



NORWEGIAN CRUISE LINE
HOLDINGS LTD.

SECOND QUARTER 2022 EARNINGS CONFERENCE CALL

August 9, 2022



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 release, 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 impacts of the COVID-19 pandemic, Russia’s invasion of Ukraine and general macroeconomic conditions, our expectations regarding cruise voyage occupancy, the implementation of and effectiveness of our health and safety protocols, 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 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, including the COVID-19 pandemic, and their effect on the ability or desire of people to travel (including on cruises), which is expected to continue to adversely impact our results, operations, outlook, plans, goals, growth, reputation, cash flows, liquidity, demand for voyages and share price; 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 regulatory restrictions related to the pandemic; legislation prohibiting companies from verifying vaccination status; 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 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 as a result of the impact of the COVID-19 pandemic or otherwise; 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, such as terrorist acts, armed conflict, such as Russia’s invasion of Ukraine, and threats thereof, acts of piracy, and other international events; adverse incidents involving cruise ships; adverse general economic and related factors, including as a result of the impact of the COVID-19 pandemic, Russia’s invasion of Ukraine or otherwise, 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; 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; our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues; our inability to obtain adequate insurance coverage; pending or threatened litigation, investigations and enforcement actions; any further impairment of our trademarks, trade names or goodwill; 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 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. 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, Russia’s invasion of Ukraine and the impact of general macroeconomic conditions. 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 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 Q1 2022 EARNINGS CALL

May 10	Oceania Cruises reported that the opening day for its 2024 Collection of voyages on May 4, 2022, ranked among the best single-day booking periods in the line's history.
June 6	Company announced expanded animal welfare commitments including new standards and goals across four key areas: chicken, eggs, pork and seafood.
June 8	Company published its second annual ESG Report and Sustainability Accounting Standards Board (SASB) disclosure.
June 12	U.S. lifts COVID-19 test requirement for international travel.
June 15	For the fourth year running, Regent Seven Seas Cruises sold out its world cruise in record time, with the 2025 sailing completely reserved prior to officially opening for bookings.
July 6	Company announced revisions to SailSAFE protocols including the elimination of pre-cruise COVID-19 testing effective August 1 st unless required by local regulations.
July 6	Company announced the first winner of the Company's Call to Artists contest in collaboration with The Nader Museum.
July 15	Company announced the 100 winners of the 2022 Norwegian's Giving Joy™ contest, the Company's annual recognition program that celebrates devoted educators across the U.S. and Canada.
July 18	CDC discontinues its voluntary COVID-19 Program for cruise ships.
July 29	Company announced amendment to its existing undrawn \$1 billion commitment, extending it through March 31, 2023.
July 29	Norwegian Cruise Line took delivery of its newest ship, Norwegian Prima, in Marghera, Venice at the Fincantieri shipyard.
Aug 2	The Company announced Norwegian Viva, the second Prima Class vessel, floated out from her dry dock in Marghera, marking a major construction milestone and the first time the new vessel touches water.
Aug 8	Company announces significant relaxation of SailSAFE protocols effective Sept 3. Vaccinated guests will no longer have pre-cruise COVID-19 protocols and unvaccinated guests are welcome with proof of a negative COVID-19 test, where local regulations permit.

KEY CATALYSTS

1

Improvement in Public Health & Regulatory Environments

- Significant relaxation of vaccination and testing protocols effective Sept 3rd where local regulations permit
- U.S. testing for international travel and CDC's COVID-19 program for cruise ships discontinued
- Ports globally continue to reopen to cruise

2

Consumer Desire for Travel & Experiences Intact

- Healthy consumer trends continue including strong onboard revenue generation
- Well-positioned in an economic downturn due to cruise's compelling value proposition versus land-based peers
- Company's target higher-end demographic is more resilient throughout economic cycles

3

Attractive Newbuild Pipeline

- Addition of Norwegian Prima in July brings total fleet to 29 ships
- 3 additional ships, one for each brand, expected in 2023
- Historical track record of absorbing capacity growth and delivering outsized contributions

Company has significant tailwinds and catalysts to continue recovery and lay foundation for a record 2023

DISCIPLINED AND ATTRACTIVE NEWBUILD PROGRAM



Ships / Berths at YE 2021	17 ships / 50,520 berths	6 ships / 5,240 berths	5 ships / 3,390 berths
Ships Ordered from 2022-2027	6	2	1

FIRST SAILING	2022	1) Norwegian Prima: ~3,100 Berths (3 rd quarter) ¹		
	2023	2) Norwegian Viva: ~3,100 Berths (2 nd quarter)	1) Vista: ~1,200 Berths (2 nd quarter)	1) Seven Seas Grandeur™: 750 Berths (4 th quarter)
	2024	3) Prima Plus Class: ~3,550 Berths (4 th quarter)		
	2025	4) Prima Plus Class: ~3,550 Berths (3 rd quarter)	2) Allura Class: ~1,200 Berths (2 nd quarter)	
	2026	5) Prima Plus Class: ~3,550 Berths (3 rd quarter)		
	2027	6) Prima Plus Class: ~3,550 Berths (2 nd quarter)		

Company well-positioned with 9 premium yielding vessels entering the fleet between 2022-2027, representing 40% growth or an additional ~24,000 berths²

(1) Delivered in July 2022. (2) Compared to year-end 2021, prior to delivery of Norwegian Prima in July 2022. Note: Timing of delivery of newbuilds is subject to change

NEXT CLASS OF CUTTING-EDGE NORWEGIAN SHIPS

- In July, the Company took delivery of Norwegian Prima, the first of six innovative ships in the ground-breaking Prima Class
- Norwegian Viva, the second Prima Class vessel, floated out from her dry dock on August 2nd, marking a major construction milestone and the first time the new vessel touches water.
- Prima and Viva will accommodate ~3,100 guests at double occupancy. Prima Plus Class vessels (#3-#6) will be larger and accommodate ~3,550 guests at double occupancy.



