

| Royal Caribbean | |
|------------------------|-------|
| Ticker Site BiG | RCL |
| Ticker BiGlobal Trade | RCL |
| Ticker BT24 | RCL |
| Ticker BiG Power Trade | RCL |
| P/E Ratio 2019E | 11.48 |
| P/BV Ratio | 2.01 |
| EV/EBITDA | 11.67 |

Source: Big Research;

| Price and Performance (Values in USD) | |
|---------------------------------------|-----------|
| Price | 117.23 |
| 52 week high | 135.32 |
| 52 week low | 100.00 |
| YTD | -12.2% |
| Average daily volume (un) | 1,681,367 |
| Market Capitalization (mn) | 24,478 |
| Beta | 1.06 |
| Dividend | 2.96 |
| EPS | 8.97 |

Source: BiG Research;

| Analysts Consensus (last 3 months) | |
|------------------------------------|----|
| Buy | 16 |
| Hold | 5 |
| Sell | 0 |

Source: BiG Research;

| Financial Data | |
|---------------------|--------|
| Sales (USD mn) | 10,951 |
| EBITDA (USD mn) | 3,329 |
| Number of Employees | 7,000 |
| ROA | 6.5% |
| ROE | 16.1% |
| D/E | 0.92 |
| Dividend Yield | 2.52% |

Source: BiG Research;

Notes:

All quotes were updated in Bloomberg at 11h00 of February 13th, 2020.

Relevant Information:

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www.big.pt/InformacaoMercados/TradingIdeas/Index/-1

Use the following link to see our recommendation history:

www.big.pt/pdf/Newsletters/nld.pdf

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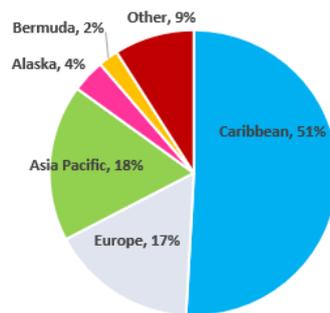
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Royal Caribbean International (Ticker: RCL US)

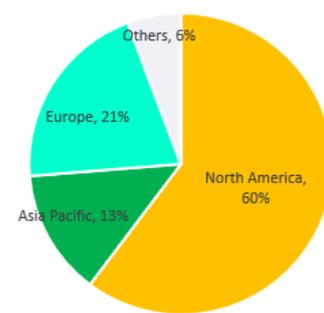
Description

Royal Caribbean International is a cruise lined brand that was founded in 1968 in Norway. It is based in Miami and it is the second largest cruise line in the world by revenue and the second largest by passenger count (Carnival Plc is the biggest). It is a holding company for different brands: Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises and, most recently, Silversea Cruises. It operates a combined total of 60 ships in the cruise vacation industry with more than 1000 destinations in all seven continents. It controls close to 20% of the worldwide cruise market, by number of passengers, and around 14% by revenue. It also operates many of the world's largest ships. Competition is done by aiming to provide exceptional service and on the basis of innovation and quality of ships, variety of itineraries, choice of destinations and price. Its biggest competitors are Carnival, Norwegian Cruise Line and Genting Hong Kong. As of the latest filing, the company has 12 new ships on order and more than 70 thousand employees. Most of the customers ~65% come from United States with the second country, the UK, representing ~10% and the remaining countries 25%. One more interesting fact about cruise line operators is that they use a tax loophole to pay no taxes on their profits (Royal Caribbean, for example, is incorporated in Liberia).

Capacity by geography



Revenue by segment



Investment Thesis

We like the cruise sector, as a whole, as we believe it has very high barriers to entry, good economies of scale, an amicable oligopoly and interesting economies of scale. The ongoing demographic shift also benefits these companies as older people (boomers) are retiring and they are, typically, much bigger consumers of cruises. Royal Caribbean is well headed in this sector, with the largest growth rates and the best diversification, a competent management team and appropriate amounts of leverage. A P/E of x13 for a company that grew revenues by 15% in 2019 and has a strong business model foundation (see above) is a great deal. Furthermore, if we only include maintenance capex (by adjusting the 2017 levels, where the company made no ship purchases, to also exclude disposals) the company could be generating free cash flows to firm above 8%.

However, we feel that it is not yet the time to invest as the company's latest guidance did not include the effects of the coronavirus and a cut to guidance is now quite likely. Furthermore, from reading analyst reports, we also believe there is significant underplaying (partially, because the company was reassuring in its latest conference call) of the psychological effects of the media frenzy surrounding coronavirus on to RCL's consumers. Who in the right mind would want to book a cruise right now? These effects should drive RCL's yearly EPS to drop much more than the USD 0.25 the company is predicting. The optimal point will likely be once the company presents 1st quarter 2020 results or updates its guidance. For now, a strong drawdown risk remains.

