

Q4 & FY 2025

Investor Presentation

11.24.2025





Better
bedding,
naturally.

All About the Little Things.

Key Themes & Outlook

Niko Lahanas, CEO

Financials & Segments

Brad Smith, CFO

Management Q&A

*Niko Lahanas, Brad Smith,
J.D. Walker, John Hanson*

Forward-Looking Statements

The statements contained in this presentation which are not historical facts, including statements concerning productivity initiatives and earnings guidance for fiscal 2026, 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

**Record
Fiscal Year
2025
Earnings**

2

**Further
Progress in
Optimizing
Operations**

3

**Fiscal Year
2026
Guidance**

Record FY25 Q4 Performance

**Significant
Margin
Expansion**

**Record
Adjusted
EBITDA**

**Record
GAAP and
Non-GAAP EPS**

Continued Progress on Cost and Simplicity Agenda

- **Largely Completed Multi-year Supply Network Design Project**
 - Closed 16 legacy locations
 - Established enterprise-wide eCommerce fulfillment capabilities
 - Modernized logistics footprint

Fiscal 2026 Outlook



Expect fiscal 2026
non-GAAP EPS of
\$2.70 or better

Risk & Market Considerations

- Global dynamics and policy shifts
- Consumers to remain focused on value and performance
- Promotionally active but stable retail environment
- Continued channel shift from pet specialty to eCommerce
- Input cost inflation, tariffs
- Weather volatility

Central To Home Strategy

OUR PURPOSE

Nurture happy and healthy homes

OUR MISSION

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

STRATEGIC PRIORITIES



CONSUMER

Build and grow
brands and products
Consumers love

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



CUSTOMER

Win with winning
Customers and
Channels

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



CENTRAL

Fortify
the Central
Portfolio

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



COST

Reduce Cost to
improve margins and
fuel growth

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



CULTURE

Strengthen our
entrepreneurial, BU-led,
growth Culture

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

Priorities for 2026

- Targeted investments in **innovation and digital technology** to drive sustainable growth
- **M&A and portfolio optimization** to advance growth priorities and capabilities
- Investments in **data foundation and AI-enablement** to generate deeper insights and unlock competitive advantage
- Focus on **cost and cash management** to drive margins



Brad Smith

CFO

Solid FY25 Performance - GAAP

Net Sales

(in \$ millions)

(2)%

\$3,200

\$3,129

FY24

FY25

Gross Margin

(as a percentage of Net Sales)

+240bps

29.5%

31.9%

FY24

FY25

Operating Income

(in \$ millions)

+35%

\$185

\$250

FY24

FY25

EPS

(in \$)

+\$0.93

\$1.62

\$2.55

FY24

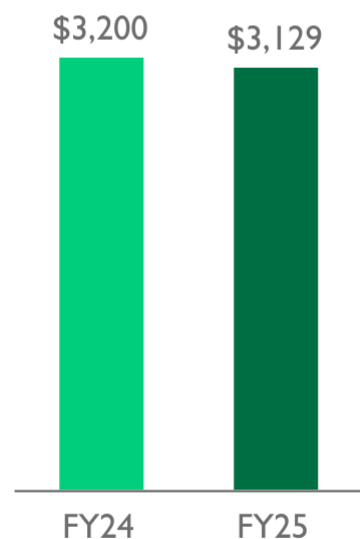
FY25

Solid FY25 Performance - Non-GAAP

Net Sales

(in \$ millions)

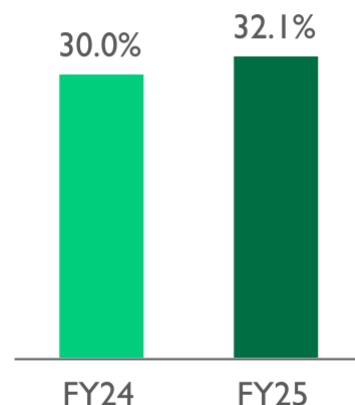
(2)%



Non-GAAP Gross Margin

(as a percentage of Net Sales)

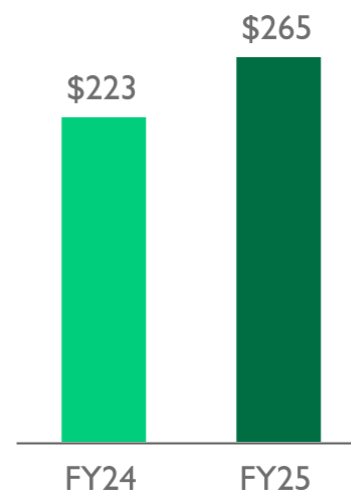
+210bps



Non-GAAP Operating Income

(in \$ millions)

