

# INVESTOR PRESENTATION

AUGUST 2021

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This Presentation contains certain forward-looking statements. These statements may be made directly in this Presentation. Some of the forward-looking statements can be identified by the use of forward-looking words. Statements that are not historical in nature, including the words “anticipate,” “expect,” “suggests,” “plan,” “believe,” “intend,” “estimates,” “targets,” “projects,” “should,” “could,” “would,” “may,” “will,” “forecast” and other similar expressions 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 accordingly 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 definitive proxy filed with the Securities and Exchange Commission on April 7, 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.

This Presentation also includes outlook for fiscal 2021 that was announced on August 10, 2021. Our fiscal 2021 outlook has not been updated and does not take into consideration any developments since such date. Our achievement of the results included in or prior outlook is subject to risks and uncertainties, including those disclosed in our filings with the Securities and Exchange Commission. Our outlook does not take into account the impact of any unanticipated developments in our business or changes in our operating environment, nor does it take into account any unannounced acquisitions, dispositions or unannounced financings during 2021. In addition, given the uncertainty in the environment we are operating in, we remain cautious of the potential risk for further market closures from new COVID-19 strains and the uneven global rollout of the vaccines. Our outlook assumes a largely reopened global market, which would be negatively impacted if closures persist or are re-implemented.

This presentation includes references to non-GAAP financial measures, including but not limited to Adjusted EBITDA. Such non-GAAP measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

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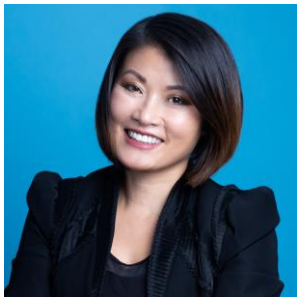
# BEAUTYHEALTH MANAGEMENT PRESENTERS



CLINT CARNELL  
Chief Executive Officer

Experience: 25 Years

- CEO of HydraFacial since December 2016
- Founder of Orange Twist
- Head of Surgical for Bausch + Lomb
- Chief Operating Officer at Solta Medical
- Johnson & Johnson/Chiron



LIYUAN  
WOO  
Chief Financial Officer

Experience: 23 Years

- Joined HydraFacial in September 2020
- Prior to joining HydraFacial, was the COO and CFO of The VOID, a virtual reality entertainment company
- Served as CFO for a number of companies such as SharkNinja, Gymboree, and bebe
- Deloitte M&A and Financial Advisory Services



# WE ARE



Deeply Connecting You to the BeautyHealth Community Where You Live, Work & Play

## CONSUMER

We take the consumer's view,  
providing them with experiences  
tailored to their needs

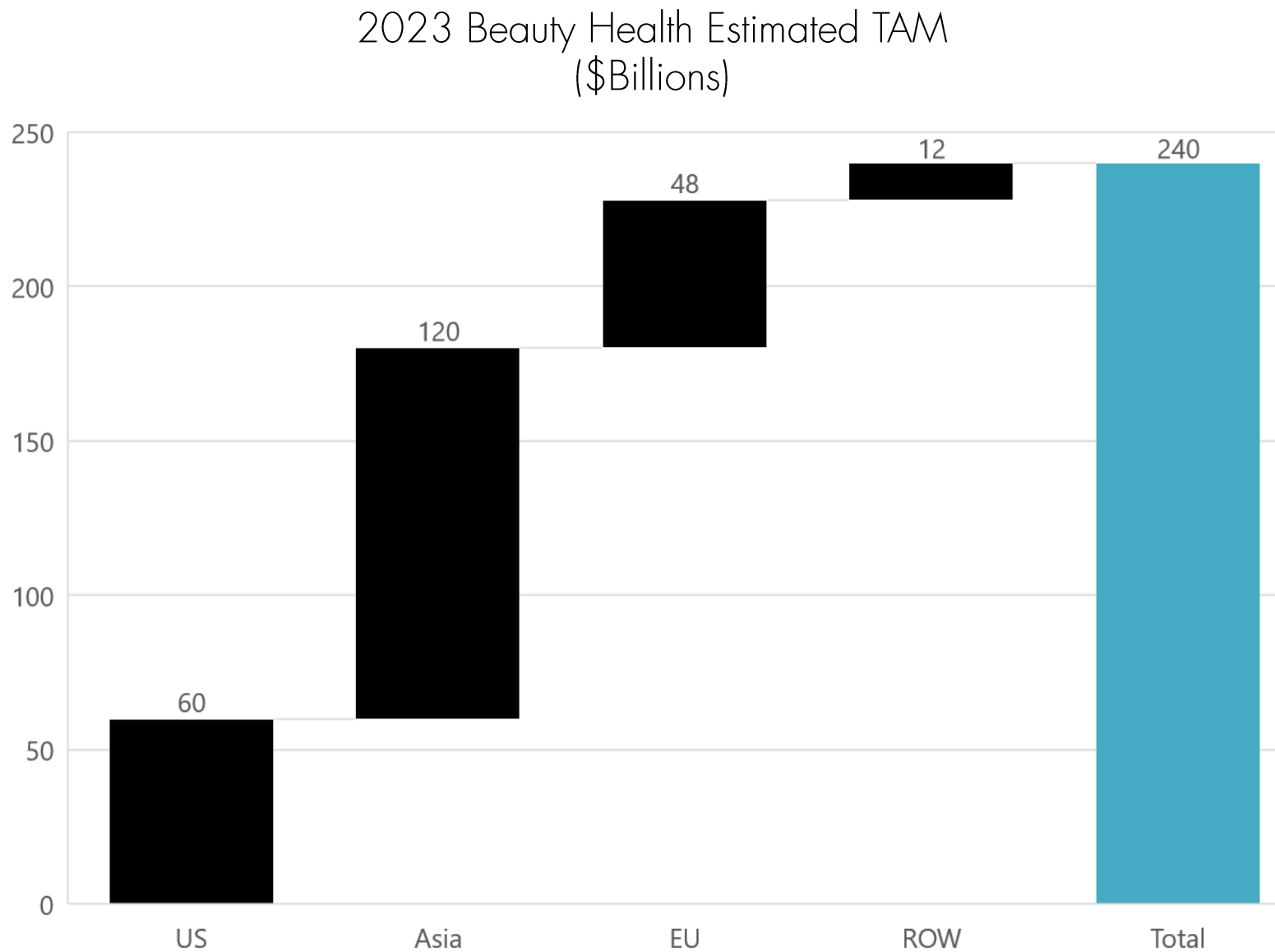
## EDUCATOR

We provide education and  
support to our core customers,  
estheticians & providers, to  
ensure the quality of experiences  
for the community

