



**CARNIVAL**  
CORPORATION & PLC



**Outperforms Second Quarter and Raises Full Year 2024 Guidance**

**Second Quarter 2024 Earnings Presentation**

# Disclaimers, Forward Looking Statements and Responsibility

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) including, but not limited to, Adjusted EBITDA, Adjusted Net Income (loss), and certain ratios and metrics derived therefrom. These non-GAAP measures are supplemental measures that are not required by, and are not presented in accordance with, GAAP and we have presented these measures because we believe they are useful to investors in evaluating a company’s performance and/or ability to service and/or incur indebtedness. The items excluded from these measures are significant in assessing Carnival Corporation & plc’s operating results and liquidity and should not be construed as an inference that its future results will be unaffected by any such adjustments. Certain adjustments that are made in calculating these measures are based on assumptions and estimates that may prove to have been inaccurate. Therefore, these measures have limitations as analytical tools and should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Carnival’s presentation of these measures may not be comparable to similarly-titled measures used by other companies.

Some of the statements, estimates or projections contained in this document are “forward-looking statements” that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, operations, outlooks, plans, goals, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “depends,” “expect,” “goal,” “aspiration,” “anticipate,” “forecast,” “project,” “future,” “intend,” “plan,” “estimate,” “target,” “indicate,” “outlook,” and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Pricing
- Booking levels
- Occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Goodwill, ship and trademark fair values
- Liquidity and credit ratings
- Investment grade leverage metrics
- Estimates of ship depreciable lives and residual values
- Adjusted net income (loss)
- Adjusted EBITDA
- Adjusted earnings per share
- Adjusted free cash flow
- Net per diems
- Net yields
- Adjusted cruise costs per ALBD
- Adjusted cruise costs excluding fuel per ALBD
- Adjusted return on invested capital

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. These factors include, but are not limited to, the following:

- Events and conditions around the world, including geopolitical uncertainty, war and other military actions, inflation, higher fuel prices, higher interest rates and other general concerns impacting the ability or desire of people to travel have led, and may in the future lead, to a decline in demand for cruises as well as negative impacts to our operating costs and profitability.
- Pandemics have in the past and may in the future have a significant negative impact on our financial condition and operations.
- Incidents concerning our ships, guests or the cruise industry have in the past and may, in the future, negatively impact the satisfaction of our guests and crew and lead to reputational damage.
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-money laundering, anti-corruption, economic sanctions, trade protection, labor and employment, and tax may be costly and have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.
- Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.
- Inability to meet or achieve our targets, goals, aspirations, initiatives, and our public statements and disclosures regarding them, including those that are related to sustainability matters, may expose us to risks that may adversely impact our business.
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.
- The loss of key team members, our inability to recruit or retain qualified shoreside and shipboard team members and increased labor costs could have an adverse effect on our business and results of operations.
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.
- We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers may be unable to deliver on their commitments, which could negatively impact our business.
- Fluctuations in foreign currency exchange rates may adversely impact our financial results.
- Overcapacity and competition in the cruise and land-based vacation industry may negatively impact our cruise sales, pricing and destination options.
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.
- We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors, including those beyond our control, and we may not be able to generate cash required to service our debt and sustain our operations.
- Our substantial debt could adversely affect our financial health and operating flexibility.

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood. Additionally, many of these risks and uncertainties are currently, and in the future may continue to be, amplified by our substantial debt balance incurred during the pause of our guest cruise operations. There may be additional risks that we consider immaterial or which are unknown.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Forward-looking and other statements in this document may also address our sustainability progress, plans, and goals (including climate change and environmental-related matters). In addition, historical, current, and forward-looking sustainability- and climate-related statements may be based on standards and tools for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions and predictions that are subject to change in the future and may not be generally shared.

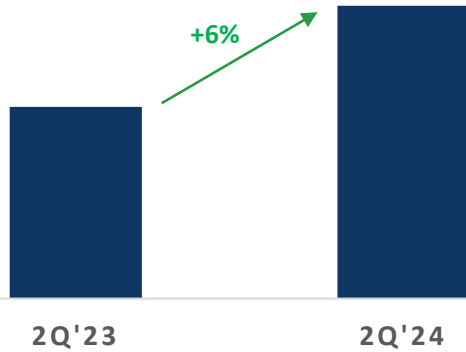
# Record Breaking Second Quarter

- ✓ Record Revenues
- ✓ Record Operating Income
- ✓ Record Booking Levels
- ✓ Record Customer Deposits

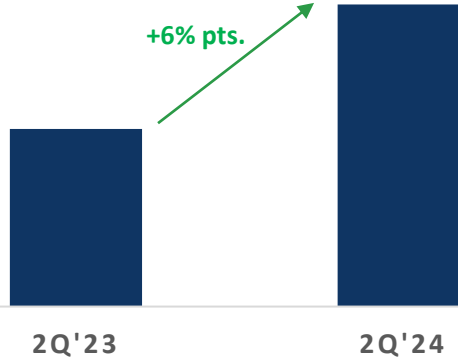


# Record Revenues

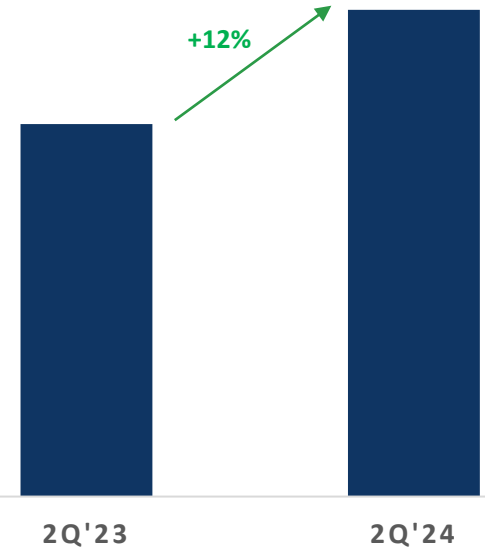
## Net Per Diems



## Occupancy



## Net Yields



Fourth consecutive quarter of record net yields and sixth consecutive quarter of record net per diems

