

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

**(Mark One)**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-35784

**NORWEGIAN CRUISE LINE HOLDINGS LTD.**

(Exact name of registrant as specified in its charter)

|  |  |
|--|--|
| <p>Bermuda<br/>(State or other jurisdiction of incorporation or organization)</p>                          | <p>98-0691007<br/>(I.R.S. Employer Identification No.)</p> |
| <p>7665 Corporate Center Drive, Miami, Florida 33126<br/>(Address of principal executive offices)</p>      | <p>33126<br/>(zip code)</p>                                |
| <p style="text-align: center;">(305) 436-4000<br/>(Registrant's telephone number, including area code)</p> |  |
| <p style="text-align: center;">N/A</p>   |  |

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b>                   | <b>Trading Symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|--|--------------------------|--|
| Ordinary shares, par value \$0.001 per share | NCLH                     | The New York Stock Exchange                      |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer   
Emerging growth company

Accelerated filer   
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 439,708,278 ordinary shares outstanding as of October 31, 2024.

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**TABLE OF CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| <b><u>PART I. FINANCIAL INFORMATION</u></b>  |             |
| <a href="#"><u>Item 1. Financial Statements</u></a>  | 3           |
| <a href="#"><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a> | 24          |
| <a href="#"><u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u></a>                            | 39          |
| <a href="#"><u>Item 4. Controls and Procedures</u></a>   | 40          |
| <b><u>PART II. OTHER INFORMATION</u></b>   |             |
| <a href="#"><u>Item 1. Legal Proceedings</u></a>   | 40          |
| <a href="#"><u>Item 1A. Risk Factors</u></a>   | 40          |
| <a href="#"><u>Item 5. Other Information</u></a>   | 41          |
| <a href="#"><u>Item 6. Exhibits</u></a>  | 41          |
| <a href="#"><u>SIGNATURES</u></a>  | 42          |

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Norwegian Cruise Line Holdings Ltd.  
Consolidated Statements of Operations  
(Unaudited)**  
(in thousands, except share and per share data)

|  | Three Months Ended<br>September 30, |                    | Nine Months Ended<br>September 30, |                    |
|--|-------------------------------------|--------------------|------------------------------------|--------------------|
|  | 2024                                | 2023               | 2024                               | 2023               |
| <b>Revenue</b>                             |                                     |                    |                                    |                    |
| Passenger ticket                           | \$ 1,944,921                        | \$ 1,733,594       | \$ 5,006,811                       | \$ 4,420,909       |
| Onboard and other                          | 861,657                             | 802,443            | 2,363,474                          | 2,142,559          |
| Total revenue                              | <u>2,806,578</u>                    | <u>2,536,037</u>   | <u>7,370,285</u>                   | <u>6,563,468</u>   |
| <b>Cruise operating expense</b>            |                                     |                    |                                    |                    |
| Commissions, transportation and other      | 564,614                             | 546,026            | 1,501,863                          | 1,462,565          |
| Onboard and other                          | 211,753                             | 188,694            | 515,496                            | 470,271            |
| Payroll and related                        | 337,430                             | 323,862            | 1,012,289                          | 936,237            |
| Fuel                                       | 164,934                             | 170,893            | 537,632                            | 530,003            |
| Food                                       | 78,096                              | 87,839             | 239,850                            | 271,575            |
| Other                                      | 182,112                             | 165,432            | 573,987                            | 476,123            |
| Total cruise operating expense             | <u>1,538,939</u>                    | <u>1,482,746</u>   | <u>4,381,117</u>                   | <u>4,146,774</u>   |
| <b>Other operating expense</b>             |                                     |                    |                                    |                    |
| Marketing, general and administrative      | 358,001                             | 325,365            | 1,074,241                          | 1,013,600          |
| Depreciation and amortization              | 218,428                             | 204,608            | 663,762                            | 596,513            |
| Total other operating expense              | <u>576,429</u>                      | <u>529,973</u>     | <u>1,738,003</u>                   | <u>1,610,113</u>   |
| Operating income                           | <u>691,210</u>                      | <u>523,318</u>     | <u>1,251,165</u>                   | <u>806,581</u>     |
| <b>Non-operating income (expense)</b>      |                                     |                    |                                    |                    |
| Interest expense, net                      | (175,216)                           | (181,201)          | (571,865)                          | (530,150)          |
| Other income (expense), net                | (34,146)                            | 12,060             | (14,113)                           | (4,938)            |
| Total non-operating income (expense)       | <u>(209,362)</u>                    | <u>(169,141)</u>   | <u>(585,978)</u>                   | <u>(535,088)</u>   |
| <b>Net income before income taxes</b>      | <u>481,848</u>                      | <u>354,177</u>     | <u>665,187</u>                     | <u>271,493</u>     |
| <b>Income tax benefit (expense)</b>        | <u>(6,916)</u>                      | <u>(8,309)</u>     | <u>(9,466)</u>                     | <u>1,170</u>       |
| <b>Net income</b>                          | <u>\$ 474,932</u>                   | <u>\$ 345,868</u>  | <u>\$ 655,721</u>                  | <u>\$ 272,663</u>  |
| <b>Weighted-average shares outstanding</b> |                                     |                    |                                    |                    |
| Basic                                      | <u>439,697,135</u>                  | <u>425,398,415</u> | <u>433,790,997</u>                 | <u>424,087,517</u> |
| Diluted                                    | <u>514,878,919</u>                  | <u>511,585,445</u> | <u>514,002,031</u>                 | <u>460,819,375</u> |
| <b>Earnings per share</b>                  |                                     |                    |                                    |                    |
| Basic                                      | <u>\$ 1.08</u>                      | <u>\$ 0.81</u>     | <u>\$ 1.51</u>                     | <u>\$ 0.64</u>     |
| Diluted                                    | <u>\$ 0.95</u>                      | <u>\$ 0.71</u>     | <u>\$ 1.37</u>                     | <u>\$ 0.62</u>     |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.**  
**Consolidated Statements of Comprehensive Income**  
(Unaudited)  
(in thousands)

|  | Three Months Ended<br>September 30, |                   | Nine Months Ended<br>September 30, |                   |
|--|-------------------------------------|-------------------|------------------------------------|-------------------|
|  | 2024                                | 2023              | 2024                               | 2023              |
| Net income                                     | <u>\$ 474,932</u>                   | <u>\$ 345,868</u> | <u>\$ 655,721</u>                  | <u>\$ 272,663</u> |
| Other comprehensive income (loss):             |                                     |                   |                                    |                   |
| Shipboard Retirement Plan                      | 94                                  | 63                | 283                                | 191               |
| Cash flow hedges:                              |                                     |                   |                                    |                   |
| Net unrealized gain (loss)                     | (56,078)                            | 57,885            | (7,668)                            | 34,833            |
| Amount realized and reclassified into earnings | 2,630                               | (6,563)           | (3,853)                            | (13,890)          |
| Total other comprehensive income (loss)        | <u>(53,354)</u>                     | <u>51,385</u>     | <u>(11,238)</u>                    | <u>21,134</u>     |
| Total comprehensive income                     | <u>\$ 421,578</u>                   | <u>\$ 397,253</u> | <u>\$ 644,483</u>                  | <u>\$ 293,797</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.**  
**Consolidated Balance Sheets**  
**(Unaudited)**  
**(in thousands, except share data)**

|   | <b>September 30,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|---|-------------------------------|------------------------------|
| <b>Assets</b>   |                               |                              |
| Current assets:   |                               |                              |
| Cash and cash equivalents   | \$ 332,521                    | \$ 402,415                   |
| Accounts receivable, net  | 200,841                       | 280,271                      |
| Inventories   | 145,056                       | 157,646                      |
| Prepaid expenses and other assets                                   | 500,815                       | 472,816                      |
| Total current assets  | 1,179,233                     | 1,313,148                    |
| Property and equipment, net   | 16,743,936                    | 16,433,292                   |
| Goodwill  | 135,764                       | 98,134                       |
| Trade names   | 500,525                       | 500,525                      |
| Other long-term assets  | 1,226,545                     | 1,147,891                    |
| Total assets  | <u>\$ 19,786,003</u>          | <u>\$ 19,492,990</u>         |
| <b>Liabilities and shareholders' equity</b>                         |                               |                              |
| Current liabilities:  |                               |                              |
| Current portion of long-term debt                                   | \$ 1,653,460                  | \$ 1,744,778                 |
| Accounts payable  | 172,937                       | 174,338                      |
| Accrued expenses and other liabilities                              | 1,067,532                     | 1,058,919                    |
| Advance ticket sales  | 3,144,586                     | 3,060,666                    |
| Total current liabilities   | 6,038,515                     | 6,038,701                    |
| Long-term debt  | 11,751,743                    | 12,314,147                   |
| Other long-term liabilities   | 860,415                       | 839,335                      |
| Total liabilities   | <u>18,650,673</u>             | <u>19,192,183</u>            |
| Commitments and contingencies (Note 11)                             |                               |                              |
| Shareholders' equity:   |                               |                              |
| Ordinary shares, \$0.001 par value; 980,000,000 shares authorized;  |                               |                              |
| 439,702,246 shares issued and outstanding at September 30, 2024 and |                               |                              |
| 425,546,570 shares issued and outstanding at December 31, 2023      | 440                           | 425                          |
| Additional paid-in capital  | 7,898,982                     | 7,708,957                    |
| Accumulated other comprehensive income (loss)                       | (519,676)                     | (508,438)                    |
| Accumulated deficit   | (6,244,416)                   | (6,900,137)                  |
| Total shareholders' equity  | 1,135,330                     | 300,807                      |
| Total liabilities and shareholders' equity                          | <u>\$ 19,786,003</u>          | <u>\$ 19,492,990</u>         |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**(in thousands)**

|   | <b>Nine Months Ended</b><br><b>September 30,</b> |                    |
|---|--|--------------------|
|   | <b>2024</b>                                      | <b>2023</b>        |
| <b>Cash flows from operating activities</b>                                       |  |                    |
| Net income  | \$ 655,721                                       | \$ 272,663         |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |                    |
| Depreciation and amortization expense   | 726,877  | 649,958            |
| (Gain) loss on derivatives  | (712)  | 9,338              |
| Loss on extinguishment of debt  | 29,175   | 2,801              |
| Provision for bad debts and inventory obsolescence                                | 3,668  | 3,640              |
| Gain on involuntary conversion of assets  | (4,605)  | (4,583)            |
| Share-based compensation expense  | 65,570   | 96,254             |
| Net foreign currency adjustments on euro-denominated debt                         | 6,811  | (2,027)            |
| Changes in operating assets and liabilities:                                      |  |                    |
| Accounts receivable, net  | 72,341   | 80,064             |
| Inventories   | 12,160   | (18,120)           |
| Prepaid expenses and other assets   | 26,244   | 437,465            |
| Accounts payable  | (8,388)  | (60,971)           |
| Accrued expenses and other liabilities  | (25,154)   | (139,188)          |
| Advance ticket sales  | 90,859   | 419,420            |
| Net cash provided by operating activities   | <u>1,650,567</u>                                 | <u>1,746,714</u>   |
| <b>Cash flows from investing activities</b>                                       |  |                    |
| Additions to property and equipment, net  | (967,516)  | (2,102,698)        |
| Cash paid on settlement of derivatives  | —  | (118,610)          |
| Acquisition, net of cash acquired   | (27,322)   | —                  |
| Other   | 9,164  | 14,678             |
| Net cash used in investing activities   | <u>(985,674)</u>                                 | <u>(2,206,630)</u> |
| <b>Cash flows from financing activities</b>                                       |  |                    |
| Repayments of long-term debt  | (1,268,605)                                      | (2,629,681)        |
| Proceeds from long-term debt  | 688,901  | 2,989,183          |
| Proceeds from employee related plans  | —  | 5,307              |
| Net share settlement of restricted share units                                    | (22,058)   | (25,271)           |
| Early redemption premium  | (19,166)   | —                  |
| Deferred financing fees   | (113,859)  | (145,051)          |
| Net cash provided by (used in) financing activities                               | <u>(734,787)</u>                                 | <u>194,487</u>     |
| Net decrease in cash and cash equivalents   | (69,894)   | (265,429)          |
| Cash and cash equivalents at beginning of period                                  | 402,415  | 946,987            |
| Cash and cash equivalents at end of period  | <u>\$ 332,521</u>                                | <u>\$ 681,558</u>  |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**(Unaudited)**  
**(in thousands)**

|  | <b>Three Months Ended September 30, 2024</b> |   |  |                                |   |
|--|--|---|--|--------------------------------|---|
|  | <b>Ordinary<br/>Shares</b>                   | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Income (Loss)</b> | <b>Accumulated<br/>Deficit</b> | <b>Total<br/>Shareholders'<br/>Equity</b> |
| <b>Balance, June 30, 2024</b>                  | <b>\$ 440</b>                                | <b>\$ 7,878,363</b>                       | <b>\$ (466,322)</b>  | <b>\$ (6,719,348)</b>          | <b>\$ 693,133</b>                         |
| Share-based compensation                       | —  | 20,638                                    | —  | —                              | 20,638                                    |
| Net share settlement of restricted share units | —  | (19)                                      | —  | —                              | (19)                                      |
| Other comprehensive loss, net                  | —  | —   | (53,354)   | —                              | (53,354)                                  |
| Net income                                     | —  | —   | —  | 474,932                        | 474,932                                   |
| <b>Balance, September 30, 2024</b>             | <b><u>\$ 440</u></b>                         | <b><u>\$ 7,898,982</u></b>                | <b><u>\$ (519,676)</u></b>                                       | <b><u>\$ (6,244,416)</u></b>   | <b><u>\$ 1,135,330</u></b>                |

