# Norwegian Cruise Line Holdings Ltd. (NCLH-US, $27.32)

Hotels, Resorts & Cruise Lines

- **We reiterate our Strong Buy rating and increase our 12-month target price to $36 as NCLH continues to experience strong cruise demand and pricing power combined with its industry-leading fleet expansion and as NCLH and the cruise industry continue to experience increasing market penetration in the over $2 trillion vacation market.**
- **Strong travel demand and fleet expansion are driving revenue growth combined with increasing operating efficiency and cost management, are driving margin expansion, and increasing cash flow will continue to drive an ongoing acceleration in Business Performance trends, and positive Economic Profit will drive significant gains in shareholder value.**
- **NCLH's industry-leading fleet expansion will be a significant growth driver.**
- **NCLH continues to invest and expand its key marketing initiatives, casino operator partnerships, and Artificial Intelligence (AI) capabilities to drive growth, optimal revenue management, cost reduction, and improved guest experiences.**
- **Global economic, demographic, and travel trends and a re-prioritization of consumer spending will continue to favor the cruise industry, especially as it offers the best value for the consumers' travel dollar.**
- **NCLH's current liquidity and cash flow will enable the ongoing funding of its fleet expansion and upgrades, growth initiatives, and balance sheet optimization.**

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## Company Note

# Norwegian Cruise Line Holdings Ltd. (NCLH-US)

**Hotels, Resorts & Cruise Lines**

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***Research Action:***

| | |
|---|---|
| **Reiterate rating** | |
| **Current Rating:** | **Strong Buy** |
| **Prior Rating:** | **Strong Buy** |
| **Current Target Price:** | **$36.00** |
| **Prior Target Price:** | **$32.00** |
| **Price 11/08/2024:** | **$27.32** |
| **52 Week High / Low:** | **$27.94 $12.71** |
| **Key Data: (TTM as of Sep-24)** | |
| **Excess Cash per Share:** | **N/A** |
| **Annual Dividend:** | **$0.00** |
| **Dividend Yield:** | **0.00%** |
| **Avg. Volume (30 Day):** | **12.4M** |
| **Shares Outstanding:** | **439.7M** |
| **Float:** | **435.3M** |
| **Short Interest:** | **27.0M** |
| **SI % / Float** | **6.19%** |
| **Equity MV:** | **$12,012.8M** |
| **Sales TTM:** | **$9,356.7M** |
| **Beta:** | **1.47** |
| **EBITDAR:** | **$2,531.9M** |
| **NOPAT:** | **$1,471.5M** |
| **Total Invested Capital:** | **$16,203.1M** |
| **Return on Capital:** | **9.03%** |
| **Cost of Capital:** | **7.26%** |
| **Economic Profit:** | **$289.3M** |
| **Market Value Added:** | **$9,271.3M** |
| **Current Operations Value:** | **$20,281.2M** |
| **Future Growth Value:** | **$5,193.3M** |

- **We reiterate our Strong Buy rating and increase our 12-month target price to $36 as NCLH continues to experience strong cruise demand and pricing power combined with its industry-leading fleet expansion and as NCLH and the cruise industry continue to experience increasing market penetration in the over $2 trillion vacation market.** NCLH remains well-positioned to gain increasing market share in the $2 trillion vacation market driven by its premium Regent and Oceana brands along with the broad value offering of its Norwegian line. NCLH continues to increase its fleet size with a projected 13 additional ships to be launched over the next 12 years, with increasing efficiency and industry-leading features and increasing onboard revenue opportunities. NCLH recently reported Q3 2024 results increased 11% Y/Y to a record $2.81 billion, helped by a 4% increase in capacity and driven by strong cruise demand and pricing combined with increasing onboard spending and price optimization across all of its itinerary offerings, especially in Alaska, Canada, and New England. NCLH also increased its full-year guidance for the fourth time this year on strong cruise demand, strong booking trends, and record booking levels. Advanced ticket sales balance increased 6% to a record $3.3 billion. NCLH has furthered its successful *Free At Sea* with the introduction of its all-new *More At Sea,* offering even more benefits and premium inclusions. Oceania Cruises introduced its *Your World Included,* a new brand promise featuring an updated selection of always-included guest amenities. NCLH also announced a multiyear partnership with the NHL (National Hockey League) for a multiyear U.S. partnership, naming Norwegian Cruise Lines the official cruise line of the NHL. NCLH is also well-positioned from the increasing consumer spending on travel as global economic, demographic, and travel trends and a re-prioritization of consumer spending will continue to favor the cruise industry, especially as it offers the best value for the consumers' travel dollar. NCLH has successfully targeted higher-end demographic passengers with higher than industry average net worth and incomes, and its deployment shift to longer and more immersive itineraries is designed to attract higher quality guests, generate higher net yields, and increase guest satisfaction and loyalty. NCLH's value-added bundling and market-to-fill strategies continue to drive its industry-leading pricing and yields. NCLH will also use increases in its cash flow to reduce and pay down debt issued at the beginning of the pandemic as well as opportunistically refinancing, improving its balance sheet and capital structure, driving a significant increase in Return on Capital which will drive a recovery in Economic Profit and significant shareholder value creation. We believe a significant upside in the shares exists, and our 12-month target price of $36 represents a potential return of over 28% from current levels.

- **Strong travel demand and fleet expansion are driving revenue growth combined with increasing operating efficiency and cost management, are driving margin expansion, and increasing cash flow will continue to drive an ongoing acceleration in Business Performance trends, and positive Economic Profit will drive significant gains in shareholder value.** For the 12 months ending September 2024, net sales revenue increased 15.76% Y/Y from $8.08 billion to $9.36 billion. We forecast a further increase of 9.12% to $10.21 billion over the NTM. Economic Operating Cash Flow (EBITDAR) increased 45.11% from $1.74 billion to $2.53 billion over the LTM. We forecast a further increase of 13.31% to $2.87 billion over the NTM. Net Operating Profit After Tax (NOPAT) increased 89.96% Y/Y from $774.7 million to $1.47 billion over the LTM. We forecast a further increase of 17.79% to $1.73 billion over the NTM. Return on Capital (ROC) increased from 4.69% to 9.03% over the LTM. We forecast a further increase to 10.54% over the NTM. Economic Profit has improved significantly from a loss of $534.7 million to an Economic Profit of $289.3 million over the LTM. We forecast a further increase of 78.23% to $515.5 million over the NTM. The growth in revenue, EBITDAR, and NOPAT will continue to increase, driven by strong consumer spending on travel, margin enhancement initiatives, and the identification and evaluation of increasing opportunities to improve operating efficiencies and lower costs. The combination of a higher Return on Capital (ROC) and reduced capital costs has now driven a turn in Economic Profit and will drive an acceleration in shareholder value creation. Our 12-month target price of $36 per share is based on an equity value multiple of just over five times our forward 12-month EBITDAR expectations of $2.87 billion, which we project to increase 13.31% over the NTM and just over nine times our forward NOPAT expectations of $1.73 billion which we project will increase 17.79% over the NTM. Our target price, multiples, and growth rates are also well supported by our expectations that NCLH will continue to see significant revenue, EBITDAR, and NOPAT growth driven by a combination of its premium product offerings and new ships, which also book at premium prices that will continue to drive an increasing Return on Capital (ROC) and a positive Economic Profit for the first time since its post-pandemic recovery. Our target price and expectations are also well supported by its strong brand equity across its three global cruise brands, which continue to drive premium pricing and yields, combined with the value of its fleet and land-based assets, which are dominated by new ships and its ongoing fleet expansion.
- **NCLH's industry-leading fleet expansion will be a significant growth driver.** NCLH will add 13 new ships to its fleet by 2036, adding another 41K berths. NCLH consistently upgrades its fleet to continually improve its

