

Liz Claman: Grove Collaborative. Did I tell you I wasn't overstating this? This is a massive boost on a very, sort of, touch and go day for the broader market.

We have Grove up 30% at the moment on the announcement that the sustainable household products brand has struck a major partnership with CVS stores across the US. Grove's first drugstore partnership will bring in eco-friendly soaps, cleansers, dishwasher, laundry detergent, beauty, all kinds of stuff to 2,200 CVS store shelves.

Let's hear more about this from Grove Collaborative co-founder, CEO Stuart Landesberg. He is here on a Fox Business exclusive. Stuart, you guys are already on shelves at Target, Kohl's, Meijer. What is it about this CVS deal that you think has investors piling in right now?

Stuart Landesberg: Liz, it's great to be with you today. I think what this is a great proof point for is that our mission of bringing zero plastic and sustainable products. We really are the market leader in zero waste and zero plastic. Bringing that to the mainstream is a thesis that can create a ton of value for all of our shareholders. Moving into 2,200 CVS locations with the incredible availability that will bring is a great proof point, not just to the broader applicability of our mission, but to the scale potential of our business. I think that's what's really getting investors excited.

Liz Claman: Okay, but you've got to clarify for me because I am so against ocean plastic and all of that, but the product has to be great. What is it about this product... because Grove Collaborative has kind of hit cult status, has it not? You've got Drew Barrymore as your spokesperson. There are a lot of people who like these products. To CVS, what is it that investors think is really going to give your revenue numbers a bump?

Stuart Landesberg: What we're seeing is the very early stages of distribution for our products. Our products, they're not just plastics free, but they do work extraordinarily well and they're available at an affordable price.

If you look at our business, north of 300 million of revenue, almost all from the direct to consumer channel where we started, but our category is about 97% traditional retail distribution. When we start with Target, add on some of the retailers you mentioned, and then today announce CVS, what we're showing to the market and showing to consumers, as well, is that the trend that we're leading into zero waste home can play in the big market. As such, we have the opportunity to become a large and important company over time.

Liz Claman: Let me talk a little bit about revenue because that is where perhaps the rubber needs to meet the road. You guys have seen revenue in the second quarter, down about 12% from the previous quarter, year over year dip 20%. Going in the wrong direction. How do you get into reverse, and how quickly, we could

say, accrete for a merger of some sort... How quickly will this deal with CVS make your revenues really pop?

Stuart Landesberg: We're a growth company over the long term. We took the business from about 6 million in revenue in 2016 to over 300 million today. It's quite a trajectory. We've given back some of the pandemic gains, but we expect the business to absolutely be a long term double digit grower. We're growing really well in retail, as you mentioned. We've actually over doubled our store count this year over last year and expect strong growth to continue there. We've said that in 2024-

Sorry, Liz.

Liz Claman: There you are. They must have heard from customers that they want what you guys are selling.

Stuart, I've got to ask you about inflation. All of the products, all the materials that go into, whether it is the green packaging or the actual product themselves, what are you seeing on the inflation level? We've got a Federal Reserve that's saying that we have not seen the rate hikes dig into inflation enough.

Stuart Landesberg: What we are really seeing is that consumers are sticking with brands that are strong and really differentiated. We said even before inflation was high, that we expected to be a double digit grower and profitable in '24. Yes, we absolutely understand that inflation is hitting our consumer, but we think because we've built a strong brand that we, and many other brands that are strong and differentiated, will be able to continue to over deliver for consumers.

It does help being in a non-discretionary category. Good economy or bad, you've got to do the dishes.

Liz Claman: Yeah, that's true.

By the way, household products, Clorox, J&J, Colgate, Palm Olive, Unilever, they're down. When we started this interview, your shares were up about 30%.

Stuart, people are listening to you. They're up now 43% in this final hour. Please come back. We're following the story. Thank you.

Stuart Landesberg: You're the best, Liz. Thank you all.

Liz Claman: No, you are.

You know who thinks he's the best? Sir Richard Branson, who helped him go public via SPAC.