Fourth Quarter ended September 30, 2026 Quarterly Earnings Report

Supplemental Financial Presentation

November 4, 2026

Please view this presentation in conjunction with our Q4 2026 earnings release, which is furnished on Form 8-K, our related pre-recorded remarks and additional information regarding our non-GAAP financial measures, including GAAP to non-GAAP reconciliations, available on our website at https://investor.scotts.com.

Scotts Miracle-Gro



Safe Harbor Disclosure

Statements contained in this presentation, which address activities, events and developments that the Company expects or anticipates will or may occur in the future, 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 statements" within the meaning of the U.S. federal securities laws that are subject to risks and uncertainties.

Additional detailed information concerning a number of the important factors that could cause actual results to differ materially from the forward-looking information contained in this presentation is readily available in the Company's publicly filed annual, quarterly and other reports. The Company disclaims any obligation to update developments of these factors or to announce publicly any revision to any of the forward-looking statements contained in this presentation, or to make updates to reflect future events or developments.

This presentation contains certain non-GAAP financial measures. For a reconciliation of GAAP to non-GAAP financial measures, please see the Appendix of this presentation.



Today's Speakers and Q&A Details



Nate Baxter
President and CEO



Mark Scheiwer
EVP, CFO and CAO

A live Q&A session will promptly follow the prepared remarks.

Review the press release for registration details.

To listen to the Q&A, please remain on the webcast link following our prepared remarks.

To ask a question, please pre-register via the audio link for call-in details and a unique PIN.

FY 2026 Business Update

Presented by

Nate Baxter

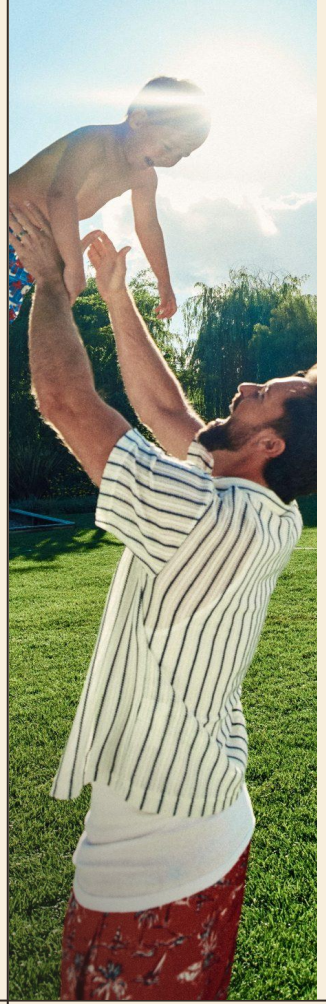
President and Chief Executive Officer



Fiscal 2026 Highlights

We met or exceeded our fiscal 2026 commitments for net sales, adjusted gross margin, adjusted diluted EPS, free cash flow and leverage ratio

- **Total Company net sales grew 1% y/y** (+2% 3YR CAGR) **driven by U.S. Consumer branded net sales growth of 4%** partially offset by expected declines in mulch and other commodity volumes
- The U.S. Consumer business delivered **branded POS growth of 1% in dollars and 2% in units** year to date driven by strong performance in Soils and Controls
- **E-commerce POS** for our branded products **increased 24% in dollars and 30% in units** year to date. Digital penetration of POS dollars was 13%, in line with expectations
- **Delivered non-GAAP adjusted gross margin of 32.4%, an improvement of 80 bps** y/y despite the impact of unplanned commodity and freight headwinds from the Iran conflict
- **Delivered non-GAAP adjusted diluted EPS from continuing operations growth of 18% y/y** for the full year which exceeded our fiscal 2026 guidance
- **Leverage ratio of 3.89x as of the end of the fiscal year**, an improvement of 0.21x vs. prior year, driven by continued use of free cash flow to debt pay down
- **Generated $278M of free cash flow this year**, meeting our expectations
- **Deployed $25M** of free cash flow in our fourth quarter **to the first round of share repurchases under the $500M share repurchase program**



SMG 2.0 Foundational Pillars

Brands

Consumer First

Belief and Purpose

Modernize Portfolio

Culture

People First

Startup Mentality

High Performing

Tech Enabled

Innovation

Speed to Market

Safe and Effective

Breakthrough Solutions

Naturals and Organics

Diversify

Channel Expansion and Differentiation

Demand Creation

Brand Reach

Digital

Influence and Inspiration

Trust and Loyalty

Branded House

Every day, we ask ourselves **what a good company would do**, and then we set out and do it.

