

## Royal Caribbean (RCL)

**\$304.33** (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$318.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 01/24/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: B

Growth: C

Momentum: F

## Summary

Royal Caribbean is benefiting from a strong demand environment and robust booking trends. Also, strength in consumer spending onboard and pre-cruise purchases bodes well. Royal Caribbean emphasized investing in the digital front, fleet expansion, private destination portfolio and guest experience to drive growth. The company is increasingly integrating artificial intelligence and data analytics into its commercial and digital platforms to enhance guest experiences and improve revenue optimization. However, increased fuel costs and an uncertain macroeconomic environment are a concern. Earnings estimates for fiscal 2025 and 2026 have remained unchanged over the past 30 days, limiting the upside potential of the stock. Shares of Royal Caribbean have underperformed the industry in the past six months.

## Price, Consensus & Surprise<sup>(1)</sup>



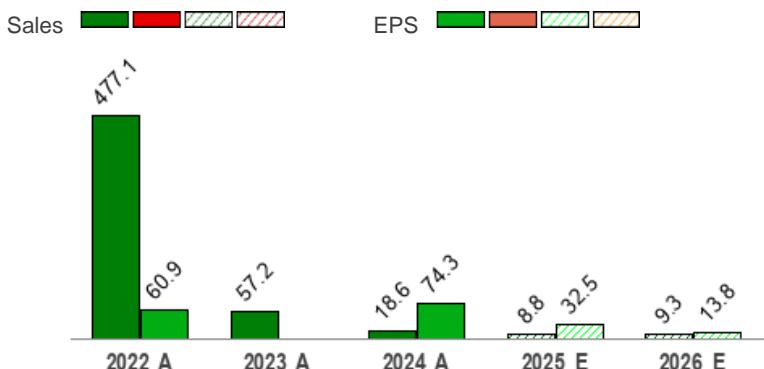
## Data Overview

52 Week High-Low	<b>\$366.50 - \$164.01</b>
20 Day Average Volume (sh)	<b>1,916,323</b>
Market Cap	<b>\$82.5 B</b>
YTD Price Change	<b>8.4%</b>
Beta	<b>1.94</b>
Dividend / Div Yld	<b>\$4.00 / 1.3%</b>
Industry	<b>Leisure and Recreation Services</b>
Zacks Industry Rank	<b>Top 31% (75 out of 244)</b>

Last EPS Surprise	<b>1.2%</b>
Last Sales Surprise	<b>-0.5%</b>
EPS F1 Est- 4 week change	<b>-0.3%</b>
Expected Report Date	<b>01/27/2026</b>
Earnings ESP	<b>-0.4%</b>

P/E TTM	<b>20.9</b>
P/E F1	<b>19.5</b>
PEG F1	<b>0.9</b>
P/S TTM	<b>4.7</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



## Sales Estimates (millions of \$)<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	4,386 E	4,960 E	5,649 E	4,607 E	19,601 E
2025	3,999 A	4,538 A	5,139 A	4,265 E	17,941 E
2024	3,728 A	4,110 A	4,886 A	3,761 A	16,484 A

## EPS Estimates<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	3.16 E	4.64 E	6.01 E	3.96 E	17.78 E
2025	2.71 A	4.38 A	5.75 A	2.79 E	15.63 E
2024	1.77 A	3.21 A	5.20 A	1.63 A	11.80 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/08/2026.

## Overview

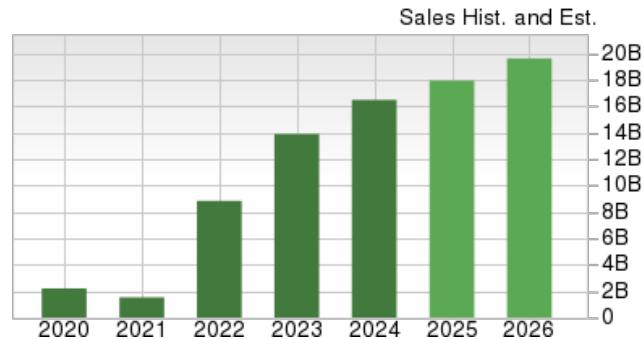
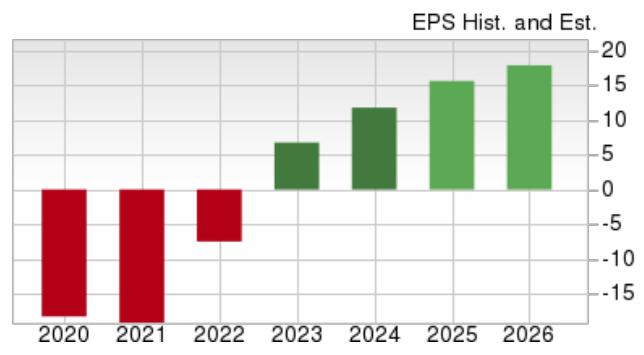
Based in Miami and incorporated in 1985, Royal Caribbean Cruises is a cruise company. It owns and operates three global brands — Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises. Additionally, it has a 50% investment in a joint venture with TUI AG, which operates the brand TUI Cruises.

The company's cruise brands primarily serve the contemporary, premium and deluxe segments of the cruise vacation industry, which also includes the budget and luxury segments. These brands operate 64 ships. The ships operate on a selection of diverse itineraries worldwide that include roughly 1,000 destinations on all seven continents. As of March 31, 2025, the company had \$6.33 billion in customer deposits compared with \$5.5 billion in the prior-year period.

