

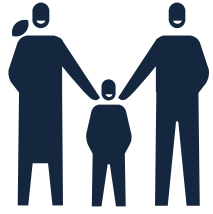


norwegian 

# Norwegian Air Shuttle ASA

Investor Presentation

August 2024



Number of passengers  
year-to-date (group)

**14.9** million (+27% YoY)

**Load factor**  
(change YoY)

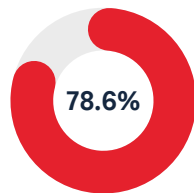


**Norwegian capacity (ASK)**

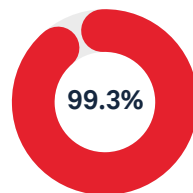


**Ytd. operating performance (Norwegian)**

**Punctuality**



**Regularity**



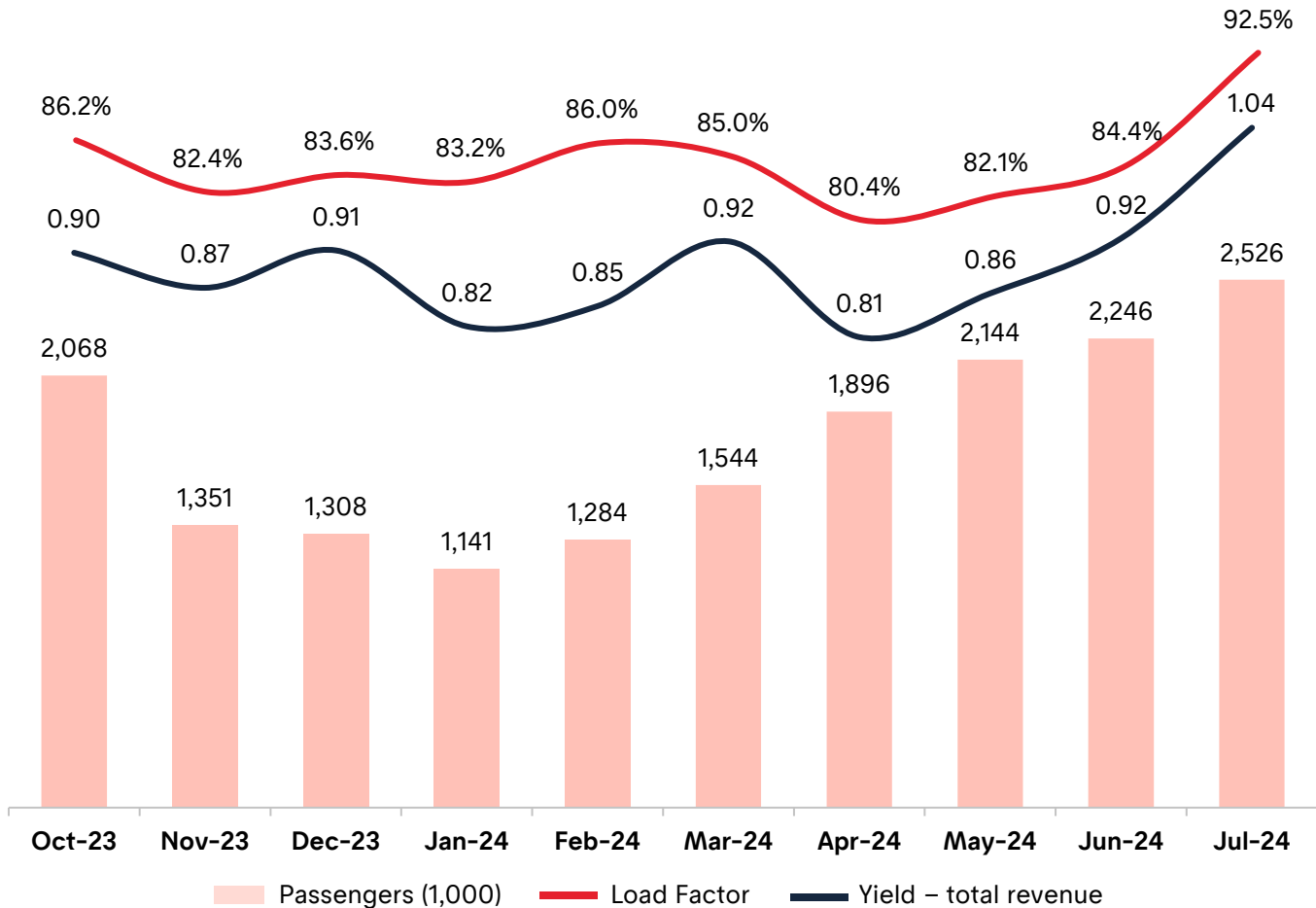
**Among Europe's most punctual airlines**

