

# BRILLIANT EARTH<sup>®</sup>

Sidoti Small Cap Conference

March 20, 2025





## Forward-Looking Statements

This Presentation and statements made during the conference (collectively, the "Presentation"), contain forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Presentation may be forward-looking statements. Statements regarding our future results of operations and financial position, including expectations regarding net sales, Adjusted EBITDA and Adjusted EBITDA margin, growth rates, gross margin, marketing expenses as a percentage of net sales, business strategy, plans and objectives of management for future operations, including, among others, statements regarding expected growth and increased market share, introduction of new products, future capital expenditures, and debt service obligations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms, such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "evolve," "expect," "intend," "may," "plan," "potential," "predict," "seek," "should," "strategy," "target," "will," or "would," or the negative of these terms or other similar expressions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict. You should not rely upon forward-looking statements as predictions of future events. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short term and long-term business operations and objectives, and financial needs. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including, but not limited to: fluctuations in the pricing and supply of diamonds, other gemstones, and precious metals, particularly responsibly sourced natural and lab-grown diamonds and repurposed precious metals such as gold; an overall decline in the health of the economy and other factors impacting consumer spending, such as recessionary or inflationary conditions, governmental instability, war and fears of war, and natural disasters; if we fail to cost-effectively turn existing customers into repeat customers or acquire new customers; our rapid growth in recent years and limited operating experience at our current scale of operations; our ability to manage growth effectively; increased lead times, supply shortages, and supply changes; our expansion plans in the United States; our ability to compete in the fine jewelry retail industry; our ability to maintain and enhance our brand and to engage or expand our base of customers; our ability to effectively develop and expand our sales and marketing capabilities and increase our customer base and achieve broader market acceptance of our e-commerce and omnichannel approach to shopping for fine jewelry; our profitability and cash flow being negatively affected if we are not successful in managing our inventory balances and inventory shrinkage; a decline in sales of Design Your Own rings; our heavy reliance on our information technology systems, as well as those of our third-party vendors and service providers, for our business to effectively operate and to safeguard confidential information and risks related to any significant failure, inadequacy or interruption of these systems, security breaches or loss of data; the impact of environmental, social, and governance matters on our business and reputation; our ability to manage risks related to our e-commerce and omnichannel business; our ability to effectively anticipate and respond to changes in consumer preferences and shopping patterns and introduce new products and programs that appeal to new or existing customers; our dependence on distributions from Brilliant Earth, LLC, our principal asset, to pay our taxes and expenses, including payments under the Tax Receivable Agreement; risks related to our obligations to make substantial cash payments under the Tax Receivable Agreement and risks related to our organizational structure; and the other risks, uncertainties and the factors described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, which filing is available at [www.sec.gov](http://www.sec.gov). We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Presentation. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements contained in this Presentation, whether as a result of any new information, future events or otherwise.

## Disclosure Regarding Non-GAAP Financial Measures and Key Metrics

This Presentation contains certain financial measures not presented in accordance with US Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures provide users of our financial information with useful information in evaluating our operating performance and exclude certain items from net income that may vary substantially in frequency and magnitude from period to period. Please refer to the section of this presentation entitled "Non-GAAP Metrics and Reconciliations" for a reconciliation of GAAP to non-GAAP financial information. This Presentation also contains certain key business metrics which are used to evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. We define net cash as cash and cash equivalents less the total principal balance of our outstanding debt. We define Bookings for each period as the dollar value of confirmed orders as of the date of order placement. We believe Bookings, which represent a measure of gross sales and potential future Net Sales, provide useful information to investors to assess the performance of our business. We define total orders as the total number of customer orders delivered less total orders returned in a given period (excluding those repair, resize, and other orders which have no revenue). We view total orders as a key indicator of the velocity of our business and an indication of the desirability of our products to our customers. Total orders, together with AOV, is an indicator of the net sales we expect to recognize in a given period. Total orders may fluctuate based on the number of visitors to our website and showrooms, and our ability to convert these visitors to customers. We believe that total orders is a measure that is useful to investors and management in understanding our ongoing operations and in an analysis of ongoing operating trends. We define average order value, or AOV, as net sales in a given period divided by total orders in that period. We define average selling price, or ASP, as the total retail sales price of products sold in a given period divided by the total number of product units sold during that same period. We believe that AOV and ASP, are measures that are useful to investors and management in understanding our ongoing operations and in an analysis of ongoing operating trends. AOV and ASP may also fluctuate as we expand into and increase our presence in additional product types and price points, and open additional showrooms.

