



CARNIVAL
CORPORATION & PLC



First Quarter 2023 Business Update

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
- 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

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 as a result of 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 war and other military actions, such as the invasion of Ukraine, 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, impacting 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-corruption, economic sanctions, trade protection, labor and employment, and tax 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 sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, 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 are also affected by COVID-19 and 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.
- Failure to successfully implement our business strategy following our resumption of guest cruise operations would negatively impact the occupancy levels and pricing of our cruises and could have a material adverse effect on our business. 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.

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.

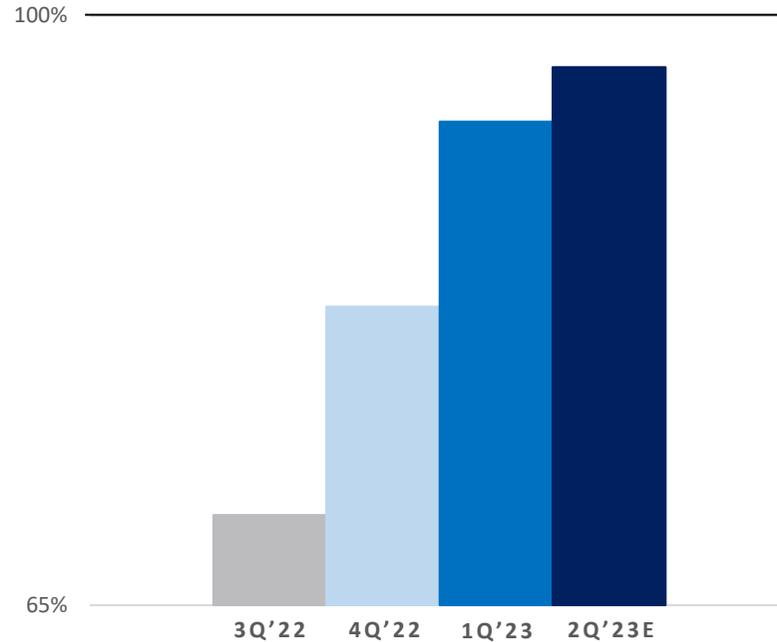
Forward-looking and other statements in this document may also address our sustainability progress, plans and goals (including climate change and environmental-related matters). In addition, historical, current and forward-looking sustainability- and climate-related statements may be based on standards 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.

Outperformed Guidance on All Measures 1Q 2023

	Guidance	Actual
Occupancy percentage	90% or slightly higher	91%
Net per diems vs 2019	5.5 – 6.5%	7.5%
Adj cruise costs exc. fuel per ALBD vs 2019	6.5 – 7.5%	5.9%
Adj EBITDA	\$250M – \$350M	\$382M
Adj net income/(loss)	(\$750M) – (\$850M)	(\$690M)

We Remain on an Upward Trajectory as We Further Close the Gap to 2019

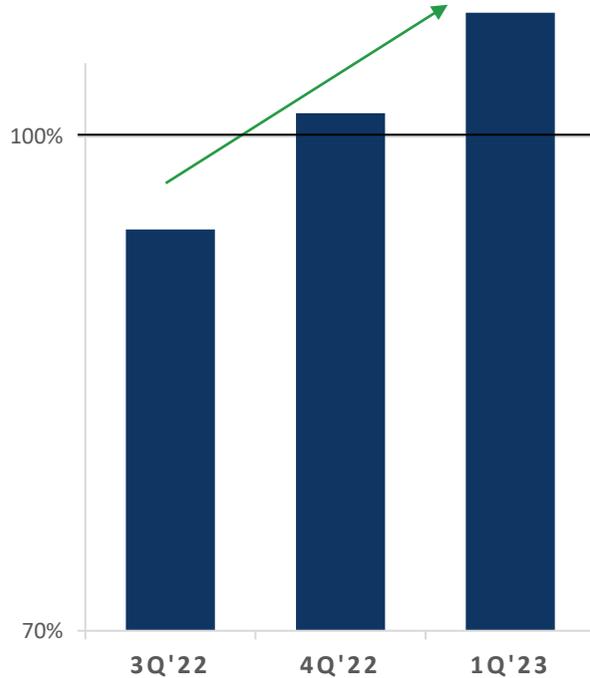
NET YIELDS AS % OF 2019



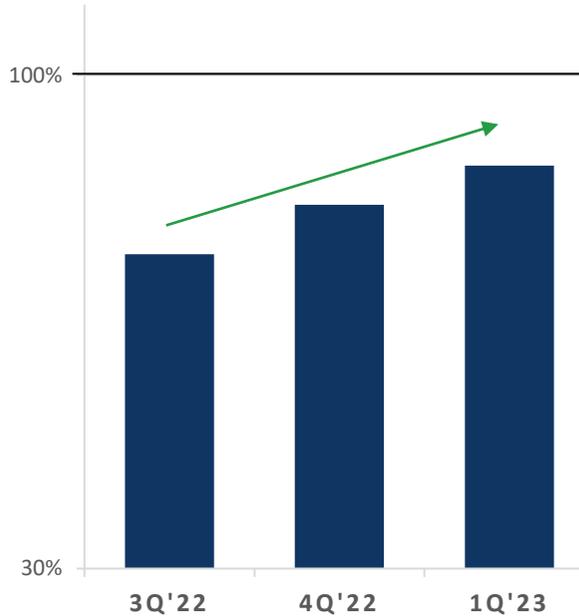
Net yields expected to exceed 2019 at year end