# Outperformed Second Quarter Guidance On Every Measure...



2Q 2024	Guidance	Actual
Net yields vs 2023	Approx. 10.5%	<b>12.2%</b>
Adj cruise costs exc. fuel per ALBD vs 2023	Approx. 3.0%	<b>(0.2%)</b>
Adj EBITDA	Approx. \$1.05B	<b>\$1.20B</b>
Adj net income/(loss)	Approx. (\$35M)	<b>\$134M</b>
Adj earnings per share - diluted	Approx. (\$0.03)	<b>\$0.11</b>

**Adj EBITDA per ALBD reached the highest 2Q mark in over 15 years**

## ...Taking Up Full Year 2024 Guidance *AGAIN*

Full Year 2024	Mar Guidance	Jun Guidance
Net yields vs 2023	Approx. 9.5%	<b>Approx. 10.25%</b>
Adj cruise costs exc. fuel per ALBD vs 2023	Approx. 5.0%	<b>Approx. 4.5%</b>
Adj EBITDA	Approx. \$5.63B	<b>Approx. \$5.83B</b>
Adj net income/(loss)	Approx. \$1.28B	<b>Approx. \$1.55B</b>
Adj earnings per share - diluted	Approx. \$0.98	<b>Approx. \$1.18</b>

**\$275M net income increase in full year 2024 guidance**

**Adj ROIC for 2024 set to reach 10%**

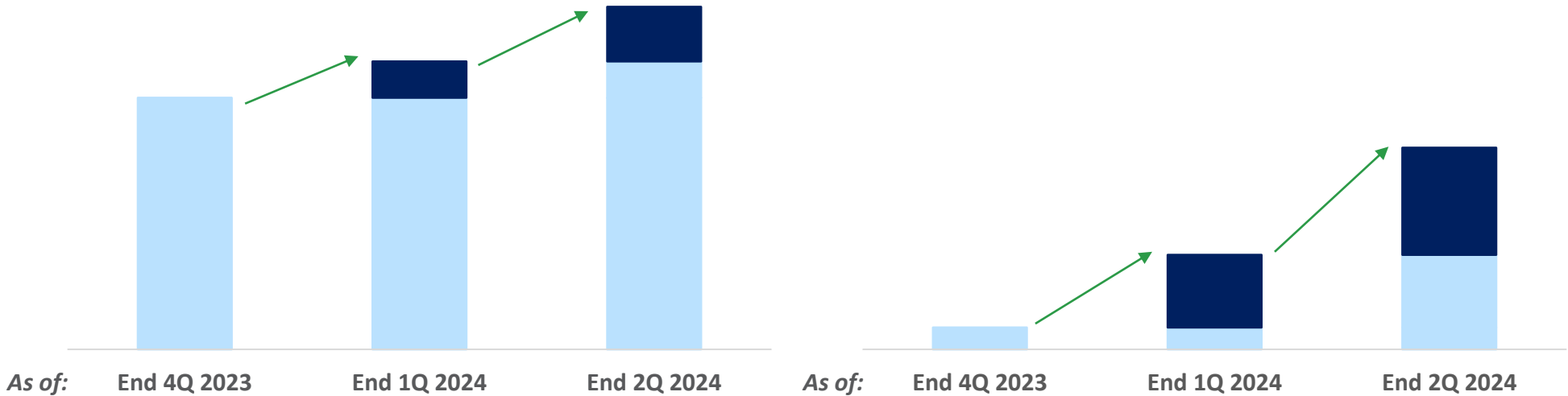
# Executing on Our Yield Management Strategy – Base Loading Supports Ongoing Price Improvement

## Price Improvement in Booked Position vs. Prior Year

■ = Improvement vs. Prior Quarter

3Q 2024 Sailings

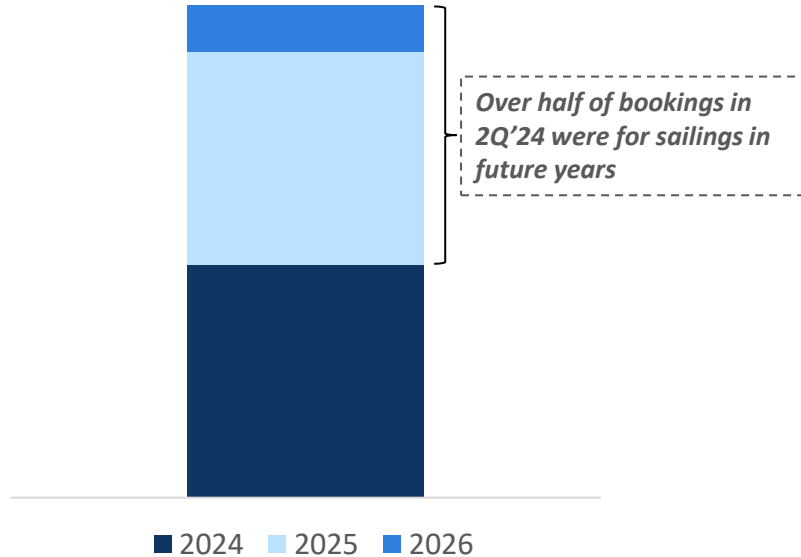
4Q 2024 Sailings



Booking activity during 2Q at considerably higher prices for 3Q and 4Q vs. prior year

