

A large, light green circular graphic on the left side of the slide contains a stylized leaf design. The leaf is composed of several rounded, overlapping shapes, suggesting a natural or organic theme.

William Blair 43rd Annual Growth Stock Conference

June 8, 2023

The Honest Company

Chief Executive Officer: Carla Vernón

Chief Financial Officer: Kelly Kennedy



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.

Welcome to the Honest Brand

 **HONEST**[®]

is

- Founder-built, DTC-native company
- Clean, sustainably-designed products
- Premium products, premium inputs
- Designed with intention for all demographics



**DIAPERS +
WIPES**



**PERSONAL
CARE**



**BEAUTY +
SKINCARE**



CLOTHING



GIFTING



Well-Positioned to Win

- **Power of the Honest Brand**
- **Launched Transformation Initiative to Enable Growth and Enhance Margins**
- **Focused on Driving Shareholder Value**

Founder-Built Modern CPG

CREATED TO DISRUPT TRADITIONAL CATEGORIES

FOUNDER, JESSICA ALBA

- **LATINA
FOUNDER**
- **~53MM**
Followers on
Social Media⁽¹⁾



POWERFUL LEADERSHIP



“You shouldn’t have to choose between what works and what’s good for you”

Differentiated Drivers of Value

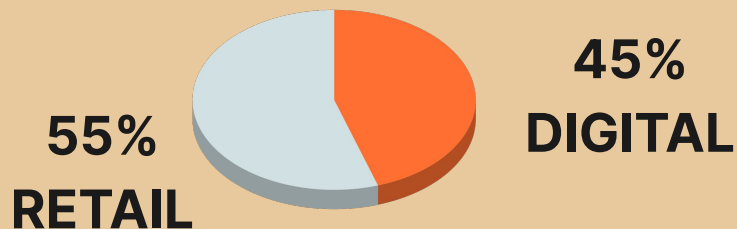
THE HONEST STANDARD



CLEAN & NATURAL TAM



OMNI-CHANNEL MODEL



ALL LIFE STAGES



The Honest Standard

IN-HOUSE LABS

- Toxicologist and chemists
- Speed to market
- Differentiated formulas

3,500+ on “NO” list: Exceeds
EU/UK (1,300) & US (11) ¹

no Parabens
no Sulfates
no Phthalates
no Synthetic
Fragrances



CERTIFICATIONS

DIAPERS & WIPES



WIPES

yes 100% Plant-based
yes Compostable ⁽²⁾
yes Hypoallergenic

In-house labs
awarded highest
certification level
by My Green Lab

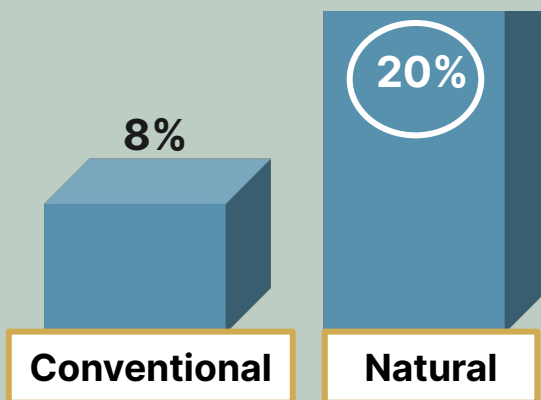
Attractive Total Addressable Market: Clean & Natural

