



CARNIVAL
CORPORATION & PLC.



Fourth Quarter 2023 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.

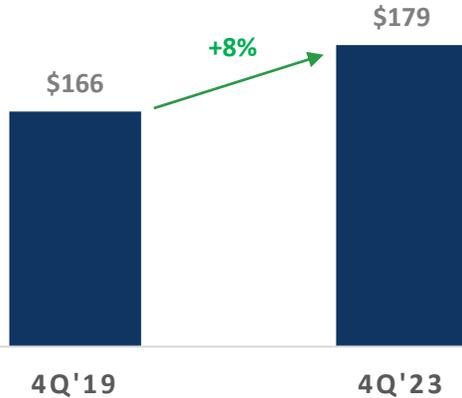
The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

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 Ending to a Year Full of Records

Record Net Yields



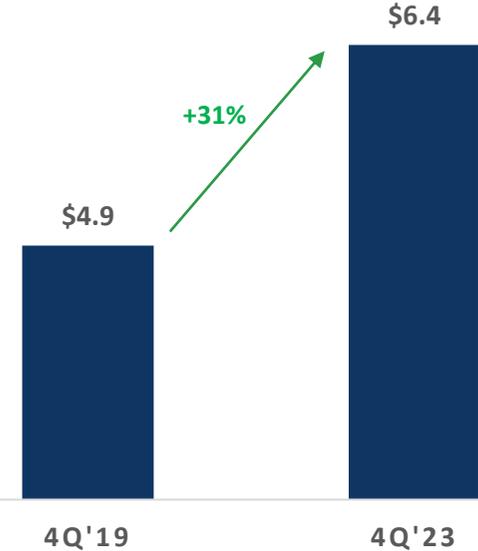
Record Revenue

In Billions



Record Customer Deposits

In Billions



And the best booked position on record for both price and occupancy

Strength in Demand Delivered Outperformance *AGAIN*

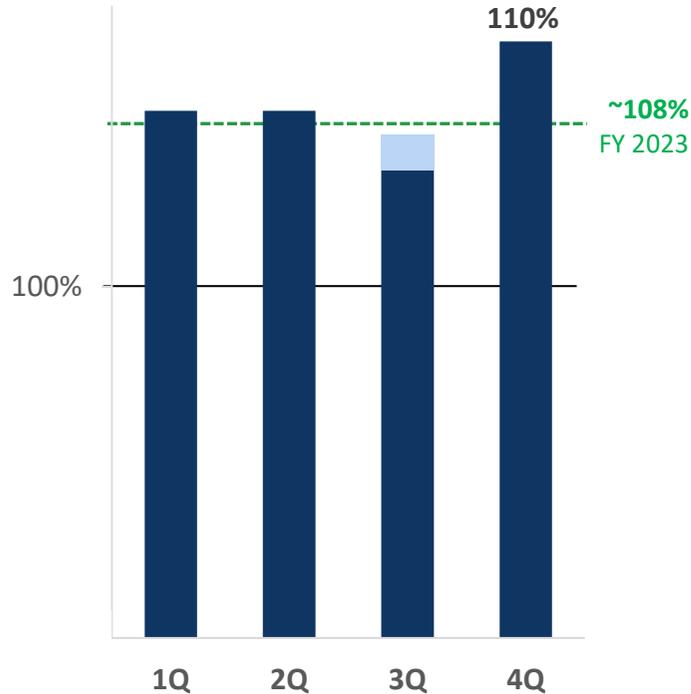
4Q 2023	Guidance	Actual
Occupancy percentage	101% or higher	>101%
Net per diems vs 2019	7.0 – 8.0%	10.5%
Adj cruise costs exc. fuel per ALBD vs 2019	10.0 – 11.0%	11.0%
Adj EBITDA	\$800M - \$900M	\$946M
Adj net income/(loss)	(\$225M) – (\$125M)	(\$90M)

Fourth quarter exceeded expectations and turned full year adjusted net income positive

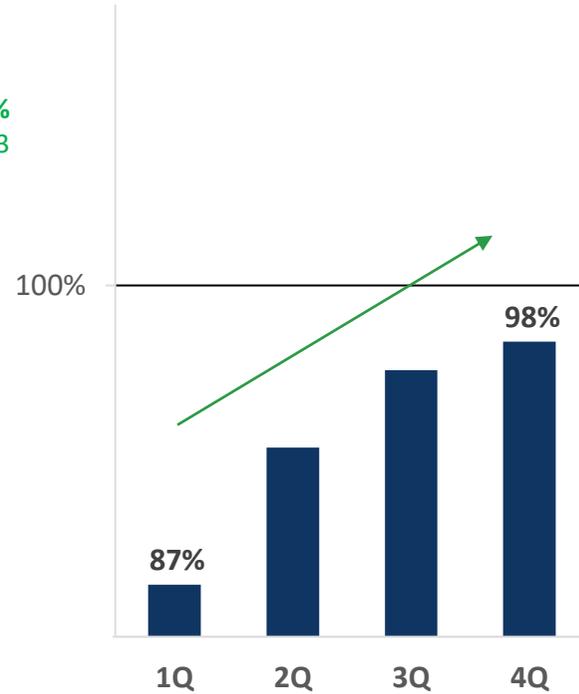
Strategic Focus to Drive Demand Delivered Sequential Yield Improvement and Continued Positive Trajectory