# Unprecedented Level of Demand for 2025

Volumes  
2Q 2024 Booking Activity



## 2025 Booked Position vs. Prior Year

- ✓ Ahead on Price
- ✓ Ahead on Occupancy
- ✓ Less inventory remaining for sale

Strong demand with flat capacity growth translates into meaningful pricing power



# Our Focus on Improved Commercial Execution Continues to Drive Cruise Consideration and Demand

New-to-Cruise and Repeat Guests both up 10% vs. 2Q 2023

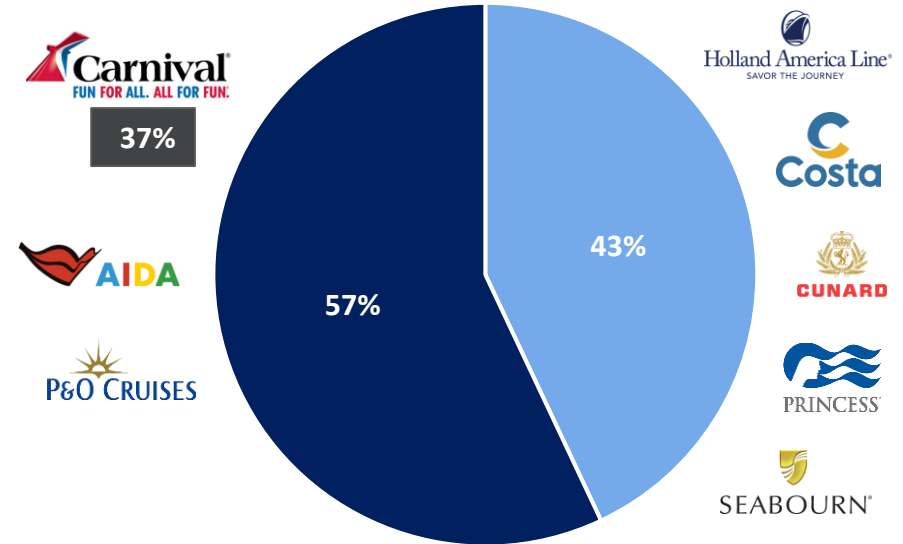
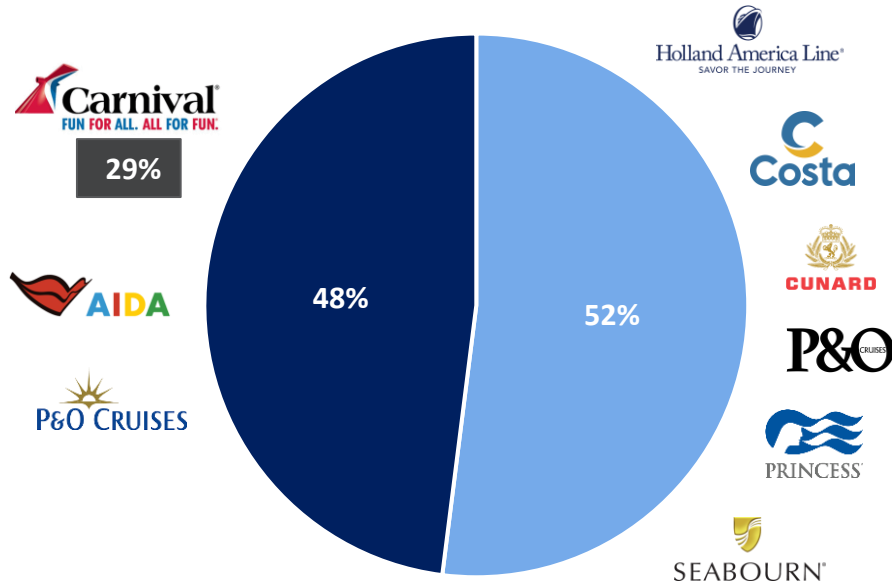


