



**CARNIVAL**  
CORPORATION & PLC



**Third Quarter 2023 Earnings Presentation**

# Disclaimers, Forward Looking Statements and Responsibility



This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Adjusted EBITDA, Adjusted Net Income (loss), and certain ratios and metrics derived therefrom. These non-GAAP measures are supplemental measures that are not required by, and are not presented in accordance with, GAAP and we have presented these measures because we believe they are useful to investors in evaluating a company's performance and/or ability to service and/or incur indebtedness. The items excluded from these measures are significant in assessing Carnival Corporation & plc's operating results and liquidity and should not be construed as an inference that its future results will be unaffected by any such adjustments. Certain adjustments that are made in calculating these measures are based on assumptions and estimates that may prove to have been inaccurate. Therefore, these measures have limitations as analytical tools and should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Carnival's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

Some of the statements, estimates or projections contained in this document are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, operations, outlooks, plans, goals, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "aspiration," "anticipate," "forecast," "project," "future," "intend," "plan," "estimate," "target," "indicate," "outlook," and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Pricing
- Booking levels
- Occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Goodwill, ship and trademark fair values
- Liquidity and credit ratings
- Investment grade leverage metrics
- Estimates of ship depreciable lives and residual values
- Adjusted net income (loss)
- Adjusted EBITDA
- Adjusted earnings per share
- Adjusted free cash flow
- Net per diems
- Net yields
- Adjusted cruise costs per ALBD
- Adjusted cruise costs excluding fuel per ALBD
- Adjusted return on invested capital

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently, and in the future may continue to be, amplified by our substantial debt balance as a result of the pause of our guest cruise operations. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- Events and conditions around the world, including war and other military actions, such as the war in Ukraine, inflation, higher fuel prices, higher taxes, higher interest rates and other general concerns impacting the ability or desire of people to travel have led, and may in the future lead, to a decline in demand for cruises as well as negative impacts to our operating costs and profitability.
- Pandemics have in the past and may in the future have a significant negative impact on our financial condition and operations.
- Incidents concerning our ships, guests or the cruise industry have in the past and may, in the future, negatively impact the satisfaction of our guests and crew and lead to reputational damage.
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection, labor and employment, and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.
- Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.
- Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.
- The loss of key team members, our inability to recruit or retain qualified shoreside and shipboard team members and increased labor costs could have an adverse effect on our business and results of operations.
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.
- We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers may be unable to deliver on their commitments, which could negatively impact our business.
- Fluctuations in foreign currency exchange rates may adversely impact our financial results.
- Overcapacity and competition in the cruise and land-based vacation industry may negatively impact our cruise sales, pricing and destination options.
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.
- Failure to successfully implement our business strategy following our resumption of guest cruise operations would negatively impact the occupancy levels and pricing of our cruises and could have a material adverse effect on our business. We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors, including those beyond our control, and we may not be able to generate cash required to service our debt and sustain our operations.

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Forward-looking and other statements in this document may also address our sustainability progress, plans and goals (including climate change and environmental-related matters). In addition, historical, current and forward-looking sustainability- and climate-related statements may be based on standards and tools for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions and predictions that are subject to change in the future and may not be generally shared.

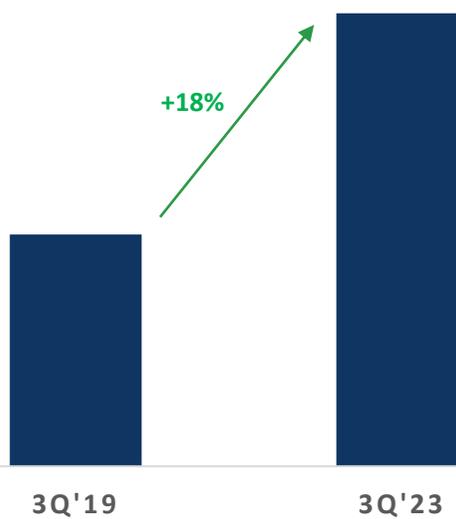
# Record Third Quarter Across Key Metrics



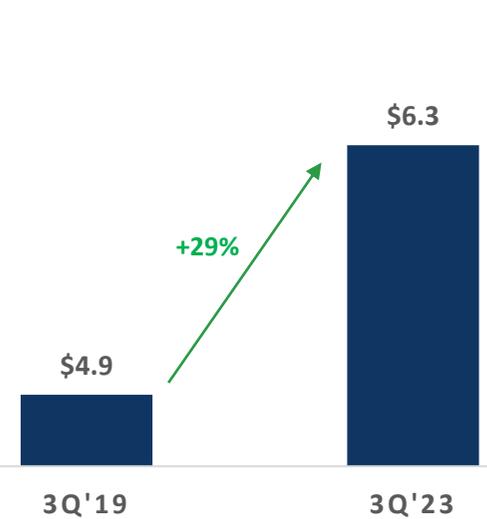
**Revenue**  
*In Billions*



**Booking Volumes**  
*Booked OLBDs for All Future Sailings*



**Customer Deposits**  
*In Billions*



## Strength in Demand Delivered Outperformance Again...

3Q 2023	Guidance	Actual
Occupancy percentage	107% or higher	109%
Net per diems vs 2019	3.5 – 4.5%	4.9%
Adj cruise costs exc. fuel per ALBD vs 2019	14.5 - 15.5%	15.1%
Adj EBITDA	\$2,050M - \$2,150M	\$2,221M
Adj net income/(loss)	\$950M - \$1,050M	\$1,176M

**For the first time since the resumption of guest cruise operations, net income turned positive in 3Q'23**

## ...And Raised Expectations for Full Year 2023 Revenue and Net Income Guidance Overcoming \$130M Drag from Fuel Price & Currency



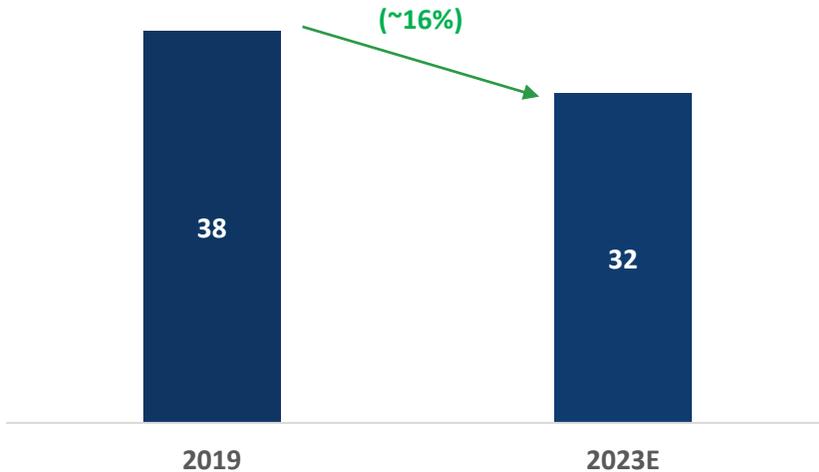
Full Year 2023	June Guidance	September Guidance
Occupancy percentage	100% or higher	100% or higher
Net per diems vs 2019	5.5% - 6.5%	Approx. 7.0%
Adj cruise costs exc. fuel per ALBD vs 2019	10.0% - 11.0%	Approx. 11.0%
Adj EBITDA	\$4,100M - \$4,250M	\$4,100M - \$4,200M
Adj net income/(loss)	(\$250M) - (\$100M)	(\$150M) - (\$50M)

**We expect lower interest expense in 2023 compared to previous guidance largely due to accelerated deleveraging initiatives**

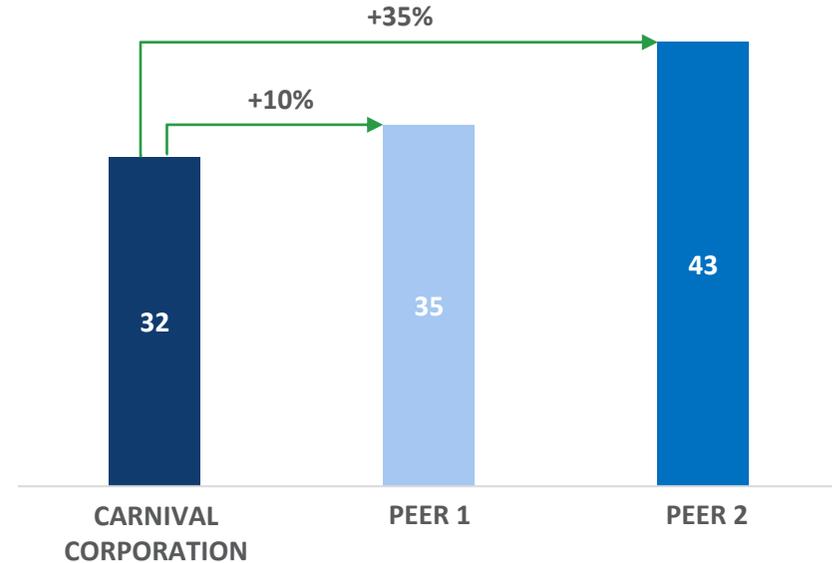
# Continuing to Manage Fuel Costs the Best Way Possible... By Consuming Less