2023 Net Per Diems as % of 2019

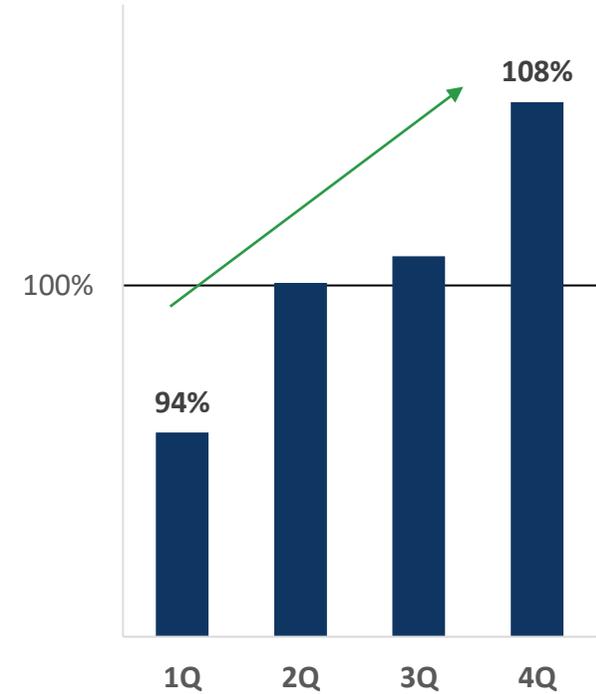
■ = St. Petersburg 2019 impact



2023 Occupancy as % of 2019



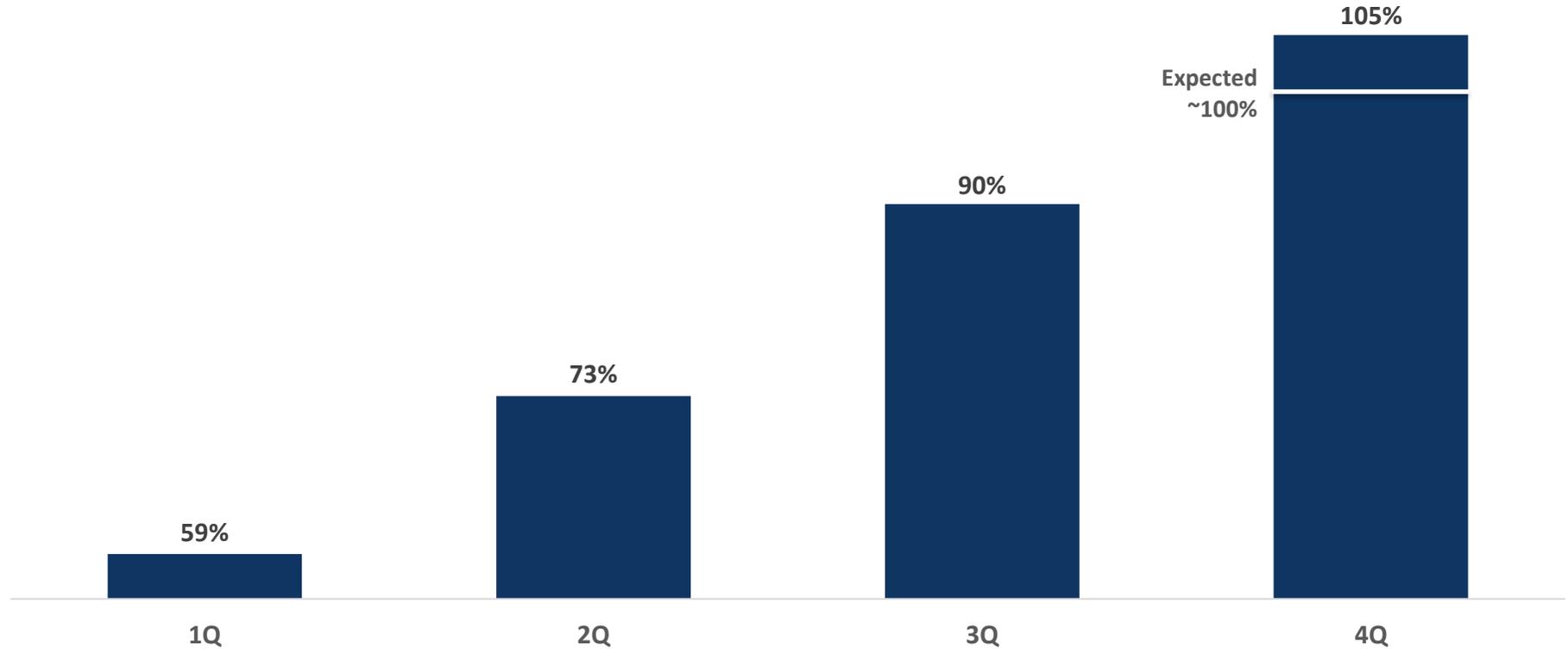
2023 Net Yields as % of 2019



Net yields in 4Q finished significantly higher than very strong 2019 levels as we closed the occupancy gap

Underlying Unit EBITDA Surpassed Strong 2019 Levels

2023 Adjusted EBITDA per ALBD Holding Fuel Price and Currency Constant to 2019



Poised for Another Step Change in Operating Improvement in 2024

FY 2024	Guidance
Net yields vs 2023	Approx. 8.5%
Adj cruise costs exc. fuel per ALBD vs 2023	Approx. 4.5%
Adj EBITDA	Approx. \$5.6B
Adj net income	Approx. \$1.2B
Adj EPS	Approx. \$0.93

Set up to deliver another year of record revenues and record EBITDA

With A Record of Nearly Two Thirds of Our Business on the Books at Considerably Higher Prices, Our Demand Generation Efforts Are Clearly Working As Seen In...

- Recent Trends
- Actual Results
- Booked Position
- Forward Guidance



Making Good Progress And Continuing To Up Our Game Across The Commercial Space

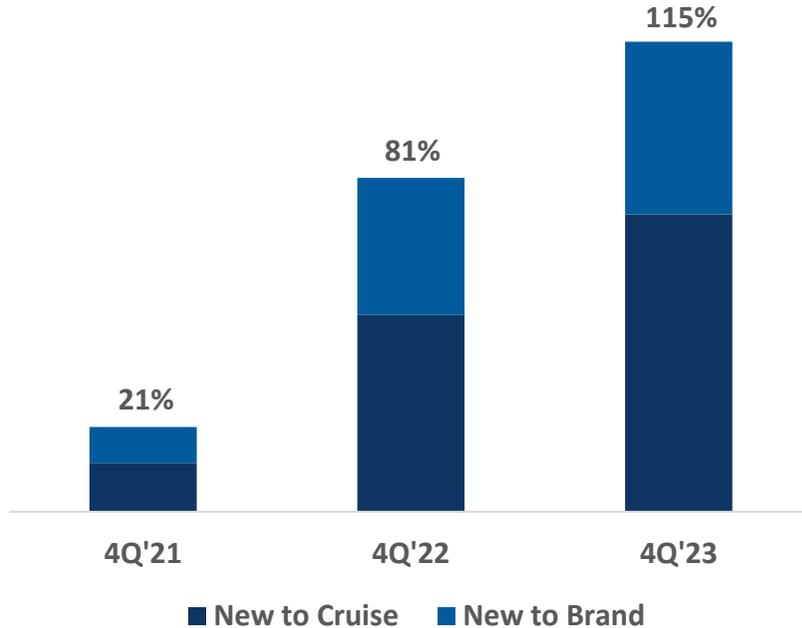
Areas of Focus

- ✓ Brand Positioning
- ✓ Creative Marketing
- ✓ Digital Performance Marketing
- ✓ Trade Relationships Strength
- ✓ Internal Sales Support
- ✓ Deployment and Itinerary Planning
- ✓ Revenue Management Execution
- ✓ Onboard Revenue Maximization
- ✓ Onboard Guest Experience
- ✓ Use of Data and Guest Target Audience Insight

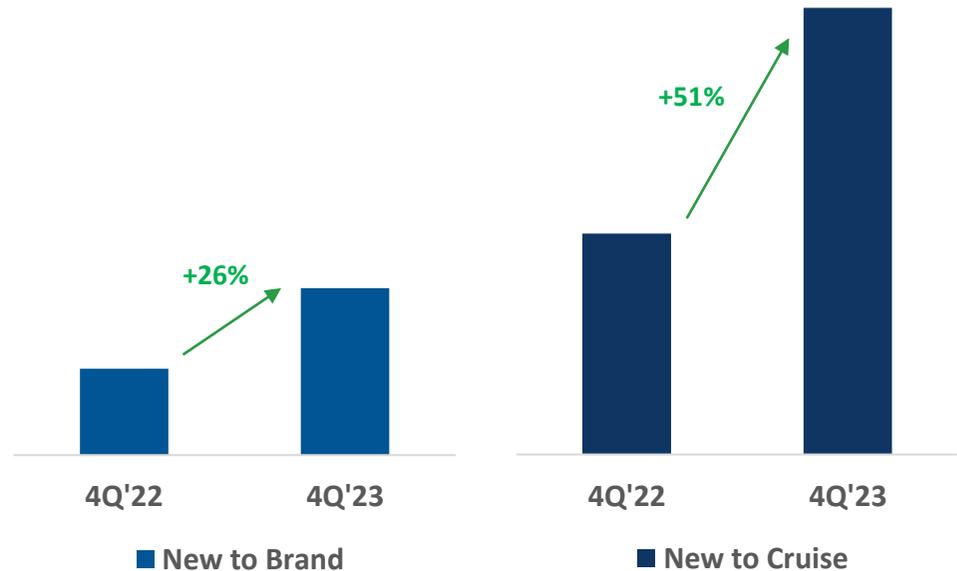
We expect revenue optimization initiatives to continue momentum of strong yield improvement

