

August 7, 2024



## Central Garden & Pet Announces Q3 Fiscal 2024 Financial Results

***Fiscal 2024 Q3 net sales of \$996 million compared to \$1,023 million a year ago***

***Fiscal 2024 Q3 GAAP EPS of \$1.19 vs. \$1.25 a year ago, Non-GAAP EPS of \$1.32 vs. \$1.40 a year ago***

***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 third quarter ended June 29, 2024.

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

<https://www.businesswire.com/news/home/20240807439810/en/>

"We delivered a solid third quarter earnings performance, recognizing that we had a record third quarter in 2023," said Beth Springer, Interim CEO. "Our Cost and Simplicity program continues to prove effective as evidenced in our improved gross margins. Looking ahead, we remain committed to our long-term Central to Home strategy."

### **Fiscal 2024 Third Quarter Financial Results**

Net sales were \$996 million compared to \$1,023 million a year ago, a decrease of 3%. Organic net sales also decreased 3%.

Gross profit was \$317 million compared to \$318 million a year ago. Non-GAAP gross profit of \$326 million was in line with the prior year. Gross margin expanded by 70 basis points to 31.8%. On a non-GAAP basis, gross margin expanded by 80 basis points to 32.7% driven by Central's Cost and Simplicity program and moderating inflation.

Operating income was \$116 million compared to \$123 million a year ago, a decrease of 6%. Non-GAAP operating income was \$127 million compared to \$137 million in the prior year. Operating margin was 11.6% compared to 12.0% a year ago. On a non-GAAP basis, operating margin was 12.8% compared to 13.4% in the prior year.

Net interest expense was \$10 million compared to \$13 million a year ago.

Net income was \$80 million compared to \$83 million in the prior year, a decrease of 4%.

Non-GAAP net income was \$88 million compared to \$94 million a year ago. Earnings per share were \$1.19 compared to \$1.25 in the prior year, a decrease of \$0.06. Non-GAAP earnings per share were \$1.32 compared to \$1.40 a year ago. Adjusted EBITDA was \$156 million compared to \$166 million a year ago.

The effective tax rate was 24.0% compared to 24.4% in the prior year.

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

Net sales for the Pet segment were \$508 million compared to \$503 million in the prior year, an increase of 1% driven by the recent TDBBS acquisition and growth in consumable pet products. Organic net sales decreased 2% excluding the impact of TDBBS.

Pet segment operating income was \$83 million compared to \$60 million a year ago, an increase of 39%. Operating margin expanded by 450 basis points to 16.4% compared to 11.9% driven by improved gross margin. Pet segment adjusted EBITDA was \$94 million compared to \$84 million in the prior year.

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

Net sales for the Garden segment were \$488 million compared to \$520 million a year ago, a decrease of 6%. Organic net sales decreased 4% excluding the impact of the sale of the independent garden channel distribution business.

Garden segment operating income was \$63 million compared to \$88 million in the prior year, a decrease of 29%. Non-GAAP operating income was \$74 million. Operating margin contracted 410 basis points to 12.8% compared to 16.9%. On a non-GAAP basis, operating margin contracted 180 basis points to 15.1% driven by lower sell through in live plants. Garden segment adjusted EBITDA was \$85 million compared to \$99 million a year ago.

### **Liquidity and Debt**

The cash balance at the end of the quarter was \$570 million compared to \$333 million a year ago driven by earnings and inventory reduction efforts over the last 12 months.

Cash provided by operations during the quarter was \$286 million compared to \$325 million a year ago.

Total debt as of June 29, 2024, and June 24, 2023 was \$1.2 billion. The gross leverage ratio, as defined in Central's credit agreement, at the end of the third quarter was 3.0x compared to 3.1x 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 third quarter of fiscal 2024, Central began winding down its pottery business.

