \$875 million revolver pay down.

● CAPITALIZED ON HEALTHY DEMAND

Ended year with booked position and pricing at all-time highs.

● INCREASING ADVANCED TICKET SALES

Ended year with record year-end ATS up 56% compared to 2019.

● ENHANCED GUEST EXPERIENCE

Implemented ROI-driven investments such as Starlink, improved pre-cruise guest experience and digital tools.

● COMMITMENT TO SUSTAINABILITY

Targeting greenhouse gas intensity reduction of 10% by 2026 and 25% by 2030.¹

1) Against a 2019 baseline with intensity measured on a Per Capacity Day basis.

NEAR TERM PRIORITIES

CAPITALIZE ON HEALTHY DEMAND ENVIRONMENT



Successfully absorbed 18% capacity growth¹ compared to 2019 while achieving an all-time high booked position and increasing pricing. Maximize onboard revenue generation by capturing more guest spend prior to sailing through selling more packages and other services.

RIGHT SIZE COST-BASE



Continue to focus business on margin optimization and enhancement by balancing product, revenue and cost considerations and better leveraging data to drive decision making and accountability.

STRATEGIC ENHANCEMENTS TO GUEST EXPERIENCE



Identify smart, ROI-driven investments to enhance guest experience and maximize guest satisfaction, with initiatives such as the continued rollout of Starlink high-speed internet across the fleet, improved pre-cruise guest experience and maximizing the potential of our digital tools.

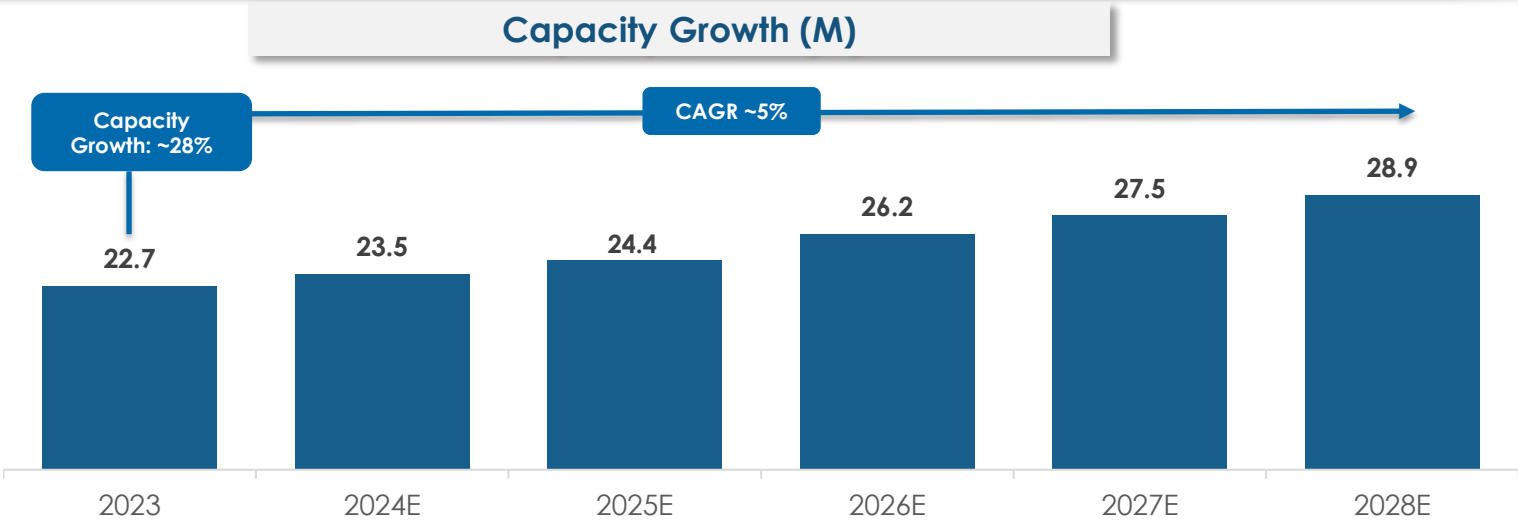
CHART PATH TO REDUCE LEVERAGE & DE-RISK THE BALANCE SHEET



Refine multi-year plan to reduce leverage levels and de-risk balance sheet to drive shareholder value.

