

An aerial photograph of a tropical island with vibrant turquoise water and white sandy beaches. Several large cruise ships are visible in the deep blue ocean. The island features palm trees, buildings, and a lighthouse. The overall scene is bright and sunny.

**NCLH**

NORWEGIAN CRUISE LINE  
HOLDINGS LTD.

# SECOND QUARTER 2020 EARNINGS CONFERENCE CALL

AUGUST 6, 2020

# FORWARD LOOKING STATEMENT

Some of the statements, estimates or projections contained in this presentation are "forward-looking statements" within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this 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 voluntary suspension, our ability to weather the impacts of the COVID-19 pandemic and the length of time we can withstand a suspension of voyages, operational position, demand for voyages, 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 and specifically, the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), which are expected to continue to adversely impact our results, operations, outlook, plans, goals, growth, reputation, cash flows, liquidity, demand for voyages and share price; our ability to develop strategies to enhance our health and safety protocols to adapt to the current pandemic environment's unique challenges once operations resume and to otherwise safely resume our operations when conditions allow; coordination and cooperation with the CDC, the federal government and global public health authorities to take precautions to protect the health, safety and security of guests, crew and the communities visited and the implementation of any such precautions; the accuracy of any appraisals of our assets as a result of the impact of COVID-19 or otherwise; our success in reducing operating expenses and capital expenditures and the impact of any such reductions; our guests' election to take cash refunds in lieu of future cruise credits or the continuation of any trends relating to such election; trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto; the unavailability of ports of call; future increases in the price of, or major changes or reduction in, commercial airline services; our ability to work with lenders and others or otherwise pursue options to defer or refinance our existing debt profile, near-term debt amortization, new/built 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; 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; our potential future need for additional financing, which may not be available on favorable terms, or at all, and may be dilutive to existing shareholders; any further impairment of our trademarks, tradenames or goodwill; 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; fluctuations in foreign currency exchange rates; overcapacity in key markets or globally; our expansion into and investments in new markets; our inability to obtain adequate insurance coverage; our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements; pending or threatened litigation, investigations and enforcement actions; volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees; our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues; our reliance on third parties to provide hotel management services for certain ships and certain other services; our inability to keep pace with developments in technology; 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 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 outbreak. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. The above examples are not exhaustive and new risks emerge from time to time. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we expect to operate in the future. These forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

# KEY EVENTS SINCE Q1 EARNINGS CALL

May 20	NCLH announces voyage suspension through July 31, 2020
June 3	NCLH extends shoreside salary reduction and reduced workweek through September
June 4	NCLH finalizes deferral of debt amortization through March 2021 related to SACE, the export credit agency in Italy
June 16	NCLH announces voyage suspension through September 30, 2020 First oceangoing cruise launch since pandemic suspended cruising worldwide
June 19	CLIA announces voyage suspension for its members through September 15, 2020
July 3	NCLH extends shoreside furlough program through October
July 6	NCLH and Royal Caribbean Group announce joint Healthy Sail Panel
July 9	Aida and TUI announce resumption of cruises in Germany, initially for German-only passengers
July 16	NCLH launches triple-tranche capital raise CDC extends No Sail Order through September 30, 2020
July 29	NCLH announces voyage suspension through October 31, 2020
August 5	CLIA announces voyage suspension for its members through October 31, 2020

# NAVIGATING THROUGH COVID-19

## Addressed Significant Operational Challenges

- Announced voyage suspension through October 31 across all three brands
- Repatriated the majority of crew members
- Transitioning majority of ships into layup

## Swift Execution of Financial Action Plan

- Completed highly successful ~\$1.5 billion triple-tranche capital raise which when combined with other financing and cost-containment measures the Company believes will allow it to withstand a prolonged voyage suspension
- Further reduced operating expenses and improved debt maturity profile

## Roadmap to Relaunch

- Announced collaboration with Royal Caribbean Group to form the Healthy Sail Panel comprised of global leading experts to provide recommendations on the development of a comprehensive multi-faceted health and safety strategy

# BOOKING TRENDS UPDATE

- There continues to be demand for cruise vacations particularly for 2021, despite reduced marketing efforts
- While booking volumes since the emergence of COVID-19 remain below historical levels, the Company's overall cumulative booked position and pricing for 2021 are within historical ranges, including bookings made with future cruise credits (FCC)
  - Approximately 70-75% of the cumulative booked position for 2021 is cash bookings vs. FCCs
  - Approximately 60% of the cumulative booked position for 2021 are loyal repeat cruisers to our brands
- As of August 3, 2020, approximately 60% of guests on all cancelled voyages have requested a cash refund, although there can be no assurance that the percentage of passengers who accept cash refunds will remain the same
  - Approximately 40% of guests on cancelled voyages for August 1 through September 30 requested a cash refund

