

**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): September 15, 2022

THE BEAUTY HEALTH COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39565
(Commission
File Number)

85-1908962
(IRS Employer
Identification No.)

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

90806
(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 7.01. Regulation FD Disclosure.

On September 15, 2022, The Beauty Health Company (the “Company”) issued a press release announcing its three-year plan. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In addition, the Company expects to use the presentation attached to this Current Report on Form 8-K (the “Current Report”) as Exhibit 99.2 (the “Investor Presentation”) and incorporated herein by reference, in whole or in part, in connection with presentations to investors and analysts at the Company’s Analyst and Investor Day on September 15, 2022 at 8:00am Eastern Standard Time. The Investor Presentation is also available on the Company’s website at: <https://investors.beautyhealth.com/>

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this Current Report, except as required by law, although the Company may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other current or periodic reports or documents with the SEC, through press releases, or through other public disclosure.

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, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such a filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release
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: September 15, 2022

The Beauty Health Company

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

**A Harbinger of Beauty Industry Resiliency,
BeautyHealth Announces Three-Year Plan to Double Sales, At Least Triple Profit**

Company hosts Analyst and Investor Day in New York City today

Expects growth across all channels and geographies, projecting EMEA and APAC businesses to overtake Americas by 2025

Long Beach, Calif., September 15, 2022 – The Beauty Health Company (NASDAQ: SKIN), home to flagship brand Hydrafacial, today hosts its Analyst and Investor Day in New York City. At the event, BeautyHealth will provide an update on the significant progress the company is making on its five-point Master Plan and will announce new financial goals, namely to roughly double net sales and at least triple adjusted EBITDA by 2025.

“BeautyHealth is a category creator building the ultimate beauty regimen for skin health and personal confidence. Our differentiated product offering, innovative technology, compelling business model, and passionate community of providers and consumers have helped us deliver consistent growth and will propel our future,” said BeautyHealth President and Chief Executive Officer Andrew Stanleick.

“Our market opportunity is massive across geographies and categories and largely unpenetrated. Our new three-year growth and profitability goals reflect our confidence and ability to capitalize for the future. With an exceptional management team in place, we are just getting started.”

Event Overview:

The BeautyHealth Executive Committee will provide an update on progress made against investments in the company’s five-point Master Plan, namely efforts to:

1. Expand the BeautyHealth and Hydrafacial footprint by placing systems in a profitable landgrab
2. Invest in providers through education and events to fuel sales conversion
3. Drive brand awareness with agile marketing to increase engagement and utilization
4. Build a global infrastructure and innovation pipeline to scale profitable growth
5. Deliver accretive M&A to add product offerings and capabilities

Further insight will be shared on BeautyHealth’s:

Product and technology.

- Patented Hydrafacial technology that fosters a valuable partnership platform and delivers best-in-class results
- Progress launching globally our next generation, smart and connected delivery system, Syndeo, which is a massive leap forward in skincare technology to deliver a new, better and different treatment than any other product available

Financial outlook.

- A three-year outlook and significant market opportunity, with only 5% estimated penetration of a high-growth global market with 500,000+ potential doors
- An all-weather business model underpinned by robust category trends and a young, resilient, and higher income consumer who craves beauty and health experiences
- International expansion plans in the high-growth EMEA and APAC regions, projected to surpass BeautyHealth’s Americas business by 2025

Passionate community.

- Strong and growing Hydrafacial Nation, a community of passionate consumers and our global network of Experience Centers and HFX aesthetician training program

Massive brand awareness opportunity and plans to engage more consumers.

- Omnichannel go-to-market strategy, including expanding non-medical and retail partnerships and growing our dominant medical channel

Presentations will be followed by a live Q&A session.

Financial Plan:

Investments made in FY21 and continuing in FY22 are expected to drive demand, create degrees of operating leverage and fuel profitable growth for the future. The management team is confident in the momentum across the business, the loyalty and resilience of the consumer and the massive and growing opportunity across the beauty, wellness, aesthetics and health categories. Within this context, BeautyHealth has announced new financial goals:

- Double Net Sales: 2025 net sales target in the range of \$600 – \$700 million, representing approximately a 20% – 27% 2022E – 2025E net sales CAGR
- At least triple Adjusted EBITDA: With a target 2025 adjusted EBITDA margin in the range of 25% – 30%
- 2023 Adjusted EBITDA Margin: Expect to drive incremental profitability starting in 2023, with a target adjusted EBITDA margin of approximately 18% – 20%

“We are setting thoughtful 2025 financial targets from a position of financial strength, supported by strong ongoing performance of six quarters of beating and raising as well as achieving recent record net sales,” said BeautyHealth Chief Financial Officer Liyuan Woo. “Following two years of heightened investment and scaling, we are shifting our focus to achieving heightened levels of profitability on our growth journey. Our dynamic growth flywheel, differentiated and complementary technology, nascent and large total addressable market, agile marketing, and engaged community set us up well to deliver our three-year plan.”

The Company will provide more detail on the full year 2023 net sales outlook in early 2023.

Webcast Information

BeautyHealth’s Analyst and Investor Day presentation is available via live webcast at <https://www.beautyhealth.com/investor-day-2022> beginning at 9:00 a.m. EDT and concluding at around 12:30 p.m. EDT.

About The Beauty Health Company

The Beauty Health Company (NASDAQ: SKIN) is a global category-creating company delivering beauty health experiences that help consumers reinvent their relationship with their skin, bodies and self-confidence. Our flagship brand, Hydrafacial, created the category of hydradermabrasion by using a patented vortex-fusion delivery system to cleanse, extract, and hydrate the skin with proprietary solutions and serums. Hydrafacial provides a non-invasive and approachable skincare experience. Together, with our powerful community of aestheticians, consumers and partners, we are personalizing skin care solutions for all ages, genders, skin tones, and skin types. Hydrafacial is available in more than 90 countries with an install base of nearly 23,000 delivery systems providing millions of experiences to consumers each year. Find a local Hydrafacial at <https://hydrfacial.com/find-a-provider/>. For more information, visit www.beautyhealth.com.

Outlook

BeautyHealth's achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in the Company's filings with the Securities and Exchange Commission. The outlook does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account any acquisitions, dispositions or financings. In addition, given the uncertainty in the environment in which BeautyHealth is operating, the Company remains cautious of the potential risk for further market closures or other restrictive measures from existing or new COVID-19 strains and the uneven global rollout and adoption of vaccines, as well as inflationary headwinds related to higher raw material, shipping and labor costs. BeautyHealth's outlook assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented. See "Forward-Looking Statements" for additional information.

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 EBITDA and adjusted EBITDA margin for purposes of evaluating ongoing operations and for internal planning and forecasting purposes. We believe that 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.

The Company does not provide a reconciliation of its targeted fiscal 2023 and 2025 adjusted EBITDA to net income (loss), the most directly comparable forward looking GAAP financial measure, 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 targeted fiscal 2023 and 2025 adjusted EBITDA 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.

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. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "outlook," "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.

Important factors, among others, that may affect actual results or outcomes include 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

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Email: BeautyhealthIR@the193.com

Press: Kurt Hopfenspirger
Email: Beautyhealth@the193.com

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✦ BEAUTYHEALTH™

Analyst & Investor Day

September 15, 2022



The road to BeautyHealth

Brent Saunders
Executive Chairman

What makes Hydrafacial attractive?

Criteria	hydracial
Leading position in attractive and growing industry	✓
Scientific / brand differentiation	✓
Sustainable competitive advantages	✓
Suitable platform to build a leading aesthetics technology company focused on allied healthcare professionals	✓
Long-term growth prospects and drivers	✓
Cash pay / no reimbursement risk	✓
Global commercial infrastructure	✓
Profitable	✓

An accomplished executive committee



Andrew Stanleick
President & Chief Executive
Officer



Liyuan Woo
Chief Financial Officer



Jwala Karnik, MD
EVP of Global Strategy
& Partnerships



Ben Baum
Chief Experience Officer



Jon Arnold
President, EMEA



Stefanie Gebauer
President,
Southeast Asia



Mingo Ku
President,
North Asia



Dan Watson
EVP,
Sales Americas



Amy Juaristi
Head of
Corporate Affairs



Kellie Sears
Chief Human
Resources Officer



Paul Bokota
Vice President &
General Counsel



✦ BEAUTYHEALTH™

Analyst & Investor Day

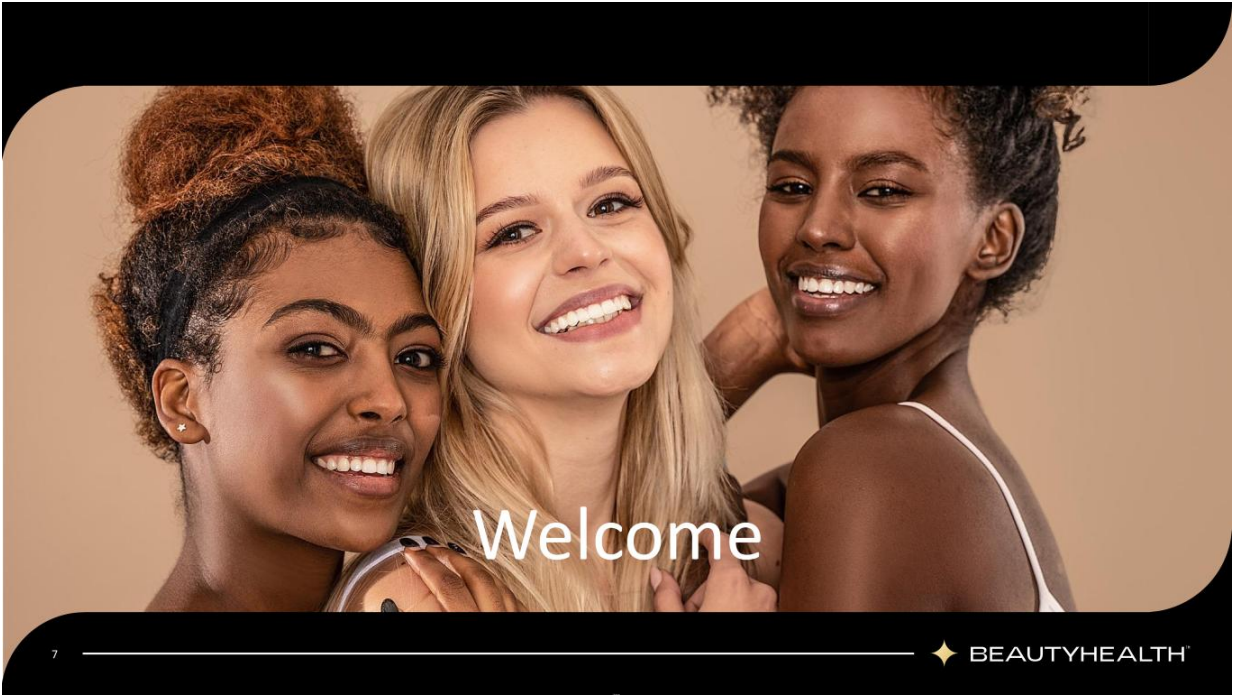
September 15, 2022



The future of BeautyHealth

Andrew Stanleick

President & Chief Executive Officer



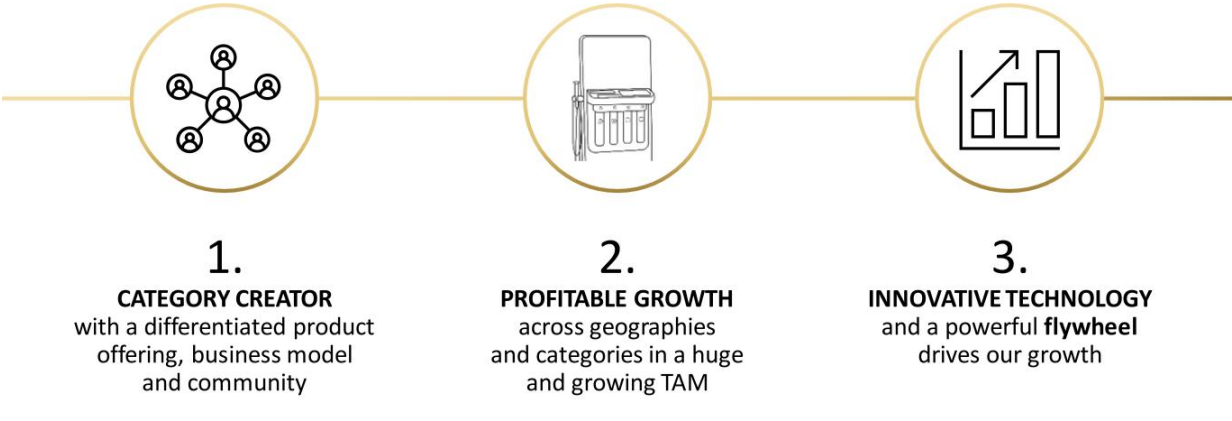
Today's objectives

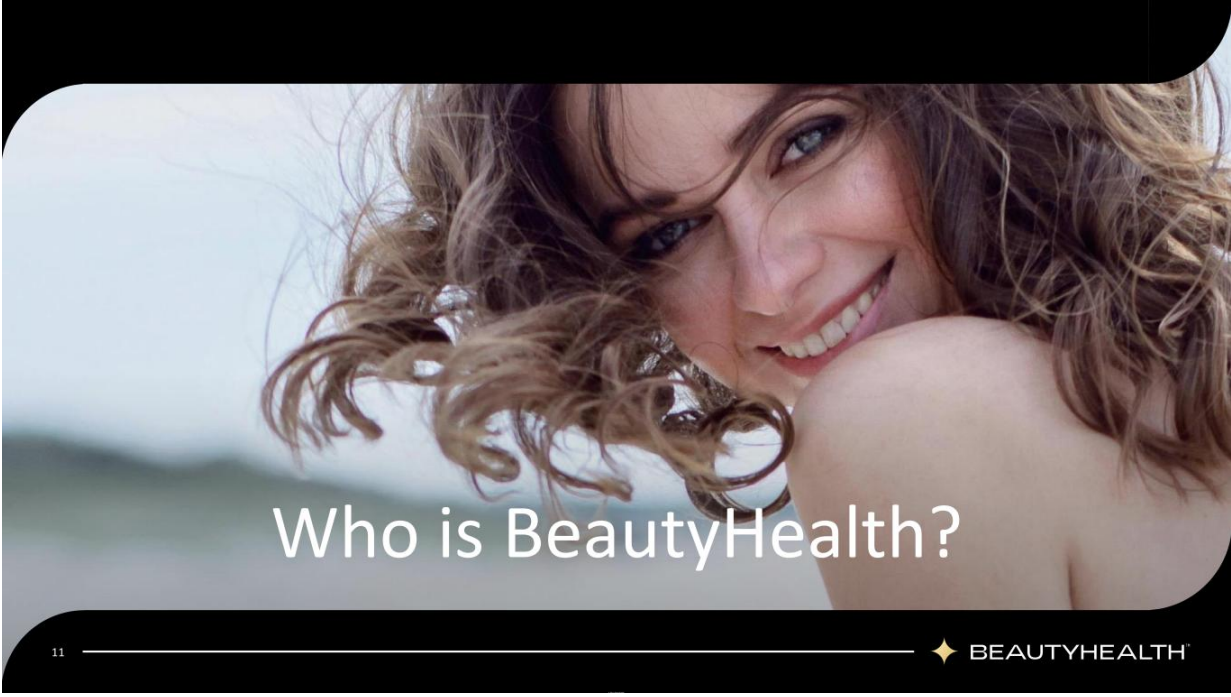
- 1 Present 5-Point Master Plan and new business insights
- 2 Review 3-Year Strategic Growth Plan with significant growth and EBITDA potential
- 3 Introduce the BeautyHealth Executive Committee