Quickly Closing the Gap to 2019

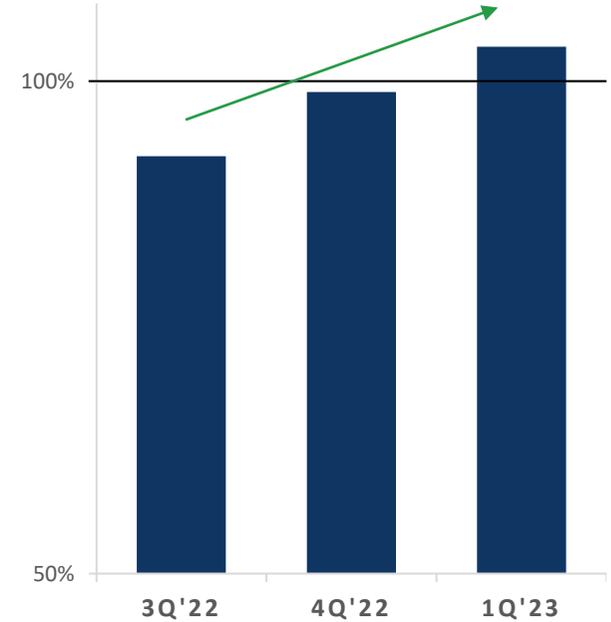
NET PER DIEMS AS % OF 2019



OCCUPANCY AS % OF 2019



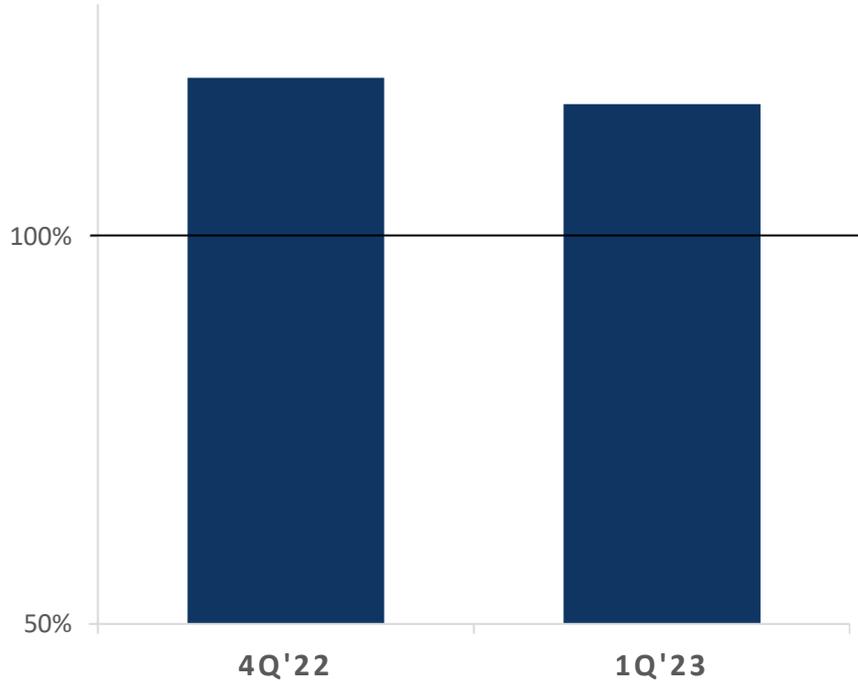
CAPACITY AS % OF 2019



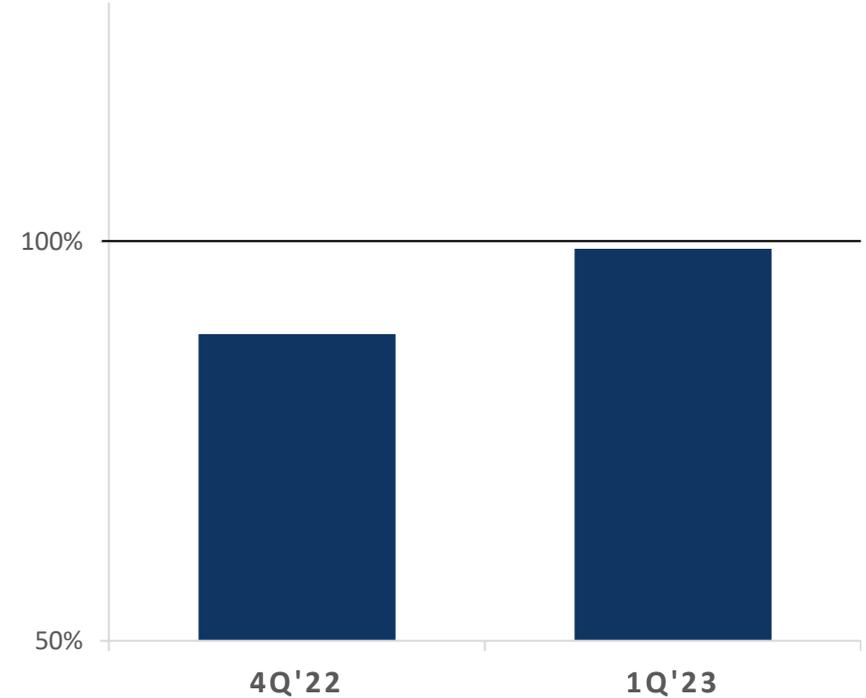
Closing the gap on occupancy while driving net per diems above 2019 levels on higher capacity

