

Carnival Corp. (NYSE: CCL)

Consumer Discretionary Sector

Leading Analyst: Brad Smith

Sector Head: Emily Milone



BUY:
CCL

Current Price:
\$11.45

Target Price:
\$14.86

Upside:
30%

Agenda

Company Overview

Industry Overview

Stock Price Analysis

Investment Thesis

Valuation

Investment Risks

Company Overview

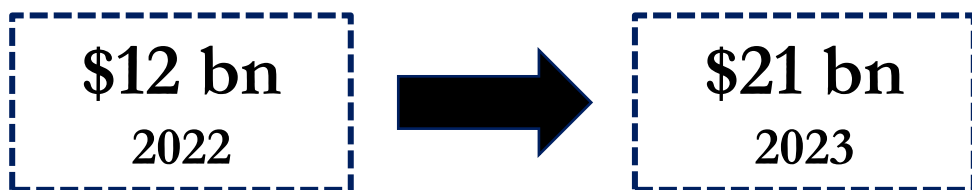
Company Description

Leading provider of year-round cruises in the Bahamas, the Caribbean, Mexico, and other destinations

The company has 9 total brands with the world's largest fleet of over 90 ships visiting over 700 ports worldwide

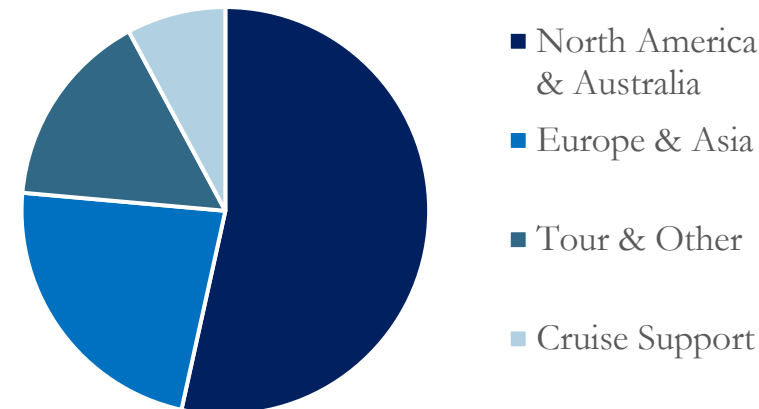
The cruise line targets young adults due to its affordable pricing, but also serves many families and individuals

Post-Pandemic Recovery



Carnival's total revenues in 2023 is expected to increase over 75% YOY, in large part due to the company's **post-pandemic recovery metrics**

Revenue Breakdown



Key Information

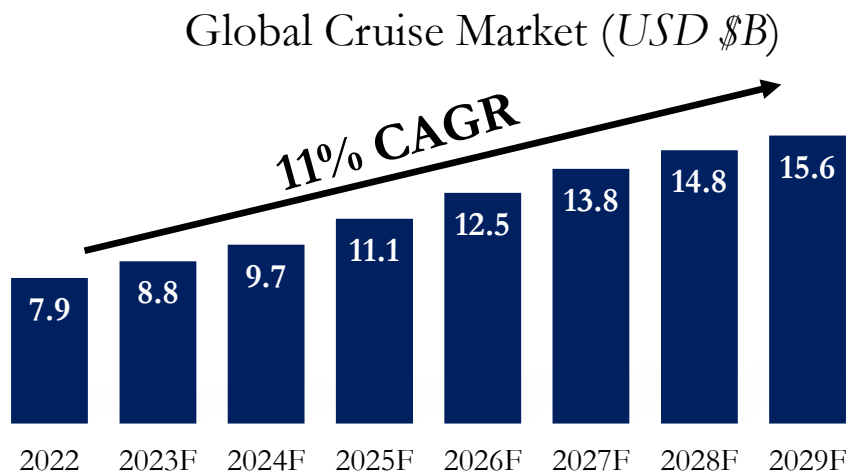
Current Share Price	\$11.45
52 Week Range	\$7.53 – \$19.55
Market Cap.	\$14.76 B
Enterprise Value	\$44.74 B
Founded	1972
IPO	July 1987

Industry Overview

Industry Description

- 1 The cruise line industry is part of the broader travel and tourism industry, focused primarily on providing sea-based vacation experiences
- 2 A majority of passenger volume remains in North America and the Caribbean remains the top destination for cruise travelers
- 3 Experiencing extreme pent-up demand since the pandemic, and expecting to continue its road to recovery

Fastest-Growing Sectors of Tourism



Competitors



Emerging Trends

Record Bookings

Future bookings hit record volumes in the first three quarters, and reported demand rebounding from the pandemic

Existing & New Customer Loyalty

Many cruise-goers from pre-pandemic are booking again, and cruises are attracting first-time travelers now more than ever

Younger Generations are the Future of Cruise

88% of Millennials and 86% of Gen-X travelers who have cruised before say they plan to cruise again

Why Buy Now?

CCL Stock Since 2020:



Breakout of COVID- Shares Plummet

Shortly before the closing of the world economy, Carnival's shares took their steepest fall in history since there was no demand for cruise vacations and were forced to take on debt to stay in business

Stock Price Begins Recovery with Increasing Demand

With the ending of the pandemic and restrictions, people began to cruise and travel again which was reflected with an increase in the share price

Recent Pullback

In the last several months, Carnival's stock price has fallen due to macro concerns in the larger economy, which creates a buying opportunity now since there is much more recovery ahead and high growth prospects

Financial Position

Carnival's ability to return to full operations have allowed its balance sheet to recover as it returns to profitability and pays down its debt

Forward Looking Strategy

Carnival has become a leading brand in the industry as they look to cut costs from a new fuel-efficient fleet, break into new markets, and update existing itineraries to diversify their offerings

Change in Consumer Demands

Pent-up demand in the cruise industry has been evident in record bookings, onboard spending, and overall stronger customer sentiment as Carnival's value proposition shines through

