

AN INTRODUCTION TO BEAUTYHEALTH MARCH 2022

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"), the calculation of certain key financial and operating metrics, capital expenditures, the introduction of new products, expansion into new markets, projections of market opportunity 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," "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, and may include, without limitation, changes in general economic conditions as a result of COVID-19, all of which are subject to change. 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 Prospectus filed pursuant to Rule 424(b)(5) of the Securities Act on July 26, 2021 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.

Description of 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 margin, adjusted EBITDA, and adjusted EBITDA margin for purposes of evaluating ongoing operations and for internal planning and forecasting purposes. We believe these non-GAAP financial measures, when reviewed collectively with our 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.

Management uses 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 our 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 and depreciation, which are non-cash expenses that may fluctuate for reasons unrelated to overall continuing operating performance. 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.

Management uses adjusted EBITDA and adjusted EBITDA margin to facilitate internal comparisons of historical operating performance on a more consistent basis and 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 and achieve greater operating leverage. The Company calculates adjusted EBITDA as net income (loss) adjusted to exclude: change in fair value of public and private placement warrants, change in fair value of earn-out shares liability, other expense, net; interest expense; income tax benefit (expense); depreciation and amortization expense; stock-based compensation expense; foreign currency (gain) loss; management fees incurred from historical private equity owners; one-time or non-recurring items such as transaction costs (including transactions costs with respect to the Business Combination); and restructuring costs (including those associated with COVID-19).



ABOUT THE PRESENTERS



ANDREW STANLEICK

President and Chief
Executive Officer

- Joined BeautyHealth in February 2022
- Former EVP Americas, Coty; CEO, Kylie Jenner Beauty
- Advised Kim Kardashian West on her KKW Beauty business
- President, COACH Europe and COACH Asia
- Unilever and L'Oréal sales and marketing roles (UK, France, Russia, Eastern Europe, SE Asia)

COTY

KYLIE COSMETICS

KKW BEAUTY



L'ORÉAL



LIYUAN WOO

Chief Financial Officer

- Joined BeautyHealth in September 2020
- Former COO and CFO of The VOID, a virtual reality entertainment company
- Served as CFO for SharkNinja, Gymboree, and bebe
- Deloitte M&A and Financial Advisory Services



bebe

Shark|NINJA

GYMBOREE

Deloitte.



We are a category creator.

We are an omnichannel beauty, health, and wellness platform.

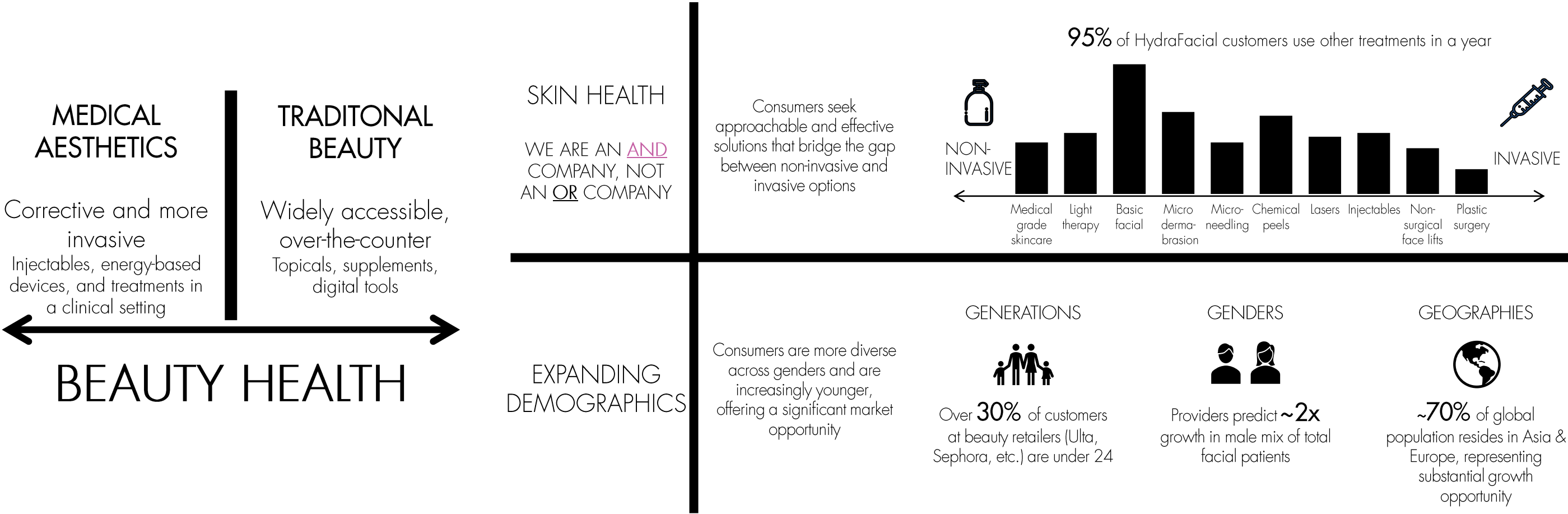
We are a connected community for those seeking to live their best lives.

