

GET READY TO EXPLORE



Trading Update

22 January 2018

Strong Current Trading Update



(NOKm, unless otherwise stated)

	Oct-Nov 2016	Oct-Nov 2017	% Change	
Group	Normalised Revenue	488	630	29.1%
	Normalised Net Contribution	93	161	73.3%
	% Margin	19.1%	25.6%	
	Normalised EBITDA	(30)	30	NM
	% Margin	(6.1)%	4.8%	
Norwegian Coast	Normalised Revenue	370	487	31.5%
	Normalised Net Contribution	78	134	72.6%
	% Margin	21.0%	27.6%	
	Net Revenue / PCN ¹	1,222	1,365	11.6%
	PCN	128,909	179,602	39.3%
% Occupancy	49.2%	64.6%		
Explorer	Normalised Revenue	98	119	21.7%
	Normalised Net Contribution	15	28	86.2%
	% Margin	15.1%	23.1%	
	Net Revenue / PCN ²	2,566	3,196	24.6%
	PCN	24,693	26,110	5.7%
% Occupancy	62.8%	56.9%		
Land Based	Normalised Revenue	19	24	21.1%
	Normalised Net Contribution	1	(1)	NM
	% Margin	2.7%	(2.2)%	

Commentary

- Oct-Nov 2017 financials show **strong top-line growth** across all segments with Group Normalised Revenue up **29% YoY**
- Significant margin improvement in shoulder season months October and November with **net contribution margin expansion of ~650bps and positive EBITDA margin**, stemming from higher margins in both Norwegian Coast and Explorer. **Profitability improvement driven by occupancy and yield growth despite increased bunker cost** compared to same period last year
- **Norwegian Coast segment's net revenue / PCN increased by 11.6% YoY** while it **increased by 24.6% YoY in Explorer**
- **Norwegian coast PCN up 39.3% YoY**, implying an **occupancy of 64.6%** vs. 49.2% in Oct-Nov 2016, and **Explorer PCN up 5.7%** while occupancy slightly down to 56.9% from 62.8% driven by October being a crossing month with Oct-16 APCN artificially low due to MS Midnatsol introduction
- It is important to note that October and November are shoulder season months (alongside January-April and December), explaining the lower occupancy rate vs. higher season occupancy rates

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

² Defined as Normalised Gross Profit / PCN.

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

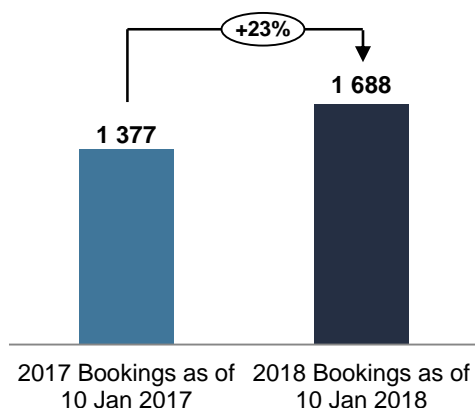


Norwegian Coast

Explorer

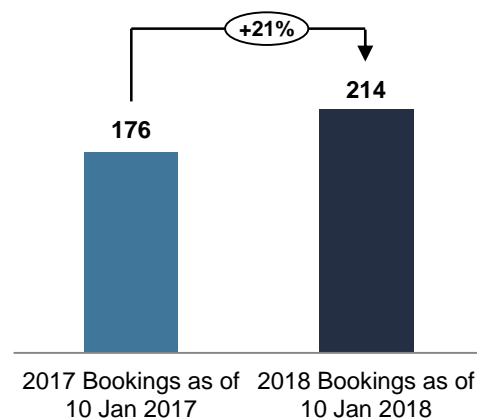
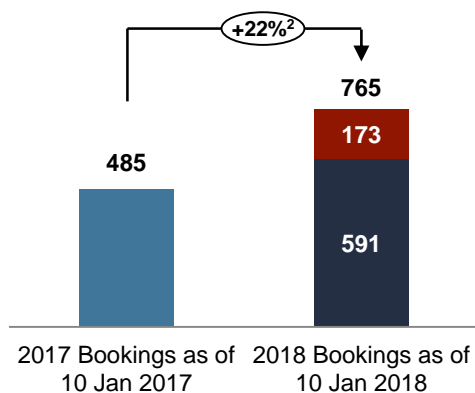
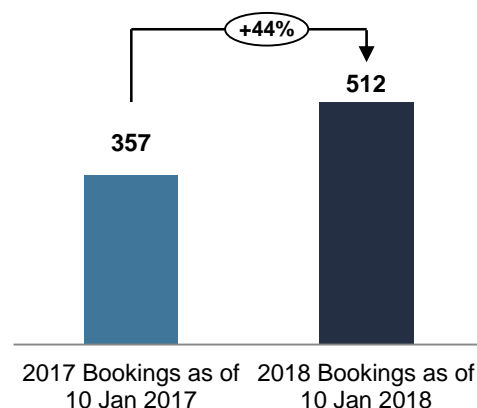
Full Year Bookings

