

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

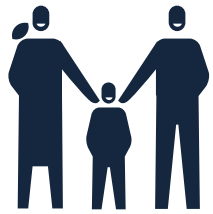
- 350 Norwegian routes on sale across attractive network
 - over 100 Widerøe routes
- operational excellence with few cancellations
 - top-tier performance in March and April
- strong customer satisfaction vs. peers
 - Net Promoter Score (NPS) above 50
 - Norwegian Reward with four Freddie awards
- most 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)

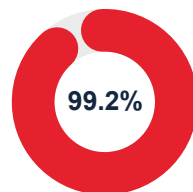


Q1 operating performance (Norwegian)

Punctuality



Regularity

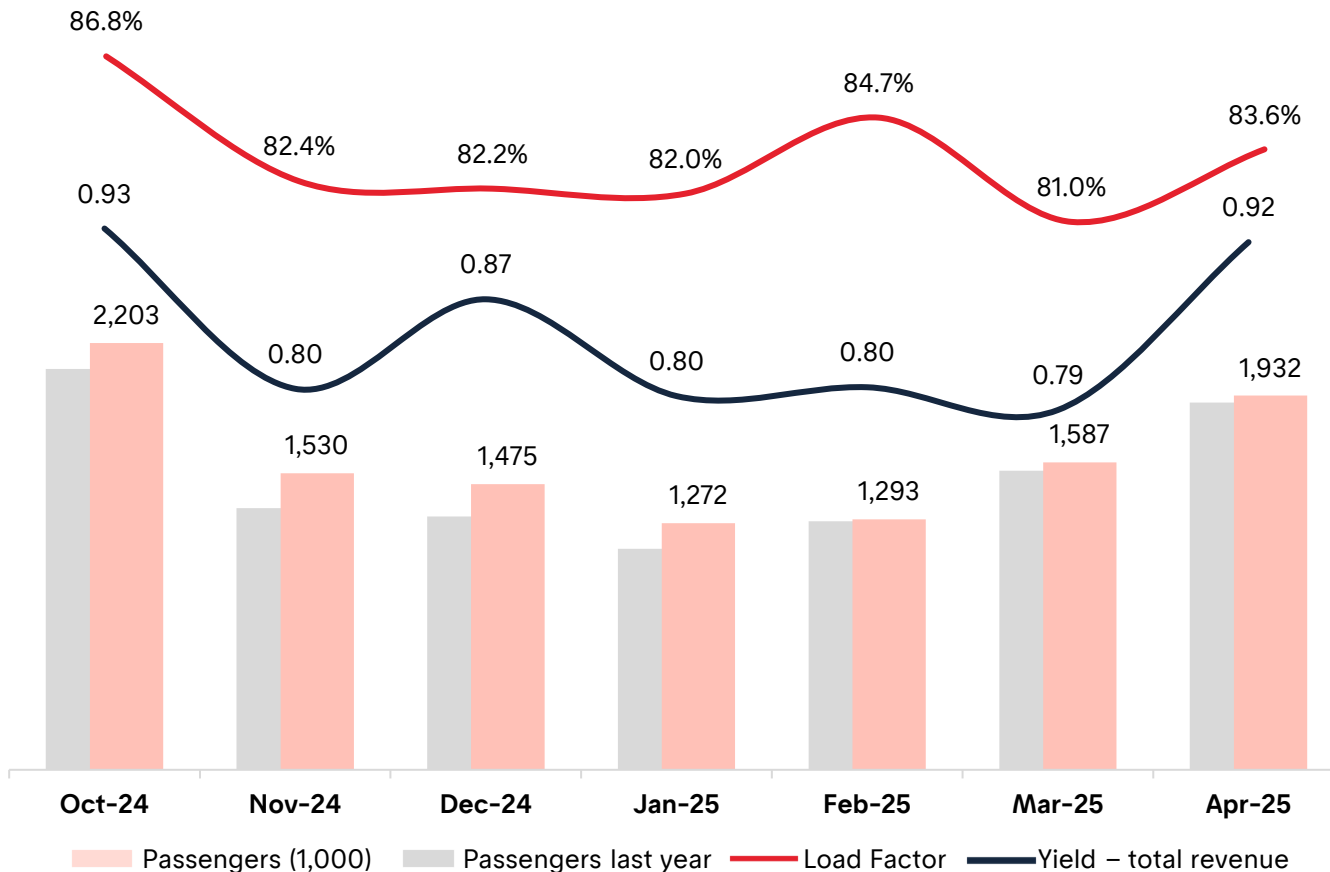


- operational performance improving through Q1 and into April
- Norwegian (DY) among most punctual European airlines in March (Cirium)



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

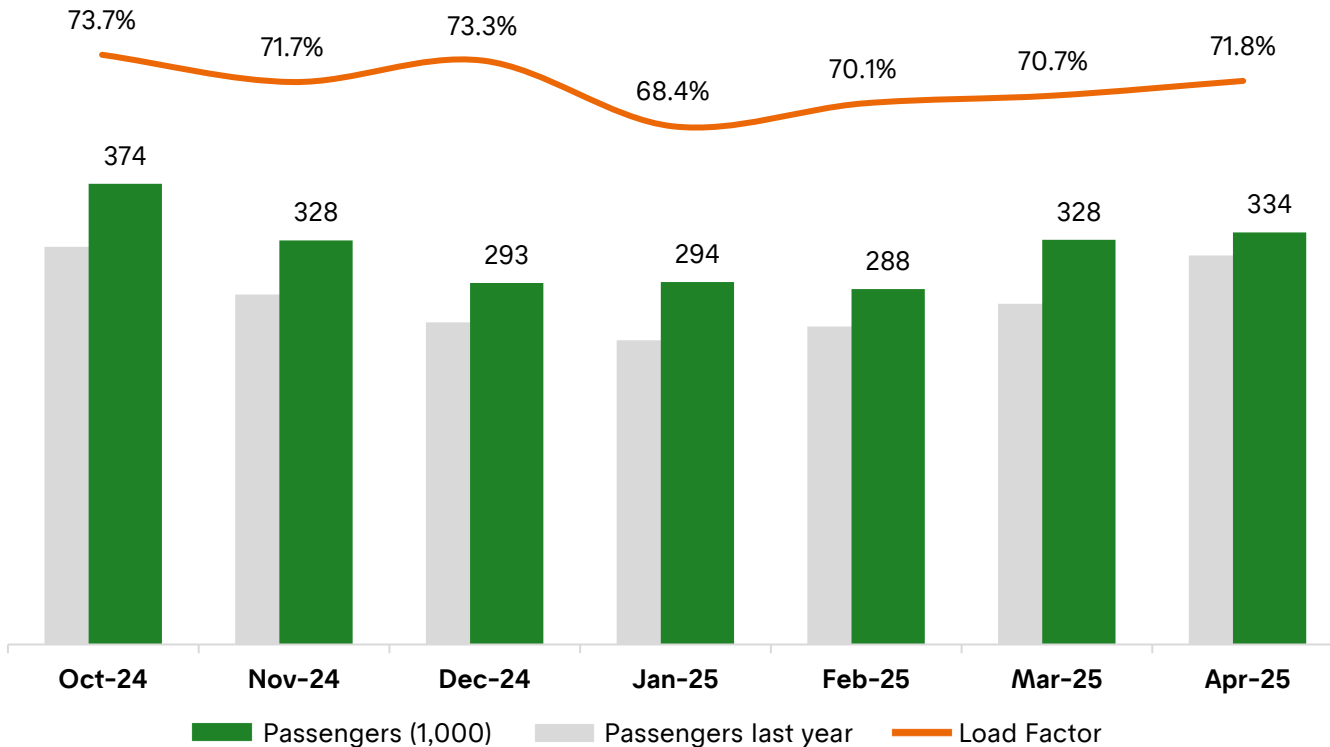
- close to zero cancellations during peak travel period
- April unit revenue +18% YoY, positive Easter timing effect

