



# ONESPAWORLD

AT SEA. ON LAND.

INVESTOR PRESENTATION



FEBRUARY 2020



### Forward-Looking Statements

This Investor Presentation 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.



## FISCAL 2019 ACCOMPLISHMENTS

Delivering on  
core objectives.

Announced ongoing  
quarterly dividend of  
\$0.04 per share.

Unlevered after-tax free  
cash flow conversion  
increased 2% to \$54.1M.

# ONSPAWORLD

AT SEA. ON LAND

### SECURING EXISTING CONTRACTS

Extended agreements with Norwegian Cruise Line, P&O Cruises, Saga Cruises, Windstar Cruises and Crystal Cruises.

### ENHANCING EXISTING RELATIONSHIPS TO SERVICE NEW VESSELS

In 2019, we commenced service on the Costa Venezia, Spectrum of the Seas, Sky Princess, Norwegian Encore, Carnival Panorama and Costa Smeralda.

### BUILDING NEW RELATIONSHIPS

Named Celebrity Cruises official partner to operate spa and wellness centers on their entire fleet, increasing the Celebrity vessels we operate on in 2020 by nine.

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

Commenced operations in January 2020 as the exclusive health and wellness provider for Oceania Cruises and Regent Seven Seas Cruises.



PREEMINENT  
GLOBAL HEALTH &  
WELLNESS  
SERVICES  
COMPANY

ONESPAWORLD  
AT SEA. ON LAND

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 GROWTH IN ASIA

UNPRECEDENTED AFTER-TAX FREE CASH FLOW CONVERSION

FINANCIAL HIGHLIGHTS	176	>90%
	SHIPS	MARKET SHARE AT SEA <sup>1</sup>
	\$58M-\$64M	69
	2020E ADJ. EBITDA	RESORTS
	~28x	~90%
	NEXT LARGEST SEA COMPETITOR	UNLEVERED AFTER-TAX FREE CASH FLOW CONVERSION <sup>2</sup>

Note: Ship count and resort count as of January 8, 2020.

1. Outsourced health and wellness market, as of 2020 forecast.

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.

