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DELTA REPORT

10-K

CENTA - CENTRAL GARDEN & PET CO

10-K - SEPTEMBER 28, 2024 COMPARED TO 10-K - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3089

█ CHANGES 455

█ DELETIONS 1121

█ ADDITIONS 1513

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

FORM 10-K

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

For the fiscal year ended **September 30, 2023** **September 28, 2024**

OR

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

For the transition period from _____ to _____
Commission File Number 1-33268



Central Garden & Pet Company

(Exact name of registrant as specified in its charter)

Delaware

68-0275553

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

1340 Treat Boulevard, Suite 600, Walnut Creek, California 94597

(Address of principal executive offices) (Zip Code)

Telephone Number: (925) 948-4000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

| <u>Title of Each Class</u> | <u>Trading Symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|----------------------------|--------------------------|--|
| Common Stock | CENT | The Nasdaq Stock Market LLC |
| Class A Common Stock | CENTA | The Nasdaq Stock Market LLC |

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 and post 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

At **March 25, 2023** **March 30, 2024**, the aggregate market value of the registrant's Common Stock, Class A Common Stock and Class B Stock held by non-affiliates of the registrant was approximately **\$383.2 million** **\$408.4 million**, **\$1.5 billion** **\$1.9 billion** and **\$76** **\$82** thousand, respectively.

At November 15, 2023 November 15, 2024, the number of shares outstanding of the registrant's Common Stock was **11,077,612** **10,720,796** and the number of shares outstanding of Class A Common Stock was **41,133,885** **53,271,103**. In addition, on such date, the registrant had outstanding 1,602,374 shares of its Class B Stock, which are convertible into Common Stock on a share-for-share basis.

DOCUMENTS INCORPORATED BY REFERENCE

Definitive Proxy Statement for the Company's **2024** **2025** Annual Meeting of Shareholders – Part III of this Form 10-K

Central Garden & Pet Company

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For the fiscal year ended **September 30, 2023** **September 28, 2024**

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FORWARD-LOOKING STATEMENTS

This Form 10-K 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-K, 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-K. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Form 10-K are set forth in this Form 10-K, 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 and interest rates, economic uncertainty and other adverse macro-economic conditions;
- fluctuations in market prices for seeds and grains and other raw materials; impacts of tariffs or a trade war;
- our inability to pass through cost increases in a timely manner;
- our ability to recruit and retain new members of our management team, risks associated with international sourcing, including a Chief Executive Officer, to support our businesses and to hire and retain employees, from China;
- fluctuations in energy prices, fuel and related petrochemical costs;
- declines in consumer spending and the associated increased inventory risk during economic downturns; risk;
- the potential for future reductions seasonality and fluctuations in demand for product categories that benefited from the COVID-19 pandemic, including the potential for reduced orders as retailers continue to work through excess inventory, our operating results and cash flow;
- adverse weather conditions; conditions and climate change;
- the success of our Central to Home strategy and our Cost and Simplicity program;
- fluctuations in market prices for seeds and grains and other raw materials, including the impact of the recent significant decline in grass seed market prices on our inventory valuation;
- risks associated with new product introductions, including the risk that our new products will not produce sufficient sales to recoup our investment;
- dependence on a small number of customers for a significant portion of our business;
- consolidation trends in the retail industry;
- supply shortages in pet birds, small animals and fish;
- reductions in demand for our product categories;
- competition in our industries;
- continuing implementation of an enterprise resource planning information technology system;
- regulatory issues;
- potential environmental liabilities;
- access to and cost of additional capital;
- the impact of product recalls;
- risks associated with our acquisition strategy, including our ability to successfully integrate acquisitions and the impact of purchase accounting on our financial results;
- material weaknesses relating to the internal controls of recently acquired companies;
- 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;
- the potential for significant deficiencies or material weaknesses in internal control over financial reporting, particularly of acquired companies;
- our dependence upon our key executives;
- our ability to recruit and retain members of our management team and employees to support our businesses;
- potential costs and risks associated with actual or potential cyberattacks;
- 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 cyberattacks;

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- 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; changes;
- potential dilution from issuance of authorized shares; and
- the voting power associated with our Class B stock.

MARKET, RANKING AND OTHER DATA

The data included in this Form 10-K regarding markets and ranking, including the size of certain markets and our position and the position of our competitors and products within these markets, are based on both independent industry publications, including The Freedonia Group Lawn Care Consumer Insights, October 2022; National Gardening Survey, April 2023; The Freedonia Group Outdoor Living Products, June 2023; Packaged Facts Lawn and Garden Consumables, December 2022; Packaged Facts U.S. Pet Market Outlook, 2023-2024, April 2023; Packaged Facts Pet Market Sizing Spreadsheet, August 2023; Packaged Facts Pet Stores and Pet Specialty Retailing, January 23; Packaged Facts Durable Dog and Cat Pet Care Products, May 2022; American Pet Products Association (APPA) National Pet Owners Survey 2023-24; IBIS World Industry Report 45391 Pet Stores in the U.S., April 2019; U.S. Census Bureau; and our estimates based on management's knowledge and experience in the markets in which we operate. Our estimates have been based on information provided by customers, suppliers, trade and business organizations and other contacts in the markets in which we operate. While we are not aware of any misstatements regarding our market and ranking data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk factors" in this Form 10-K. This information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in a survey of market size. As a result, you should be aware that market, ranking and other similar data included herein, and estimates and beliefs based on that data, may not be reliable. We cannot guarantee the accuracy or completeness of such information contained herein.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

We own or have rights to use trademarks, service marks and trade names in connection with the operation of our business. In addition, our names, logos and website names and addresses are or include our service marks or trademarks. Other trademarks, service marks and trade names appearing in this Form 10-K are the property of their respective owners. Some of the trademarks, service marks and trade names referred to in this Form 10-K may be listed without the ® or ™ symbols, but the absence of such symbols does not indicate whether or not they are registered. We will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

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PART I

Item 1. Business

Our Company

Central Garden & Pet Company ("Central") is a market leader in the pet and garden industries in the United States. For over 40 years, Central has **proudly nurtured happy and healthy homes** by bringing **marketed innovative and trusted solutions to consumers** helping lawns grow greener, gardens bloom bigger, pets live healthier, and **customers, communities grow stronger**. 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 containment, grooming products, waste management and training pads; supplies for aquatics, small animals, reptiles and pet birds including toys, **cages** **enclosures** 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®, C&S®, 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®.

The following charts indicate each class of similar products that represented approximately 10% or more of our consolidated net sales and the percentage of net sales represented by each segment in fiscal **2023** **2024**.

 1540  1542

Strategy

Our *Central to Home* strategy reinforces our unique purpose to nurture happy and healthy homes and our ambition to lead the future of the pet and garden industries. Our objective is to grow net sales, operating income and cash flows by developing new products, increasing market share, acquiring businesses and working in partnership with our customers to grow the categories in which we participate. We run our business with a long-term perspective, and we believe the successful delivery of our strategy will enable us to create **long-term** **sustainable** value for all our stakeholders. To achieve our objective, we plan to capitalize on our competitive strengths and favorable industry trends by executing on five key strategic pillars to drive long-term **growth**: **growth**.

Consumer: Build and Grow Brands that Consumers Love

To grow, we are seeking to develop more differentiated new products and reinvest some of our annual cost savings in brand building and demand creation to help us drive sustainable organic growth and build market share. We continuously strive to get a deeper understanding of our consumers, the products and features they desire and how they make their purchasing decisions. We are investing in consumer insights, data analytics as well as research and development to achieve our innovation goals with a strong pipeline of new products. We recognize that consumers are increasingly researching, as well as buying products online and we continue to advance our digital capabilities. We have seen promising **early** marketing campaign results driving accelerated growth and share gains across several brands, including our **Pennington "FlipTheTurf"** **Farnam "Everything for the Ride"** and **Zilla "Rep Yourself!"** **"Rep Yourself!"** campaigns.

Customer: Win with Winning Customers and Channels

We are building on our strong customer relationships by developing and executing winning category growth strategies. We produce both branded and private label products for our customers as well as distribute third-party brands that give our retail partners a breadth of selection from premium to value products. Recent trends have shown that eCommerce channels, including pure-play, omnichannel and direct-to-consumer, are the preferred solutions for today's convenience-oriented consumers. To address the changing consumer landscape, we continue to build out our digital and eCommerce capabilities while also ensuring we have the right policies, products and programs to allow all channels to compete effectively. Concurrently, we are optimizing our supply chain for high-demand eCommerce items to ensure customer and consumer availability requirements are met at optimal cost. Finally, we are also investing in sales planning, net revenue management and price pack architecture.

Central: Fortify the Central Portfolio

We are managing each business differentially, based on clearly articulated strategies that define the role of each business within our portfolio. We regularly assess the profitability and growth potential of each of our businesses. All businesses have clear roles in the portfolio and a strategy that is consistent with that role. Some of our businesses are managed to optimize top-line growth, whereas others are more focused on reducing costs and maximizing operating income.

We are building out our portfolio in attractive, broadly defined pet and garden markets. We **are supplementing** **intend to strengthen** our portfolio with organic growth with **acquisitions** and **joint ventures**. **acquisitions**. Our M&A priorities are to build scale in our core pet and garden categories, enter priority adjacencies and enhance key capabilities, **for example in including** digital and **eCommerce**, **eCommerce** **capabilities**. We generally seek growth and margin accretive, brand-focused companies with talented management teams. **For example, we acquired** **TDBBS, LLC** ("TDBBS") in 2023, a business in the attractive pet treat segment with strong **eCommerce** **capabilities**. We are also committed to divesting businesses where we cannot find a path to profitability and have done so **sustainable** **profitability**. **For instance, in the past**. **For example, 2023** we sold our **low-margin** distribution business into the independent garden channel in 2023, **channel**.

Central Ventures, our venture fund which we established in 2020, further supports our M&A strategy. Our objective is to partner with leading entrepreneurs and innovators in the pet and garden industries and leverage our experience and capabilities to accelerate growth. The fund is primarily focused on three emerging growth areas in our two industries: sustainability, health and wellness, and digitally connected products and services.

Grounded in our purpose to nurture happy and healthy homes, we are working towards a more sustainable future for all. We believe we have not only the opportunity but also the responsibility to make a difference and drive positive change. Our Central Impact **strategy** **program** - focused on protecting our planet, cultivating our communities, and empowering our employees - is our commitment and approach to corporate sustainability.

Cost: Reduce Cost to Improve Margins and Fuel Growth

Optimizing our supply chain footprint is a priority as we seek to become more efficient and **cost-effective**. Having the right facilities in the right locations is critical to lowering **costs** and **cost-effective** while enabling our businesses to meet the demands of our existing and new customers. We have already consolidated some of our dog and cat treat and

toy businesses and numerous garden manufacturing facilities. We further combined our outdoor cushion business with our pet bed business given the synergies in sourcing, manufacturing and innovation, and recently closed a pet bedding facility.

In addition to the short-term actions we have taken in recent quarters to cut costs, we are advancing our plans to more significantly simplify our business and improve our efficiency across the organization by rationalizing our footprint, streamlining our portfolio, and improving our cost structure. The focus of our Our Cost and Simplicity program is on a number of key areas, including spans procurement, logistics, manufacturing, portfolio optimization and administrative costs. We expect to reduce complexity, which means fewer SKUs, fewer plants and fewer distribution centers. We further expect lower cost of goods sold through lower logistics costs and better procurement, lower administrative costs through scale, leverage and efficiency, and a gradual shift in focus to our higher margin, higher growth potential branded pet and garden consumer products. For example, we have closed several pet and garden manufacturing and distribution facilities, recently consolidated four garden distribution locations into a new fulfillment center and are in the process of exiting our pottery business.

Culture: Strengthen Our Entrepreneurial Business-Unit Led Business Unit-Led Growth Culture

Our values, created by leaders across the Company, organization, are the cornerstone of our culture, and they are at the root of every decision we make – we call them “The Central Way.” We believe having a strong set of values provides a foundation for employees and strengthens how we all work together. They comprise six simple values: “We do the right thing.” “We strive to be the best.” “We are entrepreneurial.” “We win together.” “We grow every day.” and “We are passionate.”

We believe one Employee well-being is a key part of the reasons our employees work at Central is because they love the pet creating a sustainable business and garden categories, and that creates a passionate and effective team. We strive to make Central a great place to work that embraces achieve this by focusing on occupational health & safety, diversity & inclusion, and inclusion, learning & development.

In For example, in fiscal 2023, we introduced implemented our global health and safety policy across the organization, promoting our mission to prevent all injuries. Also, in fiscal 2023, the Women in Leadership Council, a collective comprised of senior female leaders from across the organization, held its inaugural virtual summit, themed “Women are Central brought together to help advance Growth”. In fiscal 2024, the Council held its first in-person summit, themed “We Rise by Lifting Others” enabling Central’s women at Central. The Council has established four committees that are dedicated leaders to making progress across key areas that align with our diversity & inclusion strategy. These key areas are mentorship, leadership development, retention & recruiting network and employee education. shape the Council’s initiatives for impactful outcomes. We expanded the

Council’s membership to include a greater representation of our female leadership and added a new Women’s Leadership Track to our 2024 Mentorship Program.

Competitive Strengths

We believe we have a number of competitive strengths, which serve as the foundation of our Central to Home strategy, including the following:

Broad Portfolio of Leading Brands Across Key Pet and Garden Segments

We are one of the leaders in the U.S. pet supplies market and the lawn and garden consumables market. We have a diversified portfolio of brands in both segments, many of which are among the leading brands in their respective market categories, ranging from Kaytee Aqueon in pet bird and small animal, Nylabone in dog toys, aquatics, Cadet in dog treats and chews, Farnam in equine, Four Paws in waste management and grooming, K&H in heated pet products, Aqueon Kaytee in aquatics pet bird and Farnam small animal, and Nylabone in equine dog toys and treats to Amdro in controls, Ferry-Morse in packet seed and Pennington in wild bird products, grass seed and fertilizer, Ferry-Morse in packet seed and Amdro in controls, fertilizer. The majority of our brands have been marketed and sold for more than 40 years.

Robust Financial Performance

We have demonstrated strength in our financial performance, in net sales, earnings and cash flow. Our net sales grew on average 8.4% 6.1% annually over the last five years, driven by acquisitions and organic growth. Operating income grew on average 4.7% 4.0% on a GAAP basis annually over the same period. We have a strong cash and liquidity position driven by a combination of capital raises and cash flow from operations which puts us in a strong position to grow further through both acquisitions and organically.

Proven Track Record of M&A

Since 1992, we have completed over 60 acquisitions to create a company of approximately \$3.3 billion \$3.2 billion in net sales. These acquisitions have successfully expanded the breadth of our pet and garden portfolios. Most recently, in early November 2023, we acquired TDBBS, LLC, a provider of premium natural dog chews and treats. The addition of TDBBS will expand expanded our portfolio with bully and collagen sticks, bones and jerky, add added scale to our dog and cat business and enhance our eCommerce and digital capabilities.

