



**THE HONEST
COMPANY**

ICR Conference

January 14, 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.

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Welcome



Carla Vernón
Chief Executive Officer



Kate Barton
Chief Growth Officer



Dave Loretta
Chief Financial Officer

Broadly experienced leadership team:



Modern Brand + Modern CPG

Carla Vernón, Chief Executive Officer



A Modern CPG Company Poised for Growth

Strengthened
Financial
Foundation



Modern
Brand



Dynamic
leadership +
Culture



Scalable
Growth



- 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



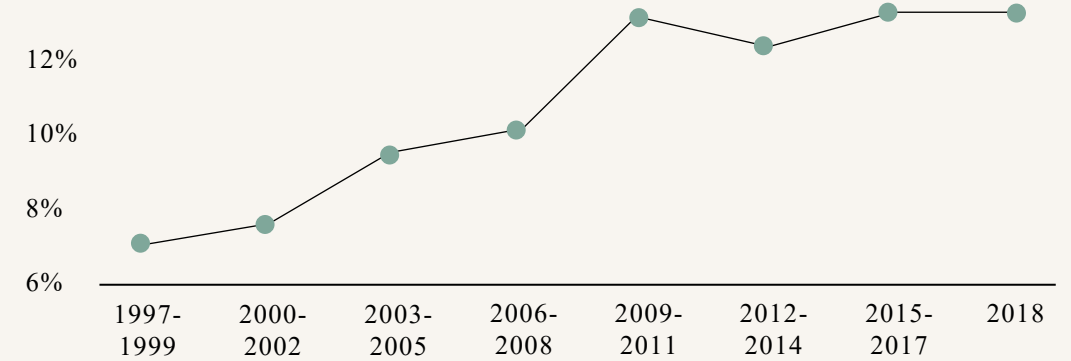
The Honest Company is a personal care company **on a mission to challenge ingredients, ideals and industries so people can protect who they love .**



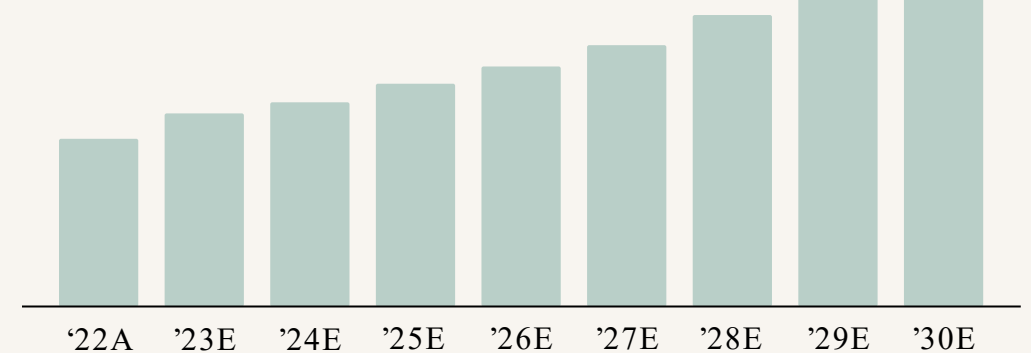
Consumers Have New Needs

- 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** 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 period ¹ (%)



Global sensitive skincare products market size ³ (\$ in B)



