

norwegian✈

# Presentation of first quarter 2025

8 May 2025



## Q1 operating result (EBIT) neg. NOK 611 million

- seasonally weakest quarter of year
  - negative Easter effect vs. last year
- positive impact from purchase of leased aircraft
  - unlocking significant recurring savings
- Norwegian unit cost ex. fuel in NOK down 11% YoY
- Widerøe impacted by Q1 operational challenges

## Strong balance sheet

- liquidity position NOK 10.5 billion
  - purchase of 10 aircraft initially financed with cash
- NIBD 5.1bn – down 0.7bn vs. last year
- NOK 860m current dividend fund
  - additional NOK 0.60 per share proposal for 2024 for dividend or buy-back

## Preferred travel partner – direct, not connect

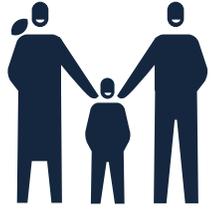
- 350 Norwegian routes on sale across attractive network
  - over 100 Widerøe routes
- operational excellence with few cancellations
  - top-tier performance in March and April
- strong customer satisfaction vs. peers
  - Net Promoter Score (NPS) above 50
  - Norwegian Reward with four Freddie awards
- most direct routes from Nordics to rest of Europe
- capturing corporate market share
- Spenn expanding together with Reitan Retail

## Securing attractive aircraft for Norwegian

- purchase of 10 leased Boeing 737-800
  - non-recurring gain NOK 589m
  - recurring savings of NOK 200m p.a.
- Boeing ramping up production
  - three 737 MAX-8 aircraft delivered in Q1
  - next aircraft due in coming weeks

## Well-positioned for 2025

- 2025 Norwegian growth forecasted at 3% YoY
- Program X to strengthen profitability
  - strong cost focus and capitalising on previous capacity growth
  - harvesting on investments from 2024
- jet fuel and FX moved favourably in Q1
  - hedged 70% of fuel for current year
  - Norwegian adding FX hedges for USD needs



Number of passengers in first quarter (group)

**5.1** million (+7% YoY)

**Load factor**  
(change YoY)



**Norwegian capacity (ASK)**



**Q1 operating performance (Norwegian)**

**Punctuality**



**Regularity**

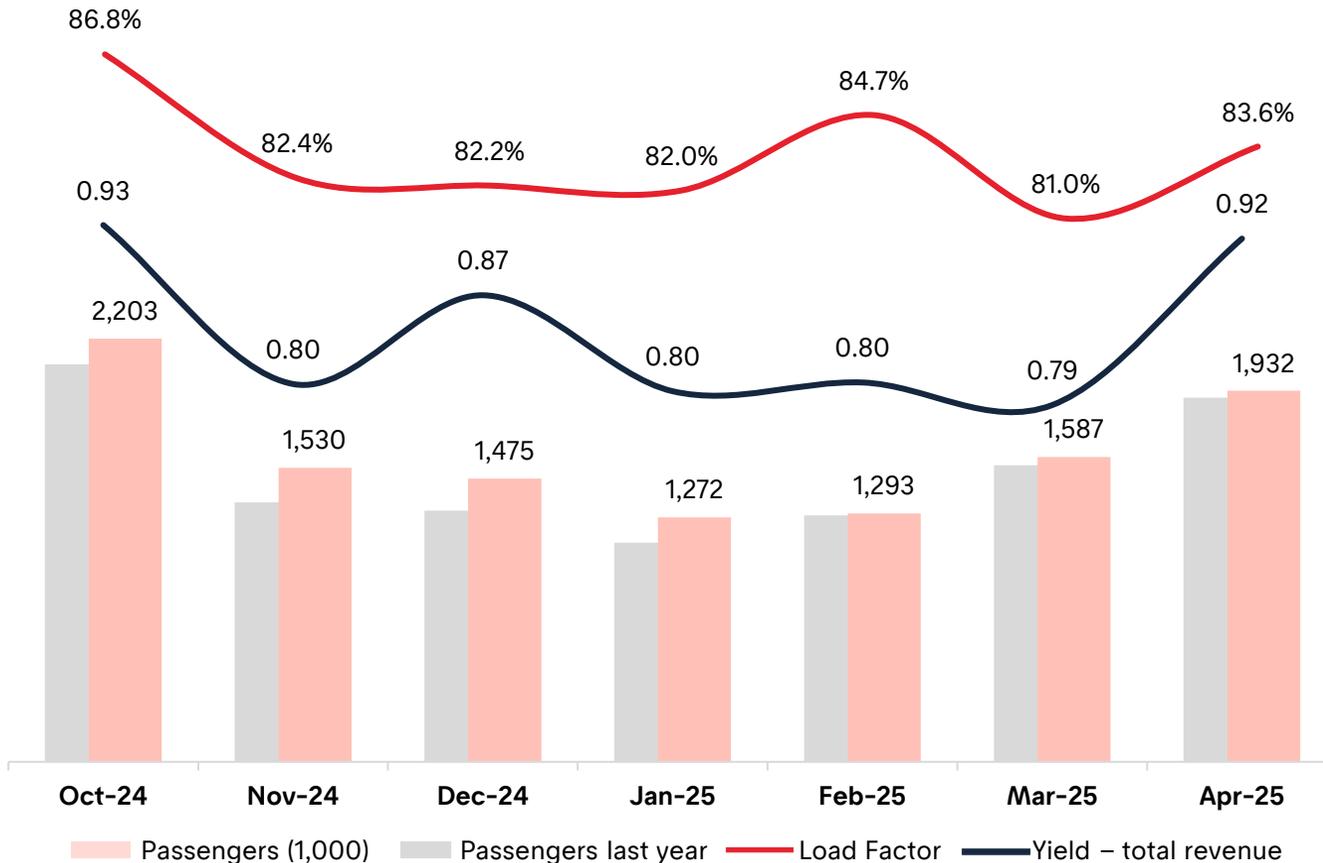


- operational performance improving through Q1 and into April
- Norwegian (DY) among most punctual European airlines in March (Cirium)