  

|   | <b>Nine Months Ended September 30, 2024</b> |   |  |                                |   |
|---|---|---|--|--------------------------------|---|
|   | <b>Ordinary<br/>Shares</b>                  | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Income (Loss)</b> | <b>Accumulated<br/>Deficit</b> | <b>Total<br/>Shareholders'<br/>Equity</b> |
| <b>Balance, December 31, 2023</b>                 | <b>\$ 425</b>                               | <b>\$ 7,708,957</b>                       | <b>\$ (508,438)</b>  | <b>\$ (6,900,137)</b>          | <b>\$ 300,807</b>                         |
| Share-based compensation                          | —   | 65,570                                    | —  | —                              | 65,570                                    |
| Issuance of shares under employee related plans   | 4   | (4)                                       | —  | —                              | —   |
| Common share issuance for NCLC exchangeable notes | 11  | 146,517                                   | —  | —                              | 146,528                                   |
| Net share settlement of restricted share units    | —   | (22,058)                                  | —  | —                              | (22,058)                                  |
| Other comprehensive loss, net                     | —   | —   | (11,238)   | —                              | (11,238)                                  |
| Net income  | —   | —   | —  | 655,721                        | 655,721                                   |
| <b>Balance, September 30, 2024</b>                | <b><u>\$ 440</u></b>                        | <b><u>\$ 7,898,982</u></b>                | <b><u>\$ (519,676)</u></b>                                       | <b><u>\$ (6,244,416)</u></b>   | <b><u>\$ 1,135,330</u></b>                |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.**  
**Consolidated Statements of Changes in Shareholders' Equity - Continued**  
**(Unaudited)**  
**(in thousands)**

|   | <b>Three Months Ended September 30, 2023</b> |                                   |  |                            |                                   |
|---|--|-----------------------------------|--|----------------------------|-----------------------------------|
|   | <b>Ordinary Shares</b>                       | <b>Additional Paid-in Capital</b> | <b>Accumulated Other Comprehensive Income (Loss)</b> | <b>Accumulated Deficit</b> | <b>Total Shareholders' Equity</b> |
| <b>Balance, June 30, 2023</b>                     | \$ 425                                       | \$ 7,661,646                      | \$ (507,330)   | \$ (7,139,520)             | \$ 15,221                         |
| Share-based compensation                          | —  | 23,563                            | —  | —                          | 23,563                            |
| Issuance of shares under employee related plans   | —  | 2,689                             | —  | —                          | 2,689                             |
| Net share settlement of restricted share units    | —  | (48)                              | —  | —                          | (48)                              |
| Common share issuance for NCLC exchangeable notes | —  | 10                                | —  | —                          | 10                                |
| Other comprehensive income, net                   | —  | —                                 | 51,385   | —                          | 51,385                            |
| Net income  | —  | —                                 | —  | 345,868                    | 345,868                           |
| <b>Balance, September 30, 2023</b>                | <b>\$ 425</b>                                | <b>\$ 7,687,860</b>               | <b>\$ (455,945)</b>                                  | <b>\$ (6,793,652)</b>      | <b>\$ 438,688</b>                 |

  

|   | <b>Nine Months Ended September 30, 2023</b> |                                   |  |                            |                                   |
|---|---|-----------------------------------|--|----------------------------|-----------------------------------|
|   | <b>Ordinary Shares</b>                      | <b>Additional Paid-in Capital</b> | <b>Accumulated Other Comprehensive Income (Loss)</b> | <b>Accumulated Deficit</b> | <b>Total Shareholders' Equity</b> |
| <b>Balance, December 31, 2022</b>                 | \$ 421                                      | \$ 7,611,564                      | \$ (477,079)   | \$ (7,066,315)             | \$ 68,591                         |
| Share-based compensation                          | —   | 96,254                            | —  | —                          | 96,254                            |
| Issuance of shares under employee related plans   | 4   | 5,303                             | —  | —                          | 5,307                             |
| Common share issuance for NCLC exchangeable notes | —   | 10                                | —  | —                          | 10                                |
| Net share settlement of restricted share units    | —   | (25,271)                          | —  | —                          | (25,271)                          |
| Other comprehensive income, net                   | —   | —                                 | 21,134   | —                          | 21,134                            |
| Net income  | —   | —                                 | —  | 272,663                    | 272,663                           |
| <b>Balance, September 30, 2023</b>                | <b>\$ 425</b>                               | <b>\$ 7,687,860</b>               | <b>\$ (455,945)</b>                                  | <b>\$ (6,793,652)</b>      | <b>\$ 438,688</b>                 |

The accompanying notes are an integral part of these consolidated financial statements.

**Norwegian Cruise Line Holdings Ltd.  
Notes to Consolidated Financial Statements  
(Unaudited)**

Unless otherwise indicated or the context otherwise requires, references in this report to (i) the "Company," "we," "our" and "us" refer to NCLH (as defined below) and its subsidiaries, (ii) "NCLC" refers to NCL Corporation Ltd., (iii) "NCLH" refers to Norwegian Cruise Line Holdings Ltd., (iv) "Norwegian Cruise Line" or "Norwegian" refers to the Norwegian Cruise Line brand and its predecessors, (v) "Oceania Cruises" refers to the Oceania Cruises brand and (vi) "Regent" refers to the Regent Seven Seas Cruises brand.

References to the "U.S." are to the United States of America, and "dollar(s)" or "\$" are to U.S. dollars, the "U.K." are to the United Kingdom and "euro(s)" or "€" are to the official currency of the Eurozone. We refer you to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations— Terminology" for the capitalized terms used and not otherwise defined throughout these notes to consolidated financial statements.

**1. Description of Business and Organization**

We are a leading global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. As of September 30, 2024, we had 32 ships with approximately 66,400 Berths. The Company expects to add thirteen additional ships to our fleet from 2025 through 2036.

We have four Prima Class Ships on order with currently scheduled delivery dates from 2025 through 2028. We have one Allura Class Ship on order for delivery in 2025. We also have orders for three new classes of ships: four Oceania Cruises ships with deliveries currently scheduled from 2027 through 2031, two Prestige Class Ships with deliveries currently scheduled in 2026 and 2029 and four Norwegian Cruise Line ships with deliveries currently scheduled from 2030 through 2036. The orders for two of the new class of Oceania Cruises ships currently scheduled for delivery in 2030 and 2031 are expected to be cancelled.

**2. Summary of Significant Accounting Policies**

**Liquidity**

As of September 30, 2024, we had liquidity of approximately \$ 2.4 billion, including cash and cash equivalents of \$ 332.5 million, borrowings available under our \$1.2 billion undrawn Revolving Loan Facility, a € 200 million commitment that can be used for future newbuild payments and a \$650 million undrawn commitment of senior unsecured notes issuable by NCLC less related fees (see Note 8 – "Long-Term Debt" for further information regarding our commitments). We believe that we have sufficient liquidity to fund our obligations and expect to remain in compliance with our financial covenants for at least the next twelve months from the issuance of these financial statements.

We will continue to pursue various opportunities to refinance future debt maturities to reduce interest expense and/or to extend the maturity dates associated with our existing indebtedness and obtain relevant financial covenant amendments or waivers, if needed.

**Basis of Presentation**

The accompanying consolidated financial statements are unaudited and, in our opinion, contain all normal recurring adjustments necessary for a fair statement of the results for the periods presented.

Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire fiscal year. Historically, demand for cruises has been strongest during the Northern Hemisphere's summer months. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which are included in our most recent Annual Report on Form 10-K filed with the SEC on February 28, 2024.

### Earnings Per Share

Basic earnings per share is computed by dividing net income by the basic weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income and assumed conversion of exchangeable notes by diluted weighted-average shares outstanding.

A reconciliation between basic and diluted earnings per share was as follows (in thousands, except share and per share data):

|  | Three Months Ended<br>September 30, |                    | Nine Months Ended<br>September 30, |                    |
|--|-------------------------------------|--------------------|------------------------------------|--------------------|
|  | 2024                                | 2023               | 2024                               | 2023               |
| Net income - Basic EPS   | \$ 474,932                          | \$ 345,868         | \$ 655,721                         | \$ 272,663         |
| Effect of dilutive securities - exchangeable notes                       | 14,965                              | 17,510             | 48,323                             | 13,809             |
| Net income and assumed conversion of<br>exchangeable notes - Diluted EPS | \$ 489,897                          | \$ 363,378         | \$ 704,044                         | \$ 286,472         |
| Basic weighted-average shares outstanding                                | 439,697,135                         | 425,398,415        | 433,790,997                        | 424,087,517        |
| Dilutive effect of share awards  | 3,333,627                           | 3,676,562          | 3,201,373                          | 2,594,108          |
| Dilutive effect of exchangeable notes                                    | 71,848,157                          | 82,510,468         | 77,009,661                         | 34,137,750         |
| Diluted weighted-average shares outstanding                              | <u>514,878,919</u>                  | <u>511,585,445</u> | <u>514,002,031</u>                 | <u>460,819,375</u> |
| Basic EPS  | \$ 1.08                             | \$ 0.81            | \$ 1.51                            | \$ 0.64            |
| Diluted EPS  | \$ 0.95                             | \$ 0.71            | \$ 1.37                            | \$ 0.62            |

Each exchangeable note (see Note 8 – “Long-Term Debt”) is individually evaluated for its dilutive or anti-dilutive impact on EPS as determined under the if-converted method. Only the interest expense and weighted average shares for exchangeable notes that are dilutive are included in the effect of dilutive securities above. During the nine months ended September 30, 2023, the 2024 Exchangeable Notes, 2025 Exchangeable Notes and 2027 2.5% Exchangeable Notes were anti-dilutive. Share awards are evaluated for a dilutive or anti-dilutive impact on EPS using the treasury stock method. For the three months ended September 30, 2024 and 2023, a total of 2.5 million and 3.8 million shares, respectively, and for the nine months ended September 30, 2024 and 2023, a total of 6.1 million and 54.4 million shares, respectively, have been excluded from diluted weighted-average shares outstanding because the effect of including them would have been anti-dilutive.

### Foreign Currency

The majority of our transactions are settled in U.S. dollars. We remeasure assets and liabilities denominated in foreign currencies at exchange rates in effect at the balance sheet date. The resulting gains or losses are recognized in our consolidated statements of operations within other income (expense), net. We recognized a loss of \$32.1 million and a gain of \$15.7 million for the three months ended September 30, 2024 and 2023, respectively, and losses of \$ 16.5 million and \$4.2 million for the nine months ended September 30, 2024 and 2023, respectively, related to remeasurement of assets and liabilities denominated in foreign currencies. Remeasurements of foreign currency related to operating activities are recognized within changes in operating assets and liabilities in the consolidated statement of cash flows.

### Depreciation and Amortization Expense

The amortization of deferred financing fees is included in depreciation and amortization expense in the consolidated statements of cash flows; however, for purposes of the consolidated statements of operations they are included in interest expense, net.

### Accounts Receivable, Net

Accounts receivable, net included \$4.9 million and \$20.1 million due from credit card processors as of September 30, 2024 and December 31, 2023, respectively.

### Recently Issued Accounting Guidance

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 includes additional disclosures on an interim and annual basis and requires that the disclosures be applied to public entities that have a single reportable segment. These provisions are effective for fiscal years beginning after December 15, 2023 and interim periods after December 15, 2024. ASU 2023-07 shall be applied retrospectively unless it is impracticable to do so. We do not expect the adoption of ASU 2023-07 to have a material impact on our consolidated financial statements other than the expanded footnote disclosure.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information as well as certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this update are effective for annual periods beginning after December 15, 2024 and should be applied on a prospective basis. We are evaluating the impact of ASU 2023-09 on our notes to the consolidated financial statements.

### 3. Acquisition

On April 25, 2024, Norwegian acquired 100% of the voting equity interest of Independent Maritime Advisors Ltd. ("IMA"), a consulting company specializing in project management for newbuilds and vessel conversions for \$37.5 million, which consisted primarily of cash and also included deferred consideration and the settlement of a pre-existing relationship. Norwegian acquired IMA to bring newbuild project management and supervision in-house and optimize the overall capital outflow for newbuild expenditures, which generates synergies that create goodwill.

The preliminary purchase price was allocated as follows (in thousands):

|   |           |
|---|-----------|
| Assets, other than goodwill   | \$ 4,302  |
| Goodwill  | 37,630    |
| Liabilities   | (9,088)   |
| Total consideration allocated, net of \$ 4.7 million of cash acquired | \$ 32,844 |

As of September 30, 2024, the measurement period pertaining to the acquisition remains open and is subject to further adjustment. The acquisition includes deferred consideration, which is currently considered probable of payment in full; however, if new information arises, a change in consideration could impact our goodwill or liabilities. The acquisition of IMA does not have a material impact on the Company's consolidated statements of operations.

### 4. Revenue Recognition

#### *Disaggregation of Revenue*

Revenue and cash flows are affected by economic factors in various geographical regions. Revenues by destination were as follows (in thousands):

|               | Three Months Ended<br>September 30, |              | Nine Months Ended<br>September 30, |              |
|---------------|-------------------------------------|--------------|------------------------------------|--------------|
|               | 2024                                | 2023         | 2024                               | 2023         |
| North America | \$ 1,315,224                        | \$ 1,234,852 | \$ 4,052,094                       | \$ 3,817,082 |
| Europe        | 1,439,473                           | 1,284,421    | 2,519,770                          | 2,245,868    |
| Asia-Pacific  | 50,294                              | 15,972       | 565,823                            | 311,524      |
| Other         | 1,587                               | 792          | 232,598                            | 188,994      |
| Total revenue | \$ 2,806,578                        | \$ 2,536,037 | \$ 7,370,285                       | \$ 6,563,468 |

[Table of Contents](#)

North America includes the U.S., the Caribbean, Canada and Mexico. Europe includes the Baltic region, Canary Islands and Mediterranean. Asia-Pacific includes Australia, New Zealand and Asia. Other includes all other international territories.

