



waldencast

Q1 2024 Earnings Presentation



Michel Brousset

Founder and CEO



Manuel Manfredi

Chief Financial Officer

Disclaimer



Cautionary Statement Regarding Forward-Looking Statements

All statements in this presentation that are not historical, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about: statements regarding Waldencast's outlook and guidance for Fiscal 2024, the Company's ability to deliver financial results in line with expectations; expectations regarding sales, earnings or other future financial performance and liquidity or other performance measures; the Company's long-term strategy and future operations or operating results; expectations with respect to the Company's industry and the markets in which it operates; future product introductions; the Company's ability to evidence compliance with all applicable requirements for continued listing on Nasdaq; and any assumptions underlying any of the foregoing. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," and "will" and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the Company, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements, including, among others: (i) the inability to recognize the anticipated benefits of the business combination with Obagi Skincare and Milk Makeup, (ii) the ability of the Company to file required financial results in a timely manner, (iii) the Company's ability to successfully remediate the material weaknesses in the Company's internal control over financial reporting, (iv) the potential for delisting, legal proceedings or government investigations or enforcement actions, including those relating to the subject of the Audit Committee of the Company's Board of Directors' review or inability to finalize financial results in a timely manner, (v) the Company's ability to obtain additional waivers from the Administrative Agent and the lenders under its credit facilities for any continuing or future defaults or events of default, (vi) volatility of Waldencast's securities due to a variety of factors, including Waldencast's inability to implement its business plans or meet or exceed its financial projections and changes, (vii) the ability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities, (viii) the ability of Waldencast to implement its strategic initiatives and continue to innovate Obagi Skincare's and Milk Makeup's existing products and anticipate and respond to market trends and changes in consumer preferences, (ix) any shifts in the preferences of consumers as to where and how they shop, and (x) social, political and economic conditions. These and other risks, assumptions and uncertainties are more fully described in the Risk Factors section of our 2023 20-F (File No. 01-40207), filed with the Securities and Exchange Commission (the "SEC") on April 30, 2024, and in our other documents that we file or furnish with the SEC, which you are encouraged to read.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to rely on these forward-looking statements, which speak only as of the date they are made. Waldencast expressly disclaims any current intention, and assumes no duty, to update publicly any forward-looking statement after the distribution of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

Non-GAAP Financial Measures

In addition to the financial measures presented in this presentation in accordance with U.S. GAAP, Waldencast separately reports financial results on the basis of the measures set out and defined below which are non-GAAP financial measures. Waldencast believes the non-GAAP measures used in this release provide useful information to management and investors regarding certain financial and business trends relating to its financial condition and results of operations. Waldencast believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends given the business combination ("Business Combination") of Waldencast with Obagi Global Holdings Limited ("Obagi Skincare") and Milk Makeup LLC ("Milk Makeup") on July 27, 2022 and certain other factors. These non-GAAP measures also provide perspective on how Waldencast's management evaluates and monitors the performance of the business.

There are limitations to non-GAAP financial measures because they exclude charges and credits that are required to be included in GAAP financial presentation. The items excluded from GAAP financial measures such as net income/loss to arrive at non-GAAP financial measures are significant components for understanding and assessing our financial performance. Non-GAAP financial measures should be considered together with, and not alternatives to, financial measures prepared in accordance with GAAP.

Please refer to the tables included in the Appendix for a reconciliation of these metrics to the most directly comparable GAAP financial measures.

Comparable Net Revenue is defined as Net Revenue excluding sales related to the former Obagi Skincare China business, which was not acquired by Waldencast at the time of the Business Combination (the "Obagi China Business") as was presented in previous earnings releases. The sales to the Obagi China business have a below market sales price for a defined period of time after the acquisition of Obagi Skincare. As a result of the acquisition, a below market contract liability was recognized and is amortized based on sales. This adjustment is shown in the Adjusted EBITDA reconciliation. Management believes that this non-GAAP measures provides perspective on how Waldencast's management evaluates and monitors the performance of the business. See reconciliation to U.S. GAAP Net Revenue in the Appendix.

Adjusted EBITDA is defined as GAAP net income (loss) before interest income or expense, income tax (benefit) expense, depreciation and amortization, and further adjusted for the items as described in the reconciliation below. We believe this information will be useful for investors to facilitate comparisons of our operating performance and better identify trends in our business. Adjusted EBITDA excludes certain expenses that are required to be presented in accordance with GAAP because management believes they are non-core to our regular business. These include non-cash expenses, such as stock-based compensation, inventory fair value adjustments, the amortization of fair value of the related party liability to the Obagi China Business, change in fair value of financial instruments, loss on impairment of leases, and foreign currency transaction loss (gain); In addition adjustments include expenses that are not related to our underlying business performance including (1) legal, advisory and consultant fees related to the financial restatement of previously issued financial statements and the SEC investigation; (2) costs to recover and the value of the inventory recovered from the acquisition of the Vietnam distributor, and the associated discontinued product; (3) other non-recurring costs, primarily legal settlement costs and contract termination costs. The Adjusted EBITDA by Segment for each period is included in the Appendix.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of net revenue. The Adjusted EBITDA Margin reconciliation by Segment for each period is included in the Appendix.

Adjusted Gross Profit is defined as GAAP gross profit excluding the impact of inventory fair value adjustments, amortization of the supply agreement and formulation intangible assets, and the amortization of the fair value of the related party liability the Obagi China Business. The Adjusted Gross Profit reconciliation by Segment for each period is included in the Appendix.

Adjusted Gross Margin is defined as Adjusted Gross Profit divided by GAAP Net Revenue.

Net Debt Position is defined as the principal outstanding for the 2022 Term Loan and 2022 Revolving Credit Facility minus the cash and cash equivalents as of March 31, 2024.

Our ambition is to build a global best-in-class beauty and wellness multi-brand platform by creating, acquiring, accelerating, and scaling the next generation of high-growth, purpose-driven brands

