

# OLAPLEX<sup>®</sup>

INSPIRED BY SALONS.  
PROVEN BY SCIENCE.  
POWERED BY PASSION.

## Q1 2023 EARNINGS

# DISCLAIMER



## General Disclaimer

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Olaplex Holdings, Inc. (the "Company"), nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

## Forward Looking Statements

This presentation includes certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by, and information currently available to, the Company. These forward-looking statements include, but are not limited to, statements about: the Company's financial position, sales volume, profitability and operating results, including financial guidance for the full fiscal year 2023, the second quarter of 2023 and the first and second half of 2023, including net sales, adjusted net income, Adjusted EBITDA, gross profit margin, Adjusted EBITDA margin, net interest expense and adjusted effective tax rate; uncertainty related to the macroeconomic environment and trends; management's expectation that sales trends will improve sequentially throughout fiscal 2023; customer demand for the Company's products; inventory rebalancing across certain of the Company's customers; inventory obsolescence impacts; the Company's operations and relationships with partners; the Company's team and culture; the Company's product development pipeline and the impact of new product introductions; the Company's business plans, investments, priorities and objectives; the Company's sales, marketing, education and public relations initiatives and related spending, and the impact thereof on net sales and customer demand, including with respect to timing; the Company's international expansion; distribution gains; increases in warehousing and distribution costs; net impacts from short-term investments of the Company's cash and cash equivalents balance; and other statements contained in this presentation that are not historical or current facts. When used in this presentation, words such as "may," "will," "could," "should," "intend," "potential," "continue," "anticipate," "believe," "estimate," "expect," "plan," "target," "predict," "project," "seek" and similar expressions as they relate to the Company are intended to identify forward-looking statements.

The forward-looking statements in this presentation reflect the Company's current expectations and projections about future events and financial trends that management believes may affect the Company's business, financial condition and results of operation. These statements are predictions based upon assumptions that may not prove to be accurate, and they are not guarantees of future performance. As such, you should not place significant reliance on the Company's forward-looking statements. Neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements, including any such statements taken from third party industry and market reports.

Forward-looking statements involve known and unknown risks, inherent uncertainties and other factors that are difficult to predict which may cause the Company's actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements, including, without limitation: the Company's ability to anticipate and respond to market trends and changes in consumer preferences and execute on its growth strategies and expansion opportunities, including with respect to new product introductions; the Company's ability to develop, manufacture and effectively and profitably market and sell future products; the Company's ability to accurately forecast customer and consumer demand for its products; competition in the beauty industry; the Company's ability to effectively maintain and promote a positive brand image and expand its brand awareness; the Company's dependence on a limited number of customers for a large portion of its net sales; the Company's ability to attract new customers and consumers and encourage consumer spending across its product portfolio; the Company's ability to successfully implement new or additional marketing efforts; the Company's relationships with and the performance of its suppliers, manufacturers, distributors and retailers and the Company's ability to manage its supply chain; impacts on the Company's business from political, regulatory, economic, trade and other risks associated with operating internationally; the Company's ability to attract and retain senior management and other qualified personnel; the Company's reliance on its and its third-party service providers' information technology; the Company's ability to maintain the security of confidential information; the Company's ability to establish and maintain intellectual property protection for its products, as well as the Company's ability to operate its business without infringing, misappropriating or otherwise violating the intellectual property rights of others; the outcome of litigation and regulatory proceedings; the impact of changes in federal, state and international laws, regulations and administrative policy; the Company's existing and any future indebtedness, including the Company's ability to comply with affirmative and negative covenants under its credit agreement; the Company's ability to service its existing indebtedness and obtain additional capital to finance operations and its growth opportunities; volatility of the Company's stock price; the Company's "controlled company" status and the influence of investment funds affiliated with Advent International Corporation over the Company; the impact of an economic downturn and inflationary pressures on the Company's business; fluctuations in the Company's quarterly results of operations; changes in the Company's tax rates and the Company's exposure to tax liability; and the other factors identified under the heading "Risk Factors" in Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") and in the other documents that the Company files with the SEC from time to time.

