



CARNIVAL
CORPORATION & PLC.



Second 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
- 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 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 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.

Strength in Demand Delivered Outperformance in 2Q 2023...

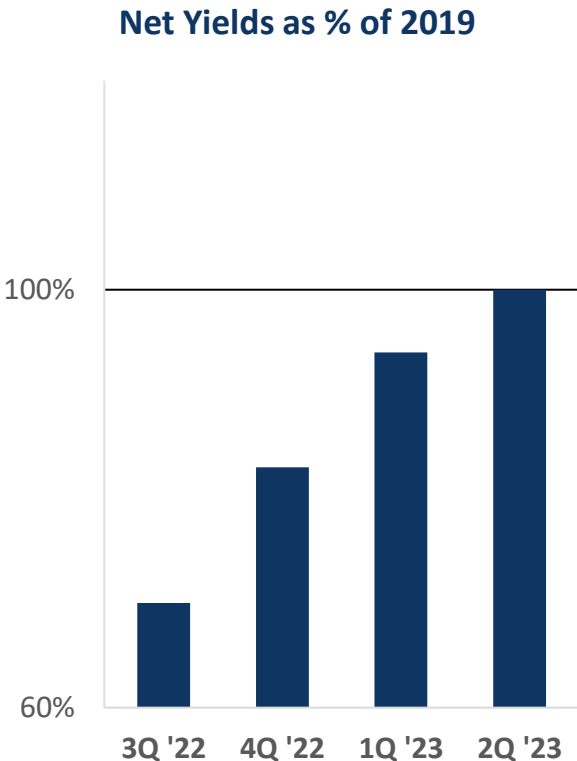
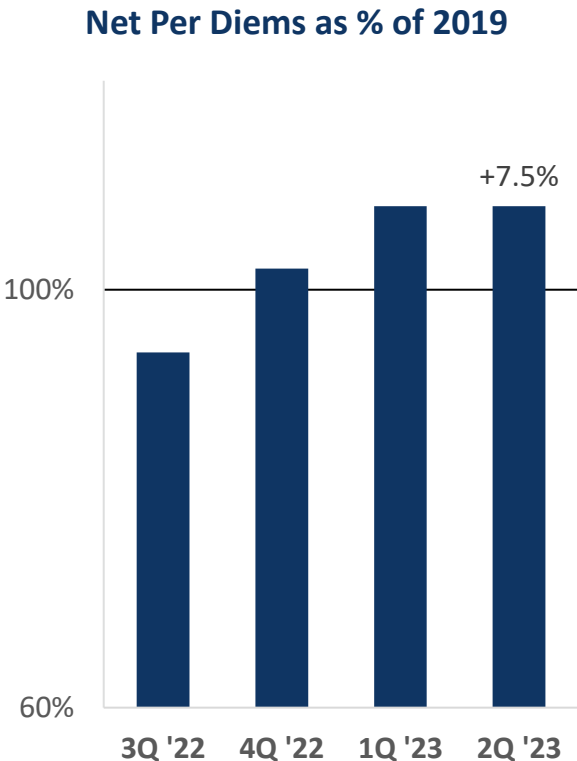
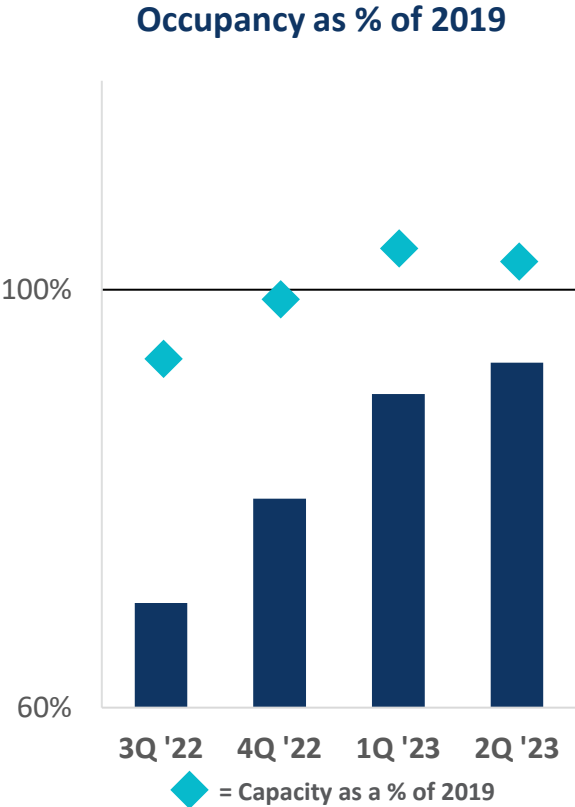
	Guidance	Actual
Occupancy percentage	98% or higher	98%
Net per diems vs 2019	2.5 - 3.5%	7.5%
Adj cruise costs exc. fuel per ALBD vs 2019	10.5 - 11.5%	13.5%
Adj EBITDA	\$600M - \$700M	\$681M
Adj net income/(loss)	(\$525M) - (\$425M)	(\$395M)

...And Raised Expectations for 2H 2023 Leading to Increased Full Year Guidance

Full Year	Mar Guidance	Jun Guidance	Variance
Occupancy percentage	100% or higher	100% or higher	-----
Net per diems vs 2019	3.0% - 4.0%	5.5% - 6.5%	2.5%
Adj cruise costs exc. fuel per ALBD vs 2019	8.5% - 9.5%	10.0% - 11.0%	1.5%
Adj EBITDA	\$3,900M - \$4,100M	\$4,100M - \$4,250M	\$175M
Adj net income/(loss)	(\$550M) - (\$350M)	(\$250M) - (\$100M)	\$275M

We expect lower interest expense in 2023 compared to previous guidance due to recent deleveraging initiatives

