

# Havila Kyststruten AS

Q3 2024 - Presentation

27 November 2024



# Our Mission

«We are sailing in the world heritage.  
So should the generations to come.»  
*Per Sævik, majority owner and founder*



**LNG+ operations cuts CO<sub>2</sub> by 35-40%\***  
With biogas (LBG), potential for carbon neutral operations (90% reduction)



**One of the world's largest battery packs**  
Up to four hours with zero-emission operations



**NOx & SOx emissions reduced by 90%\***



**Energy-efficient hull design**



**Hydrogen 'ready'**



**Locally sourced food**



**Heat recovery from the sea and engines**

\*Compared to reference numbers from 2017 on the coastal route (diesel operated ships)



Q3 2024

## Business highlights

- Positive development in all core KPIs vs same quarter last year.
- Improved occupancy, higher average cabin rate and higher onboard spend per passenger night.
- Cost increase reflective of higher activity and general KPI increases.
- Second quarter in company history with positive EBITDA.
- High customer satisfaction among guests and environmental targets met.

**78%**

Occupancy  
(70% in Q323)

**5,200**

ACR (NOK)  
(4 000 in Q323)

**770**

OBS / pax night (NOK)  
(690 in Q323)

**464**

MNOK revenues  
(226 in Q323)

**336**

MNOK costs  
(262 in Q323)

**128**

MNOK EBITDA  
(-36 in Q323)

**72**

Net Promoter Score  
(> 70 is world class)

**30%**

reduction of CO2  
emission

**66g**

food waste per  
passenger night  
(vs. goal of < 75g)

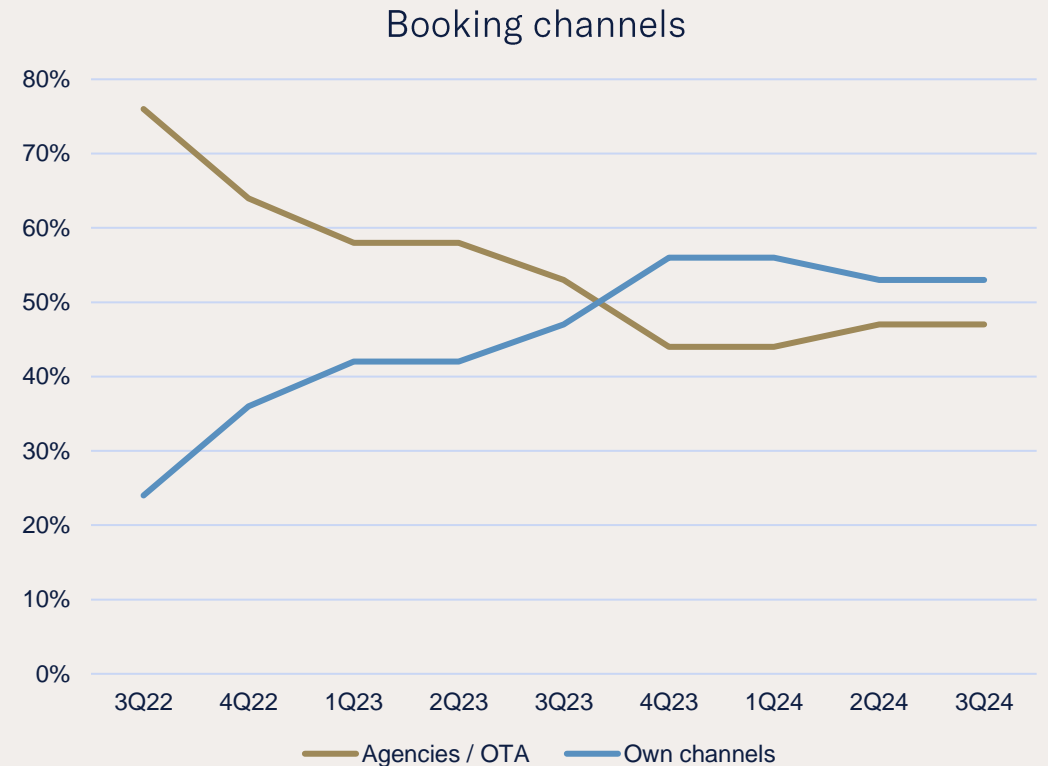
# Havila Food Stories

Havila Kystruten was nominated in several categories at the prestigious Wave Awards 2024 in London, where we ultimately received the "Best Cuisine" award for our food concept. The award acknowledges the company's efforts to provide a unique and sustainable dining experience inspired by Norway's rich nature and traditions, and the company sets the standard for quality in food and service within the travel and cruise industry.



