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Company Conference Presentation

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Table of Contents

Call Participants 3

Presentation 4

Question and Answer 7

Call Participants

EXECUTIVES

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Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

Thomas Randal Coleman
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Jon Robert Andersen
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Presentation

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Good morning, everybody, and thank you for joining us today for Scotts Miracle-Gro's webinar at the William Blair Growth Stock Conference. My name is Jon Anderson, and I'm the research analyst here at William Blair that covers Scotts. I want to welcome you to our conference, and more specific, this webinar, where today we have Scott's Chief Financial Officer, Randy Coleman; and Scott's Chief Communications Officer, Jim King.

Before beginning, I'm required to inform you that a complete list of research disclosures or potential conflicts of interest can be found on our website at williamblair.com.

So the way we're going to proceed today is we'll have Randy providing some initial comments and then we'll turn it into a question-and-answer format. For our investor clients, feel free to submit questions to me directly and I will attempt to include them in our discussion.

So with that, I'm going to turn it over, for a few minutes, to Randy to talk about the business and the press release that was issued after market yesterday. Randy?

Thomas Randal Coleman
Executive VP & CFO

Thank you, Jon, and I'm actually on vacation this week. So hence, the lovely background here for people following by video. But I'm glad to take a day out and join Jon and William Blair, and thanks for having us again this year to the conference even though it's done a little bit differently, and it's the first time we've done it this way. But obviously, we have had terrific results, and we issued the press release last night after hours. So I won't go too deeply into the numbers, but I do want to provide a lot of context. And it's interesting when you think about just 100 days ago, we were getting ready for working from home and what that was going to look like and contingency planning around the year and cash preservation and really concerned about what the outlook for the year was going to be. We posted really strong March year-to-date results. April, we had a bit of apprehension and when we had tough comps and everything going on with COVID-19 at the time. So we've navigated that month extremely well and proud of how we're able to do that and then we had our last earnings call on May 6. And at the time, we knew we navigated April well, and we're optimistic about May. And I mean Hawthorne was doing extremely well even though we had taken pricing in February and March, and the comps were getting much tougher beginning in April. We've put together a really good month. We were able to call up our Hawthorne results at that point to 30% to 35%. So since then, what we've seen is just a terrific outstanding month of May in both of our businesses. So our U.S. consumer business, POS was up 44% in dollars for the month. And Hawthorne was up 68% for the month of May. And again, that's after taking pricing and facing much more difficult comps than what we've seen the year before.

In addition to just the results, we've been able to post -- really proud of how our company has navigated, not just financially, but as far as taking care of our people. And so we've done a really nice job of compensating people. So 50% premium pay for people on the front line, whether we're talking about people in the stores or people in warehouses or people in our factories. We also enhanced cleaning and maintenance like a lot of other companies out there, but really put associates' safety first and foremost. We also took our Temecula, California plant and converted it to producing facials for quite a while and ship those across the country for free in just an effort to do the right thing under the circumstances. So I'm really proud of how we've been able to make that work.

Thinking a little bit about what that means where we are right now. So like I said, May was terrific. June is looking outstanding as well. So when we look at the order book right now for both businesses, we expect to have another record month of June. And given that, that gave us the confidence to call up our numbers, which I'll just briefly reiterate what that means. So total company sales are now 16% to 18% guidance. U.S. sales, 9% to 11%. That compares to 6% through May on a year-to-date basis. And Hawthorne sales

45% to 50% for the year. That compares to 55% year-to-date through May. EPS, $5.65 to $5.85 a share, again on an adjusted basis. And then free cash flow is approximately $350 million. And that free cash flow number assumes that we can build some inventory in the fourth quarter in Hawthorne just trying to keep up with the momentum of the business. But also in both businesses, just trying to plan ahead for some of the products that we've sourced from Asia. But to be real transparent about it, we've had difficulty keeping ourselves in stock on Hawthorne. So we're planning for an inventory build, not sure we'll actually be able to achieve it.

