

May 8, 2024



## Central Garden & Pet Announces Q2 Fiscal 2024 Financial Results

***Fiscal 2024 Q2 net sales of \$900 million compared to \$909 million a year ago***

***Fiscal 2024 Q2 GAAP EPS of \$0.93 vs. \$0.72 a year ago, Non-GAAP EPS of \$0.99***

***Maintains outlook for fiscal 2024 non-GAAP EPS of \$2.00 or better (\$2.50 or better before the February 2024 stock dividend)***

WALNUT CREEK, Calif.--(BUSINESS WIRE)-- Central Garden & Pet Company (NASDAQ: CENT) (NASDAQ: CENTA) ("Central"), a market leader in the Pet and Garden industries, today announced financial results for its fiscal 2024 second quarter ended March 30, 2024.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20240508389740/en/>

"We delivered a solid second quarter with earnings per share well ahead of prior year. We are particularly pleased with the progress on our Cost and Simplicity program," said Beth Springer, Interim CEO of Central Garden & Pet. "With a large part of the garden season still in front of us and some continuing external challenges, we are maintaining our outlook for the fiscal year. Importantly, our teams remain focused on executing our long-term strategy."

### **Fiscal 2024 Second Quarter Financial Results**

Net sales were \$900 million compared to \$909 million a year ago, a decrease of 1%. Organic net sales also decreased 1%.

Gross profit was \$279 million compared to \$260 million in the prior year. Non-GAAP gross profit was \$281 million. Gross margin increased 240 basis points to 31.0% compared to 28.6%. Non-GAAP gross margin was 31.3%. Both segments benefited from prior year projects made under Central's Cost and Simplicity program including the sale of the independent garden channel distribution business and exit of some private label pet bed product lines, as well as moderating inflation.

Operating income was \$93 million compared to \$78 million a year ago, an increase of 20%. On a non-GAAP basis, operating income was \$99 million. Operating margin increased 180 basis points to 10.4% compared to 8.6%. On a non-GAAP basis, operating margin was 11.0%. The increase was driven by improved gross margin.

Net interest expense was \$11 million compared to \$15 million a year ago driven by higher

interest income from higher cash balances and higher interest rates.

Net income was \$62 million compared to \$48 million a year ago, an increase of 29%. On a non-GAAP basis, net income was \$66 million. Earnings per share were \$0.93 compared to \$0.72, an increase of \$0.21. On a non-GAAP basis, earnings per share were \$0.99. Adjusted EBITDA was \$124 million compared to \$107 million a year ago.

The effective tax rate was 23.4% compared to 23.9% in the prior year.

### **Pet Segment Fiscal 2024 Second Quarter Results**

Net sales for the Pet segment were \$480 million compared to \$475 million in the prior year, an increase of 1% driven by growth in Consumables businesses and the recent TDBBS acquisition. Organic net sales decreased 3% excluding the impact of TDBBS.

Pet segment operating income was \$63 million compared to \$55 million a year ago, an increase of 13%. Operating margin increased 140 basis points to 13.0% compared to 11.6% driven by improved gross margin. Pet segment adjusted EBITDA was \$74 million compared to \$66 million in the prior year.

### **Garden Segment Fiscal 2024 Second Quarter Results**

Net sales for the Garden segment were \$420 million compared to \$434 million a year ago, a decrease of 3%. Organic net sales increased 2% excluding the impact of the sale of the independent garden channel distribution business. Growth in Live Plants, Grass Seed and Controls & Fertilizer more than offset lower sales in Wild Bird.

Garden segment operating income was \$57 million compared to \$50 million in the prior year, an increase of 15%. On a non-GAAP basis, operating income was \$62 million. Operating margin increased 220 basis point to 13.6% compared to 11.4%. On a non-GAAP basis, operating margin was 14.8%. The increase was driven by improved gross margin. Garden segment adjusted EBITDA was \$73 million compared to \$60 million a year ago.

