UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 25, 2023
or

☐ **TRANSITION REPORT PURSUANT OF SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______
Commission File Number: 001-33268

Central Garden & Pet Company

Delaware	**68-0275553**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1340 Treat Blvd., Suite 600, Walnut Creek, California 94597
(Address of principal executive offices)
(925) 948-4000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CENT	The NASDAQ Stock Market LLC
Class A Common Stock	CENTA	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock Outstanding as of April 30, 2023	11,221,030
Class A Common Stock Outstanding as of April 30, 2023	41,271,743
Class B Stock Outstanding as of April 30, 2023	1,602,374

PART I. FINANCIAL INFORMATION

PART II. OTHER INFORMATION

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This Form 10-Q includes "forward-looking statements." Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, projected cost savings, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industries and markets in which we operate and other information that is not historical information. When used in this Form 10-Q, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, our examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them, but we cannot assure you that our expectations, beliefs and projections will be realized.

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 Form 10-Q. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Form 10-Q are set forth in the Form 10-K for the fiscal year ended September 24, 2022, including the factors described in the section entitled "Item 1A – Risk Factors." If any of these risks or uncertainties materializes, or if any of our underlying assumptions are incorrect, our actual results may differ significantly from the results that we express in, or imply by, any of our forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances, except as required by law. Presently known risk factors include, but are not limited to, the following factors:

- high inflation, rising interest rates, a potential recession and other adverse macro-economic conditions, including any impact that could result if the U.S. government were to default on its debt obligations;
- fluctuations in market prices for seeds and grains and other raw materials;

- our ability to pass through cost increases in a timely manner;
- fluctuations in energy prices, fuel and related petrochemical costs;
- declines in consumer spending and increased inventory risk during economic downturns;
- 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;
- 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;
- restructuring activities to improve long-term profitability;
- 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;
- 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;
- risk 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 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 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 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.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CENTRAL GARDEN & PET COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts, unaudited)

	March 25, 2023	March 26, 2022	September 24, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	$ 60,607	$ 54,082	$ 177,442
Restricted cash	13,475	12,676	14,742
Accounts receivable (less allowances of $28,283, $28,234 and $26,246)	564,874	619,629	376,787
Inventories, net	966,900	888,051	938,000
Prepaid expenses and other	48,019	49,449	46,883
Total current assets	1,653,875	1,623,887	1,553,854
Plant, property and equipment, net	395,788	384,940	396,979
Goodwill	546,436	511,973	546,436
Other intangible assets, net	525,301	499,251	543,210
Operating lease right-of-use assets	174,435	204,148	186,344
Other assets	54,963	125,059	55,179
Total	$ 3,350,798	$ 3,349,258	$ 3,282,002
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$ 225,311	$ 297,194	$ 215,681
Accrued expenses	201,286	228,412	201,783
Current lease liabilities	49,082	44,765	48,111
Current portion of long-term debt	270	378	317
Total current liabilities	475,949	570,749	465,892
Long-term debt	1,212,053	1,185,456	1,186,245
Long-term lease liabilities	135,695	165,446	147,724
Deferred income taxes and other long-term obligations	154,854	133,274	147,429
Equity:			
Common stock, $0.01 par value: 11,236,635, 11,335,658 and 11,296,351 shares outstanding at March 25, 2023, March 26, 2022 and September 24, 2022	112	113	113
Class A common stock, $0.01 par value: 41,289,878, 42,228,533 and 41,336,223 shares outstanding at March 25, 2023, March 26, 2022 and September 24, 2022	413	422	413
Class B stock, $0.01 par value: 1,602,374, 1,612,374 and 1,612,374 shares outstanding at March 25, 2023, March 26, 2022 and September 24, 2022	16	16	16
Additional paid-in capital	587,378	580,555	582,056
Retained earnings	786,776	712,683	755,253
Accumulated other comprehensive loss	(3,601)	(703)	(4,145)
Total Central Garden & Pet Company shareholders' equity	1,371,094	1,293,086	1,333,706
Noncontrolling interest	1,153	1,247	1,006
Total equity	1,372,247	1,294,333	1,334,712
Total	$ 3,350,798	$ 3,349,258	$ 3,282,002

See notes to condensed consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	March 25, 2023	March 26, 2022	March 25, 2023	March 26, 2022
Net sales	$ 909,004	$ 954,370	$ 1,536,667	$ 1,615,768
Cost of goods sold	649,366	667,578	1,105,330	1,130,780
Gross profit	259,638	286,792	431,337	484,988
Selling, general and administrative expenses	181,597	179,947	352,890	351,929
Operating income	78,041	106,845	78,447	133,059
Interest expense	(14,876)	(14,729)	(29,345)	(29,211)
Interest income	186	27	879	101
Other income (expense)	595	(369)	2,294	(578)
Income before income taxes and noncontrolling interest	63,946	91,774	52,275	103,371
Income tax expense	15,268	21,488	12,446	23,889
Income including noncontrolling interest	48,678	70,286	39,829	79,482
Net income attributable to noncontrolling interest	563	573	147	760
Net income attributable to Central Garden & Pet Company	$ 48,115	$ 69,713	$ 39,682	$ 78,722
Net income per share attributable to Central Garden & Pet Company:				
Basic	$ 0.92	$ 1.30	$ 0.76	$ 1.47
Diluted	$ 0.90	$ 1.27	$ 0.74	$ 1.44
Weighted average shares used in the computation of net income per share:				
Basic	52,443	53,458	52,461	53,475
Diluted	53,534	54,722	53,520	54,818

See notes to condensed consolidated financial statements.

CENTRAL GARDEN & PET COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, unaudited)

	Three Months Ended		Six Months Ended	
	March 25, 2023	March 26, 2022	March 25, 2023	March 26, 2022
Income including noncontrolling interest	$ 48,678	$ 70,286	$ 39,829	$ 79,482
Other comprehensive income (loss):				
Foreign currency translation	(238)	570	545	128
Total comprehensive income	48,440	70,856	40,374	79,610
Comprehensive income attributable to noncontrolling interest	563	573	147	760
Comprehensive income attributable to Central Garden & Pet Company	$ 47,877	$ 70,283	$ 40,227	$ 78,850

See notes to condensed consolidated financial statements.

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

	Six Months Ended	
	March 25, 2023	March 26, 2022
Cash flows from operating activities:		
Net income	$ 39,829	$ 79,482
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	43,801	38,449
Amortization of deferred financing costs	1,349	1,316
Non-cash lease expense	25,369	23,532
Stock-based compensation	13,327	11,479
Debt extinguishment costs	—	169
Deferred income taxes	7,486	77,416
Other operating activities	136	(124)
Change in assets and liabilities (excluding businesses acquired):		
Accounts receivable	(187,745)	(234,146)
Inventories	(27,152)	(202,996)
Prepaid expenses and other assets	(3,868)	(84,983)
Accounts payable	15,421	51,195
Accrued expenses	(462)	(10,038)
Other long-term obligations	(21)	(64)
Operating lease liabilities	(24,542)	(22,768)
Net cash used by operating activities	(97,072)	(272,081)
Cash flows from investing activities:		
Additions to plant, property and equipment	(30,228)	(75,419)
Investments	(500)	(1,918)
Other investing activities	(100)	100
Net cash used in investing activities	(30,828)	(77,237)
Cash flows from financing activities:		
Repayments of long-term debt	(182)	(889)
Borrowings under revolving line of credit	48,000	—
Repayments under revolving line of credit	(23,000)	—
Repurchase of common stock, including shares surrendered for tax withholding	(16,165)	(18,752)
Payment of contingent consideration liability	(12)	(125)
Distribution to noncontrolling interest	—	(806)
Payment of financing costs	—	(2,442)
Net cash provided (used) by financing activities	8,641	(23,014)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,157	(432)
Net decrease in cash, cash equivalents and restricted cash	(118,102)	(372,764)
Cash, cash equivalents and restricted cash at beginning of period	192,184	439,522
Cash, cash equivalents and restricted cash at end of period	$ 74,082	$ 66,758
Supplemental information:		
Cash paid for interest	$ 29,343	$ 29,042
Cash paid for taxes	$ 1,889	$ 24,603
New operating lease right of use assets	$ 13,776	$ 62,251

See notes to condensed consolidated financial statements.

CENTRAL GARDEN & PET COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Three and Six Months Ended March 25, 2023
(Unaudited)

1. Basis of Presentation

The condensed consolidated balance sheets of Central Garden & Pet Company and subsidiaries (the "Company" or "Central") as of March 25, 2023 and March 26, 2022, the condensed consolidated statements of operations and the condensed consolidated statements of comprehensive income for the three and six months ended March 25, 2023 and March 26, 2022, and the condensed consolidated statements of cash flows for the six months ended March 25, 2023 and March 26, 2022 have been prepared by the Company, without audit. In the opinion of management, the interim financial statements include all normal recurring adjustments necessary for a fair statement of the results for the interim periods presented.

For the Company's foreign businesses in the United Kingdom and Canada, the local currency is the functional currency. Assets and liabilities are translated using the exchange rate in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Deferred taxes are not provided on translation gains and losses because the Company expects earnings of its foreign subsidiaries to be permanently reinvested. Transaction gains and losses are included in results of operations.

Due to the seasonal nature of the Company's garden business, the results of operations for the three and six months ended March 25, 2023 are not necessarily indicative of the operating results that may be expected for the entire fiscal year. These interim financial statements should be read in conjunction with the annual audited financial statements, accounting policies and financial notes thereto, included in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 2022, which has previously been filed with the Securities and Exchange Commission. The September 24, 2022 balance sheet presented herein was derived from the audited financial statements.

Noncontrolling Interest

Noncontrolling interest in the Company's condensed consolidated financial statements represents the 20% interest not owned by Central in a consolidated subsidiary. Since the Company controls this subsidiary, its financial statements are consolidated with those of the Company, and the noncontrolling owner's 20% share of the subsidiary's net assets and results of operations is deducted and reported as noncontrolling interest on the consolidated balance sheets and as net income (loss) attributable to noncontrolling interest in the condensed consolidated statements of operations. See Note 7, Supplemental Equity Information, for additional information.

Cash, Cash Equivalents and Restricted Cash

The Company considers cash and all highly liquid investments with an original maturity of three months or less at date of purchase to be cash and cash equivalents. Restricted cash includes cash and highly liquid instruments that are used as collateral for stand-alone letter of credit agreements related to normal business transactions. These agreements require the Company to maintain specified amounts of cash as collateral in segregated accounts to support the letters of credit issued thereunder, which will affect the amount of cash the Company has available for other uses.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Company manages the credit risk associated with cash equivalents and investments by investing with high-quality institutions and, by policy, limiting investments only to those which meet prescribed investment guidelines. The Company maintains cash accounts that exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant risks on its cash and cash equivalent accounts.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the condensed consolidated statements of cash flows as of March 25, 2023, March 26, 2022 and September 24, 2022, respectively.

	March 25, 2023	March 26, 2022	September 24, 2022
		(in thousands)	
Cash and cash equivalents	$ 60,607	$ 54,082	$ 177,442
Restricted cash	13,475	12,676	14,742
Total cash, cash equivalents and restricted cash	$ 74,082	$ 66,758	$ 192,184

Allowance for Credit Losses and Customer Allowances

The Company’s trade accounts receivable are recorded at net realizable value, which includes an allowance for estimated credit losses, as well as allowances for contractual customer deductions accounted for as variable consideration. The Company maintains an allowance for credit losses related to its trade accounts receivable associated with future expected credit losses resulting from the inability of its customers to make required payments. The Company estimates the allowance based upon historical bad debts, current customer receivable balances and the customer’s financial condition. The allowance is adjusted to reflect changes in current and forecasted macroeconomic conditions. The Company’s estimate of credit losses includes expected current and future economic and market conditions.

Revenue Recognition

Revenue Recognition and Nature of Products and Services

The Company manufactures, markets and distributes a wide variety of pet and garden products to wholesalers, distributors and retailers, primarily in the United States. The majority of the Company’s revenue is generated from the sale of finished pet and garden products. The Company also recognizes a minor amount of non-product revenue (approximately one percent of consolidated net sales) comprising third-party logistics services, merchandising services and royalty income from sales-based licensing arrangements. Product and non-product revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied. The Company recognizes product revenue when control over the finished goods transfers to its customers, which generally occurs upon shipment to, or receipt at, customers’ locations, as determined by the specific terms of the contract. These revenue arrangements generally have single performance obligations. Non-product revenue is recognized as the services are provided to the customer in the case of third-party logistics services and merchandising services, or as third-party licensee sales occur for royalty income. Revenue, which includes shipping and handling charges billed to the customer, is reported net of variable consideration and consideration payable to our customers, including applicable discounts, returns, allowances, trade promotion, unsaleable product, consumer coupon redemption and rebates. Shipping and handling costs that occur before the customer obtains control of the goods are deemed to be fulfillment activities and are accounted for as fulfillment costs.