We are a patient and disciplined value buyer, typically focused on opportunities that build scale in our core pet and garden categories or in priority adjacencies, with a recent emphasis on those that enhance key capabilities, for example in digital and eCommerce. We are open to businesses that, on top of traditional operating synergies, can leverage our expertise and capabilities and allow us to add value through our low-cost manufacturing and distribution competencies. We generally prefer to acquire brand-focused businesses with growth and margin rates above Central’s rates, with proven, seasoned management teams, who are committed to stay with the acquired business. We have been successful in growing our acquisitions organically after acquiring them into our portfolio. We continually review our businesses to ensure they meet expectations and have implemented strategies to reverse sub-par performance or take other appropriate action when necessary.

Strong Relationships with Retailers

We have developed strong relationships with major and independent brick & mortar and online retailers, providing them broad product offerings including new product innovation, premium brands, private label programs, proprietary sales and logistics capabilities and a high level of customer service. Major retailers value the efficiency of dealing with suppliers with national scope and strong brands. We believe our ability to meet their unique needs for packaging and point of sale displays provides us with a competitive advantage. Independent retailers value our high level of customer service and broad array of premium branded products. We believe these strengths have assisted us in becoming one of the largest pet supplies vendors to Costco, Amazon and Walmart, and Petco, a leading supplier to independent pet retailers in the United States and among the largest lawn and garden consumables vendors to Home Depot, Walmart and Lowe’s, in Lowe’s. In addition, we are a leading pet and lawn and garden supplier for the food, drug and mass merchandise channels, and a leading supplier to independent pet retailers in the United States, channels.

In fiscal 2023, Bell Nursery was named Outdoor Garden Partner of the Year by the Home Depot, after having been awarded the Home Depot Environmental Partner of the Year in fiscal 2022, recognizing Bell Nursery’s commitment to sustainability. In fiscal 2022, Petco recognized Central as the Companion Animal Vendor of the Year, and Pet Supplies Plus

acknowledged one of our leaders with the prestigious Lifetime Achievement Award at their annual Suppliers Awards meeting. Our pet distribution business was awarded the 2022 Distributor of the Year Award by Petsense by Tractor Supply.

Walmart, our largest customer, represented approximately 16% of our total company net sales in fiscal 2023 and 17% in fiscal 2022. Home Depot, 2023. Walmart, our second largest customer, represented approximately 16% of our total company net sales in both fiscal 2023 and 2022. 16% in fiscal 2023. Costco, Lowe's, Costco and Petco Amazon are also significant customers, and together with Walmart, Home Depot and Home Depot, Walmart, they accounted for approximately 52% of our net sales in fiscal 2023 and 51% in fiscal 2022.

2023.

Leading Manufacturing, Sales and Distribution Network

We manufacture the majority of our branded products in our network of manufacturing facilities, located primarily in the United States. In addition, some of our proprietary branded products are manufactured by contract manufacturers, including one of our registered active ingredients, (S)-Methoprene, which is manufactured by a third party under an exclusive arrangement.

We are a leading supplier to independent specialty retailers for the pet supplies market and to select national retailers for the lawn and garden consumables market. Our sales and distribution facilities are strategically placed across the United States to allow us to service both our mass market customers, as well as independent pet specialty retail stores, serving traditional brick-and-mortar but increasingly also omnichannel and pure-play retailers selling only through the internet. In addition, we operate facilities in China, Canada, the United Kingdom and Mexico. This network also supports distribution of many other manufacturers' brands and combines these products with our branded products into single shipments, enabling us to serve our customers in an effective and cost-efficient manner. We believe this gives us a competitive advantage over other suppliers, as this network provides us with key access to independent pet specialty retail stores and select national retail lawn and garden customers that require two-step distribution, facilitating acquisition and maintenance of shelf placement, prompt product replenishment, customization of retailer programs, quick responses to changing customer and retailer preferences, rapid deployment and feedback for new products and immediate exposure for new internally developed and acquired brands.

We plan to continue to utilize our team of dedicated salespeople and our sales and logistics networks to expand sales of our branded pet and garden products.

Strong and Experienced Leadership Team

Our leadership team is committed to delivering value for all our stakeholders and is comprised of highly tenured professionals, combining both deep Central and consumer products industry expertise. We believe the depth and breadth of their perspectives and experiences create an optimal foundation for our entrepreneurial business-unit led growth culture and facilitates innovation, which is critical to capturing and maintaining market share.

In 2023, our Chairman and founder, William E. Brown, was recognized with the prestigious Lifetime Achievement Award by the World Pet Association for his achievements and contributions in the pet industry.

Pet Segment

Pet Overview

We are one of the leading producers and marketers of branded pet supplies in the United States. We also produce numerous private label brands. In addition, our Pet segment operates one of the largest sales and distribution networks in the industry, strategically supporting our brands.

Pet Industry Background

The pet industry includes food, supplies, veterinary care and non-medical services, and live animals. We operate primarily in the pet supplies segment of the industry as well as in the live fish and small animal categories. The pet supplies segment includes: dog and cat treats and chews, toys, pet beds and containment, grooming products, waste management and training pads; supplies for aquatics, small animals, reptiles and pet birds including toys, cages and enclosures and habitats, bedding, food and supplements; products for equine and livestock, animal and household health and insect control products; live fish and small animals. The total annual retail sales of the pet food, treats and chews, supplies, veterinary and non-medical services and live animal industry in 2023 was estimated by Packaged Facts to be approximately \$145 billion. We expect the industry to continue to grow from that foundation. Based on Packaged Facts estimates for 2024, we estimate the annual retail sales of the pet supplies, treats and chews, and live animal markets in the categories in which we participate to be approximately \$39 billion.

According to Packaged Facts, the U.S. pet supplies market is highly fragmented with over 2,500 manufacturers, ranging from mostly single-category or limited-range players to approximately two dozen companies with a solid multi-category presence. The majority of these smaller companies do not have a captive sales and logistics network and rely on us or other independent distributors to supply their products to regional pet specialty chains and independent retailers.

The pet food and supplies industry retail channel is composed of a wide range of retailers, from national chains like Petco and PetSmart to approximately 5,900 independent/non-chain pet stores in addition to mass-market, farm & feed stores, online and other retailers. In Pure play online players have grown to be an increasingly significant share of pet retail, by capitalizing on the shift to omni shopping driven by the pandemic. Continued growth is expected to come from digitally-savvy, native eCommerce shoppers aging into prime pet ownership years and projected to spend significantly more than previous generations. Traditional mass-market and pet specialty brick & mortar have ramped up their eCommerce and omnichannel capabilities in the last decade, independent five years to remain competitive and minimize attrition. Independent pet stores have suffered not only continue to suffer from growing the expanded competition in offerings and capabilities from online, competition, but also competition from mass-market, retailers expanding their and pet offerings with services and private label products. Following a surge in online ordering for at-home delivery or curbside pickup during the pandemic, eCommerce growth has somewhat moderated today but continues to outpace brick-and-mortar. To counter the success of online retailers, brick-and-mortar based retailers are continuing to add veterinary and non-medical services to their offerings, such as grooming, boarding, and training, attempting to drive in-store traffic and increase profitability.

chain retailers.

Long-Term Pet Industry Characteristics

During the Covid-19 pandemic, the pet supplies market benefited from the addition of millions of pets, the heightened focus on wellness among pet owners, the rush of online shopping and adaptability of consumers, marketers, retailers and service providers to meet every pet's healthcare needs. Long term, we believe the U.S. pet supplies market will continue to grow due to favorable trends tracking within the pet industry, including the demographics shift to younger shoppers, humanization and premiumization, and health and

wellness, humanization and premiumization. For the first time, pet wellness. Pet ownership is now split equally between younger generations (Gen Z and Millennials) and older generations (Gen X and Baby Boomers), with the younger generations spending more on their pet in the past year. A 2023 2024 Packaged Facts survey found that across generations, the majority of pet owners depend on their pets intensely for companionship, affection, fun and mental and physical health benefits. The same survey found that approximately 96% 95% of U.S. pet owners view their pet as family, family. Moreover, younger adults see pets as companions and a precursor to parenthood, and pets are interwoven into the lifestyles and daily routines all aspects of pet parents. Moreover, life. This motivates the majority of pet owners agree that they to look for products to improve their pet's that promote overall health and well-being.

Branded Pet Products

Our principal pet supplies categories are dog and cat supplies, dog treats and chews; aquatics and reptile supplies, small animal and pet bird supplies, animal health products as well as live fish and small animals. Our Nylabone brand is one of the Among our leading brands are: Nylabone in dog toys and treats, Kaytee in pet birds and small animal, Farnam in equine, C&S in suet, Aqueon in aquatics and Comfort Zone in cat calming. In addition, we operate our Arden Companies® outdoor cushion business in the Pet segment due to synergies in sourcing, manufacturing and innovation with our pet bed business.

We continuously seek to introduce new products, both as complementary extensions of existing product lines and in new product categories. In fiscal 2024, Nylabone extended its Gourmet Style line with new shapes and flavors. Cadet announced an all new line of rawhide alternatives and added new flavors to its premium treats. Paw Love debuted a new line of natural dog chews called Simply Smoked. In fiscal 2023, our Nylabone brand launched a new collection of play toys for imaginative fun as well as four new product lines that include a variety of chew toys and chew treats. These releases feature chew toy shapes inspired by everyday objects with a fun twist; multi-flavored Basted Blast chew toys; the Sneaky Snacker™ chew & treat toy; and Healthy Edibles® Meaty Center chew treats. And our Cadet brand introduced a unique line of all-natural, highly palatable, and digestible long-lasting chews called Bully Hide. In fiscal 2022, we launched Nylabone Gourmet Style chew toys, which are uniquely crafted with enticing gourmet treats, and an exciting combination of flavor bits roasted throughout.

Over the last two years, many of our pet products have won industry awards. In fiscal 2023, our Nylabone brand was selected as a finalist in the 2022 Pet Product News Editors' Choice Awards for its Gourmet Style chew toys. Aqueon won "Health Focused Product of the Year" and "Waste Innovation of the Year" in the 2023 Pet Innovation Awards in addition to "Runner Up" at the SuperZoo New Product Showcase. In fiscal 2022, Field + Forest™ by Kaytee Hay Bale 2023, Nylabone was selected as an Editor's Choice Winner by Pet Product News, Nylabone won Chew Toy Product of the Year award, Kaytee NutriSoft™ was selected as winner of the Bird Food Product of the Year award, and Vetrinol® Bath was selected as winner of the Shampoo Product of the Year award a finalist in the 2022 Pet Independent Innovation Awards. At SuperZoo 2022, Aqueon Stick'em™ and Zilla Rapid Sense™ Décor won first place in the New Product Showcase award in the Aquatics and Herptile category. News Editors' Choice Awards for its Gourmet Style chew toys.

Dog and Cat. Our dog We are an industry leader in premium edible and cat category, non-edible chews, supplements, interactive toys, grooming supplies, beds and containment, training and waste management solutions featuring the brands such as Best Bully Sticks, Cadet, Four Paws, Healthy Edibles®, K&H, Mikki, Healthy Promise™, Nylabone, Nubz®, NutriDent and Paw Love® among others, is an industry leader in manufacturing and marketing premium edible and non-edible chews, interactive toys, grooming supplies and pet beds, pet containment, training and waste management solutions. others.

Small Animal and Bird Supplies. We are a leading manufacturer of supplies and pet food for small animals, pet birds and wild birds. We offer a full range of products including species specific diets, treats, habitats, bedding, hay and toys under brands such as the Kaytee Critter Trail, C&S Products®, brand. Our Kaytee small animal and Field+Forest by Kaytee. Many of our branded wild pet bird food mixes are treated fortified with a proprietary blend of vitamins and minerals. We also offer a complete portfolio of Kaytee wild bird food and C&S suet products for backyard birding. Our brands are some of the most widely recognized and trusted brands for birds and small animals. animals.

Animal Health (Health & Wellness, Equine and Professional). We supply calming products under the Comfort Zone brand, and flea and tick controls under the Adams® brand. We also offer innovative products for horses in the fly control, supplements, grooming, deworming, wound care, leather care and rodenticides categories. Our portfolio of brands for equine includes Farnam, Horse Health™ Products, Vita Flex®, Just One Bite® and Rodentex™. These brands, along with sub-brands including Bronco®, Endure®, IverCare®, Horseshoer's Secret®, Red Cell®, Sand Clear™, Super Mask® II and Vetrinol® position us as a leader in these categories. Moreover, we are a leading supplier of insect control products sold into various markets. We are the only domestic provider of (S)-Methoprene, which is an active ingredient used to control mosquitoes, flies, fleas, beetles and ants in many professional and consumer insect control applications. Our products are sold primarily under the Starbar® and Zoëcon® family of brands, as well as standalone brands such as Altosid®, Centynal™, ClariFly® IGR, Diacon®, Essentria® and Extinguish®. We also sell (S)-Methoprene to manufacturers of other insect control products, including Frontline Plus.

Aquatics and Reptile Supplies. We are a leading supplier manufacturer of aquariums and terrariums as well as related fixtures and stands, water conditioners and supplements, water pumps and filters, sophisticated lighting systems and accessories featuring under the brands Aqueon, Blagdon®, Coralife®, Interpet® and Zilla.

Live Fish and Small Animals. Segrest and SunPet are leading wholesalers of aquarium fish and plants, reptiles and small animals to pet specialty and mass merchandiser stores as well as public aquariums and research institutions.

Outdoor cushions. We sell Arden-branded outdoor cushions through major retailers, both in-store and online, and private label outdoor cushions through the largest big box stores in North America, all leveraging Arden's EverTru®-branded outdoor fabric. Our OceanTex™ fabrics, developed by EverTru, are responsibly made and composed of up to 100% recycled materials, including reclaimed ocean plastic and fishing nets.

Pet Sales and Distribution Network

Our domestic sales and distribution network exists to promote promotes both our proprietary brands and third-party brands. It provides value-added service to over 9,800 10,000 retailers, many of which are independent specialty stores with fewer than 10 locations, and over 6,400 6,000 veterinary offices. This includes acquisition and maintenance of premium shelf placement, prompt product replenishment, customization of retailer programs, quick response to changing customer and retailer preferences, rapid deployment and feedback for new products and immediate exposure for acquired brands. The combination of brands in the network that are supplied in single shipments enables our independent customers to work collaborate with us on a cost-effective basis to meet their pet supplies requirements. We also operate a sales and logistics facility in the United Kingdom.

Pet Sales and Marketing

Our sales strategy is multi-tiered and designed to capture maximum market share with retailers. Our customers include retailers, such as club, regional and national specialty pet stores, independent pet retailers, food, drug and mass stores, as well as the eCommerce channel. We also serve the professional market with insect control and health and wellness products for use by veterinarians, municipalities, farmers and equine product suppliers. Costco Wholesale accounted for approximately 13% 14% of our Pet segment's net sales in fiscal 2023, 2024, and 11% 13% in fiscal 2022, 2023. Amazon, Walmart, Petco Amazon and Kroger are also significant customers.