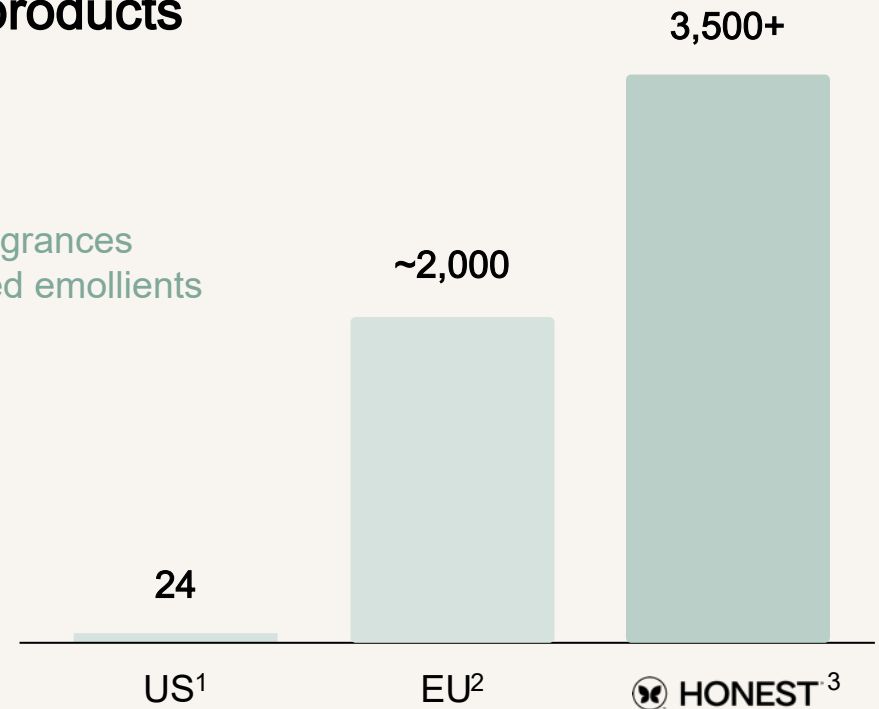
A higher standard of Clean that we call

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

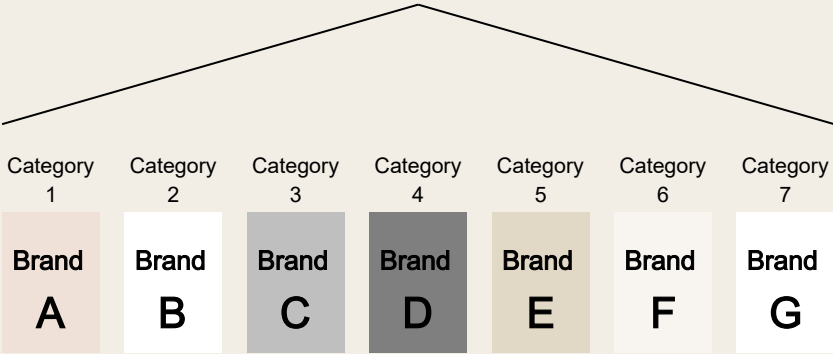
- No parabens
- No sulfates
- No phthalates
- No synthetic fragrances
- No petro-derived emollients
- No PEGs
- No mineral oil
- No PFAS



