

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): January 13, 2020

**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:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	GRWG	The NASDAQ Stock Market LLC

**Section 7 – Regulation FD**

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

Management of GrowGeneration, Corp. (the “Company”) will give presentations on January 13, 2020 relating to the business and performance of the Company at the ICR Conference, held in Orlando, FL during January 13-15, 2020.

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: January 13, 2020

**GrowGeneration Corp.**

By: /s/ Darren Lampert

Name: Darren Lampert

Title: Chief Executive Officer



GrowGeneration Corp. Investor Presentation ICR Conference 2020 NASDAQ: 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 Growers and Cultivators*

- Largest hydroponic and organic product/solutions provider
- **National Footprint** - 26 sales/service centers in 9 states
- **Expertise** - Deep knowledge base with in-house professionals
- **Full-service product, solutions** – from builds to ongoing grows
- **Diverse Customer Base** – Large commercial multi-state operators, regional, local and home growers 75% of business is commercial
- **Omnichannel** – growing direct to grower platform– growgen.pro





Livonia, MI



NASDAQ: GRWG

growgeneration.com



## Oklahoma City, OK



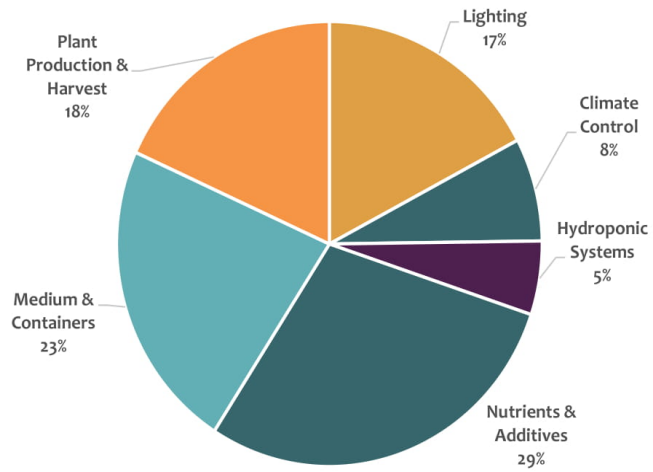
## Denver, CO



## Pueblo, CO



Product Mix



- Over 10,000 SKUs
- Large consumable revenue mix
- 26 locations in 9 states
- Growgen.pro online superstore