- Norwegian (DY) Europe's most punctual airline in May (Cirium)



# Delivering record strong July traffic

Norwegian Traffic – PAX per month, load factor and yield



## Significant ramp-up ahead of summer

- Q2 capacity +66% from previous quarter and +19% YoY
- new routes, destinations and frequencies, primarily on longer flights

## Q2 capacity increase coinciding with softening demand

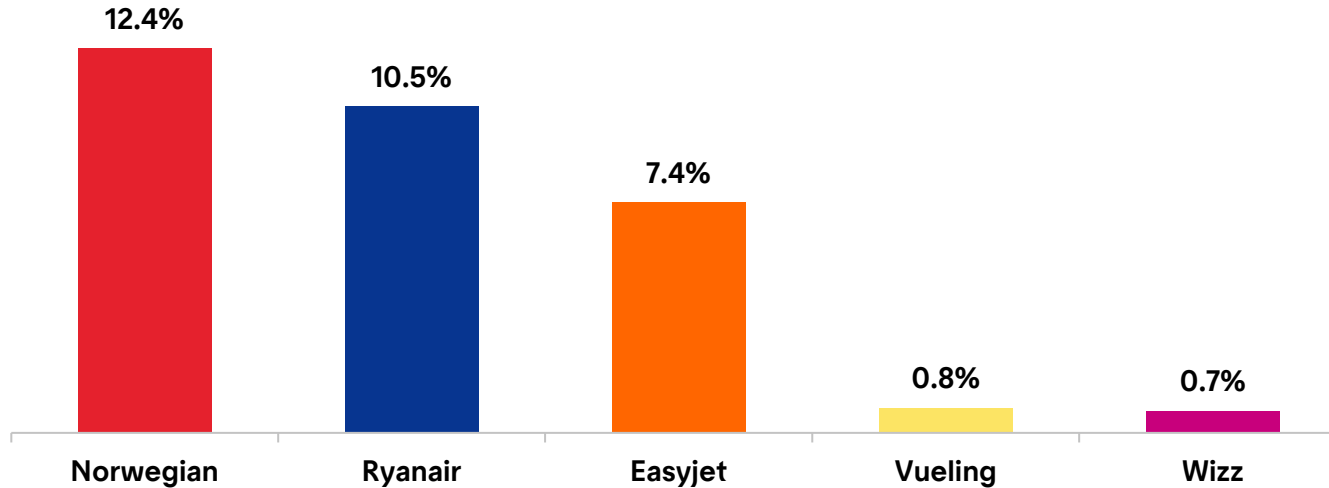
- Q2 load factor down 2% – impacted by early Easter
- yield down 3% – impacted by 6% longer avg. sector

## Delivering record strong July traffic

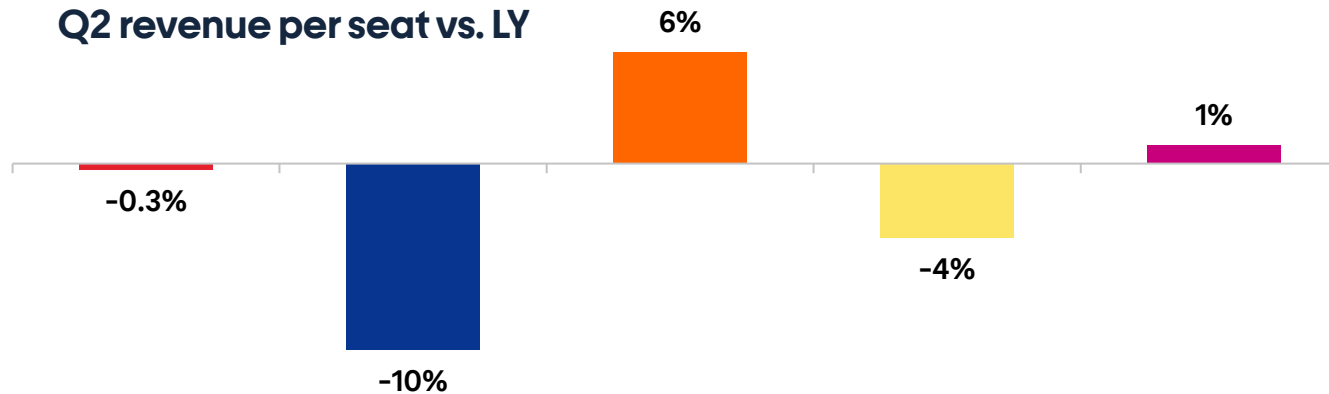
- Norwegian improved load with 10% higher capacity
- unit revenue equalling previous record from July 2023
- Widerøe – record strong July traffic – historic high load and significant yield improvement