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| Income (USD mn.) | 2017 | 2018 | 2019 |
|---------------------------------------|-------|-------|--------|
| Revenues | 8,778 | 9,494 | 10,951 |
| Commissions, transport, other | 1,363 | 1,434 | 1,656 |
| Onboarding | 495 | 537 | 640 |
| Payroll and related | 853 | 925 | 1,079 |
| Food | 493 | 521 | 584 |
| Fuel | 681 | 711 | 698 |
| Others | 1,011 | 1,135 | 1,352 |
| Total Cruise Operating | 4,896 | 5,262 | 6,009 |
| Marketing, general and administrative | 1,186 | 1,303 | 1,549 |
| Depreciation & Amortization | 951 | 1,034 | 1,240 |
| Operating Income | 1,744 | 1,895 | 2,154 |
| Net Interest Expense | 270 | 301 | 382 |
| Taxes | 0 | 0 | 0 |
| Others | (151) | (222) | (206) |
| Net Income | 1,625 | 1,811 | 1,963 |
| EPS | 7.5 | 8.6 | 9.3 |

Source: Company Data

| Balance (USD mn.) | 2017 | 2018 | 2019 |
|--------------------|--------|--------|--------|
| Cash & Equivalents | 120 | 288 | 244 |
| Receivables | 319 | 388 | 356 |
| Inventories | 111 | 111 | 122 |
| Goodwill | 289 | 1,378 | 1,386 |
| PPE | 19,735 | 23,466 | 25,467 |
| Right-of-use Asset | - | - | 688 |
| Other Assets | 1,722 | 2,067 | 2,059 |
| Total Assets | 22,296 | 27,698 | 30,320 |
| Short term Debt | 1,189 | 2,422 | 2,621 |
| Long term Debt | 6,351 | 8,355 | 8,414 |
| Payables | 360 | 488 | 564 |
| Customer Deposits | 2,244 | 3,149 | 3,428 |
| Others | 1,451 | 1,636 | 2,560 |
| Total Liabilities | 11,594 | 16,051 | 17,586 |
| Total Equity | 10,702 | 11,105 | 12,164 |

Source: Company Data

| Cash Flow (USD mn.) | 2017 | 2018 | 2019 |
|---------------------------------|---------|---------|---------|
| Operational CF | 2875 | 3479 | 3716 |
| Net Income | 1,625 | 1,816 | 1,963 |
| Dividends from unconsolidated | 110 | 243 | 150 |
| D&A | 951 | 1,034 | 1,246 |
| Change in WC | 7 | 58 | 57 |
| Prepaid customer deposits | 275 | 386 | 280 |
| Others | (93) | (58) | 21 |
| Investment CF | (214) | (4,489) | (3,091) |
| Investment PP&E and intangibles | (564) | (4,576) | (3,025) |
| Cash paid on settlement | 63 | (22) | (61) |
| Disposals | 230 | 13 | 0 |
| Others | 57 | 95 | -6 |
| Financial CF | (2,676) | 1,198 | (670) |
| Common stock issued | 0 | 0 | 0 |
| Debt issuance | 5,815 | 9,274 | 4,103 |
| Repayment of debt | (7,835) | (6,964) | (4,060) |
| Dividends | (437) | (527) | (603) |
| Share Purchase | (225) | (575) | (100) |
| Others | 6 | (9) | (11) |
| FCF | -15 | 188 | -45 |

Source: Company Data

Financial performance and guidance

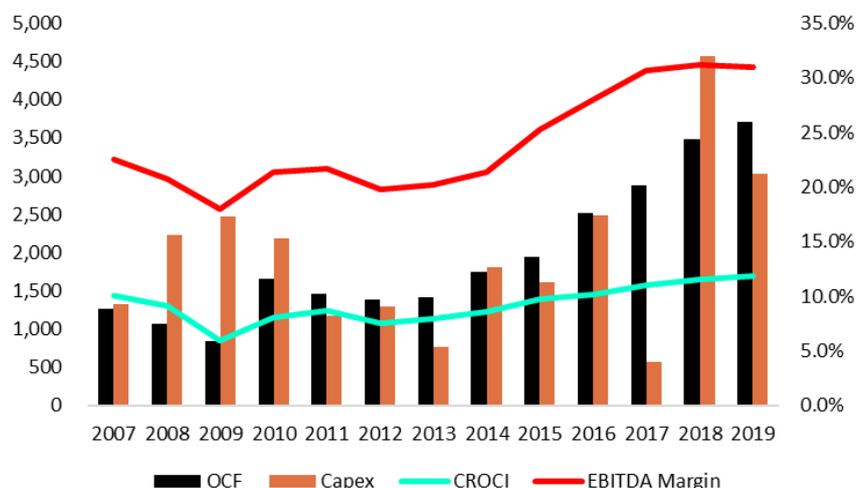
From 2012, the company has grown at an average annual rate of around 5.2%. In the 3rd quarter of 2019 the company was growing at a close to 15% YoY growth rate in revenues. This may be misleading as a portion of the company's growth does come from acquisitions (as was the case in 2018 with the acquisition of Silversea). However, most of the growth of the sector will have to be non-organic anyways (due to capacity limitation).