Also a little more context just around our guidance. Most companies right now under these circumstances have pulled their guidance, and we decided not to do that. I think we were prudent the way not try to call our numbers up in May, but we have taken our best estimates of where we think we'll land right now. But I'd also point out, if the momentum that we're seeing in May and June continues into the fourth quarter, there could potentially be upside again. But again, we historically see POS drop off mid-June as U.S. consumer -- as consumers in our U.S. business typically transition from spring to summer at that point. And it's really difficult to get a lot of momentum historically as of mid-June, which is why we really like coming to the William Blair conference at this point in the year and the season every year. But I would tell you that when we look at our southern region and our western region, we have seen an extension of the season past the historical norms. And if that were to continue for the Midwest and Northeast, I think that would be a terrific outcome as well. So time will tell and we'll see, but I do want to put our estimates in context.

Also I want to point out that our results this year have been largely consumer driven. So the home center shopping environment has been challenging. So people trying to get into a store, wait in the line, 6 feet apart. And I complement our retailers for putting the safety of consumers first, but it has not been an easy environment to shop. So one question we anticipate getting over the balance of the day is, how sustainable is this? I think one tailwind we do have going into the next year is, it should be an easier shopping environment. And I'd also point out that historically, we have not seen a terrific support from consumers in our e-commerce business. But we have seen dramatic growth, call it, 230%, 240% growth in e-commerce this year. And we define that as our big 3 customers, what we deliver direct-to-consumer through them, whether it be buy online and pickup in-store or ship directly to consumer homes. Also Amazon, which has grown, again, 250% this year. And then we do have a small direct-to-consumer business on our own websites that's less than $15 million. But last year, it was only a couple. So exponential growth, but still very, very small dollars. And that's something that we are just kicking up for the most part.

I think also just to put the P&L in a little bit more context. We have a lot of tailwinds right now. Interest rates, obviously, the rates for media for what we did and buy upfront are down probably 15% this year. So I think that's been really helpful. And then the commodity environment has been fairly benign. People who are familiar with us will know that we dollar cost average as we go heading into the next year. And as we kick off the season, we're usually about 2/3 hedged on our primary commodities. So we haven't seen a lot of the benefit in the commodity environment this year, but fairly benign, and it definitely has been helpful, given some of the tariffs that we anticipated and we did see fall through our P&L this year. So I wanted to point that out.

I guess the last thing I'd really touch on is around our balance sheet. So like I said, free cash flow right now, $350 million is our expectation leverage right now. We expect to end fiscal year at about 3x. And looking ahead into next year, that should give us a terrific amount of flexibility to either repurchase shares as we've done in large amounts over the last several years or special dividends would be a possibility, but also any kind of M&A activity. And we, right now, do not have anything that's imminent, constantly have a pipeline of ideas that we explore. But I think we have a terrific amount of flexibility heading into next year, and that makes me feel good.

So I'll just wrap up by saying a lot of reasons to feel optimistic, not just about the balance of 2020, but in '21 and beyond. When you think about Hawthorne, the regulatory environment is probably going to be more accommodating and then the circumstances and the need for states to generate more revenue. So that should be helpful. And just Hawthorne, overall, the integration of that business has been really accelerated this year. And people are familiar with the history of Scotts. We -- Scotts Miracle-

Gro combined in 1995, and surely thereafter, purchased Ortho, did the Roundup agency agreement and created one U.S. consumer platform with SAP that we used to put together the best sales force, with the best brands, with the best supply chain, innovation and R&D that goes along with that. When I think about Hawthorne, even though it's more of a B2B business rather than a consumer-focused business, really running the same kind of play with sales force, supply chain, brands, innovation, and things are really starting to come together, especially since we were able to put the business on SAP last fall.

So I would say, finally, our management team is focused. We're excited. Really glad to see how things have turned out this year. We feel fortunate about the business we're in, but we've also performed really well, lots of agility, and I'm really proud of the way we've performed. So with that, Jon, I will hand it back to you, and thank you, everybody, for listening to us this morning.

