

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): May 8, 2025

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.)

5619 DTC Parkway, Suite 900
Greenwood Village, CO 80111
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 935-8420**

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

On May 8, 2025, GrowGeneration Corp. published a press release regarding its financial results for the first quarter of 2025.

A copy of the press release is attached hereto as Exhibit 99.1. The information contained in this Current Report on Form 8-K (including the exhibit) is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press release dated May 8, 2025 |
| 104 | Cover Page Interactive Data File, formatted XBRL Document |

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: May 8, 2025

GrowGeneration Corp.

By: /s/ Darren Lampert

Name: Darren Lampert

Title: Chief Executive Officer



GrowGeneration

GrowGeneration Reports First Quarter 2025 Financial Results

Proprietary brand sales increased to 32.0% as a percentage of Cultivation and Gardening net sales

Gross profit margin of 27.2%, both a sequential and year-over-year improvement

Cash, cash equivalents, and marketable securities balance of \$52.6 million and no debt

GrowGeneration sets second quarter revenue outlook to exceed \$40 million

DENVER, May 8, 2025 – GrowGeneration Corp. (NASDAQ: GRWG) (“GrowGeneration,” “GrowGen,” or the “Company”), the nation’s largest specialty hydroponic and organic gardening retailer, today announced financial results for the first quarter of 2025.

First Quarter 2025 Summary⁽¹⁾

- Net sales of \$35.7 million, reflecting the consolidation of 19 retail locations during 2024;
- Proprietary brand sales as a percentage of Cultivation and Gardening net sales increased to 32.0% compared to 22.6% for the same period in the prior year;
- Gross profit margin of 27.2%, compared to 25.8% for the first quarter of 2024;
- Store and other operating expenses declined approximately 17.3% to \$8.8 million, compared to \$10.6 million for the same period in the prior year;
- Net loss was \$9.4 million compared to a net loss of \$8.8 million for the same period in the prior year;
- Adjusted EBITDA⁽²⁾ loss of \$4.0 million compared to a loss of \$2.9 million for the same period in the prior year; and
- Cash, cash equivalents, and marketable securities of \$52.6 million and no debt.

Darren Lampert, GrowGen’s Co-Founder and Chief Executive Officer, commented, “First quarter sales came in below our initial expectations, impacted by softer durable goods spending and increased customer caution stemming from tariff and regulatory uncertainties in March. Despite these headwinds, proprietary brand sales rose to 32.0% of total Cultivation and Gardening revenue, advancing toward our goal for proprietary brands to represent 35.0% of segment sales by year-end 2025. This growth reflects the strength of our high-quality product portfolio, including Charcoir coco, Drip Hydro nutrients, The Harvest Company, and our Ion lighting solutions.”

“With the successful launch of our GrowGen Pro Portal, we are actively assessing further store rationalizations over the next year as part of our broader transition to a regional fulfillment center model. As our strategy increasingly centers on B2B engagement, we are shifting away from same store sales as a key performance metric and instead focusing on customer acquisition, digital adoption, and proprietary brand penetration.”

“We also continued to streamline our operations and reduce expenses during the quarter. These efforts are yielding results — our first quarter gross profit margin improved to 27.2%, which is both a sequential and year-over-year improvement. We ended the quarter with a strong cash position of \$52.6 million and no debt on our balance sheet, providing ample flexibility to invest in future growth initiatives, including strategic acquisitions that enhance proprietary brand offerings and expand our market share. As we progress through 2025, we remain committed to executing our transformation strategy to drive sustainable revenue growth, margin expansion, and long-term profitability,” added Mr. Lampert.

First Quarter 2025 Consolidated Results

Net sales were \$35.7 million for the first quarter of 2025, compared to \$47.9 million for the first quarter of 2024. Cultivation and Gardening net sales decreased \$12.2 million, primarily due to the closure of 19 retail locations during 2024. Net sales in our Storage Solutions segment remained stable on a year-over-year basis.

While we reported total net revenue within our previously issued guidance range, our first quarter proprietary brand sales surpassed our internal expectations, giving us further confidence in our long-term ability to expand gross margin. Proprietary brand sales as a percentage of Cultivation and Gardening net sales increased to 32.0%, compared to 22.6% for the same period in the prior year, largely driven by our strategic initiatives to increase sales volume with our expanded portfolio of proprietary brands and various proprietary product launches.

Gross profit was \$9.7 million for the first quarter of 2025, compared to gross profit of \$12.4 million for the first quarter 2024. Gross profit margin was 27.2% for the first quarter of 2025, compared to 25.8% for the first quarter of 2024, a 140 basis point improvement primarily due to the growth in sales mix of proprietary brand versus non-proprietary products.

Store and other operating expenses in the first quarter of 2025 were \$8.8 million, a decrease of approximately 17.3% compared to \$10.6 million in the first quarter of 2024.