As of the latest filings, around 70% of revenues come from passenger tickets and 30% comes from onboard revenue and others. The margin EBITDA of the company averages around the 30% range (having risen from an average of 25% and lower in the pre-2015 period). The biggest expenses are obvious and tend to be non-volatile and increasing linearly with revenue: onboarding, salaries, food, benefits, airfare, insurance, security and others. The costs except fuel have averaged around 40% of revenue for the last 3 years. As for fuel, the company typically hedges 50% of the quarterly price but it is, nonetheless, more volatile (although it rarely represents more than 10% of revenue). Similarly, to other cruise liners, the company pays no taxes and its overall net income margin tends to now average close to 20% when in 2012 it was nearer to 5%.

One of the most key factors in the industry is the net yield of the operator. This is the net revenues per APCD (available passenger cruise days) which means the price per cabin multiplied by the number of cruise days in the year (excluding, therefore, cancellations and drydock days). This is a more organic measure of revenue growth and, since 2012, the company has grown at an average above 3% in constant currency (going from USD 176 in 2012 to above USD 200 in 2019).

The company has been spending heavily in increasing its fleet and this has meant that its capex is often higher than its cash from operations. Nonetheless, there has been a clear uptrend in the CROCI (cash return on capital invested) which shows that these investments have been value adding even in the short-term. The average life of a cruise is also high at 30 years. One of its latest cruises, Harmony of the Seas, cost USD 1.35 bn and it added 5400 beds in capacity. If we take each bed to add around USD 15000 in operating income per year (as an average of total then the cruise can generate around USD 83 million per year. This means it will take around 15 years to payback the investment made (which is well within the asset's life). When the company has a year with low investments, such as 2017, we can see that its maintenance capex is very low (which would allow it to quickly return a sizeable amount of capital to investors if it chose to not pursue growth).

Historical Financial Performance (USD million for OCF and Capex):



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▲ Balance sheet, debt structure and other considerations

The company has become more dependent on debt in recent terms and has pushed its total net debt to more than USD 10 bn which gives it a net debt to EBITDA of around 3x. It typically uses debt to pay off the boats when it receives them and then slowly amortizes the debt. In the latest payment, when the company received Spectrum of the Seas, it used an unsecured 12-year loan of USD 908 Mn with a fixed rate of 3.45%. It is currently rated a BBB- by S&P which does put some concern on a downgrade to non-investment grade (highlighted in the risks section). This is still not an overwhelming amount of debt but it may create significant pressure when the market takes a downturn (as is the case now with coronavirus).

The company has established a commercial paper program where it can issue short-term unsecured notes in an aggregate of up to USD 2.9 Bn. The company had USD 923 Mn of commercial paper outstanding with an average interest rate of 2.36%. The company has also recently extended its revolving credit facility up to April 2024 and increased the amount of potential financing up to USD 1.7 Bn. The interest on this revolving facility varies with LIBOR and the current rating of the company (increasing by 0.3% in a downgrade to BB+).

As of the latest filing, approximately 60% of the company's debt is in fixed rate. The company has, currently outstanding, about USD 1.9 Bn in public debt on which it is paying an average coupon of 5%. As for bank loans, the current total amount all-included was close to USD 2.5 Bn. This represents around USD 1.4 Bn in commercial paper and USD 1 Bn in a term loan. The average interest rate was 2.9%. Finally, the company has USD 6.5 Bn in existing ship debt on which the average interest rate is close to 4%. Capital lease obligations only represent around USD 90 Mn.

▲ Guidance of the company and potential for growth

The year of 2019 set an historical record for the company at an adjusted EPS of USD 9.54 and the company set its strategic goal to be an EPS of USD 20 by 2025. This means it believes it can double its earnings in about 5 years while also reducing carbon footprint by 25%. The year of 2020 was also up to a good start with bookings for the wave seasons trending noticeably above 2019 levels. The company is having great success in some of its itineraries by implementing innovative and interesting facilities (for example, itineraries that grow through CocoCay, a private island in the Bahamas, have double digit premiums). The company can grow by leveraging size and location in specific ways that onshore travel companies have much more difficult in doing.

The cruise industry still has a significant potential for growth as the market penetration rates are still low in general and, in particular, in developing countries (rates of annual cruise guests vs. total population are only 3.6% in North America, 1.31% in Europe and 0.19% in Asia). The number of global guests grew around 27% from 2015 to 2018. The Asian pacific market could prove to be a very attractive development if these cruise companies can promote themselves correctly. Reports point to a potential 5% a year cumulative growth rate for China until 2025.

