ScottsMiracle-Gro:
Our Commitment to Shareholder Value Creation

Matt Garth, EVP
Chief Financial and Administrative Officer

July 16, 2024
Investor Day

Investor Day Key Themes - Why are we here today?

Superior Team

Our refreshed leadership team is passionately engaged and aligned to our purpose to GroMoreGood!

Powerful Assets

Unparalleled capabilities including our leading brands, deep relationships, and national supply chain

Actionable Goals

Strategic objectives designed to rebuild financial flexibility and deliver meaningful shareholder value creation

ScottsMiracle-Gro

GRO
MORE
GOOD

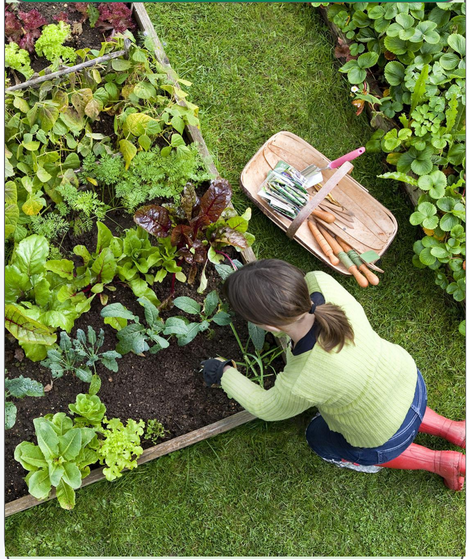
Our Purpose: GroMoreGood

We believe good can grow anywhere. That's why we're committed to GroMoreGood™ everywhere.

- **To our associates**
- **To our communities**
- **To our consumers**
- **For the planet**

Differentiation, Valued by both Customers and Consumers

DATA-DRIVEN CONSUMER INSIGHTS



BRAND-CENTRIC CORE COMPETENCIES

Iconic Brands

World Class Culture & Operations

Superior Media, Marketing and Sales Capabilities

Leading Innovation

OUR STRATEGIC BUILDING BLOCKS

- Iconic American company with leading brands over 150+ years
- Preferred experiential category with >55% of American households enjoying the benefits of gardening
- GDP+ growth potential across Core, Omnichannel, and Hawthorne
- Meaningful margin expansion expected with volume & cost-outs
- Focused, high return investments in industry-leading innovation
- Disciplined capital allocation with leverage declining on strong free cash flow

Rebuilding Total Shareholder Returns & Financial Flexibility

DRIVING PROFITABLE GROWTH

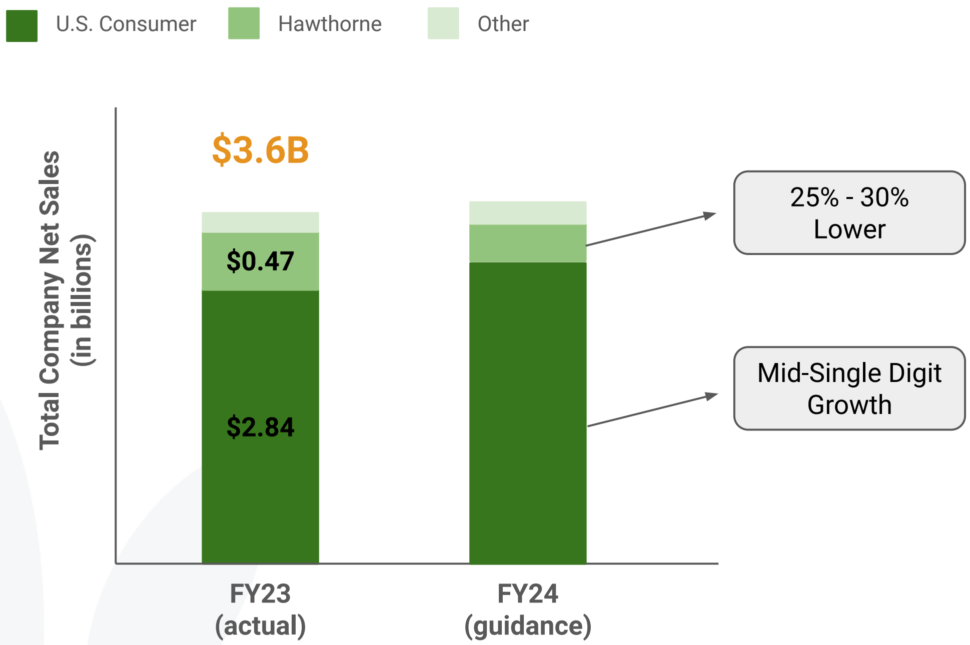
IMPROVING FUNDAMENTALS TO PROPEL MULTIPLES