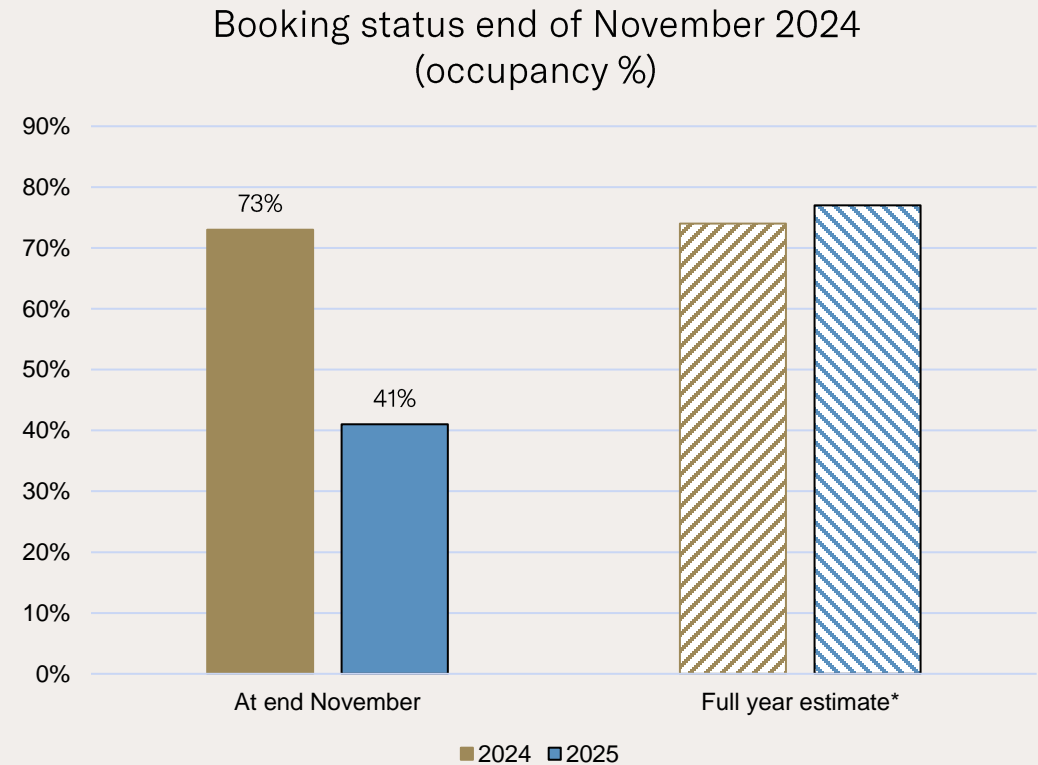
# Sales and marketing

- The focus remains on growing sales through our own channels, with marketing spending concentrated on digital platforms.
- Brand campaign named «Enter the Northern Calm» with the «The Noise Forecast» launched in November.  
[www.havilavoyages.com/noise-forecast](http://www.havilavoyages.com/noise-forecast)
- New CRM system implemented at year end to support marketing, sales and customer service.
- Sales initiatives focussed on parts of the route with lower occupancy.



