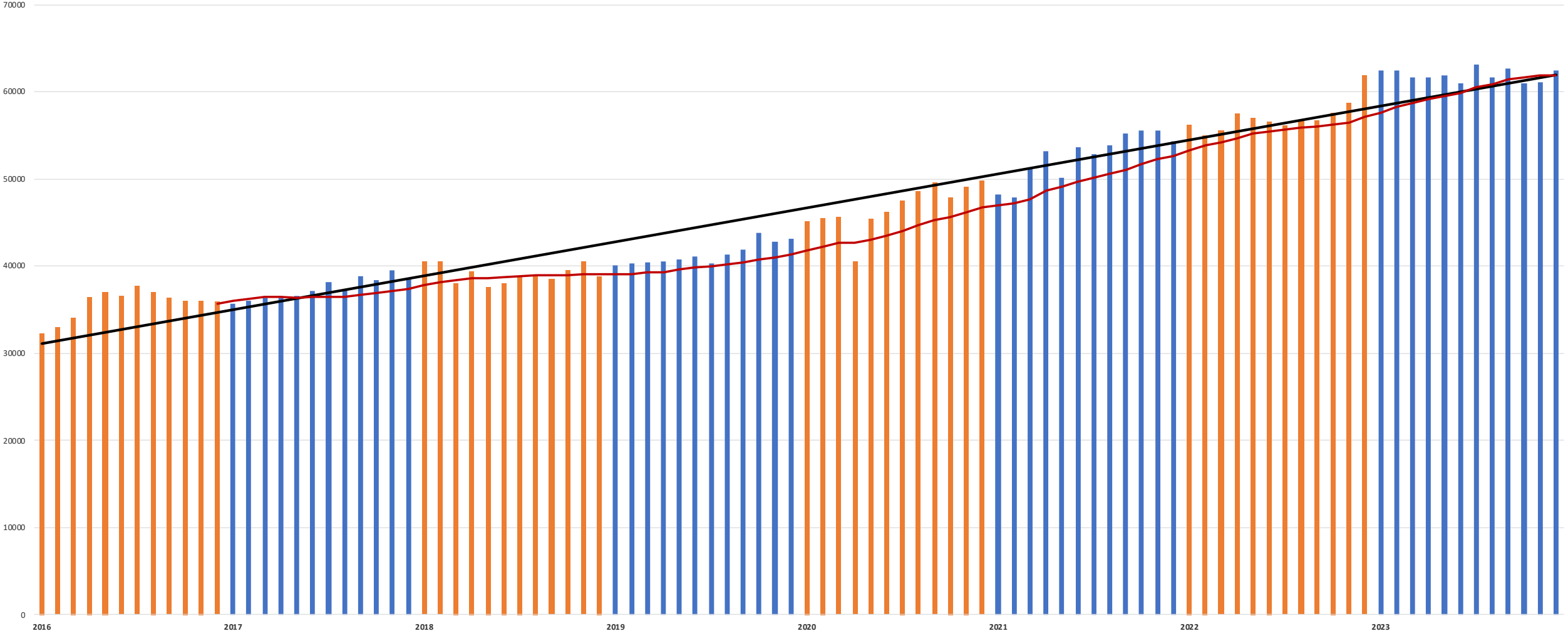


Green Industry Outlook for 2024

Dr. Charlie Hall

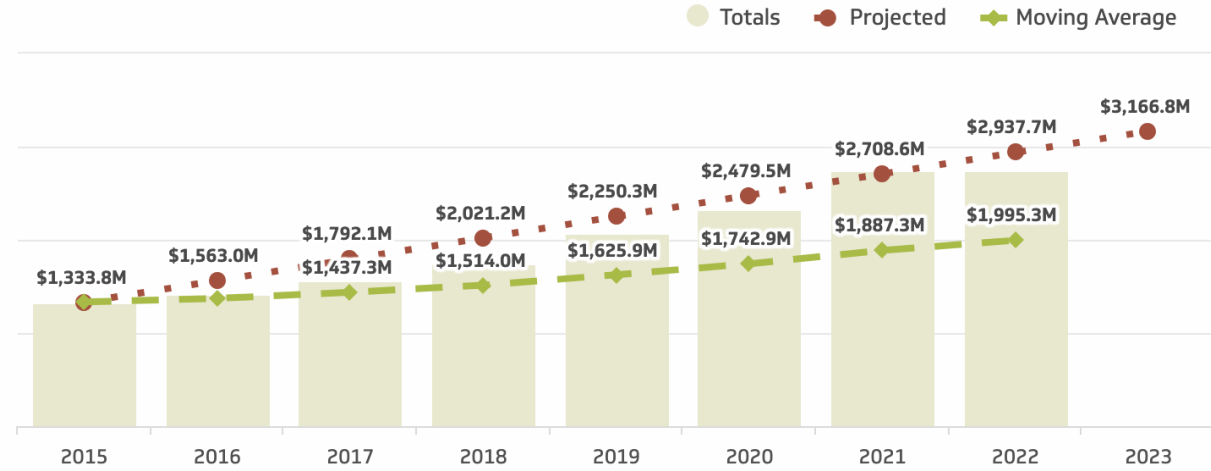


Flowers, seeds, and potted plants ADJUSTED FOR INFLATION



Aggregate Gross Sales

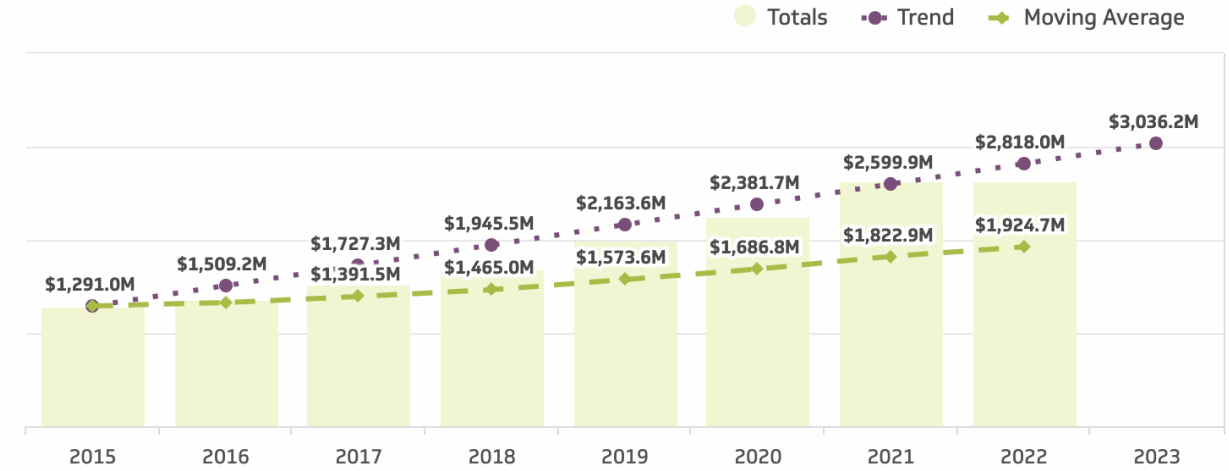
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	5.7%	11.2%	11.2%	18.9%	12.3%	18.3%	-0.1%	7.2%
Moving Average	2.9%	4.8%	5.3%	7.4%	7.2%	8.3%	5.7%	

Aggregate Net Sales

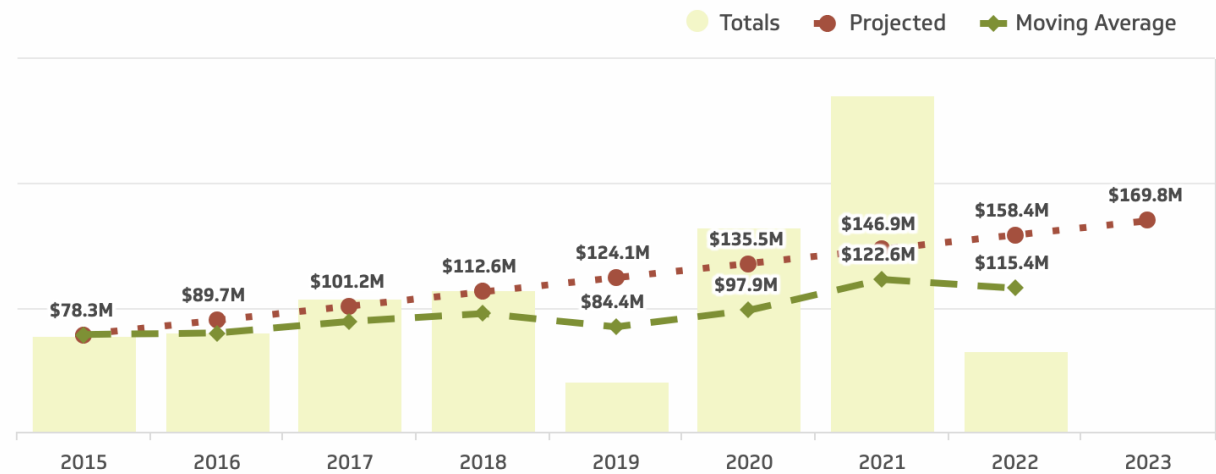
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	5.6%	11.5%	10.9%	19.1%	12.2%	17.1%	-0.1%	7.2%
Moving Average	2.8%	4.8%	5.3%	7.4%	7.2%	8.1%	5.6%	

Aggregate Net Profit Dollars

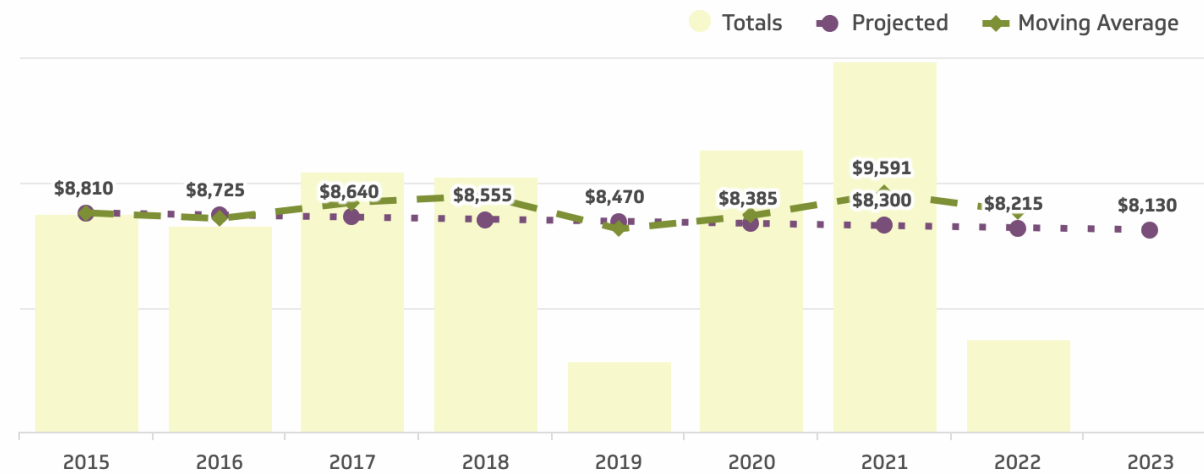
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	3.2%	33.1%	6.0%	-63.6%	297.4%	64.3%	-75.9%	6.7%
Moving Average	1.6%	11.7%	7.1%	-11.3%	15.9%	25.3%	-5.8%	

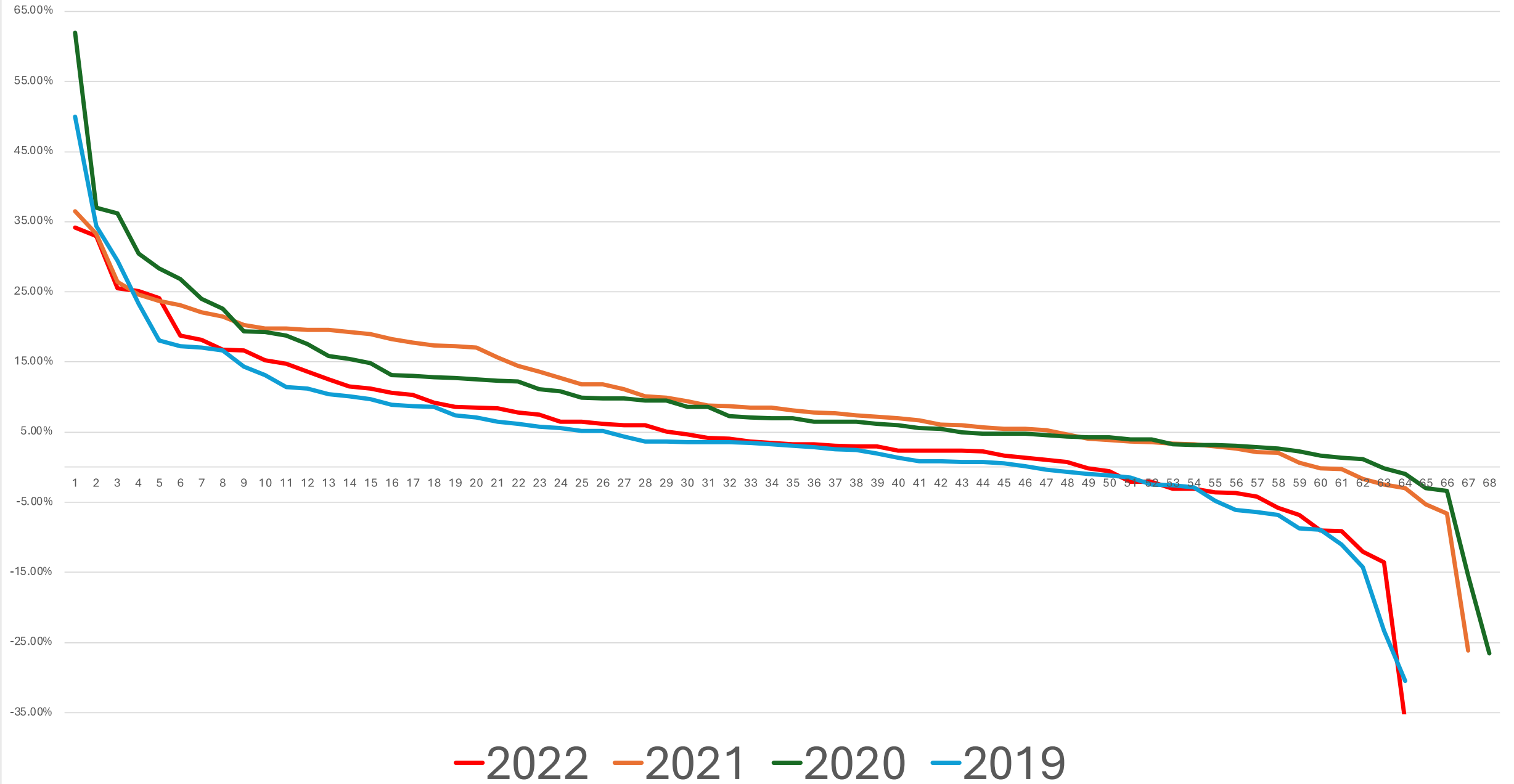
Net Profit per FTE

Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



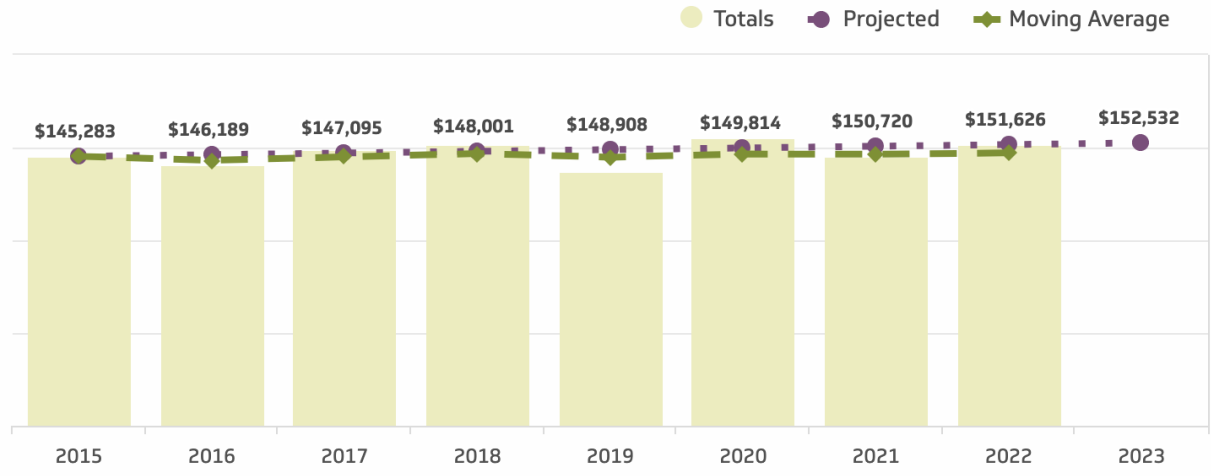
YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	-5.2%	26.0%	-2.2%	-72.5%	301.6%	31.5%	-74.8%	-1.0%
Moving Average	-2.6%	7.6%	2.9%	-14.0%	6.6%	10.3%	-7.6%	

