



MAV

BEAUTY BRANDS

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INVESTOR PRESENTATION

September 2020

# Forward-looking statements

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Certain information in this presentation, including statements relating to our growth plans, our ability to respond to shifting consumer habits, the expected impact of the COVID-19 public health crisis on the Company's operations and ability to serve its consumers and retail partners, the impact to industry-wide haircare sales, the impact of COVID-19 on e-commerce sales, the expected impact on the supply of the Company's products to its retail partners. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by MAV Beauty Brands as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in greater detail in the "Risk Factors" section of the Company's Annual Information Form dated on or about March 30, 2020 for the year ended December 31, 2019 and the Company's other periodic filings made available at [www.sedar.com](http://www.sedar.com). These factors are not intended to represent a complete list of the factors that could affect MAV Beauty Brands; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this press release are made as of the date of this press release, and MAV Beauty Brands expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

## Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "Adjusted EBITDA", "Adjusted Net Income", "Free Cash Flow" and "Net debt-to-Adjusted EBITDA". These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in our MD&A and in the Appendix to this presentation

## Certain Other Matters

Unless otherwise stated herein, financial information in this presentation is presented in United States dollars.

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About MAV  
Beauty Brands

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Business  
Update

02

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Financial  
Overview

03

# 01 About MAV Beauty Brands



# Speakers

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**Tim Bunch**  
President & Chief  
Executive Officer