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

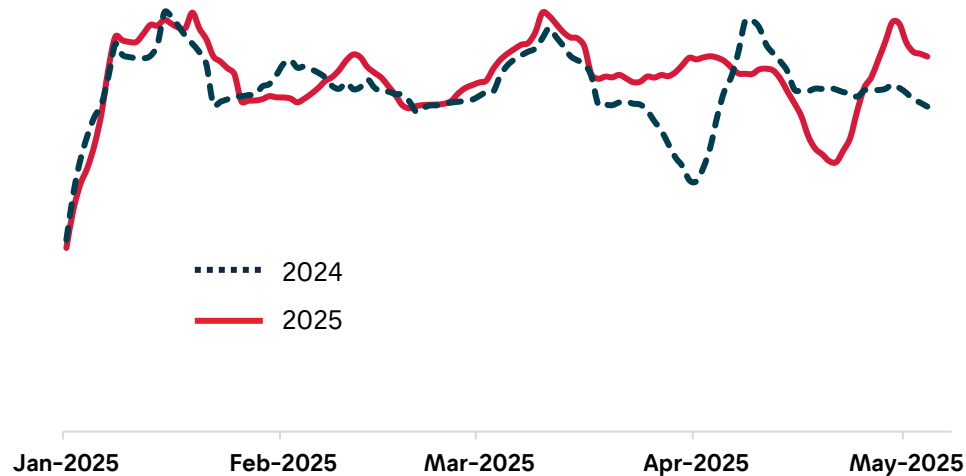
- elevated cost for personnel, handling and technical in quarter
– winter weather storms early in quarter

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 markets¹⁾



Stable booking momentum

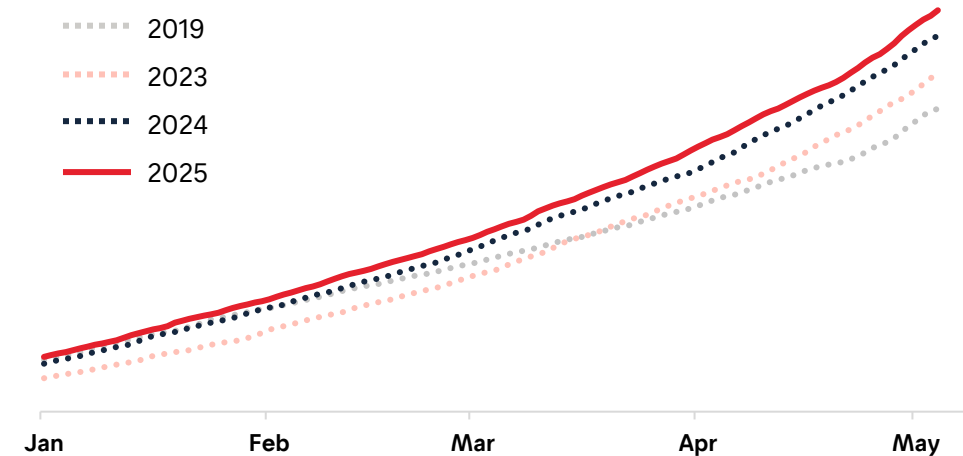
- diversified bookings across destinations and travel month

