



OLAPLEX[®]

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

Q2 2023 EARNINGS

DISCLAIMER



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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, cash flow, working capital, operating expenses and operating results, including financial guidance for the full fiscal year 2023, the second half of 2023 and the third and fourth quarters of 2023, including net sales, adjusted net income, adjusted EBITDA, gross profit margin, adjusted gross margin, adjusted EBITDA margin, net interest expense and adjusted effective tax rate; uncertainty related to the macroeconomic environment and trends; customer demand for the Company's products; the Customer's customer base; inventory rebalancing across certain of the Company's customers and the Company's management of excess inventory; 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, including the impact and timing thereof; the Company's sales, marketing, education and public relations initiatives and related investments, and the impact, focus and timing thereof, including holiday kits; the Company's professional, specialty retail and direct-to-consumer channels; the Company's international expansion; distribution gains; legal proceedings; warehousing and distribution costs; and other statements contained in this press release 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," "forecast," "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.

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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.

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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, adjusted diluted EPS and adjusted effective tax rate. 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, adjusted net income and adjusted effective tax rate. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted EBITDA, adjusted net income and adjusted effective tax rate 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

SECOND QUARTER 2023 HIGHLIGHTS

Net Sales

Q2 23 Net Sales

\$109.2MM

- Reflects continued lower level of demand, and inventory rebalancing, particularly in the Professional and Specialty Retail channels
- Approx. \$22MM decline from lapping the introduction of 1-Liter size offerings during Q2 2022
- Approx. \$10MM decline from lapping net sales made to customers during Q2 2022 in advance of price increases that took effect on July 1, 2022

Adjusted EBITDA⁽¹⁾

Q2 23 Adjusted EBITDA⁽¹⁾

\$36.7MM

Q2 23 Adjusted EBITDA Margin⁽¹⁾

33.6%

(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.

REVISING FY 2023 GUIDANCE



Updated FY 2023 Guidance

Net Sales \$445 - \$465 MM

Adjusted Net Income * \$96 - \$108 MM

Adjusted EBITDA * \$161 - \$176 MM

Outcomes and Assumptions for Revised Outlook

- Q2 results, which were lower-than-expected driven by challenging trends in Pro and Specialty Retail
- Increased investments in sales and marketing to deliver stabilization rather than growth in 2H
- Reduced expectation for demand from new product introductions and new distribution gains

1H 2023 Progress Towards Stabilization

- Lift in awareness and positive opinion of OLAPLEX following the start of our upper funnel marketing campaign
- Increased traffic and improved conversion on OLAPLEX.com after the campaign launch
- We believe the months-on-hand inventory positions at our major accounts on our core items are in a much better place
- 1H 2023, net sales, or "sell-in", -44% overall sell-out at key accounts -26%

*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.

INCREASING AND OPTIMIZING MARKETING INVESTMENT



\$80-85MM* in FY23

vs. \$70MM* prior and \$40MM* in FY22

Increasing aspects of our new brand campaign

Repurposing some of the upper funnel out-of-home activations towards digital media and broadcast/connected TV