Improved Ticket Prices Driving Higher Revenue

ONBOARD & OTHER REVENUE PER DIEM AS
% OF 2019



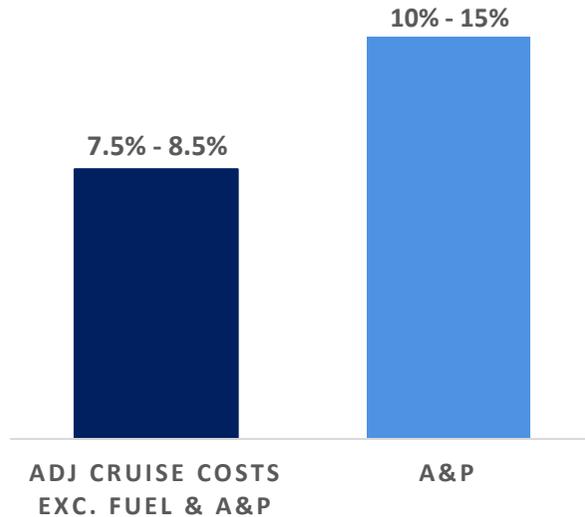
PASSENGER REVENUE PER DIEM AS
% OF 2019



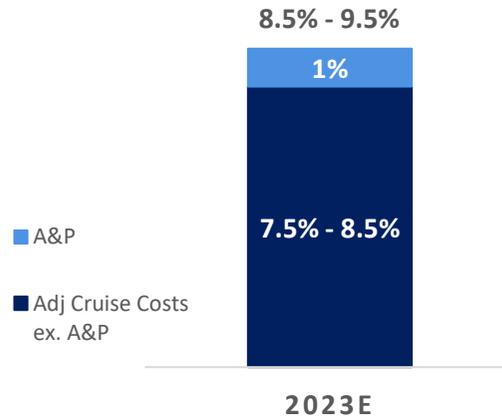
Driving prices while pulling back on opaque channels and maintaining outsized onboard revenue growth

Investing in Advertising While Managing Unit Costs

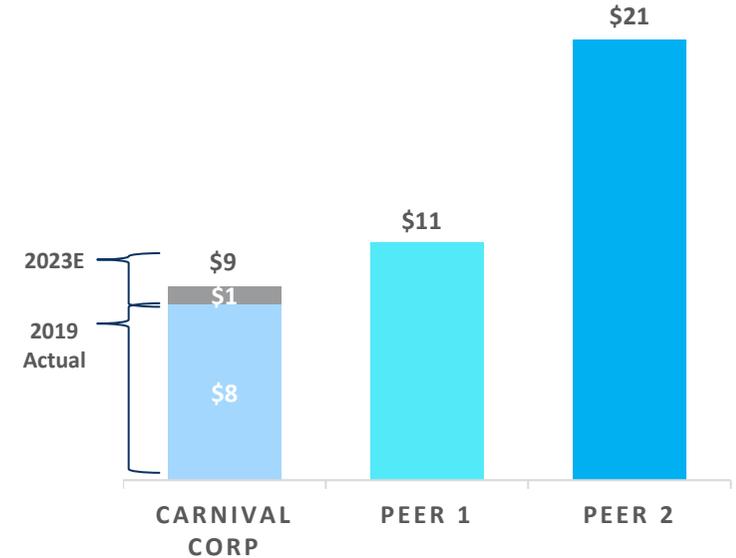
INCREASE IN ADJ CRUISE COSTS
EXC. FUEL & A&P PER ALBD
2023E vs. 2019



ADJ CRUISE COSTS EXC. FUEL
PER ALBD VS. 2019



2019 A&P SPEND PER ALBD
AMONG PEERS



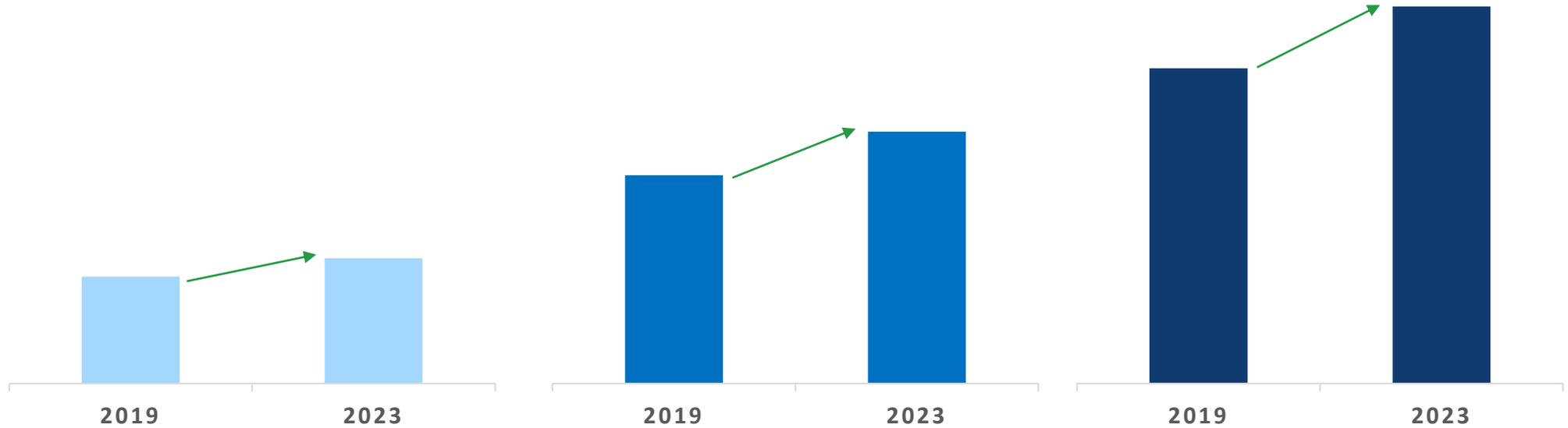
Record 2023 Wave Season Surpasses 2019

Booking Volumes for All Future Sailings – 1Q Period (11/28-2/26)