# Diverging revenue performance among peers

## Q2 seat growth vs. LY



## Q2 revenue per seat vs. LY



## Unit revenue impacted by growth

- establishing new routes and frequencies takes time
- utilising fares and campaigns to attract new customers
- signs of demand softening during Q2

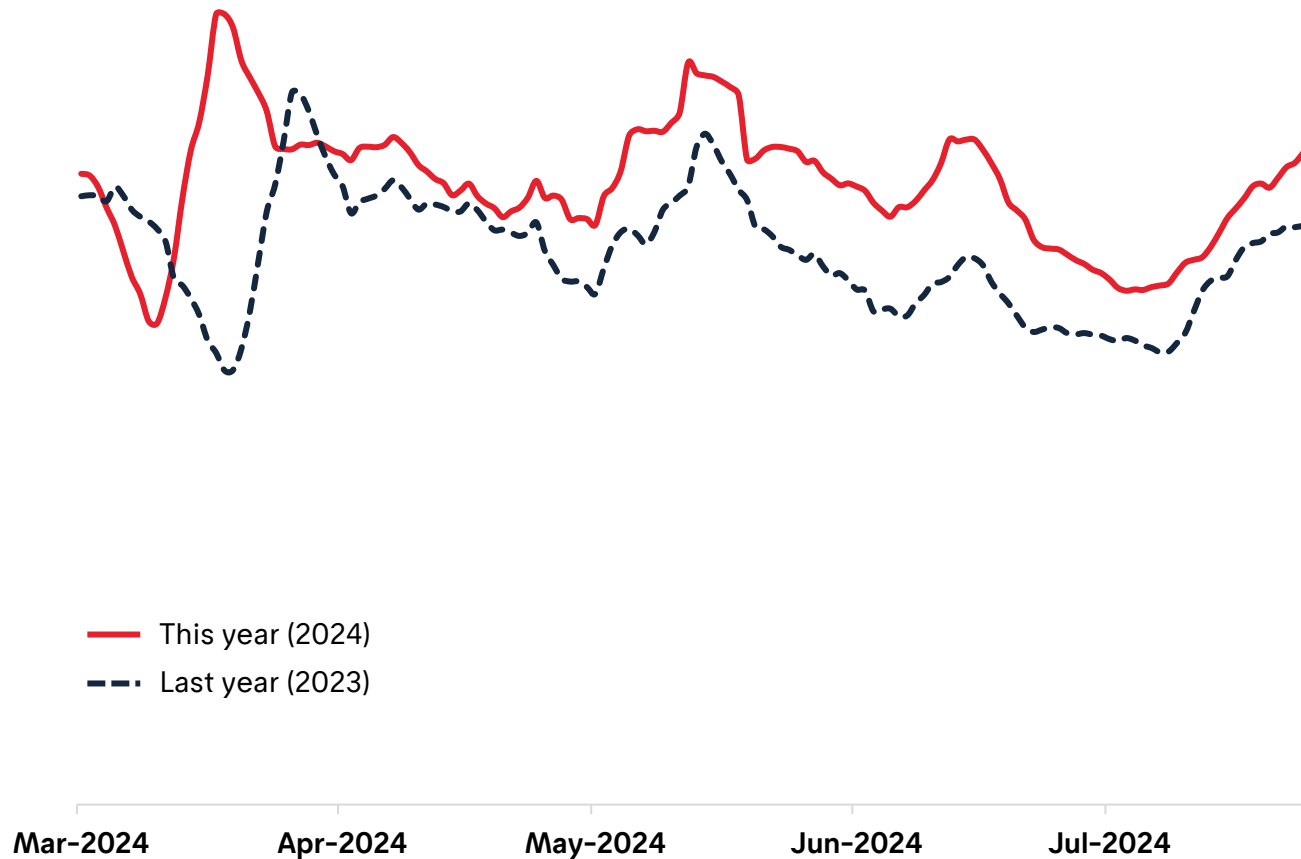
## Satisfactory performance given high growth

- Norwegian performance on par or better than peers
- diversified geography and customer segments
- yield down 3% – impacted by 6% longer avg. sector – predominately growing on longer sectors

Source: GridPoint analysis

# Booking momentum picking up

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



## Persistent sales momentum

- diversified bookings across destinations and travel month

## Aug-Oct – load on par with last year

- capacity (ASK) growth 10% – down from 19% in Q2
- more than 400,000 additional tickets sold vs. last year at corresponding date
- tickets sold at yield around flat vs last year