Today's agenda

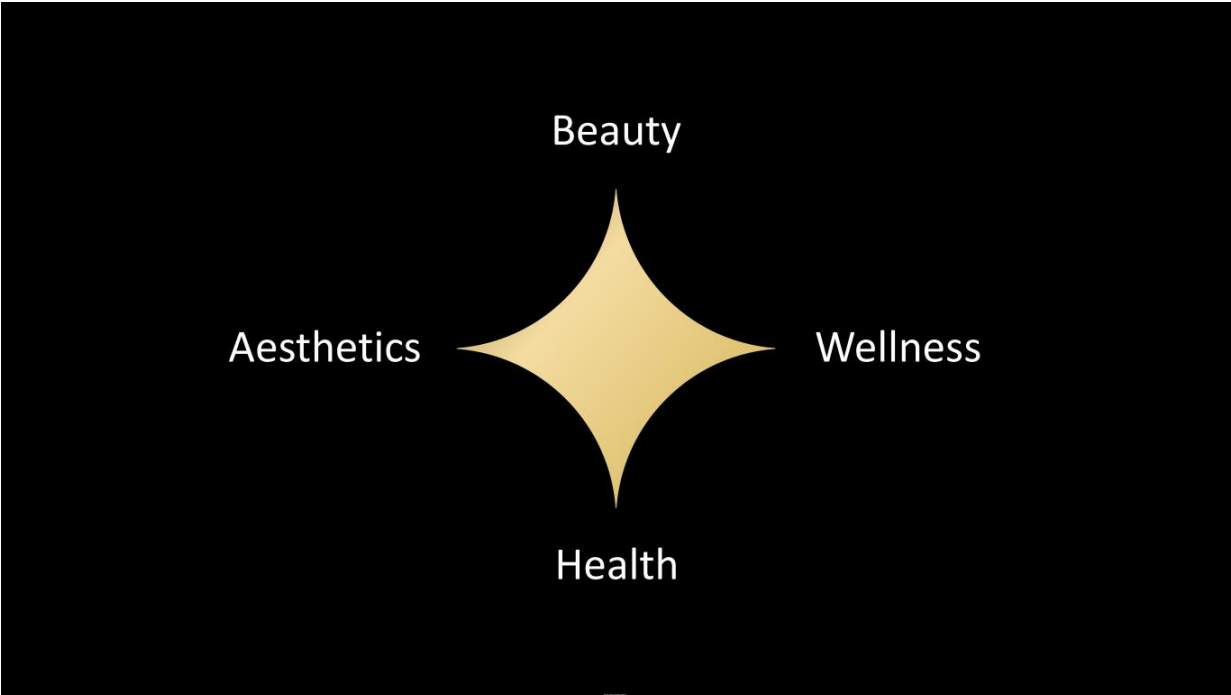


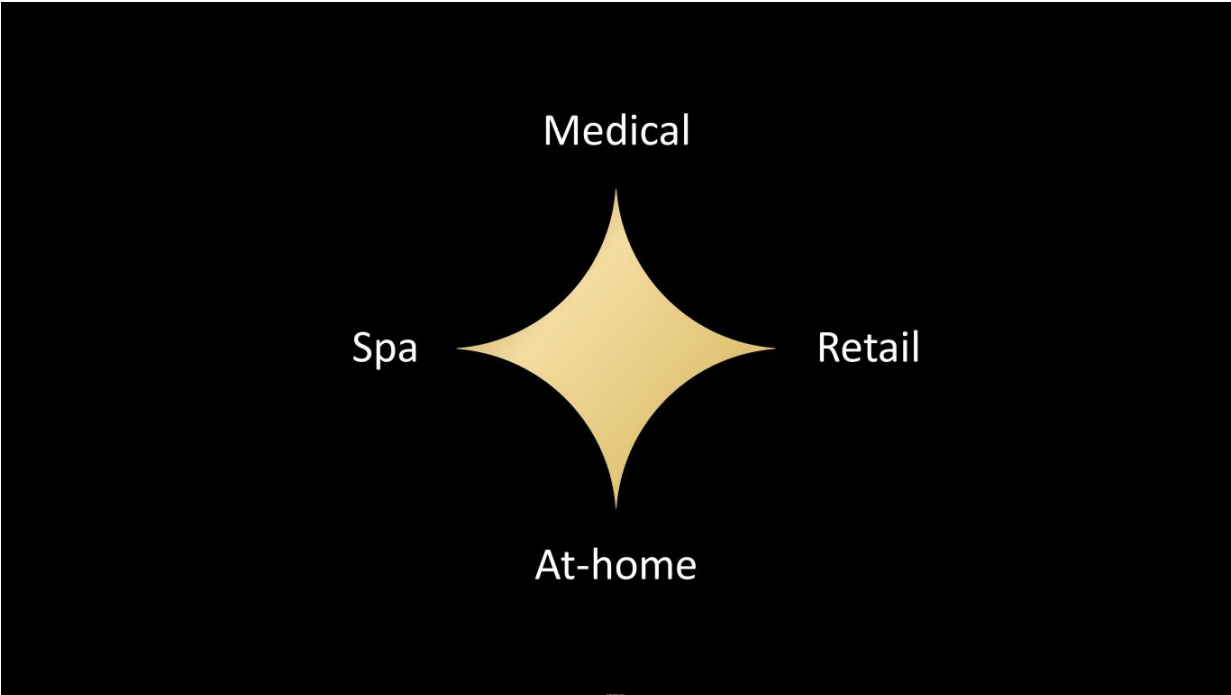
Today's three takeaways





Who is BeautyHealth?









BEAUTYHEALTH™

We are a purpose driven company

We believe

Everyone deserves to feel good about themselves.

We work with purpose

We don't just make great products, we build confidence.

Our vision

Become the world's leading beauty health and wellness platform, fueled by a community of engaged providers, aestheticians and consumers.



We are a global leader in beauty health

Our financials

Strong balance sheet to fuel growth

**\$340 –
350mm**
2022E net sales

\$50mm
2022E Adjusted EBITDA

\$821mm
Cash & equiv. at June 30, 2022

Our community

Partners you know, wherever you live, work, and play

Our brands

hydrafacial™ keravive.™

Available at omni-channel partners

Medical	Non-Medical	Retail	Innovating with fellow skin experts
  	  	   	  

Our global footprint

Loved around the world

90+
Countries

~23,000
Delivery systems

35,000+
Aestheticians educated

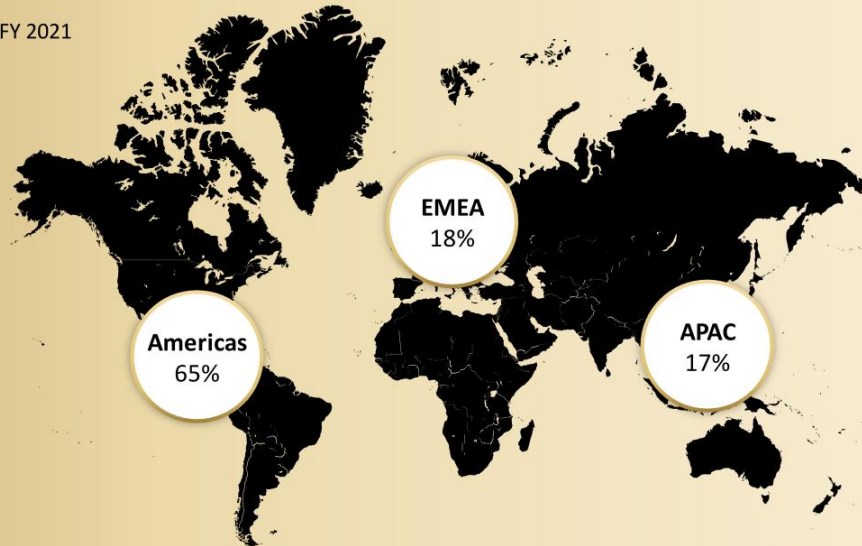
17

Note: Adjusted EBITDA is a non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook; data as of June 30, 2022.

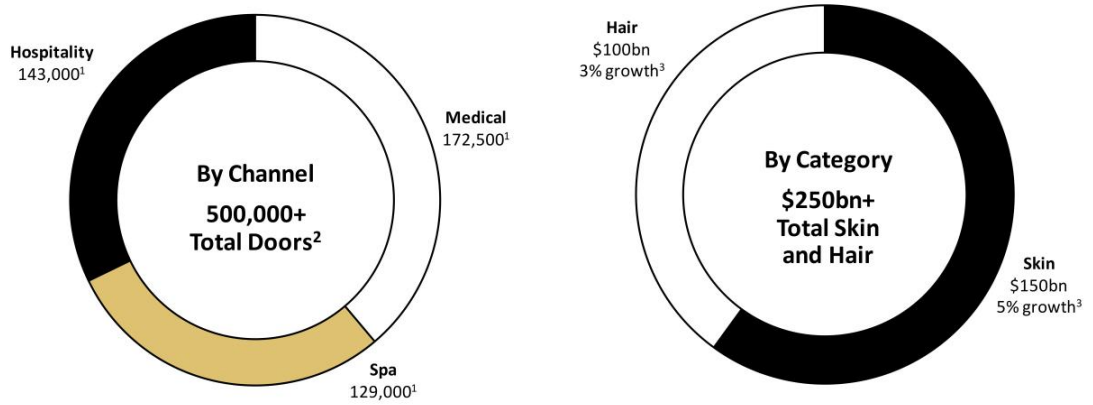
BEAUTYHEALTH™

We deliver diversified net sales regionally

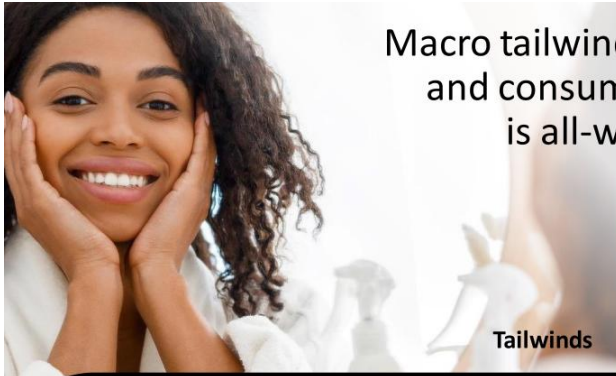
% net sales, FY 2021



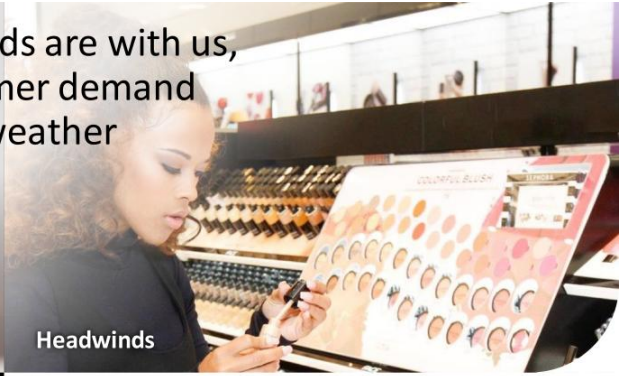
We are playing in a large, high-growth market



19 Source: McKinsey & Company feasibility analysis (2022), management estimates, Statista; 1. Excludes estimates for distributor markets; 2. Includes estimates for distributor markets; 3. 2022E - 2025E CAGRs.



Tailwinds



Headwinds

Macro tailwinds are with us, and consumer demand is all-weather

Societal shift toward health and wellness
 Broader definition of beauty: embrace your version of beauty, whatever that may be
 Reduced stigma, increased access, and advances in aesthetic procedures
 Post-pandemic Zoom boom: our face is our business card

Geopolitical uncertainty
 Macroeconomic environment
 COVID-19 lockdowns
 Supply chain disruptions

We serve an upper middle class and resilient consumer



U.S. consumer archetype

\$94K

Annual household income

High income less susceptible to economic downturns

30s

Average age

Young with high LTV potential

>20%

Male

Global men's grooming market expected to reach **\$81.2bn by 2024**

33%

LatinX

Over-indexed with demographic leading beauty spend

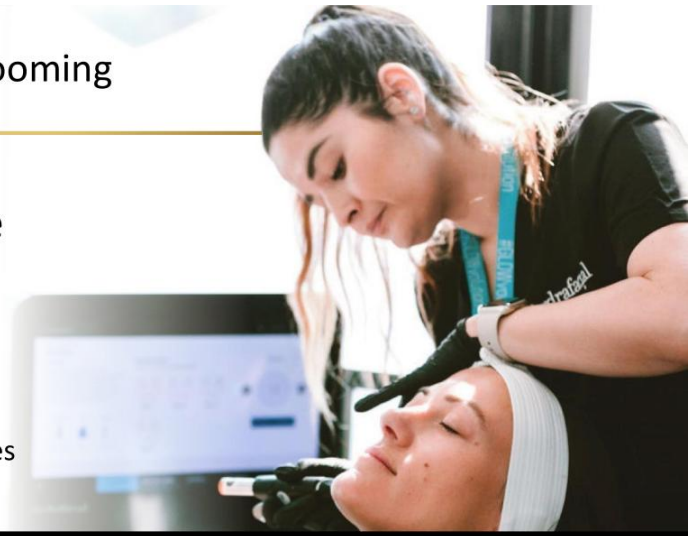
Highly desirable consumer that craves beauty and health

Our provider community is booming

Skincare specialist jobs are
expected to grow

+29% by 2030¹

outpacing job growth in other categories



Cultivated aesthetician community that provides edge to capture growth

22

¹ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Skincare Specialists, at <https://www.bls.gov/oooh/personal-care-and-service/skincare-specialists.htm> (visited September 2022).

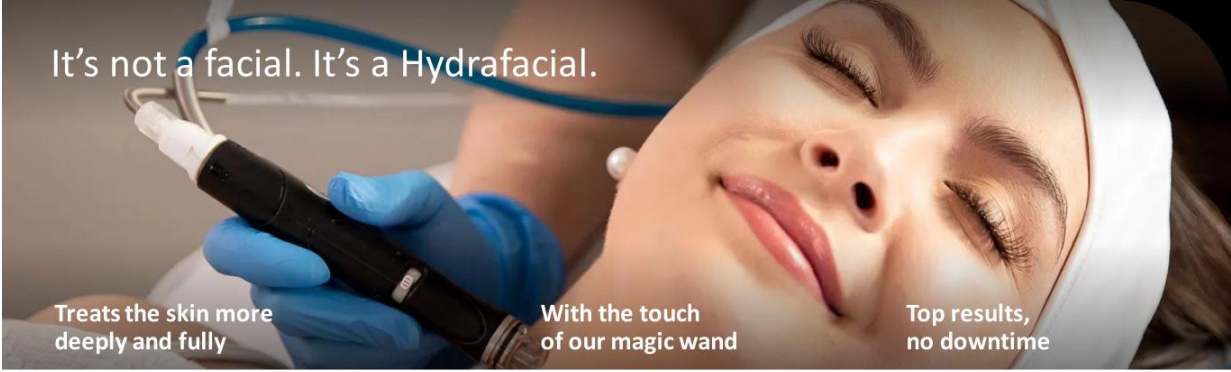
◆ BEAUTYHEALTH™

Today, Hydrafacial is a love brand with a legion of provider and consumer fans



BeautyHealth may be new to the public markets,
but we have led technological innovation for years





It's not a facial. It's a Hydrafacial.

Treats the skin more deeply and fully

Cleanse Gentle exfoliation and relaxing resurfacing to uncover a new layer of skin

Extract Remove debris from pores with painless suction

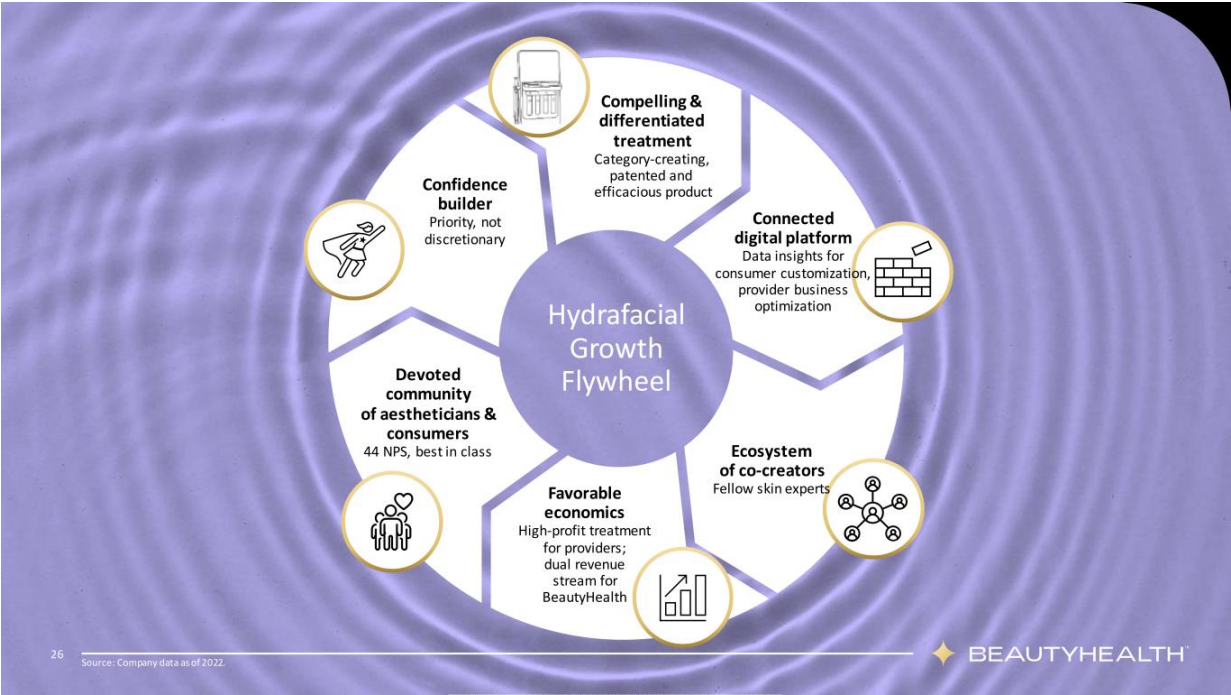
Hydrate Saturate surface with antioxidants and peptides to create instantly gratifying glow

With the touch of our magic wand

- ✦ Patented vortex fusion wand
- ✦ Enhances any skincare formula with a more effective application
- ✦ Changeable tips for a maximum effect and personalization

Top results, no downtime

- ✦ Non-invasive
- ✦ Painless
- ✦ Instant glow
- ✦ No downtime
- ✦ Immediate confidence
- ✦ Accessible price point



Treatments personalized every time with our range of boosters

$$3 + 14 = \infty$$

3
Hydrafacial
developed
boosters

+ 14
Partner
boosters

= ∞
Layering
combinations



Nourishing products designed for individual skin health goals

BRITENOL

Helps minimize the appearance of dark spots and helps balance skin tone

DERMABUILDER

Helps smooth the appearance of fine lines and wrinkles and enhances skin elasticity

REGEN GF

Helps maintain the appearance of healthy and youthful looking skin and supports hydration