Fuel Tons Consumed per kALBD by Year

## Continuing to Reduce Fuel Consumption



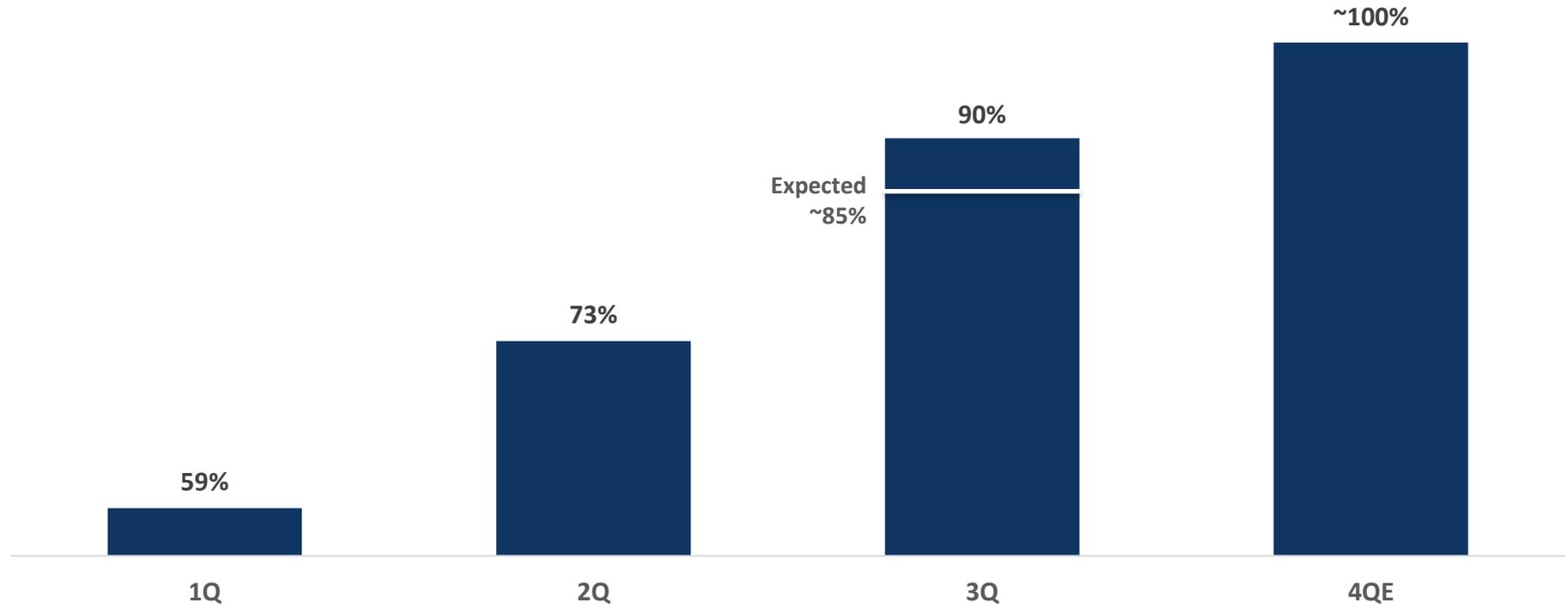
## Industry Leading Fuel Efficiency Fuel Consumption in 2023E



Reduction in fuel consumption has saved us over \$375M in 2023

# Continued Progress in Underlying Unit EBITDA

2023 Adjusted EBITDA per ALBD Holding Fuel Price and Currency Constant to 2019



# Our Demand Generation Efforts Are Clearly Working Across All Regions As You Can See in Our...

- Actual Results
- Forward Guidance
- Booked Position
- Recent Trends



# Optimizing Revenue and Demand Generation

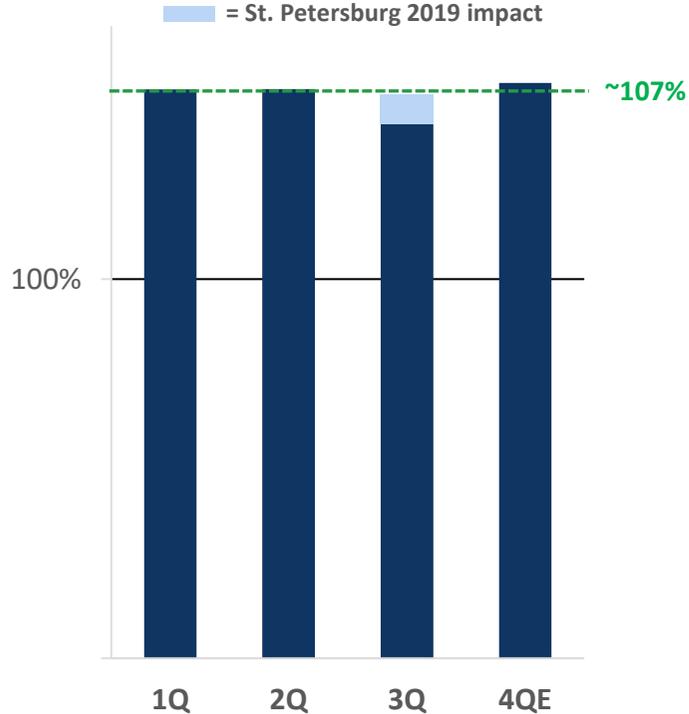
## Areas of Focus

- ✓ Brand Positioning
- ✓ Creative Marketing
- ✓ Digital Performance Marketing
- ✓ Trade Relationships Strength
- ✓ Internal Sales Support
- ✓ Deployment and Itinerary Planning
- ✓ Revenue Management Execution
- ✓ Onboard Revenue Maximization
- ✓ Onboard Guest Experience
- ✓ Use of Data and Guest Target Audience Insight

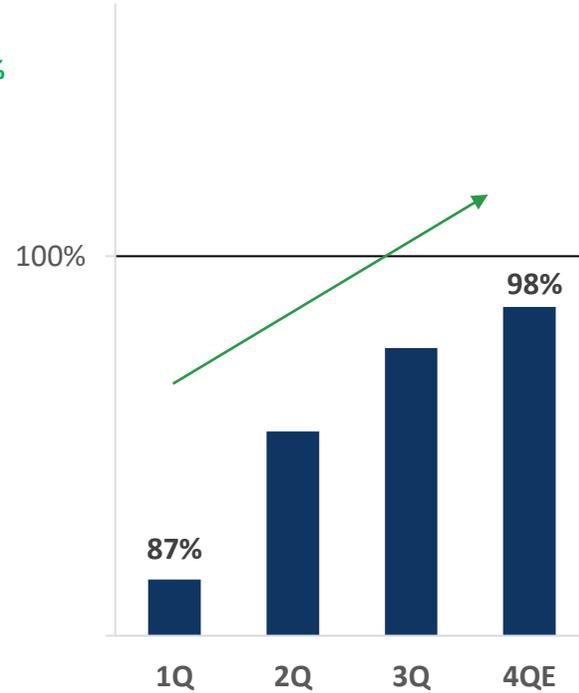
We expect revenue optimization initiatives to build momentum leading to strong yield improvement over time