To optimize our product placement and visibility in retail stores, our focused sales resources are segmented as follows:

- a sales organization operating by category and channel;
- dedicated account teams servicing our largest customers;
- a group of account managers focused on regional chains;
- a geographic based group of territory managers dedicated to the independent retailer; and
- a specialized group of account managers dedicated to the professional and equine markets.

These sales teams deliver our marketing strategy that is consumer, brand and channel driven. We provide value creation with a focus on innovation, product quality and performance, premium packaging, product positioning and consumer value. We collaborate closely with our customers to identify their needs, jointly develop strategies to meet those needs and deliver programs that include digital execution, print, broadcast and direct mail. We continue to invest in talent, innovation, brand building, digital capabilities and eCommerce as these play a critical role in our ambition to lead in the pet segment.

Over In fiscal 2024, Farnam partnered with country music trio The Castellows to debut the last two years we have received brands' new logo to be used across all point of sale and marketing, including a number new Amazon storefront. At the 2024 Global Pet Expo, D&D Commodities took third place in best in show for its Wild Delight Squirrel Away Zero-Waste bird feed and our Reptifauna bioactive plants won second place in the Reptile best in show category. Barkworthies' new floor display won first place in the point of awards for marketing. For example, in fiscal 2022, Kaytee won two packaging design awards from Graphic Design USA for Kaytee NutriSoft and Field + Forest by Kaytee, purchase category at SuperZoo.

Pet Competition

The pet supplies industry is highly competitive and has experienced considerable consolidation. Our branded pet products compete against national and regional branded products and private label products produced by various suppliers. Our largest competitors in the product categories in which we participate in are Mars, Inc., Spectrum Brands and the J.M. Smucker Co. The Pet segment competes primarily on the basis of brand recognition, innovation, upscale packaging, quality and service. Our Pet segment's sales and distribution network competes with Animal Supply Co., Phillips Pet Food & Supplies and a number of smaller local and regional distributors, with competition based on product selection, price, value-added services and personal relationships.

Garden Segment

Garden Overview

We are a leader in the consumer lawn and garden consumables market in the United States and offer both premium and value-oriented branded products. We also produce numerous private label brands. products for key customers. In addition, our Garden segment operates a manufacturing, sales and distribution network that strategically supports our brands with select national retailers. brands.

Garden Industry Background

The garden industry includes consumables such as grass and other seeds, fertilizer, controls, live goods, plants, wild bird products as well as soil and mulch, and durables such as landscaping and decorative products including pottery, outdoor furniture, water features, lighting, arches and trellises. The total lawn and garden consumables industry in the United States is estimated by Packaged Facts, the Freedonia Group, Numerator and internal estimates to be approximately \$31 billion in annual retail sales in 2023, 2024, including grass and other seeds, fertilizer, controls, live goods, wild bird products as well as soil and mulch. We estimate the annual retail sales of the lawn and garden consumables market in the categories in which we participate to be approximately \$30 billion.

The lawn and garden consumables market is highly concentrated with most products sold to consumers through a number of distribution channels, including home centers, mass merchants, independent nurseries and hardware stores. Home and garden centers and mass merchants typically carry multiple premium and value brands.

Long-Term Garden Industry Characteristics

Building off Transitioning from COVID highs to a new normal level, the lawn and garden industry has experienced volatility driven by supply chain challenges, unpredictable weather patterns, and retailer destocking initiatives. Based on estimates of trends that grew in prominence during the COVID-19 pandemic – including a surge in garden activity, increased use of outdoor spaces for entertainment, staycation and do-it-yourself lawn maintenance – the Freedonia Group, expects we expect the industry sales for 2023 2024 to remain above 2019 pre-pandemic levels. Gardening, lawn care, and outdoor recreation continue to be popular among many consumers and lifestyle consumers. Lifestyle changes and shifts in demographics are creating new opportunities in gardening, gardening, including convenience through easy-to-use products and smaller package sizes, premiumization, customization, urbanization, and sustainability as well as transforming large grass spaces into planned gardens intended to be easier to maintain. Millennials and Gen Z's have high engagement and participation in gardening and house plant ownership. Interest in outdoor living is particularly high among millennials, the nation's largest group of gardeners. Representing 29% of all gardeners, millennials are increasingly interested in gardening as a leisure pursuit. We believe this trend bodes well for live plants, pot and planters and garden consumables. According to the Freedonia Group, 55% of people who grow plants, refer to their plants as "babies" or have called themselves a "plant parent". Gardeners who use this term are more likely to spend more money on their "plant babies" by investing in more attractive pots or planters, looking for unique plant varieties, or buying specialty tools or high-end consumables to care for them.

Branded Lawn and Garden Products

Our principal lawn and garden consumables product lines are grass seed, wild bird products, lawn and garden care products including fertilizers, insect control products, live plants and packet seed. seed to help consumers grow their lawns greener and gardens bloom bigger. Our Pennington brand is one of the largest in grass seed, wild bird feed and birding accessories. Ferry-Morse is a leader in vegetable, herb and flower packet seed, and our Amdro brand is a leading portfolio of control products.

We continuously seek to introduce new products, both as complementary extensions of existing product lines and in new product categories. In fiscal 2023, our 2024, Ferry-Morse brand introduced its Colossal Seed collection that will grow vegetables at least double the average size and expanded the line of organic seeds, which now features more than 100 organic vegetables, fruit and herb see varieties. In fiscal 2023, Ferry-Morse introduced more than 40 different Plantlings™ Garden Starter Kits, curated bundles of Plantlings that complement each other and take the guesswork out of planning and buying. In fiscal 2022, we launched Pennington Smart Patch lawn products, ideal for patching bare lawn spots and thinning areas.

Grass Seed. We are a leading marketer, producer and distributor manufacturer of numerous varieties and mixtures of cool and warm season grass seed for both the residential and professional markets, as well as forage and wildlife seed mixtures. We sell these products under the Pennington brand along with several sub-brands including Lawn Booster, One Step Complete®, Rackmaster®, Slopemaster®, Smart Seed, Smart Patch, The Rebels® and other brand names. We also produce numerous private label brands of grass seed. The Pennington grass seed manufacturing facilities are some of the largest and most modern seed coating and conditioning facilities in the industry.

Wild Bird. We are the leading producer marketer and distributor of wild bird feed, bird feeders, bird houses and other birding accessories. feed. These products are sold under the Pennington, 3-D® Pet Products and Wild Delight® brands. Many of our branded wild bird feed mixes are treated with a proprietary blend of vitamins and minerals. For example, our Pennington brand feed mixes are enriched with Bird-Kote®, our exclusive process which literally seals each seed with a nutritious coating containing vitamins and minerals that are beneficial to the health of wild birds. We also manufacture bird feeders, bird houses and other birding accessories.

Fertilizer and Controls. We are a leading producer, marketer and distributor manufacturer of soil supplements and stimulants. We manufacture produce several lines of lawn and garden fertilizers and soil supplements in granular and liquid form under the Alaska® Fish Fertilizer, Ironite®, Pennington, Pro Care® and Superthrive® brand names and other private and controlled labels. We also produce, market and distribute manufacture lawn and garden weed, moss, insect and pest control products. We sell these products under brands such as Amdro, Corry's®, Daconil®, IMAGE®, Knockout™, Lilly Miller®, Moss Out®, Over-N-Out®, Rootboost™ and Sevin, as well as other private and controlled labels.

Live Plants. With Bell Nursery and Hopewell Nursery, we are the primary supplier of superior quality flowers, trees, shrubs and other plants to Home Depot in the Northeast and mid-Atlantic regions, producing and shipping tens of millions of annuals, perennials and perennials indoor plants each year, also offering items we do not grow, such as orchids and indoor plants. orchids.

Packet Seed. We are a leading provider of vegetable, herb and flower packet seeds and seed starters. We sell these products under the American Seed®, Ferry-Morse, Jiffy®, Livingston®, McKenzie® Seed and other brand names.

Garden Sales and Distribution Network

Our sales and distribution network exists primarily to promote promotes our proprietary brands and provides us with key access to select national retail chains for our branded products, acquisition and maintenance of premium shelf placement, prompt product replenishment, customization of retailer programs, quick responses to changing customer and retailer preferences, rapid deployment and feedback for new products, market intelligence and potential acquisition targets. The network also sells other manufacturers' brands of lawn and garden supplies and combines these products with our branded products into single shipments enabling select national retail chains to deal with us on a cost-effective basis to meet their lawn and garden supplies requirements.

Garden Sales and Marketing

The marketing strategy for our premium products is focused on meeting consumer needs through product performance, innovation, quality, upscale packaging and retail shelf placement. The marketing strategy for our value products is focused on promotion of the quality and efficacy of our value brands at a lower cost relative to premium brands.

In 2024, we refreshed our Amdro brand with new eye-catching packaging graphics and optimized product claims that are simple and relevant to consumers.

Our customers include retailers, such as home improvement centers, food, drug and mass merchants, and professional end users. Sales to Home Depot represented approximately 35% 38% and 33% 35%, sales to Walmart represented approximately 24% 27% and 28% 24% and sales to Lowe's represented approximately 14% 15% and 16% 14% of our Garden segment's net sales in fiscal 2023 2024 and 2022, 2023, respectively.

To maximize our product placement and visibility in retail stores, we market our products through the following four complementary strategies:

- dedicated sales forces represent representing our combined brand groups;
- a retail sales and logistics network, which provides in-store training and merchandising for our customers, especially during the prime spring and summer seasons;
- dedicated account-managers and sales teams located near several of our largest customers; and
- selected independent distributors who sell our brands.

We continue to invest in talent, digital capabilities and eCommerce as these play a critical role in our ambition to grow our business and lead in the Garden segment.

Garden Competition

The lawn and garden consumables industry is highly competitive. Our lawn and garden products compete against national, regional and private label products produced by various suppliers. Our turf and forage grass seed products, fertilizers, pesticides and combination products compete principally against products marketed by The Scotts Miracle-Gro Company. In addition, Spectrum Brands and S.C. Johnson & Son, Inc. are strong competitors in yard and household insecticides. Our Garden segment competes primarily based on its strong premium and value brands, quality, service, price and low-cost manufacturing.

Seasonality

While demand for our pet supplies products, except for pest controls, is generally balanced over the year, our lawn and garden consumables business is highly seasonal with approximately two-thirds of net sales occurring in our second and third fiscal quarters combined. We build inventory based on expected demand and typically fill customer orders within a few days of receipt, so the backlog of unfilled orders is not material. Funding for working capital items, including inventory and receivables, is normally sourced from operating cash flows and short-term borrowings under our revolving credit facility. For additional information on our liquidity, working capital management, cash flow and financing activities, see Liquidity and Capital Resources, and Note 11, Long-Term Debt, appearing later in this Form 10-K.

Sources and Availability of Raw Materials

We purchase most of our raw materials from multiple suppliers. We suppliers but obtain one of the raw materials used to manufacture (S)-Methoprene from a single source of supply. We maintain an inventory of this raw material (in addition to our (S)-Methoprene inventory) to reduce the possibility of interruption in the availability of (S)-Methoprene, since a prolonged delay in obtaining (S)-Methoprene or this raw material could result in a temporary delay in product shipments and have an adverse effect on our Pet segment's financial results.

The key ingredients in our fertilizer and insect and weed control products are commodity and specialty chemicals, including urea, potash, phosphates, herbicides, insecticides and fungicides. The prices of these raw materials are susceptible to fluctuations due to supply and demand trends, inflation, and government regulations. We continuously monitor and evaluate our supplier network for quality, cost, and manufacturing capacity.

The principal raw materials required for our bird feed are bulk commodity grains, including millet, milo and sunflower seeds, which are generally purchased from large national commodity companies and local grain cooperatives. In order to ensure an adequate supply of grains and seeds to satisfy expected production volume, we enter into contracts to purchase a portion of our expected grain and seed requirements at future dates by fixing the quantity, and often the price, at the commitment date. Although we have never experienced a severe interruption of supply, we are exposed to price risk with respect to the portion of our supply which is not covered by contracts with a fixed price.

Patents, Trademarks and Other Proprietary Rights

We hold numerous patents in the United States and in other countries and have several patent applications pending. We consider the development of patents through creative research and the maintenance of an active patent program to be advantageous to our business, but do not regard any particular patent as essential to our operations. In addition to patents, we have numerous active ingredient registrations, end-use product registrations and trade secrets. Along with patents, active ingredient registrations, end use product registrations and trade secrets, we own numerous trademarks, service marks, trade names and logotypes. Many of our trademarks are registered. For those that are not, we rely on our common law trademark rights.

Human Capital Management

We believe one of the reasons Central employees are part of our organization is because they are passionate about the pet and garden industries. Every Central Team member and every job is important to our success and helping us to achieve our purpose.

As of September 30, 2023 September 28, 2024, we had approximately 6,700 6,450 employees, of whom approximately 6,300 6,100 were full-time employees and 400 350 were temporary or part-time employees. We also hire substantial numbers of additional temporary employees for the peak lawn and garden shipping season of February through June to meet the increased demand during the spring and summer months. The majority of our temporary employees are paid on an hourly basis. Except for approximately 100 employees at our facilities in Puebla, Mexico and Brandon, Canada, none of our employees are represented by a labor union. The attrition rate of our non-seasonal full-time and part-time workforce was 39% 30% in fiscal 2023, 2024.

We believe that attracting, developing and retaining a diverse and inclusive workforce is important to our continued success. Women represent 40% of our non-seasonal employees, and one of our key priorities is to amplify opportunities for women. Women serve in several senior leadership roles, holding 39% 33% of leadership positions (defined as Managers, Directors and Senior leaders (Vice President and above), including Interim Chief Executive Officer, our General Counsel and & Secretary, Interim Senior Vice President Supply Chain, of Human Resources, Senior Vice President Pet Consumer Marketing, Vice President Digital Marketing & Commerce, Vice President Investor Relations & Corporate Sustainability, Vice President Risk Management and Real Estate, Vice President & General Manager Tax, Vice President eCommerce Sales, President Segrest, General Manager Health & Wellness and Vice President Pet Sales.

We recognize that financial stability is a critical component to our employees' well-being. Our competitive compensation programs include base salary or hourly compensation for all employees. In addition, we provide a discretionary annual 401k employer contribution and a bonus program for eligible employees, which is based on the success of our businesses as measured by designated performance metrics and individual performance contributions. Another component of our overall compensation program is long-term equity, which is offered to eligible employees through annual and individual grants. We use such long-term equity grants as a means of attracting and retaining key employees to reward performance and to give these employees a vested interest in the success of the Company. Moreover, our physical health programs, like our medical and dental coverage, help our employees to feel their best on the job and at home.

Developing our employees so that they can assume key roles within Central is an important strategic priority for us. We offer a variety of programs and resources to train and enhance the skill set of our workforce, including a robust online learning platform with a wide variety of course offerings, a mentoring program and subsidizing a tuition reimbursement program that subsidizes college and advanced degrees for eligible employees. We also engage in regular discussions around succession planning and talent development at all levels of the Company. Our Board has frequent contact with business leaders within the organization and participates actively in the succession planning process. Our Chief People Officer Interim Senior Vice President of Human Resources reports directly to the Interim Chief Executive Officer and works with management to evaluate internal talent for future leadership positions within the organization on an ongoing basis. In evaluating potential acquisitions, an important consideration is the quality of the management team of the target company and our ability to obtain sufficient assurance that such management will remain with Central as needed if and after we acquire the business.

