



ScottsMiracle-Gro Announces Financial Targets and Capital Allocation Strategy During Investor Day 2026 at NYSE

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NEW YORK, Aug. 04, 2026 (GLOBE NEWSWIRE) -- The Scotts Miracle-Gro Company (NYSE: SMG), the leading marketer of branded consumer lawn and garden products in North America, today announced its mid-range financial targets and capital allocation strategy for fiscal 2027 through fiscal 2029.

The Company is providing the update in advance of its Investor Day 2026 event at the New York Stock Exchange, starting at 9 a.m. today and featuring President and CEO Nate Baxter, Chief Financial Officer and Chief Accounting Officer Mark Scheiwer and other Company leaders discussing the SMG 2.0 growth strategy and its resulting mid-term targets that include dependable net sales growth, consistent profitability expansion and a disciplined approach to capital allocation.

"We continue to make significant and meaningful progress on the core elements of SMG 2.0, putting us on a clear path to meet or exceed the financial commitments we established for fiscal 2026," Baxter said. "Looking ahead, we will build upon this foundation and accelerate the core elements of SMG 2.0. By tenaciously focusing and executing upon its tactical building blocks, we will drive sustainable mid- and long-term value for our Company and shareholders."

SMG 2.0 Building Blocks

During today's event, the Company will review SMG 2.0 in detail, including priority areas of focus for fiscal 2027 through fiscal 2029. The building blocks of SMG 2.0 include:

- Portfolio optimization and innovation through revitalization of core product lineups to drive premium growth.
- Omnichannel and retail expansion to engage broader consumer groups through digital scale and retailer partnerships.
- Category growth and market expansion through greater household penetration to grow the Company's addressable market.
- Technology-driven operational excellence with a focus on expanding margins via targeted AI, automation and supply chain efficiencies.

Mid-Range Growth Algorithm

The Company's mid-range growth algorithm for fiscal 2027 through fiscal 2029 is grounded in consistent progress with SMG 2.0 and includes average annual:

- Total Company net sales growth of 2 to 4%.
- Adjusted gross margin rate improvement of 50 to 100 basis points.
- Adjusted EPS growth of 5 to 8%.
- Free cash flow greater than \$275 million.

The Company also updated its leverage ratio targets to reflect a mid-range goal of 3 to 3.5x from fiscal 2027 through fiscal 2029 and a longer-range goal of leverage below 3x.

"We are committed to a disciplined and balanced capital allocation strategy that will enable us to properly invest in the SMG 2.0 growth drivers while further driving down our debt balances and taking consistent shareholder friendly actions," Scheiwer said.

Disciplined Capital Allocation

Key elements of the Company's capital allocation strategy include:

- Incremental SG&A reinvestment in technology, advertising and R&D.
- Annual capital expenditure target of 2.5 to 3.5% of net sales.
- Ongoing high-quality, quarterly shareholder dividends.
- Anti-dilutive and opportunistic shareholder repurchases.
- Strong balance sheet management through achievement of mid-term financial targets.
- Strategic low-risk, tuck-in acquisitions and partnerships accretive to topline sales and neutral to positive on leverage.

Full-Year Fiscal 2026 Outlook

The Company last month raised its outlook for non-GAAP adjusted diluted net income per share from continuing operations to \$4.30 to \$4.45 and reaffirmed the following elements of its original fiscal 2026 guidance:

- U.S. Consumer net sales low single-digit growth
- Non-GAAP adjusted gross margin rate of at least 32%
- Non-GAAP adjusted EBITDA mid single-digit growth
- Free cash flow of \$275 million, driving leverage ratio down to the high 3s

Investor Day 2026 Details

For those interested in viewing Investor Day 2026 online, the Company's live webcast can be accessed beginning at 9 a.m. through [Vimeo](#). For those unable to participate during the live webcast, a replay will be available on the Investor Relations [website](#).

About ScottsMiracle-Gro

With approximately \$3.3 billion in sales, the Company is the leading marketer of branded consumer lawn and garden products in North America. The Company's brands are among the most recognized in the industry. The Company's Scotts®, Miracle-Gro®, Ortho® and Tomcat® brands are market-leading in their categories. For additional information, visit us at www.scottsmiraclegro.com

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