

NCLH

NORWEGIAN CRUISE LINE
HOLDINGS LTD.

FOURTH QUARTER AND FULL YEAR 2018 EARNINGS CONFERENCE CALL

FEBRUARY 21, 2019



FORWARD LOOKING STATEMENT

Certain statements in this presentation constitute 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 presentation, including, without limitation, those regarding our business strategy, financial position and results of operations, including our 2019 guidance and Full Speed Ahead 2020 Targets, plans, potential share repurchases or dividends, future deleveraging, prospects and objectives of management for future operations (including expected fleet additions, development plans, demand environment, objectives relating to our activities and expected performance in new markets), are forward-looking statements. Many, but not all, of these statements can be found by looking for words like "expect," "anticipate," "goal," "project," "plan," "believe," "seek," "will," "may," "forecast," "estimate," "intend," "future," and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to the impact of: adverse events impacting the security of travel, such as terrorist acts, armed conflict and threats thereof, acts of piracy, and other international events; adverse incidents involving cruise ships; adverse general economic and related factors, such as fluctuating or increasing levels of 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; the spread of epidemics and viral outbreaks; breaches in data security or other disturbances to our information technology and other networks; the risks and increased costs associated with operating internationally; changes in fuel prices and/or other cruise operating costs; fluctuations in foreign currency exchange rates; our expansion into and investments in new markets; overcapacity in key markets or globally; the unavailability of attractive port destinations; our inability to obtain adequate insurance coverage; evolving requirements and regulations regarding data privacy and protection and any actual or perceived compliance failures by us; our indebtedness and restrictions in the agreements governing our indebtedness that limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements; 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 inability to recruit or retain qualified personnel or the loss of key personnel; delays in our shipbuilding program and ship repairs, maintenance and refurbishments; our reliance on third parties to provide hotel management services to certain ships and certain other services; future increases in the price of, or major changes or reduction in, commercial airline services; amendments to our collective bargaining agreements for crew members and other employee relation issues; pending or threatened litigation, investigations and enforcement actions; our ability to keep pace with developments in technology; seasonal variations in passenger fare rates and occupancy levels at different times of the year; changes involving the tax and environmental regulatory regimes in which we operate; 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 by the Company with the Securities and Exchange Commission. 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 contained herein or that may be mentioned on our conference call 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.

DEFINITIONS AND NON-GAAP FINANCIAL MEASURES

This presentation includes the following defined terms and non-GAAP financial measures:

Adjusted Depreciation & Amortization. Depreciation and amortization adjusted to exclude amortization of intangible assets related to the Acquisition of Prestige.

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

Adjusted EBITDA Margin. EBITDA adjusted for other income (expense), net and other supplemental adjustments, divided by total revenue.

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

Adjusted Interest Expense. Interest expense adjusted to exclude write-offs of deferred financing fees related to the refinancing of certain credit facilities.

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

Adjusted Net Income. Net income adjusted for supplemental adjustments.

Adjusted ROIC. Adjusted EBITDA less Adjusted Depreciation and Amortization divided by debt and shareholders' equity, averaged for four quarters.

Capacity Days. Available Berths multiplied by the number of cruise days for the period.

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

Gross Cruise Cost. The sum of total cruise operating expense and marketing, general and administrative expense.

Net Cruise Cost. Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.

Net Leverage. Long-term debt, including current portion, less cash and cash equivalents divided by Adjusted EBITDA.

Net Revenue. Total revenue less commissions, transportation and other expense and onboard and other expense.

Net Onboard Yield. Onboard and other revenue less onboard and other expense per Capacity Day.

Net Ticket Yield. Passenger ticket revenue less commissions, transportation and other expense per Capacity Day.


Net Yield. Net Revenue per Capacity Day.

Net Yield, Net Ticket Yield, Net Onboard Yield, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Interest Expense, Adjusted Depreciation & Amortization, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EPS, Adjusted ROIC and Net Leverage are non-GAAP financial measures. Please refer to the Appendix for reconciliations of the non-GAAP financial measures to the GAAP financial measures the Company considers most comparable. Please refer to the Company's Q4 2018 earnings release for definitions of other terms appearing in this presentation, and for more information regarding the Company's non-GAAP financial measures.


The Company does not provide guidance 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. The Company has not provided reconciliations between the Company's 2019 guidance and the most directly comparable GAAP measures because it would be too difficult to prepare a reliable U.S. GAAP quantitative reconciliation without unreasonable effort.