Range of Net Profit by Year



Net Sales per FTE

Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'

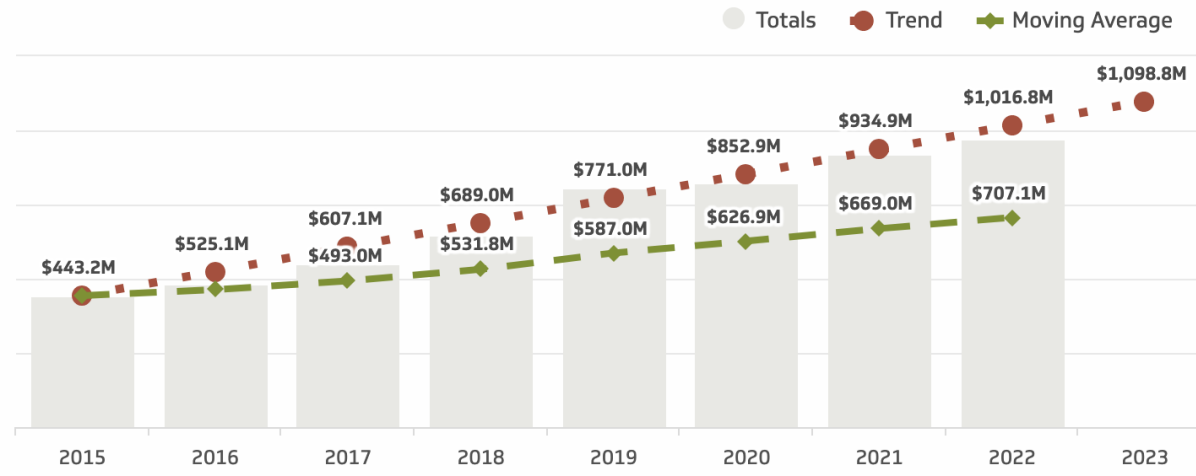


YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	-3.0%	5.6%	2.2%	-10.0%	13.4%	-6.2%	4.5%	0.6%
Moving Average	-1.5%	1.3%	1.2%	-1.3%	1.2%	-0.1%	0.5%	

Aggregate Payroll Dollars

Aggregate Payroll including burden

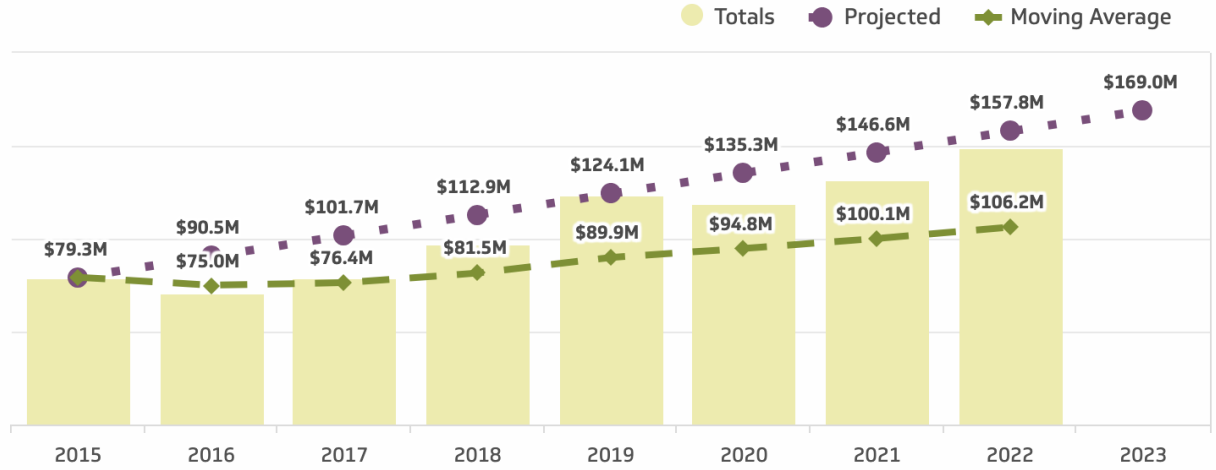
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	9.0%	14.4%	17.3%	24.6%	2.4%	11.5%	5.6%	7.5%
Moving Average	4.5%	6.4%	7.9%	10.4%	6.8%	6.7%	5.7%	

Aggregate Shrink Dollars

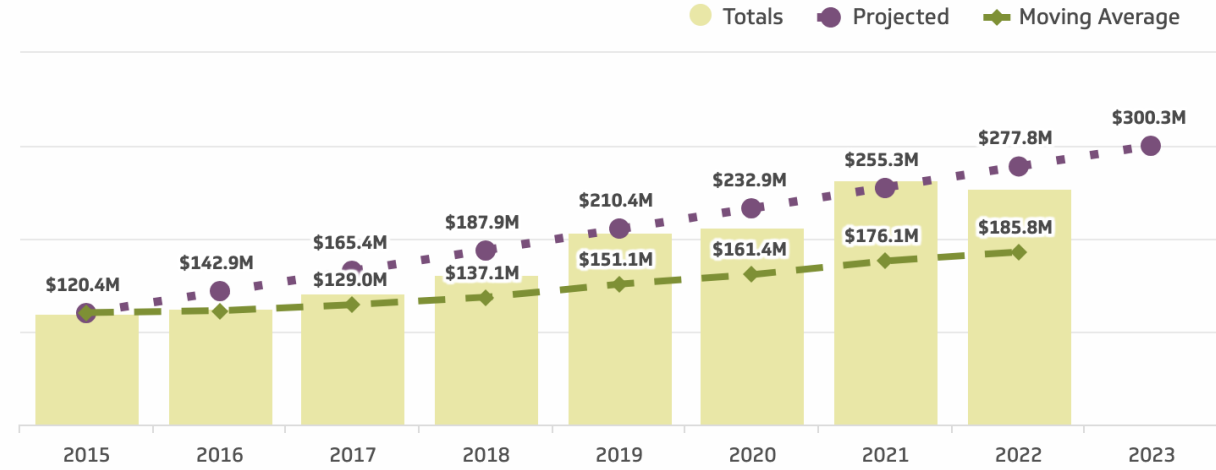
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	-10.8%	12.0%	22.6%	27.2%	-3.4%	10.8%	12.9%	6.6%
Moving Average	-5.4%	1.9%	6.8%	10.3%	5.4%	5.6%	6.1%	

Aggregate Transportation Costs

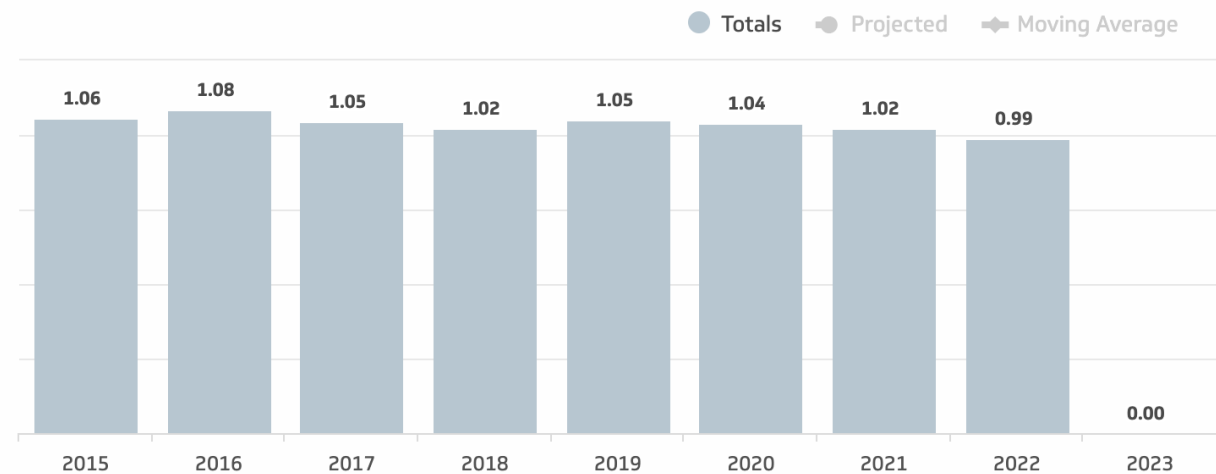
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	3.6%	13.8%	13.8%	28.0%	3.0%	24.1%	-4.0%	7.5%
Moving Average	1.8%	5.3%	6.3%	10.1%	6.8%	9.1%	5.5%	

Aggregate Working Capital Ratio

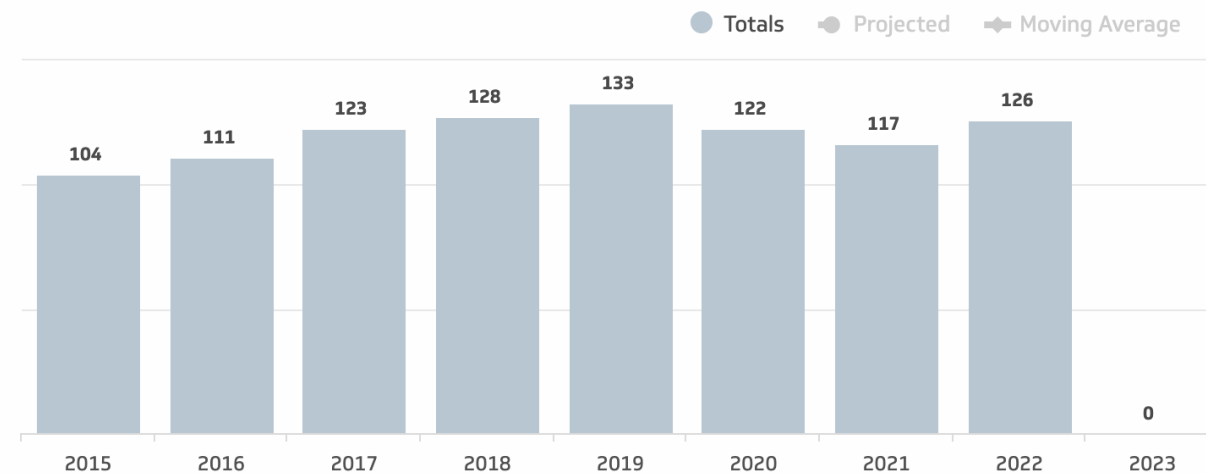
Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	2.5%	-3.7%	-2.4%	3.2%	-1.0%	-1.9%	-3.6%	-1.0%
Moving Average	1.2%	-0.8%	-1.0%	0.0%	-0.2%	-0.4%	-0.7%	

Aggregate Working Capital Days of Coverage

Showing 64 firms with Firm Type equal to 'any' and Sales Volume equal to 'any'



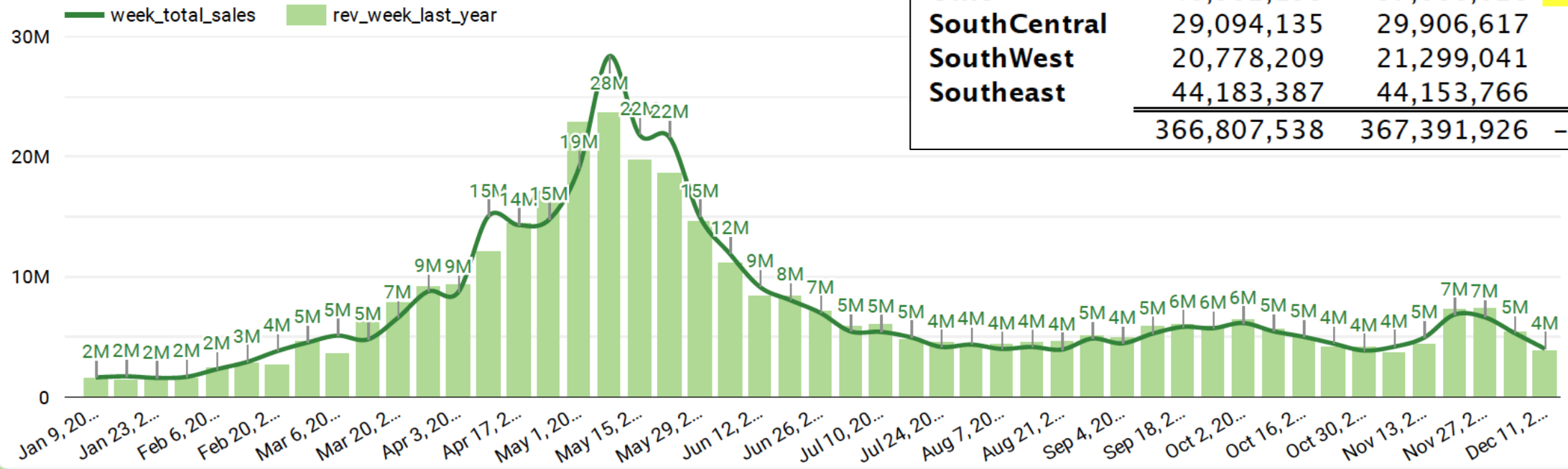
YOY growth rate	2016	2017	2018	2019	2020	2021	2022	2023 (projected)
Totals	6.1%	10.8%	4.0%	3.9%	-7.7%	-4.6%	7.9%	1.8%
Moving Average	3.1%	4.7%	3.3%	2.8%	0.4%	-0.4%	0.7%	

