



norwegian 

# Presentation of first quarter 2024

25 April 2024



## Q1 operating loss (EBIT) NOK 763 million

- EBIT excl. other losses/(gains) NOK 637 million  
– impacted by negative FX revaluation effects
- significant improvement from Q1 last year  
– group operating revenue up 55%
- liquidity position increase to 10.4 billion
- cost level according to target  
– supported by efficiency initiatives

## Preferred travel partner throughout Nordics

- 340 Norwegian routes across attractive network  
– close to 100 Widerøe routes
- operational excellence amidst harsh winter weather
- new logo and visual profile  
– smart and cost-efficient launch

## Widerøe transaction completed

- regional carrier with 49 aircraft and 90-year history
- initial quarter with Widerøe inclusion
- linking of highly complementary route networks to passengers' benefit

## Ramping up for summer season

- persistent booking momentum with significant increase in capacity
- 650 new flying colleagues ahead of summer season
- fleet impacted by Boeing aircraft delays  
– 87 aircraft fleet for summer

## Capturing corporate market share

- double-digit revenue and PAX (+13%) growth
- Norwegian Defence contract started 1 Feb.
- Widerøe acquisition improving corporate offering



Number of passengers  
this quarter (group)

**4.8** million

**Load factor**  
(change YoY)

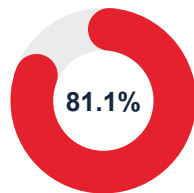


**Norwegian capacity (ASK)**

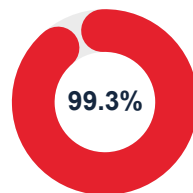


**Q1 operating performance (Norwegian)**

Punctuality

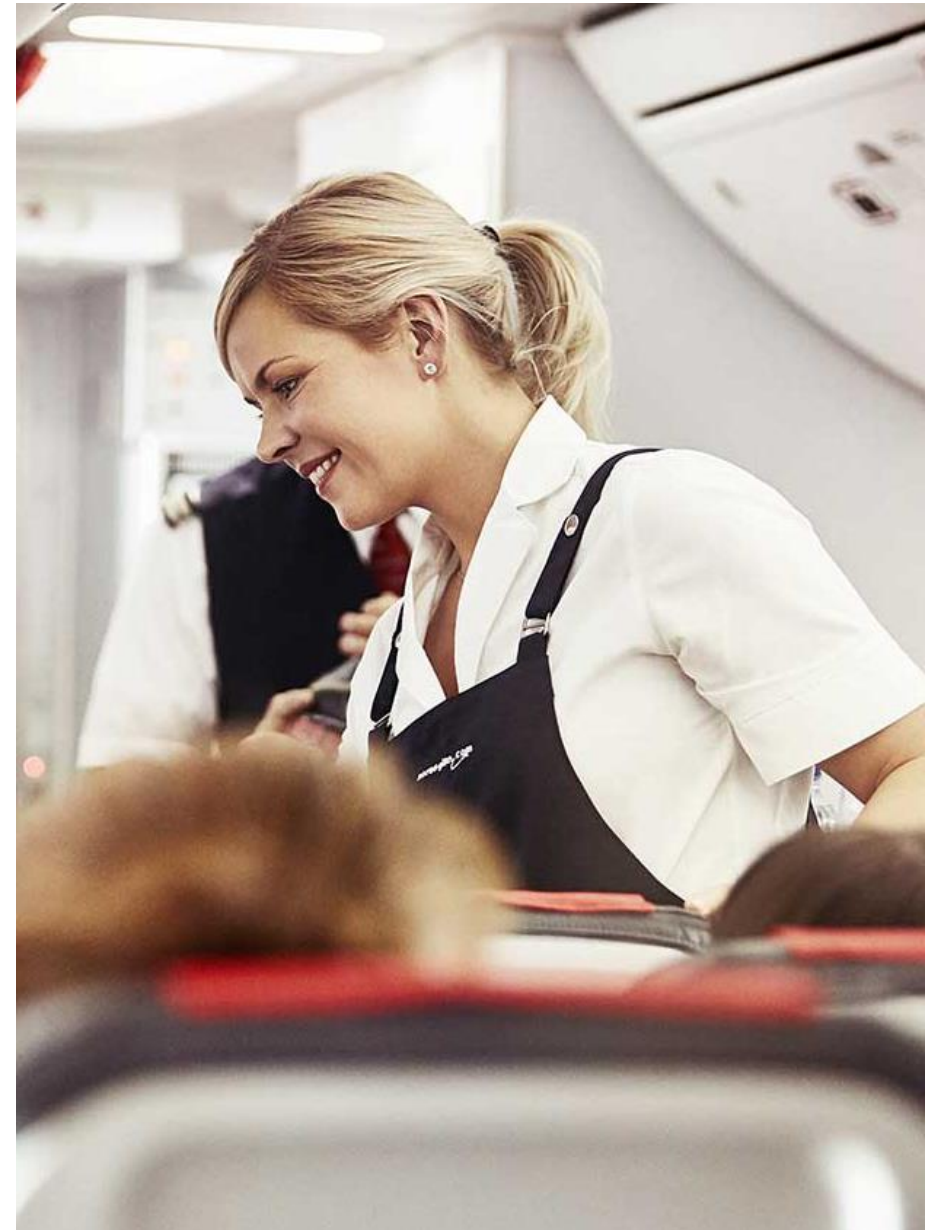


Regularity



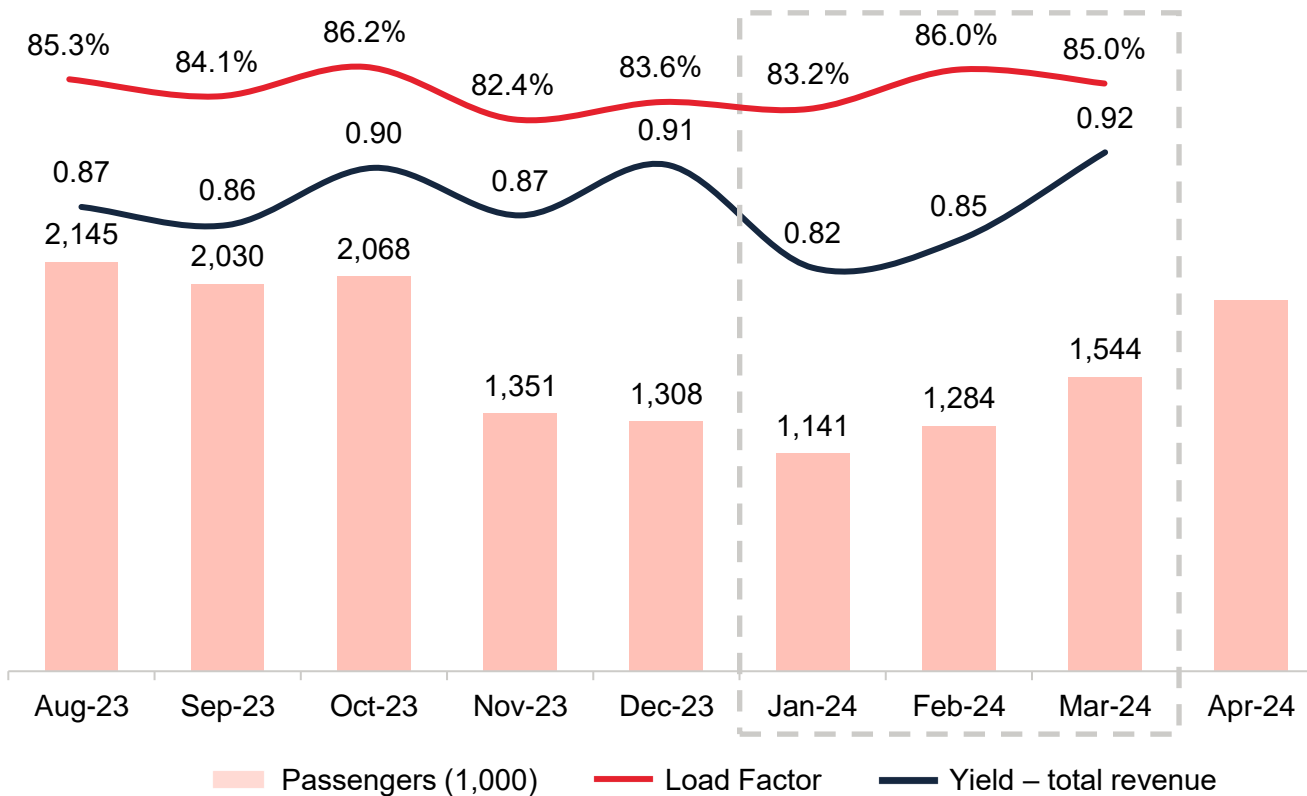
**March operating performance  
report (Cirium)**

- top five punctual European airline in March
- top three global low-cost carrier



# Reduced winter capacity supporting unit revenue

Norwegian Traffic – PAX per month, load factor and yield



## Strong load and improving unit revenue

- Q1 unit revenue (total) +17% YoY

## March traffic boosted by early Easter

- also resulting in softer April traffic

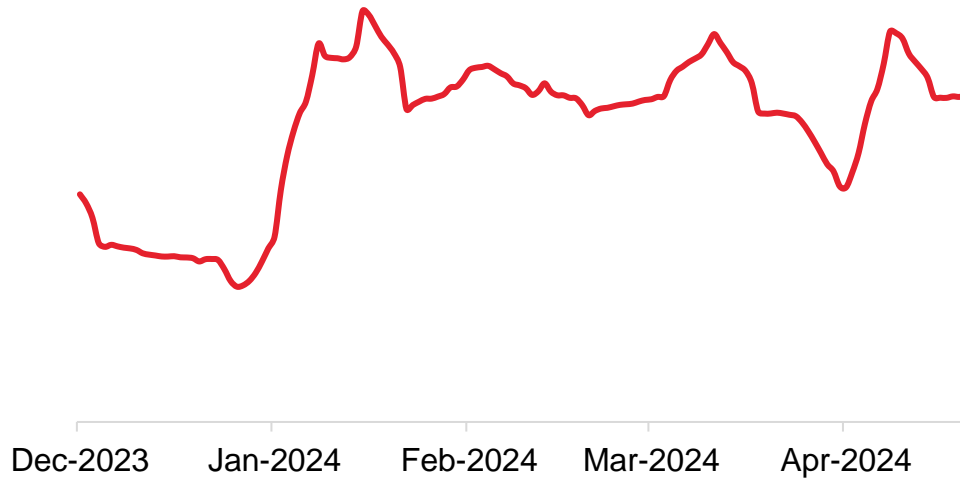
## Getting customers to their destinations

- regularity close to 100% despite challenging winter weather
- zero cancellations of international Easter flights

## Ramp-up from March continuing in April

# Norwegian – persisting booking momentum into summer

7-day rolling sales figures (PAX) – All markets<sup>1)</sup>



## Satisfactory and stable sales momentum

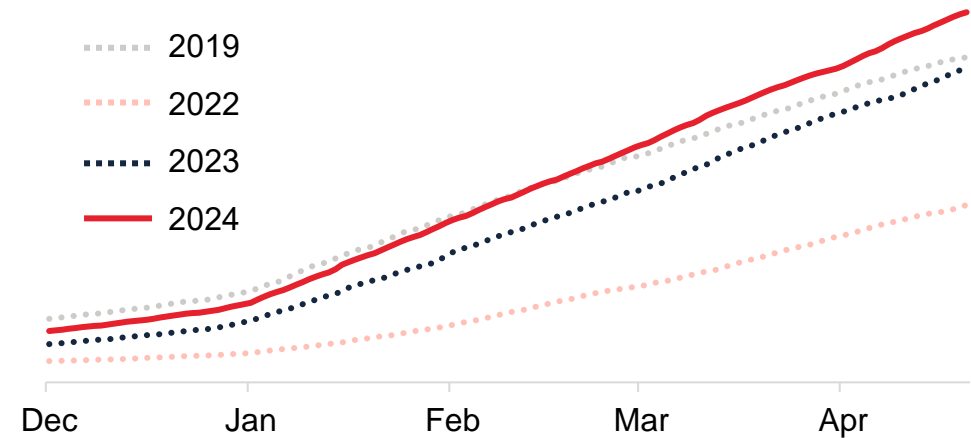
- diversified bookings across destinations and travel month