# Strategic Focus to Drive Demand Delivers Sequential Yield Improvement and Continued Positive Trajectory

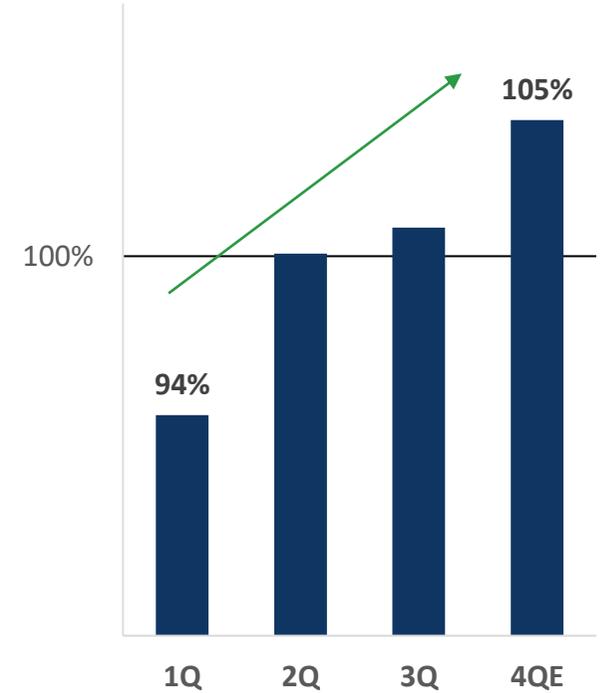
### 2023 Net Per Diems as % of 2019



### 2023 Occupancy as % of 2019



### 2023 Net Yields as % of 2019

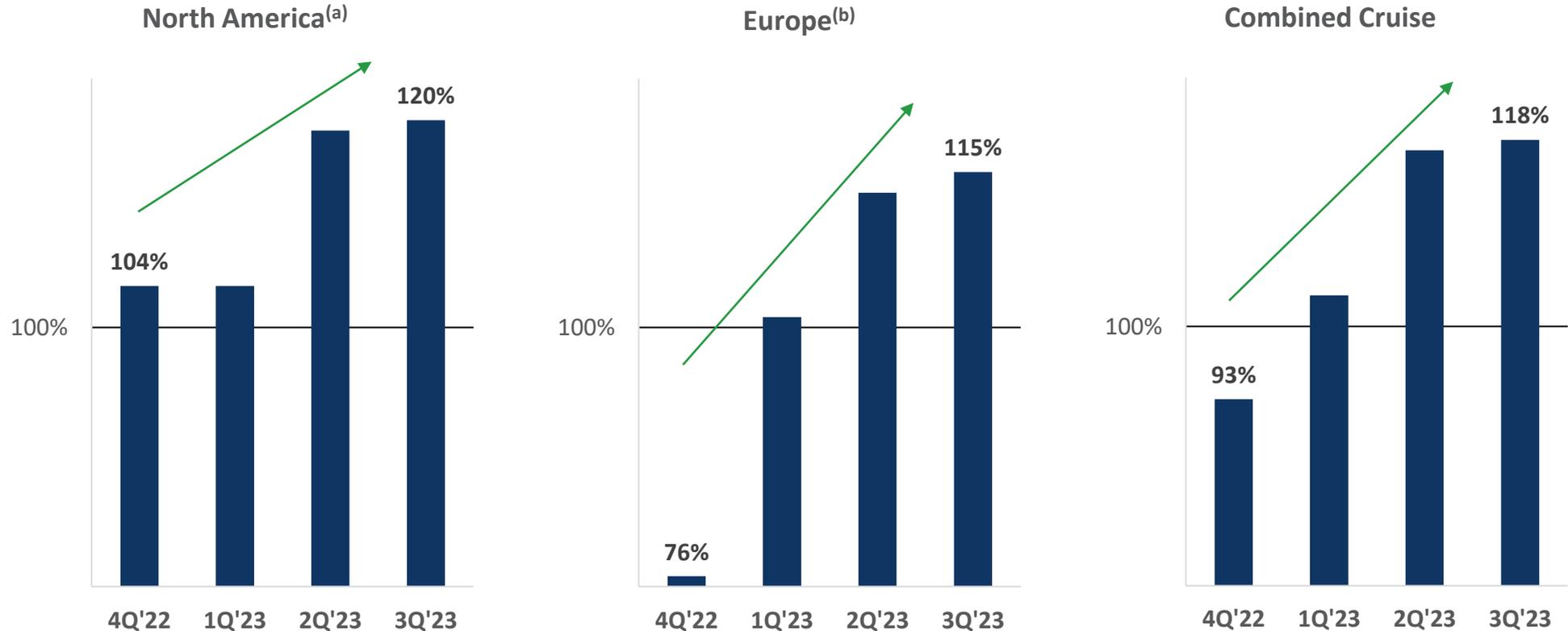


**Delivering full year net per diem growth of ~7% while closing occupancy gap**

# Booking Volumes Running at Multiples of Capacity Growth Across Both Regions

## Booking Volumes vs. Comparable 2019 Levels

All Future Sailings

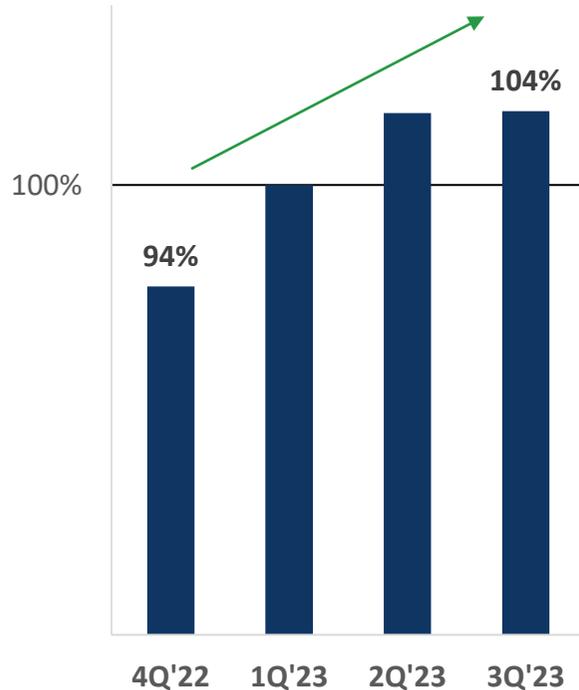


(a) Guests sourced for our NAA Segment brands  
(b) Guests sourced for our Europe Segment brands

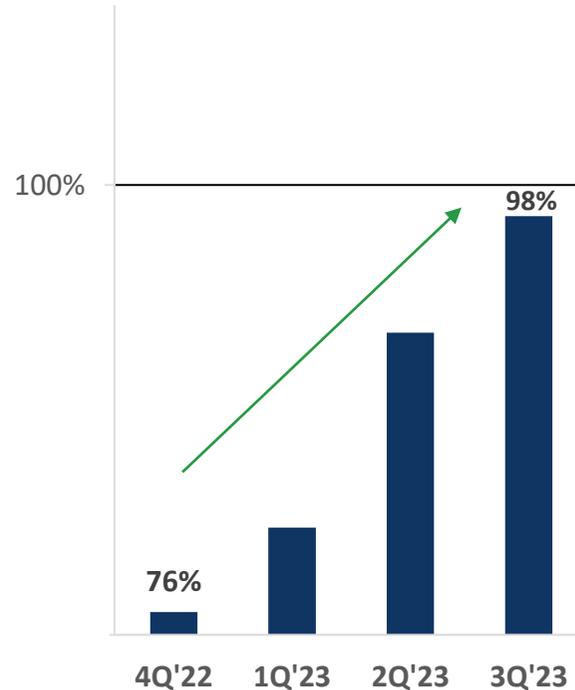
# Lengthened Booking Curve on Improved Revenue Management Execution