## 'AND' COMPANY

We are an 'and' company,  
forging strategic partnerships  
throughout our community. The  
community we're building  
benefits everyone – the  
consumer, customer and our  
company

# MASSIVE GLOBAL OPPORTUNITY



# BEAUTY HEALTH CATEGORY CREATOR

## SKIN CORRECTION

Medical delivery  
technology-focused  
Lasers, Ultrasound, Fillers, Toxins

## SKIN CARE

Daily, over-the-counter  
skin care  
Serums, Creams, Lotions, Supplements

## SKIN HEALTH



# hydrafacial®

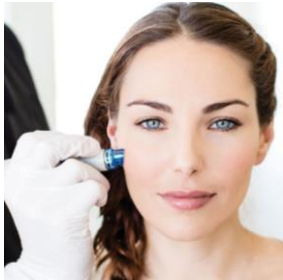
Highly effective, non-invasive and approachable treatment

Bridging professional and retail skin care markets

RESULTS SIMILAR TO A  
PROFESSIONAL MEDICAL  
TREATMENT WITH THE  
EXPERIENCE OF A  
CONSUMER BRAND



# 3 STEPS. 30 MINUTES. THE BEST SKIN OF YOUR LIFE!



## 1 CLEANSE

Uncover a new layer of skin with gentle exfoliation and relaxing resurfacing, using signature solutions.



BASE TIP



UPGRADES

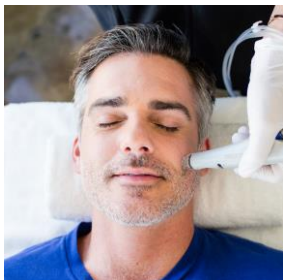


## 2 EXTRACT

Remove debris from pores with painless suction. Nourish with intense moisturizers that quench skin.



EXTRACTION TIP



## 3 HYDRATE

Saturate the skin's surface with antioxidants and peptides to maximize your glow.



VORTEX FUSION TIP

\$200

Average  
cost

Monthly

Recommended  
frequency

## Personalized Treatment Enhancements



### BOOSTERS

Boosters address specific skin concerns such as acne, hyperpigmentation, dry skin and wrinkles



### KERAVIVE

Keravive is a relaxing treatment designed to cleanse, exfoliate, nourish, and hydrate the scalp for healthier and fuller-looking hair

15

Boosters  
of which

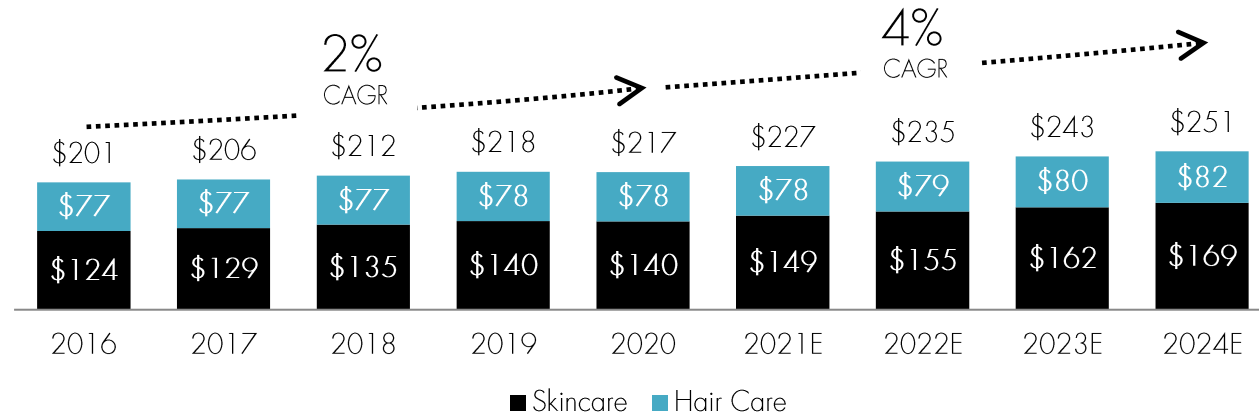
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are partner  
boosters

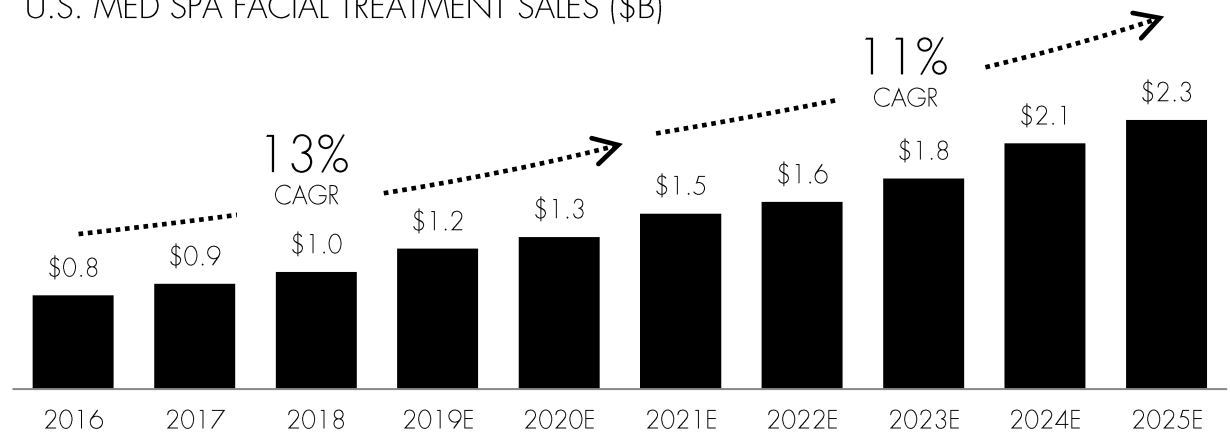
# PARTICIPATING IN HIGH-GROWTH CATEGORIES WITHIN PERSONAL CARE

## SPA SERVICES GROWING ACROSS ALL TYPES OF TREATMENTS, PARTICULARLY IN FACIALS

GLOBAL SKINCARE & HAIRCARE SALES (\$B)



U.S. MED SPA FACIAL TREATMENT SALES (\$B)



11.1%  
expected growth in  
U.S. medical spa services  
(2017–2025)