We are reinventing the consumer's relationship with their skin and self-confidence.

We are **BEAUTYHEALTH™**



DEFINING THE BEAUTY HEALTH INDUSTRY



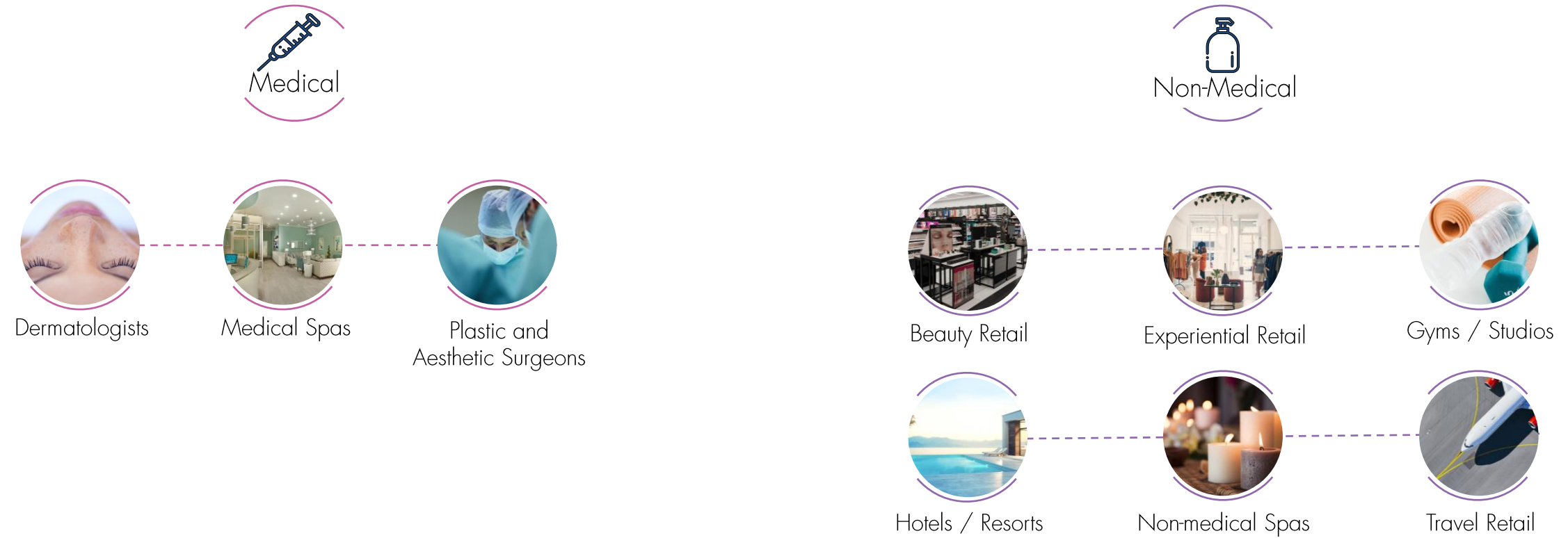
Source: Third party research 2019 reflecting pre-COVID conditions; United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Online Edition, Rev. 1



BEAUTY HEALTH SPANS MASSIVE GLOBAL OPPORTUNITIES...



...WITH NO SHORTAGE OF POTENTIAL CHANNELS



CREATING THE CATEGORY WITH OUR FLAGSHIP BRAND



hydracial[®]

♡ BEAUTYHEALTH™

Cleanse. Extract. Hydrate.

A highly effective, non-invasive and approachable experience.

Appropriate for all ages, genders, skin tones, and skin types.

Omnichannel distribution where consumers live, work, and play.

3 steps. 30 minutes. Best skin of your life.

