



# HONEST<sup>®</sup>

## Investor Strategic Update 2025

# Forward Looking Statements

This presentation contains certain forward-looking statements within the meaning of the federal securities laws, including statements about the outlook of our business and industry and other matters referenced in our earnings release and SEC filings. All statements other than statements of historical fact contained in this presentation, including statements on our business strategy, plans, objectives, financial results, operating results, potential market and growth opportunities, or competitive position, are forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, some of which management cannot predict, that could cause actual results to differ materially. Please refer to our SEC filings and earnings releases for a more detailed description of the risk factors that may affect our results.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may impact our business, financial condition and operating results. Please note that these forward-looking statements reflect our opinions only as of the date of this presentation and we undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements in light of new information, future events, or the occurrence of unanticipated events, except as required by law.

Market data and industry information used through this presentation are based on management's knowledge of the industry and the good faith estimates of management. We also relied upon management's review of independent industry surveys and publications and other available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data, information, and estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified the information provided by these or any other third-party sources referred to in this presentation. We make no representations or warranties as to the accuracy of any such statements, data, information, or estimates. Projections, assumptions, and estimates of our and our industry's future performance are subject to a high degree of uncertainty and risk. These uncertainties and risks, as well as other factors, could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by third-parties.

# A modern CPG company poised for growth

Strengthened financial foundation



Modern brand



Dynamic leadership and culture



Scalable growth



## Our story

- Launched in 2012 with the goal to create **a new personal care company with clean ingredients and sustainability at its core**
- The portfolio resonated with a new generation of families





Our story

The Honest Company is a personal care company **on a mission to challenge ingredients, ideals and industries so people can protect who they love.**

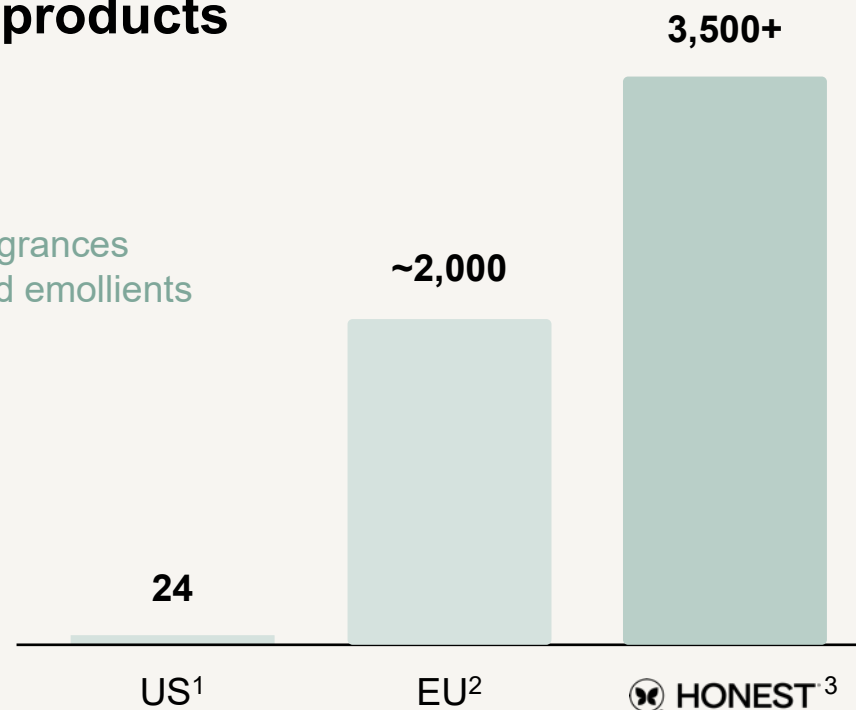


# A higher standard of Clean that we call The Honest Standard

- 1 Clean ingredients**  
We ban 3,500+ ingredients
- 2 In-house labs**  
Innovative, proprietary formulas
- 3 Toxicologist audited**  
Rigorous research and testing