*Segment Reporting and Geographic Concentration*

We have concluded that our business has a single reportable segment.

Although we sell cruises on an international basis, our passenger ticket revenue is primarily attributed to U.S.-sourced guests who make reservations through the U.S. Revenue attributable to U.S.-sourced guests has approximated 84-87% of total revenue over the preceding three fiscal years. No other individual country's revenues exceed 10% in any given period.

*Contract Balances*

Receivables from customers are included within accounts receivable, net. As of September 30, 2024 and December 31, 2023, our receivables from customers were \$107.0 million and \$126.4 million, respectively, primarily related to in-transit credit card receivables.

Future cruise credits that have been issued as face value reimbursement for cancelled bookings due to COVID-19 are approximately \$63.2 million. The future cruise credits are not contracts, and therefore, guests who elected this option are excluded from our contract liability balance; however, the credit for the original amount paid is included in advance ticket sales.

Our contract liabilities are included within advance ticket sales. As of September 30, 2024 and December 31, 2023, our contract liabilities were \$2.2 billion. Of the amounts included within contract liabilities as of September 30, 2024, approximately 40% were refundable in accordance with our cancellation policies. Of the deposits included within advance ticket sales, the majority are refundable in accordance with our cancellation policies and it is uncertain to what extent guests may request refunds. For the nine months ended September 30, 2024, \$2.1 billion of revenue recognized was included in the contract liability balance at the beginning of the period.

**5. Leases**

Operating lease balances were as follows (in thousands):

| <b>Operating leases</b>                 | <b>Balance Sheet location</b>          | <b>September 30, 2024</b>  |   | <b>December 31, 2023</b>   |   |
|---|--|----------------------------|---|----------------------------|---|
|   |  | <b>Right-of-use assets</b> | <b>Accrued expenses and other liabilities</b> | <b>Right-of-use assets</b> | <b>Accrued expenses and other liabilities</b> |
| Right-of-use assets                     | Other long-term assets                 | \$ 764,481                 |   | \$ 753,652                 |   |
| Current operating lease liabilities     | Accrued expenses and other liabilities |                            | 27,939  |                            | 23,226  |
| Non-current operating lease liabilities | Other long-term liabilities            | 652,489                    |   | 644,646                    |   |

## 6. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) for the nine months ended September 30, 2024 was as follows (in thousands):

|  | Nine Months Ended September 30, 2024          |                                    |   |
|--|---|------------------------------------|---|
|  | Accumulated Other Comprehensive Income (Loss) | Change Related to Cash Flow Hedges | Change Related to Shipboard Retirement Plan |
| Accumulated other comprehensive income (loss) at beginning of period | \$ (508,438)                                  | \$ (508,524)                       | \$ 86                                       |
| Current period other comprehensive loss before reclassifications     | (7,668)                                       | (7,668)                            | —   |
| Amounts reclassified into earnings                                   | (3,570)                                       | (3,853)(1)                         | 283 (2)                                     |
| Accumulated other comprehensive income (loss) at end of period       | <u>\$ (519,676)</u>                           | <u>\$ (520,045)(3)</u>             | <u>\$ 369</u>                               |

Accumulated other comprehensive income (loss) for the nine months ended September 30, 2023 was as follows (in thousands):

|  | Nine Months Ended September 30, 2023          |                                    |   |
|--|---|------------------------------------|---|
|  | Accumulated Other Comprehensive Income (Loss) | Change Related to Cash Flow Hedges | Change Related to Shipboard Retirement Plan |
| Accumulated other comprehensive income (loss) at beginning of period | \$ (477,079)                                  | \$ (480,578)                       | \$ 3,499                                    |
| Current period other comprehensive income before reclassifications   | 34,833  | 34,833                             | —   |
| Amounts reclassified into earnings                                   | (13,699)                                      | (13,890)(1)                        | 191 (2)                                     |
| Accumulated other comprehensive income (loss) at end of period       | <u>\$ (455,945)</u>                           | <u>\$ (459,635)</u>                | <u>\$ 3,690</u>                             |

(1) We refer you to Note 9 – “Fair Value Measurements and Derivatives” for the affected line items in the consolidated statements of operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to other income (expense), net.

(3) Includes \$43.9 million of losses expected to be reclassified into earnings in the next 12 months.

## 7. Property and Equipment, Net

Property and equipment, net increased \$310.6 million for the nine months ended September 30, 2024 primarily due to ships under construction.

## 8. Long-Term Debt

In February 2024, NCLC and the purchasers named therein (collectively, the “Commitment Parties”) entered into a third amended and restated commitment letter (the “third amended commitment letter”), which became effective in March 2024. The third amended commitment letter amended and restated the commitment letter dated February 22, 2023 and extended the commitments thereunder through March 2025. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date (the “Commitment Notes”) at NCLC’s option. If issued, the Commitment Notes will be subject to an issue fee of 0.50% and will bear interest at a rate per annum equal to (A) the greater of (i) the interest rate of the 7.75% senior notes due 2029 (“2029 Unsecured Notes”) and (ii) the then-current secondary trading yield applicable to the 2029 Unsecured Notes plus (B) 200 basis points. The Commitment Notes are

subject to a one-time structuring fee of 0.50% and a quarterly commitment fee of 0.75% for so long as the commitments with respect to the Commitment Notes are outstanding.

In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 (the "2028 Secured Notes") at a negotiated premium plus accrued and unpaid interest thereon. In March 2024, in connection with the settlement of the repurchase, the aggregate principal amount outstanding under the 2028 Secured Notes was cancelled while also releasing the related collateral. The loss on extinguishment was \$29.0 million, recognized in interest expense, net.

In November 2023, we executed an agreement for a commitment of € 200 million in connection with financial support for our newbuilds, which became available in April 2024. The commitment if drawn will pay interest quarterly at a rate per annum based on an applicable margin plus Euribor 3-months. The commitment may be drawn at any time and is payable within 364 days, but no later than July 15, 2025. Any amount repaid prior to July 15, 2025 may be drawn again.

In September 2024, NCLC issued \$315.0 million aggregate principal amount of 6.250% senior unsecured notes due March 1, 2030 (the "2030 Notes"). NCLC may, at its option, redeem the 2030 Notes, in whole or in part, (i) prior to March 1, 2027 (the "First Call Date"), at a redemption price equal to 100% of the principal amount of the 2030 Notes to be redeemed plus an applicable "make-whole" amount, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date, and (ii) on or after the First Call Date, at the redemption prices set forth in the 2030 Notes indenture, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. In addition, at any time and from time to time prior to the First Call Date, NCLC may redeem up to 40% of the aggregate principal amount of the 2030 Notes with the net proceeds of certain equity offerings at a redemption price equal to 106.250% of the principal amount of the 2030 Notes redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, so long as at least 60% of the aggregate principal amount of the 2030 Notes issued remains outstanding following such redemption. The 2030 Notes pay interest at 6.250% per annum, semiannually in arrears on March 1 and September 1 of each year, to holders of record at the close of business on the immediately preceding February 15 and August 15, respectively. The 2030 Notes indenture contains covenants that limit the ability of NCLC and its restricted subsidiaries to, among other things: (i) grant or assume certain liens; (ii) enter into sale leaseback transactions; and (iii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets.

The net proceeds for the 2030 Notes, after deducting the initial purchasers' discount but before deducting estimated fees and expenses, together with cash on hand, were used to redeem \$315.0 million aggregate principal amount of the 3.625% senior notes due 2024, including to pay any accrued and unpaid interest thereon.

#### **Exchangeable Notes**

The following is a summary of NCLC's exchangeable notes as of September 30, 2024 (in thousands):

|                                | Principal<br>Amount | Unamortized<br>Deferred<br>Financing Fees |  | Net Carrying<br>Amount | Fair Value |          |
|--------------------------------|---------------------|---|--|------------------------|------------|----------|
|                                |                     |   |  |                        | Amount     | Leveling |
| 2025 Exchangeable Notes (1)    | \$ 449,990          | \$ (2,137)                                |  | \$ 447,853             | \$ 551,310 | Level 2  |
| 2027 1.125% Exchangeable Notes | 1,150,000           | (13,730)                                  |  | 1,136,270              | 1,114,166  | Level 2  |
| 2027 2.5% Exchangeable Notes   | 473,175             | (6,043)                                   |  | 467,132                | 469,877    | Level 2  |

[Table of Contents](#)

The following is a summary of NCLC's exchangeable notes as of December 31, 2023 (in thousands):

|                                | Principal Amount | Unamortized Deferred Financing Fees | Net Carrying Amount | Fair Value Amount | Fair Value Leveling |
|--------------------------------|------------------|-------------------------------------|---------------------|-------------------|---------------------|
| 2024 Exchangeable Notes (2)    | \$ 146,601       | \$ (557)                            | \$ 146,044          | \$ 217,790        | Level 2             |
| 2025 Exchangeable Notes        | 449,990          | (3,963)                             | 446,027             | 572,567           | Level 2             |
| 2027 1.125% Exchangeable Notes | 1,150,000        | (17,921)                            | 1,132,079           | 1,068,431         | Level 2             |
| 2027 2.5% Exchangeable Notes   | 473,175          | (7,836)                             | 465,339             | 453,784           | Level 2             |

- (1) Classified within current portion of long-term debt as of September 30, 2024. We expect that the holders of the 2025 Exchangeable Notes will exchange their 2025 Exchangeable Notes for NCLH ordinary shares.  
 (2) Classified within current portion of long-term debt as of December 31, 2023. During the nine months ended September 30, 2024, substantially all the holders of 2024 Exchangeable Notes elected to exchange their 2024 Exchangeable Notes for 10,658,607 NCLH ordinary shares and the remaining unexchanged notes were repaid in cash at maturity.

The following provides a summary of the interest expense of NCLC's exchangeable notes (in thousands):

|   | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                  |
|---|----------------------------------|------------------|---------------------------------|------------------|
|   | 2024                             | 2023             | 2024                            | 2023             |
| Coupon interest                         | \$ 12,238                        | \$ 14,438        | \$ 39,983                       | \$ 43,313        |
| Amortization of deferred financing fees | 2,727                            | 3,072            | 8,339                           | 8,571            |
| Total                                   | <u>\$ 14,965</u>                 | <u>\$ 17,510</u> | <u>\$ 48,322</u>                | <u>\$ 51,884</u> |

As of September 30, 2024, the effective interest rate is 5.97%, 1.64% and 3.06% for the 2025 Exchangeable Notes, 2027 1.125% Exchangeable Notes and 2027 2.5% Exchangeable Notes, respectively.

#### Debt Repayments

The following are scheduled principal repayments on our long-term debt including exchangeable notes, which can be settled in NCLH ordinary shares, and finance lease obligations as of September 30, 2024 (in thousands):

| Year              | Amount               |
|-------------------|----------------------|
| Remainder of 2024 | \$ 580,337           |
| 2025              | 1,324,480            |
| 2026              | 2,243,781            |
| 2027              | 3,308,071            |
| 2028              | 1,719,541            |
| 2029              | 1,934,831            |
| Thereafter        | 2,600,722            |
| Total             | <u>\$ 13,711,763</u> |

#### Debt Covenants

As of September 30, 2024, we were in compliance with all of our debt covenants. If we do not continue to remain in compliance with our covenants, we would have to seek additional amendments to or waivers of our covenants. However, no assurances can be made that such amendments or waivers would be approved by our lenders. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default and/or cross acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated, which would have a material adverse impact on our operations and liquidity.

## **9. Fair Value Measurements and Derivatives**

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Derivatives are generally recorded at fair value. Contracts that are designated as normal purchases and normal sales are not recorded at fair value. The normal purchases and normal sales exception requires, among other things, physical delivery in quantities expected to be used or sold over a reasonable period in the normal course of business. All of our allowance purchase agreements related to the European Union's Emissions Trading System meet the criteria specified for this exception.

### **Fair Value Hierarchy**

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

- Level 1    Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.
- Level 2    Significant other observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.
- Level 3    Significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available.

### **Derivatives**

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. We assess whether derivatives used in hedging transactions are "highly effective" in offsetting changes in the cash flow of our hedged forecasted transactions. We use critical terms match or regression analysis for hedge relationships and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative and the hedged forecasted transaction. Cash flows from the derivatives are classified in the same category as the cash flows from the underlying hedged transaction. If it is determined that the hedged forecasted transaction is no longer probable of occurring, then the amount recognized in accumulated other comprehensive income (loss) is released to earnings. There are no amounts excluded from the assessment of hedge effectiveness, and there are no credit-risk-related contingent features in our derivative agreements. We monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including but not limited to counterparty non-performance under derivatives, is not considered significant, as we primarily conduct business with large, well-established financial institutions with which we have established relationships, and which have credit risks acceptable to us, or the credit risk is spread out among many creditors. We do not anticipate non-performance by any of our significant counterparties.

As of September 30, 2024, we had fuel swaps, which are used to mitigate the financial impact of volatility of fuel prices pertaining to approximately 846 thousand metric tons of our projected fuel purchases, maturing through December 31, 2026.

As of September 30, 2024, we had fuel swaps pertaining to approximately 4 thousand metric tons of our projected fuel purchases which were not designated as cash flow hedges maturing through February 28, 2025.