### **Liquidity and Debt**

The cash balance at the end of the quarter was \$301 million compared to \$61 million a year ago, driven by a reduction in inventory due to converting inventory to cash over the last 12 months.

Cash used by operations during the quarter was \$25 million compared to \$34 million a year ago.

Total debt as of March 30, 2024, and March 25, 2023 was \$1.2 billion. The leverage ratio, as defined in Central's credit agreement, at the end of the second quarter was 2.9x compared to 3.3x at the end of the prior year quarter.

### **Cost and Simplicity Program**

Central continues to advance its multi-year Cost and Simplicity program consisting of a pipeline of projects across procurement, manufacturing, logistics, portfolio management and administrative costs to simplify its business and improve efficiency across the organization.

In the second quarter of fiscal 2024, Central initiated the closure of a manufacturing facility in Chico, CA, and began the Southeast consolidation of four distribution locations into one modern facility. As a result, Central incurred \$5.3 million of one-time costs, including \$2.5 million in cost of goods sold and \$2.8 million in selling, general and administrative costs, the majority of which were non-cash.

## **Fiscal 2024 Guidance**

Central continues to expect fiscal 2024 non-GAAP EPS to be \$2.00 or better (\$2.50 or better before the February 2024 stock dividend).

This outlook reflects uncertain consumer demand and retailer dynamics and an environment of macroeconomic and geopolitical volatility. It includes modest carryover pricing actions to help mitigate inflationary headwinds. This outlook excludes the impact of any acquisitions, divestitures or restructuring activities that may occur during fiscal 2024, including any projects under the Cost and Simplicity program and the recent TDBBS acquisition. Central expects fiscal 2024 capital spending to be approximately \$70 million.

## **Conference Call**

Central's senior management will hold a conference call today at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time) to discuss its fiscal 2024 second quarter results and provide a general business update. The conference call and related materials can be accessed at <http://ir.central.com>.

Alternatively, to listen to the call by telephone, dial (201) 689-8345 (domestic and international) using confirmation #13744528.

## **About Central Garden & Pet**

Central Garden & Pet Company (NASDAQ: CENT) (NASDAQ: CENTA) understands home is central to life and has proudly nurtured happy and healthy homes for over 40 years. With fiscal 2023 net sales of \$3.3 billion, Central is on a mission to lead the future of the Pet and Garden industries. The Company's innovative and trusted products are dedicated to helping lawns grow greener, gardens bloom bigger, pets live healthier, and communities grow stronger. Central is home to a leading portfolio of more than 65 high-quality brands including Amdro<sup>®</sup>, Aqueon<sup>®</sup>, Cadet<sup>®</sup>, Farnam<sup>®</sup>, Ferry-Morse<sup>®</sup>, Four Paws<sup>®</sup>, Kaytee<sup>®</sup>, K&H<sup>®</sup>, Nylabone<sup>®</sup> and Pennington<sup>®</sup>, strong manufacturing and distribution capabilities, and a passionate, entrepreneurial growth culture. Central is based in Walnut Creek, California, with 6,700 employees primarily across North America. Visit [www.central.com](http://www.central.com) to learn more.

## **Safe Harbor Statement**

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts, including statements concerning evolving consumer demand and unfavorable retailer dynamics, anticipated pricing actions, productivity initiatives and estimated capital spending, and earnings guidance for fiscal 2024, 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. All forward-looking statements are based upon

Central's current expectations and various assumptions. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this release including, but not limited to, the following factors:

- high inflation and interest rates, and other adverse macro-economic conditions;
- fluctuations in market prices for seeds and grains and other raw materials;
- our inability to pass through cost increases in a timely manner;
- our ability to recruit and retain new members of our management team and employees, including a Chief Executive Officer, to support our businesses;
- fluctuations in energy prices, fuel and related petrochemical costs;
- declines in consumer spending and increased inventory risk during economic downturns;
- reductions in demand for product categories that benefited from the COVID-19 pandemic;
- adverse weather conditions;
- the success of our Central to Home strategy and our Cost and Simplicity program;
- risks associated with our acquisition strategy, including our ability to successfully integrate acquisitions and the impact of purchase accounting on our financial results;
- material weaknesses relating to the internal controls of recently acquired companies;
- seasonality and fluctuations in our operating results and cash flow;
- supply shortages in pet birds, small animals and fish;
- dependence on a small number of customers for a significant portion of our business;
- consolidation trends in the retail industry;
- risks associated with new product introductions, including the risk that our new products will not produce sufficient sales to recoup our investment;
- competition in our industries;
- continuing implementation of an enterprise resource planning information technology system;
- potential environmental liabilities;
- risks associated with international sourcing;
- impacts of tariffs or a trade war;
- access to and cost of additional capital;
- potential goodwill or intangible asset impairment;
- our ability to remediate material weaknesses in our internal control over financial reporting;
- our dependence upon our key executives;
- our ability to protect our trademarks and other proprietary rights;
- litigation and product liability claims;
- regulatory issues;
- the impact of product recalls;
- potential costs and risks associated with actual or potential cyberattacks;
- potential dilution from issuance of authorized shares;
- the voting power associated with our Class B stock; and
- the impact of new accounting regulations and the possibility our effective tax rate will increase as a result of future changes in the corporate tax rate or other tax law changes.

These risks and others are described in Central'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. Central has not filed its Form 10-Q for the fiscal quarter ended March 30, 2024, so all financial results are preliminary and subject to change.

**CENTRAL GARDEN & PET COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts, unaudited)

|                                                                                                                                                           | March 30, 2024 | March 25, 2023 | September 30, 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|--------------------|
| <b>ASSETS</b>                                                                                                                                             |                |                |                    |
| Current assets:                                                                                                                                           |                |                |                    |
| Cash and cash equivalents                                                                                                                                 | \$ 301,332     | \$ 60,607      | \$ 488,730         |
| Restricted cash                                                                                                                                           | 14,197         | 13,475         | 14,143             |
| Accounts receivable (less allowance for credit losses and customer allowances of \$27,677, \$28,283 and \$25,797)                                         | 578,237        | 564,874        | 332,890            |
| Inventories, net                                                                                                                                          | 914,352        | 966,900        | 838,188            |
| Prepaid expenses and other                                                                                                                                | 42,501         | 48,019         | 33,172             |
| Total current assets                                                                                                                                      | 1,850,619      | 1,653,875      | 1,707,123          |
| Plant, property and equipment, net                                                                                                                        | 387,203        | 395,788        | 391,768            |
| Goodwill                                                                                                                                                  | 546,436        | 546,436        | 546,436            |
| Other intangible assets, net                                                                                                                              | 480,910        | 525,301        | 497,228            |
| Operating lease right-of-use assets                                                                                                                       | 170,849        | 174,435        | 173,540            |
| Other assets                                                                                                                                              | 104,002        | 54,963         | 62,553             |
| Total                                                                                                                                                     | \$ 3,540,019   | \$ 3,350,798   | \$ 3,378,648       |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                             |                |                |                    |
| Current liabilities:                                                                                                                                      |                |                |                    |
| Accounts payable                                                                                                                                          | \$ 237,310     | \$ 225,311     | \$ 190,902         |
| Accrued expenses                                                                                                                                          | 267,813        | 201,286        | 216,241            |
| Current lease liabilities                                                                                                                                 | 51,045         | 49,082         | 50,597             |
| Current portion of long-term debt                                                                                                                         | 322            | 270            | 247                |
| Total current liabilities                                                                                                                                 | 556,490        | 475,949        | 457,987            |
| Long-term debt                                                                                                                                            | 1,188,955      | 1,212,053      | 1,187,956          |
| Long-term lease liabilities                                                                                                                               | 134,723        | 135,695        | 135,621            |
| Deferred income taxes and other long-term obligations                                                                                                     | 147,683        | 154,854        | 144,271            |
| Equity:                                                                                                                                                   |                |                |                    |
| Common stock, \$0.01 par value: 11,077,612, 11,236,635 and 11,077,612 shares outstanding at March 30, 2024, March 25, 2023 and September 30, 2023         | 111            | 112            | 111                |
| Class A common stock, \$0.01 par value: 54,659,683, 54,822,098 and 54,472,902 shares outstanding at March 30, 2024, March 25, 2023 and September 30, 2023 | 547            | 548            | 544                |
| Class B stock, \$0.01 par value: 1,602,374 shares outstanding at March 30, 2024, March 25, 2023 and September 30, 2023                                    | 16             | 16             | 16                 |
| Additional paid-in capital                                                                                                                                | 592,136        | 587,243        | 594,282            |
| Retained earnings                                                                                                                                         | 920,803        | 786,776        | 859,370            |
| Accumulated other comprehensive loss                                                                                                                      | (2,825)        | (3,601)        | (2,970)            |
| Total Central Garden & Pet Company shareholders' equity                                                                                                   | 1,510,788      | 1,371,094      | 1,451,353          |
| Noncontrolling interest                                                                                                                                   | 1,379          | 1,153          | 1,460              |
| Total equity                                                                                                                                              | 1,512,167      | 1,372,247      | 1,452,813          |
| Total                                                                                                                                                     | \$ 3,540,018   | \$ 3,350,798   | \$ 3,378,648       |