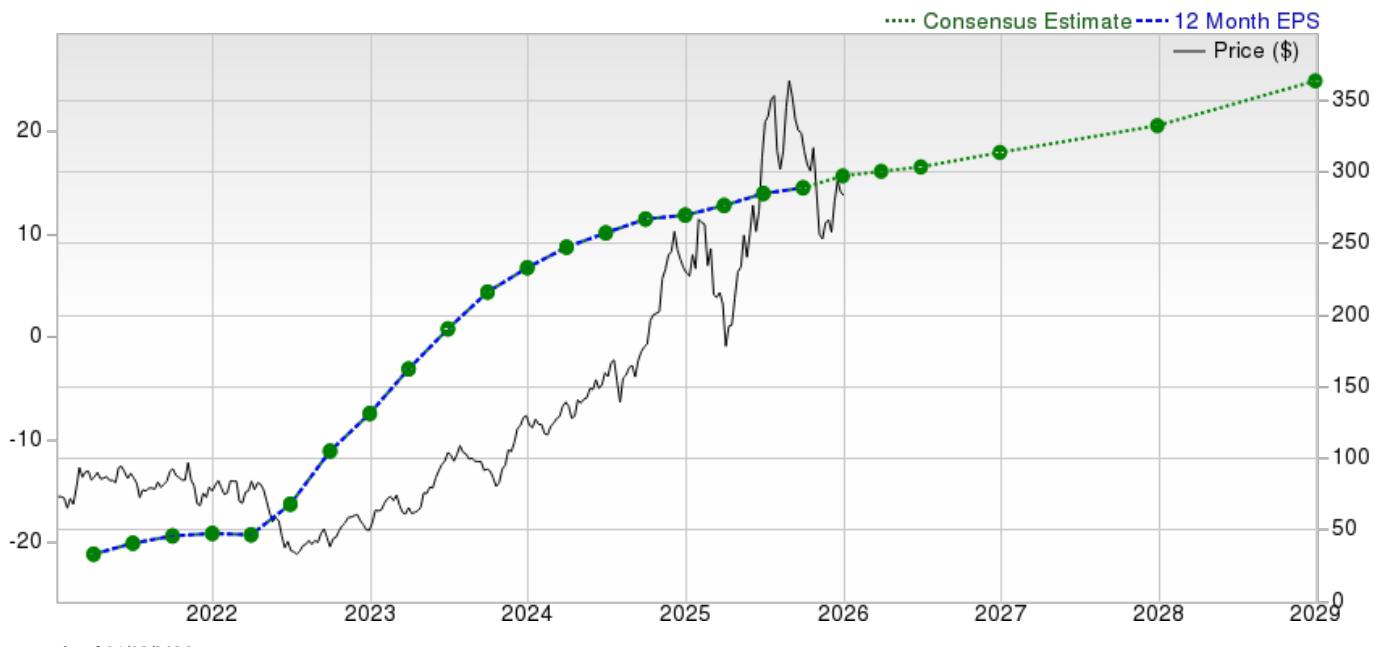
The company reports revenues under the following segments — Passenger ticket revenues (69.8% of total revenues in 2024) and Onboard and other revenues (30.2%).

In the third quarter of 2022, the company unveiled a three-year financial performance initiative — the Trifecta Program — thereby articulating longer-term financial objectives. The program emphasizes financial coordinates, including Adjusted EBITDA per APCD, Adjusted EPS and ROIC. During the second-quarter of 2024, the company achieved its Trifecta financial goals 18 months ahead of schedule.

The company reiterated its commitment to its "Perfecta Performance Program," targeting a 20% CAGR in adjusted EPS through 2027 and return on invested capital in the high teens. Royal Caribbean's formula of moderate capacity growth, disciplined cost control and sustained yield improvements is likely to support the same.



As of 01/08/2026



As of 01/08/2026

## Reasons To Buy:

▲ **Robust Demand:** Royal Caribbean continues to report strong and broad-based demand momentum, highlighting the sustained strength of the global cruise and leisure travel market. Management noted that approximately 75% of consumers plan to maintain or increase vacation spending over the next 12 months, reinforcing healthy discretionary spending and travel intent.

Booking volumes remain at record levels, with 2026 load factors within historical ranges at record rates and average per diems trending at the high end of historical levels, reflecting firm pricing and disciplined yield management. Close-in bookings accelerated during the third quarter, driven by strong family demand and heightened engagement across brands.

The launch of Celebrity River Cruises also received an overwhelming response, selling out within minutes of announcement, demonstrating the company's ability to capture new demand segments. Additionally, growing onboard and pre-cruise spending, supported by digital engagement initiatives, continues to enhance revenue visibility. Management emphasized that these strong demand fundamentals, coupled with the company's differentiated ships and destination portfolio, position RCL for sustained yield growth and revenue expansion into 2026.

▲ **New Ship Addition:** Royal Caribbean continues to pursue a disciplined yet ambitious fleet expansion strategy focused on sustainable capacity growth and long-term margin enhancement. In the near term, the company will introduce Celebrity Xcel in the fourth quarter of 2025, following the recent delivery of Star of the Seas, both of which are expected to support double-digit capacity growth in the quarter and drive incremental yield improvement.

