

Inc. Founder Friendly Investors	Investments 250+	Locations 17, across 5 continents	Employees 290+	Assets Under Management \$30 billion	
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Operational Expertise, Industry Focus, and Personal Relationships Set This Firm Apart

L Catterton, a global leader in consumer investing, explains how its investment in The Honest Company epitomizes its approach to partnership

For L Catterton, investing is much more than just providing capital. The leading consumer-focused private equity firm has a long history of partnering with founders to provide the operational support they need to achieve their vision and drive growth. While many PE firms take a generalist approach, L Catterton exclusively focuses on well-positioned and distinctive consumer businesses in attractive and growing categories. Since its founding in 1989, it has made more than 250 investments in growing consumer companies and iconic brands.

L Catterton understands the growth potential in the “natural and better-for-you” space across the baby, personal care, and household categories better than most, explains Avik Pramanik, a partner in L Catterton’s Flagship Fund. He says one brand kept coming up in the firm’s consumer research: The Honest Company. “We heard focus group participants say things like, ‘When I use an Honest diaper on my baby, it makes me feel like I’m a better parent.’ There aren’t many CPG brands that can say that,” he says.

WHEN VISION ALIGNS

The companies were introduced three years before formally partnering in 2018, when The Honest Company CEO Nick Vlahos says he and his team were consid-



Nick Vlahos, CEO, The Honest Company

PHOTOGRAPHY: THE HONEST COMPANY

The Honest Company has reported double-digit, top-line growth, since partnering with L Catterton three years ago.



ering a private equity partner to support expansion into retail channels and international markets. L Catterton’s consumer knowledge, operational expertise, track record of partnering with mission-based brands, and culture put it at the top of the list. Vlahos recalls the first meeting with L Catterton Global Co-CEO Scott Dahnke and The Honest Company Founder Jessica Alba. Vlahos and Alba shared the brand’s mission to inspire everyone to love living consciously, while continually improving the sustainability of its products and company. Dahnke understood instantly. “He said, ‘Hey, how can we work side by side to bring that vision to life, because it’s a vision that never ends—it can be continuously improved,’” Vlahos says. “It’s not just a transaction for them. It’s about understanding the brand, the vision, and how they can accelerate, amplify, and enable growth.”

WHEN PLANS WORK

Since partnering with L Catterton three years ago, Honest has reported double-digit, top-line growth and more than a thousand basis points of gross margin expansion. L Catterton’s operational expertise and

global resources provided invaluable support as the company expanded its retail, direct-to-consumer, and international channels, successfully relaunched its Honest Beauty products with an ambitious sustainable packaging initiative, and grew its digital presence significantly. In May 2021, The Honest Company went public, raising \$412.8 million in an IPO that valued the company at \$1.44 billion.

Going public is a milestone, but it is just the beginning. With L Catterton as its partner, Honest is focused on building a global health and wellness brand and modern CPG company that will stand the test of time. L Catterton is looking forward, too. It will continue to pursue its mission to be “the best investor in the consumer space globally” by identifying enduring growth drivers in the categories they are passionate about. Equally important, though, says Pramanik, is finding “really special founders and CEOs trying to do things that separate them from the crowd” like Vlahos and Alba. “We are humbled to have been chosen to join them on this journey, and we are proud of what we’ve achieved together so far,” Pramanik says.



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