Europe Segment

NAA Segment

Combined Cruise



Booked position for remainder of 2023 at higher prices (normalized for FCCs) than 2019 with volumes at higher end of historical range

Significant Pricing Upside

Currently priced at significant discount to land

25%



50%



Tremendous headroom to increase price while retaining value proposition

Low Penetration Levels

Las Vegas



150k hotel rooms

Orlando



130k hotel rooms

Miami



60k hotel rooms

Global Cruise Industry



330k cruise cabins

340k hotel rooms

Global cruise industry is similar size to just three cities in the USA

Introduced Stunning New Flagships for 2 of Our Brands



Carnival Celebration

Featuring the Industry's First 3D Submarine Escape Room

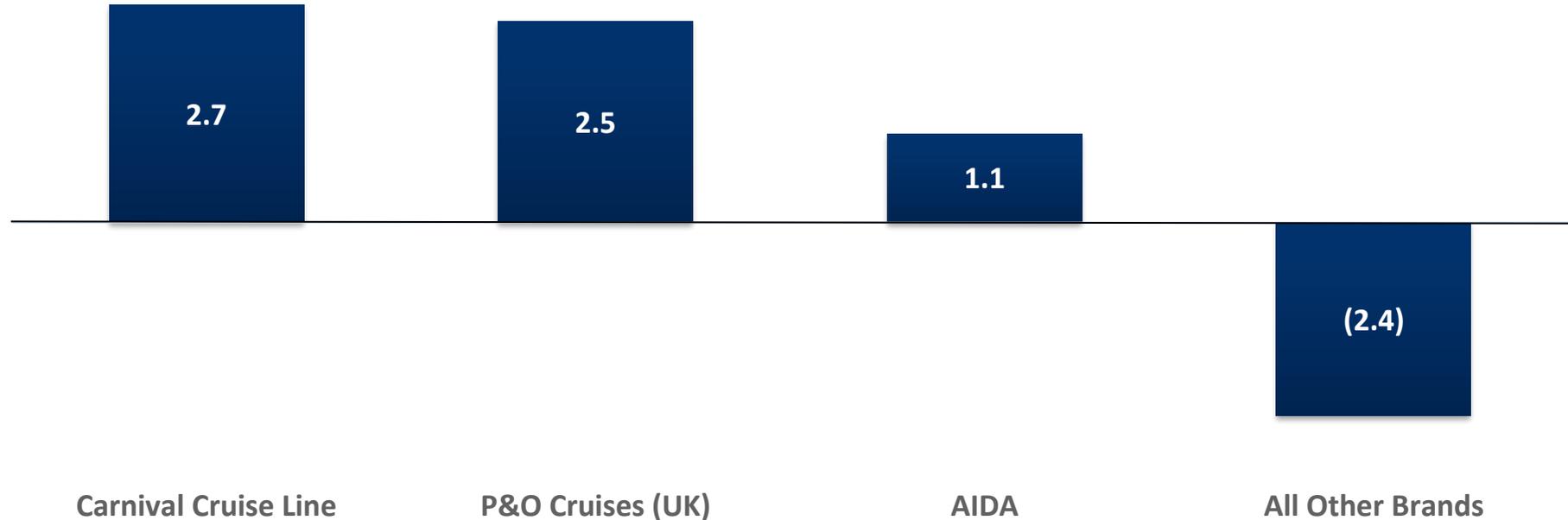


P&O Arvia



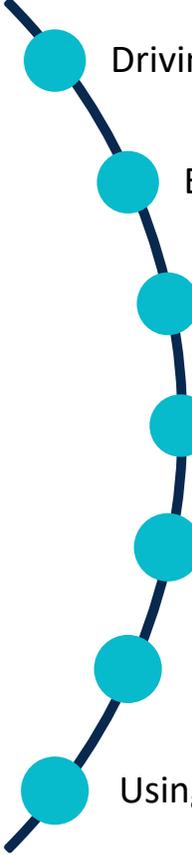
Capacity Growth Weighted to Highest Returning Brands

2019 – 2023 ALBD Change
(in millions)



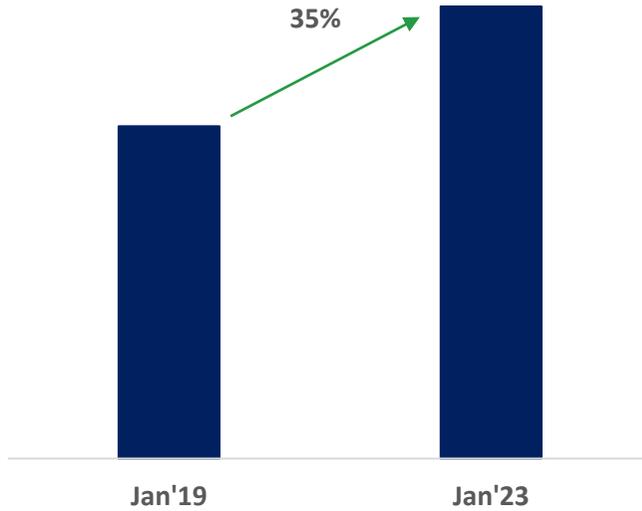
Measured capacity growth a reflection of ship removals and portfolio optimization strategy

