



# ONESPAWORLD

AT SEA. ON LAND.

INVESTOR PRESENTATION | NOVEMBER 2019



### Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of the Company may differ from its actual results and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” or the negative or other variations thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, expectations with respect to future performance of the Company, including projected financial information (which is not audited or reviewed by the Company’s auditors), and the future plans, operations and opportunities for the Company and other statements that are not historical facts. These statements are based on the current expectations of the Company’s management and are not predictions of actual performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Factors that may cause such differences include, but are not limited to: the demand for the Company’s services together with the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors or changes in the business environment in which the Company operates; changes in consumer preferences or the market for the Company’s services; changes in applicable laws or regulations; the availability of competition for opportunities for expansion of the Company’s business; difficulties of managing growth profitably; the loss of one or more members of the Company’s management team; and other risks and uncertainties included from time to time in the Company’s reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission, including the Company’s most recent Annual Report on Form 10-K. The Company cautions that the foregoing list of factors is not exclusive. You should not place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this communication.

### Use of Projections

This Investor Presentation contains financial forecasts, including with respect to estimated revenues, net income, Adjusted Net Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Unlevered After-Tax Free Cash Flow, Levered After-Tax Free Cash Flow, and Unlevered After-Tax Free Cash Flow Conversion, for OSW fiscal years 2018 to 2020. OSW’s independent auditors did not audit, review, compile, or perform any procedures with respect to the projections for the purpose of their inclusion in this Investor Presentation, and accordingly, did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Investor Presentation. These projections should not be relied upon as being necessarily indicative of future results.

In this Investor Presentation, certain of the above-mentioned estimated information has been repeated (subject to the qualifications presented herein), for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of OSW or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Investor Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.



#### **Use of Non-GAAP Financial Measures**

This Investor Presentation includes non-GAAP financial measures for OSW which do not conform to SEC Regulation S-X in that it includes financial information (such as EBITDA, Adjusted EBITDA, Adjusted Net Income, Unlevered After-Tax Free Cash Flow, Levered After-Tax Free Cash Flow, and Unlevered After-Tax Free Cash Flow Conversion) not derived in accordance with U.S. GAAP. Accordingly, such information and data is adjusted and presented differently in the preliminary proxy statement/prospectus on Form S-4 initially filed by OSW Holdings on November 13, 2018, as amended from time to time (the "Registration Statement"). OSW believes that the presentation of non-GAAP measures provides information that is useful to investors as it indicates more clearly the ability of OSW to meet capital expenditure and working capital requirements and provides an additional tool for investors to use in evaluating ongoing operating results and trends. You should review OSW's audited and interim financial statements, which are included in the Registration Statement, and not rely on any single financial measure to evaluate their respective businesses. Other companies may calculate EBITDA, Adjusted EBITDA, Adjusted Net Income, Unlevered After-Tax Free Cash Flow, Levered After-Tax Free Cash Flow, Unlevered After-Tax Free Cash Flow Conversion and other non-GAAP measures differently, and therefore OSW's respective EBITDA, Adjusted EBITDA, Adjusted Net Income, Unlevered After-Tax Free Cash Flow, Levered After-Tax Free Cash Flow, Unlevered After-Tax Free Cash Flow Conversion and other non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

#### **Industry and Market Data**

In this Investor Presentation, OSW relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. OSW obtained this information and statistics from third-party sources believed to be reliable, including reports by market research firms. OSW has supplemented this information where necessary with information from discussions with its customers and its own internal estimates, taking into account publicly available information about other industry participants and its management's best view as to information that is not publicly available. OSW has not independently verified the accuracy or completeness of any such third-party information.



## 2019 GUIDANCE

# FY 2019

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Total revenues of \$560-565M

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Adjusted EBITDA of \$58-60M

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Adjusted net income of \$33-34M

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Adjusted diluted EPS of \$0.44-0.47 on 73.4M shares as of September 30, 2019

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# Q4 2019

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Total revenues of \$137-142M

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Adjusted EBITDA \$12-14M

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Adjusted net income \$6-8M

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Adjusted diluted EPS \$0.08-0.11 on 75.0M shares outstanding as of September 30, 2019

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1. In Q3, Hurricane Dorian and unexpected ships out-of-service negatively impacted revenue by \$2.0M and Adjusted EBITDA by \$0.5M.