The major uncertainty for the company is the impact of the coronavirus which they estimate at USD 0.25 in EPS in the short-term but which is likely to have longer-term impacts (China accounted for 6% of their yearly capacity). It may also impact other regions. The company has contingency plans for the deployment of cruises and has done this with the cruises that were in China. However, deployment decisions are made 12 to 18 months in advance and adjustments can be difficult.

| Company Debt | Remaining |
|---|-----------|
| Bonds | |
| \$300mn, 7.5%, Maturity Oct 2027 | 300 |
| \$300mn, 2.65%, Maturity Nov 2020 | 300 |
| \$500mn, 3.7%, Maturity Mar 2028 | 500 |
| \$650mn, 5.25% + L + 3.63%, Maturity Nov 2022 | 650 |
| \$700mn, LIBOR + 1.00%, Maturity July 2019 | 165 |
| Bank Loans | |
| Commercial Paper | 1,436 |
| Term loan - Apr 2022 L+107.5 | 1,000 |
| Existing Ship Debt | |
| Solstice - \$519mn due Oct 2020 | 43 |
| Equinox - \$524mn due July 2021 | 87 |
| Oasis - \$420mn due Oct 2021 | 70 |
| Oasis - \$420mn due Oct 2021 | 70 |
| Oasis - €159.4mn due Oct 2021 | 30 |
| Eclipse - \$566.1mn due Apr 2022 | 118 |
| Silhouette - \$632mn due Jul 2023 | 211 |
| Reflection - \$673.5mn due Oct 2024 | 281 |
| Anthem - \$742.1mn due Apr 2027 | 464 |
| Ovation - \$841.8mn, 3.16% | 596 |
| Harmony - €700.7mn, EURIBOR +1.15% | 557 |
| Harmony - \$226.1mn fixed rate of 2.53% | 160 |
| Symphony of the Seas - fixed 3.82% 2030 | 1,038 |
| Darwin Nov 2024 Euribor +1.32% | 90 |
| Pursuit Feb 2023 L+1.32% | 130 |
| Celebrity Edge | 668 |
| Quantum | 461 |
| Spectrum of the seas Apr 2031 3.45% fixed | 870 |
| Silversea \$620mn Bond @7.25% | 620 |
| Explorer Capital Lease | 17 |
| Whisperer Capital Lease | 39 |

| Rating | | |
|---------|--------|---------|
| Agency | Rating | Outlook |
| S&P | BBB- | STABLE |
| Moody's | Baa2 | STABLE |
| Fitch | - | - |

CocoCay in the Bahamas:



A private island that features a number of attractions and is used for tourism exclusively by Royal Caribbean.

Source: Company Data

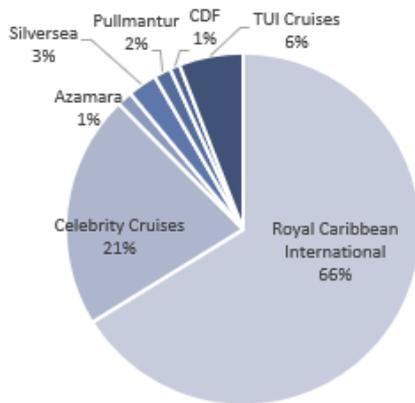
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Beds available by segment (2019):



▲ Segments and Products

Besides the segments mentioned below, travel agencies continue to be the primary source of ticket sales and, therefore, good relationships with these companies is essential. The company also employs sales representatives and various customer services (websites, planning, bookings, etc.) and can offer to handle all aspects related to guest reservations and transportation, including arranging guest pre and post hotel stay arrangements and air transportation. The company does not disclose segment financial results.

Royal Caribbean International: This segment is the most general of the company and is positioned to compete in both the regular and the premium segments of the cruise vacation industry. The demographic aim and appeal of the brand is to families with children of all ages, as well as both older and younger couples, providing cruises that generally feature a casual environment, as well as a variety of activities and entertainment venues. Its aim is to achieve a market coverage that is among the broadest of any of the major cruise brands in the cruise vacation industry (with places including Alaska, Asia, Australia, Bahamas, Bermuda, Canada, the Caribbean, Europe, the Panama Canal and New Zealand and with cruise lengths ranging from two to 23 nights). This segment operates 25 ships with a total capacity of around 82 thousand beds. There are ships in order that would add a further 25 thousand beds.

Celebrity Cruises: This segment is positioned in the premium segment of the cruise vacation industry. The strategy is to target wealthy consumers by delivering a modern luxury experience on upscale ships that offer, among other things, luxurious accommodations and trips to places such as Alaska, Asia, Australia, Bermuda, Canada, the Caribbean, Europe, the Galapagos Islands, Hawaii, India, New Zealand, the Panama Canal and South America, with cruise lengths ranging from two to 19 nights. Celebrity Cruises operates 13 ships with an aggregate capacity of approximately 26 thousand beds. There are also 4 ships on order that would add around 9 thousand beds.

