

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): September 5, 2019

**GROWGENERATION CORP**  
(Exact Name of Registrant as Specified in its Charter)

**Colorado**  
(State or other Jurisdiction  
of Incorporation)

**333-207889**  
(Commission File Number)

**46-5008129**  
(I.R.S. Employer  
Identification No.)

**1000 West Mississippi Avenue**  
**Denver, Colorado 80223**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(303) 386-4796**

N/A  
(Former Address of Principal Executive Offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Securities registered pursuant to Section 12(b) of the Act: None.

**Section 7 – Regulation FD**

***Item 7.01. Regulation FD Disclosure***

Management of GrowGeneration, Corp. (the “Company”) will give presentations related to the business and performance of the Company at the 8th Annual Gateway Conference, held at the Four Seasons Hotel San Francisco during September 4-5, 2019.

Copies of the presentation slides to be presented at the conference are attached hereto as Exhibit 99.1. The information contained herein and the exhibit attached hereto shall be deemed furnished and not filed. The information contained in the presentation slides has been provided for information purposes only and should not be construed as an offer to sell or a solicitation of an offer to purchase any of the Company’s securities.

**Section 9 – Financial Statements and Exhibits**

***Item 9.01. Financial Statements and Exhibits***

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Presentation Slides</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

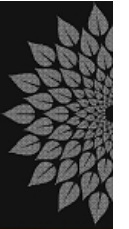
Date: September 5, 2019

**GrowGeneration Corp.**

By: /s/ Darren Lampert

Name: Darren Lampert

Title: Chief Executive Officer



[growgeneration.com](http://growgeneration.com)

2019 Gateway Conference - September 4<sup>th</sup> - 5<sup>th</sup>

OTCQX: GRWG

*This presentation is being provided for information purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any of the Company's securities. This presentation is not intended, nor should it be distributed, for advertising purposes, nor is it intended for broadcast or publication to the general public. Any such offer of the Company's securities will only be made in compliance with applicable state and federal securities laws pursuant to a prospectus or an offering memorandum and related offering documents which will be provided to qualified prospective investors upon request.*

*This presentation may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent our current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as "look forward," "believe," "continue," "building," or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings we make with the United States Securities and Exchange Commission, available at: [www.sec.gov](http://www.sec.gov), and on our website, at: [www.growgeneration.com](http://www.growgeneration.com).*

## GrowGeneration is the Supply Chain to the Grower and Cultivator

- GrowGeneration is a leading marketer and distributor of nutrients, growing media, advanced indoor garden, lighting and ventilation systems and accessories for hydroponic gardening.
- M and A and Greenfield Strategy, fragmented industry
- Market Size of Hydroponic equipment sales in excess of \$25B in 2019
- 24 points of distribution, service and sales
- Operating in 9 States, all regions of the United States
- Over 100 product specialists, with strong agricultural backgrounds to service and consult with commercial grow outfits
- Private-Equity backed by founders of Cronos, Gotham Green, Navy Capital, JW Asset Mgt. and Merida Capital Partners
- Corporate infrastructure across sales, operations, purchasing, technology and accounting

### Board of Directors and Executive Management

#### Darren Lampert CEO Director

- Founding member of law firm Lampert & Lampert (1986-2000)
- Former portfolio manager and proprietary trader (2000-2014)

#### Michael Salaman President Director

- VP at National Media Corp. (1986-2002)
- Founder of American Interactive Media
- Founder (2002-2006) / Chairman, Skinny Nutritional (2006-2013)

#### Joseph Prizivalli COO

- Inventory Manager at Way to Grow (2014-2016) where he oversaw movement and integrity of all inventories
- Distribution Center Manager (2010-2014)

#### Monty Lamirato CFO

- CFO, Strategic Environmental & Energy Resources, Inc. (2013-2016)
- Independent consultant (2009-2017)
- CFO/Treasurer, ARC Group Worldwide, Inc. (2001-2009)

#### Steven Aiello Director

- Partner at Jones & Co. (2003-2006)
- Partner at Asset Management (2001-2003)
- Partner at Montgomery Securities (1987-2001)

#### Sean Stiefel Director

- Founder of Navy Capital LLC in 2014, an equity focused fund
- Analyst with various equity funds