## FIRST NINE MONTHS OF FISCAL 2019 ACCOMPLISHMENTS

Delivering on core objectives.

Announced ongoing quarterly dividend of \$0.04 per share.

Unlevered after tax free cash flow conversion increased 9% to \$42.6M.

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### SECURING EXISTING CONTRACTS

Extended agreements with Norwegian Cruise Lines (through 2024), P&O Cruises UK (5 years), SAGA Cruises (4 years), and Windstar Cruises (5 years).

### ENHANCING EXISTING RELATIONSHIPS TO SERVICE NEW VESSELS

Commenced service on the Princess Cruises, Sky Princess; Norwegian Cruise Line, Encore.

Anticipate providing services in December on Carnival Cruise Line, Panorama; Costa Cruises, Smeralda.

### BUILDING NEW RELATIONSHIPS

Named Virgin Voyages official partner to operate spa and wellness center on their first-ever cruise offering.

On track to commence operations Q1 2020 as the exclusive health and wellness provider for Oceania Cruises and Regent Seven Seas Cruises.



PREEMINENT  
GLOBAL  
HEALTH &  
WELLNESS  
SERVICES  
COMPANY



UNDISPUTED LEADER IN A HIGHLY ATTRACTIVE INDUSTRY

GLOBAL MEGATRENDS DRIVING ROBUST SECTOR GROWTH

COMPLEX BUSINESS MODEL WHICH CANNOT BE REPLICATED

HIGHLY VISIBLE, UNIQUELY PREDICTABLE GROWTH

EARLY INNINGS OF GENERATIONAL GROWTH IN A SIA

UNPRECEDENTED AFTER-TAX FREE CASH FLOW CONVERSION

FINANCIAL HIGHLIGHTS	162 SHIPS	>80% MARKET SHARE AT SEA <sup>1</sup>	~10x NEXT LARGEST SEA COMPETITOR
	69 RESORTS	\$58M-\$60M 2019E ADJ. EBITDA	~90% UNLEVERED AFTER-TAX FREE CASH FLOW CONVERSION <sup>2</sup>

Note: Ship count and resort count as of September 30, 2019.

1. Outsourced health and wellness market, as of December 31, 2017.

2. Unlevered After-Tax Free Cash Flow Conversion is calculated as Adjusted EBITDA less Capital Expenditures and Provision for Income Taxes, divided by Adjusted EBITDA.

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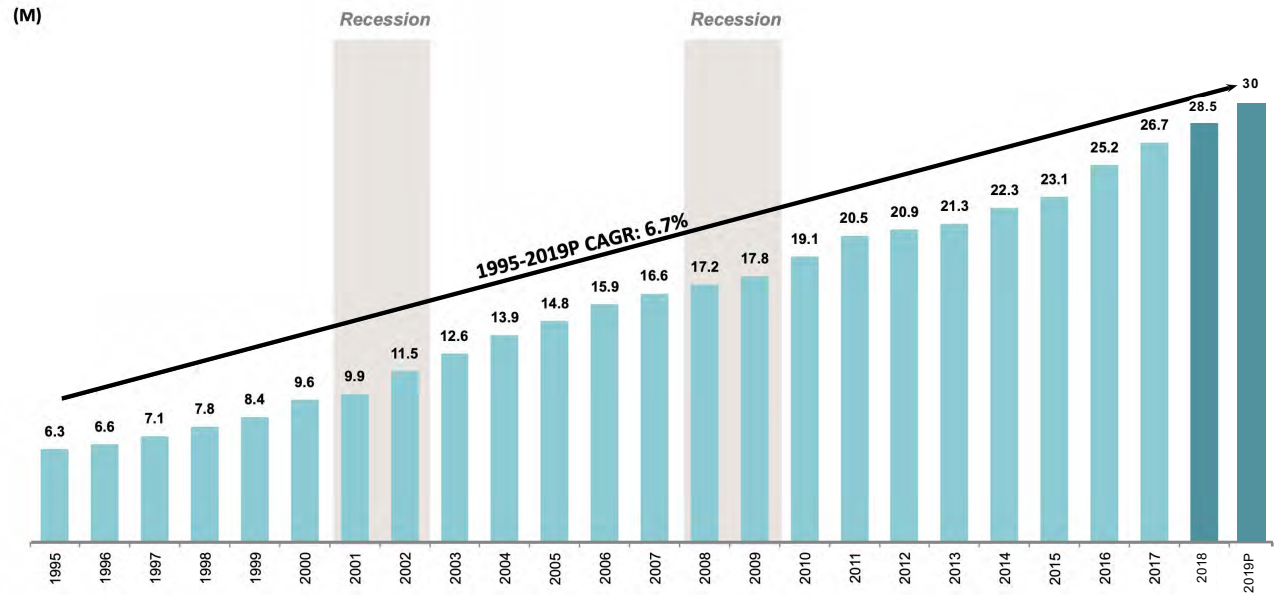
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## MORE THAN 20 CONSECUTIVE YEARS OF GLOBAL PASSENGER GROWTH

