Honest Company, Inc.

HNST

Nasdaq; shops; SIC 5961, Retail-Catalog & Mail-Order Houses; CIK 0001530979

C

middle fifth of 256 graded peers in shops

rank 120 of 256; percentile 46.7; sampling error 2.9 points; lower is stronger

A B C D E

C, the tortoise



Scoreboard

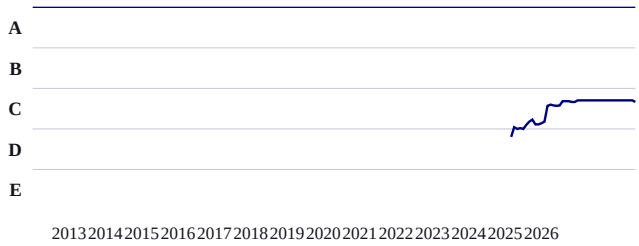
Profitability	C	percentile 43.9
Solvency	B/C	percentile 38.8
Growth and financing	C/D	percentile 61.5
Reliability	0.87 AUC	filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year	Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$120M to $591M assets	total assets $225.4M
Standard universe	inside	revenue above $1M and assets above $10M
Warnings	none triggered	not computable: distress, fortress balance sheet
Inputs computable	8 of 14	
Graded from	filings received through Feb 25, 2026	239 days before the rescan; latest periodic filing 10-Q received Aug 5, 2026
Last close	$4.86	2026-10-21; market equity $521.4M; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Feb 25, 2026

Founded in 2012, The Honest Company (the "Company," or "Honest," or which may also be referred to as "we," "us" or "our") is a personal care company dedicated to creating cleanly-formulated and sustainably-designed products for everyone from babies to adults. By combining thoughtful design with science-based innovation, we deliver personal care products for everyone from babies to adults, spanning categories across wipes, personal care, diapers, and beauty. Our commitment to our core values, continual innovation and engaging our community has differentiated and elevated our brand and our products.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 43.9						
Gross profitability	54.9%	42.6%		29.3	240	2025-12-31
Return on invested capital	not computable	10.9%				
one or more required annual facts are missing						

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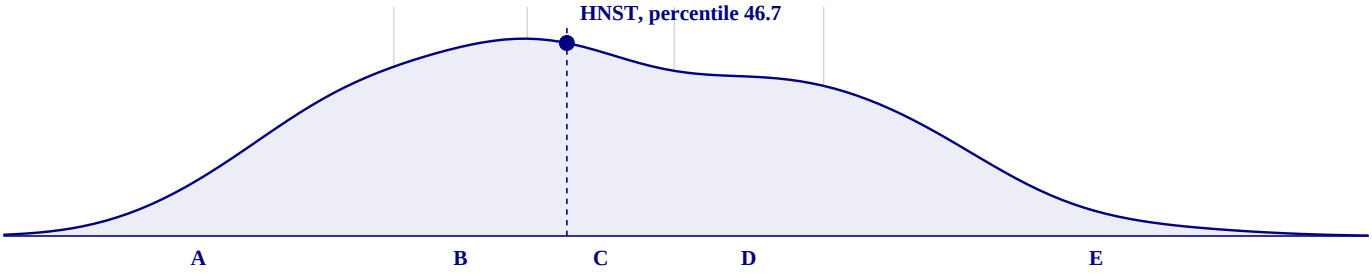
Accruals ratio	(13.0%)	(4.9%)	18.9	286	2025-12-31
Gross margin stability, five years	3.4 pts	1.2 pts	83.4	218	2025-12-31
Solvency, sleeve percentile 38.8					
Twelve-month failure probability	not computable	0.04%			
latest liabilities, cash plus short-term investments, book equity, and shares are required					
Altman Z double-prime	(0.19)	1.93	69.4	207	2025-12-31
Net debt to EBITDA	not computable	1.84x			
one or more required annual facts are missing					
Interest coverage	not computable	2.28x			
one or more required annual facts are missing					
Current ratio	3.98x	1.38x	8.2	294	2025-12-31
Growth and financing, sleeve percentile 61.5					
Revenue growth, three-year compound	5.8%	1.6%	27.4	267	2025-12-31
Free cash flow growth, three-year compound	not computable	5.6%			
current FCF must be positive and base FCF must exceed $100,000					
Reinvestment rate	not computable	7.3%			
pretax income must exceed the validity floor and imply a 0%-100% tax rate					
Asset growth, three years	(2.2%)	3.4%	69.5	270	2025-12-31
Net share issuance, one year	3.3%	(0.6%)	87.5	209	2026-02-20