OUTPACING CONVENTIONAL: DESIRE TO PURCHASE

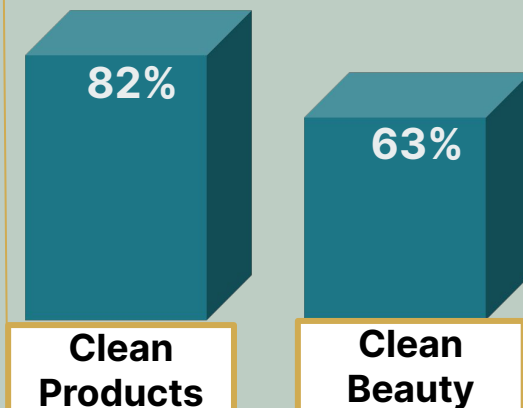
DIAPERS ⁽¹⁾



WIPES ⁽¹⁾



CONSUMER USAGE SURVEY ⁽²⁾



CATEGORY GROWTH

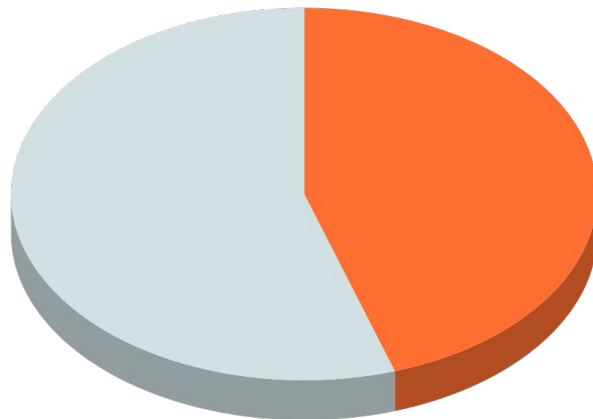
Source: 1. According to independent third-party data as of last 12 weeks ending 3/26/23. 2. Kantar Profiles/Mintel, October 2022; Survey data: 1,195 internet users aged 18+ who have heard of "clean beauty" and asked "Which of the following types of clean beauty and personal care products have you bought in the past 12 months?"