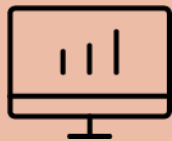
## Number of ingredients not permitted in products

- No parabens
- No sulfates
- No phthalates
- No synthetic fragrances
- No petro-derived emollients
- No PEGs
- No mineral oil
- No PFAS



# Our portfolio

**#1**  
natural brand in  
baby personal  
care<sup>1</sup>



Honest baby wipes, baby  
personal care, and  
apparel all growing share<sup>2</sup>

**#1**  
natural brand  
in baby wipes<sup>6</sup>



**7%**  
household penetration

**+20%**  
Since 2021<sup>3</sup>

**#1**  
climate-pledge friendly  
mascara on Amazon<sup>4</sup>



Oprah's Favorite Things<sup>5</sup>:  
"Fam Jams"  
4 years in a row



Source: 1. Circana MULO data, last 52 weeks ending 01/05/25; 2. Circana MULO + Amazon Stackline – (Apparel Amazon Stackline only) last 52 weeks ending 01/05/25; 3. Numerator Data through December 2024; 4. Amazon Stackline data 2025 YTD; 5. Oprahdaily.com January 4, 2024; 6. Circana MULO data, last 13 weeks ending 01/05/25

# Strengthened financial foundation





# Honest is on a transformation journey focused on three Pillars:



# Transformation Pillars delivering strong results

## Brand Maximization

**+10%**

YoY revenue growth<sup>1</sup>

**7%**

Household penetration<sup>2</sup>

## Margin Enhancement

**+900 bps**

YoY gross margin<sup>1</sup>

**+\$37M**

YoY Adj. EBITDA<sup>1</sup>

## Operating Discipline

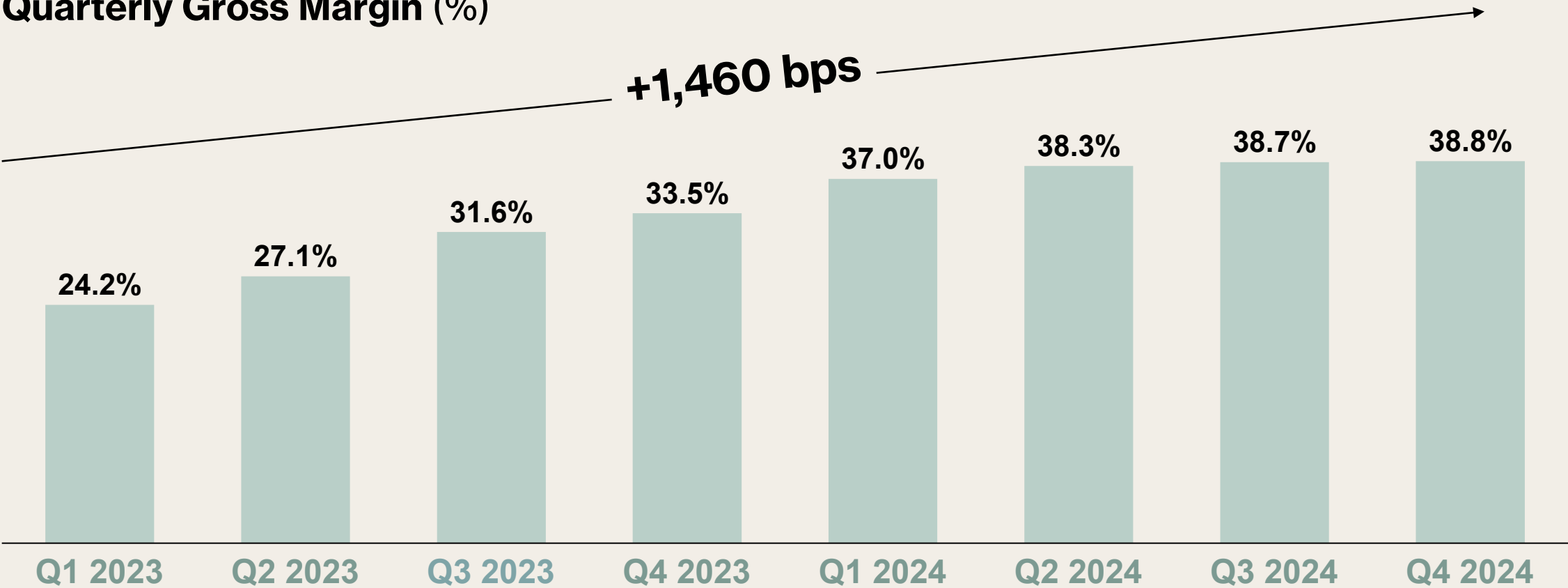
**\$75M Cash**

**\$0 Debt<sup>1</sup>**

High-performing  
practices from leading  
CPG, Tech and Retail

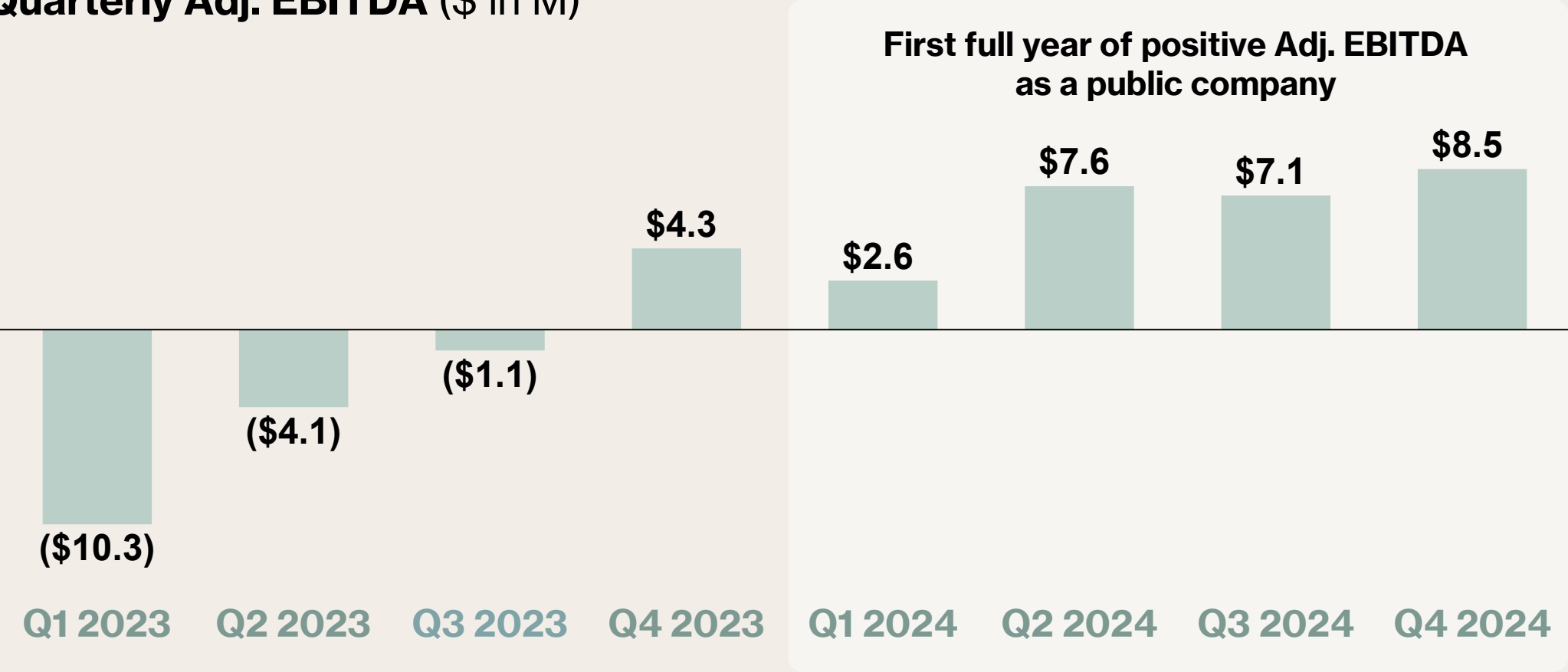
# Sequential gross margin improvement through 2024

