



NORWEGIAN CRUISE LINE  
HOLDINGS LTD.

# THIRD QUARTER 2022 EARNINGS CONFERENCE CALL

November 8, 2022



# FORWARD LOOKING STATEMENTS

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 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; 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.

# NCLH OVERVIEW

**NCL**  
**NORWEGIAN**  
CRUISE LINE®



**1966,**  
Year Founded



**29**  
Ships in Fleet



**60,000+**  
Berths

**OCEANIA**  
CRUISES®



**8**  
Ships on  
Order



**~20,000**  
Berths on  
Order



**~500**  
Global  
Destinations Visited

**Regent**  
SEVEN SEAS CRUISES®



**~35,000**  
Team  
Members



**~2.7**  
Million Guests  
Carried in 2019



**2**  
Luxurious Private  
Island Destinations

# KEY EVENTS SINCE Q2 2022 EARNINGS CALL

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.
Aug 23	Norwegian Cruise Line donates waterfront parcel in Juneau to Alaska Native Huna Totem Corporation for conversion of parcel to new pier and welcome center in popular Alaska cruise market.
Aug 27	Norwegian Cruise Line christened its newest ship Norwegian Prima, on Aug. 27, 2022, which made history as the first major cruise ship christened in Reykjavík, Iceland.
Aug 30	Regent Seven Seas Cruises topped its own single-day booking record with the launch of its 2024-2025 Voyage Collection as sales commenced on August 24, 2022.
Sept 20	Lifting of COVID-19 restrictions and testing requirements to enter the Bahamas.
Sept 26	Canada announces it will drop all COVID-19 travel restrictions on 10/1 including for cruise.
Oct 3	NCL announces removal of all COVID-19 testing, masking and vaccination protocols effective 10/4/22.
Oct 6	Company hosts investor and analyst event aboard Norwegian Prima in NYC. Debuts new shareholder Q&A platform to engage retail investors.
Oct 28	Hosted Norwegian's Giving Joy awards ceremony on Norwegian Prima which recognized 100 teachers with a free cruise and provided nearly \$170,000 for the top three grand prize winners and their schools. This program recognizes deserving educators.
Nov 3	Announces appointment of Zillah Byng-Thorne to its Board of Directors who will serve as a member of the Company's Audit Committee and Compensation Committee. With Ms. Byng-Thorne's appointment, the Board has expanded from seven to eight members, six of whom are independent, and 50% of director seats are held by women and/or under-represented minorities.

# POSITIVE CATALYSTS HEADING INTO 2023

1

## Improvement in Public Health & Regulatory Environments

- All COVID-19 related guest protocols lifted for NCL effective 10/4<sup>1</sup>
- Steps to relax protocols beginning in August has removed barriers for guests
- Travel restrictions easing including in key areas such as Canada, Greece & Bermuda
- Vast majority of ports globally now open 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

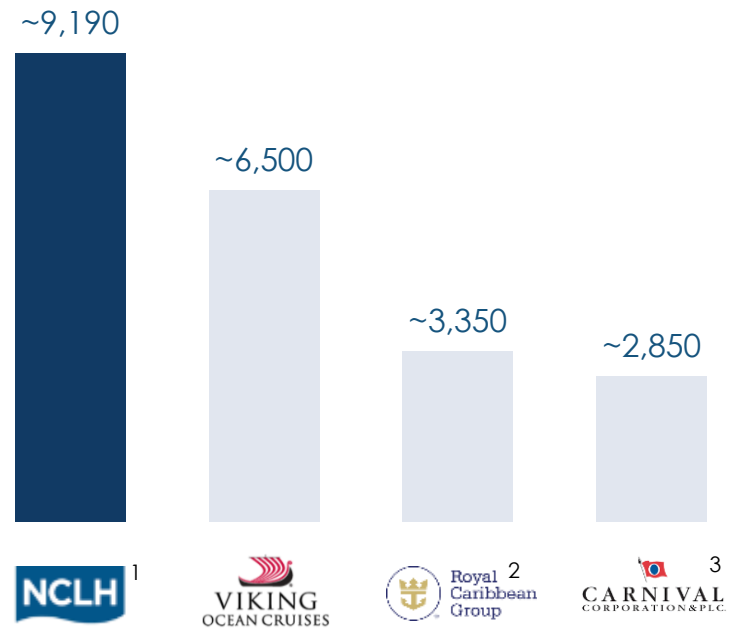
- Addition of Norwegian Prima in July brings total fleet to 29 ships
- 3 additional ships, one for each brand, expected in 2023
- Historical track record of absorbing capacity growth and delivering outsized contributions

**Tailwinds and catalysts to continue recovery and lay foundation for a record 2023**

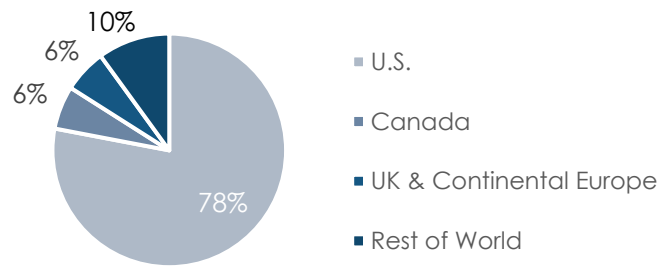
<sup>1</sup> Unless required by local jurisdictions

