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): **November 14, 2024**

STARCO BRANDS, INC.
(Exact name of Company as specified in its charter)

Nevada	**000-54892**	**27-1781753**
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

706 N. Citrus Ave., Los Angeles, CA	**90038**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: **323-266-7111**

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))

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

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 2.02. Results of Operations and Financial Condition.

On November 14, 2024 Starco Brands, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2024, and hosted an Earnings Call held at 1:30 pm (PT). A copy of the press release is furnished as Exhibit 99.1 to this report.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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, dated November 14, 2024, titled "Starco Brands Reports Third Quarter 2024 Financial Results"
99.2	Transcript of third quarter 2024 earnings call of Starco Brands, Inc.
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, Starco Brands, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	STARCO BRANDS, INC.
Dated: November 26, 2024	*/s/ Ross Sklar*
	Ross Sklar Chief Executive Officer

Exhibit 99.1

Starco Brands Reports Third Quarter 2024 Financial Results

Reported Net Revenue of $15.5 Million and Sequential Margin Expansion to 41% for Third Quarter 2024

Planned Distribution Expansion and New Product Pipeline Pave Way for Growth in Fiscal Year 2025

Conference Call to be Held at 1:30 p.m. PT Today

SANTA MONICA, Calif. — (BUSINESS WIRE) — November 14, 2024 — Starco Brands, Inc. (the “Company” or “Starco Brands”) (OTCQB: STCB), developer and acquirer of behavior-changing technologies and brands that spark excitement in the everyday, today reported financial results for the three- and nine-month periods ended September 30, 2024.

Management Comments

Starco Brands Chairman & CEO Ross Sklar said: “Our third quarter showed strong operational and financial progress, delivering positive Adjusted EBITDA and sequential margin improvement through effective cost management and expanded distribution channels. Throughout 2024, we’ve focused on building a stronger operational foundation while gathering valuable market intelligence across our brand portfolio. This data-driven approach has provided clear insights into optimal channel strategies and retail partnerships, which will inform our expansion plans and appropriate marketing spend. Our shared services platform is now fully operational, enabling us to identify and remove approximately $3 million in cost optimization opportunities through head count efficiencies, streamlined marketing spend and refinement of our logistics fingerprint. Looking ahead to 2025, we’re well- positioned to leverage these learnings through our robust new product pipeline and targeted distribution expansion. With our integration work largely complete and enhanced understanding of brand-specific growth drivers, we remain confident in our ability to deliver substantial and sustained profitable growth in the years ahead.”

Third Quarter of 2024 Financial Results

Reported net revenue for the third quarter of 2024 was $15.5 million, compared to $17.7 million in the third quarter of 2023. The decrease in reported net revenue was driven by more targeted e-commerce sales for Soylent due to strategic reductions in inefficient marketing spend resulting in unprofitable sales, as well as lower retail volumes due to a large retailer merging an entire set for ready-to-drink meal replacement category. The decline was further impacted by lower Whipshots sales due to inventory stocking orders in the prior year period. These decreases were partially offset by continued growth for Winona Popcorn Spray and Art of Sport.

Gross profit was $6.4 million for the third quarter of 2024, compared to $7.7 million in the third quarter of 2023. The decline is a result of lower revenue and unfavorable product mix weighted toward lower-margin products. This was partially offset by the Soylent segment, which benefited from price increases. Gross margin for the third quarter of 2024 was 41.2%, reflecting sequential improvement from the second quarter.

Marketing, General and Administrative expenses were $4.2 million, or 27% of reported net revenue in the third quarter of 2024, compared to $5.0 million, or 28% of reported net revenue in the third quarter of 2023. Compensation expense was $2.2 million in the third quarter of 2024, compared to $1.8 million in the third quarter of 2023. Professional fees were $0.4 million in the third quarter of 2024, compared to $1.4 million in the third quarter of 2023. The decrease in operating expenses reflects reduced marketing spend as we prioritized profitability, as well as initial benefits from our shared services platform integration and operational efficiency initiatives, which have enabled us to identify and remove approximately $3 million in cost optimization opportunities across the organization.