Capacity growth reducing from April onwards

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

¹⁾ travel anytime, anywhere as of 4 May 2025

Booked revenue – Travel May to August²⁾



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

²⁾ 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

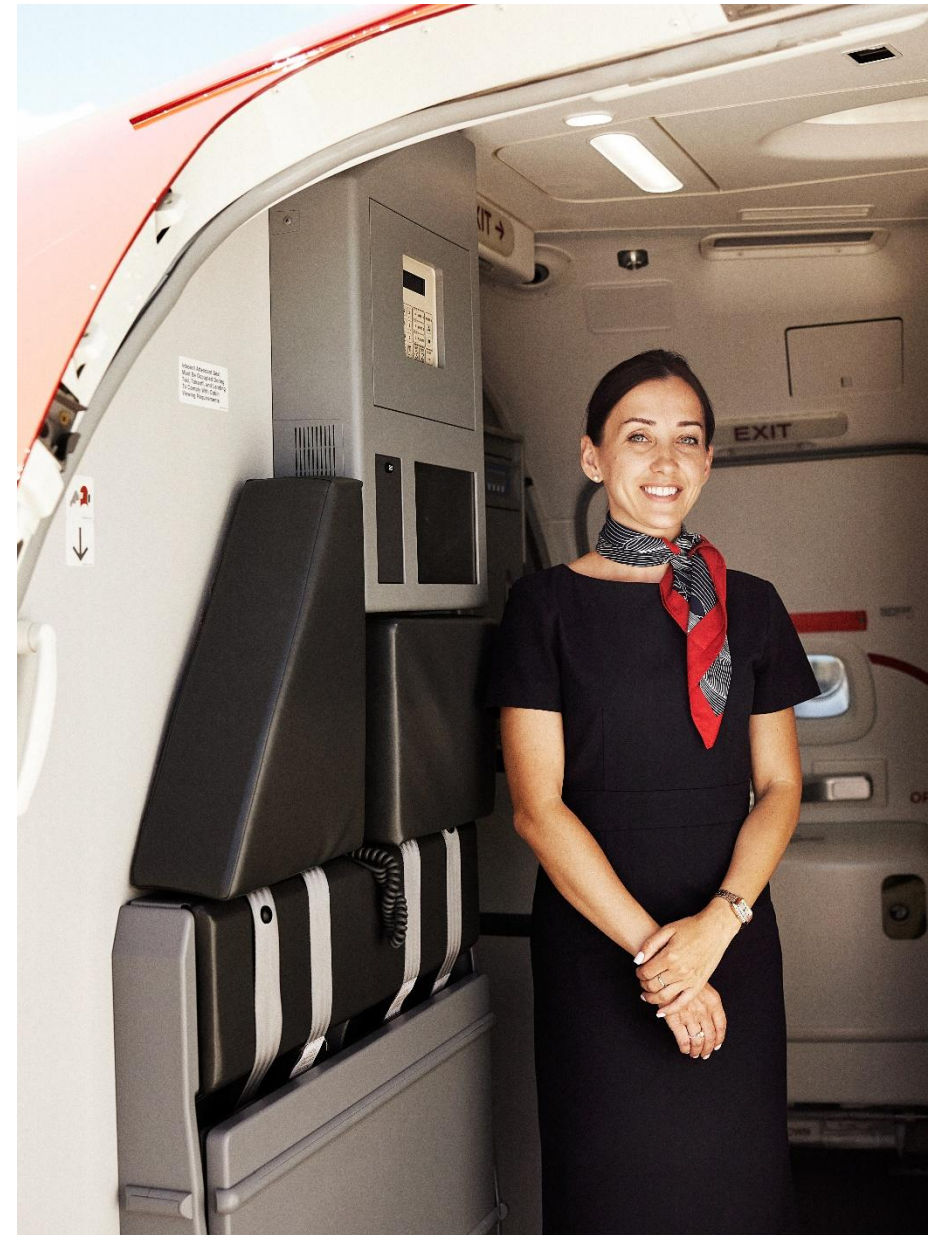
- **group revenue NOK 6.6 billion** – up 7% vs. last year
 - Widerøe contribution NOK 1.8bn
- **Norwegian capacity (ASK) up 16%**
 - **total unit revenue** down 11% YoY following 10% increase in avg. stage length and Easter timing
 - **ancillary revenue** NOK 190 per pax, up 10% YoY