Strategic Actions to Drive Durable Revenue and Demand Growth

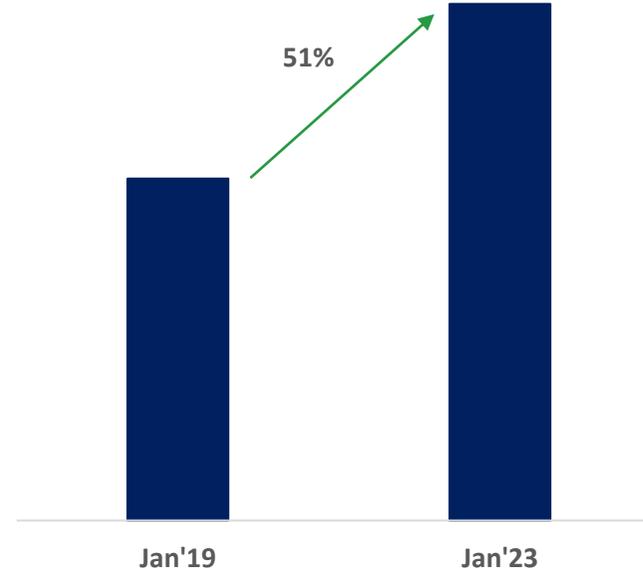
- 
- Driving further brand differentiation and clarity around the brand's optimal target segment
 - Ensuring that creative marketing speaks to the brand's target audience
 - Launching more effective digital performance marketing and lead generation approaches
 - Renewed focus on our trade relationships and continuing to support internal sales
 - Improving revenue management execution
 - Enhancing the onboard experience and digital journey for our guests
 - Using data, guest and target audience insight, and cross brand learnings, to aid in all of the above

Significant Increase in Digital Marketing Performance

Website Visits



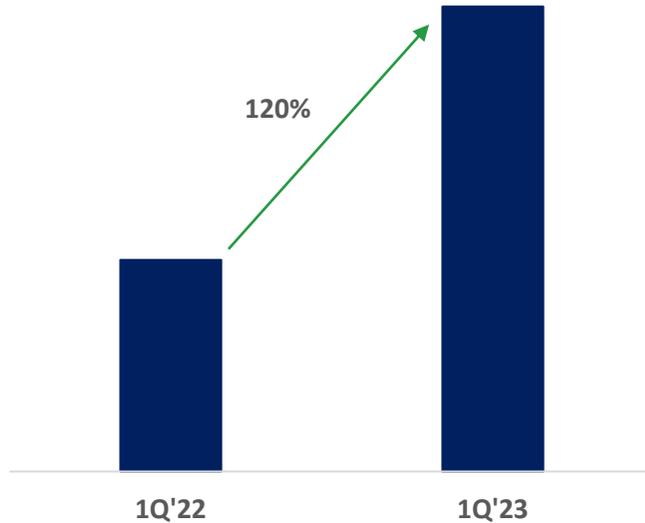
Paid Search Clicks



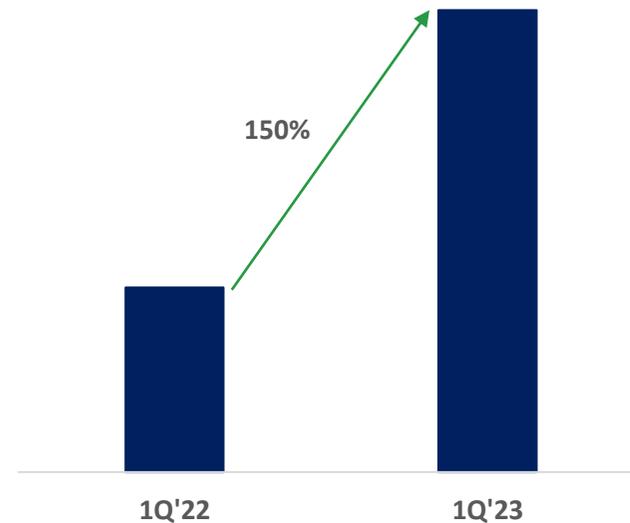
Significantly outpacing multiples of capacity growth

Investment in Advertising and Sales Support Driving New Demand

Travel Agents Booking Volume

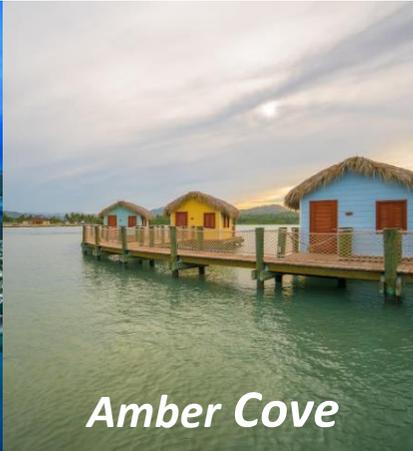
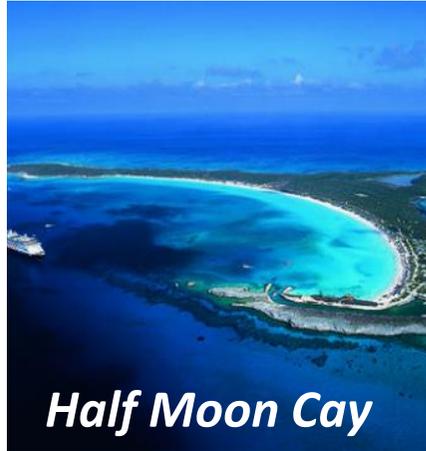


New to Cruise as % of Total Guests



Significant increase in travel agent bookings promoting growth in new to cruise guests

Strategic Assets We Leverage - Caribbean



**Coming Soon
Grand Bahama Port**



Grand Bahama port will be the closest destination to the USA which will further reduce fuel consumption

