



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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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

- Founded by Jessica Alba in 2012 as a new mom
- The goal was 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.**



Our story

Since 2012 we have channeled this mission into action:

We call this **The Honest Standard**



Raising the bar on ingredient formulation



Breaking the mold on the status quo and revitalizing ideals



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

A higher standard of clean

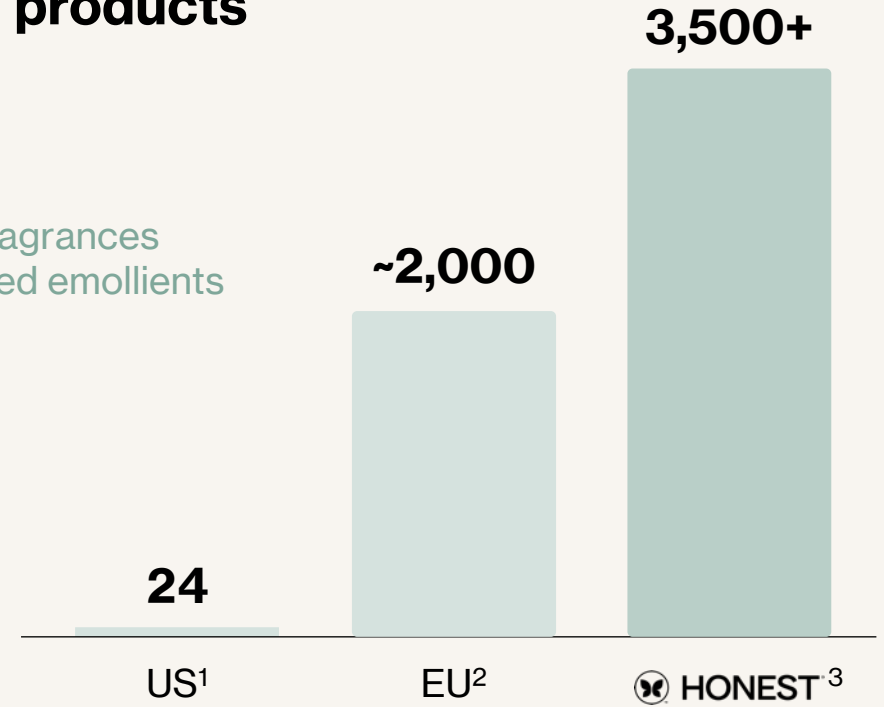
1 Clean ingredients
We ban 3,500+ ingredients

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

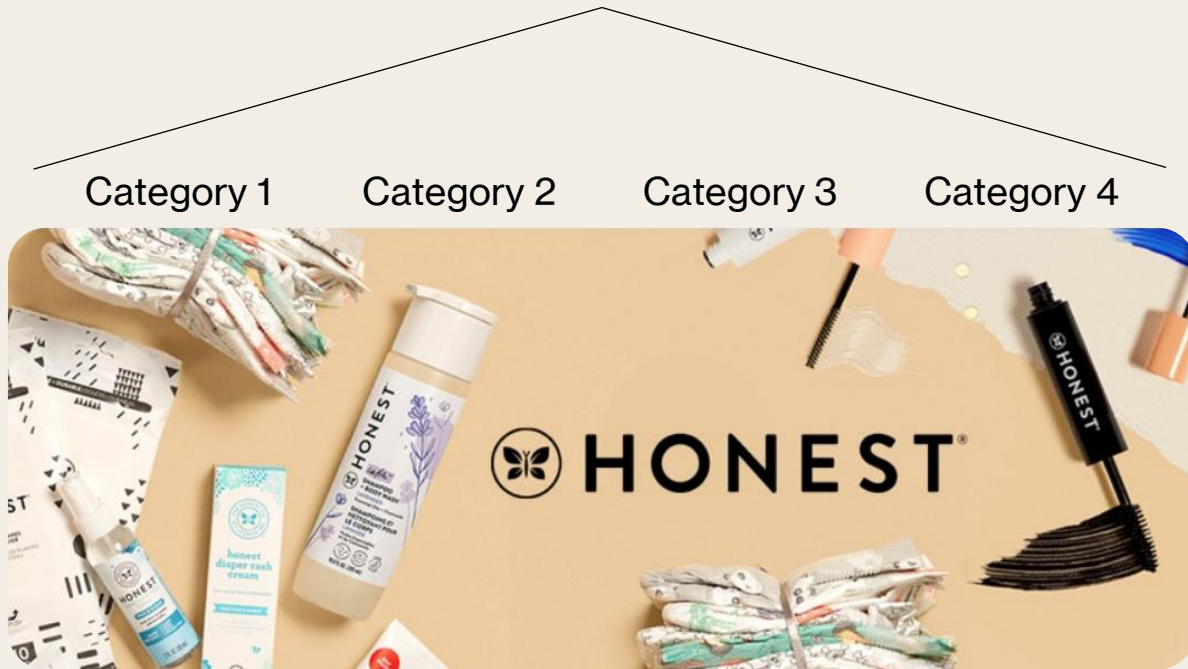
- No parabens
- No sulfates
- No phthalates
- No synthetic fragrances
- No petro-derived emollients
- No PEGs
- No mineral oil
- No PFAs