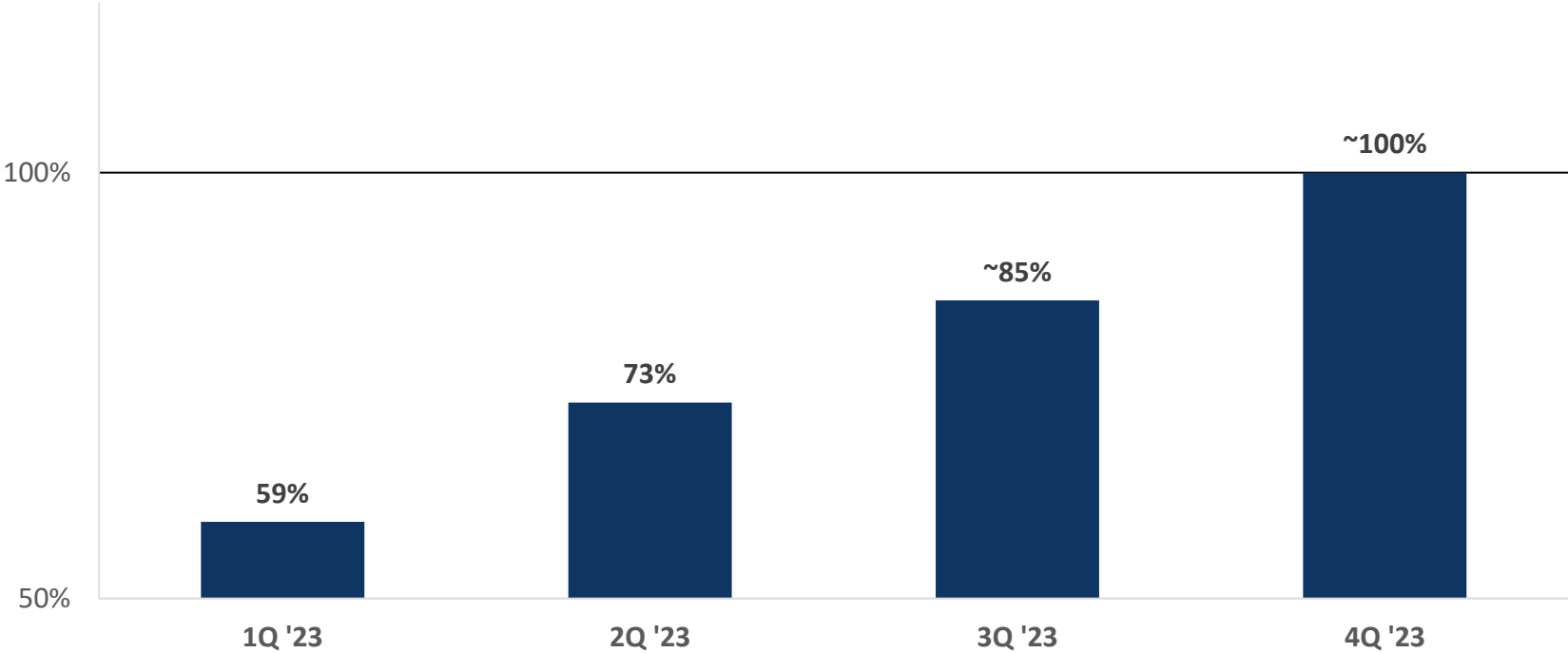
Strategic Initiatives to Drive Demand and Revenue Already Paying Off



We continued to build on our momentum with net revenue yields turning positive in 2Q vs. 2019

Continued Progress in Unit EBITDA

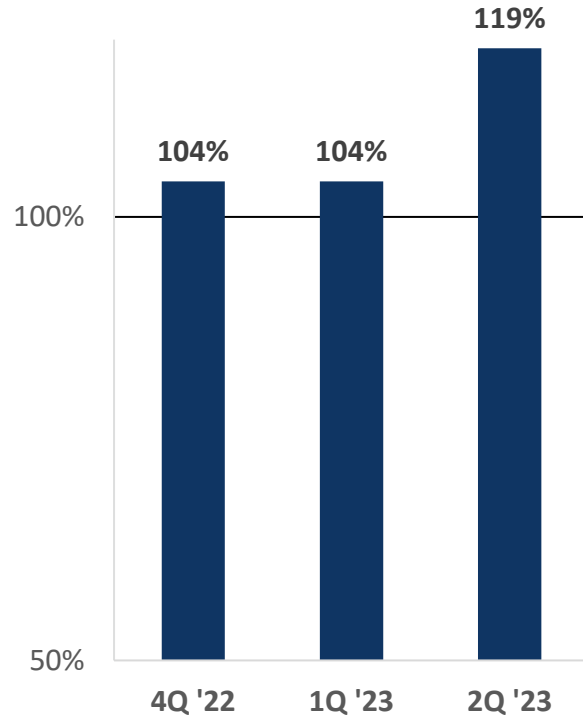
Adjusted EBITDA per ALBD Holding Fuel Price and Currency Constant to 2019



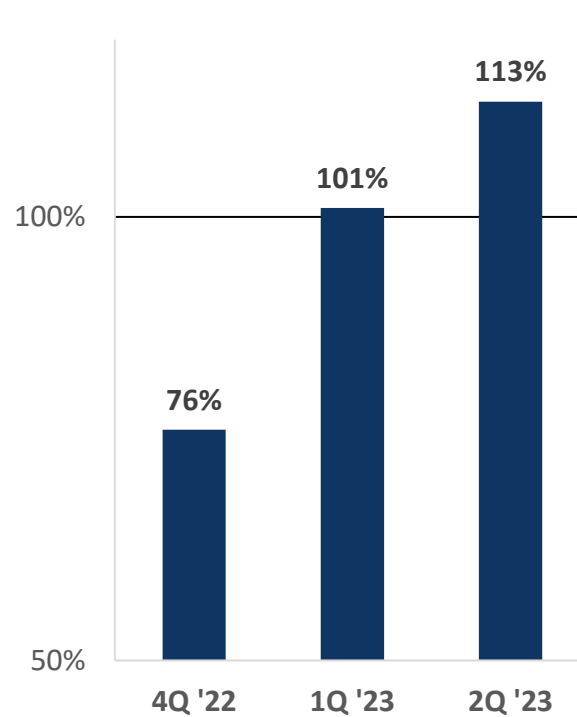
“Winter Wave” Accelerated into Spring and Continues

Booking Volumes vs. Comparable 2019 Levels

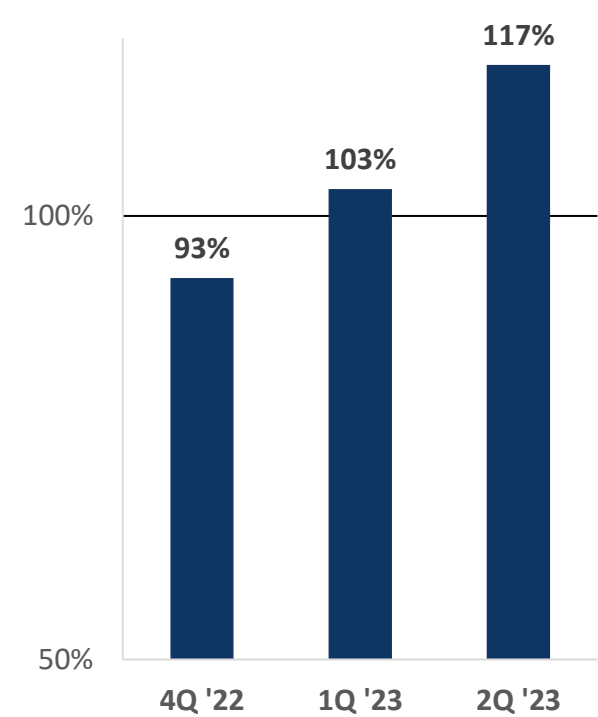
North America^(a)



Europe^(b)