Breadth Across Channels

BALANCED OMNI-CHANNEL MODEL



55%
RETAIL



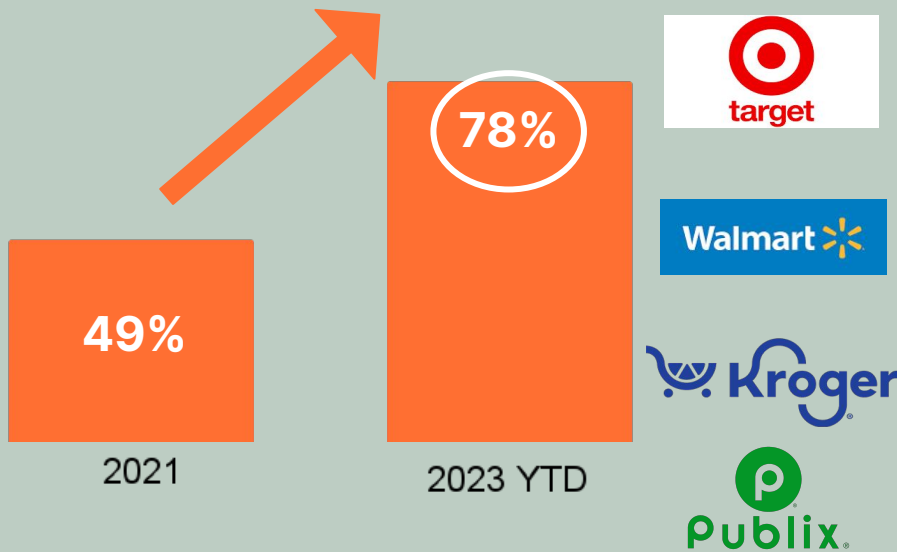
2022 Total Sales



45%
DIGITAL

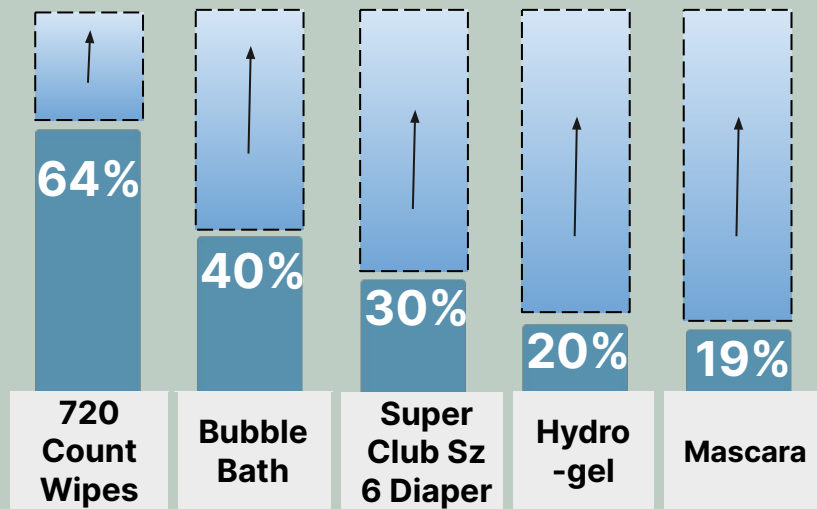
Driving Growth through New Distribution

ACV GROWTH ⁽¹⁾



ACV OPPORTUNITY

Significant ACV upside on single items



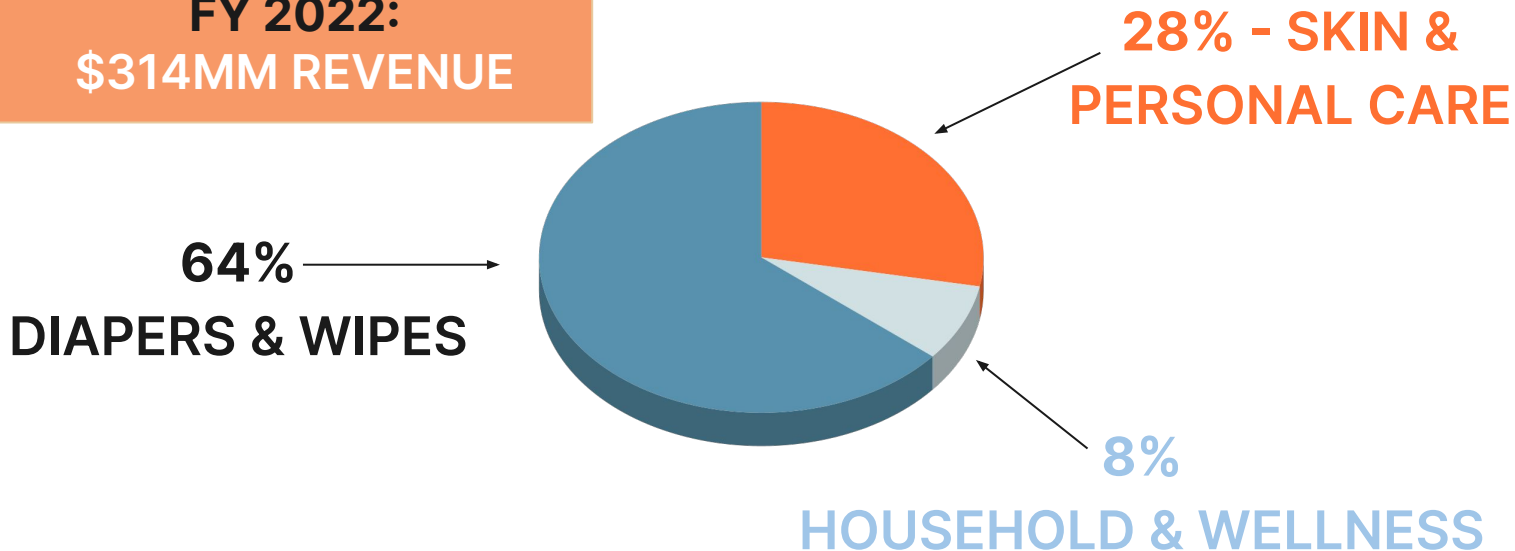
Source: 1. According to independent third-party data as of last 12 weeks ending 3/26/23