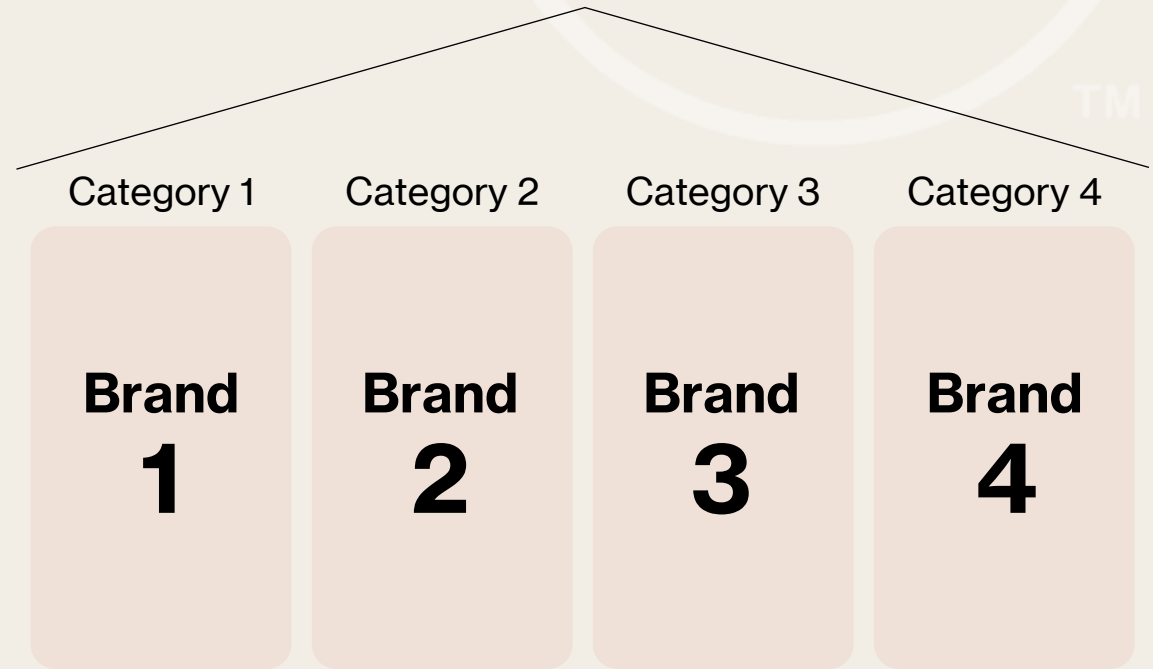
Our story

One powerful brand capable of spanning aisles

Honest is a **Branded House**



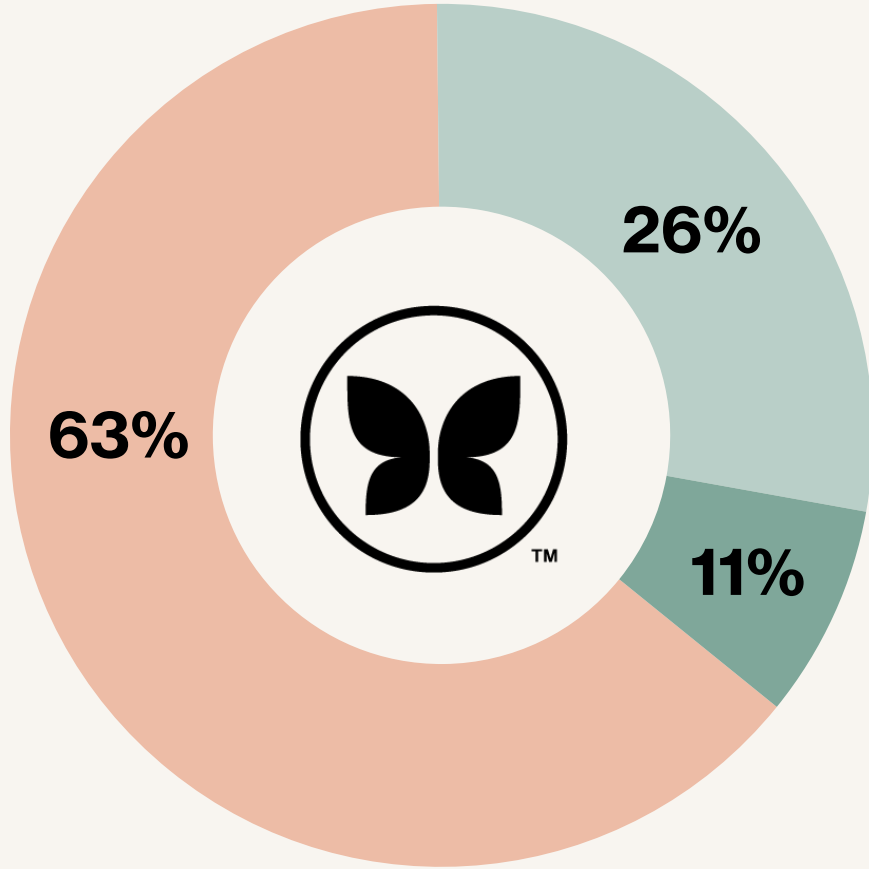
Conventional CPG: **House of Brands**



Our portfolio

2023 Revenue (%)

Total: \$344 M



Diapers & Wipes

Skin & Personal Care

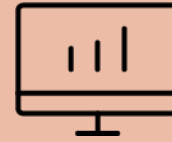
Household & Wellness



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-pledge 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



