



HONEST[®]

Investor Strategic Update 2024

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.

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A modern CPG company poised for growth

Strengthened financial foundation



Modern brand



Dynamic leadership and culture



Scalable growth



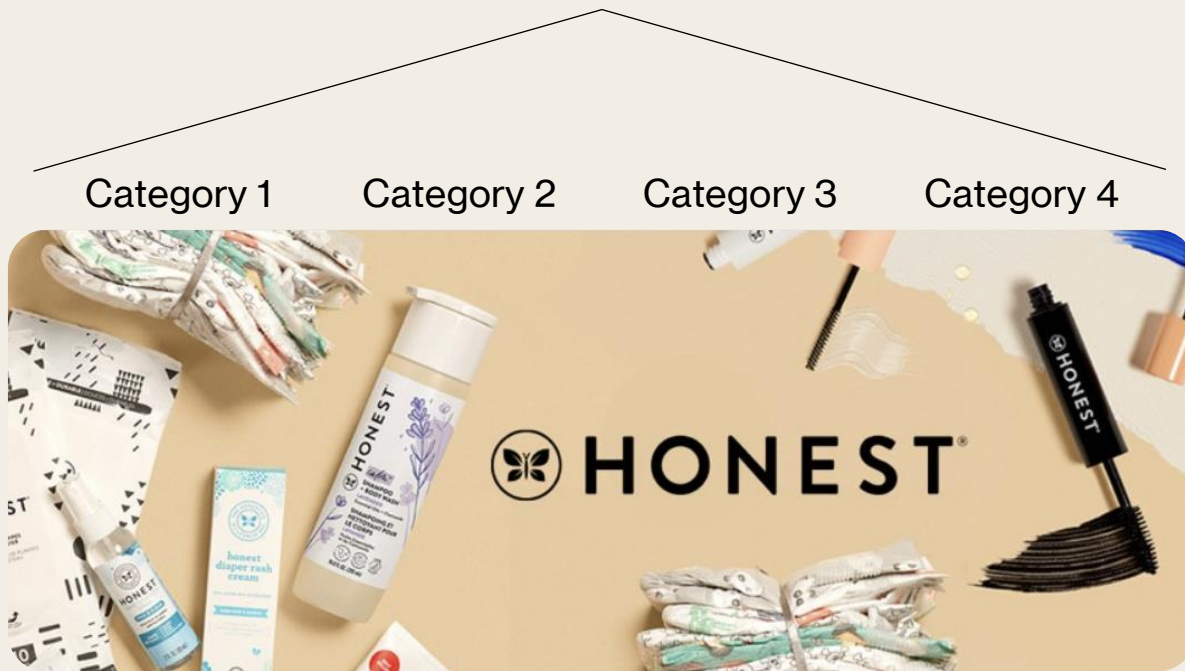
Our story

- Founded 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

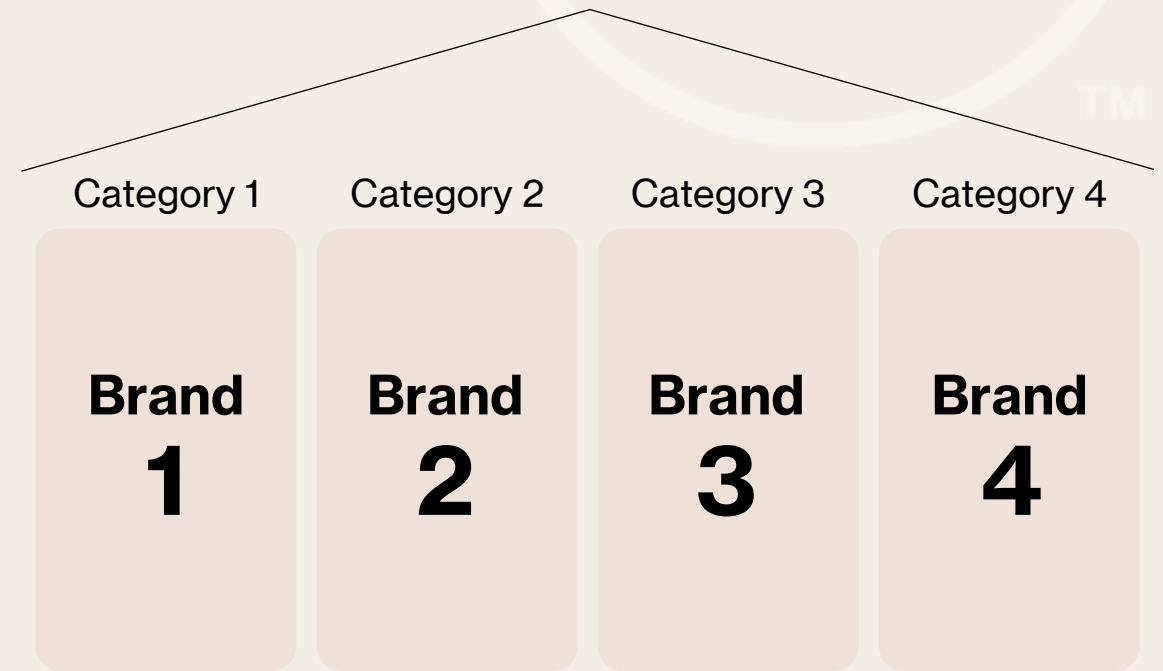


One powerful brand capable of spanning aisles

Honest is a **Branded House**



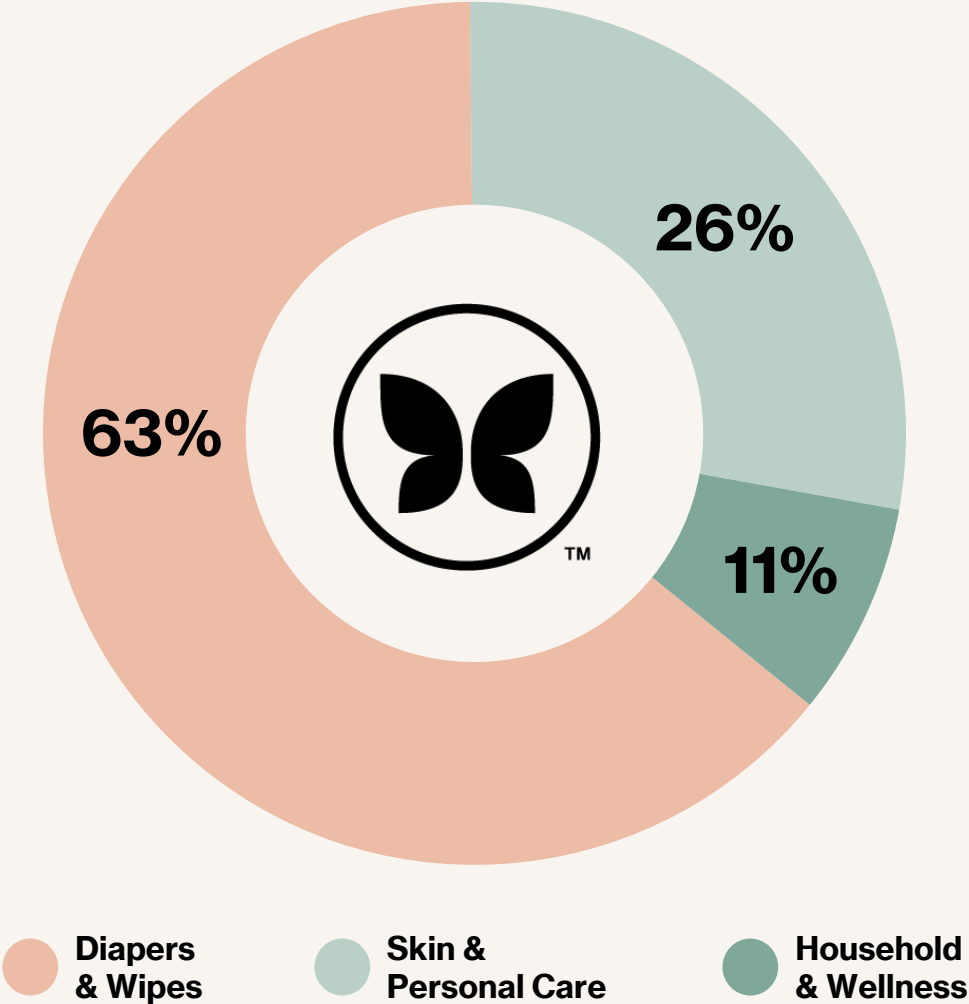
Conventional CPG: **House of Brands**



Our portfolio

2023 Revenue (%)

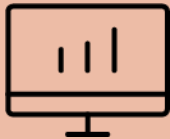
Total: \$344 M



Our portfolio

#1

natural¹ brand in baby care



All product segments growing share¹



Top ranked purpose-driven personal care brand²

Household penetration growing at

13%
4 Year CAGR³

Fastest growing wipes brand⁴



#1

climate-friendly mascara on Amazon⁵



Oprah's Favorite Things⁶:
"Fam Jams"
4 years in a row



The next Honest chapter

2021

The Honest
Company IPO

2023

New management
team in place

2023–2024

Transformation
Initiative is
underway;
bearing early
fruit

