UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 10, 2023

The Beauty Health Company
(Exact name of registrant as specified in its charter)

Delaware	001-39565	85-1908962
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2165 Spring Street Long Beach, CA	90806
(Address of principal executive offices)	(Zip Code)

(800) 603-4996
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	**SKIN**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

The information provided below in "Item 7.01 - Regulation FD Disclosure" of this Current Report on Form 8-K ("Current Report") is incorporated by reference into this Item 2.02.

Item 7.01. Regulation FD Disclosure.

On May 10, 2023, The Beauty Health Company (the "Company") issued a press release (the "Earnings Press Release") regarding the Company's financial results for its fiscal quarter ended March 31, 2023. A copy of the Earnings Press Release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

On May 10, 2023, the Company posted an investor presentation (the "Investor Presentation") on the Company's website, https://investors.beautyhealth.com/. A copy of the Investor Presentation is attached as Exhibit 99.2 hereto and incorporated herein by reference.

The Earnings Press Release and Investor Presentation include non-GAAP financial measures as defined in Regulation G of the Sarbanes-Oxley Act of 2002. The Earnings Press Release and Investor Presentation also include a presentation of the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), information reconciling the non-GAAP financial measures to the GAAP financial measures, and a discussion of the reasons why the Company's management believes that presentation of the non-GAAP financial measures provides useful information to investors regarding the Company's financial condition and results of operations. The non-GAAP financial measures presented therein should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated and presented in accordance with GAAP.

Exhibit 99.1 and Exhibit 99.2 contain forward-looking statements. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed in these forward-looking statements.

The information set forth under Item 7.01 of this Current Report, including Exhibit 99.1 and Exhibit 99.2 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in Item 7.01 of this Current Report, including Exhibit 99.1 and Exhibit 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings Press Release, dated May 10, 2023
99.2	Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 10, 2023	**The Beauty Health Company**

By:	/s/ Liyuan Woo
Name:	Liyuan Woo
Title:	Chief Financial Officer

Exhibit 99.1

BeautyHealth Reports First Quarter 2023 Financial Results

On strong consumer demand, delivers double-digit net sales growth in line with 2023 plan

Raises fiscal 2023 net sales guidance

Long Beach, Calif., May 10, 2023 – The Beauty Health Company (NASDAQ: SKIN), home to flagship brand Hydrafacial, today announced financial results for the first quarter ended March 31, 2023. For the quarter, net sales of $86.3 million increased +14% year-over-year, continuing a trend of double-digit quarterly growth. On the momentum, the Company raises 2023 net sales guidance and reaffirms 2023 EBITDA margin and 2025 long-term targets.

The quarter was underpinned by continued strong consumer demand for Hydrafacial treatments, with +21% year-over-year consumables net sales growth globally. Of note, consumables net sales grew +34% year-over-year in the Americas and +13% in EMEA. Excluding $1.2 million of Q1 2022 consumables net sales in Russia, growth in EMEA was +35%. In APAC, consumables net sales declined (22%), driven primarily by COVID-related shutdowns in China in January and February.

As expected, delivery system sales growth for the quarter was +9% year-over-year, as the Company lapped the Q1 2022 U.S. Syndeo launch and providers outside of the U.S. showed a degree of hold-back in anticipation of Syndeo's international availability in Q2 2023. Additionally, continued Covid-related shutdowns in China in January and February affected the quarter, but were partially offset by a remarkable rebound in China in March.

"I am pleased with the growth we achieved in the first quarter and our strong momentum going into Q2. We see sustained consumer demand for Hydrafacial treatments across the globe and palpable excitement for the international launch of Syndeo," said BeautyHealth President and CEO Andrew Stanleick. "This demand, together with the investments made last year and favorable market trends, particularly in China, give us the confidence to raise our 2023 net sales target and reconfirm our 2023 adjusted EBITDA margin guidance and long-term 2025 targets."

Key Operational and Business Metrics

	Three Months Ended March 31,	
Unaudited ($ in millions) (3)	**2023**	**2022(1)**
Delivery Systems net sales	$ 45.4	$ 41.6
Consumables net sales	40.9	33.8
Total net sales	$ 86.3	$ 75.4
Gross profit	$ 54.1	$ 50.9
Gross margin	62.7 %	67.5 %
Net income (loss)	$ (22.3)	$ 31.5
Adjusted net (loss)(2)	$ (5.5)	$ (9.5)
Adjusted EBITDA(2)	$ (0.5)	$ 1.2
Adjusted EBITDA margin(2)	(0.6)%	1.5 %
Adjusted gross profit(2)	$ 60.4	$ 53.8
Adjusted gross margin(2)	70.0 %	71.3 %

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(1) Reflects the impact of immaterial revisions to the financial statements.

(2) See "Non-GAAP Financial Measures" below.

(3) Amounts may not sum due to rounding.

Strategic Highlights

- Announced a definitive agreement to acquire SkinStylus, an FDA-cleared microneedling device, adding a complementary co-treatment to the BeautyHealth bundle and taking a step toward realizing a multi-brand platform.
- Introduced Syndeo into select Europe and Asia-Pacific markets, leveraging processes and software optimizations made since the March 2022 U.S. launch. Syndeo is now live in 14 markets globally with a total install base of 4,945 delivery systems.
- Activated China commercial infrastructure alongside the country's reopening in March, opening an Experience Center in Beijing, the Company's second in China behind Shanghai, and galvanizing an in-region sales team to re-accelerate growth in the market.
- Expanded our best-in-class Hydrafacial booster portfolio, launching a co-created booster with prestige skincare brand Omorovicza in the U.S. and EMEA and unveiling an exclusive global partnership with Dior Spas, with the first *Dior powered by Hydrafacial* experience now available at the iconic Hotel du Cap-Eden-Roc.