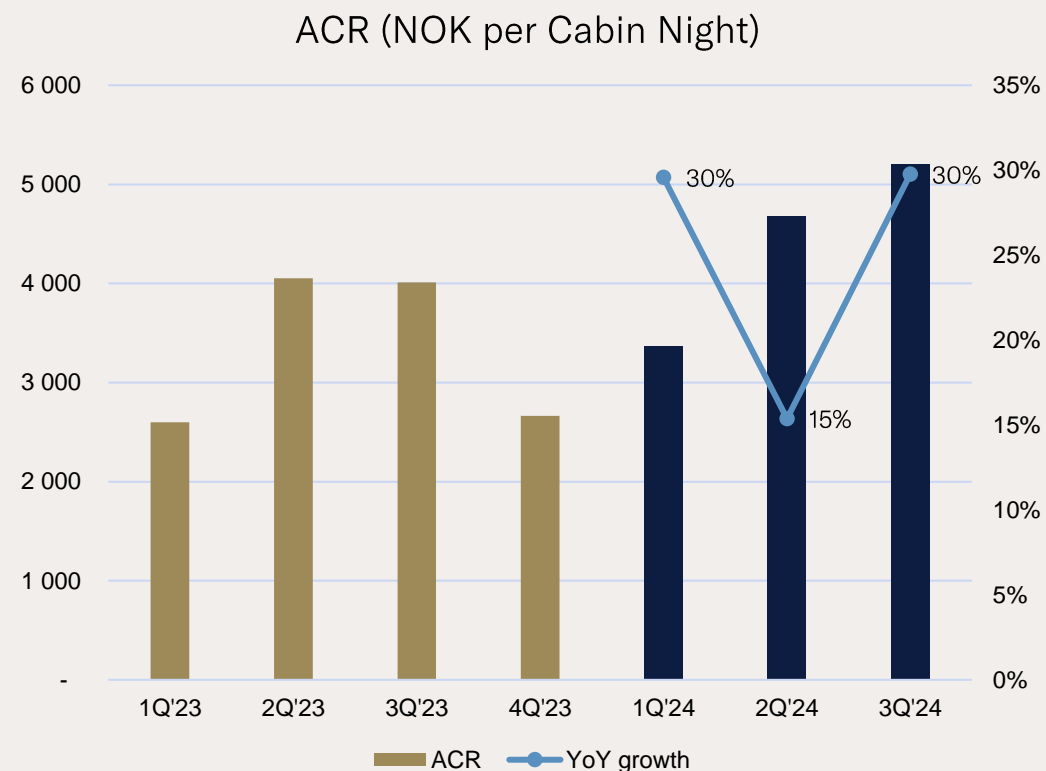
# Occupancy and booking update

- At end of November, 73% of all capacity is sold for 2024 and we expect an average occupancy of just below 75% for the year.
- Positive development in sales for next year, where 41% of the capacity is booked.
- Cancellation options for group booking have been tighten vs. same time last year - > volume is more secure.
- In 2024, about 10% difference in occupancy between northbound and southbound voyage. The bookings for next year is so far more balanced.



# Average Cabin Rate

- Average Cabin Rate\* + 30% vs. Q3 2023.
- The runoff of rebooked trips from previous years' cancellations will positively impact prices next year.
- Combined with an increase in list prices of about 20% for 2025, the outlook for the ACR is good and pricing will then reflect a more established brand, a superior product, and the most environmentally friendly cruise available.
- The strategy of offering shorter trips opens new and exciting commercial opportunities in the coming years aimed at travelers with higher willingness to pay.