Strengthened financial foundation

Honest is on a transformation journey

● 2023

Transform

● 2024

Transform & Strengthen

● 2025+

Accelerate

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*

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

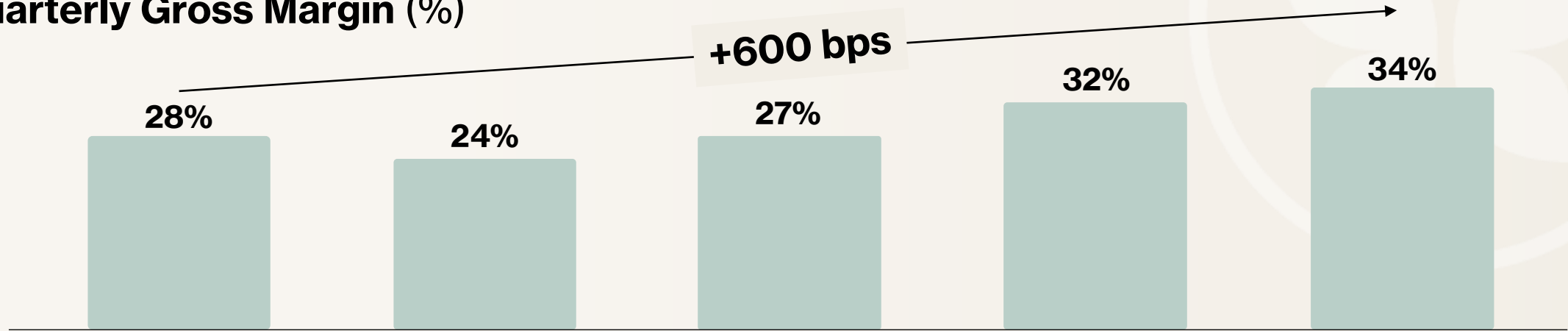