travel experience. NCLH has begun taking reservations for its upcoming *Norwegian Luna*, the sister ship to the *Norwegian Aqua*, which is scheduled to debut in April 2026 with seven-day voyages from Miami. Regent Seven Seas Cruises unveiled the new Seven Seas Prestige Class with the first ship in the class, *Seven Seas Prestige*, which will be delivered in 2026 and will be Regent's first new class of ships in 10 years. NCLH recently announced the most transformative newbuild program in company history, featuring eight state-of-the-art vessels representing nearly 25,000 additional berths, with new ship classes for each of its brands. Most importantly, NCLH recently announced plans to build a much-needed multi-ship pier at Great Stirrup Cay, its private island destination in the Bahamas. The building of a pier at Great Stirrup Cay enables it to leverage its private island, which has begun to be a key industry driver of cruise itineraries. The building of a pier at Great Stirrup Cay enables it to leverage its private island. NCLH announced a new homeport in Philadelphia, with voyages departing the port and visiting Bermuda, as well as Canada and New England, beginning April 16, 2026. Oceania Cruises floated out its new 1,200-guest ship, the *Allura*, set to officially debut in Italy on July 18, 2025. Regent Seven Seas and Global Hotel Alliance (GHA) introduced the next phase in their landmark partnership, the new Concierge Collection of pre-cruise programs. NCLH's Concierge Collection includes a range of multi-day land stays at GHA luxury properties across six different European cities. Oceania Cruises announced the return of its 1,250-guest ship, *Marina*, after receiving extensive refurbishment, including all-new Penthouse suites and three new culinary venues. NCLH is also continuing to invest in positive return-driven strategic enhancements, including AI-driven capabilities to improve guest experience and operating efficiencies. Last year, NCLH began to install SpaceX Starlink's high-speed Internet service and expects all ships across its three brands to upgrade to Starlink by the end of 2024. NCLH has the largest number of upscale and balcony cabins, which also drive premium pricing. NCLH has significant onboard revenue-generating opportunities, including beverage packages, casinos, retail shops, and shore excursions. NCLH optimizes pricing and yields through its proprietary revenue management system, which optimizes booking curves for each ship and itinerary driven by real-time data analysis as well as systems in place to upsell cabins and cruise experience and especially on its Breakaway/Breakaway Plus-class and newly added Prima-class ships which offer The Haven by Norwegian, a luxury ship-within-a-ship with luxurious suites, private pools, and dining. NCLH has expanded its flexible air program, which allows guests to adjust their air travel around cruise dates and provides more time to explore destinations. NCLH recently introduced the Regent onboard mobile app on *Seven Seas Grandeur*. These enhancements are well-received by guests, offering a smoother experience before, during, and after their cruise while also yielding positive returns.

- **NCLH continues to invest and expand its key marketing initiatives, casino operator partnerships, and Artificial Intelligence (AI) capabilities to drive growth, optimal revenue management, cost reduction, and improved guest experiences.** NCLH recently announced a multiyear partnership with the NHL (National Hockey League) for a multiyear U.S. partnership, naming Norwegian Cruise Lines the official cruise line of the NHL. The NHL partnership enhances visibility and gives NCLH increasing exposure through the league's extensive marketing channels and digital platforms, including its large social media following, including exposure through the NHL's Digitally Enhanced Dasherboards (DED), enabling NCLH exposure during NHL games broadcast on ESPN and TNT. In October, NCLH launched its *More at Sea* campaign, advancing its previous '*Free at Sea*' package, offering enhanced value through more generous inclusions, expanded entertainment options, and simplified specialty dining with a flat cover charge. The new initiative builds on NCLH's customer value proposition by providing more experiences and value to guests, emphasizing its greater value bundles versus price discounting. In April of this year, NCLH launched its Connect for Travel Partners, a cobranded marketing solution to support its travel agent partners, enabling them to create personalized, cobranded digital content, driving increasing client engagement and sales. NCLH is also increasingly targeting and seeing growth from younger demographics with increasing interest from millennial and Gen Z travelers, as it tailors offerings to suit their preferences, including shorter and more affordable cruises along with enhanced onboard experience and high-speed Internet connectivity. NCLH has established partnerships with several land-based casino operators to enhance gaming offerings and provide exclusive benefits to high-roller casino patrons. NCLH has partnered with Caesars Entertainment's Caesars Rewards program. Caesars Rewards members can enjoy exclusive savings on cruise vacations, including discounts based on tier levels. NCLH's Casinos At Sea program offers rewards for onboard gaming, which can be redeemed for onboard credit, complimentary spa treatments, and discounts on future cruises. NCLH will increasingly integrate AI across all aspects of its services platforms and operations, improving marketing, optimizing pricing, managing supply chain and ship operations, and improving pre-, onboard, and post-boarding experiences. NCLH has utilized AI and machine learning to double its lead generation without increasing marketing expenses, which has contributed to record-breaking bookings, with its booking window reaching a record 255 days, 51 days longer than 2019. NCLH is using AI to develop a streamlined booking process and personalized guest experiences, increasing its guest experience. Initiatives include AI-driven chatbots and virtual assistants on its website and mobile apps that provide instant responses to booking, itinerary, and onboard service inquiries. NCLH has also implemented AI-driven health monitoring systems that track health data and symptoms, creating a proactive approach to avoid onboard outbreaks and better safeguard the health of onboard passengers and crew.