FREE CASH FLOW & BALANCED CAPITAL ALLOCATION

DELIVERING SHAREHOLDER VALUE

Driving Profitable Growth

Net Sales Growth



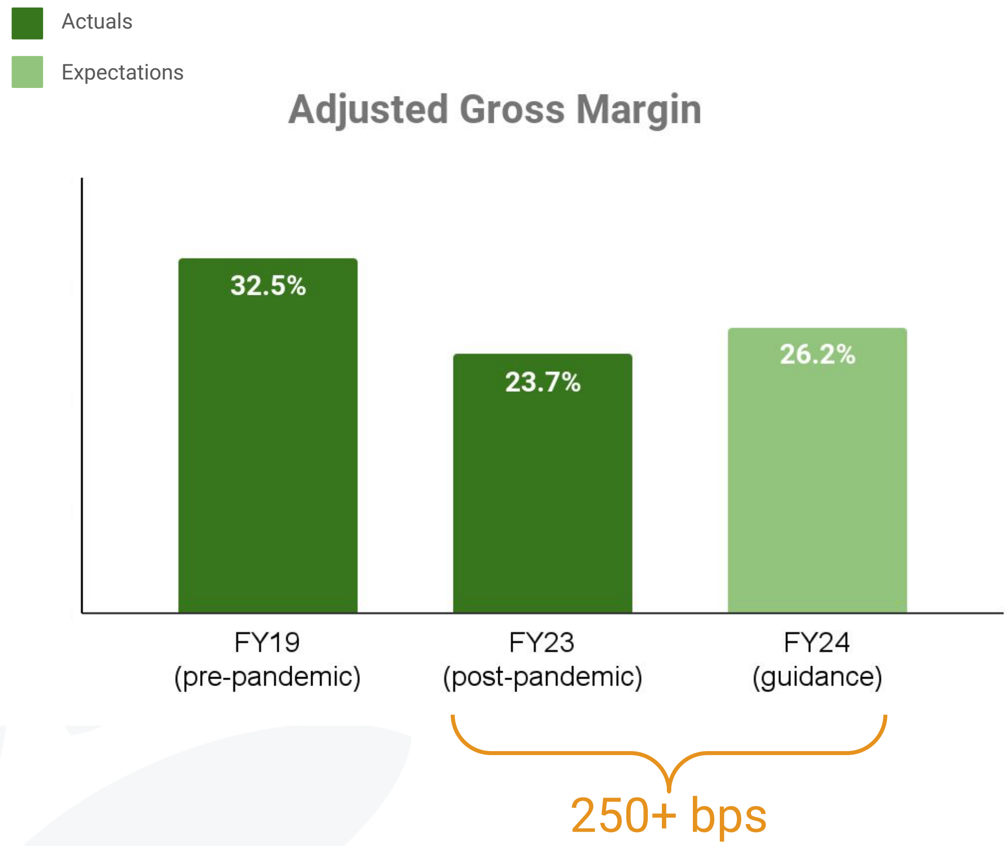
Future Goal:

