

# ELLIOTT®

ELLIOTT INVESTMENT MANAGEMENT L.P.  
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February 17, 2026

The Board of Directors  
Norwegian Cruise Line Holdings Ltd.  
7665 Corporate Center Drive  
Miami, Florida 33126

Dear Members of the Board:

We write on behalf of Elliott Investment Management L.P. (together with its affiliates, “Elliott” or “we”), which manages funds holding a greater than 10% economic interest in Norwegian Cruise Line Holdings Ltd. (“Norwegian” or the “Company”), making Elliott one of the Company’s largest investors. We have made such a large commitment to Norwegian because we believe the Company is significantly undervalued, despite possessing a fundamentally strong business with substantial untapped potential. We believe it is time for that to change.

The cruise industry continues to benefit from powerful secular tailwinds, including limited capacity growth amid surging demand. Against this backdrop, Norwegian should be particularly well positioned. The Company operates globally recognized brands, serves a large and loyal customer base, and owns a fleet of modern, well-maintained ships with first-class amenities. Norwegian also owns Great Stirrup Cay, one of the largest private island destinations in the industry. These attributes can and should deliver durable growth, meaningful margin expansion and top-tier return on invested capital.

Yet Norwegian has failed to translate these advantages into superior performance. Over the past decade, the Company has fallen from a best-in-class cruise operator at the time of its initial public offering to a clear industry laggard, suffering from inconsistent strategy, weak execution, inaccurate guidance and poor cost discipline. Norwegian has lost its former position as a profitability leader and now operates near the bottom of the peer set. Investor confidence has eroded accordingly, as reflected in the Company’s deeply discounted valuation. Norwegian shares are among the worst-performing in the S&P 500 over the last five years.

As Norwegian’s financial position has atrophied, its Board of Directors has failed to fulfill any of its fundamental responsibilities, including its most important obligation – to select the right leadership. In 2015, the Board appointed a CEO whose tenure was defined by wasteful spending, misguided strategy and a share-price decline of more than 50%.<sup>1</sup> The Board then saw fit to appoint this CEO’s protégé, whose poorly executed strategic pivots and repeated guidance misses drove further underperformance of more than 140% relative to Norwegian’s peers.<sup>2</sup> And last week, shareholders abruptly received the troubling news that the same Board that oversaw all of this value destruction had selected one of its own long-tenured members, who lacks any executive experience in the cruise industry, to be the Company’s next chief executive.

The case for change at Norwegian is as compelling as any we have ever seen. We believe the gap between Norwegian’s current performance and what it should be achieving under capable leadership represents one of the clearest value-creation opportunities in the public markets. **With the right**

<sup>1</sup> Bloomberg as of 2/13/2026. Reflects TSR from 1/8/2015 to 6/30/2023.

<sup>2</sup> Bloomberg as of 2/13/2026. Reflects TSR from 6/30/2023 to 2/12/2026. Here and throughout this letter, peers include Royal Caribbean and Carnival.

**strategy and strong execution, we see a clear path for the stock to reach \$56 per share, or 159% higher than current levels.**

Today we are publishing a presentation titled “Norwegian Now,” which details the case for change at Norwegian and outlines the actions required to improve performance, rebuild credibility and unlock significant shareholder value. As one of Norwegian’s largest investors, Elliott is fully committed to driving the changes necessary to unlock the Company’s full potential.

## **A Company Adrift**

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Norwegian’s underperformance reflects more than a decade of strategic misjudgments and poor execution, left unaddressed by a Board that has neglected its oversight responsibilities. The Company has repeatedly pursued initiatives misaligned with industry trends and customer preferences – while competitors have seized opportunities to drive superior growth and profitability.

Critical revenue opportunities were missed or poorly executed. For example, despite Norwegian being the first cruise line to acquire a private island, its leadership inexplicably neglected this transformative opportunity, even as private island destinations became a key driver of customer demand and returns across the industry. Belated attempts to course-correct have been rushed and mismanaged. Norwegian is now redeploying capacity to the Caribbean, but well ahead of the completion of key amenities required to fully monetize its private island. This stumble has created further near-term revenue headwinds and is yet another example of poor strategic execution on the same strategic objectives that have driven results for its peers.

At the same time, a lack of cost discipline became endemic across the organization. Unit costs have risen substantially over the past decade, outpacing peers and consistently exceeding management’s own guidance. Growth in corporate overhead – largely disconnected from the customer experience – has been especially pronounced. Despite repeated promises of cost control initiatives, results have failed to materialize, with announced cost programs simply resulting in business-as-usual inflation rather than meaningful structural improvement.

Throughout this period, the Board has failed to hold management accountable for sustained underperformance. In the past five years, Norwegian’s shares have underperformed those of Royal Caribbean by approximately 400% and Carnival by more than 60%.<sup>3</sup> Yet the Board approved \$111 million in CEO compensation during that period.<sup>4</sup> More troubling, a series of governance lapses – including, among others, real estate deals between the Company’s then-Chairman and management and financial dealings between the Company and the former Chairman shortly after his departure – raise further serious questions about the Board’s independence and judgment.

Clearly, the time is now for Norwegian to embrace the changes necessary to improve financial performance and restore investor confidence.

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<sup>3</sup> Bloomberg as of 2/13/2026.

<sup>4</sup> Company filings.

## **Norwegian Now**

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With the right leadership, strategy and Board oversight, we believe Norwegian's challenges are readily addressable. In the accompanying presentation, we outline a clear path to a materially higher share price that reflects Norwegian's true potential. The plan calls for:

- **Comprehensive Board Change:** Norwegian requires comprehensive Board change, including the addition of new, truly independent directors with relevant industry and operational expertise, empowered to drive change and hold management accountable.
- **Management Review:** The new Board must ensure that Norwegian has the right executive leadership team in place to restore credibility and execute a bold strategic plan.
- **New Business Plan:** Following Board and leadership changes, the Company should develop, communicate and implement a comprehensive new business plan that delivers on available revenue opportunities, restores cost discipline and achieves industry-leading profitability and return on invested capital.

Norwegian has successfully executed a turnaround before. Under former CEO Kevin Sheehan, the Company achieved best-in-class performance on revenue, costs and margins, including more than 20 points of margin outperformance relative to peers.<sup>5</sup> These results were achieved alongside meaningful improvements in the guest experience, including the expansion of freestyle cruising, the launch of highly successful new ships and enhanced onboard entertainment and amenities. We believe the same combination of disciplined execution and customer-focused innovation can drive a comparable turnaround today – but it requires a new Board willing to demand it and with the ability to see it through.

## **Next Steps**

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Norwegian benefits from a rare combination of secular tailwinds, high-quality assets and untapped opportunity. Realizing this potential, however, requires meaningful change. We urge the Board to engage with Elliott to implement the changes necessary to strengthen this important Company. Norwegian's shareholders have waited long enough.

We are prepared to meet promptly to discuss these issues in greater detail and align on a path forward. While our preference is to reach a constructive resolution, we are prepared to take our case directly to shareholders at the Company's upcoming annual meeting. We believe investors would welcome the change, as would all those with a stake in Norwegian's future success.

Sincerely,



John Pike  
Partner



Bobby Xu  
Portfolio Manager

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<sup>5</sup> Company filings.