Financial Position

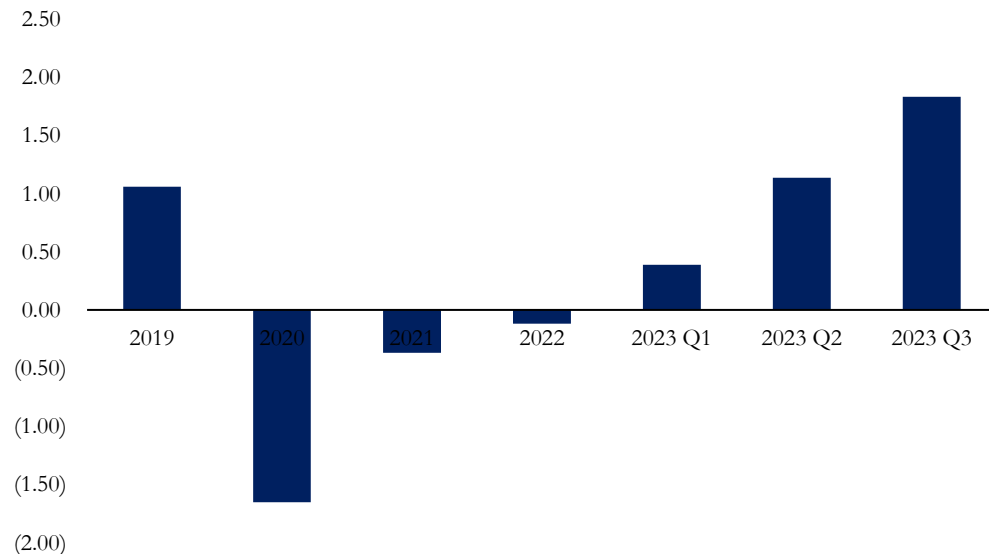
Deleveraging Plan

August 2023- Carnival took part in a refinancing transaction resulting in the retirement of \$1.2 billion of the company's highest cost debt

This builds to the \$1.4 billion already paid this year, and now expect year end debt balance to be less than \$32 billion, an improvement from the June guidance of an expected \$33 billion

This is another step forward in the company's deleveraging journey, and gives investors further confidence in the business and its cash flow generation

Operating FCF Generation



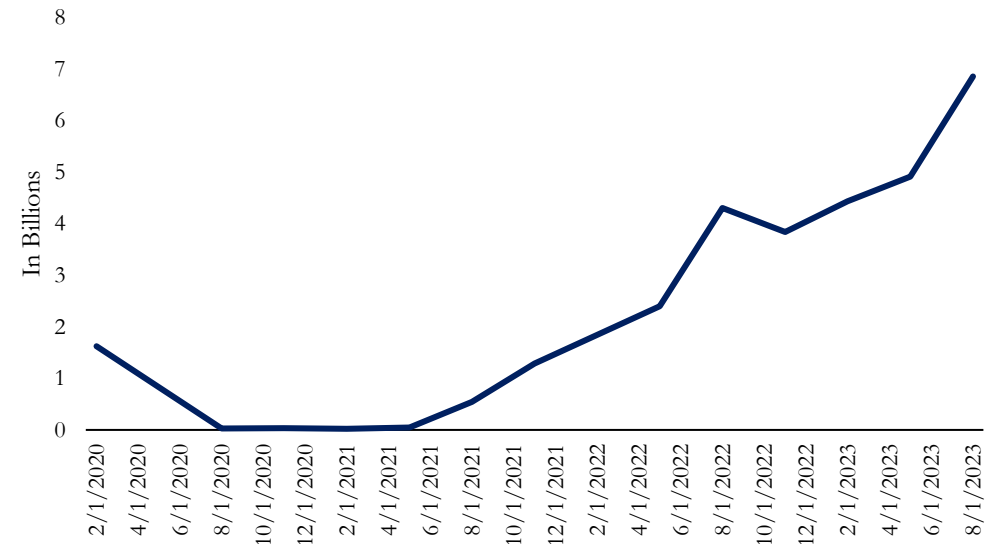
Return to Profitability

After three and half years, the company saw its first quarterly profit in Q3 2023

Carnival earned \$1.07 billion in profit, which put EPS at \$0.79

Profitability is expected to continue to improve with record bookings in 2024

Quarterly Revenue Growth



Forward Looking Strategy



Cost Cutting Through New Fleet

- 1 Carnival's upgrade to a fuel-efficient fleet is expected to achieve an average of 5-10% fuel savings per ship
- 2 The company is expected to generate more than \$150 million in annual fuel cost savings
- 3 These initiatives will be beneficial in helping mitigate rising fuel costs

New Itineraries

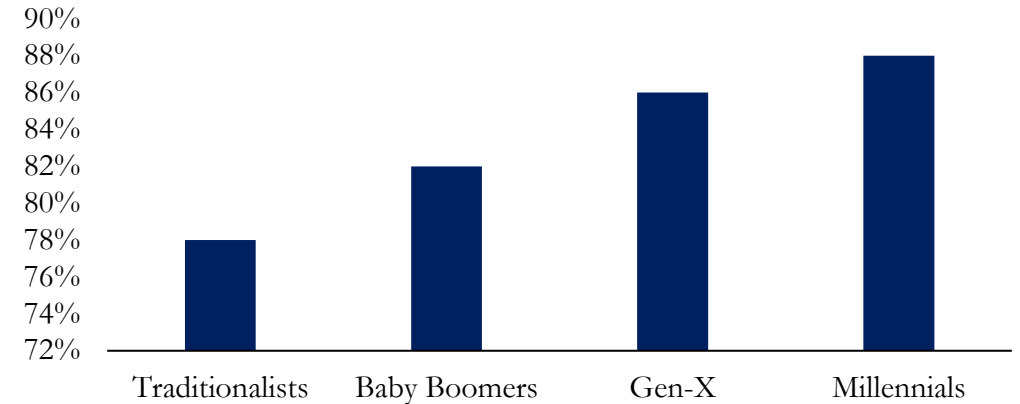
Carnival is offering both shorter and longer cruise itineraries to meet the needs of both first-time and repeat cruisers