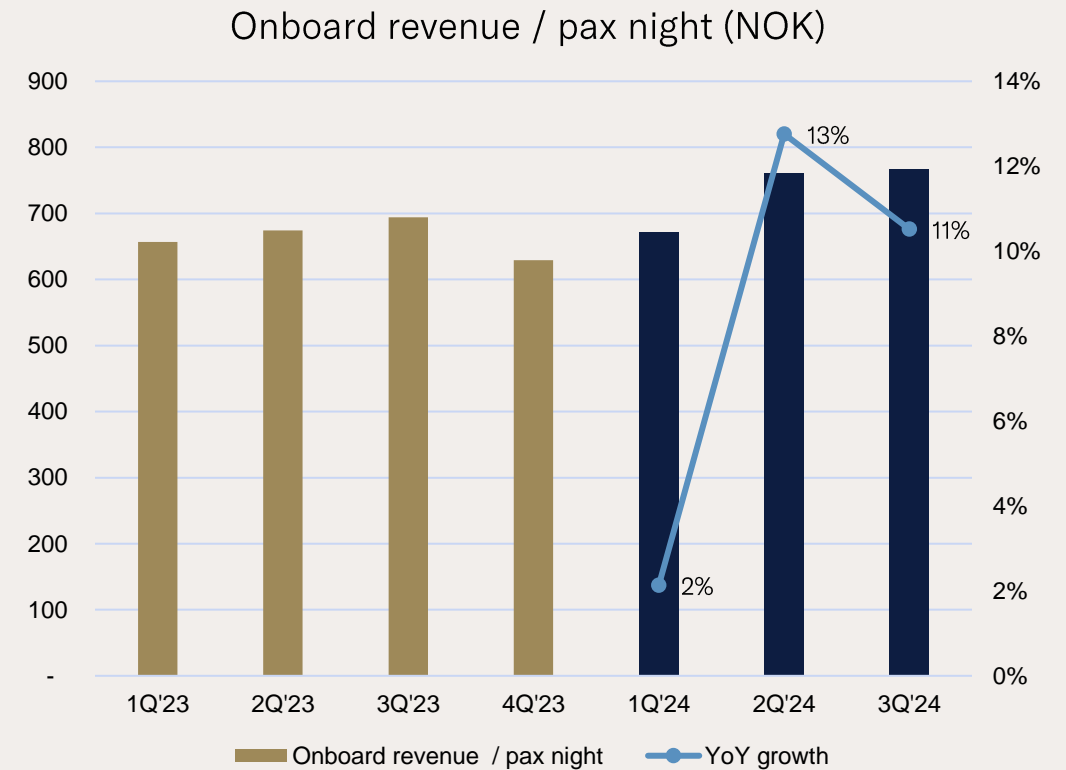


*\*The company has updated the ACR measurement to reflect ticket revenue (cabin, distance fare and included meals). Previously included presold onboard spending (shorex, add-ons and activities) has been removed and will now be combined with sales made during guests' onboard experience. Further the ACR is extracted from the booking system, its not periodized and sales in currency is based on the booking systems exchange rate.*



# Onboard spend per pax night

- Onboard revenue per passenger\* night increased with 11% vs same quarter last year.
- Onboard sales growth initiatives under implementation:
  - General price increase to align with market trends.
  - Unbundling optional amenities charging separately for add-on services.
  - Expanding onboard activities to enhance the guest experience.
  - Optimizing excursion offerings.
  - Focus on upselling and sales training of staff.

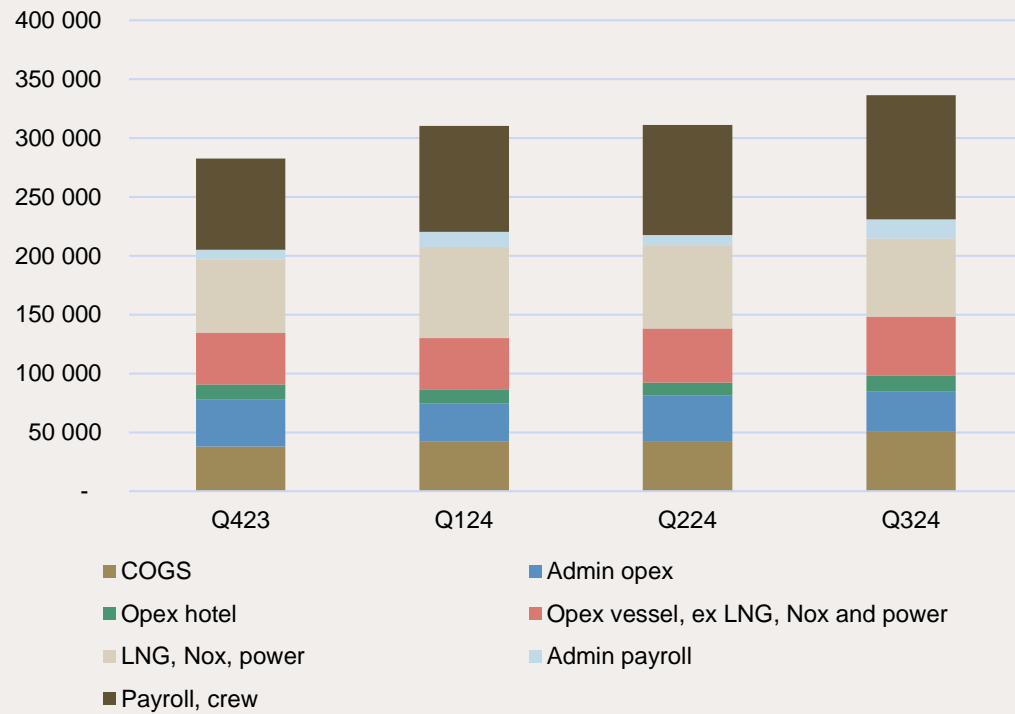


*\*Onboard revenue per passenger night includes any onboard or shorex addons from the booking system and all revenue generated onboard through the ships onboard system. It's not periodized and presold activities in currency are based on the booking systems exchange rate.*