Today

Sharing our vision
for continued
scaling across
categories and
channels

Strengthened financial foundation



Honest is on a transformation journey



Strengthened financial foundation



Transformation Initiative delivered stronger 2023

Brand Maximization

+10%

Revenue growth via units & pricing¹

+6%

Year end retail distribution²

Margin Enhancement

+600 bps

YoY Q4 gross margin³

+\$11M

YoY FY Adj. EBITDA¹

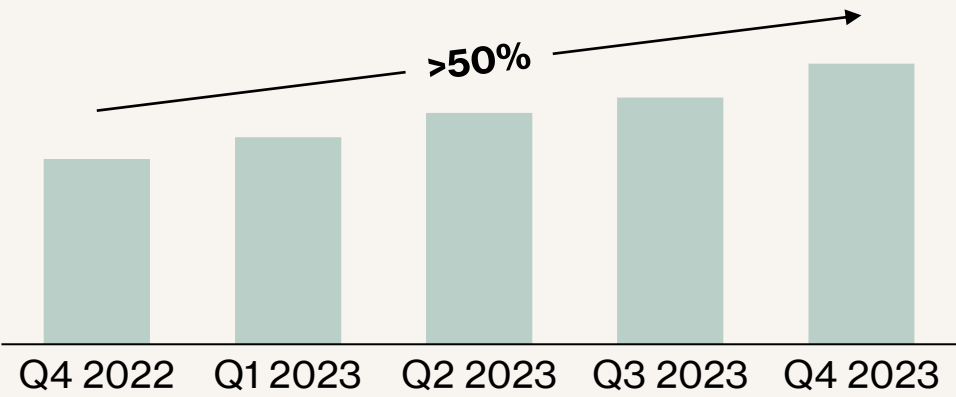
Operating Discipline

\$42M

Inventory reduction¹

High-performing
practices from leading
CPG, Tech and Retail

Sequential improvement in Return on Ad Spend¹



4x

Increase YoY in new to brand households²



2023 Margin drivers

Pricing

Product cost

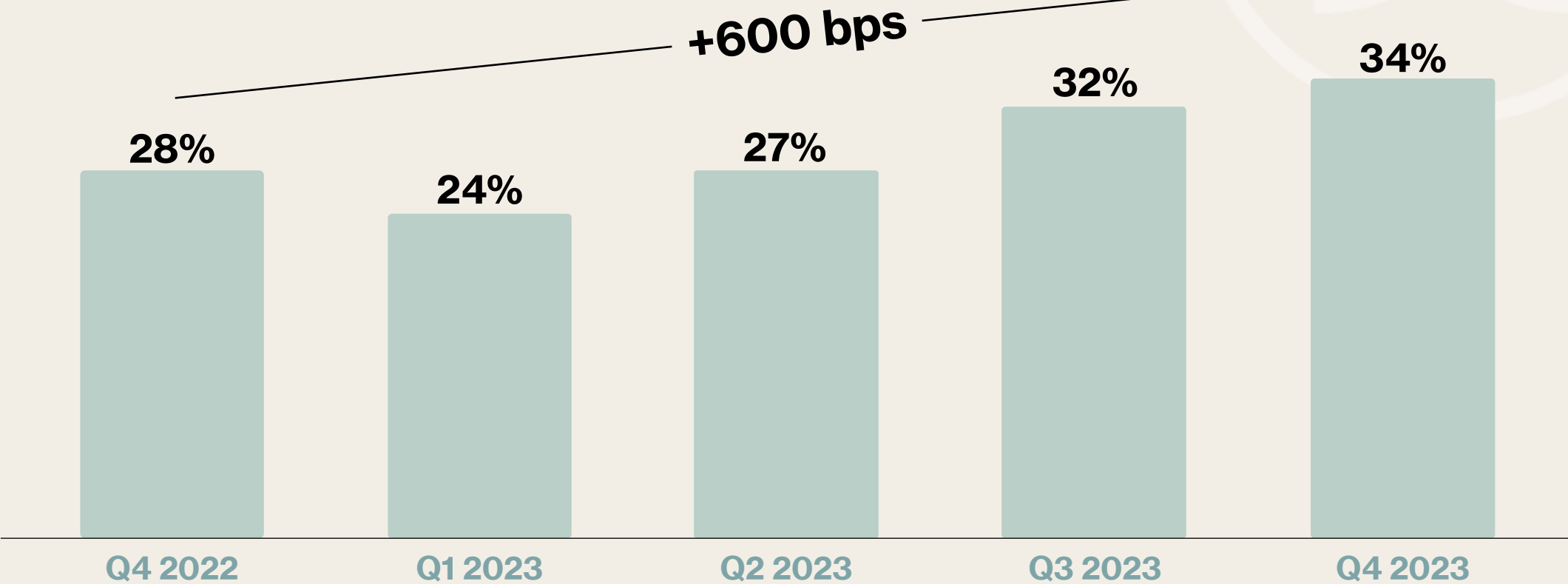
Marketing efficiency

Operating expense control



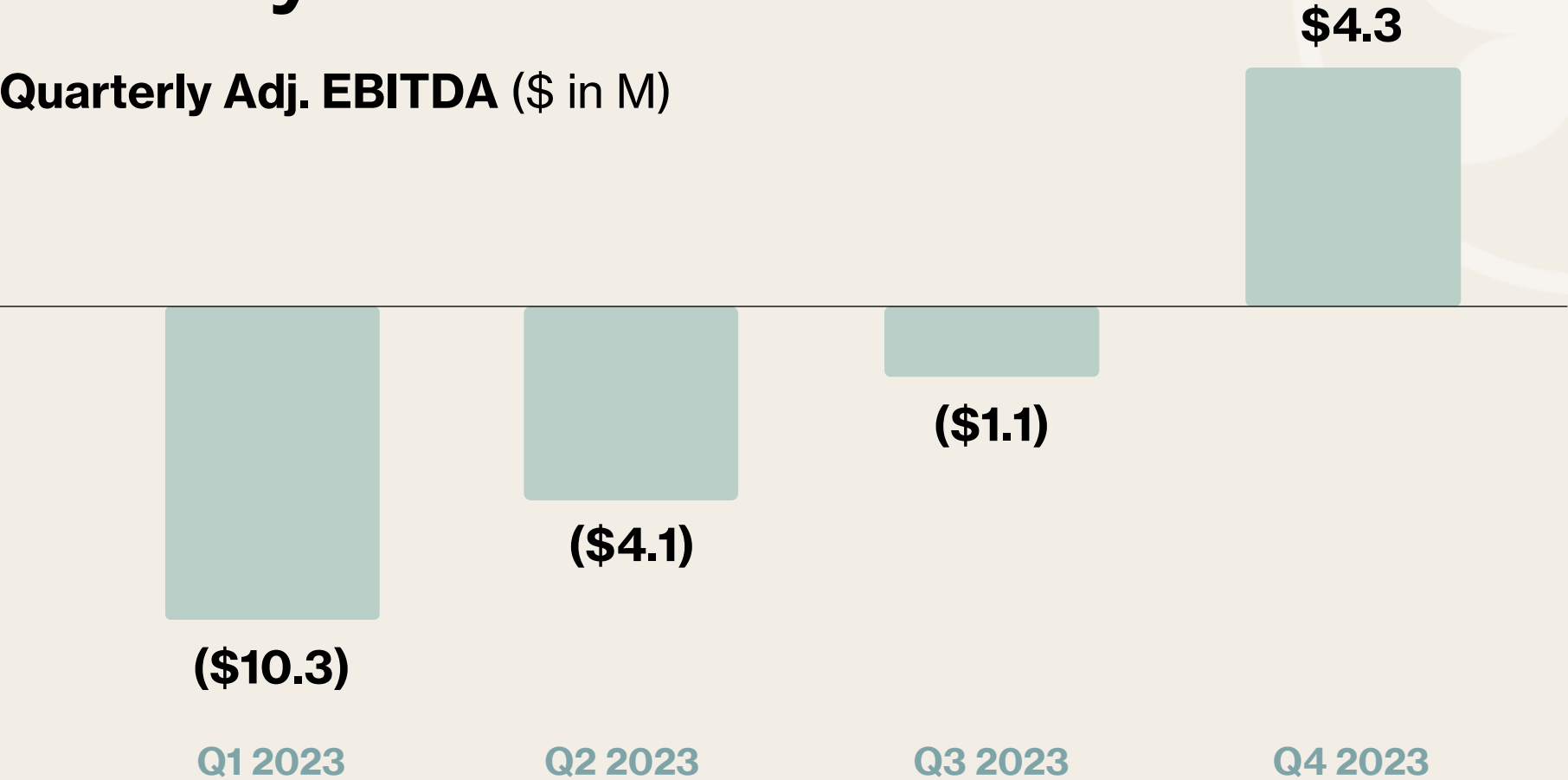
Sequential margin improvement in 2023

Quarterly Gross Margin (%)



Achieved Adj. EBITDA profitability

Quarterly Adj. EBITDA (\$ in M)



Strengthened financial foundation | Operating discipline

Converted inventory to cash

Reduced inventory by
\$42M



Strengthened financial foundation

2023 financial summary

2023 Results	
Revenue Growth	+10% vs. 2022