# Norwegian ramp-up from March onwards

Norwegian Traffic – PAX per month, load factor and yield



## Q1 traffic impacted by Easter timing

- capacity (ASK) up 16% YoY  
– PAX 4.2m – up 5% YoY
- more longer sectors – avg. stage length +10%  
– load down 2 p.p. YoY and reduced unit revenue

## Successful Easter travel period

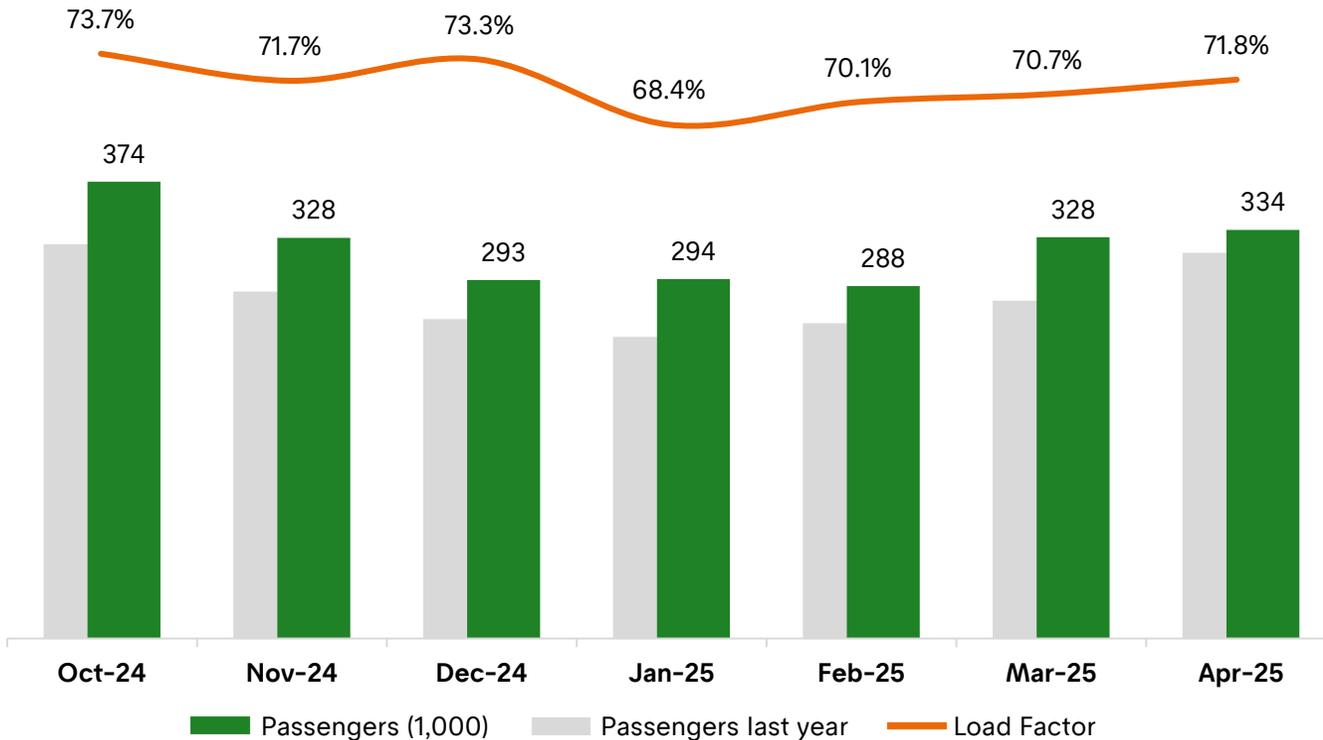
- close to zero cancellations during peak travel period
- April unit revenue +18% YoY, positive Easter timing effect

## Capacity growth slowing from April onwards

- Q2 growth in ASK projected at 1%

# Widerøe – continuous passenger growth

## Widerøe Traffic – PAX per month and load factor



### Q1 traffic performance

- 911,000 passengers – up 17% YoY
- load factor increased to 70%  
– improving load on both commercial and PSO networks
- Norwegian interlining traffic flows up 46% YoY

