



WINCREST CAPITAL

CLARITY

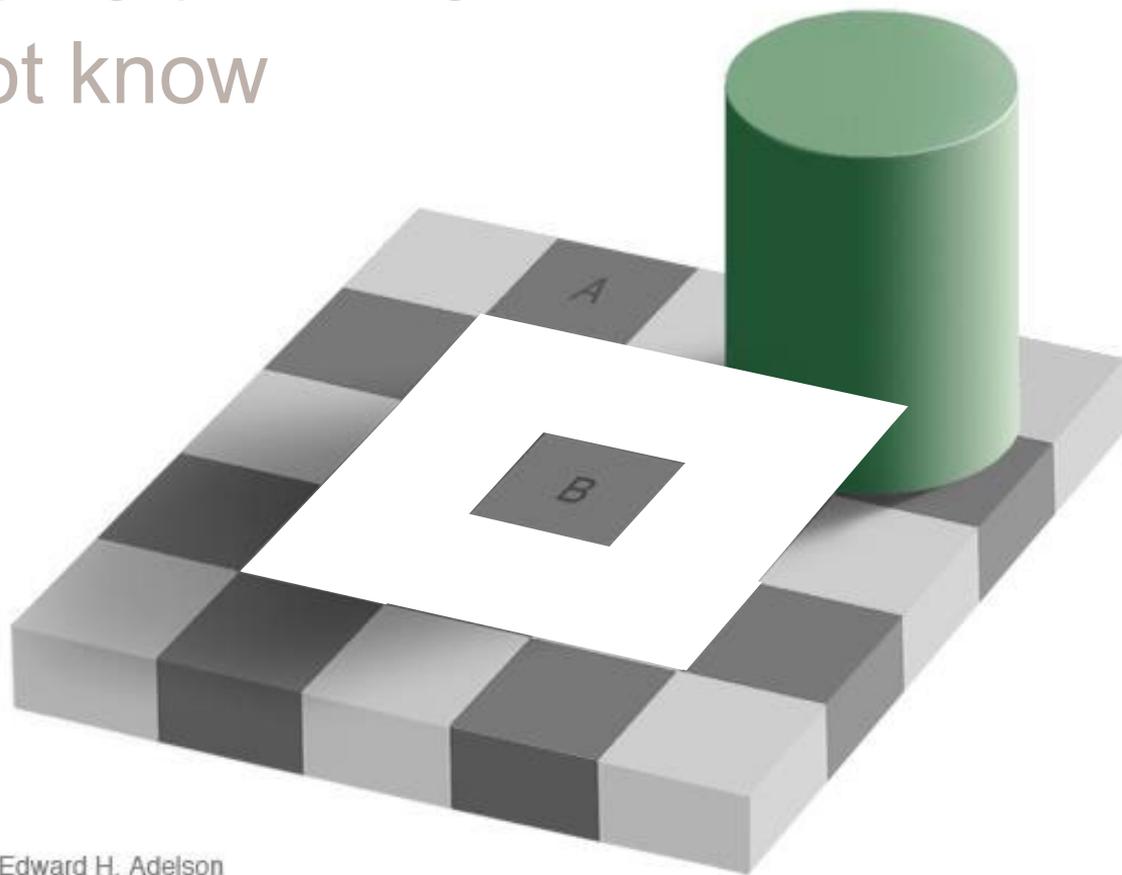
for navigating the uncertain future

Sir John Templeton



1996

Challenge what we think we know and do not know



Edward H. Adelson

EVERYTHING BUBBLE



ANTI-BUBBLES

Defined by light trading,
with prices stagnating at low levels despite
solid growth in the economy or company

WINCREST FOCUS

	P/E	PEG	EV/ EBITDA	ROE	DIV YIELD	NET DEBT/ EBITDA	CAGR 3 YR	FOUNDER OWNERSHIP
A	26.6	0.8	9.8	13.4	0.0	2.8	18%	16.3%
B	15.0	0.6	6.2	10.1	0.8	1.3	25%	2.6%
C	12.7	1.0	10.1	24.0	2.8	1.1	17%	60.5%
D	36.5	2.5	23.5	N/A	0.0	4.0	16%	7.2%

CORPORATE NEWS

LATEST NEWS / Middle-East Palestinians consider recalling envoy over Brazil's Jerusalem trade mission

Home / Fitness Time plans to develop 100 ladies-only fitness centers in KSA

Fitness Time plans to develop 100 ladies-only fitness centers in KSA



Health & Fitness

For Saudi women who can't get enough of fitness, more gyms are on the way



MACRO VOLATILITY CREATES MICRO OPPORTUNITY

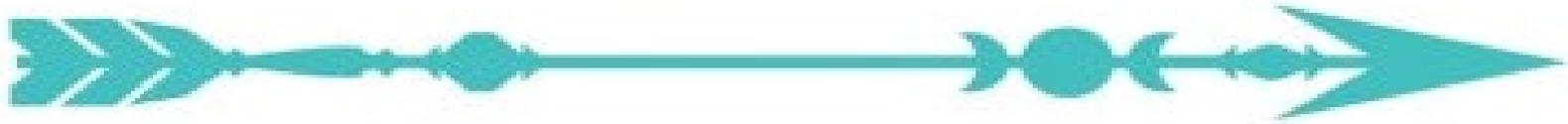
New Oriental Education – Share Price (\$)