SMG 2.0 Building Blocks

Transforming for future growth

1 **Portfolio Optimization & Innovation:**
Revitalizing core product lineups to drive premium growth

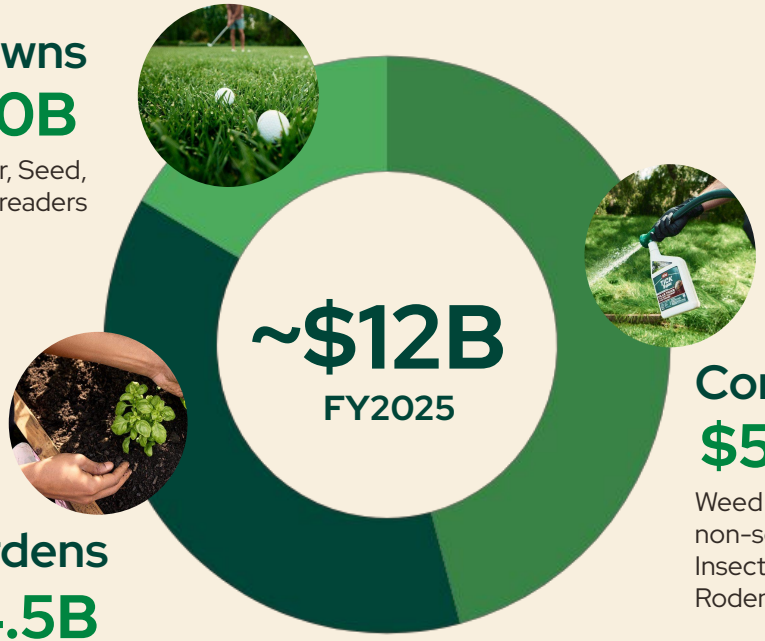
2 **Omnichannel & Retail Expansion:**
Meeting consumers everywhere through digital scale and retail partnerships

3 **Category Growth & Market Expansion:**
Accelerating household penetration to grow our addressable market

4 **Tech-Driven Operational Excellence:**
Expanding margins through targeted AI, automation and supply chain efficiencies



Our addressable market: a ~$12B DIY category



Lawns
$2.0B
Fertilizer, Seed, Spreaders

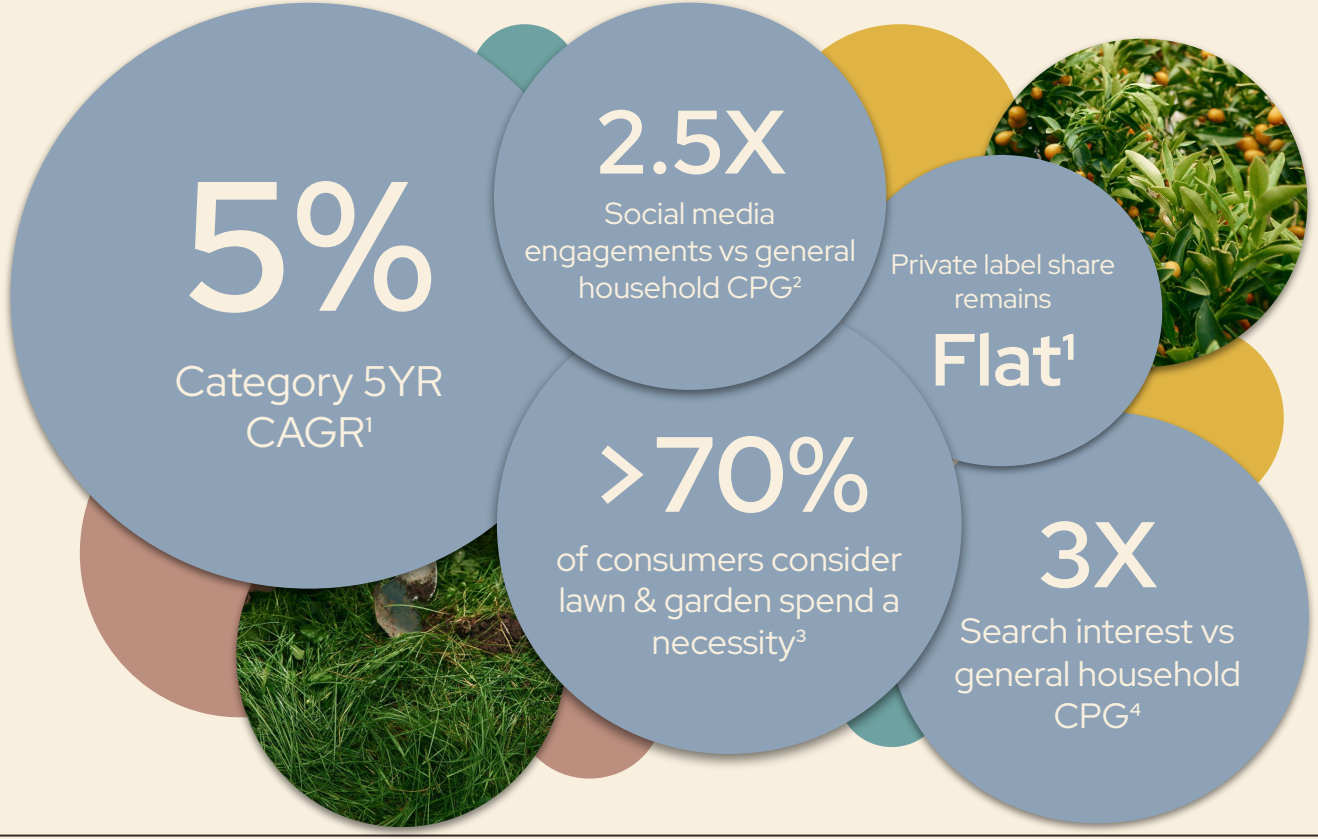
Controls
$5.5B
Weed (selective, non-selective), Insect (indoor, outdoor), Rodent

