

**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): **July 10, 2023 (July 10, 2023)**

STARCO BRANDS, INC.

(Exact name of Company as specified in its charter)

Nevada

(State or other jurisdiction
of Incorporation)

000-54892

(Commission
File Number)

27-1781753

(IRS Employer
Identification Number)

250 26th Street, Suite 200

Santa Monica, CA 90402

(Address of principal executive offices)

323-266-7111

(Registrant's Telephone Number)

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	STCB	OTC Markets Group OTCQB tier

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 (See General Instruction A.2. below):

- 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))

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

ITEM 7.01. Regulation FD Disclosure.

Starco Brands, Inc. (the “Company” or “Starco”) today issued a business update for its business including its subsidiaries in the attached press release and supplemental information attached to this Current Report on Form 8-K as Exhibit 99.1 and 99.2, respectively (the “Exhibits”).

Note Regarding Presentation of Non-GAAP Financial Measures

Adjusted EBITDA, which is net loss adjusted for stock-based compensation, gain on disposal of property and equipment, gain on settlements, interest and other expense, net, depreciation of property and equipment, amortization of intangible assets, (recovery) provision for doubtful accounts, and provision for income taxes and certain other items that impact the periods presented. Adjusted EBITDA is provided so that investors have the same financial data that management uses to assess the Company’s operating results with the belief that it will assist the investment community in properly assessing the ongoing performance of the Company for the periods being reported and future periods. The presentation of this additional information is not meant to be considered a substitute for measures prepared in accordance with U.S. GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income (loss) and is defined differently by different companies, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For reconciliations of GAAP Net income (loss) to Adjusted EBITDA, see our reports we file from time-to-time with the SEC, which are available to read at www.sec.gov.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “intends,” “predicts,” “potential,” or “continue” or other comparable terminology. Such forward-looking statements only speak as of the date of this presentation and the Company assumes no obligation to update the information included in this presentation, except as required by law. Statements made in this presentation that are forward-looking in nature may involve risks and uncertainties. Accordingly, readers are cautioned that any such forward-looking statements are not guarantees and are subject to certain risks, uncertainties and assumptions that are difficult to predict, including, without limitation, risks relating to consumer spending may decline or that U.S. and global macroeconomic conditions may worsen resulting in reduced demand for the Company’s products, risks relating to changes in consumer preferences away from the Company’s offerings, risks relating to the effectiveness and efficiency of the Company’s advertising campaigns and marketing expenditures, including existing brands and the launch of new brands, which may not result in increased revenue or generate sufficient levels of brand name and program awareness, risks if the Company becomes subject to health or advertising related claims from its customers, competitors or governmental and regulatory bodies, and risks relating to increased competition from other nutrition providers. As a result of these various risks, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. This list of risks, uncertainties and other factors is not complete. We discuss some of these matters more fully, as well as certain risk factors that could affect our business, financial condition, results of operations, and prospects, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and in subsequent reports we file from time-to-time with the SEC, which are available to read at www.sec.gov. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Unless otherwise required by law, the Company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the results of any revisions to the forward-looking statements made in this presentation.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit Number	Description
99.1	Press Release of Starco Brands, Inc. dated July 10, 2023.
99.2	Supplemental Information provided in connection with Starco Brands, Inc. business update
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STARCO BRANDS, INC.

Dated: July 10, 2023

/s/ Kevin Zaccardi

Kevin Zaccardi
Interim-Chief Financial Officer



Starco Brands Issues Business Update and Partial Guidance for Full-Year 2023

SANTA MONICA, Calif., July 10, 2023 — Starco Brands, Inc. (OTCQB: STCB), developer and acquirer of behavior-changing technologies and brands that spark excitement in the everyday, today provided a business update and announced partial guidance for full-year 2023.

Addressing the Company’s partial guidance, Starco Brands Chairman & CEO Ross Sklar said: “Starco Brand’s year-end net revenue was \$0.7 million in 2021 with an adjusted EBITDA of (\$2.6 million). Through the commercialization of homegrown inventions and two strategic acquisitions of Art of Sport and Skylar in Q4 2022, our net revenue reached \$7.8 million with a adjusted EBITDA of \$2.7 million by year-end 2022. We then acquired Soylent in Q1 2023, strengthening our financial position and category diversification and increasing our enterprise value significantly.

“Capitalizing on the growing popularity of our portfolio companies, we anticipate annual net revenues in the range of \$66 - \$77 million and an adjusted EBITDA of \$7 - \$9 million by year-end 2023. This kind of explosive one-year growth represents more than an +746% - 887% gain in net revenue with 159% - 233% growth in adjusted EBITDA. It reaffirms our commitment to the sustained growth of our portfolio companies through developing new products while executing a robust acquisition strategy. We remain dedicated to delivering value to our stakeholders. We are confident that shareholder value will begin to align with the firm’s enterprise value more appropriately.”