(1) FY 2023 capacity increase compared to FY 2019.

MEANINGFUL GROWTH TO TOP AND BOTTOM-LINE RESULTS EXPECTED



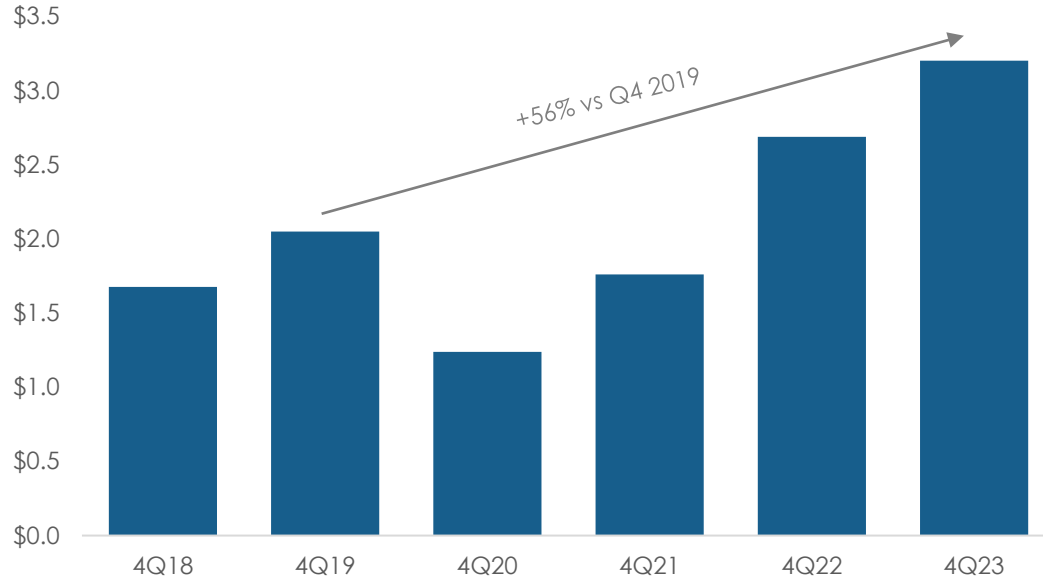
# Ships	32	32	34	35	36	37
New Ships	Norwegian Viva	Organic growth + full benefit of 2023 deliveries	Norwegian Aqua	Next Generation Norwegian Prima Class	Next Generation "Methanol-Ready" Norwegian Prima Class	Next Generation "Methanol-Ready" Norwegian Prima Class
	Oceania Cruises' Vista		Oceania Cruises' Allura			
	Seven Seas Grandeur™					

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.

- The Company continues to experience strong and resilient consumer demand and is at all-time high booked position and pricing.
- 2023 experienced healthy Net Per Diem and Net Yield growth of 9.1% and 4.6%, respectively, on a Constant Currency basis compared to 2019.
- Booking volumes have accelerated in recent months with several record booked weeks buoyed by strong WAVE season demand which began with Black Friday and Cyber Monday. Recent strength in close-in demand in Caribbean.
- Targeting healthy FY 2024 Net Yield growth of approximately 5.4% in Constant Currency, despite operational impacts from the conflict in Israel and the Red Sea. In Q1 24, Net Yield growth is expected to be approximately 15.5% in Constant Currency.
- Onboard revenue remains robust, with strength seen across the board, an encouraging indicator that our target consumer remains healthy and resilient. Gross onboard revenue per Passenger Cruise Day increased 27% in 2023 and 20% in Q4 23 compared to the same periods of 2019.
 - Strength also reflects our targeted efforts to increase pre-cruise purchases, which typically results in higher overall spend throughout a guests' cruise journey. Pre-cruise sales per Passenger Cruise Days increased 84% in 2023 and 77% in Q4 23 compared to the same periods in 2019.