## Significant capacity increase in selected markets

- growing significantly with new routes to beach destinations
- first establishment of non-Nordic routes since 2020

1) travel anytime, anywhere as of 20 April 2024

Booked revenue – May to August travel<sup>2)</sup>



## Load on par with last year for summer

- capacity increase 15% (May – August)
- more than 300,000 additional tickets sold vs. last year

## Forecasting yield growth vs record strong summer 2023

- current forecast low single-digit (%) yield growth (May – August)

2) 2019 adjusted for comparable route network

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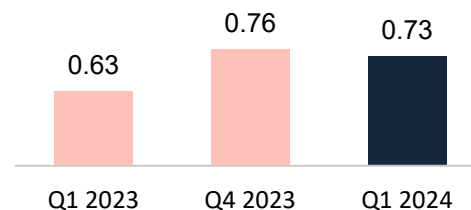
# Financial results for Q1 2024

# Quarterly financial highlights

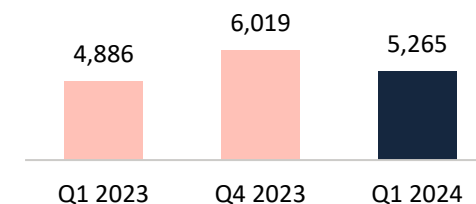
## Revenues

- **Norwegian unit revenue** higher with improving load and yield  
– up 17% from Q1 last year
- **ancillary** NOK 173 per pax  
– up from NOK 158 last year

Norwegian unit revenue – total



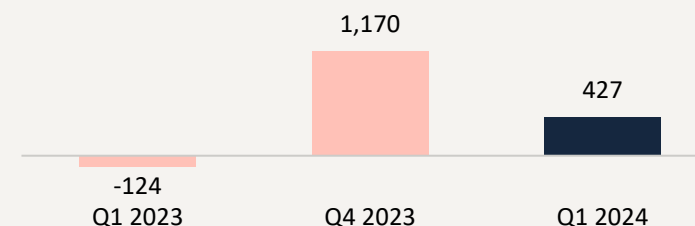
Norwegian passenger traffic (million RPK)



## Profits

- **group operating loss (EBIT) NOK 763 million**  
– improving from NOK 916m operating loss last year  
– improved results from operations of NOK 551m  
– negative FX revaluations impact – OLG<sup>1)</sup> NOK 126m
- **Norwegian CASK ex. fuel** NOK 0.61 for quarter

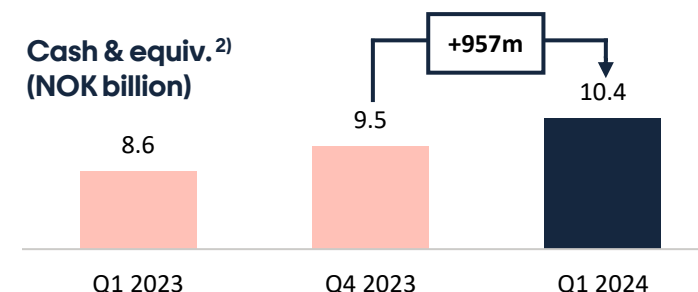
Group EBITDAR (NOK million) excl. OLG<sup>1)</sup>



## Balance sheet

- **robust liquidity position** up to NOK 10.4 billion  
– positive working capital effect with low holdback
- **equity ratio 14.3%**, up from 11.2% last year
- Widerøe acquisition cash settlement in January

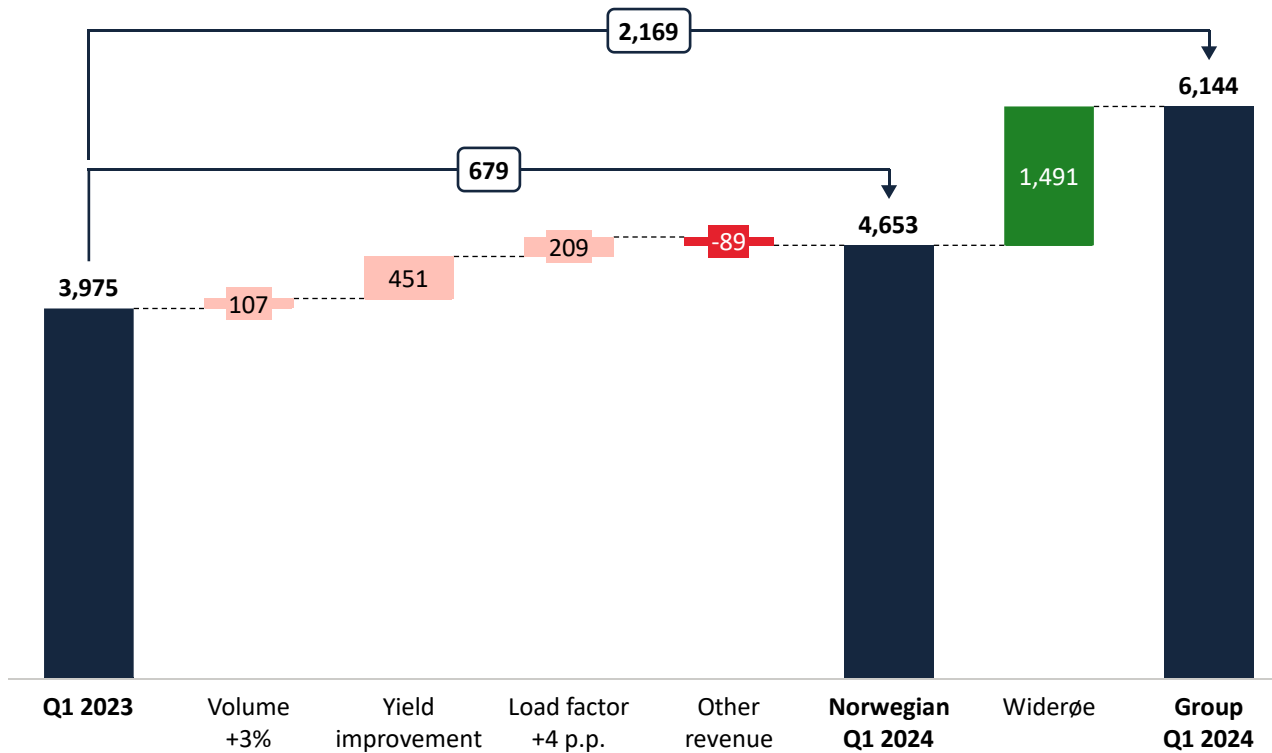
Cash & equiv.<sup>2)</sup> (NOK billion)