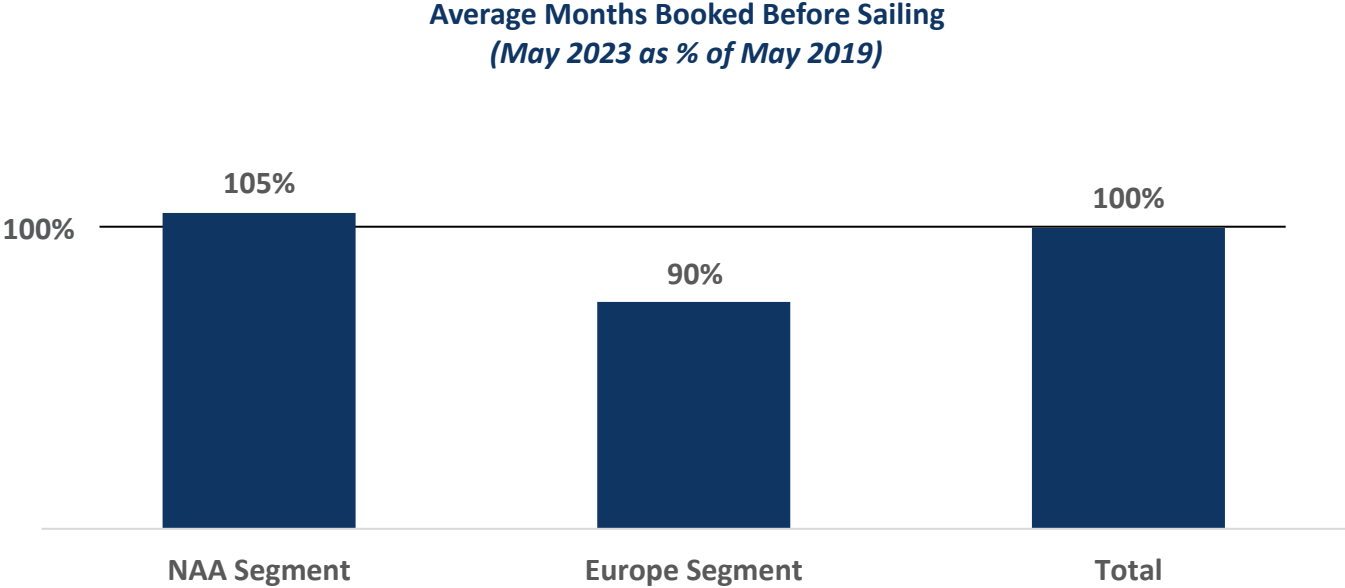


Combined Cruise



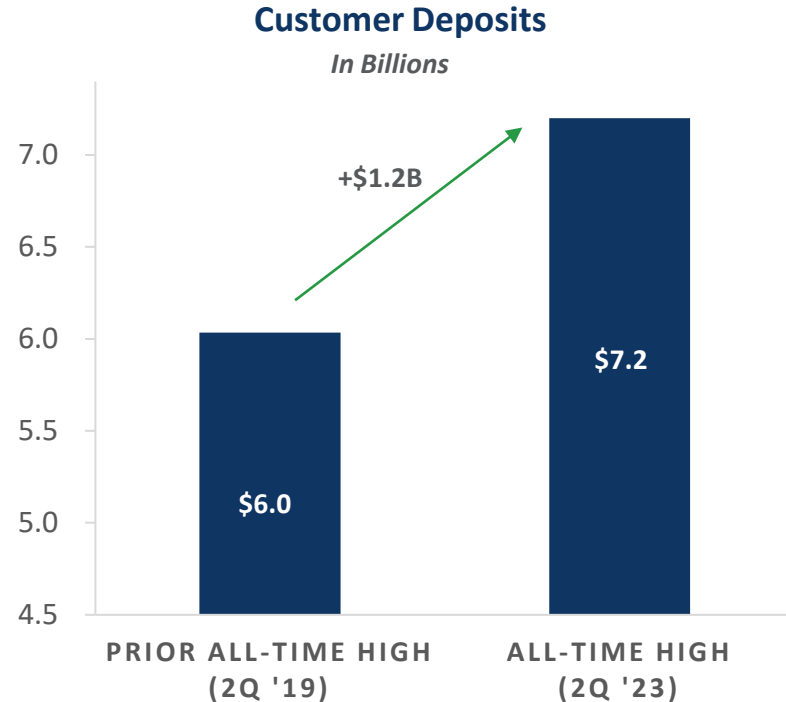
Booking volumes reached an all time high in 2Q'23 exceeding record levels achieved in 1Q'23

Improving Revenue Management Execution Lengthens Booking Curve



Over 90% of 2023 on the books and at record level for 2024 booked position

Customer Deposits Hit All-Time High Supporting Adjusted Free Cash Flow Growth



- Structural growth in customer deposits driven by:**
- Strong booking demand
 - Increasing capacity
 - Continued lengthening of the booking curve
 - Increasing pre-cruise onboard sales
 - Increasing bundled fares with onboard amenities
 - Deposit policies / requirements returning to historical norms

Well-positioned for continued growth in customer deposits

Our Revenue Base is Recurring, Visible, and Predictable...

