

Q1 FY2026

# Investor Presentation

2.4.2026





## **Q1 Highlights & Outlook**

*Niko Lahanas, CEO*

## **Financials & Segments**

*Brad Smith, CFO*

## **Management Q&A**

*Niko Lahanas, Brad Smith,  
J.D. Walker, John Hanson*

# Forward-looking Statements

The statements contained in this presentation which are not historical facts, including statements concerning productivity initiatives and earnings guidance for fiscal 2026, are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this presentation. The range of risk factors is described in Central's filings with the SEC. Central undertakes no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

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



**Niko Lahanas**

CEO

# Solid FY26 Q1 Performance

A black and white cat with green eyes is sitting in green foliage. The cat is looking directly at the camera. The background is a soft-focus green field.

**Improved  
gross  
margin**

**Non-GAAP EPS  
consistent with  
prior year**

# Cost and Simplicity Agenda Delivers Sustainable Benefits

- Integrated two garden distribution facilities into our Covington, GA, and Salt Lake City, UT, fulfillment centers
- Consolidated a fertilizer manufacturing facility into our Greenfield, MO, location

# Innovation - A Multi-year Journey

- Apply clarity, focus and consistency to fostering a growth mindset and embedding innovation across the organization
- Build repeatable ways to identify opportunities, develop products and bring them to market
- Expect results to build over time

# Fiscal 2026 Outlook



Reaffirming non-GAAP  
EPS guidance of \$2.70  
or better

## Risk & Market Considerations

- Tariffs and escalated geopolitical tensions
- Heightened macroeconomic uncertainty
- Inflationary headwinds expected to intensify
- Additional pressure on consumer confidence
- Consumer focus on value and spending discretion
- Promotional retail environment across channels
- Ongoing pressure in pet specialty brick-and-mortar space



**Brad Smith**

CFO

# Solid FY26 Q1 Performance - Non-GAAP

## Net Sales (in \$ millions)

(6)%

\$656

\$617

Q1 FY25

Q1 FY26

## Non-GAAP Gross Margin (as a percentage of Net Sales)

+100bps

29.8%

30.8%

Q1 FY25

Q1 FY26

## Non-GAAP Operating Income (in \$ millions)

\$(4)

\$28

\$24

Q1 FY25

Q1 FY26

## Non-GAAP EPS (in \$)

in line

\$0.21

\$0.21

Q1 FY25

Q1 FY26

# FY26 Q1 Pet Segment Performance

## Results

- Net sales: \$416 million
- Non-GAAP operating margin: 12.1%
- Adjusted EBITDA: \$60 million

## Tailwinds & Successes

- Grew consumables at low single-digits rate
- Drove sales growth in Rawhide, Wild Bird, Professional, and Equine
- Gained market share in Dog Treats, Flea & Tick, Pet Bird and Professional

## Challenges

- Portfolio actions and timing dynamics:
  - lower durables volumes
  - shipment timing
  - temporary shipment hold
  - closure of U.K. operations

# FY26 Q1 Garden Segment Performance

## Results

- Net sales: \$202 million
- Non-GAAP operating margin: (1.2)%
- Adjusted EBITDA: \$8 million