Gross Margin %	+ 600 bps YoY Q4 2023
Adj. EBITDA	+\$11M vs. 2022

Strengthened financial foundation

Stronger balance sheet 2023

Positive cash flow:
+\$18M¹

Debt:
\$0



Modern brand



TM



Modern brand

At Honest, we decided the rules for mass personal care were outdated, so we made our own. **Because we take personal care personally.**



Modern brand

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



Modern brand

Since 2012 we have channeled this mission into action:

We call this **The Honest Standard**



Ingredients

Raising the bar on
ingredient formulation



Ideals

Breaking the mold on the
status quo and revitalizing
ideals



Industries

Driving change that
creates a ripple effect
strong enough to reshape
industries

A higher standard of clean

- 1 Clean ingredients**
We ban 3,500+ ingredients
- 2 In-house labs**
We use innovative, proprietary formulas
- 3 Toxicologist audited**
We conduct rigorous research and testing

Number of ingredients not permitted in products

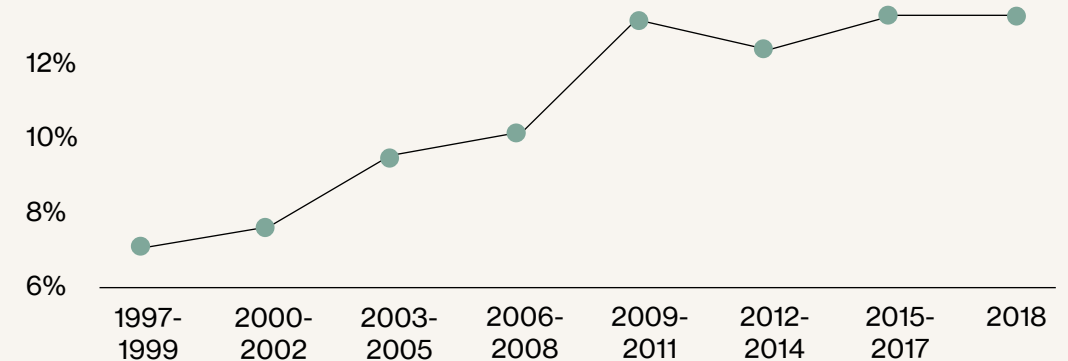
- No parabens
- No sulfates
- No phthalates
- No synthetic fragrances
- No petro-derived emollients
- No PEGs
- No mineral oil
- No PFAs



