

CENTRAL
Garden & Pet

2017 Annual Meeting

George Roeth
President & CEO
February 14, 2017

Safe Harbor

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this presentation which are not historical facts, including expectations for improved efficiency and profitability are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. These risks are described in the Company's Securities and Exchange Commission filings. Central undertakes no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise.

This presentation contains certain non-GAAP financial measures. For a reconciliation of GAAP to non-GAAP financial measures, please see the Reconciliation of GAAP to non-GAAP in the Appendix of this presentation or in our most recent Form 10-K and Form 10-Q.

Agenda

2016 Results

Performance Track Record

Strategy

Investment Thesis



ESTABLISHES QUICKLY
AND USES UP TO
30% LESS WATER
YEAR AFTER YEAR



Strong 2016 Results

\$ in millions except EPS	GAAP			
	2015		2016	Change
Net Sales	\$1,650.7		\$1,829.0	10.8%
Gross Margin %	29.6%		30.2%	60 bp
Operating Income	\$ 91.4		\$129.4	41.5%
Operating Margin %	5.5%		7.1%	160 bp
Net Income	\$ 32.0		\$ 44.5	39.0%
Diluted EPS	\$ 0.64		\$ 0.87	35.9%

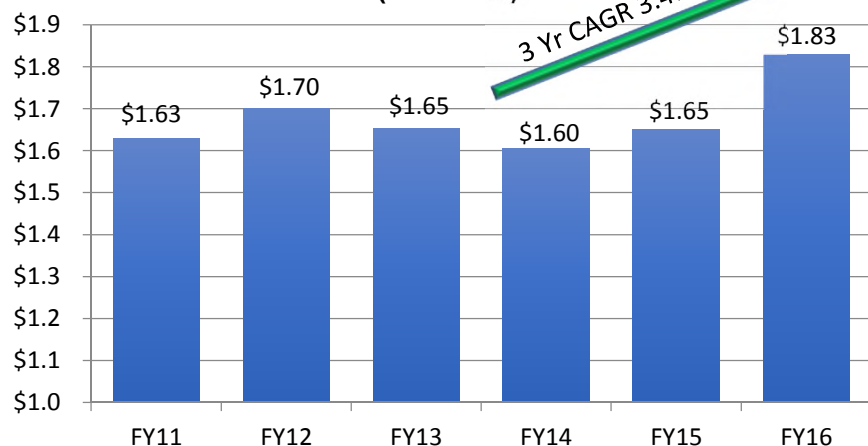
Strong 2016 Results

\$ in millions except EPS	GAAP				Non-GAAP ¹
	2015		2016		Change
Net Sales/Organic Net Sales	\$1,650.7		\$1,829.0		10.8%
Gross Margin %	29.6%		30.2%		60 bp
Operating Income	\$ 91.4		\$129.4		41.5%
Operating Margin %	5.5%		7.1%		160 bp
Net Income	\$ 32.0		\$ 44.5		39.0%
Diluted EPS	\$ 0.64		\$ 0.87		35.9%

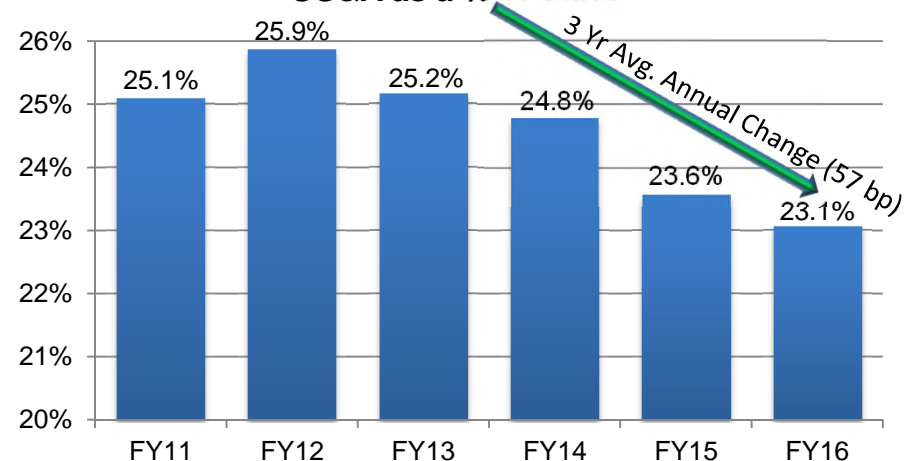
¹2016 non-GAAP results exclude charges related to refinancing of fixed rate notes, income related to sale of manufacturing plant & non-cash impairment charges primarily related to an investment in two joint ventures. 2015 non-GAAP results exclude a Pet non-cash intangible impairment charge. GAAP to non-GAAP reconciliations are available in the appendix of this presentation