Quarterly Gross Margin (%)



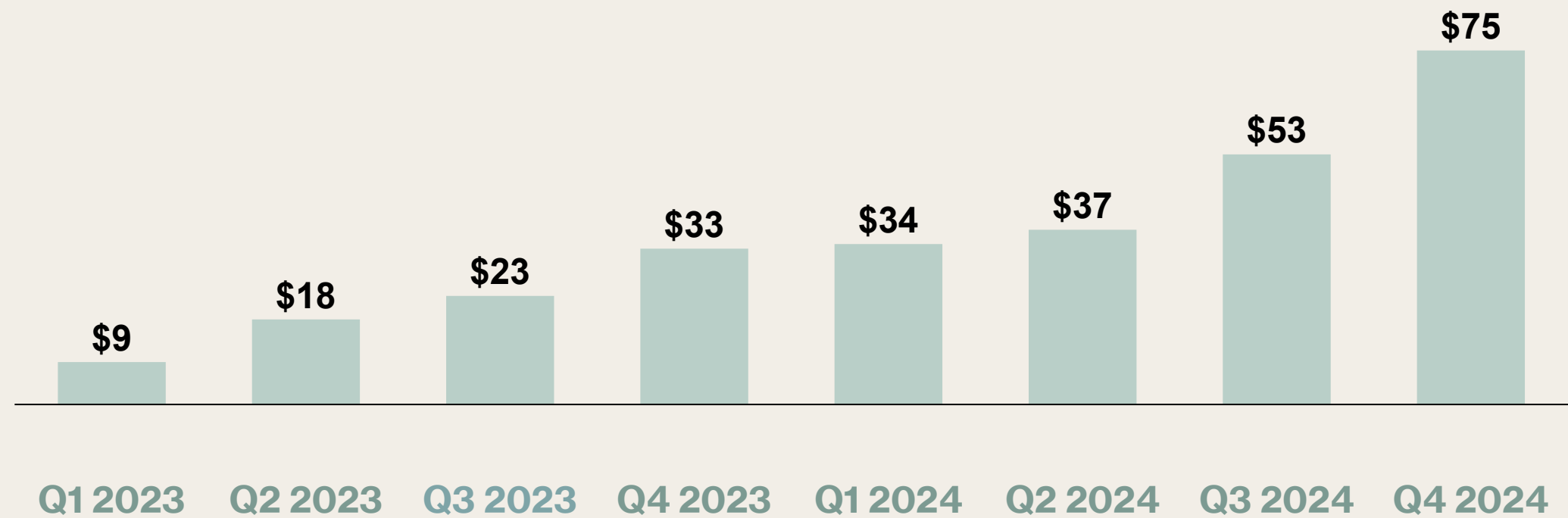
# Achieved Adj. EBITDA profitability

Quarterly Adj. EBITDA (\$ in M)



# Improved cash position

Quarterly Cash Balance (\$ in M)





Strengthened financial foundation

# 2024 financial summary

Revenue	\$378M	+10% vs. LY
Gross Margin %	38%	+900 bps vs. LY
Adj. EBITDA	\$26M	+\$37M vs. LY
Debt	\$0	Flat vs. LY



Strengthened financial foundation

# Q1 2025 Results

Revenue	\$97M	+13% vs. LY
Gross Margin %	39%	+170 bps vs. LY
Adj. EBITDA	\$7M	+\$4M vs. LY
Debt	\$0	Flat vs. LY



Strengthened financial foundation

# Q2 2025 Results

Revenue	\$93M	+0.4% vs. LY
Gross Margin %	40%	+210 bps vs. LY
Adj. EBITDA	\$8M	Flat vs. LY
Debt	\$0	Flat vs. LY