**Strong demand continues with all-time
high booked position and pricing**

Total Advance Ticket Sales (\$B)

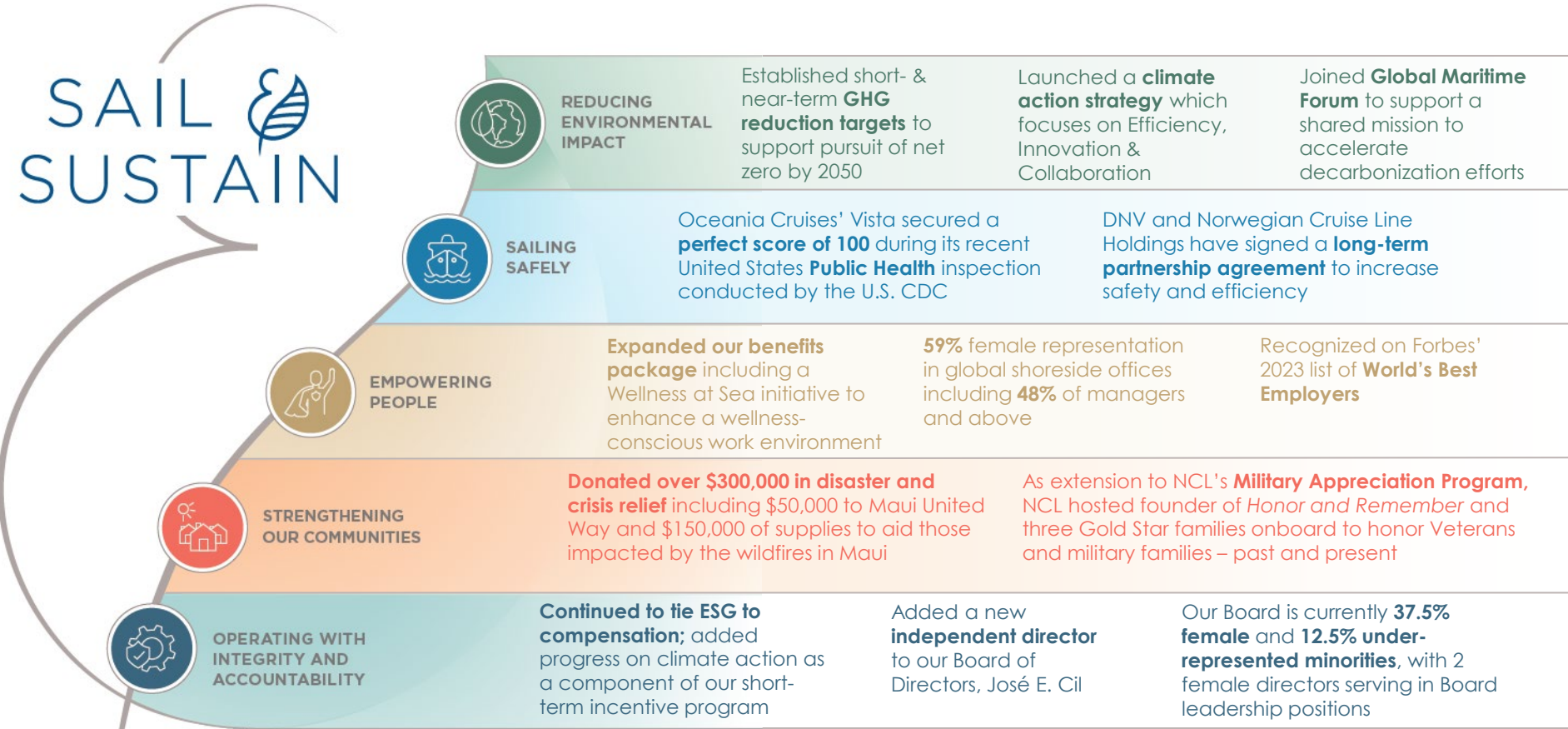


ATS Growth Drivers

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

Advance ticket sales balance increased ~56% vs Q4 2019, significantly outstripping capacity growth of ~18%