As a result of Cost and Simplicity projects, Central incurred \$11.1 million of one-time costs

largely related to the pottery exit, including \$8.6 million in cost of goods sold and \$2.5 million in selling, general and administrative costs, the majority of which was 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) despite currently anticipating a one-time charge in the range of \$15-20 million in the fourth quarter. Given the recent significant decrease in market prices for grass seed, Central determined in August 2024 it will be necessary to write down the value of its grass seed inventory.

This outlook reflects uncertain consumer demand and retailer dynamics and an environment of macroeconomic and geopolitical volatility. It excludes the impact of any restructuring activities that may occur during the fourth quarter of fiscal 2024, including projects under the Cost and Simplicity program or other one-time non-recurring charges. Central now expects fiscal 2024 capital spending to be approximately \$60 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 third 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 #13746730.

## **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, the carryover impact from pricing actions, productivity initiatives and estimated capital spending, anticipated inventory write-down, 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 actual results to differ materially from the forward-looking statements contained in this release including, but not limited to, the following factors:

- impact of inflation and interest rates, and other adverse macro-economic conditions;
- fluctuations in market prices for seeds and grains and other raw materials, including the impact of the recent significant decline in grass seed market prices on our inventory valuation;
- our inability to pass through cost increases in a timely manner;
- our ability to recruit and retain 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 June 29, 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)

|                                                                                                                                                         | June 29, 2024       | June 24, 2023       | September 30, 2023  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                                                                                           |                     |                     |                     |
| Current assets:                                                                                                                                         |                     |                     |                     |
| Cash and cash equivalents                                                                                                                               | \$ 570,398          | \$ 333,139          | \$ 488,730          |
| Restricted cash                                                                                                                                         | 13,980              | 13,542              | 14,143              |
| Accounts receivable (less allowance for credit losses and customer allowances of \$24,838, \$29,245 and \$25,797)                                       | 507,524             | 492,850             | 332,890             |
| Inventories, net                                                                                                                                        | 784,775             | 865,496             | 838,188             |
| Prepaid expenses and other                                                                                                                              | 33,493              | 36,655              | 33,172              |
| Total current assets                                                                                                                                    | 1,910,170           | 1,741,682           | 1,707,123           |
| Plant, property and equipment, net                                                                                                                      | 384,373             | 392,332             | 391,768             |
| Goodwill                                                                                                                                                | 546,436             | 546,436             | 546,436             |
| Other intangible assets, net                                                                                                                            | 472,854             | 512,175             | 497,228             |
| Operating lease right-of-use assets                                                                                                                     | 188,506             | 172,379             | 173,540             |
| Other assets                                                                                                                                            | 105,539             | 54,943              | 62,553              |
| Total                                                                                                                                                   | <u>\$ 3,607,878</u> | <u>\$ 3,419,947</u> | <u>\$ 3,378,648</u> |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                           |                     |                     |                     |
| Current liabilities:                                                                                                                                    |                     |                     |                     |
| Accounts payable                                                                                                                                        | \$ 191,041          | \$ 198,406          | \$ 190,902          |
| Accrued expenses                                                                                                                                        | 276,751             | 247,517             | 216,241             |
| Current lease liabilities                                                                                                                               | 53,363              | 50,209              | 50,597              |
| Current portion of long-term debt                                                                                                                       | 290                 | 255                 | 247                 |
| Total current liabilities                                                                                                                               | 521,445             | 496,387             | 457,987             |
| Long-term debt                                                                                                                                          | 1,189,366           | 1,187,498           | 1,187,956           |
| Long-term lease liabilities                                                                                                                             | 151,038             | 132,419             | 135,621             |
| Deferred income taxes and other long-term obligations                                                                                                   | 150,249             | 156,537             | 144,271             |
| Equity:                                                                                                                                                 |                     |                     |                     |
| Common stock, \$0.01 par value: 11,077,612, 11,098,584 and 11,077,612 shares outstanding at June 29, 2024, June 24, 2023 and September 30, 2023         | 111                 | 111                 | 111                 |
| Class A common stock, \$0.01 par value: 54,719,533, 54,408,159 and 54,472,902 shares outstanding at June 29, 2024, June 24, 2023 and September 30, 2023 | 547                 | 544                 | 544                 |
| Class B stock, \$0.01 par value: 1,602,374 shares outstanding at June 29, 2024, June 24, 2023 and September 30, 2023                                    | 16                  | 16                  | 16                  |
| Additional paid-in capital                                                                                                                              | 595,646             | 588,597             | 594,282             |
| Retained earnings                                                                                                                                       | 1,000,527           | 858,217             | 859,370             |
| Accumulated other comprehensive loss                                                                                                                    | (3,199)             | (1,955)             | (2,970)             |
| Total Central Garden & Pet Company shareholders' equity                                                                                                 | 1,593,648           | 1,445,530           | 1,451,353           |
| Noncontrolling interest                                                                                                                                 | 2,132               | 1,576               | 1,460               |
| Total equity                                                                                                                                            | 1,595,780           | 1,447,106           | 1,452,813           |
| Total                                                                                                                                                   | <u>\$ 3,607,878</u> | <u>\$ 3,419,947</u> | <u>\$ 3,378,648</u> |