Demand Generation Efforts Capturing New to Cruise Guests

New Guests Sailed as % of 4Q'19



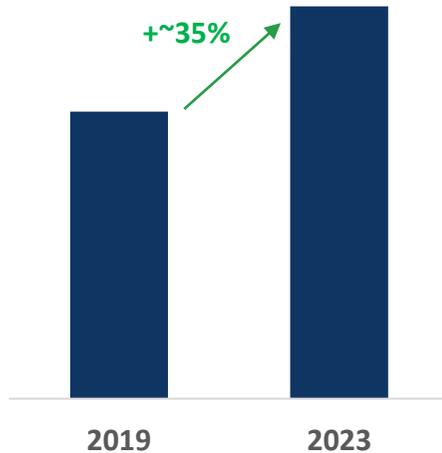
Total Volume of New Guests Sailed



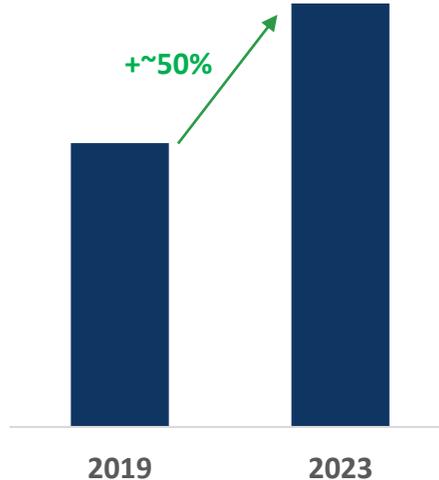
New to cruise and new to brand guests exceeded strong 2019 levels as we continue to take share from land-based alternatives

Digital Performance Marketing Driving New Demand

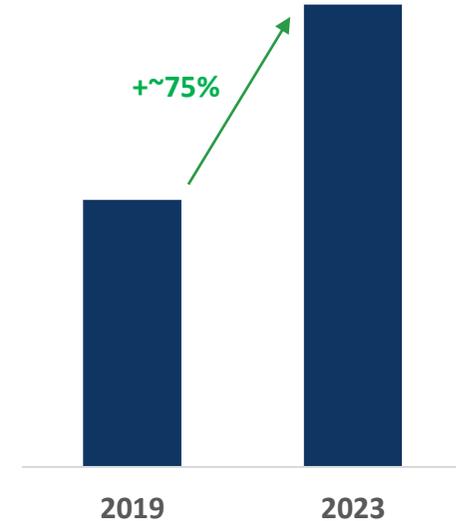
Percentage Growth in
Web Visits



Percentage Growth in
Paid Search Clicks



Percentage Growth in
Natural Search Visits



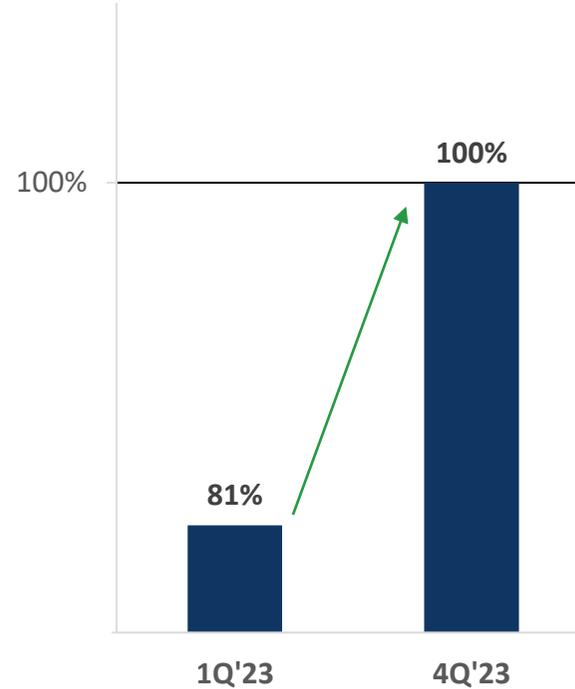
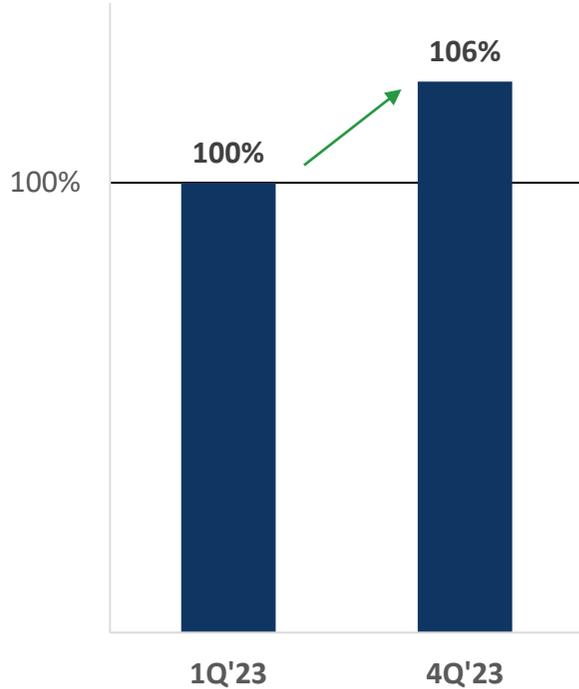
Increased awareness and consideration for our brands building ongoing pipeline of new demand

Lengthened Booking Curve on Improved Revenue Management Execution

Average Months Booked Before Sailing as % of 2019

North America^(a)

Europe^(b)



Sustained strength from North American brands with European brands showing great acceleration

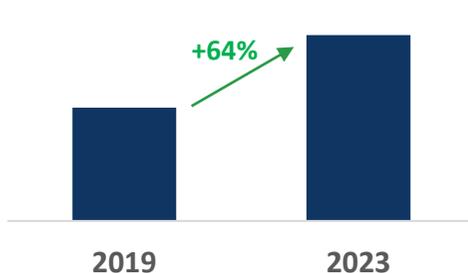
(a) Guests sourced for our NAA brands

(b) Guests sourced for our European brands

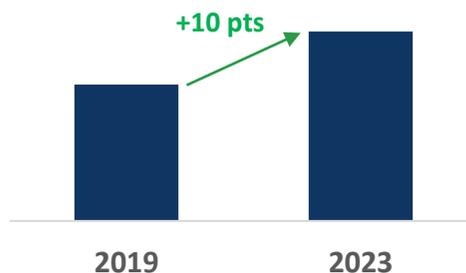
Driving Onboard Revenue Growth Through Multiple Wallets

	Up to 24 Months Prior	Until 3 Days Prior	During
Phase:	Purchase Cruise Package (\$)	Pre-Cruise (\$\$)	Onboard (\$\$\$)
Revenue Opportunity	Introducing More Bundled Offers	Targeted Special Offers	Additional Amenities and Experiences

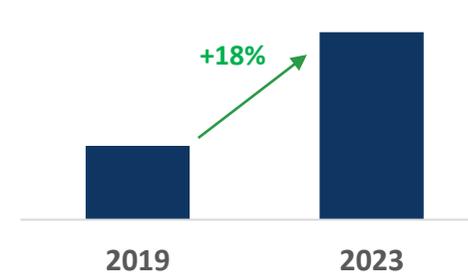
Pre-Cruise Onboard Revenue per PCD^(a)



