

Recent developments and business update

Waldencast Group Recent Financial Highlights

		FY21E	FY21A	FY22E	FY21A vs. FY21E	FY22E vs. FY21A	1Q22A	1Q22A vs. 1Q21A
Net sales (\$mm)	OBAGI ¹	\$168	\$179	\$190	6.4%	6.5%	\$43	31.7%
	Milk	\$47	\$47	\$66	0.2%	40.2%	\$18	17.8%
	Waldencast	\$215	\$226	\$256	5.0%	13.5%	\$61	27.3%
Gross profit ² (\$mm)	OBAGI ¹	\$127	\$136	\$150			\$33	
	% margin	76%	76%	79%			76%	
	Milk	\$23	\$25	\$39			\$11	
	% margin	49%	54%	59%			62%	
	Waldencast	\$150	\$162	\$189			\$44	
	% margin	70%	72%	74%			72%	
Pro Forma Adj. EBITDA (\$mm)	OBAGI ¹	\$42	\$44	\$50			\$8	
	% margin	25%	24%	26%			18%	
	Milk	(\$3)	(\$3)	\$5			\$3	
	% margin	nm	nm	8%			15%	
	Waldencast	\$39	\$39	\$50			\$11	
	% margin	18%	17%	20%			17%	

- ✓ Over-delivered on topline as well as profitability in 2021 relative to initial expectations
- ✓ Strong momentum continues in 2022 with Q1 outperforming versus budget and last year
 - Successful launch of Rise Mascara
 - Upsized PIPE from \$105mm to \$113mm
- ✓ Entered into a credit agreement that will provide a term loan facility of \$175 million and a revolving credit facility of up to \$50 million
- ✓ Such credit facilities will provide financial flexibility in executing the growth strategy
- ✓ Waldencast will receive aggregate proceeds of up to \$671 million (if all shareholders redeem their shares) or up to ~\$1.02 billion (if no shareholders redeem their shares)



Source: Company filings

¹OBAGI financials exclude China; ² Reflects adjusted Gross profit that includes supply agreement and developed technology intangible asset amortization expense that pertains to cost of goods



OBAGI

\$179mm

2021
net sales

17%

2019 – 2021
net sales
CAGR¹

~24%

2021
Adj. EBITDA
margin¹

#1

perceived best
performing brand
among US
providers²

200+

SKUs
from Rx to
Consumer³

80+

patents
worldwide³

¹ 2021 OBAGI financials exclusive of China business

² 2020 Kline Physician-Dispensed Skincare: U.S. Perception & Satisfaction Survey, Kline & Company

³ OBAGI information



Milk

MAKEUP

Leading clean make-up brand with a cult following among Gen-Z consumers known for its cultural relevance and iconic products

Anchored by strong community following with significant growth opportunities



OBAGI + Milk MAKEUP

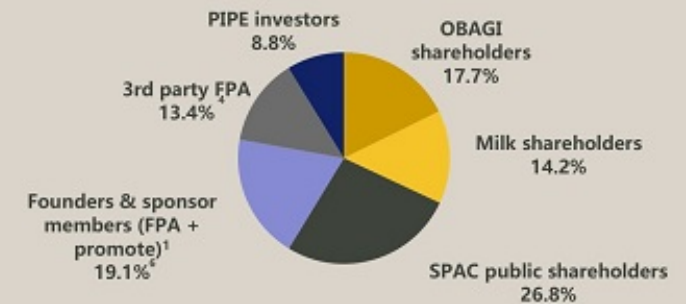
transaction summary

- Implied pro forma enterprise value of ~\$1.2 billion
- Waldencast to combine substantially concurrently with OBAGI and Milk - Implies a 24.7x post-money FV / 2022E Adj. EBITDA³ and 16.5x FV / 2023E Adj. EBITDA³
- Concurrent with the transaction, Waldencast has raised \$113 million of committed PIPE at \$10.00 per share
- Existing shareholders of OBAGI and Milk to maintain ownership of approximately 18% and 14% respectively
- OBAGI shareholders to retain OBAGI China distribution with an ongoing royalty paid to Waldencast
- Members of our sponsors investing an additional \$160m of committed capital through the FPA (at the top of the range of their \$130m to \$160m FPA commitment), resulting in a significant ownership in the company²
- Third-Party investors allocating \$173m of committed capital through an FPA⁴
- Assuming no redemptions, cash to sellers of \$520m comprising \$380m to Obagi⁷ and \$140m to Milk

