

Q3 FY2025

Investor Presentation

8.6.2025





Better
bedding,
naturally.

All About the Little Things.

Key Themes & 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 2025, 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

Three Key Themes

1

**Solid
Third Quarter
Performance**

2

**Further
Progress in
Optimizing
Operations**

3

**Reaffirming
Fiscal Year
Guidance**

Solid FY25 Q3 Performance

**Record
Q3 and YTD
GAAP and
Non-GAAP EPS**

**Significant Margin
Expansion**

**Major
Improvement in
Workplace Safety
Performance**

Continued Progress on Cost and Simplicity Journey

Logistics

- Consolidating two outdated DC's into a new, modern DTC-enabled facility in Salt Lake City

Footprint

- Completed sale of U.K. operations' aquatic brands, transitioned U.S. operations to direct-export model

Operations

- Streamlined assortment, exited unprofitable markets and restructured Live Plants business

Fiscal 2025 Outlook



Reaffirming fiscal 2025
non-GAAP EPS guidance
of approximately \$2.60

Risk & Market Considerations

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

Central To Home Strategy

OUR PURPOSE

Nurture happy and healthy homes

OUR MISSION

Lead the future of the garden and pet industries... one blade of grass and one wagging tail at a time

STRATEGIC PRIORITIES



CONSUMER

Build and grow
brands and products
Consumers love

- Deeply understand our consumer's needs and expectations
- Develop winning products, brands and platforms
- Invest in demand creation to accelerate organic growth



CUSTOMER

Win with winning
Customers and
Channels

- Build a leading eCommerce platform
- Strengthen relationships with winning customers
- Quickly adapt and respond to channel shifts



CENTRAL

Fortify
the Central
Portfolio

- Invest in core and adjacent categories where we have a right to win
- Exit underperforming and non-core businesses
- Ensure a responsible and sustainable future
- Accelerate the transition to a fully digital organization



COST

Reduce Cost to
improve margins and
fuel growth

- Simplify operations through continuous improvement and net productivity
- Capture scale and collaboration benefits across Business Units (BU)
- Improve cash conversion cycle



CULTURE

Strengthen our
entrepreneurial, BU-led,
growth Culture

- Recruit, recognize, and retain high-performing individuals
- Build a diverse, collaborative, data driven, knowledge-based learning organization
- Make Central a great place to work where employees can thrive, continually develop, and have fun

Priorities for 2025

Execute Central to Home Strategy with Excellence

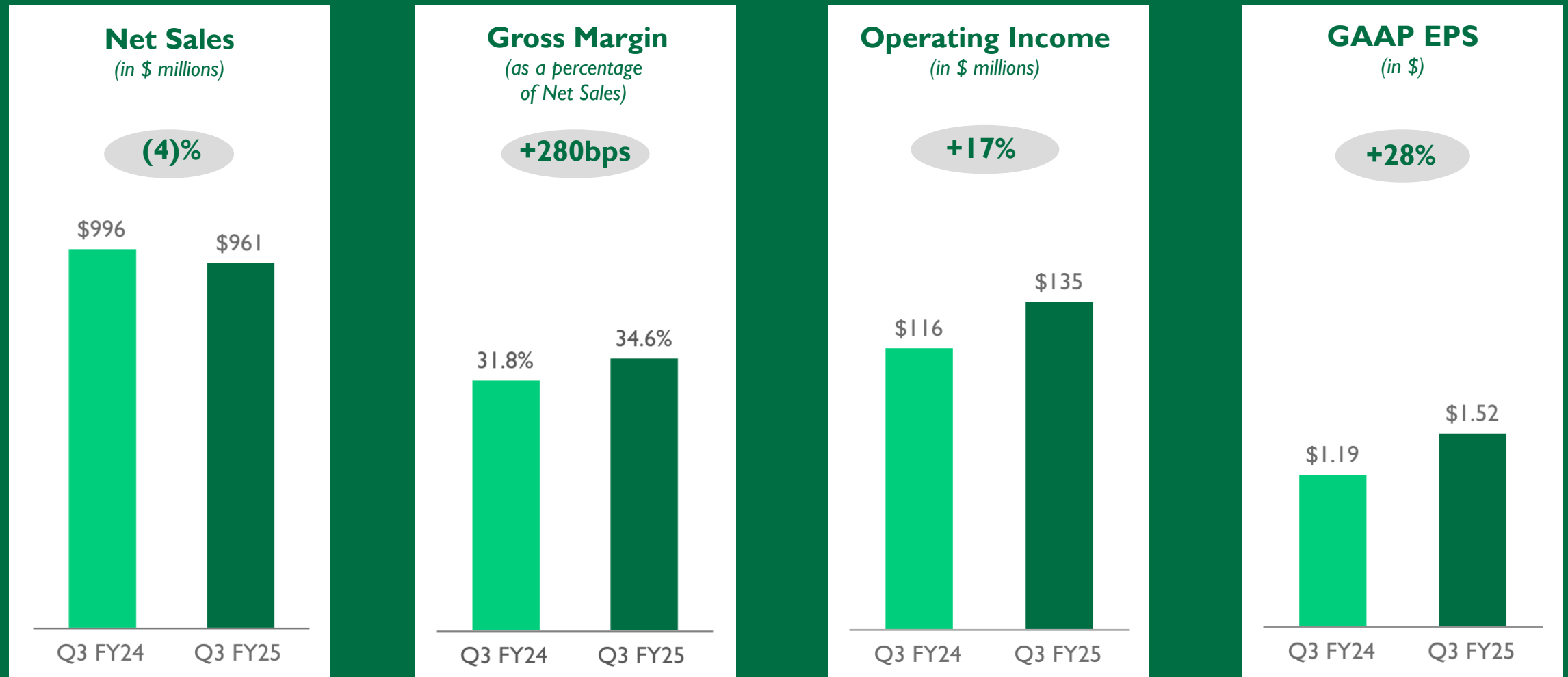
- Focus on Cost and Cash management
- Targeted investments in eCommerce, digital technology and innovation to drive organic growth
- M&A to advance growth priorities and advance capabilities