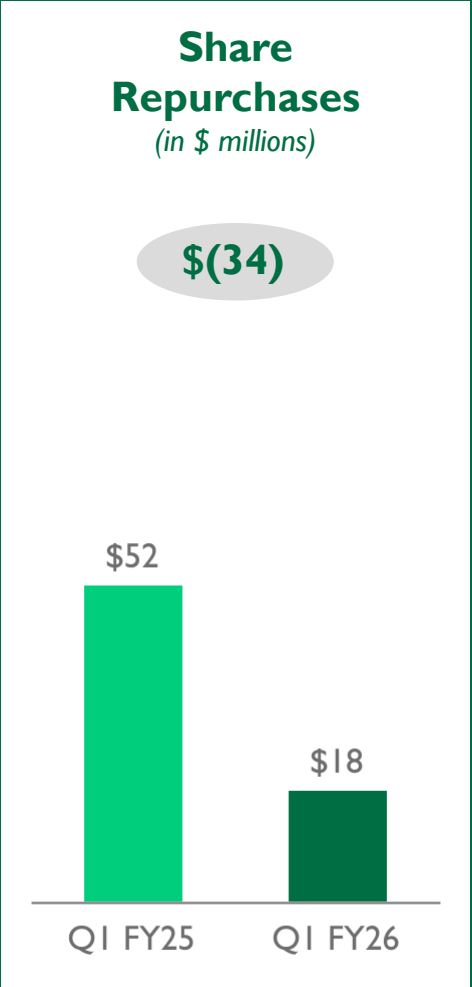
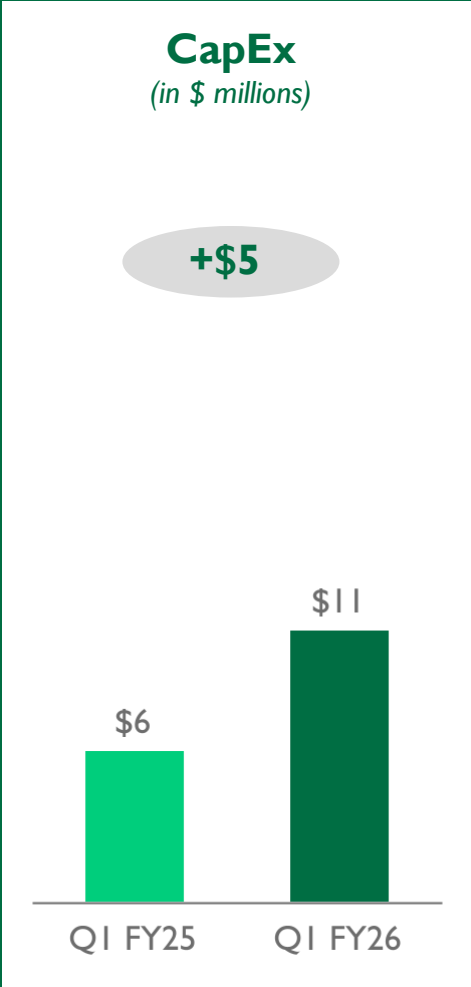
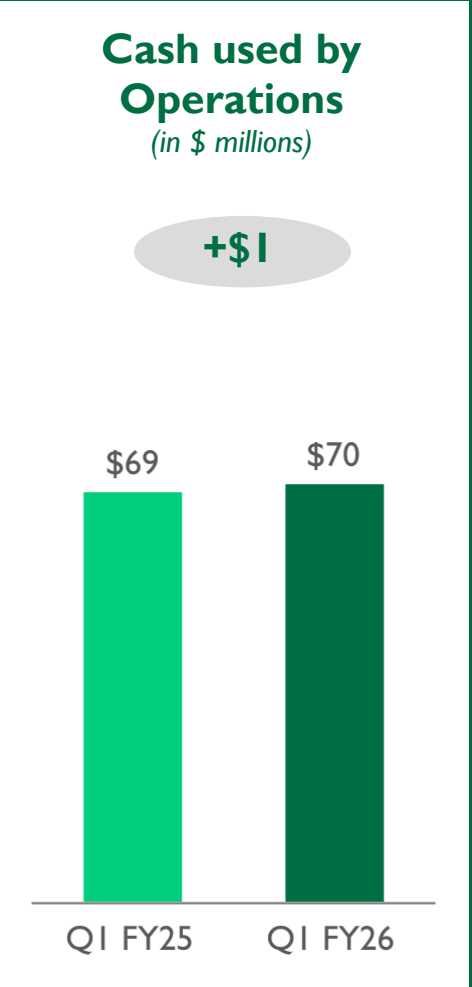
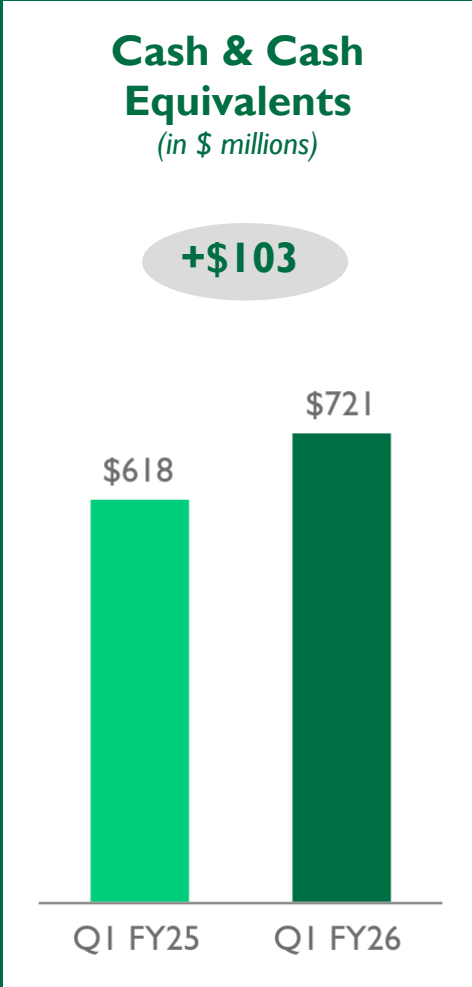
## Tailwinds & Successes