Recurring

~55%

Of our guests are
repeat cruisers

Visible

~50%

Of next-twelve-months
demand booked at any
given time

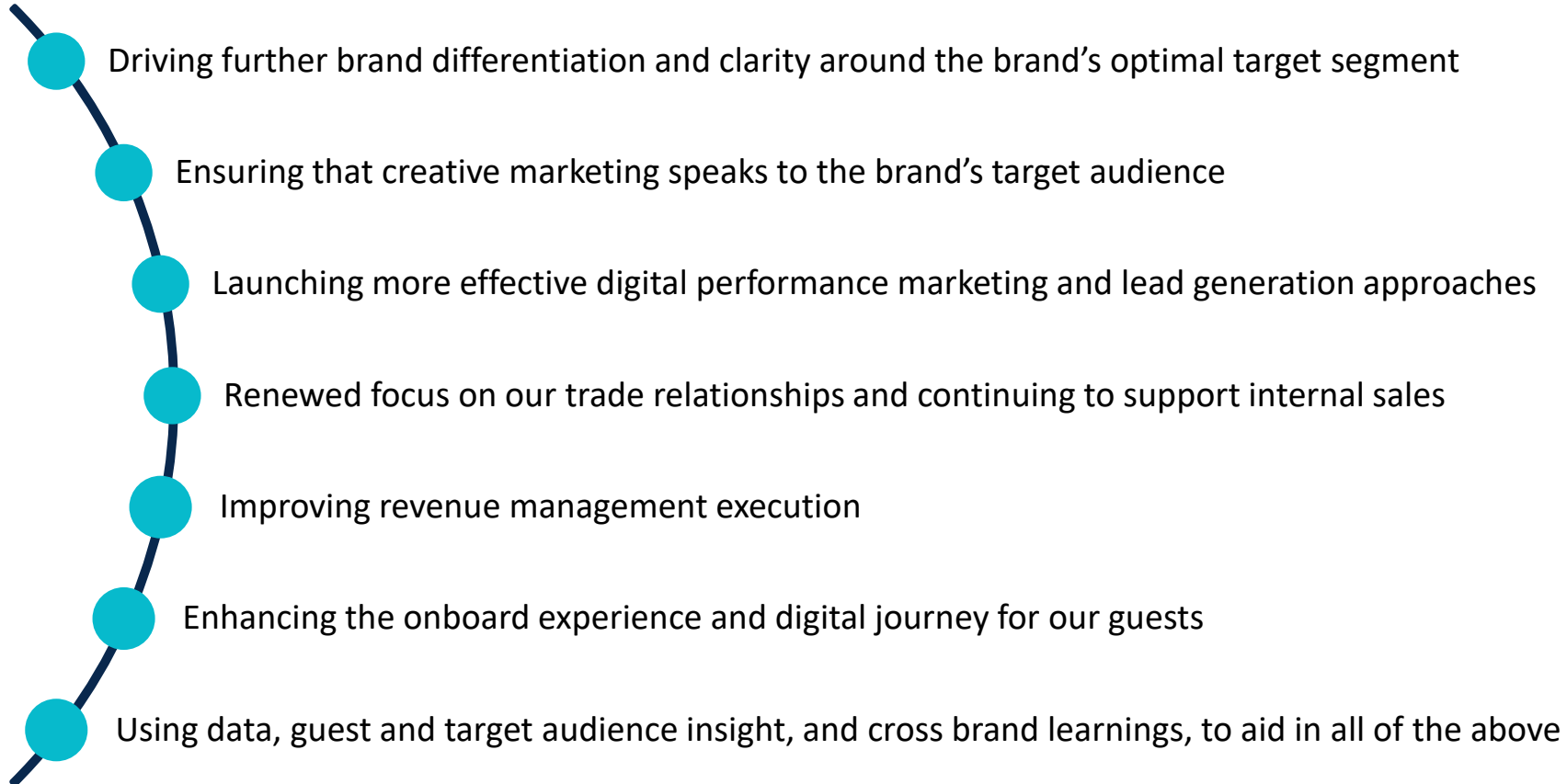
Predictable

>33%

Of onboard revenues
are pulled forward by
pre-cruise sales

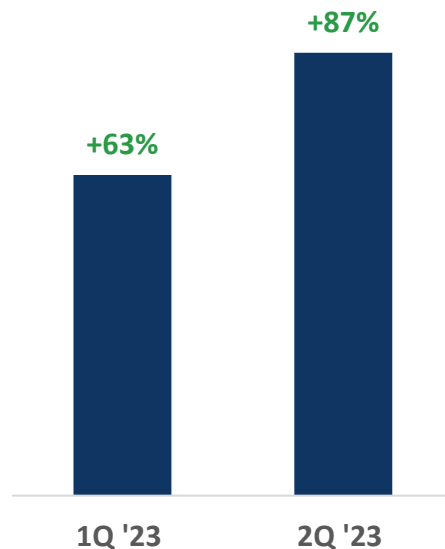
...with significant room for improvement

Strategic Actions to Drive Durable Revenue and Demand Growth

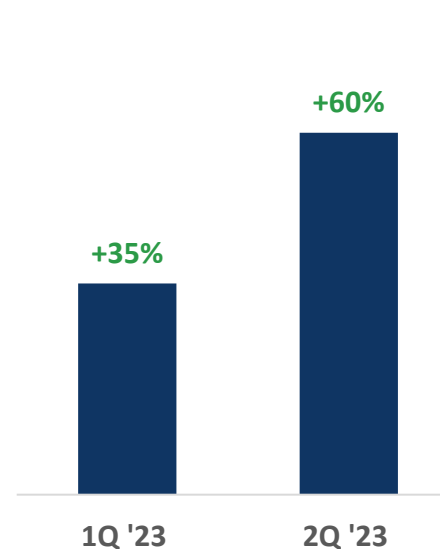


Driving Demand Through Digital Performance Marketing

Percentage Growth in
Natural Search Visits vs.
Same Period 2019



Percentage Growth in
Paid Search Clicks vs.
Same Period 2019



Digital marketing KPIs are significantly outpacing capacity growth

Driving All Sales Channels to Success

Building Our Capabilities to Serve All Channels

Committing to Our Travel Agent Partners

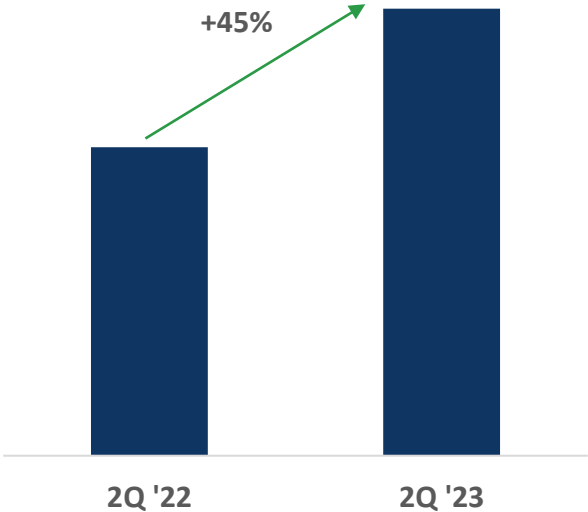
Investing in Sales and Support

Travel Agent Partners

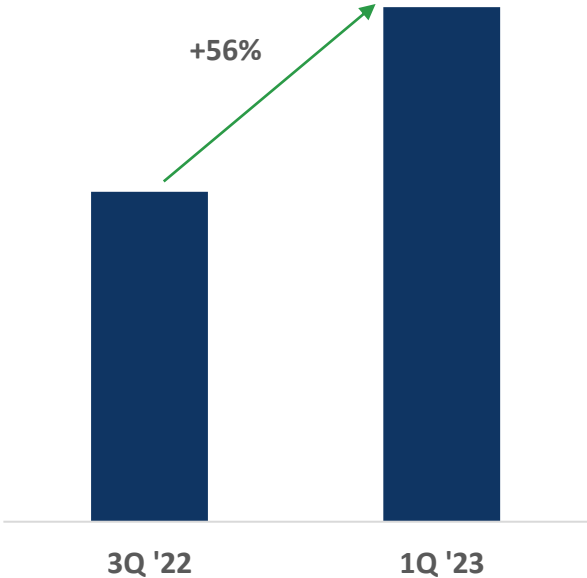
Online Channels

Call Centers

Travel Agent Booking Volume



Sales and Support Staff FTEs



“SEA Change” – High Visibility Into Our Three-Year Targets

Introducing “SEA Change”

Sustainability **>20%** Carbon Intensity
Reduction vs. 2019

EBITDA **50%** Increase in Adjusted EBITDA
per ALBD vs. 2023, Highest
in Nearly Two Decades

Adjusted ROIC **12%** Adjusted ROIC,^(a) Highest
in Nearly Two Decades

Approaching investment grade leverage metrics with measured net capacity CAGR of <2.5% over the period