Key sales terms are established on a frequent basis such that most customer arrangements and related incentives have a one year or shorter duration. As such, the Company does not capitalize contract inception costs. The Company generally does not have unbilled receivables at the end of a period. Deferred revenues are not material and primarily include advance payments for services that have yet to be rendered. The Company does not receive noncash consideration for the sale of goods. Amounts billed and due from our customers are classified as receivables and require payment on a short-term basis; therefore, the Company does not have any significant financing components.

Sales Incentives and Other Promotional Programs

The Company routinely offers sales incentives and discounts through various regional and national programs to our customers and consumers. These programs include product discounts or allowances, product rebates, product returns, one-time or ongoing trade-promotion programs with customers and consumer coupon programs that require the Company to estimate and accrue the expected costs of such programs. The costs associated with these activities are accounted for as reductions to the transaction price of the Company’s products and are, therefore, recorded as reductions to gross sales at the time of sale. The Company bases its estimates of incentive costs on historical trend experience with similar programs, actual incentive terms per customer contractual obligations and expected levels of performance of trade promotions, utilizing customer and sales organization inputs. The Company maintains liabilities at the end of each period for the estimated incentive costs incurred but unpaid for these programs. Differences between estimated and actual incentive costs are generally not material and are recognized in earnings in the period such differences are determined. Reserves for product returns, accrued rebates and promotional accruals are included in the condensed consolidated balance sheets as part of accrued expenses, and the value of inventory associated with reserves for sales returns is included within prepaid expenses and other current assets on the condensed consolidated balance sheets.

Leases

The Company determines whether an arrangement contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration and other facts and circumstances. Long-term operating lease right-of-use ("ROU") assets and current and long-term operating lease liabilities are presented separately in the condensed consolidated balance sheets. Finance lease ROU assets are presented in property, plant and equipment, net, and the related finance liabilities are presented with current and long-term debt in the condensed consolidated balance sheets.

Lease ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are calculated based on the lease liability adjusted for any lease payments paid to the lessor at or before the commencement date and excludes any lease incentives received from the lessor. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. As the Company's leases typically do not contain a readily determinable implicit rate, the Company determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date based on the lease term on a collateralized basis. Variable lease payments are expensed as incurred and include certain non-lease components, such as maintenance and other services provided by the lessor, and other charges included in the lease, as applicable. Non-lease components and the lease components to which they relate are accounted for as a single lease component, as the Company has elected to combine lease and non-lease components for all classes of underlying assets.

Amortization of ROU lease assets is calculated on a straight-line basis over the lease term with the expense recorded in cost of sales or selling, general and administrative expenses, depending on the nature of the leased item. Interest expense is recorded over the lease term and is recorded in interest expense (based on a front-loaded interest expense pattern) for finance leases and is recorded in cost of sales or selling, general and administrative expenses (on a straight-line basis) for operating leases. All operating lease cash payments and interest on finance leases are recorded within cash flows from operating activities and all finance lease principal payments are recorded within cash flows from financing activities in the condensed consolidated statements of cash flows.

Recent Accounting Pronouncements

Recently Issued Accounting Updates

There are no recent accounting pronouncements that are anticipated to have a material impact on the Company's condensed consolidated financial statements.

2. Fair Value Measurements

ASC 820 establishes a single authoritative definition of fair value, a framework for measuring fair value and expands disclosure of fair value measurements. ASC 820 requires financial assets and liabilities to be categorized based on the inputs used to calculate their fair values as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability, which reflect the Company’s own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The Company’s financial instruments include cash and equivalents, short term investments consisting of bank certificates of deposit, accounts receivable and payable, derivative instruments, short-term borrowings, and accrued liabilities. The carrying amount of these instruments approximates fair value because of their short-term nature.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company's financial assets and liabilities measured at fair value on a recurring basis consist of contingent consideration within Level 3 of the fair value hierarchy. Such amounts are not material for all periods presented.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures certain non-financial assets and liabilities, including long-lived assets, goodwill and intangible assets, at fair value on a non-recurring basis. Fair value measurements of non-financial assets and non-financial liabilities are used primarily in the impairment analyses of long-lived assets, goodwill and other intangible assets. During the periods ended March 25, 2023 and March 26, 2022, the Company was not required to measure any significant non-financial assets and liabilities at fair value.

Fair Value of Other Financial Instruments

In April 2021, the Company issued $ 400 million aggregate principal amount of 4.125% senior notes due April 2031 (the "2031 Notes"). The estimated fair value of the Company's 2031 Notes as of March 25, 2023, March 26, 2022 and September 24, 2022 was $334.0 million, $359.2 million and $ 327.6 million, respectively, compared to a carrying value of $ 395.1 million, $394.5 million and $394.8 million, respectively.

In October 2020, the Company issued $ 500 million aggregate principal amount of 4.125% senior notes due October 2030 (the "2030 Notes"). The estimated fair value of the Company's 2030 Notes as of March 25, 2023, March 26, 2022 and September 24, 2022 was $426.3 million, $452.5 million and $407.6 million, respectively, compared to a carrying value of $ 494.0 million, $493.2 million and $493.6 million, respectively.

In December 2017, the Company issued $ 300 million aggregate principal amount of 5.125% senior notes due February 2028 (the "2028 Notes"). The estimated fair value of the Company's 2028 Notes as of March 25, 2023, March 26, 2022 and September 24, 2022 was $281.9 million, $296.8 million and $272.2 million, respectively, compared to a carrying value of $ 297.7 million, $297.3 million and $297.5 million, respectively.

The estimated fair value is based on quoted market prices for these notes, which are Level 1 inputs within the fair value hierarchy.

3. Inventories, net

Inventories, net of allowance for obsolescence, consist of the following:

	March 25, 2023	March 26, 2022	September 24, 2022
		(in thousands)	
Raw materials	$ 295,071	$ 249,793	$ 266,695
Work in progress	190,526	99,157	99,842
Finished goods	454,464	511,284	528,481
Supplies	26,839	27,817	42,982
Total inventories, net	$ 966,900	$ 888,051	$ 938,000

4. Goodwill

The Company tests goodwill for impairment annually (as of the first day of the fourth fiscal quarter), or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount, by first assessing qualitative factors to determine whether it is more likely than not the fair value of the reporting unit is less than its carrying amount. The qualitative assessment evaluates factors including macro-economic conditions, industry-specific and company-specific considerations, legal and regulatory environments and historical performance. If it is determined that it is more likely than not the fair value of the reporting unit is greater than its carrying amount, it is unnecessary to perform the quantitative goodwill impairment test. If it is determined that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, the quantitative test is performed to identify potential goodwill impairment. Based on certain circumstances, the Company may elect to bypass the qualitative assessment and proceed directly to performing the quantitative goodwill impairment test, which compares the estimated fair value of our reporting units to their related carrying values, including goodwill. Impairment is indicated if the estimated fair value of the reporting unit is less than its carrying value, and an impairment charge is recognized for the differential. The Company’s goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of its two reporting units to the Company’s total market capitalization. No impairment of goodwill was recorded for the six months ended March 25, 2023 and March 26, 2022.

5. Other Intangible Assets

The following table summarizes the components of gross and net acquired intangible assets:

	Gross	Accumulated Amortization	Accumulated Impairment	Net Carrying Value
		(in millions)		
March 25, 2023				
Marketing-related intangible assets – amortizable	$ 22.1	$ (21.1)	$ —	$ 1.0
Marketing-related intangible assets – nonamortizable	252.5	—	(26.0)	226.5
Total	274.6	(21.1)	(26.0)	227.5
Customer-related intangible assets – amortizable	416.4	(133.1)	(2.5)	280.8
Other acquired intangible assets – amortizable	39.7	(28.6)	—	11.1
Other acquired intangible assets – nonamortizable	7.1	—	(1.2)	5.9
Total	46.8	(28.6)	(1.2)	17.1
Total other intangible assets, net	$ 737.8	$ (182.8)	$ (29.8)	$ 525.3

	Gross	Accumulated Amortization	Accumulated Impairment	Net Carrying Value
		(in millions)		
March 26, 2022				
Marketing-related intangible assets – amortizable	$ 22.1	$ (19.8)	$ —	$ 2.2
Marketing-related intangible assets – nonamortizable	218.2	—	(26.0)	192.2
Total	240.3	(19.8)	(26.0)	194.4
Customer-related intangible assets – amortizable	386.4	(100.2)	(2.5)	283.7
Other acquired intangible assets – amortizable	39.7	(24.5)	—	15.2
Other acquired intangible assets – nonamortizable	7.1	—	(1.2)	5.9
Total	46.8	(24.5)	(1.2)	21.1
Total other intangible assets, net	$ 673.5	$ (144.5)	$ (29.8)	$ 499.3

	Gross	Accumulated Amortization	Accumulated Impairment	Net Carrying Value
		(in millions)		
September 24, 2022				
Marketing-related intangible assets – amortizable	$ 22.1	$ (20.5)	$ —	$ 1.5
Marketing-related intangible assets – nonamortizable	252.5	—	(26.0)	226.5
Total	274.6	(20.5)	(26.0)	228.0
Customer-related intangible assets – amortizable	416.4	(117.8)	(2.5)	296.1
Other acquired intangible assets – amortizable	39.7	(26.6)	—	13.2
Other acquired intangible assets – nonamortizable	7.1	—	(1.2)	5.9
Total	46.8	(26.6)	(1.2)	19.1
Total other intangible assets, net	$ 737.8	$ (164.9)	$ (29.8)	$ 543.2

Other acquired intangible assets include contract-based and technology-based intangible assets.

The Company evaluates long-lived assets, including amortizable and indefinite-lived intangible assets, for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Company evaluates indefinite-lived intangible assets on an annual basis. Factors indicating the carrying value of the Company’s amortizable intangible assets may not be recoverable were not present in the six months ended March 25, 2023, and accordingly, no impairment testing was performed on these assets.

The Company amortizes its acquired intangible assets with definite lives over periods ranging from two years to 25 years; over weighted average remaining lives of two years for marketing-related intangibles, 12 years for customer-related intangibles and six years for other acquired intangibles. Amortization expense for intangibles subject to amortization was approximately $ 8.9 million and $7.8 million for the three months ended March 25, 2023 and March 26, 2022, respectively, and $17.9 million and $14.7 million for the six months ended March 25, 2023 and March 26, 2022, respectively, and is classified within selling, general and administrative expenses in the condensed consolidated statements of operations. Estimated annual amortization expense related to acquired intangible assets in each of the succeeding five years is estimated to be approximately $35 million per year from fiscal 2023 through fiscal 2025 and $ 26 million per year from fiscal 2026 through fiscal 2027.

.

6. Long-Term Debt

Long-term debt consists of the following:

	March 25, 2023	March 26, 2022	September 24, 2022
		(in thousands)	
Senior notes, interest at 5.125%, payable semi-annually, principal due February 2028	$ 300,000	$ 300,000	$ 300,000
Senior notes, interest at 4.125%, payable semi-annually, principal due October 2030	500,000	500,000	500,000
Senior notes, interest at 4.125%, payable semi-annually, principal due April 2031	400,000	400,000	400,000
Unamortized debt issuance costs	(13,174)	(15,051)	(14,116)
Net carrying value	1,186,826	1,184,949	1,185,884
Asset-based revolving credit facility, interest at LIBOR plus a margin of 1.00% to 1.50% or Base Rate plus a margin of 0.0% to 0.50%, final maturity December 2026.	25,000	—	—
Other notes payable	497	885	678
Total	1,212,323	1,185,834	1,186,562
Less current portion	(270)	(378)	(317)
Long-term portion	$ 1,212,053	$ 1,185,456	$ 1,186,245

Senior Notes

Issuance of $400 million 4.125% Senior Notes due 2031

On April 30, 2021, the Company issued $ 400 million aggregate principal amount of 4.125% senior notes due April 2031 (the "2031 Notes"). The Company used a portion of the net proceeds from the offering to repay all outstanding borrowings under its Amended Credit Facility, with the remainder used for general corporate purposes.

The Company incurred approximately $6 million of debt issuance costs in conjunction with this issuance, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2031 Notes.

The 2031 Notes require semi-annual interest payments on April 30 and October 30. The 2031 Notes are unconditionally guaranteed on a senior basis by each of the Company's existing and future domestic restricted subsidiaries which are borrowers under or guarantors of Central's Amended Credit Facility. The 2031 Notes were issued in a private placement under Rule 144A and will not be registered under the Securities Act of 1933.