- Continued growth in Wild Bird
- Share growth overall with gains in Wild Bird, Fertilizer, and Packet Seeds

## Headwinds

- Shipment timing
- Transition of two product lines in third-party distribution business to direct-to-retail model
- Rationalization of select Live Plants categories

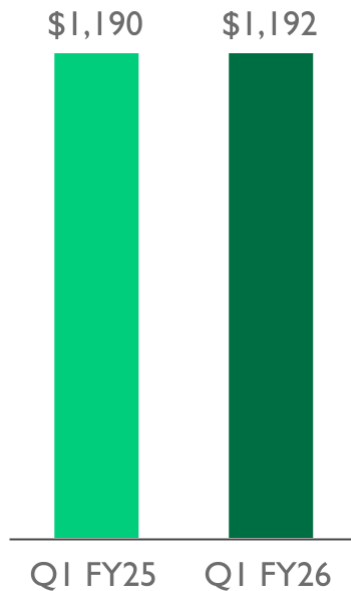
# Improved Cash & Liquidity



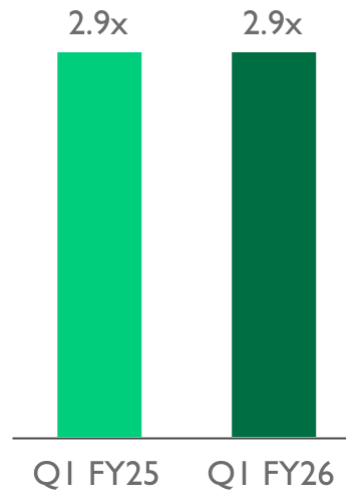
# Strong Balance Sheet Positions for Strategic M&A

## Long-Term Debt

(in \$ millions)



## Gross Leverage Ratio<sup>(1)</sup>



## Borrowings on ABL Credit Facility



# Q&A Session



**Niko Lahanas**

CEO



**Brad Smith**

CFO



**John Hanson**

President,  
Pet Consumer Products



**JD Walker**

President,  
Garden Consumer Products



# Appendix

# Use of Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, to supplement the financial results prepared in accordance with GAAP, we use non-GAAP financial measures including non-GAAP net income and diluted net income per share, non-GAAP operating income, and adjusted EBITDA. Management uses these non-GAAP financial measures that exclude the impact of specific items (described below) in making financial, operating and planning decisions and in evaluating our performance. Also, Management believes that these non-GAAP financial measures 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 non-GAAP measures 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.

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). Adjusted EBITDA further excludes charges related to facility closures. 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 these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the tables below.