- **Global economic, demographic, and travel trends and a re-prioritization of consumer spending will continue to favor the cruise industry, especially as it offers the best value for the consumers' travel dollar.** Overall, consumers are benefiting from current U.S. economic strength, with GDP growth continuing to track positive and record levels of employment and wages along with the positive wealth effect of record stock prices. NCLH is well-positioned to benefit from the ongoing strength in consumer spending on travel and gain increasing market share in the global travel market. Memories versus Merchandise has been an underlying consumer trend, highlighting a shift in consumer preferences favoring spending on experiences, travel, and entertainment versus other consumer products and even more so today, driven by the pent-up travel demand following the pandemic and the need to interact and reconnect with friends and family members. Since 2012, spending on consumer-related services has far outpaced consumer products, with travel and leisure activities experiencing the highest growth rates. Other trends further favoring leisure travel include the increase of remote work and work-from-anywhere trends along with condensed work weeks, enabling more consumers to take advantage of four-day cruises, which are one of the sweet spots of the cruise industry. The ongoing rollout of ship-based high-speed Internet will continue to support the work-from-anywhere trend. The all-inclusive cruise pricing provides a significant price advantage over alternative land-based vacations. Cruises range in price from less than $100 per day to more than $10,000 per day on all different size ships to all different places around the world that include accommodations, food, beverages, and entertainment, which far exceeds the value of any land-based vacations where everything is mostly offered on an individual basis and requires much more planning and travel. Most importantly, social interaction and connection on board are powerful drivers of a cruise vacation's enjoyment, further enhance the experience, and are a key factor in driving repeat cruise bookings. NCLH's diverse cruise brands and projected over 40% fleet growth over the next 12 years well-position it to gain increasing market share in the over $2 trillion and rapidly growing global travel market. NCLH's marketing efforts target a high-end and more resilient consumer to protect against economic headwinds, and its marketing strategy to provide additional value-added services such as beverage and Wi-Fi packages versus discounting helps maintain its pricing integrity and industry-leading yields. NCLH's broad range of ship sizes, itineraries, and onboard activities and amenities, combined with its private island destinations, is increasing its competitive position over other purely land-based vacations. The all-inclusive nature of cruise travel offers the best overall vacation value in the travel industry and is best positioned to meet the needs of multigenerational vacations. In addition, 70% of the U.S. population lives within driving distance of a major cruise port.

- **NCLH's current liquidity and cash flow will enable the ongoing funding of its fleet expansion and upgrades, growth initiatives, and balance sheet optimization.** NCLH's projected $2.87 billion in Economic Operating Cash Flow (EBITDAR) over the NTM, enabling the ongoing funding fleet upgrades, maintenance, investments to expand its private island infrastructure and amenities along with funding its new ship pipeline and ongoing balance sheet optimization through debt reduction to pre-pandemic levels. NCLH currently operates 32 ships across its three lines and is scheduled to add an additional 13 ships, with one almost every year between now and 2036. NCLH is scheduled to add eight new ships to its Norwegian line, three more ships for Oceana, and two more ships for Regent. NCLH recently reported $3.3 billion in advance ticket sales, which increased 6% in the quarter. Gains in advance ticket sales have been driven by new ship editions, strong pricing, and NCLH's differentiated deployment mix, resulting in longer booking windows, enhanced pricing bundles, and increased presold onboard revenue. At the same time, new ships also begin their booking 18 months before initial sailing and historically book faster and at higher rates than existing ships. NCLH continues to make ongoing investments in cruise terminals and to maintain and upgrade its existing fleet, which also helps yield higher returns from existing ships and destination investments to drive increasing returns, including expanding its private island infrastructure. NCLH will continue to prioritize its capital allocation to reduce debt taken on during the pandemic, reduce its leverage, strengthen its balance sheet, reduce its cost of capital, and drive an increasing Return on Capital (ROC). NCLH's goal is to reduce its leverage ratio to pre-pandemic levels, which stood at just over three times in 2019, from about seven times currently. NCLH currently has $13.4 billion in total debt and recently issued $315 million of 6.250% senior notes due 2030, the net proceeds of which, together with cash on hand, were used to redeem $315 million aggregate principal amount of the 3.625% senior notes due 2024. NCLH also continues to invest in demand-generating marketing initiatives, including expanding its direct sales and web sales efforts, representing the greatest growth opportunity, along with its proprietary revenue management system that optimizes booking curves and pricing for each specific itinerary and ship. As NCLH continues to reduce debt to a level that eliminates the required deferred amortization, it can begin returning cash to shareholders as it has in the past through opportunistic share repurchases and potentially initiating a dividend at some point in the future.

### Investment Thesis

NCLH is well-positioned to benefit from ongoing consumer spending on travel, especially strong growth, including demand and the cruise industry's exceptional value proposition. NCLH's industry-leading fleet expansion and upgrades will continue to drive an ongoing acceleration in Business Performance trends. NCLH currently operates the youngest, most feature-rich, technologically advanced, and fuel-efficient ships, which will expand by over 40% over the next 12 years, enabling it to achieve premium pricing and industry-leading value proposition and earn a greater Return on Capital (ROC) on its new ship investments as newer ships have greater demand at higher price points. With its Oceania and Regent Seven Seas lines, NCLH dominates the higher-margin, higher-yielding, and most profitable luxury and ultraluxury cruise markets. NCLH also continues to benefit from its incremental capacity growth and industry-leading cadence of new ship introductions that book at higher price points with longer lead times. The quality build and attention to detail of the NCLH fleet, along with its high level of service and product quality, enable it to command premium prices.

### Target Price Calculation

Our 12-month target price of $36 per share is based on an equity value multiple of just over five times our forward 12-month EBITDAR expectations of $2.87 billion, which we project to increase 13.31% over the NTM and just over nine times our forward NOPAT expectations of $1.73 billion which we project will increase 17.79% over the NTM. Our target price, multiples, and growth rates are also well supported by our expectations that NCLH will continue to see significant revenue, EBITDAR, and NOPAT growth driven by a combination of its premium product offerings and new ships, which also book at premium prices that will continue to drive an increasing Return on Capital (ROC) and driving a positive Economic Profit for the first time since its post-pandemic recovery. Our target price and expectations are also well supported by its strong brand equity across its three global cruise brands, which continue to drive premium pricing and yields, combined with the value of its fleet and land-based assets, which are dominated by new ships and its ongoing fleet expansion.

### Company Overview

**Norwegian Cruise Line Holdings Ltd. (NCLH-US)** is the world's third-largest cruise operator (based on fleet size). Norwegian owns and operates three global cruise brands: the Norwegian Cruise Line, Oceania Cruises, and Regent Seven Seas Cruises. Norwegian currently operates a fleet of thirty-two ships with a total capacity of over 66K berths, offering diverse itineraries to more than 700 destinations worldwide. Norwegian will add 13 new ships to its fleet by 2036 adding another 41K berths. Norwegian consistently upgrades its fleet to continually improve its travel experience. Norwegian continues to invest in renovating and upgrading the existing ships by improving onboard dining venues, upgrading staterooms, and adding new amenities and onboard activities. Over the next five years, Norwegian will add additional ships, including five new Prima-class ships for its Norwegian line and Allura for Oceania. Norwegian operates two private island destinations in the Caribbean: Great Stirrup Cay in the Bahamas and Harvest Caye in southern Belize. Both islands offer resort-style amenities, including dining venues, cabanas, pools, beaches, and water activities. Norwegian is in the process of building a two-ship pier at its Great Stirrup Cay, which should be ready by the end of 2025, which will dramatically increase the ease and consistency of access to the island.

