

46th Annual Raymond James Institutional Investor Conference

OLIVIA TONG: Thanks for joining us. I'm Olivia Tong. Raymond James is consumer staples and beauty analyst. And we're pleased to welcome Olaplex with us. Joining us from the company are CEO Amanda Baldwin and CEO and CFO Catherine Dunleavy.

Olaplex recently announced their bonds and beyond strategy. So let me turn it over to Amanda to walk you through the strategy. And we'll have a breakout afterwards for questions. Before we do that, let's just go through the disclaimers, the safe harbors. So I'll leave that to you to read. And Amanda, I'll turn it over to you.

AMANDA BALDWIN: Thanks, Olivia. Good morning, everyone. It's really great to be here. And thank you for joining us. It's a very exciting time at Olaplex, and it's a real honor to be here with you today to share more about our forward vision for this incredible business.

When I joined Olaplex a little over a year ago, I was incredibly impressed by the extraordinary technical foundation in this brand, its differentiated science, and the global scale and passionate group of consumers and pros that the product had reached. As someone who's been in the beauty industry for 20 years now and spent the 7 and 1/2 years before I joined Olaplex, building a business nearly from scratch, I know how incredibly rare this is.

I also knew we had a lot of work to do to harness what this business can truly be and set it back on the right path. 2024 was a productive year in moving us towards that goal. We brought true Olaplex level innovation to market in our 5L leave-in conditioner and bond shaper technologies, and began to engage a proper marketing engine to tell our story and drive demand for these unique products.

I spent a great deal of time reconnecting with our pro community to learn about their specific needs and experience with Olaplex professionals, and a lot of time in our lab to better understand our science and what we needed to do to accelerate our innovation engine. I met with our business partners across the globe to see firsthand what we needed to change in order to form stronger partnerships and started critical work streams to strengthen our business processes.

Perhaps most importantly, was assembling an executive team and building a strong culture across our organization. I'm very pleased to say that we have a terrific group of leaders now, Catherine, who's joined us here today, who are energized by what we're building. We've seen a real shift in our culture towards collaboration, creativity, data driven decision making, and executional excellence.

Overall, last year, our financial performance. And our learnings as a team were indicative of a company in the midst of a transformation. With 2024, net sales and adjusted EBITDA below 2023 levels. We did face headwinds internationally as we focused on resetting our business for the future.

And while we're confident in our overall marketing strategy, the investment did take longer than expected to improve demand across our SKUs and all of our channels. While we had some setbacks, I am proud of how our team worked together to evaluate what we needed to do, what we needed to change, and implement those necessary changes to move us forward in a positive manner.

All of the changes that we're undergoing will take time to yield our full return, but early indicators are positive, and we're confident that we will drive long term value. We believe that we are properly balancing an incredible sense of urgency with making sound, long term decisions. And with profitable business and a healthy balance sheet we remain well positioned for continued success.

I'm focused on our future. And as we continue to make progress against our strategic goals and build on our stronger than-- stronger than expected holiday performance. So let's talk about bonds and beyond.

One of the most important priorities last year was to develop a long term vision and a roadmap. Having clarity about what we're building is critical to our ability to build it. We worked hard behind the scenes to create a brand vision and a strategy that we believe will capitalize on our unique strengths and position our company to deliver long term, sustainable, profitable growth.

Charting our future path required a deep understanding of what made Olaplex so incredibly revolutionary from day one, as well as its continued strengths and advantages, and then developing our transformation strategy with those insights in mind. It was also important to ensure that our future strategy is grounded in concrete research that targets the needs of our pros and our consumers, and of each of the critical partners of our brand is aligned with where our industry stands today and where it is going in the future.

So first, let's make sure we're all grounded in what makes the Olaplex story so unique. I remember where I was when this brand launched. In 2014, Olaplex revolutionized the haircare category through the introduction of our patented bond building technology, bis-amino, as we call it, and our number one bond multiplier and number two bond perfecter products.

This brand new, two-part salon treatment allowed pros around the world to repair disulfide bonds, remember, this is patented, we're the only ones who can do that, deep inside the hair that are broken during chemical services, such as coloring, perming, and straightening. I've spent a lot of hours in the lab, as I said, trying to understand exactly how this science works and many more talking to the pros to really understand, what does that mean for them?

Olaplex really changed the game. They allowed colorists, and I've heard this story many, many times. Tell me the first time you used Olaplex, it never gets old. It allows them to pursue their craft.

And it's this alchemy of science and the pro-community that is our reason for being. It's our true north and it's the inspiration for our path half forward. Second, I think it's important to take a moment to recognize the broader context in which we operate.