Boosters co-created with fellow skin experts expand our R&D and reach



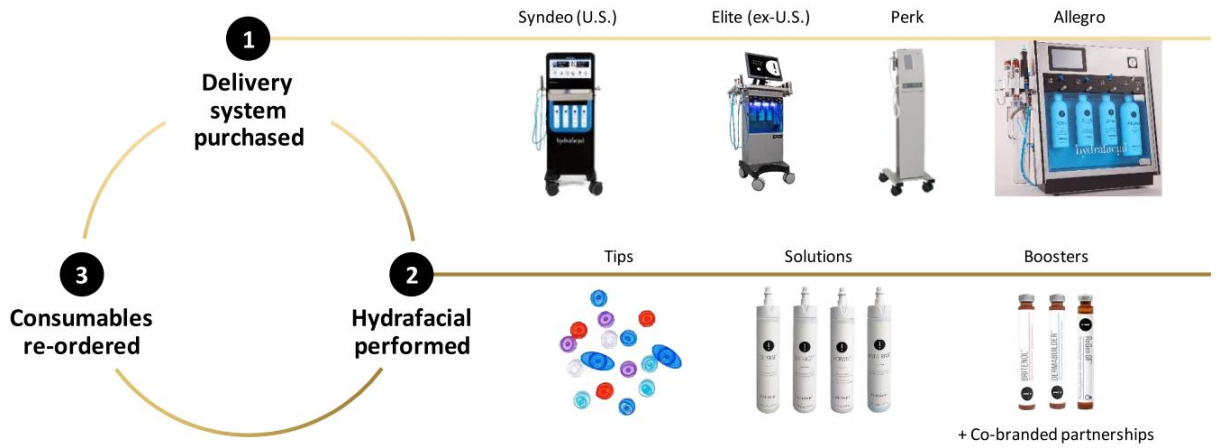
At the forefront of innovation: exosome booster

- ★ **What are exosomes?**
Extracellular vesicles carrying cell-specific cargos of cytokines, chemokines, and growth factors
- ★ **Exosomes are involved with cellular communication with respect to repair and regeneration and can address the signs of inflammation and aging**



Expected launch in 2023

Our regenerative economic model



Our dual revenue streams are nearly equally split, with a recurring element in consumables



Delivery systems
54% FY 2021 net sales



Consumables
46% FY 2021 net sales

Our 5-point master plan to drive transformative growth



Expand footprint

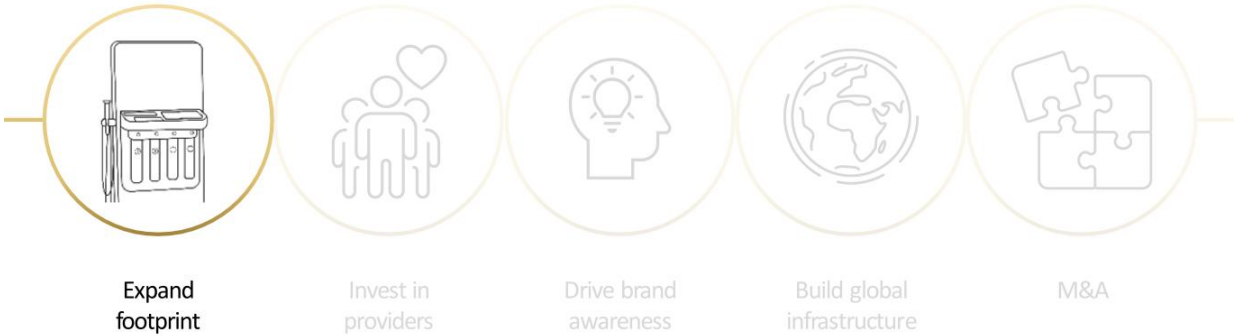
Invest in providers

Drive brand awareness

Build global infrastructure

M&A

5-point master plan



Clear runway to expand
~5% global penetration

Low teens %

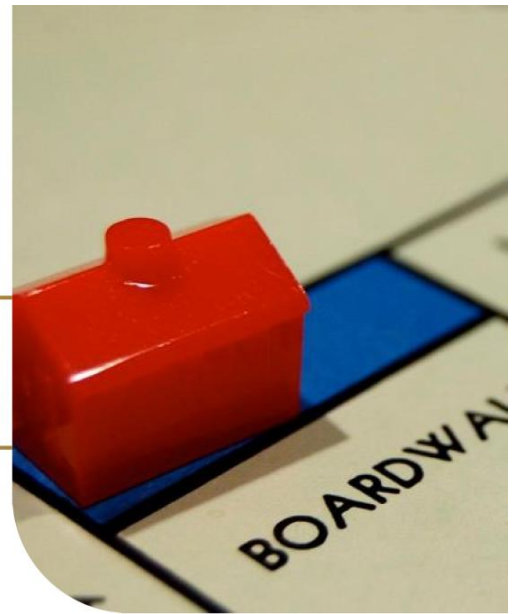
Penetration in the Americas

~1%

Penetration in APAC

LDD%

Penetration in EMEA



Deepening our foothold in medical and spa,
and penetrating new channels



Retail

Expanding to Sephora APAC in September 2023

Sydeo's launch
has been next-level

3x Sales

Exceeded month 1 launch expectations

~2,265 Systems

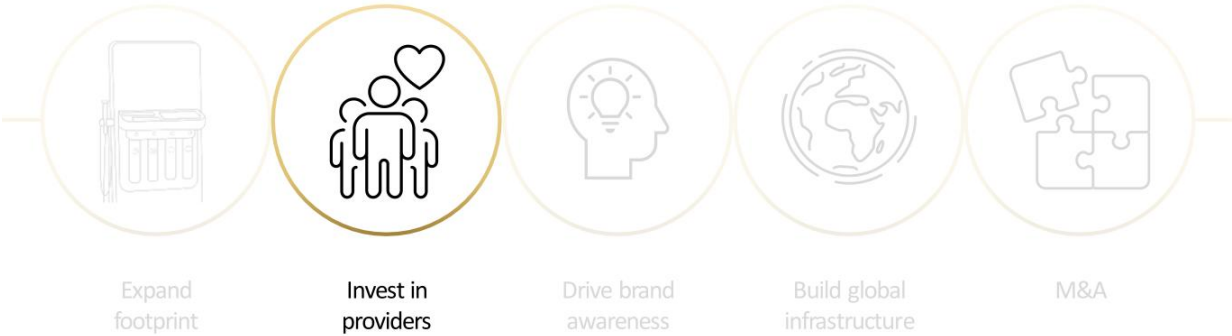
In market¹

2023 Expansion

To EMEA and APAC



5-point master plan



HFX is the world's no. 1 educator of aestheticians

35,000+
Aestheticians trained

13
Experience Centers

Chicago, NYC, London, Frankfurt, Shanghai, Tokyo, Now Paris!, Madrid, Los Angeles, Dallas, Mexico City, Now Singapore!, Sydney

We invest in our providers at events and trade shows



We help providers build their businesses

Physician



Creates a profitable gateway

MDs and spas see more gross profit per Hydrafacial than for the leading neurotoxin
Attracts a **higher income consumer** typically purchasing **two or more aesthetic treatments**

Spa owner



Retailer



Drives traffic

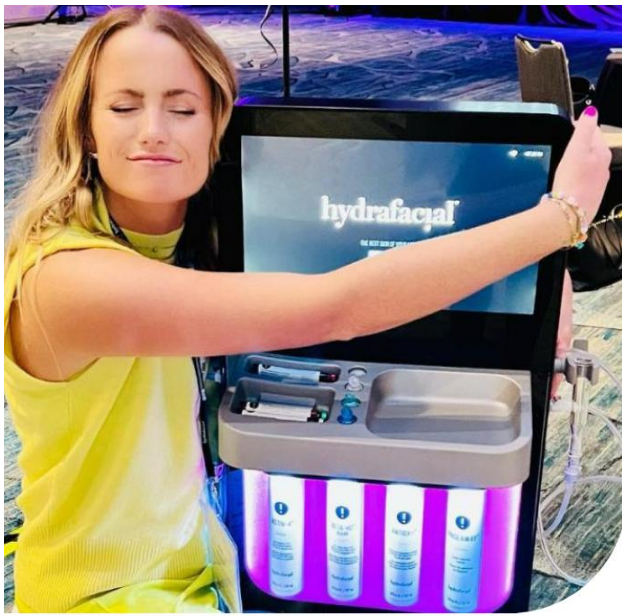
Retailers report higher average basket size for consumers receiving Hydrafacial in store

Solo practitioner



Anchors the practice

A solo practitioner performing just 10 Hydrafacials per week earns \$100,000 annually



We are rewarded
with a deeply passionate
community of providers,
our Hydrafacial Nation

5-point master plan



Expand footprint

Invest in providers

Drive brand awareness

Build global infrastructure

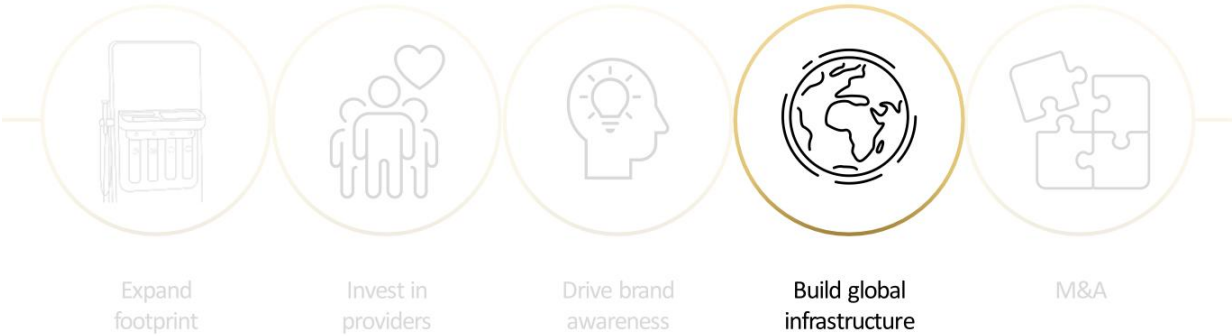
M&A

Galvanizing influencers at every level





5-point Master Plan



Innovating to deliver a head-to-toe glow



The face is only **3.5%** of total skin surface¹

46

1. Wolf SE, Pritt BA, Jr. Burn management. In: Irwin RS, Rippe JM, editors. Irwin & Rippe's intensive care medicine. 6th. Philadelphia, PA: Lippincott Williams & Wilkins; 2008. Figure 129-1, pp. 1930.

◆ BEAUTYHEALTH™

Building a revolutionary scalp & hair opportunity with Keravive

Treatments administered by doctors and medi-spas are the fastest growing segment of the

\$4.9bn¹

Hair restoration market



Part of the Hydrafacial family.

3 steps to healthy, fuller-looking hair. Cleanse, exfoliate, hydrate.

Tiny molecules, big results. Proprietary blend of biomimetic polypeptides and skin proteins.

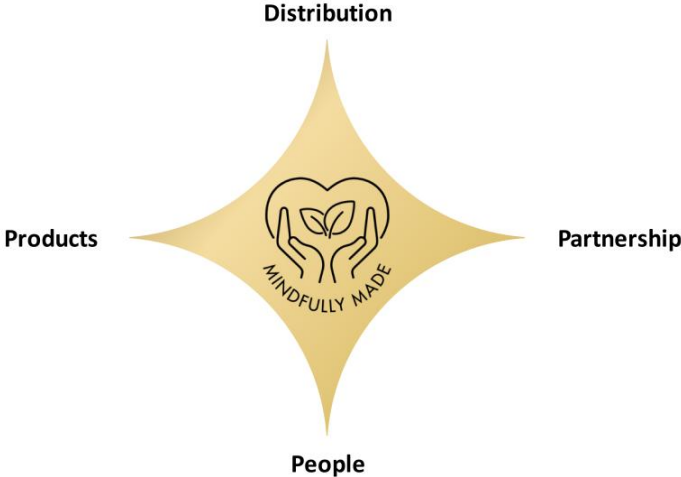
Developing and validating the at-home category



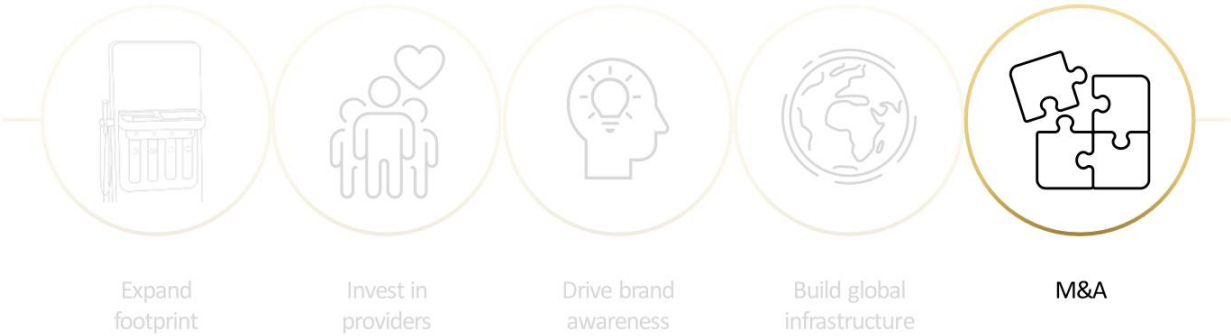
Global at-home beauty device market set to grow 10x, reaching

\$90.5bn by 2030¹

Our ESG journey has just begun



5-point master plan



Accelerating the BeautyHealth platform through M&A

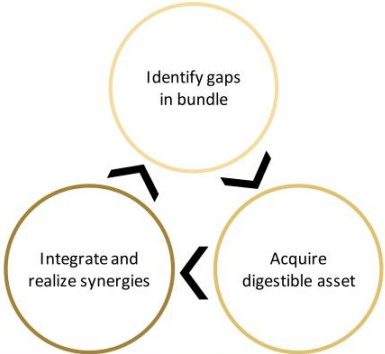
Differentiated product or service / high Net Promoter Score

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

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

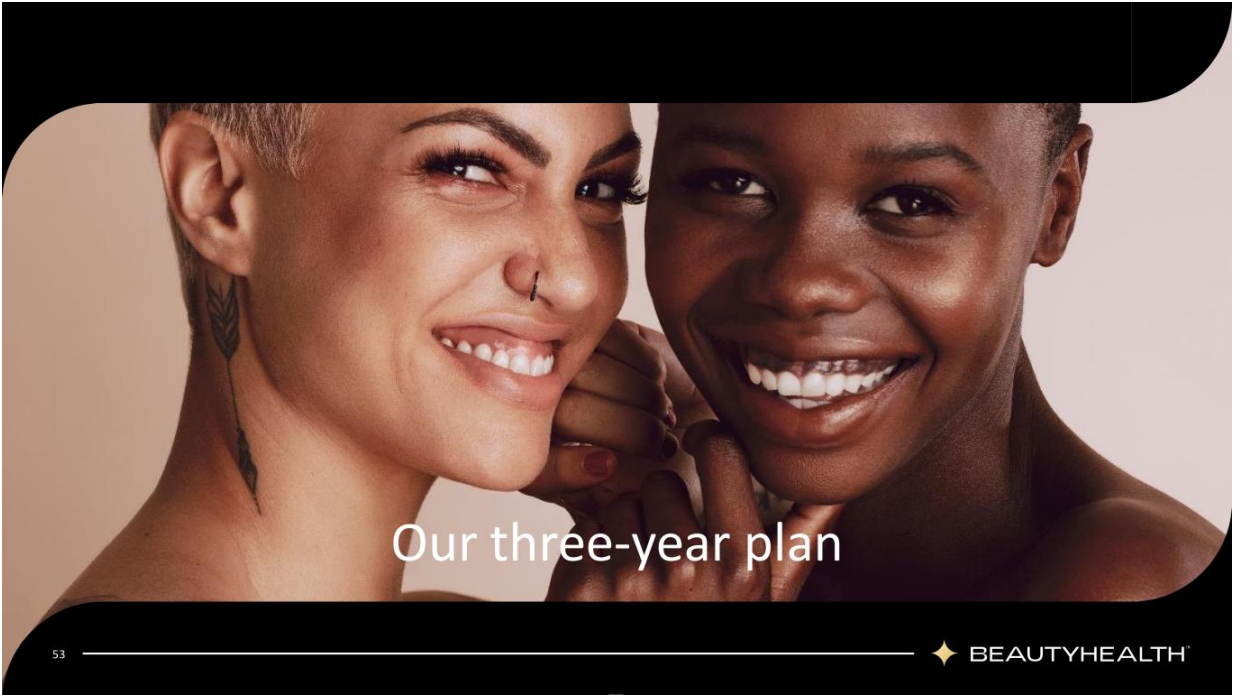


Our M&A philosophy



No predetermined timeline for transaction – opportunistic philosophy rather than time-based





Our three-year plan

Our three-year plan is expected to drive meaningful profitable growth

2x net sales

vs. 2022E

\$600 – \$700mm

2025E net sales

20 – 27% 2022E – 2025E CAGR¹

3x+ Adj. EBITDA

vs. 2022E

18 – 20%

2023E Adj. EBITDA margin

25 – 30%

2025E Adj. EBITDA margin

54

Note: Adjusted EBITDA is a non-GAAP measure. See appendix for a definition and discussion. Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