## Industry and Market Data

We include in this Presentation statements regarding factors that have impacted our industry. Such statements are statements of belief and are based on industry data and forecasts that we have obtained from internal company surveys, publicly available information, industry publications and surveys and third-party studies. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Certain market, ranking and industry data included in the Presentation, including the size of certain markets and our size or position and the positions of our competitors within these markets, including our services relative to our competitors, are based on estimates of our management. These estimates have been derived from our management's knowledge and experience in the market in which we operate, as well as information obtained from internal company surveys, industry publications and surveys, third-party studies and other publicly available information related to the market in which we operate. Unless otherwise noted, all of our market share and market position information presented in this Presentation is an approximation based on management's knowledge. In addition, while we believe that the industry information included herein is generally reliable, such information is inherently imprecise. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors.

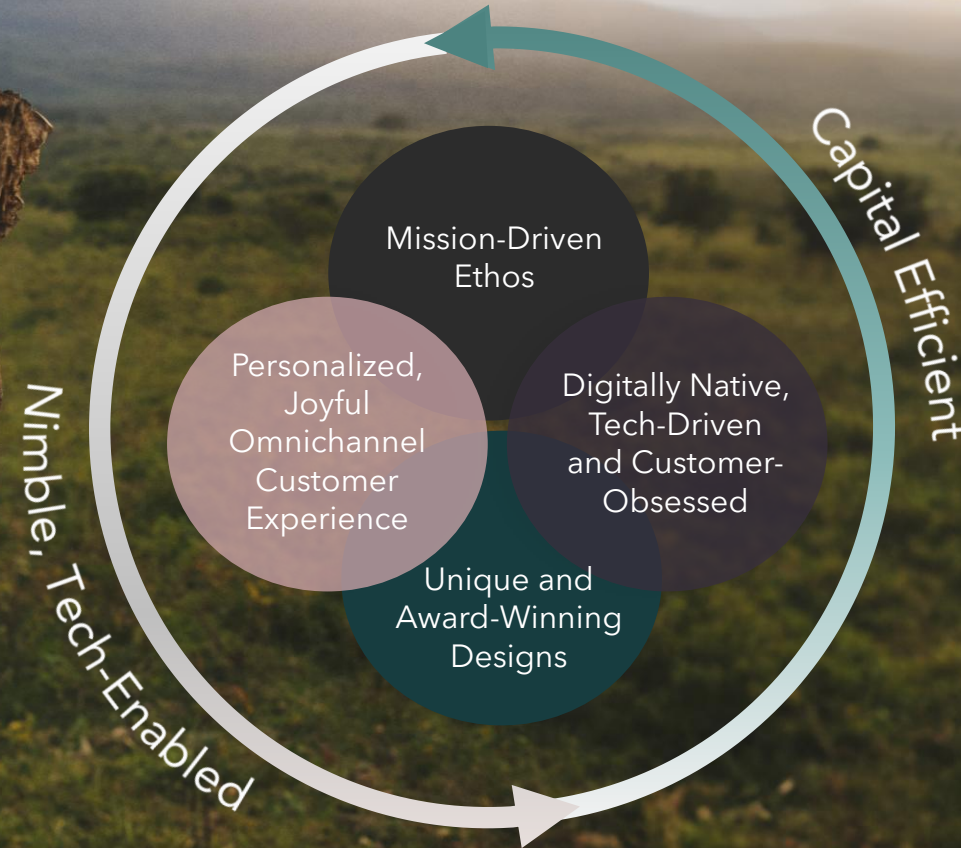
## Trademarks

This Presentation includes our trademarks and trade names which are protected under applicable intellectual property laws and are our property.

# The Next Generation Fine Jeweler for Today's Consumer

Brilliant Earth is a global leader in fine jewelry.