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

|                                                                          | Three Months Ended |               | Nine Months Ended |               |
|--------------------------------------------------------------------------|--------------------|---------------|-------------------|---------------|
|                                                                          | June 29, 2024      | June 24, 2023 | June 29, 2024     | June 24, 2023 |
| Net sales                                                                | \$ 996,348         | \$ 1,023,269  | \$ 2,530,971      | \$ 2,559,936  |
| Cost of goods sold                                                       | 679,290            | 705,217       | 1,756,188         | 1,810,547     |
| Gross profit                                                             | 317,058            | 318,052       | 774,783           | 749,389       |
| Selling, general and administrative expenses                             | 201,122            | 195,222       | 556,988           | 548,112       |
| Operating income                                                         | 115,936            | 122,830       | 217,795           | 201,277       |
| Interest expense                                                         | (14,720)           | (14,542)      | (43,412)          | (43,887)      |
| Interest income                                                          | 4,504              | 1,408         | 12,016            | 2,287         |
| Other income                                                             | 225                | 853           | 1,047             | 3,147         |
| Income before income taxes and noncontrolling interest                   | 105,945            | 110,549       | 187,446           | 162,824       |
| Income tax expense                                                       | 25,468             | 27,000        | 43,733            | 39,446        |
| Income including noncontrolling interest                                 | 80,477             | 83,549        | 143,713           | 123,378       |
| Net income attributable to noncontrolling interest                       | 753                | 423           | 1,572             | 570           |
| Net income attributable to Central Garden & Pet Company                  | \$ 79,724          | \$ 83,126     | \$ 142,141        | \$ 122,808    |
| Net income per share attributable to Central Garden & Pet Company:       |                    |               |                   |               |
| Basic                                                                    | \$ 1.21            | \$ 1.27       | \$ 2.17           | \$ 1.87       |
| Diluted                                                                  | \$ 1.19            | \$ 1.25       | \$ 2.13           | \$ 1.84       |
| Weighted average shares used in the computation of net income per share: |                    |               |                   |               |
| Basic                                                                    | 65,850             | 65,580        | 65,636            | 65,577        |
| Diluted                                                                  | 66,945             | 66,725        | 66,848            | 66,832        |

