ScottsMiracle-Gro

38th ANNUAL

William Blair Growth Stock Conference

JUNE 2018

Safe Harbor Disclosure

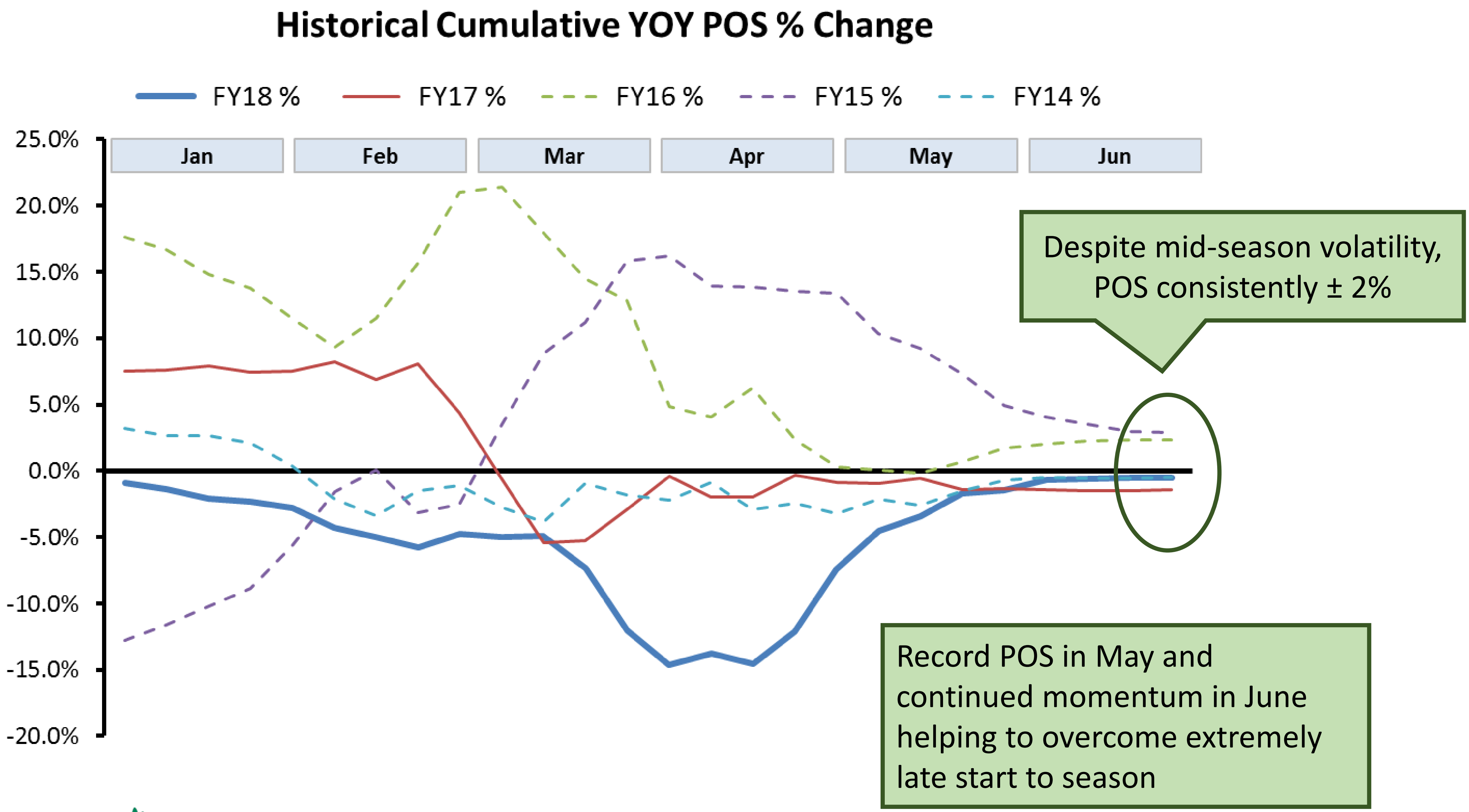
Statement under the Private Securities Litigation Act of 1995: Certain of the statements contained in this presentation, including, but not limited to, information regarding the future economic performance and financial condition of the Company, the plans and objectives of the Company's management, and the Company's assumptions regarding such performance and plans are forward-looking in nature. Actual results could differ materially from the forward-looking information in this presentation due to a variety of factors.

Scotts Miracle-Gro encourages investors to learn more about these risk factors. A detailed explanation of these factors is available in the Company's quarterly and annual reports filed with the Securities and Exchange Commission.