(a) “Adjusted ROIC” means Earnings before Interest divided by 13-month average Invested Capital where “Earnings before Interest” means Adjusted Net Income adding back Net Interest Expense and “Invested Capital” means Total Debt plus Equity less Construction-in-Progress, Excess Cash (Cash over \$300m), Goodwill, and Intangibles

New Leadership Structure De-Layers to Enable Greater Brand Effectiveness

Aug. 1, 2022

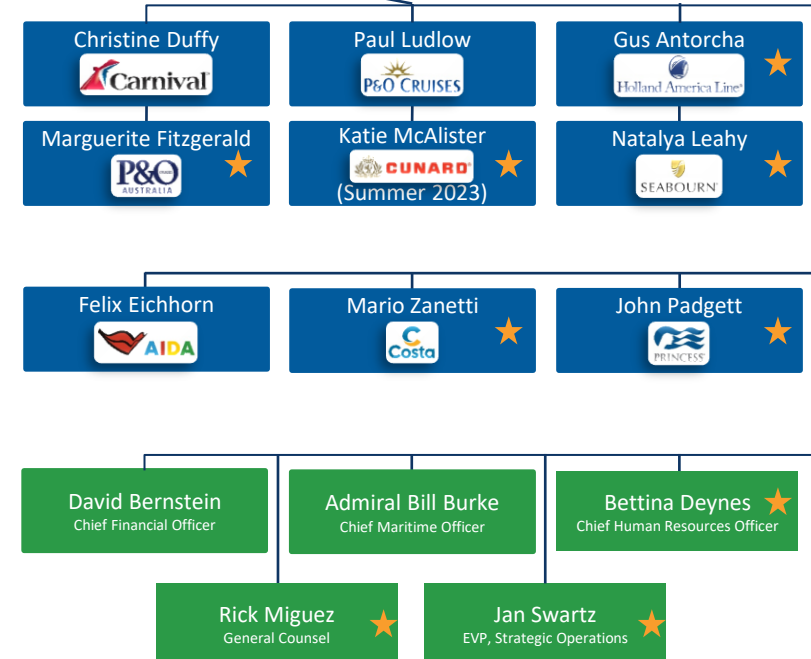
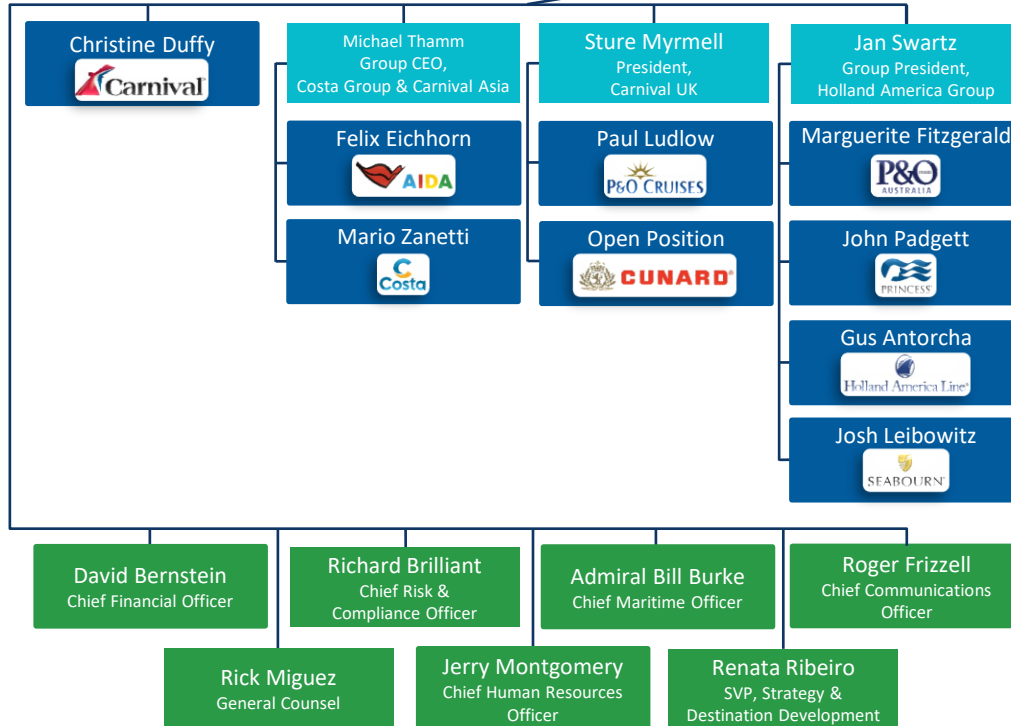
CEO has direct reporting relationship to **32%** of total brand capacity