Gardens
$4.5B
Soils, Mulch, Plant Food



Source: Yipit and internal data. Includes retailers HD,LO, WM, Ace, Amz, Menards, Costco, Sam's, TSC, Target, Meijer, Dollar General for FY2025
Includes Lawns, Gardens and Controls POS dollars. Excludes categories that SMG doesn't participate in.

Lawn and garden is a growing category and consumers are engaged with our brands



[1]Yipit and internal data. Includes retailers HD,LO, WM, Ace, Amz, Menards, Costco, Sam's, TSC, Target, Meijer and Dollar General. Includes Lawns, Gardens and Controls POS dollars. Excludes categories that SMG doesn't participate in.

[2]Lawn & Garden engagements. Rival IQ 2025; Dash Social 2026; Influencer Marketing Hub 2026. Engagement-rate definitions vary by provider.

[3]SMG Consumer Pulse – June 2026 Expanded Wave (Suzy).

[4]Google Trends Lawn & Garden vs General household CPG (U.S. web search), relative search interest on a 0–100 index

Our brands and partnerships lead the way

Our Brands

#1 Brand
in Fertilizers, Grass Seed, Spreaders, Mulch

#1 Brand
in Soils and Plant Food

#1 Brand
in Rodent Control

#2 Brand
in Selective Weed, Indoor Insect

#1 Brand
in Soil Amendments

Acquired in October 2026

Partnerships

#1 Brand
in Non-selective Weed

#1 Brand
in Veggie & Herb

Top 10 Brand
in Mosquito Repellents

Source: Yipit and internal data. Includes retailers HD,LO, WM, Ace, Amz, Menards, Costco, Sam's, TSC, Target, Meijer, Dollar General for FY2025
Includes Lawns, Gardens and Controls POS dollars. Excludes categories that SMG doesn't participate in.

We are leading the category in social commerce, and AI search and discovery

First major lawn & garden brands

to launch on TikTok Shop[1]

24% of SMG Amazon consumers

are new to our brands[2]

~70% organic share of voice

vs. all other lawn & garden brands[3]

#1 ranked brands for AI search

in all major lawn & garden categories[4]

[1]TikTok Shop benchmarks and Cruva
[2]Yipit
[3]Brightedge
[4]Based on Brand AI Index from Evertune; Proprietary score based on frequency of appearing in results and placement in the result

The Black Kow acquisition complements Miracle-Gro and broadens our leadership in organic gardening solutions





















1. **Lawn & Garden Core or Adjacent**
   Trusted portfolio of organic soil and soil enhancement products targeting a new consumer for SMG

2. **Synergistic with Low Execution Risk**
   Cohesive integration into our industry leading, national growing media supply chain

3. **Strong Returns and Financially Accretive**
   Expected to contribute 1% to 2% in net sales growth and positively support SMG's operating margin and EPS in FY27

4. **Neutral to Positive on Leverage**
   $55M purchase price funded through free cash flow and EBITDA generation supports leverage goals