## Limited booking visibility from November onwards

<sup>1)</sup> travel anytime, anywhere as of 15 August 2024

# Widerøe – highly complementary airline

## Vertically integrated, key regional infrastructure

- **Organisation** with 3,000 employees, majority in handling and technical
  - 49 aircraft fleet – 46 DeHavilland turboprops
- **Commercial operations** – predominant share of operations and revenues
  - significant improvement YoY for load factor and result
- **Public service obligation (PSO)** operated on government demand
  - new PSO tender – duration until 2027/28 with increased capacity
- **Ground Handling (WGH) and Technical Services (WTS)**
  - largest ground handler in Norway – covering 40+ airports
  - high technical competence yielding competitive advantage

## Improving 2024 outlook

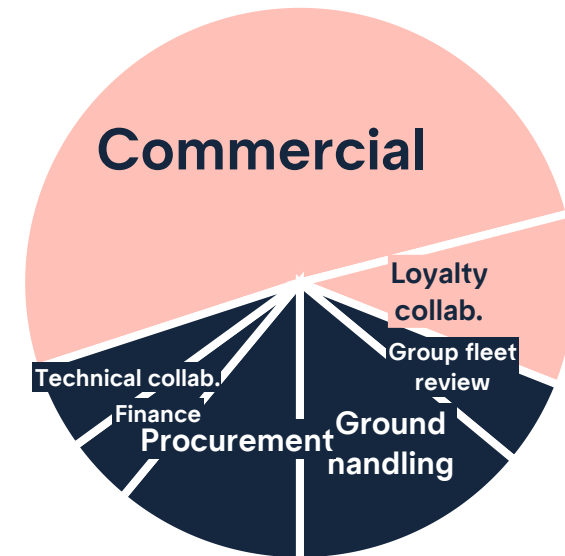
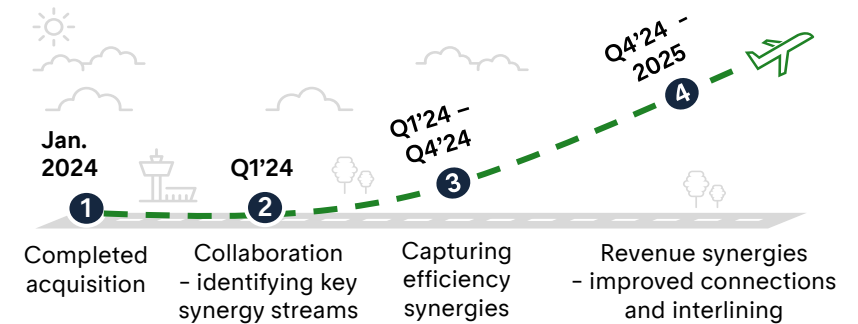
- **new PSO tender** in place from 1 April
- **commercial routes with strong passenger growth**
  - record strong traffic numbers in July 2024
- **favourable hedge positions** on jet fuel
  - 80% for remainder of 2024, 45% for 2025

## Shareholder accretive acquisition

- **transaction with favourable timing**
- **increasing competitiveness** with improved combined offering
  - seamless end-to-end connectivity with network alignment from W24
- **capturing broad range of synergies** with emphasis on commercial
  - acquisition price at P/E 3.0-3.5 on historic earnings post synergies

## Capturing on key synergies\*

– consolidated synergies in excess of NOK 300m



\*illustration purposes only



# Summary

## Strong focus on key cost initiatives

- **industry facing cost headwinds**
  - increased wage growth with new CBAs, environmental costs and weak local currency
- **operational cost initiatives**
  - improved on-time performance
  - handling and airport contract negotiations
  - new vendor for engine maintenance
- **structural cost initiatives**
  - base structure with network optimisation potential
  - optimisation and harmonisation of aircraft

## Growth impacted by delivery delays




- **growth slowing in Q3 (+10% YoY)**
  - booked yields and loads flat vs. last year
- **summer 2025 fleet estimate 90+ aircraft**
  - significant uncertainty due to Boeing delivery delays
  - partial compensation for incurred costs

## Positioned for a successful 2025

- **Widerøe performing well**
  - capturing key commercial synergies from 2025
- **top European airline for operational performance**
  - key to continue growing corporate market share
- **Spenn launching in November** – loyalty platform ecosystem with partners
- **strong ESG commitment**
  - reducing carbon emissions by 45% by 2030



# Outlook

	FY 2024	Q3	Q4
 Capacity growth <sup>1)</sup>	c. 12%	c. 10%	c. 16%
<b>FY 2024</b>			
 Group operating profit (EBIT) <sup>2)</sup>	NOK 2.1 – 2.6 billion		
 Norwegian unit cost excl. fuel <sup>2)</sup>	Low single-digit % increase vs. 2023		

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

2) Assuming average market rates for period of jet fuel 840 USD/mt, EUR/NOK 11.5, USD/NOK 10.6.

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.





**norwegian** 

# 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.

Norwegian cautions readers of this presentation not to place undue reliance on the forward-looking statements in making an investment decision. Norwegian assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.