**Demand for future cruises continues with new bookings  
particularly beginning in Q2 2021**

# COVID-19 ACTION PLAN

1

## Further Reduction of Operating Expenses & Capital Expenditures

- Extended temporary 20% pay reduction for shoreside team members through September
- Extended furlough of ~20% of shoreside workforce through October
- Completed deferral of ~\$170M of newbuild related capex<sup>1</sup>
- Focusing marketing investments on 2021, particularly Q2 through Q4

2

## Improved Debt Maturity Profile

- Proceeds from the July senior secured notes offering were used to refinance the existing \$675M short-term revolving credit facility, extending the maturity from 2022 to 2026.
- Finalized deferral of all ~\$540M of ECA-backed amortization payments due through March 31, 2021

3

## Secured Additional Capital

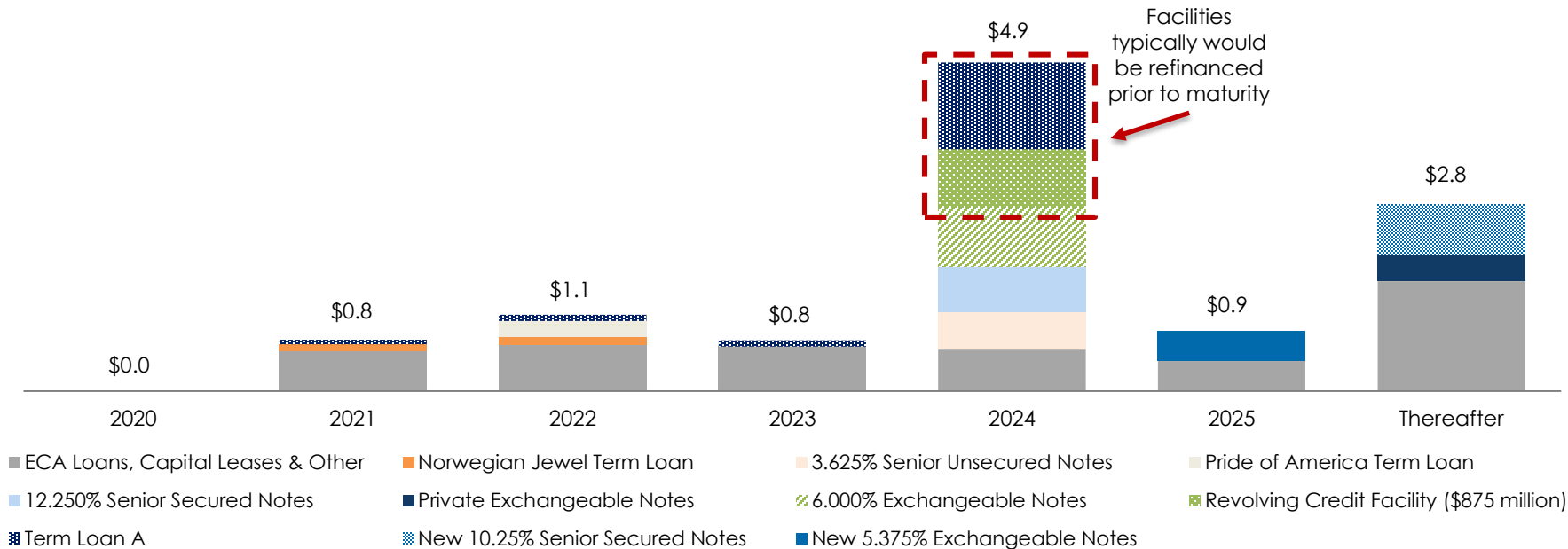
- Completed highly successful oversubscribed triple-tranche ~\$1.5B offering in July, consisting of \$750M of senior secured notes, \$288M of common equity and \$450M of exchangeable senior notes

**Enhanced liquidity profile through continued efforts to reduce costs, conserve cash, raise capital and extend debt maturities**

1. Subject to final documentation. Newbuild related payments through March 31, 2021. Upon completion, the next newbuild payments will be due in April 2021.

# IMPROVED DEBT MATURITY PROFILE

Pro-Forma<sup>1</sup> Debt Maturity Profile (\$ in Billions)



**Significantly extended debt maturity profile**

Note: Debt maturity profile excludes amortization of the debt issued in connection with the new build program.  
 1. Pro-forma for July capital raise transactions including refinancing of the \$675M short-term revolving credit facility.