The Company may redeem some or all of the 2031 Notes at any time, at its option, prior to April 30, 2026 at the principal amount plus a "make whole" premium. At any time prior to April 30, 2024, the Company may also redeem, at its option, up to 40% of the notes with the proceeds of certain equity offerings at a redemption price of 104.125% of the principal amount of the notes. The Company may redeem some or all of the 2031 Notes at the Company’s option, at any time on or after April 30, 2026 for 102.063%, on or after April 30, 2027 for 101.375%, on or after April 30, 2028 for 100.688% and on or after April 30, 2029 for 100.0%, plus accrued and unpaid interest.

The holders of the 2031 Notes have the right to require the Company to repurchase all or a portion of the 2031 Notes at a purchase price equal to 101% of the principal amount of the notes repurchased, plus accrued and unpaid interest, upon the occurrence of specific kinds of changes of control.

The 2031 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. The Company was in compliance with all financial covenants as of March 25, 2023.

Issuance of $500 million 4.125% Senior Notes due 2030

In October 2020, the Company issued $ 500 million aggregate principal amount of 4.125% senior notes due October 2030 (the "2030 Notes"). In November 2020, the Company used a portion of the net proceeds to redeem all of its outstanding 6.125% senior notes due November 2023 (the "2023 Notes") at a redemption price of 101.531% plus accrued and unpaid interest, and to pay related fees and expenses, with the remainder used for general corporate purposes.

The Company incurred approximately $ 8.0 million of debt issuance costs associated with this transaction, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2030 Notes.

The 2030 Notes require semiannual interest payments on October 15 and April 15. The 2030 Notes are unconditionally guaranteed on a senior basis by each of the Company's existing and future domestic restricted subsidiaries which are borrowers under or guarantors of the Company's senior secured revolving credit facility or guarantee the Company's other debt.

The Company may redeem some or all of the 2030 Notes at any time, at its option, prior to October 15, 2025 at a price equal to 100% of the principal amount plus a “make-whole” premium. Prior to October 15, 2023, the Company may redeem up to 40% of the original aggregate principal amount of the notes with the proceeds of certain equity offerings at a redemption price of 104.125% of the principal amount of the notes. The Company may redeem some or all of the 2030 Notes, at its option, in whole or in part, at any time on or after October 15, 2025 for 102.063%, on or after October 15, 2026 for 101.375%, on or after October 15, 2027 for 100.688% and on or after October 15, 2028 for 100.0%, plus accrued and unpaid interest.

The holders of the 2030 Notes have the right to require the Company to repurchase all or a portion of the 2030 Notes at a purchase price equal to 101.0% of the principal amount of the notes repurchased, plus accrued and unpaid interest upon the occurrence of a change of control.

The 2030 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. The Company was in compliance with all financial covenants as of March 25, 2023.

$300 million 5.125% Senior Notes due 2028

On December 14, 2017, the Company issued $ 300 million aggregate principal amount of 5.125% senior notes due February 2028 (the "2028 Notes"). The Company used the net proceeds from the offering to finance acquisitions and for general corporate purposes.

The Company incurred approximately $ 4.8 million of debt issuance costs in conjunction with this transaction, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2028 Notes.

The 2028 Notes require semiannual interest payments on February 1 and August 1. The 2028 Notes are unconditionally guaranteed on a senior basis by the Company's existing and future domestic restricted subsidiaries which are borrowers under or guarantors of the Company's senior secured revolving credit facility, or which guarantee the Company's other debt.

The Company may redeem some or all of the 2028 Notes at any time, at its option, prior to January 1, 2024 at the principal amount plus a “make whole” premium. The Company may redeem some or all of the 2028 Notes, at its option, at any time on or after January 1, 2024 for 101.708%, on or after January 1, 2025 for 100.854%, and on or after January 1, 2026 for 100.0%, plus accrued and unpaid interest.

The holders of the 2028 Notes have the right to require the Company to repurchase all or a portion of the 2028 Notes at a purchase price equal to 101.0% of the principal amount of the notes repurchased, plus accrued and unpaid interest upon the occurrence of a change of control.

The 2028 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. The Company was in compliance with all financial covenants as of March 25, 2023.

Asset-Based Loan Facility Amendment

On December 16, 2021, the Company entered into a Third Amended and Restated Credit Agreement (“Amended Credit Agreement”). The Amended Credit Agreement amended and restated the previous credit agreement dated September 27, 2019 (the "Predecessor Credit Agreement"), and provides for a $750 million principal amount senior secured asset-based revolving credit facility, with up to an additional $400 million principal amount available with the consent of the Lenders, as defined, if the Company exercises the uncommitted accordion feature set forth therein (collectively, the “Amended Credit Facility”). The Amended Credit Facility matures on December 16, 2026. The Company may borrow, repay and reborrow amounts under the Amended Credit Facility until its maturity date, at which time all amounts outstanding under the Amended Credit Facility must be repaid in full.

The Amended Credit Facility is subject to a borrowing base that is calculated using a formula based upon eligible receivables and inventory, and at the Company's election, eligible real property, minus certain reserves. Proceeds of the Amended Credit Facility will be used for general corporate purposes. At March 25, 2023, the Company's applicable borrowing base calculation supported access to approximately $635 million under the Amended Credit Facility. The Amended Credit Facility includes a $ 50 million sublimit for the issuance of standby letters of credit and a $75 million sublimit for short-notice borrowings. As of March 25, 2023, there were borrowings of $ 25 million outstanding and no letters of credit outstanding under the Amended Credit Facility. Outside the Amended Credit Facility, there were other letters of credit of $1.3 million outstanding as of March 25, 2023.

Borrowings under the Amended Credit Facility bear interest at an index based on LIBOR (which will not be less than 0.00%) or, at the option of the Company, the Base Rate, plus, in either case, an applicable margin based on the Company's usage under the credit facility. Base Rate is defined as the highest of (a) the Truist prime rate, (b) the Federal Funds Rate plus 0.50%, (c) one-month LIBOR plus 1.00% and (d) 0.00%. The applicable margin for LIBOR-based borrowings fluctuates between 1.00%-1.50%, and was 1.00% as of March 25, 2023, and the applicable margin for Base Rate borrowings fluctuates between 0.00%-0.50%, and was 0% as of March 25, 2023. An unused line fee is payable quarterly in respect of the total amount of the unutilized Lenders’ commitments and short-notice borrowings under the Amended Credit Facility. Letter of credit fees at the applicable margin on the average undrawn and unreimbursed amount of letters of credit are payable quarterly and a facing fee of 0.125% is payable quarterly for the stated amount of each letter of credit. The Company is also required to pay certain fees to the administrative agent under the Amended Credit Facility. The Amended Credit Facility provides for the transition from LIBOR to Secured Overnight Financing Rate ("SOFR"). As of March 25, 2023, the applicable interest rate related to Base Rate borrowings was 8.0%, and the applicable interest rate related to one-month LIBOR-based borrowings was 5.8%.

The Company incurred approximately $2.4 million of debt issuance costs in conjunction with this transaction, which included lender fees and legal expenses. The debt issuance costs are being amortized over the term of the Amended Credit Facility.

The Amended Credit Facility contains customary covenants, including financial covenants which require the Company to maintain a minimum fixed charge coverage ratio of 1:1 upon triggered quarterly testing (e.g. when availability falls below certain thresholds established in the agreement), reporting requirements and events of default. The Amended Credit Facility is secured by substantially all assets of the borrowing parties, including (i) pledges of 100% of the stock or other equity interest of each domestic subsidiary that is directly owned by such entity and (ii) 65% of the stock or other equity interest of each foreign subsidiary that is directly owned by such entity, in each case subject to customary exceptions. The Company was in compliance with all financial covenants under the Amended Credit Facility as of March 25, 2023.

7. Supplemental Equity Information

The following table provides a summary of the changes in the carrying amounts of equity attributable to controlling interest and noncontrolling interest through the six months ended March 25, 2023 and March 26, 2022.

	Controlling Interest								
	Common Stock	Class A Common Stock	Class B Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Noncontrolling Interest	Total
	(in thousands)								
Balance September 24, 2022	$ 113	$ 413	$ 16	$ 582,056	$ 755,253	$ (4,145)	$ 1,333,706	$ 1,006	$ 1,334,712
Comprehensive loss	—	—	—	—	(8,433)	782	(7,651)	(416)	(8,067)
Amortization of share-based awards	—	—	—	4,647	—	—	4,647	—	4,647
Restricted share activity, including net share settlement	—	—	—	(590)	—	—	(590)	—	(590)
Issuance of common stock, including net share settlement of stock options	—	1	—	1,707	—	—	1,708	—	1,708
Repurchase of stock	—	(2)	—	(2,693)	(6,271)	—	(8,966)	—	(8,966)
Balance December 24, 2022	$ 113	$ 412	$ 16	$ 585,127	$ 740,549	$ (3,363)	$ 1,322,854	$ 590	$ 1,323,444
Comprehensive income	—	—	—	—	48,115	(238)	47,877	563	48,440
Amortization of share-based awards	—	—	—	5,015	—	—	5,015	—	5,015
Restricted share activity, including net share settlement	—	1	—	(3,115)	—	—	(3,114)	—	(3,114)
Repurchase of stock	(1)	(1)	—	(807)	(1,888)	—	(2,697)	—	(2,697)
Issuance of common stock, including net share settlement of stock options	—	1	—	1,158	—	—	1,159	—	1,159
Balance March 25, 2023	$ 112	$ 413	$ 16	$ 587,378	$ 786,776	$ (3,601)	$ 1,371,094	$ 1,153	$ 1,372,247

	Controlling Interest								
	Common Stock	Class A Common Stock	Class B Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Noncontrolling Interest	Total
					(in thousands)				
Balance September 25, 2021	$ 113	$ 423	$ 16	$ 576,446	$ 646,082	$ (831)	$ 1,222,249	$ 1,292	$ 1,223,541
Comprehensive income	—	—	—	—	9,009	(442)	8,567	187	8,754
Amortization of share-based awards	—	—	—	3,886	—	—	3,886	—	3,886
Restricted share activity, including net share settlement	—	—	—	(705)	—	—	(705)	—	(705)
Repurchase of stock	—	(1)	—	(1,600)	(5,059)	—	(6,660)	—	(6,660)
Issuance of common stock, including net share settlement of stock options	—	—	—	890	—	—	890	—	890
Distribution to Noncontrolling interest	—	—	—	—	—	—	—	(806)	(806)
Balance December 25, 2021	$ 113	$ 422	$ 16	$ 578,917	$ 650,032	$ (1,273)	$ 1,228,227	$ 673	$ 1,228,900
Comprehensive income	—	—	—	—	69,713	570	70,283	573	70,856
Amortization of share-based awards	—	—	—	4,624	—	—	4,624	—	4,624
Restricted share activity, including net share settlement	—	2	—	(923)	—	—	(921)	—	(921)
Repurchase of stock	—	(2)		(2,372)	(7,062)	—	(9,436)		(9,436)
Issuance of common stock, including net share settlement of stock options	—	—	—	309	—	—	309	—	309
Other	—	—	—	—	—	—	—	1	1
Balance March 26, 2022	$ 113	$ 422	$ 16	$ 580,555	$ 712,683	$ (703)	$ 1,293,086	$ 1,247	$ 1,294,333

8. Stock-Based Compensation

The Company recognized share-based compensation expense of $ 13.3 million and $ 11.5 million for the six months ended March 25, 2023 and March 26, 2022, respectively, as a component of selling, general and administrative expenses. The tax benefit associated with share-based compensation expense for the six months ended March 25, 2023 and March 26, 2022 was $3.2 million and $2.7 million, respectively.

9. Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted per share computations for income from continuing operations.

	Three Months Ended March 25, 2023			Six Months Ended March 25, 2023		
	Income	Shares	Per Share	Income	Shares	Per Share
	(in thousands, except per share amounts)					
Basic EPS:						
Net income available to common shareholders	$ 48,115	52,443	$ 0.92	$ 39,682	52,461	$ 0.76
Effect of dilutive securities:						
Options to purchase common stock	—	310	(0.01)	—	300	(0.01)
Restricted shares	—	690	(0.01)	—	687	(0.01)
Performance stock units	—	91	—		72	—
Diluted EPS:						
Net income available to common shareholders	$ 48,115	53,534	$ 0.90	$ 39,682	53,520	$ 0.74

	Three Months Ended March 26, 2022			Six Months Ended March 26, 2022		
	Income	Shares	Per Share	Income	Shares	Per Share
	(in thousands, except per share amounts)					
Basic EPS:						
Net income available to common shareholders	$ 69,713	53,458	$ 1.30	$ 78,722	53,475	$ 1.47
Effect of dilutive securities:						
Options to purchase common stock	—	515	(0.01)	—	572	(0.01)
Restricted shares	—	749	(0.02)	—	771	(0.02)
Diluted EPS:						
Net income available to common shareholders	$ 69,713	54,722	$ 1.27	$ 78,722	54,818	$ 1.44

Options to purchase 2.0 million shares of Class A common stock at prices ranging from $ 21.37 to $51.37 per share were outstanding at March 25, 2023, and options to purchase 2.4 million shares of Class A common stock at prices ranging from $13.82 to $51.37 per share were outstanding at March 26, 2022.