1) other losses/(gains) 2) including 0.85 per share dividend provision for 2022 & 2023

# Revenue development

Quarterly total operating revenue (NOK million)



## Capacity discipline during winter

- supporting load factor and yield improvement

## Reduction in other revenue

- other revenue for Norwegian reduced to NOK 92m
- level normalising after COVID-19 CashPoint expiry

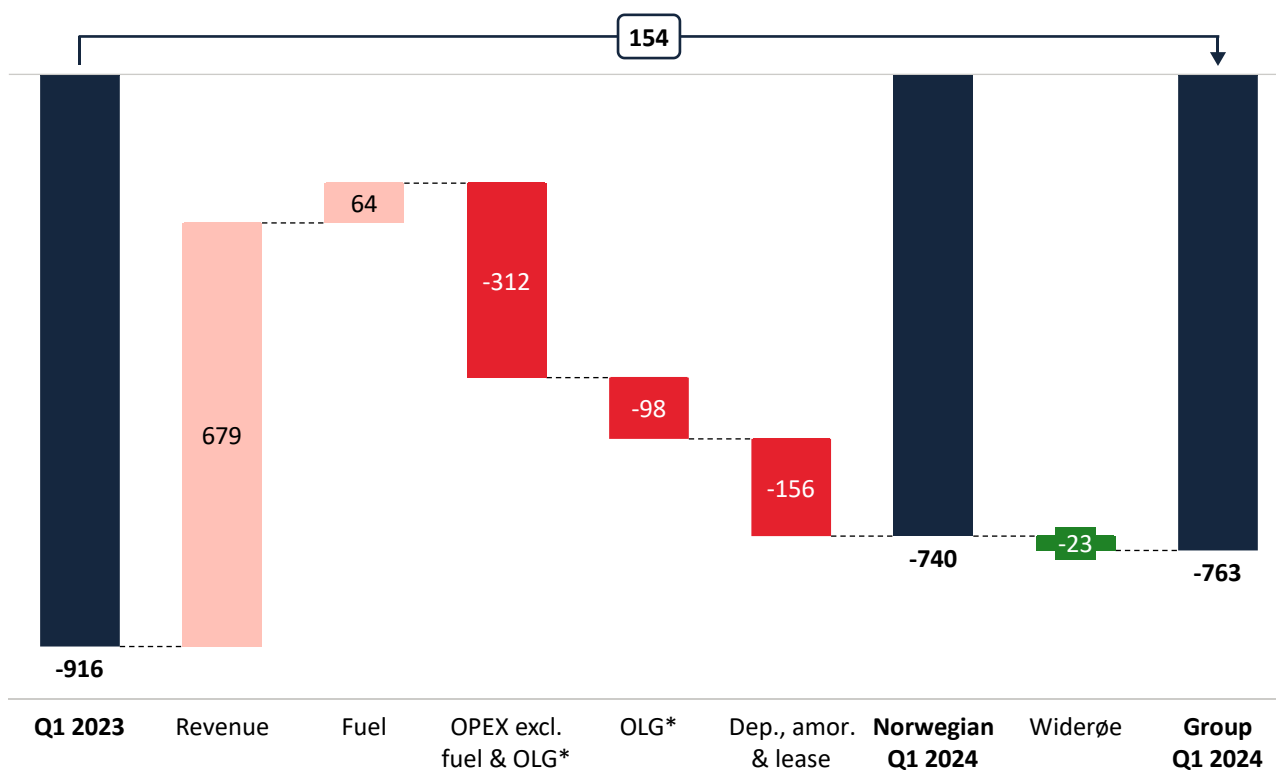
## Widerøe contributing positively

- 24% share of group operating revenue in quarter



# Operating profit (EBIT) development

Quarterly EBIT (NOK million)



\*) other losses/(gains)

## Revenue and fuel supporting earnings

- realised fuel hedge gains for Norwegian and Widerøe
- EU-ETS quota price down 30% vs last year

## Cost level impacted by inflation and ccy

- unit cost excl. fuel NOK 0.61  
– development according to plan
- scale effects limited in Q1, but significant ramp-up
- weak NOK impacting cost lines, but also revenues

## Negative FX revaluation impact

- other losses/(gains) net loss NOK 126 million

## Depreciation increasing with fleet size

- addition of latest generation 737 MAX 8 aircraft with reduced fuel-burn

# Group P&L – significant improvement from last year

<i>NOK million</i>	Q1 2024	Q1 2023	Chng. (YoY)	
Passenger revenue	5,126	3,191		
Ancillary passenger revenue	731	604		
Other revenue	288	181		
<b>Total operating revenue</b>	<b>6,144</b>	<b>3,975</b>	<b>+55%</b>	→ improved yield, load and Widerøe inclusion
Personnel expenses	1,774	920		→ additional flying FTEs for ramp-up and Widerøe inclusion
Aviation fuel	1,670	1,539		
Airport and ATC charges	610	489		
Handling charges	487	408		
Technical maintenance expenses	281	158		
Other operating expenses	896	586		
<b>EBITDAR excl other losses/(gains)</b>	<b>427</b>	<b>-124</b>	<b>+551</b>	→ strong improvement in underlying earnings
Other losses/(gains)	126	31		
<b>EBITDAR</b>	<b>301</b>	<b>-155</b>		
Aircraft lease, depreciation and amortization	1,064	762		
<b>Operating profit (EBIT)</b>	<b>-763</b>	<b>-916</b>	<b>+154</b>	
Net financial items	-141	-75		
<b>Profit before tax (EBT)</b>	<b>-903</b>	<b>-992</b>		
Income tax expense (income)	0	1		
<b>Net profit (loss)</b>	<b>-904</b>	<b>-993</b>		