# FAVORABLE PRODUCT & GUEST MIX

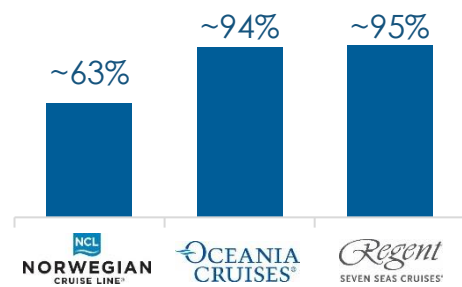
## Upscale Berths



## NCLH Bookings by Region<sup>4</sup>



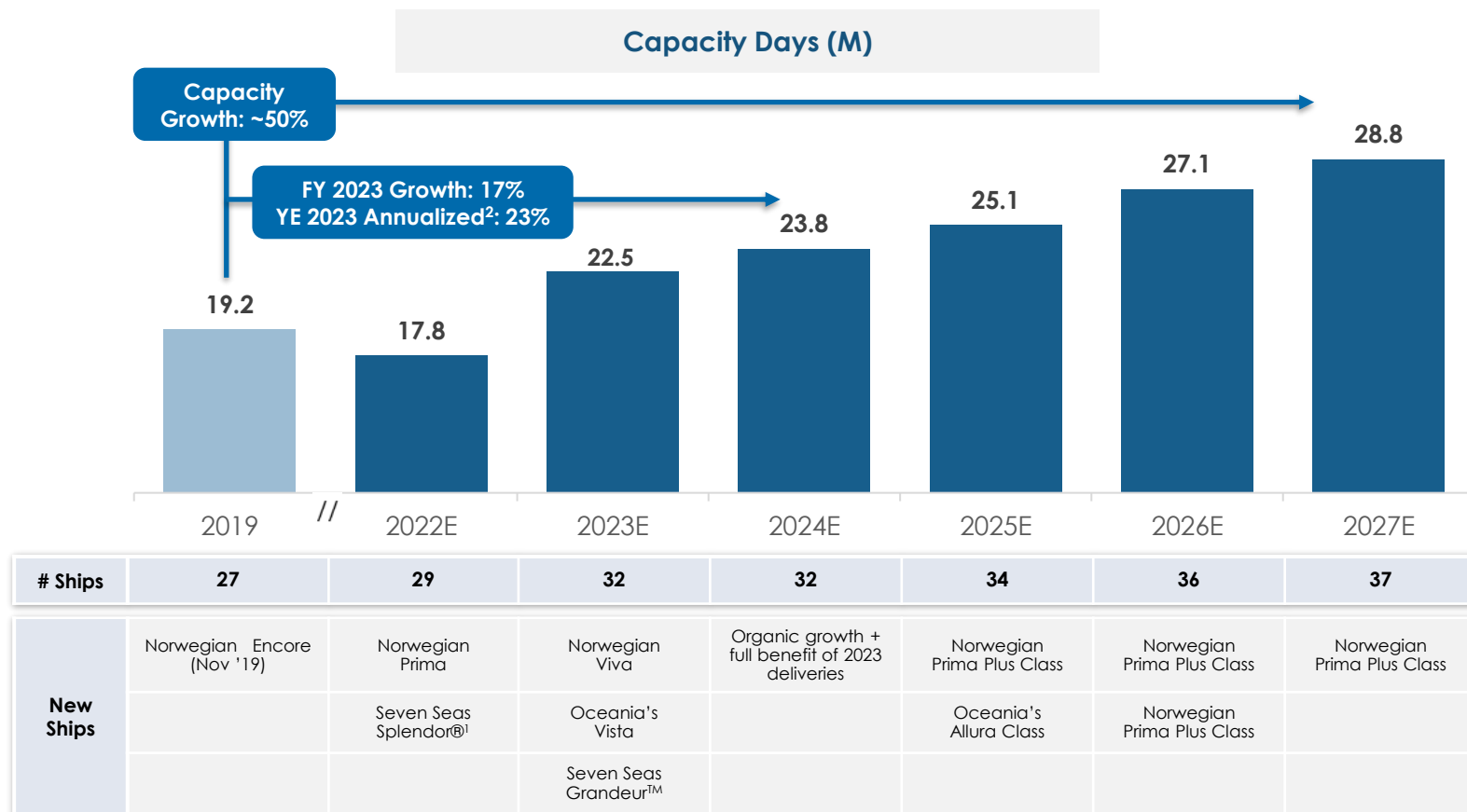
## % of Guests Booked with Net Worth of \$250K+<sup>5</sup>



Upscale brands and target higher-end consumer position us well in the current macroeconomic environment

Source: Company and peer company SEC filings, company websites as of Q3 2022.  
<sup>1</sup> Includes berths on Regent Seven Seas Cruises, Oceania Cruises and The Haven on Norwegian Cruise Line.  
<sup>2</sup> Includes non-expedition berths on Silversea.  
<sup>3</sup> Includes berths on Seabourn.  
<sup>4</sup> Based on FY 2019.  
<sup>5</sup> Estimated for guests who booked in 2022 based on available information

# MEANINGFUL GROWTH POTENTIAL TO TOP AND BOTTOM-LINE RESULTS



<sup>1</sup> Seven Seas Splendor<sup>®</sup> was delivered in 2020 just prior to the cruise voyage suspension.

<sup>2</sup> Annualized for 2023 ship deliveries.