Josh Weinstein
CEO



Jun. 1, 2023

CEO has direct reporting relationship to **93%** of total brand capacity

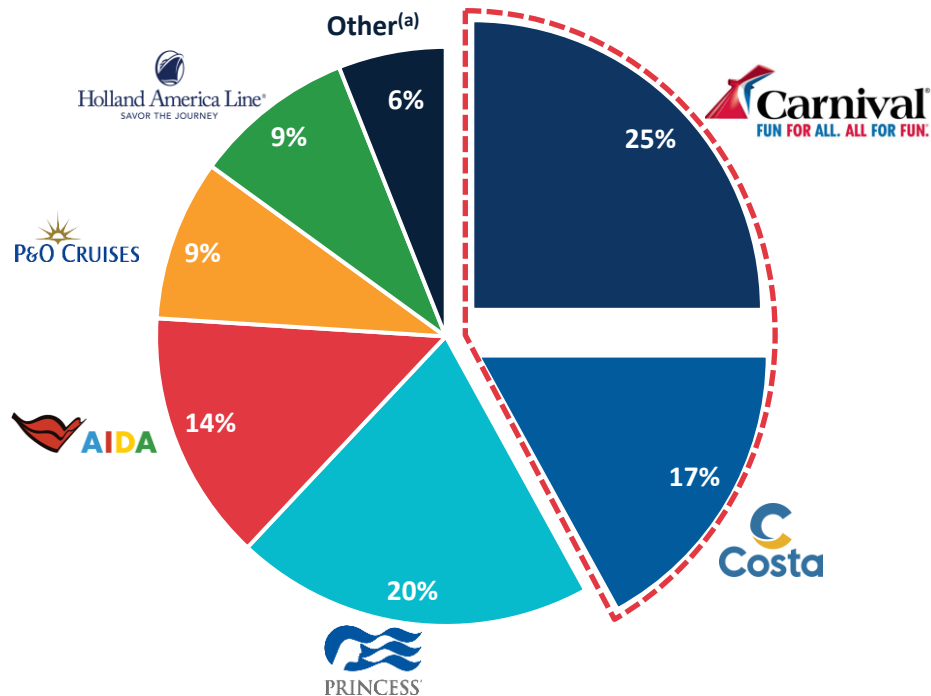


★ New in role during or after pause

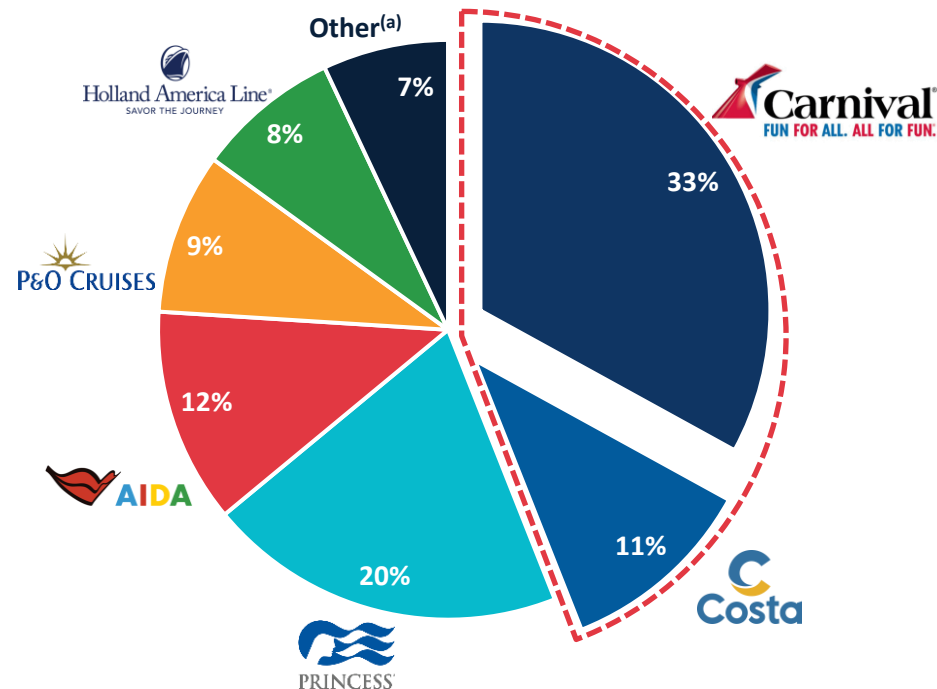
Strategically Managing the Portfolio

Capacity Evolution By Brand as a % of Our Total Fleet

2026 (Pre-COVID Expectations) – 293k Total Lower Berths



2026 (Current) – 275k Total Lower Berths



Carnival Cruise Line total berths up 22% vs. pre-COVID expectations
Costa total berths down 36% versus pre-COVID expectations

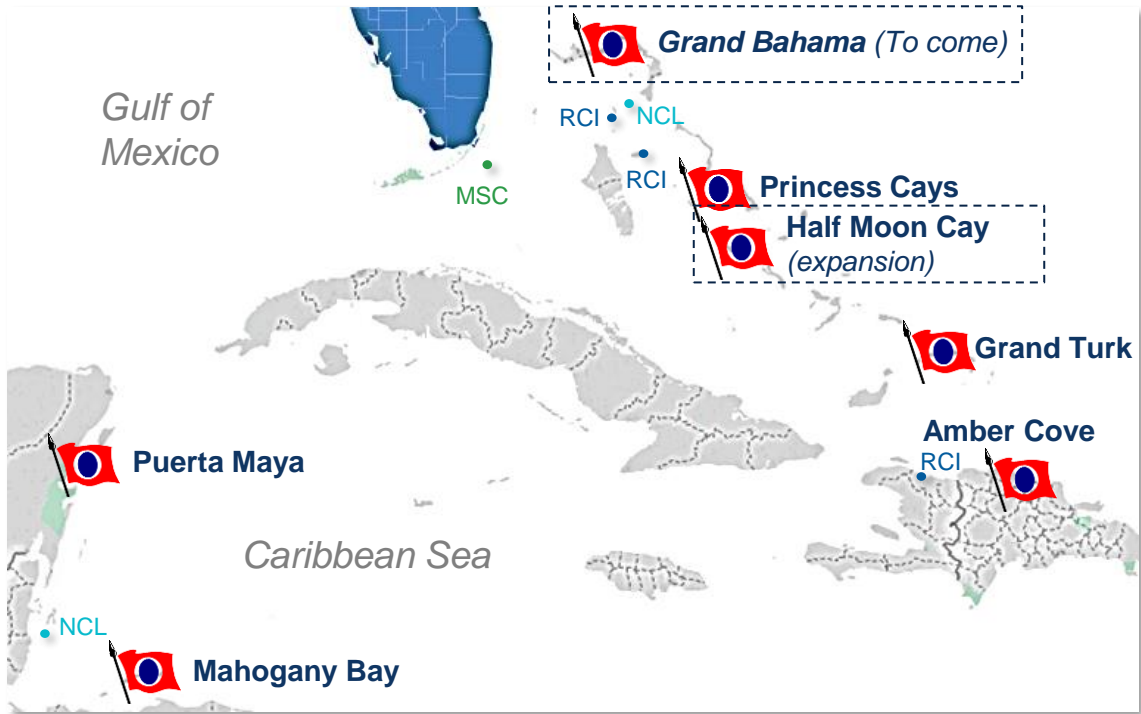
Instant Success of Fun Italian Style



Carnival Venezia



Leaning Into Our Unrivaled Destination Footprint



Puerto Maya
1.7M Guests



Mahogany Bay
0.5M Guests



Princess Cays
0.6M Guests



Grand Turk
0.9M Guests



Amber Cove
0.9M Guests



Half Moon Cay
0.9M Guests

5.4M guests will visit our Caribbean destinations in 2023 and Grand Bahama Port will push that to 7.5M

We Own Cruising in Alaska with Unrivalled Land and Sea Experiences



9 Hotels & Lodges



330+ Motorcoaches & Revenue Vehicles



20 Glass Dome Rail Cars



White Pass & Yukon Route Rail



Whittier



Most Glacier Bay Permits

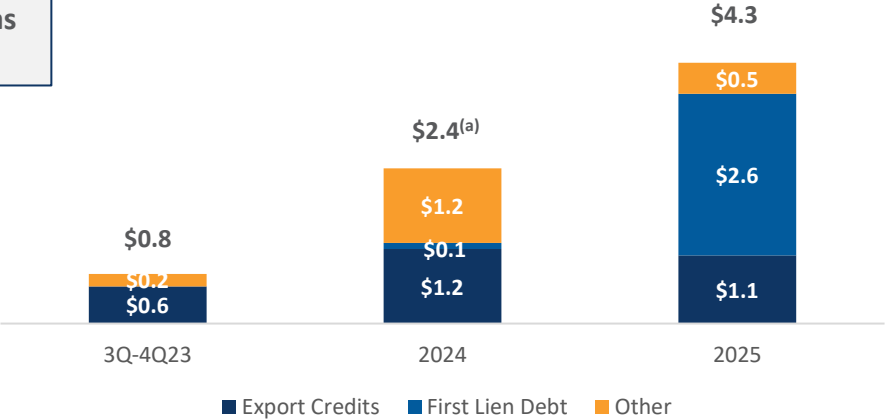
Unmatched strategic position across hotels, rail, and motor coaches to deliver unique land-sea packages

