FINANCIAL MANAGEMENT AT AIDA CRUISES

Marcel Gnoth, FP&A
Munich, April 2018
Agenda

- **Company presentation**
  - Financial Management at AIDA Cruise
  - Driver-based mid- and long-term planning
Welcome to an endless vacation experience

- With the most beautiful smile across the oceans you experience a beautiful vacation. Our ships welcome you with generosity and variety.
- No matter if you are First Timer or Repeater – we offer you a variety of individual offers and unforgettable moments.
- The best: Despite the variety we focus on exceptional quality. Excellent food, a great Spa & Sports area as well as extraordinary entertainment will inspire you.
- Holiday a new way.
In 2017 the German Cruise Market exceeded the number of 2 Million passengers

As the inventor of modern cruising on the path of success since 1996

- With 12 ships we have the **most modern** fleet worldwide
- We are one of the **fastest growing** and **most successful** travel companies in Germany
- Until 2021 we will put **two new ships** into service
AIDAnova – our new product generation

Product Features

- Improved variety of cabins types (single veranda cabins, family cabins, Penthouse Suite)
- High variety of restaurants (17): new dimension of service restaurants such as Dinner Entertainment Restaurant “Time Machine”, authentic taste of Asia in “Hot Pot Restaurant” and new “Street Food Passage”
- New Generation of entertainment with real TV production at StudioX, a 360° Theatrium and a mystery room
- Premium shopping outlets allowing a new shopping experience
- Futuristic Art & Picture Club with lobby bar
AIDA is the most popular cruise brand in Germany

<table>
<thead>
<tr>
<th>Brand</th>
<th>Awareness (%)</th>
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<tbody>
<tr>
<td>AIDA</td>
<td>72%</td>
</tr>
<tr>
<td>Costa</td>
<td>44%</td>
</tr>
<tr>
<td>TUI Cruises</td>
<td>39%</td>
</tr>
<tr>
<td>HURTIGRUTEN</td>
<td>38%</td>
</tr>
<tr>
<td>Hapag Lloyd</td>
<td>32%</td>
</tr>
<tr>
<td>MSC</td>
<td>28%</td>
</tr>
<tr>
<td>NCL</td>
<td>9%</td>
</tr>
<tr>
<td>Norwegian</td>
<td>5%</td>
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</tbody>
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- Over 1 Million guests in 2017
- 50 Million Germans know AIDA
- 10 Million Germans would like to spend their vacation with AIDA

Source: F.U.R. Reiseanalyse 2017
We take social responsibility and are committed to protect the environment

- Donations, e.g. for SOS Kinderdorf e.V., GEOMAR Helmholtz Centre for Ocean Research Kiel
- We are members of the foundation “Stiftung 2°”
- LNG Hybrid Barge “Hummel”: energy supply with LNG in Hamburg
- Dual-Fuel-engines on AIDAprima: She is the world's first cruise ship to operate using environmentally friendly liquid natural gas (LNG)
- Increase of energy efficiency:
  - By hydrodynamic ship’s design
  - Azipod propulsion
- “Green Cruising”: Starting 2019, AIDA will be the world's first cruise line to operate its new generation of ships with 100 percent LNG
AIDA Cruises at a glance

Our Guests
- > 22,500 lower berths
- Around 8.6 mil. overnight stays in 2016
- 92% Guest satisfaction

Our Offer
- Nearly 800 cruise offers
- > 210 different ports worldwide
- > 3,800 shore excursions

Our Employees
- 10,000 employees from > 40 countries
- 9,000 aboard, 1,000 ashore in Rostock and Hamburg

Our Responsibility
- 100 mil. € investments in environmental technologies
- 70% European, 50% German Vendors
Part of the most Successful Cruise Company Worldwide

- 105 ships
- Over 10 million guests per year
- 50% market share worldwide
- Over 120.000 employees worldwide
- 9 brands under one roof
- Listed in the FTSE 100 & S&P 500
Agenda

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- Financial management at AIDA Cruises
- Driver-based mid- and long-term planning
Commercial Analytics will enhance the responsibility of the finance function

So far

- (1) Interface between Controlling and Manager remains untouched
- (2) There will be another interface between the business and Commercial Analytics
- (3) Controlling and Commercial Analytics stay connected, but have clear separated roles and responsibilities
- (4) CA will be part of the planning-, reporting- and forecasting-Processes to improve the overall performance