Note: Information is based on currently scheduled dates which include the delay of the 3<sup>rd</sup> and 4<sup>th</sup> Prima class ships. Timing of delivery of newbuilds is subject to change and delivery delays are expected due to the impacts of COVID-19, Russia's invasion of Ukraine, other potential modifications the Company may make to its newbuilds, including potential initiatives to improve environmental sustainability, and/or other macroeconomic events.



# NEXT CLASS OF CUTTING-EDGE NORWEGIAN SHIPS



Godmother of Norwegian Prima, Katy Perry, joins Norwegian Cruise Line executives in Reykjavik, Iceland to officially christen and name NCL's 18th vessel in its leading-edge Prima Class.



Capacity: ~3,100



Gross Tons: ~140,000



More open spaces to bring guests closer to the sea



Smaller footprint allows for deployment flexibility, including unserved and underserved markets



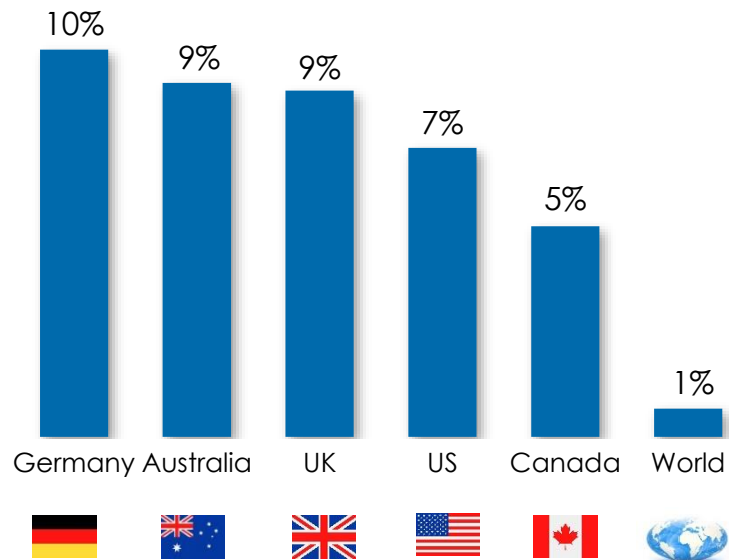
5 more Prima Class ships on order

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



# CRUISE IS VASTLY UNDERPENETRATED GLOBALLY

## Percentage of Target Population that Cruised in 2019<sup>1</sup>



Source: CLIA, Statista, NCLH estimates.

<sup>1</sup> Includes population ages 25-74 with an income greater than \$40,000

<sup>2</sup> Global staterooms (assuming 2 berths per stateroom) versus hotel rooms in Las Vegas, Orlando and Chicago

## Global Cruise Staterooms



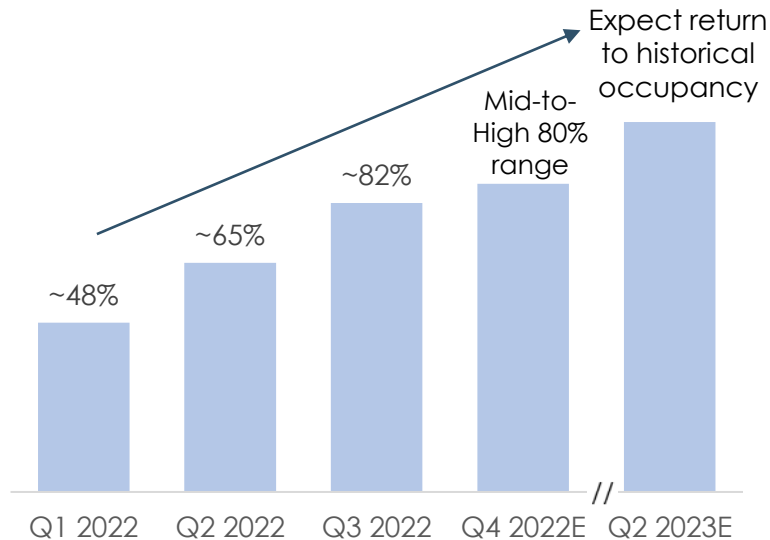
## Hotel Rooms in Top 3 U.S. Cities



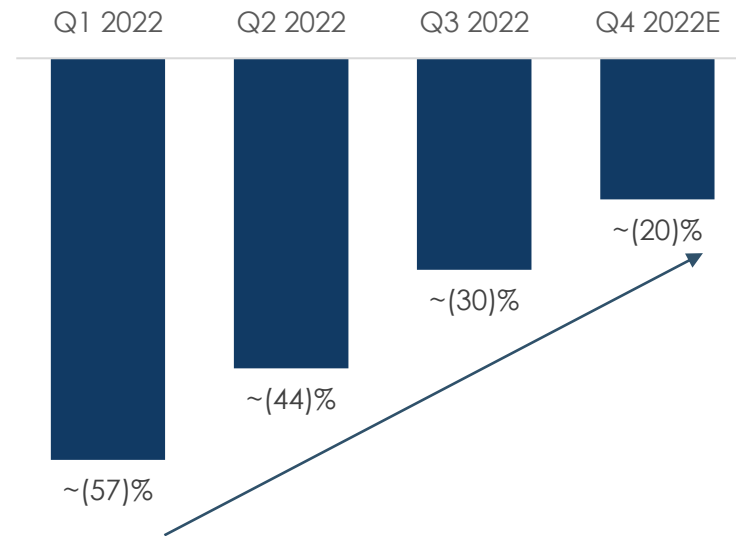
- Total cruise staterooms are less than hotel rooms in the top 3 U.S. cities<sup>2</sup>
- NCLH's total staterooms are less than 1/4 of the hotel rooms in Orlando
- Future supply is limited due to shipyard constraints