### Challenging operating environment in Q1

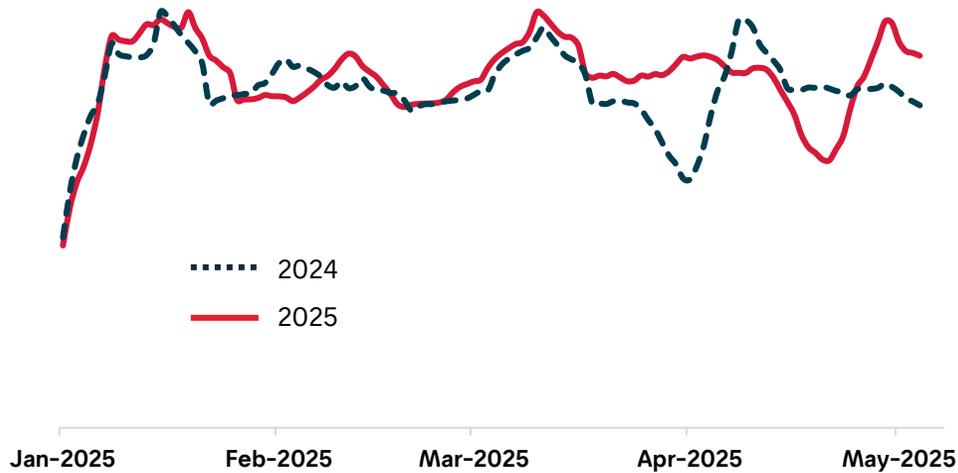
- elevated cost for personnel, handling and technical in quarter  
– winter weather storms early in quarter

### Strong April traffic

- load factor up 8 p.p. and passengers up 6% YoY
- record daily passengers on 22 April, then again on 30 April

# Norwegian – robust bookings into summer season

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



## Stable booking momentum

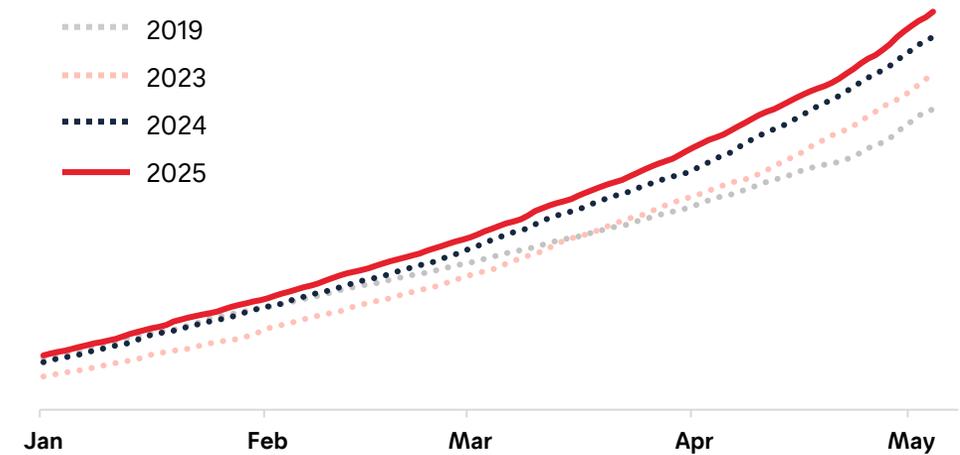
- diversified bookings across destinations and travel month

## Capacity growth reducing from April onwards

- low single-digit percentage growth YoY
- harvesting from 2024 investments in network growth

<sup>1)</sup> travel anytime, anywhere as of 4 May 2025

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



## Booked load ahead vs. last year

- 7% more tickets sold vs. last year at corresponding date for May to August travel
- no signs of macro uncertainty in current bookings

## Yield on sold tickets stable vs. last year

- booked yield for May–Aug travel stable vs. corresponding date last year
- June bookings performing very well

<sup>2)</sup> 2019 adjusted for comparable route network



## - Reitan Retail new partner & co-owner

### Leading retailer Reitan joins Spenn

- brands incl. REMA 1000, Narvesen, 7-11 and Uno-X  
– serving c. 2 million customers every day
- Spenn to be **equally owned by** Reitan, Strawberry and Norwegian  
– subject regulatory approval, expected during summer

### Spenn – the loyalty currency combining simplicity & choice

- multi-partner loyalty currency launched in November
- now 100 partners across Nordics