Selling, general, and administrative expenses in the first quarter of 2025 were \$7.1 million, compared to \$7.9 million in the first quarter of 2024, a decrease of 10.1%.

GAAP net loss was \$9.4 million in the first quarter of 2025, compared to a net loss of \$8.8 million in the first quarter of 2024. The change in net loss was primarily due to the sales volume decline related to the retail store consolidations during 2024, partially offset by improvements in gross margin percentage and reductions in store operating expenses as well as improvements in selling, general, and administrative expenses.

Non-GAAP Adjusted EBITDA⁽²⁾ was a loss of \$4.0 million in the first quarter of 2025, compared to a loss of \$2.9 million in the first quarter of 2024.

Cash, cash equivalents, and marketable securities as of March 31, 2025 were \$52.6 million. Inventory as of March 31, 2025 was \$42.1 million, and prepaid and other current assets were \$6.3 million.

Total current liabilities, including accounts payable, accrued payroll, and other liabilities as of March 31, 2025 were \$24.9 million.

Geographic Footprint

Our geographic footprint for our Cultivation and Gardening segment spans 724,000 square feet of retail and warehouse space and includes 31 retail locations across 12 states. We continue to evaluate our retail geographic footprint for redundancies in our fixed cost structure and for opportunities to serve our customers through other retail locations and our online platforms, such as growgeneration.com and our B2B customer portal for commercial and wholesale customers.

Withdrawal of Full Year 2025 Outlook

Due to macroeconomic uncertainty stemming from global trade policies, along with potential changes in consumer demand and retail pricing pressure, we are withdrawing our full year 2025 financial outlook. We are actively monitoring these developments and exploring strategies to mitigate these risks and potential negative effects on our business and results from operations, including negotiating with suppliers, adjusting our pricing strategies, moving our supply chain away from countries with higher tariffs in favor of other jurisdictions, and seeking tariff exemptions where possible.

For the second quarter of 2025, we expect total consolidated net sales to be greater than \$40 million.

Footnotes

- (1) All comparisons are for the quarter ended March 31, 2025 versus the quarter ended March 31, 2024.
 - (2) Adjusted EBITDA represents earnings before interest, taxes, depreciation, and amortization as adjusted for certain items as set forth in the reconciliation table of U.S. GAAP to non-GAAP information and is a measure calculated and presented on the basis of methodologies other than in accordance with GAAP. Please refer to the Use of Non-GAAP Financial Information herein for further discussion and reconciliation of this measure to GAAP measures.
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Conference Call

The Company will host a conference call today, May 8, 2025, at 4:30 p.m. Eastern Time to discuss financial results for the first quarter ended March 31, 2025. To participate in the call, please dial 1(888) 699-1199 (domestic) or 1(416) 945-7677 (international). The conference code is 52172. The call will also be webcast and can be accessed at <https://app.webinar.net/aoWD341OwB1> or on the Investor Relations section of the GrowGen website at: <https://ir.growgeneration.com>. A replay of the webcast will be available approximately two hours after the conclusion of the call and remain available for approximately 90 calendar days.

About GrowGeneration Corp

GrowGen is the nation's largest specialty hydroponic and organic gardening retailer. GrowGen carries and sells thousands of products, such as nutrients, additives, growing media, lighting, environmental control systems, and benching and racking, including proprietary brands such as Charcoir, Drip Hydro, Power Si, Ion lights, The Harvest Company, and more. The Company also operates an online superstore for cultivators at growgeneration.com, as well as a wholesale business for resellers, and a benching, racking, and storage solutions business, Mobile Media or MMI.

To be added to the GrowGeneration email distribution list, please email GrowGen@kcsa.com with GRWG in the subject line.

Forward Looking Statements

This press release 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 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 opinions only as of the date of this release. Please keep in mind that the Company does not have an obligation 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," "expect," "believe," "anticipate," "estimate," 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 made with the United States Securities and Exchange Commission, available at: www.sec.gov, and on the Company's website, at: www.growgeneration.com.

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GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands, except shares)