Innovation drives growth in fiscal 2027



Scotts Miracle-Gro PROFESSIONAL





























Technology investments support SMG 2.0 goals

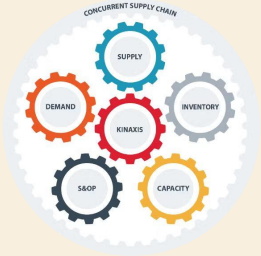
1 SAP S/4HANA ERP Transformation

3 year investment in SAP S/4HANA to transform our business

Adopted a "clean core" mindset which will:

- Optimize business processes
- Enable process automation,
- Drive business velocity (e.g. M&A)

2 Kinaxis Supply Chain Planning



"Always on" supply chain planning to enable agility, orchestration, and operational efficiency

3 Unified Data Platform

Multi-year journey, in parallel with our SAP investment, to:

- Improve data visibility
- Increase decision velocity
- Expand consumer insights

The Foundation Enabling AI Across the Enterprise

1. AI for the Consumer
2. Self-Service Analytics
3. Pricing & Promo Optimization
4. Demand Intelligence
5. Intelligent Automation

Annual supply chain savings of at least $35M

1. Network Optimization & Logistics
2. Manufacturing Automation & Efficiency
3. Product Cost Savings
4. Strategic Sourcing



FY 2026 Financial Update

Presented by

Mark Scheiwer

EVP, Chief Financial Officer and Chief Accounting Officer



FY 2026

Fiscal 2026 Performance Summary

Twelve Months ended September 30, 2026

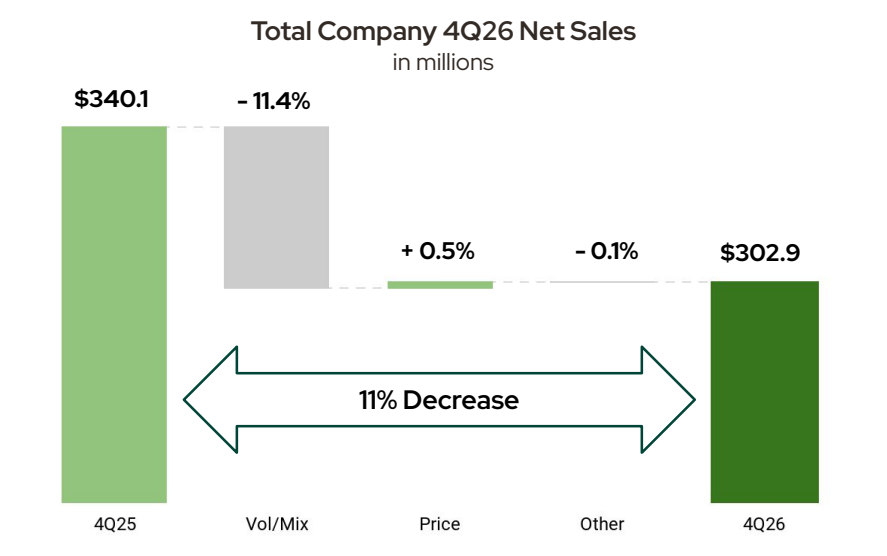
Total Company Non-GAAP Results

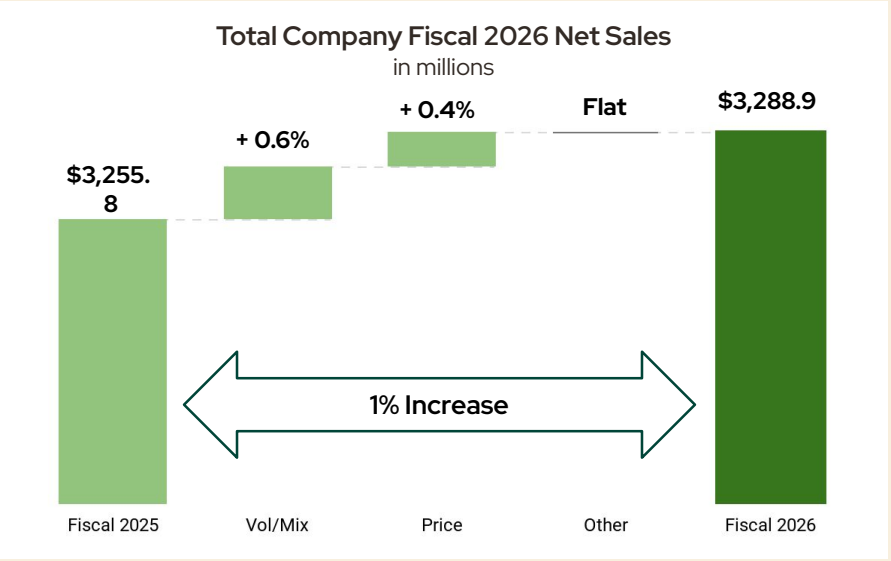
Net Sales	$3.29 billion +1%
Adjusted Gross Margin Rate	32.4% +80 bps
Adjusted SG&A	$581.2 million +3%
Adjusted Net Income from Continuing Operations	$264.8 million +19%
Interest Expense	$112.6 million -13%
Adjusted Effective Tax Rate	26% vs. 29%
Adjusted Diluted EPS from Continuing Operations	$4.48 +18%
Adjusted EBITDA	$579.9 million vs. $569.7 million
Leverage	3.89x vs. 4.10x