Many of these factors are macroeconomic in nature and are, therefore, beyond the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results, performance or achievements may vary materially from those described in this presentation as anticipated, believed, estimated, expected, intended, planned or projected. The forward-looking statements in this presentation represent management's views as of the date hereof. Unless required by law, the Company neither intends nor assumes any obligation to update these forward-looking statements for any reason after the date hereof to conform these statements to actual results or to changes in the Company's expectations or otherwise.

# DISCLAIMER

---



## **Market and Industry Data Looking**

This presentation includes market and industry data and forecasts that the Company has derived from independent consultants, publicly available information, various industry publications, other published industry sources and the Company's internal data and estimates. While independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable, the Company has not independently verified such information. The Company's internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which the Company operates and management's understanding of industry conditions. Although the Company believes that such information is reliable, the Company has not had this information verified by any independent sources. Similarly, the Company's internal research is based upon management's understanding of industry conditions, and such information has not been verified by any independent sources. To the extent that any estimates underlying such market-derived information and other factors are incorrect, actual results may differ materially from those expressed in the independent parties' estimates and in the Company's estimates.

## **Non-GAAP Financial Measures**

This presentation contains "non-GAAP financial measures," including adjusted net income, adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted SG&A and adjusted diluted EPS. These are financial measures that are not calculated or presented in accordance with generally accepted accounting principles in the United States ("GAAP") 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 measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly titled measures used and may be calculated differently. Please refer to the Appendix to this presentation for a reconciliation of these non-GAAP metrics to their most directly comparable financial measure stated in accordance with GAAP.

This presentation includes forward-looking guidance for adjusted EBITDA and adjusted net income. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted EBITDA and adjusted net income to the most directly comparable GAAP measure because the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments included in the most directly comparable GAAP measure that would be necessary for such reconciliations, including (a) income tax related accruals in respect of certain one-time items, (b) costs related to potential debt or equity transactions, and (c) other non-recurring expenses that cannot reasonably be estimated in advance. These adjustments are inherently variable and uncertain and depend on various factors that are beyond the Company's control and as a result it is also unable to predict their probable significance. Therefore, because management cannot estimate on a forward-looking basis without unreasonable effort the impact these variables and individual adjustments will have on its reported results in accordance with GAAP, it is unable to provide a reconciliation of the non-GAAP measures included in its fiscal 2023 guidance.



# JUE WONG

Chief Executive Officer

# FIRST QUARTER 2023 HIGHLIGHTS

## Net Sales

Q1 23 Net Sales

**\$113.8MM**

- Lower baseline level of demand, continued negative impact of certain customer inventory rebalancing as expected, and a difficult comparison vs. LY
- All three channels were generally in line with Q1 2023 net sales guidance reported in February 2023

## Adjusted EBITDA<sup>(1)</sup>

Q1 23 Adjusted EBITDA<sup>(1)</sup>

**\$50.0MM**

---

Q1 23 Adjusted EBITDA Margin<sup>(1)</sup>

**44.0%**

(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Please refer to the Appendix for additional information on these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP measures.