For the three months ended March 25, 2023 and March 26, 2022, approximately 0.6 million and 0.4 million options outstanding, respectively, were not included in the computation of diluted earnings per share because the option exercise prices were greater than the average market price of the common shares and therefore, the effect of including these options would be antidilutive.

For the six months ended March 25, 2023 and March 26, 2022, approximately 0.6 million and 21 thousand options outstanding, respectively, were not included in the computation of diluted earnings per share because the option exercise prices were greater than the average market price of the common shares and therefore, the effect of including these options would be antidilutive.

10. Segment Information

Management has determined that the Company has two operating segments, which are also reportable segments based on the level at which the Chief Operating Decision Maker reviews the results of operations to make decisions regarding performance assessment and resource allocation. These operating segments are the Pet segment and the Garden segment. Substantially all of the Company's assets and operations relate to its business in the United States. Financial information relating to the Company's business segments is presented in the table below.

	Three Months Ended		Six Months Ended	
	March 25, 2023	March 26, 2022	March 25, 2023	March 26, 2022
	(in thousands)			
Net sales:				
Pet segment	$ 475,203	$ 497,640	$ 891,023	$ 933,642
Garden segment	433,801	456,730	$ 645,644	682,126
Total net sales	$ 909,004	$ 954,370	$ 1,536,667	$ 1,615,768
Operating income (loss)				
Pet segment	55,255	60,645	94,810	105,896
Garden segment	49,619	70,511	38,799	76,568
Corporate	(26,833)	(24,311)	(55,162)	(49,405)
Total operating income	78,041	106,845	78,447	133,059
Interest expense - net	(14,690)	(14,702)	(28,466)	(29,110)
Other income (expense)	595	(369)	2,294	(578)
Income tax expense	15,268	21,488	12,446	23,889
Income including noncontrolling interest	48,678	70,286	39,829	79,482
Net income attributable to noncontrolling interest	563	573	147	760
Net income attributable to Central Garden & Pet Company	$ 48,115	$ 69,713	$ 39,682	$ 78,722
Depreciation and amortization:				
Pet segment	$ 10,474	$ 9,539	$ 20,586	$ 19,088
Garden segment	10,818	7,719	21,660	17,339
Corporate	817	989	1,555	2,022
Total depreciation and amortization	$ 22,109	$ 18,247	$ 43,801	$ 38,449

	March 25, 2023	March 26, 2022	September 24, 2022
		(in thousands)	
Assets:			
Pet segment	$ 1,058,549	$ 1,101,814	$ 1,069,167
Garden segment	1,620,907	1,634,158	1,405,802
Corporate	671,342	613,286	807,033
Total assets	$ 3,350,798	$ 3,349,258	$ 3,282,002
Goodwill (included in corporate assets above):			
Pet segment	$ 277,067	$ 277,067	$ 277,067
Garden segment	269,369	234,906	269,369
Total goodwill	$ 546,436	$ 511,973	$ 546,436

The tables below present the Company's disaggregated revenues by segment:

	Three Months Ended March 25, 2023			Six Months Ended March 25, 2023		
	Pet Segment	Garden Segment	Total	Pet Segment	Garden Segment	Total
		(in millions)			(in millions)	
Other pet products	$ 194.1	$ —	$ 194.1	$ 333.6	$ —	$ 333.6
Dog and cat products	126.7	—	126.7	260.8	—	260.8
Other manufacturers' products	103.0	95.7	198.7	206.4	141.8	348.2
Wild bird products	51.4	81.5	132.9	90.2	141.0	231.3
Other garden supplies	—	256.6	256.6	—	362.8	362.8
Total	$ 475.2	$ 433.8	$ 909.0	$ 891.0	$ 645.6	$ 1,536.7

	Three Months Ended March 26, 2022			Six Months Ended March 26, 2022		
	Pet Segment	Garden Segment	Total	Pet Segment	Garden Segment	Total
		(in millions)			(in millions)	
Other pet products	$ 223.7	$ —	$ 223.7	$ 377.4	$ —	$ 377.4
Dog and cat products	129.3	—	129.3	274.2	—	274.2
Other manufacturers' products	98.5	95.4	193.9	203.0	144.8	347.8
Wild bird products	46.1	72.8	118.9	79.0	127.5	206.5
Other garden supplies	—	288.5	288.5	—	409.8	409.8
Total	$ 497.6	$ 456.7	$ 954.3	$ 933.6	$ 682.1	$ 1,615.7

11. Contingencies

The Company may from time to time become involved in legal proceedings in the ordinary course of business. Currently, the Company is not a party to any legal proceedings the resolution of which management believes could have a material effect on the Company’s financial position or results of operations with the potential exception of the proceeding below.

In 2012, Nite Glow Industries, Inc and its owner, Marni Markell, (“Nite Glow”) filed suit in the U.S. District Court for New Jersey against the Company alleging that the applicator developed and used by the Company for certain of its branded topical flea and tick products infringes a patent held by Nite Glow and asserted related claims for breach of contract and misappropriation of confidential information based on the terms of a Non-Disclosure Agreement. On June 27, 2018, a jury returned a verdict in favor of Nite Glow on each of the three claims and awarded damages of approximately $12.6 million. The court ruled on post-trial motions in early June 2020, reducing the judgment amount to $ 12.4 million and denying the plaintiff's request for attorneys' fees. The Company filed its notice of appeal and the plaintiffs cross-appealed. On July 14, 2021, the Federal Circuit Court of Appeals issued its decision on the appeal. The Federal Circuit concluded that the Company did not infringe plaintiff's patent and determined that the breach of contract claim raised no non-duplicative damages and should be dismissed. The court affirmed the jury's liability verdict on the misappropriation of confidential information claim but ordered a new trial on damages on that single claim limited to the "head start" benefit, if any, generated by the confidential information. The Company intends to vigorously pursue its defenses in the future proceedings and believes that it will prevail on the merits as to the head start damages issue. While the Company believes that the ultimate resolution of this matter will not have a material impact on the Company's consolidated financial statements, the outcome of litigation is inherently uncertain and the final resolution of this matter may result in expense to the Company in excess of management's expectations.

During fiscal 2013, the Company received notices from several states stating that they have appointed an agent to conduct an examination of the books and records of the Company to determine whether it has complied with state unclaimed property laws. In addition to seeking unclaimed property subject to escheat laws, the states may seek interest, penalties and other relief. The examinations are continuing; as a result, the ultimate resolution and impact on the Company’s consolidated financial statements is uncertain.

The Company has experienced, and may in the future experience, issues with products that may lead to product liability, recalls, withdrawals, replacements of products, or regulatory actions by governmental authorities. The Company has not experienced recent issues with products, the resolution of which, management believes would have a material effect on the Company’s financial position or results of operations.

12. Subsequent Event

In April 2023, the Company announced the closure of a leased manufacturing and distribution facility in Athens, Texas. This decision reflects the Company's purposeful exit of low-margin private-label pet bed product lines and its efforts to achieve a simpler, more efficient manufacturing and distribution network leveraging the supply chain synergies of the Company's cushion facilities.

This facility closure is expected to result in a one-time charge to earnings of approximately $ 15 million in the Company's fiscal third quarter, composed of charges for facilities closure, severance, inventory liquidation and related intangibles, the majority of which will be non-cash.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Company

Central Garden & Pet Company ("Central") is a market leader in the garden and pet industries in the United States. For over 40 years, Central has proudly nurtured happy and healthy homes by bringing innovative and trusted solutions to consumers and its customers. We manage our operations through two reportable segments: Pet and Garden.

Our Pet segment includes dog and cat supplies such as dog treats and chews, toys, pet beds and grooming products, waste management and training pads, pet containment; supplies for aquatics, small animals, reptiles and pet birds including toys, cages and habitats, bedding, food and supplements; products for equine and livestock, animal and household health and insect control products; live fish and small animals as well as outdoor cushions. These products are sold under brands such as Aqueon®, Cadet®, Comfort Zone®, Farnam®, Four Paws®, K&H Pet Products® ("K&H"), Kaytee®, Nylabone® and Zilla®.

Our Garden segment includes lawn and garden consumables such as grass seed, vegetable, flower and herb packet seed; wild bird feed, bird houses and other birding accessories; weed, grass, and other herbicides, insecticide and pesticide products; fertilizers and live plants. These products are sold under brands such as Amdro®, Ferry-Morse®, Pennington® and Sevin®.

In fiscal 2022, our consolidated net sales were $3.3 billion, of which our Pet segment, or Pet, accounted for approximately $1.9 billion and our Garden segment, or Garden, accounted for approximately $1.4 billion. In fiscal 2022, our operating income was $260 million consisting of income from our Pet segment of $209 million, income from our Garden segment of $154 million and corporate expenses of $103 million.

We were incorporated in Delaware in May 1992 as the successor to a California corporation that was formed in 1955. Our executive offices are located at 1340 Treat Boulevard, Suite 600, Walnut Creek, California 94597, and our telephone number is (925) 948-4000. Our website is www.central.com. The information on our website is not incorporated by reference in this quarterly report.

Recent Developments

Fiscal 2023 Second Quarter Financial Performance:

- Net sales declined $45.4 million, or 4.8%, from the prior year quarter to $909.0 million. Pet segment sales decreased $22.5 million, and Garden segment sales decreased $22.9 million.
- Gross profit declined $27.2 million from the prior year quarter, and gross margin decreased 150 basis points to 28.6%.
- Selling, general and administrative expense increased $1.7 million from the prior year quarter to $181.6 million and as a percentage of net sales increased 110 basis points to 20.0%.
- Operating income decreased $28.8 million from the prior year quarter, to $78.0 million.
- Net income in the second quarter of fiscal 2023 was $48.1 million, or $0.90 per diluted share, compared to net income of $69.7 million, or $1.27 per diluted share, in the second quarter of fiscal 2022.

Facility Closure

In April 2023, we announced the closure of a leased manufacturing and distribution facility in Athens, Texas. This decision reflects our purposeful exit of low-margin private-label pet bed product lines and our efforts to achieve a simpler, more efficient manufacturing and distribution network leveraging the supply chain synergies of our cushion facilities.

This facility closure is expected to result in a one-time charge to earnings of approximately $15 million in our fiscal third quarter, composed of charges for facilities closure, severance, inventory liquidation and related intangibles, the majority of which will be non-cash.

Results of Operations

Three Months Ended March 25, 2023
Compared with Three Months Ended March 26, 2022

Net Sales

Net sales for the three months ended March 25, 2023 decreased $45.4 million, or 4.8%, to $909.0 million from $954.4 million for the three months ended March 26, 2022. Our branded product sales decreased $50.1 million, and sales of other manufacturers’ products increased $4.7 million. Both segments had volume related decreases in net sales that more than offset price increases taken to respond to rising input costs.

Pet net sales decreased $22.5 million, or 4.5%, to $475.2 million for the three months ended March 25, 2023 from $497.7 million for the three months ended March 26, 2022. The decline in net sales was due primarily to lower demand for durable pet products, particularly in our outdoor cushion business and aquatics business, and our exit of some profit-challenged product lines in our private label pet bed business. These declines were partially offset by increased sales in our dog and cat treats and toys business and our wild bird feed business. Pet branded product sales declined $26.9 million, and sales of other manufacturers' products increased $4.4 million.

Garden net sales decreased $22.9 million, or 5.0%, to $433.8 million for the three months ended March 25, 2023 from $456.7 million for the three months ended March 26, 2022. The decrease in garden net sales was due primarily to lower sales in controls and fertilizer and grass seed partially offset by increased sales of wild bird feed. The volume related sales decline was due primarily to adverse weather, unfavorable pre-season retailer ordering patterns and lighter retailer foot traffic. While the unfavorable weather pattern negatively impacted most of our garden segment, it positively impacted the sales of our wild bird feed business. Garden branded sales decreased $23.2 million, and sales of other manufacturers' products increased $0.3 million.