Reported unadjusted net loss for the third quarter of 2024 was $6.3 million, as compared to net income of $2.3 million in the third quarter of 2023. The increase in reported unadjusted reported net loss was primarily due to the non-cash fair value share adjustment being $8.2 million higher versus the third quarter of 2023. Adjusted EBITDA for the third quarter of 2024 was relatively flat compared to the third quarter of 2023.

First Nine Months of 2024 Financial Results

Reported net revenue for the first nine months of 2024 was $46.5 million, compared to $46.3 million in the same period of 2023.

Gross profit was $19.1 million for the first nine months of 2024, compared to $20.3 million in the same period of 2023 due to unfavorable product mix weighted toward lower-margin products.

Marketing, General and Administrative expenses for the first nine months of 2024 increased to $14.1 million, or 30% of reported net revenue, compared to $12.9 million, or 28% of reported net revenue in the same period of 2023. Compensation expense was $7.2 million in the first nine months of 2024, compared to $5.3 million in the first nine months of 2023. Professional fees were $2.8 million for the first nine months of 2024, compared to $4.2 million in the same period of 2023.

Reported unadjusted net loss for the first nine months of 2024 was $22.4 million, as compared to net loss of $5.3 million in the same period of 2023. The increase in unadjusted reported net loss was primarily due an increase in the non-cash fair share value adjustment compared to prior year as well as other non-cash adjustments.

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 reconciliation 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.

Adjusted EBITDA was $0.7 million for the third quarter of 2024, compared to $1.1 million for the third quarter of 2023. Adjusted EBITDA for the first nine months of 2024 was a loss of $1.5 million, compared to a gain of $1.1 million for the same period of 2023.

Adjusted EBITDA is a non-GAAP financial measure. See the supplementary schedules in this press release for a reconciliation thereof to the most directly comparable GAAP measure.

$000s	Quarter		Year to Date	
	Q3 24	Q3 23	FY 24	FY 23
Net income	**$ (6,257)**	**$ 2,361**	**$ (22,090)**	**$ (5,253)**

Interest expense	303	256	711	617
Tax	-	-	-	-
Depreciation & Amortization	707	1,015	2,138	1,742
Other expense (income)	378	121	740	(212)
Fair value share adjustment loss (gain)	5,106	(3,144)	15,703	2,751
Stock based compensation	421	477	1,322	1,440
Adjusted EBITDA	**658**	**1,086**	**(1,476)**	**1,085**

Balance Sheet

As of September 30, 2024, the Company had approximately $1.6 million of cash, and approximately $13.2 million of inventory on its balance sheet compared to $1.8 million of cash, and approximately $10.7 million of inventory on its balance sheet as of December 31, 2023.

First Nine Months of 2024 Segment Review

Starco Brands: Starco Brands' segment includes AOS, Whipshots and Winona Popcorn Spray. Segment gross revenues of $9.0 million for the third quarter of 2024, compared to $11.3 million for the third quarter of 2023. Segment gross profit of $5.6 million for the third quarter of 2024, compared to $8.8 million for the third quarter of 2023. The decline in gross profit dollars and percent in this segment was driven by the mix impact of lower revenue from higher margin Whipshots offset by the increase in revenue from Winona. Whipshots revenue declined as a result of inventory stocking orders in the prior year period. Winona revenue increased due to distribution adds at Walmart and other retailers and increased velocity on shelf.

Skylar: Segment gross revenues of $7.2 million for the third quarter of 2024, compared to $7.4 million for the third quarter of 2023. Segment gross profit of $4.4 million for the third quarter of 2024, compared to $4.3 million for the third quarter of 2023.

Soylent: Segment gross revenues of $30.4 million for the third quarter of 2024, compared to $27.6 million for the third quarter of 2023. The increase was primarily driven by the retail expansion into Kroger, added distribution into Walmart, and reduced discounts across all channels. Segment gross profit of $9.1 million for the third quarter of 2024, compared to $7.2 million for the third quarter of 2023. The increase in gross profit was due to price increases which occurred in the second half of fiscal year 2023, lower cost of materials for the first nine months of 2024, and cost efficiencies realized through the successful integration of Soylent onto the Company's shared service model.

