

REFINITIV

DELTA REPORT

10-K

SMG - SCOTTS MIRACLE-GRO CO

10-K - SEPTEMBER 30, 2024 COMPARED TO 10-K - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	7864
CHANGES	447
DELETIONS	5605
ADDITIONS	1812

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **September 30, 2023** **September 30, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-11593

The Scotts Miracle-Gro Company

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of
incorporation or organization)

31-1414921

(I.R.S. Employer
Identification No.)

14111 Scottslawn Road, Marysville, Ohio 43041

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(937) 644-0011

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Shares, \$0.01 stated value	SMG	NYSE

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under **section Section** 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Shares (the only common equity of the registrant) held by non-affiliates (for this purpose, executive officers and directors of the registrant are considered affiliates) as of **March 31, 2023** **March 28, 2024** (the last business day of the most recently completed second quarter) was approximately **\$2,895,917,514**; **\$3,178,556,405**.

There were **56,552,916** **57,406,064** Common Shares of the registrant outstanding as of **November 17, 2023** **November 18, 2024**.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive Proxy Statement for the registrant's 2024 2025 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended September 30, 2023 September 30, 2024.

The Scotts Miracle-Gro Company
Annual Report on Form 10-K
For the Fiscal Year Ended September 30, 2023 September 30, 2024
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PART I

ITEM 1. BUSINESS

Company Description and Development of the Business

The discussion below describes the business conducted by The Scotts Miracle-Gro Company, an Ohio corporation ("Scotts Miracle-Gro" and, together with its subsidiaries, the "Company," "we," "our" or "us"), including general developments in our business during fiscal 2023, 2024. Each reference in this Annual Report on Form 10-K ("Form 10-K") to a "fiscal" year is to our fiscal year ended or ending, as applicable, on September 30 of the referenced year. For additional information on recent business developments, see "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" of this Form 10-K.

Through our U.S. Consumer and Other segments, we are the leading manufacturer and marketer of branded consumer lawn and garden products in North America. Our products are marketed under some of the most recognized brand names in the consumer lawn and garden industry. Our key consumer lawn and garden brands include Scotts® and Turf Builder® lawn fertilizer and Scotts® grass seed products; Miracle-Gro® soil, plant food and gardening products; Ortho® herbicide and pesticide products; and Tomcat® rodent control and animal repellent products. We are the exclusive agent of the Monsanto Company, a subsidiary of Bayer AG ("Monsanto"), for the marketing and distribution of certain of Monsanto's consumer Roundup®1 branded products within the United States ("U.S.") and certain other specified countries. In addition, we have an equity interest in Bonnie Plants, LLC, a joint venture with Alabama Farmers Cooperative, Inc. ("AFC"), focused on planting, growing, developing, distributing, marketing and selling live plants.

Through our Hawthorne segment, we are a leading manufacturer, marketer, provider of nutrients, lighting and distributor of lighting, nutrients, growing media, growing environments and hardware products other materials used for indoor and hydroponic gardening in North America. Our key brands include General Hydroponics®, Gavita®, Botanicare®, Agrolux®, Gro Pro®, Mother Earth®, Grower's Edge®, HydroLogic Purification System® and Cyco CYCO®.

Scotts Miracle-Gro traces its heritage to a company founded by O.M. Scott in Marysville, Ohio in 1868. In the mid-1900s, we became widely known for the development of quality lawn fertilizers and grass seeds that led to the creation of a new industry – consumer lawn care. In the 1990s, we significantly expanded our product offering with three leading brands in the U.S. home lawn and garden industry. In fiscal 1995, through a merger with Stern's Miracle-Gro Products, Inc., which was founded by Horace Hagedorn and Otto Stern in Long Island, New York in 1951, we acquired the Miracle-Gro® brand, the industry leader in water-soluble garden plant foods. In fiscal 1999, we acquired the Ortho® brand in the United States U.S. and obtained exclusive rights to market Monsanto's consumer Roundup® brand within the United States U.S. and other contractually specified countries, thereby adding industry-leading weed, pest and disease control products to our portfolio. Today, the Scotts®, Turf Builder®, Miracle-Gro®, Ortho® and Roundup® brands make us the most widely recognized company in the consumer lawn and garden industry in the United States U.S.

Business Segments

We divide our business into the following reportable segments:

- U.S. Consumer
- Hawthorne
- Other

U.S. Consumer consists of our consumer lawn and garden business in the United States. Hawthorne consists of our indoor and hydroponic gardening business. Other primarily consists of our consumer lawn and garden business in Canada. This division of reportable segments is consistent with how the segments report to and are managed by our Chief Executive Officer (the chief operating decision maker of the Company). In addition, Corporate consists of general and administrative expenses and certain other income and expense items not allocated to the reportable business segments. Financial information about these segments for each of the three fiscal years ended September 30, 2023 September 30, 2024, 2022 2023 and 2021 2022 is presented in "NOTE 21, 20. SEGMENT INFORMATION" of the Notes to Consolidated Financial Statements included in this Form 10-K.

¹ Roundup® is a registered trademark of Monsanto Technology LLC, a company affiliated with Monsanto Company.

Principal Products and Services

In our reportable segments, we manufacture, market and sell lawn and garden products in the following categories:

Lawn Care: The lawn care category is designed to help users grow and enjoy the lawn they want. Products within this category include lawn fertilizer products under the Scotts® and Turf Builder® brand and sub-brand names; grass seed products under the Scotts®, Turf Builder®, EZ Seed®, PatchMaster® and Thick'R Lawn™ brand and sub-brand names; and lawn-related weed, pest and disease control products primarily under the Scotts® brand name, including sub-brands such as GrubEx®. The lawn care category also includes spreaders and other durables under the Scotts® brand name, including Turf Builder® EdgeGuard® spreaders and Handy Green Whirl® II and Wizz™ handheld spreaders.

Gardening and Landscape: The gardening and landscape category is designed to help consumers grow and enjoy flower and vegetable gardens and beautify landscaped areas. Products within this category include a complete line of water-soluble plant foods under the Miracle-Gro® brand and sub-brands such as LiqueFeed®; continuous-release plant foods under the Miracle-Gro® brand and sub-brands such as Shake 'N Feed®; potting mixes, garden soils, ground cover and mulches under the Miracle-Gro®, Scotts®, Hyponex® and Earthgro® brand names; plant-related pest and disease control products under the Ortho® brand; organic garden products under the Miracle-Gro® Performance Organics®, Miracle-Gro® Organic, Miracle-Gro® Organic Choice® TM, Scotts®, and Whitney Farms® and EcoScraps® brand names; and live goods and seeding solutions under the Miracle-Gro® brand. Hydroponic and indoor gardening focused growing media and nutrients products are marketed under the Mother Earth®, Botanicare®, General Hydroponics® and Cyco CYCO® brand names as well as brands owned by third parties for which we serve as distributor. names.

Hydroponic hardware and growing environments: This category is designed to provide durable goods to grow plants, flowers and vegetables using little or no soil. Products within this category include growing systems, trays, fans, filters, humidifiers, dehumidifiers, timers, instruments, water pumps, irrigation supplies and hand tools, and tools. These products are marketed under the Botanicare®, CAN-FAN™, CAN-FILTERS®, EcoPlus®, Gro Pro®, AeroGarden Grower's Edge® and HydroLogic Hydro-Logic Purification System® brand names as well as brands owned by third parties for which we serve as distributor. names.

Lighting: The lighting category is designed to provide growers a complete selection of lighting systems and components for use in hydroponic and indoor gardening applications. Products in this category include lighting sensors, controls, fixtures, reflectors, lamps, cords and hangars, and are marketed under the Gavita®, Agrolux® and Titan® brand names as well as brands owned by third parties for which we serve as distributor. names.

Controls: The controls category is designed to help consumers protect their homes from pests and maintain external home areas. Insect control products are marketed under the Ortho® brand name, including Ortho Max®, Home Defense® and Bug B Gon® sub-brands; rodent control products are marketed under the Tomcat® and Ortho® brands;

selective weed control products are marketed under the Ortho Weed B Gon™ sub-brand; and non-selective weed killer products are marketed under the Groundclear® brand name. Hydroponic gardening focused controls products are marketed under the Alchemist®, Grower's Edge® and General Hydroponics® brand names as well as brands owned by third parties for which we serve as distributor, names.

Marketing Agreement: We are Monsanto's exclusive agent for the marketing and distribution of certain of Monsanto's consumer Roundup® branded products in the United States and certain other specified countries.

Effective August 1, 2019, we entered into the Third Amended and Restated Exclusive Agency and Marketing Agreement (the "Third Restated Agreement") pursuant to which we provide certain consumer and trade marketing program services, sales, merchandising, warehousing and other selling and marketing support for certain of Monsanto's consumer Roundup® branded products. The Company also performs other services on behalf of Monsanto, including manufacturing conversion services, pursuant to ancillary agreements. For additional details regarding the Third Restated Agreement, see "ITEM 1A. RISK FACTORS — Risks Related to Our Business — *In the event the Third Restated Agreement for Monsanto's consumer Roundup® products terminates or Monsanto's consumer Roundup® business materially declines, we would lose a substantial source of future earnings and overhead expense absorption*" of in this Form 10-K and "NOTE 7.6. MARKETING AGREEMENT" of the Notes to Consolidated Financial Statements included in this Form 10-K.

Acquisitions and Divestitures

There were no material acquisitions or divestitures during fiscal 2024 or fiscal 2023. Refer to "NOTE 8.7. ACQUISITIONS AND INVESTMENTS" of the Notes to the Consolidated Financial Statements included in this Form 10-K for more information regarding fiscal 2022 and fiscal 2021 acquisitions and investments, acquisitions.

Principal Markets and Methods of Distribution

We sell our products through our direct sales force, e-commerce website and our network of brokers and distributors primarily to home centers, mass merchandisers, warehouse clubs, large hardware chains, independent hardware stores, nurseries, garden centers, e-commerce platforms, food and drug stores, indoor gardening and hydroponic product distributors, retailers and growers.

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The majority of our shipments to customers are made via common carriers or through distributors in the United States, U.S. We primarily utilize third parties to manage the key distribution centers for our consumer lawn and garden business, which are strategically located across the United States and Canada. For our Hawthorne business, we primarily self-manage distribution centers across the United States, U.S. and Canada. Growing media products are generally shipped direct-to-store without passing through a distribution center.

Raw Materials

We purchase raw materials for our products from various sources. We are subject to market risk as a result of the fluctuating prices of raw materials, including urea and other fertilizer inputs, resins, diesel, gasoline, natural gas, sphagnum peat, bark and grass seed. Our objectives surrounding the procurement of these materials are to ensure continuous supply, minimize costs and improve supply and pricing predictability. We seek to achieve these objectives through negotiation of contracts with favorable terms directly with vendors. When appropriate, we commit to purchase a certain percentage of our needs in advance of the lawn and garden season to secure pre-determined prices. We also hedge certain commodities, particularly diesel and urea, to improve cost predictability and control. Sufficient raw materials were available during fiscal 2023, 2024.

Trademarks, Patents, Trade Secrets and Licenses

We believe that our trademarks, patents, trade secrets and licenses provide us with significant competitive advantages. We pursue a vigorous trademark protection strategy consisting of registration, renewal and maintenance of key trademarks and proactive monitoring and enforcement activities to protect against infringement. The Scotts®, Miracle-Gro®, Ortho®, Tomcat®, Hyponex®, Earthgro®, General Hydroponics®, Gavita®, Botanicare®, Agrolux® and Mother Earth® brand names and logos, as well as a number of product trademarks, including Turf Builder®, EZ Seed®, Organic Choice®, Home Defense Max®, Nature Scapes®, and Weed B Gon Max® are registered in the United States and/or internationally and are considered material to our business.

In addition, we actively develop and maintain an extensive portfolio of utility and design patents covering a variety of subject matters and technologies relevant to the business such as fertilizer, weed killer, chemical and growing media compositions and processes; grass seed varieties; mechanical dispensing devices such as applicators, spreaders and sprayers; lighting applications; and hydroponic growing systems. Our utility patents provide protection generally extending to 20 years from the date of filing, and some of our patents will continue well into the next decade. We also hold exclusive and non-exclusive patent licenses and supply arrangements permitting the use and sale of additional patented fertilizers, pesticides, electrical and mechanical devices. Although our portfolio of trade secrets, patents and patent licenses is important to our success, no single trade secret, patent or group of related patents, alone, is considered critical to the operation of any of our business segments or the business as a whole.

Seasonality and Backlog

Our North America consumer lawn and garden business is highly seasonal, with approximately 75% of our annual net sales occurring in our second and third fiscal quarters combined. Our annual net sales for this business are further concentrated in our second and third fiscal quarters by retailers who rely on our ability to deliver products closer to when consumers buy our products. We anticipate significant orders for our North America consumer lawn and garden business for the upcoming spring season will start to be received late in the winter and continue through the spring season. Historically, substantially all orders have been received and shipped within the same fiscal year with minimal carryover of open orders at the end of the fiscal year.

Our Hawthorne segment is also impacted by seasonal sales patterns for certain product categories due to the timing of outdoor growing patterns in North America during our second and third fiscal quarters, and the timing of certain controlled agricultural lighting project sales during our third and fourth fiscal quarters.

Significant Customers

The Home Depot and Lowe's are our two largest customers and are the only customers that individually represent more than 10% of reported consolidated net sales during any of the three most recent fiscal years. For additional details regarding significant customers, see "ITEM 1A. RISK FACTORS — Risks Related to Our Business — *Because of the concentration of our sales to a small number of retail customers, the loss of one or more of, or a significant reduction in orders from, any of our top customers, or a material reduction in the inventory of our products that they carry, could adversely affect our financial results*" of this Form 10-K and "NOTE 21, 20. SEGMENT INFORMATION" of the Notes to Consolidated Financial Statements included in this Form 10-K.

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Competitive Marketplace

The markets in which we sell our products are highly competitive. We compete primarily on the basis of brand strength, product innovation, product quality, product performance, advertising, value, supply chain competency, field sales support, in-store sales support and the strength of our relationships with major retailers and distributors.

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In the lawn and garden, pest control and indoor gardening and hydroponic markets, our products compete against private-label private label as well as branded products. Primary competitors include Spectrum Brands Holdings, Inc., Central Garden & Pet Company, Kellogg Garden Products, Oldcastle Retail, Inc., Lebanon Seaboard Corporation, Reckitt Benckiser Group plc, FoxFarm Soil & Fertilizer Company, Nanolux Technology, Inc., Sun Gro Horticulture, Inc., Advanced Nutrients, Ltd., SBM Life Science Corp., Woodstream Corporation, Sunday Lawn Care and Hydrofarm Holdings Group, Inc. In addition, we face competition from smaller regional competitors that operate in many of the areas where we compete.

In Canada, we face competition in the lawn and garden market from Premier Tech Ltd. and a variety of local companies including private label brands.

Research and Development

We continually invest in research and development both in the laboratory to design new or improve existing product formulae and at the consumer level, packaging, as well as to improve streamline our products, manufacturing processes, packaging and delivery systems. processes. Spending on research and development was \$35.7 million \$34.6 million, \$45.3 million \$35.7 million and \$45.4 million \$45.3 million in fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, respectively, including product registration costs of \$12.4 million \$9.0 million, \$13.0 million \$12.4 million and \$12.3 million \$13.0 million, respectively. In addition to our own research and development activities, we actively seek ways to leverage the research and development activities of our suppliers and other business partners.

Regulatory Considerations

Laws and regulations in the United States and other countries affect the manufacture, sale, distribution, use and/or application of our products in several ways. For example, in the United States, all pesticide products must comply with the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), and most pesticide products require registration with the U.S. Environmental Protection Agency (the "U.S. EPA") and similar state agencies before they can be sold or distributed. The use of certain pesticide products is also regulated by the U.S. EPA in addition to various local, state and federal environmental and/or public health agencies. These regulations may for example, include requirements that only certified restrict or professional users apply the product, that certain products be used only on certain types of locations (such as "not for use on sod farms or golf courses"), that users post notices on properties to which products have been or will be applied, or that may require notification to individuals in the vicinity that products will be applied in the future, or may ban the use of certain ingredients or categories of products altogether. Analogous regulatory regimes apply to certain pesticides that we sell or distribute in other countries.

Fertilizer and growing media products are also subject to various laws and regulations, some of which require registration, mandate labeling requirements, and/or govern the sale and distribution of the products. Our grass seed products are regulated in the U.S. by the Federal Seed Act and various state regulations. In addition, governmental agencies regulate the disposal, transport, handling and storage of waste, the remediation of contaminated sites, air and water discharges from our facilities, and workplace health and safety.

Governmental authorities generally require operating facilities to obtain permits (sometimes on an annual basis) relating to site-specific conditions and/or activities. For example, permits must be obtained in order to harvest peat and to discharge storm water run-off or water pumped from peat deposits. The permits typically specify the condition in which the property must be left after the peat is fully harvested, with the residual use typically being natural wetland habitats combined with open water areas. We are generally required by these permits to limit our harvesting and to restore the property consistent with the intended residual use. In some locations, these facilities have been required to create water retention ponds to control the sediment content of discharged water.

In addition, in 2021 the Biden Administration announced a multi-agency plan to address per- and polyfluoroalkyl substances ("PFAS") contamination nationwide. Agencies, including the U.S. EPA, the Department of Defense, the Food and Drug Administration, the U.S. Department of Agriculture, the Department of Homeland Security, and the Department of Health and Human Services, will take actions to prevent the release of PFAS into the air, drinking systems, and food supply and to expand cleanup efforts to remediate the impacts of PFAS pollution. As part of this announcement, the U.S. EPA released its PFAS Strategic Roadmap: EPA's Commitments to Action 2021-2024, which sets timelines by which the U.S. EPA plans to take specific actions during the first term of the Biden Administration. Further, many states have taken action to address PFAS concerns ranging from appropriation legislation to funding scientific research, bans on certain categories of consumer products containing PFAS and/or broad prohibitions on PFAS across all products. Complicating this patchwork of state regulation is that various jurisdictions may define PFAS differently. It is possible, therefore, that some of these actions will have an impact – direct or indirect – on our business.

Packaging has also become subject to increased governmental scrutiny in many states. Specifically, state legislation is seeking to reduce single use plastics and establish extended producer responsibility programs, which are designed to bolster the recycling industry by transferring the cost of packaging disposal to the manufacturers. Extended producer responsibility programs typically include targets and reporting responsibilities for, among other things, post-consumer recycling usage, compostable packaging, material reduction and refill strategies.

The expansion of our business may expand the regulatory oversight to which we are subject. If we enter new product categories and/or new jurisdictions, we may become subject to additional applicable legal and regulatory requirements.

For more information regarding how compliance with local, state, federal and foreign laws and regulations may affect us, see "ITEM 1A. RISK FACTORS — Risks Related to Regulation of Our Company — Compliance with environmental and other public health regulations or changes in such regulations or regulatory enforcement priorities could increase our costs of doing business or limit our ability to market all of our products" of this Form 10-K.

Regulatory Matters

We are subject to various regulatory proceedings, none of which are expected to be material to our business. At September 30, 2023 September 30, 2024, \$2.7 million \$2.6 million was accrued for environmental matters. During fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, we expensed \$0.4 million \$0.1 million, \$0.2 million \$0.4 million and \$0.5 million \$0.2 million, respectively, for such environmental matters. We had no material capital expenditures during the last three fiscal years related to environmental or regulatory matters.

Human Capital

We believe our culture and commitment to our associates provides unique value to us and our shareholders. Every associate, and every job, is important to our success and helping us achieve our purpose. We seek to create an environment that values the health, safety and wellness of our teams, and we work to equip them with the knowledge and skills to serve our business and develop in their careers.

This discussion includes information regarding human capital matters that we believe may be of interest to shareholders generally. We recognize that certain other stakeholders (such as customers, employees associates and non-governmental organizations) may be interested in more detailed information on these topics. We encourage you to review the "Supporting Our People" section of our 2023 2024 Corporate Responsibility Report, located on our website at <https://scottsmiraclegro.com/responsibility/environmental-social-and-governance>, for more detailed information regarding our human capital programs and initiatives. The contents of our corporate website are not incorporated by reference in this Form 10-K or in any other report or document we file with the Securities and Exchange Commission (the "SEC").

Associates

As of September 30, 2023 September 30, 2024, we employed approximately 5,500 5,300 associates. During peak sales and production periods in fiscal 2023, 2024, our workforce totaled approximately 7,250, 7,100, comprised of approximately 6,500 employees 6,200 associates including seasonal associates and approximately 750 900 in temporary labor. Included within these numbers, during fiscal 2023, 2024, we employed a total of approximately 2,500 full-time and seasonal in-store associates within the United States to help our retail partners merchandise our products in their lawn and garden departments directly to consumers. During fiscal 2023, we continued strategic reductions in our workforce as part of an ongoing series of organizational changes and initiatives intended to create operational and management-level efficiencies.

Engagement

The level Our success depends on the engagement of engagement created through our associate experience directly impacts our business. associates. To advance drive engagement, we take a purposeful approach focused on enhancing the employee experience. Communication between members of our leadership team associate experience centering on creating a positive workplace and our other associates impacts our success by building fostering trust in leadership.

We recognize that two-way communication enhances trust and improving improves collaboration and overall engagement. We gather the voices of our associates associate feedback both formally and informally throughout the year through among other such initiatives executive town halls, as pulse surveys, leadership meetings and roundtable discussions. In fiscal 2024, we surveyed our global associate population on topics spanning the employee experience. Categories included positive workplace, strong leadership, skip-level meetings. This health & well-being, meaningful work, growth opportunity, trust in the organization and ethics. Engagement surveys provide us with insight into what we are doing well and where we have opportunities to improve. Results from the fiscal 2024 Associate Experience Survey highlighted focus areas for fiscal 2024 and beyond. Another source of associate sentiment comes from exit interviews, when we ask for ratings, rankings and feedback is from all salaried associates who voluntarily leave our organization. These valuable inputs are shared with senior leadership and leveraged integrated into practice as human capital initiatives are defined. deployed.

In light of our recent work force restructuring, We believe that an informed workforce contributes to an engaged workforce. As such, we have prioritized ensuring that our associates have access to the information they need to understand the business decisions being made, the reasons behind them and how changes will impact them in their role. To accomplish this, we execute comprehensive change management plans to support our associates through business transitions. Recognizing there is significant value to associates in engaging hearing directly with from our leadership team, we continue to host Town Hall meetings each quarter to disseminate enterprise-wide information and to allow for interactive communication.

Diversity

We value our associates' diversity and encourage them to leverage their varied life experiences at our Company. This includes diversity in terms of gender, sexuality, race, thoughts, interests, languages, beliefs and more. We continue to hold ourselves accountable to fostering a positive workplace, one that creates a sense

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Table belonging and community. This comes to life in the programs and support we provide our associates. Contents

Our employee resource groups ("ERGs") are voluntary, associate-led groups usually typically formed by people with a common affinity such as gender, race, national origin, sexual orientation, military status or other attributes. Each ERG establishes a mission to positively impact the business by cultivating relationships through networking and developing talent through experiences, programs and mentoring. Our ERGs drive continuous improvement of our inclusive work environment and are open to all associates, regardless of the business department, location or management level. associates. Our ERGs consist of the Scotts Women's Network, Associate Board, Scotts Associates For A Greener Earth, the Scotts Black Employees Network, the Scotts Christian Fellowship, Scotts Gro-Masters, Scotts GroPride, the Scotts Veterans Network, the Scotts Women's Network and the Scotts Young Professionals, Scotts GroPride and Scotts Associates for a Greener Earth, Professionals.

Professional Development

We view development and retention of our associates as valuable components of our business operations and critical to creating a culture of leadership throughout our Company. We offer both online micro-learning and virtual learning content that accelerates the development of practical skills and competencies. Content is selected by associates and updated frequently to align to the development needs of our associates and address trending topics. Our associates have the opportunity to learn new skills through exposure and involvement in business challenges. Our managers support associates as development happens on the job through cross-functional team assignments, expanded roles and rotational assignments. We provide a variety of learning tools and experiences to our associates to help them embrace a growth mindset that leads to higher levels of achievement and personal satisfaction. Our ongoing development processes are designed to grow knowledge, improve skills and capabilities, and achieve competence in specific behaviors to meet performance expectations and prepare for potential future roles within our Company. In fiscal 2024, we developed and implemented a leadership development framework for our people leaders, delivering on two key areas — leader accountabilities at the Company and critical skill training for our front line leaders.

Compensation and Benefits

Our passion extends far beyond gardening and growing to include the well-being of our associates. We are a Company that has been rooted in family since our founding in 1868, and one way we demonstrate this is our commitment to enhancing the health and financial security of our associates and their families and our support for everyday challenges through our LiveTotalHealth program – the Company's holistic and comprehensive approach to wellness. We formed a partnership with an innovative leader in the healthcare navigation and advocacy space to provide our associates and their family members with access to healthcare experts who can guide them throughout their healthcare journeys. We also believe financial health is a and mental wellness are core component to components of our associates' overall wellbeing. We well-being and we are committed to ensuring fair and competitive compensation to our associates based on their roles. Each year we conduct an annual analysis of our pay and compensation practices, from both an external market and internal consistency perspective, to ensure that our pay decisions are fair and equitable, equitable, adjusting as needed. To ensure transparency and understanding of our compensation programs, we have enhanced our education opportunities and communications for our managers and associates. We also prioritize sharing our financial successes with associates through our incentive plans for eligible participants and our profit-sharing program and discretionary bonuses for those who are not incentive eligible.

Through our LiveTotal Health program, we demonstrate our commitment to the overall well-being of our associates. In response to feedback from our most recent Associate Experience Survey, we enhanced our benefits to provide more comprehensive mental health support, including a broader range of services and improved access to mental healthcare. This focus on mental well-being is complemented by our suite of benefits, designed to meet the diverse needs of our workforce. Our offerings include healthcare coverage, family leave, 401(k) matching, and other essential benefits that support both our associates and their families. Additionally, we provide tailored benefits such as a discounted stock purchase plan, healthcare navigation and advocacy concierge services, structured reimbursement for adoption and surrogacy expenses, a Marysville onsite fitness facility, and limited reimbursement for well-being expenses.

Health and Safety

We maintain several health and safety programs to protect our team members, including our comprehensive Environmental Health and Safety ("EHS") management system. All associates and business partners, including contractors, are covered by our EHS management system. Our associates are encouraged to participate in safety committees to spur associate engagement with safety on a local and national level. To further manage health and safety risks, we develop compliance calendars that highlight dates for health and safety inspections and deadlines to meet voluntary and regulatory requirements. We use an EHS scorecard composed of leading and lagging indicators to evaluate our health and safety performance including progress measurements for safety training, behavioral-based safety observations, near-miss reporting, total recordable incident rate and lost time accident rate.

Information Systems

We understand the critical nature of real-time, measurable data and insights from a human capital perspective. Our cloud-based human capital management solution unifies our wide range of human relations functionality onto one single platform. This structure enables us to support the entire enterprise with qualitative and quantitative analytics specific to associate transactions, processes and programs, and connection to other organizational data creating a culture where data and analytics are the norm. The organization has embraced the scalable flexibility of the platform, and in doing so, has implemented other modules that integrate cohesively.

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Environmental, Social and Governance

Our stakeholders, including shareholders, customers, suppliers, associates, communities as well as the environment and society, are essential to our business. We endeavor to make our workforce more inclusive, our business more sustainable, and our communities more engaged by maintaining strong environmental, social and governance ("ESG") practices.

In fiscal 2023, 2024, we published our 12th annual Corporate Responsibility Report, prepared in reference to the Global Reporting Initiative ("GRI") Standards (2021) and with consideration for the Sustainability Accounting Standards Board's ("SASB's") Chemicals industry standard. This report maps our sustainability efforts to the United Nations Sustainable Development Goals and provides detailed information regarding our ESG strategy, focus areas and governance structure. The Company's ESG focus areas are Product Stewardship and Safety, Operations and Supply Chain, Associate Engagement and Wellness, Community Engagement and Governance and Transparency. The Company continues to benchmark, set and make progress towards goals and seek continuous improvement around these focus areas.

We publish our Corporate Responsibility Report and several ESG-related policies and statements on the ESG section of our corporate website, which is located at <https://scottsmiraclegro.com/responsibility/environmental-social-and-governance>. These policies and statements address environmental, health and safety and human rights concerns. We maintain a Supplier Code of Conduct that establishes the minimum standards that suppliers must satisfy to sell goods to or do business with the Company. Further ESG initiatives in fiscal 2023, 2024 included responding to the Carbon Disclosure Project's climate questionnaire change and completing the S&P Corporate Sustainability Assessment, water questionnaires. The contents of our corporate website are not incorporated by reference in this Form 10-K or in any other report or document we file with the SEC.

Website and General Information

We maintain a website at <http://investor.scotts.com>. Information on our websites will not be deemed incorporated by reference into, and do not form any part of, this Form 10-K or any other report or document that we file with or furnish to the SEC. We file reports with the SEC and make available, free of charge, on or through our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as well as our proxy and information statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

ITEM 1A. RISK FACTORS

Cautionary Note Regarding Forward-Looking Statements

This Form 10-K, including the exhibits hereto and the information incorporated by reference herein, as well as our 2023, 2024 Annual Report to Shareholders (our "2023, 2024 Annual Report"), contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to risks and uncertainties. Information regarding activities, events and developments that we expect or anticipate will or may occur in the future, including, but not limited to, information relating to our future growth and profitability targets and strategies designed to increase total shareholder value, are forward-looking statements based on management's estimates, assumptions and projections. Forward-looking statements also include, but are not limited to, statements regarding our future economic and financial condition and results of operations, the plans and objectives of management and our assumptions regarding our performance and such plans and objectives, as well as the amount and timing of dividends and repurchases of common shares of Scotts Miracle-Gro ("Common Shares") or other uses of cash flows. Forward-looking statements generally can be identified through the use of words such as "guidance," "outlook," "projected," "believe," "target," "predict," "estimate," "forecast," "strategy," "may," "goal," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "should" and other similar words and variations.

Forward-looking statements in this Form 10-K and our 2023, 2024 Annual Report are predictions only and actual results could differ materially from management's expectations due to a variety of factors, including those described below. All forward-looking statements attributable to us or persons working on our behalf are expressly qualified in their entirety by such risk factors, factors and other cautionary statements that we make from time to time in our other SEC filings and public communications.

You should evaluate forward-looking statements in the context of these risks and uncertainties and are cautioned not to place undue reliance on such statements. These factors may not contain all of the factors that are important to you. We cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements that we make in this Form 10-K and our 2023, 2024 Annual Report are based on management's current views and assumptions regarding future events and speak only as of their dates. We disclaim any obligation to update developments of these risk factors or to announce publicly any revisions to any of the forward-looking statements that we make, or to make corrections to reflect future events or developments, except as required by the federal securities laws, law.

Risks Related to Our Business

If we underestimate or overestimate demand for our products and do not maintain appropriate inventory levels, our net sales and/or working capital could be negatively impacted.

Our ability to manage our inventory levels to meet our customers' demand for our products is important for our business. Our production levels and inventory management goals for our products are based on estimates of demand, taking into account production capacity, timing of shipments, and inventory levels. Due to a number of factors, including manufacturing lead-times, seasonal purchasing patterns, and the potential for material price increases, we may carry additional inventory and increase our working capital and related financing requirements. This may increase our warehousing costs or result in excess inventory that may become difficult to manage, unusable or obsolete and adversely impact our ability to realize anticipated returns from product sales. If we overestimate or underestimate either channel or retail demand for any of our products during a given season, we may not maintain appropriate inventory levels, which could negatively impact our net sales, profit margins, net earnings, working capital and/or cash flow, hinder our ability to meet customer demand, result in loss of customers, or cause us to incur excess and obsolete inventory charges or excess warehouse storage costs.

An economic downturn and economic uncertainty may adversely affect demand for our products.

We have observed increased economic uncertainty in the U.S. including the potential for an economic recession. Impacts of such general economic weakness include, without limitation: falling overall demand for goods and services; reduced credit availability; reduced liquidity; volatility in credit, equity and foreign exchange markets; bankruptcies and rising

interest rates. In addition, consumers may reduce discretionary spending during periods of economic uncertainty, which could reduce sales volumes of our products or result in a shift in our product mix from higher margin to lower margin products. Adverse economic conditions have included or resulted, and could continue to include or result, in a significant increase in inflation, which could have a material adverse impact on our business, including our operating margins. Continued high inflation has had a negative impact on our operating margins in recent periods, periods including, for example, through persistently high manufacturing costs.

Disruptions in availability or increases in the prices of raw materials, fuel or transportation costs could adversely affect our results of operations.

We source many of our commodities and other raw materials on a global basis. The general availability and price of those raw materials can be affected by numerous forces beyond our control, including political instability, trade restrictions and other government regulations, duties and tariffs, price controls, changes in currency exchange rates and weather. A significant disruption in the availability or price of any of our key raw materials could negatively impact our business.

Increases in the prices of key commodities and other raw materials could adversely affect our ability to manage our cost structure. Market conditions may limit our ability to raise selling prices to offset increases in our raw material costs. Further, sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers and/or consumers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. Our projections may not accurately predict the volume impact of price increases, which could adversely affect our business, financial condition and results of operations.

Our proprietary technologies can limit our ability to locate or utilize alternative inputs for certain products. For certain inputs, new sources of supply may have to be qualified under regulatory standards, which can require additional investment and delay bringing a product to market. We utilize hedge agreements periodically to fix the prices of a portion of our urea and fuel needs. The hedge agreements are designed to mitigate the earnings and cash flow fluctuations associated with the costs of urea and fuel. In periods of declining prices, utilizing these hedge agreements may effectively increase our expenditures for these raw materials.

Because of the concentration of our sales to a small number of retail customers, the loss of one or more of, or a significant reduction in orders from, any of our top customers, or a material reduction in the inventory of our products that they carry, could adversely affect our financial results.

Our top two retail customers, The Home Depot and Lowe's, together accounted for 47%48% of our fiscal 2023 2024 net sales and 41%18% of our outstanding accounts receivable as of September 30, 2023 September 30, 2024. The loss of, or reduction in orders from any major customer for any reason (including, for example, changes in a retailer's strategy, reduction in inventories of our products that they maintain, claims or allegations that our products or products we market on behalf of third parties are unsafe, a decline in consumer demand, regulatory, legal or other external pressures or a change in marketing strategy), and customer disputes regarding shipments, fees, merchandise condition or related matters could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our inability to collect accounts receivable from one of our major customers, or a significant deterioration in the financial condition of one of these customers, including a bankruptcy filing or a liquidation, could also have a material adverse effect on our financial condition, results of operations and cash flows.

We do not have long-term sales agreements with, or other contractual assurances as to future sales to, any of our major retail customers. In addition, continued consolidation in the retail industry has resulted in an increasingly concentrated retail base, and as a result, we are significantly dependent upon sales to key retailers who have significant bargaining strength. To the extent such concentration continues to occur, our net sales and income from operations may be increasingly sensitive to deterioration in the financial condition of, or other adverse developments involving our relationship with, one or more of our

key customers. In addition, our business may be negatively affected by changes in the policies of our retailers, such as inventory reductions, limitations on access to shelf space, price demands and other conditions.

We may not successfully develop new product lines and products or improve existing product lines and products.

Our future success depends on creating and successfully competing in markets for our products including our ability to improve our existing product lines and products and to develop and manufacture new product lines and products to meet evolving consumer needs. We cannot provide any assurance that we will successfully develop and manufacture new product lines and products or product innovations that satisfy consumer needs or achieve market acceptance, or that we will develop, manufacture and market new product lines and products or product innovations in a timely manner. If we fail to successfully develop and manufacture new product lines and products or product innovations, our ability to maintain or grow our market share may be adversely affected, which could materially adversely affect our business, financial condition and results of operations. In addition, the development and introduction of new product lines and products and product innovations require substantial research and development expenditures, which we may be unable to recoup if such new product lines, products or innovations do not achieve market acceptance.

Many of the products we manufacture and market contain active ingredients that are subject to regulatory approval. The need to obtain such approval could delay the launch of new products or product innovations that contain active ingredients or otherwise prevent us from developing and manufacturing certain products and product innovations.

Our marketing activities may not be successful.

We invest substantial resources in advertising, consumer promotions and other marketing activities to maintain, extend and expand our brand image. Negative publicity about us or our brands, including publicity regarding product safety, quality, efficacy, environmental impacts (including packaging, energy and water use and matters related to climate impact and waste management) and other sustainability or similar issues, whether real or perceived, could occur and could be widely and rapidly disseminated, including through the use of social media sites. There can be no assurances that our marketing strategies will be effective or that the amount we invest in advertising activities will result in a corresponding increase in sales of our products. If our marketing initiatives are unsuccessful, including our ability to leverage new media such as digital media and social networks

to reach existing and potential customers or our brands suffer damage to reputation due to real or perceived quality issues (which damage can be quickly multiplied by social media), we will have incurred significant expenses without the benefit of higher revenues.

The highly competitive nature of our markets could adversely affect our ability to maintain or grow revenues.

Each of our operating segments participates in highly competitive markets. Our products compete against national and regional products and private label products produced by various suppliers. Many of our competitors sell their products at prices lower than ours. Our most price sensitive consumers may trade down to lower priced products during challenging economic times or if current economic conditions worsen. We compete primarily on the basis of product innovation, product quality, product performance, value, brand strength, supply chain competency, field sales support, in-store sales support, the strength of our relationships with major retailers and advertising. Some of our competitors have significant financial resources. The strong competition that we face in all of our markets may prevent us from achieving our revenue goals, which may have a material adverse effect on our financial condition, results of operations and cash flows.

Our manufacturing operations, including our reliance on third-party manufacturers, could harm our business.

We may not be able to maintain or develop efficient, low-cost manufacturing capability and processes that will enable us to meet the quality, price, design and product standards or production volumes required to successfully manufacture our products. Even if we successfully maintain and develop our manufacturing capabilities and processes, we may not be able to do so in time to satisfy the requirements needs of our customers.

We rely on third parties to manufacture certain products. This reliance generates a number of risks, including decreased control over the production and related processes, which could lead to production delays or interruptions and inferior product quality control. In addition, performance problems at these third-party manufacturers could lead to cost overruns, shortages or other problems, which could increase our costs of production or result in delivery shortages or delays to our customers.

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In addition, if one or more of our third-party manufacturers becomes insolvent or unwilling to continue to manufacture products of acceptable quality, at acceptable costs and in a timely manner, our ability to deliver products to our retail customers could be significantly impaired. Substitute manufacturers may not be available or, if available, may be unwilling or unable to manufacture the products we need on acceptable terms. Moreover, if customer demand for our products increases, we may be unable to secure sufficient additional capacity from our current third-party manufacturers, or others, on commercially reasonable terms, or at all.

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Our business is subject to risks associated with sourcing and manufacturing outside of the U.S. and risks from tariffs and/or international trade wars.

We import many of our raw materials and finished goods from countries outside of the United States, including but not limited to China. Our import operations are subject to complex customs laws, regulations, tax requirements, forced labor laws and trade regulations, such as tariffs set by governments, either through mutual agreements or bilateral actions. Tariffs on goods imported into the U.S., particularly goods from China, have increased the cost of the goods we purchase. Additional tariffs and protectionist duties could be imposed by the U.S. with relatively short notice to us. These governmental actions could have, and any similar future actions may have, a material adverse effect on our business, financial condition and results of operations. The overall effect of these risks is that our costs may increase or we may experience supply disruptions, which in turn may result in lower profitability if we are unable to offset such increases through higher prices, and/or that we may suffer a decline in sales if our customers do not accept price increases.

Our reliance on a limited base of suppliers may result in disruptions to our business and adversely affect our financial results.

Although we continue to implement risk mitigation strategies for single-source suppliers, we also rely on a limited number of suppliers for certain of our raw materials, product components and other necessary supplies, including certain active ingredients used in our products. If we are unable to maintain supplier arrangements and relationships, if we are unable to contract with suppliers at the quantity and quality levels needed for our business, or if any of our key suppliers becomes insolvent or experience other financial distress, we could experience disruptions in production, which could have a material adverse effect on our financial condition, results of operations and cash flows.

A significant interruption in the operation of our or our suppliers' facilities could impact our capacity to produce products and service our customers, which could adversely affect revenues and earnings.

Operations at our and our suppliers' facilities are subject to disruption for a variety of reasons, including fire, flooding or other natural disasters, disease outbreaks or pandemics, acts of war, terrorism, government shut-downs shutdowns and work stoppages. A significant interruption in the operation of our or our suppliers' facilities could significantly impact our capacity to produce products and service our customers in a timely manner, which could have a material adverse effect on our revenues, earnings and financial position, particularly with respect to products that we manufacture at a limited number of facilities, such as our fertilizer and liquid products.

In the event of a disaster, our disaster recovery and business continuity plans may fail, which could adversely interrupt our operations.

Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe, natural disaster, or severe weather, as well as events resulting from unauthorized security breach, power loss, telecommunications failure, terrorist attack, pandemic, or other events that could have a significant disruptive effect on our operations. We have disaster recovery and business continuity plans in place that are ready to be executed if we encounter a disruptive event. However, we cannot be certain that our plans, or those of third-party service providers we rely on, will be successful in the event of a disaster. If our disaster recovery or business continuity plans are unsuccessful in a disaster recovery scenario, we could potentially experience material adverse impacts including loss of data, damage to important facilities, disruption to our operations, regulatory intervention, reputational harm and loss of customers.

Disruptions to transportation channels that we use to distribute our products may adversely affect our margins and profitability.

We may experience disruptions to the transportation channels used to distribute our products, including increased congestion, a lack of transportation capacity, increased fuel expenses, import or export controls or delays, and labor disputes or shortages. Disruptions in our trucking capacity may result in reduced sales or increased costs, including the additional use of more expensive or less efficient alternatives to meet demand. Congestion can affect previously negotiated contracts with shipping companies, resulting in unexpected increases in shipping costs, reduction in our profitability or reduced sales.

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Climate change and unfavorable weather conditions could adversely impact financial results.

Our consumer lawn and garden net sales in any year are susceptible to weather conditions in the markets in which our products are sold. For instance, periods of abnormally wet or dry weather can adversely impact the sale of certain products, while increasing demand for other products with making the overall impact on the Company difficult to predict.

Climate change continues to receive increasing global attention. The effects of climate change could include changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperature levels. These changes could over time affect, for example, the availability and cost of raw materials, commodities and energy, which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require.

The increase in climate change attention has resulted in evolving policy, legal and regulatory changes which may impose substantial operational and compliance burdens. Collecting, measuring and analyzing information relating to such matters can be costly, time-consuming, dependent on third-party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers, in which case, the costs of raw materials and component parts could increase.

Consumers and businesses may independently change their behavior because of concerns regarding the impact of climate change and public perceptions. For example, consumers may elect to garden less frequently than historic patterns due to the unpredictability of weather patterns. Those consumers who are less directly impacted by climate change may also engage in

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less gardening due to discomfort or concerns about perceptions stemming from the direct impact of climate change on others. Current or potential retail customers may pull back from all or parts of the lawn and garden category in response to softening consumer demand. Also, our ability to finance the development of climate resilient product offerings may suffer if consumers become less engaged in lawn and gardening.

Our failure to adequately manage the political, legal, regulatory, consumer and retail impacts of climate change could have a material adverse effect on our financial condition, results of operations and cash flows.

Our business could be negatively impacted by corporate citizenship and ESG sustainability matters - including climate change - and/or our reporting of such matters.

Certain investors, customers, consumers, employees, associates, governmental authorities and other stakeholders are increasing their focus on corporate citizenship and sustainability matters, matters (including climate changes). From time to time, we communicate certain initiatives, including goals, regarding environmental matters, responsible sourcing and social investments, including pursuant to our Corporate Responsibility Report. We could fail, or be perceived to fail, to achieve such initiatives or goals, or we could fail to fully and accurately report our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Our business

Moreover, there are adopted and proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. Additional compliance burdens could be negatively impacted imposed by such matters. Any laws requiring the collection, measurement and analysis of climate-related data which can be costly, time-consuming, dependent on third-party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Compliance with any new or related more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers, in which case, the costs of raw materials and component parts could increase. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers.

Any failure to achieve our goals with respect to corporate citizenship and sustainability matters or a perception (whether or not valid) of our failure to act responsibly with respect to the environment or to adequately manage the political, legal and regulatory impacts of corporate citizenship or other sustainability matters could have a material adverse effect on adversely affect our business, financial condition, results of operations, cash flows and reputation.

Product recalls or other product liability claims could materially and adversely affect our business, financial condition and results of operation.

Due to the highly regulated nature of our products, which are primarily designed for consumer use, we may be required to stop selling, return or recall products due to a variety of potential concerns including suspected or confirmed product contamination, adulteration, product mislabeling or misbranding, tampering, or other deficiencies. Product recalls or voluntary market withdrawals could result in significant losses due to their costs, the destruction of product inventory, and lost sales due to the unavailability of the product for a period of time. Adverse attention about these types of concerns, whether or not valid, may damage our reputation, discourage consumers from buying our products, or cause production and delivery disruptions that could negatively impact our sales and financial condition.

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We may also suffer losses if our products or operations violate applicable laws or regulations, or if our products are alleged to cause damage to property, injury, illness, or death. A significant product liability, legal judgment or a related regulatory enforcement action against us, or a significant product recall or voluntary withdrawal, may materially and adversely affect our business, financial condition and results of operation.

If the perception of our brands or organizational reputation are damaged, our consumers, distributors and retailers may react negatively, which could materially and adversely affect our business, financial condition and results of operations.

We believe we have built our reputation on the efficacy and safety of our brands. Any incident that erodes consumer affinity for our brands or our business operations could significantly reduce our value and damage our business. For example, negative third-party research or media reports on our product safety or efficacy, whether accurate or not, may adversely affect consumer perceptions, which could cause the value of our brands to suffer and adversely affect our business. We may also be adversely affected by news or other negative publicity, regardless of accuracy, regarding other aspects of our business, such as:

- public health concerns, illness or safety;
- the perception of our environmental stewardship and the effects our business has on the environment;
- security breaches of confidential company, customer or employee information; or
- employee related claims relating to alleged employment discrimination, health care and benefit issues.

As part of our marketing initiatives, we have contracted with certain public figures to market and endorse our products. While we maintain specific selection criteria and are diligent in our efforts to seek out public figures that resonate genuinely and effectively with our consumer audience, the individuals we choose to market and endorse our products may fall into negative favor with the general public. Because our consumers may associate the public figures that market and endorse our products with us, any negative publicity on behalf of such individuals may cause negative publicity about us and our products. This negative publicity could materially and adversely affect our brands and reputation and our revenue and profits.

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Certain of our products may be purchased for use in new and emerging industries or segments and/or be subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions.

We sell products, including hydroponic gardening products, that end users may purchase for use in new and emerging industries or segments, including the growing of cannabis, that may not grow or achieve market acceptance in a manner that we can predict. The demand for these products depends on the uncertain growth of these industries or segments. For example, our Hawthorne segment sales volume has decreased due to an oversupply of cannabis, which has driven led to a prolonged period of lower cannabis wholesale prices down significantly and has resulted in a decrease in reduced indoor and outdoor cannabis cultivation. The oversupply has been driven by the impacts of increased licensing activity across the U.S., and significant capital investment in the cannabis production marketplace over the past several years, as well as inconsistent enforcement of regulations and the market impacts of the COVID-19 pandemic. regulations.

In addition, we sell products that end users may purchase for use in industries or segments, including the growing of cannabis, that are subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions. For example, certain countries and 38 U.S. states have adopted frameworks that authorize, regulate, and tax the cultivation, processing, sale, and use of cannabis for medicinal and/or non-medicinal use, while the U.S. Controlled Substances Act and the laws of other U.S. states prohibit growing cannabis.

If we are unable to effectively execute our e-commerce business, our reputation and operating results may be harmed.

We sell certain of our products over the Internet through our online store and our retail customer's e-commerce retail platforms. As consumers demonstrate greater reliance on e-commerce channels, the success of our business depends on our investment in e-commerce platforms, consumer preferences and buying trends relating to e-commerce, and our ability to both maintain the continuous operation of our online store and our fulfillment operations that support both our own and our retail customers' e-commerce platforms. It is essential that these platforms provide a shopping experience that will generate orders and return visits to the respective platforms.

We are also vulnerable to certain additional risks and uncertainties associated with our e-commerce business, including: changes in required technology interfaces; website downtime and other technical failures; costs and technical issues associated with website software, systems and technology investments and upgrades; data and system security; system failures, disruptions and breaches and the costs to address and remedy such failures, disruptions or breaches; computer viruses; and changes in and compliance with applicable federal and state regulations. In addition, our efforts to remain competitive with technology trends, including the use of new or improved technology, creative user interfaces and other e-commerce marketing tools such as paid search and mobile applications, among others, may increase our costs and may not increase sales or attract consumers. Our failure to successfully respond to these risks and uncertainties might adversely affect the sales of our e-commerce business, as well as damage our reputation and brands.

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Additionally, the success of our e-commerce business and the satisfaction of our consumers depend on the timely receipt of our products by our consumers. The efficient delivery of our products to our consumers requires that our distribution centers have adequate capacity to support the current level of e-commerce operations and any anticipated increased levels that may occur as a result of the growth of our e-commerce business. If we encounter difficulties with our distribution centers, or if any distribution centers shut down for any reason, including as a result of pandemics, acts of war, terrorism, government shut downs, work stoppages and fire or other natural disasters, we could face inventory shortages that may result in out of stock conditions in our online store, incur significantly higher costs and longer lead times associated with distributing our products to our consumers and experience dissatisfaction from our consumers. Any of these issues could have a material adverse effect on our business and harm our reputation.

Our operations, financial condition or reputation may be impaired if our information or operational technology systems fail to perform adequately or if we are the subject of a data breach or cyber-attack.

We rely on information and operational technology systems to conduct business, including communicating with employees associates and our key retail customers, ordering and managing materials from suppliers, shipping products to retail customers and analyzing and reporting results of operations. While we have taken steps to ensure the security of our information and operational technology systems, including those of our customers, vendors, suppliers and other third-party service providers with on whom we have contracted, rely, our systems, as well the systems utilized by our customers, vendors, suppliers and other third-party service providers, have, in the past, been and may, in the future, be vulnerable to cyber-threats cyber threats such as computer viruses or other malicious codes, malware, security breaches, unauthorized access, phishing attacks, and other disruptions from employee error, unauthorized uses, activity, system failures, (including Internet outages), defects, unintentional or malicious actions of employees or associates, contractors, and cyber-attacks by hackers, bad actors (e.g., cyber criminal groups, nation state actors and social-activist organizations). Our information and operational technology systems and our third-party providers' systems, have been, and will likely continue to be, subject to cyber-threats. hacktivist organizations).

We have experienced and may continue to experience an increase in the number of such attacks or threats as a substantial number of our employees work remotely and access our technology infrastructure remotely. cyber threats. In addition, while we maintain cyber-security insurance, costs related to a cyber-attack may exceed the amount of insurance coverage or be excluded under the terms of our

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cyber-security insurance policy. As cyber-attacks increase in frequency and magnitude, we may be unable to obtain cyber-security insurance in amounts and on terms we view as appropriate for our operations.

If our information or operational technology systems are damaged or cease to function properly for an extended period of time, whether as a result of a significant cyber-incident or otherwise, any other adverse event, our ability to operate or communicate internally as well as with our retail customers, vendors, suppliers and other parties critical to our business, could be significantly impaired, which may adversely impact our business.

Additionally, in the normal course of our business, we collect, store and transmit proprietary and confidential information regarding our customers, employees, consumers, associates, suppliers and others, including personally identifiable information. We are required to comply with increasingly complex and changing data privacy and security laws and regulations, that apply to the collection, storage, use, transmission and protection of personal information and other consumer and employee data, including particularly the transfer of personal data between or among countries. High-profile security breaches of the information systems of a number of U.S. companies and/or government agencies may result in increased regulations and new security laws.

An operational failure or breach of security from increasingly sophisticated cyber-threats could lead to loss, misuse or unauthorized disclosure of this information about our employees associates or consumers, which may result in regulatory or other legal proceedings, and have a material adverse effect on our business and reputation. We also may not have the resources or technical sophistication to anticipate or prevent rapidly-evolving types of cyber-attacks. Any such attacks or precautionary measures taken to prevent anticipated attacks may result in increasing costs, including costs for additional technologies, training and third party third-party consultants. The losses incurred from a breach of data security and operational failures cybersecurity-related event as well as the precautionary measures required to address this evolving risk may adversely impact our financial condition, results of operations, cash flows and reputation.

Our insurance coverage may not be sufficient to avoid or effectively mitigate the material impact on our financial position or results of operations resulting from claims or liabilities against us, and we may not be able to obtain appropriate insurance coverage in the future.

We maintain insurance coverage to manage our exposure to future claims and liabilities that may adversely impact our financial position or results of operations. The extent of our insurance program is under continuous review and coverages are modified as we deem necessary, necessary to mitigate current or emerging risks. Despite our program, it is possible that claims or liabilities against us may have a material adverse impact on our financial position or results of operations. In addition, we may not be able to obtain adequate sufficient insurance coverage, when our existing insurance policies expire.

We maintain commercial an insurance program that includes coverage to de-risk against claims associated with property damage, management liability, and operations focused insurance coverage including property, management, cargo liability, cyber threats, workers compensation and general liability, liability losses. While we expect to be able to continue our insurance coverages, there can be no assurance that we will be able to continue such procure insurance coverage, or that such policy limits will be adequate to cover any liability we may incur, or that our insurance premiums will continue to be available at a cost similar to our cost today. The volatility of the insurance and reinsurance markets are also subject to macroeconomic conditions and events that are outside of our control.

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Additionally, it is possible one or more of our insurers could specifically exclude from our policy certain chemicals or compounds used in our products. Consequently, we may have to stop using cease use of those chemicals or compounds and/or be forced to substitute less effective or more expensive alternatives to continue manufacturing and/or distributing such goods. A substantial increase in liability exposure or the loss of customers or product lines offerings could each have a material adverse effect on our results of operations and financial condition.

Our international operations make us susceptible to the costs and risks associated with operating internationally.

We operate manufacturing, sales and service facilities outside of the United States, particularly in Canada, the Netherlands, Mexico and China. Accordingly, we are subject to risks associated with operating in foreign countries, including:

- fluctuations in currency exchange rates;
- limitations on the remittance of dividends and other payments by foreign subsidiaries;
- additional costs of compliance with local regulations;
- historically, in certain countries, higher rates of inflation than in the United States;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- restrictive actions by multinational governing bodies, foreign governments or subdivisions thereof;
- changes in foreign labor laws and regulations affecting our ability to hire and retain employees; associates;
- changes in U.S. and foreign laws regarding trade and investment, including the impact of tariffs;
- less robust protection of our intellectual property under foreign laws; and
- difficulty in obtaining distribution and support for our products, including the impact of shipping port delays.

In addition, our operations outside the United States are subject to the risk of new and different legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations and potentially adverse tax consequences. The costs associated with operating our continuing international business could adversely affect our results of operations, financial condition and cash flows in the future.

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In the event the Third Restated Agreement for Monsanto's consumer Roundup® products terminates or Monsanto's consumer Roundup® business materially declines, we would lose a substantial source of future earnings and overhead expense absorption.

If we (i) become insolvent, (ii) commit a material breach, material fraud or material willful misconduct under the Third Restated Agreement, (iii) experience a change of control (subject to certain exceptions), or (iv) impermissibly assign our rights or delegate our obligations under the Third Restated Agreement, Monsanto may terminate the Third Restated Agreement without paying a termination fee to the Company, subject to certain terms and conditions as set forth therein. In addition, if Program EBIT (as defined in the Third Restated Agreement) falls below \$50.0 million in any program year, Monsanto may terminate the Third Restated Agreement without paying a termination fee to the Company, subject to certain terms and conditions as set forth therein.

Monsanto may also terminate the Third Restated Agreement in the event of (a) a change of control of Monsanto or a sale of the Roundup® business effective at the end of the fifth full year after providing notice of termination, subject to certain terms and conditions as set forth in the applicable agreements, or (b) Monsanto's decision to decommission the permits, licenses and registrations needed for, and the trademarks, trade names, packages, copyrights and designs used in, the sale of the Roundup® products in the lawn and garden market (a "Brand Decommissioning Event"), but, in each case, Monsanto would have to pay a termination fee to the Company.

If circumstances exist or otherwise develop that result in a material decline in Monsanto's consumer Roundup® business, or in the event of Monsanto's insolvency or bankruptcy, we would seek to mitigate the impact on us by exercising various rights and remedies under the Third Restated Agreement and applicable law. We cannot, however, provide any assurance that our exercise of such rights or remedies would produce the desired outcomes or that a material decline in Monsanto's consumer Roundup® business would not have a material adverse effect on our business, financial condition or results of operations.

In the event that the Third Restated Agreement terminates or Monsanto's consumer Roundup® business materially declines, we would lose all, or a substantial portion, of the significant source of earnings and overhead expense absorption the Third Restated Agreement provides.

For additional information regarding the Third Restated Agreement including certain of our rights and remedies under the Third Restated Agreement, see "NOTE 7.6. MARKETING AGREEMENT" of the Notes to Consolidated Financial Statements included in this Form 10-K.

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We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.

Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license, particularly our registered brand names and issued patents. Although we have a robust portfolio of registered trademarks, we have not sought to register each of our marks either in the United States or in every country in which such mark is used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States with respect to the registered brand names and issued patents we hold. If we are unable to protect our intellectual property, proprietary information and/or brand names, we could suffer a material adverse effect on our business, financial condition and results of operations.

Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim

of trademark, patent or other intellectual property infringement against us, or any other successful challenge to the use of our intellectual property, could subject us to damages or prevent us from providing certain products or services, or using certain of our recognized brand names, which could have a material adverse effect on our business, financial condition and results of operations.

Our success depends upon the retention and availability of key personnel and the effective succession of senior management.

Our success largely depends on the performance of our management team and other key personnel. Our future operations could be harmed if we are unable to attract and retain talented, highly qualified senior executives and other key personnel. During In fiscal 2023 through the filing of this report, and fiscal 2024, we experienced management transitions involving our Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer and General Counsel. In addition, our current Chief Financial Officer will be departing the Company effective December 31, 2024. For additional information regarding this departure, see "ITEM 9B. OTHER INFORMATION" of this Form 10-K.

If we are unable to effectively provide for the succession of senior management, including our chief executive officer, our business, prospects, results of operations, financial condition and cash flows may be materially adversely affected.

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Our workforce reductions may cause undesirable consequences and adversely affect our business and results of operations may be harmed. operations.

During fiscal 2024, fiscal 2023 and fiscal 2022, we undertook a strategic reduction reductions in our workforce as part of an on-going series of organizational changes and initiatives intended to create operational and management-level efficiencies. This workforce reduction may yield unintended consequences, such as attrition beyond our intended reduction in workforce and reduced employee morale, which may cause our employees associates who were not affected by the reduction in workforce to seek alternate employment. Employees Associates whose positions were eliminated or those who determine to seek alternate employment may seek employment with our competitors.

We cannot provide assurance that we will not undertake additional workforce reductions or that we will be able to realize the cost savings and other anticipated benefits from our previous or any future workforce reduction plans. In addition, if we continue to reduce our workforce, it may adversely impact our ability to respond rapidly to any new product, growth or revenue opportunities and to execute on our business plans. Additionally, reductions in workforce may make it more difficult to recruit and retain new employees, associates if they perceive uncertainty in employment. If we need to increase the size of our workforce in the future, we may encounter a competitive hiring market due to labor shortages, increased employee turnover, changes in the availability of workers and increased wage costs.

We are involved in a number of legal proceedings and, while we cannot predict the outcomes of such proceedings and other contingencies with certainty, some of these outcomes could adversely affect our business, financial condition, results of operations and cash flows.

We are involved in legal proceedings and are subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the course of our business (see the discussion in "ITEM 3. LEGAL PROCEEDINGS" of this Form 10-K). Legal proceedings, in general, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and/or involve parties seeking large and/or indeterminate amounts of damages, including punitive or exemplary damages, and may remain unresolved for several years. For example, product liability claims challenging the safety of our products or products we market on behalf of third parties may also result in a decline in sales for a particular product and could damage the reputation or the value of related brands, involve us in litigation and have a material adverse effect on our business.

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From time to time, we are also involved in legal proceedings as a plaintiff involving contract, intellectual property and other matters. We may also become matters including, for example, the subject of securities litigation or and shareholder derivative suits, suits discussed in "ITEM 3. LEGAL PROCEEDINGS" of this Form 10-K. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, we could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and/or our cash flows in the period in which the amounts are paid. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations and, depending on the nature of the allegations, could negatively impact our reputation or the reputation of products we market on behalf of third parties. Additionally, defending against these legal proceedings may involve significant expense and diversion of management's attention and resources.

Risks Related to Our M&A, Lending and Financing Activities

Our indebtedness could limit our flexibility and adversely affect our financial condition.

As of September 30, 2023 September 30, 2024, we had \$2,630.6 million \$2,242.8 million of debt and \$1,156.7 million \$1,167.0 million in available borrowings under our credit facility. Our inability to meet restrictive financial and non-financial covenants associated with that debt, or to generate sufficient cash flow to repay maturing debt, could adversely affect our financial condition. For example, our debt level could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- make us more vulnerable to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of cash flows from operating activities to payments on our indebtedness, which would reduce the cash flows available to fund working capital, capital expenditures, advertising, research and development efforts, pay dividends, repurchase our Common Shares and other general corporate activities;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- limit our ability to borrow additional funds;
- expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

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Our ability to make payments on or to refinance our indebtedness, fund planned capital expenditures and acquisitions, pay dividends and **make repurchases of** **repurchase** our Common Shares will depend on our ability to generate cash in the future which, to some extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot provide any assurance that our business will generate sufficient cash flow from operating activities or that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

Our credit facility and the indentures governing our 5.250% Senior Notes due 2026 (the "5.250% Senior Notes"), our 4.500% Senior Notes due 2029 (the "4.500% Senior Notes"), our 4.000% Senior Notes due 2031 (the "4.000% Senior Notes") and our 4.375% Senior Notes due 2032 (the "4.375% Senior Notes" and, collectively with the 5.250% Senior Notes, the 4.500% Senior Notes and the 4.000% Senior Notes, the "Senior Notes") contain restrictive covenants and cross-default provisions. For example, under our credit facility the maximum permitted leverage ratio is (i) **7.75 for the fourth quarter of fiscal 2023**, (ii) **8.25 for the first quarter of fiscal 2024**, (iii) **7.75 for the second quarter of fiscal 2024**, (iv) **6.50 for the third quarter of fiscal 2024**, (v) **6.00 for the fourth quarter of fiscal 2024**, (vi) **5.50 for the first quarter of fiscal 2025**, (vii) **5.25 for the second quarter of fiscal 2025**, (viii) **5.00 for the third quarter of fiscal 2025**, (ix) **4.75 for the fourth quarter of fiscal 2025** and (x) **4.50 for the first quarter of fiscal 2026 and thereafter**. Our leverage ratio was **6.57** at **September 30, 2023** **September 30, 2024**. In addition, our credit facility contains a fixed charge coverage ratio covenant which sets the minimum permitted fixed charge coverage ratio at (i) **0.75 for the fourth quarter of fiscal 2023 through the third quarter of fiscal 2024** and (ii) **1.00 for the fourth quarter of fiscal 2024 and thereafter**. **1.00**. Our fixed charge coverage ratio was **1.56** **1.27** for the twelve months ended **September 30, 2023** **September 30, 2024**. The Senior Notes contain an interest coverage ratio covenant which sets the minimum permitted interest coverage ratio at 2.00. Our interest coverage ratio was **2.81** **3.57** for the twelve months ended **September 30, 2023** **September 30, 2024**. A breach of any of these financial ratio covenants or other covenants could result in a default and/or a cross default under the credit facility and Senior Notes, as applicable. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, and could cease making further loans and institute foreclosure proceedings against our assets. We cannot provide any assurance that the holders of such indebtedness would waive a default or that we **could would have the resources to** pay the accelerated indebtedness in full.

Subject to compliance with certain covenants under our credit facility and the indentures governing the Senior Notes, we may incur additional debt in the future. If we incur additional debt, the risks described above could intensify.

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Significant or prolonged periods of higher interest rates may have an adverse effect on our results of operations, financial condition and cash flows.

Interest rates have a direct impact on our business due to the amount of variable **rate** debt the Company utilizes in its operations. Prolonged periods of higher interest rates may have a negative impact on the Company's results of operations, financial condition and cash flows. All of our debt under the **Sixth sixth amended and restated credit agreement** (the "Sixth A&R Credit **Agreement Agreement**") bears interest at variable rates primarily derived from, as defined therein, the (i) the Alternate Base Rate, (ii) the Adjusted Term SOFR Rate or (iii) the Swingline Rate. In a rising interest rate environment, debt financing will become more expensive and may have higher transactional and servicing costs. For example, **our interest expense in fiscal 2023 increased significantly compared to fiscal 2022 driven by an increase in our the weighted average interest rate primarily due to higher borrowing rates on average borrowings under the Sixth A&R Credit Agreement. Agreement, excluding the impact of interest rate swaps, were 9.1%, 7.6% and 2.8% for fiscal 2024, fiscal 2023 and fiscal 2022, respectively.**

Although the Company has taken steps to reduce our exposure to variable rate debt instruments, if interest rates remain relatively high or increase in the future, we could see increases in our borrowing costs which could have a material adverse effect on our results of operations, financial condition and cash flows.

Global economic and capital market conditions may limit our access to capital and/or increase the costs of such capital.

In the future, we may need new or additional financing to provide liquidity to conduct our operations, expand our business or refinance existing indebtedness. Any sustained weakness in general economic conditions and/or U.S. or global capital markets could adversely affect our ability to raise capital on favorable terms or at all. From time to time we have relied, and we may also rely in the future, on access to financial markets as a source of liquidity for working capital requirements, acquisitions and general corporate purposes. Our access to funds under our credit facility depends on the ability of the lenders that are parties to that facility to meet their funding commitments. Moreover, the obligations of the lenders under our credit facility are several and not joint and, as a result, a funding default by one lender does not need to be made up by the others. Longer term volatility in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions or reduced alternatives could adversely affect our access to the liquidity needed for our businesses in the longer term. Such disruptions could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged.

Acquisitions, other strategic alliances and investments could result in operating difficulties, dilution, and other harmful consequences that may adversely impact our business and results of operations.

Acquisitions, strategic alliances and investments are an important element of our **overall** long-term corporate strategy and use of capital, and these transactions could be material to our financial condition and results of operations. We expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions. The process of integrating an acquired company, business, or product has created, and will continue to create, unforeseen operating difficulties and expenditures. The areas where we face risks include:

- Assumptions implicit to our acquisition strategy or valuations are not realized.
- Diversion of management time and focus from operating our business to acquisition integration challenges.
- Failure to successfully further develop the acquired business or product lines.
- Implementation or remediation of controls, procedures and policies at the acquired company.
- Integration of the acquired company's accounting, human resources and other administrative systems, and coordination of product, engineering and sales and marketing functions.

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- Transition of operations, users and customers onto our existing platforms.
- Reliance on the expertise of our strategic partners with respect to market development, sales, local regulatory compliance and other operational matters.
- Failure to obtain required approvals on a timely basis, if at all, from governmental authorities, or conditions placed upon approval, under competition and antitrust laws which could, among other things, delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of an acquisition.
- In the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.
- Cultural challenges associated with integrating employees associates from the acquired company into our organization, and retention of employees associates from the businesses we acquire.

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- Strategic investments in which we have a minority ownership stake and that we do not control may from time to time have economic, business, or legal interests or goals that are inconsistent with our goals. As a result, business decisions or other actions or omissions of controlling owners, management, or other persons or entities who control companies in which we invest may adversely affect the value of our investment, result in litigation or regulatory action against us, or otherwise damage our reputation.
- Liability for or reputational harm from activities of the acquired company before the acquisition or from our strategic partners, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities.
- Litigation or other claims in connection with the acquired company, including claims from terminated employees, associates, customers, former shareholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments or strategic alliances could cause us to fail to realize the anticipated benefits of such acquisitions, investments or alliances, incur unanticipated liabilities, and harm our business generally.

Our acquisitions, strategic alliances and investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or impairment of goodwill and purchased long-lived assets, and restructuring charges, any of which could harm our financial condition or results of operations and cash flows. Also, the anticipated benefits of many of our acquisitions may not materialize.

Changes in credit ratings issued by nationally recognized statistical rating organizations (NRSROs) could adversely affect our cost of financing and the market price of our Senior Notes.

NRSROs rate the Senior Notes and the Company based on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the NRSROs can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of the Senior Notes or placing us on a watch list for possible future downgrading could increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of the Senior Notes.

In August 2023, S&P Global Ratings lowered our issuer credit rating to B+ from BB- and lowered its rating on our Senior Notes to B- from B. Also in August 2023, Moody's Moody's Investors Service lowered (i) our (i) Corporate Family Rating to B1 from Ba3, and (ii) our (ii) Probability of Default Rating to B1-PD from Ba3-PD and (iii) its rating on the Senior Notes to B2 from B1.

A failure to dispose of assets or businesses in a timely manner may cause the results of the Company to suffer.

We evaluate as necessary the potential disposition of assets and businesses that may no longer help meet our objectives. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. Alternatively, we may dispose of a business at a price or on terms that are less than we had anticipated. After reaching an agreement with a buyer for the disposition of a business, the pre-closing conditions must also be satisfied or waived, which may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside our control could affect our future financial results.

Our lending activities may adversely impact our business and results of operations.

As part of our strategic initiatives, we have provided financing to certain strategic partners. Our exposure to credit losses on these financing balances and strategic investments will depend on the financial condition of these counterparties as well as legal, regulatory and macroeconomic factors beyond our control, such as deteriorating conditions in the world economy or in the industries served by the borrowers and federal legalization of the U.S. cannabis market. While we monitor our exposure, there can be no guarantee we will be able to successfully mitigate all of these risks. **Credit** For example, during fiscal 2024 and fiscal 2023, the Company recorded non-cash, pre-tax other-than-temporary impairment charges related to its convertible debt investments of \$64.6 million and \$101.3 million, respectively. These or other credit losses, if significant, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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Our hedging arrangements expose us to certain counterparty risks.

In addition to commodity hedge agreements, we utilize interest rate swap agreements to manage the net interest rate risk inherent in our sources of borrowing as well as foreign currency forward contracts to manage the exchange rate risk associated with certain intercompany loans with foreign subsidiaries and other approved transactional currency exposures. Utilizing these hedge agreements exposes us to certain counterparty risks. The failure of one or more of the counterparties to fulfill their obligations under the hedge agreements, whether as a result of weakening financial stability or otherwise, could adversely affect our financial condition, results of operations or cash flows.

Our postretirement-related costs and funding requirements could increase as a result of volatility in the financial markets, changes in interest rates and actuarial assumptions.

We sponsor a number of defined benefit pension plans associated with our U.S. and former international businesses, as well as a postretirement medical plan in the United States for certain retired associates and their dependents. The performance of the financial markets and changes in interest rates impact the funded status of these plans and may cause volatility in our postretirement-related costs and future funding requirements. If the financial markets do not provide the expected long-term returns on invested assets, we could be required to make significant pension contributions. Additionally, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements.

We utilize third-party actuaries to evaluate assumptions used in determining projected benefit obligations and the fair value of plan assets for our pension and other postretirement benefit plans. In the event we determine that our assumptions should be revised, such as the discount rate or expected return on assets, our future pension and postretirement benefit expenses could increase or decrease. The assumptions we use may differ from actual results, which could have a significant impact on our pension and postretirement liabilities and related costs and funding requirements.

Risks Related to Regulation of Our Company

Compliance with environmental and other public health regulations or changes in such regulations or regulatory enforcement priorities could increase our costs of doing business or limit our ability to market all of our products.

Laws and regulations relating to environmental matters affect us in several ways. All pesticide products sold in the United States must comply with FIFRA and most must be registered with the U.S. EPA and similar state agencies. Our inability to obtain or maintain such registrations, or the cancellation of any such registration of our products, could have an adverse effect on our business, the severity of which would depend on a variety of factors, including the product(s) involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute active ingredients, but there can be no assurance that we will be able to avoid or reduce these risks. For example, there are indications that federal agencies in the U.S. may take more restrictive positions on pesticides. In addition, several provinces in Canada have adopted regulation regulations that substantially restrict our ability to market and sell certain of our consumer pesticide products.

Under the Food Quality Protection Act, enacted by the U.S. Congress in 1996, food-use pesticides are evaluated to determine whether there is reasonable certainty that no harm will result from the cumulative effects of pesticide exposures. Under this Act, the U.S. EPA is evaluating the cumulative and aggregate risks from dietary and non-dietary exposures to pesticides. The pesticides in our products, certain of which may be also used on crops processed into various food products, are manufactured by independent third parties and continue to be evaluated by the U.S. EPA as part of this exposure risk assessment. The U.S. EPA or the third-party registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of these continuing evaluations.