**CENTRAL GARDEN & PET COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts, unaudited)

|                                                                          | Three Months Ended |                | Six Months Ended |                |
|--------------------------------------------------------------------------|--------------------|----------------|------------------|----------------|
|                                                                          | March 30, 2024     | March 25, 2023 | March 30, 2024   | March 25, 2023 |
| Net sales                                                                | \$ 900,090         | \$ 909,004     | \$ 1,534,623     | \$ 1,536,667   |
| Cost of goods sold                                                       | 621,210            | 649,366        | 1,076,898        | 1,105,330      |
| Gross profit                                                             | 278,880            | 259,638        | 457,725          | 431,337        |
| Selling, general and administrative expenses                             | 185,433            | 181,597        | 355,866          | 352,890        |
| Operating income                                                         | 93,447             | 78,041         | 101,859          | 78,447         |
| Interest expense                                                         | (14,376)           | (14,876)       | (28,692)         | (29,345)       |
| Interest income                                                          | 2,903              | 186            | 7,512            | 879            |
| Other (expense) income                                                   | (171)              | 595            | 822              | 2,294          |
| Income before income taxes and noncontrolling interest                   | 81,803             | 63,946         | 81,501           | 52,275         |
| Income tax expense                                                       | 19,134             | 15,268         | 18,265           | 12,446         |
| Income including noncontrolling interest                                 | 62,669             | 48,678         | 63,236           | 39,829         |
| Net income attributable to noncontrolling interest                       | 682                | 563            | 819              | 147            |
| Net income attributable to Central Garden & Pet Company                  | \$ 61,987          | \$ 48,115      | \$ 62,417        | \$ 39,682      |
| Net income per share attributable to Central Garden & Pet Company:       |                    |                |                  |                |
| Basic                                                                    | \$ 0.94            | \$ 0.73        | \$ 0.95          | \$ 0.61        |
| Diluted                                                                  | \$ 0.93            | \$ 0.72        | \$ 0.93          | \$ 0.59        |
| Weighted average shares used in the computation of net income per share: |                    |                |                  |                |
| Basic                                                                    | 65,638             | 65,554         | 65,526           | 65,576         |
| Diluted                                                                  | 66,831             | 66,918         | 66,815           | 66,900         |