Projected input cost increases

Index of Prices Paid by Growers in the Green Industry (2007=100)

Cost category	Weight	2007	2018	2019	2020	2021	2022	2023
Containers & other plastics	8.90%	100.0	126.9	127.3	126.4	143.5	166.8	166.7
Media (soilless mixes)	4.37%	100.0	117.3	120.5	122.0	135.8	140.1	160.1
Propagative materials	18.97%	100.0	121.8	128.3	136.8	142.1	141.8	142.7
Plant protection products	1.629%	100.0	112.9	109.8	107.0	115.1	175.0	153.3
Fertilizers	1.626%	100.0	106.9	109.5	103.5	138.6	225.8	178.4
Labor	42.99%	100.0	136.7	144.2	149.6	158.1	169.8	179.1
Fuel & energy	4.57%	100.0	97.9	93.3	79.3	105.6	152.7	126.2
Supplies & repairs	2.95%	100.0	124.1	127.6	129.6	138.9	154.7	160.3
Freight & trucking	14.00%	100.0	130.0	130.5	124.9	138.9	151.1	136.1
Weighted index (2007=100)		100.0	128.2	132.8	135.2	146.1	160.1	160.8
YOY increase/decrease		---	5.7%	3.6%	1.8%	8.1%	9.5%	0.5%

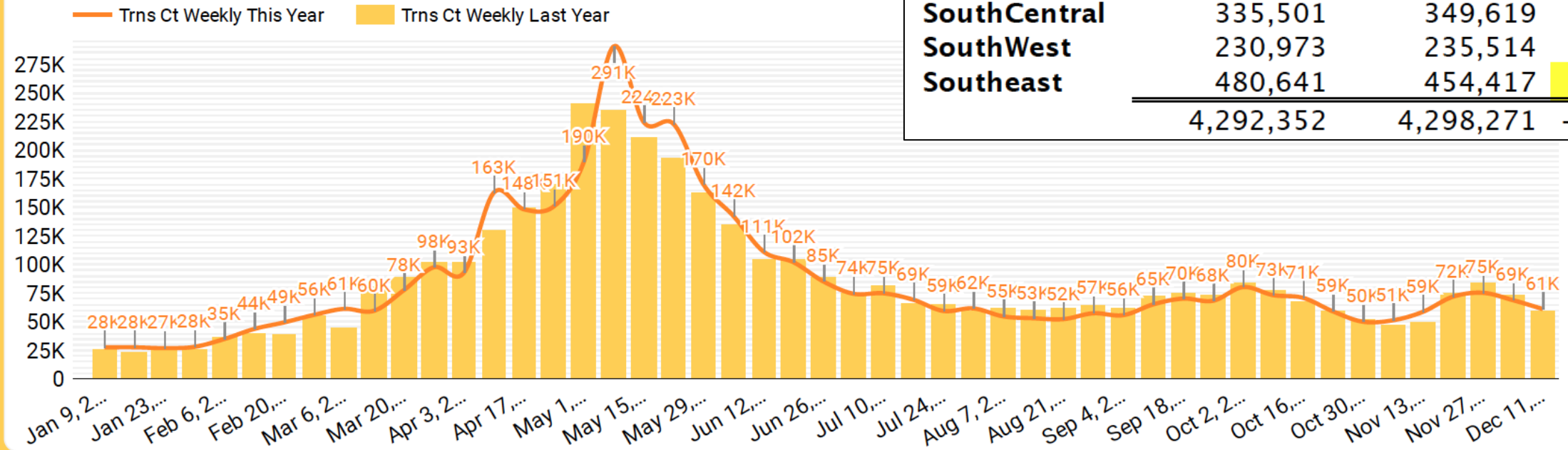
Revenue Compared to Last Year



Revenues	2023	2022	+/- %
Gulfcoast	49,966,669	49,015,410	1.9%
MidAtlantic	53,722,110	54,117,483	-0.7%
MidWest	42,106,780	42,473,573	-0.9%
MtnsWest	14,016,738	14,446,096	-3.0%
Northeast/NS	61,146,824	62,763,693	-2.6%
Northwest/BC	11,290,532	11,550,220	-2.2%
Ohio	40,502,153	37,666,026	7.5%
SouthCentral	29,094,135	29,906,617	-2.7%
SouthWest	20,778,209	21,299,041	-2.4%
Southeast	44,183,387	44,153,766	0.1%
Total	366,807,538	367,391,926	-0.16%

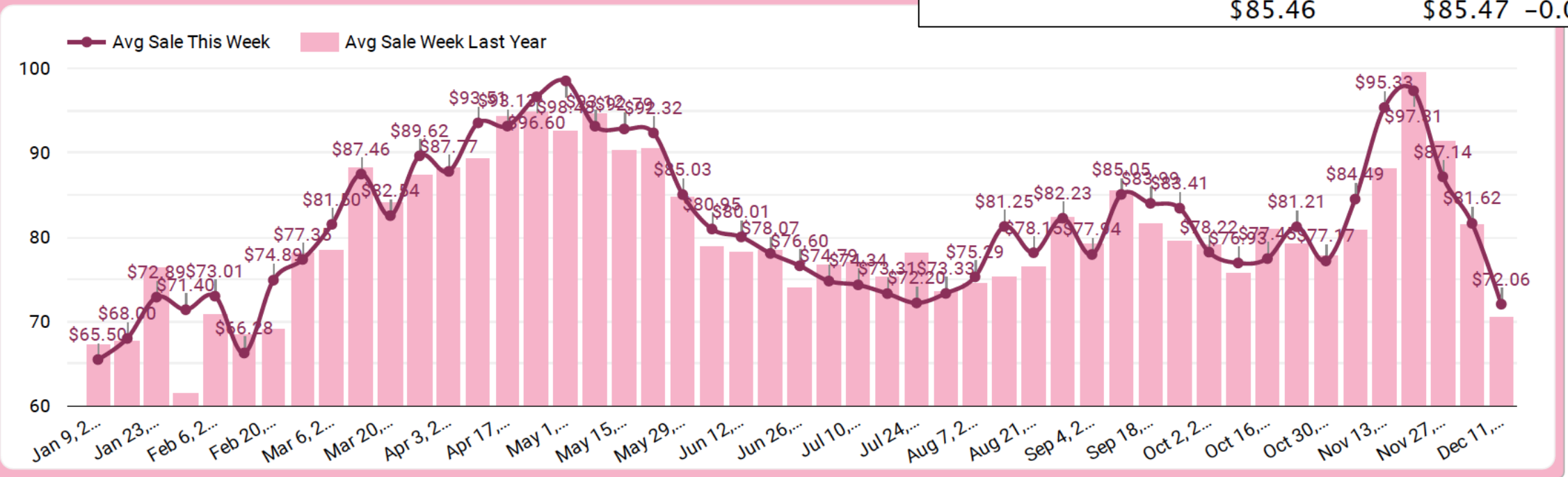
Transactions	2023	2022	+/- %
Gulfcoast	664,874	664,174	0.1%
MidAtlantic	632,275	636,623	-0.7%
MidWest	437,314	431,044	1.5%
MtnsWest	168,048	175,139	-4.0%
Northeast/NS	697,368	717,827	-2.9%
Northwest/BC	188,356	191,964	-1.9%
Ohio	457,002	441,950	3.4%
SouthCentral	335,501	349,619	-4.0%
SouthWest	230,973	235,514	-1.9%
Southeast	480,641	454,417	5.8%
	4,292,352	4,298,271	-0.14%

Transaction Counts Compared to Last Year



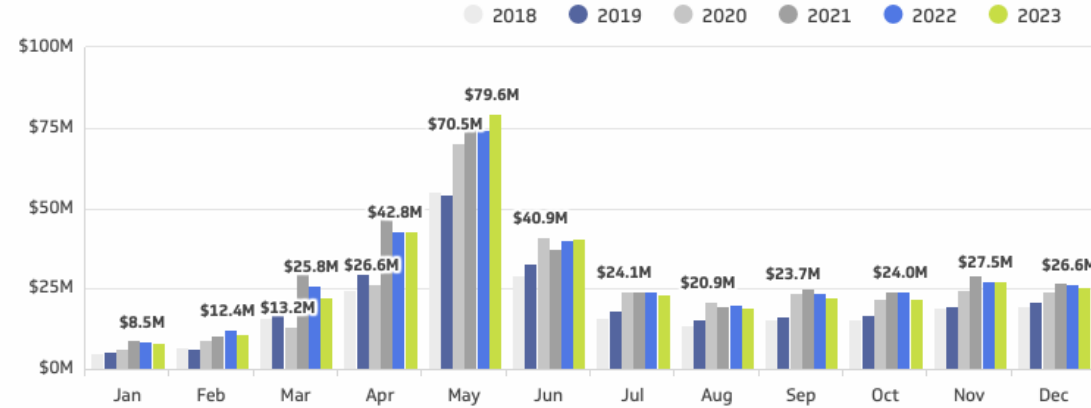
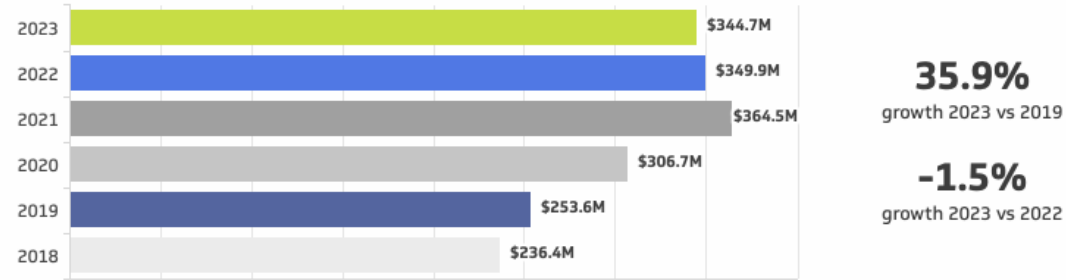
Avg Sale	2023	2022	+/- %
Gulfcoast	\$75.15	\$73.80	1.8%
MidAtlantic	\$84.97	\$85.01	0.0%
MidWest	\$96.29	\$98.54	-2.3%
MtnsWest	\$83.41	\$82.48	1.1%
Northeast/NS	\$87.68	\$87.44	0.3%
Northwest/BC	\$59.94	\$60.17	-0.4%
Ohio	\$88.63	\$85.23	4.0%
SouthCentral	\$86.72	\$85.54	1.4%
SouthWest	\$89.96	\$90.44	-0.5%
Southeast	\$91.93	\$97.17	-5.4%
	\$85.46	\$85.47	-0.02%

Average Sale Compared to Last Year



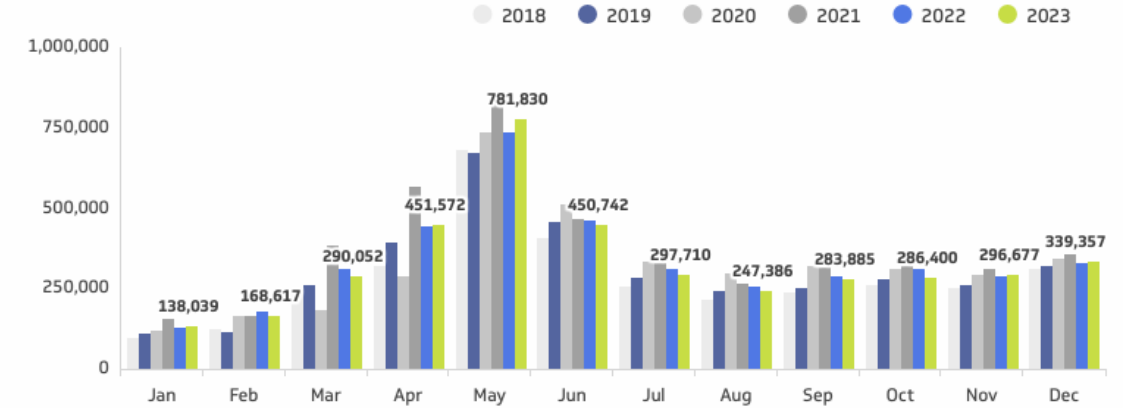
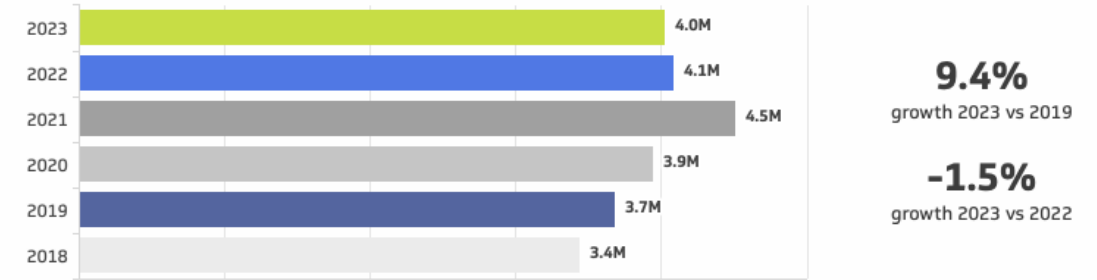
Aggregate Gross Sales: Retail Perspective

Aggregated data from 44 retail firms, from 27 US states plus Canada.



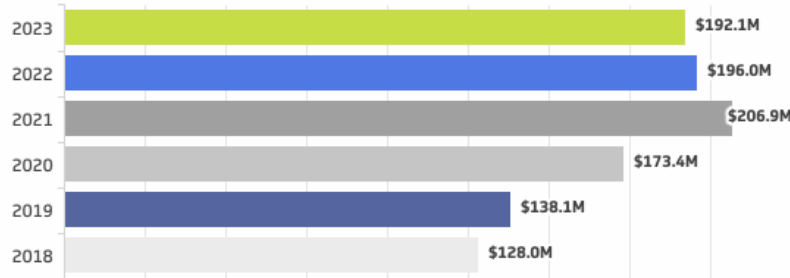
Aggregate Customer Count: Retail Perspective

Aggregated data from 44 retail firms, from 27 US states plus Canada.



Aggregate Gross Margin Dollars: Retail Perspective

Aggregated data from 44 retail firms, from 27 US states plus Canada.