Among 256 peers

shops; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

Rank	Company	Percentile	Letter	Warnings
115	Sonic Automotive Inc. (SAH)	44.7	C	
116	LKQ Corp. (LKQ)	45.1	C	
117	Cannae Holdings, Inc. (CNNE)	45.5	C	fortress balance sheet
118	Herbalife Ltd. (HLF)	45.9	C	
119	First Watch Restaurant Group, Inc. (FWRG)	46.3	C	
120	Honest Company, Inc. (HNST)	46.7	C	
121	Yum China Holdings, Inc. (YUMC)	47.1	C	
122	Starbucks Corp. (SBUX)	47.5	C	
123	Universal Corp. (UVV)	47.8	C	late filer
124	Scansource, Inc. (SCSC)	48.2	C	fortress balance sheet
125	Group 1 Automotive Inc. (GPI)	48.6	C	

What the price implies

at the 2026-10-21 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	55.4%	0.6%	88
Distance from 52-week high	(18.3%)	(21.0%)	53
EBIT to enterprise value	not computable	5.4%	
Free cash flow yield	2.6%	4.1%	36

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Book value to price	0.32	0.35	46
Sales to price	0.71	1.70	25
Composite equity issuance, five years	not computable	(16.8%)	
Relative strength against the sector, log excess return	0.46	0.03	88

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
Return on assets above zero	fail
Operating cash flow above zero	pass
Return on assets improved	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	pass
No new shares issued	fail
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$105.9M
Operating cash flow, four quarters	$56.6M
Months of runway	not finite
Days since last periodic filing	78 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	$9.2M

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	$123.8M	2025-12-31	2026-02-25	10-K	26-011634
2	assets	us-gaap:Assets	$225.4M	2025-12-31	2026-02-25	10-K	26-011634
3	net income	us-gaap:NetIncomeLoss	-$15.7M	2025-12-31	2026-02-25	10-K	26-011634
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$15.1M	2025-12-31	2026-02-25	10-K	26-011634
5	assets	us-gaap:Assets	$247.4M	2024-12-31	2026-02-25	10-K	26-011634
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$371.3M	2025-12-31	2026-02-25	10-K	26-011634
7	gross profit	us-gaap:GrossProfit	$144.7M	2024-12-31	2026-02-25	10-K	26-011634
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$378.3M	2024-12-31	2026-02-25	10-K	26-011634
9	gross profit	us-gaap:GrossProfit	$100.5M	2023-12-31	2026-02-25	10-K	26-011634
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$344.4M	2023-12-31	2026-02-25	10-K	26-011634
11	gross profit	us-gaap:GrossProfit	$92.3M	2022-12-31	2025-02-26	10-K	25-000016
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$313.7M	2022-12-31	2025-02-26	10-K	25-000016
13	gross profit	us-gaap:GrossProfit	$109.2M	2021-12-31	2024-03-08	10-K	24-000028
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$318.6M	2021-12-31	2024-03-08	10-K	24-000028
15	current assets	us-gaap:AssetsCurrent	$202.4M	2025-12-31	2026-02-25	10-K	26-011634
16	current liabilities	us-gaap:LiabilitiesCurrent	$50.8M	2025-12-31	2026-02-25	10-K	26-011634
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$500.9M	2025-12-31	2026-02-25	10-K	26-011634
18	operating income	us-gaap:OperatingIncomeLoss	-$18.5M	2025-12-31	2026-02-25	10-K	26-011634
19	book equity	us-gaap:StockholdersEquity	$169.7M	2025-12-31	2026-02-25	10-K	26-011634
20	liabilities	us-gaap:Liabilities	$55.7M	2025-12-31	2026-02-25	10-K	26-011634
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$1.5M	2025-12-31	2026-02-25	10-K	26-011634
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.5M	2024-12-31	2026-02-25	10-K	26-011634
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$530,000	2024-12-31	2026-02-25	10-K	26-011634
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$19.4M	2023-12-31	2026-02-25	10-K	26-011634
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$1.8M	2023-12-31	2026-02-25	10-K	26-011634
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$76.3M	2022-12-31	2025-02-26	10-K	25-000016

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27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$1.6M	2022-12-31	2025-02-26	10-K	25-000016
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$2.9M	2025-12-31	2026-02-25	10-K	26-011634
29	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$15.5M	2025-12-31	2026-02-25	10-K	26-011634
30	income tax	us-gaap:IncomeTaxExpenseBenefit	$204,000	2025-12-31	2026-02-25	10-K	26-011634
31	current assets	us-gaap:AssetsCurrent	$213.9M	2024-12-31	2026-02-25	10-K	26-011634
32	current liabilities	us-gaap:LiabilitiesCurrent	$59.9M	2024-12-31	2026-02-25	10-K	26-011634
33	assets	us-gaap:Assets	$201.6M	2023-12-31	2025-02-26	10-K	25-000016
34	assets	us-gaap:Assets	$240.6M	2022-12-31	2024-03-08	10-K	24-000028
35	shares outstanding	dei:EntityCommonStockSharesOutstanding	112,474,217	2026-02-20	2026-02-25	10-K	26-011634
36	shares outstanding	dei:EntityCommonStockSharesOutstanding	108,910,399	2025-02-21	2025-02-26	10-K	25-000016

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