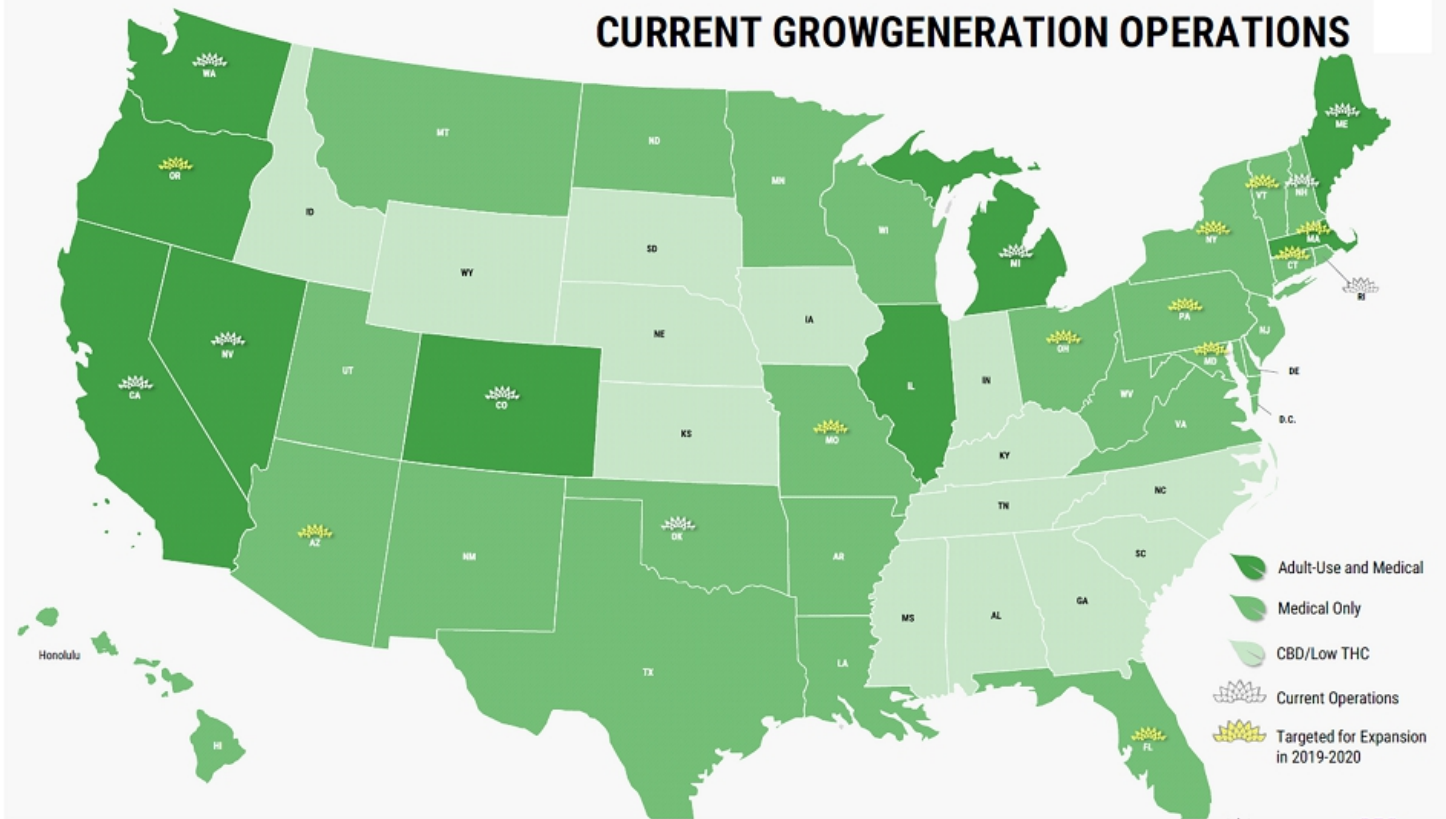
#### Peter Rosenberg Director

- 28 years of experience in the financial services industry
- Duff & Phelps, Managing Director in the Consumer and Retail Merger and Acquisitions Group
- Managing Director with Wells Fargo Securities
- Managed the San Francisco office for Barrington Associates
- Director at Salomon Smith Barney