**1.2 million**  
Spenn earners

**8.9 million**  
transactions

**1.6 billion**  
Spenn earned





# Financial results for Q1 2025

# Quarterly financial highlights

## Revenue

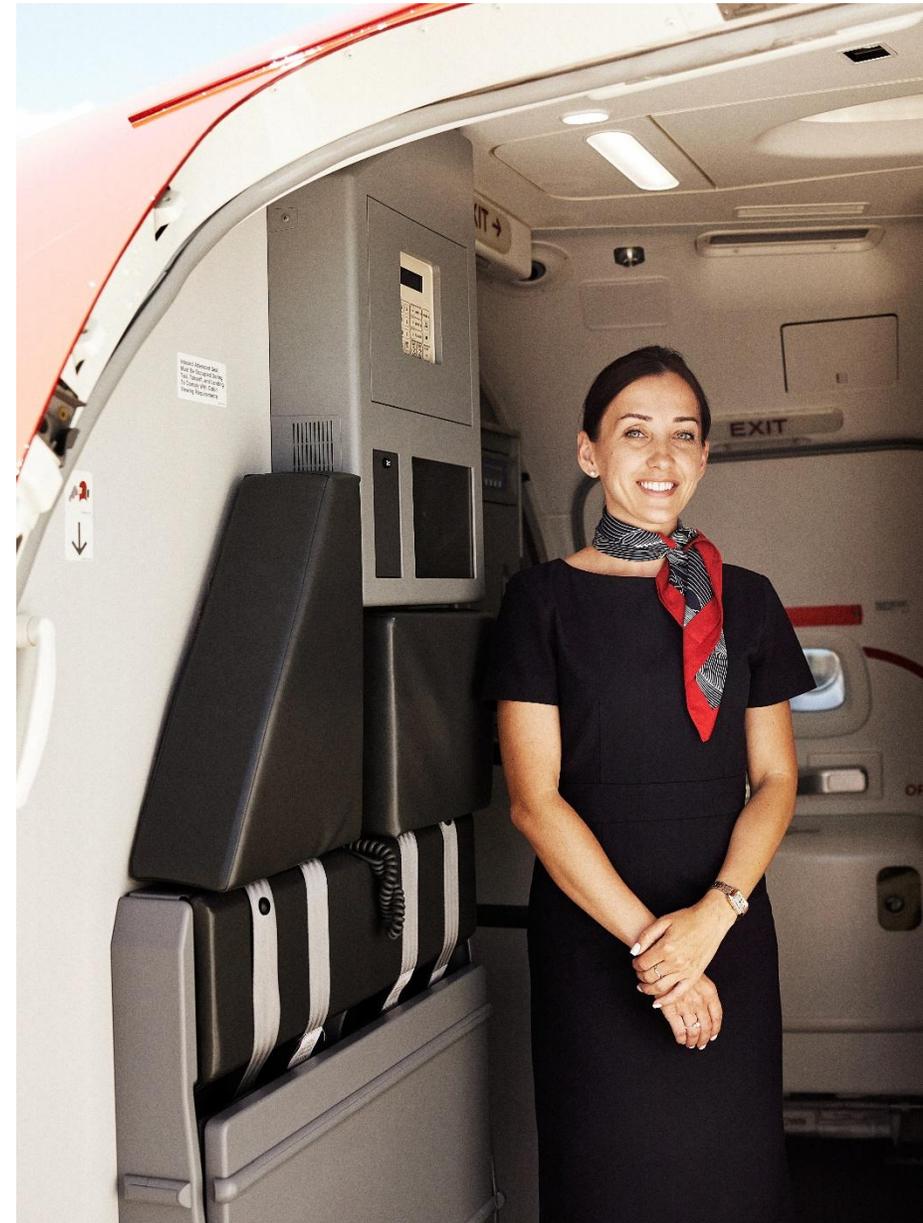
- **group revenue NOK 6.6 billion** – up 7% vs. last year
  - Widerøe contribution NOK 1.8bn
- **Norwegian capacity (ASK) up 16%**
  - **total unit revenue** down 11% YoY following 10% increase in avg. stage length and Easter timing
  - **ancillary revenue** NOK 190 per pax, up 10% YoY

## Quarterly result

- **group EBIT negative NOK 611 million in seasonally weakest quarter**
  - Norwegian EBIT neg. NOK 568m
  - Widerøe EBIT neg. NOK 43m
- **purchase of leased aircraft with positive impact**
  - NOK 589m non-recurring gain in quarter
- **strengthening NOK against USD gives positive results effect**
  - other losses/gains NOK 227m due to translation of USD denominated operating liabilities
- **Norwegian unit cost ex. fuel NOK 0.54 – down 11% YoY**
  - CASK NOK 0.08 lower in quarter due to gain from aircraft purchase

