



ODDITY 3Q 2025 Earnings Call Prepared Remarks

November 20, 2025

Maria Lycouris, ODDITY Investor Relations:

Thank you, operator. I'm joined by Oran Holtzman, ODDITY's Co-Founder and CEO, and Lindsay Drucker Mann, ODDITY's Global CFO. Niv Price, ODDITY's CTO, will also be available for the question and answer session.

As a reminder, management's remarks on this call that do not concern past events are forward-looking statements. These may include predictions, expectations, or estimates, including statements about ODDITY's business strategy, market opportunity, future financial performance, and potential long-term success. Forward-looking statements involve risks and uncertainties, and actual results could differ materially due to a variety of factors. These factors are described under forward-looking statements in our earnings press release issued yesterday and in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 25, 2025. We do not undertake any obligation to update forward-looking statements which speak only as of today. Finally, during this call we will discuss certain non-GAAP financial measures, which we believe are useful, supplemental measures for understanding our business. Additional information about these non-GAAP financial measures, including their definitions, are included in our earnings press release, which we issued yesterday.

I will now hand the call over to Oran.

Oran Holtzman, ODDITY Co-Founder and CEO:

Thanks everyone for joining us today. We delivered an outstanding third quarter, with strong financial performance while achieving major milestones in our growth initiatives, including new brands, new markets, **ODDITY Labs**, and tech innovation.

Even in a challenging industry backdrop, ODDITY continues to deliver on its near-term financial commitments while building our future growth engines.

Our financial performance once again exceeded our targets as we have done every quarter for the last 10 quarters as a public company, across revenue, profit, and earnings – including 24% revenue growth and 24% growth in adjusted diluted earnings per share year-over-year, despite category challenges. We are also once again raising our full-year guidance.



We achieved a huge milestone this week with the official launch of **METHODIQ**, the third brand in the ODDITY platform.

METHODIQ is our most ambitious endeavor. Our long-term goal for **METHODIQ** is not just to launch another great brand and a telehealth platform, but to transform a broken medical care system, using the best treatments and the highest standard of care – available to everyone.

Our objective is to address medical issues with customized, high-efficacy treatments, without the need of going to the doctor's office or getting lost in a drug store.

Achieving our planned timeline for **METHODIQ** is a great accomplishment and speaks to what makes ODDITY and our culture so strong. This is 4 years of heavy R&D in the making, supported by 2 acquisitions including Voyage81 and Revela, developed with what we believe is an unprecedented scale of over 20,000 real user trials for our product line.

METHODIQ is starting in dermatology, but our long term goal is to expand into new medical domains in the future, and these are in development as we speak.

Our launch into dermatology takes on a massive problem. Industry data shows that nearly 50 million Americans suffer from acne. Nearly 30 million from hyperpigmentation and more than 30 million from eczema. And many of them are unsatisfied with the current options on the market. Drug store products lack efficacy and personalization. Going to a dermatologist is high friction and the standard of care for these conditions has declined.

At the same time, dermatologists will tell you that issues like acne are curable. You only need to ensure the person has the right products and that they stay compliant.

To tackle this big challenge we built an ambitious and complex brand.

METHODIQ is expected to feature a huge line of 28 prescription and non-prescription products which combine for more than 100 unique treatment combinations for precision personalization.

We have aimed to optimize these products to balance between maximizing efficacy and minimizing side effects, and at the same time provide a best in class beauty experience – using the same standards for things like texture and scent that we have at **IL MAKIAGE** and **SpoiledChild**, while beating top benchmark competitors in their category, based on internal data.

Our launch portfolio spans orals, topicals, supplements, and medical-grade makeup that conceals while it heals.



Within the first 6 months of launch we will be live in the market with 4 **METHODIQ** products formulated with **ODDITY Labs** molecules that are proprietary to us, addressing a range of skin conditions that includes dark spots, acne scarring, eczema, and skin firming.

METHODIQ's suite of vision tools was developed alongside our team of dermatologists to analyze visible skin features like breakouts and pigmentation to help our doctors network understand each user's condition. These vision models were built drawing on more than 1 million images of real individuals with known facial skin conditions, which we believe is the largest image data set of its kind and was curated from the over 13 million facial images in ODDITY's database.

Users are delivered continuous care through **METHODIQ**'s first of its kind tracking app for weekly check-ins, where our vision technology quantifies progress and gives updates to the clinician, ensuring compliance and success.

We soft launched **METHODIQ** in Q3 and went live with our formal launch earlier this week, exactly as planned. This launch includes a major media campaign showcasing **METHODIQ**'s distinctive brand voice and inspires consumers to commit to the cure.

We are running a large scale out of home takeover in New York City, and a massive TikTok activation partnering with the biggest medical and skin influencers to create brand awareness and to build trust. This is the biggest TikTok activation in ODDITY's history.

And as we have said, dermatology is just the beginning, we are working on additional medical domains for expansion and we expect to have more to announce for **METHODIQ** in the future.