Norwegian Prima Delivery

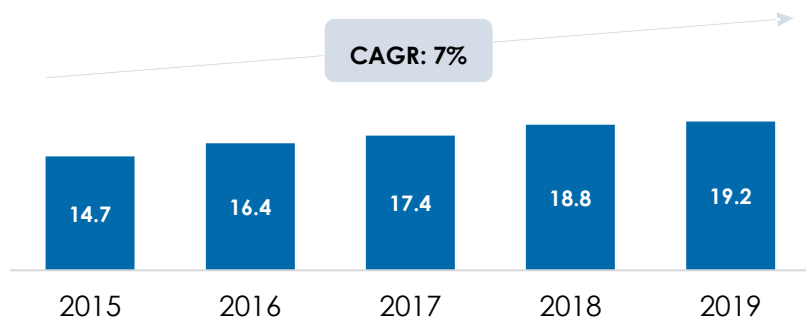


Norwegian Viva floating out and touching water for the first time

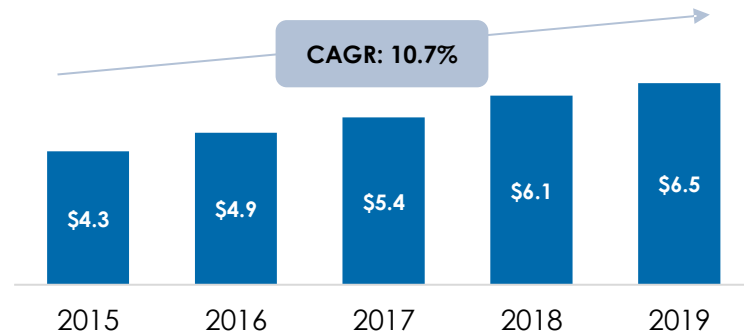
Norwegian Prima joined best-in-class fleet in July as Company's 29th ship

HISTORIC FINANCIAL OUTPERFORMANCE

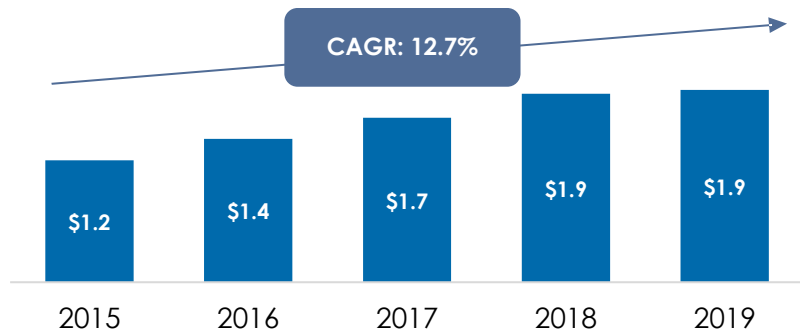
Capacity Days (M)



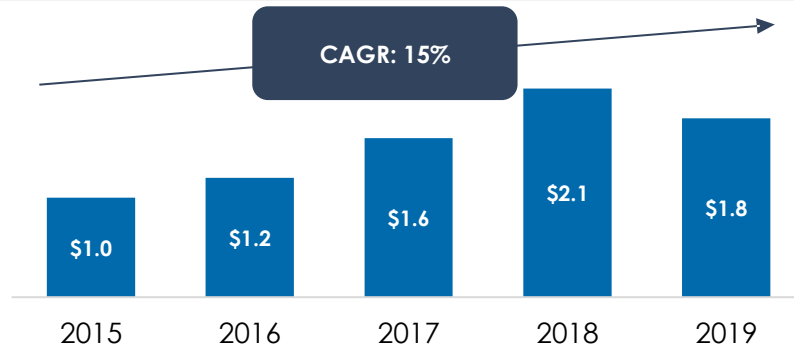
Gross Revenue (\$B)



Adjusted EBITDA (\$B)



Net Cash Provided by Operating Activities (\$B)



Capacity additions have translated into outsized contributions to top and bottom-line results and significant cash flow generation