TOP 10 HIGHLIGHTS OF 2018 – A BREAKOUT YEAR


 **Achieved** record booked position entering 2019 at higher prices


 **Authorized** \$1 billion share repurchase program


 **Introduced** record-breaking Norwegian Bliss


 **On track** to achieve the Full Speed Ahead 2020 targets


 **Delivered** another year of record, industry-leading financial results with Adjusted EPS growing 24%

 **Optimized** itineraries to drive higher returns

 **Expanded** newbuild growth profile to eleven ships through 2027

 **Launched** OceaniaNEXT re-inspiration program

 **Exit** of long-term private equity sponsors

 **Commenced** construction of new, state-of-the-art passenger terminal at PortMami

2018 INDUSTRY LEADING YIELD PERFORMANCE



Industry Leader Across all Net Yield Metrics with Sixth Consecutive Year of Net Yield Growth

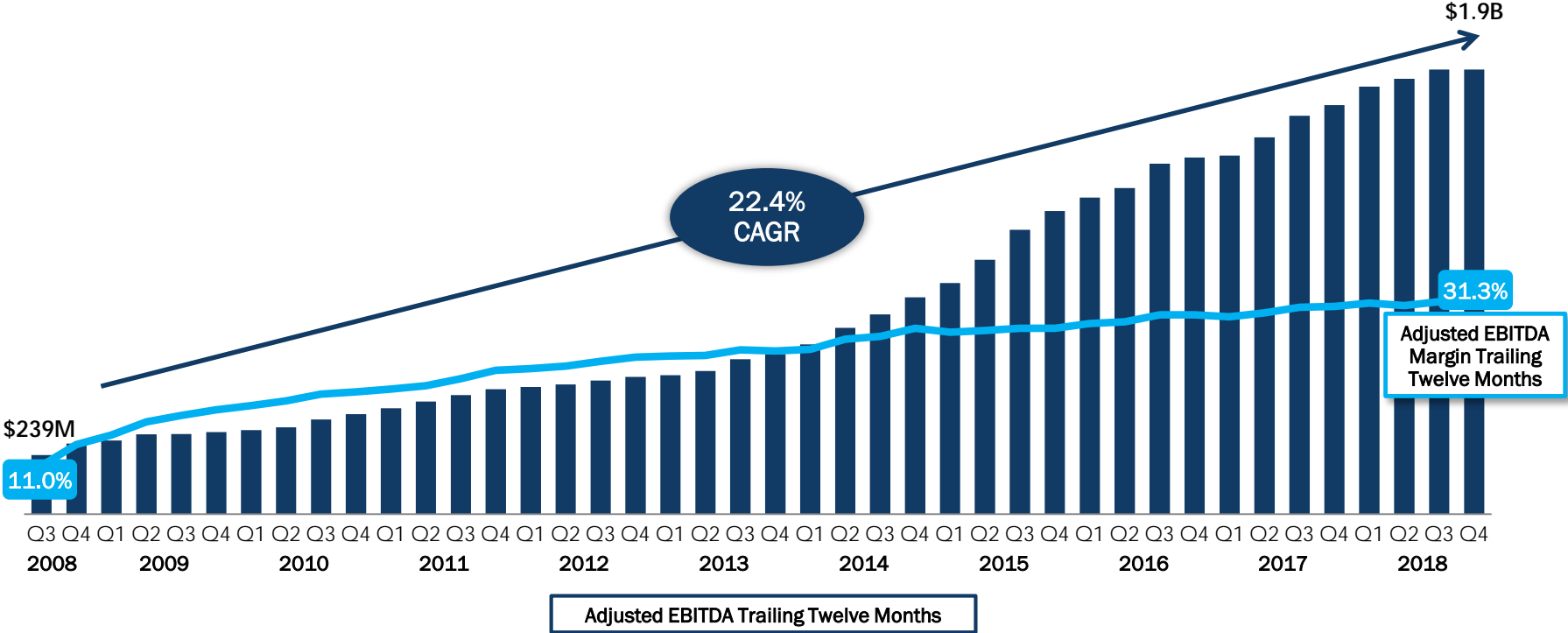
2018 INDUSTRY LEADING FINANCIAL PERFORMANCE



Leader across major financial metrics despite being the smallest of the three public cruise operators

STRONG FINANCIAL PERFORMANCE CONTINUES

Over One Decade (42 Quarters) of Continued Growth & Margin Expansion



2018 Q4 AND FULL YEAR EARNINGS BEAT

	Q4	Full Year
November Adjusted EPS Guidance	~\$0.78	~\$4.85
Q4 Revenue Outperformance	+\$0.02	
FX Benefit Below the Line	+\$0.04	
Interest, Tax and Other Below the Line Items	+\$0.04	
Higher Ship Operating Expenses and Performance Related Compensation Expense	(\$0.03)	
Adjusted EPS Results	\$0.85	\$4.92

**\$0.07 Increase
Versus November
Guidance**

FOURTH QUARTER 2018 RESULTS

	Constant Currency	As Reported
Net Yield ⁽¹⁾	4.7%	4.2%
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	3.6%	3.4%
Adjusted EPS		\$0.85

~25% Year-Over-Year Adjusted EPS Growth

1. Inclusive of approximately 75 basis points of revenue dilution from China operations related to the itinerary optimization initiative.