# CONSISTENTLY LEADING ON IMPORTANT BRAND HEALTH METRICS



**OLAPLEX brand equity rank<sup>1</sup>**, asked of respondents who are aware of each brand<sup>2</sup>

Top 15 premium hair equities <sup>3</sup>	Olaplex rank <sup>2</sup>				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Best for damaged hair	#1*	#1	#1*	#1	#1*
Best for my hair	#2*	#2	#2*	#2*	#1*
Brand I am excited to talk about	#1*	#1*	#1*	#1*	#1*
Brand I trust	#2*	#2	#2*	#2*	#2*
Celebrity usage/endorsement	#1*	#1*	#1*	#1*	#1*
Contains special ingredients	#2*	#1*	#2*	#1*	#1*
Gets positive reviews	#1*	#1*	#1*	#1*	#1*
Helps take great care of my hair	#2*	#2	#1*	#2*	#1*
Highest quality products	#1*	#2	#1*	#1*	#1*
Makes hair healthier	#2*	#1*	#1*	#1*	#2*
Makes me feel confident	#2*	#2	#2*	#2*	#2*
Makes the best conditioner	#2*	#1*	#1*	#2	#2*
Makes the best shampoo	#2*	#2	#2*	#2*	#2*
Recommended by stylist	#2	#1*	#2	#2	#2
Scientifically proven to benefit hair	#1*	#1*	#1*	#1*	#1*



1. Which brands apply for each statement? Select all that apply. | 2. Ranked out of the 11 brands tracked in the brand health tracker | 3. Based on derived importance | \* Indicates a statistical tie with another brand for that equity rank

Source: OLAPLEX brand health tracker, n=6,501, January 2022 - March 2023 (n=500 per month)

# RECENT PRODUCT INTRODUCTIONS ARE OFF TO A STRONG START



## **Nº.4D** Dry Shampoo launched in January 2023

Detoxifies the scalp without clogging pores and neutralizes odor-causing pollutants, without a trace of white residue

Currently the #1 dry shampoo at Sephora

---

## **LASHBOND™** Building Serum launched in March 2023

Universally formulated, prostaglandin-free and ophthalmologist tested

Currently a top 10 beauty SKU at SpaceNK

# OLAPLEX RESET YEAR PRIORITIES

**Accelerating  
investments in  
sales and  
marketing**

**Increasing and  
evolving our  
educational  
assets**

**Reasserting our  
position with Pro  
and Specialty  
Retail partners**

**Improving  
our approach  
to PR**

# ACCELERATING INVESTMENTS IN SALES AND MARKETING



## Marketing Model Focused on High ROI Activities

**\$70MM\*** in FY23

**\$17MM\*** in Q123

---

Strategies to generate awareness  
and support brand health and love

Deployed resources to  
drive conversion

## New, Full Funnel Creative Campaign

Amplify our scientific authority

Highlight emotional connections

---

## Sampling

Highly effective conversion tool

10MM samples in 2023



\*Including marketing expense, sampling and payroll related to sales and marketing

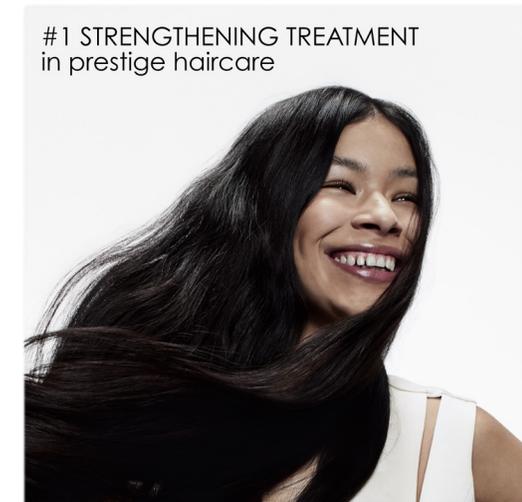
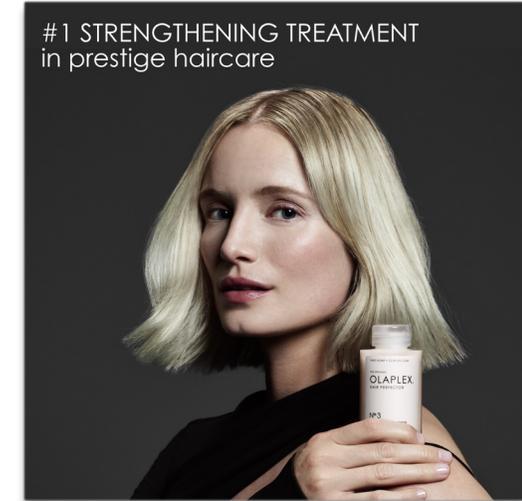
# INCREASING AND EVOLVING OUR EDUCATIONAL INITIATIVES