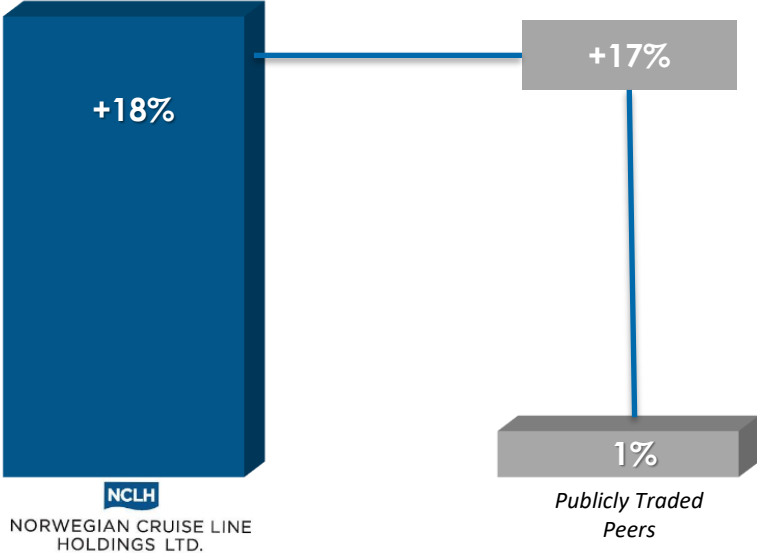
BOOKING TRENDS UPDATE

- Sequentially, net booking volumes continue to increase as the Company's brands ramp up to sail at historical load factor levels.
- Booking trends for FY 2023 are positive with cumulative booked position in line with a record 2019 inclusive of a 20% increase in capacity. Pricing continues to be **significantly** higher and at record levels.
- As expected, the overall cumulative booked position for the second half of 2022 remains below the comparable 2019 period but at higher pricing even when including the dilutive impact of future cruise credits ("FCCs") and despite the impact in the third quarter of the Russia-Ukraine conflict on premium-priced Baltic and Eastern Mediterranean itineraries.
 - ~55% of the cumulative booked position for 2H 2022 are loyal repeat cruisers to our brands.
- Record advance ticket sales balance of \$2.5 billion at quarter-end included \$0.4 billion of FCCs. Nearly 75% of the total value of FCCs outstanding have been rebooked to-date.
- Oceania Cruises' 2024 voyage collection launch in May 2022 was among the best single-day booking days in the line's history, and for the fourth year running, Regent Seven Seas Cruises sold out its world cruise in record time, with the 2025 sailing being completely reserved prior to officially opening for bookings in June 2022.

**Strong demand for cruises continues
with robust pricing for all future periods**

ROBUST PRICING GROWTH CONTINUES

1H 2022 Pricing growth compared to 2019



Strong pricing outperformance year-to-date continued in Q2 driven by go-to-market strategy

Note: Percentages presented above are based on growth in Net Per Diems, a non-GAAP financial measure, for 1H 2019 vs. 1H 2022. Please refer to the Appendix for reconciliations of these non-GAAP financial measures to the GAAP financial measures the Company considers most comparable.

Source: Company and peer company SEC filings. Peer company calculations may not be based on comparable time periods.

GO-TO-MARKET STRATEGY: VALUE-ADD BUNDLING & MARKET-TO-FILL

Value-Add Bundling

FREE AT SEA
ALL-INCLUSIVE
FREE

Life
CHOICE*

Regent
SEVEN SEAS CRUISES*
AN UNRIVALED EXPERIENCE*

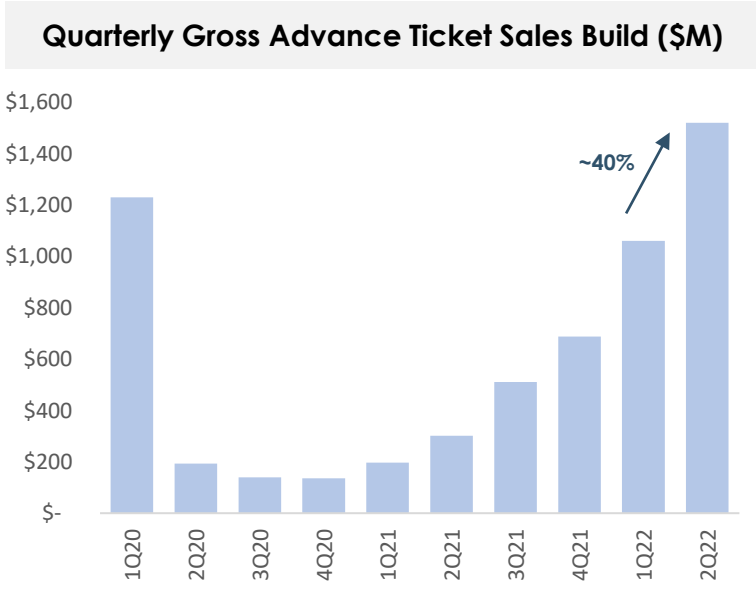
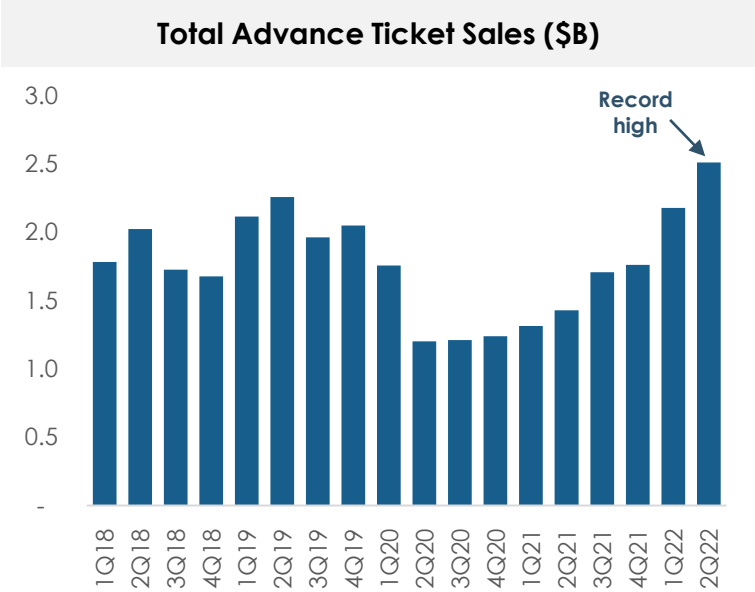


Market-to-Fill

- Minimizes the lowering of pricing as the main lever to drive demand
- Book early for best price contributes to elongated booking curve which improves visibility and accelerates cash inflows
- Telegraph future price actions / increases to drive demand

Go-to-market strategy results in longer booking curve providing enhanced predictability and opportunity to continually raise prices

CASH GENERATION ENGINE FUELED BY ADVANCE TICKET SALES



Strong demand led to a ~40% QoQ increase in gross advance ticket sales build in Q2

FUEL HEDGE PROGRAM

NCLH Fuel Hedge Program as of 6/30/22			
	2022	2023	2024
% of HFO Consumption Hedged ¹	31%	26%	-
Average USGC Price / Barrel	\$48.36	N/A	-
Average Brent Price / Barrel	\$66.50	\$74.50	-
% of MGO Consumption Hedged	49%	35%	-
Average Gasoil Price / Barrel	\$70.00	\$69.91	-
Total % of Consumption Hedged	41%	31%	-