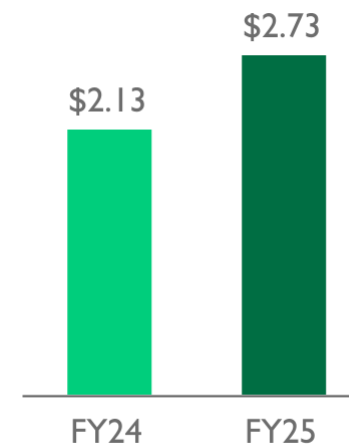
+19%



Non-GAAP EPS

(in \$)

+\$0.60

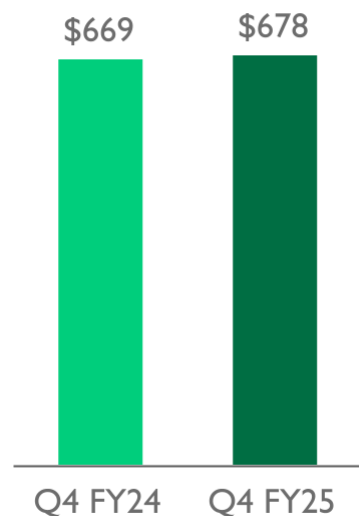


Solid FY25 Q4 Performance - GAAP

Net Sales

(in \$ millions)

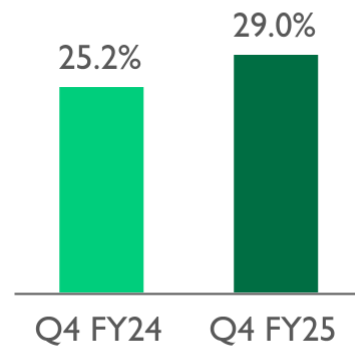
+1%



Gross Margin

(as a percentage of Net Sales)

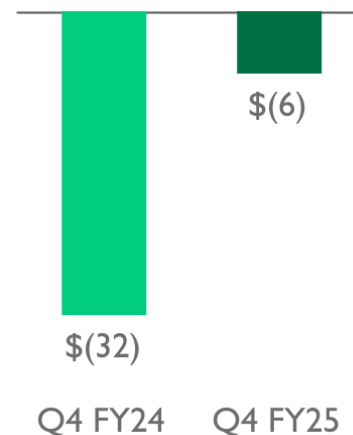
+380bps



Operating Loss

(in \$ millions)

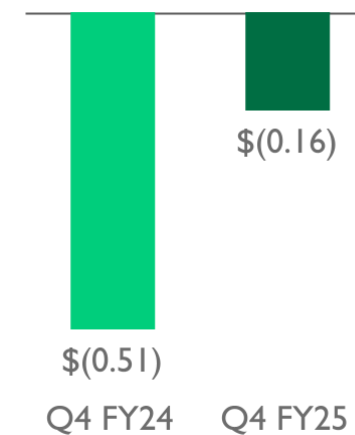
+\$26



Loss per Share

(in \$)

+\$0.35

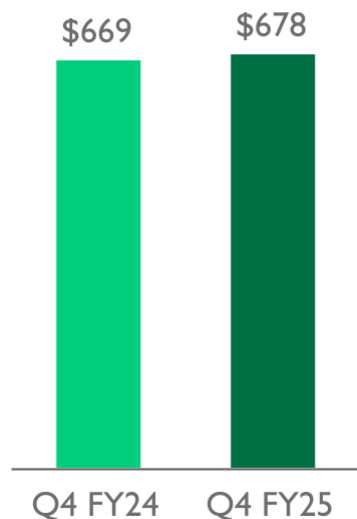


Solid FY25 Q4 Performance - Non-GAAP

Net Sales

(in \$ millions)

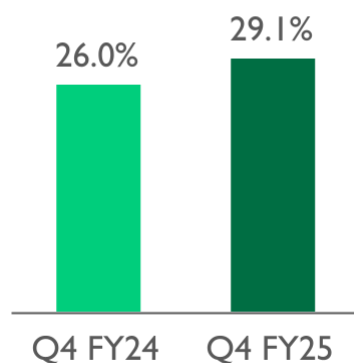
+1%



Non-GAAP Gross Margin

(as a percentage of Net Sales)

