



waldencast®

D.A. Davidson

March 2023

Disclaimer

Cautionary Statement Regarding Forward-Looking Statements

Statements in this release 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 regarding Waldencast's outlook and guidance for Fiscal 2022; 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 Waldencast, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include, but are not limited to: (i) the inability to recognize the anticipated benefits of the transactions with Obagi Skincare and Milk Makeup; (ii) changes in general economic conditions, including as a result of the COVID-19 pandemic, (iii) the ability to continue to meet Nasdaq's listing standards; (iv) 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; (v) the ability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities; and (vi) 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.

These and other risks, assumptions and uncertainties are more fully described in the Risk Factors section of our Registration Statement on Form F-1 (File No. 333-267053), originally filed with the Securities and Exchange Commission (the "SEC") on August 24, 2022 and as thereafter amended, and in our other documents that we file or furnish with the SEC, which you are encouraged to read. To the extent that COVID-19 adversely affects our business and financial results, it may also have the effect of heightening many of such risk factors.

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. The degree to which COVID-19 may adversely affect Waldencast's results and operations, including its ability to achieve its outlook and guidance for Fiscal 2022, will depend on numerous evolving factors and future developments, which are highly uncertain, including, but not limited to, federal, state and local governmental policies and initiatives designed to reduce the transmission of COVID-19 and emerging new variants and how quickly and to what extent normal economic and operating conditions can resume. As a result, the impact on Waldencast's financial and operating results cannot be reasonably estimated with specificity at this time, but the impact could be material. 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. Waldencast gives no assurance that the combined company will achieve its expectations.

Reconciliation of Non-GAAP Financial Measures

The financial information and data contained in this release have not been audited in accordance with the standards of the Public Company Accounting Oversight Board and does not conform to Regulation S-X.

Waldencast separately reports financial results on the basis of adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures. See the attached tables for a reconciliation of adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin to net sales and net income (loss), which are the most directly comparable GAAP financial measures.

For Obagi Skincare, adjusted gross margin excludes the sales related to the China distributor under a transition services agreement, the impact of Obagi Skincare's related party sales to the China distributor, and the impact of the inventory fair value step-up as a result of the business combination accounting. For Milk Makeup, adjusted gross margin excludes the impact of the inventory fair value step-up as a result of the business combination accounting.

Adjusted EBITDA is defined as net income (loss) excluding the impact of income tax benefit, interest expense, net, depreciation and amortization and the transaction costs, non-cash items, and certain non-recurring income and expense that do not occur regularly as part of the normal activities of Obagi Skincare and Milk Makeup.

Adjusted EBITDA margin is defined as adjusted EBITDA divided by net sales.

Waldencast believes the non-GAAP measures of adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin 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 in comparing its financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP measures also provide perspective on how Waldencast's management evaluates and monitors the performance of the business and provides a view on how the on-going operating company performs. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

Comparable net sales for Obagi Skincare in predecessor periods excludes sales related to its former Obagi China business.

In addition, the Company has presented the comparative quarterly results that combine the predecessor and post-acquisition periods for Obagi Skincare and the pre and post-acquisition periods for Milk Makeup. Under U.S. Generally Accepted Accounting Principles ("GAAP"), the periods prior to and subsequent to the acquisition date should not be combined, and Milk Makeup's pre-acquisition period should not be included. Management believes these non-GAAP comparative quarterly results provide a perspective on the on-going performance of the combined companies' operations.





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



A platform 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



Proven model with sustained profitability



World-class management teams with deep operating experience and expertise

US Premium Beauty continues to show growth and resilience, as it has consistently done over time

YTD BEAUTY



YTD MAKEUP



YTD SKIN CARE



Q3 BEAUTY



Q3 MAKEUP



Q3 SKIN CARE

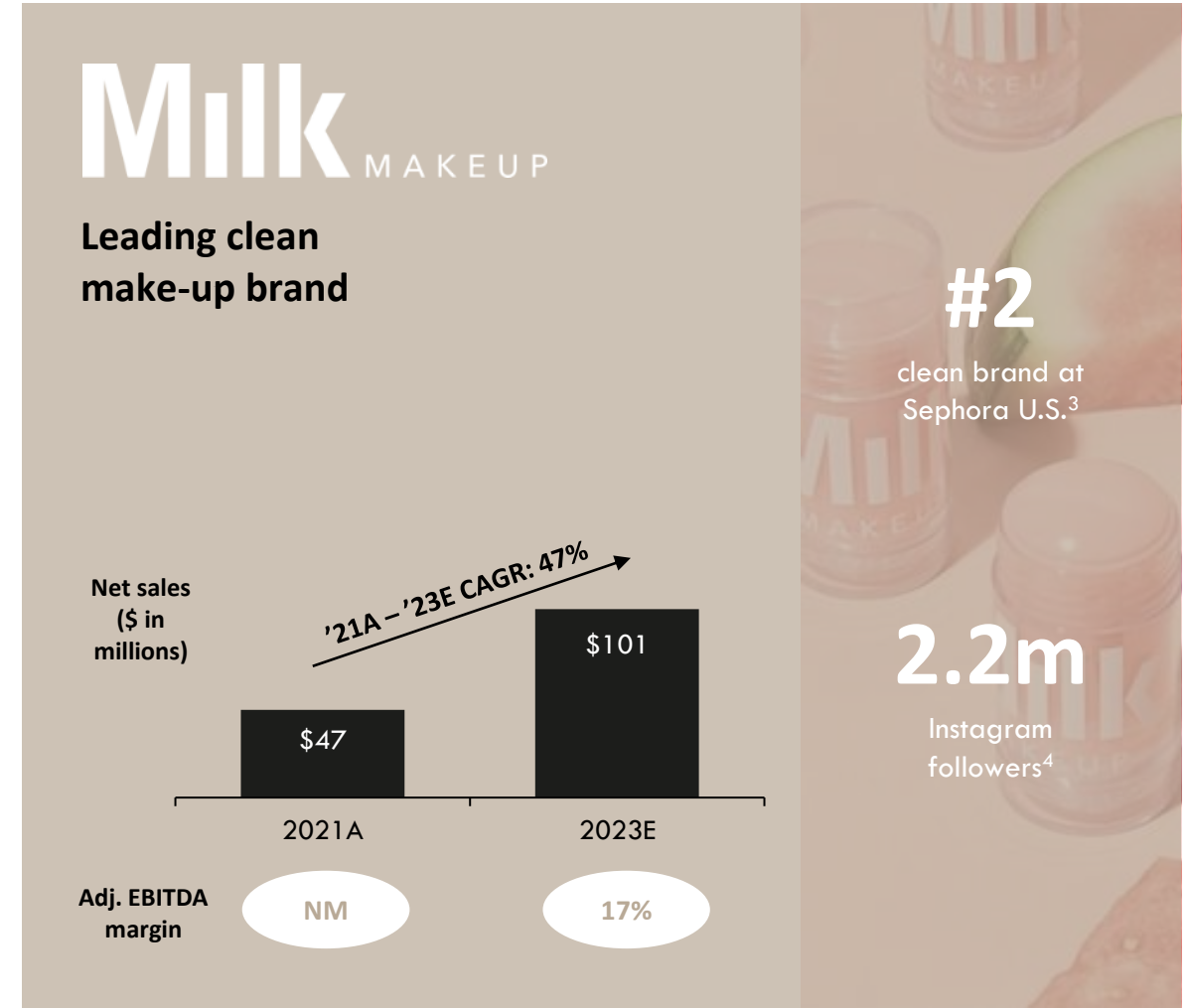
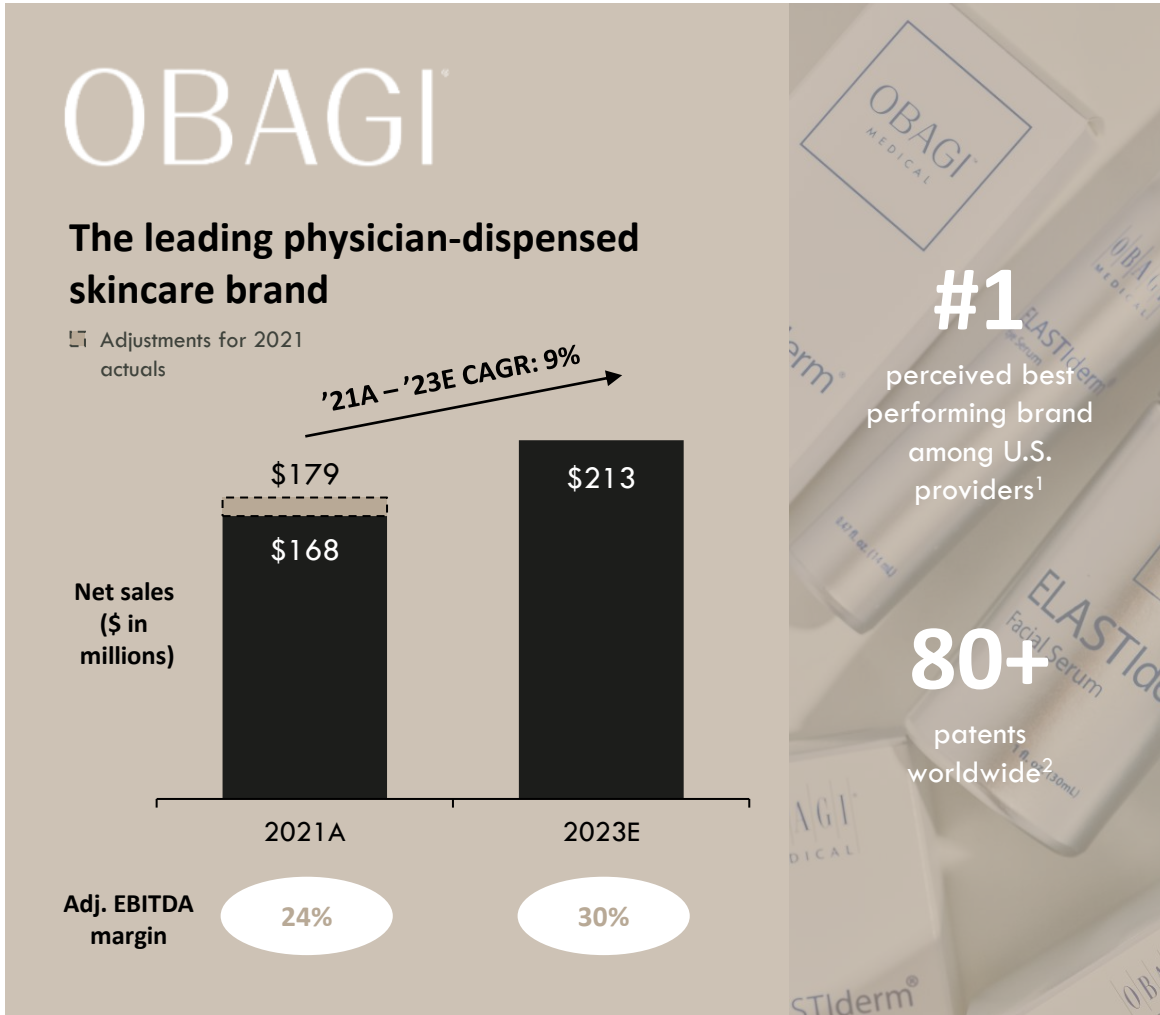


Beauty is a proven and resilient, high-growth and highly profitable market with proven resiliency through economic cycles.