Financial Highlights

- Net sales were $86.3 million for the first quarter of 2023, an increase of +14% compared to the prior year, in line with our 2023 plan and driven by strong demand for consumables.
- Gross margin was 62.7% in Q1 2023 compared to 67.5% in Q1 2022. Adjusted gross margin was 70.0% in Q1 2023 compared to 71.3% in Q1 2022. Gross margin was impacted by charges for discontinued and obsolete products and the sale of lower margin refurbished Elite systems internationally prior to the international Syndeo launch in Q2 2023.
- Net loss was $(22.3) million in Q1 2023 compared to net income of $31.5 million in Q1 2022. The net loss as compared to net income in the prior year was due primarily to a benefit in the prior year from the change in the fair value of our warrant liabilities.
- Adjusted EBITDA was $(0.5) million in Q1 2023 compared to adjusted EBITDA of $1.2 million in Q1 2022, partially due to the operating expense burden caused by the January and February shutdowns in China, the sale of lower margin refurbished Elite systems, and a degree of hold-back on delivery systems from international providers in anticipation of Syndeo's international availability in Q2 2023.

Net Sales by Region

	Three Months Ended March 31,		
Unaudited ($ in millions) (1)	**2023**	**2022**	**% Change**
Net sales by region			
Americas	$ 53.0	$ 44.6	+19 %
Asia-Pacific	13.6	12.9	+6 %
Europe, the Middle East and Africa	19.7	17.9	+10 %
Total net sales	$ 86.3	$ 75.4	+14 %

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(1) Amounts may not sum due to rounding.

- Net sales in the **Americas** region increased +19% to $53.0 million in Q1 2023 compared to Q1 2022, driven by +34% growth in consumables net sales, partially offset by lapping Q1 2022 Syndeo launch-related trade-up demand.

- Net sales in the **APAC** region increased +6% to $13.6 million in Q1 2023 compared to Q1 2022, driven by strength of delivery system demand in March, despite COVID-related shutdowns in January and February that drove a (22%) decrease in Q1 2023 consumables net sales.
- Net sales in the **EMEA** region increased +10% to $19.7 million in Q1 2023 compared to Q1 2022, driven by strong performance across the region. Excluding Russia's Q1 2022 contribution of $1.5 million net sales, EMEA net sales grew +20% year-over-year.

Operating Expenses

- Selling and marketing expenses were $38.7 million in Q1 2023 compared to $36.4 million in Q1 2022, primarily driven by increases in personnel related costs, including sales commission expense. Notably, Selling & marketing expenses as a percentage of revenue decreased 342 basis points year-over-year, partially due to the lapping of Syndeo US launch costs and increased operating leverage from higher revenue.
- General and administrative expenses were $30.4 million in Q1 2023 compared to $26.3 million in Q1 2022, primarily due to an increase in software expenses, including certain contract termination costs, and professional services fees, including patent litigation expenses, partially offset by lower recruiting related expenses.

Balance Sheet and Cash Flow Highlights

- Cash and cash equivalents were approximately $532.3 million as of March 31, 2023 compared to approximately $568.2 million as of December 31, 2022. Cash and cash equivalents decreased during the year primarily due to strategic acquisitions made during the first quarter of 2023.
- The Company had approximately 7.0 million private placement warrants and approximately 132.6 million shares of Class A common stock outstanding as of March 31, 2023. In April 2023, the Company completed its second $100.0 million accelerated share repurchase transaction. With the two $100.0 million accelerated share repurchase programs, the Company retired an aggregate of approximately 18.8 million shares at an average price of $10.78 per share.

Financial Guidance

	Current as of Q1 2023	Previous
Fiscal Year 2023		
Net sales	$460 – $480 million	$450 – $470 million
Adjusted gross margin(1)	> Fiscal 2022	> Fiscal 2022
Adjusted EBITDA margin(1)	18% – 20%	18% – 20%
Fiscal Year 2025 Long-Range Outlook		
Net sales	$600 – $700 million	$600 – $700 million
Adjusted EBITDA margin(1)	25% – 30%	25% – 30%

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(1) See "Non-GAAP Financial Measures" below.

- The Company raised its fiscal year 2023 net sales guidance to a range of $460 to $480 million due to continued strength in consumer demand, strong Syndeo traction globally, and a re-acceleration in China.

Financial guidance reflects the following external environment assumptions:

- Assumes no material deterioration in general market conditions or other unforeseen circumstances beyond our control.
- Excludes any unannounced acquisitions, dispositions or financings during 2023.
- Assumes a largely re-opened global market, which would be negatively impacted if closures related to COVID-19 or other restrictive measures are reimplemented.
- Assumes no material deterioration in foreign currency exchange rates.

Conference Call

BeautyHealth will host a conference call on Wednesday, May 10, 2023, at 8:30 a.m. ET to review its first quarter 2023 financial results. The call may be accessed via live webcast through the Events & Presentations page on our Investor Relations website at https://investors.beautyhealth.com. A replay of the conference call will be available approximately three hours after the conclusion of the call and can be accessed online at https://investors.beautyhealth.com.

Non-GAAP Financial Measures

In addition to results determined in accordance with accounting principles generally accepted in the United States of America (GAAP), management utilizes certain non-GAAP financial measures such as adjusted gross profit, adjusted gross margin, adjusted net income (loss), adjusted EBITDA and adjusted EBITDA margin for purposes of evaluating ongoing operations and for internal planning and forecasting purposes. Management believes that these non-GAAP financial measures, when reviewed collectively with the Company's GAAP financial information, provide useful supplemental information to investors in assessing our operating performance. These non-GAAP financial measures should not be considered as an alternative to GAAP financial information or as an indication of operating performance or any other measure of performance derived in accordance with GAAP, and may not provide information that is directly comparable to that provided by other companies in its industry, as these other companies may calculate non-GAAP financial measures differently, particularly related to non-recurring, unusual items.

