

Record First Quarter Revenues and All-Time Record Booking Levels



CARNIVAL
CORPORATION & PLC



First 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. 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. 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.

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 Start to the Year

1Q 2024

- ✓ Record Revenues
- ✓ Record Bookings
- ✓ Record Customer Deposits



Outperformed First Quarter Guidance On Every Measure...

1Q 2024	Guidance	Actual
Net yields vs 2023	Approx. 16.5%	17.2%
Adj cruise costs exc. fuel per ALBD vs 2023	Approx. 9.5%	7.3%
Adj EBITDA	Approx. \$800M	\$871M
Adj net income/(loss)	Approx. (\$280M)	(\$180M)
Adj earnings per share - diluted	Approx. (\$0.22)	(\$0.14)

Driven by continued strength in demand pushing ticket prices higher

...Taking Up Full Year 2024 Guidance

Francis Scott Key Bridge in Baltimore: Given the timing of yesterday's event in Baltimore and the temporary change in homeport, our guidance does not include the current estimated impact of up to \$10 million on both Adj. EBITDA and Adj. Net Income for the full year 2024.

Full Year 2024	Dec Guidance	Mar Guidance
Net yields vs 2023	Approx. 8.5%	Approx. 9.5%
Adj cruise costs exc. fuel per ALBD vs 2023	Approx. 4.5%	Approx. 5.0% <i>Approx. 4.5% + 0.5% from Red Sea Loss of ALBDs Impact</i>
Adj EBITDA	Approx. \$5,600M	Approx. \$5,630M
Adj net income/(loss)	Approx. \$1,200M	Approx. \$1,280M
Adj earnings per share - diluted	Approx. \$0.93	Approx. \$0.98

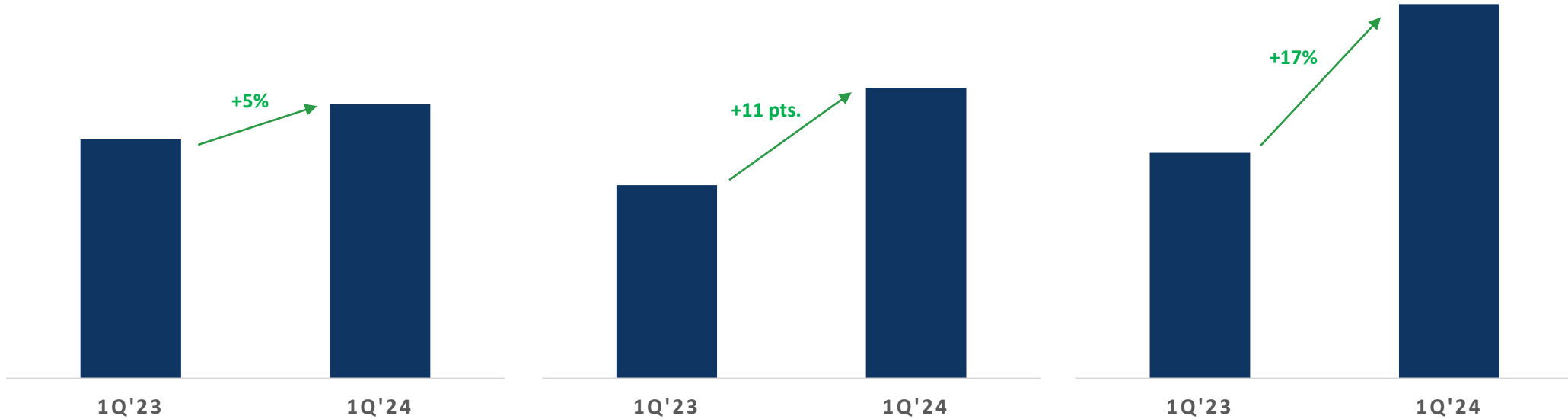
Delivering over one point of incremental yield improvement positioning for nearly double-digit yield growth in 2024