We depart from high-growth categories in a growing market



2023

Q1 2024

Prestige Beauty

Prestige Beauty

+14%

+9%

Prestige Makeup

+5%

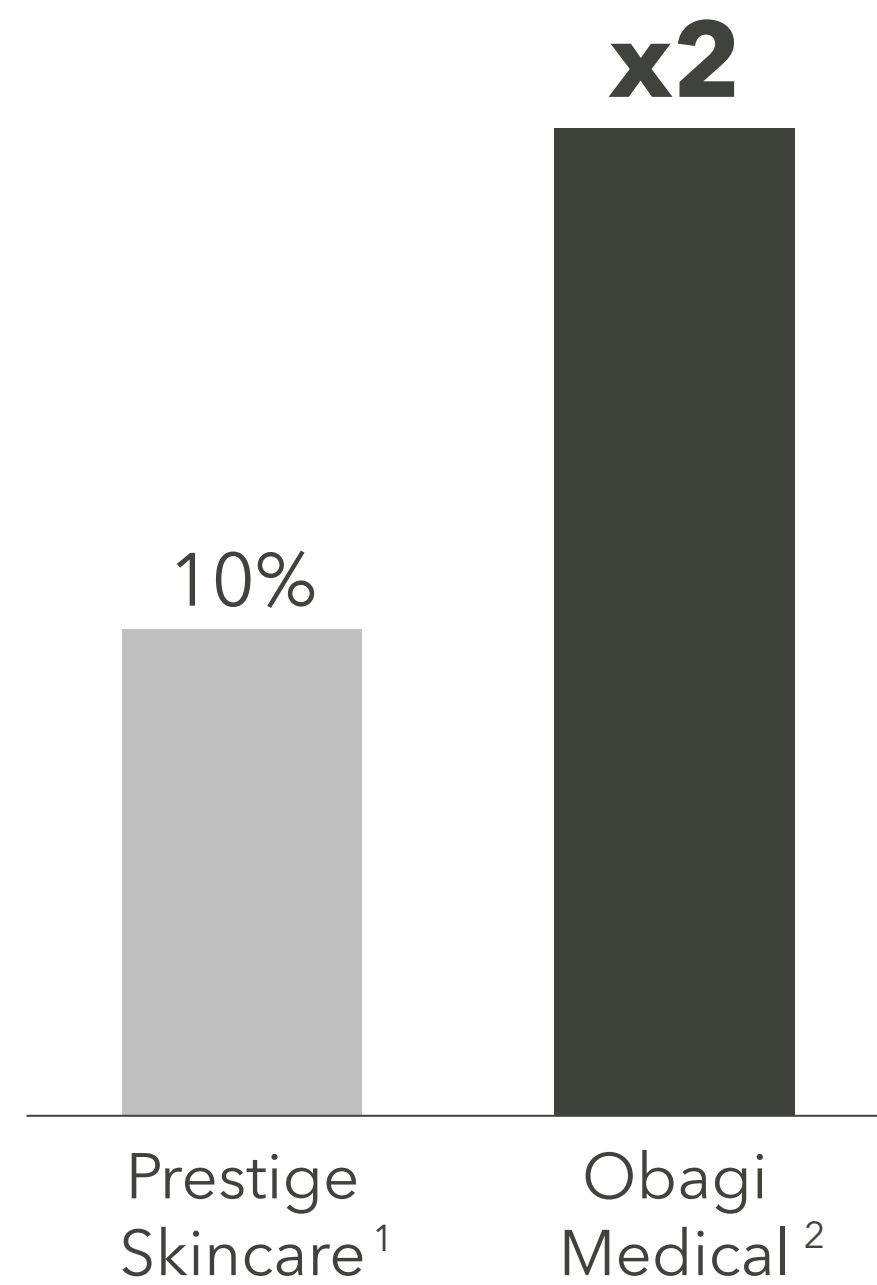
Prestige Skincare

+10%

With leading brands outperforming market growth



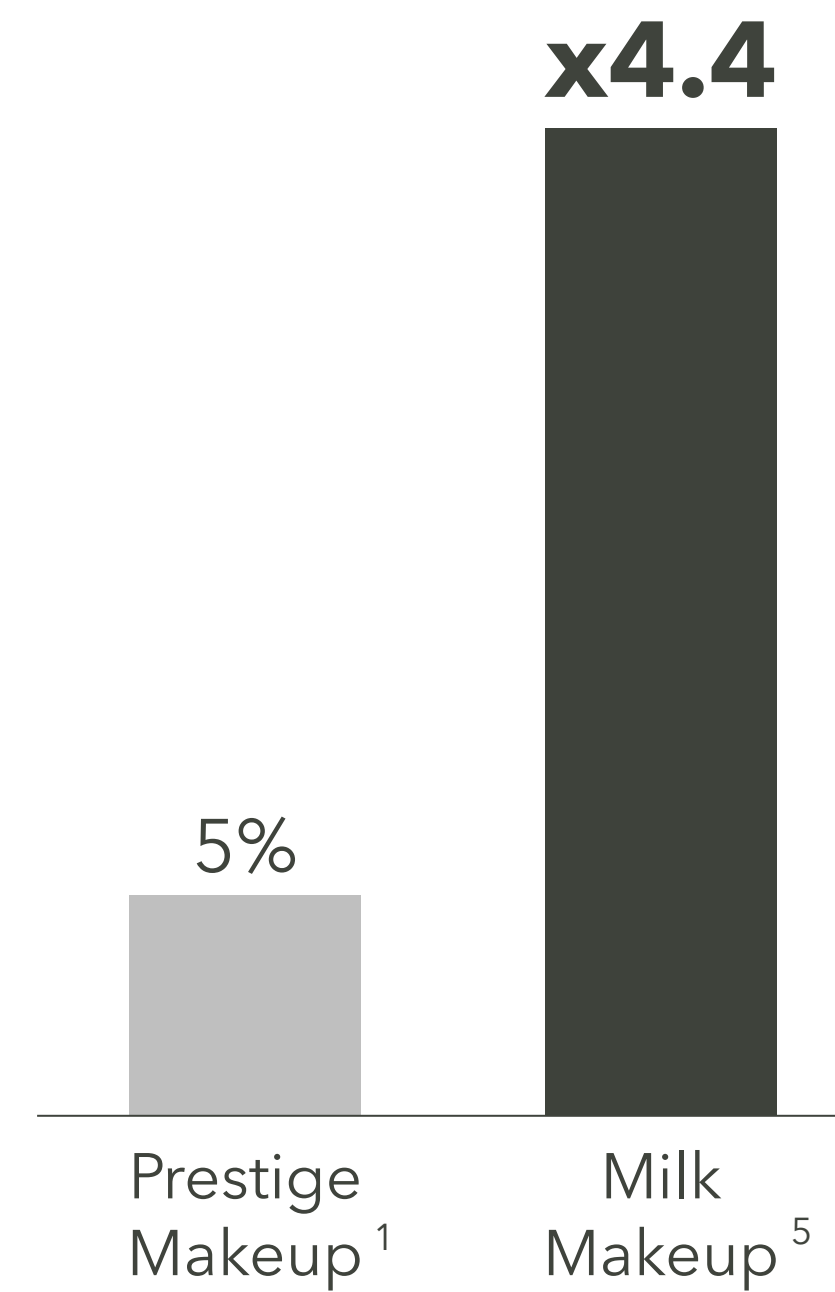
OBAGI
MEDICAL



#1
Physician-Recommended
Medical Skincare Brand³
Pigmentation. Fine Lines & Wrinkles. Sagging Skin.

80+
Patents on
Products/Technology⁴

Milk
MAKEUP



#2
Clean Makeup Brand⁶
At Sephora US

#9
EMV Makeup Brand⁷

¹ Circana, U.S. Prestige Beauty Total Measured Market and OmniMarket Core Outlets, dollar sales January-March 2024 versus 2023.

² Comparable Net Revenue excludes \$0.4M and \$3.9M for Q1 2024 and Q1 2023, respectively of sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast. Q1 2024 US GAAP Net Revenue of \$33.8M and Q1 2023 US GAAP Net Revenue of \$31.6M.

³ Independent Industry Sources, USA (2023) *Q - Which professional skin care brand are you most likely to recommend to your patients for at-home use for each skin condition? (N=262).

⁴ Obagi Company Information.

⁵ Net Revenue Q1 2024 versus Q1 2023.

⁶ Sephora Management.

⁷ CreatorIQ, Q1 2024.



Our destination is a multi-brand portfolio

Where we are...

OBAGI
MEDICAL




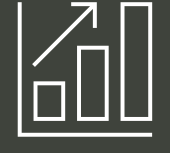


Milk
MAKEUP

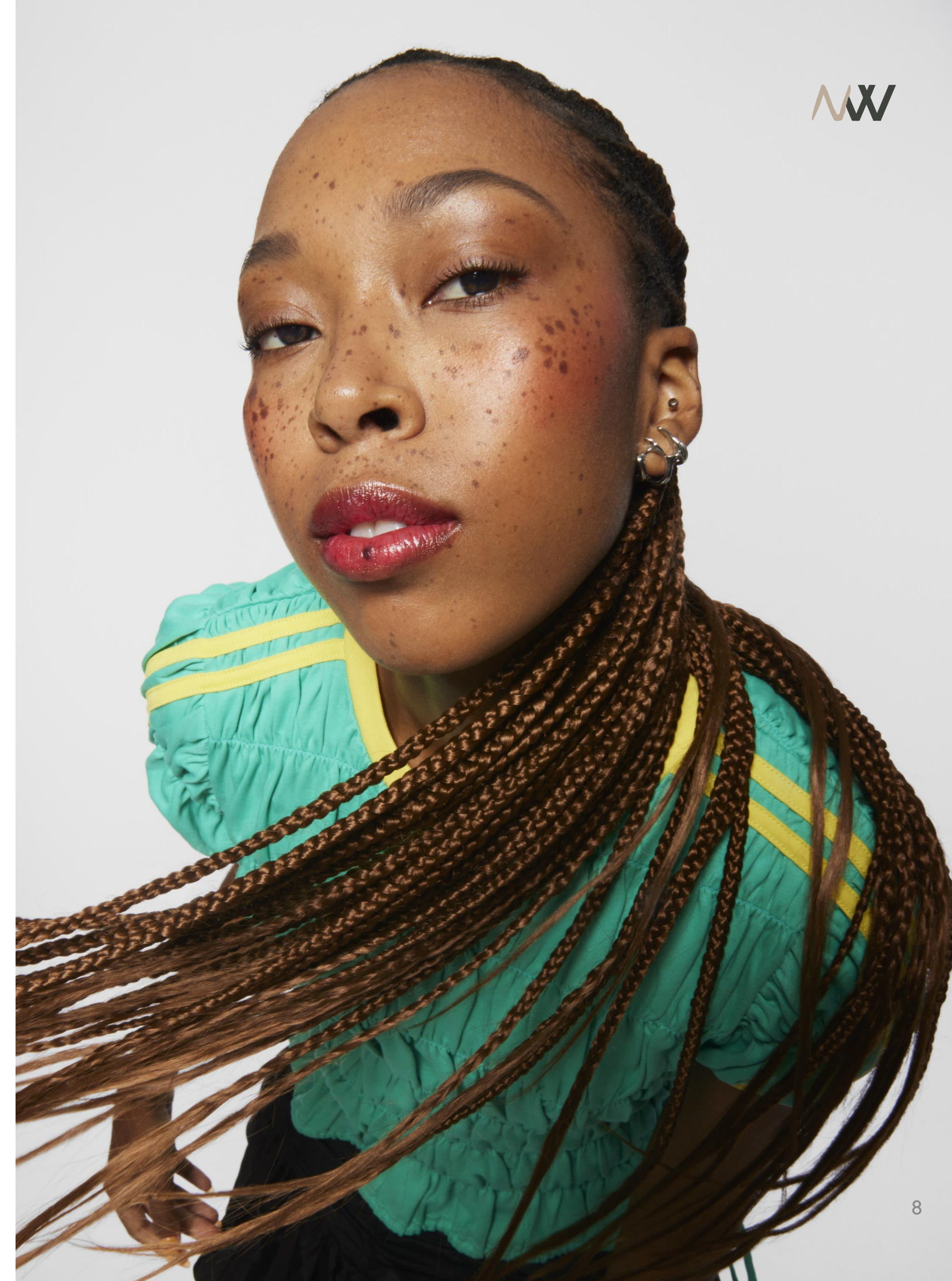


Where we are headed...