DEBT, DISRUPTION, & DENIAL

INNOVATION

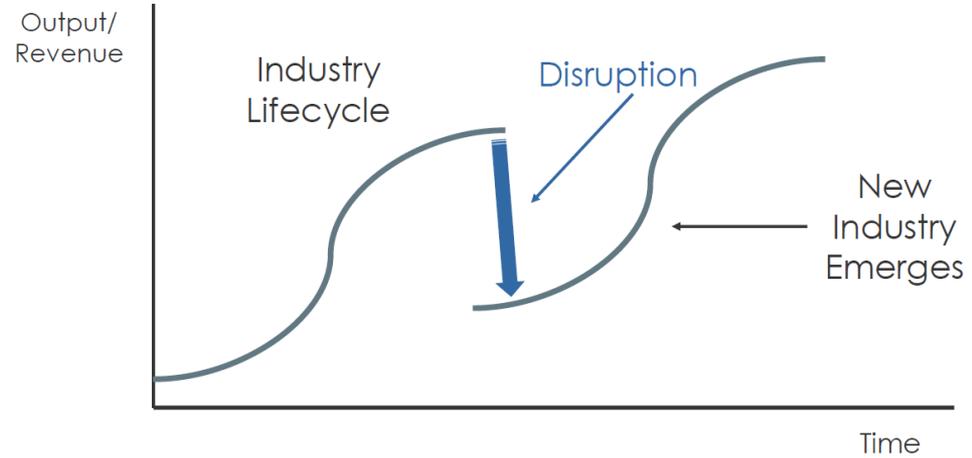
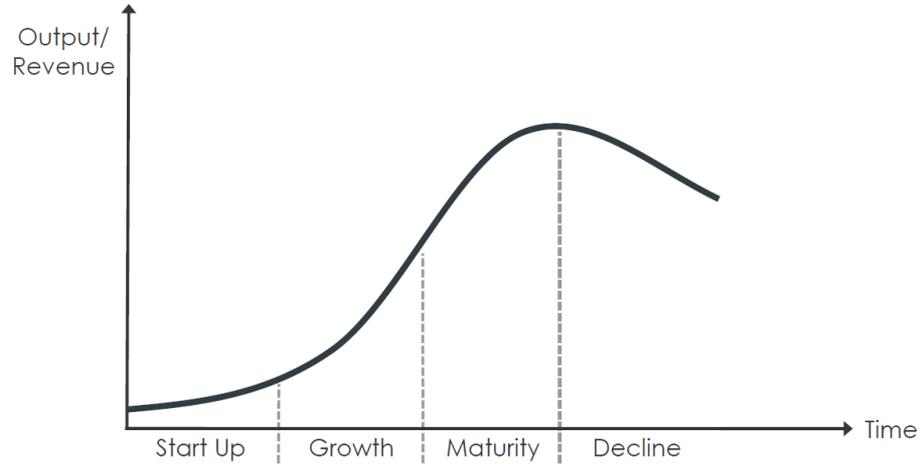
DISRUPTION