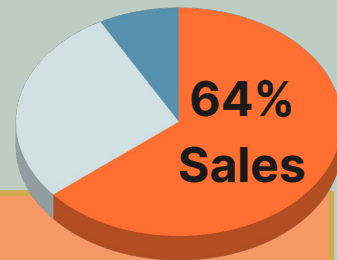
Honest Portfolio: For All Life Stages

ENTRY POINTS FOR EVERY TYPE OF CONSUMER

**FY 2022:
\$314MM REVENUE**



Diapers & Wipes



CORNERSTONE OF HONEST BRAND

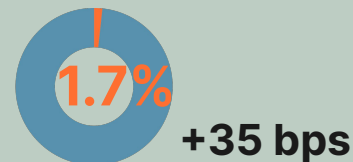
Diapers



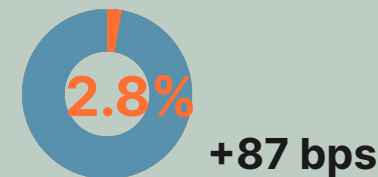
Consumption Growth ⁽¹⁾



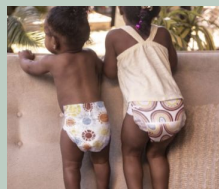
Market Share ⁽¹⁾



Wipes



Exclusive Prints:



Source: 1. According to independent third-party data as of last 12 weeks ending 3/26/23 vs. same period a year ago

Skin & Personal Care

28%
Sales

UNIQUE FORMULATIONS OUTPACING CATEGORY

Consumption Growth ⁽¹⁾

Skin & Color Cosmetics

Total Category 19%

HONEST 28%

Mascara Total Sales ⁽²⁾

Total Category 12%

HONEST 30%

Product Highlights

- #1 clean mascara on AMZN ⁽³⁾
- **Refillable:** Hydrogel cream & Shampoo+Body Wash
- **Glass & recyclable aluminum** focus



Source: 1. According to independent third-party data + Stackline data as of last 12 weeks ending 3/26/23 vs. same period a year ago. 2. According to independent third-party data as of last 52 weeks ending 3/26/23. 3. As of Q1 2023 according to independent third-party data & AMZN Climate Pledge Friendly standard

Environmental, Social & Governance (ESG)

PEOPLE

- **65%** of Workforce Is Female⁽¹⁾
- **50%** of Workforce is People of Color⁽¹⁾
- **56%** Female Board Members⁽²⁾

PRODUCTS

DIAPERS:

- Fluff Pulp from sustainably managed forests
- Plant-based back sheets

WIPES:

- Cruelty-free
- Never tested on animals
- Compostable⁽³⁾

PLANET



my green lab certification.

- In-house labs **awarded highest certification**



Honest.com
100% PCR shipping cartons

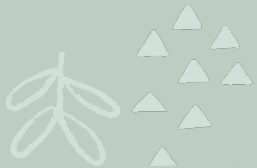
26M+ product donations

Note: 1. As of December 2022. 2. As of June 2023 3. All Honest Baby and all-purpose wipes



Financial Overview

→ Chief Financial Officer: **Kelly Kennedy**





Financial Performance & Outlook

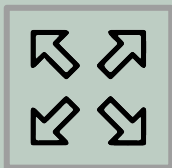
Q1 HIGHLIGHTS	BALANCE SHEET	OUTLOOK
<ul style="list-style-type: none">● Revenue up 21% ⁽¹⁾● Retail consumption up 30% ⁽²⁾● Raised 2023 revenue outlook	<ul style="list-style-type: none">● No debt● Untapped ABL● Converting inventory to cash	<ul style="list-style-type: none">● Revenue: Low single-digit growth vs. 2022● Adj. EBITDA: -\$25M to -\$30M⁽³⁾

Source: 1. Q1 2023 vs. same period a year ago. 2. According to independent third-party data as of last 12 weeks ending 3/26/23 vs. same period a year ago. 3. Including costs from Transformation Initiative



Launched Transformation Initiative

**BRAND
MAXIMIZATION**



**MARGIN
ENHANCEMENT**



**OPERATIONAL
DISCIPLINE**



CONTINUOUS COMMITMENT TO PROFITABILITY

Focused on Driving Shareholder Value



- Differentiated and on-trend brand in a growing segment
- Driving retailer growth in our largest categories
- Significant growth opportunity through distribution, SKU expansion and innovation
- Transformation Initiative to Enable Growth & Enhance Margins

Q&A