# Modern brand

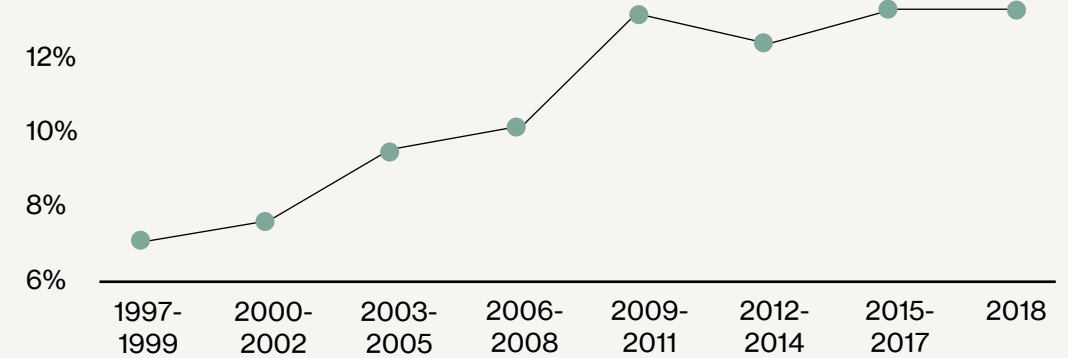


Modern brand

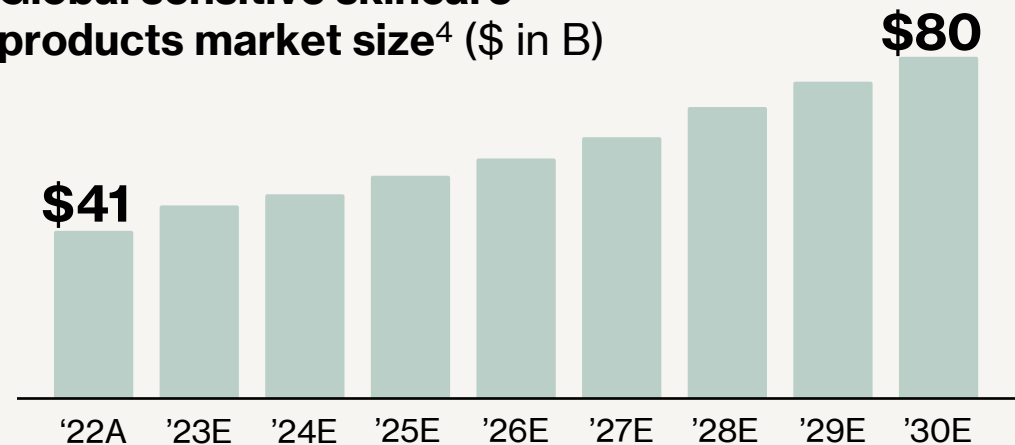
# Consumers have new needs

- Growing focus on **ingredients and safety**
  - **Skin allergies** among children have nearly doubled since 1997
  - 72% of consumers are concerned about the **long-term effects of certain chemicals**<sup>2</sup>
  - **Sensitive skin** affects **71% of adults**<sup>3</sup>
- Market for **sensitive skin products** expected to nearly double by 2030<sup>4</sup>
- **Natural Personal Care** expected to grow 3x faster than conventional<sup>5</sup>

Children (0-17) with a skin allergy the past 12 months over 3 year period<sup>1</sup> (%)



Global sensitive skincare products market size<sup>4</sup> (\$ in B)