DOING THE SAME
THINGS BETTER

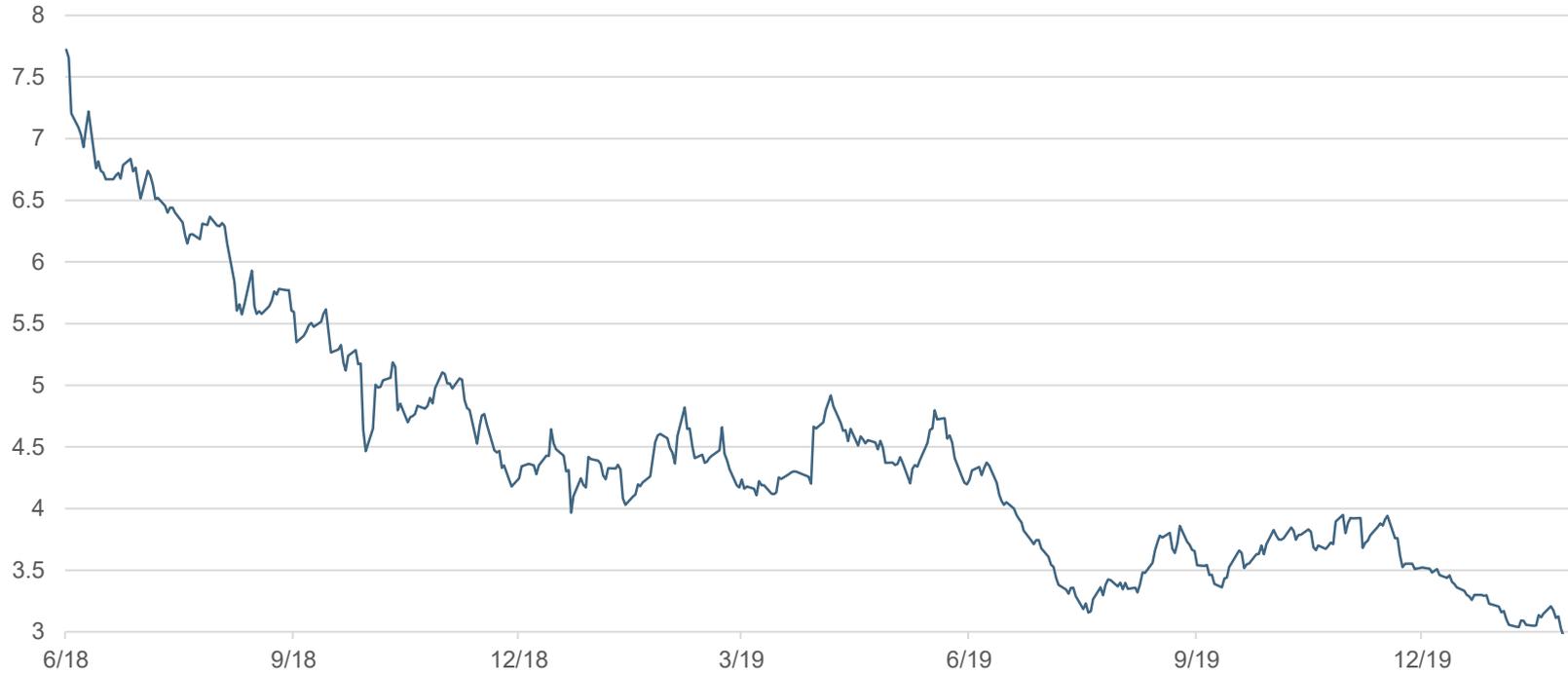
MAKING OLD
THINGS OBSOLETE

SHORTER LIFECYCLES

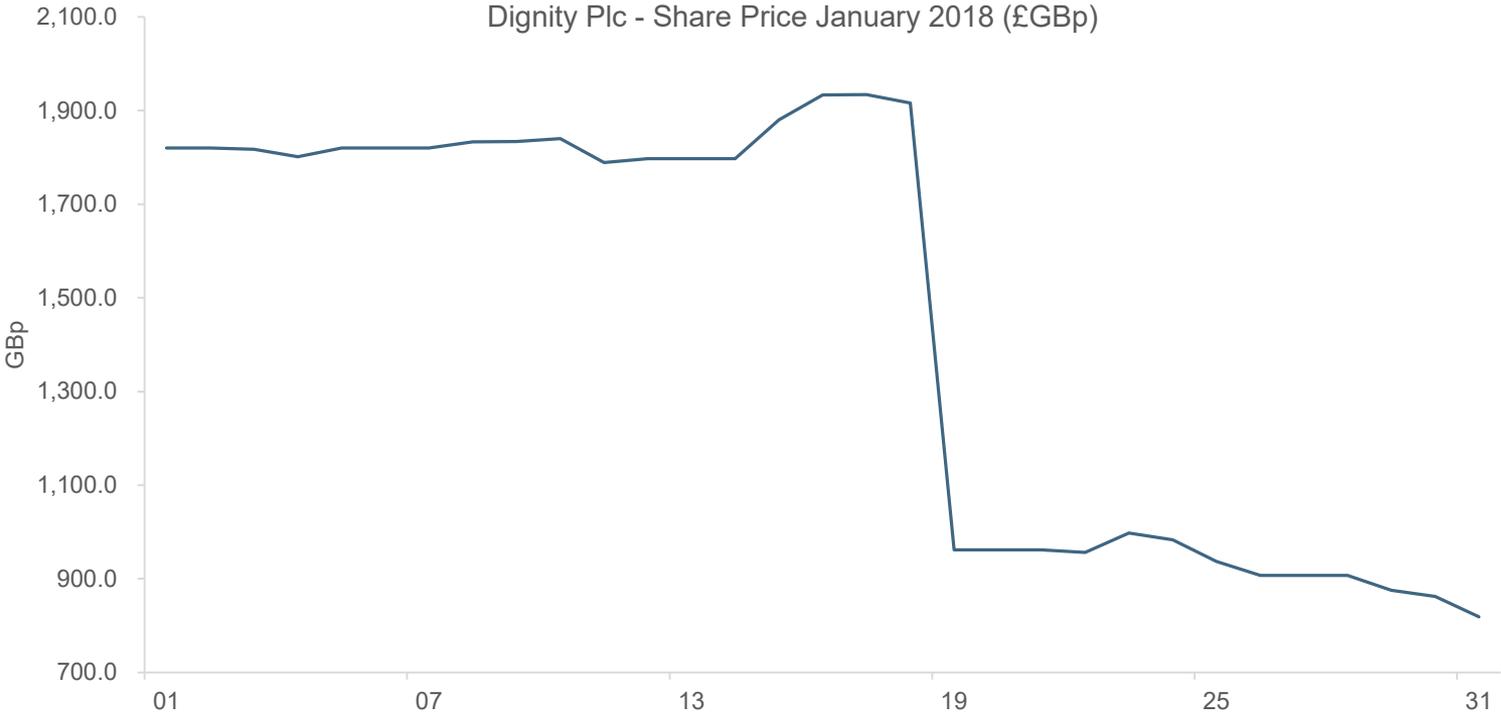


DEBT & DENIAL

AtresMedia – Share Price (€)



DEBT & PRICE DISCOVERY



DEBT & DISRUPTION



What you see is *not* what you get



BLAME IT ON THE RAIN, BLAME IT ON THE PLANE

Tui Travel – Share Price (€EURp)



MACRO VOLATILITY CREATING MICRO OPPORTUNITY?