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

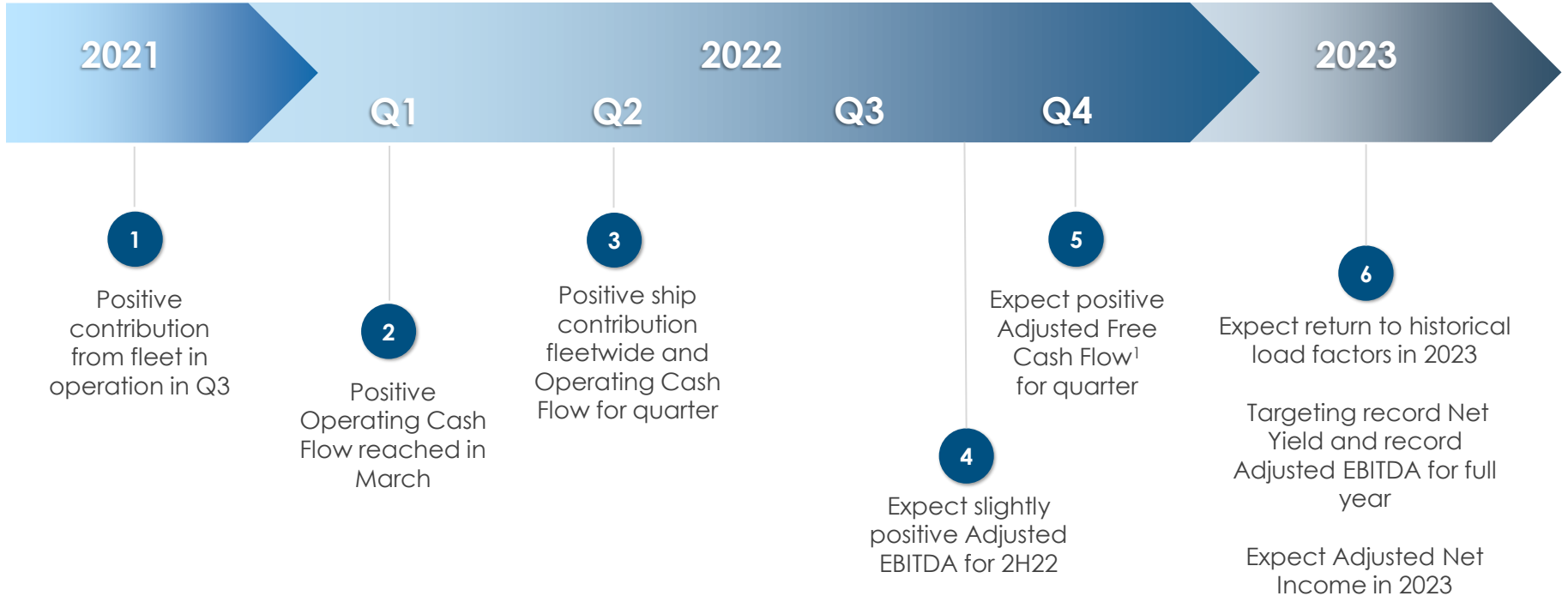
OUTLOOK

\$ Millions	2022		
Depreciation & Amortization	\$745M		
Run-Rate Interest Expense, net ¹	\$615M		
Non-Newbuild Capital Expenditures	\$500M		
Fuel Consumption (metric tons)	885,000		
Fuel Price Per Metric Ton (net of hedges)	\$795		
\$ Billions	Remainder of 2022	2023	2024
Newbuild-Related Capital Expenditures, Pre-Financing ²	\$1.5B	\$2.5B	\$1.3B
Export Credit Financing for Newbuild-Related Capital Expenditures	\$1.0B	\$2.0B	\$0.6B
Newbuild-Related Capital Expenditures, Net of Financing	\$0.5B	\$0.5B	\$0.7B

¹Run-rate interest expense excluding debt extinguishment costs. Reported interest expense is expected to be approximately \$805M including debt extinguishment costs from the February 2022 redemptions.

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

KEY FINANCIAL RECOVERY MILESTONES



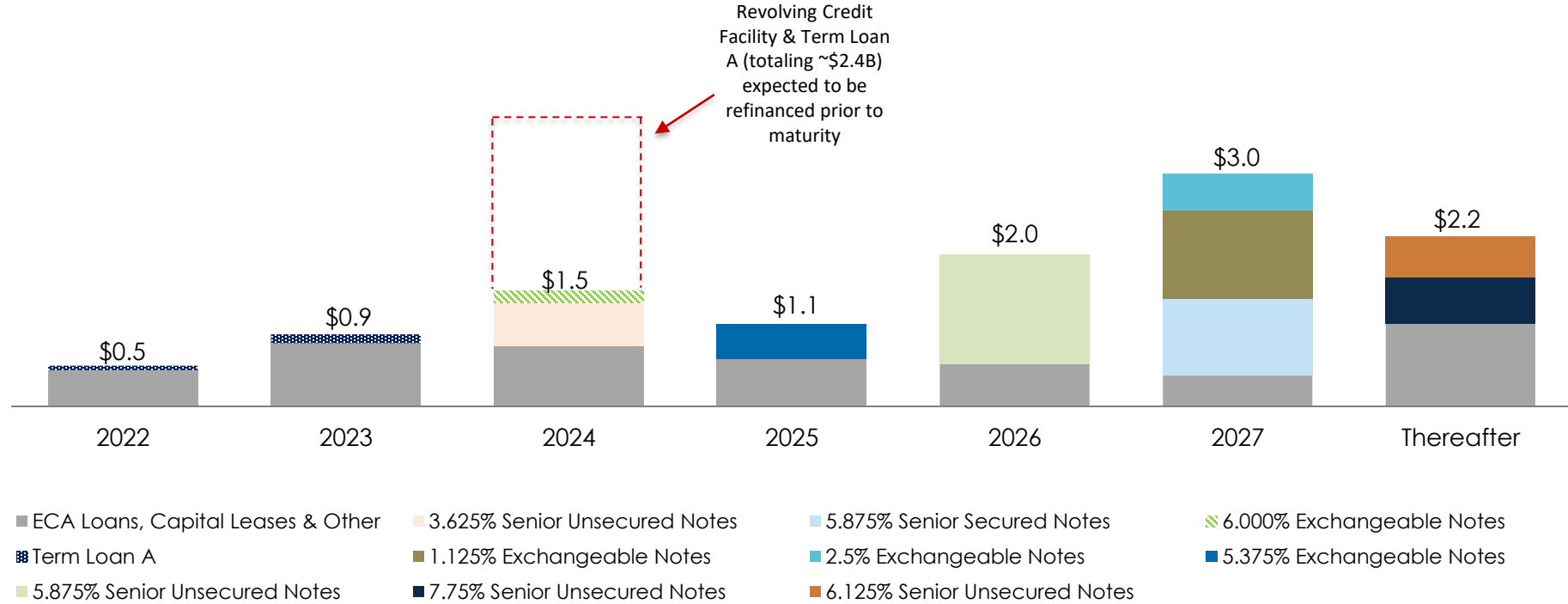
Continue to achieve financial milestones with positive Operating Cash Flow in Q2