FULL YEAR 2018 RESULTS

	Constant Currency	As Reported
Net Yield ⁽¹⁾	3.5%	3.7%
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	2.6%	2.9%
Adjusted EPS		\$4.92

~24% Year-Over-Year Adjusted EPS Growth

1. Inclusive of approximately 30 basis points of revenue dilution from China operations related to the itinerary optimization initiative.

DEPLOYMENT BY MARKET

2018 NCLH Deployment by Market					
	Q1	Q2	Q3	Q4	FY
Alaska	0%	9%	18%	0%	7%
Asia/Africa/Pacific	18%	11%	7%	13%	12%
Bermuda	0%	11%	11%	2%	6%
Caribbean	59%	24%	18%	46%	36%
Europe	4%	25%	37%	13%	20%
<i>Baltic</i>	0%	9%	17%	0%	7%
<i>Canary</i>	4%	0%	0%	2%	1%
<i>Med</i>	0%	16%	20%	11%	12%
Hawaii	4%	4%	4%	4%	4%
Other	15%	16%	5%	22%	15%
TOTAL	100%	100%	100%	100%	100%

2019 NCLH Expected Deployment by Market					
	Q1	Q2	Q3	Q4	FY
Alaska	0%	13%	21%	1%	9%
Asia/Africa/Pacific	15%	3%	0%	7%	6%
Bermuda	0%	13%	10%	4%	7%
Caribbean	60%	26%	18%	39%	36%
Europe	4%	27%	42%	18%	23%
<i>Baltic</i>	0%	10%	18%	2%	7%
<i>Canary</i>	4%	0%	0%	0%	1%
<i>Med</i>	0%	17%	24%	16%	15%
Hawaii	4%	4%	4%	4%	4%
Other	17%	14%	5%	27%	15%
TOTAL	100%	100%	100%	100%	100%

FULL YEAR 2019 GUIDANCE

	Constant Currency	As Reported
Net Yield	3.0% to 4.0%	2.5% to 3.5%
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	~3.25%	~2.75%
Adjusted EPS		\$5.20 to \$5.30 ^(1,2)

~7% Year-Over-Year Adjusted EPS Growth at Midpoint

1. Excludes a one-time, non-cash write-off in depreciation and amortization of approximately \$25 million for enhancements to Norwegian Joy associated with her redeployment to North America.
2. Includes a \$0.10 benefit related to one-time tax planning initiatives.

FIRST QUARTER 2019 GUIDANCE

	Constant Currency	As Reported
Net Yield	~2.5%	~2.0%
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	~2.5%	~2.0%
Adjusted EPS		~\$0.70 ⁽¹⁾

~17% Year-Over-Year Adjusted EPS Growth

1. Includes a \$0.10 benefit related to one-time tax planning initiatives, partially offset by \$0.04 of expected foreign exchange losses.

REITERATE EXPECTATION TO ACHIEVE 2020 FULL SPEED AHEAD TARGETS

	2018 Progress Towards Target	2020 Target
ADJUSTED EPS GROWTH	24%	Double-Digit Three Year CAGR ⁽¹⁾
ADJUSTED ROIC	11%	~12%
NET LEVERAGE	3.3x	~2.5x to 2.75x
CASH AVAILABLE FOR POTENTIAL SHAREHOLDER RETURNS ⁽²⁾	\$400M	~\$1B to \$1.5B (Cumulative 2018-2020)

