
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 11, 2025

GROVE COLLABORATIVE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40263
(Commission
File Number)

88-2840659
(IRS Employer
Identification No.)

1301 Sansome Street
San Francisco, California
(Address of principal executive offices)

94111
(Zip Code)

(800) 231-8527
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001	GROV	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



Grove Announces Fourth Quarter and Full Year 2024 Financial Results

- Delivers Sequential Revenue Growth and Positive Operating Cash Flow in Fourth Quarter 2024
- Highlights Recent Acquisitions of 8Greens, Grab Green
- Completes Voluntary \$72 million Repayment of Term Debt in Fourth Quarter
- Announces Full Year 2025 Outlook

SAN FRANCISCO, CA — March 11, 2025 — Grove Collaborative Holdings, Inc. (NYSE: GROV) (“Grove” or “the Company”), the world’s first plastic neutral retailer, a leading sustainable consumer products company, certified B Corporation, and Public Benefit Corporation, today reported financial results for its fiscal fourth quarter and full year ended December 31, 2024.

“Throughout the quarter, we remained focused on driving profitability, strengthening our balance sheet, and accelerating revenue growth, all while supporting our customers’ environmental and human health goals,” said Jeff Yurcisin, Chief Executive Officer of Grove Collaborative. “For the first time since the first quarter of 2022, we grew revenue sequentially, while maintaining positive operating cash flow, reinforcing our commitment to capital efficient growth. While sequential revenue growth may not occur every quarter going forward, we see a path to year-over-year net revenue growth in the fourth quarter of 2025, which would be another pivotal moment in our transformation. We’re also excited about our recent acquisitions of Grab Green and 8Greens, which reflects our strategic approach to deploying capital efficiently in acquisition opportunities that we expect will be accretive while also being aligned with our commitment to sustainability, innovation, and human health.

Reflecting on the past year, 2024 was a pivotal period in our turnaround journey, marked by several critical milestones. We delivered positive Adjusted EBITDA for the full fiscal year, a first in the Company’s history, and positive operating cash flow in the last three quarters. Additionally, we paid off our term debt facility, reduced our inventory by \$9.4 million, and streamlined operations through refocusing on our direct to consumer heritage when we began exiting brick-and-mortar retail channels. Our strategic approach is yielding promising results and we’re optimistic about our trajectory as we kick off the year”

Fourth Quarter 2024 Financial Results

Revenue was \$49.5 million compared to \$48.3 million in the third quarter of 2024 and \$59.9 million in the fourth quarter of 2023. The sequential increase was primarily driven by higher repeat orders, increased first orders due to incremental advertising spend, and higher retail revenue due to estimated brick-and-mortar markdowns recorded in the third quarter. While the brick-and-mortar markdowns in the third quarter contributed to the sequential growth, revenue would have grown in the fourth quarter without it. The year-over-year decline resulted from fewer repeat orders due to lower advertising spend throughout 2024 compared to prior years.

Gross Margin was 52.4% compared to 53.0% in the third quarter of 2024 and 54.4% in the fourth quarter of 2023. The sequential decline was mainly due to increased promotional activity, partially offset by the sell-through of previously reserved inventory. The year-over-year decline was further impacted by the elimination of certain customer fees and lower product margins from a higher percentage of revenue coming from third party products.

Operating Expenses were \$34.3 million, representing a 6.0% increase compared to \$32.3 million in the third quarter of 2024 but a 15.4% decrease compared to \$40.5 million in the fourth quarter of 2023. The sequential increase was primarily due to \$1.6 million of restructuring expenses. The year-over-year decrease was driven by lower fulfillment costs from fewer orders, reduced advertising spend and broader cost saving initiatives implemented over the last several quarters.

Net Loss was \$12.6 million, or (25.5%) Net Loss margin, compared to a net loss of \$1.3 million, or (2.8%) Net Loss margin, in the third quarter of 2024 and a net loss of \$9.5 million, or (15.9%) Net Loss margin in the fourth quarter of 2023. The sequential decline was primarily due to the mostly non-cash loss on extinguishment of debt related to the payoff of the Company’s term loan during the fourth quarter, partially offset by reduction in interest expense. The third quarter included a large gain in the fair values of derivative liabilities further contributing to the sequential decline.

Adjusted EBITDA was negative \$1.6 million, or (3.3%) margin, compared to breakeven, or (0.1%) margin, in the third quarter of 2024 and \$0.1 million, or 0.2%, margin in the fourth quarter of 2023.

Cash, Cash Equivalents, and Restricted Cash totaled \$24.3 million as of December 31, 2024, compared to \$55.6 million at the end of the third quarter of 2024. The change was primarily driven by the \$30.0 million voluntary prepayment of the Company's remaining outstanding term loan balance.

Operating Cash Flow was \$0.3 million, marking the third consecutive quarter with positive operating cash flow. The negative Adjusted EBITDA in the fourth quarter was offset by a \$5.1 million inventory reduction. Total inventory ended the fourth quarter of 2024 at \$19.4 million, as the Company continues to optimize for its current scale.

Fourth Quarter 2024 Key Business Highlights:

(in thousands, except DTC Net Revenue Per Order and percentages)	Three months ended		
	December 31, 2023	September 30, 2024	December 31, 2024
Financial and Operating Data			
Grove Brands % Net Revenue	44.8 %	38.5 %	40.1 %
DTC Total Orders	864	708	717
DTC Active Customers	920	710	688
DTC Net Revenue Per Order	\$ 67	\$ 67	\$ 67

Grove Brands % of Net Revenue was 40.1%, increasing 160 basis points quarter-over-quarter but declining 470 basis points year-over-year. The sequential increase was driven by higher seasonal discounting and promotions on Grove Branded products. The year-over-year decline was largely due to the continued expansion of third party product offerings to provide more choice for customers. The number of third party brands sold increased by 30.4% in the fourth quarter of 2024 compared to the fourth quarter of 2023.

Direct to Consumer (DTC) Total Orders totaled 717,000, up 1.3% quarter-over-quarter but down 17.0% year-over-year. The sequential increase marks the first time since the first quarter of 2022 that total orders increased quarter-over-quarter.

DTC Active Customers – defined as the number of customers that have placed an order in the trailing twelve months ended December 31, 2024 – totaled 688,000, declining 3.1% from the third quarter of 2024 and 25.2% from the fourth quarter of 2023 due to lower advertising spend throughout 2024 compared to prior years.

DTC Net Revenue Per Order was \$66.94 in the fourth quarter of 2024, down 0.1% quarter-over-quarter and flat year-over-year. The slight sequential decline was driven by higher discounting, mostly offset by an increase in the average number of units per order. The year-over-year performance was driven by an increase in the average number of units per order offset by the elimination of certain customer fees.

Plastic Intensity¹ – measured as pounds of plastic per \$100 in net revenue across all online and retail sales – was 1.02 pounds in the fourth quarter of 2024, improving from 1.06 pounds the third quarter of 2024 and 1.07 pounds in the fourth quarter of 2023.

Full Year 2024 Financial Results

Revenue totaled \$203.4 million, landing within the Company's revised full-year guidance. This represents a 21.5% year-over-year decline, primarily due to a decrease in DTC orders, partially offset by an increase in DTC Net Revenue Per Order.

Gross Margin was 53.8%, increasing 80 basis points year-over-year, driven by sell through of previously reserved for inventory, higher vendor allowances, and reduced discounting, particularly on first orders. These improvements were partially offset by the removal of certain customer fees and a higher proportion of revenue from third party products.

Operating Expenses totaled \$131.9 million, representing a 23.6% year-over-year decline due to reductions in Advertising, Product Development, and Selling, General and Administrative expenses.

Net Loss was \$27.4 million, improving by \$15.8 million year-over-year.

Net Loss Margin was (13.5%), improving 320 basis points year-over-year.

Adjusted EBITDA was \$1.3 million, improving \$10.5 million year-over-year.