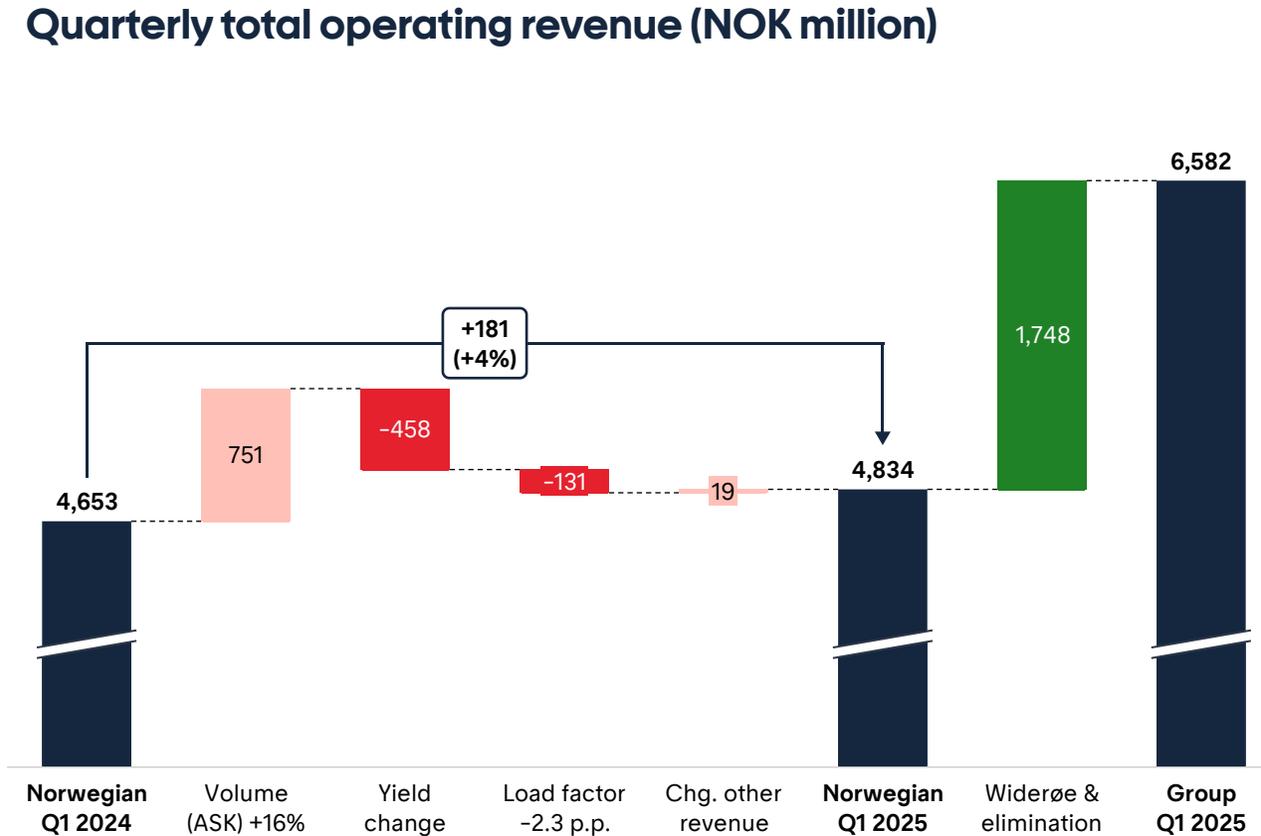
## Balance sheet

- **strong liquidity position NOK 10.5 billion**
  - cash lower QoQ due to initial financing of aircraft purchase with available cash
  - in process of securing long-term financing for all aircraft
- **NIBD 5.1 billion** – down 0.7bn vs. last year



# Revenues – impacted by Easter timing

Quarterly total operating revenue (NOK million)



## Capacity, and PAX increase in quarter

- Norwegian capacity (ASK) up 16% vs. Q1 2024
- 10% longer avg. sector  
– negative for yield

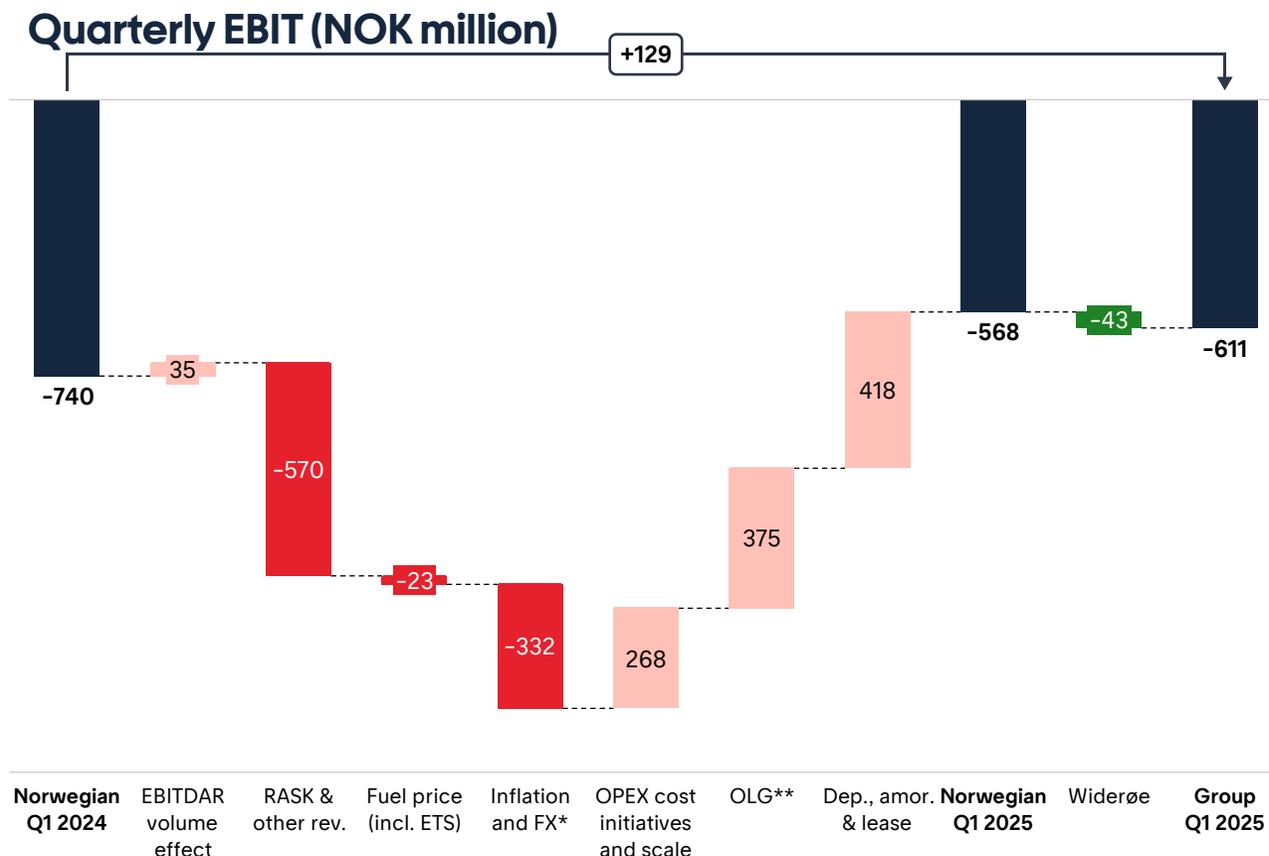
## Easter timing effect

- Easter falling in Q2 this year vs. in Q1 last year  
– impacting load and yield adversely  
– effect to be reversed in Q2