P&L Metrics Accelerating Over the Last Three Years

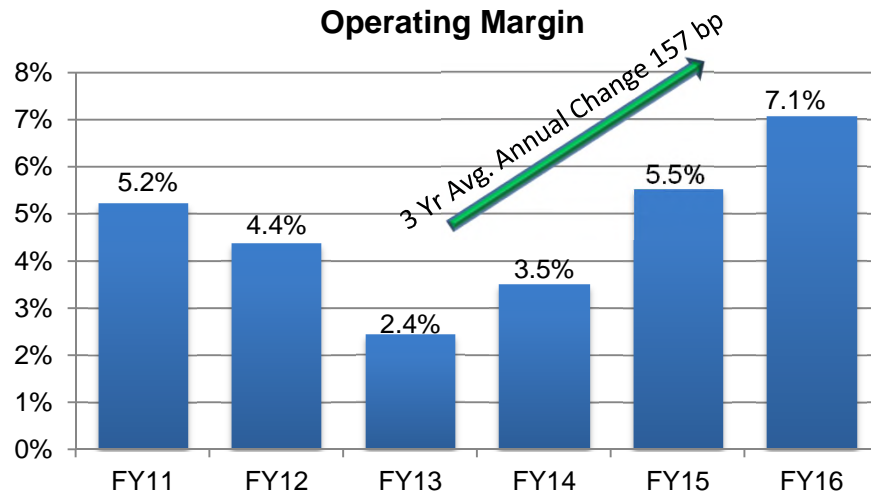
Net Sales
(in billions)