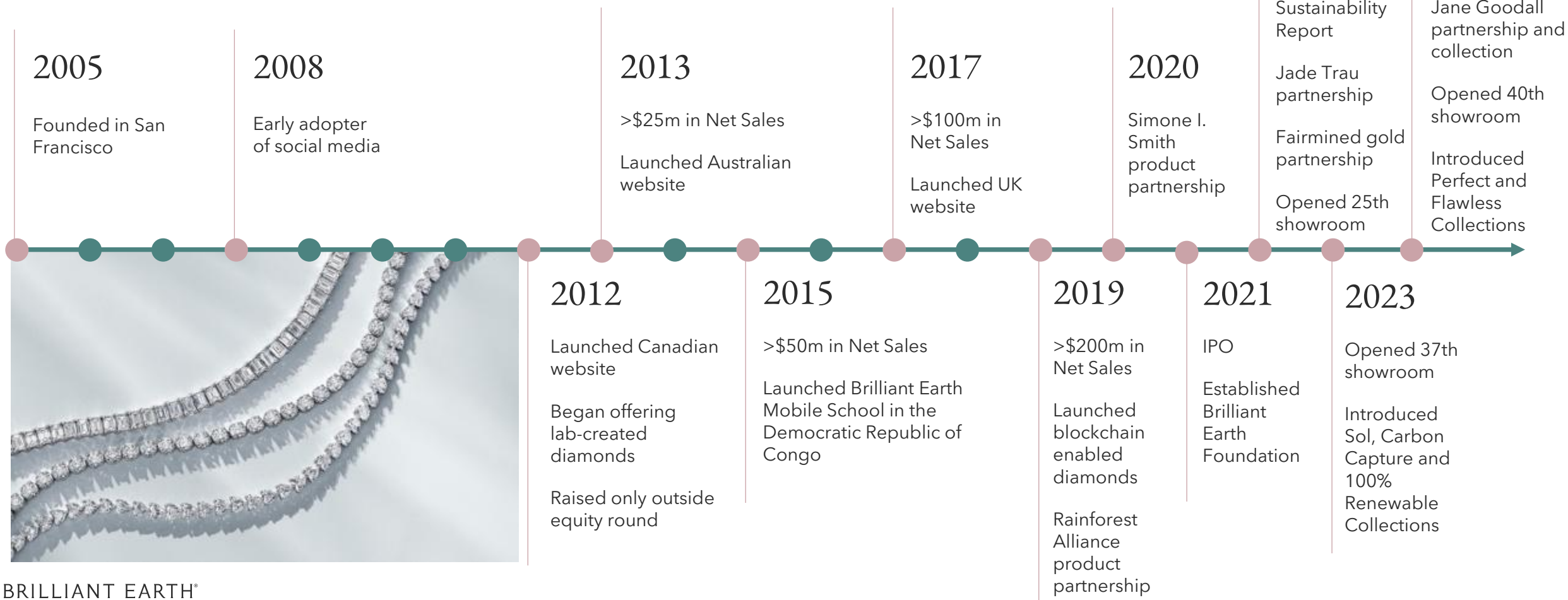
We are successfully executing our strategy to transform and modernize the jewelry industry.





# Industry Transforming History and Growth-Focused Future

Brilliant Earth has served consumers in all U.S. states and over 50 countries



# Brilliant Earth's Competitive Advantages



1 VAST INDUSTRY THAT IS RIPE FOR DISRUPTION

2 AGILE BUSINESS MODEL THAT CAN SWIFTLY ADAPT

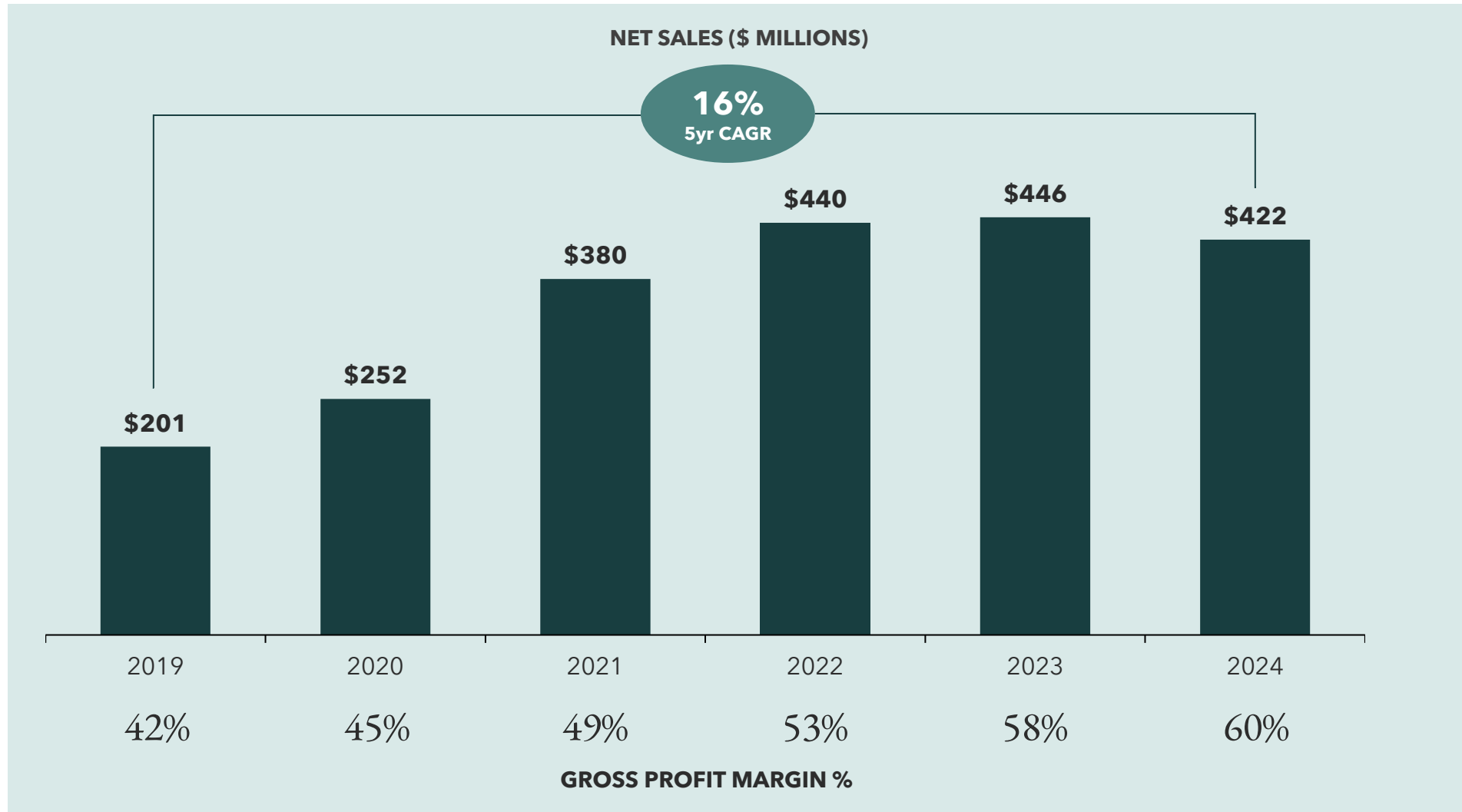
3 USING DATA TO INFORM DECISION-MAKING  
ASSET LIGHT MODEL NOT BURDENED  
BY HOLDING EXCESS INVENTORY