The Company does not provide a reconciliation of its fiscal 2023 adjusted gross margin guidance to gross margin or its adjusted EBITDA margin guidance to net income (loss), the most directly comparable forward looking GAAP financial measures, due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, which cannot be done without unreasonable efforts, including adjustments that could be made for changes in fair value of warrant liabilities, integration and acquisition-related expenses, amortization expenses, non-cash stock-based compensation, gains/losses on foreign currency, and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. The Company's fiscal 2023 adjusted gross margin and adjusted EBITDA margin guidance is merely an outlook and is not a guarantee of future performance. Stockholders should not rely or place an undue reliance on such forward-looking statements. See "Forward-Looking Statements" for additional information.

Adjusted Gross Profit and Adjusted Gross Margin

Management uses adjusted gross profit and adjusted gross margin to measure profitability and the ability to scale and leverage the costs of delivery systems and consumables. The continued growth of delivery systems is expected to improve adjusted gross margin, as additional delivery systems sold will increase the Company's recurring consumables net sales, which has higher margins.

Management believes adjusted gross profit and adjusted gross margin are useful measures to the Company and its investors to assist in evaluating operating performance because they provide consistency and direct comparability with past financial performance and between fiscal periods, as the metrics eliminate the effects of amortization, depreciation, and stock-based compensation, which are non-cash expenses that may fluctuate for reasons unrelated to overall continuing operating performance, and other items such as the write-off of discontinued and obsolete product. Adjusted gross margin has been and will continue to be impacted by a variety of factors, including the product mix, geographic mix, direct vs. indirect mix, the average selling price on delivery systems, and new product launches. Management expects adjusted gross margin to fluctuate over time depending on the factors described above.

The following table reconciles gross profit to adjusted gross profit for the periods presented:

	Three Months Ended March 31,	
Unaudited ($ in millions) [2]	**2023**	**2022**[1]
Net sales	$ 86.3	$ 75.4
Cost of sales	32.2	24.5
Gross profit	$ 54.1	$ 50.9
Gross margin	62.7 %	67.5 %
Adjusted to exclude the following:		
Write-off of discontinued and obsolete product	$ 3.0	$ —
Stock-based compensation included in cost of sales	0.3	0.2
Depreciation and amortization expense included in cost of sales	3.0	2.7
Adjusted gross profit	$ 60.4	$ 53.8
Adjusted gross margin	70.0 %	71.3 %

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(1) Reflects the impact of immaterial revisions to the financial statements.

(2) Amounts may not sum due to rounding.

Adjusted Net Income (Loss), Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted net income (loss), adjusted EBITDA, and adjusted EBITDA margin are key performance measures that management uses to assess the Company's operating performance. Because adjusted net income (loss), adjusted EBITDA and adjusted EBITDA margin facilitate internal comparisons of our historical operating performance on a more consistent basis, management uses these measures for business planning purposes.

Management also believes this information will be useful for investors to facilitate comparisons of operating performance and better identify trends in the business. Management expects adjusted EBITDA margin to increase over the long-term, as the Company continues to scale its business and achieve greater operating leverage.

The Company calculates adjusted net income (loss) as net income (loss) adjusted to exclude: change in fair value of warrant liability; amortization expense; loss on disposal of assets; stock-based compensation expense; interest income; other (income) expense, net; transaction related costs; write-off of discontinued and obsolete product; severance, restructuring, and other; litigation related costs, and the aggregate adjustment for income taxes for the tax effect of the adjustments described above.

The Company calculates adjusted EBITDA as adjusted net income (loss) adjusted to exclude: depreciation expense; interest expense; foreign currency loss (gain), net; and the remaining (benefit) expense for income taxes.

The following table reconciles BeautyHealth's net income (loss) to adjusted net income (loss) and adjusted EBITDA for the periods presented:

	Three Months Ended March 31,	
Unaudited ($ in millions) [2]	**2023**	**2022**[1]
Net (loss) income	$ (22.3)	$ 31.5
Adjusted to exclude the following:		
Change in fair value of warrant liability	9.1	(52.1)
Amortization expense	4.4	3.7
Loss on disposal of assets	0.1	0.8
Stock-based compensation expense	3.6	7.0
Interest income	(4.3)	—
Other (income) expense, net	(0.4)	0.1
Transaction related costs [3]	—	1.0
Write-off of discontinued and obsolete product	3.0	—
Severance, restructuring and other [4]	2.9	2.0
Litigation related costs	1.0	—
Aggregate adjustment for income taxes	(2.5)	(3.6)
Adjusted net loss	$ (5.5)	$ (9.5)
Depreciation expense	1.8	1.4
Interest expense	3.4	3.4
Foreign currency loss (gain), net	0.9	(0.4)
Remaining (benefit) expense for income taxes	(1.2)	6.2
Adjusted EBITDA	$ (0.5)	$ 1.2
Adjusted EBITDA margin	(0.6)%	1.5%

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(1) Reflects the impact of immaterial revisions to the financial statements.
(2) Amounts may not sum due to rounding.
(3) For the three months ended March 31, 2022, such amounts primarily represent direct costs incurred in relation to potential acquisitions.
(4) For the three months ended March 31, 2023, such costs represent executive severance, retention awards, and contract termination costs. For the three months ended March 31, 2022, such costs represent personnel costs related to executive recruiting, executive severance and a CEO sign-on bonus.

About The Beauty Health Company

The Beauty Health Company (NASDAQ: SKIN) is a global category-creating company delivering millions of skin health experiences every year that help consumers reinvent their relationship with their skin, bodies and self-confidence. Our brands are pioneers: Hydrafacial™ in hydradermabrasion, SkinStylus™ in microneedling, and Keravive™ in scalp health. Together, with our powerful community of estheticians, partners and consumers, we are personalizing skin health for all ages, genders, skin tones, and skin types in more than 90 countries. We are committed to being ever more mindful in how we conduct our business to positively impact our communities and the planet. Find a local provider at https://hydrafacial.com/find-a-provider/, and learn more at beautyhealth.com or LinkedIn.

Forward-Looking Statements

Certain statements made in this release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, including statements regarding The Beauty Health Company's strategy, plans, objectives, initiatives and financial outlook. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify 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 Beauty Health Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. As such, readers are cautioned not to place undue reliance on any forward-looking statements.