In addition to Half Moon Cay, Carnival is expecting to finish work on a new private island exclusively for Carnival cruisers, called Celebration Key in 2025

Carnival is offering longer cruises with more variety for travelers while still letting them experience the new and exciting port destinations

Reaching a New/Younger Market

% of Cruise Passengers Who Plan to Cruise Again



Accelerated International Growth

Carnival is seeing strong growth in its European brands with **occupancy** accelerating

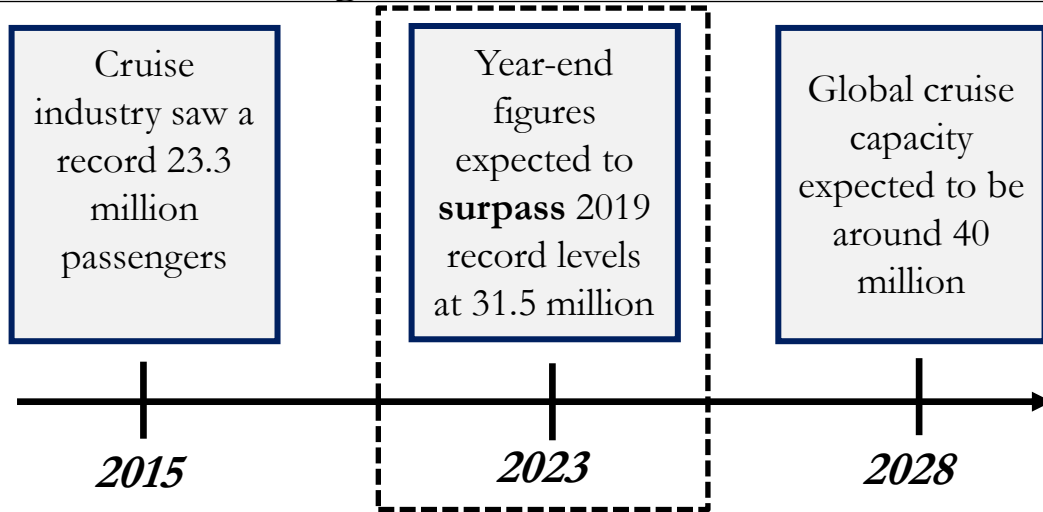


In addition to North America, Carnival is also seeing spikes in **bookings** in Australia, which has been the largest laggard



Change in Consumer Demands

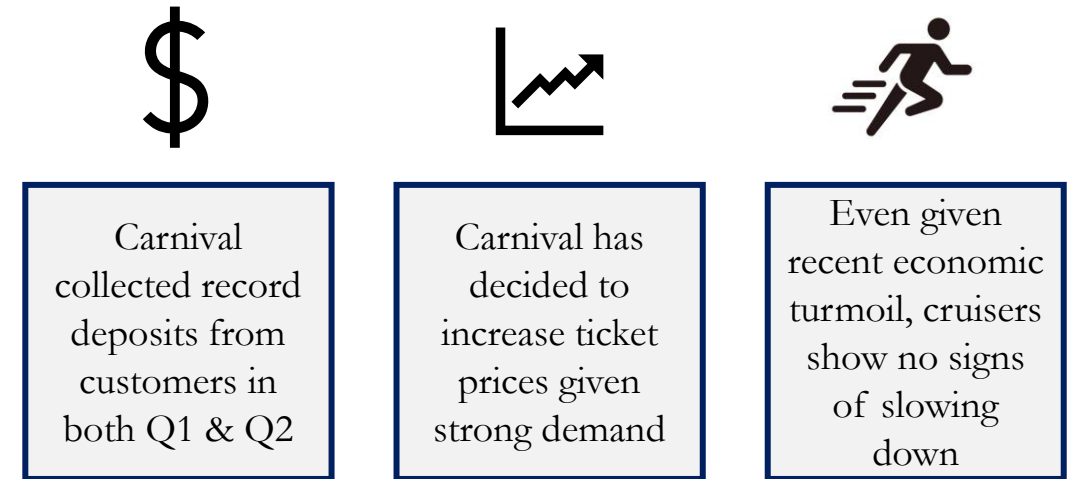
Record Bookings



Onboard Spending

- In the most recent quarter, onboard spending was “once again off the charts” despite rising costs with inflation
- Guests have pre-booked about 40% of their onboard purchases, an 11 percentage point increase from 2019
- Strength in onboard spend look to be persisting, which should aid net per diem growth into 2024

Customer Deposits



Resilient Consumers



“We continue to be encouraged with our revenue trajectory heading into 2024 as we see no signs of slowing from our consumers” – CEO Josh Weinstein