## Big Opportunity in Private Label Products - SUNLEAVES Brand



Exclusively distributed  
by GrowGeneration

### Measuring Cups



### Cloth Pots



### Nutrients



### Lighting



Pioneer 4' x 8 Tube Fixture\*  
47" x 25 1/2" x 2 1/8"  
432W/3.64A/120V

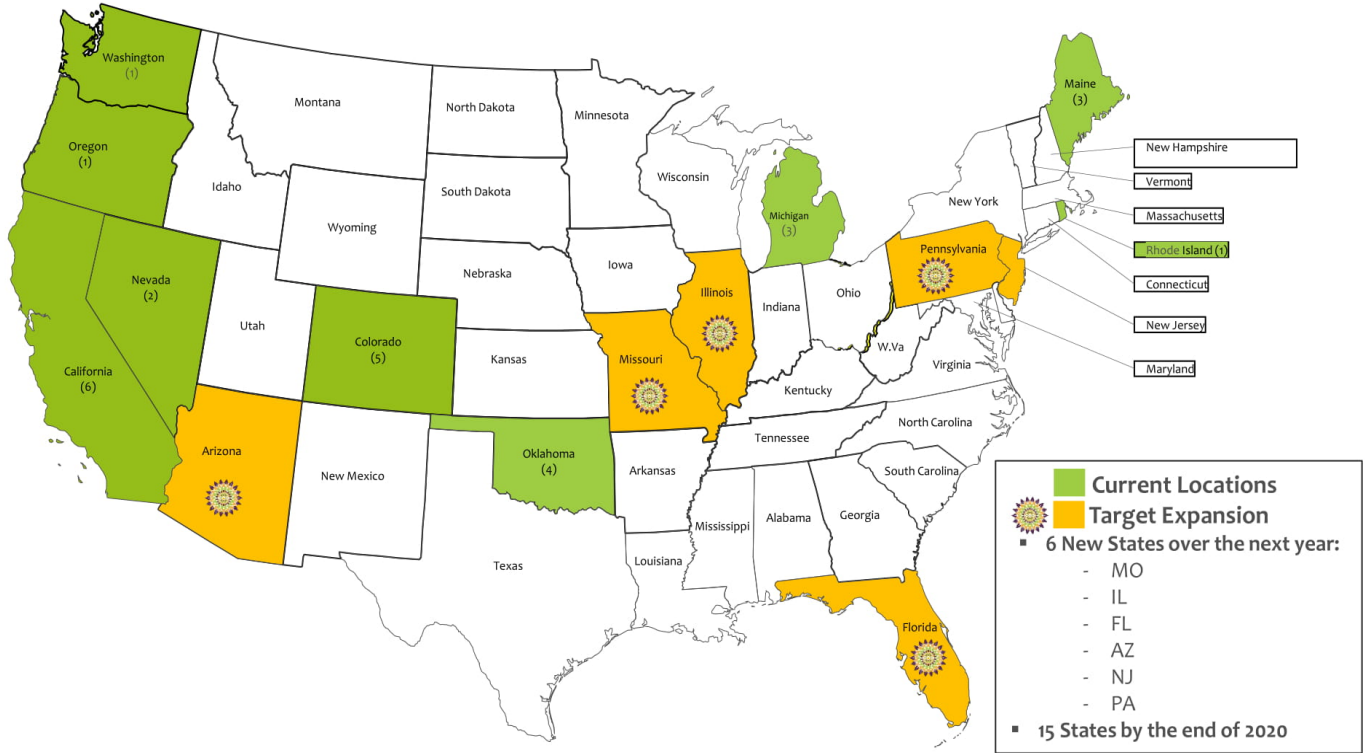
### Rachets



NASDAQ: GRWG

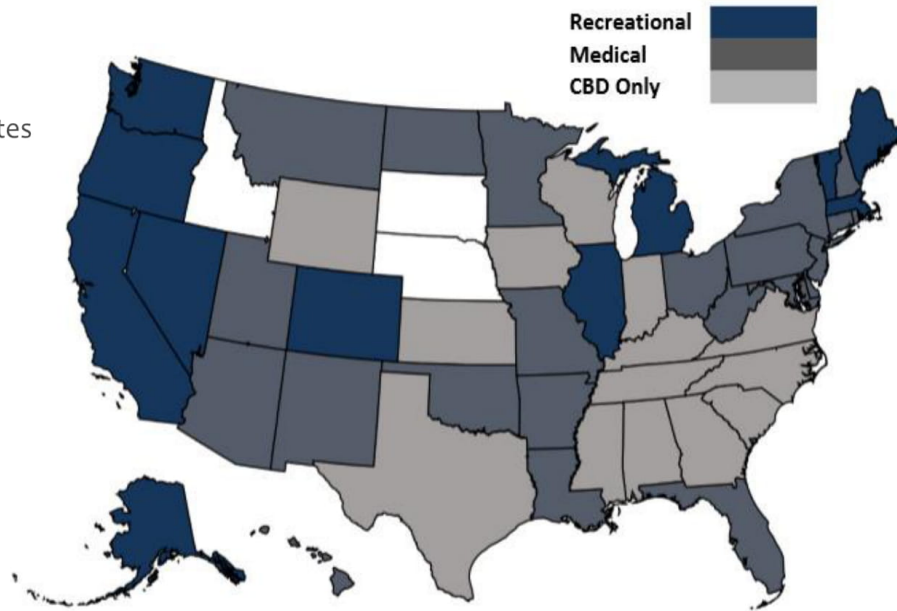
growgeneration.com

## Current GrowGeneration Locations (26 stores)



## State Regulatory Overview

- 11 Recreational States
- 33 Medical States
- 15 CBD Only States



## Out of Home – Billboard

Humboldt, CA