\$200

Average cost to consumer

~5 month

Average Delivery System
payback period

40

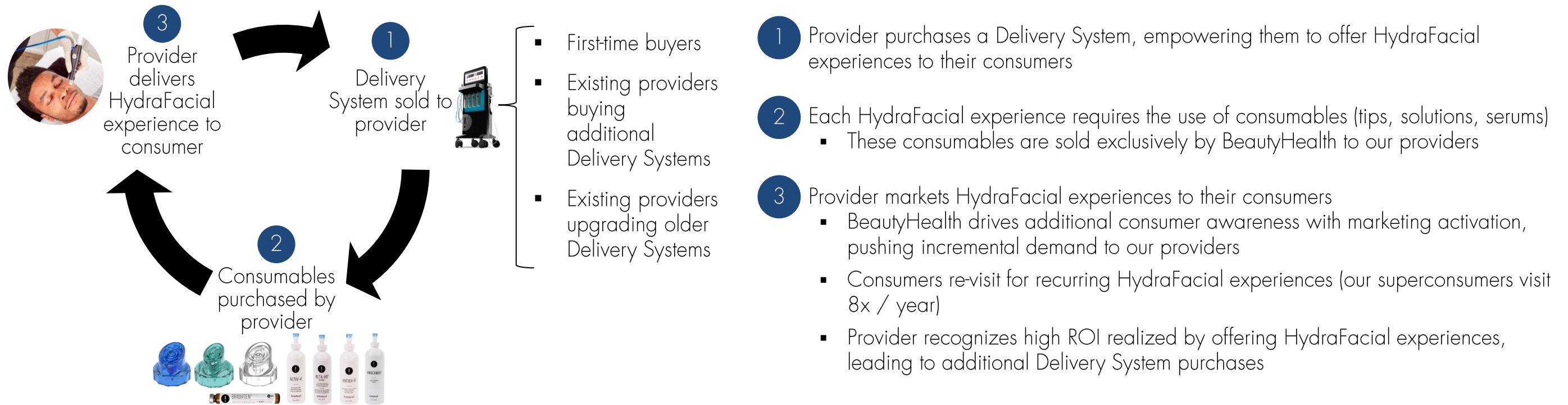
NPS among consumers
Higher than Botox

Millions

Experiences provided per
year



THE HYDRAFACIAL ECONOMIC MODEL



Glossary of Key Performance Indicators

- **Delivery System ASP:** Average sale price for a Delivery System
- **Delivery Systems Sold:** Number of Delivery Systems sold during a period
- **Install Base:** Total number of Delivery Systems actively employed by providers to offer experiences to consumers



THE MASTER PLAN



-  Expand our footprint by selling innovative products and connected experiences to providers and consumers
-  Invest in our providers, especially the trusted a/esthetician, turning them into brand evangelists and advocates providing first-class experiences
-  Nurture direct relationships with our consumers, building brand awareness and driving them to our trusted community
-  Build our global infrastructure and a connected technology platform to fuel growth and community engagement
-  Supercharge our platform with targeted acquisitions to complement our portfolio and spin our flywheel faster



Meet Syndeo.