Norwegian's cruise brands serve the premium, luxury, and ultra-luxury segments of the cruise vacation industry. In 2014, Norwegian acquired Prestige Cruises International, expanding into the luxury and ultra-luxury cruise segments with the Oceania Cruises and Regent Seven Seas Cruises brands. Norwegian operates the youngest, most fuel-efficient, and technologically advanced fleet with a broad offering of amenities, a wide variety of accommodation options, and many first-at-sea features, including go-cart tracks on several of the most recently introduced ships. Norwegian's Breakaway/Breakaway Plus-class and newly added Prima-class ships offer The Haven by Norwegian, a luxury ship-within-a-ship with luxurious suites, private pools, dining, concierge service, and personal butlers. Oceania Cruises features gourmet cuisine and expansive itineraries around the world. Regent Seven Seas Cruises offers the industry's most inclusive luxury cruise experience onboard its all-suite ships. All Regent Seven Seas Cruises include round-trip airfare, gourmet cuisine, and sightseeing excursions in every port. Norwegian Cruise Lines was founded in 1966 and is headquartered in Miami, FL.

**Norwegian operates and reports revenue in two Business Segments:** Passenger Ticket (67% of revenue) and Onboard & Other (33% of revenue).

**Norwegian reports revenue by Five Geographic Segments:** The United States (49% of revenue), Europe (32% of revenue), North America (9% of revenue), Asia Pacific (6% of revenue), and Other (3% of revenue).

### Financial Data

| Report Basis<br>Reported Period Ending | LTM<br>09/30/2019 | LTM<br>09/30/2020 | LTM<br>09/30/2021 | LTM<br>09/30/2022 | LTM<br>09/30/2023 | LTM<br>09/30/2024 | NTM<br>09/30/2025 | 5 Yr<br>Average | 3 Yr<br>Average | Current<br>Trend |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales Revenue** | $6,363.0 | $2,750.9 | $170.1 | $3,812.1 | $8,082.6 | $9,356.7 | $10,210.0 | $4,834.5 | $7,083.8 | $9,783.4 |
| *Sales Growth* | 7.42% | -56.77% | -93.82% | 2140.71% | 112.03% | 15.76% | 9.12% | 423.58% | 756.17% | 12.44% |
| *Sales Growth Trend* | 9.40% | -31.09% | -79.00% | 1246.90% | 923.50% | 54.27% | 11.78% | 422.92% | 741.55% | 33.02% |
| **Economic Operating Cash Flow (EBITDAR)** | $1,806.8 | ($307.2) | ($1,532.6) | ($1,058.9) | $1,744.8 | $2,531.9 | $2,869.0 | $275.6 | $1,072.6 | $2,700.5 |
| *EBITDAR Margin* | 28.40% | -11.17% | -900.88% | -27.78% | 21.59% | 27.06% | 28.10% | -178.23% | 6.96% | 27.58% |
| *EBITDAR Growth* | 3.86% | -117.00% | -398.89% | 30.91% | 264.78% | 45.11% | 13.31% | -35.02% | 113.60% | 29.21% |
| **Net Operating Profit Before Tax (NOPBT)** | $1,164.6 | ($1,118.2) | ($2,303.1) | ($1,880.7) | $773.9 | $1,492.0 | $1,756.1 | ($607.2) | $128.4 | $1,624.1 |
| *NOPBT Margin* | 18.30% | -40.65% | -1353.77% | -49.34% | 9.57% | 15.95% | 17.20% | -283.65% | -7.94% | 16.57% |
| *NOPBT Growth* | -0.54% | -196.02% | -105.97% | 18.34% | 141.15% | 92.79% | 17.70% | -9.94% | 84.10% | 55.25% |
| **Cash Operating Income Tax** | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $20.5 | $22.8 | $4.1 | $6.8 | $21.6 |
| *Economic Tax Effective Rate* | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.37% | 1.30% | 0.27% | 0.46% | 1.34% |
| **Net Operating Profit After Tax (NOPAT)** | $1,185.0 | ($1,096.7) | ($2,303.1) | ($1,875.8) | $774.7 | $1,471.5 | $1,733.3 | ($605.9) | $123.5 | $1,602.4 |
| *NOPAT Margin* | 18.62% | -39.87% | -1353.77% | -49.21% | 9.58% | 15.73% | 16.98% | -283.51% | -7.97% | 16.35% |
| *NOPAT Growth* | 2.75% | -192.55% | -110.00% | 18.55% | 141.30% | 89.96% | 17.79% | -10.55% | 83.27% | 53.87% |
| | | | | | | | | | | |
| **Cash & Equivalents** | $407.3 | $2,381.0 | $1,969.9 | $1,270.5 | $687.7 | $332.5 | $342.5 | $1,328.3 | $763.6 | $337.5 |
| **Total Assets** | $15,938.9 | $17,402.0 | $18,730.0 | $18,950.9 | $19,251.8 | $19,786.0 | $20,379.6 | $18,824.2 | $19,329.6 | $20,082.8 |
| **Non - Interest Bearing Liabilities (NIBLs)** | $3,157.0 | $2,166.1 | $2,739.1 | $3,907.4 | $4,319.0 | $5,245.5 | $5,402.8 | $3,675.4 | $4,490.6 | $5,324.2 |
| **Net Assets** | $12,781.8 | $15,235.9 | $15,990.9 | $15,043.5 | $14,932.8 | $14,540.5 | $14,976.7 | $15,148.7 | $14,839.0 | $14,758.6 |
| **Economic Asset Adjustments** | $510.1 | $641.5 | $506.0 | $1,624.4 | $1,453.1 | $1,662.6 | $1,712.5 | $1,177.5 | $1,580.0 | $1,687.5 |
| **Net Operating Assets** | $13,291.9 | $15,877.4 | $16,496.9 | $16,667.9 | $16,385.9 | $16,203.1 | $16,689.2 | $16,326.3 | $16,419.0 | $16,446.2 |
| | | | | | | | | | | |
| **Debt & Debt Equivalents** | $6,619.3 | $11,407.1 | $13,313.3 | $15,634.9 | $15,477.3 | $14,534.9 | $14,971.0 | $14,073.5 | $15,215.7 | $14,752.9 |
| **Equity & Equivalents** | $6,273.4 | $4,087.8 | $2,883.2 | $399.8 | $438.7 | $1,135.3 | $1,169.4 | $1,789.0 | $657.9 | $1,152.4 |
| **Total Capital - Financing Sources** | $12,892.7 | $15,494.8 | $16,196.5 | $16,034.7 | $15,916.0 | $15,670.2 | $16,140.4 | $15,862.5 | $15,873.7 | $15,905.3 |
| **Capital Adjustments** | $399.2 | $382.6 | $300.4 | $633.2 | $469.9 | $532.9 | $548.9 | $463.8 | $545.3 | $540.9 |
| **Net Capital Financing Sources** | $13,291.9 | $15,877.4 | $16,496.9 | $16,667.9 | $16,385.9 | $16,203.1 | $16,689.2 | $16,326.3 | $16,419.0 | $16,446.2 |
| | | | | | | | | | | |
| **Net Working Capital** | ($2,009.1) | ($1,393.9) | ($968.7) | ($2,419.4) | ($2,777.8) | ($3,057.3) | ($3,149.0) | ($2,123.4) | ($2,751.5) | ($3,103.2) |
| *Cost of Net Working Capital* | ($113.3) | ($66.2) | ($62.8) | ($115.5) | ($205.9) | ($211.7) | ($218.0) | ($132.4) | ($177.7) | ($214.9) |
| *% of Revenue* | -1.78% | -2.41% | -36.94% | -3.03% | -2.55% | -2.26% | -2.14% | -9.44% | -2.61% | -2.20% |
| **Operational Capital** | $10,611.8 | $12,535.5 | $13,506.3 | $13,909.8 | $14,881.8 | $14,816.3 | $15,260.8 | $13,929.9 | $14,536.0 | $15,038.6 |
| *Cost of Operational Capital* | $657.9 | $450.6 | $692.6 | $934.9 | $1,140.5 | $1,077.4 | $1,109.7 | $859.2 | $1,050.9 | $1,093.6 |
| *% of Revenue* | 10.34% | 16.38% | 407.12% | 24.52% | 14.11% | 11.51% | 10.87% | 94.73% | 16.72% | 11.19% |
| **Productive Capital** | $12,833.1 | $13,136.0 | $14,105.0 | $14,508.5 | $15,480.4 | $15,452.6 | $15,916.2 | $14,536.5 | $15,147.2 | $15,684.4 |
| *Cost of Productive Capital* | $797.0 | $505.6 | $724.5 | $975.7 | $1,188.0 | $1,122.2 | $1,155.9 | $903.2 | $1,095.3 | $1,139.0 |
| *% of Revenue* | 12.53% | 18.38% | 425.87% | 25.60% | 14.70% | 11.99% | 11.32% | 99.31% | 17.43% | 11.66% |
| **Total Operating Capital** | $13,202.8 | $13,634.0 | $14,535.5 | $15,588.0 | $16,102.4 | $16,338.4 | $16,828.6 | $15,239.7 | $16,009.6 | $16,583.5 |
| *Cost of Total Operating Capital* | $810.7 | $522.5 | $749.2 | $1,027.2 | $1,255.4 | $1,176.9 | $1,212.2 | $946.2 | $1,153.2 | $1,194.6 |
| *% of Revenue* | 12.74% | 18.99% | 440.38% | 26.95% | 15.53% | 12.58% | 11.87% | 102.89% | 18.35% | 12.23% |
| **Non - Operating Capital** | $89.1 | $2,243.5 | $1,961.4 | $1,079.9 | $283.6 | ($135.3) | ($139.4) | $1,086.6 | $409.4 | ($137.3) |
| *Cost of Non - Operating Capital* | $2.5 | $45.4 | $111.8 | $103.7 | $54.0 | $5.4 | $5.5 | $64.1 | $54.4 | $5.5 |
| *% of Revenue* | 0.04% | 1.65% | 65.74% | 2.72% | 0.67% | 0.06% | 0.05% | 14.17% | 1.15% | 0.06% |
| **Total Capital** | $13,291.9 | $15,877.4 | $16,496.9 | $16,667.9 | $16,385.9 | $16,203.1 | $16,689.2 | $16,326.3 | $16,419.0 | $16,446.2 |
| *Cost of Total Capital* | $813.2 | $567.9 | $861.0 | $1,130.9 | $1,309.4 | $1,182.3 | $1,217.7 | $1,010.3 | $1,207.5 | $1,200.0 |
| *% of Revenue* | 12.78% | 20.64% | 506.12% | 29.67% | 16.20% | 12.64% | 11.93% | 117.05% | 19.50% | 12.28% |
| | | | | | | | | | | |
| **Cost of Capital (WACC)** | 6.23% | 3.89% | 5.32% | 6.82% | 7.92% | 7.26% | 7.26% | 6.24% | 7.33% | 7.26% |
| | | | | | | | | | | |
| **Capital Structure** | | | | | | | | | | |
| **Debt & Debt Equivalents** | $6,619.3 | $11,407.1 | $13,313.3 | $15,634.9 | $15,477.3 | $14,534.9 | $14,971.0 | $14,073.5 | $15,215.7 | $14,752.9 |
| *Debt & Debt Equivalents % of Market Value* | 37.54% | 70.75% | 57.39% | 76.56% | 68.82% | 61.71% | 48.61% | 66.52% | 68.68% | 54.29% |
| **Preferred Equity** | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| *Preferred Equity % of Market Value* | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Market Value of Common Equity** | $11,014.5 | $4,715.8 | $9,883.5 | $4,787.0 | $7,011.0 | $9,018.1 | $15,828.9 | $7,083.1 | $6,938.7 | $12,423.5 |
| *Common Equity % of Market Value* | 62.46% | 29.25% | 42.61% | 23.44% | 31.18% | 38.29% | 51.39% | 33.48% | 31.32% | 45.71% |
| **Total Economic Market Value (MV)** | $17,633.7 | $16,122.9 | $23,196.8 | $20,421.9 | $22,488.3 | $23,553.0 | $30,799.8 | $21,156.6 | $22,154.4 | $27,176.4 |
| *Total %* | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| **Excess Cash** | $89.1 | $2,243.5 | $1,961.4 | $1,079.9 | $283.6 | ($135.3) | ($139.4) | $1,086.6 | $409.4 | ($137.3) |
| **Economic Enterprise Value** | $17,544.6 | $13,879.4 | $21,235.4 | $19,342.0 | $22,204.7 | $23,688.3 | $30,939.2 | $20,070.0 | $21,745.0 | $27,313.8 |
| | | | | | | | | | | |
| **Average Capital** | $13,051.0 | $14,584.7 | $16,187.2 | $16,582.4 | $16,526.9 | $16,294.5 | $16,446.2 | $16,035.1 | $16,468.0 | $16,370.3 |
| **Capital ∆** | $481.7 | $2,585.5 | $619.5 | $171.0 | ($282.0) | ($182.8) | $486.1 | $582.2 | ($97.9) | $151.6 |