Skin	US	Professional	Prestige
Color		Specialty	
Hair	APAC		Masstige
Body	Europe	Online	
Wellness		Food / Drug / Mass	Mass
Fragrance	LATAM		
Categories	Geographies	Channels	Price Points

Poised for long-term profitable growth

-  House of brands built for **scale and speed**
-  **Pure-play in beauty**
-  **Diversified portfolio**
(category, channel, geography, price point)
-  Significant opportunity for **accelerated long-term growth**
-  Focused on **sustained profitability**
-  **World-class management teams** with deep operating experience and expertise



FY 2023 & Q1 2024 Combined Financial Profile



2023

Comparable Net Revenue¹

\$212.5m

+15.3%

Adjusted Gross Profit²

\$150.4m

69.0%³

Adjusted EBITDA⁴

\$24.4m

11.2%⁵

Q1 2024

Comparable Net Revenue⁶

\$67.9m

+21.0%

Adjusted Gross Profit⁷

\$52.1m

76.3%³

Adjusted EBITDA⁸

\$11.4m

16.6%⁵

¹ Comparable Net Revenue excludes \$5.6M sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast. FY 2023 US GAAP Net Revenue of \$218.1M.

² Gross Profit of \$141.6M adjusted for reconciling items, please refer to the Appendix page 51.

³ Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

⁴ Net Loss of \$106.0M adjusted for non-recurring add-backs, please refer to the Appendix page 50.

⁵ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

⁶ Comparable Net Revenue excludes \$0.4M sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast. Q1 2024 US GAAP Net Revenue of \$68.3M.

⁷ Gross Profit of \$49.6M adjusted for reconciling items, please refer to the Appendix page 58.

⁸ Net Loss of \$3.9M adjusted for non-recurring add-backs, please refer to the Appendix page 54.

Comparable
Net Revenue¹

Acceleration above
Q1 2024 growth

Adjusted
EBITDA Margin²

Mid-Teens

¹ Comparable Net Revenue exclude sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast.

² Adjusted EBITDA margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

FY 2023 & Q1 2024 Liquidity & Outstanding Shares



Liquidity

As of December 31, 2023

\$141.8M Net Debt¹

\$21.1M Cash & Cash Equivalents

As of March 31, 2024

\$150.5M Net Debt²

\$26.8M Cash & Cash Equivalents

Outstanding Shares

As of December 31, 2023

122,076,410 Ordinary Shares Outstanding

101,228,857 Class A Ordinary Shares Outstanding

20,847,553 Class B Ordinary Shares Outstanding³

As of April 15, 2024

122,189,142 Ordinary Shares Outstanding

109,703,729 Class A Ordinary Shares Outstanding

12,485,413 Class B Ordinary Shares Outstanding³

¹ Net Debt Position is defined as the principal outstanding for the 2022 Term Loan and 2022 Revolving Credit Facility minus the cash and cash equivalents as of December 31, 2023.

² Net Debt Position is defined as the principal outstanding for the 2022 Term Loan and 2022 Revolving Credit Facility minus the cash and cash equivalents as of March 31, 2024.

³ Waldencast plc Class B ordinary shares owned by former members of Milk.

Milk

MAKEUP

2024

OUR RESULTS: FY 2023

NET REVENUE

\$100.5M

+38.6%

ADJ. GROSS PROFIT¹

\$66.7M

66.4%²

ADJ. EBITDA³

\$18.4M

18.3%⁴

1. Gross Profit of \$65.0M adjusted for reconciling items, please refer to the Appendix page 51.

2. Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

3. Net Loss of \$5.7M adjusted for non-recurring add-backs, please refer to the Appendix page 50.

4. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

OUR RESULTS: Q1 2024

NET REVENUE

\$34.5M

+21.5%

ADJ. GROSS PROFIT¹

\$24.6M

71.3%²

ADJ. EBITDA³

\$10.0M

29.1%⁴

1. Gross Profit of \$24.6M, please refer to the Appendix page 59.

2. Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

3. Net Income of \$5.3M adjusted for non-recurring add-backs, please refer to the Appendix page 55.

4. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

OUR VISION: BE “THE NEXT”

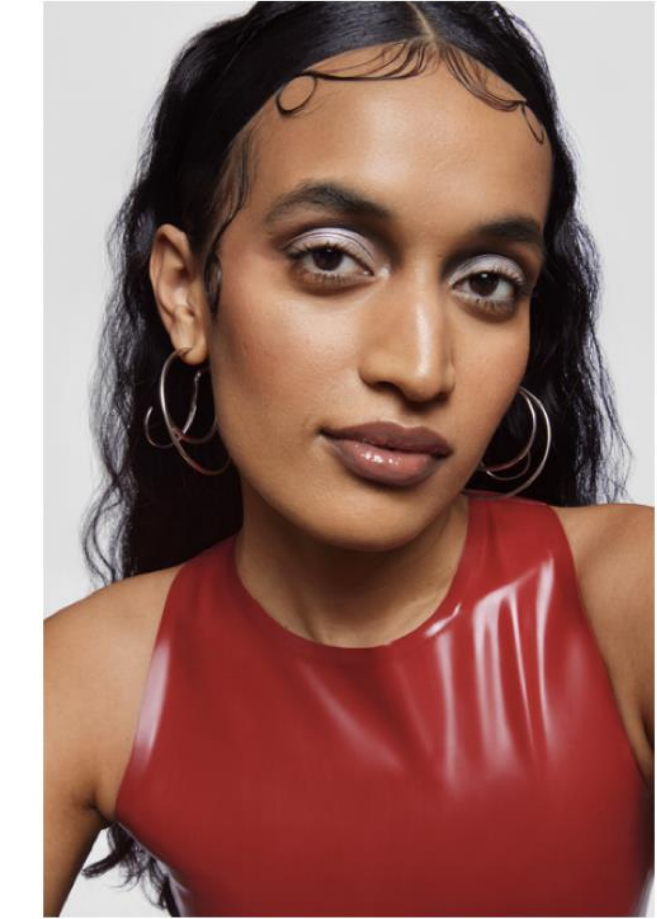
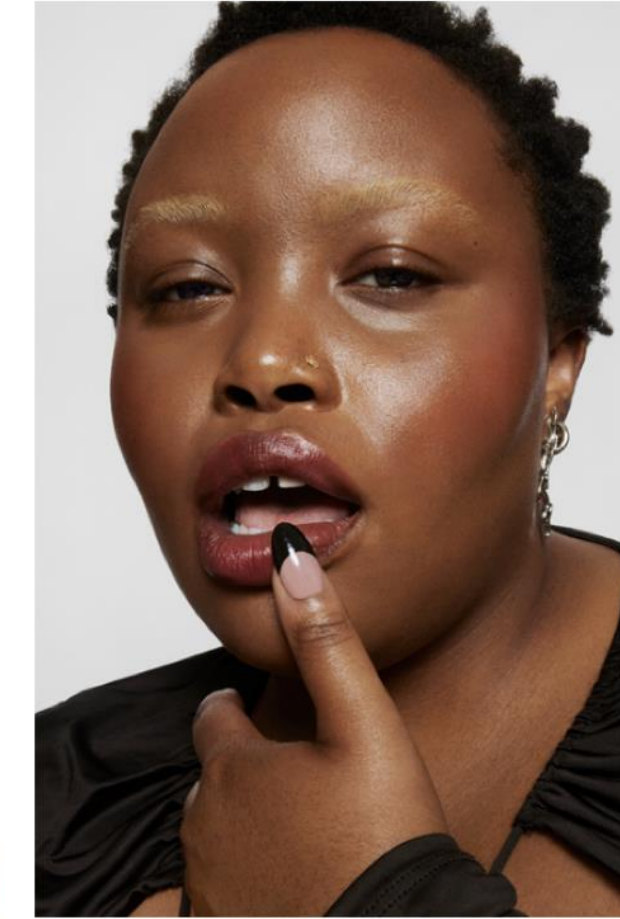
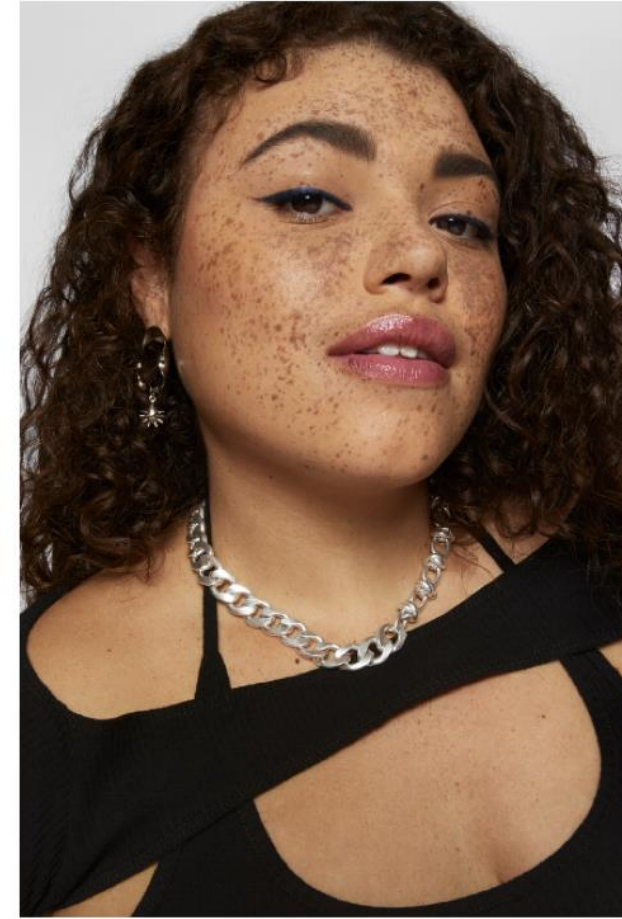


#1

**BEAUTY BRAND OF
THE NEXT GEN**

MILK MAKEUP IS A MOVEMENT

ROOTED IN COMMUNITY. INSPIRED BY NYC. POWERED BY HIGH PERFORMANCE CLEAN PRODUCTS.