Average Months Booked Before Sailing as % of 2019

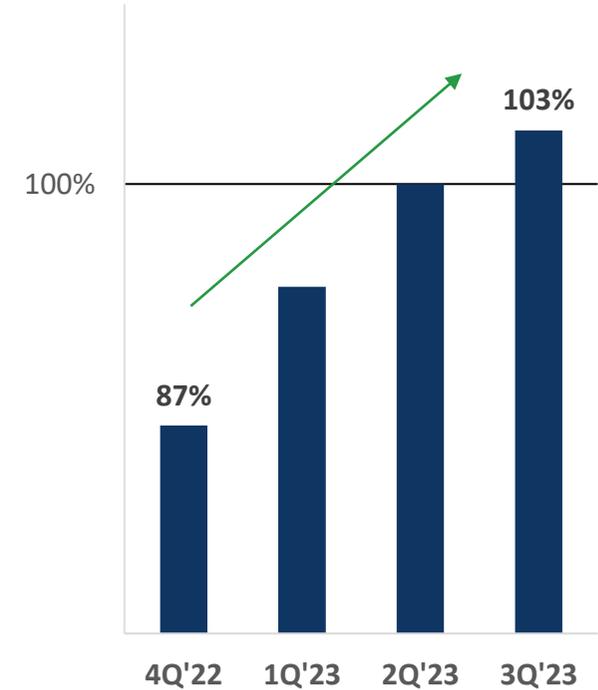
North America<sup>(a)</sup>



Europe<sup>(b)</sup>



Combined Cruise



Less inventory remaining for sale despite 5% more capacity

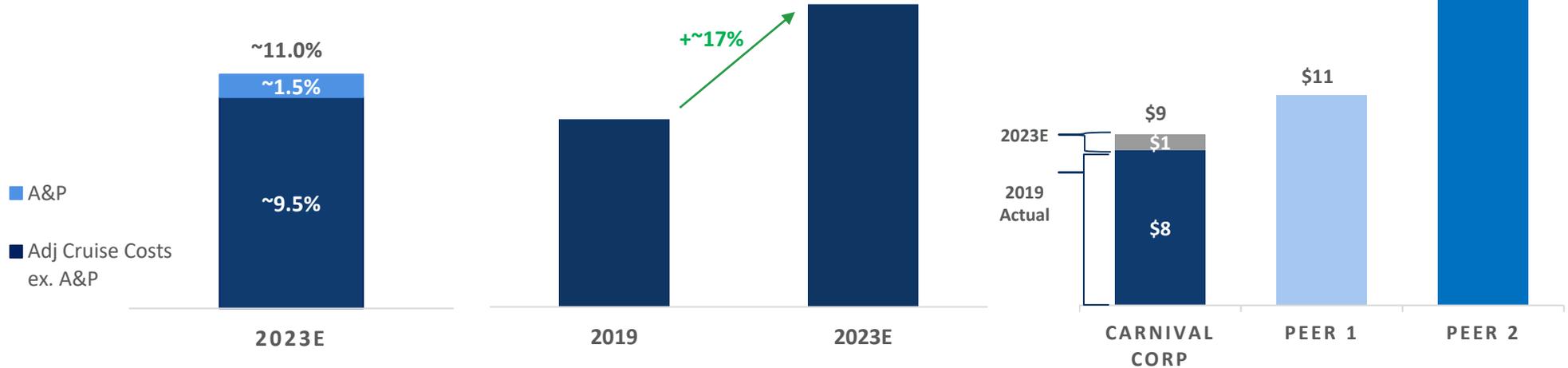
(a) Guests sourced for our NAA Segment brands  
(b) Guests sourced for our Europe Segment brands

# Continuing to Invest to Build Future Demand

ADJ CRUISE COSTS EXC. FUEL PER ALBD VS. 2019

A&P SPEND PER ALBD

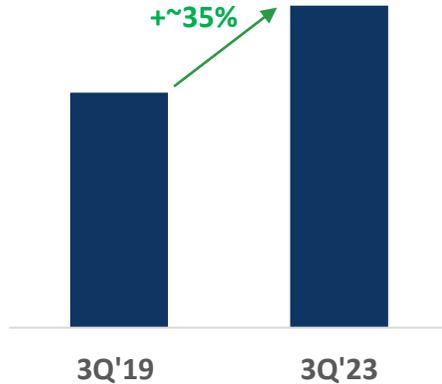
2019 A&P SPEND PER ALBD AMONG PEERS



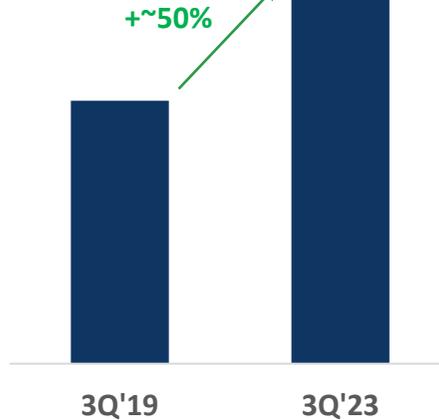
Strategic advertising initiatives continue to pay off

# Driving Demand Through Digital Performance Marketing

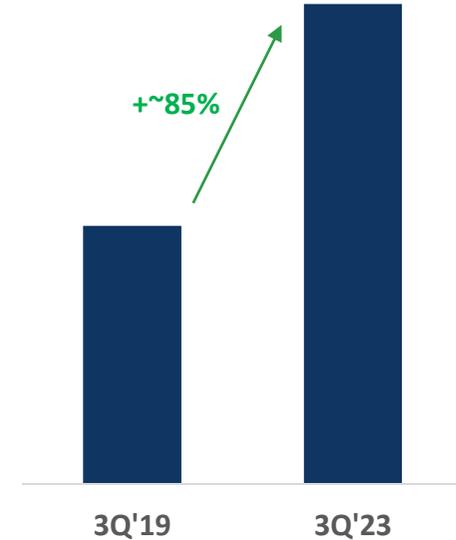
Percentage Growth in  
Web Visits



Percentage Growth in  
Paid Search Clicks



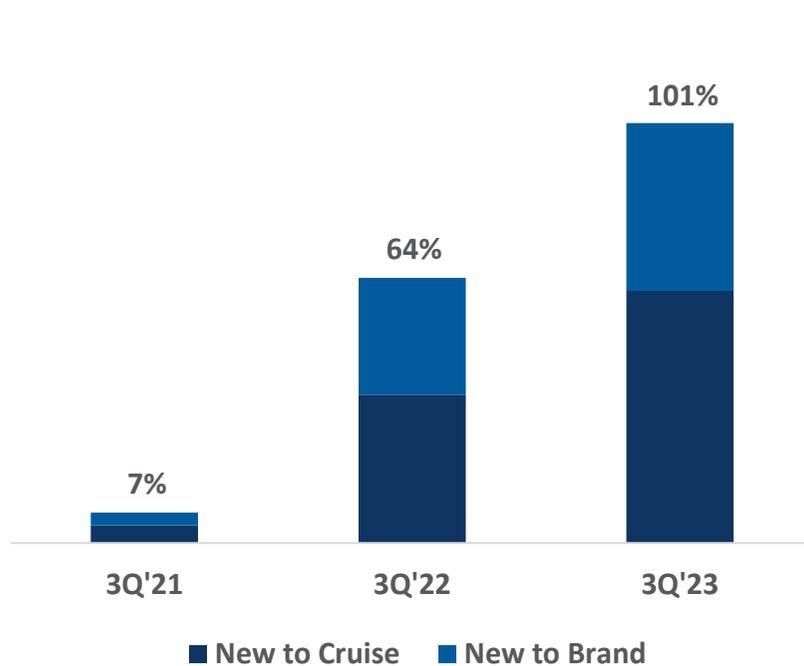
Percentage Growth in  
Natural Search Visits



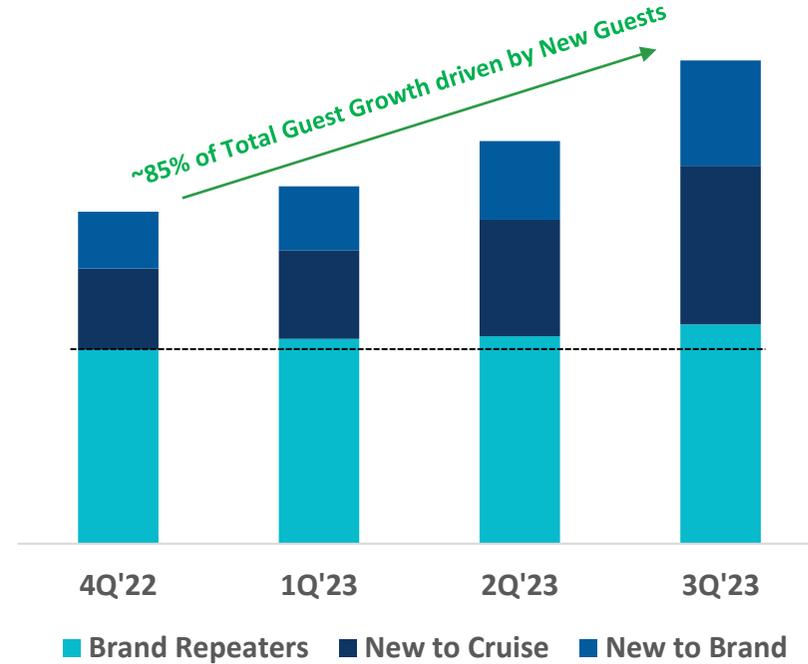
Building ongoing pipeline of new demand

# Demand Generation Efforts Delivering New to Cruise Guests

New Guests Sailed as % of 3Q'19



Total Volume of Guests Sailed



Well over 2.5M new to cruise guests sailed so far this year

# Our Revenue Base is Recurring, Visible, and Predictable...

**Recurring**

**~55%**

Of our guests are  
repeat cruisers

**Visible**

**>50%**

Of next-twelve-months  
demand booked

**Predictable**

**~40%**

Of onboard revenues  
are pulled forward by  
pre-cruise sales

**...with significant room for improvement**

# Driving Onboard Revenue Growth Through Multiple Wallets

	Up to 24 Months Prior	Until 3 Days Prior	During
Phase:	Purchase Cruise Package (\$)	Pre-Cruise (\$\$)	Onboard (\$\$\$)
Revenue Opportunity	Introducing More Bundled Offers	Targeted Special Offers	Additional Amenities and Experiences