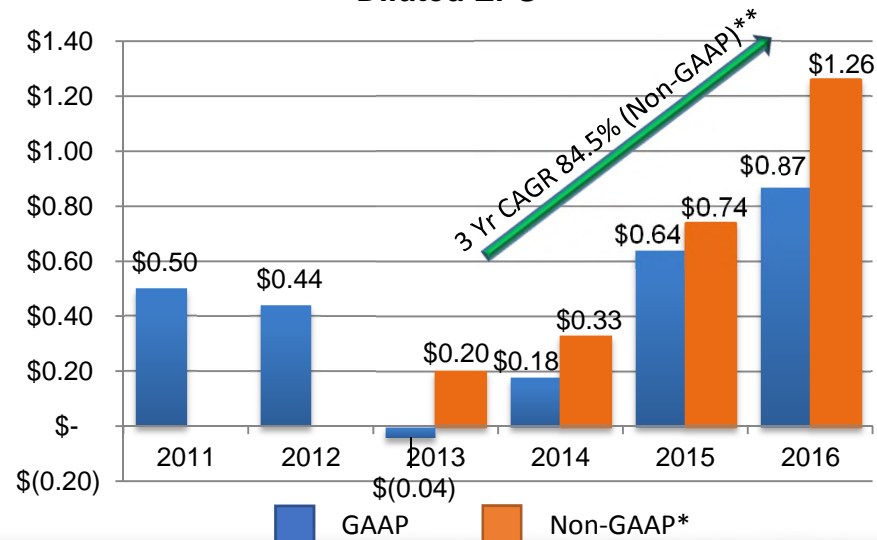
SG&A as a % of Sales



Operating Margin



Diluted EPS

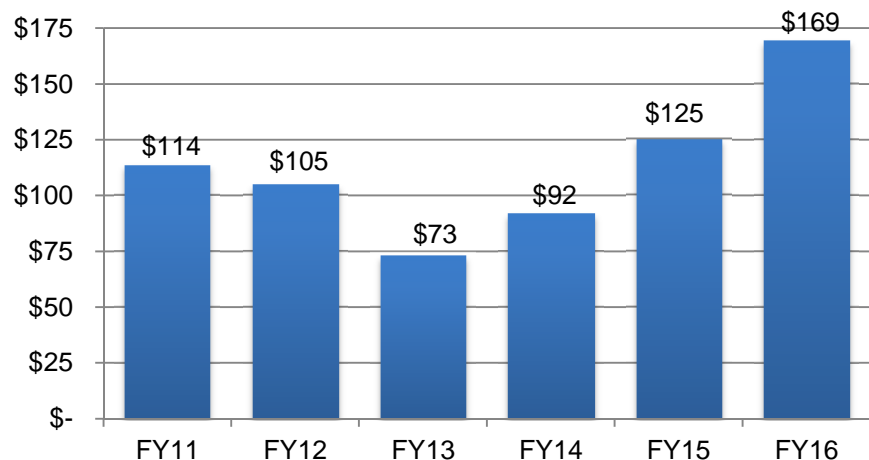


*See non-GAAP reconciliations in the appendix

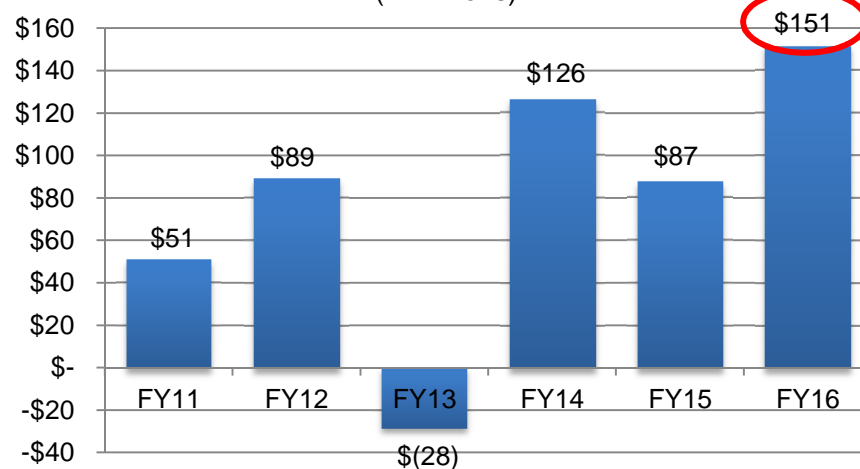
**GAAP Diluted EPS 3 Yr CAGR is not meaningful

Strong Cash Flow for Additional Growth Investments & Acquisitions

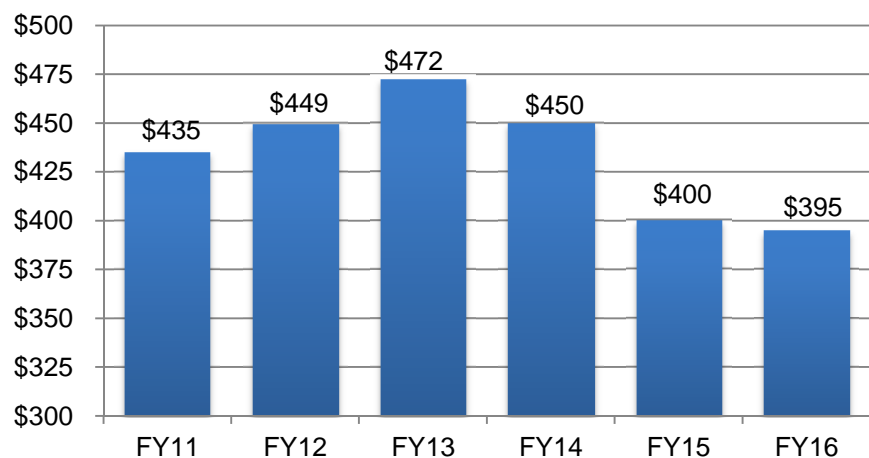
EBITDA*
(in millions)



Cash Provided by Operations
(in millions)