We encourage and drive high standards in our occupational health and safety performance by recording, reporting and investigating all incidents to root cause. In the ongoing push for progress, we set new annual safety targets and invest in our operational capabilities. We While we have improved our recordable incident rate for by 10% on average over the last four consecutive years, and the recordable incident rate was slightly higher in fiscal 2023, we were able to improve it by 20% 2024 compared to fiscal 2022, the prior year.

Regulatory Considerations

Many of the products that we manufacture or distribute are subject to local, state, federal and foreign laws and regulations. Such regulations are often complex and are subject to change. For example, in the United States, all pesticides must be registered with the United States Environmental Protection Agency ("EPA"), in addition to individual state and/or foreign agency registrations before they can be sold. Fertilizer products are also subject to state Department of Agriculture registration and foreign labeling regulations. Grass and other seeds are also subject to state federal and foreign federal labeling regulations. Prior to any international sales, all foreign agency requirements for shipment and labeling must be met.

The Food Quality Protection Act ("FQPA") establishes a standard for food-use pesticides, which is a reasonable certainty that no harm will result from the cumulative effect of pesticide exposures. Under this Act, the EPA is evaluating the cumulative risks from dietary and non-dietary exposures to pesticides. The Any pesticides in our products which that are also approved to be used on foods are evaluated by the EPA as part of this non-dietary exposure risk assessment.

In addition, the use of certain pesticide and fertilizer products is regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may include requirements that only certified or professional users apply the product or that certain products be used only on certain types of locations (such as "not for use on sod farms or golf courses"), may require users to post notices on properties to which products have been or will be applied, may require notification of individuals in the vicinity that products will be applied in the future or may ban the use of certain ingredients.

Various federal, state and local laws, including the federal Food Safety Modernization Act ("FSMA"), also regulate pet food products and give regulatory authorities the power to recall or require re-labeling of products. Several new FSMA regulations became have become effective in recent years.

Various local, state, federal and foreign environmental laws also impose obligations on various entities to clean up contaminated properties or to pay for the cost of such remediation, often upon parties that did not actually cause the contamination. In the course of our extensive acquisition history, we have acquired a number of manufacturing and distribution facilities, and most of these facilities have not been subjected to Phase II environmental tests to determine whether they are contaminated.

Environmental, Social and Governance

The long-term profitability of our business requires us to do our part to protect the planet, care for the local areas we serve, and provide our Central employees a safe, healthy and rewarding workplace. Corporate sustainability is embedded throughout our long-term enterprise roadmap and brought to life through our Central Impact strategy. We demonstrated Our 2022-2023 Impact Report provides additional information about our commitment to corporate sustainability by publishing our first Central Impact report in fiscal 2022. This inaugural report provides detailed information on our Central Impact strategy, our focus areas - protecting and progress to protect our planet, cultivating cultivate our communities and empowering empower our employees, and we have set goals in 10 critical areas - energy & greenhouse gases, water, waste, biodiversity, philanthropy, employee volunteering, product stewardship, health & safety, diversity & inclusion, learning & development - and our progress and examples of our commitment in action, employees. The report can be found on our website www.central.com.

In fiscal 2024, Nylabone was accredited by the Pet Sustainability Coalition (PSC) as a sustainably led and measured business that drives positive impact for pets, people, and the planet. In fiscal 2023, Central was recognized for its efforts in promoting eco-conscious procurement practices by ODP Business Solutions.

Information About Our Executive Officers

The following table sets forth the name, age and position of our executive officers as of November 20, 2023 November 25, 2024.

| Name | 1 | Age | Position |
|---------------------------------|---|-----|--|
| William E. Brown | | 82 | Chairman of the Board |
| Mary Beth Springer Niko Lahanas | | 58 | Interim Chief Executive Officer |
| John E. Hanson | | 59 | President, Pet Consumer Products |
| Nicholas Lahanas Brad Smith | | 55 | Senior Vice President, Chief Financial Officer |
| J.D. Walker | | 65 | President, Garden Consumer Products |
| Joyce McCarthy | | 54 | General Counsel & Secretary |

William E. Brown. Mr. Brown has been our Chairman since October 2019, having also served in this capacity from 1980 to 2018. From 1980 to June 2003 and from October 2007 to February 2013, he served as our Chief Executive Officer. From 1977 to 1980, Mr. Brown was Senior Vice President of Vivitar Corporation with responsibility for Finance, Operations and Research & Development. From 1972 to 1977, he was with McKesson Corporation where he was responsible for its 200-site data processing organization. Prior to joining McKesson Corporation, Mr. Brown spent the first 10 years of his business career at McCormick, Inc. in manufacturing, engineering and data processing.

Mary Beth Springer. Ms. Springer became our Interim Chief Executive Officer in October 2020. She has served on our Board of Directors for the past 10 years and acted as the Lead Independent Director for the last three years. Ms. Springer currently also serves as an

independent director for Amy's Kitchen, a privately held organic food company. She spent over 20 years at The Clorox Company in roles of increasing responsibility, finalizing her time with Clorox as Executive Vice President and General Manager.

John E. Hanson. Mr. Hanson became our President of Pet Consumer Products in August 2019 after serving as a board member during portions of 2018 and 2019. From 2015 to 2017, he served as Chief Executive Officer of Oasis Brands, Inc. Beginning in 2013, Mr. Hanson consulted for consumer products companies in the areas of strategy, operations and mergers and acquisitions. Prior to that, he had over 16 years of experience at ConAgra, where he served in a variety of senior-level roles including President of its Frozen Foods Division from 2008 to 2012 and Senior Vice President in Sales from 2006 to 2008.

Nicholas "Niko" Lahanas. Mr. Lahanas became our Chief Financial Executive Officer in May 2017, September 2024. He served as Chief Financial Officer from May 2017 until September 2024, Senior Vice President of Finance and Chief Financial Officer of our Pet segment from April 2014 to May 2017, and Vice President of Corporate Financial Planning & Analysis from October 2011 to March 2014. Mr. Lahanas was the Director of Business Performance from March 2008 to October 2011, where his primary focus was on business unit profitability, and was a Finance Manager from October 2006 to March 2008 in our Garden segment. Prior to joining Central, he worked in private equity and investment banking, banking for over eight years.

John E. Hanson. Mr. Hanson became our President of Pet Consumer Products in August 2019 after serving as a board member during portions of 2018 and 2019. From 2015 to 2017, he served as Chief Executive Officer of Oasis Brands, Inc. Beginning in 2013, Mr. Hanson consulted for consumer products companies in the areas of strategy, operations, mergers, and acquisitions. Prior to that, he had over 16 years of experience at ConAgra, where he served in a variety of senior-level roles including President of its Frozen Foods Division from 2008 to 2012 and Senior Vice President in Sales from 2006 to 2008.

Bradley "Brad" Smith. Mr. Smith became our Chief Financial Officer in September 2024. He joined Central in 2017 as Chief Financial Officer of our Pet Segment. Before joining Central, Mr. Smith worked at the Delhaize Group (now Ahold Delhaize), where he served 12 years in finance roles of increasing responsibility, including Chief Financial Officer of their European operations. Prior to Delhaize Group, he spent 11 years at Arthur Andersen.

J.D. Walker. Mr. Walker became our President of Garden Consumer Products in 2017 and has responsibility for Central's branded garden business including sales, marketing operations, the controls and fertilizer, grass seed and vendor partner business units, as well as the retail sales & service team. He served as Executive Vice President and General Manager - Garden Branded Business from 2014 to 2017 and began with Central as Senior Vice President - Garden Sales in 2011. Prior to joining Central, Mr. Walker held increasingly senior positions for 13 years with Spectrum Brands and for 17 years with The Gillette Company's Duracell North American Group.

Joyce McCarthy. Ms. McCarthy became our General Counsel & Secretary in April 2022. From 2018-2022, she served as General Counsel & Secretary for Ferrara Candy Company where she oversaw all legal and compliance matters for the company. From 2002 to 2018,

Ms. McCarthy held several key legal roles at Colgate-Palmolive Company, including four years as General Counsel of Hill's Pet Nutrition, Inc., Colgate's global pet food division. Prior to joining Colgate, Ms. McCarthy was an associate at Davis Polk & Wardwell and served as a law clerk to a U.S. District Court judge in the Southern District of New York.

Available Information

Our web site is www.central.com. We make available free of charge, on or through our website, our annual, quarterly and current reports, and any amendments to those reports, as soon as reasonably practicable after electronically filing or furnishing such reports with the Securities and Exchange Commission. Information contained on our web site is not part of this report.

Item 1A. Risk Factors.

This Form 10-K contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors both in and out of our control, including the risks faced by us described below and elsewhere in this Form 10-K.

You should carefully consider the risks described below. In addition, the risks described below are not the only ones facing us. We have only described the risks we consider to be material. However, there may be additional risks that are viewed by us as not material at the present time or are not presently known to us. Conditions could change in the future, or new information may come to our attention that could impact our assessment of these risks.

If any of the events described below were to occur, our business, prospects, financial condition and/or results of operations could be materially adversely affected. When we say below that something could or will have a material adverse effect on us, we mean that it could or will have one or more of these effects. In any such case, the price of our common stock could decline, and you could lose all or part of your investment in our company.

Risks Affecting our Business

Inflation, high interest rates, economic uncertainty and other adverse macro-economic conditions, including high interest rates and potential tariffs, may harm our business.

Our revenues and margins are dependent on various economic factors, including rates of inflation, interest rates, the potential of an economic recession, trade tariffs, energy costs, consumer attitudes toward discretionary spending, currency fluctuations, rates of inflation and other macro-economic factors which may impact consumer spending. Beginning in fiscal 2021, we have experienced high levels of inflation resulting in significant cost increases in many parts of our business, including input costs, labor costs, and fuel costs. While the rate of inflation has slowed during fiscal 2023, if the inflationary environment continues to slow during fiscal 2024, and a recession has not materialized, interest rates remain high and the imposition of tariffs on imports by the new presidential administration could result in higher input costs. If we are unable to pass through higher input costs by raising the price of our products, consumer confidence and purchasing may weaken and we may experience organic sales declines and gross margin and operating income declines.

Tariffs or a global trade war could increase the cost of our products, which could adversely impact the competitiveness of our products and our financial results.

During the 2024 presidential campaign, the President-Elect stated his intention to impose significant tariffs on goods imported from China and other countries. During the President-Elect's prior administration, the United States imposed a series of tariffs, ranging from 5% to 25%, on a variety of imports from China and subsequently implemented tariffs on additional goods imported from China. Less than 15% of our cost of goods sold is from products or materials sourced from outside the United States, including less than 5% from China. To the extent the United States imposes new or additional tariffs on China or other countries, or if new or additional tariffs or trade restrictions are implemented by the United States or other countries in connection with a global trade war, the cost of our products manufactured in China or other countries, and imported into the United States could increase significantly, which in turn could adversely affect the demand for these products and have a material adverse effect on our business and results of operations.

Our business is dependent upon our ability to continue to source products from China.

We outsource a portion of our manufacturing requirements to third-party manufacturers located in China. This subjects us to a number of risks, including: the impact of Chinese public health and contamination risks on manufacturing; quality control issues; social and political disturbances and instability; export duties, import controls, tariffs, quotas and other trade barriers; shipping and transportation problems; and fluctuations in currency values. These risks may be heightened by threatened changes in the U.S. government's trade policies, including the continuation of tariffs on goods imported from China or the imposition of any new or increased tariffs. Because we rely on Chinese third-party manufacturers for a significant portion of our product needs, any disruption in our relationships with these manufacturers or significant increase in import tariffs could adversely affect our results of operations.

High energy prices could adversely affect our operating results.

Beginning in 2021, in fiscal 2024, energy prices increased substantially and have remained elevated, resulting in increased costs for fuel and raw materials for many of our products. Energy prices may continue to rise or remain elevated during fiscal 2024, 2025. Continued high energy prices could adversely affect consumer spending and demand for our products and increase our operating costs, both of which would reduce our sales and operating income.

A decline in consumers' discretionary spending or a change in consumer preferences during economic downturns could reduce our sales and harm our business.

Our sales ultimately depend on consumer discretionary spending, which is influenced by factors beyond our control, including the current inflationary environment, high interest rates, the potential for trade tariffs, a return to an inflationary environment or an economic recession, other general economic conditions, the availability of discretionary income and credit, weather, consumer confidence and unemployment levels. Any material decline in consumer discretionary spending during the economic downturn could reduce our sales and harm our business. Unfavorable economic and market conditions may also place a number of our key retail customers under financial stress, which would increase our credit risk and potential bad debt exposure.

The success of our business also depends in part on our ability to identify and respond to evolving trends in demographics and consumer preferences. Our failure to timely identify or effectively respond to changing consumer tastes, preferences, spending patterns and lawn and garden and pet care needs could adversely affect the demand for our products and our profitability.

Our operating results and cash flow are susceptible to fluctuations.

We expect to continue to experience variability in our net sales, net income and cash flow on a quarterly basis. Factors that may contribute to this variability include:

- high inflation and the ability to take pricing actions to mitigate high input costs, including for commodities;
- the uncertain macro-economic environment, including high interest rates and the potential imposition of trade tariffs, could lead to a potential recession, and the impact either any of those could have on consumer discretionary spending;
- seasonality and the impact of adverse weather conditions;
- fluctuations in prices of commodity grains and other input costs;
- supply chain and sourcing disruptions, including due to the volatile geopolitical environment, environment and the potential imposition of trade tariffs on countries from which we import products;
- a return to high inflation and the ability to take pricing actions to mitigate high input costs, including for commodities;
- shifts in demand for lawn and garden and pet products;
- changes in product mix, service levels, marketing and pricing by us and our competitors;
- the effect of acquisitions; and
- the strength of our relationships with key retailers and their buying patterns and economic stability.

These fluctuations could negatively impact our business and the market price of our common stock.

Our lawn and garden sales are highly seasonal and subject to adverse weather and climate change.

Because our lawn and garden products are used primarily in the spring and summer, the Garden business is seasonal. In fiscal 2024, 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 generated in this period. Our working capital needs and our borrowings generally peak in our second fiscal quarter because we are generating lower revenues while incurring expenses in preparation for the spring selling season. If cash on hand and borrowings under our credit facility are ever insufficient to meet our seasonal needs or if cash flow generated during the spring and summer is insufficient to repay our borrowings on a timely basis, this seasonality could have a material adverse effect on our business.

Because demand for lawn and garden products is significantly influenced by weather, particularly weekend weather during the peak gardening season, our results of operations and cash flow could also be adversely affected by certain weather patterns such as unseasonably cool or warm temperatures, heavy rains, water shortages or floods. From time to time, we have experienced unfavorable weather during the peak garden season, which adversely impacted our Garden sales. Unfavorable weather during the peak garden season in the future could have a significant adverse effect on the sales and profitability of our lawn and garden business.