Guidance

The Company provided 2023 full-year guidance:

- Projecting over \$66 - \$77 million in **Reported Net Revenue** for FY23, representing +746% - 887% growth compared to FY22.
- Projecting \$7 - \$9 million (~10% - ~12% of Net Sales) in **Adjusted EBITDA** in FY23, representing +159% - 233% growth compared to FY22, driven by improved cost management and added margins from pricing and product mix optimization.

Addressing recent business updates, Sklar said: “Since announcing the acquisition of three behavior-changing Companies over the last ten months, Starco Brands has been intensely focused on integration and executing intercompany synergies. Integration has allowed us to optimize resources, improve our direct-to-consumer services, expand e-commerce and retail businesses, and drive organizational efficiency.

“Starco Brands consistently delights consumers and retailers across its portfolio. Using a modern marketing playbook, we leverage celebrity and influencer partnerships, establish brand and retailer collaborations, and execute highly creative experiential marketing initiatives. These strategies have proven to generate global awareness and drive low customer acquisition costs, resulting in billions of earned media impressions for our portfolio brands. Our intellectual property remains at the forefront of culture, driving tremendous social engagement and supporting our robust sales and distribution network.

“With a clear focus on growth and operating efficiencies, Starco Brands plans to expand its product lines across the portfolio while continuing to explore synergistic acquisition opportunities. The potential merging of manufacturing partners is also under consideration to enhance margin and overall supply chain security.”

Starco Brands management has had a long track record of commercializing consumer products in personal care, OTC pharma, food and beverage and spirits. The Company also has deep internal R&D capabilities and access to dedicated manufacturing facilities owned and controlled by Mr. Sklar outside of Starco Brands, allowing Starco Brands to manage its supply chain, commercialize new products at low costs with low minimum order quantities, preserve working capital for production, and have access to existing retailer distribution relationships. Mr. Sklar and his team also have extensive M&A experience and have executed over a dozen acquisitions with a couple of divestitures over the last decade in Mr. Sklar’s private manufacturing business.

Along with R&D, manufacturing and M&A expertise, the Company has invested in its marketing department and infrastructure, with leading executives that have worked with some of the largest brands in the world, like Apple, Pepsi, Pizza Hut, Dr. Pepper, Snapple, Infiniti, The GRAMMYs, Jimmy Dean, and TOMS. The Company grew from six employees in Q1 2022 to over 40 today.

2023 Operating Highlights

- In January 2023,
 - Whipshots announced it had sold over 130 thousand cases (60 thousand in Q4) and broke 1 million cans in 2022.
 - Starco Brands acquired Skylar Beauty from Upfront Ventures. Skylar is a pioneer in prestige hypoallergenic fragrances distributed online and through Sephora, Nordstrom and others. The Company gained valuable access to the global fragrance market known for high margins. The acquisition added significant revenues and synergized EBITDA.
 - In February 2023,
 - Starco Brands announced the acquisition of complete nutrition pioneer Soylent, maker of meal replacements drinks, high protein beverages, powders and bars from Google Ventures, Andreessen Horwitz and the Production Board. This high-tech food play positions Starco Brands to capitalize on the projected growth of the “better for you” supplements and the plant-based nutrition space.
 - Whipshots launched its Valentine’s campaign featuring global icon Dr. Ruth Westheimer and earned media impressions of approximately 400 million in 72 hours.
-

- In March 2023,
 - Whipshots® announced over two million cans sold since its December 2021 launch.
 - With Starco Brands focusing on growing its retail business, Soylent expanded its distribution at Meijer to offer plant-based nutrition shakes in 260 stores.
 - In May 2023, Whipshots launched a new limited-edition Lime flavor for summer at its launch party in Santa Monica with Cardi B. This media event garnered over 2 billion earned media impressions globally in 72 hours, which allowed the Company to pre-sell and sell out of all 150,000 units produced of this limited edition.
 - In June 2023,
 - Skylar’s Boardwalk Delight eau de parfum launched and sold out at Sephora in 10 days, becoming the brand’s most popular introduction yet.
 - Whipshots racked up three prestigious medals in the [2023 SIP Awards](#), the internationally recognized consumer judging spirits competition, after having received a “Rising Star Award” in [Beverage Dynamics’ 2023 Growth Brands Awards](#) and four medals in the [2023 DB & SB Spring Blind Tasting](#) as part of the Global Spirits Masters Competition.
 - Whipshots announced a partnership with AMC, the nation’s largest movie theatre chain, that includes distribution of its Whipshots at bars within AMC and brand awareness marketing support on the big screen during previews.
 - Skylar launched an exclusive collaboration with the Amazon Prime series hit *The Summer I Turned Pretty*.
 - Soylent announced that it had secured Amazon’s #1 spot in the Ready-to-Drink Meal Replacement Category.
 - Starco Brands increases prices throughout the portfolio, which is anticipated to generate \$2 million in annual revenue growth.
 - Starco Brands reduced headcount resulting in \$1.2 million of annualized savings.
-

Pipeline Progress and Future Growth Opportunities

Starco Brands has in its pipeline several innovations and will continue to identify whitespaces across consumer product categories where it has R&D, manufacturing and distribution expertise.