Question and Answer

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Right. Thank you very much, Randy. I appreciate the comments and congratulations on an exciting season. I wanted to start with end demand and talk a little bit about retail takeaway because I think it's important to understand some of the dynamics there. In the release yesterday, you talked about retail takeaway or point of sale being up about 19% year-to-date in your core lawn and garden business. Your updated forecast for shipments in U.S. consumer calls for 10-ish or so percent growth. So there's a delta between the takeaway at retail or sell-through and the sell-in that you're forecasting. And I'm wondering if you can talk a little bit about why that delta because it seems very explainable, and I'm not sure everybody understands that dynamic there.

Thomas Randal Coleman
Executive VP & CFO

Sure. And there's a lot going on here that makes the numbers a bit distorted. So I'll try to reconcile that for everyone. But our dollar POS year to date is approaching 20%. And when we measure those numbers, it's really our largest 4 customers. So there's a lot of sales to other customers, whether it be e-commerce, farm to fleet, a lot of the mass customers, but not our typical 3 or 4 largest customers. I guess I'd include clubs as well. That's not measured there. So we've had a lot of growth in shipments in our net sales that are not reconciled to that POS number. So the POS number also is much higher than years past and much higher than the units that have actually been shipped in and shipped out. And the reason for that is the environment was just being a lot less promotional in May and -- especially in April, again in May and even into June. So typically, we would see the home centers, especially, be very promotional to drive footsteps, especially around mulch. In the April, May time period, they have not done that this year.

So retail margins, which is reflected in this POS dollars, are much higher this year than in years past. So retailers are making a lot more money. We're making a lot more money, and consumers clearly are showing up more than ever regardless of what other units are on promotion or not. So lots of stories there to unpack, but that's why -- when we say POS dollars on a year-to-date basis are nearly 20%, that's why our sell-in and our net sales is closer to -- we said 9% to 11% as our outlook now for the full year.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

And sticking with that for a moment, do you believe that the more limited promotion activity this year is something that retailers and you as an organization have learned something from in terms of the elasticity, perhaps? And what I'm getting at, is this something that may persist in future seasons, given the performance of the business this year, both at the retail level and at the manufacturing level? Or do you see more of a reversion as perhaps the larger DIY chains want to get back into the game in a bigger way in terms of using the category to drive foot traffic?

Thomas Randal Coleman
Executive VP & CFO

All retailers are going to have sales comps and margin comps to hit. I think the home center, though, specifically, have taken profitability in our area of the store to offset costs that they've incurred, shortfalls in other parts of the store I know. And then similar to us, they're compensating their associates in a better way under the circumstances and other interaction with consumers. So we're just now talking about what next year is going to look like with our biggest customers. I think under these circumstances, everyone's just been basically hand to mouth. We've been trying to keep up in the soils, in particular. We're maxing out our factories right now and shipping everything we can. So time will tell, and I think there may not be one answer for everybody. But I think your question about elasticity, I do think it shows that promotions aren't necessary -- necessarily to drive the business. But probably to take market share and one from the other. I'd expect some of that to come back again next year.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Good. So in light of the demand that you've seen this year, I'm wondering if you could try and unpack to the extent that you have the ability to, what you're seeing in terms of maybe new users that have been brought into the Scotts franchise versus existing users or households that maybe are spending more this year as they're spending more time at home. And the kind of the reason I ask is, the follow-up to that would be the new users that you have acquired this year, how you think about being able to retain them, say, in 2021 to maintain momentum in the business?

Thomas Randal Coleman
Executive VP & CFO

Right. So we're still in the ticketing. So I think a complete analysis will come a couple of months once the season is complete. But the research we do have would say that 30% of our consumers this year are either new to the category or lapsed consumers who hadn't shopped in the last couple of years. So our challenge will be to make sure that they stay engaged. I'm sure that the shopping carts for those consumers are smaller than what you'd see from our loyal core weekend warrior consumers that come back year after year after year. So part of our challenge will be making sure that the new and lapsed users spend at the same levels and engages people broadly is what we see from our [pick-in] warriors. But I'm confident we can do that, and that's our job.

