# Honest Company, Inc.

**HNST**

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

**C**

**middle fifth of 239 graded peers in shops**

rank 111 of 239; percentile 46.2; sampling error 3.0 points; lower is stronger

A B C D E

**C, the tortoise**



## Scoreboard

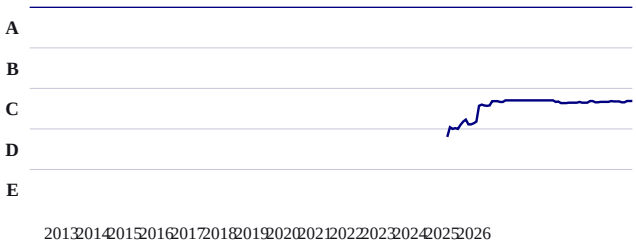
| | |
|---|---|
| **Profitability** | C<br>percentile 43.6 |
| **Solvency** | B/C<br>percentile 38.8 |
| **Growth and financing** | C/D<br>percentile 61.5 |
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure rate** | 1.03% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $120M to $591M assets<br>total assets $225.4M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress, fortress balance sheet |
| **Inputs computable** | 8 of 13 |
| **Graded from** | filings received through Feb 25, 2026<br>269 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $4.44<br>2026-11-20; market equity $484.3M; 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 thirteen inputs

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

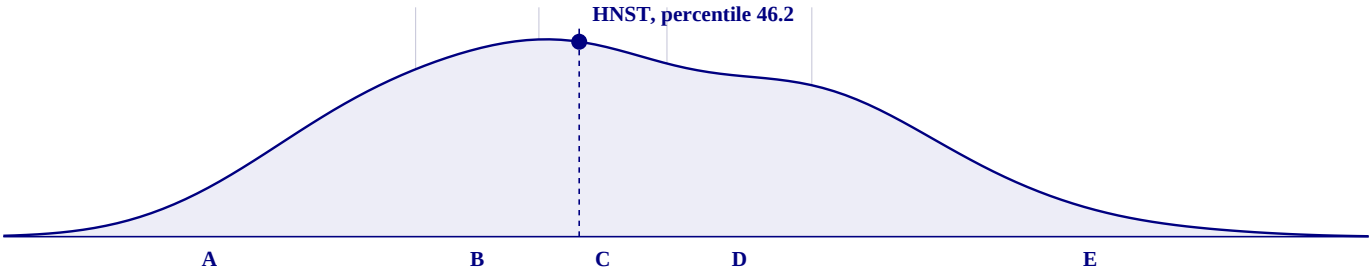
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 43.6** | | | | | | |
| Gross profitability | 54.9% | 43.5% | | 29.3 | 223 | 2025-12-31 |
| Return on invested capital | not computable | 11.5% | | | | |
| *one or more required annual facts are missing* | | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (13.0%) | (4.9%) | 18.4 | 268 | 2025-12-31 |
| Gross margin stability, five years | 3.4 pts | 1.2 pts | 83.1 | 202 | 2025-12-31 |
| **Solvency, sleeve percentile 38.8** | | | | | |
| Altman Z double-prime | (0.19) | 1.93 | 69.9 | 197 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.65x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | 3.83x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 3.98x | 1.34x | 7.7 | 274 | 2025-12-31 |
| **Growth and financing, sleeve percentile 61.5** | | | | | |
| Revenue growth, three-year compound | 5.8% | 1.8% | 28.1 | 250 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 5.2% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 13.1% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | (2.2%) | 3.3% | 69.2 | 251 | 2025-12-31 |
| Net share issuance, one year | 3.3% | (0.6%) | 87.3 | 206 | 2026-02-20 |

## Among 239 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 |
|---|---|---|---|---|
| 106 | US Foods Holding Corp. (USFD) | 44.1 | C | |
| 107 | Sonic Automotive Inc. (SAH) | 44.5 | C | |
| 108 | Cannae Holdings, Inc. (CNNE) | 45.0 | C | fortress balance sheet |
| 109 | First Watch Restaurant Group, Inc. (FWRG) | 45.4 | C | |
| 110 | Herbalife Ltd. (HLF) | 45.8 | C | |
| 111 | Honest Company, Inc. (HNST) | 46.2 | C | |
| 112 | LKQ Corp. (LKQ) | 46.6 | C | |
| 113 | Central Garden & PET Co. (CENT) | 47.1 | C | |
| 114 | Group 1 Automotive Inc. (GPI) | 47.5 | C | |
| 115 | Titan Machinery Inc. (TITN) | 47.9 | C | fortress balance sheet |
| 116 | Boise Cascade Co. (BCC) | 48.3 | C | |

## What the price implies

*at the 2026-11-20 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 50.4% | (0.5%) | 87 |
| Distance from 52-week high | (25.4%) | (25.1%) | 48 |
| EBIT to enterprise value | not computable | 5.5% | |
| Free cash flow yield | 2.8% | 4.2% | 35 |
| Book value to price | 0.54 | 0.40 | 62 |
| Sales to price | 0.77 | 1.70 | 29 |

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| | | | |
|---|---|---|---|
| Composite equity issuance, five years | not computable | (17.2%) | |
| Relative strength against the sector, log excess return | 0.50 | 0.08 | 87 |
| Twelve-month failure probability, CHS model | not computable | 0.04% | |

## 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 | $103.0M |
| Operating cash flow, four quarters | $52.6M |
| Months of runway | not finite |
| Days since last periodic filing | 16 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $10.6M |

## 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 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $1.6M | 2022-12-31 | 2025-02-26 | 10-K | 25-000016 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 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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