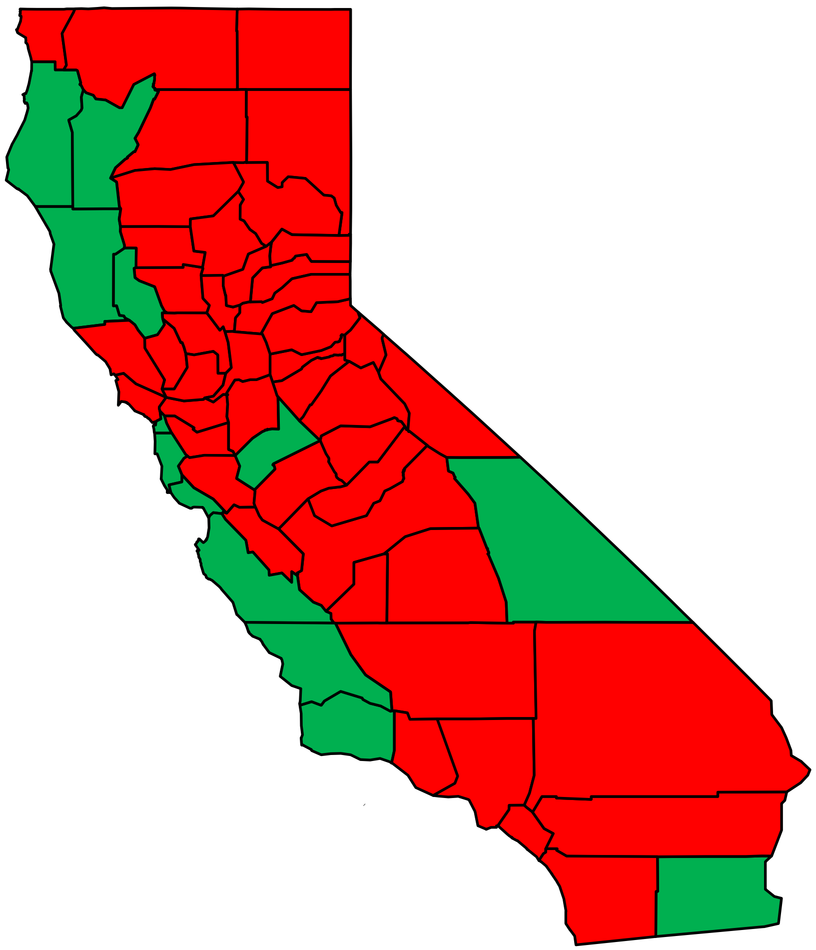
Why ScottsMiracle-Gro?

- Stable and market-leading consumer brands
- Strong free cash flow productivity with focus on consistency
- Bias for returning cash to shareholders
- High potential growth engine – about 20% of sales after recent acquisition
- Seasoned executive team with 20+ years average tenure

Fiscal 2018 update: Consumer purchases now in line with last year despite historically late start



Fiscal 2018 update: Hawthorne remains sluggish as California struggles with new cannabis regulations



__Recent data__

- Hawthorne organic sales remain negative since Q2 results
- 13 California counties are now issuing licenses for cannabis cultivation
- More than 3,000 licenses issued for cultivation entering June

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FY 2018 sales and EPS guidance revised to reflect new acquisition, Hawthorne performance, and US sales softness

Financial Summary (excludes the impact of non-recurring items)	**Prior Guidance**	**Sunlight Dilution**	**Revised Guidance**
Net Sales	+2% - 4%		+0% - 2%
Gross Margin Rate	-50 to -100 bps		-250 to -300 bps
SG&A (including media & amortization)	0% to +2%		0% to +2%
Operating Other (Income) / Expense	$(4)M		$(4)M
Non-GAAP Operating Margin (**EBIT**)	16% - 17%		13% - 14%
Non-GAAP Non-Operating Other (Income) / Expense	$(10)M		$(10)M
Equity (Income) / Loss	$(2)M		$(2)M
Interest	+$5M - $10M		+$12 - $15M
Non-GAAP Tax Rate	26% - 27%		25% - 26%
Shares	58M		57.5M
Non-GAAP EPS	**$4.60 - $4.80**	**$(0.30) - $(0.40)**	**$3.70 - $3.90**

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Innovation, cost inflation and pricing will likely be key themes in 2019

Current themes / trends

- Consumer engagement shows stable/healthy support
- Current commodity prices trending higher than year-ago
- Distribution pressure unlikely to ease
- Gross margin pressure expected as Roundup profit sharing reverts to pre-2016 split
- Increased pricing planned for many product categories
- Retailer line reviews positive; strong support for brands and innovation

Successful implementation of 'Project Focus' repositioned SMG to drive shareholder value

Focus on the Core

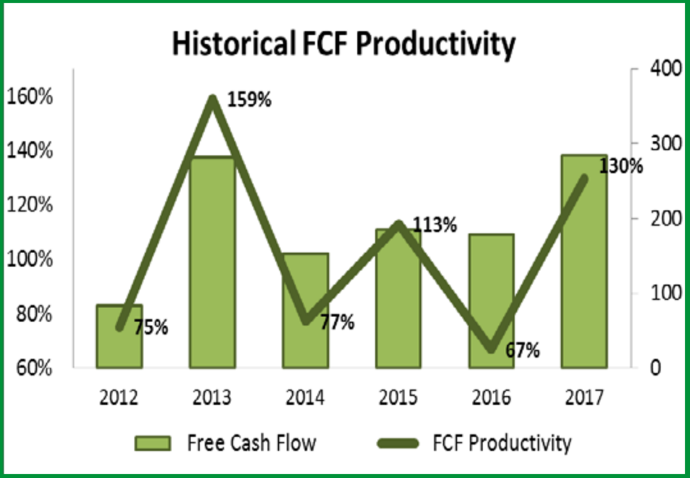
High-margin, stable and slow growth category remains our financial engine

Reconfigure portfolio

Seek higher growth adjacent categories; divest non-core, low-margin businesses

'Shareholder friendly'