YTD it has maintained its dynamic growth – both in value and in units as consumers are returning to their pre-pandemic consumption habits.



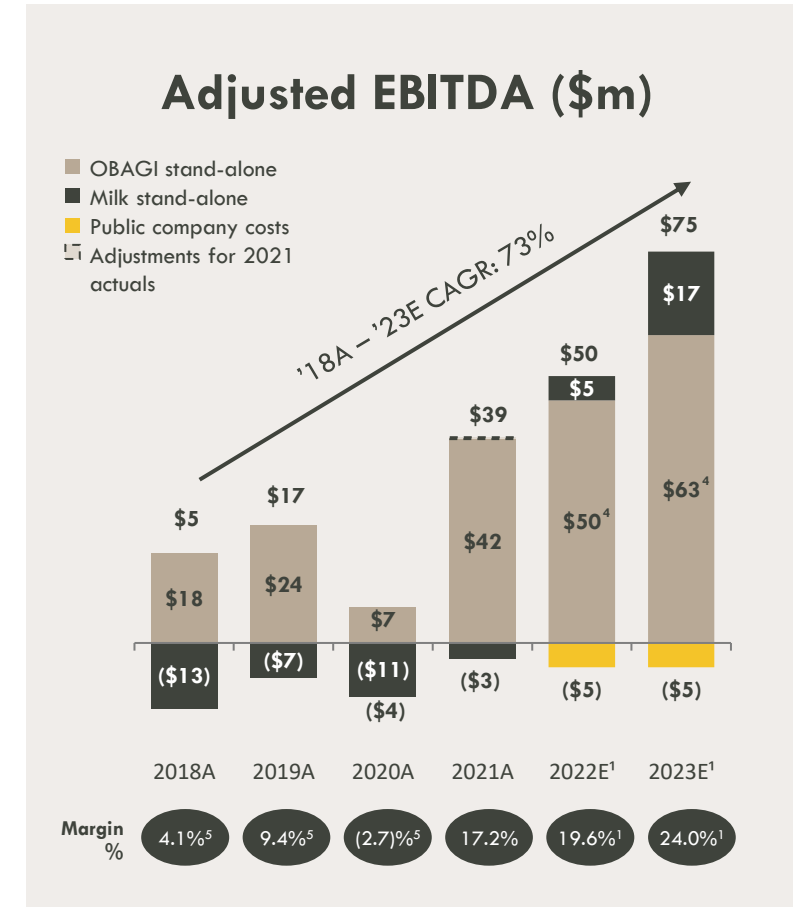
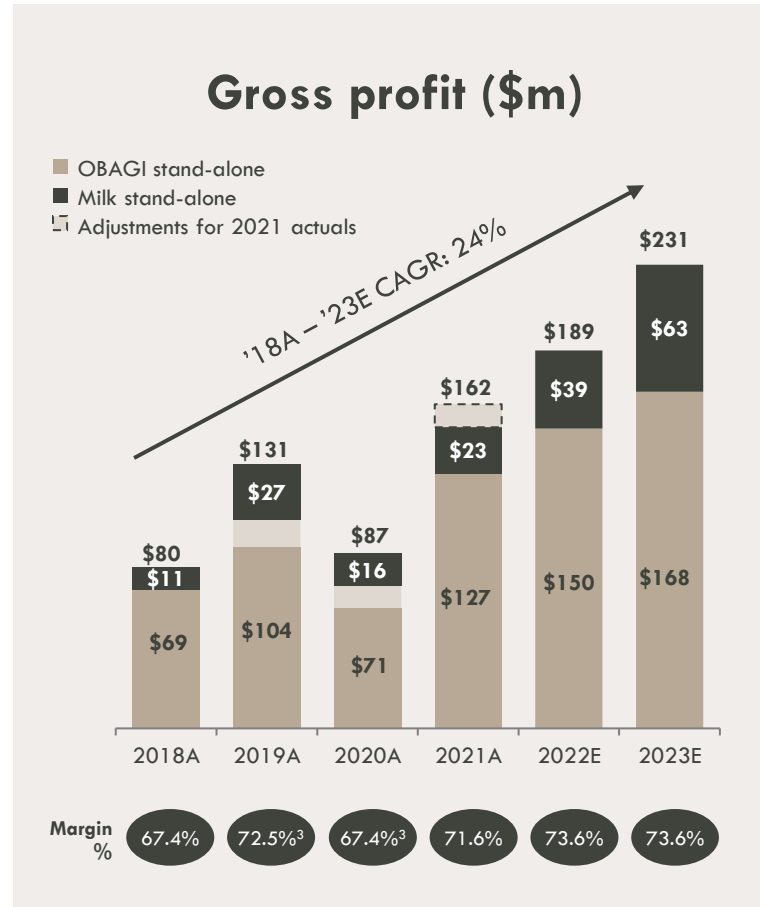
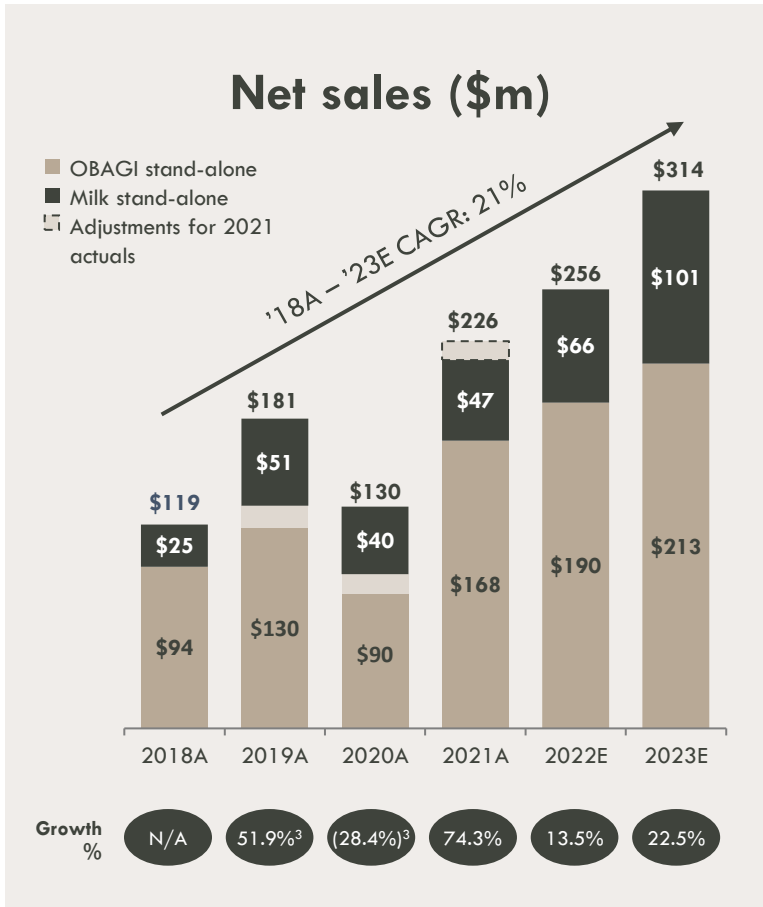
Our starting point in building this vision are OBAGI and Milk Make Up



¹ Industry source ² OBAGI information
³ Sephora management ⁴ As of March 2, 2023 at 9:00 am ET

OBAGI + Milk MAKEUP

combined financial profile



Note: OBAGI financials exclusive of China business

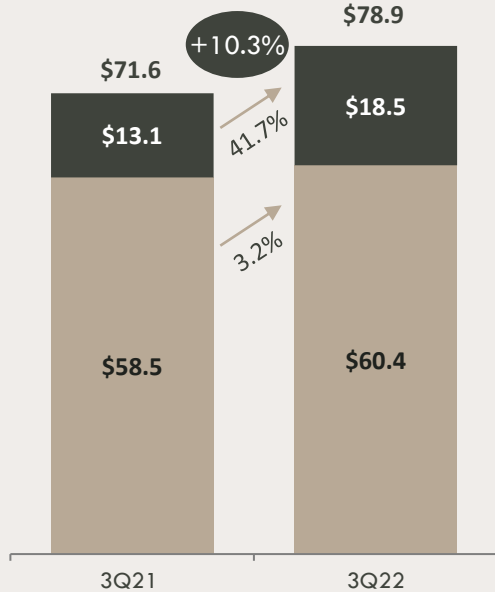
¹ Total combined company adjusted EBITDA reflects deduction of \$5mm for public company costs; ² Discrepancies in arithmetic are due to rounding; ³ In fiscal year 2021, OBAGI implemented certain contractual modifications that adjust its reporting of revenue for services provided by certain distributors on behalf of OBAGI. For the purpose of comparability with forecasted financials, the pro forma historical financials presented for FY2019 and FY2020 herein reflect estimates of the Net Revenue that would have been recognized by OBAGI had such contractual changes been in effect in prior periods. These contractual modifications and adjusted reporting of revenue have no impact on OBAGI's EBITDA; ⁴ OBAGI financials inclusive of 5.5% royalty; ⁵ OBAGI, Milk and combined company adjusted EBITDA are non-GAAP measures. For a reconciliation of OBAGI, Milk and combined company adjusted EBITDA to net income, the most comparable GAAP measure, see appendix



Q3 22 combined financial profile¹

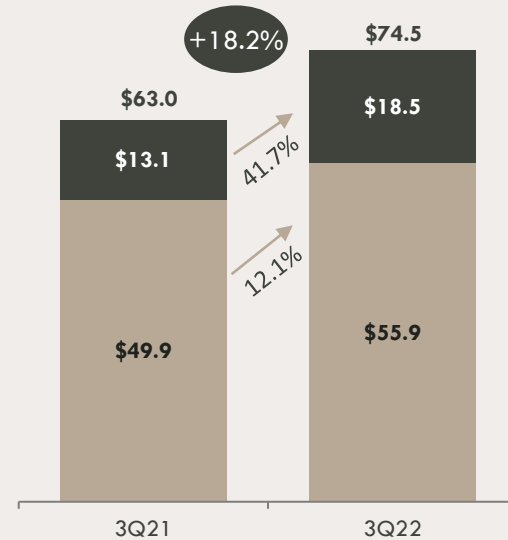
Net Sales (\$m)