Climate change continues to receive increasing global attention. The effects of climate change could include changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperature levels. These changes could over time affect, for example, the availability and cost of raw materials, commodities and energy, which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require.

The increase in climate change attention has resulted in evolving policy, legal and regulatory changes which may impose substantial operational and compliance burdens. Collecting, measuring and analyzing information relating to such matters can be costly, time-consuming, dependent on third-party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Compliance with any new or more stringent laws or regulations, customer reporting requirements, or stricter interpretations of existing laws could require additional expenditures by us or our suppliers, in which case, the costs of raw materials and component parts could increase.

Consumers and businesses may independently change their behavior because of concerns regarding the impact of climate change and public perceptions. For example, consumers may elect to garden less frequently than historic patterns due to the unpredictability of weather patterns. Those consumers who are less directly impacted by climate change may also engage in less gardening due to discomfort or concerns about perceptions stemming from the direct impact of climate change on others. Current or potential retail customers may pull back from all or parts of the lawn and garden category in response to softening consumer demand.

Our failure to adequately manage the political, legal, regulatory, consumer and retail impacts of climate change could have a material adverse effect on our financial condition, results of operations and cash flows.

We are in the process of implementing our Central to Home strategy, which could result in increased expenses over the next few years.

Our Central to Home strategy consists of a comprehensive series of organizational and operational initiatives intended to build and grow our consumer brands, create a leading eCommerce platform and strengthen our relationships with key customers, drive a strong portfolio strategy, reduce costs to improve margins and fuel growth and strengthen our entrepreneurial, business unit-led growth culture. We expect to continue to implement these initiatives over the next several years. We anticipate continuing to incur substantial costs relating to this strategy in each of the next several years. There can be no assurance that we will be able to successfully execute our Central to Home strategic initiatives or that we will be able to do so within the anticipated time period. During the process of implementation, we will be making substantial investments in our business and will incur substantial transitional costs. These investments and transitional costs may adversely affect our operating results.

If we are unable to execute on our Cost and Simplicity Program, our ability to maintain or grow margins may be negatively impacted.

Our Cost and Simplicity program involves reducing costs, including procurement, logistics, manufacturing, portfolio optimization and administrative, and reducing complexity through fewer SKUs, plants and distribution centers. Optimizing our supply chain footprint and having the right facilities in the right locations is critical to lowering costs. We plan to simplify our business and improve our efficiency across the organization by rationalizing our footprint, streamlining our portfolio, and improving our cost structure. There can be no assurance that we will be able to successfully execute our Cost and Simplicity program or that we will be able to do so within the anticipated time period, which could adversely impact our ability to improve or maintain margins and enhance long-term profitability.

Seeds and grains we use to produce bird feed and grass seed are commodity products subject to price volatility that could have a negative impact on us.

Our financial results are partially dependent upon the cost of raw materials and our ability to pass along increases in these costs to our customers. In particular, our Pennington and Kaytee businesses are exposed to fluctuations in market prices for commodity seeds and grains used to produce bird feed, feed and grass seed. Historically, market prices for commodity seeds and grains have fluctuated in response to a number of factors, including changes in U.S. government farm support programs, changes in international agricultural and trading policies and weather conditions during the growing and harvesting seasons.

To mitigate our exposure to changes in market prices, we enter into purchase contracts for grains, bird feed and grass seed to cover a limited portion of our purchase requirements for a selling season. Since these contracts cover only a portion of our purchase requirements, as market prices for such products increase, our cost of production increases as well. In contrast, if market prices for such products decrease, we may end up purchasing grains and seeds pursuant to the purchase contracts at prices above market.

Fiscal 2022 and 2023 brought historic levels in the past, periods of high inflation and reduced supply of certain grains due to the war constraints have resulted in Ukraine, which drove up higher costs for bird feed and grass seed. In both fiscal 2022 and fiscal 2023, we experienced increasing inflationary costs in key commodities (e.g., sunflower, milo and millet). Although we were able to negotiate further price increases in fiscal 2022 and Beginning in fiscal 2023, with there has been a prolonged oversupply of grass seed, which has resulted in a significant decline in market prices. As a result of this decline, in fiscal 2024, we incurred an approximately \$15-\$20 million charge to write-down the value of our retailers, it is possible that price increases may not fully offset continued high costs in the future, resulting in margin erosion, grass seed inventory. We can provide no assurance as to the timing or extent of our ability to implement additional price adjustments increases in the event of continued high costs in the future, or our ability to maintain pricing with our retailers in the context of declining costs. We also cannot predict to what extent price increases may negatively affect our sales volume. volume or price decreases may result in further inventory write-downs. As retailers pass along price increases, consumers may shift to our lower margin bird feed, switch to competing products or reduce purchases of wild bird feed products. The same shift in consumer behavior could adversely affect our business in other product categories which experience substantial price increases.

We are subject to significant risks associated with innovation, including the risk that our new product innovations will not produce sufficient sales to recoup our investment.

We believe that our future success will depend upon, in part, our ability to continue to improve our existing products through product innovation and to develop, market and produce new products. We cannot assure you that we will be successful in the introduction, marketing and production of any new products or product innovations, or that we will develop and introduce in a timely manner, improvements to our existing products which satisfy customer needs or achieve market acceptance. Our failure to develop new products or improved formulations and introduce them successfully and in a timely manner could harm our ability to grow our business and could have a material adverse effect on our business, results of operations and financial condition.

We believe that the period of time to gain consumer acceptance of major innovations is longer in the garden industry than in many industries, which compounds the risks generally associated with major new product innovations.

We depend on a few customers for a significant portion of our business.

Home Depot, our largest customer, represented approximately 17% of our total company net sales in fiscal year 2024 and 16% of our total company net sales in fiscal 2023 and 2022. Walmart, our second largest customer, represented approximately 16% of our total company net sales in fiscal 2024 and 2023, and 17% in fiscal 2022. Costco, our third largest customer, represented approximately 8%, 7% and 6% of our total company net sales in fiscal 2024, 2023 and 2022, respectively. Lowe's and Amazon are also significant customers, and together with Walmart, Home Depot and Costco accounted for approximately 54% of our net sales in fiscal 2024. The market shares of many of these key retailers have increased and may continue to increase in future years.

The loss of, or significant adverse change in, our relationship with any of these key retailers could cause our net sales, operating income and cash flow to decline. The loss of, or reduction in, orders from any significant customer, losses arising from customer disputes regarding shipments, fees, merchandise condition or related matters, or our inability to collect accounts receivable from any major customer could reduce our operating income and cash flow.

We may be adversely affected by trends in the retail industry.

Our retailer customers have continued to consolidate, resulting in fewer customers on which we depend for business. These key retailers are large and sophisticated with increased buying power and negotiating strength. They are more capable of resisting price increases and can demand lower pricing. Our business may be negatively affected by changes in the policies of our key retailers, such as limitations on access to shelf space, price demands and other conditions. In addition, large retailers have the scale to develop supply chains that permit them to operate with reduced inventories. Consequently, our customers have been implementing inventory destocking and making purchases on a "just-in-time" basis. This requires us to shorten our lead time for production in certain cases and to more closely anticipate demand, which could in the future require the carrying of additional inventories and an increase in our working capital and related financing requirements. This shift to "just-in-time" can also cause retailers to delay purchase orders, which

can cause a shift in sales from quarter to quarter. Decisions to move in or out of a market category by leading retailers can also have a significant impact on our business. Additionally, some retailers are increasing their emphasis on private label products. These retailers may also in the future use more of their shelf space, currently used for our products, for their store brand products. While we view private label as an opportunity and supply many private label products to retailers, we could lose sales if key retailers replace our branded products with private label product manufactured by others.

We sell our products through a variety of trade channels with a significant portion dependent upon key retailers, through both traditional brick-and-mortar retail channels and eCommerce channels, including Amazon. The eCommerce channel continues to grow rapidly. To the extent that the key retailers on which we depend lose share to the eCommerce channel, we could lose sales. We continue to make additional investments to access this channel more effectively, but there can be no assurances that any such investments will be successful. If we are not successful in developing and utilizing eCommerce channels that consumers may prefer, we may experience lower than expected revenues.

A significant deterioration in the financial condition of one of our major customers or several smaller customers could have a material adverse effect on our sales, profitability and cash flow. We continually monitor and evaluate the credit status of our customers and attempt to adjust sales terms as appropriate. Despite these efforts, a bankruptcy filing or liquidation by a key customer could have a material adverse effect on our business, results of operations and financial condition in the future.

If we underestimate or overestimate demand for our products and do not maintain appropriate inventory levels, our results of operations and financial condition could be negatively impacted.

Our ability to manage our inventory levels to meet our customers' demand for our products is important for our business. Our production levels and inventory management goals for our products are based on estimates of demand, taking into account production capacity, timing of shipments, and inventory levels. If we overestimate or underestimate demand for any of our products during a given season, we may not maintain appropriate inventory levels, which could negatively impact our net sales, profit margins, net earnings, and/or working capital, hinder our ability to meet customer demand, result in loss of customers, or cause us to incur excess and obsolete inventory charges.

Supply disruptions in pet birds, small animals and fish may negatively impact our sales.

The federal government and many state governments have increased restrictions on the importation of pet birds and the supply of small animals. These restrictions have resulted in reduced availability of new pet birds and small animals and thus reduced demand for pet bird and small animal food and supplies. If these restrictions become more severe, or similar restrictions become applicable to pet fish, our future sales of these products would likely suffer, which would negatively impact our profitability. In addition, some countries have experienced outbreaks of avian flu. A significant outbreak in the United States would reduce demand for our pet and wild bird food and negatively impact our financial results.

Our Segrest subsidiary is the largest supplier of aquarium fish in the United States and also supplies pet birds and small animals. The sale of fish, pet birds and small animals subjects us to additional risk, including risks associated with sourcing, developing captive breeding programs, health of the fish, pet birds and small animals supplied by us and future governmental regulation of the sale of fish, pet birds and small animals.

Our lawn and garden sales are highly seasonal and subject to adverse weather.

Because our lawn and garden products are used primarily in the spring and summer, the Garden business is seasonal. In fiscal 2023, approximately 67% of our Garden segment's net sales and 58% of our total net sales occurred during our second and third fiscal quarters. Substantially all of the Garden segment's operating income is generated in this period. Our working capital needs and our borrowings generally peak in our second fiscal quarter because we are generating lower revenues while incurring expenses in preparation for the spring selling season. If cash on hand and borrowings under our credit facility are ever insufficient to meet our seasonal needs or if cash flow generated during the spring and summer is insufficient to repay our borrowings on a timely basis, this seasonality could have a material adverse effect on our business.

Because demand for lawn and garden products is significantly influenced by weather, particularly weekend weather during the peak gardening season, our results of operations and cash flow could also be adversely affected by certain weather patterns such as unseasonably cool or warm temperatures, heavy rains, water shortages or floods. During fiscal 2022 and fiscal 2023, we experienced unfavorable weather during the peak garden season, which adversely impacted our Garden sales. Unfavorable weather in the future could have a significant adverse effect on the sales and profitability of our lawn and garden business.

We depend on a few customers for a significant portion of our business.

Walmart, our largest customer, represented approximately 16% of our total company net sales in fiscal 2023, 17% in fiscal 2022 and 16% in fiscal 2021. Home Depot, our second largest customer, represented approximately 16%, 16% and 15% of our total company net sales in fiscal 2023, 2022 and 2021, respectively. Lowe's, our third largest customer, represented approximately 8%, 8% and 9% of our total company net sales in fiscal 2023, 2022 and 2021, respectively. Costco and Amazon are also significant customers, and together with Walmart, Home Depot and Lowe's accounted for approximately 52% of our net sales in fiscal 2023. The market shares of many of these key retailers have increased and may continue to increase in future years.

The loss of, or significant adverse change in, our relationship with any of these key retailers could cause our net sales, operating income and cash flow to decline. The loss of, or reduction in, orders from any significant customer, losses arising from customer disputes regarding shipments, fees, merchandise condition or related matters, or our inability to collect accounts receivable from any major customer could reduce our operating income and cash flow.

Tariffs or a global trade war could increase the cost of our products, which could adversely impact the competitiveness of our products and our financial results.

During the former presidential administration, the United States imposed a series of tariffs, ranging from 5% to 25%, on a variety of imports from China and subsequently implemented tariffs on additional goods imported from China. Less than 10% of the products that we sell are manufactured in China. To the extent the United States continues the China tariffs, or if additional tariffs or trade restrictions are implemented by the United States or other countries in connection with a global trade war, the cost of our products manufactured in China, or other countries, and imported into the United States could increase, which in turn could adversely affect the demand for these products and have a material adverse effect on our business and results of operations.

We may be adversely affected by trends in the retail industry.

Our retailer customers have continued to consolidate, resulting in fewer customers on which we depend for business. These key retailers are increasingly large and sophisticated with increased buying power and negotiating strength. They are more capable of resisting price increases and can demand lower pricing. Our business may be negatively affected by changes in the policies of our key retailers, such as limitations on access to shelf space, price demands and other conditions. In addition, large retailers have

the scale to develop supply chains that permit them to operate with reduced inventories. Consequently, our customers have been implementing inventory destocking and making purchases on a "just-in-time" basis. This requires us to shorten our lead time for production in certain cases and to more closely anticipate demand, which could in the future require the carrying of additional inventories and an increase in our working capital and related financing requirements. This shift to "just-in-time" can also cause retailers to delay purchase orders, which can cause a shift in sales from quarter to quarter. Decisions to move in or out of a market category by leading retailers can also have a significant impact on our business. Additionally, some retailers are increasing their emphasis on private label products. These retailers may also in the future use more of their shelf space, currently used for our products, for their store brand products. While we view private label as an opportunity and supply many private label products to retailers, we could lose sales in the event that key retailers replace our branded products with private label product manufactured by others.

We sell our products through a variety of trade channels with a significant portion dependent upon key retailers, through both traditional brick-and-mortar retail channels and eCommerce channels, including Amazon. The eCommerce channel continues to grow rapidly. To the extent that the key retailers on which we depend lose share to the eCommerce channel, we could lose sales. We continue to make additional investments to access this channel more effectively, but there can be no assurances that any such investments will be successful. If we are not successful in developing and utilizing eCommerce channels that consumers may prefer, we may experience lower than expected revenues.

A significant deterioration in the financial condition of one of our major customers could have a material adverse effect on our sales, profitability and cash flow. We continually monitor and evaluate the credit status of our customers and attempt to adjust sales terms as appropriate. Despite these efforts, a bankruptcy filing or liquidation by a key customer could have a material adverse effect on our business, results of operations and financial condition in the future.

If we underestimate or overestimate demand for our products and do not maintain appropriate inventory levels, our results of operations and financial condition could be negatively impacted.