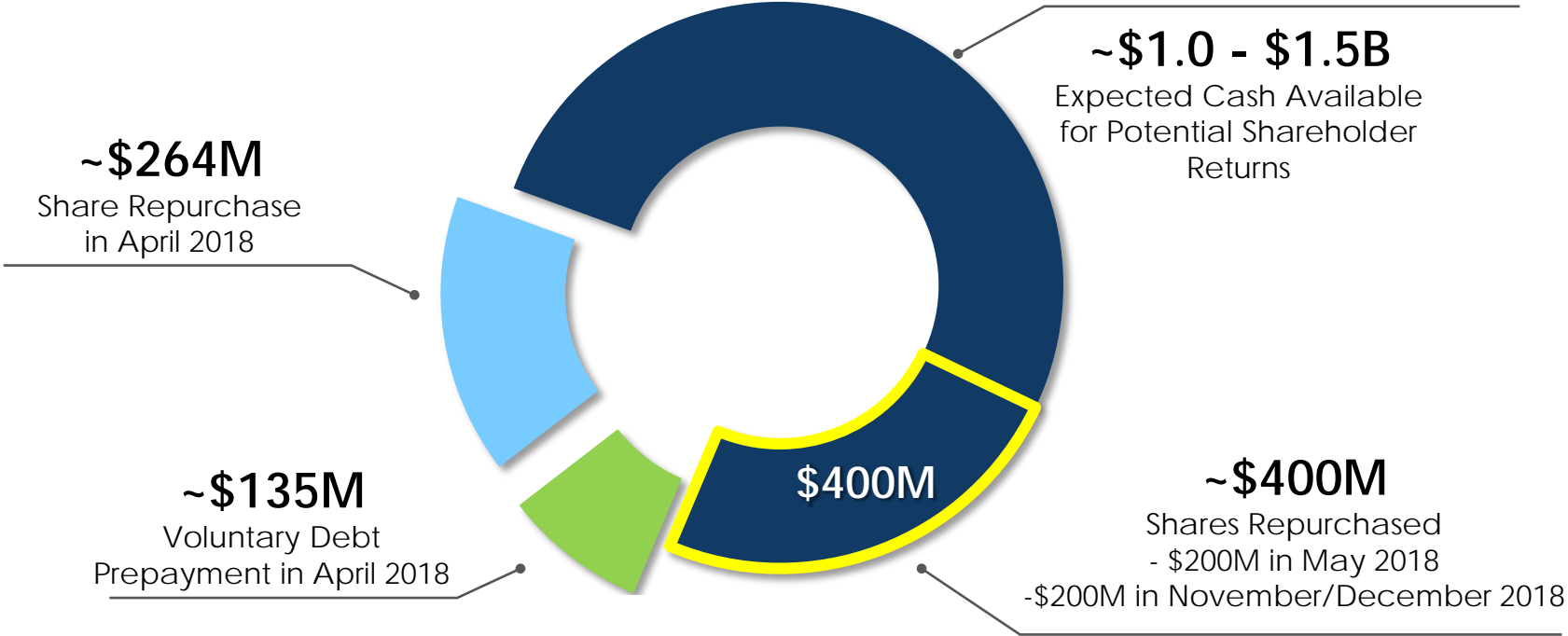
1. CAGR being measured from end of 2017 through end of 2020.

2. Includes \$200 million share repurchase in Q2 2018 and \$200M share repurchase in Q4 2018.

Note: Any determination to pay dividends or repurchase shares in the future will be entirely at the discretion of our Board or management, and will depend upon our results of operations, cash requirements, financial condition, business operations, contractual restrictions, restrictions imposed by applicable law and other factors that our Board or management deems relevant.

EXCESS CASH GENERATION DRIVES EXPECTED RETURNS TO SHAREHOLDERS

Cumulative 2018 to 2020E ⁽¹⁾



1. Expectations as of February 2019. Any determination to pay dividends or repurchase shares in the future will be entirely at the discretion of our Board or management, and will depend upon our results of operations, cash requirements, financial condition, business operations, contractual restrictions, restrictions imposed by applicable law and other factors that our Board or management deems relevant.

KEY TAKEAWAYS

2018 was a Breakout Year

Record financial performance including 24% growth in Adjusted EPS driven by strong demand and the successful introduction of Norwegian Bliss

Robust 2019 Outlook

Strong start to the year with record booked position at higher prices and strong demand across all core markets

Well-Positioned to Achieve Full Speed Ahead 2020 Targets

Strong earnings growth, a strengthening balance sheet and expected acceleration of cash generation will drive potential shareholder returns

APPENDIX

CAPACITY GROWTH AND SENSITIVITIES

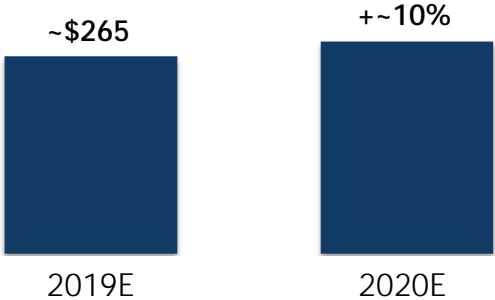
NCLH Capacity Growth			
	2018	2019	2020
Q1	10.8%	~5.7%	
Q2	8.6%	~2%	
Q3	7.6%	~0%	
Q4	7.3%	~3.5%	
Full Year	8.5%	~2.7%	~8.5%

FY 2019 Adjusted EPS Sensitivities	
1% change in Net Yield	~\$0.23
1% change in Adjusted NCC Excl. Fuel per Capacity Day	~\$0.12
10% change in fuel prices, net of hedges	~\$0.09
1% change in FX Basket	~\$0.02
1% change in LIBOR ⁽¹⁾	~\$0.06

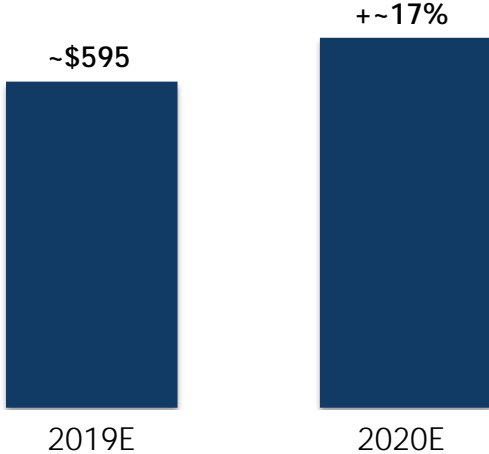
1. Net of interest rate swaps.