1. Assuming midpoint of previously stated 2022-23-25 net sales guidance.

 **BEAUTYHEALTH**[®]

Why I am confident in our plan



Scalable and profitable operating model



Consistent track record of growth and margins



Massive, resilient and growing market opportunity



Desirable and committed consumer and provider community



Ample liquidity and prudent capital allocation



Best-in-class management team

Today's agenda





Building brand love

Ben Baum
Chief Experience Officer

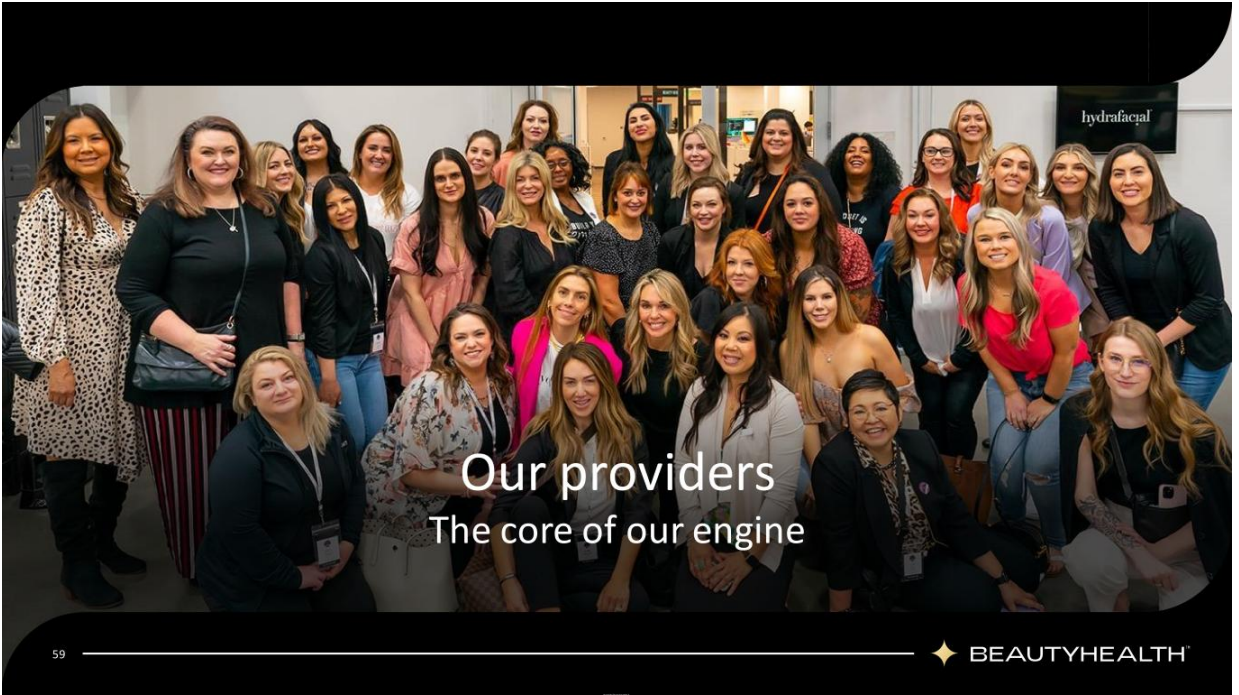
Hydrafacial Nation: at the heart of all we do



Providers

hydrafacial

Consumers



Our providers
The core of our engine

The Golden Triangle of support and education



We offer a comprehensive portfolio of education services



13

HFX Experience Centers



75+

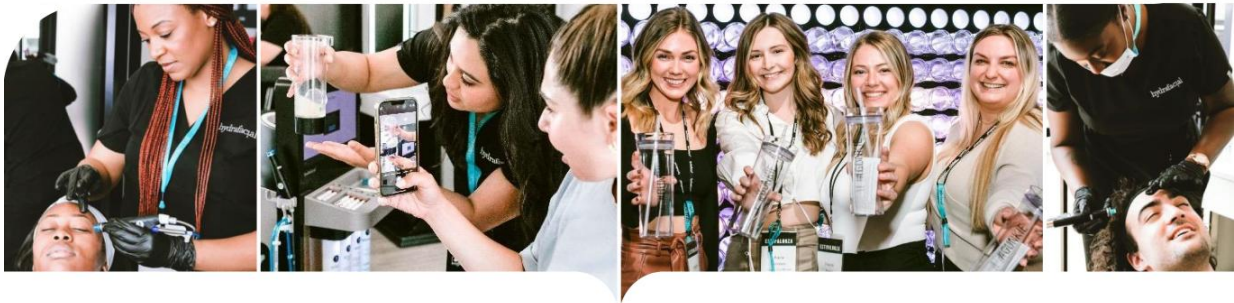
Schools with Hydrafacial presence



35,000+

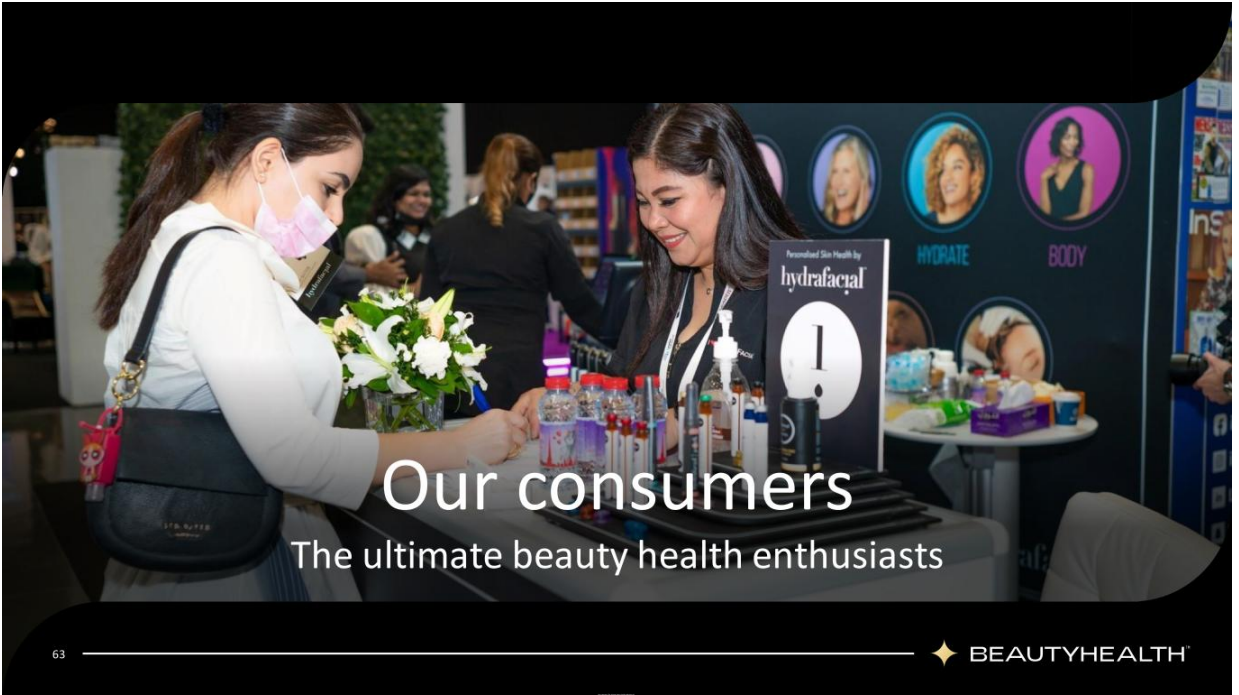
Aestheticians trained

The result: providers as Hydrafacial brand evangelists and delighted clients

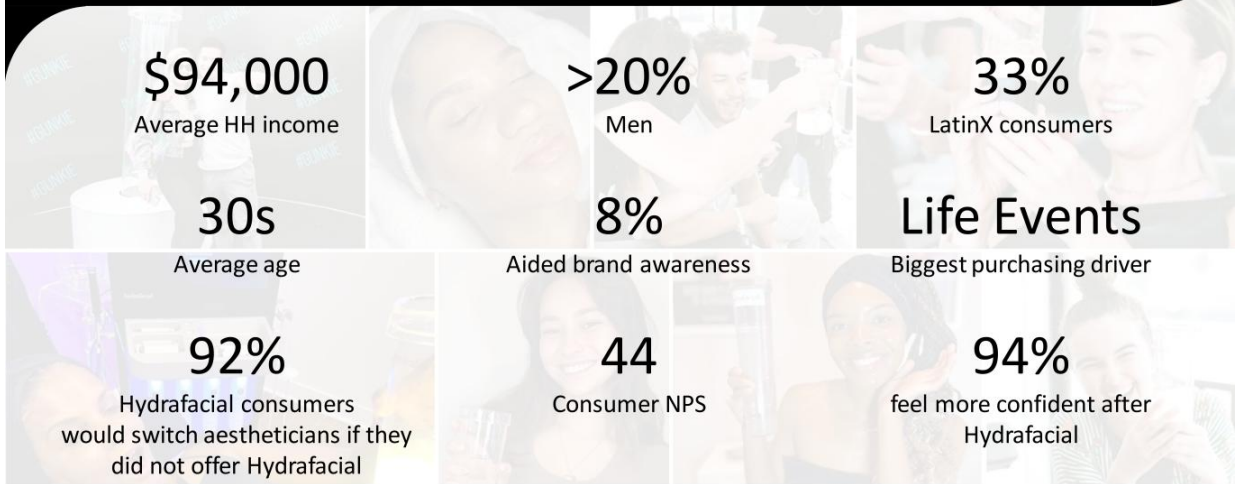


“ Hydrafacial has filled in every missing piece in our medical spa. Not only did it **attract new clientele**, our **retention rate grew to 92%** after our first 5 months. It has enabled us to **increase our sales with other services**, especially laser treatments, where we’ve had **tremendous results and growth since introducing Hydrafacial**. ”

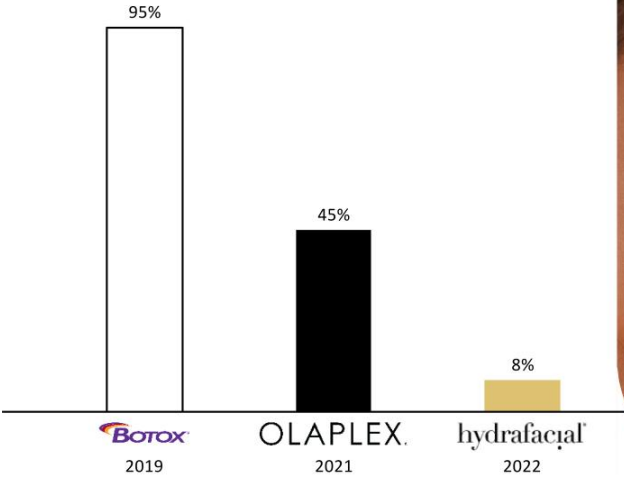
— Provider, Rhode Island



Reaching the coveted Hydrafacial consumer



Aided brand awareness



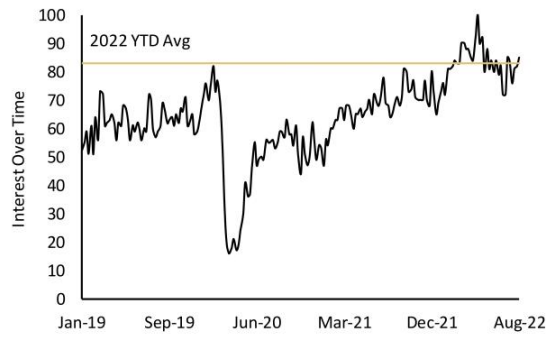
65 Source: Company data, company filings, Google.

Galvanizing influencers at every level



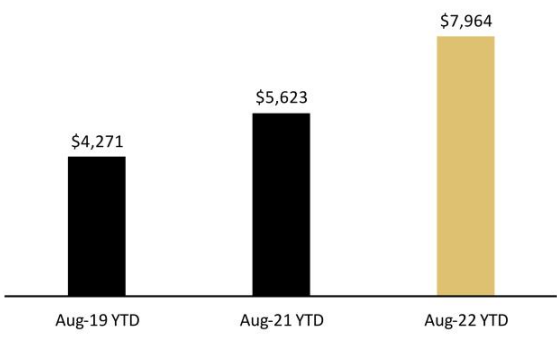
Growing brand awareness

Worldwide Google search trends

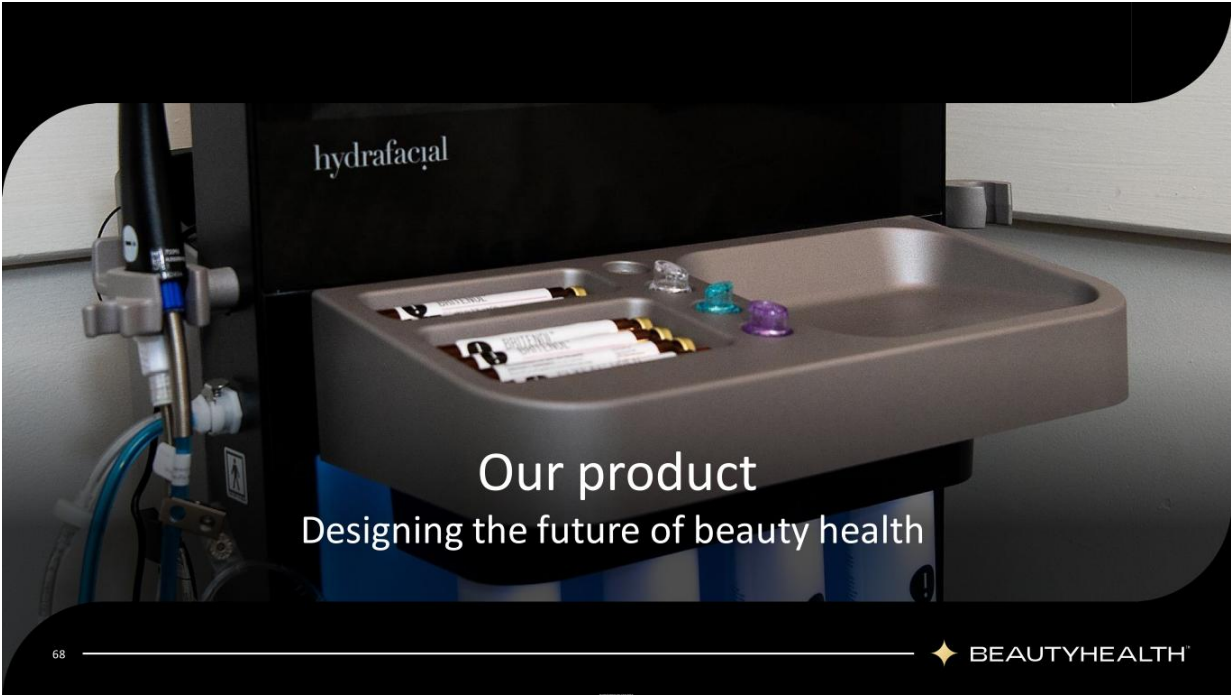


+36% vs. August 2019 YTD
+28% vs. August 2021 YTD

Earned media value (\$K)



+86% vs. August 2019 YTD
+42% vs. August 2021 YTD



Our product
Designing the future of beauty health



Meet Syndeo

The future of skin health **reimagined.**



Elevated design



Enhanced ease-of-use and intuitive operation



Co-created with aesthetician partners



Connected experience

Syndeo will pave the way to our connected platform



- ✦ First of its kind smart delivery system
- ✦ Ultimate in ease-of-use and intuitive operation
- ✦ Data to optimize utilization
- ✦ Closed loop
- ✦ Connected consumer loyalty program to grow repeat visits and LTV
- ✦ Global expansion

Poised for growth and future success

- 1 Our Golden Triangle cultivates a loyal and engaged community
- 2 The Hydrafacial consumer is highly desirable
- 3 Syndeo offers opportunity to spin our flywheel faster





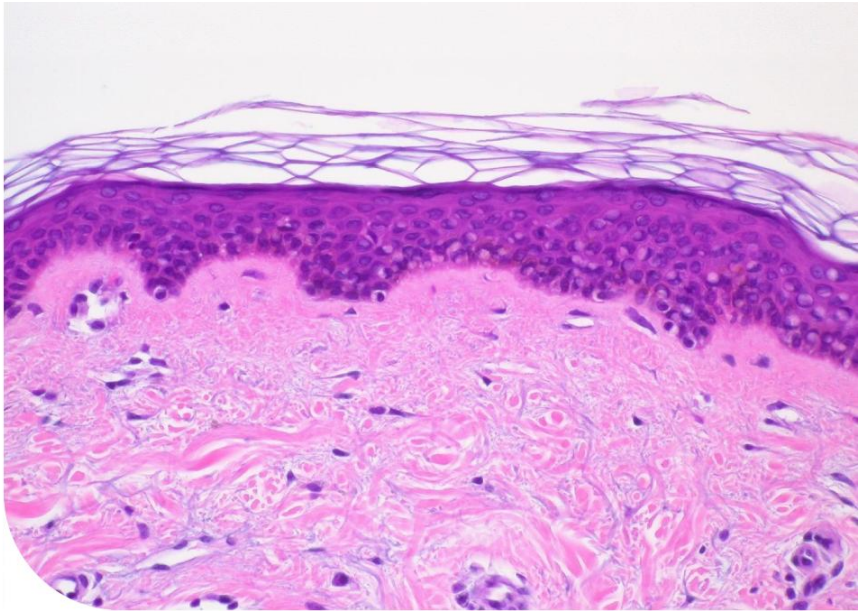
Behind the Hydrafacial glow

Jwala Karnik, MD
EVP of
Global Strategy & Partnerships

Skin health 101

Epidermis

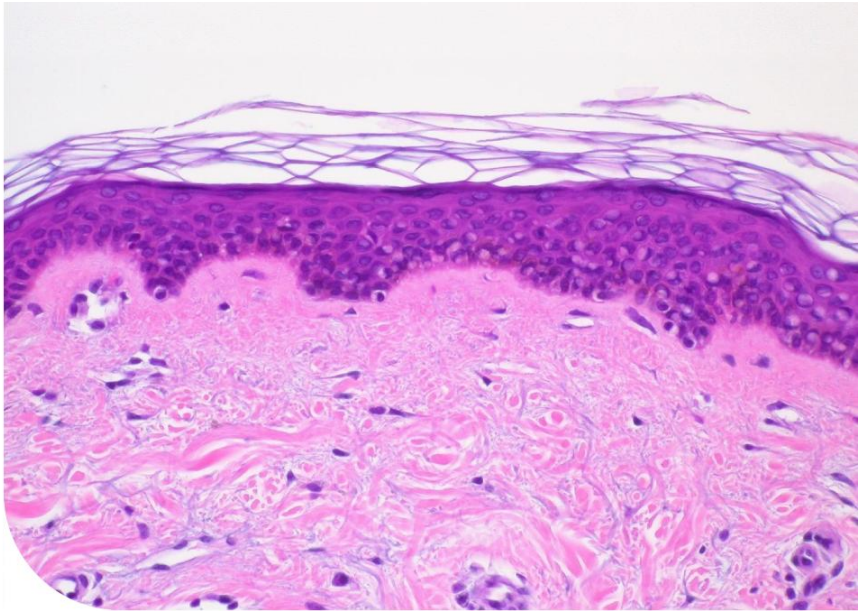
Dermis



Skin health 101

Epidermis

Dermis



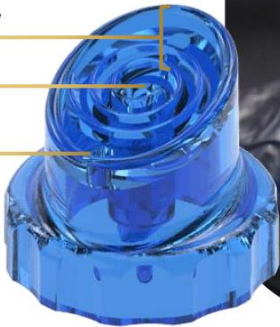
Our magic wand: patented handpiece & tip

- ◆ Spiral tip gently, but effectively, abrades epidermal layer
- ◆ Patented vortex technology helps dilate pores to facilitate extraction of dirt, sebum, and keratinocytes with continued improvement over time

Proprietary vortex technology

Advanced serum delivery

Patented spiral design with
multiple abrasive edges



Wand as a platform



Booster partners

ALASTIN SKINCARE



CIRCADIA

HydroPeptide®

Organicell

Murad.