Excess Liquidity to Prepay Debt and Reduce Interest Expense Plus Other Levers

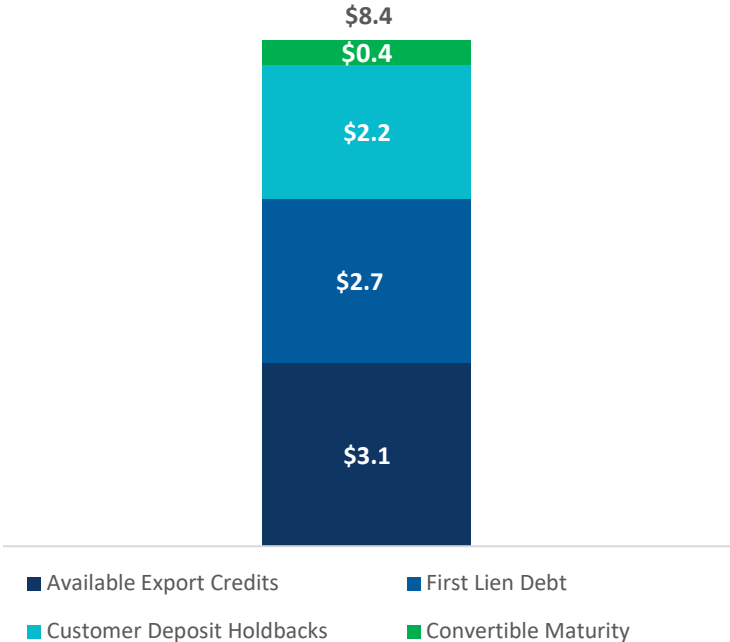


Manageable Near-Term Maturity Schedule^(b)
Total Principal Repayments (\$B)

\$7.3B liquidity as of 2Q '23



Levers



Debt peaked at \$35B and is expected to be paid down to less than \$33B by end of 2023

(a) June Prepayment of SMBC reduces 2024 Maturity Schedule by \$300m.
(b) Outstanding debt maturities as of May 31, 2023; excludes impact of undrawn export credits

Free Cash Flow Outlook Supports Debt Paydown Over Time



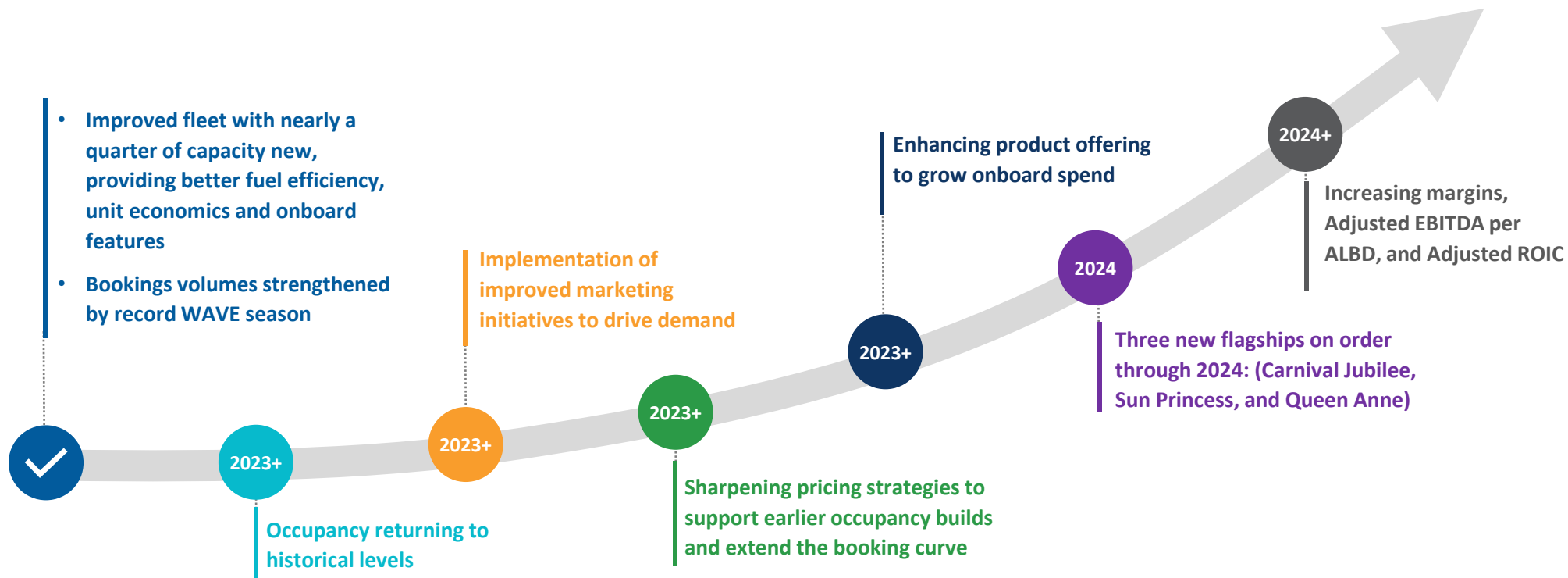
Over Our Three-Year Outlook

>\$11B Debt Paydown – \$3B Draw of Export Credits =
\$8B Net Debt Paydown

(>\$10B Net Debt Paydown from 1Q 2023 Peak)

Revenue growth and margin improvement deliver strong adjusted free cash flow generation over time, transferring value from debt holders to equity holders

Strong Momentum Heading into 2024 and Beyond



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



Appendix

Guidance

	3Q 2023		Full Year 2023	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Change compared to 2019				
Net per diems	2.0% to 3.0%	3.5% to 4.5%	4.0% to 5.0%	5.5% to 6.5%
Adjusted cruise costs excluding fuel per ALBD	12.5% to 13.5%	14.5% to 15.5%	8.0% to 9.0%	10.0% to 11.0%

	3Q 2023	Full Year 2023
ALBDs (in millions) (a)	23.8	91.3
Capacity growth vs 2019	4.6 %	4.5 %
Occupancy percentage (a)	107% or higher	100% or higher

Fuel consumption in metric tons (in millions)	0.7	2.9
Fuel cost per metric ton consumed	\$ 620	\$ 660
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	\$ 1.95

Adjusted EBITDA (in millions)	\$2,050 to \$2,150	\$4,100 to \$4,250
Adjusted net income (loss) (in millions)	\$950 to \$1,050	\$(250) to \$(100)
Adjusted earnings per share	\$0.70 to \$0.77	\$(0.20) to \$(0.08)
Weighted-average shares outstanding - diluted	1,390	1,263

Currencies (USD to 1)		
AUD	\$ 0.68	\$ 0.68
CAD	\$ 0.76	\$ 0.76
EUR	\$ 1.09	\$ 1.09
GBP	\$ 1.28	\$ 1.25

(a) See "Notes to Statistical Information"

Sensitivities (impact to adjusted net income (loss) in millions)	3Q 2023	Remainder of 2023
1% change in net per diems	\$ 51	\$ 90
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 22	\$ 45
1% change in currency exchange rates	\$ 7	\$ 11
10% change in fuel price	\$ 46	\$ 89
100 basis point change in variable rate debt (including derivatives)	—	\$ 38

Capital Expenditures

The company's annual capital expenditures, which include year-to-date actuals for 2023, are as follows:

(in billions)	2023	2024	2025	2026
Contracted newbuild	\$ 1.8	\$ 2.4	\$ 0.9	\$ —
Non-newbuild	1.5	1.7	1.7	1.7
Total (a)	\$ 3.3	\$ 4.1	\$ 2.6	\$ 1.7

(a) Future capital expenditures will fluctuate with foreign currency movements relative to the U.S. Dollar. These figures do not include potential ship additions that the company may elect in the future.