Brad Smith

CFO

Solid FY25 Q3 Performance - GAAP



Solid FY25 Q3 Performance - Non-GAAP

Net Sales (in \$ millions)

(4)%

\$996

\$961

Q3 FY24

Q3 FY25

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

+190bps

32.7%

34.6%

Q3 FY24

Q3 FY25

Non-GAAP Operating Income (in \$ millions)

+9%

\$127

\$139

Q3 FY24

Q3 FY25

Non-GAAP EPS (in \$)

+18%

\$1.32

\$1.56

Q3 FY24

Q3 FY25

FY25 Q3 Pet Segment Performance

Results

- Net sales: \$493 million
- Non-GAAP operating margin: 15.8%, down 60 bps due to lower volume
- Adjusted EBITDA: \$88 million

Tailwinds & Successes

- Growth in Professional and Distribution business
- Held share overall with gains in Dog Chews, Flea & Tick and Pet Bird
- eCommerce sales: 27% of Pet sales

Headwinds

- Exit of lower margin durable products and customers
- Softer demand, heightened pricing pressure and onset of new tariffs

FY25 Q3 Garden Segment Performance

Results

- Net sales: \$468 million
- Non-GAAP operating margin: 18.2%, up 310 bps driven by productivity efforts
- Adjusted EBITDA: \$96 million

Tailwinds & Successes

- Continued momentum in Wild Bird, Fertilizer and Packet Seeds
- Grew share overall with gains in Wild Bird, Grass Seed, Packet Seeds and Fertilizer
- Outstanding online performance in Wild Bird and Grass Seed

Headwinds

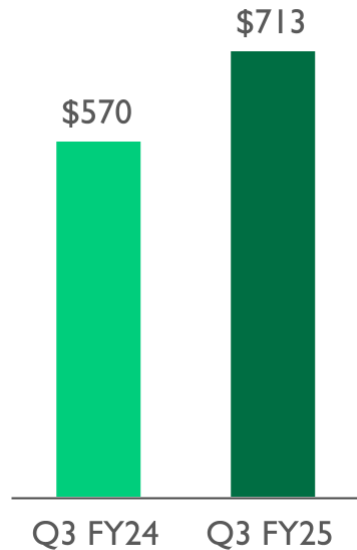
- Loss of two product lines in third-party garden distribution business
- Extended periods of cool and rainy weather impacting seasonal categories

Improved Cash & Liquidity

Cash & Cash Equivalents

(in \$ millions)

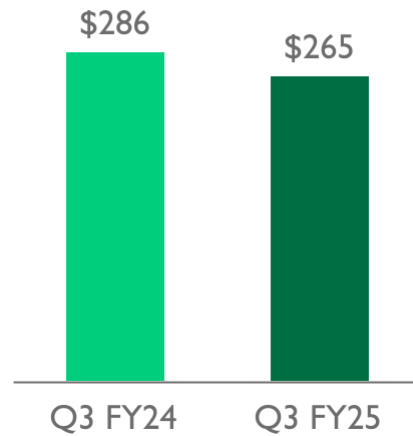
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Operating Cash Flow

(in \$ millions)