## SECURED ADDITIONAL CAPITAL

### Revolver Addition (March)

- Secured new short-term **\$675M** revolving credit facility and drew down total amount of new and existing revolving credit facilities, resulting in ~\$1.55 billion of cash added to the balance sheet.

### Quad-Tranche Raise (May)

- **\$675M** of 12.25% senior secured notes due 2024
- **\$862.5M** of 6% exchangeable senior notes due 2024
- **\$460M** from a public offering of ordinary shares at \$11 per share
- **\$400M** in private investment from L Catterton (exchangeable senior notes)

### Triple-Tranche Raise (July)

- **\$750M** of 10.250% senior secured notes due 2026 (proceeds used in part to refinance \$675M short-term revolving credit facility)
- **\$450M** of 5.375% exchangeable senior notes due 2025
- **\$288M** from a public offering of ordinary shares at \$15 per share

**Nearly \$4 billion in capital raises completed  
including highly successful ~\$1.5 billion raise in July**



# ILLUSTRATIVE LIQUIDITY RUNWAY

## Summary of Targeted Layup Costs

(\$ in Millions)	Average
<b>Monthly ongoing ship and administrative operating costs</b>	<b>~\$ 95</b>
Interest Expense & Taxes	~\$ 40
Maintenance Capex	~\$ 25
<b>Monthly Cash Burn</b>	<b>~\$ 160</b>
Total Ships in Fleet	28
Cash Burn / Ship	\$ 5.7

- Includes ship operating expenses, administrative operating expenses, interest expense (including ~\$7M of incremental interest from July offering), taxes and maintenance capex
- Excludes cash refunds of customer deposits and cash inflows from new bookings deposits and payments on existing bookings
- Cash burn assumes debt amortization and newbuild related payment deferrals, which are currently deferred through March 31, 2021

## Illustrative Liquidity Runway

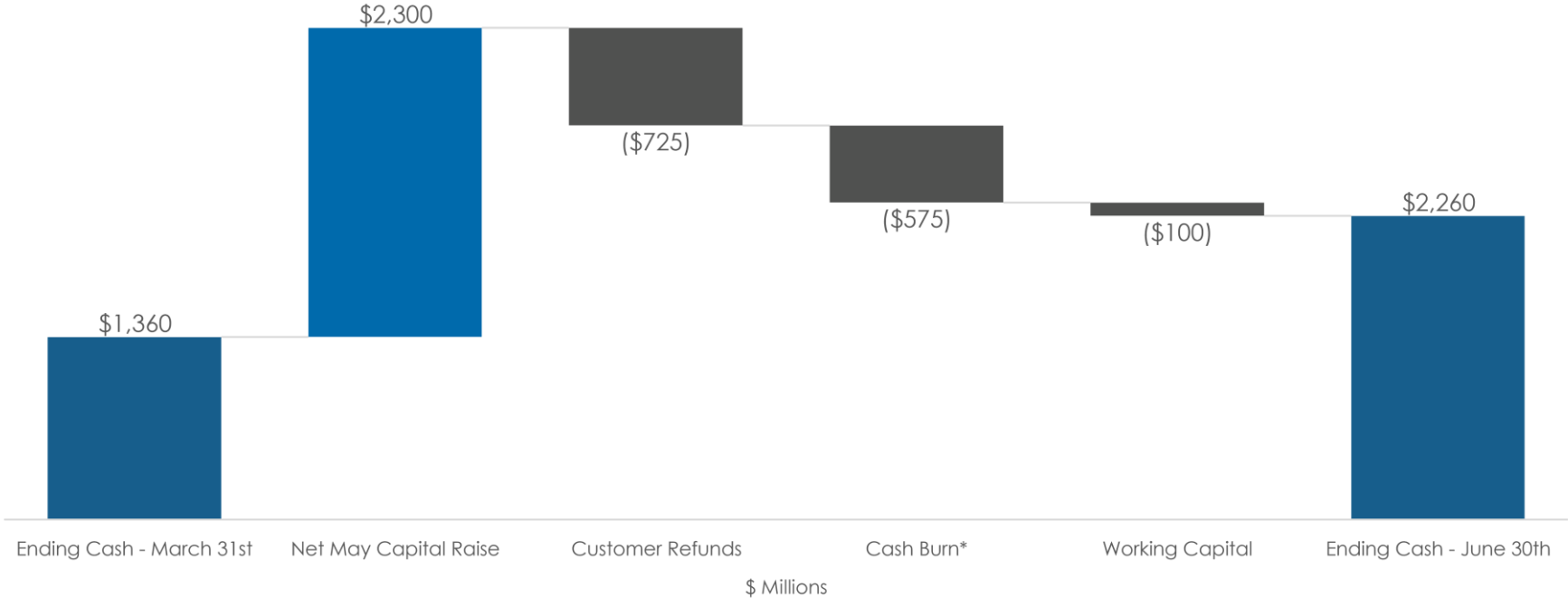
(\$ in Billions)	
Liquidity (As of 30-June)	~\$2.3
(+) July capital infusion (net proceeds)	~\$1.5
(-) \$675M revolving credit facility refinancing	~(\$0.7)
(-) Customer refunds payable (As of 30-June)	~(\$0.2)
<b>Total Liquidity</b>	<b>~\$2.8B</b>
Cash ATS balance (As of 30-June) <sup>1</sup>	~\$0.3
(-) 60% of cash refund assumed*	~(\$0.2)
Safety initiatives and other investments	~(\$0.2)
<b>Net Liquidity Available</b>	<b>~\$2.5B</b>