6.4%  
expected growth in  
U.S. spa facilities  
(2017–2022)



14.0%  
expected growth in U.S.  
skin care specialists  
(2016–2026)



# CONSUMERS INCLINED TO SPEND ON BEAUTY & HEALTH



## EXPERIENTIAL

- Aging millennials are spending more on skincare, preferring experiences over products
- Holistic, in-side-out beauty
- Increased emphasis on rituals



## GROWTH IN DISPOSABLE INCOME

- As U.S. economy grows, consumers have more disposable income to spend on premium products



## CHANNEL GROWTH & DYNAMICS

- Multi-brand retailers (e.g., Sephora)
- Shift to digital
- Travel retail
- Consumers embracing affordable luxury



## INFLUENCERS & SOCIAL MEDIA DRIVING PURCHASE DECISIONS

- Online demos, which originally gained popularity in cosmetics, are becoming increasingly influential in skincare
- Skincare increasingly valued in age of selfies/social media



## EMBRACING NATURAL & INCLUSIVITY

- Showcasing skin vs covering it up
- Clean, sustainable, "natural-ish"
- All-in beauty: gender, age, skin type



## NEXT GEN BEAUTY

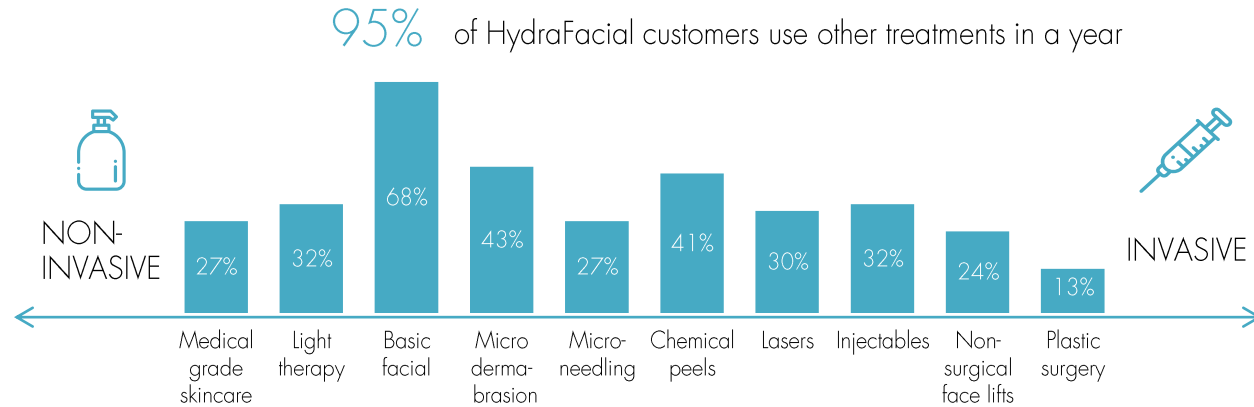
- Personalization
- Digital beauty

# FAVORABLE MARKET SHIFTS BENEFITING THE HYDRAFACIAL BUSINESS MODEL

## SKIN HEALTH

HYDRAFACIAL IS AN AND COMPANY NOT AN OR COMPANY

Today's consumers are seeking approachable and effective skin health solutions that bridge the gap between OTC and invasive options



## EXPANDING DEMOGRAPHICS

Facial consumers are more diverse across genders and are younger than ever before, offering a significant market opportunity

### ACROSS GENERATIONS



Over 30% of customers at beauty retailers (Ulta, Sephora, etc.) are under 24

### ACROSS GENDERS



Providers predict ~2x growth in male mix of total facial patients

### ACROSS GEOGRAPHIES



Huge international growth opportunity in Asia & Europe, making up 50% & 20% of the opportunity, respectively