[Table of Contents](#)

The derivatives measured at fair value and the respective location in the consolidated balance sheets include the following (in thousands):

| Balance Sheet Location  | Assets                |                        | Liabilities             |                         |
|---|-----------------------|------------------------|-------------------------|-------------------------|
|   | September 30,<br>2024 | December 31,<br>2023   | September 30,<br>2024   | December 31,<br>2023    |
| <b>Derivative Contracts Designated as Hedging Instruments</b>     |                       |                        |                         |                         |
| Fuel contracts  |                       |                        |                         |                         |
| Accrued expenses and other liabilities                            | \$ 299                | \$ 4,309               | \$ 25,394               | \$ 11,247               |
| Other long-term liabilities                                       | 475                   | 137                    | 9,827                   | 8,932                   |
| Total derivatives designated as hedging instruments               | <u>\$ 774</u>         | <u>\$ 4,446</u>        | <u>\$ 35,221</u>        | <u>\$ 20,179</u>        |
| <b>Derivative Contracts Not Designated as Hedging Instruments</b> |                       |                        |                         |                         |
| Fuel contracts  |                       |                        |                         |                         |
| Accrued expenses and other liabilities                            | \$ —                  | \$ 141                 | \$ 458                  | \$ 1,031                |
| Other long-term liabilities                                       | —                     | —                      | —                       | 280                     |
| Total derivatives not designated as hedging instruments           | <u>\$ —</u>           | <u>\$ 141</u>          | <u>\$ 458</u>           | <u>\$ 1,311</u>         |
| Total derivatives   | <u><u>\$ 774</u></u>  | <u><u>\$ 4,587</u></u> | <u><u>\$ 35,679</u></u> | <u><u>\$ 21,490</u></u> |

The fair values of swap and forward contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The Company determines the value of options and collars utilizing an option pricing model based on inputs that are either readily available in public markets or can be derived from information available in publicly quoted markets. The option pricing model used by the Company is an industry standard model for valuing options and is used by the broker/dealer community. The inputs to this option pricing model are the option strike price, underlying price, risk-free rate of interest, time to expiration, and volatility. The fair value of option contracts considers both the intrinsic value and any remaining time value associated with those derivatives that have not yet settled. The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values.

Our derivatives and financial instruments were categorized as Level 2 in the fair value hierarchy, and we had no derivatives or financial instruments categorized as Level 1 or Level 3. Our derivative contracts include rights of offset with our counterparties. We have elected to net certain assets and liabilities within counterparties when the rights of offset exist. We are not required to post cash collateral related to our derivative instruments.

The following table discloses the gross and net amounts recognized within assets and liabilities (in thousands):

|                           | Gross<br>Amounts | Gross<br>Amounts<br>Offset | Total Net<br>Amounts | Gross<br>Amounts<br>Not Offset |           |
|---------------------------|------------------|----------------------------|----------------------|--------------------------------|-----------|
|                           |                  |                            |                      | Net Amounts                    |           |
| <b>September 30, 2024</b> |                  |                            |                      |                                |           |
| Liabilities               | \$ 35,679        | \$ (774)                   | \$ 34,905            | \$ —                           | \$ 34,905 |
| <b>December 31, 2023</b>  |                  |                            |                      |                                |           |
| Liabilities               | \$ 21,490        | \$ (4,587)                 | \$ 16,903            | \$ —                           | \$ 16,903 |

[Table of Contents](#)

The effects of cash flow hedge accounting on accumulated other comprehensive income (loss) were as follows (in thousands):

| Derivatives  | Amount of Gain (Loss) Recognized in Other Comprehensive Loss |                    | Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense) | Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense) |                    |
|--|--|--------------------|---|---|--------------------|
|  | Three Months Ended   | Three Months Ended |   | Three Months Ended  | Three Months Ended |
|  | September 30, 2024   | September 30, 2023 |   | September 30, 2024  | September 30, 2023 |
| Fuel contracts   | \$ (56,615)  | \$ 74,710          | Fuel  | \$ 1,440  | \$ 9,540           |
| Fuel contracts   | —  | —                  | Other income (expense), net   | 49  | 417                |
| Foreign currency contracts                               | 537  | (16,825)           | Depreciation and amortization   | (4,119)   | (3,394)            |
| Total gain (loss) recognized in other comprehensive loss | \$ (56,078)  | \$ 57,885          |   | \$ (2,630)  | \$ 6,563           |

  

| Derivatives  | Amount of Gain (Loss) Recognized in Other Comprehensive Loss |                    | Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense) | Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense) |                    |
|--|--|--------------------|---|---|--------------------|
|  | Nine Months Ended  | Nine Months Ended  |   | Nine Months Ended   | Nine Months Ended  |
|  | September 30, 2024   | September 30, 2023 |   | September 30, 2024  | September 30, 2023 |
| Fuel contracts   | \$ (8,327)   | \$ 33,640          | Fuel  | \$ 14,855   | \$ 22,709          |
| Fuel contracts   | —  | —                  | Other income (expense), net   | 1,356   | 74                 |
| Foreign currency contracts                               | 659  | 1,193              | Depreciation and amortization   | (12,358)  | (8,893)            |
| Total gain (loss) recognized in other comprehensive loss | \$ (7,668)   | \$ 34,833          |   | \$ 3,853  | \$ 13,890          |

[Table of Contents](#)

The effects of cash flow hedge accounting on the consolidated statements of operations include the following (in thousands):

|  | Three Months Ended September 30, 2024 |                               |                             | Three Months Ended September 30, 2023 |                               |                             |
|--|---------------------------------------|-------------------------------|-----------------------------|---------------------------------------|-------------------------------|-----------------------------|
|  | Fuel                                  | Depreciation and Amortization | Other Income (Expense), net | Fuel                                  | Depreciation and Amortization | Other Income (Expense), net |
| Total amounts of income and expense line items presented in the consolidated statements of operations in which the effects of cash flow hedges are recorded                              | \$ 164,934                            | \$ 218,428                    | \$ (34,146)                 | \$ 170,893                            | \$ 204,608                    | \$ 12,060                   |
| Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense)  |                                       |                               |                             |                                       |                               |                             |
| Fuel contracts   | 1,440                                 | —                             | —                           | 9,540                                 | —                             | —                           |
| Foreign currency contracts   | —                                     | (4,119)                       | —                           | —                                     | (3,394)                       | —                           |
| Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense) as a result that a forecasted transaction is no longer probable of occurring |                                       |                               |                             |                                       |                               |                             |
| Fuel contracts   | —                                     | —                             | 49                          | —                                     | —                             | 417                         |
| Nine Months Ended September 30, 2024   |                                       |                               |                             |                                       |                               |                             |
|  | Depreciation and Amortization         |                               |                             | Depreciation and Amortization         |                               |                             |
|  | Fuel                                  | Other Income (Expense), net   |                             | Fuel                                  | Other Income (Expense), net   |                             |
| Total amounts of income and expense line items presented in the consolidated statements of operations in which the effects of cash flow hedges are recorded                              | \$ 537,632                            | \$ 663,762                    | \$ (14,113)                 | \$ 530,003                            | \$ 596,513                    | \$ (4,938)                  |
| Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense)  |                                       |                               |                             |                                       |                               |                             |
| Fuel contracts   | 14,855                                | —                             | —                           | 22,709                                | —                             | —                           |
| Foreign currency contracts   | —                                     | (12,358)                      | —                           | —                                     | (8,893)                       | —                           |
| Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense) as a result that a forecasted transaction is no longer probable of occurring |                                       |                               |                             |                                       |                               |                             |
| Fuel contracts   | —                                     | —                             | 1,356                       | —                                     | —                             | 74                          |

The effects of derivatives not designated as hedging instruments on the consolidated statements of operations include the following (in thousands):

| Location of Gain (Loss)                           | Amount of Gain (Loss) Recognized in Income |          |                                 |          |        |
|---|--|----------|---------------------------------|----------|--------|
|   | Three Months Ended September 30,           |          | Nine Months Ended September 30, |          |        |
|   | 2024                                       | 2023     | 2024                            | 2023     |        |
| Derivatives not designated as hedging instruments |  |          |                                 |          |        |
| Fuel contracts                                    | Other income (expense), net                | \$ (401) | \$ 1,369                        | \$ 1,785 | \$ 522 |

**Long-Term Debt**

As of September 30, 2024 and December 31, 2023, the fair value of our long-term debt, including the current portion, was \$13.2 billion and \$13.5 billion, respectively, which was \$0.5 billion and \$0.9 billion lower, respectively, than the

## [Table of Contents](#)

carrying values, excluding deferred financing costs. The difference between the fair value and carrying value of our long-term debt is due to our fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of our long-term revolving and term loan facilities was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities. The fair value of our exchangeable notes considers observable risk-free rates; credit spreads of the same or similar instruments; and share prices, tenors, and historical and implied volatilities which are sourced from observable market data. The inputs are considered to be Level 2 in the fair value hierarchy. Market risk associated with our long-term variable rate debt is the potential increase in interest expense from an increase in interest rates or from an increase in share values.

### **Other**

The carrying amounts reported in the consolidated balance sheets of all other financial assets and liabilities approximate fair value.

## **10. Employee Benefits and Compensation Plans**

In January 2013, NCLH adopted the 2013 Performance Incentive Plan, which as amended and restated through 2023 (the "Restated 2013 Plan"), provided for a maximum aggregate limit of 42,009,006 NCLH ordinary shares that could have been delivered pursuant to all awards granted under the plan. In June 2024, NCLH's shareholders approved a further amendment and restatement of the Restated 2013 Plan to increase the number of NCLH ordinary shares that may be delivered by 3,000,000, resulting in an increase in the maximum aggregate limit to 45,009,006 NCLH ordinary shares.

### **Restricted Share Unit Awards**

In March 2024, NCLH granted 4.5 million time-based restricted share unit awards to our employees, which primarily vest in substantially equal installments over three years. Additionally, in March 2024, NCLH granted 0.9 million performance-based restricted share units to certain members of our management team, which vest upon the achievement of certain pre-established performance targets established through 2026 and the satisfaction of an additional time-based vesting requirement that generally requires continued employment through March 1, 2027.

The following is a summary of restricted share unit activity for the nine months ended September 30, 2024:

|                                     | <b>Number of Time-Based Awards</b> | <b>Weighted-Average Grant Date Fair Value</b> | <b>Number of Performance-Based Awards</b> | <b>Weighted-Average Grant Date Fair Value</b> |
|-------------------------------------|------------------------------------|---|---|---|
| Non-vested as of January 1, 2024    | 9,083,120                          | \$ 17.39                                      | 2,140,134                                 | \$ 19.41                                      |
| Granted                             | 4,673,132                          | 19.25   | 945,040                                   | 19.29   |
| Vested                              | (4,308,167)                        | 18.85   | (334,888)                                 | 31.78   |
| Forfeited or expired                | (433,687)                          | 17.27   | (147,636)                                 | 16.69   |
| Non-vested as of September 30, 2024 | <u>9,014,398</u>                   | <u>17.67</u>                                  | <u>2,602,650</u>                          | <u>17.93</u>                                  |

### **Share Option Awards**

The following table sets forth a summary of option activity under NCLH's Restated 2013 Plan for the nine months ended September 30, 2024:

|                                      | <b>Number of Share Option Awards</b> |                                 | <b>Weighted-Average Exercise Price</b> |                                 | <b>Weighted-Average Contractual Term (years)</b> | <b>Aggregate Intrinsic Value (in thousands)</b> |
|--------------------------------------|--------------------------------------|---------------------------------|--|---------------------------------|--|---|
|                                      | <b>Time-Based Awards</b>             | <b>Performance-Based Awards</b> | <b>Time-Based Awards</b>               | <b>Performance-Based Awards</b> |  |   |
| Outstanding as of January 1, 2024    | 3,524,856                            | 114,583                         | \$ 52.98                               | \$ 59.43                        | 1.26   | \$ —  |
| Forfeited and cancelled              | (1,057,038)                          | (114,583)                       | 50.93                                  | 59.43                           |  |   |
| Outstanding as of September 30, 2024 | <u>2,467,818</u>                     | <u>—</u>                        | <u>53.85</u>                           | <u>—</u>                        | <u>0.79</u>                                      | <u>—</u>  |

The compensation expense recognized for share-based compensation for the periods presented include the following (in thousands):

|   | Three Months Ended<br>September 30, |                  | Nine Months Ended<br>September 30, |                  |
|---|-------------------------------------|------------------|------------------------------------|------------------|
|   | 2024                                | 2023             | 2024                               | 2023             |
| Payroll and related expense                   | \$ 4,855                            | \$ 4,592         | \$ 14,546                          | \$ 13,925        |
| Marketing, general and administrative expense | 15,783                              | 18,971           | 51,024                             | 82,329           |
| Total share-based compensation expense        | <u>\$ 20,638</u>                    | <u>\$ 23,563</u> | <u>\$ 65,570</u>                   | <u>\$ 96,254</u> |

## 11. Commitments and Contingencies

### Ship Construction Contracts

For the Norwegian brand, we have four Prima Class Ships on order, each ranging from approximately 156,000 to 169,000 Gross Tons with 3,550 to 3,850 Berths, with currently scheduled delivery dates from 2025 through 2028. For the Norwegian brand, we also have an order for four additional ships, each at approximately 225,000 Gross Tons and 5,200 Berths, with currently scheduled delivery dates from 2030 through 2036. For the Oceania Cruises brand, we have an order for one additional Allura Class Ship to be delivered in 2025, which will be approximately 68,000 Gross Tons and 1,250 Berths. For the Oceania Cruises brand, we also have an order for four additional ships (which includes two ships on order, which are currently scheduled for delivery in 2030 and 2031, but are expected to be cancelled), each at approximately 86,000 Gross Tons and 1,450 Berths, with currently scheduled delivery dates from 2027 through 2031. For the Regent Seven Seas Cruises brand, we have an order for two Prestige Class Ships, each at approximately 77,000 Gross Tons and 850 Berths, with currently scheduled delivery dates in 2026 and 2029. The impacts of initiatives to improve environmental sustainability and modifications the Company plans to make to its newbuilds and/or other macroeconomic conditions and events have resulted in delays in expected ship deliveries. These and other impacts could result in additional delays in ship deliveries in the future, which may be prolonged.