Starco Brands also is uniquely positioned to acquire like-minded, behavior-changing brands at competitive prices:

- Capital markets have significantly declined since their pandemic highs, making it difficult for small, growth-stage companies to raise capital. Early-stage VC deal activity has slowed, according to Pitch Book-NVCA Venture Monitor.
- Given Starco Brands' expertise in R&D, manufacturing, distribution and marketing, the Company believes it is well-positioned to acquire undervalued and high-quality businesses and brands that can't access needed liquidity in private markets. The Company's platform as a public entity and all its capabilities allow selling acquisition targets to participate in the potential upside, further distinguishing Starco Brands as a preferred purchaser in the M&A landscape.

Visit <https://investors.starcobrands.com/presentations> for an expanded view of Starco Brands' business update.

About Starco Brands

Starco Brands (OTCQB: STCB) invents and acquires consumer products with behavior-changing technologies that spark excitement in the everyday. Today, its disruptive brands include Whipshots®, the world's only vodka-infused whipped cream co-founded by global artist Cardi B; Art of Sport, the body care brand designed for athletes and co-founded by Kobe Bryant; Winona®, the first indulgent theater-popcorn spray powered by air; Skylar, the only fragrance that is both hypoallergenic and safe for sensitive skin; and SoyLent, the complete non-dairy nutrition brand. A modern-day invention factory to its core, Starco Brands identifies whitespaces across consumer product categories. It draws upon a portfolio of innovative formulas spanning eight product categories with limitless innovation potential. Starco Brands publicly trades on the OTCQB stock exchange so that retail investors can invest in STCB alongside accredited individuals and institutions. Visit starcobrands.com for more information.

Forward-Looking Statements

Any statements in this press release about the Company's future expectations, plans and prospects, including statements about our financing strategy, future operations, future financial position and results, market growth, new product launches and product growth, total revenue, as well as other statements containing the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," or "would" and similar expressions, constitute forward-looking statements within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. The Company may not achieve the plans, intentions or expectations disclosed in the Company's forward-looking statements, and you should not place undue reliance on the Company's forward-looking statements. All forward-looking statements are subject to assumptions, risks and uncertainties that may change at any time. Therefore, readers are cautioned that actual results could differ materially from those expressed in forward-looking statements. The Company undertakes no obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. This cautionary statement entirely qualifies all forward-looking statements in this document.

Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements the Company make as a result of a variety of risks and uncertainties, including risks related to the Company's estimates regarding the potential market opportunity for the Company's current and future products and services, the impact of the COVID-19 pandemic, the competitive nature of the industries in which we conduct our business, general business and economic conditions, our ability to acquire suitable businesses, our ability to successfully launch new products and seize market share, the Company's expectations regarding the Company's sales, expenses, gross margins and other results of operations, and the other risks and uncertainties described in the "Risk Factors" sections of the Company's public filings with the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2022 and our subsequent interim reports on Form 10-Q and 8-K. Copies of our SEC filings are available on our website at www.starcobrands.com. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof. The Company anticipates that subsequent events and developments may cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date after the date hereof.

Non-GAAP Adjusted EBITDA

Adjusted EBITDA, which is net loss adjusted for stock-based compensation, gain on disposal of property and equipment, gain on settlements, interest and other expense, net, depreciation of property and equipment, amortization of intangible assets, (recovery) provision for doubtful accounts, and provision for income taxes and certain other items that impact the periods presented. Adjusted EBITDA is provided so that investors have the same financial data that management uses to assess the Company's operating results with the belief that it will assist the investment community in properly assessing the ongoing performance of the Company for the periods being reported and future periods. The presentation of this additional information is not meant to be considered a substitute for measures prepared in accordance with U.S. GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income (loss) and is defined differently by different companies, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For reconciliations of GAAP Net income (loss) to Adjusted EBITDA, see the reports we file from time to time with the SEC, which are available to read at www.sec.gov.