Looking ahead, Royal Caribbean plans to debut Legend of the Seas in 2026. In addition, the company recently entered a long-term agreement with Meyer Turku, securing shipbuilding slots through the next decade. The agreement includes a confirmed order for Icon 5, scheduled for delivery in 2028, and an option for a seventh Icon Class ship, underscoring Royal Caribbean's commitment to continuous innovation and disciplined expansion.

These next-generation vessels are designed to elevate guest experiences, strengthen brand positioning and enhance operational efficiency. The deliberate rollout schedule allows for controlled capacity additions and smooth integration into the company's existing operations, aligning with Royal Caribbean's broader strategy of moderate capacity growth, strong cost discipline and high return on invested capital.

▲ **Strategic Expansion of Destination:** Royal Caribbean continues to strengthen its leadership in destination-driven growth through the expansion of its exclusive land-based experiences. The company recently unveiled Royal Beach Club Santorini, marking a significant step in extending its portfolio across key global markets. This addition complements its upcoming properties, including Royal Beach Club Paradise Island in The Bahamas and Perfect Day Mexico, both slated to open in the next few years. Together, these initiatives reinforce Royal Caribbean's strategy of creating highly differentiated vacation experiences that enhance both guest satisfaction and revenue quality.

Management aims to grow its network of exclusive destinations from two to eight by 2028, reflecting a disciplined yet ambitious development pipeline. These destinations are strategically located to capture diverse traveler segments while maximizing operational synergies with the company's expanding fleet. By combining premium ticket pricing opportunities with incremental onboard revenue potential, these investments are expected to deliver robust yield growth and superior returns on capital.

The expansion of Royal Caribbean's destination portfolio not only enhances the brand's global reach but also deepens guest engagement, creating powerful competitive advantages. Through these high-value assets, the company continues to elevate its product offering, strengthen brand equity, and position itself for sustained long-term profitability in the global leisure travel market.

▲ **Digital Innovation Enhancing Guest Experience:** Royal Caribbean continues to advance its digital capabilities to strengthen guest engagement and support revenue growth. The company's mobile app and e-commerce platforms have evolved into essential components of its commercial strategy, driving higher conversion rates and improving operational efficiency. During the third quarter of 2025, e-commerce visits and conversion rates increased by double digits year over year, reflecting strong customer adoption of digital channels.

Nearly 90% of onboard revenues were booked pre-cruise, with the vast majority of purchases completed through digital platforms — a significant milestone underscoring the company's success in integrating technology into the guest journey. These tools simplify the vacation experience, reduce friction across booking and onboard activities, and enhance guest satisfaction while simultaneously boosting high-margin onboard revenues.

Complementing these efforts, the upcoming Points Choice initiative — allowing guests to apply loyalty points across any Royal Caribbean Group brand — is designed to deepen engagement and strengthen cross-brand retention. Through continued investment in technology, AI-driven personalization and digital commerce, Royal Caribbean is effectively enhancing the guest experience, improving monetization opportunities and reinforcing its competitive advantage in the global leisure travel market.

▲ **Loyalty Ecosystem Fuels Engagement and Revenue:** Royal Caribbean continues to strengthen its customer engagement and monetization through an evolving loyalty ecosystem that integrates across its family of brands. Management emphasized that the company's expanding loyalty infrastructure is driving higher repeat bookings, deeper guest relationships, and incremental revenue generation.

Building on the success of its status match initiative, RCL announced the launch of Points Choice, an innovative program that allows guests to apply loyalty points to any preferred Royal Caribbean Group brand, regardless of where the points were earned. This cross-brand flexibility enhances the overall value proposition for frequent cruisers and incentivizes them to remain within the Royal Caribbean ecosystem when choosing future vacations.

Technological innovations and fleet expansion bode well for the company.

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The company noted that these loyalty initiatives, coupled with continued digital engagement through its mobile app and e-commerce channels, are creating a virtuous cycle of demand, value and advocacy. By integrating loyalty data with AI-powered personalization tools, RCL is effectively tailoring promotions, optimizing onboard spending and boosting pre-cruise purchases.

This comprehensive approach to loyalty not only improves customer retention but also strengthens brand affinity and cross-sell potential across Royal Caribbean. Management believes this expanding ecosystem will serve as a sustainable competitive advantage, supporting recurring revenue streams and enhancing the company's long-term profitability.

▲ **AI and Data-Powered Personalization at Scale:** Royal Caribbean is increasingly integrating artificial intelligence and data analytics into its commercial and digital platforms to enhance guest experiences and improve revenue optimization. Management noted that the company continues to expand its digital ecosystem, using AI-driven tools to refine pricing, streamline operations and strengthen customer engagement across its brands.

During the third quarter of 2025, Royal Caribbean reported double-digit growth in e-commerce visits and conversion rates, while nearly 90% of onboard purchases were made through digital channels. The company also highlighted ongoing progress in leveraging data to personalize offers and interactions throughout the customer journey. By embedding AI and predictive analytics into its core commercial systems, Royal Caribbean is positioning itself to deliver more relevant vacation experiences at scale, strengthen brand loyalty, and unlock sustained margin and revenue growth.

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## Reasons To Sell:

▼ **Increasing Costs Hurt:** Royal Caribbean continues to grapple with rising cost pressures that pose risks to margin expansion and near-term profitability. In the third quarter of 2025, net cruise costs excluding fuel increased 4.3% year over year, driven by expenses linked to new ship deliveries, higher operating costs and ongoing destination development projects. Management noted that while efficiency gains and technology integration have helped mitigate some inflationary impacts, structural cost growth tied to initiatives like Perfect Day Mexico and the Royal Beach Club Nassau remains a drag on operating leverage.