HydraFacial REIMAGINED

LAUNCHED MARCH 2022



CONNECTED TECHNOLOGY



EASE OF USE IMPROVEMENTS



APP INTEGRATION



HOME EXTENSION



OUR COMPETITIVE EDGE: THE CONNECTED COMMUNITY

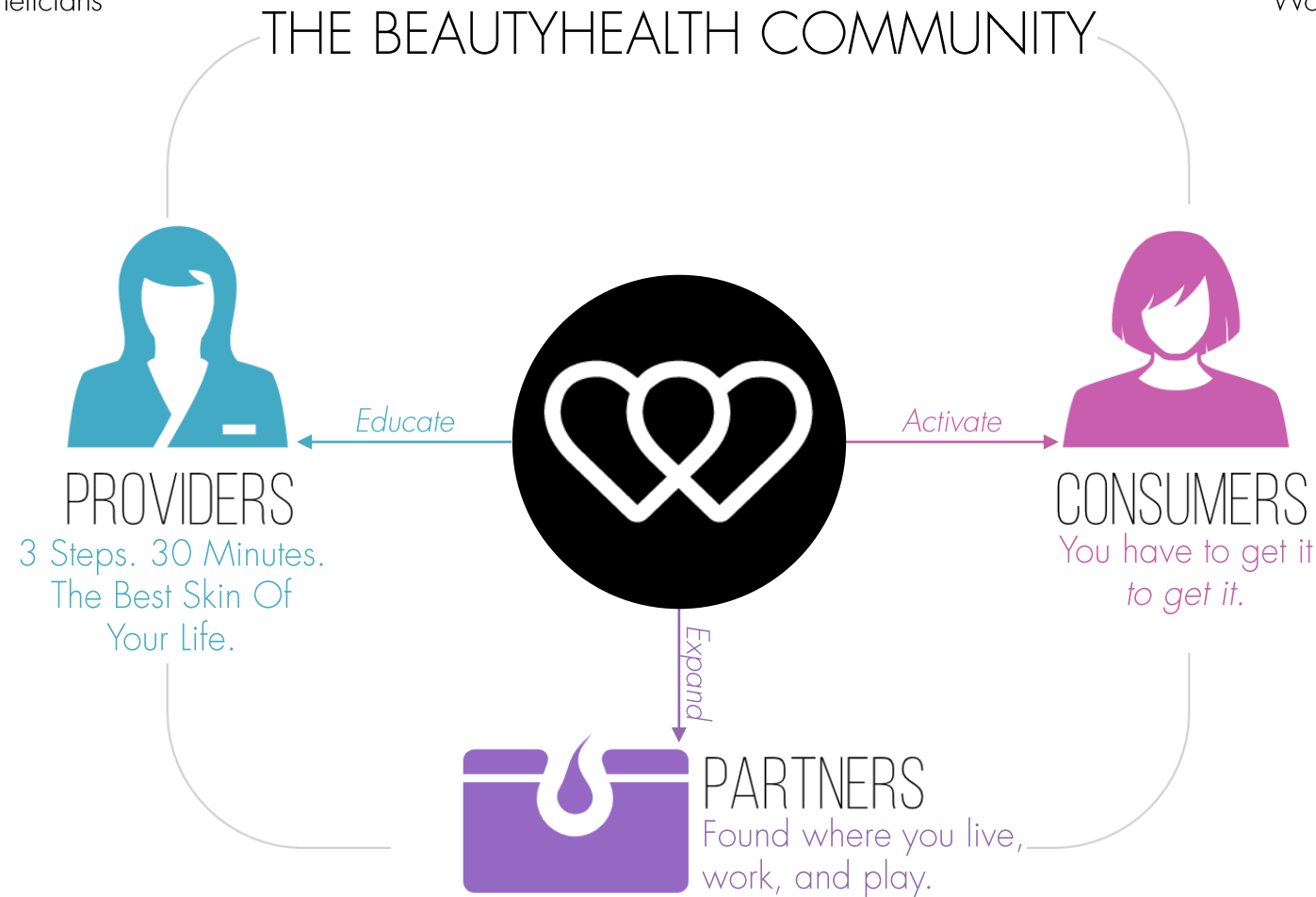
20,399

Delivery System Install Base

80

NPS among a/estheticians

- Become a top educator and deployer of beauty health professionals, empowering providers with knowledge of our products, experiences, and industry to propel careers
- Host education workshops and events at HydraFacial Experience Centers to generate loyalty and brand affinity



98%

"Worth It" Rating on RealSelf

40

NPS among consumers
Higher than Botox

- Raise brand awareness and activate consumers to generate increased traffic to our provider network
- Engage with consumers – the average HydraFacial consumer receives multiple experiences per year



LOVED AROUND THE WORLD... AND NEAR YOU

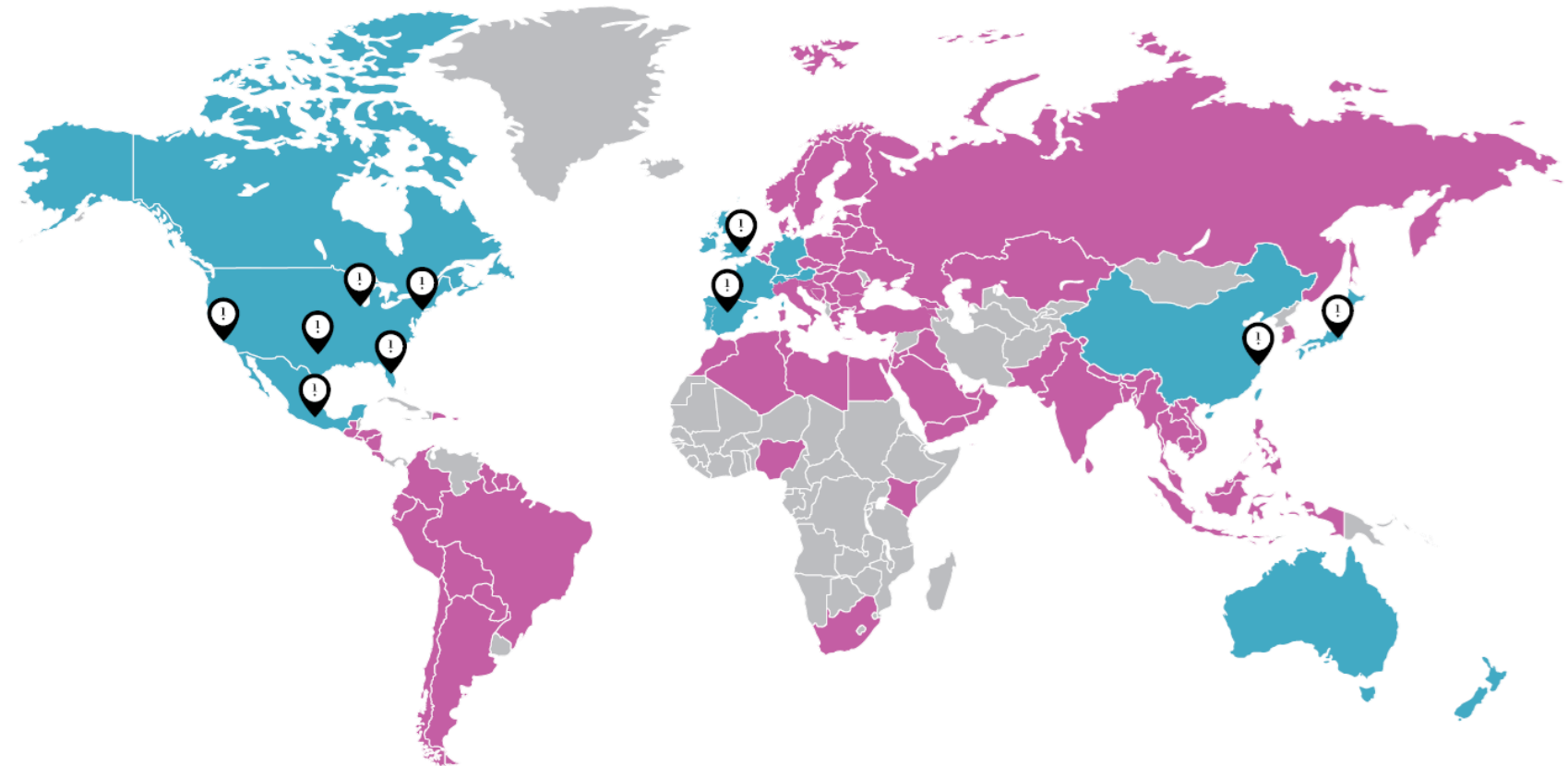
📍 Office & Assembly Facility, Long Beach, CA