# Robust balance sheet

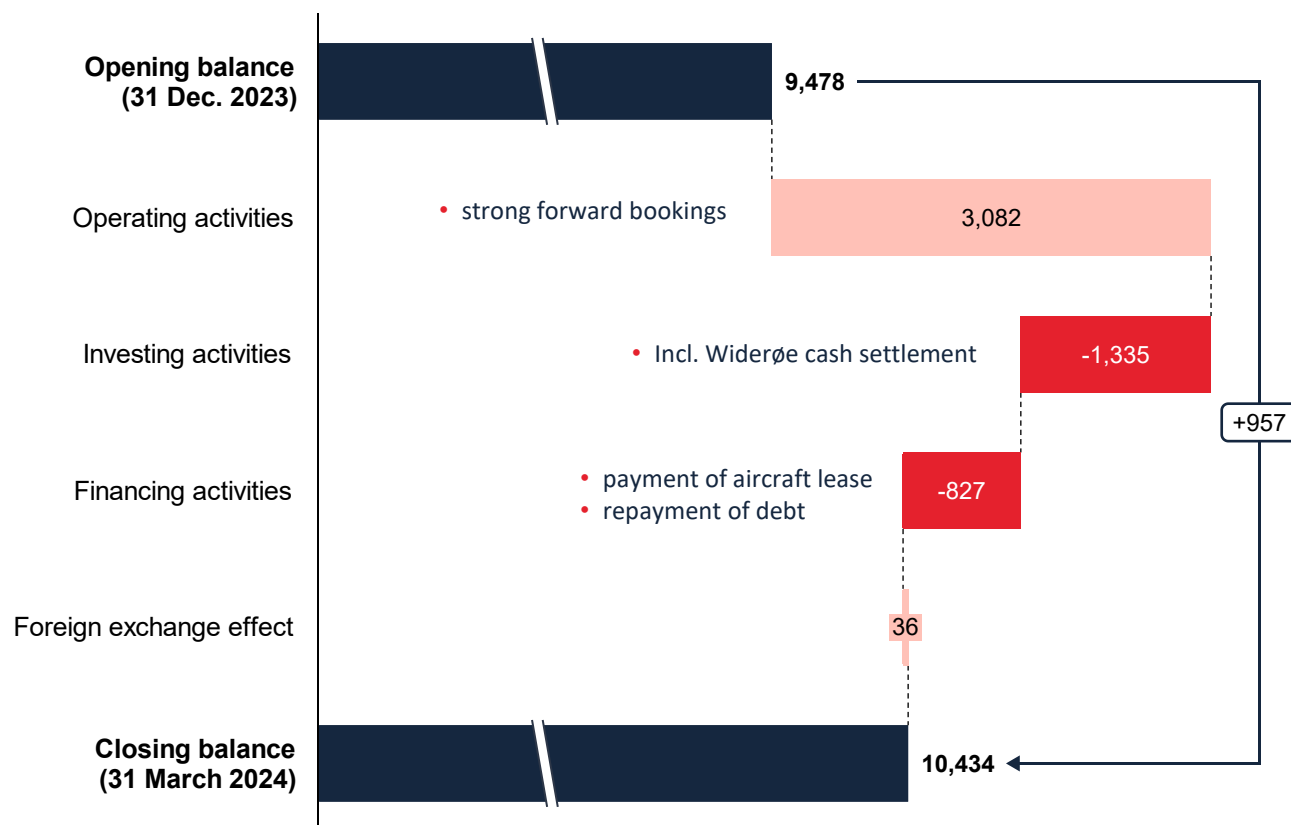
<i>NOK million</i>	31 Mar. 2024	31 Dec. 2023	Chng. (QoQ)	
Intangible assets	2,592	2,162		
Tangible assets	19,097	15,016		
<b>Total non-current assets</b>	<b>22,129</b>	<b>17,506</b>	<b>+26%</b>	→ NOK 3.5bn from inclusion of Widerøe
Receivables	4,998	3,306		
Cash and cash equivalents	10,434	9,478		
<b>Total current assets</b>	<b>15,936</b>	<b>13,044</b>		
<b>Assets</b>	<b>38,065</b>	<b>30,550</b>		
<hr style="border-top: 1px dashed red;"/>				
<b>Equity</b>	<b>5,443</b>	<b>5,773</b>		
Non-current debt	14,212	12,312		
Other non-current liabilities	4,198	3,505		
<b>Total non-current liabilities</b>	<b>18,409</b>	<b>15,817</b>	<b>+16%</b>	→ NOK 1.7bn from inclusion of Widerøe
Air traffic settlement liabilities	7,398	3,203	<b>+131%</b>	→ strong forward bookings
Current debt	2,033	1,713		
Other current liabilities	4,781	4,045		
<b>Total current liabilities</b>	<b>14,212</b>	<b>8,960</b>		
<b>Liabilities</b>	<b>32,621</b>	<b>24,777</b>		
<b>Equity and liabilities</b>	<b>38,065</b>	<b>30,550</b>		
<b>Equity ratio (%)</b>	<b>14.3</b>	<b>18.9</b>	<b>-4.6 p.p.</b>	→ up 3 p.p. from Q1 last year

<b>Net interest-bearing debt</b>			
<i>NOK million</i>	31 Mar. 2024	31 Dec. 2023	Chng. (QoQ)
Cash & equiv.	10,434	9,478	+957
Aircraft financing	13,465	11,301	+2,164
Other IB debt	2	102	
Retained Claims Bonds	2,684	2,622	
<b>NIBD</b>	<b>5,810</b>	<b>4,548</b>	<b>+1,263</b>