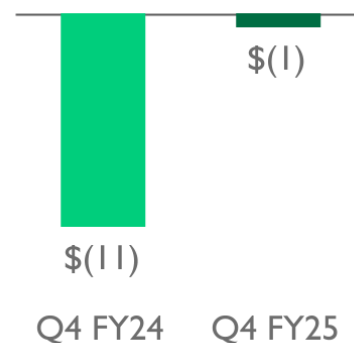
+310bps



Non-GAAP Operating Loss

(in \$ millions)

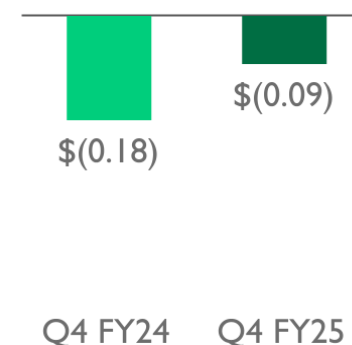
+\$10



Non-GAAP Loss per Share

(in \$)

+\$0.09



FY25 Q4 Pet Segment Performance

Results

- Net sales: \$428 million
- Non-GAAP operating margin: 7.2%, down (80) bps
- Adjusted EBITDA: \$41 million

Tailwinds & Successes

- Growth in Professional and Equine
- Held share overall with gains in Dog Chews, Equine, Pet Bird and Flea & Tick
- eCommerce sales: 27% of Pet sales
- Positive consumables Point-of-Sale

Headwinds

- Closure of U.K. operations
- Lower private-label durables sales
- Tariffs

FY25 Q4 Garden Segment Performance

Results

- Net sales: \$250 million
- Non-GAAP operating margin: 0.4%, up 1100 bps driven by productivity efforts
- Adjusted EBITDA: \$11 million

Tailwinds & Successes

- Growing sales and share in Grass Seed, Fertilizer, Packet Seeds and Wild Bird
- Biggest Point-of-Sale year in Garden
- Record eCommerce growth: >10% of Garden sales
- Extended garden season and additional product placements

Headwinds

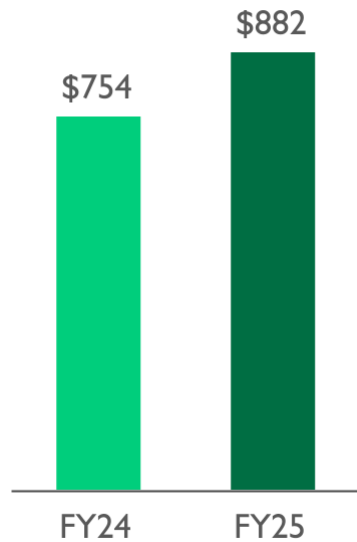
- Transition of two product lines in third-party garden distribution business to a direct-to-retail model

Improved Cash & Liquidity

Cash & Cash Equivalents

(in \$ millions)

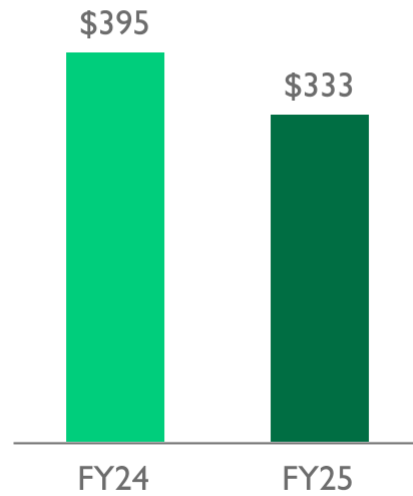
+\$129



Operating Cash Flow

(in \$ millions)

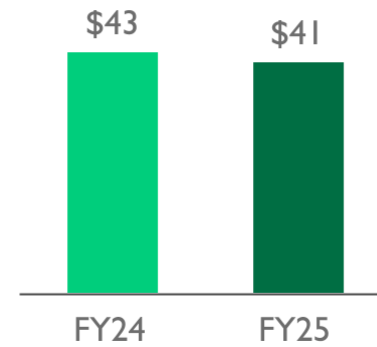
\$(62)



CapEx

(in \$ millions)

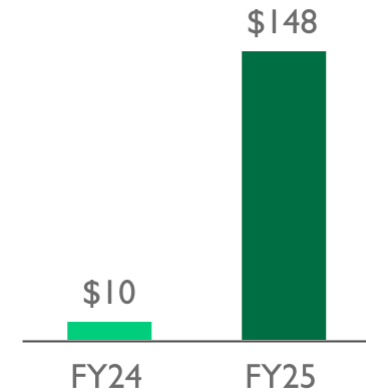
(4)%



Share Repurchases

(in \$ millions)