ADJUSTED INTEREST EXPENSE AND DEPRECIATION & AMORTIZATION

Interest Expense – Adjusted^(1,2) (in millions)



Depreciation & Amortization – Adjusted⁽³⁾ (in millions)



1. Interest expense adjusted to exclude write-offs of deferred financing fees related to refinancing of certain credit facilities.
2. Based on recent LIBOR curve.
3. Depreciation & amortization adjusted to exclude amortization of intangible assets related to the Acquisition of Prestige and a one-time, non-cash write-off in depreciation and amortization of approximately \$25 million for enhancements to Norwegian Joy associated with her redeployment to North America.

FUEL HEDGE PROGRAM OVERVIEW

NCLH Fuel Hedge Program as of 12/31/2018			
	2019	2020	2021
% of HFO Consumption Hedged	63%	58%	25%
Average USGC Price / Barrel	\$47.82	\$41.14	\$44.84
% of MGO Consumption Hedged	43%	50%	38%
Average Gasoil Price / Barrel	\$90.14	\$88.57 ⁽¹⁾	\$81.56
Average Brent Price / Barrel	\$49.25	-	-
Total % of Consumption Hedged	57%	53%	33%

1. Represents a blended rate that includes a \$7.4 million benefit from 2020 Brent hedges that were replaced with Gasoil hedges in the third quarter of 2018.

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Adjusted Net Income and Adjusted EPS were calculated as follows (in thousands, except share and per share data):

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Net income	\$ 154,634	\$ 98,797	\$ 954,843	\$ 759,872
Non-GAAP Adjustments:				
Non-cash deferred compensation expenses (1)	862	768	3,453	3,292
Non-cash share-based compensation expenses (2)	27,186	23,375	115,983	87,039
Secondary Equity Offering expenses (3)	401	487	883	949
Severance payments and other fees (4)	-	513	-	2,912
Acquisition of Prestige expenses (5)	-	-	-	500
Amortization of intangible assets (6)	6,224	7,569	24,890	30,273
Extinguishment of debt (7)	-	23,859	6,346	23,859
Impairment of assets held for sale (8)	-	-	-	2,935
Tax benefit (9)	-	148	-	(7,802)
Other (10)	(500)	1,281	(1,412)	3,886
Adjusted Net Income	<u>\$ 188,807</u>	<u>\$ 156,797</u>	<u>\$ 1,104,986</u>	<u>\$ 907,715</u>
Diluted weighted-average shares outstanding	<u>221,443,295</u>	<u>230,196,680</u>	<u>224,419,205</u>	<u>229,418,326</u>
Diluted earnings per share	<u>\$ 0.70</u>	<u>\$ 0.43</u>	<u>\$ 4.25</u>	<u>\$ 3.31</u>
Adjusted EPS	<u>\$ 0.85</u>	<u>\$ 0.68</u>	<u>\$ 4.92</u>	<u>\$ 3.96</u>

(1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense and other income (expense), net.

(2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.

(3) Secondary Equity Offering expenses are included in marketing, general and administrative expense.

(4) Severance payments and other fees related to restructuring costs and other severance arrangements are included in marketing, general and administrative expense.

(5) Acquisition of Prestige expenses are included in marketing, general and administrative expense.

(6) Amortization of intangible assets related to the Acquisition of Prestige, which are included in depreciation and amortization expense.

(7) Losses on extinguishments of debt are included in interest expense, net, and legal expenses related to the extinguishments are included in marketing, general and administrative expense.

(8) Impairment charge related to Hawaii land-based operations, which is included in depreciation and amortization expense.

(9) Tax benefit primarily due to the reversal of tax contingency reserves in 2017.

(10) Other primarily related to expenses and reimbursements for certain legal costs included in marketing, general and administrative expense.

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

The following table sets forth selected statistical information:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Passengers carried	666,428	650,812	2,795,101	2,519,324
Passenger Cruise Days	5,098,586	4,703,609	20,276,568	18,523,030
Capacity Days	4,883,347	4,552,267	18,841,678	17,363,422
Occupancy Percentage	104.4%	103.3%	107.6%	106.7%

Net Revenue, Gross Yield and Net Yield were calculated as follows (in thousands, except Capacity Days and Yield data):

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	2018	2018 Constant Currency	2017	2018	2018 Constant Currency	2017
Passenger ticket revenue	\$ 958,443	\$ 963,914	\$ 833,299	\$ 4,259,815	\$ 4,244,494	\$ 3,750,030
Onboard and other revenue	422,750	422,750	416,254	1,795,311	1,795,311	1,646,145
Total revenue	1,381,193	1,386,664	1,249,553	6,055,126	6,039,805	5,396,175
Less:						
Commissions, transportation and other expense	229,384	230,496	210,778	998,948	995,097	894,406
Onboard and other expense	67,424	67,424	69,039	348,656	348,656	319,293
Net Revenue	1,084,385	1,088,744	969,736	4,707,522	4,696,052	4,182,476
Capacity Days	4,883,347	4,883,347	4,552,267	18,841,678	18,841,678	17,363,422
Gross Yield	\$ 282.84	\$ 283.96	\$ 274.49	\$ 321.37	\$ 320.56	\$ 310.78
Net Yield	\$ 222.06	\$ 222.95	\$ 213.02	\$ 249.85	\$ 249.24	\$ 240.88

