



NEWS RELEASE

Evolus Reports First Quarter 2024 Results and Provides Business Update

5/7/2024

- Q1 2024 Net Revenue of \$59.3 Million, Up 42% from Q1 2023
- Non-GAAP Loss from Operations of \$0.9 Million, on Track to Non-GAAP Profitability¹ in Q4 2024 and Full Year 2025
- U.S. Clinical Trials Completed for Evolyse[®] Lift and Smooth fillers, FDA Submission Expected within Next 90 Days
- Reaffirms Full-Year 2024 Net Revenue Guidance of \$255 Million to \$265 Million, Representing a 31% Growth Rate at the Top End
- Remains on Track to Achieve Projected Total Net Revenue Goal of At Least \$700 Million by 2028

NEWPORT BEACH, Calif.--(BUSINESS WIRE)-- **Evolus, Inc.** (NASDAQ: EOLS), a performance beauty company with a focus on building an aesthetic portfolio of consumer brands, today reported financial results for the first quarter ended March 31, 2024, and provided a business update.

“Coming off a record year in 2023, we’re proud to carry the momentum into 2024 with our first quarter performance multiples above the market,” said David Moatazedi, President and Chief Executive Officer. “We are building a performance beauty company dedicated to cash-pay and focused on millennials. This creates a unique advantage in the market and is driving high customer and consumer satisfaction. These results underscore the continued growth of our brand awareness and the loyalty of our customers, who continue to choose Evolus.”

Moatazedi continued, “As we look ahead, we are committed to delivering innovative solutions that empower consumers within performance beauty. With our focus on excellence, we remain poised to seize the opportunities ahead, driving sustained growth with our expanded global portfolio, delivering on profitability milestones toward our total net revenue goal of at least \$700 million by 2028, and solidifying Evolus’ position as a leader in its

industry.”

First Quarter 2024 Highlights and Recent Developments

- The company's key performance indicators demonstrated continued strong momentum during the first quarter.
 - Evolus added over 700 new customer accounts in the quarter, bringing the total number of customers purchasing since launch to over 13,000. The reorder rate among customers remains approximately 70%.²
 - Members in the Evolus Rewards consumer loyalty program grew by over 75,000 to approximately 825,000.³
 - Total Evolus Rewards redemptions for the quarter hit an all-time high of nearly 180,000 driven by continued demand from existing patients receiving repeat treatments at the rate of approximately 60%, which demonstrates sustained brand loyalty.

First Quarter 2024 Financial Results

- Total net revenues for the first quarter of 2024 increased 42% to \$59.3 million from \$41.7 million in the first quarter of 2023 driven primarily by higher volumes of Jouveau®.
- Gross profit margin and adjusted gross profit margin were 68.3% and 69.5%, respectively. Adjusted gross profit margin, which excludes amortization of intangible assets, was in line with company guidance for the full year, as noted below.
- Operating expenses for the first quarter of 2024 were \$68.3 million, compared to \$69.6 million in the fourth quarter of 2023.
- Non-GAAP operating expenses for the first quarter of 2024 were \$42.1 million, compared to \$45.5 million in the fourth quarter of 2023. Non-GAAP operating expenses exclude product cost of sales, stock-based compensation expense, revaluation of the contingent royalty obligation, and depreciation and amortization.
- Loss from operations for the first quarter of 2024 was \$8.9 million, compared to \$8.6 million in the fourth quarter of 2023. Non-GAAP loss from operations in the first quarter of 2024 was \$0.9 million compared to \$3.7 million in the fourth quarter of 2023 representing continued progress toward achieving profitability.¹ Non-GAAP loss from operations excludes stock-based compensation expense, revaluation of the contingent royalty obligation, and depreciation and amortization.
- Cash and cash equivalents at March 31, 2024 were \$97.0 million compared to \$62.8 million at December 31, 2023. The cash balance includes \$47.0 million of net proceeds from the underwritten offering of common stock in March 2024. For the first quarter of 2024, net cash used for operating activities was \$10.6 million, which was \$10.0 million lower than the first quarter of 2023, representing continued progress toward cash flow breakeven.

- Evolus continues to expect its existing liquidity will fully fund it to non-GAAP profitability¹ for the fourth quarter of 2024 and the full year 2025.