OUR PRIORITIES



Double down on DNA.
Accelerate awareness.
Broaden brand love + beauty cred.



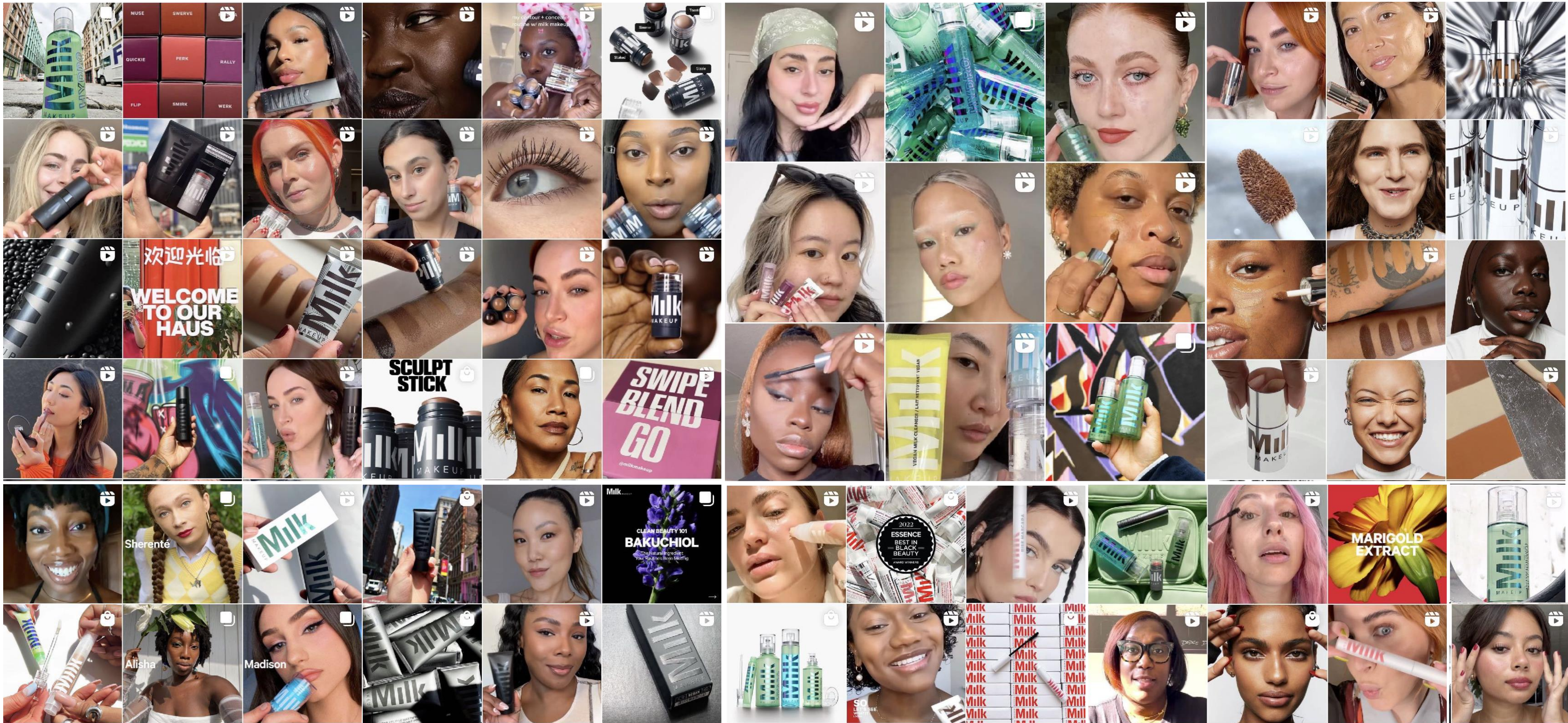
Category leading heroes.
Innovation-leading launches.
High performance clean utility



Connect with our core.
Welcome new groups

OUR MISSION: HELP OUR COMMUNITY TO LIVE THEIR LOOK.

OUR BRAND SIGNATURE IS AN INVITATION FOR SELF-EXPRESSION AND LIVING YOUR TRUTH.

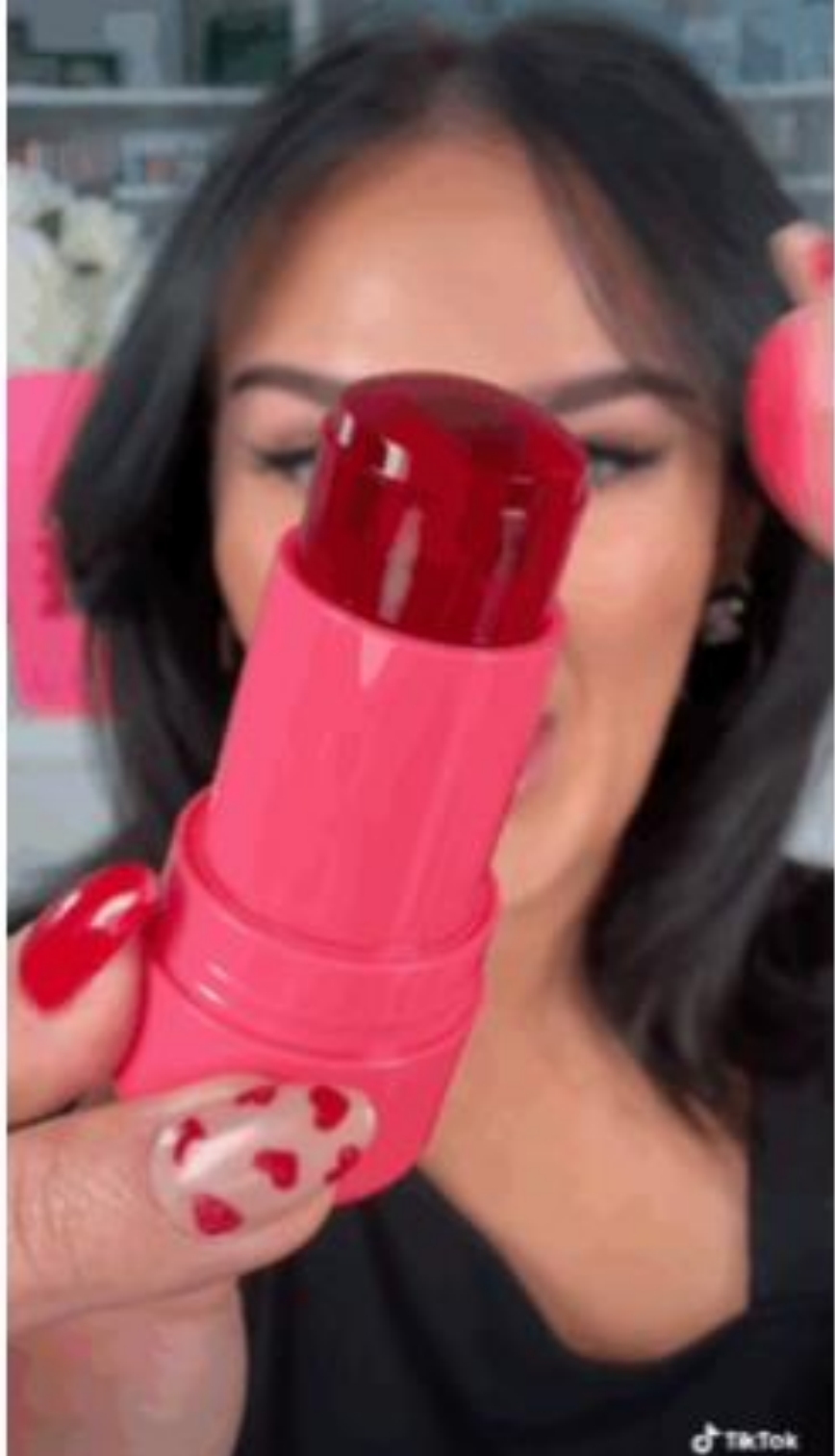


OUR MODEL: BEGINS AND ENDS WITH COMMUNITY.

WE SPARK. WE PARTNER. WE AMPLIFY. THEY DO THE REST.