- Dominant Market Share: As big as the second and third largest operators combined
 - 13 million passengers a year
 - CCL's 104 ships can carry 250,000 guests on any given day
 - Guests paid \$14 billion in tickets and spent another \$6.3 billion onboard in 2019



TOO SOON TO BOARD?

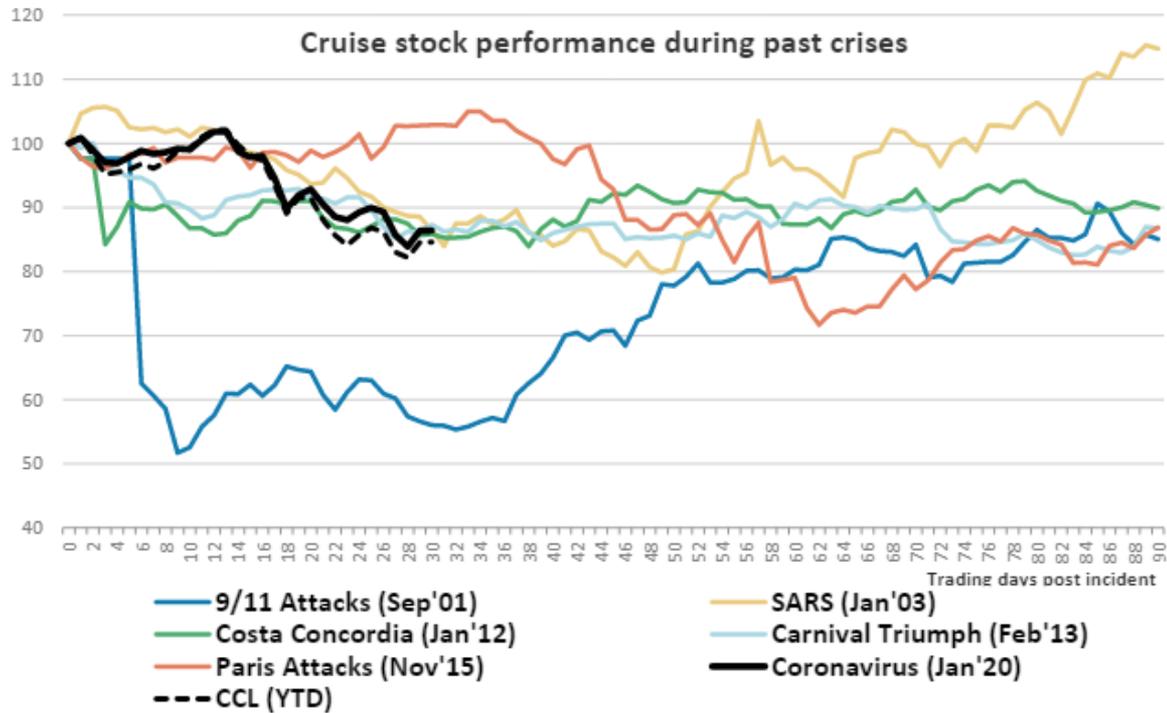
	P/E	EV/ EBITDA	ROE	NET PROFIT MARGIN	DIV YIELD	NET DEBT/ EBITDA	SALES GROWTH	INSIDER OWNERSHIP
CARNIVAL	7.5	6.1	13.4	14.6%	6.0	2.9	10.3%	16.3%
ROYAL CARIBBEAN	8.9	8.5	24.0	17.9%	3.8	3.3	15.3%	13.2%
NORWEGIAN	8.2	7.8	N/A	14.8%	0.0	3.5	6.7%	1.16%