Single • Powerful • Brand Across Aisles

Conventional CPGs

Many Brands • Multiple Categories



Honest is a Branded House

One Brand • Many Categories

HONEST

Baby Personal Care

Wipes

Diapers

Skincare

Cosmetics

Wellness

Apparel

The Honest Journey

● 2021

The Honest
Company IPO

● 2023

New management
team in place

● 2023 - 2025

Transformation
Initiative bearing
fruit

● Tomorrow

Continued scale
and business model
maximization

Scalable Growth

Kate Barton, Chief Growth Officer



Revolutionized Baby Care



Brought modern designs to diaper category



Launched organic apparel to match diapers



Created baby spa moments



Baby gifting

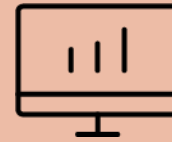


Online community

Our Portfolio

#1

natural brand in baby personal care¹



All product segments in baby growing share²



Top ranked purpose-driven personal care brand⁶

Household penetration growing at

+4%
4 Year CAGR³

Largest share gainer in natural wipes¹



#1

climate-pledge friendly mascara on Amazon⁴



Oprah's Favorite Things⁵:
"Fam Jams"
4 years in a row



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

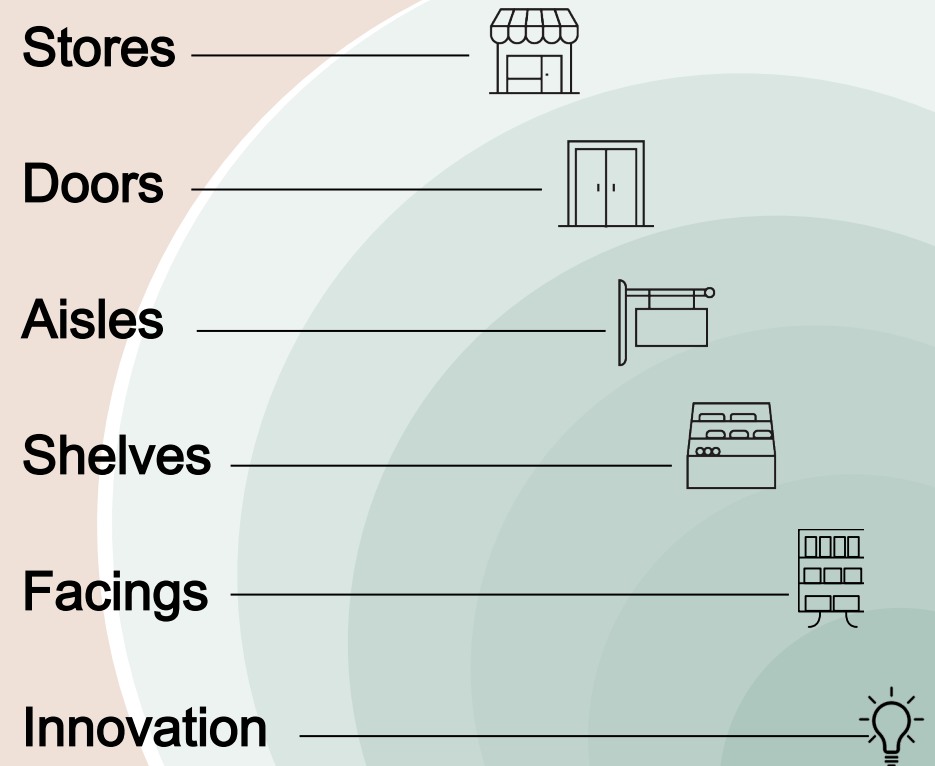


Widely available with room to grow

Our retail partners today

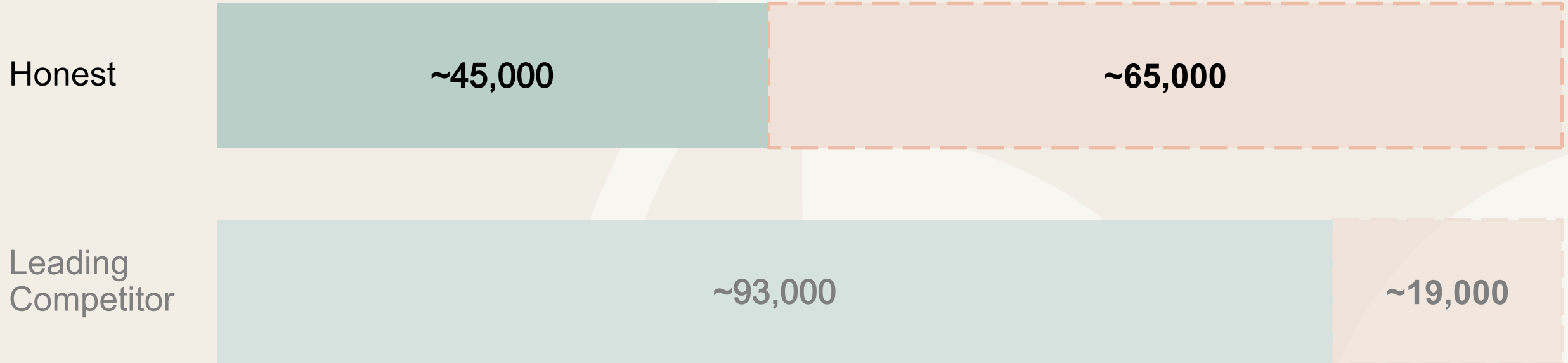