We are very fortunate to participate in a category that's poised for continued growth. As of February 2025, Euromonitor International forecasts premium hair care to grow at a 6% to 7% EGR from 2024 to 2028. In fact, and this is probably one of my favorite statistics, premium hair care represents only 20% of overall hair care market in 2024, according to Euromonitor.

Put that in contrast with premium is estimated to represent an average of approximately 47% of the market across color, cosmetics, fragrance, and skin care. That's a big delta, especially when you consider the incredible emotional and social significance hair has across cultures.

We believe hair care is in the early innings of premiumization that as a category creator, Olaplex is well placed to drive and to benefit from this potential. In addition to the macro momentum in prestige hair, I've been tuned in to another trend that's really shaping the consumer industry. Beauty, health, wellness, they're all converging, and consumers around the world care now more than ever about what they put in on and around their bodies.

This has been evolving for several years now, with the wellness economy reaching 1.8 trillion. And I believe we are just getting started. According to our research, healthy hair is by far the number one consumer goal in our category, the number two driver of reviews in the hair-care category, and delivering healthy hair and scalp health is the number one driver of positive sentiment across Olaplex reviews.

We believe that our technology and original positioning allow us to focus on a uniquely important white space of highly efficacious hair care that's not just about band-aiding or extreme damage repair but about actually improving the health of the hair from the inside out, and aligning Olaplex with this message broadens our reach of our potential consumers, as well as the use cases for our products.

So the first priority of our brand strategy and bonds and brand going forward is to move beyond our origins and damage repair and the bond-building category, and-- we created in order to grow our addressable market and position Olaplex as a solution for everyday foundational hair health.

What we heard clearly from our brand-perception study with consumers and pros is that they loved Olaplex. They saw it as a strong solution for extreme situations but not always an everyday choice. Our product development and our messaging that we will discuss in our goals for 2025 will be aligned to build upon our original science and broaden pro and consumer perceptions of our brand and the market that we can go after.

The second pillar of our strategy is in honoring and empowering the pro as a start of the flywheel of this business. The pro is both a powerful distribution channel, as well as what I call the muse for everything that we do. Without them, our formulas are incredible science, but it's in the chair that they truly come to life. Let's hear from a few of our favorite ambassadors. Oh no. No sound.

**NAEEMAH
LAFOND:**

Grade products. Take one. It's really about showing them how their hair feels when they leave a professional space. You see how your hair looks, how it's shiny, and how it's healthy.

And clients always want to recreate that salon look at home. That is where a brand that is science backed is just a game changer. Olaplex really addresses hair issues at a molecular level, and that in itself makes it stand apart from other brands.

**HALLEY
BRISKER:**

Foundational hair health is going beyond just repair.

We did this amazing hair transformation for this new cover which just has come out. You know what it's like on set. Never enough time. It was all bleached, and the roots were changed. And yeah, I used Olaplex right through that entire process. It was really amazing. When I have a product that helps me make the hair look and feel its absolute best, I'm more confident to put the hair through its paces and push those boundaries.

JENNA PERRY: It's really cool to be part of a brand that people trust. I recently turned a high profile client from dark brown to platinum blonde, and I couldn't have done it without the Olaplex, number one and number two. We did this project in the span of three days, and I think I went through like two bottles of both. When you know that you have Olaplex in your bowl, you can really do anything.

I've gotten to know Naeemah, Halley, and Jenna incredibly well over the course of the last year. And like all the stylists that I encounter, they're incredible artists, they're entrepreneurs, and they're central to our strategy because of both the scale of this channel as well as the impact that it has on consumer perceptions and desirability of our brand. So we'll double check-- sorry. We'll leave it there.

So first, globally, in addition to the \$19 billion that consumers spend on prestige hair retail, consumers spend nearly \$200 billion on hair salon services, as estimated by Euromonitor and fortune business insights respectively. Second, the stylist plays a key role in the consumer decision journey.

As part of our brand perception study, we asked premium hair care consumers about the role that their stylist plays for them. 88% of consumers say that they are pleased with the results-- if they are pleased with the results of a product that a stylist uses, they are more likely to purchase it. 2/3 usually discover a new hair care product from their stylist, and over half of consumers believe that professional hair care products are more effective than ones sold only in stores.

A lot of brands would be envious of our heritage. The salon and stylists can only-- not only allow us to have a revenue generating platform, but also marketing fuel that not every brand can authentically build upon, and we can. Throughout the brand research we conducted, we saw consistently that there remains considerable enthusiasm for Olaplex among stylists, but we need to earn that each and every day through innovation, education, and community, which will continue to invest in as we build our strategy going forward.

