

2024

Introduction to Central

06.07.2024



Agenda

Intro to Central and Our Central to Home Strategy

Pet Business

Garden Business

Central Impact

People and Culture

Financial Overview

Summary

Forward-Looking Statements

This presentation includes “forward-looking statements.” Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industries in which we operate and other information that is not historical information. 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 presentation, which are described in the 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.

For a reconciliation of GAAP to non-GAAP financial measures, please see the Appendix in this presentation.



Introduction to Central and Our Central to Home Strategy

Key Takeaways



Pet & Garden are highly attractive and resilient growth industries



Central is an industry leader with a strong foundation and untapped potential



Our long-term strategy sets a bold ambition for the future



We are confident in our plans to deliver significant long-term shareholder value

Pet is an Attractive Growing Industry

Large Market

\$145B Industry

Growing & Resilient

LSD Growth Rate

Broad Consumer Base

Over 90% Household Penetration

Strong Tailwinds

Aligned with Consumer Trends

Favorable Pet Industry Trends



Humanization

95% of pet owners see pets as family



Premiumization

Shift to higher-end nutrition drives growth



eCommerce

More than 80% of the U.S. population shops online



Demographics

More than half of the U.S. population born after 1981



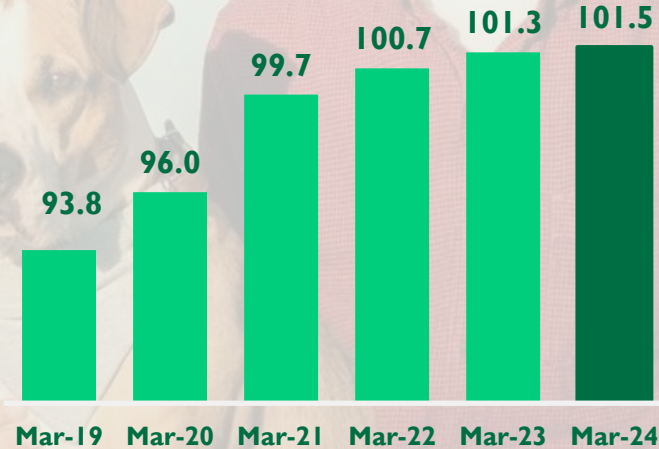
Health & Wellness

70%+ of dog/cat owners look for products to improve pet health*

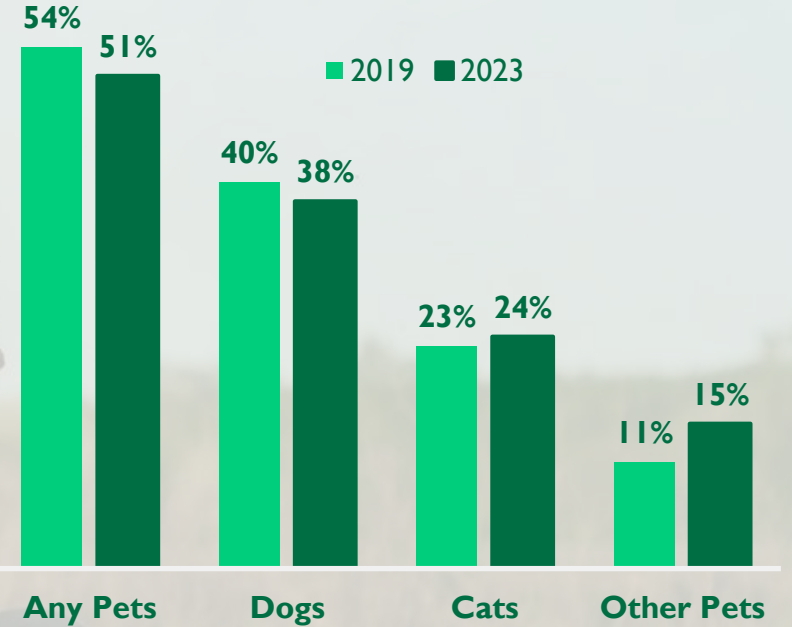
Large Pet Household Penetration

Long-term growth is fueled by positive consumer trends

Households Buying Pet Supplies (in millions)



Number of Pet Owning Households (in percent of all households)



Garden is an Attractive Industry

Large Market

\$32B Industry

Resilient Industry

LSD Growth Rate

Broad Consumer Base

Over 70% Household Penetration

High Consumer Engagement

Strong Retention & Loyalty

Strong Garden Industry Trends



Sustainability

82% of Gardeners believe they have a responsibility to be environmentally friendly