Record Net Yields and Net Per Diems

Net Per Diems

Occupancy

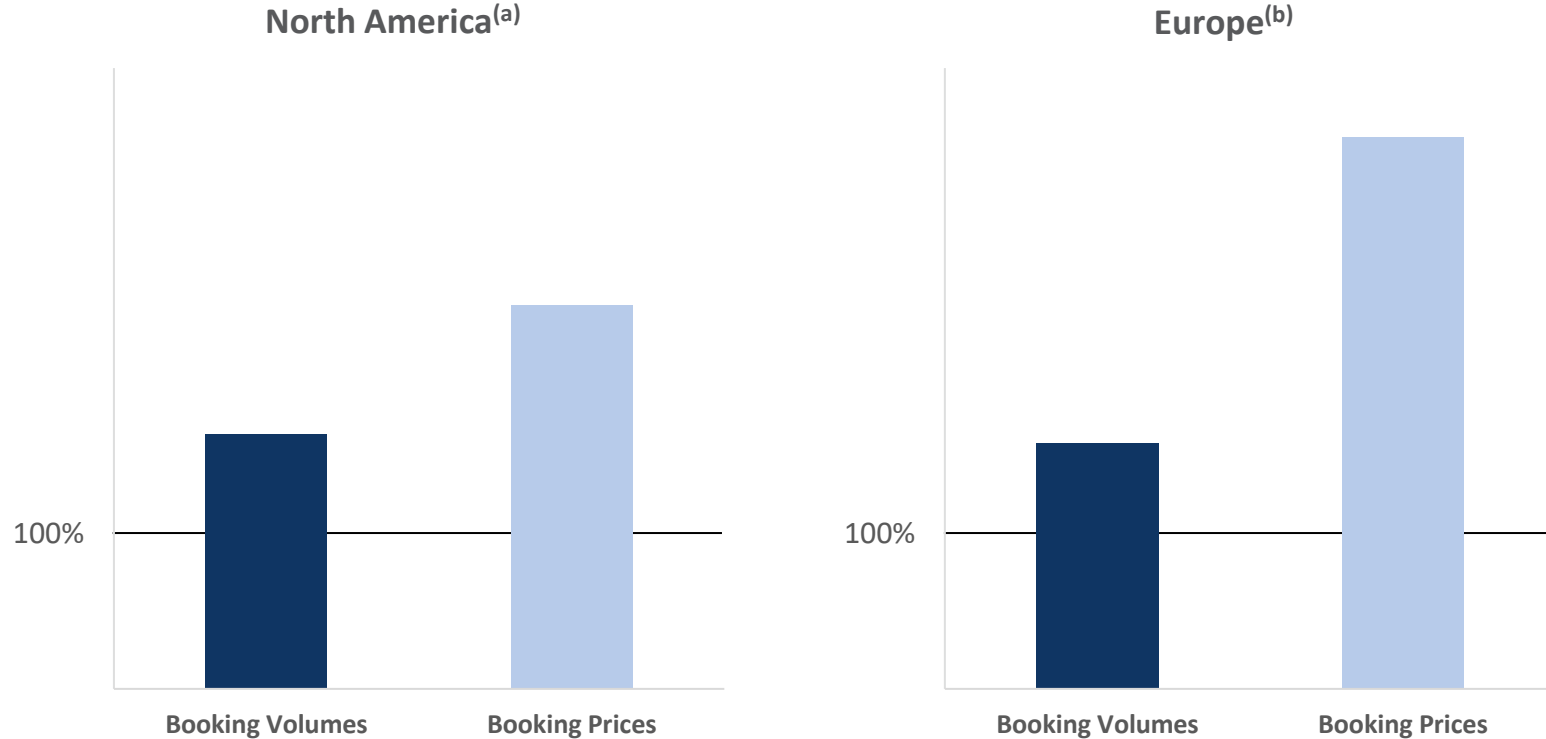
Net Yields



Third consecutive quarter of record net yields and fifth consecutive quarter of record net per diems

All-Time High Booking Volumes at Considerably Higher Prices

1Q 2024 as a % of 1Q 2023



We topped last year's records with Europe brands a meaningful driver of our improved outlook

Note: Booking volumes are on all future sailings and booking prices are on remaining 2024 sailings

(a) Guests sourced for our NAA brands

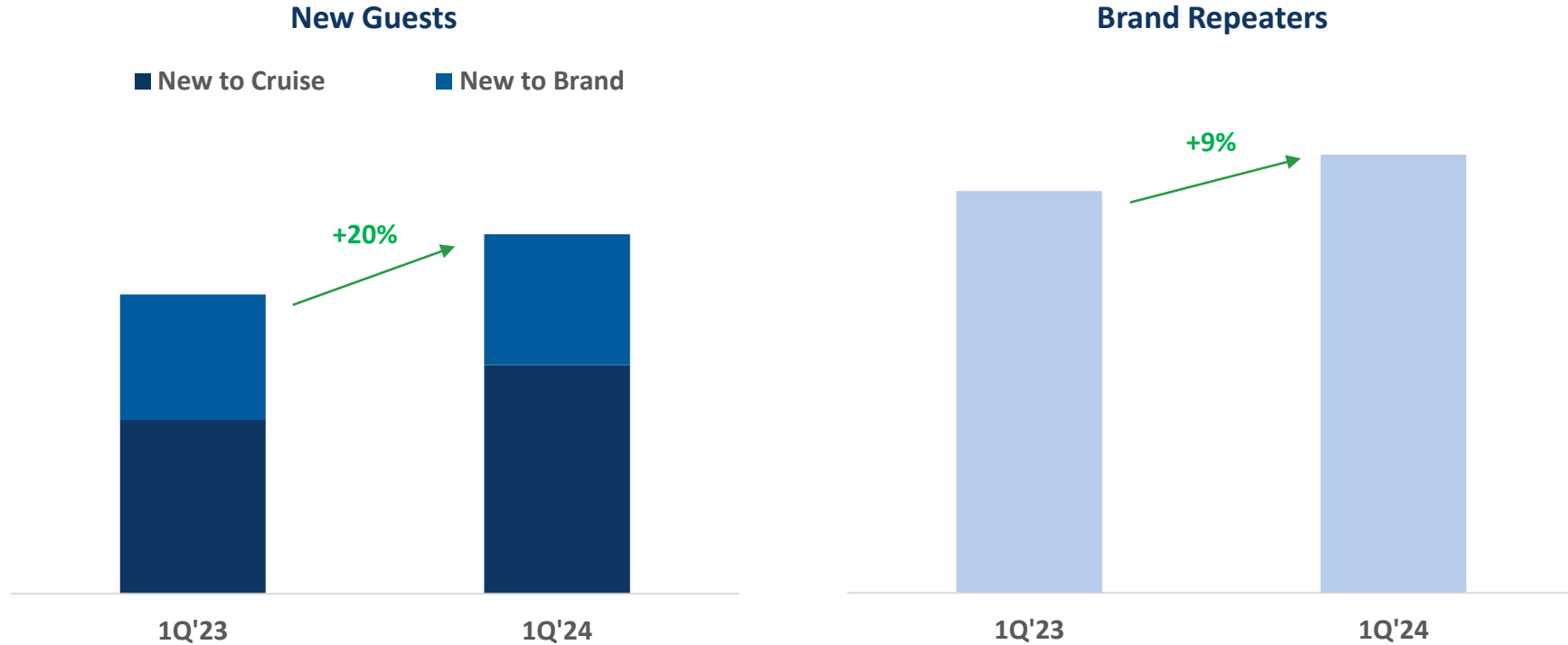
(b) Guests sourced for our European brands