Multiple levels of opportunity



Large runway for growth into more doors

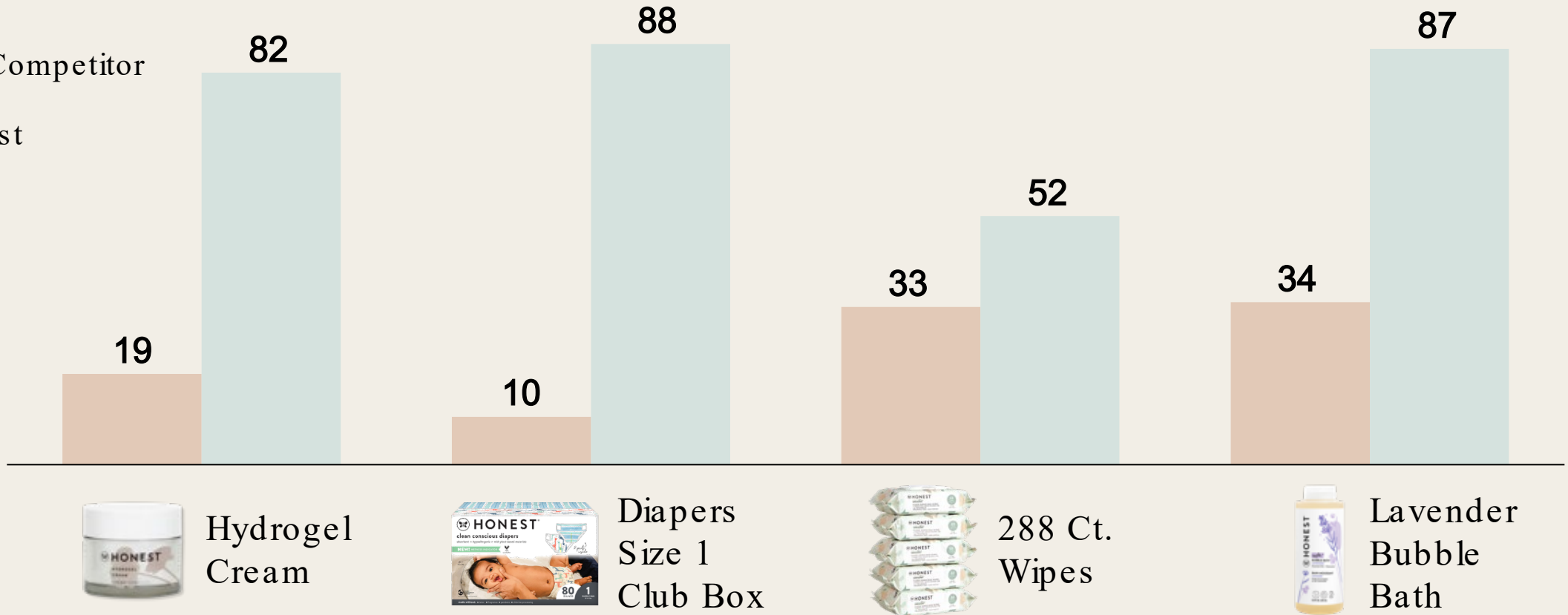
2024 year-end total doors selling



Hero products under -distributed

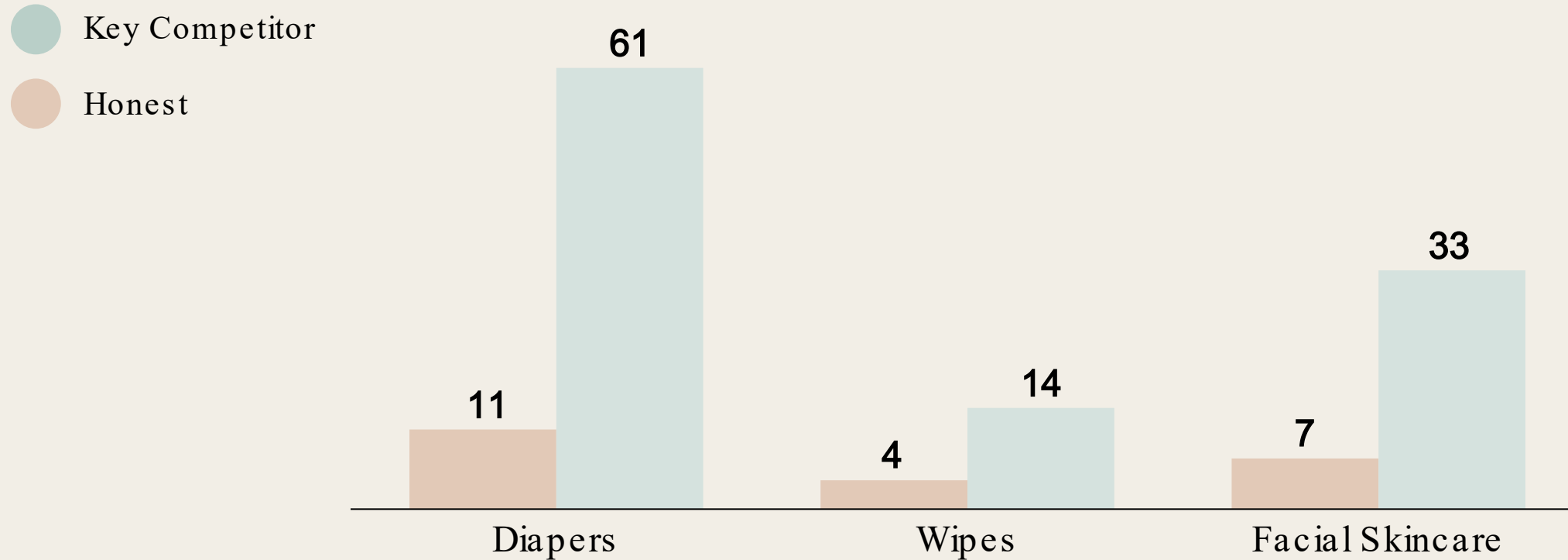
Max ACV % by SKU

● Key Competitor
● Honest



Opportunity for larger presence on shelf

Average products on shelf per store selling



Strengthened Financial Foundation

Dave Loretta, Chief Financial Officer



Honest is on a transformation journey

2023

Transform

2025

Strengthen

2026+

Grow & Scale

Brand Maximization – *leverage brand to drive growth through innovation & improved marketing*