# Actively Managing the Portfolio Towards Our Highest Returning Brands

## Capacity Evolution as a % of Our Total Fleet

2019: 245k Total Lower Berths

2028: 283k Total Lower Berths



Consolidating P&O Cruises (Australia) into Carnival Cruise Line in 2025

# Welcomed Queen Anne

Cunard's First New Ship in 14 Years

Historic Naming Celebration in Liverpool, Cunard's Spiritual Home

First Time in History an Entire City Christened a Ship





# Welcomed Sun Princess

Princess Cruises' Most Innovative Ship





# Welcomed Carnival Firenze

Bringing Fun Italian Style to the West Coast



# Completion of Starlink Rollout is a Win-Win-Win

Quadruples our fleetwide bandwidth rivalling on-land connectivity

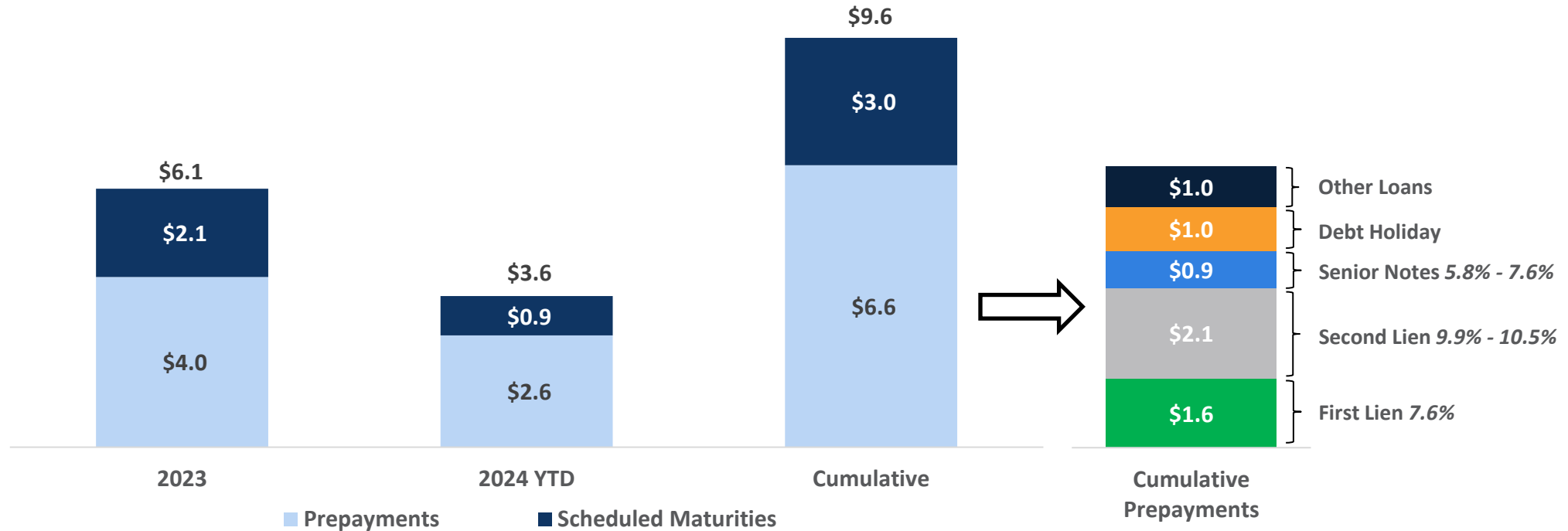


- ✓ Provides our guests with more flexibility to stay as connected as they'd like on vacation
- ✓ Allows our crew to stay in touch with friends and loved ones
- ✓ Enhances our onboard operational systems

All alongside revenue uplift

# Made Cumulative Debt Payments of ~\$10B Incl. ~\$7B of Prepayments

Scheduled Maturities and Prepayments  
*In Billions*

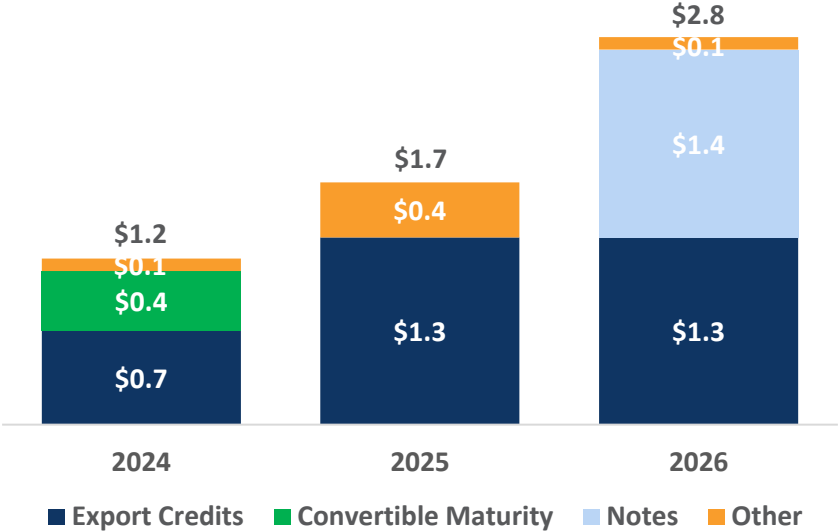


Opportunistically prepaying above average interest rate debt to improve the balance sheet and reduce interest expense

# Manageable Near-Term Debt Maturity Profile



**Maturity Schedule<sup>(a)</sup>**  
*Total Principal Repayments (In Billions)*



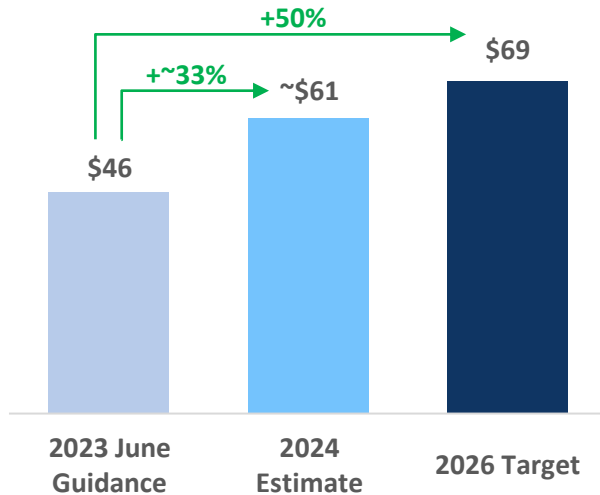
**Substantial free cash flow and lowest newbuild orderbook in decades to improve leverage metrics and balance sheet**