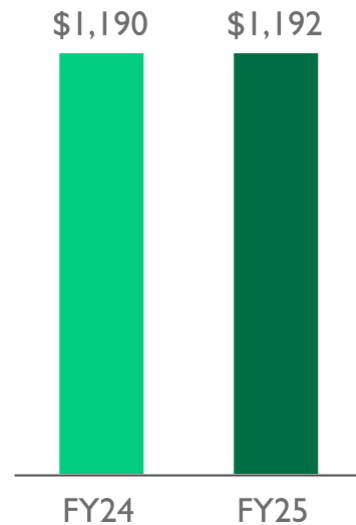
+\$138



Strong Balance Sheet Positions for Strategic M&A

Long-Term Debt

(in \$ millions)



Gross Leverage Ratio ⁽¹⁾



Borrowings on ABL Credit Facility



Q&A Session



Niko Lahanas

CEO



Brad Smith

CFO



John Hanson

President,
Pet Consumer Products



JD Walker

President,
Garden Consumer Products



Appendix

Use of Non-GAAP Financial Measure

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, non-GAAP gross profit and gross margin, non-GAAP selling, general and administrative expense and adjusted EBITDA. Management uses these non-GAAP financial measures that exclude the impact of specific items (described below) in making financial, operating and planning decisions and in evaluating our performance. 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, 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, exits of businesses, intangible and investment impairments and gains from litigation. 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 charges related to the closure of distribution and manufacturing facilities and our decision to exit the pottery business as they represent infrequent transactions that impact the comparability between operating periods. We believe these exclusions supplement the GAAP information with a measure that may be useful to investors in assessing the sustainability of our operating performance.
- Asset impairment charges: we exclude the impact of asset impairments on intangible assets and investments as such non-cash amounts are inconsistent in amount and frequency. We believe that the adjustment of these charges supplements the GAAP information with a measure that can be used to assess the performance of our ongoing operations.
- Gain from litigation settlement: we exclude the gain from a litigation settlement as it is a one-time occurrence. We believe that the exclusion of this gain supplements the GAAP information with a measure that can be used to assess the performance of our ongoing operations.
- Tax impact: adjustment represents the impact of the tax effect of the pre-tax non-GAAP adjustments excluded from non-GAAP net income. The tax impact of the non-GAAP adjustments is calculated based on the consolidated effective tax rate on a GAAP basis, applied to the non-GAAP adjustments.

Use of Non-GAAP Financial Measure

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.

We have not provided a reconciliation of non-GAAP measures to the corresponding GAAP measures on a forward-looking basis as we cannot do so without unreasonable efforts due to the potential variability and limited visibility of excluded items; these excluded items may include facility closures and exit costs, impairment charges and restructuring costs, among others.

The non-GAAP adjustments made reflect the following:

Facility closures and business exits

1. During fiscal 2025, we recognized incremental expense of \$5.0 million in our Garden segment in the consolidated statement of operations related to closing a distribution facility in Ontario, California and executing the consolidation of our Western distribution network. Additionally, the charge includes costs related to the closure of a live goods facility.
2. During fiscal 2025, we recognized incremental expense of \$10.0 million in our Pet segment in the consolidated statement of operations related to our decision to wind-down our operations in the U.K. and the related facility as we move to a direct-export model.
3. During fiscal 2024, we recognized incremental expense of \$20.3 million in our Garden segment in the consolidated statement of operations, from the closure of a manufacturing facility in California, the consolidation of our Southeast distribution network, the decision to exit the pottery business, the closure of a live goods distribution facility in Delaware, the relocation of our grass seed research facility related, and facility closures announced in fiscal 2023
4. During fiscal 2024, we recognized incremental expense of \$7.5 million in our Pet segment in the consolidated statement of operations, from the closure of manufacturing facilities in California and Arizona.

Intangible Impairments

5. During fiscal 2024, we recognized a non-cash impairment charge in our Pet segment of \$12.8 million related to the impairment of intangible assets due primarily to changing market conditions resulting from the decline in demand for durable products and increased international competition.

Gain from litigation and investment impairment

6. In fiscal 2024, within corporate, we received \$3.2 million in settlement of litigation, the gain of which is included in selling, general and administrative expense. Additionally, we recognized a \$7.5 million non-cash impairment charge for two related private company investments that is included within Other income (expense) in the consolidated statement of operations.