3% CAGR Total Company

U.S. Consumer
- Annual Net Pricing
- Innovation
- M&A

Hawthorne
- Signature Focus
- Alternative Channels

Non-GAAP Adjusted Gross Margin Expansion

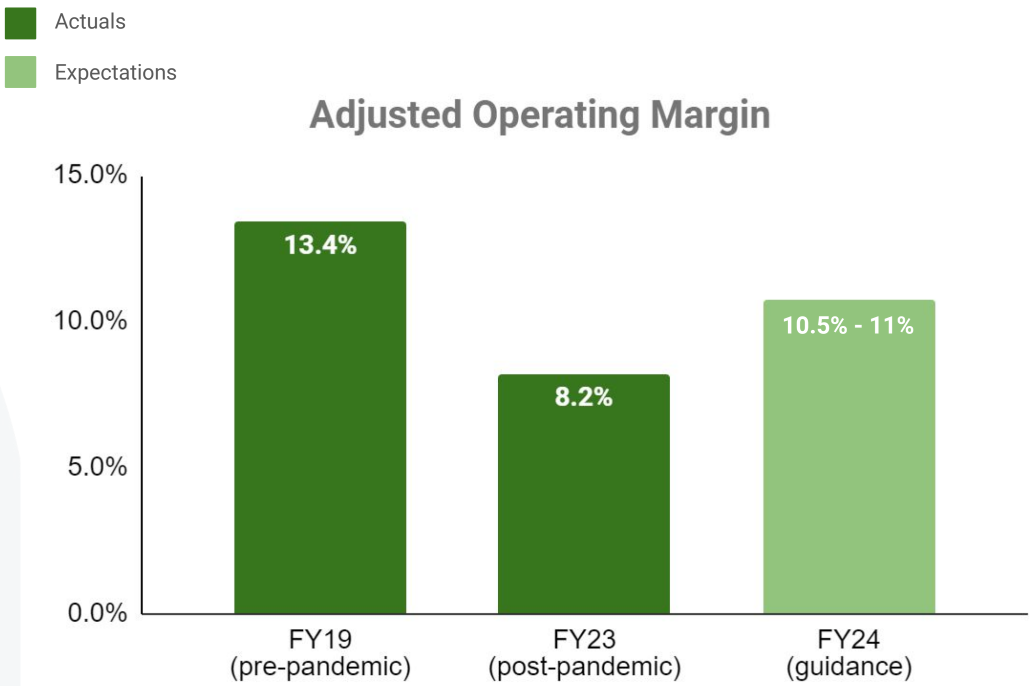


Future Goal:

Return to > 30% Adjusted Gross Margin

- Pricing
- Lower Material Costs
- Product Mix
- Fixed Cost Leverage
- Supply Chain Efficiencies

Non-GAAP Adjusted Operating Margin Improvement



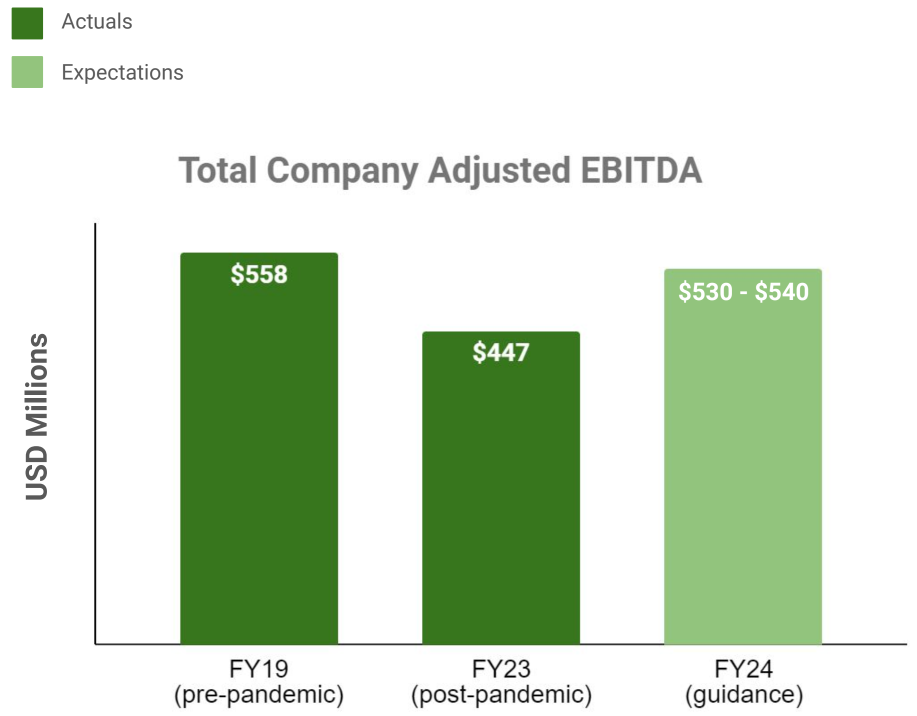
Future Goal:

> 15% Adjusted Operating Margin

- Topline Growth
- Adjusted Gross Margin Expansion
- SG&A of 15-16% of Net Sales

Improving fundamentals to propel multiples

Sustainable Non-GAAP Adjusted EBITDA Growth



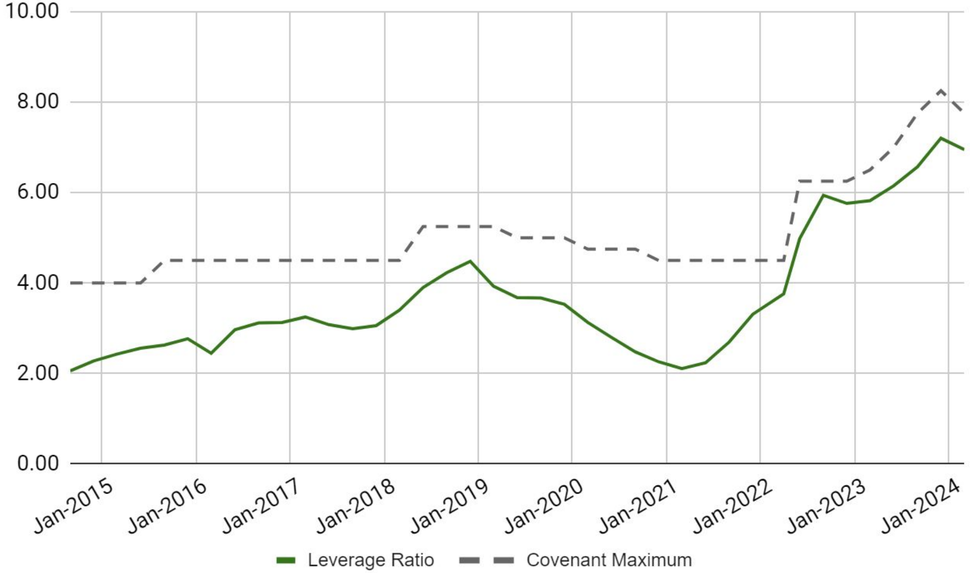
Future Goal:

> $600M Adjusted EBITDA

- Full realization of lower cost inventory benefits
- Full realization of Hawthorne warehousing/footprint reduction and focus on Signature Brands
- $150M of US Consumer supply chain efficiencies over 3 years
- Reinvestments in brands and innovation to drive growth
- Powering consumer insights, data analytics and efficiencies with technological advancements

Strengthening the balance sheet and reducing leverage

Debt reduction of **$350 million** or more and leverage **below 5x** by FYE 2024



Future Goal:

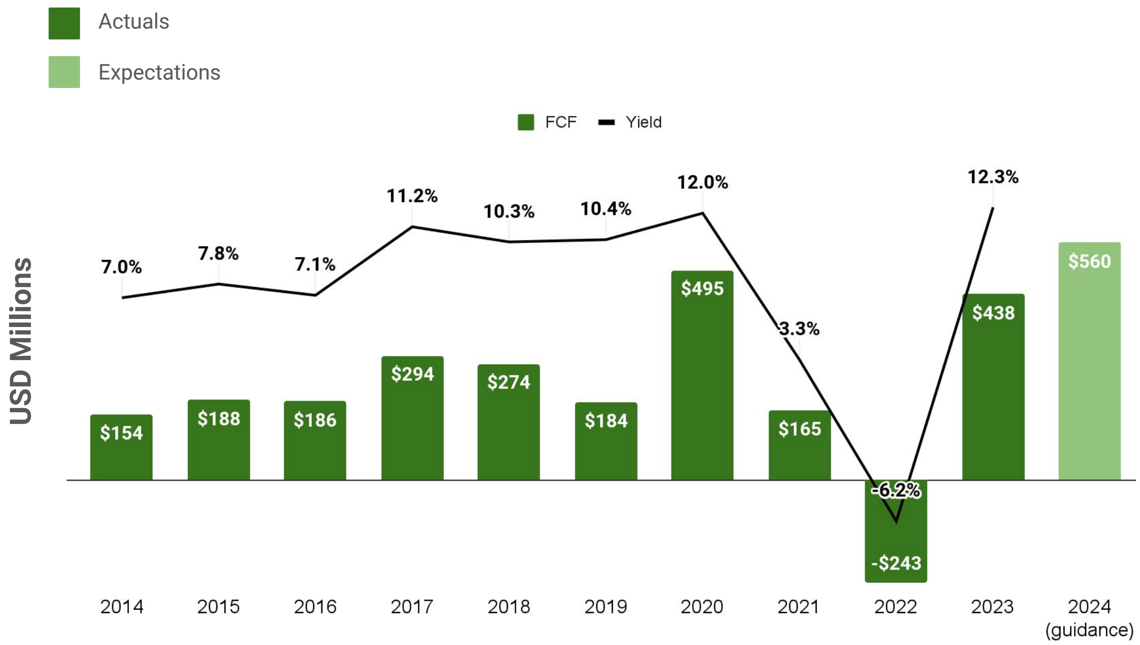
Less than 4x by YE 2026

3.0x - 3.5x in the long term

- Debt pay down
- Utilization of AR facility
- EBITDA growth

Free Cash Flow & Balanced Capital Allocation

Meaningful free cash flow enabling balanced capital allocation



CapEx Dollars	$88	$62	$58	$70	$68	$42	$63	$107	$114	$93	$70
CapEx % of Sales	4.0%	2.6%	2.3%	2.6%	2.6%	1.3%	1.5%	2.2%	2.9%	2.6%	1.9%

