FY 2018 Investor Presentation

February 27, 2019

Forward-looking Statements

This presentation includes "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, revenue and earnings guidance and any statements about the Company's plans, strategies and prospects. The Company generally uses the words "may," "will," "could," "expect," "anticipate," "believe," "estimate," "plan," "aim," "target," "intend" and similar expressions in this presentation and any attachments to identify forward-looking statements. The Company bases these forward-looking statements on its current views with respect to future events and financial performance. Actual results could differ materially from those projected in these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things: competition from other weight management and wellness industry participants or the development of more effective or more favorably perceived weight management methods; the Company's ability to continue to develop new, innovative services and products and enhance its existing services and products or the failure of its services, products or brands to continue to appeal to the market, or the Company's ability to successfully expand into new channels of distribution or respond to consumer trends; the ability to successfully implement new strategic initiatives; the effectiveness of the Company's advertising and marketing programs, including the strength of its social media presence; the impact on the Company's reputation of actions taken by its franchisees, licensees, suppliers and other partners; the impact of the Company's substantial amount of debt and its debt service obligations and debt covenants; the Company's ability to generate sufficient cash to service the Company's debt and satisfy its other liquidity requirements; uncertainties regarding the satisfactory operation of the Company's technology or systems; the impact of security breaches or privacy concerns; the recognition of asset impairment charges; the loss of key personnel, strategic partners or consultants or failure to effectively manage and motivate the Company's workforce; the inability to renew certain of the Company's licenses, or the inability to do so on terms that are favorable to the Company; the expiration or early termination by the Company of leases; risks and uncertainties associated with the Company's international operations, including regulatory, economic, political and social risks and foreign currency risks; uncertainties related to a downturn in general economic conditions or consumer confidence; the Company's ability to successfully make acquisitions or enter into joint ventures, including its ability to successfully integrate, operate or realize the anticipated benefits of such businesses; the seasonal nature of the Company's business; the impact of events that discourage or impede people from gathering with others or accessing resources; the Company's ability to enforce its intellectual property rights both domestically and internationally, as well as the impact of its involvement in any claims related to intellectual property rights; the outcomes of litigation or regulatory actions; the impact of existing and future laws and regulations; the Company's failure to maintain effective internal control over financial reporting; the possibility that the interests of Artal Group S.A., the largest holder of the Company's common stock and a shareholder with significant influence over the Company, will conflict with the Company's interests or the interests of other holders of the Company's common stock; the impact that the sale of substantial amounts of the Company's common stock by existing large shareholders, or the perception that such sales could occur, could have on the market price of the Company's common stock; and other risks and uncertainties, including those detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission. You should not put undue reliance on any forward-looking statements. You should understand that many important factors, including those discussed herein, could cause the Company's results to differ materially from those expressed or suggested in any forward-looking statement. Except as required by law, the Company does not undertake any obligation to update or revise these forward-looking statements to reflect new information or events or circumstances that occur after the date of this presentation or to reflect the occurrence of unanticipated events or otherwise. Readers are advised to review the Company's filings with the Securities and Exchange Commission (which are available on the SEC's EDGAR database at www.sec.gov and via the Company's website at corporate.ww.com).

Non-GAAP Financial Measures

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Operating Income, Operating Income Margin, EBITDAS, Adjusted EBITDAS and Net Debt and certain ratios and other metrics derived therefrom. In addition, it includes certain financial results on a constant currency basis in addition to GAAP results. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. In this presentation, the Company calculates constant currency by calculating current-year results using prior-year foreign currency exchange rates. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and have important limitations as analytical tools and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. However, the Company presents these non-GAAP measures because it considers them to be useful supplemental measures of performance for investors, analysts and rating agencies. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. See Appendix for reconciliations of Operating Income, Operating Income Margin, EBITDAS, Adjusted EBITDAS and Net Debt to the most comparable GAAP metric. A reconciliation of the forward-looking full year EBITDAS outlook to net income cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of the Company's control, or cannot be reasonably predicted. For the same reasons, the Company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

Trademarks

The following terms used in this presentation are our trademarks: Weight Watchers, Wellness that Works., and the WW logo.