\$42M

Inventory reduction¹

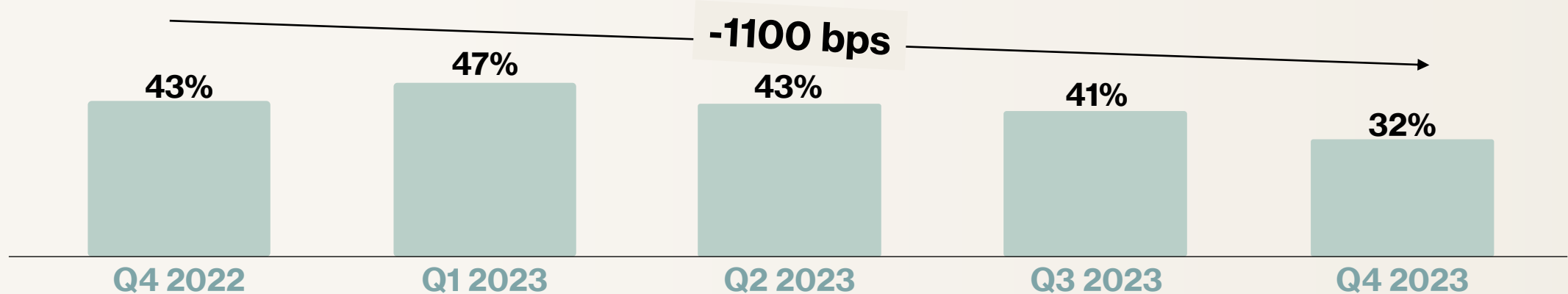
High-performing practices from leading CPG, Tech and Retail

Gross margin & OpEx Improvement

Quarterly Gross Margin (%)



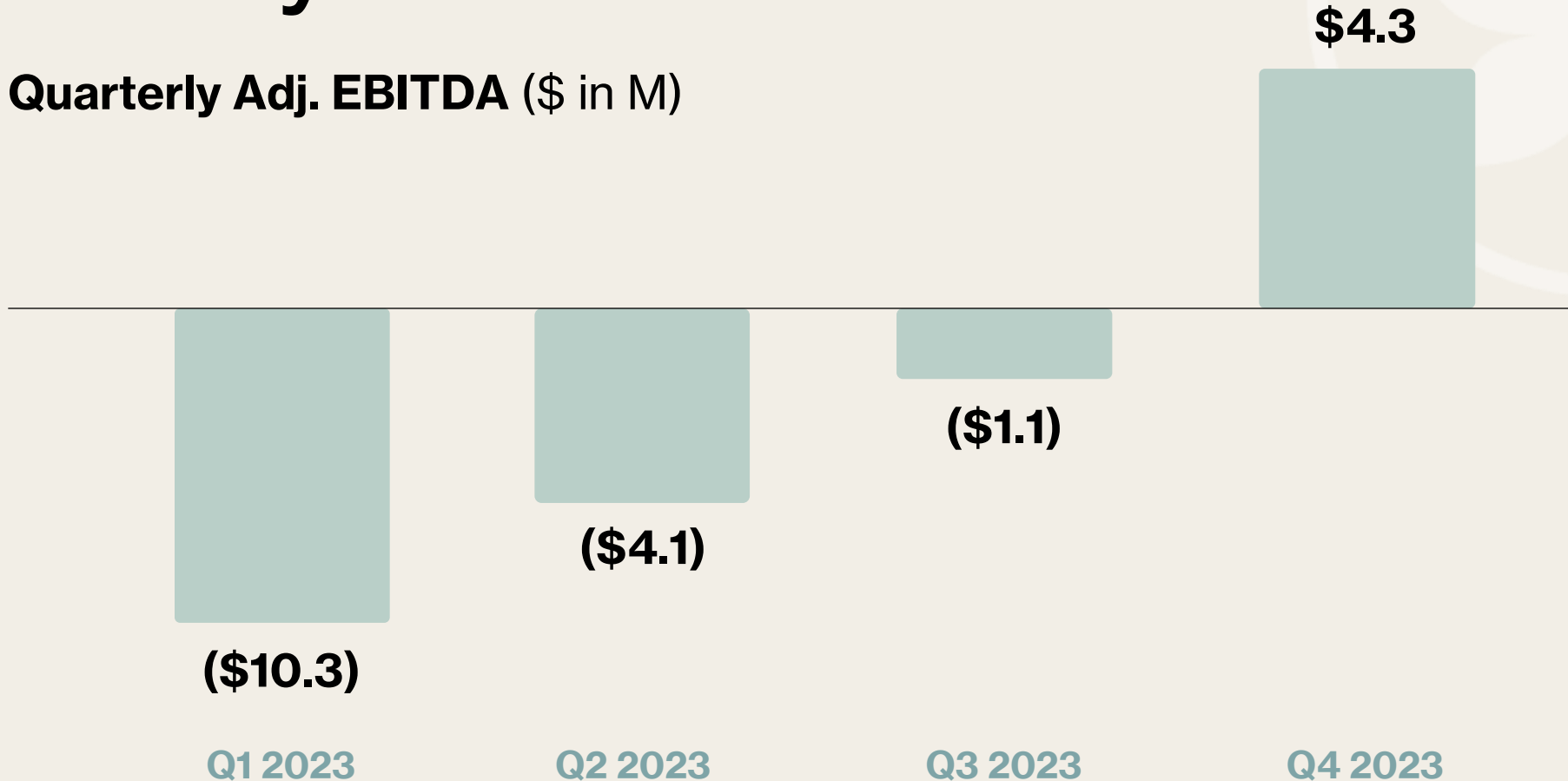
Operating Expense % of Sales (%)