Future Goals:

Free Cash Flow >$300M

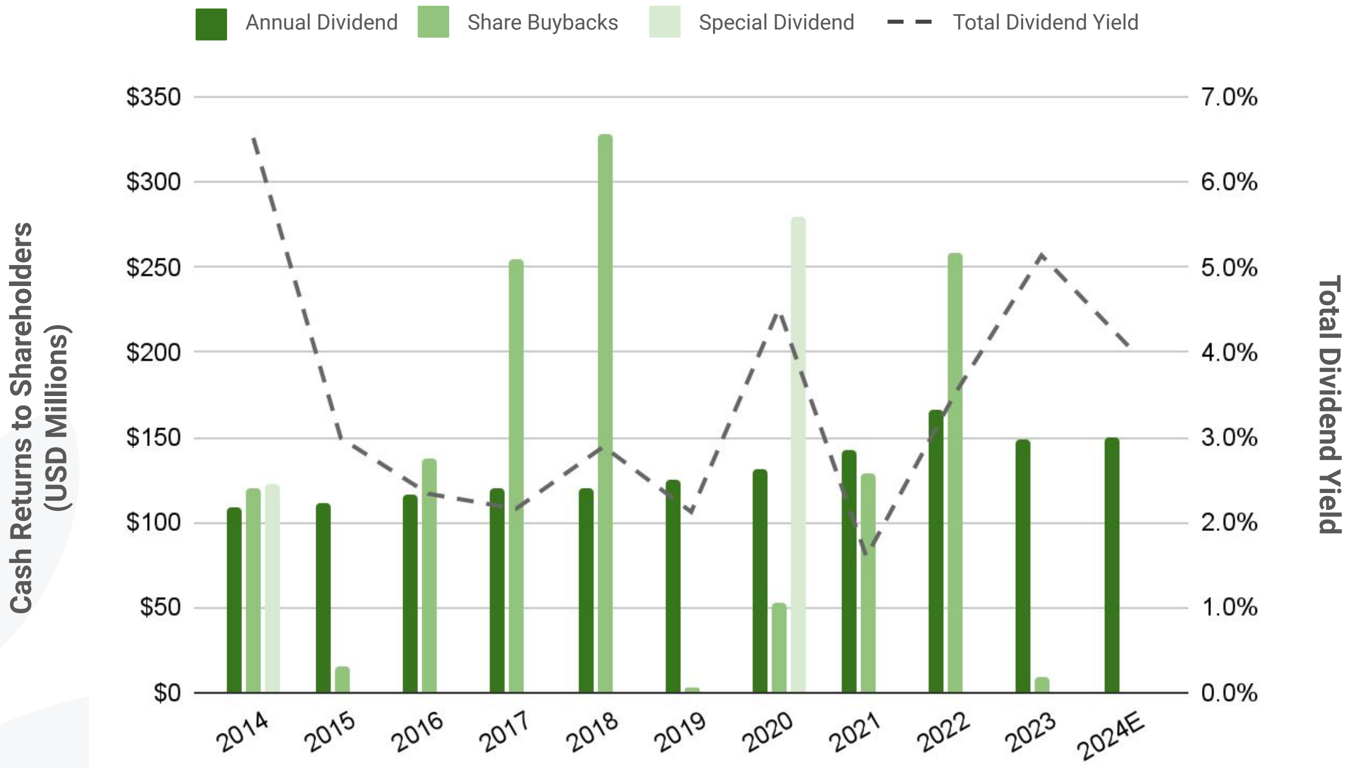
- Maintaining quarterly dividend
- Share repurchases
- Accretive M&A

CapEx 2.5% - 3.5 % of Net Sales

- High ROI organic capital investments

Accretive Growth in exciting Lawn & Garden Adjacencies

Continuing High Yield Returns to Shareholders



WHY SMG?