WW at a glance

3.9M*

Subscribers
Up 22% YoY

15%*

Revenue Growth
On constant currency, YoY

~84%*

Subscription Revenue

9+

Months Retention

90+

Scientific studies

30K

Workshops per week globally

*FY 2018 end of period subscribers; FY 2018 revenue growth year over year on constant currency basis; and FY 2018 subscription revenue as a % of total revenue

FY 2018 Financial Highlights*

Subscribers	**End of period subscribers 3.9 million up 700K or 22% versus 2017**
Revenue[1]	**Revenue $1.5 billion is 15% above 2017 with retention +9 months**
Gross Margin	**Gross margin percentage of 57.2% is 420 bps above 2017**
Operating[2] Income	**$389 million is 37% above 2017 on an adjusted basis** **Operating income margin of 25.7% is 420 bps above 2017**
EPS	**EPS $3.19 versus $2.40 in 2017**
Net Debt to EBITDAS	**Ended FY 2018 at 3.3x which is 0.3x below Q3 2018** **Long term leverage target is below 3.5x**

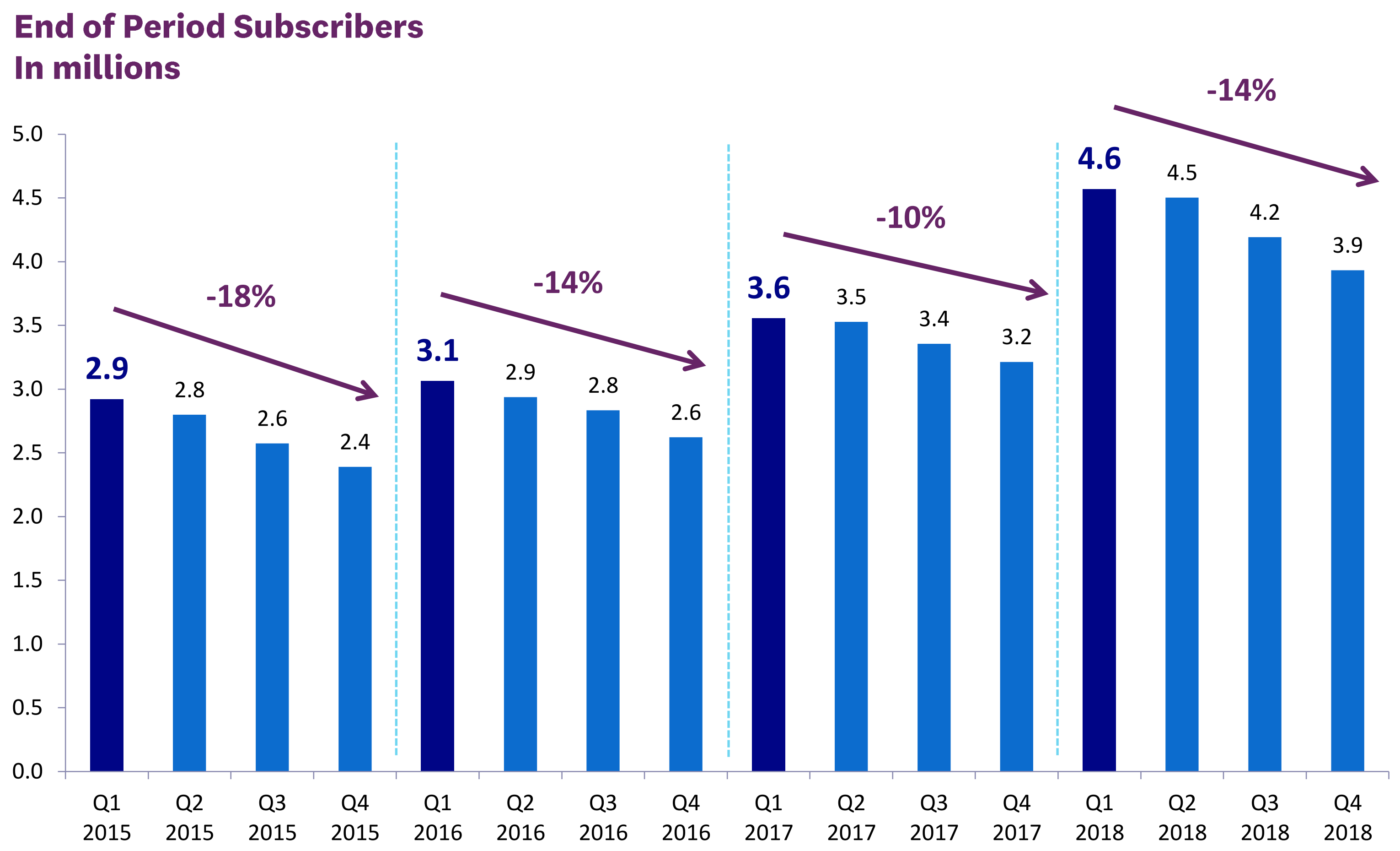
* Comparisons are FY 2018 versus FY 2017, except where otherwise noted.
See GAAP reconciliations in appendix.
[1] Percent change constant currency.
2Percent change constant currency and on an adjusted basis; excludes the impact of the $13.3M goodwill impairment charge related to our Brazil reporting unit in 2017.