Gross Profit

Gross profit for the three months ended March 25, 2023 decreased $27.2 million, or 9.5%, to $259.6 million from $286.8 million for the three months ended March 26, 2022. Gross margin decreased 150 basis points to 28.6% for the three months ended March 25, 2023 from 30.1% for the three months ended March 26, 2022. The decrease in gross profit resulted from the declines in both net sales and gross margin. The decline in our consolidated gross margin was in the Garden segment, while the Pet segment gross margin was relatively flat as compared to the prior year. The decline in Garden gross margin was due primarily to lower sales and production volumes resulting in reduced overhead absorption, initial start-up costs associated with a live goods facility acquired in the prior year, and cost inflation; all of which were only partially offset by pricing actions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $1.7 million, or 0.9%, to $181.6 million for the three months ended March 25, 2023. As a percentage of net sales, selling, general and administrative expenses increased to 20.0% for the three months ended March 25, 2023, compared to 18.9% in the comparable prior year quarter. An increase in corporate expense and a smaller increase in Garden, were partially offset by a decrease in Pet.

Selling and delivery expense decreased $3.8 million to $83.5 million for the three months ended March 25, 2023 as compared to $87.3 million in the prior year quarter. The decreases, in both the Garden and Pet segments, were due primarily to lower product volume delivered and reduced discretionary spend (e.g. travel and entertainment expense).

Warehouse and administrative expense increased $5.5 million, or 5.9%, to $98.1 million for the three months ended March 25, 2023 from $92.6 million for the three months ended March 26, 2022. The increase in warehouse and administrative expense was due primarily to increased corporate expense. Corporate expenses increased $2.5 million due primarily to an increase in insurance expense and an increase in payroll expense due to headcount additions over the preceding twelve month period. Corporate expenses are included within administrative expense and relate to the costs of unallocated executive, administrative, finance, legal, human resources, and information technology functions.

Operating Income

Operating income decreased $28.8 million to $78.0 million for the three months ended March 25, 2023. Our operating margin decreased from 11.2% in the prior year quarter to 8.6% in the current year quarter. The decrease in operating income was due to a $45.4 million decrease in net sales, a 150 basis point decrease in gross margin, and a $1.7 million increase in selling, general and administrative expense.

Pet operating income decreased $5.4 million, or 8.9%, to $55.3 million for the three months ended March 25, 2023 from $60.6 million for the three months ended March 26, 2022, and Pet operating margin declined 60 basis points to 11.6%. Pet operating income decreased due primarily to lower sales. Although Pet segment selling, general and administrative expense declined, it was higher as a percent of net sales and was the primary reason for the decline in the Pet operating margin.

Garden operating income decreased $20.9 million to $49.6 million for the three months ended March 25, 2023, from $70.5 million for the three months ended March 26, 2022. Garden operating income decreased due primarily to lower sales and a lower gross margin.

Corporate expense increased $2.5 million, or 10.4%, to $26.8 million for the three months ended March 25, 2023 from $24.3 million for the three months ended March 26, 2022. Corporate expense increased due primarily to increased insurance expense and an increase in payroll expense due headcount additions over the preceding twelve-month period.

Net Interest Expense

Net interest expense was $14.7 million for the three months ended March 25, 2023 and the three months ended March 26, 2022. Debt outstanding on March 25, 2023 was $1,212.3 million compared to $1,185.8 million at March 26, 2022.

Other Income (Expense)

Other income (expense) is comprised of income or losses from investments accounted for under the equity method of accounting and foreign currency exchange gains and losses. Other income (expense) was income of $0.6 million for the quarter ended March 25, 2023 compared to an expense of $0.4 million for the quarter ended March 26, 2022. The increase in other income was due primarily to foreign currency gains in the current year quarter, as compared to losses in the prior year quarter, and proceeds from a small investment interest that was sold.

Income Taxes

Our effective income tax rate was 23.9% for the quarter ended March 25, 2023 and 23.4% for the quarter ended March 26, 2022. The increase in our effective income tax rate was due primarily to a reduced tax benefit from stock compensation and an increased impact of nondeductible executive compensation compared to the prior year quarter.

Net Income and Earnings Per Share

Our net income in the second quarter of fiscal 2023 was $48.1 million, or $0.90 per diluted share, compared to net income of $69.7 million, or $1.27 per diluted share, in the second quarter of fiscal 2022.

Six Months Ended March 25, 2023
Compared with Six Months Ended March 26, 2022

Net Sales

Net sales for the six months ended March 25, 2023 decreased $79 million, or 4.9%, to $1,537 million from $1,616 million for the six months ended March 26, 2022. Our branded product sales, which include products we produce under Central brand names and products we produce under third-party brands, decreased $79 million. The largest decline was in products we produce under third-party brands in both the Garden and Pet segments. Sales of other manufacturers’ products remained relatively flat.

Pet net sales decreased $42.7 million, or 4.6%, to $891.0 million for the six months ended March 25, 2023. The decline in net sales was volume-related and due primarily to lower demand for durable pet products, particularly in our outdoor cushion business and aquatics business, and our exit of profit-challenged product lines in our private label pet bed business. These declines were partially offset by increased sales in our dog and cat treats and toys business and our wild bird feed business. Pet branded sales decreased $45.9 million, and sales of other manufacturer's products increased $3.2 million.

Garden net sales decreased $36.4 million, or 5.3%, to $645.7 million for the six months ended March 25, 2023 from $682.1 million for the six months ended March 26, 2022. The decrease in garden net sales was due primarily to lower sales in our controls and fertilizer business and grass seed business partially offset by increased sales in our wild bird feed business. The volume related sales decline was due primarily to adverse weather, unfavorable pre-season retailer ordering patterns and lighter retailer foot traffic. While the unfavorable weather pattern negatively impacted most of our garden segment, it positively impacted the sales of our wild bird feed business. Garden branded sales decreased $33.4 million, and sales of other manufacturers’ products decreased $3.0 million.

Gross Profit

Gross profit for the six months ended March 25, 2023 decreased $53.7 million, or 11.1%, to $431.3 million from $485.0 million for the six months ended March 26, 2022. Gross margin decreased 190 basis points to 28.1% for the six months ended March 25, 2023 from 30.0% for the six months ended March 26, 2022. The decrease in gross profit resulted from the declines in both net sales and gross margin. The decline in our consolidated gross margin was in the Garden segment, while the Pet segment gross margin was relatively flat as compared to the prior year. The decline in Garden gross margin was due primarily to lower sales and production volumes resulting in reduced overhead absorption, initial start-up costs associated with a live goods facility acquired in the prior year, and cost inflation; all of which were only partially offset by pricing actions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $1.0 million, or 0.3%, to $353 million for the six months ended March 25, 2023 from $352 million for the six months ended March 26, 2022. As a percentage of net sales, selling, general and administrative expenses increased to 23.0% for the six months ended March 25, 2023 from 21.8% for the comparable prior year six-month period. Increased selling, general and administrative expense at corporate was partially offset by decreased expense in the Pet and Garden segments.

Selling and delivery expense decreased $7.9 million, or 4.7%, to $158.5 million for the six months ended March 25, 2023 from $166.4 million for the six months ended March 26, 2022. The decreases in the Garden and Pet segments were due primarily to lower product delivered due to the lower sales volume, and a customer change from store delivery to warehouse pick-up.

Warehouse and administrative expense increased $8.9 million, or 4.8%, to $194.4 million for the six months ended March 25, 2023 from $185.5 million for the six months ended March 26, 2022. Corporate expense increased $5.8 million and both segments contributed to the increase to a lesser extent. The increased expense was due primarily to increased insurance expense and increased payroll expense. Corporate expenses are included within administrative expense and relate to the costs of unallocated executive, administrative, finance, legal, human resources, and information technology functions.

Operating Income

Operating income decreased $54.7 million to $78.4 million for the six months ended March 25, 2023 from $133.1 million for the six months ended March 26, 2022. Our operating margin decreased to 5.1% for the six months ended March 25, 2023 from 8.2% for the six months ended March 26, 2022. Both operating income and operating margin were negatively impacted by a sales decrease of $79.1 million, a 190 basis point decline in gross margin and an increase in selling, general and administrative expense as a percentage of net sales.

Pet operating income decreased $11.1 million, or 10.5%, to $94.8 million for the six months ended March 25, 2023 from $105.9 million for the six months ended March 26, 2022. Pet operating income decreased due to a net sales decrease of $42.7 million partially offset by lower selling, general and administrative expense. Pet operating margin declined 70 basis points to 10.6% for the six months ended March 25, 2023, as compared to the prior year six-month period due primarily to an increase in selling, general and administrative expense as a percentage of net sales.

Garden operating income decreased $37.8 million to $38.8 million for the six months ended March 25, 2023, from $76.6 million for the six months ended March 26, 2022. Garden operating income and operating margin were negatively impacted by a $36.4 million decrease in net sales, a decrease in gross margin and to a smaller extent, an increase in selling, general and administrative expense as a percentage of net sales.

Corporate operating expense increased $5.8 million to $55.2 million in the current six-month period from $49.4 million in the comparable fiscal 2022 period due primarily to increased medical and general insurance and payroll expense.

Net Interest Expense

Net interest expense for the six months ended March 25, 2023 decreased $0.6 million, or 2.2%, to $28.5 million from $29.1 million for the six months ended March 26, 2022. The decrease in net interest expense was due to increased interest income resulting from higher rates of interest earned on our cash balance during the current six-month period.

Debt outstanding on March 25, 2023 was $1,212.3 million compared to $1,185.8 million as of March 26, 2022. Our average borrowing rate was 4.5% for the six month periods ended March 25, 2023 and March 26, 2022.

Other Income

Other income (expense) was income of $2.3 million for the six-month period ended March 25, 2023 compared to an expense of $0.6 million for the six-month period ended March 26, 2022. The increase in other income was due primarily to foreign currency gains in the current fiscal six-month period as compared to losses in the prior year period.

Income Taxes

Our effective income tax rate was 23.8% for the six-month period ended March 25, 2023 compared to 23.1% for the six-month period ended March 26, 2022. The increase in our effective income tax rate was due primarily to a reduced tax benefit from stock compensation and an increased impact of nondeductible executive compensation.

Net Income and Earnings Per Share

Our net income for the six months ended March 25, 2023 was $39.7 million, or $0.74 per diluted share, compared to $78.7 million, or $1.44 per diluted share, for the six months ended March 26, 2022.

Use of Non-GAAP Financial Measures

We report our financial results in accordance with accounting principles generally accepted in the United States (GAAP). However, to supplement the financial results prepared in accordance with GAAP, we use non-GAAP financial measures including adjusted EBITDA. Management believes 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.

Adjusted EBITDA is defined by us as income before income tax, net other expense, net interest expense, depreciation and amortization and stock-based compensation (or operating income plus depreciation and amortization 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 evaluation. 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. 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 adjusted EBITDA in making financial, operating and planning decisions and in evaluating our performance, and we believe it 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.

Adjusted EBITDA Reconciliation

	GAAP to Non-GAAP Reconciliation For the Three Months Ended March 25, 2023			
	Pet	Garden	Corp	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	$ —	$ —	$ —	$ 48,115
Interest expense, net	—	—	—	14,690
Other income	—	—	—	(595)
Income tax expense	—	—	—	15,268
Net income attributable to noncontrolling interest	—	—	—	563
Income (loss) from operations	55,255	49,619	(26,833)	78,041
Depreciation & amortization	10,474	10,818	817	22,109
Noncash stock-based compensation	—	—	6,750	6,750
Adjusted EBITDA	$ 65,729	$ 60,437	$ (19,266)	$ 106,900

Adjusted EBITDA Reconciliation

	GAAP to Non-GAAP Reconciliation For the Three Months Ended March 26, 2022			
	Pet	Garden	Corp	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	$ —	$ —	$ —	$ 69,713
Interest expense, net	—	—	—	14,702
Other expense	—	—	—	369
Income tax expense	—	—	—	21,488
Net income attributable to noncontrolling interest	—	—	—	573
Income (loss) from operations	60,645	70,511	(24,311)	106,845
Depreciation & amortization	9,539	7,719	989	18,247
Noncash stock-based compensation	—	—	6,292	6,292
Adjusted EBITDA	$ 70,184	$ 78,230	$ (17,030)	$ 131,384

Adjusted EBITDA Reconciliation

	GAAP to Non-GAAP Reconciliation For the Six Months Ended March 25, 2023			
	Pet	Garden	Corp	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	$ —	$ —	$ —	$ 39,682
Interest expense, net	—	—	—	28,466
Other income	—	—	—	(2,294)
Income tax expense	—	—	—	12,446
Net income attributable to noncontrolling interest	—	—	—	147
Income (loss) from operations	94,810	38,799	(55,162)	78,447
Depreciation & amortization	20,586	21,660	1,555	43,801
Noncash stock-based compensation	—	—	13,327	13,327
Adjusted EBITDA	$ 115,396	$ 60,459	$ (40,280)	$ 135,575

Adjusted EBITDA Reconciliation

	GAAP to Non-GAAP Reconciliation For the Six Months Ended March 26, 2022			
	Pet	Garden	Corp	Total
	(in thousands)			
Net income attributable to Central Garden & Pet Company	$ —	$ —	$ —	$ 78,722
Interest expense, net	—	—	—	29,110
Other expense	—	—	—	578
Income tax expense	—	—	—	23,889
Net income attributable to noncontrolling interest	—	—	—	760
Income (loss) from operations	105,896	76,568	(49,405)	133,059
Depreciation & amortization	19,088	17,339	2,022	38,449
Noncash stock-based compensation	—	—	11,479	11,479
Adjusted EBITDA	$ 124,984	$ 93,907	$ (35,904)	$ 182,987

Inflation

Our revenues and margins are dependent on various economic factors, including rates of inflation, energy costs, consumer behavior, currency fluctuations, and other macro-economic factors which may impact levels of consumer spending. In recent fiscal periods, we have been adversely impacted by rising input costs related to domestic inflation, particularly relating to grain and seed prices, fuel prices and the ingredients used in our garden controls and fertilizers. Rising costs in those periods have made it difficult for us to increase prices to our retail customers at a pace sufficient to enable us to maintain margins.