*(a) Outstanding debt maturities as of May 31, 2024; excludes impact of undrawn export credits*

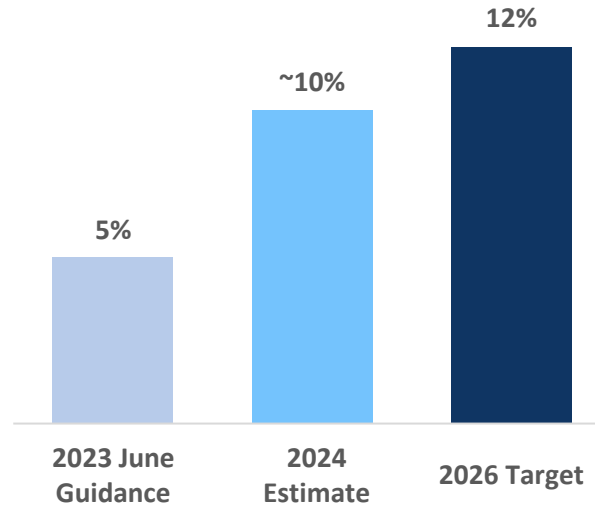


# Ahead of Schedule On Achieving Our 2026 SEA Change Targets

## Adj EBITDA per ALBD

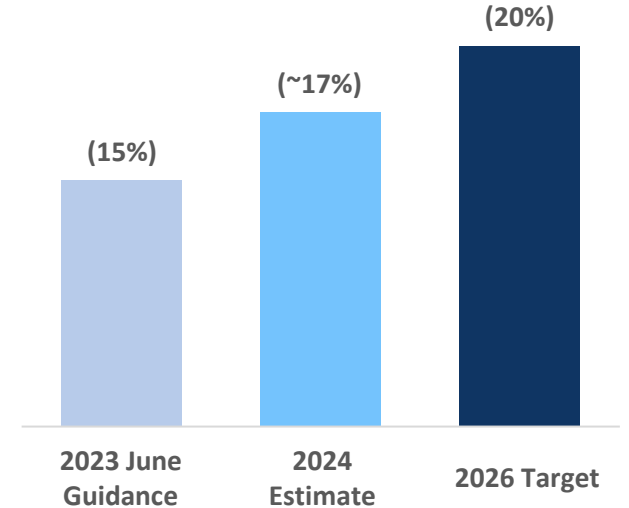


## Adj ROIC



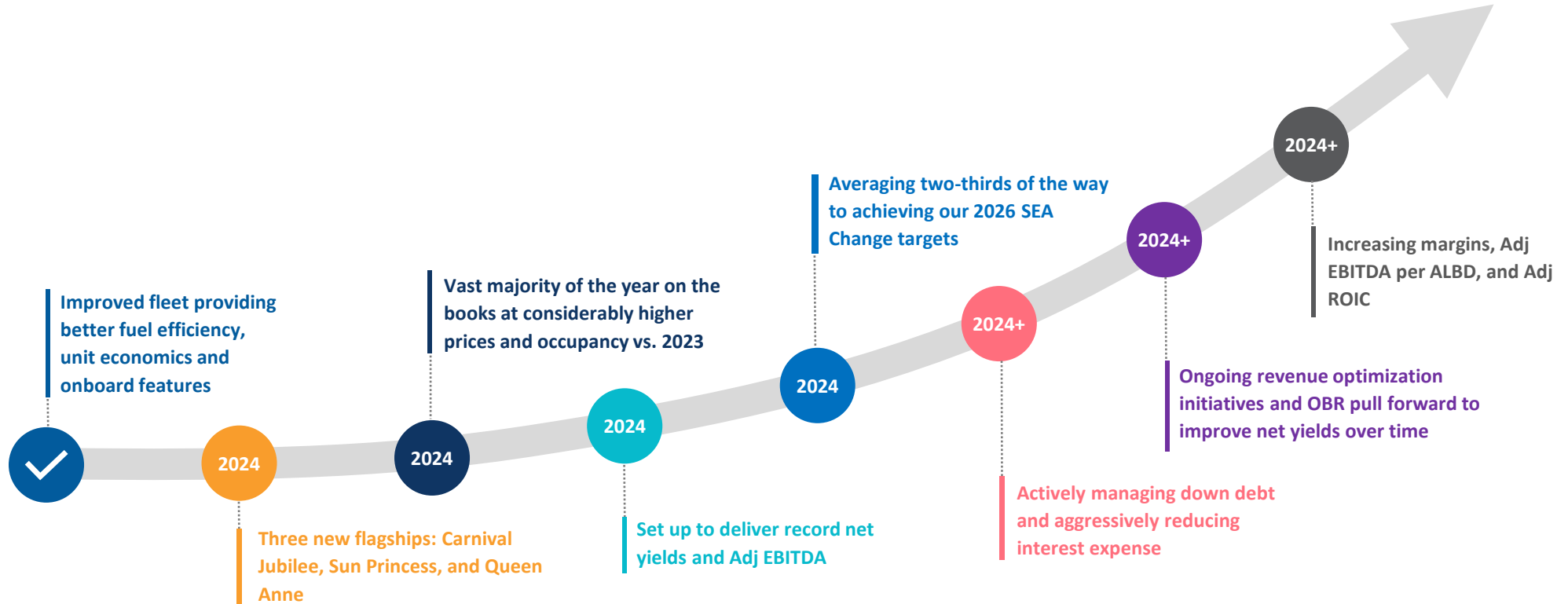
## Greenhouse Gas Intensity (Reduction)