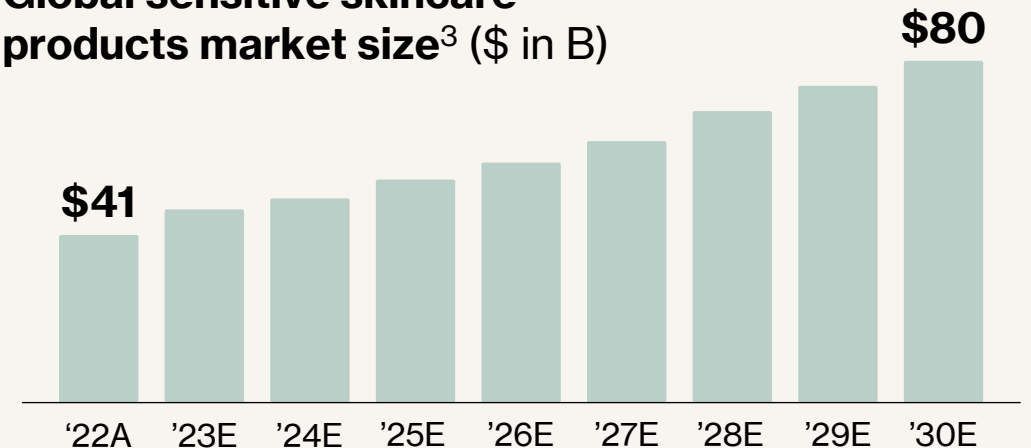
Consumers have new needs

- Skin allergies among children have **nearly doubled** since 1997¹
- **51% of consumers** research their personal care ingredients (+25% vs. 2022)²
- Market for sensitive skin products expected to **nearly double** by 2030³
- Natural Personal Care expected to **grow 3x faster** than conventional⁴

Children (0-17) with a skin allergy the past 12 months over 3 year period¹ (%)



Global sensitive skincare products market size³ (\$ in B)



Modern brand

Designed to a higher standard

Many of our products earn leading 3rd party certifications



Modern brand

Modern brand building

Direct-to-consumer



Limited time prints!

DIAPERS + WIPES BUNDLE

You pick, you Save! 20% off per shipment

- \$250+ savings a year
- 7 diapers packs + 4 wipes packs per month
- Exclusive early access to seasonal prints

SUBSCRIBE + SAVE

SHOP DIAPERS


Online community



Creator partnerships



Earned media



The 16 Best Mascaras of 2024, Tested and Reviewed


Best for Bottom Lash

Honest Beauty Mascara + Lash Primer

View On Amazon | \$20


View On Target | \$20

View On Walmart | \$35



30 Best Baby Shower Gifts That'll Impress Any New Parent

From the practical must-haves like diapering gear to the unique and sentimental (teeny tiny socks!), we've rounded up the best baby shower gifts to show your support



Best Overnight Diapers For Sensitive Skin

A Plant Based Core Provides 12-Hour Protection

The Honest Company Clean Conscious Overnight Diapers

\$14

AT THE HONEST COMPANY

\$14 At The Honest Company (26 Ct)

\$28 At Amazon (60 Ct)

\$37 At Target (52 Ct)


Paid media surround sound




GENTLE CARE FOR SENSITIVE SKIN

Explore hypoallergenic, clean & fragrance-free formulas for you + babe

SHOP NOW






THE HONEST STANDARD

Meaningful transparency and thoughtful design. We're on a mission to change the world, one product at a time.

MADE WITHOUT 3500+ QUESTIONABLE INGREDIENTS

ANIMAL FRIENDLY CRUELTY FREE + VEGAN

IN-HOUSE TOXICOLOGIST



Modern brand

Revolutionized baby care



Brought modern designs to diaper category



Launched organic apparel to match diapers



Created baby spa moments



Baby gifting

Modern brand

Hero products people love



Mascara

- Formulated without microplastics
- Plant-based formula
- **#1** climate friendly mascara on Amazon¹
- **12% 3-year CAGR** through 2023²



Baby Personal Care

- Green-chemistry surfactant rich in plant based-extracts
- **#1** natural baby personal care brand in Target³
- Grew **19%** in 2023⁴



Wipes

- Plant-based, compostable
- **40+%** usage in families without children⁵
- Grew **44%** in 2023⁶

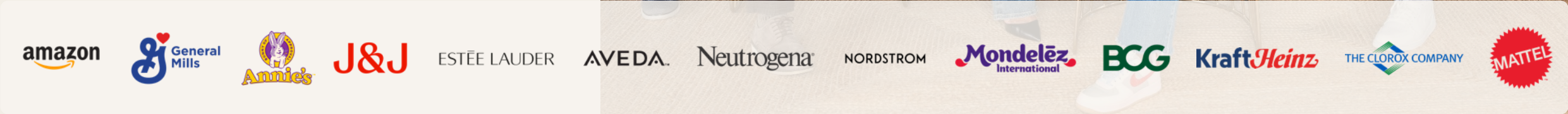
Dynamic leadership and culture



Dynamic leadership & culture

The right leaders for the mission

Broadly experienced leadership team:



Dynamic leadership & culture

Vibrant team

~175 full-time employees¹

Headquartered in Southern California



HONEST™

Source: 1. Honest Company 2023 10-K

Dynamic leadership & culture

Strengthening internal practices

Introduced **FEEFA** mindset:

Focus

**Executional
Excellence**

Fast

Aligned

Dynamic leadership & culture

Board of Directors



James D. White
Chairperson



Carla Vernón
Chief Executive Officer



Jessica Alba
Founder



Michael Barkley



Katie Bayne

TM



Susan Gentile



John R. (Jack) Hartung



Alissa Hsu Lynch



Andrea Turner

Broadly experienced Directors:



Scalable growth



Distribution expansion a focal point of growth

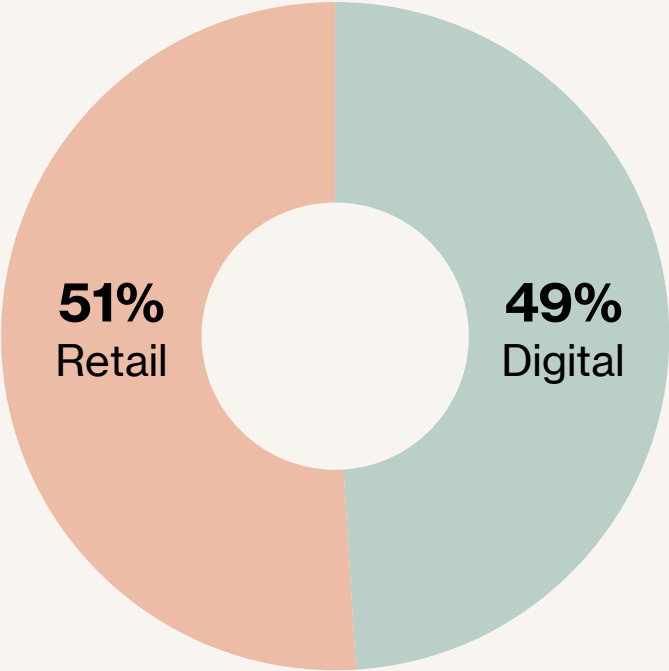
- ① Increasing Total Distribution Points reflects the most significant growth opportunity
- ② Distribution remains underpenetrated relative to competition
- ③ Innovation supports our objective of increased availability



Scalable growth

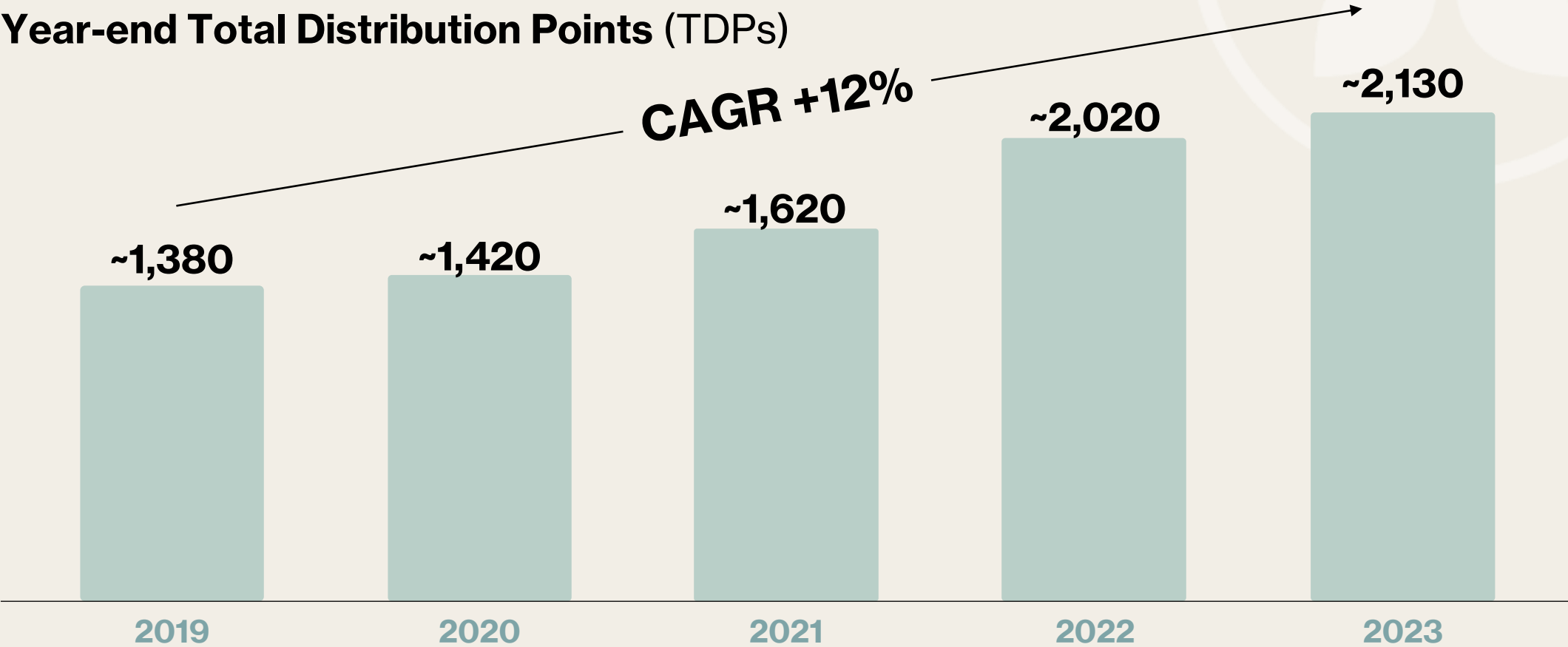
We are widely available

Balanced omnichannel revenue base
% of 2023 Revenue



History of distribution expansion

Year-end Total Distribution Points (TDPs)