In addition, the use of certain fertilizer and pesticide products (including pesticide products that contain glyphosate) is regulated by various environmental and public health agencies. These regulations may, among other things, limit or ban the use of certain ingredients contained in such products or require (i) that only certified or professional users apply the product, (ii) that certain products be used only on certain types of locations, (iii) users to post notices on properties to which products have been or will be applied, and/or (iv) notification to individuals in the vicinity that products will be applied in the future. Even if we are able to comply with all such regulations and obtain all necessary registrations and licenses, we cannot provide assurance that our products, particularly pesticide products, will not cause or be alleged to cause injury to the environment or to people under all circumstances, particularly when used improperly or contrary to instructions. The costs of compliance, remediation or products liability have adversely affected operating results in the past and could materially adversely affect future quarterly or annual operating results.

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Our products and operations may be subject to increased regulatory and environmental scrutiny in jurisdictions in which we do business. For example, we are subject to regulations relating to our harvesting of peat for our growing media business which has come under increasing regulatory and environmental scrutiny. In the United States, state regulations frequently require us to limit our harvesting and to restore the property to an agreed-upon condition. In some locations, we have been

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required to create water retention ponds to control the sediment content of discharged water. In Canada, our peat extraction efforts are also the subject of regulation.

In addition to the laws and regulations already described, various governmental agencies regulate the disposal, transport, handling and storage of waste, the remediation of contaminated sites, air and water discharges from our facilities, and workplace health and safety. Under certain environmental laws and regulations, we may be liable for the costs of investigation and remediation of the presence of certain regulated materials as well as related costs of investigation and remediation of or damage to natural resources, at various properties, including our current and former properties we have owned or operated, as well as offsite waste handling or disposal sites that we have used. Liability may be imposed upon us without regard to whether we knew of or caused the presence of such materials and, under certain circumstances, on a joint and several basis. There can be no assurances that the presence of such regulated materials at any such locations, or locations that we may acquire in the future, will not result in liability to us under such laws or regulations or expose us to third-party actions such as tort suits based on alleged conduct or environmental conditions.

In 2021, the Biden Administration announced a multi-agency plan to address PFAS contamination. Various federal agencies, including the U.S. EPA, will have and are expected to continue to take actions to prevent the release of PFAS into the air, drinking systems, and food supply and to expand cleanup efforts to remediate the impacts of PFAS pollution. As part of this announcement, the U.S. EPA released its PFAS Strategic Roadmap: EPA's Commitments to Action 2021-2024, which identifies timelines by which the U.S. EPA plans to take specific actions during the first term of the Biden Administration. It is possible that some of these actions may have an impact – direct or indirect – on our business. For example, in August 2022, the U.S. EPA proposed to designate PFAS chemicals, PFOA and PFOS, as hazardous substances under CERCLA, which could have wide-ranging impact on companies across various industries. Until further detail is provided, including whether the rule is enacted as proposed, we cannot predict the outcome or the severity of the impact of these proposed actions. Further, many states have taken action to address PFAS concerns with actions ranging from appropriation legislation to fund scientific research, bans on certain categories of consumer products containing PFAS and/or broad prohibitions on PFAS across all products. Complicating this patchwork of state regulation is that jurisdictions may differ as to what they consider PFAS. It is possible, therefore, that some of these actions will have an impact – direct or indirect – on our business.

Many states are increasingly scrutinizing packaging, including seeking to reduce single use plastics and establish extended producer responsibility programs, which are designed to bolster the recycling industry by transferring the cost of packaging disposal to the manufacturers. Extended producer responsibility programs typically include targets and reporting responsibilities for, among other things, post-consumer recycling usage, compostable packaging, material reduction and refill strategies, etc. strategies.

The adequacy of our current non-FIFRA compliance-related environmental accruals and future provisions depends upon our operating in substantial compliance with applicable environmental and public health laws and regulations, as well as the assumptions that we have both identified all of the significant sites that must be remediated and that there are no significant conditions of potential contamination that are unknown to us. A significant change in the facts and circumstances underlying these assumptions or in current enforcement policies or requirements, or a finding that we are not in substantial compliance with applicable environmental and public health laws and regulations, could have a material adverse effect on future environmental capital expenditures and other environmental expenses, as well as our financial condition, results of operations and cash flows.

Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our profitability and cash flows.

We are subject to income and other taxes in the United States federal jurisdiction and various local, state and foreign jurisdictions. Our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets (such as net operating losses and tax credits) and liabilities, changes in tax laws and the discovery of new information in the course of our tax return preparation process. In particular, the carrying value of deferred tax assets, which are predominantly related to our operations in the United States, is dependent on our ability to generate future taxable income of the appropriate character in the relevant jurisdiction.

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From time to time, tax proposals are introduced or considered by the U.S. Congress or the legislative bodies in local, state and foreign jurisdictions that could also affect our tax rate, the carrying value of our deferred tax assets, or our tax liabilities. Our tax liabilities are also affected by the amounts we charge for inventory, services, licenses, funding and other items in intercompany transactions. We are subject to ongoing tax audits in various jurisdictions. In connection with these audits (or future audits), tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. We regularly assess the likely outcomes of our audits in order to determine the appropriateness of our tax provision. As a result, the ultimate resolution of our tax audits, changes in tax laws or tax rates, and the ability to utilize our deferred tax assets could materially affect our tax provision, net income and cash flows in future periods.

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Risks Related to Our Common Shares

The Company's decision to maintain, reduce or discontinue paying cash dividends to our shareholders or repurchasing our Common Shares could cause the market price for our Common Shares to decline.

Our payment of quarterly cash dividends on and repurchase of our Common Shares pursuant to a stock repurchase program are subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements, credit facility provisions and other factors. Prior to fiscal 2022, we generally increased the cash dividends on our Common Shares as well as engaged in share repurchase activity. Since fiscal 2022, we have not changed the dividend amount nor have we engaged in share repurchase activity outside of our compensation programs. As of **September 30, 2023** **September 30, 2024**, we do not have a board authorized share repurchase program.

We may maintain, or increase or decrease (including eliminating) the amount of cash dividends on, and increase or decrease the amount of repurchases of, our Common Shares in the future. Any decision by us regarding the payment of quarterly cash dividends or repurchases of our Common Shares could cause the market price of our Common Shares to decline. A failure to pay dividends, an inability to resume increases of our cash dividends or an inability to begin repurchasing Common Shares at historical levels could result in a lower market valuation of our Common Shares.

Hagedorn Partnership, L.P. beneficially owns approximately 23% 24% of our Common Shares and can significantly influence decisions that require the approval of shareholders.

Hagedorn Partnership, L.P. beneficially owned approximately 23% 24% of our outstanding Common Shares **on a fully diluted basis** as of **November 17, 2023** **November 18, 2024**. As a result, it has sufficient voting power to significantly influence the election of directors and the approval of other actions requiring the approval of our shareholders, including entering into certain business combination transactions. In addition, because of the percentage of ownership and voting concentration in Hagedorn Partnership, L.P., elections of our **board** **Board** of **directors** **Directors** will generally be within the control of Hagedorn Partnership, L.P. While all of our shareholders are entitled to vote on matters submitted to our shareholders for approval, the concentration of our Common Shares and voting control presently lies with Hagedorn Partnership, L.P. As such, it would be difficult for shareholders to propose and have approved proposals not supported by Hagedorn Partnership, L.P. Hagedorn Partnership, L.P.'s interests could differ from, or conflict with, the interests of other shareholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Cybersecurity risk was identified as a significant enterprise risk based on the results of our most recent enterprise risk assessment. As a significant enterprise risk, management has worked to identify the underlying drivers of cybersecurity risk, identify the activities in place to manage it, and assess its residual risk level. We have developed and implemented comprehensive strategies and processes to assess, identify, manage and mitigate cybersecurity risks, aligning with the National Institute of Standards and Technology Cybersecurity Framework ("NIST-CSF"). These processes include:

- implementing security event monitoring, incident response processes, access management controls, vulnerability identification and remediation, third-party risk monitoring, and user awareness and training;
- providing regular security training and awareness content for all associates, with mandatory training for new hires;
- maintaining cybersecurity risk insurance to mitigate potential breach-related costs;
- engaging consultants to perform periodic external assessments using industry-recognized frameworks like NIST-CSF; and
- monitoring program maturity through periodic reviews against the Capability Maturity Model Integration framework.

Mitigating Risks Posed by Third Parties

Risk Assessments

We identify and categorize existing third-party service providers based on criticality to our operations and prioritize those that pose the highest risks. We leverage a third-party risk management solution to facilitate our risk assessment process for new third parties which includes interviews and questionnaires with internal business contacts and contacts from the third party to perform an inherent risk assessment. We determine applicable security controls based on the inherent risk level to drive the residual risk score to an acceptable level where possible. The goal of the assessment process is to evaluate the risks associated with each third party, including operational, financial, legal, and reputational risks.

Ongoing Monitoring

Based on the residual risk score of a third party, we conduct assessments on a periodic basis to help ensure that we maintain current, up-to-date information on our vendors. We leverage an external third-party monitoring service to conduct continuous monitoring of our critical vendors to provide additional visibility and response efforts and work directly with vendors to remediate identified vulnerabilities. Finally, we review contracts that outline risk management responsibilities, compliance requirements, data protection, and incident management protocols.

Incident Management

We have developed an incident response plan that includes a process for addressing issues arising from third-party relationships which includes communication channels for reporting and managing incidents involving third parties.

Documentation and Reporting

We maintain detailed records of our third-party assessments and any evidence or documentation that is provided during the assessment process. We regularly review and report on third-party risk management activities and any significant issues to senior management and/or our Audit Committee or Board of Directors.

External Resources; Associate Training and Awareness

We have developed a comprehensive information security protocol that relies on support from third-party experts and an internal training and awareness program aligned with industry standards and best practices.

Given the complex and evolving nature of cybersecurity threats, we engage third-party advisors and consultants to assist us in developing and maintaining effective cybersecurity risk management processes. Partnering with these third parties allows us to leverage specialized knowledge and insights, better ensuring our cybersecurity strategies and processes are well-designed and effective. For example, we work with third parties to regularly conduct simulated attack exercises to identify additional needs for training and overall program refinement.

Internally, our training and awareness program creates multi-layered defenses by empowering associates with knowledge and tools to recognize and respond to security risks. Through role-specific and comprehensive training, we seek to maintain a workforce that actively contributes to our cybersecurity goals. Key components of our training program include:

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- Onboarding Training — All new associates participate in an initial cybersecurity training module at onboarding. This training covers the Company's security policies, data protection standards and foundational security practices helping to ensure that new hires are equipped to meet the Company's expectations pertaining to its security protocols.
- Articles — We publish articles on our intranet site for all associates to easily access. These articles highlight emerging threats, industry trends, and actionable tips to help associates enhance their personal and professional security posture. We target critical topics such as ransomware, social engineering, data management, and the latest threats and best practices.
- Phishing Simulations — Our phishing awareness program includes continuous phishing simulations conducted on a routine basis. This program helps associates develop the skills to effectively identify and mitigate phishing attempts. Associates who fail a threshold number of simulations during a calendar year are required to undergo additional training.
- Cybersecurity Awareness Month Activities — We have implemented interactive, virtual and on-site awareness activities during Cybersecurity Awareness Month in October. These activities include phishing simulations, articles, lunch and learns, and gamification to serve as refreshers on critical security concepts and reinforce our commitment to maintaining a security-conscious culture.

Governance

Our Board of Directors has overall oversight responsibility for our risk management and has delegated oversight of cybersecurity risks to our Audit Committee, including overseeing the actions management has taken to identify, monitor, and control such exposure. Our Audit Committee reviews the measures implemented by the Company to identify and mitigate data protection and cybersecurity risks on a quarterly basis. As part of our continued investment in developing our overall enterprise risk management program, our Audit Committee receives reports and presentations from management which address a range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, and technological trends. Our Audit Committee reports to our Board of Directors at least annually on cybersecurity matters.

At the management level, our Chief Information Security Officer ("CISO") leads the team responsible for implementing, monitoring, and maintaining information security, including data protection practices across our business. Our CISO receives reports on cybersecurity threats from both our internal personnel and external partners on a regular basis. Our Chief Operating Officer and Chief Administrative Officer receive regular reports from our CISO on the cyber program and measures implemented by the Company to identify and mitigate cybersecurity risks. Our CISO works closely with our Company's legal team to ensure compliance with legal and regulatory cybersecurity requirements. Our CISO has over a decade of cybersecurity and risk management experience and holds CISA, CISM, and CISSP certifications as well as a bachelor's degree in Business Information Systems.

Cybersecurity Threats and Incidents

To date, risks from cybersecurity threats, including as a result of previous cybersecurity incidents, have not materially affected us, including our business strategy, results of operations, or financial condition. During fiscal 2024, fiscal 2023 and fiscal 2022, the Company did not experience any cybersecurity threats or incidents that have materially affected or are reasonably likely to materially affect the Company or its business strategy, results of operations and/or financial condition. Despite our efforts, we cannot eliminate all risks from cybersecurity threats or incidents or provide assurances that we have not experienced undetected cybersecurity incidents. For additional details regarding the risks the Company faces from cybersecurity threats, see "ITEM 1A. RISK FACTORS — Risks Related to Our Business — Our operations, financial condition or reputation may be impaired if our information or operational technology systems fail to perform adequately or if we are the subject of a data breach or cyber-attack" in this Form 10-K.

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ITEM 2. PROPERTIES

Our corporate headquarters is located in Marysville, Ohio, where we own approximately 729 acres of land. In addition, we own and lease numerous industrial, commercial and office properties located in North America, Europe and Asia that support the management, manufacturing, distribution and research and development of our products and services. We believe our properties are suitable and adequate to serve the needs of our business and that our leased properties are subject to appropriate lease agreements.

The following is a summary of owned and leased primary operating properties by country as of September 30, 2023 and September 30, 2024:

Location	Location	Owned	Leased	Location	Owned	Leased
United States	United States	36 ²	60 ^{3,4}	United States	35 ²	55 ^{3,4}
Canada	Canada	10	13	Canada	10	13
Mexico	Mexico	—	1	Mexico	—	1
China	China	—	6	China	—	6
The Netherlands	The Netherlands	—	2	The Netherlands	—	3
Total	Total	46	82	Total	45	78

We own or lease 46² manufacturing properties, 16 distribution properties and 4 research and development properties in the United States. We own or lease 15 manufacturing properties, 1 distribution property and 1 research and development property in Canada, 1² manufacturing property properties in the Netherlands and 1 research and development property in China. Most of the manufacturing properties, which include growing media properties and peat harvesting properties, have production lines, warehouses, offices and field processing areas.

² Includes one distribution center manufacturing location that is not operational. Disposition efforts are underway.

³ Includes one manufacturing location under development with operations scheduled to begin in fiscal 2025.

⁴ Includes nine ten distribution centers that are not operational. Disposition and sublease efforts are underway, underway or in place.

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ITEM 3. LEGAL PROCEEDINGS

As noted in the discussion in "ITEM 1. BUSINESS — Regulatory Considerations — Regulatory Matters" of this Form 10-K, we are involved in several pending environmental and regulatory matters. We believe that our assessment of contingencies is reasonable and that the related accruals, in the aggregate, are adequate; however, there can be no assurance that the final resolution of these matters will not have a material effect on our financial condition, results of operations or cash flows.

On June 6, 2024, a purported shareholder filed a lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03132) on behalf of a proposed class of purchasers of Common Shares between November 3, 2021, and August 1, 2023. On July 26, 2024, another purported shareholder filed a lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03766) on behalf of a proposed class of purchasers of Common Shares between June 2, 2021, and August 1, 2023. These lawsuits, which will likely be consolidated with any subsequently filed lawsuits alleging similar facts, assert claims under Section 10(b), Rule 10b-5 and Section 20(a) of the Securities Exchange Act against the Company and certain of its current and former officers based on alleged misstatements about the Company's inventories, sales and business prospects. The actions seek, among other things, unspecified monetary damages, reasonable costs and expenses and equitable/injunctive or other relief as deemed appropriate by the Court. The Company believes that the claims asserted are without merit and intends to vigorously defend the actions.

On July 3, 2024, a purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03636), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On July 30, 2024, a second purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 1:24-cv-00402), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On August 23, 2024, a third purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03880), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On September 9, 2024, a fourth purported shareholder filed a shareholder derivative lawsuit in the Union County (Ohio) Court of Common Pleas (Case No. 24CV0193), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On September 26, 2024, a fifth purported shareholder filed a shareholder derivative lawsuit in the Union County (Ohio) Court of Common Pleas (Case No. 24CV0203), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On November 19, 2024, a sixth purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-04180), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On November 22, 2024, a seventh purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-04190), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. The federal lawsuits will likely be consolidated with one another, along with any subsequently filed federal lawsuits alleging similar facts, and the state court lawsuits will likely be consolidated with one another, along with any subsequently filed state lawsuits alleging similar facts. All of the lawsuits include allegations that generally mirror those asserted in the securities lawsuits described above and assert claims for breaches of fiduciary duties and unjust enrichment, as well as abuse of control, gross mismanagement, and waste of corporate assets. The federal lawsuits also assert claims under Section 10(b), Rule 10b-5, Section 14(a), Rule 14a-9, and Section 20(a) of the Securities Exchange Act, and contribution under Sections 10(b) and 21D of the Securities Exchange Act. The actions seek a judgment in favor of the Company for damages in an unspecified amount, disgorgement, interest, and costs and expenses, including attorneys' and experts' fees.

The Company has been named as a defendant in a number of cases alleging injuries that the lawsuits claim resulted from exposure to asbestos-containing products, apparently based on the Company's historic use of vermiculite in certain of its products. In many of these cases, the complaints are not specific about the plaintiffs' contacts with the

Company or its products. The cases vary, but complaints in these cases generally seek unspecified monetary damages (actual, compensatory, consequential and punitive) from multiple defendants. The Company believes that the claims against it are without merit and is vigorously defending against them. The Company has not recorded any accruals in its consolidated financial statements as the likelihood of a loss from these cases is not probable at this time. The Company does not believe a reasonably possible loss would be material to the Company's financial condition, results of operations or cash flows. In addition, the Company does not believe the ultimate resolution of these cases will have a material adverse effect on the Company's financial condition, results of operations or cash flows. There can be no assurance that future developments related to pending claims or claims filed in the future, whether as a result of adverse outcomes or as a result of significant defense costs, will not have a material effect on the Company's financial condition, results of operations or cash flows.

We are involved in other lawsuits and claims which arise in the normal course of our business including the initiation and defense of proceedings to protect intellectual property rights, advertising claims, securities matters and employment disputes. In our opinion, these claims individually and in the aggregate are not expected to have a material adverse effect on our financial condition, results of operations or cash flows.

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ITEM 4. MINE SAFETY DISCLOSURE DISCLOSURES

Not Applicable. applicable.

PART II

SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of Scotts Miracle-Gro, their positions and, as of November 17, 2023 November 20, 2024, their ages and years with Scotts Miracle-Gro (and its predecessors) are set forth below.

Name	Name	Age	Position(s) Held	Years with Company	Name	Age	Position(s) Held	Years with Company
James Hagedorn	James Hagedorn	68	Chief Executive Officer, President and Chairman of the Board	36				
Nathan E. Baxter	Nathan E. Baxter							
Nathan E. Baxter	Nathan E. Baxter							
Nathan E. Baxter	Nathan E. Baxter							
Matthew E. Garth	Matthew E. Garth	49	Executive Vice President, Chief Financial Officer and Chief Administrative Officer	1				
Nathan E. Baxter	Nathan E. Baxter	51	Executive Vice President and Chief Operating Officer	1				

Julie A. DeMuesy	53	Senior Vice President, Chief Human Resources Officer and Chief Ethics Officer	13
Christopher J. Hagedorn	39	Division President	12
Dimitar Todorov	51	Executive Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer	15

Executive officers serve at the discretion of the Board of Directors of Scotts Miracle-Gro and pursuant to executive severance agreements or other arrangements. The business experience of each of the individuals listed above during at least the past five years is as follows:

Mr. Hagedorn was named Chairman of the Board of Scotts Miracle-Gro's predecessor in January 2003 and Chief Executive Officer of Scotts Miracle-Gro's predecessor in May 2001. In October 2023, Mr. Hagedorn also assumed the additional duties of President. Prior to these appointments, Mr. Hagedorn held several senior leadership positions at the Company, including President from October 2023 until November 2024. Mr. Hagedorn serves on Scotts Miracle-Gro's Board of Directors, a position he has held with Scotts Miracle-Gro (or its predecessor) since 1995. Mr. Hagedorn is the brother of Katherine Hagedorn Littlefield, a director of Scotts Miracle-Gro, and is the father of Christopher J. Hagedorn, an executive officer of the Company.

Mr. Baxter was named Executive Vice President & Chief Operating Officer of Scotts Miracle-Gro in August 2023 and President in November 2024. Prior to August 2023, Mr. Baxter served as Executive Vice President, Technology & Operations, a position he held since April 2023. Previously, Mr. Baxter served as President of Tokyo Electron U.S. Holdings, a semiconductor manufacturing equipment company. Mr. Baxter is a general partner of the Hagedorn Partnership, L.P., the largest shareholder of the Company.

Mr. Garth was named Executive Vice President, Chief Financial Officer and Chief Administrative Officer of the Company Scotts Miracle-Gro in October 2023. Prior to this appointment, Mr. Garth served as Executive Vice President and Chief Financial Officer, a position he held since December 2022. Previously, Mr. Garth served as Senior Vice President, Finance and Treasury, and Chief Financial Officer for Mineral Technologies Inc., a specialty mineral company.

Mr. Baxter was named Executive Vice President and Chief Operating Officer of Garth will be departing the Company in August 2023. Prior to effective December 31, 2024. For additional information regarding this appointment, Mr. Baxter served as Executive Vice President, Global Technology and Operations, a position he held since April 2023. Previously, Mr. Baxter served as President departure, see "ITEM 9B. OTHER INFORMATION" of Tokyo Electron U.S. Holdings, a semiconductor manufacturing equipment company.

Ms. DeMuesy was named Senior Vice President, Chief Human Resources Officer and Chief Ethics Officer of the Company in October 2023. Prior to this appointment, Ms. DeMuesy served as Senior Vice President, HR Operations from November 2021 until September 2023. Previously, Ms. DeMuesy served as Vice President, HR Operations from July 2018 until November 2021. Prior to July 2018, Ms. DeMuesy has held several senior leadership positions at the Company since 2016 when she rejoined the Company after a ten year absence. Form 10-K.

Mr. C. Hagedorn was named Division Executive Vice President & Chief of Staff of Scotts Miracle-Gro in January 2021. November 2024. Prior to this appointment, Mr. C. Hagedorn served as Division President of Scotts Miracle-Gro from January 2021 through November 2024. Previously, Mr. C. Hagedorn served as Senior Vice President and General Manager, Hawthorne, a position he held since January 2017. Mr. C. Hagedorn is the son of Mr. J. Hagedorn, the Chief Executive Officer, President & Chairman President and CEO of the Board of Scotts Miracle-Gro.

Mr. Todorov was named Executive Vice President, Chief Legal Officer & Corporate Secretary in November 2024. Prior to this appointment, Mr. Todorov served as Executive Vice President, General Counsel, Corporate Secretary & Chief Ethics and Compliance Officer of Scotts Miracle-Gro, a position he held since October 2024, and Executive Vice President, General Counsel, Corporate Secretary & Chief Compliance Officer, of the Company in a position he held since December 2022. Prior to this appointment, Previously, Mr. Todorov served as Vice President, Legal, a position he held since June 2015.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Common Shares trade on the New York Stock Exchange under the symbol "SMG." The payment of future dividends, if any, on the Common Shares will be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition and capital requirements, restrictions in financing agreements, business conditions and other factors. On April 8, 2022, we entered into a sixth amended and restated credit agreement (the "Sixth A&R Credit Agreement"), providing the Company and certain of its subsidiaries with five-year senior secured loan facilities in the aggregate principal amount of \$2.5 billion, comprised of a revolving credit facility of \$1.5 billion and a term loan in the original principal amount of \$1.0 billion. On July 31, 2023, the Company entered into

Amendment No. 2 ("Amendment No. 2") to the Sixth A&R Credit Agreement. Agreement ("Amendment No. 2") limits the Company's ability to declare or pay any discretionary dividends, distributions or other restricted payments to only the payment of (i) regularly scheduled cash dividends to holders of its Common Shares in an aggregate amount not to exceed \$225.0 million per fiscal year and (ii) other dividends, distributions or other restricted payments in an aggregate amount not to exceed \$25.0 million.

On December 14, 2022 September 4, 2024, September 13, 2023 and September 13, 2023 December 14, 2022, Scotts Miracle-Gro issued 388,878 286,204, 373,831 and 373,831 388,878 Common Shares, respectively, having a contractual value of \$20.0 million each, to a vendor who is an accredited investor as consideration for advertising services. The issuances of the Common Shares were exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2). Scotts Miracle-Gro issued the Common Shares in privately negotiated transactions, and such restricted shares were acquired for the recipient's accounts account for investment purposes.

As of November 17, 2023 November 18, 2024, there were approximately 268,000 226,000 shareholders, including holders of record and our estimate of beneficial holders.

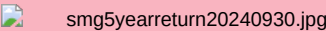
The following table shows the purchases of Common Shares made by or on behalf of Scotts Miracle-Gro or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended) of Scotts Miracle-Gro for each of the three fiscal months in the quarter ended September 30, 2023 September 30, 2024:

Period	Total Number of Common Shares Purchased(1)	Average Price Paid per Common Share(2)	Total Number of Common Shares Purchased as of	Total N Comm Purc Part o Announc Prog
Period	Total Number of Common Shares Purchased(1)	Average Price Paid per Common Share(2)		
July 2, 2023 June 30, 2024 through July 29, 2023 July 27, 2024	1,291 1,295	\$ 69.87 70.29		
July 30, 2023 28, 2024 through August 26, 2023 August 24, 2024	1,743 —	\$ 53.07 —		
August 27, 2023 25, 2024 through September 30, 2023 September 30, 2024	4,270 2,350	\$ 52.61 77.46		
Total	7,304 3,645	\$ 55.77 74.91		

- (1) All of the Common Shares purchased during the fourth quarter of fiscal 2023 2024 were purchased in open market transactions. The Company purchased 7,304 3,645 Common Shares purchased by the trustee of the rabbi trust established by the Company as permitted pursuant to the terms of the Company's 2014 Equity Incentive Plan.
- (2) The average price paid per Common Share is calculated on a settlement basis and includes commissions.
- (3) On February 6, 2020, the Company announced a repurchase program allowing for repurchases of up to \$750.0 million of Common Shares. The repurchase program expired on March 25, 2023 and, as of September 30, 2023 September 30, 2024, the Company does not have an active repurchase program.

Comparison of Cumulative Five-Year Total Return*

The following graph compares the yearly change in the cumulative total stockholder return on our Common Shares for the past five fiscal years with the S&P 500 Household Products Index.



ITEM 6. RESERVED

THE SCOTTS MIRACLE-GRO COMPANY
(Dollars in millions, except per share data)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide an overview of our business and operations by focusing on changes in certain key measures from year-to-year. This MD&A includes the following sections:

- Executive summary
- Results of operations
- Segment results
- Liquidity and capital resources

- Non-GAAP measures
- Regulatory matters
- Critical accounting policies and estimates

Executive Summary

Our operations are divided into three reportable segments: U.S. Consumer, Hawthorne and Other. U.S. Consumer consists of our consumer lawn and garden business. Hawthorne consists of our indoor and hydroponic gardening business. Other primarily consists of our consumer lawn and garden business in Canada and other international markets. Corporate consists of general and administrative items not allocated to the business segments. See "SEGMENT RESULTS" below for additional information regarding our evaluation of segment performance.

Through our U.S. Consumer and Other segments, we are the leading manufacturer and marketer of branded consumer lawn and garden products, some of the most recognized brand names in the industry. Our key consumer lawn and garden brands include Scotts® and Turf Builder® lawn fertilizers, Ortho® herbicide and pesticide products; and Tomcat® rodent control and animal repellent products. We are the exclusive distributor of certain of Monsanto's consumer Roundup® branded products within the United States and certain other specified countries. In addition, we have a joint venture with AFC, focused on planting, growing, developing, distributing, marketing and selling live plants.

Through our Hawthorne segment, we are a leading manufacturer, marketer and distributor of lighting, nutrient and other materials used for indoor and hydroponic gardening in North America. Our key brands include General Hydroponics®, Gavita®, Bio Edge®, HydroLogic Purification System® and Cyco CYCO®.

As a leading consumer branded lawn and garden company, our product development and marketing efforts are largely focused on providing innovative ways to communicate with consumers. We believe that we receive a significant benefit from these expenditures and anticipate a similar and marketing investments in the future, with the continuing objective of driving category growth and profitably maintaining and/or increasing market share.

Our consumer lawn and garden net sales in any one year are susceptible to weather conditions in the markets in which our products are sold. Adverse weather can adversely impact the sale of certain products, while increasing demand for other products. We believe that our diversified product line and our lesser extent in a year in which unfavorable weather is geographically widespread and extends across a significant portion of the lawn and garden market, positive or negative, do not materially impact longer-term category growth trends.

THE SCOTTS MIRACLE-GRO COMPANY (Dollars in millions, except per share data)

Due to the seasonal nature of the consumer lawn and garden business, for significant portions of our U.S. Consumer and Other segments, sales to our retail customers during our second and third fiscal quarters, as noted in the following table. Our annual net sales are further concentrated in our ability to deliver products closer to when consumers buy our products. Our Hawthorne segment is also impacted by seasonal sales patterns in outdoor growing patterns in North America during our second and third fiscal quarters, and the timing of certain controlled agricultural lighting projects.

Percent of Net Sales from Continuing Operations by Quarter				Percent of Net Sales from Continuing Operations by Quarter	
	2023	2022	2021	2024	
First Quarter	14.8 %	14.4 %	15.2 %	11.6 %	
Second Quarter	43.2 %	42.8 %	37.1 %	42.9 %	
Third Quarter	31.5 %	30.2 %	32.7 %	33.8 %	
Fourth Quarter	10.5 %	12.6 %	15.0 %	11.7 %	

Management focuses on a variety of key indicators and operating metrics to monitor the financial condition and performance of the continuing operations. These metrics include consumer purchases (point-of-sale data), market share, category growth, net sales (including unit volume, mix, pricing and foreign exchange movements), income from continuing operations, net income (loss), earnings per share, earnings before interest, taxes, depreciation and amortization, and interest coverage ratio. To the extent applicable, these metrics are evaluated with and without impairment, restructuring and other nonrecurring items. Metrics that exclude impairment, restructuring and other nonrecurring items are used by management for operational planning and determine incentive compensation because we believe that these measures provide additional perspective on the performance of the continuing operations. Management also focuses on measures to optimize cash flow and return on invested capital, including the management of working capital and capital expenditures. Management also focuses on measures to optimize cash flow and return on invested capital, including the management of working capital and capital expenditures. MD&A for further discussion of non-GAAP measures.

Recent Events

During fiscal 2022, we began implementing a series of Company-wide organizational changes and initiatives intended to create operational efficiencies. As part of this restructuring initiative, we are reducing the size of our supply chain network, reducing staffing levels and implementing various cost-saving measures.

our on hand inventory to align with the optimized network capacity, we have **We also** accelerated the reduction of certain Hawthorne inventory, products. We expect these products, to reduce our on hand inventory to align with the reduced network capacity. These efforts to deliver have deli \$300.0, nearly all of which is expected to be realized by the end of fiscal 2024. The restructuring initiative is expected to improve **has increased** our fiscal **2023, 2024**, we incurred costs of **\$184.8 \$83.5** in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Staten restructuring and other" line in the Consolidated Statements of Operations associated with this restructuring initiative primarily related to invent facility closure costs and impairment of right-of-use assets, and **intangible assets, property, plant and equipment, equipment and software**. Costs i through **September 30, 2023 September 30, 2024** were \$294.1. \$383.5. Future costs associated with this restructuring initiative are not expected to

During fiscal **2023, 2024**, our Hawthorne segment continued to experience adverse financial results **primarily** due to decreased sales volume ; sales volume is attributable to an oversupply of cannabis, which significantly decreased **has led to a prolonged period of lower** cannabis whole cultivation. The oversupply has been driven by increased licensing activity across the U.S., and significant capital investment in the cannabis proc **as** inconsistent enforcement of regulations and the market impacts of the COVID-19 pandemic. As a result, we revised our internal forecasts to refl the oversupply of cannabis, and recorded non-cash, pre-tax impairment charges of \$117.7 related to our Hawthorne segment intangible assets Consolidated Statements of Operations. **regulations**. We expect that the oversupply of cannabis will continue to adversely impact our Hawthorne si is more significant than we expect, our results of operations could be materially and adversely impacted for a longer period and to a greater extent t

During fiscal 2024, our Hawthorne segment announced a strategic partnership with BFG Supply ("BFG"), a leading national horticultural ar distribute Hawthorne's proprietary Signature brand cultivation supplies and solutions. Our Hawthorne segment also announced it is discontinuing t its focus solely to marketing, innovating and supporting its portfolio of Signature brands, including General Hydroponics®, Gavita®, Botanicare®, Purification System® and CYCO®. We expect the discontinuation of sales of other companies' products will decrease the sales volume of our continued optimization of its operations and improvement of its profitability.

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(Dollars in millions, except per share data)

During fiscal 2023, we recorded a non-cash, pre-tax other-than-temporary impairment charge of \$101.3 related to our convertible debt inv charge of \$10.3 associated with our Other segment in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. charge of \$94.7 associated with our investment in Bonnie Plants, LLC in the "Equity in (income) loss of unconsolidated affiliates" line in the Consol

On June 8, 2022, we entered into Amendment No. 1 ("Amendment No. 1") to the Sixth A&R Credit Agreement which increased the maxii covenant effective for the third quarter of fiscal 2022 until April 1, 2024. During the third quarter of fiscal 2023, we experienced an unexpected s compliance with the leverage ratio covenant of Amendment No. 1. On July 31, 2023, we entered into Amendment No. 2 to the Sixth A&R Credit Ag increased the maximum permitted leverage ratio for the quarterly leverage covenant, and increased the interest rate applicable to borrowings unde 25 bps for each existing pricing tier and added a pricing tier that is applicable for periods when the leverage ratio is in excess of 6.00. Refer to the " MD&A for more information regarding Amendment No. 2.

During fiscal 2023, **2024**, we continued to experience the impacts of cost inflation and uncertain macroeconomic and geopolitical conditions (i East), resulting in persistently high manufacturing and logistics costs, as well as **elevated interest rates and volatile commodity costs**. Higher cost significant price increases across our business in fiscal 2022 and 2023. Inflationary **fiscal 2023**, and we implemented targeted price reductions on o headwinds, volatile commodity costs and higher **elevated interest rates** are expected to continue. The impact that these trends will continue to depend on future developments, including inflationary, **macroeconomic** and macroeconomic **geopolitical** conditions, and their **potential** impact on co

During fiscal 2024, we recorded a non-cash, pre-tax other-than-temporary impairment charge of \$64.6 related to our convertible debt investr the Consolidated Statements of Operations. Refer to "NOTE 16. FAIR VALUE MEASUREMENTS" of the Notes to the Consolidated Financial Stat regarding convertible debt investments. In addition, we recorded pre-tax impairment charges of \$61.9 associated with our investment in Bonn affiliates" line in the Consolidated Statements of Operations during fiscal 2024. Refer to "NOTE 8. INVESTMENT IN UNCONSOLIDATED AF Statements included in this Form 10-K for more information regarding our investment in Bonnie Plants, LLC.

Results of Operations

The following table sets forth the components of earnings as a percentage of net sales:

		Year Ended September 30,							
		% of Net		% of Net		% of Net			
		2023	Sales	2022	Sales	2021	Sales		
		Year Ended September 30,							
								% of	
								Net	
								2024	
								Sales	
Net sales	Net sales	\$3,551.3	100.0 %	\$3,924.1	100.0 %	\$4,925.0	100.0 %	Net sales	\$3,552.7 100.0 100.0 % \$3,551.3 100.0 100.0 %
Cost of sales	Cost of sales	2,708.3	76.3	2,891.1	73.7	3,431.3	69.7		
Cost of sales—impairment, restructuring and other	Cost of sales—impairment, restructuring and other	185.7	5.2	160.1	4.1	24.7	0.5		

Gross margin	Gross margin	657.3	18.5	872.9	22.2	1,469.0	29.8
Gross margin							
Gross margin							
Operating expenses:	Operating expenses:						
Selling, general and administrative							
Selling, general and administrative							
Selling, general and administrative	Selling, general and administrative	551.3	15.5	613.0	15.6	743.5	15.1
Impairment, restructuring and other	Impairment, restructuring and other	280.5	7.9	693.1	17.7	4.3	0.1
Other (income) expense, net	Other (income) expense, net	(0.1)	—	0.8	—	(1.8)	—
Other (income) expense, net							
Other (income) expense, net							
Income (loss) from operations	Income (loss) from operations	(174.4)	(4.9)	(434.0)	(11.1)	723.0	14.7
Equity in (income) loss of unconsolidated affiliates		101.1	2.8	12.9	0.3	(14.4)	(0.3)
Equity in loss of unconsolidated affiliates							
Interest expense	Interest expense	178.1	5.0	118.1	3.0	78.9	1.6
Other non-operating income, net		(0.3)	—	(6.9)	(0.2)	(18.6)	(0.4)
Income (loss) from continuing operations before income taxes		(453.3)	(12.8)	(558.1)	(14.2)	677.1	13.7
Income tax expense (benefit) from continuing operations		(73.2)	(2.1)	(120.6)	(3.1)	159.8	3.2
Income (loss) from continuing operations		(380.1)	(10.7)	(437.5)	(11.1)	517.3	10.5
Loss from discontinued operations, net of tax		—	—	—	—	(3.9)	(0.1)
Net income (loss)		\$ (380.1)	(10.7)%	\$ (437.5)	(11.1)%	\$ 513.4	10.4 %
Interest expense							
Interest expense							
Other non-operating (income) expense, net							
Loss before income taxes							
Income tax expense (benefit)							
Net loss							
Net loss							
Net loss		\$ (34.9)	(1.0) %	\$ (380.1)			

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

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(Dollars in millions, except per share data)

Net Sales

Net sales for fiscal 2024 were \$3,552.7 as compared to net sales of \$3,551.3 for fiscal 2023. Net sales for fiscal 2023 were \$3,551.3, a decrease from net sales of \$3,551.3 for fiscal 2022. Net sales for fiscal 2022 decreased 20.3% from net sales of \$4,925.0 for fiscal 2021. Factors contributing to the change in net sales are

		Year Ended September 30,					
		2023	2022			2024	2023
		Year Ended September 30,					
		2024	2023			2024	2023
Volume and Volume and				Volume and mix			
mix	mix	(14.3)%	(27.0)%			1.1 %	(14.3)
Foreign	Foreign						
exchange	exchange						
rates	rates	(0.4)	(0.4)				
Pricing	Pricing	5.0	6.2				
Acquisitions	Acquisitions	0.2	0.9				
Change in	Change in			Change in net sales			
net sales	net sales	(9.5)%	(20.3)%			— %	(9.5)

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Net sales for fiscal 2024 as compared to fiscal 2023 were primarily driven by the offsetting changes below:

- increased sales volume, comprised of the net impact of higher volume in our U.S. Consumer segment driven by mulch, soils and c Hawthorne segment driven by the discontinuation of sales of other companies' products; and
- increased net sales associated with the Roundup® marketing agreement;
- offset by decreased pricing in our U.S. Consumer, Hawthorne and Other segments.

The decrease in net sales for fiscal 2023 as compared to fiscal 2022 was primarily driven by:

- decreased sales volume across all segments driven by growing environments, growing media, hardware, nutrients and lighting products and controls products in our U.S. Consumer segment; and
- the unfavorable impact of foreign exchange rates as a result of the strengthening of the U.S. dollar relative to the Canadian dollar;
- partially offset by increased pricing in our U.S. Consumer, Hawthorne and Other segments.

The decrease in net sales for fiscal 2022 as compared to fiscal 2021 was primarily driven by:

- decreased sales volume driven by lighting, nutrients, growing media, hardware and growing environments products in our Hawthorne mulch products in our U.S. Consumer segment;
- decreased net sales associated with the Roundup® marketing agreement; and
- the unfavorable impact of foreign exchange rates as a result of the strengthening of the U.S. dollar relative to the euro and the Canadian dollar;
- partially offset by increased pricing in our U.S. Consumer, Hawthorne and Other segments; and
- the addition of net sales from acquisitions in our Hawthorne segment.

Cost of Sales

The following table shows the major components of cost of sales:

		Year Ended September 30,				
		2023	2022	2021		
		Year Ended September 30,				
		2024	2023	2022		
Materials	Materials	\$1,524.1	\$1,616.7	\$1,962.5		
Materials	Materials					

Materials				
Manufacturing labor and overhead				
Distribution and warehousing	Distribution and warehousing	556.3	660.1	684.0
Manufacturing labor and overhead		545.4	546.4	714.0
Costs associated with Roundup® marketing agreement				
Costs associated with Roundup® marketing agreement				
Costs associated with Roundup® marketing agreement	Costs associated with Roundup® marketing agreement	82.5	67.9	70.8
Cost of sales	Cost of sales	2,708.3	2,891.1	3,431.3
Cost of sales—impairment, restructuring and other	Cost of sales—impairment, restructuring and other	185.7	160.1	24.7
		<u>\$2,894.0</u>	<u>\$3,051.2</u>	<u>\$3,456.0</u>
		<u>\$</u>		
		<u>\$</u>		
		<u>\$</u>		
		<u>\$</u>		

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(Dollars in millions, except per share data)

Factors contributing to the change in cost of sales are outlined in the following table:

		Year Ended September 30,			
		2023	2022		
Year Ended September 30,				Year Ended September	
2024		2024		2023	
Volume, mix and other	Volume, mix and other	\$(299.7)	\$(641.4)		
Volume, mix and other					
Volume, mix and other					
Material cost changes					
Foreign exchange rates	Foreign exchange rates	(10.4)	(16.9)		
Material cost changes		112.7	121.0		

Costs associated with Roundup® marketing agreement	Costs associated with Roundup® marketing agreement	14.6	(2.9)
		(182.8)	(540.2)

Costs associated with Roundup® marketing agreement	
Costs associated with Roundup® marketing agreement	
	(89.6)

Impairment, restructuring and other	Impairment, restructuring and other	25.6	135.4
Change in cost of sales	Change in cost of sales	\$(157.2)	\$(404.8)
Change in cost of sales			
Change in cost of sales			

The decrease in cost of sales for fiscal 2024 as compared to fiscal 2023 was primarily driven by:

- lower warehousing and transportation costs included within "volume, mix and other" in our U.S. Consumer and Hawthorne segments;
- lower material costs in our U.S. Consumer segment;
- lower sales volume in our Hawthorne segment; and
- a decrease in impairment, restructuring and other charges;
- partially offset by higher sales volume in our U.S. Consumer segment;
- inventory write-down charges included within "volume, mix and other" associated with our U.S. Consumer segment; and

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- an increase in costs associated with the Roundup® marketing agreement.

The decrease in cost of sales for fiscal 2023 as compared to fiscal 2022 was primarily driven by:

- lower sales volume in our U.S. Consumer, Hawthorne and Other segments;
- lower warehousing costs included within "volume, mix and other" in our U.S. Consumer and Hawthorne segments; and
- the favorable impact of foreign exchange rates as a result of the strengthening of the U.S. dollar relative to the Canadian dollar;
- partially offset by higher material costs in our U.S. Consumer, Hawthorne and Other segments;
- higher manufacturing costs, primarily labor, included within "volume, mix and other" in our U.S. Consumer, Hawthorne and Other segments;
- inventory write-down charges included within "volume, mix and other" associated with our U.S. Consumer segment;
- an increase in costs associated with the Roundup® marketing agreement; and
- an increase in impairment, restructuring and other charges.

The decrease in cost of sales for fiscal 2022 as compared to fiscal 2021 was primarily driven by:

- lower sales volume in our U.S. Consumer, Hawthorne and Other segments;
- the favorable impact of foreign exchange rates as a result of the strengthening of the U.S. dollar relative to the euro and the Canadian dollar;
- a decrease in costs associated with the Roundup® marketing agreement;
- partially offset by higher material costs in our U.S. Consumer and Other segments;
- higher transportation and warehousing costs included within "volume, mix and other" in our U.S. Consumer, Hawthorne and Other segments;
- an increase in impairment, restructuring and other charges.

Gross Margin

As a percentage of net sales, our gross margin rate was 18.5% 23.9%, 22.2% 18.5% and 29.8% 22.2% for fiscal 2024, fiscal 2023 and fiscal 2022, respectively. The factors contributing to the change in gross margin rate are outlined in the following table:

		Year Ended September 30,			
		2023	2022		
		Year Ended September 30,			
		2024	2023	2024	2023
Volume, mix and other	Volume, mix and other	(4.0)%	(6.6)%	2.4	%
Material costs	Material costs	(3.3)	(3.4)		
Roundup® commissions and reimbursements	Roundup® commissions and reimbursements	(0.3)	(0.2)		
Acquisitions	Acquisitions	—	(0.1)		
Pricing	Pricing	5.0	6.3		
		2.6			
		(2.6)	(4.0)		
		2.6			
		2.6			
Impairment, restructuring and other	Impairment, restructuring and other	(1.1)	(3.6)		
Change in gross margin rate	Change in gross margin rate	(3.7)%	(7.6)%	5.4	%

The increase in gross margin rate for fiscal 2024 as compared to fiscal 2023 was primarily driven by:

- lower warehousing and transportation costs included within "volume, mix and other" in our U.S. Consumer and Hawthorne segments;
- favorable mix driven by lower sales in our Hawthorne segment relative to our U.S. Consumer segment;
- lower material costs in our U.S. Consumer segment; and
- a decrease in impairment, restructuring and other charges;
- partially offset by decreased pricing in our U.S. Consumer, Hawthorne and Other segments; and
- inventory write-down charges included within "volume, mix and other" associated with our U.S. Consumer segment.

The decrease in gross margin rate for fiscal 2023 as compared to fiscal 2022 was primarily driven by:

- higher material costs in our U.S. Consumer, Hawthorne and Other segments;
- higher manufacturing costs, primarily labor, included within "volume, mix and other" in our U.S. Consumer, Hawthorne and Other segments;
- unfavorable leverage of fixed costs, included within "volume, mix and other," driven by lower sales and production volume in our U.S. Consumer segment; and
- inventory write-down charges included within "volume, mix and other" associated with our U.S. Consumer segment; and

- an increase in impairment, restructuring and other charges;
- partially offset by increased pricing in our U.S. Consumer, Hawthorne and Other segments; and

- The decrease in gross margin rate for fiscal 2022 as compared to fiscal 2021 was primarily driven by:

- higher material costs in our U.S. Consumer, Hawthorne and Other segments;
- higher transportation and warehousing costs included within “volume, mix and other” associated with our U.S. Consumer, Hawthorne and Other segments;
- unfavorable leverage of fixed costs driven by lower sales volume in our U.S. Consumer, Hawthorne and Other segments; and
- an increase in impairment, restructuring and other charges;
- partially offset by increased pricing in our U.S. Consumer, Hawthorne and Other segments.

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(Dollars in millions, except per share data)

Selling, General and Administrative Expenses

The following table sets forth the components of selling, general and administrative expenses (“SG&A”):

		Year Ended September 30,			
		2024			2024
		Year Ended September 30,			
		2023	2022	2021	
Advertising					
Advertising					
Advertising	Advertising	\$123.7	\$120.3	\$165.7	
Advertising as a percentage of net sales	Advertising as a percentage of net sales				Advertising as a percentage of net sales
		3.5 %	3.1 %	3.4 %	4.0 %
Share-based compensation	Share-based compensation	49.7	34.3	40.6	
Research and development	Research and development	35.7	45.3	45.4	
Amortization of intangibles	Amortization of intangibles	22.6	31.0	29.1	
Other selling, general and administrative	Other selling, general and administrative	319.6	382.1	462.7	
		\$551.3	\$613.0	\$743.5	
	\$				

SG&A increased \$7.7, or 1.4%, during fiscal 2024 compared to fiscal 2023. Advertising expense increased \$17.3, or 14.0%, in fiscal 2024 driven by the Consumer Products segment. Share-based compensation expense, which excludes certain advertising expenses paid for in Common Shares, increased \$7.5, or 15%, in fiscal 2024 compared to fiscal 2023 for certain performance-based award units to reflect management's assessment of a lower probability of achievement of performance targets for fiscal 2024 compared to fiscal 2023. Other SG&A decreased by \$7.3, or 2.3%, driven by the Consumer Products segment, primarily due to cost savings initiatives.

SG&A decreased \$61.7, or 10.1%, during fiscal 2023 compared to fiscal 2022. Advertising expense increased \$3.4, or 2.8%, in fiscal 2023 driven by the Energy segment. Share-based compensation expense, which excludes certain advertising expenses paid for in Common Shares, increased \$15.4, or 44.9%, in fiscal 2023 compared to fiscal 2022, primarily due to the recognition of share-based awards for fiscal 2023 in lieu of a cash-based program, partially offset by the recognition of share-based award units to reflect management's assessment of a lower probability of achievement of performance goals. Amortization expense decreased \$1.0, or 1.0%, in fiscal 2023 compared to fiscal 2022, primarily due to the amortization of intangible assets in the Haworthorne segment during fiscal 2022 and fiscal 2023. Other SG&A and research and development costs decreased by a combination of lower levels and other cost-reduction initiatives.

SG&A decreased \$130.5, or 17.6%, during fiscal 2022 compared to fiscal 2021. Advertising expense decreased \$45.4, or 27.4%,

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(Dollars in fiscal 2022 driven by decreased media spending in our U.S. Consumer and Hawthorne segments. Other SG&A decreased \$80.6, or 17.4%, in fiscal 2022 driven by expense, reductions in staffing levels and other cost-reduction initiatives. millions, except per share data)

Impairment, Restructuring and Other

Activity described herein is classified within the “Cost of sales—impairment, restructuring and other” and “Impairment, restructuring and other” categories of the consolidated statement of operations. The following table details impairment, restructuring and other charges (recoveries) for each of the periods presented:

	Year Ended September 30,			Year E
	2024	2024	2023	
Cost of sales— impairment, restructuring and other:				
Restructuring and other charges, net				
Restructuring and other charges, net				
Restructuring and other charges, net				
Property, plant and equipment impairments				
Right-of-use asset impairments				
	Year Ended September 30,			
	2023	2022	2021	
Cost of sales—impairment, restructuring and other:				
Operating expenses— impairment, restructuring and other:				
Operating expenses— impairment, restructuring and other:				
Operating expenses— impairment, restructuring and other:				
Convertible debt other-than- temporary impairments				
Convertible debt other-than- temporary impairments				
Convertible debt other-than- temporary impairments				
Goodwill and intangible asset impairments				
Restructuring and other charges (recoveries), net	Restructuring and other charges (recoveries), net	\$148.5	\$143.6	\$(0.3)
Right-of-use asset impairments		25.8	—	—
Property, plant and equipment impairments		11.4	16.6	—
COVID-19 related costs		—	—	25.0
Operating expenses— impairment, restructuring and other:				
Goodwill and intangible asset impairments		127.9	668.3	—

Convertible debt other-than-temporary impairments	101.3	—	—
Restructuring and other charges, net	51.2	40.9	0.1
Gains on sale of property, plant and equipment	—	(16.2)	—
COVID-19 related costs	—	—	4.2
Total impairment, restructuring and other charges	\$466.1	\$853.2	\$29.0

During fiscal 2024 and fiscal 2023, we recorded non-cash, pre-tax goodwill and intangible asset other-than-temporary impairment charges related and \$101.3, respectively, in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. Refer to "NOTE 16, Consolidated Financial Statements included in this Form 10-K for more information regarding convertible debt investments.

During fiscal 2024, we recorded a gain of \$12.1 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations for impairment charges associated with our Hawthorne segment and \$10.3 a payment received in resolution of goodwill impairment charges associated

During the former ownership group of a business that was acquired in fiscal 2023, we recorded a non-cash, pre-tax other-than-temporary impairment investments of \$101.3 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations.

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(Dollars in millions, except per share data)

2022.

During fiscal 2022, we began implementing a series of Company-wide organizational changes and initiatives intended to create operational restructuring initiative, we are reducing reduced the size of our supply chain network, reducing reduced staffing levels and implementing implement our on hand inventory to align with the optimized network capacity, we have We also accelerated the reduction of certain Hawthorne inventory, products, products, to reduce on hand inventory to align with the reduced network capacity. During fiscal 2024, we incurred costs of \$89.4 associated inventory write-down charges, employee termination benefits, facility closure costs and impairment of right-of-use assets, intangible assets, property of \$11.3 in our U.S. Consumer segment and \$71.8 in our Hawthorne segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2024. During fiscal 2023, we incurred costs of \$229.0 associated with this restructuring initiative employee termination benefits, facility closure costs and impairment of right-of-use assets and property, plant and equipment. We incurred costs of Hawthorne segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal segment, \$20.7 in our Hawthorne segment, \$0.8 in our Other segment and \$14.9 at Corporate in the "Impairment, restructuring and other" line in 2023. During fiscal 2022, we incurred costs of \$65.2 associated with this restructuring initiative primarily related to employee termination benefits incurred costs of \$9.7 in our U.S. Consumer segment and \$27.1 in our Hawthorne segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2022. We incurred costs of \$11.9 in our U.S. Consumer segment, \$8.1 in our Hawthorne segment, \$0.7 in our Other segment and other" line in the Consolidated Statements of Operations during fiscal 2022. Costs incurred to date since the inception of this restructuring initiative our U.S. Consumer segment, \$224.4 \$297.2 for our Hawthorne segment, \$1.5 \$2.9 for our Other segment and \$22.7 \$25.1 at Corporate. We continue

During fiscal 2023, we recorded non-cash, pre-tax goodwill and organizational changes, which, if executed, may result in intangible asset impairment restructuring and other" line in the Consolidated Statements of Operations, comprised of \$117.7 of finite-lived intangible asset impairment charge goodwill impairment charges associated with our Other segment.

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(Dollars in future periods, millions, except per share data)

During fiscal 2022, we recorded non-cash, pre-tax goodwill and intangible asset impairment charges of \$632.4 as a result of interim impairment restructuring and other" line in the Consolidated Statements of Operations, comprised of \$522.4 of goodwill impairment charges and \$110.0 of finite

During fiscal 2022, we incurred inventory write-down charges of \$120.9 in the "Cost of sales—impairment, restructuring and other" line in the intangible asset impairment charges of \$35.3 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations associated for certain Hawthorne lighting products and brands.

During fiscal 2022, we recorded gains of \$16.2 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations equipment.

During Other (Income) Expense, net

Other (income) expense is comprised of activities such as the discount on sales of accounts receivable under the Master Receivables Purchase certain of our brand names and foreign exchange transaction gains and losses. Other (income) expense was \$19.9, \$(0.1) and \$0.8 in fiscal 2021,

19 pandemic primarily related to premium pay. We incurred costs of \$21.2 2024, fiscal 2023 and fiscal 2022, respectively. The increase in our U.S. (\$0.6 in our Other segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations expense (due to the discount on sales of \$4.0 in our U.S. Consumer segment and \$0.2 in our Other segment in accounts receivable under the "Impairment" line in the Consolidated Statements of Operations during fiscal 2021. Master Receivables Purchase Agreement.

Income (Loss) from Operations

Income (loss) from operations was \$208.8 in fiscal 2024 compared to \$(174.4) in fiscal 2023. The increase was primarily driven by lower in gross margin rate, partially offset by higher other expense and higher SG&A.

Loss from operations was \$(174.4) in fiscal 2023 compared to \$(434.0) in fiscal 2022. The decrease was driven by lower impairment, restruct by lower net sales and a decrease in gross margin rate.

Income (loss) from operations was \$(434.0) in fiscal 2022 compared to \$723.0 in fiscal 2021. The decrease was driven by lower net sale impairment, restructuring and other charges and lower other income, partially offset by lower SG&A.

Equity in (Income) Loss of Unconsolidated Affiliates

Equity in (income) loss of unconsolidated affiliates associated with Bonnie Plants, LLC was \$68.1, \$101.1 \$12.9 and \$(14.4) \$12.9 in fis respectively. During fiscal 2023, we We recorded a non-cash, pre-tax impairment charge of \$94.7 charges associated with our investment in Bonnie and fiscal 2023, respectively. Refer to "NOTE 9; 8. INVESTMENT IN UNCONSOLIDATED AFFILIATES" of the Notes to the Consolidated Fin information regarding Bonnie Plants, LLC.

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Interest Expense

Interest expense was \$158.8 in fiscal 2024, a decrease of 10.8% compared to \$178.1 in fiscal 2023. The decrease was driven by lower aver in our weighted average interest rate, net of the impact of interest rate swaps, of 40 basis points. The decrease in average borrowings was driven debt as well as the impact of the expiration of the Receivables Facility and the execution of the Master Receivables Purchase Agreement. The incr driven by higher borrowing rates under the Sixth A&R Credit Agreement.

Interest expense was \$178.1 in fiscal 2023, an increase of 50.8% compared to \$118.1 in fiscal 2022. The increase was driven by an increase of interest rate swaps, of 180 basis points, primarily due to driven by higher borrowing rates on under the Sixth A&R Credit Agreement. While we ha seasonal borrowing and repayment pattern resulted in an average debt balance for fiscal 2023 that was consistent with fiscal 2022. Interest expense was \$118.1

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(Dollars in fiscal 2022, an increase of 49.7% compared to \$78.9 in fiscal 2021. The increase was driven by higher average borrowings of \$1,119.6 due to higher invento repurchases of our Common Shares. millions, except per share data)

Other Non-Operating Income, Net

Other non-operating income was \$0.3, \$6.9 and \$18.6 in fiscal 2023, fiscal 2022 and fiscal 2021, respectively. On December 31, 2020, we exchange for cash payments of \$102.3, forgiveness of our outstanding loan receivable with AFC and surrender of our options to increase our econ a gain of \$12.5 during the first quarter of fiscal 2021 to write-up the value of our loan receivable with AFC to its closing date fair value.

Income Tax Expense (Benefit) from Continuing Operations

A reconciliation of the federal corporate income tax rate and the effective tax rate on income from continuing operations loss before income tax

		Year Ended September 30,			Year E	
		2023	2022	2021	2024	
Statutory	Statutory				Statutory income tax rate	
income tax rate	income tax rate	21.0 %	21.0 %	21.0 %	21.0	
Effect of foreign	Effect of foreign					
operations	operations	0.2	(1.6)	(0.2)		
State taxes, net	State taxes, net					
of federal	of federal					
benefit	benefit	3.2	2.6	3.9		
Effect of other	Effect of other					
permanent	permanent					
differences	differences	(0.8)	2.8	(1.1)		
Effect of other permanent differences						
Effect of other permanent differences						

Research and Experimentation and other federal tax credits	Research and Experimentation and other federal tax credits	0.2	0.2	(0.2)
Effect of tax contingencies	Effect of tax contingencies	0.1	(1.8)	—
Change in valuation allowances	Change in valuation allowances	(8.7)	(0.9)	0.1
Change in valuation allowances				
Change in valuation allowances				
Other	Other	1.0	(0.7)	0.1
Effective income tax rate	Effective income tax rate	16.2 %	21.6 %	23.6 %
Effective income tax rate				(47.9)

During For fiscal 2024, the impact on the effective tax rate of the items noted in the table above increased due to the decrease in loss before we recorded a non-cash, pre-tax other-than-temporary impairment charge related to our convertible debt investments of \$101.3 in the "Impairment, restructuring and other" line other charges, a higher gross margin rate, lower equity in the Consolidated Statements of Operations. fiscal 2022. Deferred tax assets related to unrealized losses on convertible debt investments were \$43.6 and \$33.4 at and 2022, 2023, respectively. A full valuation allowance has been established was recorded against these losses at September 30, 2023 September prior to their expiration. This discrete item, which expiration, and this impact is included in the "Change in valuation allowances" line in the table above.

Net Loss

Net loss was \$34.9, or \$0.61 per diluted share, in fiscal 2023 effective tax rate because we incurred a net loss during this period.

During 2024 compared to \$380.1, or \$6.79 per diluted share, in fiscal 2022, we recorded non-cash, pre-tax goodwill and intangible asset 2023. of \$668.3 in the "Impairment, restructuring and other" line other charges, a higher gross margin rate, lower equity in the Consolidated Statements of Operations. charges was a benefit of \$148.3, which is net of the impact of non-deductible goodwill of \$18.8, for fiscal 2022 unconsolidated affiliates and was offset by higher other expense, higher income tax expense (benefit) from continuing operations" line in the Consolidated Statements of Operations SG&A.

Net loss was considered a discrete item because we have no remaining non-deductible goodwill. This discrete item, which is included in the "Effect of other permanent differences" line in the table above, decreased the fiscal 2022 effective tax rate by approximately 340 bps because we incurred a net loss during the period. Additionally, excess tax benefit included in the "Effect of other permanent differences" line in the table above, increased the fiscal 2022 effective tax rate by approximately 260 bps.

Income (Loss) from Continuing Operations

Loss from continuing operations was \$(380.1), \$380.1, or \$(6.79) \$6.79 per diluted share, in fiscal 2023 compared to \$(437.5), \$437.5, or \$(7.1) was driven by lower impairment, restructuring and other charges, and lower SG&A, partially offset by lower net sales, a decrease in gross margin rate, higher interest expense, lower other non-operating income and lower income tax benefit.

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Income (loss) from continuing operations was \$(437.5), or \$(7.88) per diluted share, in fiscal 2022 compared to \$517.3, or \$9.03 per diluted share, in fiscal 2021. This was driven by lower net sales, a decrease in gross margin rate, higher impairment, restructuring and other charges, lower other income, lower equity in income of other non-operating income, partially offset by lower SG&A.

Diluted average common shares used in the diluted loss per common share calculation for fiscal 2024, fiscal 2023 and fiscal 2022 were 56.8 million, 0.9 million, 0.4 million and 0.6 million, respectively, because the effect of their inclusion would be anti-dilutive for fiscal 2022. Diluted average common shares used in the diluted income per common share calculation for fiscal 2021 were 57.2 million, which included diluted shares of 0.6 million.

Segment Results

The performance of each reportable segment is evaluated based on several factors, including income (loss) from continuing operations before income taxes and other charges ("Segment Profit (Loss)"), which is a non-GAAP financial measure. Senior management uses Segment Profit (Loss) to evaluate performance trends and the overall earnings potential of each segment.

The following table sets forth net sales by segment:

	Year Ended September 30,			Year
	2024	2023	2022	
	Year Ended September 30,			
	2023	2022	2021	
U.S. Consumer				
U.S. Consumer				

U.S. Consumer	U.S. Consumer	\$2,843.7	\$2,928.8	\$3,197.7
Hawthorne	Hawthorne	467.3	716.2	1,424.2
Other	Other	240.3	279.1	303.1
Consolidated	Consolidated	\$3,551.3	\$3,924.1	\$4,925.0

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The following table sets forth Segment Profit (Loss) as well as a reconciliation to income (loss) from continuing operations loss before income in accordance with U.S. generally accepted accounting principles ("GAAP"):

Year Ended September 30,		Year Ended September 30,			Year En
2024		2024			2023
		2023			2021
		2023	2022	2021	
U.S. Consumer					
U.S. Consumer					
U.S. Consumer	U.S. Consumer	\$ 454.1	\$ 568.6	\$726.7	
Hawthorne	Hawthorne	(48.1)	(21.1)	163.8	
Other	Other	12.4	20.2	42.1	
Total Segment Profit (Non-GAAP)	Total Segment Profit (Non-GAAP)	418.4	567.7	932.6	
Corporate	Corporate	(101.6)	(112.4)	(149.7)	
Intangible asset amortization	Intangible asset amortization	(25.2)	(37.1)	(30.9)	
Impairment, restructuring and other	Impairment, restructuring and other	(466.0)	(852.2)	(29.0)	
Equity in income (loss) of unconsolidated affiliates		(101.1)	(12.9)	14.4	
Impairment, restructuring and other					
Impairment, restructuring and other					
Equity in loss of unconsolidated affiliates					
Interest expense	Interest expense	(178.1)	(118.1)	(78.9)	
Other non-operating income, net		0.3	6.9	18.6	
Income (loss) from continuing operations before income taxes (GAAP)		\$ (453.3)	\$ (558.1)	\$677.1	
Interest expense					
Interest expense					

Other non-
operating
income
(expense), net

Loss before
income
taxes
(GAAP)

U.S. Consumer

U.S. Consumer segment net sales were \$3,013.7 in fiscal 2024, an increase of 6.0% from fiscal 2023 net sales of \$2,843.7. The increase was driven by decreased pricing of 1.3%. The increase in sales volume for fiscal 2024 was driven by mulch, soils and controls products as well as increased pricing of 1.3%.

U.S. Consumer Segment Profit was \$498.0 in fiscal 2024, an increase of 9.7% from fiscal 2023 Segment Profit of \$454.1. The increase for fiscal 2024 was driven by higher gross margin rate, partially offset by higher SG&A driven by advertising expense and higher other expense driven by the discount on sales of 1.3%.

U.S. Consumer segment net sales were \$2,843.7 in fiscal 2023, a decrease of 2.9% from fiscal 2022 net sales of \$2,928.8. The decrease was driven by increased pricing of 5.4%. The decrease in sales volume for fiscal 2023 was driven by lawn care, plant food and controls products.

U.S. Consumer Segment Profit was \$454.1 in fiscal 2023, a decrease of 20.1% from fiscal 2022 Segment Profit of \$568.6. The decrease for fiscal 2023 was driven by lower gross margin rate, partially offset by lower SG&A.

Hawthorne

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U.S. Consumer Hawthorne segment net sales were \$2,928.8 in fiscal 2023, a decrease of 8.4% from fiscal 2022 net sales of \$3,162.2. The decrease was driven by lower sales volume of 15.6% and decreased pricing of 0.5%, partially offset by increased pricing of 7.2% and favorable foreign exchange rates of 7.2%. The decrease in sales volume for fiscal 2023 was driven by lawn care, soils, controls, plant food and mulch products.

U.S. Consumer Hawthorne Segment Profit was \$568.6 in fiscal 2023, a decrease of 20.1% from fiscal 2022 Segment Profit of \$726.7. The decrease for fiscal 2023 was primarily due to lower net sales and a lower gross margin rate and lower SG&A.

Hawthorne net sales.

Hawthorne segment net sales were \$467.3 in fiscal 2023, a decrease of 34.8% from fiscal 2022 net sales of \$716.2. The decrease was driven by increased pricing of 2.5% and acquisitions of 0.8%. The decrease in sales volume for fiscal 2023 was driven by growing environments, growing media and hardware products.

Hawthorne Segment Loss was \$48.1 in fiscal 2023 compared to fiscal 2022 Segment Loss of \$21.1. The increase for fiscal 2023 was driven by lower net sales and a lower gross margin rate, partially offset by lower SG&A.

Hawthorne Other

Other segment net sales were \$716.2 in fiscal 2022, a decrease of 49.7% from fiscal 2021 net sales of \$1,411.9. The decrease was driven by lower sales volume of 56.0% and decreased pricing of 1.0%, partially offset by increased pricing of 1.7% and favorable foreign exchange rates of 0.8%, partially offset by increased pricing of 3.3%.

Other Segment Profit was driven by lighting, nutrients, growing media, hardware and growing environments products.

Hawthorne Segment Loss was \$21.1 in fiscal 2022 compared to 2024, a decrease of 62.1% from fiscal 2021 Segment Profit of \$112.4. The decrease for fiscal 2022 was driven by lower net sales and a lower gross margin rate and higher SG&A, partially offset by lower SG&A.

Other

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Other segment net sales were \$240.3 in fiscal 2023, a decrease of 13.9% from fiscal 2022 net sales of \$279.1. The decrease was driven by decreased pricing of 4.8%, partially offset by increased pricing of 6.9%.

Other Segment Profit was \$12.4 in fiscal 2023, a decrease of 38.6% from fiscal 2022 Segment Profit of \$20.2. The decrease was driven by lower sales volume and decreased pricing of 1.9%.

Other segment net sales Corporate

Corporate expenses were \$279.1 in fiscal 2022, a decrease of 7.9% from fiscal 2021 net sales of \$3,013.7. The decrease was driven by higher share-based compensation expense due to the recognition of a cumulative adjustment in fiscal 2023 for certain performance-based awards, partially offset by increased sales volume of 13.7% and unfavorable foreign exchange rates of 1.9%.

Other Segment Profit was \$20.2 in fiscal 2022, a decrease of 52.0% from fiscal 2021 Segment Profit of \$42.1. The decrease was driven by lower sales volume and decreased pricing of 1.9%, partially offset by lower SG&A.

Corporate other cost-reduction initiatives.

Corporate expenses were \$101.6 in fiscal 2023, a decrease of 9.6% from fiscal 2022 expenses of \$112.4. The decrease was driven by recognition of a cumulative adjustment for certain performance-based awards to reflect management's assessment of a lower probability of achieving certain performance goals and other cost-reduction initiatives.

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The following table summarizes cash activities for the years ended September 30:

		2023	2022	2021		
2024					2024	2023
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	\$531.0	\$(129.0)	\$271.5		
Net cash used in investing activities	Net cash used in investing activities	(65.7)	(283.2)	(538.6)		
Net cash (used in) provided by financing activities	Net cash (used in) provided by financing activities	(520.1)	255.3	494.0		

Cash provided by operating activities totaled \$667.5 for fiscal 2024, an increase of \$136.5 compared to \$531.0 for fiscal 2023. This increase was primarily driven by higher net income, improved working capital management, including accounts receivable timing, accounts payable timing, lower payments associated with restructuring activities and lower interest payments, partially offset by higher investments in capital assets, higher income tax payments, higher payments for promotional programs and lower income tax refunds received. Lower accounts receivable is driven by the favorable impact of accounts receivable turnover on the timing of collections. Lower income tax payments are driven by the impact of the Tax Cuts and Jobs Act of 2017. Accounts payable timing is driven by the impact of extended payment terms with vendors for payments originally due in the final weeks of 2023.

Cash provided by operating activities totaled \$531.0 for fiscal 2023, an increase of \$660.0 compared to cash used in operating activities of \$129.0 for fiscal 2022. The increase was primarily due to a reduction in inventory, lower short-term variable cash incentive compensation payouts, higher income tax refunds and lower SG&A, partially offset by higher capital expenditures and higher interest expense. Capital expenditures were higher due to the timing of payments associated with restructuring activities and accounts payable timing. Accounts payable timing is driven by the unfavorable impact of exchange rates on payments due in the final weeks of fiscal 2022 that were paid in the first quarter of fiscal 2023.

Cash used in operating activities totaled \$129.0 for fiscal 2022, a decrease of \$400.5 compared to cash provided by operating activities of \$2 inventory, lower accounts payable, lower net income and higher interest payments, partially offset by lower tax payments and lower short-term inventory was driven by higher production, lower sales and higher input costs. Lower accounts payable was driven by the timing of production. payment terms with vendors for payments originally due in the final weeks of fiscal 2022 that were paid in the first quarter of fiscal 2023.

The seasonal nature of our North America consumer lawn and garden business generally requires cash to fund significant increases in inventory and payables also build substantially in our second quarter of the fiscal year in line with the timing of sales to support our retailers' spring selling season.

Cash used in investing activities totaled \$100.4 for fiscal 2024, an increase of \$34.7 compared to \$65.7 for fiscal 2023. Cash used for investing and fiscal 2023 was \$84.0 and \$92.8, respectively. We also acquired an additional equity interest in Bonnie Plants, LLC for \$21.4 and had other inv

Cash used in investing activities totaled \$65.7 for fiscal 2023, a decrease of \$217.5 compared to \$283.2 for fiscal 2022. Cash used for investing was \$92.8, a decrease from \$113.5 in fiscal 2022 due to higher spending in the prior period fiscal 2022 on capital projects to expand network capacity. Cash provided by financing activities totaled \$100.0 for fiscal 2023, an increase of \$100.0 compared to \$0.0 for fiscal 2022. Cash provided by financing activities for fiscal 2023 related to the payoff of seller financing that we provided in connection with a fiscal 2017 divestiture. In addition, we divestiture, and had other cash outflows associated with currency forward contracts.

Cash used

(Dollars in investing activities totaled \$283.2 for fiscal 2022, a decrease of \$255.4 compared to \$538.6 for fiscal 2021. Cash used for investments in property, plant and equipment acquisitions of Luxx Lighting, Inc., True Liberty Bags and Cyco during fiscal 2022 in exchange for aggregate cash payments of \$237.3, as well as the issuance of 0.1 million shares of common stock with a fair value of \$21.0 based on the closing share price at the time of payment. In addition, during fiscal 2022, we made payments of \$25.0 in connection with the acquisition of Cyco, received proceeds from the sale of long-lived assets of \$63.3 and received \$29.3 associated with currency forward contracts.

