



# OLAPLEX<sup>®</sup>

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

## Q3 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, cash flow, working capital, operating expenses and operating results; the Company's financial guidance for the full fiscal year 2023, including net sales, adjusted net income, adjusted EBITDA, adjusted gross profit margin, net interest expense and adjusted effective tax rate; sales stabilization; customer demand for the Company's products; the Company's customer base, inventory rebalancing across certain of the Company's customers and the Company's management of excess inventory; 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; the Company's professional, specialty retail and direct-to-consumer channels; the Company's international expansion; the Company's executive leadership change; 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.

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, manage our executive leadership change and to 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 L.P. 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 gross profit margin, 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, adjusted gross profit margin 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.



# JP BILBREY

Interim Chief Executive Officer

# OLAPLEX COMPETITIVE ADVANTAGES



**Innovative  
Company with a  
Special Brand  
and  
Differentiated  
Technology**



**Global Leader  
in the High  
Growth Prestige  
Haircare  
Category**



**Engaged and  
Loyal  
Community of  
Stylists and  
Consumers**



**Significant  
Opportunity for  
Consistent,  
Sustained  
Growth**



**Advantaged  
Business Model  
with Top Tier  
Profitability and  
Cash  
Generation**

# EVOLVING OUR FOCUS AND IMPROVING BRAND BUILDING CAPABILITIES

**Redesign** of our integrated business planning processes

Enhancing and investing in our **insights and analytics** capabilities

Managing our omni-channel strategy and seeking to **reassert our position with Pros**



# RECENTLY ANNOUNCED LEADERSHIP TRANSITION

## **Amanda Baldwin joining OLAPLEX as CEO**

- Most recently served as the CEO of Supergoop!, the leading SPF skincare brand
- Previously served as SVP at L Catterton, and roles at Dior Beauty and Clinique
- Deep experience building prestige brands
- Mix of strengths across marketing, partnering with customers, product and team development





# ERIC TIZIANI

Chief Financial Officer



# SOLID PROGRESS TOWARDS ACHIEVING STABILIZATION



Aggregated **sell-out sales dollars remained relatively consistent in Q3** with Q2 sell-out on an absolute dollar basis

Little difference between our reported **Q3 net sales -30% YoY** and **sell-out trend in key accounts -28%**

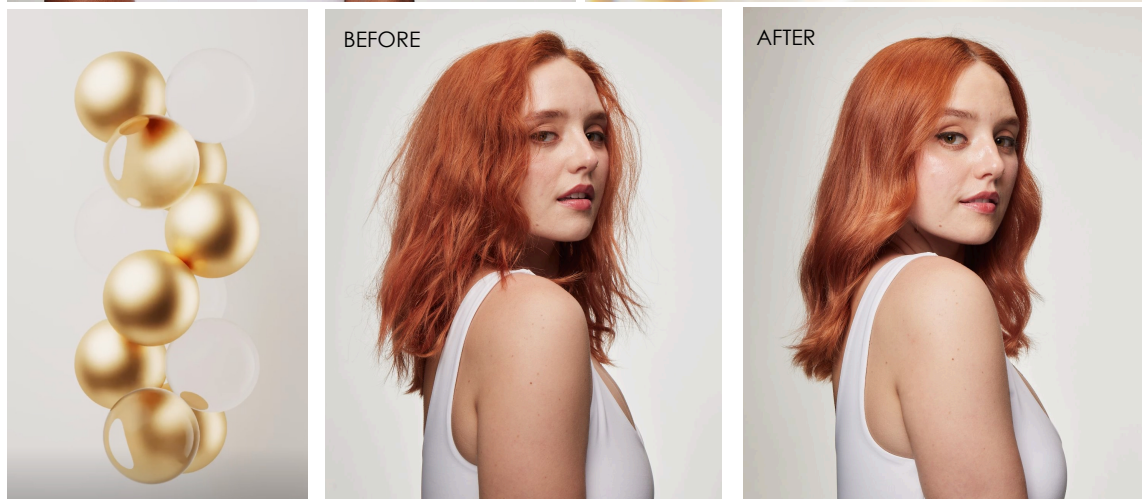
**Olaplex.com remains strong**, posting second consecutive quarter of positive YoY growth

**Continued positive brand impressions** from the 'Strength Starts Inside' full funnel marketing campaign

Positive early indicators from our **increased activations in the Professional channel**

Brand health metrics among prestige haircare consumers remain **strong and consistent with prior months**

# ACCELERATING INVESTMENTS IN SALES AND MARKETING



**\$80-82MM\*** in FY23

vs. \$80-85MM\* prior expectation and  
\$40MM\* in FY22

Deploying a more balanced, full funnel  
marketing strategy

Shifting more of our 'Strength Starts  
Inside' investment into the best  
performing content and the best  
performing channels

Shifting spend from Q3 to Q4 to support  
key holiday moments for  
stylists and consumers

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

# INCREASING AND EVOLVING OUR EDUCATIONAL INITIATIVES



- Continue to distribute **new core education content** focused on our science
- **Actively correcting** misinformation
- Building upon on **internal field sales and education team** for the Specialty Retail and Professional channels in the U.S.



Patented OLAPLEX Bond Building Technology™ penetrates faster and deeper



Patented.  
Proven.  
Trusted by stylists.