Conference Call

The conference call to discuss these results is scheduled for today, Thursday, November 14, 2024, at 1:30 pm Pacific Time (4:30 pm Eastern Time). Listeners can dial (877) 407- 0792 in North America and international listeners can dial (201) 689-8263. A telephonic playback will be available approximately two hours after the call concludes and will be available through Thursday, November 28, 2024. Listeners in North America can dial (844) 512-2921 and international listeners can dial (412) 317-6671; passcode is 13749080. Interested parties may also listen to a simultaneous webcast of the conference call by logging onto the Company's Investor Relations website at https://investors.starcobrands.com and navigating to the "IR Calendar" section.

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, 2023. 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.

About Starco Brands

Starco Brands (OTCQB: STCB) invents 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; Art of Sport, the body care brand designed for athletes and co-founded by Kobe Bryant; Winona® Pure, 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. Starco Brands publicly trades on the OTCQB stock exchange so that retail investors can invest in STCB alongside accredited individuals and institutions. Visit www.starcobrands.com for more information.

View source version on businesswire.com: https://www.businesswire.com/news/home/20241114810183/en/

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Source: Starco Brands, Inc.

Exhibit 99.2

Starco Brands, Inc.

Third Quarter 2024 Update Call

November 14, 2024

CORPORATE PARTICIPANTS

Ross Sklar, *Chief Executive Officer, Interim Chief Financial Officer*

PRESENTATION

Operator

Good afternoon, everyone, and thank you for participating on today's Third Quarter 2024 Update Call for Starco Brands.

Today's call is being recorded.

Joining us today is Starco Brands CEO and Interim CFO, Ross Sklar.

You should have access to the Company's third quarter earnings press release issued after today's market closed. This information is available on the Investor Relations section of Starco Brands website at investorrelations.starcobrands.com.

Certain comments made on this call include forward-looking statements which are subject to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1985. These forward-looking statements are based on Management's current expectations and beliefs concerning future events and are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those described in these forward-looking statements. Please refer to today's press release and other filings with the SEC for a detailed discussion of the risks that could cause actual results to differ materially from those expressed or implied in any of the forward-looking statements made today.

During the call, we will use some non-GAAP financial measures as we describe business performance. These SEC filings as well as the earnings press release which provide reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures are all available on our website.

Following our prepared remarks, we'll take questions from research analysts.

Now, I will turn the call over to CEO and Interim CFO of Starco Brands, Mr. Ross Sklar. Please proceed, sir.

Ross Sklar

Thank you.

Good afternoon, everyone, and welcome to today's call.

I'm pleased to share our third quarter results which showed continued progress in building our operational foundation, sales and margin improvement. A key highlight this quarter was achieving positive Adjusted EBITDA and most importantly, sequential margin improvement, mostly driven by cost management and new distribution gains.

Throughout 2024, we've taken a methodical approach to understanding our business fundamentals, focusing intensively on gathering critical internal and market intelligence across our brand portfolio while optimizing our cost structure. This data driven strategy has provided clear insights into the effectiveness of our marketing spend, our channel performance, logistics footprint and logistics spend, and also retail relationships, helping us make more informed decisions about resource allocation.

I'm also pleased to report that our shared service model enabled us to identify and remove approximately $3 million of cost optimization opportunities on a run rate basis through headcount efficiencies, streamlined marketing spend, and refinement of our logistics footprint. These operational improvements and measured marketing approach, combined with new product launches and distribution wins have strengthened our capital availability and solidified our growth plans for 2025.

Now, as we look forward to 2025, we're entering into a new phase of our journey. A lot of the heavy lifting on integrating our acquisitions with a keen eye on organization and efficiency is largely behind us. We have a clear roadmap for each of our brands, supported by a robust pipeline of innovation and retail and e-commerce expansion plans. Most importantly, we have the operational, marketing, sales, and innovation pipeline to execute against ambitious plans for 2025.