For the three fiscal years ended September 30, 2023, September 30, 2024, we allocated our capital spending as follows: 64% 70% for maintenance projects, focused primarily on supply chain and information technology, technology; and 16% 10% for innovation and expansion. We expect fiscal 2025 with our recent capital spending amounts approximately \$100.0 and allocations, we expect to allocate approximately 60% to maintenance of existing assets and 10% to innovation and expansion projects.

Financing Activities

Cash used in financing activities totaled \$527.9 for fiscal 2024 compared to \$520.1 for fiscal 2023. During fiscal 2024, we had net debt repurchased Common Shares for \$5.1 (which includes cash paid to tax authorities to satisfy statutory income tax withholding obligations related to financing cash inflows of \$15.7 during fiscal 2024 related to collections of previously sold accounts receivable not yet submitted to the buyer.) available cash flow to reduce our debt.

Cash used in financing activities totaled \$520.1 for fiscal 2023 compared to cash provided by financing activities of \$255.3 for fiscal 2022. During fiscal 2022, we paid dividends of \$149.1, paid financing and issuance fees of \$6.4 and repurchased Common Shares for \$9.3 (which includes cash paid to tax authorities to satisfy statutory income tax withholding obligations related to share-based compensation). Higher debt repayment and lower Common Share repurchases are driven by our focus on using cash to reduce debt.

Cash provided by financing activities totaled \$255.3 in fiscal 2022 compared to \$494.0 in fiscal 2021. During fiscal 2022, we had net borrowings of \$9.6. We also repurchased Common Shares for \$257.9 and paid dividends of \$166.2 during fiscal 2022.

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Accounts Receivable Sales

On October 27, 2023, we entered into an agreement the Master Receivables Purchase Agreement, under which we may sell up to \$100 million of customer accounts receivable generated by sales to four specified customers. On September 1, 2024, we amended the Master Receivables Purchase Agreement to include available and eligible outstanding customer accounts receivable generated by sales to five specified customers. The agreement is uncommitted unless earlier terminated on September 1, 2025. The receivable sales are non-recourse to the Company, other than with respect to (i) repurchase obligations by the purchaser of its respective representations or obligations as seller or servicer and (ii) certain repurchase and payment obligations with respect to, any purchased receivables that arise after the sale of such purchased receivables to the purchaser not contemplated in the applicable purchase agreement. Transactions under the Master Receivables Purchase Agreement are supported by standby letters of credit of \$75.0. Transactions under the Master Receivables Purchase Agreement for as sales of accounts receivable, and the receivables sold are removed from the Consolidated Balance Sheets at the time of the sales transaction. Receivables are classified as operating cash flows and collections of previously sold accounts receivable not yet submitted to the buyer are classified as Cash Flows. We record the discount on sales in the "Other (income) expense, net" line in the Consolidated Statements of Operations. At the end of the period, the receivables are derecognized. During fiscal 2024, proceeds from the sale of receivables under the Master Receivables Purchase Agreement totaled \$1,938.6 and the net loss was \$1.1.

Supplier Finance Program

We have an agreement to provide a supplier finance program which facilitates participating suppliers' ability to finance our payment obligations. Participating suppliers may, at their sole discretion, elect to finance our payment obligations prior to their scheduled due dates at a discounted price. Our payment obligations to our suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to finance amounts under this arrangement. Our current payment terms with a majority of our suppliers are consistent, regardless of whether a supplier participates in the program. Our current payment terms with a majority of our suppliers are commercially reasonable. Our outstanding payment obligations under our supplier finance program were \$12.5 and \$18.3 at September 30, 2024, respectively, and are recorded within accounts payable in the Consolidated Balance Sheets. The associated payments were \$245.5 and \$185.0, respectively, classified as operating activities in the Consolidated Statements of Cash Flows.

Share Repurchases

On February 6, 2020, Scotts Miracle-Gro announced that its Board of Directors authorized the repurchase of up to \$750.0 of Common Shares. During fiscal 2024, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2023, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2022, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2021, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2020, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. Treasury share repurchases are recorded as a reduction of equity and are classified as financing activities in the Consolidated Statements of Cash Flows. During fiscal 2024, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2023, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2022, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2021, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. During fiscal 2020, we repurchased 0.6 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively.

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Cash and Cash Equivalents

Our cash and cash equivalents were held in cash depository accounts with major financial institutions around the world or invested in highly liquid securities with maturities of three months or less. The cash and cash equivalents balances of \$71.6 and \$31.9 at September 30, 2024 and \$86.8 at September 30, 2023, respectively, held by controlled foreign corporations. As of September 30, 2023, we maintain our cash and cash equivalents in the United States and in material foreign subsidiaries.

Borrowing Agreements

Credit Facilities

Our primary sources of liquidity are cash generated by operations and borrowings under our credit facilities, which are guaranteed by subsidiaries. On July 5, 2018, we entered into a fifth amended and restated credit agreement, which provided us with five-year senior secured loan facilities in the form of a revolving credit facility of \$1,500.0 and a term loan in the original principal amount of \$800.0.

On April 8, 2022, we entered into the Sixth A&R Credit Agreement, providing the Company and certain of its subsidiaries with five-year senior secured loan facilities in the form of a revolving credit facility of \$1,500.0 and a term loan in the original principal amount of \$1,000.0 (the "Sixth A&R Credit Facility"). The Sixth A&R Credit Agreement will terminate on April 8, 2027. The Sixth A&R Credit Facilities are available for the issuance of letters of credit. The Sixth A&R Credit Agreement includes customary representations and warranties, affirmative and negative covenants, financial covenants, and events of default.

Under the terms of the Sixth A&R Credit Agreement, loans bear interest, at our election, at a rate per annum equal to either (i) the Alternate in the Sixth A&R Credit Agreement) or (ii) the Adjusted Term SOFR Rate for the Interest Period in effect for such borrowing plus the Applicable Spread. Swingline Loans bear interest at the applicable Swingline Rate set forth in the Sixth A&R Credit Agreement. Interest rates for other select non-U.S. euro, Pounds Sterling and Canadian dollars, are based on separate interest rate indices, as set forth in the Sixth A&R Credit Agreement.

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On June 8, 2022, we entered into Amendment No. 1 to the Sixth A&R Credit Agreement. Amendment No. 1 ("Amendment No. 1"). Amendment No. 1 quarterly leverage covenant until April 1, 2024. Amendment No. 1 also increased the interest rate applicable to borrowings under the revolving credit facility and increased the annual facility fee rate on the revolving credit facility by 15 bps, in each case, when the Company's quarterly-tested leverage ratio

On July 31, 2023, we entered into Amendment No. 2 to the Sixth A&R Credit Agreement. Amendment No. 2 (i) reduces the revolving loan permitted leverage ratio for the quarterly leverage covenant until the earlier of (a) October 1, 2025 and (b) subject to certain conditions specified in such adjustment (such period, the "Leverage Adjustment Period"); (iii) replaces the interest coverage covenant with a fixed charge coverage ratio for borrowings under the revolving credit facility and the term loan facility by 25 bps for each existing pricing tier and adds a pricing tier applicable to the amount of certain incremental investments, loans and advances to \$25.0 during the Leverage Adjustment Period; and (vi) adds our intellectual property to secure our obligations under the Sixth A&R Credit Agreement. Additionally, Amendment No. 2 limits our ability to declare or pay any discretionary dividends during the Leverage Adjustment Period to only the payment of (i) regularly scheduled cash dividends to holders of our Common Shares in an aggregate amount not to exceed \$25.0. Amendment No. 2 also subjects our ability to pay other dividends, distributions or other restricted payments in an aggregate amount not to exceed \$25.0. Amendment No. 2 also subjects our ability to pay with certain leverage levels specified in Amendment No. 2. Pursuant to Amendment No. 2, the Sixth A&R Credit Agreement is secured by (i) a first lien on all receivable, inventory, equipment and intellectual property (subject to certain exceptions) of Scotts Miracle-Gro and certain of its domestic subsidiaries and of Scotts Miracle-Gro's domestic subsidiaries and a portion of the capital stock of certain of its foreign subsidiaries.

At September 30, 2023 and September 30, 2024, we had letters of credit outstanding in the aggregate principal amount of \$5.0, \$83.0, and had \$1.0 of the Sixth A&R Credit Agreement. The weighted average interest rates on average borrowings under the credit facilities, excluding the impact of interest rate swaps, were 6.57% and 4.86% for the fourth quarter of fiscal 2024, fiscal 2023 and fiscal 2022, and respectively.

During fiscal 2021, respectively 2024, we used available cash on hand to make repayments on the term loan of the Sixth A&R Credit Agreement outstanding principal amount.

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The Sixth A&R Credit Agreement contains, among other obligations, an affirmative covenant regarding our leverage ratio determined as of the total indebtedness, divided by our earnings before interest, taxes, depreciation and amortization, as adjusted pursuant to the terms of Amendment No. 2, the maximum permitted leverage ratio is (i) 7.75 for the fourth quarter of fiscal 2023, (ii) 8.25 for the first quarter of fiscal 2024, (iii) 7.75 for the second quarter of fiscal 2024, (iv) 6.00 for the fourth quarter of fiscal 2024, (v) 5.50 for the first quarter of fiscal 2025, (vi) 5.25 for the second quarter of fiscal 2025, (vii) 4.75 for the fourth quarter of fiscal 2025 and (viii) 4.50 for the first quarter of fiscal 2026 and thereafter. Our leverage ratio was 6.57 and 4.86 at September 30, 2023 and September 30, 2024, respectively. Pursuant to Amendment No. 2, the Sixth A&R Credit Agreement also contains an affirmative covenant regarding our fixed charge coverage ratio determined as of Adjusted EBITDA minus capital expenditures and expense for taxes paid in cash, divided by the sum of interest expense plus restricted payments. The required fixed charge coverage ratio is (i) 0.75 for the fourth quarter of fiscal 2023 through the third quarter of fiscal 2024 and (ii) 1.00 for the fourth quarter of fiscal 2024 and thereafter. Our fixed charge coverage ratio was 1.56 and 1.27 for the twelve months ended September 30, 2023 and September 30, 2024, respectively.

As of September 30, 2023 and September 30, 2024, we were in compliance with all applicable covenants in the agreements governing our debt. For the twelve-month period subsequent to the date of the filing of this Form 10-K, we expect to remain in compliance with the financial covenants. Our assessment of our ability to meet our future obligations is inherently subjective, judgment-based, and susceptible to change based on future events. Such a default would allow the lenders under the Sixth A&R Credit Agreement to accelerate the maturity of the indebtedness thereunder and would constitute an event of default under the Senior Notes and cause the Senior Notes to become due and payable at that time. As of September 30, 2023 and September 30, 2024, our indebtedness was \$2,613.3 and \$2,225.0. We do not have sufficient cash on hand or available liquidity that can be utilized to repay these outstanding amounts in the near term.

As part of our contingency planning to address potential future circumstances that could result in noncompliance, we have contemplated alternative plans to reduce operating expenses and certain cash management strategies that are within our control. Additionally, we have contemplated alternative plans for capital control, including, among others, discussions with our lenders to amend the terms of our financial covenants under the Sixth A&R Credit Agreement and other transactions, which may include issuing equity. There is no assurance that we will be successful in implementing these alternative plans.

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Senior Notes

On December 15, 2016, Scotts Miracle-Gro issued \$250.0 aggregate principal amount of 5.250% Senior Notes due 2026. The 5.250% Senior Notes have interest payment dates of June 15 and December 15, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026. The 5.250% Senior Notes have interest payment dates of June 15 and December 15, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026.

On October 22, 2019, Scotts Miracle-Gro issued \$450.0 aggregate principal amount of 4.500% Senior Notes due 2029. The 4.500% Senior Notes have interest payment dates of April 15 and October 15, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, and 2029. The 4.500% Senior Notes have interest payment dates of April 15 and October 15, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, and 2029.

On March 17, 2021, Scotts Miracle-Gro issued \$500.0 aggregate principal amount of 4.000% Senior Notes due 2031. The 4.000% Senior Notes rank equal in right of payment with our existing and future unsecured senior debt. The 4.000% Senior Notes have interest payment dates of April 1 :

On August 13, 2021, Scotts Miracle-Gro issued \$400.0 aggregate principal amount of 4.375% Senior Notes due 2032. The 4.375% Senior Notes rank equal in right of payment with our existing and future unsecured senior debt. The 4.375% Senior Notes have interest payment dates of February

Substantially all of Scotts Miracle-Gro's directly and indirectly owned domestic subsidiaries serve as guarantors of the 5.250% Senior Notes, the 4.375% Senior Notes.

The Senior Notes contain an affirmative covenant regarding our interest coverage ratio determined as of the end of each of our fiscal quarters, excluding costs related to refinancings. The minimum required interest coverage ratio is 2.00. Our interest coverage ratio was 2.00 as of September 30, 2024.

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Receivables Facility

We also maintained a Master Repurchase Agreement (including the annexes thereto, the "Repurchase Agreement") and a Master Framework Agreement, and, together with the Repurchase Agreement, the "Receivables Facility") under which we could sell a portfolio of available and eligible outstanding accounts receivable to agreeing to repurchase the receivables on a weekly basis. The eligible accounts receivable consisted of accounts receivable generated by sales to our customers. The Receivables Facility was \$400.0 and the commitment amount during the seasonal period ended on June 16, 2023 was \$160.0. \$400.0. The Receivables Facility expired on August 18, 2023.

The sale of receivables under the Receivables Facility was accounted for as short-term debt and we continued to carry the receivables on our balance sheet. As of September 30, 2022, there were \$75.0 in borrowings on receivables pledged as collateral. As of September 30, 2023, the receivables pledged as collateral was \$79.8.

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Interest Rate Swap Agreements

We enter into interest rate swap agreements with major financial institutions that effectively convert a portion of our variable rate debt to a fixed rate and expiration date are hedged by the swap agreements. Swap agreements that were hedging interest payments as of September 30, 2023 had a U.S. dollar equivalent notional amount of \$450.0 and \$600.0, and \$800.0, respectively. On October 26, 2023, During fiscal 2024, we executed term interest rate swap agreements for a notional amount that adjusts in accordance with a specified seasonal schedule, and a maximum notional amount cash payment of \$100.0. This date of November 20, 2023 and an expiration date of March 22, 2027. \$11.0. The notional amount, effective date, expiration date and rate of each swap agreement as of September 30, 2024 are shown in the table below:

Notional Amount (\$)	Notional Amount (\$)	Effective Date (a)	Expiration Date	Fixed Rate	Notional Amount (\$)	Effective Date (a)	Expiration Date
200	(b)	1/20/2022	6/20/2024	0.49 %			
200		6/7/2023	6/8/2026	0.80 %			
150	150	6/7/2023	4/7/2027	3.37 %			
50		6/7/2023	4/7/2027	3.34 %			
150							
150						6/7/2023	
50					50	6/7/2023	
100					100 (b)	11/20/2023	3/22/2027
150					150 (b)	9/20/2024	9/20/2029

(a) The effective date refers to the date on which interest payments are first hedged by the applicable swap agreement.

(b) Notional amount adjusts in accordance with a specified seasonal schedule. This represents the maximum notional amount at any point in time.

Availability and Use of Cash

We believe that our cash flows from operations and borrowings under our agreements described herein will be sufficient to meet debt service requirements in the foreseeable future. However, we cannot ensure that our business will generate sufficient cash flow from operations or that future borrowings will be sufficient to pay indebtedness or fund other liquidity needs. Actual results of operations will depend on numerous factors, many of which are beyond our control. For more information, see **FACTORS — Risks Related to Our M&A, Lending and Financing Activities — Our indebtedness could limit our flexibility and adversely affect our financial condition.**

Financial Disclosures About Guarantors and Issuers of Guaranteed Securities

The 5.250% Senior Notes, 4.500% Senior Notes, 4.000% Senior Notes and 4.375% Senior Notes were issued by Scotts Miracle-Gro on December 13, 2021, August 13, 2021, respectively. The Senior Notes are guaranteed by certain consolidated domestic subsidiaries of Scotts Miracle-Gro (collectively,

financial information in accordance with SEC Regulation S-X, Rule 13-01, "Guarantors and Issuers of Guaranteed Securities Registered or Being R

The guarantees are "full and unconditional," as those terms are used in Regulation S-X, Rule 3-10(b)(3), except that a Guarantor's guarantee indentures governing the Senior Notes, such as: (i) upon any sale or other disposition of all or substantially all of the assets of the Guarantor (inc other than Scotts Miracle-Gro or any "restricted subsidiary" under the applicable indenture; (ii) if the Guarantor merges with and into Scotts Miracle if the Guarantor is designated an "unrestricted subsidiary" in accordance with the applicable indenture or otherwise ceases to be a "restricted subsi transaction permitted by such indenture; (iv) upon legal or covenant defeasance; (v) at the election of Scotts Miracle-Gro following the Guarante Agreement, except a release by or as a result of the repayment of the Sixth A&R Credit Agreement; or (vi) if the Guarantor ceases to be a "re required to provide a guarantee of the Senior Notes pursuant to the applicable indenture.

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Our foreign subsidiaries and certain of our domestic subsidiaries are not guarantors (collectively, the "Non-Guarantors") of the Senior Notes made by Scotts Miracle-Gro and the Guarantors. As a result, no payments are required to be made from the assets of the Non-Guarantors, unless Scotts Miracle-Gro or a Guarantor. In the event of a bankruptcy, insolvency, liquidation or reorganization of any of the Non-Guarantors, holders c other obligations, will be entitled to payment of their claims from the assets of the Non-Guarantors before any assets are made available for distribut the Senior Notes are effectively subordinated to all the liabilities of the Non-Guarantors.

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The guarantees may be subject to review under federal bankruptcy laws or relevant state fraudulent conveyance or fraudulent transfer la guarantee, subordinate the amounts owing under the guarantee, or take other actions detrimental to the holders of the Senior Notes.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a va that a Guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent such Guarantor did not obtain a Senior Notes.

The measure of insolvency varies depending upon the law of the jurisdiction that is being applied. Regardless of the measure being applied, on the date the guarantee was issued, so that payments to the holders of the Senior Notes would constitute a preference, fraudulent transfer or co a fraudulent conveyance or is found to be unenforceable for any other reason, the holders of the Senior Notes will not have a claim against the Gua

Each guarantee contains a provision intended to limit the Guarantor's liability to the maximum amount that it could incur without causing th fraudulent conveyance. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liab be effective to protect the guarantees from being voided under fraudulent conveyance laws. There is a possibility that the entire guarantee may extinguished.

The following tables present summarized financial information on a combined basis for Scotts Miracle-Gro and the Guarantors. Transaction been eliminated and the summarized financial information does not reflect investments of the Scotts Miracle-Gro and the Guarantors in the Non-Gu

Current assets

Non-current assets ^(a)

Current liabilities

Non-current liabilities

(a) Includes amounts due from Non-Guarantor subsidiaries of \$26.2. **\$49.5.**

Net sales

Gross margin

Net loss ^(a)

(a) Includes intercompany expense **income** from Non-Guarantor subsidiaries of \$12.1. **\$12.5.**

Judicial and Administrative Proceedings

We are party to various pending judicial and administrative proceedings arising in the ordinary course of business, including, among others, p and alleged violations of environmental laws. We have reviewed these pending judicial and administrative proceedings, including the probable out the availability and limits of our insurance coverage, and have established what we believe to be appropriate accruals. We believe that our assessi accruals, in the aggregate, are adequate; however, there can be no assurance that future quarterly or annual operating results will not be material adverse outcomes or as a result of significant defense costs.

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Contractual Obligations

The following table summarizes our future cash outflows for contractual obligations as of September 30, 2023 September 30, 2024:

		Payments Due by Period					Contractual Cash Obligations	Total	Less Than 1 Year
Contractual Cash Obligations	Contractual Cash Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years			
Debt obligations	Debt obligations								
Debt obligations	Debt obligations								
Debt obligations	Debt obligations	\$2,613.7	\$ 50.4	\$100.0	\$1,113.3	\$1,350.0			
Interest expense on debt obligations	Interest expense on debt obligations	688.0	128.9	262.1	167.4	129.6			
Finance lease obligations	Finance lease obligations	20.8	2.6	4.6	3.4	10.2			
Operating lease obligations	Operating lease obligations	344.8	88.9	128.9	54.2	72.8			
Purchase obligations	Purchase obligations	799.4	349.8	321.9	76.6	51.1			
Other, primarily retirement plan obligations	Other, primarily retirement plan obligations	53.4	6.1	10.8	10.8	25.7			
Total contractual cash obligations	Total contractual cash obligations	\$4,520.1	\$ 626.7	\$828.3	\$1,425.7	\$1,639.4			

We had long-term debt obligations and interest payments due primarily under the 5.250% Senior Notes, 4.500% Senior Notes, 4.000% Senior Notes, and 3.750% Senior Notes, and other debt facilities. Amounts in the table represent scheduled future maturities of debt principal for the periods indicated.

The interest payments for our credit facilities are based on outstanding borrowings as of **September 30, 2023** **September 30, 2024**. Actual interest rates may vary based on changes in market rates and our credit ratings.

Purchase obligations primarily represent commitments for materials used in our manufacturing processes, including urea and packaging, as well as marketing services and information technology services which comprise the unconditional purchase obligations disclosed in "NOTE 19.18. Conditional Purchase Obligations" of the Notes to the Consolidated Financial Statements included in this Form 10-K.

Other obligations include actuarially determined retiree benefit payments and pension funding to comply with local funding requirements. Estimates using actuarial assumptions determined as of September 30, 2023September 30, 2024. These amounts represent expected payments defined benefit pension plans and retirement health care plans, the liabilities reflected in our Consolidated Balance Sheets differ from these estimates. PLANS” and “NOTE 10. ASSOCIATE MEDICAL BENEFITS” of the Notes to Consolidated Financial Statements included in this Form 10-K). The benefits and insurance accruals as we are unable to estimate the timing of payments for these items.

Non-GAAP Measures

Use of Non-GAAP Measures

To supplement the financial measures prepared in accordance with GAAP, we use non-GAAP financial measures. The reconciliations of the comparable financial measures calculated and presented in accordance with GAAP are shown in the following tables. These non-GAAP financial measures are not intended to be presented as a substitute for or superior to, financial measures reported in accordance with GAAP. Moreover, these non-GAAP financial measures have limited utility in comparing our performance with the operations of the business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures for comparative purposes.

In addition to GAAP measures, we use these non-GAAP financial measures to evaluate our performance, engage in financial and operational monitoring, and monitor compliance with the financial covenants contained in our borrowing agreements because we believe that these non-GAAP financial measures, under the circumstances, are more closely correlated to the performance of our underlying, ongoing business.

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We believe that these non-GAAP financial measures are useful to investors in their assessment of our operating performance and valuation. In response to the questions routinely received from analysts and investors and, in order to ensure that all investors have access to the same data, we have determined to provide supplemental information regarding our non-GAAP financial measures. Non-GAAP financial measures exclude the impact of certain items (as further described below) and provide supplemental information regarding our GAAP financial measures. We intend to provide investors with a supplemental comparison of operating results and trends for the periods presented. We believe this information is also useful to investors as such measures allow investors to evaluate performance using the same metrics that we use to evaluate past performance. Cash flow is also an important measure because it is one factor used in determining the amount of cash available for dividends and discretionary investments.

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 our ongoing business operations. Supplemental information about the sustainability of operating performance.
- Restructuring and employee severance costs, which include charges for discrete projects or transactions that fundamentally change part of the ongoing operations of our 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 vary significantly. Additionally, the amount and frequency of these types of charges is not consistent and is significantly impacted by the timing and size of the transactions.
- Discontinued operations and other unusual items, which include costs or gains related to discrete projects or transactions and are not part of the ongoing operations of our 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.

Definitions of Non-GAAP Financial Measures

The reconciliations below include the following financial measures that are not calculated in accordance with GAAP:

- **Adjusted income (loss) from operations:** Income (loss) from operations excluding impairment, restructuring and other charges / recoveries.
- **Adjusted net income (loss) attributable to controlling interest from continuing operations:** Net income (loss) attributable to controlling interest from continuing operations excluding impairment, restructuring and other charges / recoveries, costs related to refinancing, certain other non-operating income / expense items and discontinued operations.
- **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, costs related to refinancing and certain other non-operating income / expense items, each of which may be adjusted for the effect of discontinued operations.
- **Adjusted EBITDA:** Net income (loss) before interest, taxes, depreciation and amortization as well as certain other items such as impairment, restructuring and other charges / recoveries, costs associated with debt refinancing and other non-recurring or non-cash items affecting net income (loss). A form of EBITDA used in the Company's outstanding indebtedness for debt covenant compliance purposes. Adjusted EBITDA as used in those agreements in which the Company has outstanding indebtedness is presented in the reconciliations below 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.

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Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the following table:

	2023	
Income (loss) from operations (GAAP)	\$ (174.4)	\$
Impairment, restructuring and other charges	466.0	
Adjusted income from operations (Non-GAAP)	<u>\$ 291.7</u>	<u>\$</u>
Net income (loss) attributable to controlling interest (GAAP)	\$ (380.1)	\$
Loss from discontinued operations, net of tax	—	
Impairment, restructuring and other charges	466.0	
Equity in loss of unconsolidated affiliates	94.7	
Other non-operating income, net	—	
Adjustment to income tax expense (benefit) from continuing operations	(112.5)	
Adjusted net income attributable to controlling interest from continuing operations (Non-GAAP)	<u>\$ 68.1</u>	<u>\$</u>
Diluted net income (loss) per common share from continuing operations (GAAP)	\$ (6.79)	\$
Impairment, restructuring and other charges	8.26	

financial condition or cash flows. Additional information on environmental matters affecting us is provided in “ITEM 1. BUSINESS — Regulatory C this Form 10-K.

Critical Accounting Policies and Estimates

Our audited consolidated financial statements have been prepared in accordance with GAAP. The preparation of financial statements and management to use judgment and make estimates that affect the reported amounts of assets, liabilities, revenues and expenses and related disc our estimates on an ongoing basis. By their nature, these judgments are subject to uncertainty. We base our estimates on historical experience, cui believe to be reasonable relevant under the circumstances. circumstances at the time the estimate was made. Certain accounting policies estimat revenue recognition and promotional allowances, income taxes and goodwill and indefinite-lived intangible assets. Our critical accounting policies

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We believe that our estimates, assumptions, and judgments are reviewed periodically reasonable in that they were based on information av were made. However, because future events and their effects cannot be determined with the certainty, actual results could differ materially from thos

The Audit Committee of the Board of Directors of Scotts Miracle-Gro. Miracle-Gro reviews our critical accounting estimates on an ongoing b promotional allowances, income taxes and goodwill and indefinite-lived intangible assets.

Revenue Recognition and Promotional Allowances

Our revenue is primarily generated from sales of branded and private label lawn and garden care and indoor and hydroponic gardening finis time when control of products transfers to customers and we have no further obligation to provide services related to such products. Sales are typic up by the customer. We are generally the principal in a transaction and, therefore, primarily record revenue on a gross basis. Revenue for produc Revenues are measured based on the amount of consideration that we expect to receive as derived from a list price, reduced by estimates for

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variable consideration. Variable consideration includes the cost of current and continuing promotional programs and expected sales returns.

Our promotional programs primarily include rebates based on sales volumes, in-store promotional allowances, cooperative advertising pr purchasing incentives. The cost of promotional programs is estimated considering all reasonably available information, including current exp (including allowances and rebates) incurred during the year are expensed to interim periods in relation to revenues and are recorded as a redu allowances are recorded at the time revenue is recognized based on historical rates and are periodically adjusted for known changes in return le contract fulfillment costs and included in the “Cost of sales” line in the Consolidated Statements of Operations. We exclude from revenue any amou

Income Taxes

Our annual effective tax rate is established based on our pre-tax income (loss), statutory tax rates and the tax impacts of items treated purposes. We record income tax liabilities utilizing known obligations and estimates of potential obligations. A deferred tax asset or liability is recog temporary differences and operating loss and tax credit carryforwards. Valuation allowances are used to reduce deferred tax assets to the ba determining whether a valuation allowance is warranted, we take into account many factors, including the specific tax jurisdiction, both historical ar periods and tax planning strategies. Many of the judgments made in adjusting valuation allowances involve assumptions and estimates that are assets could be realized in greater or lesser amounts than recorded, the asset balance and Consolidated Statements of Operations reflect the ct changes in facts and circumstances and the estimates and judgments involved in determining the proper valuation allowances, differences between could result in adjustments to these valuation allowances. During fiscal 2023, we recognized a non-cash, pre-tax other-than-temporary impairme \$101.3 in the “Impairment, restructuring and other” line in the Consolidated Statements of Operations. Deferred tax assets related to unrealized \$25.3 at September 30, 2023 and 2022, respectively. A full valuation allowance has been established against these losses at September 30, expiration.

We also establish a liability for tax return positions in which there is uncertainty as to whether or not the position will ultimately be sustained. changes in factors such as tax legislation, interpretations of laws by courts, rulings by tax authorities, new audit developments, changes in estimate for uncertain tax positions are adjusted in quarters when new information becomes available or when positions are effectively settled. Many of t involve assumptions and estimates regarding audit outcomes and the timing of audit settlements, which are often uncertain and subject to change.

Goodwill and Indefinite-Lived Intangible Assets

We have significant investments in intangible assets and goodwill. We perform our annual goodwill and indefinite-lived intangible asset testi frequently if circumstances indicate potential impairment. In our evaluation of impairment for goodwill and indefinite-lived intangible assets, we perf for each of our reporting units and indefinite-lived intangible assets. Factors considered in the qualitative test include operating results as well as ne cash flows of the reporting unit or indefinite-lived intangible assets. For the quantitative test, the review for impairment of goodwill and indefinite-income-based approaches, approach, including the relief-from-royalty method for indefinite-lived trade names, and market-based approaches. nam an impairment loss is recognized for the amount by which the carrying value of the reporting unit or intangible asset exceeds its estimated fair value

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Under the income-based approach, we determine fair value using a discounted cash flow approach that requires significant judgment with upon annual budgets and longer-range strategic plans, and the selection of an appropriate discount rate. These budgets and plans are used for internal reporting with outside parties about future business trends. Under the market-based approach, we determine fair value by comparing our reporting unit securities are actively traded in public markets. We also use the guideline transaction method to determine fair value based on pricing multiples of reporting units.

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Fair value estimates employed in our annual impairment review of indefinite-lived intangible assets and goodwill were determined using assumptions could materially impact our fair value estimates. Assumptions critical to our fair value estimates were: (i) discount rates; (ii) royalty rate future revenues and profitability; and (iv) projected long-term growth rates used in the derivation of terminal year values. These and other assumptions of management and may change in the future based on period specific facts and circumstances. While we believe the assumptions there can be no assurance that the expected future cash flows will be realized. As a result, impairment charges that possibly would have been recorded in later periods if actual results deviate unfavorably from earlier estimates. The use of different assumptions would increase or decrease discounted cash flow impairment determinations.

We performed annual goodwill impairment testing as of the first day of our fourth quarter of fiscal 2023. This test resulted in a non-cash, pre-tax impairment charge of \$522.4 related to our Hawthorne reporting unit, which was recorded during the fourth quarter of fiscal 2023 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. The carrying value of goodwill of our Hawthorne reporting unit was based upon an equal weighting of the income-based and market-based approaches, utilizing estimated cash flows and a terminal value, discounted at a rate of return that reflects the relative risk of the cash flows, as well as valuation multiples derived from comparable publicly traded companies that are applied to operating performance of the reporting unit. The fair value estimate utilizes significant unobservable inputs and thus represents a Level 3 fair value measurement. While we consider our assumptions to be reasonable and appropriate, they are complex and subjective. Refer to "NOTE 5. GOODWILL AND INTANGIBLE ASSETS, NET" for more information.

During fiscal 2022, our Hawthorne reporting unit experienced adverse financial results due to decreased sales volume and higher transportation costs, which significantly decreased cannabis wholesale prices and indoor and outdoor cannabis cultivation. As a result, we recorded a goodwill impairment charge of \$522.4 related to our Hawthorne reporting unit, which was recorded during the third quarter of fiscal 2022 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. The carrying value of goodwill of our Hawthorne reporting unit, after recognizing the impairment, is zero. The estimate of fair value was based upon an equal weighting of the income-based and market-based approaches, utilizing estimated cash flows and a terminal value, discounted at a rate of return that reflects the relative risk of the cash flows, as well as valuation multiples derived from comparable publicly traded companies that are applied to operating performance of the reporting unit. The fair value estimate utilizes significant unobservable inputs and, therefore, represents a Level 3 fair value measurement. While we consider our assumptions to be reasonable and appropriate, they are complex and subjective. Refer to "NOTE 5. GOODWILL AND INTANGIBLE ASSETS, NET" for more information.

At September 30, 2023, September 30, 2024, goodwill totaled \$243.9, all of which was associated with our U.S. Consumer segment. Based on the results of the annual quantitative evaluation for fiscal 2023, 2024, the fair value of our U.S. Consumer segment reporting unit substantially exceeded its carrying value by 182%. A 100 basis point change in the discount rate would not have resulted in an impairment for this reporting unit.

At September 30, 2023, September 30, 2024, indefinite-lived intangible assets consisted of trade names of \$168.2 and the Roundup® market associated with our U.S. Consumer segment. Based on the results of the annual quantitative evaluation for fiscal 2023, 2024, the fair values of our trade names were \$168.2 and \$168.2, respectively. A 100 basis point change in the discount rate would not have resulted in an impairment for these assets.

Other Significant Accounting Policies

Other significant accounting policies, primarily those with lower levels of uncertainty than those discussed above, are also critical to understanding our Consolidated Financial Statements included in this Form 10-K contain additional information related to our accounting policies, including reconciling items in conjunction with this discussion.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As part of our ongoing business, we are exposed to certain market risks, including fluctuations in interest rates, foreign currency exchange rates, and commodity prices. Other instruments are used to manage these risks. These instruments are not used for trading or speculative purposes.

Interest Rate Risk

The following table summarizes information about our debt instruments and derivative financial instruments that are sensitive to changes in interest rates for the periods ended September 30, 2024 and September 30, 2023. For debt instruments, the table presents principal cash flows and related weighted-average interest rates by expected maturity dates. We have outstanding swap agreements that effectively convert a portion of the Company's variable-rate debt to a fixed rate. The swap agreements had a maximum total U.S. dollar notional amount of \$800.0 at September 30, 2024 and \$800.0 at September 30, 2023 and 2022, respectively. Weighted-average variable rates are based on rates in effect at the end of the period.

2022, 2023. Assuming average unhedged variable interest rate borrowing levels during fiscal 2023 2024 of \$1,200.0, \$575.0, a change in our variable period would have an impact of \$12.0 \$5.8 on interest expense.

		Expected Maturity Date							Fair Value		Expected Maturity Date (Firm)
2023		2024	2025	2026	2027	2028	After	Total			
2024											
Long-term debt:	Long-term debt:										
Long-term debt:											
Long-term debt:											
Fixed rate debt											
Fixed rate debt											
Fixed rate debt	Fixed rate debt	\$ —	\$ —	\$ —	\$250.0	\$—	\$1,350.0	\$1,600.0	\$1,283.9		
Average rate	Average rate	—	—	—	5.3 %	—	4.3 %	4.4 %	—		
Variable rate debt	Variable rate debt	\$50.0	\$50.0	\$50.0	\$863.3	\$—	\$ —	\$1,013.3	\$1,013.3		
Average rate	Average rate	8.2 %	8.2 %	8.2 %	8.1 %	—	—	8.1 %	—		
Interest rate derivatives:	Interest rate derivatives:										
Interest rate swaps	Interest rate swaps	\$13.1	\$ 9.3	\$ 7.5	\$ 1.5	\$—	\$ —	\$ 31.4	\$ 31.4		
Interest rate swaps											
Interest rate swaps											
Average rate	Average rate	1.6 %	2.1 %	2.3 %	3.4 %	—	—	2.1 %	—		

		Expected Maturity Date							Fair		Expected Maturity Dat
		2023	2024	2025	2026	2027	After	Total	Value		
2022											
2023											
Long-term debt:	Long-term debt:										
Long-term debt:											
Long-term debt:											
Fixed rate debt											
Fixed rate debt											
Fixed rate debt	Fixed rate debt	\$ —	\$ —	\$ —	\$ —	\$ 250.0	\$1,350.0	\$1,600.0	\$1,190.3		
Average rate	Average rate	—	—	—	—	5.3 %	4.3 %	4.4 %	—		
Variable rate debt	Variable rate debt	\$125.0	\$50.0	\$50.0	\$50.0	\$1,075.5	\$ —	\$1,350.5	\$1,350.5		
Average rate	Average rate	4.6 %	5.4 %	5.4 %	5.4 %	5.3 %	—	5.2 %	—		
Interest rate derivatives:	Interest rate derivatives:										
Interest rate swaps	Interest rate swaps	\$ 12.5	\$ 8.4	\$ 5.8	\$ 4.3	\$ —	\$ —	\$ 31.0	\$ 31.0		
Interest rate swaps											

The Company is carrying out a search process to fill the Chief Financial Officer role on a permanent basis with the help of an executive search firm and other potential candidates.

A copy of the Company's news release announcing these changes is included as Exhibit 99.1 to this Annual Report on Form 10-K and is incorporated by reference.

In connection with Mr. Garth's departure on the Termination Date, the Scotts Company LLC, a subsidiary of the Company ("Scotts LLC"), entered into a Separation Agreement (the "Separation Agreement") with Mr. Garth on November 25, 2024. The Separation Agreement addresses the payments and benefits payable to Mr. Garth upon his departure.

The Company will pay or make the following benefits available to Mr. Garth in connection with his departure that are generally consistent with the Separation Agreement (the "Participation Agreement") under the Company's Executive Severance Plan pursuant to a termination without Cause: (a) pay equal to Mr. Garth's base pay, payable in accordance with Scotts LLC's standard payroll procedures; (b) in lieu of outplacement services, a lump sum payment of \$1,000,000, payable in an amount equal to the excess of the COBRA premium charged by the Company to terminated employees over the premium Mr. Garth would pay for COBRA coverage for two times Mr. Garth's Target Bonus Opportunity for the sale fiscal year ending September 30, 2025, 50% of which is payable on the first scheduled pay date following the Termination Date and 50% of which is payable on the first scheduled pay date following the second anniversary of Mr. Garth's Termination Date, such that the Company remains in compliance as of the payment date with all of his post-employment obligations to the Company.

In addition to the benefits Mr. Garth is entitled to receive pursuant to the Company's Executive Severance Plan and his Participation Agreement, the Compensation Organization Committee has elected to provide partial vesting for certain equity-based awards to the extent of Mr. Garth's service, as follows:

- The 28,599 non-qualified stock options granted to Mr. Garth on February 3, 2023, the 79,982 non-qualified stock options granted to Mr. Garth on February 16, 2024, all of which are unvested, will vest on a prorated basis on the Termination Date over 1,097 days and will expire on the second anniversary of the Termination Date;
- The unvested 10,940 performance units and related dividend equivalents granted to Mr. Garth on February 3, 2023 will vest on a prorated basis over 1,097 days of active service between the grant date and the Termination Date over 1,097 days with the Company confirming that the performance criteria have been satisfied as of that date, based on the number of days of active service between the grant date and the Termination Date; and
- The unvested 27,098 performance units and related dividend equivalents granted to Mr. Garth on February 16, 2024 will vest on a prorated basis over 1,097 days of active service between the grant date and the Termination Date over 1,097 days with the Company confirming that the performance criteria have been satisfied as of that date, based on the number of days of active service between the grant date and the Termination Date.

Pursuant to this plan, Ms. Stump may sell Common Shares beginning December 1, 2023 the terms of the applicable award agreements entered into with Ms. Stump. Pursuant to this plan, Mr. Garth may sell Common Shares beginning December 1, 2024 if certain price targets Mr. Garth at the time of grant, the following equity-based awards will either naturally vest and settle or forfeit based on the terms of the applicable award agreements entered into with Mr. Garth:

- The 13,580 restricted stock units and related dividend equivalents granted to Mr. Garth on December 1, 2022, will fully vest and settle on the Termination Date;
- The 42,017 unvested non-qualified stock options granted to Mr. Garth on November 8, 2024, will be cancelled as of the Termination Date.

All amounts payable to Mr. Garth under the Separation Agreement and the applicable award agreements will be subject to all applicable withholding taxes and local taxing authorities.

The payments and benefits described above are met, the only amounts to which Mr. Garth is entitled under the Separation Agreement (or other benefit plans or programs maintained by the Company or its subsidiaries, including the Scotts Company LLC Retirement Savings Plan and The Scotts Company LLC Executive Retirement Plan).

The Separation Agreement, together with the Employee Confidentiality, Noncompetition, Nonsolicitation Agreement previously executed by Mr. Garth, following his departure, also contains various restrictive covenants, including covenants relating to satisfy the affirmative defense of Rule 10b5-1(c).

On September 5, 2023, the Hagedorn Partnership, L.P., on behalf of Katherine Littlefield, a member of our board of directors, adopted a resolution to sell Common Shares. Pursuant to this plan, the Hagedorn Partnership, L.P. may sell Common Shares beginning December 4, 2023 noncompetition, for certain price targets are met. The trading arrangement is intended to satisfy the affirmative defense of Rule 10b5-1(c). nonsolicitation.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable. applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors, Executive Officers and Persons Nominated or Chosen to Become Directors or Executive Officers

The information required by Item 401 of SEC Regulation S-K concerning the directors of Scotts Miracle-Gro and the nominees for election to the 2024 Annual Meeting of Shareholders to be held on January 22, 2024 January 27, 2025 (the "2024 "2025 Annual Meeting") is incorporated herein by reference to the caption "PROPOSAL NUMBER 1 — ELECTION OF DIRECTORS" in Scotts Miracle-Gro's definitive Proxy Statement relating to the 2024 2025 Annual Meeting filed pursuant to SEC Regulation 14A not later than 120 days after the end of Scotts Miracle-Gro's fiscal year ended September 30, 2023 September 30, 2024.

The information required by Item 401 of SEC Regulation S-K concerning the executive officers of Scotts Miracle-Gro is incorporated here caption "SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT" in Part III of this Form 10-K.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

The information required by Item 405 of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included in the Proxy Statement.

Procedures for Recommending Director Nominees

Information concerning the procedures by which shareholders of Scotts Miracle-Gro may recommend nominees to Scotts Miracle-Gro's Board of Directors is incorporated herein by reference from the disclosures which will be included under the captions "CORPORATE GOVERNANCE — Nominations of Directors" and "MEETINGS AND COMMITTEES OF THE BOARD — Nominating and Governance Committee" in the Proxy Statement. These procedures have not materially changed from those described in the 2023 Annual Meeting of Shareholders held on January 23, 2023 January 22, 2024.

Audit Committee

The information required by Items 407(d)(4) and 407(d)(5) of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included under the caption "COMMITTEES OF THE BOARD — Committees of the Board" in the Proxy Statement.

Committee Charters; Code of Business Conduct & Ethics; Corporate Governance Guidelines

The Board of Directors of Scotts Miracle-Gro has adopted charters for each of the Audit Committee, the Nominating and Governance Committee, the Innovation and Technology Committee and the Finance Committee, as well as Corporate Governance Guidelines, as contemplated by the applicable Company Manual.

In accordance with the requirements of Section 303A.10 of the New York Stock Exchange Listed Company Manual and Item 406 of SEC Regulation S-K, Scotts Miracle-Gro has adopted a Code of Business Conduct & Ethics covering the members of Scotts Miracle-Gro's Board of Directors and associates (employee or director, without limitation, Scotts Miracle-Gro's principal executive officer, principal financial officer and principal accounting officer). Scotts Miracle-Gro intends to post the Code of Business Conduct & Ethics on its Internet website located at <http://investor.scotts.com> within four business days following their occurrence: (A) the date and nature of any amendment to the Code of Business Conduct & Ethics that (i) applies to Scotts Miracle-Gro's principal executive officer, principal financial officer, principal accounting officer or principal executive officer, (ii) relates to any element of the code of ethics definition enumerated in Item 406(b) of SEC Regulation S-K, and (iii) is not a technical, administrative or clerical change, and (B) the date of any waiver (including the nature of the waiver, the name of the person to whom the waiver was granted and the date of the waiver), if any, of the Code of Business Conduct & Ethics granted to Scotts Miracle-Gro's principal executive officer, principal financial officer, principal accounting officer or principal executive officer, or relates to one or more of the elements of the code of ethics definition enumerated in Item 406(b) of SEC Regulation S-K. In addition, Scotts Miracle-Gro will post the Code of Business Conduct & Ethics granted to an executive officer or a director of Scotts Miracle-Gro on Scotts Miracle-Gro's Internet website located at <http://investor.scotts.com> within four business days of the determination to grant any such waiver.

The text of Scotts Miracle-Gro's Code of Business Conduct & Ethics, Scotts Miracle-Gro's Corporate Governance Guidelines, the Audit Committee charter, the Compensation and Organization Committee charter, the Innovation and Technology Committee charter and the Finance Committee charter will be posted on Scotts Miracle-Gro's Internet website located at <http://investor.scotts.com>. Interested persons and shareholders of Scotts Miracle-Gro may obtain copies of these documents without charge by writing to The Scotts Miracle-Gro Company, Attention: Corporate Secretary, 14111 Scottslawn Road, Marysville, Ohio 43041.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 402 of SEC Regulation S-K is incorporated herein by reference from the disclosures which will be included under the captions "NON-EMPLOYEE DIRECTOR COMPENSATION," "EXECUTIVE COMPENSATION TABLES," "SEVERANCE AND CHANGE IN CONTROL," and "TERMINATION OF EMPLOYMENT AND/OR CHANGE IN CONTROL" in the Proxy Statement.

The information required by Item 407(e)(4) of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included under the caption "COMMITTEES OF THE BOARD — Compensation and Organization Committee Interlocks and Insider Participation" in the Proxy Statement.

The information required by Item 407(e)(5) of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included under the caption "EXECUTIVE COMPENSATION — REPORT" in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Ownership of Common Shares of Scotts Miracle-Gro

The information required by Item 403 of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included under the caption "BENEFICIAL OWNERS AND MANAGEMENT" in the Proxy Statement.

Equity Compensation Plan Information

The information required by Item 201(d) of SEC Regulation S-K is incorporated herein by reference from the disclosure which will be included under the caption "EQUITY COMPENSATION PLAN INFORMATION" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Person Transactions

The information required by Item 404 of SEC Regulation S-K is incorporated herein by reference from the disclosures which will be included under the caption "RELATED TRANSACTIONS" in the Proxy Statement.

Director Independence

The information required by Item 407(a) of SEC Regulation S-K is incorporated herein by reference from the disclosures which will be included under the captions "Director Independence" and "MEETINGS AND COMMITTEES OF THE BOARD" in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 is incorporated herein by reference from the disclosures which will be included under the captions "Independent Registered Public Accounting Firm" and "AUDIT COMMITTEE MATTERS — Pre-Approval of Services Performed by the Independent Registered Public Accounting Firm" in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) LIST OF DOCUMENTS FILED AS PART OF THIS REPORT

1 and 2. Financial Statements and Financial Statement Schedules:

The response to this portion of Item 15 is submitted as a separate section of this Form 10-K. Reference is made to the "Index to Consolidated Financial Statements and Financial Statement Schedules" on page 5658 of this Form 10-K.

(b) EXHIBITS

The exhibits listed on the "Index to Exhibits" beginning on page 110111 of this Form 10-K are filed or furnished with this Form 10-K or incorporated by reference into this Form 10-K.

(c) FINANCIAL STATEMENT SCHEDULES

The financial statement schedule filed with this Form 10-K is submitted in a separate section hereof. For a description of such financial statement schedule, see the "Index to Consolidated Financial Statements and Financial Statement Schedules" on page 5658 of this Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed by its duly authorized officer.

THE SCOTTS MIRACLE-GRIFFIN COMPANY

By: /s/ JAMES HAGEDORN
James Hagedorn, Chairman of the Board

Dated: November 22, 2023 November 26, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant.

SignatureTitle/s/ MATTHEW E. GARTH

Matthew E. Garth

Executive Vice President, Chief Financial Officer Executive Vice President and
Administrative Officer
(Principal Financial Officer and Principal Accounting Officer)/s/ JAMES HAGEDORN

James Hagedorn

Chairman and Chief Executive Officer President, Chairman of the Board and Dir
(Principal Executive Officer)/s/ EDITH AVILES*

Edith Aviles

Director

/s/ ROBERTO CANDELINO*

Roberto Candelino

Director

/s/ DAVID C. EVANS*

David C. Evans

Director

/s/ ADAM HANFT*

Adam Hanft

Director

/s/ STEPHEN L. JOHNSON*

Stephen L. Johnson

Director

/s/ THOMAS N. KELLY JR.*

Thomas N. Kelly Jr.

Director

/s/ MARK D. KINGDON*

Mark D. Kingdon

Director

/s/ KATHERINE HAGEDORN LITTLEFIELD*

Katherine Hagedorn Littlefield

Director

SignatureTitle/s/ NANCY G. MISTRETTA*

Nancy G. Mistretta

Director

/s/ BRIAN E. SANDOVAL*

Brian E. Sandoval

Director

/s/ PETER E. SHUMLIN*

Peter E. Shumlin

Director

/s/ JOHN R. VINES*

John R. Vines

Director

* The undersigned, by signing his name hereto, does hereby sign this Report on behalf of each of the directors of the Registrant identified
directors identified above, which Powers of Attorney are filed with this Report as exhibits.

By: /s/ MATTHEW E. GARTH
Matthew E. Garth, Attorney-in-Fact

**THE SCOTTS MIRACLE-GRO COMPANY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES**

Consolidated Financial Statements of The Scotts Miracle-Gro Company and Subsidiaries:

[Annual Report of Management on Internal Control Over Financial Reporting](#)

[Reports of Independent Registered Public Accounting Firm \(PCAOB ID: 34\)](#)

[Consolidated Statements of Operations for the fiscal years ended September 30, 2023, 2022 and 2021](#)

[Consolidated Statements of Comprehensive Income \(Loss\) for the fiscal years ended September 30, 2023, 2022 and 2021](#)

[Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2023, 2022 and 2021](#)

[Consolidated Balance Sheets at September 30, 2023 and 2022](#)

[Consolidated Statements of Shareholders' Equity \(Deficit\) for the fiscal years ended September 30, 2023, 2022 and 2021](#)

[Notes to Consolidated Financial Statements](#)

Schedules Supporting the Consolidated Financial Statements:

[Schedule II—Valuation and Qualifying Accounts for the fiscal years ended September 30, 2023, 2022 and 2021](#)

All other financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not applicable, or the required information has been presented in the Consolidated Financial Statements or Notes thereto.

**ANNUAL REPORT OF MANAGEMENT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and events of the Company and our consolidated subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of The Scotts Miracle-Gro Company and our consolidated subsidiaries are properly authorized by management and directors of The Scotts Miracle-Gro Company and our consolidated subsidiaries, as appropriate; and (iii) provide for the timely detection of unauthorized acquisition, use or disposition of the assets of The Scotts Miracle-Gro Company and our consolidated subsidiaries.

Management, with the participation of our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting as of **September 30, 2023**, the end of our fiscal year. Management based its assessment on criteria established in *Internal Control — Integrated Framework* of the Treadway Commission. Management's assessment included evaluation of such elements as the design and operating effectiveness of controls, documentation, accounting policies and our overall control environment. This assessment is supported by testing and monitoring performed under the supervision of management.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any assessment of the effectiveness of internal control over financial reporting are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may vary over time.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of **September 30, 2023** regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. We reviewed the results of management's assessment with the Audit Committee of the Board of Directors of The Scotts Miracle-Gro Company.

Our independent registered public accounting firm, Deloitte & Touche LLP, independently audited our internal control over financial reporting and issued their attestation report which appears herein.

/s/ JAMES HAGEDORN

James Hagedorn

Chairman & Chief Executive Officer President and Chairman of the Board

Dated: November 22, 2023 26, 2024

/s/ MATTHEW E. GARTH

Matthew E. Garth

Executive Vice President, Chief Financial Officer

Dated: November 22, 2023 26, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
The Scotts Miracle-Gro Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Scotts Miracle-Gro Company and subsidiaries (the "Company") as of **September 30, 2024**, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity (deficit), and cash flows, for each of **September 30, 2023** and **September 30, 2024**, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements") in all material respects, the financial position of the Company as of **September 30, 2023** and **September 30, 2024**, and the results of its operations in the period ended **September 30, 2023** and **September 30, 2024**, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **September 30, 2023** and **September 30, 2024**, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated **November 22, 2023** and **November 26, 2024**, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a registered accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws, the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the design and implementation of internal control over financial reporting. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that we identified as critical audit matters and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Intangible Asset Impairment — Hawthorne Asset Group Investment in Unconsolidated Affiliates — Refer to Notes 14, and 58 to the financial statements

Critical Audit Matter Description

The Company's consolidated tradename finite-lived intangible assets were \$61.7 million and the customer relationships finite-lived intangible assets were \$117.7 million. The Company's finite-lived intangible assets are tested for impairment if events or circumstances indicate that the assets might be impaired. The Company's impairment test for finite-lived intangible assets, and customer relationships finite-lived intangible assets involves the comparison of the fair value of the intangible assets and customer relationships intangible assets the Company determines fair value using an income approach. The Company used a relief from royalty method to estimate the fair values for the Hawthorne customer relationships intangible assets and a multi-period excess earnings method to estimate the fair values for the Hawthorne tradename intangible assets.

During the year, management recorded a \$117.7 million impairment charge related to the Hawthorne tradename and customer relationships intangible assets.

Given the significant estimates and assumptions management makes to estimate the fair value of the Hawthorne asset group's finite-lived traded assets, Hawthorne's operations to changes in the U.S. retail hydroponic market, performing audit procedures to evaluate the reasonableness of management's revenue growth rates, royalty rates, and the selection of appropriate discount rates for Hawthorne, required a high degree of auditor judgment and involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures with respect to revenue growth rates, royalty rates, and the selection of appropriate discount rates for Hawthorne included the following:

- We tested the effectiveness of controls over management's intangible asset impairment evaluations, including those over the determination of the fair value of assets, such as controls related to the revenue growth rates, royalty rates, and the selection of appropriate discount rates.
- We evaluated management's ability to accurately forecast the revenue growth rates by comparing actual results to management's historical results in the hydroponic market, we evaluated the reasonableness of management's forecasts of the revenue growth rates by comparing the forecasts to actual results, (2) external communications made by management to analysts and investors, and (3) external communications made by management to Company's markets.
- We considered the impact of changes in the regulatory environment and market conditions on management's forecasts of the revenue growth rates.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the royalty rates, including testing the source information, the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the royalty rates selected by management.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rates, including testing the source information, the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management.

Investment in Unconsolidated Affiliates — Refer to Notes 1 and 9 to the financial statements.

Critical Audit Matter Description

The Company's investment interest in Bonnie Plants, LLC ("Bonnie Investment") is recorded in the "Investment in unconsolidated affiliates" line in the Consolidated Statements of Operations. **ended September 30, 2024**, the Company recorded a non-cash, pre-tax impairment charge **charges of \$94.7 million** associated with the "Investment in unconsolidated affiliates" line in the Consolidated Statements of Operations. The impairment was **charges were** driven by revisions to the Company's estimates of sales volume and inflationary cost pressures. The estimated fair value of the investment **Bonnie Investment** was based upon an evaluation of the investment's cash flows and a terminal value, discounted at a rate of return that reflects the relative risk of the cash flows, as well as the fair value of the investment in other publicly traded companies that are applied to **the forecasted** operating performance of the investment. **Bonnie Investment**. The fair value estimate utilizes Level 3 fair value measurement.

Evaluating the indicators of potential other-than-temporary impairment and calculating such **an other-than-temporary** impairment involves significant judgment and a high degree of auditor judgment and an increased extent of effort was required when performing audit procedures to evaluate the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment and the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment and the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment.

impairment and the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment and the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment and the appropriateness of management's assumptions used in the calculation of the other-than-temporary impairment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's assessment of identified impairment indicators, and the conclusions reached around whether there was a temporary impairment, **and the determination of the fair value of the investment**, included the following, among others:

- We tested the effectiveness of controls over management's other-than-temporary impairment evaluations **evaluation** of the Bonnie Plants, LLC investment, including controls over the management's determination of various critical assumptions used to determine the **estimated** fair value of the investment, such as management's EBITDA forecasts, valuation multiples, long-term growth rates and **rate, discount for lack of marketability**, the selection of an appropriate discount rate, and the selection of an appropriate discount rate.
- We evaluated management's impairment analysis by assessing whether certain indicators were present and whether those indicators implied a temporary impairment. Our audit procedures included but were not limited to:
 - We evaluated the reasonableness of the estimated future cash flows by comparing such estimated cash flows to historical results and management's forecasts.
 - With the assistance of our fair value specialists, we evaluated the discount rate, and revenue valuation multiples selected by management. This included evaluating the reasonableness of the long-term growth rate, including testing the source information used in the calculation, and developing a range of independent estimates and comparing those to the long-term growth rates selected by management.

- We tested the mathematical accuracy of the discounted cash flows analysis and the resulting estimated fair value of the equity investment.
- We performed inquiries with relevant members of management to obtain an understanding of their current and expected performance for operational and strategic changes, changes, corroborated by inspection of the investee's internal communications to its board of directors.
- We evaluated management's impairment analysis by assessing whether certain indicators were present and whether those indicators implied impairment.
- We evaluated the length sensitivity of time various key assumptions used in the investment has incurred losses, valuation, such as the revenue and EBITDA multiples, long-term growth rate, discount for lack of marketability, and the discount rate, including the company's cost of capital.
- We evaluated the investment's performance relative reasonableness of the assumptions within the valuation analysis by:
 - Evaluating the reasonableness of management's forecasts by comparing the forecasts to (1) historical results, (2) the investee's internal directors, and (3) forecasted information included in industry reports and companies in its peer group.
 - Evaluating the impact of changes in management's assumptions from prior estimates of fair value.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and valuation assumptions by:
 - Testing the source information and verifying the mathematical accuracy of the calculations.
 - Developing a range of independent estimates for significant assumptions, such as, the long-term growth rate, discount for lack of marketability, company specific risk premium, and comparing those to the assumptions selected by management.
 - Evaluating the selected revenue and EBITDA multiples, including testing the underlying source information and mathematical accuracy selected by management to its peers and to the economy by performing a comparison to peer company results and macro-economic trends.
- We tested the mathematical accuracy of the impairment as overall valuation analysis and the excess resulting estimated fair value of the investment over its estimated fair value, to calculate the resulting impairment.

/s/ DELOITTE & TOUCHE LLP

Columbus, Ohio

November 22, 2023 26, 2024

We have served as the Company's auditor since 2005.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Scotts Miracle-Gro Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The Scotts Miracle-Gro Company and subsidiaries (the "Company") as of September 30, 2023, and the effectiveness of the internal control over financial reporting established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission in all material respects, effective internal control over financial reporting as of September 30, 2023 September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company and our report dated November 22, 2023 November 26, 2024, expressed an unqualified opinion on the consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes: (1) maintaining records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) providing reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are made in accordance with authorizations of management and directors of the company; and (3) providing reasonable assurance regarding prevention or timely detection of unauthorized acquisition, disposition of, or destruction of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of internal control over financial reporting are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change over time.

/s/ DELOITTE & TOUCHE LLP

Columbus, Ohio

November 22, 2023 26, 2024

THE SCOTTS MIRACLE-GRO COMPANY

Consolidated Statements of Operations (In millions, except per share data)

	2023
Net sales	\$ 3,551.3
Cost of sales	2,708.3
Cost of sales—impairment, restructuring and other	185.7
Gross margin	657.3
Operating expenses:	
Selling, general and administrative	551.3
Impairment, restructuring and other	280.5
Other (income) expense, net	(0.1)
Income (loss) from operations	(174.4)
Equity in (income) loss of unconsolidated affiliates	101.1
Interest expense	178.1
Other non-operating income, net	(0.3)
Income (loss) from continuing operations before income taxes	(453.3)
Income tax expense (benefit) from continuing operations	(73.2)
Income (loss) from continuing operations	(380.1)
Loss from discontinued operations, net of tax	—
Net income (loss)	\$ (380.1)
Net income attributable to noncontrolling interest	—
Net income (loss) attributable to controlling interest	\$ (380.1)
Basic income (loss) per common share:	
Income (loss) from continuing operations	\$ (6.79)
Loss from discontinued operations	—
Basic net income (loss) per common share	\$ (6.79)
Diluted income (loss) per common share:	

Income (loss) from continuing operations	\$	(6.79)
Loss from discontinued operations		—
Diluted net income (loss) per common share	\$	(6.79)

	2024
Net sales	\$ 3,552.7
Cost of sales	2,618.7
Cost of sales—impairment, restructuring and other	83.5
Gross margin	850.5
Operating expenses:	
Selling, general and administrative	559.0
Impairment, restructuring and other	62.8
Other (income) expense, net	19.9
Income (loss) from operations	208.8
Equity in loss of unconsolidated affiliates	68.1
Interest expense	158.8
Other non-operating (income) expense, net	5.5
Loss before income taxes	(23.6)
Income tax expense (benefit)	11.3
Net loss	\$ (34.9)
Basic net loss per common share	\$ (0.61)
Diluted net loss per common share	\$ (0.61)

See Notes to Consolidated Financial Statements.

THE SCOTT'S MIRACLE-GRO COMPANY
Consolidated Statements of Comprehensive Income (Loss)
(In millions)

	2023
Net income (loss)	\$ (31.1)
Other comprehensive income (loss):	
Net foreign currency translation adjustment	—
Net unrealized gain (loss) on derivative instruments, net of tax	—
Reclassification of net unrealized (gain) loss on derivative instruments to net income (loss), net of tax	(0.1)
Net unrealized loss on securities, net of tax	(0.1)
Reclassification of net unrealized loss on securities to net income (loss), net of tax	—
Net unrealized gain (loss) in pension and other post-retirement benefits, net of tax	—
Pension and other post-retirement benefit adjustments, net of tax	—
Total other comprehensive income (loss)	—
Comprehensive income (loss)	(31.1)
Comprehensive income attributable to noncontrolling interest	—
Comprehensive income (loss) attributable to controlling interest	\$ (31.1)

	2024
Net loss	\$ (
Other comprehensive income (loss):	
Net foreign currency translation adjustment	
Net unrealized gain (loss) on derivative instruments, net of tax	
Reclassification of net unrealized gain on derivative instruments to net loss, net of tax	
Net unrealized loss on securities, net of tax	(
Reclassification of net unrealized loss on securities to net loss, net of tax)
Net unrealized loss in pension and other post-retirement benefits, net of tax	
Pension and other post-retirement benefit adjustments, net of tax	
Total other comprehensive income (loss)	
Comprehensive loss	\$ (

See Notes to Consolidated Financial Statements.

THE SCOTTS MIRACLE-GRO COMPANY
Consolidated Statements of Cash Flows
(In millions)

		Year Ended September 30,		
		2023	2022	2021
Year Ended September 30,				
2024		2024	2023	
OPERATING ACTIVITIES				
Net income (loss)		\$ (380.1)	\$ (437.5)	\$ 513.4
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Net loss				
Net loss				
Net loss				
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Impairment, restructuring and other				
Impairment, restructuring and other				
Impairment, restructuring and other		288.6	666.8	—
Share-based compensation expense				
Share-based compensation expense				
Share-based compensation expense		68.9	34.3	40.6
Depreciation		67.3	68.1	62.9
Amortization		25.2	37.1	30.9
Deferred taxes		(58.7)	(182.8)	22.5
Equity in (income) loss of unconsolidated affiliates, net of distributions		101.1	12.9	(2.6)
Other, net		1.3	1.1	(10.8)

Equity in loss of unconsolidated affiliates				
Equity in loss of unconsolidated affiliates				
Equity in loss of unconsolidated affiliates				
Changes in assets and liabilities, net of acquisitions:	Changes in assets and liabilities, net of acquisitions:			
Changes in assets and liabilities, net of acquisitions:				
Changes in assets and liabilities, net of acquisitions:				
Accounts receivable				
Accounts receivable				
Accounts receivable	Accounts receivable	77.7	102.8	15.5
Inventories	Inventories	450.5	(203.8)	(496.5)
Prepaid and other current assets	Prepaid and other current assets	18.6	(3.3)	(76.5)
Accounts payable	Accounts payable	(153.6)	(171.2)	202.5
Other current liabilities	Other current liabilities	52.0	(68.4)	(21.6)
Other non-current items	Other non-current items	(30.7)	20.1	(10.1)
Other, net	Other, net	2.9	(5.2)	1.3
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	531.0	(129.0)	271.5
INVESTING ACTIVITIES		INVESTING ACTIVITIES		
Proceeds from sale of long-lived assets	Proceeds from sale of long-lived assets	2.5	63.3	0.2
Proceeds from sale of long-lived assets				
Proceeds from sale of long-lived assets				
Investments in property, plant and equipment	Investments in property, plant and equipment	(92.8)	(113.5)	(106.9)
Proceeds from loans receivable	Proceeds from loans receivable	37.0	—	—
Proceeds from loans receivable				
Proceeds from loans receivable				
Investments in unconsolidated affiliates	Investments in unconsolidated affiliates	—	—	(102.3)
Payment for acquisitions, net of cash acquired				
Payment for acquisitions, net of cash acquired				
Payment for acquisitions, net of cash acquired	Payment for acquisitions, net of cash acquired	—	(237.3)	(127.8)
Purchase of convertible debt investments	Purchase of convertible debt investments	—	(25.0)	(193.1)
Other investing, net	Other investing, net	(12.4)	29.3	(8.7)

Net cash	Net cash			
used in	used in			
investing	investing			
activities	activities	(65.7)	(283.2)	(538.6)
FINANCING ACTIVITIES	FINANCING ACTIVITIES			
Borrowings under	Borrowings under			
revolving and bank lines	revolving and bank lines			
of credit and term loans	of credit and term loans	1,336.2	3,617.4	1,243.2
Borrowings under revolving and bank lines of credit and term loans				
Borrowings under revolving and bank lines of credit and term loans				
Repayments under	Repayments under			
revolving and bank lines	revolving and bank lines			
of credit and term loans	of credit and term loans	(1,689.8)	(2,937.3)	(1,361.5)
Proceeds from issuance of 4.000% Senior Notes		—	—	500.0
Proceeds from issuance of 4.375% Senior Notes		—	—	400.0
Financing and issuance	Financing and issuance			
fees	fees	(6.4)	(9.6)	(13.1)
Financing and issuance fees				
Financing and issuance fees				
Dividends paid	Dividends paid	(149.1)	(166.2)	(143.0)
Purchase of Common	Purchase of Common			
Shares	Shares	(9.3)	(257.9)	(129.3)
Cash received from exercise of stock options				
Cash received from exercise of stock options				
Cash received from exercise of stock options				
Cash received from exercise of stock options		2.3	3.3	15.2
Acquisition of noncontrolling interests		—	—	(17.5)
Other financing, net				
Other financing, net				
Other financing, net	Other financing, net	(4.0)	5.6	—
Net cash	Net cash			
(used in)	(used in)			
provided	provided			
by	by			
financing	financing			
activities	activities	(520.1)	255.3	494.0
Effect of exchange rate	Effect of exchange rate			
changes on cash	changes on cash	(0.1)	(0.4)	0.6
Net increase (decrease) in	Net increase (decrease) in			
cash and cash equivalents	cash and cash equivalents	(54.9)	(157.3)	227.5
Cash and cash equivalents	Cash and cash equivalents			
at beginning of year	at beginning of year	86.8	244.1	16.6
Cash and cash equivalents	Cash and cash equivalents			
at end of year	at end of year	\$ 31.9	\$ 86.8	\$ 244.1

See Notes to Consolidated Financial Statements.

THE SCOTTS MIRACLE-GRO COMPANY
Consolidated Balance Sheets
(In millions, except per share data)

		September 30,	
		2023	2022
September 30,			
2024			
ASSETS			
Current assets:	Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 31.9	\$ 86.8
Accounts receivable, less allowances of \$15.1 in 2023 and \$14.4 in 2022		304.2	299.0
Accounts receivable pledged		—	79.8
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, less allowances of \$9.6 in 2024 and \$15.1 in 2023			
Inventories			
Inventories			
Inventories	Inventories	880.3	1,343.5
Prepaid and other current assets			
Prepaid and other current assets			
Prepaid and other current assets	Prepaid and other current assets	181.4	172.8
Total current assets	Total current assets	1,397.8	1,981.9
Investment in unconsolidated affiliates	Investment in unconsolidated affiliates	91.9	193.8
Property, plant and equipment, net	Property, plant and equipment, net	610.3	606.0
Goodwill	Goodwill	243.9	254.0
Intangible assets, net	Intangible assets, net	436.7	580.2
Other assets	Other assets	633.1	680.9
Total assets	Total assets	\$3,413.7	\$4,296.8
LIABILITIES AND EQUITY (DEFICIT)			
Current liabilities:	Current liabilities:		
Current portion of debt	Current portion of debt	\$ 52.3	\$ 144.3
Current portion of debt			
Current portion of debt			
Accounts payable	Accounts payable	271.2	422.6
Other current liabilities			
Other current liabilities			
Other current liabilities	Other current liabilities	450.2	397.0

Total current liabilities	Total current liabilities	773.7	963.9
Long-term debt	Long-term debt	2,557.4	2,826.2
Other liabilities	Other liabilities	349.9	359.0
Other liabilities			
Other liabilities			
Total liabilities	Total liabilities	3,681.0	4,149.1
Commitments and contingencies (Notes 18, 19 and 20)			
Commitments and contingencies (Notes 17, 18 and 19)	Commitments and contingencies (Notes 17, 18 and 19)		
Equity (deficit):	Equity (deficit):		
Common shares and capital in excess of \$0.01 stated value per share; shares outstanding of 56.5 and 55.5, respectively		353.1	364.0
Common shares and capital in excess of \$0.01 stated value per share; shares outstanding of 57.1 and 56.5, respectively			
Common shares and capital in excess of \$0.01 stated value per share; shares outstanding of 57.1 and 56.5, respectively			
Common shares and capital in excess of \$0.01 stated value per share; shares outstanding of 57.1 and 56.5, respectively			
Retained earnings	Retained earnings	490.9	1,020.1
Treasury shares, at cost; 11.6 and 12.8 shares, respectively		(998.5)	(1,091.8)
Treasury shares, at cost; 11.0 and 11.6 shares, respectively			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(112.8)	(144.6)
Total equity (deficit)	Total equity (deficit)	(267.3)	147.7
Total equity (deficit)			
Total equity (deficit)			
Total liabilities and equity (deficit)	Total liabilities and equity (deficit)	\$3,413.7	\$4,296.8

See Notes to Consolidated Financial Statements.

THE SCOTTS MIRACLE-GRO COMPANY
Consolidated Statements of Shareholders' Equity (Deficit)
(In millions, except per share data)

		Capital in Excess of Stated Retained				Treasury Shares		Total Equity			
		Common Shares		Value	Earnings	Shares	Amount	Accumulated Other Comprehensive Income (Loss)	(Deficit) — Controlling Interest	Non-controlling Interest	Total Equity (Deficit)
Shares	Amount										
Balance at September 30, 2020											
68.1	\$ 0.3	\$482.2	\$1,235.6		12.4	\$ (921.8)	\$ (99.1)	\$ 697.2	\$ 5.7	\$ 702.9	
											Capital in Excess of Stated Value
Balance at September 30, 2021											
Balance at September 30, 2021											
Balance at September 30, 2021											
Net income (loss)	Net income (loss)	—	—	—	512.5	—	—	—	512.5	0.9	513.4
Other comprehensive income (loss)		—	—	—	—	—	—	32.8	32.8	—	32.8
Share-based compensation		—	—	40.6	—	—	—	—	40.6	—	40.6
Dividends declared (\$2.52 per share)		—	—	—	(143.0)	—	—	—	(143.0)	—	(143.0)
Treasury share purchases		—	—	—	—	0.7	(129.3)	—	(129.3)	—	(129.3)
Treasury share issuances		—	—	(32.6)	—	(0.5)	48.7	—	16.1	—	16.1
Acquisition of remaining noncontrolling interest in AeroGrow		—	—	(13.4)	—	—	—	—	(13.4)	(6.7)	(20.1)
Balance at September 30, 2021											
68.1	0.3	476.7	1,605.1		12.6	(1,002.4)	(66.4)	1,013.3	—	1,013.3	
Net income (loss)											
Net income (loss)	Net income (loss)	—	—	—	(437.5)	—	—	—	(437.5)	—	(437.5)
Other comprehensive income (loss)	Other comprehensive income (loss)	—	—	—	—	—	—	(78.2)	(78.2)	—	(78.2)
Share-based compensation	Share-based compensation	—	—	30.3	—	—	—	—	30.3	—	30.3
Dividends declared (\$2.64 per share)	Dividends declared (\$2.64 per share)	—	—	—	(147.5)	—	—	—	(147.5)	—	(147.5)
Treasury share purchases	Treasury share purchases	—	—	—	—	1.7	(257.9)	—	(257.9)	—	(257.9)
Treasury share issuances	Treasury share issuances	—	—	(143.3)	—	(1.5)	168.4	—	25.1	—	25.1
Balance at September 30, 2022											
68.1	0.3	363.7	1,020.1		12.8	(1,091.8)	(144.6)	147.7	—	147.7	
Balance at September 30, 2022											
Balance at September 30, 2022											

Net income (loss)												
Net income (loss)												
Net income (loss)												
Other comprehensive income (loss)												
Share-based compensation												
Dividends declared (\$2.64 per share)												
Treasury share purchases												
Treasury share issuances												
Balance at September 30, 2023												
Balance at September 30, 2023												
Balance at September 30, 2023												
Net income (loss)												
Net income (loss)												
Net income (loss)	Net income (loss)	—	—	—	(380.1)	—	—	—	(380.1)	—	(380.1)	
Other comprehensive income (loss)	Other comprehensive income (loss)	—	—	—	—	—	—	31.8	31.8	—	31.8	
Share-based compensation	Share-based compensation	—	—	68.1	—	—	—	—	68.1	—	68.1	
Dividends declared (\$2.64 per share)	Dividends declared (\$2.64 per share)	—	—	—	(149.1)	—	—	—	(149.1)	—	(149.1)	
Treasury share purchases	Treasury share purchases	—	—	—	—	0.1	(9.3)	—	(9.3)	—	(9.3)	
Treasury share issuances	Treasury share issuances	—	—	(78.9)	—	(1.3)	102.6	—	23.7	—	23.7	
Balance at September 30, 2023		68.1	\$ 0.3	\$352.8	\$ 490.9	11.6	\$ (998.5)	\$ (112.8)	\$ (267.3)	\$ —	\$ (267.3)	
Balance at September 30, 2024												
Balance at September 30, 2024												
Balance at September 30, 2024												

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

See Notes to Consolidated Financial Statements.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share data)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Scotts Miracle-Gro Company ("Scotts Miracle-Gro") and its subsidiaries (collectively, with Scotts Miracle-Gro, the "Company") are engaged for lawn and garden care and indoor and hydroponic gardening. The Company's products are sold in North America, Europe and Asia.