Important factors that may affect actual results or outcomes include, among others: The Beauty Health Company's ability to manage growth; The Beauty Health Company's ability to execute its business plan; potential litigation involving The Beauty Health Company; changes in applicable laws or regulations; the possibility that The Beauty Health Company may be adversely affected by other economic, business, and/or competitive factors; and the impact of the continuing COVID-19 pandemic on the Company's business. The Beauty Health Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Contacts

The One Nine Three Group
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Press: BeautyHealth@the193.com

The Beauty Health Company
Condensed Consolidated Statements of Comprehensive Income (Loss) (1)
(in millions, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022(2)
Net sales	$ 86.3	$ 75.4
Cost of sales	32.2	24.5
Gross profit	54.1	50.9
Operating expenses:		
Selling and marketing	38.7	36.4
Research and development	2.3	2.2
General and administrative	30.4	26.3
Total operating expenses	71.4	64.9
Loss from operations	(17.3)	(14.0)
Interest expense, net	3.4	3.4
Interest income	(4.3)	—
Other (income) expense, net	(0.4)	0.9
Change in fair value of warrant liabilities	9.1	(52.1)
Foreign currency transaction loss (gain), net	0.9	(0.4)
(Loss) income before provision for income taxes	(25.9)	34.1
Income tax (benefit) expense	(3.7)	2.6
Net (loss) income	(22.3)	31.5
Comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	0.9	(0.1)
Comprehensive (loss) income	$ (21.4)	$ 31.3
Net (loss) income per share		
Basic	$ (0.17)	$ 0.21
Diluted	$ (0.17)	$ (0.13)
Weighted average common shares outstanding		
Basic	132,420,762	150,598,105
Diluted	132,420,762	152,711,698

(1) Amounts may not sum due to rounding.
(2) Reflects the impact of immaterial revisions to the financial statements.

The Beauty Health Company
Condensed Consolidated Balance Sheets [1]
(in millions, except for share amounts)
(Unaudited)

	March 31, 2023	December 31, 2022 [2]
ASSETS		
Current assets:		
Cash and cash equivalents	$ 532.3	$ 568.2
Accounts receivable, net	70.8	76.5
Inventories	122.1	109.7
Income tax receivable	1.6	1.3
Prepaid expenses and other current assets	21.7	26.3
Total current assets	748.5	782.0
Property and equipment, net	18.4	18.2
Right-of-use assets, net	15.6	15.6
Intangible assets, net	70.8	46.4
Goodwill	125.2	124.6
Deferred income tax assets, net	0.8	0.8
Other assets	15.6	14.2
TOTAL ASSETS	$ 994.9	$ 1,001.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34.3	$ 30.3
Accrued payroll-related expenses	18.7	21.7
Other accrued expenses	13.1	15.2
Lease liabilities, current	4.9	5.0
Income tax payable	1.2	1.0
Total current liabilities	72.3	73.1
Lease liabilities, non-current	12.3	12.7
Deferred income tax liabilities, net	2.9	2.0
Warrant liabilities	24.6	15.5
Convertible senior notes, net	735.2	734.1
TOTAL LIABILITIES	$ 847.3	$ 837.4
Stockholders' equity:		
Class A Common Stock	$ —	$ —
Additional paid-in capital	555.0	550.3
Accumulated other comprehensive loss	(3.6)	(4.5)
Accumulated deficit	(403.8)	(381.5)
Total stockholders' equity	$ 147.6	$ 164.3
LIABILITIES AND STOCKHOLDERS' EQUITY	$ 994.9	$ 1,001.8

(1) Amounts may not sum due to rounding.
(2) Reflects the impact of immaterial revisions to the financial statements.

BEAUTYHEALTH™

Q1 2023 Earnings Presentation

May 10, 2023

Disclaimer

This Presentation contains certain forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance of The Beauty Health Company (the "Company"), capital expenditures, the introduction of new products, expansion into new markets and the ability to execute certain strategic initiatives. Some of the forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "projects," "should," "could," "would," "may," "will," "outlook," "forecast" and other similar expressions. These are intended to identify forward-looking statements. All forward-looking statements are based upon management estimates and forecasts and reflect the views, assumptions, expectations, and opinions of the Company as of the date of this Presentation. Any such estimates, assumptions, expectations, forecasts, views or opinions set forth in this Presentation constitute the Company's judgments and should be regarded as indicative, preliminary and for illustrative purposes only. The forward-looking statements and projections contained in this Presentation are subject to a number of factors, risks and uncertainties, some of which are not currently known to us, that may cause the Company's actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial condition. Although such forward-looking statements have been made in good faith and are based on assumptions we believe to be reasonable, there is no assurance that the expected results will be achieved. Many factors could adversely affect our business and financial performance. We discussed a number of material risks in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2023 and other filings with the Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In addition to results determined in accordance with accounting principles generally accepted in the United States of America (GAAP), management utilizes certain non-GAAP financial measures such as adjusted gross profit, adjusted gross margin, adjusted net income (loss), adjusted EBITDA and adjusted EBITDA margin for purposes of evaluating ongoing operations and for internal planning and forecasting purposes. Management believes that these non-GAAP financial measures, when reviewed collectively with the Company's GAAP financial information, provide useful supplemental information to investors in assessing our operating performance. These non-GAAP financial measures should not be considered as an alternative to GAAP financial information or as an indication of operating performance or any other measure of performance derived in accordance with GAAP, and may not provide information that is directly comparable to that provided by other companies in its industry, as these other companies may calculate non-GAAP financial measures differently, particularly related to non-recurring, unusual items.

The Company does not provide a reconciliation of its fiscal 2023 adjusted gross margin guidance to gross margin or its adjusted EBITDA margin guidance to net income (loss), the most directly comparable forward looking GAAP financial measures, due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, which cannot be done without unreasonable efforts, including adjustments that could be made for changes in fair value of warrant liabilities, integration and acquisition-related expenses, amortization expenses, non-cash stock-based compensation, gains/losses on foreign currency, and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. The Company's fiscal 2023 adjusted gross margin and adjusted EBITDA margin guidance is merely an outlook and is not a guarantee of future performance. Stockholders should not rely or place an undue reliance on such forward-looking statements. See "Forward-Looking Statements" for additional information.