Refreshed assets around our core to better educate stylists and consumers

Evolving and revamping core educational curriculum for use across all channels

Expanded leadership with the addition of John Moroney as VP, Global Education and Customer Experience



# REASSERTING OUR POSITION WITH PRO AND SPECIALTY RETAIL PARTNERS



## Pro

Building our team and increasing our frequency of contact with distributors, their sales teams and salons

---

Accelerating joint business plans with key distribution partners and pursuing new opportunities

---

Entering new and nurturing existing partnerships with KOL salons

## Specialty Retail

Rolled out a third-party field sales team education program into approximately 400 Sephora and Ulta Beauty retail stores

---

Pursuing growth opportunities with Douglas and Sephora EU

---

Partnering with Dufry to launch travel retail in 12 U.K. airports



## Correcting Misinformation

- Proactively distributing content via social channels
- Launched the “Hair Health” hub as an additional education resource on OLAPLEX.COM for access to accurate information about our products
- Creating educational toolkits for our Pro and Specialty Retail channels

## OLAPLEX Scientific Advisory Board

- Comprised of medical and scientific experts and leaders in dermatology
- In partnership with OLAPLEX, the Advisory Board will help us accomplish our mission of improving hair health through products and education for all of our customers



## **John Keppeler**

Chief Revenue Officer

- Leading and overseeing the sales organizations across all three channels
- Previously served as the head of U.S. and global sales at several consumer products companies across multiple categories
- Head of global sales for 9 years at the consumer health care products company CNS

## **Nabanita Choudhury**

Senior Vice President, Global DTC

- More than 15 years experience in e-commerce, digital marketing and loyalty
- Most recently serving as the Head of E-commerce at Nestle Nespresso USA

# TAKING ACTIONS TO BUILD A STRONGER AND MORE RESILIENT OLAPLEX



Remained **focused on our core mission** of making people feel more confident with healthier, more beautiful hair

**Committed to the professional stylist community**, helping them grow their businesses and deepen connections with clients

Our Q1 2023 performance was in line with our expectations, and we **made progress on our reset priorities**

**OLAPLEX remains the category leader** with proven technology, one-of-a-kind engagement and a powerful innovation platform



# ERIC TIZIANI

Chief Financial Officer

# Q1 2023 NET SALES

## Q1 Sales

Net sales  
decreased

**-38.9%**

versus first quarter 2022

## Channel Sales

Professional

**-37.2%**

Specialty Retail

**-45.8%**

Direct to Consumer

**-31.9%**

## Sales By Geography

International growth

**+0.1%**

U.S. decrease

**-60.3%**

# Q1 2023 FINANCIAL HIGHLIGHTS

**Gross Profit  
Margin**

**71.0%**  
vs **75.8%**

**Adjusted  
Gross Profit  
Margin<sup>(1)</sup>**

**72.6%**  
vs **79.1%**

**SG&A**

**\$34.9 MM**  
vs **\$22.3 MM**

**Adjusted  
SG&A<sup>(1)</sup>**

**\$32.9 MM**  
vs **\$20.6 MM**

All figures compared to first quarter 2022.

(1) Adjusted Gross Profit Margin and Adjusted SG&A are non-GAAP measures. Please refer to the Appendix for additional information on these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP measures.

# Q1 2023 FINANCIAL HIGHLIGHTS

## Adjusted EBITDA<sup>(1)</sup>

**\$50.0 MM**  
vs **\$126.4 MM**

## Net Income

**\$21.0 MM**  
vs **\$62.0 MM**

## Diluted EPS

**\$0.03**  
vs **\$0.09**

## Adjusted Net Income<sup>(1)</sup>

**\$31.4 MM**  
vs **\$91.4 MM**

## Adjusted Diluted EPS<sup>(1)</sup>

**\$0.05**  
vs **\$0.13**

All figures compared to first quarter 2022.

