

OLAPLEX[®]

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Q3 2024 EARNINGS – NOVEMBER 7, 2024

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, operating results, growth, sales and profitability; the Company's financial guidance for fiscal year 2024, including net sales, adjusted net income, adjusted EBITDA, adjusted gross profit margin, adjusted SG&A, adjusted EBITDA margin, net interest expense, adjusted effective tax rate and non-payroll related marketing and advertising expenses; demand for the Company's products; the Company's product development pipeline and the impact of new product introductions, including the timing thereof; the Company's U.S. and international distribution operations; the Company's business plans, strategies, investments, priorities and objectives, including the impact and timing thereof anticipated product costs and organizational costs; the Company's sales, marketing and education initiatives, including promotions, and related investments, and the impact, focus and timing thereof; general economic trends and industry trends; the Company's executive leadership changes; inventory levels; seasonality; and other statements contained in this press release that are not historical or current facts; 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," "forecast," "seek" and similar expressions as they relate to the Company are intended to identify forward-looking statements.

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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 gross profit, adjusted gross profit margin, adjusted EBITDA, adjusted EBITDA margin, adjusted SG&A, adjusted basic and 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 EBITDA margin, adjusted net income, adjusted gross profit margin, adjusted effective tax rate and adjusted SG&A. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted gross profit margin, adjusted effective tax rate and adjusted SG&A 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 year 2024 guidance.



AMANDA BALDWIN

Chief Executive Officer

THIRD QUARTER 2024 RESULTS

Net Sales

Q3 24 Net Sales

\$119.1MM

- Representing sequential improvement from Q2 24
- Weaker than expected results in our international business
- Continue in our efforts to build the right foundation for the future

Adjusted EBITDA⁽¹⁾

Q3 24 Adjusted EBITDA⁽¹⁾□

\$44.6MM

Q3 24 Adjusted EBITDA Margin⁽¹⁾□

37.5%

(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial 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 FISCAL YEAR 2024 GUIDANCE



Updated FY 2024 Guidance

Net Sales \$405 - \$415 MM

Adjusted Net Income* \$67 - \$73 MM

Adjusted EBITDA* \$121 - \$127 MM

Updated Assumptions for Revised Outlook

Expect weaker performance from our international business

- Further realigning our distributor network to fewer, stronger partners
- Believe the slower investment in international sales and marketing in the near term has contributed to a moderation in demand

Believe it will take longer to experience demand lift from investments

- Achieving consistent U.S. sell-through trends on an absolute dollar basis
- Observed positive early indicators that our new marketing activations are resonating with Pros and consumers

Anticipate higher promotional activity during Q4 vs. original expectation

- Now expecting that the overall promotional environment will intensify during the holiday and that we will need to participate effectively
- Continue to prioritize strategic promotions that maintain brand health and new customer acquisition

*Adjusted net income and adjusted EBITDA are non-GAAP financial measures. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted net income and adjusted EBITDA 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 financial measures included in its fiscal year 2024 guidance.

INITIATIVES AND PRIORITIES FOR FY 2024

Maximizing the Impact

of Sales, Marketing
and Education
Investments To
Generate Demand

Strengthening Capabilities and Culture To

Support the Future

Developing the Long- Term Roadmap and

Future Vision for
OLAPLEX

MAXIMIZING OUR SALES, MARKETING AND EDUCATION INVESTMENTS



Recreating meaningful connections with the Pros and delivering innovation, launching new patented OLAPLEX Bond Shaping Technology™

Generated strong response to the launch of No. 5 Leave-In Conditioner, **supported by new holistic marketing plan** and exceeding initial forecasts

Campaign featuring No. 4 and No. 5 drove **higher brand engagement levels** and positive lifts in brand favorability

Regained the position as the #1 EMV haircare brand in the U.S. in Q3⁽¹⁾



(1) #1 position in August and September, according to data tracked by CreatorIQ.

STRENGTHENING CAPABILITIES AND DEVELOPING THE FUTURE



Strengthening Our Capabilities and Our Culture to Support the Future

- Strengthened our senior leadership team with COO/CFO, CMO and SVP, International appointments
- Implemented and enhancing a new integrated business planning approach
- Streamlining our marketing processes to enable better planning, higher quality creative content engine and stronger new product introductions

Developing the Long-Term Roadmap and Future Vision for OLAPLEX

- Developed a new brand vision that will be visible to Pros and consumers in the coming year
- Redesigned new product pipeline, development and go-to-market processes
- Expect to share details on strategic plan in early 2025





CATHERINE DUNLEAVY

Chief Operating Officer and
Chief Financial Officer

Q3 2024 NET SALES

Net Sales

Net sales
-3.6%
to **\$119.1MM**

Channel Sales

Specialty Retail

-1.3%

Professional

-12.6%

Direct to Consumer

+6.8%

Sales By Geography

U.S.

-3.3%

International

-3.9%

All figures compared to third quarter 2023.

Q3 2024 FINANCIAL RESULTS

**Gross Profit
Margin**

68.6%
vs **67.6%**

**Adjusted
Gross Profit
Margin⁽¹⁾**

70.8%
vs **69.7%**

SG&A

\$43.0 MM
vs **\$36.4 MM**

**Adjusted
SG&A⁽¹⁾**

\$40.4 MM
vs **\$33.7 MM**

All figures compared to third quarter 2023.

