

Q1 FY2025

Investor Presentation

2.5.2025





Key Themes

Niko Lahanas, CEO

Financials, Segments & Outlook

Brad Smith, CFO

Management Q&A

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Forward-looking Statements

The statements contained in this presentation which are not historical facts, including statements concerning productivity initiatives and earnings guidance for fiscal 2025, are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this presentation. The range of risk factors is described in Central's filings with the SEC. Central undertakes no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

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



Niko Lahanas

CEO

Three Key Themes

1

Fiscal 2025 is off to a strong start

- Grew net sales
- Improved margins
- Delivered EPS of 21 cents
- Drove strong growth in eCommerce

2

Progress on Cost & Simplicity program

- Realized benefits from initiatives implemented
- Continued to launch new projects

3

Maintain EPS guidance of \$2.20 or better

- Q1 benefited from favorable timing of shipments and promotional activities
- Expect Q2 to be softer than PY
- Garden season still ahead of us
- Challenging near-term external environment



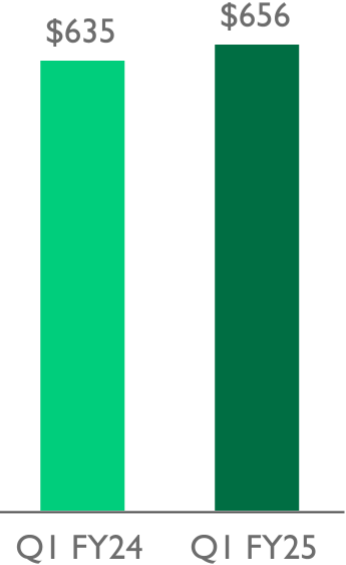
Brad Smith

CFO

Strong FY25 Q1 Performance

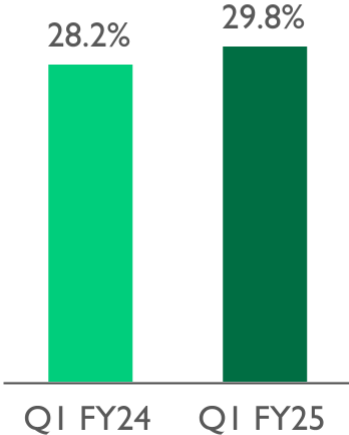
Net Sales (in \$ millions)

+3%



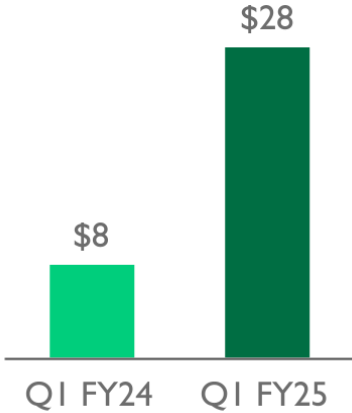
Gross Margin (as a percentage of Net Sales)

+160bps



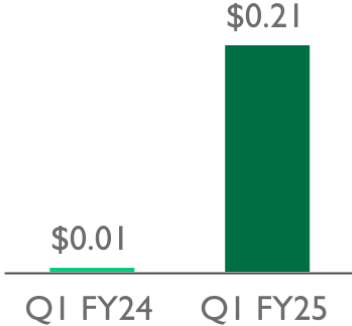
Operating Income (in \$ millions)

+\$20



EPS (in \$)

+\$0.20



Pet Segment: \$427 million Q1 FY25 Net Sales

Headwinds & Challenges

- Consumables POS remained flat
- While improving, durables declined single-digits
- Lower sales in Aquatics driven by exit of low-margin SKUs

Tailwinds & Successes

- Growth driven primarily by Dog & Cat
- Strong eCommerce growth, now representing 28% of Pet sales
- Improved margin driven by productivity gains and moderating inflation

Garden Segment: \$229 million Q1 FY25 Net Sales

Headwinds & Challenges

- Lower sales in distribution business
- Q1 is smallest quarter of the year

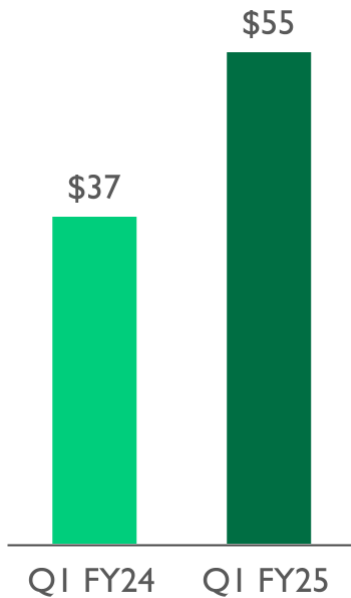
Tailwinds & Successes

- Favorable timing of shipments and weather
- Growth driven by Wild Bird and Controls & Fertilizer
- ECommerce grew double digits
- Margin improvement driven by moderating inflation and productivity gains