Adjusted EBITDA Margin² was 0.6%, improving 420 basis points year-over-year and landing within the Company's revised guidance range.

Plastic Intensity¹ decreased to 1.05 pounds of plastic per \$100 of revenue in 2024 compared to 1.10 pounds in 2023.

Acquisitions Update:

As published in separate press releases, in the first quarter of 2025, the Company announced the completion of two strategic acquisitions: Grab Green, a pioneer in eco-friendly, high-performance cleaning products, and 8Greens, a leading brand in the wellness category known for its nutrient-rich effervescent tablets, gummies, and more.

The acquisition of Grab Green reinforces Grove's mission to make consumer products a force for environmental and human good while strengthening its position as a leader in home cleaning. A third-party vendor on Grove's platform since 2019, Grab Green has consistently ranked as a top-performing brand in both sales and market share, driven by its beloved laundry and specialty cleaning products. Its product lineup complements Grove's existing portfolio of sustainable home essentials.

With the purchase of 8Greens, Grove expands into the high-priority wellness category with a first party offering. This acquisition enhances Grove's ability to provide customers with high-quality wellness solutions while aligning with its broader emphasis on environmental and human health.

2025 Outlook:

Revenue

- First quarter revenue is expected to be the lowest revenue quarter in 2025 and going forward, including the negative revenue impact of the Shopify transition.
- Revenue is expected to improve through the second and third quarters, leading to year-over-year growth in the low-single-digit percentage range in the fourth quarter.
- 2025 revenue is expected to be approximately flat to down mid-single digit percentage year-over-year.

Adjusted EBITDA

- Full-year 2025 Adjusted EBITDA is expected to be breakeven to positive low-single digit millions.

The Revenue and Adjusted EBITDA outlook includes contributions from the Grab Green and 8Greens acquisitions.

The full year 2025 revenue outlook reflects a comparison against 2024, during which the annual run rate exiting the fourth quarter was lower than the first quarter. Additionally, the Company made the strategic decision to exit Grove Co. products from brick-and-mortar retail in 2024, which is expected to be fully wound down in the first half of 2025.

The Company is committed to delivering positive Adjusted EBITDA again in 2025, ensuring growth is both sustainable and profitable.

Webcast and Conference Call Information:

The Company will host an investor conference call and webcast to review these financial results at 5:00pm ET / 2:00pm PT on the same day. The webcast can be accessed at <https://investors.grove.co/>. The conference call can be accessed by calling 877-413-7205. International callers may dial +1 201-689-8537. A replay of the call will be available until April 11, 2025 and can be accessed by dialing 877-660-6853 or 201-612-7415, access code: 13751976. The webcast will remain available on the Company's investor relations website for 6 months following the webcast.

About Grove Collaborative Holdings, Inc.

Grove Collaborative Holdings, Inc. (NYSE: GROV) is the one-stop online destination for everyday essentials that create a healthier home and planet. Explore thousands of thoughtfully vetted products for every room and everyone in your home, including household cleaning, personal care, health and wellness, laundry, clean beauty, kitchen, pantry, kids, baby, pet care, and beyond. Everything Grove sells meets a higher standard — from health to sustainability and performance — so you get a great value without compromising your values. As a B Corp and Public Benefit Corporation, Grove goes beyond selling products: every order is carbon neutral, supports plastic waste cleanup initiatives, and lets you see and track the positive impact of your choices. Shopping with purpose starts at Grove.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements regarding, accretiveness of acquisitions, Grove's trajectory for 2025, first quarter 2025 revenue being the lowest revenue quarter, improvement of revenue through the second and third quarters of 2025, year-over-year growth in the low single digit percentage range in the fourth quarter of 2025, full year 2025 revenue being flat to down in the mid-single digit percentage range year-over-year, and 2025 Adjusted EBITDA being in the breakeven to low-single digit millions range. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. The forward-looking statements contained in this press release are based on Grove's current expectations and beliefs in light of the Company's experience and perception of historical trends, current conditions and expected future developments and their potential effects on the Company as well as other factors believed to be appropriate under the circumstances. There can be no assurance that future developments affecting the Company will be those that have been anticipated. These forward-looking statements involve a number of risks,

uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including potential disruptions relating to the implementation of Shopify, changes in business, market, financial, political and legal conditions; legal and regulatory matters and developments; risks relating to the uncertainty of the projected financial information; Grove's ability to successfully expand their business; competition; risks relating to tariffs, inflation and interest rates; effectiveness of the Company's ecommerce platform and selling and marketing efforts; demand for Grove products and other brands that it sells and those factors discussed in documents filed, or to be filed, with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. All forward-looking statements in this press release

are made as of the date hereof, based on information available to Grove as of the date hereof, and Grove assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-GAAP Financial Measures

Some of the financial information and data contained in this press release, such as Adjusted EBITDA and Adjusted EBITDA margin, have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). These non-GAAP financial measures, and other measures that are calculated using such non-GAAP measures, are an addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to revenue, operating income, profit before tax, net income or any other performance measures derived in accordance with GAAP. Investors should not consider the non-GAAP financial measures in isolation from, or as a substitute for, GAAP measures. A reconciliation of historical Adjusted EBITDA to Net Income is provided in the tables at the end of this press release. Reconciliations of projected Adjusted EBITDA and projected Adjusted EBITDA Margin to the closest corresponding GAAP measures are not available without unreasonable effort on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, such as the impact of depreciation and amortization of fixed assets, amortization of internal use software, the effects of net interest expense (income), other expense (income), and non-cash stock based compensation expense. Grove believes these non-GAAP measures of financial results, including on a forward-looking basis, provide useful information to management and investors regarding certain financial and business trends relating to Grove's financial condition and results of operations. Grove's management uses these non-GAAP measures for trend analyses and for budgeting and planning purposes. Grove believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating projected operating results and trends in and in comparing Grove's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Management of Grove does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP measures. Other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Grove's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Grove calculates Adjusted EBITDA as net loss, adjusted to exclude: stock-based compensation expense; depreciation and amortization; changes in fair values of derivative liabilities; transaction costs allocated to derivative liabilities upon closing of the transaction where we became a publicly traded company; interest income; interest expense; restructuring costs; loss on extinguishment of debt; provision for income taxes and certain litigation and legal settlement expenses that we do not consider representative of our underlying operations. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net revenue. Because Adjusted EBITDA excludes these elements that are otherwise included in the Company's GAAP financial results, this measure has limitations when compared to net loss determined in accordance with GAAP. Further, Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. For these reasons, investors should not consider Adjusted EBITDA in isolation from, or as a substitute for, net loss determined in accordance with GAAP.

Investor Relations Contact

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¹ Grove defines plastic intensity as pounds of plastic used per \$100 in revenue as a way to hold itself accountable for the pace at which it decouples revenue from the use of plastic. To calculate plastic intensity, Grove defines "plastic" as any of the following materials within both products and packaging: plastic resin codes #1-7 (from the ASTM International Resin Identification Coding System), inclusive of polyvinyl alcohol (PVA, PVOH, PVAl), silicone, bioplastics, and any plastic liners, coatings, and resins.

² Adjusted EBITDA margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for a reconciliation of adjusted EBITDA, a non-GAAP financial measure, to net loss in the table at the end of this press release.