And last but not least, the third priority of our strategy is adding what I call a motion to the potion. While our products have always created fans based on their efficacy, we must continue to find opportunities for our brand to generate the emotional connection that drives lasting brand relevance, resilience, and love.

Our research indicated that Olaplex is seen as effective, yet cold and clinical. And we need to change that in order to resonate with today's pros and consumers. Across the globe, the feeling of having a great hair day is universal, even here in Florida, and the unapologetic confidence that comes with a powerful human truth that we have a unique ability to tap into.

Combining innovation with brand storytelling will be critical to getting back to growth. In conclusion, our vision is to create a foundational health and beauty company powered by breakthrough innovation that starts with and is inspired by the professional hairstylist. That is what we believe we are uniquely positioned to do, and that is the future of Olaplex.

So in order to bring this vision to life, in 2025, we have three priorities, which we believe will position us to achieve our financial goals and advance our strategy as a foundational health and beauty company. First, generate brand demand.

We'll elevate our visual identity while executing a 360-degree marketing plan that drives demand and honors and services the pro. Second, harness innovation. We will build a future pipeline of innovation that is grounded in foundational hair health and leverages our strengthened product, development process to continue to introduce breakthrough science while expanding our product portfolio, thus reaffirming Olaplex as a revolutionary healthy hair authority from root to tip.

Third, execute with excellence. Our organization will shift from planning for the future, to the ongoing processes, data and rhythms of implementation. We will focus on continuing to evolve and refine our operational and strategic processes, realigning our international partnerships, and driving efficiencies across the organization to provide the fuel to support our growth.

So let's turn to the first priority in more detail, generate brand demand. Last week, we began an exciting journey to surround our powerful Olaplex products with a new visual identity and brand marketing strategy that is intended to showcase our unique brand DNA and build longevity for the future.

I've said from the beginning that it's not just about the dollars we spend on marketing, but how we say and where we say it. I believe, as of last week, we now have a new brand identity, where we have the building blocks to do that successfully and amplify the early learnings and positive indicators we had during the second half of last year.

So just a little bit of before and after to put this in perspective. Our new visuals are elevated, dynamic, relatable, showing texture and warmth as a place that in the special bond between the client and the stylist that has always been a part of our story. We aim to show science in a technology forward and approachable way.

Always show emotion and passion for a category that is deep in feeling and moves beyond the colorless and clinical look of the past. There's just a few examples here on the slide, and I hope you can see that the difference is quite clear, and we believe has the power to change our ability to market and communicate effectively.

Here, we have a few examples of how this began to come to life last week across social, online, and in store. On social, we're leveraging this very important channel to create brand identity and community, our website to explain the science and better understand our products, and our in-store presence to capture the attention of all the traffic that's out there and help build a routine.

Explaining why Olaplex and what product to choose was a big opportunity for us as a brand in which this new strategy is aimed to address. The new look rolls out globally over the coming months and will continue to come to life throughout the year and 360-degree media campaigns that will build a brand for the long run.

Equally critical, we are literally putting the pro in the picture. Our visuals will showcase the pro and their clients with a renewed focus on communicating our salon services and the magic of what happens during a visit. In 2025, we will also begin to execute on an updated pro first strategy.

We plan to improve education, drive engagement among the community with an elevated presence and lead with our ambassadors and our pro collective. In addition, we need to strengthen our customer management and field sales execution to provide us with sustainable platform for success in the pro channel.

In order to accelerate the visibility of this new brand identity, we are taking a 360-degree full funnel marketing approach that moves us into the brand demand creation phase of our transformation, leveraging a creator led point of view, and product messaging that reframes the conversation from damage repair to healthy hair from root to tip.

This began last week with campaigns that launched across digital channels and will continue throughout the year. In addition to our consumer focused efforts, everything we do will have a pro angle, from our digital presence, to our physical events, to how we communicate about our technology. We've developed multiple touch points for measurement that are intended to evaluate the impact of these investments, and these efforts, and allow us to adjust as needed.

We believe we will need to invest strongly behind our new brand identity, and will continue to expand this effort to international markets and modify this spend over time. So on to our second priority. The core of the Olaplex brand is an R&D engine that powers high impact innovation and products that are often leaders in their subcategories.

I want to take just a moment to share a bit more about what we've been doing to strengthen our innovation capabilities, as they are so core to what Olaplex is and will continue to be. We expanded the footprint of our laboratory, enabling our chief science, and research officer, and the R&D team to ideate and iterate more efficiently and effectively on new technologies.

In parallel, our newly appointed chief product and innovation officer spearheaded the building of new product development process intended to maximize our R&D capabilities and fuel future innovation, leading to the introduction of a more successful and strategic product launch calendar. In 2024, we began to harness these capabilities, launching 5L leave-in conditioner, which outperformed our expectations and remained a top five SKU within its subcategory at Sephora at year end, and beyond shape or curl rebuilding treatment, which is truly next generation technology to strengthen and shape curls via an in-salon service and supplemented by a take home product.