- **NIBD increase** with added lease obligations and financing of own aircraft in relation to Widerøe acquisition – additional increase from ccy. revaluations
- 87 aircraft in Norwegian at quarter-end, unchanged from year-end 2023
- **optimising and simplifying capital structure** – paid down other interest-bearing debt this quarter
- **dividend provision of NOK 0.85 per share for 2022/2023** – subject approval from bond holders – added to dividend fund following 2024 AGM

# Cash flow – improved liquidity position into winter

## Quarterly cash flow (NOK million)



### Positive working capital effect

- increased forward bookings
- holdback at normalised level

### Excess liquidity on deposits and money-market funds

- rate-of-return 5.5%

### Limited aircraft prepayments to Boeing in 2024

- prepayment to date NOK 3.4bn

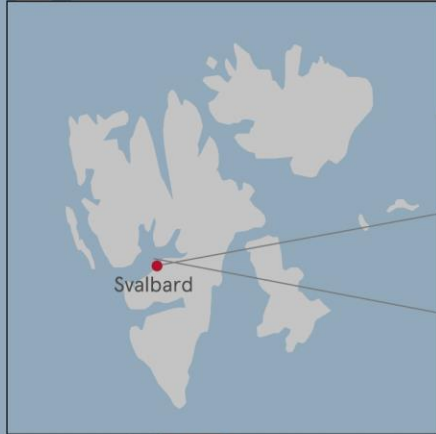
### Widerøe acquisition completed in Q1

- net cash outflow NOK 1,000 million\*

\*purchase price remains subject to final adjustments

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The way forward





# Widerøe – highly complementary business

## Acquisition completed in January

- major operator of **public service obligation (PSO)**
  - fleet of 49 aircraft – 46 turboprops and three E2s
- **transaction price NOK 1,125 million** remaining subject to certain adjustments
  - implying P/E 3.0 – 3.5 on historic earnings post synergies

## Solid business rationale

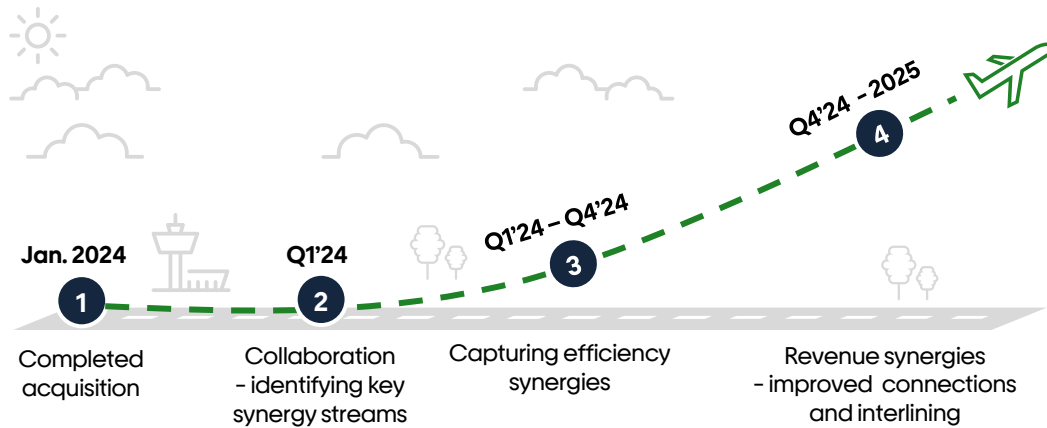
- **route network** – complimentary networks with end-to-end connectivity with additional inbound travel
- **seasonality** – stronger corporate offering and resiliency through PSO operation
  - 1/5 of Norwegian seasonality
- **capturing broad range of revenue and cost synergies**

## Improving 2024 outlook

- **new PSO tender** in effect from 1 April – until 2027/2028
  - 50% reduced max. fares – increased gov. revenues
  - Widerøe PSO capacity increase 6%
  - bookings for PSO next three months up 30% YoY
- **fuel hedge 80% for remainder of 2024 and 40% for 2025**
  - levels significantly below current market
- **increasing interlining with Norwegian**
  - interlining passengers up 42% vs Q1 last year



# Widerøe roadmap



## Strong customer proposition

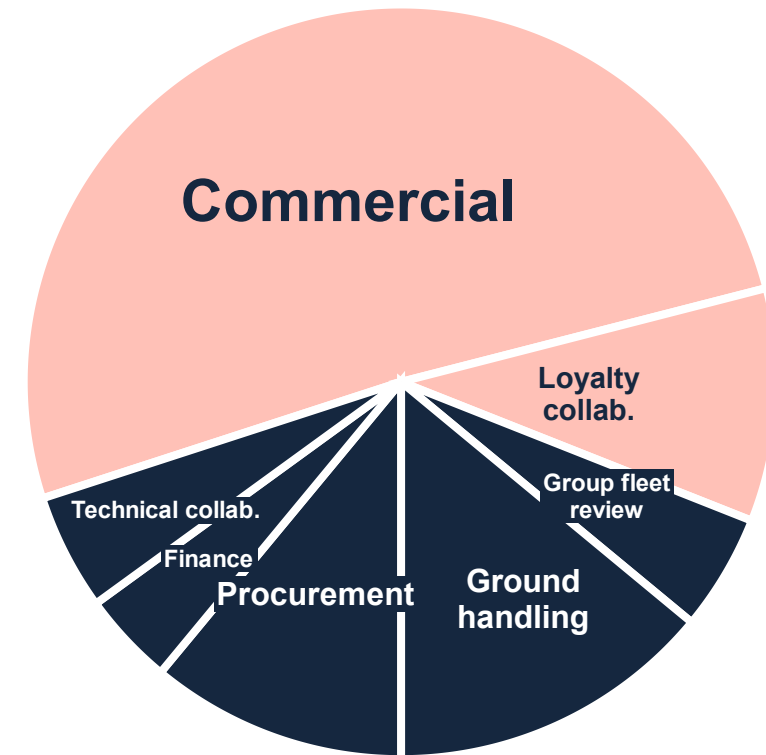
- increased route network with attractive destinations
- seamless interlining across airlines
- attractive offering to corporate market
- loyalty programme