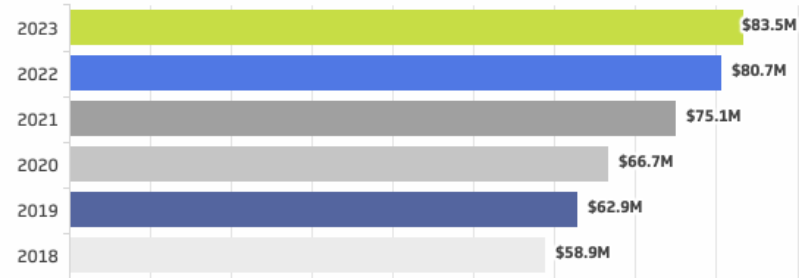


39.1%
growth 2023 vs 2019

-2.0%
growth 2023 vs 2022

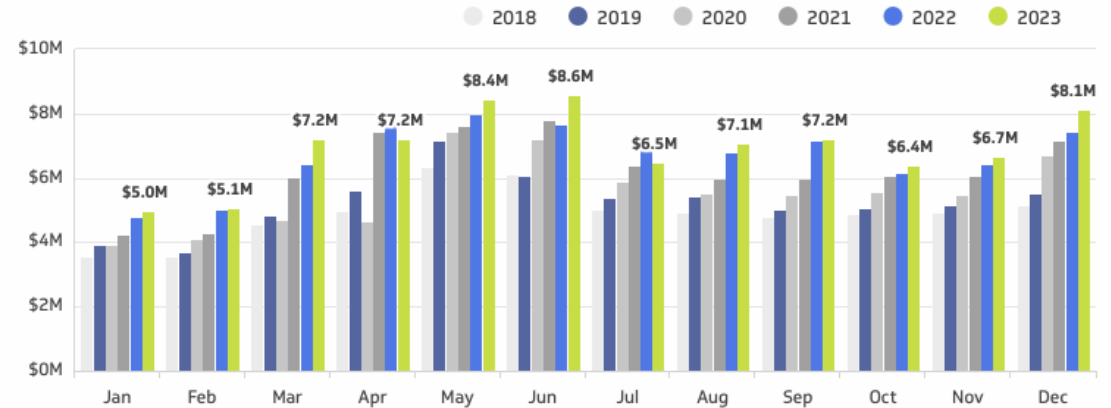
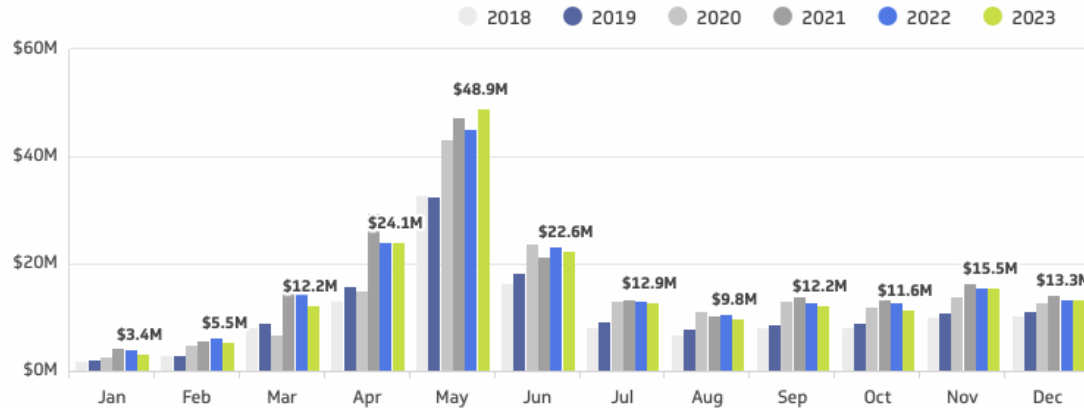
Aggregate Labor Dollars: Retail Perspective

Aggregated data from 44 retail firms, from 27 US states plus Canada.



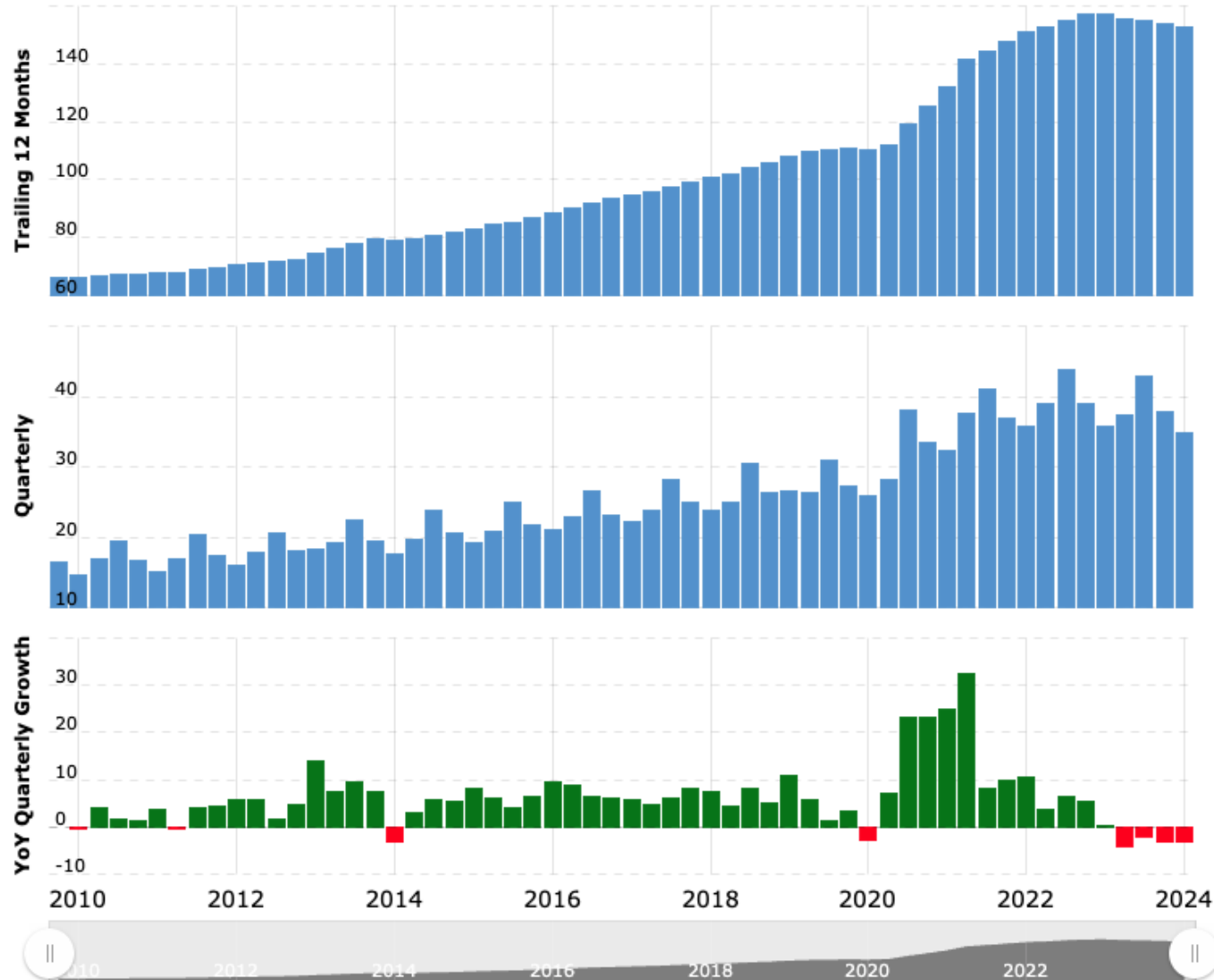
32.8%
growth 2023 vs 2019

3.4%
growth 2023 vs 2022





Home Depot Revenue 2010-2023 | HD

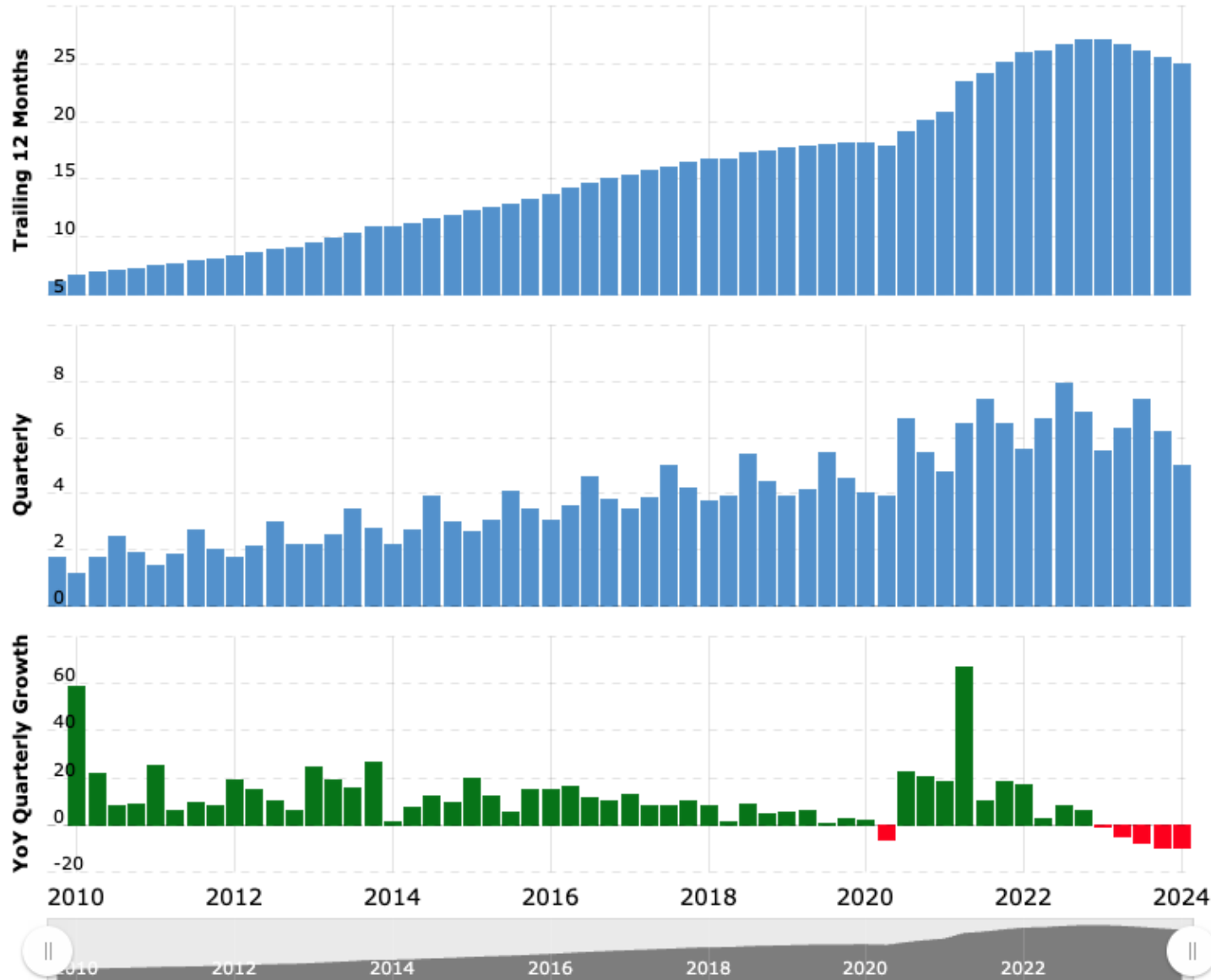


Home Depot Annual Revenue
(Millions of US \$)

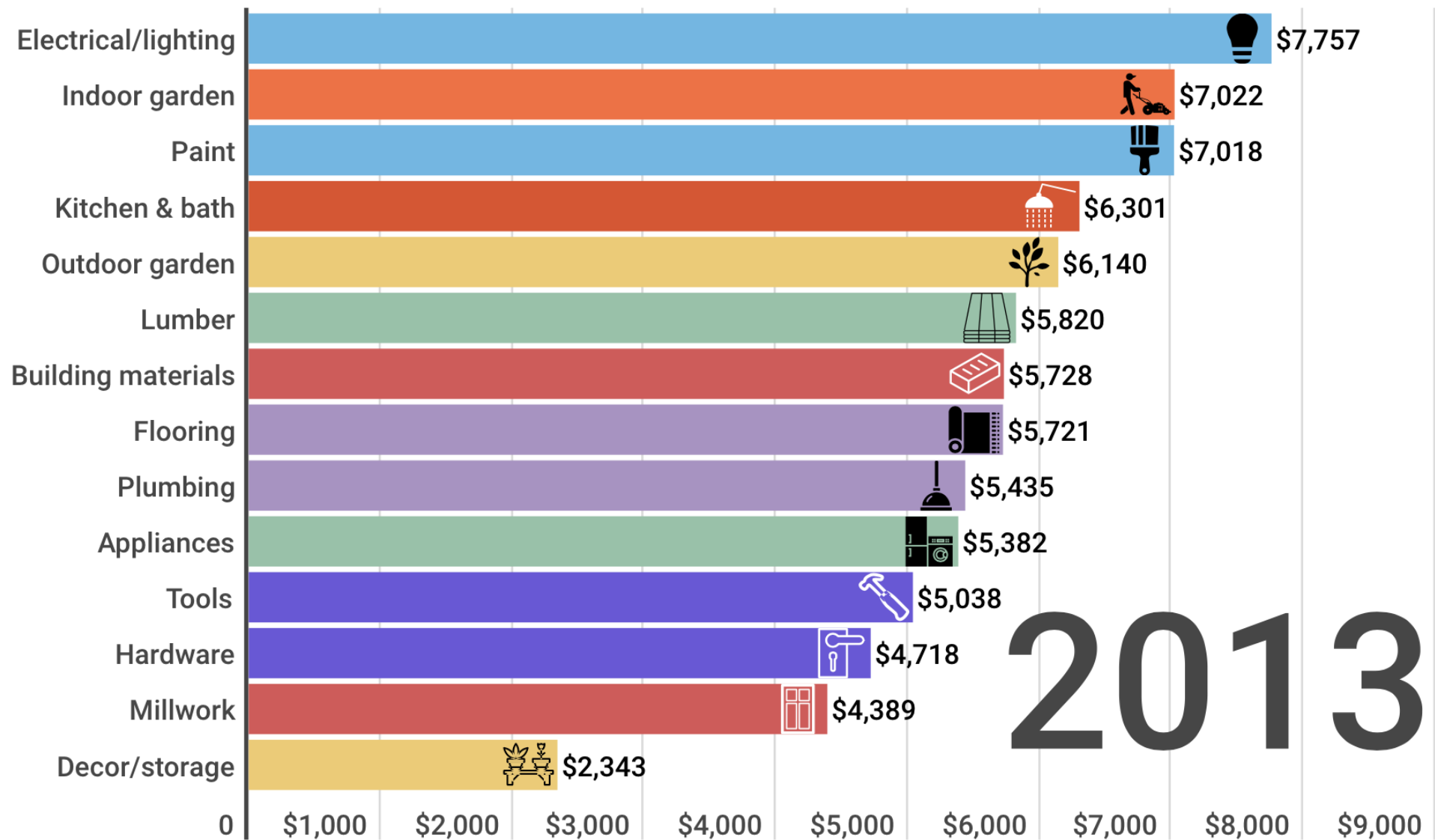
2024	\$152,669
2023	\$157,403
2022	\$151,157
2021	\$132,110
2020	\$110,225
2019	\$108,203
2018	\$100,904
2017	\$94,595
2016	\$88,519
2015	\$83,176
2014	\$78,812