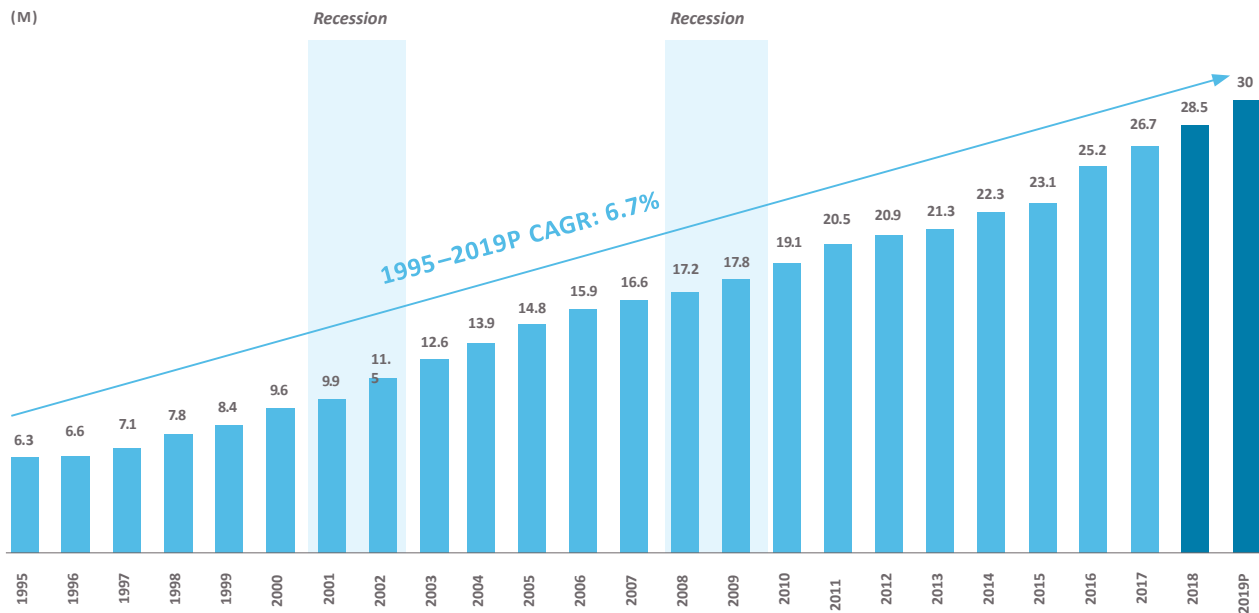


## MORE THAN 20 CONSECUTIVE YEARS OF GLOBAL PASSENGER GROWTH

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

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AT SEA. ON LAND

### 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.



## 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.

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### MULTIPLE MEGA TRENDS DRIVE POSITIVE OUTLOOK

AGING GLOBAL POPULATIONS



PERSISTENT HEALTH & WELLNESS TRENDS



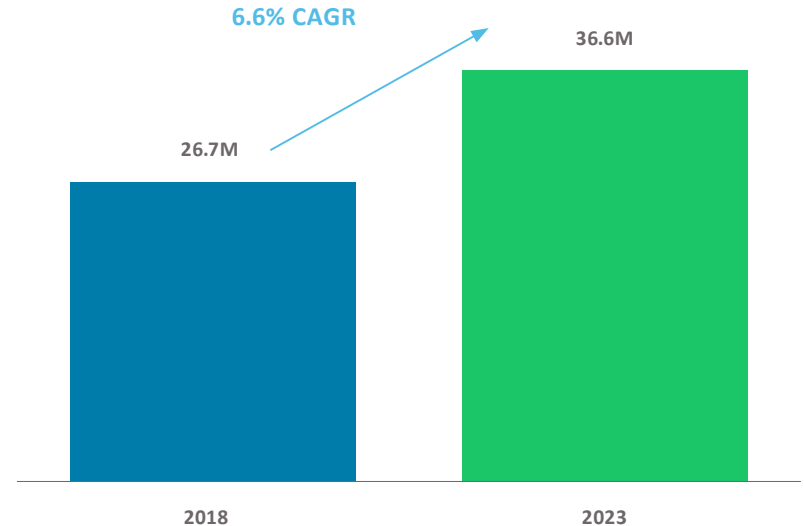
MILLENNIALS AROUND THE WORLD SEEKING EXPERIENCES



LONG-TERM EXPANSION IN ASIA

### Robust Growth in Cruising Across All Geographies

#### *Global Cruise Capacity Growth: 2018 – 2023*



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



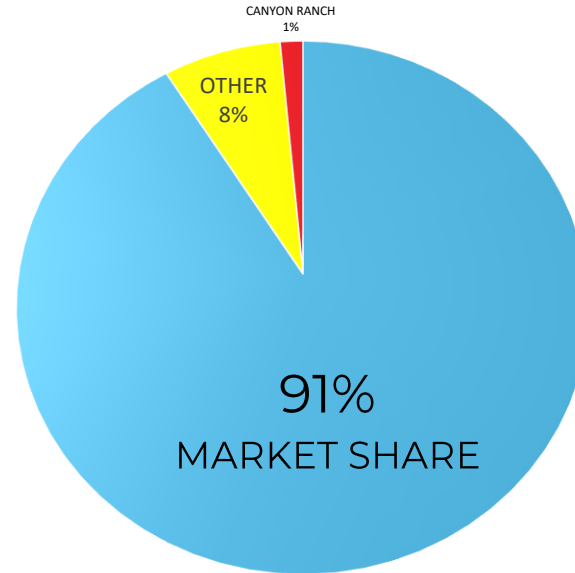
## ONESPAWORLD IS A “CATEGORY OF ONE”

OneSpaWorld is the undisputed leader in maritime health and wellness services with 91% market share and unmatched global capabilities.