■ OBAGI stand-alone
■ Milk stand-alone



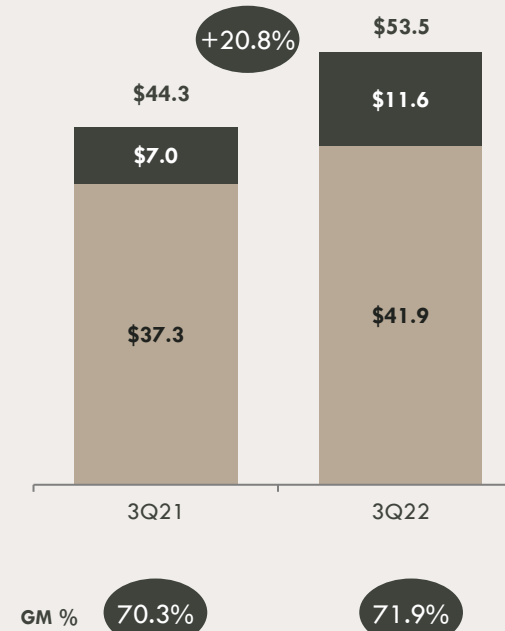
Comparable Net Sales² (\$m)

■ OBAGI stand-alone
■ Milk stand-alone



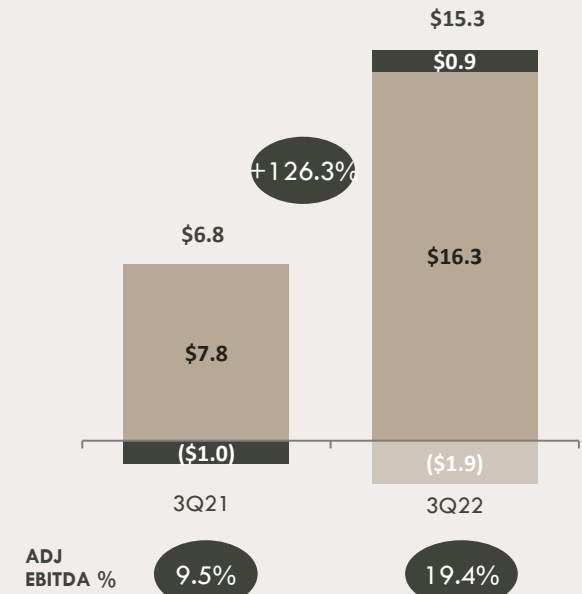
Adjusted Gross Margin (\$m)

■ OBAGI stand-alone
■ Milk stand-alone



Adjusted EBITDA³ (\$m)

■ OBAGI stand-alone
■ Milk stand-alone
■ Waldencast central expenses⁴



Note: Discrepancies in arithmetic are due to rounding

¹Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change

²Comparable net sales is a component of net sales which excludes sales related the former Obagi China Business

³For a reconciliation of Obagi, Milk and combined company adjusted EBITDA to net income (loss), the most comparable GAAP measure, are included in the appendix

⁴Waldencast central expenses reflect ongoing central overhead incurred in the post-combination period





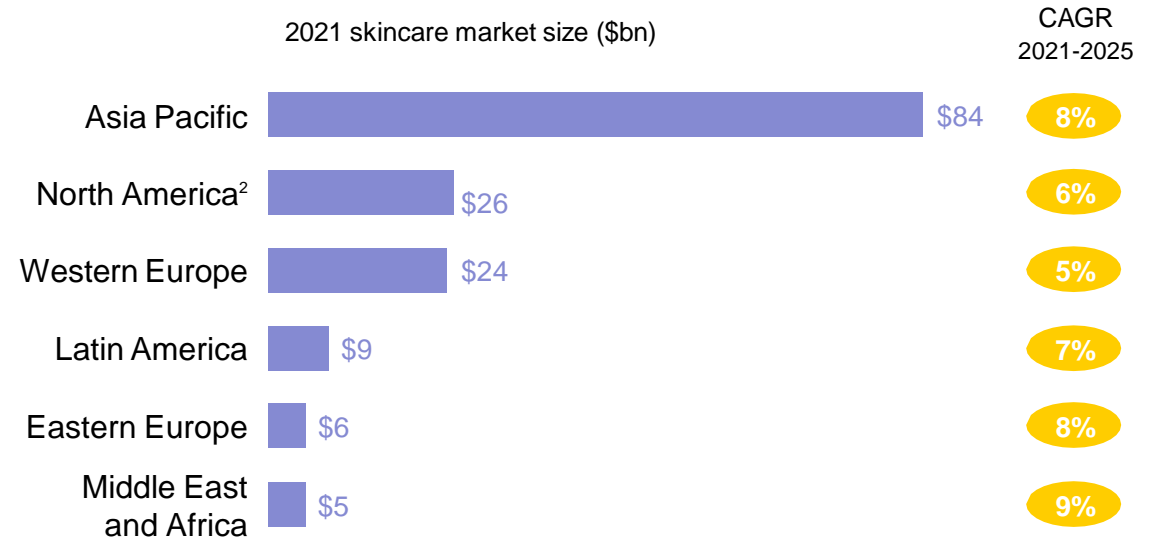
OBAGI®

OBAGI is a leader in the fastest growing segment of skincare

Global skincare market by 2025
\$204bn¹



Key markets



Category dynamics

High-growth segment with strong momentum in post-lockdown era
Growth of physician-dispensed skincare bolstered by rise of “skin-tellectual” consumers increasingly focused on product potency and efficacy

~2.0x
percentage growth for dermo-cosmetics skincare versus premium from 2019-2021¹

47%
premium buyers
versus 20% non-premium buyers use ~8-14 skincare products weekly³

¹ Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates; ² Including the United States and Canada; ³ “How to Target Premium Beauty Buyers,” report by Euromonitor; ⁴ OBAGI 2021 financial results excluding China revenues.

Differentiated competitive advantage through a highly credentialed and sticky business model

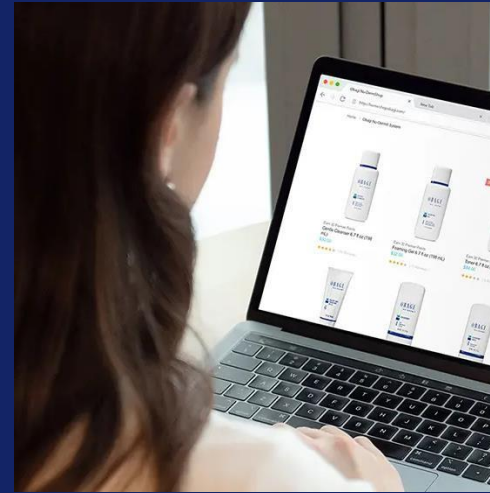
Credentialed recommendation



Science-led rigorous testing driving transformative results



Full range of skin solutions



Highly specialized organization



We formulate leading products through three vectors of innovation

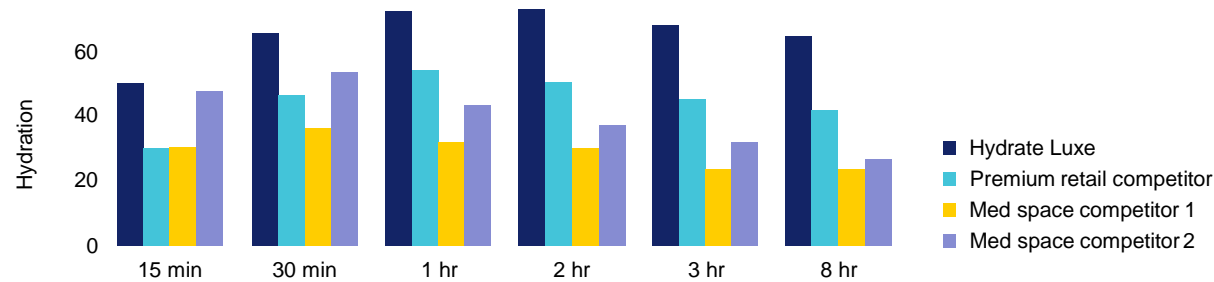
Characterization innovation	Benefit innovation	Ingredient innovation
Disease state Skin conditions	Performance strength	Mechanism of action Elastin maturation, collagen coiling
Population Urbanites, country of origin	Performance speed	Technical concept Inflammaging, urbanization
Claims Magnitude, incidence, speed, QoL	Indication Sagging, radiance	Ingredient
Instrument Cutometry, optical coherence tomography, hydration mapping, ballistometry		Product form Powder-to-liquid, anhydrous chassis



Our products outperform competitors across key attributes

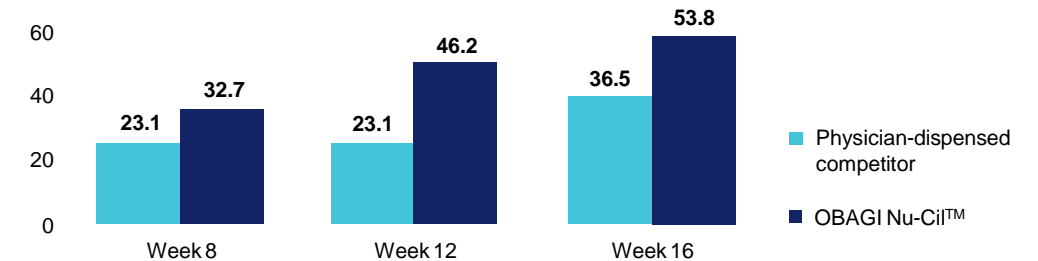
Hydrate Luxe® vs competitors

Instrumental assessment



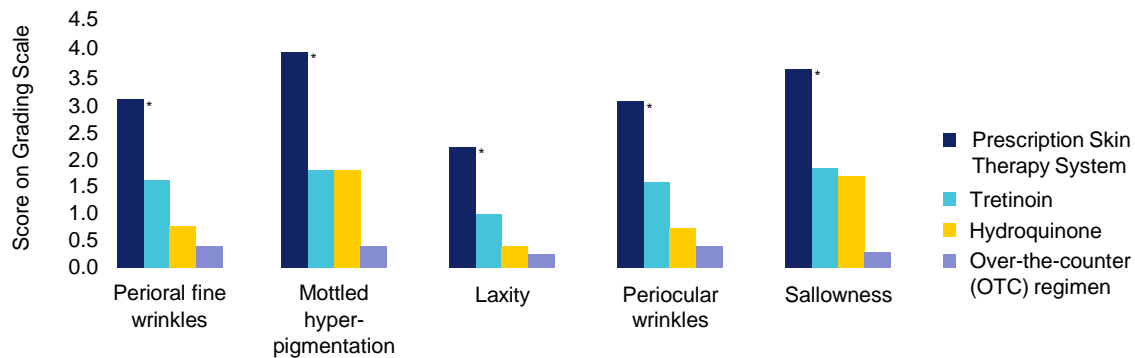
OBAGI Nu-Cil™ vs physician-dispensed competitor

% mean improvement in clinical grading (expert grader assessment) from baseline



OBAGI Nu-Derm® System vs competitors

Comparative efficacy at 24 weeks



Pro-C 20% vs competitor

Consumer preference



*P<0.05 vs comparators.