NASSIFMD
DERMACEUTICALS®



restorsea

Senté

JLO BEAUTY™

ZO® SKIN HEALTH

At the forefront of innovation: exosome booster

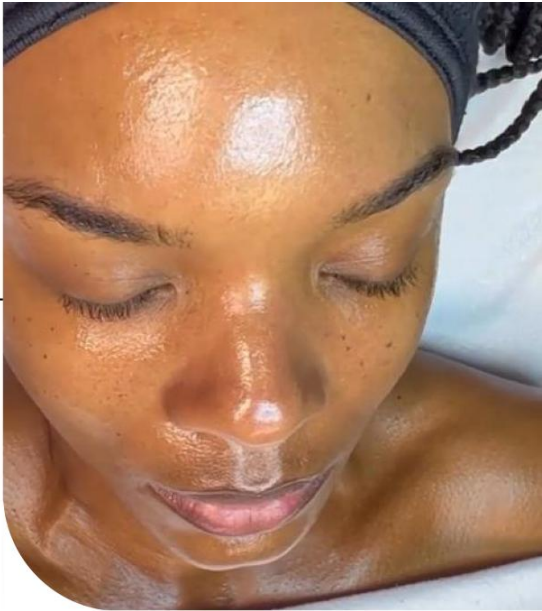
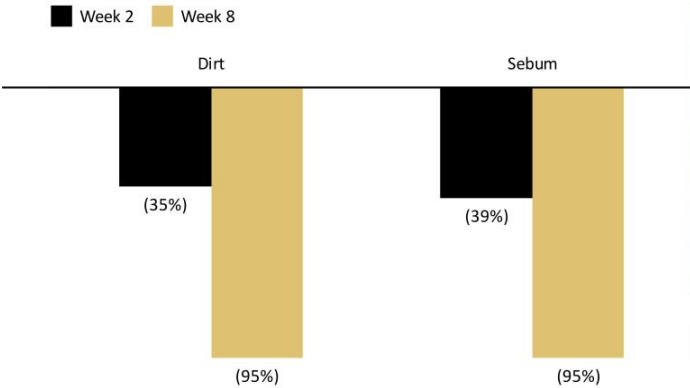
- ★ **What are exosomes?**
Extracellular vesicles carrying cell-specific cargos of cytokines, chemokines, and growth factors
- ★ **Exosomes are involved with cellular communication with respect to repair and regeneration and can address the signs of inflammation and aging**



Expected launch in 2023

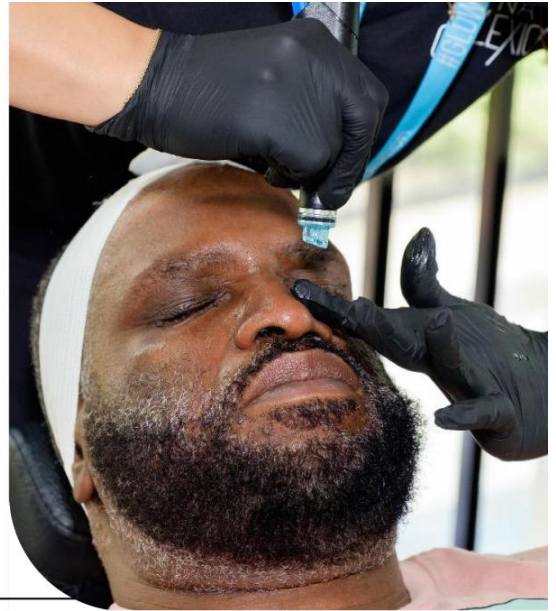
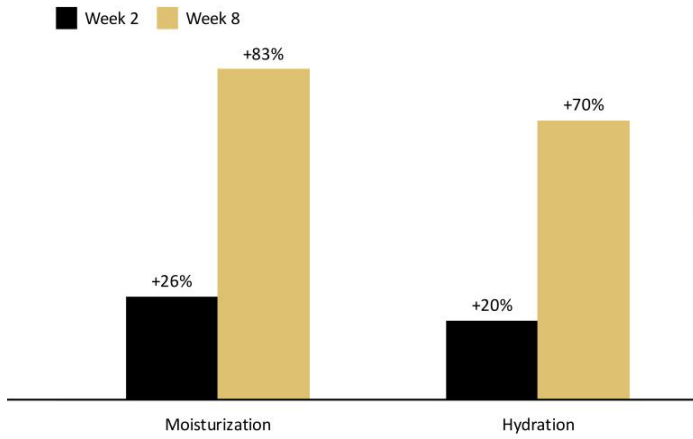
The multiple mechanisms of action for Hydrafacial

Reduction vs. Baseline in dirt and sebum post-Hydrafacial



The multiple mechanisms of action for Hydrafacial

Investigator assessment of hydration and moisturization post-Hydrafacial



79

Source: 2017 study conducted by Dermatology Consulting Services and commissioned by Hydrafacial; results shown in conjunction with a ZO Skin Health protocol including bi-daily cleansing and scrubbing in addition to a daily scrub.

The multiple mechanisms of action for Hydrafacial

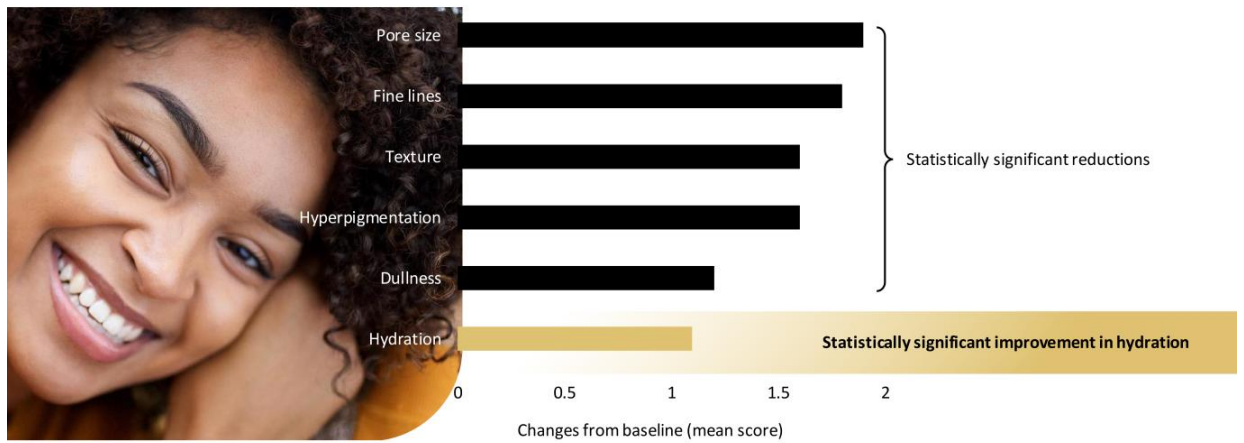
Mean improvement from baseline score in efficacy variables post-Hydrafacial

	Control	Post skin regimen + Hydrafacial
Epidermal thickness (μm)	49 \pm 7	80 \pm 8
Papillary dermal thickness (μm)	285 \pm 20	418 \pm 25



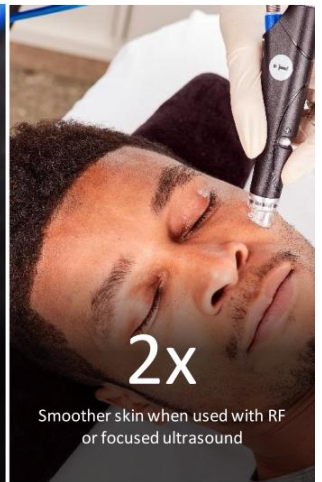
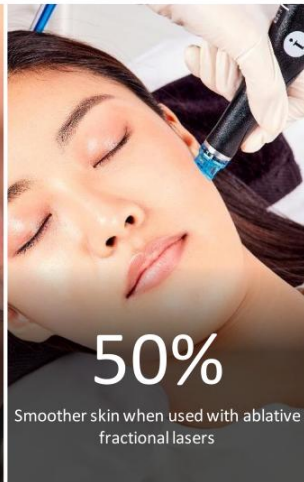
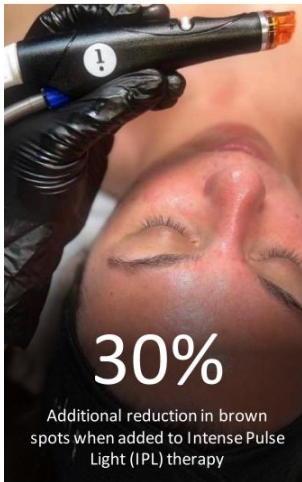
Hydrafacial delivers positive patient reported outcomes

Mean improvement from baseline score in efficacy variables post-Hydrafacial



81 Source: Bruce M. Freedman (2009) Topical antioxidant application enhances the effects of facial microdermabrasion, *Journal of Dermatological Treatment*, 20:2, 82-87, DOI: 10.1080/09546630802301818; p < 0.01.

While also improving outcomes for other treatments



Most importantly, Hydrafacial creates happy, confident consumers



Most importantly, Hydrafacial creates happy, confident consumers

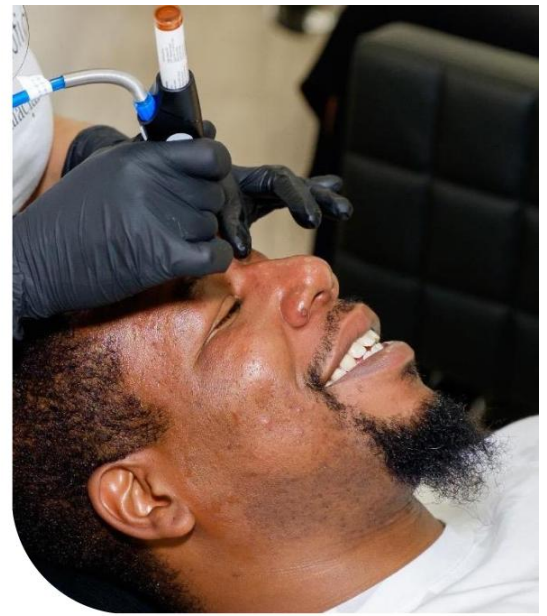


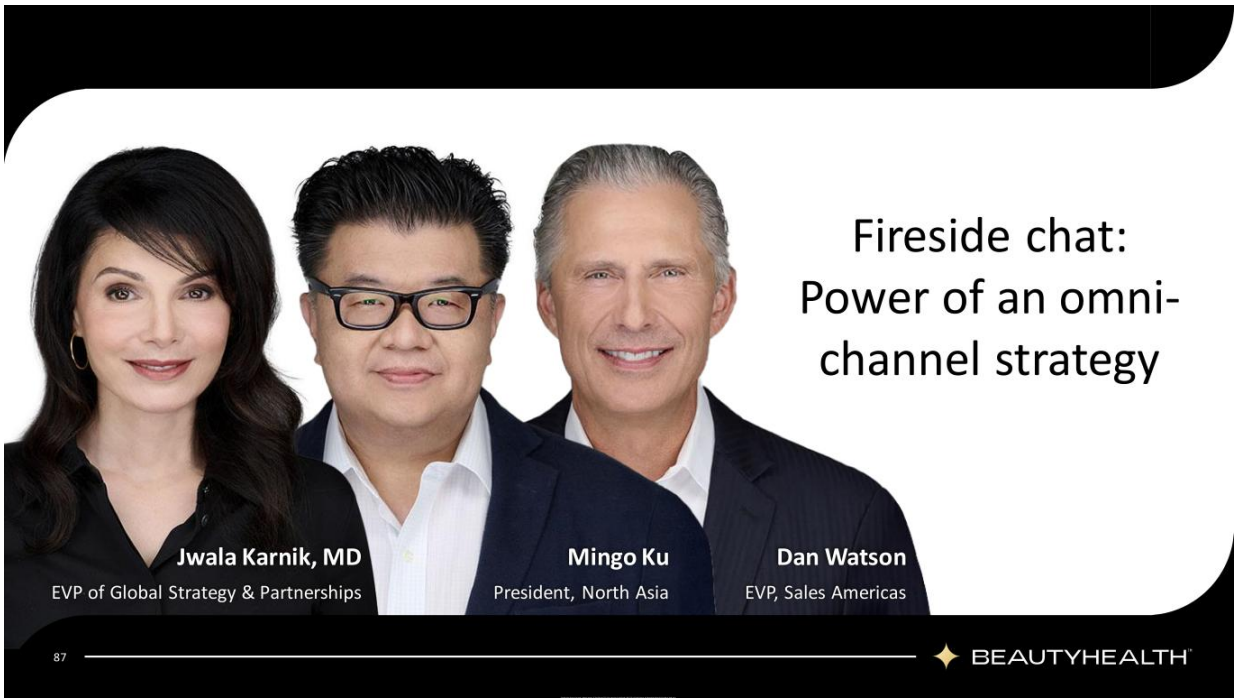
And satisfied providers



Key takeaways

- 1 Patented Hydrafacial technology yields efficacious, instantly gratifying results
- 2 Wand serves as a unique delivery platform for a range of personalized offerings
- 3 Our booster strategy is a unique and agile innovation engine





Fireside chat:
Power of an omni-
channel strategy



Jwala Karnik, MD
EVP of Global Strategy & Partnerships



Mingo Ku
President, North Asia



Dan Watson
EVP, Sales Americas

We help providers build their businesses

Physician



Creates a profitable gateway

MDs and spas see more gross profit per Hydrafacial than for the leading neurotoxin
Attracts a **higher income consumer** typically purchasing **two or more aesthetic treatments**

Spa owner



Retailer



Drives traffic

Retailers report higher average basket size for consumers receiving Hydrafacial in store

Solo practitioner



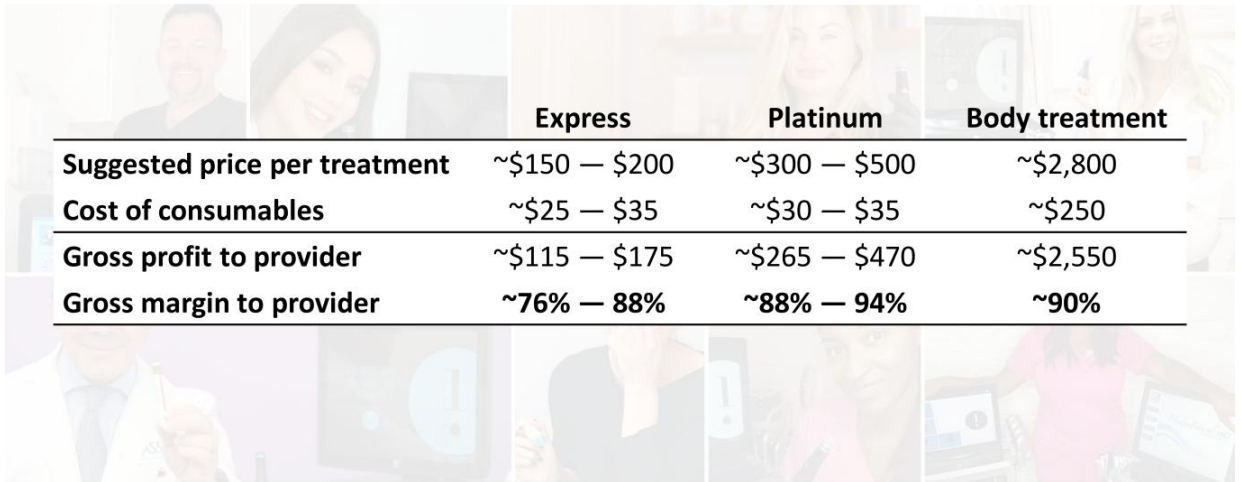
Anchors the practice

A solo practitioner performing just 10 Hydrafacials per week earns \$100,000 annually

Fireside chat:

Power of an omni-channel strategy

Hydrafacial contributes to practice productivity



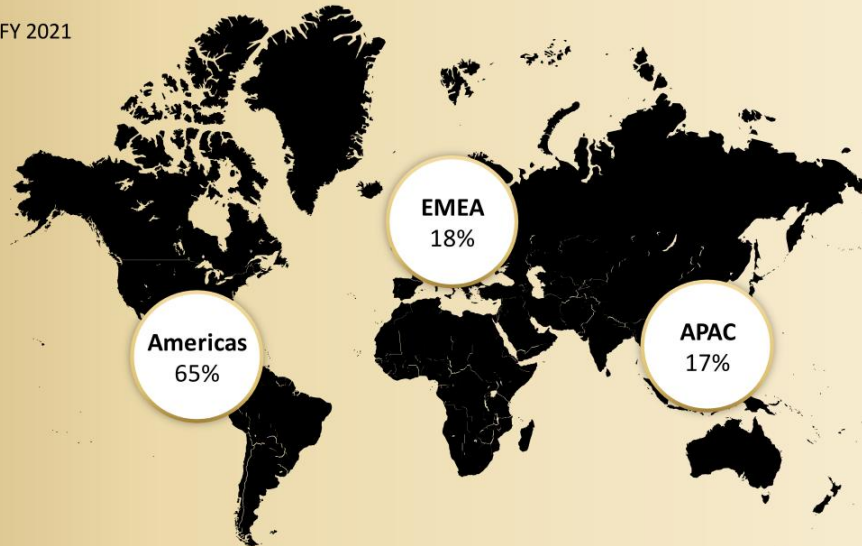
	Express	Platinum	Body treatment
Suggested price per treatment	~\$150 — \$200	~\$300 — \$500	~\$2,800
Cost of consumables	~\$25 — \$35	~\$30 — \$35	~\$250
Gross profit to provider	~\$115 — \$175	~\$265 — \$470	~\$2,550
Gross margin to provider	~76% — 88%	~88% — 94%	~90%