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

|                                                                               | <b>Nine Months Ended</b> |                      |
|-------------------------------------------------------------------------------|--------------------------|----------------------|
|                                                                               | <b>June 29, 2024</b>     | <b>June 24, 2023</b> |
| Cash flows from operating activities:                                         |                          |                      |
| Net income                                                                    | \$ 143,713               | \$ 123,378           |
| Adjustments to reconcile net income to net cash used by operating activities: |                          |                      |
| Depreciation and amortization                                                 | 68,069                   | 65,504               |
| Amortization of deferred financing costs                                      | 2,013                    | 2,023                |
| Non-cash lease expense                                                        | 39,183                   | 38,180               |
| Stock-based compensation                                                      | 15,138                   | 20,632               |
| Deferred income taxes                                                         | 3,622                    | 9,125                |
| Facility closures and business exit costs                                     | 16,385                   | 13,923               |
| Other operating activities                                                    | 3,531                    | (450)                |
| Change in assets and liabilities (excluding businesses acquired):             |                          |                      |
| Accounts receivable                                                           | (169,867)                | (115,358)            |
| Inventories                                                                   | 58,705                   | 69,610               |
| Prepaid expenses and other assets                                             | (383)                    | 6,530                |
| Accounts payable                                                              | (2,968)                  | (12,248)             |
| Accrued expenses                                                              | 51,213                   | 44,221               |
| Other long-term obligations                                                   | 2,352                    | (55)                 |
| Operating lease liabilities                                                   | (38,902)                 | (37,449)             |
| Net cash provided by operating activities                                     | 191,804                  | 227,566              |
| Cash flows from investing activities:                                         |                          |                      |
| Additions to plant, property and equipment                                    | (33,096)                 | (40,850)             |
| Payments to acquire companies, net of cash acquired                           | (59,818)                 | —                    |
| Investments                                                                   | (1,500)                  | (500)                |
| Other investing activities                                                    | (175)                    | (100)                |
| Net cash used in investing activities                                         | (94,589)                 | (41,450)             |
| Cash flows from financing activities:                                         |                          |                      |
| Repayments of long-term debt                                                  | (289)                    | (223)                |
| Borrowings under revolving line of credit                                     | —                        | 48,000               |
| Repayments under revolving line of credit                                     | —                        | (48,000)             |
| Repurchase of common stock, including shares surrendered for tax withholding  | (14,755)                 | (33,409)             |
| Payment of contingent consideration liability                                 | (63)                     | (33)                 |
| Distribution to noncontrolling interest                                       | (900)                    | —                    |
| Net cash used by financing activities                                         | (16,007)                 | (33,665)             |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 297                      | 2,046                |
| Net increase in cash, cash equivalents and restricted cash                    | 81,505                   | 154,497              |
| Cash, cash equivalents and restricted cash at beginning of period             | 502,873                  | 192,184              |
| Cash, cash equivalents and restricted cash at end of period                   | <u>\$ 584,378</u>        | <u>\$ 346,681</u>    |
| Supplemental information:                                                     |                          |                      |
| Cash paid for interest                                                        | <u>\$ 48,853</u>         | <u>\$ 49,419</u>     |
| Cash paid for income taxes                                                    | <u>\$ 38,027</u>         | <u>\$ 5,363</u>      |
| New operating lease right of use assets                                       | <u>\$ 56,849</u>         | <u>\$ 25,424</u>     |

## 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 and business exit: we have excluded the charges related to our decision to exit the pottery business and the closure of distribution and manufacturing facilities as they represent infrequent transactions that impact the comparability between operating periods. They exclude the impact of the expenditures related to the Cost and Simplicity program we have embarked on to improve our future operations. 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.

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 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.
2. 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.
3. During the third quarter of fiscal 2023, we recognized incremental expense of \$13.9 million in the consolidated statement of operations, from the closure of a leased manufacturing and distribution pet bedding facility in Athens, Texas.