## In-Store Merchandising

Livonia, MI



## Trade Shows

MJBIZ CON 2019 – Las Vegas



## Social Media

Instagram/Facebook



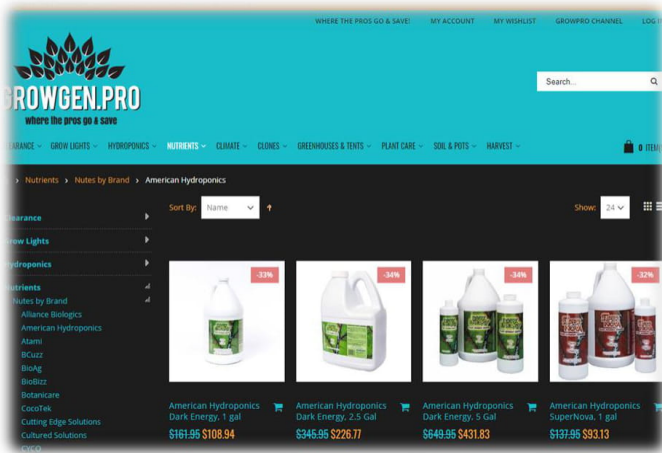
## Vehicle Wraps

All Locations



## GrowPro Website – WWW.GrowGen.Pro

Omni channel approach that seeks to provide customers with a seamless online shopping experience



## KEY STATS<sup>1</sup>

### TRADING DATA @ (01/010/20)

Stock Price

**\$4.36**

\$2.52/\$5.75

52 WEEK LOW/HIGH

153,100

AVG. DAILY VOL. (3 MO.)

37.5 M

SHARES OUTSTANDING

23.3 M

PUBLIC FLOAT EST.