Looking ahead, the company expects cost pressures to persist as it undertakes several modernization projects and expands its portfolio of private destinations. Fuel expenses are forecast to reach \$1.14 billion for 2025. Although Royal Caribbean's scale and disciplined cost control offer some cushion, sustained inflation and elevated investment spending could weigh on earnings growth in the coming quarters.

▼ **Macroeconomic Headwinds:** Royal Caribbean is heavily investing in China, where a slowdown in the economy could limit discretionary spending. In fact, the rate of capacity growth in the Asia Pacific region is expected to slow considerably in the near term for both the company and the industry. The company's business in Latin America is also suffering due to the economic slowdown. Moreover, Australia and Southeast Asia are experiencing lower pricing due to a significant increase in industry capacity. Furthermore, in Europe, economic/political conditions are expected to be somewhat challenging following the U.K.'s exit from the 28-member economic block. The company remains cautious of the uncertain macroeconomic environment.

▼ **New Ship Timing and Ramp-Up Pose Yield Headwinds:** RCL's yield growth outlook for late 2025 faces minor headwinds due to ship timing and ramp-up effects. The staggered deliveries of Celebrity Xcel and Star of the Seas, coupled with fewer dry dock days versus the prior year, are expected to reduce fourth-quarter 2025 yield growth by roughly 90 basis points.

▼ **Currency Risks:** Royal Caribbean generates just under 50% of its revenues from customers outside the United States where a majority pay with local currency. Hence, the company is highly exposed to the impact of negative currency translation. Thus, if the U.S. dollar continues to strengthen versus the company's basket of currencies, it is likely to prove detrimental to the company's earnings growth. Moreover, an increase in fuel prices may further hamper the company's performance.

Increased cost of operations and a cyclical industry are primary concerns.

## Last Earnings Report

# Royal Caribbean Q3 Earnings Beat Estimates, Revenues Miss

Royal Caribbean reported mixed third-quarter 2025 results, with adjusted earnings beating the Zacks Consensus Estimate and revenues missing the same. The top and bottom lines increased on a year-over-year basis.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 28, 2025
Sales Surprise	-0.54%
EPS Surprise	1.23%
Quarterly EPS	5.75
Annual EPS (TTM)	14.47

## RCL's Q3 Earnings & Revenues

For the third quarter, the company reported adjusted earnings per share (EPS) of \$5.75, which beat the Zacks Consensus Estimate of \$5.68. In the prior-year quarter, RCL recorded an adjusted EPS of \$5.20.

Quarterly revenues of \$5.14 billion missed the consensus estimate of \$5.17 billion. However, the reported value was up 5.2% year over year from \$4.88 billion.

## Royal Caribbean's Quarterly Highlights

In the third quarter of 2025, Passenger ticket revenues amounted to \$3.64 billion, up from \$3.47 billion in the prior-year quarter. Our estimate for Passenger ticket revenues was \$3.65 billion.

Onboard and other revenues increased to \$1.5 billion from \$1.41 billion reported in the year-ago quarter. Our estimate for the metric was \$1.5 billion.

Total cruise operating expenses amounted to \$2.48 billion, up 3.7% year over year. Our estimate for the metric was \$2.35 billion.

Net yields rose 2.4% on a constant currency basis (cc) and 2.8% on a reported basis compared with the third-quarter 2024 level. Net cruise costs, excluding fuel, per Available Passenger Cruise Day ("APCD") increased 4.8% on a reported basis and 4.3% at cc from last year's quarter figure.

## Other Financial Information of RCL

As of Sept. 30, 2025, Royal Caribbean reported cash and cash equivalents of \$432 million compared with \$388 million in 2024-end. As of the end of the third quarter of 2025, long-term debt decreased to \$17.2 billion from the \$18.47 billion reported in 2024-end. The current portion of long-term debt at the end of the quarter was \$3 billion, up from \$1.6 billion recorded in 2024-end.

## Booking Update of Royal Caribbean

Royal Caribbean is witnessing strong booking momentum, with load factors for 2025 and 2026 tracking at record levels and within historical ranges. The company reported accelerated bookings across both new and existing ships, led by robust demand for close-in sailings. It noted that 2026 bookings are trending well above prior-year levels, reflecting rate growth at the high end of historical norms. Onboard spending and pre-cruise purchases remain well ahead of previous years, supported by greater guest engagement and higher pricing. During the third quarter, roughly half of onboard revenues were booked pre-cruise, with nearly 90% of those transactions made through digital channels.

Looking ahead, Royal Caribbean sees strong momentum across its portfolio as consumers continue to prioritize vacation experiences. Bookings for upcoming launches — including Star of the Seas and Celebrity Xcel — are demonstrating exceptional traction, while early demand for Royal Beach Club Paradise Island has been robust. The company also highlighted the overwhelming response to Celebrity River, whose initial deployment sold out almost immediately. These strategic additions underscore Royal Caribbean's ongoing efforts to enhance guest experiences and expand its integrated vacation ecosystem.

## RCL's Q4 Outlook

For the fourth quarter of 2025, Royal Caribbean expects depreciation and amortization expenses to be in the range of \$445-\$455 million. Net interest expenses (excluding loss on extinguishment of debt) are projected to be between \$245 million and \$255 million. Management estimates adjusted EPS to be in the band of \$2.74-\$2.79.