The inflationary pressure, including notable increases in costs for key commodities, labor and freight, that we experienced in fiscal 2022 is continuing in fiscal 2023.

Weather and Seasonality

Our sales of lawn and garden products are influenced by weather and climate conditions in the different markets we serve. Our Garden segment’s business is highly seasonal. In fiscal 2022, approximately 66% of our Garden segment’s net sales and 59% of our total net sales occurred during our second and third fiscal quarters. Substantially all of the Garden segment’s operating income is typically generated in this period, which has historically offset the operating loss incurred during the first fiscal quarter of the year.

Liquidity and Capital Resources

We have financed our growth through a combination of internally generated funds, bank borrowings, supplier credit, and sales of equity and debt securities to the public.

Our business is seasonal and our working capital requirements and capital resources track closely to this seasonal pattern. Generally, during the first fiscal quarter, accounts receivable reach their lowest level while inventory, accounts payable and short-term borrowings begin to increase. During the second fiscal quarter, receivables, accounts payable and short-term borrowings increase, reflecting the build-up of inventory and related payables in anticipation of the peak lawn and garden selling season. During the third fiscal quarter, inventory levels remain relatively constant while accounts receivable peak and short-term borrowings start to decline as cash collections are received during the peak selling season. During the fourth fiscal quarter, inventory levels are at their lowest, and accounts receivable and payables are substantially reduced through conversion of receivables to cash.

We service two broad markets: pet supplies and lawn and garden supplies. Our pet supplies businesses involve products that have a year round selling cycle with a slight degree of seasonality. As a result, it is not necessary to maintain large quantities of inventory to meet peak demands. Our lawn and garden businesses are highly seasonal with approximately 66% of our Garden segment's net sales occurring during the second and third fiscal quarters. This seasonality requires the shipment of large quantities of product well ahead of the peak consumer buying periods. To encourage retailers and distributors to stock large quantities of inventory, industry practice has been for manufacturers to give extended credit terms and/or promotional discounts.

Operating Activities

Net cash used by operating activities decreased by $175.0 million, from $272.1 million for the six months ended March 26, 2022, to $97.1 million for the six months ended March 25, 2023. The decrease in cash used by operating activities was due primarily to changes in our working capital accounts for the period ended March 25, 2023, as compared to the prior year period, predominantly related to inventory.

Investing Activities

Net cash used in investing activities decreased $46.4 million, from $77.2 million for the six months ended March 26, 2022 to $30.8 million during the six months ended March 25, 2023. The decrease in cash used in investing activities was due primarily to lower capital expenditures in the current year compared to the prior year.

Financing Activities

Net cash provided by financing activities increased $31.7 million, from $23.0 million of cash used for the six months ended March 26, 2022, to $8.6 million of cash provided for the six months ended March 25, 2023. The increase in cash provided by financing activities during the current year was due primarily to net borrowings of $25 million under our Amended Credit Facility during the current year period, partially offset by decreased open market purchases of our common stock during the current year as compared to the prior year. During the six months ended March 25, 2023, we repurchased approximately 0.1 million shares of our voting common stock (CENT) on the open market at an aggregate cost of approximately $2.6 million, or approximately $37.30 per share, and approximately 0.2 million shares of our non-voting Class A common stock (CENTA) on the open market at an aggregate cost of approximately $9.1 million, or approximately $35.33 per share. During the six months ended March 26, 2022, we repurchased approximately 0.4 million shares of our non-voting Class A common stock (CENTA) on the open market at an aggregate cost of approximately $16.1 million, or approximately $42.30 per share.

We expect that our principal sources of funds will be cash generated from our operations and, if necessary, borrowings under our $750 million Amended Credit Facility. Based on our anticipated cash needs, availability under our Amended Credit Facility and the scheduled maturity of our debt, we believe that our sources of liquidity should be adequate to meet our working capital, capital spending and other cash needs for at least the next 12 months. However, we cannot assure you that these sources will continue to provide us with sufficient liquidity and, should we require it, that we will be able to obtain financing on terms satisfactory to us, or at all.

We believe that cash flows from operating activities, funds available under our Amended Credit Facility, and arrangements with suppliers will be adequate to fund our presently anticipated working capital and capital expenditure requirements for the foreseeable future. We anticipate that our capital expenditures, which are related primarily to replacements and expansion of and upgrades to plant and equipment and also investment in our continued implementation of a scalable enterprise-wide information technology platform, will be approximately $70 million to $80 million in fiscal 2023, of which we have invested approximately $30 million through March 25, 2023.

As part of our growth strategy, we have acquired a number of companies in the past, and we anticipate that we will continue to evaluate potential acquisition candidates in the future. If one or more potential acquisition opportunities, including those that would be material, become available in the near future, we may require additional external capital. In addition, such acquisitions would subject us to the general risks associated with acquiring companies, particularly if the acquisitions are relatively large.

Total Debt

At March 25, 2023, our total debt outstanding was $1,212.3 million, as compared with $1,185.8 million at March 26, 2022.

Senior Notes

Issuance of $400 million 4.125% Senior Notes due 2031

In April 2021, we issued $400 million aggregate principal amount of 4.125% senior notes due April 2031 (the "2031 Notes"). We used a portion of the net proceeds from the offering to repay all outstanding borrowings under our Amended Credit Facility, with the remainder used for general corporate purposes.

We incurred approximately $6 million of debt issuance costs in conjunction with this issuance, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2031 Notes.

The 2031 Notes require semi-annual interest payments on April 30 and October 30. The 2031 Notes are unconditionally guaranteed on a senior basis by each of our existing and future domestic restricted subsidiaries which are borrowers under or guarantors of our Amended Credit Facility. The 2031 Notes were issued in a private placement under Rule 144A and will not be registered under the Securities Act of 1933.

We may redeem some or all of the 2031 Notes at any time, at our option, prior to April 30, 2026 at the principal amount plus a "make whole" premium. At any time prior to April 30, 2024, we may also redeem, at our option, up to 40% of the notes with the proceeds of certain equity offerings at a redemption price of 104.125% of the principal amount of the notes. We may redeem some or all of the 2031 Notes at our option, at any time on or after April 30, 2026 for 102.063%, on or after April 30, 2027 for 101.375%, on or after April 30, 2028 for 100.688% and on or after April 30, 2029 for 100.0%, plus accrued and unpaid interest.

The holders of the 2031 Notes have the right to require us to repurchase all or a portion of the 2031 Notes at a purchase price equal to 101% of the principal amount of the notes repurchased, plus accrued and unpaid interest, upon the occurrence of specific kinds of changes of control.

The 2031 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. We were in compliance with all financial covenants as of March 25, 2023.

Issuance of $500 million 4.125% Senior Notes due 2030

In October 2020, we issued $500 million aggregate principal amount of 4.125% senior notes due October 2030 (the "2030 Notes"). In November 2020, we used a portion of the net proceeds to redeem all of our outstanding 6.125% senior notes due November 2023 (the "2023 Notes") at a redemption price of 101.531% plus accrued and unpaid interest, and to pay related fees and expenses, with the remainder used for general corporate purposes.

We incurred approximately $8.0 million of debt issuance costs associated with this transaction, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2030 Notes.

The 2030 Notes require semiannual interest payments on October 15 and April 15. The 2030 Notes are unconditionally guaranteed on a senior basis by each of our existing and future domestic restricted subsidiaries which are borrowers under or guarantors of our senior secured revolving credit facility or guarantee our other debt.

We may redeem some or all of the 2030 Notes at any time, at our option, prior to October 15, 2025 at a price equal to 100% of the principal amount plus a “make-whole” premium. Prior to October 15, 2023, we may redeem up to 40% of the original aggregate principal amount of the notes with the proceeds of certain equity offerings at a redemption price of 104.125% of the principal amount of the notes. We may redeem some or all of the 2030 Notes, at our option, in whole or in part, at any time on or after October 15, 2025 for 102.063%, on or after October 15, 2026 for 101.375%, on or after October 15, 2027 for 100.688% and on or after October 15, 2028 for 100.0%, plus accrued and unpaid interest.

The holders of the 2030 Notes have the right to require us to repurchase all or a portion of the 2030 Notes at a purchase price equal to 101.0% of the principal amount of the notes repurchased, plus accrued and unpaid interest upon the occurrence of a change of control.

The 2030 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. We were in compliance with all financial covenants as of March 25, 2023.

$300 Million 5.125% Senior Notes due 2028

In December 2017, we issued $300 million aggregate principal amount of 5.125% senior notes due February 2028 (the "2028 Notes"). We used the net proceeds from the offering to finance acquisitions and for general corporate purposes.

We incurred approximately $4.8 million of debt issuance costs in conjunction with this transaction, which included underwriter fees and legal, accounting and rating agency expenses. The debt issuance costs are being amortized over the term of the 2028 Notes.

The 2028 Notes require semiannual interest payments on February 1 and August 1. The 2028 Notes are unconditionally guaranteed on a senior basis by our existing and future domestic restricted subsidiaries who are borrowers under or guarantors of our senior secured revolving credit facility or who guarantee our other debt.

We may redeem some or all of the 2028 Notes, at our option, at any time on or after January 1, 2024 for 101.708%, on or after January 1, 2025 for 100.854% and on or after January 1, 2026 for 100.0%, plus accrued and unpaid interest.

The holders of the 2028 Notes have the right to require us to repurchase all or a portion of the 2028 Notes at a purchase price equal to 101% of the principal amount of the notes repurchased, plus accrued and unpaid interest upon the occurrence of a change of control.

The 2028 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, subject to certain baskets and exceptions. We were in compliance with all financial covenants as of March 25, 2023.

Asset-Based Loan Facility Amendment

On December 16, 2021, we entered into a Third Amended and Restated Credit Agreement (“Amended Credit Agreement”). The Amended Credit Agreement amended and restated the previous credit agreement dated September 27, 2019 (the "Predecessor Credit Agreement"), and provides for a $750 million principal amount senior secured asset-based revolving credit facility, with up to an additional $400 million principal amount available with the consent of the Lenders, as defined, if we exercise the uncommitted accordion feature set forth therein (collectively, the “Amended Credit Facility”). The Amended Credit Facility matures on December 16, 2026. We may borrow, repay and reborrow amounts under the Amended Credit Facility until its maturity date, at which time all amounts outstanding under the Amended Credit Facility must be repaid in full.

The Amended Credit Facility is subject to a borrowing base that is calculated using a formula based upon eligible receivables and inventory, and at our election, eligible real property, minus certain reserves. Proceeds of the Amended Credit Facility will be used for general corporate purposes. At March 25, 2023, the Company's applicable borrowing base calculation supported access to approximately $635 million under the Amended Credit Facility. The Amended Credit Facility includes a $50 million sublimit for the issuance of standby letters of credit and a $75 million sublimit for short-notice borrowings. As of March 25, 2023, there were borrowings of $25 million outstanding and no letters of credit outstanding under the Amended Credit Facility. Outside of the Amended Credit Facility, there were other letters of credit of $1.3 million outstanding as of March 25, 2023.