Celebration Key™



**Creating More Consideration and Demand in All Source Markets
Across Our Well-Balanced Portfolio**

Demand Generation Efforts Capturing New Guests

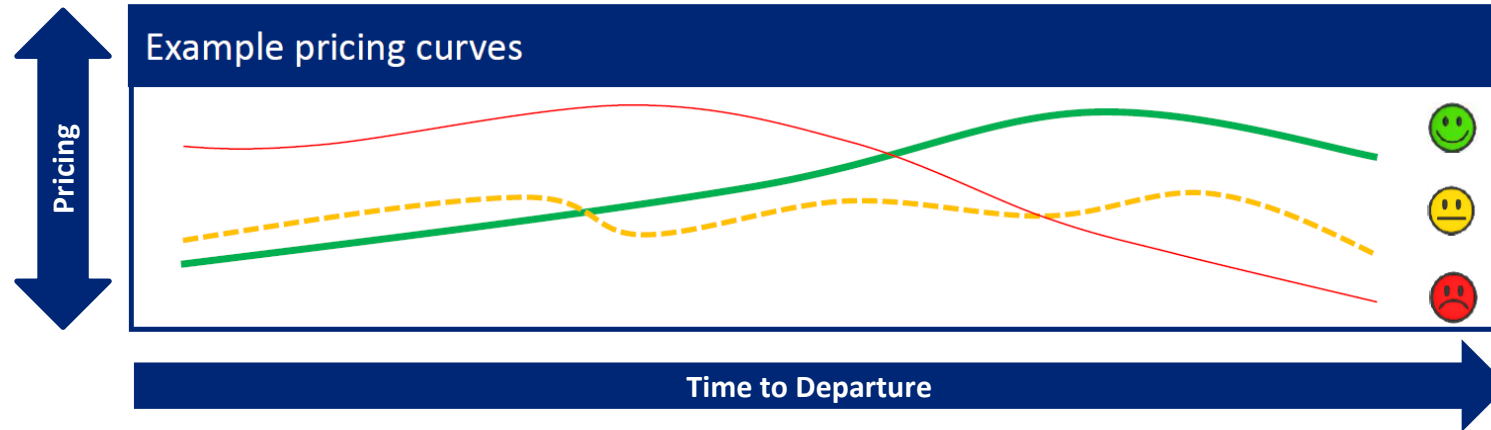


Growth in new guests sailed is over twice the rate as brand repeaters

More new guests sailed than ever before and our base of repeat guests exceeded strong 2023 levels

Executing on Our Yield Management Strategy...

Yield Management Strategy	Our Actual Results
<ul style="list-style-type: none"> • Base load bookings • Extend the booking curve • Support higher overall pricing 	<ul style="list-style-type: none"> • Booked position at significantly higher prices • Longest booking curve on record • Record net yields



...and rolling out enhancements to YODA, our yield management tool, which will continue to pay dividends

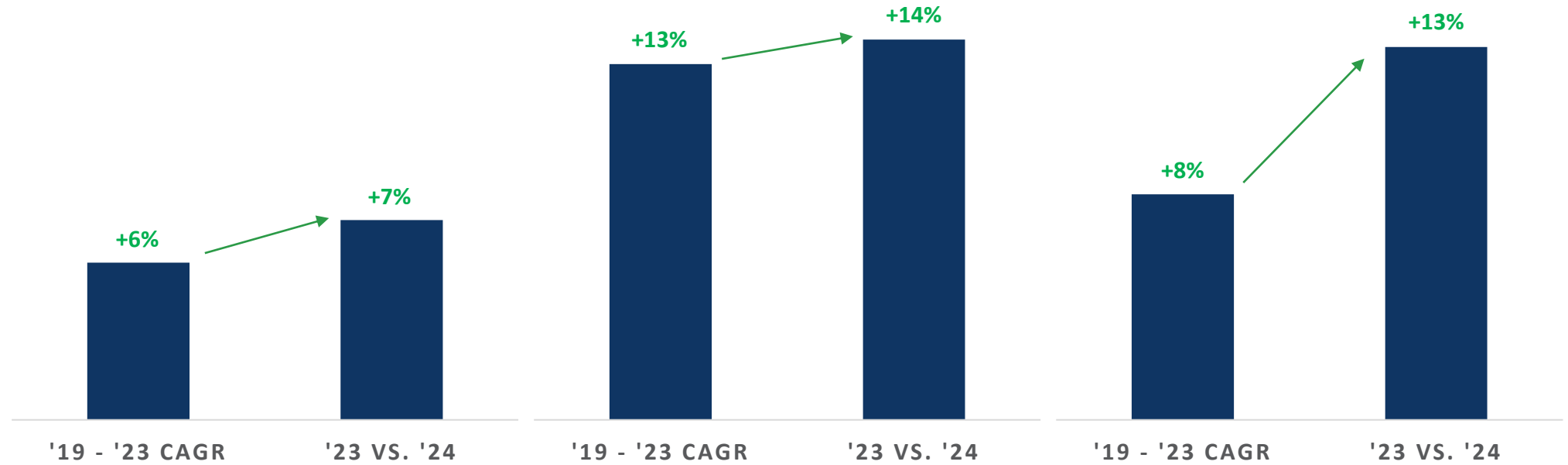
Pre-Cruise Onboard Revenue Growth Continues to Accelerate