The company expects net yields to increase in the band of 2.6-3.1% on a reported basis and 2.2-2.7% at cc year over year. Net cruise costs, excluding fuel, per APCD are expected to decline between 5.7% and 6.2% on a reported basis and in the range of 6.1-6.6% at cc.

## 2025 View by RCL

For 2025, the company expects depreciation and amortization expenses to be in the range of \$1.70-\$1.71 billion. Net interest expenses (excluding loss on extinguishment of debt) are expected to be between \$945 million and \$955 million. Adjusted EPS is anticipated to be between \$15.58 and \$15.63 compared with the previous expectation of \$15.41 and \$15.55.

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The company expects net yields to increase in the band of 3.5-4% both on a reported and cc basis, year over year.

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## Valuation

Royal Caribbean's shares are down 9.3% in the past six months, but up 33.1% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 0.3% but the Zacks Consumer Discretionary sector is down 8% in the past six months. Over the past year, the Zacks sub-industry is up 11.4% and the sector is up 2.8%.

The S&P 500 index is up 13.5% in the past six months and 19.2% in the past year.

The stock is currently trading at 4.2X forward 12-month sales, which compares to 2.24X for the Zacks sub-industry, 2.46X for the Zacks sector and 5.64X for the S&P 500 index.

Over the past five years, the stock has traded as high as 11.79X and as low as 0.73X, with a 5-year median of 2.26X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$318 price target reflects 4.42X forward 12-month sales.

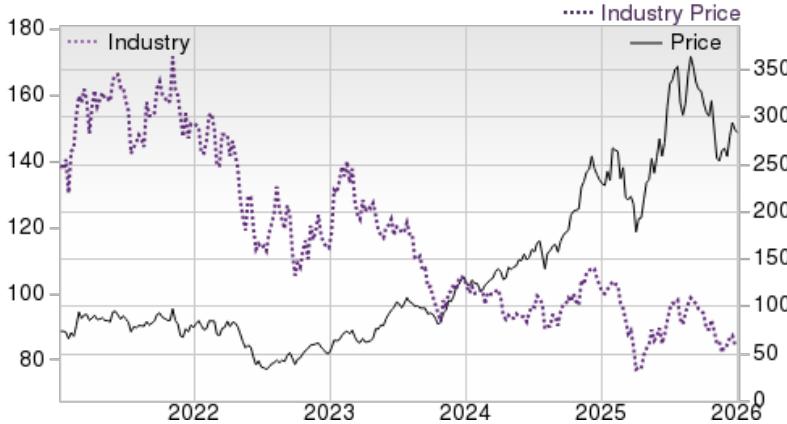
The table below shows the summary valuation data for RCL.

Valuation Multiples - RCL					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	4.2	2.24	2.46	5.64
	5-Year High	11.79	6.37	3.5	5.64
	5-Year Low	0.73	1.68	1.68	3.82
	5-Year Median	2.26	2.23	2.3	5.04
P/B TTM	Current	8.02	4.28	3.49	8.6
	5-Year High	10.62	5.47	5.58	9.13
	5-Year Low	1.66	2.37	2.47	6.57
	5-Year Median	6.24	4.06	3.54	8.05
EV/EBITDA TTM	Current	16.37	11.82	10.35	18.87
	5-Year High	38.99	208.23	17.42	22.34
	5-Year Low	N/A	N/A	8.05	13.86
	5-Year Median	11.21	11.59	10.3	17.93

As of 01/07/2026

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 31% (75 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Trip.com Group Limit... (TCOM)	Outperform	1
Airbnb, Inc. (ABNB)	Neutral	3
Carnival Corporation (CCL)	Neutral	3
Avolta AG - Unsponso... (DUFRY)	Neutral	3
Norwegian Cruise Lin... (NCLH)	Neutral	3
Viking Holdings Ltd. (VIK)	Neutral	3
Caesars Entertainmen... (CZR)	Underperform	3
Carnival Corporation (CUK)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Leisure And Recreation Services