Grove Collaborative Holdings, Inc.
Consolidated Balance Sheets

(In thousands)

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
(Unaudited)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,627	\$ 86,411
Restricted cash	3,675	5,650
Inventory	19,351	28,776
Prepaid expenses and other current assets	2,288	3,359
Total current assets	44,941	124,196
Restricted cash	1,002	2,802
Property and equipment, net	3,677	11,625
Operating lease right-of-use assets	12,532	9,612
Other long-term assets	2,858	2,507
Total assets	\$ 65,010	\$ 150,742
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 6,800	\$ 8,074
Accrued expenses	11,546	16,020
Deferred revenue	6,340	7,154
Operating lease liabilities, current	1,636	3,489
Other current liabilities	742	306
Total current liabilities	27,064	35,043
Debt, noncurrent	7,500	71,662
Operating lease liabilities, noncurrent	12,949	14,404
Derivative liabilities	1,274	11,511
Total liabilities	48,787	132,620
Redeemable convertible preferred stock	24,772	10,000
Stockholders' equity (deficit):		
Common stock	4	4
Additional paid-in capital	639,960	629,208
Accumulated deficit	(648,513)	(621,090)
Total stockholders' equity (deficit)	(8,549)	8,122
Total liabilities, redeemable convertible preferred stock and stockholders' equity	\$ 65,010	\$ 150,742

Grove Collaborative Holdings, Inc.
Consolidated Statements of Operations

(In thousands, except share and per share amounts)

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue, net	\$ 49,501	\$ 59,857	\$ 203,425	\$ 259,278
Cost of goods sold	23,558	27,295	94,077	121,919
Gross profit	25,943	32,562	109,348	137,359
Operating expenses:				
Advertising	2,953	3,900	10,265	21,292
Product development	4,592	4,555	18,456	16,401
Selling, general and administrative	26,730	32,050	103,174	134,929
Operating loss	(8,332)	(7,943)	(22,547)	(35,263)
Non-operating expenses:				
Interest expense	1,589	4,159	12,777	16,077
Loss on extinguishment of debt	5,004	—	5,004	—
Changes in fair value of derivative liabilities	(1,869)	(1,514)	(9,888)	(216)
Other income, net	(430)	(1,113)	(3,057)	(7,930)
Total non-operating expenses, net	4,294	1,532	4,836	7,931
Loss before provision for income taxes	(12,626)	(9,475)	(27,383)	(43,194)
Provision for income taxes	9	10	40	38
Net loss	\$ (12,635)	\$ (9,485)	\$ (27,423)	\$ (43,232)
Less: Accretion on Series A Preferred Stock	—	19	—	(957)
Less: Accumulated dividends on redeemable convertible preferred stock	(375)	(150)	(849)	(233)
Net loss attributable to common stockholders, basic and diluted	\$ (13,010)	\$ (9,616)	\$ (28,272)	\$ (44,422)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (0.27)	\$ (0.76)	\$ (1.28)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	37,751,421	35,893,031	37,040,375	34,797,582

Grove Collaborative Holdings, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2024	2023
	(Unaudited)	
Cash Flows from Operating Activities		
Net loss	\$ (27,423)	\$ (43,232)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on partial termination of lease	(3,139)	—
Stock-based compensation	11,995	15,513
Depreciation and amortization	9,821	5,824
Changes in fair value of derivative liabilities	(9,888)	(216)
Reduction of transaction costs allocated to derivative liabilities upon Business Combination	—	(3,745)
Non-cash interest expense	3,380	3,833
Asset impairment charges	1,260	2,495
Inventory reserve	(3,061)	372
Loss on extinguishment of debt	5,004	—
Other non-cash expenses (income)	(140)	135
Changes in operating assets and liabilities:		
Inventory	12,486	14,984
Prepays and other assets	569	1,672
Accounts payable	(1,274)	(2,574)
Accrued expenses	(4,612)	2,216
Deferred revenue	(814)	(3,724)
Operating lease right-of-use assets and liabilities	(4,349)	(1,603)
Other liabilities	436	57
Net cash used in operating activities	(9,749)	(7,993)
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	136	—
Purchase of property and equipment	(1,757)	(2,985)
Net cash used in investing activities	(1,621)	(2,985)
Cash Flows from Financing Activities		
Proceeds from the issuance of debt	—	7,500
Payment of debt issuance costs	(301)	(925)
Repayment of debt and Structural Derivative Liability	(72,348)	(575)
Payment of costs to extinguish debt	(24)	—
Proceeds from issuance of redeemable convertible preferred stock, convertible common stock, and common stock warrants	15,000	10,000
Payment of transaction costs related to Business Combination, redeemable convertible preferred stock and settlement of HGI	(513)	(4,555)
Payments related to stock-based award activities, net	(1,366)	(2,071)
Proceeds from issuance under employee stock purchase plan	363	482
Net cash provided by (used in) financing activities	(59,189)	9,856
Net increase (decrease) in cash, cash equivalents and restricted cash	(70,559)	(1,122)
Cash, cash equivalents and restricted cash at beginning of period	94,863	95,985
Cash, cash equivalents and restricted cash at end of period	<u>\$ 24,304</u>	<u>\$ 94,863</u>

Grove Collaborative Holdings, Inc.
Non-GAAP Financial Measures
(Unaudited)
(In thousands, except percentages)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
<i>Reconciliation of Net Loss to Adjusted EBITDA</i>				
Net loss	\$ (12,635)	\$ (9,485)	\$ (27,423)	\$ (43,232)
Stock-based compensation	2,727	3,572	11,995	15,513
Depreciation and amortization	2,420	1,465	9,821	5,824
Changes in fair value of derivative liabilities	(1,869)	(1,514)	(9,888)	(216)
Reduction of transaction costs allocated to derivative liabilities upon Business Combination	—	—	—	(3,745)
Interest income	(429)	(1,148)	(3,057)	(3,773)
Interest expense	1,589	4,159	12,777	16,077
Restructuring expenses	1,566	3,258	2,032	3,811
Loss on extinguishment of debt	5,004	—	5,004	—
Provision for income taxes	9	10	40	38
Litigation and legal settlement expenses	—	(180)	—	520
Total Adjusted EBITDA	<u>\$ (1,618)</u>	<u>\$ 137</u>	<u>\$ 1,301</u>	<u>\$ (9,183)</u>
Net loss margin	(25.5)%	(15.8)%	(13.5)%	(16.7)%
Adjusted EBITDA margin	(3.3)%	0.2 %	0.6 %	(3.5)%

Source: Grove Collaborative Holdings, Inc.

Grove®

Investor Presentation Q4 2024

As of March 11, 2025



Safe Harbor Statement/Non-GAAP Measures

All information in this presentation is as of March 11, 2025.

Forward-Looking Statements

Certain statements included in this presentation are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than statements about historical fact. The forward looking statements in this presentation include, but are not limited to, statements regarding year-over-year revenue growth in fourth quarter of 2025, 2025 positive Adjusted EBITDA, prioritizing human health, scaling our marketplace, transitioning to Shopify, increases in selection, focus on profitability and cash flow, stabilization of revenue, consistent profitable revenue growth, scaling our advertising investment with a high return, maintaining operating and expense discipline, optimizing growth in 2025, growing product mix through third-party expansion, owned brand innovation and acquisitions, strengthening customer loyalty, future conversion improvement, first quarter 2025 revenue being the lowest revenue quarter, improvement of revenue through the second and third quarters of 2025, year-over-year growth in the low single digit percentage range in the fourth quarter of 2025, full year 2025 revenue being flat to down in the mid-single digit percentage range year-over-year, and 2025 Adjusted EBITDA being in the breakeven to low-single digit millions range. These forward-looking statements are subject to a number of risks and uncertainties, and you should not rely upon the forward-looking statements as predictions of future events. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Grove cannot guarantee that future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Except as required by law, Grove disclaims any obligation to update these forward-looking statements to reflect future events or circumstances. The forward-looking statements are subject to a number of risks and uncertainties, including: potential disruptions relating to the implementation of Shopify, changes in business, market, financial, political and legal conditions; risks relating to the uncertainty of the projected financial information; Grove's ability to successfully expand its business; competition; risks relating to growing inflation and rising interest rates; risks relating to the Shopify transition and those factors discussed in documents of Grove filed, or to be filed, with the U.S. Securities and Exchange Commission. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements should not be relied upon as representing Grove's assessments as of any date subsequent to the date of this presentation.

Non-GAAP Information

Grove uses certain non-GAAP measures in this presentation including Adjusted EBITDA. Grove believes the presentation of its non-GAAP financial measures enhances investors' overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and the company's non-GAAP measures may be different from non-GAAP measures used by other companies. Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures, may be found in the Appendix at the end of this presentation.