And then the other aspect is back to e-commerce. So a lot of the people shopping online would be new consumers as well. And once people develop that habit and are comfortable with buying online, I think we'll see that continue to grow. Probably not another 200% next year, but again, who knows. And one of the questions that I'm sure we'll get is, how does the profitability look for e-commerce versus while we ship to brick and mortar? A lot of what we call e-commerce is buy online, pick up in stores, so profitability is exactly the same. And I would tell you, for direct-to-consumer, for the most part, it's fairly close. Where we're really needing to improve quite a bit is our own Scotts' websites, scotts.com, miracle-gro.com, ortho.com. That's something that we've learned a lot. Like I said, our sales probably will be $15 million this year, but we've lost a few million dollars doing that in warehousing and labor and shipping costs. So we have a lot to learn. But going into this year, we thought a couple of million dollars last year would be $4 million or $5 million this year. And it's just taken off in, and we need to do better, and we've learned a lot, and we'll do better, but it's also an area for growth down the road.

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

Jon, one of the other things to think about in terms of your question about keeping, retaining those new consumers that are coming into the space today is how we market to them, and our marketing activity this year has been notably different from what we've done in the past. And I think that is a play that we continue to run and continue to get more aggressive on. So let me explain a little bit. First of all, we've kind of flipped between the amount of spend from digital and TV almost inverse from a year ago, 2/3 of the spend now is more focused on digital than TV. What that obviously gives us the opportunity to do is really more micro target the individual consumer based on weather, based on geography, based on their browser history and other things that we know about them where we can be much more precise with our messaging and what they're targeting. The other thing is what it is that we say to them as we market. What we've seen this year that worked really well for us, we really haven't -- a play that we hadn't run before is really to talk about the category to get people interested in gardening as an activity primarily and then using our brands to achieve success. So I think part of what you'll see us continue to do is use those higher-level messages to get people -- keep people involved and engaged and energized about the idea of gardening and nurturing and then using our brands as they do that. So what we've done this year is very different than what we've done in the past.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

I just want to clarify something. The -- Randy, you said earlier, the incremental households, 30% incremental households, is that just in the gardening business? Or is that across the entire enterprise? Or maybe, Jim, I don't know if you have...

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

Yes. Jon, that's primarily related to gardening. So if you look at POS across the board, if you look at our soils business, gardening, right, that's up 40%. If you look at Miracle-Gro plant food, up 30%, okay? So those are the kind of growth numbers that we've seen in that space. In lawn fertilizer, we're up mid-single digits, 7 grass seat, kind of plus 20% from a POS perspective, but that's a category that I think we're now near 3 or 4 really strong double-digit growth in that business kind of year in, year out. Weed control is a category that is up, depending on what product you're looking at, anywhere from high single-digits to low double digits. So you're not seeing -- you're seeing really solid increases, obviously, this year in participation in those categories, but nothing near what we're seeing in gardening. And if you looked at, for example, boning plants, which we have a 25% interest in, they're seeing those kinds of growth numbers in their business as well that we're seeing in our sales business, for example.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Okay. Given the channel dynamic this year where it really sounds like some of the smaller format retailers that you do business with have had a particularly strong year relative to maybe some of the larger chains. Although I understand that everyone has done well, do you expect a big response next season? Do you think it will be a more dynamic season in terms of competitive activities to drive traffic into stores? And is that a benefit or a headwind as you think about your business?

Thomas Randal Coleman
Executive VP & CFO

Jon, I think it'll be very much a tailwind in that. I do expect retailers to be much more promotional, spend a lot more money on media this year that they pulled way back on that, and we filled the void with our own spend and again, it helped when media rates were down. And like Jim King pointed out, we've learned a lot about social media and how to talk to consumers differently. So that's where we will continue to spend more money. But I think there'll be a lot more noise in the marketplace next year for sure. And I think another advantage we have is when you think about e-commerce and buy online, pick up in store, our brands are naturally suited for that since they're national brands with national distribution and for someone to hop on their iPad and run an order from a particular retailer. We'll be in stock, we'll be ready to go, and it doesn't matter what part of the country you're living in. So I think we have a big advantage there. And if you look at our relative share with our customers, it's actually higher on that buy online, pickup in store than it is in traditional brick-and-mortar sales.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Interesting. I have a couple of questions from investor clients, which I think are interesting. I'll start with the first one here that asks about the -- some of the multibillion-dollar settlements with plaintiffs in Monsanto, Roundup litigation. Given the backdrop there, do you, as a company, plan to continue to sell glyphosate going forward? I know you have some other products you brought to market under the Ortho brand that serve a similar purpose, nonselective weed control. But again, given kind of the legal backdrop around the run-up brand, do you plan to continue to sell glyphosate?