4 OMNICHANNEL MODEL PROVIDES A JOYFUL,  
SEAMLESS SHOPPING EXPERIENCE

5 OUR VALUES STRONGLY RESONATE WITH  
OUR CUSTOMERS



# History of Net Sales Growth and Strong Gross Margins



Q4 and Full  
Year 2024  
Results





# Fourth Quarter 2024: Financial Highlights

**\$119.5M**

Net Sales

At high end of guidance range

**\$2,048**

Average Order Value

**+10%**

YoY Total Orders

**+18%**

YoY Repeat Orders

**59.6%**

Gross Margin

**\$6.9M / 5.8%**

Adjusted EBITDA/Margin

Significant outperformance  
vs. guidance

**14**

Consecutive Quarters of  
Positive Adj. EBITDA

**\$106M**

Net Cash

See Appendix for a reconciliation from Net Income and Net Income Margin to Adjusted EBITDA and Adjusted EBITDA Margin



# Full Year 2024: Financial Highlights

**\$422.2M**

Net Sales

**\$2,269**

Average Order Value

**+7%**

YoY Total Orders

**+17%**

YoY Repeat Orders

**60.3%**

Gross Margin

**\$21.1M / 5.0%**

Adjusted EBITDA/Margin

**14**

Consecutive Quarters of  
Positive Adj. EBITDA

**\$106M**

Net Cash

See Appendix for a reconciliation from Net Income and Net Income Margin to Adjusted EBITDA and Adjusted EBITDA Margin