Our ability to manage our inventory levels to meet our customers' demand for our products is important for our business. Our production levels and inventory management goals for our products are based on estimates of demand, taking into account production capacity, timing of shipments, and inventory levels. While we increased our inventory levels significantly during fiscal 2022 to mitigate the adverse impact of supply chain disruptions on our fill rates, we were able to decrease inventory levels during fiscal 2023. If we overestimate or underestimate demand for any of our products during a given season, we may not maintain appropriate inventory levels, which could negatively impact our net sales, profit margins, net earnings, and/or working capital, hinder our ability to meet customer demand, result in loss of customers, or cause us to incur excess and obsolete inventory charges.

Issues with products may lead to product liability, personal injury or property damage claims, recalls, withdrawals, replacements of products, regulatory actions by governmental authorities that could divert resources, affect business operations, decrease sales, increase costs, and put us at a competitive disadvantage, any of which could have a significant adverse effect on our results of operations and financial condition.

We have 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. Product recalls or other governmental regulatory action directed at product sales could result in increased governmental scrutiny, reputational harm, reduced demand by consumers for our products, decreased willingness by retailer customers to purchase or provide marketing support for those products, unavailability or increased cost of insurance, or additional safety and testing requirements. Such results could divert development and management resources, adversely affect our business operations, decrease sales, increase legal fees and other costs, and put us at a competitive disadvantage compared to other manufacturers not affected by similar issues with products, any of which could have a significant adverse effect on our results of operations and financial condition.

Competition in our industries may hinder our ability to execute our business strategy, increase our profitability or maintain relationships with existing customers.

We operate in highly competitive industries, which have experienced increased consolidation in recent years. We compete against numerous other companies, some of which are more established in their industries and have substantially greater revenue and resources than we do. Our products compete against national and regional products and private label products produced by various suppliers. Our largest competitors in the Pet segment are Spectrum Brands, Mars, Inc. and the J.M Smucker Co., and our largest competitors in the Garden segment are Scotts Miracle-Gro, Spectrum Brands and S.C. Johnson.

To compete effectively, among other things, we must:

- develop and grow brands with leading market positions;
- maintain or grow market share;
- maintain and expand our relationships with key retailers;
- effectively access the growing eCommerce channel;
- continually develop innovative new products that appeal to consumers;
- implement effective marketing and sales promotion programs;
- maintain strict quality standards;
- deliver products on a reliable basis at competitive prices; and
- effectively integrate acquired businesses.

Our inability to compete effectively could lead to lower sales volumes, price reductions, reduced profits, losses, or loss of market share which could have a material adverse effect on our business, results of operations and financial condition.

We continue to implement enterprise resource planning information technology systems.

We are incurring costs associated with designing and implementing enterprise resource planning (ERP) software systems with the objective of gradually migrating our businesses to one or the other of two systems. The choice of which is to be used for each business is dependent on the needs of the business unit. These two systems are replacing numerous accounting and financial reporting systems, most of which have been obtained in connection with business acquisitions. To date, we have reduced the number of ERP systems from 4347 to 9. 11.

Capital expenditures for our enterprise resource planning software systems for fiscal 2024 2025 and beyond will depend upon the pace of conversion for those remaining legacy systems. If the balance of the implementation is not executed successfully, we could experience business interruptions or material weaknesses relating to IT controls of acquired companies. For example, in fiscal 2023 we recently identified two material weaknesses related to our Live Plants and Green Garden businesses whose IT systems have had not been fully integrated into our corporate IT control structure. The material weaknesses were resolved during fiscal 2024, but there is no assurance that we may not experience similar IT control issues in the future. If we do not complete the implementation of the project timely and successfully, we may experience, among other things, additional costs associated with completing this project and a delay in our ability to improve existing operations, support future growth and take advantage of new applications and technologies. All of this may also result in distraction of management, diverting their attention from our operations and strategy.

Some of the products that we manufacture and distribute require governmental permits and also subject us to potential environmental liabilities.

Some of the products that we manufacture and distribute are subject to regulation by federal, state, foreign and local authorities. Environmental health and safety laws and regulations are often complex and are subject to change. Environmental health and safety laws and regulations may affect us by restricting the manufacture, sale or use of our products or regulating their disposal. Regulatory or legislative changes may cause future increases in our operating costs or otherwise affect operations. There is no assurance that in the future we may not be adversely affected by such laws or regulations, incur increased operating costs in complying with such regulations or not be subject to claims for personal injury, property damages or governmental enforcement. In addition, due to the nature of our operations and the frequently changing nature of environmental compliance standards and technology, we cannot predict with any certainty that future material capital expenditures will not be required.

In addition to operational standards, environmental laws also impose obligations on various entities to clean up contaminated properties or to pay for the cost of such remediation, often upon parties that did not actually cause the contamination. Accordingly, we may become liable, either contractually or by operation of law, for remediation costs even if the contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. With our extensive acquisition history, we have acquired a number of manufacturing and distribution facilities, and most of these facilities have not been subjected to Phase II environmental tests to determine whether they are contaminated. Given the nature of the past operations conducted by us and others at these properties, there can be no assurance that all potential instances of soil or groundwater contamination have been identified, even for those properties where an environmental site assessment has been conducted. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to future remediation liabilities that may be material.

Our business is dependent upon our ability to continue to source products from China.

We outsource a portion of our manufacturing requirements to third-party manufacturers located in China. This subjects us to a number of risks, including: the impact of Chinese public health and contamination risks on manufacturing; quality control issues; social and political disturbances and instability; export duties, import controls, tariffs, quotas and other trade barriers; shipping and transportation problems; and fluctuations in currency values. These risks may be heightened by changes in the U.S. government's trade policies, including the continuation of tariffs on goods imported from China or the imposition of any new tariffs. Because we rely on Chinese third-party manufacturers for a significant portion of our product needs, any disruption in our relationships with these manufacturers could adversely affect our operations.

Deterioration in operating results could prevent us from fulfilling our obligations under the terms of our indebtedness or impact our ability to refinance our debt on favorable terms as it matures.

We have, and we will continue to have, significant indebtedness. As of September 30, 2023 September 28, 2024, we had total indebtedness of approximately \$1.2 billion. This level of indebtedness and our future borrowing needs could have material adverse consequences for our business, including:

- make it more difficult for us to satisfy our obligations with respect to the terms of our indebtedness;
- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which would reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other business activities;
- increase our vulnerability to adverse industry conditions, including unfavorable weather conditions or commodity price increases;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- place us at a competitive disadvantage compared to competitors that have less debt; and
- limit our ability to borrow additional funds at reasonable rates, if at all.

In addition, since our credit facility bears interest at variable rates, a further increase in interest rates or interest rate margins as defined under our credit agreement will create higher debt service requirements, which would adversely affect our cash flow.

Risks Relating to Acquisitions

Our acquisition strategy involves a number of risks.

We are regularly engaged in acquisition discussions with other companies and anticipate that one or more potential acquisition opportunities, including those that would be material or could involve businesses with operating characteristics that differ from our existing business operations, may become available in the near future. If and when appropriate acquisition opportunities become available, we intend to actively pursue them. Acquisitions involve a number of special risks, including:

- failure of the acquired business to achieve expected results, as well as the potential impairment of the acquired assets if operating results decline after acquisition;
- diversion of management's attention;
- additional financing, if necessary and available, which could increase leverage and costs, dilute equity, or both;
- the potential negative effect on our financial statements from the increase in goodwill and other intangibles;
- difficulties in integrating the operations, systems, technologies, products and personnel of acquired companies;
- initial dependence on unfamiliar supply chains or relatively small supply partners;
- the potential loss of key employees, customers, distributors, vendors and other business partners of the companies we acquire after the acquisition;
- the high cost and expenses of identifying, negotiating and completing acquisitions; and
- risks associated with unanticipated events or liabilities.

These risks could have a material adverse effect on our business, results of operations and financial condition.

We have faced, and expect to continue to face, intense competition for acquisition candidates, which may limit our ability to make acquisitions and may lead to higher acquisition prices. We cannot assure you that we will be able to identify, acquire or manage profitably additional businesses or to integrate successfully any acquired businesses into our existing business without substantial costs, delays or other operational or financial difficulties. In future acquisitions, we also could incur additional indebtedness or pay consideration in excess of fair value, which could have a material adverse effect on our business, results of operations and financial condition.

If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record impairment charges, which may be significant.

A significant portion of our long-term assets consists of goodwill and other intangible assets recorded as a result of past acquisitions. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset's carrying value does exceed its fair value, we would record a loss equal to the excess of the individual asset's carrying value over its fair value.

The steps required by Generally Accepted Accounting Principles ("GAAP") entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and that interim impairment testing is necessary include, but are not limited to: competitive conditions; the impact of the economic environment on our customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market value of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in the business climate that could affect our assets; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our results of operations and financial condition.

During fiscal 2024, 2023 2022 and 2021 2022, we performed evaluations of the fair value of our indefinite-lived trade names and trademarks. Our expected revenues were based on our future operating plan and estimates of market growth or decline for future years. In fiscal 2024, we recorded a non-cash impairment charge in our Pet segment of \$12.8 million, and in fiscal 2023, we recorded impairment charges of approximately \$7.5 million and \$3.9 million in our Pet and Garden segments. There ~~were~~ was no impairment losses loss recorded in fiscal years 2021 and 2022.

As part of our annual goodwill impairment testing, in fiscal 2023, we elected to bypass the qualitative assessment and proceeded directly to performing the quantitative goodwill impairment test as part of annual goodwill impairment test. We completed our quantitative assessment and concluded there was no impairment of goodwill. In connection with our annual goodwill impairment testing performed during fiscal years 2022 and 2021, 2024 we made a qualitative evaluation about the likelihood of goodwill impairment to determine whether it was necessary to calculate the fair values of our reporting units segments under the quantitative goodwill impairment test. We completed our qualitative assessment of potential goodwill impairment and it was determined that it was more likely than not the fair values of our reporting units segments were greater than their carrying amounts, amount in fiscal 2024, and accordingly, no quantitative further testing of goodwill was required. required in fiscal 2024. In connection with the our annual goodwill impairment testing performed during fiscal 2023, we elected to bypass the qualitative assessment and proceeded directly to performing the quantitative goodwill impairment test. We completed our quantitative assessment of potential goodwill and determined that it was more likely than not the fair values of our reporting segments were greater than their carrying amounts. In connection with the our annual goodwill impairment testing performed during fiscal 2022, we made a qualitative evaluation about the likelihood of goodwill impairment to determine whether it was necessary to calculate the fair values of our reporting segments under the goodwill impairment test. We completed our qualitative assessment of potential goodwill impairment and determined that it was more likely than not the fair values of our reporting segments were greater than their carrying amount in fiscal 2022, and accordingly, no further testing of goodwill was required in fiscal 2022.

We ~~have~~ identified material weaknesses in our internal control over financial reporting during fiscal 2023 and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements or otherwise adversely affect the accuracy, reliability or timeliness of our financial statements.

As described under Item 9A. "Controls and Procedures" below, we ~~have~~ concluded that material ~~weakness~~ weaknesses in our internal control over financial reporting existed as of September 30, 2023 and, accordingly, our internal control over financial reporting and our disclosure controls and procedures were not effective as of such date. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As a result of its evaluation, management identified two material weaknesses: (1) in information technology general computer controls ("ITGCs") relating to access and program change management controls and (2) controls relating to an outsourced service provider at two acquired businesses whose IT systems had not yet been fully integrated with our corporate IT control structure.

Management is in the process of establishing a remediation plan and expects its remediation efforts will involve that involved implementing additional controls to ensure that access and program change management controls are designed and operating effectively and that we have effective controls relating to outsourced service providers and the data they provide. Until the remediation plan is implemented and tested during fiscal 2024 and deemed effective, we cannot provide assurance that our actions will adequately remediate the material weaknesses or that additional material weaknesses in our internal controls will not be identified in the future. Effective internal control over financial reporting is necessary for us to provide reliable and timely financial reports and, together with adequate disclosure controls and procedures, are designed to reasonably detect and prevent fraud. The occurrence of, or failure to remediate, these material weaknesses and any future material weaknesses in our internal control over financial reporting may adversely affect the accuracy and reliability and timeliness of our financial statements and have other consequences that could materially and adversely affect our business.

General Risks

Our success depends upon our retaining and recruiting key personnel.

Our performance is substantially dependent upon the continued services of our senior management team. The loss of the services of these persons including the recent departure of our former Chief Executive Officer in October 2023, could have a material adverse effect on our business. Our former Chief Executive Officer resigned in October 2023, and our Chief Financial Officer was promoted to Chief Executive Officer in September 2024 and the former chief financial officer of our Pet segment was promoted to our Chief Financial Officer. Our future performance depends on the success of our recently promoted Chief Executive Officer and Chief Financial Officer and our ability to attract and retain a new Chief Executive Officer and other skilled employees in all facets of our business, including management and manufacturing and distribution. We cannot assure you that we will be able to retain our existing personnel or attract additional qualified employees in the future.

A significant information security or operational technology incident, including a cyber attack or data breach, could disrupt our operations and adversely impact our operating results, cash flows and reputation.

We rely extensively on information technology (IT) systems, networks and services, including internet and intranet sites, data hosting and processing facilities and technologies, physical security systems and other hardware, software and technical applications and platforms, many of which are managed, hosted, provided and/or used by third parties or their vendors, to assist in conducting our business.

Numerous and evolving information security threats, including advanced persistent cybersecurity threats, pose a risk to the security of our services, systems, networks and supply chain, as well as to the confidentiality, availability and integrity of our data and of our critical business operations. In addition, because the techniques, tools and tactics used in cyber-attacks frequently change and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures or fully mitigating harms after such an attack.

Our and our third-party providers' IT systems have been, and will likely continue to be, subject to advanced computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyberattacks. We cannot guarantee that our security efforts or the security efforts of our third-party providers will prevent material breaches, operational incidents or other breakdowns to our or our third-party providers' IT systems.

A breach of our data security systems or failure of our IT systems may have a material adverse impact on our business operations and financial results. If the IT systems, networks or service providers we rely upon fail to function properly or cause operational outages or aberrations, or if we or one of our third-party providers suffer significant unavailability of key operations, or inadvertent disclosure of, lack of integrity of, or loss of our sensitive business or stakeholder information, including personally identifiable information, and our business continuity plans do not effectively address these failures on a timely basis, we may suffer interruptions in our ability to manage operations and be exposed to reputational, competitive, operational, financial and business harm as well as litigation and regulatory action. If our critical IT systems or back-up systems or those of our third-party vendors are damaged or cease to function properly, we may have to make a significant investment to repair or replace them. These risks can be magnified in companies that we have acquired until we fully integrate their critical IT systems into our internal controls.

In addition, if a ransomware attack or other cybersecurity incident occurs, either internally or at our third-party technology service providers, we could be prevented from accessing our data or systems, which may cause interruptions or delays in our business operations, cause us to incur remediation costs, subject us to demands to pay a ransom or damage our reputation. In addition, such events could result in unauthorized disclosure of confidential information or stakeholder information, including personally identifiable information, and we may suffer financial and reputational damage because of lost or misappropriated information belonging to us or to our partners, our employees, customers and suppliers. Additionally, we could be exposed to potential liability, litigation, governmental inquiries, investigations or regulatory enforcement actions; and we could be subject to payment of fines or other penalties, legal claims by our suppliers, customers or employees and significant remediation costs.