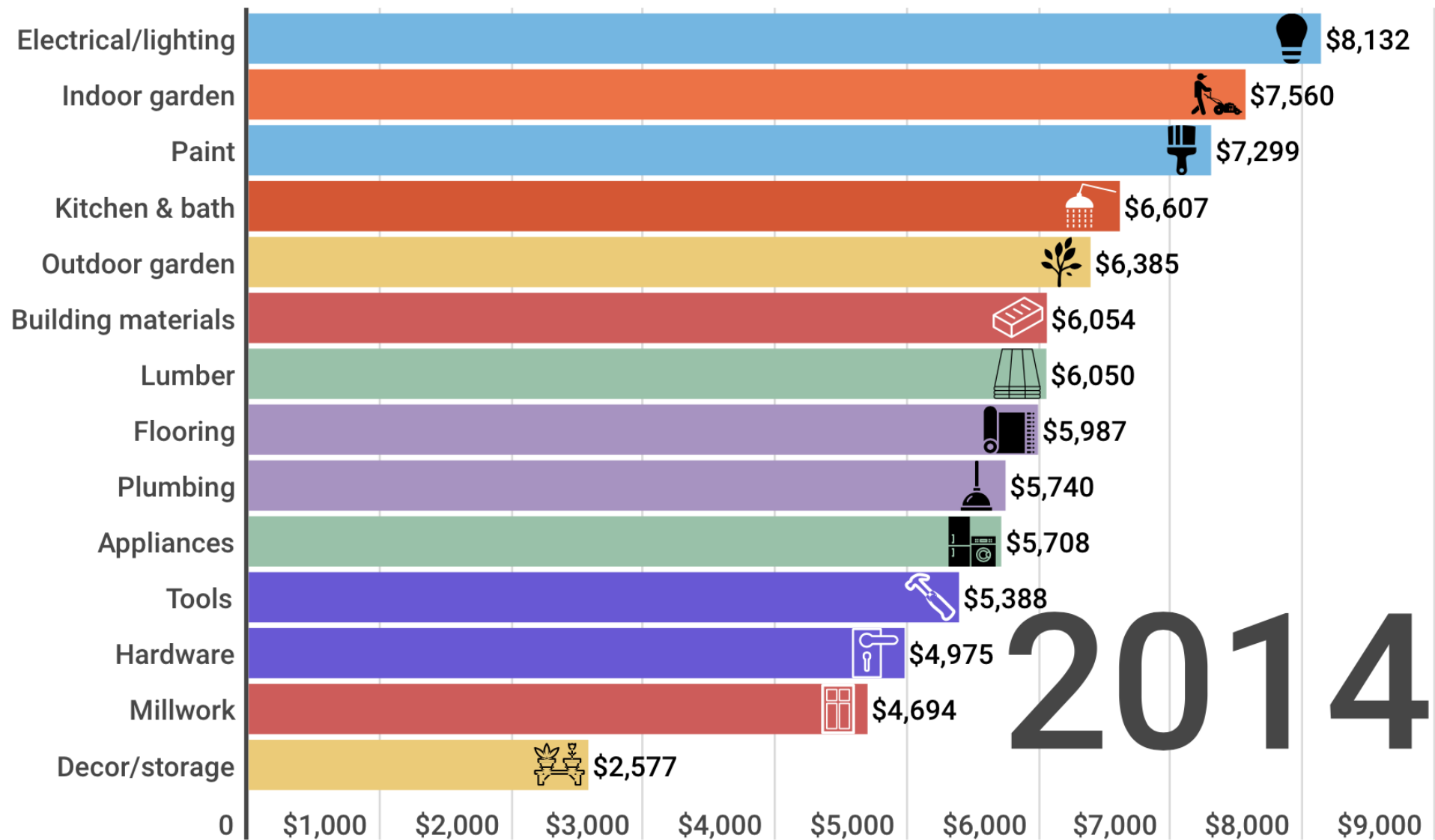


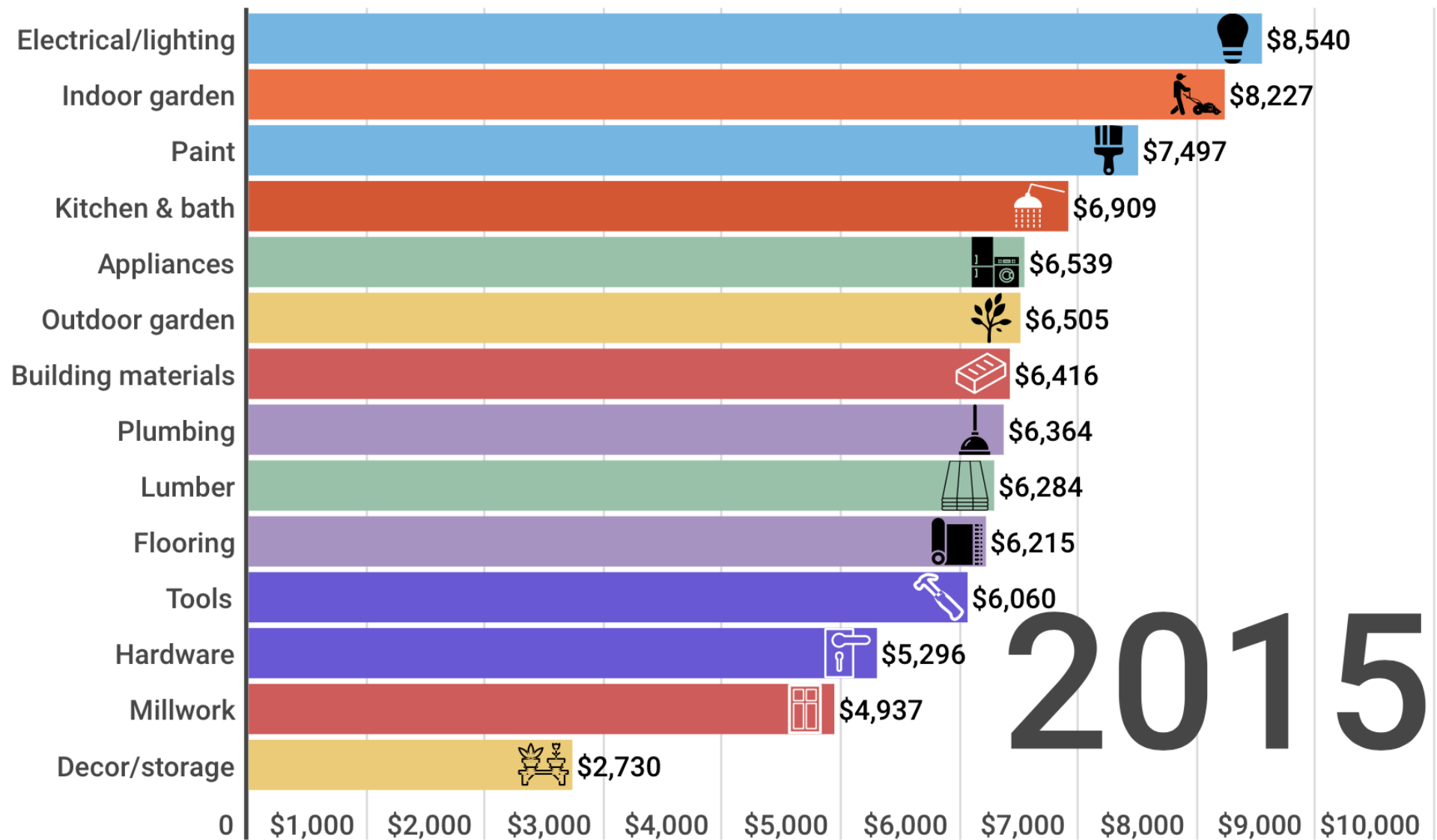
Home Depot EBITDA 2010-2023 | HD



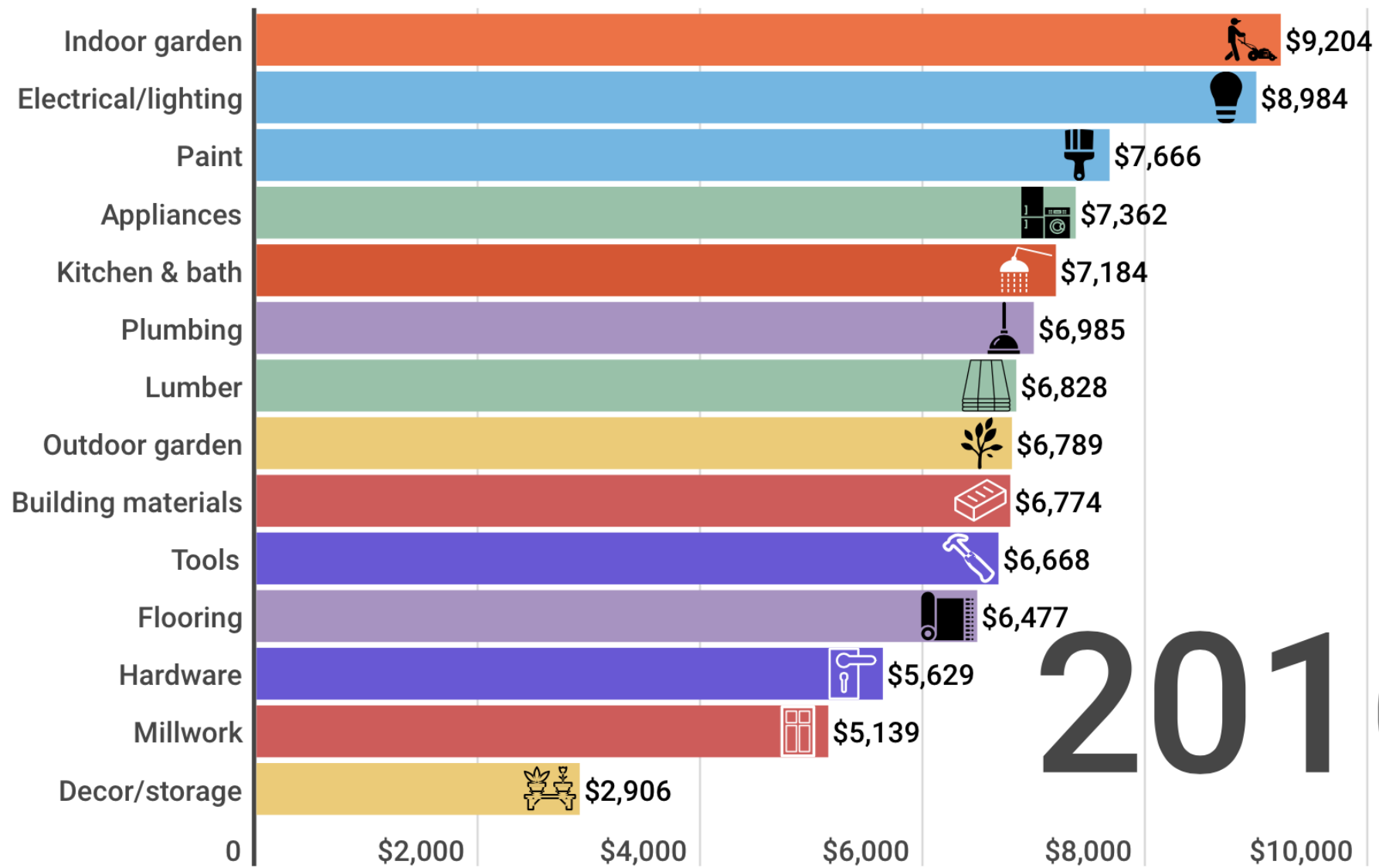
Home Depot Annual EBITDA (Millions of US \$)	
2024	\$24,936
2023	\$27,014
2022	\$25,902
2021	\$20,797
2020	\$18,139
2019	\$17,682
2018	\$16,743
2017	\$15,400
2016	\$13,637
2015	\$12,255
2014	\$10,923
2013	\$9,450
2012	\$8,343