# ONESPAWORLD

AT SEA. ON LAND

### Outsourced Cruise Spa Market



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

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**~28 x Greater than 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 of Growing Asian Cruise Market**

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Note: Market Share by Daily Passenger Capacity as of 01/08/20.  
Based on addressable market of outsourced health and wellness providers. Source:  
Cruise Industry News 2017-2018 Annual Report.  
Assumes Celebrity Full Year





COMPREHENSIVE  
SERVICES  
AND CURATED  
BRANDS SOLD  
TO AN  
ATTRACTIVE  
CAPTIVE  
AUDIENCE

ONESPAWORLD  
AT SEA. ON LAND

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
	BOTOX		coolsculpting®
*	Dysport®	*	GO SMILE™
*	thermage®	*	Restylane

Cruise Passengers are an Attractive  
Demographic

\$114,000

AVERAGE INCOME

49

YEARS OLD

84%

MARRIED

69%

COLLEGE  
EDUCATED

2.3

CRUISES EVERY 3  
YEARS

REVENUE  
MIX <sup>(1)</sup>

~77%

SERVICES

~23%

RETAIL

~20M ANNUAL CAPTIVE AUDIENCE

~\$238 AVERAGE GUEST SPEND

Sources: CLIA, Cruise IndustryNews.

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 2019.

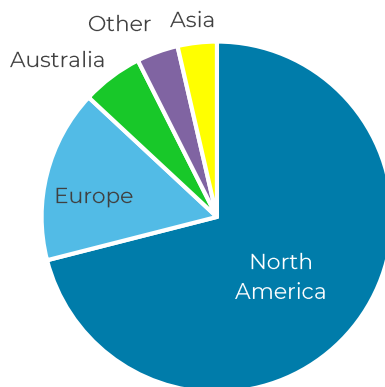


# LONG-TERM AGREEMENTS WITH THE LARGEST AND MOST REPUTABLE CRUISE LINES

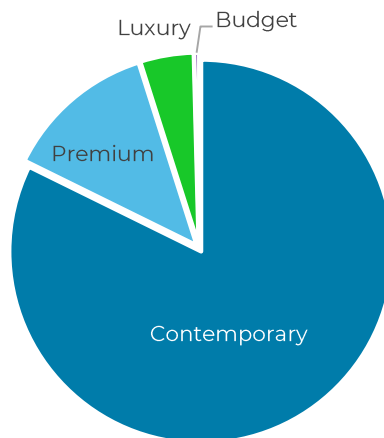
ONESPAWORLD

AT SEA. ON LAND

## Operates on All Global Routes and All Ship Classes



Revenue by Geography<sup>1</sup> 2019



Ships by Class 2019

Source: Cruise IndustryNews.

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	27	27
Royal Caribbean INTERNATIONAL	27 Years	26	26
PRINCESS CRUISES come back new	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

20+

YEARS AVERAGE  
CRUISE LINE  
RELATIONSHIP  
HISTORY

~95%

HISTORICAL  
CONTRACT  
RENEWAL  
RATE

5

YEAR  
AVERAGE  
CONTRACT  
LIFE



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

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

# ONSPA WORLD

AT SEA. ON LAND

### Onboard Sale of Health and Wellness Products and Services

#### ONSPA WORLD

##### RESPONSIBILITY

Recruit, train and manage worldwide  
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

ONESPAWORLD  
AT SEA. ON LAND

Global Passenger Routes



In 2019, OneSpaWorld



Source: MarineTraffic.com.



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

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

**ONESPACORLD**

AT SEA. ON LAND

**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

# ONESPAWORLD

AT SEA. ON LAND

### Growth Strategy Built on the Following Key Drivers:

# 1

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

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

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

# 2

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

Room to continue to grow 91% market share in the outsourced maritime health and wellness market as evidenced by recent new contract wins with Virgin Voyages, Oceania Cruises, Regent Seven Seas Cruises, Crystal Cruises and Celebrity Cruises

# 3

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

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

Enhance Pain Management to include Full Recovery Technology

Curated indigenous services specific to global geographies and precise demographics