The Company's North America consumer lawn and garden business is highly seasonal, with approximately 75% of its annual net sales Company's Hawthorne segment is also impacted by seasonal sales patterns for certain product categories due to the timing of outdoor growing quarters, and the timing of certain controlled agricultural lighting project sales during the third and fourth fiscal quarters.

Organization and Basis of Presentation

The Company's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States. The statements include the accounts of Scotts Miracle-Gro and its subsidiaries. All intercompany transactions and accounts have been eliminated in based on majority ownership (as evidenced by a majority voting interest in the entity) and an objective evaluation and determination of effective management. The Company acquired the remaining outstanding shares of AeroGrow International, Inc. ("AeroGrow"). Prior to this date, the equity owned by other shareholders is shown in the Consolidated Balance Sheets, and the other shareholders' portion of net earnings and other comprehensive income was shown as net (income) or noncontrolling interest in the Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss), respectively. The Company included in the consolidated financial statements from the date of each acquisition or up to the date of disposal, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts and accompanying notes and related disclosures. Although these estimates are based on management's best knowledge of current events and circumstances, results ultimately may differ from the estimates.

Advertising

Advertising costs incurred during the year are expensed to interim periods in relation to revenues. Advertising costs, except for external production costs in which such costs are incurred. External production costs for advertising programs are deferred until the period in which the advertising is first incurred. On September 30, 2023, September 30, 2024 and 2022, 2023. On September 13, 2023, September 4, 2024, the Company issued 0.4 million 0.3 million shares of common stock for services that will be performed during fiscal 2024, 2025. As of September 30, 2023, September 30, 2024, deferred advertising costs associated with Advertising expenses were \$141.0, \$123.7 \$120.3 and \$165.7 \$120.3 for fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, respectively.

Research and Development

Costs associated with research and development are generally charged to expense as incurred. Expenses for fiscal 2024, fiscal 2023 and fiscal 2022 were \$45.3, and \$45.4, respectively, including product registration costs of \$9.0, \$12.4 \$13.0 and \$12.3, \$13.0, respectively.

Environmental Costs

The Company recognizes environmental liabilities when conditions requiring remediation are probable and the amounts can be reasonably estimated. Environmental liabilities related to property or mitigate or prevent future environmental contamination are capitalized. Environmental liabilities are not discounted or reduced for the time value of money.

Earnings per Common Share

Basic net income (loss) per Common Share common share is computed by dividing income (loss) attributable to controlling interest from continuing operations or net income (loss) attributable to controlling interest by the weighted average number of Common Shares common shares outstanding. Diluted net income (loss) per Common Share common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus all dilutive potential common shares (stock options, restricted stock units, deferred stock units and performance-based award units) outstanding each period.

THE SCOTTS MIRACLE-GRO COMPANY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued) (Dollars in millions, except per share data)

by dividing income (loss) attributable to controlling interest from continuing operations, income (loss) from discontinued operations or net income (loss) attributable to controlling interest by the weighted average number of Common Shares outstanding plus all dilutive potential Common Shares (stock options, restricted stock units, deferred stock units and performance-based award units) outstanding each period.

Share-Based Compensation Awards

Scotts Miracle-Gro grants share-based awards annually to officers and certain other employees associates and to the non-employee directors. The awards consisted of stock options, restricted stock units, deferred stock units and performance-based award units. Performance-based award units are subject to a market condition based on the Company's total shareholder return relative to a Company selected peer group. All of these share-based awards are granted to employees associates and one year for awards granted to non-employee directors.

For restricted stock units, deferred stock units and performance-based award units that do not contain a market condition, the fair value of each award is based on the current market price of the Common Shares. For performance-based award units that contain a market condition, the fair value of each award is estimated based on the current market price of the Common Shares. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The stock option awards is estimated using a binomial model. Expected market price volatility is based on implied volatilities from traded options on the Common Shares. Historical data, including demographic factors impacting historical exercise behavior, is used to estimate stock option exercises. The risk-free rate for periods within the contractual life of the stock option is based on the U.S. Treasury yield curve in effect at the time of grant. The fair value of each award is based on the current market price of the Common Shares. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The stock option awards is estimated using a binomial model. Expected market price volatility is based on implied volatilities from traded options on the Common Shares. Historical data, including demographic factors impacting historical exercise behavior, is used to estimate stock option exercises. The risk-free rate for periods within the contractual life of the stock option is based on the U.S. Treasury yield curve in effect at the time of grant.

Restricted stock units, deferred stock units and performance-based award units receive dividend equivalents equal to the cash dividends earned on the underlying Common Shares during the vesting period. Share-based award units are generally forfeited if a holder terminates employment or service with the Company prior to the vesting date, except for accelerated vesting based on having satisfied retirement requirements relating to age and years of service. The Company estimates that 15% of the underlying Common Shares will be forfeited based on an analysis of historical trends. The Company evaluates the estimated forfeiture rate on an annual basis and makes adjustments as appropriate. Stock-based awards typically have a term of 10 years. If available, Scotts Miracle-Gro typically uses treasury shares, or if not available, newly issued shares, to settle share-based awards. The Company classifies share-based compensation expense within cost of sales or selling, general and administrative expenses, depending on the nature of the cash compensation paid to employees, **associates**. Cash flows resulting from tax deductions in excess of the cumulative compensation cost recognized for the awards are classified as operating cash inflows.

Depreciation of property, plant and equipment is provided on the straight-line method and is based on the estimated useful economic lives of the

Land improvements
Buildings
Machinery and equipment
Furniture and fixtures
Software

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Intangible assets subject to amortization include technology, patents, customer relationships, non-compete agreements and certain trade names. The Company estimates the useful economic lives, which typically range from 3 to 25 years. The Company's fixed assets and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. If an evaluation of recoverability is required, the estimated fair value of the asset group would be compared to the asset group carrying amount to determine if a write-down is required. If the undiscounted cash flows are expected to exceed the carrying amount, no impairment is recognized. If the carrying amount exceeds fair value and classified as "Impairment, restructuring and other" within "Operating expense".

The Company had non-cash investing activities of \$16.3, \$32.1, \$33.3 and \$41.6, \$33.3 during fiscal 2024, fiscal 2023 and fiscal 2022, and the Company acquired property, plant and equipment.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Internal Use Software

The Company capitalizes certain qualifying costs incurred in the acquisition and development of software for internal use, including the cost of payroll and payroll-related costs for employees and associates during the application development stage. Internal and external costs incurred during the operation stage, mainly training and maintenance costs, are expensed as incurred. Once the application is substantially complete and ready for use, the costs are amortized on a straight-line basis over the software's estimated useful life. Capitalized internal use software is included in the "Property, plant and equipment, net" line in the Consolidated Balance Sheets and is amortized using the straight-line method. Software that is sold or licensed to others as a service is included in the "Prepaid and other current assets" line in the Consolidated Balance Sheets and is amortized using the straight-line method, which typically ranges from 3 to 8 years.

Goodwill and Indefinite-lived Intangible Assets

Goodwill and indefinite-lived intangible assets are not subject to amortization. Goodwill and indefinite-lived intangible assets are reviewed for impairment on an annual basis as of the first day of the Company's fiscal fourth quarter or more frequently if circumstances indicate impairment may have occurred. The review includes a qualitative or quantitative evaluation for each of its reporting units. Factors considered in the qualitative test include reporting unit specific operations, market conditions, and other factors impacting the operations or cash flows of the reporting units. For the quantitative test, the Company assesses goodwill for impairment by comparing the carrying amount of goodwill to the fair value of the reporting unit. A reporting unit is defined as an operating segment or one level below an operating segment. The Company determines the fair value of the reporting unit using an income-based approach incorporating assumptions it believes market participants would utilize. The Company compares the aggregate fair value of the reporting units to the Company's total market capitalization. While the market-based approach utilizes market multiples, these approaches that depend upon internally-developed forecasts based on annual forecasts. The Company uses discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and in the internally-developed forecasts. The Company compares the aggregate fair value of the reporting units to the Company's total market capitalization.

With respect to indefinite-lived intangible assets, the Company performs either a qualitative or quantitative evaluation for each asset. Factors considered in the qualitative test include reporting unit specific operations, market conditions, and other factors impacting the operations or cash flows of the assets. For the quantitative test, the fair value of the asset is determined using a relief-from-royalty methodology similar to that employed when the associated businesses were acquired but using updated estimates of cash flows.

If it is determined that an impairment has occurred, an impairment loss is recognized for the amount by which the carrying value of the reporting unit exceeds its fair value and classified as "Impairment, restructuring and other" within "Operating expenses" in the Consolidated Statements of Operations.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Investments in Securities

Convertible debt investments are classified as "available for sale," are reported at fair value and are presented in the "Other assets" line in the Consolidated Balance Sheets. If the fair value of an available for sale investment is less than its amortized cost basis at the balance sheet date, the impairment is either temporary or other-than-temporary. If the impairment is temporary, the impairment is recorded in other comprehensive loss. If the impairment is other-than-temporary, the impairment is recorded in earnings. Unrealized gains and losses on these investments are included in accumulated other comprehensive loss. If the Company intends to sell the security or if it is more likely than not that the Company will have to sell the security, an other-than-temporary impairment is recognized. The amount of the other-than-temporary impairment is the difference between the investment's amortized cost basis and its fair value at the balance sheet date. The other-than-temporary impairment is charged to earnings. If the impairment is temporary, an allowance for credit losses (impairment), including any write-off of accrued interest receivable, is charged to earnings.

intend to sell the security and it is not more likely than not that it will have to sell the security before recovering its amortized cost basis (net impairment), including any write-off of accrued interest receivable, is charged to earnings. This impairment allowance is separated into two components: (i) the amount related to all other factors (recorded in other comprehensive income / loss). Interest income is recorded on an accrual basis, (income) expense, net" line in the Consolidated Statements of Operations.

Supplier Finance Program

The Company has an agreement to provide a supplier finance program which facilitates participating suppliers' ability to finance payment obligations to a financial institution. Participating suppliers may, at their sole discretion, elect to finance payment obligations of the Company prior to their scheduled payment date to a financial institution. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by supplier financing. The payment

THE SCOTTS MIRACLE-GRO COMPANY **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)** (Dollars in millions, except per share data)

terms that the Company negotiates with its suppliers are consistent, regardless of whether a supplier participates in the program. The Company's payment terms generally range from 30 to 60 days, which is deemed the Company deems to be commercially reasonable. The Company's outstanding payment obligations at September 30, 2024 and \$18.3 at September 30, 2024 and \$8.6 at September 30, 2023 and 2022, 2023, respectively, and are recorded within accounts payable in the Consolidated Balance Sheets. The amounts were \$245.5 and \$185.3 for fiscal 2024 and fiscal 2023, respectively, and are classified as operating activities in the Consolidated Statements of Cash Flows.

Insurance and Self-Insurance

The Company maintains insurance for certain risks, including property damage, management liability, cargo liability, cyber threats, workers' compensation, and health care benefits up to a specified level for individual claims. The Company accrues for the expected costs associated with these risks based on experience, demographic factors, severity factors and other relevant information. Costs are recognized in the period the claim is incurred, and accruals are adjusted as more information is obtained but not yet reported.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the anticipated future tax consequences of temporary differences between financial statement amounts and their respective tax bases. Management reviews the Company's deferred tax assets to determine whether a valuation allowance is needed based on available evidence. A valuation allowance is established when management believes that it is more likely than not that some portion of its deferred tax assets will not be realized. Changes in the valuation allowance from period to period are included in the Company's tax provision in the period of change.

The Company establishes a liability for tax return positions in which there is uncertainty as to whether or not the position will ultimately be sustained. The Company recognizes interest expense and penalty expense on its uncertain tax positions. GAAP provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position. The amount recognized is measured as the best estimate of the amount of taxes paid or payable, less the amount of taxes that will be realized upon settlement.

THE SCOTTS MIRACLE-GRO COMPANY **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)** (Dollars in millions, except per share data)

U.S. income tax expense and foreign withholding taxes are provided on unremitted foreign earnings that are not indefinitely reinvested at the time of repatriation. If U.S. income or foreign withholding taxes are indefinitely reinvested, no provision for U.S. income or foreign withholding taxes is made. When circumstances change and the Company determines that it is more likely than not that the taxes will be remitted in the foreseeable future, the Company accrues an expense in the current period for U.S. income taxes and foreign withholding taxes at the applicable rates.

Translation of Foreign Currencies

The functional currency for each Scotts Miracle-Gro subsidiary is generally its local currency. Assets and liabilities of these subsidiaries are translated at the end of the reporting period. Income and expense accounts are translated at the average rate of exchange prevailing during the year. Translation gains and losses arising from the translation of foreign currency financial statements are included in AOCL within shareholders' equity (deficit). Foreign exchange transaction gains and losses are included in the determination of net income (loss) in the Consolidated Statements of Operations. The Company recognized foreign exchange transaction (gains) losses of \$1.3, \$(0.4), and \$(0.1) for fiscal 2024, fiscal 2023, and fiscal 2022, respectively.

Derivative Instruments

The Company is exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. A variety of financial instruments, including interest rate swaps, currency exchange contracts, and commodity contracts, are used to manage these exposures. These financial instruments are recognized at fair value in the Consolidated Balance Sheets, and changes in fair value are recognized in net income (loss) or shareholders' equity (deficit) through AOCL. The Company's objective in managing these exposures is to better control these elements of risk and to reduce the volatility of earnings associated with changes in the applicable rates and prices.

The Company has established policies and procedures that encompass risk-management philosophy and objectives, guidelines for derivative instrument use, and monitoring and reporting of derivative activity. The Company does not enter into derivative instruments for the purpose of speculation.

THE SCOTTS MIRACLE-GRO COMPANY **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)** (Dollars in millions, except per share data)

The Company formally designates and documents instruments at inception that qualify for hedge accounting of underlying exposures in accordance with both at inception and at least quarterly, whether the financial instruments used in hedging transactions are effective at offsetting changes in cash flows. The value of these instruments generally are offset by changes in the expected cash flows of the underlying exposures being hedged. This offset is the exposure being hedged and the hedging instrument. The Company designates certain commodity hedges as cash flow hedges of forecasted purchases as cash flow hedges of interest payments on variable rate borrowings. Changes in the fair value of derivative contracts that qualify for hedge accounting realized gains or losses remain as a component of AOCL until the related inventory is sold. Cash flows associated with commodity and interest rate hedges are included in the Consolidated Statements of Cash Flows.

During the second quarter of fiscal 2016, the Company entered into definitive agreements with Bonnie Plants, Inc. and its sole shareholder, providing for either (i) the Company to increase its economic interest in Bonnie's business of planting, growing, developing, manufacturing, distributing fertilizer and potting soil (the "Bonnie Business") or (ii) AFC and Bonnie to repurchase the Company's economic interest in the Bonnie Business. The Company surrendered at the time of the formation of the Bonnie Plants, LLC joint venture on December 31, 2020. Prior to this, the Bonnie Option was recognized in changes in fair value recognized in the "Other non-operating income, net" line in the Consolidated Statements of Operations.

Leases

The Company determines whether an arrangement contains a lease at inception by determining if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and other facts and circumstances. Right-of-use ("ROU") assets represent the Company's right to use an identified asset for a period of time in exchange for consideration and other facts and circumstances. Liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are calculated based on the lease liability at the commencement date and initial direct costs incurred by the Company and exclude any lease incentives received from the lessor. Lease liabilities are calculated based on the future minimum lease payments over the lease term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. If the Company's leases typically do not contain a readily determinable implicit rate, the Company determines the present value of the lease liability at the commencement date based on the lease term. The Company considers its credit rating and the current economic environment in determining the discount rate. Portion of lease payments that are not fixed over the lease term. Variable lease payments are expensed as incurred and include certain non-lease components. The Company elected to exclude short-term leases, defined as leases with a term of 12 months or less, from its Consolidated Balance Sheets.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Statements of Cash Flows

Supplemental cash flow information was as follows:

	Year Ended September 30,			Year Ended September 30,		
	2024			2023		
	Year Ended September 30,			Year Ended September 30,		
	2023	2022	2021	2023	2022	2021
Interest paid						
Interest paid						
Interest						
paid	\$173.5	\$112.5	\$61.6			
Income taxes						
paid (refunded)	(18.2)	27.2	179.7			
Income taxes						
paid						
(refunded), net						
Income taxes						
paid						
(refunded), net						
Income taxes						
paid						
(refunded), net						

During fiscal 2024, the Company acquired an additional equity interest in Bonnie Plants, LLC for \$21.4, which was classified as an investing activity. During fiscal 2023, the Company received proceeds of \$37.0 related to the payoff of seller financing that the Company provided in connection with the investment in Bonnie Plants, LLC, which was classified as an investing activity in the Consolidated Statements of Cash Flows. During fiscal 2022, the Company made an additional investment in RIV Capital Inc. which was classified as an investing activity in the Consolidated Statements of Cash Flows. The Company received (paid) cash of \$2.6, \$2.6, and \$2.6, respectively, for fiscal 2023, fiscal 2022, and fiscal 2021, respectively, primarily associated with currency forward contracts, which was classified as an investing activity in the Consolidated Statements of Cash Flows.

Cash flow from operating activities in fiscal 2022 and fiscal 2021 was favorably impacted by extended payment terms with vendors for payments made in fiscal 2021 that were paid in the first quarter of fiscal 2023 and 2022, respectively.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

2023.

The Company uses the "cumulative earnings" approach for determining cash flow presentation of distributions from unconsolidated affiliates. Statements of Cash Flows as operating activities, unless the cumulative distributions exceed the portion of the cumulative equity in the net earnings distributions are deemed to be returns of the investment and are classified as investing activities in the Consolidated Statements of Cash Flows.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-04, "Liability Disclosure of Supplier Finance Program Obligations." This ASU requires disclosure of the key terms of outstanding supplier finance programs and No. 2022-04 is effective for fiscal years beginning after December 15, 2022, except for the amendment on rollforward roll-forward information, which is effective for fiscal years beginning after December 15, 2023. As The Company adopted the ASU 2022-04 only as of October 1, 2023. The adoption relates to disclosures the Company only and does not affect the Company's consolidated financial position, results of operations or cash flows.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU requires significant segment expenses regularly provided to the chief operating decision maker that are included within each reported measure of segment performance to be included in interim periods. ASU No. 2023-07 is to be applied retrospectively for all periods presented in the financial statements beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of this guidance will have no effect on the Company's disclosures.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU requires disclosure of income tax information by jurisdiction in the annual income tax reconciliation and quantitative and qualitative disclosures regarding income taxes with the option to apply the standard retrospectively, effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this ASU on the Company's disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement — Reporting Comprehensive Income — Expense Disaggregation." This ASU requires disaggregated disclosures on an annual and interim basis, in the notes to the financial statements, of expense line items on the face of the statement of operations. ASU No. 2024-03 is to be applied prospectively, with the option to apply the standard early, beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of this ASU on the Company's disclosures.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 2. REVENUE RECOGNITION

Nature of Goods and Services

The Company's revenue is primarily generated from sales of branded and private label lawn and garden care and indoor and hydroponic products to merchandisers, warehouse clubs, large hardware chains, independent hardware stores, nurseries, garden centers, e-commerce platforms, food and beverage distributors, retailers and growers. In addition to product sales, the Company acts as the exclusive agent of Monsanto for the marketing and distribution of certain branded products in the United States and certain other specified countries, and performs certain other services under ancillary agreements with Monsanto. For more information, see "SUPPLEMENTARY INFORMATION" for disaggregated revenue information and "NOTE 7.6. MARKETING AGREEMENT" for revenue information related to the Monsanto business.

Identification and Satisfaction of Performance Obligations

The Company recognizes product sales at a point in time when it transfers control of products to customers and has no further obligation to transfer control of products to customers to direct the "use of" and "obtain" the benefit from the Company's products. In evaluating the timing of the transfer of control of products, including significant risks and rewards of products, the Company's right to payment and the legal title of the products. Based on the facts and circumstances, the Company recognizes when products are delivered to or picked up by the customer. The Company is generally the principal in a transaction and, therefore, the Company is a principal in a transaction, it has determined that it controls the ability to direct the use of the product prior to transfer to a customer, is the product or service to the customer, has discretion in establishing prices, and ultimately controls the transfer of the product or services provided to the customer.

Under the terms of the Third Restated Agreement, pursuant to which the Company serves as the exclusive agent of Monsanto for the marketing and distribution of Roundup® branded products in the United States and certain other specified countries, the Company is entitled to receive an annual commission on the Company's duties as agent. The Third Restated Agreement also requires the Company to make annual payments to Monsanto as a contribution to the Roundup® business. The gross commission earned under the Third Restated Agreement and the contribution payments to Monsanto are included in the Company's Operations. The Company performs other services, including conversion services, pursuant to ancillary agreements with Monsanto. The Company is reimbursed by Monsanto. The Company records costs incurred for which the Company is the primary obligor on a gross basis, recognizing such costs as expenses in these costs in the "Net sales" line in the Consolidated Statements of Operations, with no effect on gross margin dollars or net income.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

Transactional Price and Promotional Allowances

Revenue for product sales is recorded net of sales returns and allowances. Revenues are measured based on the amount of consideration the price, reduced by estimates for variable consideration. Variable consideration includes the cost of current and continuing promotional programs and the Monsanto agreements is recognized over the program year as the services are performed based upon the commission income formula in the agreement.

The Company's promotional programs primarily include rebates based on sales volumes, in-store promotional allowances, cooperative advertising and special purchasing incentives. The cost of promotional programs is estimated considering all reasonably available information, including current estimates (including allowances and rebates) incurred during the year are expensed to interim periods in relation to revenues and are recorded as a reduction of revenues. Promotional programs are included in the "Other current liabilities" line in the Consolidated Balance Sheets. Provisions for estimated returns and allowances are based on historical rates and are periodically adjusted for known changes in return levels. Shipping and handling costs are accounted for as contract fulfillment costs in the Consolidated Statements of Operations. The Company excludes from revenue any amounts collected from customers for sales or other taxes.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 3. DISCONTINUED OPERATIONS

International Business

Prior to August 31, 2017, the Company operated consumer lawn and garden businesses located in Australia, Austria, Belgium, Luxembourg, France, Germany, Italy, Japan, Korea, the Netherlands, the United Kingdom (the "International Business"). On August 31, 2017, the Company completed the sale of the International Business. The transaction resulted in a cash payout of \$23.8 and an initial fair value of \$18.2, the payment of which depended on the achievement of certain performance criteria by the International Business through fiscal 2020. During fiscal 2021, the Company agreed to accept a contingent consideration payout of \$6.0 and recorded a pre-tax charge of \$6.0 on the "Other income (loss)" line in the Consolidated Statements of Operations during fiscal 2021 to write-down the contingent consideration receivable to the agreed upon amount. The contingent consideration was received during fiscal 2022 and this amount was classified as a financing activity in the "Other financing, net" line in the Consolidated Statement of Cash Flows.

NOTE 4. IMPAIRMENT, RESTRUCTURING AND OTHER

Activity described herein is classified within the "Cost of sales—impairment, restructuring and other" and "Impairment, restructuring and other" line items in the Consolidated Statements of Operations. The following table details impairment, restructuring and other charges (recoveries) for each of the periods presented:

	2023
Cost of sales—impairment, restructuring and other:	
Restructuring and other charges (recoveries), net	\$ 148.5
Right-of-use asset impairments	25.8
Property, plant and equipment impairments	11.4
COVID-19 related costs	—
Operating expenses—impairment, restructuring and other:	
Goodwill and intangible asset impairments	127.9
Convertible debt other-than-temporary impairments	101.3
Restructuring and other charges, net	51.2
Gains on sale of property, plant and equipment	—
COVID-19 related costs	—
Total impairment, restructuring and other charges	\$ 466.1

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

	2024
Cost of sales—impairment, restructuring and other:	
Restructuring and other charges, net	\$ 72.9

Property, plant and equipment impairments	5.3
Right-of-use asset impairments	5.3
Operating expenses—impairment, restructuring and other:	
Convertible debt other-than-temporary impairments	64.6
Goodwill and intangible asset impairments	2.5
Restructuring and other charges (recoveries), net	(4.3)
Gains on sale of property, plant and equipment	—
Total impairment, restructuring and other charges	<u>\$ 146.3</u>

The following table summarizes the activity related to liabilities associated with restructuring activities for each of the periods presented:

		Year Ended September 30,	
		2023	2022
Amounts accrued at beginning of year			
Amounts accrued at beginning of year			
Amounts accrued at beginning of year			
Amounts accrued at beginning of year		\$ 31.5	\$
Restructuring charges		55.6	
Payments		(46.6)	
Payments			
Payments			
Amounts accrued at end of year			
Amounts accrued at end of year		\$ 40.5	\$

As of September 30, 2023, restructuring accruals include \$13.9 that is classified as long-term.

During fiscal 2024 and fiscal 2023, the Company recorded non-cash, pre-tax goodwill and intangible asset impairment charges of \$127.9 and \$64.6, respectively, in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. Refer to information regarding convertible debt investments.

During fiscal 2024, the Company recorded a gain of \$12.1 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. During fiscal 2023, the Company recorded a payment received in resolution of goodwill impairment charges associated with the Hawthorne segment and \$10.3 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations.

During former ownership group of a business that was acquired in fiscal 2023, the Company recorded a non-cash, pre-tax other-than-temporary impairment charge of \$101.3 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations.

During fiscal 2022, the Company began implementing a series of Company-wide organizational changes and initiatives intended to create operational efficiencies. As part of this restructuring initiative, the Company is reducing the size of its supply chain network, reducing staffing levels and implementing cost reduction measures. The Company has also accelerated the reduction of certain Hawthorne products, to reduce on hand inventory to align with the reduced network capacity. During fiscal 2024, the Company incurred costs of \$11.3 in its U.S. Consumer segment and \$71.8 in its Hawthorne segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2024. The Company incurred costs of \$1.5 in its U.S. Consumer segment, \$1.0 in its Hawthorne segment, and \$0.8 in its Other segment in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2024. During fiscal 2023, the Company incurred costs of \$16.3 in its U.S. Consumer segment and \$168.5 in its Hawthorne segment in the "Cost of sales—impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2023. The Company incurred costs of \$7.7 in its U.S. Consumer segment, \$20.7 in its Hawthorne segment, \$0.8 in its Other segment, and \$0.8 in its Other segment in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2023.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

line in the Consolidated Statements of Operations during fiscal 2023. During fiscal 2022, the Company incurred costs of \$65.2 associated with restructuring activities, including employee termination benefits and impairment of property, plant and equipment. The Company incurred costs of \$9.7 in its U.S. Consumer segment and \$0.8 in its Other segment in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2022.

Foreign currency translation		—	
Impairment		—	
Goodwill	\$	245.7	\$
Accumulated impairment losses		(1.8)	
Balance at September 30, 2023	\$	243.9	\$

The following table presents intangible assets, net of accumulated amortization and impairment charges:

	September 30, 2023			
	Gross Carrying Amount	Accumulated Amortization/ Impairment Charges	Net Carrying Amount	Gross Carrying Amount
Finite-lived intangible assets:				
Trade names	\$ 322.4	\$ (260.7)	\$ 61.7	\$
Customer relationships	251.5	(216.1)	35.4	
Technology	50.1	(44.5)	5.6	
Other	34.9	(24.8)	10.1	
Total finite-lived intangible assets, net			112.8	
Indefinite-lived intangible assets:				
Indefinite-lived trade names			168.2	
Roundup® marketing agreement amendment			155.7	
Total indefinite-lived intangible assets			323.9	
Total intangible assets, net			\$ 436.7	

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

	September 30, 2024			
	Gross Carrying Amount	Accumulated Amortization/ Impairment Charges	Net Carrying Amount	Gross Carrying Amount
Finite-lived intangible assets:				
Trade names	\$ 325.8	\$ (272.8)	\$ 53.0	\$
Customer relationships	253.1	(223.9)	29.2	
Technology	50.2	(45.5)	4.7	
Other	35.0	(27.0)	8.0	
Total finite-lived intangible assets, net			94.9	
Indefinite-lived intangible assets:				
Indefinite-lived trade names			168.2	
Roundup® marketing agreement amendment			155.7	
Total indefinite-lived intangible assets			323.9	
Total intangible assets, net			\$ 418.8	

During fiscal 2023, the Company's Hawthorne segment continued to experience adverse financial results due to decreased sales volume. Decreased sales volume is attributable to an oversupply of cannabis, which significantly decreased cannabis wholesale prices and indoor and outdoor cannabis cultivation activity across the U.S., significant capital investment in the cannabis production marketplace over the past several years, inconsistent enforcement of cannabis laws during the COVID-19 pandemic. As a result, the Company revised its internal forecasts to reflect the longer persistence and more significant impact of the adverse circumstances that indicated that the carrying amounts of Hawthorne's long-lived assets, including trade names and customer relationships, may not be recoverable. The Company performed a recoverability test for long-lived assets during the fourth quarter of fiscal 2023. The Company concluded that the carrying value of these long-lived assets was not recoverable and recorded non-cash, pre-tax impairment charges of \$72.0 related to trade names and \$45.7 related to customer relationships during the fourth quarter of fiscal 2023, which are recorded in the "other" line in the Consolidated Statements of Operations. The fair values of long-lived assets were determined using income-based approaches, in which the fair value of the assets is based on estimates that include market participant expectations of cash flows that the assets will generate over the remaining useful life discounted to present value. These estimates utilize significant unobservable inputs and thus represent Level 3 fair value measurements.

The Company performed annual goodwill impairment testing as of the first day of its fourth quarter of fiscal 2023. This test resulted in a non-cash impairment charge of \$522.4 related to the Other segment, which was recorded during the fourth quarter of fiscal 2023 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. The carrying value of goodwill of the Other segment reporting unit was based upon an equal weighting of the estimated cash flows and a terminal value, discounted at a rate of return that reflects the relative risk of the cash flows, as well as valuation multiples that are applied to the operating performance of the reporting unit. The fair value estimate utilizes significant unobservable inputs and thus represents an estimate.

The Company performed a recoverability test for Hawthorne's long-lived assets during the third quarter of fiscal 2022. The Company concluded that the carrying value of the assets exceeded their estimated fair value and recorded non-cash, pre-tax impairment charges of \$69.0 related to trade names and \$41.0 related to customer relationships, during the fourth quarter of fiscal 2022 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations.

After adjusting the carrying values of the finite-lived intangible assets, the Company completed an interim quantitative impairment test for goodwill. The quantitative test resulted in a non-cash, pre-tax goodwill impairment charge of \$522.4 related to the Hawthorne reporting unit, which was recorded in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations. The carrying value of goodwill of the Hawthorne reporting unit, after recording the impairment charge, was \$522.4.

During fiscal 2022, the Company also recorded additional non-cash, pre-tax finite-lived intangible asset impairment charges of \$35.3, comprising impairment charges on customer relationships, during the fourth quarter of fiscal 2022 in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations.

Total amortization expense was \$15.7, \$25.2, \$37.1 and \$30.9 for fiscal 2024, fiscal 2023, fiscal 2022, and fiscal 2021, respectively, for the years ending September 30:

2024		\$
2025	2025	
2026	2026	
2027	2027	
2028	2028	
2029		

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 6.5. DETAIL OF CERTAIN FINANCIAL STATEMENT ACCOUNTS

The following presents detail regarding certain financial statement accounts:

		September 30,		September 30,	
		2023	2022	2024	
INVENTORIES:	INVENTORIES:				
INVENTORIES:					
INVENTORIES:					
Raw materials					
Raw materials					
Raw materials					
Finished goods	Finished goods	\$ 506.2	\$ 926.2		
Raw materials		272.5	293.2		
Work-in-progress	Work-in-progress	101.6	124.1		
		\$ 880.3	\$ 1,343.5		
	\$				
PROPERTY, PLANT AND EQUIPMENT, NET:	PROPERTY, PLANT AND EQUIPMENT, NET:				
Machinery and equipment					
Machinery and equipment					
Machinery and equipment	Machinery and equipment	\$ 651.7	\$ 644.0		
Buildings	Buildings	277.1	262.2		

Less: accumulated depreciation				
	Less: accumulated depreciation	(765.4)	(777.9)	
		\$ 610.3	\$ 606.0	
	\$			

OTHER ASSETS: OTHER ASSETS:

Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 262.6	\$ 288.9
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Operating lease right-of-use assets

Operating lease right-of-use assets

Net deferred	Net deferred		
tax assets	tax assets	189.8	143.5

Accrued pension, postretirement and executive retirement assets

Convertible debt investments	Convertible debt investments	85.8	117.0
------------------------------	------------------------------	------	-------

Accrued pension, postretirement and executive retirement assets	64.1	69.6
--	------	------

Loans receivable	—	32.8
Other	30.8	29.1

		2015	2014
		\$ 633.1	\$ 680.9

Other		
Other		
	\$	

	September 30,		September 30,	
	2023	2022	2024	

OTHER	OTHER
CURRENT	CURRENT
LIABILITIES:	LIABILITIES:

OTHER CURRENT LIABILITIES:

OTHER CURRENT LIABILITIES:

Advertising and promotional accruals			
Advertising and promotional accruals			
Advertising and promotional accruals	Advertising and promotional accruals	\$143.0	\$ 74.8
Current operating lease liabilities	Current operating lease liabilities	76.4	76.2
Payroll and other compensation accruals	Payroll and other compensation accruals	51.2	44.2
Accrued interest			
Accrued interest			
Accrued interest	Accrued interest	31.9	30.1
Accrued taxes	Accrued taxes	28.5	29.4
Other	Other	119.2	142.3
		<u>\$450.2</u>	<u>\$397.0</u>
Other			
Other			
		\$	
OTHER NON-CURRENT LIABILITIES:	OTHER NON-CURRENT LIABILITIES:		
Non-current operating lease liabilities			
Non-current operating lease liabilities			
Non-current operating lease liabilities	Non-current operating lease liabilities	\$220.1	\$223.2
Accrued pension, postretirement and executive retirement liabilities	Accrued pension, postretirement and executive retirement liabilities	76.7	82.1
Net deferred tax liabilities	Net deferred tax liabilities	1.1	8.5
Other	Other	52.0	45.2
		<u>\$349.9</u>	<u>\$359.0</u>
Other			
Other			
		\$	

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 7.6. MARKETING AGREEMENT

The Scotts Company LLC ("Scotts LLC") is the exclusive agent of Monsanto for the marketing and distribution of certain of Monsanto's consumer Roundup® business for each program year in the markets covered by the Third Restated Agreement ("Program EBIT"). The Third Restated Agreement requires annual payments of \$18.0 to Monsanto as a contribution against the overall expenses of its consumer Roundup® business, subject to reduction per program year in which the Program EBIT does not equal or exceed \$36.0.

Unless Monsanto terminates the Third Restated Agreement due to an event of default by the Company, termination rights under the Third Restated Agreement include:

- The Company may terminate the Third Restated Agreement upon the insolvency or bankruptcy of Monsanto;
- Monsanto may terminate the Third Restated Agreement in the event that Monsanto decides to decommission the permits, licenses, trademarks, names, packages, copyrights and designs used in, the sale of the Roundup® products in the lawn and garden market (a "Brand Decommission");
- Each party may terminate the Third Restated Agreement if Program EBIT falls below \$50.0 and, in such case, no termination fee would be payable.

The termination fee structure requires Monsanto to pay a termination fee to the Company in an amount equal to (i) \$375.0 upon a Brand Decommission or four times an amount equal to the average of the Program EBIT for the three program years before the year of termination, minus \$186.4, if Monsanto terminates the Third Restated Agreement as a result of a Roundup Sale or Change of Control of Monsanto (each, as defined in the Third Restated Agreement).

The elements of the net commission and reimbursements earned under the Third Restated Agreement and included in the "Net sales" line item are as follows:

		Year Ended September 30			Year
		2024	2024	2023	
		Year Ended September 30			
		2023	2022	2021	
Gross commission					
Gross commission					
Gross commission	Gross commission	\$ 75.7	\$ 83.4	\$ 94.0	
Contribution expenses	Contribution expenses	(18.0)	(18.0)	(18.0)	
Net commission	Net commission	57.7	65.4	76.0	
Net commission					
Net commission					
Reimbursements associated with Roundup® marketing agreement	Reimbursements associated with Roundup® marketing agreement	82.5	67.9	70.8	
Total net sales associated with Roundup® marketing agreement	Total net sales associated with Roundup® marketing agreement	\$140.2	\$133.3	\$146.8	

NOTE 8.7. ACQUISITIONS AND INVESTMENTS**Cyco CYCO**

On April 28, 2022, the Company's Hawthorne segment completed the acquisition of substantially all of the assets of S.J. Enterprises PTY LTD, a provider of premium nutrients, additives and growing media products for indoor growing sold mostly in the United States, for an estimated purchase consideration, a non-cash investing activity, with an initial fair value of \$3.1 and a maximum payout of \$10.0, which will be paid by the Company in cash through December 31, 2024, and is not expected to be paid. Prior to the transaction, the Company served as the exclusive distributor of Cyco's CYCO acquired assets included (i) \$1.3 of inventory, (ii) \$10.5 of finite-lived identifiable intangible assets and (iii) \$25.6 of tax-deductible goodwill. Identifiable intangible assets include non-compete agreements with initial useful lives ranging between 5 and 25 years. The estimated fair values of the identifiable intangible assets were determined using the market participant expectations of cash flows that an asset will generate over the remaining useful life discounted to present value.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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Luxx Lighting

On December 30, 2021, the Company's Hawthorne segment completed the acquisition of substantially all of the assets of Luxx Lighting, Inc. The purchase price was \$213.2, a portion of which was paid by the issuance of 0.1 million Common Shares, a non-cash investing and financing activity at the time of payment. The valuation of the acquired assets included (i) \$32.8 of inventory and accounts receivable, (ii) \$5.7 of other current asset identifiable intangible assets and (v) \$151.6 of tax-deductible goodwill. Identifiable intangible assets included trade names, customer relationship agreements with useful lives ranging between 5 and 25 years. The estimated fair values of the identifiable intangible assets were determined using an income-based approach based on cash flows that an asset will generate over the remaining useful life discounted to present value using an appropriate discount rate.

During the fourth quarter of fiscal 2022, the Company decided it would discontinue and exit the market for certain Hawthorne lighting products. See "NOTE 4.3. IMPAIRMENT, RESTRUCTURING AND OTHER" for more information.

True Liberty Bags

On December 23, 2021, the Company's Hawthorne segment completed the acquisition of substantially all of the assets of True Liberty Bags, Inc. and cure plant products, for \$10.1. The valuation of the acquired assets included (i) \$1.1 of inventory, (ii) \$5.8 of finite-lived identifiable intangible assets and (v) \$3.2 of tax-deductible goodwill. Identifiable intangible assets included trade names and customer relationships with initial useful lives of 15 years. The estimated fair values of the identifiable intangible assets were determined using an income-based approach, which includes market participant expectations of cash flows that an asset will generate over the remaining useful life discounted to present value using an appropriate discount rate.

On August 27, 2021, the Company's Hawthorne segment completed the acquisition of substantially all of the assets of Hydro-Logic Purification Systems, Inc. accessories and systems for water filtration and purification, for \$65.3. The valuation of the acquired assets included (i) \$4.5 of inventory and accounts receivable, (ii) \$5.8 of finite-lived identifiable intangible assets and (v) \$38.7 of tax-deductible goodwill. Identifiable intangible assets included trade names and customer relationships with useful lives ranging between 5 and 15 years. The estimated fair values of the identifiable intangible assets were determined using an income-based approach, which includes market participant expectations of cash flows that an asset will generate over the remaining useful life discounted to present value using an appropriate discount rate.

The Hawthorne Collective

On August 24, 2021, the Company's wholly-owned subsidiary, The Hawthorne Collective, Inc. ("THC"), made its initial investment under the RIV Capital initiative in the form of a \$150.0 six-year convertible note issued to the Company by Toronto-based RIV Capital Inc. ("RIV Capital") (CSE: RIV) (OTC: RIV) listed on the Canadian Securities Exchange. The note bears interest on the principal amount at a rate of approximately 2% for the first two years of the term. The note is convertible into RIV Capital common shares at a conversion price of CAD \$1.90 per share which is based upon the closing stock price of RIV Capital on the date of conversion.

On April 22, 2022, pursuant to its follow-on investment rights, the Company made an additional investment in RIV Capital in the form of a \$25.0 convertible note. The note bears interest on the principal amount at a rate of approximately 2% for the first two years of the term. No interest will accrue on the note for the period from April 22, 2022 to the date of conversion. The note is convertible into RIV Capital common shares at a conversion price of CAD \$1.65 per share which is based upon the RIV Capital closing stock price on March 29, 2022.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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Accrued interest on the initial \$150.0 convertible note and the follow-on \$25.0 convertible note (collectively, the "RIV Convertible Notes") will be paid in cash at the time of conversion. Assuming full conversion of the RIV Convertible Notes, including the full amount of the accrued interest, the Company would be entitled to receive approximately 123.0 million common shares of RIV Capital, representing approximately 48% of RIV Capital's outstanding common shares. The RIV Convertible Notes are convertible into common shares of RIV Capital either (i) at the election of THC or (ii) at the election of RIV Capital after the RIV Capital board of directors is amended to allow for the general cultivation, distribution, and possession of cannabis.

In connection with issuance of the RIV Convertible Notes, the Company entered into an investor rights agreement with RIV Capital providing certain participation rights, as well as certain standstill and transfer restrictions. In addition, THC is entitled to designate three nominees to the RIV Capital board of directors, and will be entitled to designate four nominees to the RIV Capital board of directors if the size of the board is increased to nine directors.

During the fourth quarter of fiscal 2021, THC made minority non-equity investments of \$43.1 in other entities focused on branded cannabis products. These investments also include conversion features that would provide the Company with minority ownership interests if it exercises the conversion features.

The Company or THC will not have control of or an active day-to-day role in any entity in which THC has a convertible debt investment. The funds received from the Company will be used for general corporate and other lawful purposes, which could include acquisitions, and that the funds will not be used for cannabis-related operations in the U.S. unless and until such operations comply with all applicable U.S. federal laws.

Rhizoflora

On August 13, 2021, the Company's Hawthorne segment completed the acquisition of substantially all of the assets of Rhizoflora, Inc., through the acquisition of Terpinator® and Purpinator®, for \$33.7. The valuation of the acquired assets included (i) \$0.6 of inventory, (ii) \$10.9 of finite-lived identifiable intangible assets and (v) \$22.2 of tax-deductible goodwill. Identifiable intangible assets included trade names, customer relationships and non-compete agreements with useful lives ranging between 5 and 15 years. The estimated fair values of the identifiable intangible assets were determined using an income-based approach, which includes market participant expectations of cash flows that an asset will generate over the remaining useful life discounted to present value using an appropriate discount rate.

AeroGrow

On November 11, 2020, the Company entered into an agreement and plan of merger to acquire the remaining outstanding shares of AeroGrow for approximately \$20.1. The merger closed on February 26, 2021. SMG Growing Media, Inc., a wholly-owned subsidiary of Scotts Miracle-Gro, acquired AeroGrow prior to the closing and now holds 100% of the outstanding shares of AeroGrow. The closing date carrying value of the noncontrolling interest purchase price and carrying value was recognized in the "Common shares and capital in excess of \$0.01 stated value per share" line within "Total equity" on the Consolidated Balance Sheets.

NOTE 9.8. INVESTMENT IN UNCONSOLIDATED AFFILIATES

On December 31, 2020, the Company acquired a 50% equity interest in Bonnie Plants, LLC, a joint venture with AFC focused on producing and selling live plants, in exchange for cash payments of \$102.3, as well as non-cash investing activities that included forgiveness of the Company's outstanding debt. The Company's options to increase its economic interest in the Bonnie Plants business. The Company recorded a gain of \$12.5 during the first quarter of 2021 with AFC to its closing date fair value in the "Other non-operating income, net" line in the Consolidated Statements of Operations. The Company recorded an "Investment in unconsolidated affiliates" line in the Consolidated Balance Sheets. During the three months ended December 31, 2022, the Company allowed AFC to make an additional equity contribution to Bonnie Plants, LLC, and, as a result of this contribution by AFC, the Company's equity interest in Bonnie Plants, LLC increased from 50% to 100%. On November 7, 2023, the Company purchased an additional 5% equity interest in Bonnie Plants, LLC from AFC for \$21.4, which restored its total ownership to 100%. The investment accounted for using the equity method of accounting, with the Company's proportionate share of Bonnie Plants, LLC earnings subsequent to December 31, 2023. On November 7, 2023, the

The Company purchased an additional 5% recorded equity interest in Bonnie Plants, LLC from AFC for \$21.4, which restored its total ownership to 100%.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

During fiscal 2024, fiscal 2023 and fiscal 2022, respectively. The Company recorded a non-cash, pre-tax impairment charge of \$68.1, \$101.1 and \$12.9 during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. The impairment charge was recorded in the "Equity in (income) loss of unconsolidated affiliates" line in the Consolidated Statement of Operations. The impairment was driven by revisions to the Company's internal forecasts for Bonnie Plants, LLC in response to market pressures. The estimated fair value of Bonnie Plants, LLC was based upon an equal weighting of the income-based and market-based approaches. The fair value estimate utilizes significant unobservable inputs and thus represents a Level 3 fair value measurement.

As a result of the impairment charge recorded by the Company during fiscal 2024 and fiscal 2023, the carrying value of the Company's investment in Bonnie Plants, LLC's underlying net assets as of September 30, 2023 and September 30, 2024. Of this basis difference, the majority relates to goodwill in Bonnie Plants, LLC, which are not amortized. The remaining amount relates to long-lived assets, including finite-lived intangible assets, and will be amortized over their useful lives.

The Company recorded equity in (income) loss of unconsolidated affiliates associated with Bonnie Plants, LLC of \$101.1, \$12.9 and \$12.5 during fiscal 2024, 2023 and 2022, respectively. The Company also received a distribution of \$12.0 from Bonnie Plants, LLC during fiscal 2021, which was classified as a dividend in the Consolidated Statements of Cash Flows.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

NOTE 10.9. RETIREMENT PLANS

The Company sponsors a defined contribution 401(k) plan for substantially all U.S. associates. The Company matches 200% of associate contributions up to 6%. The Company may make additional discretionary profit sharing matching contributions to eligible employees. The Company's expenses of \$23.7, \$24.1, \$28.3 and \$30.1 associated with the plan in fiscal 2024, fiscal 2023, fiscal 2022, and fiscal 2021, respectively.

The Company sponsors two defined benefit pension plans for certain U.S. associates and three defined benefit pension plans associated with the Company's operations in Germany. Benefits under these plans have been frozen and closed to new associates since 1997 for the U.S. plans, 2010 for the United Kingdom plan and 2011 for the German plans. The plans are based on years of service and compensation levels. The Company's funding policy for the defined benefit pension plans, consistent with actuarial computations using the Projected Unit Credit method.

During fiscal 2023 and 2021, the defined benefit pension plans associated with the former business in the United Kingdom entered into buy-in arrangements with the United Kingdom government. The buy-in costs of \$76.3 and \$67.7, respectively, which are subject to adjustment as a result of subsequent data cleansing activities. Under the terms of these buy-in arrangements, the Company will pay the benefits to the plans, but the plans still retain full legal responsibility to pay benefits to plan participants using the insurance payments. The Company is going forward until such time as the buy-in policies are converted to buy-out policies, which is when individual insurance policies will be assigned to the Company and the Company will assume legal responsibility to pay the benefits to the plan participants.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

The following tables present information about benefit obligations, plan assets, annual expense, assumptions and other information about the defined benefit pension plans are valued using a September 30 measurement date.

	U.S. Defined Benefit Pension Plans	
	2023	2022
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 77.7	\$ 100.0
Interest cost	3.6	1.1
Actuarial gain	(2.5)	(17.0)
Benefits paid	(6.9)	(7.0)
Foreign currency translation	—	—
Projected benefit obligation ("PBO") at end of year	<u>\$ 71.8</u>	<u>\$ 77.1</u>
Accumulated benefit obligation ("ABO") at end of year	<u>\$ 71.8</u>	<u>\$ 77.1</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 59.1	\$ 81.0
Actual return on plan assets	1.7	(15.0)
Employer contribution	0.2	0.0
Benefits paid	(6.9)	(7.0)
Foreign currency translation	—	—
Fair value of plan assets at end of year	<u>\$ 54.1</u>	<u>\$ 59.0</u>
Overfunded (underfunded) status at end of year	<u>\$ (17.7)</u>	<u>\$ (18.6)</u>

	U.S. Defined Benefit Pension Plans	
	2023	2022
Information for pension plans with an ABO in excess of plan assets:		
Accumulated benefit obligation	\$ 71.8	\$ 77.1
Fair value of plan assets	54.1	59.0
Information for pension plans with a PBO in excess of plan assets:		
Projected benefit obligation	\$ 71.8	\$ 77.1
Fair value of plan assets	54.1	59.0
Amounts recognized in the Consolidated Balance Sheets consist of:		
Non-current assets	\$ —	\$ —
Current liabilities	(0.2)	(0.0)
Non-current liabilities	(17.5)	(18.6)
Total amount accrued	<u>(17.7)</u>	<u>(18.6)</u>
Amounts recognized in AOCL consist of:		
Actuarial loss	\$ 35.2	\$ 38.0
Prior service cost	—	—
Total amount recognized	<u>\$ 35.2</u>	<u>\$ 38.0</u>

	U.S. Defined Benefit Pension Plans	
	2024	2023
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 71.8	\$ 77.1
Interest cost	3.7	3.0
Actuarial (gain) loss	5.5	(2.0)
Benefits paid	(6.8)	(6.0)
Foreign currency translation	—	—
Projected benefit obligation ("PBO") at end of year	<u>\$ 74.2</u>	<u>\$ 72.1</u>

Accumulated benefit obligation ("ABO") at end of year	\$	74.2	\$	71
Change in plan assets:				
Fair value of plan assets at beginning of year	\$	54.1	\$	59
Actual return on plan assets		7.1		1
Employer contribution		2.9		0
Benefits paid		(6.8)		(6
Foreign currency translation		—		
Fair value of plan assets at end of year	\$	57.3	\$	54
Overfunded (underfunded) status at end of year	\$	(16.9)	\$	(17

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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		U.S. Defined Benefit Pension Plans	
		2023	2022
Total change in other comprehensive loss attributable to:			
Net gain (loss) during the period	\$	1.8	\$ (1.3)
Reclassification to net earnings		1.8	1.7
Foreign currency translation		—	—
Total change in other comprehensive loss	\$	3.6	\$ 0.4
Weighted average assumptions used in development of projected benefit obligation:			
Discount rate		5.54 %	5.06 %

		U.S. Defined Benefit Pension Plans	
		2024	2023
Information for pension plans with an ABO in excess of plan assets:			
Accumulated benefit obligation	\$	74.2	\$ 71
Fair value of plan assets		57.3	54
Information for pension plans with a PBO in excess of plan assets:			
Projected benefit obligation	\$	74.2	\$ 71
Fair value of plan assets		57.3	54
Amounts recognized in the Consolidated Balance Sheets consist of:			
Non-current assets	\$	—	\$
Current liabilities		(0.2)	(0
Non-current liabilities		(16.7)	(17
Total amount accrued	\$	(16.9)	\$ (17
Amounts recognized in AOCL consist of:			
Actuarial loss	\$	34.1	\$ 35
Prior service cost		—	
Total amount recognized	\$	34.1	\$ 35

		U.S. Defined Benefit Pension Plans	
		2024	2023

Total change in other comprehensive loss attributable to:			
Net gain (loss) during the period	\$	(0.5)	\$ 1.8
Reclassification to net earnings		1.7	1.8
Foreign currency translation		—	—
Total change in other comprehensive loss	\$	1.2	\$ 3.6
Weighted average assumptions used in development of projected benefit obligation:			
Discount rate		4.62 %	5.54 %

		U.S. Defined Benefit Pension Plans			International Defined Benefit Pension Plans			U.S. Defined Benefit Pension Plans		
		2023	2022	2021	2023	2022	2021	2024	2023	2022
Components of net periodic benefit cost (income):	Components of net periodic benefit cost (income):									
Components of net periodic benefit cost (income):	Components of net periodic benefit cost (income):									
Interest cost	Interest cost									
Interest cost	Interest cost									
Interest cost	Interest cost	\$3.6	\$1.7	\$1.5	\$6.2	\$ 3.0	\$ 2.6			
Expected return on plan assets	Expected return on plan assets	(2.5)	(2.8)	(3.4)	(5.5)	(5.1)	(5.5)			
Net amortization	Net amortization	1.8	1.7	2.1	2.0	1.3	1.3			
Net periodic benefit cost (income)	Net periodic benefit cost (income)	\$2.9	\$0.6	\$0.2	\$2.7	\$(0.8)	\$(1.6)			
Weighted average assumptions used in development of net periodic benefit cost (income):	Weighted average assumptions used in development of net periodic benefit cost (income):									
Weighted average assumptions used in development of net periodic benefit cost (income):	Weighted average assumptions used in development of net periodic benefit cost (income):									
Weighted average assumptions used in development of net periodic benefit cost (income):	Weighted average assumptions used in development of net periodic benefit cost (income):									
Weighted average discount rate - interest cost	Weighted average discount rate - interest cost									

Weighted average discount rate - interest cost									
Weighted average discount rate	Weighted average discount rate								
- interest cost	- interest cost	4.87 %	1.74 %	1.43 %	5.29 %	1.64 %	1.26 %	5.46 %	4.87 %
Expected return on plan assets	Expected return on plan assets								
		4.50 %	3.50 %	4.25 %	3.91 %	2.37 %	2.45 %	4.25 %	4.50 %

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Investment Strategy

Target allocation percentages among various asset classes are maintained based on an individual investment policy established for each of the plans to achieve long-term objectives of return while mitigating against downside risk considering expected cash requirements necessary to fund benefit payments. The Company and the plans cannot determine whether future pension plan funding requirements could materially and adversely affect its financial position.

Basis for Long-Term Rate of Return on Asset Assumptions

The Company's expected long-term rate of return on asset assumptions are derived from studies conducted by third parties. The studies include consideration of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plans to determine the long-term rate of return. In conducting these studies, the studies give appropriate consideration to recent fund performance and historical returns, the assumptions primarily represent expectations about future returns.

Other information:

Plan asset allocations:

Target for September 30, 2025:

- Equity securities
- Debt securities
- Real estate securities
- Cash and cash equivalents
- Insurance contracts

September 30, 2024

- Equity securities
- Debt securities
- Real estate securities
- Cash and cash equivalents
- Insurance contracts

September 30, 2023

- Equity securities
- Debt securities
- Real estate securities
- Cash and cash equivalents
- Insurance contracts

Expected company contributions in fiscal 2025

\$

Expected future benefit payments:

2025

\$

2026

2027

2028

2029

2030 – 2034

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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U.
Benefit

Other information:

Plan asset allocations:

Target for September 30, 2024:

Equity securities
Debt securities
Real estate securities
Cash and cash equivalents
Insurance contracts

September 30, 2023

Equity securities
Debt securities
Real estate securities
Cash and cash equivalents
Insurance contracts

September 30, 2022

Equity securities
Debt securities
Real estate securities
Cash and cash equivalents
Insurance contracts

Expected company contributions in fiscal 2024

\$

Expected future benefit payments:

2024

\$

2025

2026

2027

2028

2029 – 2033

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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The following tables set forth the fair value of the Company's pension plan assets, segregated by level within the fair value hierarchy:

Fair Value Hierarchy Level	U.S. Defined Benefit Pension Plans		International Defined Benefit Pension Plans	
	2023	2022	2023	2022
Fair Value				

		Hierarchy				U.S. Defined Benefit Pension Plans			
		Level	Fair Value	Fair Value	Fair Value				
		Fair Value	Fair Value	Fair Value	Fair Value				
		Hierarchy	Hierarchy	Hierarchy	Hierarchy				
		Level	Level	Level	Level				
		Level	2024	2023	2022				
Cash and cash equivalents	Cash and cash equivalents	Level 1	\$ 2.2	\$ 2.1	\$ 14.0	\$ 1.7			
Insurance contracts	Insurance contracts	Level 3	—	—	104.3	38.1			
Total assets in the fair value hierarchy	Total assets in the fair value hierarchy		\$ 2.2	\$ 2.1	\$ 118.3	\$ 39.8			
Common collective trusts measured at net asset value	Common collective trusts measured at net asset value								
Real estate	Real estate		\$ 1.8	\$ 2.8	\$ —	\$ —			
Real estate	Real estate								
Equities	Equities		10.0	10.0	—	32.6			
Fixed income	Fixed income		40.1	44.2	6.5	56.5			
Total common collective trusts measured at net asset value	Total common collective trusts measured at net asset value		51.9	57.0	6.5	89.1			
Total common collective trusts measured at net asset value	Total common collective trusts measured at net asset value								
Total assets at fair value	Total assets at fair value		\$54.1	\$59.1	\$124.8	\$128.9			

The carrying value of cash equivalents approximated their aggregate fair value as of September 30, 2023, September 30, 2024 and 2022, 2023 calculated on an insurer pricing basis updated for changes in market implied insurance pricing, market rates, and inflation, during the year, as collective trusts are not publicly traded and were valued at a net asset value unit price determined by the portfolio's sponsor based on the fair value as of September 30, 2023, September 30, 2024 and 2022, 2023. The common collective trusts hold underlying investments that have prices derive assets are principally marketable equity and fixed income securities.

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NOTE 11.10. ASSOCIATE MEDICAL BENEFITS

The Company provides comprehensive major medical benefits to its associates. The Company is self-insured for certain health benefits up benefits is recognized as expense in the period the claim is incurred and was \$42.5, \$40.1 \$46.6 and \$43.7 \$46.6 in fiscal 2024, fiscal 2023 and fisc

The Company also provides comprehensive major medical benefits to certain retired associates and their dependents. Substantially all of the January 1, 1998 become eligible for these benefits if they retire at age 55 or older with more than ten years of service. The retiree medical p associates and includes provisions to limit the overall cost increases the Company is required to cover. The Company funds its portion of retiree me

The following tables set forth information about the retiree medical plan for domestic associates. The retiree medical plan is valued using a Se

		2023	2022
	2024		2024
Change in Accumulated Plan Benefit Obligation ("APBO"):	Change in Accumulated Plan Benefit Obligation ("APBO"):		
Change in Accumulated Plan Benefit Obligation ("APBO"):	Change in Accumulated Plan Benefit Obligation ("APBO"):		
Benefit obligation at beginning of year	Benefit obligation at beginning of year		
Benefit obligation at beginning of year	Benefit obligation at beginning of year		
Benefit obligation at beginning of year	Benefit obligation at beginning of year	\$ 15.7	\$ 20.1
Service cost	Service cost	0.1	0.2
Interest cost	Interest cost	0.8	0.5
Plan participants' contributions	Plan participants' contributions	0.4	0.4
Actuarial gain	Actuarial gain	(2.2)	(4.0)
Curtailment loss	Curtailment loss	—	0.6
Actuarial (gain) loss	Actuarial (gain) loss		
Benefits paid	Benefits paid		
Benefits paid	Benefits paid		
Benefits paid	Benefits paid	(1.5)	(2.1)
Benefit obligation at end of year	Benefit obligation at end of year	\$ 13.3	\$ 15.7
Benefit obligation at end of year	Benefit obligation at end of year		
Benefit obligation at end of year	Benefit obligation at end of year		
Change in plan assets:	Change in plan assets:		
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year		
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year		
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year	\$ —	\$ —

Employer contribution	Employer contribution	1.1	1.7
Plan participants' contributions	Plan participants' contributions	0.4	0.4
Gross benefits paid	Gross benefits paid	(1.5)	(2.1)
Fair value of plan assets at end of year	Fair value of plan assets at end of year	\$ —	\$ —
Unfunded status at end of year	Unfunded status at end of year	<u>\$(13.3)</u>	<u>\$(15.7)</u>

Amounts recognized in the Consolidated Balance Sheets consist of:

Current liabilities	\$
Non-current liabilities	
Total amount accrued	<u>\$</u>

Amounts recognized in AOCL consist of:

Actuarial (gain) loss	\$
Prior service credit	
Total accumulated other comprehensive (income) loss	<u>\$</u>
Total change in other comprehensive loss attributable to:	
Gain during the period	\$
Reclassification to net earnings	
Total change in other comprehensive loss	<u>\$</u>

Discount rate used in development of APBO

Amounts recognized in the Consolidated Balance Sheets consist of:

Current liabilities	\$
Non-current liabilities	
Total amount accrued	<u>\$</u>

Amounts recognized in accumulated other comprehensive (income) loss consist of:

Actuarial gain	\$
Total accumulated other comprehensive income	<u>\$</u>
Total change in other comprehensive income attributable to:	
Gain (loss) during the period	\$
Reclassification to net earnings	
Total change in other comprehensive income	<u>\$</u>

Discount rate used in development of APBO

Net periodic benefit cost (income) was \$0.3, \$0.7 \$(0.2) and \$(0.2) during fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, 2023 September 30, 2024, management has assumed that health care costs will increase at an annual rate of 7.00% 6.50%, and thereafter decreases 2028, 2033.

THE SCOTT'S MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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The following benefit payments under the plan are expected to be paid by the Company and the retirees for the fiscal years indicated:

	Gross Benefit Payments			Retiree Contributions	
	Gross Benefit Payments	Retiree Contributions	Net Company Payments		
2024	\$ 1.8	\$ (0.4)	\$ 1.4		
2025					
2025					
2025 2025	1.8	(0.4)	1.4		
2026 2026	1.9	(0.5)	1.4		
2027 2027	1.9	(0.6)	1.4		
2028 2028	2.0	(0.7)	1.3		
2029 –					
2033	9.8	(3.8)	6.0		
2029					
2030					
–					
2034					

NOTE 12.11. DEBT

The components of debt are as follows:

		September 30,			
		September 30,			
		2023	2022	2024	
Credit Facilities:	Credit Facilities:				
Credit Facilities:	Credit Facilities:				
Revolving loans	Revolving loans				
Revolving loans	Revolving loans				
Revolving loans	Revolving loans	\$ 88.3	\$ 300.5		
Term loans	Term loans	925.0	975.0		
Senior Notes due 2031 – 4.000%	Senior Notes due 2031 – 4.000%	500.0	500.0		
Senior Notes due 2032 – 4.375%	Senior Notes due 2032 – 4.375%	400.0	400.0		
Senior Notes due 2029 – 4.500%	Senior Notes due 2029 – 4.500%	450.0	450.0		
Senior Notes due 2026 – 5.250%	Senior Notes due 2026 – 5.250%	250.0	250.0		
Receivables facility	Receivables facility	—	75.0		
Finance lease obligations	Finance lease obligations				
Finance lease obligations	Finance lease obligations				
Finance lease obligations	Finance lease obligations	16.9	28.9		

The Company's aggregate scheduled maturities of debt by fiscal year, excluding finance lease obligations, are as follows:

2029

Thereafter	Thereafter

\$

\$

On July 5, 2018, the Company entered into a fifth amended and restated credit agreement, which provided the Company and certain of its subsidiaries with the aggregate principal amount of \$2,300.0, comprised of a revolving credit facility of \$1,500.0 and a term loan in the original principal amount of \$800.0.

On April 8, 2022, the Company entered into the Sixth A&R Credit Agreement, providing the Company and certain of its subsidiaries with principal amount of \$2,500.0, comprised of a revolving credit facility of \$1,500.0 and a term loan in the original principal amount of \$1,000.0. The : and restated credit agreement and will terminate on April 8, 2027. The Sixth A&R Credit Facilities

are available for the issuance of letters of credit up to \$100.0. The terms of the Sixth A&R Credit Agreement include customary representation financial covenants, and events of default.

Under the terms of the Sixth A&R Credit Agreement, loans bear interest, at the Company's election, at a rate per annum equal to either (i) the rate as defined in the Sixth A&R Credit Agreement) or (ii) the Adjusted Term SOFR Rate for the Interest Period in effect for such borrowing plus the A&R Credit Agreement). Swingline Loans bear interest at the applicable Swingline Rate set forth in the Sixth A&R Credit Agreement. Interest rates for other loans denominated in euro, Pounds Sterling and Canadian dollars, are based on separate interest rate indices, as set forth in the Sixth A&R Credit Agreement.

On June 8, 2022, the Company entered into Amendment No. 1 to the Sixth A&R Credit Agreement. Amendment No. 1 increased the maximum covenant until April 1, 2024. Amendment No. 1 also increased the interest rate applicable to borrowings under the revolving credit facility by 35 bps, the annual facility fee rate on the revolving credit facility by 15 bps, in each case, when the Company's quarterly-tested leverage ratio exceeded 4.75.

On July 31, 2023, the Company entered into Amendment No. 2 to the Sixth A&R Credit Agreement. Amendment No. 2 (i) reduces the maximum permitted leverage ratio for the quarterly leverage covenant during the Leverage Adjustment Period; (iii) replaces the interest coverage ratio with the interest rate applicable to borrowings under the revolving credit facility and the term loan facility by 25 bps for each existing pricing tier; (iv) increases the interest rate applicable to borrowings under the revolving credit facility and the term loan facility by 25 bps for each existing pricing tier if the leverage ratio exceeds 6.00; (v) limits the amount of certain incremental investments, loans and advances to \$25.0 during the Leverage Adjustment Period; (vi) limits the amount of certain incremental investments, loans and advances to \$25.0 during the Leverage Adjustment Period for property (subject to certain exceptions) as collateral to secure its obligations under the Sixth A&R Credit Agreement. Additionally, Amendment No. 2 restricts discretionary dividends, distributions or other restricted payments during the Leverage Adjustment Period to only the payment of (i) regularly scheduled dividends, distributions or other restricted payments in an aggregate amount not to exceed \$225.0 per fiscal year and (ii) other dividends, distributions or other restricted payments in an aggregate amount not to exceed \$225.0 per fiscal year. The Company's ability to make certain investments to pro forma compliance with certain leverage levels specified in Amendment No. 2. Pursuant to Amendment No. 2, the Company has agreed to grant to the lenders a perfected first priority security interest in all of the accounts receivable, inventory, equipment and intellectual property (subject to certain exceptions) of the Company and its domestic subsidiaries and (ii) the pledge of all of the capital stock of certain of Scotts Miracle-Gro's domestic subsidiaries and a portion of the capital stock of the Company.

At **September 30, 2023** **September 30, 2024**, the Company had letters of credit outstanding in the aggregate principal amount of \$5.0, **\$83.0**, and the Sixth A&R Credit Agreement. The weighted average interest rates on average borrowings under the credit facilities, excluding the impact of **1.9%** **2.8%** for fiscal **2024**, **fiscal 2023** and **fiscal 2022**, and **respectively**.

During fiscal 2021, **respectively**, **2024**, the Company used available cash on hand to make repayments on the term loan of the Sixth A&R applied to the outstanding principal amount.

The Sixth A&R Credit Agreement contains, among other obligations, an affirmative covenant regarding the Company's leverage ratio determined as average total indebtedness, divided by the Company's Adjusted EBITDA. Pursuant to Amendment No. 2, the maximum permitted leverage ratio is the first quarter of fiscal 2024, (iii) 7.75 for the second quarter of fiscal 2024, (iv) 6.50 for the third quarter of fiscal 2024, (v) 6.00 for the fourth quarter of fiscal 2025, (vi) **(iii)** 5.25 for the second quarter of fiscal 2025, **(viii)** **(iv)** 5.00 for the third quarter of fiscal 2025, **(ix)** **(v)** 4.75 for the fourth quarter of fiscal 2025 and thereafter. The Company's leverage ratio was **6.57** **4.86** at **September 30, 2023** **September 30, 2024**. Pursuant to Amendment No. 2, the Senior covenant regarding the Company's fixed charge coverage ratio determined as of the end of each of its fiscal quarters, calculated as Adjusted EBITDA paid in cash, divided by the sum of interest expense plus restricted payments, as described in Amendment No. 2. The minimum required fixed charge coverage ratio was 1.00 through the third quarter of fiscal 2024 and (ii) 1.00 for the fourth quarter of fiscal 2024 and thereafter. **1.00**. The Company's fixed charge coverage ratio was **1.00** at **September 30, 2023** **September 30, 2024**.

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(Dollars in millions, except per share data)

As of **September 30, 2023** **September 30, 2024**, the Company was in compliance with all applicable covenants in the agreements governing its financial performance for the twelve-month period subsequent to the date of the filing of this Form 10-K, the Company expects to remain in compliance with the Sixth A&R Credit Agreement. However, the Company's assessment of its ability to meet its future obligations is inherently subjective, judgment-based, and such a violation may result in an event of default. Such a default would allow the lenders under the Sixth A&R Credit Agreement to accelerate the maturity of the

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

thereunder and would also implicate cross-default provisions under the Senior Notes, and cause the Senior Notes to become due and payable at the time the Company's indebtedness under the Sixth A&R Credit Agreement and Senior Notes was \$2,613.3, **\$2,225.0**. The Company does not have sufficient assets to repay these outstanding amounts in the event of default.

As part of its contingency planning to address potential future circumstances that could result in noncompliance, the Company has contemplated various activities to reduce operating expenses and certain cash management strategies that are within the Company's control. Additionally, the Company has considered various market conditions and not in the Company's control, including, among others, discussions with its lenders to amend the terms of its financial agreements, and generating cash by completing other financing transactions, which may include issuing equity. There is no assurance that the Company will be successful in these efforts.

Senior Notes

On December 15, 2016, Scotts Miracle-Gro issued \$250.0 aggregate principal amount of 5.250% Senior Notes due 2026. The 5.250% Senior Notes have interest payment dates equal in right of payment with the Company's existing and future unsecured senior debt. The 5.250% Senior Notes have interest payment dates

On October 22, 2019, Scotts Miracle-Gro issued \$450.0 aggregate principal amount of 4.500% Senior Notes due 2029. The 4.500% Senior Notes have interest payment dates equal in right of payment with the Company's existing and future unsecured senior debt. The 4.500% Senior Notes have interest payment dates

On March 17, 2021, Scotts Miracle-Gro issued \$500.0 aggregate principal amount of 4.000% Senior Notes due 2031. The 4.000% Senior Notes have interest payment dates equal in right of payment with the Company's existing and future unsecured senior debt. The 4.000% Senior Notes have interest payment dates

On August 13, 2021, Scotts Miracle-Gro issued \$400.0 aggregate principal amount of 4.375% Senior Notes due 2032. The 4.375% Senior Notes have interest payment dates equal in right of payment with the Company's existing and future unsecured senior debt. The 4.375% Senior Notes have interest payment dates

Substantially all of Scotts Miracle-Gro's directly and indirectly owned domestic subsidiaries serve as guarantors of the 5.250% Senior Notes, and the 4.375% Senior Notes.

The Senior Notes contain an affirmative covenant regarding the Company's interest coverage ratio determined as of the end of each of its fiscal quarters, calculated as Adjusted EBITDA paid in cash, divided by the sum of interest expense plus restricted payments, as described in Amendment No. 2. The minimum required interest coverage ratio is 2.00. The Company's interest coverage ratio was **2.00** at **September 30, 2023** **September 30, 2024**.