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



Onboard Revenue per PCD^(a)



Continuing to pull forward onboard revenue

Note: Number of \$ corresponds to the size of the incremental revenue opportunity in each phase.
(a) In constant dollars

Creating Excitement Around Our New Ships and Destinations



Benefitting From Three Fantastic New Ships in 2023



Carnival Celebration



Seabourn Pursuit



P&O Arvia

Delivering Three More Incredible New Ships in 2024



Sun Princess



Carnival Jubilee



Queen Anne

Instant Success of Carnival Fun Italian Style Platform



Carnival Venezia
Introduced in 2023



Carnival Firenze
Coming in 2024



Leaning Into Our Unrivaled Destination Footprint

- Largest and closest destination in our portfolio
- Bringing 18 Carnival ships departing from 9 homeports beginning 2H 2025



CELEBRATION KEY™

AT GRAND BAHAMA



Significant Upsize in Guest Traffic at Half Moon Cay Coming in 2H 2026



Spectacular New Campaigns Keep Our Strong Momentum Through WAVE Season and Beyond

[Click on each photo below for sneak peek!](#)



“Experience Yourself Differently”

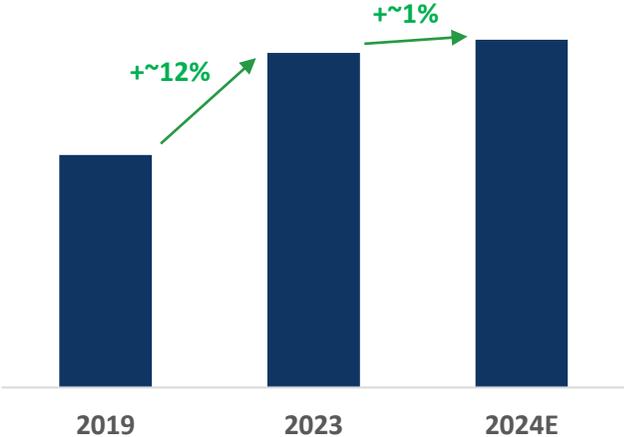


“Wonder Can Leave You Speechless”

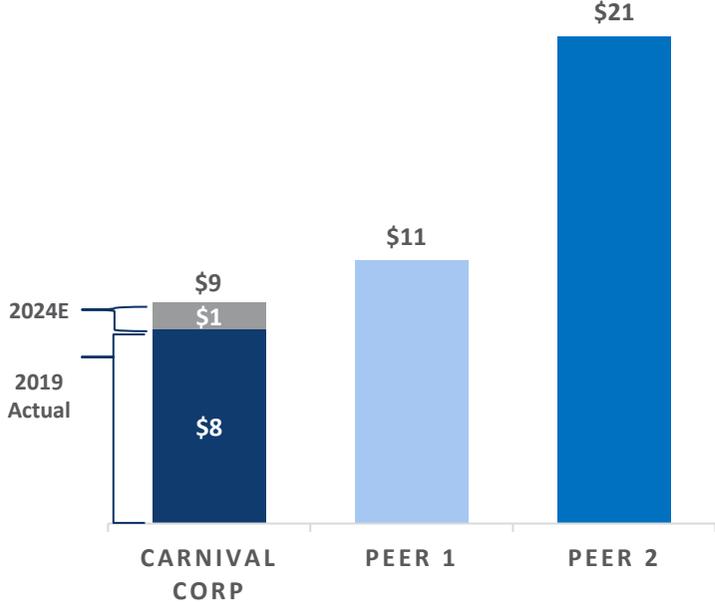


Maintaining Effective Level of Advertising Spend...

A&P SPEND PER ALBD



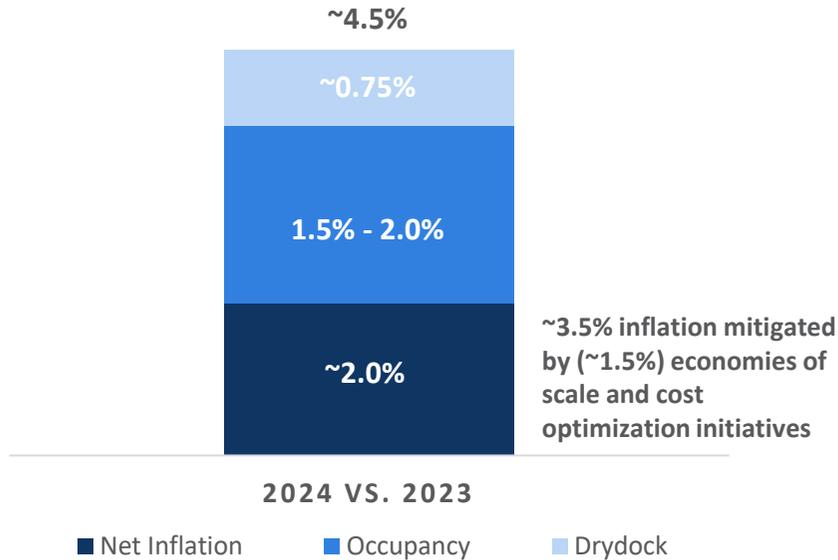
2019 A&P SPEND PER ALBD AMONG PEERS



...to continue building demand well outside of the current year

Leveraging Our Scale to Mitigate Inflation

Adj. Cruise Costs exc. Fuel per ALBD



Notable Cost Optimization Initiatives

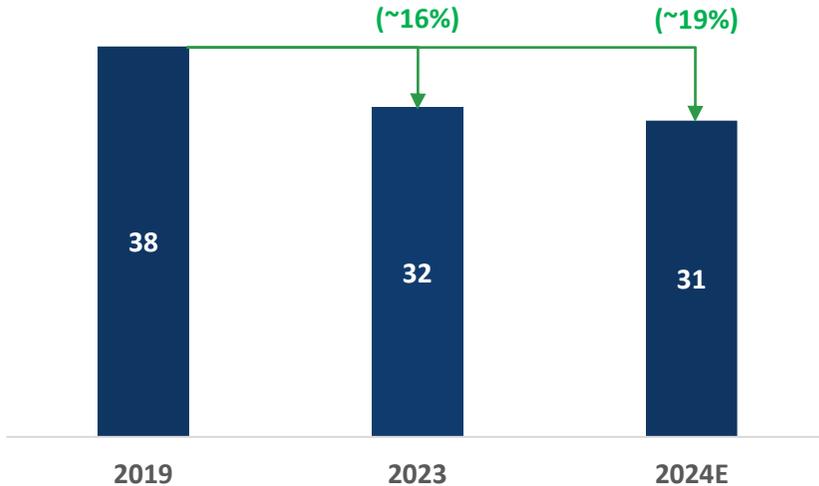
- **Starlink**
 - Essentially complete with roll-out across the fleet
 - Expected to produce a **>20%** reduction in cost per megabit in 2024
 - Significantly increase our bandwidth pipeline
- **Maritime Asset Strategy Transformation (MAST)**
 - Leverage spare parts more effectively across the entire fleet
 - Optimize our maintenance schedules and practices
 - Expected to produce a multi-year benefit well in excess of **\$100M** beginning in 2026