Borrowings under the Amended Credit Facility will bear interest at an index based on LIBOR (which will not be less than 0.00%) or, at our option, the Base Rate, plus, in either case, an applicable margin based on our usage under the credit facility. Base Rate is defined as the highest of (a) the Truist prime rate, (b) the Federal Funds Rate plus 0.50%, (c) one-month LIBOR plus 1.00% and (d) 0.00%. The applicable margin for LIBOR-based borrowings fluctuates between 1.00%-1.50%, and was 1.00% as of March 25, 2023, and the applicable margin for Base Rate borrowings fluctuates between 0.00%-0.50%, and was 0% as of March 25, 2023. An unused line fee is payable quarterly in respect of the total amount of the unutilized Lenders’ commitments and short-notice borrowings under the Amended Credit Facility. Letter of credit fees at the applicable margin on the average undrawn and unreimbursed amount of letters of credit are payable quarterly and a facing fee of 0.125% is payable quarterly for the stated amount of each letter of credit. We are also required to pay certain fees to the administrative agent under the Amended Credit Facility. The Amended Credit Facility provides for the transition from LIBOR to SOFR. As of March 25, 2023, the applicable interest rate related to Base Rate borrowings was 8.0%, and the applicable interest rate related to one-month LIBOR-based borrowings was 5.8%.

We incurred approximately $2.4 million of debt issuance costs in conjunction with this transaction, which included lender fees and legal expenses. The debt issuance costs are being amortized over the term of the Amended Credit Facility.

The Amended Credit Facility contains customary covenants, including financial covenants which require us to maintain a minimum fixed charge coverage ratio of 1:1 upon triggered quarterly testing (e.g. when availability falls below certain thresholds established in the agreement), reporting requirements and events of default. The Amended Credit Facility is secured by substantially all assets of the borrowing parties, including (i) pledges of 100% of the stock or other equity interest of each domestic subsidiary that is directly owned by such entity and (ii) 65% of the stock or other equity interest of each foreign subsidiary that is directly owned by such entity, in each case subject to customary exceptions. We were in compliance with all financial covenants under the Amended Credit Facility as of March 25, 2023.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities

Central (the "Parent/Issuer") issued $400 million of 2031 Notes in April 2021, $500 million of 2030 Notes in October 2020, and $300 million of 2028 Notes in December 2017. The 2031 Notes, 2030 Notes and 2028 Notes are fully and unconditionally guaranteed on a joint and several senior basis by each of our existing and future domestic restricted subsidiaries (the "Guarantors") which are guarantors of our senior secured revolving credit facility ("Credit Facility"). The 2031 Notes, 2030 Notes and 2028 Notes are unsecured senior obligations and are subordinated to all of our existing and future secured debt, including our Amended Credit Facility, to the extent of the value of the collateral securing such indebtedness. There are no significant restrictions on the ability of the Guarantors to make distributions to the Parent/Issuer. Certain subsidiaries and operating divisions of the Company do not guarantee the 2031, 2030 or 2028 Notes and are referred to as the Non-Guarantors.

The Guarantors jointly and severally, and fully and unconditionally, guarantee the payment of the principal and premium, if any, and interest on the 2031, 2030 and 2028 Notes when due, whether at stated maturity of the 2031, 2030 and 2028 Notes, by acceleration, call for redemption or otherwise, and all other obligations of the Company to the holders of the 2031, 2030 and 2028 Notes and to the trustee under the indenture governing the 2031, 2030 and 2028 Notes (the "Guarantee"). The Guarantees are senior unsecured obligations of each Guarantor and are of equal rank with all other existing and future senior indebtedness of the Guarantors.

The obligations of each Guarantor under its Guarantee shall be limited to the maximum amount as well, after giving effect to all other contingent and fixed liabilities of such Guarantor and to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such Guarantor under the guarantee not constituting a fraudulent conveyance or fraudulent transfer under Federal or state law.

The Guarantee of a Guarantor will be released:

(1) upon any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation), in accordance with the governing indentures, to any person other than the Company;

(2) if such Guarantor merges with and into the Company, with the Company surviving such merger;

(3) if the Guarantor is designated as an Unrestricted Subsidiary; or

(4) if the Company exercises its legal defeasance option or covenant defeasance option or the discharge of the Company's obligations under the indentures in accordance with the terms of the indentures.

The following tables present summarized financial information of the Parent/Issuer subsidiaries and the Guarantor subsidiaries. All intercompany balances and transactions between subsidiaries under Parent/Issuer and subsidiaries under the Guarantor have been eliminated. The information presented below excludes eliminations necessary to arrive at the information on a consolidated basis. In presenting the summarized financial statements, the equity method of accounting has been applied to the Parent/Issuer's interests in the Guarantor Subsidiaries. The summarized information excludes financial information of the Non-Guarantors, including earnings from and investments in these entities.

During the second quarter of fiscal 2023, the Company added Bell Nursery Holdings, LLC, Bell Nursery USA, LLC and D&D Commodities Limited as guarantors of the 2031, 2030 and 2028 Notes. Fiscal year ended September 24, 2022 financial results previously reflected Bell Nursery Holdings, LLC, Bell Nursery USA, LLC and D&D Commodities Limited as Non-Guarantor subsidiaries. In accordance with Rule 3-10 of the Securities and Exchange Commissions Regulation S-X, summarized financial information presented herein for the fiscal year ended September 24, 2022 has been adjusted to reflect the current Guarantor status.

Summarized Statements of Operations

	Six Months Ended March 25, 2023		Fiscal Year Ended September 24, 2022	
	Parent/Issuer	Guarantors	Parent/Issuer	Guarantors
	(in thousands)			
Net sales	$ 384,338	$ 1,158,695	$ 819,213	$ 2,519,631
Gross profit	$ 90,221	$ 337,723	$ 183,090	$ 793,829
Income (loss) from operations	$ (7,858)	$ 89,805	$ (12,305)	$ 273,144
Equity in earnings of Guarantor subsidiaries	$ 67,840	$ —	$ 212,336	$ —
Net income (loss)	$ (27,195)	$ 67,840	$ (53,968)	$ 212,336

Summarized Balance Sheet Information

	As of March 25, 2023		As of September 24, 2022	
	Parent/Issuer	Guarantors	Parent/Issuer	Guarantors
	(in thousands)			
Current assets	$ 347,863	$ 1,252,989	$ 454,084	$ 1,054,446
Intercompany receivable from Non-guarantor subsidiaries	70,887	—	73,153	—
Other assets	3,649,710	2,771,047	3,470,188	2,770,323
Total assets	$ 4,068,460	$ 4,024,036	$ 3,997,425	$ 3,824,769
Current liabilities	$ 156,456	$ 305,737	$ 161,660	$ 297,050
Intercompany payable to Non-guarantor subsidiaries	—	2,600	—	1,138
Long-term debt	1,211,831	222	1,185,891	354
Other liabilities	1,303,749	434,231	1,290,578	312,537
Total liabilities	$ 2,672,036	$ 742,790	$ 2,638,129	$ 611,079

New Accounting Pronouncements

Refer to Footnote 1 in the notes to the condensed consolidated financial statements for new accounting pronouncements.

Critical Accounting Policies, Estimates and Judgments

There have been no material changes to our critical accounting policies, estimates and assumptions or the judgments affecting the application of those accounting policies since our Annual Report on Form 10-K for the fiscal year ended September 24, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our exposure to market risk from that discussed in our Annual Report on Form 10-K for the fiscal year ended September 24, 2022.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our Chief Executive Officer and principal financial officer have reviewed, as of the end of the period covered by this report, the “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) that ensure that information relating to the Company required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported in a timely and proper manner and that such information is accumulated and communicated to our management, including our Chief Executive Officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based upon this review, such officers concluded that our disclosure controls and procedures were effective as of March 25, 2023.

(b) *Changes in Internal Control Over Financial Reporting*. Our management, with the participation of our Chief Executive Officer and our principal financial officer, have evaluated whether any change in our internal control over financial reporting occurred during the second quarter of fiscal 2023. There were no changes in our internal control over financial reporting during the second quarter of fiscal 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In 2012, Nite Glow Industries, Inc and its owner, Marni Markell, ("Nite Glow") filed suit in the U.S. District Court for New Jersey against the Company alleging that the applicator developed and used by the Company for certain of its branded topical flea and tick products infringes a patent held by Nite Glow and asserted related claims for breach of contract and misappropriation of confidential information based on the terms of a Non-Disclosure Agreement. On June 27, 2018, a jury returned a verdict in favor of Nite Glow on each of the three claims and awarded damages of approximately $12.6 million. The court ruled on post-trial motions in early June 2020, reducing the judgment amount to $12.4 million and denying the plaintiff's request for attorneys' fees. The Company filed its notice of appeal and the plaintiffs cross-appealed. On July 14, 2021, the Federal Circuit Court of Appeals issued its decision on the appeal. The Federal Circuit concluded that the Company did not infringe plaintiff's patent and determined that the breach of contract claim raised no non-duplicative damages and should be dismissed. The court affirmed the jury's liability verdict on the misappropriation of confidential information claim but ordered a new trial on damages on that single claim limited to the "head start" benefit, if any, generated by the confidential information. The Company intends to vigorously pursue its defenses in the future proceedings and believes that it will prevail on the merits as to the head start damages issue. While the Company believes that the ultimate resolution of this matter will not have a material impact on the Company's consolidated financial statements, the outcome of litigation is inherently uncertain and the final resolution of this matter may result in expense to the Company in excess of management's expectations.

From time to time, we are involved in certain legal proceedings in the ordinary course of business. Except as discussed above, we are not currently a party to any other legal proceedings that management believes would have a material effect on our financial position or results of operations.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A to Part I of our Form 10-K for the fiscal year ended September 24, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the repurchases of any equity securities during the fiscal quarter ended March 25, 2023 and the dollar amount of authorized share repurchases remaining under our stock repurchase program.

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Units)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)(2)
December 25, 2022 - January 28, 2023	76,042 (2) (3)	$ 35.83	74,792	$ 94,591,000 (4)
January 29, 2023 - February 25, 2023	38,883 (3)	$ 40.64	—	$ 94,591,000
February 26, 2023 - March 25, 2023	39,505 (3)	$ 38.12	500	$ 94,591,000
Total	154,430	$ 37.63	75,292	$ 94,591,000

(1) During the fourth quarter of fiscal 2019, our Board of Directors authorized a $100 million share repurchase program, (the "2019 Repurchase Authorization"). The 2019 Repurchase Authorization has no fixed expiration date and expires when the amount authorized has been used or the Board withdraws its authorization. The repurchase of shares may be limited by certain financial covenants in our credit facility that restrict our ability to repurchase our stock. As of March 25, 2023, we had $94.6 million of authorization remaining under our 2019 Repurchase Authorization.

(2) In February 2019, our Board of Directors authorized us to make supplemental stock purchases to minimize dilution resulting from issuances under our equity compensation plans (the "Equity Dilution Authorization"). In addition to our regular share repurchase program, we are permitted to purchase annually a number of shares equal to the number of shares of restricted stock and stock

options granted in the prior fiscal year, to the extent not already repurchased, and the current fiscal year. The Equity Dilution Authorization has no fixed expiration date and expires when the Board withdraws its authorization.

(3) Shares purchased during the period indicated include withholding of a portion of shares to cover taxes in connection with the vesting of restricted stock and do not reduce the dollar value of shares that may be purchased under our stock repurchase plan.