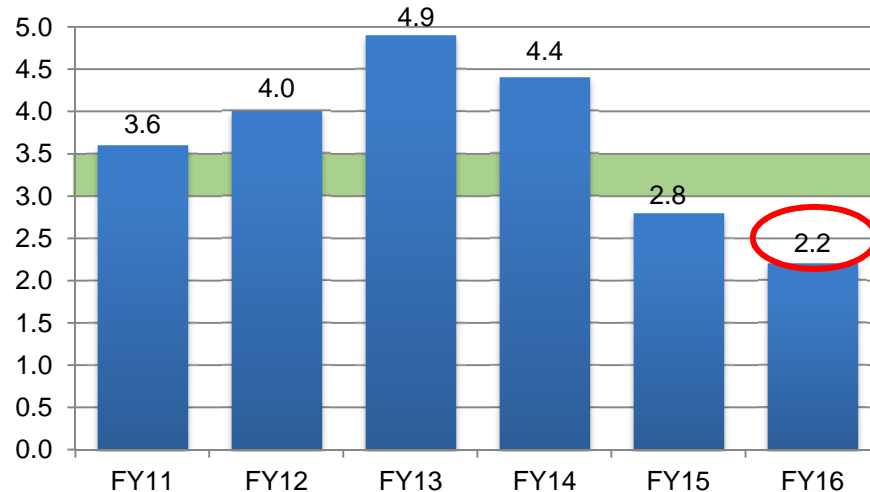


Long-Term Debt (year end)
(in millions)



* See non-GAAP reconciliation in the appendix

Leverage Ratio**



**As calculated per the terms of our 2016 Credit Agreement

Central Garden & Pet Strategy

Accelerate the Growth Momentum of Our Portfolio

Build on Strong Customer Relationships

Increase Innovation Output and Success Rates

Drive Cost Savings and Productivity Improvements to Fuel Growth

Attract, Retain and Develop Exceptional Employees

Accelerate the Growth Momentum of Our Portfolio

- Manage each business differentially based on role and strategy
- Seek to acquire businesses that are accretive to our growth
- Exit businesses if we cannot find a path to consistent profitability



Build on Strong Customer Relationships

- Operate with a Customer First mindset
- Expand our category management capabilities



Lowes Private Label



Increase Innovation Output and Success Rates

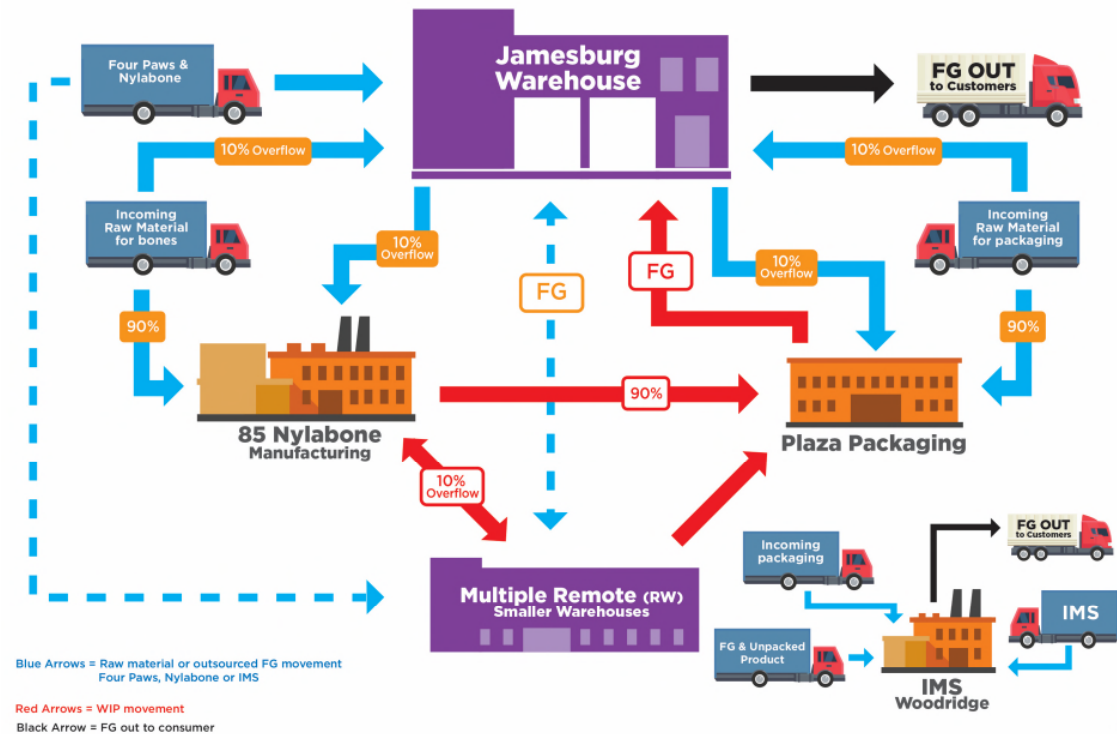
- Increase overall investment in innovation, consumer insights and demand creation to an appropriate level for each business
- Expand our retail partners' categories
- Develop more differentiated and more defensible new products