Hybrid Work

More than half of employees are set up to work from home



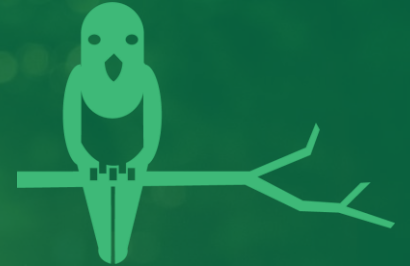
Demographics

More than half of the U.S. population was born after 1981



eCommerce

Emerging Home & Garden eCommerce growing faster than category



Rural Migration

A larger portion of the population lives outside of cities

Significant Growth in Lawn & Garden Household Penetration and Spend



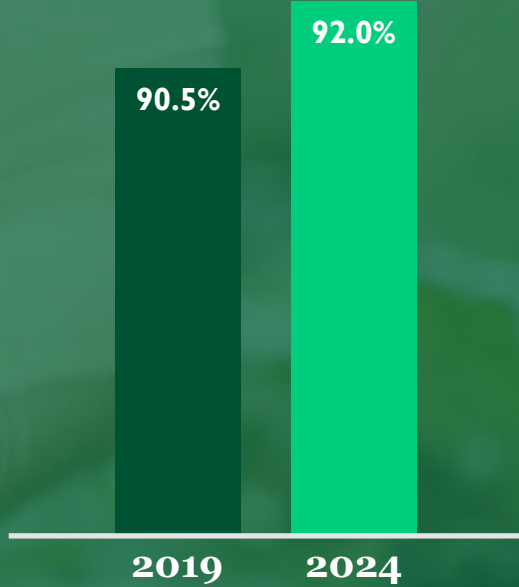
4.6MM

 New households entered category since 2019

+71%

Average spend per household vs 2019

+1.5 points
Household Penetration Growth*



Central has a Strong Foundation for Sustainable Growth

Proven track record of M&A

Strong relationships with retailers built over 40 years

Robust financial performance

Superior manufacturing and distribution network

Leading brand portfolio across key Garden and Pet segments


Experienced leadership team & entrepreneurial culture

Broad Portfolio across Garden & Pet

Garden

2





 Lawn & Garden Consumables




				
Controls	Major Participant	Major Participant	Major Participant	Major Participant
Grass Seed	Major Participant	Major Participant	Major Participant	Major Participant
Packet Seed	Major Participant	Major Participant	Major Participant	Major Participant
Wild Bird	Major Participant	Major Participant	Major Participant	Major Participant
Fertilizer	Major Participant	Major Participant	Major Participant	Major Participant
Live Plants	Major Participant	Meaningful Participant	Major Participant	Major Participant
Growing Media & Mulch	Major Participant	Major Participant	Major Participant	Major Participant

Pet

2

 Pet Supplies
(ex- Dog & Cat Food, Cat Litter)

				
Dog & Cat Supplies	Major Participant	Major Participant	Minor Participant	Major Participant
Dog Treats & Chews	Major Participant	Major Participant	Major Participant	Major Participant
Aquatics Supplies	Major Participant	Major Participant	Major Participant	Major Participant
Small Animal Supplies	Major Participant	Major Participant	Major Participant	Major Participant
Pet Bird Supplies	Major Participant	Major Participant	Major Participant	Major Participant
Reptile Supplies	Major Participant	Minor Participant	Major Participant	Major Participant
Equine Supplies	Major Participant	Major Participant	Major Participant	Major Participant
Professional	Major Participant	Major Participant	Major Participant	Major Participant
Live Fish & Small Animals	Major Participant	Major Participant	Major Participant	Major Participant
Dog & Cat Food	Major Participant	Major Participant	Major Participant	Major Participant *
Cat Treats	Major Participant	Major Participant	Minor Participant	Major Participant
Cat Litter	Major Participant	Minor Participant	Major Participant	Major Participant
Services (Vet/ non-medical)	Major Participant	Major Participant	Major Participant	Major Participant

-  Major Participant
-  Meaningful Participant
-  Minor Participant

Leading Brands across Attractive Segments



Pet



#1 in Pet Bird



#1 in Small Animal



#1 Suet



#2 Fly Controls



CHEWS BEST
#2 Dog Toys



#3 Calming Products



#2 in Aquatics



#3 in Reptile

Garden



#1 in Wild bird



#2 in Grass Seed



#3 in Controls



#2 in Fertilizer



#2 in Packet Seed

Professional



#1 Farm Insect Control



#1 Municipal Mosquito Control

Fiscal 2023 Results

**Net
Sales**

\$3.3B
+1%

**Non-GAAP
Operating Income⁽¹⁾**

\$227MM
(13)%

Non-GAAP EPS ⁽¹⁾

\$2.59
\$(0.45)

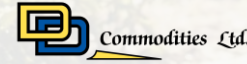
Cash & Cash Equiv.

\$489MM
+175%

Proven Track Record of M&A



60
Acquisitions
over the last
30 years



Long-standing Deep Relationships with our Retail Partners



- 40 years of outstanding partnership with top tier retailers
- Strong joint business planning
- Private label producer for many retailers in key categories
- Emerging eCommerce leadership

Superior Manufacturing & Distribution Network



Large national footprint
with sales, logistics, and
manufacturing sites



Strong distributor
capabilities in
Pet & Garden



Low-cost
producer in several
categories



Strong & Experienced Leadership Team



Beth Springer
Interim CEO



Niko Lahanas
CFO



John Hanson
President, Pet Consumer Products



J.D. Walker
President, Garden Consumer Products



Glen Axelrod
Senior Vice President, Dog & Cat Brands

Consumer

33 years

16 years

31 years

41 years

27 years

Central

10 years

16 years

3 years

12 years

25 years



Dan Pennington
Senior Vice President, Wild Bird, Chemicals & Fertilizers

44 years

44 year



Aron Kolosik
Chief Supply Chain Officer

22 years

1 year



Ken Elsbury
Senior Vice President, Central Life Sciences

27 years

2 years



Chris Walter
Senior Vice President & Chief Information Officer

25 years

17 years



Joyce McCarthy
General Counsel & Corporate Secretary

21 years

1 year

Combination of Deep Central Experience and Relevant Consumer Industry Experience





Our foundation is strong

and our future is bright



Our New Purpose & Mission

Our Purpose

Nurture happy & healthy homes

Our Mission

Lead the future of the Garden and Pet industries... one blade of grass and one wagging tail at a time

Our Identity



**Home is central to life,
we are Central to home**

Our Long-Term Strategy



CONSUMER

Build and grow brands
Consumers love



CUSTOMER

Win with winning
Customers and
Channels



CENTRAL

Fortify the Central
Portfolio



COST

Reduce Cost to
improve margins and
fuel growth



CULTURE

Balance our
entrepreneurial, BU-led,
growth Culture



CONSUMER

Build & grow brands
Consumers love



Deeply understand
our consumers



Build distinctive
and winning brands



Invest in demand creation
to accelerate organic growth



Create disruptive
innovation platforms



Innovating for Growth



- Curated gift box collection with best selling durable chew toys and natural chew treats
- Offered for puppies, small and large dogs
- Initial launch outpaced forecast by 30%

- Ready to use combination of mulch, grass seed & fertilizer
- Uses 30% less water than ordinary grass seed
- Proprietary tackifier



Investing in Digital Marketing



“Smart from the Start” campaign

Results

- Doubled reach
- Increased engagement
- Grew market share



ZILLA

“24KGoldn” campaign

Results

- Outperformed reach and impression goal by over 50%
- Exceeded engagement goal by over 60%
- Drove incremental sales and incremental in-store promotions during critical holiday season





CUSTOMER

Win with winning
Customers & Channels

- Build a leading eCommerce platform
- Strengthen relationships with winning customers
- Respond to channel shifts
- Improve sales capabilities