| Net Income and Diluted Net Income Per Share Reconciliation                  | GAAP to Non-GAAP<br>Reconciliation<br>Three Months Ended |                  | GAAP to Non-GAAP<br>Reconciliation<br>Nine Months Ended |                  |
|-----------------------------------------------------------------------------|----------------------------------------------------------|------------------|---------------------------------------------------------|------------------|
|                                                                             | June 29,<br>2024                                         | June 24,<br>2023 | June 29,<br>2024                                        | June 24,<br>2023 |
| (in thousands, except per share amounts)                                    |                                                          |                  |                                                         |                  |
| GAAP net income attributable to Central Garden & Pet Company                | \$ 79,724                                                | \$ 83,126        | \$142,141                                               | \$122,808        |
| Facility closures & business exit                                           | (1) 11,115                                               | (3) 13,921       | (1) (2) 16,385                                          | (3) 13,921       |
| Tax effect of facility closures & business exit                             | (2,590)                                                  | (3,373)          | (3,823)                                                 | (3,373)          |
| Non-GAAP net income attributable to Central Garden & Pet Company            | \$ 88,249                                                | \$ 93,674        | \$154,703                                               | \$133,356        |
| GAAP diluted net income per share                                           | \$ 1.19                                                  | \$ 1.25          | \$ 2.13                                                 | \$ 1.84          |
| Non-GAAP diluted net income per share                                       | \$ 1.32                                                  | \$ 1.40          | \$ 2.31                                                 | \$ 2.00          |
| Shares used in GAAP and non-GAAP diluted net earnings per share calculation | 66,945                                                   | 66,725           | 66,848                                                  | 66,832           |

#### Operating Income Reconciliation

|                                              | GAAP to Non-GAAP Reconciliation                             |             |            |                                                             |             |              |
|----------------------------------------------|-------------------------------------------------------------|-------------|------------|-------------------------------------------------------------|-------------|--------------|
|                                              | Three Months Ended June 29, 2024                            |             |            | Nine Months Ended June 29, 2024                             |             |              |
|                                              | Facility<br>Closure<br>& Business<br>Exit <sup>(1)(2)</sup> |             |            | Facility<br>Closure<br>& Business<br>Exit <sup>(1)(2)</sup> |             |              |
|                                              | GAAP                                                        | Non-GAAP    |            | GAAP                                                        | Non-GAAP    |              |
| (in thousands)                               |                                                             |             |            |                                                             |             |              |
| Net sales                                    | \$ 996,348                                                  | \$ —        | \$ 996,348 | \$ 2,530,971                                                | \$ —        | \$ 2,530,971 |
| Cost of goods sold and occupancy             | 679,290                                                     | 8,613       | 670,677    | 1,756,188                                                   | 11,140      | 1,745,048    |
| Gross profit                                 | \$ 317,058                                                  | \$ (8,613)  | \$ 325,671 | \$ 774,783                                                  | \$ (11,140) | \$ 785,923   |
| Selling, general and administrative expenses | 201,122                                                     | 2,502       | 198,620    | 556,988                                                     | 5,245       | 551,743      |
| Income from operations                       | \$ 115,936                                                  | \$ (11,115) | \$ 127,051 | \$ 217,795                                                  | \$ (16,385) | \$ 234,180   |

#### Operating Income Reconciliation

|                                              | GAAP to Non-GAAP Reconciliation    |             |              |                                    |             |              |
|----------------------------------------------|------------------------------------|-------------|--------------|------------------------------------|-------------|--------------|
|                                              | Three Months Ended June 24, 2023   |             |              | Nine Months Ended June 24, 2023    |             |              |
|                                              | Facility<br>closure <sup>(3)</sup> |             |              | Facility<br>closure <sup>(3)</sup> |             |              |
|                                              | GAAP                               | Non-GAAP    |              | GAAP                               | Non-GAAP    |              |
| (in thousands)                               |                                    |             |              |                                    |             |              |
| Net sales                                    | \$ 1,023,269                       | \$ —        | \$ 1,023,269 | \$ 2,559,936                       | \$ —        | \$ 2,559,936 |
| Cost of goods sold and occupancy             | 705,217                            | 8,010       | 697,207      | 1,810,547                          | 8,010       | 1,802,537    |
| Gross profit                                 | \$ 318,052                         | \$ (8,010)  | \$ 326,062   | \$ 749,389                         | \$ (8,010)  | \$ 757,399   |
| Selling, general and administrative expenses | 195,222                            | 5,911       | 189,311      | 548,112                            | 5,911       | 542,201      |
| Income from operations                       | \$ 122,830                         | \$ (13,921) | \$ 136,751   | \$ 201,277                         | \$ (13,921) | \$ 215,198   |