The combined contract prices, including amendments and change orders, of the 13 ships on order for delivery as of September 30, 2024 (which excludes two ships on order for Oceania Cruises, which are currently scheduled for delivery in 2030 and 2031, but are expected to be cancelled) was approximately €17.5 billion, or \$19.5 billion based on the euro/U.S. dollar exchange rate as of September 30, 2024. If the two ships on order for Oceania Cruises are cancelled, there will be incremental corresponding adjustments to the purchase price of other applicable newbuilds not to exceed €51 million. For ships on order, excluding the two ships on order for Oceania Cruises that are expected to be cancelled and the four additional ships on order for Norwegian Cruise Line with currently scheduled delivery from 2030 to 2036, we have obtained export credit financing which is expected to fund approximately 80% of the contract price of each ship as well as related financing premiums, subject to certain conditions. We do not anticipate any contractual breaches or cancellations to occur, except as noted above. However, if any such events were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

## [Table of Contents](#)

Our minimum annual payments for non-cancelable ship construction contracts, which exclude two contracts with options to cancel, are as follows (in thousands):

| Year                          | Amount        |
|-------------------------------|---------------|
| Remainder of 2024             | \$ 54,517     |
| 2025                          | 2,271,345     |
| 2026                          | 2,278,009     |
| 2027                          | 2,356,110     |
| 2028                          | 2,179,454     |
| 2029                          | 1,009,655     |
| Thereafter                    | 8,513,710     |
| Total minimum annual payments | \$ 18,662,800 |

The above presentation reflects the current delivery dates; however, certain delivery dates may be delayed at the option of the builder, which would result in additional fees.

## **Litigation**

### *Investigations*

In March 2020, the Florida Attorney General announced an investigation related to the Company's marketing during the COVID-19 pandemic. Following the announcement of the investigation by the Florida Attorney General, we received notifications from other attorneys general and governmental agencies that they are conducting similar investigations. The Company is cooperating with these ongoing investigations, the outcomes of which cannot be predicted at this time.

### *Helms-Burton Act*

On August 27, 2019, a lawsuit was filed against Norwegian Cruise Line Holdings Ltd. in the United States District Court for the Southern District of Florida under Title III of the Cuban Liberty and Solidarity (Libertad) Act of 1996, also known as the Helms-Burton Act. The complaint, filed by Havana Docks Corporation (the "Havana Docks Matter"), alleges it holds an interest in the Havana Cruise Port Terminal, which was expropriated by the Cuban Government. The complaint further alleges that the Company "trafficked" in the property by embarking and disembarking passengers at the facility, as well as profiting from the Cuban Government's possession of the property. The plaintiff seeks all available statutory remedies, including the value of the expropriated property, plus interest, treble damages, attorneys' fees and costs. After various motions challenging the sufficiency of plaintiff's complaint were resolved and voluminous discovery was completed, both sides filed motions for summary judgment. On March 21, 2022, the court issued an order granting plaintiff's motion for summary judgment on the issue of liability and denying the Company's cross-motion for summary judgment. The court scheduled a trial on determination of damages only for November 2022. The plaintiff elected to seek what the court ruled to be its baseline statutory damage amount, which was the amount of the certified claim plus interest, trebled and with attorneys' fees. Given this, there was no fact issue to be tried, and the matter was removed from the trial calendar. On December 30, 2022, the court entered a final judgment of approximately \$112.9 million and, on January 23, 2023, the Company filed a notice of appeal from that judgment. On April 12, 2023, the Company posted a sufficient supersedeas bond with the court to prevent any efforts by the plaintiff to collect on the judgment pending the appeal. On June 30, 2023, the Company filed its opening appellate brief with the United States Court of Appeals for the Eleventh Circuit. On September 29, 2023, the plaintiff filed its answering brief responding to the Company's opening brief in the Eleventh Circuit. On May 17, 2024, the Eleventh Circuit heard oral argument on the matter. On October 22, 2024, the Eleventh Circuit reversed the trial court. We believe that the likelihood of loss related to this matter is reasonably possible but not probable at this time; therefore, no liability has been recorded.

### *Other*

In the normal course of our business, various other claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount. Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by

insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. However, based on our current knowledge, we do not believe that the aggregate amount or range of reasonably possible losses with respect to these matters will be material to our consolidated results of operations, financial condition or cash flows. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

#### **Other Contingencies**

The Company also has agreements with its credit card processors that govern approximately \$ 2.9 billion in advance ticket sales at September 30, 2024 that have been received by the Company relating to future voyages. These agreements allow the credit card processors to require under certain circumstances, including the existence of a material adverse change, excessive chargebacks and other triggering events, that the Company maintain a reserve which would be satisfied by posting collateral. Although the agreements vary, these requirements may generally be satisfied either through a percentage of customer payments withheld or providing cash funds directly to the card processor. Any cash reserve or collateral requested could be increased or decreased. As of September 30, 2024, we had cash reserves of approximately \$4.9 million with credit card processors recognized in accounts receivable, net. The \$ 31.5 million previously recognized in other long-term assets was returned to the Company during the three months ended September 30 2024. We may be required to pledge additional collateral and/or post additional cash reserves or take other actions in the future that may adversely affect our liquidity.

#### **12. Other Income (Expense), Net**

For the three and nine months ended September 30, 2024, other income (expense), net consisted of expense of \$ 34.1 million and \$14.1 million, respectively, and for the three and nine months ended September 30, 2023, other income (expense), net consisted of income of \$12.1 million and expense of \$4.9 million, respectively, primarily due to net gains and losses on foreign currency remeasurements.

#### **13. Supplemental Cash Flow Information**

For the nine months ended September 30, 2024 and 2023, we had non-cash investing activities consisting of changes in accruals related to property and equipment of \$6.6 million and \$57.0 million, respectively.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Cautionary Statement Concerning Forward-Looking Statements**

Some of the statements, estimates or projections contained in this report are "forward-looking statements" within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained, or incorporated by reference, in this report, including, without limitation, our expectations regarding our future financial position, including our liquidity requirements and future capital expenditures, plans, prospects, actions taken or strategies being considered with respect to our liquidity position, including with respect to refinancing, amending the terms of, or extending the maturity of our indebtedness, our ability to comply with covenants under our debt agreements, expectations regarding our exchangeable notes, valuation and appraisals of our assets, expectations regarding our deferred tax assets, expected fleet additions and cancellations, including expected timing thereof, our expectations regarding the impact of macroeconomic conditions and recent global events, and expectations relating to our sustainability program and decarbonization efforts may be 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 general economic factors, such as fluctuating or increasing levels of interest rates, inflation, unemployment, underemployment and the volatility of fuel prices, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence;
- implementing precautions in coordination with regulators and global public health authorities to protect the health, safety and security of guests, crew and the communities we visit and to comply with related regulatory restrictions;
- our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and be in compliance with maintenance covenants and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements;
- our ability to work with lenders and others or otherwise pursue options to defer, renegotiate, refinance or restructure our existing debt profile, near-term debt amortization, newbuild related payments and other obligations and to work with credit card processors to satisfy current or potential future demands for collateral on cash advanced from customers relating to future cruises;
- our need for additional financing or financing to optimize our balance sheet, which may not be available on favorable terms, or at all, and our outstanding exchangeable notes and any future financing which may be dilutive to existing shareholders;
- the unavailability of ports of call;
- future increases in the price of, or major changes, disruptions or reduction in, commercial airline services;
- changes involving the tax and environmental regulatory regimes in which we operate, including new regulations aimed at reducing greenhouse gas emissions;
- the accuracy of any appraisals of our assets;

- our success in controlling operating expenses and capital expenditures;
- trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto;
- adverse events impacting the security of travel, or customer perceptions of the security of travel, such as terrorist acts, armed conflict, such as Russia's invasion of Ukraine or the Israel-Hamas war, or threats thereof, acts of piracy, and other international events;
- public health crises and their effect on the ability or desire of people to travel (including on cruises);
- adverse incidents involving cruise ships;
- our ability to maintain and strengthen our brand;
- breaches in data security or other disturbances to our information technology systems and other networks or our actual or perceived failure to comply with requirements regarding data privacy and protection;
- changes in fuel prices and the type of fuel we are permitted to use and/or other cruise operating costs;
- mechanical malfunctions and repairs, delays in our shipbuilding program, maintenance and refurbishments and the consolidation of qualified shipyard facilities;
- the risks and increased costs associated with operating internationally;
- our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues;
- impacts related to climate change and our ability to achieve our climate-related or other sustainability goals;
- our inability to obtain adequate insurance coverage;
- 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;
- any further impairment of our trademarks, trade names or goodwill;
- our reliance on third parties to provide hotel management services for certain ships and certain other services;
- fluctuations in foreign currency exchange rates;
- our expansion into new markets and investments in new markets and land-based destination projects;
- overcapacity in key markets or globally; and
- other factors set forth under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024 ("Annual Report on Form 10-K").

The above examples are not exhaustive and new risks emerge from time to time. There may be additional risks that we currently consider immaterial or which are unknown. 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. You are cautioned not to place undue reliance on the forward-looking statements included in this report, which 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.

Solely for convenience, certain trademark and service marks referred to in this report appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and service marks.

### **Terminology**

This report includes certain non-GAAP financial measures, such as Adjusted Gross Margin, Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS. Definitions of these non-GAAP financial measures are included below. For further information about our non-GAAP financial measures including detailed adjustments made in calculating our non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure, we refer you to "Results of Operations" below.

Unless otherwise indicated in this report, the following terms have the meanings set forth below:

- **2024 Exchangeable Notes.** On May 8, 2020, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$862.5 million aggregate principal amount of exchangeable senior notes due 2024.
- **2025 Exchangeable Notes.** On July 21, 2020, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$450.0 million aggregate principal amount of exchangeable senior notes due 2025.
- **2027 1.125% Exchangeable Notes.** On November 19, 2021, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$1,150.0 million aggregate principal amount of exchangeable senior notes due 2027.
- **2027 2.5% Exchangeable Notes.** On February 15, 2022, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$473.2 million aggregate principal amount of exchangeable senior notes due 2027.
- **Adjusted EBITDA.** EBITDA adjusted for other income (expense), net and other supplemental adjustments.
- **Adjusted EPS.** Adjusted Net Income divided by the number of diluted weighted-average shares outstanding.
- **Adjusted Gross Margin.** Gross margin adjusted for payroll and related, fuel, food, other and ship depreciation. Gross margin is calculated pursuant to GAAP as total revenue less total cruise operating expense and ship depreciation.
- **Adjusted Net Cruise Cost Excluding Fuel.** Net Cruise Cost Excluding Fuel adjusted for supplemental adjustments.
- **Adjusted Net Income.** Net income adjusted for the effect of dilutive securities and other supplemental adjustments.
- **Allura Class Ships.** Oceania Cruises' Vista and Oceania Cruises' Allura.

## [Table of Contents](#)

- *Berths.* Double occupancy capacity per cabin (single occupancy per studio cabin) even though many cabins can accommodate three or more passengers.
- *Capacity Days.* Berths available for sale multiplied by the number of cruise days for the period for ships in service.
- *Dry-dock.* A process whereby a ship is positioned in a large basin where all of the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.
- *EBITDA.* Earnings before interest, taxes, and depreciation and amortization.
- *EPS.* Earnings per share.
- *GAAP.* Generally accepted accounting principles in the U.S.
- *Gross Cruise Cost.* The sum of total cruise operating expense and marketing, general and administrative expense.
- *Gross Tons.* A unit of enclosed passenger space on a cruise ship, such that one gross ton equals 100 cubic feet or 2.831 cubic meters.
- *Net Cruise Cost.* Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.
- *Net Cruise Cost Excluding Fuel.* Net Cruise Cost less fuel expense.
- *Net Yield.* Adjusted Gross Margin per Capacity Day.
- *Occupancy or Occupancy Percentage.* The ratio of Passenger Cruise Days to Capacity Days. A percentage greater than 100% indicates that three or more passengers occupied some cabins.
- *Passenger Cruise Days.* The number of passengers carried for the period, multiplied by the number of days in their respective cruises.
- *Prestige Class Ships.* Regent's Seven Seas Prestige and one additional ship on order.
- *Prima Class Ships.* Norwegian Prima, Norwegian Viva, Norwegian Aqua, Norwegian Luna and two additional ships on order.
- *Revolving Loan Facility.* \$1.2 billion senior secured revolving credit facility.
- *SEC.* U.S. Securities and Exchange Commission.
- *Shipboard Retirement Plan.* An unfunded defined benefit pension plan for certain crew members which computes benefits based on years of service, subject to certain requirements.

### **Non-GAAP Financial Measures**

We use certain non-GAAP financial measures, such as Adjusted Gross Margin, Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS, to enable us to analyze our performance. See "Terminology" for the definitions of these and other non-GAAP financial measures. We utilize Adjusted Gross Margin and Net Yield to manage our business on a day-to-day basis because they reflect revenue earned

net of certain direct variable costs. We also utilize Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel to manage our business on a day-to-day basis. In measuring our ability to control costs in a manner that positively impacts net income, we believe changes in Adjusted Gross Margin, Net Yield, Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel to be the most relevant indicators of our performance.