CUSTOMER

Build a Leading eCommerce Platform

Developing Winning Capabilities

Activation



Assortment



Content



Availability



eCommerce Flywheel



Search

\$594MM

2023 eCommerce
Net Sales

+5%

2023 eCommerce
Net Sales growth

~24%

business in Pet,
~6% in Garden

amazon
chewy

Top 10

Customers for
Central



Fortify the Central
Portfolio

- Drive a strong portfolio strategy
- Acquire or venture to build scale in core & adjacent categories
- Exit underperforming & non-core business
- Ensure a safe, responsible and sustainable future



Pennington - Habitat for Humanity



CENTRAL

M&A Remains a Growth Driver

Our M&A Priorities

- 1 Build scale in core categories
- 2 Enter priority adjacencies
- 3 Enhance key capabilities
- 4 Pursue portfolio optimization

Preferred acquirer in our industries

- Track record of M&A success
- Focused on maintaining entrepreneurial led culture
- Immediate distribution and supply chain scale benefits
- Merchandising, category management leadership
- Stellar balance sheet and access to capital

Seeking growth and margin accretive, brand-focused companies with talented management teams



CENTRAL



CENTRAL
VENTURES

Seeking to partner with leading innovators in Garden and Pet and leverage Central's capabilities to accelerate growth

Focused on emerging growth companies in:

- **Sustainability**
- **Health & Wellness**
- **Digitally Connected Products & Services**

Current portfolio examples:

LUCY LET

 casco pet

BACK TO THE ROOTS

 **GREEN GRUFF**

JIMINY'S®



CENTRAL

Strengthen Portfolio with Focus on Corporate Sustainability



CENTRAL

IMPACT

Protecting our Planet

Cultivating our Communities

Empowering our Employees



COST

Reduce Cost to improve margins & fuel growth

- Perform with excellence everyday
- Drive net productivity and continuous improvement
- Capture scale and collaboration benefits across business units
- Improve cash conversion cycle





COST

Short-Term Focus on Cost & Cash While Fueling Long-Term Growth



Control
Cost



Turn Inventories
into Cash



Scaling
Procurement



Investing in
Efficient Capacity



CULTURE

Balance our entrepreneurial,
BU-led, growth culture

- Develop, recruit & retain top talent
- Build capabilities and reframe how we work together
- Develop career paths
- Make Central a great place to work and embrace diversity and inclusion





CULTURE

Maintain our Winning Growth Culture



1

Nurture our
Entrepreneurial
Spirit

2

Invest in Growth
Capabilities



6

Leverage our
Collective
Expertise to Win

5

Live our Values to
Support our
Growth Ambition

3

Promote an Agile
and Flexible
Approach

4

Increase External
Focus and Consumer
Orientation

Committed to Driving Results



**Deliver Top-Tier
Financial
Performance**



**Build Strong
Portfolio with Leading
Brands**



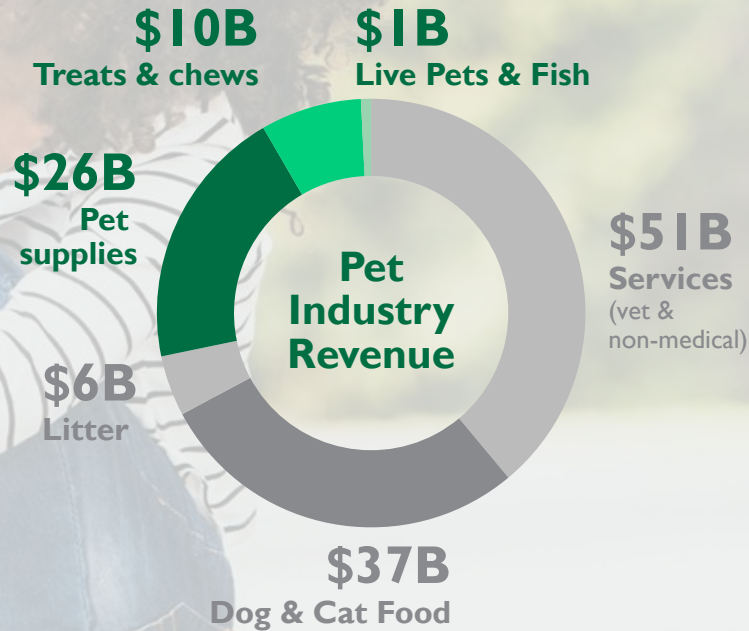
**Be the Destination
for Top Talent in
Pet & Garden**



Pet Business

Pet is a Dynamic Growth Industry

Central plays in ~\$37B of \$131B Pet industry



Strong growth dynamics

Fragmented competitive set across categories

Broad distribution across retail channels

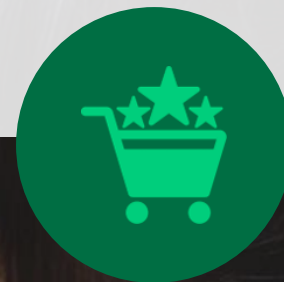
Growing eCommerce channel

Central is a Leader in the Pet Segment

Net sales of
\$1.9B
in FY 2023



Consumer &
professional
businesses with
leading brands



~80% Branded &
Private Label
~20% Distribution



Solid 2023 performance
in challenging environment

In line
with PY

Net Sales

+10%

eCommerce












Share
Gains

Across most
categories

Leading Portfolio of Brands



Our Leadership Positions

Categories	Leading brands	
Dog & Cat	#2  CHEWS BEST™ Dog & Cat Toys	#3  Calming Products
Aquatics	#2  It's all about the fish. Aquatics	
Small Animal	#1  Small Animal	
Bird	#1  Pet Bird	#1  Suet
Reptile	#3  Reptile	
Equine	#2  Fly Controls	
Live Pets (ex-Dog & Cat)	#1  Segrest Farms Live Pet (ex Dog & Cat)	
Professional	#1  Farm Insect Control	#1  Municipal Mosquito Control