Improve FCF to supplement returns through repurchases and dividend increases



Focus on the core: Lawn & Garden activity remains stable and popular with consumers

<ins>Key trends</ins>

- Destination category for home center/hardware channels of retail
- Consumer activity remains steady/predictable year-over-year
- Edible gardening continues to outpace economic growth
- Mature lawn care category is stable, provides strong cash flow generation

Focus on the core: Strong brand support helps keep SMG products top-of-mind with consumers

Lawn fertilizer, grass seed

Plant food, soils

Weed control

Weed & Insect control

Rodent control, repellents

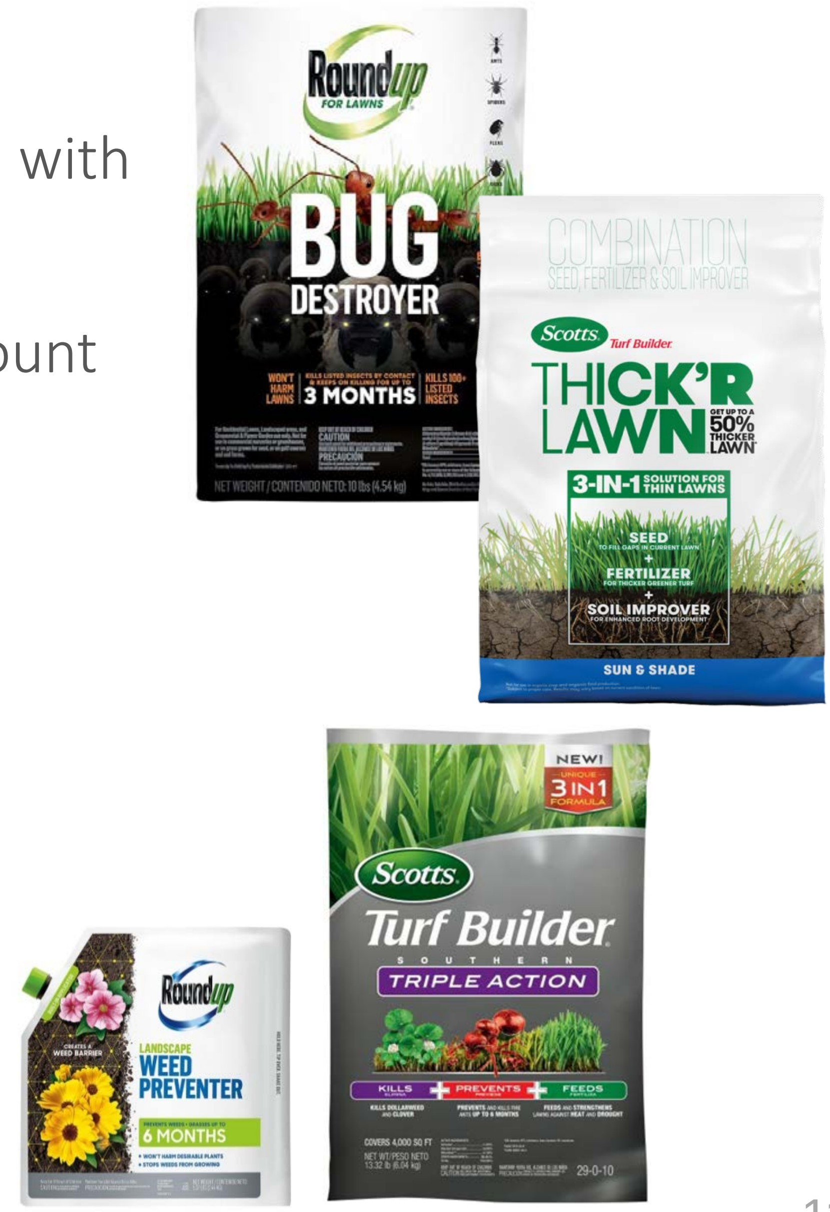
The leading industry voice

- SMG responsible for about 85% of industry advertising support
- Traditional media buys remain critical in our seasonal category
- More than one-third of marketing spend now focused on digital outreach

Focus on the core: Commitment to R&D keeps consumers and retailers engaged

World-class innovation

- SMG remains the only company in the world with R&D committed to consumer lawn & garden
- Products introduced within past 3 years account for about 15% of total sales
- Consumer innovation focuses on margins, ease-of-use, environmental stewardship
- 2019 innovation will focus on best-in-class organic garden fertilizer



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Long-term outlook for U.S. Consumer business: Low-single digit growth, strong margins

<u>What we see:</u>

- Strong support from home center and hardware channels
- Continued consumer awareness and participation
- Low single digit sales growth
- Operating margin: +20%

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After reconfiguration of portfolio, SMG has leadership role in emerging hydroponics industry