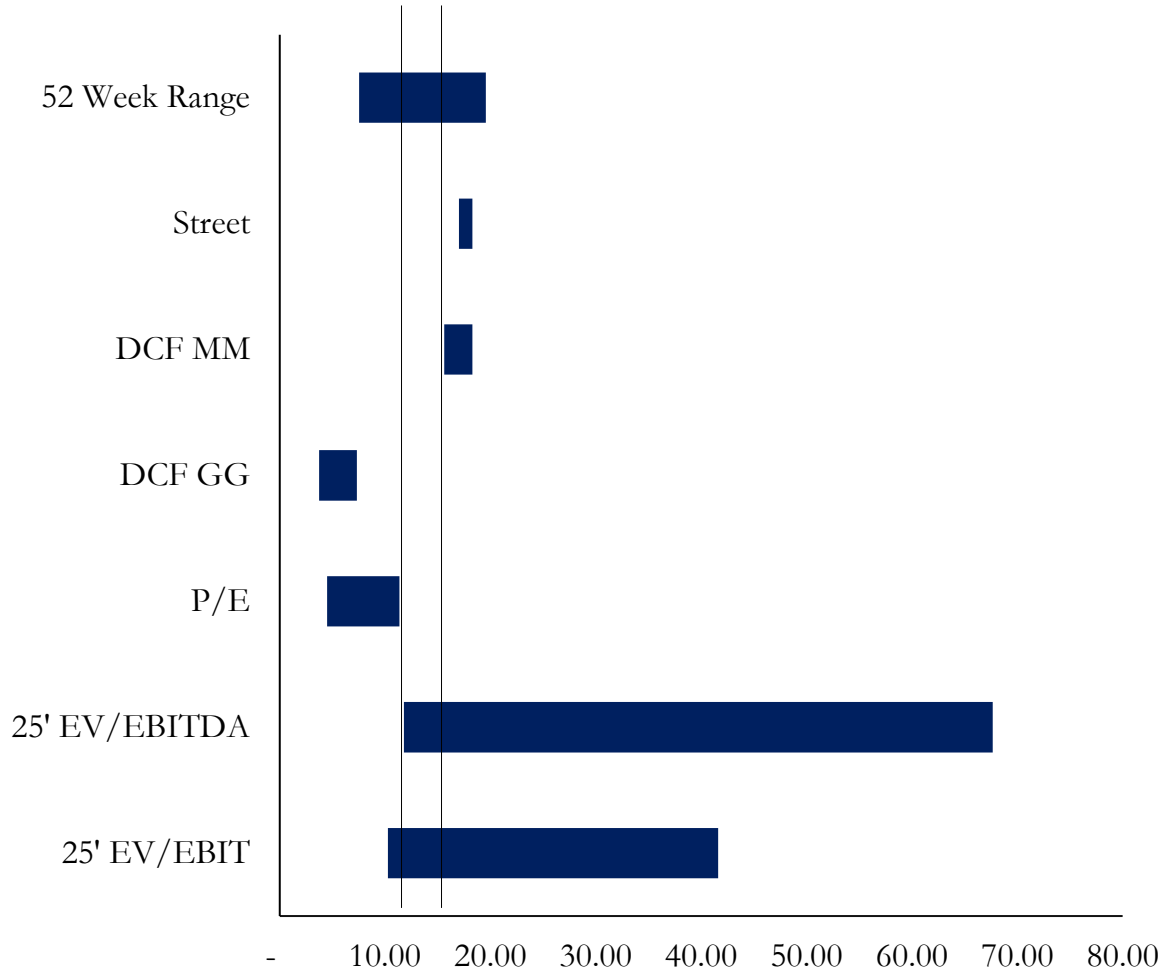
Booking volumes so far in 2023 were 17 percent higher than 2019 levels with North America and Europe segments seeing double-digit growth in total bookings

Valuation

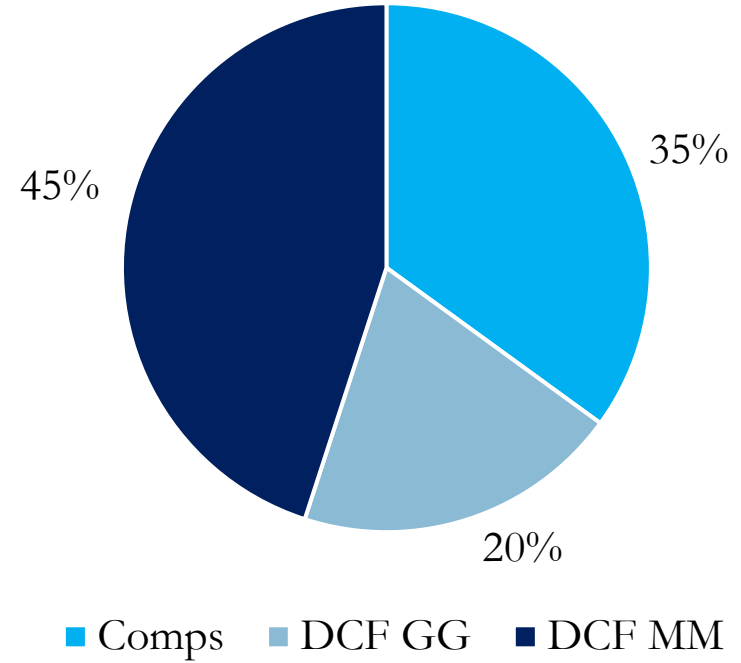


Current Price:
\$11.45

Target Price:
\$14.86



Valuation Methodology



Assumptions

WACC	Terminal Growth Rate	Terminal Multiple
12.48%	2.50%	8.30x

Risks and Mitigants



Risks

High cost of fuel will deter profitability

A cutback in discretionary spending will impact Carnival's bottom line

Carnival's debt load coupled with high rates will impact its recovery

Mitigants

Carnival's switch to a fuel-efficient fleet will help offset rising fuel costs

Spending in travel and cruise continues to improve amid pent-up demand, and cruise industry is best positioned

Improved cash flows enable company to perform better than expected, paying off debt faster and turning into equity value

Thank you! Questions?