Strategic Assets We Leverage - Alaska

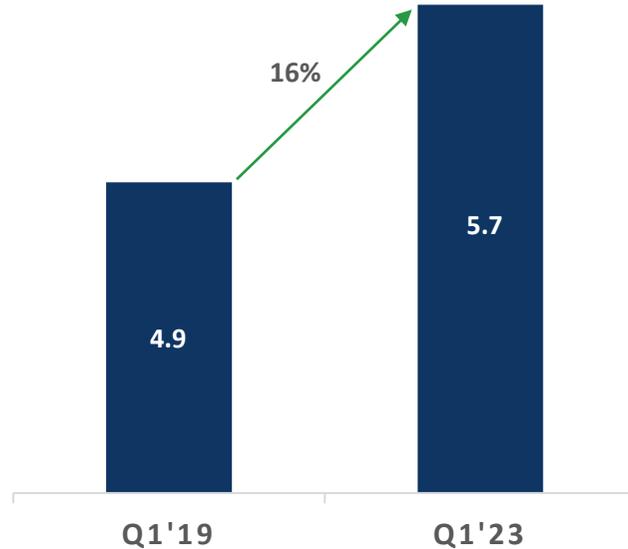


Unmatched strategic footprint across hotels, rail, and motor coaches to deliver unique land-sea packages

Customer Deposits Reaches 1st Quarter Record

Customer Deposits – 1Q'19 vs. 1Q'23

In Billions



- Structural growth in customer deposits driven by:
- Strong booking demand
 - Bundling fares
 - Pre-cruise onboard sales
 - Opening future cruise sales earlier
 - Cancellation policies return to historical norms

Ample Liquidity of \$8B and 3 Years of Positive & Growing Adjusted Free Cash Flow Covers \$9B of Debt Maturities

Outstanding Debt Maturities	Q2 2023-2025
First lien ~6%	\$2.7B
Convertibles 5.75%	\$0.5B
Export credits maturing ~3%	\$4.0B
Remaining debt maturities ~7%	\$1.8B
Total Outstanding Debt Maturities	\$9.0B

→ Potential to refinance preferential debt maturity

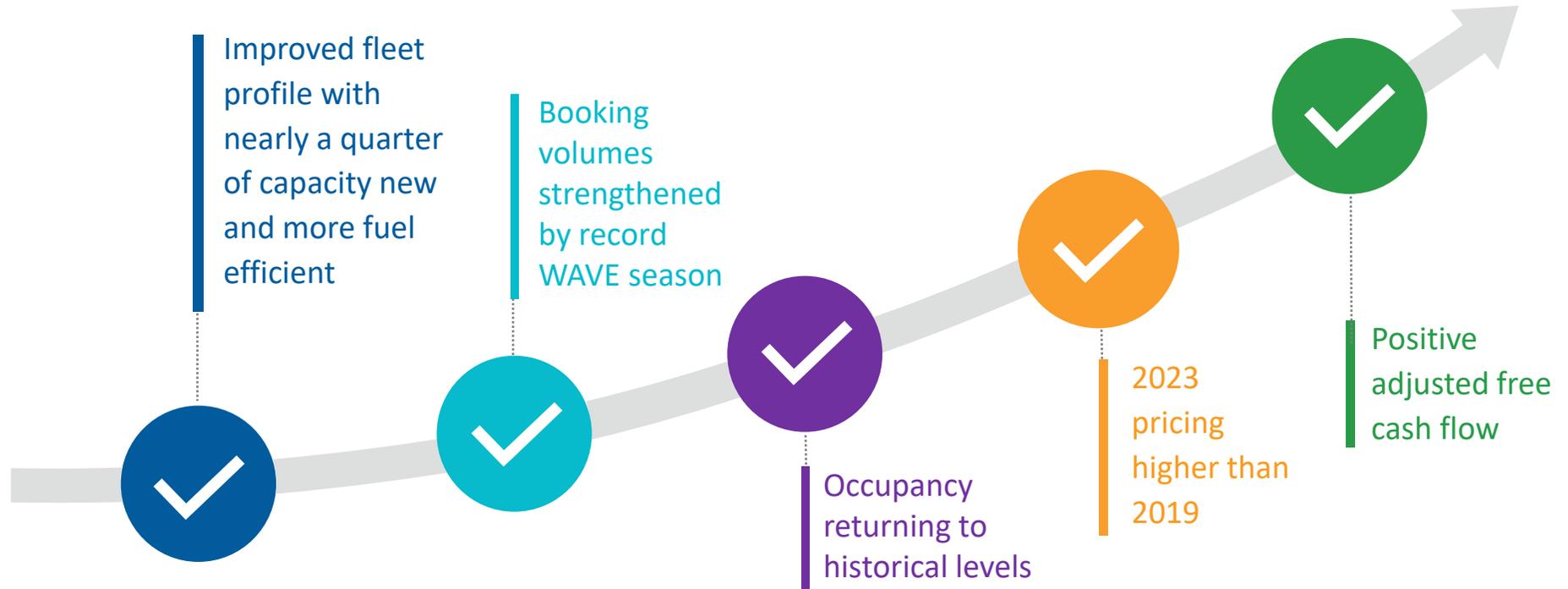
→ Convertible maturity potential to settle in equity

\$3.2B of export credits available to draw between Q2 2023 to 2025 at low-to-mid single digit interest rates

Debt peaked at \$35B and is expected to be paid down to \$33.5B by end of 2023; No intention to sell equity*

** except in connection with our advantageous and non-dilutive Stock Swap Program*

Returning to Strong Profitability



Over time, free cash flow accelerates our path to profitability, investment grade ratings and higher ROIC