We test and demonstrate our transformative research-backed results in studies and visuals

Case study: Nu-Derm®

93%

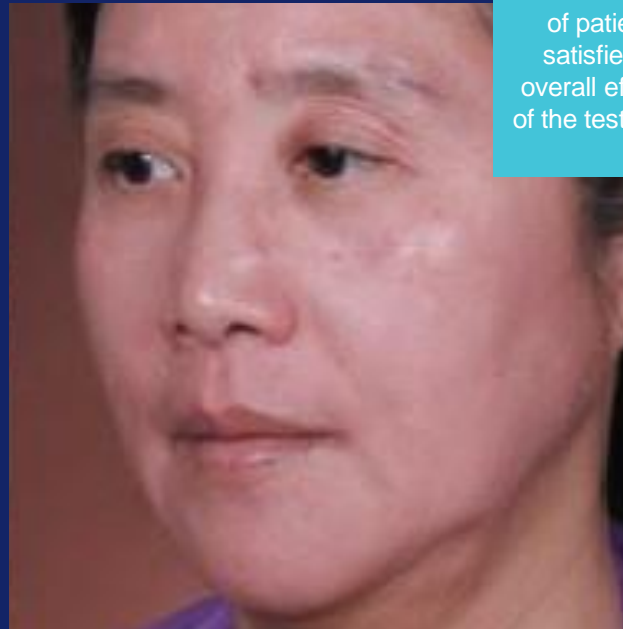
of patients rated their test treatment as more effective than other medications⁽²⁾



Baseline

95%

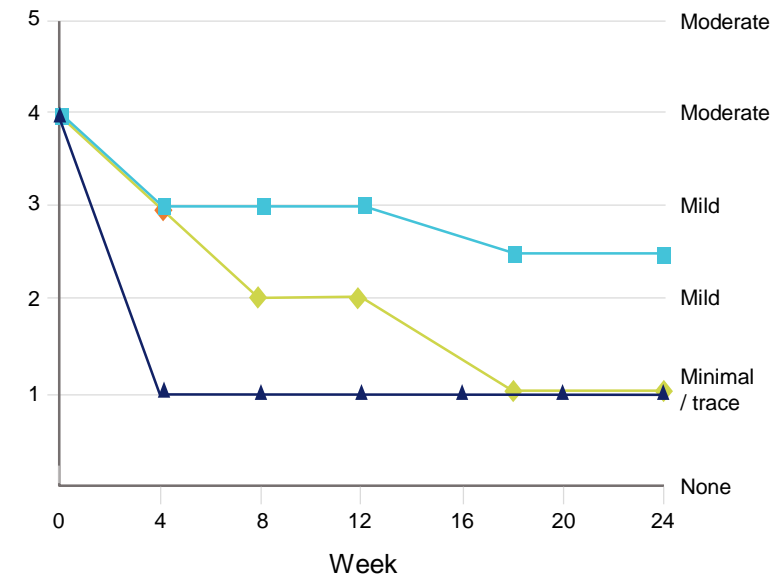
of patients were satisfied with the overall effectiveness of the test treatment⁽²⁾



Week 4

Skin condition treated: Melasma⁽¹⁾

Median grade for melasma severity



- 4% hydroquinone skin care system + 0.025% tretinoin cream
- ◆ 4% hydroquinone skin care system + 0.05% tretinoin cream
- ▲ 4% hydroquinone skin care system + 0.1% tretinoin cream

Source: "Treating Melasma With a 4% Hydroquinone Skin Care System Plus Tretinoin Cream: Results From 3 Studies in A Variety Patient Types"; Authors: Michael Gold, MD; Suzanne Bruce, MD; Pearl Grimes, MD; Barry DiBernardo, MD; JoAnne Watson, DPM; Marta Rendon, MD, FAAD & Chere Lucas-Anthony, MD, FAAD; Number of subjects who completed the study: 61; ¹ A condition in which brown patches appear on the face. **P<.01, ***P<.001 versus baseline; ² Data as of week 24.

Note: For Important Safety Information, please see slide [66]; The photos have not been retouched, results may vary.



OBAGI GROWTH STRATEGY

Grow Core Medical

Strategic Growth Levers:

1. Expand US physician penetration
2. Expand portfolio breadth and depth
3. Expand US and international footprint

Expand Portfolio Depth and Breadth - US Physician Dispensed

Accelerate US Physician Channel

+21%

YTD NET SALES
US Physician Dispensed

Core 20 SKUs

65%

Core 20 SKUs represent 65% of our Physician Dispensed business.

+4pts

account penetration growth in last rolling 4 quarters vs FY 2021.



Expand Portfolio Depth and Breadth

Obagi Nu-Derm®

76%

of accounts carry products in Obagi
Nu-Derm® franchise.

+6pts

penetration growth in last rolling 4
quarters vs. FY 2021.

#1

Franchise in Physician Dispensed and
still growing.



Expand Portfolio Depth and Breadth

Professional-C[®]

60%

of accounts purchased a Professional-C[®] SKU in the last 4 quarters.

+6pts

account penetration growth in last 4 quarters vs FY 2021.



Expand with NEW LAUNCHES

Obagi Nu-Ci™ Eyebrow Boosting Serum

#1

Ranked #1 in OTC portfolio for Q3.
Ranked #1 in Physician Dispensed launch-
to-date (Aug-Sep).

#15

YTD rank with only 8 weeks of sales.

+26%

lift in eyelash serum US physician
dispensed sales during brow launch
period.



Footprint expansion

Unlock Obagi.com

Q3 PERFORMANCE

+81%

TTL REVENUE YOY

YTD GROWTH

+107%

TTL REVENUE YOY
Q1-Q3

#1

Obagi Nu-Cil™ Eyebrow Boosting Serum
LTD in both revenue & units sold*

*#4 Obagi Nu-Cil™ Eyelash Enhancing Serum LTD saw
+54% lift in revenue* since eyebrow launch 8/30 PoP*



Footprint Expansion

International

+28%

YTD (Q1-3 2022) vs. YoY

Growth driven by Obagi Clinical, an entry price point offering into the brand in emerging markets

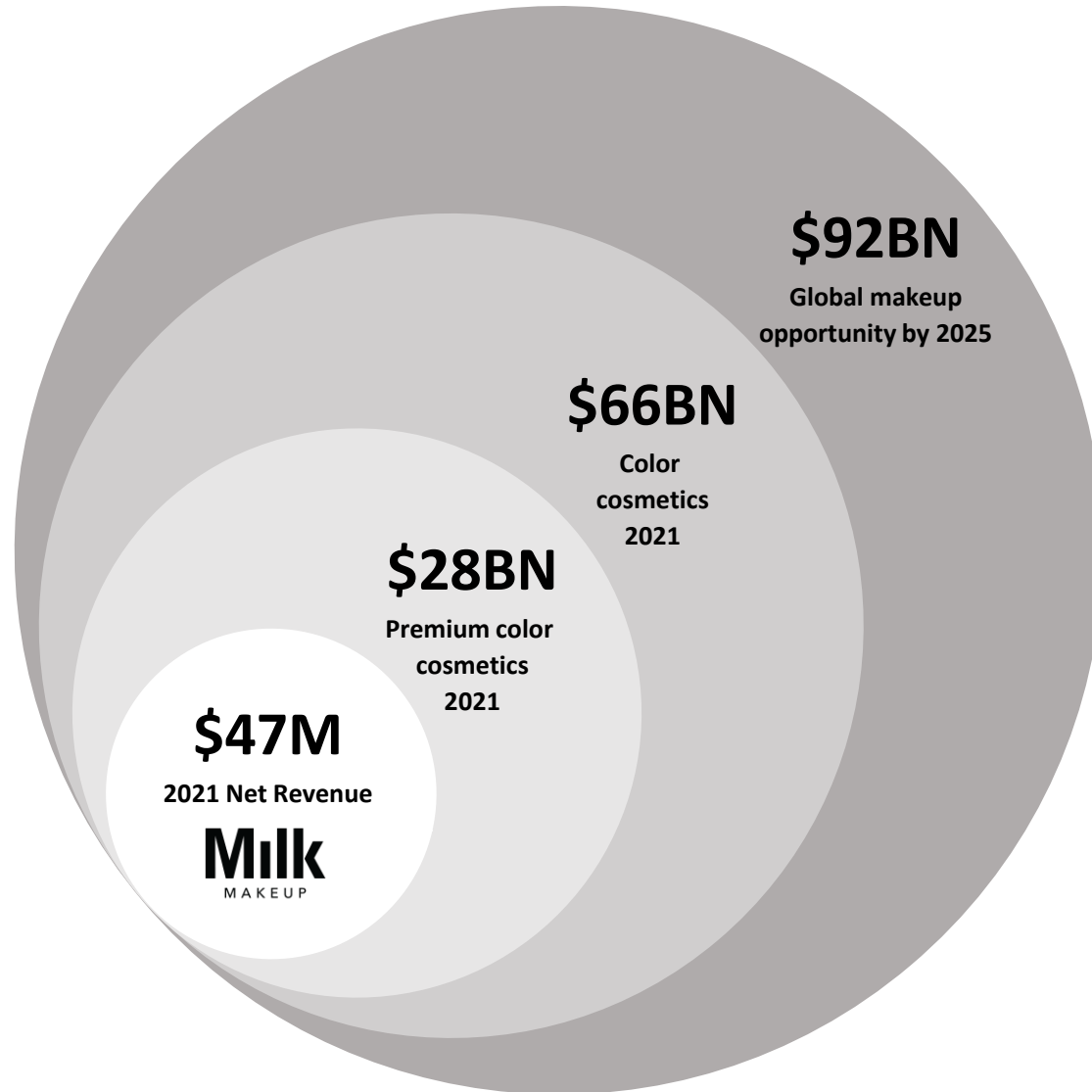




Milk
MAKEUP

COLOR COSMETICS: A LARGE, DYNAMIC MARKET

MILK MAKEUP HAS SIGNIFICANT HEADROOM AND IS WELL POSITIONED TO WIN



MAKEUP IS BACK & BOOMING

+23%

Y/Y growth in 2021 for U.S. make-up sales¹

NATURAL MAKEUP: A KEY CATEGORY DRIVER

+15%

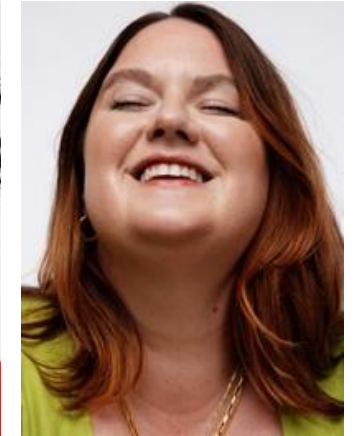
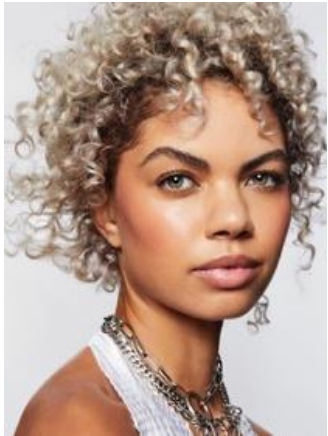
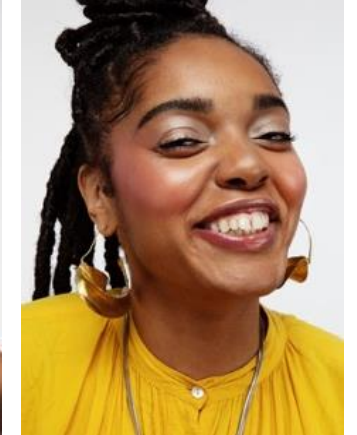
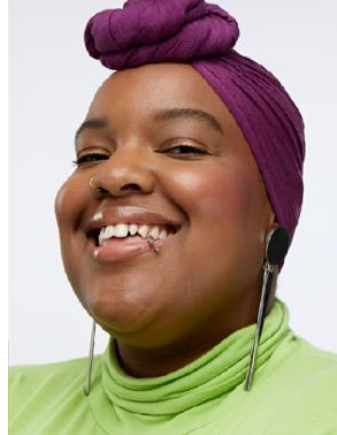
2021-2026 CAGR for global natural cosmetics market size²