Continued R&D to always promote retail offerings specific to our environment

# 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



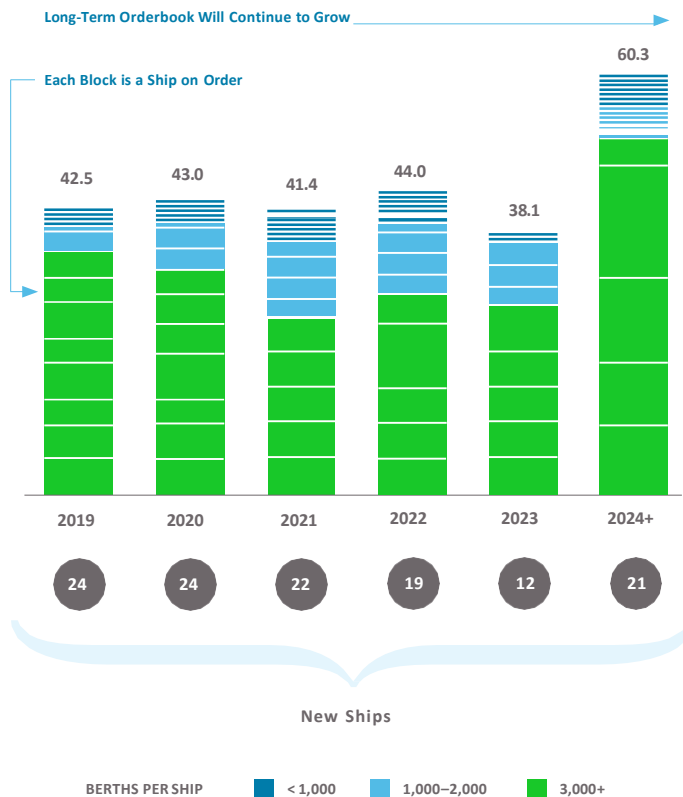
## PREDICTABLE NEW SHIP ORDERBOOK

OneSpaWorld is the undisputed leader in maritime health and wellness services with 91% market share and unmatched global capabilities.

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AT SEA. ON LAND

## Public Global Cruise Orderbook Outlines Future New Ships

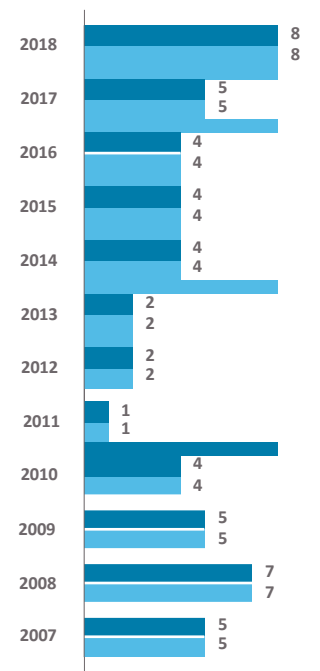
Orderbook in Ships and Berths ( 000s)



Source: Cruise Industry News January 2019 Orderbook.