¹ Includes financing proceeds for newbuilds

Note: Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Net Income and Net Yield are non-GAAP Financial measures. 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. Please see the Appendix for additional information.

MANAGEABLE DEBT MATURITY PROFILE

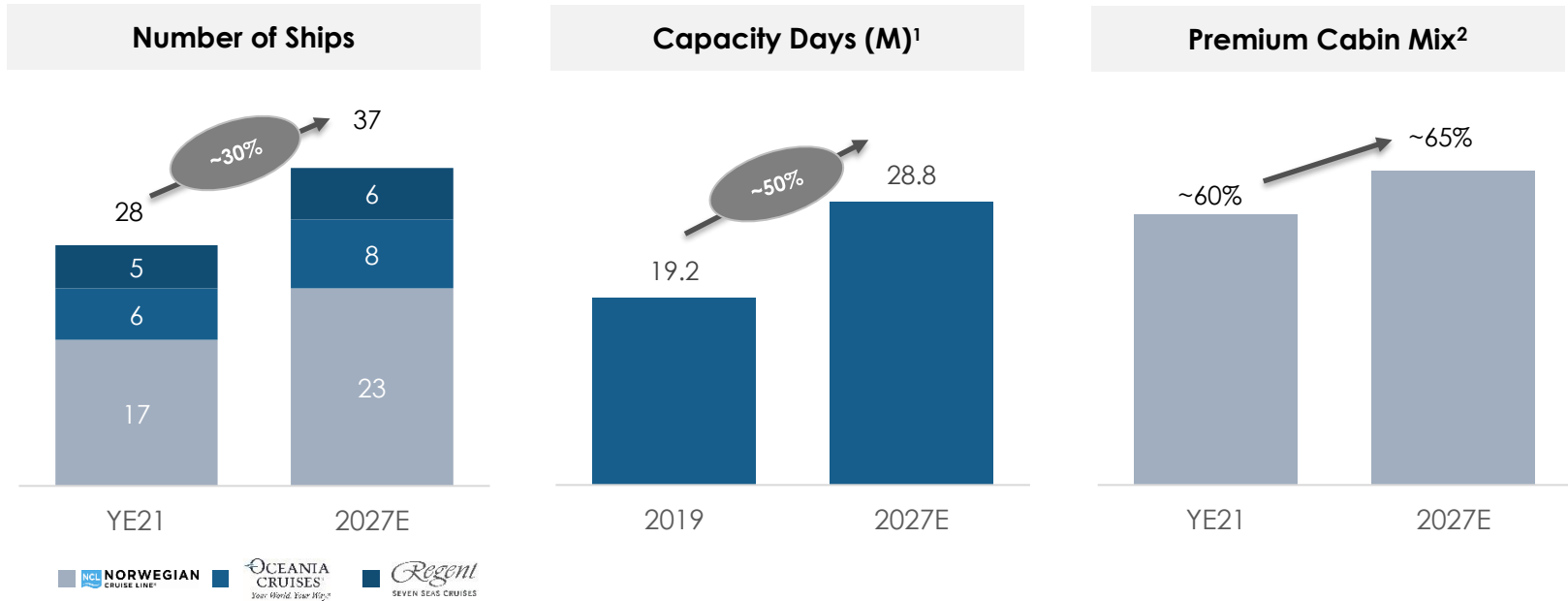
As of June 30, 2022
(\$ billions)



Pro-forma for Prima delivery, debt portfolio is ~75% fixed and expected to rise to 80%+ with 2023 newbuilds additions