Gross revenue booked¹ (NOKm) as of 10 January



First Quarter Bookings

Gross revenue booked¹ (NOKm) as of 10 January



Commentary

- 2018 booking is very strong for both segments with NOK **2,453m** gross ticket revenue including charters booked as of 10 January 2018 compared to NOK **1,861m** last year – an increase of **32%**
- Gross revenue booked for **Norwegian Coast up NOK 311m (+23%)** for 2018 compared to last year, with increase in bookings for Q1 of **44%**
- Explorer has booked **NOK 280m** more than same time last year, up by **58%**, including an increase in first quarter bookings of **21%**
- Growth in the Explorer segment is largely due to new Antarctica itineraries in Q3 2018, part of the launch of the vessel MS Amundsen. This accounts for ~62% of the year-over-year variation in the Explorer Gross Revenue from 2017 to 2018

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

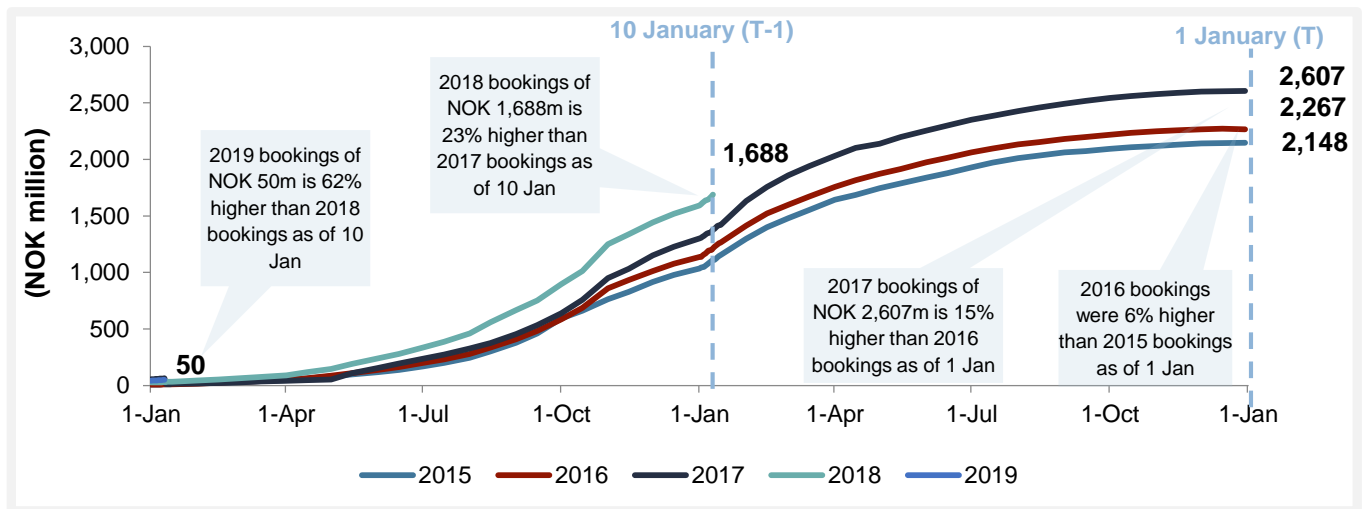
² Excludes bookings for MS Roald Amundsen (y-o-y growth including MS Roald Amundsen of 58%).

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



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

Booking Curve as of 10 January: Norwegian Coast



Booking Curve as of 10 January: Explorer