Pre-Cruise Sales Growth for 1Q

% of Guests with Pre-Cruise Sales

Pre-Cruise Onboard Revenue per PCD^(a)

% of Onboard Revenue Sold Pre-Cruise^(a)



'19 - '23 Growth	+24%	+61%	+36%
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(a) In constant dollars

Three Fantastic New Ships...



Carnival Jubilee



Sun Princess





Queen Anne

The Fourth Queen

Coming 2Q 2024

Continuing to Invest in the Existing Fleet

AIDA Evolution

- *Largest modernization program in brand's history*
- *Designed to deliver meaningful revenue uplift*



First Newbuild Orders in Five Years



AIDAnova (2018)



Costa Smeralda (2019)



Iona (2020)



Mardi Gras (2020)



Carnival Celebration (2022)



AIDAcosma (2021)



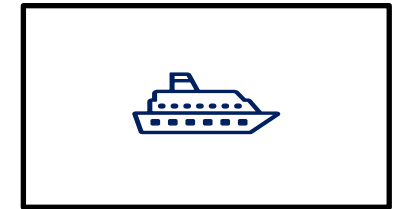
Costa Toscana (2021)



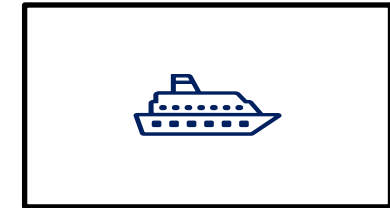
Arvia (2022)



Carnival Jubilee (2024)



Further leveraging our highly successful Excel platform across 10th and 11th ships

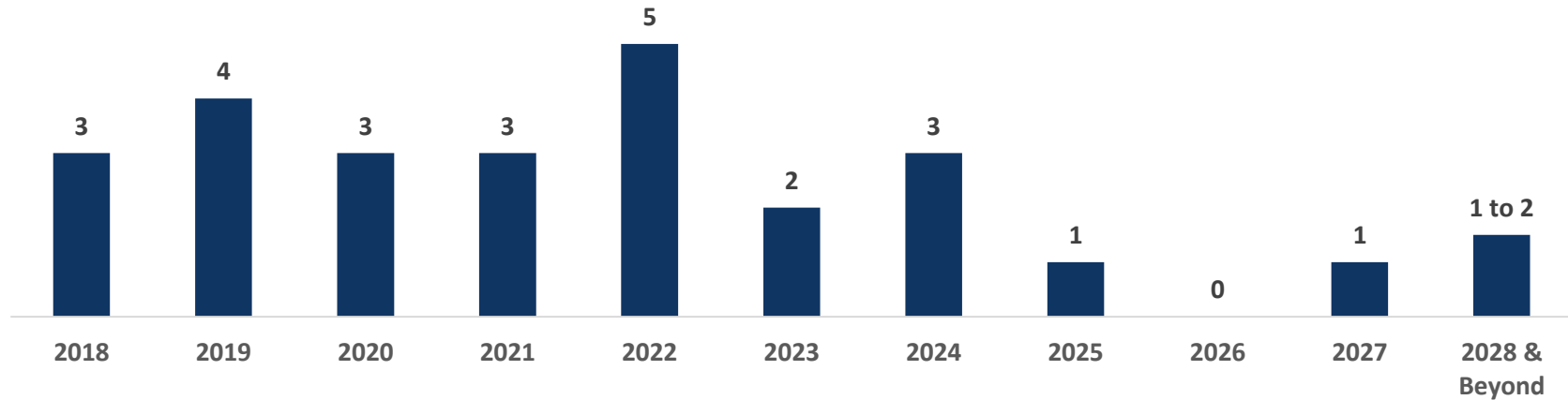


CCL Newbuild (2028)

Strategically Managing Capacity Growth

- Our strong demand alongside lower capacity growth supports further yield improvements
- Significantly reduced newbuild capital commitment provides headroom for deleveraging

Ship Deliveries by Fiscal Year



Celebration Key™ – Our Game Changing Asset

[Stepping up our advertising efforts \(Click on each photo below!\)](#)