Azamara Club Cruises: This segment is designed to serve the up-market segment of the North American, United Kingdom and Australian markets. The up-market segment includes elements of the premium segment and the luxury segment, which is generally characterized by smaller ships, high standards of accommodation and service and exotic itineraries. It operates 3 ships with a total capacity of 2100 beds.

Silversea Cruises: On 2018 the company acquired a 66.7% stake in Silversea Cruise Holding which is an ultra-luxury and expedition focused cruise line. The company was formed in the early 1990's and is positioned to provide luxury trips within smaller ships with high standards of living, fine dining, personalized services and exotic itineraries. Its major selling point is its remote destinations (places such as the Galapagos Islands, Antarctica and the Arctic). It operates nine ships with a total capacity of 2650 beds with trips generally lasting between 6 and 25 nights. There are 3 ships on order which should add 1200 beds and a memorandum of understanding to build 2 more.

TUI Cruises: A joint-venture (50/50) with the German tourism company TUI AG which is designed to serve the contemporary and premium segments of the German cruise market. All onboard activities, services, shore excursions and menu offerings are designed to suit the preferences of this target market.

Pullmantur: A joint-venture (holds 49%) with Springwater Capital which operates in the Spanish and Latin America cruise markets. Its designed to attract Spanish-speaking families and includes Spanish-speaking crew, as well as tailored food and entertainment options. The four ships operated by Pullmantur have an aggregate capacity of approximately 7450 beds.

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▲ Relative Valuation

| Name | Country | YTD | Market Cap | Dividend Yield | Revenue Growth YoY | Operating Margin |
|------------------|---------|------|------------|----------------|--------------------|------------------|
| NORWEGIAN CRUISE | US | 1% | 11168 | 0.0% | 5.1% | 19% |
| CARNIVAL CORP | UK | -24% | 29043 | 4.7% | 10.3% | 16% |
| ROYAL CARIBBEAN | US | -3% | 23607 | 2.6% | 15.3% | 19% |
| Average exc. RCL | | -11% | 20105 | 2.3% | 7.7% | 17.2% |

| Name | Net Debt to EBITDA | P/E Next | EV/EBITDA | CFO-exWC / EV | CFO-CAPEX / EV | FCFE / EV (except debt) |
|------------------|--------------------|----------|-----------|---------------|----------------|-------------------------|
| NORWEGIAN CRUISE | 3.4 | 9.4 | 9.2 | 9.7% | 5.9% | 5.5% |
| CARNIVAL CORP | 2.0 | 8.8 | 7.7 | 30.5% | 0.1% | 0.2% |
| ROYAL CARIBBEAN | 3.4 | 9.6 | 11.7 | 8.8% | 1.9% | 1.9% |
| Average exc. RCL | 2.7 | 9.1 | 8.5 | 20.1% | 3.0% | 2.8% |

Royal Caribbean is the most expensive of the major cruise stocks (P/E and EV/EBITDA is above average for both). This is because it is also the one that is having the highest level of revenue growth (at 15% growth vs. 7.7% for the sector). The problem with Carnival is that the company is in a slight decline with YoY negative net yield growth and the latest quarters have seen reduced guidance from the company. Its leverage is also higher than Carnival because of the added net debt from investment in new cruises. Carnival is having trouble especially because of its exposure to the Caribbean which is a less attractive market now for consumers (especially after hurricane Dorian destruction) and its exposure to the European market which has been losing interest in cruises.

Richard D. Fain (CEO/Chairman):



Source: Company Reports

▲ Management overview

Richard D. Fain serves as the Chairman and the CEO of the Royal Caribbean group. Fain took this position back in 1988 and has guided its growth ever since. He started in the company back in 1979 when he only had a position within the board and slowly moved into an executive position. His early experience came from working as treasurer, CFO and co-managing director of Gotaas-Larsen Shipping Corporation (a London based cargo ships operator). He holds a bachelor's degree in economics from the University of California and MBA from Wharton.

Michael Bayley (CEO/Chairman):



Source: Company Reports

Michael Bayley is the CEO and Chairman of the Royal Caribbean International segment. He has been at the company for over 30 years. He was the former CEO of celebrity cruises where he was very successful at growing and selling the "modern luxury" style. He began in career in 1981 working in various shipboard and shoreside positions with increasing management responsibility. Bayley graduated with a degree in business administration from the University of Bournemouth in England, and has attended management programs at Harvard Business School.