20+ years experience

*SheaMoisture®*  
Established 1912

**COTY**  
*tria*  
BEAUTY

**P&G**



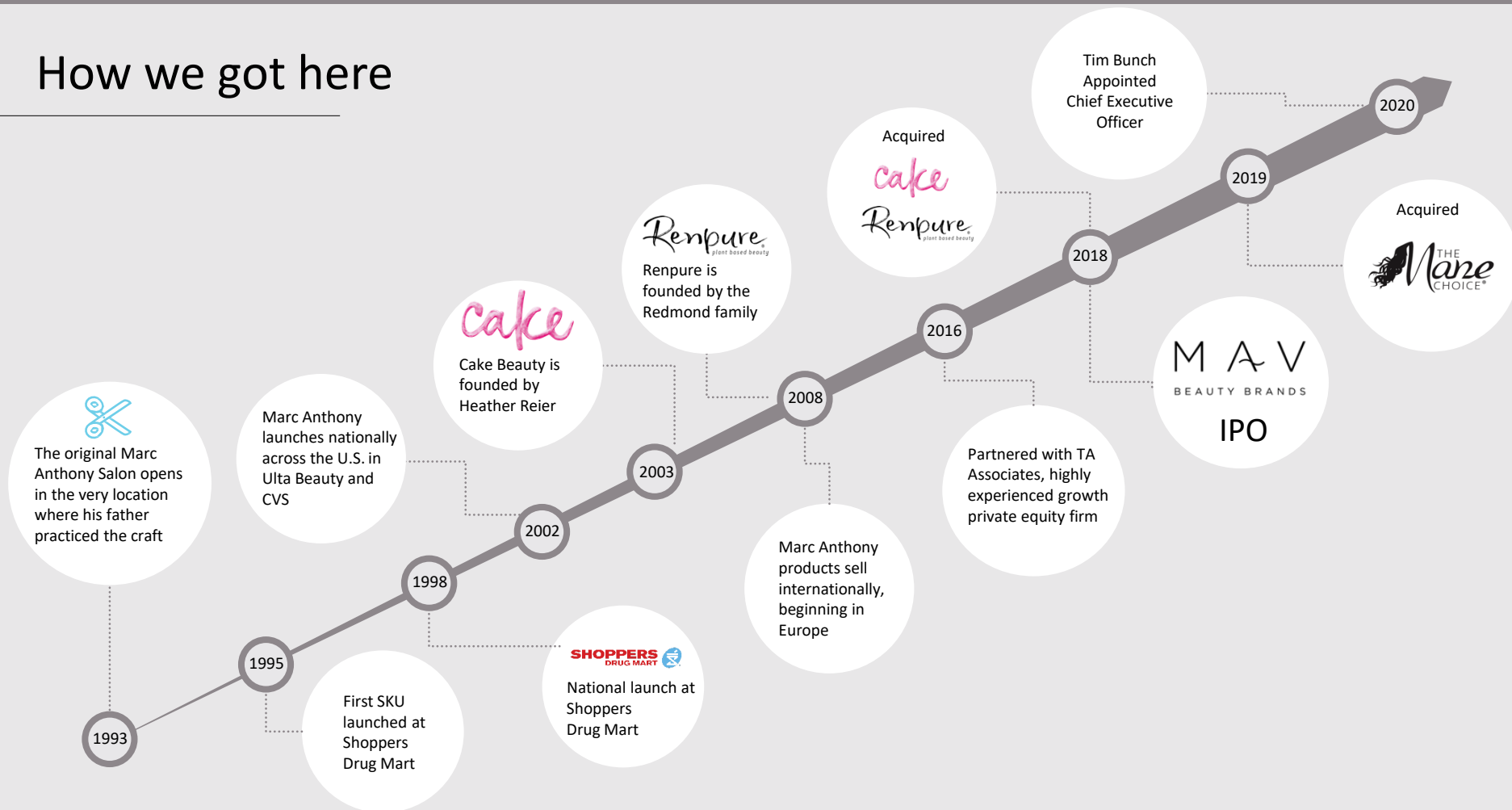
**Judy Adam**  
Chief Financial Officer

25+ years experience

**CORUS.**



# How we got here





# 4

Growing hair and body  
care brands

# 100+

Major retailers

Building a multi-brand, growing  
global personal care company

# \$120<sub>mm</sub>

TTM Revenue<sup>(1)</sup>

# \$33<sub>mm</sub>

TTM Adjusted EBITDA<sup>(1,2)</sup>



1) Trailing 12 months from June 30, 2020

2) See Non-IFRS Measures

# Complementary portfolio of growing brands

MARC ANTHONY®  
TRUE PROFESSIONAL



Modern, salon-inspired brand that consumers trust to solve their unique hair concerns

Renpure®  
plant based beauty



Plant-based, naturally-inspired products that don't sacrifice performance or affordability

cake



Lifestyle brand that provides a fun, vibrant and rich sensorial experience

THE MAZE  
CHOICE®  
BEAUTY HEALTH SCIENCE



Growing brand serving the natural, textured haircare market

*Positioned to address a variety of consumers, industry trends and retailer needs with limited competitive overlap*

# Global operating model



1.

Acquire authentic, independent brands

- Masstige focus
- High-growth end markets
- Asset-light businesses



2.

Leverage platform to unlock sales potential

- 100+ retailers
- Longstanding relationships
- Innovation engine



3.

Operational efficiencies and best practices

- Finance
- IT
- Business planning
- Brand management


*Build strong standalone brands within MAV's growth platform*



# Strong and collaborative retail and distribution partners

## North American Retail Partners<sup>(1)</sup>

Direct, longstanding and collaborative relationships with major retailers

| CHANNEL   | SELECT RETAIL PARTNERS  |
|-----------|---|
| DRUG      |      |
| MASS      |     |
| FOOD      |       |
| CLUB      |    |
| SPECIALTY |     |
| DOLLAR    |     |
| DISCOUNT  |      |

60k+ doors

100+ retailers

30+ countries

*Highly diversified across retailers, brands and geographies*

# We innovate better than our competitors

## Product Ideas

- Beauty experts
- Collaboration with retail partners
- Bi-annual innovation summit

## Flexible Supply Chain

- Collaborative and longstanding relationships with diverse group of suppliers
- Asset-light business model allows us to be more nimble, driving industry-leading speed-to-market
- Efficient operations



## Integrated Product Development

- Management's extensive industry experience
- R&D team
- Internal creative resources

## Consumer & Retailer Feedback & Validation

- Collaborative and active dialogue with retail partners provides opportunity to react to feedback in midst of buying cycle
- Products often launched at strategic retail partners before mainstream launch

*Ability to consistently deliver fast and highly successful new product launches*

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About MAV  
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# 02