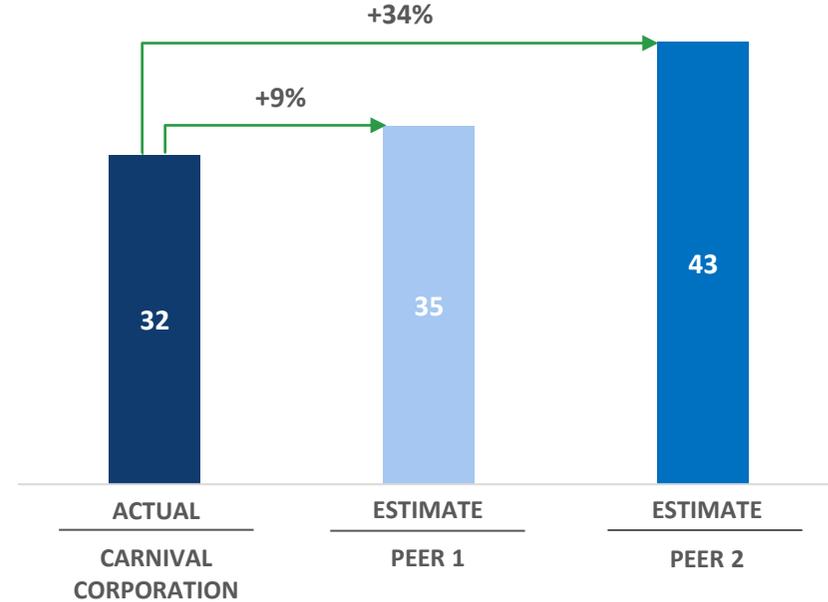
Continuing to Manage Fuel Costs the Best Way Possible... By Consuming Less

Fuel Tons Consumed per kALBD by Year

Continuing to Reduce Fuel Consumption



Industry Leading Fuel Efficiency Fuel Consumption in 2023

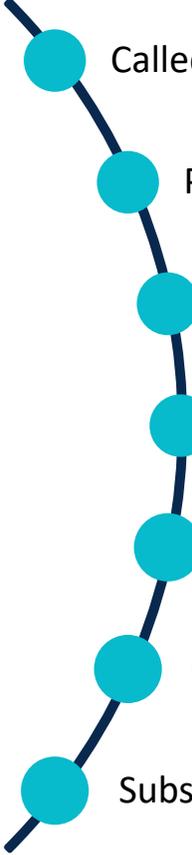


Reduction in fuel consumption expected to save us over \$450M in 2024 vs. 2019



Accelerating Our Path Back to Investment Grade by Increasing EBITDA, Managing Down Our Debt, and Reducing Interest Expense

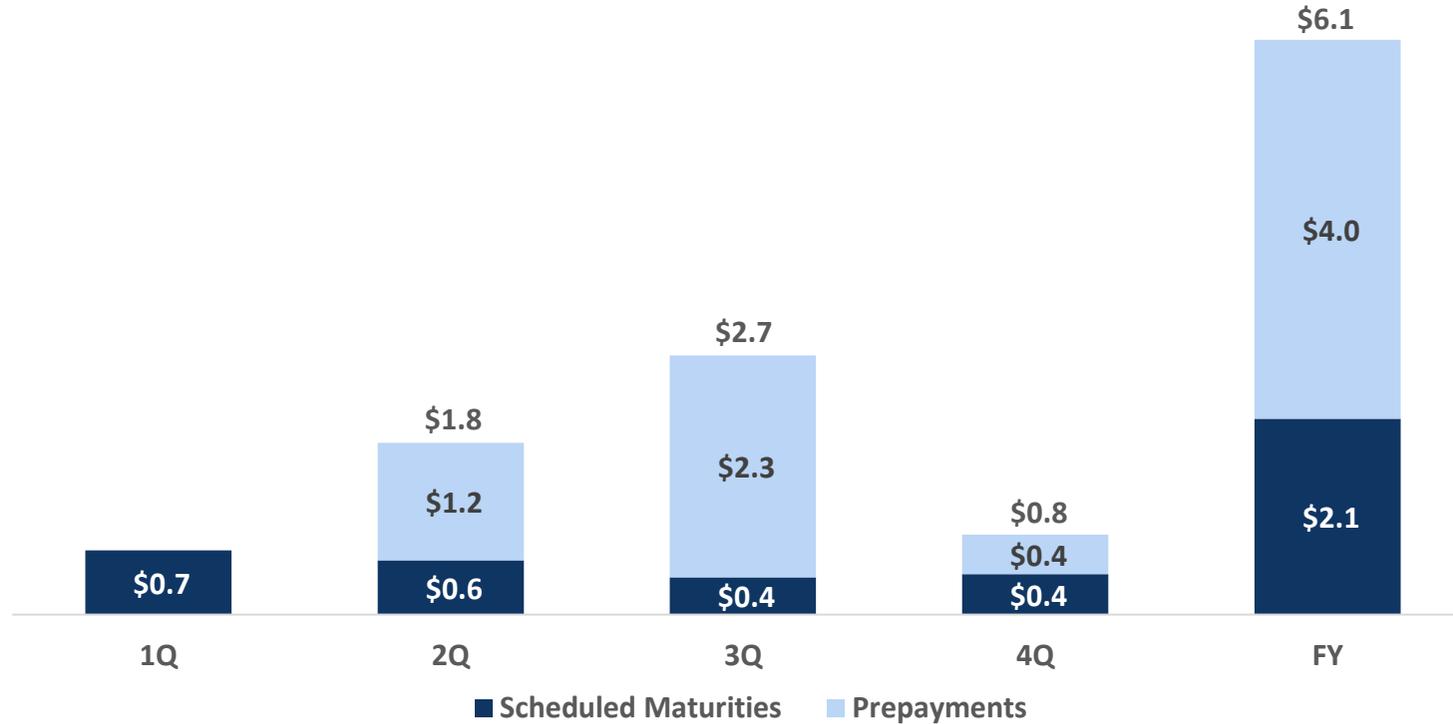
2023 Deleveraging Efforts Pave the Way for Investment Grade Credit Ratings and Higher ROIC

- 
- Called \$1.2B of our highest cost debt after stretching out a 2025 maturity on favorable terms
 - Pre-paid \$2.8B of additional debt
 - Over \$1.0B of customer deposit reserves returned to us by our credit card processors, with the remaining expected in 1Q 2024
 - The fixed rate percentage of our debt portfolio increased to over 80%, up significantly from our 2021 levels
 - \$0.2B of interest savings compared to our March Guidance due to our refinancing and deleveraging efforts as well as our improved business performance
 - Our maturity towers have been well managed
 - Substantial increases in Free Cash Flow expected in 2024 and beyond to drive down our debt balances