The company has, currently, about 200 million diluted shares outstanding. Richard Fain holds around 1 million of these shares. Executive compensation is typically 50% cash 50% equity. The company is a significant awarder of share compensation. Its 2008 equity plan allowed issuance of up to 14 million shares to key employees. The actual number of shares that reach vesting will depend on the satisfaction of performance criteria such as: ROIC and EPS. During 2018 the company granted close to 700 thousand shares. The company also offers an internal stock purchase plan whereby employees can buy shares at approximately 85% of market price (up to a maximum of 1.3 million). In 2018, only 74 thousand shares were issued using this program.

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▲ Risks

Exposure to fluctuations in foreign currency exchange rates: The company is exposed to market risk from currency, interest rates and fuel. Earnings in foreign currencies are adversely impacted by a strong USD. Significant increase in long-term fuel prices would have similar effects.

Downgrades from rating agencies: Royal Caribbean already has a significant amount of debt and is rated BBB-. The risk here is obvious: the company could be downgraded into a non-investment grade rating and this could push it into a significant sell-off (this happened before in the past in 2008).

Coronavirus: With the recent flood of news about the docking of a number of cruises with passengers testing positive for coronavirus and the entire ship being put into quarantine, it is very likely that the year of 2020 will be terrible for cruise bookings (not only in the Pacific but, most importantly, also in Europe and the US). Most analysts and the company's management team remain positive believing the impact will not be material. However, our belief is that once the bookings start dropping by very significant amounts and the company's revenues and earnings begin being affected then the analysts and the management will turn bearish.

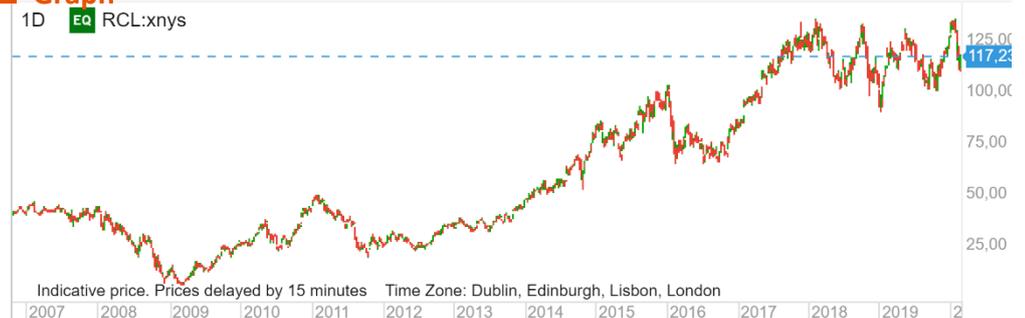
Decline in cruise's popularity: While the number of cruise passengers has been in a constant uptrend for the last decades, there is the very real risk that this form of vacation will simply start decreasing in popularity. One potential significant competition is the increase in the number of all paid up hotels.

Restrictions on docking: Some locations and populations are growing in discontent towards cruise ships and the excessive tourism they bring. Places such as Santorini, Venice or Barcelona are imposing or have imposed restrictions on cruise ships as they believe overcrowding can have negative effects on these areas. If this were to happen in more destinations, it may be difficult for cruise operators to grow much further.

Environmental and political concerns: Cruise ships are notoriously pollution heavy. As an example, Carnival Corp emitted nearly 10 times the amount of Sulphur oxide as did all the cars in Europe. There may be a push for the use of cleaner fuels (as what happened with IMO 2020) which increases costs for the operators. There is also the risk of pressure from voters for these companies to start paying taxes in the US.

Massive externalities in the case of terrorist attack or sinking: The industry has a constant exposure to what may be the psychological state of its consumer base. If a terrorist attack was to happen on-board one of these ships or if there was to be a large sinking with loss of human lives, the number of consumers may drop significantly and remain low for a significant number of years.

▲ Graph



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▲ Ships owned as of 2018 annual report