A strong long-term opportunity

- Iconic American company and leading brands spanning 150+ years
- Preferred experiential category with >55% of American households enjoying the benefits of gardening
- GDP+ growth potential across Core, Omnichannel, and Hawthorne
- Meaningful margin expansion expected with volume & cost-outs
- Focused, high return investments in industry-leading innovation
- Disciplined capital allocation with leverage declining on strong free cash flow

Thank you for joining us!

Superior Team

Refreshed Leadership Team passionately engaged and aligned towards our purpose to GroMoreGood!

Actionable Goals

Strategic objectives for rebuilding Financial Flexibility and delivering meaningful Shareholder Value

ScottsMiracle-Gro

Powerful Assets

Unparalleled capabilities: Leading Brands, Deep Relationships and our World Class Culture & Operations

Q&A with Jim, Matt & Nate

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 below. 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, determine incentive compensation and monitor compliance with the financial covenants contained in the Company's borrowing agreements because it believes that these non-GAAP financial 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 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 non-GAAP financial 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.

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:

- Adjusted gross margin: Gross margin excluding impairment, restructuring and other charges / recoveries.
- Adjusted income (loss) from operations: Income (loss) from operations excluding impairment, restructuring and other charges / recoveries.
- 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). A form of Adjusted EBITDA is used in agreements governing the Company's outstanding indebtedness for debt covenant compliance purposes. Adjusted EBITDA as used in those agreements includes additional adjustments to the Adjusted EBITDA presented in the reconciliations above which may decrease or increase Adjusted EBITDA for purposes of the Company's financial covenants.
- Free cash flow: Net cash provided by (used in) operating activities reduced by investments in property, plant and equipment.

Forward Looking Non-GAAP Measures

In this presentation, the Company presents certain forward-looking non-GAAP measures. The Company does not provide outlook on a GAAP basis because changes in the items that the Company excludes from GAAP to calculate the comparable non-GAAP measure, 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 many of the excluded items for internal use and therefore cannot create or rely on a GAAP outlook without unreasonable efforts. The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact the Company's GAAP results. As a result, the Company does not provide a reconciliation of forward-looking non-GAAP measures to GAAP measures, 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

(In millions)	Year Ended September 30, 2023			Year Ended September 30, 2019		
	As Reported (GAAP)	Impairment, Restructuring and Other	Adjusted (Non- GAAP)	As Reported (GAAP)	Impairment, Restructuring and Other	Adjusted (Non- GAAP)
Gross margin	$ 657.3	$ (185.6)	$ 842.9	$ 1,019.6	$ (5.9)	$ 1,025.5
Gross margin as a % of sales	18.5%		23.7%	32.3%		32.5%
Income (loss) from operations	(174.4)	(466.0)	291.7	409.6	(13.3)	422.9
Income (loss) from operations as a % of sales	-4.9%		8.2%	13.0%		13.4%

Reconciliation of Non-GAAP Financial Measures

(In millions)

Calculation of Adjusted EBITDA:	Year Ended Septermber 30, 2023	Year Ended September 30, 2019
Net income (loss) (GAAP)	$ (380.1)	$ 460.2
Income tax expense (benefit) from continuing operations	(73.2)	144.9
Income tax expense (benefit) from discontinued operations	-	11.7
Loss on contingent consideration from discontinued operations	-	-
Interest expense	178.1	101.8
Depreciation	67.3	55.9
Amortization	25.2	33.4
Impairment, restructuring and other charges from continuing operations	466.0	13.3
Impairment, restructuring and other charges (recoveries) from discontinued operations	-	(35.8)
Equity in loss of unconsolidated affiliates	101.1	-
Other non-operating expense, net	-	(260.2)
Interest income	(6.4)	(8.6)
Expense on certain leases	-	3.2
Share-based compensation	68.9	38.4
Adjusted EBITDA (Non-GAAP)	$ 446.9	$ 558.2

Reconciliation of Non-GAAP Financial Measures

(In millions)	Year Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net cash provided by (used in) operating activities (GAAP)	$ 531.0	$ (129.0)	$ 271.5	$ 558.0	$ 226.8	$ 342.5	$ 363.2	$ 244.0	$ 250.1	$ 242.0
Investments in property, plant and equipment	(92.8)	(113.5)	(106.9)	(62.7)	(42.4)	(68.2)	(69.6)	(58.3)	(61.7)	(87.6)
Free cash flow (Non-GAAP)	$ 438.2	$ (242.5)	$ 164.6	$ 495.3	$ 184.4	$ 274.3	$ 293.6	$ 185.7	$ 188.4	$ 154.4