	RCL	X Industry	S&P 500	ABNB	CZR	DUFRY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	C	-	-	C	D	A
Market Cap	82.47 B	882.05 M	40.07 B	84.35 B	4.69 B	8.63 B
# of Analysts	8	4	22	8	5	1
Dividend Yield	1.32%	0.00%	1.38%	0.00%	0.00%	0.00%
Value Score	B	-	-	D	A	A
Cash/Price	0.01	0.11	0.04	0.14	0.19	0.13
EV/EBITDA	16.05	10.28	14.89	21.40	7.00	NA
PEG Ratio	0.86	1.24	2.04	2.13	4.53	1.17
Price/Book (P/B)	8.02	3.05	3.41	9.80	1.18	3.64
Price/Cash Flow (P/CF)	16.48	6.95	15.44	32.23	2.85	3.50
P/E (F1)	19.49	18.66	18.58	29.10	88.00	14.37
Price/Sales (P/S)	4.73	1.41	3.06	7.06	0.41	NA
Earnings Yield	5.90%	4.73%	5.38%	3.44%	1.13%	6.96%
Debt/Equity	1.67	0.02	0.57	0.00	6.23	1.85
Cash Flow (\$/share)	18.35	1.85	8.98	4.25	8.06	1.68
Growth Score	C	-	-	B	F	A
Hist. EPS Growth (3-5 yrs)	NA%	22.77%	8.24%	32.24%	NA	NA
Proj. EPS Growth (F1/F0)	32.46%	16.81%	9.21%	0.73%	-145.45%	10.81%
Curr. Cash Flow Growth	45.53%	8.66%	7.00%	-7.85%	-5.20%	NA
Hist. Cash Flow Growth (3-5 yrs)	8.30%	8.30%	7.49%	46.91%	36.61%	2.89%
Current Ratio	0.16	0.72	1.19	1.39	0.78	0.76
Debt/Capital	62.58%	33.29%	38.14%	0.00%	86.16%	64.88%
Net Margin	23.33%	-2.22%	12.77%	22.03%	-2.12%	NA
Return on Equity	44.68%	1.71%	17.03%	32.14%	-5.76%	NA
Sales/Assets	0.46	0.51	0.53	0.50	0.35	NA
Proj. Sales Growth (F1/F0)	8.80%	4.50%	5.29%	9.70%	1.90%	NA
Momentum Score	F	-	-	D	F	B
Daily Price Chg	1.57%	-0.44%	-0.34%	-0.71%	-3.24%	1.33%
1 Week Price Chg	-0.84%	-0.49%	1.10%	-2.78%	-4.96%	0.59%
4 Week Price Chg	16.15%	0.00%	0.50%	7.42%	-2.04%	1.20%
12 Week Price Chg	-2.81%	1.04%	3.75%	10.28%	2.09%	12.84%
52 Week Price Chg	33.10%	-16.38%	16.94%	4.77%	-28.08%	49.87%
20 Day Average Volume	1,916,323	254,989	2,431,070	3,702,237	4,419,955	19,983
(F1) EPS Est 1 week change	-0.36%	0.00%	0.00%	0.00%	-15.76%	0.00%
(F1) EPS Est 4 week change	-0.34%	0.00%	0.00%	0.06%	-19.11%	0.00%
(F1) EPS Est 12 week change	-1.93%	0.80%	0.44%	-0.11%	-58.03%	215.38%
(Q1) EPS Est Mthly Chg	-0.25%	0.00%	0.00%	-4.39%	17.65%	NA