We believe that Adjusted EBITDA is appropriate as a supplemental financial measure as it is used by management to assess operating performance. We also believe that Adjusted EBITDA is a useful measure in determining our performance as it reflects certain operating drivers of our business, such as sales growth, operating costs, marketing, general and administrative expense and other operating income and expense. In addition, management uses Adjusted EBITDA as a performance measure for our incentive compensation. Adjusted EBITDA is not a defined term under GAAP nor is it intended to be a measure of liquidity or cash flows from operations or a measure 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.

In addition, Adjusted Net Income and Adjusted EPS are non-GAAP financial measures that exclude certain amounts and are used to supplement GAAP net income and EPS. We use Adjusted Net Income and Adjusted EPS as key performance measures of our earnings performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparison to our historical performance. In addition, management uses Adjusted EPS as a performance measure for our incentive compensation. The amounts excluded in the presentation of these non-GAAP financial measures may vary from period to period; accordingly, our presentation of Adjusted Net Income and Adjusted EPS may not be indicative of future adjustments or results.

You are encouraged to evaluate each adjustment used in calculating our non-GAAP financial measures and the reasons we consider our non-GAAP financial measures appropriate for supplemental analysis. In evaluating our non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to the adjustments in our presentation. Our non-GAAP financial measures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of our non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our non-GAAP financial measures may not be comparable to other companies. Please see a historical reconciliation of these measures to the most comparable GAAP measure presented in our consolidated financial statements below in the "Results of Operations" section.

#### **Financial Presentation**

We categorize revenue from our cruise and cruise-related activities as either "passenger ticket" revenue or "onboard and other" revenue. Passenger ticket revenue and onboard and other revenue vary according to product offering, the size of the ship in operation, the length of cruises operated and the markets in which the ship operates. Our revenue is seasonal based on demand for cruises, which has historically been strongest during the Northern Hemisphere's summer months. Passenger ticket revenue primarily consists of revenue for accommodations, meals in certain restaurants on the ship, certain onboard entertainment, government taxes, fees and port expenses and includes revenue for service charges and air and land transportation to and from the ship to the extent guests purchase these items from us. Onboard and other revenue primarily consists of revenue from casino, beverage sales, shore excursions, specialty dining, retail sales, spa services and Wi-Fi services. Our onboard revenue is derived from onboard activities we perform directly or that are performed by independent concessionaires, from which we receive a share of their revenue.

Our cruise operating expense is classified as follows:

- Commissions, transportation and other primarily consists of direct costs associated with passenger ticket revenue. These costs include travel advisor commissions, air and land transportation expenses, related credit card fees, certain government taxes, fees and port expenses and the costs associated with shore excursions and hotel accommodations included as part of the overall cruise purchase price.

- Onboard and other primarily consists of direct costs incurred in connection with onboard and other revenue, including casino, beverage sales and shore excursions.
- Payroll and related consists of the cost of wages, benefits and logistics for shipboard employees and costs of certain inventory items, including food, for a third party that provides crew and other hotel services for certain ships.
- Fuel includes fuel costs, the impact of certain fuel hedges and fuel delivery costs.
- Food consists of food costs for passengers and crew on certain ships.
- Other consists of repairs and maintenance (including Dry-dock costs), ship insurance and other ship expenses.

#### **Critical Accounting Policies**

For a discussion of our critical accounting policies and estimates, see "Critical Accounting Policies" included in our Annual Report on Form 10-K under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." We have made no significant changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K.

#### **Financing Transactions and Newbuild Orders**

In February 2024, NCLC and the Commitment Parties entered into the third amended commitment letter, which became effective in March 2024. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date at NCLC's option, which option is available through March 2025. In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 at a negotiated premium plus accrued and unpaid interest thereon. See Note 8 – "Long-Term Debt" for more information.

In April 2024, we obtained export credit financing for 80% of the contract price of two new Regent Seven Seas Cruises ship orders and two new Oceania Cruises ship orders as well as related premiums. Contemporaneously, the ship orders became effective. The Norwegian brand also placed a four-ship order, for which the shipbuilding contracts and financing are still being finalized. We refer you to "—Liquidity and Capital Resources— Future Capital Commitments" and "—Liquidity and Capital Resources— Material Cash Requirements" for details regarding our newbuild orders.

Additionally, in April 2024, a €200 million commitment became available that can be used for future newbuild payments. See Note 8 – "Long-Term Debt" for more information.

In September 2024, NCLC issued \$315.0 million aggregate principal amount of 6.250% senior notes due 2030. The net proceeds, after deducting the initial purchasers' discount but before deducting estimated fees and expenses, together with cash on hand, were used to redeem \$315.0 million aggregate principal amount of the 3.625% senior notes due 2024, including to pay any accrued and unpaid interest thereon. See Note 8 – "Long-Term Debt" for more information.

#### **Deferred Tax Asset Valuation Allowance**

The Company maintains a full valuation allowance against the net deferred tax assets mainly in the U.S. and Bermuda jurisdictions. Given our current earnings, anticipated future earnings and outlook of the cruise industry as a whole, we believe there is a reasonable possibility that within the next 12 months, sufficient positive evidence may become available to allow us to reach a conclusion that a portion or all of our U.S. valuation allowance would no longer be required. A release of the valuation allowance would result in recognition of certain deferred tax assets and a decrease in income tax expense in the period the release is recorded. However, the timing and amount of the valuation allowance release, if any, are unknown as this is subject to change on the basis of the level of profitability that we are able to actually achieve in future periods.

## **Update on Bookings**

The Company continues to experience strong consumer demand as the majority of new bookings have shifted to 2025 sailings. As a result, the Company remains at the upper range of its optimal booked position on a 12-month forward basis.

## **Margin Enhancement Initiative**

During 2024, we continued to see progress from our ongoing margin enhancement initiative. The Company continues to prioritize identifying and evaluating a variety of initiatives to improve its cost structure and margin profile, while preserving its brand equity and optimal guest satisfaction levels. However, global macroeconomic events have created volatility and disruptions in the past that have adversely impacted our costs and they may do so again in the future. Furthermore, we are exposed to fluctuations in the euro exchange rate for certain portions of ship construction contracts that have not been hedged. See "Item 1A. Risk Factors" in our Annual Report on Form 10-K for additional information.

## **Climate Change**

We believe the increasing focus on climate change, including the Company's targets for greenhouse gas reductions, and evolving regulatory requirements will materially impact our future capital expenditures and results of operations. We have set interim targets to guide us on our path to net zero and provide more details about them in our annual Sail & Sustain Report (which does not constitute a part of, and shall not be deemed incorporated by reference into, this Report). We expect to incur significant expenses related to these regulatory requirements and commitments, which may include expenses related to greenhouse gas emissions reduction initiatives, including modifications to our ships, and will include the purchase of emissions allowances, among other things. We have changed and may continue to be required to change certain operating procedures, for example slowing the speed of our ships, to meet regulatory requirements, which could adversely impact our operations. We are also evaluating the effects of global climate change related requirements, which are still evolving, including our ability to mitigate certain future expenses through initiatives to reduce greenhouse gas emissions; consequently, the full impact to the Company is not yet known. Additionally, our ships, port facilities, corporate offices and island destinations have in the past and may again be adversely affected by an increase in the frequency and intensity of adverse weather conditions caused by climate change. For example, certain ports have become temporarily unavailable to us due to hurricane damage and other destinations have either considered or implemented restrictions on cruise operations due to environmental concerns. Refer to "Impacts related to climate change may adversely affect our business, financial condition and results of operations" in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for further information.

## **Quarterly Overview**

### **Three months ended September 30, 2024 ("2024") compared to three months ended September 30, 2023 ("2023")**

- Total revenue increased 10.7% to \$2.8 billion compared to \$2.5 billion.
- Net income and diluted EPS were \$474.9 million and \$0.95, respectively, compared to \$345.9 million and \$0.71, respectively.
- Operating income was \$691.2 million compared to \$523.3 million.
- Gross margin increased 23.4% to \$1.1 billion compared to \$862.7 million. Adjusted Gross Margin increased 12.7% to \$2.0 billion compared to \$1.8 billion.
- Adjusted Net Income and Adjusted EPS were \$511.9 million and \$0.99, respectively, in 2024, which included \$22.0 million of adjustments primarily related to share-based compensation. Adjusted Net Income and Adjusted EPS were \$388.0 million and \$0.76, respectively, in 2023, which included \$24.6 million of adjustments primarily related to share-based compensation.

- Adjusted EBITDA improved 23.8% to \$931.0 million compared to \$752.1 million.

We refer you to our "Results of Operations" below for a calculation of Adjusted Gross Margin, Adjusted Net Income, Adjusted EPS and Adjusted EBITDA.

### Results of Operations

The following table sets forth selected statistical information:

|                       | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |            |
|-----------------------|-------------------------------------|-----------|------------------------------------|------------|
|                       | 2024                                | 2023      | 2024                               | 2023       |
| Passengers carried    | 812,529                             | 740,658   | 2,261,006                          | 2,067,653  |
| Passenger Cruise Days | 6,521,610                           | 6,176,403 | 18,711,554                         | 17,455,259 |
| Capacity Days         | 6,033,707                           | 5,820,448 | 17,611,107                         | 16,749,283 |
| Occupancy Percentage  | 108.1 %                             | 106.1 %   | 106.2 %                            | 104.2 %    |

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

|                                | Three Months Ended<br>September 30, |                     | Nine Months Ended<br>September 30, |                     |
|--------------------------------|-------------------------------------|---------------------|------------------------------------|---------------------|
|                                | 2024                                | 2023                | 2024                               | 2023                |
| Total revenue                  | \$ 2,806,578                        | \$ 2,536,037        | \$ 7,370,285                       | \$ 6,563,468        |
| Less:                          |                                     |                     |                                    |                     |
| Total cruise operating expense | 1,538,939                           | 1,482,746           | 4,381,117                          | 4,146,774           |
| Ship depreciation              | 202,994                             | 190,549             | 617,439                            | 555,617             |
| Gross margin                   | 1,064,645                           | 862,742             | 2,371,729                          | 1,861,077           |
| Ship depreciation              | 202,994                             | 190,549             | 617,439                            | 555,617             |
| Payroll and related            | 337,430                             | 323,862             | 1,012,289                          | 936,237             |
| Fuel                           | 164,934                             | 170,893             | 537,632                            | 530,003             |
| Food                           | 78,096                              | 87,839              | 239,850                            | 271,575             |
| Other                          | 182,112                             | 165,432             | 573,987                            | 476,123             |
| Adjusted Gross Margin          | <u>\$ 2,030,211</u>                 | <u>\$ 1,801,317</u> | <u>\$ 5,352,926</u>                | <u>\$ 4,630,632</u> |
| Capacity Days                  | 6,033,707                           | 5,820,448           | 17,611,107                         | 16,749,283          |
| Gross margin per Capacity Day  | \$ 176.45                           | \$ 148.23           | \$ 134.67                          | \$ 111.11           |
| Net Yield                      | \$ 336.48                           | \$ 309.48           | \$ 303.95                          | \$ 276.47           |

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<br>September 30, |              | Nine Months Ended<br>September 30, |              |
|--|-------------------------------------|--------------|------------------------------------|--------------|
|  | 2024                                | 2023         | 2024                               | 2023         |
| Total cruise operating expense                           | \$ 1,538,939                        | \$ 1,482,746 | \$ 4,381,117                       | \$ 4,146,774 |
| Marketing, general and administrative expense            | 358,001                             | 325,365      | 1,074,241                          | 1,013,600    |
| Gross Cruise Cost  | 1,896,940                           | 1,808,111    | 5,455,358                          | 5,160,374    |
| Less:  |                                     |              |                                    |              |
| Commissions, transportation and other expense            | 564,614                             | 546,026      | 1,501,863                          | 1,462,565    |
| Onboard and other expense                                | 211,753                             | 188,694      | 515,496                            | 470,271      |
| Net Cruise Cost  | 1,120,573                           | 1,073,391    | 3,437,999                          | 3,227,538    |
| Less: Fuel expense                                       | 164,934                             | 170,893      | 537,632                            | 530,003      |
| Net Cruise Cost Excluding Fuel                           | 955,639                             | 902,498      | 2,900,367                          | 2,697,535    |
| <b>Less Other Non-GAAP Adjustments:</b>                  |                                     |              |                                    |              |
| Non-cash deferred compensation (1)                       | 719                                 | 578          | 2,156                              | 1,734        |
| Non-cash share-based compensation (2)                    | 20,638                              | 23,563       | 65,570                             | 96,254       |
| Adjusted Net Cruise Cost Excluding Fuel                  | \$ 934,282                          | \$ 878,357   | \$ 2,832,641                       | \$ 2,599,547 |
| Capacity Days  | 6,033,707                           | 5,820,448    | 17,611,107                         | 16,749,283   |
| Gross Cruise Cost per Capacity Day                       | \$ 314.39                           | \$ 310.65    | \$ 309.77                          | \$ 308.10    |
| Net Cruise Cost per Capacity Day                         | \$ 185.72                           | \$ 184.42    | \$ 195.22                          | \$ 192.70    |
| Net Cruise Cost Excluding Fuel per Capacity Day          | \$ 158.38                           | \$ 155.06    | \$ 164.69                          | \$ 161.05    |
| Adjusted Net Cruise Cost Excluding Fuel per Capacity Day | \$ 154.84                           | \$ 150.91    | \$ 160.84                          | \$ 155.20    |

- (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.