Multiple levels of distribution opportunity

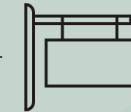
Stores | **add more retailers** _____



Doors | **add outlets at existing retailers** _____



Aisles | **add more locations in stores** _____



Shelves | **add stronger shelf placement** _____



Facings | **add more items and span to shelves** _____



Innovation | **add new categories to product portfolio** _____



Remaining opportunity with new retailers

Club

Beauty specialty

Discount

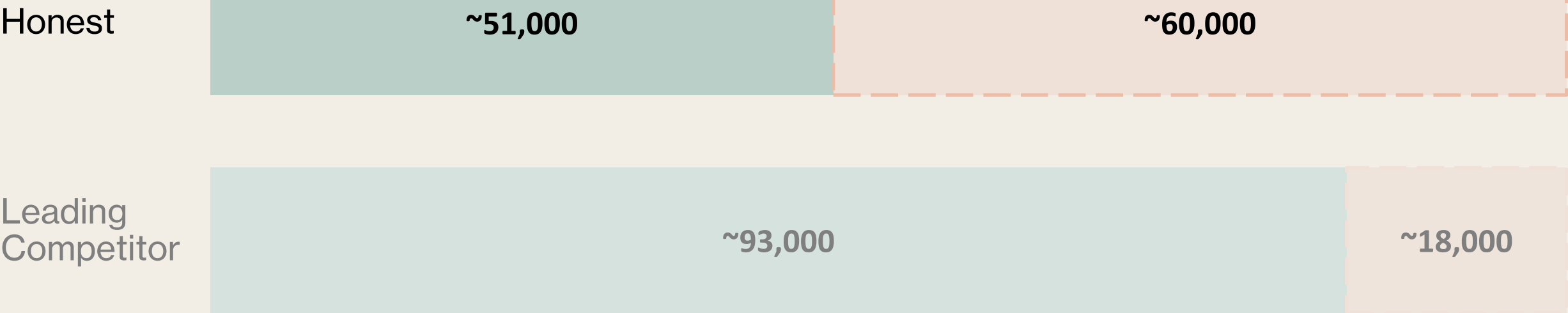
Grocery

Drug



Large runway for growth into more doors

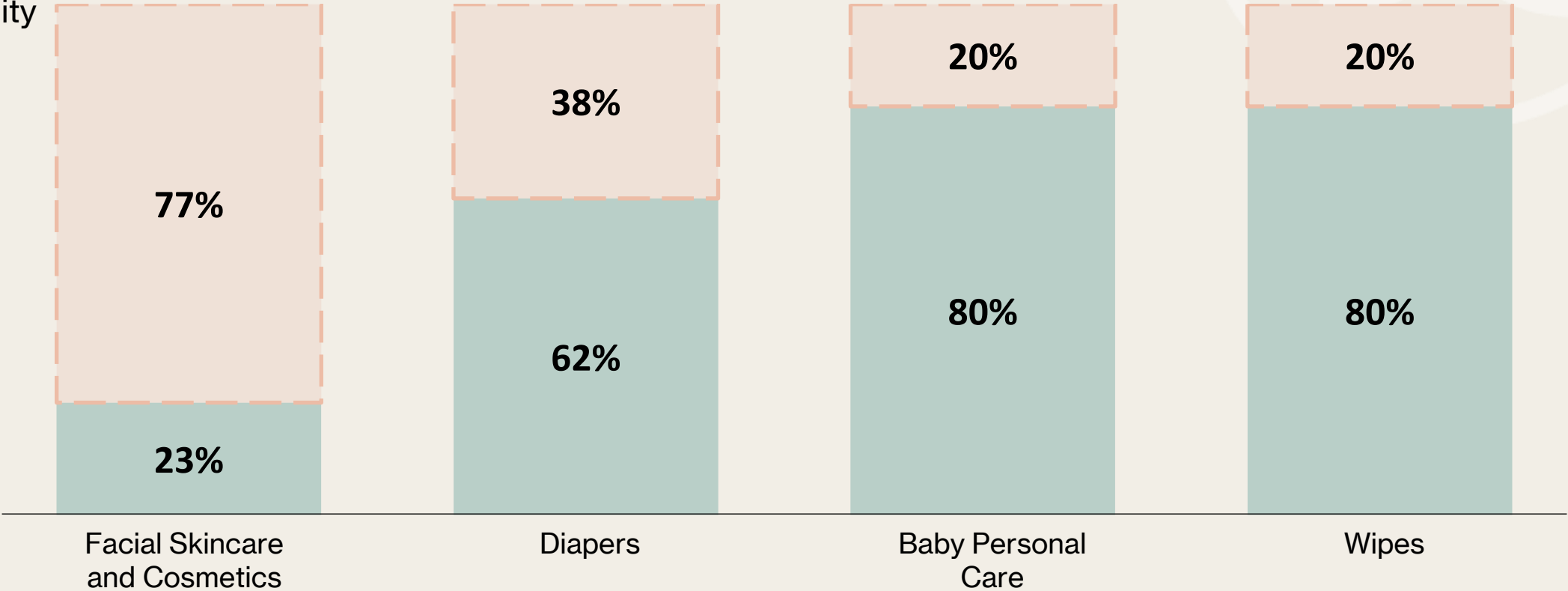
2023 year-end total doors selling



Room to push portfolio into additional aisles

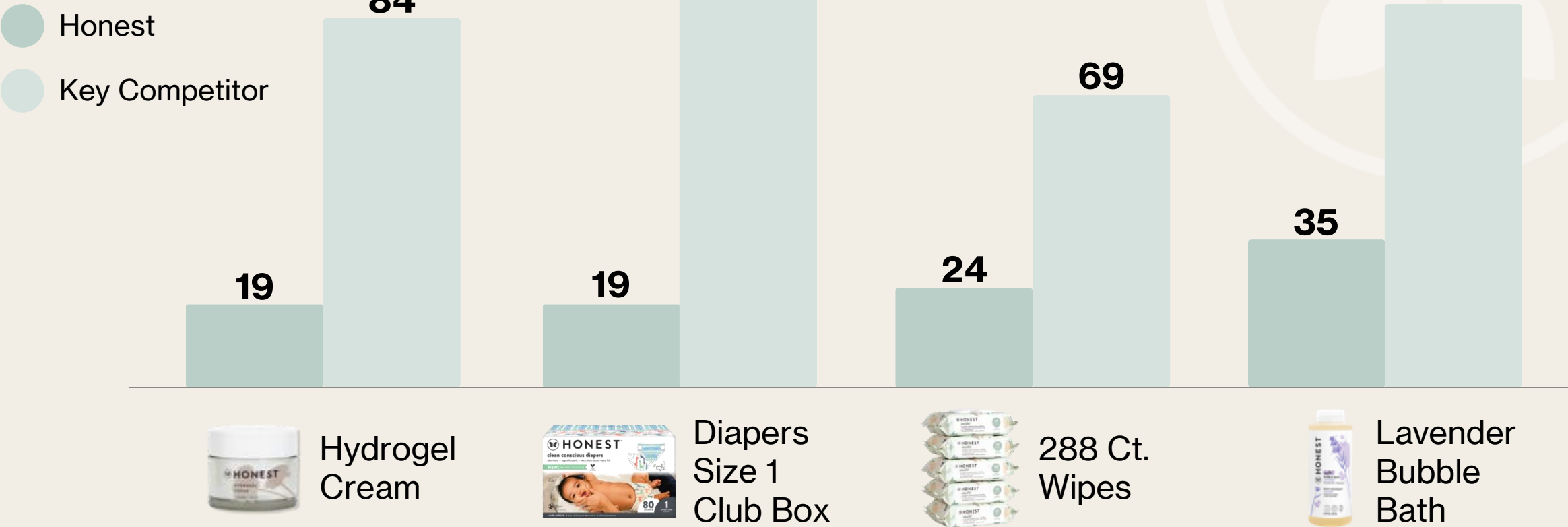
Honest Multi-Outlet ACV by category (%)

