



## **MSC CRUISES RELEASES RESULTS FOR THE FULL YEAR 2019 TOGETHER WITH MEASURES ADOPTED TO CONTAIN THE IMPACT OF COVID-19**

**Geneva, Switzerland, 16 March 2020** - MSC Cruises, the Swiss-based cruise company, announced today unaudited financial highlights for the twelve-month period ended December 31, 2019 and provided an outlook for the year 2020.

### **MSC Cruises Group – Full Year 2019 unaudited results**

- MSC Cruises marked another year of double-digit growth with EBITDA continuing to outpace capacity expansion
- The year 2019 witnessed a solid consistency of MSC Cruises in delivering strong financial results while continuing to expand its fleet and consolidating its global presence
- Total passenger occupancy broke the record of 112.3%, from 111.6% in 2018, with passengers in excess of 2.7M, a 16.2% increase compared to prior year
- MSC Cruises achieved, for the 12-months ended 31 December 2019, an EBITDA of Eur 857M, being a 15.6% increase year-on-year. In 2019, capacity increased 14.4% compared to 2018
- Total revenues increased 17.5% to Eur 3.2B from Eur 2.7B
- Fuel expense increased 24.1% to Eur 244M from Eur 196M mainly driven by the additional capacity and the price increase year on year
- Interest expenses decreased 4.7% to Eur 121M from Eur 127M
- Net profit increased 16% to Eur 405M from Eur 348M

### **MSC Cruises Group – COVID-19 measures and liquidity actions**

The COVID-19 coronavirus outbreak and its recent developments is having a strong impact on society and business. MSC Cruises has already taken a number of measures to ensure a prudent and conservative management of the company to overcome the effect of the pandemic and to protect, above all, the health of its guests, crew members and staff.

There are increasing operational restrictions imposed at government level, and MSC Cruises is observing these restrictions and ensuring that the vessels are being operated in accordance with applicable laws and regulations. The situation is constantly developing, and it is preventing MSC Cruises to call in many ports and destinations.

In light of the extraordinary circumstances the world is currently facing in connection with the COVID-19 coronavirus, MSC Cruises has taken the difficult decision to temporarily stop all its U.S.-based new cruises embarkations for 45 days until 30 April. MSC Cruises has already also halted ship operations across all areas considered as high risk for the virus, in the Mediterranean, the Gulf and Asia. Ships still in operations in South America and South Africa, as well as a ship doing the World Cruise, are expected to end their operations at the end of their scheduled itineraries. The temporary withdrawal of MSC Cruises vessels from operations will enable the company to minimize risks to its guests, crew members and staff.

MSC Cruises is offering guests affected by the above decision the opportunity to transfer 100% of the money paid for their cancelled vacation plus an additional generous credit benefit to a future cruise of their choice at any point through the end of 2021.



MSC Cruises is putting in place all measures to preserve its cash position and to improve it further. MSC Cruises benefits from a Revolving Credit Facility put in place in Feb 2019 and from other significant sources of liquidity which may be activated in case of further needs, which collectively amount to approx. Eur 900M over and above its cash position as of 31 December 2019 (Eur 183M). Such liquidity, given the size of the company, puts MSC Cruises in the position to overcome the consequences of COVID-19. MSC Cruises is reducing operational expenses through a strong and already committed contingency plan and the operating expenses are also reduced by the temporary cessation of the cruises. MSC Cruises is also collaborating with its key providers and stakeholders to improve its working capital position and is pursuing additional actions by postponing capital expenditures for business initiatives planned in the coming 18 months.

COVID-19 will definitely have an impact on the financial performance of cruise operators, including MSC Cruises. Given the uncertainty regarding the further development of the pandemic and its effects on society and business in general and the cruise industry in particular, MSC Cruises cannot, for the time being, provide guidance on the financial performance for the year 2020.

The cruise business navigated through several adverse events in the past years and demonstrated high resilience to such events. Revenues normalized quickly (within 6-12 months) and none of the past adverse events had a negative long-term impact on the profitability of the underlying cruise business model.



**Information about MSC Cruises bonds:**

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**NOTE:**

Information in this press release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to MSC Cruises as of the date of this press release and can be affected by a number of factors. We assume no duty to update any such forward-looking statements.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities.

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