*In Tons Per Berth Day vs. 2019*



Averaging two-thirds of the way there across the three metrics after just one year

# Turning Our Attention to Delivering an Even Stronger 2025, Building on a Strong 2024



Creating value for all our stakeholders and delivering unforgettable vacations to our guests



Appendix

# Capacity by Market – 2024

<i>As of 2024 June Guid</i>	1Q	2Q	3Q	4Q	Full Year
Caribbean	46%	34%	26%	30%	34%
Northern Europe	10%	15%	24%	17%	17%
Mediterranean	4%	12%	20%	18%	14%
Australia/New Zealand	11%	7%	3%	7%	7%
Alaska	0%	4%	16%	5%	6%
Other Programs	30%	28%	11%	24%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## *Sustainable From Ship to Shore*

### Climate Action

Improving ship energy efficiency and investing in low and zero carbon emission technologies

### Circular Economy

Minimizing waste and maximizing reuse

### Good Health & Well-Being

Expanding and encouraging employee well-being programs

### Sustainable Tourism

Respecting and helping maintain the culture, history and natural resources of the places we travel to

### Biodiversity & Conversation

Investing in programs to help maintain and improve ecosystems

### Diversity, Equity & Inclusion

Providing an inclusive and supportive work environment

Our 2030 goals and 2050 aspirations, centered on our 6 priority areas, continue to guide our sustainability strategy

	3Q 2024		Full Year 2024	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Year over year change				
Net yields	Approx. 8.0%	Approx. 8.0%	Approx. 10.5%	Approx. 10.25%
Adjusted cruise costs excluding fuel per ALBD	Approx. 4.5%	Approx. 4.5%	Approx. 4.75%	Approx. 4.5%
			3Q 2024	Full Year 2024
ALBDs (in millions) (a)			25.2	95.7
Capacity growth compared to prior year			6.2 %	4.8 %
Fuel consumption in metric tons (in millions)			0.7	3.0
Fuel cost per metric ton consumed (excluding European Union Allowance ("EUA"))			\$ 675	\$ 675
Fuel expense (including EUA expense) (in billions)			\$ 0.52	\$ 2.04
Depreciation and amortization (in billions)			\$ 0.66	\$ 2.58
Interest expense, net of capitalized interest and interest income (in billions)			\$ 0.42	\$ 1.69
Adjusted EBITDA (in billions)			Approx. \$2.66	Approx. \$5.83
Adjusted net income (loss) (in billions)			Approx. \$1.58	Approx. \$1.55
Adjusted earnings per share - diluted (b)			Approx. \$1.15	Approx. \$1.18
Weighted-average shares outstanding - basic			1,267	1,273
Weighted-average shares outstanding - diluted			1,399	1,398

(a) See "Notes to Statistical Information"

(b) Diluted adjusted earnings per share includes the add-back of dilutive interest expense related to the company's convertible notes of \$25 million and \$94 million for the third quarter of 2024 and full year 2024.

Currencies (USD to 1)	3Q 2024	Full Year 2024
AUD	\$ 0.66	\$ 0.66
CAD	\$ 0.73	\$ 0.73
EUR	\$ 1.07	\$ 1.08
GBP	\$ 1.27	\$ 1.27
Sensitivities (impact to adjusted net income (loss) in millions)	3Q 2024	Remainder of 2024
1% change in net yields	\$ 54	\$ 97
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 26	\$ 53
1% change in currency exchange rates	\$ 10	\$ 15
10% change in fuel price	\$ 50	\$ 98
100 basis point change in variable rate debt (including derivatives)	—	\$ 23

#### Capital Expenditures

For the remainder of 2024, contracted newbuild capital expenditures are \$0.1 billion and non-newbuild capital expenditures are \$1.0 billion. These future capital expenditures will fluctuate with foreign currency movements relative to the U.S. Dollar. In addition, these figures do not include potential stage payments for ship orders that the company may place in the future.

# Non-GAAP Financial Measures

We use non-GAAP financial measures and they are provided along with their most comparative U.S. GAAP financial measure:

Non-GAAP Measure	U.S. GAAP Measure	Use Non-GAAP Measure to Assess
<ul style="list-style-type: none"> <li>Adjusted net income (loss) and adjusted EBITDA</li> </ul>	<ul style="list-style-type: none"> <li>Net income (loss)</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted earnings per share</li> </ul>	<ul style="list-style-type: none"> <li>Earnings per share</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted free cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Cash from (used in) operations</li> </ul>	<ul style="list-style-type: none"> <li>Impact on Liquidity Level</li> </ul>
<ul style="list-style-type: none"> <li>Net per diems</li> </ul>	<ul style="list-style-type: none"> <li>Gross margin per diems</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Net yields</li> </ul>	<ul style="list-style-type: none"> <li>Gross margin yields</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD</li> </ul>	<ul style="list-style-type: none"> <li>Gross cruise costs per ALBD</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Segments Performance</li> </ul>
<ul style="list-style-type: none"> <li>Adjusted ROIC</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>	<ul style="list-style-type: none"> <li>Company Performance</li> </ul>

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as a substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Adjusted net income (loss) and adjusted earnings per share provide additional information to us and investors about our future earnings performance by excluding certain gains, losses and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. We believe that gains and losses on ship sales, impairment charges, debt extinguishment and modification costs, restructuring costs and certain other gains and losses are not part of our core operating business and are not an indication of our future earnings performance.