Non-GAAP Measures. *Comparisons are to the recasted FY 2025 results unless otherwise indicated.*



Net Sales Performance





Quarter Drivers

- **Vol/Mix - U.S. Consumer:** Volume declines in-line with our projections as retailers slowed their purchasing activities as a result of their earlier season load in plans
- **Vol/Mix - Canada**: Volume declines related to elevated retailer inventories as expected
- **Price**: Reflects the impact of market-wide price increases on targeted U.S. Consumer SKUs

Year-to-Date Drivers

- **Vol/Mix - U.S. Consumer:** Consumer demand of our higher-margin branded products in all categories, expanded listings across select retailers, and continued e-commerce expansion; partially offset by expected declines in non-branded products including Mulch
- **Vol/Mix - Canada**: Strong retailer support drove increased volume for Grass Seed, Fertilizers and Outdoor Insect
- **Price**: Reflects the impact of market-wide price increases on targeted U.S. Consumer SKUs

Q4 2026: Twelve Months ended September 30, 2026

Branded POS[1] Performance

Overall

- POS Dollars[1]: +1%
- POS Units[1]: +2%

Lawns

- **POS Dollars[1]: ↓ -3%**
  Less promotion and unfavorable weather conditions across the category
- **POS Units[1]: ↓ -3%**
  Less promotion and unfavorable weather conditions across the category

Gardens

- **POS Dollars[1]: ↑ +2%**
  Positive consumer activation programs and growth from Miracle-Gro Organics product line
- **POS Units[1]: ↑ +4%**
  Growth from Miracle-Gro Organics product line in addition to growth in Soils across key channels