The global cruise industry has proven resilient through recessions, with passenger counts growing consistently for more than 20 years.

### GLOBAL CRUISE SHIP PASSENGERS



Sources: CLIA, Cruise Industry News, Management.  
Note: CLIA changed methodology for calculating passenger volume as of 2009, therefore consistent data for non-CLIA member cruise lines is unavailable prior to 2009.  
All passenger figures prior to 2009 are extrapolated by indexing CLIA-reported statistics to 2009 total of 17.8M.

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## GLOBAL MEGA TRENDS

### DRIVE ROBUST CRUISE SECTOR GROWTH

Multiple long-term mega trends underlie a compelling outlook

Growth and expansion of onboard health and wellness centers.

#### MULTIPLE MEGA TRENDS DRIVE POSITIVE OUTLOOK

AGING GLOBAL POPULATIONS



PERSISTENT HEALTH &  
WELLNESS TRENDS



MILLENNIALS AROUND  
THE WORLD SEEKING EXPERIENCES

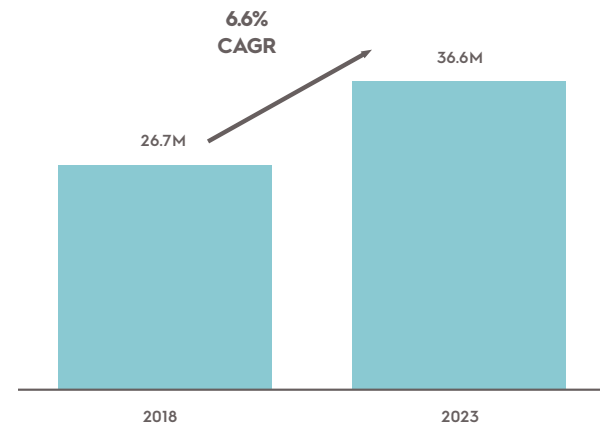


LONG-TERM EXPANSION IN ASIA

Sources: Cruise Industry News. Note: Asia figure excludes Australia.

#### ROBUST GROWTH IN CRUISING ACROSS ALL GEOGRAPHIES

*Global Cruise Capacity Growth: 2018 – 2023*



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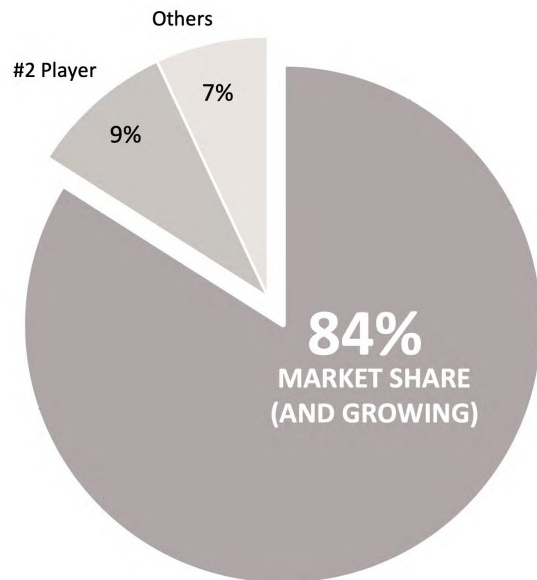
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## ONSPA WORLD IS A "CATEGORY OF ONE"

OneSpaWorld is the undisputed leader in maritime health and wellness services with 84% market share and unmatched global capabilities.