| Ship | Year Ship Built | Year Ship Entered/Will Enter Service ⁽¹⁾ | Approximate Berths | Primary Areas of Operation |
|-------------------------------------|-----------------|---|--------------------|---|
| <i>Celebrity Silhouette</i> | 2011 | 2011 | 2,850 | Southern Caribbean, Europe |
| <i>Celebrity Eclipse</i> | 2010 | 2010 | 2,850 | South America, Alaska |
| <i>Celebrity Equinox</i> | 2009 | 2009 | 2,850 | Eastern/Western Caribbean |
| <i>Celebrity Solstice</i> | 2008 | 2008 | 2,850 | Australia, Alaska |
| <i>Celebrity Xploration</i> | 2007 | 2016 | 20 | Galapagos Islands |
| <i>Celebrity Constellation</i> | 2002 | 2002 | 2,150 | Middle East, India, Europe |
| <i>Celebrity Summit</i> | 2001 | 2001 | 2,150 | Southern Caribbean, Bermuda, Canada |
| <i>Celebrity Infinity</i> | 2001 | 2001 | 2,150 | Western Caribbean, Bahamas, Europe |
| <i>Celebrity Xpedition</i> | 2001 | 2004 | 100 | Galapagos Islands |
| <i>Celebrity Millennium</i> | 2000 | 2000 | 2,150 | Eastern Asia, Alaska |
| <i>Celebrity Xperience</i> | 1982 | 2016 | 50 | Galapagos Islands |
| Azamara Club Cruises | | | | |
| <i>Azamara Pursuit</i> | 2001 | 2018 | 700 | South America, Europe |
| <i>Azamara Quest</i> | 2000 | 2007 | 700 | Australia, Asia, Alaska |
| <i>Azamara Journey</i> | 2000 | 2007 | 700 | Cuba, Europe |
| Silversea Cruises | | | | |
| <i>Muse</i> | 2017 | 2017 | 550 | Australia, Asia, Alaska |
| <i>Spirit</i> | 2009 | 2009 | 600 | Southern Caribbean, Europe, Asia |
| <i>Whisper</i> | 2001 | 2001 | 350 | Southern Caribbean, Europe |
| <i>Shadow</i> | 2000 | 2000 | 350 | Asia, Europe, Southern Caribbean |
| <i>Wind</i> | 1995 | 1995 | 250 | Southern Caribbean, Europe, Canada |
| <i>Cloud</i> | 1994 | 1994 | 250 | South America, Europe |
| <i>Galapagos</i> | 1990 | 2013 | 100 | Galapagos Islands |
| <i>Discoverer</i> | 1989 | 2014 | 100 | Africa, Australia, Asia |
| <i>Explorer</i> | 1989 | 2008 | 100 | South America, Europe |
| Pullmantur | | | | |
| <i>Zenith</i> | 1992 | 2014 | 1,400 | Europe |
| <i>Monarch</i> | 1991 | 2013 | 2,350 | Southern Caribbean |
| <i>Horizon</i> | 1990 | 2010 | 1,400 | Middle East, Europe |
| <i>Sovereign</i> | 1988 | 2008 | 2,300 | South America, Europe |
| TUI Cruises | | | | |
| <i>Mein Schiff 2</i> ⁽²⁾ | 2019 | 2019 | 2,850 | Europe, Southern Caribbean |
| <i>Mein Schiff 1</i> ⁽³⁾ | 2018 | 2018 | 2,850 | Europe, Canada, Western Caribbean |
| <i>Mein Schiff 6</i> | 2017 | 2017 | 2,500 | Western Caribbean, Europe, Asia |
| <i>Mein Schiff 5</i> | 2016 | 2016 | 2,500 | Southern Caribbean, Europe, Middle East |
| <i>Mein Schiff 4</i> | 2015 | 2015 | 2,500 | Middle East, Europe |
| <i>Mein Schiff 3</i> | 2014 | 2014 | 2,500 | Asia, Europe |
| <i>Mein Schiff Herz</i> | 1997 | 2011 | 1,900 | Europe |
| Total | | | 142,720 | |

Analyst:
João Calado, CFA

With the contribution of:
Nuno Gontardo Vaz

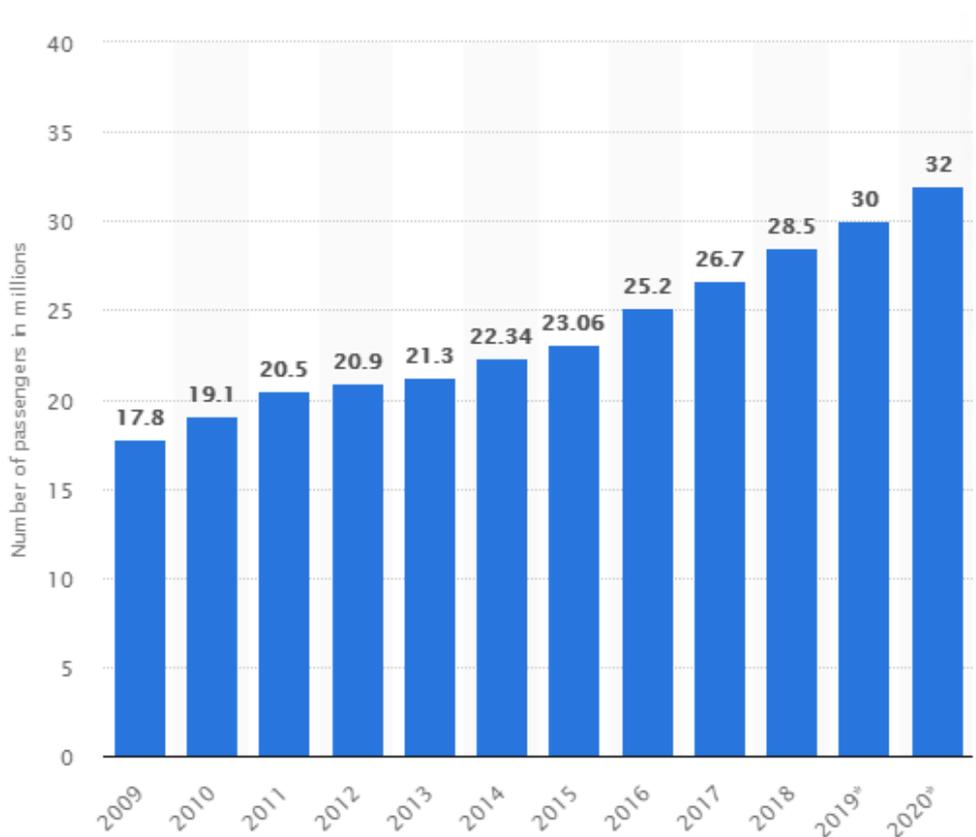
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▲ Ships on order as of September 2019