The costs and operational consequences of responding to the above items and implementing remediation measures could be significant and could adversely impact our results of operations and cash flows.

Our inability to protect our trademarks and any other proprietary rights may have a significant, negative impact on our business.

We consider our trademarks to be of significant importance in our business. Although we devote resources to the prosecution, protection and enforcement of our trademarks, we cannot assure you that the actions we have taken or will take in the future will be adequate to prevent infringement of our trademarks and proprietary rights by others or prevent others from seeking to block sales of our products as an alleged infringement of their trademarks and proprietary rights. There can be no assurance that future litigation will not be necessary to enforce our trademarks or proprietary rights or to defend ourselves against claimed infringement of the rights of others. Any future litigation of this type could result in adverse determinations that could have a material adverse effect on our business, financial condition or results of operations. Our inability to use our trademarks and other proprietary rights could also harm our business and sales through reduced demand for our products and reduced revenues.

The products that we manufacture and distribute could expose us to product liability claims.

Our business exposes us to potential product liability risks in the manufacture and distribution of certain of our products. Although we generally seek to insure against such risks, there can be no assurance that coverage will be adequate or that we will be able to maintain such insurance on acceptable terms. A successful product liability claim in excess of our insurance coverage could have a material adverse effect on us and could prevent us from obtaining adequate product liability insurance in the future on commercially reasonable terms.

We have unresolved litigation which could adversely impact our operating results.

We are a party to litigation alleging that the applicator developed and used by us for certain of our branded topical flea and tick products infringes a patent held by Nite Glow Industries, Inc. and asserting claims for breach of contract and misappropriation of confidential information. 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, which was reduced to \$12.4 million. We filed our notice of appeal and the plaintiffs cross-appealed. On July 14, 2021, the Federal Circuit Court of Appeals 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 retrial of the "head start" damages issue concluded in March 2024, but no decision has been issued by the Court.** We intend to vigorously pursue our defenses in **the any** future proceedings and believe that we will prevail on the merits as to the head start damages issue. While we believe that the ultimate resolution of this matter will not have a material impact on our consolidated financial statements, the outcome of litigation is inherently uncertain and the final resolution of this matter may result in expense to us in excess of management's expectations.

A significant information security The adoption of new tax legislation, unanticipated changes in our tax provisions, or operational technology incident, including a cyber attack or data breach, exposure to additional tax liabilities could disrupt affect our operations profitability and cash flows.

We are subject to income and other taxes in the United States federal jurisdiction and various local, state and foreign jurisdictions. Our effective tax rate in the future could be adversely **impact affected by changes to our operating results, cash flows and reputation.**

We rely extensively on information technology (IT) systems, networks and services, including internet and intranet sites, data hosting and processing facilities and technologies, physical security systems and other hardware, software and technical applications and platforms, many **structure, changes in the mix of which are managed, hosted, provided and/or used by third parties or their vendors, to assist in conducting our business.**

Numerous and evolving information security threats, including advanced persistent cybersecurity threats, pose a risk to the security of our services, systems, networks and supply chain, as well as to the confidentiality, availability and integrity of our data and of our critical business operations. In addition, because the techniques, tools and tactics used in cyber-attacks frequently change and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures or fully mitigating harms after such an attack.

Our and our third-party providers' IT systems have been, and will likely continue to be, subject to advanced computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyberattacks. We cannot guarantee that our security efforts or the security efforts of our third-party providers will prevent material breaches, operational incidents or other breakdowns to our or our third-party providers' IT systems.

A breach of our data security systems or failure of our IT systems may have a material adverse impact on our business operations and **financial results. If earnings, changes in tax laws and statutory tax rates, and the IT systems, networks or service providers we rely upon fail to function properly or cause operational outages or aberrations, or if we or one discovery of new information in the course of our third-party providers suffer significant unavailability of key operations, tax return preparation process. From time to time, tax proposals are introduced or inadvertent disclosure of, lack of integrity of, considered by the U.S. Congress or loss the legislative bodies in local and state jurisdictions that could also affect our tax rate or our tax liabilities. Our tax liabilities are also affected by the amounts we charge for inventory, services, licenses, funding and other items in intercompany transactions. We are subject to ongoing tax audits in various jurisdictions. In connection with these audits (or future audits), tax authorities may disagree with our intercompany charges, inter-company transfer pricing methodology or other matters and assess additional taxes. We regularly assess the likely outcomes of our sensitive business or stakeholder information, including personally identifiable information, and our business continuity plans do not effectively address these failures on a timely basis, we may suffer interruptions audits in our ability order to manage operations and be exposed to reputational, competitive, operational, financial and business harm as well as litigation and regulatory action. If our critical IT systems or back-up systems or those determine the appropriateness of our third-party vendors are damaged tax provision. As a result, the ultimate resolution of our tax audits and changes in tax laws or cease to function properly, we may have to make a significant investment to repair or replace them. These risks can be magnified in companies that we have acquired until we fully integrate their critical IT systems into tax rates could materially affect our internal controls.**

In addition, if a ransomware attack or other cybersecurity incident occurs, either internally or at our third-party technology service providers, we could be prevented from accessing our data or systems, which may cause interruptions or delays in our business operations, cause us to incur remediation costs, subject us to demands to pay a ransom or damage our reputation. In addition, such events could result in unauthorized disclosure of confidential information or stakeholder information, including personally identifiable information, and we may suffer financial and reputational damage because of lost or misappropriated information belonging to us or to our partners, our employees, customers and suppliers. Additionally, we could be exposed to potential liability, litigation, governmental inquiries, investigations or regulatory enforcement actions; and we could be subject to payment of fines or other penalties, legal claims by our suppliers, customers or employees and significant remediation costs.

The costs and operational consequences of responding to the above items and implementing remediation measures could be significant and could adversely impact our results of operations tax provision, net income and cash flows.

flows in future periods.

Risks Relating to our Capital Stock

We do not expect to pay cash dividends in the foreseeable future.

We have never paid any cash dividends on our common stock or Class A common stock and currently do not intend to do so. Provisions of our credit facility and the **indenture indentures** governing our senior **subordinated notes** restrict our ability to pay cash dividends. Any future determination to pay cash dividends will be at the discretion of our Board of Directors, subject to limitations under applicable law and contractual restrictions, and will depend upon our results of operations, financial condition and other factors deemed relevant by our Board of Directors.

We may issue additional shares of our common stock or Class A common stock that could dilute the value and market price of our stock.

We may decide or be required to issue, including upon the exercise of any outstanding stock options, or in connection with any acquisition made by us, additional shares of our common stock or Class A common stock that could dilute the value of our common stock or Class A common stock and may adversely affect the market price of our common stock or Class A common stock.

Our Chairman and founder, through his holdings of our Class B common stock, exercises effective control of the Company, which may discourage potential acquisitions of our business and could have an adverse effect on the market price of our stock.

Holders of our Class B common stock are entitled to the lesser of ten votes per share or 49% of the total votes cast, and each share of Class B common stock is convertible at any time into one share of our common stock. Holders of our common stock are entitled to one vote for each share owned. Holders of our Class A common stock have no voting rights, except as required by Delaware law.

As of ~~September 30, 2023~~ September 28, 2024, William E. Brown, our Chairman and founder, beneficially controlled approximately 55% of the voting power of our capital stock. Accordingly, except to the extent that a class vote of the common stock is required by applicable law or our charter, he can effectively control all matters requiring stockholder approval, including the election of our directors, and can exert substantial control over our management and policies. The disproportionate voting rights of our Class B common stock and Mr. Brown's substantial holdings of Class B common stock could have an adverse effect on the market price of our common stock and Class A common stock. Also, such disproportionate voting rights and Mr. Brown's controlling interest may make us a less attractive target for a takeover than we otherwise might be, or render more difficult or discourage a merger proposal, tender offer or proxy contest, even if such actions were favored by our other stockholders, which could thereby deprive holders of common stock or Class A common stock of an opportunity to sell their shares for a "take-over" premium.

We have authorized the issuance of shares of common stock, Class A common stock and preferred stock, which may discourage potential acquisitions of our business and could have an adverse effect on the market price of our common stock and our Class A common stock.

Pursuant to our Fourth Amended and Restated Certificate of Incorporation, the Board of Directors is authorized to issue up to 80,000,000 shares of our common stock, 100,000,000 shares of our nonvoting Class A common stock, 3,000,000 shares of our Class B common stock and up to 1,000,000 additional shares of preferred stock without seeking the approval or consent of our stockholders, unless required by the NASDAQ Global Market. Although the issuance of the additional shares of nonvoting Class A common stock would not dilute the voting rights of the existing stockholders, it would have a dilutive effect on the economic interest of currently outstanding shares of common stock and Class B common stock similar to the dilutive effect of subsequent issuances of ordinary common stock. The issuance of preferred stock could, depending on the rights and privileges designated by the board with respect to any particular series, have a dilutive effect on the voting interests of the common stock and Class B common stock and the economic interests of our common stock, Class A

common stock and Class B common stock. In addition, the disproportionate voting rights of our Class B common stock, and the ability of the board to issue stock to persons aligned with current management, may make us a less attractive target for a takeover than we otherwise might be or render more difficult or discourage a merger proposal, tender offer or proxy contest, even if such actions were favored by our common stockholders, which could thereby deprive holders of common stock of an opportunity to sell their shares for a "take-over" premium.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Not applicable.

Cybersecurity Risk Management and Strategy:

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things, operational risks; intellectual property theft; fraud; extortion; harm to employees, customers or consumers; violation of data privacy or data security laws and other litigation and legal risk; and reputational risks.

We also maintain an incident response plan to coordinate the activities we take to protect against, detect, respond to and remediate cybersecurity incidents, as such term is defined in Item 106(a) of Regulation S-K, as well as to comply with potentially applicable legal obligations and mitigate risk, including reputational damage.

We have implemented several cybersecurity processes, technologies, and controls to aid in our efforts to identify, assess, and manage material risks, as well as to test and improve our incident response plan. Our approach includes, among other things:

- conducting regular network and endpoint monitoring, vulnerability assessments, and penetration testing to improve our information systems, as such term is defined in Item 106(a) of Regulation S-K;
- running tabletop exercises to simulate a response to a cybersecurity incident and use the findings to improve our processes and technologies;
- regular, mandatory cybersecurity training programs for relevant employees;
- comparing our processes to standards set by the International Organization for Standardization ("ISO");
- leveraging the ISO information security incident management model to help us identify, protect, detect, respond, and recover when there is an actual or potential cybersecurity incident;
- leveraging third-party threat intelligence services designed to model and research our adversaries;
- closely monitoring emerging data protection laws and implementing changes to our processes designed to comply;
- periodically reviewing our consumer facing policies and statements related to cybersecurity;
- conducting regular phishing email simulations for relevant employees and all contractors with access to corporate email systems to enhance awareness and responsiveness to such possible threats;
- through policy, practice and contract (as applicable) requiring employees, as well as third parties who provide services on our behalf, to treat customer information and data with care; and

- carrying information security risk insurance that provides protection against the potential losses arising from a cybersecurity incident.

These approaches vary in maturity across the business and we work to continually improve them.

Our process for identifying and assessing material risks from cybersecurity threats operates alongside our broader overall risk assessment process, covering all company risks. As part of this process appropriate disclosure personnel will collaborate with subject matter specialists, as necessary, to gather insights for identifying and assessing material cybersecurity threat risks, their severity, and potential mitigations.

As part of the above approach and processes, we periodically engage with assessors, consultants, auditors, and other third-parties, for purposes of evaluating our cybersecurity posture and identifying areas for continued focus, improvement and/or compliance.

We describe how risks associated with a potential cybersecurity incident are reasonably likely to materially affect us, including our business, results of operations and financial condition, under the heading "A significant information security or operational technology incident, including a cyberattack or a data breach, could disrupt our operations and adversely impact our operating results, cash flows and reputation," included as part of our risk factor disclosures at Item 1A of this Annual Report on Form 10-K, which disclosures are incorporated by reference herein.

In the last three fiscal years, we have not experienced any material cybersecurity incidents and the expenses we have incurred from cybersecurity incidents were immaterial. This includes penalties and settlements, of which there were none.

Cybersecurity Governance:

Cybersecurity is an important part of our risk management processes and an area of increasing focus for our Board and management.

The Audit Committee of our Board of Directors is responsible for the oversight of risks from cybersecurity threats. At least annually, the Audit Committee receives an overview from management of our cybersecurity threat risk management, including topics such as data security posture, results from third-party assessments, and material cybersecurity threat risks or incidents and developments, as well as the steps management has taken to respond to such risks. In such sessions, the Audit Committee generally receives materials indicating current and emerging material cybersecurity threat risks, and describing the company's ability to mitigate those risks, and discusses such matters with our Information Security Leadership Team, comprised of Chris Walter, our Chief Information Officer, Frank Madigan, our Vice President, Information Technology and Security and Kelvin James, our Senior Manager, Information Security (the "InfoSec Leadership Team").

Our cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by our InfoSec Leadership Team. The executives on this team have collectively over 60 years of prior work experience in the management of information security, developing cybersecurity strategy and implementing effective information and cybersecurity programs. In addition to their work experience, Mr. Madigan has a Master of Business Administration in Information Technology Management and Mr. James has a Master of Science in Information Security and Assurance.

The InfoSec Leadership Team is informed about and monitors the prevention, mitigation, detection, and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan. If a cybersecurity incident is determined to be a material cybersecurity incident, our incident response plan and cybersecurity disclosure controls and procedures define the process to disclose such material cybersecurity incident.

As discussed above, the InfoSec Leadership Team reports about cybersecurity threat risks, among other cybersecurity related matters, to senior management and the Audit Committee, which provides updates to the full Board of Directors.

Item 2. Properties

We currently operate 43 manufacturing facilities totaling approximately 6.6 million square feet and 58 sales and distribution facilities totaling approximately 5.9 million square feet. Most sales and distribution centers consist of office and warehouse space, and several large bays for loading and unloading. Each sales and distribution center provides warehouse, distribution, sales and support functions for its geographic area. Our executive offices are located in Walnut Creek, California.

In addition to the manufacturing and sales and distribution facilities, the Garden segment leases approximately 397 acres of land in Oregon, New Jersey and Virginia used in its grass seed and live plant operations and owns approximately 2,341 acres of land in Virginia, North Carolina, Maryland, Ohio, New Jersey and Kentucky used in its live plant operations. The Pet segment leases approximately 880 acres of land in Florida to support its live fish operations.

We continually review the number, location and size of our manufacturing and sales and logistics facilities and expect to make changes over time to optimize our manufacturing and distribution footprints. We lease 20 of our manufacturing facilities and 46 of our sales and logistics facilities. These leases generally expire between fiscal years 2024 and 2034. Substantially all of the leases contain renewal provisions with automatic rent escalation clauses. The facilities we own are subject to major encumbrances under our principal credit facility. In addition to the facilities that are owned, our fixed assets are comprised primarily of machinery and equipment, trucks and warehousing, transportation and computer equipment.