Management uses adjusted gross profit and adjusted gross margin to measure profitability and the ability to scale and leverage the costs of delivery systems and consumables. The continued growth of delivery systems is expected to improve adjusted gross margin, as additional delivery systems sold will increase the Company's recurring consumables net sales, which has higher margins. Management believes adjusted gross profit and adjusted gross margin are useful measures to the Company and its investors to assist in evaluating operating performance because they provide consistency and direct comparability with past financial performance and between fiscal periods, as the metrics eliminate the effects of amortization, depreciation, and stock-based compensation, which are non-cash expenses that may fluctuate for reasons unrelated to overall continuing operating performance, and other items such as the write-off of discontinued and obsolete product. Adjusted gross margin has been and will continue to be impacted by a variety of factors, including the product mix, geographic mix, direct vs. indirect mix, the average selling price on delivery systems, and new product launches. Management expects adjusted gross margin to fluctuate over time depending on the factors described above.

Adjusted net income (loss), adjusted EBITDA, and adjusted EBITDA margin are key performance measures that management uses to assess the Company's operating performance. Because adjusted net income (loss), adjusted EBITDA and adjusted EBITDA margin facilitate internal comparisons of our historical operating performance on a more consistent basis, management uses these measures for business planning purposes.

Management also believes this information will be useful for investors to facilitate comparisons of operating performance and better identify trends in the business. Management expects adjusted EBITDA margin to increase over the long-term, as the Company continues to scale its business and achieve greater operating leverage.

The Company calculates adjusted net income (loss) as net income (loss) adjusted to exclude: change in fair value of warrant liability; amortization expense; loss on disposal of assets; stock-based compensation expense; interest income; other (income) expense, net; transaction related costs; write-off of discontinued and obsolete product; severance, restructuring, and other; litigation related costs, and the aggregate adjustment for income taxes for the tax effect of the adjustments described above.

The Company calculates adjusted EBITDA as adjusted net income (loss) adjusted to exclude: depreciation expense; interest expense; foreign currency loss (gain), net; and the remaining (benefit) expense for income taxes.

Today’s agenda

Opening Remarks

Andrew Stanleick
President &
Chief Executive Officer

Q1 2023 Results & FY 2023 Outlook

Liyuan Woo
Chief Financial Officer

Q&A

Andrew Stanleick
President & Chief Executive Officer

Opening Remarks

BEAUTYHEALTH

Underlying consumer demand for Hydrafacial remains strong

Amidst strong Syndeo traction and China recovery, raising FY 2023 net sales guidance

Strong consumables revenue growth demonstrates continued healthy consumer demand

Americas: +34% Q1 2023 YoY

EMEA: +13% Q1 2023 YoY

APAC: (22)% Q1 2023 YoY

***+35%** adjusting for Q1 2022 Russia contribution*

COVID-related impact January & February

Double-digit topline growth, continues quarterly trend

$86.3mm Q1 2023 net sales
+14% growth YoY

$(0.5)mm Q1 2023 adjusted EBITDA[1]
($22.3mm GAAP net loss)

Raising FY23 net sales guidance and affirming FY23 EBITDA and long-range targets

$460 – 480mm FY 2023 net sales

18 – 20% FY 2023 adj EBITDA margin

Re-affirming long-range 2025 net sales and adjusted EBITDA targets

1. Non-GAAP measure; refer to the disclaimer for a discussion of the definition of this measure and appendix for reconciliation to the most appropriate GAAP measure.

Continued progress against our 5-point Master Plan

Expand footprint, drive consumables

Invest in providers

Drive brand awareness

Optimize global infrastructure

M&A

Syndeo turns 1 and goes global

Now in 14 markets and 16 by end of year

2023
16 direct markets launched

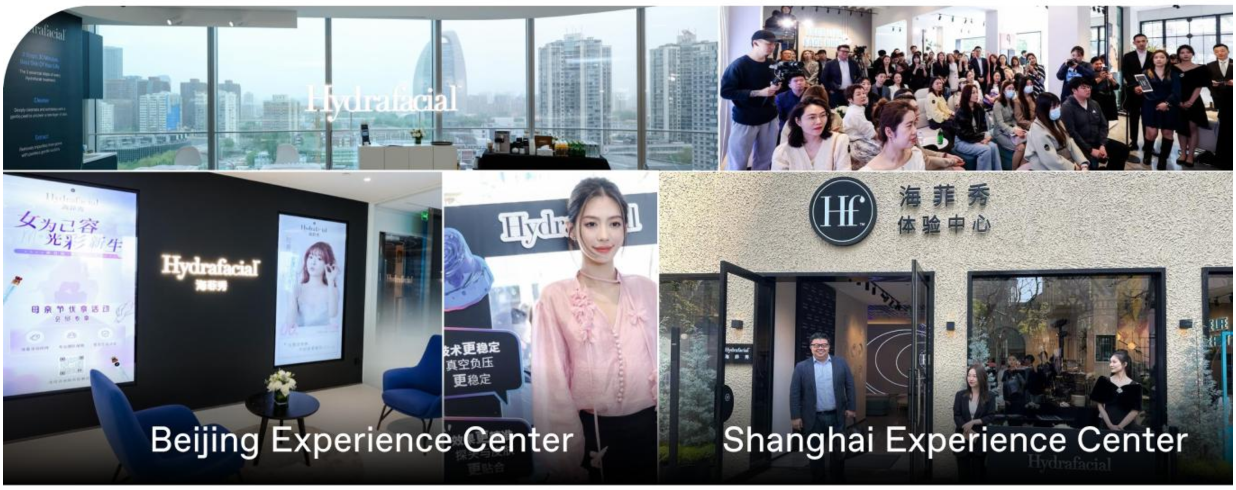
Launched	Late Q2 2023	Q4 2023

Q1 2023
4,945
Syndeo global install base

2024
distributor markets expansion

Building our Hydrafacial Nation

Now 40,000+ estheticians trained globally



Growing awareness, trial and affinity with brand-building programs

PARTNER EVENTS & PROMOTIONS

Perk by Hydrafacial
in-store activation,
select Sephora stores

INFLUENCER & CELEB FANS

Happy Birthday
influencer seeding
campaign

EDITORIAL COVERAGE

allure

"The Hydrafacial Phenomenon: Why Everyone Is Obsessed With This In-Office Treatment"