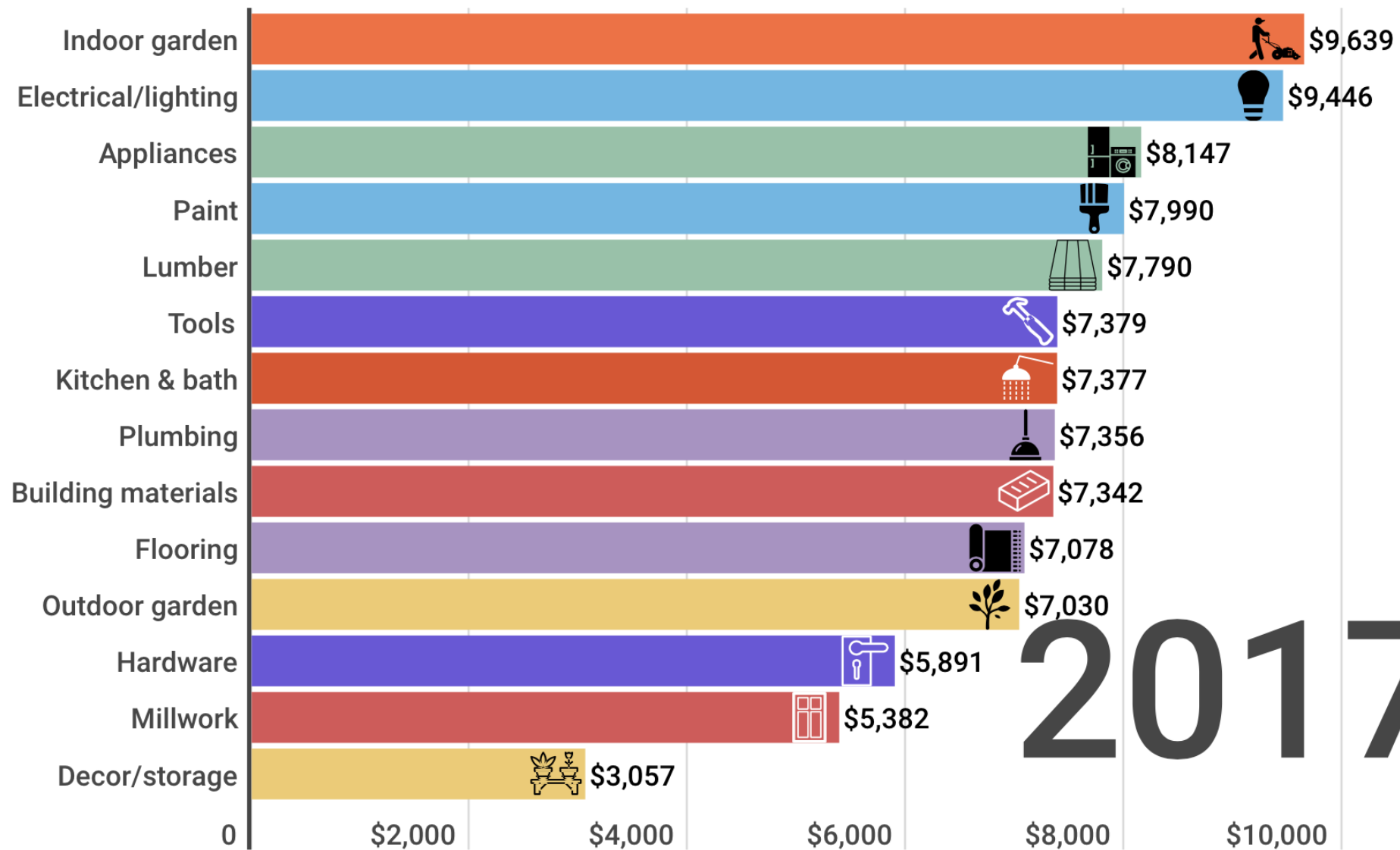




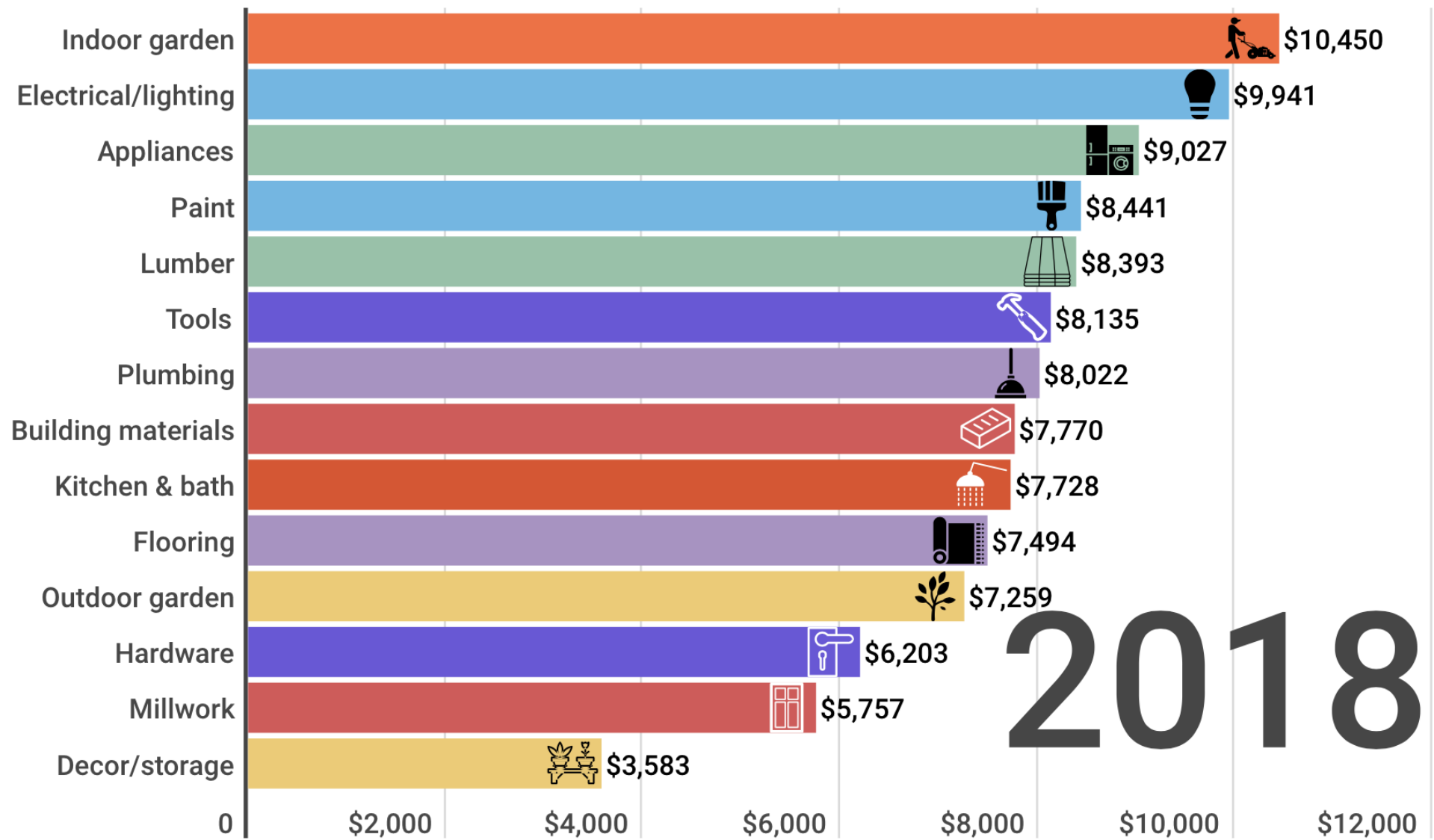
2015

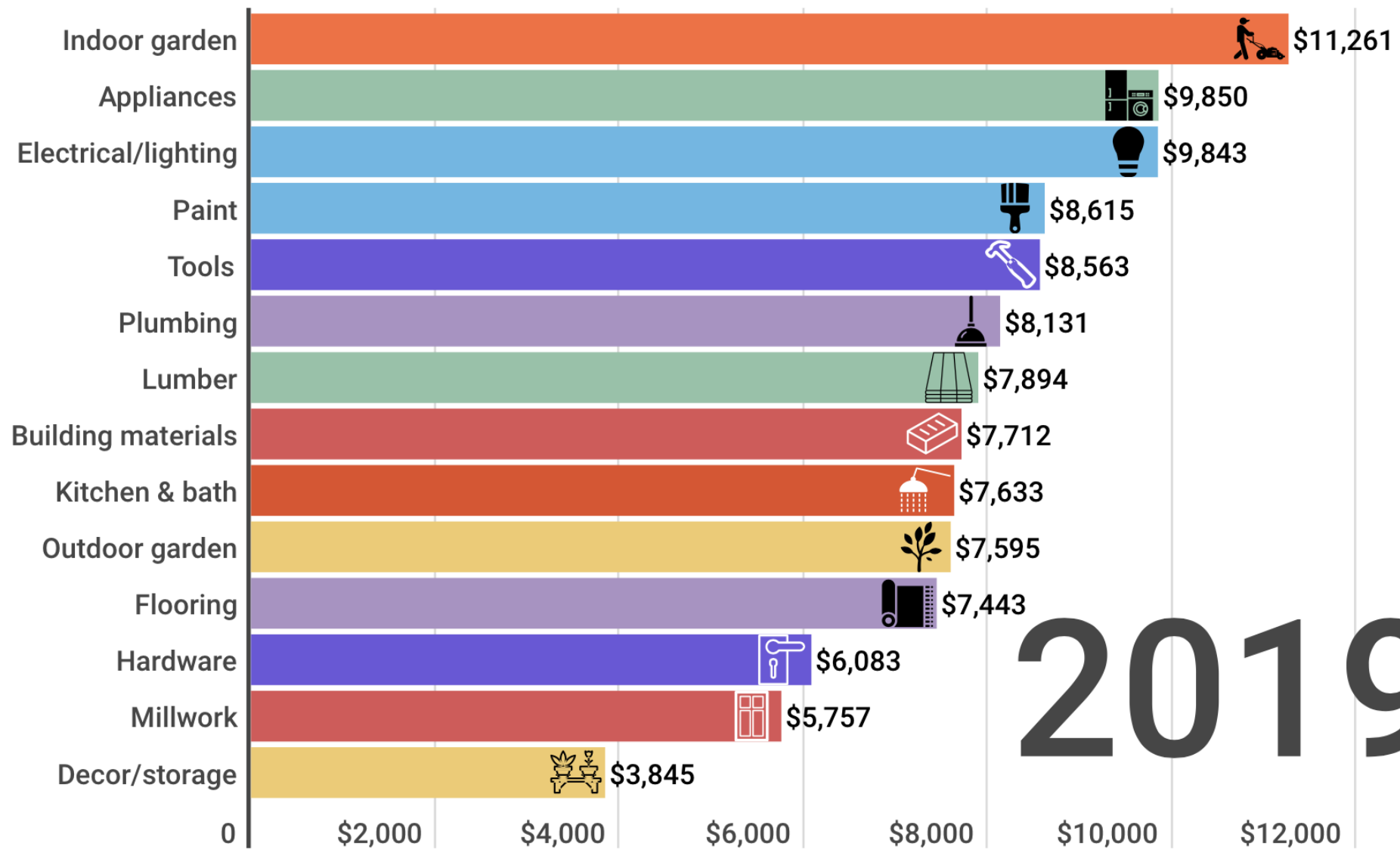


2016

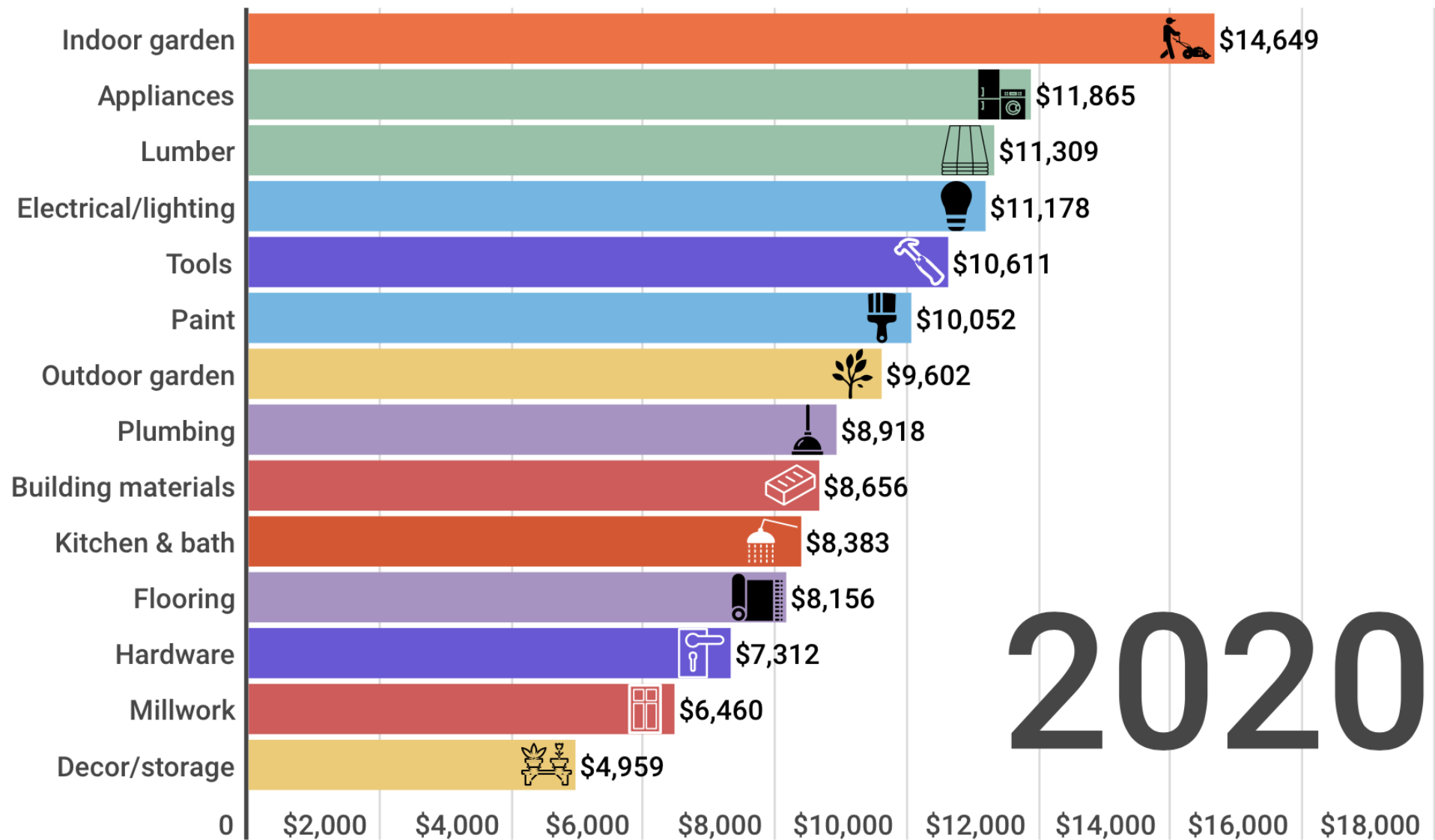


2017

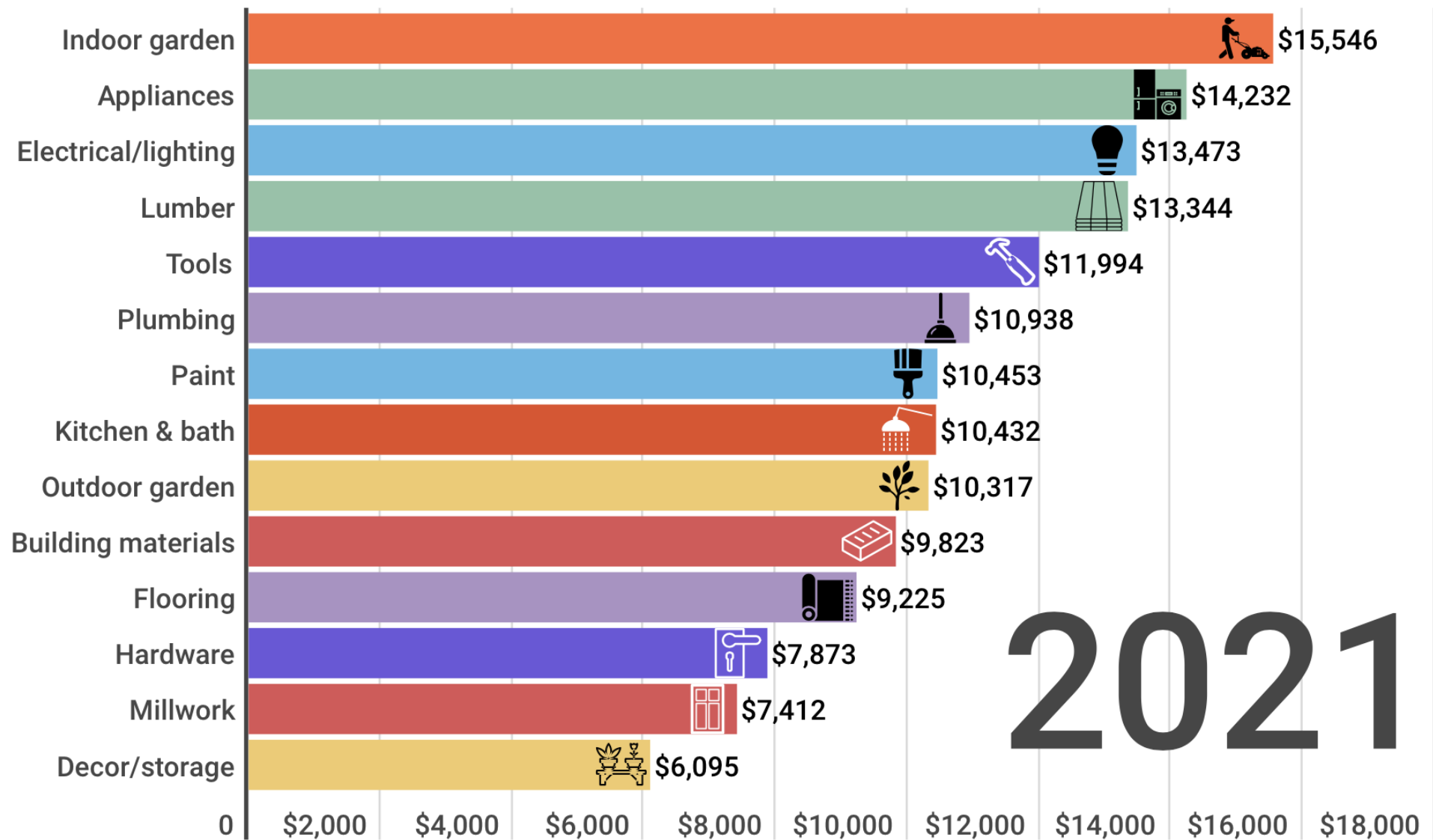




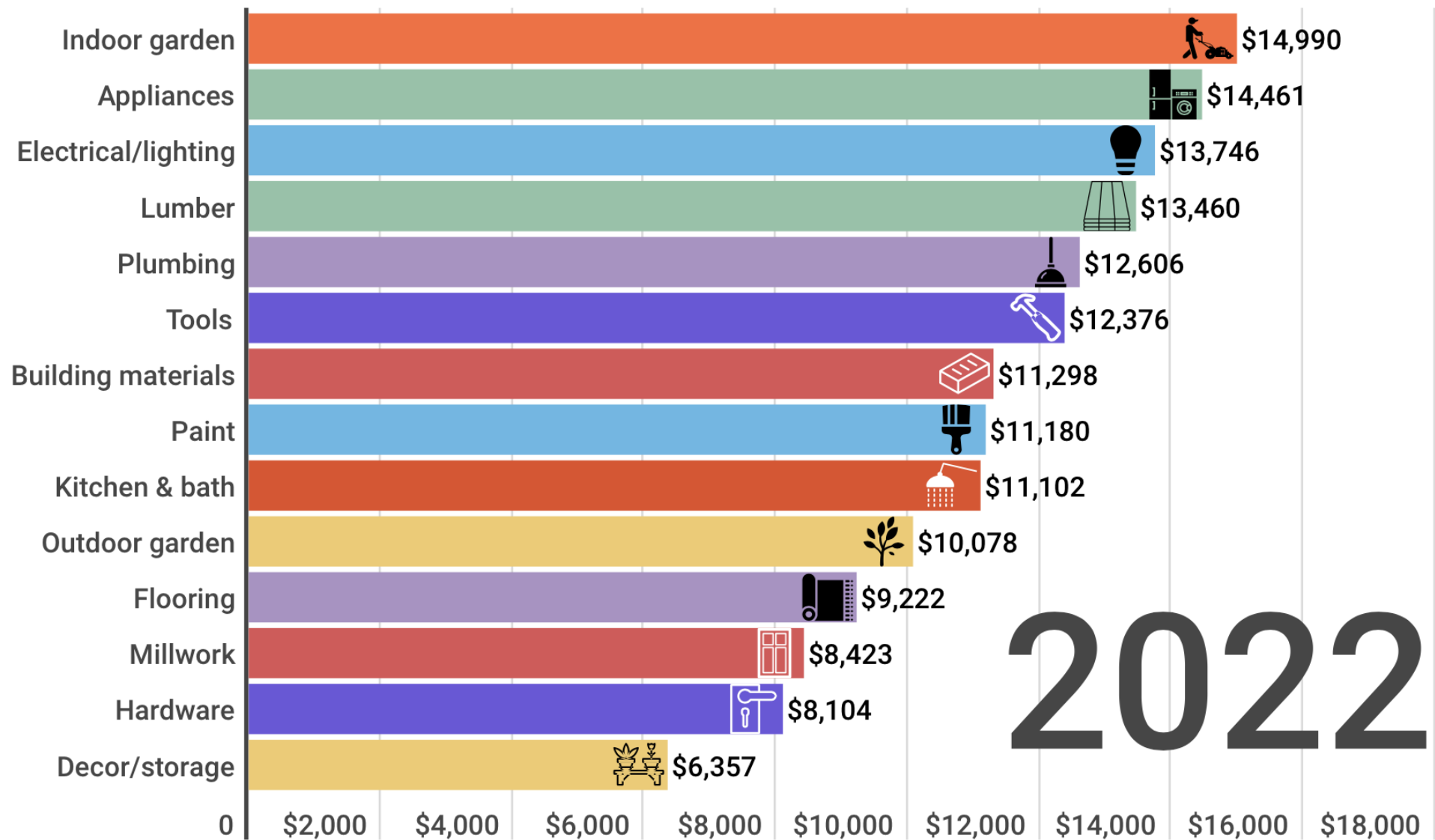
2019



2020



2021