SAIL SUSTAIN



Note: More information can be found in NCLH's 2022 ESG Report (<https://www.nclhld.com/sustainability>)

4Q 2023 RESULTS OVERVIEW

	4Q 2023 Guidance	Actuals	Vs. Guidance
Occupancy	~98%	99%	✓
Net Per Diem Growth vs. 2019	15.00% to 16.00%	14.4%	—
Net Yield Growth vs. 2019	7.75% to 8.75%	8.6%	✓
Adjusted Net Cruise Cost ex. Fuel per Capacity Day	~\$151	~\$151	✓
Adjusted EBITDA	~\$360 million	~\$360 million	✓
Adjusted EPS ¹	~\$(0.15)	\$(0.18)	✓ ¹

Strong finish to 2023 sets foundation for a solid 2024

(1) Based on midpoint guidance and using diluted weighted-average shares outstanding of approximately 425 million for Q4 2023. 4Q 23 actuals and include a \$0.06 negative foreign currency impact. Note: Net Per Diem, Net Yield, and Adjusted Net Cruise Cost excluding Fuel per Capacity Day expressed in Constant Currency.

Q1 & FY 2024 GUIDANCE OVERVIEW

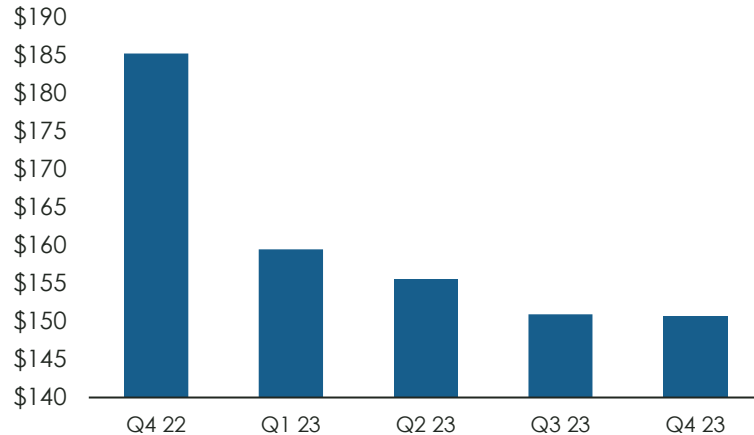
	1Q 2024 Guidance	FY 2024 Guidance
Occupancy	~104.8%	~105.1%
Net Yield Growth	~15.5% ~\$276	~5.4% ~\$282
Adjusted Net Cruise Cost ex. Fuel per Capacity Day	~3.2% ~\$165	~3.4% ~\$159
Adjusted EBITDA	~\$450 million	~\$2.2 billion
Adjusted Net Income	~\$50 million	~\$635 million
Adjusted EPS ¹	\$0.12	\$1.23
Diluted Weighted-Average Shares Outstanding	~431 million	~516 million

(1) Based on midpoint of guidance and using diluted weighted-average shares outstanding of approximately 431 million for Q1 2024 and approximately 516 million for FY 2024.

(2) Note: Net Per Diem, 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 20 and in the Company's earnings release.