@COCONUTCATHY
15.4M VIEWS



@MIKAYLANOGUEIRA
7.2M VIEWS



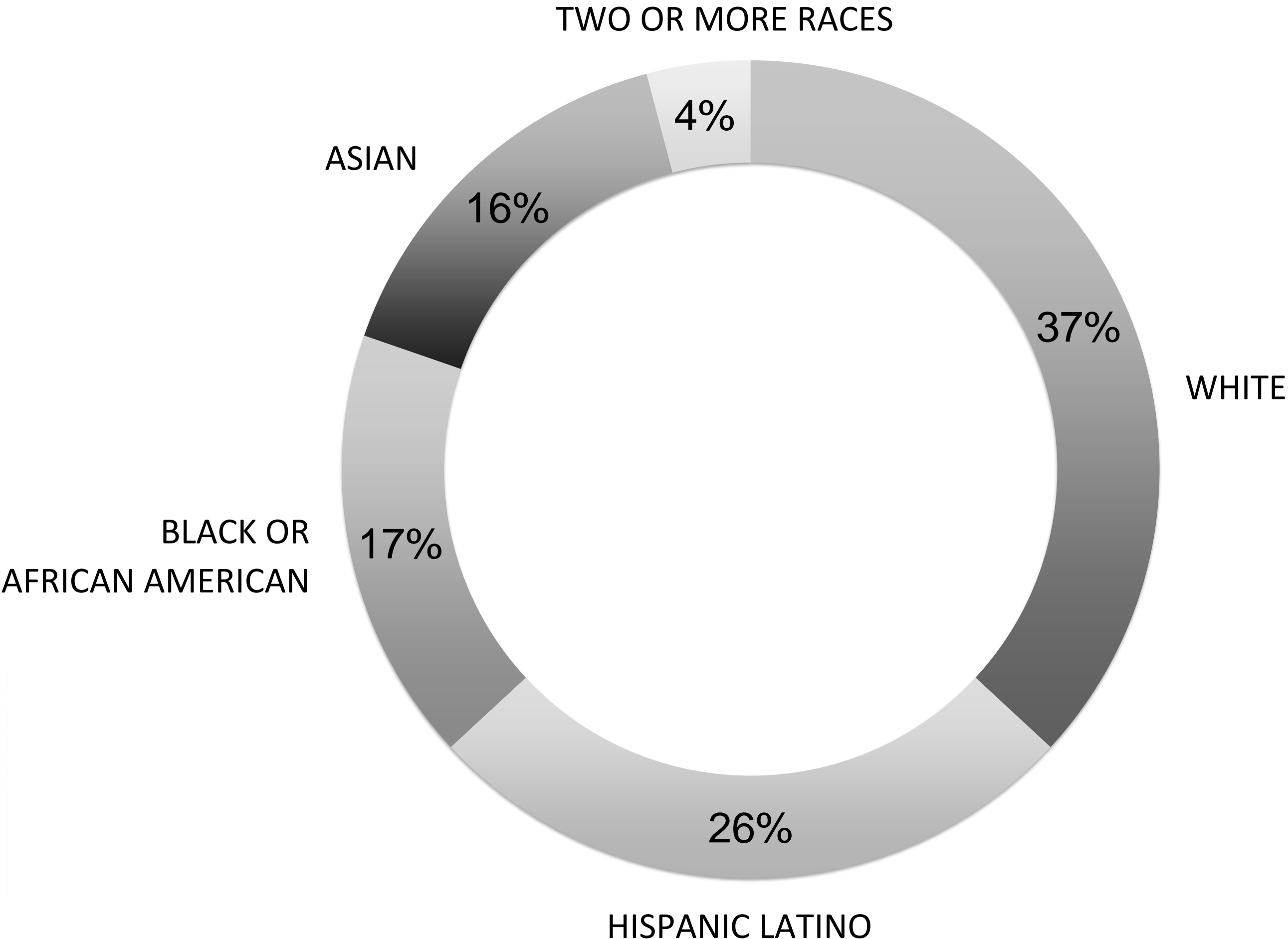
@CHRISTXIEE
10.2M VIEWS



@SEANANTHONYV
4.2M VIEWS

OUR TEAM: MILK MAKEUP IS AN INSIDE OUT COMPANY.

OUR DIVERSITY IS A CRITICAL PART OF OUR SUCCESS AND BEING TRUE TO THE COMPANY VALUES.



19,904

Q1 2024 APPLICATIONS
FOR 41 POSTINGS YTD

OUR INNOVATION: COOL, CLEAN BEAUTY THAT WORKS.

BREAKTHROUGH PRODUCTS THAT DELIVERS AND IS GOOD FOR YOU. ALWAYS CLEAN, VEGAN AND CRUELTY-FREE.



BUILD OUR ICONS

OUR 3 PRODUCT PRIORITIES

PRIME + SET



STICKS



SURPRISE OUR COMMUNITY ACROSS NEW SEGMENTS

OUR 3 PRODUCT PRIORITIES

EYE



LIP



COMPLEXION



BE THE MOST INNOVATIVE AND EXCITING MAKEUP BRAND

OUR 3 PRODUCT PRIORITIES

COOLING WATER JELLY TINTS



KUSH LIP OILS



CLOUD GLOW FOAMING PRIMER



Q1 2024 STRONG ORGANIC SOCIAL RESULTS

STRONG START TO THE YEAR DRIVEN BY INNOVATION AND NEW RETAILER LAUNCHES (LYKO AND BOOTS)