## Business Update



# Strong Q2 2020 Results

## 17%

Total MAV Revenue Growth

## 28%

Adjusted EBITDA growth <sup>(1)</sup>

## #8

MAV ranking among top 10 hair care brands in U.S. market <sup>(2)</sup>



## Leveraging MAV's operating platform to support brand growth

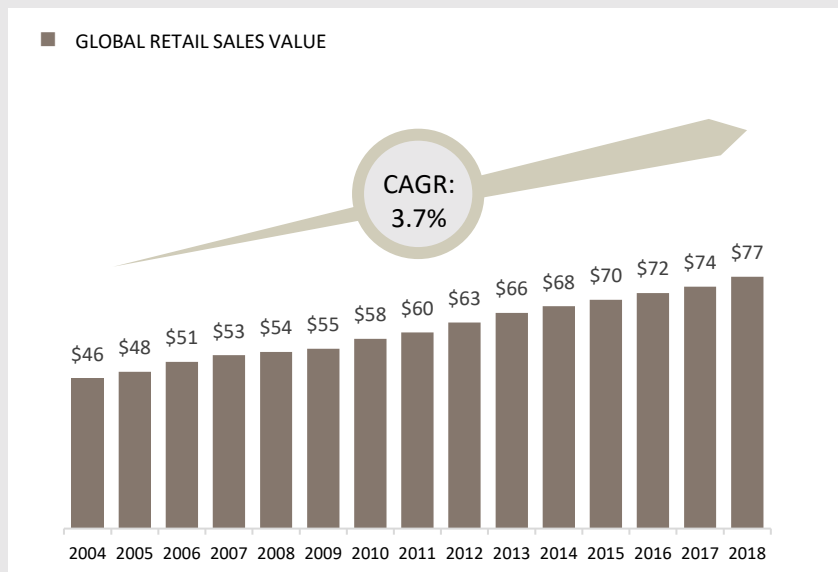
- Cake Beauty gains second shelf at U.S. drug retailer and launches in U.S. specialty beauty retailer
- Rempure broadens footprint in Canada
- The Mane Choice expands in U.S. specialty beauty

1) See Non-IFRS Measures

2) Source: Nielsen AOC, BC SUPER CATEGORY: HAIR CARE – Total US – (latest 52 wks)

# Demand: Resilient and recession-resistant category

## HAIR CARE CATEGORY GROWTH <sup>(1)</sup>



### COVID-19 impact:

- Majority of North American retailers in food, drug, mass have remained open
- Accelerated e-commerce sales
- Temporary store closures in specialty beauty in Q1/Q2
- Industry-wide hair care stabilized in May/June
  - Category point of sale data essentially flat in June (-0.5%) <sup>(2)</sup>

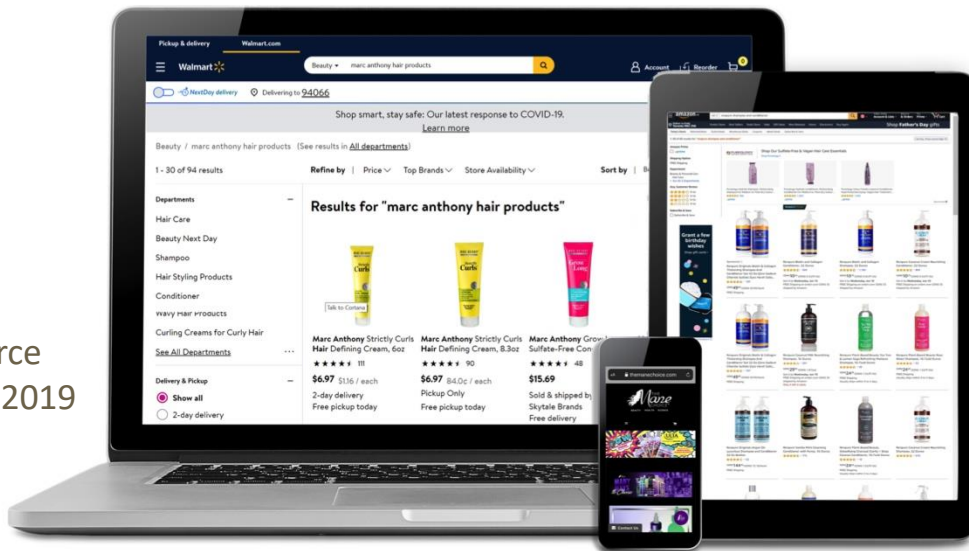
*Closely monitoring demand trends to mitigate impacts to our business*