(4) Excludes 0.2 million shares remaining under our Equity Dilution Authorization as of March 25, 2023

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. **Exhibits**

Exhibit Number	Exhibit	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith	Filed, Not Furnished
4.1	Fourteenth Supplemental Indenture, dated as of March 3, 2023, by and among the Company, certain guarantors named therein and Computershare Trust Company, N.A., as successor to Wells Fargo Bank National Association, as trustee, relating to the 5.125% Senior Notes due 2028 and the 4.125% Senior Notes due 2030.					X	
4.2	First Supplemental Indenture, dated as of March 3, 2023 among the Company, certain guarantors named therein and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee, paying agent and registrar under such indenture, relating to the 4.125% Senior Notes due 2031.					X	
22	List of Guarantor Subsidiaries					X	
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X	
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X	
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350.					X	
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.					X	
101	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended March 25, 2023, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Cash Flows, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Balance Sheets, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.					X	
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 25, 2023, formatted in Inline XBRL (included as Exhibit 101)						

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

CENTRAL GARDEN & PET COMPANY
Registrant

Dated: May 4, 2023

/s/ TIMOTHY P. COFER
Timothy P. Cofer
Chief Executive Officer
(Principal Executive Officer)

/s/ NICHOLAS LAHANAS
Nicholas Lahanas
Chief Financial Officer
(Principal Financial Officer)

Exhibit 4.1

FOURTEENTH SUPPLEMENTAL INDENTURE

FOURTEENTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated effective as of March 3, 2023, by (i) D & D Commodities Limited, a Minnesota corporation, (ii) Bell Nursery Holdings, LLC, a Delaware limited liability company, and (iii) Bell Nursery USA, LLC, a Delaware limited liability company (each of (i)-(iii), a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors"), each Subsidiary Guarantor a direct subsidiary of Central Garden & Pet Company, a Delaware corporation (the "Company"), the Company, the other Guarantors (as defined in the Indenture referred to herein), and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (as supplemented from time to time, the "Base Indenture"), dated as of March 8, 2010;

WHEREAS, the Company executed that certain Seventh Supplemental Indenture dated as of December 14, 2017 (the "Seventh Supplemental Indenture"), providing for the issuance of 5.125% Senior Notes due 2028 (the "2028 Notes") and the Eleventh Supplemental Indenture dated as of October 16, 2020 (the "Eleventh Supplemental Indenture" and together with the Base Indenture and the Seventh Supplemental Indenture, the "Indenture"), providing for the issuance of 4.125% Senior Notes due 2030 (the "2030 Notes" and collectively with the 2028 Notes, the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Subsidiary Guarantors will execute and deliver to the Trustee a supplemental indenture pursuant to which the Subsidiary Guarantors will unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Guarantee"); and

WHEREAS, pursuant to Section 901 or 9.01 (as applicable) of the Base Indenture, Seventh Supplemental Indenture and the Eleventh Supplemental Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Subsidiary Guarantor and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition will have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Subsidiary Guarantors hereby agree to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Guarantee, in Article XVI of the Base Indenture, and in the Seventh Supplemental Indenture and the Eleventh Supplemental Indenture, including but limited to Articles 10 thereof.

3. EXECUTION AND DELIVERY. Each Subsidiary Guarantor agrees that the Guarantee will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, manager, officer, employee, incorporator, stockholder or agent of the Subsidiary Guarantors, as

such, will have any liability for any obligations of the Company or any Subsidiary Guarantor under the Notes, the Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE INDENTURE, THIS SUPPLEMENTAL INDENTURE, THE NOTES, OR THE GUARANTEE, AND ANY TRANSACTIONS CONTEMPLATED THEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy will be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or PDF may be used in lieu of the originals shall be deemed to be their original signatures for all purposes. This Supplemental Indenture shall be valid, binding, and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the UCC (collectively, "Signature Law"), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and will not affect the construction hereof.

8. THE TRUSTEE. The Trustee makes no representation as to and will not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the Guarantee or for or in respect of the recitals contained herein, all of which recitals are made solely by the Subsidiary Guarantors and the Company. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, protections, indemnities, powers, and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein. The Company hereby confirms to the Trustee that this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Accounting Tax Compliance Act ("FATCA") purposes. The Company shall give the Trustee prompt written notice of any material modification of the Notes deemed to occur for FATCA purposes. The Trustee shall assume that

no material modification for FATCA purposes has occurred regarding the Notes, unless the Trustee receives written notice of such modification from the Company.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

D & D COMMODITIES LIMITED,

BELL NURSERY HOLDINGS, LLC, and

BELL NURSERY USA, LLC

By: /s/ Timothy J. Kane
Name: Timothy J. Kane
Title: Assistant Secretary and Vice President-Tax of each above listed entity

CENTRAL GARDEN & PET COMPANY

By: /s/ Timothy J. Kane
Name: Timothy J. Kane
Title: Vice President Tax and Assistant Secretary

GUARANTORS:
A.E. MCKENZIE CO. ULC,
ALL-GLASS AQUARIUM CO., INC.,
AQUATICA TROPICALS, INC.,
ARDEN COMPANIES, LLC,
B2E BIOTECH LLC,
B2E CORPORATION,
B2E MANUFACTURING, LLC,
B2E MICROBIALS, LLC,
BLUE SPRINGS HATCHERY, INC.,
C & S PRODUCTS CO., INC.,
FARNAM COMPANIES, INC.,
FERRY-MORSE SEED COMPANY,
FLORA PARENT, INC.,
FLORIDA TROPICAL DISTRIBUTORS
INTERNATIONAL, INC.,
FOUR PAWS PRODUCTS LTD.,
FOURSTAR MICROBIAL LLC,
GRO TEC, INC.,
GULFSTREAM HOME & GARDEN, INC.,
HYDRO-ORGANICS WHOLESALE,
IMS SOUTHERN, LLC,
IMS TRADING, LLC,
KAYTEE PRODUCTS, INCORPORATED,
K&H MANUFACTURING, LLC,
LIVINGSTON SEED COMPANY
MARTEAL, LTD.
MATSON, LLC,
MIDWEST TROPICALS LLC,
NEW ENGLAND POTTERY, LLC,
NEXGEN TURF RESEARCH, LLC,
P & M SOLUTIONS, LLC
PENNINGTON SEED, INC.,
PETS INTERNATIONAL, LTD.,
PLANTATION PRODUCTS, LLC,
QUALITY PETS, LLC,
SEED HOLDINGS, INC.,
SEGREST, INC.,
SEGREST FARMS, INC.,
SUN PET, LTD.,
SUSTAINABLE AGRICO LLC,
T.F.H. PUBLICATIONS, INC., and
WELLMARK INTERNATIONAL

By: /s/ Timothy J. Kane
Name: Timothy J. Kane
Title: Authorized Officer of each above listed entity

COMPUTERSHARE TRUST COMPANY, N.A., AS SUCCESSOR TO WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Belinda Coleman
Name: Belinda Coleman
Title: Vice President

Exhibit 4.2

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture and Guarantee, dated as of March 3, 2023 (this "*Supplemental Indenture*" or "*Guarantee*"), among (i) D & D Commodities Limited, a Minnesota corporation, (ii) Bell Nursery Holdings, LLC, a Delaware limited liability company, and (iii) Bell Nursery USA, LLC, a Delaware limited liability company (each of (i)-(iii), each, a "*New Guarantor*" and, collectively, the "*New Guarantors*) and Central Garden & Pet Company (together with its successors and assigns, the "*Company*") and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as Trustee, paying agent and registrar under such Indenture.

W I T N E S S E T H:

WHEREAS, the Company, the Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of April 30, 2021 (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of an unlimited aggregate principal amount of 4.125% Senior Notes due 2031 of the Company (the "*Notes*");

WHEREAS, Section 4.13 of the Indenture provides that in certain circumstances the Company may be required to cause certain Restricted Subsidiaries of the Company to execute and deliver a Guarantee with respect to the Notes on the same terms and conditions as those set forth in the Indenture; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Company are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder, to add an additional Guarantor;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each New Guarantor, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

ARTICLE I
Definitions

SECTION 1.1 Defined Terms. As used in this Supplemental Indenture, capitalized terms defined in the Indenture or in the preamble or recitals thereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II
Agreement to be Bound; Guarantee

SECTION 2.1 Agreement to be Bound. Each New Guarantor hereby becomes a party to the Indenture as a Guarantor and as such shall have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. Each New Guarantor agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture, subject to the release provisions and other limitations set forth in the Indenture.

ARTICLE III
Miscellaneous

SECTION 3.1 Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING

ARISING OUT OF OR RELATING TO THE INDENTURE, THIS SUPPLEMENTAL INDENTURE, THE NOTES, OR THE GUARANTEE, AND ANY TRANSACTIONS CONTEMPLATED THEREBY.

SECTION 3.2 Severability Clause. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.3 Ratification of Indenture; Supplemental Indentures Part of Indenture; No Liability of Trustee. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of a Note heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or any New Guarantor's Guarantee. Additionally, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Company, the New Guarantors and the Guarantors, and the Trustee makes no representation with respect to any such matters. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, protections, indemnities, powers, and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein. The Company hereby confirms to the Trustee that this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Accounting Tax Compliance Act ("FATCA") purposes. The Company shall give the Trustee prompt written notice of any material modification of the Notes deemed to occur for FATCA purposes. The Trustee shall assume that no material modification for FATCA purposes has occurred regarding the Notes, unless the Trustee receives written notice of such modification from the Company.

SECTION 3.4 Counterparts. This Supplemental Indenture shall be valid, binding and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned or photocopied manual signature or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code (collectively, "*Signature Law*"), in each case to the extent applicable. Each faxed, scanned or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the Uniform Commercial Code or other Signature Law due to the character or intended character of the writings.

SECTION 3.5 Headings. The headings of the Articles and the sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CENTRAL GARDEN & PET COMPANY

By: /s/ Timothy J. Kane
Name: Timothy J. Kane
Title: Vice President Tax and Assistant Secretary

D & D COMMODITIES LIMITED,
BELL NURSERY HOLDINGS, LLC, and
BELL NURSERY USA, LLC,
each as a Guarantor

By: /s/ Timothy J. Kane
Name: Timothy J. Kane
Title: Assistant Secretary and Vice President-Tax of each above listed entity

COMPUTERSHARE TRUST COMPANY, N.A., AS SUCCESSOR TO WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Belinda Coleman
Name: Belinda Coleman
Title: Vice President

Exhibit 22

LIST OF GUARANTOR SUBSIDIARIES

The following subsidiaries of Central Garden & Pet Company (the "Company") were, as of March 25, 2023, guarantors of the Company's $400 million aggregate principal amount of 4.125% senior notes due April 2031, $500 million aggregate principal amount of 4.125% senior notes due October 2030, and the Company’s $300 million aggregate principal amount of 5.125% senior notes due February 2028.

NAME OF GUARANTOR SUBSIDIARY	JURISDICTION OF FORMATION
A.E. McKenzie Co. ULC	British Columbia, Canada
All-Glass Aquarium Co., Inc.	Wisconsin
Aquatica Tropicals, Inc.	Delaware
Arden Companies, LLC	Michigan
B2E Biotech, LLC	Delaware
B2E Corporation	New York
B2E Manufacturing, LLC	Delaware
B2E Microbials, LLC	Delaware
Bell Nursery Holdings, LLC	Delaware
Bell Nursery USA, LLC	Delaware
Blue Springs Hatchery, Inc.	Delaware
C&S Products Co., Inc.	Iowa
D & D Commodities Limited	Minnesota
Farnam Companies, Inc.	Arizona
Ferry_Morse Seed Company	Delaware
Flora Parent, Inc.	Delaware
Florida Tropical Distributors International, Inc.	Delaware
Four Paws Products, Ltd.	New York
Gro Tec, Inc.	Georgia
Gulfstream Home & Garden, Inc.	Florida
Hydro-Organics Wholesale	California
IMS Southern, LLC	Utah
IMS Trading, LLC	Utah
K&H Manufacturing, LLC	Delaware
Kaytee Products, Incorporated	Wisconsin
Livingston Seed Company	Delaware
Marteal, Ltd.	California
Matson, LLC	Washington
Midwest Tropicals LLC	Utah
New England Pottery, LLC	Delaware
Nexgen Turf Research, LLC	Oregon
P&M Solutions, LLC	Georgia
Pennington Seed, Inc.	Delaware
Pets International, Ltd.	Illinois
Plantation Products, LLC	Delaware

Quality Pets, LLC	Utah
Seed Holdings, Inc.	Delaware
Segrest, Inc.	Delaware
Segrest Farms, Inc.	Delaware
Sun Pet, Ltd.	Delaware
Sustainable Agrico LLC	Delaware
T.F.H. Publications, Inc.	Delaware
Wellmark International	California

EXHIBIT 31.1

I, Timothy P. Cofer, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended March 25, 2023 of Central Garden & Pet Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ TIMOTHY P. COFER
Timothy P. Cofer
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

I, Nicholas Lahanas, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended March 25, 2023 of Central Garden & Pet Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Nicholas Lahanas

Nicholas Lahanas
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying quarterly report on Form 10-Q of Central Garden & Pet Company for the quarter ended March 25, 2023 (the “Report”), I, Timothy P. Cofer, Chief Executive Officer of Central Garden & Pet Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) such Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Report presents, in all material respects, the financial condition and results of operations of Central Garden & Pet Company.

May 4, 2023

/s/ TIMOTHY P. COFER

Timothy P. Cofer
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying quarterly report on Form 10-Q of Central Garden & Pet Company for the quarter ended March 25, 2023 (the “Report”), I, Nicholas Lahanas, Principal Financial Officer of Central Garden & Pet Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) such Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Report presents, in all material respects, the financial condition and results of operations of Central Garden & Pet Company.

May 4, 2023

/s/ NICHOLAS LAHANAS

Nicholas Lahanas
Chief Financial Officer
(Principal Financial Officer)