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CCL

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Upside:
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Appendix Overview

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Appendix A: Balance Sheet



Carnival Corp. (NYSE: CCL)	2020	2021	2022
Balance Sheet (USD in Millions)	Nov. 30,	Nov. 30, 2021	Nov. 30, 2022
Current Assets			
Cash and cash equivalents	\$ 9,513	\$ 8,939	\$ 4,029
Restricted cash	0	14	1,988
Short-term investments	0	200	0
Accounts Receivable	273	246	395
Inventories	335	356	428
Prepaid expenses and other	443	379	652
Total current assets	10,564	10,134	7,492
Property and Equipment, Net	38,073	38,107	38,687
Operating Lease Right-of-Use Assets	1,370	1,333	1,274
Goodwill	807	579	579
Other Intangibles	1,186	1,181	1,156
Other Assets	1,594	2,011	2,515
Total Assets	53,594	53,345	51,703
Current Liabilities			
Short-term borrowings	3,084	2,790	200
Current portion of long-term debt	1,742	1,927	2,393
Current portion of operating lease liabilities	151	142	146
Accounts payable	624	797	1,050
Accrued liabilities and other	1,144	1,641	1,942
Customer deposits	1,940	3,112	4,874
Total current liabilities	8,685	10,409	10,605
Long-Term Debt	22,130	28,509	31,953
Long-Term Operating Lease Liabilities	1,275	1,239	1,189
Other Long-Term Liabilities	949	1,044	891
Total Liabilities	33,039	41,201	44,638
Shareholders' Equity			
Additional paid-in capital	13,948	15,292	16,872
Retained earnings	16,075	6,448	269
Accumulated other comprehensive income (loss) ("AOCI")	(1,436)	(1,501)	(1,982)
Treasury stock, 130 shares at 2022 and 2021 of Carnival Corporation and 72 shares at 2022 and 67 shares at 2021 of Carnival plc, at cost	(8,404)	(8,466)	(8,468)
Total shareholders' equity	20,555	12,144	7,065
Total Liabilities and Shareholders' Equity	53,594	53,345	51,703

Appendix B: Income Statement



Carnival Corp. (NYSE: CCL)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Income Statement (USD in Millions)								
Revenues								
Revenues from cruise passenger ticket	3,684	1,000	7,022					
Cruise onboard and other revenues	1,910	908	5,147					
Total revenues	5,594	1,908	12,169	21362	23781	25684	27267	28308
<i>% growth</i>		-66%	535%	76%	11%	3%	6%	4%
Operating Costs and Expenses								
Commissions, transportation and other	1,139	269	1,630	2136	2378	2568	2727	2831
<i>% of expenses</i>	3%	3%	10%	10%	10%	10%	10%	10%
Onboard and other	605	272	1,528	2136	2378	2568	2727	2831
<i>% of expenses</i>	4%	3%	9%	10%	10%	10%	10%	10%
Payroll and related	1,780	1,309	2,181	2350	2616	2825	2999	3114
<i>% of expenses</i>	12%	15%	13%	11%	11%	11%	11%	11%
Fuel	823	680	2,157	3204	3567	3853	4090	4246
<i>% of expenses</i>	6%	3%	13%	15%	15%	15%	15%	15%
Food	413	187	863	1068	1189	1284	1363	1415
<i>% of expenses</i>	3%	2%	5%	5%	5%	5%	5%	5%
Ship and other impairments	1,967	591	440	1282	1427	1541	1636	1698
<i>% of expenses</i>	14%	7%	3%	6%	6%	6%	6%	6%
Other operating expenses	1,518	1,346	2,958	3204	3567	3853	4090	4246
<i>% of expenses</i>	10%	15%	15%	15%	15%	15%	15%	15%
Operating costs and expenses	8,245	4,654	11,757					
Selling and administrative	1,878	1,885	2,515					
Depreciation and amortization	2,241	2,233	2,275					
Goodwill impairments	2,096	226	0					
Total operating costs and expenses	14,460	8,997	16,547	15381	17122	18492	19632	20382
<i>% of sales</i>	255%	472%	136%	50%	50%	50%	50%	50%
Operating Income (Loss)	(8,866)	(7,089)	(4,378)	5981	6659	7191	7635	7926
<i>profit margin</i>	-155%	-372%	-36%	23%	25%	25%	25%	25%
Nonoperating Income (Expense)								
Interest income	18	12	74					
Interest expense, net of capitalized interest	(895)	(1,601)	(1,609)	(1,609)	(1,609)	(1,609)	(1,609)	(1,609)
<i>% of sales</i>	-16%	-54%	-13%	-5%	-7%	-6%	-6%	-6%
Gain (loss) on debt extinguishment, net	(459)	(670)	(1)					
Other income (expense), net	(52)	(173)	(165)					
Nonoperating Income (Expense)	(1,388)	(2,433)	(1,701)	(1,701)	(1,701)	(1,701)	(1,701)	(1,701)
<i>% of sales</i>	-25%	-125%	-14%	-5%	-7%	-7%	-6%	-6%
Income (Loss) Before Income Taxes (EBIT)	(10,254)	(9,522)	(6,079)	4280	4958	5490	5934	6225
Income Tax Benefit (Expense), Net	17	21	(14)	899	1041	1153	1246	1307
<i>Tax Rate</i>	21%	21%	21%	21%	21%	21%	21%	21%
Net Income (Loss)	\$ (10,237)	\$ (9,501)	\$ (6,093)	\$3,382	\$3,917	\$4,337	\$4,688	\$4,918
Earnings Per Share								
Basic (in dollars per share)	\$ (13)	\$ (8)	\$ (5)					
Diluted (in dollars per share)	\$ (13)	\$ (8)	\$ (5)					