Note: Market Share by Daily Passenger Capacity as of 12/31/2017.  
Based on addressable market of outsourced health and wellness providers.  
Source: Cruise Industry News 2017-2018 Annual Report.

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**Undisputed Global Leader for More Than 50 Years**

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**~ 10 x Next Largest Competitor**

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**Contracts with Almost Every Major Cruise Line that Outsources Its Health & Wellness Centers**

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**Ability to Reach a Captive Mass and Luxury Audience Globally**

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**Global Partner to the World's Most Prestigious Health & Wellness Brands**

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**78% Market Share in Rapidly Growing Asian Cruise Market**

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COMPREHENSIVE SERVICES AND CURATED BRANDS SOLD TO AN ATTRACTIVE CAPTIVE AUDIENCE

UNMATCHED SERVICE AND PRODUCT BREADTH ONBOARD

SPA & BEAUTY SERVICES

MEDI-SPA

FITNESS

HEALTH

NUTRITION

MIND-BODY

SPIRITUAL

Broad Offering of Leading Brands

* ELEMIS	* Good Feet
KÉRASTASE PARIS	L'ORÉAL PROFESSIONNEL PARIS
TECHNOGYM	* ideal image ocean
BOTOX	* coolsculpting
* Dysport®	* GO SMILE™
* thermage	* Restylane

Cruise Passengers are an Attractive Demo

\$114,000

AVERAGE INCOME

49

YEARS OLD

84%

MARRIED

69%

COLLEGE EDUCATED

2.3

CRUISE EVERY 3 YEARS

REVENUE MIX (1)

~75%  
SERVICES

~25%  
RETAIL

~20M ANNUAL CAPTIVE AUDIENCE

~\$235 AVERAGE GUEST SPEND

Sources: CLIA, Cruise Industry News.

Note: Asterisk indicates brand is exclusive to OneSpaWorld at sea. OSW has exclusive distribution rights to Thermage onboard vessels from non-Chinese cruise lines. 1. For fiscal year 2018.

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20+

YEARS AVERAGE  
CRUISE LINE  
RELATIONSHIP  
HISTORY

~95%

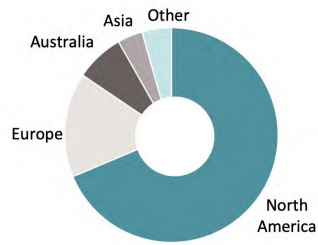
HISTORICAL  
CONTRACT  
RENEWAL  
RATE

5

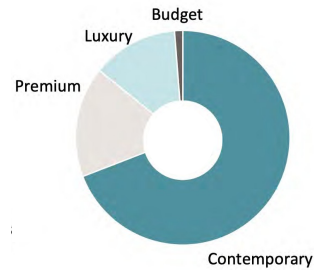
YEAR  
AVERAGE  
CONTRACT  
LIFE

Operates on All Global Routes and All Ship Classes

163 SHIPS



Revenue by Geography' 2018



Ships by Class 2018

Source: Cruise Industry News.

Note: Ship count per Cruise Industry News 2017/2018 Annual Report, adjusted to reflect two total ships from Royal Caribbean and Princess which have changed banners since publication.

1. Revenue at sea only.

Long-Term C-Level Relationships Across OSW's Entire Fleet

Cruise Line Banner	Relationship	Total Ships	OSW Ships
Carnival	27 Years	26	26
Royal Caribbean International	27 Years	26	26
PRINCESS CRUISES <i>come back new</i>	20 Years	18	18
NCL NORWEGIAN CRUISE LINE	21 Years	17	17
Costa	20 Years	15	15
Holland America	20 Years	14	14
P&O CRUISES	16 Years	6	6
SILVERSEA	23 Years	8	8
WINDSTAR CRUISES	19 Years	6	6

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## REVENUE SHARING CONTRACTS OFFER COMPELLING VALUE FOR ONESPAWORLD & CRUISE LINES ALIKE

Revenue sharing aligns incentives. Cruise lines are economic partners, *not* fixed-rent landlords.

