

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 20, 2022

LINDBLAD EXPEDITIONS HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35898
(Commission File Number)

27-4749725
(IRS Employer
Identification No.)

96 Morton Street, 9th Floor, New York, New York
(Address of principal executive offices)

10014
(Zip Code)

Registrant's telephone number including area code: (212) 261-9000

N/A
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	LIND	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

In connection with the Notes Offering (as defined below), Lindblad Expeditions Holdings, Inc. (the “Company” or “Lindblad”) has disclosed to certain prospective investors certain information attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, nor shall it be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as expressly set forth in such filing.

Item 8.01. Other Events.

On January 20, 2022, Lindblad announced that its wholly-owned subsidiary Lindblad Expeditions, LLC (the “Issuer”) intends to offer senior secured notes, subject to market and customary conditions (the “Notes Offering”). The notes will be senior secured obligations of the Issuer and will be guaranteed by Lindblad and certain of its subsidiaries (other than the Issuer) (collectively, the “Note Guarantors”) and will be secured, subject to permitted liens and certain other exceptions, by first-priority liens on substantially all the assets of the Issuer and the Note Guarantors.

Lindblad intends to use the net proceeds from the proposed offering to prepay in full all outstanding borrowings under its existing term loan, including the Main Street loan, and revolving credit facility, to pay any related premiums and to terminate in full its existing credit agreement and the commitments thereunder.

A copy of the press release announcing the Notes Offering is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Neither this report nor the exhibits hereto shall constitute an offer to purchase or the solicitation of an offer to sell any securities. The Notes Offering is being made exclusively pursuant to the offering memorandum, which sets forth the terms and conditions of the Notes Offering.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Certain information with respect to Lindblad.
99.2	Press Release of Lindblad, dated January 20, 2022, related to the Notes Offering.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LINDBLAD EXPEDITIONS HOLDINGS, INC.
(registrant)

January 20, 2022

By: /s/ Craig I. Felenstein
Craig I. Felenstein, Chief Financial Officer

Certain information with respect to Lindblad:**Capitalization**

Cash and cash equivalents (including restricted cash) as of December 31, 2021 was \$172.6 million.

Total debt as of December 31, 2021 was \$544.7 million (\$558.5 million principal less deferred financing costs of \$13.8 million).

Industry and Market

We believe the specialty and small ship cruising segment of the cruise industry demonstrates the following positive fundamentals:

Strong Growth in Specialty and Small Ship Cruising Segment

The specialty and small ship cruising segment of the cruise industry is characterized by vessel size, unique itineraries, active adventures, gourmet culinary programs, highly personalized service and a more inclusive offering. These exclusive attributes, combined with a growing worldwide target population, provide specialty and small ship cruising operators with significant pricing leverage as compared to the other segments of the cruise industry. As individuals accumulate wealth and free time, they seek unique experiences which has led adventure and expedition travel to some of the highest growth rates in the travel industry.

Prior to the COVID-19 era, we upheld a strong track record of consistent revenue and Adjusted EBITDA growth from yield and capacity expansion, and managed the business at approximately 1.5x net leverage with a conservative balance sheet through sustained growth. We continuously compete to increase our market share of the global adventure tourism market (\$683 billion in 2019 and estimated to reach \$1.8 trillion in 2026; projected CAGR from 2021 to 2026 of 17.78%) by consistently maintaining exceptional guest satisfaction ratings as well as industry leading daily revenue yields and high occupancy levels.

In addition, in the COVID-19 environment, our dynamic business model enabled a significant reduction in cash usage while expeditions were suspended. We believe that the smaller size of our owned and operated vessels, which range from 48 to 148 passengers, allows for a highly controlled environment that includes stringent cleaning protocols and provides us a competitive advantage during these times. We have also added to our fleet two new polar ice-class vessels, which each launched in 2021, that are expected to drive Adjusted EBITDA and free cash flow substantially above 2019 levels.

In 2019, the global cruise industry was estimated to be \$45 billion with 30 million annual passengers. Ship based travel is forecasted to recover quickly from the COVID-19 pandemic with an estimated 40 million annual passengers by 2030. Despite this anticipated growth, we believe the specialty cruise industry still has low penetration levels compared to similar land-based vacations, which we believe highlights the continued growth potential for the specialty cruise market following the COVID-19 pandemic.