Strengthened financial foundation

Achieved Adj. EBITDA profitability

Quarterly Adj. EBITDA (\$ in M)



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
Positive Cash Flow	+\$18M in 2023
Debt	\$0M year-end 2023

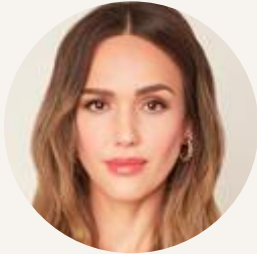
2024 guidance and our long-term financial algorithm

	Honest 2024E	Beyond 2024
Revenue	+ Low to mid-single digit growth	+4-6% annually
Adjusted EBITDA	Positive Adj. EBITDA (Low to mid-single digit millions)	Continued margin expansion

Dynamic leadership & culture

The right leaders for the mission

Jessica Alba
Chief Creative Officer



Broadly experienced leadership team:



ESTÉE LAUDER

AVEDA

Neutrogena

NORDSTROM



Dave Loretta
Chief Financial Officer

Carla Vernón
Chief Executive Officer

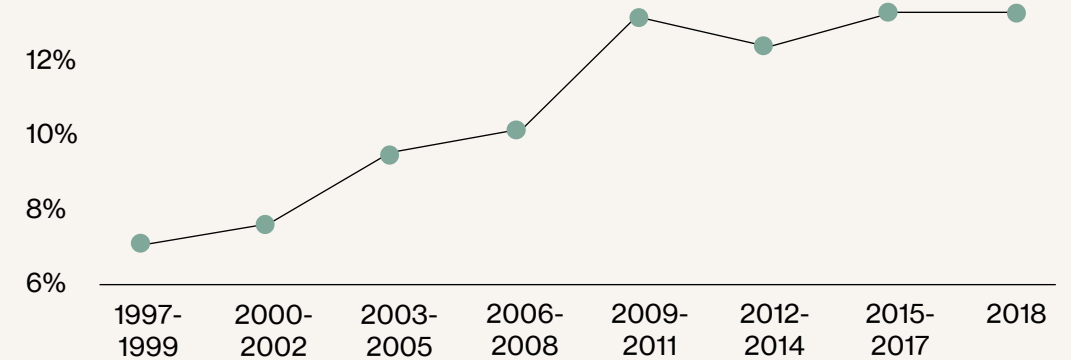
Modern brand



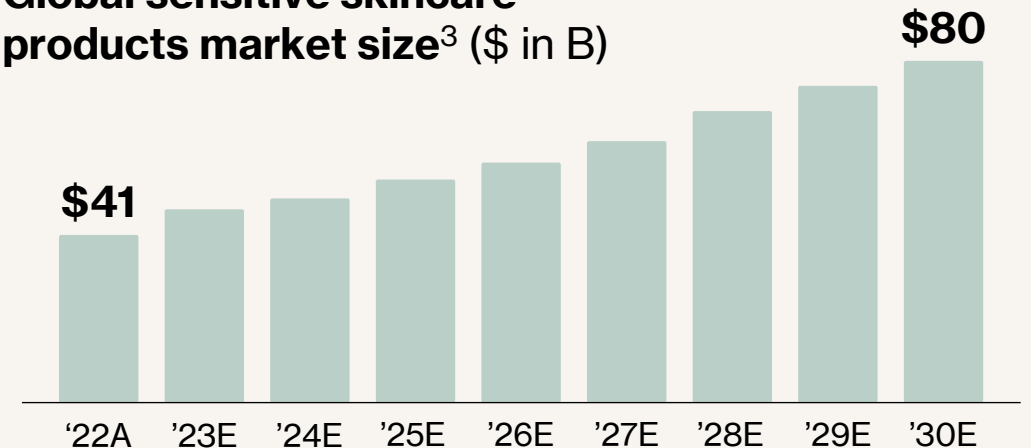
Consumers have new needs

- 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

Revolutionized baby care



Brought modern designs to diaper category



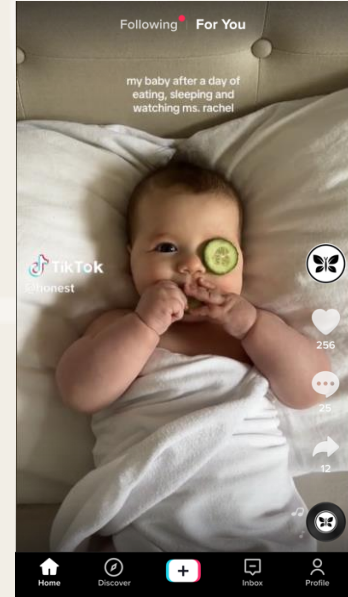
Launched organic apparel to match diapers



Created baby spa moments



Baby gifting



Online community

Scalable growth



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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