#9

EMV Brand

\$99M

EMV

1.2BN

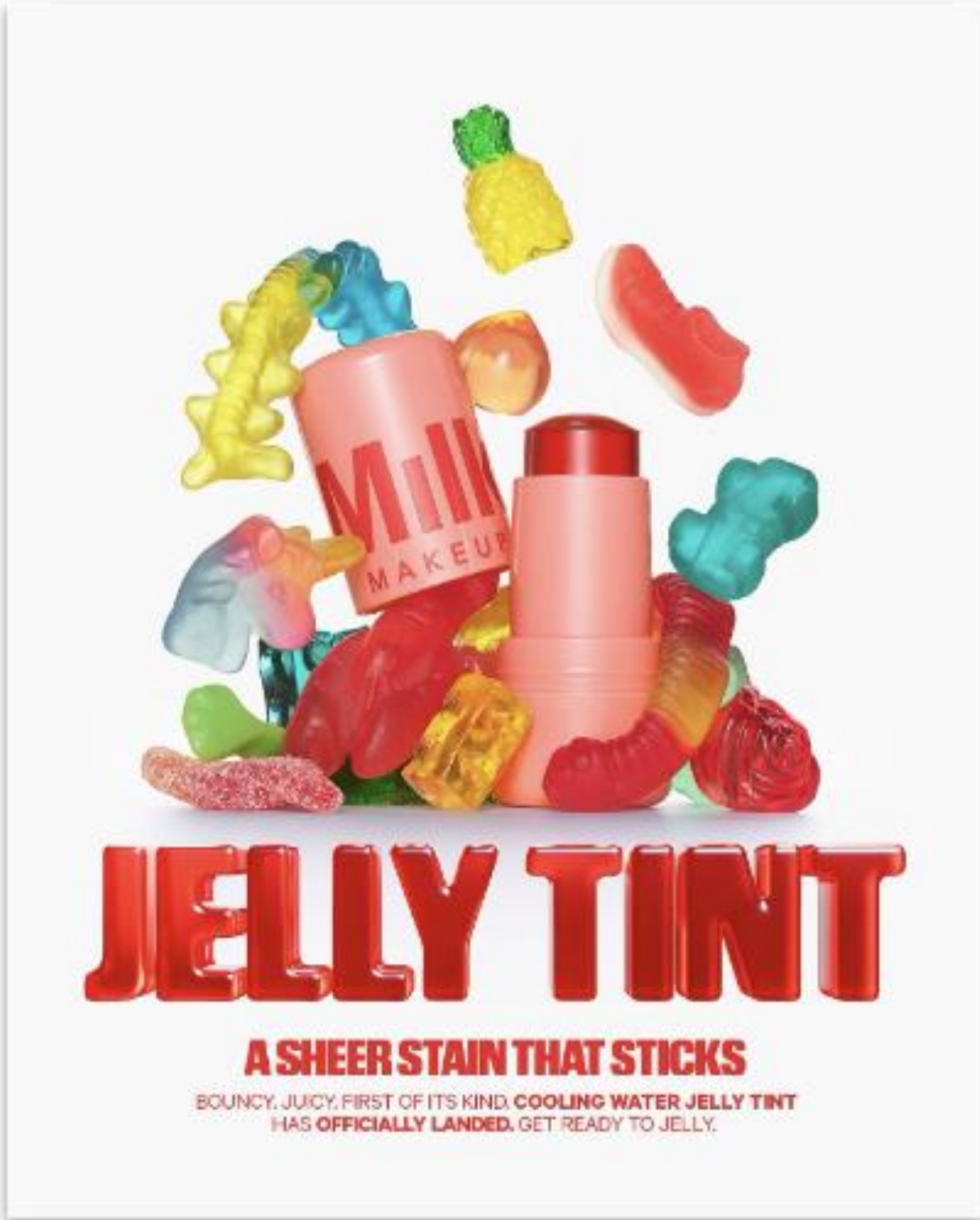
Impressions

372K

New Followers

58M+

Video Views



3 New Product Launches
with our biggest launch ever, Cooling Water Jelly Tint



Launched Social Shopping on TikTok Shop



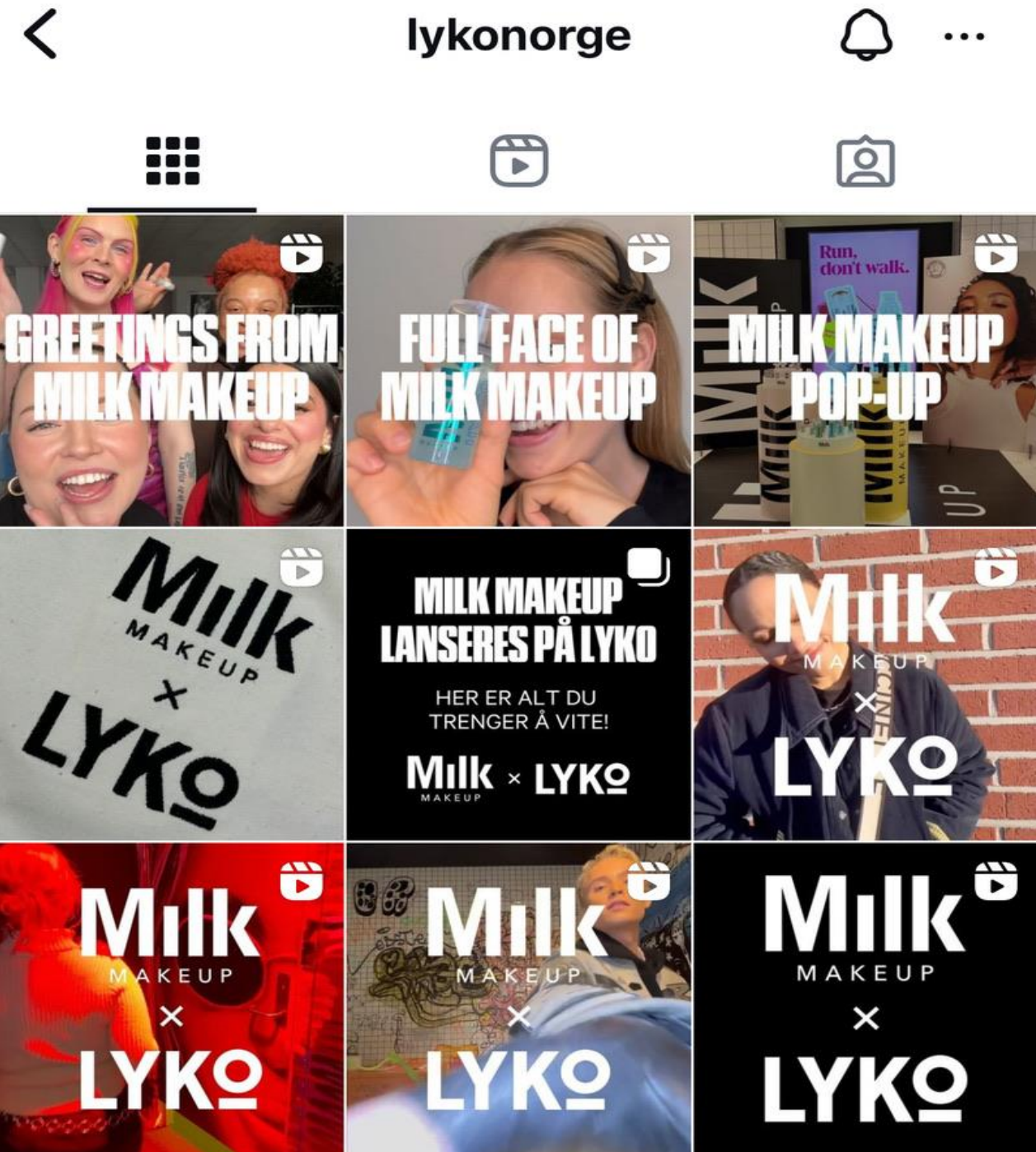
2 New International Retailer Launches

11 GLOBAL BEAUTY AWARDS YTD (9 YTD 2023)

DRIVING AWARENESS AND CREDIBILITY



LYKO LAUNCH (SWEDEN + NORWAY)



#3 MAKEUP BRAND
INSTORE

NORWAY

#1 MAKEUP BRAND
OMNI

FINLAND

#2 MAKEUP BRAND
OMNI



UK ACCELERATION: +119% IN Q1

STRONG RANKING IN SEPHORA UK AND SPACE NK. BOOTS STARTING WELL.



SEPHORA

#4 MAKEUP BRAND INSTORE

SPACE NK

#8 MAKEUP BRAND OMNI

(AVAILABLE IN LESS THAN 50% OF STORES)

Source: Sephora UK, Q1 2024 Sell Thru; Space NK, Q1 2024 Sell Thru

BLUSH BAR (MEXICO + CHILE + COLOMBIA)



MEXICO

#1

MAKEUP
BRAND

#1

OVERALL
BRAND

CHILE

#1

MAKEUP
BRAND

#3

OVERALL
BRAND

COLOMBIA

#1

MAKEUP
BRAND

#5

OVERALL
BRAND

UP NEXT: SUMMER LAUNCHES STARTING NOW



**PORE ECLIPSE
MATTE BLUR STICK**



**KUSH HIGH
ROLL MASCARA**



**KUSH HIGH ROLL BROW
8 SHADES**



OBAGI[®]
M E D I C A L

KEY FIGURES FY 2023

COMPARABLE NET REVENUE¹

\$112.0M

+0.2%

ADJ. GROSS PROFIT²

\$83.7M

71.2%³

ADJ. EBITDA⁴

\$20.8M

17.7%⁵

1. Comparable Net Revenue excludes \$5.6M sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast. FY 2023 US GAAP Net Revenue of \$117.7M.

2. Gross Profit of \$76.6M adjusted for reconciling items, please refer to the Appendix page 51.

3. Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

4. Net Loss of \$32.2M adjusted for non-recurring add-backs, please refer to the Appendix page 50.

5. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

KEY FIGURES Q1 2024

COMPARABLE NET REVENUE¹

\$33.4M

+20.6%

ADJ. GROSS PROFIT²

\$27.5M

81.4%³

ADJ. EBITDA⁴

\$6.7M

20.0%⁵

1. Comparable Net Revenue excludes \$0.4M sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast. Q1 2024 US GAAP Net Revenue of \$33.8M.

2. Gross Profit of \$25.0M adjusted for reconciling items, please refer to the Appendix page 60.

3. Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

4. Net Loss of \$5.8M adjusted for non-recurring add-backs, please refer to the Appendix page 56.

5. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

REVENUE DRIVERS Q1 2024

UNITED STATES

+43.5%

INTERNATIONAL¹

+22.0%

1. 2023 International data excludes \$4.6m of Net Revenue related to the former Southeast Asia distributor, for shipments in 2022 that were recognized in Q1 2023 under cash accounting, product sales relating to the Obagi China Business, and 2024 direct Southeast Asia Net Revenue.

OUR GLOBAL VISION

**#1 PHYSICIAN-DISPENSED
DERMATOLOGICAL BRAND IN THE WORLD**

TARGETED SOLUTIONS. TRANSFORMATIVE RESULTS.

THE #1 US PHYSICIAN RECOMMENDED BRAND

#1 PIGMENTATION
FINE LINES & WRINKLES
SAGGING SKIN

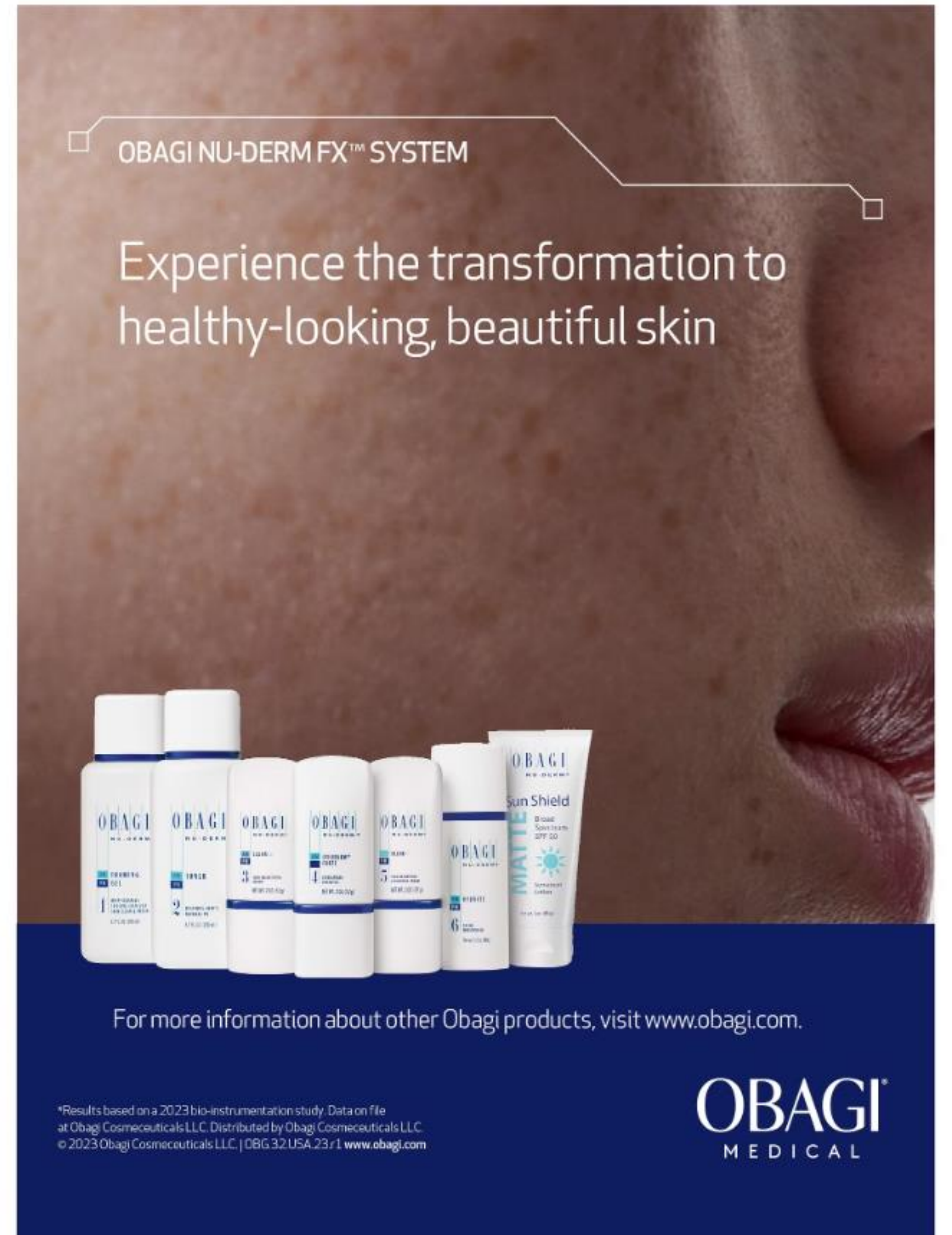
2/3 OF PROFESSIONAL
SKINCARE SALES
WERE AGING AND
PIGMENTATION
PRODUCTS

OUR GROWTH STRATEGY

3 KEY LEVERS


- Strengthen Dermatological Skincare Brand DNA
- Accelerate Cutting-Edge, Science Backed Innovation
- Grow Brand Awareness & Footprint

STRENGTHENING DERMATOLOGICAL CREDENTIALS NEW VISUAL IDENTITY



OBAGI NU-DERM FX™ SYSTEM

Experience the transformation to healthy-looking, beautiful skin



For more information about other Obagi products, visit www.obagi.com.