# Demand: Growing e-commerce presence

# 2x

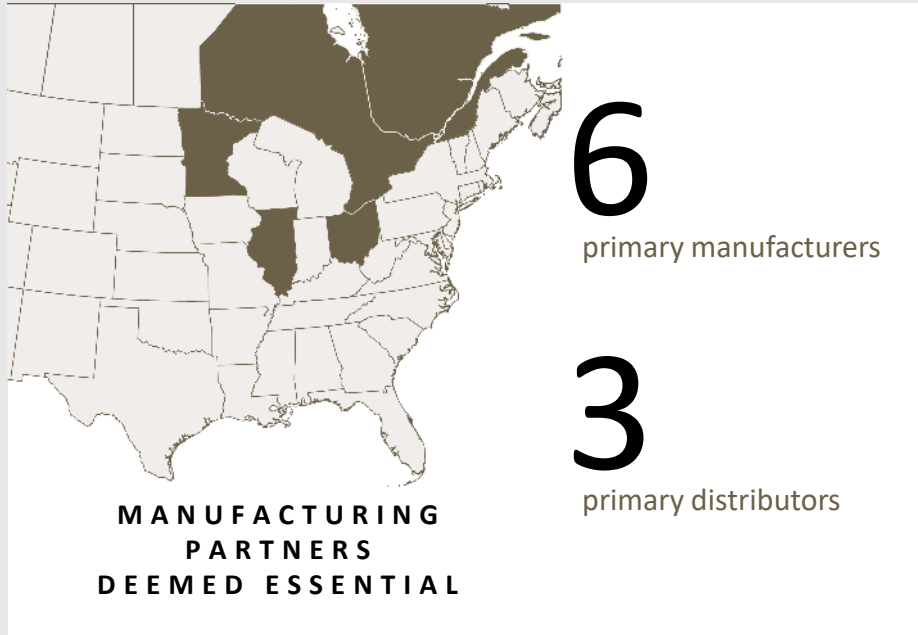
Increase in e-commerce sales Q2 2020 vs. Q2 2019



- Amazon
- Direct-to-consumer
- Retailer.com
- E-commerce now double-digit percentage of MAV's sales

*Investments have positioned MAV to capitalize on shifting consumer habits*

## Supply: Third-party supply chain provides flexibility



- Took early actions during pandemic to mitigate supply risks
  - Identified additional suppliers
  - Increased inventory of components and finished goods
- No material effects to date

*Asset-light model with low fixed cost structure*

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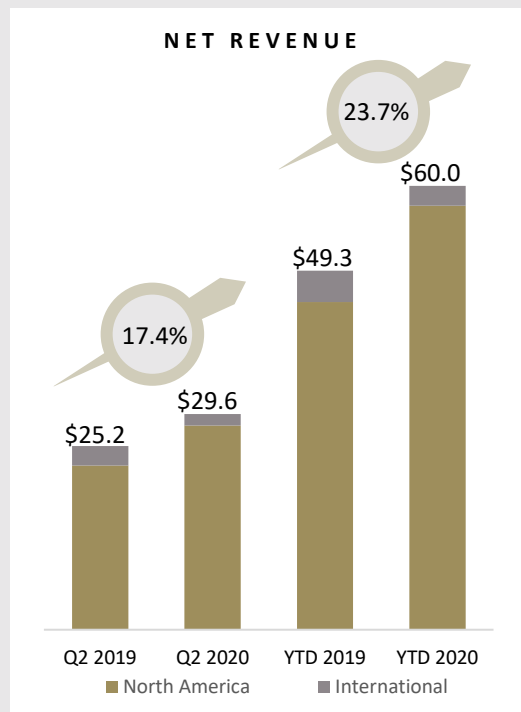
03