# Use of Non-GAAP Financial Measures

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

- *Facility closures and business exit:* we have excluded charges related to the closure of distribution and manufacturing facilities and our decisions to exit businesses as they represent infrequent transactions that impact the comparability between operating periods. We believe these exclusions supplement the GAAP information with a measure that may be useful to investors in assessing the sustainability of our operating performance.
- *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.

From time to time in the future, there may be other items that we may exclude if we believe that doing so is consistent with the goal of providing useful supplemental information to investors and management.

- I. During the first quarter of fiscal 2026, we recognized incremental expense of \$7.7 million in the consolidated statement of operations, \$7.2 million in our Garden segment related to the closure of three distribution centers in fiscal 2025 and 2024, and an incremental \$0.5 million in our Pet segment related to the closure of a sales and logistics facility in Pennsylvania.

## GAAP to Non-GAAP Reconciliation for the Fiscal Quarter Ended

(in thousands, except for per share amounts)

### Net Income & Diluted Net Income Per Share Reconciliation

	December 27, 2025	December 28, 2024
GAAP net income attributable to Central Garden & Pet Company	\$ 6,841	\$ 14,009
Facility closures	(1) 7,746	—
Tax effect of adjustments	(1,808)	—
Non-GAAP net income attributable to Central Garden & Pet Company	\$ 12,779	\$ 14,009
GAAP diluted net income per share	\$ 0.11	\$ 0.21
Non-GAAP diluted net income per share	\$ 0.21	\$ 0.21
<b>Shares used in GAAP and non-GAAP diluted net earnings per share calculation</b>	<b>62,064</b>	<b>65,449</b>

**GAAP to Non-GAAP Reconciliation**  
for the Fiscal Quarter Ended  
(in thousands)

**Operating Income Reconciliation**

	December 27, 2025		
	GAAP	Non-GAAP adjustments <sup>(1)</sup>	Non-GAAP
Net sales	\$ 617,373	\$ —	\$ 617,373
Cost of goods sold	426,765	(601)	427,366
Gross profit	\$ 190,608	\$ 601	\$ 190,007
Selling, general and administrative expenses	174,075	8,347	165,728
Income from operations	<u>\$ 16,533</u>	<u>\$ (7,746)</u>	<u>\$ 24,279</u>
Gross margin	<u>30.9%</u>		<u>30.8%</u>
Operating margin	<u>2.7%</u>		<u>3.9%</u>

**Pet Segment Operating Income Reconciliation**

	December 27, 2025		December 28, 2024	
GAAP operating income	\$	49,800	\$	51,257
Facility closures	(1)	506		—
Non-GAAP operating income	<u>\$</u>	<u>50,306</u>	<u>\$</u>	<u>51,257</u>
GAAP operating margin		12.0%		12.0%
Non-GAAP operating margin		12.1%		12.0%

**Garden Segment Operating Income Reconciliation**

	December 27, 2025		December 28, 2024	
GAAP operating (loss) income	\$	(9,679)	\$	2,423
Facility closures	(1)	7,240		—
Non-GAAP operating (loss) income	<u>\$</u>	<u>(2,439)</u>	<u>\$</u>	<u>2,423</u>
GAAP operating margin		(4.8)%		1.1%
Non-GAAP operating margin		(1.2)%		1.1%

**GAAP to Non-GAAP Reconciliation**  
**for the Fiscal Quarter Ended**  
*(in thousands)*

**Adjusted EBITDA Reconciliation**

	December 27, 2025	December 28, 2024
Net income attributable to Central Garden & Pet Company	\$ 6,841	\$ 14,009
Interest expense, net	7,767	7,730
Other (income) expense	(182)	1,717
Income tax expense	2,089	4,364
Net income attributable to noncontrolling interest	18	172
Income from operations	16,533	27,992
Depreciation & amortization	20,659	21,934
Noncash stock-based compensation	4,825	5,510
Facility closures	(1) 7,746	—
Adjusted EBITDA	\$ 49,763	\$ 55,436