Fireside chat:

Power of an omni-channel strategy

We deliver diversified net sales regionally

% net sales, FY 2021



Fireside chat:

Power of an omni-channel strategy

Key takeaways

- 1 Medical channel is showing continued strong growth as our core
- 2 Spa and hospitality will continue to grow behind aesthetic boom
- 3 Retail offers an opportunity to drive brand awareness and trial
- 4 International markets outside of U.S. are showing explosive growth





Delivering the three-year plan

Liyuan Woo
Chief Financial Officer

Agenda

- 1 Our unique positioning and track record of success
- 2 Understanding our business
- 3 Three-year plan





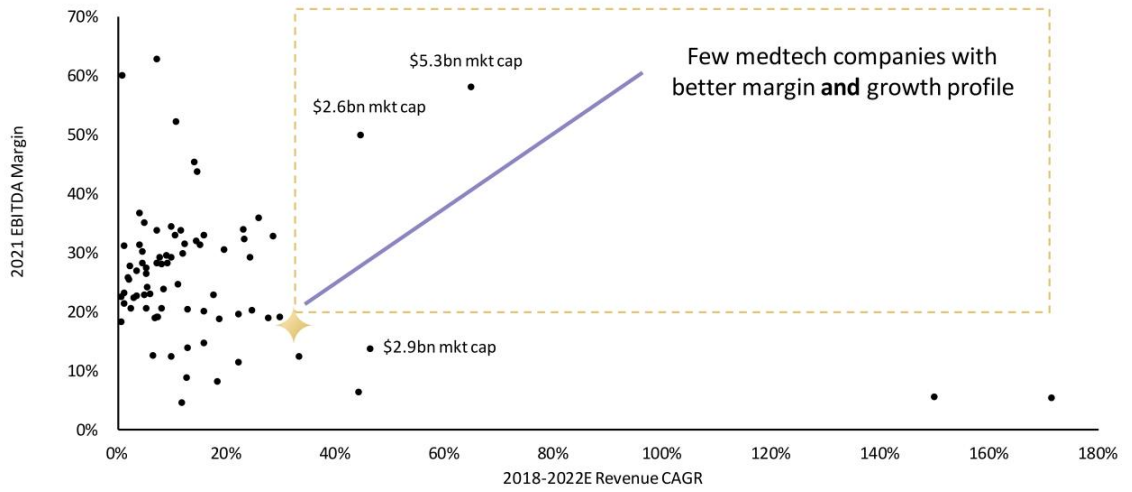
Our unique positioning
& track record of success

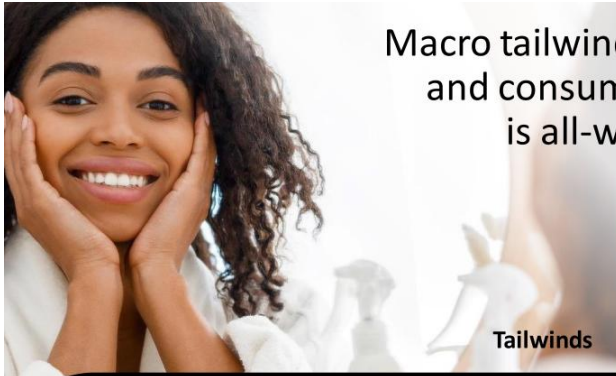


Hydrafacial offers unique competitive strengths

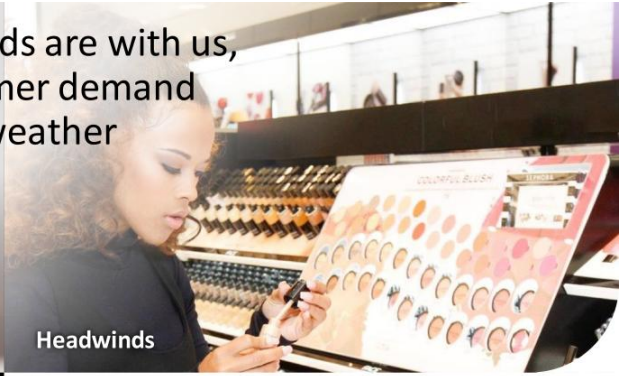


Uniquely positioned amidst medtech peers





Tailwinds



Headwinds

Macro tailwinds are with us, and consumer demand is all-weather

Societal shift toward health and wellness

Broader definition of beauty: embrace your version of beauty, whatever that may be

Reduced stigma, increased access, and advances in aesthetic procedures

Post-pandemic Zoom boom: our face is our business card

Geopolitical uncertainty

Macroeconomic environment

COVID-19 lockdowns

Supply chain disruptions

Significant recent accomplishments

52%¹

2018 – 2021 net sales CAGR

70 / 74%

2021 gross margin /
adjusted gross margin²

6

Consecutive topline beat
and raise quarters

4

Distributor acquisitions
completed in 2021

\$750 million

1.25% Convertible debt
opportunistically raised

Global ERP

Implemented by YE 2022



101

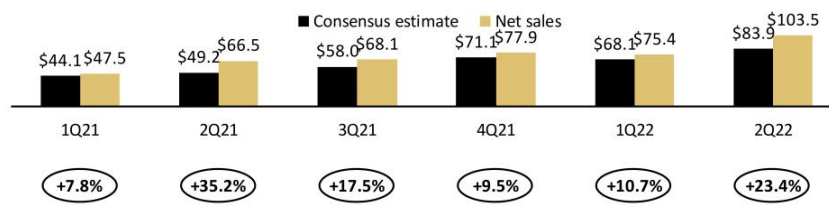
¹ Excludes 2020 due to pandemic impact.

² Non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and a reconciliation to the nearest GAAP measure.

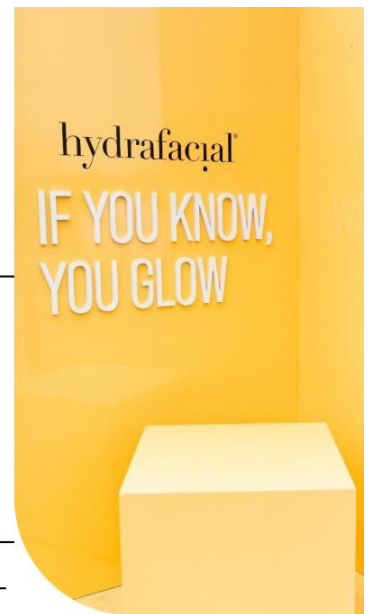
◆ BEAUTYHEALTH™

Consistently beating and raising expectations

Strong track record of net sales outperformance (\$mm)



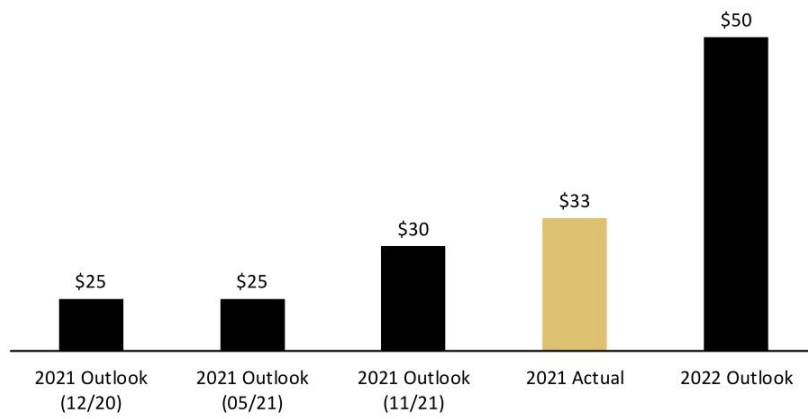
Net sales outlook (\$mm)



102 Source: FactSet consensus estimates.

Dollar EBITDA guidance as we scale

Historical adjusted EBITDA outlook (\$mm)



¹⁰³ Note: Adjusted EBITDA is a non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook.

\$821 million

Cash to fuel M&A

\$50 million

Senior Secured Credit Facility
to manage working capital

**Ample inventory to
meet demand**

Well capitalized to execute



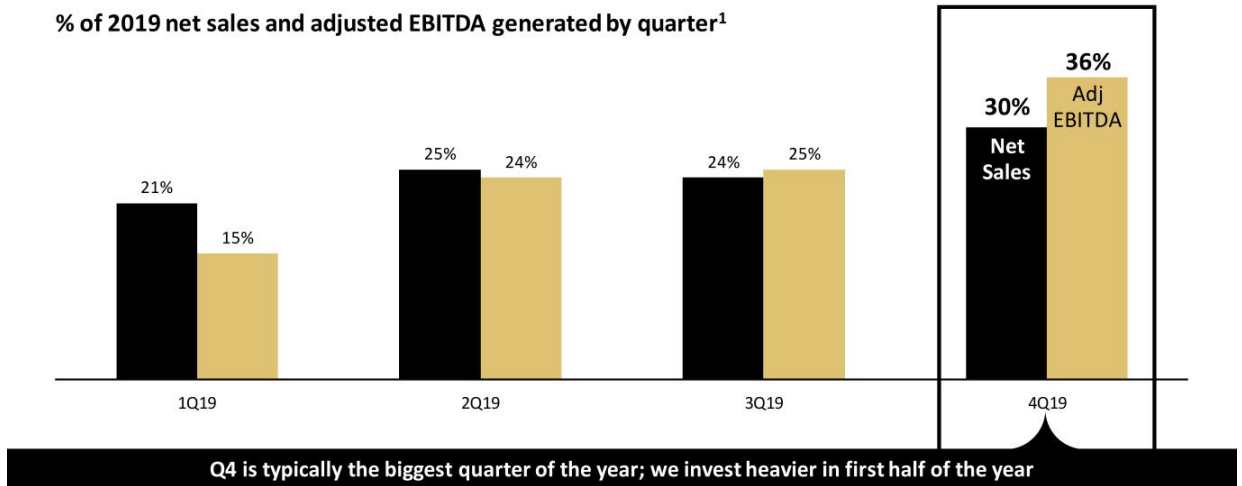


Understanding our business



Seasonality in the business – 2019 example

% of 2019 net sales and adjusted EBITDA generated by quarter¹

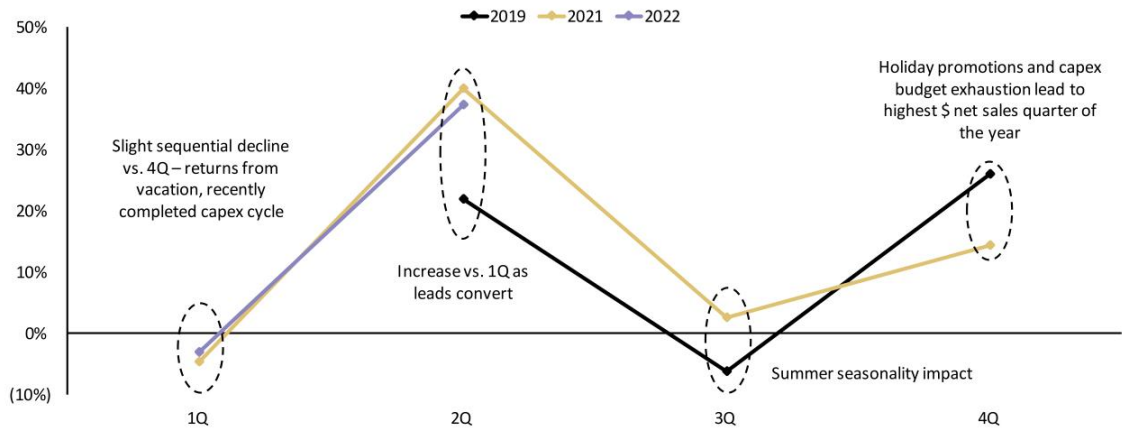


106

¹ Non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook.

Understanding sequential net sales growth patterns

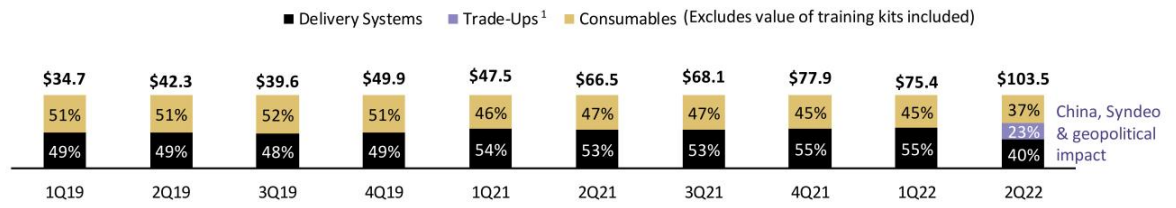
Sequential net sales growth by calendar quarter



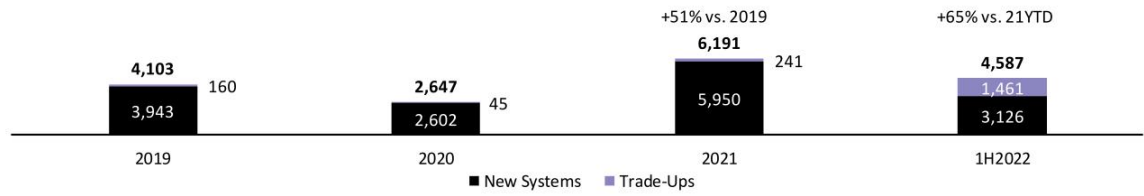
Consumables keeping pace with accelerated system sales



Net sales (\$mm)

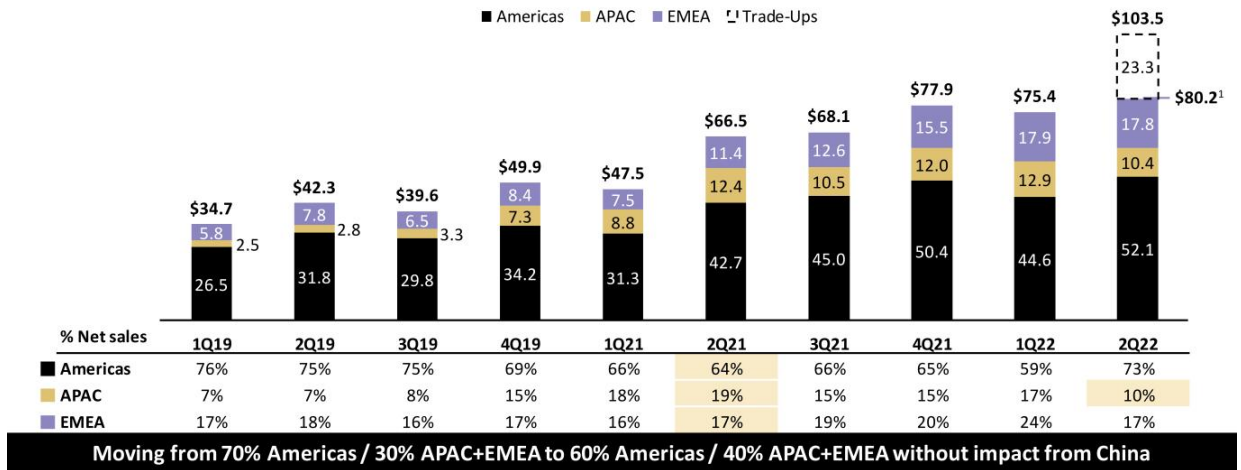


Delivery systems sold



108 1. Trade-Up revenue only disaggregated in 2Q22.

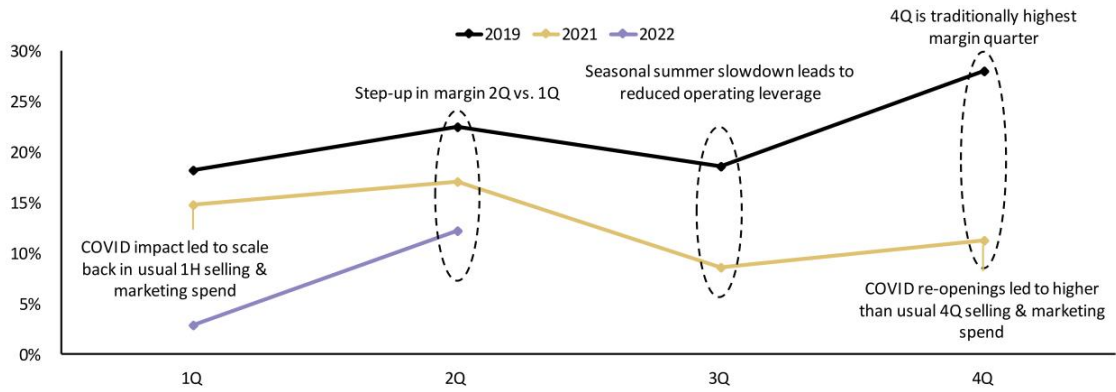
Quarterly net sales by region



109 ¹Excludes \$23.3 million net sales associated with trade-ups during 2Q22.

Understanding quarterly adj. EBITDA margin patterns

Adjusted EBITDA margin¹ by calendar quarter



Heavy marketing investments are usually in first half of the year to fuel leads for the year

110 ¹Non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and a reconciliation to the nearest GAAP measure.