Targeted Cost Savings¹

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

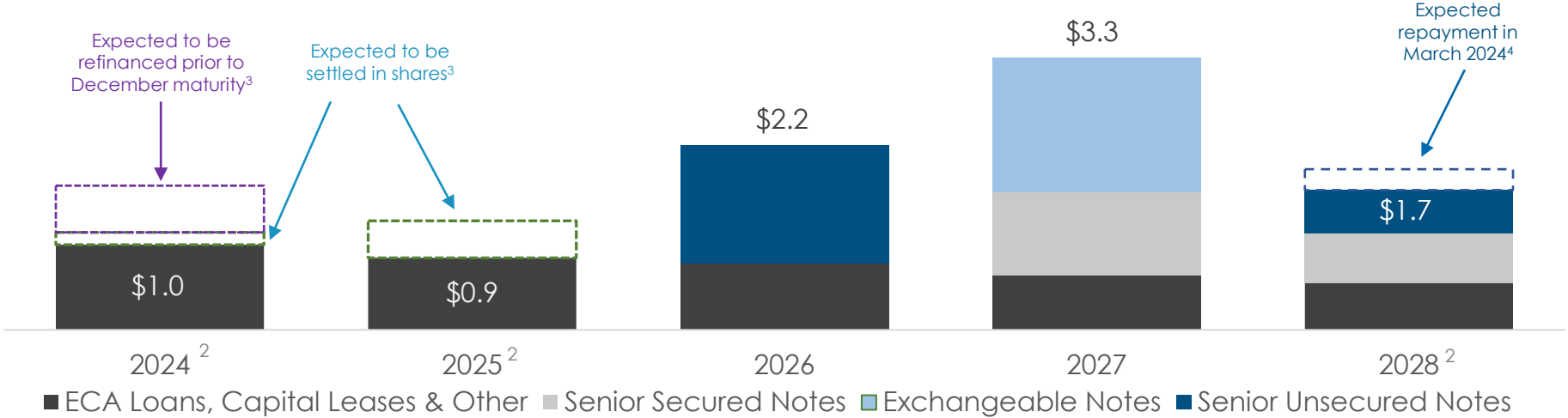


- Ongoing margin enhancement initiative remains a top priority. Focus is on both maximizing revenue opportunities and rightsizing cost base
- **Four continuous quarters of year-over-year of Adjusted NCCs ex-fuel improvement** with Full Year Adjusted NCCs ex-fuel per Capacity Day declining ~21% compared to 2022.
- FY24 Adjusted Net Cruise Costs ex-fuel per Capacity Day is expected to be \$159
 - 2024 Adjusted NCC ex-fuel PCD includes a \$5 and 325 basis point impact due to increased dry dock days.
 - Net of the Dry dock impact **Adjusted NCC ex-fuel PCD would be flat year on year.**

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

MANAGEABLE DEBT MATURITY PROFILE

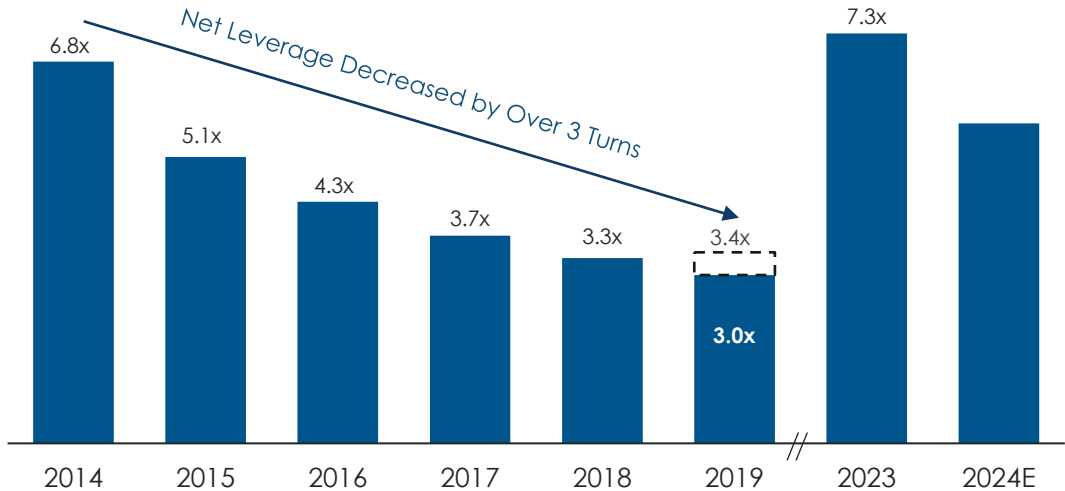
As of 12/31/2023¹
(\$ billions)