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Grove's transformation fuels momentum for 2025 and beyond

2024

- **Sequential revenue growth** in fourth quarter
- **\$1.3M positive adjusted EBITDA** in FY24
- **Positive Operating Cash Flow** in last three quarters of 2024
- Removed default subscriptions and **opened business model**
- Optimized **own Fulfillment Center network**
- **Paid off term debt** (\$72M)

2025

- Expect **Year-over-year growth** in fourth quarter and full year **positive Adjusted EBITDA**
- Prioritize **human health** in addition to environmental health
- Scale our marketplace with **two acquisitions** completed in first quarter
- Complete transition to **Shopify platform**



Our journey to building a healthier home and planet



2012

Founded as ePantry to deliver healthy, sustainable home essentials directly to consumers.

2014

Officially became a Certified B Corporation, affirming our high standards for social and environmental performance.

2016

Grove Collaborative rebranded and launched first-party brand products in the home cleaning category.

2021

Became a Public Benefit Corporation reinforcing its commitment to environmental and social impact.

2024

Transformed business model by shifting away from default subscriptions and pre-set baskets.

2025 and Beyond

Prioritizing environmental *and* human health, making Grove the destination for conscientious consumers.

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Your home, healthier.

Our mission is to transform the products
you use every day into a force for
environmental and human health.



Grove Collaborative: The leading platform for conscientious consumers



Vetted essentials for
a healthier home,
body, and planet

A differentiated alternative to
Amazon and mass retailers.



A higher standard

Every product meets rigorous
standards for health,
sustainability, and performance.



Leading the way
Beyond Plastic™

Helping consumers reduce
exposure to chemical
additives and microplastics.

The mindful shopper wants healthy, sustainable products, but faces obstacles.

HARMFUL INGREDIENTS in many products

GREENWASHING and misleading claims

DIFFICULTY FINDING high-quality, truly sustainable solutions

Grove[®]

provides:

CURATED QUALITY

We vet every product for safety and sustainability, from PFAS-free cookware to glass baby bottles.

PERSONALIZED HELP

Tailored recommendations and auto-replenishment.

EDUCATIONAL SUPPORT

Science-backed guidance for confident choices backed by physicians and nutritionists.

BEYOND PLASTIC™

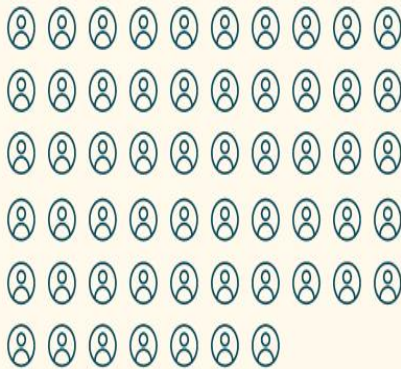
Beyond Plastic™ badges allow customers to easily reduce plastic in their homes, lessening exposure to chemical additives and microplastics.



Expanding our reach to reflect our broader commitment to a healthier home and planet

57 million

conscientious consumers ¹ want healthier, planet-friendly products for their families



Human *and* Environmental Health



BEFORE

5 million customers ² reached through cleaning focus and subscription boxes



AFTER

Better serve the remaining
52 million consumers

with expanded human and environmental health offering



Note:

¹ Halstead Strategy Group, 2021

² Number of lifetime customers who have placed an order with Grove prior to business model changing in March 2024

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Consumers are prioritizing natural and sustainable products like never before

Consumers are voting with their wallets—brands that align with sustainability and wellness are positioned for long-term growth.

SUSTAINABILITY MATTERS

80%

of U.S. consumers believe that living sustainably is important ¹

WELLNESS-DRIVEN PURCHASING

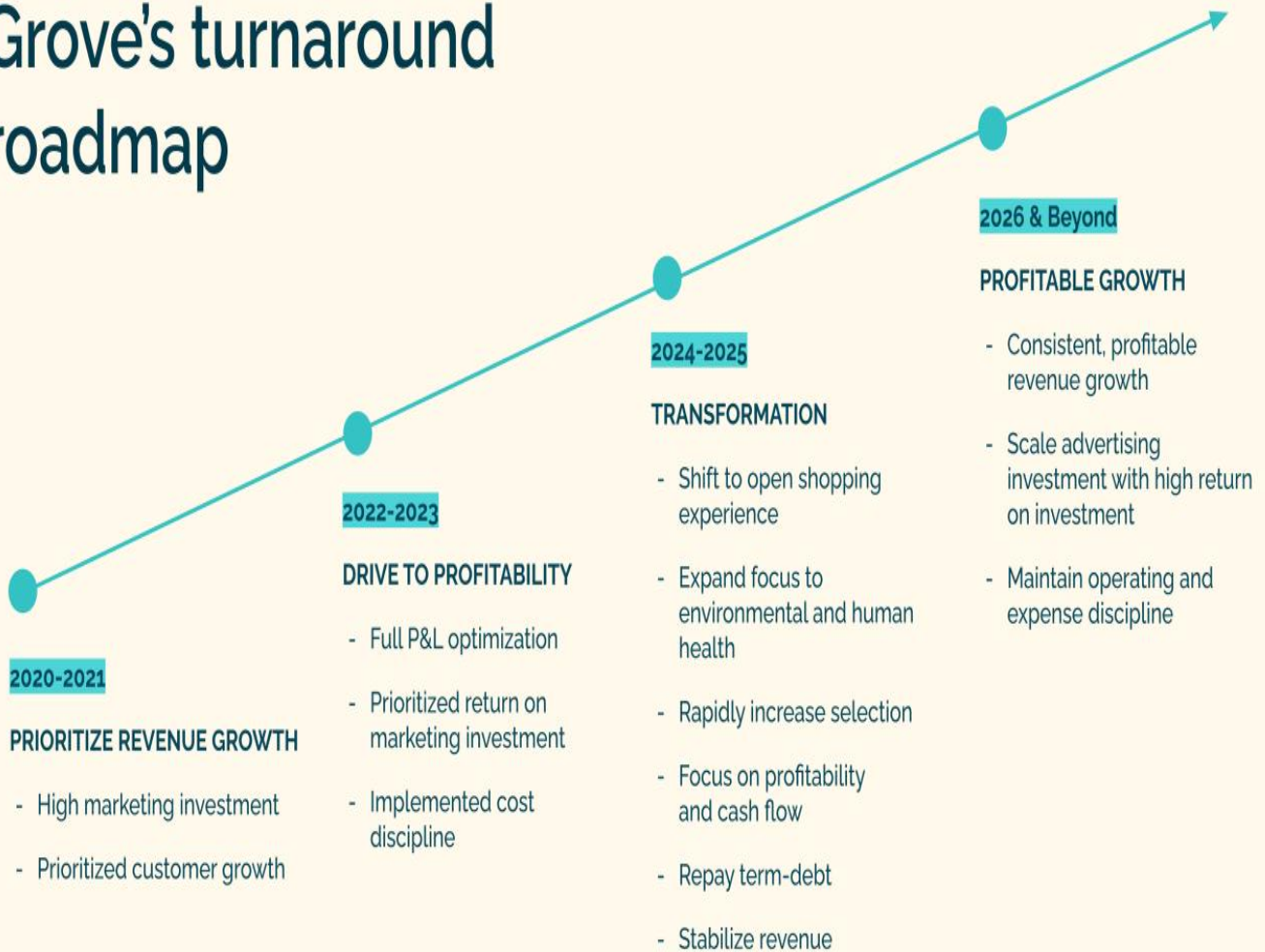
+28%

cumulative growth over 5 years for products with sustainability-related claims ²

 Notes:
¹ McKinsey, Consumers care about sustainability—and back it up with their wallets (February 2023)
² Deloitte, Creating value from sustainable products (April 2023)