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### ONBOARD SALE OF HEALTH AND WELLNESS PRODUCTS AND SERVICES

#### ONESPAWORLD

##### RESPONSIBILITY

Recruit, train and manage the world's largest onboard staff

Offer comprehensive and innovative services

Curate exclusive selection of products

##### BENEFITS

Asset-light

Access to large captive audience

Exclusive provider

#### CRUISE LINES

##### RESPONSIBILITY

Fund multi-million dollar buildout

Dependably fill ships with captive audience

Market OSW's onboard services

##### BENEFITS

Maximized revenue yield

No operating expense

Superior guest experience



GLOBAL  
CRUISE  
OPERATIONS  
ARE HIGHLY  
COMPLEX

GLOBAL PASSENGER CRUISE ROUTES



In 2018,  
OneSpaWorld:

<p>VISITED</p> <p><b>1,270</b></p> <p>GLOBAL PORTS OF CALL</p>	<p>EMBARKED ON</p> <p><b>7,872</b></p> <p>VOYAGES</p>	<p>WELCOMED 20M PASSENGERS AT OVER</p> <p><b>172</b></p> <p>PORTS OF EMBARKATION</p>
<p>MADE</p> <p><b>2,263</b></p> <p>MANAGEMENT VISITS TO SHIPS IN PORT</p>	<p>PLACED</p> <p><b>19,533</b></p> <p>PURCHASE ORDERS TO VENDORS</p>	<p>SENT STAFF ON OVER</p> <p><b>7,086</b></p> <p>FLIGHTS GLOBALLY</p>

Source: MarineTraffic.com

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THE ONLY  
PLATFORM  
WITH THE  
PROCESSES  
AND INFRA-  
STRUCTURE  
NECESSARY TO  
MANAGE THE  
COMPLEXITY

End-to-end  
platform difficult  
to replicate  
at scale.

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BACK-END PLATFORM  
& KNOW-HOW

Global Recruiting, Training  
and Human Logistics

Product Supply Chain

Facility Design Expertise

Global Maritime Law  
Compliance

FRONT-END PLATFORM  
& KNOW-HOW

Yield and Revenue  
Management

Exceptional  
Pre-Through Post-Cruise  
Experience

Exclusive Relationships  
with Global Brands

Trend Identification  
and Innovation of Health  
& Wellness Products  
and Services



## UNIQUELY VISIBLE AND PREDICTABLE GROWTH

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### GR O W T H S T R A T E G Y B U I L T O N T H E F O L L O W I N G K E Y D R I V E R S :

1

#### Capture Highly Visible New Ship Growth with Current Cruise Line Partners

Cruise capacity growth is highly visible and predictable, with published global order books reflecting 5+ years of growth

OSW's -5-year, fleet-wide contracts entitle it to operate on new ships launched during the contract term

85% of 2020 maritime revenues from cruise line banners and resorts in OSW's current contract portfolio

2

#### Expand Market Share By Adding New Potential Cruise Line Partners

Room to continue to grow 84% market share in the outsourced maritime health and wellness market as evidenced by recent new contract wins with Virgin Voyages, Oceania Cruises, and Regent Seven Seas Cruises.

3

#### Continue Launching More Value-Added Services and Products

Expand higher-ticket medi-spa services to all appropriate ships within our fleet

4

#### Focus on Enhancing Health and Wellness Center Productivity

Increase pre-booking and pre-payment capture rate as pre-booked appointments yield ~30% more revenue than services booked onboard