Now, let me delve into our segment performance, starting with our Starco Brands segment. As a pioneer in alcohol infused whipped cream, Whipshots continues to expand its footprint. It’s now available in 47 states and D.C., following our successful entry into key markets like Alabama, North Carolina, and Pennsylvania earlier this year.

We’ve been strategically optimizing our distribution network. The previously announced Kroger partnership, securing 1,257 distribution points, represents a significant milestone in our large-scale retail expansion. We’re also building momentum through strategic partnerships, major players like Costco, beginning in Louisiana, also, Dave & Buster’s, where Whipshots is now featured in cocktails across their 162 locations.

We also launched a marquee collaboration with Pernod Ricard’s Kahlúa brand, where Whipshots is paired with Kahlúa on a variety of tasty drinks that is being marketed nationwide with retailers such as Total Wine & Spirits, BevMo!, Walmart, and Kroger. These developments align with our vision and continue penetration in retail, meaningful brand collaboration, and sustainable growth as we continue to launch new flavors and expand the distribution footprint.

Next is the Winona Popcorn Spray line. Winona continues to demonstrate exceptional growth and repeat performance within our portfolio. It’s showing over 60% growth year-over-year through the third quarter. This brand’s strong impulse buy attribute and consumer loyalty is resulting in consistent sales velocities across regions that has led to impressive results, achieving 10% market share despite only 30% ACV. This great product line has doubled the category rate in velocity on-shelf and distribution is set to double at a minimum in 2025.

We expanded our flavor portfolio with the introduction of garlic butter, which strategically positions Winona beyond the popcorn aisle and into the condiments and seasoning section with a variety of new SKUs slated for 2025 and ‘26. This unique product’s ability to expand into multi-aisle, multi-department presence massively enhances our retail store footprint and revenue on a per-store basis. Our retail footprint continues to grow with major retailers, Walmart, HEB, Meijer, AWG, Big Lots, and Hy-Vee. We’re also pleased to report we’ve launched nationwide in 2,200 Albertsons now. We also just launched into 2,200 Sobeys across Canada and also all the state of others here in the United States.

As we look to 2025, Winona will continue its robust expansion, plans to roll out in Target in Q1 and Q2, and we’re also looking to go after and penetrate the club channel. These distribution gains combined with our turn-on-shelf KUs and new SKU launches sets Winona to substantially increase its overall market penetration throughout the North American retail landscape in 2025.

Moving on to the last brand in our Starco segment, Art of Sport, AOS. AOS continues to execute on its strategic vision to own the locker room through innovation and playing in multiple aligned consumer categories. Building on our successful Amazon launch this year, focusing on personal care, nutrition, and pain management, we have formally launched into retail. AOS protein powder is now available at all (inaudible) stores owned by Kroger with plans to broaden distribution in 2025 across all their divisions that reaches over 1,700 stores. The brand continues to grow both online and in retail. AOS shampoo and body wash, deodorants, and protein powders will be available on costco.com starting December 18.

Now, this date coincides with the 2024 NCAA LA Bowl at SoFi Stadium hosted by the Gronk, Rob Gronkowski, which AOS is the named sponsor of. This incredible event will feature four national commercials for AOS and digital billboards throughout the area, reaching millions through broadcast and social media as it’s being broadcasted live on ESPN. As returning named sponsor for the second consecutive year, Starco Brands is thrilled to continue this partnership through Art of Sport.

Turning to our Skylar Beauty segment. Skylar continues to demonstrate robust growth through its monthly subscription Scent Club, which is a unique asset in the fragrance category globally. This unique monthly offering serves nearly 10,000 monthly subscribers and it reaches over 600,000 various opt-in email subscribers. With a CAC, customer acquisition cost, of roughly $30 and a gross LTV of 330, this efficient ratio provides clear visibility into this division’s free cash generation through 2025 and beyond and is a major priority for this division.