Note: Based on debt outstanding as of 6/30/2022

MEANINGFUL GROWTH POTENTIAL FOR TOP AND BOTTOM-LINE RESULTS

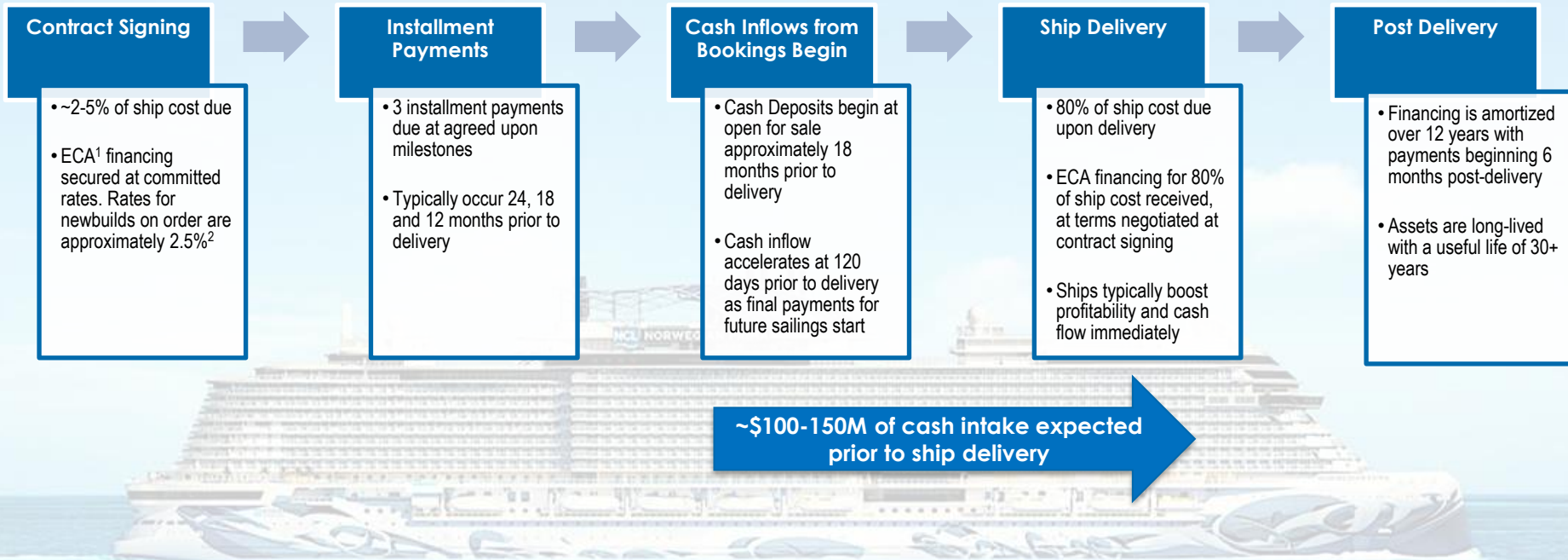


Growth pipeline presents additional opportunities for diversification into unserved and underserved markets

1. Growth also reflects additions of Norwegian Encore in late 2019 & Regent Seven Seas Splendor in early 2020.

2. % of Berths Balconies & Above

ILLUSTRATIVE NEWBUILD TIMELINE



Newbuilds are efficiently financed and are expected to provide a cash infusion of ~\$100-150 million from advance ticket sales prior to ship delivery

Note: Illustrative example only. Figures are based on typical timelines for Norwegian Cruise Line vessels. Actual ships costs and payment terms are specified by contract. Advanced ticket sales prior to delivery are estimated and subject to change.

(1) Export credit agency-backed (2) Simple average rate of 9 NCLH newbuilds on order from 2022-2027.

SAIL SUSTAIN

- Global sustainability program, Sail & Sustain, is a core focus in everyday operations, centered around 5 key pillars
- Strategy led by ESG¹ department with oversight by executive team and TESS² Board Committee
- Released second annual [ESG report](#) in June 2022 including SASB Index to provide additional transparency around Sail & Sustain program
- Published first [TCFD report](#) in April 2022
- Pursuing [net zero emissions by 2050](#) across entire operations and value chain as part of long-term climate action strategy
- Implemented voluntary carbon offset program to bridge gap in decarbonization efforts while exploring long-term solutions
- Commitment to diversity, equity & inclusion demonstrated by President & CEO Frank Del Rio joining the CEO Action for Diversity & Inclusion pledge
- Named to Forbes' World's Best Employers 2021 List
- Offering paid volunteer day for U.S. shoreside team beginning in 2021 to support community involvement
- Provided over \$12M of cash and in-kind donations to organizations worldwide in 2021



Reducing
Environmental Impact



Sailing Safely



Empowering People



Strengthening
Our Communities



Operating with Integrity
and Accountability

¹ ESG is Environmental, Social and Governance.

² Technology, Environmental, Safety and Security Committee of Board of Directors.

KEY TAKEAWAYS

Reaching Key Operational and Financial Milestones

- Achieved target Q2 occupancy levels and ramping up occupancy in a disciplined manner, focusing on building on Company's industry leading pricing, with goal of reaching historical levels for Q2 2023
- Key milestone reached in the quarter with positive Operating Cash Flow
- Improving public health and regulatory environments a tailwind
- Focused on laying foundation for a strong 2023 including reaching record Net Yield and Adjusted EBITDA

Strong Demand & Robust Pricing for Future Cruises

- Continue to see a healthy consumer particularly in target high-end demographic
- Sequentially, net booking volumes continue to increase as the Company's brands ramp up to sail at historical load factor levels
- Booking trends for full year 2023 positive with cumulative booked position in line with a record 2019 inclusive of a 20% increase in capacity. Pricing continues to be significantly higher and at record levels for full year 2023