Drive Cost Savings and Productivity Improvements to Fuel Growth

- Improve our operating efficiency with a continuous improvement mindset
- Improve coordination by sharing best practices and aligning for scale
- Optimize our supply chain footprint

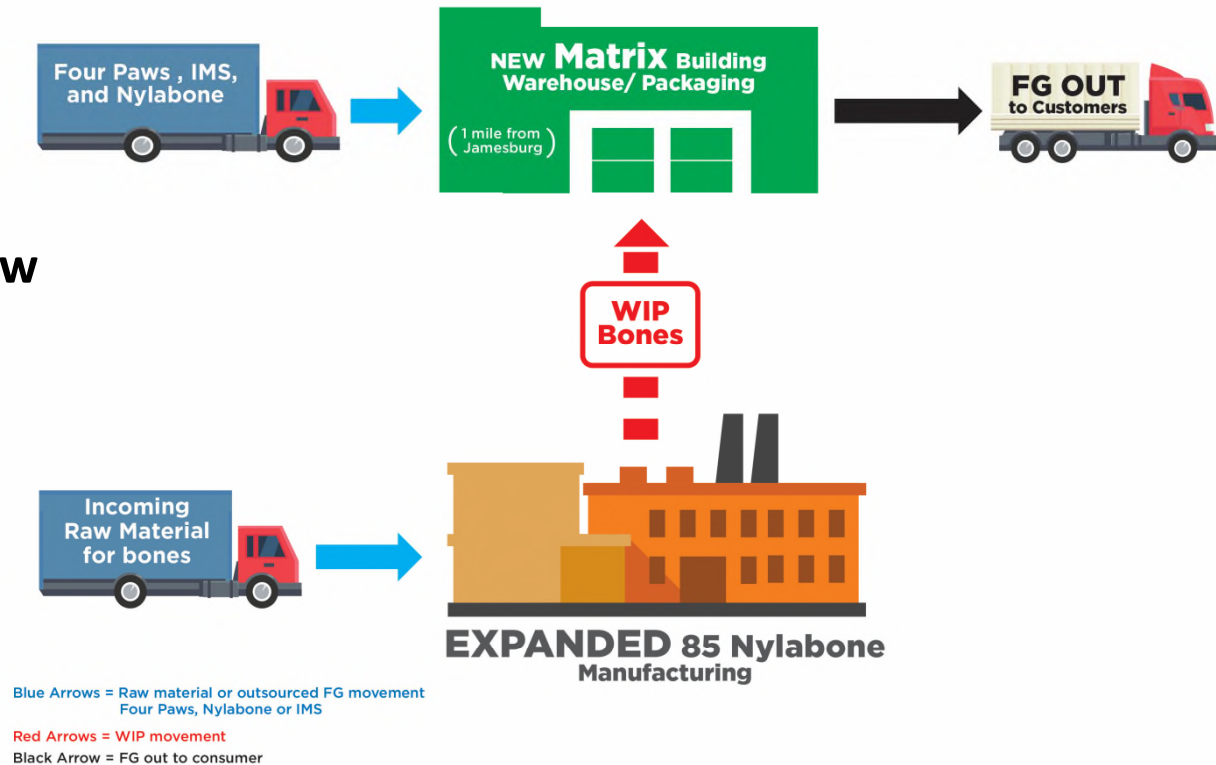
Current Logistics Flow



Drive Cost Savings and Productivity Improvements to Fuel Growth

- Improve our operating efficiency with a continuous improvement mindset
- Improve coordination by sharing best practices and aligning for scale
- Optimize our supply chain footprint