# 03

## Financial Overview



# Q2 2020 Financial Results

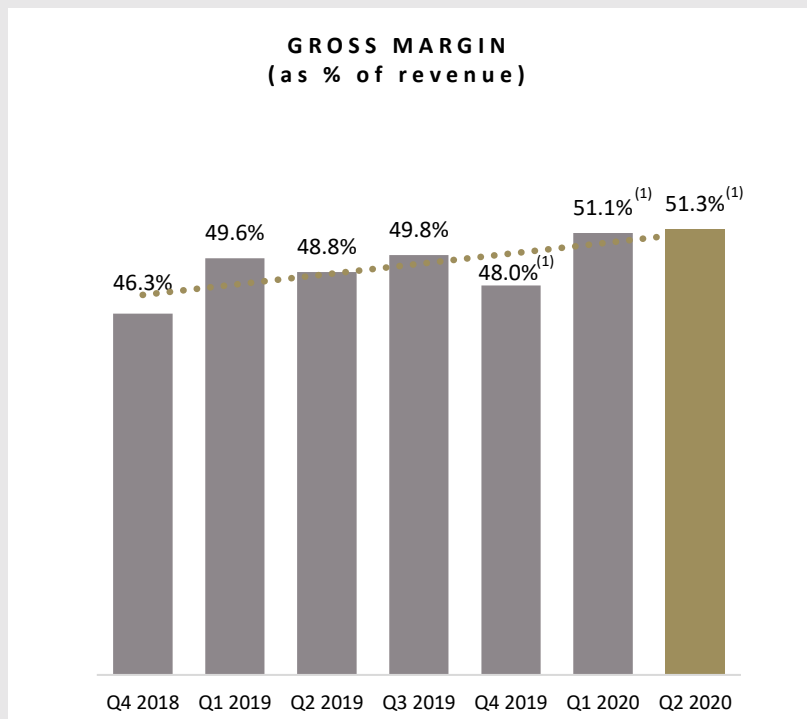
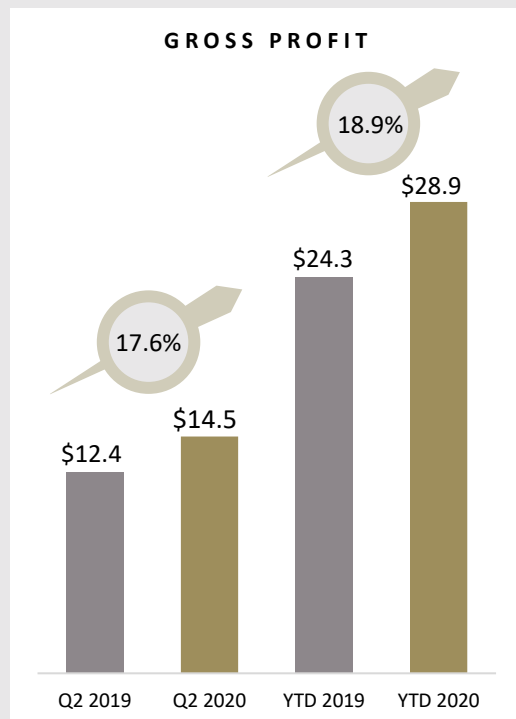


- Q2 Net Revenue increased 17% year-over-year
- North America sales up 24% from Q2 2019 to \$28.1mm
  - Impact of The Mane Choice acquisition (November 2019)
  - Solid performance from other brands
- Q2 international sales of \$1.6mm vs. \$2.6mm in Q2 2019

Solid YTD and Q2 2020 sales performance

# Q2 2020 Financial Results

(US\$ Millions)



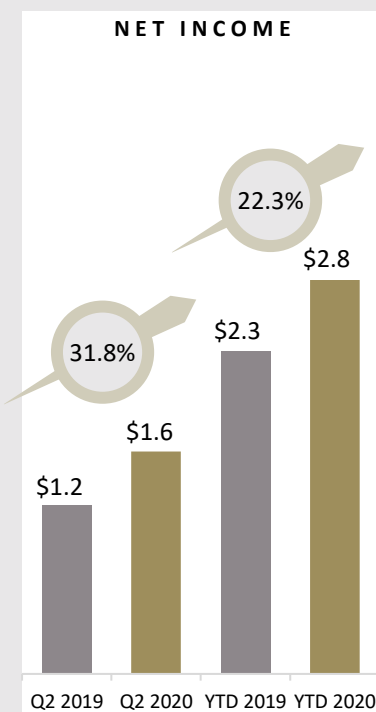
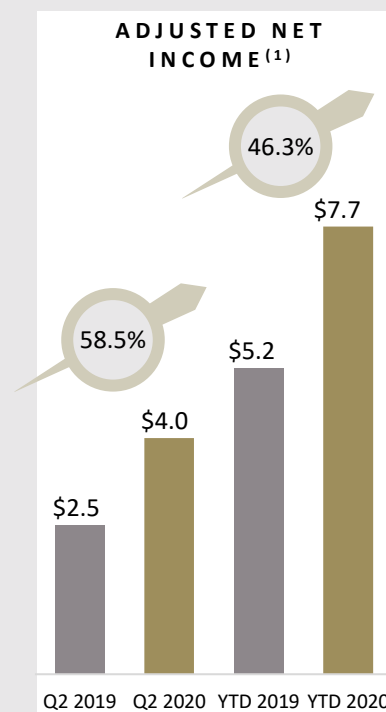
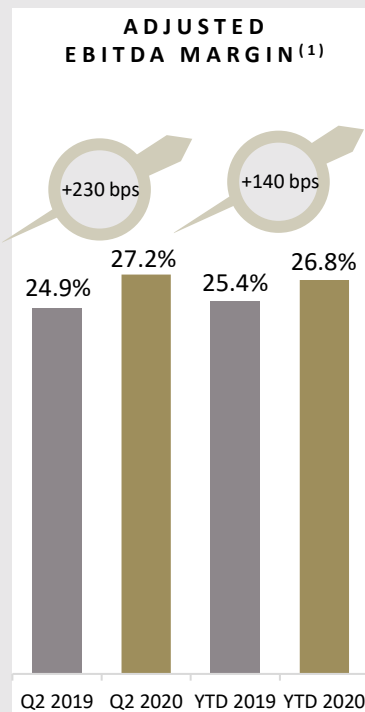
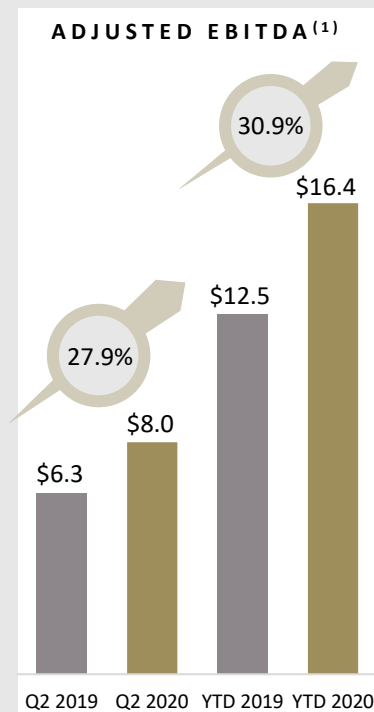
Steadily improving gross margin profile