Debt portfolio is 95% fixed rate, at a weighted average rate of ~5.6%

(1) All amounts presented are as of December 31, 2023.
 (2) Total debt maturing in 2024 is \$1.7 billion, \$1.3 billion in 2025 and \$1.9 billion in 2028.
 (3) \$565 million 3.625% Senior Notes due 2024 is highlighted as expected to be refinanced, and 2024 Exchangeable Notes and 2025 Exchangeable Notes are expected to be settled in shares.
 (4) We expect to repay our \$250 million 9.75% senior secured notes due 2028 in March 2024 in connection with a refinancing.
 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 Q4 2023 earnings release.

Historical Net Leverage Reduction^{1,2}



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

Refining a multi-year plan to reduce leverage levels and de-risk balance sheet to drive shareholder value

(1) Net Leverage represents a non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP financial measure.
 (2) For illustrative purposes, 2019 excludes debt balance for Norwegian Encore as there is minimal earnings contribution due to timing of ship delivery. Dotted line includes Norwegian Encore debt balance of approximately \$0.9 billion as of December 31, 2019.



FOCUSED ON EXECUTION

Began 2024 focusing on execution of near-term priorities. Continue to capitalize on strong and resilient demand from our target upscale demographic despite some regional disruptions.



RIGHTSIZE COST BASE

Demonstrated progress on our ongoing margin enhancement efforts, including through sequential cost improvement, to strengthen the foundation for sustained, profitable growth.



BALANCE SHEET

Strong liquidity position, reduce leverage and restore balance sheet over time.

Announcing results of strategic assessment of business, defining NCLH's long-term financial targets at May Investor Day.

APPENDIX

	2024				
	Q1	Q2	Q3	Q4	FY
Alaska	0%	17%	20%	4%	10%
Asia/Africa/Pacific	16%	5%	3%	12%	9%
Bermuda	2%	9%	6%	3%	5%
Caribbean	58%	18%	8%	30%	28%
Europe	0%	34%	51%	21%	27%
Hawaii	3%	3%	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%	0%	3%
Bermuda	(1%)	(1%)	(1%)	(1%)	(1%)
Caribbean	3%	(2%)	2%	3%	2%
Europe	(5%)	2%	(1%)	(5%)	(3%)
Hawaii	(0%)	(1%)	(0%)	1%	0%
Other	(5%)	(1%)	1%	2%	(1%)

Note: Based on voyage plan as of 2/16/24.

\$ Millions unless otherwise noted	Q1 2024	FY 2024		
Depreciation & Amortization	\$225M	\$895M		
Run-Rate Interest Expense, net ¹	\$190M	\$730M		
Non-Newbuild Capital Expenditures	\$113M	\$475M		
Fuel Consumption (metric tons)	270,000	995,000		
Fuel Price Per Metric Ton (net of hedges)	\$740	\$695		
\$ Billions unless otherwise noted	Q1 2024	FY 2024	FY 2025	FY 2026
Newbuild-Related Capital Expenditures, Pre-Financing ²	\$110M	\$0.4B	\$2.1B	\$1.4B
Export Credit Financing for Newbuild-Related Capital Expenditures	\$70M	\$0.2B	\$1.5B	\$0.8B
Newbuild-Related Capital Expenditures, Net of Financing	\$40M	\$0.2B	\$0.6B	\$0.6B

(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 12/31/2023		
	2024	2025
% of HFO Consumption Hedged ¹	40%	21%
Blended HFO Hedge Price / Metric Ton	~\$398	~\$402
% of MGO Consumption Hedged	65%	21%
Blended MGO Hedge Price / Metric Ton	~\$745	~\$738
Total % of Consumption Hedged	53%	21%

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

(1) Includes derivatives representing accounting hedges as well as economic hedges. Fuel consumption for the full year 2024 is expected to be split approximately evenly between heavy fuel oil and marine gas oil.