# Fourth Quarter 2024 Highlights and Key Achievements

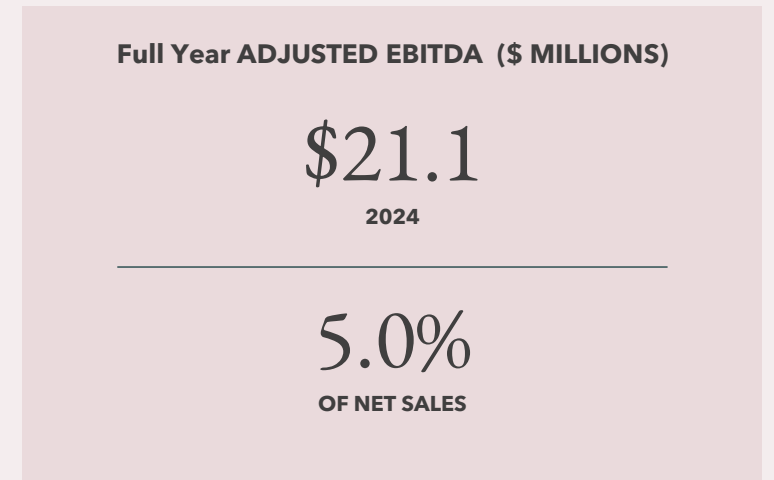
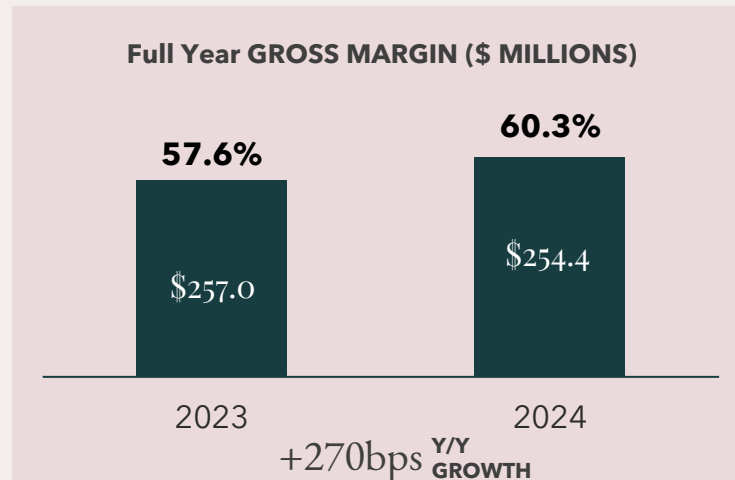
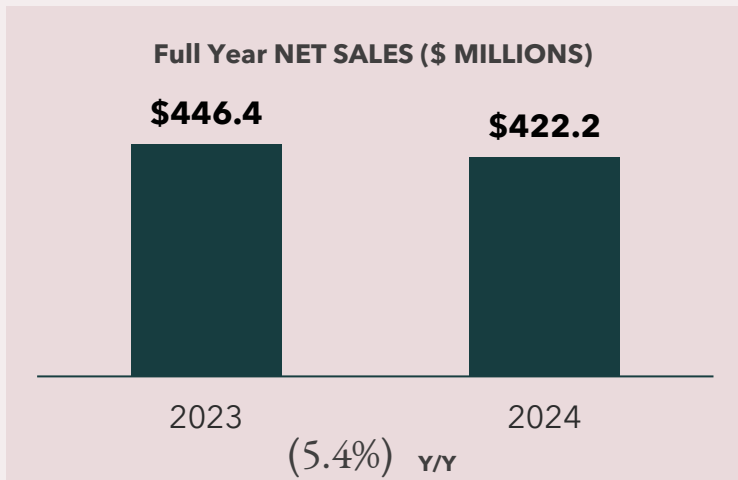
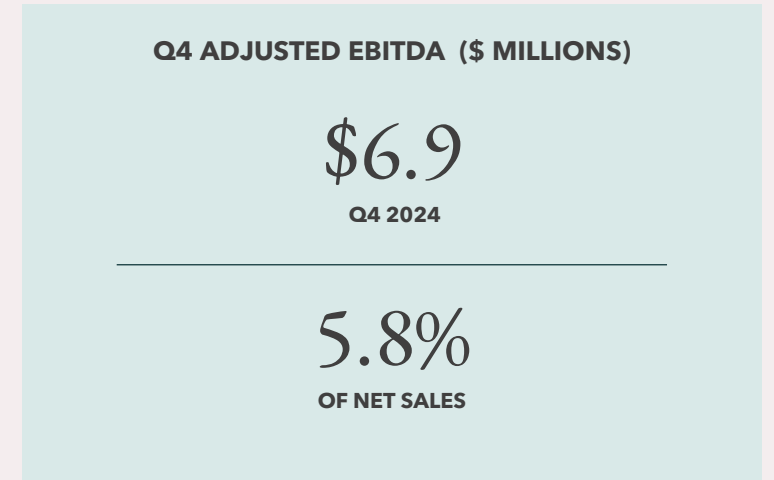
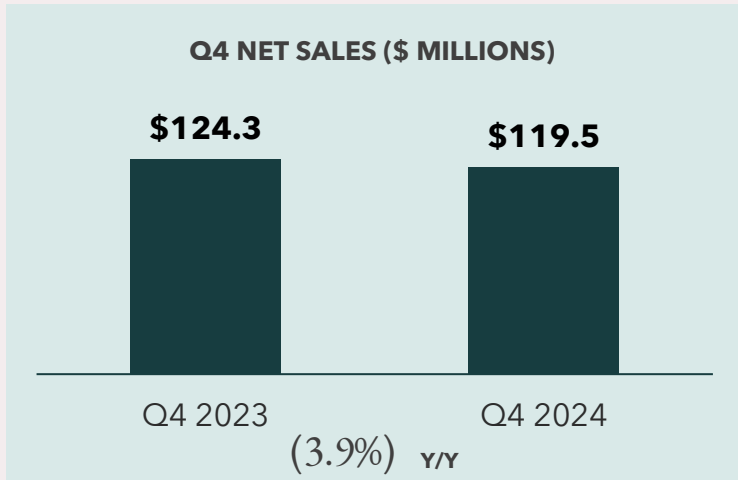


- + **Delivered Net Sales at the high end of Company guidance**
- + **Achieved Adjusted EBITDA** significantly above Company guidance, delivering 14<sup>th</sup> consecutive quarter of profitability as a public company
- + Realized **largest day of bookings** in company history on Black Friday
- + **Expanded fine jewelry mix to 27%** of total bookings in December, a new record for the Company and an **expansion of 600 basis points** year over year
- + Amplified new and existing product offerings with highlights including the Jane Goodall and Flawless Collections
- + Drove 340 basis points of y/y leverage in marketing expense as a percentage of Net Sales
- + **Opened two new showroom** locations, in Boston and New York City, reaching 40 total showrooms
- + Inventory turns significantly higher than industry average
- + **Achieved highest net cash position since 2021**