# PHASED & DISCIPLINED VOYAGE RESUMPTION

## Sequential Increase in Occupancy



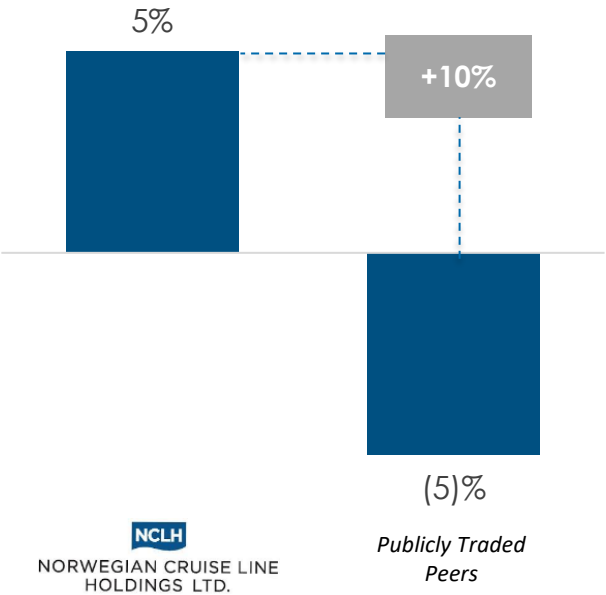
## Occupancy Gap Narrowing vs. 2019



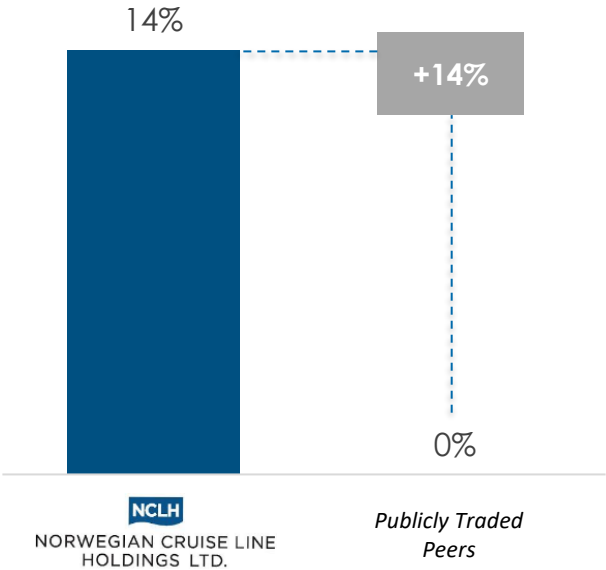
Continued steady, sequential improvement expected until historical occupancy levels reached for Q2 2023

# PRICING & PRICING GROWTH CONTINUES TO LEAD INDUSTRY

## 3Q 2022 Pricing Growth vs 2019



## YTD 2022 Pricing Growth vs 2019



## Pricing growth continues to outperform

Note: Percentages presented above are based on growth in Net Per Diems, a non-GAAP financial measure, for 3Q 2019 vs. 3Q 2022 and YTD 2022 vs YTD 2019. 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.

# UNIQUE GO-TO-MARKET STRATEGY

## Market-to-Fill

- Focus on marketing and not price 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



## Value-Add Bundling

FREE <sup>AT SEA</sup>  
—ALL-INCLUSIVE—  
**FREE**

Life  
CHOICE\*

*Regent*  
SEVEN SEAS CRUISES®  
—  
AN UNRIVALED EXPERIENCE™

**Results in longer booking curve providing enhanced predictability  
and opportunity to continually raise prices**






# BOOKING TRENDS UPDATE

- Significant relaxation of COVID-19 protocols in recent months has removed barriers and expanded our ability to reach a wider cruising population.
- High visibility into our booked position with our Q3 2022 booking window expanding to 245 days in the quarter, nearly 10% higher than Q3 2019.
- Booking trends for FY 2023 are positive with cumulative booked position equal to record 2019 levels inclusive of the significant increase in capacity. Pricing continues to be significantly higher and at record levels.<sup>1</sup>
  - Dilution from value-add FCCs issued during the pandemic will not carry over into 2023 as the bonus portion of these FCCs expire at YE 2022.
- Targeting ~65% booked for 2023 by year-end 2022 and at record pricing.
- Advance ticket sales balance of \$2.5 billion at quarter-end (flat versus prior quarter and typical seasonal QoQ decline) included \$260 million of FCCs. ~60% of the total value of FCCs still outstanding have been rebooked to-date.

**Continued strong demand for cruising combined with higher pricing  
position us well for 2023 and beyond**

<sup>1</sup> Booked position and pricing in 2022 for 2023 sailings compared to 2018 for 2019 sailings at a comparable point in the booking curve  
Note: As of 11/7/22