Today

- Commercial Analytics are to be engaged by the business
The financial Management is faced with significant changes – „Leading in real-time“

- Forecast- and plan scenarios are created by flexibly combining assumptions about drivers and effects of measures
- Assumptions will be done „middle up“ on BU-level and driver models will be improved constantly
- Main KPIs are derived through simulations using driver models based on actual data
- Focus on objectives and measures to increase quality of planning

Source: Valsight
Agenda

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Status Quo – the strong business development needs a driver-based long-term planning

Influencing factor

- Strong business growth
- Dynamic environment
- Complex business model
- Increasing product differentiation

Planning process

- Restructuring of the Finance function
- Excel-based long-term planning
- Historical grown and complex models
- Time-consuming and error-prone adjustments
- Limited reporting capabilities
### Goal & Requirements – a driver-based mid- and long-term planning supports the strategy process

1. **Strategy**
2. **Mid- & long-term planning**
3. **Target Setting**
4. **Operational Planning**

<table>
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<tr>
<th>Goals</th>
<th>Requirements</th>
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</table>
| **Forward-looking planning** and scenario-based thinking through creating and comparing of different combinations of assumptions and measures | ▪ Driver-based models  
▪ Simulations |
| **Improved data quality** to enable driver-based simulations and derivation of relevant key performance indicators | ▪ Integration of data source  
▪ Verified data model without manual inputs („stop using excel“) |
| **Increased efficiency** through focus on measures and activities to supporting strategy execution | ▪ State-of-the-art software-solution  
▪ Multi-user-capability |
| **More agility** and transparent reporting of results and presentation of reconciliations | ▪ Better reporting functionalities  
▪ Visualization and real-time adjustments |
Result – State-of-the-art software-solution for more efficient planning process

- Szenario Manager
  - Flexible and transparent scenario modeling

- Dashboards
  - Better visualization and reporting

- Value Trees
  - Transparent and clear relationships

Source: Valsight
Result – flexible simulations and transparent scenarios show cause-effect-relationships

Szenario-Manager

<table>
<thead>
<tr>
<th>Name</th>
<th>Base Case</th>
<th>Higher Fuel Costs</th>
</tr>
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<tbody>
<tr>
<td>Assumption 1</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Assumption 2</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Assumption 3</td>
<td></td>
<td>✓</td>
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<tr>
<td>Increase Fuel Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased Fuel Costs</td>
<td></td>
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</tr>
<tr>
<td>Assumption 5</td>
<td></td>
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<tr>
<td>Ungrouped</td>
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- **Transparent and combinable scenarios**
- **Assumption: fuel price increase**
- **Bundling of different assumptions to scenarios**

Source: Valsight
Result – visual analyses and dashboards to enable quick comparisons of different scenarios

Source: Valsight
Result – visual value driver trees to enable a focussed discussion and decision making

Source: Valsight
Result – through realization of project goals the mid- and longterm planning is faster and more efficient

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<tr>
<th>Goals</th>
<th>Requirements</th>
<th>Benefits</th>
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<tbody>
<tr>
<td>Forward-looking</td>
<td>▪ Driver models</td>
<td>▪ Fast and transparent presentation of root cause and impact</td>
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<tr>
<td>planning</td>
<td>▪ Simulations</td>
<td>▪ High Comparability of scenarios</td>
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<tr>
<td>Improved data quality</td>
<td>▪ Integration of data sources</td>
<td>▪ Less time-consuming planning</td>
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<tr>
<td></td>
<td>▪ Verified data model</td>
<td>▪ More efficient planning discussions</td>
</tr>
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<td>Increased efficiency</td>
<td>▪ State-of-the-art software-solution</td>
<td>▪ Focus on measures to support strategy execution</td>
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<td>▪ Multi-user-capability</td>
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<td>More Agility</td>
<td>▪ Better reportings</td>
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<tr>
<td></td>
<td>▪ Visualization and “Real-time”</td>
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Closing information

All relevant and legal figures are available in the Annual Report of Carnival Corporation:

www.carnivalcorp.com → Investor Relations → Financial Information: Annual Reporting
Or direct link:
http://phx.corporate-ir.net/phoenix.zhtml?c=140690&p=irol-reportsannual