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

|   | Three Months Ended<br>September 30, |             | Nine Months Ended<br>September 30, |             |
|---|-------------------------------------|-------------|------------------------------------|-------------|
|   | 2024                                | 2023        | 2024                               | 2023        |
| Net income  | \$ 474,932                          | \$ 345,868  | \$ 655,721                         | \$ 272,663  |
| Effect of dilutive securities - exchangeable notes                                  | 14,965                              | 17,510      | 48,323                             | 13,809      |
| Net income and assumed conversion of<br>exchangeable notes                          | 489,897                             | 363,378     | 704,044                            | 286,472     |
| <b>Non-GAAP Adjustments:</b>  |                                     |             |                                    |             |
| Non-cash deferred compensation (1)  | 1,232                               | 1,009       | 3,697                              | 3,029       |
| Non-cash share-based compensation (2)   | 20,638                              | 23,563      | 65,570                             | 96,254      |
| Extinguishment and modification of debt (3)   | 175                                 | —           | 29,175                             | 3,153       |
| Adjusted Net Income   | \$ 511,942                          | \$ 387,950  | \$ 802,486                         | \$ 388,908  |
| Diluted weighted-average shares outstanding -<br>Net income and Adjusted Net Income | 514,878,919                         | 511,585,445 | 514,002,031                        | 460,819,375 |
| Diluted EPS   | \$ 0.95                             | \$ 0.71     | \$ 1.37                            | \$ 0.62     |
| Adjusted EPS  | \$ 0.99                             | \$ 0.76     | \$ 1.56                            | \$ 0.84     |

- (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) Losses on extinguishment of debt and modification of debt are included in interest expense, net.

EBITDA and Adjusted EBITDA were calculated as follows (in thousands):

|                                       | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |              |
|---------------------------------------|-------------------------------------|------------|------------------------------------|--------------|
|                                       | 2024                                | 2023       | 2024                               | 2023         |
| Net income                            | \$ 474,932                          | \$ 345,868 | \$ 655,721                         | \$ 272,663   |
| Interest expense, net                 | 175,216                             | 181,201    | 571,865                            | 530,150      |
| Income tax (benefit) expense          | 6,916                               | 8,309      | 9,466                              | (1,170)      |
| Depreciation and amortization expense | 218,428                             | 204,608    | 663,762                            | 596,513      |
| EBITDA                                | 875,492                             | 739,986    | 1,900,814                          | 1,398,156    |
| Other (income) expense, net (1)       | 34,146                              | (12,060)   | 14,113                             | 4,938        |
| <b>Other Non-GAAP Adjustments:</b>    |                                     |            |                                    |              |
| Non-cash deferred compensation (2)    | 719                                 | 578        | 2,156                              | 1,734        |
| Non-cash share-based compensation (3) | 20,638                              | 23,563     | 65,570                             | 96,254       |
| Adjusted EBITDA                       | \$ 930,995                          | \$ 752,067 | \$ 1,982,653                       | \$ 1,501,082 |

- (1) Primarily consists of gains and losses, net for foreign currency remeasurements.  
 (2) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.  
 (3) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.

**Three months ended September 30, 2024 (“2024”) compared to three months ended September 30, 2023 (“2023”)**

**Revenue**

Total revenue increased to \$2.8 billion in 2024 compared to \$2.5 billion in 2023 primarily due to an increase in Capacity Days and an increase in passenger ticket pricing and onboard spending. The increase in Capacity Days was primarily related to the delivery of two new ships in the second half of 2023.

**Expense**

Total cruise operating expense increased 3.8% and Gross Cruise Cost increased 4.9% in 2024 compared to 2023 primarily related to the delivery of two new ships in the second half of 2023 partially offset by a reduction in air costs largely due to changes in itinerary mix. Total other operating expense increased 8.8% in 2024 compared to 2023 primarily related to an increase in depreciation expense from the delivery of two new ships in the second half of 2023 and variable compensation due to strong performance of the business.

Interest expense, net was \$175.2 million in 2024 compared to \$181.2 million in 2023.

Other income (expense), net was expense of \$34.1 million in 2024 compared to income of \$12.1 million in 2023. The income and expense primarily related to net gains and losses on foreign currency remeasurements.

**Nine months ended September 30, 2024 (“2024”) compared to nine months ended September 30, 2023 (“2023”)**

**Revenue**

Total revenue increased to \$7.4 billion in 2024 compared to \$6.6 billion in 2023 primarily due to an increase in Capacity Days and an increase in passenger ticket pricing and onboard spending. The increase in Capacity Days was primarily related to the delivery of three new ships in 2023 partially offset by increased Dry-dock days in 2024.

**Expense**

Total cruise operating expense increased 5.7% and Gross Cruise Cost increased 5.7% in 2024 compared to 2023 primarily related to the delivery of three new ships in 2023 partially offset by a reduction in air costs largely due to changes in itinerary mix. Total other operating expense increased 7.9% in 2024 compared to 2023 primarily related to an increase in depreciation expense from the delivery of three new ships in 2023, variable compensation due to strong performance of the business and general and administrative costs related to consulting projects.

Interest expense, net was \$571.9 million in 2024 compared to \$530.2 million in 2023. The increase in interest expense reflects higher losses in 2024 from extinguishment of debt and debt modification costs, which were \$29.2 million in 2024 compared to \$3.2 million in 2023. Excluding these losses, interest expense increased primarily as a result of higher debt outstanding with the delivery of three ships in 2023, partially offset by lower rates.

Other income (expense), net was expense of \$14.1 million in 2024 compared to \$4.9 million in 2023. The expenses primarily related to net losses on foreign currency remeasurements.

**Liquidity and Capital Resources**

**General**

As of September 30, 2024, our liquidity was approximately \$2.4 billion, including cash and cash equivalents of \$332.5 million and borrowings available under our \$1.2 billion fully undrawn Revolving Loan Facility, €200 million commitment that can be used for future newbuild payments and \$650 million undrawn commitment less related fees. Our primary ongoing liquidity requirements are to finance working capital, capital expenditures and debt service.

In February 2024, NCLC and the Commitment Parties entered into the third amended commitment letter, which became effective in March 2024. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date at NCLC's option, which option is available through March 2025. In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 at a negotiated premium plus accrued and unpaid interest thereon.

Additionally, in April 2024, a €200 million commitment became available that can be used for future newbuild payments.

In September 2024, NCLC issued \$315.0 million aggregate principal amount of 6.250% senior notes due 2030. The net proceeds, after deducting the initial purchasers' discount but before deducting estimated fees and expenses, together with cash on hand, were used to redeem \$315.0 million aggregate principal amount of the 3.625% senior notes due 2024, including to pay any accrued and unpaid interest thereon.

See Note 8 – “Long-Term Debt” for further details about the above financing transactions.

Based on our liquidity estimates and our current resources, we have concluded we have sufficient liquidity to satisfy our obligations for at least the next 12 months. There can be no assurance that the accuracy of the assumptions used to estimate our liquidity requirements will be correct, and our ability to be predictive is uncertain due to the dynamic nature of the current operating environment, including any current macroeconomic events and conditions such as inflation, rising fuel prices and higher interest rates. Within the next twelve months, we will pursue other refinancings in order to reduce interest expense and/or extend debt maturities. The remaining \$250.0 million of the \$565.0 million 3.625% senior unsecured notes due in December 2024 will be paid at maturity. We expect the holders of the 2025 Exchangeable Notes maturing in August 2025 will exchange their 2025 Exchangeable Notes for NCLH ordinary shares. There is no assurance that cash flows from operations and additional financings will be available in the future to fund our future obligations. Beyond the next 12 months, we will pursue refinancings and other balance sheet optimization transactions in order to reduce interest expense and/or extend debt maturities. Refer to Item 1A, “Risk Factors” in our Annual Report on Form 10-K for further details regarding risks and uncertainties that may cause our results to differ from our expectations.

At September 30, 2024, we were in compliance with all of our debt covenants. If we do not continue to remain in compliance with our covenants, we would have to seek additional amendments to or waivers of the covenants. However, no assurances can be made that such amendments or waivers would be approved by our lenders. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default and/or cross acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated, which would have a material adverse impact to our operations and liquidity.

Our Moody's long-term issuer rating is B2, our senior secured rating is B1 and our senior unsecured rating is Caa1. Our S&P Global issuer credit rating is B+, our issue-level rating on our \$1.2 billion Revolving Loan Facility, \$600 million 8.375% senior secured notes due 2028 and \$790 million 8.125% senior secured notes due 2029 is BB, our issue-level rating on our other senior secured notes is BB- and our senior unsecured rating is B. If our credit ratings were to be downgraded as has occurred in the past, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt or equity financing will be negatively impacted. We also have capacity to incur additional indebtedness under our debt agreements and may issue additional ordinary shares from time to time, subject to our authorized number of ordinary shares. However, there is no guarantee that debt or equity financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations.

As of September 30, 2024, we had advance ticket sales of \$3.3 billion, including the long-term portion, which included approximately \$63.2 million of future cruise credits that have been issued as face value reimbursement for cancelled bookings due to COVID-19. We also have agreements with our credit card processors that, as of September 30, 2024, governed approximately \$2.9 billion in advance ticket sales that had been received by the Company relating to future voyages. These agreements allow the credit card processors to require under certain circumstances, including the existence of a material adverse change, excessive chargebacks and other triggering events, that the Company maintain a

reserve which would be satisfied by posting collateral. Although the agreements vary, these requirements may generally be satisfied either through a percentage of customer payments withheld or providing cash funds directly to the card processor. Any cash reserve or collateral requested could be increased or decreased. As of September 30, 2024, we had cash collateral reserves of approximately \$4.9 million with credit card processors recognized in accounts receivable, net. The \$31.5 million previously recognized in other long-term assets was returned to the Company during the three months ended September 30, 2024. We may be required to pledge additional collateral and/or post additional cash reserves or take other actions in the future that may adversely affect our liquidity.

#### **Sources and Uses of Cash**

*In this section, references to “2024” refer to the nine months ended September 30, 2024 and references to “2023” refer to the nine months ended September 30, 2023.*

Net cash provided by operating activities was \$1.7 billion in 2024 and 2023. The net cash provided by operating activities included net income and timing differences in cash receipts and payments relating to operating assets and liabilities. Advance ticket sales increased by \$90.9 million in 2024 and by \$419.4 million in 2023. The net cash provided by operating activities includes the return of \$500 million cash collateral from one credit card processor in 2023.

Net cash used in investing activities was \$985.7 million in 2024 and \$2.2 billion in 2023. The net cash used in investing activities was primarily related to newbuild payments and ship improvements in 2024. The net cash used in investing activities was primarily related to newbuild payments in 2023.

Net cash used in financing activities was \$734.8 million in 2024 primarily due to repayments of newbuild loans, our 2028 Secured Notes, and a portion of the 3.625% senior notes due 2024 partially offset by the proceeds from newbuild loan facilities and the 2030 Notes. Net cash provided by financing activities was \$194.5 million in 2023 primarily due to newbuild loans and \$850 million from our various note offerings, partially offset by debt repayments and a net decrease in our Revolving Loan Facility balance.

#### **Future Capital Commitments**

Future capital commitments consist of contracted commitments, including ship construction contracts. Anticipated expenditures related to ship construction contracts were \$0.1 billion for the remainder of 2024 and \$2.5 billion and \$2.5 billion for the years ending December 31, 2025 and 2026, respectively, reflecting delays in certain scheduled ship delivery dates. The Company has export credit financing in place for the anticipated expenditures related to ship construction contracts of \$43.6 million for the remainder of 2024 and \$1.7 billion and \$1.6 billion for the years ending December 31, 2025 and 2026, respectively. Anticipated non-newbuild capital expenditures for the remainder of 2024 are approximately \$0.1 billion. Future expected capital expenditures will significantly increase our depreciation and amortization expense.