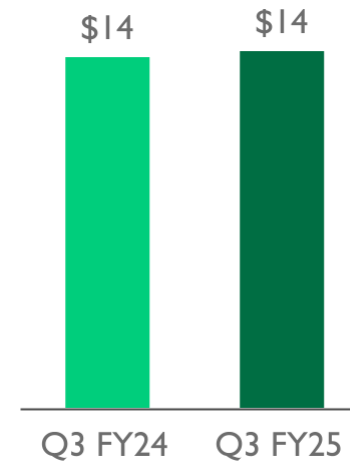
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CapEx

(in \$ millions)

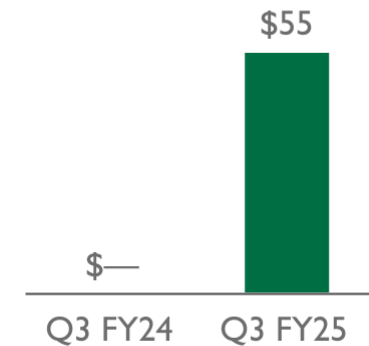
+1%



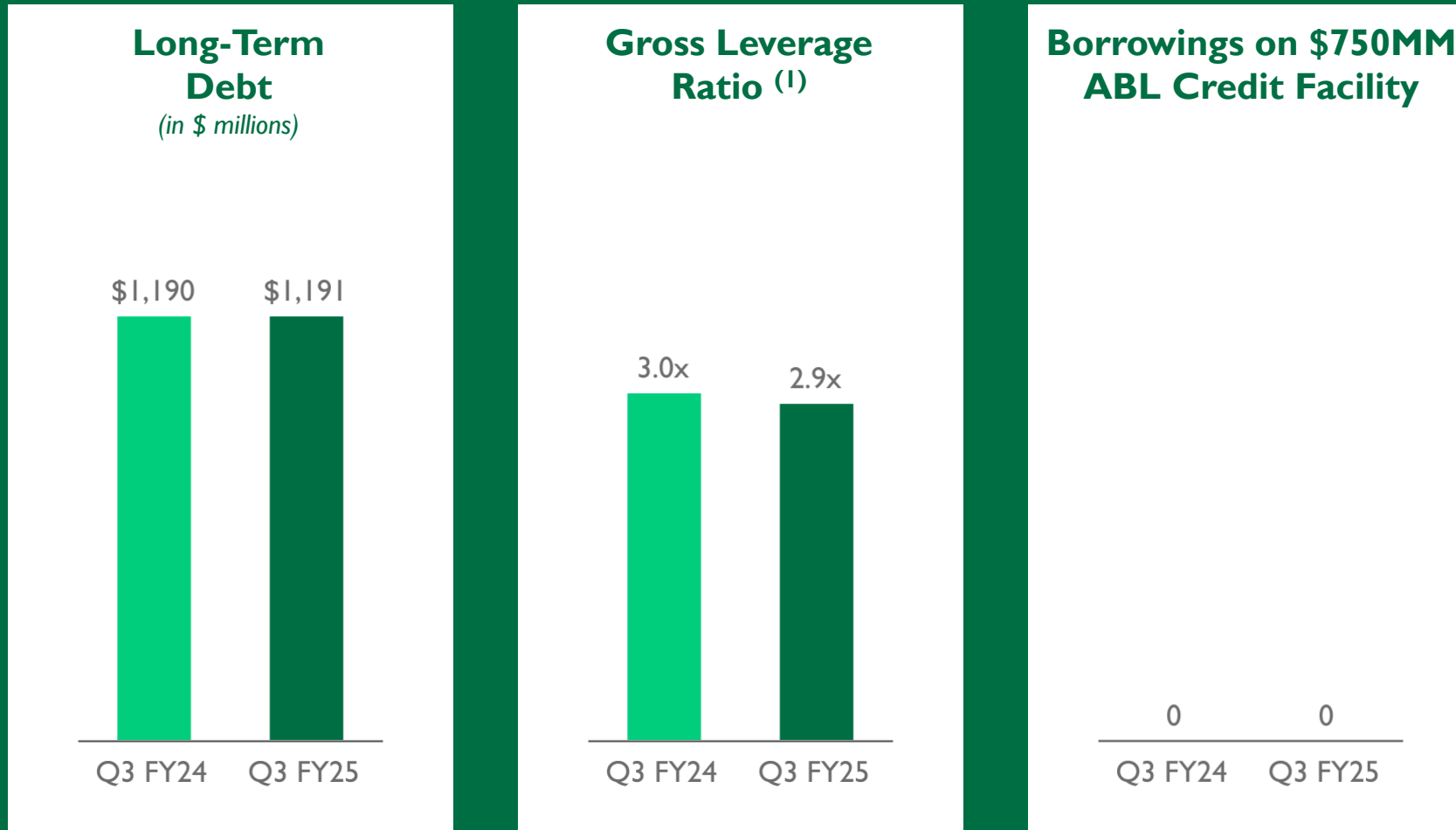
Share Repurchases

(in \$ millions)

+\$55



Strong Balance Sheet Positions for Strategic M&A



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.