90%

of U.S. women that are using cosmetics reported applying makeup with skin care benefits¹

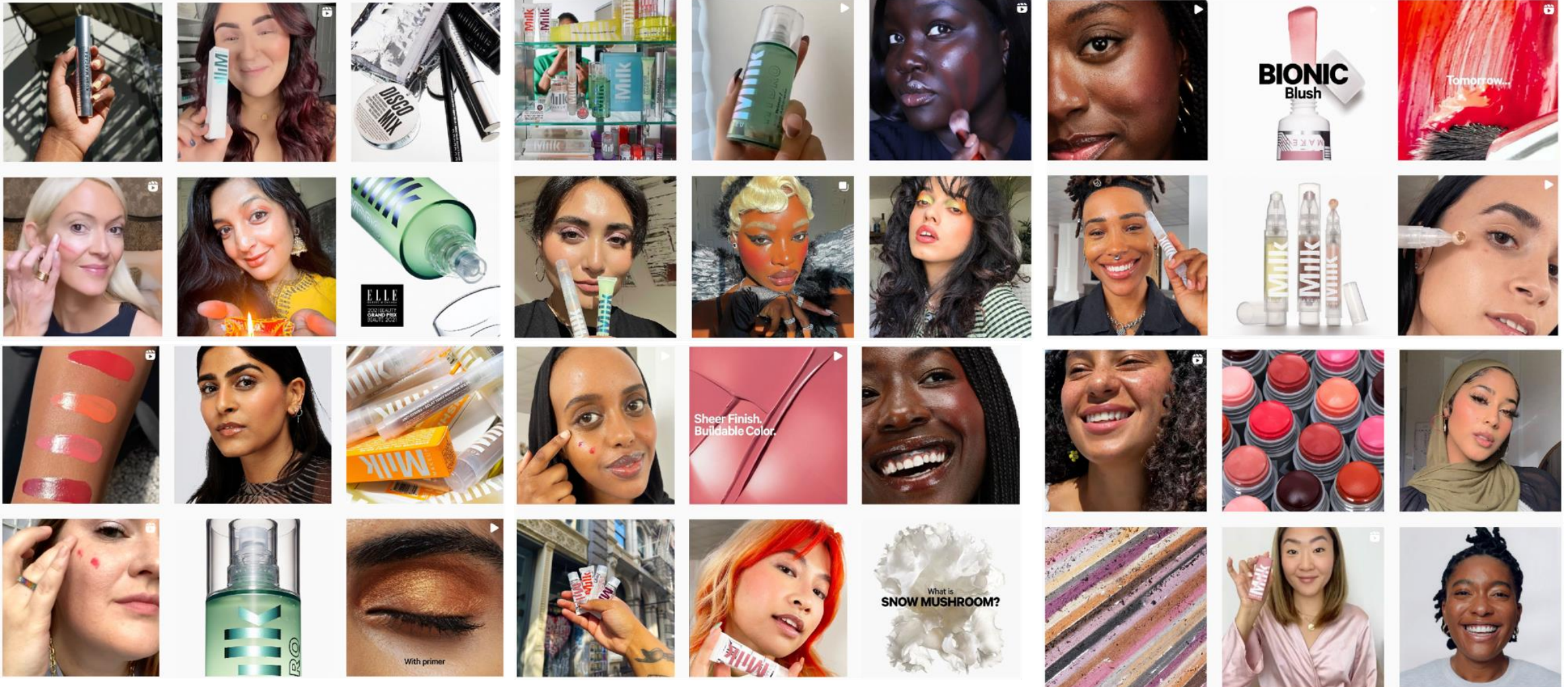
Source: Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates; ¹ 2021 NPD US Prestige Beauty report by the NPD Group; ² TechNavio, "Global Natural Cosmetics Market 2022-2026"

BUILD THE TOP GLOBAL BEAUTY BRAND FOR THE NEXT GENERATION



OUR COMMUNITY IS OUR SUPERPOWER


OUR DNA IS BUILT AROUND THEIR VALUES: SELF-EXPRESSION + INCLUSION + COMMUNITY



OUR VALUES ARE ALIGNED WITH THE NEXT GENERATION


WE BELIEVE IN DOING THE RIGHT THING FOR OUR COMMUNITY AND FOR THE PLANET

CLEAN FORMULAS



LET'S TALK ABOUT WHAT "CLEAN" MEANS TO US

01 **WE'RE LEAPING BUNNY CERTIFIED, CRUELTY-FREE, AND 100% VEGAN.**
We don't test on animals at any stage, and none of our ingredients are derived from animals.



HEALTHY-FREE | PARABEN-FREE | PF | SLS/SLES-FREE

02 **WE WILL NEVER USE OVER 2500 CONTROVERSIAL INGREDIENTS.**
Our products will never contain the controversial and potentially harmful or irritating ingredients on our Ingredient Blacklist, including parabens, sulfates, plastic microbeads, and mineral oil.




HEALTHY-FREE | PARABEN-FREE | PF | SLS/SLES-FREE

03 **WE'RE WORKING TOWARDS NEW FORMULAS BEING OVER 80% NATURAL.**
We follow ISO 16128 guidelines, where natural means plant, mineral, and/or microbiologically derived ingredients. We want to bring you products that are as natural as possible, while also not compromising on payoff and performance.



HEALTHY-FREE | PARABEN-FREE | PF | SLS/SLES-FREE

04 **WE SOURCE INGREDIENTS FOR OUR PRODUCTS ETHICALLY AND RESPONSIBLY.**
For any products containing mica or palm-derived ingredients, we only use ethically-sourced and sustainable mica and sustainability certified palm-derived ingredients.



HEALTHY-FREE | PARABEN-FREE | PF | SLS/SLES-FREE

05 **WE'RE CERTIFIED "CLEAN AT SEPHORA."**
We're proud to have Sephora's Clean Seal, which is based on a strict formulation charter prohibiting over 50 ingredients.



HEALTHY-FREE | PARABEN-FREE | PF | SLS/SLES-FREE

IMPROVING OUR FOOTPRINT



SUNSHINE SKIN TINT SPF 30 REFILL CARTRIDGE REDUCES PLASTIC BY UP TO 66%
*COMPARED TO REPURCHASING FULL SIZE VERSION.



PETROLEUM-FREE PLANT-BASED INKS
MADE IN U.S.A.
RECYCLABLE

pact



SUPPORTING CONSERVATION INTERNATIONAL ON EARTH DAY
Milk x THE A.C.E. CO.

RE-INVESTING IN OUR COMMUNITY



June 2021 Updates

Here Are Our 5 Commitments to Ourselves and Our Community.



Represent (Continued)

Below is the breakdown of our entire team in June 2021 compared to June 2020:

June 2021	June 2020
<small>Classed as 50 employees who completed the voluntary survey)</small>	<small>Classed as all employees)</small>
BPDC: 38%	
BLACK OR AFRICAN AMERICAN OR AFRICAN CARIBBEAN: 18%	AFRICAN AMERICAN OR AFRICAN CARIBBEAN: 9%
ASIAN OR ASIAN AMERICAN: 8%	ASIAN OR ASIAN AMERICAN: 9%
HISPANIC OR LATINO: 15%	HISPANIC OR LATINO: 14%
WHITE: 55%	WHITE: 68%
TWO OR MORE RACES: 4%	
DO NOT DISCLOSE: 2%	
82% WOMEN-IDENTIFYING	78% WOMEN-IDENTIFYING
16% MEN-IDENTIFYING	22% MEN-IDENTIFYING
2% GENDER FLUID	

HERO PRODUCTS IN DIVERSE CATEGORIES WITH CONSISTENT GROWTH

A SOLID BASE FOR FUTURE GROWTH. THE CALLING CARDS OF THE BRAND IN NEW MARKETS.



Hydro Grip Primer

\$36

3,657 ★★★★★ Reviews



Sunshine Family¹

\$28 – \$42

1,217 ★★★★★ Reviews²



KUSH Mascara

\$26

9,200 ★★★★★ Reviews



Lip + Cheek

\$24

1,022 ★★★★★ Reviews



Matte Bronzer

\$24

884 ★★★★★ Reviews

Launch date: 2019

2021

2018

2016

2016

% of 2021 revenue: 22.8%

12.2%

11.9%

10.5%

5.6%

2021 % growth 68.7%

669.6%

70.2%

112.5%

151.4%

Note: Number of 5-star reviews as per Sephora website on March 2, 2023 at 9am ET

¹ Includes Sunshine Skin Tint, Sunshine Under Eye Brightening Concealer and Sunshine Oil; ² Includes 338 5-star reviews for Sunshine Skin Tint, 357 5-star reviews for Sunshine Under Eye Brightening Concealer, and 522 5-star reviews for Sunshine Oil