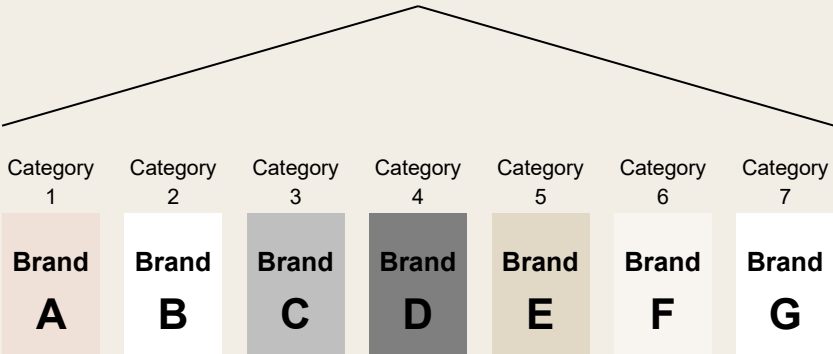




Modern brand

# Single powerful brand across aisles

Conventional CPGs  
Many Brands • Multiple Categories



Honest is a Branded House  
One Brand • Many Categories

A diagram illustrating the Honest Branded House structure. At the top, the Honest logo (a stylized leaf icon) and the word 'HONEST' are displayed. Below the logo, a large teal house shape contains various product images arranged in two rows. The products are categorized as follows: Baby Personal Care (four bottles of baby wash/soap), Wipes (three packages of baby wipes), Diapers (four packages of baby diapers), Skincare (four bottles of skincare products), Cosmetics (three tubes of lipstick/makeup), Wellness (one bottle of a supplement), and Apparel (three pieces of baby clothing). Each category is labeled with its name below the corresponding products.

Modern brand

# Revolutionized Baby Care



Brought modern designs to diaper category



Launched organic apparel to match diapers



Created baby spa moments



Baby gifting



Online community

# Scalable growth



# Distribution expansion a focal point of growth

- ① Increasing Total Distribution Points reflects the most significant growth opportunity
- ② Distribution remains underpenetrated relative to competition
- ③ Innovation supports our objective of increased availability