(1) Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS are non-GAAP measures. Please refer to the Appendix for additional information on these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP measures.

# Q1 2023 FINANCIAL HIGHLIGHTS

## Inventory

**\$132.0 MM**  
vs **\$144.4 MM**

March 31, 2023 compared to  
December 31, 2022

## Cash and Cash Equivalents, and Cash Flows from Operations

Cash Flows from Operations

**\$48.1 MM**  
vs **\$72.0 MM**

3 months ended March 31, 2023 compared to  
3 months ended March 31, 2022

Cash and Cash Equivalents

**\$369.3 MM**  
vs **\$322.8 MM**

March 31, 2023 compared to  
December 31, 2022

## Long-Term Debt (Net of current portion and deferred fees)

**\$653.0 MM**  
vs **\$654.3 MM**

March 31, 2023 compared to  
December 31, 2022

# FISCAL YEAR 2023 GUIDANCE IS UNCHANGED



## FY 2023 Guidance

**Net Sales** \$563 - \$634 MM

**Adjusted Net Income\*** \$176 - \$224 MM

**Adjusted EBITDA\*** \$261 - \$322 MM

## Q2 2023 Assumptions

- Net sales to modestly improve sequentially compared to Q1 2023
- Lapping approx. \$22 MM in net sales from the introduction of 1-liter offerings in Q2 2022
- Lapping approx. \$10 MM in net sales from pull-forward demand related to July 2022 price increase
- Continued impact from lower baseline level of demand
- Increased investment spend to result in highest quarterly Adjusted EBITDA margin contraction for the year

## 2H 2023 Assumptions

- Benefit of new product introductions and distribution gains
- Improvement in demand from increased sales, marketing and education investments
- Expect Adjusted EBITDA margin rate will improve in the second half of the year relative to the first half

\*Adjusted EBITDA and Adjusted Net Income are non-GAAP measures. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted EBITDA and adjusted net income to the most directly comparable GAAP measure because the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments included in the most directly comparable GAAP measure that would be necessary for such reconciliations, including (a) income tax related accruals in respect of certain one-time items, (b) costs related to potential debt or equity transactions, and (c) other non-recurring expenses that cannot reasonably be estimated in advance. These adjustments are inherently variable and uncertain and depend on various factors that are beyond the Company's control and as a result it is also unable to predict their probable significance. Therefore, because management cannot estimate on a forward-looking basis without unreasonable effort the impact these variables and individual adjustments will have on its reported results in accordance with GAAP, it is unable to provide a reconciliation of the non-GAAP measures included in its fiscal 2023 guidance.

# OLAPLEX<sup>®</sup>

**INSPIRED BY SALONS.  
PROVEN BY SCIENCE.  
POWERED BY PASSION.**

**Q & A**

# OLAPLEX<sup>®</sup>

INSPIRED BY SALONS.  
PROVEN BY SCIENCE.  
POWERED BY PASSION.

## APPENDIX

# NON-GAAP RECONCILIATION



## Adjusted EBITDA (\$MM)

	For the Quarter Ended March 31,	
	2023	2022
<b>Net Income</b>	<b>\$ 21</b>	<b>\$ 62</b>
Depreciation and amortization of intangible assets	12	12
Interest expense	11	11
Income tax provision	4	16
Share-based compensation	2	2
Inventory write off and disposal <sup>1</sup>	*	4
Executive reorganization costs <sup>2</sup>	*	-
Loss on extinguishment of debt <sup>3</sup>	-	19
<b>Adjusted EBITDA</b>	<b>\$ 50</b>	<b>\$ 126</b>
<b>Adjusted EBITDA margin</b>	<b>44.0%</b>	<b>67.9%</b>