Our direct connection with Skylar’s community fosters deeper consumer relationships than just being on retail shelves. This allows us to truly focus on the sector again in 2025. Skylar maintains strong retail relationships with Sephora, Nordstrom, Macy’s, and Anthropologie, as well as exclusive product configuration now with costco.com. The brand’s Costco partnership, which generated the largest purchase order in the brand’s history this past quarter, continues to perform very, very well.

Looking ahead, our growth strategy focuses on supporting these retail relationships while expanding our subscription offering. It provides significant competitive advantage and it’s unique, again, within the fragrance channel.

Turning to Soylent. Since acquiring this premium nutrition brand known for its award-winning taste and superior ingredient formulation, we’ve achieved approximately 15% in cost savings or $1.5 million annually through strategic logistics reorganization. Our subscription continues to thrive with a CAC of roughly $60 on D2C with a gross LTV of $1,400. This predictable cash flow model provides investors clear visibility into our returns on invested capital, reflecting our maturation as a public Company.

The launch of Soylent complete protein powder has strengthened our position in the protein market, achieving the category’s highest repurchase rate at 62.9%. Product line has maintained impressive growth of almost 50% annually since inception three years ago. Our retail presence continues to expand through partnerships with Walmart, Meijer, Publix, and newly added Kroger, while maintaining our strong 23.6% market share of the meal replacement category with Amazon and strong return on ad spend at 4.5X.

For 2025, our growth strategy focuses on these three core channels: expanding our retail footprint in high potential consumer markets, growing our subscription base through targeted investment, and really optimizing our e-commerce distribution for enhanced efficiency. This focused approach, combined with our operational discipline, positions us for profitable growth in ‘25.

Moving ahead, we’re focused on five growth levers; strategic investment into our robust subscription businesses, expansion of our distribution network, continued operational optimization, impactful marketing initiatives, and accelerated innovation that strengthens our growth connection with our consumers.

This quarter marks a significant milestone as our integrated insurance service platform has achieved profitability through disciplined capital management and operational efficiency. Starco now produces and sells and distributes over 50 million units annually of consumer-packaged goods through e-commerce and retail channels, impacting millions of households.

As we scale through 2025, we remain committed to our core mission, delivering innovative, behavior-changing products that provide meaningful value for consumers.

I'm going to now delve into the financials. Reported net revenue for third quarter of '24 was $15.5 million, and this was compared to $17.7 million for the third quarter of '23.

Now, the decrease in net revenue for the third quarter was driven by more targeted e-commerce sales for Soylent, due to strategic reductions in inefficient marketing spend, which previously would have resulted in unprofitable sales. As well as lower retail volumes due to Walmart merging and removing an entire set for RTE meal replacement category that's now being merged into another department. The overall decrease was further impacted by lower Whipshots sales due to inventory de-stocking orders in the prior year that had been a challenge throughout 2024. This is also partially offset by that increase in sales from Winona Popcorn Spray and AOS.

Now, with that gross profit for the third quarter of 2024 was $6.4 million, as compared to $7.7 million for the third quarter of '23. The decline is a result of lower revenue of unfavorable product mix and lower gross margin products. This was partially offset by the Soylent segment, which benefited from its price increases.

We are seeing an increase in gross profit on each brand individually compared to prior year. Gross margin for the third quarter of '24 was down year-over-year, 41% to 44%, third quarter of '23, driven by that mix, lower sales of Whipshots. However, gross margin was sequentially from the second quarter was up.

Our reported unadjusted net loss for the third quarter of '24 was $6.3 million, as compared to the net income of $2.3 million in the third quarter of '24. The increase in reported unadjusted net loss primarily due to the non-cash charge for the fair value share adjustment. Marketing, general and administrative expenses for the third quarter of '24 was $4.2 million, or 27% of reported net revenue, as compared to $5 million, or 28% of reported net revenue for the third quarter of '23.