28%

INSTITUTIONAL/STRATEGIC  
OWNER HOLDINGS

### VALUATION METRICS @ (01/010/20)

Enterprise Value

**\$151M**

\$163M

MARKET CAP

1.9

EV/REVENUE

25.2

EV/ADJ. EBITDA

### FINANCIAL HIGHLIGHTS, dates as noted

Adjusted EBITDA, 9/30/19

**\$4.5M**

\$80M, 12/31/19

TOTAL REVENUE

\$13 M, 12/31/19

SAME STORE SALES

\$ 4.5 M

Adjusted EBITDA, 9/30/19

\$13.5M, 12/31/19

CASH & EQUIVALENTS

\$68.4M, 9/30/19

TOTAL ASSETS

\$1 M, 9/30/19

TOTAL DEBT

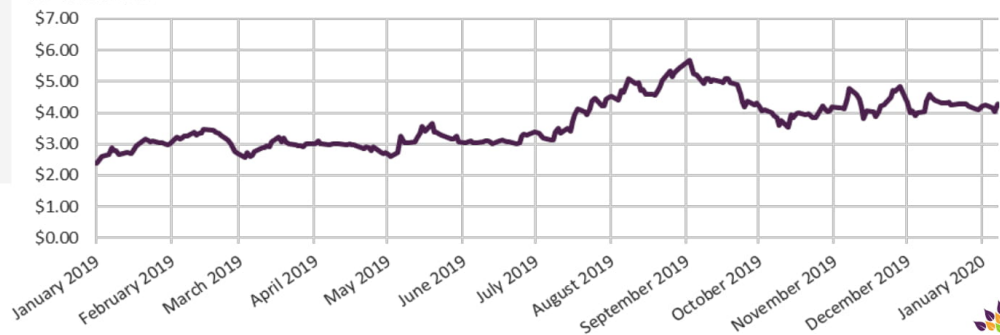
\$15.6M, 9/30/19

TOTAL LIABILITIES

\$52.8M, 9/30/19

TOTAL EQUITY

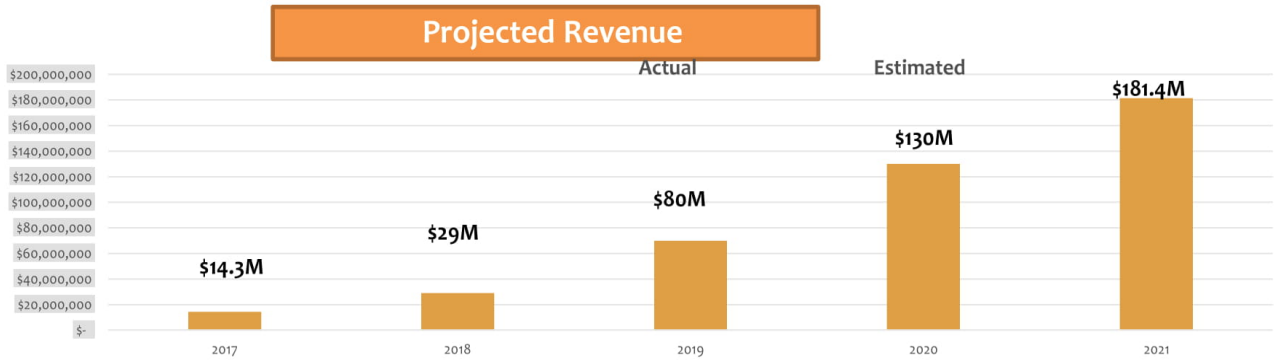