Made Debt Payments of ~\$6B Including ~\$4B of Prepayments

2023 Scheduled Maturities and Prepayments

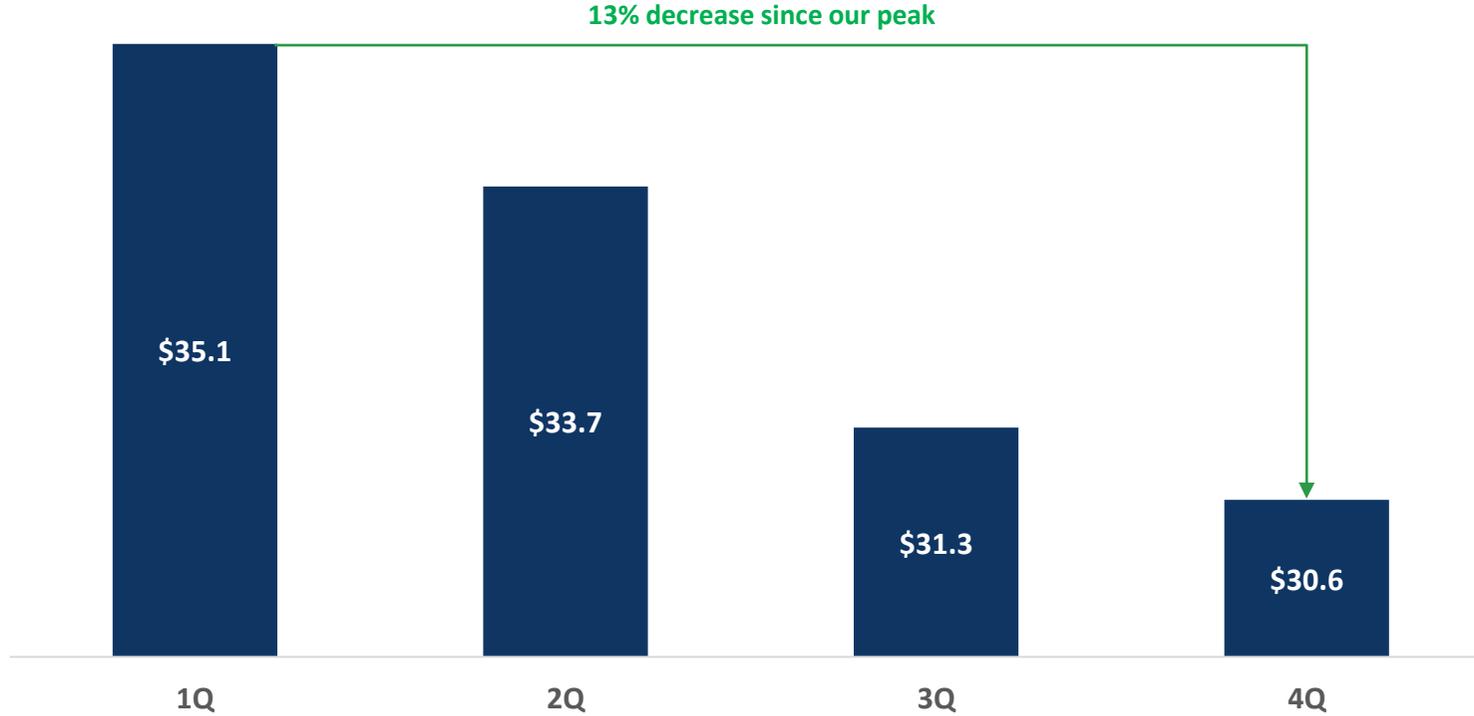
In Billions



And drew down ~\$1.2B of favorable export credits

Accelerating Deleveraging Efforts

2023 Total Debt
In Billions

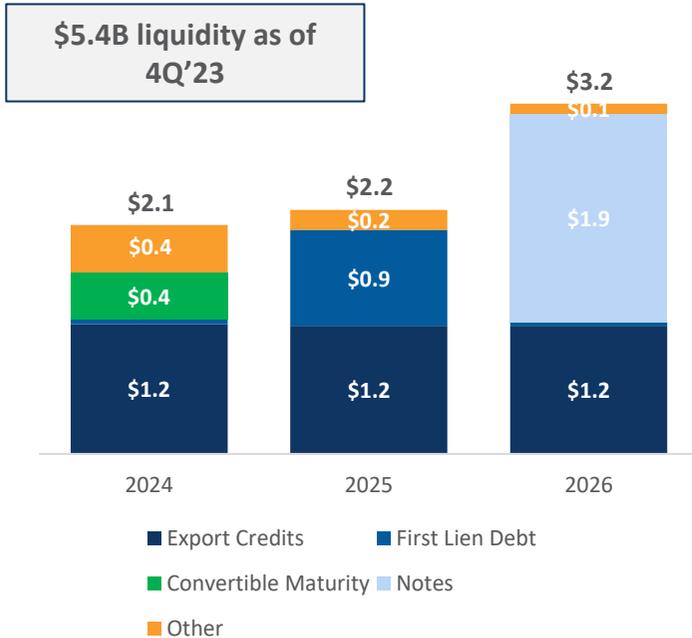


Ended the year ~\$5B below the peak and ~\$3B less than March Guidance

Manageable Near-Term Maturities Plus Other Levers

Maturity Schedule^(a)

Total Principal Repayments (In Billions)



Levers

In Billions



Export Credits Available

In Billions



(a) Outstanding debt maturities as of November 30, 2023; excludes impact of undrawn export credits

Entered 2024 Ahead of Plan To Achieve Our 2026 SEA Change Targets Based on Strong 2H 2023 Outperformance



SEA Change Targets

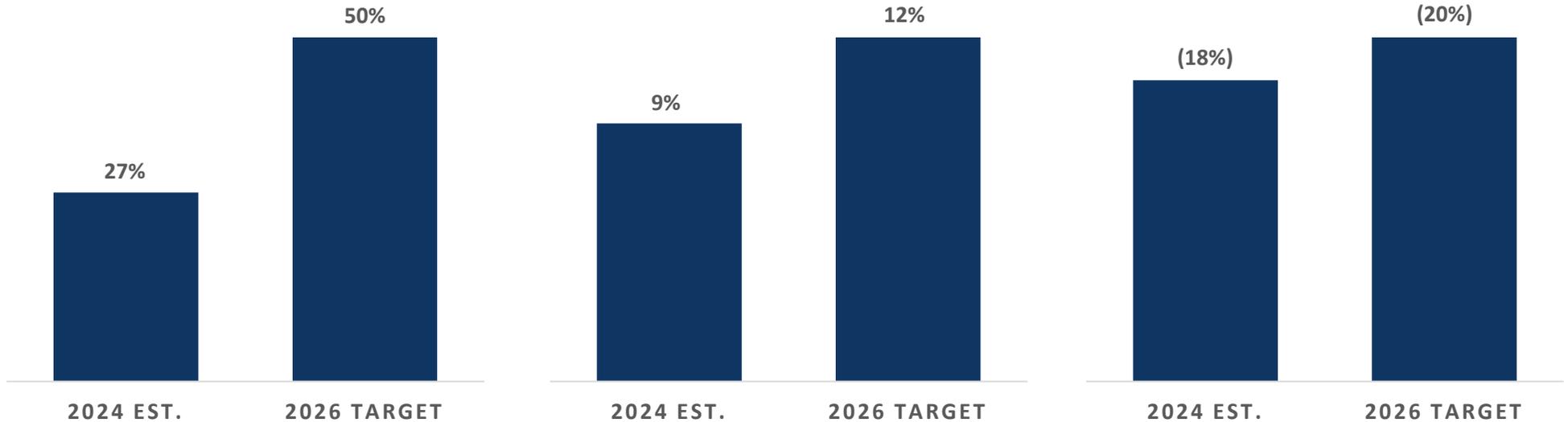
- Highest Adjusted EBITDA per ALBD in nearly two decades
- Highest ROIC in nearly two decades
- Over 20% GHG Intensity reduction vs. 2019