Margin Enhancement – *expand margins through mix and cost savings activities*

Operating Discipline – *build a culture of executional excellence*

Transformation Initiative delivering strong results

Brand Maximization

+10%

YTD Revenue growth¹

+14%

YTD TDP growth²

Margin Enhancement

+1,000 bps

YTD Gross Margin increase¹

+\$33M

YTD Adj. EBITDA growth

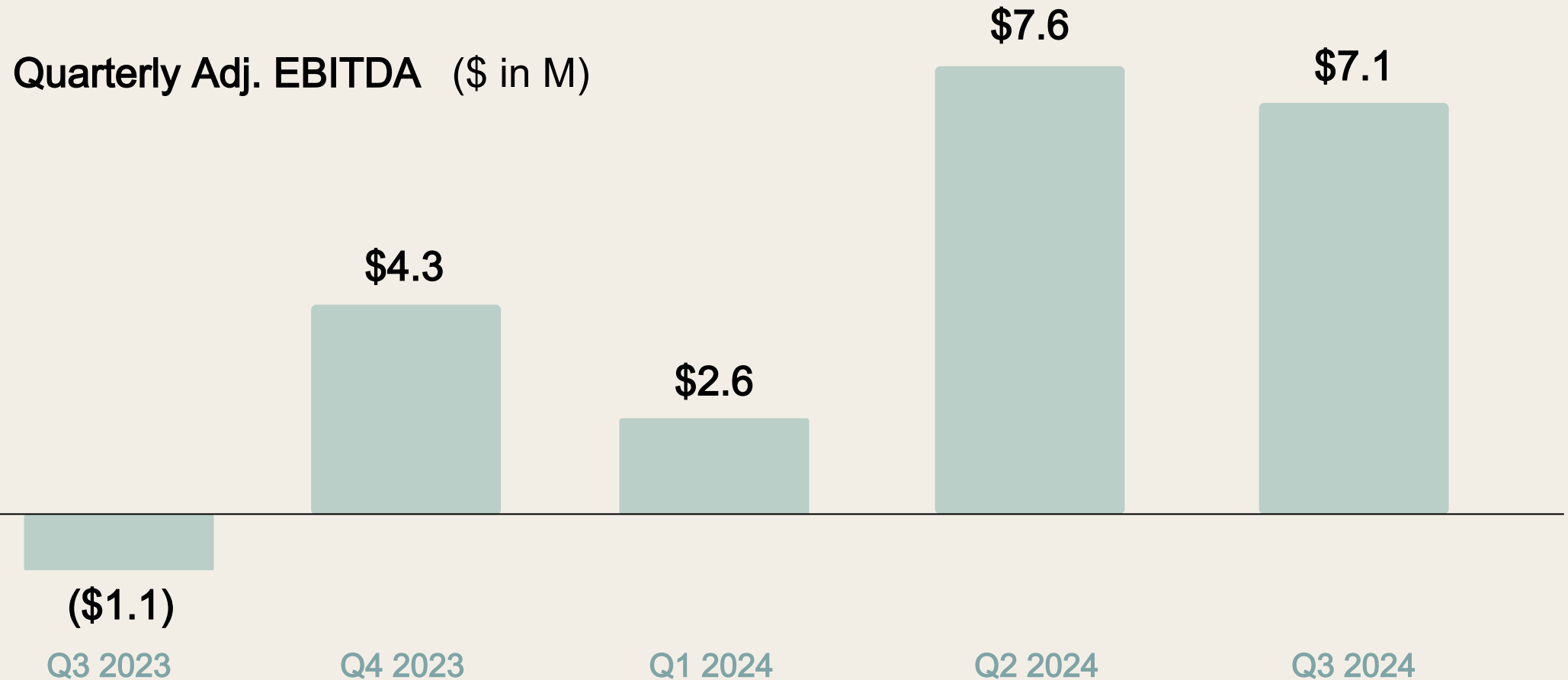
Operating Discipline

\$53M Cash
\$0 Debt

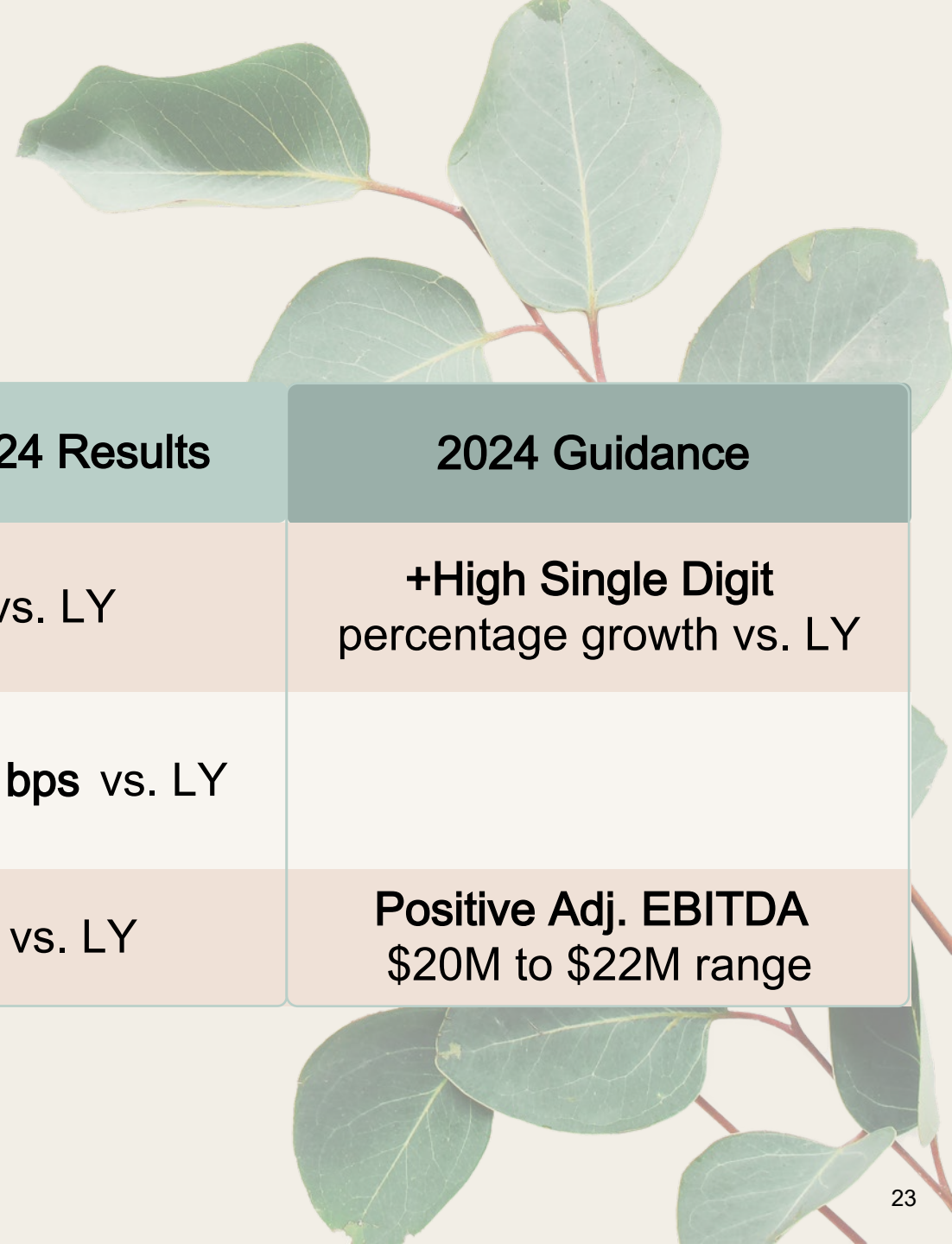
High-performing practices
from leading CPG, Tech
and Retail

Strengthened financial foundation

Achieved Adj. EBITDA profitability



Financial Reporting



	Q3 2024 Results	YTD 2024 Results	2024 Guidance
Revenue	+15% vs. LY	+10% vs. LY	+High Single Digit percentage growth vs. LY
Gross Margin %	+ 710 bps vs. LY	+ 1035 bps vs. LY	
Adj. EBITDA	+\$8M vs. LY	+\$33M vs. LY	Positive Adj. EBITDA \$20M to \$22M range

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
Net income (loss)	(\$18.9)	(\$13.4)	(\$8.1)	\$1.1	(\$39.2)	(\$1.4)	(\$4.1)	\$0.2
Interest and other (income) expense, net	0.2	0.0	0.1	(0.0)	0.3	0.0	0.0	(0.1)
Income tax provision	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Depreciation and amortization	0.7	0.7	0.7	0.7	2.7	0.7	0.7	0.7
Stock-based compensation	3.8	6.4	3.7	1.9	15.8	2.5	8.9	2.2
Securities Litigation expense	1.2	1.8	1.4	0.4	4.7	0.4	1.3	4.1
CEO and CFO transition expense	1.3	0.0	0.8	0.0	2.1	0.2	0.7	0.0
Restructuring costs	1.4	0.4	0.4	0.1	2.2	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
Adj. EBITDA	(\$10.3)	(\$4.1)	(\$1.1)	\$4.3	(\$11.2)	\$2.6	\$7.6	\$7.1