### STOCK TREND



NASDAQ: GRWG

growgeneration.com

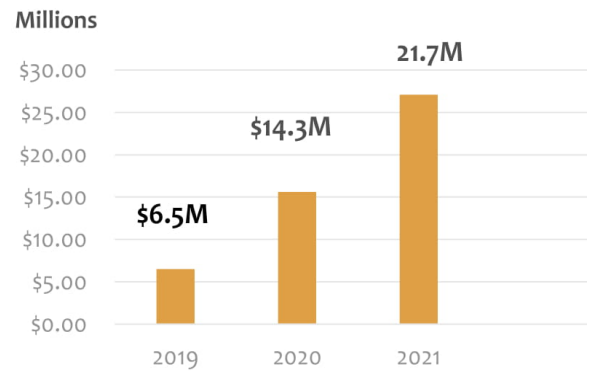




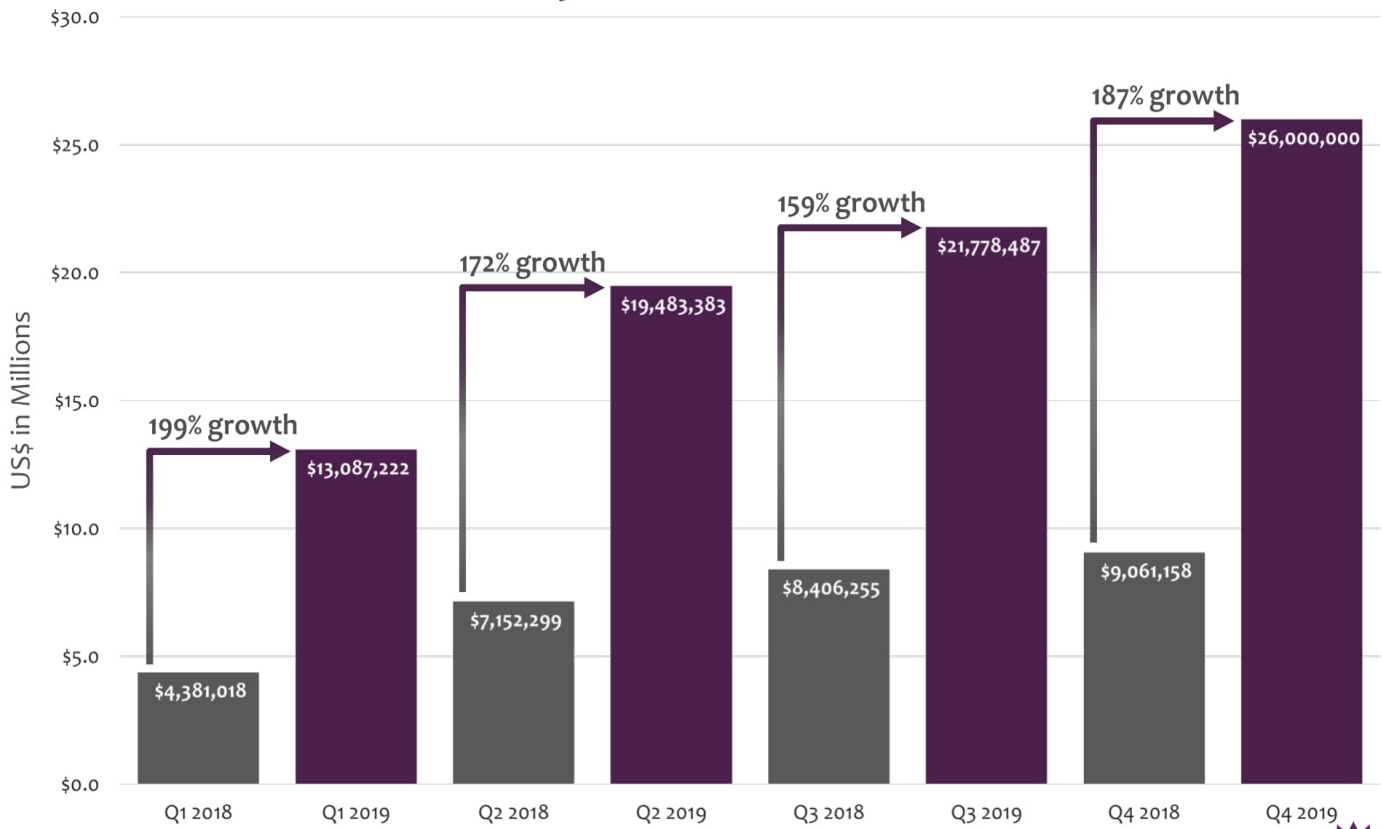
### 2019 Financial Highlights

- Revenue of \$80.0 million, up \$51.0 million or 176% versus 2018
- Revenue for Q4 2019 was \$26 million versus \$9.1 million for Q4 2018
- Same store sales were up 62% for Q4 2019 versus Q4 2018.
- Same store sales were up 36% for fiscal year 2019 versus 2018
- Total new store and acquired stores for 2019 totaled 11 new store locations
- Fully deployed ERP platform across all locations.
- Up listed to the Nasdaq Exchange