EXPANDING THE CATEGORY TO ATTRACT NEW DEMOGRAPHICS, WHILE STILL BEING THE TREATMENT OF CHOICE FOR 45+ FEMALES

## SIGNIFICANT OPPORTUNITY ACROSS CHANNELS

Consumers seek an experience across all channels of service

Spa Service Market

Regular and \$\$

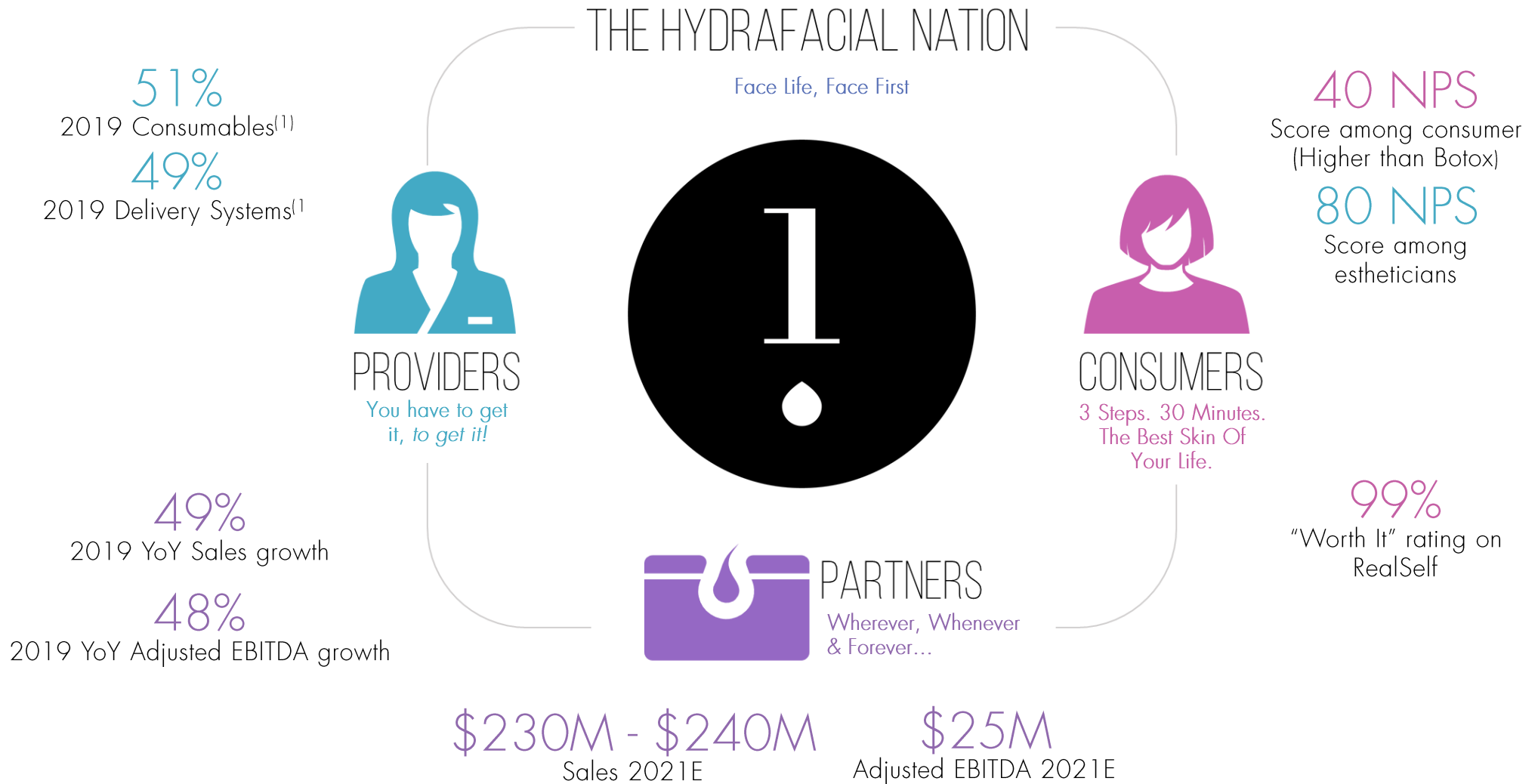
Aesthetics Market

Occasional and \$\$\$

Beauty Retail Market

Often and \$

# THE POWER OF THE NATION



Source: Third party research 2019; reflects pre-COVID conditions. Note: 2021E figures based on Net Sales guidance provided May 13, 2021, subject to all the qualifications and assumptions as of such date and does not reflect any developments, updates or changes since that date. Adjusted EBITDA is a non-GAAP financial measure. For a description of Adjusted EBITDA and a reconciliation to net loss, please see the Appendix.

(1) Excludes Shipping / Other Revenue. Based on 2019A as % to sales. 2019 is more meaningful than 2020 given the pandemic disruption.

# THE MASTER PLAN

Sell a lot product and use that money to ...

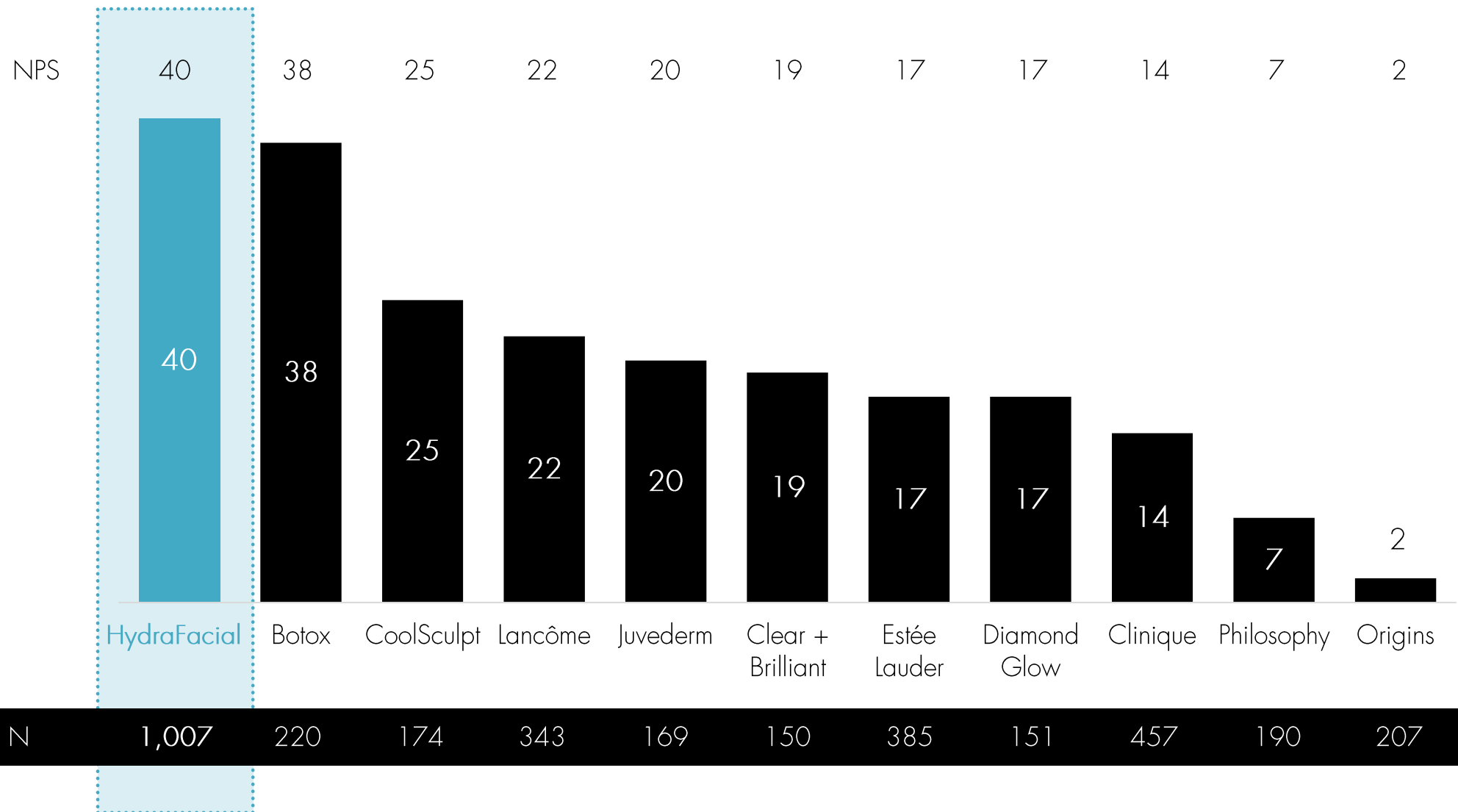
Invest in our ~~skincare~~ providers and use that relationship to . . .

Find the consumers and build a direct relationship.

Leverage technology to connect them where they live, work & play.

Build the ultimate flywheel of influence!

# HYDRAFACIAL NPS RANKS HIGHEST ACROSS BRANDED AESTHETICS AND MEDTECH PEERS



Source: Third party research July 2019; reflects pre-COVID conditions.

Note: NPS = Net Promoter Score as of 2019; Other brands listed are top 5 treatment and top 5 skincare brands used by HydraFacial users; N = Number of responses.