📍 London HFX Experience Center



📍 Shanghai HFX Experience Center



Direct Distributor 📍 HFX Experience Center

90+
Countries and Territories
Worldwide

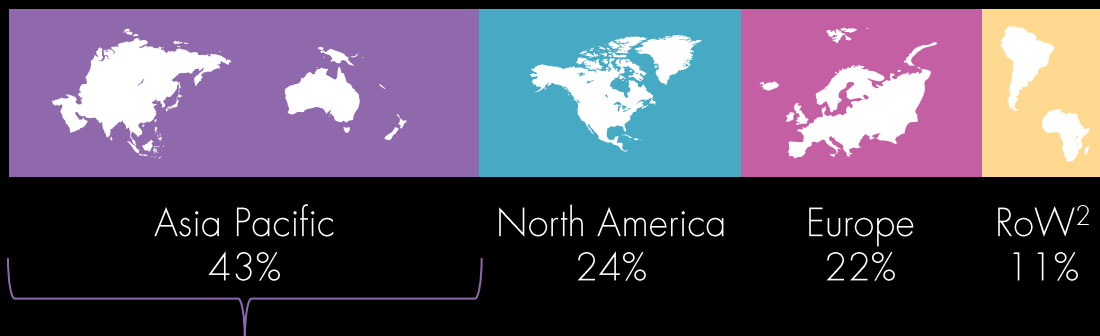
20,399
Delivery System Install Base



GOING GLOBAL

- Develop international commercial organization to drive expansion and position as category creator
- Establish coverage in key cities in direct markets
- Focus on consumer through marketing strategy and programs to maximize awareness and demand
- Integrated social media: engage, amplify, aspire