## Reach and distribution

- increased reach through sales collaboration and increased sales force
- Norwegian launching sale of interlining tickets in medium-term  
– already available via Widerøe and travel agents

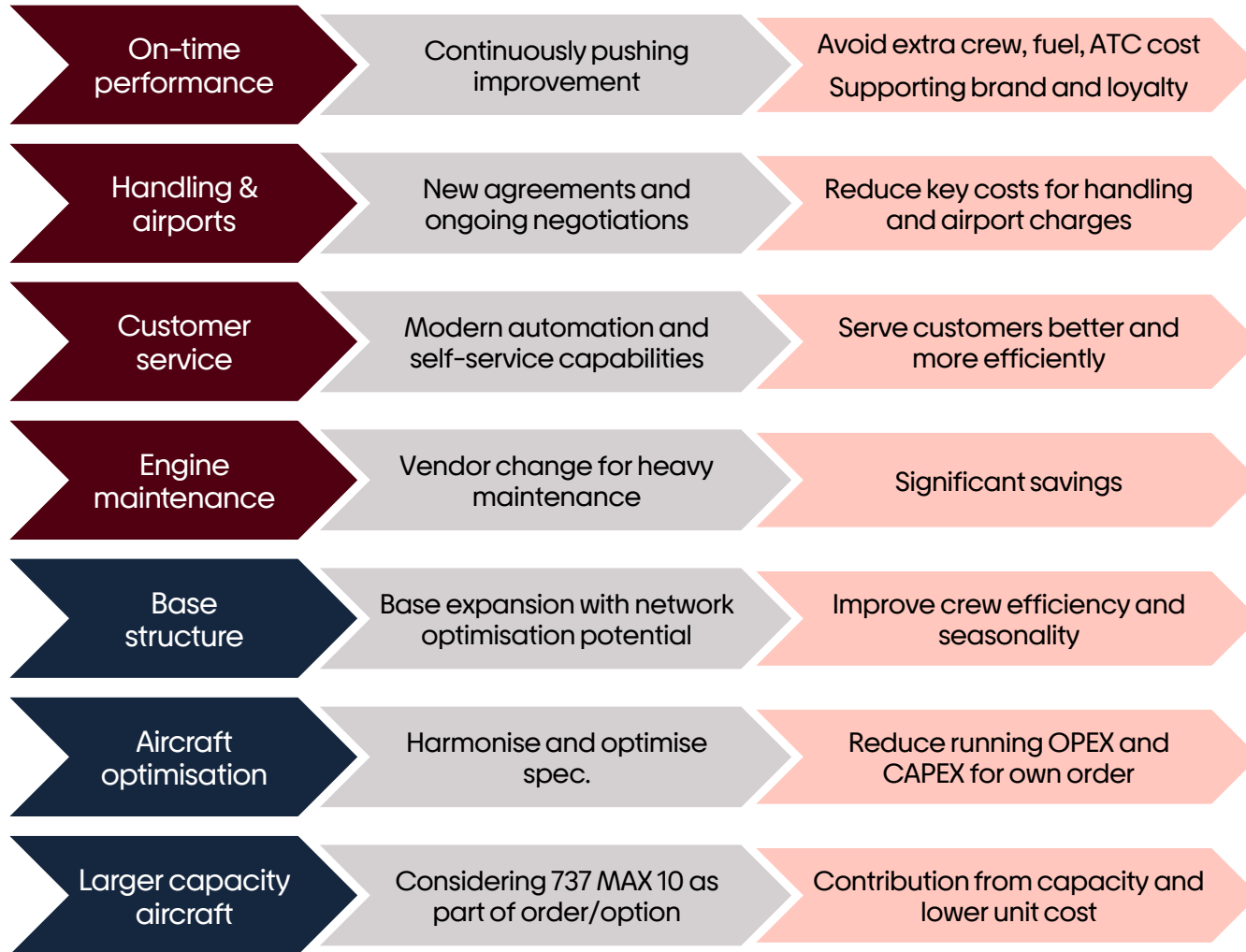
## Key synergy streams\*

– consolidated synergies in excess of NOK 300m



*\*illustration purposes only*

# Key cost initiatives for 2024 and beyond





# Securing modern long-term fleet for Norwegian

## Countering Boeing delivery delays

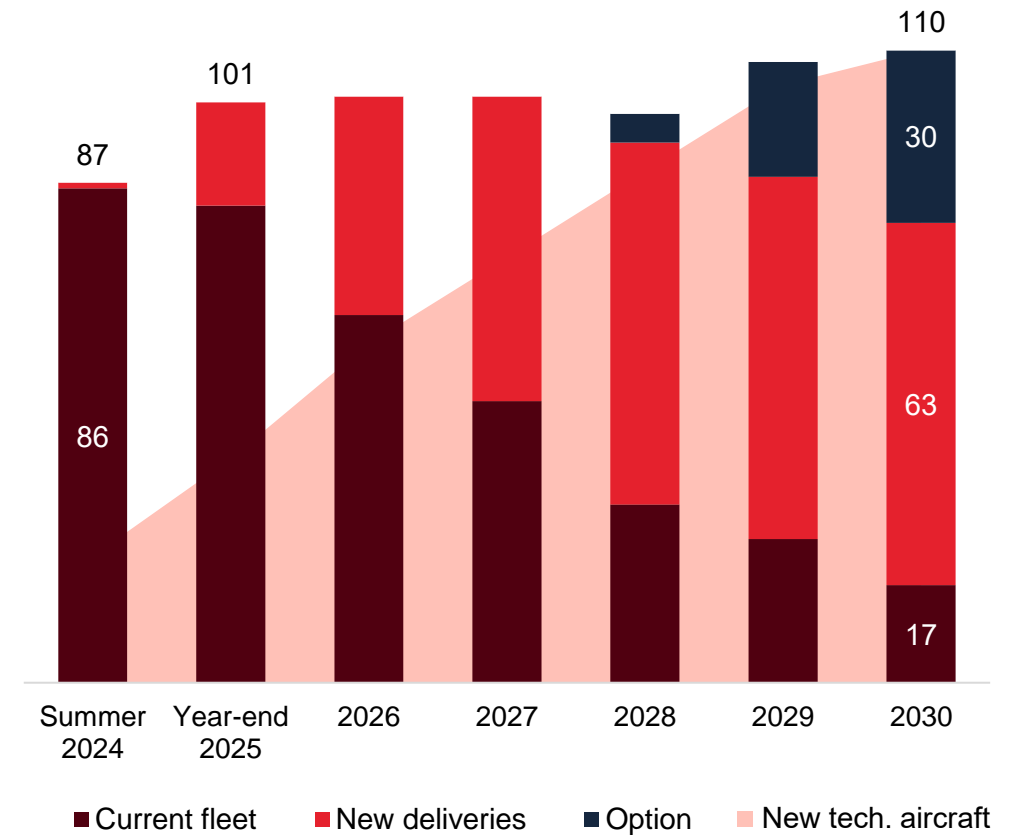
- upcoming deliveries for Boeing aircraft delayed 8 to 11 months – partially compensated for incurred delay cost
- 87 aircraft fleet for summer, down from previous 90 aircraft estimate – overall unchanged 2024 capacity growth of 12%
- evaluating 737 NG lease extensions for 2025 and 2026 – unchanged 2025 fleet estimate despite delivery delays