Source: Company Data, Financial statements and Tigress Research

## Financial Analysis

| Report Basis<br>Reported Period Ending | LTM<br>09/30/2019 | LTM<br>09/30/2020 | LTM<br>09/30/2021 | LTM<br>09/30/2022 | LTM<br>09/30/2023 | LTM<br>09/30/2024 | NTM<br>09/30/2025 | 5 Yr<br>Average | 3 Yr<br>Average | Current<br>Trend |
|---|---|---|---|---|---|---|---|---|---|---|
| **Return on Market Value (NOPAT / MV)** | **6.72%** | **-6.80%** | **-9.93%** | **-9.19%** | **3.44%** | **6.25%** | **6.44%** | **-3.24%** | **0.17%** | **6.34%** |
| **Return on Enterprise Value (NOPAT / EV)** | **6.75%** | **-7.90%** | **-10.85%** | **-9.70%** | **3.49%** | **6.21%** | **6.40%** | **-3.75%** | **0.00%** | **6.31%** |
| **Return on Capital (NOPAT / Average Capital)** | **9.08%** | **-7.52%** | **-14.23%** | **-11.31%** | **4.69%** | **9.03%** | **10.54%** | **-3.87%** | **0.80%** | **9.79%** |
| **Cost of Capital (WACC)** | **6.23%** | **3.89%** | **5.32%** | **6.82%** | **7.92%** | **7.26%** | **7.26%** | **6.24%** | **7.33%** | **7.26%** |
| **Economic Return Spread** | **2.85%** | **-11.41%** | **-19.55%** | **-18.13%** | **-3.24%** | **1.78%** | **3.28%** | **-10.11%** | **-6.53%** | **2.53%** |
| **Capital Charge** | **$813.2** | **$567.9** | **$861.0** | **$1,130.9** | **$1,309.4** | **$1,182.3** | **$1,217.7** | **$1,010.3** | **$1,207.5** | **$1,200.0** |
| **Economic Profit (EP)** | **$371.8** | **($1,664.6)** | **($3,164.2)** | **($3,006.8)** | **($534.7)** | **$289.3** | **$515.5** | **($1,616.2)** | **($1,084.1)** | **$402.4** |
| **Economic Profit Improvement (EPI)** | **$187.1** | **($2,036.4)** | **($1,499.6)** | **$157.4** | **$2,472.0** | **$824.0** | **$226.3** | **($16.5)** | **$1,151.2** | **$525.1** |
| *EP Growth* | *101.33%* | *-547.68%* | *-90.09%* | *4.98%* | *82.22%* | *154.10%* | *78.23%* | *-79.30%* | *80.43%* | *116.16%* |
| *Economic Profit Margin on Sales* | *5.84%* | *-60.51%* | *-1859.89%* | *-78.87%* | *-6.62%* | *3.09%* | *5.05%* | *-400.56%* | *-27.47%* | *4.07%* |
| **Economic Profit Per Share** | **$1.75** | **($6.04)** | **($8.55)** | **($7.14)** | **($1.26)** | **$0.66** | **$0.68** | **($4.47)** | **($2.58)** | **$0.67** |
| **GAAP Earnings Per Share** | **$4.45** | **($13.72)** | **($10.90)** | **($8.28)** | **($0.51)** | **$1.25** | **$1.93** | **($6.43)** | **($2.51)** | **$1.59** |
| **Excess Cash Per Share** | **$0.42** | **$8.27** | **$5.30** | **$2.57** | **$0.67** | **($0.31)** | **($0.32)** | **$3.30** | **$0.98** | **($0.31)** |
| **Performance Drivers** | | | | | | | | | | |
| Sales Growth | 7.42% | -56.77% | -93.82% | 2140.71% | 112.03% | 15.76% | 9.12% | 423.58% | 756.17% | 12.44% |
| Sales Growth Trend (ROC Sales Growth) | 9.40% | -31.09% | -79.00% | 1246.90% | 923.50% | 54.27% | 11.78% | 422.92% | 741.55% | 33.02% |
| EBITDAR Margin | 28.40% | -11.17% | -900.88% | -27.78% | 21.59% | 27.06% | 28.10% | -178.23% | 6.96% | 27.58% |
| EBITDAR Growth | 3.86% | -117.00% | -398.89% | 30.91% | 264.78% | 45.11% | 13.31% | -35.02% | 113.60% | 29.21% |
| NOPBT Margin | 18.30% | -40.65% | -1353.77% | -49.34% | 9.57% | 15.95% | 17.20% | -283.65% | -7.94% | 16.57% |
| NOPBT Growth | -0.54% | -196.02% | -105.97% | 18.34% | 141.15% | 92.79% | 17.70% | -9.94% | 84.10% | 55.25% |
| NOPAT Margin | 18.62% | -39.87% | -1353.77% | -49.21% | 9.58% | 15.73% | 16.98% | -283.51% | -7.97% | 16.35% |
| NOPAT Growth | 2.75% | -192.55% | -110.00% | 18.55% | 141.30% | 89.96% | 17.79% | -10.55% | 83.27% | 53.87% |
| Economic Profit Margin on Sales (EP / Sales) | 5.84% | -60.51% | -1859.89% | -78.87% | -6.62% | 3.09% | 5.05% | -400.56% | -27.47% | 4.07% |
| Economic Profit Growth | 101.33% | -547.68% | -90.09% | 4.98% | 82.22% | 154.10% | 78.23% | -79.30% | 80.43% | 116.16% |
| Economic Return Spread (ROC-WACC) | 2.85% | -11.41% | -19.55% | -18.13% | -3.24% | 1.78% | 3.28% | -10.11% | -6.53% | 2.53% |
| Economic Return Ratio ( ROC / WACC) | 145.72% | -193.14% | -267.48% | -165.87% | 59.16% | 124.47% | 145.25% | -88.57% | 5.92% | 134.86% |
| Economic Profit Momentum (ΔEP/Capital) | 1.41% | -12.83% | -9.09% | 0.94% | 15.09% | 5.09% | 1.36% | -0.16% | 7.04% | 3.22% |
| Economic Profit Momentum Margin (ΔEP/Sales) | 2.94% | -74.03% | -881.45% | 4.13% | 30.58% | 8.81% | 2.22% | -182.39% | 14.51% | 5.51% |
| Capital Growth | 3.76% | 19.45% | 3.90% | 1.04% | -1.69% | -1.12% | 3.00% | 4.32% | -0.59% | 0.94% |
| Capital Turns | 0.48X | 0.17X | 0.01X | 0.23X | 0.49X | 0.58X | 0.61X | 0.30X | 0.43X | 0.59X |
| *EVC Acceleration Margin* | *3.16%* | *-32.00%* | *-54.51%* | *92.54%* | *64.85%* | *10.19%* | *2.42%* | *-0.16%* | *23.81%* | *7.41%* |
| *EVC Acceleration Spread* | *1.49%* | *-15.60%* | *-10.28%* | *0.97%* | *14.91%* | *4.99%* | *1.39%* | *-0.10%* | *7.18%* | *3.19%* |
| **Risk Factors** | | | | | | | | | | |