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

Q3 2024 FINANCIAL RESULTS

Net Income

\$14.8 MM
vs **\$20.4 MM**

Diluted EPS

\$0.02
vs **\$0.03**

Adjusted Net Income⁽¹⁾

\$28.7 MM
vs **\$33.4 MM**

Adjusted Diluted EPS⁽¹⁾

\$0.04
vs **\$0.05**

Adjusted EBITDA⁽¹⁾

\$44.6 MM
vs **\$51.5 MM**

Adjusted EBITDA Margin⁽¹⁾

37.5%
vs **41.7%**

All figures compared to third quarter 2023.

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

Q3 2024 FINANCIAL POSITION

Inventory

\$85.9 MM
vs **\$95.9 MM**

September 30, 2024 compared to
December 31, 2023

Cash and Cash Equivalents, and Cash Flows from Operations

Cash Flows from Operations
\$93.4 MM
vs **\$128.5 MM**

9 months ended September 30, 2024 compared to
9 months ended September 30, 2023

Cash and Cash Equivalents
\$538.8 MM
vs **\$466.4 MM**

September 30, 2024 compared to
December 31, 2023

Long-Term Debt

(Net of current portion and
deferred fees)

\$645.0 MM
vs **\$649.0 MM**

September 30, 2024 compared to
December 31, 2023

FISCAL YEAR 2024 GUIDANCE UPDATE



	Prior FY 2024 Guidance	Updated FY 2024 Guidance
Net Sales	\$435 - \$463 MM	\$405 - \$415 MM
Adjusted Net Income*	\$87 - \$100 MM	\$67 - \$73 MM
Adjusted EBITDA*	\$143 - \$159 MM	\$121 - \$127 MM

*Adjusted net income and adjusted EBITDA are non-GAAP financial measures. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted net income and adjusted EBITDA 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 financial measures included in its fiscal year 2024 guidance.

FISCAL YEAR 2024 GUIDANCE ASSUMPTIONS



**Adjusted Gross Profit
Margin***

**70.9% to
71.6%**

Adjusted SG&A*

**\$167 MM to
\$170 MM**

**Non-Payroll Related
Related Advertising and
Marketing Expenses**

**\$62 MM to
\$65 MM**

Adjusted EBITDA Margin*

**29.9% to
30.6%**

*Adjusted Gross Profit Margin, adjusted SG&A and adjusted EBITDA Margin are non-GAAP financial measures. The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for adjusted gross profit margin, adjusted SG&A and adjusted EBITDA margin 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 financial measures included in its fiscal year 2024 guidance.

STRONG FOUNDATION OF OLAPLEX



**Extraordinary
Technical
Foundation and
Ability to Deliver
Impactful
Innovation**



**Cultivated a
Passionate
Community of
Stylists and
Consumers**



**A Category
Leader,
Consistently
Ranking as a
Top Brand in Key
Accounts**



**Proven Across
Geographies
and Channels of
Distribution, Can
Deliver Impact
at Scale**



**Talented and
Dedicated
Team, Ready to
Take The Brand
to the Next Level**

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Q & A



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APPENDIX

NON-GAAP RECONCILIATION



Adjusted EBITDA (\$MM)

	For the Three Months Ended September 30,	
	2024	2023
Net Income	\$ 15	\$ 20
Depreciation and amortization of intangible assets	13	13
Interest expense, net	9	10
Income tax provision	5	6
Share-based compensation	3	3
Executive reorganization costs ¹	-	*
Adjusted EBITDA	\$ 45	\$ 52
Adjusted EBITDA margin	37.5%	41.7%

Adjusted Gross Profit (\$MM)

	For the Three Months Ended September 30,	
	2024	2023
Gross Profit	\$ 82	\$ 84
Amortization of patented formulations	2	2
Adjusted Gross Profit	\$ 84	\$ 86
Adjusted Gross Profit Margin	70.8%	69.7%

1. Represents ongoing benefit payments associated with the departure of the Company's Chief Executive Officer that occurred in the year ended December 31, 2023 and the Chief Operating Officer that occurred in the year ended December 31, 2022.

* 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 Three Months Ended September 30,	
	2024	2023
Net Income	\$ 15	\$ 20
Amortization of intangible assets (excluding software)	13	13
Share-based compensation	3	3
Executive reorganization costs ¹	-	*
Tax effect of adjustments	(2)	(3)
Adjusted net income	\$ 29	\$ 33
Adjusted net income per share:		
Basic	\$ 0.04	\$ 0.05
Diluted	\$ 0.04	\$ 0.05

Adjusted SG&A (\$MM)

	For the Three Months Ended September 30,	
	2024	2023
SG&A	\$ 43	\$ 36
Share-based compensation	(3)	(2)
Executive reorganization costs ¹	-	*
Adjusted SG&A	\$ 40	\$ 34

1. Represents ongoing benefit payments associated with the departure of the Company's Chief Executive Officer that occurred in the year ended December 31, 2023 and the Chief Operating Officer that occurred in the year ended December 31, 2022.

* Costs for this period were less than \$500 thousand, and round to zero in this presentation.



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