Innovation Expands our Industry Leadership

Nylabone

CHEWS BEST™

Gourmet

Long-lasting dog chews



Finalist 2022 Pet Product News Editor Choice Awards

“Chew Toy of the Year” 2022 Pet Independent Innovation Award



NutriSoft

Bird feed with unique soft texture



“Bird food product of the Year” 2022 Pet Independent Innovation Award

CONSUMER

Investing in Demand Creation



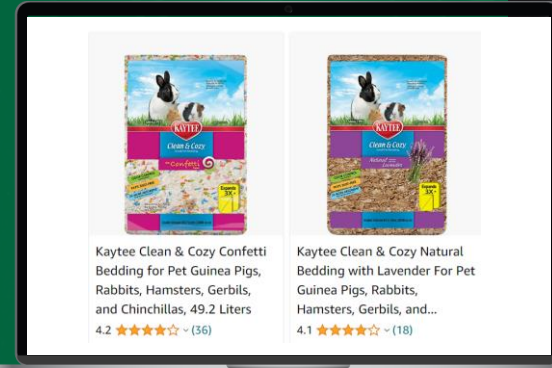
Clean & Cozy Extreme Odor Bedding

Online Display

Driving new “subscribe and save” orders

Top 90%

Of Pet Supply Category





CUSTOMER

Positioned to Win Every Channel

- Leading category insights and solutions to drive industry growth
- Strong relationships across customers and channels
- Emerging strength in eCommerce
- Tenured Pet industry sales leadership





CUSTOMER

Winning in eCommerce

Solid 2023 Results

\$445MM

in Net Sales

~25%

of Pet Sales

+7%

YoY Growth

Gaining Share in majority of categories

We have a **BOLD** ambition



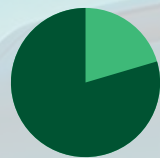
2x

Our eCommerce business by 2025 vs 2019



CUSTOMER

Pet Distribution Generates Competitive Advantage



~20%
of Pet
revenue

Largest

Assortment of supplies in
Pet distribution with over 23,000 SKU's

Our Portfolio

Third-Party Brands



~80%

~20%

Who We Serve



9,800+
Retailers



6,400+
Vet clinics

Competitive Advantages

- Insight into leading consumer trends
- Channel leadership in Pet Specialty
- Strengthened category management with top customers
- Access to emerging brands for M&A



COST

Generating Savings to Fuel Growth

PRINCIPLES

Simplify business, focus portfolio and supply chain

Improve efficiency across everything we do

Execute in market with excellence

Take a phased approach, avoid disruption

FOCUS AREAS



Procurement



Manufacturing



Logistics



Portfolio



Administration

OUTCOMES

Significantly reduced complexity: fewer SKUs, fewer plants, fewer distribution centers

Lower COGS through lower logistics costs, better procurement

Greater focus on higher margin consumer product Pet and Garden businesses

Lower administrative costs through scale leverage and efficiency

Key Takeaways: Pet Business



Pet is a dynamic industry with strong consumer tailwinds



Central is a strong leader in Pet with untapped growth potential



We are executing well in a challenging environment



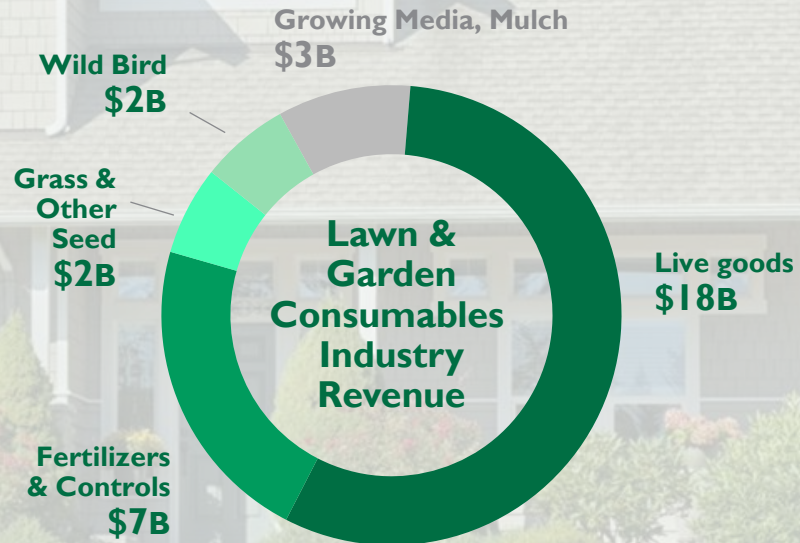
We have a bold consumer-centric growth strategy and are confident in our future



Garden Business

Garden is an Attractive Industry

Central plays in ~\$31B of \$32B Lawn & Garden Consumables Industry



Seasonal business

Dominated by home centers and mass merchandisers

Underpenetrated in eCommerce, but accelerating

Central one of few large players in a fragmented industry

Central is a Leader in the Garden Segment

Net sales of
\$1.4B
in FY 2023



>70%
Sales from
Top 3 customers



**~83% Brands &
Private Label**
~17% Distribution



2023 performance in
challenging environment








(1)
Net Sales

(2)%
eCommerce

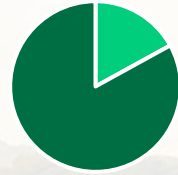
**Share
Gains**
**Across most
categories**

Leading Portfolio of Brands

Our Leadership Positions

Categories	Position	Leading brands
Wild Bird	#1	
Packet Seed	#1	FERRY~MORSE®
Grass Seed	#2	
Fertilizer	#2	
Controls	#3	 
Live Plants	#3	 

Garden Distribution Generates Competitive Advantage



~17%
of Garden
revenue

#2
Largest

**U.S. National
Distributor
in Lawn &
Garden**



+40K
Store Doors
Served

Competitive Advantages

- Preferred partner for largest retailers in the United States
- Strengthened customer partnerships, category management
- Insight into leading consumer trends
- Access to emerging brands for M&A