Contacts

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Starco Brands Investor Relations
investor@starcobrands.com

STARCO brands

BUSINESS UPDATE
JULY 2023



LEGAL DISCLAIMER

Disclaimer

These materials are presented for discussion and informational purposes only for use by Starco Brands, Inc. Corporation (the "Company") and those who have been furnished these materials by the Company. Under no circumstances may a copy, in any format, be shown, reproduced, transmitted or otherwise provided to any person other than the authorized recipients. By accepting this presentation, the recipient acknowledges that the Company considers this presentation and all information contained herein to include confidential, sensitive and proprietary information and agrees that it shall use reasonable precautions to keep this presentation and all information contained herein confidential and shall not use any such information for any purpose other than to gather additional information regarding the Company and for no other purpose.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "projects," "intends," "predicts," "potential," or "continue" or other comparable terminology. Such forward-looking statements only speak as of the date of this presentation and the Company assumes no obligation to update the information included in this presentation, except as required by law. Statements made in this presentation that are forward-looking in nature may involve risks and uncertainties. Accordingly, readers are cautioned that any such forward-looking statements are not guarantees and are subject to certain risks, uncertainties and assumptions that are difficult to predict, including, without limitation, risks relating to consumer spending may decline or that U.S. and global macroeconomic conditions may worsen resulting in reduced demand for the Company's products, risks relating to changes in consumer preferences away from the Company's offerings, risks relating to the effectiveness and efficiency of the Company's advertising campaigns and marketing expenditures, including existing brands and the launch of new brands, which may not result in increased revenue or generate sufficient levels of brand name and program awareness, risks if the Company becomes subject to health or advertising related claims from its customers, competitors or governmental and regulatory bodies, and risks relating to increased competition from other nutrition providers. As a result of these various risks, our actual outcomes and results may differ materially from those expressed in these forward-looking statements.

This list of risks, uncertainties and other factors is not complete. We discuss some of these matters more fully, as well as certain risk factors that could affect our business, financial condition, results of operations, and prospects, in our Annual Report of Form 10-K for the fiscal year ended December 31, 2022, and in subsequent reports we file from time-to-time with the SEC, which are available to read at www.sec.gov. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Unless otherwise required by law, the Company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the results of any revisions to the forward-looking statements made in this presentation.

Non-GAAP Adjusted EBITDA

Adjusted EBITDA, which is net loss adjusted for stock-based compensation, gain on disposal of property and equipment, gain on settlements, interest and other expense, net, depreciation of property and equipment, amortization of intangible assets, (recovery) provision for doubtful accounts, and provision for income taxes and certain other items that impact the periods presented. Adjusted EBITDA is provided so that investors have the same financial data that management uses to assess the Company's operating results with the belief that it will assist the investment community in properly assessing the ongoing performance of the Company for the periods being reported and future periods. The presentation of this additional information is not meant to be considered a substitute for measures prepared in accordance with U.S. GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income (loss) and is defined differently by different companies, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For reconciliations of GAAP Net income (loss) to Adjusted EBITDA, see our reports we file from time-to-time with the SEC, which are available to read at www.sec.gov.

EXECUTIVE SUMMARY

- Net revenue has grown from \$0.7 million in 2021 to projected \$66 - \$77 million in 2023
- Modern CPG company that has grown from 1 brand in 2020, to a current portfolio of 5 brands
- Post 3 acquisitions, Company has consolidated processes/positions, integrated functions, and eliminated redundancy
- Company has employed its *marketing playbook* to develop new impactful and efficient communication plans for its acquired brands resulting in unprecedented global awareness

LEADERSHIP TEAM



ROSS SKLAR
FOUNDER, CHAIRMAN & CEO



DARIN BROWN
CHIEF OPERATING OFFICER



DAVID DREYER
CHIEF MARKETING OFFICER



KEVIN ZACCARDI
INTERIM CHIEF FINANCIAL OFFICER

**Successful track record inventing, manufacturing, marketing,
distributing and acquiring consumer products.**

COMPETITIVE MOATS

- **Cross-Category Capabilities**
- **Dedicated Manufacturing**
- **Game Changing Technologies**
- **Disruptive Marketing**
- **M&A and Deal Making Expertise**

BEHAVIOR CHANGING TECHNOLOGIES THAT LEAD TO

POWER BRAND CREATION

A PORTFOLIO OF BEHAVIOR-CHANGING BRANDS



WHIPSHOTS
THE WORLD'S ONLY VODKA, INFUSED WHIPPED, CREAM.