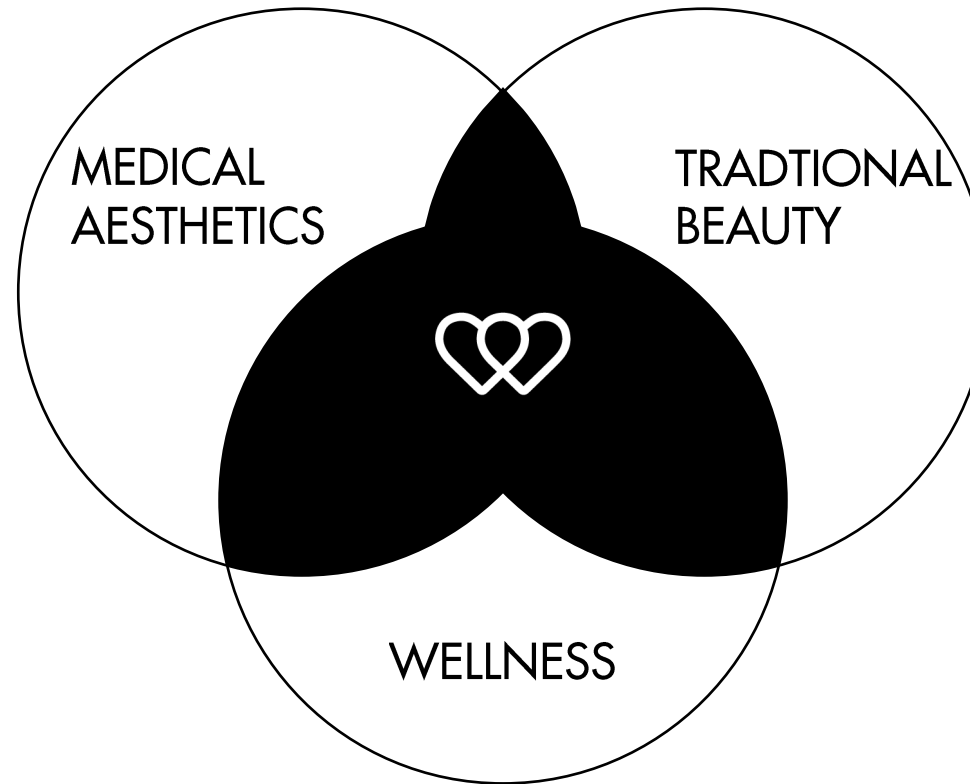
Estimated market opportunity by region¹



¹ Statista estimates of global cosmetic market in 2020 as proxy; ² RoW = Rest of World



ACQUISITIONS: ENHANCING THE FLYWHEEL



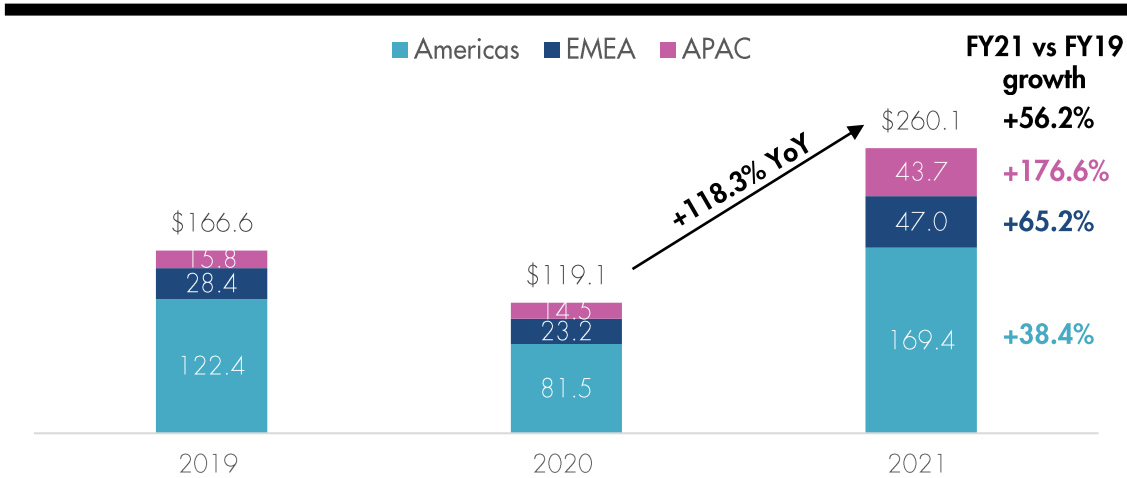
Acquisition criteria

- 1 Differentiated product or service / high Net Promoter Score
- 2 Complementary to our existing platform and community, leveraging the trusted a/esthetician
- 3 Financially attractive profile via compelling revenue growth, recurring revenue characteristics, or profitability