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

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

	Three Months Ended December 31,			Year Ended December 31,		
	2018			2018		
	2018	Constant Currency	2017	2018	Constant Currency	2017
Total cruise operating expense	\$ 817,258	\$ 818,153	\$ 753,439	\$ 3,377,076	\$ 3,365,030	\$ 3,063,644
Marketing, general and administrative expense	208,943	210,708	185,841	897,929	897,438	773,755
Gross Cruise Cost	1,026,201	1,028,861	939,280	4,275,005	4,262,468	3,837,399
Less:						
Commissions, transportation and other expense	229,384	230,496	210,778	998,948	995,097	894,406
Onboard and other expense	67,424	67,424	69,039	348,656	348,656	319,293
Net Cruise Cost	729,393	730,941	659,463	2,927,401	2,918,715	2,623,700
Less: Fuel expense	104,399	104,399	94,252	392,685	392,685	361,032
Net Cruise Cost Excluding Fuel	624,994	626,542	565,211	2,534,716	2,526,030	2,262,668
Less Non-GAAP Adjustments:						
Non-cash deferred compensation expenses (1)	540	540	768	2,167	2,167	3,292
Non-cash share-based compensation expenses (2)	27,186	27,186	23,375	115,983	115,983	87,039
Secondary Equity Offering expenses (3)	401	401	487	883	883	949
Severance payments and other fees (4)	-	-	513	-	-	2,912
Acquisition of Prestige expenses (5)	-	-	-	-	-	500
Other (6)	(500)	(500)	1,281	(1,412)	(1,412)	3,886
Adjusted Net Cruise Cost Excluding Fuel	<u>\$ 597,367</u>	<u>\$ 598,915</u>	<u>\$ 538,787</u>	<u>\$ 2,417,095</u>	<u>\$ 2,408,409</u>	<u>\$ 2,164,090</u>
Capacity Days	4,883,347	4,883,347	4,552,267	18,841,678	18,841,678	17,363,422
Gross Cruise Cost per Capacity Day	\$ 210.14	\$ 210.69	\$ 206.33	\$ 226.89	\$ 226.23	\$ 221.00
Net Cruise Cost per Capacity Day	\$ 149.36	\$ 149.68	\$ 144.86	\$ 155.37	\$ 154.91	\$ 151.11
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 127.98	\$ 128.30	\$ 124.16	\$ 134.53	\$ 134.07	\$ 130.31
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$ 122.33	\$ 122.64	\$ 118.36	\$ 128.28	\$ 127.82	\$ 124.63

(1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.

(2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.

(3) Secondary Equity Offering expenses are included in marketing, general and administrative expense.

(4) Severance payments and other fees related to restructuring costs and other severance arrangements are included in marketing, general and administrative expense.

(5) Acquisition of Prestige expenses are included in marketing, general and administrative expense.

(6) Other primarily related to expenses and reimbursements for certain legal costs included in marketing, general and administrative expense.

NORWEGIAN CRUISE LINE HOLDINGS LTD. NON-GAAP RECONCILING INFORMATION (UNAUDITED)

Adjusted Return on Invested Capital (Adjusted ROIC) was calculated as follows (in thousands):

	Year Ended December 31, 2018
Adjusted EBITDA (1)	\$ 1,897,742
Less: Adjusted Depreciation and Amortization	536,170
Total	1,361,572
Total long-term debt plus shareholder's equity (2)	12,428,918
Adjusted Return on Invested Capital	11.0%

(1) See the reconciliation of Net income to Adjusted EBITDA presented within.

(2) Calculation consists of a four quarter average of long-term debt and shareholder's equity.

NORWEGIAN CRUISE LINE HOLDINGS LTD.
NON-GAAP RECONCILING INFORMATION
(UNAUDITED)

Net Leverage was calculated as follows (in thousands):

	Year Ended	
	December 31,	
	<u>2018</u>	<u>2017</u>
Long-term debt, net of current portion	\$ 5,810,873	\$ 5,688,392
Current portion of long-term	681,218	619,373
Total debt	<u>6,492,091</u>	<u>6,307,765</u>
Less: Cash and cash equivalents	163,851	176,190
Net Debt	<u>6,328,240</u>	<u>6,131,575</u>
Total shareholders' equity	5,963,001	5,749,766
Net Debt and shareholders' equity	<u>\$ 12,291,241</u>	<u>\$ 11,881,341</u>
Net Debt-to-Capital	51.5%	51.6%
Adjusted EBITDA (1)	1,897,742	1,657,354
Net Leverage	3.3x	3.7x

(1) See the reconciliation of Net income to Adjusted EBITDA presented within.