CONSUMER

Building Brands Consumers Love



Grass Seed

+35%

Sales at Top 3
2023 vs. 2019



Wild Bird

+90%

Sales at Top 3
2023 vs. 2019



Hummingbird Nectar

+110%

Sales at Top 3
2023 vs. 2019



Investing Behind Winning Innovation

Brand Extension

HSD

POS \$ growth vs. prior year*

Launching full season Lawn Fertilizer & liquid Plant Food



Brand Redesign

HSD

POS \$ growth vs. prior year**
Reversing years of POS losses



CUSTOMER

Positioned to Win Every Channel

Winning at the Big 3

- Outstanding customer relationships
- Tenured sales team with deep Lawn & Garden expertise
- Leveraging our unique portfolio and consumer insights to tailor category solutions
- Best in class retail activation and execution with ~1,100 merchandisers in store in peak season



Strengthening our Positions in Emerging Channels

+48%

Growth in eCommerce vs. 2019*

+46%

Growth in Mass & General Merch. vs. 2019

+43%

Growth in Farm & Ranch vs. 2019



COST

Generating Savings to Fuel Growth

SG&A Optimization

Leverage scale
Increase efficiency

Improving Efficiency

Simplify business, reduce complexity
Improve supply chain

SG&A

As a % of net sales



~(1.5)pp

Vs.

2019*

~\$4MM

Annual cost savings run rate before inflation starting in

2023

Key Takeaways: Garden Business



Garden is a resilient industry with a broad base of loyal consumers



Central is a strong leader in Garden with untapped growth potential



We are executing well in a challenging environment



We have a bold consumer-centric growth strategy and are confident in our future



Central Impact

Social Responsibility is Imperative to Our Future



Grounded in our purpose to nurture happy & healthy homes



Important to our long-term profitability



Integrated within our growth strategy



Critical to our mission to lead the future of the garden and pet industries

Our Central Impact Strategy has three priorities and 10 focus areas

Protecting our Planet



Energy & Greenhouse Gases



Water



Waste



Biodiversity

Cultivating our Communities



Philanthropy



Employee Volunteering



Product Stewardship

Empowering our Employees



Health & Safety



Diversity & Inclusion



Learning & Development



Protecting our Planet

Our Goals

Protect our Planet by Embedding Sustainability in our Processes and Products

Our Focus Areas

- Energy & Greenhouse Gases
- Water
- Waste
- Biodiversity

2021 Highlights

80 million pounds of recycled materials in our products

3.8 thousand MWh of energy conserved or diverted

830 metric tons of greenhouse gasses mitigated

14 billion gallons of water use avoided

23 million of waste diverted from the landfill



Community Health

Our Goal

Cultivate our Communities by Giving Back and Providing Better Products

Our Focus Areas

- Philanthropy
- Employee Volunteering
- Product Stewardship

2021 Highlights

\$1.7MM in monetary and product donations





Empower our Employees

Our Goal

Empower our Employees by Providing a Safe and Inclusive Workplace

Our Focus Areas

- Health & Safety
- Diversity & Inclusion
- Learning & Development

2021 Highlights

22 Percent reduction in safety incidents vs PY

2,600 educational courses taken by our employees



People & Culture

Our People



Passionate Engaged Employee Base

Over 6,700 employees primarily in North America



Broad Domestic Footprint

Domestic offices, manufacturing plants and distribution centers

Additional locations in Mexico, Canada, the U.K. and China,



Deep Experience & Expertise

6+ years Average tenure of Hourly FTEs

11+ years Average tenure of Salaried FTEs

Building Central as a Great Place to Work



Develop, recruit &
retain top talent

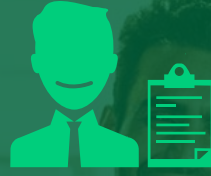


Build winning
capabilities



Embrace diversity
& inclusion

Develop, Recruit & Retain Top Talent



Strong succession & talent management planning with focus on critical roles



Healthy mix of promote from within & external hires



Extended leadership community



Robust development & career planning

Healthy Mix of Promotions & New Talent

45+ Promotions to
Director and above
roles in the last year

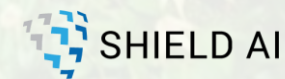
Finance

Supply Chain

Information Services

And many of our
business units

14+ new hires in Director and above roles



Developing our Next Generation of Leaders



-  Community of top ~120 leaders
-  Empowering group to lead company priorities
-  Investing in leadership development
-  Leading our company to great results & building a great place to work!

Building Winning Capabilities



Marketing

Consumer Insights
Brand Building
Innovation



eCommerce

Flywheel Management
Omni-Channel Expansion
Supply Chain Fulfillment



Data & Analytics

Business performance
Marketing, Sales & eCommerce
Supply chain

Our Approach



**Ambition
Setting**



**External
Benchmarking**



**Internal Gap
Assessment**



**Roadmap
Development**



**Plan
Execution**



Embracing diversity & inclusion

39%

Of leadership
positions* held
by women

Mentorship

- Mentorship Program and education subsidies to build a strong pipeline of future leaders

Leadership Development

- Inclusive Leadership embedded in our leadership development programs

Recruiting

- Recruiters/hiring managers apply diversity outreach tools and track usage of system

Employee Education

- Learning Central includes rich D&I content and can be accessed by all employees



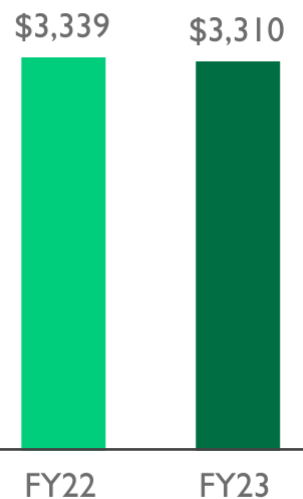
Financial Overview

2023 Financial Results

Net Sales

(in \$ millions)

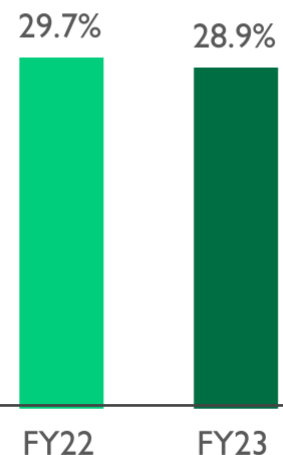
(1)%



Non-GAAP Gross Margin

(as a percentage of Net Sales)