Opportunity



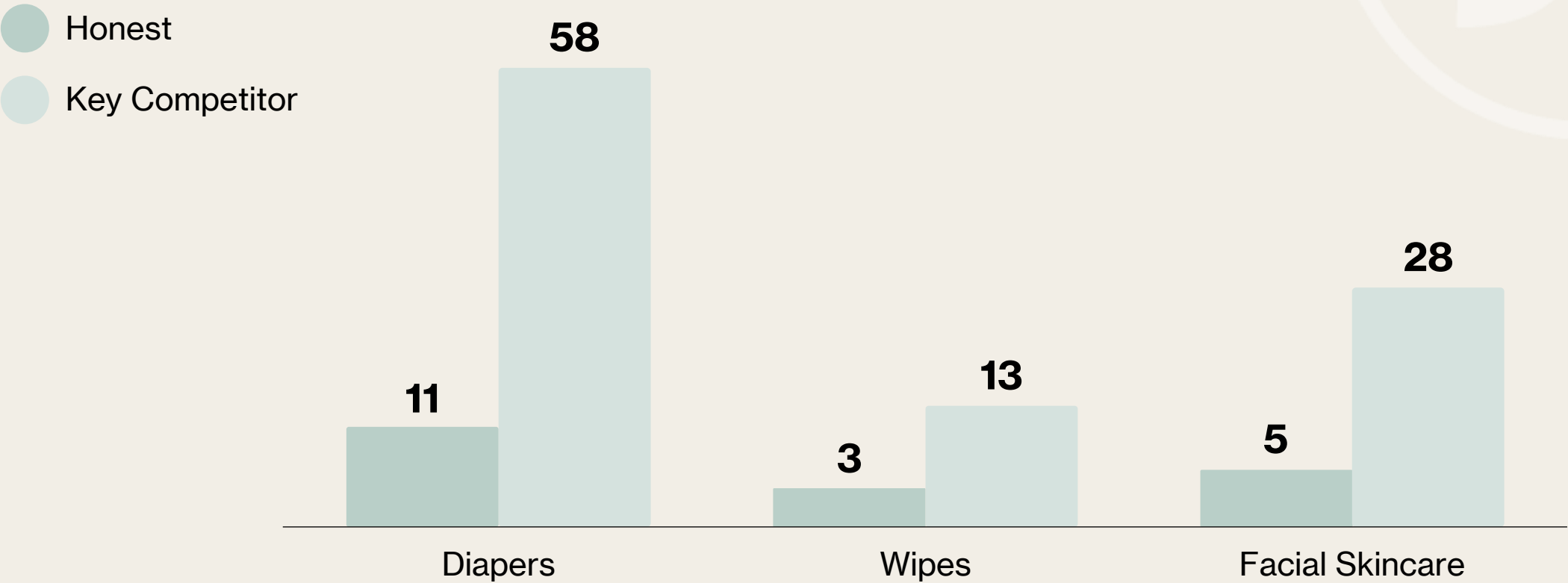
Hero products under-distributed

Max ACV % by SKU



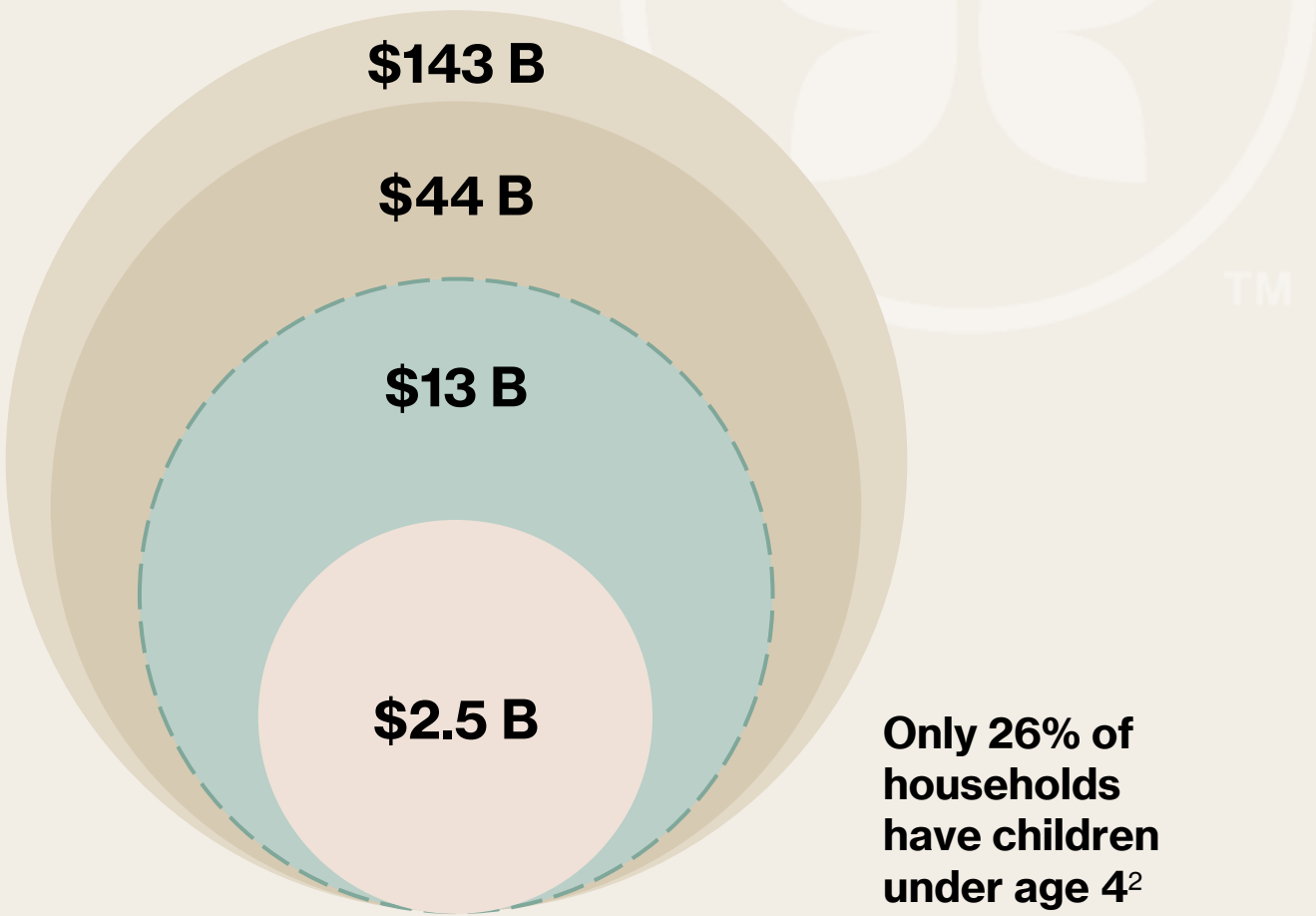
Opportunity for larger presence on shelf