Scalable growth

# Widely available with room to grow

## Our retail partners today



## Multiple levels of opportunity

Stores \_\_\_\_\_ 

Doors \_\_\_\_\_ 

Aisles \_\_\_\_\_ 

Shelves \_\_\_\_\_ 

Facings \_\_\_\_\_ 

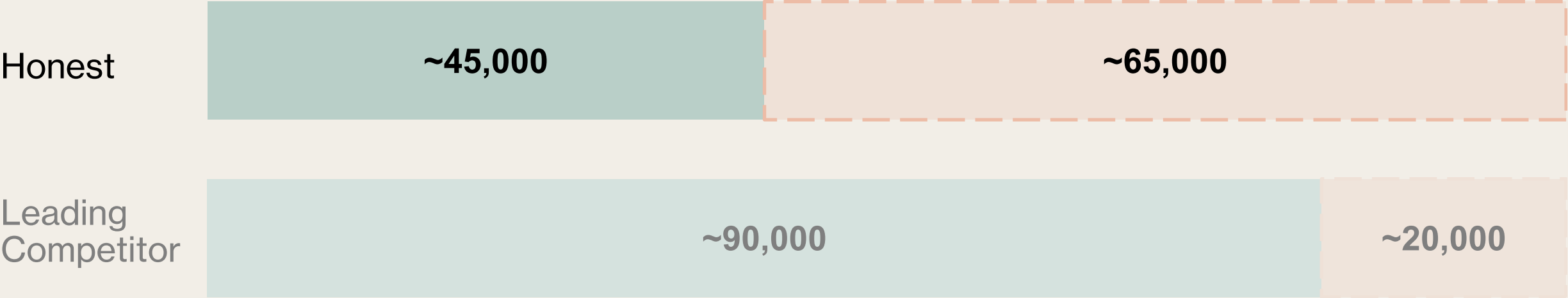
Innovation \_\_\_\_\_ 



# Large runway for growth into more doors

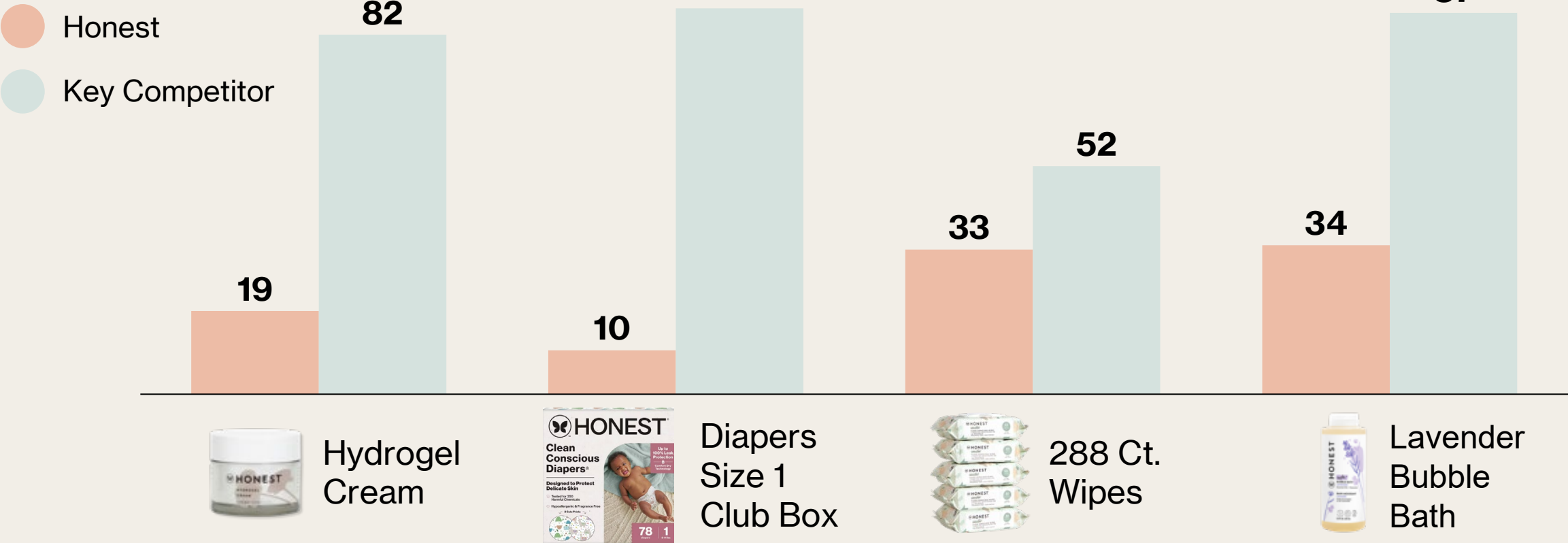
## 2024 year-end total doors selling

- Year-end doors selling
- Remaining doors available



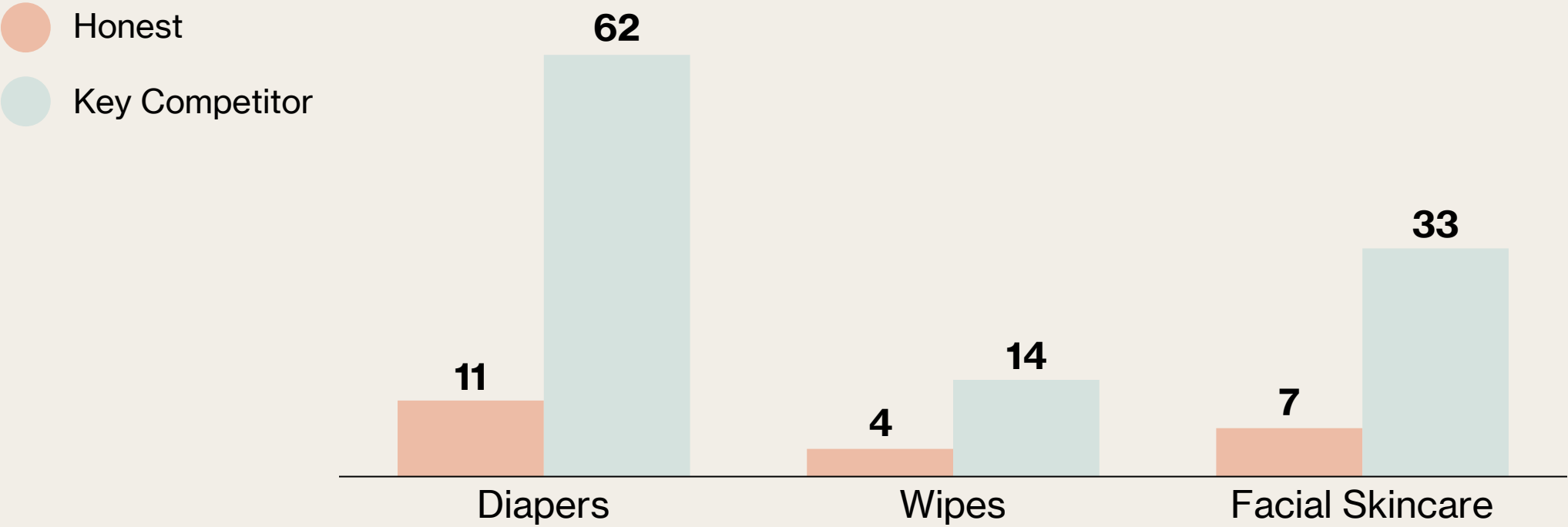
# Hero products under-distributed

Max ACV % by SKU



# Opportunity for larger presence on shelf

Average products on shelf per store selling



Dynamic leadership & culture

# The right leaders for the mission

Broadly experienced leadership team:



**Carla Vernón**  
Chief Executive Officer

**Curtiss Bruce**  
Chief Financial Officer





# 2025 and long-term outlook





# 2025 Financial Outlook

	2025 Outlook	Long-Term Algorithm
Revenue Growth	4% - 6%	4% - 6% annually
Adjusted EBITDA	\$27 million - \$30 million range	Continued Adj. EBITDA margin expansion

**Q2 2025 Earnings:  
Reaffirmed FY 2025 Outlook**

# Reasons to invest

- 🦋 Business model transformed for profitability