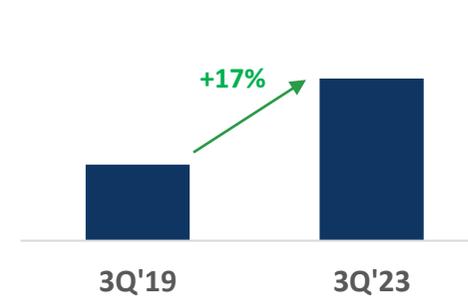
Pre-Cruise Onboard Revenue per PCD<sup>(a)</sup>



% of Onboard Revenue Sold Pre-Cruise<sup>(a)</sup>



Onboard Revenue per PCD<sup>(a)</sup>



Opportunity to pull forward more onboard spend

Note: Number of \$ corresponds to the size of the incremental revenue opportunity in each phase.  
(a) In constant dollars

# Creating Excitement Around Our New Ships and Destinations



**Welcomed Our Newest  
Ultra-Luxury Expedition Ship**

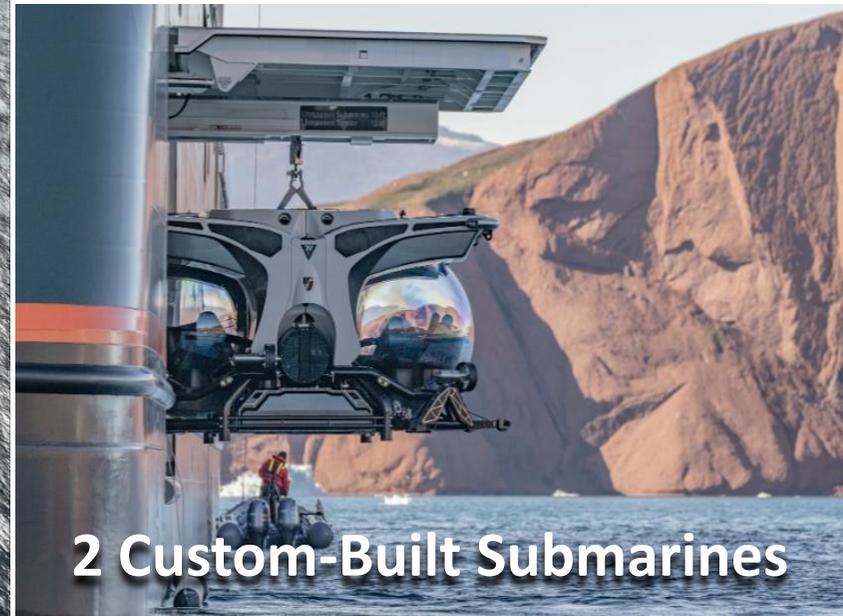
***Seabourn Pursuit***



**24 Zodiacs**



**2 Custom-Built Submarines**



# Leaning Into Our Unrivaled Destination Footprint



## CELEBRATION KEY™

AT GRAND BAHAMA

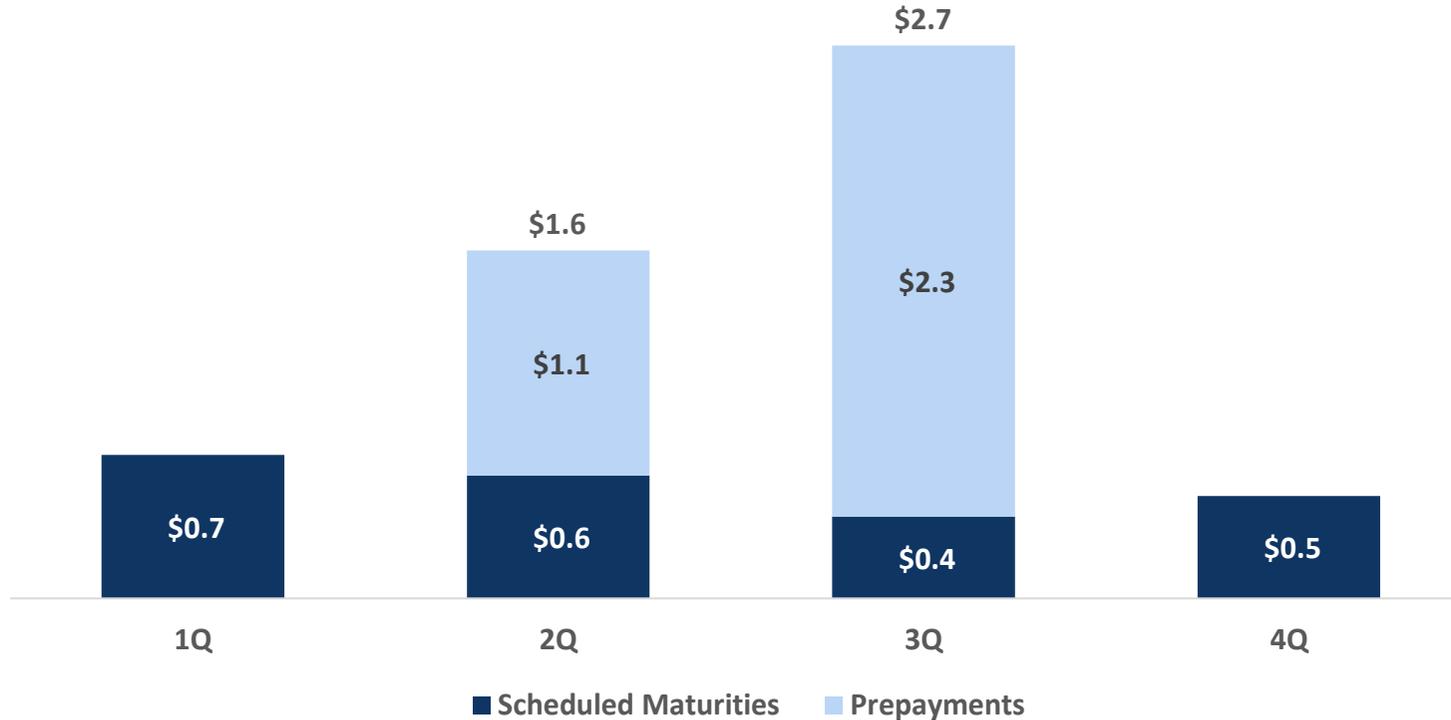


# Actively Managing Down Our Debt and Reducing Interest Expense



# \$3.4B of Opportunistic Prepayments in Addition to Scheduled Maturities

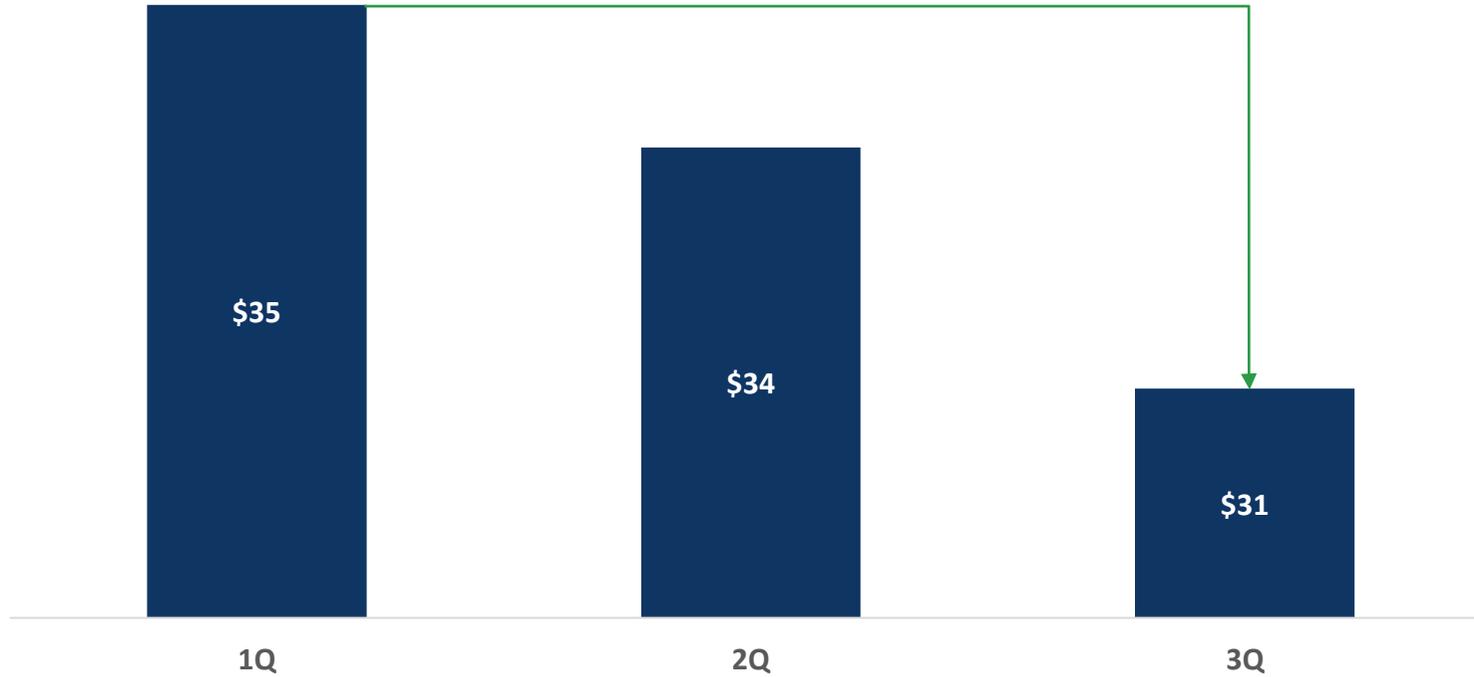
2023 Scheduled Maturities and Prepayments  
*Total Principal Repayments (In Billions)*



# Accelerating Deleveraging Efforts

2023 Total Debt  
*In Billions*

>10% decrease since our peak



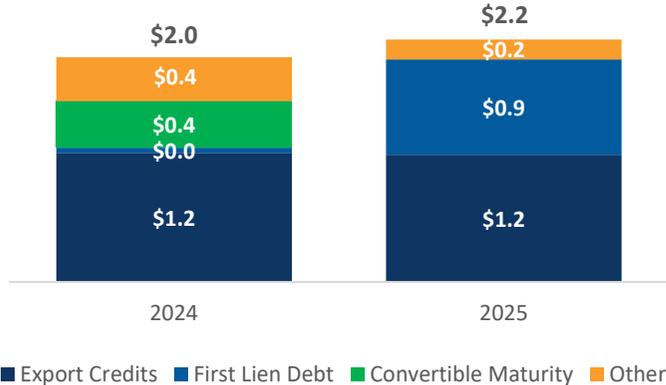
Expect year-end debt to be just under \$31B, less than previous expectation of \$33B

# Manageable Near-Term Maturities Plus Other Levers

## Maturity Schedule<sup>(a)</sup>

Total Principal Repayments (In Billions)

\$5.7B liquidity as of 3Q'23



## Levers

In Billions



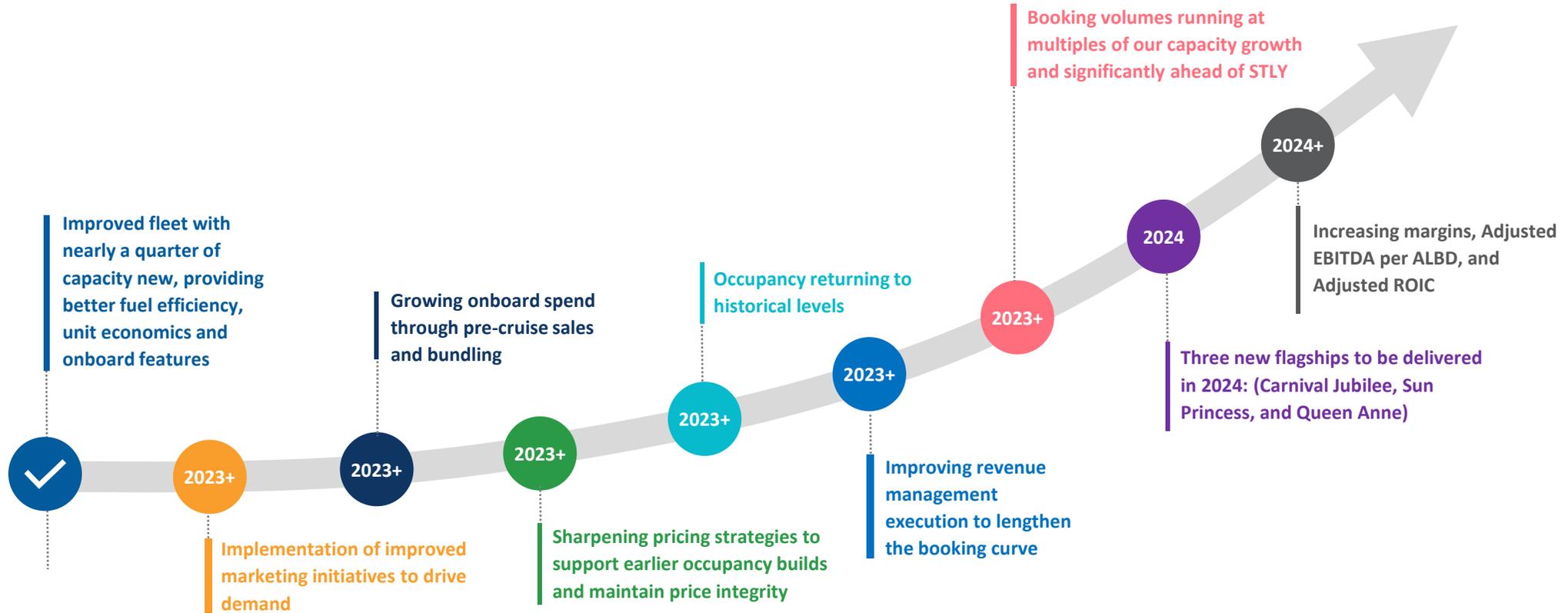
## Export Credits Available

In Billions



(a) Outstanding debt maturities as of August 31, 2023; excludes impact of undrawn export credits

# Strong Momentum Heading into 2024 and Beyond



Creating value for all our stakeholders and delivering unforgettable vacations to our guests



# Appendix

# Guidance

	4Q 2023		Full Year 2023	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Change compared to 2019				