## Widerøe contributing positively

- Growth in passengers 17%
- 27% share of group operating revenue

# Operating profit (EBIT) – countering cost pressures



## Easter timing effect

- revenue effect estimated in excess of NOK 400m

## Cost inflation countered by scale and initiatives

- significant cost increase for ATC and airport charges following tariff changes at year-end
- unit cost excl. fuel down 11% YoY
  - positive impact from aircraft purchase in quarter

## Non-recurring effects for FX and depreciation

- other losses/gains gain 227 million in Q1 due to FX revaluation
- purchase of 10 Boeing 737-800 aircraft previously on lease
  - gain of NOK 589 million reflecting price achieved and reduction of existing lease liabilities
  - recurring savings of NOK 200m per year

## Widerøe results negatively impacted in Q1

- winter weather and increased maintenance activity
  - impacting costs for personnel, handling and technical

\*) 12-month core inflation weighted by respective currency's share of operating expenses excl. fuel. Actual tariff increases applied for Airport and ATC charges.

\*\*) other losses/(gains)

# Group P&L

<i>NOK million</i>	Q1 2025	Q1 2024	Chng. (YoY)	
Passenger revenue	5,473	5,126		
Ancillary passenger revenue	829	731		
Other revenue	280	288		
<b>Total operating revenue</b>	<b>6,582</b>	<b>6,144</b>	<b>+7%</b>	→ higher production offset by Easter timing
Personnel expenses	2,124	1,774	+20%	→ additional flying FTEs with 16% ASK growth and wage inflation
Aviation fuel	1,968	1,670		→ NOK 80m increase with reduced ETS allowances and increased SAF mandate
Airport and ATC charges	823	610	+35%	→ increased ATC and airport charges from year-end
Handling charges	572	487		
Technical maintenance expenses	340	281		
Other operating expenses	921	896		
<b>EBITDAR excl other losses/(gains)</b>	<b>-160</b>	<b>427</b>		
Other losses/(gains)	-227	126	-353	→ balance sheet translation effects from NOK strengthening
<b>EBITDAR</b>	<b>67</b>	<b>301</b>		
Aircraft lease, depreciation and amortization	672	1,064	-392	→ NOK 589m gain from aircraft purchase
<b>Operating profit (EBIT)</b>	<b>-605</b>	<b>-763</b>	<b>158</b>	
Net financial items	-139	-141		
<b>Profit before tax (EBT)</b>	<b>-756</b>	<b>-903</b>		
Income tax expense (income)	0	0		
<b>Net profit (loss)</b>	<b>-757</b>	<b>-904</b>	<b>147</b>	