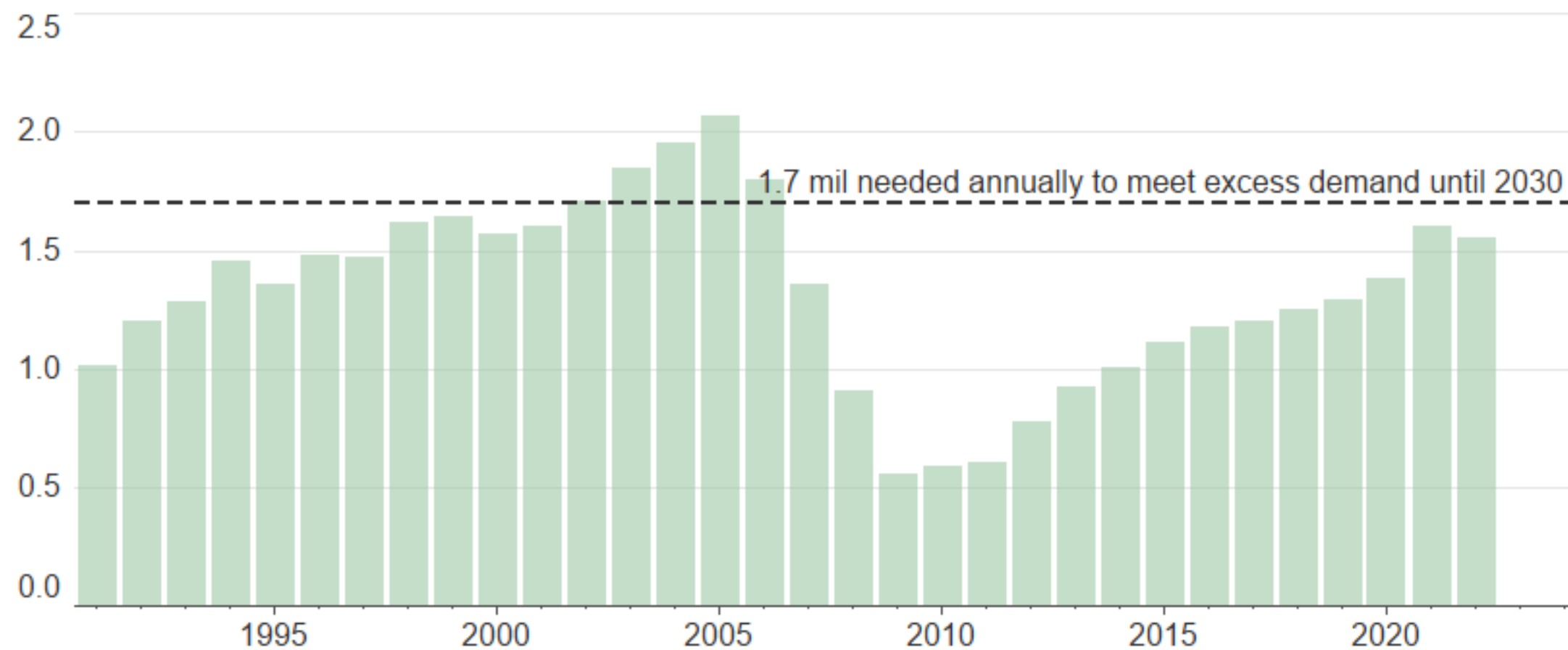


What will impact the green industry going forward?

- Overall growth of the economy
- Supply chain performance
- Labor availability and cost
- Cost of inputs
- Housing market correction
- Inflation outlook
- Likelihood of recession
- Response of end consumer