**CENTRAL GARDEN & PET COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands, unaudited)

|                                                                               | Six Months Ended |                |
|-------------------------------------------------------------------------------|------------------|----------------|
|                                                                               | March 30, 2024   | March 25, 2023 |
| Cash flows from operating activities:                                         |                  |                |
| Net income                                                                    | \$ 63,236        | \$ 39,829      |
| Adjustments to reconcile net income to net cash used by operating activities: |                  |                |
| Depreciation and amortization                                                 | 45,357           | 43,801         |
| Amortization of deferred financing costs                                      | 1,340            | 1,349          |
| Non-cash lease expense                                                        | 25,753           | 25,369         |
| Stock-based compensation                                                      | 8,927            | 13,327         |
| Deferred income taxes                                                         | 2,673            | 7,486          |
| Other operating activities                                                    | 1,811            | 136            |
| Change in assets and liabilities (excluding businesses acquired):             |                  |                |
| Accounts receivable                                                           | (240,408)        | (187,745)      |
| Inventories                                                                   | (59,263)         | (27,152)       |
| Prepaid expenses and other assets                                             | (7,492)          | (3,868)        |
| Accounts payable                                                              | 41,475           | 15,421         |
| Accrued expenses                                                              | 46,785           | (462)          |
| Other long-term obligations                                                   | 673              | (21)           |
| Operating lease liabilities                                                   | (25,169)         | (24,542)       |
| Net cash used by operating activities                                         | (94,302)         | (97,072)       |
| Cash flows from investing activities:                                         |                  |                |
| Additions to plant, property and equipment                                    | (19,478)         | (30,228)       |
| Payments to acquire companies, net of cash acquired                           | (59,818)         | —              |
| Investments                                                                   | (850)            | (500)          |
| Other investing activities                                                    | (140)            | (100)          |
| Net cash used in investing activities                                         | (80,286)         | (30,828)       |
| Cash flows from financing activities:                                         |                  |                |
| Repayments of long-term debt                                                  | (159)            | (182)          |
| Borrowings under revolving line of credit                                     | —                | 48,000         |
| Repayments under revolving line of credit                                     | —                | (23,000)       |
| Repurchase of common stock, including shares surrendered for tax withholding  | (12,055)         | (16,165)       |
| Payment of contingent consideration liability                                 | (57)             | (12)           |
| Distribution to noncontrolling interest                                       | (900)            | —              |
| Net cash (used) provided by financing activities                              | (13,171)         | 8,641          |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 415              | 1,157          |
| Net decrease in cash, cash equivalents and restricted cash                    | (187,344)        | (118,102)      |
| Cash, cash equivalents and restricted cash at beginning of period             | 502,873          | 192,184        |
| Cash, cash equivalents and restricted cash at end of period                   | \$ 315,529       | \$ 74,082      |
| Supplemental information:                                                     |                  |                |
| Cash paid for interest                                                        | \$ 28,695        | \$ 29,343      |
| Cash paid for income taxes                                                    | \$ 13,775        | \$ 1,889       |
| New operating lease right of use assets                                       | \$ 24,652        | \$ 13,776      |

## 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, adjusted EBITDA and organic net sales. 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 one-time 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.

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

- Facility closures: we have excluded the impact of the closure of our garden controls manufacturing facility in Chico, California and the Southeast consolidation of our distribution facilities as they represent infrequent transactions that occur in limited circumstances that impact the comparability between operating periods. We believe the adjustment of closure and network optimization costs supplements the GAAP information with a measure that may be used to assess the sustainability of our operating performance.

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 information to investors and management.

(1) 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.