| Ship | Shipyards | Expected to Enter Service | Approximate Berths |
|---|---------------------------|---------------------------|--------------------|
| Royal Caribbean International — | | | |
| Oasis-class: | | | |
| <i>Wonder of the Seas</i> | Chantiers de l'Atlantique | 2nd Quarter 2021 | 5,700 |
| Quantum-class: | | | |
| <i>Odyssey of the Seas</i> | Meyer Werft | 4th Quarter 2020 | 4,200 |
| Icon-class: | | | |
| Unnamed | Meyer Turku Oy | 2nd Quarter 2022 | 5,600 |
| Unnamed | Meyer Turku Oy | 2nd Quarter 2024 | 5,600 |
| Celebrity Cruises — | | | |
| Edge-class: | | | |
| <i>Celebrity Apex</i> | Chantiers de l'Atlantique | 2nd Quarter 2020 | 2,900 |
| <i>Celebrity Beyond</i> | Chantiers de l'Atlantique | 4th Quarter 2021 | 3,250 |
| Unnamed | Chantiers de l'Atlantique | 4th Quarter 2022 | 3,250 |
| Silversea Cruises — ⁽¹⁾ | | | |
| <i>Silver Origin</i> | De Hoop | 4th Quarter 2020 | 100 |
| Muse-class: | | | |
| <i>Silver Moon</i> | Fincantieri | 4th Quarter 2020 | 550 |
| <i>Silver Dawn</i> | Fincantieri | 1st Quarter 2022 | 550 |
| Evolution-class: | | | |
| Unnamed | Meyer Werft | 3rd Quarter 2022 | 600 |
| Unnamed | Meyer Werft | 2nd Quarter 2023 | 600 |
| Total Berths | | | 32,900 |

▲ Global number of ocean cruise passengers worldwide



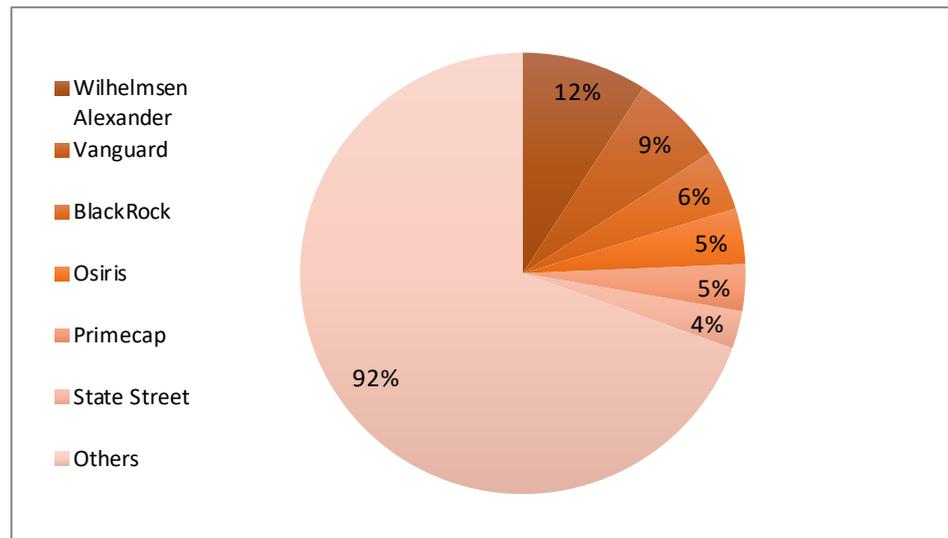
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▲ Shareholder Structure



▲ Calendar

4th of March: Dividend ex-date

1st of May: 1st Quarter results

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 - Accumulate, expected absolute return between +5% and +15%;
 - Keep/Neutral, expected absolute return between -5% and +5%;
 - Reduce, expected absolute return between -5% and -15%;
 - Sell, expected absolute return below -15%;
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