Future Logistics Flow



Central Garden & Pet Strategy

Accelerate the Growth Momentum of Our Portfolio

Build on Strong Customer Relationships

Increase Innovation Output and Success Rates

Drive Cost Savings and Productivity Improvements to Fuel Growth

Attract, Retain and Develop Exceptional Employees

Central is Led by a Seasoned Management Team

Glen Axelrod

SVP, Dog & Cat Brands

Jim Heim

President of Pet Industry & Customer
Development

Niko Lahanas

SVP, Finance Ops, & Reporting

Marilyn Leahy

SVP, Human Resources

Bill Lynch

SVP of Operations

Howard Machek

SVP, Corp. Controller & CAO

Dan Pennington

SVP & COO Manufacturing/Pennington

Mike Reed

EVP, Strategy and M&A

Kay Schwichtenberg

EVP, Animal & Public Health, CLS

Rodolfo Spielmann

President of Pet Consumer Products

JD Walker

President, Garden Brands

George Yuhas

General Counsel & Corporate Secretary

Q1 2017 Results - Off to a Strong Start

\$ in millions except EPS	GAAP		
	Q1'16	Q1'17	Change
Net Sales	\$359.8	\$419.5	16.6%
Gross Margin %	27.7%	28.8%	110 bp
Operating Income	\$8.8	\$19.9	126.1%
Operating Margin %	2.4%	4.8%	240 bp
Net Income	(\$8.6)	\$7.6	\$16.2
Diluted EPS	(\$0.18)	\$0.15	\$0.33

Investment Thesis

- 1) Underlying trends in both garden and pet categories are favorable.
- 2) The company is operating with a continuous improvement mindset – and has ample opportunities to take 1% to 2% out of costs per year.
- 3) Cost savings expected to fund growth levers, e.g. R&D, selling, marketing, trade promotions, to fuel organic growth.
- 4) Cash flow and balance sheet are strong, providing flexibility to make strategically sound acquisitions.
- 5) The company is small relative to large global CPG players, so reasonably modest changes can have a big impact on total performance.
- 6) We have delivered three successive years of strong growth and financial performance.



Comfort Zone



GAAP to Non-GAAP Reconciliation

Use of Non-GAAP Financial Measures

We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, to supplement the financial results prepared in accordance with GAAP, we use non-GAAP financial measures including non-GAAP operating income on a consolidated and segment basis and non-GAAP net income and diluted net income per share. Management believes these non-GAAP financial measures that exclude the impact of specific items (description following) may be useful to investors in their assessment of our ongoing operating performance, provide additional meaningful comparisons between current results and results in prior operating periods and by allowing for greater transparency in the review of our financial and operating performance.

The reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the following tables. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance. While our management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace our GAAP financial results and should be read in conjunction with those GAAP results.

GAAP to Non-GAAP Reconciliation

Non-GAAP financial measures reflect adjustments based on the following items:

- **Gains or losses on disposals of significant plant assets:**

- Fiscal 2016, we recorded a \$2.4 million gain in our Pet segment from the sale of a manufacturing plant resulting from rationalizing our facilities to reduce excess capacity. This adjustment was recorded as part of Selling, general and administrative costs.

- **Loss on early extinguishment of debt:**

- Q1'16, we redeemed our 2018 Notes and issued senior notes due November 2023. As a result of the redemption, we incurred incremental expenses of \$14.3 million, comprised of a call premium payment of \$8.3 million, a \$2.7 million payment of overlapping interest expense for 30 days and a \$3.3 million non-cash charge for the write off of unamortized deferred financing costs and discount related to the 2018 Notes. These amounts are included in Interest expense in the condensed consolidated statements of operations.

- **Asset impairment charges:**

- Q4'16 we recognized non-cash impairment charges in our Pet segment of \$1.8 million related to the impairment of intangible assets caused by increased competition and declining volume of sales. These impairments are included within Intangible asset impairment.
- Q4'16, we recognized a non-cash impairment charge of \$16.6 million related to our investment in two joint ventures as a result of changes in marketplace conditions, which impacted the expected cash flows and recoverability of the investment. The impairment is included within Other income (expense).

- **Tax impact:** adjustment represents the impact of the tax effect of the pre-tax non-GAAP adjustments excluded from non-GAAP net income. The tax impact of the non-GAAP adjustments is calculated based on the consolidated effective tax rate on a GAAP basis, applied to the non-GAAP adjustments, unless the underlying item has a materially different tax treatment.

- **Organic net sales,** a non-GAAP measure that excludes the impact of businesses purchased or exited in the prior 12 months, because we believe it permits investors to better understand the performance of our historical business without the impact of recent acquisitions or dispositions.