Outstanding Debt Maturities

As of May 31, 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	0.6	1.2	1.1	1.1
All other (a)	0.2	1.2	0.5	2.1
Total Principal payments on outstanding debt	\$ 0.8	\$ 2.4	\$ 4.3	\$ 4.5

(a) Subsequent to May 31, 2023, the company repaid \$300 million of 2024 maturities.

Committed Ship Financings

(in billions)	2023	2024	2025
Future export credit facilities at May 31, 2023	\$ 0.1	\$ 2.2	\$ 0.7

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%

Our Sustainability Strategy

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

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 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.

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, 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

(in millions)	Three Months Ended May 31,		Six Months Ended May 31,	
	2023	2022	2023	2022
Net income (loss)	\$ (407)	\$ (1,834)	\$ (1,100)	\$ (3,726)
(Gains) losses on ship sales and impairments	(45)	(5)	(54)	1
(Gains) losses on debt extinguishment, net	31	—	31	—
Restructuring expenses	15	1	15	1
Other	11	(29)	23	(29)
Adjusted net income (loss)	\$ (395)	\$ (1,867)	\$ (1,085)	\$ (3,752)
Interest expense, net of capitalized interest	542	370	1,082	738
Interest income	(69)	(6)	(124)	(9)
Income tax (expense), benefit	5	3	13	6
Depreciation and amortization	597	572	1,179	1,126
Adjusted EBITDA	\$ 681	(928)	\$ 1,063	(1,891)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2023	2022	2023	2022
Earnings per share	\$ (0.32)	\$ (1.61)	\$ (0.87)	\$ (3.27)
(Gains) losses on ship sales and impairments	(0.04)	—	(0.04)	—
(Gains) losses on debt extinguishment, net	0.02	—	0.02	—
Restructuring expenses	0.01	—	0.01	—
Other	0.01	(0.03)	0.02	(0.03)
Adjusted earnings per share	\$ (0.31)	\$ (1.64)	\$ (0.86)	\$ (3.30)
Weighted-average shares outstanding - diluted (in millions)	1,263	1,140	1,261	1,139

(in millions)	Three Months Ended May 31,		Six Months Ended May 31,	
	2023	2022	2023	2022
Cash from (used in) operations	\$ 1,136	\$ 4	\$ 1,525	\$ (1,209)
Capital expenditures (Purchases of Property and Equipment)	(697)	(491)	(1,772)	(3,221)
Proceeds from export credits	186	—	1,016	2,343
Adjusted free cash flow	\$ 625	\$ (487)	\$ 769	\$ (2,086)

(in millions, except costs per ALBD data)	Three Months Ended May 31,			Six Months Ended May 31,		
	2023	2023 Constant Currency	2019	2023	2023 Constant Currency	2019
Cruise and tour operating expenses	\$ 3,457		\$ 3,159	\$ 6,768		\$ 6,301
Selling and administrative expenses	736		621	1,448		1,250
Less: Tour and other expenses	(54)		(68)	(77)		(103)
Cruise costs	4,140		3,712	8,139		7,448
Less: Commissions, transportation and other	(619)		(613)	(1,274)		(1,322)
Onboard and other costs	(549)		(485)	(1,033)		(952)
Gains (losses) on ship sales and impairments	45		16	54		14
Restructuring expenses	(15)		—	(15)		—
Other	—		(20)	—		(20)
Adjusted cruise costs	3,002	3,045	2,610	5,871	5,968	5,168
Less: Fuel	(489)	(489)	(423)	(1,024)	(1,024)	(804)
Adjusted cruise costs excluding fuel	\$ 2,513	\$ 2,557	\$ 2,187	\$ 4,847	\$ 4,944	\$ 4,364
ALBDs	22.3	22.3	21.6	44.3	44.3	42.9
Cruise costs per ALBD	\$ 185.74		\$ 171.51	\$ 183.51		\$ 173.44
% increase (decrease) vs 2019	8.3 %			5.8 %		
Adjusted cruise costs per ALBD	\$ 134.69	\$ 136.64	\$ 120.60	\$ 132.37	\$ 134.56	\$ 120.34
% increase (decrease) vs 2019	12 %	13 %		10 %	12 %	
Adjusted cruise costs excluding fuel per ALBD	\$ 112.76	\$ 114.71	\$ 101.05	\$ 109.29	\$ 111.48	\$ 101.63
% increase (decrease) vs 2019	12 %	14 %		7.5 %	10 %	

Reconciliation of Net Yields and Net Per Diems

	Three Months Ended August 31,		Three Months Ended November 30,		Three Months Ended February 28,		Three Months Ended May 31,	
	2022		2022		2023		2023	
	Constant		Constant		Constant		Constant	
(in millions, except per diems and yields data)	Currency		Currency		Currency		Currency	
	2022		2022		2023		2023	
Total revenues	\$	4,305	\$	3,839	\$	4,432	\$	4,911
Less: Cruise and tour operating expenses		(3,379)		(3,665)		(3,311)		(3,457)
Depreciation and amortization		(581)		(568)		(582)		(597)
Gross margin		345		(394)		540		856
Less: Tour and other revenues		(118)		(31)		(9)		(35)
Add: Payroll and related		563		580		582		601
Fuel		668		580		535		489
Food		259		277		311		325
Ship and other impairments		-		433		-		-
Other operating		787		840		743		875
Depreciation and amortization		581		568		582		597
Adjusted gross margin	\$	3,085	\$	3,163	\$	3,284	\$	3,708
PCDs		17.7		18.3		20.2		21.8
Gross margin per diems (per PCD)	\$	19.52	\$	(21.58)	\$	26.81	\$	39.21
Net per diems (per PCD)	\$	174.31	\$	156.13	\$	162.96	\$	169.77
ALBDs		21.0		21.5		22.1		22.3
Gross margin yields (per ALBD)	\$	16.44	\$	(18.31)	\$	24.49	\$	38.43
Net yields (per ALBD)	\$	146.82	\$	132.45	\$	148.87	\$	166.38