Turning to **IL MAKIAGE**.

Q3 was once again strong. **IL MAKIAGE** revenue grew double digit online. The brand remains on track to achieve our target of \$1B of revenue by 2028.

We continue to show healthy expansion in International. At the ODDITY level, International revenue increased around 40% year over year in the first 9 months of 2025.

We have successfully scaled in existing markets like the UK and Australia, while conducting larger scale tests in new markets like France, Italy, and Spain. We see huge opportunity in International markets and plan to further scale those across the board in 2026.

SKIN remains a standout growth area and is on track to be around 40% of **IL MAKIAGE** brand revenue this year. Successful product innovation has been a key driver of **SKIN**, and we expect this will continue in 2026 with our solid lineup of new product launches.



Turning to **SpoiledChild**, which is having a strong year. We now expect the brand to cross \$225 million of revenue in 2025. We are excited about our innovation lineup for 2026, including new product tests.

Moving to **ODDITY Labs** where our very hard work over the last 2 years is starting to bear fruit. We have made significant improvements over the last year to our systems, infrastructure and teams, which we believe will translate into strong commercial discoveries.

The near-term commercial impact for **ODDITY Labs** is increasing. We plan to have at least 8 products with **Labs** molecules on the market in 2026 for our existing brands, including 4 products for **METHODIQ** and 4 for **IL MAKIAGE** and **SpoiledChild**. Beyond these 8, we have additional products planned for our **Brand 4** launch.

Lastly on tech product innovation, which is the backbone of our business and an area of continuous investment. Artificial Intelligence has been a centerpiece of our tech platform since we first launched in 2018. Advances in large language models and generative AI – together with our large and growing proprietary data sets – allow us to push the frontier of how we can use machine learning to drive direct-to-consumer. We have a range of initiatives in development on this front, including commerce agents that drive conversion and satisfaction; integrating these state of the art models into our advertising creative; and other customer facing initiatives.

With that I will hand it over to Lindsay.

Lindsay Drucker Mann, ODDITY Global CFO:

Thanks Oran

Turning to our third quarter financial results which I will refer to on an adjusted basis. You can find the full reconciliation to GAAP in our press release.

Q3 was another good quarter for us, setting us up for a record-breaking full year result in 2025.

ODDITY's strong financial results continue to stand out relative to our competitors. This outperformance has been driven by the strength of our direct-to-consumer model and exposure to what we see as the key, durable growth vectors in the industry, which are the consumer shift online and the migration towards high efficacy products.



We grew revenue by 24% in the third quarter to \$148 million, exceeding our guidance for revenue growth of between 21 and 23%. The strength was driven by double digit online growth at both **IL MAKIAGE** and **SpoiledChild**.

Net revenue was driven by an increase in orders, while average order value declined around -1%.

Average order value was impacted by mix, including faster growth in international markets, which carry lower AOV.

Repeat increased as a percent of sales year over year, and our 12-month net revenue repeat cohort trends remain strong at north of 100%.

Gross margin of 71.6% expanded 170 basis points versus the prior year, and exceeded our guidance of 68%. We did experience some gross margin impact from the flow through of higher tariffs during the period, but this was offset in part by cost efficiencies and favorable mix relative to our plan. We continue to expect tariff headwinds will remain manageable for the balance of 2025 and into 2026, and while we have the flexibility to take pricing as needed, we have no specific price increases planned to offset tariff related inflation.

We delivered Adjusted EBITDA of \$29 million in the quarter, above our guidance of \$26-28 million.

We continue to invest in our long-term growth engines, including our **METHODIQ** brand launch and other future brands, **ODDITY Labs**, and our tech platform.

We had higher than planned media costs in the quarter, and have seen the media backdrop improve as we progressed into the fourth quarter.

We delivered adjusted diluted earnings per share of \$0.40 compared to our guidance of \$0.33-0.36. Adjusted diluted earnings per share exclude approximately \$9 million of share-based compensation expense.

We delivered strong free-cash flow of \$90 million for the first 9 months of the year. This included around \$16 million of outflows related to inventory, as we built inventory for **METHODIQ** and modified our inventory shipment timing for tariff planning purposes.

We ended the quarter with \$793 million of cash, cash equivalents, and investments on our balance sheet with an additional \$200 million available on our undrawn credit facilities.

Turning to our outlook for 2025.



After a strong first 9 months we are on track for another record breaking fiscal year and are once again raising full year guidance.

We now expect full year 2025 net revenue will be between \$806 and \$809 million, representing between 24% and 25% year over year growth.

We expect gross margin will be approximately 72.5%.

We expect adjusted EBITDA will be between \$161 and \$163 million.

And we expect adjusted diluted EPS will be between \$2.10 and \$2.12, assuming no share buybacks in 2025.

This full year outlook includes our expectation that revenue in the fourth quarter will increase between 21 and 23% year over year.

You can find more details on our Q4 outlook in our press release.

With that I will turn the call back to the operator for questions.