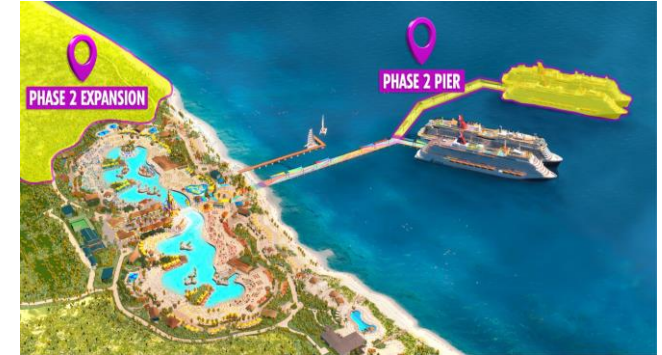
NFL Field Takeover



Shaq TV Spot



Pier Extension



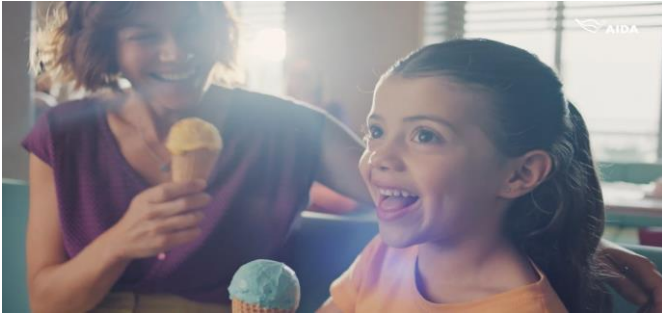
- Planned to welcome 18 Carnival Cruise Line ships departing from 10 ports in July 2025
- Unmatched guest experience set to deliver ticket revenue uplift as well as incremental in-port spending
- Expecting considerable fuel savings as it will be the closest destination of our 7 owned and operated ports in the Caribbean
- Recently announced pier extension will berth two additional ships in future years

Brand Marketing Campaigns Launched Across All Major European Brands

[Click on each photo below!](#)



["Experience Yourself Differently"](#)



["Holiday Like Never Before"](#)



["Wonder Can Leave You Speechless"](#)

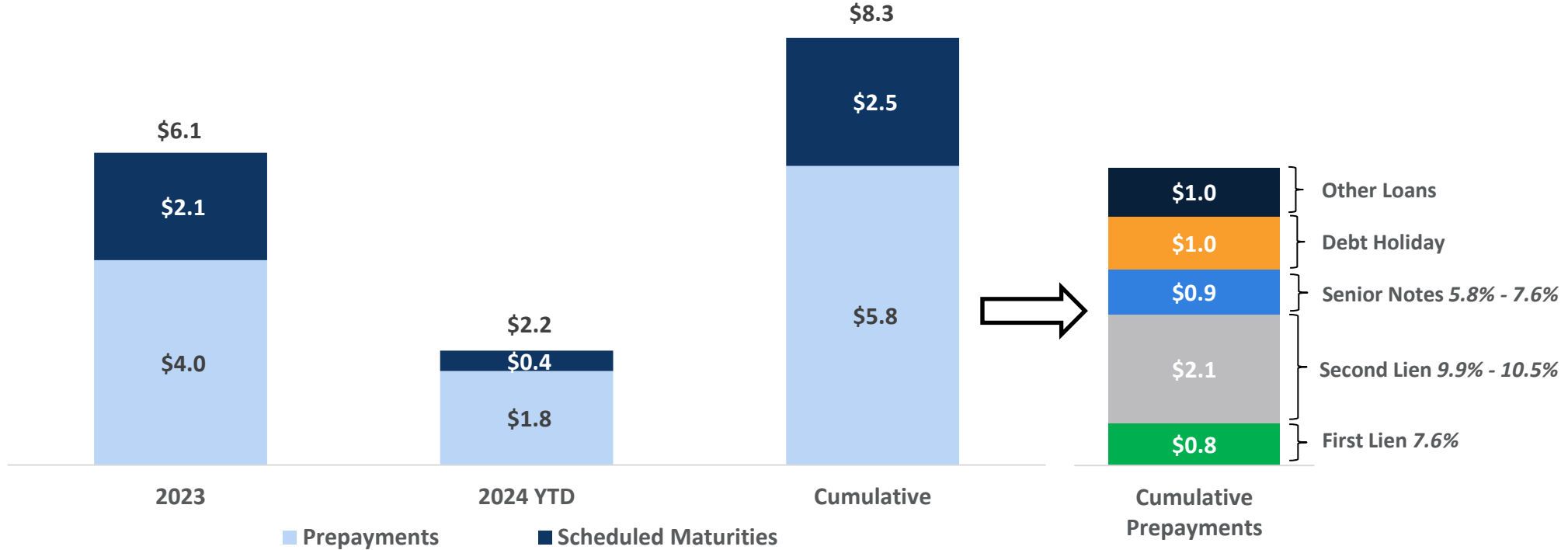


Accelerating Our Path Back to Investment Grade Through Durable Revenue Growth, Responsible Capital Investment, and Favorable Refinancing