GLOSSY

"Hydrafacial is upping its cool factor, one brand partnership at a time"

AWARDS & RECOGNITION

Award Winner 2023 NewBeauty — Best Hydrating Facial

Cosmopolitan Readers' Choice Beauty Awards 2023 — Your Favorite In-Office Cosmetic Treatment
VOTING OPEN!

The Beauty Global Awards Finalist — Best New Aesthetic Treatment
FINALIST

Resetting the baseline with increasing EMV growth and sustained gains in organic search

Earned media value ($mm)[1]

Worldwide Google search trends

Source: Tribe Dynamics and Google as of 04/25/23.
1. Earned Media Value is a proprietary metric published by Tribe Dynamics used as an influencer marketing metric to quantify the value of social media content.

Unleashing our ready infrastructure in China as the market returns

APAC Syndeo launch in Shanghai, with customers, press, & influencer events

Syndeo & Beijing Experience Center launch event with customers & press

APAC Annual Sales Meeting & Training in Shanghai

Our vision is to continue to accelerate through M&A

Identify gaps in portfolio

Acquire digestible asset

Integrate and realize synergies

Differentiated product or service / high Net Promoter Score

Complementary to our existing platform and community, leveraging the trusted esthetician

Financially attractive profile via compelling revenue growth, recurring revenue characteristics and / or profitability

Prudent approach and opportunistic philosophy

Welcome to BeautyHealth, SkinStylus!

- Integration complete and operationalized
- First SkinStylus shipment leaves BeautyHealth warehouse
- Expansion plans underway

Takeaways

1. Healthy consumer demand
2. Double-digit topline growth
3. Raising 2023 net sales guidance

Liyuan Woo
Chief Financial Officer

Q1 2023 Results & FY 2023 Outlook

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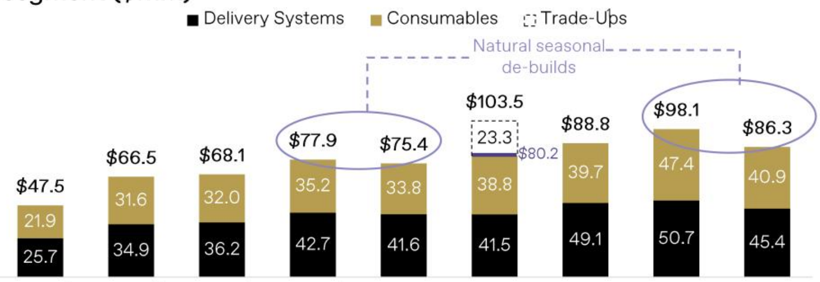
Q1 2023 financial highlights

Net sales by segment ($mm)



% YoY growth	Q1 21[2]	Q2 21[2]	Q3 21[2]	Q4 21[2]	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Systems	51%	67%	90%	74%	62%	85%	36%	19%	9%
Consumables	23%	48%	55%	39%	54%	23%	24%	35%	21%
Net sales	37%	57%	72%	56%	59%	56%	30%	26%	14%

Comp vs Syndeo US launch

Syndeo US launch quarters

Continued strength in consumables growth

1. Trade-Up revenue only disaggregated in Q2 22.
2. Year-over-year growth for 2021 periods is compared to 2019. The Company believes 2019 is a more meaningful comparison than 2020 given the pandemic disruption in 2020.

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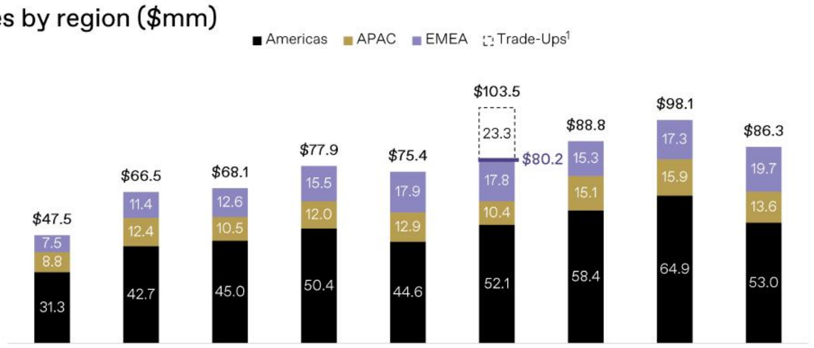
Q1 2023 financial highlights (cont'd)

Net sales by region ($mm)



% YoY growth	Q1 21[2]	Q2 21[2]	Q3 21[2]	Q4 21[2]	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	
Americas	18%	34%	51%	47%	43%	77%	30%	29%	19%	→ Comp vs Syndeo US launch
APAC	252%	344%	218%	64%	47%	(17%)	44%	33%	6%	→ Lockdown impact
EMEA	29%	46%	94%	84%	140%	56%	21%	12%	10%	→ +20% YoY excl. Russia
Total	37%	57%	72%	56%	59%	56%	30%	26%	14%	

1. Trade-Up revenue only disaggregated in Q2 22.
2. Year-over-year growth for 2021 periods is compared to 2019. The Company believes 2019 is a more meaningful comparison than 2020 given the pandemic disruption in 2020.