Receivables Facility

On April 7, 2017, the Company entered into a **the** Receivables Facility, under which the Company could sell a portfolio of available and eligible receivables subject to agreeing to repurchase the receivables on a weekly basis. The eligible accounts receivable consisted of accounts receivable from the sale of eligible amount of customer accounts receivables which could be sold under the Receivables Facility was \$400.0 and the commitment amount was \$400.0. On February 24, 2023 and ended on June 16, 2023 was \$160.0, **\$400.0**. The Receivables Facility expired on August 18, 2023.

The sale of receivables under the Receivables Facility was accounted for as short-term debt and the Company continued to carry the receivables on its balance sheet as a result of its requirement to repurchase receivables sold. As of September 30, 2022, there were \$79.8 in borrowings on receivables pledged as collateral and the value of the receivables pledged as collateral was \$79.8.

In fiscal 1995, The Scotts Company merged with Stern's Miracle-Gro Products, Inc. ("Miracle-Gro"). At **September 30, 2023** **September 30,** the Hagedorn Partnership, L.P., owned approximately 24% of Scotts Miracle-Gro's outstanding Common Shares on a fully diluted basis and, therefore, of directors and other actions requiring the approval of Scotts Miracle-Gro's shareholders.

Under the terms of the merger agreement with Miracle-Gro, the former shareholders of Miracle-Gro may not collectively acquire, directly or indirectly (the term is defined in the Miracle-Gro merger agreement) representing more than 49% of the total voting power of the outstanding Voting Stock, except by a tender offer, which tender offer is made at a price per share which is not less than the market price per share on the last trading day before the announcement of the receipt of at least 50% of the Voting Stock beneficially owned by shareholders of Scotts Miracle-Gro other than the former shareholders of Miracle-Gro.

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(Dollars in millions, except per share data)

Accumulated Other Comprehensive Loss

Changes in AOCL by component were as follows for the fiscal years ended September 30:

	Foreign Currency Translation Adjustments	Net Unrealized Gain (Loss) On Derivative Instruments	Net Unrealized Loss On Securities	Pension and Other Post- Retirement Benefit Adjustments	Accumulated Other Comprehensive Income (Loss)
Balance at September 30, 2020	\$ (6.2)	\$ (15.1)	\$ —	\$ (77.8)	\$ (99.1)
Other comprehensive income (loss) before reclassifications	4.5	26.8	(3.1)	6.9	35.1
Amounts reclassified from accumulated other comprehensive net income (loss)	—	7.3	—	0.4	7.7
Income tax benefit (expense)	—	(8.9)	0.8	(1.9)	(10.0)
Net current period other comprehensive income (loss)	4.5	25.2	(2.3)	5.4	32.8
Balance at September 30, 2021	(1.7)	10.2	(2.3)	(72.5)	(66.4)
Other comprehensive income (loss) before reclassifications	(27.2)	40.1	(102.0)	(7.3)	(96.4)
Amounts reclassified from accumulated other comprehensive net income (loss)	—	(9.1)	—	11.7	2.6
Income tax benefit (expense)	—	(7.9)	24.6	(1.1)	15.6
Net current period other comprehensive income (loss)	(27.2)	23.1	(77.4)	3.3	(78.2)

Balance at September 30, 2022	Balance at September 30, 2022					
		(28.9)	33.3	(79.7)	(69.3)	(144.6)
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	7.0	5.6	(34.9)	(2.5)	(24.8)
Amounts reclassified from accumulated other comprehensive net income (loss)	Amounts reclassified from accumulated other comprehensive net income (loss)	—	(23.3)	101.3	(1.6)	76.4
Income tax benefit (expense)	Income tax benefit (expense)	—	4.5	(25.3)	1.0	(19.8)
Net current period other comprehensive income (loss)	Net current period other comprehensive income (loss)	7.0	(13.2)	41.1	(3.1)	31.8
Balance at September 30, 2023	Balance at September 30, 2023	\$ (21.9)	\$ 20.1	\$ (38.6)	\$ (72.4)	\$ (112.8)
Other comprehensive income (loss) before reclassifications						
Amounts reclassified from accumulated other comprehensive net income (loss)						
Income tax benefit (expense)						
Net current period other comprehensive income (loss)						
Balance at September 30, 2024						

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

Share Repurchases

On February 6, 2020, Scotts Miracle-Gro announced that its Board of Directors authorized the repurchase of up to \$750.0 of Common Shares. There were no share repurchases under this share repurchase authorization during fiscal 2023 through its expiration on March 25, 2023. During fiscal 2023, the Company repurchased 1.1 million Common Shares under this share repurchase authorization for \$175.0 and \$113.1, respectively. Treasury share purchases for fiscal 2024, fiscal 2023 and fiscal 2022 were \$5.1, \$9.3 and \$82.9, respectively. The Company's statutory income tax withholding obligations related to share-based compensation of \$5.1, \$9.3 and \$82.9 for fiscal 2024, fiscal 2023 and fiscal 2022, respectively, are included in the amounts reported above.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

Share-Based Awards

In January 2023, 2024, the shareholders of Scotts Miracle-Gro approved an amendment and restatement of The Scotts Miracle-Gro Company Share-Based Incentive Plan. In 2023, 2024, the Company is authorized under this plan to grant up to approximately 5.6 million 7.9 million Common Shares, which are subject to outstanding awards under the plan that terminate, expire, or are cancelled, forfeited, exchanged, or surrendered without having been exercised. In 2023, 2024, approximately 3.2 3.6 million Common Shares were not subject to outstanding awards and were available to underlie future awards. In 2023, 2024, approximately 0.4 million 0.3 million, 0.9 million 0.4 million and 0.4 million 0.9 million were reissued in support of share-based compensation under the employee stock purchase plan during fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, respectively.

Subsequent to September 30, 2023, September 30, 2024, the Company awarded restricted stock units and stock options representing 1.5 million 1.5 million with an estimated grant date fair value of \$29.8, \$9.8.

Total share-based compensation was as follows for each of the periods indicated:

		Year Ended September 30,			Year Ended September 30,
		2023	2022	2021	2024
Share-based compensation	Share-based compensation	\$ 68.1	\$ 30.3	\$ 40.6	
Share-based compensation	Share-based compensation				
Related tax benefit recognized	Related tax benefit recognized	15.6	4.9	7.4	

Excess tax benefit (tax deficiency) related to share-based compensation was \$(1.5), \$(3.0), \$14.8, \$(1.5) and \$18.3, \$14.8 for fiscal 2024, fiscal 2023, fiscal 2022, fiscal 2021 and fiscal 2020, respectively.

Stock Options

Stock option activity was as follows:

		No. of Options	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Life	Aggregate Intrinsic Value
Awards outstanding at September 30, 2022		528,471	\$ 110.86	4.4 years	
Awards granted	Granted	696,268	52.54		
Awards exercised	Exercised				
Awards forfeited	Forfeited	(33,556)	115.53		
Awards outstanding at September 30, 2023		1,191,183	76.64	6.6 years	\$ 0.8
Awards granted	Granted				
Awards exercised	Exercised				
Awards forfeited	Forfeited				
Awards outstanding at September 30, 2024					

Awards outstanding at September 30, 2024			
Awards outstanding at September 30, 2024			
Exercisable	Exercisable		2.2
		399,223	66.24 years

The weighted average fair value per share of each option granted during fiscal 2023 2024 and fiscal 2021 2023 was \$14.25 \$15.25 and \$61. during fiscal 2022. The total intrinsic value of options exercised during fiscal 2021 2024 was \$41.8. \$0.6. There were no options exercised d 2023 September 30, 2024, there was \$2.9 \$9.4 of total unrecognized pre-tax compensation cost, net of estimated forfeitures, related to nonvested weighted-average period of 2.0 years. Cash received from the exercise of stock options, including amounts received from employee purchases u \$3.3 and \$15.2 \$3.3 for fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, respectively.

The grant date fair value of stock option awards is estimated using a binomial model. Expected market price volatility is based on implied historical volatility specific to the Common Shares. Historical data, including demographic factors impacting historical exercise behavior, is u terminations within the valuation model. The risk-free rate for periods within the contractual life of the stock option is based on the U.S. Treasury yi of stock options is based on historical experience and expectation for grants outstanding. The weighted average assumptions used in the estimatio as follows:

- Expected volatility
- Risk-free interest rate
- Expected dividend yield
- Expected life

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Restricted share-based awards

Restricted share-based award activity (including restricted stock units and deferred stock units) was as follows:

No. of Units		No. of Units	
		Wtd. Avg. Grant Date	
		No. of Units	Fair Value per Unit
Awards outstanding at September 30, 2023			
Awards outstanding at September 30, 2022		320,575	\$143.19
Awards outstanding at September 30, 2023			
Awards outstanding at September 30, 2023			
Granted	Granted	479,787	59.48
Vested	Vested	(140,334)	112.64
Forfeited	Forfeited	(48,190)	85.48
Awards outstanding at September 30, 2023			
		611,838	89.10

Awards
outstanding
at
September
30, 2024

The weighted-average grant-date fair value of restricted stock-based awards granted during fiscal 2024, fiscal 2023 and fiscal 2022 was \$5.23, \$5.23 and \$230.95 per share, respectively. As of September 30, 2023, there was \$16.5 of total unrecognized pre-tax compensation for restricted stock-based awards that is expected to be recognized over a weighted-average period of 1.5 years. The total fair value of restricted stock-based awards granted during fiscal 2024, fiscal 2023 and fiscal 2022 was \$4.6, \$11.2 and \$11.2, \$28.2, and \$41.8, respectively.

Performance-based awards

Performance-based award activity was as follows (based on target award amounts):

No. of Units		No. of Units	
		Wtd. Avg. Grant Date Fair Value per Unit	
Awards outstanding at September 30, 2023			
Awards outstanding at September 30, 2022		113,256	\$130.94
Awards outstanding at September 30, 2023			
Awards outstanding at September 30, 2023			
Granted	Granted	707,665	66.00
Vested (a)	Vested	(250,586)	69.16
Forfeited	Forfeited	(25,545)	91.56
Awards outstanding at September 30, 2023		544,790	76.85
Awards outstanding at September 30, 2024			

(a) Vested at a weighted average of 102% 100% of the target performance share units granted.

The weighted-average grant-date fair value of performance-based awards granted during fiscal 2024, fiscal 2023 and fiscal 2022 was \$17.4, \$17.4 and \$236.53 per share, respectively. As of September 30, 2023, there was \$1.8 of total unrecognized pre-tax compensation for performance-based awards that is expected to be recognized over a weighted-average period of 2.4 years. The total fair value of performance-based awards granted during fiscal 2024, fiscal 2023 and fiscal 2022 was \$10.6, \$17.4 and \$17.4, \$182.5, and \$11.9, respectively.

During fiscal 2023, short-term variable incentive compensation was provided to certain employees as performance-based awards in lieu of cash. During fiscal 2023, a cumulative adjustment was recognized to share-based compensation expense for certain of these Company granted performance-based awards due to a lower probability of achievement of performance goals. During the fourth quarter of fiscal 2023, 0.2 million performance-based awards issued under the short-term variable incentive compensation program were modified to remove the specified performance targets. As a result of that modification, the Company recognized \$10.6 million of expense in the fourth quarter of fiscal 2023.

Restricted shares issued to vendor

During fiscal 2023, the Company issued 0.8 million restricted shares, with a weighted-average grant date three-year vesting period that includes shareholder return relative to a Company selected peer group, among other financial targets. Details of the assumptions used in the estimation of fair value of a vendor in exchange for advertising services. As of September 30, 2023, there was \$20.7 of total unrecognized pre-tax compensation cost recognized during fiscal 2024. awards are as follows:

Expected volatility

Risk-free interest rate

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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For fiscal 2024, the Company is granting short-term equity incentive compensation awards to certain associates in the form of performance-based awards. Subsequent to September 30, 2024, awards representing 0.3 million Common Shares were granted and vested on the incentive payout date. The Company ultimately issued to participating associates was based on the incentive payout amount determined for each employee that was then awarded units based on the fair value of the Common Shares on the grant date. The awards were classified as liability awards and, as of September 30, 2024, are included in the "current liabilities" line in the Consolidated Balance Sheets and there was \$0.0 unrecognized pre-tax compensation cost associated with these awards from the table above.

Restricted shares issued to vendor

During fiscal 2024 and fiscal 2023, the Company issued 0.3 million and 0.8 million restricted shares, respectively, with a weighted-average grant date three-year vesting period that includes shareholder return relative to a Company selected peer group, among other financial targets. Details of the assumptions used in the estimation of fair value of a vendor in exchange for advertising services. As of September 30, 2024, there was \$20.0 of total unrecognized pre-tax compensation cost associated with these awards from the table above.

NOTE 14.13. EARNINGS PER COMMON SHARE

The following table presents information necessary to calculate basic and diluted income net loss per Common Share. Share for the periods in

	2023
Income (loss) from continuing operations	\$ (380.1)
Net income attributable to noncontrolling interest	—
Income (loss) attributable to controlling interest from continuing operations	(380.1)
Loss from discontinued operations, net of tax	—
Net income (loss) attributable to controlling interest	\$ (380.1)
Basic income (loss) per common share:	
Weighted-average common shares outstanding during the period	56.0
Income (loss) from continuing operations	\$ (6.79)
Loss from discontinued operations	—
Basic net income (loss) per common share	\$ (6.79)
Diluted income (loss) per common share:	
Weighted-average common shares outstanding during the period	56.0
Dilutive potential common shares	—
Weighted-average number of common shares outstanding and dilutive potential common shares	56.0
Income (loss) from continuing operations	\$ (6.79)
Loss from discontinued operations	—
Diluted net income (loss) per common share	\$ (6.79)
Antidilutive stock options outstanding	0.4

	2024
Net loss	\$ (34.9)
Basic net loss per common share:	

Domestic			
Foreign	Foreign	(77.1)	(130.8)
Income (loss) from continuing operations before income taxes		\$ (453.3)	\$ (558.1)
Loss before income taxes		\$ 677.1	

A reconciliation of the federal corporate income tax rate and the effective tax rate on income (loss) from continuing operations loss before income taxes

		Year Ended September 30,			Year Ended September 30,	
		2023	2022	2021	2024	
Statutory income tax rate	Statutory income tax rate	21.0 %	21.0 %	21.0 %	Statutory income tax rate	21.0
Effect of foreign operations	Effect of foreign operations	0.2	(1.6)	(0.2)		
State taxes, net of federal benefit	State taxes, net of federal benefit	3.2	2.6	3.9		
Effect of other permanent differences	Effect of other permanent differences	(0.8)	2.8	(1.1)		
Research and Experimentation and other federal tax credits	Research and Experimentation and other federal tax credits	0.2	0.2	(0.2)		
Effect of tax contingencies	Effect of tax contingencies	0.1	(1.8)	—		
Change in valuation allowances	Change in valuation allowances	(8.7)	(0.9)	0.1		
Other	Other	1.0	(0.7)	0.1		
Effective income tax rate	Effective income tax rate	16.2 %	21.6 %	23.6 %	Effective income tax rate	(47.9)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Deferred income taxes arise from temporary differences between financial reporting and tax reporting bases of assets and liabilities, and operations. The components of the deferred income tax assets and liabilities were as follows:

		September 30,		September 30,	
		2023	2022	2024	
DEFERRED TAX ASSETS	DEFERRED TAX ASSETS				
DEFERRED TAX ASSETS	DEFERRED TAX ASSETS				
Lease liabilities	Lease liabilities				
Lease liabilities	Lease liabilities				
Lease liabilities	Lease liabilities				
Intangible assets	Intangible assets	\$ 79.2	\$ 60.8		
Lease liabilities	Lease liabilities	70.0	70.7		

Net operating loss carryovers	Net operating loss carryovers	67.3	21.7
Accrued liabilities		48.7	80.8
Interest limitation carryforward	Interest limitation carryforward	35.9	—
Convertible debt investments	Convertible debt investments	33.4	25.3
Accrued liabilities			
Outside basis difference in equity investments			
Inventories	Inventories	26.1	43.2
Foreign tax credit carryovers	Foreign tax credit carryovers	16.3	15.0
Outside basis difference in equity investments		10.4	—
Accounts receivable		8.9	8.7
Other			
Other			
Other	Other	14.9	12.5
Gross deferred tax assets	Gross deferred tax assets	411.1	338.7
Valuation allowance	Valuation allowance	(87.7)	(40.7)
Total deferred tax assets	Total deferred tax assets	323.4	298.0
DEFERRED TAX LIABILITIES	DEFERRED TAX LIABILITIES		
Lease right-of-use assets			
Lease right-of-use assets			
Lease right-of-use assets			
Property, plant and equipment	Property, plant and equipment	(62.7)	(65.8)
Lease right-of-use assets		(62.1)	(68.6)
Derivative contracts		(5.8)	(10.5)
Outside basis difference in equity investments		—	(14.8)
Other			
Other			
Other	Other	(4.1)	(3.3)
Total deferred tax liabilities	Total deferred tax liabilities	(134.7)	(163.0)
Net deferred tax asset	Net deferred tax asset	\$ 188.7	\$ 135.0

At September 30, 2023 September 30, 2024 and 2022, 2023, after netting by taxing jurisdiction, net deferred tax assets of \$189.8 \$191.3 and \$189.8 \$191.3 and \$189.8 \$191.3, respectively, were recorded in the "Other assets" line in the Consolidated Balance Sheets, and net deferred tax liabilities of \$1.1 \$7.0 and \$8.5, \$1.1, respectively, were recorded in the "Other liabilities" line in the Consolidated Balance Sheets.

Deferred tax assets related to certain federal NOLs subject to limitation under IRC §382 from current and prior ownership changes were September 30, 2023 and 2022, 2023, respectively. These NOLs will be subject to expiration gradually from fiscal year end 2023 2024 through fiscal portion of these deferred tax assets will expire unutilized due to the closing of statutes of limitation and has established recorded a valuation allowance 2023. September 30, 2024 and 2023, respectively. The Company had deferred tax assets related to federal NOLs not subject to limitation of \$33.3\$ can be utilized to reduce future years' years' tax liabilities.

		Year Ended September 30,		
2024		2023		
		Year Ended September 30,		
		2023	2022	2021
Balance at beginning of year				
Balance at beginning of year				
Balance at beginning of year	Balance at beginning of year	\$ 35.8	\$ 24.1	\$ 30.2
Additions for tax positions of the current year	Additions for tax positions of the current year	0.2	11.3	0.3
Additions for tax positions of prior years	Additions for tax positions of prior years	3.8	2.2	6.1
Reductions for tax positions of prior years	Reductions for tax positions of prior years	(0.2)	(2.5)	(5.9)
Settlements with tax authorities	Settlements with tax authorities	(0.1)	1.3	0.2
Expiration of statutes of limitation	Expiration of statutes of limitation	(4.9)	(0.6)	(6.8)
Balance at end of year	Balance at end of year	\$ 34.6	\$ 35.8	\$ 24.1

The Company continues to recognize accrued interest and penalties related to unrecognized tax benefits as a component of the provision for 2024, 2022 2023 and 2021, 2022, the Company had \$5.8, \$3.9 \$3.2 and \$2.7, \$3.2, respectively, accrued for the payment of interest that, if recogr had \$1.1, \$1.3 \$1.6 and \$1.6 accrued for the payment of penalties as of September 30, 2023 September 30, 2024, 2022 2023 and 2021, 2022, resp

Scotts Miracle-Gro or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdic is no longer subject to examination by these tax authorities for fiscal years prior to 2020, 2021. There are currently no ongoing audits with respect to jurisdictions, a German audit covering fiscal years 2018 through 2020 and a Canadian audit covering fiscal years 2020 through 2021 are is in pr certain U.S. state and local tax authorities covering various periods from fiscal years 2018 through 2021, 2023. In addition to the aforementioned claims for previous years remain unresolved.

The Company currently anticipates that few of its open and active audits will be resolved within the next twelve months. The Company is unat if cash settlements with taxing authorities may occur. Although the outcomes of such examinations and the timing of any payments required up significant uncertainty, the Company does not anticipate that the resolution of these tax matters or any events related thereto will result in a materi operations or cash flows.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 16, 15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. To manage a Company enters into various financial transactions. The utilization of these financial transactions is governed by policies covering acceptable cou practices. The Company does not hold or issue derivative financial instruments for speculative trading purposes.

Exchange Rate Risk Management

The Company uses currency forward contracts to manage the exchange rate risk associated with intercompany loans and certain other balan contracts are valued using observable forward rates in commonly quoted intervals for the full term of the contracts. The notional amount of outstan at September 30, 2024 and \$178.6 at September 30, 2023 and 2022, 2023, respectively. Contracts outstanding at September 30, 2023 September 3

Interest Rate Risk Management

The Company enters into interest rate swap agreements as a means to hedge its variable interest rate risk on debt instruments. Net amount reflected as adjustments to interest expense. The Company has outstanding interest rate swap agreements with major financial institutions that effi debt to a fixed rate. Interest rate swap agreements are valued based on the present value of the estimated future net cash flows using implied rat Swap agreements that were hedging interest payments as of September 30, 2023 September 30, 2024 and 2022 2023 had a maximum total U.S. \$800.0, \$600.0, respectively. Refer to "NOTE 12, 11. DEBT" for the terms of the swap agreements outstanding at September 30, 2023 September 30, 2024 was a gain of \$12.3 \$4.7 related to interest rate swap agreements that is expected to be reclassified to earnings during t underlying hedged transactions.

Commodity Price Risk Management

The Company enters into hedging arrangements designed to fix the price of a portion of its projected future urea and diesel requireme commodity exchange prices in active markets. Included in the AOCL balance at September 30, 2023 September 30, 2024 was a loss gain of \$3.2 \$ reclassified to earnings during the next twelve months, consistent with the timing of the underlying hedged transactions.

The Company had the following outstanding commodity contracts that were entered into to hedge forecasted purchases:

		September 30,		
		2023	2022	
		September 30,		
		2024		2024
Commodity Commodity				
Urea				
Urea				
Urea	Urea	52,500	54,000	
		tons	tons	51,000 tons
Diesel				
Diesel	Diesel	1,974,000	3,150,000	
		gallons	gallons	
Diesel				
Diesel				1,092,000 gallons
Heating Oil				
Heating Oil	Heating Oil	966,000	1,218,000	
		gallons	gallons	
Heating Oil				
Heating Oil				42,000 gallons

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

Fair Values of Derivative Instruments

The fair values of the Company's derivative instruments, which represent Level 2 fair value measurements, were as follows:

Assets / (Liabilities)						
Assets / (Liabilities)						
					2023	2022
Derivatives Designated as Hedging Instruments	Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value		Derivatives Designated as Hedging Instruments	Balance Sheet Location
Interest rate swap agreements	Interest rate swap agreements	Prepaid and other current assets	\$ 16.7	\$ 12.8		
		Other assets	14.7	18.2		
		Other assets				
		Other current liabilities				
		Other liabilities				
Commodity hedging instruments	Commodity hedging instruments	Prepaid and other current assets	2.3	2.4		
Total derivatives designated as hedging instruments	Total derivatives designated as hedging instruments		\$ 33.7	\$ 33.4		
Total derivatives designated as hedging instruments						
Total derivatives designated as hedging instruments						
Derivatives Not Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments	Balance Sheet Location				
Derivatives Not Designated as Hedging Instruments						
Derivatives Not Designated as Hedging Instruments						
Currency forward contracts	Currency forward contracts	Prepaid and other current assets	\$ 5.6	\$ 3.4		
Currency forward contracts						
Currency forward contracts		Other current liabilities				

Commodity hedging instruments	Commodity hedging instruments	Prepaid and other current assets	0.9	0.4
Total derivatives not designated as hedging instruments	Total derivatives not designated as hedging instruments		6.5	3.8
Total derivatives	Total derivatives		\$ 40.2	\$37.2

The effect of derivative instruments on AOCL, net of tax, and the Consolidated Statements of Operations for the years ended September 30 w

		Amount of Gain / (Loss) Recognized in AOCL	
Derivatives in Cash Flow Hedging Relationships	Derivatives in Cash Flow Hedging Relationships	2023	2022
Interest rate swap agreements	Interest rate swap agreements	\$ 11.3	\$ 24.1
Interest rate swap agreements	Interest rate swap agreements		
Commodity hedging instruments	Commodity hedging instruments	(7.1)	5.8
Total	Total	\$ 4.2	\$ 29.9

Reclassified from AOCL into	Amount of Gain / (Loss)
Reclassified from AOCL into	

Derivatives in Cash Flow Hedging Relationships	Derivatives in Cash Flow Hedging Relationships	Statement of Operations	2023	2022	Derivatives in Cash Flow Hedging Relationships	Statement of Operations
Interest rate swap agreements	Interest rate swap agreements	Interest expense	\$11.5	\$(2.1)		
Interest rate swap agreements	Interest rate swap agreements					
Commodity hedging instruments	Commodity hedging instruments	Cost of sales	5.9	8.9		
Total	Total		\$17.4	\$ 6.8		

		Amount of Gain /			
		Recognized in		(Loss)	
		Recognized in			
Derivatives	Derivatives				
Not	Not				
Designated	Designated				
as Hedging	as Hedging	Statement of			
Instruments	Instruments	Operations	2023	2022	Derivatives Not Designated as Hedging Instruments
Currency	Currency	Other income / expense, net	\$(14.7)	\$17.9	
forward	forward				
contracts	contracts				
Currency forward contracts					
Currency forward contracts					
Commodity	Commodity	Cost of sales	1.2	10.5	
hedging	hedging				
instruments	instruments				
Total	Total		\$(13.5)	\$28.4	

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

NOTE 17.16. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value: the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The methodologies and similar techniques that use significant unobservable inputs.

The following describes the valuation methodologies used for financial assets and liabilities measured or disclosed at fair value on a recurring basis.

Cash Equivalents

Cash equivalents consist of highly liquid financial instruments with original maturities of three months or less. The carrying value of these cash equivalents is a reasonable estimate of fair value.

Other

Investment securities in non-qualified retirement plan assets are valued using observable market prices in active markets. Loans receivable are valued using an income-based approach, which included market participant expectations of cash flows over the term of the loans, discounted at an appropriate discount rate. The estimate required subjective assumptions to be made, including those related to credit risk and discount rates.

The fair values of convertible debt investments are determined using scenario-based internally developed valuation models that consider a range of factors, including cash flows related to the debt component and the conversion component of the instruments, discounted to present value using an appropriate discount rate. The fair values of the 4.000% Senior Notes, 4.375% Senior Notes, 4.500% Senior Notes, and the impact of such amendments on the value of the instruments are reflected in the fair value estimates. The valuation models and related assumptions require significant judgment. These and other assumptions are impacted by events that may change in the future based on period specific facts and circumstances.

Debt Instruments

Debt instruments are recorded at cost. The interest rate on borrowings under the Sixth A&R Credit Agreement fluctuates in accordance with the carrying value is a reasonable estimate of fair value. The fair values of the 4.000% Senior Notes, 4.375% Senior Notes, 4.500% Senior Notes, and the impact of such amendments on the value of the instruments are reflected in the fair value estimates. The interest rate on the short-term debt associated with accounts receivable pledged under the Receivables Facility fluctuates in accordance with the carrying value is a reasonable estimate of fair value.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

The following table summarizes the fair value of the Company's assets and liabilities for which disclosure of fair value is required:

		2023		2022			
		Fair Value					
		Hierarchy	Carrying	Estimated	Carrying	Estimated	
		Level	Amount	Fair Value	Amount	Fair Value	
			2024				
			2024				
			2024			2023	
		Fair Value					
		Hierarchy					
		Level					
Assets	Assets				Fair Value Hierarchy Level	Carrying Amount	Estimated Fair Value
Cash equivalents	Cash equivalents						
Cash equivalents	Cash equivalents						
Cash equivalents	Cash equivalents	Level 1	\$ 1.2	\$ 1.2	\$ 64.3	\$ 64.3	
Other	Other						
Other	Other						
Other	Other						
Investment securities in non-qualified retirement plan assets	Investment securities in non-qualified retirement plan assets	Level 1	36.3	36.3	38.4	38.4	
Loans receivable	Loans receivable	Level 3	—	—	32.8	32.8	
Investment securities in non-qualified retirement plan assets	Investment securities in non-qualified retirement plan assets						
Investment securities in non-qualified retirement plan assets	Investment securities in non-qualified retirement plan assets						
Convertible debt investments	Convertible debt investments						
Convertible debt investments	Convertible debt investments						
Convertible debt investments	Convertible debt investments	Level 3	85.8	85.8	117.0	117.0	
Liabilities	Liabilities						
Liabilities	Liabilities						
Debt instruments	Debt instruments						
Debt instruments	Debt instruments						
Credit facilities – revolving loans	Credit facilities – revolving loans						
Credit facilities – revolving loans	Credit facilities – revolving loans						
Credit facilities – revolving loans	Credit facilities – revolving loans	Level 2	88.3	88.3	300.5	300.5	

Credit facilities – term loans	Credit facilities – term loans	Level 2	925.0	925.0	975.0	975.0
Senior Notes due 2031 – 4.000%	Senior Notes due 2031 – 4.000%	Level 2	500.0	380.0	500.0	350.6
Senior Notes due 2032 – 4.375%	Senior Notes due 2032 – 4.375%	Level 2	400.0	304.0	400.0	284.0
Senior Notes due 2029 – 4.500%	Senior Notes due 2029 – 4.500%	Level 2	450.0	366.8	450.0	325.7
Senior Notes due 2026 – 5.250%	Senior Notes due 2026 – 5.250%	Level 2	250.0	233.1	250.0	230.0
Receivables facility		Level 2	—	—	75.0	75.0
Other debt	Other debt	Level 2	0.4	0.4	12.7	12.7
Other debt						
Other debt						

Changes in the balance of Level 3 convertible debt investments carried at fair value are presented below. There were no transfers into or out of Level 3 during the year.

	Year Ended September 30,		Year Ended September 30,	
	2023	2022	2024	
Fair value at beginning of year	\$117.0	\$190.3		
Purchases	—	25.0		
Total realized / unrealized gains (losses) included in net earnings	(97.6)	3.7		
Total realized / unrealized gains (losses) included in OCI	66.4	(102.0)		
Total realized / unrealized gains (losses) included in net earnings				
Total realized / unrealized gains (losses) included in net earnings				

Total realized / unrealized gains / losses included in / reclassified from OCI			
Fair value at end of year	Fair value at end of year	\$ 85.8	\$117.0

Convertible debt investments include, among other minority non-equity investments, convertible notes issued to The Hawthorne Collective, LP, by RIV Capital (CSE: RIV) (OTC: CNPOF). Assuming full conversion of the RIV Capital convertible notes, THC would be entitled to receive approximately 47% of RIV Capital's outstanding shares as of September 30, 2024. The RIV Capital convertible notes are convertible at the election of THC or (ii) at the election of RIV Capital after the date on which federal laws in the United States are amended to allow for the general connection with issuance of the RIV Capital convertible notes, the Company entered into an investor rights agreement with RIV Capital providing participation rights, as well as certain standstill and transfer restrictions. In addition, THC is entitled to designate three nominees to the RIV Capital board of seven directors, and will be entitled to designate four nominees to the RIV Capital board of directors if the size of the board is increased to nine directors on an active day-to-day role in any entity in which THC has a convertible debt investment. The convertible notes include restrictions that the funds cannot be used for corporate and other lawful purposes, which could include acquisitions, and that the funds will not be used in connection with or for any cannabis or hemp-related operations comply with all applicable U.S. federal laws.

During fiscal 2023, the Company recognized a non-cash, pre-tax other-than-temporary impairment charge related to its convertible debt investment in certain private equity funds, which was recorded as "Other income (loss)" on the "Other income (loss)" line in the Consolidated Statements of Operations. This charge was driven by revisions to the Company's internal forecasts of cash flows from operations and capital expenditures, reflecting changes in market conditions and regulatory uncertainty surrounding cannabis investments resulting from the accumulation of adverse conditions impacting the cannabis market, including both federal and state level regulatory developments and changes in market conditions.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

On May 30, 2024, RIV Capital and Consortium Inc. (“Consortium”) (CSE: TIUM.U) (OTCQB: CNTMF) announced they have entered into a definitive agreement to acquire all of the issued and outstanding common shares of RIV Capital in exchange for Consortium shares (the “Transaction”). The closing of the Transaction is subject to shareholder and court approvals, the receipt of all required regulatory approvals, and the exchange of THC’s existing convertible debt investment in shares of Consortium. These exchangeable shares would be convertible, at THC’s discretion, into approximately 23% of the common shares of Consortium. During the fourth quarter of fiscal 2024, the shareholders of RIV Capital and Consortium voted in favor of the resolutions associated with the Transaction. The Company concluded it had the intent to exchange its RIV Capital convertible notes for non-voting exchangeable shares of Consortium in connection with the Transaction at the fair value of the non-voting exchangeable shares that the Company expects to receive. This resulted in the recognition of a non-cash, pre-tax gain of \$99.4 million, which is recorded in the “Impairment, restructuring and other” line in the Consolidated Statements of Operations. In addition, the previously recorded allowance for credit losses of \$99.4 million was written off and the amortized cost basis was written down to the investment’s fair value.

The amortized cost basis of convertible debt investments was \$62.1 and \$225.8 at September 30, 2024 and \$222.1 at September 30, 2023. September 30, 2024 and 2022, gross unrealized losses on convertible debt investments were \$140.0 \$16.4 and \$105.1, \$140.0, respectively. Investments have been in a continuous unrealized loss position for greater than 12 months as of September 30, 2023 September 30, 2024. The amortized cost basis of convertible debt investments was \$62.1 and \$225.8 at September 30, 2023 and 2022, respectively. At September 30, 2023 September 30, 2024, the period until maturity of convertible debt investments was between 3.9 years 2.9 and 6.0 5.0 years.

THE SCOTTS MIRACLE-GRO COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Dollars in millions, except per share data)

Credit losses on convertible debt investments are measured based on the present value of expected future cash flows compared to amortized cost. Recoveries of previously impaired amounts are recorded as an immediate reversal of all or a portion of the allowance. In addition, the amortized cost net of the allowance is compared to fair value. A progression of the allowance for expected credit losses on convertible debt investments is recorded when the amortized cost net of the allowance is below fair value.

Balance at beginning of year

Provision for expected credit losses on securities with no previous allowance

Balance at end of year

Balance at beginning of year
Provision for expected credit losses on securities with no previous allowance
Reductions for securities intended to be sold / exchanged
Balance at end of year

NOTE 18. 17. LEASES

The Company leases certain property and equipment from third parties under various non-cancelable lease agreements, including industrial support the management, manufacturing, distribution and research and development of products marketed and sold by the Company. The lease agreements include insurance and maintenance expenses related to the leased assets. At September 30, 2023 September 30, 2024, the Company had entered into combined total expected lease liability of \$54.1. \$29.6. From time to time, the Company will sublease portions of its facilities, resulting in subleases that were not material to the consolidated financial statements for fiscal 2023, 2024.

The Company leases certain vehicles (primarily cars and light trucks) under agreements that are cancellable after the first year, but typically cannot be cancelled before the first year. The vehicle leases and certain other non-cancelable operating leases contain residual value guarantees that create a contingent obligation if the leased asset cannot be sold for an amount in excess of a specified minimum value at the conclusion of the lease term. If all such vehicles were sold at the end of the lease term, the Company's residual value guarantee would have approximated \$5.2.

Supplemental balance sheet information related to the Company's leases was as follows:

	Balance Sheet Location	Sept
Operating leases:		
Right-of-use assets	Other assets	\$
Current lease liabilities	Other current liabilities	
Non-current lease liabilities	Other liabilities	
Total operating lease liabilities		\$
Finance leases:		
Right-of-use assets	Property, plant and equipment, net	\$
Current lease liabilities	Current portion of debt	
Non-current lease liabilities	Long-term debt	
Total finance lease liabilities		\$
\$6.3.		

THE SCOTTS MIRACLE-GRO COMPANY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued) (Dollars in millions, except per share data)

Supplemental balance sheet information related to the Company's leases was as follows:

	Balance Sheet Location	Sept
Operating leases:		
Right-of-use assets	Other assets	\$
Current lease liabilities	Other current liabilities	
Non-current lease liabilities	Other liabilities	
Total operating lease liabilities		\$
Finance leases:		
Right-of-use assets	Property, plant and equipment, net	\$
Current lease liabilities	Current portion of debt	
Non-current lease liabilities	Long-term debt	
Total finance lease liabilities		\$

Components of lease cost were as follows:

		Year Ended September 30,			Year End
		2024	2024	2023	
		Year Ended September 30,			
		2023	2022	2021	
Operating lease cost ^(a)	Operating lease cost ^(a)	\$92.3	\$86.7	\$70.3	
Variable lease cost	Variable lease cost	28.6	35.9	29.4	
Finance lease cost	Finance lease cost				
Amortization of right-of-use assets	Amortization of right-of-use assets	3.0	6.4	6.0	
Interest on lease liabilities	Interest on lease liabilities	0.8	1.2	1.4	
Total finance lease cost	Total finance lease cost	\$ 3.8	\$ 7.6	\$ 7.4	

(a) Operating lease cost includes amortization of right-of-use assets of \$70.4, \$81.0 \$75.3 and \$62.3 \$75.3 for fiscal 2024, fiscal 2023 and fiscal 2022, and depreciation expense is excluded from operating lease cost and was \$6.1, \$6.6 \$19.1 and \$22.8 \$19.1 for fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, respectively.

Supplemental cash flow information and non-cash activity related to the Company's leases were as follows:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases, net	\$ 93.0
Operating cash flows from finance leases	0.8
Financing cash flows from finance leases	2.7
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 90.4
Finance leases	

Weighted-average remaining lease term and discount rate for the Company's leases were as follows:

	September 30, 2023
Weighted-average remaining lease term (in years):	
Operating leases	3.7
Finance leases	4.2
Weighted-average discount rate:	
Operating leases	5.8%
Finance leases	6.2%

Maturities of lease liabilities by fiscal year for the Company's leases as of September 30, 2023 were as follows:

Year	Operating Profit
2024	\$

2025	
2026	
2027	
2028	
Thereafter	
Total lease payments	
Less: Imputed interest	
Total lease liabilities	\$

	2024
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases, net	\$ 99.2
Operating cash flows from finance leases	0.8
Financing cash flows from finance leases	2.3
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 77.0
Finance leases	3.4

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

On September 21, 2022, Weighted-average remaining lease term and discount rate for the Company completed an asset sale-leaseback transaction. The Company received proceeds Company's leases were as follows:

	September 30, 2024
Weighted-average remaining lease term (in years):	
Operating leases	
Finance leases	
Weighted-average discount rate:	
Operating leases	
Finance leases	

Maturities of \$44.7, net lease liabilities by fiscal year for the Company's leases as of selling costs, and the asset had a carrying value of \$36.7 recorded in the "Impairment, restructuring and other" line in the Consolidated Statements of Operations during fiscal 2022. The leaseback has a term were as an operating lease. follows:

Year	Operating lease liabilities
2025	\$
2026	
2027	
2028	
2029	
Thereafter	
Total lease payments	
Less: Imputed interest	
Total lease liabilities	\$

NOTE 19.18. COMMITMENTS

At September 30, 2023 September 30, 2024, the Company had the following unconditional purchase obligations by purchase date that have not

2024		\$
2025	2025	
2026	2026	
2027	2027	
2028	2028	
2029		
Thereafter	Thereafter	
		\$
		\$

Purchase obligations primarily represent commitments for materials used in the Company's manufacturing processes, including urea and pac grass seed, marketing services and information technology services.

NOTE 20.19. CONTINGENCIES

Management regularly evaluates the Company's contingencies, including various judicial and administrative proceedings and claims arising in general liabilities, workers' compensation, property losses and other liabilities for which the Company is self-insured or retains a high exposure. Actuarial loss estimates for specific individual claims plus actuarially estimated amounts for incurred but not reported claims and adverse developments incurred in connection with the resolution of claims, lawsuits and other contingencies generally are expensed as incurred. In the opinion of management and related accruals are adequate, both individually and in the aggregate, are adequate; aggregate; however, there can be no assurance that final results on the Company's financial condition, results of operations or cash flows.

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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Regulatory Matters

At September 30, 2023 September 30, 2024, the Company had recorded liabilities of \$2.7 \$2.6 for environmental actions, the majority of which amounts accrued are adequate to cover such known environmental exposures based on current facts and estimates of likely outcomes. Although known environmental exposures will exceed the amounts accrued, any variation from accrued amounts is not expected to be material.

Other

The Company has been named as a defendant in a number of cases alleging injuries that the lawsuits claim resulted from exposure to Company's historic use of vermiculite in certain of its products. In many of these cases, the complaints are not specific about the plaintiffs' contact with vermiculite. In these cases generally seek unspecified monetary damages (actual, compensatory, consequential and punitive) from multiple defendants without merit and is vigorously defending against them. No The Company has not recorded any accruals have been recorded in the Company's its loss from these cases is not probable at this time; and the time. The Company does not believe a reasonably possible loss would be material to net income or cash flows. In addition, the Company does it expect not believe the ultimate resolution of these cases will have a material adverse effect on the Company's cash flows. There can be no assurance that future developments related to pending claims or claims filed in the future, whether as a result of adverse developments or otherwise, will not have a material effect on the Company's financial condition, results of operations or cash flows.

On June 6, 2024, a purported shareholder filed a lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03766) on behalf of a proposed class of purchasers of Common Shares between November 3, 2021, and August 1, 2023. On July 26, 2024, another purported shareholder filed a lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-03766) on behalf of a proposed class of purchasers of Common Shares between June 2, 2021, and August 1, 2023. These lawsuits, filed lawsuits alleging similar facts, assert claims under Section 10(b), Rule 10b-5 and Section 20(a) of the Securities Exchange Act against the Company based on alleged misstatements about the Company's inventories, sales and business prospects. The actions seek, among other things, unspecified damages and equitable/injunctive or other relief as deemed appropriate by the Court. The Company believes that the claims asserted are without merit and in the Company's best interests to defend against them.

On July 3, 2024, a purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio against certain of the Company's current and former officers and directors. On July 30, 2024, a second purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No.1:24-cv-00402), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. On August 1, 2024, a third purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-04180) on behalf of the Company against certain of the Company's current and former officers and directors. On September 9, 2024, a fourth purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-04190) on behalf of the Company against certain of the Company's current and former officers and directors. On November 19, 2024, a sixth purported shareholder filed a shareholder derivative lawsuit in the United States District Court for the Southern District of Ohio (Case No. 2:24-cv-04190), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. The federal lawsuits will likely be consolidated with one another, along with any subsequently filed state lawsuits alleging similar facts. All of the lawsuits in the securities lawsuits described above and assert claims for breaches of fiduciary duties and unjust enrichment, as well as abuse of control, gross negligence and other claims under Section 10(b), Rule 10b-5, Section 14(a), Rule 14a-9, and Section 20(a) of the Securities Exchange Act. The actions seek a judgment in favor of the Company for damages in an unspecified amount, disgorgement, interest, and other relief.

The Company is involved in other lawsuits and claims which arise in the normal course of business. These claims individually and in the aggregate are not expected to have a material effect on the Company's financial condition, results of operations or cash flows.

The Company divides its operations into three reportable segments: U.S. Consumer, Hawthorne and Other. U.S. Consumer consists of the United States. Hawthorne consists of the Company's indoor and hydroponic gardening business. Other primarily consists of the Company's identification of reportable segments is consistent with how the segments report to and are managed by the chief operating decision maker of the administrative expenses and certain other income and expense items not allocated to the reportable business segments.

The performance of each reportable segment is evaluated based on several factors, including income (loss) from continuing operations before income taxes and other charges ("Segment Profit (Loss)"). Senior management uses Segment Profit (Loss) to evaluate segment performance because the Company believes it is the most meaningful measure of segment performance, taking into account the Company's business mix, market trends and the overall earnings potential of each segment.

The following tables present financial information for the Company's reportable segments for the periods indicated:

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Income (loss) from continuing operations before income taxes		\$ (453.3)	\$ (558.1)	\$ 677.1
Interest expense				
Interest expense				
Other non-operating income (expense), net				
Loss before income taxes				
Depreciation and amortization:				
U.S. Consumer				
U.S. Consumer				
U.S. Consumer	U.S. Consumer	\$ 58.2	\$ 55.8	\$ 48.6
Hawthorne	Hawthorne	25.8	34.8	30.3
Other	Other	5.6	7.0	7.0
Corporate	Corporate	2.9	7.6	7.9
		\$ 92.5	\$ 105.2	\$ 93.8
\$				
Capital expenditures:				
U.S. Consumer				
U.S. Consumer				
U.S. Consumer	U.S. Consumer	\$ 79.6	\$ 97.4	\$ 78.3
Hawthorne	Hawthorne	8.5	12.4	25.0
Other	Other	4.7	3.7	3.6
		\$ 92.8	\$ 113.5	\$ 106.9
\$				

THE SCOTTS MIRACLE-GRO COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data)

		September 30,		
		2023	2022	
		September 30,		
		2024		2024
Total assets:	Total assets:			
Total assets:				
Total assets:				
U.S. Consumer				
U.S. Consumer				
U.S. Consumer	U.S. Consumer	\$2,296.2	\$2,454.4	
Hawthorne	Hawthorne	581.6	1,061.5	
Other	Other	189.8	197.1	
Corporate	Corporate	346.1	583.8	
Consolidated	Consolidated	\$3,413.7	\$4,296.8	
Consolidated				
Consolidated				

The following table presents net sales by product category for the periods indicated:

Year Ended September 30,

18 %

41% 18% and 46% 41%

(Dollars in millions, except per share data)

The following table presents net sales by geographic area for the periods indicated:

		Year Ended September 30,			
		2023	2022	2021	
Year Ended September 30,					Year
2024		2024	2023		
Net sales:	Net sales:				
Net sales:					
Net sales:					
United States					
United States					
United States	United States	\$3,209.5	\$3,554.6	\$4,507.0	
International	International	341.8	369.5	418.0	
		\$3,551.3	\$3,924.1	\$4,925.0	
\$					

Other than the United States, no other country accounted for more than 10% of the Company's net sales for any period presented above.

The following table presents long-lived assets (property, plant and equipment and finite-lived intangibles) by geographic area:

		September 30,	
		2023	2022
September 30,		Sept	
2024		2024	
Long-lived assets:	Long-lived assets:		
Long-lived assets:			
Long-lived assets:			
United States			
United States			
United States	United States	\$644.4	\$753.3
International	International	78.7	109.0
		\$723.1	\$862.3
	\$		

NOTE 21. SUBSEQUENT EVENT

On November 26, 2024, the Company announced that Matthew Garth, Executive Vice President, Chief Financial Officer & Chief Administrative Officer, will be terminated effective December 31, 2024 (the "Termination Date"). In connection with Mr. Garth's departure on the Termination Date, the Company entered into a "Separation Agreement" with Mr. Garth on November 25, 2024. The Separation Agreement addresses the payments and benefits to which Mr. Garth is entitled upon his termination. The Separation Agreement provides that the Company will pay or make the following benefits available to Mr. Garth in connection with his departure: (a) pay equal to 24 months of salary in accordance with the Company's standard payroll procedures; (b) in lieu of outplacement services, a lump sum payment of \$0.03; (c) for a period equal to the excess of the COBRA premium charged by the Company to terminated employees over the premium Mr. Garth paid as an active employee, a COBRA premium subsidy; (d) a target bonus opportunity for the fiscal year ending September 30, 2025, 50% of which is payable on the first scheduled pay date following the first anniversary of Mr. Garth's Termination Date, which is payable on the first scheduled pay date following the second anniversary of Mr. Garth's Termination Date, subject to Mr. Garth's continued employment obligations to the Company. Additionally, Mr. Garth will fully and partially vest in certain equity-based awards upon his departure in accordance with the terms of the applicable award agreements associated with these payments and benefits during fiscal 2025.

**Schedule II—Valuation and Qualifying Accounts
for the fiscal year ended September 30, 2024**

Column A	Column B	Column C
	Balance at Beginning of Period	Additions Other
Classification		
Valuation and qualifying accounts deducted from the assets to which they apply:		
Allowance for expected credit losses	\$ 116.4	\$ —
Income tax valuation allowance	87.7	3.6

**Schedule II—Valuation and Qualifying Accounts
for the fiscal year ended September 30, 2023**

Column A	Column B	Column C
	Balance at Beginning of Period	Additions Other
Classification		
Valuation and qualifying accounts deducted from the assets to which they apply:		
Allowance for expected credit losses	\$ 14.4	\$ —
Income tax valuation allowance	40.7	9.5

**Schedule II—Valuation and Qualifying Accounts
for the fiscal year ended September 30, 2022**

Column A	Column B	Column C
	Balance at Beginning of Period	Additions Other
Classification		
Valuation and qualifying accounts deducted from the assets to which they apply:		
Allowance for expected credit losses	\$ 16.8	\$ —
Income tax valuation allowance	32.3	—

**Schedule II—Valuation and Qualifying Accounts
for the fiscal year ended September 30, 2021**

Column A	Column A	Column B	Column C	Column D	Column E	Column F	Column A	Column B	Column C
		Balance at Beginning of Period	Additions to Other	Deductions Charged to Expense	Deductions Credited and Write-Offs	Balance at End of Period		Balance at Beginning of Period	Additions Other
Classification	Classification						Classification		
(In millions)								(In millions)	
Valuation and qualifying accounts deducted from the assets to which they apply:	Valuation and qualifying accounts deducted from the assets to which they apply:								

Allowance for expected credit losses	Allowance for expected credit losses	\$	7.5	\$	—	\$	11.1	\$	(1.8)	\$	16.8
Allowance for expected credit losses											
Allowance for expected credit losses											
Income tax valuation allowance	Income tax valuation allowance		33.8		—		3.0		(4.5)		32.3

The Scotts Miracle-Gro Company

Index to Exhibits

Incorporated by Reference						
Exhibit No.	Exhibit No.	Description	Form	Exhibit	Filing Date	Filed Herewith
Exhibit No.						
Exhibit No.						
3.1(a)						
3.1(a) (b)	3.1(a) (b)	Initial Articles of Incorporation of The Scotts Miracle-Gro Company, filed on November 22, 2004	8-K	3.1	March 24, 2005	
3.1(b)		Certificate of Amendment by Shareholders to Articles of Incorporation of The Scotts Miracle-Gro Company, filed on March 18, 2005	8-K	3.2	March 24, 2005	
3.1(a) (b)						
3.1(a) (b)						
3.2	3.2	Code of Regulations of The Scotts Miracle-Gro Company	8-K	3.3	March 24, 2005	
3.2						

3.2
4.1(a)
4.1(a)
4.1(a)
4.1(a) (b)
4.1(a) (b)

4.1(a) (b) 4.1(a) (b) [Indenture, dated as of December 15, 2016, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 8-K 4.1 December 16, 2016

4.1(b) (c) 4.1(b) (c) [First Supplemental Indenture, dated July 17, 2018, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 10.4 August 8, 2018

4.1(b) (c)
4.1(b) (c)
4.1(c) (d)
4.1(c) (d)

4.1(c) (d) 4.1(c) (d) [Second Supplemental Indenture, dated March 24, 2020, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 4.2 May 6, 2020

4.1(d) (e) 4.1(d) (e) [Third Supplemental Indenture, dated March 29, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 4.2 May 12, 2021

4.1(d) (e)
4.1(d) (e)

4.1(e) (f) 4.1(e) (f) [Fourth Supplemental Indenture, dated June 24, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 4.1 August 11, 2021

4.1(f) [Form of 5.250% Senior Notes due 2026 \(included in Exhibit 4.1\)](#) 8-K 4.2 December 16, 2016

4.1(e) (f)
4.1(e) (f)
4.2(a)
4.2(a)
4.2(a)
4.2(a) (b)
4.2(a) (b)

4.2(a) (b) 4.2(a) (b) [Indenture, dated as of October 22, 2019, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#)

4.2(b) (c) 4.2(b) (c) [First Supplemental Indenture, dated March 24, 2020, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#)

4.2(b) (c)
4.2(b) (c)
4.2(c) (d)
4.2(c) (d)

4.2(c) (d) 4.2(c) (d) [Second Supplemental Indenture, dated March 29, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#)

4.2(d) (e) 4.2(d) (e) [Third Supplemental Indenture, dated June 24, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 4.2 August 11, 2021

4.2(e) [Form of 4.500% Senior Notes due 2029 \(included in Exhibit 4.1\)](#) 8-K 4.2 October 28, 2019

4.2(d) (e)

4.2(d) (e)

4.3(a)

4.3(a)

4.3(a)

4.3(a) (b)

4.3(a) (b)

4.3(a) (b) 4.3(a) (b) [Indenture, dated as of March 17, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 8-K 4.1 March 17, 2021

4.3(b) (c) 4.3(b) (c) [First Supplemental Indenture, dated as of June 24, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 10-Q 4.3 August 11, 2021

4.3(c) [Form of 4.000% Senior Notes due 2031 \(included in Exhibit 4.1\)](#) 8-K 4.2 March 17, 2021

4.3(b) (c)

4.3(b) (c)

4.4(a)

4.4(a)

4.4(a)

4.4(a) (b) 4.4(a) (b) [Indenture, dated as of August 13, 2021, by and among The Scotts Miracle-Gro Company, the Guarantors \(as defined therein\) and U.S. Bank National Association, as trustee](#) 8-K 4.1 August 13, 2021

4.4(b) [Form of 4.375% Senior Notes due 2032 \(included in Exhibit 4.1\)](#) 8-K 4.2 August 13, 2021

4.4(a) (b)

4.4(a) (b)

4.5

4.5

4.5	4.5	Agreement to furnish copies of instruments and agreements defining rights of holders of long-term debt			X	Agreement to furnish copies of instruments and agreements defining rights of holders of long-term debt
4.6	4.6	Description of Capital Stock	10-K	4.4	November 27, 2019	4.6 Description of Capital Stock

Exhibit No.	Description	Incorp	
		Form	
10.1(a)(i)	Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022, by and among The Scotts Miracle-Gro Company, as a Borrower; the Subsidiary Borrowers (as defined therein); JPMorgan Chase Bank, N.A., as Administrative Agent; Wells Fargo Bank, National Association, Mizuho Bank, Ltd. and Bank of America, N.A., as Co-Syndication Agents; CoBank, ACB, Fifth Third Bank, National Association, Coöperatieve Rabobank U.A., New York Branch, Sumitomo Mitsui Banking Corporation, TD Bank N.A. and Truist Bank, as Co-Documentation Agents; and the several other banks and other financial institutions from time to time parties thereto	8-K	10.1
10.1(a)(ii)	Amendment No. 1, dated June 8, 2022, to Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022, by and among The Scotts Miracle-Gro Company, as a Borrower; the Subsidiary Borrowers (as defined therein); JPMorgan Chase Bank, N.A., as Administrative Agent; Wells Fargo Bank, National Association, Mizuho Bank, Ltd. and Bank of America, N.A., as Co-Syndication Agents; CoBank, ACB, Fifth Third Bank, National Association, Coöperatieve Rabobank U.A., New York Branch, Sumitomo Mitsui Banking Corporation, TD Bank N.A. and Truist Bank, as Co-Documentation Agents; and the several other banks and other financial institutions from time to time parties thereto	8-K	10.1
10.1(a)(iii)	Amendment No. 2, dated July 31, 2023, to Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022, by and among The Scotts Miracle-Gro Company, as a Borrower; the Subsidiary Borrowers (as defined therein); JPMorgan Chase Bank, N.A., as Administrative Agent; Wells Fargo Bank, National Association, Mizuho Bank, Ltd. and Bank of America, N.A., as Co-Syndication Agents; CoBank, ACB, Fifth Third Bank, National Association, Coöperatieve Rabobank U.A., New York Branch, Sumitomo Mitsui Banking Corporation, TD Bank N.A. and Truist Bank, as Co-Documentation Agents; and the several other banks and other financial institutions from time to time parties thereto	10-K	10.1
10.1(a)(iv)	Amendment No. 3, dated June 11, 2024, to Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022, by and among The Scotts Miracle-Gro Company, The Scotts Company LLC, Scotts Canada Ltd., as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent	10-Q	10
10.1(b)(i)	Sixth Amended and Restated Guarantee and Collateral Agreement, dated as of April 8, 2022, made by The Scotts Miracle-Gro Company, each domestic Subsidiary Borrower under the Sixth Amended and Restated Credit Agreement, and certain of its and their domestic subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	10.2
10.1(b)(ii)	Amendment No. 1, dated July 31, 2023, to Sixth Amended and Restated Guarantee and Collateral Agreement, dated as of April 8, 2022, made by The Scotts Miracle-Gro Company, each domestic Subsidiary Borrower under the Sixth Amended and Restated Credit Agreement, and certain of its and their domestic subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent	10-K	10.1
10.2(a)†	The Scotts Miracle-Gro Company Long-Term Incentive Plan (reflects amendment and restatement of plan formerly known as The Scotts Miracle-Gro Company 2006 Long-Term Incentive Plan) [January 17, 2013 through January 26, 2017 version]	8-K	10.1
10.2(b)†	Form of Standard Nongualified Stock Option Award Agreement for Employees used to evidence grants made under The Scotts Miracle-Gro Company Long-Term Incentive Plan [January 17, 2013 through January 26, 2017 version]	10-Q	10.7
10.3(a)†	The Scotts Miracle-Gro Company Long-Term Incentive Plan [January 27, 2017 through January 23, 2022 version]	8-K	10.1
Inc			
Exhibit No.	Description	Form	
10.3(b)†	Form of Standard Restricted Stock Unit Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan [January 27, 2017 through January 23, 2022 version]		
10.3(c)†	Form of Standard Nongualified Stock Option Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan [January 27, 2017 through January 23, 2022 version]		

Exhibit No.	Description	Incorp	
		Form	
10.3(d)†	Form of Deferred Stock Unit Award Agreement for Non-Employee Directors Retainer Deferrals (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 27, 2017 through January 23, 2022 version)	10-K	10.3(
10.3(e)†	Form of Standard Deferred Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 27, 2017 through January 23, 2022 version)		
10.4(a)†	The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	8-K	10.1
10.4(b)†	Form of Standard Performance Unit Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	10-K	10.4(
10.4(c)†	Form of Standard Restricted Stock Unit Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	10-K	10.4(
10.4(d)†	Form of Standard Nongualified Stock Option Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	10-K	10.4(
10.4(e)†	Form of Deferred Stock Unit Award Agreement for Non-Employee Directors Retainer Deferrals (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	10-K	10.4(
10.4(f)†	Form of Standard Restricted Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 24, 2022 through January 22, 2023)	10-K	10.4(
10.5(a)†	The Scotts Miracle-Gro Company Long-Term Incentive Plan (effective as of January 23, 2023) (January 23, 2023 through January 21, 2024)	8-K	10.1
10.5(b)†	Form of Special Restricted Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 23, 2023 through January 21, 2024)	8-K	10.2
10.5(c)†	Form of Standard Restricted Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 23, 2023 through January 21, 2024)	10-K	10.5(
10.5(d)†	Form of Standard Performance Unit Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Long-Term Incentive Plan (January 23, 2023 through January 21, 2024)	8-K	10.1
10.5(e)†	Form of Standard Nongualified Stock Option Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan (January 23, 2023 through January 21, 2024)	10-K	10.5(
10.6(a)†	The Scotts Miracle-Gro Company Long-Term Incentive Plan (effective as of January 22, 2024)	8-K	10.1
10.6(b)†	Form of Standard Restricted Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan	8-K	10.2
10.6(c)†	Form of Deferred Stock Unit Award Agreement for Non-Employee Directors (with Related Dividend Equivalents) which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan	8-K	10.3
10.6(d)†	Form of Standard Nongualified Stock Option Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan	10-Q	10.8

Inc


Exhibit No.	Description	Form	
10.6(e)†	Form of Standard Restricted Stock Unit Award Agreement for Employees used to evidence grants which may be made under The Scotts Miracle-Gro Company Long-Term Incentive Plan	10-Q	10
10.6(f)†	Form of Fiscal Year 2024 Incentive RSU Award Agreement	8-K	10
10.6(g)†	Form of Performance Unit Award Agreement which may be made under The Scotts Miracle-Gro Long-Term Incentive Plan	10-Q	10
10.6(h)†	Form of Performance Unit / Cash Unit Award Agreement for Employees which may be made under The Scotts Miracle-Gro Long-Term Incentive Plan	8-K	10
10.7(a)†	The Scotts Company LLC Amended and Restated Executive Incentive Plan (effective as of October 1, 2019)	10-Q	10
10.7(b)†	Form of Employee Confidentiality, Noncompetition, Nonsolicitation Agreement for employees participating in The Scotts Company LLC Executive/Management Incentive Plan (now known as The Scotts Company LLC Amended and Restated Executive Incentive Plan)	10-Q	10
10.8†	The Scotts Company LLC Executive Retirement Plan, as Amended and Restated as of January 1, 2015 (executed December 31, 2014)	10-Q	10
10.9(a)†	Employee Confidentiality, Noncompetition, Nonsolicitation Agreement, dated as of December 12, 2013, by and between The Scotts Company LLC, all companies controlled by, controlling or under common control with The Scotts Company LLC, and James Hagedorn	8-K	10
10.9(b)†	Executive Severance Agreement, dated as of December 11, 2013, by and between The Scotts Company LLC and James Hagedorn	8-K	10
10.10†	Summary of Compensation for Nonemployee Directors of The Scotts Miracle-Gro Company (effective as of January 22, 2024)		
10.11(a)†	The Scotts Company LLC Executive Severance Plan, adopted on April 25, 2017	10-Q	10
10.11(b)†	Form of Tier 1 Participation Agreement under The Scotts Company LLC Executive Severance Plan	10-Q	10
10.12	Third Amended and Restated Exclusive Agency and Marketing Agreement, entered into on July 29, 2019 and effective as of August 1, 2019, between Monsanto Company and The Scotts Company LLC	8-K	10
10.13†	Form of Aircraft Time Sharing Agreement for Executive Officers	10-Q	10
10.14†	Separation Agreement and Release of All Claims, effective as of October 4, 2022, by and between The Scotts Company LLC and Cory J. Miller	8-K	10
10.15†	Separation Agreement and Release of All Claims, entered into on October 6, 2023, by and between The Scotts Company LLC and Michael C. Lukemire	8-K	10
10.16(a)†	Retention Agreement, dated August 20, 2018, by and between The Scotts Company LLC and Denise S. Stump	8-K	10
10.16(b)†	Separation Agreement and Release of All Claims, entered into on November 12, 2023, by and between The Scotts Company LLC and Denise S. Stump	8-K	10
10.17(a)(i)	Master Receivables Purchase Agreement, dated October 27, 2023, by and among The Scotts Company LLC, The Scotts Miracle-Gro Company and JPMorgan Chase Bank, N.A.	8-K	10
10.17(a)(ii)	Performance Undertaking, dated October 27, 2023, by The Scotts Miracle-Gro Company in favor of JP Morgan Chase Bank, N.A.	8-K	10
10.17(b)(i)	First Amendment to Master Receivables Purchase Agreement, dated September 1, 2024, by and between The Scotts Miracle-Gro Company to JPMorgan Chase Bank, N.A.	8-K	10

Exhibit No.	Description	Incorporated by	
		Form	Exhibit
10.17(b)(ii)	Facility Extension Request Letter, dated September 1, 2024, from The Scotts Miracle-Gro Company to JPMorgan Chase Bank, N.A.	8-K	10.1
19	Insider Trading Policy of The Scotts Miracle-Gro Company & Subsidiaries		
10.6(a)† 21	Subsidiaries of The Scotts Miracle-Gro Company LLC Amended and Restated Executive Incentive Plan (effective as of October 1, 2019)		
10.6(b)† 22	Form of Employee Confidentiality, Noncompetition, Nonsolicitation Agreement for employees participating in The Scotts Company LLC Executive/Management Incentive Plan (now known as The Scotts Company LLC Amended and Restated Executive Incentive Plan) Guarantor Subsidiaries		
10.7† 23	The Scotts Company LLC Executive Retirement Plan, as Amended and Restated as Consent of January 1, 2015 (executed December 31, 2014) Independent Registered Public Accounting Firm — Deloitte & Touche LLP		
24	Powers of Attorney of Executive Officers and Directors of The Scotts Miracle-Gro Company		
31.1	Rule 13a-14(a)/15d-14(a) Certifications (Principal Executive Officer)		
31.2	Rule 13a-14(a)/15d-14(a) Certifications (Principal Financial Officer)		
32	Section 1350 Certifications (Principal Executive Officer and Principal Financial Officer)		
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101.CAL	XBRL Taxonomy Extension Calculation Linkbase		
101.DEF	XBRL Taxonomy Extension Definition Linkbase		
101.LAB	XBRL Taxonomy Extension Label Linkbase		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		

Exhibit No.	Description	Form	Incorporated by
10.8(a)†	Employee Confidentiality, Noncompetition, Nonsolicitation Agreement, dated as of December 12, 2013, by and between The Scotts Company LLC, all companies controlled by, controlling or under common control with The Scotts Company LLC, and James Hagedorn	8-K	10
10.8(b)†	Executive Severance Agreement, dated as of December 11, 2013, by and between The Scotts Company LLC and James Hagedorn	8-K	10
10.9†	Summary of Compensation for Nonemployee Directors of The Scotts Miracle-Gro Company (effective as of January 23, 2023)		
10.10(a)†	The Scotts Company LLC Executive Severance Plan, adopted on April 25, 2017	10-Q	10
10.10(b)†	Form of Tier 1 Participation Agreement under The Scotts Company LLC Executive Severance Plan	10-Q	10
10.11	Third Amended and Restated Exclusive Agency and Marketing Agreement, entered into on July 29, 2019 and effective as of August 1, 2019, between Monsanto Company and The Scotts Company LLC	8-K	10
10.12†	Form of Aircraft Time Sharing Agreement for Executive Officers	10-Q	10
10.13†	Separation Agreement and Release of All Claims, effective as of October 4, 2022, by and between The Scotts Company LLC and Cory J. Miller	8-K	10
10.14†	Separation Agreement and Release of All Claims, entered into on October 6, 2023, by and between The Scotts Company LLC and Michael C. Lukemire	8-K	10
10.15(a)†	Retention Agreement, dated August 20, 2018, by and between The Scotts Company LLC and Denise S. Stump	8-K	10

10.15(b)†	Separation Agreement and Release of All Claims, entered into on November 12, 2023, by and between The Scotts Company LLC and Denise S. Stump	8-K	10
10.16	Master Receivables Purchase Agreement, dated October 27, 2023, by and among The Scotts Company LLC, The Scotts Miracle-Gro Company and JPMorgan Chase Bank, N.A.	8-K	10
10.17	Performance Undertaking, dated October 27, 2023, by The Scotts Miracle-Gro Company in favor of JP Morgan Chase Bank, N.A.	8-K	10
21	Subsidiaries of The Scotts Miracle-Gro Company		
22	Guarantor Subsidiaries		
23	Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP		
24	Powers of Attorney of Executive Officers and Directors of The Scotts Miracle-Gro Company		
31.1	Rule 13a-14(a)/15d-14(a) Certifications (Principal Executive Officer)		
31.2	Rule 13a-14(a)/15d-14(a) Certifications (Principal Financial Officer)		
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101.DEF	XBRL Taxonomy Extension Definition Linkbase		
101.LAB	XBRL Taxonomy Extension Label Linkbase		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		
†	Management contract, compensatory plan or arrangement.		

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November 22, 2023 26, 2024

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: The Scotts Miracle-Gro Company – Annual Report on Form 10-K for the fiscal year ended September 3

Ladies and Gentlemen:

The Scotts Miracle-Gro Company, an Ohio corporation (“Scotts Miracle-Gro”), is today filing its Annual Report on Form 10-K for the fiscal year ended September 30, 2024 (the “Form 10-K”).

Neither Scotts Miracle-Gro nor any of its consolidated subsidiaries has outstanding any instrument or agreement with respect to the issuance of securities that is filed or incorporated by reference as an exhibit to the Form 10-K, under which the total amount of long-term debt authorized or issuable by or for Scotts Miracle-Gro and its subsidiaries on a consolidated basis. In accordance with the provisions of Item 601(b)(4)(iii) of Regulation S-K, Scotts Miracle-Gro hereby agrees to furnish to the SEC, upon request, a copy of each such instrument or agreement defining the rights of holders of securities of Scotts Miracle-Gro or its consolidated subsidiaries, in each case which is not by its terms an exhibit to the Form 10-K.

Very truly yours,

THE SCOTTS MIRAC

/s/ MATTHEW E. GAR

Matthew E. Garth
Executive Vice President
Administrative Officer

14111 Scottslawn Road Marysville, OH 43041 937-644-0011
www.scotts.com

AMENDMENT NO. 2.4.6

Dated as DESCRIPTION OF CAPITAL STOCK

As of July 31, 2023

To

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of April 8, 2022

THIS AMENDMENT NO. 2 (this "Amendment") is made as of July 31, 2023 by and among September 30, 2024 "Company," "we," "us" or "our") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, "common shares").

The following summary describes the material features of our common shares and our preferred shares, without par value (our "preferred shares" or "preferred shares") and is subject to, and qualified in its entirety by reference to, all the provisions of our amended articles of incorporation (the "Company"), The Scotts Company LLC, an Ohio limited liability company ("Scotts"), Scotts Canada Ltd ("Scotts Canada"), the Subsidiary Borrowers listed exhibit to this Annual Report on the signature pages hereto (together with the Company and, collectively, the "Borrowers"), the other Loan Parties listed on the signature pages hereto, the Lenders listed on the signature pages hereto, the administrative agent (the "Administrative Agent"), under that certain Sixth Amended and Restated Credit Agreement dated as of April 8, 2022, Lenders Form 10-K, and the Administrative Agent (as applicable provisions of Ohio law).

Authorized Capital Stock

Under our amended restated, supplemented or otherwise modified from time to time immediately prior to the date hereof, the terms and conditions of the agreement used herein and not otherwise defined herein shall have the respective meanings given authority to the articles of incorporation, we have the respective meanings given authority to the aggregate amount of 100,000,000 common shares and 195,000 preferred shares. As of September 30, 2024, there were 57,115,475 common shares issued and outstanding.

Common Shares

WHEREAS, the Company has requested that the Lenders and the Administrative Agent agree to a certain amendment to the Existing Credit Agreement;

WHEREAS, the Borrowers, the Lenders party hereto, constituting the Required Lenders, and the Administrative Agent, agree to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, the receipt and sufficiency of which our common shares are hereby acknowledged, the Borrowers, the Lenders party hereto, constituting the Required Lenders, hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. The parties hereto agree that, effective as of the Amendment Effective Date (as defined in the Credit Agreement), the Credit Agreement shall be amended to read in its entirety as follows:

- The Existing Credit Agreement as so
- Holders of our common shares have no preemptive, subscription, redemption, conversion
- common shares are fully paid and non-assessable. Our amended pursuant articles of incorporation contain no restrictions on the alien

Preferred Shares

2. Consent. Notwithstanding anything to the contrary in the Amended Credit Agreement issue, without any further action by the shareholders, subject to certain limitations prescribed by Ohio law and the terms, rules and conditions set forth herein, regulations of the Board of Directors, the Board of Directors is authorized to fix or change the rights, preferences and limitations of each series and the designation and authorized number of each series, dividend and distribution rights, liquidation rights, preferences and requirements, voting rights, preemptive rights, conversion rights and restrictions on issuance of shares. Absent a determination by the Board of Directors, holders of preferred shares are entitled to one vote per share on matters to be voted upon by the holders of common share class. Ohio law also entitles the holders of preferred shares to exercise a class vote on certain matters.

Administrative Agent Anti-Takeover Effects of Amended Articles of Incorporation, Code of Regulations and Required Lenders hereby con

Classified Board of Directors

Supermajority Voting Provisions

- proposed amendments to the consummation supermajority voting provision in our amended articles of the Project Bob Transaction, in reorganizational steps generally described in the materials delivered to the Administrative Agent and the Lenders prior to the Amendme

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- (a) • a proposed combination or majority share acquisition involving the Administrative Agent (or its counsel) shall have received counterparty consent of the Administrative Agent that such party has signed a counterpart issuance of this Amendment duly executed by (A) each Loan Party, (B) the Administrative Agent, and (C) the Required Lenders constituting at least the Required Lenders;
- (b) the Administrative Agent shall have received (or provisions reasonably satisfactory to the Administrative Agent shall have been received) from each Lender party hereto, equal to the product of 0.25% and the sum of (i) such Lender's Revolving Commitment and (ii) the principal amount of such Lender's Revolving Credit Exposure immediately after giving effect to this Amendment on the Amendment Effective Date;
- (c) the Administrative Agent shall have received such collateral and security documents, legal opinions and documents and other information reasonably request relating, all in form and substance reasonably satisfactory to the Administrative Agent; requiring shareholder approval;
- (d) the Administrative Agent shall have made such reallocations • a proposal to sell, exchange, transfer or otherwise dispose of each Lender's share of the Revolving Credit Exposure under the Amended Credit Agreement as are necessary in order that the Revolving Credit Exposure of each Lender respect to such Lender reflects such Lender's Applicable Percentage of the Revolving Credit Exposure under the Amended Credit Agreement. No Company will not be obligated to compensate any Lender for any losses, costs and expenses incurred by such Lender in connection with such reallocation described in this clause (d) pursuant to Section 2.16 of the Amended Credit Agreement); or without goodwill; and
- (e) unless otherwise waived by the Administrative Agent, the Administrative Agent shall have received (or provisions reasonably satisfactory to the Administrative Agent shall have been received) from each Lender party hereto, equal to the product of 0.25% and the sum of (i) such Lender's Revolving Commitment and (ii) the principal amount of such Lender's Revolving Credit Exposure immediately after giving effect to this Amendment on the Amendment Effective Date. The Administrative Agent shall have been made for the reimbursement of) the Administrative Agent's and its Affiliates' reasonable and documented expenses (to the extent invoiced in advance • a proposed dissolution of the Amendment Effective Date, reasonable fees and expenses of counsel and the Administrative Agent in connection with this Amendment.

4. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants to the Administrative Agent on and as of the Amendment Effective Date: us.

(a) Limited Shareholder Action by Written Consent

The Ohio General Corporation Law requires that an action by written consent of the shareholders in lieu of a meeting be unanimous, except in the case of an action by written consent of holders of shares entitling them to exercise two-thirds of the voting power of the corporation or, if the articles of incorporation provide for a lesser amount, but not less than a majority. This Amendment provision may have the effect of delaying, deferring or preventing a transfer of control of the Company to be in its best interest.

Control Share Acquisition Act

The Ohio General Corporation Law provides that certain notice and informational filings, and special shareholder meeting and voting prior to the Amendment Effective Date of an issuer's shares that would entitle the Amended Credit Agreement as modified hereby constitute legal, valid and binding obligations acquired to the Administrative Agent prior to the Amendment Effective Date of election of directors within any of the following ranges:

- one-fifth or more but less than one-third of such Borrower, enforceable against such Borrower in accordance with their respective applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and the enforcement is sought by proceedings in equity or at law).

(b) (i) No Event of Default or Default has occurred and is continuing and (ii) the representations and warranties of such Borrower made in connection with the Amended Credit Agreement, as amended hereby, are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, the representations and warranties specifically refer to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) or warranty qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date).

5. Consent and Reaffirmation. Without in any way establishing a course of dealing by the Administrative Agent, the Administrative Agent consents to this Amendment and reaffirms the terms and conditions of the Collateral Agreement and any other Loan Document executed by such Loan Party in connection with the Amended Credit Agreement and agrees that the Collateral Agreement and each and every such Loan Document executed by such Loan Party in connection with the Amended Credit Agreement is hereby reaffirmed, ratified and confirmed. voting power;

6. • Reference to one-third or more but less than a majority of such voting power; and Effect on the Loan Documents.

(a) Upon and after the Amendment Effective Date, each reference to the Amended Credit Agreement in the Amended Credit Agreement shall be a reference to the Amended Credit Agreement.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection with the Amended Credit Agreement are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or obligation of the Administrative Agent or the Loan Parties to enforce the provisions of the Amended Credit Agreement, the Loan Documents or any other documents, instruments and agreements.

(d) This Amendment is a Loan Document under (and as defined in) the Amended Credit Agreement.

7. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF NEW YORK.

8. • Submission To Jurisdiction; Waivers. Each Borrower hereby irrevocably and unconditionally: a majority or more of s

(a) submits, for itself and This provision, which is known as the Control Share Acquisition Act, does not apply to a corporation incorporated or code of regulations so provide. We have not opted out of the United States District Court for the Southern District of New York sitting in subject matter jurisdiction, the Supreme Court application of the State of New York sitting in the Borough of Manhattan), and any appellate court from or relating to this Amendment and any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agency determined in such Federal (to the extent permitted by law) or New York State court;

(b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the venue, location or out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (a) of this Section. Each Borrower hereby waives the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court;

(c) agrees that service of process in any such action or proceeding may be effected in accordance with Section 9.01 of the

(d) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding under the Credit Agreement any special, indirect, consequential or punitive damages.

9. Section headings in this Amendment are included herein for convenience of reference only and shall not be construed to limit the purpose.

10. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of counterparts, all of which when taken together shall be deemed to constitute one and the same instrument. The words "execution," "signed," "signature," "delivery," "delivered," "Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to be signed, delivered or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as the delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic signature associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officers and the undersigned, the date first above written.

THE SCOTTS MIRACLE-GRO COMPANY,
as the Company

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

THE SCOTTS COMPANY LLC,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SCOTTS CANADA LTD.,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

HYPONEX CORPORATION,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SCOTTS MANUFACTURING COMPANY,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

Signature Page to Amendment No. 2 to
Sixth Amended and Restated Credit Agreement dated as of April 8, 2022
The Scotts Miracle-Gro Company

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(continued)

SCOTTS TEMECULA OPERATIONS, LLC,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SMG GROWING MEDIA, INC.,
as a Subsidiary Borrower

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

MIRACLE-GRO LAWN PRODUCTS, INC.

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

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(continued)

OMS INVESTMENTS, INC.

By: /s/ GREGORY A. LIENING

Name: Gregory A. Liening

Title: President and Chief Executive Officer

SCOTTS PRODUCTS CO.

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SCOTTS PROFESSIONAL PRODUCTS CO.

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SCOTTS-SIERRA INVESTMENTS LLC

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President and Treasurer

SWISS FARMS PRODUCTS, INC.

By: /s/ GREGORY A. LIENING

Name: Gregory A. Liening

Title: President and Chief Executive Officer

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(continued)

SANFORD SCIENTIFIC, INC.

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

ROD MCLELLAN COMPANY

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SMGM LLC

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

GENSOURCE, INC.

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Treasurer

HAWTHORNE HYDROPONICS LLC

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President and Treasurer

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The Scotts Miracle-Gro Company

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(continued)

HGCI, INC.

By: /s/ MARK J. SCHEIWER
Name: Mark J. Scheiwer
Title: Vice President

THE HAWTHORNE GARDENING COMPANY

By: /s/ MARK J. SCHEIWER
Name: Mark J. Scheiwer
Title: Vice President and Treasurer

1868 VENTURES LLC

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SCOTTS LIVE GOODS HOLDINGS, INC.

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

AEROGROW INTERNATIONAL, INC.

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

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THE HAWTHORNE COLLECTIVE, INC.

By: /s/ MARK J. SCHEIWER
Name: Mark J. Scheiwer
Title: Treasurer

Signature Page to Amendment No. 2 to
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The Scotts Miracle-Gro Company

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(continued)

JPMORGAN CHASE BANK, N.A., individually as a Lender
Bank and as Administrative Agent

By: /s/ RUPAM AGRAWAL
Name: Rupam Agrawal
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ WALKER HIGGINS
Name: Walker Higgins
Title: Director

MIZUHO BANK, LTD., as a Lender

By: /s/ TRACY RAHN
Name: Tracy Rahn
Title: Executive Director

BANK OF AMERICA, N.A., as a Lender

By: /s/ JOHN DOROST
Name: John Dorost
Title: Vice President

COBANK, ACB, as a Lender

By: /s/ NATALYA RIVKIN
Name: Natalya Rivkin
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ JOSE A. ROSADO
Name: Jose A. Rosado
Title: Senior Vice President

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The Scotts Miracle-Gro Company

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COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH

By: /s/ ELIZABETH HALFIN

Name: Elizabeth Halfin

Title: Vice President

By: /s/ ROBERT GRAFF

Name: Robert Graff

Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By: /s/ ROSA PRITSCH

Name: Rosa Pritsch

Title: Director

TD BANK, N.A., as a Lender

By: /s/ STEVE LEVI

Name: Steve Levi

Title: Senior Vice President

TRUIST BANK, as a Lender

By: /s/ TESSA WINSLOW

Name: Tessa Winslow

Title: Director

CITIZENS BANK, N.A., as a Lender

By: /s/ DAVID W. STACK

Name: David W. Stack

Title: Senior Vice President

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(continued)

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ TODD KENNEDY
Name: Todd Kennedy
Title: Managing Director

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ PETER HALE
Name: Peter Hale
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ DAVID C. BECKETT
Name: David C. Beckett
Title: Senior Vice President

PNC BANK CANADA BRANCH

By: /s/ BEAU FILKOWSKI
Name: Beau Filkowski
Title: Senior Vice President

CAPITAL ONE, N.A., as a Lender

By: /s/ ANUJ DHINGRA
Name: Anuj Dhingra
Title: Duly Authorized Signatory

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ DAN MARTIS
Name: Dan Martis
Title: Authorized Signatory

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THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ ANDREW D. HOLTZ
Name: Andrew D. Holtz
Title: Senior Vice President

TRISTATE CAPITAL BANK, as a Lender

By: /s/ ELLEN FRANK
Name: Ellen Frank
Title: Senior Vice President

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The Scotts Miracle-Gro Company

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Attached

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ARTICLE X Collection Allocation Mechanism

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"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more Persons, is under common Control with the Person specified.

"Agreed Currencies" means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Canadian Dollars, and (v) any other currency that is readily available and freely transferable and convertible into Dollars and (y) that is agreed to by the Administrative Agent.

"Agreement" has the meaning assigned to such term in the introductory paragraph.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities (if not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, on such day (or any amended publication time for the Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the FRBNY Rate or the Adjusted Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Rate is determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without regard to the fact that, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00%.

"Amendment No. 12 Effective Date" means ~~June 8, 2022~~ July 31, 2023.

"Ancillary Document" has the meaning assigned to it in Section 9.06.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Company or its Subsidiaries relating to bribery or corruption.

"Anti-Money Laundering Laws" means applicable laws or regulations in any jurisdiction in which the Company or its Subsidiaries relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements relating to money laundering.

"Applicable Lender" has the meaning assigned to such term in Section 2.06(d).

"Applicable Party" has the meaning assigned to it in Section 8.03(c).

"Applicable Percentage" means (a) with respect to any Global Tranche Lender, its Global Tranche Percentage, Tranche Percentage and (c) with

3 Share Acquisition Act.

respect to any Term Lender, a percentage equal to a fraction the numerator of which is such Term Lender's outstanding principal amount

Chapter 1704 of the Term Loans and the denominator of which is the aggregate outstanding principal amount of the Term Loans of all

"Applicable Facility Fee Rate" and "Applicable Spread" means, for any day, (a) with respect to any Incremental Facility Agreement establishing the Incremental Term Loan Commitments of such Series and (b) with respect to any Revolving Loan, any Term Benchmark Tranche A Term Loan, RFR Tranche A Term Loan, any ABR Revolving Loan, any ABR Tranche A Term Loan payable hereunder, Ohio Revised Code, known as the case may be, the applicable rate per annum set forth below under the captions "RFR Benchmark Spread for Revolving Loans", "Term Benchmark Spread for Tranche A Term Loans", "ABR Spread for Revolving Loans" and "Facility Fee Rate", as the case may be, based upon the Leverage Ratio applicable on such date:

	<u>Leverage Ratio:</u>	<u>Term Benchmark Spread for Revolving Loans</u>	<u>RFR Spread for Revolving Loans</u>	<u>Term Benchmark Spread for Tranche A Term Loans</u>	<u>ABR Spread for Revolving Loans</u>
<u>Category 1:</u>	≤ 2.25 to 1.00	0.00 1.05%	0.00 1.05%	1.00 1.25%	0.00 0.50%
<u>Category 2:</u>	> 2.25 to 1.00 but ≤ 3.25 to 1.00	1.00 1.25%	1.00 1.25%	1.25 1.50%	0.00 0.25%
<u>Category 3:</u>	> 3.25 to 1.00 but ≤ 4.25 to 1.00	1.20 1.45%	1.20 1.45%	1.50 1.75%	0.20 0.40%
<u>Category 4:</u>	> 4.25 to 1.00 but ≤ 4.75 to 1.00	1.40 1.65%	1.40 1.65%	1.75 2.00%	0.40 0.60%
<u>Category 5:</u>	> 4.75 to <u>1.00 but ≤ 6.00 to 1.00</u>	1.75 2.00%	1.75 2.00%	2.25 2.50%	0.75 1.00%
<u>Category 6:</u>	<u>> 6.00 to 1.00</u>	<u>2.25%</u>	<u>2.25%</u>	<u>2.75%</u>	<u>1.25%</u>

For purposes of the foregoing,

(i) if at any time the Company fails to deliver the Financials on or before the date the Financials are due pursuant to the applicable provisions of the Indenture, the Category shall be determined in accordance with the table above as applicable; and

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has been notified in writing of such adjustments.

and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending the next such change); and

(iii) notwithstanding the foregoing, Category ~~36~~ shall be deemed to be applicable ~~from and after the Amendment 1~~ receipt of the applicable Financials for the Company's fiscal quarter ending on or about ~~April 2, 2022~~ July 1, 2023 and adjustments effected in accordance with the preceding paragraphs.

"Applicable Time" means, with respect to any Borrowings and payments in any Foreign Currency, the local time in the place of payment as may be determined by the Administrative Agent or the Issuing Bank, as the case may be, to be necessary for timely settlement of the applicable banking procedures in the place of payment.

"Approved Electronic Platform" has the meaning assigned to such term in Section 8.03(a).

"Approved Fund" has the meaning assigned to such term in Section 9.04(b).

"Arranger" means each of JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Mizuho Bank, Ltd. and any other bank or financial institution acting as bookrunner and a joint lead arranger hereunder.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and the Company, and consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the termination of the Revolving Commitments.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark for any payment period for interest calculated with reference to such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof) in determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest on such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period".

"Average Consolidated Net Indebtedness" means the average of the Consolidated Net Indebtedness of the Company for the four consecutive fiscal quarters.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Trust Corporation or other Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2009/11/EC of the Council of the European Union;

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"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to the provisions of Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Assets) the assets of any such "employee benefit plan" or "plan".

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Bonnie" has the meaning assigned to it under the definition of Subsidiary.

"Borrower" means the Company or any Subsidiary Borrower.

"Borrowing" means (a) Revolving Loans of the same Type and Tranche, made, converted or continued on the same terms as the Loans, as to which a single Interest Period is in effect, (b) a Term Loan of the same Type, made, converted or continued on the same terms as the Loans, as to which a single Interest Period is in effect or (c) a Swingline Loan.

"Borrowing Request" means a request by any Borrower (or the Company on behalf of the applicable Borrower) in the form attached hereto as Exhibit E-1 or such other form as is reasonably satisfactory to the Administrative Agent.

"Business Day" means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago; *provided that* (i) in relation to Loans denominated in Pounds Sterling, any day (other than a Saturday or a Sunday) on which banks are open for business in London, (ii) in relation to Loans denominated in euro and in relation to the calculation or computation of the EURIBOR Rate, any day on which banks are open for business in London, (iii) in relation to the calculation or computation of the CDOR Rate or the Canadian Prime Rate, any day on which banks are open for business in Toronto and (iv) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements and other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day.

"CAM Exchange" means the exchange of the Lenders' interests provided for in Article X.

"CAM Exchange Date" means the first date on which there shall occur (a) any event referred to in clause (f) of Article VII or (b) the acceleration of Loans pursuant to Article VII.

"CAM Percentage" means, as to each Revolving Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the amount (determined on the CAM Exchange Date) of the Designated Obligations owed to such Lender (whether or not at the time due and payable) and (b) the denominator shall be the

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Dollar Amount (as so determined) of the Designated Obligations owed to all the Revolving Lenders (whether or not at the time due and payable) on the CAM Exchange Date.

"Canadian Borrower" means (i) the Initial Canadian Borrower and (ii) any other Borrower that is organized under the laws of Canada.

"Canadian Dollars" means the lawful currency of Canada.

"Canadian Prime Rate" means, on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published, the rate published by the Administrative Agent from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the average of the prime rates of interest that appears on the Reuters Screen CDOR Page (or, in the event such rate does not appear on such page or screen, the rate displayed on such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion) at 10:15 a.m. Toronto time on such day, plus 1.00% per annum; provided, that if any of the above rates shall be less than the rate determined by the Administrative Agent for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or the CDOR Rate shall be effective as of such change in the PRIMCAN Index or the CDOR Rate, respectively.

"Canadian Swingline Loan" means a Loan made to a Borrower in Canadian Dollars pursuant to Section 2.05.

"Canadian Swingline Rate" means, with respect to any Canadian Swingline Loan, a rate in respect of such Canadian Swingline Loan determined by the Administrative Agent, the Company and the Swingline Lender (it being understood and agreed that if a Canadian Swingline Rate cannot be so agreed upon by the Administrative Agent, the Company and the Swingline Lender, then, at the Company's election, either (i) the "Canadian Swingline Rate" for such Canadian Swingline Loan plus the Applicable Spread for ABR Borrowings or (ii) the request for such Canadian Swingline Loan made by the applicable Borrower and cancelled and of no further force or effect).

"Capital Expenditures" means, without duplication, any expenditure for any purchase or other acquisition of any asset which is reflected on the consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock or interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Cash Equivalents" means (a) securities with maturities of one year or less issued or fully guaranteed by any Governmental Entity or A by Moody's; (b) commercial paper rated A-1 or better by S&P or P-1 or better by Moody's; (c) certificates of deposit issued by and time deposits in excess of \$300,000,000; and (d) money-market funds or money-market mutual funds which (i) seek to maintain a constant net asset value, (ii) have an aggregate market value

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of at least \$1,000,000,000 and (iii) invest primarily in instruments referred to in clauses (a) through (c) above and/or repurchase agreements

"CBR Loan" means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

"CBR Spread" means the Applicable Spread applicable to such Loan that is replaced by a CBR Loan.

"CDOR" means the Canadian Dollar offered rate.

"CDOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Canadian Dollars and for which the CDOR Rate is the applicable rate, the CDOR Rate as determined by the Administrative Agent at approximately 10:15 a.m., Toronto time, on the first day of such Interest Period; provided that if the CDOR Rate as so determined would be equal to the Floor for the purposes of this Agreement

"CDOR Screen Rate" means on any day for the relevant Interest Period, the annual rate of interest equal to the average of the bankers' acceptances for the applicable period that appears on the "Reuters Screen CDOR Page" as defined in the International Swap Dealers Association's ISDA Definitions, as amended from time to time (or, in the event such rate does not appear on such page or screen, on any successor or substitute appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent), or the nearest 1/100th of 1% (with .005% being rounded up), as of 10:15 a.m. Toronto time on the first day of such Interest Period and the immediately preceding business day (as adjusted by Administrative Agent after 10:15 a.m. Toronto time to reflect any error in the posted rate of interest).

"Central Bank Rate" means, the greater of (i) (A) for any Loan denominated in (a) Pounds Sterling, the Bank of England Rate as published by the Bank of England (or any successor thereto) from time to time, (b) euro, one of the following three rates as may be published by the European Central Bank (or any successor thereto), or, if that rate is not published, the rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto), or, if that rate is not published, the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto), or, if that rate is not published, the rate for any other Foreign Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion; and (ii) the Floor.

"Central Bank Rate Adjustment" means, for any day, for any Loan denominated in:

(a) Pounds Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Bank of England's Base Rates for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and lowest rates) and

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RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the

(b) euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted Central Bank Rate for the preceding such day for which the EURIBO Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBO Screen Rates) minus (ii) the Central Bank Rate in respect of euro in effect on the last Business Day in such period, and

(c) any other Foreign Currency determined after the Effective Date, an adjustment as determined by the Administrative Agent.

For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (i)(B) of the definition of Central Bank Rate and shall be based on the EURIBO Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable currency.

~~“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.~~

~~“Cash Equivalents” means (a) securities with maturities of one year or less issued or fully guaranteed by any Governmental Authority or at least A- by S&P or A- by Moody’s; (b) commercial paper rated A-1 or better by S&P or P-1 or better by Moody’s; (c) certificates of deposit of banks having capital and surplus in excess of \$300,000,000; and (d) money market funds or money market mutual funds which (i) maintain fund assets under management having an aggregate market value of at least \$1,000,000,000 and (ii) invest primarily in institutional and/or repurchase agreements thereon having a term not more than 30 days.~~

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date of the Closing), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty, (c) any implementation or application thereof by any Governmental Authority, or (d) compliance by any Lender or any Issuing Bank (or, for purposes of this Agreement, any such Lender or by such Lender’s or such Issuing Bank’s holding company, if any) with any request, rule, guideline, requirement or directive of any Governmental Authority made or issued after the date of this Agreement; provided however, that notwithstanding anything herein to the contrary, any request, rule, guideline, requirement or directive of any Governmental Authority, including any request, rule, guideline, requirement or directive of the Federal Reserve Bank of New York and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection with the Dodd-Frank Act, and any request, rule, guideline, requirement or directive promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law, whether or not adopted, issued or implemented.

“Charitable Foundation” means The Scotts Miracle-Gro Foundation, an Ohio non-profit corporation, which qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is organized solely for charitable purposes.

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“Consolidated Adjusted EBITDA” means, for any period of determination thereof, Consolidated EBITDA plus, with respect to the period, (i) revenues in determining Consolidated Net Income, (ii) non-recurring losses, (iii) non-cash charges or expenses (including, without limitation, (A) non-recurring compensation, (B) non-recurring write-off charges or expenses related to non-restructuring excess and obsolete inventory in an aggregate amount of \$5,000,000 for the fiscal quarters ending July 1, 2023 and September 30, 2023 and (C) non-restructuring expenses related to closed Hawthorne warehouse for the fiscal quarter ending September 30, 2022, (D) \$5,800,000 for the fiscal quarter ending December 31, 2022, (E) \$5,000,000 for the fiscal quarter ending July 1, 2023 minus, to the extent included in Consolidated Net Income, (1) non-recurring gain or loss, (2) non-recurring interest income and (3) non-recurring interest expense for the period in respect of items described in clause (ii) above subsequent to the fiscal quarter in which the relevant non-cash expense or income was recognized on a consolidated basis for the Company and its Subsidiaries.

“Consolidated EBITDA” means, for any period of determination thereof, Consolidated Net Income plus, without duplication, in determining Consolidated Net Income, (i) income tax expenses, (ii) depreciation expense, (iii) interest expense, (iv) amortization expense, (v) non-recurring interest income and (vi) non-recurring interest expense, (1) interest income and (2) income tax credits and refunds (to the extent not netted from tax expense), all as determined on a consolidated basis for the Company and its Subsidiaries.

“Consolidated Interest Expense” means, for any period of determination thereof, the interest expense of the Company and its Subsidiaries determined in accordance with GAAP; provided that (a) all items that are non-cash items in the period when recognized and (b) all items that are cash items in the period when recognized, including, without limitation, all costs, expenses and amortization of premiums, discounts and deferred issue costs of any debt, shall be included in determining Consolidated Interest Expense for any period.

“Consolidated Net Income” means, for any period of determination thereof, net income of the Company and its Subsidiaries determined in accordance with GAAP.

"Consolidated Net Indebtedness" means, for any date of determination thereof, Indebtedness plus the aggregate amount of all Indebtedness of the Company and its Subsidiaries, including Indebtedness not secured by Sold Receivables Assets (~~but only to the extent not already included in Indebtedness~~), ~~minus such obligations are required to be disclosed on the~~ Company's balance sheet or such obligations are Recourse Obligations), ~~minus the lesser of (i) \$50,000,000 and (ii) cash and Cash Equivalents on a consolidated balance sheet basis, without duplication, for the Company and its Subsidiaries.~~

"Consolidated Total Assets" means, at any date, all amounts that would be set forth opposite the caption "Total Assets" on the consolidated balance sheet of the Company and its Subsidiaries at such date in accordance with GAAP.

"Contractual Obligation" means, as to any Person, any material provision of any material security issued by such Person or any agreement, contract or other instrument, or any other arrangement or undertaking to which such Person is a party or by which it or any of its property is bound.

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determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"ETA" means the *Excise Tax Act* (Canada).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association from time to time.

"EURIBO Rate" means, with respect to any Term Benchmark Borrowing denominated in euro and for any Interest Period, the rate for such Term Benchmark Borrowing as published on the TARGET Days prior to the commencement of such Interest Period.

"EURIBO Screen Rate" means the euro interbank offered rate administered by the European Money Markets Institute (or its successor in the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator), or on the replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes such rate, published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Company.

"euro" or "€" means the single currency of the Participating Member States.

"euro Swingline Loan" means a Loan made to a Borrower in euro pursuant to Section 2.05.

"euro Swingline Rate" means, with respect to any euro Swingline Loan, a rate in respect of such euro Swingline Loan as determined by the euro Swingline Lender (it being understood and agreed that if a euro Swingline Rate cannot be so agreed upon by the Company and the Borrower, then the request for such euro Swingline Loan made by the applicable Borrower shall be deemed automatically terminated and the Company shall not be obligated to make such euro Swingline Loan).

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Domestic Subsidiary" means (i) any Receivables Subsidiary, (ii) each Domestic Subsidiary set forth in the Schedule of Excluded Domestic Subsidiaries, and (iii) any Domestic Subsidiary that is a Foundation.

"Excluded Entities" means each of (i) Bonnie, (ii) Laketon and (iii) upon the consummation of the Project Bob Transaction, any Person who, at the time as such Person becomes a Wholly-Owned Subsidiary of the Company, is an Excluded Entity.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, such Specified Swap Obligation is not a Swap Obligation of the Loan Party or, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee of such Specified Swap Obligation) is not subject to the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of such Act, rule, regulation or order) and is not a Swap Obligation for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes a Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing

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legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and

"Federal Funds Effective Rate" means, for any day, the rate calculated by the FRBNY based on such day's federal funds rate (determined in such manner as shall be set forth on the FRBNY's Website from time to time) and published on the next succeeding Business Day; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero.

"Finance Lease Obligations" means, as to any Person, the obligations of such Person to pay rent or other amounts (including amounts payable for conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases on the balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be determined in accordance with GAAP.

"Financials" means the annual or quarterly financial statements, and accompanying certificates, combinations and consolidations, asset sales, loans, disproportionate distributions of the Company's property and its Subsidiaries required to be delivered to the Lenders in connection with issuances or 5.01(b).

"Fixed Charge Coverage Ratio" means, as at the last day of any fiscal quarter of the Company, the ratio of the Company's Consolidated Earnings before interest and taxes (EBITDA) to the Company's Consolidated Fixed Charges, calculated on a pro forma basis, as if the Company had disposed of all of its assets and liabilities on the first day of the relevant period and any savings associated with such acquisition or disposition had been realized. Capital Expenditures minus (iii) expense for taxes paid in cash, in each case for the four consecutive fiscal quarters ending on or about September 30, 2022, September 30, 2023, December 31, 2023, and December 31, 2024, divided by the aggregate amount of Restricted Payments made during such four consecutive fiscal quarters.

"Fixed Charge RP Amount" means (i) for the four consecutive fiscal quarter period ending on or about September 30, 2022, the aggregate amount of Restricted Payments made during the four consecutive fiscal quarter period ending on or about September 30, 2022, (ii) for the four consecutive fiscal quarter period ending on or about December 31, 2023, the aggregate amount of Restricted Payments made during the four consecutive fiscal quarter period ending on or about December 31, 2023, (iii) for the four consecutive fiscal quarter period ending on or about March 31, 2024, the aggregate amount of Restricted Payments made during the four consecutive fiscal quarter period ending on or about March 31, 2024 and (iv) for the four consecutive fiscal quarter period ending thereafter, the aggregate amount of Restricted Payments made during such four consecutive fiscal quarter period.

"Fixed Charges" means, for any period of four consecutive fiscal quarters, (i) Consolidated Interest Expense plus (ii) plus the Fixed Charge RP Amount, plus (iii) the Fixed Charge RP Amount.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement) and thereafter (as of the execution of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the CDOR Rate, each Adjusted Rate, and the applicable rate. For the avoidance of doubt,

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"Foreign Subsidiary" means any Subsidiary which is not a Domestic Subsidiary.

"Foreign Subsidiary Borrower" means any Borrower which is a Foreign Subsidiary.

"FRBNY" means the Federal Reserve Bank of New York.

"FRBNY Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates is in effect on such day, the term "FRBNY Rate" means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received from the primary dealer or broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"FRBNY's Website" means the website of the FRBNY at <http://www.newyorkfed.org>, or any successor source.

"Full Security Period" shall have the meaning specified in the Guarantee and Collateral Agreement.

"GAAP" means generally accepted accounting principles in the United States of America.

"Global Tranche Commitment" means, with respect to each Global Tranche Lender, the commitment of such Lender to make Revolving Loans and rights to acquire participations in Global Tranche Letters of Credit and Swingline Loans hereunder, as such commitment may from time to time pursuant to Section 2.09, (b) increased or assumed from time to time pursuant to an Incremental Facility Agreement pursuant to Section 2.20, or from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Global Tranche Lender's commitment shall be the amount set forth in Schedule 2.01A, or in the Assignment and Assumption (or other documentation contemplated by this Agreement) pursuant to which such Lender's commitment is made, as applicable. The aggregate principal amount of the Global Tranche Commitments shall be ~~\$1,285,550,000~~ 1,071,291,666.67.

"Global Tranche LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all or part of the Global Tranche Letters of Credit that have not yet been drawn down as of such time plus (b) the aggregate Dollar Amount of all LC Disbursements in respect of Global Tranche Letters of Credit that have not yet been drawn down as of such time. The Global Tranche LC Exposure of any Global Tranche Lender at any time shall be its Global Tranche Percentage of the total Global Tranche LC Exposure.

"Global Tranche Lender" means a Lender with a Global Tranche Commitment or holding Global Tranche Revolving Loans or Swingline Loans.

"Global Tranche Letter of Credit" means any letter of credit issued under the Global Tranche Commitments pursuant to this Agreement.

"Global Tranche Percentage" means the percentage equal to a fraction the numerator of which is such Lender's Global Tranche Commitment and the denominator of which is the aggregate Global Tranche Commitment.

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"Hawthorne Entities" means The Hawthorne Gardening Company, Hawthorne Hydroponics LLC, Agrolux Canada Limited, and any subsidiary formed to own Hawthorne intellectual property.

"Hazardous Materials" means any explosive or radioactive substance or waste and any hazardous or toxic substance or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes or other substances regulated pursuant to any Environmental Law.

"Hedging Agreements" means (a) any interest rate protection agreement, interest rate future, interest rate option, interest rate swap, or other interest rate hedge or arrangement (from fixed to floating rates, from one floating rate to another floating rate or otherwise) or other interest rate hedge or arrangement for the benefit of the Company, the Company's subsidiary, or any other beneficiary and (b) any agreement or arrangement designed to limit or eliminate the risk and/or exposure of the Company to fluctuations in interest rates.

"Hedging Lender" means any Lender or affiliate thereof which from time to time enters into a Hedging Agreement with the Company.

"Incremental Commitment" means an Incremental Revolving Commitment or an Incremental Term Loan Commitment.

"Incremental Equivalent Notes" has the meaning assigned to such term in Section 6.05(n).

"Incremental Facility Agreement" means an Incremental Facility Agreement, in form and substance reasonably satisfactory to the Company, the Company's subsidiary, the Administrative Agent and one or more Incremental Lenders, establishing Incremental Revolving Commitments and effecting such other amendments hereto and to the other Loan Documents as are contemplated by this Agreement.

"Incremental Lender" means an Incremental Revolving Lender or an Incremental Term Lender.

"Incremental Revolving Commitment" means, with respect to any Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans (in each case, as set forth in the applicable Incremental Facility Agreement and Section 2.20, to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans (in each

"Intellectual Property" shall have the meaning specified in the Guarantee and Collateral Agreement.

"Interest Election Request" means a request by the applicable Borrower to convert or continue a Borrowing in hereto as Exhibit E-2 or such other form as is reasonably satisfactory to the Administrative Agent.

"Interest Payment Date" means (a) with respect to any ABR Loan and any Swingline Loan, the third (3rd) Business Day of September and December and the Maturity Date, (b) with respect to any RFR Loan, each date that is on the numerically corresponding day in the calendar month after the Borrowing of such RFR Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month), and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of one month from the start of the Interest Period and the Maturity Date.

"Interest Period" means with respect to any Term Benchmark Borrowing, the period commencing on the date of the Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or, other than with respect to CDOR Borrowing, six months thereafter (or the next Business Day following such date, if such day is not a Business Day), as the applicable Borrower (or the Company) may elect (provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next Business Day, in which case such Interest Period shall end on the next Business Day, and (ii) no tenor that has been removed from this definition shall apply to such Interest Period), or, if no election is made, the period commencing on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) and ending on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition shall apply to such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the effective date of the most recent conversion or continuation of such Borrowing.

"IP Security Agreements" shall have the meaning specified in the Guarantee and Collateral Agreement.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means each of JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Mizuho Bank, Ltd., and any other Lender designated by the Company as an "Issuing Bank" hereunder that has agreed to such designation (and is reasonably acceptable to the Company) as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). Each Issuing Bank may issue Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to such Letters of Credit.

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"Laketon" has the meaning assigned to it under the definition of Subsidiary.

"Latest Maturity Date" means, as of any date of determination, the latest Maturity Date applicable to any Loans outstanding on such date.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit and (b) the Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of the Company shall be its Global Tranche Percentage of the total Global Tranche LC Exposure at such time and the LC Exposure of any US Tranche Lender shall be its percentage of the total US Tranche LC Exposure at such time.

"Lender Cash Management Agreements" means all agreements providing for treasury, depositary or cash management services, including automated clearing house transfers of funds or any similar transactions (including, without limitation, the use of sweep accounts, overdraft or similar credit facility in connection therewith and including credit cards for commercial customers (including, without limitation, corporate cards)).

"Lender Hedging Agreements" means all Hedging Agreements entered into by the Company or any Subsidiary with any Lender.

"Material Intellectual Property" means Intellectual Property that is material to the business operations of the Company and its

"Material Subsidiary" means at any time (i) any Subsidiary Borrower, (ii) any Subsidiary which, as of the most recent four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or Consolidated Adjusted EBITDA for such period or (iii) any Subsidiary designated in writing by the Company as a Material Subsidiary; if Consolidated Adjusted EBITDA attributable to all Subsidiaries that are not Material Subsidiaries exceeds ten percent (10%) of Consolidated Adjusted EBITDA for such period, the term Material Subsidiary shall be deemed to include such Subsidiaries of the Company as may be required so that this proviso shall not be operative.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof), asbestos, lead-based paint, polychlorinated biphenyls, polycyclic aromatic hydrocarbons, volatile organic compounds, hazardous waste, asbestos-containing materials, formaldehyde insulation and any other substance that could reasonably be expected to give rise to liability under any Environmental Law.

"Maturity Date" means the Tranche A Term Loan Maturity Date, the Incremental Term Maturity Date with respect to the Revolving Maturity Date, as the context requires.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title I of ERISA.

"Non-Quoted Currency" means Canadian Dollars.

"Note" has the meaning assigned to such term in Section 2.10(e).

"Obligations" means all unpaid principal of and interest on the Loans, all LC Exposure, all unpaid fees, and all other amounts payable by or for the Company or any Subsidiary, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other amounts payable by or for any Subsidiary to the Administrative Agent or the Lenders (or, in the case of Lender Hedging Agreements, Lender Cash Management Agreements, or Lender Supply Chain Financing Agreements, any Affiliate of a Lender), whether direct or indirect, absolute or contingent, incurred, which may arise under, out of, or in connection with, this Agreement, the other Loan Documents, any Lender Hedging Agreements, any Lender Qualified Bilateral Letters of Credit, any Lender Supply Chain Financing Agreements or any thereof or any other documents or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, interest and fees accruing after the maturity of the Loans and interest thereon accruing after the filing of any petition in bankruptcy or reorganization or like proceeding, relating to the

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Company or any Subsidiary, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other amounts payable by or for any Subsidiary to the Administrative Agent or the Lenders (or, in the case of Lender Hedging Agreements, Lender Cash Management Agreements, or Lender Supply Chain Financing Agreements, any Affiliate of a Lender), whether direct or indirect, absolute or contingent, incurred, which may arise under, out of, or in connection with, this Agreement, the other Loan Documents, any Lender Hedging Agreements, any Lender Qualified Bilateral Letters of Credit, any Lender Supply Chain Financing Agreements or any thereof or any other documents or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, interest and fees accruing after the maturity of the Loans and interest thereon accruing after the filing of any petition in bankruptcy or reorganization or like proceeding, relating to the

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or future transaction or activity in any jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, or entered into, under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or Credit or Loan Document).

"Other Taxes" means all present or future stamp, court, registration or documentary, intangible, recording, filing or transfer taxes, or any other taxes, imposed under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment of a security interest) pursuant to Section 2.20(e)).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and the overnight bank funding rate as determined by the FRBNY as set and published on the next succeeding Business Day by the FRBNY as an overnight bank funding rate.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the FRBNY Rate or Foreign Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with the applicable compensation.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

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"Project Bob Transaction" means a non-cash transaction involving the Hawthorne Entities (including the entry into a joint venture or other arrangement) of such transaction as previously disclosed to the Administrative Agent and Lenders prior to the Amendment No. 2 Effective Date.

"Projections" has the meaning assigned to such term in Section 5.02(b).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, the Uniform Commercial Code in effect from time to time in the State of New York.

"QFC Credit Support" has the meaning assigned to it in Section 9.19.

"Rabobank Receivables Purchase Facility" has the meaning set forth in the definition of "Receivables Purchase Facility" in the Master Framework Agreement.

"Receivable" means any account and any other right to payment for goods sold or leased or for services rendered or to be rendered by the Company or any Subsidiary, whether or not it has been earned by performance. The terms "account", "instrument" and "chattel paper" have the meanings assigned to such terms in the Uniform Commercial Code in effect from time to time in the State of New York.

"Receivables Subsidiary" means a Subsidiary of the Company created to purchase and finance Sold Receivables Assets.

"Receivables Purchase Facility" means any receivables financing facility entered into in connection with any sale of Receivables Assets in a securitization arrangement with terms and conditions reasonably satisfactory to the Administrative Agent and pursuant to which the Company or any Subsidiary sells, convey or otherwise transfer to a Receivables Subsidiary or any other Person, or may grant a security interest in, any Sold Receivables Assets, or interests in, or notes, commercial paper, certificates or other debt instruments may be secured by Sold Receivables Assets. For the purposes of this definition, the Master Framework Agreement, and Annex I thereto, with Cooperatieve Rabobank, U.A. (New York Branch), as agent (the "Receivables Agent") and purchaser, dated as of April 7, 2017, as amended, and (ii) Master Framework Agreement with Cooperatieve Rabobank, U.A. (New York Branch), as purchaser, dated as of April 7, 2017, as amended to date and/or restated from time to time (the "Rabobank Receivables Purchase Facility"), shall be considered a Receivables Purchase Facility.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

"Recourse Obligation" means any obligation (contingent or otherwise) which (i) is guaranteed by the Company or any Subsidiary, (ii) is guaranteed by the principal, interest and fees) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any Subsidiary in connection with the Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any Subsidiary to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings.

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Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings.

"Reference Time" with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the day that is two (2) Business Days preceding the date of such setting, (ii) if such Benchmark is the EURIBO Rate, 11:00 a.m., Brussels such setting, (iii) if the RFR for such Benchmark is SONIA, then four (4) Business Days prior to such setting, (iv) if the RFR for such Business Days prior to such setting or (v) if such Benchmark is none of the Term SOFR Rate, Daily Simple SOFR, the EUR Administrative Agent in its reasonable discretion.

"Refinancing" means the refinancing of the amounts outstanding under the Existing Credit Agreement with the pre

"Register" has the meaning assigned to such term in Section 9.04(b).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective di representatives of such Person and such Person's Affiliates.

"Relevant Governmental Body" means (i) with respect to a Benchmark Replacement in respect of Loans denom CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Board and/or the FRBNY or, in to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in euro, the endorsed or convened by the European Central Bank or, in each case, any successor thereto and (iv) with respect to a Benchmark Re other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or of either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or co central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor i Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other superv thereof.

"Relevant Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjust Benchmark Borrowing denominated in euro, the Adjusted EURIBO Rate, (iii) with respect to any Term Benchmark Borrowing denom with respect to any RFR Borrowing denominated in Pounds Sterling or Dollars, the applicable Adjusted Daily Simple RFR, as applicab

"Relevant Screen Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the T Term Benchmark

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"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Pers State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of th authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned, whether individually or i greater interest, or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforce including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, the European Union Kingdom, including Her Majesty's Treasury of the United Kingdom or (c) any other relevant sanctions authority.

"SEC" means the United States Securities and Exchange Commission.

"Secured Parties" means the holders of the Obligations from time to time and shall include (i) each Lender and Exposure respectively, (ii) the Administrative Agent, the Issuing Banks and the Lenders in respect of all other present and future o Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (iii) each Le of Lender Hedging Agreements, Lender Cash Management Agreements ~~and~~, Lender Qualified Bilateral Letters of Credit ~~and Lender~~ with such Person by the Company or any Subsidiary, (iv) each indemnified party under Section 9.03 in respect of the obligation hereunder and under the other Loan Documents, and (v) their respective successors and (in the case of a Lender, permitted) transfere

"Securities Act" means the United States Securities Act of 1933.

“Security Document” means each of (a) the Guarantee and Collateral Agreement, (b) the [IP Security Agreement](#) Foreign Pledge Agreement Acknowledgment and Confirmation.

“Series” has the meaning assigned to such term in Section 2.20(b).

“Single Employer Plan” means, at any particular time, any employee pension benefit plan (as defined in Section 401(a) of the Code) which is covered by Titles I and IV of ERISA or Title I of ERISA and Section 412 of the Code, and in respect of which the Company or any Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employee” of the Company, Subsidiary Borrower or Commonly Controlled Entity has any actual or contingent liability.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the FRBNY (or a successor administrator of the secured overnight financing rate).

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“SONIA Administrator's Website” means the Bank of England's website, currently at <http://www.bankofengland.co.uk/sonia>, or any successor website, identified as such by the SONIA Administrator from time to time.

“Specified Conditions” means, at any time of determination thereof, (a) no Incremental Term Loans in the form of a Term Loan issued and are outstanding pursuant to Section 2.20 and (b) (i) the Company's “corporate credit rating” from S&P (or such other term as may be specified by the Company) shall be at least BBB- (with a family rating) from Moody's (or such other term as Moody's may from time to time use to describe the Company's senior unsecured rating, the “Moody's Rating”) shall be at least Baa3 (with a stable outlook) or (ii) (x) the Company's S&P Rating shall be at least BBB- (with a family rating) from Moody's (or such other term as Moody's may from time to time use to describe the Company's senior unsecured rating, the “Moody's Rating”) shall be at least Baa3 (with a stable outlook) and (y) the Leverage Ratio is less than or equal to 2.50 to 1.00.

“Specified Excluded Capital Stock” means (i) the Capital Stock of SMG Germany GmbH, (ii) the Capital Stock of Scotts de Mexico SA de CV, (iv) the Capital Stock of Scotts Servicios S.A., (v) the Capital Stock of Scotts Sierra (China) Co. Ltd., (vi) [C.V.](#), (vii) the Capital Stock of The ~~Scotts Miracle-Grow~~ [Scotts Miracle-Gro](#) Foundation, and (viii) ~~up to (but no more than) 7.5% of the~~ [Excluded Entities \(other than the](#) Capital Stock of The Hawthorne Gardening Company ~~to the extent such Capital Stock has been issued in connection with compensation directly owned by the Company or any Subsidiary Guarantor, which shall be pledged in accordance with the terms of the~~

“Specified Property” means all Capital Stock of any Domestic Subsidiary and 65% of any first-tier Foreign Subsidiary listed on [Schedule 1.01B](#) (ii) ~~each Domestic Subsidiary substantially all of the assets of which are intellectual property assets, (iii) the~~ Capital Stock carved-out in Section 5.11), Equipment, Inventory ~~and~~, Receivables (other than Sold Receivables Assets) [and Intellectual Property](#) of the Company and its Subsidiary Guarantors. The terms “Equipment” and “Inventory” as used herein shall have the meaning assigned to such terms in the Uniform Commercial Code of the State of New York.

“Specified Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement constituting a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Standard Securitization Undertakings” means ~~representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary Guarantor in connection with~~ [receivable financing or securitization which are reasonably customary for a seller or servicer of assets in a non-recourse bankruptcy-remote account](#)

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) applicable to the Administrative Agent is subject with respect to the Adjusted EURIBO Rate for eurocurrency funding (currently referred to as the “Adjusted EURIBO Rate”) (Board) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of such funding.

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Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D of the Board. eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available under Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Statutory Reserve Rate.

"Subordinated Indebtedness" means any Indebtedness of the Company or any Subsidiary the payment of which is subordinated to the payment of obligations under the Loan Documents.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity of which securities of the parent are owned in excess of 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interest is owned, Controlled or held; provided, that, notwithstanding the foregoing, (i) to the extent Bonnie Plants, LLC ("Bonnie") becomes a "Subsidiary" or "Material Subsidiary" or "Subsidiary" for purposes of the representations and warranties, covenants, events of default or any other terms of this Agreement, (ii) to the extent Laketon Peat Moss Inc. ("Laketon") becomes a "Subsidiary" following the consummation of the Project Bob Transaction, none of the Hawthorne Entities will be a "Material Subsidiary" or "Subsidiary" for purposes of the representations and warranties, covenants, events of default or any other terms of this Agreement until such time as such Hawthorne Entity becomes a Wholly-Owned Subsidiary of the Company, and, (iii) the Charitable Foundation will not be a "Subsidiary" for purposes of this Agreement.

"Subsidiary Borrower" means (i) the Initial Subsidiary Borrowers and (ii) any Eligible Subsidiary that becomes a Subsidiary Borrower pursuant to such Section. In the case of each of the foregoing, that has not ceased to be a Subsidiary Borrower pursuant to such Section.

"Subsidiary Borrower Agreement" means a Subsidiary Borrower Agreement substantially in the form of Exhibit C-1.

"Subsidiary Borrower Termination" means a Subsidiary Borrower Termination substantially in the form of Exhibit C-2.

"Subsidiary Guarantor" means (a) each Material Domestic Subsidiary of the Company ~~executing party to the Guarantee~~ (which shall expressly exclude each Excluded Domestic Subsidiary) and (b) each Required Subsidiary acquired or organized subsequent to the date of the Agreement, provided in Section 5.11, that is a party to the Guarantee and Collateral Agreement.

"Supported QFC" has the meaning assigned to it in Section 9.19.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time shall be

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"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) of the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) of the Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of the Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark.

"Unliquidated Obligations" means, at any time, any Obligations (or portion thereof) that are contingent in nature or that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including but not limited to) such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"US Borrower" means the Company and each Domestic Subsidiary Borrower.

"US Tranche Commitment" means, with respect to each US Tranche Lender, the commitment of such US Tranche Lender to acquire participations in US Tranche Letters of Credit hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to an Incremental Facility Agreement pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to Section 9.04. The initial amount of each US Tranche Lender's US Tranche Commitment is set forth on Schedule 1 (or other documentation contemplated by this Agreement) pursuant to which such US Tranche Lender shall have assumed its US Tranche Commitment. The principal amount of the US Tranche Commitments on the Amendment No. 2 Effective Date is ~~\$214,450,000~~ 178,708,333.33.

"US Tranche LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding US Tranche Letters of Credit plus (b) the aggregate Dollar Amount of all LC Disbursements in respect of US Tranche Letters of Credit that have not yet been reimbursed. The US Tranche LC Exposure of any US Tranche Lender at any time shall be its US Tranche Percentage of the total US Tranche LC Exposure.

"US Tranche Lender" means a Lender with a US Tranche Commitment or holding US Tranche Revolving Loans.

"US Tranche Letter of Credit" means any letter of credit issued under the US Tranche Commitments pursuant to the US Tranche Commitments.

"US Tranche Percentage" means the percentage equal to a fraction the numerator of which is such Lender's US Tranche Commitment and the denominator of which is the aggregate US Tranche Commitments of all US Tranche Lenders (if the US Tranche Commitments have terminated or expired, the aggregate US Tranche Commitments as of the date of termination or expiration, based upon the US Tranche Commitments most recently in effect, giving effect to any assignments); provided that in the case of Section 2.20, the US Tranche Percentage shall be calculated as if the US Tranche Commitments had not terminated or expired.

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proceeds of any such Incremental Term Loans, Incremental Revolving Commitments and Incremental Equivalent Notes for purposes of the calculation of the Leverage Ratio), the Leverage Ratio shall not exceed 3.50 to 1.00 (other than to the extent such Incremental Term Loans, Incremental Revolving Commitments and/or Incremental Equivalent Notes are incurred pursuant to this clause (C) concurrently with the incurrence of Incremental Term Loans, Incremental Revolving Commitments and/or Incremental Equivalent Notes in reliance on clause (A) of this sentence, in which case the Leverage Ratio shall be calculated as if such Incremental Term Loans, Incremental Revolving Commitments, Incremental Term Loan Commitments and/or Incremental Equivalent Notes incurred for the avoidance of doubt, Incremental Revolving Commitments, Incremental Term Loan Commitments and Incremental Equivalent Notes were not incurred prior to utilization of the amount set forth in clause (A) of this sentence. Notwithstanding anything to the contrary in this Section 2.20, Incremental Revolving Commitments, Incremental Term Loan Commitments and secured Incremental Equivalent Notes permitted to be incurred shall not exceed \$25,000,000 in the aggregate.

(b) The terms and conditions of any Incremental Revolving Commitment and Loans and other extensions of credit made thereunder (including the Tranche under which such credit is made), and shall be treated as a single Class with such Revolving Commitments and Loans under such Tranche. The terms and conditions of the Incremental Revolving Commitments and the Incremental Term Loans to be made thereunder shall be, except as otherwise set forth herein or in the applicable documents, the same as the terms and conditions of the Tranche A Term Loan Commitments and the Tranche A Term Loans; provided that (i) the interest rate margins with respect to the Incremental Term Loans shall be the same as the interest rate margins with respect to the Tranche A Term Loans as agreed by the Company and the lenders in respect thereof, (ii) any Incremental Term Loan shall have terms, in the Company's reasonable discretion, that are no less favorable to the Company than the terms of the Tranche A Term Loans, (iii) subject to clause (ii), above, the amortization schedule with respect to any Incremental Term Loan shall be the same as the amortization schedule with respect to the Tranche A Term Loans, (iv) the maturity of the Incremental Term Loans shall be no later than the maturity of the Tranche A Term Loans with the longest remaining weighted average life to maturity, (v) except as set forth above (or otherwise customary in the market), the Incremental Term Loans shall be treated no more favorably than the Tranche A Term Loans (in each case, including with respect to the application of the foregoing shall not apply to covenants or other provisions applicable only to periods after the Latest Maturity Date in effect for the Tranche A Term Loans; provided further that any Incremental Term Loans may add additional covenants or events of default not otherwise set forth in the Tranche A Term Loans, provided that such Incremental Facility so long as all Lenders receive the benefits of such additional covenants, events of default or more restrictive covenants or more restrictive covenants are customarily limited to term loans of the type of such Incremental Term Loans, provided that the Incremental Term Loans are inconsistent with the terms applicable to the Tranche A Term Loans (except, in each case, as otherwise set forth in the Tranche A Term Loans), (vi) the terms of the Incremental Term Loans shall be reasonably satisfactory to the Administrative Agent, (vii) any Incremental Term Loans shall have the same Guarantees as the Tranche A Term Loans on the Collateral and in right of payment with the Loans (except to the extent that the related Incremental Facility Agreement provides otherwise), in which case such Incremental Term Loans shall be subject to a customary intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent.

part of their business nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other a any applicable Environmental Law with respect to the Company or any of its Subsidiaries.

(f) There has been no release or threat of release of Materials of Environmental Concern at any location for wh by contract or operation of law, in violation of or in amounts or in a manner that would reasonably be expected to give rise to liability t applicable Environmental Laws.

SECTION 3.18. Intellectual Property. The Company and each of its Subsidiaries owns, or is licensed to use, a know-how and processes necessary for the conduct of its business as currently conducted except for those the failure of which to o have a Material Adverse Effect (the "Significant Intellectual Property"). No claim has been asserted and is pending by any Perso Significant Intellectual Property or the validity or effectiveness of any such Significant Intellectual Property, and no Responsible Office such claim, except for such claims which would not reasonably be expected to have a Material Adverse Effect. The use of such Signi Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, would not i Effect.

SECTION 3.19. Security Documents. Except to the extent otherwise noted therein, the Guarantee and Collateral are effective to create, or continue, in favor of the Administrative Agent, for the benefit of the Lenders (or, where required by law, in fa security interest in the Collateral described therein and the proceeds thereof. In the case of (i) the Pledged Stock described and de except to the extent otherwise noted therein, when stock certificates representing such Pledged Stock are delivered to the Administ defined in the Guarantee and Collateral Agreement, except to the extent otherwise noted therein, when the financing statements spe filed in the offices specified on Schedule 3.19(ii) and (iii) the filings and other actions are made in respect of the Foreign Pledge Security Document shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in su for the Obligations, in each case prior and superior in right to any other Person, subject to Liens permitted by Section 6.01. The Subsidiary will be limited to 65% of such Capital Stock of such Foreign Subsidiary, but no other assets of Foreign Subsidiaries of the C

SECTION 3.20. Solvency. The Company and its Subsidiaries, on a consolidated basis, are, and after giving i Indebtedness and obligations being incurred in connection herewith and therewith will be and will continue to be, Solvent.

SECTION 3.21. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary, which shall the officers of such Subsidiary authorized to request Borrowings hereunder and sign the Subsidiary Borrower Agreement and the c becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and address

(d) Any documentation and other information related to such Subsidiary reasonably requested by the Administ your customer" or similar rules and regulations, including the Act and the Beneficial Ownership Regulation; and

(e) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requ

(f) Any documentation and other information that is reasonably requested by the Administrative Agent or any authorities under applicable "know-your-customer" and Anti-Money Laundering Laws, including the Patriot Act and the Beneficial Own

ARTICLE V

Affirmative Covenants

The Company hereby agrees that, until the Commitments have expired or been terminated and the principal of and interest thereon has been paid in full (other than Unliquidated Obligations) and all Letters of Credit shall have expired or terminated, in each case, without any prepayment, the Company shall, and in the case of the agreements set forth in Sections 5.03, 5.04, 5.05, 5.06, 5.07, 5.11 and 5.12, shall cause each of them to

SECTION 5.01. Financial Statements. Furnish to the Administrative Agent (for distribution to each Lender):

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Company (beginning with the fiscal year ending 2022), a copy of the audited consolidated balance sheet of the Company and its Subsidiaries as at the end of such year and the related earnings and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year; provided that the same are certified by independent certified public accountants of nationally recognized standing without a "going concern" or like qualification or exception and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending April 2, 2022), a copy of the unaudited consolidated balance sheet of the Company and its Subsidiaries and the related unaudited statements of consolidated

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income and retained earnings and of cash flows for such quarter and the portion of the fiscal year through such date setting forth the previous year, certified by a Responsible Officer of the Company as being fairly stated in all material respects; and

(c) for any period during which there are any Excluded Entities, simultaneously with the delivery of each set of financial statements referred to in Sections 5.01(a) and 5.01(b) above, reasonable supplemental financial information reflecting adjustments necessary to eliminate the effect of the Excluded Entities on the consolidated financial statements (which may be in footnote form);

all such financial statements to be complete and correct in all material respects and prepared in reasonable detail and in accordance with GAAP. If, in accordance with GAAP, referred to in subparagraph (b), such financial statements need not contain notes and shall be prepared substantially in accordance with GAAP, except as otherwise disclosed in the notes thereto.

Any financial statement or other documents required to be delivered pursuant to this Section 5.01 or Section 5.02(c) below shall be delivered to the Administrative Agent or to the Lenders, or to the website of the Company, which the Company posts such financial statement or other document on its website at www.scotts.com or when such financial statement or other document is filed with the SEC at www.sec.gov.

SECTION 5.02. Certificates; Other Information. Furnish to the Administrative Agent (for distribution to each Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 5.01(a) and 5.01(b) above, a certificate of the Company (i) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the nature of the Default or Event of Default and the action proposed to be taken with respect thereto, and (ii) showing in detail the calculations supporting such statement in respect of Sections 5.01(a) and 5.01(b) above, amount of all obligations under Lender Supply Chain Financing Agreements that constitute "Obligations" under this Agreement and that does not exceed \$125,000,000;

(b) as soon as available, and in any event no later than 90 days after the end of each fiscal year of the Company (beginning with the fiscal year ending 2022), a copy of the unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of the following fiscal year (including a projected consolidated balance sheet of the Company and its Subsidiaries as of the end of the following fiscal year) and a description of the underlying assumptions applicable thereto (collectively, the "Projections");

(c) promptly after the same are sent and received, copies of all financial statements, reports and notices which the Company may make to, or receive from, the SEC or any public body succeeding to any or all of the functions of the SEC;

(d) promptly upon receipt thereof, copies of all final reports submitted to the board of directors of the Company in connection with each annual, interim or special audit of the books of the Company made by such accountants, including, without limitation, the reports of such accountants regarding internal controls over financial reporting.

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SECTION 5.09. Maintenance of Fixed Charge Coverage Ratio. Maintain the Fixed Charge Coverage Ratio for each fiscal quarter ending on and after ~~April 2, 2022~~ September 30, 2023, of not less than ~~3.00 to 1.00~~ the applicable ratio set forth in the grid below:

<u>Fiscal Quarter Ending</u>	<u>Fixed Charge Coverage Ratio</u>
<u>September 30, 2023</u>	<u>0.75 to 1.00</u>
<u>December 30, 2023</u>	<u>0.75 to 1.00</u>
<u>March 30, 2024</u>	<u>0.75 to 1.00</u>
<u>June 29, 2024</u>	<u>0.75 to 1.00</u>
<u>September 30, 2024 and each fiscal quarter thereafter</u>	<u>1.00 to 1.00</u>

SECTION 5.10. Maintenance of Leverage Ratio. Subject to the last sentence of this Section, maintain the Leverage Ratio for each fiscal quarter ending on and after ~~April 2, 2022~~ July 1, 2023, of not greater than the applicable ratio set forth in the grid below:

<u>Fiscal Quarter Ending</u>	<u>Leverage Ratio</u>
April 2, 2022 <u>July 1, 2023</u>	4.50 <u>7.00</u> to 1.00
June 30, 2022 <u>September 30, 2023</u>	6.25 <u>7.75</u> to 1.00
September 30, 2022 <u>December 30, 2023</u>	6.25 <u>8.25</u> to 1.00
<u>March 30, 2024</u>	<u>7.75 to 1.00</u>
<u>June 29, 2024</u>	<u>6.50 to 1.00</u>
December 31, 2022 <u>September 30, 2024</u>	6.25 <u>6.00</u> to 1.00
March 31, 2023 <u>December 28, 2023</u>	6.50 <u>5.50</u> to 1.00
June 30, 2023 <u>March 29, 2025</u>	6.50 <u>5.25</u> to 1.00
September 30, 2023 <u>June 28, 2025</u>	6.25 <u>5.00</u> to 1.00
December 31, 2023 <u>September 30, 2025</u>	6.25 <u>4.75</u> to 1.00
<u>March 31, 2024</u>	<u>5.50 to 1.00</u>
June 30, 2024 <u>December 27, 2025</u> and each fiscal quarter thereafter	<u>4.50 to 1.00</u>

It is understood and agreed that if the Company terminates the Leverage Adjustment Period pursuant to clause (ii) of the definition of "Leverage Adjustment Period" in the above grid shall be disregarded and be null, void and of no further force and effect from and after such Leverage Adjustment Period Termination Date, the Company will be required to maintain the Leverage Ratio, determined as of the end of each of its fiscal quarters, for each fiscal quarter of the Company immediately following the then most recent fiscal quarter of the Company in respect of which the Company has delivered Financials pursuant to Section 5.02(a) to the Administrative Agent, of not greater than 4.50 to 1.00.

SECTION 5.11. Additional Collateral, etc.

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SECTION 5.12. Environmental, Health and Safety Matters.

(a) Comply in all material respects with all applicable Environmental Laws, including, without limitation, obtain licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws. For purposes of this Section 5.1 of its Subsidiaries or any tenant or subtenant, with any applicable Environmental Law shall be deemed not to constitute a breach of actual or suspected material noncompliance, the Company and the relevant Subsidiaries shall promptly undertake all reasonable efforts in good faith by appropriate proceedings the alleged violation or applicable Environmental Law at issue and (to the extent required by GAAP of its Subsidiaries, as the case may be, reserves in accordance with GAAP with respect thereto), and provided further that, in noncompliance with applicable Environmental Law, individually or in the aggregate, could not reasonably be expected to have a Material

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to a sale and leaseback transaction), or all or substantially all of the Capital Stock of its Subsidiaries (in each case, whether now owned or held

(a) any Subsidiary of the Company may be merged, amalgamated or consolidated with or into the Company (provided that in the case of each such merger or consolidation, the Company or such Wholly-owned Subsidiary, as the case may be,

(b) (i) any Subsidiary of the Company that is not a Loan Party may liquidate, wind up or dissolve and (ii) any Loan Party may wind up or dissolve as long as any assets of such entity are transferred to the Company or another Loan Party;

(c) any Subsidiary of the Company may dispose of all or substantially all of its business, property or assets (in one or a series of transactions, to, (i) the Company or any Wholly-owned Subsidiary of the Company (provided that such Wholly-owned Subsidiary is not another Person in compliance with Section 6.08; and

(d) the Company or any Subsidiary of the Company may consummate any transaction of merger or consolidation (without limitation, any Affiliate of the Company), provided that such merger, consolidation or amalgamation shall be a Permitted Acquisition

SECTION 6.04. Limitation on Acquisitions, Investments, Loans and Advances. Make any advance, loan, extension of credit, stock, bonds, notes, debentures or other securities of any Person, or make any other investment in any Person, except:

(a) investments in Cash Equivalents;

(b) loans and advances to officers and directors of the Company or any of its Subsidiaries (or employees thereof) if such loans and advances are approved by an officer of the Company) for travel, entertainment and relocation expenses in the ordinary course of business, which shall not exceed \$5,000,000 at any one time outstanding;

(c) loans and advances to and investments in the Company or its Subsidiaries;

(d) investments in notes and other securities received in the settlement of overdue debts and accounts payable (including trade payables), which, individually or in the aggregate, are not material to the Company and its Subsidiaries taken as a whole;

(e) Permitted Acquisitions and other loans, advances and investments, provided that after giving proforma effect to such transactions, in compliance with the covenant contained in Section 5.09 and (ii) the Leverage Ratio is less than or equal to 4.50 to 1.00, in each case as at the last day of the most recently ended fiscal quarter of the Company as if such transaction had occurred on such day and (y) the

(f) loans to or investments in Affiliates ~~in an aggregate amount not to exceed \$75,000,000 at any one time outstanding~~ to such loans or investments, (x) (i) the Company shall be in compliance with the covenant contained in Section 5.09 and (ii) the Leverage Ratio shall be less than or equal to 4.50 to 1.00 in each case as at the last day of the most recently ended fiscal quarter of the Company as if such transaction had occurred on such day and (y) the

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clauses (i) and (ii), recomputed as at the last day of the most recently ended fiscal quarter of the Company as if such transaction had occurred

(g) investments in ~~the Capital Stock of~~ a joint venture entity that is a United States Person, ~~pro transactions~~ investments, (x) (i) the Company shall be in compliance with the covenants covenant contained in ~~Sections 5.09 and 5.10~~ or equal to 4.50 to 1.00, in each case of the foregoing clauses (i) and (ii), recomputed as at the last day of the most recently ~~incurrence~~ investment had occurred on such day and (y) there shall be no Event of Default;

(h) investments in ~~the Capital Stock of~~ a joint venture entity that is not a United States Person; provided that a (i) the Company shall be in compliance with the covenant contained in Section 5.09 and (ii) the Leverage Ratio is less than or equal to (i) and (ii), recomputed as at the last day of the most recently ended fiscal quarter of the Company as if such investment had occur Default;

(i) investments in the nature of seller financing of or other consideration received in any Disposition by the permitted by Section 6.08;

(j) payments required to be made under the Exclusive Agency and Marketing Agreement;

(k) Indebtedness permitted under Section 6.05;

(l) investments existing on the Effective Date as set forth on Schedule 6.04;

(m) acquisitions, investments, loans and advances in an aggregate amount not to exceed the greater of (i) Assets (determined as of the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.

(n) to the extent constituting an investment, the Company's or any other Loan Party's patronage with CoE \$5,000,000 annually; and

(o) investments in Bonnie and, after the consummation of the Project Bob Transaction, the Hawthorne Entities (i) and (ii) in addition to the investments made in reliance on clause (i), an additional aggregate amount during any fiscal year not to e less the amount of any Restricted Payments made during such fiscal year in reliance on Section 6.14(c)(1)(i) and Section 6.14(c)(2)(ii)

SECTION 6.05. Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness outstanding on the date hereof and listed on Schedule 6.05 and any refinancings, refundings, or shortening the maturity of, the principal amount thereof, other than for accrued interest, premiums, costs and expenses);

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SECTION 6.11. Modification of Certain Debt Instruments. Amend, modify, waive or otherwise change, or consen or other change to, any of the terms of the Existing Senior Notes or any other unsecured or subordinated notes (or any refinancing the other than any such amendment, modification, waiver or other change that:

(a) (i) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or does not involve the payment of a consent fee material in proportion to the outstanding principal amount thereof and (iii) is no mor adverse to the Lenders; or

(b) provides for actions which (i) are expressly permitted under this Agreement and (ii) do not require the conse or unsecured or subordinated notes (or refinancing thereof) issued pursuant to Sections 6.05(e) or 6.05(n).

Nothing in this Section 6.11 shall be deemed to prohibit the optional prepayment, retirement, redemption, purchase, defeaseanc Senior Notes or any Indebtedness outstanding pursuant to Sections 6.05(e) or 6.05(n), which optional prepayment, retirement, redem

otherwise permitted by this Agreement.

SECTION 6.12. [Intentionally Omitted].

SECTION 6.13. Lines of Business. Engage to any material extent in any business activities other than in the re and its Subsidiaries (which shall include any evolution or extension of business activities and any business activities reasonably relat the Effective Date).

SECTION 6.14. Restricted Payments. Declare or pay any dividend (other than dividends payable solely in comm make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, Stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whethe "Restricted Payments"), except that:

- (a) any Subsidiary may make Restricted Payments to the Company or any other Subsidiary;
- (b) the Company and any of its Subsidiaries may make repurchases of its Capital Stock deemed to occur up settlement of other equity or equity-based awards if such Capital Stock represents all or part of the exercise price of such opti withholding associated therewith; and
- (c) (1) at all times that the Leverage Adjustment Period is in effect, so long as no Default or Event of Def declaration or would result therefrom, (i) the Company may declare and pay its regularly scheduled cash dividends to the holders o exceed \$225,000,000 for each fiscal year (less the amount of any investments made during such fiscal year in reliance on Section Company and any of its Subsidiaries may make further Restricted Payments at all other times in an aggregate amount not to exceed \$

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(2) at all times on and after the Leverage Adjustment Period Termination Date, so long as no Default or Ev time of declaration or would result therefrom, (i) the Company and any of its Subsidiaries may make unlimited Restricted Payments s Payments the Leverage Ratio (calculated on a proforma basis as of the last day of the most recently completed fiscal quarter, but incl the Company and its consolidated Subsidiaries after giving effect to such Restricted Payment) is less than or equal to 4.00 to 1.00 an any of its Subsidiaries may make further Restricted Payments at all other times in an aggregate amount not to exceed \$225,000, amount of any dividends made during such fiscal year in reliance on the preceding clause (c)(1)(i) of this Section 6.14 and (B) the a year in reliance on Section 6.04(g)(ii).

SECTION 6.15. Use of Proceeds. Request any Borrowing or Letter of Credit or use (or permit their respective di proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment (Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (B) for the purpose of funding, financing or facilitati any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanction any party hereto.

SECTION 6.16. Material Intellectual Property. Assign, transfer, or exclusively license or exclusively sublicense, that is not a Subsidiary Guarantor other than such assignments, transfers, licenses or sublicenses of Material Intellectual Proper business of, the Hawthorne Entities contemplated to be assigned, transferred or exclusively licensed to the Hawthorne Entities by the

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

- (a) Payments. The Company or the relevant Subsidiary Borrower shall fail to pay any principal of any Loan (respect of Term Loans prior to the applicable Maturity Date) or any reimbursement obligation in respect of any LC Disbursement when the terms thereof or hereof; or the Company or the relevant Subsidiary Borrower shall fail to pay (i) any scheduled payments of princi

Administrative Agent may be required to obtain, verify and record information regarding such Borrower, its directors, authorized sign Persons in Control of such Borrower, and the transactions contemplated hereby.

SECTION 9.14. Releases of Subsidiary Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Guarantee and Co transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any I Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such L Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Sec Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon th Guarantor from its obligations under the Guarantee and Collateral Agreement if such Subsidiary Guarantor is no longer a Required Su

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and othe the other Obligations (other than Obligations under Lender Cash Management Agreements not yet due and payable, Obligations u payable, Obligations under Lender Qualified Bilateral Letters of Credit not due and payable, Obligations under Lender Supply Cha Unliquidated Obligations for which no claim has been made and other Obligations expressly stated to survive such payment and te Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Guarantee and Collateral Agreement and survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument

(d) Upon the consummation of the Project Bob Transaction, each Hawthorne Entity is automatically released from Agreement and all liens on the assets of each Hawthorne Entity are automatically released (excluding, for the avoidance of dou Hawthorne Gardening Company directly owned by the Company or any Subsidiary Guarantor), and the Administrative Agent shall (a to) execute and deliver to any Hawthorne Entity, at the Company's expense, all documents that such Hawthorne Entity shall reasonab (including, without limitation, all UCC-3

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termination statements and intellectual property releases). Any execution and delivery of documents pursuant to this Section Administrative Agent.

SECTION 9.15. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable la Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender shall not upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with su Agent's instructions.

SECTION 9.16. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interes charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exce which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawf payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with inte date of repayment, shall have been received by such Lender.

SECTION 9.17. No Advisory or Fiduciary Responsibility. Each Borrower acknowledges and agrees, and ack Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each arm's length contractual counterparty to such Borrower with respect to the Loan Documents and the transaction contemplated therei an agent of, such Borrower or any other person. Each Borrower agrees that it will not assert any claim against any Credit Party bas Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, each Borrower acknowledge Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. Each Borrower shall consult

Each Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, such Borrower may, through or by means of its Subsidiaries, provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other financial instruments (including bank loans and other obligations) of, such Borrower, its Subsidiaries and other companies with which such Borrower or any of its Subsidiaries may have a relationship. Such Borrower hereby releases, defends, holds harmless and indemnifies each Credit Party from and against any and all claims, damages, losses, costs and expenses (including reasonable attorneys' fees) incurred by or on behalf of any Credit Party or any of its customers, all rights in respect of such

SCHEDULE 2.01A
COMMITMENTS

<u>Lender</u>	<u>Global Tranche Commitment</u>	<u>Dollar Tranche Comm</u>
JPMORGAN CHASE BANK, N.A.	\$122,880,000 102,400,000.00	
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$122,880,000 102,400,000.00	
MIZUHO BANK, LTD.	\$122,880,000 102,400,000.00	
BANK OF AMERICA, N.A.	\$122,880,000 102,400,000.00	
COBANK, ACB		\$0
FIFTH THIRD BANK, NATIONAL ASSOCIATION	\$80,220,000 73,516,666.67	
COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH	\$80,220,000 73,516,666.67	
SUMITOMO MITSUI BANKING CORPORATION	\$80,220,000 73,516,666.67	
TD BANK, N.A.	\$80,220,000 73,516,666.67	
TRUIST BANK	\$80,220,000 73,516,666.67	
CITIZENS BANK, N.A.	\$63,020,000 52,516,666.67	
THE BANK OF NOVA SCOTIA	\$63,020,000 52,516,666.67	
U.S. BANK NATIONAL ASSOCIATION	\$63,020,000 52,516,666.67	
PNC BANK, NATIONAL ASSOCIATION	\$63,020,000 52,516,666.67	
CAPITAL ONE, N.A.	\$66,730,000 47,275,000.00	
GOLDMAN SACHS BANK USA	\$22,060,000 18,383,333.33	
THE NORTHERN TRUST COMPANY	\$22,060,000 18,383,333.33	
TRISTATE CAPITAL BANK		\$0
TOTAL	\$1,285,550,000 1,071,291,666.67	\$214,450,000

Attached

Schedule 1.01B

Subsidiaries Whose Capital Stock is Not Pledged

- Scotts Global Services, Inc., an Ohio corporation
- Scotts Servicios, S.A. de C.V. (Mexico)
- Scotts de Mexico S.A. de C.V. (Mexico)
- SMG Germany GmbH
- SMG Gardening (UK) Limited
- Scotts Sierra (China) Co. Ltd.
- Miracle-Gro Tecnologia & Servicios, S. de R.L. de C.V.
- The Scotts Miracle-Gro Foundation

AMENDMENT NO. 1

Dated as of July 31, 2023

To

SIXTH AMENDED AND RESTATED GUARANTEE AND COLLATERAL AGREEMENT

Dated as of April 8, 2022

THIS AMENDMENT NO. 1 (this "Amendment") is made as of July 31, 2023 by and among The Scotts Miracle-Gro Company and each other Grantor party to the Existing Guarantee and Collateral Agreement an "Interested Shareholder" (as defined below) and JPI (the "Administrative Agent"), under that certain Sixth Amended and Restated Guarantee and Collateral Agreement, dated as of April 8, 2022, by and among the Grantors (as defined therein) from time to time party thereto and the Administrative Agent (as amended, restated, supplemented or prior to the date hereof, the "Existing Guarantee and Collateral Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Amended Guarantee and Collateral Agreement or the Credit Agreement (as defined in the Amended Guarantee and Collateral Agreement).