| Free Cash Flow (NOPAT - Δ Capital) | $703.3 | ($3,682.3) | ($2,922.6) | ($2,046.8) | $1,056.6 | $1,654.3 | $1,247.2 | ($1,188.1) | $221.4 | $1,450.8 |
| Free Cash Flow Rate (FCF / Capital) | 5.29% | -23.19% | -17.72% | -12.28% | 6.45% | 10.21% | 7.47% | -7.31% | 1.46% | 8.84% |
| Free Cash Flow Yield (FCF / MV) | 3.99% | -22.84% | -12.60% | -10.02% | 4.70% | 7.02% | 4.05% | -6.75% | 0.57% | 5.54% |
| Total Debt / Total Capital | 49.80% | 71.84% | 80.70% | 93.80% | 94.45% | 89.70% | 89.70% | 86.10% | 92.65% | 89.70% |
| Total Debt / EBITDAR | 366.35% | -3713.12% | -868.65% | -1476.53% | 887.05% | 574.06% | 521.82% | -919.44% | -5.14% | 547.94% |
| Excess Cash | $89.1 | $2,243.5 | $1,961.4 | $1,079.9 | $283.6 | ($135.3) | $0.0 | $1,086.6 | $409.4 | ($67.7) |
| Financial Leverage ((Total Debt - Excess Cash) / | 37.03% | 56.84% | 48.94% | 71.27% | 67.56% | 62.29% | 48.61% | 61.38% | 67.04% | 55.45% |
| Pension Leverage (Net Pension Liability / MV) | -0.02% | -0.04% | -0.02% | -0.03% | 0.02% | 0.00% | 0.00% | -0.01% | 0.00% | 0.00% |
| Equity Risk Index (S&P 500 = 1.00) | 1.35 | 1.36 | 1.38 | 1.38 | 1.39 | 1.31 | 1.31 | 1.37 | 1.36 | 1.31 |
| Stock Price Volatility | 3.85 | 12.84 | 13.55 | 8.40 | 8.35 | 7.44 | 7.44 | 10.12 | 8.07 | 7.44 |
| Sales Index (NL Sales) | 8.76 | 7.92 | 5.14 | 8.25 | 9.00 | 9.14 | 9.23 | 7.89 | 8.80 | 9.19 |
| Market Value Index (NL Market Value) | 9.78 | 9.69 | 10.05 | 9.92 | 10.02 | 10.07 | 10.34 | 9.95 | 10.00 | 10.20 |
| Size Index (NL Sales: MV) | 9.27 | 8.80 | 7.59 | 9.09 | 9.51 | 9.61 | 9.78 | 8.92 | 9.40 | 9.69 |
| Beta | 1.53 | 1.54 | 1.57 | 1.57 | 1.59 | 1.47 | 1.47 | 1.55 | 1.54 | 1.47 |
| TFP Adjusted Beta | 1.35 | 1.36 | 1.38 | 1.38 | 1.39 | 1.31 | 1.31 | 1.37 | 1.36 | 1.31 |
| Stock Price Volatility | 3.85 | 12.84 | 13.55 | 8.40 | 8.35 | 7.44 | 7.44 | 10.12 | 8.07 | 7.44 |
| **Valuation Measures** | | | | | | | | | | |
| Total Economic Market Value (MV) | $17,633.7 | $16,122.9 | $23,196.8 | $20,421.9 | $22,488.3 | $23,553.0 | $30,799.8 | $21,156.6 | $22,154.4 | $27,176.4 |
| Economic Enterprise Value | $17,544.6 | $13,879.4 | $21,235.4 | $19,342.0 | $22,204.7 | $23,688.3 | $30,939.2 | $20,070.0 | $21,745.0 | $27,313.8 |
| Equity Market Value | $11,014.5 | $4,715.8 | $9,883.5 | $4,787.0 | $7,011.0 | $9,018.1 | $15,828.9 | $7,083.1 | $6,938.7 | $12,423.5 |
| Total Capital | $13,291.9 | $15,877.4 | $16,496.9 | $16,667.9 | $16,385.9 | $16,203.1 | $16,689.2 | $16,326.3 | $16,419.0 | $16,446.2 |
| Market Value Created MVC (MV - Capital) | $4,341.8 | $245.5 | $6,699.9 | $3,754.0 | $6,102.3 | $7,349.9 | $14,110.6 | $4,830.3 | $5,735.4 | $10,730.2 |
| MVC Margin (MVC / Sales) | 68.24% | 8.92% | 3938.14% | 98.48% | 75.50% | 78.55% | 138.20% | 99.91% | 80.97% | 109.68% |
| MVC Spread (MVC / Capital) | 32.66% | 1.55% | 40.61% | 22.52% | 37.24% | 45.36% | 84.55% | 29.59% | 34.93% | 65.24% |
| Current EVC Value (EP / WACC) | $5,967.6 | ($42,752.8) | ($59,484.9) | ($44,087.1) | ($6,749.2) | $3,986.6 | $7,105.4 | ($25,891.3) | ($14,783.9) | $5,546.0 |
| Current Operations Value COV | $19,018.6 | ($28,168.1) | ($43,297.7) | ($27,504.7) | $9,777.8 | $20,281.2 | $23,551.6 | ($9,856.2) | $1,684.1 | $21,916.4 |
| Current Operations Value Per Share | $89.39 | ($102.20) | ($117.01) | ($65.27) | $22.98 | $46.13 | $53.56 | ($25.51) | $3.93 | $49.84 |
| Future Growth Value (MVC - EVA Value) | ($1,384.9) | $44,291.0 | $66,494.5 | $47,926.6 | $12,710.5 | $3,271.8 | $7,248.3 | $31,012.8 | $20,470.3 | $5,260.0 |
| Future Growth Value Reliance (FGV / MV) | -7.85% | 274.71% | 286.65% | 234.68% | 56.52% | 13.89% | 23.53% | 146.59% | 92.40% | 19.36% |
| Share Price | $51.77 | $17.11 | $26.71 | $11.36 | $16.48 | $20.51 | $36.00 | $18.43 | $16.12 | $28.26 |
| Dividend Yield | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Shareholder Return (TTM) | -9.86% | -66.95% | 56.11% | -57.47% | 45.07% | 24.45% | 75.52% | -48.79% | -12.57% | 75.32% |
| MV to IC Ratio | 1.33X | 1.02X | 1.41X | 1.23X | 1.37X | 1.45X | 1.85X | 1.30X | 1.35X | 1.65X |
| EV / EBITDAR Multiple | 9.71X | -45.18X | -13.86X | -18.27X | 12.73X | 9.36X | 10.78X | 72.82X | 20.27X | 10.11X |
| EV / NOPBIT Multiple | 15.06X | -12.41X | -9.22X | -10.28X | 28.69X | 15.88X | 17.62X | -33.05X | 169.37X | 16.82X |
| EV / NOPAT Multiple | 14.81X | -12.66X | -9.22X | -10.31X | 28.66X | 16.10X | 17.85X | -33.12X | 176.14X | 17.05X |
| EV / EP Multiple | 47.19X | -8.34X | -6.71X | -6.43X | -41.53X | 81.89X | 60.01X | -12.42X | -20.06X | 67.88X |
| Future Growth Value (% of MV) | -7.85% | 274.71% | 286.65% | 234.68% | 56.52% | 13.89% | 23.53% | 146.59% | 92.40% | 19.36% |
| Current Operations Value (% of MV) | 107.85% | -174.71% | -186.65% | -134.68% | 43.48% | 86.11% | 76.47% | -46.59% | 7.60% | 80.64% |
| Market Value (COV + FGV %) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Total Shares Outstanding | 212.8 | 275.6 | 370.0 | 421.4 | 425.4 | 439.7 | 439.7 | 386.4 | 428.8 | 439.7 |