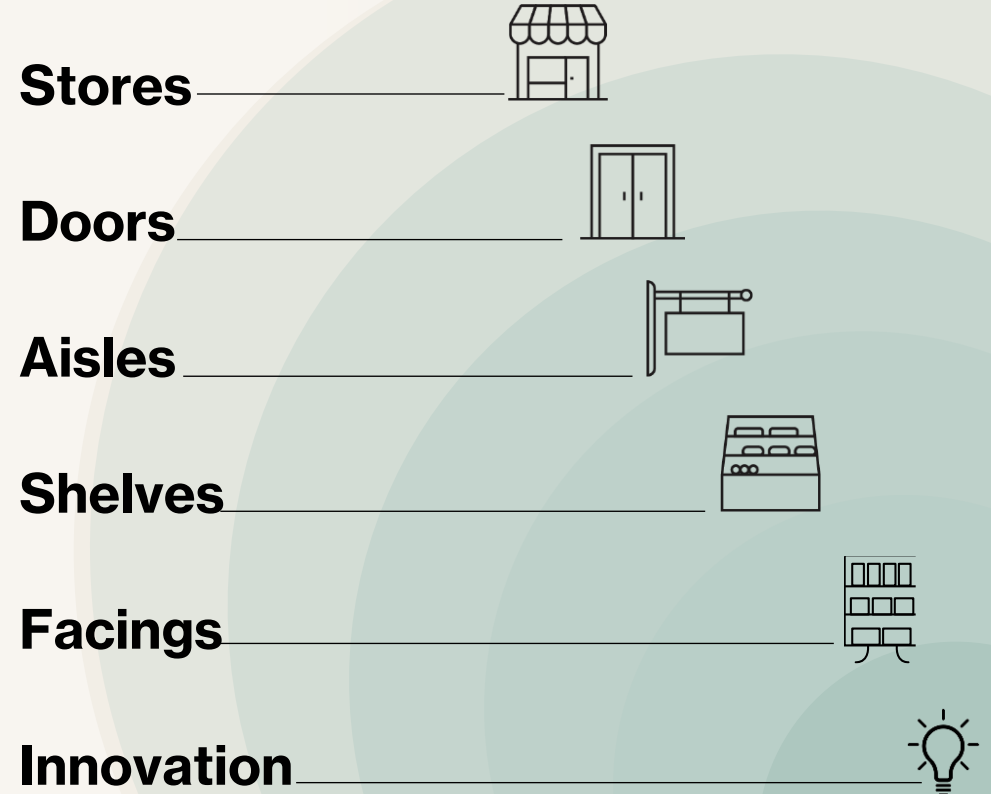
Scalable growth

Widely available with room to grow

Our retail partners today



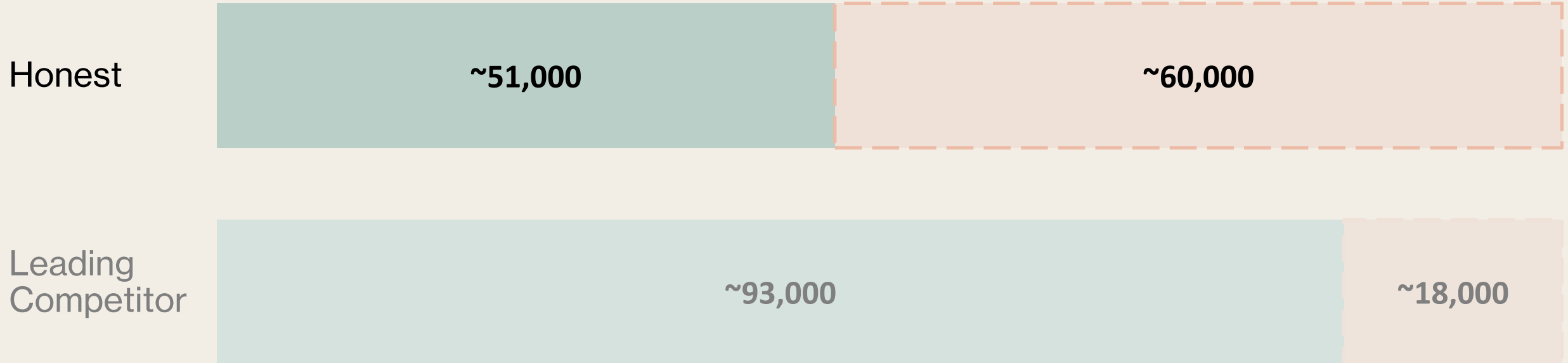
Multiple levels of opportunity



Large runway for growth into more doors