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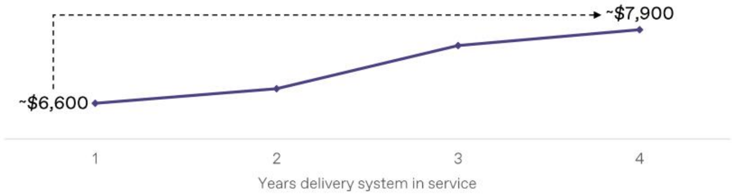
Q1 2023 key performance indicators

27,406	Net global install base +26% YoY
1,636	New delivery system placements +4% YoY
$25,099	Delivery system ASP[1] +17% YoY
$45.4mm	Delivery system revenue +9% YoY
$40.9mm	Consumables revenue +21% YoY

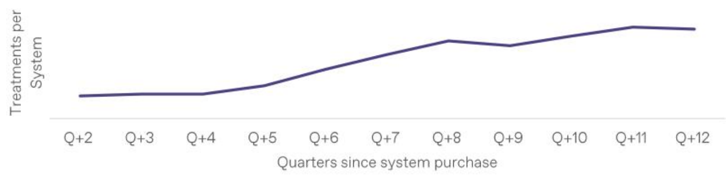
1. Average Selling Price.

Sustained and durable consumables trend

Annual consumables revenue per active delivery system – MedSpa



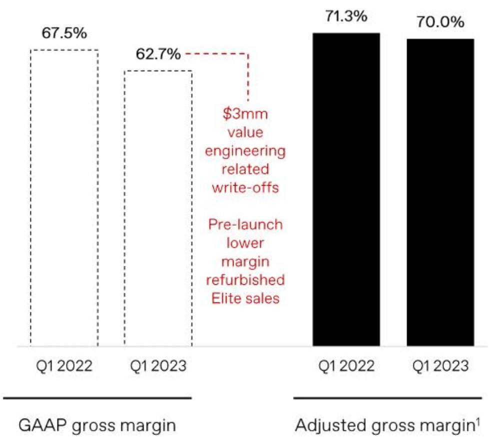
MedSpa utilization ramp for delivery systems purchased Q1 2012 – Q3 2022



Long-term upside in consumables revenue as install base matures

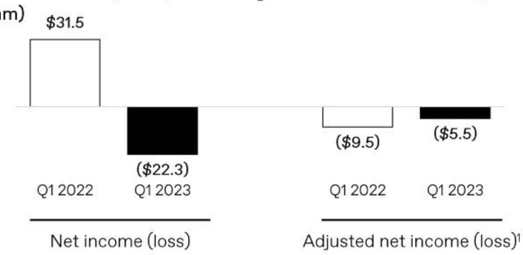
Q1 2023 financial highlights

Gross margin and adjusted gross margin[1]



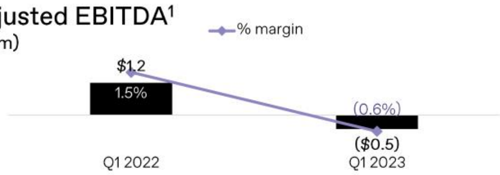
Net income (loss) and adjusted net income (loss)[1]

($mm)



Adjusted EBITDA[1]

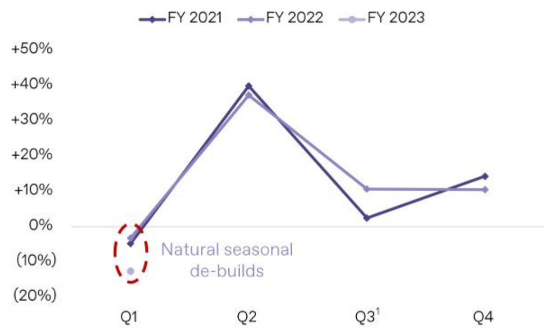
($mm)



Note: Q1 2022 reflects the impact of immaterial revisions to the financial statements.
1. Non-GAAP measure; please refer to the appendix for a reconciliation to the appropriate GAAP measure.

Q1 is seasonally our trough quarter

Sequential net sales growth by calendar quarter

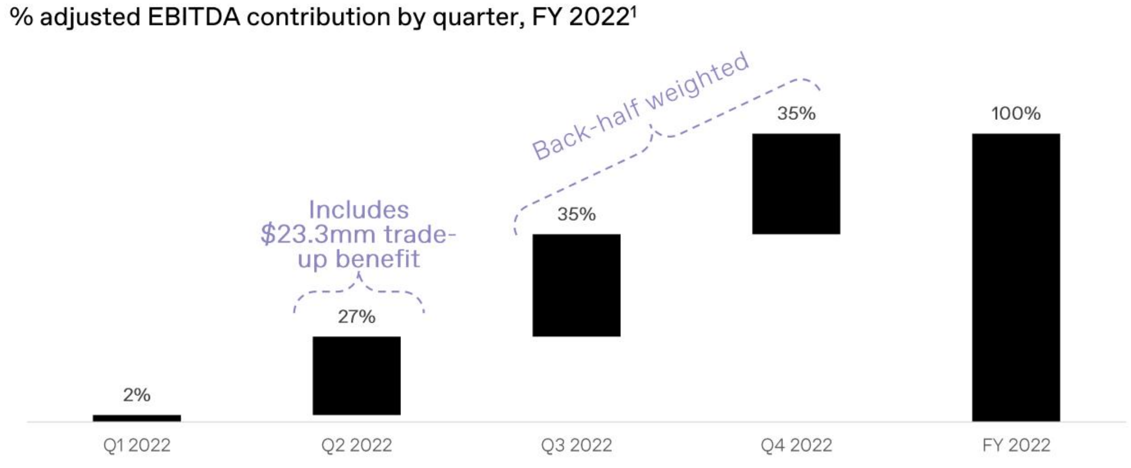


Drivers of seasonality

	Sequential Trend	Drivers	% FY22 Net Sales
Q1	↓	Trough demand Difficult comp vs peak Q4	21%
Q2	↑	Leads generated from trade show-heavy Q1 convert	28%
Q3	↑	Summer seasonality impact	24%
Q4	↑	Peak consumer consumption and capex spending	27%

1. Q3 2022 vs Q2 2022 net sales growth excludes $23.2mm net sales from trade-ups to Syndeo systems in Q2 2022.

We are naturally a back-half weighted business



Note: Amounts may not sum due to rounding; Q1 2022 reflects the impact of immaterial revisions to the financial statements.
1. Adjusted EBITDA is a non-GAAP measure; please refer to the disclaimer for a discussion of the definition of this measure and important information regarding the assumptions underlying.