Year to Date Down 38%

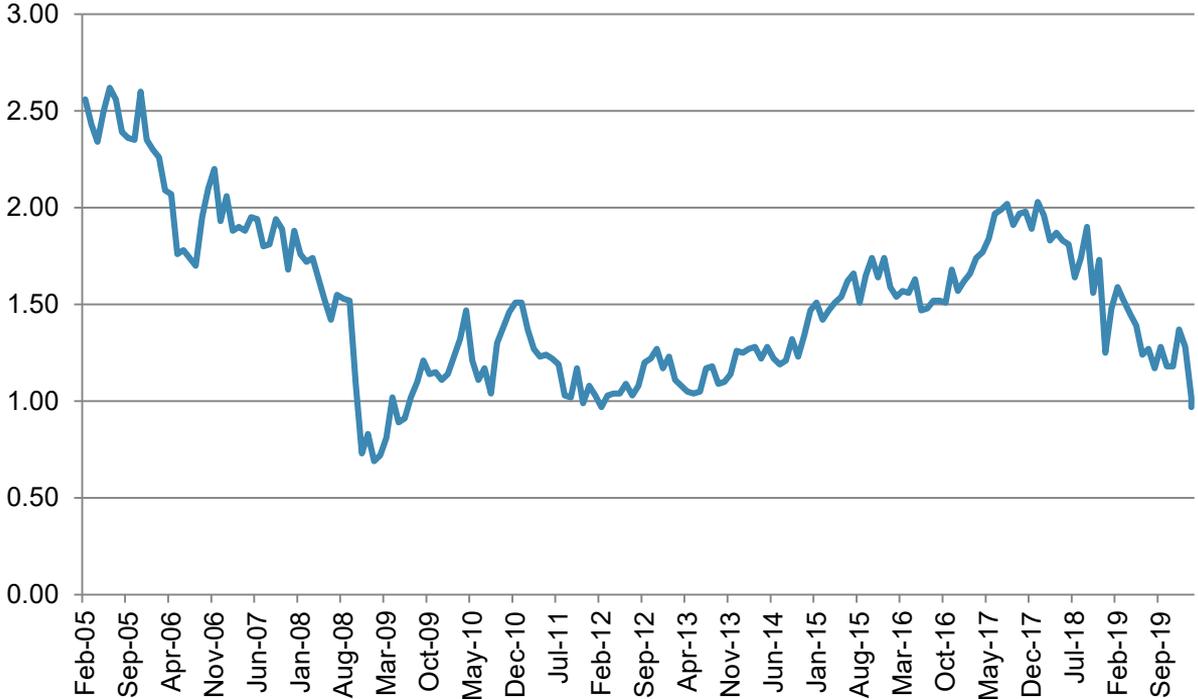
Carnival - Share Price (\$)