### Capital Structure, Sept 3, 2019 except where noted

Stock Price <sup>as of September 3, 2019</sup>	\$5.68
Shares Outstanding, Sept 3, 2019	36.2M
Warrants Outstanding, Sept 3, 2019	4.2M
Stock Options Outstanding, Sept 3, 2019	2.1M
Equity Market Cap, Sept 3, 2019	\$206M
Debt, Sept 3, 2019	\$1.3M
Cash, Sept 3, 2019	\$15.5M
Enterprise Value, Sept 3, 2019	\$191.8M






### CURRENT GROWGENERATION OPERATIONS



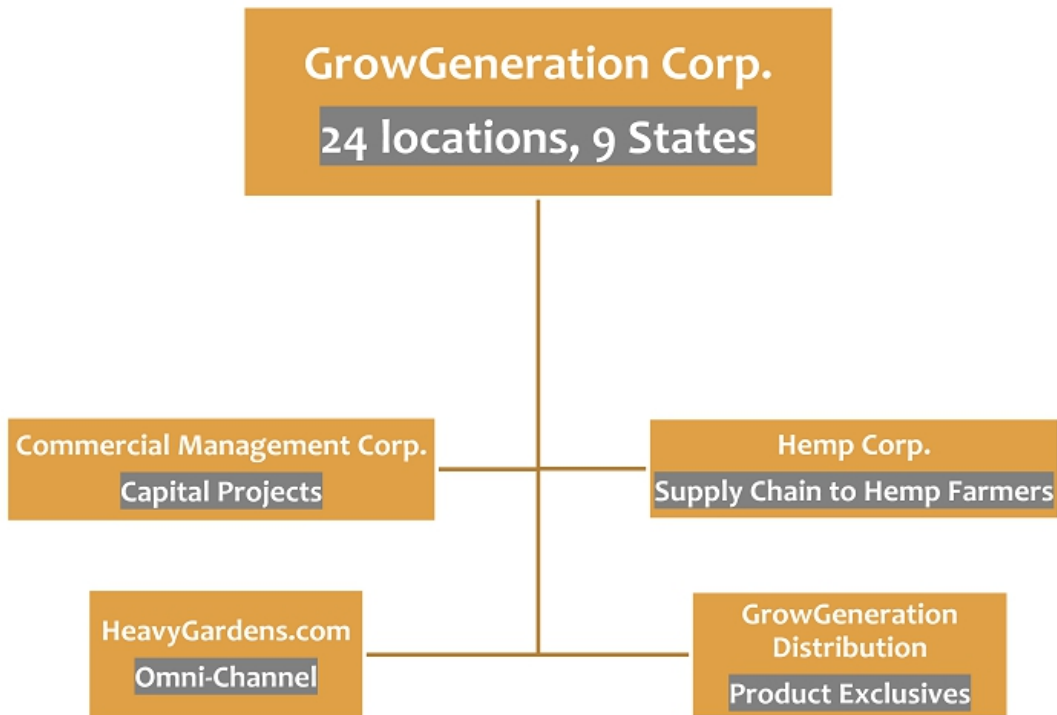
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growgeneration.com

## GrowGeneration Expansion Strategy

Michigan	Nevada	Massachusetts	Illinois	Missouri
 Current GrowGeneration Market	 Current GrowGeneration Market	 Target Expansion Market	 Target Expansion Market	 Target Expansion Market
<p>Potential one of the largest adult use markets</p> <p>107 potential licenses once recreational licensing opens in 2020</p>	<p>224 active cultivation licenses (THC &amp; CBD)</p> <p>Largest concentrated of licenses are in Clark County</p>	<p>Medical and recreational market</p> <p>Roughly 70 active cultivation licenses in the stat. 97 licenses are pending CCC final approval</p>	<p>21 active cultivation licenses</p> <p>Current data would suggest a location in the middle of the state</p> <p>Opening of a recreational license round in late 2019 would add a robust pipeline of craft cultivators (5,000-15,000 SF) facilities throughout the state</p>	<p>60 cultivation licenses to be awarded on December 31, 2019</p> <p>7 licenses per each of the 8 congressional districts</p>