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

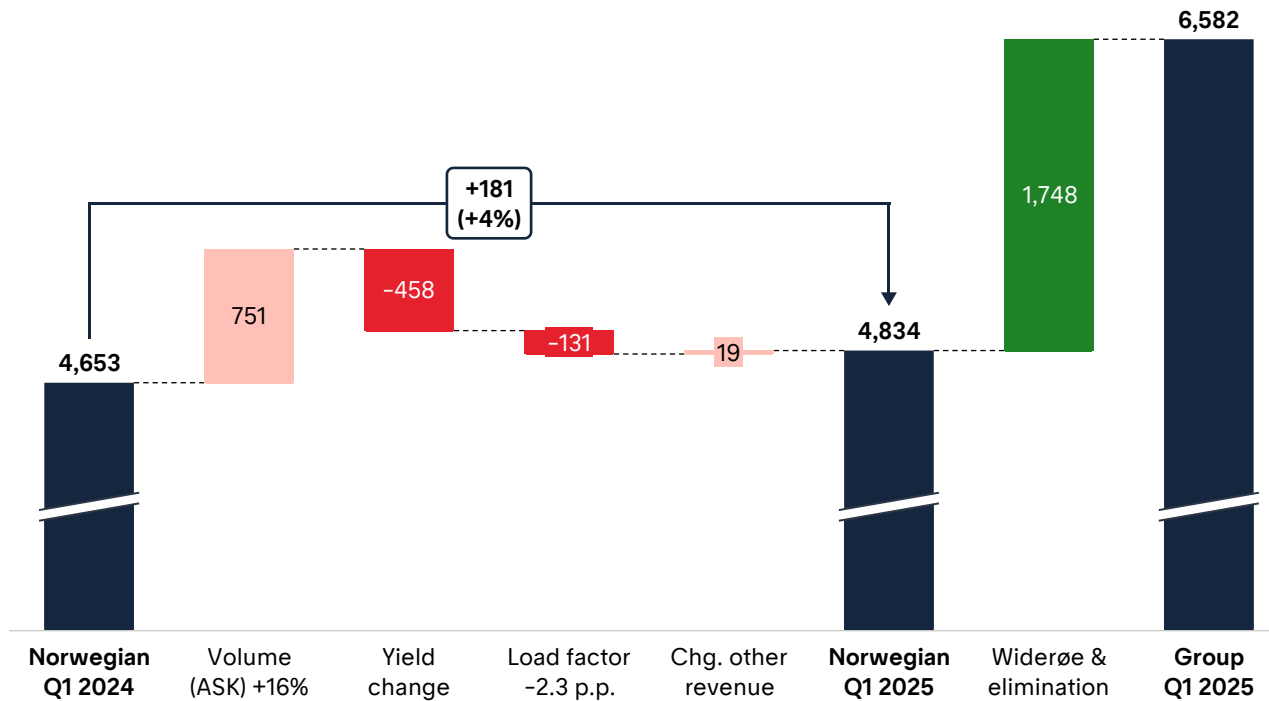
Balance sheet

- **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

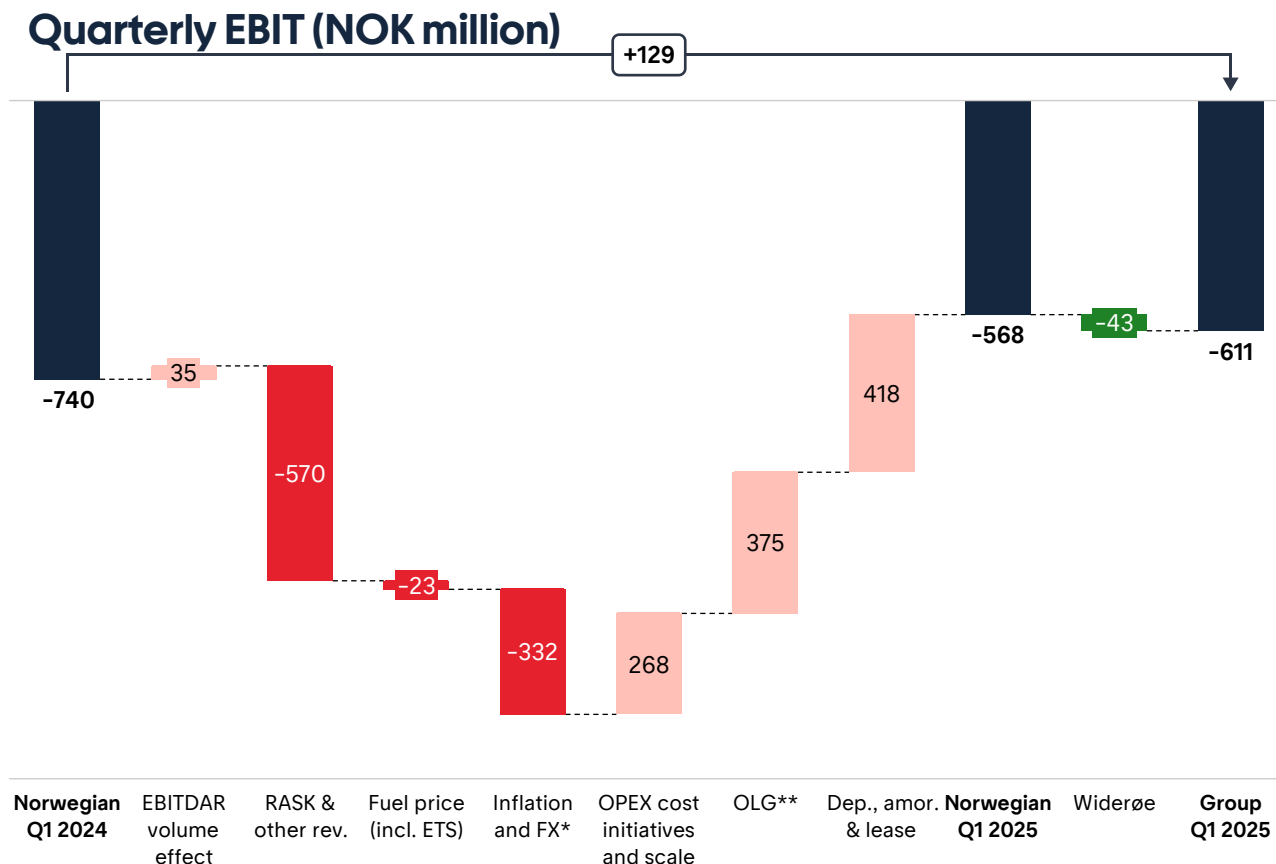
Easter timing effect

- 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 | | |
| Total operating revenue | 6,582 | 6,144 | +7% | → 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 | | |
| EBITDAR excl other losses/(gains) | -160 | 427 | | |
| Other losses/(gains) | -227 | 126 | -353 | → balance sheet translation effects from NOK strengthening |
| EBITDAR | 67 | 301 | | |
| Aircraft lease, depreciation and amortization | 672 | 1,064 | -392 | → NOK 589m gain from aircraft purchase |
| Operating profit (EBIT) | -605 | -763 | 158 | |
| Net financial items | -139 | -141 | | |
| Profit before tax (EBT) | -756 | -903 | | |
| Income tax expense (income) | 0 | 0 | | |
| Net profit (loss) | -757 | -904 | 147 | |