1) Excluding purchase accounting adjustments



# Q2 2020 Financial Results

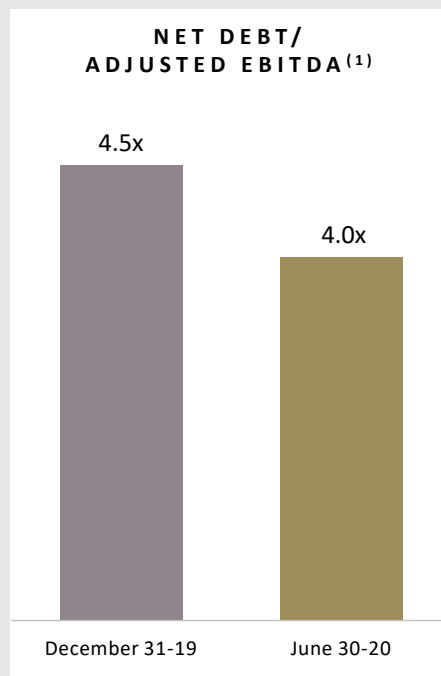
(US\$ Millions)



Strong year-over-year increases in profitability

# Q2 2020 Financial Results

(US\$ Millions)



- Strong Q2 2020 Free Cash Flow
  - Adjusted EBITDA growth
  - Significant reduction in AR (from Q1 2020)
  - Reduction in CAPEX
- Ample and sufficient liquidity
  - Cash of \$14.9mm and undrawn balance of \$10.0mm on revolver (at June 30, 2020)
- Headroom under primary covenant (Total Net Leverage Ratio )

Debt reduction remains capital allocation priority

# MAV 2.0 – Evolving operating model



1.

Brand-driven  
business model



2.

Focus on  
high-potential  
markets



3.

Implement scalable and  
efficient infrastructure

People | Process | Culture | Systems

# Build strong standalone brands within MAV's growth platform

## Authentic Brands

Exposure to New, High Growth End Markets

Authentic Product Offerings with Proven Innovation

High Margin, Asset Light Business Models

MARC ANTHONY®  
TRUE PROFESSIONAL

Renpure  
plant based beauty

cake

THE  
Maze  
CHOICE®  
BEAUTY HEALTH SCIENCE



## MAV Beauty Platform

Entrepreneurial and Innovation Driven Culture

Unlock Sales Potential Through Global Operating Platform and Retail Relationships

Realize synergies from operational efficiencies and best practices

# Investment highlights

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- 01 Leader within large and growing personal care categories – top 10 hair care player in U.S. market
- 02 Operating in a recession-resilient category
- 03 Complementary and diversified portfolio of brands
- 04 Winning innovation drives consumer demand and retailer traffic
- 05 Diverse revenue streams and attractive cash flow characteristics