GAAP to Non-GAAP Reconciliation
for the Fiscal Year Ended
(in thousands, except for per share amounts)

Net Income & Diluted Net Income Per Share Reconciliation

		September 27, 2025	September 28, 2024
GAAP net income attributable to Central Garden & Pet Company		\$ 162,843	\$ 107,983
Facility closures & business exits	(1)(2)(3)(4)	15,005	27,842
Intangible impairments	(5)	—	12,790
Litigation settlement	(6)	—	(3,200)
Investment impairment	(6)	—	7,461
Tax effect of adjustments		(3,654)	(10,437)
Non-GAAP net income attributable to Central Garden & Pet Company		174,194	142,439
GAAP diluted net income per share		\$ 2.55	\$ 1.62
Non-GAAP diluted net income per share		\$ 2.73	\$ 2.13
Shares used in GAAP and non-GAAP diluted net income per share calculation		63,815	66,860

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

Operating Income Reconciliation

	September 27, 2025		
	GAAP	Adjustments ⁽¹⁾⁽²⁾	Non-GAAP
Net sales	\$ 678,178	\$ —	\$ 678,178
Cost of goods sold and occupancy	481,634	921	480,713
Gross profit	196,544	(921)	197,465
Selling, general and administrative expenses	202,944	4,830	198,114
Loss from operations	\$ (6,400)	\$ (5,751)	\$ (649)
Gross margin	29.0%		29.1%
Operating margin	(0.9)%		(0.1)%

Pet Segment Operating Income Reconciliation

	September 27, 2025	September 28, 2024
GAAP operating income	\$ 27,618	\$ 14,310
Facility closures ⁽²⁾⁽⁴⁾	3,008	7,549
Intangible impairments ⁽⁵⁾	—	12,790
Non-GAAP operating income	\$ 30,626	\$ 34,649
GAAP operating margin	6.4%	3.3%
Non-GAAP operating margin	7.2%	8.0%

Garden Segment Operating Income Reconciliation

	September 27, 2025	September 28, 2024
GAAP operating loss	\$ (1,741)	\$ (28,806)
Facility closures ⁽¹⁾⁽³⁾	2,743	3,908
Non-GAAP operating income (loss)	\$ 1,002	\$ (24,898)
GAAP operating margin	(0.7)%	(12.3)%
Non-GAAP operating margin	0.4%	(10.6)%

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

Operating Income Reconciliation

	September 27, 2025		
	GAAP	Adjustments ⁽¹⁾⁽²⁾	Non-GAAP
Net sales	\$ 3,129,064	\$ —	\$ 3,129,064
Cost of goods sold and occupancy	2,131,728	5,582	2,126,146
Gross profit	997,336	(5,582)	1,002,918
Selling, general and administrative expenses	747,294	9,423	737,871
Income from operations	\$ 250,042	\$ (15,005)	\$ 265,047
Gross margin	31.9 %		32.1 %
Operating margin	8.0 %		8.5 %

Pet Segment Operating Income Reconciliation

	September 27, 2025	September 28, 2024
GAAP operating income	\$ 215,688	\$ 203,425
Facility closures	(2)(4) 10,018	7,549
Intangible impairments	(5) —	12,790
Non-GAAP operating income	\$ 225,706	\$ 223,764
GAAP operating margin	12.0 %	11.1 %
Non-GAAP operating margin	12.5 %	12.2 %

Garden Segment Operating Income Reconciliation

	September 27, 2025	September 28, 2024
GAAP operating income	\$ 142,402	\$ 81,893
Facility closures	(1)(3) 4,987	20,293
Non-GAAP operating income	\$ 147,389	\$ 102,186
GAAP operating margin	10.7 %	6.0 %
Non-GAAP operating margin	11.1 %	7.5 %

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

Adjusted EBITDA Reconciliation

	September 27, 2025	September 28, 2024
Net income attributable to Central Garden & Pet Company	\$ 162,843	\$ 107,983
Interest expense, net	32,812	37,872
Other expense	480	5,090
Income tax expense	52,787	33,112
Net income attributable to noncontrolling interest	1,120	1,330
Income from operations	250,042	185,387
Depreciation & amortization	84,894	90,807
Noncash stock-based compensation	21,060	20,583
Non-GAAP adjustments	(1)(2) 15,005	(3)(4)(5)(6) 37,432
Adjusted EBITDA	\$ 371,001	\$ 334,209