Net per diems	5.5% to 6.5%	7.0% to 8.0%	Approx. 5.5%	Approx. 7.0%
Adjusted cruise costs excluding fuel per ALBD	8.5% to 9.5%	10.0% to 11.0%	Approx. 9.5%	Approx. 11.0%

	4Q 2023	Full Year 2023
ALBDs (in millions) (a)	23.3	91.3
Capacity growth compared to 2019	7.1 %	4.5 %
Occupancy percentage (a)	101% or higher	100% or higher
Fuel consumption in metric tons (in millions)	0.7	2.9
Fuel cost per metric ton consumed	\$ 765	\$ 700
Fuel expense (in billions)	\$ 0.6	\$ 2.0
Depreciation and amortization (in billions)	\$ 0.6	\$ 2.4
Interest expense, net of capitalized interest and interest income (in billions)	\$ 0.4	\$ 1.9
Adjusted EBITDA (in millions)	\$800 to \$900	\$4,100 to \$4,200
Adjusted net income (loss) (in millions)	\$(225) to \$(125)	\$(150) to \$(50)
Adjusted earnings per share	\$(0.18) to \$(0.10)	\$(0.12) to \$(0.04)
Weighted-average shares outstanding - diluted	1,263	1,262

Currencies (USD to 1)			
AUD	\$	0.64	\$ 0.67
CAD	\$	0.74	\$ 0.74
EUR	\$	1.06	\$ 1.08
GBP	\$	1.22	\$ 1.24

(a) See "Notes to Statistical Information"

	4Q 2023
Sensitivities (impact to adjusted net income (loss) in millions)	
1% change in net per diems	\$ 39
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 24
1% change in currency exchange rates	\$ 4
10% change in fuel price	\$ 55
100 basis point change in variable rate debt (including derivatives)	\$ 16

## Capital Expenditures

The company's annual capital expenditures, which include year-to-date actuals for 2023, are as follows:

(in billions)	2023	2024	2025	2026
Contracted newbuild	\$ 1.9	\$ 2.4	\$ 1.0	\$ —
Non-newbuild	1.5	1.7	1.7	1.7
Total (a)	\$ 3.4	\$ 4.1	\$ 2.7	\$ 1.7

(a) Future capital expenditures will fluctuate with foreign currency movements relative to the U.S. Dollar. These figures do not include potential ship additions that the company may elect in the future.