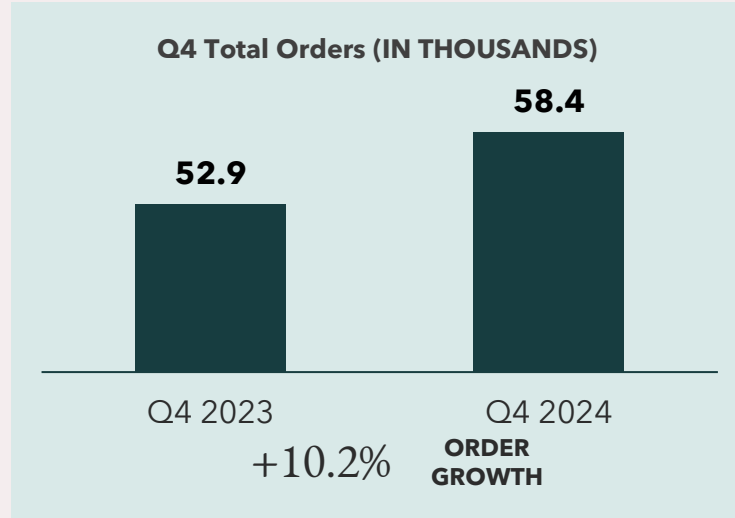
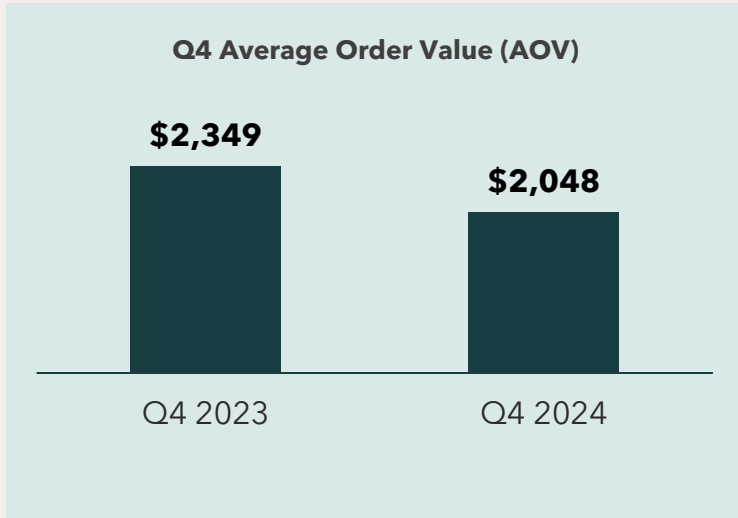
# Fourth Quarter & Full Year 2024 Financial Summary



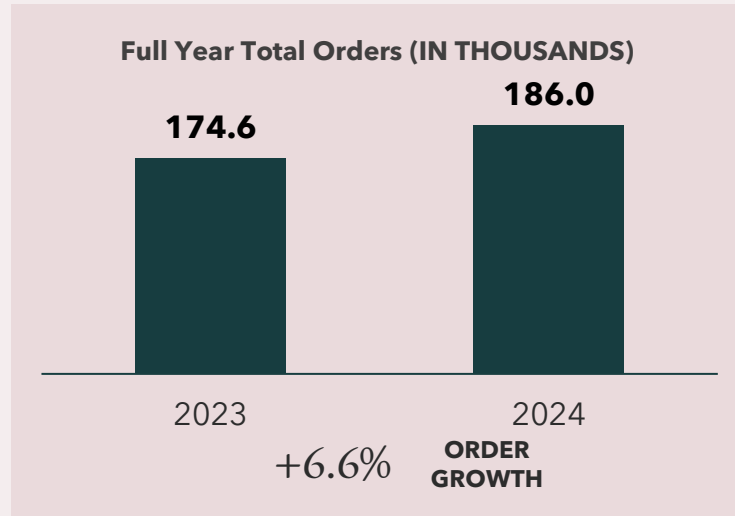
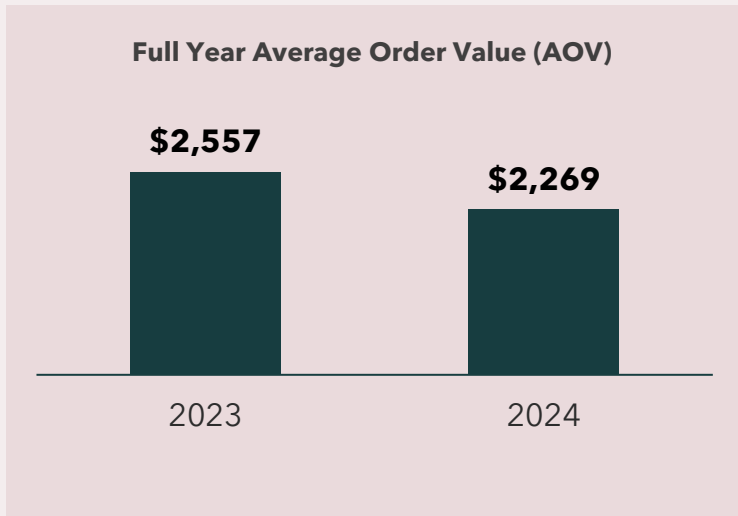
See Appendix for a reconciliation from Net Income and Net Income Margin to Adjusted EBITDA and Adjusted EBITDA Margin