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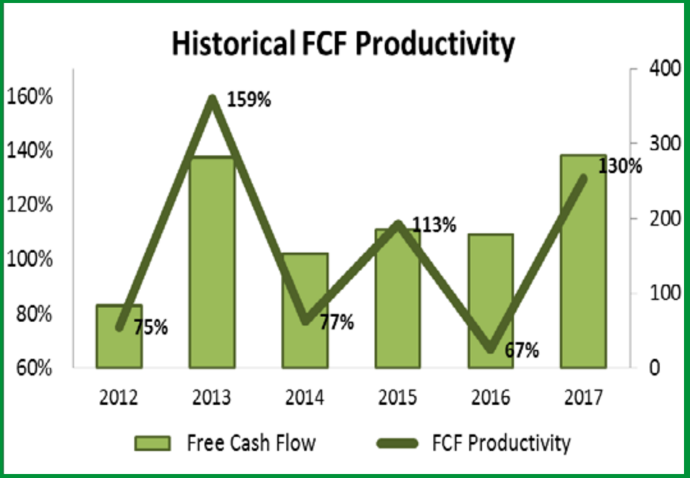


Hawthorne Gardening Co: Long-term growth potential in an emerging industry

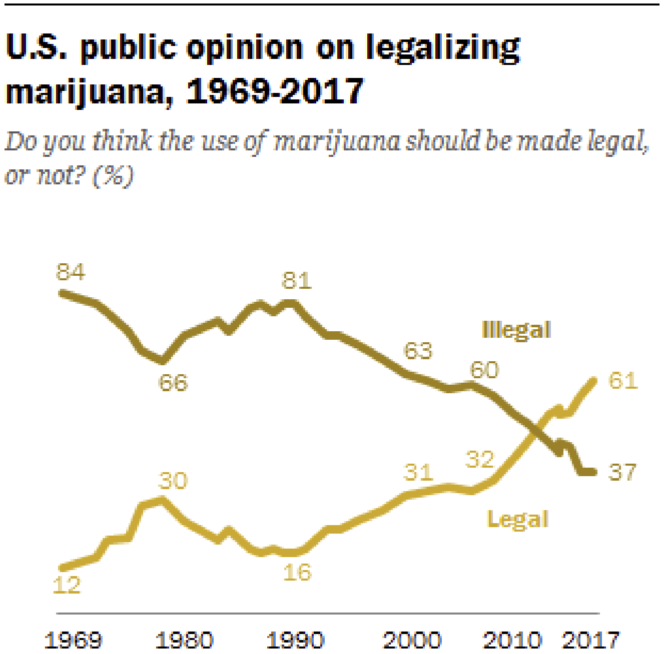
State legalization of cannabis cultivation driving growth in hydroponics

Who is Hawthorne?

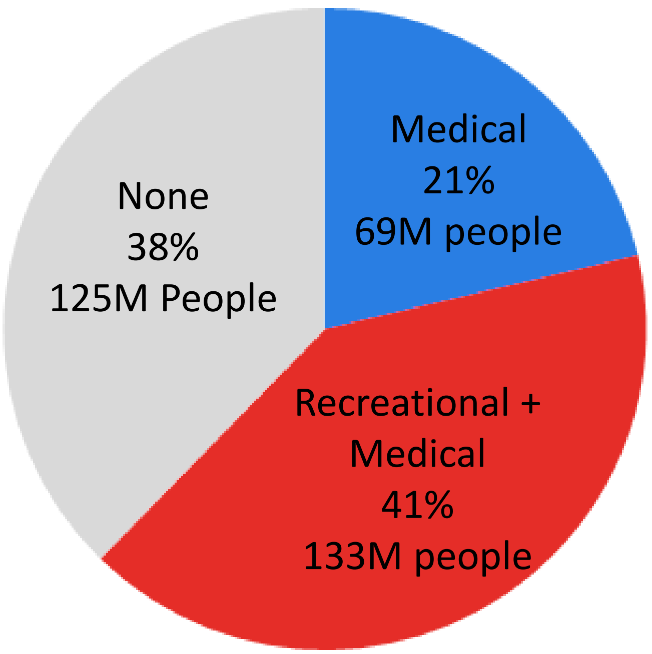
- Market-leading brands in nutrients, supplements, air handling and lighting designed for hydroponic growing
- Recent acquisition of Sunlight Supply provides expanded portfolio and direct access to 1,800 hydro retailers
- Annualized sales of approximately $600M
- Strong margin improvement potential