#### **Newbuilds**

The following chart discloses details about our newbuild program. The impacts of initiatives to improve environmental sustainability and modifications the Company plans to make to its newbuilds and/or other macroeconomic conditions and events have resulted in delays in expected ship deliveries. These and other impacts could result in additional delays in ship deliveries in the future, which may be prolonged. Expected delivery dates for our most recently announced newbuilds are preliminary and subject to change.

| Year | Brand                 | Class                       | Ship Name      | Gross Tons <sup>(1)</sup> | Berths <sup>(1)</sup> | Status                                       |
|------|-----------------------|-----------------------------|----------------|---------------------------|-----------------------|--|
| 2025 | Norwegian Cruise Line | Next Generation Prima Class | Norwegian Aqua | ~156,000                  | ~3,550                | Contract effective / financed <sup>(4)</sup> |
| 2025 | Oceania Cruises       | Allura Class                | Allura         | ~68,000                   | ~1,250                | Contract effective / financed <sup>(4)</sup> |

|                              |                       |   |                     |          |        |  |
|------------------------------|-----------------------|---|---------------------|----------|--------|--|
| 2026                         | Norwegian Cruise Line | Next Generation Prima Class                           | Norwegian Luna      | ~156,000 | ~3,550 | Contract effective / financed <sup>(4)</sup>   |
| 2026                         | Regent Seven Seas     | Prestige Class  | Seven Seas Prestige | ~77,000  | ~850   | Contract effective / financed <sup>(4)</sup>   |
| 2027                         | Norwegian Cruise Line | Next Gen "Methanol-Ready <sup>(2)</sup> " Prima Class | To come             | ~169,000 | ~3,850 | Contract effective / financed <sup>(4)</sup>   |
| 2027                         | Oceania Cruises       | New Class   | To come             | ~86,000  | ~1,450 | Contract effective / financed <sup>(4)</sup>   |
| 2028                         | Norwegian Cruise Line | Next Gen "Methanol-Ready <sup>(2)</sup> " Prima Class | To come             | ~169,000 | ~3,850 | Contract effective / financed <sup>(4)</sup>   |
| Expected 2029 <sup>(3)</sup> | Oceania Cruises       | New Class   | To come             | ~86,000  | ~1,450 | Contract effective / financed <sup>(4)</sup>   |
| 2029 <sup>(6)</sup>          | Regent Seven Seas     | Prestige Class  | To come             | ~77,000  | ~850   | Contract effective / financed <sup>(4)</sup>   |
| 2030                         | Norwegian Cruise Line | New Class   | To come             | ~225,000 | ~5,200 | Memorandum of agreement effective. Financing is being negotiated. <sup>(5)</sup>     |
| 2030 <sup>(6)</sup>          | Oceania Cruises       | New Class   | —                   | ~86,000  | ~1,450 | Contract effective, but not financed. Order expected to be cancelled. <sup>(5)</sup> |
| 2031 <sup>(6)</sup>          | Oceania Cruises       | New Class   | —                   | ~86,000  | ~1,450 | Contract effective, but not financed. Order expected to be cancelled. <sup>(5)</sup> |
| 2032                         | Norwegian Cruise Line | New Class   | To come             | ~225,000 | ~5,200 | Memorandum of agreement effective. Financing is being negotiated. <sup>(5)</sup>     |
| 2034                         | Norwegian Cruise Line | New Class   | To come             | ~225,000 | ~5,200 | Memorandum of agreement effective. Financing is being negotiated. <sup>(5)</sup>     |
| 2036                         | Norwegian Cruise Line | New Class   | To come             | ~225,000 | ~5,200 | Memorandum of agreement effective. Financing is being negotiated. <sup>(5)</sup>     |

- (1) Berths and gross tons are preliminary and subject to change as we approach delivery.
- (2) Designs for the final two Prima Class ships have been lengthened and reconfigured to accommodate the use of green methanol as a future fuel source. Additional modifications will be needed to fully enable the use of green methanol.
- (3) Delivery for the second Oceania Cruises ship is contractually scheduled for the fourth quarter of 2028, but may be delayed to 2029, which would result in additional fees.
- (4) We have obtained export credit financing which is expected to fund approximately 80% of the contract price of each ship as well as related financing premiums, subject to certain conditions.
- (5) We have the option to cancel the effective two-ship order for Oceania Cruises. The shipbuilding contracts related to the four-ship order for Norwegian Cruise Line are still being finalized.
- (6) Delivery dates may be delayed at the option of the builder, which would result in additional fees.

The combined contract prices, including amendments and change orders, of the 13 ships on order for delivery (which excludes the two ships on order for Oceania Cruises, which are currently scheduled for delivery in 2030 and 2031, but are expected to be cancelled) was approximately €17.5 billion, or \$19.5 billion based on the euro/U.S. dollar exchange rate as of September 30, 2024. If the two ships on order for Oceania Cruises are cancelled, there will be incremental corresponding adjustments to the purchase price of other applicable newbuilds not to exceed €51 million. We do not anticipate any contractual breaches or cancellations to occur, except as noted above. However, if any such events were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Capitalized interest for the three months ended September 30, 2024 and 2023 was \$17.2 million and \$13.4 million, respectively, and for the nine months ended September 30, 2024 and 2023 was \$40.5 million and \$44.7 million, respectively, primarily associated with the construction of our newbuild ships.

#### **Material Cash Requirements**

As of September 30, 2024, our material cash requirements for debt and ship construction (which excludes the two ships on order for Oceania Cruises that are expected to be cancelled) were as follows (in thousands):

|                                 | Remainder of      |                     |                     |                     |                     |                     |                      |                      | Total |
|---------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-------|
|                                 | 2024              | 2025                | 2026                | 2027                | 2028                | 2029                | Thereafter           |                      |       |
| Long-term debt (1)              | \$ 651,111        | \$ 1,916,421        | \$ 2,736,755        | \$ 3,688,817        | \$ 1,995,850        | \$ 2,095,601        | \$ 2,841,738         | \$ 15,926,293        |       |
| Ship construction contracts (2) | 54,517            | 2,271,345           | 2,278,009           | 2,356,110           | 2,179,454           | 1,009,655           | 8,513,710            | 18,662,800           |       |
| <b>Total</b>                    | <b>\$ 705,628</b> | <b>\$ 4,187,766</b> | <b>\$ 5,014,764</b> | <b>\$ 6,044,927</b> | <b>\$ 4,175,304</b> | <b>\$ 3,105,256</b> | <b>\$ 11,355,448</b> | <b>\$ 34,589,093</b> |       |

- (1) Includes principal as well as estimated interest payments with Term SOFR held constant as of September 30, 2024. Includes exchangeable notes which can be settled in NCLH ordinary shares. Excludes the impact of any future possible refinancings and undrawn export-credit backed facilities.
- (2) Ship construction contracts are for our newbuild ships based on the euro/U.S. dollar exchange rate as of September 30, 2024. We have committed undrawn export-credit backed facilities of approximately \$9.0 billion which funds approximately 80% of our ship construction contracts, with the exception of the two ships on order for Oceania Cruises that are expected to be cancelled and the four additional ships on order for Norwegian Cruise Line with currently scheduled delivery from 2030 to 2036. The above presentation reflects the current delivery dates; however, certain delivery dates may be delayed at the option of the builder.

#### **Funding Sources**

Certain of our debt agreements contain covenants that, among other things, require us to maintain a minimum level of liquidity, as well as limit our net funded debt-to-capital ratio and maintain certain other ratios. Substantially all of our ships are pledged as collateral for certain of our debt. We believe we were in compliance with our covenants as of September 30, 2024.

In addition, our existing debt agreements restrict, and any of our future debt arrangements may restrict, among other things, the ability of our subsidiaries, including NCLC, to make distributions and/or pay dividends to NCLH and NCLH's ability to pay cash dividends to its shareholders. NCLH is a holding company and depends upon its subsidiaries for their ability to pay distributions to it to finance any dividend or pay any other obligations of NCLH. However, we do not believe that these restrictions have had or are expected to have an impact on our ability to meet any cash obligations.

We believe our cash on hand, the availability under the Revolving Loan Facility and undrawn commitments less related fees, expected future operating cash inflows and our ability to issue debt securities or additional equity securities, will be sufficient to fund operations, debt payment requirements, capital expenditures and maintain compliance with covenants under our debt agreements over the next 12-month period. Refer to "—Liquidity and Capital Resources—General" for further information regarding liquidity.

#### **Other**

Certain service providers may require collateral in the normal course of our business. The amount of collateral may change based on certain terms and conditions.

As a routine part of our business, depending on market conditions, exchange rates, pricing and our strategy for growth, we regularly consider opportunities to enter into contracts for the building of additional ships. We may also consider the sale of ships, potential acquisitions and strategic alliances. If any of these transactions were to occur, they may be financed through the incurrence of additional permitted indebtedness, through cash flows from operations, or through the issuance of debt, equity or equity-related securities.

We refer you to “—Liquidity and Capital Resources—General” for information regarding collateral provided to our credit card processors.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

**General**

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. The financial impacts of these derivative instruments are primarily offset by corresponding changes in the underlying exposures being hedged. We achieve this by closely matching the notional, term and conditions of the derivatives with the underlying risk being hedged. We do not hold or issue derivatives for trading or other speculative purposes. Derivative positions are monitored using techniques including market valuations and sensitivity analyses.

**Interest Rate Risk**

As of September 30, 2024 and December 31, 2023, 95% of our debt was fixed and 5% was variable. Based on our September 30, 2024 outstanding variable rate debt balance, a one percentage point increase in annual Term SOFR interest rates would increase our annual interest expense by approximately \$6.2 million excluding the effects of capitalization of interest.

**Foreign Currency Exchange Rate Risk**

As of September 30, 2024, future ship construction obligations aggregated €16.8 billion, or \$18.7 billion based on the euro/U.S. dollar exchange rate as of September 30, 2024. As of December 31, 2023, the ship construction obligations aggregated €5.4 billion, or \$6.0 billion, based on the euro/U.S. dollar exchange rate as of December 31, 2023. The change from December 31, 2023 to September 30, 2024 was primarily due to the eight new effective newbuild agreements, which excludes the two ships on order for Oceania Cruises, which are currently scheduled for delivery in 2030 and 2031, but are expected to be cancelled. We estimate that a 10% change in the euro as of September 30, 2024 would result in a \$1.9 billion change in the U.S. dollar value of the foreign currency denominated remaining payments.

**Fuel Price Risk**

Our exposure to market risk for changes in fuel prices relates to the forecasted purchases of fuel on our ships. Fuel expense, as a percentage of our total cruise operating expense, was 10.7% and 11.5% for the three months ended September 30, 2024 and 2023, respectively, and 12.3% and 12.8% for the nine months ended September 30, 2024 and 2023, respectively. We use fuel derivative agreements to mitigate the financial impact of fluctuations in fuel prices and as of September 30, 2024, we had hedged approximately 51%, 51% and 16% of our remaining 2024, 2025 and 2026 projected metric tons of fuel purchases, respectively. As of December 31, 2023, we had hedged approximately 53% and 21% of our 2024 and 2025 projected metric tons of fuel purchases, respectively. The percentage of fuel purchases hedged changed between December 31, 2023 and September 30, 2024 primarily due to additional fuel swaps.

We estimate that a 10% increase in our weighted-average fuel price would increase our anticipated 2024 fuel expense by \$16.4 million. This increase would be offset by an increase in the fair value of all our fuel swap agreements of \$8.1 million. Fair value of our derivative contracts is derived using valuation models that utilize the income valuation approach. These valuation models take into account the contract terms such as maturity, as well as other inputs such as fuel types, fuel curves, creditworthiness of the counterparty and the Company, as well as other data points.

#### **Item 4. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of September 30, 2024. There are inherent limitations in the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024 to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

##### **Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### **Limitations on the Effectiveness of Controls**

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only the reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

## **PART II. OTHER INFORMATION**

#### **Item 1. Legal Proceedings**

Our threshold for disclosing material environmental legal proceedings involving a governmental authority where potential monetary sanctions are involved is \$1 million.

See the section titled "Litigation" in "[Item 1—Financial Statements—Notes to Consolidated Financial Statements—Note 11 Commitments and Contingencies](#)" in Part I of this quarterly report for information about legal proceedings.

#### **Item 1A. Risk Factors**

We refer you to our Annual Report on Form 10-K for a discussion of the risk factors that affect our business and financial results. We caution you that the risk factors discussed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K, elsewhere in this report or other SEC filings, could cause future results to differ materially from those stated in any forward-looking statements. You should not interpret the disclosure of a risk to imply that the risk has not already materialized. The impact of macroeconomic conditions and global conflicts have also had the effect of heightening many of the other risks described in the "Risk Factors" included in our Annual Report on Form 10-K, such as those relating to our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K.

**Item 5. Other Information**

**10b5-1 Trading Arrangements**

During the three months ended September 30, 2024, none of our directors or officers subject to Section 16 of the Securities Exchange Act of 1934 adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408(a) of Regulation S-K).

**Item 6. Exhibits**

- 4.1 [Indenture, dated September 17, 2024, between NCL Corporation Ltd., as issuer, and U.S. Bank Trust Company, National Association, as trustee with respect to \\$315.0 million aggregate principal amount of 6.250% Senior Notes due 2030 \(incorporated herein by reference to Exhibit 4.1 to Norwegian Cruise Line Holdings Ltd.'s Form 8-K filed on September 17, 2024 \(File No. 001-35784\)\)](#)
- 31.1\* [Certification of the President and Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)
- 31.2\* [Certification of the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)
- 32.1\*\* [Certifications of the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14\(b\) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code](#)
- 101\* The following unaudited consolidated financial statements from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, formatted in Inline XBRL:
- (i) the Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023;
  - (ii) the Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2024 and 2023;
  - (iii) the Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023;
  - (iv) the Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023;
  - (v) the Consolidated Statements of Changes in Shareholders' Equity for the three and nine months ended September 30, 2024 and 2023; and
  - (vi) the Notes to the Consolidated Financial Statements.
- 104\* The cover page from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL and included in the interactive data files submitted as Exhibit 101.

\* Filed herewith.

\*\* Furnished herewith.

#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORWEGIAN CRUISE LINE HOLDINGS LTD.  
(Registrant)

By: /s/ HARRY SOMMER

Name: Harry Sommer

Title: President and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ MARK A. KEMPA

Name: Mark A. Kempa

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Dated: November 7, 2024

**CERTIFICATION**

I, Harry Sommer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 7, 2024

/s/ Harry Sommer

Name:Harry Sommer

Title: President and Chief Executive Officer

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**CERTIFICATION**

I, Mark A. Kempa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 7, 2024

/s/ Mark A. Kempa

Name:Mark A. Kempa

Title: Executive Vice President and Chief Financial Officer

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**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C.  
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of Harry Sommer, the President and Chief Executive Officer, and Mark A. Kempa, the Executive Vice President and Chief Financial Officer of Norwegian Cruise Line Holdings Ltd. (the "Company"), does hereby certify, that, to such officer's knowledge:

The Quarterly Report on Form 10-Q of the Company, for the quarter ended September 30, 2024 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2024

By: /s/ Harry Sommer

Name: Harry Sommer

Title: President and Chief Executive Officer

By: /s/ Mark A. Kempa

Name: Mark A. Kempa

Title: Executive Vice President and Chief  
Financial Officer

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