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Adjusted EBITDA⁽¹⁾ is calculated as follows (in thousands):

	Twelve months ended,					
	September 30, 2008	December 31, 2008	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
	\$	\$	\$	\$	\$	\$
Net income (loss)	(133,710)	(211,761)	(61,066)	(19,373)	(104,833)	66,952
Interest expense, net	165,973	149,568	127,209	119,675	111,352	114,514
Income tax expense	1,192	874	820	634	554	503
Depreciation and amortization expense	162,048	162,565	160,793	158,530	155,853	152,700
EBITDA	195,503	101,246	227,756	259,466	162,926	334,669
Other (income) expense	15,389	(1,886)	(111,822)	(105,220)	1,567	(10,874)
Other	28,061	186,632	182,476	169,180	159,993	8,459
Adjusted EBITDA	<u>\$ 238,953</u>	<u>\$ 285,992</u>	<u>\$ 298,410</u>	<u>\$ 323,426</u>	<u>\$ 324,486</u>	<u>\$ 332,254</u>
Total Revenue	\$ 2,174,087	\$ 2,106,401	\$ 2,019,283	\$ 1,972,711	\$ 1,884,398	\$ 1,855,204
Adjusted EBITDA Margin	11.0%	13.6%	14.8%	16.4%	17.2%	17.9%

	Twelve months ended,					
	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011
	\$	\$	\$	\$	\$	\$
Net income	\$ 47,507	\$ 17,779	\$ 23,948	\$ 22,986	\$ 28,939	\$ 72,210
Interest expense, net	125,261	135,923	156,440	173,672	185,730	195,402
Income tax expense	457	400	338	136	85	791
Depreciation and amortization expense	152,573	153,334	161,663	170,191	178,591	186,205
EBITDA	325,798	307,436	342,389	366,985	393,345	454,608
Other (income) expense	7,110	36,682	32,995	33,815	30,831	(3,300)
Other	7,089	6,833	7,703	4,313	3,994	4,624
Adjusted EBITDA	<u>\$ 339,997</u>	<u>\$ 350,951</u>	<u>\$ 383,087</u>	<u>\$ 405,113</u>	<u>\$ 428,170</u>	<u>\$ 455,932</u>
Total Revenue	\$ 1,847,251	\$ 1,846,749	\$ 1,930,178	\$ 2,012,128	\$ 2,091,136	\$ 2,181,807
Adjusted EBITDA Margin	18.4%	19.0%	19.8%	20.1%	20.5%	20.9%

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Twelve months ended,

	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Net income	\$ 88,821	\$ 126,859	\$ 138,076	\$ 144,883	\$ 165,562	\$ 168,556
Interest expense, net	199,092	190,187	188,488	190,711	188,019	189,930
Income tax expense	1,624	1,700	1,775	1,103	626	706
Depreciation and amortization expense	186,181	183,985	183,525	183,695	185,601	189,537
EBITDA	475,718	502,731	511,864	520,392	539,808	548,729
Other (income) expense	113	(2,634)	(3,287)	(889)	(4,280)	(2,099)
Other	5,596	5,942	6,175	5,922	4,898	9,004
Adjusted EBITDA	\$ 481,427	\$ 506,039	\$ 514,752	\$ 525,425	\$ 540,426	\$ 555,634
Total Revenue	\$ 2,214,336	\$ 2,219,324	\$ 2,239,244	\$ 2,253,892	\$ 2,261,669	\$ 2,276,246
Adjusted EBITDA Margin	21.7%	22.8%	23.0%	23.3%	23.9%	24.4%

Twelve months ended,

	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 68,877	\$ 24,005	\$ 66,675	\$ 101,714	\$ 249,376	\$ 369,833
Interest expense, net	271,416	326,197	305,628	282,602	186,118	114,292
Income tax expense	2,828	3,804	11,339	11,802	218	2,295
Depreciation and amortization expense	192,488	199,662	207,336	215,593	228,485	238,090
EBITDA	535,609	553,668	590,978	611,711	664,197	724,510
Net income attributable to non-controlling interest	(1,105)	(1,179)	857	1,172	2,702	4,439
Other income	(379)	(2,807)	(537)	(1,403)	(426)	328
Other	27,728	29,448	35,291	35,715	20,242	24,495
Adjusted EBITDA	\$ 561,853	\$ 579,130	\$ 626,589	\$ 647,195	\$ 686,715	\$ 753,772
Total Revenue	\$ 2,288,447	\$ 2,349,646	\$ 2,473,120	\$ 2,570,294	\$ 2,706,691	\$ 2,828,185
Adjusted EBITDA Margin	24.6%	24.6%	25.3%	25.2%	25.4%	26.7%

NORWEGIAN CRUISE LINE HOLDINGS LTD.
NON-GAAP RECONCILING INFORMATION
(UNAUDITED)