## History of On-Time Cruise Ship Builds

Ships Delivered On-Time as of 2-Year Forward Orderbook



ALL RECENT NEW SHIPS HAVE BEEN DELIVERED ON-TIME SINCE 2007 WITH ONE EXCEPTION IN 2019 AND ANOTHER FORECASTED IN 2020



EXCLUSIVE  
A HIGHLY  
ATTRACTIVE  
GLOBAL  
CHANNEL

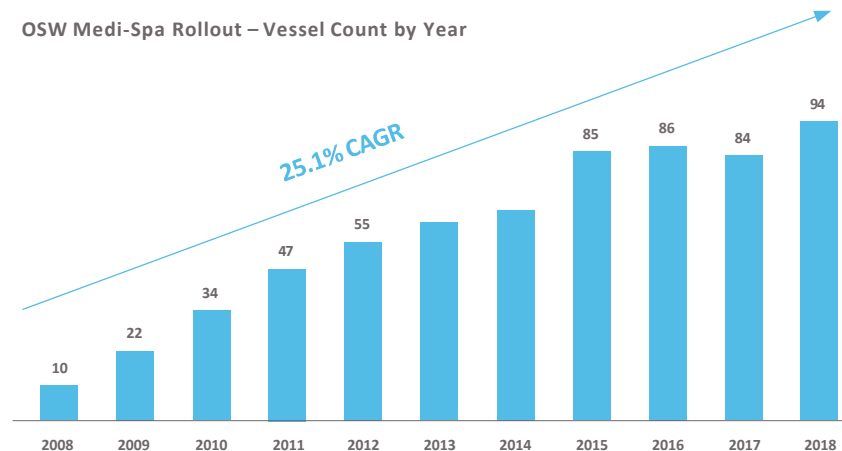
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## Introduction of High Value Services Drives Revenue Growth Across Existing Footprint



### OSW Medi-Spa Rollout – Vessel Count by Year



### Average Spend Up To 10x-plus Traditional Services

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





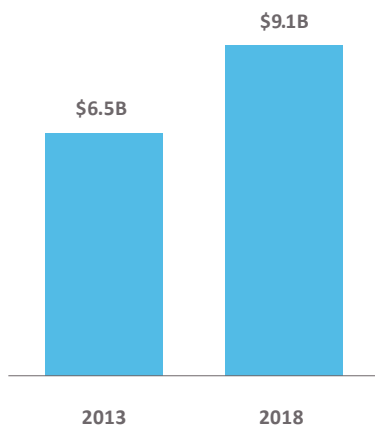
## CRUISE LINES ARE INCREASINGLY ALIGNED WITH US TO DRIVE ONBOARD REVENUE

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

# ONESPACORLD

AT SEA. ON LAND

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



>\$2.6 Billion Incremental Spend

*"...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

#### ISOLATED SHORE-SIDE ENGAGEMENT

H&W Center Branding & Design

Signage and Limited Marketing

### New Areas of Collaboration

#### UNIFIED SHORE-SIDE AND ONBOARD COLLABORATION

Weekly Budgeting and KPI Review

Targeted Marketing / Passenger Databases

Enhanced Website Visibility & Design

Dynamic Pricing and Price Increases

Operational Sail Support (Onboard Training)



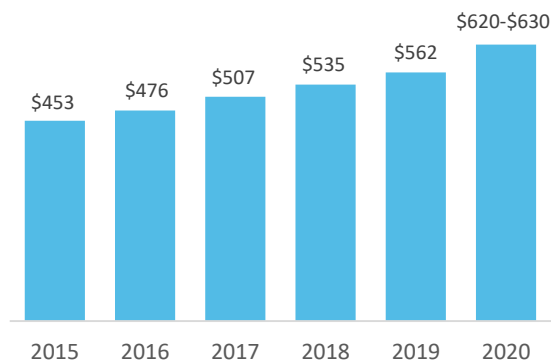
**STRONG,  
VISIBLE AND  
CONSISTENT  
REVENUE &  
EBITDA  
GROWTH  
WITH  
EXCEPTIONAL  
FREE CASH  
FLOW  
CONVERSION**

**ONSPAWorld**

AT SEA. ON LAND

## Historical & Projected Revenue

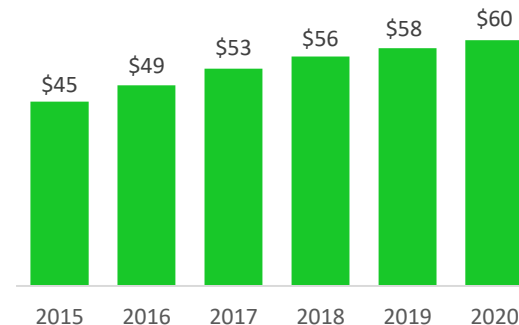
(\$M, FYE Dec.)



Ship Count	152	156	157	163	170	191
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## Historical & Projected PF Adj. EBITDA<sup>1</sup>

(\$M, FYE Dec.)