Adjusted EBITDA provides additional information to us and investors about our core operating profitability by excluding certain gains, losses and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance as well as excluding interest, taxes and depreciation and amortization. In addition, we believe that the presentation of adjusted EBITDA provides additional information to us and investors about our ability to operate our business in compliance with the covenants set forth in our debt agreements. We define adjusted EBITDA as adjusted net income (loss) adjusted for (i) interest, (ii) taxes and (iii) depreciation and amortization. There are material limitations to using adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income (loss). These limitations are best addressed by considering the economic effects of the excluded items independently and by considering adjusted EBITDA in conjunction with net income (loss) as calculated in accordance with U.S. GAAP.

Adjusted free cash flow provides additional information to us and investors to assess our ability to repay our debt after making the capital investments required to support ongoing business operations and value creation as well as the impact on the company's liquidity level. Adjusted free cash flow represents net cash provided by operating activities adjusted for capital expenditures (purchases of property and equipment) and proceeds from export credits that are provided for related capital expenditures. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt.

Net per diems and net yields enable us and investors to measure the performance of our cruise segments on a per PCD and per ALBD basis. We use adjusted gross margin rather than gross margin to calculate net per diems and net yields. We believe that adjusted gross margin is a more meaningful measure in determining net per diems and net yields than gross margin because it reflects the cruise revenues earned net of only our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit and debit card fees.

# Non-GAAP Financial Measures (cont'd)

Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD enable us and investors to separate the impact of predictable capacity or ALBD changes from price and other changes that affect our business. We believe these non-GAAP measures provide useful information to us and investors and expanded insight to measure our cost performance. Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD are the measures we use to monitor our ability to control our cruise segments' costs rather than cruise costs per ALBD. We exclude gains and losses on ship sales, impairment charges, restructuring costs and certain other gains and losses that we believe are not part of our core operating business as well as excluding our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit and debit card fees. We exclude fuel expense to calculate adjusted cruise costs excluding fuel. The price of fuel, over which we have no control, impacts the comparability of period-to-period cost performance. The adjustment to exclude fuel provides us and investors with supplemental information to understand and assess the company's non-fuel adjusted cruise cost performance. Substantially all of our adjusted cruise costs excluding fuel are largely fixed, except for the impact of changing prices once the number of ALBDs has been determined.

Adjusted ROIC provides additional information to us and investors about our operating performance relative to the capital we have invested in the company. We define adjusted ROIC as the twelve-month adjusted net income (loss) before interest expense and interest income divided by the monthly average of debt plus equity minus construction-in-progress, excess cash, goodwill and intangibles.

## Reconciliation of Forecasted Data

We have not provided a reconciliation of forecasted non-GAAP financial measures to the most comparable U.S. GAAP financial measures because preparation of meaningful U.S. GAAP forecasts would require unreasonable effort. We are unable to predict, without unreasonable effort, the future movement of foreign exchange rates and fuel prices. We are unable to determine the future impact of gains and losses on ship sales, impairment charges, debt extinguishment and modification costs, restructuring costs and certain other non-core gains and losses.

## Constant Currency

Our operations primarily utilize the U.S. dollar, Australian dollar, euro and sterling as functional currencies to measure results and financial condition. Functional currencies other than the U.S. dollar subject us to foreign currency translational risk. Our operations also have revenues and expenses that are in currencies other than their functional currency, which subject us to foreign currency transactional risk.

Constant currency reporting removes the impact of changes in exchange rates on the translation of our operations plus the transactional impact of changes in exchange rates from revenues and expenses that are denominated in a currency other than the functional currency.

We report adjusted gross margin, net yields, net per diems, adjusted cruise costs excluding fuel and adjusted cruise costs excluding fuel per ALBD on a "constant currency" basis assuming the current periods' currency exchange rates have remained constant with the prior periods' rates. These metrics facilitate a comparative view for the changes in our business in an environment with fluctuating exchange rates.

## Examples:

- The translation of our operations with functional currencies other than U.S. dollar to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies.
- Our operations have revenue and expense transactions in currencies other than their functional currency. If their functional currency strengthens against these other currencies, it reduces the functional currency revenues and expenses. If the functional currency weakens against these other currencies, it increases the functional currency revenues and expenses.



# Reconciliation of Non-GAAP Financial Measures

	Three Months Ended May 31,		Six Months Ended May 31,	
	2024	2023	2024	2023
<i>(in millions, except per share data)</i>				
<b>Net income (loss)</b>	\$ 92	\$ (407)	\$ (123)	\$ (1,100)
(Gains) losses on ship sales and impairments	—	(45)	—	(54)
Debt extinguishment and modification costs	33	31	66	31
Restructuring expenses	10	15	11	15
Other	—	11	—	23
<b>Adjusted net income (loss)</b>	\$ 134	\$ (395)	\$ (46)	\$ (1,085)
Interest expense, net of capitalized interest	450	542	921	1,082
Interest income	(25)	(69)	(58)	(124)
Income tax benefit (expense), net	5	5	5	13
Depreciation and amortization	634	597	1,247	1,179
<b>Adjusted EBITDA</b>	\$ 1,197	\$ 681	\$ 2,068	\$ 1,063
<b>Earnings per share - diluted (a)</b>	\$ 0.07	\$ (0.32)	\$ (0.10)	\$ (0.87)
<b>Adjusted earnings per share - diluted (a)</b>	\$ 0.11	\$ (0.31)	\$ (0.04)	\$ (0.86)
<b>Weighted-average shares outstanding - diluted</b>	1,271	1,263	1,265	1,261

(a) The company's convertible notes are antidilutive to the three and six months ended May 31, 2024 and therefore are not included in the calculation of diluted earnings per share.