# Robust balance sheet

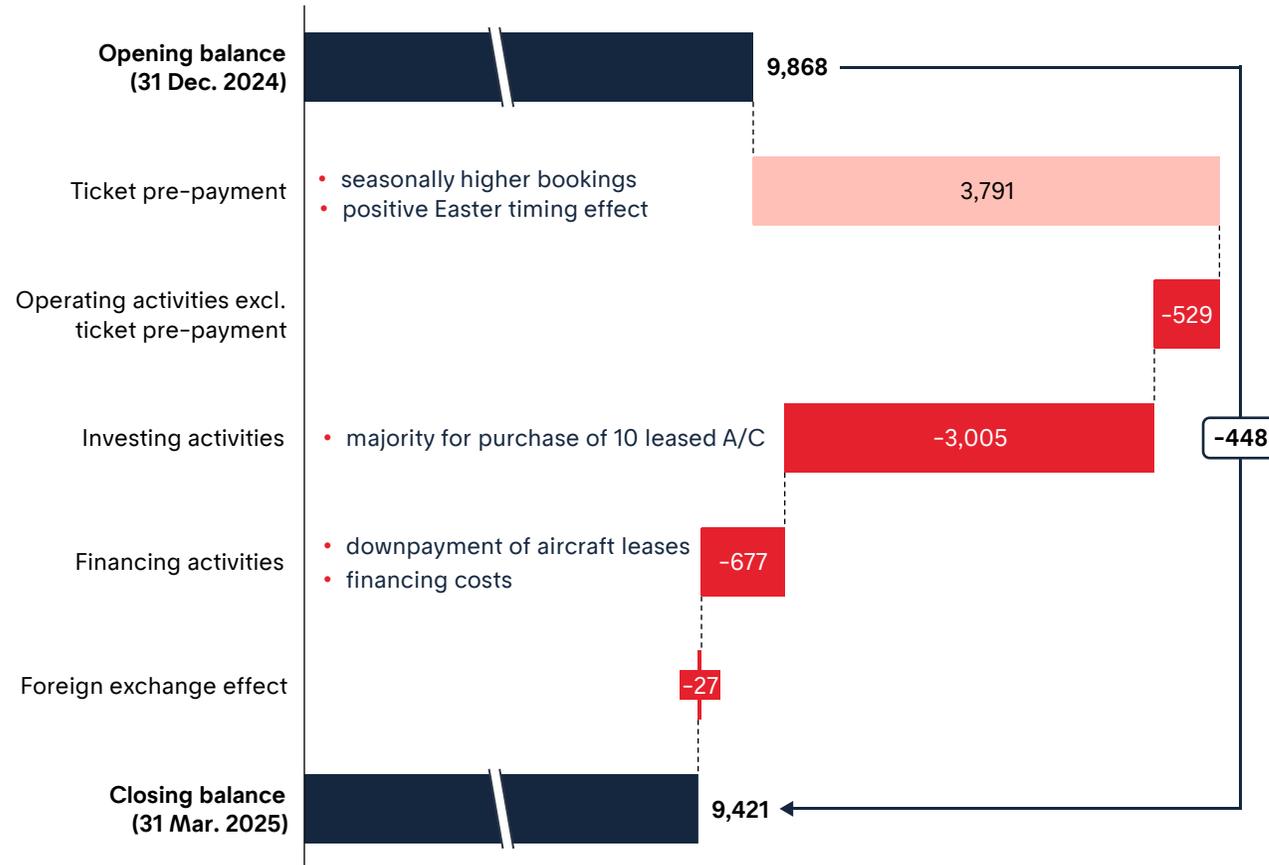
<i>NOK million</i>	31 Mar. 2025	31 Dec. 2024	Chng. (QoQ)	
Intangible assets	2,421	2,429		
Tangible assets	21,095	19,403	+1,692	→ purchase of leased aircraft and three aircraft deliveries
<b>Total non-current assets</b>	<b>23,980</b>	<b>22,346</b>		
Receivables	4,295	3,872		
Financial investments	1,035	1,012		
Cash and cash equivalents	9,421	9,868	-448	→ aircraft purchase initially financed with cash
<b>Total current assets</b>	<b>15,274</b>	<b>15,254</b>		
<b>Assets</b>	<b>39,254</b>	<b>37,600</b>		
<hr style="border-top: 1px dashed red;"/>				
<b>Equity</b>	<b>6,150</b>	<b>7,241</b>		
Non-current debt	12,013	12,249		
Other non-current liabilities	3,814	4,985		
<b>Total non-current liabilities</b>	<b>15,828</b>	<b>17,234</b>		
Air traffic settlement liabilities	8,312	4,143	101%	→ bookings higher with season, but also up 12% YoY
Current debt	3,523	3,829		
Other current liabilities	5,441	5,154		
<b>Total current liabilities</b>	<b>17,276</b>	<b>13,125</b>		
<b>Liabilities</b>	<b>33,103</b>	<b>30,359</b>		
<b>Equity and liabilities</b>	<b>39,254</b>	<b>37,600</b>		
<b>Equity ratio (%)</b>	<b>15.7</b>	<b>19.3</b>	<b>-3.6 p.p.</b>	→ up 1.4 p.p. YoY

Net interest-bearing debt			
<i>NOK million</i>	31 Mar. 2025	31 Dec. 2024	Chng. (QoQ)
Cash & equiv.	9,421	9,868	-448
Financial Investments	1,035	1,012	
Aircraft financing	12,471	13,025	-554
Other IB debt	185	239	
Retained Claims Bonds	2,880	2,814	
<b>NIBD</b>	<b>5,080</b>	<b>5,197</b>	<b>-117</b>

- **NIBD** impacted by purchase of 10 aircraft on lease and three additional 737 MAX-8 delivered from Boeing – countered by stronger NOK, +7% vs. USD in Q1
- cash lower with **initial financing of aircraft purchase** – in process to secure long-term financing for all 10 aircraft
- **89 aircraft in Norwegian and 51 at Widerøe** – three new aircraft delivered from Boeing to Norwegian
- **dividend fund NOK 860 million at quarter-end** – additional NOK 0.60 per share proposed to May AGM for dividend or buy-back – distribution subject to certain conditions in company's debt

# Cash flow in quarter

## Quarterly cash flow (NOK million)



### Bookings higher with seasonality

- working capital effect with normalised and low holdback

### Excess liquidity

- placed on deposits and money-market funds
- cash balance not inc. NOK 1bn in fixed-income fund investments
- rate-of-return above 5%

### Boeing prepayment – significant portion already paid in

- prepayment to date NOK 3.3bn
- 2025 prepayments below NOK 100m (excl. options)



**The way forward**

# Fleet secured for summer 2025 season

## Boeing with Q1 delivery ramp-up

- three new aircraft delivered to Norwegian in Q1
  - in 2024, Boeing delivered only two aircraft to Norwegian
- fourth aircraft is expected in May
- order for 50 Boeing 737 MAX 8 aircraft
  - first aircraft due in Q4 2025
  - option for additional 30 aircraft
  - attractive pricing