## Adjusted Gross Profit (\$MM)

	For the Quarter Ended March 31,	
	2023	2022
<b>Gross Profit</b>	<b>\$ 81</b>	<b>\$ 141</b>
Amortization of patented formulations	2	2
Inventory write off and disposal <sup>1</sup>	*	4
<b>Adjusted Gross Profit</b>	<b>\$ 83</b>	<b>\$ 147</b>
<b>Adjusted Gross Profit Margin</b>	<b>72.6%</b>	<b>79.1%</b>

- The inventory write-off and disposal costs relate to unused stock of a product that the Company reformulated in June 2021 as a result of regulation changes in the E.U. In the interest of having a single formulation for sale worldwide, the Company reformulated on a global basis and is now disposing of unused stock.
  - Executive reorganization costs in the three months ended March 31, 2023 represent ongoing benefit payments associated with the departure of the Company's Chief Operating Officer during the year ended December 31, 2022.
  - On February 23, 2022, the Company refinanced its existing secured credit facility with a new credit agreement comprised of a \$675 million senior secured term loan facility and a \$150 million senior secured revolving credit facility. This refinancing resulted in recognition of loss on extinguishment of debt of \$18.8 million which is comprised of \$11.0 million in deferred financing fee write off, and \$7.8 million of prepayment fees for the previously existing credit facility. Loss on extinguishment of debt is included as non-ordinary costs and fees in the reconciliations above.
- \* Costs for this period were less than \$500 thousand dollars, and round to zero in this presentation.

# NON-GAAP RECONCILIATION



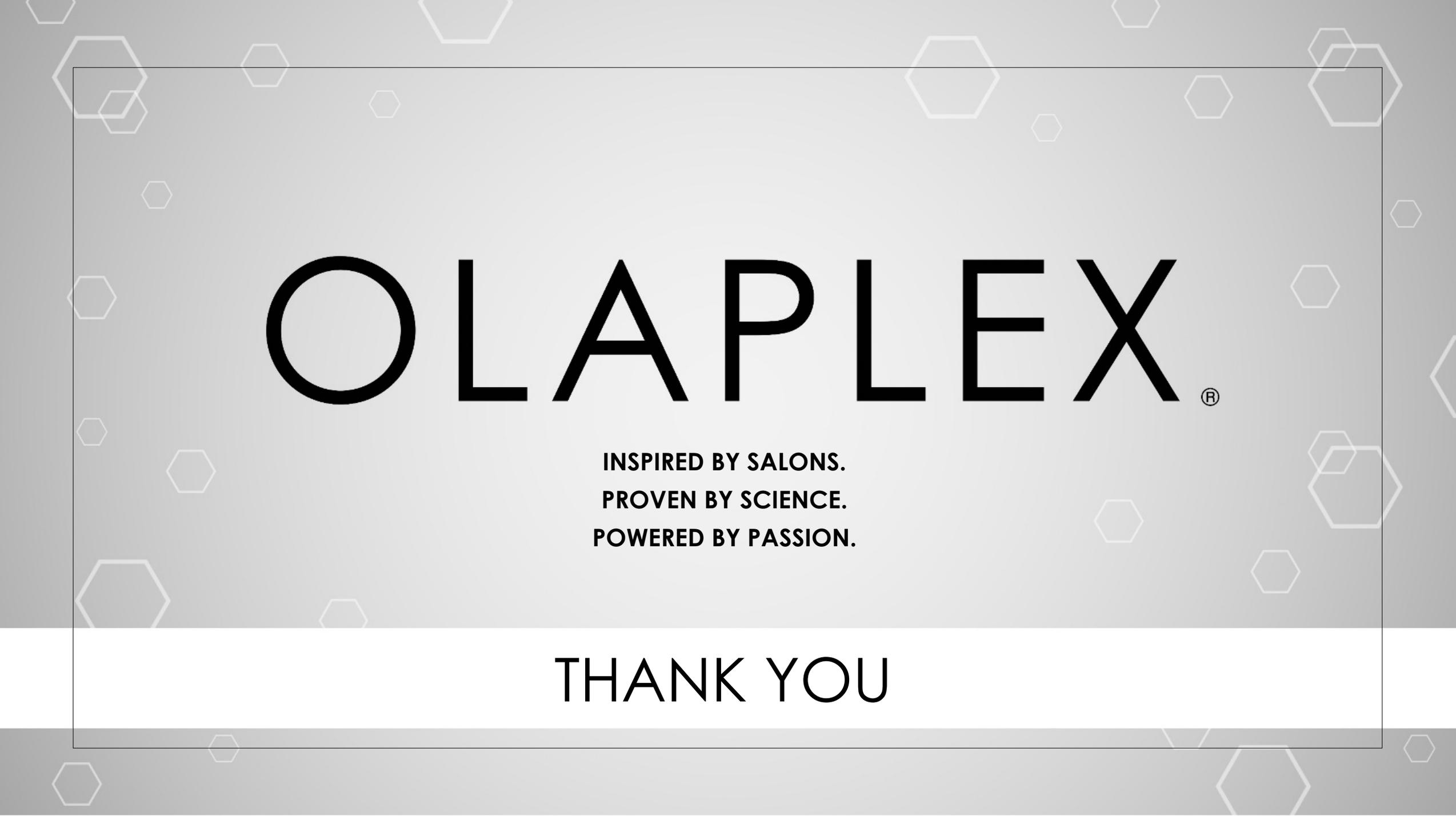
## Adjusted Net Income (\$MM)