Grove's turnaround roadmap



Successfully navigating our transformation to profitable growth



PROFITABILITY

Positive 2024 Adjusted EBITDA of **+\$1.3M**

Q4 2024 marked the third consecutive quarter with positive operating cash flow

BALANCE SHEET STRENGTH

\$72M term debt repayment resulted in a stronger balance sheet and reduced interest expense entering 2025

Reduced inventory by **\$9.4M** year-over-year, aligning our inventory levels with the current scale of our business

REVENUE GROWTH

First quarter of sequential revenue growth in Q4 2024, **+2.5%**, since Q1 2022

Expanded third-party brand offerings **30%** y/y in Q4 compared to Q4 2023

Acquired Grab Green and 8Greens to strengthen product offerings

ENVIRONMENTAL & HUMAN HEALTH

Plastic intensity decreased year-over-year, even with increased third-party brand expansion

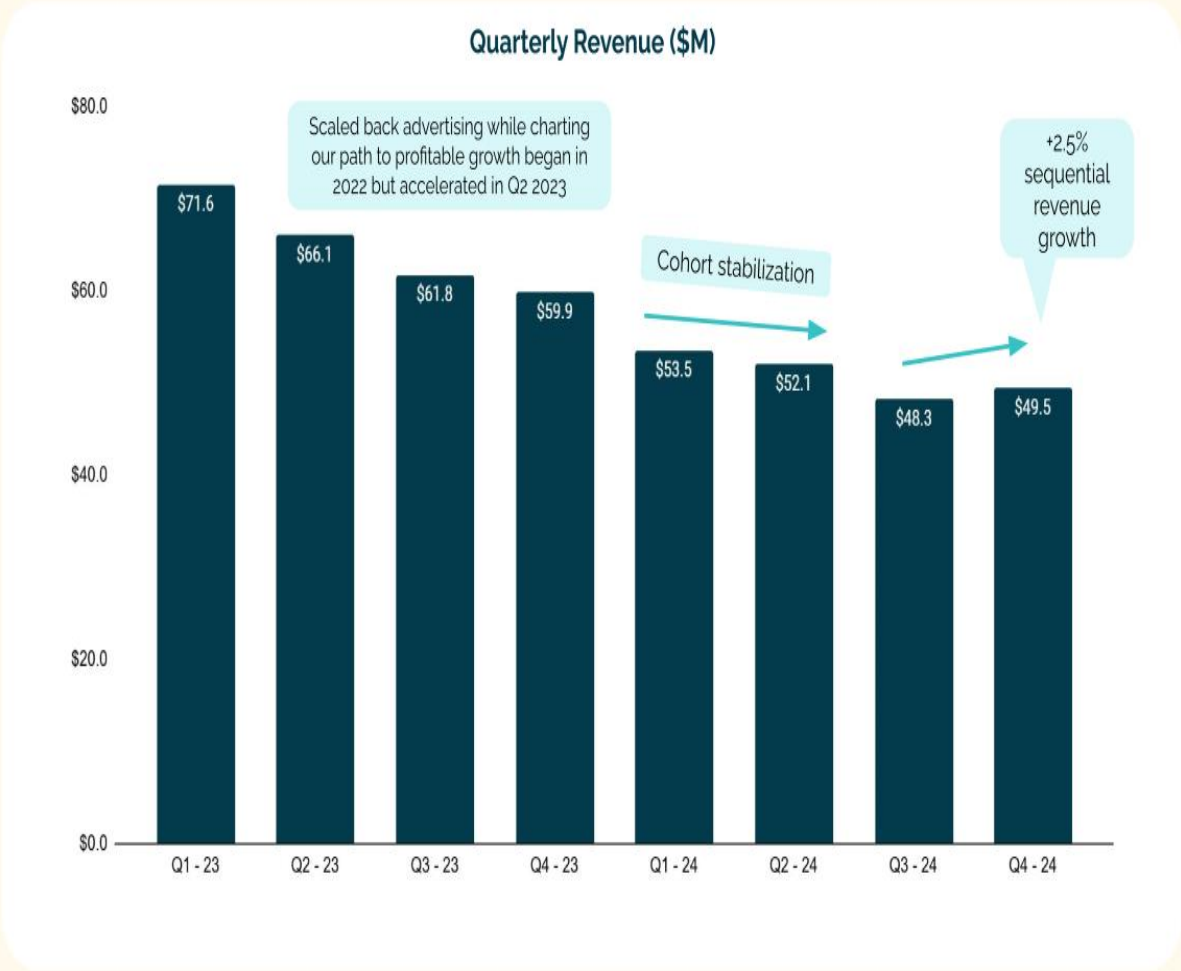
Updating our tagline to "Your home, healthier™" to reflect our broader focus on human health and environmental health

MEASURING OUR IMPACT

From strategic vision to financial results

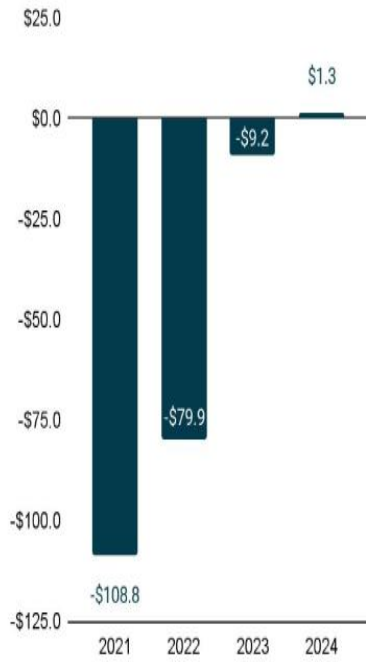


Revenue stabilizing as business optimizes for efficiency and lays foundation for growth



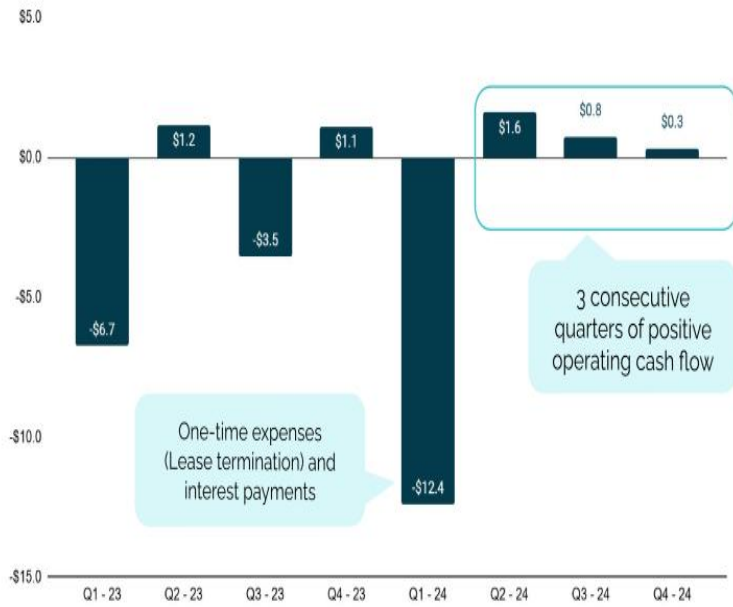
Expense discipline driving Adjusted EBITDA and cash flow improvements

Significant Adjusted EBITDA improvement



Adjusted EBITDA (\$M)

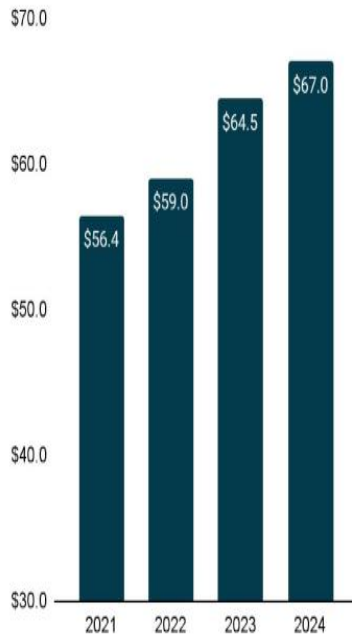
Positive operating cash flow in last 3 quarters