Average products on shelf per store selling

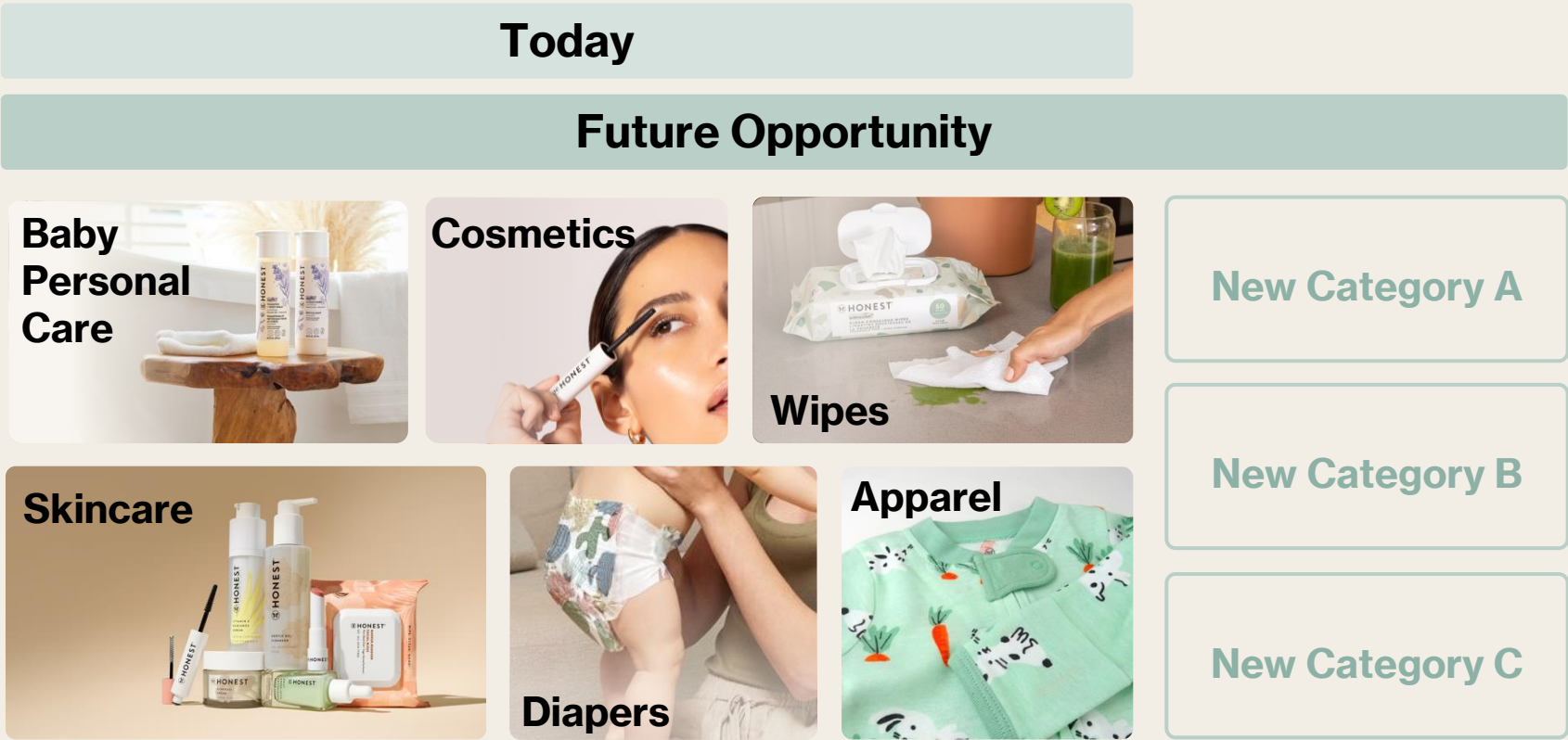


Large opportunity for Honest beyond baby care aisles¹

- Total Personal Care Universe Market Size
- Total Addressable Market
Total market size among consumers who consider natural/clean products
- Honest Demand Space Opportunity
Total market size for products with Honest-relevant benefits for priority consumers
- Baby Care Demand Space Opportunity
Total market size for baby products with Honest-relevant benefits for priority consumers



Consumer research shows the need for our Brand in additional categories



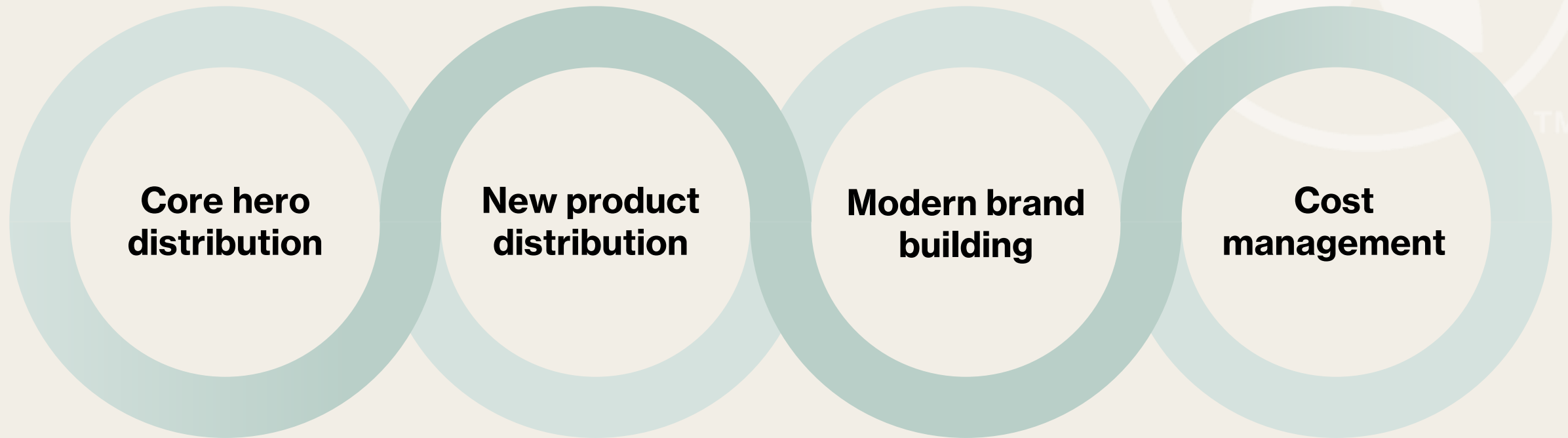
2024 and long-term outlook



2024 guidance

Honest 2024E	
Revenue	+ Low to mid-single digit growth
Adjusted EBITDA	Positive Adj. EBITDA (Low to mid-single digit millions)

Principles that underpin our long-term plan for the profitable growth



Long-term outlook

Margin expansion drivers

Supply chain cost savings

Marketing efficiency

Operating expense control



Our long-term financial algorithm

Beyond 2024	
Revenue	+4-6% annually
Adjusted EBITDA	Continued margin expansion

Reasons to invest

- 🦋 Business model transformed for profitability
- 🦋 New leadership team
- 🦋 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
Net income (loss)	(\$18.9)	(\$13.4)	(\$8.1)	\$1.1	(\$39.2)
Interest and other (income) expense, net	0.2	0.0	0.1	(0.0)	0.3
Income tax provision	0.0	0.0	0.0	0.0	0.1
Depreciation and amortization	0.7	0.7	0.7	0.7	2.7
Stock-based compensation	3.8	6.4	3.7	1.9	15.8
Securities Litigation expense	1.2	1.8	1.4	0.4	4.7
CEO and CFO transition expense	1.3	0.0	0.8	0.0	2.1
Restructuring costs	1.4	0.4	0.4	0.1	2.2
Payroll tax expense related to stock-based compensation	0.1	0.0	0.0	0.0	0.1
Adj. EBITDA	(\$10.3)	(\$4.1)	(\$1.1)	\$4.3	(\$11.2)