2024 Guidance Places Us More Than Halfway to Achieving All of Our SEA Change Targets

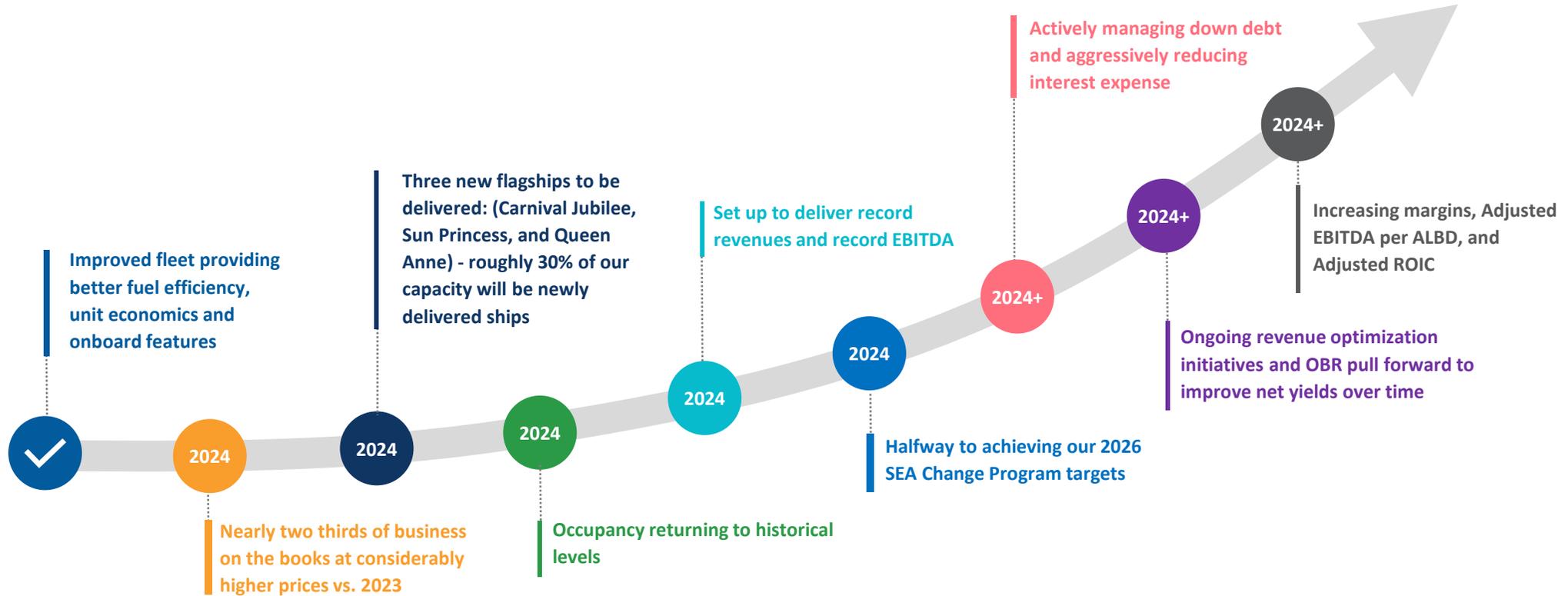
Adj. EBITDA per ALBD
vs. 2023 June Guidance

Adj. ROIC

Greenhouse Gas Intensity (Reduction)
In Tons Per Berth Day vs. 2019



Strong Momentum in 2024 and Beyond



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



Appendix

	1Q 2024		Full Year 2024	
	Current Dollars	Constant Currency	Current Dollars	Constant Currency
Year over year change				
Net yields	Approx. 16.5%	Approx. 16.5%	Approx. 8.5%	Approx. 8.5%
Adjusted cruise costs excluding fuel per ALBD	Approx. 10.0%	Approx. 9.5%	Approx. 4.5%	Approx. 4.5%

	2024				
	1Q	2Q	3Q	4Q	Full Year
ALBDs (in millions) (a)	23.1	23.9	25.2	24.0	96.2

(a) See "Notes to Statistical Information"

	1Q 2024	Full Year 2024
Capacity growth compared to prior year	4.6 %	5.4 %
Fuel consumption in metric tons (in millions)	0.7	3.0
Fuel cost per metric ton consumed (excluding European Union Allowance ("EUA"))	\$ 665	\$ 650
EUA cost per metric ton of emissions	\$ 75	\$ 75
EUA expense (in millions)	\$ 3	\$ 51
Fuel expense (including EUA expense) (in billions)	\$ 0.5	\$ 2.0
Depreciation and amortization (in billions)	\$ 0.6	\$ 2.6
Interest expense, net of capitalized interest and interest income (in billions)	\$ 0.45	\$ 1.74
Adjusted EBITDA (in billions)	Approx. \$0.8	Approx. \$5.6
Adjusted net income (loss) (in billions)	Approx. \$(0.28)	Approx. \$1.2
Adjusted earnings per share - diluted (a)	Approx. \$(0.22)	Approx. \$0.93
Weighted-average shares outstanding - basic	1,264	1,273
Weighted-average shares outstanding - diluted	1,264	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 antilutive to the first quarter of 2024 calculation and accordingly has been excluded.

Currencies (USD to 1)	1Q 2024	Full Year 2024
AUD	\$ 0.67	\$ 0.67
CAD	\$ 0.75	\$ 0.75
EUR	\$ 1.09	\$ 1.09
GBP	\$ 1.27	\$ 1.27

Sensitivities (impact to adjusted net income (loss) in millions)	1Q 2024	Full Year 2024
1% change in net yields	\$ 34	\$ 171
1% change in adjusted cruise costs excluding fuel per ALBD	\$ 24	\$ 105
1% change in currency exchange rates	\$ 4	\$ 21
10% change in fuel price	\$ 49	\$ 191
100 basis point change in variable rate debt (including derivatives)	—	\$ 62

Capital Expenditures

The company's annual capital expenditure forecast for 2024, is as follows:

(in billions)	2024	2025	2026
Contracted newbuild	\$ 2.4	\$ 1.0	\$ —
Non-newbuild	1.8	1.8	1.8
Total (a)	\$ 4.2	\$ 2.8	\$ 1.8

(a) 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 November 30, 2023	\$ 2.3	\$ 0.7

Outstanding Debt Maturities

As of November 30, 2023, the company's outstanding debt maturities are as follows:

(in billions)	2024	2025	2026
First Lien	\$ 0.0	\$ 0.9	\$ 0.0
Second Lien	0.0	—	—
Export Credits	1.2	1.2	1.2
Convertible Notes	0.4	—	—
All other	0.4	0.2	2.0
Total Principal payments on outstanding debt	\$ 2.1	\$ 2.2	\$ 3.2

Capacity by Market – 2024

	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
• Adjusted net income (loss) and adjusted EBITDA	• Net income (loss)	• Company Performance
• Adjusted earnings per share	• Earnings per share	• Company Performance
• Adjusted free cash flow	• Cash from (used in) operations	• Impact on Liquidity Level
• Net per diems	• Gross margin per diems	• Cruise Segments Performance
• Net yields	• Gross margin yields	• Cruise Segments Performance
• Adjusted cruise costs per ALBD and adjusted cruise costs excluding fuel per ALBD	• Gross cruise costs per ALBD	• Cruise Segments Performance
• Adjusted return on invested capital ("ROIC")	—	• 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 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 November 30,		Twelve Months Ended November 30,	
	2023	2022	2023	2022
Net income (loss)	\$ (48)	\$ (1,598)	\$ (74)	\$ (6,093)
(Gains) losses on ship sales and impairments	(34)	431	(88)	433
Debt extinguishment and modification costs	(1)	1	111	1
Restructuring expenses	3	20	19	22
Other	(10)	77	33	130
Adjusted net income (loss)	\$ (90)	\$ (1,068)	\$ 1	\$ (5,508)
Interest expense, net of capitalized interest	466	448	2,066	1,609
Interest income	(50)	(40)	(233)	(74)
Income tax benefit (expense), net	24	(3)	28	14
Depreciation and amortization	596	568	2,370	2,275
Adjusted EBITDA	\$ 946	\$ (96)	\$ 4,231	\$ (1,684)