Source: Company Data, Financial statements and Tigress Research

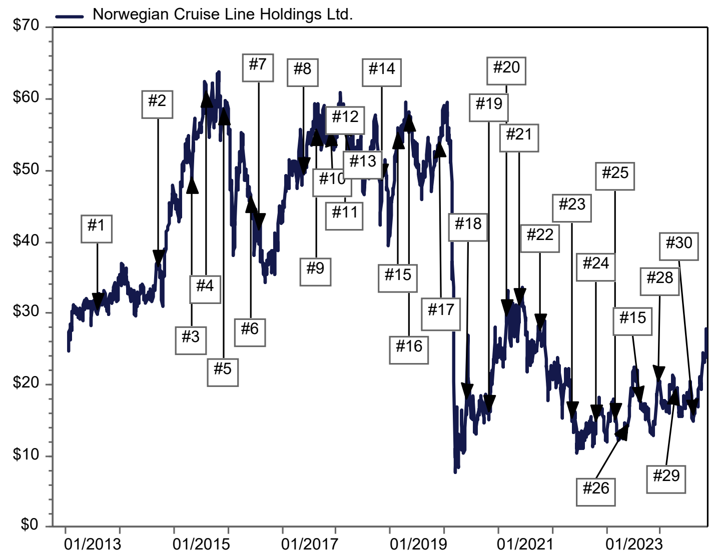
## Norwegian Cruise Line Holdings Ltd. (NCLH-US)