Tremendous Growth Opportunity

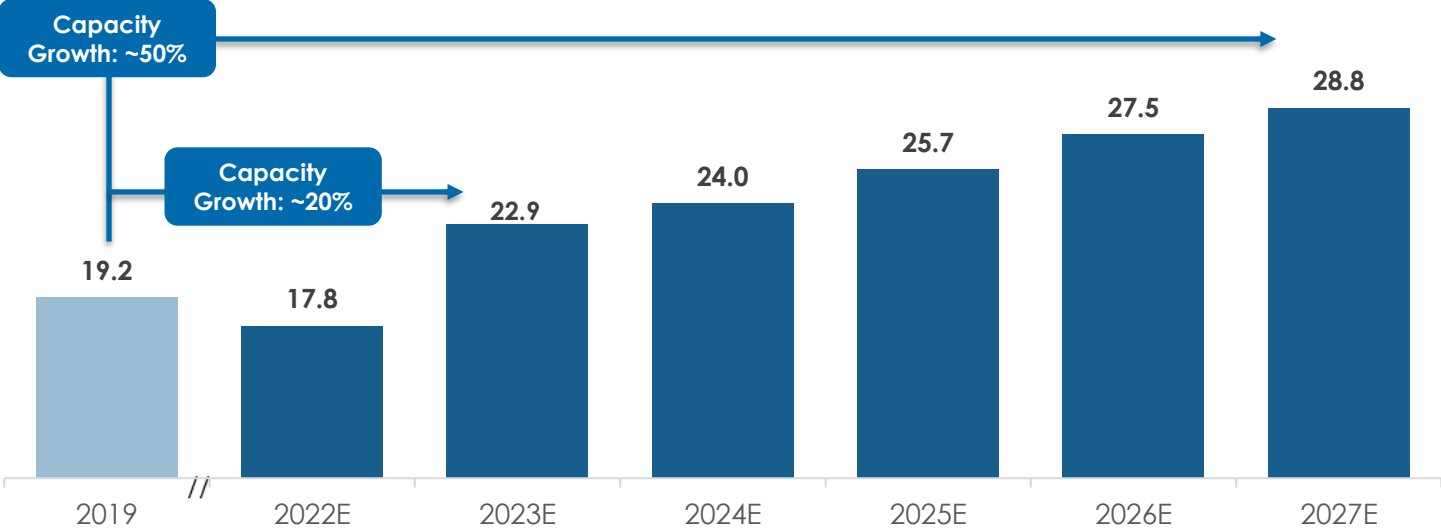
- Attractive newbuild growth profile of premium yielding vessels with very efficient financing
- Growth profile is expected to translate to outsized contribution to top and bottom-line results and significant cash flow generation
- Focused on execution of medium and long-term financial recovery plan

APPENDIX

2022 DEPLOYMENT BY MARKET

	2022				
	Q1	Q2	Q3	Q4	FY
Alaska	0%	17%	26%	4%	13%
Asia/Africa/Pacific	1%	0%	0%	6%	2%
Bermuda	0%	11%	10%	5%	7%
Caribbean	79%	17%	12%	29%	30%
Europe	0%	37%	42%	22%	28%
<i>Baltic</i>	0%	10%	15%	1%	7%
<i>Mediterranean</i>	0%	28%	27%	19%	20%
Hawaii	0%	3%	2%	5%	3%
Other	20%	14%	8%	29%	18%
Total	100%	100%	100%	100%	100%

2019-2027E DISCIPLINED GROWTH (M)



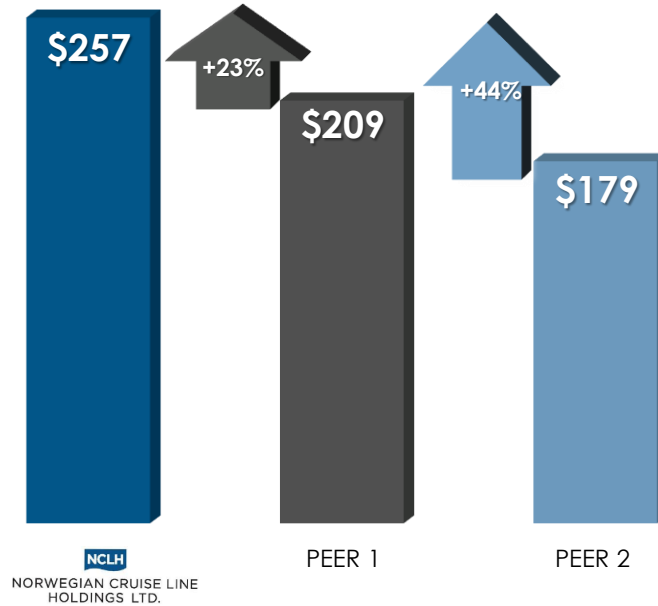
# Ships	27	29	32	33	35	36	37
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New Ships	Norwegian Encore (Nov '19)	Norwegian Prima	Norwegian Viva	Norwegian Prima Plus Class	Norwegian Prima Plus Class	Norwegian Prima Plus Class	Norwegian Prima Plus Class
		Seven Seas Splendor® ⁽¹⁾	Oceania Vista		Oceania Allura Class		
			Seven Seas Grandeur™				

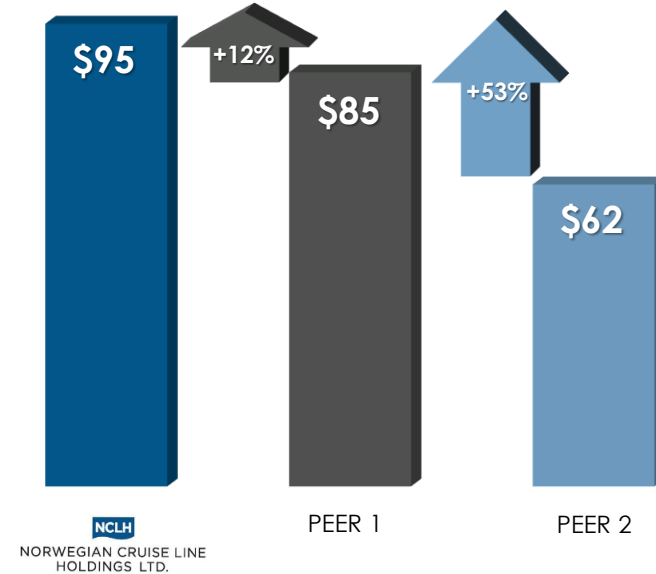
(1) Seven Seas Splendor® was delivered in 2020 just prior to the cruise voyage suspension

INDUSTRY LEADER IN YIELD AND EBITDA PER CAPACITY DAY ¹

2019 Net Yield ²



2019 EBITDA Per Capacity Day ²



Source: Company and peer company SEC filings. Peer filings may not be calculated on the same basis.