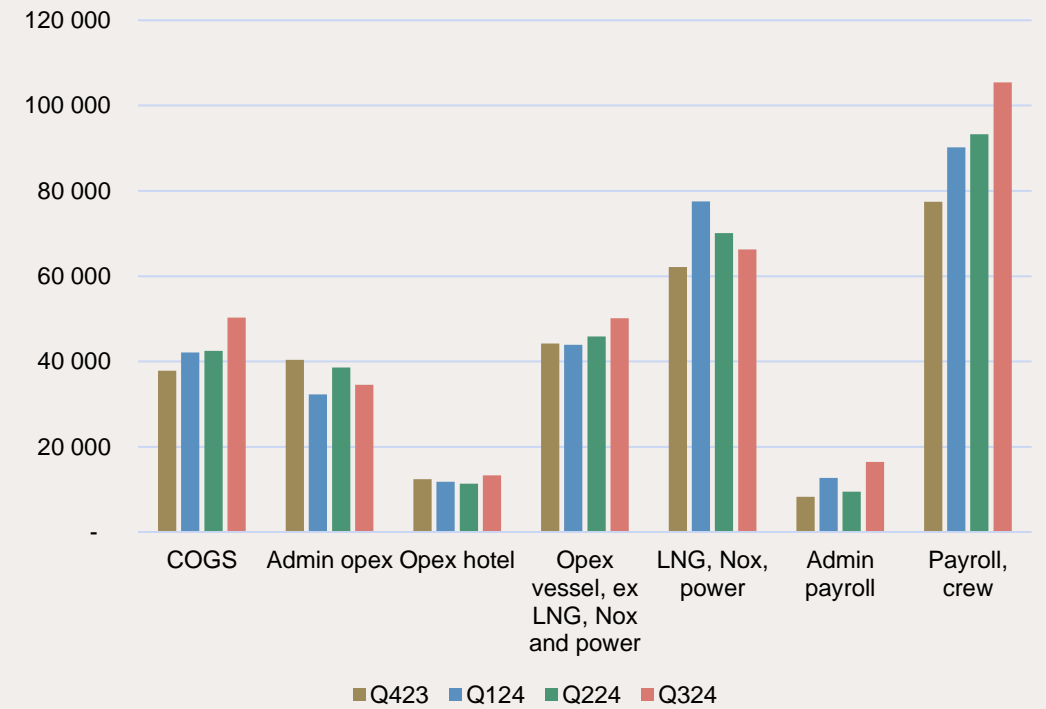


# OPEX overview last 4 quarters

Opex by quarter (NOK 000')