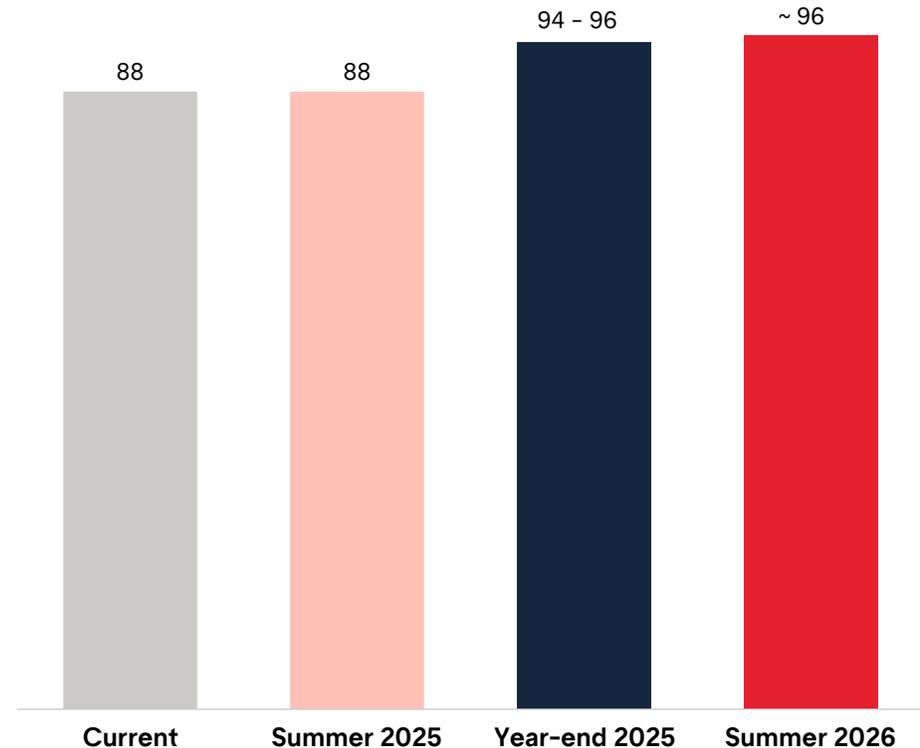
## Utilising balance sheet for smart fleet decisions

- purchase of 10 Boeing 737-800 aircraft previously on lease to airline
  - Q1 gain reflecting pricing achieved and reduction in existing lease liabilities
  - NOK 200 million in annual savings
- initially financed with available cash
  - financing for all 10 aircraft expected to close in coming months

## Aircraft deliveries and trade tensions

- competitors also incurring delays from OEMs
  - delivery delays net positive for supply/demand balance and yield environment
- trade tensions between US and key trading partners, incl. EU
  - no change in tariff for aircraft deliveries to date, but increased uncertainty
  - closely monitoring situation and evaluating recourse options

## Norwegian fleet estimate until 2026



# Program X delivering long-term profitability improvements

## Program X to deliver by end 2026:



Underlying recurring profit improvement in excess of NOK 1 billion p.a.\*



Sustained increase in EBIT margin (%)

\*) baseline 2024 for Norwegian (excl. Widerøe) at constant FX and jet fuel



## What we have done by Q1 2025

### On-time performance (OTP) with record-strong Easter

- continuous operational improvement cycles
- optimised turnaround and block times
- Easter OTP at 90% and regularity at 99.9% – among the leading airlines in Europe

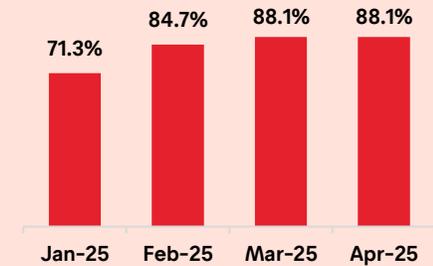
### Taking out additional Widerøe synergies

- additional synergies through services integration
- one customer care centre from 1 May

### Purchased 10 leased aircraft – increasing fleet control

- securing high-quality aircraft already in operation
- annual cost savings of NOK 200 million

### Monthly OTP (15 min. dep.)



## Examples of what we are doing going forward

### Commercial

- new distribution platform
- interlining & partnerships

### Operations

- asset performance
- fuel consumption savings
- crew efficiency

### Cost reductions

- reduction in overhead cost
- efficiency via automation





# Outlook & summary

# Outlook

	FY 2025	Q2	Q3	Q4
 Capacity growth <sup>1)</sup>	c. 3%	c. 1%	c. 2%	c. -3%

## FY 2025

 Norwegian unit cost excl. fuel <sup>2)</sup>	Mid single-digit % increase vs. 2024
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1) Available seat kilometres (ASK) vs. same period 2024

2) Assuming current foreign exchange rates



## First quarter performance

- **strong capacity growth and unfavourable Easter timing**
- **gains from aircraft purchase and NOK strengthening**
- **unit cost down 11% YoY, supported by aircraft purchase**
- **liquidity position NOK 10.5 billion**
  - in process of securing long-term financing for 10 aircraft

## Leading airline group in Nordics

- **seamless interlining with Widerøe**
  - capturing key commercial synergies from 2025
- **operational excellence with few cancellations**
  - key to continue growing market share for corporate travel
- **Spenn – loyalty platform with Retain Retail joining**
- **strong ESG commitment**
  - committed to reduce carbon emissions

## Well-positioned for 2025

- **2025 growth impacted by aircraft delays**
  - forecasting 3% growth (ASK) for full-year
  - delays are industry-wide, reducing aircraft supply in market
  - harvesting from 2024 investments in network growth
- **Boeing ramping up production**
  - three aircraft delivered in Q1
  - fleet well positioned for summer production
  - close monitoring of current trade and tariff situation
- **Program X to drive sustainable profitability**
  - delivering on cost, revenue and operational initiatives
  - capitalising on previous investments

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