Three-year plan



Our three-year plan

Double net sales (vs. 2022)

\$600 – 700mm

2025E net sales

20 – 27% 2022E – 2025E CAGR¹

- ◆ Continued penetration across all channels
- ◆ Nascency across key geographies
- ◆ Consumables pull-through



112

Note: Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented;

1. Assuming midpoint of previously stated 2022-23-24-25 net sales guidance.

◆ BEAUTYHEALTH™

Our three-year plan

At least triple adjusted EBITDA (vs. 2022)

18 – 20%

2023E
Adjusted EBITDA
margin

25 – 30%

2025E
Adjusted EBITDA
margin

- ✦ Value engineering efforts creating gross margin expansion
- ✦ Shift mix towards consumables
- ✦ Operating leverage across the expense base

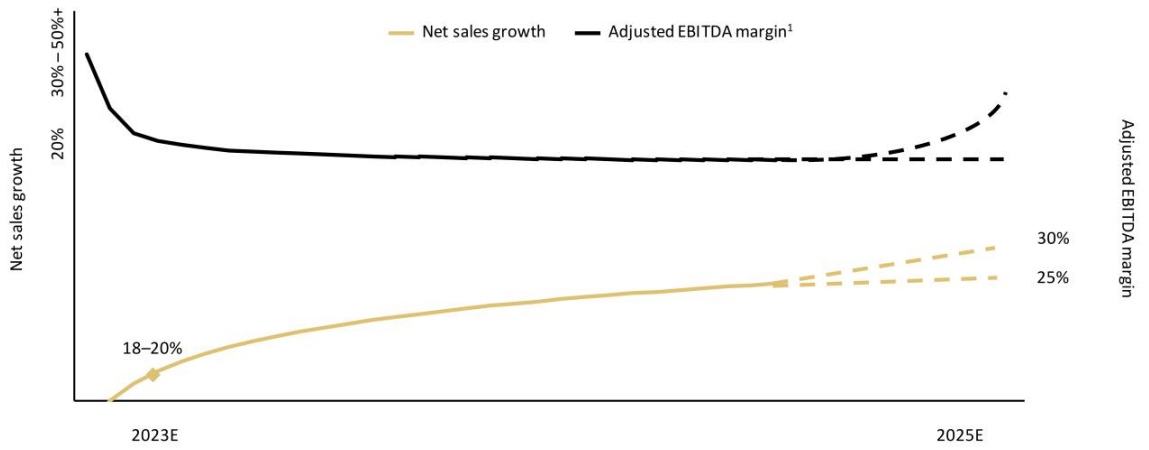


113

Note: Adjusted EBITDA is a non-GAAP measure. See appendix for a definition and discussion. Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

✦ BEAUTYHEALTH™

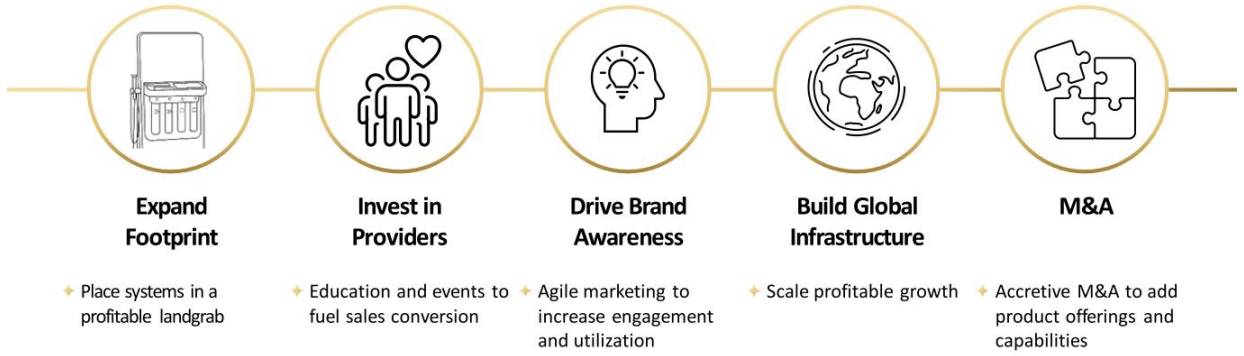
Balancing growth with profitability



Striking the right balance to optimize in the U.S. while fueling growth globally

¹ Non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook. Note: Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

Our 5-point Master Plan expected to support continued growth momentum



We are playing in a large, high-growth market

Estimated number of locations in our direct markets

	Americas	APAC	EMEA	Total
Dermatology offices	15,500	25,500	8,500	49,500
Plastic and aesthetic surgery offices	10,000	8,500	11,000	29,500
Medical spas	11,000	80,500	2,000	93,500
Non-medical spas	9,500	109,000	10,500	129,000
Hotel / resort spas	32,000	54,000	17,500	103,500
Higher-end gyms / studios	21,000	16,000	2,500	39,500
Total doors	99,000+	293,500+	52,000+	444,500+
Penetration	Low teens %	~1%	LDD %	~5%

Upside drivers

Excludes indirect markets

Excludes multiple systems in each location

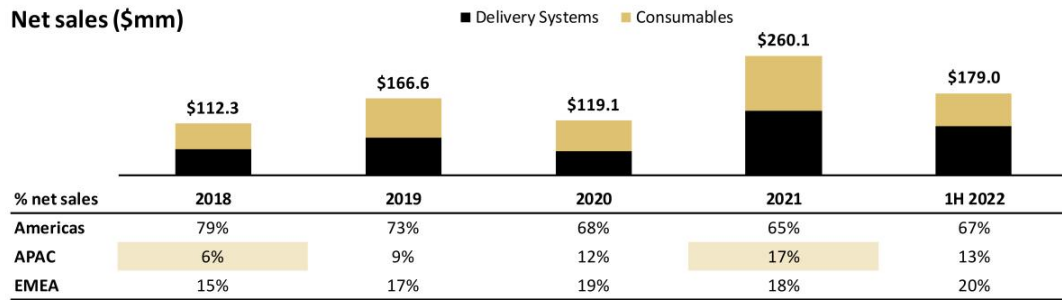
Excludes upside from additional penetration in retail

Excludes travel (cruises, airports)

Huge TAM and underpenetrated even in the highest utilization areas of spas

Compelling growth profile – current state

Net sales (\$mm)



Quarterly sales growth by region¹

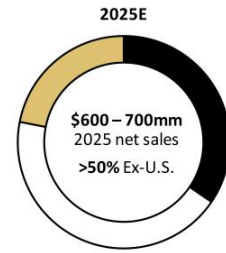
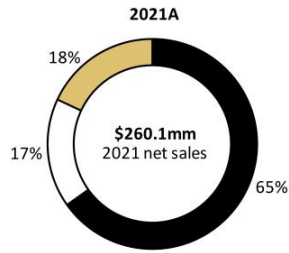
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Americas	18%	34%	51%	47%	43%	77%
APAC	252%	352%	218%	64%	47%	(17%) --- COVID impact
EMEA	29%	46%	94%	85%	140%	56%

117
¹ 2021 quarters compared to respective 2019 quarters due to COVID.
 Note: Percentages may not recalculate due to rounding.

APAC and consumables are key drivers of growth

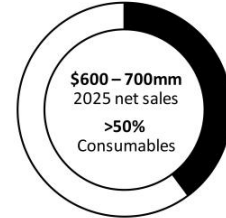
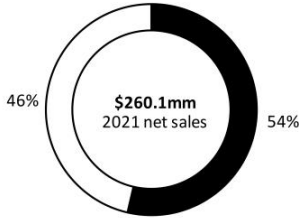
Net sales by geography

- Americas
- APAC
- EMEA



Net sales by segment

- Delivery Systems
- Consumables









Levers to increase utilization

Account management

- ♦ Branding and education initiatives
- ♦ 6 – 40x ROI on marketing
- ♦ 2 – 4X return on training
- ♦ Trained masters generate 20% more consumable revenue
- ♦ Connected and personalized CRM tools for account managers

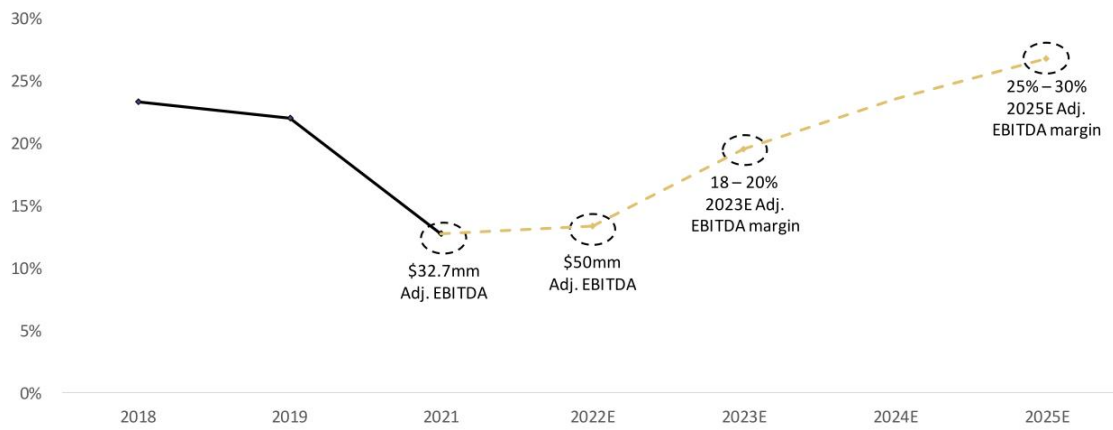


Extend beyond the face

 Hands	 Lips
 Scalp	 Back
 Décolleté	 Booty

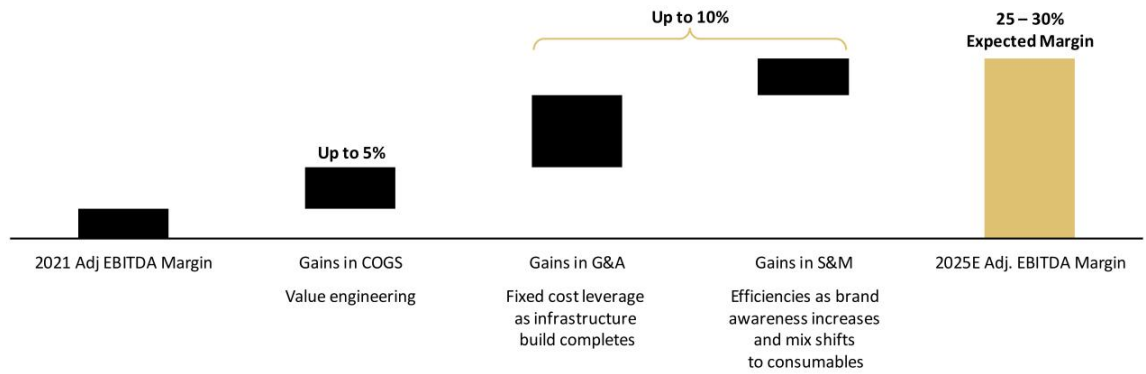
Returning to and exceeding historical adj. EBITDA margins

Adjusted EBITDA margin by calendar year¹



¹ Non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook. Note: Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

Bridge to 25-30% adj. EBITDA margin: reaping the benefits of our investments



We anticipate continual adjusted EBITDA margin expansion each year, starting with an estimated 18 – 20% margin in 2023

¹²¹ Note: Adjusted EBITDA is a non-GAAP measure; please refer to the appendix for a discussion of the definition of this measure and important information regarding the assumptions underlying the outlook.

Exiting our outsized investment years



2021 – 2022 Growth investments

- ◆ ~800 new employees
- ◆ Recruiter fees
- ◆ Global office / real estate
- ◆ Experience Centers
- ◆ Global back-end software infrastructure build – SOX, ERP etc.
- ◆ Third party logistics (3PL)

2023+ Planned growth optimization

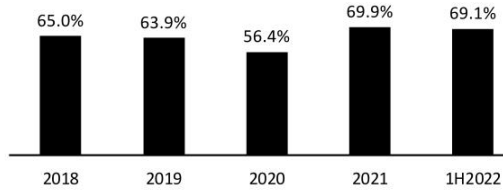
- ◆ Optimized sales & operations planning
- ◆ Production efficiencies
- ◆ Fixed cost leverage on higher net sales volume
- ◆ Improved training & marketing capabilities
- ◆ Productivity gains

Extracting leverage from gross margin

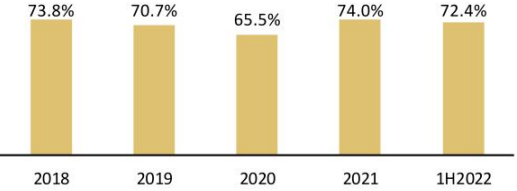
Today

- ✦ Air freight, less-than-load and smaller order sizes
- ✦ Duplicate costs as localized manufacturing and 3PLs stood up
- ✦ Globally sourced components, Long Beach assembly
- ✦ Value engineering starting for Syndeo
- ✦ Multiple third-party manufacturers added globally

GAAP gross margin



Adjusted gross margin¹

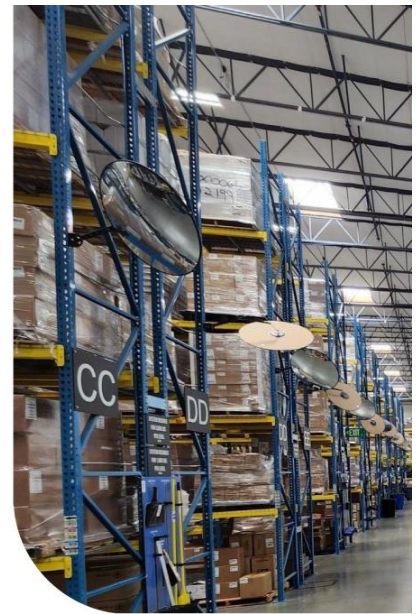


123 ¹Non-GAAP measure; please refer to the appendix for a reconciliation to the most comparable GAAP measure.

Extracting leverage from gross margin

Investment

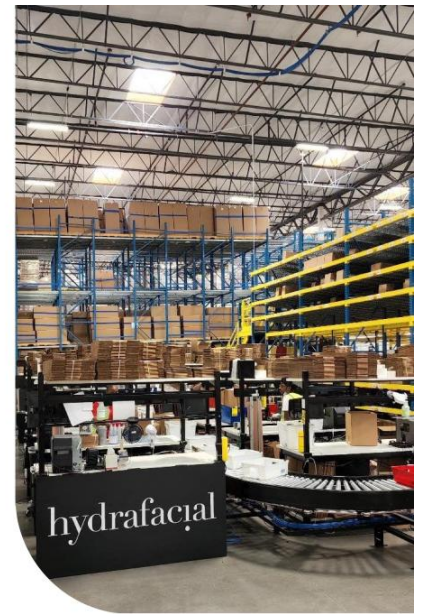
- ◆ 3PL in EMEA & APAC
- ◆ ERP to streamline order-to-cash all the way through 3PL integrations
- ◆ Assembly line efficiencies
- ◆ Demand planning and other sales and operations planning tools



Extracting leverage from gross margin

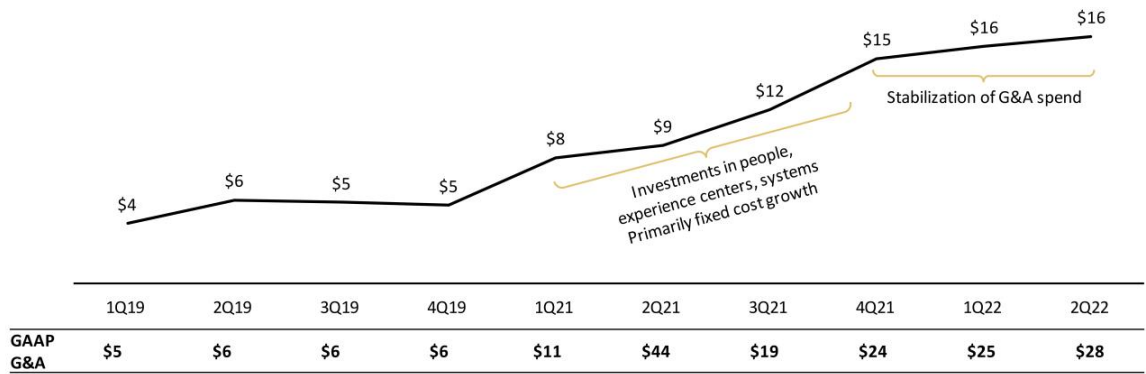
Future state

- ◆ Ocean freight, economies of scale
- ◆ Localized manufacturing
- ◆ 3PLs for international operations
- ◆ Streamlined efficiency in sourcing and system assembly
- ◆ In-house consumables production



Approaching a steady-state G&A

Normalized G&A (\$mm)¹



Substantial opportunity to generate operating leverage from stabilizing G&A base

¹Non-GAAP measure; please refer to the appendix for a reconciliation to the nearest GAAP measure and discussion of the definition of this measure.