	For the Quarter Ended March 31,	
	2023	2022
<b>Net Income</b>	<b>\$ 21</b>	<b>\$ 62</b>
Amortization of intangible assets (excluding software)	12	12
Share-based compensation	2	2
Inventory write off and disposal <sup>1</sup>	*	4
Executive reorganization costs <sup>2</sup>	*	-
Loss on extinguishment of debt <sup>3</sup>	-	19
Tax effect of adjustments	(4)	(8)
<b>Adjusted net income</b>	<b>\$ 31</b>	<b>\$ 91</b>
<b>Adjusted net income per share:</b>		
Basic	\$ 0.05	\$ 0.14
Diluted	\$ 0.05	\$ 0.13

## Adjusted SG&A(\$MM)

	For the Quarter Ended March 31,	
	2023	2022
<b>SG&amp;A</b>	<b>\$ 35</b>	<b>\$ 23</b>
Share-based compensation	(2)	(2)
Executive reorganization costs <sup>2</sup>	*	-
<b>Adjusted SG&amp;A</b>	<b>\$ 33</b>	<b>\$ 21</b>

- The inventory write-off and disposal costs relate to unused stock of a product that the Company reformulated in June 2021 as a result of regulation changes in the E.U. In the interest of having a single formulation for sale worldwide, the Company reformulated on a global basis and is now disposing of unused stock.
  - Executive reorganization costs in the three months ended March 31, 2023 represent ongoing benefit payments associated with the departure of the Company's Chief Operating Officer during the year ended December 31, 2022.
  - On February 23, 2022, the Company refinanced its existing secured credit facility with a new credit agreement comprised of a \$675 million senior secured term loan facility and a \$150 million senior secured revolving credit facility. This refinancing resulted in recognition of loss on extinguishment of debt of \$18.8 million which is comprised of \$11.0 million in deferred financing fee write off, and \$7.8 million of prepayment fees for the previously existing credit facility. Loss on extinguishment of debt is included as non-ordinary costs and fees in the reconciliations above.
- \* Costs for this period were less than \$500 thousand dollars, and round to zero in this presentation.



# OLAPLEX<sup>®</sup>

INSPIRED BY SALONS.  
PROVEN BY SCIENCE.  
POWERED BY PASSION.

THANK YOU