Appendix



First Quarter Results

Adjusted EBITDA for the first quarter of 2023 was \$382 million, better than the December guidance range of \$250 million to \$350 million, despite a \$31 million unfavorable impact from fuel price and currency rates since December guidance

Revenue in the first quarter of 2023 was \$4.4 billion, representing 95% of 2019 levels. This was better than the fourth quarter of 2022, which was 80% of 2019 levels, an improvement of 15 percentage points

Occupancy in the first quarter of 2023 was 91%, higher than December guidance. Occupancy increased by seven percentage points compared to the prior quarter, on higher capacity



First Quarter Results (cont'd)

Cruise costs per available lower berth day (“ALBD”) increased 3.3% as compared to the first quarter of 2019

In constant currency, adjusted cruise costs excluding fuel per ALBD increased 5.9% compared to the first quarter of 2019, continuing its sequential quarterly improvement and better than the December guidance of up to 6.5% to 7.5%. Costs remain higher as compared to 2019 as a result of higher advertising investments to drive 2023 revenue as well as partially mitigating the impacts of a high inflation environment

Total customer deposits reached a first quarter record of \$5.7 billion (as of February 28, 2023), surpassing the previous first quarter record of \$4.9 billion (as of February 28, 2019) by 16%, driven by strong demand, bundled package offerings and pre-cruise sales



Booking Trends

The company is very encouraged with the improving demand environment, kicked off by an early start to wave season (peak booking period) on very strong Black Friday and Cyber Monday booking volumes. The company experienced the highest booking volumes for all future sailings for any quarter in its history. Both the company's NAA and Europe segments broke records, contributing to the company's record-breaking quarter. Consistent with previous comments, during the first quarter of 2023 the company continued its increased advertising activities, supporting its booking volumes

The booking window has continued to return to historical patterns, providing further confidence in the continued strengthening of the demand environment and facilitating improving revenue yields over time. The company's NAA segment's booking curve mirrored peak 2019 levels, while the company's Europe segment continued to see an extension of its booking curve, which is over 80% recovered compared to 2019 levels

The company's cumulative advanced booked position for the remainder of 2023 is at higher ticket prices in constant currency, normalized for future cruise credits ("FCCs"), as compared to strong 2019 pricing and a booked occupancy position that is solidly in the higher end of the historical range. (The company's current booking trends are compared to booking trends for 2019 as it is the most recent full year of guest cruise operations)



Guidance

	2Q 2023		Full Year 2023	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Change compared to 2019				
Net per diems	0.0% to 1.0%	2.5% to 3.5%	1.0% to 2.0%	3.0% to 4.0%
Adjusted cruise costs excluding fuel per ALBD	8.0% to 9.0%	10.5% to 11.5%	6.5% to 7.5%	8.5% to 9.5%

	2Q 2023	Full Year 2023
ALBDs (in millions)	22.3	91.3
Capacity growth vs 2019	3.1 %	4.5 %
Occupancy percentage	98% or higher	100% or higher

Fuel consumption in metric tons (in millions)	0.7	2.9
Fuel cost per metric ton consumed	\$ 645	\$ 650
Fuel expense (in billions)	\$ 0.5	\$ 1.9

Depreciation and amortization (in billions)	\$ 0.6	\$ 2.4
Interest expense, net of capitalized interest and interest income (in billions)	\$ 0.5	\$ 2.0

Adjusted EBITDA (in millions)	\$600 to \$700	\$3,900 to \$4,100
Adjusted net income (loss) (in millions)	\$(525) to \$(425)	\$(550) to \$(350)
Adjusted earnings per share	\$(0.42) to \$(0.34)	\$(0.44) to \$(0.28)

Currencies (USD to 1)			
AUD	\$ 0.67	\$ 0.67	
CAD	\$ 0.73	\$ 0.73	
EUR	\$ 1.07	\$ 1.07	
GBP	\$ 1.22	\$ 1.22	

Sensitivities (impact to adjusted net income (loss) in millions)	2Q 2023	Remainder of 2023
1% change in net per diems	\$ 38	\$ 127
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 23	\$ 68
1% change in currency exchange rates	\$ 2	\$ 14
10% change in fuel price	\$ 50	\$ 146
100 basis point change in variable rate debt (including derivatives)	—	\$ 67

Capital Expenditures

The company's annual capital expenditure forecast, which includes year-to-date actuals for 2023, is as follows:

(in billions)	2023	2024	2025	2026
Contracted newbuild	\$ 1.7	\$ 2.4	\$ 0.9	\$ —
Non-newbuild	1.5	1.7	1.7	1.7
Total (a)	\$ 3.2	\$ 4.1	\$ 2.6	\$ 1.7

(a) Forecasted capital expenditures will fluctuate with foreign currency movements relative to the U.S. Dollar.

Outstanding Debt Maturities

As of February 28, 2023, the company's outstanding debt maturities are as follows:

(in billions)	2023	2024	2025	2026
First Lien	\$ 0.0	\$ 0.1	\$ 2.6	\$ 0.0
Second Lien	—	—	—	1.2
Export Credits	1.1	1.5	1.4	1.3
All other	0.6	1.0	0.5	2.1
Total Principal payments on outstanding debt (a)	\$ 1.8	\$ 2.5	\$ 4.5	\$ 4.6

(a) Excludes borrowings of \$0.2 billion under the \$2.9 billion multi-currency revolving credit facility at February 28, 2023, which matures in August 2024.