| Pet Segment Operating Income Reconciliation | GAAP to Non-GAAP<br>Reconciliation<br>Three Months Ended |                  | GAAP to Non-GAAP<br>Reconciliation<br>Nine Months Ended |                  |
|---------------------------------------------|----------------------------------------------------------|------------------|---------------------------------------------------------|------------------|
|                                             | June 29,<br>2024                                         | June 24,<br>2023 | June 29,<br>2024                                        | June 24,<br>2023 |
| (in thousands)                              |                                                          |                  |                                                         |                  |
| GAAP operating income                       | \$ 83,068                                                | \$ 59,969        | \$ 189,115                                              | \$ 154,779       |
| Facility closure                            | (3) —                                                    | 13,921           | —                                                       | 13,921           |
| Non-GAAP operating income                   | \$ 83,068                                                | \$ 73,890        | \$ 189,115                                              | \$ 168,700       |
| GAAP operating margin                       | 16.4%                                                    | 11.9%            | 13.5%                                                   | 11.1%            |
| Non-GAAP operating margin                   | 16.4%                                                    | 14.7%            | 13.5%                                                   | 12.1%            |

| Garden Segment Operating Income Reconciliation | GAAP to Non-GAAP<br>Reconciliation<br>Three Months Ended |                  | GAAP to Non-GAAP<br>Reconciliation<br>Nine Months Ended |                  |
|------------------------------------------------|----------------------------------------------------------|------------------|---------------------------------------------------------|------------------|
|                                                | June 29,<br>2024                                         | June 24,<br>2023 | June 29,<br>2024                                        | June 24,<br>2023 |
|                                                | (in thousands)                                           |                  |                                                         |                  |
| GAAP operating income                          | \$ 62,519                                                | \$ 88,088        | \$ 110,699                                              | \$ 126,887       |
| Facility closure & business exit               | (1) 11,115                                               | —                | (1) (2) 16,385                                          | —                |
| Non-GAAP operating income                      | \$ 73,634                                                | \$ 88,088        | \$ 127,084                                              | \$ 126,887       |
| GAAP operating margin                          | 12.8%                                                    | 16.9%            | 9.8%                                                    | 10.9%            |
| Non-GAAP operating margin                      | 15.1%                                                    | 16.9%            | 11.2%                                                   | 10.9%            |

#### Organic Net Sales Reconciliation

|             | GAAP to Non-GAAP Reconciliation                                   |                      |           |                                                                   |                      |            |
|-------------|-------------------------------------------------------------------|----------------------|-----------|-------------------------------------------------------------------|----------------------|------------|
|             | Three Months Ended June 29, 2024                                  |                      |           | Nine Months Ended June 29, 2024                                   |                      |            |
|             | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |           | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |            |
|             | Net sales<br>(GAAP)                                               | Net sales<br>organic |           | Net sales<br>(GAAP)                                               | Net sales<br>organic |            |
|             | (in millions)                                                     |                      |           |                                                                   |                      |            |
| Q3 FY 24    | \$ 996.3                                                          | \$ 15.8              | \$ 980.5  | \$ 2,531.0                                                        | \$ 48.4              | \$ 2,482.6 |
| Q3 FY 23    | 1,023.3                                                           | 13.0                 | 1,010.3   | 2,559.9                                                           | 44.4                 | 2,515.5    |
| \$ decrease | \$ (27.0)                                                         |                      | \$ (29.8) | \$ (28.9)                                                         |                      | \$ (32.9)  |
| % decrease  | (2.6)%                                                            |                      | (2.9)%    | (1.1)%                                                            |                      | (1.3)%     |