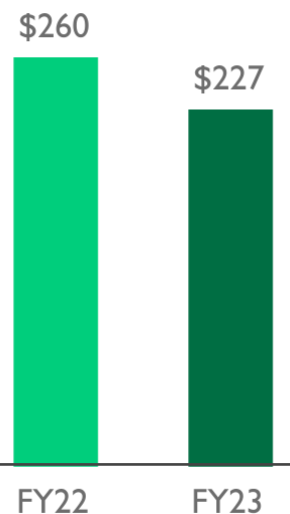
(80)bps



Non-GAAP Operating Income

(in \$ millions)

(13)%



GAAP EPS

(in \$)

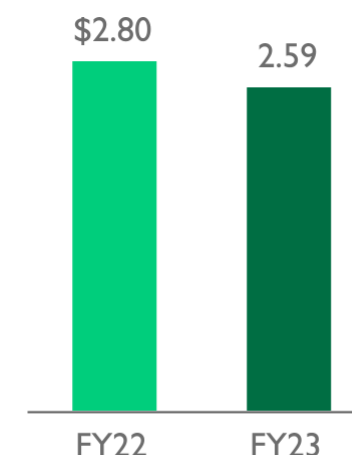
\$(0.45)



Non-GAAP EPS

(in \$)

\$(0.21)

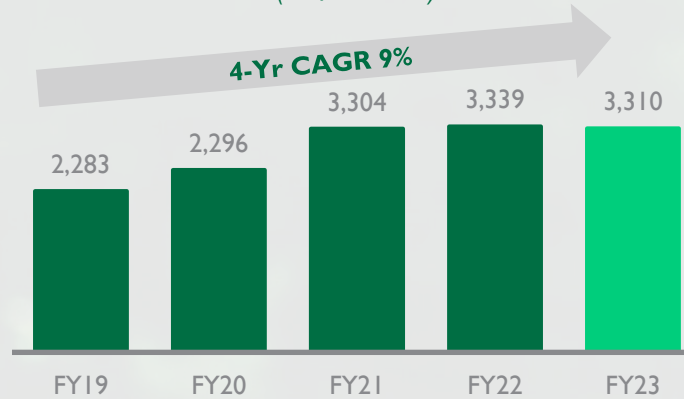


Our Metrics Accelerated Over The Last Five Years



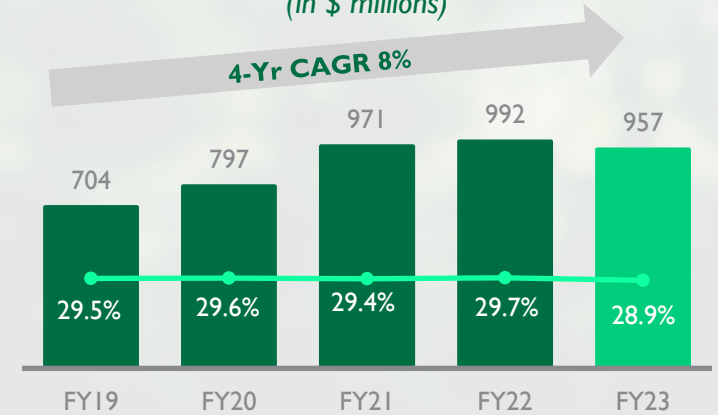
Net Sales

(in \$ millions)



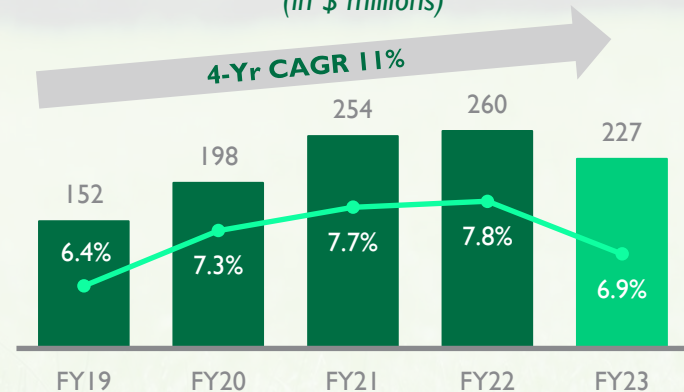
Gross Profit & Margin⁽¹⁾

(in \$ millions)



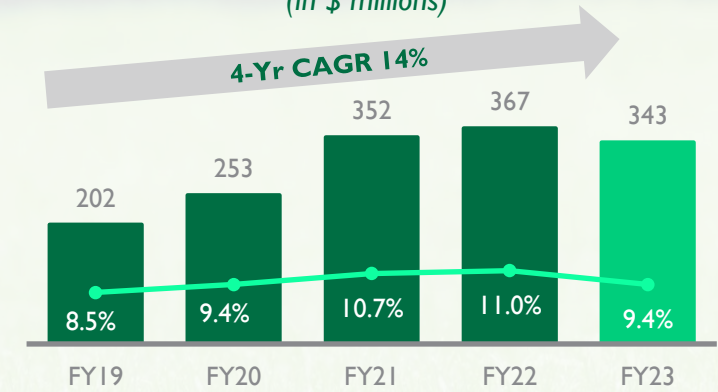
Operating Income & Margin⁽¹⁾

(in \$ millions)



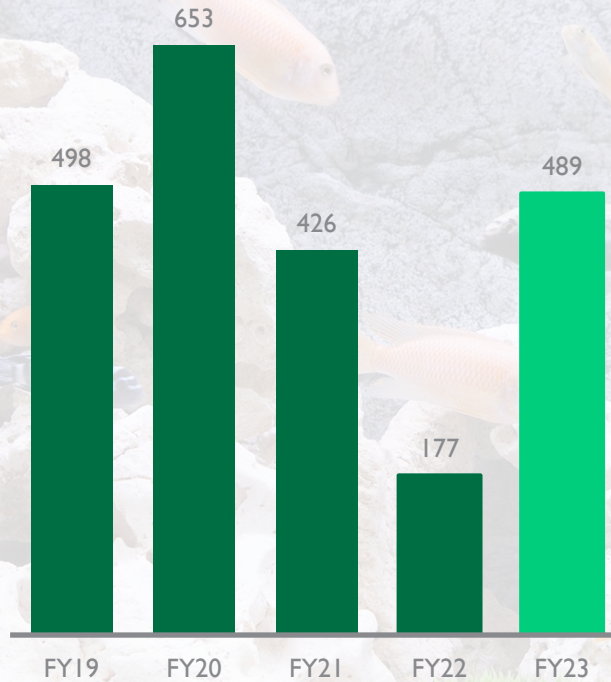
Adj. EBITDA & Margin⁽¹⁾

(in \$ millions)