Made Cumulative Debt Payments of ~\$8B Incl. ~\$6B of Prepayments

Scheduled Maturities and Prepayments
In Billions



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

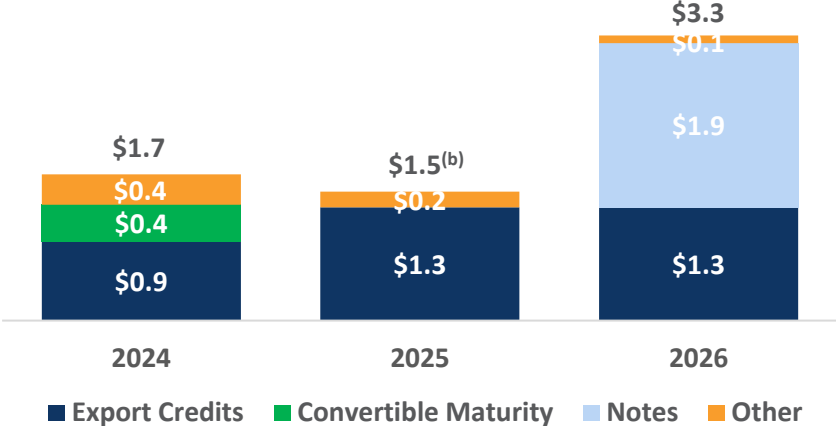
Note: Prepayments in 2023 include pay down of \$0.2B revolver

Note: Prepayments in 2024 include the pay down of our \$0.8B EURO term loan due in 2025

Manageable Near-Term Debt Maturity Profile



Maturity Schedule^(a)
Total Principal Repayments (In Billions)

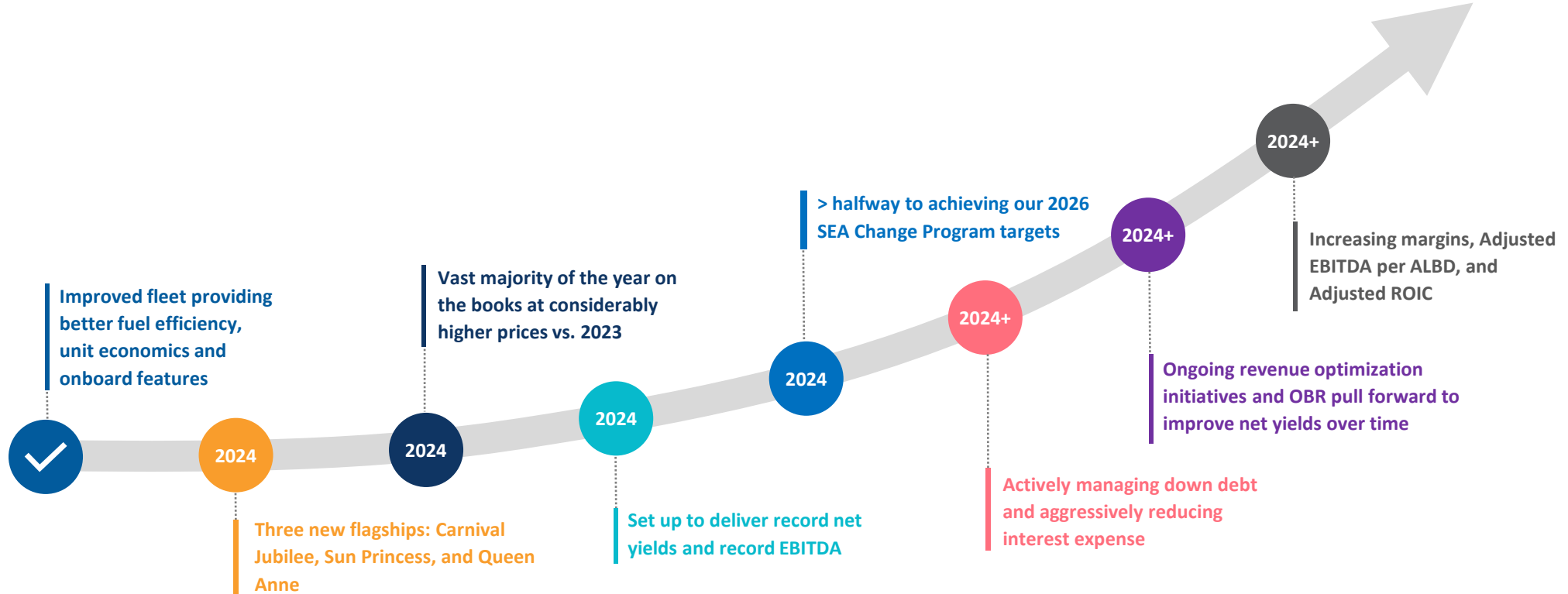


Forward starting revolver maturity extended to 2027 and upsized capacity (now totaling \$2.5B)

(a) Outstanding debt maturities as of February 29, 2024; excludes impact of undrawn export credits

(b) Included is the recently prepaid ~7.5% EUR term loan of \$0.8B due 2025

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

Continued Strength in Demand More Than Offsets Red Sea Rerouting Impact

In Constant Currency to 2023

Net Yields vs. 2023			
	1Q 2024	2Q 2024	FY 2024
Dec Guidance	16.5%	N/A	8.5%
Red Sea ⁽¹⁾	---	(0.5%)	---
Revenue Increase	0.7%	N/A	>1%
Mar Guidance (1Q Actual)	17.2%	10.5%	9.5%