# TODAY



Systems account for **49%** of Sales<sup>1</sup>

- The patented HydraFacial systems generate~ 3.2M treatments performed annually
- One-time placement generates treatments (revenue) for 3-7 yrs

Consumables account for **51%** of Sales<sup>1</sup>

- Every treatment uses



- Through which flow

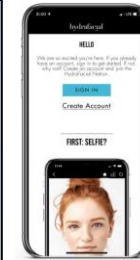


- And customizable



# TOMORROW

Next Gen System connects consumer via app and home handheld device to professional system and the community



360° CONNECTIVITY

KERAVIVE SYSTEM

HOME EXTENSION

PERK AT RETAIL

<sup>1</sup>Based on 2019A. Excludes Shipping / Other Revenue and Healthy Scalp.

# LEADING PRESENCE AROUND THE GLOBE

Loved in

87

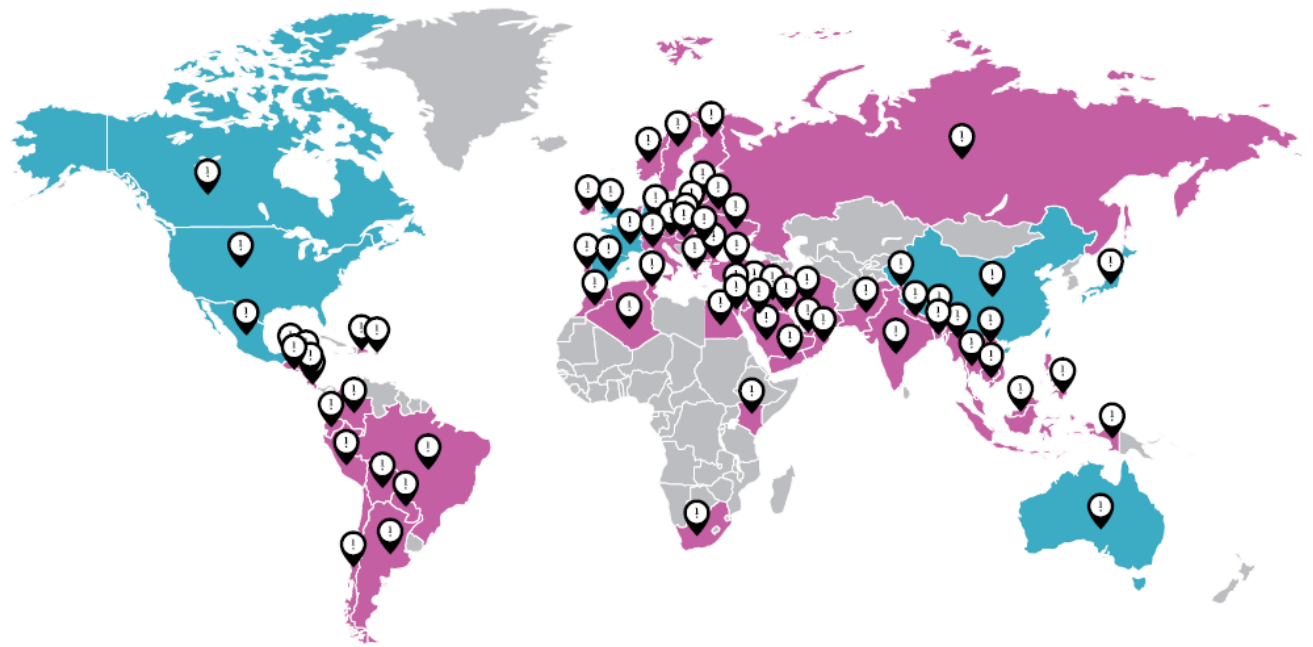
Countries Worldwide

18,000+

Delivery Systems

14

Direct Markets  
2021E

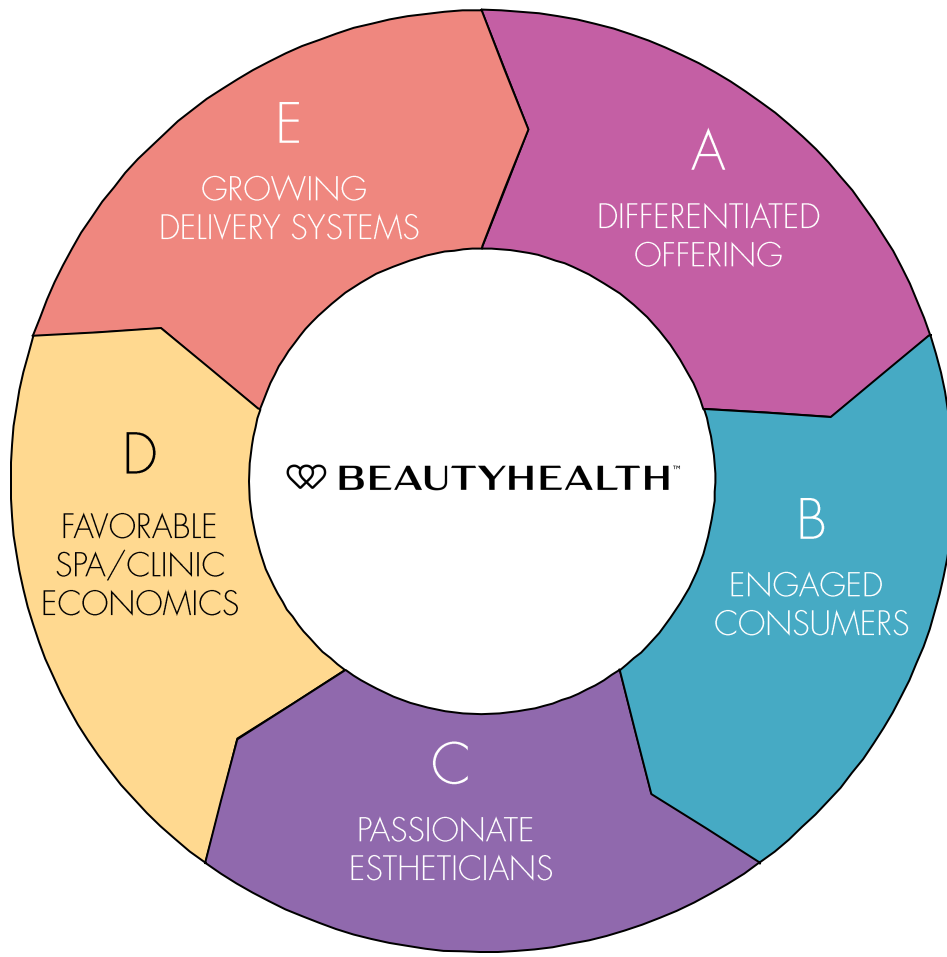


## LOVED AROUND THE WORLD

Direct

Distributor

# POWERFUL FLYWHEEL DESIGNED TO DRIVE COMPETITIVE POSITIONING



- A Differentiated offering to build brand**
  - Technologically advanced offering with high consumer and provider engagement
  - Customization/Personalization to skin concern
- B Strong base of engaged consumers to fuel growth**
  - 50–60% Millennials (vs. ~40% of facial users), a highly engaged demo
  - 15% of users get 4+ HydraFacial treatments in a given year
  - 40 NPS (vs. 5–15 NPS for other skincare brands used by our customers)
- C Passionate esthetician community to recommend HydraFacial**
  - Avid social discussion; 5x more Esthetician posts than competitors
  - Estheticians actively recommending (80 NPS; 45% of users learned about HydraFacial from their provider)
  - Estheticians make ~20% more than from a traditional facial
- D Favorable spa/clinic economics to increase HydraFacial share**
  - Payback of delivery system in ~5 months
- E Growing installed base to fund new investments**
  - As HydraFacial grows, investing in training to expand upon esthetician loyalty
  - Investing in targeted S&M investments to create deeply loved brand and R&D efforts to improve offering/create innovative products