As we plan our innovation going forward, we intend to leverage our 10 plus years of experience developing products that target disulphide bonds, most important to foundational hair health to continue to innovate beyond damage repair and unlock the key signs of healthy hair, strengthen elasticity, shine and sheen, smoothness and frizz control, softness and moisturization, and shape retention and integrity.

We chose scalp as the first innovation in 2025, as it perfectly aligned with our mission of foundational hair health. Quite simply, healthy hair starts at the scalp. You may not realize this, but your scalp ages six times faster than your skin. That certainly got my attention.

R&D led us to advance our understanding of the science of healthy hair and healthy scalp, and how to treat it through a holistic approach that not only addresses accelerated scalp aging, but also balances the scalp microbiome and strengthens the scalp barrier by relinking disulfide bonds. Yes, disulfide bonds and the surface of the scalp.

Olaplex's original patent was not only for the hair but also covers the scalp, allowing us once again to take a unique approach to address a crucial element of overall hair health. We have strong clinicals for this product, including a claim for visibly healthy, softer hair in just four weeks.

Launched along with our new branding, number 0.5 scalp longevity treatment will be joined later this year with an additional specialized pro in-salon service clinically proven to establish the foundation for long term scalp health, and will also drive visibility for an exciting new category in prestige hair.

Also critical to our strategy will be combining innovation with our hero SKUs to drive global brand demand. Combined with our best selling number three hair perfector as the power pair for healthy hair. Scalp longevity treatment is emblematic of Olaplex new vision and its efforts to deliver lasting, healthy hair from root to tip.

And last but certainly not least, our third priority, execute with excellence. In 2025, our organization will shift from significant behind the scenes work to plan for the future, to the daily implementation and executional rigor needed to make this all happen. To this end, we have built upon our product-innovation process to develop a global, go-to-market engine, integrated business-planning process, and a new strategic-planning procedure, each of which is integral to enhancing the efficiency and the effectiveness of our internal workflows.

In addition, we're mining for productivity to provide the fuel and support of our growth and develop automated performance metrics to make faster, more informed decisions. I cannot emphasize enough how important and focused we are on the critical nature of these efforts to enable the new strategy, brand vision, and innovation to be successful.

Our international business is of substantial scale and an area of significant opportunity for us. joining Olaplex last year, I personally traveled to multiple countries across Europe and Asia, meeting with our local teams, our international partners, to hear how we can more closely collaborate as we work to establish the right structure for the future.

First and foremost, it's important to note that our product and brand position is incredibly globally relevant. That's not something that we should take for granted. The feedback from these conversations and presentations of our new brand vision was positive and highlighted that we have an opportunity to further develop our global brand by localizing to the unique customer and distribution channels across the world.

This work is expected to enable our broader strategic vision as we work more in sync with our partners and incorporate the specific dynamics of each market. We believe that our brand remains incredibly desirable on a global basis. With the right partners who are well versed in their local markets, we believe we can drive growth. As we've discussed, this is an ongoing process that will take time, but we're making good progress.

These three strategic priorities represent the next stage of our transformation, and will drive our financial performance this year, and importantly continue to elevate our platform as we position our company for sustained, long term, profitable growth. We look forward to sharing our progress towards these priorities as we move throughout the year.

We've accomplished a lot. In my first year as CEO, we're a different company today with a clearer vision, and improved innovation engine, a new articulation of our brand, a talented organization, directing and executing the strategy that is expected to maximize our competitive strengths.

What I shared with you today is the first step in a longer term vision. Overall, we believe that this is the beginning of a bright new future for Olaplex and its next chapter as a foundational health and beauty company. I want to thank our team for their exceptional work and commitment that has gotten us to this critical moment, and we're really excited for the road ahead and look forward to keeping everyone updated along the way.

What we're going to do now is we're going to do a separate breakout for Q&A. But before we do that, I just wanted to make sure I properly introduce Catherine, who has just been an extraordinary partner through all of this. And she joined us in August as our chief operating and financial officer.

She previously held senior positions at away at Nike, NBC, and General Electric. And what she really specializes in is strategy, transformation, implementation, a lot of the things we were talking about here today, finance, operations and organizations where creativity and innovation are really critical drivers of success.

So we're a perfect fit. And she's been, like I said, a great partner, and I look forward to everyone getting to know her as well. Thank you.

OLIVIA TONG: Thank you, Amanda. And thank you, everybody, for joining us. We'll take the questions and break out. Thanks.