## 2019 Highlights

- Acquired 7 stores and opened 4 stores, 2 in Tulsa, 1 in OK and 1 in Brewer, ME
- Closed on \$12.8 million in financing in June 2019
- Cash and cash equivalents at June 30, 2019 was \$17 million
- Successfully integrated Rhode Island, Michigan and Maine store locations into our new ERP computer system initially launched in Q4 2018
- Continued buildout of our national commercial management team to secure large capital commercial projects
- Appointed Bob Nardelli as a strategic advisor, former Chairman and CEO of Home Depot and Chrysler
- Raised to date, \$43.5 million to date in equity and convertible debt
- Currently
  - \$17 million in cash
  - \$15 million in inventory
  - Over \$29.6 million in working capital

2014	2015	2016/2017	2018	2019
<ul style="list-style-type: none"> <li>Pueblo Organics and Hydroponics - Pueblo, CO</li> </ul> 	<ul style="list-style-type: none"> <li>Happy Grow Lucky - Conifer, CO</li> </ul> 	<ul style="list-style-type: none"> <li>Mad Max and Sonoma Hydro - Santa Rosa, CA</li> <li>Seattle Hydro Spot - Seattle, WA</li> </ul>  	<ul style="list-style-type: none"> <li>East Coast Hydroponics - Warwick, RI</li> <li>Humboldt Depot - Arcata, CA</li> <li>Central Coast Garden &amp; Supply - Salinas, CA</li> <li>Superior Growers Supply - Livonia/Lansing, MI</li> <li>Santa Rosa Hydroponics - Santa Rosa, CA</li> <li>HeavyGardens.com</li> </ul>      	<ul style="list-style-type: none"> <li>Chlorophyll – Denver, CO</li> <li>Reno Hydroponics – Reno, NV</li> <li>Palm Springs Hydroponics – Palm Springs, CA</li> <li>GreenLife Garden Supply - ME</li> <li>Grand Rapid Hydroponics - Grand Rapids, MI</li> </ul>     

- \$25M in acquisitions completed in 2018
- Over \$25M in new acquisition completed in 2019
- Purchased all the inventory and product trademarks from 3<sup>rd</sup> largest Distributor
- Acquisitions are accretive and present significant profit growth

Oklahoma City, OK



Santa Rosa, CA



## Livonia, MI



OTCQX: GRWG

[growgeneration.com](http://growgeneration.com)

## Out of Home – Billboard

Humboldt/Mckinleyville, CA



## In-Store Merchandising

Livonia, MI



## Trade Shows

MJBIZ CON 2018 – Las Vegas



## Social Media

Instagram/Facebook



## Vehicle Wraps

All Locations

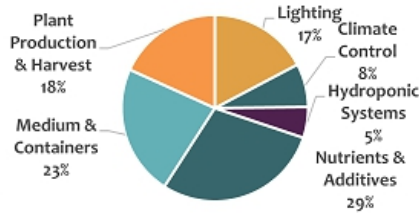


## Company Highlights

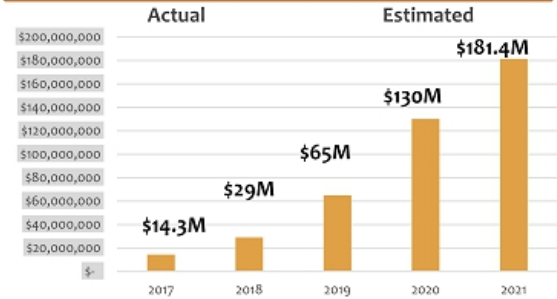
National coast to coast wholesale distributor of hydroponic grow supplies

– Over 100% growth year over year with over \$25m in acquisition in 2019

- ~\$25 bn highly fragmented market
- Serving commercial cultivation professionals
- Complementary value-add consulting and product support
- Over 10,000 SKUs
- 24 operations in 9 states
- HeavyGardens.com Super Store