ART OF SPORT
THE WORLD'S FIRST ALL-ENCOMPASSING SPORTS BRAND



SKYLAR
THE ONLY HYPOALLERGENIC FRAGRANCE SAFE FOR SENSITIVE SKIN



SOYLENT
THE WORLD'S MOST PERFECT FOOD



WINONA
FIRST-EVER, POWERED BY AIR POPCORN SPRAY

FY 23 (1)
Revenue %

14%

2%

14%

65%

5%

7

1) Management estimates for FY 23

BRAND ACQUISITION AND INVENTION TIMELINE

WINONA®
PURE
(Invented December '19)¹



ART OF SPORT
(Acquired September '22)



SKYLAR
CLEAN BEAUTY
(Acquired December '22)



2019

2022

2021

2023



(Invented December '21)

WHIPSHOTS™



(Acquired February '23)

soylent

1. Initially acquired but ultimately reinvented by the Starco team.

Post-Acquisition Organization

THE POWER OF ONE

CONSOLIDATION • INTEGRATION • AMPLIFICATION

POST ACQUISITION UPDATE

Since the acquisition of Soylent in February 2023, Starco brands has focused on building value within the newly acquired brands through rebuilding the pipeline of retail revenue, stabilizing ecommerce base, and integration across all companies.

Through the integration of Soylent, Skylar, and AOS, we have found many overlapping opportunities which has enabled us to optimize and expand our ecommerce presence while leveraging our fixed costs and infrastructure for long term growth.

As a management team, we have refocused our strategy on becoming more efficient with resources across the organization and diversifying marketing spend to increase out of home brand awareness and doubling down on innovation as we plan to grow organically long term 6-10%.

2023 MILESTONES

January 2023

Starco Brands announces it had sold over **130K cases (60K in Q4)** and broke 1 million Whipshots cans in 2022.

Starco Brands **acquires Skylar Clean Beauty** from Upfront Ventures, a pioneer in prestige hypoallergenic fragrances distributed online and through Sephora, Nordstrom and others.

CONSUMER PRODUCTS | FEATURED
**Starco Continues M&A Spree
with Acquisition of Soylent**

BY ANTHONY PIZZELLO IN
MARCH 15, 2023



WUSA
Whipshots shifts more than 60,000 cases in Q4

By Elizabeth S. ...
By Elizabeth S. ...

Over 70% of the nation's alcohol cases in brand Whipshots sold 61,780 cases in the last quarter of 2022 and plans to aggressively expand across the US.



STARCO BRANDS SNAPS UP SKYLAR

Powered by One you Cabernet | Jan 10, 2023 | From our North American ...



February 2023

Starco Brands announced the **acquisition of complete nutrition pioneer Soylent**, maker of meal replacements drinks, high protein beverages, powders and bars from Google Ventures, Andreessen Horowitz and the Production Board.

Whipshots launched its **Valentine's campaign** featuring global icon **Dr. Ruth Westheimer** and had earned media impressions of approximately 400M earned media impressions in 72 hours

2023 MILESTONES

March 2023

Whipshots® announced over **two million cans sold** since its December 2021 launch.



With Starco Brands focusing on growing its retail business, **Soylent expands distribution at Meijer** to offer its plant-based nutrition shakes in 260 stores.



May 2023

Whipshots launches a new **limited-edition Lime flavor** for summer at its launch party in Santa Monica with Cardi B. This media event garnered over 2 billion earned media impressions globally in 72 hours that allowed the Company to pre-sell and sell out of all 170K units produced.

2023 MILESTONES

June 2023

Skylar's Boardwalk Delight eau de parfum launched and **sold out at Sephora in 10 days**, becoming the brand's most popular introduction yet.

RECORDED NEWS
Skylar's 'Boardwalk Delight' Eau de Parfum Launches to Record Success at Sephora

The company's third new scent in 2023 sold out in 10 days.



happi



Whipshots racks up **three prestigious medals** in the [2023 SIP Awards](#), the internationally recognized consumer judging spirits competition, after having received a "Rising Star Award" in [Beverage Dynamics' 2023 Growth Brands Awards](#) and four medals in the [2023 DB & SB Spring Blind Tasting](#) as part of the Global Spirits Masters Competition.

Skylar launches an **exclusive collaboration** with the Amazon Prime Video series hit **Summer I Turned Pretty**



2023 MILESTONES

June 2023

Whipshots announced a **partnership with AMC**, the nation's largest movie theatre chain, that includes both distribution of its Whipshots at bars within AMC as well as brand awareness marketing support on the big screen during previews;

