

# GET READY TO EXPLORE



## Trading Update

5 February 2018

# Strong Current Trading Update

<i>(NOKm, unless otherwise stated)</i>		Q4 2016	Q4 2017	% Change
<b>Group</b>	Normalised Revenue	769	960	24.9%
	Normalised Net Contribution	176	265	50.4%
	% Margin	22.9%	27.6%	
	Normalised EBITDA	(16)	74	NM
	% Margin	(2.1)%	7.7%	
<b>Norwegian Coast</b>	Normalised Revenue	562	695	23.6%
	Normalised Net Contribution	118	184	55.5%
	% Margin	21.0%	26.5%	
	Net Revenue / PCN <sup>1</sup>	1,297	1,346	3.8%
	PCN	192,815	255,858	32.7%
	% Occupancy	47.8%	62.3%	
<b>Explorer</b>	Normalised Revenue	190	232	22.6%
	Normalised Net Contribution	55	83	49.7%
	% Margin	29.1%	35.5%	
	Net Revenue / PCN <sup>2</sup>	2,978	3,522	18.2%
	PCN	42,993	46,308	7.7%
	% Occupancy	68.7%	66.9%	
<b>Land Based</b>	Normalised Revenue	21	33	60.0%
	Normalised Net Contribution	3	(2)	NM
	% Margin	13.2%	(4.7)%	

## Commentary

- Q4 2017 financials show **strong top-line growth** across all segments with Group Normalised Revenue up **25% YoY**
- Significant margin improvement in traditional low season quarter with **net contribution margin expansion of ~470bps and positive EBITDA margin**, stemming from higher margins in both Norwegian Coast and Explorer. **Profitability improvement driven by occupancy and yield growth despite increased bunker cost** compared to same period last year
- **Norwegian Coast segment's net revenue / PCN increased by 3.8% YoY** while it increased by **18.2% YoY in Explorer**
- **Norwegian coast PCN up 32.7% YoY**, implying an **occupancy of 62.3%** vs. 47.8% in Q4 2016, and **Explorer PCN up 7.7%** while occupancy slightly down to 66.9% from 68.7% driven by October being a crossing month with Oct-16 APCN artificially low due to MS Midnatsol introduction
- It is important to note that Q4 is a low season period (alongside January-April), explaining the lower occupancy rate vs. higher season occupancy rates

Note: Financials are unaudited and subject to change.

<sup>1</sup> Defined as (Normalised Gross Profit – Contractual Revenue – Goods & Other Operating Revenue) / PCN.

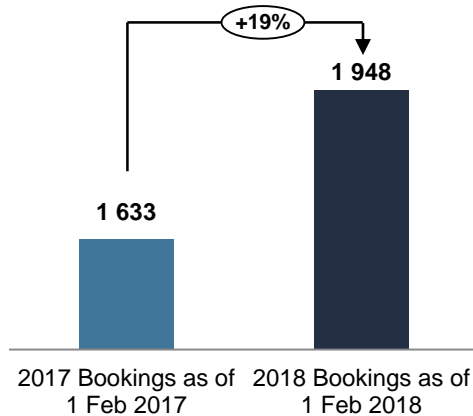
<sup>2</sup> Defined as Normalised Gross Profit / PCN.