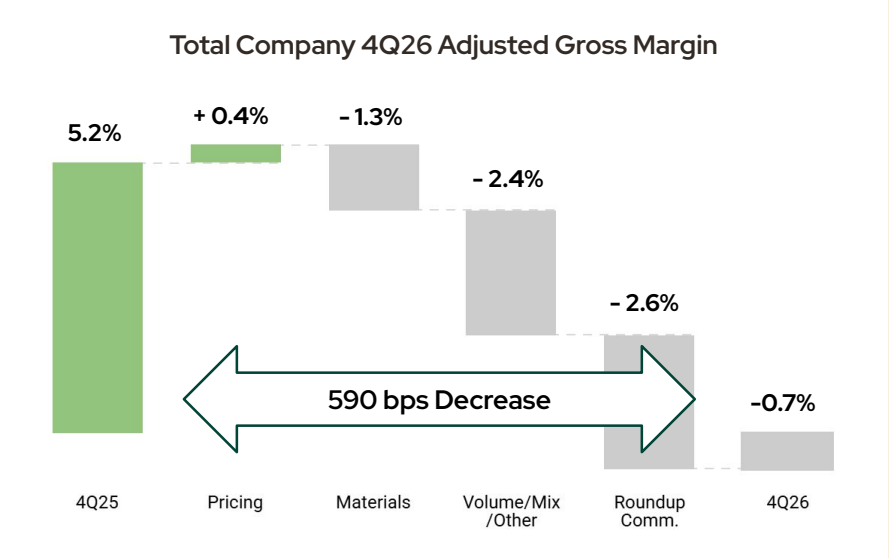
Controls

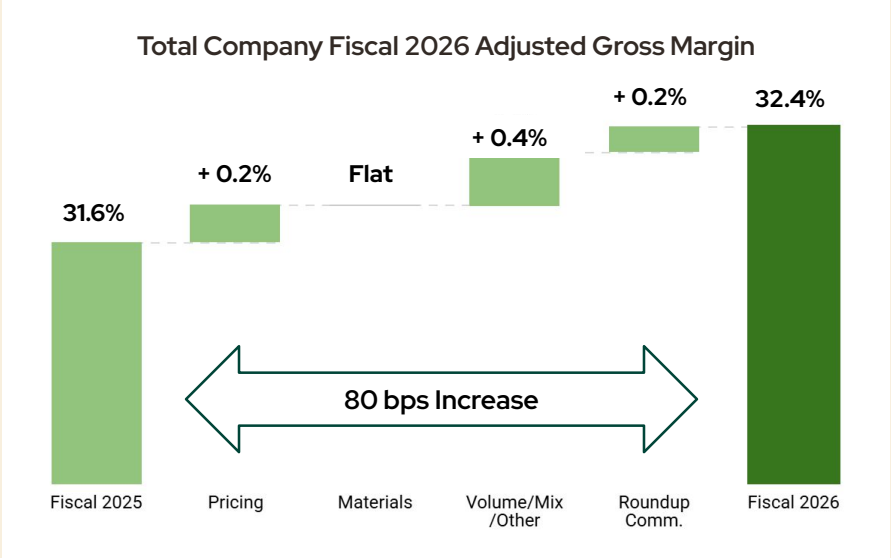
- **POS Dollars[1]: ↑ +3%**
  Growth in Roundup and Ortho Insect from favorable weather in the West in addition to pricing actions and innovation, partially offset by Rodent
- **POS Units[1]: ↓ -2%**
  Growth in Ortho Insect offset by Weed Control and Rodent. Rodent has the highest unit volume on the lowest average selling price



[1]Branded POS includes our largest strategic customers, e-commerce and only branded products and excludes Mulch, Private Label and Commodity products. This POS data represents >80% of U.S. Consumer net sales.

Gross Margin Performance





Quarter Drivers

- **Vol/Mix/Other**: Favorable mix from sales of higher-margin branded products and supply chain efficiencies more than offset by higher freight costs and unfavorable fixed cost leverage from lower volume
- **Materials**: Favorable material costs driven by supply chain savings initiatives more than offset by the impact of higher commodity costs
- **Roundup Commission**: Lower commission associated with the Roundup® marketing agreement
- **Price**: Reflects the impact of market-wide price increases on targeted U.S. Consumer SKUs

Year-to-Date Drivers

- **Vol/Mix/Other:** Favorable mix from sales of higher-margin branded products and supply chain efficiencies, partially offset by higher freight costs
- **Materials:** Favorable material costs driven by supply chain savings initiatives fully offset by the impact of higher commodity costs
- **Roundup Commission**: Higher commission associated with the Roundup® marketing agreement
- **Price**: Reflects the impact of market-wide price increases on targeted U.S. Consumer SKUs

Our Fiscal 2027 Guidance

Net Sales	• +2% to 4%
Adjusted Gross Margin Rate	• Continued expansion y/y
Adjusted EPS from Continuing Operations	• $4.70 to $4.90 per share
Free Cash Flow	• Approximately $275 million
Leverage Ratio	• Continued improvement y/y

On track to reach the Company's **target leverage range of 3.0x to 3.5x by fiscal 2029**



Non-GAAP Measures.

SMG 2.0 mid-term growth algorithm

FY27-FY29

Net Sales	+2–4%
Adjusted Gross Margin Rate	+50–100 bps
Adjusted EPS	+5–8%
Free Cash Flow	>$275M
Leverage Target	3.0–3.5 x

Long-term leverage target below **3.0x**



Reconciliation of Non-GAAP Financial Measures



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 following tables. 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 (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 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 selling, general and administrative**: Selling, general and administrative excluding IT transformation costs.
- **Adjusted income (loss) from continuing operations before income taxes:** Income (loss) from continuing operations before income taxes excluding impairment, restructuring and other charges / recoveries, IT transformation costs, unrealized gains and losses on non-core equity and other investments, costs related to refinancing and certain other non-operating income / expense items.
- **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, IT transformation costs, unrealized gains and losses on non-core equity and other investments, costs related to refinancing and certain other non-operating income / expense items.
- **Adjusted net income (loss) from continuing operations:** Net income (loss) from continuing operations excluding impairment, restructuring and other charges / recoveries, IT transformation costs, unrealized gains and losses on non-core equity and other investments, costs related to refinancing and certain other non-operating income / expense items, each net of tax.
- **Adjusted diluted net income (loss) per common share from continuing operations:** Diluted net income (loss) per common share from continuing operations excluding impairment, restructuring and other charges / recoveries, IT transformation costs, unrealized gains and losses on non-core equity and other investments, costs related to refinancing and certain other non-operating income / expense items, each net of tax.
- **Adjusted EBITDA:** Net income (loss) before interest, taxes, depreciation and amortization as well as certain other items such as discontinued operations, 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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (IN MILLIONS, EXCEPT PER SHARE DATA - UNAUDITED)

