

TRAVEL | EARNINGS REPORT

Norwegian Cruise Line Stock Soars After Earnings. Demand Is at Record Levels.

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Norwegian Cruise Line said its booked position was at a record high. SAM GREENWOOD/GETTY IMAGES

A rising tide lifts all boats.

Cruise stocks were sailing higher early Tuesday after [Norwegian Cruise Line Holdings](#) said it expects to report a surprise profit in the first quarter amid record demand.

[Norwegian](#) posted a wider-than-expected loss in the fourth

quarter but investors only had eyes for its strong 2024 outlook.

The stock rose 13% shortly after the open, while [Royal Caribbean](#) was up 5% and [Carnival](#) climbed 8%. The sector had a stellar 2023 but all three stocks have faced choppy waters early this year—Carnival and Norwegian were both down 20% in 2024 through Monday's close, while Royal Caribbean was down 8% for the year.

After a strong rally last year—Royal Caribbean's 162% gain was the third best performance in the S&P 500 behind [Nvidia](#) and [Meta Platforms](#)—investors were starting to question whether the sector had any more room to run.

The recent pullback and Norwegian's earnings Tuesday suggest the rally can pick up where it left off last year.

[Norwegian](#) said its booked position is currently at an record high due to healthy [consumer demand](#). Norwegian said it has enjoyed some of the best booking weeks in its history since Black Friday in November last year. It ended 2023 with an advanced ticket sales balance of \$3.2 billion—56% higher than at the end of 2019.

Norwegian said it expects to post an unexpected profit in the first quarter. It sees adjusted earnings per share (EPS) of 12 cents in the

first quarter, compared with expectations of a 20 cents per share loss, while full-year EPS guidance of \$1.23 is narrowly ahead of estimates.

The cruise operator reported an adjusted loss of 18 cents per share on revenue of \$1.99 billion in the fourth quarter. Analysts were expecting an adjusted loss of 12 cents per share on revenue of \$1.96 billion, according to FactSet data.

“We are determined to capitalize on our recent achievements and take advantage of the positive momentum and strong demand for cruise, which resulted in turning the year at record highs in both our booked position and pricing,” CEO Harry Sommer said.

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