Expand targeted marketing and promotion initiatives

Utilize technology to increase utilization and enhance service mix

Extend retail beyond the ship

5

#### Selectively Expand Footprint at Destination Resorts

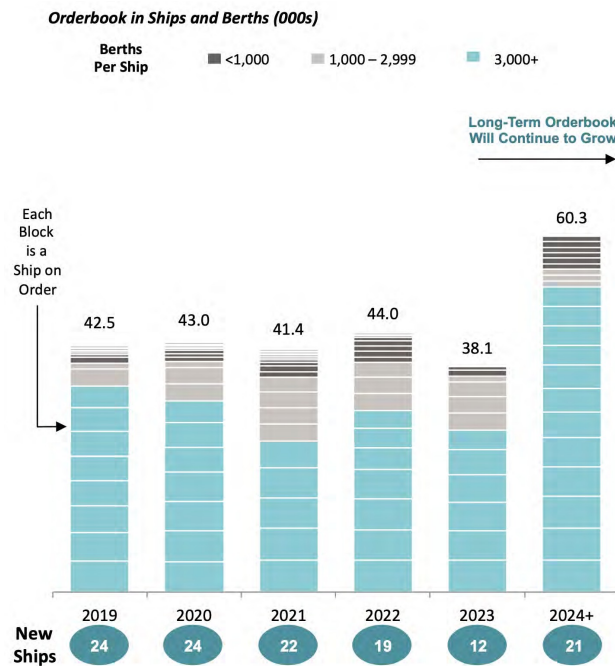
Focus on asset-light land-based business agreements at resort hotels



## PREDICTABLE NEW SHIP ORDERBOOK

OneSpaWorld is the undisputed leader in maritime health and wellness services with 84% market share and unmatched global capabilities.

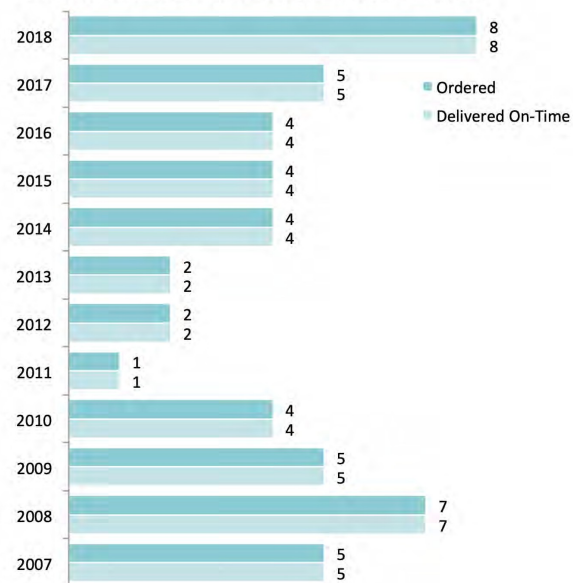
### Public Global Cruise Orderbook Outlines Future New Ships



Source: Cruise Industry News January 2019 Orderbook.

### History of On-Time Cruise Ship Builds

#### 2,500+ Berth Ships Delivered On-Time as of 2-Year Forward Order Book



**ALL RECENT NEW SHIPS HAVE BEEN DELIVERED ON-TIME SINCE 2007 WITH ONE EXCEPTION IN 2019**

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EXCLUSIVE  
ACCESS TO  
A HIGHLY  
ATTRACTIVE  
GLOBAL  
CHANNEL

SERVICE & PRODUCT  
INNOVATION

ACUPUNCTURE 1ST VESSEL

2005



FLEET ROLLOUT

110 VESSELS BY

2010



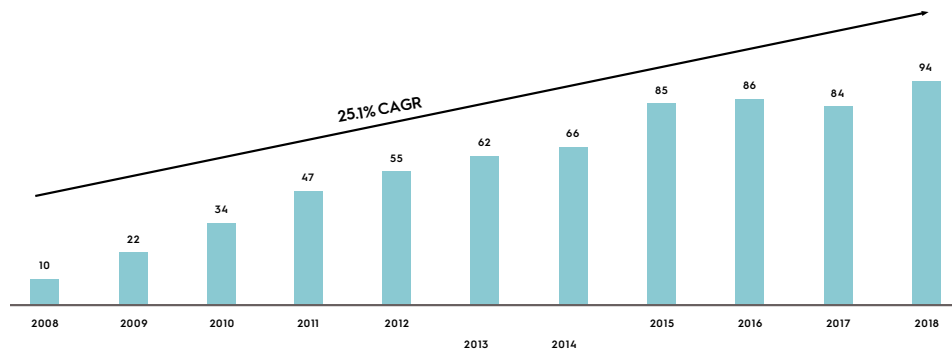
CATEGORY CREATION:  
PAIN MANAGEMENT

ANNUAL REVENUE

~\$50M

- Acupuncture
- Electro Acupuncture
- Cupping
- Posture & Gait Analysis
- Good Feet Arch Supports
- Physical Therapy
- NormaTec Recovery