## Replacing older generation aircraft

- more fuel-efficient aircraft with significant cost savings – above 14% reduced fuel-burn and 40% noise reduction
- CFM LEAP-1B engine – unrelated to P&W GTF engine issues

## Aircraft order delivery from 2025

- order for 50 737 MAX 8 aircraft – delivery 2025-2028 – option for additional 30 aircraft – attractive pricing and inflation protection
- considering MAX 10 for part of order/option
- aircraft specification optimisation – significant cost improvements
- NOK 3.4bn PDP paid-in – limited capex in 2024
- significant share to be owned – securing financing for initial deliveries



# Facilitating for sustainable aviation

## Committed to 45% reduction in emission intensity by 2030

- 10% reduction in CO2 per RPK for Q1 vs previous year
- more effective flight patterns – less fuel burn – less CO2 emissions

## Reaching EU through A4E

- working with all major airlines in Europe to facilitate change in policies

## Constantly working for more fossil-free aviation fuels (SAF)




- Norsk e-fuel – investor and customer
- ready to commit offtake from new suppliers
- working with governments to facilitate production

## Gearing taxes towards aviation sustainability

- zero rating of emissions from SAF consumption under Norway CO2 tax and EU ETS already in effect



# Outlook

	FY 2024	Q1	Q2	Q3	Q4
 Capacity growth <sup>1)</sup>	c. 12%	3%	c. 19%	c. 10%	c. 16%
<b>FY 2024</b>					
 Operating profit (EBIT) <sup>2)</sup>	<b>NOK 2.5 – 3.2 billion</b> (excl. Widerøe)				
 Norwegian unit cost (NOK) excl. fuel <sup>2)</sup>	<b>Flat vs. 2023</b>				

1) Available seat kilometres (ASK) vs. same period last year

2) Assuming average market rates for period of jet fuel 870 USD/mt, EUR/NOK 11.4, USD/NOK 10.5.

Not including effects from Widerøe acquisition. Company is projecting not to pay significant amount in taxes over the coming years due to deferred tax asset, currently amounting to NOK 1.9 billion.



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# Appendix

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# 20 largest shareholders as of 31 March 2023\*

	Name	Country	Number of shares	Percent
1	Geveran Trading Company, Ltd.	Cyprus	129,010,512	13.4%
2	Sundt AS	Norway	80,292,265	8.3%
3	Folketrygdfondet	Norway	48,732,100	5.1%
4	Ballyfin Aviation Limited	Ireland	31,472,703	3.3%
5	Acadian Asset Management LLC	United States	29,855,367	3.1%
6	Nordnet Bank AB.	Norway	28,721,922	3.0%
7	Silver Point Capital, L.P.	United States	25,854,922	2.7%
8	Goldman Sachs International	United Kingdom	23,071,527	2.4%
9	Handelsbanken Kapitalförvaltning AB	Sweden	22,230,406	2.3%
10	Avanza Bank AB	Sweden	18,261,767	1.9%
11	DNB Asset Management AS	Norway	16,686,679	1.7%
12	BlackRock Institutional Trust Company, N.A.	United States	13,916,917	1.4%
13	Eika Kapitalforvaltning AS	Norway	12,808,189	1.3%
14	Scotia Capital Inc.	Canada	10,630,000	1.1%
15	KLP Fondsforvaltning AS	Norway	10,131,195	1.1%
16	American Century Investment Management, Inc.	United States	9,748,588	1.0%
17	Barclays Capital	United Kingdom	9,520,649	1.0%
18	UBS Limited	United Kingdom	8,562,297	0.9%
19	Société Générale Securities Services S.A.	France	8,363,121	0.9%
20	Brumm AS	Norway	7,591,234	0.8%
	Top 20 shareholders		545,462,360	56.6%
	Other shareholders		418,418,102	43.4%
	Total number of shares		963,880,462	100.0%

*\*) The data is obtained through third-party analysis of beneficial ownership and fund manager information provided in replies to ownership notices issued to custodians. Reasonable efforts have been made to verify the data, however Norwegian Air Shuttle ASA cannot guarantee the accuracy of the analysis.*

# Disclaimer

Certain statements included in this presentation contain forward-looking statements, such as statements of future expectations. Although the statements provided are based on the best reasonable assumptions of management of Norwegian Air Shuttle ASA (“Norwegian”), the statements are based on a number of assumptions and forecasts that, by their nature, involve risks and uncertainties. No assurances can be given that the expectations provided in the forward-looking statements will prove to be correct.

Various factors may cause the actual results of Norwegian to differ materially from those projected in forward-looking statements. These factors include, but are not limited to, (a) general economic conditions, (b) changes in the competitive climate, (c) fluctuations in the price of jet fuel, (d) fluctuations in currency exchange rates, (e) industrial actions, (f) contingencies and legal claims, and (g) legislative, regulatory and political factors.

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