LED BY A  
VISIONARY  
AND  
EXPERIENCED  
EXECUTIVE  
TEAM



CLINT CARNELL  
Chief Executive Officer

Experience: 25 Years



LIYUAN WOO  
Chief Financial Officer

Experience: 23 Years



BEN BAUM  
Chief Experience Officer

Experience: 23 Years



JWALA KARNIK, M.D.  
EVP, Global Strategy & Partnerships

Experience: 29 Years



DAN WATSON  
EVP, Sales Americas

Experience: 36 Years



200+  
COLLECTIVE  
YEARS  
OF  
EXPERIENCE  
within the  
sector



INDRA PAMAMULL  
APAC President

Experience: 24 Years

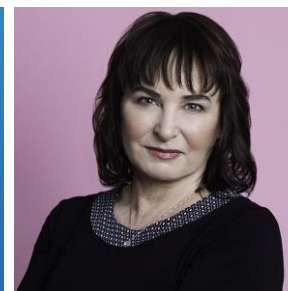


ESTÉE LAUDER



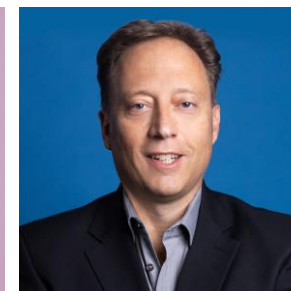
STEPHAN BAKER  
EMEA President

Experience: 22 Years



DEB RODRIGUEZ  
Chief Talent Officer

Experience: 33 Years

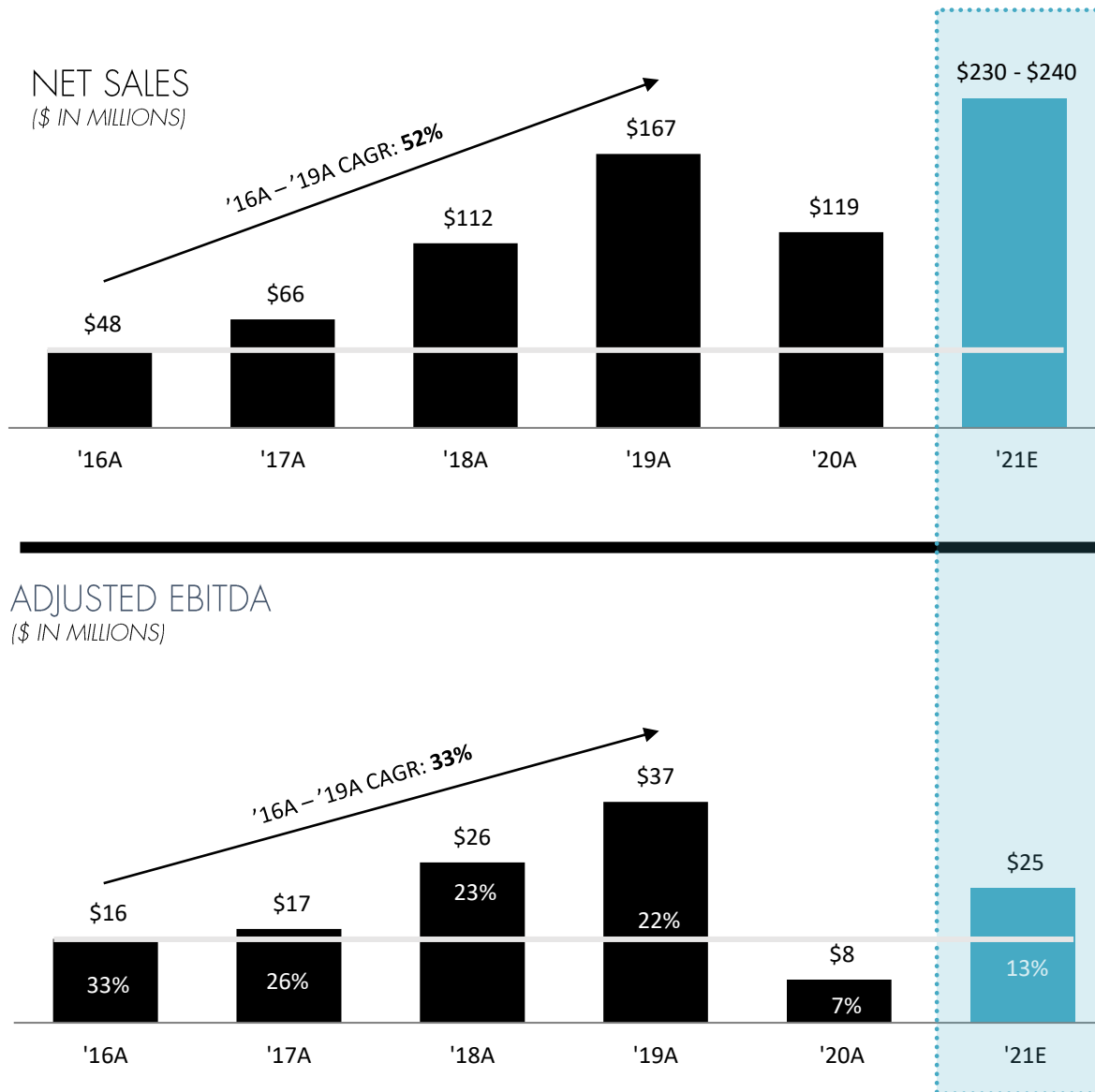


PAUL BOKOTA  
VP & General Counsel

Experience: 23 Years



# GROWTH PROFILE



## KEY TAKEAWAYS

- Significant historical revenue growth with 2020 negatively impacted by COVID-19
- Rebound experienced in first half 2021 despite continued COVID impact
- Historically strong adjusted EBITDA performance and an asset light structure that requires minimal CAPEX investment
- Expecting to invest in growth in 2021 & 2022 through higher expenses and CAPEX
  - \$15M 2021 CAPEX spend expected
- Expect continued strong profitable growth, as well as strong cash flows to support continued investments and M&A activities as we create shareholder value

Note: Adjusted EBITDA is a non-GAAP financial measure. For a description of Adjusted EBITDA and a reconciliation to net loss, please see the Appendix. Financial information for periods prior to 2018 is based on internal financial reports.

# STRATEGIC INVESTMENTS



## RELENTLESSLY INNOVATE AS A CATEGORY CREATOR

- Category Ownership - Skin & Scalp Health
- Launch system 2.0 with personalized services
- Value added innovation across all touchpoints – serums, devices, and experiences
- Connector platform - Build robust and scalable programs that solidify relationship with aestheticians & providers and end-consumers



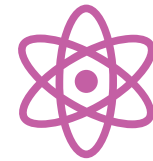
## DRIVE CONSUMER DEMAND WITHIN THE COMMUNITY

- Turn up marketing of the brand, as well as wellness and personalization messaging
- Accelerate provider engagement through education and events
- Invest in promotional activities and partnerships



## EXPAND GLOBAL FOOTPRINT

- Invest in EMEA and APAC HQs for scaling
- Convert distributor markets to direct through M&A



## ACCRETIVE M&A

- Acquire companies with leading positions in the Beauty Health spectrum
  - Growth-oriented
  - High NPS
  - Recurring revenue characteristics
  - Attractive margin profile
  - Leverage our current install base

# CONSUMER ENGAGEMENT POWERHOUSE

~3 BILLION

Media Impressions  
Anticipated 2021

Significant ROI on  
Consumer Activations

170%

~250,000

Provider Searches  
Anticipated for 2021

16%

Instagram  
Engagement Rate



allure

VOGUE

Reader's  
digest



REFINERY29

US

E! NEWS

Forbes

POPSUGAR.

W

InStyle

BRIT+CO

BAZAAR

Source: Third party research 2019, reflecting Pre-COVID conditions.  
Other data points based on best estimated consumer behavior and previous baseline of purchases



# PROVIDER & AESTHETICIAN EDUCATION

hydracial™ | CONNECT

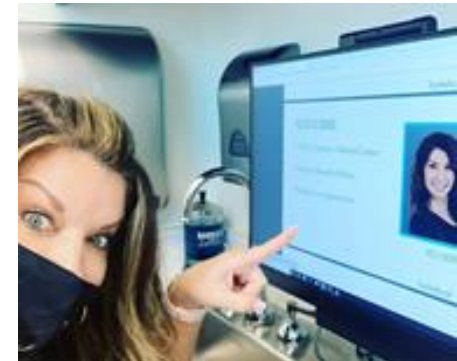
Goal to be the world's largest educator and deployer of aesthetic professionals.