**Hotels, Resorts & Cruise Lines**

### Ratings History

**Norwegian Cruise Line Holdings Ltd. (NCLH-US)**

| Item # | Date | Research Action | Rating | Target Price | Price |
|---|---|---|---|---|---|
| #30 | 08/09/2024 | Reiterate Rating | Strong Buy | $32.00 | $15.74 |
| #29 | 04/09/2024 | Reiterate Rating | Strong Buy | $32.00 | $19.41 |
| #28 | 12/15/2023 | Reiterate Rating | Strong Buy | $32.00 | $20.36 |
| #27 | 08/15/2023 | Reiterate Rating | Strong Buy | $32.00 | $17.65 |
| #26 | 05/23/2023 | Reiterate Rating | Strong Buy | $32.00 | $14.47 |
| #25 | 03/01/2023 | Reiterate Rating | Strong Buy | $32.00 | $15.14 |
| #24 | 10/21/2022 | Reiterate Rating | Strong Buy | $32.00 | $14.93 |
| #23 | 05/11/2022 | Reiterate Rating | Strong Buy | | $15.42 |
| #22 | 10/06/2021 | Reiterate Rating | Strong Buy | | $27.59 |
| #21 | 05/25/2021 | Reiterate Rating | Strong Buy | | $31.12 |
| #20 | 02/26/2021 | Reiterate Rating | Strong Buy | | $29.56 |
| #19 | 11/02/2020 | Reiterate Rating | Strong Buy | | $16.17 |
| #18 | 06/03/2020 | Reiterate Rating | Strong Buy | | $17.39 |
| #17 | 11/26/2019 | Reiterate Rating | Strong Buy | | $53.93 |
| #16 | 05/10/2019 | Reiterate Rating | Strong Buy | | $57.90 |
| #15 | 02/22/2019 | Reiterate Rating | Strong Buy | | $55.35 |
| #14 | 11/09/2018 | Reiterate Rating | Strong Buy | | $48.75 |
| #13 | 06/25/2018 | Reiterate Rating | Strong Buy | | $48.77 |
| #12 | 05/07/2018 | Reiterate Rating | Strong Buy | | $50.31 |
| #11 | 03/09/2018 | Reiterate Rating | Strong Buy | | $57.17 |
| #10 | 11/27/2017 | Reiterate Rating | Strong Buy | | $55.61 |
| #9 | 08/21/2017 | Reiterate Rating | Strong Buy | | $55.86 |
| #8 | 05/24/2017 | Reiterate Rating | Strong Buy | | $49.64 |
| #7 | 07/25/2016 | Reiterate Rating | Strong Buy | | $41.69 |
| #6 | 05/31/2016 | Reiterate Rating | Strong Buy | | $46.41 |
| #5 | 12/07/2015 | Reiterate Rating | Strong Buy | | $58.76 |
| #4 | 08/05/2015 | Reiterate Rating | Strong Buy | | $61.18 |
| #3 | 04/29/2015 | Upgrade Rating | Strong Buy | | $49.00 |
| #2 | 09/12/2014 | Reiterate Rating | Buy | | $36.62 |
| #1 | 08/02/2013 | Initiation of Coverage | Buy | | $30.59 |




### Tigress Research Investment Rating Meanings and Distribution

Tigress Research employs a five-tier rating system for evaluating the investment opportunity and potential return associated with owning the common equity of rated firms within our research universe. The potential return is measured on a relative basis to the general market, which is represented by the S&P 500 and to the subject company's industry peer group as indicated.

**Rating Distribution (11/08/2024)**

| Rating: | Meaning: | Companies Under Coverage # | Companies Under Coverage % | Relationship Companies Under Coverage* # | Relationship Companies Under Coverage* % |
|---|---|---|---|---|---|
| **Strong Buy:** | Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months. | 17 | 12% | 2 | 7% |
| **Buy:** | Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months. | 77 | 53% | 22 | 89% |
| **Neutral:** | Expect little or no outperformance opportunity over the next 12 months. | 45 | 31% | 1 | 4% |
| **Underperform:** | Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months. | 5 | 4% | 0 | 0% |
| **Sell:** | Expect price decline or significant relative market and industry underperformance over the next 12 months. | 0 | 0% | 0 | 0% |
| | Total | 144 | 100% | 25 | 100% |

*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and/or its employees within the past twelve months or expects to do so within the next three months.

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I, Ivan Feinseth, hereby certify that the views expressed herein accurately reflect my personal views about the subject company and their securities and that I have not been and will not be directly or indirectly compensated for expressing specific recommendations or views in the report.

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We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies, and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

**Business Performance:** Measuring economic profitability, growth, and operating efficiency.

**Risk:** Measuring business sustainability, volatility, strength, and consistency.

**Valuation:** Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of Economic Profit and cash flow.

We score and rank 24 key measurements of performance, risk, and value into relative market and industry investment recommendations.

## Glossary of Key Terms and Measures

**Excess Cash per Share:** Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities, less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.

**EBITDAR:** Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring, and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.

**NOPAT:** Net Operating Profit After Tax represents a company's after-tax cash operating Profit, excluding financing costs.

**Total Invested Capital:** Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of the company.

**Return on Capital:** Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.

**Cost of Capital:** Is the proportionately weighted cost of each category of capital – common equity, preferred equity, and debt.

**Economic Profit:** Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.

**Current Operations Value:** Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream, assuming it remains constant forever.

**Future Growth Value:** Future Growth Value is the portion of market value based on un-earned Economic Profit

## Risks to Investment Rating and Price Target

Multiple factors could negate or negatively impact a company's ability to meet our investment objectives and price target. Risks include but are not limited to material adverse impacts to a company's business plan, ability to execute its business objectives along with negative global and local economic impacts and industry disruptions. Other risks include increased competition from current or newly emerged competitors, changes in regulations and legislation that could negatively impact the company's business, and product malfunctions or failures to perform. Other risks include any unforeseen events that could adversely impact the company's operations, ability to sustain their business or cause product delays, and negatively impact ongoing operations.

### Specific Disclosures for the companies that are the subject of this report

| Company: | Disclosure: |
|---|---|
| Norwegian Cruise Line Holdings Ltd. (NCLH-US) | 14 |

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|---|---|
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