Subscriber Seasonality

Predictable seasonal subscriber trends

40% of annual member recruitments occur in Q1

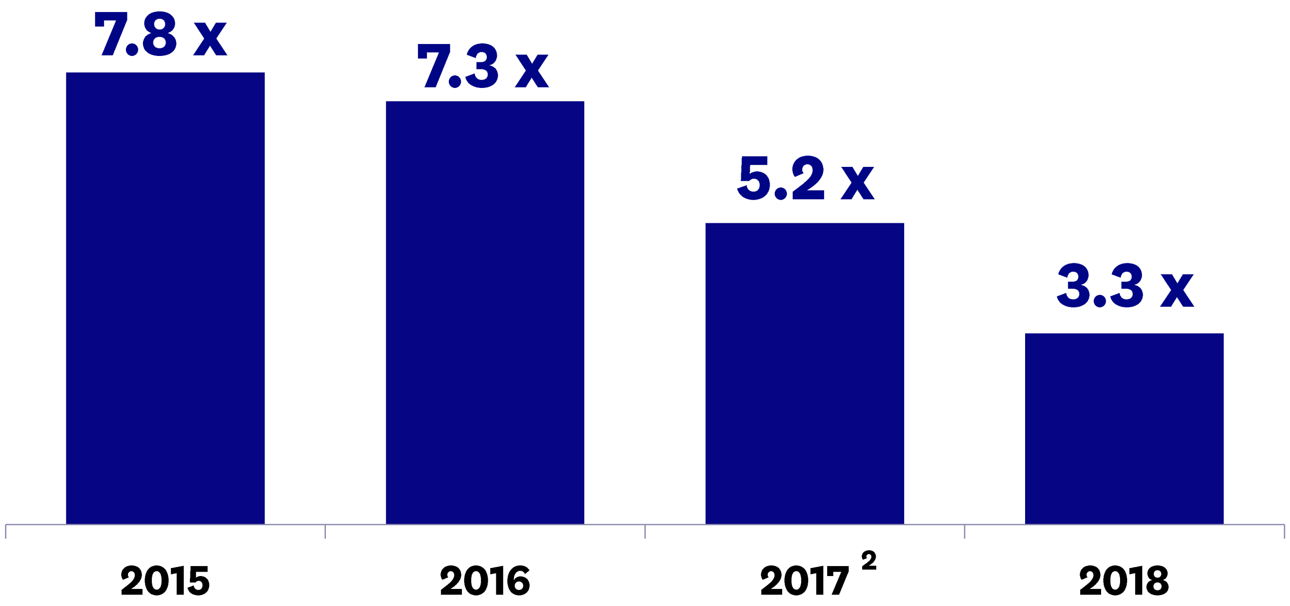
Annually, Q1 peak and Q4 trough



Capital Structure

Long-term leverage target below 3.5x net debt to EBITDAS

Net Debt[1] / Adjusted EBITDAS



Flexible debt structure

$1.48B term loan

LIBOR +475 bps

Due November 2024

$300M bond

8.625%

November 2025 maturity

$150M revolver

LIBOR +275 bps

November 2022 maturity

See GAAP reconciliations in appendix.

[1] Net debt is total debt less cash, unamortized deferred financing costs, and unamortized debt discount. Debt reflects par principal of loans and notes.

[2] 2017 EBITDAS is adjusted to exclude the impact of the $13.3M goodwill impairment charge related to our Brazil reporting unit.