Robust balance sheet

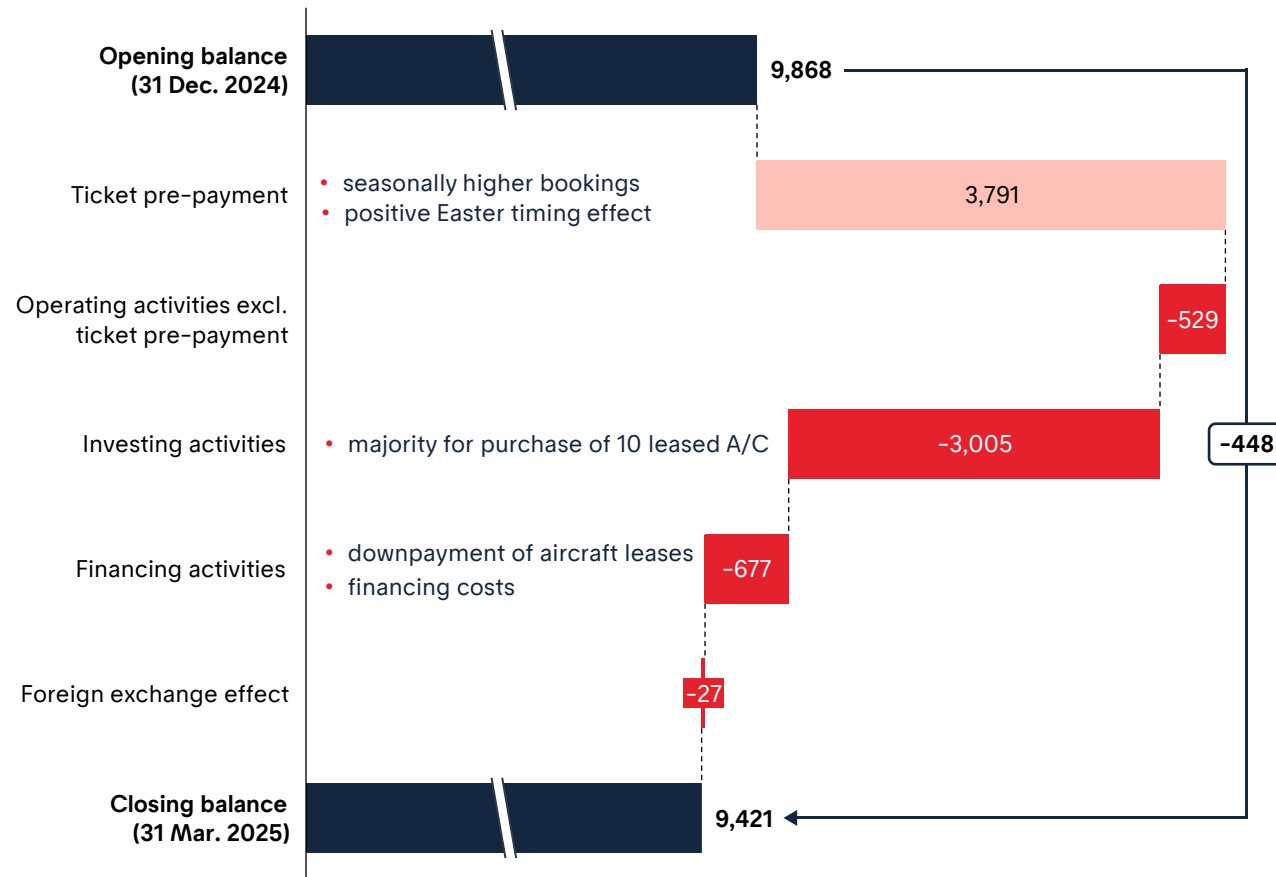
| <i>NOK million</i> | 31 Mar. 2025 | 31 Dec. 2024 | Chng. (QoQ) | |
|--------------------------------------|-----------------|-----------------|------------------|---|
| Intangible assets | 2,421 | 2,429 | | |
| Tangible assets | 21,095 | 19,403 | +1,692 | → purchase of leased aircraft and three aircraft deliveries |
| Total non-current assets | 23,980 | 22,346 | | |
| 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 |
| Total current assets | 15,274 | 15,254 | | |
| Assets | 39,254 | 37,600 | | |
| <hr/> | | | | |
| Equity | 6,150 | 7,241 | | |
| Non-current debt | 12,013 | 12,249 | | |
| Other non-current liabilities | 3,814 | 4,985 | | |
| Total non-current liabilities | 15,828 | 17,234 | | |
| 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 | | |
| Total current liabilities | 17,276 | 13,125 | | |
| Liabilities | 33,103 | 30,359 | | |
| Equity and liabilities | 39,254 | 37,600 | | |
| Equity ratio (%) | 15.7 | 19.3 | -3.6 p.p. | → 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 | |
| NIBD | 5,080 | 5,197 | -117 |