	Three Months Ended September 30, 2026			Three Months Ended September 30, 2025		
	As Reported (GAAP)	Non-GAAP Adj.	Adjusted (Non-GAAP)	As Reported (GAAP)	Non-GAAP Adj.	Adjusted (Non-GAAP)
Gross margin	$(2.1)	-	**$(2.1)**	$16.3	$(1.5)	**$17.7**
Gross margin as a % of sales	(0.7)%		**(0.7)%**	4.8%		**5.2%**
Selling, general and administrative	144.0	(13.5)	**130.4**	127.7	-	**127.7**
Loss from continuing operations before income taxes	(178.9)	(10.7)	**(168.2)**	(164.2)	(14.6)	**(149.6)**
Income tax benefit from continuing operations	(54.7)	(11.9)	**(42.8)**	(36.9)	(1.2)	**(35.7)**
Effective tax rate	30.6%		**25.4%**	22.5%		**23.9%**
Net loss from continuing operations	(124.2)	1.1	**(125.4)**	(127.3)	(13.4)	**(113.9)**
Diluted net loss per common share from continuing operations	**(2.14)**	**0.02**	**(2.16)**	**(2.21)**	**(0.24)**	**(1.97)**

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (IN MILLIONS, EXCEPT PER SHARE DATA - UNAUDITED)

	Twelve Months Ended September 30, 2026			Twelve Months Ended September 30, 2025		
	As Reported (GAAP)	Non-GAAP Adj.	Adjusted (Non-GAAP)	As Reported (GAAP)	Non-GAAP Adj.	Adjusted (Non-GAAP)
Gross margin	$1,063.0	$(2.5)	**$1,065.4**	$1,019.6	$(10.1)	**$1,029.7**
Gross margin as a % of sales	32.3%		**32.4%**	31.3%		**31.6%**
Selling, general and administrative	594.7	(13.5)	**581.2**	563.8	-	**563.8**
Income from continuing operations before income taxes	278.0	(79.9)	**357.9**	264.9	(49.2)	**314.1**
Income tax expense from continuing operations	83.1	(10.0)	**93.0**	82.8	(8.3)	**91.1**
Effective tax rate	29.9%		**26.0%**	31.3%		**29.0%**
Net income from continuing operations	194.9	(69.9)	**264.8**	182.1	(40.9)	**223.0**
Diluted net income per common share from continuing operations	**3.30**	**(1.18)**	**4.48**	**3.10**	**(0.70)**	**3.80**

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF FREE CASH FLOW (NON-GAAP)

(In millions)	Year Ended September 30, 2026
Net cash provided by operating activities (GAAP)	$373.0
Investments in property, plant and equipment	(94.6)
Free cash flow (Non-GAAP)	**$278.4**

CALCULATION OF ADJUSTED EBITDA

	Twelve Months Ended Sept 30, 2026	Twelve Months Ended Sept 30, 2025
Net income (GAAP)	$103.9	$145.2
Income tax expense from continuing operations	83.1	82.8
Loss from discontinued operations, net of tax	91.0	36.9
Interest expense	112.6	129.0
Depreciation	62.4	58.6
Amortization	2.7	2.7
Impairment, restructuring and other	51.6	45.3
IT transformation costs	13.5	-
Equity in (income) loss of unconsolidated affiliates	(3.0)	2.8
Unrealized losses on non-core equity and other investments	14.7	-
Interest income	(0.3)	-
Share-based compensation expense	47.7	66.4
Adjusted EBITDA (Non-GAAP)	**$579.9**	**$569.7**

Note: See accompanying footnotes. The sum of the components may not equal due to rounding.

Reconciliation of Non-GAAP Financial Measures

For the three and twelve months ended September 30, 2026, the following items were adjusted, in accordance with the definitions above, to arrive at the non-GAAP financial measures:

• Income (loss) from discontinued operations, net of tax, associated with the Hawthorne business was $2.3 million and $(91.0) million for the three and twelve months ended September 30, 2026, respectively. This includes a pre-tax loss of $106.2 million for the twelve months ended September 30, 2026 related to the sale of the Hawthorne business in North America. During the three months ended September 30, 2026, post-closing adjustments related to the sale were finalized and the Company recorded an increase to the cumulative pre-tax loss of $4.3 million.