# Appendix



# Additional financial highlights & market facts

|                                   |              |
|-----------------------------------|--------------|
| <b>Total Debt</b> (June 30, 2020) | US\$148.5 mm |
|-----------------------------------|--------------|

|                                |             |
|--------------------------------|-------------|
| <b>Cash</b> (at June 30, 2020) | US\$14.9 mm |
|--------------------------------|-------------|

|                                    |              |
|------------------------------------|--------------|
| <b>Net Debt</b> (at June 30, 2020) | US\$133.6 mm |
|------------------------------------|--------------|

|  |      |
|--|------|
| <b>Net Debt/LTM Adjusted EBITDA</b> <sup>(3)</sup> | 4.0x |
|--|------|

|  |         |
|--|---------|
| <b>Shares o/s (Basic)</b> <sup>(1)</sup> | 36.8 mm |
|--|---------|

|   |         |
|---|---------|
| <b>Shares o/s (Fully Diluted)</b> <sup>(1)(2)</sup> | 42.4 mm |
|---|---------|

|                          |      |
|--------------------------|------|
| <b>Insider Ownership</b> | ~58% |
|--------------------------|------|

|                      |       |
|----------------------|-------|
| <i>TA Associates</i> | 31.2% |
|----------------------|-------|

|                                  |       |
|----------------------------------|-------|
| <i>Marc Anthony Venere Group</i> | 25.9% |
|----------------------------------|-------|

|                      |           |
|----------------------|-----------|
| <b>Ticker Symbol</b> | MAV (TSX) |
|----------------------|-----------|

|                         |                 |
|-------------------------|-----------------|
| <b>52-week High/Low</b> | \$6.37 / \$1.78 |
|-------------------------|-----------------|

|                                  |         |
|----------------------------------|---------|
| <b>Market Cap</b> <sup>(1)</sup> | ~120 mm |
|----------------------------------|---------|

## ANALYST COVERAGE

Canaccord Genuity

CIBC World Markets

Jefferies

National Bank Financial

Raymond James

RBC Capital Markets

- 1) Assumes conversion of 3,178 proportionate shares to 3,178,000 common shares
- 2) Calculated using treasury method.
- 3) Assumes results for The Mane Choice for the trailing 12 months ended June 30, 2020

# Reconciliation of non-IFRS Measures

## Q2 2020 Compared to Q2 2019

| <b>(in thousands of US dollars) (unaudited)</b> | <b>Q2 2020</b> | <b>Q2 2019</b> | <b>\$ Change</b> | <b>% Change</b> |
|---|----------------|----------------|------------------|-----------------|
| <b>Consolidated statements of operations:</b>   |                |                |                  |                 |
| <b>Revenue</b>                                  | <b>29,638</b>  | <b>25,236</b>  | <b>4,402</b>     | <b>17.4 %</b>   |
| Cost of sales                                   | 15,112         | 12,880         | 2,232            | 17.3 %          |
| Gross profit                                    | 14,526         | 12,356         | 2,170            | 17.6 %          |
| <b>Expenses</b>                                 |                |                |                  |                 |
| Selling and administrative                      | 7,780          | 7,119          | 661              | 9.3 %           |
| Amortization and depreciation                   | 1,039          | 961            | 78               | 8.1 %           |
| Interest and accretion                          | 1,776          | 1,793          | (17)             | -0.9 %          |
| Foreign exchange loss (gain)                    | 240            | (11)           | 251              | <i>nmf</i>      |
| Integration, restructuring, and other           | 1,715          | 733            | 982              | 134.0 %         |
|   | 12,550         | 10,595         | 1,955            | 18.5 %          |
| Income before income taxes                      | 1,976          | 1,761          | 215              | 12.2 %          |
| <b>Income tax expense (recovery)</b>            |                |                |                  |                 |
| Current   | (40)           | —              | (40)             | <i>nmf</i>      |
| Deferred  | 412            | 544            | (132)            | -24.3 %         |
|   | 372            | 544            | (172)            | -31.6 %         |
| <b>Net income for the period</b>                | <b>1,604</b>   | <b>1,217</b>   | <b>387</b>       | <b>31.8 %</b>   |
| <b>EBITDA <sup>(1)</sup></b>                    | <b>4,791</b>   | <b>4,515</b>   | <b>276</b>       | <b>6.1 %</b>    |
| <b>Adjusted EBITDA <sup>(1)</sup></b>           | <b>8,059</b>   | <b>6,301</b>   | <b>1,758</b>     | <b>27.9 %</b>   |
| <b>Adjusted Net Income <sup>(1)</sup></b>       | <b>4,039</b>   | <b>2,548</b>   | <b>1,491</b>     | <b>58.5 %</b>   |