*Results based on a 2023 bio-instrumentation study. Data on file at Obagi Cosmeceuticals LLC. Distributed by Obagi Cosmeceuticals LLC. © 2023 Obagi Cosmeceuticals LLC. | OBG.32.USA.23.r1. www.obagi.com

OBAGI
MEDICAL

BOOSTING VISIBILITY ACROSS ALL TOUCHPOINTS

2022 InStyle BEST BEAUTY BUYS

PROFESSIONAL-C SERUM
Award-winning antioxidant defense

Improved skin tone and minimized look of fine lines.

OBAGI
MEDICAL

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OBAGI
MEDICAL

OBAGI HYDRATE LUXE®
HYDRATING FACIAL CREAM

DESCRIPTION
Ultra-rich hydrating formula

KEY BENEFITS

- For intensive hydration and a rejuvenated complexion
- Helps reduce the appearance of fine lines and wrinkles
- Luxurious, balm-like texture

KEY INGREDIENTS

TARA SEED EXTRACT
Holds in moisture and prevents water loss. Enhances your skin's appearance and texture by allowing the epidermis to remain hydrated and to retain moisture

BIOMIMETIC PEPTIDES
Improves fine lines, wrinkles and firmness

HOW TO USE IT
Apply to face in the evening as part of your nightly skin care routine

CLINICAL RESULTS
93% reported that skin looks and feels deeply hydrated*

PRODUCT SIZES
Retail 1.7 oz. (48 g)

SKIN CONCERN
Dehydrated Skin

SKIN TYPE
Normal to Oily, Normal to Dry, Combination

*2009 Results based on a 12-week investigator blinded study. Data on file at Obagi Cosmeceuticals LLC. All products/brand names, whether designated by notice or not ("TM"), are trademarks of Obagi Cosmeceuticals LLC and/or its affiliates. Distributed by Obagi Cosmeceuticals LLC. ©2023 Obagi Cosmeceuticals LLC. All rights reserved. www.obagi.com 10.23



PACKAGING RELAUNCH



Validated Design:

Appeal 77% ➔ 89%

Brand Recall 38% ➔ 68%

Purchase Intent 70% ➔ 83%

Distinctiveness 61% ➔ 73%

Dedicated Medical Esthetic Advisory Board

Dr. Suzan Obagi

A world-renowned, leading board-certified dermatologist and cosmetic surgeon.

In her role of **Chief Medical Director**, Dr. Obagi plays a pivotal role in shaping Obagi's product development, portfolio refinement, research initiatives, and educational programs.



Professional Channel
Is At The Heart Of
Our Strategy

& Informs Our
Product
Development



INDUSTRY RECOGNIZED BREAKTHROUGH INNOVATION



Rebalance
Skin Barrier Recovery Cream



Hydrate Light
Weightless Gel Cream



Daily Hydro-Drops
Rejuvenating Eye Gel Cream

EXPANDING STRONGHOLDS

MORE INNOVATION
COMING IN H2 2024

New Formats
& Technology

Same High Efficacy
& Proven Results



RAISING CONSUMER AWARENESS

REJUVENATING EYE GEL CREAM

OBAGI[®]
MEDICAL



@brittanypetersonfit



@skinbeautybysam



@cindysimply



@_jessicaamezcua

allure **COSMOPOLITAN**

NEWBEAUTY

P O P S U G A R

Us
WEEKLY

CBS ORIGINAL
THE talk

WHO WHAT WEAR

EXPANDING TO ATTRACT A NEW CONSUMER

2X

E-COMMERCE

NET REVENUE GROWTH

Q1 2024 VS Q1 2023



AGE: 25-54

New to brand



AGE: 35-64

Existing loyal to brand



Appendix

2023 Financial Overview



	Q1	Q2	1H	Q3	Q4	2H	FY
Net Revenue	60.0	49.4	109.3	53.7	55.1	108.8	218.1
Obagi Skincare	31.6	25.5	57.0	28.2	32.5	60.6	117.7
Milk Makeup	28.4	23.9	52.3	25.5	22.6	48.2	100.5
Obagi China Business	3.9	(0.5)	3.4	2.3	—	2.3	5.6
Comparable Net Revenue¹	56.1	49.9	106.0	51.4	55.1	106.5	212.5
Obagi Skincare	27.7	26.0	53.7	25.9	32.5	58.4	112.0
Milk Makeup	28.4	23.9	52.3	25.5	22.6	48.2	100.5
Adjusted Gross Profit	39.2	33.8	73.0	37.2	40.3	77.4	150.4
Obagi Skincare	20.4	18.0	38.5	19.3	26.0	45.3	83.7
Milk Makeup	18.7	15.8	34.5	17.9	14.3	32.2	66.7
Adjusted EBITDA	10.1	3.9	13.9	4.9	5.6	10.5	24.4
Obagi Skincare	5.5	4.1	9.6	3.3	8.0	11.2	20.8
Milk Makeup	8.9	3.8	12.7	4.3	1.4	5.7	18.4
Central	(4.3)	(4.2)	(8.5)	(2.7)	(3.7)	(6.4)	(14.8)

¹ Comparable Net Sales exclude sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast.

2023 Adjusted EBITDA



Year ended December 31, 2023				
U.S. Dollars (in thousands)	Obagi	Milk	Central Costs	Waldencast (Total)
Net Loss	(32,214)	(5,655)	(68,099)	(105,968)
Adjusted for:				
Depreciation and amortization	41,984	18,514	-	60,498
Interest expense, net	12,644	590	5,654	18,888
Income tax (benefit) expense	(6,997)	10	12	(6,975)
Stock-based compensation expense	726	2,352	6,157	9,235
Transaction related costs ¹	435	27	31,054	31,516
COGS impact related to Inventory fair value adjustment ²	-	1,691	-	1,691
Change in fair value of derivative warrant liabilities ³	-	-	10,337	10,337
Change in fair value of interest rate collar ⁴	-	-	106	106
Amortization of related party liability ⁵	(4,058)	-	-	(4,058)
Foreign currency transaction loss (gain)	161	875	(44)	992
Inventory recovery ⁶	(1,286)	-	-	(1,286)
Product discontinuation ⁷	2,270	-	-	2,270
Loss on impairment of lease	3,643	-	-	3,643
Contract termination fee ⁸	2,000	-	-	2,000
Other non-recurring costs ⁹	1,506	-	-	1,506
Adjusted EBITDA	20,814	18,404	(14,823)	24,395
Net Revenue	117,651	100,487	-	218,138
Net Loss % of Net Revenue	(27.4%)	(5.6%)	N/A	(48.6%)
Adjusted EBITDA Margin¹⁰	17.7%	18.3%	N/A	11.2%

¹ Includes mainly legal, advisory and consultant fees related to the Business Combination and the financial restatement of the 2020-2022 periods.

² Relates to the amortization of the inventory fair value step-up as a result of the Business Combination

³ Relates to change in fair value of warrant liabilities and not definitively related to operations

⁴ Relates to interest collar and not definitively related to operations

⁵ Relates to the fair value of the related party liability for the unfavorable discount to Obagi China as part of the Business Combination.

⁶ Relates to the costs to recover and the value of the inventory recovered from the acquisition of the Vietnam distributor which is not part of recurring operations.

⁷ Relates to the advanced purchase of specific products for the market in Vietnam sold through the Vietnam distributor that became obsolete when the contract was terminated.

⁸ In December 2023 Obagi terminated a contract with one of its distributors early and incurred an early termination fee.

⁹ Other non-recurring costs are primarily related to legal settlements.

¹⁰ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

2023 Adjusted Gross Profit



U.S. Dollars (in thousands)	For the Year Ended December 31, 2023		
	Obagi	Milk	Waldencast (Total)
Net revenue (including related party net revenue of \$5,965)	117,651	100,487	218,138
Gross Profit	76,582	64,995	141,577
Gross Margin %	65.1%	64.7%	64.9%
Gross Margin Adjustments:			
Amortization of the fair value of the related party liability ¹	(4,058)	-	(4,058)
Amortization of the inventory fair value adjustment ²	-	1,691	1,691
Amortization impact of intangible assets ³	11,205	-	11,205
Adjusted Gross Profit	83,729	66,686	150,415
Adjusted Gross Margin % ⁴	71.2%	66.4%	69.0%

¹ Relates to the fair value of the related party liability for the unfavorable discount to Obagi China as part of the Business Combination..

² Relates to the amortization of the inventory fair value step-up as a result of the Business Combination.

³ The Supply Agreement and Formulations intangible assets are amortized to COGS.