OUR GROWTH ROADMAP

3 KEY LEVERS

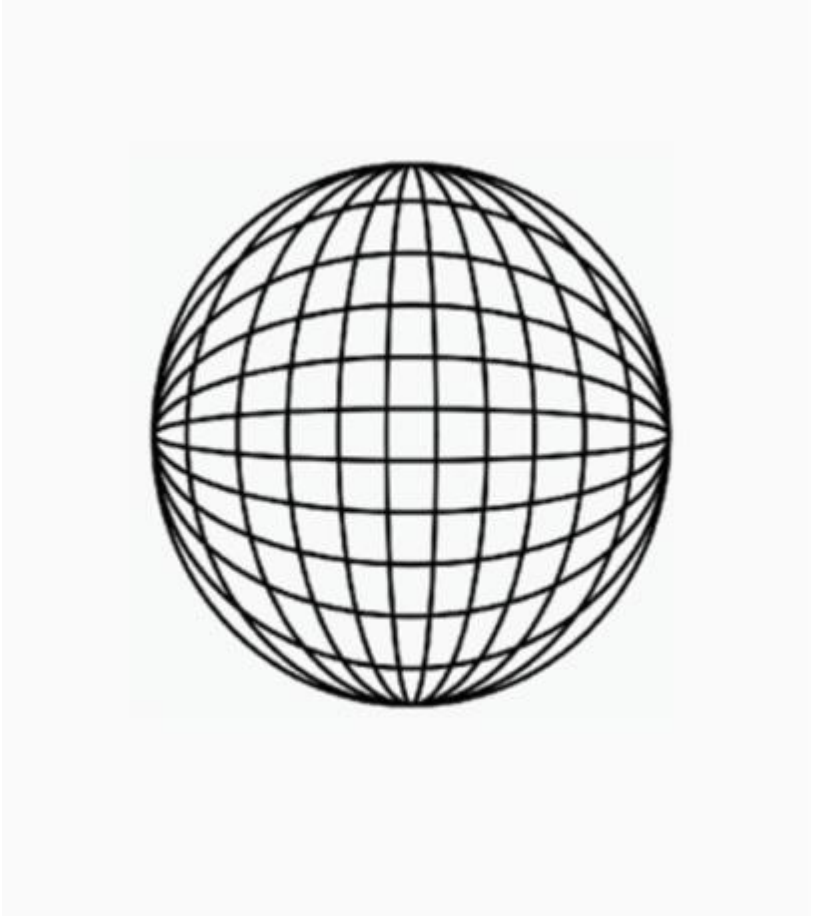
GROW AWARENESS + COMMUNITY



DELIVER BREAKTHROUGH INNOVATION



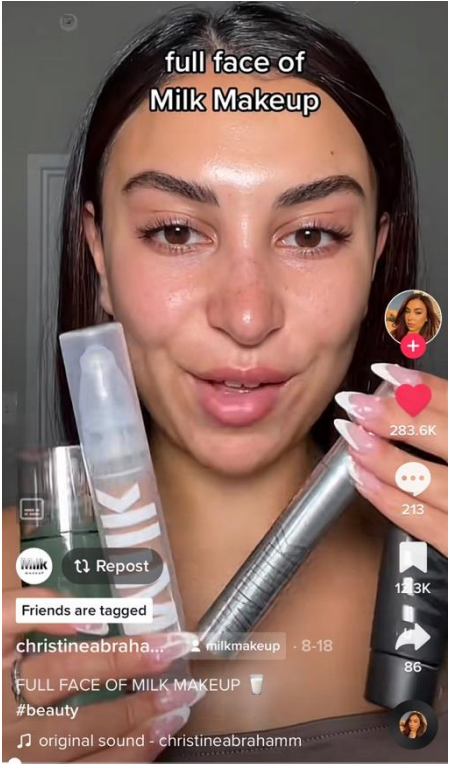
EXPAND + INTERNATIONALIZE DISTRIBUTION



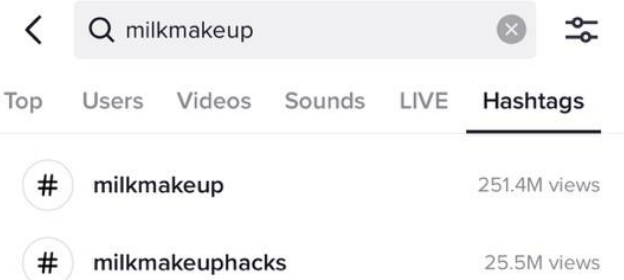
ALWAYS-ON COMMUNITY FOCUS DRIVING GROWTH ON CORE PRODUCTS

AWARENESS + COMMUNITY GROWTH

1.7M views
283.6K likes
Organic



#milkmakeup &
#milkmakeuphacks
>275M on Tik Tok ¹



STRONG CORE PRODUCT GROWTH



	Hydro Grip Primer \$18 (mini) / \$36 (full size)	Hydro Grip Spray \$21 (mini) / \$36 (full size)	Lip + Cheek \$24	Matte Bronzer \$24
Launch date:	2019	2020	2016	2016
% of YTD 2022 revenue ² :	22.6%	8.4%	11.5%	8.3%
YTD 2022 % growth ² :	+62%	+144%	+88%	+159%
YTD Collection Rank within category (Sephora USA) ³	1	2	3	2

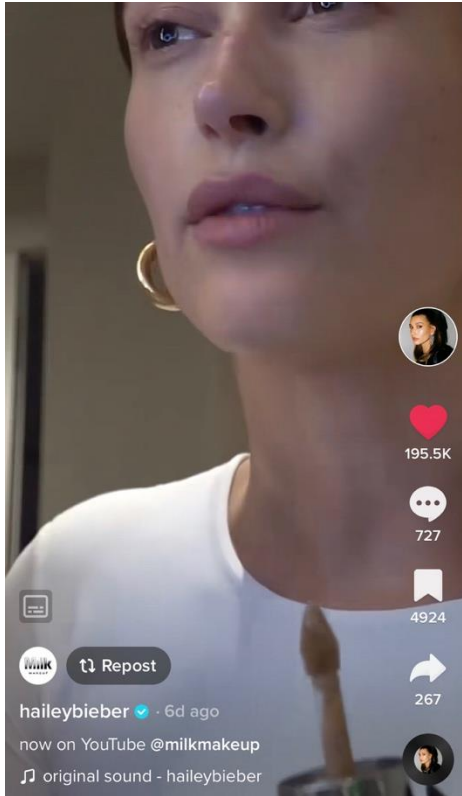
¹ TIK TOK searching #milkmakeup on November 3rd, 2022 at 3:45 pm ET

² Milk internal sales data

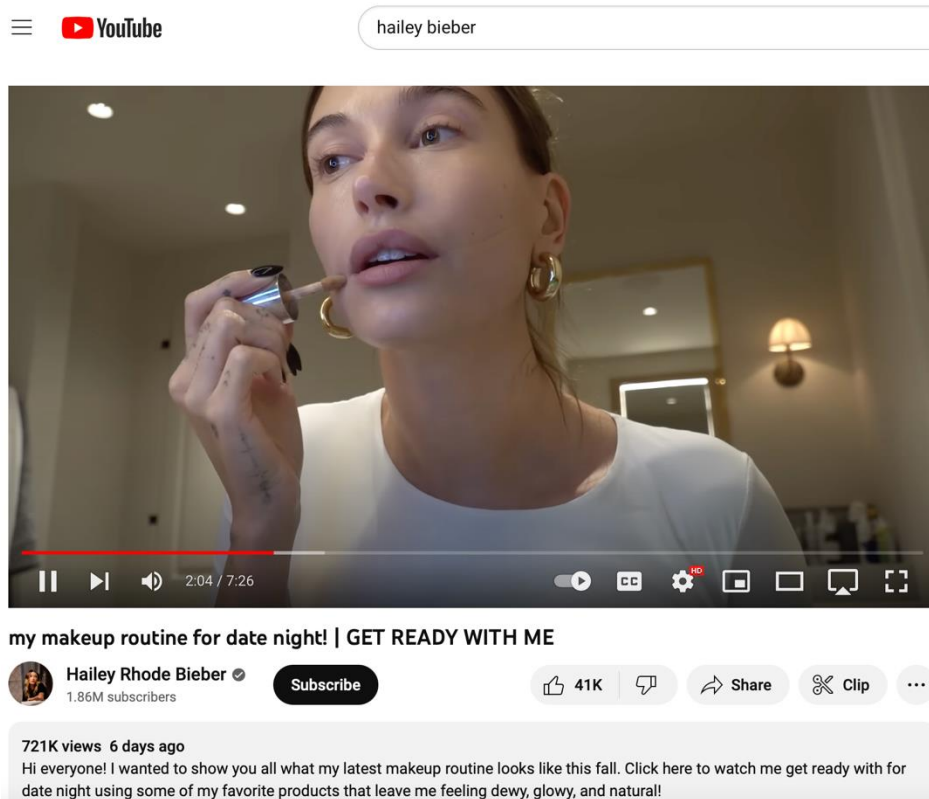
³ Sephora USA data YTD September 30th, 2022

LOOKING AHEAD: GROW AWARENESS VIA TOP TALENT PARTNERSHIP

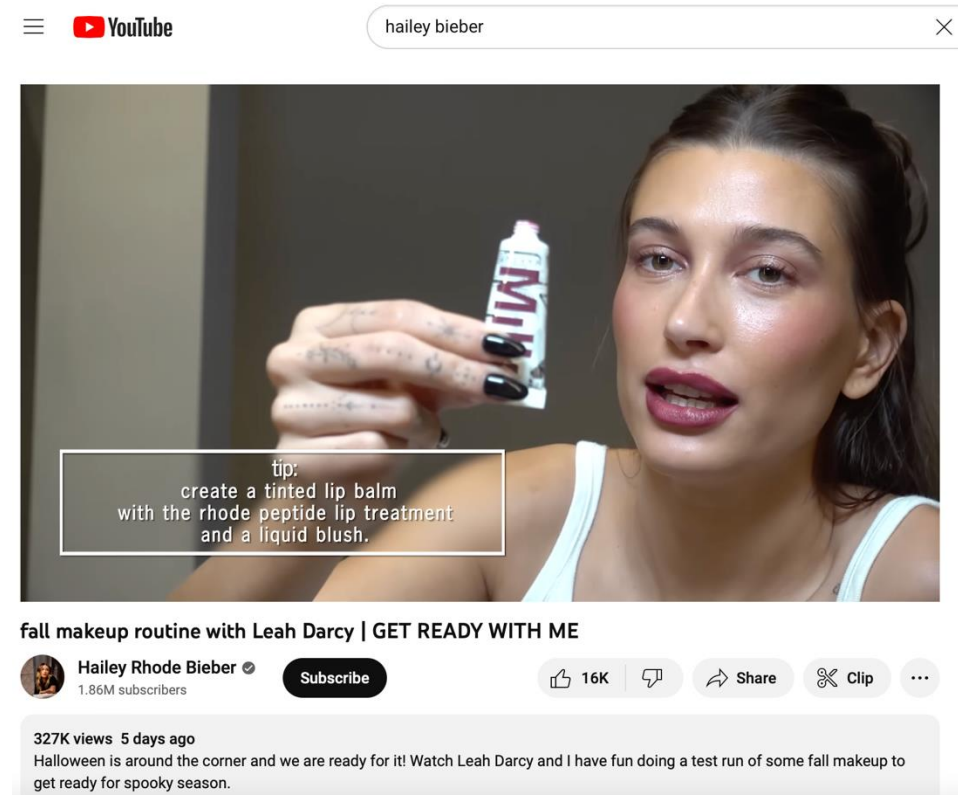
1.9M views in 6 days



721K views in 6 days



327K views in 5 days



DELIVERING BREAKTHROUGH INNOVATION

BALANCED GROWTH WITH NEW LAUNCHES +40% YTD 2022¹

STRATEGY TO REINFORCE CORE CATEGORIES MASCARA + PRIMER WHILE EXPANDING INTO COMPLEXION



¹ Milk internal sales data

² Sephora management

HYDRO GRIP CONTINUES STRONG GROWTH, PORE ECLIPSE INCREMENTAL

#1 AND #3 PRIMERS YTD AT SEPHORA USA¹

+62% YTD²

#1 Primer
Sephora¹



NEW

Top 3
Primer
Sephora¹



¹ Sephora management
² Milk internal sales data

LOOKING AHEAD: SIGNIFICANT CATEGORY EXPANSION OPPORTUNITIES

KEY FOCUS: REINFORCING CORE CATEGORIES WHILE WINNING IN NEW COMPLEXION BATTLEGROUND

Active + Whitespace Milk Categories¹

	Established	Emerging	Whitespace ³
	Mascara \$1.9B	Primer ² \$0.3B	Blusher & Bronzer \$0.5B
Make-up	Foundation / Concealer \$3.8B	Lash & Brow \$1.0B	Lip \$2.8B
Category Expansion	Skincare \$21.9B	Haircare \$14.1B	Bath / Shower \$9.5B
			Fragrance \$8.7B