(1) See “Non-IFRS Measures”

## Reconciliation of non-IFRS Measures

### Q2 2020 Compared to Q2 2019 & YTD 2020 Compared to YTD 2019

| <b>(in thousands of US dollars) (unaudited)</b> |     | <b>Q2 2020</b> | <b>Q2 2019</b> | <b>YTD Q2 2020</b> | <b>YTD Q2 2019</b> |
|---|-----|----------------|----------------|--------------------|--------------------|
| <b>Consolidated net income:</b>                 |     | <b>1,604</b>   | <b>1,217</b>   | <b>2,839</b>       | <b>2,322</b>       |
| Income tax expense                              |     | 372            | 544            | 1,180              | 775                |
| Interest and accretion                          |     | 1,776          | 1,793          | 3,818              | 3,695              |
| Amortization and depreciation                   |     | 1,039          | 961            | 2,068              | 1,808              |
| <b>EBITDA</b>                                   |     | <b>4,791</b>   | <b>4,515</b>   | <b>9,905</b>       | <b>8,600</b>       |
| Integration, restructuring, and other           | (1) | 1,715          | 733            | 3,175              | 1,791              |
| Purchase accounting adjustments                 | (2) | 664            | —              | 2,321              | —                  |
| Share-based compensation                        | (3) | 646            | 1,078          | 1,275              | 2,171              |
| Unrealized foreign exchange loss (gain)         |     | 243            | (25)           | (303)              | (52)               |
| <b>Adjusted EBITDA</b>                          |     | <b>8,059</b>   | <b>6,301</b>   | <b>16,373</b>      | <b>12,510</b>      |

| <b>(in thousands of US dollars) (unaudited)</b> |     | <b>Q2 2020</b> | <b>Q2 2019</b> | <b>YTD Q2 2020</b> | <b>YTD Q2 2019</b> |
|---|-----|----------------|----------------|--------------------|--------------------|
| <b>Consolidated net income:</b>                 |     | <b>1,604</b>   | <b>1,217</b>   | <b>2,839</b>       | <b>2,322</b>       |
| Integration, restructuring, and other           | (1) | 1,715          | 733            | 3,175              | 1,791              |
| Purchase accounting adjustments                 | (2) | 664            | —              | 2,321              | —                  |
| Share-based compensation                        | (3) | 646            | 1,078          | 1,275              | 2,171              |
| Unrealized foreign exchange loss (gain)         |     | 243            | (25)           | (303)              | (52)               |
| Tax impact of the above adjustments             |     | (833)          | (455)          | (1,649)            | (997)              |
| <b>Adjusted Net Income</b>                      |     | <b>4,039</b>   | <b>2,548</b>   | <b>7,658</b>       | <b>5,235</b>       |

(1) Refer to Note 9 to the unaudited condensed consolidated interim financial statements for further details.

(2) In conjunction with the 2019 Acquisition, the fair value adjustment of inventory as part of the initial purchase price allocation was expensed to cost of sales as the inventories were sold.

(3) Represents recognition of share-based payments, which have been accounted for as selling and administrative expenses.

## Reconciliation of non-IFRS Measures

### Q2 2020 Compared to Q2 2019

| <b>(in thousands of US dollars) (unaudited)</b>                  | <b>Q2 2020</b> | <b>Q2 2019</b> | <b>\$ Change</b> | <b>% Change</b> |
|--|----------------|----------------|------------------|-----------------|
| <b>Cash, beginning of period</b>                                 | <b>4,211</b>   | <b>4,317</b>   | <b>(106)</b>     | <b>-2.46%</b>   |
| Cash flows (used in)   |                |                |                  |                 |
| Operating activities   | 7,687          | 2,347          | 5,340            | 227.52%         |
| Investing activities   | (3,541)        | (1,569)        | (1,972)          | 125.69%         |
| Financing activities   | 6,500          | (2,064)        | 8,564            | nmf.            |
| <b>Cash, end of period</b>                                       | <b>14,857</b>  | <b>3,031</b>   | <b>11,826</b>    | <b>390.17%</b>  |
| <b>Free cash flow and Adjusted free cash flow <sup>(1)</sup></b> | <b>7,146</b>   | <b>778</b>     | <b>6,368</b>     | <b>818.51%</b>  |

(1) See “Non-IFRS Measures”