Use of Non-GAAP Financial Measures

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.

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 the 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.

Use of Non-GAAP Financial Measures

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.

1. During the third quarter of fiscal 2025, we recognized incremental expense of \$3.9 million in the consolidated statement of operations, \$2.2 million in our Garden segment related to closing a distribution facility in Ontario, California and beginning the consolidation of our Western distribution network and an incremental \$1.7 million in our Pet segment related to the previous quarter's decision to wind-down our operations in the U.K.
2. During the second quarter of fiscal 2025, we recognized incremental expense of \$5.3 million in the consolidated statement of operations related to the decision to wind-down our operations in the U.K. and the related facility there as we move to a direct-export model.
3. During the third quarter of fiscal 2024, we recognized incremental expense of \$11.1 million in the consolidated statement of operations from the decision to exit the pottery business, the closure of a live goods distribution facility in Delaware and the relocation of our grass seed research facility.
4. During the second quarter of fiscal 2024, we recognized incremental expense of \$5.3 million in the consolidated statement of operations from the closure of a manufacturing facility in Chico, California, and the consolidation of our Southeast distribution network.

**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

| | June 28, 2025 | June 29, 2024 |
|--|--------------------|---------------|
| GAAP net income attributable to Central Garden & Pet Company | \$ 95,007 | \$ 79,724 |
| Facility closures & business exit | (1)(2)(3)(4) 3,915 | 11,115 |
| Tax effect of facility closures & business exit | (1,003) | (2,590) |
| Non-GAAP net income attributable to Central Garden & Pet Company | \$ 97,919 | \$ 88,249 |
| GAAP diluted net income per share | \$ 1.52 | \$ 1.19 |
| Non-GAAP diluted net income per share | \$ 1.56 | \$ 1.32 |
| Shares used in GAAP and non-GAAP diluted net earnings per share calculation | 62,610 | 66,945 |

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

Operating Income Reconciliation

| | June 28, 2025 | | |
|--|---------------|----------------------------------|------------|
| | GAAP | Facility closures ⁽¹⁾ | Non-GAAP |
| Net sales | \$ 960,913 | \$ — | \$ 960,913 |
| Cost of goods sold | 628,903 | 248 | 628,655 |
| Gross profit | \$ 332,010 | \$ (248) | \$ 332,258 |
| Selling, general and administrative expenses | 196,884 | 3,667 | 193,217 |
| Income from operations | \$ 135,126 | \$ (3,915) | \$ 139,041 |
| Gross margin | 34.6% | | 34.6% |
| Operating margin | 14.1% | | 14.5% |

Pet Segment Operating Income Reconciliation

| | June 28, 2025 | June 29, 2024 |
|--|---------------|---------------|
| GAAP operating income | \$ 76,199 | \$ 83,068 |
| Facility closures & business exit (1)(2) | 1,671 | — |
| Non-GAAP operating income | \$ 77,870 | \$ 83,068 |
| GAAP operating margin | 15.5% | 16.4% |
| Non-GAAP operating margin | 15.8% | 16.4% |

Garden Segment Operating Income Reconciliation

| | June 28, 2025 | June 29, 2024 |
|---|---------------|---------------|
| GAAP operating income | \$ 82,989 | \$ 62,519 |
| Facility closures & business exit (1)(3)(4) | 2,244 | 11,115 |
| Non-GAAP operating income | \$ 85,233 | \$ 73,634 |
| GAAP operating margin | 17.7% | 12.8% |
| Non-GAAP operating margin | 18.2% | 15.1% |

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

Adjusted EBITDA Reconciliation

| | June 28, 2025 | June 29, 2024 |
|---|---------------|---------------|
| Net income attributable to Central Garden & Pet Company | \$ 95,007 | \$ 79,724 |
| Interest expense, net | 8,843 | 10,216 |
| Other income | (1,069) | (225) |
| Income tax expense | 31,941 | 25,468 |
| Net income attributable to noncontrolling interest | 404 | 753 |
| Income from operations | 135,126 | 115,936 |
| Depreciation & amortization | 21,483 | 22,712 |
| Noncash stock-based compensation | 6,044 | 6,211 |
| Facility closures & business exit | (1) 3,915 | (3) 11,115 |
| Adjusted EBITDA | \$ 166,568 | \$ 155,974 |