Appendix C: Cash Flow Statement



Carnival Corp. (NYSE: CCL) Statement of Cash Flows (USD in Millions)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
OPERATING ACTIVITIES								
Net Income (Loss)	\$ (10,236)	\$ (9,501)	\$ (6,093)					
Charges and credits:								
Depreciation and amortization	2,241	2,233	2,275	2,264	3,092	3,514	4,145	4,787
% of CapEx	62%	62%	46%	53%	63%	72%	80%	89%
Impairments	4,063	834	470					
(Gain) loss on debt extinguishment	459	668	1					
(Income) loss from equity-method investments	20	129	38					
Share-based compensation expense	105	121	101					
Amortization of discounts and debt issue costs	119	172	171					
Noncash lease expense	172	140	148					
Other, net	(56)	137	57					
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	(3,114)	(5,067)	(2,832)					
Changes in operating assets and liabilities								
Receivables	125	(7)	(171)					
Inventories	77	(63)	(95)					
Prepaid expenses and other	(209)	(1,070)	(874)					
Accounts payable	(165)	206	283					
Accrued liabilities and other	(311)	601	341					
Customer deposits	(2,703)	1,291	1,679					
Cash provided by operations	(6,301)	(4,109)	(1,670)					
INVESTING ACTIVITIES								
Capital expenditures	(3,620)	(3,607)	(4,940)	(4,272)	(4,756)	(4,880)	(5,181)	(5,379)
% of sales	-65%	-73%	-47%	-20%	-20%	-19%	-19%	-19%
Proceeds from sales of ships and other	334	351	70					
Purchase of minority interest	(81)	(90)	(1)					
Purchase of short-term investments	0	(2,873)	(315)					
Proceeds from maturity of short-term investments	0	2,673	515					
Other, net	127	3	(96)					
Cash used for investing activities	(3,240)	(3,543)	(4,767)					
FINANCING ACTIVITIES								
Net short-term borrowings	2,852	(293)	(2,590)					
Principal repayments of long-term debt	(1,621)	(5,956)	(2,075)					
Premium paid on extinguishment of debt	0	(545)	(1)					
Proceeds from issuance of long-term debt	15,020	13,042	7,209					
Dividends paid	(689)	0	0					
Purchases of common stock	(12)	0	0					
Issuance of common stock, net	3,249	1,009	1,180					
Issuance of common stock under the Stock Swap Program	0	206	95					
Purchase of treasury stock under the Stock Swap Program	0	(188)	(87)					
Debt issue costs and other, net	(150)	(327)	(154)					
Cash used for financing activities	18,649	6,948	3,577					
Effect of exchange rate changes on cash, cash equivalents and restricted cash	53	(13)	(79)					
Net increase (decrease) in cash, cash equivalents and restricted cash	9,161	(715)	(2,940)					
Cash, cash equivalents and restricted cash at beginning of year	530	9,692	8,976					
Cash, cash equivalents and restricted cash at end of year	\$ 9,691	\$ 8,977	\$ 6,036					

Appendix D: Revenue Build



Carnival Corp. (NYSE: CCL) Revenue Build (USD in)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
North America and Australia	3,627.00	1,108.00	8,281.00	14,527.00	16,170.40	17,721.44	18,963.05	19,721.57
<i>% Growth</i>		-69%	647%	75%	11%	10%	7%	4%
<i>% of Total Sales</i>	65%	58%	68%	68%	68%	69%	70%	70%
Europe and Asia	1,790.00	712.00	3,531.00	6,194.28	6,896.31	7,191.33	7,478.98	7,703.35
<i>% Growth</i>		-60%	396%	75%	11%	4%	4%	3%
<i>% of Total Sales</i>	32%	37%	29%	29%	29%	28%	27%	27%
Cruise Support	68.00	42.00	171.00	213.75	237.72	256.70	274.68	299.65
<i>% Growth</i>		-38%	307%	25%	11%	8%	7%	9%
<i>% of Total Sales</i>	1%	2%	1%	1%	1%	1%	1%	1%
Tour and Other	110.00	46.00	185.00	427.35	476.39	514.42	550.45	583.48
<i>% Growth</i>		-58%	302%	131%	11%	8%	7%	6%
<i>% of Total Sales</i>	2%	2%	2%	2%	2%	2%	2%	2%
Total Net Sales	5,595.00	1,908.00	12,168.00	21,362.38	23,780.82	25,683.89	27,267.16	28,308.05
<i>% Growth</i>		-66%	538%	76%	11%	8%	6%	4%

Appendix E: Net Working Capital



Carnival Corp. (NYSE: CCL)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Net Working Capital								
Current Assets								
Accounts receivable	273	246	395	3,180.6	3,752.1	4,223.6	5,059.6	6,919.7
<i>A/R Days</i>	17.8	47.1	11.8	13.4	14.2	14.8	16.7	22.0
Inventories, at cost, not in excess of market	335	356	428	454.3	505.7	546.2	579.8	602.0
<i>Inventory Days</i>	8.5	14.4	9.4	10.8	10.8	10.8	10.8	10.8
Prepaid expenses and other current assets	443	379	652	686.2	722.3	760.2	800.1	842.1
<i>As a % of Revenue</i>	7.92%	19.86%	5.36%	5.25%	5.25%	5.25%	5.25%	5.25%
Total current assets	1,051.0	981.0	1,475.0	4,321.1	4,980.0	5,529.9	6,439.5	8,363.8
Current Liabilities								
Accounts payable	624	797	1,050	3,204.4	3,567.1	3,852.6	4,090.1	4,246.2
<i>As a % of Revenue</i>	11%	42%	9%	15%	15%	15%	15%	15%
Lease liability	151.0	142.0	146.0	153.8	171.2	369.8	392.6	407.6
<i>As a % of SG&A</i>	1%	2%	1%	1%	1%	2%	2%	2%
Accrued liabilities and other	1,144.0	1,641.0	1,942.0	1,845.7	2,225.9	2,404.0	2,552.2	2,649.6
<i>As a % of SG&A</i>	8%	18%	12%	12%	13%	13%	13%	13%
Total current liabilities	1,919.0	2,580.0	3,138.0	5,203.9	5,964.2	6,626.4	7,034.9	7,303.5
NWC	(868)	(1,599)	(1,663)	(883)	(984)	(1,097)	(595)	1,060
Change in NWC		(731)	(64)	780	(101)	(112)	501	1,656