Recreational & Medicinal Marijuana is growing in popularity across North America

Public Opinion



US State Legalization



Federal Implementation

Bill C-45 in progress

>105 Licensed Producers in Canada and increasing

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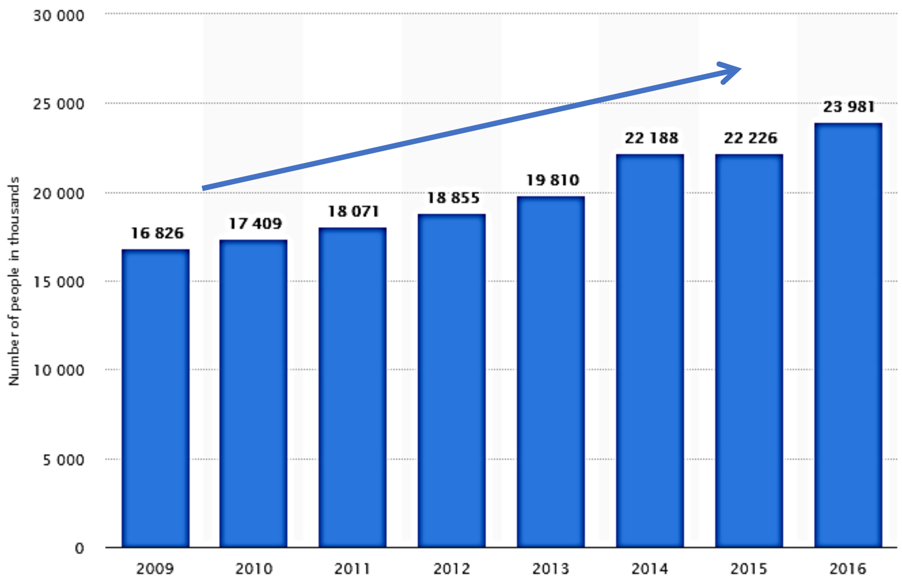
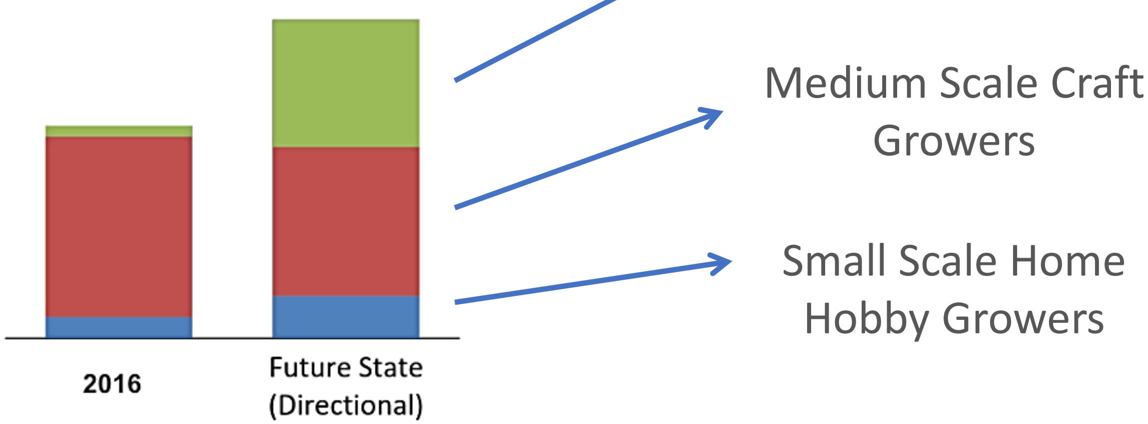
Consumption continues to climb and Hawthorne is positioned well to sell products into all channels

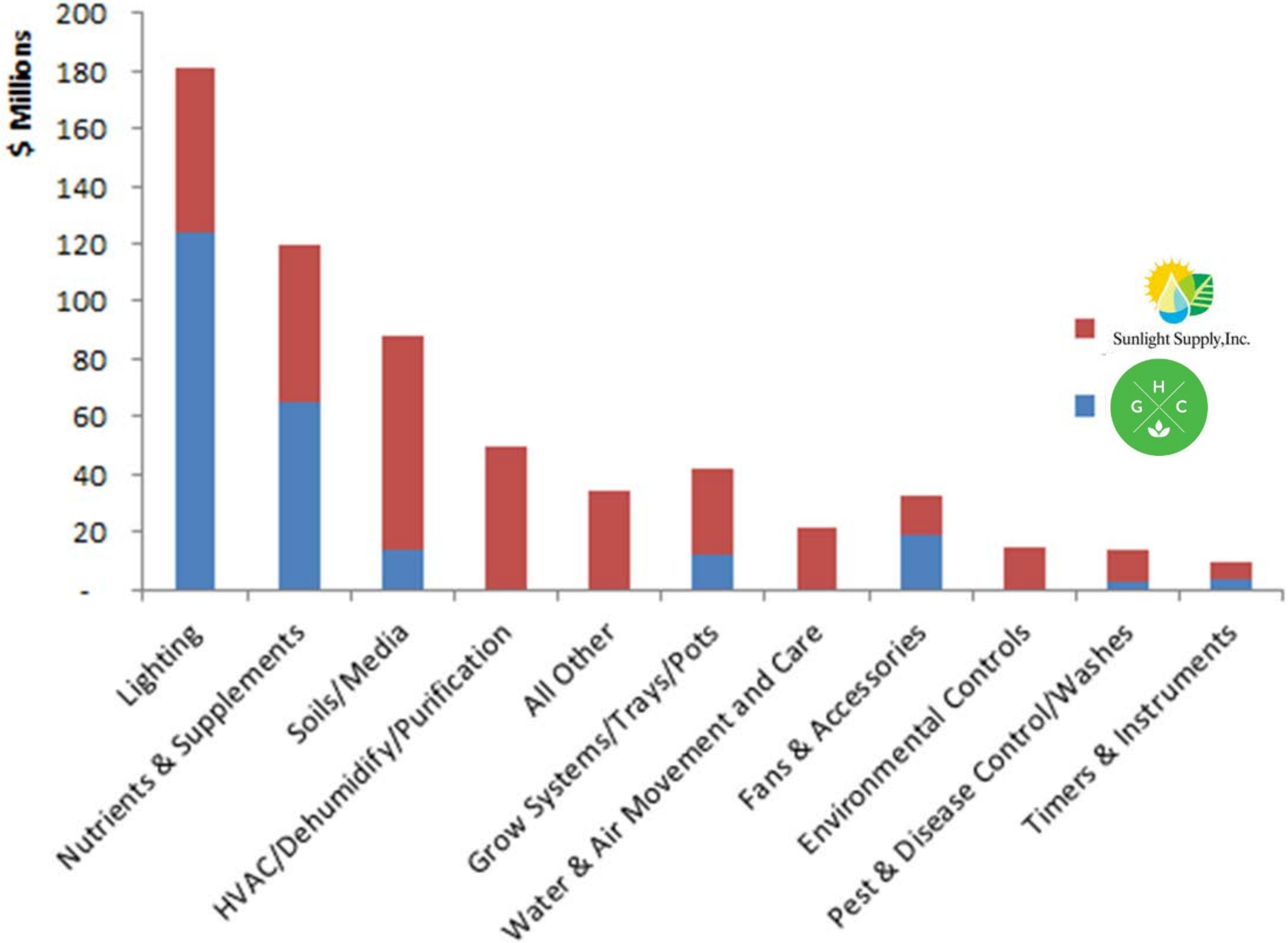
Number of people in the U.S. who used marijuana in the past month