• During the three and twelve months ended September 30, 2026, the Company recorded employee and executive severance charges of $0.0 million and $1.7 million, respectively, in the "Cost of sales—impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations and $4.8 million and $26.4 million, respectively, in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2026, the Company recorded unrealized gains (losses) on non-core equity and other investments of $0.9 million and $(14.7) million, respectively, in the "Other non-operating expense, net" line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2026, the Company recorded a non-cash impairment charge of $3.5 million related to other investments in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2026, the Company recorded a non-cash impairment charge of $0.0 million and $8.7 million, respectively, related to a seller financing loan in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2026, the Company recorded a non-cash impairment charge of $0.0 million and $7.9 million, respectively, related to a convertible debt investment in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations.

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

For the three and twelve months ended September 30, 2026, the following items were adjusted, in accordance with the definitions above, to arrive at the non-GAAP financial measures:

• During the three and twelve months ended September 30, 2026, the Company recorded pre-tax gains on the sale of land and real estate facilities of $6.6 million and $7.6 million, respectively, in the “Impairment, restructuring and other” line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2026, the Company recorded a charge of $0.0 million and $4.0 million, respectively, in the “Impairment, restructuring and other” line in the Condensed Consolidated Statements of Operations associated with a settlement agreement to resolve a dispute with former shareholders of a business that was acquired in fiscal 2021.

• During fiscal year 2026, the Company commenced a multi-year project to transform its information technology (“IT”) infrastructure, including replacing its enterprise resource planning system and implementing complementary software across critical business functions. The Company plans to invest over $100.0 million associated with these IT implementations over the course of the project, which is expected to be substantially complete during fiscal year 2028. The majority of these costs are expected to be third-party consulting and implementation fees. Other anticipated costs include dedicated incremental internal labor and other discrete costs incurred in connection with the project. Due to the nature, scope and magnitude of this investment, these costs are considered by management to represent incremental transformational costs above the historical normal level of spending for IT to support operations. These costs will cease at the end of the investment period, are not expected to recur in the foreseeable future, and are not considered representative of the Company's underlying operating performance. During the three and twelve months ended September 30, 2026, the Company recorded IT transformation costs of $13.5 million in the “Selling, general and administrative” line in the Condensed Consolidated Statements of Operations associated with this initiative.

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

For the three and twelve months ended September 30, 2025, the following items were adjusted, in accordance with the definitions above, to arrive at the non-GAAP financial measures:

• Loss from discontinued operations, net of tax, associated with the Hawthorne business was $24.5 million and $36.9 million for the three and twelve months ended September 30, 2025, respectively. This includes a non tax-deductible loss of $17.7 million for the three and twelve months ended September 30, 2025 related to the divestiture of the Hawthorne professional horticulture business based in the Netherlands

• During the three and twelve months ended September 30, 2025, the Company recorded employee and executive severance charges of $1.1 million and $6.1 million, respectively, in the "Cost of sales—impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations and $1.5 million and $15.0 million, respectively, in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations.

• During the three and twelve months ended September 30, 2025, the Company recorded a charge of $7.5 million in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations associated with a settlement agreement to resolve litigation with the former shareholders of a business that was acquired in fiscal 2021.

• During the three and twelve months ended September 30, 2025, the Company recorded a non-cash loss of $0.0 million and $7.0 million, respectively, in the "Impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations related to the exchange of its convertible debt investment in RIV Capital Inc. for non-voting exchangeable shares of FLUENT Corp. (formerly Cansortium Inc.).

• During fiscal 2022, the Company began implementing a series of Company-wide organizational changes and initiatives intended to create operational and management-level efficiencies. As part of this restructuring initiative, the Company reduced the size of its supply chain network, reduced staffing levels and implemented other cost-reduction initiatives. During the three months ended September 30, 2025, costs associated with this restructuring initiative were not material. During the twelve months ended September 30, 2025, the Company recorded costs of $4.0 million in the "Cost of sales—impairment, restructuring and other" line in the Condensed Consolidated Statements of Operations associated with this restructuring initiative.

• During the three and twelve months ended September 30, 2025, the Company recorded an impairment charge of $3.8 million associated with an equity method investment in the "Equity in (income) loss of unconsolidated affiliates" line in the Condensed Consolidated Statements of Operations.

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.