Return to Fleet Operations and COVID-19 Business Update

We resumed ship operations in June 2021 and, as of December 31, 2021, nine of our ten operating vessels have provided expeditions to guests. During June 2021, we launched three ships in Alaska and another in the Galápagos Islands, and during the third and fourth quarters of 2021, we resumed operations on the majority of our remaining vessels with additional ships operating in Alaska, Antarctica, the Galápagos Islands, Iceland and the Pacific Northwest. We continue to work with local authorities on plans to operate in additional geographies in 2022. Additionally, we have resumed operations of one of our five chartered vessels, and will continue to monitor local conditions and regulations before re-starting our remaining chartered vessels.

We continue to adhere to the comprehensive plan we implemented in March 2020 to mitigate the impact of COVID-19 and preserve and enhance our liquidity position, and ended 2021 with \$172.6 million of cash and cash equivalents on our balance sheet, including restricted cash.

Bookings Trends

Despite the COVID-19 impact, we continue to see significant new bookings across the fleet and have substantial advanced reservations for future travel. As of January 10, 2022, bookings for the second half of 2022 and for full year 2023 are nearly 30% and 50%, respectively, ahead of our bookings for the comparable look-forward periods as of this date in January 2020, before the COVID-19 pandemic began to impact our bookings and operations.

Business and Growth Strategies

The following are the key components of our business strategy:

Capitalize on Recently Added Capacity to Significantly Increase Adjusted EBITDA and Free Cash Flow

The recent additions of the *National Geographic Endurance* and the *National Geographic Resolution*, both of which began operating with guests in the second half 2021, have increased our annual capacity by 40% primarily in high occupancy and higher yielding geographies. From 2016 through 2019, as our annual capacity increased by 22%, we increased our total number of guests by 28% over the same time period. Given the strong demand for expedition cruising, the attractive demographic trends in our markets, pent-up travel demand and the significant investments we have made in our sales and marketing infrastructure, we believe we are well positioned to continue adding guests at a similar pace relative to capacity. As our guest counts increase, given the relatively low amounts of annual maintenance capital expenditures required for our fleet and the fixed cost nature of our business model, we believe we can significantly increase Adjusted EBITDA and free cash flow as travel conditions normalize and net yields continue to grow.

Disciplined Expansion

We believe affluent travelers view their retirement as “a time to travel and explore new places,” favoring travel experiences such as expedition cruising. This has led to strong growth in the specialty cruise segment and we believe these trends will continue following the COVID-19 pandemic. We are focused on growing our business in a prudent and disciplined manner. When evaluating various strategies for expansion of guest capacity, we consider closely the expected return on invested capital and the range of possibilities, such as a newbuild program, adding selected charters and the acquisitions of existing ships or operators. Since 2017, we have acquired a total of four vessels that have cost approximately \$440 million in total. We recently took delivery of two polar ice-class vessels (the *National Geographic Resolution* in September 2021 and the *National Geographic Endurance* in March 2020, with an average cost of approximately \$160 million per vessel) that we expect would deliver returns on invested capital (“ROIC”) above 20% and drive significant Adjusted EBITDA and free cash flow growth from 2019 levels. We also launched two new coastal vessels: the *National Geographic Quest* in 2017 and the *National Geographic Venture* in 2018, with an average cost of approximately \$60 million per vessel. The new coastal vessels allowed us to increase U.S. capacity by 2.6x while maintaining occupancy rates and expanding net yields.

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Lindblad Expeditions Holdings, Inc. Announces Proposed Private Offering of Senior Secured Notes

NEW YORK, January 20, 2022 – Lindblad Expeditions Holdings, Inc. (Nasdaq: LIND) (“Lindblad” or the “Company”) today announced that its wholly-owned subsidiary, Lindblad Expeditions, LLC (the “Issuer”), intends to offer \$340,000,000 aggregate principal amount of senior secured notes due 2027, subject to market and customary conditions. The notes will be senior secured obligations of the Issuer and will be guaranteed by Lindblad and certain of Lindblad’s subsidiaries (other than the Issuer) (collectively, the “Note Guarantors”) and will be secured, subject to permitted liens and certain other exceptions, by first-priority liens on substantially all the assets of the Issuer and the Note Guarantors.