Extracting leverage from G&A

Today

- ◆ Nascent commercial presence in international markets with minimal back-end support
- ◆ ERP in rollout phase
- ◆ Four distributors purchased in 3Q21



Extracting leverage from G&A

Investment

- ◆ Hiring key talent
- ◆ Public company costs
(SOX compliance, D&O, ERP, audits, etc.)
- ◆ Transfer pricing planning and build-out
- ◆ Rent for new small offices and training /
experience centers globally



Extracting leverage from G&A

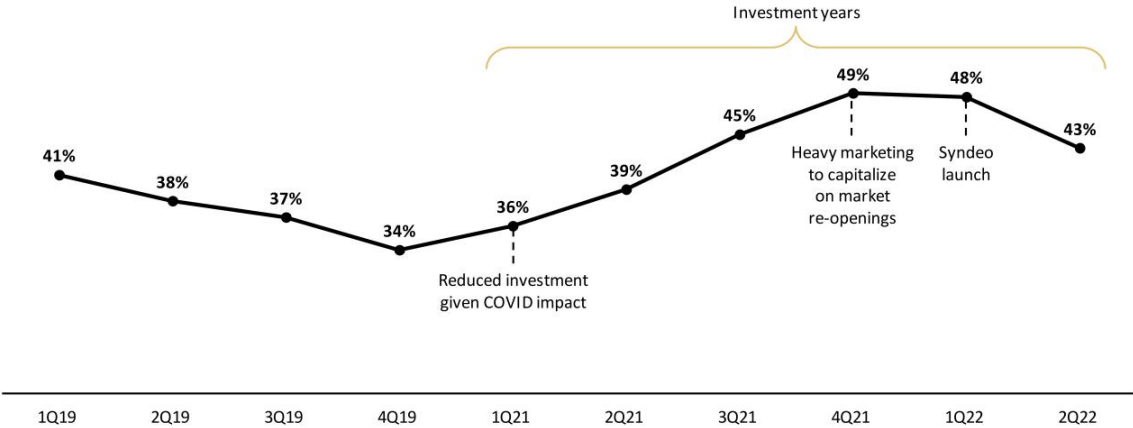
Future state

- ◆ Fully scaled global back office to sustain substantially increased net sales
- ◆ Full commercial presence to develop and penetrate our 16 direct markets globally
- ◆ Established global shared services model



Selling & marketing seasonality in the business

Selling & marketing expense as % of net sales



Extracting leverage from selling & marketing

Today

- ◆ 8% aided brand awareness
- ◆ Ceiling of international growth potential given limited size of ex-U.S. sales force
- ◆ Outsized investment in physical activation first half of the year



Our biggest selling & marketing events happen in 1H



Other notable sales & marketing events

- ◆ Global Sales Meeting (Jan)
- ◆ Estipalooza (May)
- ◆ GlowVolution (June)

Extracting leverage from selling & marketing

Investment

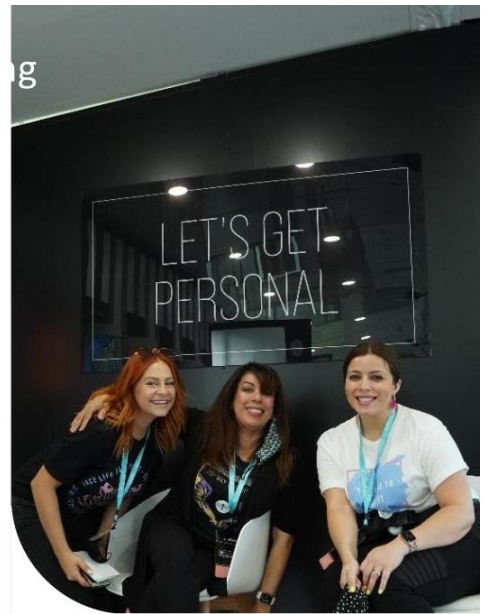
- ◆ Brand awareness initiatives
- ◆ Hiring key sales, training and marketing (Golden Triangle) talent
- ◆ Global hiring ahead of sales (ie, \$20mm more investment compared to 2021)
- ◆ Incentivization of sales force to place systems
- ◆ Training and inside sales support



Extracting leverage from selling &

Future state

- ◆ Localized and established commercial infrastructure across all direct markets
- ◆ Leverage in commissions as sales mix shifts
- ◆ Reduced need for substantial investments in marketing with broadening brand awareness
- ◆ Optimized sales cycle and lead conversion times



Our three-year plan

2x net sales

vs. 2022E

\$600 – \$700mm

2025E net sales

20 – 27% 2022E – 2025E CAGR¹

3x+ Adj. EBITDA

vs. 2022E

18 – 20%

2023E Adj. EBITDA margin

25 – 30%

2025E Adj. EBITDA margin

135

Note: Adjusted EBITDA is a non-GAAP measure. See appendix for a definition and discussion. Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The plan does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our plan assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

1. Assuming midpoint of previously stated 2022-23-25 net sales guidance.

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Key takeaways

- 1 Successful track record of progress over perfection execution
- 2 Substantial growth runway ahead
- 3 Significant profitability potential





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Analyst & Investor Day

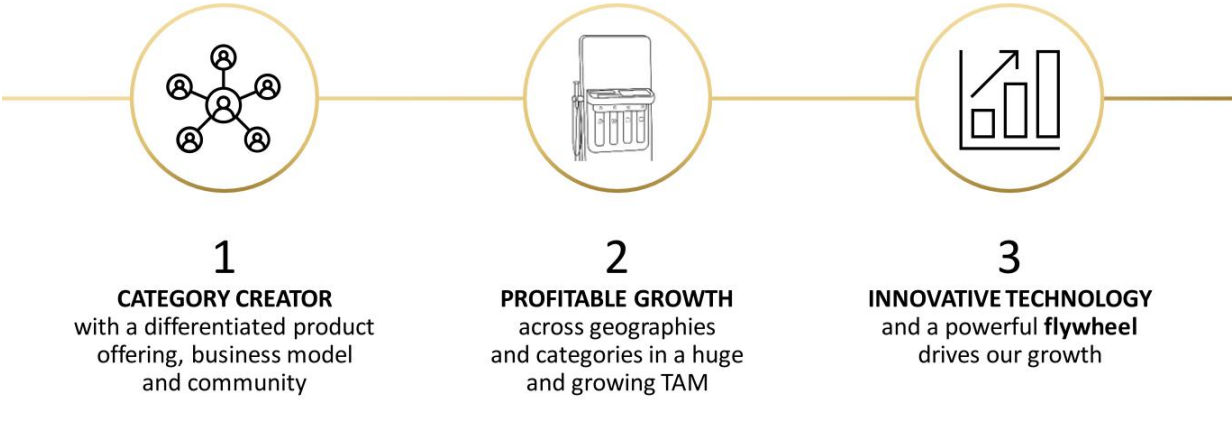
September 15, 2022



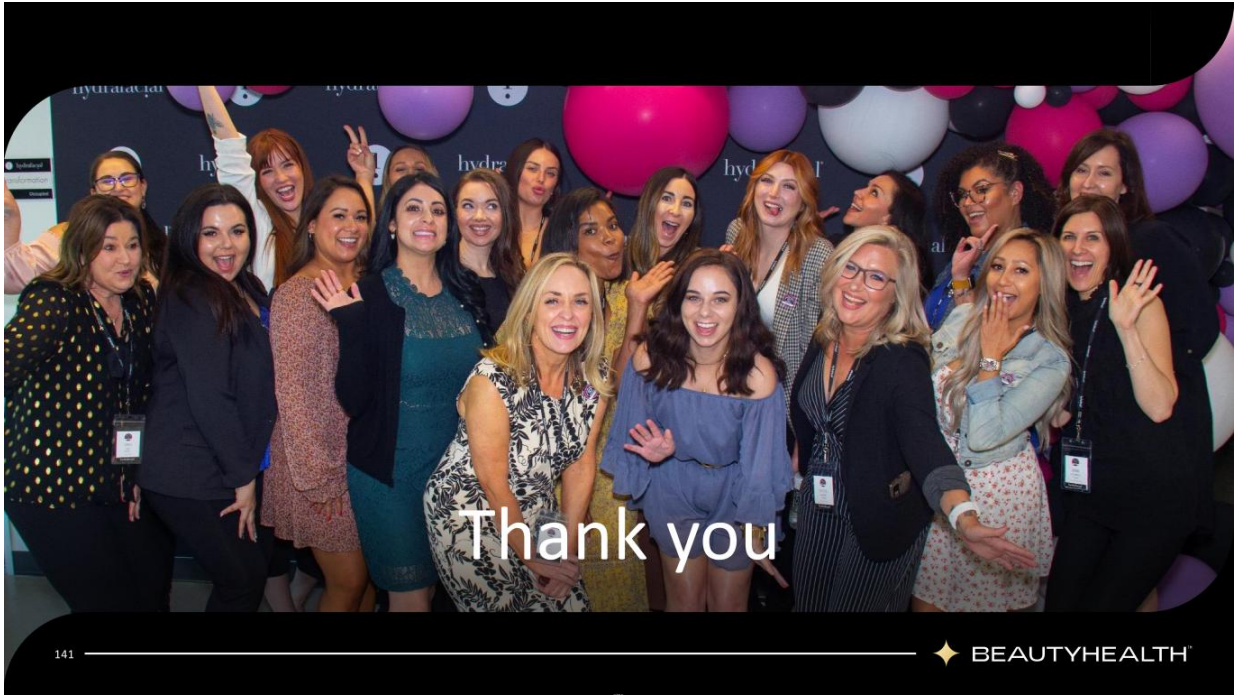
Closing remarks

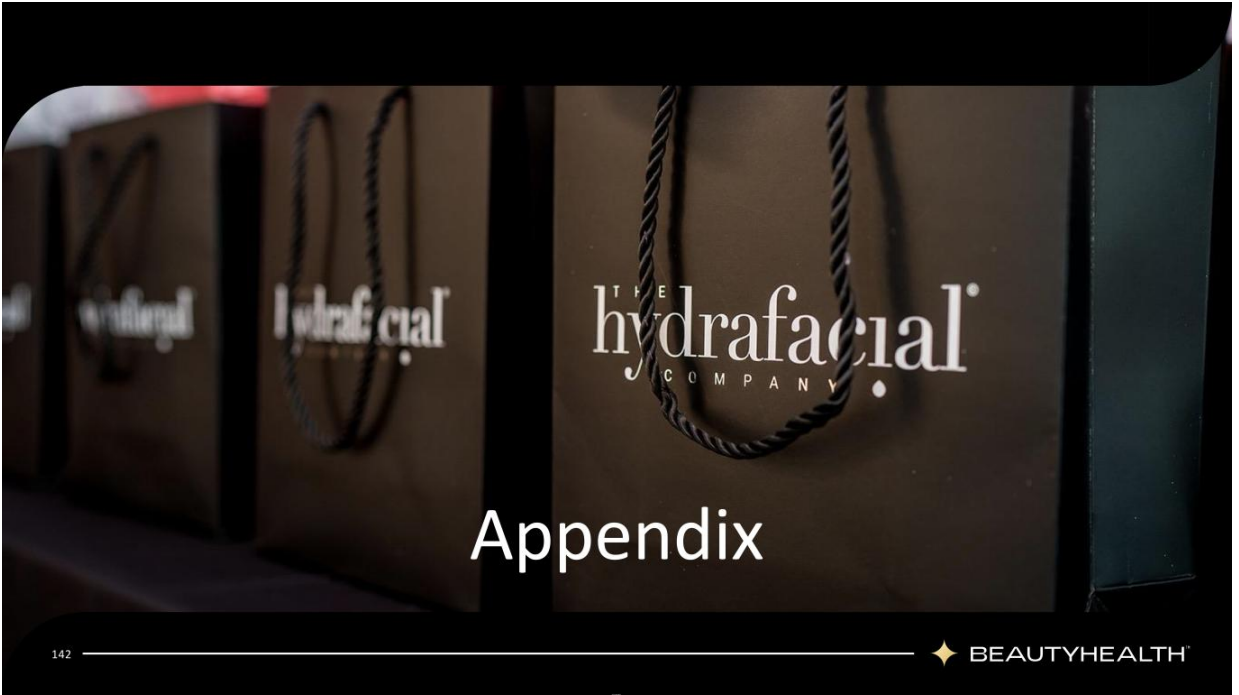
Andrew Stanleick
President & Chief Executive Officer

Today's three takeaways



Questions?





Appendix

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 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, 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022 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.

The Company does not provide a reconciliation of its expected fiscal 2022, 2023 and 2025 adjusted EBITDA to net income (loss), the most directly comparable forward looking GAAP financial measure, 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 expected fiscal 2022, 2023 and 2025 adjusted EBITDA 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.

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 normalized G&A to facilitate internal comparisons of historical operating performance on a more consistent basis and uses this measure 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 normalized G&A to increase over the long-term, as the Company continues to scale and achieve greater operating leverage. The Company calculates normalized G&A as General & Administrative Expense, adjusted to exclude: depreciation and amortization expense; stock-based compensation expense; 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); and credit card fees.

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).

Reconciliation of net income to adjusted EBITDA

Unaudited (\$mm)	Three months ended					
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
Net revenue	\$103.5	\$75.4	\$77.9	\$68.1	\$66.5	\$47.5
Net income (loss)	\$7.9	\$32.5	(\$17.3)	(\$215.1)	(\$139.4)	(\$3.3)
Adjusted to exclude the following:						
Change in FV of warrant liability	(15.2)	(52.1)	6.0	199.3	72.0	–
Change in FV of earn-out shares liability	–	–	–	10.6	36.5	–
Amortization expense	3.9	3.7	3.9	3.5	3.0	3.0
Stock-based compensation expense	6.4	7.0	3.8	5.1	3.5	0.0
Other expense	(1.7)	0.9	0.2	(0.0)	4.3	0.0
Management fees ¹	–	–	–	–	0.1	0.1
Transaction related costs ²	2.0	1.0	2.6	1.2	30.4	0.7
Other non-recurring and one-time fees ³	1.9	2.0	3.3	0.5	0.1	0.1
Aggregate adjustment for income taxes	(3.1)	(3.6)	(0.8)	(2.4)	(2.7)	(0.8)
Adjusted net income (loss)	\$2.2	(\$8.5)	\$1.6	\$2.5	\$7.8	(\$0.1)
Depreciation expense	1.9	1.4	2.0	2.4	0.7	0.7
Interest expense	3.2	3.4	3.5	0.5	2.1	5.7
Foreign currency (gain) loss, net	2.2	(0.4)	(0.6)	0.4	(0.0)	0.3
Remaining benefit for income taxes	3.2	6.2	2.0	(0.1)	0.8	0.5
Adjusted EBITDA	\$12.6	\$2.2	\$8.5	\$5.8	\$11.4	\$7.0
Adjusted EBITDA margin	12.2%	2.9%	10.9%	8.5%	17.1%	14.8%

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 six months ended June 30, 2022, such amounts primarily represent direct costs incurred in relation to potential acquisitions. 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 the six months ended June 30, 2022, such costs include the re-organization severance, other one-time personnel costs related to executive recruiting, executive severance, a onetime loss on fixed asset write-offs and a CEO sign-on bonus. For the year ended December 31, 2021, such costs primarily represent one-time retention awards related to the distributor acquisitions and executive recruiting and severance fees.

Reconciliation of net income to adjusted EBITDA

Unaudited (\$mm)	Year ended		
	Dec-21	Dec-19	Dec-18
Net revenue	\$260.1	\$166.6	\$112.3
Net income (loss)	(\$375.1)	(\$1.6)	(\$0.3)
Adjusted to exclude the following:			
Change in FV of warrant liability	277.3	—	—
Change in FV of earn-out shares liability	47.1	—	—
Depreciation & amortization expense	17.8	13.9	11.5
Stock-based compensation expense	12.4	0.1	0.1
Other expense (income)	4.5	(0.5)	0.0
Management fees ¹	0.2	1.8	3.2
Transaction related costs ²	34.9	1.7	0.4
Other non-recurring and one-time fees ³	4.0	5.7	1.0
Aggregate adjustment for income taxes	(14.1)	—	—
Interest expense	11.8	17.1	10.0
Foreign currency (gain) loss, net	0.1	(0.2)	(0.0)
Remaining benefit for income taxes	11.8	(1.3)	0.3
Adjusted EBITDA	\$32.7	\$36.7	\$26.2
Adjusted EBITDA margin	12.6%	22.0%	23.3%

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 HydrFacial. For the years ending December 31, 2019 and December 31, 2018, such amounts represent direct costs incurred to prepare the Company to be marketed for sale by the Company's shareholders in previous periods. 3. For the year ended December 31, 2021, such costs primarily represent one-time retention awards related to the distributor acquisitions and executive recruiting and severance fees. For the years ended December 31, 2019 and December 31, 2018, such costs primarily represent personnel costs associated with restructuring of HydrFacial's salesforce and costs associated with former warehouse and assembly facility during the transition period, to defend certain patents that were being infringed upon and a 2019 relocation to a new assembly and warehouse facility that was completed during December 2019.

Reconciliation of gross margin to adjusted gross margin

Unaudited (\$mm)	Six months ended	Year ended			
	Jun-22	Dec-21	Dec-20	Dec-19	Dec-18
Net sales	\$179.0	\$260.1	\$119.1	\$166.6	\$112.3
Cost of sales	55.4	78.3	51.9	60.1	39.3
Gross profit (GAAP)	\$123.6	\$181.8	\$67.2	\$106.5	\$73.0
Gross margin (GAAP)	69.1%	69.9%	56.4%	63.9%	65.0%
Adjusted to exclude the following:					
Stock-based compensation expense included in cost of sales	0.4	0.4	—	—	—
Depreciation and amortization expense included in cost of sales	5.6	10.3	10.8	11.3	10.0
Adjusted gross profit	\$129.6	\$192.5	\$78.0	\$117.8	\$82.9
Adjusted gross margin	72.4%	74.0%	65.5%	70.7%	73.8%

Reconciliation of G&A to normalized G&A

Unaudited (\$mm)	Three months ended									
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-19	Sep-19	Jun-19	Mar-19
General & administrative expense	\$28	\$25	\$24	\$19	\$44	\$11	\$6	\$6	\$6	\$5
Adjusted to exclude the following:										
Transaction-related costs and other non-recurring and one-time fees	3	3	6	2	30	1	0	0	0	0
Depreciation & amortization expense	3	1	2	1	1	1	1	1	1	1
Stock-based compensation expense	4	4	1	4	3	0	0	0	0	0
Credit card fees	1	1	0	1	1	1	-	-	(0)	0
Normalized general & administrative expense	\$16	\$16	\$15	\$12	\$9	\$8	\$5	\$5	\$6	\$4



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Analyst & Investor Day

September 15, 2022