ILLUSTRATIVE DILUTED SHARE COUNT MODELING

Q1 2024			
GAAP Net Income (Loss) (\$m)	Shares (m) ¹		Interest Expense Reduction ² (\$m)
	Basic	Diluted	
Net Loss	~427	~427	\$0
Up to \$57	~427	~431	\$0
\$57 to \$106	~427	~465	\$5
\$106 to \$114	~427	~476	\$7
\$114 to \$123	~427	~489	\$11
Above \$123	~427	~513	\$17

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	~440	\$0
\$236 to \$437	~435	~474	\$18
\$437 to \$468	~435	~478	\$22
\$468 to \$503	~435	~492	\$36
Above \$503	~435	~516	\$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 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. Our Exchangeable Notes due 2024 and 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 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.

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.

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

Net Leverage. Net Debt divided by Adjusted EBITDA.

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.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Adjusted EPS was calculated as follows (in thousands, except share and per share data):	Three Months Ended Dec. 31, 2023	Twelve Months Ended Dec. 31, 2023
Net income (loss)	(\$106,485)	\$166,178
Non-cash deferred compensation	1,010	4,039
Non-cash share-based compensation	22,686	118,940
Extinguishment and modification of debt	5,669	8,822
Adjusted Net Income (Loss)	(\$77,120)	\$297,979
Diluted weighted-average shares outstanding -Net income (loss) and Adjusted Net Income (Loss)	425,426,293	427,400,849
Diluted EPS	(\$0.25)	\$0.39
Adjusted EPS	(\$0.18)	\$0.70

Adjusted EBITDA is calculated as follows (in thousands):	Three Months Ended Dec. 31, 2023	Twelve Months Ended Dec. 31, 2023
Net income (loss)	(\$106,485)	\$166,178
Interest expense, net	197,381	727,531
Income tax expense	(1,832)	(3,002)
Depreciation and amortization expense	212,055	808,568
EBITDA	\$301,119	\$1,699,275
Other (income) expense, net	35,266	40,204
Non-cash deferred compensation	578	2,312
Non-cash share-based compensation	22,686	118,940
Adjusted EBITDA	\$359,649	\$1,860,731

NON-GAAP RECONCILING INFORMATION

(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 Dec. 31, 2023	Constant Currency compared to 2019	Three Months Ended Dec. 31, 2019
Total revenue	\$1,986,456	\$1,993,431	\$1,480,618
Less: Total cruise operating expense	1,321,813	1,324,841	887,422
Less: Ship depreciation	198,012	198,012	149,904
Gross Margin	\$466,631	\$470,578	\$443,292
Ship depreciation	198,012	198,012	149,904
Payroll and related	325,882	325,916	235,832
Fuel	186,830	186,849	111,875
Food	86,735	87,248	56,297
Other	172,019	173,023	135,154
Adjusted Gross Margin	\$1,436,109	\$1,441,626	\$1,132,354
Passenger Cruise Days	5,856,413	5,856,413	5,260,764
Capacity Days	5,903,305	5,903,305	5,035,367
Total revenue per Passenger Cruise Day	\$339.19	\$340.38	\$281.45
Gross margin per Passenger Cruise Day	\$79.68	\$80.35	\$84.26
Net Per Diem	\$245.22	\$246.16	\$215.25
Gross margin per Capacity Day	\$79.05	\$79.71	\$88.04
Net Yield	\$243.27	\$244.21	\$224.88