- **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

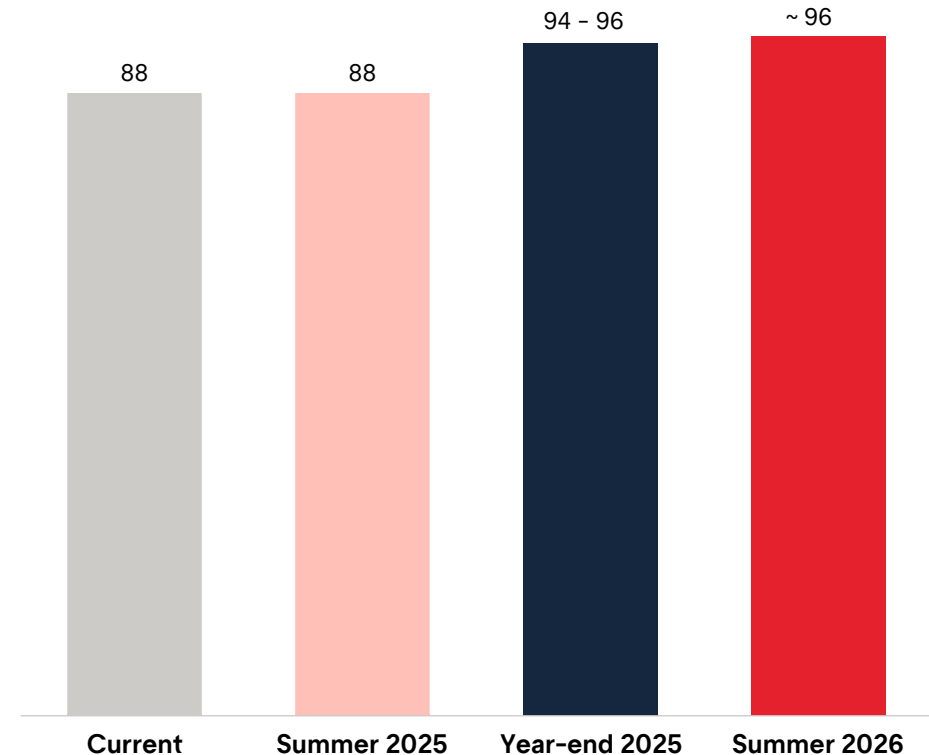
Utilising balance sheet for smart fleet decisions

- 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

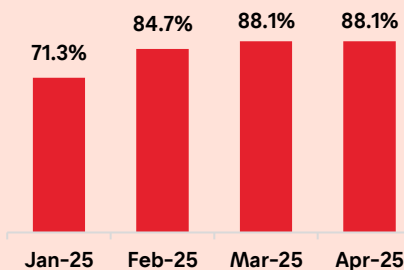
Taking out additional Widerøe synergies

- 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



A front-facing view of a red and white commercial airplane, likely a Boeing 737, parked on a wet tarmac. The aircraft's nose, cockpit, and two engines are prominent. The background shows a hazy airport landscape with other planes and a cloudy sky. The text "Outlook & summary" is overlaid in white on the lower half of the image.

Outlook & summary

Outlook

| | | FY 2025 | Q2 | Q3 | Q4 |
|---|--|--------------------------------------|-------|-------|--------|
|  | Capacity growth ¹⁾ | c. 3% | c. 1% | c. 2% | c. -3% |
| | | | | | |
| | | FY 2025 | | | |
|  | Norwegian unit cost excl. fuel ²⁾ | Mid single-digit % increase vs. 2024 | | | |

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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