*\*Based on cumulative behavior to date  
Excludes incoming cash deposits from new bookings and payments on existing bookings*

**The Company believes it is well-positioned to withstand prolonged voyage suspensions**

1. Includes customer deposits associated with sailings in 2020 and future periods.  
Note: Numbers may not add due to rounding.

# SECOND QUARTER SOURCES AND USES OF CASH



**Cash and cash equivalents increased in Q2 driven by May capital raise**

Note: Cash burn includes operating expenses, SG&A, interest expense and capital expenditures.

# ROADMAP TO RELAUNCH AND RESUMPTION OF CRUISE VOYAGES

1

## Develop Enhanced Health and Safety Protocols

- Formation of Healthy Sail Panel with RCL
- Government and CDC approval is key

2

## Address Global Port Availability and Travel Restrictions

- Movable assets allow for flexible itinerary planning

3

## Activate Sales and Marketing Machine and Stimulate Demand

- Focus on market-to-fill strategy versus discount-to-fill

4

## Initiate Gradual Phased Relaunch

- Expect at least 6 months before full fleet is mobilized

**Necessary factors to resume operations include receiving government/CDC approval to sail and ensuring guests feel safe to cruise**

# HEALTH AND SAFETY IS OUR NUMBER ONE PRIORITY

- The Company has formed the "Healthy Sail Panel" in collaboration with Royal Caribbean Group which is tasked with developing recommendations for cruise lines to advance their public health response to COVID-19, improve safety, and achieve readiness for the safe resumption of operations.
- Panel is co-chaired by leading public health experts Dr. Scott Gottlieb, former commissioner of the U.S. FDA and Governor Mike Leavitt, former Secretary of the U.S. HHS. The panel's members are globally recognized experts from various disciplines, including in public health, infectious disease, biosecurity, hospitality and maritime operations.



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# KEY TAKEAWAYS

## Further Strengthened Financial Position

Continued progress on significant cost reduction and cash conservation measures, coupled with highly successful execution of approximately \$4 billion of capital raises strengthens financial position.

## Demand for Cruising Continues

Booking trends continue to indicate demand for cruising in the medium to longer term with the Company's booked position and pricing for 2021 within historical ranges, including the impact of FCCs.

## Focused on Roadmap to Recovery

Focused on execution of comprehensive roadmap to recovery and resumption of cruise operations in the new post COVID-19 era, including the formation of the Healthy Sail Panel led by highly experienced public health experts to advise on health and safety efforts.

# APPENDIX

# FUEL HEDGE PROGRAM

NCLH Fuel Hedge Program as of 6/30/2020				
	Remainder of 2020	2021	2022	2023
% of HFO Consumption Hedged	67%	53%	19%	0%
Average USGC Price / Barrel	\$41.23	\$46.09	\$48.36	N/A
% of MGO Consumption Hedged	88%	51%	46%	20%
Average Gasoil Price / Barrel	\$84.57 <sup>(1)</sup>	\$80.61	\$70.00	\$67.45
<b>Total % of Consumption Hedged</b>	<b>80%</b>	<b>52%</b>	<b>36%</b>	<b>13%</b>

1. Represents a blended rate that includes a \$3.7 million benefit from 2020 Brent hedges that were replaced with Gasoil hedges in the third quarter of 2018.