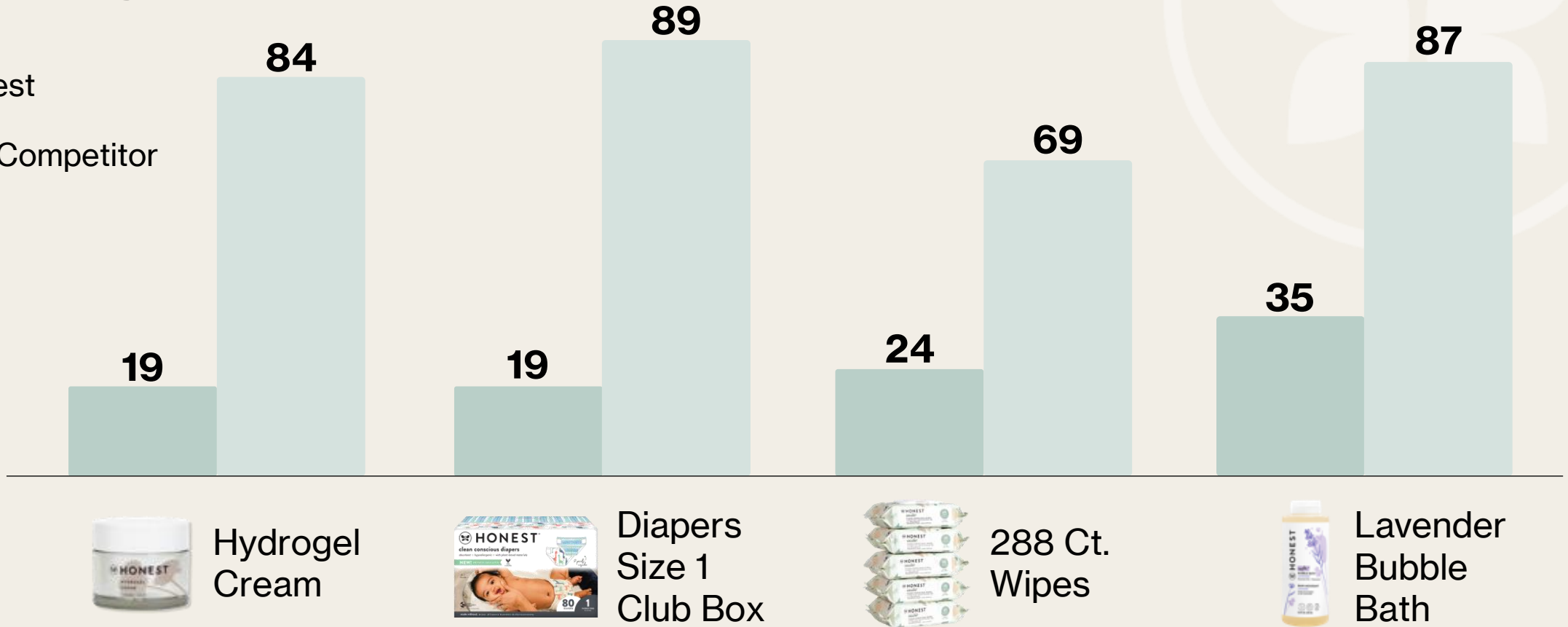
2023 year-end total doors selling



Hero products under-distributed

Max ACV % by SKU

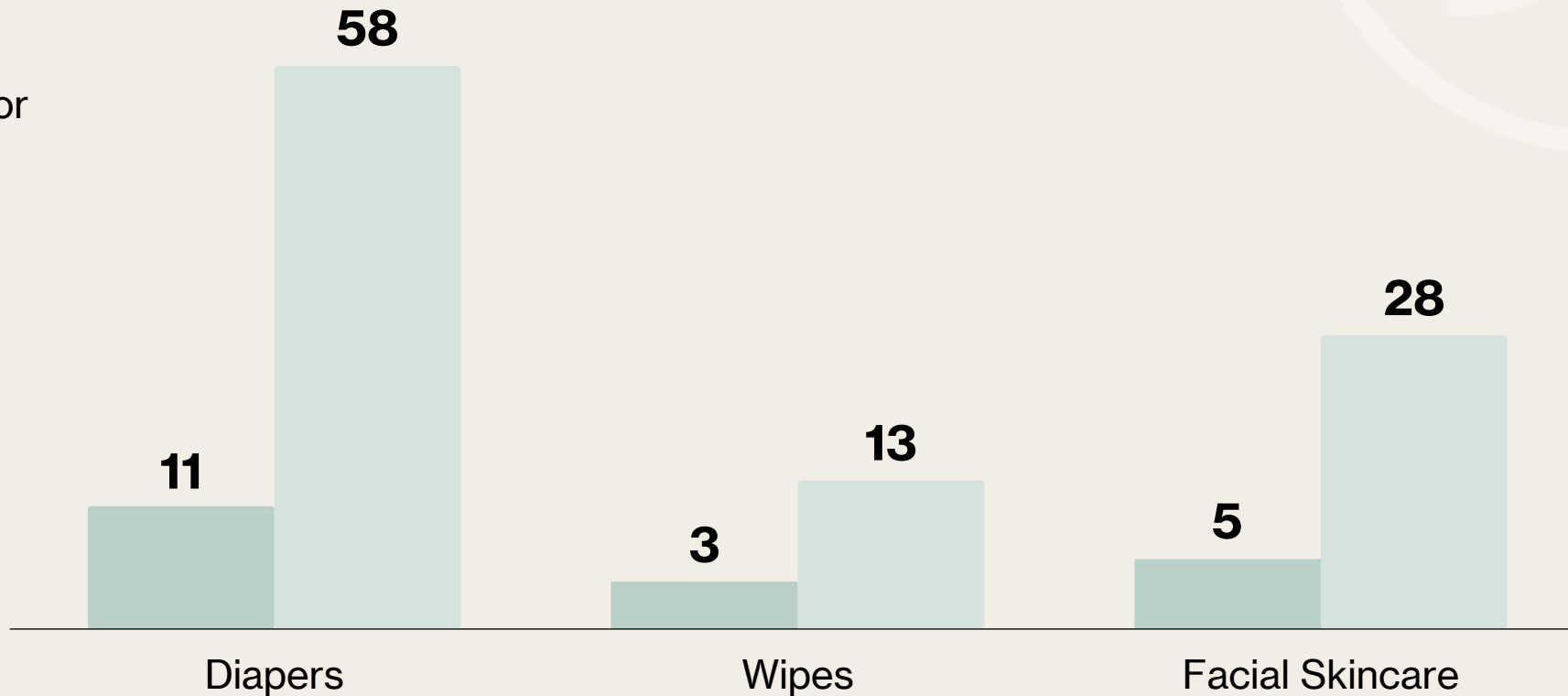
- Honest
- Key Competitor



Opportunity for larger presence on shelf

Average products on shelf per store selling

- Honest
- Key Competitor



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



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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)