# Strong 2018 Booking Development Compared to 2017 Bookings at the Same Time Last Year

## Norwegian Coast

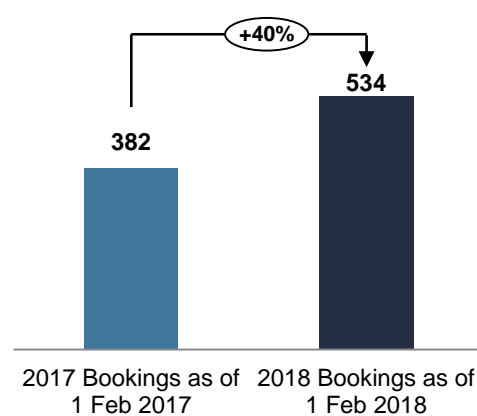
### Full Year Bookings

Gross revenue booked<sup>1</sup> (NOKm) as of 1 February

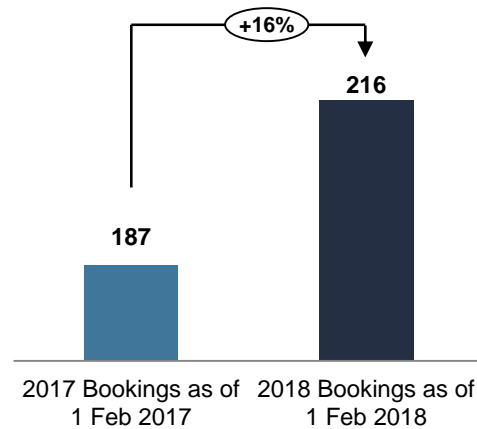
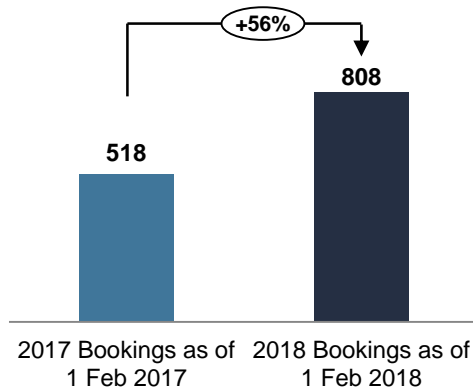


### First Quarter Bookings

Gross revenue booked<sup>1</sup> (NOKm) as of 1 February



## Explorer



### Commentary

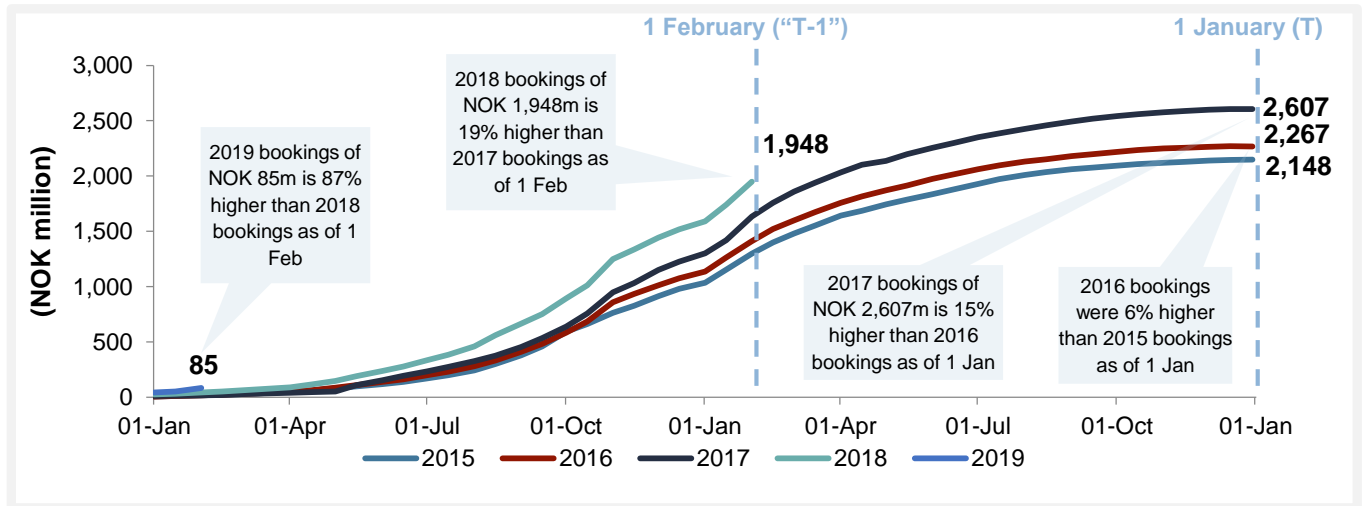
- 2018 booking is very strong for both segments with NOK **2,756m** gross ticket revenue including charters booked as of 1 February 2018 compared to **NOK 2,151m** last year – an increase of **28%**
- Gross revenue booked for **Norwegian Coast up NOK 315m (+19%)** for 2018 compared to last year, with increase in bookings for Q1 of **40%**
- Explorer has booked **NOK 290m** more than same time last year, up by **56%**, including an increase in first quarter bookings of **16%**
- Growth in the Explorer segment is largely due to new Antarctica itineraries in Q3 2018, part of the launch of the vessel MS Amundsen