Operating Cash Flow (\$M)

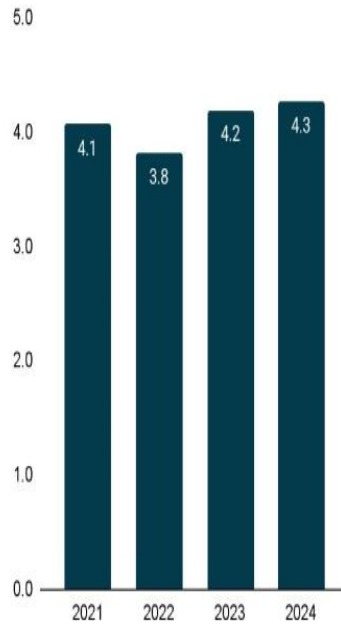
Growth in customer value is unlocking revenue opportunities

GROWING ORDER VALUE



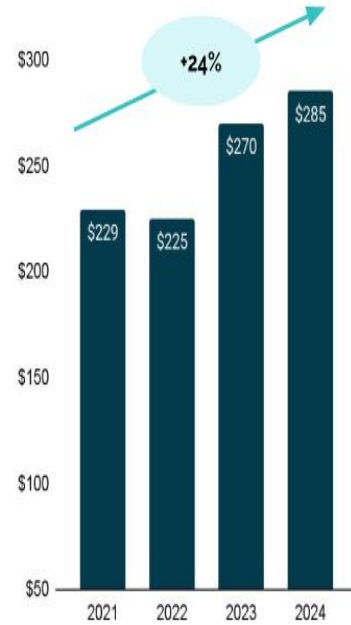
DTC Net Revenue per Order

INCREASED ENGAGEMENT



DTC Orders per Active Customer¹

HIGHER SPENDING



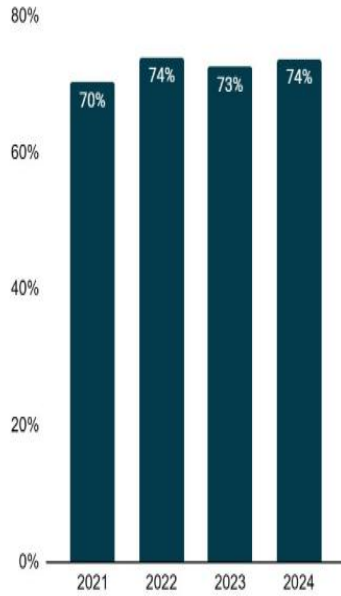
DTC Net Revenue per Active Customer¹

¹ As of the last day of each reporting period, we determine our number of DTC Active Customers by counting the number of individual customers who submitted orders through our DTC platform, and for whom an order has shipped, at least once during the preceding 364-day period.

Loyal customers and subscription growth driving long-term success

STABLE VIP RENEWAL RATE

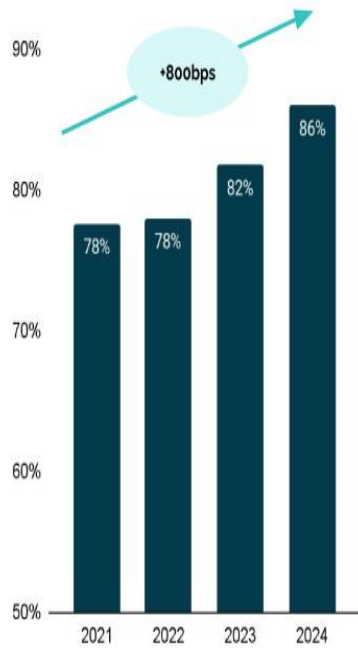
74% renewal rate



VIP Renewal Rate ¹

INCREASING SUBSCRIPTION ENGAGEMENT

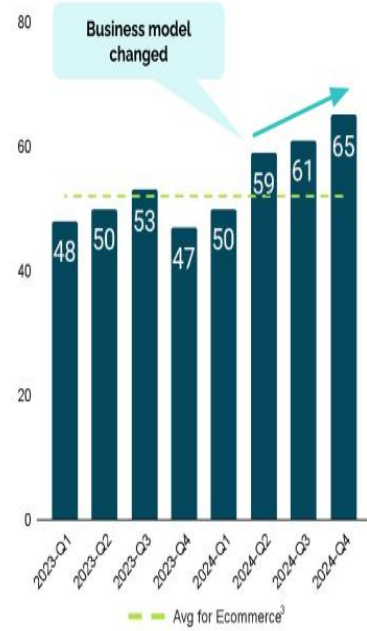
86% of orders now include one or more subscriptions



% of Orders with 1+ Subscriptions ²

HAPPY CUSTOMERS

Business model change driving +30% increase in new customer satisfaction



New Customer Net Promoter Score



Note:

¹ Renewal rate is number of paid VIP renewals over the total number of VIP members with refunds removed

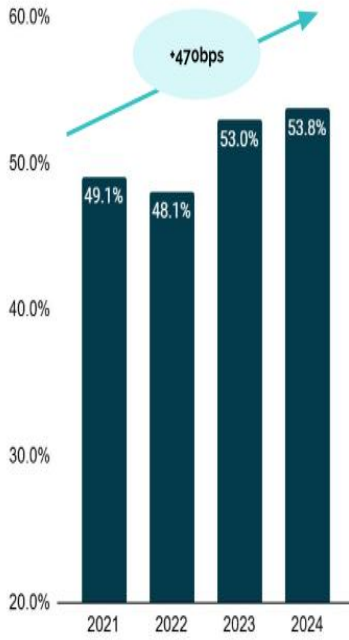
² Existing customers only

³ Retailerly, 2024 NPS Benchmark (March 2024)

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Improved efficiency fueling margin expansion and sustainable profit growth

EXPANDING MARGINS



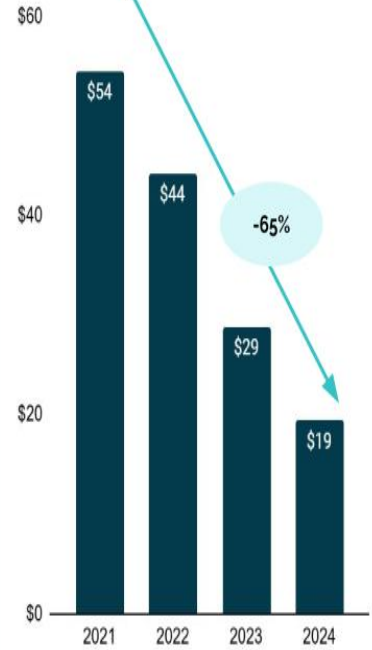
GAAP Gross Margin

CONTROLLING EXPENSES



GAAP SG&A (\$M)

REDUCING INVENTORY



GAAP Inventory (\$M)

Note:
 † 2022 includes \$42.9M of Stock Based Compensation



STRATEGIC FOCUS

Building a trusted marketplace with a winning product mix

Our 2025 strategy is concentrated around three strategic initiatives

Empowering 57M conscientious consumers to create a healthier home and planet

MAKING GROVE THE PREFERRED CHOICE

SCALE PLATFORM TO WIN

Optimize growth with leading technology and strong operations

GROW PRODUCT MIX

Through third-party expansion, owned brand innovation and M&A

BUILD CUSTOMER LOVE

Strengthening loyalty through trust, storytelling, and personalized experiences

PLATFORM SCALED TO WIN

Trusted, curated marketplace

A higher standard: Where value meet values



MARKETING FRAMEWORK

Guided, personalized experience

Media mix informed by data science

Robust mechanisms to drive repeat orders

Targeted full-funnel approach



EFFICIENT COST STRUCTURE

Strategic cost optimization

Streamlined workforce

Skilled customer support



BOX ECONOMICS

9+ units per order¹

\$67+ net revenue per order¹

Low-cost shipping



STREAMLINED OPERATIONS

Optimized two-node fulfillment center network

Efficient variable costs per order



INDUSTRY-LEADING PLATFORM

Transition to Shopify

Scalable technology stack

Optimized User experience



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Note:
¹ As of Q4 2024

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GROW PRODUCT MIX

Win in human health and wellness



VMS GROWTH

Improve customer conversion through increased selection, increased marketing exposure, and enhanced content