Outlook

- Evolus continues to expect total net revenues for the full year 2024 to be between \$255 million and \$265 million, representing year-over-year growth of 31% at the top end.
- The company continues to expect its adjusted gross profit margin for the full year 2024 to be between 68% and 71%.
- Evolus continues to expect its full-year non-GAAP operating expenses to be between \$185 million and \$190 million.
- The company continues to expect to achieve positive non-GAAP operating income on a consolidated basis for the fourth quarter of 2024 and for the full year 2025.
- During 2024, Evolus expects to broaden its global footprint by expanding into additional countries with Nuceiva[®], most notably Australia and Spain.
- Evolus expects to submit Premarket Approval (PMA) applications for the first two Evolysse[™] dermal filler products with the FDA within next 90 days and anticipates regulatory approvals for the remaining Estyme[®] dermal filler products in Europe in late 2024.
- The company projects its total net revenue can reach at least \$700 million by 2028, a compound annual growth rate of 28% from 2023, based on the combination of its existing aesthetic neurotoxin business and anticipated launch of the Evolysse[™] HA dermal filler product line beginning in 2025.

Conference Call Information

Management will host a conference call and live webcast to discuss Evolus' financial results today at 4:30 p.m. ET. To participate in the conference call, dial (877) 407-6184 (U.S.) or (201) 389-0877 (international) or connect to the live webcast via the **link** on the Investor Relations page of our website at **www.evolus.com**.

Following the completion of the call, an audio replay can be accessed for 48 hours by dialing (877) 660-6853 (U.S.) or (201) 612-7415 (international) and using conference number 13746068. An archived webcast, which will remain available for 30 days, can also be accessed on the Investor Relations page of our website at **www.evolus.com**.

About Evolus, Inc.

Evolus (NASDAQ: EOLS) is a global performance beauty company evolving the aesthetic neurotoxin market for the next generation of beauty consumers through its unique, customer-centric business model and innovative digital platform. Our mission is to become a global, multi-product aesthetics company based on our flagship product, Jeuveau[®] (prabotulinumtoxinA-xvfs), the first and only neurotoxin dedicated exclusively to aesthetics and

manufactured in a state-of-the-art facility using Hi-Pure™ technology. Evolus is expanding its product portfolio having entered into a definitive agreement to be the exclusive U.S. distributor of Evolysse™, and the exclusive distributor in Europe of Estyme®, a line of unique dermal fillers currently in late-stage development. Visit us at www.evolus.com, and follow us on [LinkedIn](#), [Twitter](#), [Instagram](#) or [Facebook](#).

¹ Within this press release, “profitability” is defined as achieving positive non-GAAP operating income.

² Represents cumulative statistics from the launch of Jeuveau® in May 2019 through March 31, 2024.

³ Represents cumulative statistics from the launch of Evolus Rewards in May 2020 through March 31, 2024.

Use of Non-GAAP Financial Measures

Evolus’ financial results are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). This press release and the reconciliation tables included in the financial schedules below include adjusted gross profit, adjusted gross profit margin, non-GAAP operating expenses and non-GAAP (loss) from operations. Adjusted gross profit is calculated as gross profit excluding amortization of an intangible asset. Adjusted gross profit margin is defined as adjusted gross profit as a percentage of total net revenues. Non-GAAP operating expenses and non-GAAP (loss) from operations exclude (i) product cost of sales, in the case of non-GAAP operating expenses only, (ii) the revaluation of contingent royalty obligations, (iii) stock-based compensation expense, and (iv) depreciation and amortization. Management believes that adjusted gross profit and adjusted gross profit margin are important measures for investors because management uses adjusted gross profit margin as a key performance indicator to evaluate the profitability of sales without giving effect to costs that are not core to our cost of sales, such as the amortization of an intangible asset. Management believes that non-GAAP operating expenses and non-GAAP (loss) from operations are useful in helping to identify the company’s core operating performance and enables management to consistently analyze the period-to-period financial performance of the core business operations. Management also believes that non-GAAP operating expenses and non-GAAP (loss) from operations will enable investors to assess the company in the same way that management has historically assessed the company’s operating expenses against comparable companies with conventional accounting methodologies. The company’s definitions of adjusted gross profit, adjusted gross profit margin, non-GAAP operating expenses and non-GAAP (loss) from operations have limitations as analytical tools and may differ from other companies reporting similarly named measures. Non-GAAP measures should not be considered measures of financial performance under GAAP, and the items excluded from such non-GAAP measures should not be considered in isolation or as alternatives to financial statement data presented in the financial statements as an indicator of financial performance or liquidity. Non-GAAP measures should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP results.