Thomas Randal Coleman
Executive VP & CFO

Sure. We don't have any particular insight to the conversations that are ongoing with Bayer and Planet attorneys. But yes, we do continue to sell Roundup and plan to continue doing that going forward. No question about that. And I have to point out, any concerns that are out there as far as the nature of the product and discussions about it being carcinogenic in nature, we have no belief that any of that is accurate. And so given that, we do plan to continue to sell Roundup going forward.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

And how has that business -- that brand performed this season?

Thomas Randal Coleman
Executive VP & CFO

POS dollars are up, approaching double digits. And on a unit basis, up low-digits or low single digits. So it continues to perform really well. And the way we think about it, the people that have used the brand forever and trust the brand and understand the safety profile continue to buy it. And the people that don't like the company that owns the brand and will never want to buy it, never have anyway. So essentially, I think we've found the place where consumers are going to engage if they want to. And if they don't want to, they never will anyway. So we're comfortable continuing to sell Roundup.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Another smaller piece of your business is AeroGrow. I think you own 80% of it. What are your plans or thoughts on that opportunity? Does it remain kind of a niche offering for you? Or what are your expectations there?

Thomas Randal Coleman
Executive VP & CFO

Yes. So AeroGrow has performed extremely well, unsurprisingly, and people staying home, wanting to grow their own. So brazed garden beds are doing well outside, but AeroGrow is doing wonderful inside. Sales are up, now approaching $50 million for the year. And we're 80% owners of that business and very pleased with the investment that we made several years ago. At the time when we invested initially 40%, I believe, was our initial ownership of that business. Sales were below $10 million. So it's accelerating even more this year, but we're glad to be the majority on AeroGrow.

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

And Jon, we like the whole indoor gardening space, generally speaking. And I think we keep looking at and talking about more opportunities to grow the indoor portion of gardening than we've been doing in the last couple of years. So clearly, with that mindset, AeroGarden plays pretty important role.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Great. Another question from the audience, I think, is an interesting one as well. If COVID-19, if the pandemic leads to flight to the suburbs and out of the denser populated urban areas, how will that affect you? I mean, do you anticipate that happening? Are you seeing any indications of that? And would that be good or bad for your business?

Thomas Randal Coleman
Executive VP & CFO

I think it would be a positive. So we've talked in the past about the need to address urban gardening and do more with indoor gardening and balconies and rooftops and so on. And we have made significant progress. But on a relative basis, the dollars being spent in urban areas versus suburban [indiscernible] very small comparison. So it would be, I think, a positive trend for us very much.

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

Yes, Jon, think about it -- I think it's a good question. Just demographically, don't make it a COVID question, just to look at urban versus suburban living and what we've been seeing for years, the largest cohort of American consumers ever or millennials who in bigger and bigger numbers every year are moving out of apartments and buying homes, whether they're in closer to the central city or around the suburbs, they're buying homes. And as that's happening, that's a really good thing for our business long term. We've been saying for quite a long time that we think the long-term demographics of our business are favorable, and that's part of the reason why you look at these new users this year in this space. Clearly, I can't quantify exactly how many of them are millennials. But clearly, you've got more people who are participating in the category for the first time and presumably, a lot of those are people who were just recent homeowners and people who are in their late 20s, early 30s.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

All right. Shifting gears to Hawthorne for a minute, a couple of minutes left. What -- you have now raised your guidance twice on the Hawthorne business. And I'm wondering if you can talk a little bit about what has surprised you most in Hawthorne that has enabled you to take the guidance up twice? Are you seeing particular strength in, is it legacy markets like California and Colorado, where maybe something has changed, there's more momentum, or newer markets like Michigan and Alabama and Ohio, what's happening under the surface there? It's really just taking you from a low double-digit view of the year and now in a 50% growth. And maybe you can also talk a little bit about the performance of the consumables versus the durables, the mix of customers, small, mid, larger commercial. I know there's a lot there, but really trying to kind of understand the strength this year that you're seeing and how sustainable that is.