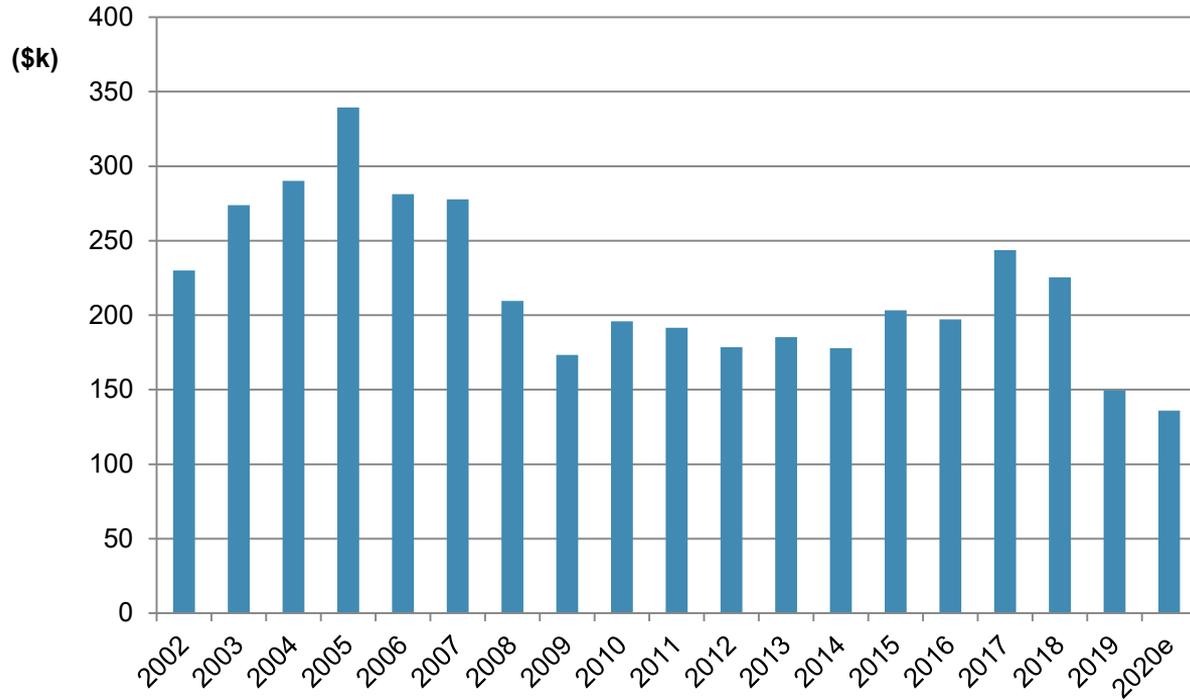
Price Performance in Past Crisis



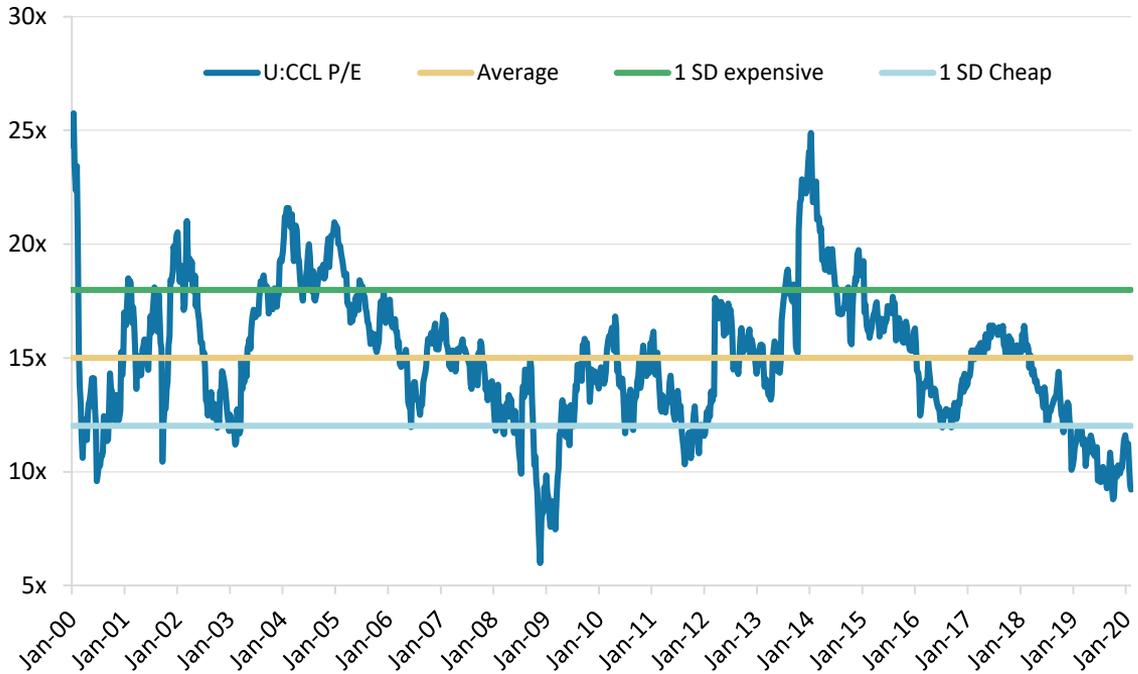
Price to Book Value



Record Low EV/Berth

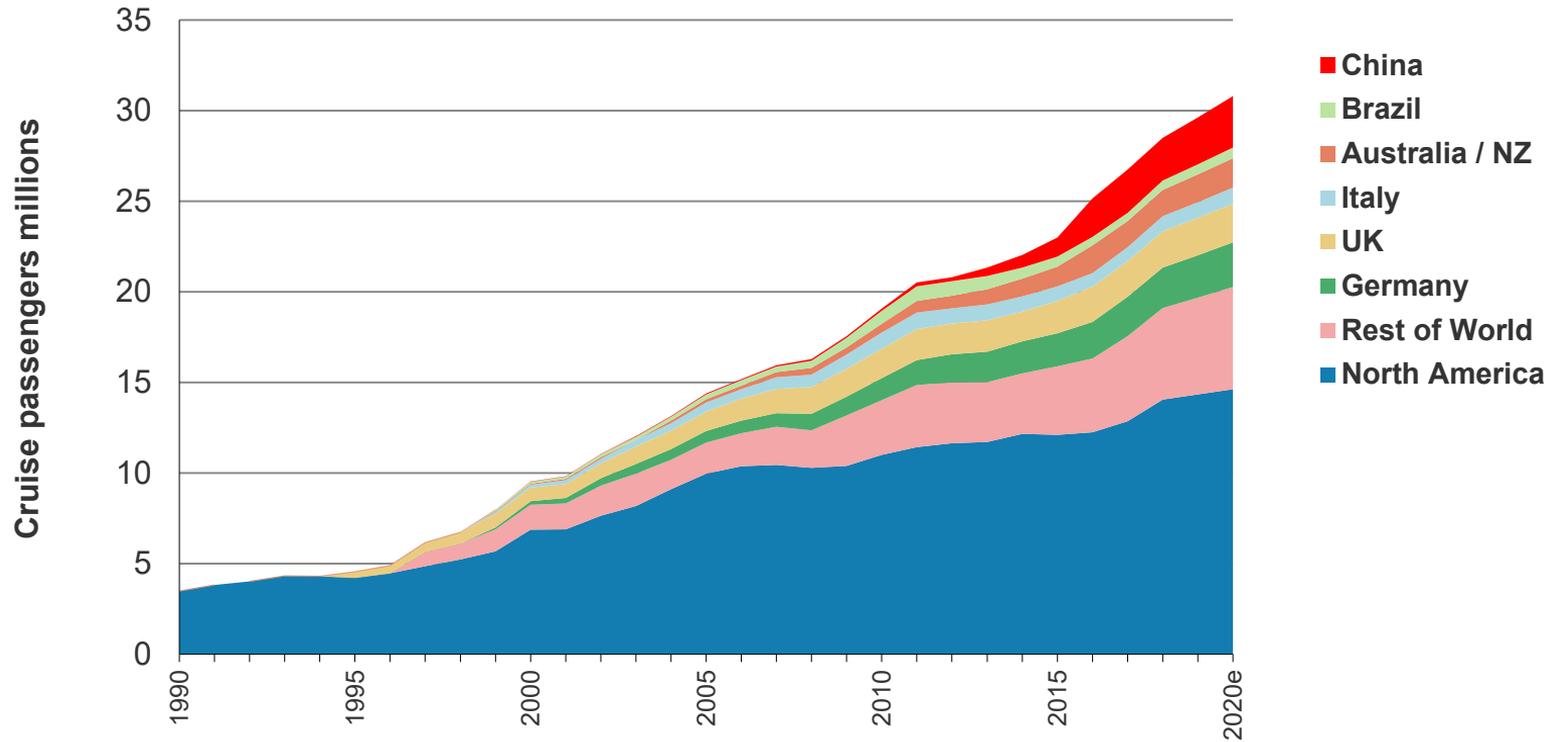


P/E



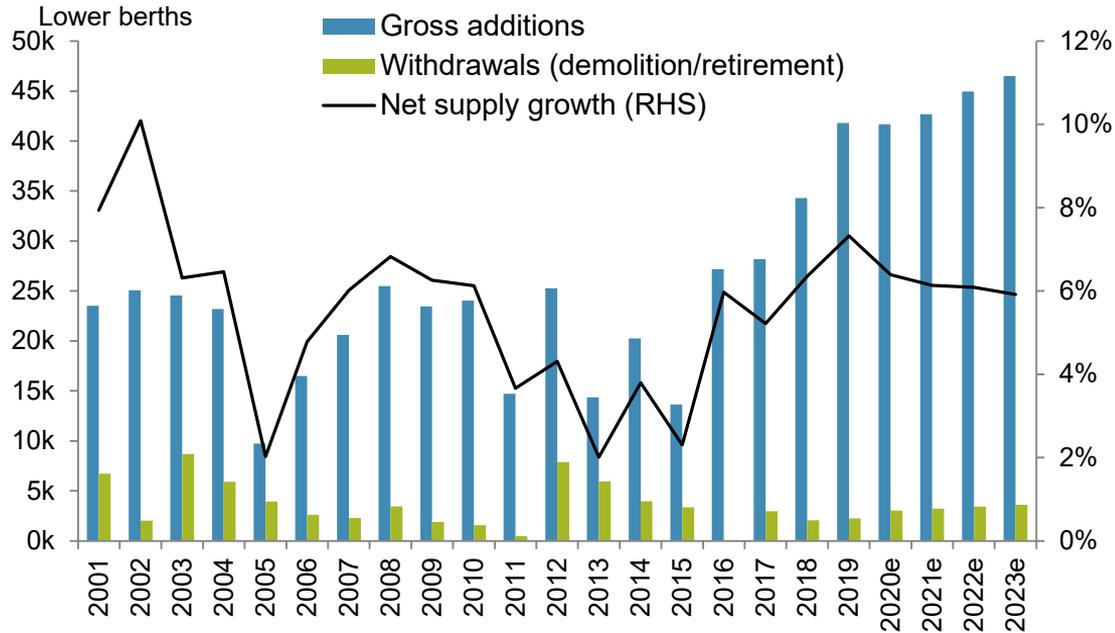
Demand: 6% CAGR 2006 – 2019

3% of U.S population cruises annually



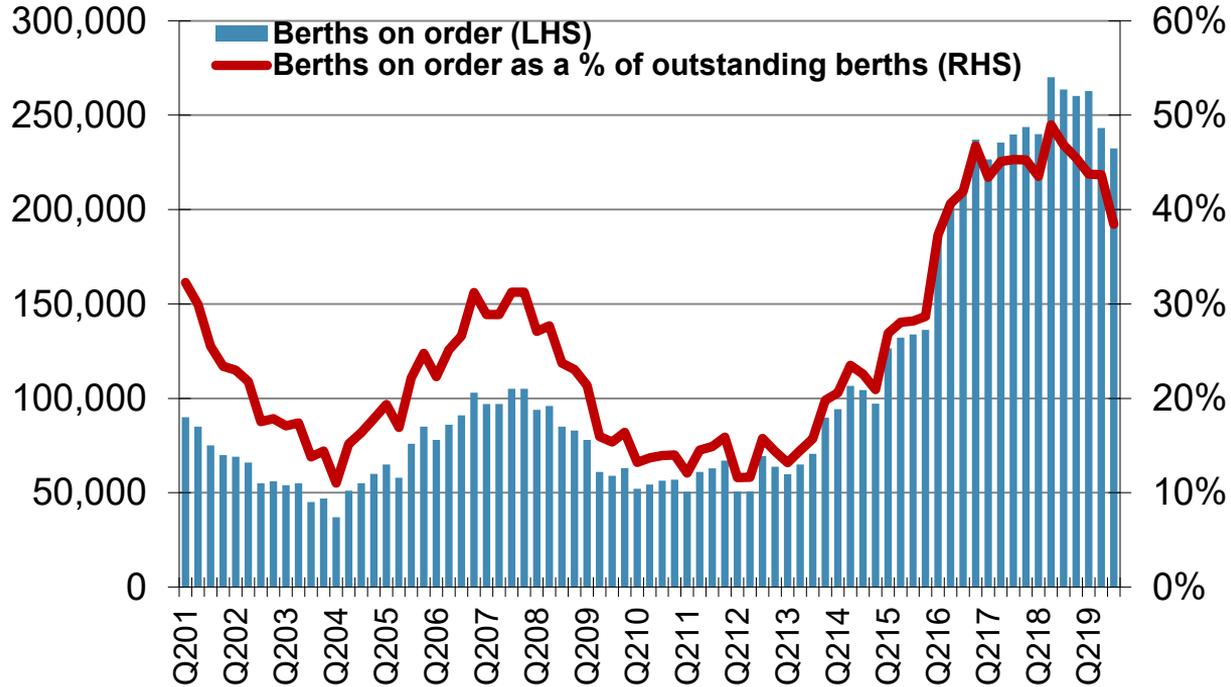
Supply

Expected to grow 5% in 2020 and 4% in 2021

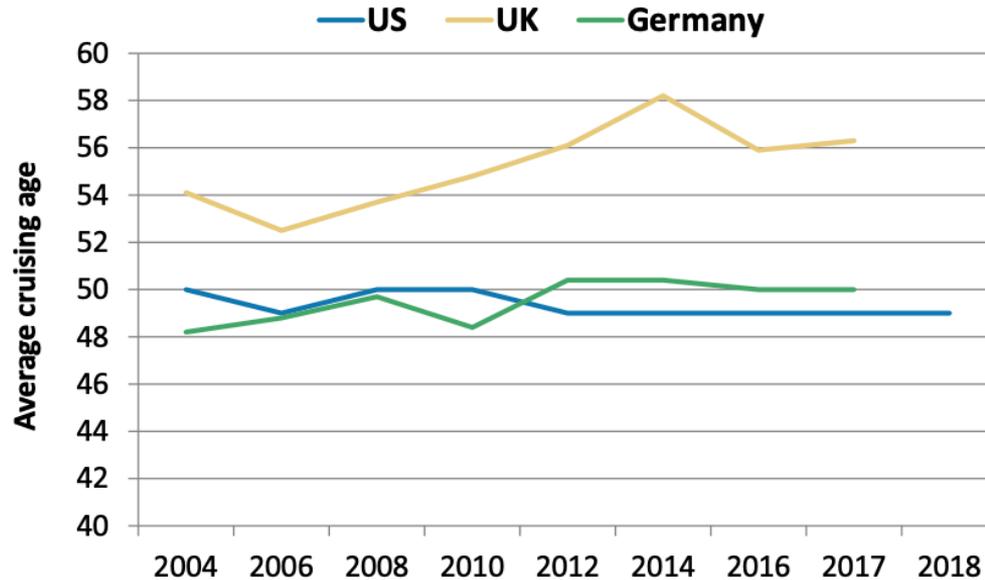


Global Order Book:

Equivalent to 41% of Current Capacity



Demographics



Source: CLIA, Morgan Stanley Research. Note: CLIA changed its methodology for US cruising age calculation in 2016 to include those below 25 years of age, which led to a lower average age, but extrapolating the change to previous data implies meaningful change since 1998