Capacity by Market – 2023

	1Q	2Q	3Q	4Q	Full Year
Caribbean	44%	32%	24%	27%	31%
Northern Europe	9%	15%	27%	17%	17%
Mediterranean	5%	12%	19%	20%	14%
Australia/New Zealand	10%	8%	4%	8%	8%
Alaska	0%	5%	17%	5%	7%
Other Programs	32%	28%	9%	23%	23%
Total	100%	100%	100%	100%	100%

Continued Commitment to Sustainability

2030 and 2050 Sustainability Focus Areas



Climate action



7 Affordable and clean energy



13 Climate action

- Decarbonization!
- Decarbonization!
- Decarbonization!



Circular economy



12 Responsible consumption and production



14 Life below water



15 Life on land

- Waste reduction
- Single-use plastic reduction



Good health & well-being



3 Good health and well-being

- Global wellbeing standards
- Reduced workplace injuries



Sustainable tourism



11 Sustainable cities and communities

- Local partnerships
- Deeper community involvement in destinations



Biodiversity & conservation



14 Life below water



15 Life on land

- Shorex provider audits
- NGO partnerships



Diversity equity & inclusion



10 Reduced inequalities



5 Gender equality

- Across all ranks and departments

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

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as 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, gains and losses on debt extinguishments, 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.

Non-GAAP Financial Measures (cont'd)



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.

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 without 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.

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, gains and losses on debt extinguishments, 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 per diems, adjusted cruise costs excluding fuel and adjusted cruise costs excluding fuel per ALBD on a "constant currency" basis assuming the 2023 periods' currency exchange rates have remained constant with the 2019 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 28,	
	2023	2022
Net income (loss)	\$ (693)	\$ (1,891)
(Gains) losses on ship sales and impairments	(9)	7
(Gains) losses on debt extinguishment, net	—	—
Restructuring expenses	—	—
Other	12	—
Adjusted net income (loss)	\$ (690)	\$ (1,884)
Interest expense, net of capitalized interest	539	368
Interest income	(56)	(3)
Income tax (expense), benefit	7	3
Depreciation and amortization	582	554
Adjusted EBITDA	\$ 382	(962)

	Three Months Ended February 28,	
	2023	2022
Earnings per share	\$ (0.55)	\$ (1.66)
(Gains) losses on ship sales and impairments	(0.01)	0.01
(Gains) losses on debt extinguishment, net	—	—
Restructuring expenses	—	—
Other	0.01	—
Adjusted earnings per share	\$ (0.55)	\$ (1.66)
Weighted-average shares outstanding - diluted <i>(in millions)</i>	1,260	1,137

<i>(in millions)</i>	Three Months Ended February 28,	
	2023	2022
Cash from (used in) operations	\$ 388	\$ (1,212)
Capital expenditures (Purchases of Property and Equipment)	(1,075)	(2,730)
Proceeds from export credits	830	2,343
Adjusted free cash flow	\$ 144	\$ (1,598)

<i>(in millions, except costs per ALBD data)</i>	Three Months Ended February 28,		
	2023	2023 Constant Currency	2019
Cruise and tour operating expenses	\$ 3,311		\$ 3,142
Selling and administrative expenses	712		629
Less: Tour and other expenses	(23)		(35)
Cruise costs	3,999		3,736
Less: Commissions, transportation and other	(655)		(709)
Onboard and other costs	(484)		(467)
Gains (losses) on ship sales and impairments	9		(2)
Restructuring expenses	—		—
Other	—		—
Adjusted cruise costs	2,869		2,558
Less: Fuel	(535)		(381)
Adjusted cruise costs excluding fuel	\$ 2,334	\$ 2,388	\$ 2,177
ALBDs	22.1	22.1	21.3
Cruise costs per ALBD	\$ 181.25		\$ 175.40
% increase (decrease) vs 2019	3.3 %		
Adjusted cruise costs per ALBD	\$ 130.04		\$ 120.08
% increase (decrease) vs 2019	8.3 %		
Adjusted cruise costs excluding fuel per ALBD	\$ 105.78	\$ 108.22	\$ 102.21
% increase (decrease) vs 2019	3.5 %	5.9 %	

Reconciliation of Net Yields and Net Per Diems

	Three Months Ended August 31,		Three Months Ended November 30,		Three Months Ended February 28,	
	2022	2022 Constant Currency	2022	2022 Constant Currency	2023	2023 Constant Currency
<i>(in millions, except per diems and yields data)</i>						
Total revenues	4,305		3,839		4,432	
Less: Cruise and tour operating expenses	(3,379)		(3,665)		(3,311)	
Depreciation and amortization	(581)		(568)		(582)	
Gross margin	345		(394)		540	
Less: Tour and other revenues	(118)		(31)		(9)	
Add: Payroll and related	563		580		582	
Fuel	668		580		535	
Food	259		277		311	
Ship and other impairments	-		433		-	
Other operating	787		840		743	
Depreciation and amortization	581		568		582	
Adjusted gross margin	3,085	3,163	2,852	2,960	3,284	3,366
PCDs	17.7	17.7	18.3	18.3	20.2	20.2
Gross margin per diems (per PCD)	\$ 19.52		\$ (21.58)		26.81	
Net per diems (per PCD)	\$ 174.31	\$ 178.69	\$ 156.13	\$ 162.05	162.96	\$ 167.04
ALBDs	21.0	21.0	21.5	21.5	22.1	22.1
Gross margin yields (per ALBD)	\$ 16.44		\$ (18.31)		24.49	
Net yields (per ALBD)	\$ 146.82	\$ 150.50	\$ 132.45	\$ 137.48	148.87	\$ 152.59