## Analyst Earnings Model<sup>(2)</sup>

### Royal Caribbean Cruises Ltd. (RCL)

In \$MM, except per share data

FY Ends December 31st	2021A	2022A	2023A	2024A	2025E				2026E				2027E		
	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-24	1Q	2Q	3Q	4Q	FY Dec-25	1Q	2Q	3Q	4Q	FY Dec-26	FY Dec-27
<b>Income Statement</b>															
<b>Total Revenues</b>	<b>\$1,532.1</b>	<b>\$8,840.5</b>	<b>\$13,900.0</b>	<b>\$16,484.0</b>	<b>\$3,999.0</b>	<b>\$4,538.0</b>	<b>\$5,139.0</b>	<b>\$4,265.1</b>	<b>\$17,941.1</b>	<b>\$4,385.6</b>	<b>\$4,959.8</b>	<b>\$5,648.6</b>	<b>\$4,606.6</b>	<b>\$19,600.7</b>	<b>\$20,980.2</b>
Commissions, Transportation & Other	\$207.6	\$1,357.0	\$2,001.0	\$2,250.0	\$522.0	\$606.0	\$696.0	\$559.4	\$2,383.4	\$628.8	\$628.2	\$698.9	\$604.7	\$2,560.6	\$2,741.7
Onboard & Other	\$116.9	\$596.6	\$809.0	\$909.0	\$200.0	\$262.0	\$312.0	\$218.2	\$992.2	\$291.8	\$270.1	\$295.9	\$266.2	\$1,124.1	\$1,242.0
Payroll & Related	\$838.1	\$1,287.8	\$1,197.0	\$1,301.0	\$340.0	\$329.0	\$342.0	\$335.6	\$1,346.6	\$362.2	\$351.9	\$409.0	\$346.9	\$1,469.9	\$1,560.6
Food	\$164.4	\$653.1	\$819.0	\$934.0	\$239.0	\$246.0	\$264.0	\$213.7	\$962.7	\$271.5	\$270.1	\$257.0	\$248.5	\$1,047.1	\$998.1
Fuel	\$385.3	\$1,072.6	\$1,150.0	\$1,160.0	\$277.0	\$279.0	\$297.0	\$286.8	\$1,139.8	\$272.7	\$279.8	\$304.7	\$264.9	\$1,122.0	\$1,079.8
Other Operating	\$945.2	\$1,647.3	\$1,799.0	\$2,098.0	\$500.0	\$561.0	\$569.0	\$574.9	\$2,204.9	\$583.5	\$675.5	\$760.7	\$620.2	\$2,639.9	\$2,662.4
<b>Total Cruise Operating Expenses</b>	<b>\$2,657.5</b>	<b>\$6,614.3</b>	<b>\$7,775.0</b>	<b>\$8,652.0</b>	<b>\$2,079.0</b>	<b>\$2,283.0</b>	<b>\$2,479.0</b>	<b>\$2,188.7</b>	<b>\$9,029.7</b>	<b>\$2,410.4</b>	<b>\$2,475.6</b>	<b>\$2,726.2</b>	<b>\$2,351.5</b>	<b>\$9,963.6</b>	<b>\$10,284.6</b>
Marketing, Selling & Administrative Expenses	\$1,370.1	\$1,582.9	\$1,792.0	\$2,125.0	\$562.0	\$508.0	\$522.0	\$692.3	\$2,284.3	\$593.3	\$659.9	\$754.4	\$663.2	\$2,670.8	\$2,987.0
Depreciation & Amortization Expenses	\$1,292.9	\$1,406.7	\$1,455.0	\$1,600.0	\$412.0	\$417.0	\$435.0	\$448.6	\$1,712.6	\$411.8	\$469.1	\$553.0	\$439.7	\$1,873.7	\$2,016.8
Impairment & Credit Losses (Recoveries)	\$82.0	\$0.6	\$8.0	\$9.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Equity Investment Impairment, Recovery of Losses and Other					\$4.0	\$0.0	(\$1.0)	\$0.0	\$0.0	(\$1.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Gain on Sale of Controlling Interest					(\$3.0)	\$0.0	\$0.0	(\$11.0)	\$0.0	(\$11.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>EBITDA</b>	<b>(\$2,739.8)</b>	<b>\$583.2</b>	<b>\$4,524.0</b>	<b>\$6,097.0</b>	<b>\$1,405.0</b>	<b>\$1,860.0</b>	<b>\$2,289.0</b>	<b>\$1,457.7</b>	<b>\$7,011.7</b>	<b>\$1,486.9</b>	<b>\$1,941.7</b>	<b>\$2,291.2</b>	<b>\$1,698.3</b>	<b>\$7,418.1</b>	<b>\$8,186.8</b>
Interest Income	\$16.8	\$35.9	\$36.0	\$16.0	\$2.0	\$12.0	\$3.0	\$5.3	\$22.3	\$6.5	\$5.5	\$7.2	\$6.0	\$25.2	\$26.3
Interest Expense, Net Of Interest Capitalized	\$1,291.8	\$1,364.2	\$1,402.0	\$1,590.0	\$249.0	\$228.0	\$248.0	\$249.9	\$974.9	\$207.7	\$205.4	\$170.1	\$205.6	\$788.8	\$842.6
Equity Investment (Income) Loss	\$135.5	(\$56.7)	(\$200.0)	(\$260.0)	(\$48.0)	(\$107.0)	(\$158.0)	(\$73.0)	(\$386.0)	(\$104.4)	(\$118.5)	(\$122.0)	(\$106.4)	(\$451.3)	(\$477.0)
Other Expense (Income)	(\$20.3)	\$120.4	\$8.0	(\$103.0)	\$11.0	\$6.0	\$36.0	\$124.5	\$177.5	\$54.8	\$80.5	\$52.6	\$58.4	\$246.4	\$218.6
Total Other Expense (Income)	\$1,390.2	\$1,392.0	\$1,174.0	\$1,210.0	\$210.0	\$115.0	\$123.0	\$296.1	\$744.1	\$151.6	\$161.9	\$93.5	\$151.7	\$558.6	\$558.0
<b>Adjusted EBITDA</b>	<b>(\$2,597.5)</b>	<b>\$711.6</b>	<b>\$4,544.0</b>	<b>\$6,971.0</b>	<b>\$1,402.0</b>	<b>\$1,851.0</b>	<b>\$2,293.0</b>	<b>\$1,454.1</b>	<b>\$7,000.1</b>	<b>\$1,483.4</b>	<b>\$1,939.8</b>	<b>\$2,287.0</b>	<b>\$1,695.4</b>	<b>\$7,405.6</b>	<b>\$8,173.7</b>
Other Expense	\$27.0	\$115.0	\$2.0	(\$149.0)	(\$5.0)	(\$11.0)	\$2.0	(\$4.7)	(\$18.7)	(\$4.6)	(\$2.9)	(\$5.1)	(\$3.9)	(\$16.5)	(\$17.1)