Milk Makeup has the opportunity to grow through innovation and launches

Milk	330 SKUs ⁴
-------------	-----------------------

v/s

Other Leading Make-Up Specialist Brands	1,500-7,000 SKUs
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¹ Market sizes reflect 2021E data for the USA market; Euromonitor International; Beauty & Personal Care and Color Cosmetics in the US, 2021ed, retail value sales, current prices, 2020 fixed ex rates

² Primer refers to EMI's category BB/CC creams and skin tints refers to EMI's premium foundation / concealer

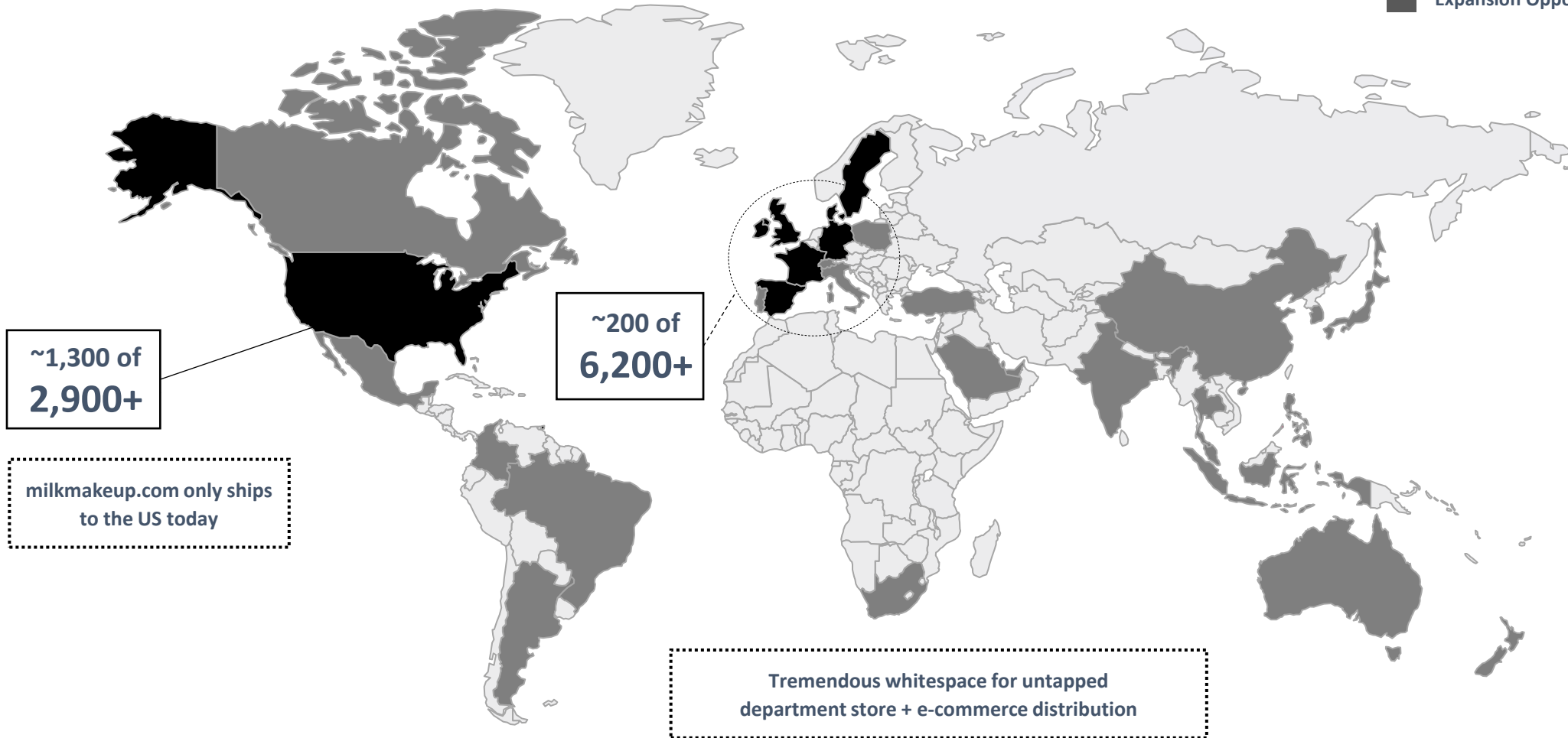
³ Areas where management believes product offering expansions or introduction of new categories are possible

⁴ Milk internal sku count

EXPAND + INTERNATIONALIZE DISTRIBUTION

SIGNIFICANT WHITE SPACE WITHIN THE USA AND INTERNATIONALLY

- Current Milk Presence in Brick & Mortar
- Expansion Opportunity



Note: Door counts represent expansion opportunities in brick and mortar stores
Source: Retailer company websites

H2 2022: EXPANDING BRAND PRESENCE DOMESTICALLY AND ABROAD

BOTH BRICK & MORTAR AND PURE PLAYERS IS THE US. EXPANDING IN THE 4TH MAKEUP MARKET GLOBALLY.

USA EXPANSION

KOHL'S + SEPHORA

2021 Doors: 200

1H 2022 Doors: 400+

FY 2022 Proj. Doors: **600**

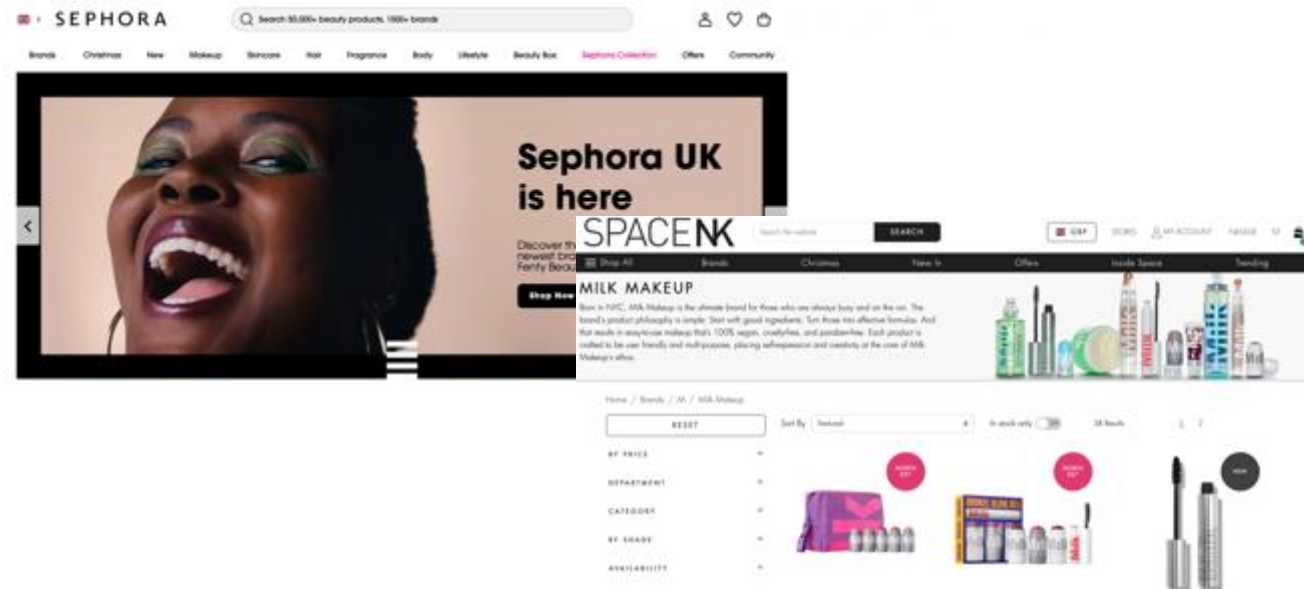


Launch USA: June 2022

INTERNATIONAL EXPANSION

Q4/Q1 2023

#4 MAKE-UP MARKET GLOBALLY



Waldencast commitment to exemplary ESG



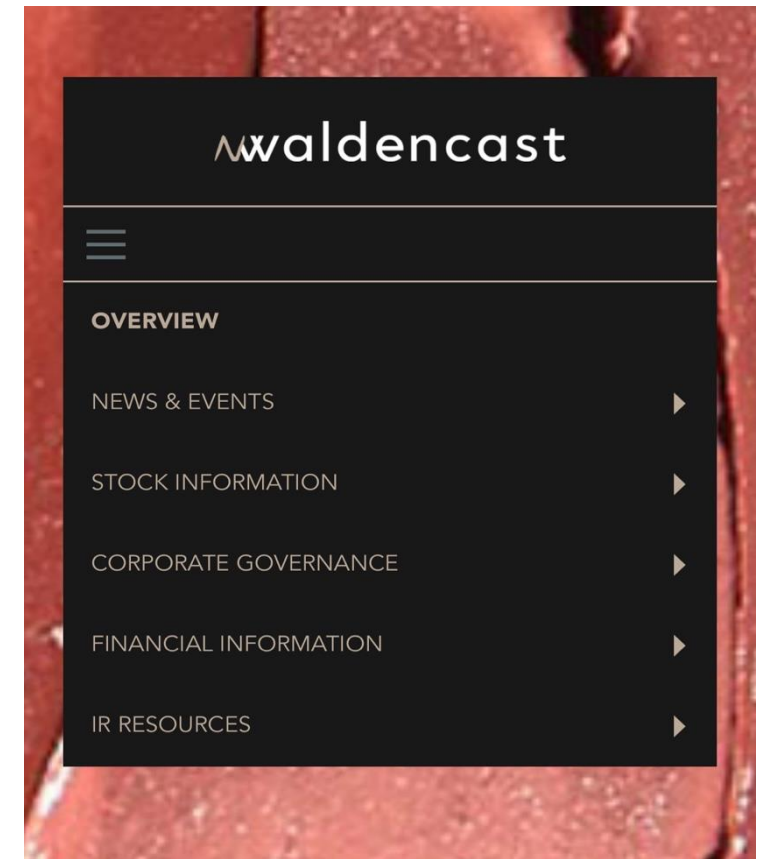
MMU Sustainability Commitments:
 More Sustainable shipping + Outer Packaging
 More Environmentally friendly packs + Refills
 How To Recycle Partnerships with How2Recycle and
 g2 revolution



MMU social philanthropy focuses on self-expression and equality for underrepresented LGBTQIAQ+ and BIPOC groups.