Introduction of High Value Services Drives Revenue Growth Across Existing Footprint



SERVICE	BRANDS	AVG. SPEND
Cryolipolysis	coolsculpting	~\$2,500
Injectables	BOTOX  Dysport	~\$500
Skin Tightening	thermage	~\$2,800
Fillers	Restylane  Juvederm	~\$1,200
Bamboo Massage		~\$160
Acupuncture		~\$150

Average Spend Up To  
10x-plus Traditional Services

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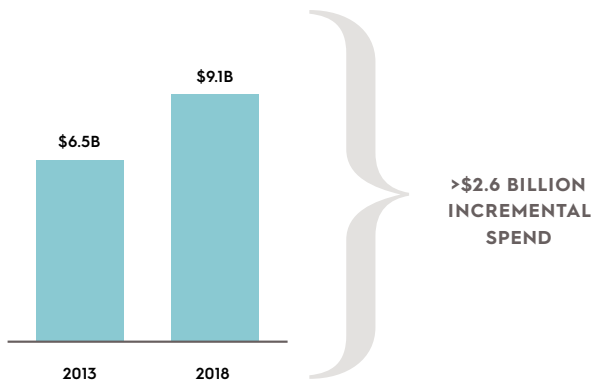
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# CRUISE LINES ARE INCREASINGLY ALIGNED WITH US TO DRIVE ONBOARD REVENUE

Cruise lines focus more and more on onboard spend and increasingly collaborate with OneSpaWorld to grow revenue.

## Onboard Spend 2013-2018<sup>1</sup>



***"...Cruise lines have turned their attention to onboard revenues to drive top line growth... New ships are now being designed with onboard revenue in mind."***

– Wall Street Research, July 2017

Source: SEC Filings, Independent Consultant Studies, Wall Street Research  
 1. Based on three largest cruise operators.

## HISTORICAL COLLABORATION



## NEW AREAS OF COLLABORATION

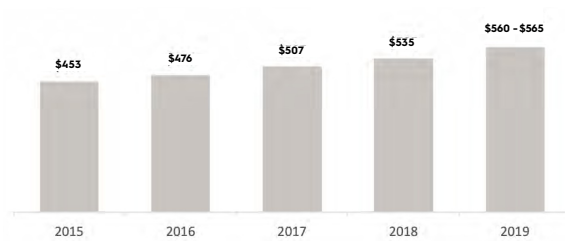




STRONG,  
VISIBLE AND  
CONSISTENT  
REVENUE &  
EBITDA  
GROWTH  
WITH  
EXCEPTIONAL  
FREE CASH  
FLOW  
CONVERSION

### Historical & Projected Revenue

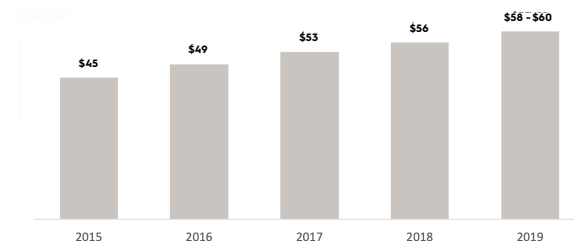
(\$M, FYE Dec.)



Ship Count	2015	2016	2017	2018	2019
Ship Count	152	156	157	163	170

### Historical & Projected PF Adj. EBITDA<sup>1</sup>

(\$M, FYE Dec.)



EBITDA Margin	2015	2016	2017	2018	2019
EBITDA Margin	10.0%	10.3%	10.5%	10.5%	~10% to 11%

### Exceptional Unlevered After-Tax Free Cash Flow<sup>2</sup>

~58M – ~60M

2019E  
ADJ. EBITDA

~90%

FREE CASH FLOW  
CONVERSION<sup>3</sup>

~1%

AVG. CAPEX AS  
% OF REVENUE

~2%

HISTORICAL  
CASH TAX RATE

1. 2015A-17A EBITDA adjusted for public company costs of \$2.9mm (comparable to projection period). For pro forma adjusted EBITDA reconciliation, see appendix.