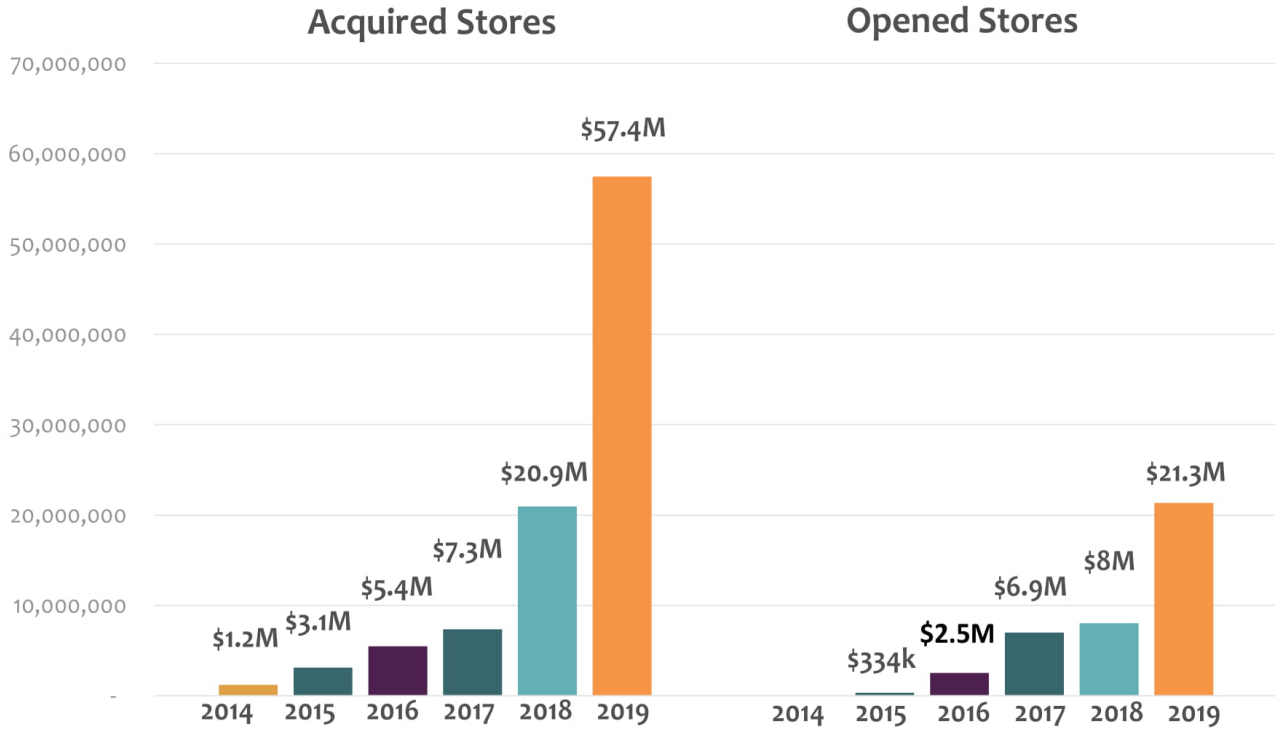
### Estimated Adjusted EBITDA



### 2019 YTD Revenue Growth

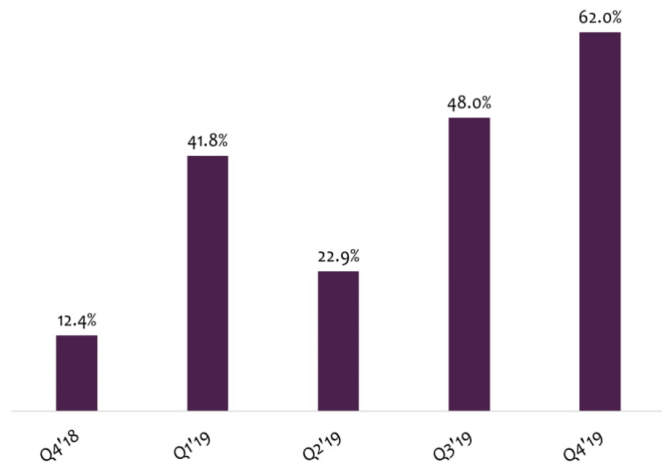


## Revenues from Acquired & Opened Stores



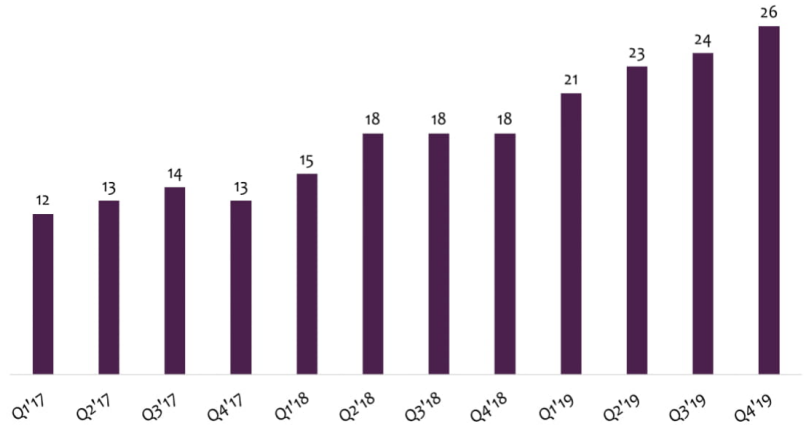
### Same Store Sales

- 36% SSS 2019
- 62% SSS Q4 2019
- Double digit SSS 2020



### Store Unit Growth 2017-2019

- 26 total stores 2019
- 11 new locations ( 7 acquired, 4 opened and consolidated 3)
- 44%-unit growth YOY