Dividend Coverage?

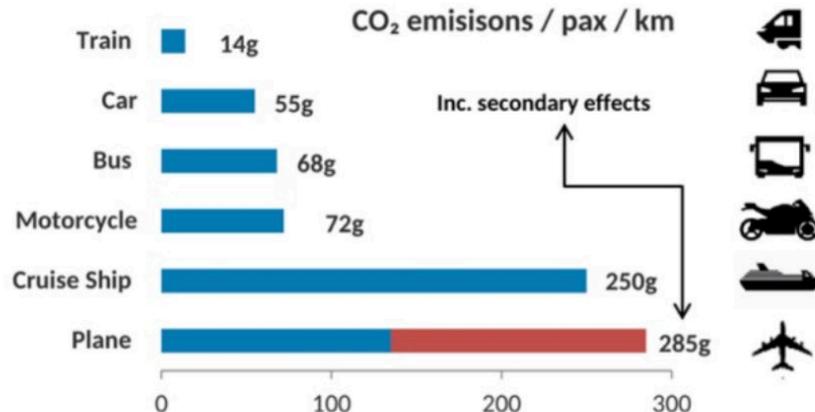
\$m	FY19	FY20e	FY21e	FY22e
EBITDA	5,437	4,872	5,968	6,595
Op. FCF	5,406	4,493	5,929	6,469
Capex	(5,429)	(7,000)	(5,700)	(5,200)
Net cash flow	(23)	(2,507)	229	1,269
Dividend	(1,387)	(1,369)	(1,437)	(1,509)
Net cash flow post capex/divi	(1,410)	(3,876)	(1,208)	(239)

Source: Company data, Morgan Stanley Research

A- Credit Rating
 one of CCL's bonds has a negative
 interest rate

Cruise Shaming?

High CO₂ emissions



Source: European Environment Agency Report, Carnival Sustainability Report, Morgan Stanley Research.
 *Note: for cruise ships we have taken the CO₂ emissions per pax from the Carnival Sustainability Report. The red component for planes indicates the secondary effects of air travel (the increased warming effect other, non-CO₂, emissions, such as nitrogen oxides, have when they are released at high altitudes).

COVID-19 Fatality Rate

PRE-EXISTING CONDITION	DEATH RATE*
CARDIOVASCULAR DISEASE	10.5%
DIABETES	7.3%
CHRONIC RESPIRATORY DISEASE	6.3%
HYPERTENSION	6.0%
CANCER	5.6%
NO PRE-EXISTING CONDITIONS	0.9%

The 2017-18 flu season saw symptoms in 45 million Americans and 61,000 deaths

*Death Rate = (number of deaths / number of cases) = probability of dying if infected by the virus (%).





WINCREST CAPITAL

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