EBITDA Margin	10.1%	10.3%	10.5%	10.5%	10.4%	~9- 10%
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## Exceptional Unlevered After-Tax Free Cash Flow<sup>2</sup>

(\$M, FYE Dec.)

**~58M- ~64M**

2020 E  
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. For the First Quarter of fiscal 2020, the known impact related to the coronavirus includes 141 cancelled or modified itineraries, lower resort revenue associated with our land-based destination resort spas across Asia and associated expenses. Combined these measures have an estimated impact on Q1 revenue of approximately \$5.0 million and adjusted EBITDA of approximately \$2.0 million.



# SUPERIOR AFTER-TAX FREE CASH FLOW

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

### MINIMAL NEW H&W CENTER CAPEX

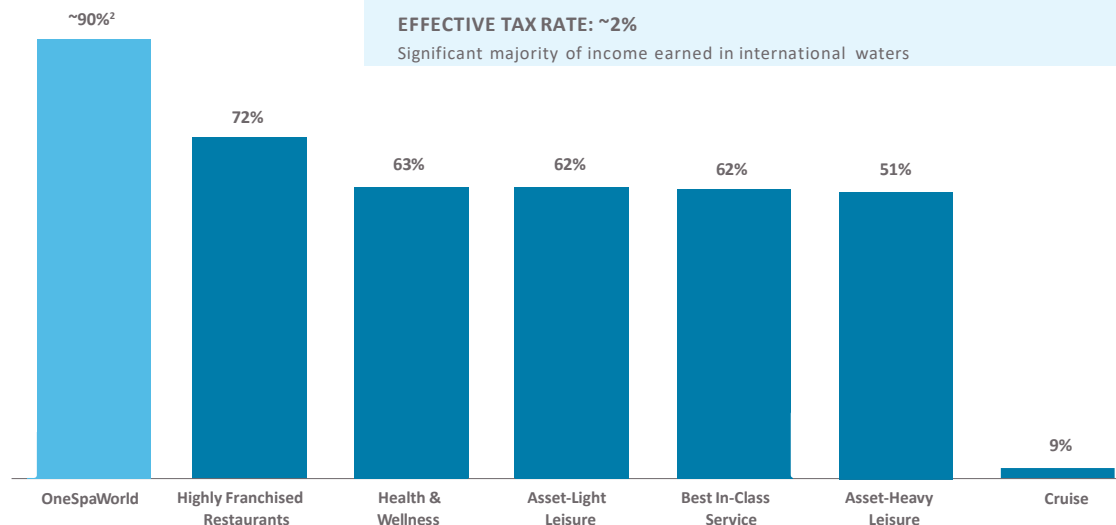
Cruise lines fund nearly all maritime health and wellness center buildout costs

### ASSET-LIGHT MODEL

OneSpaWorld does not own any of its maritime health and wellness centers – all major maintenance requirements funded by cruise lines

### EFFECTIVE TAX RATE: ~2%

Significant majority of income earned in international waters



CAPEX AS  
% OF  
REVENUE

1%

3%

5%

6%

3%

14%

28%

EFFECTIVE  
TAX RATE

2%

21%

21%

21%

21%

21%

2%

Source: SEC filings, Wall Street research.

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, ROL, 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) / Actual 2019 Adjusted EBITDA.



## 2020 GUIDANCE

# Q1 2020

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**Total Revenues of \$142 - \$147M**

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**Adjusted EBITDA of \$11-\$13M**

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# FY 2020

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**Total Revenues of \$620 - \$630M**

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**Adjusted EBITDA \$58- \$64 M**

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PREEMINENT  
GLOBAL HEALTH &  
WELLNESS  
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UNDISPUTED LEADER IN A HIGHLY ATTRACTIVE INDUSTRY

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COMPLEX BUSINESS MODEL WHICH CANNOT BE REPLICATED

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HIGHLY VISIBLE, UNIQUELY PREDICTABLE GROWTH

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EARLY INNINGS OF GROWTH IN ASIA

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UNPRECEDENTED AFTER - TAX FREE CASH FLOW CONVERSION

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