<sup>1</sup> NOK booking revenue in constant currency (GBP/NOK 9.70, EUR/NOK 8.00, USD/NOK 6.00, SEK/NOK 0.91, DKK/NOK 1.15).

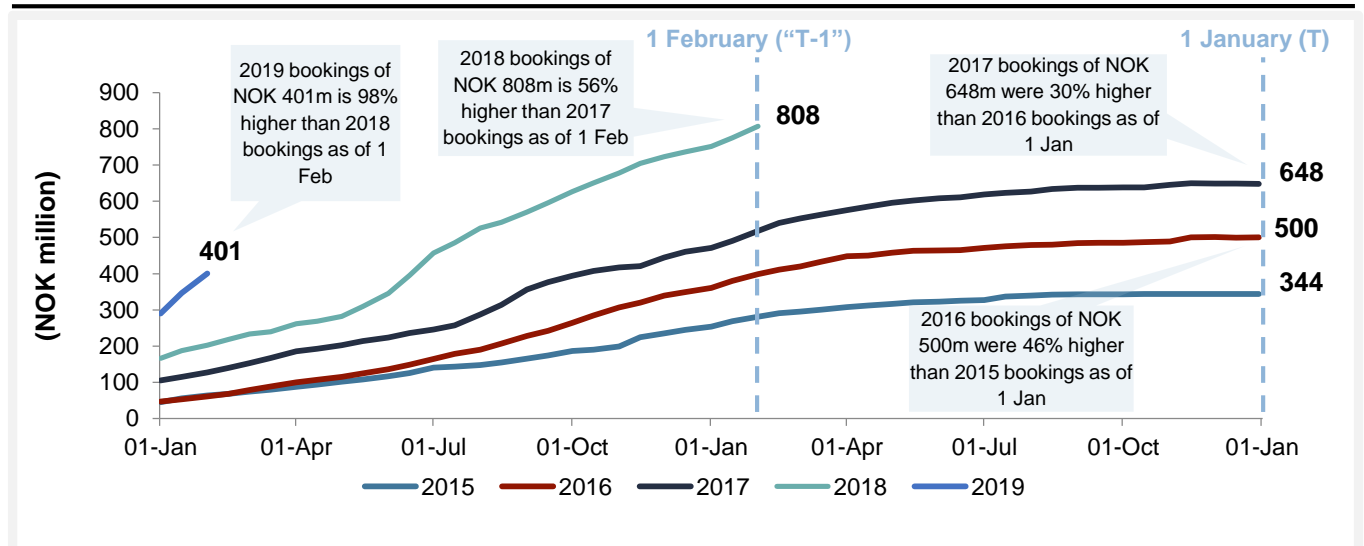
# Improving Booking Curves Providing Significant Cash Flow Visibility with Flexibility to Act Promptly to Fill-in Capacity

- Advanced customer bookings provide significant revenue visibility and supports steady, predictable cash flow profile
- Cruises generally booked 6 to 18 months prior to sail date
- Limited cancellations given size of deposits relative to total expenditure (deposits typically 20% of total trip cost)
- 50+% of Norwegian Coast's and c.80% Explorer's next year's revenues typically booked by year-end
- Improvement in the bookings curve trajectory across segments
- Strengthening early booking pattern provides further flexibility to do more activities to fill in the capacity effectively

Booking Curve as of 1 February: Norwegian Coast



Booking Curve as of 1 February: Explorer



Note: NOK booking revenue in constant currency (GBP/NOK 9.70, EUR/NOK 8.00, USD/NOK 6.00, SEK/NOK 0.91, DKK/NOK 1.15).