For a reconciliation of our historical adjusted gross profit, adjusted gross profit margin, non-GAAP operating expenses and non-GAAP (loss) from operations presented herein to gross profit, gross profit margin, GAAP operating expenses and GAAP loss from operations, the most directly comparable GAAP financial measures, please see “Reconciliation of Gross Profit Margin to Adjusted Gross Profit Margin,” “Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses” and “Reconciliation of GAAP (Loss) from Operations to Non-GAAP (Loss) from Operations” in the financial schedules below. In addition, this press release includes information regarding the company’s expected adjusted gross profit margin and non-GAAP operating expenses for full year 2024 and the company’s expected non-GAAP operating income (loss) for the fourth quarter of 2024 and full year 2025. Evolus has not provided a reconciliation of such forward-looking non-GAAP adjusted gross profit margin, non-GAAP operating expenses or non-GAAP operating (loss) because a reconciliation of such measures to forward-looking GAAP gross profit margin, GAAP operating expenses and GAAP loss from operations, respectively, the most directly comparable GAAP financial measures, is not available without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various reconciling items that would impact the forward-looking outlook for these non-GAAP financial measures that have not yet occurred and/or cannot be reasonably predicted. Such unavailable information could have a significant impact on Evolus’ GAAP financial results.

Forward-Looking Statements

This press release contains forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including statements about future events, our business, financial condition, results of operations and prospects, our industry and the regulatory environment in which we operate. Any statements contained herein that are not statements of historical or current facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms, or other comparable terms intended to identify statements about the future. The company’s forward-looking statements include, but are not limited to, statements related to anticipated product launches; market conditions and consumer demand; timing of regulatory submissions and approvals; expansions into new markets; the company’s long-term revenue outlook and its financial outlook for 2024 and, in the case of non-GAAP operating income, 2025; and the company’s cash position and expectations for reaching profitability¹ and funding the company’s operations.

The forward-looking statements included herein are based on our current expectations, assumptions, estimates and projections, which we believe to be reasonable, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond our control, include, but are not limited to, uncertainties associated with our ability to comply with the terms and

conditions in the Medytox Settlement Agreements, our ability to fund our future operations or obtain financing to fund our operations, unfavorable global economic conditions and the impact on consumer discretionary spending, uncertainties related to customer and consumer adoption of Jeuveau[®] and Evolysse[™], the efficiency and operability of our digital platform, competition and market dynamics, our ability to successfully launch and commercialize our products in new markets, including the Evolysse[™] dermal filler product line in the U.S., our ability to maintain regulatory approvals of Jeuveau[®] or obtain regulatory approvals for new product candidates or indications, our reliance on Symatase to achieve regulatory approval for the Evolysse[™] dermal filler product line in the U.S., and other risks described in our filings with the Securities and Exchange Commission, including in the section entitled “Risk Factors” in our Annual Report on Form 10-K Form and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 expected to be filed with the Securities and Exchange Commission on or about May 7, 2024. These filings can be accessed online at www.sec.gov. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, changed circumstances or unanticipated events. If we do update or revise one or more of these statements, investors and others should not conclude that we will make additional updates or corrections.

Jeuveau[®] and Nuceiva[®], are registered trademarks and Evolysse[™] is a trademark of Evolus, Inc.

Hi-Pure[™] is a trademark of Daewoong Pharmaceutical Co, Ltd.

Estyme[®] is a trademark of Symatase Aesthetics S.A.S.