Compensation expense for the third quarter of '24 was $2.2 million, compared to $1.8 in the third quarter of '23. The professional fees for the third quarter of '24 were $0.4 million, compared to $1.4 million in the same period last year. The decrease in operating expenses reflects reduced marketing spend as we prioritize profitability, as well as initial benefits from our shared service platform, integration, operational, and logistics efficiency initiatives.

For the third quarter of '24, our Adjusted EBITDA was $0.7 million, compared to $1.1 million in the same period last year. The decline was primarily due to a decline in sales for Whipshots partially offset by lower operating costs.

Now, I will go into more detail on the first nine months performance for each of our segments, beginning with Starco Brands.

Starco Brands segment includes Art of Sport, Whipshots, and Winona Popcorn Spray. The Starco Brands segment's gross revenue for the first nine months was $24.9 million, compared to $11.3 million for the same period of '23. The segment's gross profit was $5.6 million for the first nine months of '24, compared to $8.8 million for the same period of '23.

The decline in gross profit dollars as a percent in this segment was definitely driven by a mixed impact of lower revenue from higher margin Whipshots, offset by the increase in the revenue from Winona. Whipshots revenue declined as a result of that inventory stocking orders in the pre-period last year. Winona revenue drastically increased due to distribution ads at Walmart and other retailers and increased velocity on shelf.

Gross revenue for Skylar segment was $7.2 million for the first nine months of '24, compared to $7.4 million for the same period of '23. The segment's gross profit was $4.4 million for the first nine months, compared to $4.3 million for the same period of '23.

Gross revenue for Soylent segment was $30.4 million for the first nine months of '24, compared to $27.6 million for the same period of '23. Increase was primarily driven by our retail expansion into Kroger, added distribution leads into Walmart, as well as reduced discounts really across all channels. The segment's gross profit was $9.1 million for the first nine months of '24, compared to $7.2 million for the same period of '23. The increase was due to price increases that went into the second half of fiscal year '23, lower cost of materials for the first nine months of '24, and again, cost efficiency realized through the successful integration of Soylent into the Company's shared service platform.

Now, moving on to our balance sheet. As of September 30, of '24, we had approximately $1.6 million in cash, and approximately $13.2 million of inventory on our balance sheet. Now, this is in comparison to $1.8 million in cash and $10.7 million of inventory as of December 31 of '23.

In closing, as we execute on our growth strategy, we've successfully integrated our recent acquisitions into our shared service platform. We've also been pushed on creating operational efficiencies across the portfolio. This year has been instrumental in understanding opportunities for driving optimal infrastructural improvement, also understanding market dynamics, e-commerce, and B2C strategies, and pushing on our retail relationships for both our acquired and existing brands. This provided valuable insights that will inform our targeted expansion for '25.

We maintained a balanced approach to capital allocation, prioritizing investments that drive long-term enterprise and shareholder value. With a very robust product innovation pipeline and clear visibility into high-performing markets in town, we are well positioned to finally really accelerate strategic growth and deepen market penetration in the coming year.

Our portfolio continues to demonstrate strong fundamentals, and we're executing with discipline on our expansion initiatives. The dedication and agility of our team, combined with our data-driven approach to market expansion, does position us well to capitalize on significant opportunities ahead.

I really want to thank you for your time today and your interest in Starco Brands. With that, I'd like to open it up to any questions.

Operator

Thank you very much, sir. At this time, we will be conducting a question-and-answer session. If you would like to ask a question, please press star and then one on your telephone keypad. You may press star and then two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary for you to pick up your handset before pressing the star keys. One moment, please, while we poll for questions.

Ladies and gentlemen, just a reminder, if you'd like to ask a question, please press star and then one. If you'd like to ask a question, please press star and then one. We will pause to see if we have questions.

There are no questions. I'd now like to hand the call back to Mr. Ross Sklar for closing remarks. Thank you, sir.

Ross Sklar

Thanks, everybody, for joining. We'll look forward to presenting next quarter. Thank you.

Operator

Thank you. Ladies and gentlemen, that does conclude today's call. Thank you very much for joining us. You may now disconnect your line.