¹ Compared to major publicly traded cruise operators.

² Twelve months ended November 30 or December 31, 2019, as applicable.

Note: Metrics presented are for Norwegian Cruise Line Holdings Ltd.; Net Yield and EBITDA Per Capacity Day are non-GAAP financial measures. 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. Please refer to the Appendix for reconciliations of these non-GAAP financial measures to the GAAP financial measures the Company considers most comparable.

MEDIUM AND LONG-TERM FINANCIAL RECOVERY PLAN

1

Rebuild and Improve Margins

- Gradual return to pre-COVID margin levels
- Maintain price discipline and industry-leading Net Yields
- Reduce fixed cost base
- Identify marketing efficiencies, including shift to digital
- Manage fuel expense with EGCS¹ retrofits and newbuilds

2

Maximize Cash Flow Generation

- Introduce robust growth profile of ROIC and cash flow accretive vessels in 2022-2027
- Balance ongoing capex needs, including fleet refurbishments, with required debt and interest payments
- Explore return generating destination investments, including expanding private island infrastructure

3

Optimize Balance Sheet

- Maintain sufficient liquidity to weather extended post-crisis recovery
- Chart path to return to pre-COVID leverage
- Refinance or repay high-cost debt incurred during crisis
- Revisit capital returns to shareholders once balance sheet is optimized

Continued focus on execution of medium and long-term financial recovery plan

DEFINITIONS AND NON-GAAP INFORMATION AND RECONCILIATIONS

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.

DEFINITIONS

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

Adjusted Free Cash Flow. Free Cash Flow adjusted for proceeds from ship construction financing facilities and other supplemental adjustments.

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 Income. Net income, adjusted for non-cash compensation expense and any potential impacts associated with financing activities.

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

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

Free Cash Flow. Net cash provided by operating activities less capital expenditures for ship construction, business enhancements and other.

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

Net Yield. Adjusted Gross Margin per Capacity Day.

Operating Cash Flow. Net cash provided by (used in) operating activities.

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)

Year Ended December 31

Adjusted EBITDA ¹ is Calculated as Follows (in thousands):	2015	2016	2017	2018	2019
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$427,137	\$633,085	\$759,872	\$954,843	\$930,228
Interest expense, net	221,909	276,859	267,804	270,404	272,867
Income tax (benefit) expense	6,772	7,218	10,742	14,467	(18,863)
Depreciation and amortization expense	432,114	432,495	509,957	561,060	646,188
EBITDA	1,087,932	1,349,657	1,548,375	1,800,774	1,830,420
Other (income) expense, net	46,668	8,302	10,401	(20,653)	(6,155)
Other	92,315	86,473	98,578	117,621	110,755
Adjusted EBITDA	\$1,226,915	\$1,444,432	\$1,657,354	\$1,897,742	\$1,935,020
Total Revenue	\$4,345,048	\$4,874,340	\$5,396,175	\$6,055,126	\$6,462,376
Adjusted EBITDA Margin	28.2%	29.6%	30.7%	31.3%	29.9%

¹ Adjusted EBITDA is defined as EBITDA adjusted for other (income) expense, and other supplemental adjustments ("Other"). We believe that Adjusted EBITDA is appropriate as a supplemental financial measure as it is used by management to assess operating performance. We believe that Adjusted EBITDA is a useful measure in determining the Company's performance as it reflects certain operating drivers of the Company's business, such as sales growth, operating costs, marketing, general and administrative expense and other operating income and expense. Adjusted EBITDA is not a defined term under GAAP. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or measures comparable to net income as it does not take into account certain requirements such as capital expenditures and related depreciation, principal and interest payments and tax payments and it includes other supplemental adjustments.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Net Yield is Calculated as Follows (in thousands, except Capacity Days and Yield Data): Year Ended Dec. 31, 2019

Total revenue	\$6,462,376
Less: Total cruise operating expense	3,663,261
Less: Ship depreciation	587,677
Gross Margin	\$2,211,438
Payroll and related	924,157
Fuel	409,602
Food	222,602
Other	591,341
Ship depreciation	587,677
Adjusted Gross Margin	\$4,946,817
Capacity Days	19,233,459
Gross Margin per Capacity Day	\$114.98
Net Yield	\$257.20

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

EBITDA per Capacity Day was Calculated as Follows

(in thousands, except Capacity Days and EBITDA per Capacity Day Data):

Year Ended December 31, 2019

Net Income Attributable to Norwegian Cruise Line Holdings Ltd.	\$930,228
Interest Expense, Net	272,867
Income Tax Expense	(18,863)
Depreciation and Amortization Expense	646,188
EBITDA	\$1,830,420
Capacity Days	19,233,459
EBITDA per Capacity Day	\$95.17

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Net Per Diem is Calculated as Follows (in thousands, except Passenger Cruise Days and Net Per Diem Data):	Six Months Ended Jun. 30, 2022	Six Months Ended Jun. 30, 2019
Total revenue	\$1,709,121	\$3,067,907
Less: Total cruise operating expense	\$1,808,729	\$1,785,075
Less: Ship depreciation	\$337,392	\$295,962
Gross Margin	(\$437,000)	\$986,870
Payroll and related	\$503,307	\$452,492
Fuel	\$316,698	\$198,784
Food	\$100,673	\$109,392
Other	\$415,198	\$310,976
Ship depreciation	\$337,392	\$295,962
Adjusted Gross Margin	\$1,236,268	\$2,354,476
Passenger Cruise Days	4,428,749	9,989,523
Gross Margin per Passenger Cruise Day	(\$98.67)	\$98.79
Net Per Diem	\$279.15	\$235.69