Evolus, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited, in thousands, except loss per share data)

	Three Months Ended	
	March 31,	
	2024	2023
Revenue:		
Product revenue, net	\$ 58,964	\$ 41,047
Service revenue	369	674
Total net revenues	59,333	41,721
Operating expenses:		
Product cost of sales (excludes amortization of intangible assets)	18,067	12,146
Selling, general and administrative	45,123	37,384
Research and development	2,078	1,381
Revaluation of contingent royalty obligation payable to Evolus Founders	1,578	1,648
Depreciation and amortization	1,409	1,202
Total operating expenses	68,255	53,761
Loss from operations	(8,922)	(12,040)
Other income (expense):		
Interest income	517	99
Interest expense	(4,702)	(2,789)

Other income (expense), net	45	(38)
Loss before income taxes:	(13,062)	(14,768)
Income tax expense	47	23
Net loss	\$ (13,109)	\$ (14,791)
Other comprehensive loss:		
Unrealized loss, net of tax	(130)	(79)
Comprehensive loss	\$ (13,239)	\$ (14,870)
Net loss per share, basic and diluted	\$ (0.22)	\$ (0.26)
Weighted-average shares outstanding used to compute basic and diluted net loss per share	58,797	56,476

Evolus, Inc.
Summary of Consolidated Balance Sheet Data
(Unaudited, in thousands)

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 96,958	\$ 62,838
Accounts receivable, net	34,240	30,529
Inventories	11,547	10,998
Prepaid expenses and other current assets	7,520	5,580
Total current assets	150,265	112,421
Noncurrent assets	75,911	76,577
Total assets	\$ 226,176	\$ 188,998
Accounts payable and accrued expenses	\$ 36,270	\$ 38,084
Other current liabilities	10,531	10,207
Total current liabilities	46,801	48,291
Term loan, net of discount and issuance costs	120,636	120,359
Other noncurrent liabilities	40,296	41,037
Total liabilities	\$ 207,733	\$ 209,687
Total stockholders' equity (deficit)	\$ 18,443	\$ (20,689)

Evolus, Inc.
Summary of Consolidated Cash Flows
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2024	2023
Net cash (used in) provided by:		
Operating activities	\$ (10,615)	\$ (20,587) *
Investing activities	(797)	(511)
Financing activities	45,662	(1,282)
Effect of exchange rates on cash	(130)	(79)
Change in cash and cash equivalents	34,120	(22,459)
Cash and cash equivalents, beginning of period	62,838	53,922
Cash and cash equivalents, end of period	\$ 96,958	\$ 31,463

*Includes a settlement payment of \$5.0 million to Allergan/Medytox in the three months ended March 31, 2023.

Reconciliation of Gross Profit Margin to Adjusted Gross Profit Margin
(Unaudited, in thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Total net revenues	\$ 59,333	\$ 41,721
Cost of sales:		
Product cost of sales (excludes amortization of intangible assets)	18,067	12,146
Amortization of distribution right intangible asset	763	739
Total cost of sales	<u>18,830</u>	<u>12,885</u>
Gross profit	40,503	28,836
Gross profit margin	68.3 %	69.1 %
Add: Amortization of distribution right intangible asset	763	739
Adjusted gross profit	<u>\$ 41,266</u>	<u>\$ 29,575</u>
Adjusted gross profit margin	69.5 %	70.9 %

Evolus, Inc.
Reconciliation of GAAP Operating Expenses to
Non-GAAP Operating Expenses
(Unaudited, in thousands)

	Three Months Ended		Three Months Ended
	March 31,		December 31,
	2024	2023	2023
GAAP operating expense	\$ 68,255	\$ 53,761	\$ 69,634
Adjustments:			
Product cost of sales (excludes amortization of intangible assets)	18,067	12,146	19,270
Revaluation of contingent royalty obligation	1,578	1,648	(875)
Stock-based compensation:			
Included in selling, general and administrative	4,863	3,167	4,119
Included in research and development	216	127	278
Depreciation and amortization	1,409	1,202	1,373
Non-GAAP operating expense	<u>\$ 42,122</u>	<u>\$ 35,471</u>	<u>\$ 45,469</u>

Evolus, Inc.
Reconciliation of GAAP (Loss) from Operations to
Non-GAAP (Loss) from Operations
(Unaudited, in thousands)

	Three Months Ended		Three Months Ended
	March 31,		December 31,
	2024	2023	2023
GAAP (loss) from operations	\$ (8,922)	\$ (12,040)	\$ (8,635)
Adjustments:			
Revaluation of contingent royalty obligation	1,578	1,648	(875)
Stock-based compensation:			
Included in selling, general and administrative	4,863	3,167	4,119
Included in research and development	216	127	278
Depreciation and amortization	1,409	1,202	1,373
Non-GAAP (loss) from operations	<u>\$ (856)</u>	<u>\$ (5,896)</u>	<u>\$ (3,740)</u>

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