Repair damage in as little as 3 minutes

# REASSERTING OUR POSITION WITH PRO AND SPECIALTY RETAIL PARTNERS



## Pro

Increasing our visibility with stylists and demonstrating our commitment to their success

- Increased sampling programs
- In-person and virtual events
- Trade media placements
- Visual merchandising updates
- Participation in customers' appreciation promotions

## Specialty Retail

Participated in high-profile category marketing events

Executing targeted CRM activations, delivered strong ROAS

Delivering against enhanced sampling program, with conversion remaining at top-tier levels

## Q3 2023 NET SALES

### Q3 Sales

Net sales  
**-30.0%**  
versus third quarter 2022

### Channel Sales

Professional  
**-23.3%**

Specialty Retail  
**-41.8%**

Direct to Consumer  
**-18.2%**

### Sales By Geography

International  
**-29.0%**

U.S.  
**-30.9%**



## Q3 2023 FINANCIAL RESULTS

**Gross Profit  
Margin**

**67.6%**  
vs **73.6%**

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

**69.7%**  
vs **75.1%**

**SG&A**

**\$36.4 MM**  
vs **\$30.8 MM**

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

**\$33.7 MM**  
vs **\$28.4 MM**

All figures compared to third 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.

## Q3 2023 FINANCIAL RESULTS

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

**\$51.5 MM**  
vs **\$102.0 MM**

### Net Income

**\$20.4 MM**  
vs **\$60.8 MM**

### Diluted EPS

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

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

**\$33.4 MM**  
vs **\$73.3 MM**

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

**\$0.05**  
vs **\$0.11**

All figures compared to third 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.

# Q3 2023 FINANCIAL POSITION

## Inventory

**\$112.8 MM**  
vs **\$144.4 MM**

September 30, 2023 compared to  
December 31, 2022

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

Cash Flows from Operations  
**\$128.5 MM**  
vs **\$181.8 MM**

9 months ended September 30, 2023 compared to  
9 months ended September 30, 2022

Cash and Cash Equivalents  
**\$429.6 MM**  
vs **\$322.8 MM**

September 30, 2023 compared to  
December 31, 2022

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

**\$650.4 MM**  
vs **\$654.3 MM**

September 30, 2023 compared to  
December 31, 2022

## FISCAL YEAR 2023 GUIDANCE



	Prior FY 2023 Guidance	Updated FY 2023 Guidance
Net Sales	\$445 - \$465 MM	\$450 - \$460 MM
Adjusted Net Income *	\$96 - \$108 MM	\$100 - \$108 MM
Adjusted EBITDA *	\$161 - \$176 MM	\$166 - \$174 MM

\*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 September 30,	
	2023	2022
<b>Net Income</b>	<b>\$ 20</b>	<b>\$ 61</b>
Depreciation and amortization of intangible assets	13	12
Interest expense, net	10	10
Income tax provision	6	15
Share-based compensation	3	2
Labelling stock write off and disposal <sup>2</sup>	-	2
Distribution start-up costs <sup>3</sup>	-	*
Executive reorganization costs <sup>1</sup>	*	-
<b>Adjusted EBITDA</b>	<b>\$ 52</b>	<b>\$ 102</b>
<b>Adjusted EBITDA margin</b>	<b>41.7%</b>	<b>57.8%</b>

## Adjusted Gross Profit (\$MM)

	For the Quarter Ended September 30,	
	2023	2022
<b>Gross Profit</b>	<b>\$ 84</b>	<b>\$ 130</b>
Amortization of patented formulations	2	1
Labelling stock write off and disposal <sup>2</sup>	-	2
<b>Adjusted Gross Profit</b>	<b>\$ 86</b>	<b>\$ 133</b>
<b>Adjusted Gross Profit Margin</b>	<b>69.7%</b>	<b>75.1%</b>

1. Executive reorganization costs in the three months ended September 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. Labelling stock write-off and disposal costs relate to disposal of unused product labels that the Company was required to update as a result of regulation changes in the E.U that became effective in the first quarter of 2023.
  3. The distribution start-up costs relate to one-time charges associated with the set-up of a new third party logistics provider.
- 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 September 30,	
	2023	2022
<b>Net Income</b>	<b>\$ 20</b>	<b>\$ 61</b>
Amortization of intangible assets (excluding software)	13	11
Share-based compensation	3	2
Executive reorganization costs <sup>1</sup>	*	-
Labelling stock write off and disposal <sup>2</sup>	-	2
Distribution start-up costs <sup>3</sup>	-	*
Tax effect of adjustments	(3)	(3)
<b>Adjusted net income</b>	<b>\$ 33</b>	<b>\$ 73</b>
<b>Adjusted net income per share:</b>		
Basic	\$ 0.05	\$ 0.11
Diluted	\$ 0.05	\$ 0.11

## Adjusted SG&A (\$MM)

	For the Quarter Ended September 30,	
	2023	2022
<b>SG&amp;A</b>	<b>\$ 36</b>	<b>\$ 31</b>
Share-based compensation	(2)	(3)
Executive reorganization costs <sup>1</sup>	*	-
Distribution start-up costs <sup>3</sup>	-	*
<b>Adjusted SG&amp;A</b>	<b>\$ 34</b>	<b>\$ 28</b>

- Executive reorganization costs in the three months ended September 30, 2023 represent ongoing benefit payments associated with the departure of the Company's Chief Operating Officer during the year ended December 31, 2022.
  - Labelling stock write-off and disposal costs relate to disposal of unused product labels that the Company was required to update as a result of regulation changes in the E.U that became effective in the first quarter of 2023.
  - The distribution start-up costs relate to one-time charges associated with the set-up of a new third party logistics provider.
- \* 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