EXPAND NON-VMS

Target white space categories to aid the customer journey of building and maintaining a healthy home environment, e.g. clean cooking, water bottles, and other durables

GROW PRODUCT MIX

Third-party learning from VMS success



Adding 100+ brands and increasing assortment by 40% in 2025



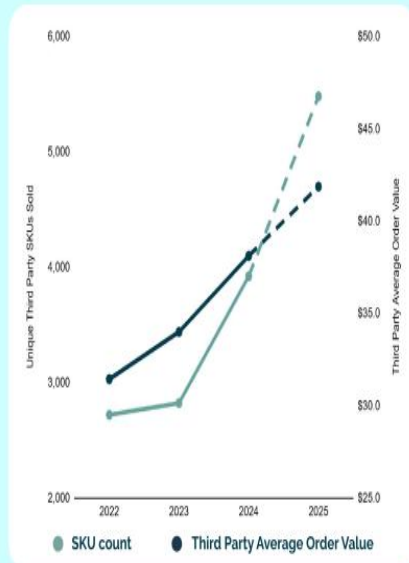
Wellness: herbal formulas, protein bars, and wellness teas

Baby: diapering and feeding

Pet: dog and cat food

Clean Cooking & Healthy Home Solutions: durables, water bottles, etc

Meeting demand through rapid assortment expansion



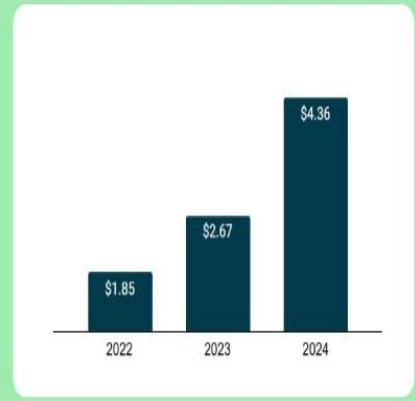
VMS success lays the blueprint for further expansion into white space categories

Customers trust us¹: 89% of customers trust Grove for health and wellness needs.

Increased order value: 20%+ higher net revenue per order.

Stronger loyalty²: ~3x better lifetime value (LTV).

VMS Category Net Revenue per Order



¹ Internal Survey - 2023

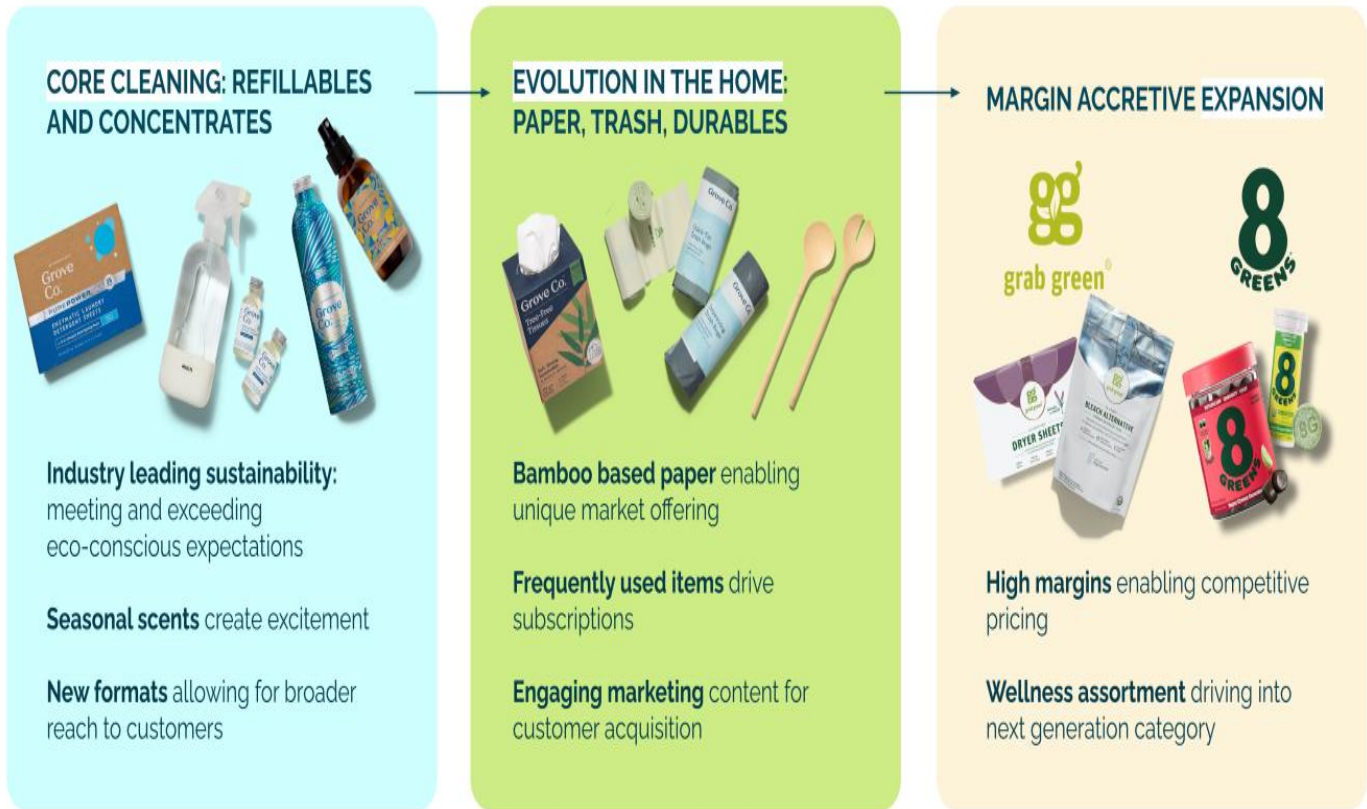
² 2.7x higher six month LTV for customers that purchase Wellness Products compared to those that have not.

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GROW PRODUCT MIX

Owned brands strategy evolution

Building our portfolio of exclusive products



BUILD CUSTOMER LOVE

Earn trust through authentic content

Deepen trust and brand authority with engaging, educational storytelling that inspires informed choices