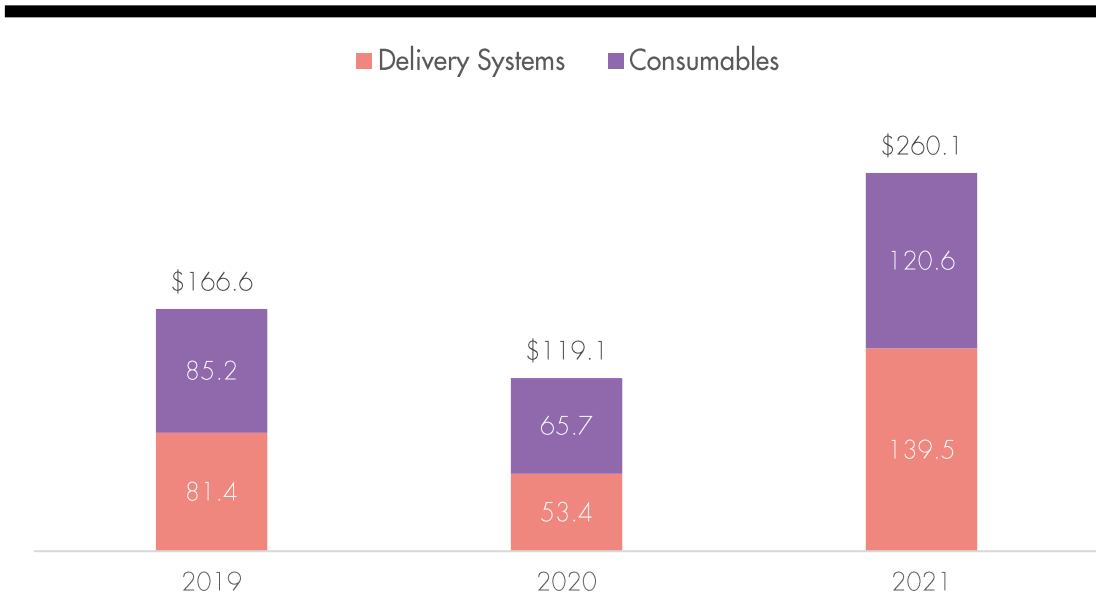


COMPELLING FINANCIAL PROFILE

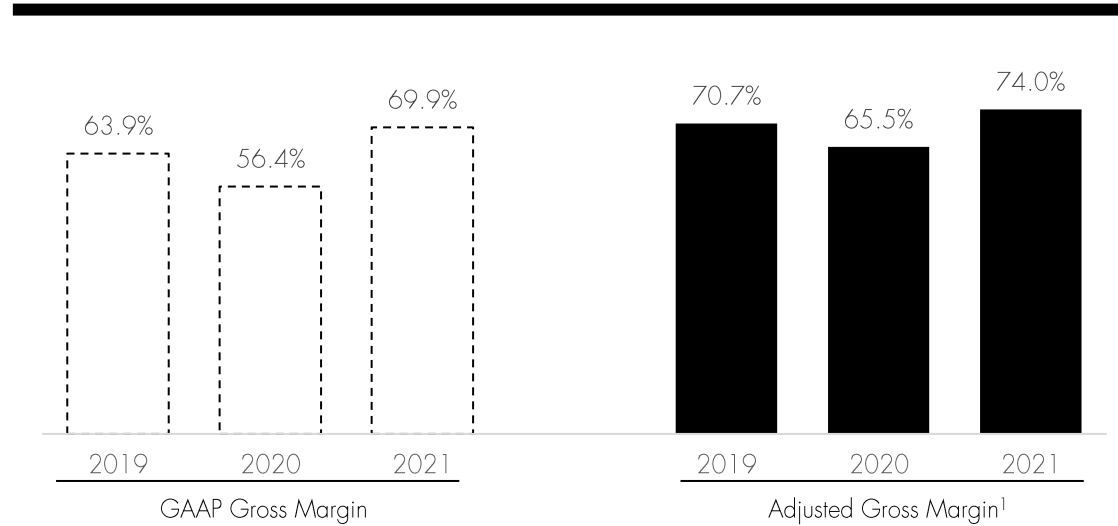
Net sales by region (\$mm)



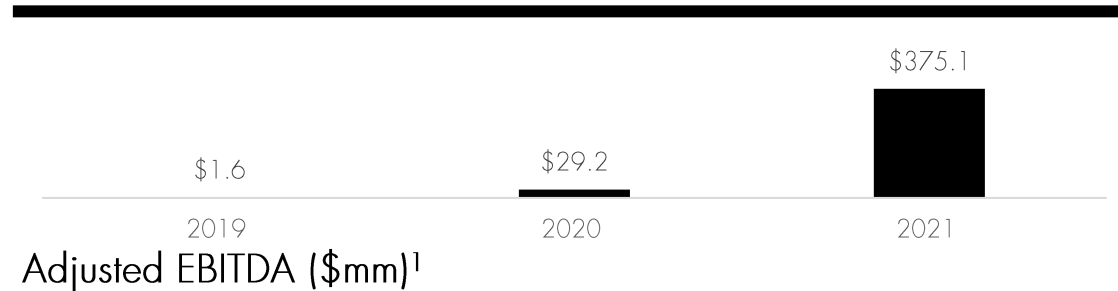
Net sales by segment (\$mm)



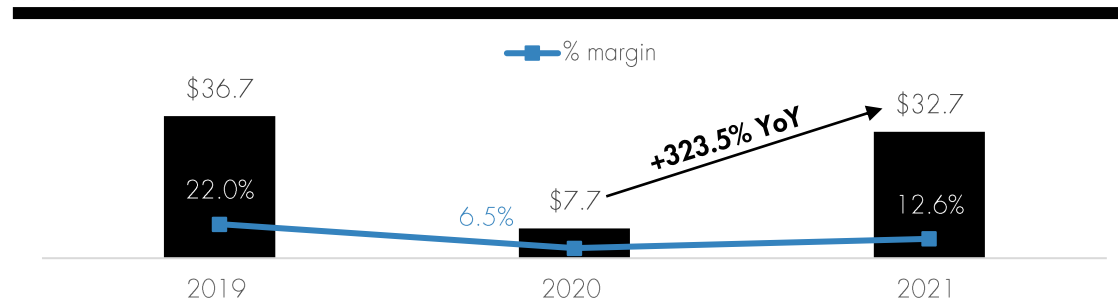
Gross margin



Net loss (\$mm)