Thomas Randal Coleman
Executive VP & CFO

Sure. So the easy answer is yes on everything. So almost every state, every product line, nutrients, consumables, durables, lights, fans, everything is up 40%, 50%, 60%. Existing markets, California, Colorado are performing like that new markets, like newer markets like Michigan, Florida, Oklahoma, we're seeing the same kind of thing. So difficult to say that there's one thing going on. But getting ready for the last earnings call, we did a lot of work to look at the demand. And we've always said we believe national demand should increase in, call it, a 6% to 8% number year after year after year for the foreseeable future. If you go back to '17, which was a terrific year, '18 was down 40%, '19 came back really well, and '20, in our guidance is 50% plus right now. If you look at that over time, it essentially reconciles to high single digits at this point. Back in early May, when we said 30% to 35% Hawthorne sales for the year, we didn't feel like the industry was getting ahead of itself. I'd say now that we're talking about 50% to 55%. I think there are a couple of things going on. So aside from this category coming back, our LED innovation and lights, in particular, now represents about 40% of our light sales in the U.S. So that's been a terrific innovation launch.

We're clearly taking market share. And I do start to wonder is supply starting to get a little bit ahead of demand. If you look at pricing across the U.S. with wholesale and retail pricing, it's still strong, and that's a very important indicator. So no big watch outs yet, but I'd say it does make you want a little bit when we're talking about 50% plus. I always tell my kids answer somewhere in the middle. I don't know if it's all market share or if it's all supply getting ahead of demand, probably somewhere in the middle, but I am comfortable saying we're taking a lot of market share and our execution is way better. And having said that, our supply chain needs to improve dramatically. So we were able to keep up when it was 20% or 25% or 30% or 35%. At this point, it's hand to mouth. We're shipping everything we can. It's all hands on deck. And there's a lot of profit efficiencies to come down the road as our infrastructure builds up, and we've become more efficient, and we can deliver in a much more optimized way down the road.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

I just have to ask one more. I know we're running out of time, but I want to make this point. You touched on it earlier. The situation at the state level with budget concerns, et cetera, this has to be something that states are looking at as a way to help plug those gaps, the legalization and the taxation of Cannabis for medicinal land or adult use. Are you seeing, getting those kind of vibrations as you talk to legislators and due diligence the states? Is this something that could accelerate that process?

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation

Yes, Jon, I'll take that. First of all, I think you were beginning to see more of that happen, especially in the Northeast going into this year. There was a lot of belief that New York would pass legalization in its budget this year and didn't because of what transpired with COVID. In fact, there were no new revenue streams taken up by the New York legislature this year. That's yet to come. They've delayed that until later in the year. So we still think there's a good possibility there. New Jersey has a valid initiative that will be voted on this November that is pulling 60-plus. Connecticut, that whole prostate area has been working in a coordinated fashion on this issue. And then you're starting to see some other Midwest states, we're beginning to talk about it more aggressively. And yes, we have heard anecdotally from some states that there is an increased interest level as they start to really now struggle with revenue issues. So whether it's things like gaming or whether it's things like Cannabis legalization, that's there.

And then just finally, kind of a point of clarification on the Hawthorne business. The run rate Randy talked about is very strong, and it is kind of more than kind of plus 50 right now. Remember, we've got really tough comps in the fourth quarter. So the guidance that we've reset is 45% to 50% for that business. And we feel super comfortable about that right now.

Jon Robert Andersen
William Blair & Company L.L.C., Research Division

Great. I think that takes us to the end of the discussion. Randy and Jim, I really appreciate your participation in our event this year, and I know you have a long slate of one-on-ones. So good luck for the balance of the day. And thank you, everybody, for attending.

Thomas Randal Coleman
Executive VP & CFO

Thanks, Jon.

James D. King
Chief Communications Officer, Executive VP & President of The Scotts Miracle-Gro Foundation
Thanks.