GAAP to Non-GAAP Reconciliation

Non-GAAP Adjustments

FY 2016	GAAP to Non-GAAP Reconciliation (in thousands) For the Year Ended		
	2016		2015
Impairments of intangible assets	\$ 1,828		\$ 7,272
(Gain)/loss on disposal of plant assets	(2,363)		-
Incremental expenses from note redemption and issuance	14,339		-
Impairment of equity method investments	16,572		-
Total non-GAAP adjustments	\$ 30,376		\$ 7,272
Tax effects of non-GAAP adjustments	(10,492)		(2,618)
Total net income impact from non-GAAP adjustments	\$ 19,884		\$ 4,654

GAAP to Non-GAAP Reconciliation

SG&A Expense Reconciliation

FY 2016	GAAP to Non-GAAP Reconciliation (in thousands) For the Year Ended					
	2016	2015	2014	2013	2012	2011
GAAP SG&A expense	\$423,692	\$396,617	\$397,811	\$423,747	\$439,737	\$408,744
SG&A expense impact from non-GAAP adjustments	535	(7,272)	4,875	(7,710)		
Non-GAAP SG&A expense	\$424,227	\$389,345	\$402,686	\$416,037		
GAAP SG&A expense as a percentage of net sales	23.1%	24.0%	24.8%	25.6%	25.9%	25.1%
Non-GAAP SG&A expense as a percentage of net sales	23.2%	23.6%	25.0%	25.1%		

GAAP to Non-GAAP Reconciliation

Consolidated Operating Income Reconciliation

FY 2016	GAAP to Non-GAAP Reconciliation (in thousands) For the Year Ended										
	2016		2015		2014		2013		2012		2011
GAAP operating income	\$129,358		\$91,435		\$56,213		\$40,155		\$74,421		\$85,175
Total operating income impact from non-GAAP adjustments	(535)		7,272		12,033		18,870				
Non-GAAP operating income	\$128,823		\$98,707		\$68,246		\$59,025				
GAAP operating margin	7.1%		5.5%		3.5%		2.4%		4.4%		5.2%
Non-GAAP operating margin	7.0%		6.0%		4.2%		3.6%				

GAAP to Non-GAAP Reconciliation

Net Income & Diluted Net Income Per Share Reconciliation

FY 2016	GAAP to Non-GAAP Reconciliation (in thousands, except per share amounts) For the Year Ended September						
	2016	2015	2014	2013	2012	2011	
GAAP net income attributable to Central Garden & Pet	\$44,514	\$31,971	\$8,804	\$(1,929)	\$21,173	\$28,323	
Total non-GAAP adjustments	30,376	7,272	12,033				
Tax effects of non-GAAP adjustments	(10,492)	(2,618)	(4,352)				
Total adjustments			7,681	11,888			
Non-GAAP net income attributable to Central Garden & Pet	\$64,398	\$36,625	\$16,485	\$9,959			
GAAP diluted net income per share	\$0.87	\$0.64	\$0.18	\$(0.04)	\$0.44	\$0.50	
Non-GAAP diluted net income per share	\$1.26	\$0.74	\$0.33	\$0.20			
Shares used in GAAP diluted net earnings per share calculation	51,075	49,638	49,397	48,094	48,374	56,645	
Shares used in non-GAAP diluted net earnings per share calculation	51,075	49,638	49,397	48,781			

GAAP to Non-GAAP Reconciliation

Organic Net Sales Reconciliation

We have provided organic net sales, a non-GAAP measure that excludes the impact of recent acquisitions and dispositions, because we believe it permits investors to better understand the performance of our historical business. We define organic net sales as net sales from our historical business derived by excluding the net sales from businesses acquired or exited in the preceding 12 months. After an acquired business has been part of our consolidated results for 12 months, the change in net sales thereafter is considered part of the increase or decrease in organic net sales.

Consolidated Organic Reconciliation

FY 2016	GAAP to Non-GAAP Reconciliation (in thousands) For the Year Ended September 24, 2016			
	Consolidated		Pet Segment	Garden Segment
Reported net sales – GAAP	10.8%		20.9%	(1.2%)
Impact of acquisitions & divestitures	6.6%		14.9%	(3.2%)
Organic net sales	4.2%		6.0%	2.0%