SKINCLUSION is Obagi's commitment to provide effective, science-based skin care for all skin tones. They were the 1st to design clinical research on all six Fitzpatrick skin types.

Strictly confidential. Property of Waldencast.



Public Company Best in Class governance with Best In Class board of Directors and Protocols.

Philippe Gautier named Chief Financial Officer and Chief Operating Officer in October 2022.



A platform poised for long-term profitable growth characterized by:

- Operational scale of a multi-brand platform
- Balanced portfolio in structurally attractive segments of the category
- Expertise in managing global beauty brands at scale
- Asset-light efficiency vs. slow, inflexible and costly traditional structures
- Strong alignment of management incentives to long-term value creation thru operational and capital allocation excellence

2 leading brands with unique positioning anchored in high customer affinity and strong brand equity

OBAGI[®]

Milk
MAKEUP

Resilient and high-growth markets that have weathered the macro turmoil faced by consumer markets

+16.4% YTD Beauty Value Growth

+18.3% YTD Makeup Value Growth

+13.0% YTD Skin Care Value Growth





This is only the beginning...

TODAY

OBAGI®

Milk
MAKEUP

✓ Strong brand identity and equity	✓ High consumer affinity	✓ Differentiated offering and positioning	✓ Growing omnichannel presence	✓ Sustainable long-term growth	✓ Management team with deep operating experience
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FUTURE

Optimized multi-brand portfolio spanning:

CATEGORIES						
Skin	Color	Hair	Body	Wellness	Fragrance	Capabilities
GEOGRAPHIES						
Global	U.S.	Europe	APAC	LATAM		
CHANNELS						
Professional	Specialty	Online	Food / Drug / Mass			
PRICE POINTS						
Prestige	Massige	Mass				



Appendix

Key Financials¹ – Quarterly Adj. EBITDA (UNAUDITED)

		PRO FORMA FINANCIALS ²				Q3 2022 ³	
		1Q22A	1Q22A vs. 1Q21A	2Q22A	2Q22A vs. 2Q21A	3Q22A	3Q22A vs. 3Q21A
Adj. EBITDA (\$mm) ⁴	OBAGI	\$7,848	-15.8%	\$16,501	14.2%	\$16,327	109.2%
	Milk	\$2,711	69.9%	\$5,388	301.5%	\$930	NM
	Central costs ⁵	\$0	NA	\$0	NA	(\$1,918)	NM
	Waldencast	\$10,559	10.9%	\$21,889	38.6%	\$15,339	126.3%

Source: Company filings - Acquisition Completed July 27, 2022

¹ Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements.

² All Obagi pro forma financials excludes sales related to the former Obagi China Business

³ Waldencast has included quarterly results that combine the predecessor and post-acquisition periods for Obagi Skincare and the pre and post-acquisition periods for Milk Makeup, which should not be combined under GAAP, as only Obagi financial statements should be included in predecessor periods. However, management believes these non-GAAP comparative quarterly results provide a perspective on the on-going performance of the combined companies’ operations.

⁴ Reconciliations of Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure, are included in the appendix

⁵ Waldencast central expenses reflect ongoing central overhead incurred in the post-combination period



Q3 2022 – Condensed Consolidated Statement of Operations (UNAUDITED)¹

U.S. Dollars (in thousands)	Successor	Predecessor	
	(Waldencast)	(Obagi)	
	2022	2022	2021
	Period from July 28 to September 30	Period from July 1 to July 27	Period from July 1 to September 30
Net revenue	\$ 73,445	\$ 2,834	\$ 58,510
Cost of goods sold (2)	27,505	980	12,668
Gross profit	45,940		
Selling, general and administrative	38,667	6,921	35,099
Research and development	1,404	331	2,496
Depreciation and amortization	10,935	1,080	3,565
Total operating expenses	51,006	9,312	53,828
Operating (loss) income	(5,066)	(6,478)	4,682
Interest expense	2,321	953	3,058
Forgiveness of Paycheck Protection Loan	(13)	-	-
Other expenses, net	(3,529)	32	106
Total other expenses—net	(1,221)	985	3,164
Income (loss) before income taxes	(3,845)	(7,463)	1,518
Income tax expense	740	153	164
Net income (loss)	\$ (4,585)	\$ (7,616)	\$ 1,354
Net income attributable to non-controlling interests	257		
Net (loss) income attributable to shareholders	(4,842)		

¹ Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements



Q3 2022 – Waldencast plc, Adjusted EBITDA reconciliation¹

U.S. Dollars (in thousands)	2022				2021	
	Period from July 28 to September 30 (Successor period)				Period from July 1 to July 27 (Predecessor period)	Three months ended September 30 (Predecessor period)
	Obagi	Milk	Waldencast Corp.	Waldencast	Obagi	Obagi
Net Income (Loss)	\$ 3,965	\$ (2,656)	\$ (5,894)	\$ (4,585)	\$ (7,616)	\$ 1,354
China carve-out	-	-	-	-	340	(1,063)
Adjusted For:						
Depreciation and amortization	8,991	2,987	-	11,978	1,080	3,565
Interest expense, net	-	-	2,321	2,321	945	3,058
Income tax expense	740	-	-	740	153	164
Stock-based compensation expense	2,048	254	850	3,152	-	-
Transaction costs	1,002	135	3,610	4,747	1,968	649
Inventory fair value adjustment	2,782	1,558	-	4,340	-	-
Warranty liability fair value adjustment	-	-	(2,805)	(2,805)	-	-
Impact of China related party sales	155	-	-	155	-	-
Foreign currency transaction loss (gain)	(287)	(415)	-	(702)	4	-
(Gain)/loss on disposal of assets	-	(3)	-	(3)	35	-
Restructuring costs	20	-	-	20	2	78
Adjusted EBITDA	\$ 19,416	\$ 1,860	\$ (1,918)	\$ 19,358	\$ (3,089)	\$ 7,805
Net Sales	\$ 57,576	\$ 15,869	\$ -	\$ 73,445	\$ 2,834	\$ 58,510
Adjusted EBITDA %	33.7%	11.7%	N/A	26.4%	-109.0%	13.3%

¹ Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements



Q3 2022 – Obagi Skincare Adjusted EBITDA reconciliation¹

U.S. Dollars (in thousands)	2022		2021			
	Period from July 28 to September 30 (Post-acquisition period)		Period from July 1 to July 27 (Predecessor period)	Three months ended September 30 (Predecessor period)		
Net Income (Loss)	\$	3,965	\$	(7,616)	\$	1,354
China carve-out		-		340		(1,063)
Adjusted For:						
Depreciation and amortization		8,991		1,080		3,565
Interest expense, net		-		945		3,058
Income tax expense		740		153		164
Stock-based compensation expense		2,048		-		-
Transaction costs		1,002		1,968		649
Inventory fair value adjustment		2,782		-		-
Impact of China related party sales		155		-		-
Foreign currency transaction		(287)		4		-
Disposal of assets		-		35		-
Restructuring costs		20		2		78
Adjusted EBITDA	\$	19,416	\$	(3,089)	\$	7,805
Net Sales	\$	57,576	\$	2,834	\$	58,510
Adjusted EBITDA %		33.7%		-109.0%		13.3%

¹ Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements



Q3 2022 – Milk Makeup Adjusted EBITDA reconciliation¹

U.S. Dollars (in thousands)	2022		2021			
	Period from July 28 to September 30 (Post-acquisition period)		Period from July 1 to July 27 (Pre-acquisition period)	Three months ended September 30 (Pre-acquisition period)		
Net Loss	\$	(2,656)	\$	(1,764)	\$	(1,836)
Adjusted For:						
Depreciation and amortization		2,987		272		523
Interest expense, net		-		1		26
Stock-based compensation expense		254		-		125
Transaction costs		135		340		-
Inventory fair value adjustment		1,558		-		-
Foreign currency transaction		(415)		221		16
Disposal of assets		(3)		-		118
Adjusted EBITDA	\$	1,860	\$	(930)	\$	(1,028)
Net Sales	\$	15,869	\$	2,670	\$	13,083
Adjusted EBITDA %		11.7%		-34.8%		-7.9%

¹ Waldencast is in the process of finalizing its business combination accounting. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements



Q3 2022 – Obagi Skincare Adjusted Gross Margin reconciliation¹

U.S. Dollars (in thousands)	2022		2021	
	Period from July 28 to September 30 (Post-acquisition period)	Period from July 1 to July 27 (Predecessor period)	Three months ended September 30 (Predecessor period)	
Net Sales	\$ 57,576	\$ 2,834	\$ 58,510	
Recurring sales	53,118	2,816	49,902	
Obagi China Business carveout	-	18	8,608	
Chinese related party sales	4,458	-	-	
Cost of goods sold (2)	19,841	980	12,668	
Amortization expense (2)	-	355	1,221	
Gross Margin	\$ 37,735	\$ 1,499	\$ 44,621	
Gross Margin %	65.5%	52.9%	76.3%	
Gross Margin Adjustments:				
Inventory fair value adjustment	(2,782)	-	-	
Obagi China Business carveout	-	(79)	7,292	
Chinese related party sales	155	-	-	
Adjusted Gross Margin	\$ 40,362	\$ 1,578	\$ 37,329	
Adjusted Gross Margin % (% of Recurring sales)	76.0%	56.0%	74.8%	

¹ Waldencast is in the process of finalizing its business combination accounting and disposal of the former Obagi China Business. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements

² The cost of goods sold in the predecessor periods excludes product-related amortization expense. Product-related amortization expense is included as an adjustment to calculate the gross margin per U.S. GAAP and to be comparable to the successor period



Q3 2022 – Milk Makeup Adjusted Gross Margin reconciliation¹

U.S. Dollars (in thousands)	2022		2021	
	Period from July 28 to September 30 (Post-acquisition period)	Period from July 1 to July 27 (Pre-acquisition period)	Three months ended September 30 (Pre-acquisition period)	
Net Sales	\$ 15,869	\$ 2,670	\$ 13,083	
Cost of goods sold	7,664	855	6,126	
Gross Margin	\$ 8,205	\$ 1,815	\$ 6,957	
Gross Margin %	51.7%	68.0%	53.2%	
Gross Margin Adjustments:				
Inventory fair value adjustment	(1,558)	-	-	
Adjusted Gross Margin	\$ 9,763	\$ 1,815	\$ 6,957	
Adjusted Gross Margin %	61.5%	68.0%	53.2%	

¹ Waldencast is in the process of finalizing its business combination accounting. All related estimates are subject to change. When reading our financial statements, you should note there is a clear division between the “predecessor” periods that include financials up to the Closing Date and “successor” periods that include all periods after the acquisition date. The predecessor and successor results shown are not comparable, as the successor period includes the consolidated financial statements of Waldencast, Obagi Skincare, and Milk Makeup, whereas the predecessor period includes only Obagi Skincare’s financial statements