Focusing more efforts on improving our standing with the Pro community

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

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

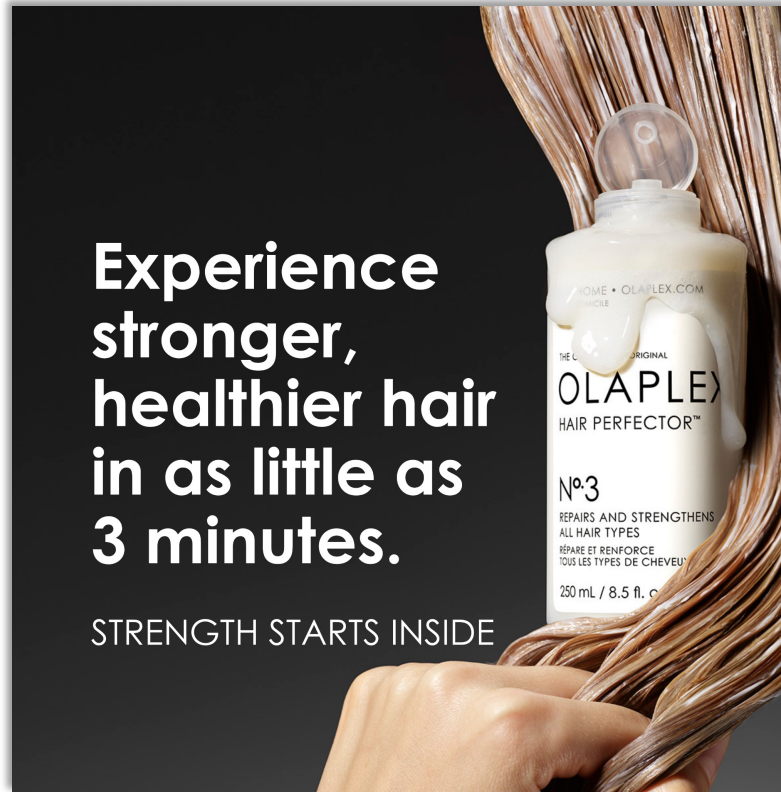


Strength Starts Inside creative campaign

Amplify our scientific authority with
our patented bisamino technology

Highlight emotional connections with
our Pro and consumer communities

Full funnel approach across paid
media, digital, social, connected TV,
audio, and out-of-home activations



INCREASING AND EVOLVING OUR EDUCATIONAL INITIATIVES



Establishing Internal Retail Field Sales Team

- Greater influence and control in driving in-person education with consumers and beauty advisors
- More cost efficient than engaging with a third-party field sales partner



REASSERTING OUR POSITION WITH PRO AND SPECIALTY RETAIL PARTNERS



Pro

Implementing new and incremental activations to show our support for the Pro audience

Continue to increase sales contacts and trainings with our new and expanded teams

Advancing our KOL salon program

Specialty Retail

Partnering with key accounts to expand CRM campaigns and education content

New visual merchandising reflective of our new brand campaign

Made further progress on international expansion

IMPROVING OUR APPROACH TO PR



**Strengthen our
global reputation,
and driving growth
in Earned Media
Value**

**Broadly distribute
content focused on
OLAPLEX and hair
health**

**Continued
development of the
OLAPLEX Scientific
Advisory Board**

**Actively defend our
brand against
misinformation**

BUILDING OUR TEAM AND ATTRACTING STRONG TALENT



JP Bilbrey

Executive Chairman

- Extensive experience growing and evolving global consumer brands
- Previously served as the President and Chief Executive Officer of The Hershey Company
- Currently serving on the Board of Directors of Tapestry, Elanco Animal Health and Colgate-Palmolive



CONFIDENT IN THE LONG-TERM OPPORTUNITIES FOR OLAPLEX



Prestige haircare category is in its **early stages of growth**

OLAPLEX is a **category leader offering differentiated science** with our patented bisamino technology

We believe we reach new users and reclaim lapsed customers as we **invest in marketing and develop within international markets**

We believe we have a **compelling multi-year innovation pipeline**



ERIC TIZIANI

Chief Financial Officer

Q2 2023 NET SALES

Q2 Sales

Net sales
decreased

-48.2%

versus second quarter 2022

Channel Sales

Professional

-61.2%

Direct to Consumer

-6.4%

Specialty Retail

-53.7%

Sales By Geography

International
decrease

-34.0%

U.S. decrease

-58.7%

Q2 2023 FINANCIAL RESULTS

**Gross Profit
Margin**

70.9%
vs **74.2%**

**Adjusted
Gross Profit
Margin⁽¹⁾**

72.7%
vs **75.2%**

SG&A

\$48.4 MM
vs **\$26.1 MM**

**Adjusted
SG&A⁽¹⁾**

\$42.3 MM
vs **\$24.4 MM**

All figures compared to second 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.

Q2 2023 FINANCIAL RESULTS

Adjusted EBITDA⁽¹⁾

\$36.7 MM
vs **\$133.1 MM**

Net Income

\$6.2 MM
vs **\$87.7 MM**

Diluted EPS

\$0.01
vs **\$0.13**

Adjusted Net Income⁽¹⁾

\$21.2 MM
vs **\$98.8 MM**

Adjusted Diluted EPS⁽¹⁾

\$0.03
vs **\$0.14**

All figures compared to second 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.