## Committed Ship Financings

(in billions)	2023	2024	2025
Future export credit facilities at August 31, 2023	\$ —	\$ 2.2	\$ 0.7

## Outstanding Debt Maturities

As of August 31, 2023, the company's outstanding debt maturities are as follows:

(in billions)	2023	2024	2025	2026
First Lien	\$ 0.0	\$ 0.0	\$ 0.9	\$ 0.0
Second Lien	—	—	—	—
Export Credits	0.3	1.2	1.2	1.2
All other	0.2	0.8	0.2	2.0
Total Principal payments on outstanding debt	\$ 0.5	\$ 2.0	\$ 2.2	\$ 3.2

## Capacity by Market – 2023

	1Q	2Q	3Q	4Q	Full Year
Caribbean	44%	32%	24%	27%	31%
Northern Europe	9%	15%	27%	17%	17%
Mediterranean	5%	12%	19%	20%	14%
Australia/New Zealand	10%	8%	4%	8%	8%
Alaska	0%	5%	17%	5%	7%
Other Programs	32%	28%	9%	23%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## *Sustainable From Ship to Shore*

### Climate Action

Improving ship energy efficiency, and testing and investing in new low and zero carbon emission technologies

### Circular Economy

Minimizing the waste generated by our operations and activities, and maximizing reuse

### Good Health & Well-Being

Expanding well-being programs to support employees' physical and mental health

### Sustainable Tourism

Respecting and helping maintain the culture, history and natural resources of the communities we travel to

### Biodiversity & Conversation

Investing in biodiversity and conservation programs to help maintain and improve ecosystems

### Diversity, Equity & Inclusion

Providing an inclusive and supportive work environment with equal opportunities for professional employee career growth

Our 2030 goals and 2050 aspirations, centered on our 6 priority areas, continue to guide our sustainability strategy

# Non-GAAP Financial Measures

We use non-GAAP financial measures and they are provided along with their most comparative U.S. GAAP financial measure:

Non-GAAP Measure	U.S. GAAP Measure	Use Non-GAAP Measure to Assess
<ul style="list-style-type: none"> <li>Adjusted net income (loss) and adjusted EBITDA</li> </ul>	<ul style="list-style-type: none"> <li>Net income (loss)</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted earnings per share</li> </ul>	<ul style="list-style-type: none"> <li>Earnings per share</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted free cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Cash from (used in) operations</li> </ul>	<ul style="list-style-type: none"> <li>Impact on Liquidity Level</li> </ul>
<ul style="list-style-type: none"> <li>Net per diems</li> </ul>	<ul style="list-style-type: none"> <li>Gross margin per diems</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Net yields</li> </ul>	<ul style="list-style-type: none"> <li>Gross margin yields</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD</li> </ul>	<ul style="list-style-type: none"> <li>Gross cruise costs per ALBD</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted return on invested capital ("ROIC")</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as a substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Adjusted net income (loss) and adjusted earnings per share provide additional information to us and investors about our future earnings performance by excluding certain gains, losses and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. We believe that gains and losses on ship sales, impairment charges, debt extinguishment and modification costs, restructuring costs and certain other gains and losses are not part of our core operating business and are not an indication of our future earnings performance.

Adjusted EBITDA provides additional information to us and investors about our core operating profitability by excluding certain gains, losses and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance as well as excluding interest, taxes and depreciation and amortization. In addition, we believe that the presentation of adjusted EBITDA provides additional information to us and investors about our ability to operate our business in compliance with the covenants set forth in our debt agreements. We define adjusted EBITDA as adjusted net income (loss) adjusted for (i) interest, (ii) taxes and (iii) depreciation and amortization. There are material limitations to using adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income (loss). These limitations are best addressed by considering the economic effects of the excluded items independently and by considering adjusted EBITDA in conjunction with net income (loss) as calculated in accordance with U.S. GAAP.

Adjusted free cash flow provides additional information to us and investors to assess our ability to repay our debt after making the capital investments required to support ongoing business operations and value creation as well as the impact on the company's liquidity level. Adjusted free cash flow represents net cash provided by operating activities adjusted for capital expenditures (purchases of property and equipment) and proceeds from export credits that are provided for related capital expenditures. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt.

Net per diems and net yields enable us and investors to measure the performance of our cruise segments on a per PCD and per ALBD basis. We use adjusted gross margin rather than gross margin to calculate net per diems and net yields. We believe that adjusted gross margin is a more meaningful measure in determining net per diems and net yields than gross margin because it reflects the cruise revenues earned net of only our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit and debit card fees.

# Non-GAAP Financial Measures (cont'd)

Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD enable us and investors to separate the impact of predictable capacity or ALBD changes from price and other changes that affect our business. We believe these non-GAAP measures provide useful information to us and investors and expanded insight to measure our cost performance. Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD are the measures we use to monitor our ability to control our cruise segments' costs rather than cruise costs per ALBD. We exclude gains and losses on ship sales, impairment charges, restructuring costs and certain other gains and losses that we believe are not part of our core operating business as well as excluding our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit and debit card fees. We exclude fuel expense to calculate adjusted cruise costs excluding fuel. The price of fuel, over which we have no control, impacts the comparability of period-to-period cost performance. The adjustment to exclude fuel provides us and investors with supplemental information to understand and assess the company's non-fuel adjusted cruise cost performance. Substantially all of our adjusted cruise costs excluding fuel are largely fixed, except for the impact of changing prices once the number of ALBDs has been determined.

Adjusted ROIC provides additional information to us and investors about our operating performance relative to the capital we have invested in the company. We define adjusted ROIC as the twelve-month adjusted net income (loss) before interest expense and interest income divided by the monthly average of debt plus equity minus construction-in-progress, excess cash, goodwill and intangibles.

## Reconciliation of Forecasted Data

We have not provided a reconciliation of forecasted non-GAAP financial measures to the most comparable U.S. GAAP financial measures because preparation of meaningful U.S. GAAP forecasts would require unreasonable effort. We are unable to predict, without unreasonable effort, the future movement of foreign exchange rates and fuel prices. We are unable to determine the future impact of gains and losses on ship sales, impairment charges, debt extinguishment and modification costs, restructuring costs and certain other non-core gains and losses.

## Constant Currency

Our operations primarily utilize the U.S. dollar, Australian dollar, euro and sterling as functional currencies to measure results and financial condition. Functional currencies other than the U.S. dollar subject us to foreign currency translational risk. Our operations also have revenues and expenses that are in currencies other than their functional currency, which subject us to foreign currency transactional risk.

Constant currency reporting removes the impact of changes in exchange rates on the translation of our operations plus the transactional impact of changes in exchange rates from revenues and expenses that are denominated in a currency other than the functional currency.

We report adjusted gross margin, net per diems, adjusted cruise costs excluding fuel and adjusted cruise costs excluding fuel per ALBD on a "constant currency" basis assuming the 2023 periods' currency exchange rates have remained constant with the 2019 periods' rates. These metrics facilitate a comparative view for the changes in our business in an environment with fluctuating exchange rates.

### Examples:

- The translation of our operations with functional currencies other than U.S. dollar to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies.
- Our operations have revenue and expense transactions in currencies other than their functional currency. If their functional currency strengthens against these other currencies, it reduces the functional currency revenues and expenses. If the functional currency weakens against these other currencies, it increases the functional currency revenues and expenses.