U.S. housing starts, annually

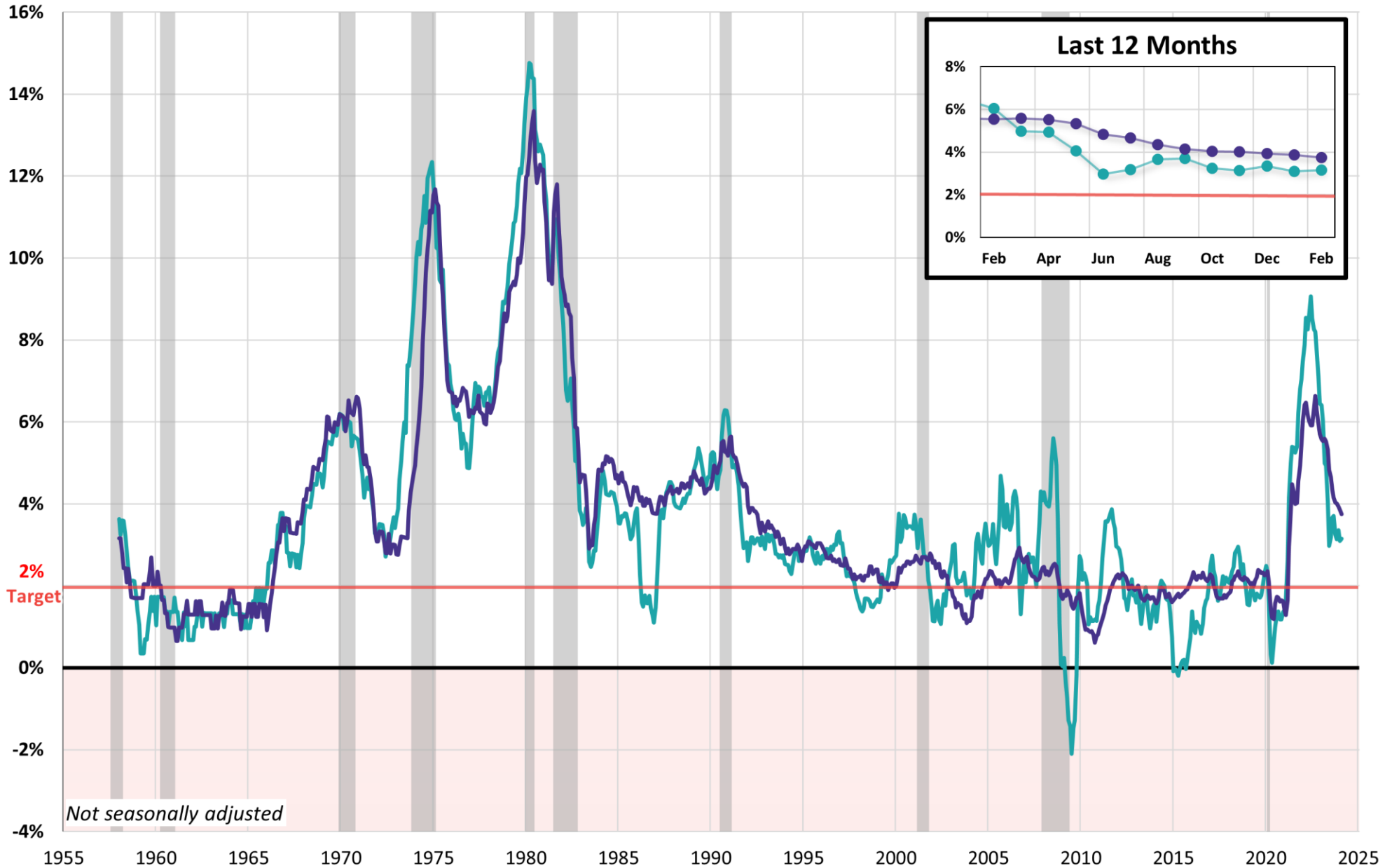
Millions



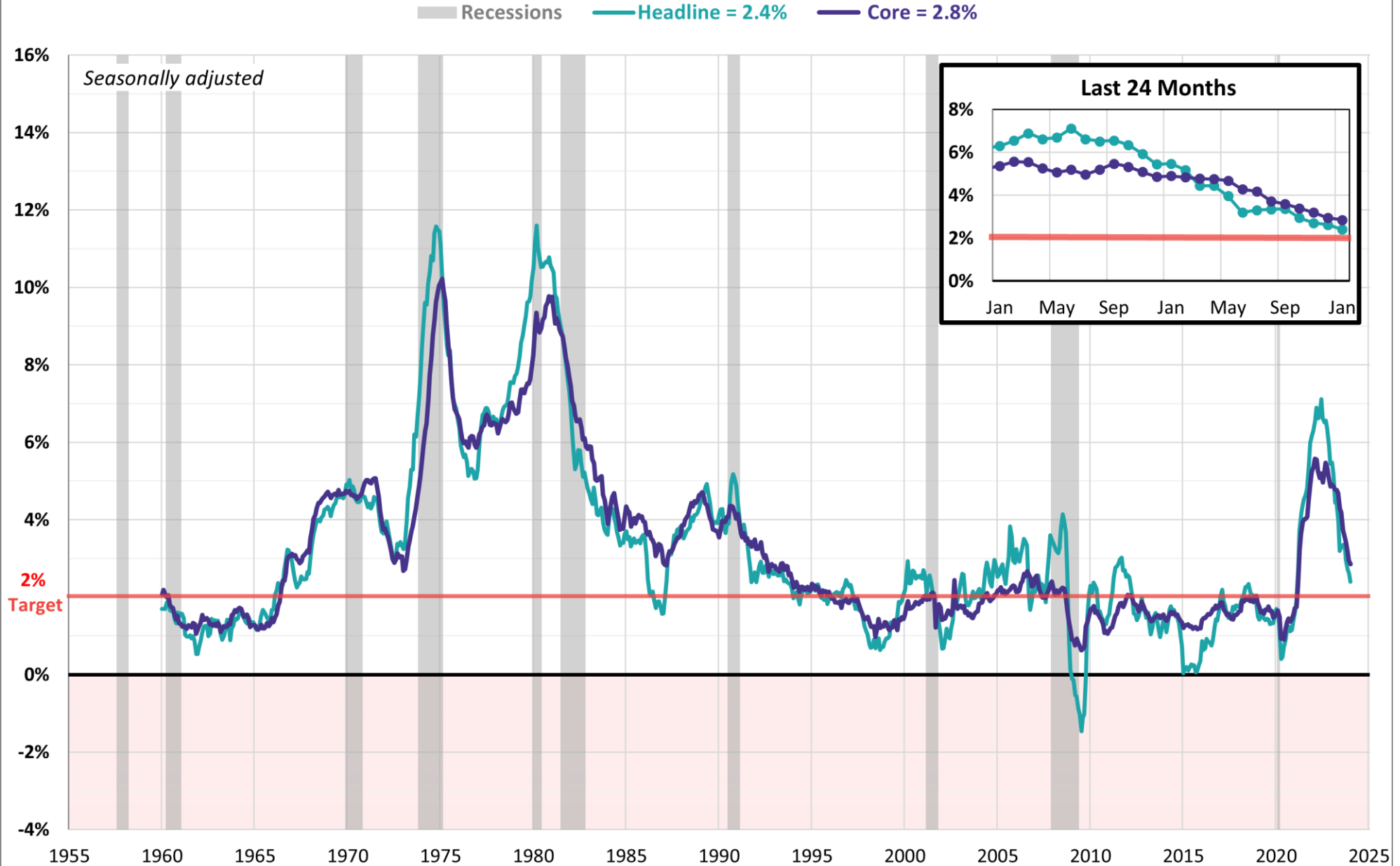
Source: Census Bureau, RSM US

Consumer Price Index: Year-over-Year

Recessions Headline CPI = 3.2% Core CPI = 3.8%



Personal Consumption Expenditures (PCE) Price Index Year-Over-Year



16,000

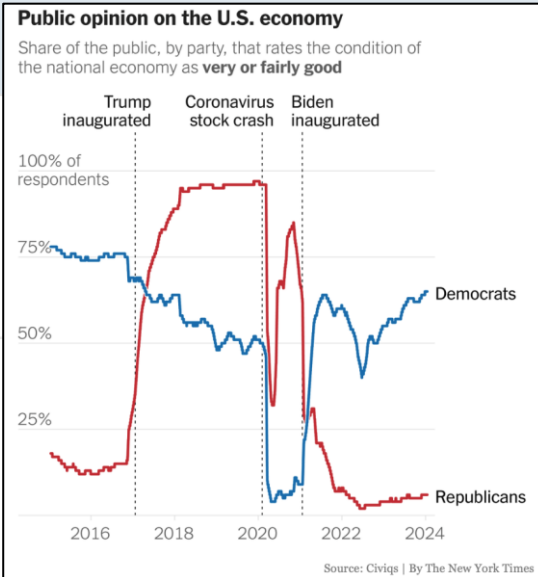
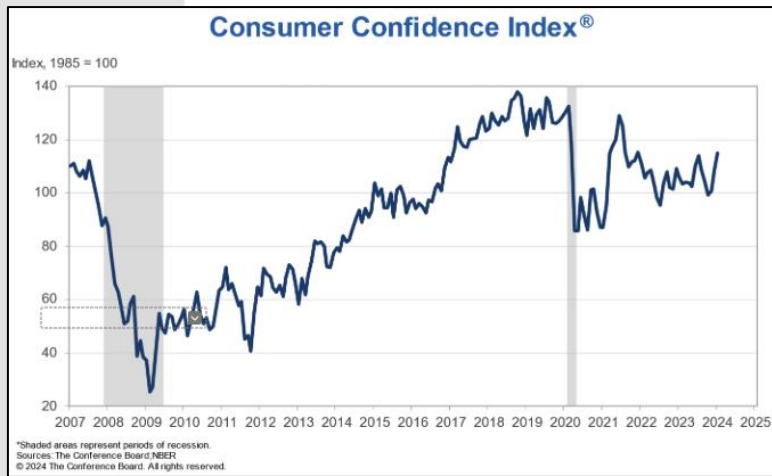
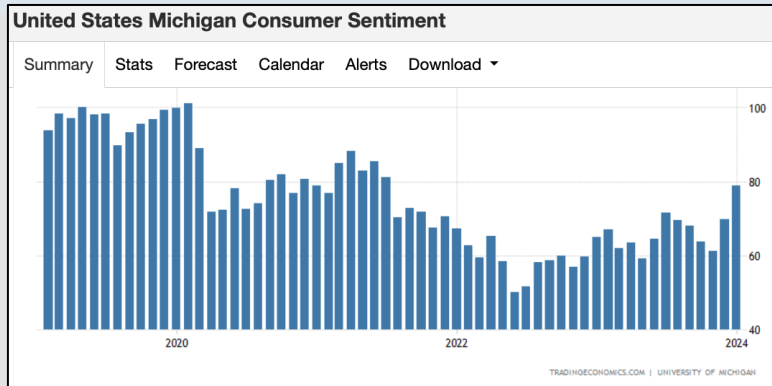
15,000

14,000

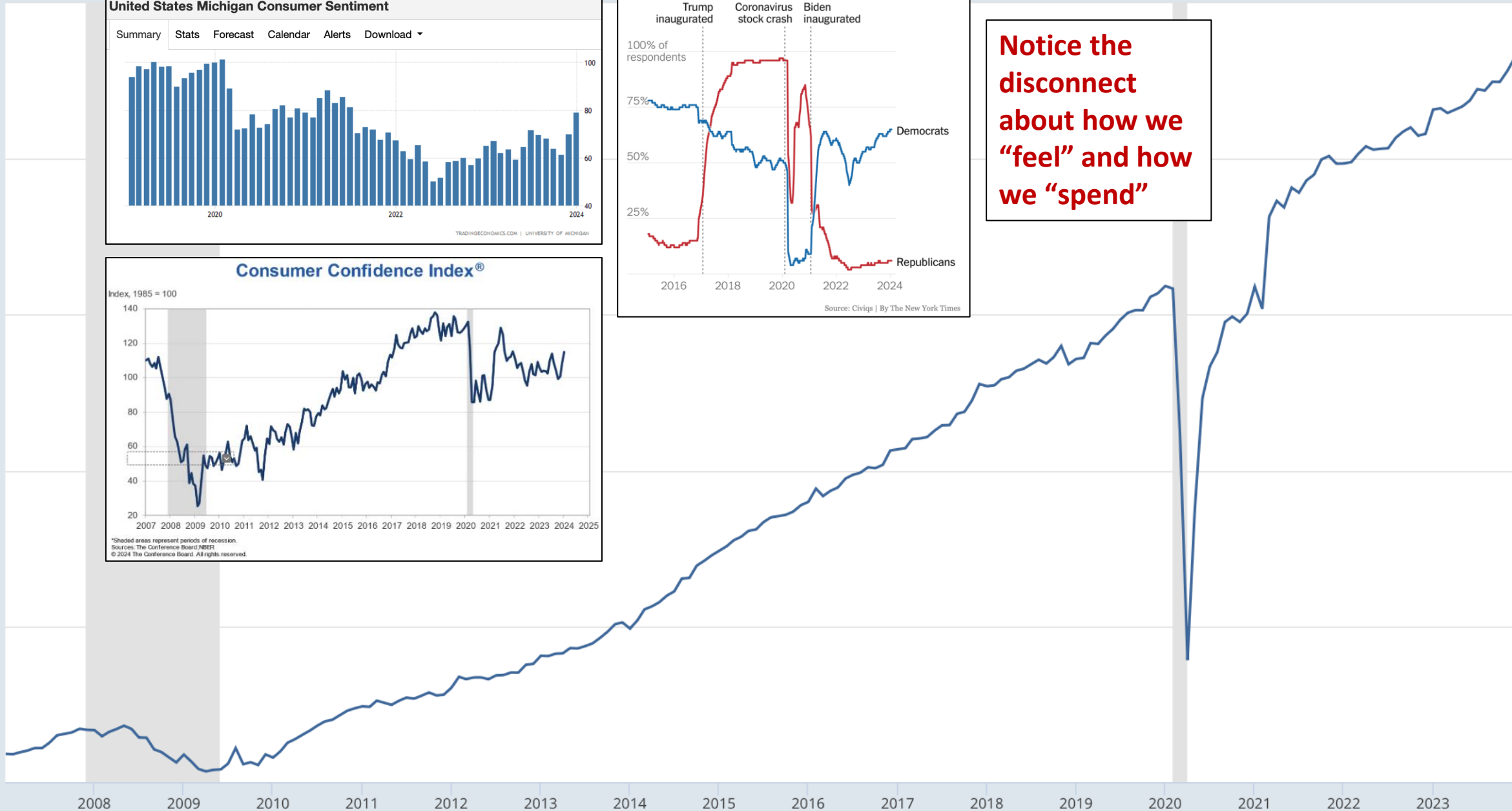
13,000

12,000

11,000

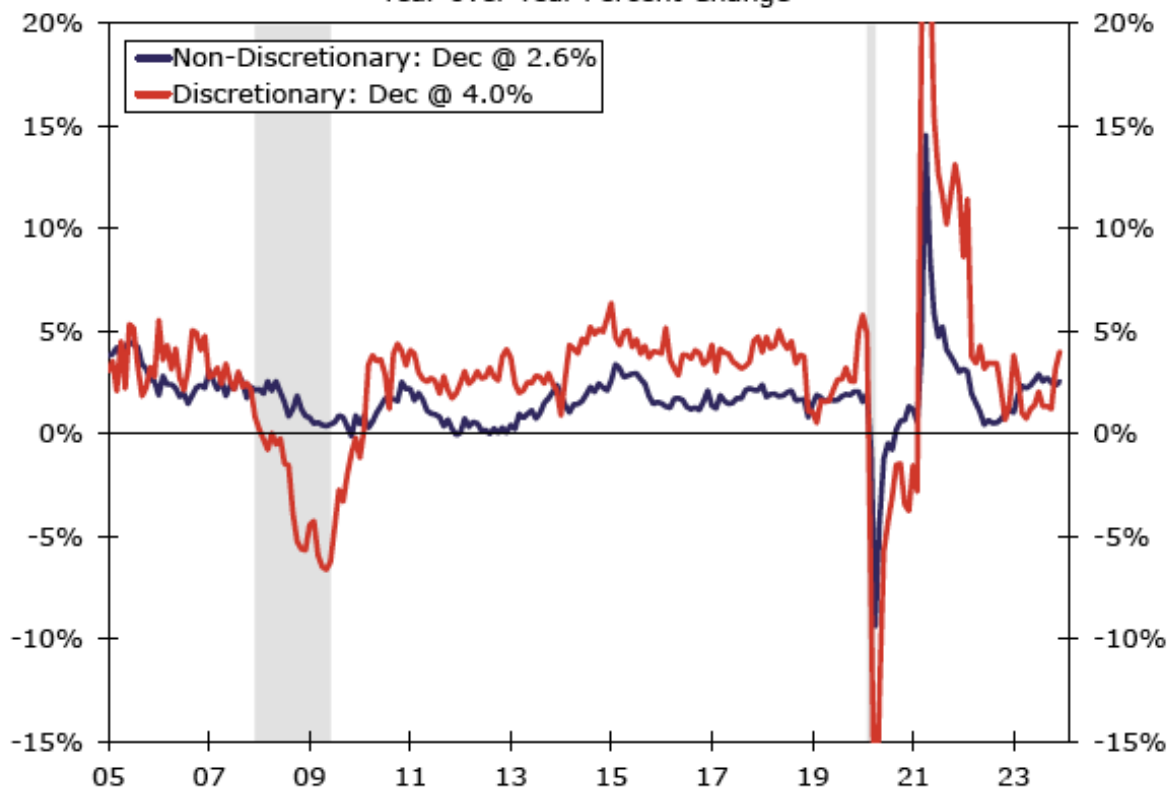


Notice the disconnect about how we "feel" and how we "spend"



Real Consumer Spending

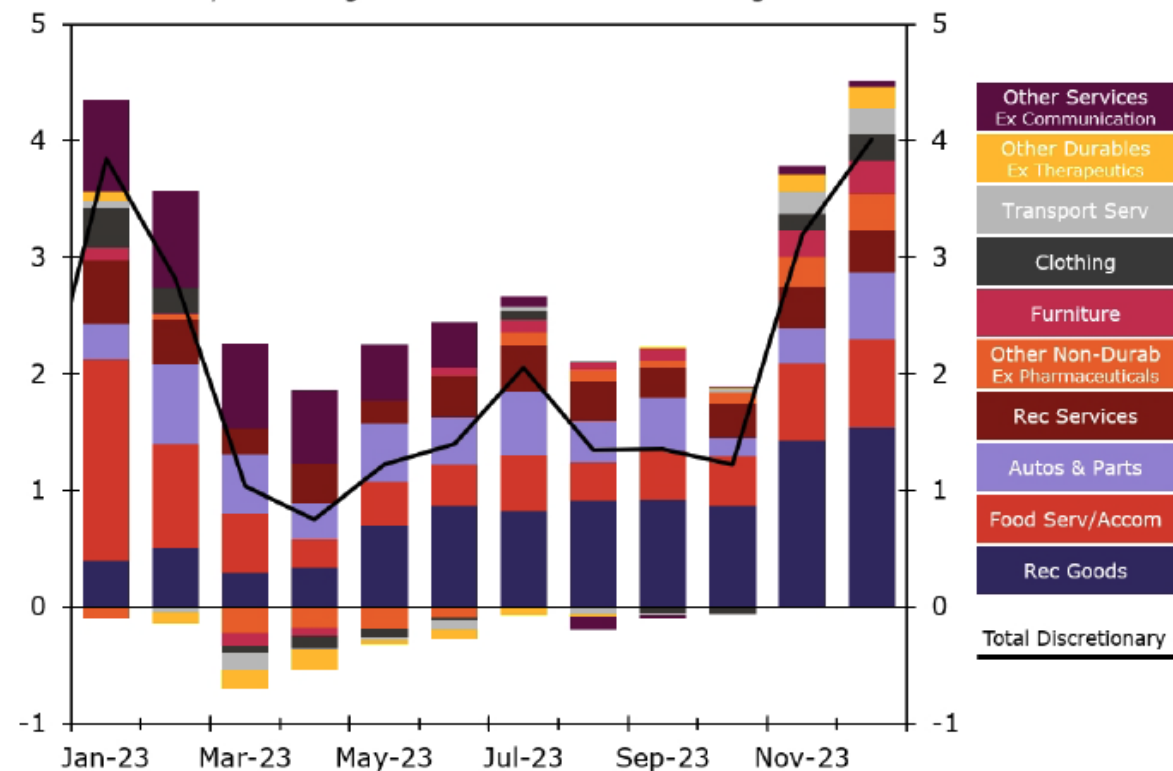
Year-over-Year Percent Change



Source: U.S. Department of Commerce and Wells Fargo Economics

Discretionary Spending

Real PCE; Percentage Point Contribution to Year-Ago Rate



Source: U.S. Department of Commerce and Wells Fargo Economics

Take-home points

1. Stay calm & maintain a long-term perspective.
2. Manage your efficiencies and working capital internally.
3. Hold the line on pricing. Focus on your value proposition.