# 3Q 2022 RESULTS OVERVIEW

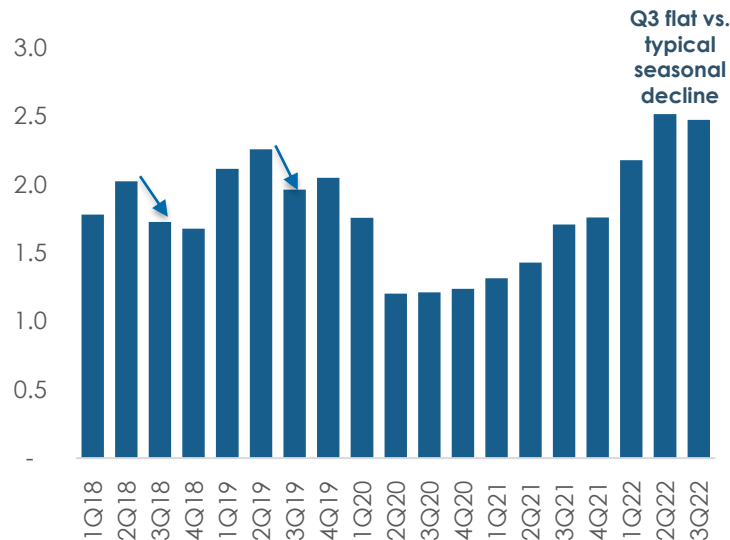
	3Q 2022 Guidance	Actuals	
Occupancy	Low 80% range	~82%	
Total Revenue	\$1.5-\$1.6 billion	\$1.6 billion	
Total Revenue per Passenger Cruise Day	↑ High single digits vs 2019	+ ~14% vs 3Q19	
Adjusted Net Cruise Cost ex. Fuel per Capacity Day	↓ ~10% in 2H22 vs 1H22	On track	
Adjusted EBITDA	Slightly positive in 2H22	\$28 million in Q3, on track for 2H22	

Met or exceeded guidance provided for third quarter

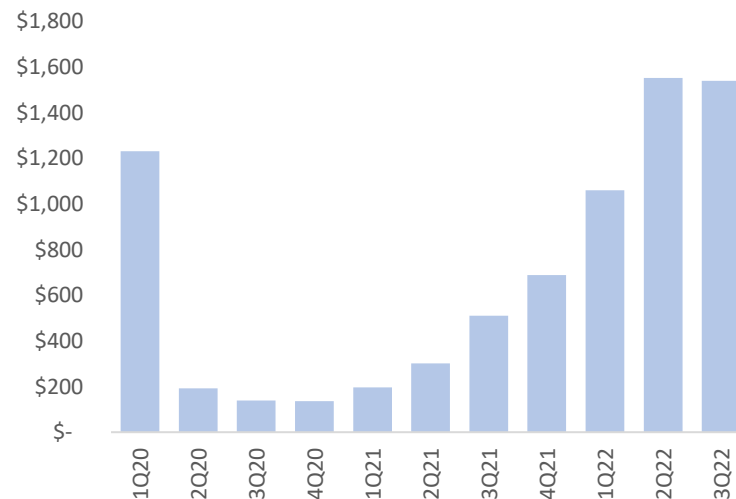


# CASH GENERATION ENGINE FUELED BY ADVANCE TICKET SALES

Total Advance Ticket Sales (\$B)



Quarterly Gross Advance Ticket Sales Build (\$M)



Demand holding strong with quarterly gross advance ticket sales build steady versus prior quarter

# FUEL HEDGE PROGRAM

NCLH Fuel Hedge Program as of 9/30/22		
	2022	2023
% of HFO Consumption Hedged <sup>1</sup>	37%	29%
Average USGC Price / Barrel	\$48.36	N/A
Average Brent Price / Barrel	\$77.82	\$76.68
% of MGO Consumption Hedged	51%	48%
Average Gasoil Price / Barrel	\$70.00	\$84.42
<b>Total % of Consumption Hedged</b>	<b>44%</b>	<b>38%</b>

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

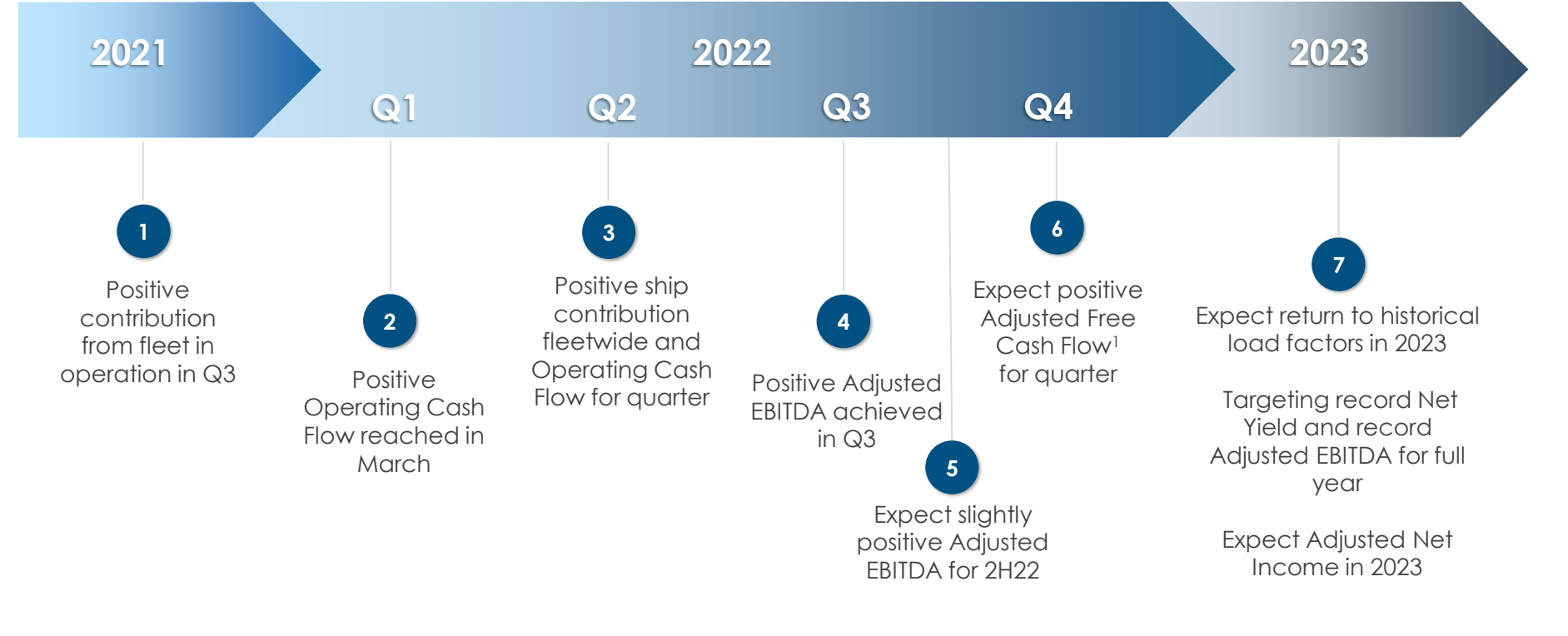
1. Both USGC and Brent include derivatives representing accounting hedges as well as economic hedges.