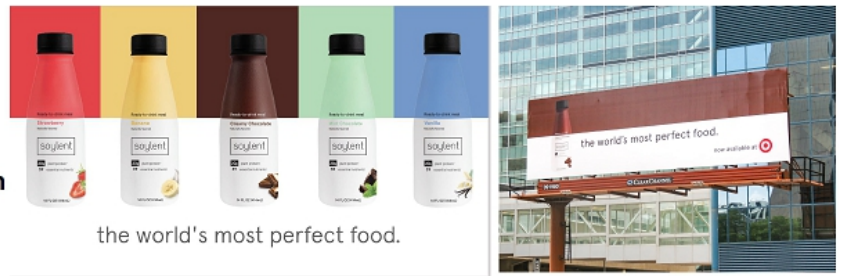


WWW.STARCOBRANDS.COM

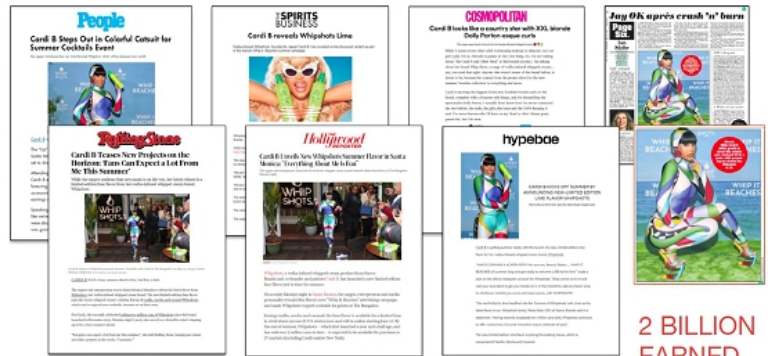


Soylent announced that it had secured **Amazon's #1 spot** in the Ready-to-Drink Meal Replacement Category

Soylent launches its **World's Most Perfect Food** campaign



AMPLIFICATION - WHIPSHOTS

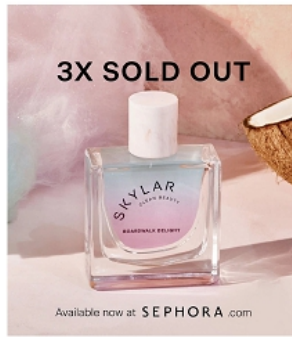


2 BILLION
EARNED
MEDIA
IMPRESSIONS

AMPLIFICATION - SKYLAR

'Boardwalk Delight' Eau de Parfum Launches to Record Success at Sephora, Becoming Skylar's Most Popular Introduction Yet

- The company's third new scent in 2023 sold out in just ten days.
- Ten Skylar fragrances are now sold through the industry's leading beauty retailer.



WWW.STARCOBRANDS.COM

InStyle

NEWS CELEBRITY BEAUTY LIFESTYLE FASHION WELLNESS SHOPPING ARTS/ENT

BEAUTY > FRAGRANCE

I Replaced All of My Perfumes With These 6 Fresh, Elevated Scents From a Hypoallergenic Brand

Skylar's perfumes are available at Sephora.

By Kaitia Meka Published on April 24, 2023 @ 10:00PM

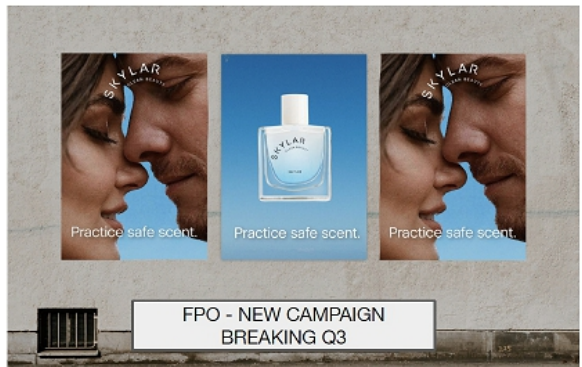
His independent analysis of recommended products and services. If you click on links we provide we may receive compensation. [Read more](#)



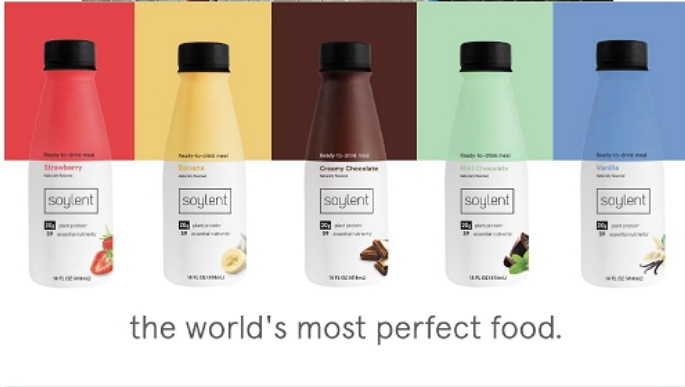
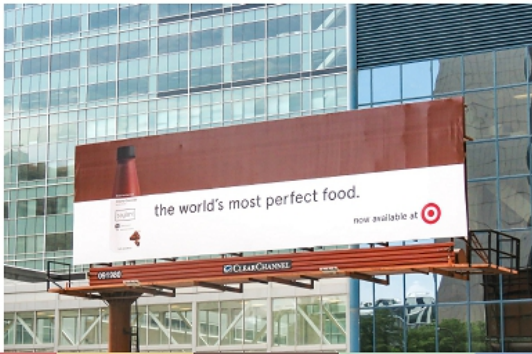
CELEBRITY
NEGOTIATIONS