Appendix F: WACC and Beta

Carnival Corp. (NYSE: CCL)	
Weighted Average Cost of Capital	
Cost of Equity	
Beta	2.00
Risk-Free Rate	4.33%
Expected Market Return	9%
Risk Premium	4.67%
Cost of Equity	18.03%
Cost of Debt	
Credit Spread	5.26%
Pre-Tax Cost of Debt	9.59%
Tax Rate	21%
Cost of Debt	9.59%
Shares Outstanding	1,263.00
Share Price	\$ 11.45
Market Capitalization	17,270
Debt Outstanding	33,142
Total Capitalization	50,412
Weight of Equity	34%
Weight of Debt	66%
WACC	12.48%

Covariance	0.000373187
Variance	0.000186302
Beta	2.00

Appendix G: DCF 1

Carnival Corp. (NYSE: CCL) Discounted Cash Flows (USD in Millions)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenue	5,594	1,908	12,169	21,362	23,781	25,684	27,267	28,308
<i>% Growth</i>		-66%	538%	76%	11%	8%	6%	4%
EBIT	(10,254)	(9,522)	(6,079)	5,981	6,659	7,191	7,635	7,926
<i>EBIT Margin</i>	-183%	-499%	-50%	28%	28%	28%	28%	28%
NOPAT	(8,101)	(7,522)	(4,802)	4,725	5,260	5,681	6,031	6,262
<i>Tax Rate</i>	21%	21%	21%	21%	21%	21%	21%	21%
Plus: D&A	2241	2233	2275	2264	3092	3514	4145	4787
Less: CapEx	(3,620)	(3,607)	(4,940)	(4,272)	(4,756)	(4,880)	(5,181)	(5,379)
Less: Change in NWC		(731)	(64)	780	(101)	(112)	501	1656
FCFF		(951)	2,477	1,937	3,697	4,427	4,494	4,014
Discount Factor				0.25	1.25	2.25	3.25	4.25
Terminal Value (Growth)								41,226.49
Terminal Value (Multiple)								65,759.94
Cash Flows (Growth)				1,937	3,697	4,427	4,494	45,241
Cash Flows (Multiple)				1,937	3,697	4,427	4,494	69,774.28
PV of CF (Growth)				1,881	3,192	3,398	3,067	27,444.09
PV of CF (Multiple)				1,881	3,192	3,398	3,067	42,326.62
Terminal Growth Rate	2.50%							
Terminal Multiple (EV/EBIT)	8.30x							
WACC	12.48%							

Appendix H: DCF 2



Gordon Growth		Multiples Method	
Enterprise Value	38,981	Enterprise Value	53,864
Less: Debt	33,142	Less: Debt	33,142
Plus: Cash	4,029	Plus: Cash	4,029
Equity Value	9,868	Equity Value	24,751
Diluted Shares Outstanding	1396	Diluted Shares Outstanding	1396
Price Per Share	\$ 7.07	Price Per Share	\$ 17.73

		Gordon Growth				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	12.23%	6.76	7.25	7.76	8.29	8.86
	12.73%	5.53	5.96	6.42	6.89	7.40
	12.48%	6.13	6.59	7.07	7.58	8.11
	13.73%	3.38	3.73	4.09	4.48	4.88
	14.23%	2.43	2.75	3.08	3.43	3.79

		Multiples				
		7.7	8	8.3	8.6	8.9
WACC	12.23%	15.98	17.02	18.07	19.11	20.15
	12.73%	15.38	16.40	17.42	18.45	19.47
	12.48%	15.68	16.71	17.74	18.78	19.81
	13.73%	14.21	15.19	16.18	17.16	18.15
	14.23%	13.64	14.61	15.58	16.54	17.51

Appendix I: Comps 1



Carnival Corp. (NYSE: CCL)

Comparable Companies Analysis (USD in Millions)

Company	Ticker	Share Price	Shares Outstanding	Market Capitalization	Debt	Cash	Enterprise Value	LTM EPS	LTM Revenue	LTM EBIT	LTM EBITDA
Carnival Corp.	CCL	\$11.45	1,263.00	17,270.00	33,142	4,047	46,365.00	(\$2.68)	17,490.0	(1,466.0)	1,028.0
Expedia Group	EXPE	\$97.29	137.84	14,620.00	6,550.0	6,300.0	14,870.00	\$5.56	12,260.0	1,197.0	1,450.0
Norwegian Cruise Line Holdings	NCLH	\$13.95	425.42	7,200.00	13,760.0	899.1	20,060.87	(\$2.02)	7,160.0	(1,428.0)	1,280.0
Hilton Hotels Corp.	HLT	\$149.65	261.51	38,630.00	9,570.0	806.0	47,394.00	\$4.77	4,190.0	2,299.0	2,470.0
Wyndham Hotels & Resorts Inc.	WH	\$74.15	84.26	6,060.00	2,060.0	63.0	8,057.00	\$3.37	1,350.0	489.0	569.0

Average

Min

Q1

Median

Q3

Max

Appendix J: Comps 2



EV/Revenue	EV/EBIT	EV/EBITDA	P/E	25' EV/Revenue	25' EV/EBIT	25' EV/EBITDA	25' P/E
2.65x	-31.63x	45.1x	-4.27x	1.81x	8.44x	5.15x	3.33x
1.21x	10.24x	10.26x	17.5x	1.01x	6.88x	4.62x	8.42x
2.8x	-14.05x	15.67x	-6.91x	2.02x	12.81x	8.3x	6.74x
11.31x	20.62x	19.19x	31.37x	4.19x	15.83x	13.73x	20.14x
5.97x	16.48x	14.16x	22.x	5.31x	13.92x	11.71x	16.15x
4.79x	0.33x	20.88x	11.94x	2.87x	11.58x	8.70x	10.96x
1.21x	-31.63x	10.26x	-6.91x	1.01x	6.88x	4.62x	3.33x
1.93x	-22.84x	12.21x	-5.59x	1.41x	7.66x	4.88x	5.04x
2.8x	10.24x	15.67x	17.5x	2.02x	12.81x	8.3x	8.42x
8.64x	18.55x	32.14x	26.69x	4.75x	14.87x	12.72x	18.15x
11.31x	20.62x	45.1x	31.37x	5.31x	15.83x	13.73x	20.14x