Adj Cruise Costs exc. Fuel per ALBD vs. 2023			
	1Q 2024	2Q 2024	FY 2024
Dec Guidance	9.5%	N/A	4.5%
Red Sea (Loss of ALBDs) ⁽²⁾	---	1.3%	0.5%
Timing of Expenses / Other	(2.2%)	N/A	---
Mar Guidance (1Q Actual)	7.3%	3.0%	5.0%

(1) No impact to Net Yields since both the revenue and the ALBDs were removed

(2) Adj. Cruise Costs exc. Fuel per ALBD increased 0.5% as the higher costs were spread across fewer ALBDs

Guidance

	2Q 2024		Full Year 2024	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Year over year change				
Net yields	Approx. 10.5%	Approx. 10.5%	Approx. 9.5%	Approx. 9.5%
Adjusted cruise costs excluding fuel per ALBD	Approx. 3.0%	Approx. 3.0%	Approx. 3.5%	Approx. 3.0%

	2024			
	2Q	3Q	4Q	Full Year
ALBDs (in millions) (a)	23.5	25.2	23.7	95.4

(a) See "Notes to Statistical Information"

	2Q 2024	Full Year 2024
Capacity growth compared to prior year	5.4 %	4.5 %
Fuel consumption in metric tons (in millions)	0.8	3.0
Fuel cost per metric ton consumed (excluding European Union Allowance ("EUA"))	\$ 665	\$ 670
EUA cost per metric ton of emissions	\$ 70	\$ 65
EUA expense (in millions)	\$ 13	\$ 46
Fuel expense (including EUA expense) (in billions)	\$ 0.52	\$ 2.0
Depreciation and amortization (in billions)	\$ 0.65	\$ 2.6
Interest expense, net of capitalized interest and interest income (in billions)	\$ 0.45	\$ 1.74
Adjusted EBITDA (in billions)	Approx. \$1.05	Approx. \$5.63
Adjusted net income (loss) (in millions)	Approx. \$(35)	Approx. \$1,280
Adjusted earnings per share - diluted (a)	Approx. \$(0.03)	Approx. \$0.98
Weighted-average shares outstanding - basic	1,267	1,273
Weighted-average shares outstanding - diluted	1,267	1,398

(a) Diluted adjusted earnings per share for the full year 2024 includes the add-back of dilutive interest expense related to the company's convertible notes of \$94 million. The add-back expense is antidilutive to the second quarter of 2024 calculation and accordingly has been excluded.

Currencies (USD to 1)	2Q 2024	Full Year 2024
AUD	\$ 0.65	\$ 0.65
CAD	\$ 0.74	\$ 0.74
EUR	\$ 1.09	\$ 1.09
GBP	\$ 1.27	\$ 1.27

Sensitivities (impact to adjusted net income (loss) in millions)	2Q 2024	Remainder of 2024
1% change in net yields	\$ 39	\$ 135
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 27	\$ 79
1% change in currency exchange rates	\$ 4	\$ 18
10% change in fuel price	\$ 50	\$ 147
100 basis point change in variable rate debt (including derivatives)	—	\$ 45

Capital Expenditures

The company's expected capital expenditures, are as follows:

(in billions)	Remainder of 2024	2025	2026
Contracted newbuild (a)	\$ 0.9	\$ 1.0	\$ 0.4
Non-newbuild	1.5	2.0	2.0
Total (b)	\$ 2.3	\$ 3.0	\$ 2.4

(a) Includes payments for the newbuild ordered subsequent to February 29, 2024, scheduled to be delivered in 2028.

(b) Future capital expenditures will fluctuate with foreign currency movements relative to the U.S. Dollar. These figures do not include potential ship orders (stage payments and final delivery payments) that the company may place in the future.

Committed Ship Financings

(in billions)	2024	2025
Future export credit facilities at February 29, 2024	\$ 0.6	\$ 0.7

Outstanding Debt Maturities

As of February 29, 2024, the company's outstanding debt maturities are as follows:

(in billions)	2024	2025	2026
First Lien (a)	\$ 0.0	\$ 0.9	\$ 0.0
Export Credits	0.9	1.3	1.3
Convertible Notes	0.4	—	—
All other	0.4	0.2	2.0
Total Principal payments on outstanding debt	\$ 1.7	\$ 2.4	\$ 3.3

Capacity by Market – 2024

<i>As of 2024 Dec Guid</i>	1Q	2Q	3Q	4Q	Full Year
Caribbean	46%	33%	26%	30%	33%
Northern Europe	10%	15%	24%	17%	17%
Mediterranean	4%	13%	20%	18%	14%
Australia/New Zealand	11%	7%	3%	7%	7%
Alaska	0%	4%	16%	5%	6%
Other Programs	29%	27%	10%	23%	22%
Total	100%	100%	100%	100%	100%

Sustainable From Ship to Shore

Climate Action

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

Circular Economy

Minimizing the waste generated by our operations and activities, and maximizing reuse

Good Health & Well-Being

Expanding well-being programs to support employees' physical and mental health

Sustainable Tourism

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

Biodiversity & Conversation

Investing in biodiversity and conservation programs to help maintain and improve ecosystems

Diversity, Equity & Inclusion

Providing an inclusive and supportive work environment with equal opportunities for professional employee career growth