Q1 2023 cost detail

				% net sales			
($mm)	Q1 2023	Q1 2022[1]	Δ Q1 2022	Q1 2023	Q1 2022	Δ Q1 2022	Δ Commentary
Gross Profit	$54.1	$50.9	+$3.2	62.7%	67.5%	(4.8%)	Optimization write-offs and pre-Syndeo launch low margin refurbished Elite pre-sale impact
Selling & Marketing	38.7	36.4	+2.3	44.9%	48.3%	(3.4%)	Increases in sales commissions associated with higher revenues partially offset by leverage of fixed marketing investment; despite upfront investment for Syndeo international launch
G&A	30.4	26.3	+4.1	35.2%	34.8%	0.4%	Increase in software expenses, including certain contract termination costs, and professional services fees, including patent litigation expenses, partially offset by lower recruiting related expenses
R&D	2.3	2.2	+0.1	2.7%	3.0%	(0.2%)	Relatively flat

1. Reflects the impact of immaterial revisions to the financial statements.

Q1 2023 balance sheet highlights

Cash and cash equivalents	✦ Approximately $532.3 million cash and cash equivalents on balance sheet
Warrants	✦ Approximately 7 million Private Warrants outstanding
Convertible debt	✦ $750 million 1.25% convertible notes due 2026 ✦ Use of proceeds: capped call transaction, potential future acquisitions, working capital expenditures, and general corporate purposes ✦ Conversion price of $31.76; capped call agreement provides dilution protection up to $47.94
Revolving credit facility	✦ $50 million Senior Secured Credit Facility remains undrawn; current undrawn commitment fee of 25 bps ✦ Allows flexibility for future M&A; ex-US operations unencumbered; convertible debt excluded from covenants
Shares outstanding	✦ Approximately 132.6 million current shares outstanding ✦ Both $100 million accelerated share repurchase programs completed; aggregate of 18.8 million shares retired at average price of $10.78 per share

Confidence to achieve 2023 outlook

Raising FY 2023 net sales guidance on confidence in plan

$460 – 480mm

2023E net sales

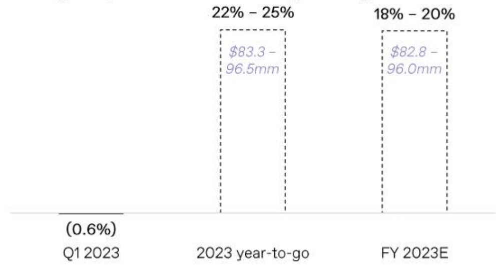
Year-to-go net sales bridge ($mm)

- Strong consumer demand
- Global traction of Syndeo
- China recovery

18 – 20%

2023E adjusted EBITDA[1] margin

Year-to-go adjusted EBITDA margin bridge



- Gross margin expansion
- Operating leverage

Seasonally back-half weighted business

1. Adjusted EBITDA margin is a non-GAAP measure; please refer to the disclaimer for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook.

Takeaways

1. Healthy consumer demand
2. Double-digit topline growth
3. Raising 2023 net sales guidance

BEAUTYHEALTH

Andrew Stanleick
President & Chief Executive Officer

Liyuan Woo
Chief Financial Officer

Q&A

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Appendix

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Reconciliation of gross margin to adjusted gross margin

	Three months ended March 31,	
($mm)	2023	2022[1]
Net sales	$86.3	$75.4
Cost of sales	32.2	24.5
Gross profit (GAAP)	$54.1	$50.9
Gross margin (GAAP)	62.7%	67.5%
Adjusted to exclude the following:		
Write-off of discontinued and obsolete product	3.0	–
Stock-based compensation expense included in cost of sales	0.3	0.2
Depreciation and amortization expense included in cost of sales	3.0	2.7
Adjusted gross profit	**$60.4**	**$53.8**
Adjusted gross margin	**70.0%**	**71.3%**

Note: Amounts may not sum due to rounding.
1. Reflects the impact of immaterial revisions to the financial statements.

Reconciliation of net income to adjusted EBITDA

	Three months ended March 31,	
($mm)	2023	2022[1]
Net sales	$86.3	$75.4
Net income (loss)	($22.3)	$31.5
Adjusted to exclude the following:		
Change in fair value of warrant liability	9.1	(52.1)
Amortization expense	4.4	3.7
Loss on disposal of assets	0.1	0.8
Stock-based compensation expense	3.6	7.0
Interest income	(4.3)	—
Other (income) expense, net	(0.4)	0.1
Transaction related costs[2]	—	1.0
Write-off of discontinued and obsolete product	3.0	—
Severance, restructuring and other[3]	2.9	2.0
Litigation related costs	1.0	—
Aggregate adjustment for income taxes	(2.5)	(3.6)
Adjusted net loss	**($5.5)**	**($9.5)**
Depreciation expense	1.8	1.4
Interest expense	3.4	3.4
Foreign currency (gain) loss, net	0.9	(0.4)
Remaining (benefit) expense for income taxes	(1.2)	6.2
Adjusted EBITDA	**($0.5)**	**$1.2**
Adjusted EBITDA margin	**(0.6%)**	**1.5%**

Note: Amounts may not sum due to rounding.
1. Reflects the impact of immaterial revisions to the financial statements.
2. For the three months ended March 31, 2022, such amounts primarily represent direct costs incurred in relation to potential acquisitions.
3. For the three months ended March 31, 2023, such costs represent executive severance, retention awards, and contract termination costs. For the three months ended March 31, 2022, such costs represent personnel costs related to executive recruiting, executive severance and a CEO sign-on bonus.

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