Appendix K: Comps 3



Comps Output	EV	Debt	Cash	Equity	Shares	Per Share	
LTM EV/Revenue	12,168						
Min	1.21x	14,758.41	33,142	4,047	(14,337)	1,263.00	(11.35)
Q1	1.93x	23,507.55	33,142	4,047	(5,587)	1,263.00	(4.42)
Median	2.80x	34,092.27	33,142	4,047	4,997	1,263.00	3.96
Q3	8.64x	105,127.66	33,142	4,047	76,033	1,263.00	60.20
Max	11.31x	137,634.89	33,142	4,047	108,540	1,263.00	85.94
LTM EV/EBIT	(6,079.0)						
Min	-31.63x	192,259.78	33,142	4,047	163,165	1,263.00	129.19
Q1	-22.84x	138,829.48	33,142	4,047	109,734	1,263.00	86.88
Median	10.24x	(62,262.77)	33,142	4,047	(91,358)	1,263.00	(72.33)
Q3	18.55x	(112,739.71)	33,142	4,047	(141,835)	1,263.00	(112.30)
Max	20.62x	(125,318.89)	33,142	4,047	(154,414)	1,263.00	(122.26)
LTM EV/EBITDA	(3,804)						
Min	10.26x	(39,010.68)	33,142	4,047	(68,106)	1,263.00	(53.92)
Q1	12.21x	(46,437.52)	33,142	4,047	(75,533)	1,263.00	(59.80)
Median	15.67x	(59,618.40)	33,142	4,047	(88,713)	1,263.00	(70.24)
Q3	32.14x	(122,279.57)	33,142	4,047	(151,375)	1,263.00	(119.85)
Max	45.1x	(171,568.54)	33,142	4,047	(200,664)	1,263.00	(158.88)
25' EV/Revenue	25,683.89						
Min	1.01x	26,034.04	33,142	4,047	(3,061)	1,263.00	(2.42)
Q1	1.41x	36,199.52	33,142	4,047	7,105	1,263.00	5.63
Median	2.02x	51,971.06	33,142	4,047	22,876	1,263.00	18.11
Q3	4.75x	121,964.45	33,142	4,047	92,869	1,263.00	73.53
Max	5.31x	136,320.86	33,142	4,047	107,226	1,263.00	84.90
25' EV/EBIT	5,490.49						
Min	6.88x	37,797.94	33,142	4,047	8,703	1,263.00	6.89
Q1	7.66x	42,081.47	33,142	4,047	12,986	1,263.00	10.28
Median	12.81x	70,334.59	33,142	4,047	41,240	1,263.00	32.65
Q3	14.87x	81,657.37	33,142	4,047	52,562	1,263.00	41.62
Max	15.83x	86,912.55	33,142	4,047	57,818	1,263.00	45.78
25' EV/EBITDA	9,004.04						
Min	4.62x	41,580.78	33,142	4,047	12,486	1,263.00	9.89
Q1	4.88x	43,972.89	33,142	4,047	14,878	1,263.00	11.78
Median	8.3x	74,701.80	33,142	4,047	45,607	1,263.00	36.11
Q3	12.72x	114,590.19	33,142	4,047	85,455	1,263.00	67.66
Max	13.73x	123,656.23	33,142	4,047	94,561	1,263.00	74.87
25' P/E		EPS	Per Share				
Min	10.96x	\$3.43	37.63				
Q1	3.33x	\$1.35	4.50				
Median	5.04x	\$1.35	6.80				
Q3	8.42x	\$1.35	11.37				
Max	18.15x	\$1.35	24.50				

Comps Share Price
\$ 15.63

Appendix L: Q3 Earnings Report

- “We delivered over \$1 billion to the bottom line with revenue reaching an all-time high, both revenue and earnings significantly exceeded expectations this quarter enabling us to take up expectations for the year.”
- “The outperformance was driven by strength in demand, with both our North America and Australia segment and Europe segment equally outperforming expectations. It is gratifying to see the power of our portfolio deliver, as our continental European brands have stepped up nicely. Our demand generation efforts are working across all regions, as we have consistently been achieving quarterly net per diems well in excess of 2019 levels, while closing the occupancy gap by 11 points over the course of the year.”
- “I continue to be encouraged with our revenue trajectory heading into next year as we see no signs of slowing from our consumers.”
- U.S. GAAP net income of \$1.07 billion, or \$0.79 diluted EPS, and adjusted net income of \$1.18 billion, or \$0.86 adjusted EPS, exceeded the June guidance range
- Third quarter revenues hit an all-time high of \$6.9 billion
- Booking volumes during the third quarter and the month of September continued at significantly elevated levels
- Total customer deposits reached a third quarter record of \$6.3 billion

Appendix M: Fuel Costs

- “The company now expects fuel consumption per available lower berth day (“ALBD”) for full year 2023 to be nearly 16 percent lower than 2019, better than previously expected
- Carnival’s integration of a fuel-efficient fleet will save over \$150 million per year
- This includes 5-10% of fuel savings per ship

Appendix N: Debt Payments

- Carnival reduced its debt by nearly \$4 billion from its peak in the first quarter of 2023 and ended the third quarter with \$5.7 billion of liquidity
- Recent refinancing transaction enables management to update 2023 year-end debt figure to be over \$1 billion less than expected in June guidance, at \$32 billion from \$32 billion (paid highest cost debt)
- Consistently paying down debt and converting to equity value amid significant increase in cash flow