Home Planet Blog

Builds trust and relationships through education and inspiration



Organic Social

Provides educational tips and swaps



Product Rich Editorials

Bridges education and commerce



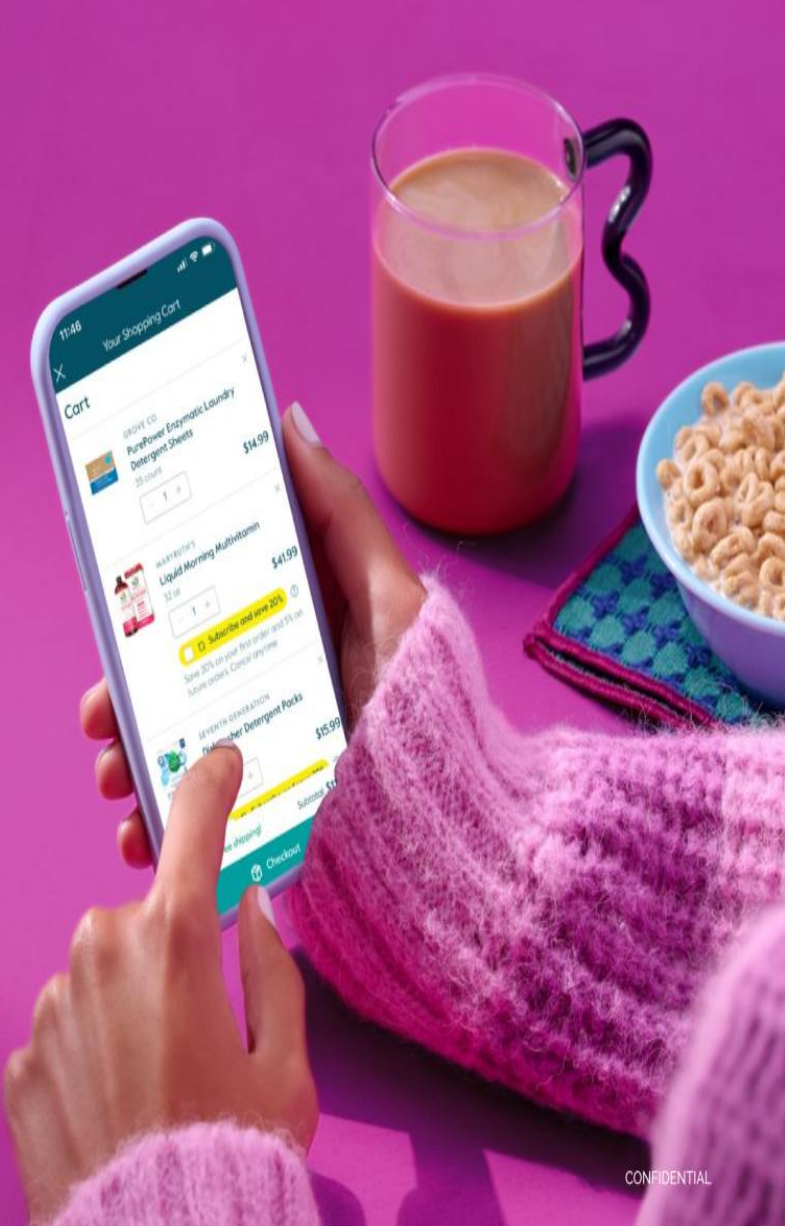
PLPs and PDPs

Guide customers towards educational content, enabling informed purchasing decisions.



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Supplemental



Q&S

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Financial outlook



2025 Guidance

Revenue

- First quarter revenue is expected to be the lowest revenue quarter in 2025 and going forward, including the negative revenue impact of the Shopify transition.
- Revenue is expected to improve through the second and third quarters, leading to year-over-year growth in the low-single-digit percentage range in the fourth quarter
- Full-year 2025 revenue is expected to be approximately flat to down mid-single digit percentage year-over-year

Adjusted EBITDA

- Full-year 2025 Adjusted EBITDA is expected to be in the breakeven to low-single digit millions range

Balance Sheet and Cash

Balance Sheet

(MM)	Dec. 31, 2023	Dec. 31, 2024
Assets		
<i>Current assets:</i>		
Cash and cash equivalents	86.4	19.6
Restricted cash	5.6	3.7
Inventory	28.8	19.4
Prepaid expenses and other current assets	3.4	2.3
Total current assets	124.2	44.9
Restricted Cash	2.8	1.0
Property and equipment, net	11.6	3.7
Operating lease right-of-use assets	9.6	12.5
Other long-term assets	2.5	2.9
Total assets	\$150.7	\$65.0
Liabilities and Stockholders' Equity (Deficit)		
<i>Current liabilities:</i>		
Accounts payable	8.1	6.8
Accrued expenses	16.1	11.6
Deferred revenue	7.2	6.3
Operating lease liabilities, current	3.5	1.6
Other current liabilities	0.3	0.7
Total current liabilities	35.0	27.1
Debt, noncurrent	71.7	7.5
Operating lease liabilities, noncurrent	14.4	12.9
Derivative liabilities	11.5	1.3
Total liabilities	132.6	48.8
Redeemable convertible preferred stock	10.0	24.8
Common Stock	0.0	0.0
Additional paid-in capital	629.2	640.0
Accumulated deficit	(621.1)	(648.5)
Total stockholders' equity (deficit)	8.1	(8.5)
Total liabilities and stockholders' equity	\$150.7	\$65.0

Cash & Debt

	Dec. 31, 2023	Dec. 31, 2024
Ending Cash, Cash Equivalents & Restricted Cash	\$94.9 million	\$24.3 million
Outstanding Debt	\$79.5 million Term + ABL	\$7.5 million ABL

Leadership Team With Depth of Ecommerce Experience to Execute



Jeff Yurcisin, Chief Executive Officer

Proven direct-to-consumer leadership as CEO of multiple billion-dollar brands, succeeding founders three times

Experience overseeing owned brand creation, product development, and using tech to deliver a superior customer experience

Passionate about the private sector being a force for good



Jason Buursma, Vice President, Marketing

Broad experience across marketing functions, including individual and cross-functional channels, to build brands and customer bases

Manages day-to-day integrated marketing across acquisition, retention, brand, and public relations channels to articulate Grove's value proposition and offering to new and existing customers

Former professional athlete with passion for team-building



Tom Siragusa, Interim Chief Financial Officer

Hands-on management of and strategic planning for Grove's turnaround strategy across finance, accounting, and analytics

Meticulous oversight of financial health, operational efficiency, and growth initiatives

Managed engagements with companies ranging from small firms to large public corporations across strategy and transactions, including financial due diligence, as well as assurance services.



Jennifer Pann, Vice President, Merchandising & E-Commerce

25+ years of expertise working across product categories for merchandising, inventory, and supply chain for e-commerce and brick and mortar retailers

Leads all aspects of physical product buying and merchandising for Grove, including owned brand innovation as well as third-party category and product expansion



Scott Giesler, General Counsel

Nearly 20 years of experience overseeing private and public ecommerce company legal functions

Managed mergers, acquisitions, and other corporate reorganizations, initial public offerings, public and private company financing transactions, and public company governance.



Appendix



Adjusted EBITDA Reconciliation

\$MM ⁽¹⁾

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Net Loss	(\$13.1)	(\$10.9)	(\$9.8)	(\$9.5)	(\$43.2)	(\$3.4)	(\$10.1)	(\$1.3)	(\$12.6)	(\$27.4)
Stock-Based Compensation	\$4.9	\$4.9	\$2.1	\$3.6	\$15.5	\$3.1	\$3.4	\$2.8	\$2.7	\$12.0
Depreciation and Amortization	\$1.4	\$1.4	\$1.5	\$1.5	\$5.8	\$2.2	\$2.4	\$2.8	\$2.4	\$9.8
Changes in Fair Value of Derivative Liabilities	\$0.3	(\$1.7)	\$2.7	(\$1.5)	(\$0.2)	(\$0.2)	\$0.0	(\$7.8)	(\$1.9)	(\$9.9)
Transaction Costs Allocated to Derivative Liabilities upon Business Combination	(\$3.7)	—	—	—	(\$3.7)	—	—	—	—	—
Interest Income	(\$0.4)	(\$1.0)	(\$1.2)	(\$1.1)	(\$3.8)	(\$1.1)	(\$1.0)	(\$0.6)	(\$0.4)	(\$3.1)
Interest Expense	\$3.7	\$4.0	\$4.1	\$4.2	\$16.1	\$4.1	\$4.1	\$2.9	\$1.6	\$12.8
Restructuring Expenses	\$0.0	\$0.6	—	\$3.2	\$3.8	(\$2.9)	\$2.2	\$1.2	\$1.6	\$2.0
Loss on Extinguishment of Debt	—	—	—	—	—	—	—	—	\$5.0	\$5.0
Provision for Income Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Litigation and legal settlement expenses	—	—	\$0.7	(\$0.2)	\$0.5	—	—	—	—	—
Adjusted EBITDA	(\$6.8)	(\$2.6)	\$0.2	\$0.1	(\$9.2)	\$1.9	\$1.1	(\$0.0)	(\$1.6)	\$1.3

 Note:
⁽¹⁾ Totals in table may not sum due to rounding

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