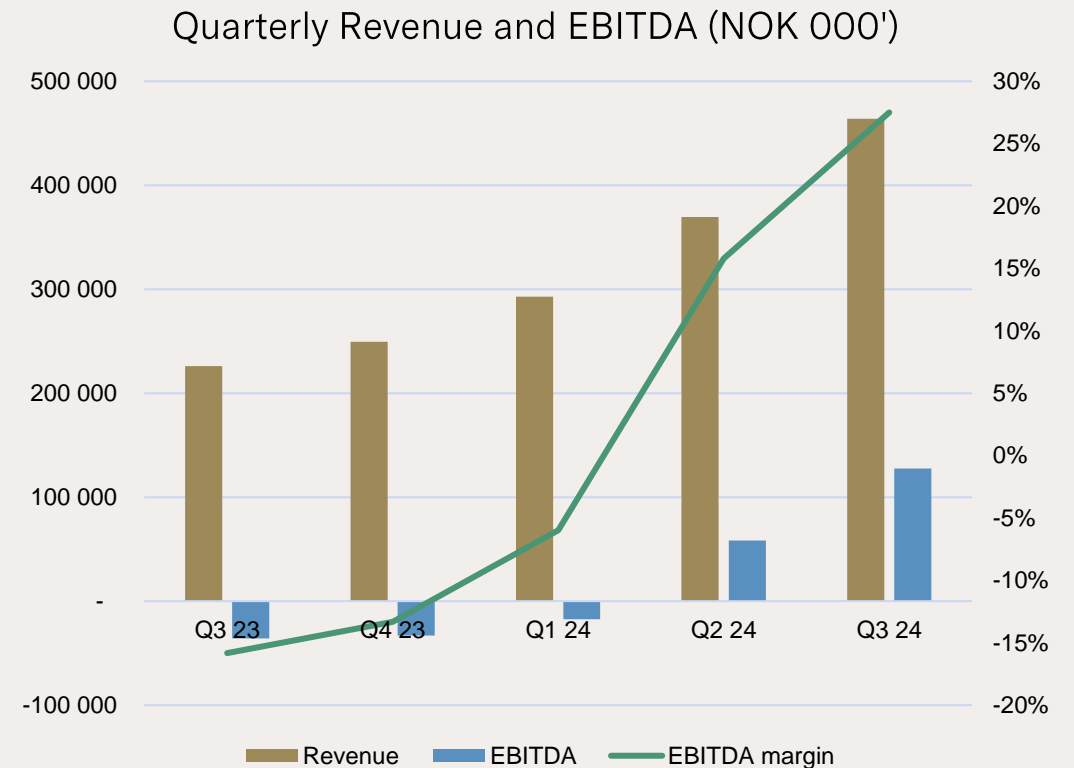


OPEX by category (NOK 000')



# EBITDA results and margin

- Core focus is to achieve continued topline growth, primarily through further yield improvements on the existing cabin capacity.
- Moderate volume growth balanced vs. achieving price goals.
- Operate a lean onshore organisation with focus on digital solutions and automation.
- Manage crew costs through efficient operations and retention of personnel to reduce training and improve performance.



# Debt overview and refinancing update

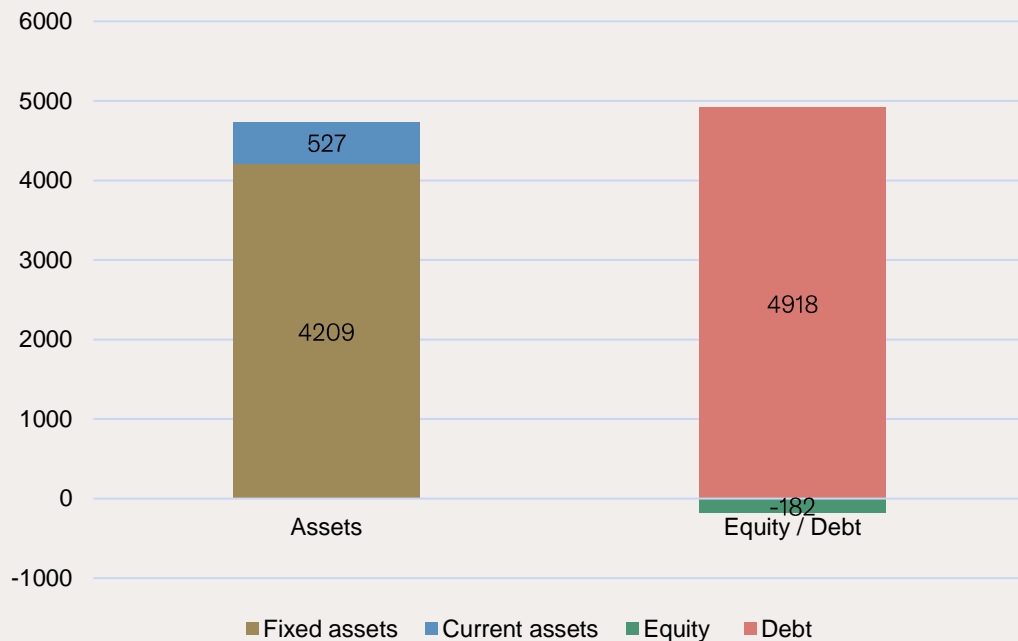
- High average interest rate on secured loan reflects sanctions situation in 2023 where a 3-year bridge financing was established.
- The company has a goal to refinance debt 12 months prior to maturity.
- Preliminary refinancing discussions initiated supported by:
  - Solid underlying asset values.
  - Contract with the Norwegian government providing stable cashflow.
  - An improved operational track record.
  - Very positive feedback on vessel quality and product.

