

# OLAPLEX<sup>®</sup>

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POWERED BY PASSION.

Q1 2024 EARNINGS – MAY 2, 2024

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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-employee 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; changes in the Company's distribution; the Company's business plans, strategies, investments, priorities and objectives, including the impact and timing thereof; the impact of the Company's internal cost savings program; anticipated product costs and organizational costs; the Company's sales, marketing and education initiatives and related investments, and the impact, focus and timing thereof; general economic trends; the Company's employees and corporate culture; growth and expansion opportunities, including expansion in existing markets and into new markets; the Company's executive leadership changes; inventory levels; seasonality; 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.

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 gross profit, adjusted gross profit margin, adjusted EBITDA, adjusted EBITDA 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 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 2024 guidance.



# AMANDA BALDWIN

Chief Executive Officer

# 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**

# 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



Sustaining a **more balanced, full-funnel marketing approach**, while **optimizing** channel and asset strategy

**Recreating meaningful connections** with the Pro community

**New, creator-led marketing activation** celebrating our best-selling OLAPLEX No. 7 Bonding Oil™, generating brand awareness

**Further evolving our marketing messages** to better articulate the strength of OLAPLEX science and our commitment to Pros



# STRENGTHENING CAPABILITIES AND DEVELOPING THE FUTURE



## Strengthening Our Capabilities and Our Culture to Support the Future

- Ongoing operationalization of enhanced integrated business planning process
- Creation of an internal, centralized workstream overseeing marketing investments across channels for more strategic spending and optimization
- Opened a small office space in New York City to strengthen our corporate culture and facilitate collaboration in an in-person setting

## Developing the Long-Term Roadmap and Future Vision for OLAPLEX

- Undertook a perception study to act as a guide for the evolution of our brand identity, messaging and design
- Formed a dedicated innovation team to create a more robust, integrated function for new product development
- Assessing the current structure and support needed in the future for international opportunities
- Establish a long-range strategic plan and financial framework





# ERIC TIZIANI

Chief Financial Officer

## Q1 2024 NET SALES

### Net Sales

Net sales  
**-13.1%**  
to **\$98.9MM**

### Channel Sales

Professional  
**-19.9%**  
Specialty Retail  
**-1.2%**  
Direct to Consumer  
**-15.7%**

### Sales By Geography

U.S.  
**+2.5%**  
International  
**-24.3%**

All figures compared to first quarter 2023.

# Q1 2024 FINANCIAL RESULTS

**Gross Profit  
Margin**

**72.1%**  
vs **71.0%**

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

**74.3%**  
vs **72.6%**

**SG&A**

**\$40.4 MM**  
vs **\$34.9 MM**

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

**\$37.2 MM**  
vs **\$32.9 MM**

All figures compared to first 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.

# Q1 2024 FINANCIAL RESULTS

## Net Income

**\$7.7 MM**  
vs **\$20.9 MM**

## Diluted EPS

**\$0.01**  
vs **\$0.03**

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

**\$20.6 MM**  
vs **\$31.4 MM**

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

**\$0.03**  
vs **\$0.05**

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

**\$35.5 MM**  
vs **\$50.0 MM**

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

**35.9%**  
vs **44.0%**

All figures compared to first 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.

# Q1 2024 FINANCIAL POSITION

## Inventory

**\$94.6 MM**  
vs **\$95.9 MM**

March 31, 2024 compared to  
December 31, 2023

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

Cash Flows from Operations

**\$43.7 MM**  
vs **\$48.1 MM**

3 months ended March 31, 2024 compared to  
3 months ended March 31, 2023

Cash and Cash Equivalents

**\$507.5 MM**  
vs **\$466.4 MM**

March 31, 2024 compared to  
December 31, 2023

## Long-Term Debt (Net of current portion and deferred debt issuance costs)

**\$647.7 MM**  
vs **\$649.0 MM**

March 31, 2024 compared to  
December 31, 2023



## REITERATING FISCAL YEAR 2024 GUIDANCE



	<b>FY 2024 Guidance</b>	<b>Actual 2023</b>	<b>+/- Change</b>
<b>Net Sales</b>	\$435 - \$463	\$458	(5)% to +1%
<b>Adjusted Net Income*</b>	\$87 - \$100	\$108	(20)% to (8)%
<b>Adjusted EBITDA*</b>	\$143 - \$159	\$174	(18)% to (9%)

\*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 2024 guidance.

## FISCAL YEAR 2024 GUIDANCE ASSUMPTIONS



**Adjusted Gross Profit  
Margin\***

**72.5% to  
73.1%**

**Adjusted SG&A\***

**\$172 MM to  
\$179 MM**

**Non-Employee Marketing  
and Advertising Expenses**

**\$66 MM to  
\$70 MM**

**Adjusted EBITDA Margin\***

**32.8% to  
34.3%**

\*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 2024 guidance.

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Q & A



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## APPENDIX

# NON-GAAP RECONCILIATION



## Adjusted EBITDA (\$MM)

	For the Three Months Ended March 31,	
	2024	2023
<b>Net Income</b>	<b>\$ 8</b>	<b>\$ 21</b>
Depreciation and amortization of intangible assets	14	12
Interest expense, net	8	11
Income tax provision	3	4
Share-based compensation	3	2
Inventory write off and disposal <sup>1</sup>	-	*
Executive reorganization costs <sup>2</sup>	*	*
<b>Adjusted EBITDA</b>	<b>\$ 36</b>	<b>\$ 50</b>
<b>Adjusted EBITDA margin</b>	<b>35.9%</b>	<b>44.0%</b>

## Adjusted Gross Profit (\$MM)

	For the Three Months Ended March 31,	
	2024	2023
<b>Gross Profit</b>	<b>\$ 71</b>	<b>\$ 81</b>
Amortization of patented formulations	2	2
Inventory write off and disposal <sup>1</sup>	-	*
<b>Adjusted Gross Profit</b>	<b>\$ 73</b>	<b>\$ 83</b>
<b>Adjusted Gross Profit Margin</b>	<b>74.3%</b>	<b>72.6%</b>

1. 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 disposing of unused stock.
  2. Represents ongoing benefit payments associated with the departure of the Company's Chief Operating Officer that occurred in fiscal year 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 March 31,	
	2024	2023
<b>Net Income</b>	<b>\$ 8</b>	<b>\$ 21</b>
Amortization of intangible assets (excluding software)	12	12
Share-based compensation	3	2
Inventory write off and disposal <sup>1</sup>	-	*
Executive reorganization costs <sup>2</sup>	*	*
Tax effect of adjustments	(2)	(3)
<b>Adjusted net income</b>	<b>\$ 21</b>	<b>\$ 31</b>
<b>Adjusted net income per share:</b>		
Basic	\$ 0.03	\$ 0.05
Diluted	\$ 0.03	\$ 0.05

## Adjusted SG&A (\$MM)

	For the Three Months Ended March 31,	
	2024	2023
<b>SG&amp;A</b>	<b>\$ 40</b>	<b>\$ 35</b>
Share-based compensation	(3)	(2)
Executive reorganization costs <sup>2</sup>	*	*
<b>Adjusted SG&amp;A</b>	<b>\$ 37</b>	<b>\$ 33</b>

1. 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 disposing of unused stock.

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