US Grower Trends



Hawthorne/Sunlight portfolio provides a full product offering to all hydroponic growers



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Synergies from Sunlight Supply acquisition expected to contribute $35mm

Activity	2018	2019
Staffing redundancy 'Best of the best'	★	★
Manufacturing Synergies realized in liquids, soils, hardware consolidation	★	★
Facilities Facility consolidation impact	★	★
Freight Leverage US freight contracts, international freight rates	★	
Purchasing Cost out process, material savings	★	
Distribution Margin pick up from HGC sales transitioned into network		★
Total (annualized)	**$15-20M**	**$15-20M**

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Reducing manufacturing and distribution sites from 11 to 5 will enhance efficiency, reduce costs

Future State: NA Manufacturing Footprint (West Coast)

Migrating from sites that manufacture brand specific products to consolidating like processes

HARDWARE MANUFACTURING
(Vancouver)

- North American Lighting Start Up
- Filters & Fans (Nelson, BC)
- Plastic Trays (Chandler, AZ)
- Hardware Systems (Chandler)

LIQUID MANUFACTURING
(Santa Rosa)

- General Hydroponics
- NSR Liquids (Chandler, AZ)
- Sunlight Liquids (Woodlands, WA)

SOIL MANUFACTURING
(Olivehurst)

- Vermicrop / GH Branded Soils
- Botanicare Soils (Chandler / Vancouver)

Not pictured:
Martinsburg WV (East Coast manufacturing)
Aalsmeer, Netherlands (International Lighting)

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Long-term prospects for Hawthorne remain strong despite near-term challenges

<u>Why we're bullish</u>

- Long-term societal trends likely to significantly increase addressable market
- Hawthorne portfolio provides unique competitive advantages
- Sunlight provides supply chain expertise that provides flexibility as market evolves
- Strong management team with extensive industry experience

Focus on free cash flow productivity is a key component of Project Focus

Focus on the Core

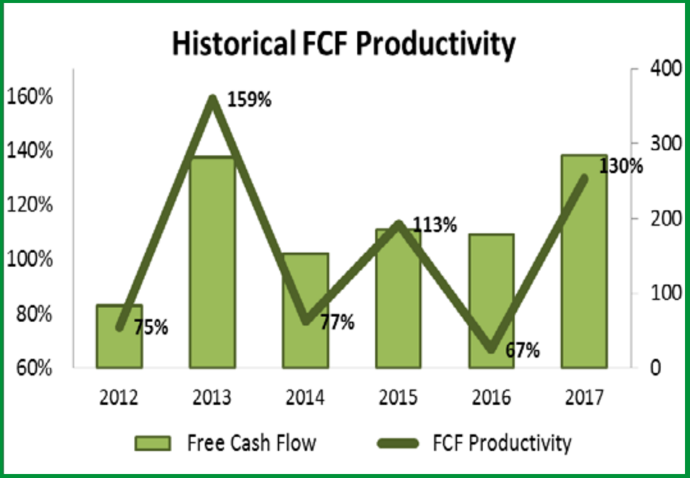
High-margin, stable and slow growth category remains our financial engine

Reconfigure portfolio

Seek higher growth adjacent categories; divest non-core, low-margin businesses

‘Shareholder friendly’

Improve FCF to supplement returns through repurchases and dividend increases



SMG long-term financial targets are designed to produce consistent double-digit returns