# Fourth Quarter & Full Year 2024 Financial Results



- + 10% y/y Total Order growth and 18% y/y growth in repeat orders in Q4 demonstrates efficiency of customer acquisition and retention
- + Decline in Q4 AOV due to both growth in fine jewelry and comparatively strong performance of sub \$5,000 engagement rings



# Product Centric Brand Campaigns Driving Strong Results

- Successfully executed the Brand's most comprehensive omnichannel holiday campaign ever, focused on themes of "togetherness" and "joy"
- Introduced the Jane Goodall Collection, the Company's most successful fine jewelry launch to date
- Launched the Flawless collection, a curation of flawless or internally flawless diamonds, with the highest grades in clarity, cut, and color
- Achieved strong double-digit y/y bookings growth in fine jewelry in Q4, with fine jewelry representing 27% of total bookings in December - a new Company record
- Delivered y/y bookings growth in wedding and anniversary bands in Q4, with continued outperformance in men's wedding bands
- Drove strong engagement through successful influencer and VIP Bridal partnerships



The Jane Goodall Collection

10% of the net purchase of Jane Goodall Collection items are donated to the Jane Goodall Legacy Foundation Fund.

[SHOP NOW](#)



## THE FLAWLESS COLLECTION

Our latest launch is a premium curation of diamonds with zero internal inclusions and the highest grades in cut and color.

[SHOP NOW](#)



## Forbes

FORBES VETTED > GIFTS

### The Best Jewelry Gifts To Add Sparkle And Shine To The Occasion

By Katherine Louie, Commerce Editor and Becky Eaton, Contributor @

Oct 23, 2024, 02:53pm EDT

From [diamond studs](#) to [personalized necklaces](#), the best jewelry gifts make everyone feel special—yourself included. The key is to find pieces that speak to the person's individual style, and your own budget. Whether you want to spend \$50 or \$1,000, you can find beautiful options online, with many jewelry retailers offering free shipping and gift wrapping as a bonus. Just remember: Jewelry comes in different sizes—in particular, rings—so make sure you know your recipient's size in advance.



The best jewelry gifts are timeless, personal and effortlessly chic. ILLUSTRATION: FORBES / PHOTO: RETAILERS



Emerald Eternity, Riviera Eternity Rings

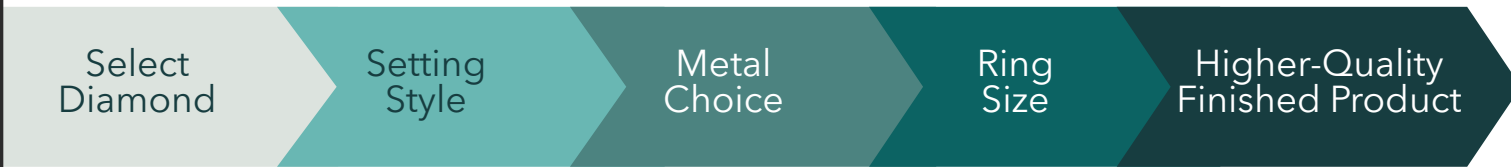
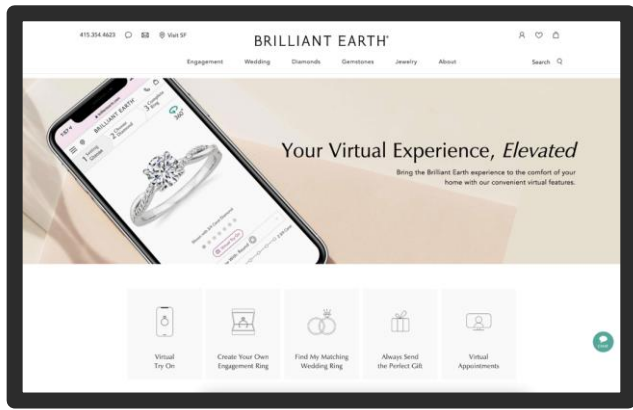