| | March 31, 2025 | December 31, 2024 |
|--|-------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 32,742 | \$ 27,471 |
| Marketable securities | 19,836 | 28,984 |
| Accounts receivable, net of allowance for credit losses of \$2,146 and \$2,177 at March 31, 2025 and December 31, 2024, respectively | 6,936 | 7,361 |
| Notes receivable, current, net of allowance for credit losses of \$— and \$— at March 31, 2025 and December 31, 2024, respectively | 1,056 | 1,056 |
| Inventory | 42,129 | 40,295 |
| Prepaid income taxes | 177 | 145 |
| Prepaid and other current assets | 6,285 | 7,896 |
| Total current assets | 109,161 | 113,208 |
| Property and equipment, net | 13,014 | 15,493 |
| Operating leases right-of-use assets, net | 32,431 | 34,453 |
| Intangible assets, net | 7,241 | 8,779 |
| Goodwill | 1,605 | 1,605 |
| Other assets | 780 | 814 |
| TOTAL ASSETS | \$ 164,232 | \$ 174,352 |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 9,959 | \$ 8,146 |
| Accrued liabilities | 2,149 | 2,358 |
| Payroll and payroll tax liabilities | 2,021 | 2,655 |
| Customer deposits | 2,350 | 2,404 |
| Sales tax payable | 1,409 | 1,313 |
| Current maturities of operating lease liabilities | 7,024 | 7,398 |
| Total current liabilities | 24,912 | 24,274 |
| Operating lease liabilities, net of current maturities | 27,809 | 29,633 |
| Other long-term liabilities | 352 | 352 |
| Total liabilities | 53,073 | 54,259 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock; \$0.001 par value; 100,000,000 shares authorized, 59,487,477 and 59,402,628 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively | 59 | 59 |
| Additional paid-in capital | 376,120 | 375,677 |
| Accumulated deficit | (265,020) | (255,643) |
| Total stockholders' equity | 111,159 | 120,093 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 164,232 | \$ 174,352 |

GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share amounts)

| | Three Months Ended March 31, | |
|--|------------------------------|------------|
| | 2025 | 2024 |
| Net sales | \$ 35,703 | \$ 47,888 |
| Cost of sales (exclusive of depreciation and amortization shown below) | 25,996 | 35,524 |
| Gross profit | 9,707 | 12,364 |
| Operating expenses: | | |
| Store operations and other operational expenses | 8,792 | 10,634 |
| Selling, general, and administrative | 7,112 | 7,908 |
| Estimated credit losses (recoveries) | 92 | (488) |
| Depreciation and amortization | 3,585 | 3,742 |
| Total operating expenses | 19,581 | 21,796 |
| Loss from operations | (9,874) | (9,432) |
| Other income (expense): | | |
| Other income | — | 47 |
| Interest income | 497 | 602 |
| Interest expense | — | (56) |
| Total other income | 497 | 593 |
| Net loss before taxes | (9,377) | (8,839) |
| (Provision) benefit for income taxes | — | 2 |
| Net loss | \$ (9,377) | \$ (8,837) |
| Net loss per share, basic | \$ (0.16) | \$ (0.14) |
| Net loss per share, diluted | \$ (0.16) | \$ (0.14) |
| Weighted average shares outstanding, basic | 59,441 | 61,499 |
| Weighted average shares outstanding, diluted | 59,441 | 61,499 |

Use of Non-GAAP Financial Information

The following non-GAAP financial measures of EBITDA and Adjusted EBITDA are not in accordance with, or an alternative for, generally accepted accounting principles ("GAAP") and should be considered in addition to, and not as a substitute for, the most directly comparable GAAP financial measures. We believe these non-GAAP financial measures, when used in conjunction with their most directly comparable GAAP financial measures, net income (loss), provide meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods, identify trends affecting our business, and project future performance. Management uses these non-GAAP financial measures for internal planning and reporting purposes, and we believe that these non-GAAP financial measures may be useful to investors in their assessment of our operating performance, our ability to generate cash, and valuation. In addition, these non-GAAP financial measures address questions routinely received from analysts and investors and, in order to ensure that all investors have access to the same data, we have determined that it is appropriate to make this data available to all investors. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures commonly used in our industry and should not be construed in isolation as substitutions to net income (loss) as indicators of operating performance or as alternatives to cash flow provided by operating activities as a measure of liquidity (each as determined in accordance with GAAP). GrowGeneration defines EBITDA as net income (loss) before interest income, interest expense, income tax expense, depreciation and amortization, and Adjusted EBITDA as further adjusted to exclude certain items such as stock-based compensation, impairment losses, restructuring and corporate rationalization costs, and other non-core or non-recurring expenses and to include income from our marketable securities as these investments are part of our operational business strategy and increase the cash available to us.

Set forth below is a reconciliation of EBITDA and Adjusted EBITDA to net loss (in thousands):

| | Three Months Ended March 31, | |
|--|------------------------------|------------|
| | 2025 | 2024 |
| Net loss | \$ (9,377) | \$ (8,837) |
| Provision (benefit) for income taxes | — | (2) |
| Interest income | (497) | (602) |
| Interest expense | — | 56 |
| Depreciation and amortization | 3,585 | 3,742 |
| EBITDA | \$ (6,289) | \$ (5,643) |
| Share-based compensation | 503 | 778 |
| Investment income | 519 | 580 |
| Restructuring plan | 1,141 | — |
| Consolidation and other charges ⁽¹⁾ | 96 | 1,414 |
| Adjusted EBITDA | \$ (4,030) | \$ (2,871) |

(1) Consists primarily of expenditures related to the activity of store and distribution consolidation, one-time severances outside of the restructuring plan announced July 2024, and other non-core or non-recurring expenses