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

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"> Adjusted net income (loss) and adjusted EBITDA 	<ul style="list-style-type: none"> Net income (loss) 	<ul style="list-style-type: none"> Company Performance
<ul style="list-style-type: none"> Adjusted earnings per share 	<ul style="list-style-type: none"> Earnings per share 	<ul style="list-style-type: none"> Company Performance
<ul style="list-style-type: none"> Adjusted free cash flow 	<ul style="list-style-type: none"> Cash from (used in) operations 	<ul style="list-style-type: none"> Impact on Liquidity Level
<ul style="list-style-type: none"> Net per diems 	<ul style="list-style-type: none"> Gross margin per diems 	<ul style="list-style-type: none"> Cruise Segments Performance
<ul style="list-style-type: none"> Net yields 	<ul style="list-style-type: none"> Gross margin yields 	<ul style="list-style-type: none"> Cruise Segments Performance
<ul style="list-style-type: none"> Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD 	<ul style="list-style-type: none"> Gross cruise costs per ALBD 	<ul style="list-style-type: none"> Cruise Segments Performance
<ul style="list-style-type: none"> Adjusted return on invested capital ("ROIC") 	<ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> Company Performance

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

<i>(in millions)</i>	Three Months Ended February 29/28,	
	2024	2023
Net income (loss)	\$ (214)	\$ (693)
(Gains) losses on ship sales and impairments	—	(9)
Debt extinguishment and modification costs	33	—
Restructuring expenses	1	—
Other	—	12
Adjusted net income (loss)	\$ (180)	\$ (690)
Interest expense, net of capitalized interest	471	539
Interest income	(33)	(56)
Income tax benefit (expense), net	—	7
Depreciation and amortization	613	582
Adjusted EBITDA	\$ 871	\$ 382

	Three Months Ended February 29/28,	
	2024	2023
Earnings per share - diluted (a)	\$ (0.17)	\$ (0.55)
(Gains) losses on ship sales and impairments	—	(0.01)
Debt extinguishment and modification costs	0.03	—
Restructuring expenses	—	—
Other	—	0.01
Adjusted earnings per share - diluted (a)	\$ (0.14)	\$ (0.55)

Weighted-average shares outstanding - diluted *(in millions)* 1,264 1,260

(a) For the first quarter 2024, the company's convertible notes are antidilutive and therefore are not included in diluted weighted-average shares outstanding.

<i>(in millions)</i>	Three Months Ended February 29/28,	
	2024	2023
Cash from (used in) operations	\$ 1,768	\$ 388
Capital expenditures (Purchases of Property and Equipment)	(2,138)	(1,075)
Proceeds from export credits	1,735	830
Adjusted free cash flow	\$ 1,364	\$ 144

<i>(in millions, except costs per ALBD data)</i>	Three Months Ended February 29/28,		
	2024	2024 Constant Currency	2023
Cruise and tour operating expenses	\$ 3,705		\$ 3,311
Selling and administrative expenses	813		712
Less: Tour and other expenses	(19)		(23)
Cruise costs	4,498		3,999
Less: Commissions, transportation and other	(819)		(655)
Onboard and other costs	(550)		(484)
Gains (losses) on ship sales and impairments	—		9
Restructuring expenses	(1)		—
Other	—		—
Adjusted cruise costs	3,128	3,114	2,869
Less: Fuel	(505)	(505)	(535)
Adjusted cruise costs excluding fuel	\$ 2,624	\$ 2,610	\$ 2,334
ALBDs	23.0	23.0	22.1
Cruise costs per ALBD	\$ 195.60		\$ 181.25
% increase (decrease)	7.9 %		
Adjusted cruise costs per ALBD	\$ 136.03	\$ 135.42	\$ 130.04
% increase (decrease)	4.6 %	4.1 %	
Adjusted cruise costs excluding fuel per ALBD	\$ 114.09	\$ 113.48	\$ 105.78
% increase (decrease)	7.9 %	7.3 %	

Reconciliation of Net Yields and Net Per Diems

<i>(in millions, except per diems and yields data)</i>	Three Months Ended February 29/28,		
	2024	2024 Constant Currency	2023
Total revenues	\$ 5,406		\$ 4,432
Less: Cruise and tour operating expenses	(3,705)		(3,311)
Depreciation and amortization	(613)		(582)
Gross margin	1,089		540
Less: Tour and other revenues	(4)		(9)
Add: Payroll and related	623		582
Fuel	505		535
Food	346		311
Ship and other impairments	—		—
Other operating	862		743
Depreciation and amortization	613		582
Adjusted gross margin	<u>\$ 4,033</u>	<u>\$ 4,013</u>	<u>\$ 3,284</u>
PCDs	23.5	23.5	20.2
Gross margin per diems (per PCD)	\$ 46.34		\$ 26.81
% increase (decrease)	73 %		
Net per diems (per PCD)	\$ 171.64	\$ 170.78	\$ 162.96
% increase (decrease)	5.3 %	4.8 %	
ALBDs	23.0	23.0	22.1
Gross margin yields (per ALBD)	\$ 47.34		\$ 24.49
% increase (decrease)	93 %		
Net yields (per ALBD)	\$ 175.36	\$ 174.48	\$ 148.87
% increase (decrease)	18 %	17 %	