	Secured bond loan	Shareholder loan	Shareholder Overdraft
Loan facility	MEUR 255	MEUR 76	MNOK 200
Undrawn (overdraft)			MNOK 50
Outstanding loan at Q324 (incl capitalized interest)	MEUR 263	MEUR 80	MNOK 155
Amortization	N/A	N/A	N/A
Maturity	26.07.2026	26.07.2028	26.01.2027
Call protection	Jan 2026	N/A	N/A
Redemption premium	6-8%	-	-
Interest rate	3 MTH EURIBOR + 7% cash +1,75% PIK	3 MTH EURIBOR + 9,5%	Fixed 13,0%+0,5%
Interest payment method	Cash + PIK	PIK	PIK
Next 12 mth. cash interest	Abt. MNOK 325*	N/A	N/A
Security package	1 <sup>st</sup> priority mortgage and other customary security.	None	None

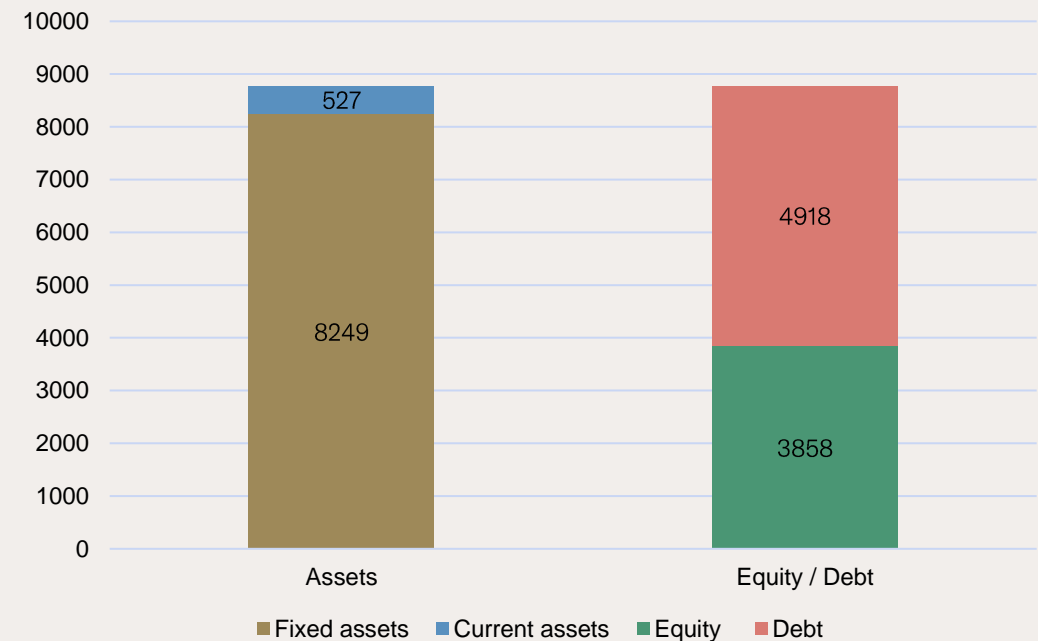
*\*Based on the interest fixing for interest payment in Q4 2024 and in 1Q2025, the 3 MTH EURIBOR FWD curve and the present EURNOK exchange rate.*

# Substantial Positive Value-Adjusted Equity

**Balance sheet at 30/09\* (MNOK)**



**Value adjusted balance sheet\*\* (MNOK)**



- The negative book equity is partially attributed to unrealized currency losses, resulting from the depreciation of the NOK against the EUR. This is because the company's assets / vessels are recorded in NOK in the balance sheet, while the debt is denominated in EUR.
- \*\*Despite negative book equity, considering shipbrokers assessment of the market value of the company's vessels, the value adjusted equity is significantly positive and at MNOK 3 858 as of the end of Q3. Broker value at Q3 was at end of the quarter quoted at MEUR 700 in total for all four vessels which is substantially higher than their book value. The increase in value is due to price appreciation since the vessels were contracted and built.