**Net Income and Diluted Net Income Per Share Reconciliation**

|                                                                             | GAAP to Non-GAAP Reconciliation<br>Three Months Ended |                | GAAP to Non-GAAP Reconciliation<br>Six Months Ended |                |
|-----------------------------------------------------------------------------|-------------------------------------------------------|----------------|-----------------------------------------------------|----------------|
|                                                                             | March 30, 2024                                        | March 25, 2023 | March 30, 2024                                      | March 25, 2023 |
| (in thousands, except per share amounts)                                    |                                                       |                |                                                     |                |
| GAAP net income attributable to Central Garden & Pet Company                | \$ 61,987                                             | \$ 48,115      | \$ 62,417                                           | \$ 39,682      |
| Facility closures                                                           | (1) 5,270                                             | —              | 5,270                                               | —              |
| Tax effect of facility closures                                             | (1,233)                                               | —              | (1,233)                                             | —              |
| Non-GAAP net income attributable to Central Garden & Pet Company            | \$ 66,024                                             | \$ 48,115      | \$ 66,454                                           | \$ 39,682      |
| GAAP diluted net income per share                                           | \$ 0.93                                               | \$ 0.72        | \$ 0.93                                             | \$ 0.59        |
| Non-GAAP diluted net income per share                                       | \$ 0.99                                               | \$ 0.72        | \$ 0.99                                             | \$ 0.59        |
| Shares used in GAAP and non-GAAP diluted net earnings per share calculation | 66,831                                                | 66,918         | 66,815                                              | 66,900         |

**Operating Income Reconciliation**

|                                              | GAAP to Non-GAAP Reconciliation   |                       |            |                                 |                       |              |
|----------------------------------------------|-----------------------------------|-----------------------|------------|---------------------------------|-----------------------|--------------|
|                                              | Three Months Ended March 30, 2024 |                       |            | Six Months Ended March 30, 2024 |                       |              |
|                                              | GAAP                              | Facility closures (1) | Non-GAAP   | GAAP                            | Facility closures (1) | Non-GAAP     |
| (in thousands)                               |                                   |                       |            |                                 |                       |              |
| Net sales                                    | \$ 900,090                        | \$ —                  | \$ 900,090 | \$ 1,534,623                    | \$ —                  | \$ 1,534,623 |
| Cost of goods sold and occupancy             | 621,210                           | 2,527                 | 618,683    | 1,076,898                       | 2,527                 | 1,074,371    |
| Gross profit                                 | \$ 278,880                        | \$ (2,527)            | \$ 281,407 | \$ 457,725                      | \$ (2,527)            | \$ 460,252   |
| Selling, general and administrative expenses | 185,433                           | 2,743                 | 182,690    | 355,866                         | 2,743                 | 353,123      |
| Income from operations                       | \$ 93,447                         | \$ (5,270)            | \$ 98,717  | \$ 101,859                      | \$ (5,270)            | \$ 107,129   |

**Garden Segment Operating Income Reconciliation**

|                           | GAAP to Non-GAAP Reconciliation<br>Three Months Ended |                | GAAP to Non-GAAP Reconciliation<br>Six Months Ended |                |
|---------------------------|-------------------------------------------------------|----------------|-----------------------------------------------------|----------------|
|                           | March 30, 2024                                        | March 25, 2023 | March 30, 2024                                      | March 25, 2023 |
| (in thousands)            |                                                       |                |                                                     |                |
| GAAP operating income     | \$ 57,066                                             | \$ 49,619      | \$ 48,180                                           | \$ 38,799      |
| Facility closures         | (1) 5,270                                             | —              | 5,270                                               | —              |
| Non-GAAP operating income | \$ 62,336                                             | \$ 49,619      | \$ 53,450                                           | \$ 38,799      |
| GAAP operating margin     | 13.6%                                                 | 11.4%          | 7.5%                                                | 6.0%           |
| Non-GAAP operating margin | 14.8%                                                 | 11.4%          | 8.3%                                                | 6.0%           |