⁴ Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

Q1 2024 Highlights



	<u>Q1 2024</u>	<u>Q1 2023</u>	<u>Growth %</u>	<u>FY 2023</u>	<u>Growth vs FY 2022</u>
Net Revenue	68.3	60.0	13.8 %	218.1	5.2 %
Obagi Skincare	33.8	31.6	7.0 %	117.7	(12.8)%
Milk Makeup	34.5	28.4	21.5 %	100.5	38.6 %
Obagi China Business	0.4	3.9		5.6	
Comparable Net Revenue¹	67.9	56.1	21.0 %	212.5	15.3 %
Obagi Skincare	33.4	27.7	20.6 %	112.0	0.2 %
Milk Makeup	34.5	28.4	21.5 %	100.5	38.6 %
Adjusted Gross Profit	52.1	39.2	32.9 %	150.4	
Margin % ²	76.3 %	65.3 %		69.0 %	
Obagi Skincare	27.5	20.4	34.8 %	83.7	
Margin % ²	81.4 %	64.8 %		71.2 %	
Milk Makeup	24.6	18.7	31.6 %	66.7	
Margin % ²	71.3 %	65.9 %		66.4 %	
Adjusted EBITDA	11.4	10.1	12.9 %	24.4	
Margin % ³	16.6 %	16.9 %		11.2 %	
Obagi Skincare	6.7	5.5	21.8 %	20.8	
Margin % ³	20.0 %	17.4 %		17.7 %	
Milk Makeup	10.0	8.9	12.4 %	18.4	
Margin % ³	29.1 %	31.4 %		18.3 %	
Central	(5.4)	(4.3)	25.6 %	(14.8)	

¹ Comparable Net Sales exclude sales related to the Obagi China Business as well as related party sales under the transition agreement entered into between Waldencast and Obagi China in connection with the Business Combination. The distribution of Obagi Skincare's products in China has remained under the ownership of Cedarwalk Skincare Limited, Obagi Skincare's former owners, who have entered into a licensing and distribution agreement with Waldencast.

² Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

³ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

Q1 2024 Net Debt Position



<u>U.S. Dollars (in thousands)</u>	<u>Reconciliation of Net Carrying Amount of debt to Net Debt</u>	
Current portion of long-term debt	\$	24,352
Long-term debt		149,369
Net carrying amount of debt		173,721
Adjustments:		
Add: Unamortized debt issuance costs		3,541
Less: Cash & cash equivalents		(26,769)
Net Debt¹	\$	150,493

¹ Net Debt Position is defined as the principal outstanding for the 2022 Term Loan and 2022 Revolving Credit Facility minus the cash and cash equivalents as of March 31, 2024.

Group Q1 2024 Adjusted EBITDA



<u>U.S. Dollars (in thousands)</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>	<u>Year Ended December 31, 2023</u>
Net Loss	\$ (3,894)	\$ (13,209)	\$ (105,968)
Adjusted For:			
Depreciation and amortization	14,884	15,627	60,498
Interest expense, net	4,293	4,479	18,888
Income tax benefit	(685)	(2,449)	(6,975)
Stock-based compensation expense	1,059	4,194	9,235
Restatement related costs ¹	7,924	2,935	32,782
Change in fair value of warrants and interest rate collar ²	(12,160)	(330)	10,443
Amortization of related party liability ³	(316)	(2,371)	(4,058)
Other non-recurring costs ⁴	246	1,238	9,550
Adjusted EBITDA	11,351	10,114	24,395
Net Revenue	\$ 68,272	\$ 59,953	\$ 218,138
Net Loss % of Net Revenue	(5.7)%	(22.0)%	(48.6)%
Adjusted EBITDA Margin⁵	16.6 %	16.9 %	11.2 %

¹ Includes mainly legal, advisory and consultant fees related to the financial restatement for FY 2022 and the SEC investigation.

² Relates to change in fair value of warrant liabilities and the interest rate collar.

³ Relates to the fair value of the related party liability for the unfavorable discount to the Obagi China Business as part of the Business Combination.

⁴ Other non-recurring costs include the amortization of the fair value step-up as a result of the business combination, legal settlements, foreign currency transaction losses, the cost and gain of the recovery of inventory from the Vietnam distributor, product discontinuation costs related to advanced purchases for the Vietnam distributor, and a one-time contract termination cost and lease impairment.

⁵ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

Milk Q1 2024 Adjusted EBITDA



	Milk Makeup		
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Year Ended December 31, 2023
<i>(In thousands except for percentages)</i>			
Net Income (Loss)	\$ 5,340	\$ 816	\$ (5,655)
Adjusted For:			
Depreciation and amortization	4,489	5,155	18,514
Interest expense, net	(55)	188	590
Income tax expense	—	—	10
Stock-based compensation expense	357	874	2,352
Restatement related costs	—	—	27
Other non-recurring costs	(105)	1,872	2,566
Adjusted EBITDA	\$ 10,026	\$ 8,905	\$ 18,404
Net Revenue	\$ 34,503	\$ 28,402	\$ 100,487
Net Income/(Loss) % of Net Revenue	15.5 %	2.9 %	(5.6)%
Adjusted EBITDA Margin¹	29.1 %	31.4 %	18.3 %

¹ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

Obagi Q1 2024 Adjusted EBITDA



(In thousands except for percentages)

	Obagi Skincare		
	Three Months Ended March 31,	Three Months Ended March 31,	Year Ended December 31,
Net Loss	\$ (5,761)	\$ (3,932)	\$ (32,214)
Adjusted For:			
Depreciation and amortization	10,395	10,472	41,984
Interest expense, net	3,187	2,863	12,644
Income tax benefit	(687)	(2,449)	(6,997)
Stock-based compensation expense	(781)	1,488	726
Restatement related costs	467	38	1,701
Amortization of related party liability	(316)	(2,371)	(4,058)
Other non-recurring costs	239	(634)	7,028
Adjusted EBITDA	\$ 6,743	\$ 5,475	\$ 20,814
Net Revenue	\$ 33,768	\$ 31,551	\$ 117,651
Net Loss % of Net Revenue	(17.1)%	(12.5)%	(27.4)%
Adjusted EBITDA Margin¹	20.0 %	17.4 %	17.7 %

¹ Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by US GAAP Net Revenue.

Central Costs Q1 2024 Adjusted EBITDA



	Central costs		
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Year Ended December 31, 2023
<i>(In thousands except for percentages)</i>			
Net Loss	\$ (3,472)	\$ (10,093)	\$ (68,099)
Adjusted For:			
Interest expense, net	1,160	1,429	5,654
Income tax expense	2	—	12
Stock-based compensation expense	1,482	1,832	6,157
Restatement related costs	7,457	2,897	31,054
Change in fair value of warrants and interest rate collar	(12,160)	(330)	10,443
Other non-recurring costs	112	—	(44)
Adjusted EBITDA	\$ (5,419)	\$ (4,265)	\$ (14,823)
Net Revenue	\$ —	\$ —	\$ —
Net Loss % of Net Revenue	N/A	N/A	N/A
Adjusted EBITDA Margin	N/A	N/A	N/A

Group Q1 2024 Adjusted Gross Profit



	Group		
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Year Ended December 31, 2023
<i>(In thousands except for percentages)</i>			
Net Revenue	\$ 68,271	\$ 59,953	\$ 218,138
Gross Profit	\$ 49,580	\$ 37,029	\$ 141,577
Gross Profit Margin	72.6 %	61.8 %	64.9 %
Gross Margin Adjustments:			
Amortization of the fair value of the related party liability ¹	(316)	(2,371)	(4,058)
Amortization of the inventory fair value adjustment ²	—	1,691	1,691
Amortization impact of intangible assets ³	2,801	2,801	11,205
Adjusted Gross Profit	\$ 52,065	\$ 39,150	\$ 150,415
Adjusted Gross Margin % ⁴	76.3 %	65.3 %	69.0 %

¹ Relates to the fair value of the related party liability for the unfavorable discount to the Obagi China Business as part of the Business Combination.

² Relates to the amortization of the inventory fair value step-up as a result of the Business Combination.

³ The Supply Agreement and Formulations intangible assets are amortized to COGS.

⁴ Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

Milk Q1 2024 Adjusted Gross Profit



	Milk Makeup		
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Year Ended December 31, 2023
<i>(In thousands except for percentages)</i>			
Net Revenue	\$ 34,503	\$ 28,402	\$ 100,487
Gross Profit	\$ 24,597	\$ 17,026	\$ 64,995
Gross Profit Margin	71.3 %	59.9 %	64.7 %
Gross Margin Adjustments:			
Amortization of the inventory fair value adjustment	—	1,691	1,691
Adjusted Gross Profit	\$ 24,597	\$ 18,717	\$ 66,686
Adjusted Gross Margin % ¹	71.3 %	65.9 %	66.4 %

¹ Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.

Obagi Q1 2024 Adjusted Gross Profit



	Obagi Skincare		
	Three Months Ended March 31,	Three Months Ended March 31,	Year Ended December 31,
<i>(In thousands except for percentages)</i>			
Net Revenue	\$ 33,768	\$ 31,551	\$ 117,651
Gross Profit	\$ 24,989	\$ 20,003	\$ 76,582
Gross Profit Margin	74.0 %	63.4 %	65.1 %
Gross Margin Adjustments:			
Amortization of the fair value of the related party liability	(316)	(2,371)	(4,058)
Amortization impact of intangible assets	2,801	2,801	11,205
Adjusted Gross Profit	\$ 27,474	\$ 20,433	\$ 83,729
Adjusted Gross Margin % ¹	81.4 %	64.8 %	71.2 %

¹ Adjusted Gross Margin is defined as Adjusted Gross Profit divided by US GAAP Net Revenue.