Improved Cash & Liquidity

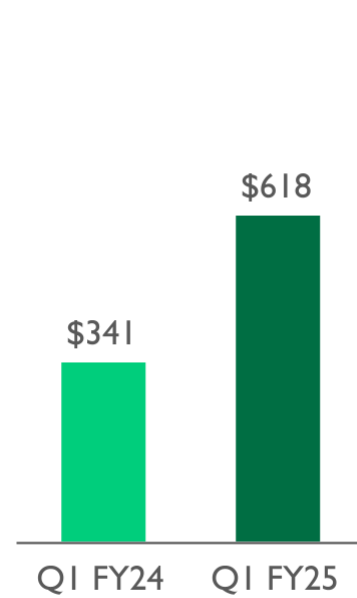
Adj. EBITDA (in \$ millions)

+50%

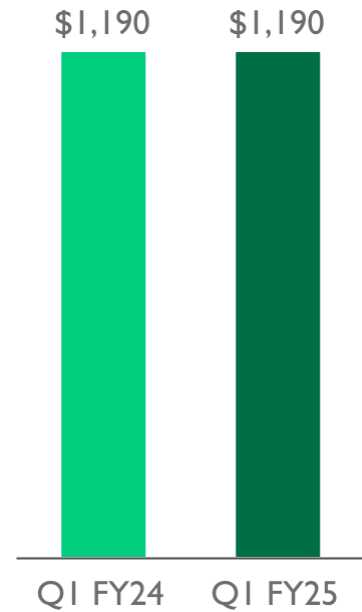


Cash & Cash Equivalents (in \$ millions)

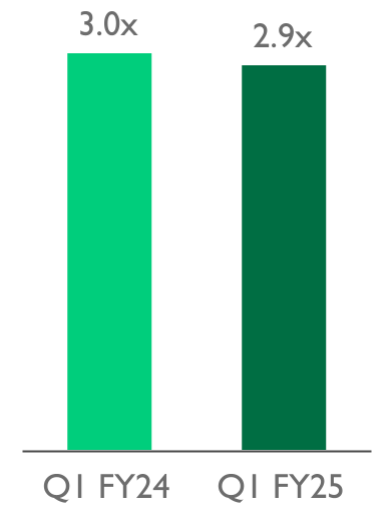
+\$277



Long-Term Debt (in \$ millions)



Gross Leverage⁽¹⁾



Reaffirming guidance: FY25 non-GAAP EPS of \$2.20 or better

Committed to Central to Home strategy

- Staying disciplined on cost & cash agenda
- Making targeted investments in critical capabilities
- Maintaining focused approach to strategic M&A
- CapEx of approximately \$60 to \$70 million

Challenging external environment

- Continued pressures on consumers
- Challenges in brick-and-mortar channel
- Competitive & promotion-driven marketplace
- Extreme weather adds volatility to garden business

Q&A Session

Please reach out to us with any
comments or questions.

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Appendix

Use of Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles ("GAAP"). However, to supplement the financial results prepared in accordance with GAAP, we use non-GAAP financial measures including adjusted EBITDA. Management uses adjusted EBITDA in making financial, operating and planning decisions and in evaluating our performance. Management believes this non-GAAP financial measure may be useful to investors in their assessment of our ongoing operating performance and provide additional meaningful comparisons between current results and results in prior operating periods. While Management believes that this non-GAAP measure is useful supplemental information, such adjusted results are not intended to replace our GAAP financial results and should be read in conjunction with those GAAP results.

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

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

GAAP to Non-GAAP Reconciliation for the Fiscal Quarter Ended

(in thousands)

Adjusted EBITDA Reconciliation

| | December 28, 2024 | | December 30, 2023 | |
|---|-------------------|--------|-------------------|--------|
| Net income attributable to Central Garden & Pet Company | \$ | 14,009 | \$ | 430 |
| Interest expense, net | | 7,730 | | 9,707 |
| Other expense (income) | | 1,717 | | (993) |
| Income tax expense (benefit) | | 4,364 | | (869) |
| Net income attributable to noncontrolling interest | | 172 | | 137 |
| Income from operations | | 27,992 | | 8,412 |
| Depreciation & amortization | | 21,934 | | 22,545 |
| Noncash stock-based compensation | | 5,510 | | 6,021 |
| Adjusted EBITDA | \$ | 55,436 | \$ | 36,978 |