**Organic Net Sales Reconciliation**

|               | GAAP to Non-GAAP Reconciliation   |                                                    |                   |                                 |                                                    |                   |
|---------------|-----------------------------------|----------------------------------------------------|-------------------|---------------------------------|----------------------------------------------------|-------------------|
|               | Three Months Ended March 30, 2024 |                                                    |                   | Six Months Ended March 30, 2024 |                                                    |                   |
|               | Net sales (GAAP)                  | Effect of acquisitions & divestitures on net sales | Net sales organic | Net sales (GAAP)                | Effect of acquisitions & divestitures on net sales | Net sales organic |
| (in millions) |                                   |                                                    |                   |                                 |                                                    |                   |
| Q2 FY 24      | \$ 900.1                          | \$ 19.3                                            | \$ 880.8          | \$ 1,534.6                      | \$ 32.5                                            | \$ 1,502.1        |
| Q2 FY 23      | 909.0                             | 21.9                                               | 887.1             | 1,536.7                         | 31.5                                               | 1,505.2           |
| \$ decrease   | \$ (8.9)                          |                                                    | \$ (6.3)          | \$ (2.1)                        |                                                    | \$ (3.1)          |
| % decrease    | (1.0)%                            |                                                    | (0.7)%            | (0.1)%                          |                                                    | (0.2)%            |

**Organic Pet Segment Net Sales  
Reconciliation**

|                        | GAAP to Non-GAAP Reconciliation   |                                                                |                      |                                 |                                                                |                      |
|------------------------|-----------------------------------|----------------------------------------------------------------|----------------------|---------------------------------|----------------------------------------------------------------|----------------------|
|                        | Three Months Ended March 30, 2024 |                                                                |                      | Six Months Ended March 30, 2024 |                                                                |                      |
|                        | Net sales<br>(GAAP)               | Effect of<br>acquisitions<br>&<br>divestitures<br>on net sales | Net sales<br>organic | Net sales<br>(GAAP)             | Effect of<br>acquisitions<br>&<br>divestitures<br>on net sales | Net sales<br>organic |
|                        | (in millions)                     |                                                                |                      |                                 |                                                                |                      |
| Q2 FY 24               | \$ 480.2                          | \$ 19.3                                                        | \$ 460.9             | \$ 889.4                        | \$ 32.5                                                        | \$ 856.9             |
| Q2 FY 23               | 475.2                             | —                                                              | 475.2                | 891.0                           | —                                                              | 891.0                |
| \$ increase (decrease) | \$ 5.0                            |                                                                | \$ (14.3)            | \$ (1.6)                        |                                                                | \$ (34.1)            |
| % increase (decrease)  | 1.1%                              |                                                                | (3.0)%               | (0.2)%                          |                                                                | (3.8)%               |