	Three Months Ended November 30,		Twelve Months Ended November 30,	
	2023	2022	2023	2022
Earnings per share - diluted (a)	\$ (0.04)	\$ (1.27)	\$ (0.06)	\$ (5.16)
(Gains) losses on ship sales and impairments	(0.03)	0.34	(0.07)	0.37
Debt extinguishment and modification costs	—	—	0.09	—
Restructuring expenses	—	0.02	0.01	0.02
Other	(0.01)	0.06	0.03	0.11
Adjusted earnings per share - diluted (a)	\$ (0.07)	\$ (0.85)	\$ 0.00	\$ (4.67)
Weighted-average shares outstanding - diluted (in millions)	1,263	1,259	1,262	1,180

(a) For the fourth quarter and full year 2023, 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 November 30,		Twelve Months Ended November 30,	
	2023	2022	2023	2022
Cash from (used in) operations	\$ 915	\$ (117)	\$ 4,273	\$ (1,670)
Capital expenditures (Purchases of Property and Equipment)	(675)	(1,181)	(3,284)	(4,940)
Proceeds from export credits	—	799	1,157	3,142
Adjusted free cash flow	\$ 240	\$ (499)	\$ 2,146	\$ (3,468)

<i>(in millions, except per diems and yields data)</i>	Three Months Ended November 30,			Twelve Months Ended November 30,		
	2023	2023 Constant Currency	2019	2023	2023 Constant Currency	2019
Total revenues	\$ 5,397	\$ 4,781	\$ 21,593	\$ 20,825	\$ 20,825	\$ 20,825
Less: Cruise and tour operating expenses	(3,629)	(3,077)	(14,317)	(12,909)	(12,909)	(12,909)
Depreciation and amortization	(596)	(554)	(2,370)	(2,160)	(2,160)	(2,160)
Gross margin	1,172	1,151	4,906	5,755	5,755	5,755
Less: Tour and other revenues	(50)	(91)	(265)	(390)	(390)	(390)
Add: Payroll and related	605	578	2,373	2,249	2,249	2,249
Fuel	555	558	2,047	1,562	1,562	1,562
Food	335	262	1,335	1,083	1,083	1,083
Ship and other impairments	—	—	—	—	—	—
Other operating	879	802	3,426	3,193	3,193	3,193
Depreciation and amortization	596	554	2,370	2,160	2,160	2,160
Adjusted gross margin	\$ 4,093	\$ 4,162	\$ 3,614	\$ 16,192	\$ 16,449	\$ 15,613
PCDs	23.6	23.6	22.6	91.4	91.4	93.4
Gross margin per diems (per PCD)	\$ 49.72	\$ 50.89	\$ 53.67	\$ 61.62	\$ 61.62	\$ 61.62
Net per diems (per PCD)	\$ 173.60	\$ 176.52	\$ 159.79	\$ 177.13	\$ 179.94	\$ 167.17
ALBDs	23.2	23.2	21.8	91.3	91.3	87.4
Gross margin yields (per ALBD)	\$ 50.47	\$ 52.92	\$ 53.73	\$ 65.83	\$ 65.83	\$ 65.83
Net yields (per ALBD)	\$ 176.20	\$ 179.16	\$ 166.16	\$ 177.34	\$ 180.15	\$ 178.59

<i>(in millions, except costs per ALBD data)</i>	Three Months Ended November 30,			Twelve Months Ended November 30,		
	2023	2023 Constant Currency	2019	2023	2023 Constant Currency	2019
Cruise and tour operating expenses	\$ 3,629	\$ 3,077	\$ 14,317	\$ 12,909	\$ 12,909	\$ 12,909
Selling and administrative expenses	788	667	2,950	2,480	2,480	2,480
Less: Tour and other expenses	(42)	(76)	(231)	(296)	(296)	(296)
Cruise costs	4,375	3,667	17,035	15,093	15,093	15,093
Less: Commissions, transportation and other	(664)	(595)	(2,761)	(2,720)	(2,720)	(2,720)
Onboard and other costs	(590)	(481)	(2,375)	(2,101)	(2,101)	(2,101)
Gain (losses) on ship sales and impairments	34	5	88	16	16	16
Restructuring expenses	(3)	(10)	(19)	(10)	(10)	(10)
Other	—	—	—	(43)	(43)	(43)
Adjusted cruise costs	3,153	3,196	2,586	11,969	12,130	10,234
Less: Fuel	(555)	(555)	(358)	(2,047)	(2,047)	(1,562)
Adjusted cruise costs excluding fuel	\$ 2,597	\$ 2,641	\$ 2,228	\$ 9,922	\$ 10,083	\$ 8,672
ALBDs	23.2	23.2	21.8	91.3	91.3	87.4
Cruise costs per ALBD	\$ 188.31	\$ 168.58	\$ 186.57	\$ 172.64	\$ 172.64	\$ 172.64
% increase (decrease) vs 2019	12 %	12 %	8 %	11 %	11 %	11 %
Adjusted cruise costs per ALBD	\$ 135.70	\$ 137.58	\$ 118.89	\$ 131.08	\$ 132.85	\$ 117.07
% increase (decrease) vs 2019	14 %	16 %	12 %	13 %	13 %	13 %
Adjusted cruise costs excluding fuel per ALBD	\$ 111.80	\$ 113.68	\$ 102.44	\$ 108.67	\$ 110.43	\$ 99.20
% increase (decrease) vs 2019	9 %	11 %	9 %	11 %	11 %	11 %

Reconciliation of Net Yields and Net Per Diems

<i>(in millions, except per diems and yields data)</i>	Three Months Ended February 28,		Three Months Ended May 31,		Three Months Ended August 31,		Three Months Ended November 30,	
	2023		2023		2023		2023	
	2023	Constant Currency	2023	Constant Currency	2023	Constant Currency	2023	Constant Currency
Total revenues	\$ 4,432		\$ 4,911		\$ 6,854		\$ 5,397	
Less: Cruise and tour operating expenses	(3,311)		(3,457)		(3,921)		(3,629)	
Depreciation and amortization	(582)		(597)		(596)		(596)	
Gross margin	540		856		2,337		1,172	
Less: Tour and other revenues	(9)		(35)		(172)		(50)	
Add: Payroll and related	582		601		585		605	
Fuel	535		489		468		555	
Food	311		325		364		335	
Ship and other impairments	-		-		-		-	
Other operating	743		875		928		879	
Depreciation and amortization	582		597		596		596	
Adjusted gross margin	\$ 3,284	\$ 3,366	\$ 3,708	\$ 3,782	\$ 5,107	\$ 5,133	\$ 4,093	
PCDs	20.2	20.2	21.8	21.8	25.8	25.8	23.6	23.6
Gross margin per diems (per PCD)	\$ 26.81		\$ 39.21		\$ 90.45		\$ 49.72	
Net per diems (per PCD)	\$ 162.96	\$ 167.04	\$ 169.77	\$ 173.15	\$ 197.64	\$ 198.66	\$ 173.60	\$ 176.52
ALBDs	22.1	22.1	22.3	22.3	23.7	23.7	23.2	23.2
Gross margin yields (per ALBD)	\$ 24.49		\$ 38.43		\$ 98.50		\$ 50.47	
Net yields (per ALBD)	\$ 148.87	\$ 152.59	\$ 166.38	\$ 169.69	\$ 215.22	\$ 216.33	\$ 176.20	\$ 179.16