*"This is everything I wish I would have learned in aesthetics school."*



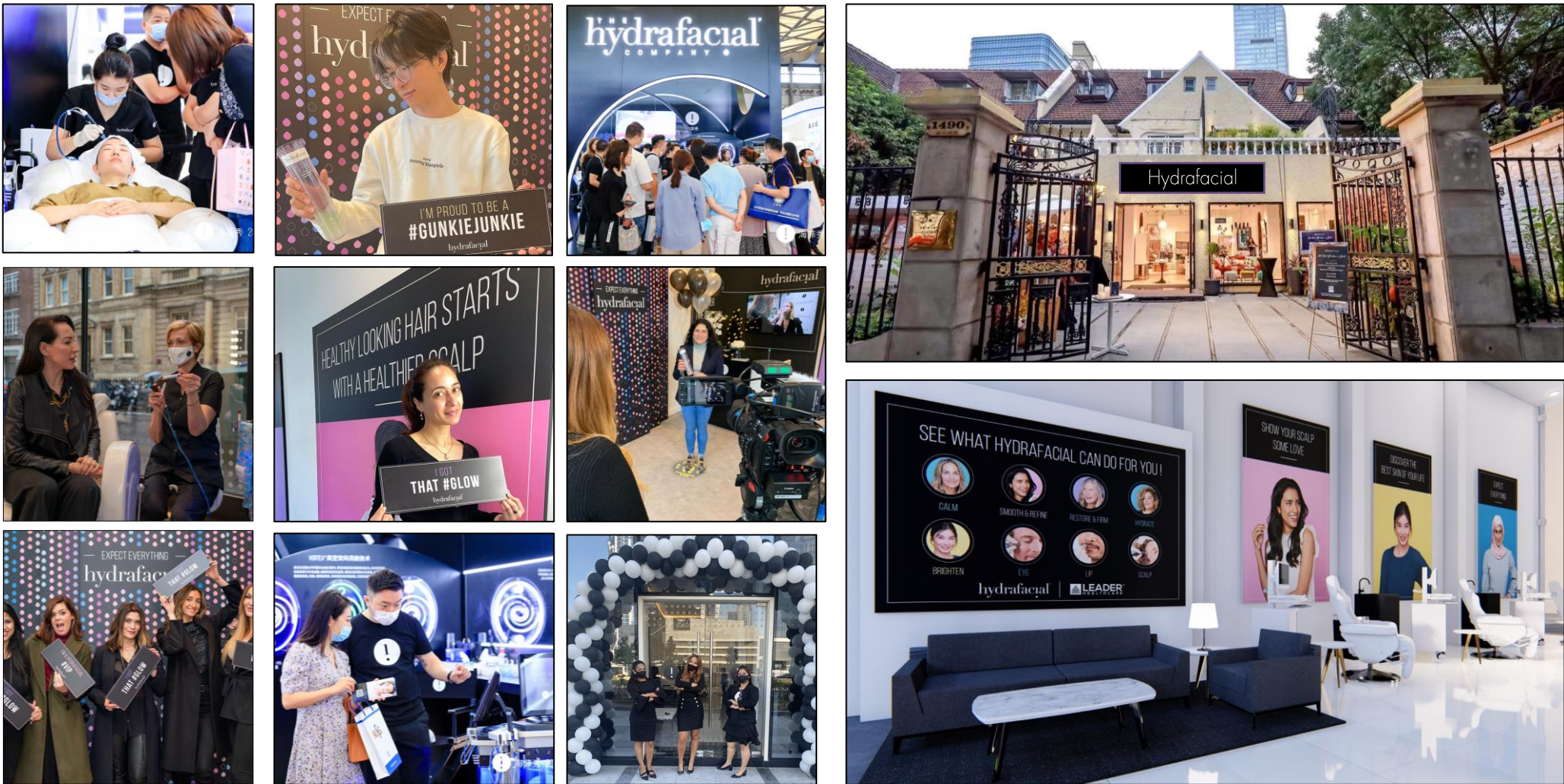
HFX: 2-day HydraFacial Experience



Podcasts  
Expert Hours  
Business Building Webinars  
Treatment Protocol Webinars

# INTERNATIONAL SCALING

We are investing in sales & marketing globally to grow consumer demand... AND we are scaling our infrastructure to support it



Pictured: London, Dubai, & Shanghai – 2021 pop ups & plans for permanent flagship storefronts



# INVESTMENT HIGHLIGHTS

1

## CATEGORY CREATING PRODUCT

- Innovative product extension into IOT with data connection, personalization and clean beauty in skin and scalp health

2

## CUSTOMER LOYALTY

- High NPS scores in the industry
- Leading engagement rates on social media
- Favorable press coverage & attendance at global pop-ups

3

## COMMANDING PLATFORM

- Large install base continues to grow
- Established partnerships across many channels

4

## MULTI-DIMENSIONAL GROWTH OPPORTUNITIES

- Digitally and categorically
- Organically through innovative R&D and through M&A
- Across skin (face and body) and scalp

5

## COMPELLING ECONOMIC PROFILE

- High margin equipment and consumables
- Vertically integrated supply chain

6

## PROPRIETARY TECHNOLOGY

- Patented technology
- Successfully prosecuted challengers of trademarks, IP, and litigated across the globe

7

## EXPERIENCED MANAGEMENT AND BOARD

- Deep aesthetic expertise in the CEO and Board
- Experienced executive management team

# APPENDIX -SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES ADJUSTED EBITDA

Unaudited (in millions)	Fiscal year ended December 31,				
	2020	2019	2018	2017	2016
Net loss	\$ (29.2)	\$ (1.6)	\$ (0.3)	\$ 8.0	\$ (14.0)
Adjusted to exclude the following:					
Depreciation and amortization expense	14.5	13.9	11.5	10.0	3.2
Interest expense	21.3	17.1	10.1	6.6	1.0
Income tax expense	(9.3)	(1.3)	0.3	(11.4)	(2.8)
Management fees (1)	1.5	1.8	3.2	1.2	14.2
Facility relocation costs (2)	-	4.0	-	-	-
COVID-19 related costs (3)	3.1	-	-	-	-
Transaction related costs (4)	4.2	1.7	0.4	-	13.4
One-time patent lawsuit cost (5)	-	1.4	-	-	-
Other non-recurring and one-time fees (6)	1.6	(0.3)	1.0	3.0	0.7
Adjusted EBITDA	<u>\$ 7.7</u>	<u>\$ 36.7</u>	<u>\$ 26.2</u>	<u>\$ 17.4</u>	<u>\$ 15.6</u>
Adjusted EBITDA Margin	<u>6.5 %</u>	<u>22.0 %</u>	<u>23.3 %</u>	<u>26.4 %</u>	<u>32.6 %</u>

(1) Represents quarterly management fees paid to the majority shareholder of the Company based on a pre-determined formula (including a recapitalization fee of \$2.0 million incurred during 2018). Upon consummation of Business Combination, these fees will no longer be paid. Because these fees will not have an ongoing impact, they have been excluded from the calculation of Adjusted EBITDA.