\$ Millions unless otherwise noted	Q4 2022	FY 2022		
Depreciation & Amortization	\$195M	\$740M		
Run-Rate Interest Expense, net <sup>1</sup>	\$170M	\$610M		
Non-Newbuild Capital Expenditures	\$155M	\$470M		
Fuel Consumption (metric tons)	240,000	870,000		
Fuel Price Per Metric Ton (net of hedges)	\$725	\$780		
\$ Billions unless otherwise noted	Q4 2022	FY 2022	FY 2023	FY 2024
Newbuild-Related Capital Expenditures, Pre-Financing <sup>2</sup>	\$84M	\$1.6B	\$2.4B	\$0.5B
Export Credit Financing for Newbuild-Related Capital Expenditures	-	\$0.9B	\$1.9B	\$0.1B
<b>Newbuild-Related Capital Expenditures, Net of Financing</b>	<b>~\$84M</b>	<b>\$0.7B</b>	<b>\$0.5B</b>	<b>\$0.4B</b>

<sup>1</sup> Run-rate interest expense excluding debt extinguishment costs. Reported interest expense is expected to be approximately \$800M including debt extinguishment costs from the February 2022 redemptions.

<sup>2</sup> Includes all newbuild related capital expenditures including shipyard progress payments. Numbers may not add due to rounding.

# KEY FINANCIAL RECOVERY MILESTONES



Continue to achieve financial milestones with positive Adjusted EBITDA in Q3

<sup>1</sup> 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.

# LIQUIDITY POSITION

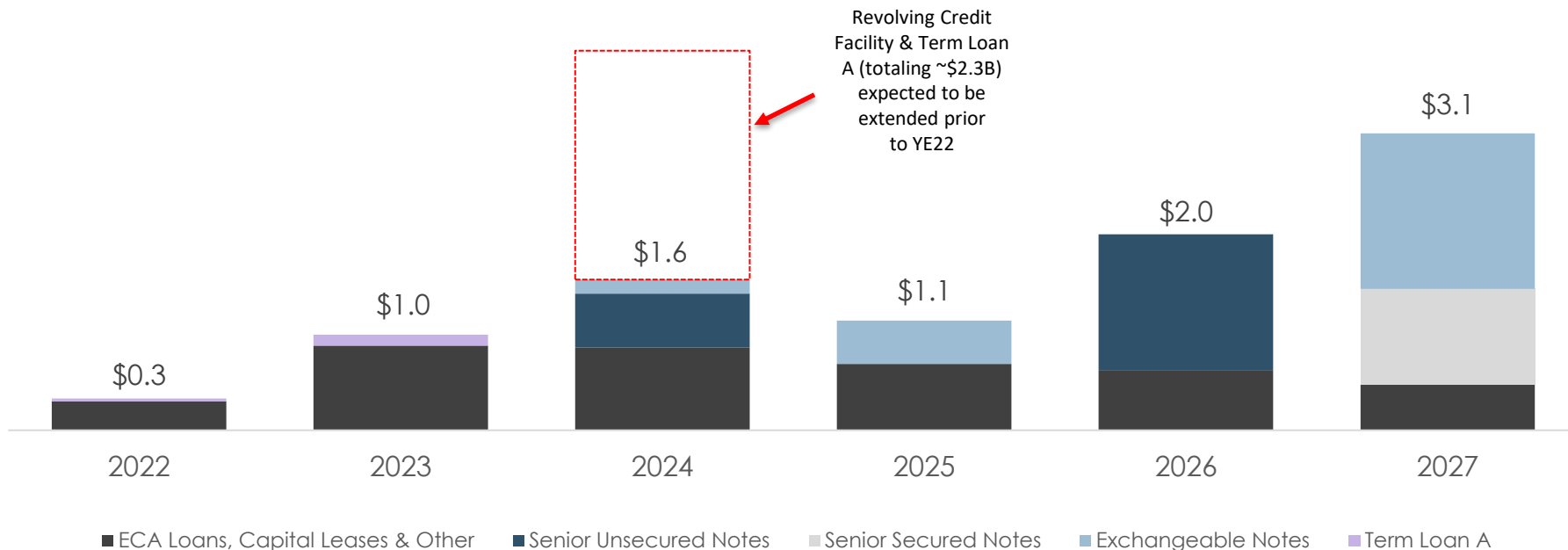
- Liquidity of ~\$2.2B as of September 30, 2022, consisting of \$1.2B of cash and cash equivalents and a \$1B undrawn commitment
- Currently have ~\$500M of incremental unsecured debt capacity available
- Expected to complete an amendment and extension of our operating credit facility maturing in 2024 by year-end 2022
  - Consists of \$875M senior secured revolving credit facility and \$1.5B Term Loan A

**Based on our outlook, we believe we can fund our operations with existing cash and organic cash flow generation<sup>1</sup>**

<sup>1</sup>Assumes \$1B undrawn commitment will be extended or replaced.