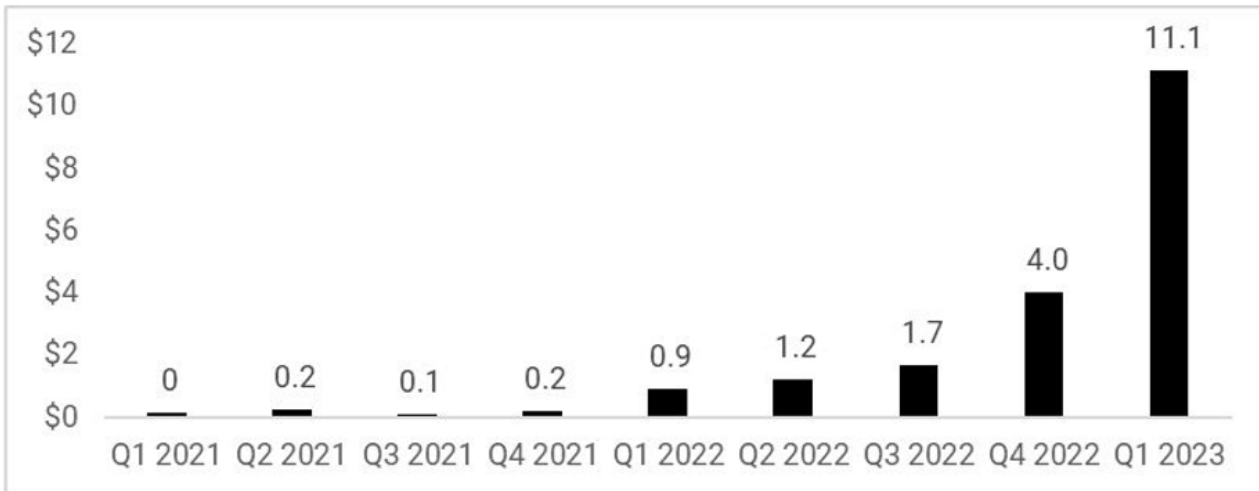
Star - Chae Beung PHOTO SKYLAR CLEAR BEAUTY



AMPLIFICATION - SOYLENT



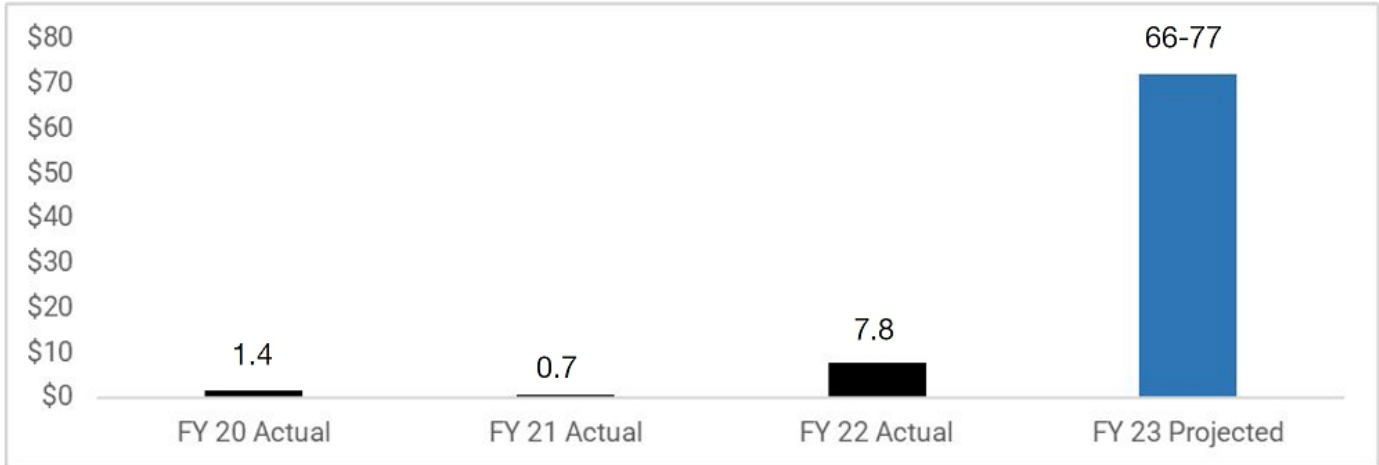
QUARTERLY REVENUE



Reported Q1 2023 Net Revenue was \$11.1 million (+1133% vs. prior year and +178% growth vs. Q4 2022) which was primarily driven by the acquisition of Soylent