(2) Such amounts represent costs associated with the 2019 relocation to a new assembly and warehouse facility that was completed during December 2019. These costs are non-recurring and are directly attributable to the relocation that was finalized in December 2019 and include duplicate rental expense, and the write-off of certain capitalized costs associated with our previous facility.

(3) Such costs represent COVID-19 related restructuring costs including write-off of expired consumables, discontinued product lines, human capital and cash management consultant fees in relation to Covid restructuring.

(4) Such amounts represent direct costs incurred to prepare the Company to be marketed for sale by the Company's shareholders in previous periods.

(5) During 2019, the Company incurred approximately \$1.4 million to defend certain patents that were being infringed upon.

(6) Such costs primarily represent personnel costs associated with restructuring of HydraFacial's salesforce and costs associated with former warehouse and assembly facility during the transition period offset by a legal settlement received in favor of HydraFacial.

Source: Internal unaudited information for 2016 and 2017. 2018-2020 based on Definitive proxy statement filed on April 7, 2021 with the SEC. Adjusted EBITDA and Adjusted EBITDA Margin are key performance measures that Management uses to assess its operating performance. Because Adjusted EBITDA and Adjusted EBITDA Margin facilitates internal comparisons of the Company's historical operating performance on a more consistent basis, the Company uses these measures for business planning purposes. The Company also believes this information will be useful for investors to facilitate comparisons of its operating performance and better identify trends in its business.

The Company calculates Adjusted EBITDA as net income (loss) adjusted to exclude: other (income), net; interest expense; provision for income taxes; depreciation and amortization expense; stock-based compensation expense; and onetime or nonrecurring items such as transaction costs, non-recurring legal fees associated with certain actions to defend its intellectual property, manufacturing and freight costs related to inefficiencies due to capacity constraints prior to moving into its new warehouse and assembly facility in December 2019, restructuring costs associated with COVID-19, Management Fees incurred from its private equity owners; and Foreign



WE ARE

 **BEAUTYHEALTH™**

WE ARE A  
CATEGORY  
CREATOR...

DEMONSTRATING  
EXCITING  
GROWTH...

AND A PROFITABLE  
& SCALABLE  
BUSINESS  
MODEL...

IN A MARKET  
WITH HUGE  
GLOBAL  
OPPORTUNITY.