#### Organic Pet Segment Net Sales Reconciliation

|                        | GAAP to Non-GAAP Reconciliation                                   |                      |           |                                                                   |                      |            |
|------------------------|-------------------------------------------------------------------|----------------------|-----------|-------------------------------------------------------------------|----------------------|------------|
|                        | Three Months Ended June 29, 2024                                  |                      |           | Nine Months Ended June 29, 2024                                   |                      |            |
|                        | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |           | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |            |
|                        | Net sales<br>(GAAP)                                               | Net sales<br>organic |           | Net sales<br>(GAAP)                                               | Net sales<br>organic |            |
|                        | (in millions)                                                     |                      |           |                                                                   |                      |            |
| Q3 FY 24               | \$ 508.0                                                          | \$ 15.8              | \$ 492.2  | \$ 1,397.5                                                        | \$ 48.4              | \$ 1,349.1 |
| Q3 FY 23               | 503.3                                                             | —                    | 503.3     | 1,394.3                                                           | —                    | 1,394.3    |
| \$ increase (decrease) | \$ 4.7                                                            |                      | \$ (11.1) | \$ 3.2                                                            |                      | \$ (45.2)  |
| % increase (decrease)  | 0.9%                                                              |                      | (2.2)%    | 0.2%                                                              |                      | (3.2)%     |