WHEREAS, the Grantors and the Administrative Agent have agreed to amend the Existing Guarantee and Collateral Agreement

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and the sufficiency of which are hereby acknowledged, the Grantors and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. The parties hereto agree that, effective as of the Amendment No. 1, the Existing Guarantee and Collateral Agreement (including Annex 1 thereto, but excluding all existing Schedules thereto) is hereby amended to the same manner as the following example: ~~stricken text~~ and to add the double-underlined text (indicated textually in the same manner as set forth in the pages of the Existing Guarantee and Collateral Agreement (including Annex 1 thereto, but excluding all existing Schedules thereto)). The Existing Guarantee and Collateral Agreement is hereby amended to (i) restate Schedule 5 in its entirety and (ii) add Schedules 6 and 7 set forth on Annex B hereto (the Existing Credit Agreement as so amended by clauses (a) and (b), the "Amended Guarantee and Collateral Agreement").

any other purpose.

[illegible]

[Signature Pages Follow]

above written.

THE SCOTTS MIRACLE-GRO COMPANY, as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

THE SCOTTS COMPANY LLC, as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

HYPONEX CORPORATION, as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SCOTTS MANUFACTURING COMPANY, as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Officer

SCOTTS TEMECULA OPERATIONS, LLC, as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Office

SMG GROWING MEDIA, INC., as a Grantor

By: /s/ MATTHEW E. GARTH
Name: Matthew E. Garth
Title: Executive Vice President and Chief Financial Office

The Scotts Miracle-Gro Company

MIRACLE-GRO LAWN PRODUCTS, INC., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

OMS INVESTMENTS, INC., as a Grantor

By: /s/ GREGORY A. LIENING

Name: Gregory A. Liening

Title: President and Chief Executive Officer

SCOTTS PRODUCTS CO., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SCOTTS PROFESSIONAL PRODUCTS CO., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SCOTTS-SIERRA INVESTMENTS LLC, as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President and Treasurer

SWISS FARMS PRODUCTS, INC., as a Grantor

By: /s/ GREGORY A. LIENING

Name: Gregory A. Liening

Title: President and Chief Executive Officer

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Guarantee and Collateral Agreement dated as of April 8, 2021
The Scotts Miracle-Gro Company

SANFORD SCIENTIFIC, INC., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

ROD MCLELLAN COMPANY, as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SMGM LLC, as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

GENSOURCE, INC., as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Treasurer

HAWTHORNE HYDROPONICS LLC, as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President and Treasurer

HGCI, INC., as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President

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The Scotts Miracle-Gro Company

THE HAWTHORNE GARDENING COMPANY, as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President and Treasurer

1868 VENTURES LLC, as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

SCOTTS LIVE GOODS HOLDINGS, INC., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

AEROGROW INTERNATIONAL, INC., as a Grantor

By: /s/ MATTHEW E. GARTH

Name: Matthew E. Garth

Title: Executive Vice President and Chief Financial Officer

THE HAWTHORNE COLLECTIVE, INC., as a Grantor

By: /s/ MARK J. SCHEIWER

Name: Mark J. Scheiwer

Title: Vice President

Signature Page to Amendment No. 1 to
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The Scotts Miracle-Gro Company

JPMORGAN CHASE BANK, N.A., Administrative Agent

By: /s/ RUPAM AGRAWAL

Name: Rupam Agrawal

Title: Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Guarantee and Collateral Agreement dated as of April 8, 2022
The Scotts Miracle-Gro Company

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THIS SIXTH AMENDED AND RESTATED GUARANTEE AND COLLATERAL AGREEMENT, dated as of April 8, 2022 (together with any other entity that may become a party hereto as provided herein, the “Grantors”), in favor of JPMORGAN CHASE & CO. in its capacity, the “Administrative Agent”) for the banks and other financial institutions (the “Lenders”) from time to time parties to the Sixth Amended and Restated Guarantee and Collateral Agreement, among THE SCOTT TRUST (the “Company”), the Subsidiary Borrowers (as defined in the Credit Agreement) from time to time parties to the Credit Agreement and the Documentation Agents named therein and the Administrative Agent.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Company and each Subsidiary Borrower subject to the conditions set forth therein;

WHEREAS, the Company and each Subsidiary Borrower is a member of an affiliated group of companies that includes each of the Company and each Subsidiary Borrower;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Company and each Subsidiary Borrower to make transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Company, each Subsidiary Borrower and the other Grantors are engaged in related businesses, and each of the Company and each Subsidiary Borrower is engaged in the making of the extensions of credit under the Credit Agreement;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Company and each Subsidiary Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, it is acknowledged and agreed by each party hereto that (i) this Agreement hereby amends and restates the Existing Guarantee and Collateral Agreement (the “Existing Guarantee and Collateral Agreement”) dated as of July 5, 2018, among the Company, each Subsidiary Borrower, several banks and other financial institutions parties thereto and the Administrative Agent, in accordance with the terms and conditions set forth herein, each reference to the “Agreement” or other reference originally applicable to the Existing Guarantee and Collateral Agreement shall be deemed a reference to this Agreement, as amended, supplemented, restated or otherwise modified from time to time and (iii) it is the intent of the parties that the novation of the obligations and liabilities of the parties under the Existing Guarantee and Collateral Agreement nor impair the liens and interests created under the Original Security Agreement or the priority thereof.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to make their respective extensions of credit to the Company and each Subsidiary Borrower thereunder, each Grantor hereby agrees with the Administrative Agent and the Lenders that the terms and conditions of the Credit Agreement shall be deemed a part of the Credit Agreement and the Administrative Agent shall follow:

SECTION 1. DEFINED TERMS

1.1. Definitions

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. Terms used herein as defined in the New York UCC: Accounts, Certificated Security, Chattel Paper, Equipment, Inventory, Instruments and Supplies shall have the meanings given to them in the New York UCC.

(b) The following terms shall have the following meanings:

“After-Acquired Intellectual Property”: as defined in Section 6.8(b).

“Agreement”: this Sixth Amended and Restated Guarantee and Collateral Agreement, as the same may be amended or restated from time to time.

“Amendment No. 1 Effective Date” means the Amendment Effective Date (as defined in that certain Amendment No. 1, dated as of April 8, 2022, by and among the Company, each Subsidiary Borrower, the Lenders, the Administrative Agent and the Documentation Agents).

“Collateral”: as defined in Section 4.

"Copyright Licenses": all agreements, licenses and covenants providing for the grant to or from a Grantor of a license or providing for a covenant not to sue for infringement or other violation of any Copyright.

"Copyrights": with respect to any Grantor, all of such Grantor's right, title and interest in and to all works of authorship (whether or not the underlying works of authorship have been published), including but not limited to copyrights in software and databases designs, "Protected Designs" within the meaning of 17 U.S.C. 1301 et. Seq. and Community designs), and all "Mask Works" (as defined in 17 U.S.C. 1302) registered or unregistered, and with respect to any and all of the foregoing: (i) all registrations and applications for registration thereof included in the United States Copyright Office listed on Schedule 6, (ii) all extensions, renewals, and restorations thereof, (iii) all rights to sue for infringement or other violation thereof, (iv) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, and (v) all other rights of any kind accruing thereunder or pertaining thereto; but excluding hereafter due and/or payable with respect thereto, and (v) all other rights of any kind accruing thereunder or pertaining thereto; but excluding

"Excluded IP": (i) the Intellectual Property owned or licensed by, or otherwise used in the business of, the Hawthorne Entities licensed to the Hawthorne Entities by the Project Bob Transaction that is listed

on Schedule 7 (but such Intellectual Property shall only be excluded until the date described in Section 6.8(j) of this Agreement), (ii) foreign Intellectual Property, (iv) any "intent-to-use" application for registration of a Trademark filed pursuant to Section 1(b) of the Lanham Act, or a "Statement of Use" or an "Amendment to Allege Use" with respect thereto, solely to the extent, if any, that, and solely during the period in which such Intellectual Property is excluded as Collateral pursuant to the penultimate paragraph of Section 4, would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law or so long as, such Intellectual Property is excluded as Collateral pursuant to the penultimate paragraph of Section 4.

"Foreign Subsidiary": any Subsidiary organized under the laws of any jurisdiction outside the United States of America that is a "check-the-box" entity under Regulation section 301.7701-3 of the Code.

"Foreign Subsidiary Voting Stock": the voting Capital Stock of any Foreign Subsidiary.

"Full Security Period": any period from and after the Effective Date other than any Unsecured Period.

"Guarantors": the collective reference to each Grantor other than the Company. For the avoidance of doubt, notwithstanding anything to the contrary herein, the parties hereto expressly agree that no Foreign Subsidiary shall be a Guarantor.

"Intellectual Property": with respect to any Grantor, the collective reference to all rights, priorities and privileges relating to Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets and Trade Secret Licenses, present and future infringement, dilution, misappropriation, or other violation or impairment thereof, including the right to receive all Proceeds of the foregoing, including, without limitation, license fees, royalties, income payments, claims, damages and proceeds of suit, now or hereafter due and/or payable with respect thereto; but excluding

"Intellectual Property Security Agreements": collectively, the Copyright Security Agreements, each substantially the form of Annex 3 and the Trademark Security Agreements, each substantially in the form of Annex 4.

"Issuers": the collective reference to each issuer of any Pledged Stock.

"Material Intellectual Property": has the meaning provided in the Credit Agreement.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": has the meaning provided in the Credit Agreement.

"Patent Licenses": all agreements, licenses and covenants providing for the grant to or from a Grantor of a license or other for a covenant not to sue for infringement or other violation of any Patent.

"Patents": with respect to any Grantor, all of such Grantor's right, title and interest in and to all patentable inventions and industrial property rights, and applications for any of the foregoing, including, without limitation, (i) each patent and patent application in t Schedule 6, (ii) all reissues, substitutes, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations there claimed therein, (iv) all rights to sue or otherwise recover for any past, present and future infringement or other violation thereof, (v) all license fees, royalties, income, payments, claims, damages, proceeds of suit and other payments now or hereafter due and/or payable thereunder or pertaining thereto, but excluding any Excluded IP.

"Pledged Stock": the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificate respect of the Capital Stock of any Subsidiary of the Company (to the extent required to be pledged under Section 5.11 of the to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall the "Pledged Stock" include the Schedule 5 or more than 65% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be required to

"Proceeds": all "proceeds" as such term is defined in Section 9-102(a)(64) 1704.01 of the New York UCC and dividends Ohio Revised Code) for a period of three years after a person becomes an Interested Shareholder, unless, prior to such combination or other income from transaction or approved the Pledged Stock, collections thereon or distributions or payments to

"Qualified Keepwell Provider": in respect of any Swap Obligation, each Loan Party acquisition that at caused the transaction security interest, as applicable) becomes effective with respect to such Swap Obligation, has total assets exceeding \$10,000 participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of Interested ;

"Ratings Release Date": as defined in Section 9.15(c).

"Receivable": shall mean Merger Moratorium Statute, an Interested Shareholder generally includes any Account receivable leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it Receivables Assets.

"Secured Parties" has the meaning provided in the Credit Agreement.

"Securities Act": the Securities Act of 1933, as amended.

"Specified Conditions" means, at any time of determination thereof, (a) no Incremental Term Loans in the form issued and are outstanding pursuant to Section 2.20 of the Credit Agreement and (b) (i) the Company's "corporate credit rating time to time use to

describe the Company's senior unsecured non-credit enhanced long term indebtedness, such rating, the "S&P Rating", the Company's "corporate family rating" from Moody's (or such other term as Moody's may from time to time use to describe enhanced long term indebtedness, such rating, the "Moody's Rating") shall be at least Baa3 (with a stable outlook) or (ii) (x) (with a stable outlook) or the Company's Moody's Rating shall be at least Baa3 (with a stable outlook) and (y) the Leverage Ratio

"Swap" shall mean any agreement, contract or transaction that constitutes a "swap" within the meaning of section

"Swap Obligation" shall mean, with respect to any Person, any obligation to pay or perform under any Swap.

"Trademark Licenses": all agreements, licenses and covenants providing for the grant to or from a Grantor of a license or other providing for a covenant not to sue for infringement, dilution, or other violation of any Trademark or permitting co-existence with respect to (i) Schedule 6).

"Trademarks": with respect to any Grantor, all of such Grantor's right, title and interest in and to all trademarks, service marks, business names, fictitious business names, trade dress, trade styles, logos, Internet domain names, other indicia of origin or source identification, registered or unregistered, and, with respect to any and all of the foregoing, (i) all registrations and applications for registration thereof included on Schedule 6, (ii) all extensions and renewals thereof, (iii) all of the goodwill of the business connected with the use of and symbol otherwise recover for any past, present and future infringement, dilution, or other violation thereof, (v) all Proceeds of the foregoing, including payments, claims, damages, proceeds of suit and other payments now or hereafter due and/or payable with respect thereto, and (vi) all of thereto; but excluding any Excluded IP.

"Trade Secret Licenses": all agreements, licenses and covenants providing for the grant to or from a Grantor of a license, otherwise providing for a covenant not to sue for misappropriation or other violation of a Trade Secret.

"Trade Secrets": with respect to any Grantor, all of such Grantor's right, title and interest in and to (i) all trade secrets and all know-how, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial information, business and marketing plans, and customer and supplier lists and information, and with respect to any and all of the foregoing, present and future misappropriation or other violation thereof, (iii) all Proceeds of the foregoing, including, without limitation, license fees, royalties, of suit and other payments

now or hereafter due and/or payable with respect thereto, and (iv) all other rights of any kind accruing thereunder or pertaining thereto

"Unsecured Period": as defined in Section 9.15(c).

1.2. Other Definitional Provisions (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar meaning shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall include the Collateral thereof.

SECTION 2. BORROWER GUARANTEE

2.1. Company Guarantee (a) The Company hereby, unconditionally and irrevocably, guarantees to the Lender the prompt and complete payment and performance (including at stated maturity, by acceleration or otherwise) of the Obligations (other than with respect to any Guarantor any Excluded Swap Obligations).

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of the Company under this Guarantee shall in no event exceed the amount which can be guaranteed by the Company under applicable federal and state laws relating to the insolvency of debtors.

(c) The guarantee contained in this Section 2 shall remain in full force and effect until all the Obligations and the obligations of the Company under Section 2 shall have been satisfied by payment in full, no Letter of Credit shall be outstanding and the Commitments and Loans shall be terminated. Each applicable Subsidiary may be free from any Obligations.

(d) No payment made by any Subsidiary, any of the other Guarantors, any other guarantor or any other Person or received by any Subsidiary, any of the other Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or application in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Company hereunder. No payment made by the Company in respect of the Obligations or any payment received or collected from the Company in respect of the Obligations shall be deemed to reduce the maximum liability of the Company hereunder until the Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments and Loans shall remain in full force and effect.

2.2. No Subrogation. Notwithstanding any payment or payments made by the Company hereunder, or any set-off or application by the Administrative Agent or any Lender, the Company shall not be entitled to be subrogated to any of the rights of the Administrative Agent or against any collateral security or

guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the Company seek from the Subsidiaries in respect of payments made by the Company hereunder, until all amounts owing to the Administrative Agent and the Lenders are paid in full, no Letter of Credit shall be outstanding and the Commitments and Loans are terminated. If any amount shall be paid to the Company or of the Obligations shall not have been paid in full, such amount shall be held by the Company in trust for the Administrative Agent and the Lenders, forthwith upon receipt by the Company, be turned over to the Administrative Agent in the exact form received by the Company (duly indorsed by the Administrative Agent) to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.3. Amendments, etc. with respect to the Obligations. The Company shall remain obligated hereunder notwithstanding any rescission or termination of the Obligations against the Company and without notice to or further assent by the Company, any demand for payment of any of the Obligations made by the Administrative Agent or such Lender and any of the Obligations continued, and the Obligations, or the liability of any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be rescinded, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Company or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantee contained in this Section 2 or any part thereof.

2.4. Guarantee Absolute and Unconditional. The Company waives any and all notice of the creation, renewal, extension or amendment of the Obligations, notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or terminated, as the case may be, contained in this Section 2; and all dealings between the Company and the Subsidiaries, on the one hand, and the Administrative Agent or any Lender, on the other hand, shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. The Administrative Agent or any Lender may demand for payment and notice of default or nonpayment to or upon the Company or the applicable Subsidiary with respect to the Obligations that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment of the Obligations under the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto, may, from time to time, in whole or in part, be rescinded, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment in full) available to or be asserted by any Subsidiary or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance known or hereafter known to the Administrative Agent or any Lender (including but not limited to the insolvency, liquidation, reorganization, arrangement, composition, bankruptcy, insolvency or other status of the Company or any Subsidiary) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder, the Administrative Agent or any Lender shall not be bound to present proof of the existence of any of the foregoing.

for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

3.4. Amendments, etc. with respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding any rescission or termination of the Obligations against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or such Lender and any of the Obligations continued, and the Obligations or the liability of any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be rescinded, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Company or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantee contained in this Section 3 or any part thereof.

3.5. Guarantees Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or amendment of the Obligations, notice of or proof of reliance by the Administrative Agent or any Lender upon any of the guarantees contained in this Section 3 or acceptance of the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or terminated, as the case may be, contained in this Section 3; and all dealings between the Company and the Subsidiaries, on the one hand, and the Administrative Agent or any Lender, on the other hand, shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 3. The Administrative Agent or any Lender may demand for payment and notice of default or nonpayment to or upon the Company or the applicable Subsidiary with respect to the Obligations that the guarantee contained in this Section 3 shall be construed as a continuing, absolute and unconditional guarantee of payment of the Obligations under the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto, may, from time to time, in whole or in part, be rescinded, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment in full) available to or be asserted by any Subsidiary or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance known or hereafter known to the Administrative Agent or any Lender (including but not limited to the insolvency, liquidation, reorganization, arrangement, composition, bankruptcy, insolvency or other status of the Company or any Subsidiary) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company under the guarantee contained in this Section 3, in bankruptcy or in any other instance. When making any demand hereunder, the Administrative Agent or any Lender shall not be bound to present proof of the existence of any of the foregoing.

Liens on the Collateral by operation of law and other Liens on the Collateral permitted by the Credit Agreement.

5.3. Jurisdiction of Organization. On the Effective Date, such Grantor's jurisdiction of organization and identification (any) are set forth on Schedule 3. Such Grantor has furnished to the Administrative Agent a certified charter, certificate of incorporation and a current standing certificate as of a date which is recent to the Effective Date.

5.4. Domestic Subsidiaries. On the Effective Date, Schedule 4 sets forth a true and complete list of the Domestic

5.5. Pledged Stock.

(a) The shares of the Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares by such Grantor or, in the case of Foreign Subsidiary Voting Stock, if less, 65% of the outstanding Foreign Subsidiary Voting Stock of each relevant

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Such Grantor is the record and beneficial owner of and has good and marketable title to, ~~shares of an Ohio corporation~~ Pledged Stock pledged by it hereunder, free ~~exercise~~ of any and all Liens or options in favor of, or claims of, any other Person, except the security interest permitted under Section 6.01 ~~at least 10%~~ of the Credit Agreement.

5.6. Receivables. During any Full Security Period,

(a) None voting power of the obligors on any Receivables (other than Receivables which, when taken together corporation i

Following the three-year moratorium period, the corporation may engage in the covered transaction with all other Receivables of each \$25,000,000) is a Governmental Authority, the Interested Shareholder only if:

(b) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Loans shall be accurate at such times be accurate least two-thirds of the voting power of the corporation in all

5.7. Intellectual Property, the election of directors (or a different proportion specified in the corporation's articles) the voting shares held by persons other than an Interested Shareholder; or

(a) Schedule 6 lists all the remaining shareholders receive an amount for their shares equal to the higher of the following:

Amendment No. 1 Effective Date, past by the Interested Shareholder for the corporation's shares or the amount that would be due if

issued Patents and pending Patent applications, (ii) trademarks, service marks and trade dress registered with shareholders if

applications for the registration thereof, and (iii) registered Copyrights, and applications corporation were to register Copyrights.

process of being recorded in the name of such Grantor. Except as set forth on Schedule 6, such Grantor is the sole and exclusive

interest in and to all Material Intellectual Property owned by such Grantor, in each case free and clear of all Liens other than Permitted

(b) Except as set forth on Schedule 6, all Material Intellectual Property of such Grantor is subsisting and has not, in part, and such Grantor has performed in all material respects all acts and has paid all renewal, maintenance,

and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks of such force and effect, unless, to the extent that such Intellectual Property no longer constitutes Material Intellectual Property, such Grantor has reasonable
desirable in the conduct of such Grantor's business.

(c) Except as could not reasonably be expected to have a Material Adverse Effect, (i) no action or proceeding, Officer of such Grantor, threatened, alleging that such Grantor, or the conduct of such Grantor's business, infringes, misappropriates, or otherwise violates any Intellectual Property rights of any other Person, and (ii) to the knowledge of a Responsible Officer of such Grantor, no Person is engaging in any action or proceeding that infringes, misappropriates, or otherwise violates any Intellectual Property of such Grantor.

(d)Such Grantor controls the nature and quality of all products sold and all services rendered under or in connection with such Grantor's Trademarks, in each case consistent with industry standards, and has taken commercially reasonable steps to protect such Grantor's Trademarks, and has taken commercially reasonable steps to ensure that such Grantor's Trademarks comply with such Grantor's standards of quality.

(e)Such Grantor has been using appropriate statutory notice of registration in connection with its use of registered rights in common law Trademarks, proper marking practices in connection with its Patents, and appropriate notice of copyright in connection with its Copyrights, to the extent such Trademarks, Patents or Copyrights constitute Material Intellectual Property.

(f)The consummation of the transactions contemplated by this Agreement will not result in the termination, limitation or impairment of Grantor's rights in its Material Intellectual Property.

(g)Such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets in accordance with applicable law, and not reasonably be expected to have a Material Adverse Effect. (i) none of the Trade Secrets of such Grantor has been used, divulged or disclosed by such Grantor for the benefit of any other Person, (ii) no employee, independent contractor or agent of such Grantor has misappropriated or disclosed in any manner any Trade Secret of such Grantor in connection with the performance of his or her duties as an employee, independent contractor or agent of such Grantor and (iii) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or other agreement relating to the protection, ownership, development, use or transfer of such Grantor's Intellectual Property.

SECTION 6. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement, no Letter of Credit shall be outstanding and the Commitments and Loans shall have terminated (other than Unliquidated Obligations), other than due to the termination of the Letter of Credit.

6.1. Delivery of Certificated Securities. If any amount payable under or in connection with any of the Collateral Obligations is not paid when due, Security, such

as to the Collateral, shall be subject to the provisions of the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the Pledged Stock and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the Uniform Commercial Code) with respect thereto.

6.6. Pledged Stock.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate of participation in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or right to purchase a direct or indirect Domestic Subsidiary of such Grantor and which is Pledged Stock, whether in addition to, in substitution of, as a conversion of, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the Lenders, hold the same in trust for the benefit of the Lenders and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed (including by delivery of related stock or bond powers) by the Grantor, together with an undated stock power covering such certificate duly executed in blank by such Grantor to be held by the Administrative Agent as additional collateral security for the Obligations. Except as otherwise permitted by the Credit Agreement, after an Event of Default has occurred and the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be held by it hereunder as additional collateral security for such Obligations except to the extent permitted under Section 7.3. If any sums of money or other property of the Collateral upon the liquidation or dissolution of any issuer not permitted by the Credit Agreement shall be received by such Grantor, such Grantor shall deliver the same to the Administrative Agent, hold such money or property in trust for the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

Without the prior written consent of the Administrative Agent or unless not otherwise prohibited by the Credit Agreement, such Grantor shall not, and shall not permit any Person to, sell, assign, transfer, otherwise dispose of, or grant any option with respect to, the Collateral (except pursuant to a transaction not prohibited by the Credit Agreement), or any claim of any Person with respect to, any of the Collateral, or any interest therein, except for the security interests created by this Agreement or (iii) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Collateral.

In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of any event that may constitute a Default under Section 6.5 with respect to the Pledged Stock issued by it and (iii) the terms of Sections 7.3(c) and 7.7 shall apply to it, mutatis mutandi.

actions that may be required of it pursuant to Section 7.3(c) or 7.7 with respect to the Pledged Stock issued by it.

6.7. Receivables. During any Full Security Period,

(a) Other than in the ordinary course of business, such Grantor will not (i) grant any extension of the time of payment of a Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount to be granted against any Receivable, (v) sell, assign, lease, license, or otherwise dispose of any Receivable, or (vi) supplement or modify any Receivable, in each case, in any manner that could materially adversely affect the value thereof.

(b) Anything contained in this Agreement to the contrary notwithstanding, the Grantors, or any of them, shall have the right to use the Facilities, as contemplated by the Credit Agreement, and the Administrative Agent shall execute any and all documents reasonably necessary to become Sold Receivables Assets upon the consummation of such Receivables Purchase Facility(ies).

6.8. Intellectual Property.

(a) Such Grantor will not do any act or omit to do any act whereby any Material Intellectual Property may lapse, become public, forfeited, or otherwise impaired, or abandon any application or any right to file an application for a Copyright, Patent, or Trademark, provided that no Grantor shall be required to preserve any Intellectual Property that no longer constitutes Material Intellectual Property, the preservation thereof is no longer desirable in the conduct of such Grantor's business.

(b) Such Grantor agrees that, should it hereafter (i) obtain an ownership interest in any item of Intellectual Property (including any employee, licensee, or designee) any application for the registration or issuance of any Intellectual Property with the United States Patent and Trademark Office or (iv) file an accepted Statement of Use or Amendment to Allege Use with respect to any "intent-to-use" Trademark, then the provisions of Section 4 shall automatically apply thereto, and a copy of such notice shall automatically become part of the Collateral, and such Grantor shall give prompt (and, in any event simultaneously with delivery of the Collateral) of the Credit Agreement for the fiscal quarter in which such Grantor acquires such ownership interest) written notice thereof to the Administrative Agent, and promptly take the actions specified in Section 6.8(c) with respect thereto.

(c) Such Grantor shall execute Intellectual Property Security Agreements with respect to the Intellectual Property (including any employee, licensee, or designee) well as any After-Acquired Intellectual Property, in substantially the form of Annexes 2, 3 or 4, as applicable, in order to record the same with the Administrative Agent for the benefit of the Secured Parties with the United States Patent and Trademark Office or the United States Copyright Office.

(d) Such Grantor shall use commercially reasonable efforts so as not to permit the inclusion in any contract to which it is a party of any provision that could or

may in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in a

(e) Such Grantor shall promptly notify the Administrative Agent if a Responsible Officer of such Grantor knows or has reason to know that any item of Intellectual Property (including any employee, licensee, or designee) has become (i) abandoned or dedicated to the public or placed in the public domain, (ii) invalid or unenforceable, (iii) subject to any adverse claim, (iv) subject to any challenge to Grantor's ownership, registration or use or the validity or enforceability of such item of Intellectual Property (including the institution of any action or proceeding in the United States Patent and Trademark Office or the United States Copyright Office, or any court) or (iv) the s

(f) Such Grantor shall (and shall require its licensees to) use proper notice of its Intellectual Property rights in connection with the use of such Intellectual Property.

(g) Such Grantor shall not infringe, misappropriate, dilute, or otherwise violate the Intellectual Property rights of any Person reasonably be expected to have a Material Adverse Effect. In the event that any Person initiates, or threatens in writing to initiate, any the conduct of such Grantor's business, infringes, misappropriates, dilutes, or otherwise violates the Intellectual Property of any Person reasonably be expected to have a Material Adverse Effect, such Grantor shall promptly notify the Administrative Agent after a Responsible Officer thereof.

(h) In the event that any Material Intellectual Property owned by or exclusively licensed to any Grantor is infringed by another Person, such Grantor shall (i) promptly take all reasonable actions to protect and enforce its rights in such Intellectual Property after a Responsible Officer of such Grantor has knowledge thereof.

(i) Such Grantor shall take commercially reasonable steps to protect the confidentiality of all Trade Secrets constituting such Grantor's Intellectual Property.

(j) Notwithstanding anything to the contrary set forth in this Agreement, the Grantors shall not be required to grant a license in the Intellectual Property owned or licensed by, or otherwise used in the business of, the Hawthorne Entities contemplated to be a part of the Hawthorne Entities by the Project Bob Transaction that is listed on Schedule 7 until the date that is ninety (90) days following the date that the Administrative Agent is agreed to by the Administrative Agent in its reasonable discretion).

(k) To the extent that any Grantor's ownership of any issued, registered or applied for Intellectual Property (other than a trademark) heading "Copyrights" on Schedule 6 and noted with an asterisk (*) included in the Collateral is not accurately reflected in the public records of the United States Copyright Office, as applicable, or to the extent there are any gaps or other deficiencies in the chain of title, such Grantor agrees to use commercially reasonable efforts to complete the foregoing within 120 days following the date that the Administrative Agent is agreed to by the Administrative Agent in its reasonable discretion).

each case to clean up the chain of title and to accurately reflect such Grantor's ownership of such Intellectual Property in the public records of the United States Copyright Office. Each Grantor will use commercially reasonable efforts to complete the foregoing within 120 days following the date that the Administrative Agent is agreed to by the Administrative Agent in its reasonable discretion).

SECTION 7. REMEDIAL PROVISIONS

7.1. Certain Matters Relating to Receivables. During any Full Security Period,

(a) The Administrative Agent shall have the right after the occurrence and during the continuance of an Event of Default to conduct such test verifications in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as it may be required to furnish for such test verifications. At any time and from time to time, after the occurrence and during the continuance of an Event of Default, upon the Administrative Agent's request, each relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent copies of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, and the Administrative Agent shall have the right to require payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, for the benefit of the account of the Lenders only as provided in Section 7.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent for the benefit of the Lenders. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the Receivables.

(c) At the Administrative Agent's request, after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent all books and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all contracts, invoices, and other documents.

7.2. Communications with Obligors; Grantors Remain Liable. During any Full Security Period,

(a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default cause the Administrative Agent to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the written request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right to require the Grantor to assign to the Administrative Agent all of its Receivables that the Receivables have been assigned to the Administrative Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of its Receivables to observe and perform by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or a Lender of any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any Grantor, or to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

7.3. Pledged Stock.

(a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have the right to exercise its corresponding rights pursuant to Section 7.3(b), each Grantor shall be permitted to receive dividends on Pledged Stock, to the extent not prohibited by the Credit Agreement, to pay and declare dividends to the extent permitted by the Credit Agreement with respect to the Pledged Stock; provided, however, that no vote shall be cast or corporate right exercised or other action taken with respect to the Pledged Stock by the Grantor or any Lender in violation of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give written notice of its intent to exercise its rights pursuant to Section 7.3(b), (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Stock in accordance with Section 7.5 below, and (ii) any or all of the Pledged Stock shall be registered in the name of the Administrative Agent or its nominee and the Administrative Agent shall thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Stock at any meeting of shareholders of the relevant Issuer, (y) all conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Stock as if it were the absolute owner thereof, and (z) all other rights, privileges or options pertaining to such Pledged Stock as if it were the absolute owner thereof, and the Administrative Agent shall exchange at its discretion any and all of the Pledged Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the capital structure of the Issuer, and the Administrative Agent shall exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Pledged Stock, and in connection therewith, to deliver such Pledged Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine in its sole discretion, and the Administrative Agent shall account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option or to delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Stock pledged by such Grantor hereunder to deliver such Pledged Stock to the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the instructions of the Administrative Agent.

from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly provided, all cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other assets, and forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed if required). All Proceeds received by the Administrative Agent under this Section 7.4 shall be held by the Administrative Agent in a Collateral Account and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent) shall be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.5.

7.4. Proceeds to be Turned Over To Administrative Agent. If an Event of Default shall occur and be continuing, all cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other assets, and forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed if required). All Proceeds received by the Administrative Agent under this Section 7.4 shall be held by the Administrative Agent in a Collateral Account and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent) shall be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.5.

may be recorded or stored and to all software and programs used for the compilation or printout thereof) and (ii) an irrevocable license such Grantor) to use, operate and occupy all real property owned, operated, leased, subleased, or otherwise occupied by such Grantor

SECTION 8. THE ADMINISTRATIVE AGENT

8.1. Administrative Agent's Appointment as Attorney-in-Fact, ~~etc~~Etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to effect the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without limiting the generality of the foregoing, to do the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or procedure appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, and Administrative Agent may request to evidence the Secured Parties' security interest in such Intellectual Property and the goods thereto or represented thereby;

(iii) ~~pay~~ pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repayment under the Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) ~~execute~~ execute, in connection with any sale provided for in Section 7.6 or 7.7, any indorsements, assignments or other documents with respect to the Collateral; and

(v) ~~direct~~ ~~(1)~~ direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due to the Administrative Agent or as the Administrative Agent shall direct; ~~(2)~~ ask or demand for, collect, and receive payment of any and all amounts due or to become due at any time in respect of or arising out of any Collateral; ~~(3)~~ sign and indorse any invoices, warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; ~~(4)~~ sue, defend, or prosecute suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof; ~~(5)~~ defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; ~~(6)~~ set off or counterclaim in any proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such period of time as the Administrative Agent shall in its sole discretion determine; and ~~(8)~~ generally, sell, transfer, pledge and make any other disposition of any and all Collateral;

8.4 Further Assurances. Each Grantor agrees that from time to time, at the expense of such Grantor, it shall execute and deliver all documents and take all further action that may be necessary or desirable, or that the Administrative Agent may reasonably require, to perfect or priority of and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent to enforce its rights hereunder in respect of any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(a) file such financing or continuation statements, or amendments thereto, record security interests in Intellectual Property, and agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Administrative Agent may request, to reflect, perfect and preserve the security interests granted or purported to be granted hereby; and

(b)take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest any intellectual property registry in which said Intellectual Property is registered or issued or in which an application for registration of the United States Patent and Trademark Office and the United States Copyright Office.

8.5.8-4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Grantor with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, vote or right provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed by the agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantor, shall be presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be liable in any inquiry respecting such authority.

SECTION 9. MISCELLANEOUS

9.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended or modified except in accordance with Section 9.02 of the Credit Agreement.

9.2. Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be in writing and shall be addressed to the Administrative Agent at the address set forth in Section 9.01 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to the Guarantor at the address set forth in Schedule 1.

9.3. No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall be deemed to have waived any right or remedy hereunder or to have agreed not to exercise any right or remedy hereunder by reason of any failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any right or remedy hereunder by the Administrative Agent or any Lender of any right or remedy hereunder on any one

or set off with respect to, any Guarantor shall be applied to any Excluded Swap Obligations of such Guarantor.

9.7. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different dates) and all of which when taken together shall constitute a single contract. Delivery by facsimile or electronic transmission of a copy of this Agreement shall be effective as delivery of an original executed counterpart of this Agreement. The words "execution," "signed," "signature" and "signatures" relating to this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined in the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq.) in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical signature or other recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to or logically associated with a record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

9.8. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall not affect the validity, legality and enforceability of the remaining provisions hereof in that jurisdiction. To the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.9. Section Headings. The Section headings used herein are for convenience of reference only, are not intended to be construed, and shall not be taken into consideration in interpreting, this Agreement.

9.10. Integration. This Agreement and the other Loan Documents constitute the entire contract among the parties hereto and supersede any and all previous agreements and understandings, oral or written, relating to the matter hereof. There are no promises, representations or warranties made by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

9.11. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

9.12. Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York (or, if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court to which an appeal may be taken from any final judgment or order of such court.

Sixth Amended

ASSUMPTION AGREEMENT, dated as of _____, 20__, made by _____
"Additional Grantor"), in favor of JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"
"Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed

WITNESSETH :

WHEREAS, The Scotts Miracle-Gro Company, an Ohio corporation (the "Company"), the Subsidiary Borrower, the Administrative Agent, the Documentation Agent and the Syndication Agent have entered into a Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Company and certain of its Affiliates (other than the "Company") have entered into a Sixth Amended and Restated Guarantee and Collateral Agreement, dated as of April 8, 2022 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agreement") in favor of the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Guarantee and Collateral Agreement;

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor hereby agrees to become a party to the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Guarantor and as a Grantor if originally named therein as a as a Guarantor and Grantor and, without limiting the generality of the foregoing, hereby expressly agrees to be bound by the terms and conditions of the Guarantee and Collateral Agreement and a Grantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedule A of the Credit Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 5 of the Guarantee and Collateral Agreement shall be deemed to have been made on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Governing Law. THIS ASSUMPTION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: _____
Name: _____
Title: _____

[Supplement to Schedule 1](#)

[Supplement to Schedule 2](#)

[Supplement to Schedule 3](#)

[Supplement to Schedule 4](#)

[Supplement to Schedule 5](#)

[Supplement to Schedule 6](#)

ANNEX B

Schedules 5, 6, 7 and 8 and Annexes 2, 3 and 4

Attached

[Schedule 5](#)

SUBSIDIARIES WHOSE CAPITAL STOCK IS NOT PLEDGED

- Scotts Global Services, Inc., an Ohio corporation
- Scotts Servicios, S.A. de C.V. (Mexico)
- Scotts de Mexico S.A. de C.V. (Mexico)
- SMG Germany GmbH
- SMG Gardening (UK) Limited
- Scotts Sierra (China) Co. Ltd.
- Miracle-Gro Tecnologia & Servicios, S. de R.L. de C.V.
- The Scotts Miracle-Gro Foundation

Schedule 6

Intellectual Property

COPYRIGHT REGISTRATIONS

PATENTS AND PATENT APPLICATIONS

TRADEMARK APPLICATIONS AND REGISTRATIONS

Schedule 7

Hawthorne IP

Excluded Trademarks

Excluded Patents

Schedule 8

Specified Excluded IP

Sixth Ame

This COPYRIGHT SECURITY AGREEMENT, dated as of [], 202[] (this "Agreement"), is made by each of the signatories, the "Grantor" and collectively, the "Grantors") in favor of JPMORGAN CHASE BANK, N.A., as administrative agent for the Secured Parties and assigns in such capacity, the "Administrative Agent").

WHEREAS, pursuant to that certain Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022 (the "Credit Agreement"), among THE SCOTTS MIRACLE-GRO COMPANY (the "Company"), the Subsidiary Borrowers (as defined therein) from time to time party thereto, the Lenders (as defined therein) from time to time party thereto, the Lenders have severally agreed to make extensions of credit, upon the terms and conditions set forth therein;

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extension of credit to the Company, the Grantors entered into a Sixth Amended and Restated Guarantee and Collateral, dated as of April 8, 2022 (as amended, restated, and modified from time to time, the "Guarantee and Collateral Agreement"), between each of the Grantors and the Administrative Agent, transferred and granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Copyright Collateral;

WHEREAS, pursuant to the Guarantee and Collateral Agreement, each Grantor agreed to execute and this Agreement, in order to perfect the security interest in the Copyright Collateral for the benefit of the Secured Parties with the United States Copyright Office.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors hereby agree with the Administrative Agent as follows:

SECTION 1. Defined Terms

Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Guarantee and Collateral Agreement, and if not so defined, shall have the respective meanings given thereto in the Credit Agreement.

SECTION 2. Grant of Security Interest

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent a security interest in, all of the following property, in each case, wherever located and now owned or at any time hereafter acquired by such Grantor, and any interest in the future may acquire any right, title or interest (collectively, the "Copyright Collateral") as collateral security for the prompt payment and performance of such Grantor's Obligations:

(a) all works of authorship and all intellectual property rights therein, all copyrights (whether or not the underlying work is registered), all trademarks and trade dress (whether or not registered), all patents (whether or not registered), all designs (including but not limited to all industrial designs, "Protected Designs" (as defined in 17 U.S.C. 1301) and Community designs), and all "Mask Works" (as defined in 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered; (b) all registrations and applications for registration thereof including, without limitation, the registrations and applications in the United States Copyright Office, (c) all extensions, renewals, and restorations thereof, (d) all rights to sue or otherwise recover for any past, present or future infringement of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages and proceeds of the foregoing, (e) all proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages and proceeds of the foregoing, and (f) all other rights of any kind accruing thereunder or pertaining thereto; but excluding any Excluded IP.

SECTION 3. Guarantee and Collateral Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted pursuant to the Guarantee and Collateral Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies of the Secured Parties under the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event of any conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

SECTION 4. Governing Law

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK

SECTION 5. Counterparts

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which when taken together shall constitute a single contract. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page of this Agreement shall be deemed to be delivery of an original executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of similar import used herein shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, and the use of a paper-based reproduction of an electronic record, if the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based reproduction of an electronic record is intended by the parties. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record that is used to authenticate or accept such contract or record.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first written above.

[NAME OF GRANTOR],
as a Grantor

By: _____
Name: _____
Title: _____

Accepted and Agreed:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name: _____
Title: _____

[Signature Page to Copyright Security Agreement]

SCHEDULE A
to
COPYRIGHT SECURITY AGREEMENT
COPYRIGHT REGISTRATIONS

Title	Registration No.

COPYRIGHT APPLICATIONS

Title	Application / Case No.

Sixth Amended

[FORM OF] PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of [], 202[] (this “Agreement”), is made by each of the signatories hereinafter collectively, the “Grantors”) in favor of JPMORGAN CHASE BANK, N.A., as administrative agent for the Secured Parties (in such capacity, the “Administrative Agent”).

WHEREAS, pursuant to that certain Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among THE SCOTTS MIRACLE-GRO COMPANY (and its subsidiaries therein), the Subsidiary Borrowers (as defined therein) from time to time party thereto, the Lenders (as defined therein) from time to time party thereto, the Lenders have severally agreed to make extensions of credit, upon the terms and conditions set forth therein;

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extension of credit to the Grantors entered into a Sixth Amended and Restated Guarantee and Collateral, dated as of April 8, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee and Collateral Agreement”), between each of the Grantors and the Administrative Agent, the Grantors have transferred and granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Patent Collateral (as defined therein);

WHEREAS, pursuant to the Guarantee and Collateral Agreement, each Grantor agreed to execute and this Agreement, in order to perfect the security interest in the Patent Collateral for the benefit of the Secured Parties with the United States Patent and Trademark Office.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors hereby agree with the Administrative Agent as follows:

SECTION 1. Defined Terms

Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Guarantee and Collateral Agreement, and the respective meanings given thereto in the Credit Agreement.

SECTION 2. Grant of Security Interest

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent an interest in, all of the following property, in each case, wherever located and now owned or at any time hereafter acquired by such Grantor, and at any time in the future may acquire any right, title or interest (collectively, the "Patent Collateral") as collateral security for the prompt and full payment (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(a) all patentable inventions and designs, all patents, certificates of invention, and similar industrial property rights, and all applications for such rights, without limitation: (i) each patent and patent application in the United States Patent and Trademark Office listed in Schedule A attached hereto, (ii) all continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all inventions and improvements described in such patents, applications, continuations, extensions, renewals, and reexaminations, (iv) all rights to sue for and otherwise recover for any past, present and future infringement or other violation thereof, (v) all Proceeds of the foregoing, including payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto, income, royalties, and other payments and/or payable with respect thereto, and (vi) all other rights of any accruing thereunder or pertaining thereto; but excluding any Excluded Rights.

SECTION 3. Guarantee and Collateral Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Administrative Agent under the Guarantee and Collateral Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies of the Administrative Agent under the Guarantee and Collateral Agreement made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference into this Agreement. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

SECTION 4. Governing Law

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

SECTION 5. Counterparts

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which, when taken together shall constitute a single contract. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page of this Agreement shall be deemed to constitute delivery of an original executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of similar import used in this Agreement in connection with transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, and shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based signature. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record, which is capable of being authenticated or accepted by the parties to such contract or record.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first written above.

[NAME OF GRANTOR],
as a Grantor

By: _____
Name:
Title:

Accepted and Agreed:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

[Signature Page to Patent Security Agreement]

SCHEDULE A
to
PATENT SECURITY AGREEMENT
PATENTS AND PATENT APPLICATIONS

Title	Application No.	Filing Date	Patent No.

Sixth Amended

[FORM OF] TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of [], 202[] (this “Agreement”), is made by each of the s
“Grantor” and collectively, the “Grantors”) in favor of JPMORGAN CHASE BANK, N.A., as administrative agent for the Secured Parties
and assigns in such capacity, the “Administrative Agent”).

WHEREAS, pursuant to that certain Sixth Amended and Restated Credit Agreement, dated as of April 8, 2022
supplemented or otherwise modified from time to time, the “Credit Agreement”), among THE SCOTTS MIRACLE-GRO COMPANY

therein), the Subsidiary Borrowers (as defined therein) from time to time party thereto, the Lenders (as defined therein) from time to time party thereto, the Lenders have severally agreed to make extensions of credit, upon the terms and conditions set forth therein.

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extension of credit to the Borrowers, the Grantors entered into a Sixth Amended and Restated Guarantee and Collateral, dated as of April 8, 2022 (as amended, restated, and modified from time to time, the "Guarantee and Collateral Agreement"), between each of the Grantors and the Administrative Agent, transferred and granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Trademark Collateral.

WHEREAS, pursuant to the Guarantee and Collateral Agreement, each Grantor agreed to execute and this Agreement, in order to provide for the benefit of the Secured Parties with the United States Patent and Trademark Office.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors agree with the Administrative Agent as follows:

SECTION 1. Defined Terms

Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Guarantee and Collateral Agreement, and the meanings given thereto in the Credit Agreement.

SECTION 2. Grant of Security Interest

SECTION 2.1 Grant of Security. Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Secured Parties, a security interest in, all of the following property, in each case, wherever located and now owned or at any time hereafter owned by the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Trademark Collateral") as collateral for the performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, and other indicia of origin or source identification, and general intangibles of a like nature, whether registered or unregistered, and with respect to all applications for registration thereof including, without limitation, the registrations and applications in the United States Patent and Trademark Office and renewals thereof, (iii) all of the goodwill of the business connected with the use of and symbolized by any of the foregoing, (iv) all rights to sue for infringement, dilution, or other violation thereof, (iv) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, and other amounts hereafter due and/or payable with respect thereto, and (v) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

SECTION 2.2 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the Trademark Collateral granted under Section 2.1 hereof attach to (i) any "intent-to-use" application for registration of a Trademark filed pursuant to Section 1(b) of the Trademark Act of 1946, the filing and acceptance of a "Statement of Use" or an "Amendment to Allege Use" with respect thereto, solely to the extent, if any, that the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application, or (ii) any other Excluded IP.

SECTION 3. Guarantee and Collateral Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Administrative Agent under the Guarantee and Collateral Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies of the Administrative Agent under the Guarantee and Collateral Agreement made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference into this Agreement, and in the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

SECTION 4. Governing Law

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

SECTION 5. Counterparts

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which when taken together shall constitute a single contract. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page of this Agreement shall be deemed to constitute delivery of an original executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of similar import used in this Agreement shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, and the use of a paper-based record of an electronic signature, provided that the use of such electronic means shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based record of a manually executed signature. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record that is intended to authenticate or accept such contract or record.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of

[NAME OF GRANTOR],
as a Grantor

By: _____
Name: _____
Title: _____

Accepted and Agreed:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

[Signature Page to Trademark Security Agreement]

SCHEDULE A
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS AND APPLICATIONS

Mark	Serial No.	Filing Date	Registration No.

Merger Moratorium Statute.

Exhibit 10.3(b)

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN
(Effective January 27, 2017)

RESTRICTED STOCK UNIT AWARD AGREEMENT FOR EMPLOYEES
(with related Dividend Equivalents)

RESTRICTED STOCK UNITS GRANTED TO
[Grantee's Name] ON [Grant Date]

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR RESTRICTED STOCK UNITS. You have been granted [Number] Restricted Stock Units and [Number] Dividend Equivalents. Each whole RSU represents the right to receive one full Share at the time and in the manner described in Section 5 of this Award Agreement, each Dividend Equivalent represents the right to receive an amount equal to the dividend payable on one full Share for the period beginning on the Grant Date and ending on the Settlement Date (as described in Section 4(a) of this Award Agreement) in respect of the related RSU.

The "Grant Date" of your Award is [Grant Date]. To accept this Award Agreement, you must return a signed copy of this Award Agreement, to [Third Party Administrator] (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: [TPA Contact's Name]
[TPA Contact's Address] [TPA
Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your RSUs are granted pursuant to and in accordance with The Scotts Miracle-Gro Company Long-Term Incentive Plan, effective January 27, 2017 (the "Plan"). All provisions of the Plan are incorporated herein by reference, and you agree to be bound by and subject to the terms of the Plan and this Award Agreement. To the extent there is a conflict between this Award Agreement and the Plan, the Plan shall govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the RSUs described in this Award Agreement shall vest in accordance with the terms of the Plan.

- #### 4. SETTLEMENT.

- (a) Subject to the terms of the Plan and this Award Agreement, your vested RSUs, minus any Shares that are withheld for taxes a sum as soon as administratively practicable, but no later than 90 days following the earliest date to occur of: (i) your Termination d of the Grant Date (the "Settlement Date"). Your whole RSUs shall be settled in full Shares, and any fractional RSU shall be settled i a Share on the Settlement Date equal to the closing price of a Share on the Settlement date if it is a trading day or, if such date is n
- (b) Except as provided in Section 5 of this Award Agreement, you will have none of the rights of a shareholder with respect to S the record holder of such Shares.

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- (c) You may use one of the following methods to pay the required withholding taxes related to the vesting of your RSUs. You must elect one of these methods by the first day after the date of vesting.
- Company. If you do not elect one of these methods, the Company will apply the Net Settlement method described below:
- (i) CASH PAYMENT: If you elect this alternative, you will be responsible for paying the Company through the Third Party Administrator. The payment will be made in cash or by check, whichever is applicable on your RSUs.
 - (ii) NET SETTLEMENT: If you elect this alternative, the Company will retain the number of Shares with a Fair Market Value equal to the amount of the required withholding taxes on your RSUs.
- (d) If there is a Change in Control, your RSUs may vest earlier in accordance with the Plan and pursuant to the terms of the Award Agreement. See the "Change in Control" section for further details.

5. DIVIDEND EQUIVALENTS. You will be entitled to receive a Dividend Equivalent equal to any dividends declared on the related RSU, subject to the same terms and conditions as the related RSU. Any Dividend Equivalents will be distributed to you in cash or in Shares, at the discretion of the Committee, if the Award Agreement or forfeited, depending on whether or not you have met the conditions described in this Award Agreement and the following:

(i) cash, for any Dividend Equivalents relating to cash dividends and/or (ii) Shares, for any Dividend Equivalents relating to dividends payable in Shares.

6. FORFEITURE.

- (a) Except as otherwise provided in Section 3 or Section 4(d) of this Award Agreement, you will forfeit your Award if you terminate your employment with the Company prior to your Vesting Date.

(b) If you engage in "Conduct That Is Harmful To The Company" (as described below), you will forfeit your Award. If you must return to the Company all Shares and other amounts you have received through the Plan or this Award without your consent, you do any of the following within 180 days before and 730 days after you Terminate:

- (i) You breach any confidentiality, nondisclosure, and/or noncompetition obligations under any agreement with the Company or Subsidiary;
- (ii) You fail or refuse to consult with, supply information to or otherwise cooperate with the Company as requested to do so;

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- (iii) You deliberately engage in any action that the Company concludes has caused substantial harm to the Company or Subsidiary;
- (iv) You fail to return all property (other than personal property), including vehicles, computer or other equipment, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, software, or formulae or any other tangible property or document and any and all copies, duplicates or reproductions of the same, that have otherwise been provided to you in the course of your employment with the Company or any Affiliate or Subsidiary;
- (v) You engage in conduct that the Committee reasonably concludes would have given rise to a Termination before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive any RSUs and related Dividend Equivalents but are settled after you die. This may be done only on the Beneficiary Designation Form and by following the rules described on the Form. The Form does not need to be completed now and is not required as a condition of receiving your Award. However, if you die without completing the Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR RSUs AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, your Award may not be transferred to another person. Also, the Committee may allow you to place your RSUs and related Dividend Equivalents for your benefit or the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any conflict of law provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS AND POLICIES. Your RSUs and related Dividend Equivalents will be subject to the terms and conditions of the Plan and any other agreements or policies entered into by you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms and conditions of the Plan. Your RSUs and related Dividend Equivalents granted under the Plan shall be subject to any applicable Company clawback and other policies that may be implemented by the Company from time to time.

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12. ADJUSTMENTS TO YOUR RSUs. Subject to the terms of the Plan, your RSUs and related Dividend Equivalent will be adjusted to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect a stock split or reverse split).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any changes to the Plan or this Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the value; and
- (e) You must return a signed copy of this Award Agreement to the address given above before **[Date 30 Days After Grant Date]**.

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

By: _____

Date signed: _____

[Name of Company Representative]

[Title of Company Representative]

Date signed: _____

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THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN
(Effective January 27, 2017)

NONQUALIFIED STOCK OPTION AWARD AGREEMENT FOR EMPLOYEES

NONQUALIFIED STOCK OPTION GRANTED
TO [Grantee's Name] ON [Grant Date]

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR NONQUALIFIED STOCK OPTION. You have been granted a Nonqualified Stock Option for **[Number of Shares]** Shares at an exercise price of \$**[Exercise Price]** for each Share ("Exercise Price") on or before **[Day Prior to Termination Date]**.

The Grant Date of the NSO is **[Grant Date]**. To accept this Award Agreement, you must return a signed copy of this Award Agreement, to **[Third Party Administrator]** (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: **[TPA Contact's Name]**
[TPA Contact's Address]

[TPA Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your NSO are granted pursuant to and in accordance with The Scotts Mill effective January 27, 2017 (the "Plan"). All provisions of the Plan are incorporated herein by reference, and to the extent there is a conflict between this Award Agreement and the Plan, the Plan will govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the NSO described in this Award Agreement

(a) **General Vesting.** If your employment continues from the Grant Date until the third anniversary of the "Vesting

Date"), your NSO described in this Award Agreement will vest (and become exercisable) on the Vesting Date;

(b) **Accelerated Vesting.** Under the following circumstances, the NSO described in this Award Agreement

(i) If you Terminate because of your death or due to a disability for which you qualify for benefits under a Disability Plan or another long-term disability plan sponsored by the Company, your NSO described in this Award Agreement will vest (and become exercisable) on the Vesting Date and expire on the Expiration Date; or ;

(ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment with the Company, your NSO described in this Award Agreement will become fully vested as of the date of such event and expire on the Expiration Date;

(iii) If you Terminate due to an involuntary Termination by the Company without Cause no earlier than 180 days before the Termination Date, your NSO described in this Award Agreement will be deemed to become fully vested as of the Termination Date and expire on the Expiration Date.

(iv) If there is a Change in Control, your NSO may vest earlier in accordance with the Plan and pursuant to the terms of the Plan for further details.

4. RIGHTS BEFORE YOUR NSO IS EXERCISED. You may not vote, or receive any dividends associated with, the Shares underlying the NSO until the NSO is exercised with respect to such Shares.

5. EXERCISING YOUR NSO.

(a) After your NSO vests, you may exercise the NSO at any time prior to the Expiration Date. To exercise the NSO you must obtain the necessary approvals from the Company, which is available from Third Party Administrator. At any one time, you must exercise your NSO to buy no fewer than 100 Shares, or if the value is less than 100 Shares.

(b) You may use one of the following four methods to exercise your NSO and to pay any taxes related to that exercise. You will decide which method you wish to use.

exercise. If you do not elect one of these methods, the Company will apply the Broker-Assisted Cashless Exercise and Sell n

(i) **BROKER-ASSISTED CASHLESS EXERCISE AND SELL:** If you elect this alternative, you will be deemed to have s
Shares underlying the portion of the NSO you exercised. When the transaction is complete, you will receive cash (but no :
the aggregate Fair Market Value of the Shares deemed to have been acquired through the exercise minus the aggregate E

(ii) **COMBINATION EXERCISE:** If you elect this alternative, you will be deemed to have simultaneously exercised the NSO
Market Value equal to the aggregate Exercise Price and for taxes that are required to be withheld on account of the exerci
Shares subject to the portion of the NSO you exercised will be transferred to you.

(iii) **EXERCISE AND HOLD:** If you elect this alternative, you must pay the full Exercise Price plus related taxes (in cash, a
equal to the Exercise Price and which you have owned for at least six months before the exercise date). When the transa
purchased.

(iv) **DISCRETIONARY EXERCISE:** The Committee may, in its sole discretion, approve or accept any other method of exerc

(c) You may never exercise your NSO to purchase a fractional Share. Any fractional Share shall be redeemed for cash equal to the

6. EXPIRATION AND FORFEITURE. It is your responsibility to keep track of when your NSO expires. Your NSO
you will no longer have the right to exercise any portion of your NSO) under each of the following circumstances:

(a) **General Expiration Rules.** In general, your NSO will expire on the Expiration Date.

(b) **Forfeiture Rules.** In the following instances, your NSO will expire and you will forfeit your NSO prior to t

(i) If you Terminate before the Vesting Date, except as provided in Section 3 above, you will forfeit yo

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(ii) If you engage in "Conduct That Is Harmful To The Company" (as described below), you will forfeit
Shares and other amounts you have received through the Plan or this Award Agreement if, without the
following within 180 days before and 730 days after you Terminate:

1) You breach any confidentiality, nondisclosure, and/or noncompetition obligations under an
Affiliate or Subsidiary;

2) You fail or refuse to consult with, supply information to or otherwise cooperate with the
having been requested to do so;

3) You deliberately engage in any action that the Company concludes has caused substanti
Affiliate or Subsidiary;

4) You fail to return all property (other than personal property), including vehicles, computer
notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, c
data, formulae or any other tangible property or document and any and all copies, duplicate
received or have otherwise been provided to you in the course of your employment with the Cor

5) You engage in conduct that the Committee reasonably concludes would have given rise to a finding of cause if discovered before you Terminated.

(iii) If you Terminate for Cause after the Vesting Date, the portion of your NSO that has not been exercised (or, if applicable, vested) on the date you Terminate; or

(iv) If you Terminate for any other reason after the Vesting Date, the portion of your NSO that is vested on the date of Termination, or earlier of the Expiration Date or 180 days after you Terminate.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

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8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive or to exercise the vested portion of your NSO in the event of your death. This may be done only on the Beneficiary Designation Form and by following the rules described in that Form. If you complete the Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate. If you do not complete the Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR NSO. Except as described in Section 8, your NSO may not be transferred to another person. You may, however, transfer your NSO into a trust established for your benefit or for the benefit of your family. Contact the **Third Party Administrator** for more information.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any conflict of law principles that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS AND POLICIES. Your NSO will be subject to the terms of any other written agreements entered into by the Company, its Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement. The Plan shall be subject to any applicable Company clawback or recoupment policies, share trading policies and other policies from time to time.

12. ADJUSTMENTS TO YOUR NSO. Subject to the terms of the Plan, your NSO and the terms of this Award Agreement may be adjusted in connection with any change to the Company's capital structure (e.g., the number of Shares underlying your NSO and the Exercise Price of your NSO) in connection with a corporate transaction involving the Company.

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your NSO;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to the Award Agreement to comply with any law and to avoid paying any taxes on the Award.

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penalties under Section 409A of the Code, even if those changes affect the terms of your NSO and reduce its value or potential

(e) You must return a signed copy of this Award Agreement to the address given above before **[Date 30 Days**

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMI

BY: _____

BY: _____

Date signed: _____

[Name of Company representative]

[Title of Company representative]

Date signed: _____

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THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN
(Effective January 27, 2017)

DEFERRED STOCK UNIT AWARD AGREEMENT
FOR NONEMPLOYEE DIRECTORS
(WITH RELATED DIVIDEND EQUIVALENTS)

DEFERRED STOCK UNITS GRANTED TO
[director's name] ON JANUARY [], 2017

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR DEFERRED STOCK UNITS. You have been granted **[# units]** deferred stock units ("D equivalents. The "Grant Date" of your Award is **[Grant Date]**. Each whole DSU represents the right to receive one full Share in the manner described in this Award Agreement. Each dividend equivalent represents the right to receive additional DSU respect of the dividends that are declared and paid during the period beginning on the Grant Date and ending on the Settlement date of the Share represented by the related vested DSU. To accept this Award Agreement, you must return a signed copy of this Award Agreement to **[return date]**, to **[Third Party Administrator]** (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: **[TPA Contact's Name]**
[TPA Contact's Address]
[TPA Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your DSUs and dividend equivalents are granted pursuant to and in accordance with the Company Long-Term Incentive Plan effective January 27, 2017 (the "Plan"). All provisions of the Plan are incorporated by reference into this Award Agreement. DSUs and dividend equivalents are subject to the terms of the Plan and this Award Agreement. To the extent there is any conflict between the terms of this Award Agreement and the Plan, the Plan will govern.

- (b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. The DSUs described in this Award Agreement will vest as follows:

- (a) **General Vesting.** On the first anniversary of the Grant Date (the "Vesting Date") provided, however, the date of the Company's 2018 Annual Meeting of Shareholders if it is held prior to the Vesting Date, your DSUs will become 100% vested on the Vesting Date, including any DSUs credited pursuant to Section 5 on or prior to the Vesting Date. Any DSUs credited pursuant to Section 5 following the Vesting Date will be 100% vested on the date they are credited to you;

or

- (b) **Accelerated Vesting.** Your DSUs described in this Award Agreement, including any DSUs credited pursuant to Section 5 as of the date you Terminate because of your death or because you become Disabled. For purposes of this Section 5, you will be considered to have been determined to be totally disabled by the Social Security Administration.

4. SETTLEMENT.

- (a) Subject to the terms of the Plan and this Award Agreement, your vested DSUs, including any DSUs credited pursuant to Section 5, shall be settled, in whole or in part, as administratively practicable, but no later than 90 days following the earliest date to occur of: (i) your Termination; or (ii) the third anniversary of the date of your death. The whole DSUs shall be settled in full Shares, and any fractional DSU shall be settled in cash, determined based upon the Fair Market Value of a Share on the date of settlement.
- (b) Except as provided in Section 5 below, you will have none of the rights of a shareholder with respect to Shares underlying the DSUs.
- (c) If there is a Change in Control, your DSUs, including any DSUs credited pursuant to Section 5, may vest in accordance with the terms of the Plan.

5. DIVIDEND EQUIVALENTS. With respect to each dividend equivalent:

- (a) If a cash dividend is declared and paid on the Shares underlying the DSUs, you will be credited with an additional number of DSUs equal to:
- (i) The product of (I) the number of DSUs granted under this Award Agreement (including additional DSUs previously credited pursuant to Section 5) multiplied by (II) the amount of the cash dividend paid per Share; divided by
 - (ii) The Fair Market Value (which shall be equal to the closing price) of a Share on the date such cash dividend is paid.
- (b) If a Share dividend is declared and paid on the Shares underlying the DSUs, you will be credited with an additional number of DSUs equal to:
- (i) The number of DSUs granted under this Award Agreement (including additional DSUs previously credited in accordance with Section 5) multiplied by
 - (ii) The number of Shares paid as a dividend per Share.
- (c) Any additional DSUs credited pursuant to this Section 5 shall be subject to the same terms and conditions as the DSUs granted under this Award Agreement.
- (d) Any fractional number of DSUs resulting from the calculations under this Section 5 shall be rounded to the nearest whole Share.

6. FORFEITURE. Except as otherwise provided in Section 3, if you Terminate prior to the Vesting Date your DSUs will be forfeited.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive any DSUs and related dividends if you are settled after you die. This may be done only on a Beneficiary Designation Form and by following the rules described in the Plan. The Form does not need to be completed now and is not required as a condition of receiving your Award. However, if you die without a designated beneficiary, if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR DSUs AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, your Award may not be transferred to another person. Also, the Committee may allow you to place your DSUs and related dividend equivalents for your benefit or the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any choice of law provision that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS AND POLICIES. Your DSUs and the related dividend equivalents will be subject to any other agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with this Award Agreement. Your DSUs and related dividend equivalents granted under the Plan shall be subject to any applicable Company policies, including but not limited to, non-competition policies, share trading policies and other policies that may be implemented by the Company from time to time.

12. ADJUSTMENTS TO YOUR DSUs. Subject to the terms of the Plan, your DSUs and the related dividend equivalents may be adjusted in the event of any change to the Company's capital structure (e.g., the number of Shares underlying your DSUs will be adjusted to reflect any change in the number of Shares outstanding).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any changes to the Plan or this Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the value of your Award; and
- (e) You must return a signed copy of this Award Agreement to the address given above before [date].

[PARTICIPANT NAME]

By: _____

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

[Officer Name]

[Officer Title]

Date signed: _____

Granted To:
Associate ID:
Award Type:
Grant Date:

THE SCOTTS MIRACLE-GRO COMPANY

RESTRICTED STOCK UNIT AWARD AGREEMENT FOR EMPLOYEES
(with related Dividend Equivalents)

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR RESTRICTED STOCK UNITS. You have been granted [Number] Restricted Stock Units and [Number] Dividend Equivalents. The "Grant Date" of your Award is [Grant Date]. Each whole RSU represents the right to receive one Share described in this Award Agreement. Subject to Section 5 of this Award Agreement, each Dividend Equivalent represents the right to receive dividends that are declared and paid during the period beginning on the Grant Date and ending on the Settlement Date (the "Settlement Date") with respect to the Share represented by the related RSU.

To accept this Award Agreement, you must provide your acknowledgement and acceptance of the terms and conditions of this agreement process facilitated by **Merrill Lynch** (the "Third Party Administrator") no later than [Acceptance Date].

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your RSUs are granted pursuant to and in accordance with The Scotts Miracle-Gro Company Long-Term Incentive Plan, effective January 24, 2022 (the "Plan"). All provisions of the Plan are incorporated herein by reference, and you are subject to the terms of the Plan and this Award Agreement. To the extent there is a conflict between this Award Agreement and the Plan, the Plan shall govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the RSUs described in this Award Agreement shall vest as follows:

(a) **Normal Vesting.** Your RSUs described in this Award Agreement will become 100% vested if your employment with the Company on the third anniversary of the Grant Date, in this case [Vesting Date] (the "Normal Vesting Date"), and will be settled as of the Normal Vesting Date.

(b) **Special Vesting.** Under the following circumstances, your RSUs described in this Award Agreement will become 100% vested as of the Normal Vesting Date:

(i) If you Terminate because of your death or due to a disability for which you qualify for benefits under the Company's Disability Plan or another long-term disability plan sponsored by the Company ("Disabled"), your RSUs will become 100% vested and will be settled as of the date of death or disability in accordance with Section 6 of the Plan.

(ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment with the Company, your RSUs described in this Award Agreement will become 100% vested as of the Normal Vesting Date and will continue to be settled in accordance with the Plan; or

(iii) If you Terminate due to an involuntary Termination by the Company without Cause within 180 days before the Normal Vesting Date, your RSUs described in this Award Agreement will become 100% vested as of the Normal Vesting Date and will continue to be settled in accordance with Section 6 of the Plan.

4. SETTLEMENT.

(a) Subject to the terms of the Plan and this Award Agreement, your vested RSUs, minus any Shares that are withheld for taxes and other deductions, shall be paid to you in cash or by check as soon as administratively practicable following the earliest date to occur of: (i) your Termination due to your death or Disability;

"Settlement Date"). Your whole RSUs shall be settled in full Shares, and any fractional RSU shall be settled in cash, determined as of the Settlement Date, which shall be equal to the closing price of a Share on the Settlement date if it is a trading day or, if such date is not a trading day, the closing price of a Share on the last trading day prior to the Settlement Date.

(b) Except as provided in Section 5 of this Award Agreement, you will have none of the rights of a shareholder with respect to the Shares, including the right to vote, until you are the record holder of such Shares.

(c) You may use one of the following methods to pay the required withholding taxes related to the vesting and settlement of your RSUs, as prescribed by the Company. If you do not elect one of these methods, the Company will apply the Net Settlement method described below.

(i) CASH PAYMENT: If you elect this alternative, you will be responsible for paying the Company, through the Third-Party Administrator, the amount of the required withholding taxes applicable on your RSUs.

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(ii) NET SETTLEMENT: If you elect this alternative, the Company will retain the number of Shares with a Fair Market Value equal to the value of your RSUs, provided that such withholding can be no more than the maximum withholding rate applicable to each jurisdiction.

(d) If there is a Change in Control, your RSUs may vest earlier in accordance with the Plan and pursuant to the terms of the Award Agreement for further details. Notwithstanding any other provisions of this Award Agreement to the contrary, in the event that a Change in Control occurs under the Plan or this Award Agreement in connection with a Change in Control it is determined that the Company is required to provide compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Participant, the Company shall reduce the aggregate value of the Payments distributable pursuant to the terms of this Award Agreement or otherwise (the "Payments"), would constitute a payment for purposes of the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate value of the Payments to the extent of the Reduced Amount (as defined below), if reducing the Payments under this Award Agreement will provide for a net amount that would be the case if no reduction was made. The Payments shall be reduced as described in this Section 5(d) if the net amount of the Payments, as so reduced (and after subtracting the net amount of applicable federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) on the Payments), is greater than or equal to (ii) the net amount of the Payments without such reduction (but after subtracting the net amount of applicable federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) on the Payments) respect to the unreduced Payments). Only amounts payable under this Award Agreement shall be reduced. The "Reduced Amount" shall be an amount that maximizes the aggregate value of Payments under this Award Agreement to the extent of the Reduced Amount. The Award Agreement to be subject to the Excise Tax, determined in accordance with Section 280G(d)(4) of the Code, shall be the amount of the Payments imposed under Section 4999 of the Code, together with any interest or penalties imposed with respect to such Payments.

(i) All determinations to be made under this Section 5(d) shall be made by an independent registered public accounting firm. The firm shall be engaged by the Company immediately prior to a change in control, which shall provide its determinations and any supporting calculations both to the Company and the Participant. Any such determination by such firm shall be binding upon the Company and the Participant. All of the fees and expenses incurred by the firm in performing the determinations referred to in this Section shall be borne solely by the Company.

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5. DIVIDEND EQUIVALENTS. You will be entitled to receive a Dividend Equivalent equal to any dividends declared on the Shares underlying the related RSU, subject to the same terms and conditions as the related RSU. Any Dividend Equivalents will be distributed to you in cash or Shares, depending on whether or not you have met the conditions described in this Award Agreement and the Plan. (i) cash, for any Dividend Equivalents relating to cash dividends and/or (ii) Shares, for any Dividend Equivalents relating to

6. FORFEITURE.

- (a) Except as otherwise provided in Section 3 of this Award Agreement, you will forfeit your unvested RSUs on the Termination Date.
- (b) If you engage in "Conduct That Is Harmful To The Company" (as described below), you will forfeit your RSUs. If you do not consent, you must return to the Company all Shares and other amounts you have received through the Plan or this Award Agreement. If you consent, you do any of the following within 180 days before and 730 days after you Terminate:
 - (i) You breach any confidentiality, nondisclosure, and/or noncompetition obligations under any agreement with the Company or Subsidiary;
 - (ii) You engage in conduct that the Committee reasonably concludes requires the forfeiture and recoupment of the Company's Company recoupment or clawback policy, any other applicable policy of the Company, and any applicable law;
 - (iii) You fail or refuse to consult with, supply information to or otherwise cooperate with the Company as requested to do so;
 - (iv) You deliberately engage in any action that the Company concludes has caused substantial harm to the Company or Subsidiary;
 - (v) You fail to return all property (other than personal property), including vehicles, computer or other equipment, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, software, or any other tangible property or document and any and all copies, duplicates or reproductions of the same, that have otherwise been provided to you in the course of your employment with the Company or any Affiliate or Subsidiary.

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- (vi) You engage in conduct that the Committee reasonably concludes would have given rise to a Termination before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive the any RSUs and related Dividend Equivalents under the terms of this Award Agreement but are settled after you die. This may be done only on the Beneficiary Designation Form provided by the Third Party Administrator. The Beneficiary Designation Form need not be completed now and is not required as a condition of receiving RSUs. If you do not complete a Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or your estate.

9. TRANSFERRING YOUR RSUs AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, you may not transfer your RSUs or related Dividend Equivalents to another person. Also, the Committee may allow you to place your RSUs and related Dividend Equivalents for the benefit or the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any choice of law provision that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. This Award Agreement hereunder shall be governed by applicable federal and state securities laws and exchanges.

11. OTHER AGREEMENTS AND POLICIES. Your RSUs and related Dividend Equivalents will be subject to the terms of any other agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with this Award Agreement. Your RSUs and related Dividend Equivalents granted under the Plan shall be subject to any applicable Company clawback and other policies that may be implemented by the Company from time to time.

12. ADJUSTMENTS TO YOUR RSUs. Subject to the terms of the Plan, your RSUs and related Dividend Equivalent change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect a st

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;

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- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agr
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect th value; and
- (e) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process de Date].

