



Use of Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles ("GAAP"). However, to supplement the financial results prepared in accordance with GAAP, we use non-GAAP financial measures including adjusted EBITDA. Management uses adjusted EBITDA in making financial, operating and planning decisions and in evaluating our performance. Management believes this non-GAAP financial measure may be useful to investors in their assessment of our ongoing operating performance and provide additional meaningful comparisons between current results and results in prior operating periods. While Management believes that this non-GAAP measure is 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.

Adjusted EBITDA is defined by us as income before income tax, net other expense, net interest expense and depreciation and amortization and stock-based compensation expense (or operating income plus depreciation and amortization expense and stock-based compensation expense). We present adjusted EBITDA because we believe that adjusted EBITDA is a useful supplemental measure in evaluating the cash flows and performance of our business and provides greater transparency into our results of operations. Adjusted EBITDA is used by our management to perform such evaluations. Adjusted EBITDA should not be considered in isolation or as a substitute for cash flow from operations, income from operations or other income statement measures prepared in accordance with GAAP. We believe that adjusted EBITDA is frequently used by investors, securities analysts and other interested parties in their evaluation of companies, many of which present adjusted EBITDA when reporting their results. Other companies may calculate adjusted EBITDA differently and it may not be comparable.

The reconciliations of adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the tables below.

Adjusted EBITDA Reconciliation

	GAAP to Non-GAAP Reconciliation			
	Three Months Ended December 28, 2024			
	Pet	Garden	Corporate	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	\$ —	\$ —	\$ —	\$ 14,009
Interest expense, net	—	—	—	7,730
Other expense	—	—	—	1,717
Income tax expense	—	—	—	4,364
Net income attributable to noncontrolling interest	—	—	—	172
Income (loss) from operations	51,257	2,423	(25,688)	27,992
Depreciation & amortization	10,080	11,131	723	21,934
Noncash stock-based compensation	—	—	5,510	5,510
Adjusted EBITDA	<u>\$ 61,337</u>	<u>\$ 13,554</u>	<u>\$ (19,455)</u>	<u>\$ 55,436</u>

Adjusted EBITDA Reconciliation**GAAP to Non-GAAP Reconciliation****Three Months Ended December 30, 2023**

	Pet	Garden	Corporate	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	\$ —	\$ —	\$ —	\$ 430
Interest expense, net	—	—	—	9,707
Other income	—	—	—	(993)
Income tax benefit	—	—	—	(869)
Net income attributable to noncontrolling interest	—	—	—	137
Income (loss) from operations	43,388	(8,886)	(26,090)	8,412
Depreciation & amortization	10,798	11,006	741	22,545
Noncash stock-based compensation	—	—	6,021	6,021
Adjusted EBITDA	<u>\$ 54,186</u>	<u>\$ 2,120</u>	<u>\$ (19,328)</u>	<u>\$ 36,978</u>