Q2 2023 FINANCIAL POSITION

Inventory

\$128.5 MM
vs **\$144.4 MM**

June 30, 2023 compared to
December 31, 2022

Cash and Cash Equivalents, and Cash Flows from Operations

Cash Flows from Operations
\$75.1 MM
vs **\$128.1 MM**

6 months ended June 30, 2023 compared to
6 months ended June 30, 2022

Cash and Cash Equivalents
\$378.4 MM
vs **\$322.8 MM**

June 30, 2023 compared to
December 31, 2022

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

\$651.7 MM
vs **\$654.3 MM**

June 30, 2023 compared to
December 31, 2022

FISCAL YEAR 2023 GUIDANCE UPDATE



	Prior FY 2023 Guidance	Updated FY 2023 Guidance
Net Sales	\$563 - \$634 MM	\$445 - \$465 MM
Adjusted Net Income*	\$176 - \$224 MM	\$96 - \$108 MM
Adjusted EBITDA*	\$261 - \$322 MM	\$161 - \$176 MM

The Company updated its guidance for fiscal year 2023 net sales, adjusted net income* and adjusted EBITDA*

Updated Fiscal Year 2023 Assumptions

- Net sales decreased due to weaker than expected Q2 sales and lower baseline demand assumption in 2H 2023, sales and marketing investments to deliver stabilization in 2H 2023, and lower impact of sales of new products and distribution gains in 2H 2023
- Gross margin contraction from deleverage from lower sales against fixed costs
- Adjusted EBITDA margin in the range of 36.2% to 37.8% for fiscal year 2023
- Net interest expense of approximately \$40 MM for fiscal year 2023
- Adjusted effective tax rate* of approximately 20%

*Adjusted EBITDA, adjusted net income and adjusted effective tax rate are non-GAAP measures. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted EBITDA, adjusted net income and adjusted effective tax rate 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.

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Q & A



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APPENDIX

NON-GAAP RECONCILIATION



Adjusted EBITDA (\$MM)

	For the Quarter Ended June 30,	
	2023	2022
Net Income	\$ 6	\$ 88
Depreciation and amortization of intangible assets	12	12
Interest expense, net	10	9
One-time former distributor payment ²	4	-
Share-based compensation	3	2
Income tax provision	2	22
Executive reorganization costs ¹	*	-
Adjusted EBITDA	\$ 37	\$ 133
Adjusted EBITDA margin	33.6%	63.1%

Adjusted Gross Profit (\$MM)

	For the Quarter Ended June 30,	
	2023	2022
Gross Profit	\$ 77	\$ 157
Amortization of patented formulations	2	2
Adjusted Gross Profit	\$ 79	\$ 159
Adjusted Gross Profit Margin	72.7%	75.2%

1. Executive reorganization costs in the three months ended June 30, 2023 represent ongoing benefit payments associated with the departure of the Company's Chief Operating Officer during the year ended December 31, 2022.
 2. During the three months ended June 30, 2023, the Company made a one-time \$3.5 million payment to a former distributor in the United Arab Emirates, which enabled the Company to establish a partnership with another distributor in the region.
- * 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 June 30,	
	2023	2022
Net Income	\$ 6	\$ 88
Amortization of intangible assets (excluding software)	12	12
One-time former distributor payment ²	4	-
Share-based compensation	3	2
Executive reorganization costs ¹	*	-
Tax effect of adjustments	(4)	(3)
Adjusted net income	\$ 21	\$ 99
Adjusted net income per share:		
Basic	\$ 0.03	\$ 0.15
Diluted	\$ 0.03	\$ 0.14

Adjusted SG&A(\$MM)

	For the Quarter Ended June 30,	
	2023	2022
SG&A	\$ 49	\$ 26
One-time former distributor payment ²	(4)	-
Share-based compensation	(3)	(2)
Executive reorganization costs ¹	*	-
Adjusted SG&A	\$ 42	\$ 24

1. Executive reorganization costs in the three months ended June 30, 2023 represent ongoing benefit payments associated with the departure of the Company's Chief Operating Officer during the year ended December 31, 2022.
 2. During the three months ended June 30, 2023, the Company made a one-time \$3.5 million payment to a former distributor in the United Arab Emirates, which enabled the Company to establish a partnership with another distributor in the region.
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THANK YOU