Pro forma enterprise value (\$mm)

Obagi enterprise value	\$858
Milk enterprise value	\$382
Pro forma enterprise value	\$1,240
Implied 2022E Adj. EBITDA multiple ³	24.7x
Implied 2023E Adj. EBITDA multiple ³	16.5x

Pro forma ownership⁵



Note: The analysis and capital structure shown is at \$10 per share and does not reflect the impact from potential warrant and option dilution, or trust redemptions; ¹ Includes 16.0mm FPA shares and 8.6mm shares of founder promote; ² Members of our sponsors have entered into forward purchase agreement to purchase 16 million units, exercising their option therein, issued and sold by the Company on a private placement basis. Each unit is comprised of one Class A ordinary share of the Company and one-third of one redeemable warrant, where each whole redeemable warrant is exercisable to purchase one Class A ordinary share at an exercise price of \$11.50 per share; ³ EBITDA reflects deduction of \$5mm for public company costs; ⁴ Sponsor is managing member of the Third-Party and therefore may be deemed beneficial owner. The Third-Party entered into forward purchase agreement to purchase 17.3 million units, exercising their option therein, issued and sold by the Company on a private placement basis in connection with the consummation of the Business Combination. Each unit is comprised of one Class A ordinary share of the Company and one-third of one redeemable warrant, where each whole redeemable warrant is exercisable to purchase one Class A ordinary share at an exercise price of \$11.50 per share; ⁵ Reflects the pro forma ownership of Class A and Class B ordinary shares of the Company, excluding potential Class A ordinary shares from dilutive securities, following the Business Combination assuming no redemptions; ⁶ Includes Burwell Mountain Trust's ownership interest of 6.1%, Dynamo Master Fund's ownership interest of 10.7%, Waldencast Ventures' ownership interest of 2.2% and the Investor Directors ownership interest of 0.1%; ⁷ Obagi cash consideration to be reduced by Estimated Specified Inventory Cash Value with no corresponding increase to the amount of Obagi Stock Consideration



Illustrative sources & uses at various redemption levels

Sources and uses (\$M)

Sources	30% redemptions	Max redemptions
IPO cash proceeds, net of redemptions	\$242	\$18
PIPE cash proceeds	113	113
FPA proceeds	333	333
Seller rollover equity	519	595
Debt	126	225
Other ¹	2	2
Total sources	\$1,335	\$1,286
Uses		
Cash to balance sheet	\$102	\$53
Debt paydown (inclusive of Exit Fees)	126	126
Transaction fees and expenses	69	69
Debt fees	3	4
Cash to Milk sellers	140	117
Cash to Obagi sellers ²	376	323
Seller rollover equity	519	595
Total uses	\$1,335	\$1,286



Source: Company filings; Note: Assumes \$1.1M, \$12.9M, and \$3.4M of cash on balance sheet for Waldencast, Obagi, and Milk, respectively, as of 03/31/22

¹ Represents cash from settlement of amounts due from officers and cash down from working capital loan; ² Obagi cash consideration to be reduced by Estimated Specified Inventory Cash Value with no corresponding increase to the amount of Obagi Stock Consideration; Reduction estimated to be \$10 - \$20mm which would increase cash to balance sheet

Peer benchmarking



Source: Historical data from company filings; projections from FactSet as of 06/22/2022
¹ 2022 and 2023 EBITDA reflects deduction of \$5mm for public company costs



Trading metrics for relevant peers



----- Waldencast implied multiple at \$10/share



Source: Historical data from company filings; projections from FactSet as of 06/22/2022
¹ EBITDA reflects deduction of \$5mm for public company costs