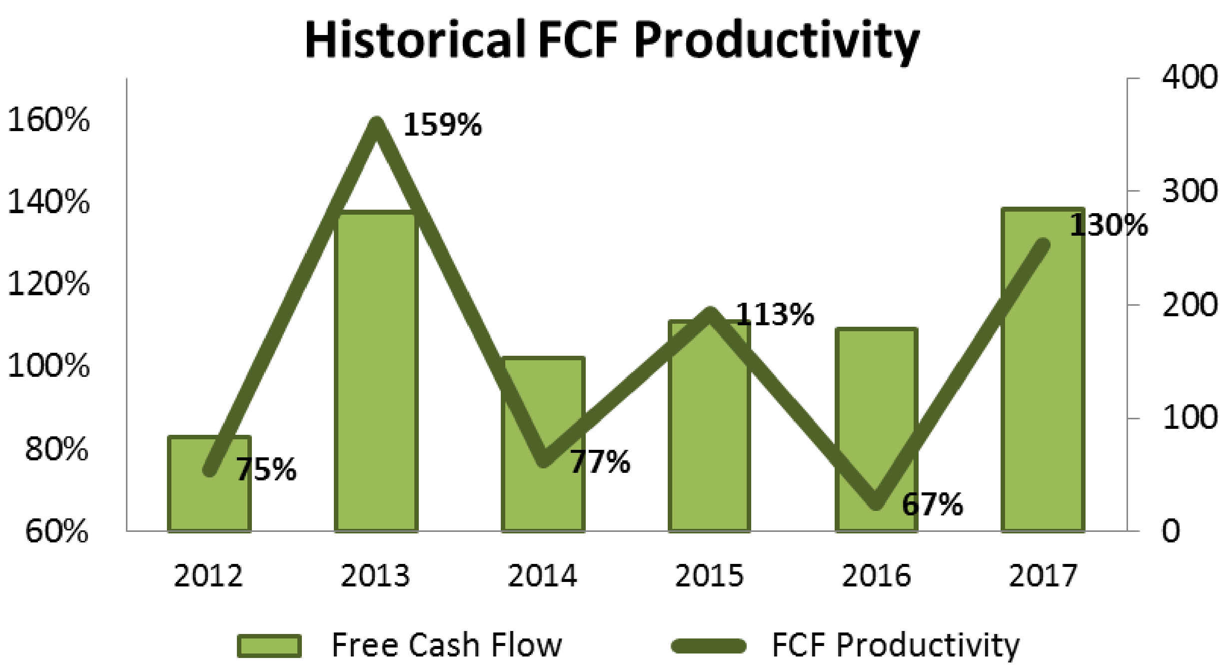
2-4% Sales
Stable core and higher growth hydroponics

4-6% Operating Income
Hawthorne margin benefits, SG&A control

8-10% EPS
Share buybacks enhance EPS growth

10-12% Shareholder Return
EPS + dividend drives returns in rational market

Goal: Maintain free cash flow productivity at or above 100 percent



On track to achieve 100% productivity in 2018

Keys to success

- Reduce working capital $50M+ by FY2020
- Priority use of cash is de-levering to 3.5x after Sunlight acquisition
- Maintain cultural emphasis on cash flow vs. EPS
- Aligned short- and long-term incentive pay with cash flow

SMG defines free cash flow as operating cash flow minus capital expenditures

Stable core, 'Project Catalyst,' cash flow commitment key to driving value

Why ScottsMiracle-Gro?

- Stable core business with committed retailers and consumers
- Societal trends that benefit long-term hydroponics growth
- Commitment to Hawthorne synergies will drive margin improvement
- Free cash flow productivity will enhance shareholder returns

THE Scotts Miracle-Gro COMPANY

Miracle-Gro® Scotts® ORTHO® Roundup Tomcat® GHC

Appendix

Reconciliation of Non-GAAP Financial Measures

Use of Non-GAAP Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company uses non-GAAP financial measures. The reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the tables above. These non-GAAP financial measures should not be considered in isolation from, or as a substitute for or superior to, financial measures reported in accordance with GAAP. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all the items associated with the operations of the business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures differently than the Company, limiting the usefulness of those measures for comparative purposes.

In addition to GAAP measures, management uses these non-GAAP financial measures to evaluate the Company's performance, engage in financial and operational planning and determine incentive compensation because it believes that these measures provide additional perspective on and, in some circumstances are more closely correlated to, the performance of the Company's underlying, ongoing business.

Management believes that these non-GAAP financial measures are useful to investors in their assessment of operating performance and the valuation of the Company. In addition, these non-GAAP financial measures address questions routinely received from analysts and investors and, in order to ensure that all investors have access to the same data, management has determined that it is appropriate to make this data available to all investors. Non-GAAP financial measures exclude the impact of certain items (as further described below) and provide supplemental information regarding operating performance. By disclosing these non-GAAP financial measures, management intends to provide investors with a supplemental comparison of operating results and trends for the periods presented. Management believes these measures are also useful to investors as such measures allow investors to evaluate performance using the same metrics that management uses to evaluate past performance and prospects for future performance. Management views free cash flow as an important measure because it is one factor used in determining the amount of cash available for dividends and discretionary investment. Management views free cash flow productivity as a useful measure to help investors understand the Company's ability to generate cash.

Reconciliation of Non-GAAP Financial Measures

Exclusions from Non-GAAP Financial Measures

Non-GAAP financial measures reflect adjustments based on the following items:

- Impairments, which are excluded because they do not occur in or reflect the ordinary course of the Company's ongoing business operations and their exclusion results in a metric that provides supplemental information about the sustainability of operating performance.
- Restructuring and employee severance costs, which include charges for discrete projects or transactions that fundamentally change the Company's operations and are excluded because they are not part of the ongoing operations of its underlying business, which includes normal levels of reinvestment in the business.
- Costs related to refinancing, which are excluded because they do not typically occur in the normal course of business and may obscure analysis of trends and financial performance. Additionally, the amount and frequency of these types of charges is not consistent and is significantly impacted by the timing and size of debt financing transactions.
- Charges or credits incurred by the TruGreen Joint Venture that are apart from and not indicative of the results of its ongoing operations, including transaction related costs, refinancing costs, restructurings and other discrete projects or transactions including a non-cash purchase accounting fair value write down adjustment related to deferred revenue and advertising ("TruGreen Joint Venture non-GAAP adjustments"). The Company holds a noncontrolling equity interest of approximately 30% in the TruGreen Joint Venture. The Company does not control, nor does it have any legal claim to, the revenues and expenses of the TruGreen Joint Venture or its other unconsolidated affiliates. The use of non-GAAP measures that are subject to TruGreen Joint Venture non-GAAP adjustments is not intended to imply that the Company has control over the operations and resulting revenue and expenses of the TruGreen Joint Venture or its other unconsolidated affiliates. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all revenue and expenses of the unconsolidated affiliates.
- Discontinued operations and other unusual items, which include costs or gains related to discrete projects or transactions and are excluded because they are not comparable from one period to the next and are not part of the ongoing operations of the Company's underlying business.

The tax effect for each of the items listed above is determined using the tax rate and other tax attributes applicable to the item and the jurisdiction(s) in which the item is recorded.

Reconciliation of Non-GAAP Financial Measures

Definitions of Non-GAAP Financial Measures

The reconciliations of non-GAAP disclosure items include the following financial measures that are not calculated in accordance with GAAP and are utilized by management in evaluating the performance of the business, engaging in financial and operational planning, the determination of incentive compensation, and by investors and analysts in evaluating performance of the business:

Adjusted gross profit: Gross profit excluding impairment, restructuring and other charges / recoveries.

Adjusted income (loss) from operations: Income (loss) from operations excluding impairment, restructuring and other charges / recoveries.

Adjusted equity in income (loss) of unconsolidated affiliates: Equity in income (loss) of unconsolidated affiliates excluding TruGreen Joint Venture non-GAAP adjustments.

Adjusted income (loss) from continuing operations before income taxes: Income (loss) from continuing operations before income taxes excluding impairment, restructuring and other charges / recoveries, costs related to refinancing and TruGreen Joint Venture non-GAAP adjustments.

Adjusted income tax expense (benefit) from continuing operations: Income tax expense (benefit) from continuing operations excluding the tax effect of impairment, restructuring and other charges / recoveries, costs related to refinancing and TruGreen Joint Venture non-GAAP adjustments.

Adjusted income (loss) from continuing operations: Income (loss) from continuing operations excluding impairment, restructuring and other charges / recoveries, costs related to refinancing and TruGreen Joint Venture non-GAAP adjustments, each net of tax.

Adjusted net income (loss) attributable to controlling interest from continuing operations: Net income (loss) attributable to controlling interest excluding impairment, restructuring and other charges / recoveries, costs related to refinancing, TruGreen Joint Venture non-GAAP adjustments and discontinued operations, each net of tax.

Adjusted diluted income (loss) per common share from continuing operations: Diluted income (loss) per common share from continuing operations excluding impairment, restructuring and other charges / recoveries, costs related to refinancing and TruGreen Joint Venture non-GAAP adjustments, each net of tax.

Adjusted EBITDA: Net income (loss) before interest, taxes, depreciation and amortization as well as certain other items such as the impact of the cumulative effect of changes in accounting, costs associated with debt refinancing and other non-recurring or non-cash items affecting net income (loss). The presentation of adjusted EBITDA is intended to be consistent with the calculation of that measure as required by the Company’s borrowing arrangements, and used to calculate a leverage ratio.

Free cash flow: Net cash provided by (used in) operating activities reduced by investments in property, plant and equipment.

Free cash flow productivity: Ratio of free cash flow to net income (loss).

Reconciliation of Non-GAAP Financial Measures

Forward Looking Non-GAAP Measures

In this earnings release, the Company presents its outlook for fiscal 2018 non-GAAP adjusted EPS. The Company does not provide a GAAP EPS outlook, which is the most directly comparable GAAP measure to non-GAAP adjusted EPS, because changes in the items that the Company excludes from GAAP EPS to calculate non-GAAP adjusted EPS, described above, can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities. Additionally, due to their unpredictability, management does not forecast the excluded items for internal use and therefore cannot create or rely on a GAAP EPS outlook without unreasonable efforts. The timing and amount of any of the excluded items could significantly impact the Company's GAAP EPS. As a result, the Company does not provide a reconciliation of guidance for non-GAAP adjusted EPS to GAAP EPS, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K.

Reconciliation of Non-GAAP Financial Measures

	Year Ended September 30,				
	2017	2016	2015	2014	2013
	(In millions, except per share data)				
Net cash provided by operating activities (GAAP)	$ 354.0	$ 237.4	$ 246.9	$ 240.9	$ 342.0
Investments in property, plant and equipment	(69.6)	(58.3)	(61.7)	(87.6)	(60.1)
Free cash flow (Non-GAAP)	$ 284.4	$ 179.1	$ 185.2	$ 153.3	$ 281.9
Free cash flow (Non-GAAP)	$ 284.4	$ 179.1	$ 185.2	$ 153.3	$ 281.9
Net income (GAAP)	218.8	314.8	158.7	166.2	161.1
Free cash flow productivity (Non-GAAP)	130.0%	56.9%	116.7%	92.2%	175.0%

The sum of the components may not equal the total due to rounding.

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