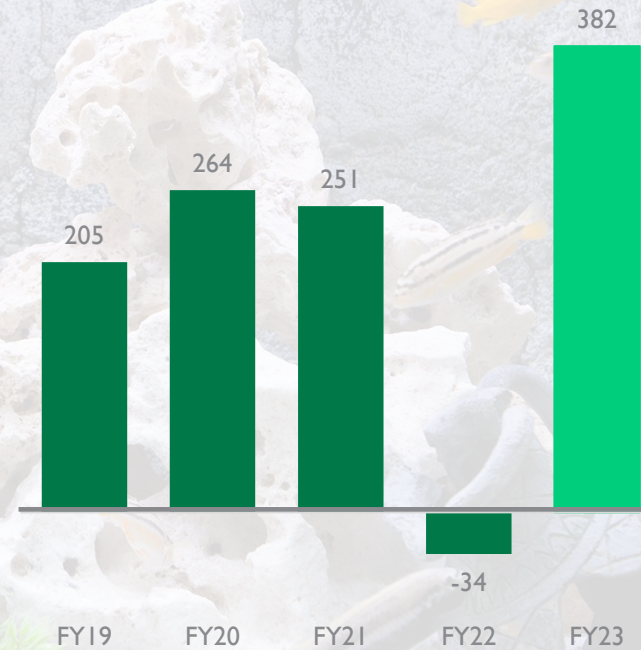


Strong Financial Metrics

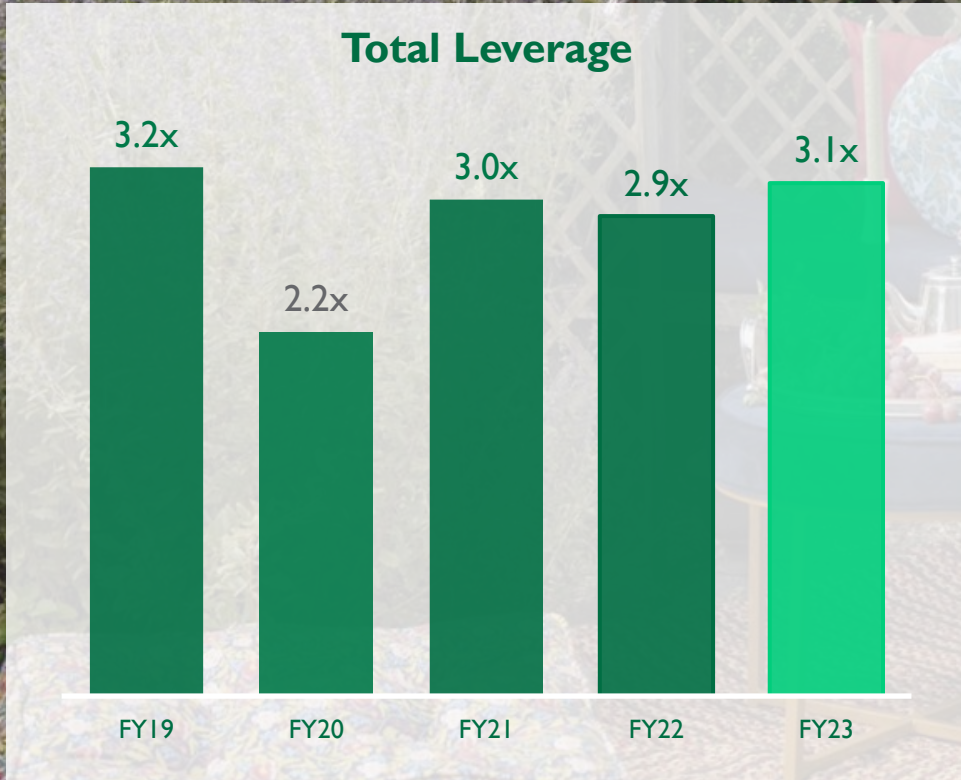
Cash & Cash Equivalents (in \$ millions)



Cash Flow from Operations (in \$ millions)



Financial Resilience



- Strong and resilient balance sheet
- Refinanced debt at lower rates
- Future leverage target of 3-3.5x, willing to go higher for the right target, then quickly de-lever
- Reach investment grade rating

Capital Allocation Priorities

Targeted M&A

- Build scale, fill white spaces and enter priority adjacencies
- Enhance key capabilities and pursue portfolio optimization

Share repurchases

- Opportunistic and programmatic share repurchases

Invest for Growth

- Expand capacity
- Selectively invest in brand building, ecommerce, digital marketing, consumer insights

Debt Repayment

- Maintain flexibility for opportunistic M&A
- Reach investment grade rating

Multi-year Journey to Reduce Cost and Simplify our Business

PRINCIPLES

Simplify our business, focus our portfolio and supply chain

Improve our efficiency across everything we do

Execute in market with excellence

Take a disciplined and phased approach, avoid a “big bang”

FOCUS AREAS



Procurement



Manufacturing



Logistics



Portfolio



Administration

OUTCOMES

Significantly reduced complexity: fewer SKUs, fewer plants, fewer distribution centers

Lower COGS through lower logistics costs, better procurement

Greater focus on higher margin consumer product Pet and Garden businesses

Lower administrative costs through scale leverage and efficiency

Long-Term Algorithm for Profitable Growth

Organic Net Sales

Outlook:

LSD

Grow at or above category average

Drivers:

Strengthened capabilities and increased investment in marketing and sales

Operating Income

Outlook:

MSD

Grow faster than Net Sales

Drivers:

Operating leverage and cost excellence

Earnings per Share

Outlook:

MSD-HSD

Grow faster than Operating Income

Drivers:

Leverage improvement

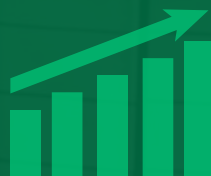
Key Takeaways: Financial Overview



Robust financial performance



Fortress balance sheet and strong cash flow generation



Opportunities to expand margins and fuel growth



Proven track record of M&A



Long-term strategy designed to drive a virtuous cycle and shareholder returns



Summary



Long-term 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

OUR STRATEGIES



CONSUMER

Build and grow brands
Consumers love



CUSTOMER

Win with winning
Customers & Channels



CENTRAL

Fortify the
Central Portfolio



COST

Reduce Cost to improve
margins & fuel growth



CULTURE

Strengthen our entrepreneurial,
business unit led, growth Culture

Recap: Key Takeaways



Garden & Pet are highly attractive and resilient growth industries



Central is an industry leader with a strong foundation and untapped potential



Our long-term strategy sets a bold ambition for the future with encouraging early results



We are confident in our plans to deliver significant long-term shareholder value



CENTRAL

GARDEN & PET

Please reach out to us with any comments or questions:

IR@Central.com

| (925) 948-4657



Appendix

Notes & Disclosures

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 adjusted EBITDA, non-GAAP operating income, and non-GAAP net income and diluted net income per share. Management believes these non-GAAP financial measures that exclude the impact of specific items (described below) 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.

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, the gain from the sale of our independent garden center distribution business and intangible asset impairment charges. 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. We believe that the non-GAAP financial measures provide useful information to investors and other users of our financial statements, by allowing for greater transparency in the review of our financial and operating performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance, and we believe these measures similarly may be useful to investors in evaluating our financial and operating performance and the trends in our business from management's point of view. While our management believes that non-GAAP measurements 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.

Notes & Disclosures

Use of Non-GAAP Financial Measures

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

- **Facility closures:** we exclude the impact of the closure of facilities as they represent infrequent transactions that occur in limited circumstances that impact the comparability between operating periods. We believe the adjustment of closure costs supplements the GAAP information with a measure that may be used to assess the performance of our ongoing operations.
- **Gain on sale of a business or service line:** we exclude the impact of the gain on the sale of a business as it represents an infrequent transaction that occurs in limited circumstances that impacts the comparability between operating periods. We believe the adjustment of this gain supplements the GAAP information with a measure that may be used to assess the performance of our ongoing operations.
- **Asset impairment charges:** we exclude the impact of asset impairments on intangible assets 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.
- **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, unless the underlying item has a materially different tax treatment.

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.

The non-GAAP adjustments made reflect the following:

1. During the third quarter of fiscal 2023, we recognized incremental expense of \$13.9 million in our Pet segment in the consolidated statement of operations, from the closure of a leased manufacturing and distribution facility in Athens, Texas. During the fourth quarter of fiscal 2023, we recognized incremental expense of \$1.8 million in our Pet segment in the consolidated statement of operations, from the closure of a leased manufacturing and distribution facility in Amarillo, Texas.
2. During the fourth quarter of fiscal 2023, we recognized a gain of \$5.8 million from the sale of our independent garden center distribution business, which includes the impact of associated facility closure costs. The gain is included in selling, general and administrative expense in the consolidated statements of operations.
3. During the fourth quarter of fiscal 2023, we recognized a non-cash impairment charge in our Pet segment of \$2.8 million related to the impairment of intangible assets caused by the loss of a significant customer in our live fish business. Also, during the fourth quarter of fiscal 2023, we recognized a non-cash impairment charge in our Garden segment of \$3.9 million related to the impairment of intangible assets due to reduced demand for products we sold under an acquired trade name. The impairments were recorded as part of selling, general and administrative costs.

**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 30, 2023	September 24, 2022
GAAP net income attributable to Central Garden & Pet Company	\$	125,643	\$ 152,152
Pet facilities closures	(1)	15,672	—
Independent garden channel distribution sale and related facility closure	(2)	(5,844)	—
Intangible impairments	(3)	6,731	—
Tax effect of adjustments		(3,705)	—
Non-GAAP net income attributable to Central Garden & Pet Company		138,497	152,152
GAAP diluted net income per share	\$	2.35	\$ 2.80
Non-GAAP diluted net income per share	\$	2.59	\$ 2.80
Shares used in GAAP and non-GAAP diluted net income per share calculation		53,427	54,425

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

Adjusted EBITDA Reconciliation

	September 30, 2023	September 24, 2022
Net income attributable to Central Garden & Pet Company	\$ 125,643	\$ 152,152
Interest expense, net	49,663	57,534
Other (income) expense	(1,462)	3,596
Income tax benefit	36,348	46,234
Net income attributable to noncontrolling interest	454	520
Income from operations	210,646	260,036
Depreciation & amortization	87,700	80,948
Noncash stock-based compensation	27,990	25,817
Non-GAAP adjustments	(1)(2)(3) 16,559	—
Adjusted EBITDA	\$ 342,895	\$ 366,801

**GAAP to Non-GAAP Reconciliation
for the Fiscal Three Months Ended**
(in thousands)

Operating Income Reconciliation

	Three Months Ended September 30, 2023		
	GAAP	Adjustments ⁽¹⁾⁽²⁾⁽³⁾	Non-GAAP
Net sales	\$ 750,147	\$ —	\$ 750,147
Cost of goods sold and occupancy	552,694	1,751	550,943
Gross profit	197,453	(1,751)	199,204
Selling, general and administrative expenses	188,084	887	187,197
Income from operations	\$ 9,369	\$ (2,638)	\$ 12,007

Pet Segment Operating Income Reconciliation

	The Three Months Ended	
	September 30, 2023	September 24, 2022
GAAP operating income	\$ 43,225	\$ 40,412
Facility closure and intangible asset impairment	(2)(3) 4,536	—
Non-GAAP operating income	\$ 47,761	\$ 40,412

Garden Segment Operating Income Reconciliation

	The Three Months Ended	
	September 30, 2023	September 24, 2022
GAAP operating income (loss)	\$ (3,432)	\$ 1,824
Garden independent distribution sale and intangible asset impairment	(2)(3) (1,898)	—
Non-GAAP operating income (loss)	\$ (5,330)	\$ 1,824