<b>Operating Income (Loss), Adjusted</b>	<b>(\$3,788.3)</b>	<b>(\$762.8)</b>	<b>\$2,878.0</b>	<b>\$4,107.0</b>	<b>\$946.0</b>	<b>\$1,330.0</b>	<b>\$1,703.0</b>	<b>\$935.4</b>	<b>\$4,914.4</b>	<b>\$970.1</b>	<b>\$1,355.2</b>	<b>\$1,615.1</b>	<b>\$1,152.2</b>	<b>\$6,092.6</b>	<b>\$5,691.8</b>
<b>Operating Income (Loss)</b>	<b>(\$3,870.3)</b>	<b>(\$764.0)</b>	<b>\$2,878.0</b>	<b>\$4,106.0</b>	<b>\$945.0</b>	<b>\$1,329.0</b>	<b>\$1,702.0</b>	<b>\$935.4</b>	<b>\$4,914.4</b>	<b>\$970.1</b>	<b>\$1,355.2</b>	<b>\$1,615.1</b>	<b>\$1,152.2</b>	<b>\$6,092.6</b>	<b>\$5,691.8</b>
<b>Pre-Tax Income (Loss)</b>	<b>(\$5,260.5)</b>	<b>(\$2,156.0)</b>	<b>\$1,705.0</b>	<b>\$2,896.0</b>	<b>\$735.0</b>	<b>\$1,214.0</b>	<b>\$1,579.0</b>	<b>\$639.3</b>	<b>\$4,167.3</b>	<b>\$818.5</b>	<b>\$1,193.3</b>	<b>\$1,521.6</b>	<b>\$1,000.6</b>	<b>\$4,534.0</b>	<b>\$5,133.9</b>
Income Tax Expense (Benefit)	\$0.0	(\$0.0)	\$0.0	\$0.0	(\$1.0)	(\$1.0)	\$0.0	(\$0.0)	(\$2.0)	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	(\$0.0)
Tax Rate	(0.0%)	0.0%	0.0%	0.0%	0.0%	(0.1%)	(0.1%)	0.0%	0.0%	(0.0%)	0.0%	0.0%	0.0%	0.0%	(0.0%)
<b>Net Income Before Non-Controlling Interest</b>	<b>(\$5,260.5)</b>	<b>(\$2,156.0)</b>	<b>\$1,704.0</b>	<b>\$2,896.0</b>	<b>\$736.0</b>	<b>\$1,214.0</b>	<b>\$1,579.0</b>	<b>\$639.3</b>	<b>\$4,168.3</b>	<b>\$818.5</b>	<b>\$1,193.3</b>	<b>\$1,521.6</b>	<b>\$1,000.6</b>	<b>\$4,534.0</b>	<b>\$5,133.9</b>
Non-Controlling Interest	\$0.0	\$0.0	\$7.0	\$18.0	\$6.0	\$5.0	\$4.0	\$4.0	\$19.0	\$4.0	\$4.0	\$4.0	\$4.0	\$16.0	\$16.0
<b>Net Income (Loss), Adjusted</b>	<b>(\$4,832.9)</b>	<b>(\$1,913.4)</b>	<b>\$1,827.0</b>	<b>\$3,237.0</b>	<b>\$744.0</b>	<b>\$1,202.0</b>	<b>\$1,577.0</b>	<b>\$760.3</b>	<b>\$4,283.3</b>	<b>\$858.6</b>	<b>\$1,254.9</b>	<b>\$1,616.1</b>	<b>\$1,059.2</b>	<b>\$4,788.9</b>	<b>\$5,429.1</b>
Loss on Extinguishment of Debt	\$138.8	\$93.8	\$121.0	\$463.0	\$10.0	\$0.0	\$0.0	\$123.0	\$133.0	\$42.2	\$63.6	\$96.5	\$60.7	\$262.9	\$303.2
Amortization of Silversea Cruises Intangible Assets	\$6.5	\$6.5	\$6.0	\$6.0	\$2.0	\$2.0	\$2.0	\$2.0	\$8.0	\$2.0	\$2.0	\$2.0	\$2.0	\$8.0	\$8.0
<b>Net Income (Loss), GAAP</b>	<b>(\$5,260.5)</b>	<b>(\$2,156.0)</b>	<b>\$1,697.0</b>	<b>\$2,877.0</b>	<b>\$730.0</b>	<b>\$1,210.0</b>	<b>\$1,575.0</b>	<b>\$635.3</b>	<b>\$4,150.3</b>	<b>\$814.5</b>	<b>\$1,189.3</b>	<b>\$1,517.6</b>	<b>\$996.6</b>	<b>\$4,518.0</b>	<b>\$5,117.9</b>
Basic Shares Outstanding	251.8	255.0	256.0	261.0	269.0	272.0	272.0	270.7	270.9	269.5	268.2	266.9	265.6	267.5	262.4
Diluted Shares Outstanding	251.8	255.0	283.0	279.0	276.0	275.0	274.0	272.7	274.4	271.5	270.2	268.9	267.6	269.5	264.4
<b>Basic EPS</b>	<b>(\$20.89)</b>	<b>(\$8.45)</b>	<b>\$6.63</b>	<b>\$11.00</b>	<b>\$2.71</b>	<b>\$4.45</b>	<b>\$5.79</b>	<b>\$2.35</b>	<b>\$15.30</b>	<b>\$3.02</b>	<b>\$4.43</b>	<b>\$5.69</b>	<b>\$3.75</b>	<b>\$16.90</b>	<b>\$19.50</b>
<b>Diluted EPS, Adjusted</b>	<b>(\$19.19)</b>	<b>(\$7.50)</b>	<b>\$6.77</b>	<b>\$11.80</b>	<b>\$2.71</b>	<b>\$4.38</b>	<b>\$5.75</b>	<b>\$2.79</b>	<b>\$15.63</b>	<b>\$3.16</b>	<b>\$4.64</b>	<b>\$6.01</b>	<b>\$3.96</b>	<b>\$17.78</b>	<b>\$20.53</b>
<b>Diluted EPS, GAAP</b>	<b>(\$20.89)</b>	<b>(\$8.45)</b>	<b>\$6.31</b>	<b>\$10.94</b>	<b>\$2.70</b>	<b>\$4.41</b>	<b>\$5.74</b>	<b>\$2.33</b>	<b>\$15.18</b>	<b>\$3.00</b>	<b>\$4.40</b>	<b>\$5.64</b>	<b>\$3.72</b>	<b>\$16.77</b>	<b>\$19.36</b>
Dividend Per Share	\$0.00	\$0.00	\$0.00	\$0.95	\$0.75	\$0.75	\$1.00	\$1.00	\$3.50	\$1.00	\$1.00	\$1.00	\$1.00	\$4.00	\$4.00

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<span style="border: 1px solid black; padding: 2px;">B</span>
Growth Score	<span style="border: 1px solid black; padding: 2px;">C</span>
Momentum Score	<span style="border: 1px solid black; padding: 2px;">F</span>
VGM Score	<span style="border: 1px solid black; padding: 2px;">C</span>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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