	Twelve months ended,							
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
Net income attributable to Norwegian Cruise Line Holdings \$	400,053	\$ 338,352	\$ 265,629	\$ 312,507	\$ 363,216	\$ 427,137	\$ 521,822	\$ 508,574
Interest expense, net	119,949	151,754	171,571	192,157	209,657	221,909	230,674	246,648
Income tax expense	(3,136)	(2,267)	7,797	7,399	8,425	6,772	7,199	7,072
Depreciation and amortization expense	245,779	273,147	311,483	352,631	398,643	432,114	433,433	433,436
EBITDA	762,645	760,986	756,480	864,694	979,941	1,087,932	1,193,128	1,195,730
Net income attributable to non-controlling interest	4,603	4,249	3,863	2,200	-	-	-	-
Other income	(3,540)	10,853	41,380	44,772	49,747	46,668	13,724	20,760
Other	45,724	101,763	134,136	118,177	121,233	92,315	75,619	103,668
Adjusted EBITDA	\$ 809,432	\$ 877,851	\$ 935,859	\$ 1,029,843	\$ 1,150,921	\$ 1,226,915	\$ 1,282,471	\$ 1,320,158
Total Revenue	\$2,937,317	\$3,125,881	\$3,400,035	\$3,719,541	\$4,097,434	\$4,345,048	\$4,484,498	\$4,585,900
Adjusted EBITDA Margin	27.6%	28.1%	27.5%	27.7%	28.1%	28.2%	28.6%	28.8%

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION


(UNAUDITED)

	Twelve months ended,								
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 599,165	\$ 629,491	\$ 621,766	\$ 674,993	\$ 733,307	\$759,872	\$801,116	\$829,320	\$899,006
Interest expense, net	257,526	276,859	270,065	265,841	271,518	267,804	274,543	283,334	286,535
Income tax expense	8,785	10,812	8,163	12,357	13,643	10,742	11,227	9,844	13,773
Depreciation and amortization expense	435,213	432,495	450,405	468,936	491,893	509,957	521,996	539,559	548,727
EBITDA	1,300,689	1,349,657	1,350,399	1,422,127	1,510,361	1,548,375	1,608,882	1,662,057	1,748,041
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	-	-
Other expense	24,360	8,302	13,922	8,778	6,707	10,401	9,253	(9,279)	(12,639)
Other	94,741	86,473	87,881	95,142	96,710	98,578	105,036	110,696	116,418
Adjusted EBITDA	<u>\$ 1,419,790</u>	<u>\$ 1,444,432</u>	<u>\$ 1,452,202</u>	<u>\$ 1,526,047</u>	<u>\$ 1,613,778</u>	<u>\$ 1,657,354</u>	<u>\$1,732,172</u>	<u>1,763,474</u>	<u>1,851,820</u>
Total Revenue	\$ 4,785,726	\$ 4,874,340	\$ 4,947,489	\$ 5,104,757	5,271,760	5,396,175	5,538,797	5,716,868	5,923,486
Adjusted EBITDA Margin	29.7%	29.6%	29.4%	29.9%	30.6%	30.7%	31.1%	30.8%	31.3%

NORWEGIAN CRUISE LINE HOLDINGS LTD.
NON-GAAP RECONCILING INFORMATION
(UNAUDITED)

	Twelve <u>Months Ended</u> December 31, <u>2018</u>
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 954,843
Interest expense, net	270,404
Income tax expense	14,467
Depreciation and amortization expense	<u>561,060</u>
 EBITDA	 1,800,774
Net income attributable to non-controlling interest	-
Other expense	(20,653)
Other	117,621
 Adjusted EBITDA	 <u>\$1,897,742</u>
Total Revenue	\$6,055,126
Adjusted EBITDA Margin	31.3%
Capacity Days	18,841,678
EBITDA per Capacity Day	\$95.57

Prior to the period ended March 31, 2013, the financial data presented are those of NCLC.

⁽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.  NORWEGIAN CRUISE LINE HOLDINGS LTD.

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Net Ticket Yield was calculated as follows (in thousands, except Capacity Days and Yield data):

	Year Ended December 31,
	2018
Passenger ticket revenue	\$ 4,259,815
Less:	
Commissions, transportation and other expense	998,948
Net Ticket Revenue	\$ 3,260,867
Capacity Days	18,841,678
Net Ticket Revenue per Capacity Day	\$ 173.07

NORWEGIAN CRUISE LINE HOLDINGS LTD.

NON-GAAP RECONCILING INFORMATION

(UNAUDITED)

Net Onboard Yield was calculated as follows (in thousands, except Capacity Days and Yield data):

	Year Ended December 31, 2018
Onboard and other revenue	\$ 1,795,311
Less:	
Onboard and other expense	348,656
Net Onboard Revenue	\$ 1,446,655
Capacity Days	18,841,678
Net Onboard Revenue per Capacity Day	\$ 76.78