2. Unlevered After-Tax Free Cash Flow calculated as (Adjusted EBITDA - Avg. of 2015-20 Capex - Cash Taxes).

3. Unlevered After-Tax Free Cash Flow Conversion calculated as (Adjusted EBITDA less Avg. of 2015-20 Capex less Cash Taxes) / Adjusted EBITDA.

4. In Q3, Hurricane Dorian and unexpected ships out-of-service negatively impacted revenue by \$2.0M and Adjusted EBITDA by \$0.5M.

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# SUPERIOR AFTER-TAX FREE CASH FLOW

## Unlevered After-Tax Free Cash Flow Conversion<sup>1</sup>

### MINIMAL NEW H&W CENTER CAPEX

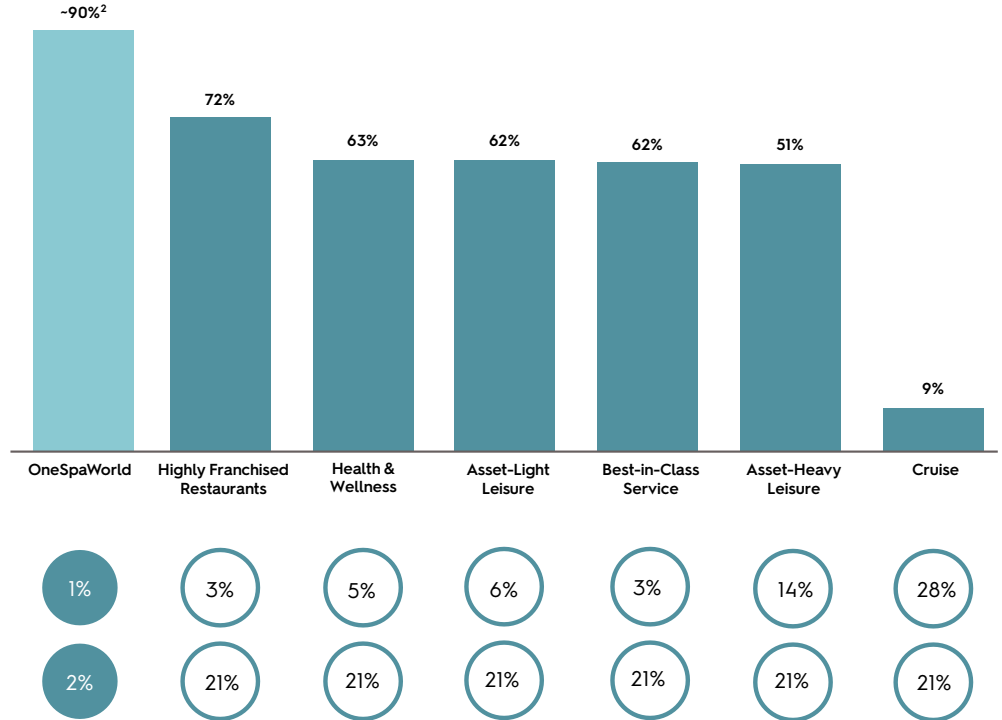
Cruise lines fund nearly all maritime health and wellness center buildout costs

### ASSET-LIGHT MODEL

OneSpaWorld does not own any of its maritime H&W centers - all major maintenance requirements funded by cruise lines

### EFFECTIVE TAX RATE: ~2%

Significant majority of income earned in international waters



Source: SEC filings, Wall Streetresearch.

Note: Highly Franchised Restaurants includes YUM, QSR, DNKN, DPZ and PZZA. Health & Wellness includes WTW, LULU, EYE, NKE and PLNT. Asset-Light Leisure includes MAR, HLT, IHG, H, AC-FR and CHH. Best-in-Class Service includes BFAM, CTAS, RCL, ECL and SITE. Asset-Heavy Leisure includes MTN, SIX, PLYA, MGM, LVS and BEL. Cruise includes CCL, RCL and NCLH.

1. Adjusted Unlevered After-Tax FCF Conversion calculated as (Adjusted EBITDA less Estimated Unlevered Cash Taxes less Capex) / Adjusted EBITDA. Average conversion shown by sector.

2. OneSpaWorld Adjusted Unlevered After-Tax Free Cash Flow Conversion calculated as (2019 Adjusted EBITDA less Avg. of 2015-20 Capex less Cash Taxes) / 2019 Adjusted EBITDA.

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