Net Revenue in Q1 2023 includes partial revenue for Soylent due to the acquisition taking place on February 14th. Soylent is now the largest revenue contributor within Starco Brands portfolio

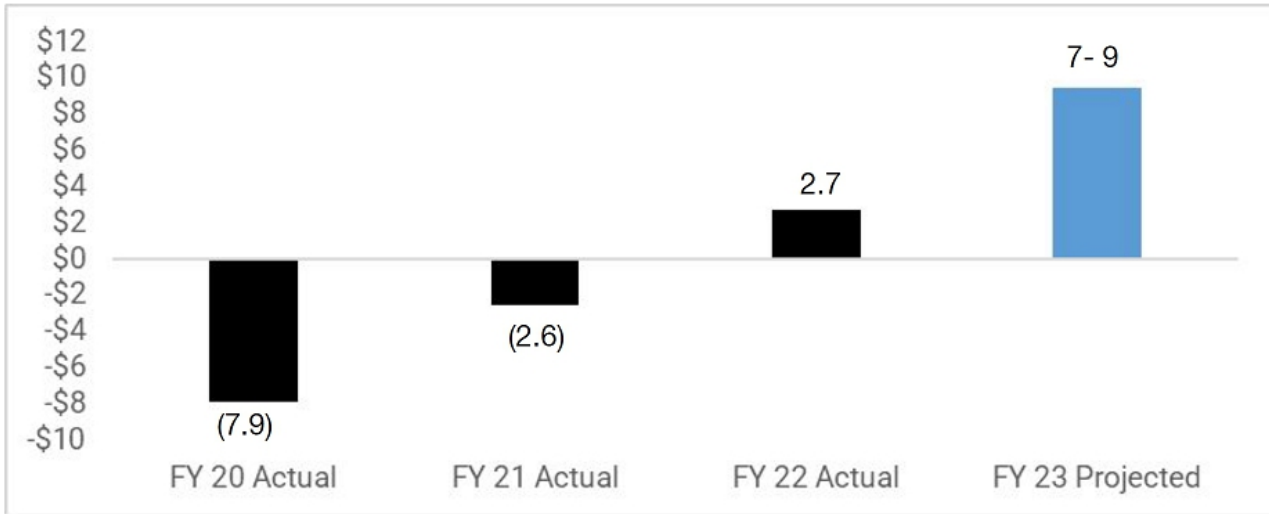
2023 FULL YEAR OUTLOOK



Reported Net revenue is projected to between \$66- \$77 million for FY 23, this represents growth of approximately +746%- 887% growth compared to FY22

Key drivers of revenue growth are mainly driven through acquisition of Soylent in February 2023, Skylar in December 2022, and Art of Sport in September 2022 with Whipshots continuing to scale

2023 ADJUSTED EBITDA



Adjusted EBITDA (1) for FY 23 is projected to grow to between \$7-\$9 million (~10%-12% of net sales). This represents approx +159%- 233% growth compared to prior year driven by improved cost management and added margins from pricing and product mix optimization

1) Adjusted EBITDA includes historical EBITDA for acquired entities. The Company provides Adjusted EBITDA guidance, rather than net income guidance, due to the inherent unpredictability of forecasting certain types of expenses such as stock-based compensation and income tax expenses, which affect net income but not Adjusted EBITDA. The Company is unable to reasonably estimate the impact of such expenses, if any, on net income. The inability to project certain components of the calculation would significantly affect the accuracy of a reconciliation. Accordingly, the Company does not provide a reconciliation of projected net income to projected Adjusted EBITDA.

2023 EBITDA RECONCILIATION

	FY 20 Actual	FY 21 Actual	FY 22 Actual
Net income (loss)	0.5	(2.3)	1.0
Net income (loss) attributable to non-controlling interest	-	(0.1)	0.2
Net income (loss) attributable to Starco Brands	0.5	(2.3)	0.8
Historical Net income (loss) from acquired entities	(8.9)	(0.8)	(2.6)
Adjusted Net Income to include net income from acquired entities	(8.4)	(3.1)	(1.8)
M&A Transaction Expense	-	-	4.0
Interest	0.2	0.4	0.4
Depreciation & Amortization	0.2	0.1	0.1
Adjusted EBITDA	(7.9)	(2.6)	2.7

As we look at **adjusted EBITDA** on a non prorated basis and add back the costs of acquisition for the three acquired companies, we are projecting our adjusted EBITDA to be between \$7.0 and \$9.0 million in FY 23.

STARCO
brands