NON-GAAP RECONCILING INFORMATION

(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 Dec. 31, 2023	Constant Currency compared to 2019	Three Months Ended Dec. 31, 2019
Total cruise operating expense	\$1,321,813	\$1,324,841	\$887,422
Marketing, general and administrative expense	328,258	329,071	229,859
Gross Cruise Cost	\$1,650,071	\$1,653,912	\$1,117,281
Less: Commissions, transportation and other expense	420,714	422,172	263,038
Less: Onboard and other expense	129,633	129,633	85,226
Net Cruise Cost	\$1,099,724	\$1,102,107	\$769,017
Less: Fuel expense	186,830	186,849	111,875
Net Cruise Cost Excluding Fuel	\$912,894	\$915,258	\$657,142
Less: Non-cash deferred compensation	578	578	534
Less: Non-cash share-based compensation	22,686	22,686	12,985
Less: Severance payments and other fees	-	-	6,514
Adjusted Net Cruise Cost Excluding Fuel	\$889,630	\$891,994	\$637,109
Capacity Days	5,903,305	5,903,305	5,035,367
Gross Cruise Cost per Capacity Day	\$279.52	\$280.17	\$221.89
Net Cruise Cost per Capacity Day	\$186.29	\$186.69	\$152.72
Net Cruise Cost Excluding Fuel per Capacity Day	\$154.64	\$155.04	\$130.51
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$150.70	\$151.10	\$126.53

NON-GAAP RECONCILING INFORMATION

(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 Dec. 31, 2022	Three Months Ended Mar. 31, 2023	Three Months Ended Jun. 30, 2023	Three Months Ended Sept 30, 2023
Total cruise operating expense	\$1,219,459	\$1,280,418	\$1,383,610	\$1,482,746
Marketing, general and administrative expense	378,527	336,013	352,222	325,365
Gross Cruise Cost	\$1,597,986	\$1,616,431	\$1,735,832	\$1,808,111
Less: Commissions, transportation and other expense	337,683	409,684	506,855	546,026
Less: Onboard and other expense	102,487	119,697	161,880	188,694
Net Cruise Cost	\$1,157,816	\$1,087,050	\$1,067,097	\$1,073,391
Less: Fuel expense	183,143	194,868	164,242	170,893
Net Cruise Cost Excluding Fuel	\$974,673	\$892,182	\$902,855	\$902,498
Less: Non-cash deferred compensation	699	578	578	578
Less: Non-cash share-based compensation	24,640	28,155	44,536	23,563
Less: Restructuring Costs	12,140	-	-	-
Adjusted Net Cruise Cost Excluding Fuel	\$937,194	\$863,449	\$857,741	\$878,357
Capacity Days	5,060,866	5,415,547	5,513,288	5,820,448
Gross Cruise Cost per Capacity Day	\$315.75	\$298.48	\$314.85	\$310.65
Net Cruise Cost per Capacity Day	\$228.78	\$200.73	\$193.55	\$184.42
Net Cruise Cost Excluding Fuel per Capacity Day	\$192.59	\$164.74	\$163.76	\$155.06
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$185.18	\$159.44	\$155.58	\$150.91

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Net Debt and Net Leverage were calculated as follows	Year Ended December 31						
	2023	2019 ¹	2018	2017	2016	2015	2014
Long-term debt	\$12,314,147	\$6,055,335	\$5,810,873	\$5,688,392	\$5,838,494	\$5,767,697	\$5,503,076
Current portion of long-term debt	1,744,778	746,358	681,218	619,373	560,193	629,840	576,947
Total Debt	\$14,058,925	\$6,801,693	\$6,492,091	\$6,307,765	\$6,398,687	\$6,397,537	\$6,080,023
Less: Cash and cash equivalents	402,415	252,876	163,851	176,190	128,347	115,937	84,824
Net Debt	\$13,656,510	\$6,548,817	\$6,328,240	\$6,131,575	\$6,270,340	\$6,281,600	\$5,995,199
Adjusted EBITDA	\$1,860,731	\$1,935,020	\$1,897,742	\$1,657,354	\$1,444,432	\$1,226,915	\$877,852
Net Leverage	7.3x	3.4x	3.3x	3.7x	4.3x	5.1x	6.8x

(1) 2019 illustrative Net Leverage excluding approximately \$0.9 billion of debt related to Norwegian Encore, as there was minimal earnings contribution due to timing of ship delivery, is 3.0x.