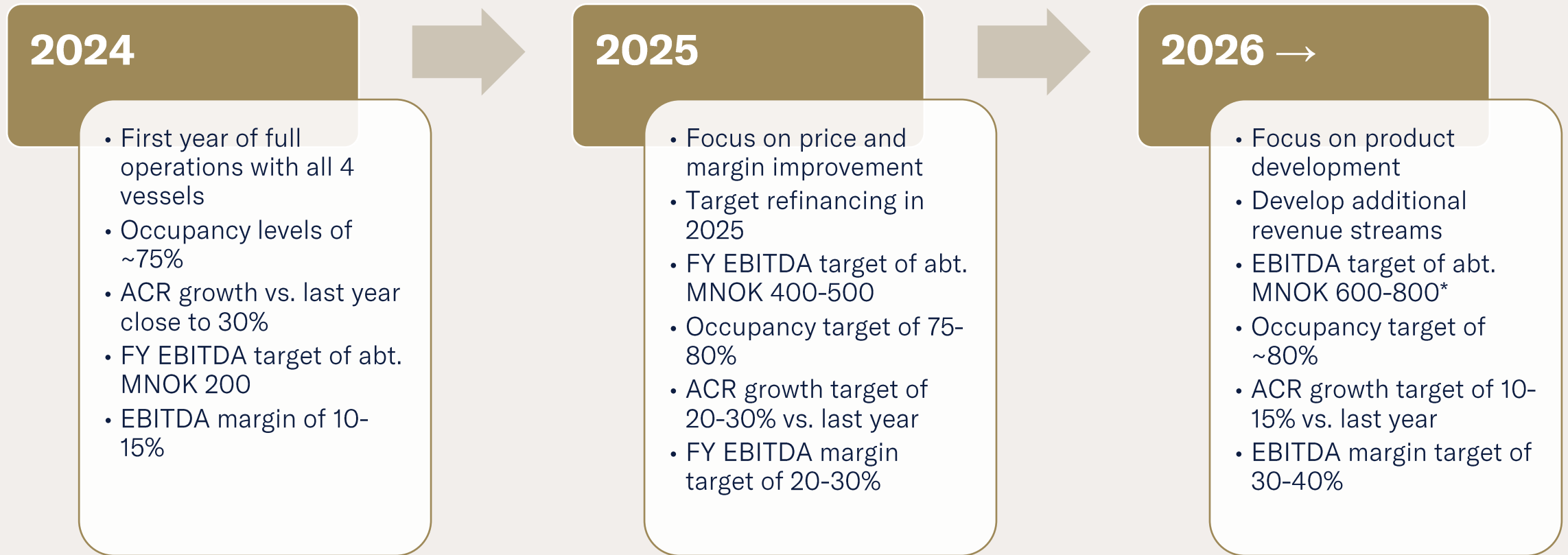


# HKY – Share

- Substantial asset values (the four cruise vessels) supporting the long-term investment case.
- Facilitate a refinancing in 2025.
- Continue to deliver on sustainability goals and support stricter environmental requirements on the Costal Route.
- The company is well positioned for growth opportunities in the Costal Route.



# Committed to delivering value to stakeholders and sustainable travel experiences to guests



\* This excludes potential additional revenue streams from pre- or post-voyage activities, such as hotels, flights, trains, and other experiences.

# Key Performance Indicators

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Vessels	2,8	4,0	4,0	4.0	4.0
Occupancy (%)	70 %	63 %	68%	69%	78%
Cabin nights (#)	35 650	38 450	42 650	40 650	50 450
Cabin Factor (#)	1,76	1,75	1,77	1,78	1,86
Passenger nights (#)	62 850	67 250	75 650	72 300	93 900
Average cabin revenue (NOK)*	4 000	2 650	3 350	4 700	5 200
OBS/ Pax Night (NOK)**	690	630	670	760	770

\*The company has updated the ACR measurement to reflect ticket revenue (cabin, distance fare and included meals). Previously included presold onboard spending (shorex, addons and activities) has been removed and will now be combined with sales made during guests' onboard experience. (OBS/ Pax Night)

\*\*Onboard Spend per Passenger night. Includes both presold and sold onboard

The Key Performance Indicators (KPIs) provided are sourced from the company's booking system and are unaudited. Consequently, there may exist variations or minor discrepancies in absolute figures and periodization compared to the officially reported financial statements. Revenue in currency (for both ACR and Presold OBS/Pax night) is based on the booking system currency rate.

# Forward-looking statements

This Presentation contains several forward-looking statements relating to the business, future financial performance and results of the Company and the industry in which it operates. In particular, this Presentation contains forward-looking statements such as with respect to the Group's potential future costs, capex and cash flows, the potential future demand and market for the Group's services, the Company's equity and debt financing requirements and its ability to obtain financing in a timely manner and at favourable terms. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company, the Managers, or any of their respective Representatives assumes any obligation to update any forward-looking statements or to conform these forward-looking statements to our actual results. Furthermore, information about past performance given in this Presentation is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. Actual performance and results may differ, and those differences can be material. None of the Company or the Managers, or any of their respective Representatives provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments.





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