**Organic Garden Segment Net Sales  
Reconciliation**

|                        | GAAP to Non-GAAP Reconciliation   |                                                                |                      |                                 |                                                                |                      |
|------------------------|-----------------------------------|----------------------------------------------------------------|----------------------|---------------------------------|----------------------------------------------------------------|----------------------|
|                        | Three Months Ended March 30, 2024 |                                                                |                      | Six Months Ended March 30, 2024 |                                                                |                      |
|                        | Net sales<br>(GAAP)               | Effect of<br>acquisitions<br>&<br>divestitures<br>on net sales | Net sales<br>organic | Net sales<br>(GAAP)             | Effect of<br>acquisitions<br>&<br>divestitures<br>on net sales | Net sales<br>organic |
|                        | (in millions)                     |                                                                |                      |                                 |                                                                |                      |
| Q2 FY 24               | \$ 419.9                          | \$ —                                                           | \$ 419.9             | \$ 645.2                        | \$ —                                                           | \$ 645.2             |
| Q2 FY 23               | 433.8                             | 21.9                                                           | 411.9                | 645.7                           | 31.5                                                           | 614.2                |
| \$ increase (decrease) | \$ (13.9)                         |                                                                | \$ 8.0               | \$ (0.5)                        |                                                                | \$ 31.0              |
| % increase (decrease)  | (3.2)%                            |                                                                | 1.9%                 | (0.1)%                          |                                                                | 5.0%                 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation   |           |             |            |
|---------------------------------------------------------|-----------------------------------|-----------|-------------|------------|
|                                                         | Three Months Ended March 30, 2024 |           |             |            |
|                                                         | Pet                               | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                    |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                              | \$ —      | \$ —        | \$ 61,987  |
| Interest expense, net                                   | —                                 | —         | —           | 11,473     |
| Other expense                                           | —                                 | —         | —           | 171        |
| Income tax expense                                      | —                                 | —         | —           | 19,134     |
| Net income attributable to noncontrolling interest      | —                                 | —         | —           | 682        |
| Income (loss) from operations                           | \$ 62,659                         | \$ 57,066 | \$ (26,278) | \$ 93,447  |
| Depreciation & amortization                             | 11,124                            | 11,014    | 674         | 22,812     |
| Noncash stock-based compensation                        | —                                 | —         | 2,907       | 2,907      |
| Facility closures                                       | (1)                               | 5,270     | —           | 5,270      |
| Adjusted EBITDA                                         | \$ 73,783                         | \$ 73,350 | \$ (22,697) | \$ 124,436 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation   |           |             |            |
|---------------------------------------------------------|-----------------------------------|-----------|-------------|------------|
|                                                         | Three Months Ended March 25, 2023 |           |             |            |
|                                                         | Pet                               | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                    |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                              | \$ —      | \$ —        | \$ 48,115  |
| Interest expense, net                                   | —                                 | —         | —           | 14,690     |
| Other income                                            | —                                 | —         | —           | (595)      |
| Income tax expense                                      | —                                 | —         | —           | 15,268     |
| Net income attributable to noncontrolling interest      | —                                 | —         | —           | 563        |
| Income (loss) from operations                           | \$ 55,255                         | \$ 49,619 | \$ (26,833) | \$ 78,041  |
| Depreciation & amortization                             | 10,474                            | 10,818    | 817         | 22,109     |
| Noncash stock-based compensation                        | —                                 | —         | 6,750       | 6,750      |
| Adjusted EBITDA                                         | \$ 65,729                         | \$ 60,437 | \$ (19,266) | \$ 106,900 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation |           |             |            |
|---------------------------------------------------------|---------------------------------|-----------|-------------|------------|
|                                                         | Six Months Ended March 30, 2024 |           |             |            |
|                                                         | Pet                             | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                  |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                            | \$ —      | \$ —        | \$ 62,417  |
| Interest expense, net                                   | —                               | —         | —           | 21,180     |
| Other income                                            | —                               | —         | —           | (822)      |
| Income tax expense                                      | —                               | —         | —           | 18,265     |
| Net income attributable to noncontrolling interest      | —                               | —         | —           | 819        |
| Income (loss) from operations                           | \$ 106,047                      | \$ 48,180 | \$ (52,368) | \$ 101,859 |
| Depreciation & amortization                             | 21,922                          | 22,020    | 1,415       | 45,357     |
| Noncash stock-based compensation                        | —                               | —         | 8,927       | 8,927      |
| Facility closures (1)                                   | —                               | 5,270     | —           | 5,270      |
| Adjusted EBITDA                                         | \$ 127,969                      | \$ 75,470 | \$ (42,026) | \$ 161,413 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation |           |             |            |
|---------------------------------------------------------|---------------------------------|-----------|-------------|------------|
|                                                         | Six Months Ended March 25, 2023 |           |             |            |
|                                                         | Pet                             | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                  |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                            | \$ —      | \$ —        | \$ 39,682  |
| Interest expense, net                                   | —                               | —         | —           | 28,466     |
| Other income                                            | —                               | —         | —           | (2,294)    |
| Income tax expense                                      | —                               | —         | —           | 12,446     |
| Net income attributable to noncontrolling interest      | —                               | —         | —           | 147        |
| Income (loss) from operations                           | \$ 94,810                       | \$ 38,799 | \$ (55,162) | \$ 78,447  |
| Depreciation & amortization                             | 20,586                          | 21,660    | 1,555       | 43,801     |
| Noncash stock-based compensation                        | —                               | —         | 13,327      | 13,327     |
| Adjusted EBITDA                                         | \$ 115,396                      | \$ 60,459 | \$ (40,280) | \$ 135,575 |

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