	Three Months Ended May 31,		Six Months Ended May 31,	
	2024	2023	2024	2023
<i>(in millions)</i>				
<b>Cash from (used in) operations</b>	\$ 2,040	\$ 1,136	\$ 3,807	\$ 1,525
Capital expenditures (Purchases of Property and Equipment)	(1,318)	(697)	(3,457)	(1,772)
Proceeds from export credits	579	186	2,314	1,016
<b>Adjusted free cash flow</b>	\$ 1,300	\$ 625	\$ 2,664	\$ 769

	Three Months Ended May 31,			Six Months Ended May 31,		
	2024	2024 Constant Currency	2023	2024	2024 Constant Currency	2023
<i>(in millions, except costs per ALBD data)</i>						
<b>Cruise and tour operating expenses</b>	\$ 3,798		\$ 3,457	\$ 7,502		\$ 6,768
Selling and administrative expenses	789		736	1,603		1,448
Less: Tour and other expenses	(49)		(54)	(69)		(77)
<b>Cruise costs</b>	4,538		4,140	9,036		8,139
Less: Commissions, transportation and other	(732)		(619)	(1,552)		(1,274)
Onboard and other costs	(628)		(549)	(1,178)		(1,033)
Gains (losses) on ship sales and impairments	—		45	—		54
Restructuring expenses	(10)		(15)	(11)		(15)
Other	—		—	—		—
<b>Adjusted cruise costs</b>	3,167	3,169	3,002	6,296	6,284	5,871
Less: Fuel	(525)	(525)	(489)	(1,030)	(1,030)	(1,024)
<b>Adjusted cruise costs excluding fuel</b>	\$ 2,642	\$ 2,644	\$ 2,513	\$ 5,266	\$ 5,254	\$ 4,847
<b>ALBDs</b>	23.5	23.5	22.3	46.5	46.5	44.3
<b>Cruise costs per ALBD</b>	\$ 193.16		\$ 185.74	\$ 194.37		\$ 183.51
% increase (decrease)	4.0 %			5.9 %		
<b>Adjusted cruise costs per ALBD</b>	\$ 134.83	\$ 134.91	\$ 134.69	\$ 135.42	\$ 135.16	\$ 132.37
% increase (decrease)	0.1 %	0.2 %		2.3 %	2.1 %	
<b>Adjusted cruise costs excluding fuel per ALBD</b>	\$ 112.46	\$ 112.54	\$ 112.76	\$ 113.27	\$ 113.00	\$ 109.29
% increase (decrease)	(0.3)%	(0.2)%		3.6 %	3.4 %	

# Reconciliation of Net Yields and Net Per Diems

<i>(in millions, except per diems and yields data)</i>	Three Months Ended May 31,			Six Months Ended May 31,		
	2024	2024 Constant Currency	2023	2024	2024 Constant Currency	2023
Total revenues	\$ 5,781		\$ 4,911	\$ 11,187		\$ 9,343
Less: Cruise and tour operating expenses	(3,798)		(3,457)	(7,502)		(6,768)
Depreciation and amortization	(634)		(597)	(1,247)		(1,179)
<b>Gross margin</b>	1,350		856	2,438		1,397
Less: Tour and other revenues	(37)		(35)	(41)		(44)
Add: Payroll and related	614		601	1,237		1,183
Fuel	525		489	1,030		1,024
Food	360		325	706		636
Ship and other impairments	—		—	—		—
Other operating	938		875	1,800		1,619
Depreciation and amortization	634		597	1,247		1,179
<b>Adjusted gross margin</b>	<u>\$ 4,384</u>	<u>\$ 4,386</u>	<u>\$ 3,708</u>	<u>\$ 8,416</u>	<u>\$ 8,399</u>	<u>\$ 6,992</u>
<b>PCDs</b>	24.3	24.3	21.8	47.8	47.8	42.0
<b>Gross margin per diems (per PCD)</b>	\$ 55.45		\$ 39.21	\$ 50.97		\$ 33.26
% increase (decrease)	41 %			53 %		
<b>Net per diems (per PCD)</b>	\$ 180.11	\$ 180.21	\$ 169.77	\$ 175.95	\$ 175.57	\$ 166.50
% increase (decrease)	6.1 %	6.1 %		5.7 %	5.4 %	
<b>ALBDs</b>	23.5	23.5	22.3	46.5	46.5	44.3
<b>Gross margin yields (per ALBD)</b>	\$ 57.45		\$ 38.43	\$ 52.45		\$ 31.49
% increase (decrease)	49 %			67 %		
<b>Net yields (per ALBD)</b>	\$ 186.60	\$ 186.70	\$ 166.38	\$ 181.04	\$ 180.65	\$ 157.67
% increase (decrease)	12 %	12 %		15 %	15 %	