- 🦋 Leadership team with broad CPG industry expertise
- 🦋 Strong runway for growth
- 🦋 Growing consumer need, large market potential
- 🦋 Vibrant brand built for today's family needs
- 🦋 Proven success in omnichannel



# Appendix



# Reconciliation of GAAP and Non-GAAP Financial Measures

## Adjusted EBITDA (\$ millions)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Net income (loss)	(\$18.9)	(\$13.4)	(\$8.1)	\$1.1	(\$39.2)	(\$1.4)	(\$4.1)	\$0.2	(\$0.8)	(\$6.1)
Interest and other (income) expense, net	0.2	0.0	0.1	(0.0)	0.3	0.0	0.0	(0.1)	(0.2)	(0.3)
Income tax provision	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Depreciation and amortization	0.7	0.7	0.7	0.7	2.7	0.7	0.7	0.7	0.7	2.8
Stock-based compensation	3.8	6.4	3.7	1.9	15.8	2.5	8.9	2.2	2.1	15.7
Securities Litigation expense	1.2	1.8	1.4	0.4	4.7	0.4	1.3	4.1	6.7	12.4
CEO and CFO transition expense	1.3	0.0	0.8	0.0	2.1	0.2	0.7	0.0	0.0	0.9
Restructuring costs	1.4	0.4	0.4	0.1	2.2	0.0	0.0	0.0	0.0	0.0
Payroll tax expense related to stock-based compensation	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.4
<b>Adj. EBITDA</b>	<b>(\$10.3)</b>	<b>(\$4.1)</b>	<b>(\$1.1)</b>	<b>\$4.3</b>	<b>(\$11.2)</b>	<b>\$2.6</b>	<b>\$7.6</b>	<b>\$7.1</b>	<b>\$8.5</b>	<b>\$25.9</b>