# Reconciliation of Non-GAAP Financial Measures

(in millions)	Three Months Ended August 31,		Nine Months Ended August 31,	
	2023	2022	2023	2022
Net income (loss)	\$ 1,074	\$ (770)	\$ (26)	\$ (4,495)
(Gains) losses on ship sales and impairments	—	—	(54)	1
Debt extinguishment and modification costs	81	—	112	—
Restructuring expenses	1	—	16	2
Other	20	82	43	53
Adjusted net income (loss)	\$ 1,176	\$ (688)	\$ 90	\$ (4,439)
Interest expense, net of capitalized interest	518	422	1,600	1,161
Interest income	(59)	(24)	(183)	(34)
Income tax (expense), benefit	(9)	11	3	17
Depreciation and amortization	596	581	1,774	1,707
Adjusted EBITDA	\$ 2,221	\$ 303	\$ 3,285	\$ (1,588)

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2023	2022	2023	2022
Earnings per share (a)	\$ 0.79	\$ (0.65)	\$ (0.02)	\$ (3.89)
(Gains) losses on ship sales and impairments	—	—	(0.04)	—
Debt extinguishment and modification costs	0.06	—	0.09	—
Restructuring expenses	—	—	0.01	—
Other	0.01	0.07	0.03	0.05
Adjusted earnings per share (a)	\$ 0.86	\$ (0.58)	\$ 0.07	\$ (3.85)

Weighted-average shares outstanding - diluted (in millions)

	1,396	1,185	1,262	1,154
--	-------	-------	-------	-------

(a) Earnings per share and adjusted earnings per share for the three months ended August 31, 2023 includes the add-back of dilutive interest expense related to the company's convertible notes of \$24 million. The add-back expense is anti-dilutive to the nine months ended August 31, 2023 calculation and accordingly has been excluded.

(in millions)	Three Months Ended August 31,		Nine Months Ended August 31,	
	2023	2022	2023	2022
Cash from (used in) operations	\$ 1,834	\$ (344)	\$ 3,359	\$ (1,553)
Capital expenditures (Purchases of Property and Equipment)	(837)	(538)	(2,609)	(3,759)
Proceeds from export credits	140	—	1,157	2,343
Adjusted free cash flow	\$ 1,137	\$ (883)	\$ 1,906	\$ (2,969)

(in millions, except per diems and yields data)	Three Months Ended August 31,			Nine Months Ended August 31,		
	2023	2023 Constant Currency	2019	2023	2023 Constant Currency	2019
Total revenues	\$ 6,854	\$ 6,533	\$ 16,197	\$ 16,043	\$ 16,043	\$ 16,043
Less: Cruise and tour operating expenses	(3,921)	(3,532)	(10,688)	(9,833)	(9,833)	(9,833)
Depreciation and amortization	(596)	(548)	(1,774)	(1,607)	(1,607)	(1,607)
Gross margin	2,337	2,453	3,734	4,604	4,604	4,604
Less: Tour and other revenues	(172)	(200)	(216)	(299)	(299)	(299)
Add: Payroll and related	585	548	1,768	1,671	1,671	1,671
Fuel	468	401	1,492	1,204	1,204	1,204
Food	364	284	1,000	821	821	821
Ship and other impairments	—	—	—	—	—	—
Other operating	928	828	2,546	2,390	2,390	2,390
Depreciation and amortization	596	548	1,774	1,607	1,607	1,607
Adjusted gross margin	\$ 5,107	\$ 5,133	\$ 4,862	\$ 12,099	\$ 12,281	\$ 11,999
PCDs	25.8	25.8	25.7	67.8	67.8	70.8
Gross margin per diems (per PCD)	\$ 90.45	\$ 95.54	\$ 55.04	\$ 65.05	\$ 65.05	\$ 65.05
Net per diems (per PCD)	\$ 197.64	\$ 198.66	\$ 189.37	\$ 178.36	\$ 181.05	\$ 169.53

ALBDs	23.7	23.7	22.7	68.1	68.1	65.7
Gross margin yields (per ALBD)	\$ 98.50	\$ 107.92	\$ 54.85	\$ 70.11	\$ 70.11	\$ 70.11
Net yields (per ALBD)	\$ 215.22	\$ 216.33	\$ 213.91	\$ 177.73	\$ 180.40	\$ 182.71

(in millions, except costs per ALBD data)	Three Months Ended August 31,			Nine Months Ended August 31,		
	2023	2023 Constant Currency	2019	2023	2023 Constant Currency	2019
Cruise and tour operating expenses	\$ 3,921	\$ 3,532	\$ 10,688	\$ 9,833	\$ 9,833	\$ 9,833
Selling and administrative expenses	713	563	2,162	1,813	1,813	1,813
Less: Tour and other expenses	(112)	(117)	(190)	(220)	(220)	(220)
Cruise costs	4,522	3,978	12,660	11,426	11,426	11,426
Less: Commissions, transportation and other	(823)	(803)	(2,097)	(2,125)	(2,125)	(2,125)
Onboard and other costs	(752)	(668)	(1,785)	(1,620)	(1,620)	(1,620)
Gains (losses) on ship sales and impairments	—	(3)	54	11	11	11
Restructuring expenses	(1)	—	(16)	—	—	—
Other	—	(23)	—	(43)	(43)	(43)
Adjusted cruise costs	2,946	2,965	2,480	8,817	8,933	7,648
Less: Fuel	(468)	(468)	(401)	(1,492)	(1,492)	(1,204)
Adjusted cruise costs excluding fuel	\$ 2,478	\$ 2,497	\$ 2,079	\$ 7,325	\$ 7,441	\$ 6,444
ALBDs	23.7	23.7	22.7	68.1	68.1	65.7
Cruise costs per ALBD	\$ 190.58	\$ 175.01	\$ 185.97	\$ 173.98	\$ 173.98	\$ 173.98
% increase (decrease) vs 2019	8.9 %	—	6.9 %	—	—	—
Adjusted cruise costs per ALBD	\$ 124.16	\$ 124.98	\$ 109.12	\$ 129.51	\$ 131.22	\$ 116.46
% increase (decrease) vs 2019	14 %	15 %	11 %	13 %	13 %	13 %
Adjusted cruise costs excluding fuel per ALBD	\$ 104.42	\$ 105.25	\$ 91.49	\$ 107.59	\$ 109.31	\$ 98.12
% increase (decrease) vs 2019	14 %	15 %	9.7 %	11 %	11 %	11 %

# Reconciliation of Net Yields and Net Per Diems

<i>(in millions, except per diems and yields data)</i>	Three Months Ended November 30,		Three Months Ended February 28,		Three Months Ended May 31,		Three Months Ended August 31,	
	2022		2023		2023		2023	
	2022	Constant Currency	2023	Constant Currency	2023	Constant Currency	2023	Constant Currency
Total revenues	\$ 3,839		\$ 4,432		\$ 4,911		\$ 6,854	
Less: Cruise and tour operating expenses	(3,665)		(3,311)		(3,457)		(3,921)	
Depreciation and amortization	(568)		(582)		(597)		(596)	
Gross margin	(394)		540		856		2,337	
Less: Tour and other revenues	(31)		(9)		(35)		(172)	
Add: Payroll and related	580		582		601		585	
Fuel	580		535		489		468	
Food	277		311		325		364	
Ship and other impairments	433		-		-		-	
Other operating	840		743		875		928	
Depreciation and amortization	568		582		597		596	
Adjusted gross margin	\$ 2,852	\$ 2,960	\$ 3,284	\$ 3,366	\$ 3,708	\$ 3,782	\$ 5,107	\$ 5,133
PCDs	18.3	18.3	20.2	20.2	21.8	21.8	25.8	25.8
Gross margin per diems (per PCD)	\$ (21.58)		\$ 26.81		\$ 39.21		\$ 90.45	
Net per diems (per PCD)	\$ 156.13	\$ 162.05	\$ 162.96	\$ 167.04	\$ 169.77	\$ 173.15	\$ 197.64	\$ 198.66
ALBDs	21.5	21.5	22.1	22.1	22.3	22.3	23.7	23.7
Gross margin yields (per ALBD)	\$ (18.31)		\$ 24.49		\$ 38.43		\$ 98.50	
Net yields (per ALBD)	\$ 132.45	\$ 137.48	\$ 148.87	\$ 152.59	\$ 166.38	\$ 169.69	\$ 215.22	\$ 216.33