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According to its annual earnings report, The Carnival Corporation & plc (CCL) has made a minor comeback with income in 2021 compared to 2020. The revenue is divided into two separate factors: the passenger ticket and onboard and other costs.

The company reported the following:

- **\$1,908 million in revenue**

	Years Ended November 30,		
	2021	2020	2019
Revenues			
Passenger ticket	\$ 1,000	\$ 3,684	\$ 14,104
Onboard and other	908	1,910	6,721
	1,908	5,595	20,825

As you can see, the net income is the following:


- **\$9,501 million in net income (loss)**

Net Income (Loss)	<u>\$ (9,501)</u>	<u>\$ (10,236)</u>	<u>\$ 2,990</u>
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The Carnival Corporation lost more money than expected because tourism came back in 2021. It had its customary business in the months of January to March in 2020 before the COVID-19 pandemic that made up a whopping \$5,595 million in revenue. Therefore, tourism making a small comeback in 2021 was not enough to receive more revenue than in 2020.

The company's revenue decreased and the net income increased comparably to the year prior due to operating costs being lowered in 2021 compared to 2020. The revenue and net income are still extremely low compared to pre-pandemic times. The firm's financial stakeholders are expected to be happy about this year's results because the Carnival Corporation is on the right track internally from cutting various operating costs. They did not need to have a higher net income compared to 2020. However, stakeholders would not be fully satisfied due to the company still tanking in revenue and net income from the pandemic.

In 2021, the firm's EPS was \$ (8.46). The firm's stock price was 21.36 USD as of February 14, 2022, at 4:00 PM EST. These can be viewed below.

	Carnival Corporation & plc (CCL) <small>NYSE - Nasdaq Real Time Price. Currency in USD</small>	Earnings Per Share			
	21.36 -0.68 (-3.09%) <small>At close: 04:00PM EST</small>	Basic	\$ (8.46)	\$ (13.20)	\$ 4.34
		Diluted	\$ (8.46)	\$ (13.20)	\$ 4.32

The P/E ratio for the Carnival Corporation is: $21.36 / -8.46 = -2.52$. Though the long-term P/E ratio of the stock market is 16, I would not be fully opposed to investing in the company because the company is not likely to go bankrupt. It is making slow progress toward having a higher stock value due to the rise of cruise ticket sales as lockdowns are retracted. Buying a stock now would open the opportunity for slowly awaiting the stock price to further rise and benefit from the high value in the future.

Arnold Donald sounded optimistic in the Carnival Corporation news release about the 2021 earnings report despite the company's low stock price and revenue. He predicts a positive cash flow in 2022 due to a current increasing return of guest cruise operations, strengthening the financial position of the company to withstand volatility, ramping up occupancy and capacity, getting rid of unnecessary costs and expenses, refinancing the company, and ultimately receiving higher revenue. To make its financial performance easily transparent, Donald included how the company is entering 2022 with \$9.4 billion of liquidity, which is the same as last year but with more cash flow, received a "4% higher revenue per passenger day in the 4th quarter compared to a strong fourth quarter of 2019," had a \$510 million cash burn rate monthly average for 2021 4th quarter, which was better than expected, and "expects a net loss for the first half of 2022 and a profit for the second half of 2022 on a U.S. GAAP and adjusted basis."

Many news outlets that cover Carnival Corporation's annual or last quarter earnings have mixed positive and negative reviews. For example, Tip Ranks discusses CCL's recent quarters being positive due to "positive cash flows and a steady increase in booking volumes," (Dilantha De Silva). However, they also cover how Carnival needs to do better in 2022 due to many of the ships experiencing COVID-19 outbreaks, itineraries potentially being canceled and strict mandates shying away passengers. The majority of news outlets cover those same opinions, remain neutral with CCL stocks and think holding the stock would be the best move. Many say it is better to buy than sell the stock. Arnold Donald's tone sounds more positive and optimistic in the 2022 annual earnings report news release compared to business journalists' tones. Business journalists

emphasize all the positives and negatives for Carnival Corporation from increasing revenue to a long way to go as COVID-19 disrupts travel, but many remain hopeful for the company. The uncertainty with the pandemic, many people being ready to travel, Carnival Corporation's smart move to lower operating costs and its tanked and steadily increasing revenue has resulted in many mixed feelings about the Carnival Corporation, and allowing the company and its ships to stay afloat.

Sources:

“Carnival Corporation & Plc Provides Fourth Quarter 2021 Business Update.” *Yahoo!*, Yahoo!,
<https://www.yahoo.com/now/carnival-corporation-plc-provides-fourth-141500414.html>.

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Silva, Dilantha De. “Carnival Corporation Faces Another Setback.” *TipRanks Financial*,
Tipranks, 19 Jan. 2022, <https://www.tipranks.com/news/article/carnival-corporation-faces-another-setback>.