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPAN

By: _____

By: _____

Date signed: _____

[Name of Company Representative]
[Title of Company Representative]
Date signed: _____

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Granted To: /\$ParticipantName\$/
Associate ID: /\$UserText1\$/
Award Type: /\$GrantType\$/
Grant Date: /\$GrantDate\$/

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AWARD AGREEMENT FOR EMPLOYEES

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR NONQUALIFIED STOCK OPTION. You have been granted a Nonqualified Stock Option for **/ \$GrantPrice\$ /** for each Share ("Exercise Price") on or before **/ \$ExpirationDate\$ /** ("Expiration Date") and **/ \$GrantDate\$ /**.

To accept this NSO Award, you must provide your acknowledgement and acceptance of the terms contained herein through the process facilitated by **Merrill Lynch** (the "Third Party Administrator") no later than **/ \$AcceptByDate\$ /**.

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your NSO are granted pursuant to and in accordance with The Scotts Miracle-Gro Company 2012 Nonqualified Stock Option Plan, as amended (the "Plan"), effective January 24, 2022 (the "Plan"). All provisions of the Plan are incorporated herein by reference, and in the event there is a conflict between this Award Agreement and the Plan, the Plan will govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the NSO described in this Award Agreement shall vest as follows:

(a) **General Vesting.** If your employment continues from the Grant Date until the third anniversary of the date of the "Vesting Date", your NSO described in this Award Agreement will vest (and become exercisable) on the Vesting Date.

(b) **Accelerated Vesting.** Under the following circumstances, the NSO described in this Award Agreement shall vest (and become exercisable) as of the date of Termination:

(i) If you Terminate because of your death or due to a disability for which you qualify for benefits under the Company's Disability Plan or another long-term disability plan sponsored by the Company ("Disabled"), your NSO described in this Award Agreement will become fully vested and exercisable as of the date of Termination and will expire as provided in Section 6;

(ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment with the Company, your NSO described in this Award Agreement will become fully vested and become exercisable as of the date of Termination and will expire as provided in Section 6;

(iii) If you Terminate due to an involuntary Termination by the Company without Cause no earlier than 180 days before the date of Termination, your NSO described in this Award Agreement will become fully vested and exercisable on the date of Termination and will expire as provided in Section 6; or

(iv) If there is a Change in Control, your NSO may vest earlier in accordance with the Plan and pursuant to the details set forth in the Plan.

4. RIGHTS BEFORE YOUR NSO IS EXERCISED. You may not vote or receive any dividends associated with the Shares underlying the NSO until the NSO is exercised with respect to such Shares.

5. EXERCISING YOUR NSO. After your NSO vests, you may exercise the NSO at any time prior to the Expiration Date. The exercise of the NSO shall be subject to the terms and conditions set forth in Section 6.

(a) To exercise the vested NSO you must make a written request to the Third Party Administrator and follow the exercise process set forth in the Plan. You may exercise your NSO to buy no fewer than 100 Shares, or, you must exercise the balance of your NSO if the value is less than 100 Shares.

(b) You may use one of the following three methods to exercise your vested NSO and to pay any taxes related to that exercise. You may elect one of these methods, or, if you do not elect one of these methods, the Company will apply the Broker-Assisted Cashless Exercise and Sell method described below.

- (i) **BROKER-ASSISTED CASHLESS EXERCISE AND SELL:** If you elect this alternative, you will be deemed to have sold the Shares underlying the portion of the NSO you exercised. When the transaction is complete, you will receive cash (but not the aggregate Fair Market Value of the Shares deemed to have been acquired through the exercise minus the aggregate cash withheld).
- (ii) **SELL TO COVER:** If you elect this alternative, you will be deemed to have simultaneously exercised the NSO and to have sold the Shares having a Fair Market Value sufficient to cover the aggregate Exercise Price and for taxes that are required to be withheld on account of the exercise. The Shares subject to the portion of the NSO you exercised will be transferred to you.
- (iii) **CASH PURCHASE EXERCISE:** If you elect this alternative, you must pay (out of your pocket) the full Exercise Price in cash or in Shares having a Fair Market Value equal to the Exercise Price and which you have owned for at least six months before the exercise. You will receive the number of Shares purchased.
- (c) You may never exercise your NSO to purchase a fractional Share. Any fractional Share shall be redeemed for cash equal to the value of the fractional Share.

6. EXPIRATION AND FORFEITURE. It is your responsibility to keep track of when your NSO expires. Your NSO will no longer have the right to exercise any portion of your NSO) under each of the following circumstances:

- (a) **General Expiration Rule.** In general, your vested NSO will expire on the Expiration Date, unless otherwise provided.
- (b) **Early Expiration.** In the following instances, your vested NSO will expire before the Expiration Date:
 - (i.) If you Terminate for any reason other than for Cause after the Vesting Date, except as provided in Section 3 above, your NSO is vested but has not been exercised will expire on the earlier of the Expiration Date or 180 days after the date of Termination.
 - (ii.) If there is a Change in Control, your NSO may expire earlier than the Expiration Date. See the Plan for more details.
- (c) **Forfeiture Rules.** In the following instances, your NSO will expire and you will forfeit your NSO prior to the Expiration Date:
 - (i.) If you Terminate before the Vesting Date, except as provided in Section 3 above, you will forfeit your NSO.
 - (ii.) If, without prior authorization in writing from the Company, you engage in "Conduct That is Harsh or Inappropriate" in the course of your employment or within 730 days after you Terminate, you will forfeit your Performance Unit and other amounts you have received through the Plan or this Award Agreement. "Conduct That is Harsh or Inappropriate" includes:
 - (a) Your breach of any confidentiality, nondisclosure, and/or noncompetition obligations under the Plan or this Award Agreement or any Affiliate or Subsidiary;
 - (b) Your engaging in conduct that the Committee reasonably concludes requires the forfeiture of any Company recoupment or clawback policy, any other applicable policy of the Company, or any Affiliate or Subsidiary;
 - (c) Your failure or refusal to consult with, supply information to or otherwise cooperate with the Company or any Affiliate or Subsidiary having been requested to do so;
 - (d) Your deliberately engaging in any action that the Company concludes has caused substantial harm to the Company or any Affiliate or Subsidiary;
 - (e) Your failure to return all property (other than personal property), including vehicles, computers, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, documents, and other tangible property or document and any and all copies thereof, produced or received or have otherwise been provided to you in the course of your employment by the Company or any Affiliate or Subsidiary; or
 - (f) Discovery after you Terminated that you engaged in conduct while employed by the Company or any Affiliate or Subsidiary that would have given rise to a Termination for Cause had it been discovered before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive or to exercise the vested Award if you die. This may be done only on the Beneficiary Designation Form prescribed by the Company or the Third Party Administrator. This Form need not be completed now and is not required as a condition of receiving your Award. If you die without completing a Beneficiary Designation Form, the Award will be paid to your surviving spouse, if you have a surviving spouse, or to your estate, if you do not have a surviving spouse, or to the person named in your will, if you do not have a surviving spouse and your will does not name a beneficiary. If you do not have a surviving spouse, your will does not name a beneficiary, and you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR NSO. Except as described in Section 8, your NSO may not be transferred to another person. You may, however, transfer your NSO into a trust established for your benefit or for the benefit of your family. Contact the Third Party Administrator for more information.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any choice of law provision that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. This Award Agreement hereunder shall be governed by applicable federal and state securities laws and exchanges.

11. OTHER AGREEMENTS AND POLICIES. Your NSO will be subject to the terms of any other written agreements, policies, or procedures of the Company, its Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement. The Plan shall be subject to any applicable Company clawback or recoupment policies, share trading policies and other policies from time to time.

12. ADJUSTMENTS TO YOUR NSO. Subject to the terms of the Plan, your NSO and the terms of this Award Agreement may be adjusted in the event of any change to the Company's capital structure (e.g., the number of Shares underlying your NSO and the Exercise Price will be adjusted proportionately).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your NSO;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any change to the Company's capital structure (e.g., the number of Shares underlying your NSO and the Exercise Price will be adjusted proportionately) to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the value of your NSO; and
- (e) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process defined in the Plan.

THE SCOTTS MIRACLE-GRO COMPANY

BY: _____

Name:

Title:

Date signed:

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Deferral of 2022 Cash Retainer

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

DEFERRED STOCK UNIT AWARD AGREEMENT
FOR NONEMPLOYEE DIRECTORS
(WITH RELATED DIVIDEND EQUIVALENTS)

DEFERRED STOCK UNITS CREDITED TO
[Director's Name]

This Award Agreement describes the deferred stock units ("DSUs") which you will be credited with upon conversion of quarterly installments of the annual cash retainer paid to you by the Company and the terms and conditions of your DSUs.

To accept this Award Agreement, you must provide your acknowledgement and acceptance of the terms contained in this Award Agreement through the agreement process facilitated by Merrill Lynch (the "Third Party Administrator") no later than **[Acceptance Date]**.

The Company intends that the DSUs credited under this Award Agreement satisfy the requirements of Section 409A of the Code and that the DSUs will not be treated as a taxable event. You agree that the Company may modify this Award Agreement, without any further consideration, to fulfill this intent, even if those modifications decrease the potential value.

1. DESCRIPTION OF YOUR DEFERRED STOCK UNITS

You have elected to convert **[\$dollar amount]** of each quarterly installment of the annual cash retainer paid to you by the Company, subject to the terms and conditions of the Plan and this Award Agreement. As of each date on which the Amount Deferred is credited to you ("Crediting Date"), you will be credited with a number of DSUs and an equal number of related dividend equivalents, determined by dividing the Amount Deferred by the Value of a Share. The number of DSUs credited to you each quarter will be reflected on Schedule A, as updated by the Company through 2022.

Each whole DSU represents the right to receive one full Share at the time and in the manner described in this Award Agreement. Each dividend equivalent DSU (determined in accordance with Section 3(c)) in respect of the dividends that are declared and paid during the period beginning on the relevant Crediting Date (as described in Section 2(b)) with respect to the Shares represented by the related DSU.

2. VESTING AND SETTLEMENT

(a) **Vesting.** Your DSUs (and any related dividend equivalents received pursuant to Section 3(c) following the Crediting Date) shall vest on the date they are credited to you.

(b) **Settlement.** Subject to the terms of the Plan, your vested DSUs shall be settled in a lump sum as soon as practicable after the earliest to occur of: (i) your Termination (as defined below); (ii) your death; (iii) the date you become Disabled (as defined below); or (iv) the date you become a "Settlement Date"). Your whole DSUs shall be settled in full Shares, and any fractional DSU shall be settled in cash, determined as of the Settlement Date.

(c) **Definitions.** For purposes of this Award Agreement:

- (i) "Disabled" means that you have been determined to be totally disabled by the Social Security Administration.
- (ii) "Termination" (or any form thereof) means your "separation from service" from the Company, as defined in Section 409A of the Code.

3. GENERAL TERMS AND CONDITIONS

(a) **AMENDMENT AND TERMINATION.** Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

(b) **RIGHTS BEFORE YOUR DSUs ARE SETTLED.** Except as provided in Section 3(c) below, you will retain all rights with respect to Shares underlying the DSUs credited to you under this Award Agreement unless and until you become the record owner of such Shares.

(c) **DIVIDEND EQUIVALENTS.** With respect to each dividend equivalent:

(i) If a cash dividend is declared and paid on the Shares underlying the DSUs credited to you under this Award Agreement, you shall receive a dividend equivalent equal to the quotient of:

(A) the product of (I) such number of DSUs (including additional DSUs previously received in accordance with this Section 3(c)) that have not been settled as of the dividend payment date, multiplied by (II) the amount of the cash dividend paid per Share; divided by

(B) the Fair Market Value (which shall be equal to the closing price) of a Share on the date such cash dividend is paid.

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Any additional DSUs credited pursuant to this Section 3(c)(i) shall be subject to the same terms and conditions as the DSUs credited to you under this Award Agreement.

(ii) If a Share dividend is declared and paid on the Shares underlying the DSUs credited under this Award Agreement, you shall receive a dividend equivalent equal to the product of (A) such number of DSUs (including additional DSUs previously received in accordance with this Section 3(c)) that have not been settled as of the dividend payment date, multiplied by (B) the dividend paid per Share. Any additional DSUs credited pursuant to this Section 3(c)(ii) shall be subject to the same terms and conditions as the DSUs credited to you under this Award Agreement.

(iii) Any fractional number of DSUs resulting from the calculations under this Section 3(c) shall be rounded to the nearest whole number.

(d) **BENEFICIARY DESIGNATION.** You may name a beneficiary or beneficiaries to receive the any unvested dividend equivalents that are settled after when you die. This may be done only on the Beneficiary Designation Form prescribed by the Company. The Beneficiary Designation Form need not be completed now and is not required as a condition of receiving your Award. If you do not complete the Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

(e) **TRANSFERRING YOUR DSUs AND RELATED DIVIDEND EQUIVALENTS.** Normally your DSUs and related dividend equivalents will be transferred to another person. However, as described in Section 3(d), you may complete a Beneficiary Designation Form to designate a beneficiary to receive the DSUs and related dividend equivalents that are settled after you die. Also, the Committee may allow you to place your DSUs and related dividend equivalents in a trust for your benefit or the benefit of your family. Contact **Merrill Lynch at (800) 285-0648** or at the address given above if you are interested in transferring your DSUs and related dividend equivalents.

(f) **GOVERNING LAW.** This Award Agreement shall be governed by the laws of the State of Ohio, excluding provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

(g) **OTHER AGREEMENTS.** Your DSUs and the related dividend equivalents will be subject to the terms of the Plan and any other agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan.

(h) **ADJUSTMENTS TO YOUR DSUs.** Subject to the terms of the Plan, your DSUs and the related dividend equivalents will be adjusted to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your DSUs will be adjusted to reflect any change to the Company's capital structure).

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(i) **OTHER RULES.** Your DSUs and dividend equivalents are subject to more rules described in the Plan. You fully understand all the terms and conditions of the crediting of DSUs and the related dividend equivalents under this Award Agreement.

4. YOUR ACKNOWLEDGMENT OF AWARD CONDITIONS

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your DSUs;
- (c) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any change to the Plan or to the Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the terms of your DSUs;
- (d) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process described in the Plan. **Date]** By signing below you acknowledge that the DSUs credited to you on each Conversion Date (as reflected on Schedule A) are subject to the terms of the Plan and this Award Agreement.

[Director's Name]

By: _____

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

[Name of Company Representative]

[Title of Company Representative]

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

DEFERRED STOCK UNIT AWARD AGREEMENT
FOR NONEMPLOYEE DIRECTORS
(WITH RELATED DIVIDEND EQUIVALENTS)

DEFERRED STOCK UNITS CREDITED TO
[Director's Name]

SCHEDULE A

Conversion Date	Amount Deferred	Applicable Share Price
January [.] 2022	\$(amount)	\$(price)
April [.] 2022	\$(amount)	\$(price)
July [.] 2022	\$(amount)	\$(price)
October [.] 2022	\$(amount)	\$(price)

Note: the Company will update Schedule A each quarter to reflect the number of additional DSUs to be credited to you on the applicable Conversion Date.

Grant Recipient: [Name]
Grant Date: [Date]

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
(WITH RELATED DIVIDEND EQUIVALENTS)

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR RESTRICTED STOCK UNITS. You have been granted [# units] restricted stock dividend equivalents. The "Grant Date" of your Award is [Grant Date]. Each whole RSU represents the right to receive one share of common stock of the Company at the time and in the manner described in this Award Agreement. Each dividend equivalent represents the right to receive a dividend payment (or the cash equivalent of a dividend payment) in respect of the dividends that are declared and paid during the period beginning on the Grant Date and ending on the Vesting Date, as described in Section 4(a)) with respect to the Award.

To accept this Award Agreement, you must provide your acknowledgement and acceptance of the terms contained herein by completing the form provided by the Third Party Administrator (the "Third Party Administrator") no later than [Acceptance Date].

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your RSUs and dividend equivalents are granted pursuant to and in accordance with the Company Long-Term Incentive Plan effective January 24, 2022 (the "Plan"). All provisions of the Plan are incorporated by reference into this Award Agreement, and your RSUs and dividend equivalents are subject to the terms of the Plan and this Award Agreement. To the extent there is any conflict between the terms of the Plan and this Award Agreement, the Plan will govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. The RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5 on the Grant Date, will vest as follows:

(a) **General Vesting.** If your Board service continues from the Grant Date until the first anniversary of the Grant Date, your RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5, will be 100% vested on the date they are credited to your account. RSUs received pursuant to Section 5 following the Vesting Date will be 100% vested on the date they are credited to your account in accordance with Section 4 of this Award Agreement; or

(b) **Accelerated Vesting.** Under the following circumstances, your RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5, will vest earlier than the Vesting Date:

(i) If you Terminate from the Board prior to the Vesting Date, provided your board service terminates at or after the Company's [Year] Annual Meeting of Shareholders, your RSUs will become 100% vested on the date they are credited to your account in accordance with Section 4 of this Award Agreement;

(ii) If you Terminate because of your death or because you become Disabled, your RSUs will become 100% vested on the date of the event and will be settled in accordance with Section 4 of this Award Agreement. For purposes of this Award Agreement, you have been determined to be totally disabled by the Social Security Administration.

4. SETTLEMENT.

(a) Subject to the terms of the Plan and this Award Agreement, unless you have made a settlement election in writing, your RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5, shall be settled in a lump sum as soon as administratively practicable after the occurrence of: (i) your Termination; (ii) your death, (iii) your Disability, or (iv) the third anniversary of the Grant Date (the "Settlement Date").

(d) Notwithstanding subsection (a) above, subject to the terms of the Plan and this Award Agreement, you may elect to have your RSUs paid out as cash upon Termination occurs before the third anniversary of the Grant Date, your vested RSUs, including any RSUs credited to you, will be paid out as a lump sum as soon as administratively practicable following the third anniversary of the Grant Date. If approved by the Committee, you may also elect to receive all or a portion of the RSUs awarded to you under this Award Agreement as cash upon Termination, as set forth in Exhibit A attached to this Agreement as **Exhibit A**. For such an election to be effective, you must have completed the applicable form and received approval from the Company no later than December 31st of the year before the year in which the Grant Date occurred. If you do not make an election, then your RSUs will be paid out over the time period provided in the form, you will receive your vested RSUs as provided in subsection (a) above.

11. OTHER AGREEMENTS AND POLICIES. Your RSUs and the related dividend equivalents will be subject between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of this Award Agreement.

Agreement. Your RSUs and related dividend equivalents granted under the Plan shall be subject to any applicable Company trading policies and other policies that may be implemented by the Company from time to time.

12. ADJUSTMENTS TO YOUR RSUs. Subject to the terms of the Plan, your RSUs and the related dividend equivalents will be adjusted to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect any change to the Company's capital structure) and to avoid paying penalties under Section 409A of the Code, even if those changes affect the value; and
- (e) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process described in the Plan [Grant Date].

[PARTICIPANT NAME]

By: _____

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

[Officer Name]

[Officer Title]

Date signed: _____

Grant Recipient: [Name]

Grant Date: [Date]

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
(WITH RELATED DIVIDEND EQUIVALENTS)

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR RESTRICTED STOCK UNITS. You have been granted [# units] restricted stock units and related dividend equivalents. The "Grant Date" of your Award is [Grant Date]. Each whole RSU represents the right to receive one Share of common stock of the Company at any time and in the manner described in this Award Agreement. Each dividend equivalent represents the right to receive an amount (in cash or in kind) equal to the dividend paid (or payable) on the Share (or Shares) described in Section 5) in respect of the dividends that are declared and paid during the period beginning on the Grant Date and ending on the date of the next dividend payment (or payments) to holders of the Share (or Shares) described in Section 4(a)) with respect to the Share represented by the related vested RSU.

To accept this Award Agreement, you must provide your acknowledgement and acceptance of the terms contained herein by completing this form and returning it to the Third Party Administrator, Mr. John Lynch (the "Third Party Administrator") no later than [Acceptance Date].

2. INCORPORATION OF PLAN AND DEFINITIONS.

(a) This Award Agreement and your RSUs and dividend equivalents are granted pursuant to and in accordance with the Company Long-Term Incentive Plan effective January 23, 2023 (the "Plan"). All provisions of the Plan are incorporated by reference into this Award Agreement, and your RSUs and dividend equivalents are subject to the terms of the Plan and this Award Agreement. To the extent there is any conflict between the terms of this Award Agreement and the Plan, the Plan will govern.

(b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. The RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5 on the Vesting Date, will vest as follows:

(a) **General Vesting.** If your Board service continues from the Grant Date until the first anniversary of the Grant Date, your RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5, will be 100% vested on the Vesting Date. If you Terminate from the Board prior to the Vesting Date, your RSUs received pursuant to Section 5 following the Vesting Date will be 100% vested on the date they are credited to your account in accordance with Section 4 of this Award Agreement; or

(b) **Accelerated Vesting.** Under the following circumstances, your RSUs described in this Award Agreement, including any RSUs credited pursuant to Section 5, will vest earlier than the Vesting Date:

(i) If you Terminate from the Board prior to the Vesting Date, provided your board service continues until the Company's [Year] Annual Meeting of Shareholders, your RSUs will become 100% vested on the date of the Company's [Year] Annual Meeting of Shareholders, in accordance with Section 4 of this Award Agreement;

(ii) If you Terminate because of your death or because you become Disabled, your RSUs will become 100% vested on the date of the event and will be settled in accordance with Section 4 of this Award Agreement. For purposes of this Award Agreement, you will be considered Disabled if you have been determined to be totally disabled by the Social Security Administration.

4. SETTLEMENT.

(a) Subject to the terms of the Plan and this Award Agreement, unless you have made a settlement election in writing, your RSUs, including any RSUs credited pursuant to Section 5, shall be settled in a lump sum as soon as administratively practicable following the event giving rise to the settlement of: (i) your Termination; (ii) your death, (iii) your Disability, or (iv) the third anniversary of the Grant Date (the "Settlement Date"). The lump sum shall be settled in full Shares, and any fractional RSU shall be settled in cash, determined based upon the Fair Market Value of a Share on the Settlement Date, which shall be equal to the closing price of a Share on the Settlement date if it is a trading day or, if not a trading day, the preceding trading day.

(b) Except as provided in Section 5 below, you will have none of the rights of a shareholder with respect to Shares underlying the RSUs, including any RSUs credited pursuant to Section 5, until the Settlement Date.

(c) If there is a Change in Control, your RSUs, including any RSUs credited pursuant to Section 5, may vest and settle in accordance with the terms of the Plan and this Award Agreement.

(d) Notwithstanding subsection (a) above, subject to the terms of the Plan and this Award Agreement, if your Termination occurs before the third anniversary of the Grant Date, your vested RSUs, including any RSUs credited pursuant to Section 5, shall be settled in a lump sum as soon as administratively practicable following the third anniversary of the Grant Date. If you make a settlement election in writing, your RSUs shall be settled in a lump sum as soon as administratively practicable following the third anniversary of the Grant Date. If you do not make a settlement election in writing, your RSUs shall be settled in a lump sum as soon as administratively practicable following the third anniversary of the Grant Date. For such an election to be effective, you must have completed the election in writing no later than December 31st of the year before the year in which the Grant Date occurred. If you do not make a settlement election in writing, you will receive your vested RSUs as provided in subsection (a) above.

5. DIVIDEND EQUIVALENTS. With respect to each dividend equivalent:

(a) If a cash dividend is declared and paid on the Shares underlying the RSUs, you will be credited with an additional number of RSUs

- (i) The product of (I) the number of RSUs granted under this Award Agreement (including additional RSUs previously credited in accordance with the Award Agreement) multiplied by (II) the amount of the cash dividend paid per Share; divided by (III) the Fair Market Value (which shall be equal to the closing price) of a Share on the date such cash dividend is paid.
 - (ii) The Fair Market Value (which shall be equal to the closing price) of a Share on the date such cash dividend is paid.
- (b) If a Share dividend is declared and paid on the Shares underlying the RSUs, you will be credited with an additional number of RSUs calculated as follows:
- (i) The number of RSUs granted under this Award Agreement (including additional RSUs previously credited in accordance with the Award Agreement) multiplied by (II) the amount of the cash dividend paid per Share; divided by (III) the Fair Market Value (which shall be equal to the closing price) of a Share on the date such cash dividend is paid.
 - (ii) The number of Shares paid as a dividend per Share.
- (c) Any additional RSUs credited pursuant to this Section 5 shall be subject to the same terms and conditions as the RSUs granted under the Plan.
- (d) Any fractional number of RSUs resulting from the calculations under this Section 5 shall be rounded to the nearest whole Share.

6. FORFEITURE. Except as otherwise provided in Section 3, if you Terminate prior to the Vesting Date your RSUs will be forfeited.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive the any RSUs and related dividend equivalents under this Award Agreement but are settled after you die. This may be done only on the Beneficiary Designation Form provided by the Third Party Administrator. The Beneficiary Designation Form need not be completed now and is not required as a condition of receiving RSUs or dividend equivalents. If you do not complete a Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or your estate.

9. TRANSFERRING YOUR RSUs AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, you may not be transferred to another person. Also, the Committee may allow you to place your RSUs and related dividend equivalents for the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. This Award Agreement hereunder shall be governed by applicable federal and state securities laws and exchanges.

11. OTHER AGREEMENTS AND POLICIES. Your RSUs and the related dividend equivalents will be subject to the terms of the Plan and the Award Agreement between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the Award Agreement. Your RSUs and related dividend equivalents granted under the Plan shall be subject to any applicable Company policies, trading policies and other policies that may be implemented by the Company from time to time.

12. ADJUSTMENTS TO YOUR RSUs. Subject to the terms of the Plan, your RSUs and the related dividend equivalents will be adjusted to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect any change to the Company's capital structure).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement;
- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect any change to the Company's capital structure); and
- (e) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process described in the Plan [by the Vesting Date].

[PARTICIPANT NAME]

By: _____

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

[Officer Name]

[Officer Title]

Date signed: _____

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Granted To:
Associate ID:
Award Type:
Grant Date:

THE SCOTTS MIRACLE-GRO COMPANY
LONG-TERM INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AWARD AGREEMENT FOR EMPLOYEES

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR NONQUALIFIED STOCK OPTION. You have been granted a Nonqualified Stock Option for [Number of Shares] Shares at an exercise price of \$[Exercise Price] for each Share ("Exercise Price") on or before [Day Prior to T Date]). The Grant Date of your Award is [Grant Date].

To accept this NSO Award, you must provide your acknowledgement and acceptance of the terms contained here process facilitated by **Merrill Lynch** (the "Third Party Administrator") no later than [Date 30 Days After Grant Date].

2. INCORPORATION OF PLAN AND DEFINITIONS.

- (a) This Award Agreement and your NSO are granted pursuant to and in accordance with The Scotts Miracle-Gro Company Long-Term Incentive Plan, effective January 27, 2017 (the "Plan"). All provisions of the Plan are incorporated herein by reference, and to the extent there is a conflict between this Award Agreement and the Plan, the Plan will govern.
- (b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the NSO described in this Award Agreement

- (a) **General Vesting.** If your employment continues from the Grant Date until the third anniversary of the "Vesting Date"), your NSO described in this Award Agreement will vest (and become exercisable) on the Vesting Date.

(b) **Accelerated Vesting.** Under the following circumstances, the NSO described in this Award Agreement

(i) If you Terminate because of your death or due to a disability for which you qualify for benefits under a Disability Plan or another long-term disability plan sponsored by the Company ("Disabled"), your NSO will become fully vested and exercisable as of the date of Termination and will expire as provided in Section 6;

(ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment, your NSO described in this Award Agreement will become fully vested and become exercisable as of the date of Termination and will expire as provided in Section 6;

(iii) If you Terminate due to an involuntary Termination by the Company without Cause no earlier than 180 days before the date of Termination, your NSO described in this Award Agreement will become fully vested and exercisable on the date of Termination and will expire as provided in Section 6; or

(iv) If there is a Change in Control, your NSO may vest earlier in accordance with the Plan and pursuant to the Plan for further details.

4. RIGHTS BEFORE YOUR NSO IS EXERCISED. You may not vote or receive any dividends associated with the Shares if the NSO is exercised with respect to such Shares.

5. EXERCISING YOUR NSO. After your NSO vests, you may exercise the NSO at any time prior to the Expiration Date. Section 6.

(a) To exercise the vested NSO you must make a written request to the Third Party Administrator and follow the exercise process. You may exercise your NSO to buy no fewer than 100 Shares, or, you must exercise the balance of your NSO if the value is less than 100 Shares.

(b) You may use one of the following three methods to exercise your vested NSO and to pay any taxes related to that exercise. You may elect one of these methods, or, if you do not elect one of these methods, the Company will apply the Broker-Assisted Cashless Exercise and Sell method described below.

(i) **BROKER-ASSISTED CASHLESS EXERCISE AND SELL:** If you elect this alternative, you will be deemed to have sold the Shares underlying the portion of the NSO you exercised. When the transaction is complete, you will receive cash (but not the aggregate Fair Market Value of the Shares deemed to have been acquired through the exercise minus the aggregate amount of taxes withheld).

(ii) **SELL TO COVER:** If you elect this alternative, you will be deemed to have simultaneously exercised the NSO and to have sold the Shares sufficient to cover the aggregate Exercise Price and for taxes that are required to be withheld on account of the exercise. The Shares subject to the portion of the NSO you exercised will be transferred to you.

(iii) **CASH PURCHASE EXERCISE:** If you elect this alternative, you must pay (out of your pocket) the full Exercise Price per Share or in Shares having a Fair Market Value equal to the Exercise Price and which you have owned for at least six months before the date of exercise. You will receive the number of Shares purchased.

(c) You may never exercise your NSO to purchase a fractional Share. Any fractional Share shall be redeemed for cash equal to the value of the fractional Share.

6. EXPIRATION AND FORFEITURE. It is your responsibility to keep track of when your NSO expires. Your NSO will expire (and you will no longer have the right to exercise any portion of your NSO) under each of the following circumstances:

(a) **General Expiration Rule.** In general, your vested NSO will expire on the Expiration Date, unless otherwise provided.

(b) **Early Expiration.** In the following instances, your vested NSO will expire before the Expiration Date:

(i.) If you Terminate for any reason other than for Cause after the Vesting Date, except as provided in Section 3, your NSO, if it has not been exercised, will expire on the earlier of the Expiration Date or 180 days after the date of Termination.

(ii.) If there is a Change in Control, your NSO may expire earlier than the Expiration Date. See the Plan for details.

(c) **Forfeiture Rules.** In the following instances, your NSO will expire and you will forfeit your NSO prior to the Expiration Date:

(i.) If you Terminate before the Vesting Date, except as provided in Section 3 above, you will forfeit your NSO.

(ii.) If, without prior authorization in writing from the Company, you engage in "Conduct That is Harbored" in the course of your employment or within 730 days after you Terminate, you will forfeit your Performance Unit and other amounts you have received through the Plan or this Award Agreement. "Conduct That is Harbored" means:

- (a) Your breach of any confidentiality, nondisclosure, and/or noncompetition obligations under the Plan or any Affiliate or Subsidiary;
- (b) Your engaging in conduct that the Committee reasonably concludes requires the forfeiture of any Company recoupment or clawback policy, any other applicable policy of the Company, or any Affiliate or Subsidiary;
- (c) Your failure or refusal to consult with, supply information to or otherwise cooperate with the Committee having been requested to do so;
- (d) Your deliberately engaging in any action that the Company concludes has caused substantial harm to any Affiliate or Subsidiary;
- (e) Your failure to return all property (other than personal property), including vehicles, computers, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, recordings, technical data, formulae or any other tangible property or document and any and all copies thereof, produced or received or have otherwise been provided to you in the course of your employment by the Company or any Affiliate or Subsidiary; or
- (f) Discovery after you Terminated that you engaged in conduct while employed by the Company or any Affiliate or Subsidiary that would have given rise to a Termination for Cause had it been discovered before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive or to exercise the vested rights of the Award if you die. This may be done only on the Beneficiary Designation Form prescribed by the Company or the Third Party Administrator. The Beneficiary Designation Form need not be completed now and is not required as a condition of receiving your Award. If you die without completing a Beneficiary Designation Form, the Award will be payable to your estate. If you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your next of kin.

9. TRANSFERRING YOUR NSO. Except as described in Section 8, your NSO may not be transferred to another person. You may, however, transfer your NSO into a trust established for your benefit or for the benefit of your family. Contact the Third Party Administrator for more information.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any choice of law provision that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. This Award Agreement and the Plan hereunder shall be governed by applicable federal and state securities laws and exchanges.

11. OTHER AGREEMENTS AND POLICIES. Your NSO will be subject to the terms of any other written agreements entered into by the Company, any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement. The Plan and this Award Agreement shall be subject to any applicable Company clawback or recoupment policies, share trading policies and other policies that may be adopted from time to time.

12. ADJUSTMENTS TO YOUR NSO. Subject to the terms of the Plan, your NSO and the terms of this Award Agreement may be adjusted in the event of any change to the Company's capital structure (e.g., the number of Shares underlying your NSO and the Exercise Price will be adjusted proportionately).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your NSO;
- (c) By accepting this Award under the Plan, you agree to all Committee determinations as described in the Plan and this Award Agreement.

- (d) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any change in the Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the value; and
- (e) You must return a signed copy of this Award Agreement utilizing the on-line grant agreement process described in the Award Agreement [Date]

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPANY

BY: _____

BY: _____

Date signed: _____

[Name of Company representative]

[Title of Company representative]

Date signed: _____

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Summary of Compensation for Nonemployee Directors of
The Scotts Miracle-Gro Company
Effective as of January 23, 2023 January 22, 2024

At the meeting of the Board of Directors (the "Board") of The Scotts Miracle-Gro Company (the "Company") held on January 23, 2023, the Board adopted the recommendations of the Nominating and Governance Committee of the Board (the "Committee") with respect to compensation for the calendar year 2023 ("Nonemployee Directors") and the Lead Independent Director of the Company. The compensation approved by the Board is described below.

Annual Cash Retainer; Reimbursement of Expenses

Each of the Nonemployee Directors is normally paid an annual cash retainer in the amount of \$115,000 that is paid on a quarterly basis in October. However, for calendar 2023, 2024, the Nonemployee Directors received a special grant of restricted stock units in lieu of the normal cash retainer. The Grant was made on February 3, 2023, and the underlying shares and the related dividend equivalent units were vested and settled ratably in February 2023. Nonemployee Directors had the option to elect, in advance, to either receive the underlying shares related to the Special RSU Grant or to defer 100% of the payout of the underlying vested shares until exchange for fully-vested deferred stock units that will settle on or after January 31, 2026. January 2024. As an inducement for the Nonemployee Directors to defer all of their cash compensation in calendar 2024, the deferred quarterly cash retainer amount was converted to converting the cash to deferred stock units. Nonemployee Directors receive reimbursement of all reasonable travel and other expenses associated with the exercise of the option.

Restricted Stock Units

Shortly following each of the Company's annual meetings: (a) each Nonemployee Director will be granted restricted stock units having a value of \$50,000; and (b) the Lead Independent Director will be granted additional restricted stock units having a value of \$50,000. The number of restricted stock units (and related dividend equivalents) granted to each Nonemployee Director will be calculated by dividing the value of the restricted stock units granted to such Nonemployee Director by the closing price of the Company's common shares on the grant date and rounding any resulting fractional stock unit.

The restricted stock units (and related dividend equivalents) will be granted under The Scotts Miracle-Gro Company Long-Term Incentive Plan (the "2023-2024 Plan"). Each whole restricted stock unit represents the right to receive one full common share of the Company at the time an Award Agreement for Nonemployee Directors (with Related Dividend Equivalents) evidencing the award. Each dividend equivalent represents the right to receive one whole restricted stock unit in respect of dividends that are declared and paid during the period beginning on the grant date and ending on the date of the next dividend payment. The restricted stock units (and related dividend equivalents) will be granted under The Scotts Miracle-Gro Company Long-Term Incentive Plan (the "2023-2024 Plan"). Each whole restricted stock unit represents the right to receive one full common share of the Company at the time an Award Agreement for Nonemployee Directors (with Related Dividend Equivalents) evidencing the award. Each dividend equivalent represents the right to receive one whole restricted stock unit in respect of dividends that are declared and paid during the period beginning on the grant date and ending on the date of the next dividend payment.

The restricted stock units, other than the Special RSU Grant, including any restricted stock units received in respect of dividend equivalents, will become 100% vested on the first anniversary of the grant date (the "Vesting Date"). Any restricted stock units received in respect of dividend equivalents

following the vesting date will be 100% vested on the date they are credited to the Nonemployee Director. If a Nonemployee Director ceases to be a member of the Board prior to the Vesting Date for any reason other than a change in control (including death or disability), the Nonemployee Director's restricted stock units (and related dividend equivalents) will be immediately forfeited.

Subject to the terms of the 2023 2024 Plan and the applicable restricted stock unit award agreement, vested restricted stock units (and related dividend equivalents) will be settled in cash, determined based on the fair market value of a common share of the Company on the settlement date. Whole restricted stock units (and related dividend equivalents) will be settled in cash, determined based on the fair market value of a common share of the Company on the settlement date. Fractional restricted stock units will be settled in cash, determined based on the fair market value of a common share of the Company on the settlement date.

If there is a Change in Control (as defined in the 2023 2024 Plan), each Nonemployee Director's restricted stock units (and related dividend equivalents) will be settled in cash, determined based on the fair market value of a common share of the Company on the settlement date of the Change in Control and will be settled within 30-days of the Change in Control.

For more information about the restricted stock units (and related dividend equivalents) granted to the Nonemployee Directors, please refer to (a) the Form of Standard Restricted Stock Unit Award Agreement for Nonemployee Directors (with Related Dividend Equivalents) that is included as Exhibit 10.3 to the Company's Annual Report on Form 10-K filed January 27, 2023; (b) the Form of Standard Restricted Stock Unit Award Agreement for Nonemployee Directors (with Related Dividend Equivalents) that is included as an exhibit to the Company's Annual Report on Form 10-K; and (c) the 2023 2024 Plan that is included as Exhibit 10.1 to the Company's Annual Report on Form 10-K.

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THE SCOTTS MIRACLE-GRO COMPANY & SUBSIDIARIES

CORPORATE POLICY W-LG-1 INSIDER TRADING POLICY

To: All Scotts Associates Date: April 22, 2024
From: Matthew E. Garth, Executive Vice President, Chief Financial Officer & Chief Administrative Officer
Dimitar Todorov, Executive Vice President, General Counsel, Secretary and Chief Compliance Officer

ScottsMiracle-Gro's Principle

The Scotts Miracle-Gro Company is committed to full compliance with the U.S. Federal and State securities laws and regulations. The Company's policies and procedures are intended to ensure the maintenance of fair and honest stock markets. Conduct that violates the securities laws can subject the Company and its subsidiaries to civil and criminal penalties and is contrary to the values of the Company and its subsidiaries.

GENERAL POLICY

In the course of business operations, associates and members of the Board of Directors of the Company ("Directors") may become aware of confidential business information about the Company or about another public company, whether favorable or unfavorable. It is particularly important that all associates and Directors (and other consultants and independent contractors) recognize the sensitivity of confidential business information and conduct themselves accordingly. The consequences of failure to do so can be serious, undesirable consequences. In the case of trading in securities based on inside information or providing such information to other persons, the consequences may include termination of employment, other adverse employment consequences, and criminal and civil penalties.

COVERAGE

Unlawful insider trading occurs when a person uses material non-public information obtained through their employment or other involvement with the Company to otherwise engage in transactions in that Company's securities or to provide that information to others outside the Company. The prohibitions against insider trading in the Company's securities, tipping and making recommendations to engage in

transactions by virtually any person, including all persons associated with the Company, if the information involved is "material" and "non-public."

This Policy applies to: (1) all Directors; (2) all associates of the Company and the Company's direct and indirect subsidiaries (wherever located); (3) all corporations, partnerships, trusts or other entities controlled by any of the above persons (or controlled by a group of persons including any of the above persons); and (5) any other person or entity as designated from time to time by the General Counsel. This Policy shall continue to apply to a Director or associate of the Company, corporations, partnerships, trusts or other entities controlled by such individual even after such Director's or associate's separation from service to the Company. If, after the termination of service of material nonpublic information when his or her service terminates, that individual, such individual's Family Members and all corporations, partnerships, trusts or other entities controlled by such individual may not trade in Company securities until that information has become public or is no longer material. The pre-clearance procedures shall cease to apply to transactions in Company securities upon the expiration of any blackout period applicable at the time of the separation of such Director or associate from the Company.

This Policy does not apply to a partnership of which any of the persons identified in clauses (1), (2) or (3) is a non-controlling general or limited partner who trades in Company securities by such partnership that are for the account of such non-controlling general or limited partner identified in clauses (1), (2) or (3) or to transactions directly by that person (and not the partnership) and as such covered by this Policy.

The term "Family Members" includes (1) a person's family members who share the same address as, or who are financially dependent upon, the person; (2) a person's family members who live with the person at the same address as the person (other than employees or tenants); and (3) any family members who do not live with the covered person but whose interests in the Company are owned or controlled by the covered person or subject to that person's influence or control. You are responsible for the transactions of your Family Members and, therefore, you should treat all such transactions for the purposes of this Policy and applicable securities laws. This Policy does not, however, apply to personal securities transactions by Family Members where the purchase or sale decision is made by a third party for the account of your Family Members (e.g., transactions pursuant to a trading plan compliant with Rule 10b5-1 or a trust operated and controlled by a third party for the account of your Family Members).

In all cases, the duty to comply or cause compliance with this Policy resides in the Director or associate.

SPECIFIC GUIDANCE

• Materiality/Confidentiality and When Information is Considered Public

1. All material, non-public information about the Company, whether favorable or unfavorable, is to be kept confidential until publicly disclosed. Information about other companies with which the Company does business, whether favorable or unfavorable, is to be kept confidential until publicly disclosed.

2. In general, information is considered material if a "reasonable" person would attach importance to the information in determining whether to buy or sell the Company's securities. Information that could be expected to affect the Company's stock price, whether positive or negative, should be considered material. There is no

materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of information, such information includes:

- a. Company earnings, possible dividend increases or decreases, and other financial information;
- b. Significant positive or negative variances to plan in consumer purchase activity, as measured by retailer months;
- c. Any technological or similar "break through" which, when made public, could affect a company's stock price;
- d. The fact that an acquisition candidate of material importance or a material divestiture is being evaluated or in progress, and any information relating to such matters;
- e. Changes in senior management; and
- f. Entry into, or termination of, a significant contract.

3. Confidential information concerning such matters is to be restricted to those associates and agents who have a "need to know" for the proper

4. Management and each associate should exercise due care in protecting the confidentiality of such matters. In particular,

- a. casual conversations in public areas are to be avoided; and
- b. files containing material, non-public information should be stored in "secured" places.

5. Information that has not been disclosed to the public is generally considered to be non-public information. In order to establish that it is necessary to demonstrate that the information has been widely disseminated. Once information has been widely disseminated to the public, it is sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until one complete trading day after the information is released once a trading day has commenced, the information is not considered absorbed until the conclusion of the next trading day.

A "trading day" is any day on which the New York Stock Exchange is open for trading.

• **Restrictions on Trading in Securities**

1. **Trading in Company Securities.** No person subject to this Policy may buy, sell or make *bona fide* gifts of securities of the Company based on "inside" information concerning the Company. Designated Persons are subject to additional procedures specified below. It is the Company's policy to determine whether they are aware of material, non-public or "inside" information concerning the Company and, if so, to

2. **Trading in the Securities of Other Companies.** No person subject to this Policy who knows of a possible acquisition of another company or is an acquisition candidate regardless of whether the acquisition is considered material to The Scotts Miracle-Gro Company or its subsidiaries. No person subject to this Policy who becomes aware of material, non-public information relating to another company with which the Company transacts business should trade the securities of such company.

3. **Prohibition on Short Sales.** No person subject to this Policy may engage in short sales of Company securities. A short sale is a sale of securities not owned at the time of the trade; the sale is often accomplished using a security borrowed from a broker, and the seller is required to deliver the securities in the future to "cover" the sale.

4. **Prohibition on Options Transactions.** No person subject to this Policy may engage in transactions in puts, calls or other derivatives of Company securities. A put or call option gives the holder of the option the right to sell (put) or purchase (call) securities within a certain time period. Options are, in effect, bets on the short-term movement of the Company's stock and, therefore, create the appearance that trading is based on inside information.

5. **Prohibition on Hedging Company Securities.** Certain transactions, such as forward sale or purchase contracts, equity swaps, and other derivatives, may be used by an individual to hedge against decreases in the market value of Company securities held by or granted to such individual. These transactions are not permitted. These transactions are the covered securities, but without the full risks and rewards of ownership. When that occurs, the individual may no longer have the same rights as the shareholders. Accordingly, persons subject to this Policy are prohibited from engaging in hedging transactions involving Company securities.

6. **Prohibition on Tipping.** Communication of "inside" information to another person who may trade or advise others to trade on the basis of such information is prohibited. "Tipping" is illegal and could subject both the tipper and the tippee to severe civil and criminal penalties, as well as termination of employment.

7. Exceptions. These trading restrictions do not apply to:

(a) Stock Option Exercises and Restricted Stock Awards. Exercises of stock options or other equity awards or the surrender of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the Company, however, that the securities so acquired may not be sold (either outright or in connection with a "cashless" exercise transaction) provided in clause (d) of this Section 5 while the associate or Director is aware of material, non-public information or, if the associate or Director, the trading window is closed;

(b) 401(k) Plan or DSPP. Acquisitions or dispositions of Company stock under the Company's 401(k) plan, the Company's other individual account plan which, subject to clause (c), are made pursuant to standing instructions not entered into or modified while the associate or Director is aware of material, non-public information or, if the associate or Director is a Designated Person, while the trading window is closed. The elections you may make under the 401(k) plan or DSPP, including, as applicable: (i) an election to increase or decrease the amount allocated to the Company stock fund; (ii) an election to initiate, increase or decrease contributions with respect to the DSPP; (iii) an election to roll over an existing account balance into or out of the Company stock fund; (iv) an election to borrow money against your 401(k) plan account balance; and (v) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund;

(c) Other Purchases from or Sales to the Company. Other purchases of securities from the Company or sales of securities to the Company;

(d) Rule 10b5-1 Trading Plans. Purchases or sales made pursuant to a binding contract, written plan or specific instruction ("pre-arranged trading plan") which is adopted and operated in compliance with Rule 10b5-1 and this Policy. This exception applies only to the trading window set forth in Sections 2 through 6 above shall apply.

• Determination of Materiality

Determining what information about the Company or any other company is material may be difficult. If there is any doubt or the question is unclear, the associate or Director should consult with the Chief Financial Officer or the General Counsel. If an associate has a question, he or she should raise it with the Chief Financial Officer or the General Counsel.

• Penalties

Persons who trade in a company's securities while aware of inside information are subject to severe sanctions, including (i) termination or suspension from the Company, (ii) forfeiture of the right to participate in the Company's equity incentive programs, (iii) compensation freezing, (iv) disgorgement of gains or avoided losses from the transaction, (v) reimbursement of the Company's costs in responding to a violation of this Policy, as well as (vi) civil and criminal penalties, which could include monetary fines, liability for damages and imprisonment.

• Additional Restrictions and Procedures for Designated Persons

1. Designated Persons. "Designated Persons" are persons that are otherwise covered by this Policy as set forth in "Covered Persons." Designated Persons include the following four categories: (a) all Directors and executive officers of the Company (the "Section 16 Insiders"); (b) any associate or Director of the Company or she is a Designated Person; (c) Family Members of Section 16 Insiders or Family Members of specifically notified as Designated Persons of corporations, partnerships, trusts or other entities controlled by any of the above persons.

2. Pre-clearance of Trades. To help prevent inadvertent violations of this Policy and to avoid even the appearance of impropriety, Designated Persons must follow the following procedures for pre-clearance of all trades (including gifts) in the securities of The Scotts Miracle-Gro Company by the Designated Person.

A Designated Person wishing to trade in Company securities must first notify the General Counsel's office when they or any Family Member of the Designated Person wish to trade in the securities of The Scotts Miracle-Gro Company. This notification must be in writing (including by e-mail) and should include the identity of the Designated Person, the securities to be traded, the number of shares to be bought or sold, the date or proposed date of the transaction and the number of options or stock to be exercised. The Designated Person must execute a certification (in the form attached as Exhibit A) that he or she is not aware of material, non-public information about the Company. The Chief Financial Officer shall have sole discretion to decide whether to permit the contemplated transaction. (The General Counsel shall have sole discretion to decide whether to permit transactions by the Designated Person or her Family Members, and the Chief Financial Officer shall have sole discretion to decide whether to permit transactions by the General Counsel or her Family Members.) All pre-cleared trades must be effected within five business days of receipt of the pre-clearance unless a specific exception has been granted by the General Counsel. Any portion of a pre-cleared trade that has not been effected during the five business day period must be pre-cleared again prior to execution. If the Designated Person becomes aware of material, non-public information following receipt of pre-clearance but before the trade is executed, the Designated Person must not complete the trade.

3. Trading Window. As a general rule, transactions by Designated Persons in the securities of The Scotts Miracle-Gro Company are permitted only during the "open window" period. The open window period typically begins one full trading day following the public announcement by the Company of a significant event or development. The open window period typically ends on the day that is two

calendar weeks prior to the end of each fiscal quarter, *except* for the third fiscal quarter, where the open window period will typically end on the day that is two calendar weeks prior to the end of the fiscal quarter. The Designated Persons will be sent notices pertaining to the opening and closing of the trading window.

4. Pre-clearance of 10b5-1 Trading Plans. Rule 10b5-1 under the Exchange Act provides an affirmative defense against being liable for insider trading. To be eligible to rely on this defense, a Designated Person must enter into a Rule 10b5-1 plan for transactions in securities of The Scotts Miracle-Gro Company pursuant to the plan without regard to certain insider trading restrictions. In general, a Rule 10b5-1 person entering into the plan is not aware of material nonpublic information. Once the Rule 10b5-1 Plan is adopted, the person of securities to be traded, the price at which they are to be traded or the date of the trade. For example, if a Designated Person i he or she was not aware of material, non-public information) specifying that he or she will sell 1,000 shares of common stock following the end of the applicable cooling-off period, a sale pursuant to that plan would not subject the Designated Person to in of material, non-public information at the time the sale took place.

Trading plans complying with Rule 10b5-1 have the obvious advantage of protecting against insider trading liability. However, they also requ and timing of purchases and sales under those plans and contracts, and thus limit flexibility and discretion with respect to such transactions to son may find such trading plans attractive, they may not be suitable for all Designated Persons. It is the Company's policy that any Designated Pers amend an existing Rule 10b5-1 trading plan submit the trading plan in advance for review and written approval by the General Counsel and/or the C

The General Counsel and Chief Financial Officer will approve a trading plan or trading plan amendment only if the trading plan (1) is in wr General Counsel and/or Chief Financial Officer prior to its adoption; and (3) is to be adopted while the Designated Person is not aware of material open.

While the Company encourages Designated Persons to use trading plans as appropriate, the Company's expectation is that the Designated not seek to terminate the trading plan before its natural conclusion. While the Company will not permit amendments to a trading plan, it will consi case-by-case basis. The Company expects that a Designated Person who successfully terminates a trading plan early will not seek to enter into following the early termination of that trading plan. Further, if the Company, in its sole discretion, determines that a Designated Person has engag Company may decline to pre-approve future requests for trading plans by the Designated Person.

5. Post Transaction Notification. Section 16 Insiders must notify the General Counsel promptly following, and in no eve (including gifts) in the securities of The Scotts Miracle-Gro Company to facilitate compliance with the reporting requirements of 1934 (and the rules promulgated thereunder).

All questions about this policy should be directed to the Office of the General Counsel or Office of the Chief Financial Officer.

Exhibit A

PRE-CLEARANCE CERTIFICATION

I certify that I have read and I am familiar with the Insider Trading Policy of The Scotts Miracle-Gro Company & Subsidiaries (the "Company")

Based on my review of the Company's Insider Trading Policy, I believe the proposed purchase or sale of securities of the Company, or adopt sale of securities of the Company, for which I am seeking pre-clearance is being completed in accordance with the Company's Insider Trading Polic

Further, by signing this certification, I represent to the Company that to the best of my knowledge I am not currently aware of any material, no

I agree that if I become aware of any material, non-public or "inside" information about the Company at any time after purchase, sale or adoption of a 10b5-1 plan, or if I am not sure whether such information is material, **I will immediately s or adoption of a 10b5-1 plan** and contact the General Counsel or Chief Financial Officer of the Company. However, once the adoption of a 10b5-1 plan has become effective, I need not take any further action.

Finally, I understand that early termination of a 10b5-1 plan exposes me to external regulatory risks as well as internal Company actions inter

Print Name _____

Signature _____

Date _____

DIRECT AND INDIRECT SUBSIDIARIES OF
THE SCOTTS MIRACLE-GRO COMPANY

Directly owned subsidiaries, as of **September 30, 2023** **September 30, 2024**, are located at the left margin, each subsidiary tier thereunder is their respective parent entities. Unless otherwise noted, the subsidiaries are wholly-owned.

NAME

1868 Ventures LLC
 Swiss Farms Products, Inc.
GenSource, Inc.
OMS Investments, Inc.
 Scotts Temecula Operations, LLC
Sanford Scientific, Inc.
Scotts Global Services, Inc.
Scotts Live Goods Holdings, Inc.
 Bonnie Plants, LLC¹
Scotts Manufacturing Company
 Miracle-Gro Lawn Products, Inc.
Scotts Oregon Research Station LLC
Scotts Products Co.
 Scotts Servicios, S.A. de C.V.²
 Miracle-Gro Tecnologia & Servicios, S de R.L.²
Scotts Professional Products Co.
 Scotts Servicios, S.A. de C.V.²
 Miracle-Gro Tecnologia & Servicios, S de R.L.²
SMG Growing Media, Inc.
 AeroGrow International, Inc.
 Hyponex Corporation
 Rod McLellan Company
 The Hawthorne Gardening Company
 Hawthorne Hydroponics LLC
 Hawthorne Gardening B.V.
 Gavita International B.V.
 Hawthorne Lighting B.V.
Agrolux Canada Limited
 Agrolux Nederland B.V.
 Hawthorne Canada Limited
HGCI, Inc.

¹ Scotts Live Goods Holdings, Inc.'s ownership is **45.0%** **50.0%**.

² Scotts Professional Products Co. owns 50% and Scotts Products Co. owns 50.0%.

SMGM LLC
 Scotts-Sierra Investments LLC
 Scotts Sierra (China) Co., Ltd.
 Scotts Canada Ltd.
 Laketon Peat Moss Inc.³
 Scotts de Mexico SA de CV⁴
 SMG Germany GmbH
 SMG Gardening (UK) Limited
 The Hawthorne Collective, Inc.
 The Scotts Company LLC
 The Scotts Miracle-Gro Foundations⁵

³ Scotts Canada Ltd.'s ownership is 50.0%.

⁴ The Scotts Company LLC owns 0.5% and Scotts-Sierra Investments LLC owns the remaining 99.5%.

⁵ The Scotts Miracle-Gro Foundation is a 501(c)(3) corporation.

LIST OF GUARANTOR SUBSIDIARIES

The following subsidiaries of The Scotts Miracle-Gro Company (the "Company") were, as of **September 30, 2023** **September 30, 2024**, guarantors of the Company's 4.500% Senior Notes due 2029, 4.000% Senior Notes due 2031 and 4.375% Senior Notes due 2032:

NAME OF GUARANTOR SUBSIDIARY	JURISDICTION OF FORMATION
1868 Ventures LLC	Ohio
AeroGrow International, Inc.	Nevada
GenSource, Inc.	Ohio
Hawthorne Hydroponics LLC	Delaware
HGCI, Inc.	Nevada
Hyponex Corporation	Delaware
Miracle-Gro Lawn Products, Inc.	New York
OMS Investments, Inc.	Delaware
Rod McLellan Company	California
Sanford Scientific, Inc.	New York
Scotts Live Goods Holdings, Inc.	Ohio
Scotts Manufacturing Company	Delaware
Scotts Products Co.	Ohio
Scotts Professional Products Co.	Ohio
Scotts-Sierra Investments LLC	Delaware
Scotts Temecula Operations, LLC	Delaware
SMG Growing Media, Inc.	Ohio
SMGM LLC	Ohio
Swiss Farms Products, Inc.	Delaware
The Hawthorne Collective, Inc.	Ohio
The Hawthorne Gardening Company	Delaware
The Scotts Company LLC	Ohio

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 033-47073, 333-72715, 333-124503, 333-131466, 333-147397, 333-222840, 333-262303, 333-269360 and 333-269360 333-276673 on Form S-8 and Registration Statement No. 333-261488 on Form S-3 of our reports relating to the consolidated financial statements of The Scotts Miracle-Gro Company and subsidiaries (the "Company") and the effectiveness of the appearing in this Annual Report on Form 10-K of the Company for the fiscal year ended September 30, 2023 September 30, 2024.

/s/ DELOITTE & TOUCHE LLP

Columbus, Ohio

November 22, 2023 26, 2024

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending on or about November 26, 2024, constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the Securities and Exchange Commission the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if person, and the undersigned confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ EDITH AVILES

Edith Aviles

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending on or about November 26, 2024, constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the Securities and Exchange Commission the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if person, and the undersigned confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if person confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ DAVID C. EVANS ROBERTO CANDELINO

David C. Evans

POWER OF ATTORNEY

The undersigned officer and director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing v Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2023, and hereby constitutes and appoints Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent or his substitute or substitutes, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and any and all applications or communications to the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to file the same, with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023.

/s/ JAMES HAGEDORN

James Hagedorn Roberto Candelino

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2023, and hereby constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent or his substitute or substitutes, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and any and all applications or communications to the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to file the same, with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ ADAM HANFT DAVID C. EVANS

Adam Hanft David C. Evans

POWER OF ATTORNEY

The undersigned officer and director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing v Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2023, and hereby constitutes and appoints Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent or his substitute or substitutes, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and any and all applications or communications to the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to file the same, with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 26, 2024.

/s/ JAMES HAGEDORN

James Hagedorn

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Sec under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year en constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitutio undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), an the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may appr other documents in connection therewith with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full p and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if perso confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ STEPHEN L. JOHNSON ADAM HANFT

Stephen L. Johnson Adam Hanft

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Sec under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year en constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitutio undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), an the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may appr other documents in connection therewith with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full p and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if perso confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ THOMAS N. KELLY JR. STEPHEN L. JOHNSON

Thomas N. Kelly Jr. Stephen L. Johnson

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending on or before November 22, 2023, and constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the SEC, on behalf of the undersigned, the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC, on behalf of the undersigned, other documents in connection therewith with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to cause to be done by others, and the undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ MARK D. KINGDON THOMAS N. KELLY JR.

Mark D. Kingdon

Thomas N. Kelly Jr.

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending on or before November 22, 2023, and constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the SEC, on behalf of the undersigned, the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC, on behalf of the undersigned, other documents in connection therewith with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to cause to be done by others, and the undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ KATHERINE HAGEDORN LITTLEFIELD MARK D. KINGDON

Katherine Hagedorn Littlefield Mark D. Kingdon

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending on or before November 22, 2023, and constitutes and appoints James Hagedorn, Matthew E. Garth and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the SEC, on behalf of the undersigned, the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC, on behalf of the undersigned, other documents in connection therewith with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to cause to be done by others, and the undersigned hereby confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ NANCY G. MISTRETTA KATHERINE HAGEDORN
LITTLEFIELD

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending in 2024, hereby constitutes and appoints James Hagedorn, Matthew E. Garth and Dimitar Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ BRIAN E. SANDOVAL

Brian E. Sandoval

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending in 2024, hereby constitutes and appoints James Hagedorn, Matthew E. Garth and Dimitar Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ PETER E. SHUMLIN

Peter E. Shumlin

POWER OF ATTORNEY

The undersigned director of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the SEC under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ending in 2024, hereby constitutes and appoints James Hagedorn, Matthew E. Garth and Dimitar Todorov, and each of them, with full power of substitution and resubstitution, to execute and file with the SEC, on behalf of the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and to execute and file with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and to execute and file with the SEC and the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present.

and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if person confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ JOHN R. VINES

John R. Vines

POWER OF ATTORNEY

The undersigned officer of The Scotts Miracle-Gro Company, an Ohio corporation (the "Corporation"), which anticipates filing with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Corporation on Form 10-K for the fiscal year ended September 30, 2023, hereby constitutes and appoints James Hagedorn and Dimiter Todorov, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent in and to the Corporation in all capacities, such Annual Report on Form 10-K and any and all amendments thereto ("Annual Report on Form 10-K"), and any and all applications or communications with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, each in such form as they or any one of them may approve, and to file the same, with the Securities and Exchange Commission, and grants unto each said attorney-in-fact and agent full power and authority to do and perform all such acts and things as may be required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on November 22, 2023 November 26, 2024.

/s/ MATTHEW E. GARTH

Matthew E. Garth

Rule 13a-14(a)/15d-14(a) Certifications (Principal Executive Officer) CERTIFICATIONS

I, James Hagedorn, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Scotts Miracle-Gro Company for the fiscal year ended September 30, 2023.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material aspects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, such that the registrant's disclosure controls and procedures, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period of our design;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, such that the registrant's internal control over financial reporting, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period of our design;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions regarding the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, that the internal control over financial reporting was effective as of the end of the period covered by this report, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013) (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 22, 2023 November 26, 2024

By: /s/ JAMES HAGEDORN
Printed Name: James Hagedorn
Title: Chairman & Chief Executive Officer
Chairman of the Board

Rule 13a-14(a)/15d-14(a) Certifications
(Principal Financial Officer)

CERTIFICATIONS

I, Matthew E. Garth, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Scotts Miracle-Gro Company for the fiscal year ended September 30, 2023.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material aspects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, and we are responsible for ensuring that such disclosure controls and procedures relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the design process;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, and we are responsible for ensuring that such internal control over financial reporting is properly designed and implemented regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions regarding the effectiveness of such controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, that the internal control over financial reporting was effective as of the end of the period covered by this report, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013) (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 22, 2023 November 26, 2024

By: /s/ MATTHEW E. GARTH
Printed Name: Matthew E. Garth
Title: Executive Vice President, Chief Financial Officer
Administrative Officer

SECTION 1350 CERTIFICATIONS*

In connection with the Annual Report on Form 10-K of The Scotts Miracle-Gro Company (the "Company") for the fiscal year ended September 29, 2024, the undersigned James Hagedorn, Chairman & Chief Executive Officer President and Chairman of the Board, and Matthew E. Garth, Executive Vice President, Chief Financial Officer and Chief Administrative Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, that, to the best of their knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

/s/ JAMES HAGEDORN

Printed Name: James Hagedorn

Title: Chairman & Chief Executive Officer President and Chairman of the Board

November 22, 2023 26, 2024

/s/ MATTHEW E. GARTH

Printed Name: Matthew E. Garth

Title: Executive Vice President, Chief Financial Officer and Chief Administrative Officer

November 22, 2023 26, 2024

* THESE CERTIFICATIONS ARE BEING FURNISHED AS REQUIRED BY RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AND SHALL NOT BE DEEMED "FILED" FOR PURPOSES OF THE SECURITIES EXCHANGE ACT OF 1934 OR THE EXCHANGE ACT, EXCEPT TO THE EXTENT THAT THE COMPANY SPECIFICALLY REFERS TO THESE CERTIFICATIONS IN CONNECTION WITH THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED SEPTEMBER 29, 2024.

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THE SCOTTS MIRACLE-GRO COMPANY & SUBSIDIARIES

EXECUTIVE OFFICER CLAWBACK POLICY

GENERAL POLICY:

Executive Officer Clawback Policy. Effective 10/02/2023 (the "**Effective Date**"). This policy supersedes and replaces the previous Executive Officer Clawback Policy that was effective as of September 22, 2010.

1. **ADMINISTRATION AND APPLICATION.** This Executive Officer Clawback Policy (this "**Policy**") shall be administered by the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of The Scotts Miracle-Gro Company (the "**Company**"). This Policy provides for the recovery of Erroneously Awarded Compensation from Executive Officers of the Company. This Policy is intended to comply with, and shall be interpreted consistent with, Section 10D of the Securities Exchange Act of 1934, Rule 10D-1 promulgated under the Exchange Act ("**Rule 10D-1**") and Section 303A.14 of the New York Stock Exchange Listing Rules (the "**Listing Rule**"). Unless otherwise defined in this Policy, capitalized terms used in this Policy have the meanings set forth below.

SPECIFIC GUIDANCE:

2. **DEFINITIONS.** For purposes of this Policy, the following capitalized terms have the meanings set forth below.

doubt, the terms of this Policy apply to any Incentive-Based Compensation received by Executive Officers on or after the Effective Date. If Incentive-Based Compensation was approved, awarded, granted or paid to Executive Officers before the Effective Date.

4. **RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION.** In the event of an Accounting Restatement, the Company shall reasonably attempt to recover Erroneously Awarded Compensation received by any Executive Officer, as determined pursuant to this Policy. The Committee shall determine the method for recovering Erroneously Awarded Compensation, to the extent permitted under the Listing Rule and in compliance with (or pursuant to) Rule 409A of the Code, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cashing out or offsetting against any future payable or planned compensation (including, without limitation, base salary or cash or equity-based award) or (c) any other method authorized by applicable law or contract.

A. The Company's recovery obligation pursuant to this Section 4 shall not apply if any of the following conditions are met, in which case that such recovery would be impracticable:

- i. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount recovered; or the amount that would be impracticable to recover any amount of Erroneously Awarded Compensation based on an effort that is a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt and provide a copy of the documentation to NYSE;
- ii. Recovery would violate home country law where that law was adopted prior to November 1, 2003, and it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, or the opinion of home country counsel, acceptable to NYSE, that

recovery would result in such a violation, and provide a copy of the opinion to NYSE; or

- iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are payable to a plan participant or registrant, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code and require the plan to

5. **MEANS OF COLLECTING RECOVERY.** Recovery may be obtained, without limitation, by reducing future payments or by seeking repayment. All actions by the Company to recover Incentive Based Compensation shall be taken in accordance with applicable law. Any right of recovery shall not be in lieu of, or preclude, any other remedies or rights of recoupment that may be available to the Company under applicable law, rule or regulation, including employment agreement, award agreement or similar agreement and any other legal remedies available to the Company. Nothing contained in this Policy, shall limit any claims, damages or other legal remedies the Company may have against an Executive Officer or be enforceable against the Executive Officer.

6. **INDEMNIFICATION PROHIBITION.** The Company is prohibited from (a) indemnifying any Executive Officer against the loss of any Incentive Based Compensation or (b) reimbursing any Executive Officer for, the cost of any insurance to cover any such loss.

7. **NOTICE.** The Company shall take all appropriate steps to inform its Executive Officers of this Policy so that it is enforceable to the full extent permitted by applicable law, without limitation, incorporating the terms of this Policy into the terms of any incentive plan or incentive award agreement applicable to the Executive Officer. Each Executive Officer shall acknowledge and agree that any employment agreement, award agreement or other agreement entered into or provided to such Executive Officer shall be subject to this Policy. Notwithstanding, provided, however, that the Company's failure to do so shall not serve as a waiver of the Company's rights or such Executive Officer's obligations under any employment agreement, award agreement or other agreement. In addition, the Company shall file all disclosures with respect to this Policy with the SEC and other securities laws, including disclosures required by applicable SEC filings.

8. **COORDINATION WITH LAW.** The Committee is authorized to make all determinations under this Policy to the extent permitted by the Code. In the event that any provision of this Policy is inconsistent with applicable laws, rules or regulations, including SEC rules or the rules of any national securities association on which the Company's securities are listed, the Committee shall administer this Policy to comply with such laws, rules or regulations. The Committee's decision pursuant to this Policy will be final and binding on all persons, including the Company and its shareholders and Executive Officers, and any individual subject to the Policy.

9. **AMENDMENT; TERMINATION.** The Committee may amend this Policy from time to time in its sole and absolute discretion and shall not be limited by applicable laws, rules or regulations, including SEC rules or the rules of any national securities exchange or a national securities association. The Committee may terminate this Policy at any time. Notwithstanding anything to the contrary, no amendment or termination of this Policy shall be effective for Incentive Based Compensation approved, granted, awarded, earned or paid to an Executive Officer prior to the effective date of such amendment or termination if such amendment or termination is required by applicable laws, rules or regulations, including SEC rules or the rules of any national securities exchange or a national securities association on which the Company's securities are listed.

10. **SUCCESSORS.** This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators and assigns.

The Scotts Miracle-Gro Company

ScottsMiracle-Gro Announces Executive Team Changes

*Two key executives elevated to advance next phase of growth strategy;
CFO to depart December 31; Transition plan in place*

MARYSVILLE, Ohio, November 26, 2024 – The Scotts Miracle-Gro Company (NYSE: SMG), the world's largest marketer of branded consumer hydroponic growing products, today announced expanded responsibilities for two executive team members along with a transition plan for the chief

Chief Operating Officer Nate Baxter has been named president and COO with responsibilities for executing Company strategies and overseeing information technology. Chris Hagedorn, division president leading wholly-owned Hawthorne Gardening Company subsidiary, has been named executive CEO Jim Hagedorn with responsibilities for Company strategy and corporate affairs, including corporate communications and government relations, chief of staff position is new on the executive team.

Matt Garth will depart as chief financial officer on December 31, 2024. Mark Scheiwer, who has served as VP and treasurer since December 2023, will be named chief financial officer on January 1, 2025. Garth, who also was chief administrative officer, will help facilitate a seamless transition during the time leading up to his departure in a wide range of finance leadership roles at ScottsMiracle-Gro. The Company will conduct a search for a permanent CFO with the assistance of an internal and external candidates.

"We're in the next phase of our transformation to build upon the meaningful gains we've made to strengthen our world-class, market-leading consumer brand," said Jim Hagedorn. "We're poised to drive further expansion in the consumer segment while maintaining our focus on delivering profitability potential of Hawthorne will continue to improve as we execute its turnaround.

"Nate and Chris are strong and trusted partners who complement one another well. Nate has established a track record of operational efficiency and has fostered cross-functional collaboration. Chris is a strategic thinker with proven management expertise and deep knowledge of our Company. Their addition will add to a resilient and powerful leadership team and bring extensive experience and capabilities to drive improved performance on many fronts as we

Nate Baxter and Chris Hagedorn Details

Baxter joined ScottsMiracle-Gro in April 2023 as executive vice president of technology and operations with a reputation of leading organizations. In September 2023, he was president of TEL U.S., a Tokyo Electron Ltd. subsidiary that manufactures semiconductor and flat-panel manufacturing technology, supply chain, strategy and management.

Chris Hagedorn joined the Company in 2011 with previous experience at a New York strategy, marketing and communications agency. During his tenure, he has taken on increasing responsibility. In addition to the Hawthorne business reporting to him, he oversees the wholly-owned Hawthorne Collective established in the legal cannabis industry.

CFO Transition

Garth joined ScottsMiracle-Gro as CFO two years ago when the Company was in the midst of stabilizing the organization and executing the financial

"Matt joined us at a critical time, providing much-needed guidance and a steady hand to get us to the next phase in our journey," Jim Hagedorn said. Under his leadership, the Company has delivered on many key financial priorities. Matt has been a valued partner to me, and I know he will succeed in his new role.

Garth's planned departure did not result from any disagreement with the Company or any matter relating to the Company's financial reporting or operations.

Garth said, "ScottsMiracle-Gro is well positioned for growth, as illustrated by the progress against our financial goals. I look forward to collaborating with the team to sustain this momentum. While I appreciate the opportunities afforded me, I am looking forward to taking my career to the next level, enabling me to create value for another industry-leading company."

Scheiwer, a CPA, joined the Company in September 2011 and has held financial roles with increasing responsibility, such as corporate controller, treasury and tax. As treasurer, he has maintained strong relationships with financial institutions, auditors and investors on behalf of the Company. He has been involved in Young on large SEC engagements with experience in dispositions, acquisitions, SEC and financial reporting, debt and equity offerings and restructurings.

"Mark brings significant experience to the interim CFO position that is grounded in the many roles he has held throughout his more than 13 years of experience. He provided stability during our most challenging financial times through his strong leadership and by successfully managing critically important external relationships in a smooth and seamless transition."

To further augment the Company's financial capabilities, Stefan Selig will serve as a senior advisor to the executive team on strategic and financial matters. Mr. Selig, a former CFO of Commerce, is a highly accomplished finance leader and board director with a reputation of being a trusted counselor to leading companies and investors.

Additionally, the Company is reaffirming the fiscal 2025 guidance that was provided during its fiscal 2024 year-end earnings call on November 14, 2024.

About ScottsMiracle-Gro

With approximately \$3.6 billion in sales, the Company is the world's largest marketer of branded consumer products for lawn and garden care. The Company's Scotts®, Miracle-Gro®, and Ortho® brands are market-leading in their categories. The Company's wholly-owned subsidiary, The Hawthorne Gardening Company, manufactures materials used in the indoor and hydroponic growing segment. For additional information, visit us at www.scottsmiraclegro.com.

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