#### Organic Garden Segment Net Sales Reconciliation

|                        | GAAP to Non-GAAP Reconciliation                                   |                      |           |                                                                   |                      |            |
|------------------------|-------------------------------------------------------------------|----------------------|-----------|-------------------------------------------------------------------|----------------------|------------|
|                        | Three Months Ended June 29, 2024                                  |                      |           | Nine Months Ended June 29, 2024                                   |                      |            |
|                        | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |           | Effect of<br>acquisitions<br>&<br>divestitures<br>on<br>net sales |                      |            |
|                        | Net sales<br>(GAAP)                                               | Net sales<br>organic |           | Net sales<br>(GAAP)                                               | Net sales<br>organic |            |
|                        | (in millions)                                                     |                      |           |                                                                   |                      |            |
| Q3 FY 24               | \$ 488.3                                                          | \$ —                 | \$ 488.3  | \$ 1,133.5                                                        | \$ —                 | \$ 1,133.5 |
| Q3 FY 23               | 520.0                                                             | 13.0                 | 507.0     | 1,165.6                                                           | 44.4                 | 1,121.2    |
| \$ increase (decrease) | \$ (31.7)                                                         |                      | \$ (18.7) | \$ (32.1)                                                         |                      | \$ 12.3    |
| % increase (decrease)  | (6.1)%                                                            |                      | (3.7)%    | (2.8)%                                                            |                      | 1.1%       |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation  |           |             |            |
|---------------------------------------------------------|----------------------------------|-----------|-------------|------------|
|                                                         | Three Months Ended June 29, 2024 |           |             |            |
|                                                         | Pet                              | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                   |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                             | \$ —      | \$ —        | \$ 79,724  |
| Interest expense, net                                   | —                                | —         | —           | 10,216     |
| Other income                                            | —                                | —         | —           | (225)      |
| Income tax expense                                      | —                                | —         | —           | 25,468     |
| Net income attributable to noncontrolling interest      | —                                | —         | —           | 753        |
| Income (loss) from operations                           | \$ 83,068                        | \$ 62,519 | \$ (29,651) | \$ 115,936 |
| Depreciation & amortization                             | 10,979                           | 11,008    | 725         | 22,712     |
| Noncash stock-based compensation                        | —                                | —         | 6,211       | 6,211      |
| Facility closures & business exit                       | (1) —                            | 11,115    | —           | 11,115     |
| Adjusted EBITDA                                         | \$ 94,047                        | \$ 84,642 | \$ (22,715) | \$ 155,974 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation  |           |             |            |
|---------------------------------------------------------|----------------------------------|-----------|-------------|------------|
|                                                         | Three Months Ended June 24, 2023 |           |             |            |
|                                                         | Pet                              | Garden    | Corporate   | Total      |
|                                                         | (in thousands)                   |           |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                             | \$ —      | \$ —        | \$ 83,126  |
| Interest expense, net                                   | —                                | —         | —           | 13,134     |
| Other income                                            | —                                | —         | —           | (853)      |
| Income tax expense                                      | —                                | —         | —           | 27,000     |
| Net income attributable to noncontrolling interest      | —                                | —         | —           | 423        |
| Income (loss) from operations                           | \$ 59,969                        | \$ 88,088 | \$ (25,227) | \$ 122,830 |
| Depreciation & amortization                             | 10,060                           | 10,823    | 818         | 21,701     |
| Noncash stock-based compensation                        | —                                | —         | 7,305       | 7,305      |
| Facility closure                                        | (3) 13,921                       | —         | —           | 13,921     |
| Adjusted EBITDA                                         | \$ 83,950                        | \$ 98,911 | \$ (17,104) | \$ 165,757 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation |            |             |            |
|---------------------------------------------------------|---------------------------------|------------|-------------|------------|
|                                                         | Nine Months Ended June 29, 2024 |            |             |            |
|                                                         | Pet                             | Garden     | Corporate   | Total      |
|                                                         | (in thousands)                  |            |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                            | \$ —       | \$ —        | \$ 142,141 |
| Interest expense, net                                   | —                               | —          | —           | 31,396     |
| Other income                                            | —                               | —          | —           | (1,047)    |
| Income tax expense                                      | —                               | —          | —           | 43,733     |
| Net income attributable to noncontrolling interest      | —                               | —          | —           | 1,572      |
| Income (loss) from operations                           | \$ 189,115                      | \$ 110,699 | \$ (82,019) | \$ 217,795 |
| Depreciation & amortization                             | 32,901                          | 33,028     | 2,140       | 68,069     |
| Noncash stock-based compensation                        | —                               | —          | 15,138      | 15,138     |
| Facility closures & business exit                       | (1) (2) —                       | 16,385     | —           | 16,385     |
| Adjusted EBITDA                                         | \$ 222,016                      | \$ 160,112 | \$ (64,741) | \$ 317,387 |

**Adjusted EBITDA Reconciliation**

|                                                         | GAAP to Non-GAAP Reconciliation |            |             |            |
|---------------------------------------------------------|---------------------------------|------------|-------------|------------|
|                                                         | Nine Months Ended June 24, 2023 |            |             |            |
|                                                         | Pet                             | Garden     | Corporate   | Total      |
|                                                         | (in thousands)                  |            |             |            |
| Net income attributable to Central Garden & Pet Company | \$ —                            | \$ —       | \$ —        | \$ 122,808 |
| Interest expense, net                                   | —                               | —          | —           | 41,600     |
| Other income                                            | —                               | —          | —           | (3,147)    |
| Income tax expense                                      | —                               | —          | —           | 39,446     |
| Net income attributable to noncontrolling interest      | —                               | —          | —           | 570        |
| Income (loss) from operations                           | \$ 154,779                      | \$ 126,887 | \$ (80,389) | \$ 201,277 |
| Depreciation & amortization                             | 30,647                          | 32,483     | 2,374       | 65,504     |
| Noncash stock-based compensation                        | —                               | —          | 20,632      | 20,632     |
| Facility closure                                        | (3) 13,921                      | —          | —           | 13,921     |
| Adjusted EBITDA                                         | \$ 199,347                      | \$ 159,370 | \$ (57,383) | \$ 301,334 |

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