2019 Priorities

1. Marketing Execution
2. Studio Performance
3. 2020 Innovation
4. Personalization
5. Creating Wellness Events and Experiences

FY 2019 Outlook

Revenues of approximately $1.4 billion

- Expect similar trends across all geographic segments with full year revenue down in the mid-single digits, on a constant currency basis
- Assumes a continued mix shift toward Digital subscriptions
- Assumes an estimated foreign exchange negative impact of $10 million
- Expect subscription revenues to be about 85% of our total revenues in 2019

GAAP EPS range of $1.25 to $1.50

At mid-point of EPS range and on a constant currency basis, expect:

- Gross margin rate to decrease by about 300 bps, primarily driven by lower volumes
- Marketing expense expected to be about $250 million, reflecting relatively flat absolute dollar spend year-over-year in Q2 through Q4
- G&A expense expected to be about $250 million, reflecting lower absolute dollar spending year-over-year in Q2 through Q4
- Interest expense to be about $140 million
- Tax rate of 25%
- EBITDAS of approximately $345 million

Subscriber trend expected to be consistent with normal seasonality

Balance sheet:

- Long-term leverage target level remains net debt to EBITDAS of below 3.5x; but with our EBITDAS expected to be lower in 2019, leverage is expected to tick higher to about 4x by year end
- CapEx expected to be in the $60 million range
- Depreciation & amortization expected to be about $50 million

Q1 2019 Outlook

Revenue to be down by over 10% year-over-year on a constant currency basis, or by roughly $40 million

End of period subscribers expected to be down slightly year-over-year

Marketing expense expected to be approximately $120 million, or about $20 million higher than last year

Operating income expected to be down by about $50 million versus last year

Appendix

GAAP reconciliations

(in thousands, except percentages)

	Full Year 2018			Full Year 2017			Full Year 2018 Variance			
									2018 Constant Currency	
	GAAP	Currency Adjustment	Constant Currency	GAAP	Adjustment [1]	Adjusted	2018 vs 2017	2018 vs 2017 Adjusted	2018 vs 2017	2018 vs 2017 Adjusted
Selected Financial Data										
Consolidated Company Revenues	$ 1,514,121	$ (14,866)	$ 1,499,256	$ 1,306,911	$ -	$ 1,306,911	15.9%	15.9%	14.7%	14.7%
Gross Profit	$ 866,410	$ (9,114)	$ 857,296	$ 692,649	$ -	$ 692,649	25.1%	25.1%	23.8%	23.8%
Gross Margin	*57.2%*		*57.2%*	*53.0%*		*53.0%*				
Selling, General and Administrative Expenses	$ 251,106	$ (687)	$ 250,419	$ 211,224	$ -	$ 211,224	18.9%	18.9%	18.6%	18.6%
Operating Income	$ 388,985	$ (3,590)	$ 385,395	$ 267,305	$ 13,323	$ 280,628	45.5%	38.6%	44.2%	37.3%
Operating Income Margin	*25.7%*		*25.7%*	*20.5%*		*21.5%*				

[1] Excludes the impairment charge of $13,323 for the Company's goodwill related to its Brazil operations.

GAAP reconciliations

EBITDAS and Adjusted EBITDAS

	Fiscal Year			
($M)	**2015**	**2016**	**2017**	**2018**
Net Income	32.9	67.7	163.5	223.7
Interest	121.8	115.2	112.8	141.3
Taxes	22.8	16.6	-18.2	20.5
EBIT	**$177.6**	**$199.5**	**$258.1**	**$386.6**
Depreciation and Amortization	53.2	52.6	50.9	44.1
Stock-based Compensation	24.8	6.5	14.9	20.2
EBITDAS	255.6	258.7	323.9	450.8
Adjustments:				
Goodwill Impairment[1]	-	-	13.3	-
Adjusted EBITDAS	**$255.6**	**$258.7**	**$337.2**	**$450.8**

Net Debt

	Fiscal Year			
($M)	**2015**	**2016**	**2017**	**2018**
Total debt	2,234.6	2,021.3	1,865.0	1,782.3
Less: Unamortized deferred financing costs	25.0	19.0	11.2	9.5
Less: Unamortized debt discount	-	-	30.4	26.0
Less: Cash on hand	241.5	108.7	83.1	237.0
Net Debt	**$1,968.1**	**$1,893.6**	**$1,740.3**	**$1,509.7**

Note: Totals may not sum due to rounding
[1] Impairment charge of the Company's goodwill related to its Brazil operations.









Wellness that Works.