Lindblad intends to use the net proceeds from the proposed offering to prepay in full all outstanding borrowings under its existing term loan, including the Main Street loan, and revolving credit facility, to pay any related premiums and to terminate in full its existing credit agreement and the commitments thereunder.

The notes and the related guarantees have not been, and will not be, registered under the Securities Act of 1933, as amended (the “Securities Act”), or any applicable state or foreign securities laws, and will be offered only to qualified institutional buyers in reliance on Rule 144A, and to persons outside the United States in compliance with Regulation S under the Securities Act. Unless so registered, the notes and the related guarantees may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release will not constitute an offer to sell or a solicitation of an offer to buy any notes or any other securities. The offering is not being made to any person in any jurisdiction in which the offer, solicitation or sale is unlawful.

About Lindblad Expeditions Holdings, Inc.

Lindblad is an expedition travel company that focuses on ship-based voyages through its Lindblad Expeditions brand and on land-based travel through its subsidiaries, Natural Habitat, Inc., Off the Beaten Path LLC, DuVine Cycling + Adventure Co. and Classic Journeys, LLC.

Lindblad works in partnership with National Geographic to inspire people to explore and care about the planet. The organizations work in tandem to produce innovative marine expedition programs and to promote conservation and sustainable tourism around the world. The partnership’s educationally oriented voyages allow guests to interact with and learn from leading scientists, naturalists and researchers while discovering stunning natural environments, above and below the sea, through state-of-the-art exploration tools.

Forward-Looking Statements

Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including, but not limited to, Lindblad's financing plans, including the Issuer's intention to offer notes and the use of proceeds of the proposed offering. Statements including words such as "believe," "anticipate," "should," "intend," "plan," "will," "expects," "estimates," "projects," "positioned," "strategy," "outlook" and similar expressions are intended to help identify forward-looking statements. You should read the statements that contain these types of words carefully. Forward-looking statements reflect Lindblad's current expectations, are based on judgments, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause Lindblad's actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to, the following risks, uncertainties and other factors: (i) suspended operations, cancelling or rescheduling of voyages and other potential disruptions to Lindblad's business and operations related to the COVID-19 virus; (ii) the impacts of the COVID-19 virus on Lindblad's financial condition, liquidity, results of operations, cash flows, employees, supply chain, plans and growth; (iii) the impacts of the COVID-19 virus on future travel and the cruise and airline industries in general; (iv) unscheduled disruptions in Lindblad's business due to travel restrictions, weather events, mechanical failures, pandemics or other events; (v) changes adversely affecting the business in which we are engaged; (vi) management of Lindblad's growth and Lindblad's ability to execute on Lindblad's planned growth, including Lindblad's ability to successfully integrate acquisitions; (vii) Lindblad's business strategy and plans; (viii) Lindblad's ability to maintain Lindblad's relationship with National Geographic Society; (ix) compliance with new and existing laws and regulations, including environmental regulations and travel advisories and restrictions; (x) compliance with the financial and/or operating covenants in Lindblad's debt arrangements; (xi) adverse publicity regarding the cruise industry in general; (xii) loss of business due to competition; (xiii) the result of future financing efforts; (xiv) delays and costs overruns with respect to the construction and delivery of newly constructed vessels; (xv) Lindblad's ability to consummate this offering; and (xvi) those risks described in the Company's filings with the SEC. In addition, many of these risks and uncertainties are currently heightened by and will continue to be heightened by, or in the future may be heightened by, the COVID-19 pandemic and any COVID-19 variants, including the Omicron variant. It is not possible to predict or identify all such risks. Stockholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect the Company's performance may be found in its filings with the SEC, which are available at <http://www.sec.gov> or at <http://www.expeditions.com> in the Investor Relations section of the Company's website.

SOURCE Lindblad Expeditions Holdings, Inc.

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