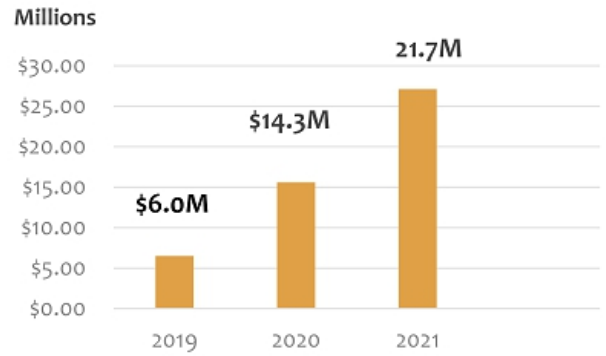
## Projected Revenue



## Q2 2019 Financial Highlights

- Net income of \$1,062,000 for Q2 2019 compared to a net loss of \$(929,959) for Q2 2018, an increase of \$2.0 million.
- Adjusted EBITDA of \$1,779,310 for Q2 2019 compared to adjusted EBITDA of \$(205,758) for Q2 2018, an increase of \$2.0 million.
- GAAP earnings of \$.04 per share for Q2 2019 and \$.04 per share year to date, basic.
- NON-GAAP adjusted earnings per share of \$.06 per share for Q2 2019 and \$.08 per share year to date, basic.
- Revenue of \$19.5 million up \$12.3 million or 172% over Q2 2018 revenues of \$7.1 million.
- Same store sales were up 23% for Q2 2019 versus Q2 2018.
- Gross profit margin percentage was 29.9% for Q2 2019 compared to 24.2% for Q2 2018.
- Store operating costs, as a percentage of revenue, have declined to 14% for Q2 2019 compared to 16.1% for Q2 2018.
- Corporate overhead, as a percentage of revenue declined to 9.8%, for Q2 2019 compared to 16.8% of revenue for Q2 2018.
- Completed a \$12.8 million financing. All of the Company's strategic institutional investors participated in the offering, including lead investor Gotham Green Partners, Merida Capital Partners and Navy Capital. In addition to the Company's 3 strategic investors, JW Asset Fund, L.L.C. participated.
- Appointed Bob Nardelli, former CEO of Home Depot, as Senior Strategic Advisor.

## Adjusted EBITDA



## 4-Wall Economics

	2019	2020
• Gross Profit	30%	31%
• Operating Expenses	14%	13%
• G and A	7%	6%
• Adjusted EBITDA	9%	12%



## ROI Store Acquisition – New Store Buildout

- Store Acquisition ROI- **\$5,000,000**
  - Total cost of acquisition, \$2.4 million
  - Acquisition was 2.7 times EBITDA
  - Payback period expected to be less than **2.25 years**
  
- New Store ROI- **10,000 sq. ft.**
  - Store Racking/retail fixtures/buildout/delivery vehicle, \$250,000
  - Initial Inventory \$700,000
  - Payback period expected to be **1.5 year**

## Cap Table September 3, 2019

Cap Table as of September 3, 2019	FDS	% Ownership
Common Stock (authorized 100,000,000; \$.001 par value):	36,168,524	84.7%
Preferred Stock (authorized 0; \$.001 par value)	-	0.0%
		0.00%
Total Outstanding Stock:	36,168,524	
Equity Warrants to purchase common stock	3,841,331	9.0%
Common Stock Options	2,130,500	5.0%
Debt Warrants to purchase common stock	131,250	.3%
Convertible debt	425,000	1.0%
Fully-Diluted Capitalization:	42,696,605	

### *Fueling Growth: Plan to \$250M+ Revenue*

- **Store acquisitions** closed to date, over **\$25M** in revenue
- Demonstrated ability to open new stores in new markets in 45-60 days (organic growth)
- Strong pipeline of over \$50M of M and A
- 3 New locations plan to open in Q4
- Annualized purchasing power of over **\$50M** resulting in increased margins
- **Operating profits** increasing at the store level, as store operating expenses continue to decline, to less than **15% of revenue in 2019**
- Selling, general and administrative expenses continue to decline as a percentage of revenue to less than **4% in 2019**. Current corporate infrastructure allows us to fully integrate an acquisition immediately and eliminate duplicative cost from the target acquisitions previous P&L.
- **Proprietary and exclusive products**, adding greater margins
- **Guidance at \$65-70M/Adjusted Earnings \$6.0M**

## Company Contact

**Darren Lampert**, Chief Executive Officer

**Michael Salaman**, President

GrowGeneration Corp., Denver, CO

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