# MANAGEABLE DEBT MATURITY PROFILE

(\$ billions)



**Debt portfolio is ~75% fixed and expected to rise to 80%+ with 2023 newbuilds additions**

Note: Based on debt outstanding as of 9/30/2022 adjusted for changes to delivery dates for the third and fourth Prima Class vessels which occurred in October. Including newbuilds on order, but not yet delivered, the expected payments through 2024 would increase by approximately \$190M.



# ATTRACTIVE FIXED RATE 12-YEAR FINANCING FOR NEWBUILD PROGRAM



Norwegian Prima	2.7%
Norwegian Viva	2.8%
3 <sup>rd</sup> Prima Class Ship	1.2% (EUR)
4 <sup>th</sup> Prima Class Ship	1.3% (EUR)
5 <sup>th</sup> Prima Class Ship	3.6%
6 <sup>th</sup> Prima Class Ship	1.4% (EUR)



Oceania Cruises' Vista	3.6%
2 <sup>nd</sup> Allura Class Ship	1.4% (EUR)



Seven Seas Grandeur™	3.6%
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**Committed low fixed rate financing, averaging 2.5%, in place for newbuilds on order**

# MEDIUM AND LONG-TERM FINANCIAL STRATEGY

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

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

**Focused on rebuilding investment grade-like financial position**

# SAIL SUSTAIN

- Global sustainability program, Sail & Sustain, is a core focus in everyday operations, centered around 5 key pillars
- Strategy led by ESG<sup>1</sup> department with oversight by executive team and TESS<sup>2</sup> 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


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

<sup>2</sup> Technology, Environmental, Safety and Security Committee of Board of Directors.


# KEY TAKEAWAYS




- NCLH has a differentiated investment thesis and unique drivers to unlock value for our stakeholders



- We have been clear and consistent in our strategy and have reached the key operational and financial milestones we have targeted to lay the foundation for a strong 2023 and beyond



- We continue to see a healthy consumer particularly in our target high-end demographic, which is reflected in our strong booked position and record pricing for 2023



- Our cash generation engine has revved up quickly, which along with our attractive newbuild pipeline, provides a path to meet our liquidity needs and restore our balance sheet

# APPENDIX

# 4Q 2022 GUIDANCE OVERVIEW

	4Q 2022 Guidance
<b>Occupancy</b>	Mid-to-high 80% range
<b>Total Revenue</b>	\$1.4-\$1.5 billion
<b>Total Revenue per Passenger Cruise Day</b>	↑ ~20% vs 2019
<b>Adjusted Net Cruise Cost ex. Fuel per Capacity Day</b>	↓ ~10% in 2H22 vs 1H22
<b>Adjusted EBITDA</b>	Slightly positive in 2H22



# NCLH 2023 DEPLOYMENT MIX

	2023					Variance vs. FY 2019
	Q1	Q2	Q3	Q4	FY	
Alaska	0%	17%	24%	5%	<b>12%</b>	3%
Asia/Africa/Pacific	8%	2%	1%	11%	<b>5%</b>	1%
Bermuda	2%	11%	7%	5%	<b>6%</b>	-
Caribbean	54%	19%	6%	27%	<b>26%</b>	(9%)
Europe	5%	32%	51%	27%	<b>29%</b>	6%
Hawaii	4%	4%	3%	3%	<b>4%</b>	-
Other	27%	14%	8%	23%	<b>18%</b>	-
Total	100%	100%	100%	100%	100%	

