

June 22, 2022



Central Garden & Pet Revises Outlook for Fiscal 2022 GAAP EPS

***Fiscal 2022 GAAP EPS now expected to be at or above prior year
Lower outlook driven primarily by poor Garden season
Confident in Central to Home Strategy and long-term profitable growth in Pet and Garden***

WALNUT CREEK, Calif.--(BUSINESS WIRE)--

Central Garden & Pet Company (NASDAQ: CENT) (NASDAQ: CENTA) ("Central"), a market leader in the Garden and Pet industries, today announced that despite favorable long-term industry trends, several factors have led the Company to lower its outlook for fiscal 2022 GAAP EPS.

"The operating environment continues to be extremely challenging, with high inflation and geopolitical developments unfavorably impacting commodities, labor and freight, significant pricing actions and growing economic uncertainty. As we indicated in early May, the garden season had a late start. Poor weather conditions continued and that, coupled with reduced foot traffic and changing inventory expectations from our customers, led to softness across most of our Garden portfolio, driving the vast majority of the revised guidance," said Tim Cofer, CEO of Central Garden & Pet.

"While it's disappointing to not deliver on our original outlook, we nonetheless expect to deliver GAAP EPS at or above prior year, despite the uncertain and inflationary economic environment and two years of extraordinary growth. Importantly, we are confident our Central to Home strategy and the investments we are making will drive profitable long-term growth and allow us to capture opportunities in both the Pet and Garden industries."

The Company now expects fiscal 2022 GAAP EPS to be at or above prior year GAAP EPS of \$2.75. The outlook takes into account increasing costs for commodities and freight, exacerbated by the current geopolitical environment, labor and a return to more normalized consumer demand patterns following extraordinary demand spanning two fiscal years. This guidance further includes anticipated pricing actions across the Company's portfolio as well as investments in capacity expansion, brand building, consumer insights, innovation and eCommerce to drive sustainable growth. This outlook does not include the impact of acquisitions that may close during fiscal 2022.

The Company will provide further details during its fiscal 2022 Q3 earnings call scheduled for August 3, 2022.

About Central Garden & Pet

Central Garden & Pet (NASDAQ: CENT) (NASDAQ: CENTA) understands that home is central to life and has proudly nurtured happy and healthy homes for over 40 years. With fiscal 2021 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 Pennington, Nylabone, Kaytee, Amdro and Aqueon, strong manufacturing and distribution capabilities and a passionate, entrepreneurial growth culture. Central Garden & Pet is based in Walnut Creek, California and has over 7,000 employees across North America and Europe. For additional information about Central, please visit www.central.com.

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 earnings guidance for fiscal 2022, expectations for increased levels of investment to drive capacity expansion, brand building and eCommerce, increases in labor and freight cost as well as key commodities, the accretive expectations for recent acquisitions, a return to more normalized consumer demand patterns, in addition to resuming more normal levels of travel, and their impact on future growth, 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 the Company'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:

- inflation and other adverse macro-economic conditions;
- fluctuations in market prices for seeds and grains and other raw materials;
- our ability to successfully manage the continuing impact of COVID-19 on our business, including but not limited to, the impact on our workforce, operations, fill rates, supply chain, demand for our products and services, and our financial results and condition;
- the potential for future reductions in demand for product categories that benefited from the COVID-19 pandemic, including the potential for reduced orders as retailers work through excess inventory;
- adverse weather conditions;
- our inability to pass through cost increases in a timely manner;
- the success of our Central to Home strategy;
- risks associated with our acquisition strategy, including our ability to successfully integrate acquisitions and the impact of purchase accounting on our financial results;
- fluctuations in energy prices, fuel and related petrochemical costs;
- supply chain delays and disruptions resulting in lost sales, reduced fill rates and service levels and delays in expanding capacity and automating processes;
- 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;
- impacts of tariffs or a trade war;
- consolidation trends in the retail industry;

- declines in consumer spending during economic downturns;
- 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;
- risk associated with international sourcing;
- access to and cost of additional capital;
- potential goodwill or intangible asset impairment;
- our dependence upon our key executives;
- our ability to recruit and retain new members of our management team to support our growing businesses and to hire and retain employees;
- our inability 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 cyber attacks;
- 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 the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise. The Company has not filed its Form 10-Q for the fiscal quarter ended June 25, 2022, so all financial results are preliminary and subject to change.

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