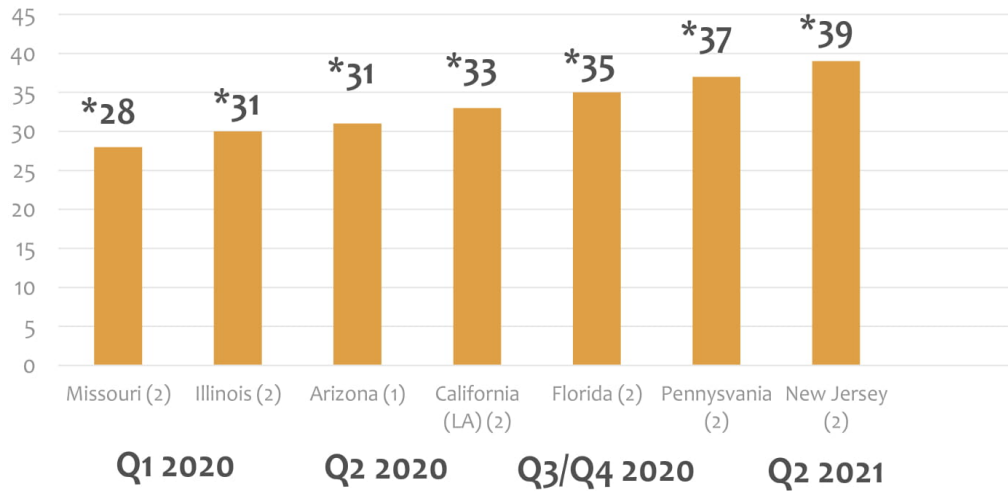
## New Store Growth Plan 2020-2021

*\*Projected Number of New GrowGeneration Stores (26 stores to date)*

- 13 new locations over the next 12 months

- Average revenue per store - \$4M

- Same Store Sales will grow by an estimated 20% annually



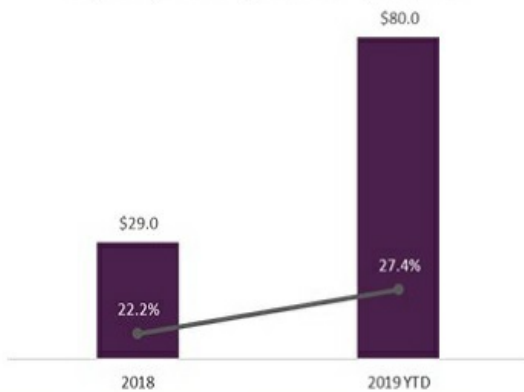
**Proven Robust Track Record of Acquisitions**



- \$30M in acquisitions completed in 2019
- Robust M&A pipeline
- Acquisitions are margin and profit accretive

## Store Economics – Acquisition vs. New Build

- Existing Store Acquisition – Warwick, RI
  - 2019 revenues of \$8 million
  - Total cost of acquisition, \$2.4 million
  - Acquisition multiple, 2.7 times TTM EBITDA
  - Payback period expected to be less than 2.25 years
  
- New Store Opening Example –
  - 10,000 sq. ft. (New OKC location)
  - Racking/fixtures/buildout/vehicles ~ \$250K
  - Initial Inventory ~ \$700K
  - \$500K/month in revenue run rate
  - Payback period approximately 1.5 year





### 4-Wall Economics and Adjusted EBITDA

	2019	2020
• Gross Profit	29%	30%
• Operating Expenses	12%	12%
• Stores Operating Income	17%	18%
• G and A	8%	7%
• Adjusted EBITDA	9%	11%



**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)



**Monty Lamirato**  
CFO

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



**Tony Sullivan**  
COO

- 20+ years at Foot Locker Inc.
- Executive Vice President and Chief Operating Officer of Forman Mills
- Senior Vice President Operations for Dollar Express
- Senior Vice President, Chief Operating Officer Aimee Linens



**Sean Stiefel**  
Director

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



**Steven Aiello**  
Director

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



**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

- Private-Equity backed by founders of Cronos, Gotham Green, Navy Capital, JW Asset Merida Capital Partners
- Bob Nardelli, Senior strategic advisor, former CEO Home Depot

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

- **Store acquisitions** over **\$30M** in revenue in 2019, same target for 2020
- **Open 13 new stores in 6 new markets** (organic growth)
- **2019 Revenue \$80M up from \$29M in 2018, continue same growth trajectory**
- **SSS for 4<sup>th</sup> Q UP 62%, SSS for 2019 up 36%, double digit growth in 2020**
- **Commercial sales approaching \$5M per quarter, goal is to increase to \$30M**
- **Ecommerce sales up reached \$5M in 2019, \$10M IN 2020**
- **Omni channel, order online, pick up in store**
- **Proprietary and exclusive products 10 % of overall purchases in 2020**

## Company Contact

Darren Lampert, Chief Executive Officer

**Michael Salaman**, President

GrowGeneration Corp., Denver, CO

Tel 800.935.8420 | [darren@growgeneration.com](mailto:darren@growgeneration.com)