Adjusted EBITDA (\$mm)¹



\$901.9mm
Cash and cash equivalents
(12/31/21)

\$22,080
Delivery System ASP
(2021)

6,191
Delivery Systems Sold
(2021)

20,399
Install Base
(2021)

¹ Non-GAAP measure; please refer to the appendix for a reconciliation to the appropriate GAAP measure
 Note: Totals may not sum and percentages may recalculate due to rounding



LED BY A VISIONARY MANAGEMENT TEAM



ANDREW STANLEICK

President and Chief
Executive Officer



LIYUAN WOO

Chief Financial Officer



JWALA KARNIK, MD

EVP, Global Strategy &
Partnerships



BEN BAUM

Chief Experience Officer



INDRA PAMAMULL

President of APAC



STEPHAN BECKER

President of EMEA



DAN WATSON

EVP, Sales Americas



KELLIE SEARS

Chief Human Resources
Officer



PAUL BOKOTA

VP & General Counsel



KEY INVESTMENT HIGHLIGHTS

- 1 Category creating products and experiences
- 2 Consumer and provider loyalty
- 3 Engaging and connected platform
- 4 Multi-dimensional growth opportunities
- 5 Compelling economic profile
- 6 Differentiated technology
- 7 Experienced management and board

 **BEAUTYHEALTH™**





APPENDIX

RECONCILIATION OF NON-GAAP MEASURES

Reconciliation of Gross Profit to Adjusted Gross Profit

(\$mm)	Year Ended December 31,		
	2021	2020	2019
Net sales	\$260.1	\$119.1	\$166.6
Less: cost of sales	(\$78.3)	(\$51.9)	(\$60.1)
Gross profit	\$181.8	\$67.2	\$106.5
Gross margin	69.9%	56.4%	63.9%
Adjusted to exclude the following:			
Stock-based compensation expense	0.4	—	—
Depreciation and amortization expense	10.3	10.8	11.3
Adjusted gross profit	\$192.5	\$78.0	\$117.8
Adjusted gross margin	74.0%	65.5%	70.7%

Reconciliation of Net Loss to Adjusted EBITDA and Adjusted EBITDA Margin

(\$mm)	Year Ended December 31,		
	2021	2020	2019
Net sales	\$260.1	\$119.1	\$166.6
Net income (loss)	(375.1)	(29.2)	(1.6)
Adjusted to exclude the following:			
Change in fair value of warrant liability	277.3	—	—
Change in fair value of earn-out shares liability	47.1	—	—
Depreciation & amortization expense	17.8	14.5	13.9
Stock-based compensation expense	12.4	0.4	0.1
Interest expense	11.8	21.3	17.1
Income tax benefit	(2.2)	(9.3)	(1.3)
Foreign currency loss, net	0.1	—	(0.2)
Other expense (income)	4.5	0.0	(0.5)
Management fees ¹	0.2	1.5	1.8
Transaction related costs ²	34.9	4.2	1.7
Other non-recurring and one-time fees ³	4.0	4.3	5.7
Adjusted EBITDA	\$32.7	\$7.7	\$36.7
Adjusted EBITDA margin	12.6%	6.5%	22.0%

¹ Represents quarterly management fees paid to the former majority shareholder of the Company based on a pre-determined formula. Following the Business Combination, these fees are no longer paid.

² For the year ended December 31, 2021, such amounts primarily represent direct costs incurred with the Business Combination, including \$21.0 million paid to the former owner of HydraFacial, and to prepare HydraFacial to be marketed for sale by HydraFacial's shareholders in previous periods.

³ For year ended December 31, 2021, such costs primarily represent onetime retention awards related to the distributor acquisitions and executive recruiting and severance fees. For the year ended December 31, 2020, such costs primarily represent COVID-19 related restructuring cost of \$3.2 million, including write-off of expired Consumables, discontinued product lines, human capital, cash management consultant fees, and, to a lesser extent, costs associated with a former warehouse and assembly facility during the transition period. For the year ended December 31, 2019, such costs include approximately \$4.0 million related to the move from a former warehouse and assembly facility to a new warehouse and assembly facility, approximately \$1.4 million to defend certain patents that were being infringed upon, and personnel costs associated with the restructuring of HydraFacial's salesforce, partially offset by a legal settlement received in favor of HydraFacial.





WE ARE A CATEGORY
CREATOR...

DEMONSTRATING
EXCITING GROWTH...

USING A PROFITABLE &
SCALABLE BUSINESS
MODEL...

IN A MARKET WITH HUGE
GLOBAL OPPORTUNITY.