Sloane Dome Rings



# Business Model Drives Inventory Turns and Negative Working Capital<sup>1</sup>

- ✦ Design Your Own model and virtual inventory of hundreds of thousands of natural & lab-grown diamonds offers broad range of options for customers, while keeping balance sheet inventory low
- ✦ Inventory turns significantly higher than industry average
- ✦ Inventory ended ~1% higher y/y in Q4 even with significant growth in fine jewelry and a larger showroom footprint
- ✦ Quarter end cash of ~\$162M was ~\$6M higher y/y even after capital investments and reductions in debt principal balance
- ✦ Quarter end net cash of ~\$106M was the highest since 2021

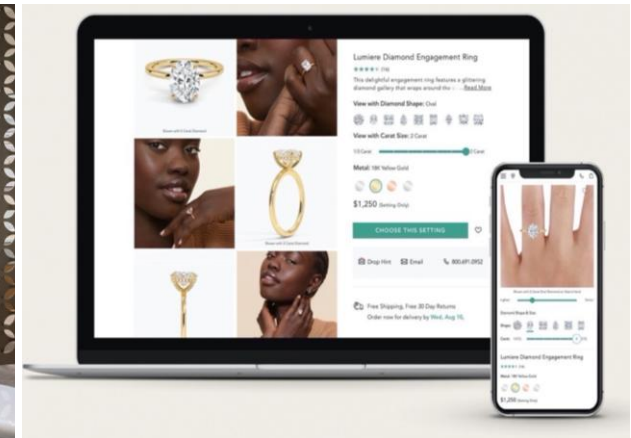


<sup>1</sup>Defined as current assets less cash minus current liabilities



# Power of Our Omnichannel Model

- ✦ Seamless consumer experiences across digitally native and showroom environments
- ✦ Continued compelling showroom metro uplift
- ✦ Showroom experiences and formats that enhance customer engagement, including new Try-On Bars in Nolita, Seaport, and Chestnut Hill
- ✦ Industry-leading features that optimize consumers' experiences online
- ✦ Drove y/y engagement ring unit growth from showrooms in Q4
- ✦ Record fine jewelry sales from showrooms in Q4 and 2024
- ✦ Expanded retail footprint in major metro areas to 40 showrooms in 2024, with 2-3 new locations expected in 2025 including our recently opened Southlake, TX showroom



2025  
Priorities  
and  
Medium-  
Term Targets





# 2025 Priorities

1

CONTINUE ON OUR PATH TO BECOME THE WORLD'S MOST LOVED AND TRUSTED JEWELER FOR TODAY'S AND TOMORROW'S CONSUMER

2

CREATE DISTINCTIVE, OWNABLE COLLECTIONS THAT BLEND INNOVATIVE, PERSONALIZED DESIGN WITH MASTERFUL CRAFTSMANSHIP

3

DELIVER DISTINCTIVE OMNICHANNEL EXPERIENCES THAT DELIGHT CUSTOMERS, FOSTER LASTING RELATIONSHIPS, AND SET NEW STANDARDS FOR MODERN LUXURY RETAIL

4

INVEST IN INNOVATION, DATA, PEOPLE, AND PROCESSES TO DRIVE OPERATIONAL EFFICIENCY AND LONG-TERM SUSTAINABLE GROWTH





# Medium-Term Targets

**1** **NET SALES GROWTH RATE:** ACCELERATE TO LOW TEENS Y/Y GROWTH RATE IN 2027

**2** **GROSS MARGIN:** HIGH 50s % THROUGH 2027

**3** **MARKETING % OF NET SALES:** CONTINUE DECREASING FROM 2025 TO 2027

**4** **ADJUSTED EBITDA MARGIN:** INCREASE TO DOUBLE DIGIT MARGIN IN 2027



*Oval Lab Diamond Bezel Tennis Bracelet, Angled Pear Lab Diamond Tennis Bracelet, 6.5 in. Certified Lab Diamond Tennis Bracelet, in Platinum and Yellow Gold, Emerald Cut Diamond Tennis Bracelet, Marquise Lab Diamond Tennis Bracelet*

Appendix





# GAAP to Non-GAAP Reconciliations

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Three months ended  
December 31,

Year ended  
December 31,

(Unaudited and \$ in 000's)	2024	2024
Net income, as reported	\$2,627	\$3,994
Interest expense	1,204	5,031
Income tax (benefit) expense	(62)	160
Depreciation expense	1,466	5,312
Amortization of cloud-based software implementation costs	158	817
Showroom pre-opening expense	484	1,705
Equity-based compensation expense	2,398	9,934
Other income, net <sup>1</sup>	(1,359)	(5,835)
Adjusted EBITDA	\$6,916	\$21,118
Net income margin	2.2%	0.9%
Adjusted EBITDA margin	5.8%	5.0%

1. Other income, net consists primarily of interest and other miscellaneous income, partially offset by expenses such as losses on exchange rates on consumer payments.



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