Fleet deployment shifting to higher-yielding premium destinations

Note: Based on voyage plan as of 10/31/22

# ILLUSTRATIVE SHARE COUNT SCENARIO

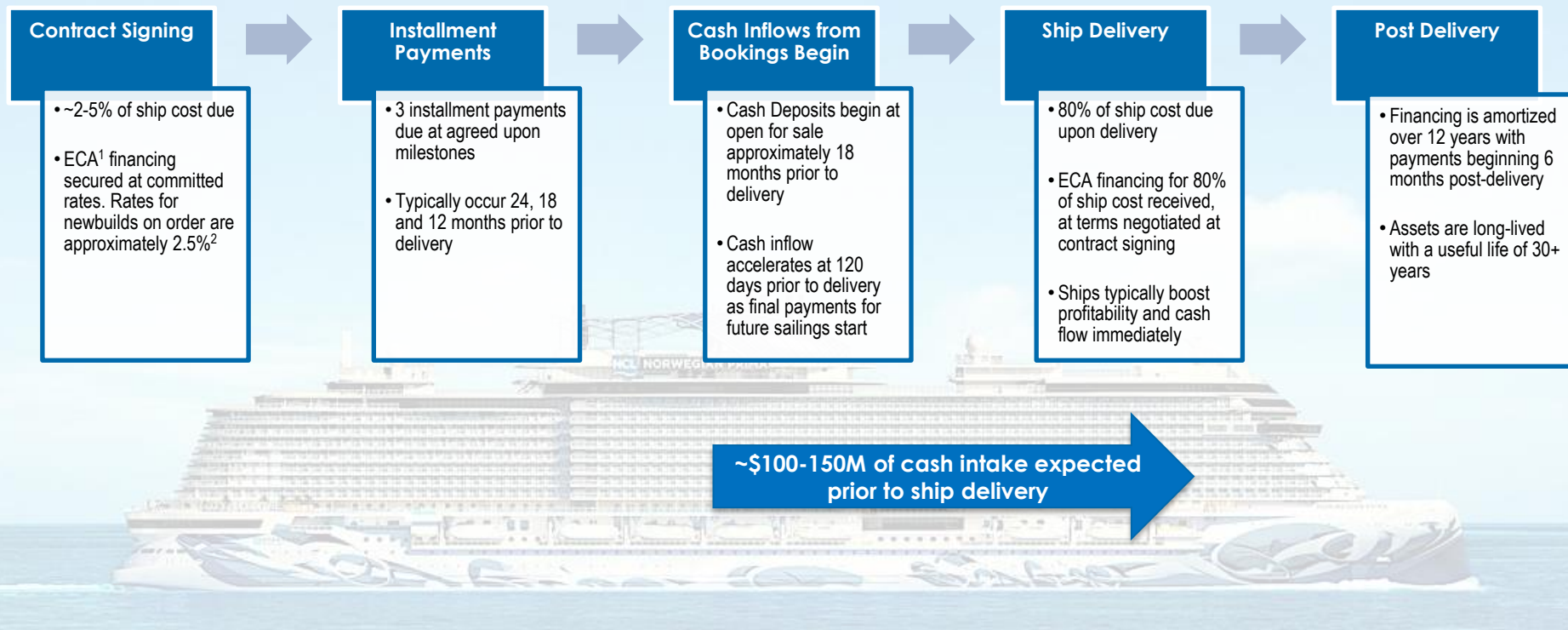
Illustrative Diluted Share Count	
Shares Outstanding (as of 9/30/22)	421,393,338
RSUs and Options Outstanding (as of 9/30/22)	15,033,509
6% Exchangeable Notes due 2024	10,661,894
5.375% Exchangeable Notes due 2025	23,999,985
1.125% Exchangeable Notes due 2027	34,137,750
2.5% Exchangeable Notes due 2027	13,710,955
<b>Illustrative Fully Diluted Share Count</b>	<b>471,088,726<sup>1</sup></b>

Must be  
settled  
in shares

Can be  
settled in  
cash, shares or  
a combination

<sup>1</sup> Illustrative example. Assumes 1.125% and 2.5% Exchangeable Notes are settled entirely in cash. Actual number of shares issued upon settlement may differ. All share amounts presented show reserve for exchange at initial exchange ratio.

# 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.

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

# 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.

**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.

**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)

Adjusted EBITDA<sup>1</sup> is  
Calculated as Follows (in thousands):

Three Months Ended  
Sept. 30, 2022

Net loss	(\$295,394)
Interest expense, net	152,330
Income tax (benefit) expense	(10,705)
Depreciation and amortization expense	186,551
EBITDA	32,782
Other (income) expense, net	(31,461)
Non-cash deferred compensation	700
Non-cash share-based compensation	26,083
<b>Adjusted EBITDA</b>	<b>\$28,104</b>

<sup>1</sup> 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 Per Diem is Calculated as Follows

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

	Three Months Ended Sept. 30, 2022	Three Months Ended Sept. 30, 2019
Total revenue	\$1,615,510	\$1,913,851
Less: Total cruise operating expense	1,238,898	990,764
Less: Ship depreciation	174,393	137,042
<b>Gross Margin</b>	<b>\$202,219</b>	<b>\$786,045</b>
Payroll and related	287,390	235,833
Fuel	186,984	98,943
Food	76,810	56,913
Other	208,176	145,211
Ship Depreciation	174,393	137,042
<b>Adjusted Gross Margin</b>	<b>\$1,135,972</b>	<b>\$1,459,987</b>
Passenger Cruise Days	3,982,559	5,387,662
Gross Margin per Passenger Cruise Day	\$50.78	\$145.90
<b>Net Per Diem</b>	<b>\$285.24</b>	<b>\$270.99</b>



# NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

## Net Per Diem is Calculated as Follows

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

	Nine Months Ended Sept. 30, 2022	Nine Months Ended Sept. 30, 2019
Total revenue	\$3,324,631	\$4,981,758
Less: Total cruise operating expense	3,047,627	2,775,839
Less: Ship depreciation	511,785	399,662
<b>Gross Margin</b>	<b>(\$234,781)</b>	<b>\$1,806,257</b>
Payroll and related	790,697	688,325
Fuel	503,682	297,727
Food	177,483	166,305
Other	623,374	456,187
Ship Depreciation	511,785	399,662
<b>Adjusted Gross Margin</b>	<b>\$2,372,240</b>	<b>\$3,814,463</b>
Passenger Cruise Days	8,411,308	15,377,185
Gross Margin per Passenger Cruise Day	(\$27.91)	\$117.46
<b>Net Per Diem</b>	<b>\$282.03</b>	<b>\$248.06</b>