Item 3. Legal Proceedings

In 2012, Nite Glow Industries, Inc. and its owner, Marni **Markel, 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 **retrial on the "head start" damages issue concluded in early March 2024, but no decision has been issued by the court. The Company intends to vigorously pursue its defenses in the any 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 could have a material effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the NASDAQ Stock Market under the symbol CENT, and our Class A common stock is traded on the NASDAQ Stock Market under the symbol CENTA. Our Class B stock is not listed on any market and generally cannot be transferred unless converted to common stock on a one-for-one basis.

As of November 15, 2023 November 15, 2024, there were 74,60 holders of record of our common stock, 368,367 holders of record of our Class A nonvoting common stock and three holders of record of our Class B stock.

Stock Performance Graph

The following graph compares the percentage change of our cumulative total stockholder return on our Common Stock ("CENT") for the period from September 29, 2018 to September 30, 2023 September 28, 2024 with the cumulative total return of the NASDAQ Composite (U.S.) Index and the Dow Jones Non-Durable Household Products Index, a peer group index consisting of approximately 30 manufacturers and distributors of household products.

The comparisons in the graph below are based on historical data and are not indicative of, or intended to forecast, the possible future performance of our Common Stock.

2024 1014 TRA Chart.jpg

Total Return Analysis

| | | 9/29/2018 | 9/28/2019 | 9/26/2020 | 9/25/2021 | 9/24/2022 | 9/30/2023 | |
|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 9/28/2019 | | | | | | 9/28/2024 |
| Central | Central | | | | | | | |
| Garden & | Garden & | | | | | | | |
| Pet | Pet | | | | | | | |
| Company | Company | \$ | 100.00 | \$ 82.10 | \$104.88 | \$129.50 | \$104.44 | \$122.48 |
| NASDAQ | NASDAQ | | | | | | | |
| Composite | Composite | \$ | 100.00 | \$ 99.80 | \$138.59 | \$192.50 | \$140.19 | \$172.00 |
| Dow Jones | Dow Jones | | | | | | | |
| US | US | | | | | | | |
| Nondurable | Nondurable | | | | | | | |
| Household | Household | | | | | | | |
| Products | Products | \$ | 100.00 | \$146.64 | \$168.86 | \$175.52 | \$168.35 | \$186.52 |

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table sets forth the repurchases of any equity securities during the fourth quarter of the fiscal year ended September 30, 2023 September 28, 2024 and the dollar amount of authorized share repurchases remaining under our stock repurchase programs.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs | Remaining Authorized Share Repurchases |
|--------|----------------------------------|------------------------------|---|--|
| | | | | |

| Period |
|--------------------------------------|
| June 25, 2023 – August 3, 2024 |
| August 4, 2024 – August 31, 2024 |
| July 30, 2023 – September 28, 2024 |
| August 27, 2023 – September 30, 2023 |
| Total |

- (1) In August 2019, our Board of Directors authorized a share repurchase program to purchase up to \$100 million of our common stock. The repurchase of shares may be limited by certain financial covenants in our credit facility that restrict our ability to repurchase shares. As of November 21, 2024, we repurchased 1.3 million shares of our non-voting common stock (CENTA) and 0.4 million shares of our voting common stock (CENTB).
- (2) In February 2019, our Board of Directors authorized us to make supplemental stock purchases to minimize dilution resulting from the vesting of restricted stock and stock options granted in the prior fiscal year, to the extent not already repurchased.
- (3) Shares purchased during the period indicated represent withholding of a portion of shares to cover taxes in connection with the vesting of restricted stock and stock options.
- (4) During the period June 25 through July 29, 2023, 65,268 Excludes 38 thousand shares were repurchased remaining under the total authorization.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion of the financial results, liquidity and other key items related to our performance. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those indicated in forward-looking statements.

Business Overview

Central Garden & Pet Company is a leading innovator, producer manufacturer and distributor of branded and private label products. In fiscal 2023, our consolidated net sales were \$3.3 billion, of which our Pet segment, or Pet, accounted for approximately 50% of sales. Our Garden segment generated \$1.2 billion in revenue, and our Home segment generated \$0.9 billion in revenue. Our consolidated net sales for fiscal 2024 were \$3.2 billion, of which our Pet segment, or Pet, accounted for approximately 50% of sales. Our Garden segment generated \$1.2 billion in revenue, and our Home segment generated \$0.9 billion in revenue.

Fiscal 2023/2024 Financial Highlights

Financial summary:

- Net sales for fiscal 2023/2024 decreased \$28.5 million \$109.6 million, or 0.9% 3.3%, to \$3,310 million \$3.2 billion. The decrease was primarily driven by lower sales in the Pet segment.
- Gross profit for fiscal 2023/2024 declined \$45.5 million \$3.1 million, or 4.6% 0.3%, to \$946.8 million. Gross margin improved slightly from 28.6% to 28.7%.
- Our operating income decreased \$49.4 million, or 19.0%, to \$210.6 million 28.6% in fiscal 2023/2024. On a non-GAAP basis, operating income decreased \$32.8 million \$25.3 million, or 12.0%, to \$185.4 million in fiscal 2023/2024. On a non-GAAP basis, operating margin improved from 6.4% to 6.6%.
- Net income for fiscal 2023/2024 was \$125.6 million \$108.0 million, or \$2.35 \$1.62 per share on a diluted basis compared to \$152.2 million \$138.5 million, or \$2.80 \$2.07 per share on a diluted basis in fiscal 2023/2024.

Recent Developments:

Pet Segment Facility Closures

As part of our Cost and Simplicity program we closed several facilities in fiscal 2023. In the third quarter of fiscal 2023, we closed our manufacturing facility in North Carolina, which we refer to as the Business Exit.

The closures following activities reflect our purposeful exit of low-margin private-label pet bed product lines and our efforts to leverage our manufacturing capabilities.

In our Pet segment, during the fourth quarter of fiscal year 2024, as part of our Cost and Simplicity program we decided to close pet supply manufacturing and distribution activities will be transitioned to Central facilities in Indiana and North Carolina. As a result, costs, comprised of charges for facility closures, the impairment of inventory and severance, the majority of which were non-cash. All changing market conditions resulting from the decline in demand for durable products and increased international competition.

In our Garden segment, during the fourth quarter of fiscal year 2024, we recognized incremental expense of \$3.9 million in selling, general and administrative costs.

In our Garden segment, during the third quarter of fiscal year 2024, as part of our Cost and Simplicity program and in response relocated our grass seed research facility from Oregon to Texas. As a result, in fiscal 2024 we incurred approximately \$10.9 million c liquidation and related intangibles, facility closures, the majority of which were non-cash.

In our Garden segment, during the second quarter of fiscal year 2024, as part of our Cost and Simplicity program we decided to close calendar year-end. As a result, we incurred approximately \$5.3 million of one-time costs, including \$2.5 million in cost of goods sold

Sale Litigation Settlement Gain and Investment Impairment

Within corporate, we recognized a gain of Garden Segment Independent Distribution Business

In \$3.2 million during the fourth quarter of fiscal 2023, we sold our independent garden center distribution business 2024, for ap serving the independent garden channel. As a result of these planned closures, we recorded a gain of \$5.8 million litigation, which is expenses. expense. Additionally, we recognized a \$7.5 million non-cash impairment charge for two related private company investm

We exited Stock Dividend

In December 2023, our Board of Directors approved a stock dividend in the independent garden center distribution business for 2024, to simplify our garden business stockholders of record as of January 8, 2024.

The stock dividend did not affect the number of the Company's authorized shares and optimize our customer footprint. While we distribution business with our largest three retail partners per share exercise price and/or the number of shares issuable upon the ex a proportional increase in the vesting of our Garden net sales, such stock options, restricted stock and performance share units, and

Subsequent Event Unless noted, all Class A Common share and per share amounts contained in this Form 10-K have been restated to reflect the 1-for-10 reverse stock split.

On November 3, 2023, Fiscal 2024 Acquisition

In November 2023, we acquired TDBBS, LLC ("TDBBS"), a provider of premium natural dog chews and treats for approximately 100 million dogs in the United States. TDBBS has approximately 100 million digital capabilities and direct-to-consumer capabilities.

Fiscal 2025 Stock Repurchases

Since our fiscal year ended September 28, 2024 through November 21, 2024, we repurchased 1.3 million shares of our non-voting stock under our 2019 Repurchase Authorization.

Results of Operations (GAAP)

The following table sets forth, for the periods indicated, the relative percentages that certain income and expense items bear to

| | | Fiscal Year Ended | | | | | | |
|---|---|-----------------------|---|-----------------------|---|-----------------------|---|-----------|
| | | September 30, 2023 | | September 24, 2022 | | September 25, 2021 | | |
| Net sales | Net sales | 100.0 | % | 100.0 | % | 100.0 | % | Net sales |
| Cost of goods sold and occupancy | Cost of goods sold and occupancy | 71.4 | | 70.3 | | 70.6 | | |
| Gross profit | Gross profit | 28.6 | | 29.7 | | 29.4 | | |
| Selling, general and administrative | Selling, general and administrative | 22.2 | | 21.9 | | 21.7 | | |
| Operating income | Operating income | 6.4 | | 7.8 | | 7.7 | | |
| Interest expense, net | Interest expense, net | (1.5) | | (1.7) | | (1.8) | | |
| Other expense, net | Other expense, net | — | | (0.1) | | — | | |
| Income taxes | Income taxes | 1.1 | | 1.4 | | 1.3 | | |

Garden had a relatively small increase in assets. Excluding these expense items, warehouse and administrative expense due to increased closure costs, and intangible asset impairment. Corporate expenses increased \$8.0 million fiscal 2023, due primarily to an increase in administrative, finance, legal, human resources, and information technology functions.

Operating Income

Operating income decreased \$49.4 million \$25.2 million, or 19.0% 12.0%, to \$185.4 million in fiscal 2024 from \$210.6 million in million, a 110 basis point decline in gross margin \$109.6 million and increased selling, general and administrative expenses, all partially primarily to facility closures and intangible asset impairments. Excluding the impact of these costs, on a non-GAAP basis, operating

Pet operating income decreased \$10.9 million increased \$5.4 million, or 5.2% 2.7%, to \$203.4 million in fiscal 2024 from \$198.0 selling, general and administrative expenses. Pet operating margin decreased increased from 10.5% in fiscal 2023 to 11.1% in fiscal 12.2% in fiscal 2024 from 11.5% in fiscal 2023.

Garden operating income decreased \$30.5 million \$41.6 million, or 19.8% 33.7%, to \$81.9 million in fiscal 2024 from \$123.5 million sales, and a lower gross margin, partially offset by lower and higher selling, general and administrative expenses. Both gross margin these charges in both fiscal 2024 and fiscal 2023, Garden non-GAAP operating income declined \$19.4 million in fiscal 2024 as compared to a write-down of the value of our grass seed inventory management due to a recent significant decrease in the market prices for

Corporate expenses increased \$8.0 million decreased \$10.9 million due primarily to an increase in payroll related costs, medical

Net Interest Expense

Net interest expense decreased \$7.9 million \$11.8 million, or 13.7% 23.7%, from \$57.5 million in fiscal 2022 to \$49.7 million in fiscal during fiscal 2023, 2024.

Debt outstanding on September 30, 2023 September 28, 2024 was \$1,188.2 million \$1,190.0 million compared to \$1,186.6 million

Other Income (Expense)

Other income (expense) is comprised of income or loss from investments accounted for under the equity method of accounting expense of \$3.6 million for fiscal 2022, due primarily to foreign currency gains a \$7.5 million impairment in fiscal 2023 as compared to

Income Tax

Our effective income tax rate was 23.2% for fiscal 2024 compared to 22.4% for fiscal 2023 compared to 23.2% for fiscal 2022, the current year fiscal 2024 as compared to the prior year, fiscal 2023.

Net Income and Earnings Per Share

Our net income for fiscal 2023 2024 was \$125.6 million \$108.0 million, or \$2.35 \$1.62 per diluted share, compared to \$152.2 million \$2.59 \$2.07 per diluted share, share, for fiscal 2023.

Fiscal 2022 2023 Compared to Fiscal 2021 2022

For a discussion of our results of operations in fiscal 2022 2023 compared to fiscal 2021, 2022, please see Item 7 of our Annual

Use of Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, to supplement the financial results prepared in accordance with non-GAAP gross profit and gross margin, non-GAAP selling, general and administrative expense, adjusted EBITDA and organic net performance. Management believes that these non-GAAP financial measures may be useful to investors in their assessment of our supplemental information, such adjusted results are not intended to replace our GAAP financial results and should be read in conjunction with

Adjusted EBITDA is defined by us as income before income tax, net other expense, net interest expense and depreciation and charges related to facility closures the gain exits of business, intangible and investment impairments and gains from the sale of our supplemental measure in evaluating the cash flows and performance of our business and provides greater transparency into our results from operations or other income statement measures prepared in accordance with GAAP. We believe that adjusted EBITDA is frequently adjusted EBITDA differently and it may not be comparable.

The reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented greater transparency in the review of our financial and operating performance. Management also uses these non-GAAP financial measures to assess performance and the trends in our business from management's point of view. While our management believes that non-GAAP measures

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

- *Facility closures: closures and business exit:* we exclude the impact of have excluded charges related to the closure of operating periods. We believe these exclusions supplement the GAAP information with a measure that may be useful to assess the performance of our ongoing operations.
- *Asset impairment charges:* we exclude the impact of asset impairments on intangible assets and investments as such to assess the performance of our ongoing operations.
- *Gain from litigation settlement:* we exclude the gain from a litigation settlement as it is a one-time occurrence. We

- *Gain on sale of a business or service line:* we exclude the impact of the gain on the sale of a business as it represents a measure that may be used to assess the performance of our ongoing operations.
- *Asset impairment charges:* we exclude the Tax impact of asset impairments on intangible assets as such non-cash amounts are ongoing operations.
- *Tax impact:* adjustment represents the impact of the tax effect of the pre-tax non-GAAP adjustments excluded from non-GAAP as it has a materially different tax treatment.

From time to time in the future, there may be other items that we may exclude if we believe that doing so is consistent with the spirit of the disclosure. The non-GAAP adjustments made reflect the following:

Facility closures and business exits

- (1) During the ~~third~~ fourth quarter of fiscal 2023, year 2024, we recognized incremental expense of ~~\$13.9 million~~ \$7.5 million in the Garden segment of \$3.9 million related to facility closures and business exits announced in Athens, Texas. fiscal 2023 and 2024.
- (2) During the ~~fourth~~ third quarter of fiscal 2023, 2024, we recognized incremental expense of ~~\$1.8 million~~ \$11.1 million in the ~~China~~ facility.
- (3) During the second quarter of fiscal 2024, we recognized incremental expense of \$5.3 million in the consolidated statement of operations.
- (2)(4) During the fourth quarter of fiscal 2023, we recognized a gain of \$5.8 million from the sale of our independent garden center operations.
- (3)(5) In fiscal 2023, we recognized incremental expense of \$13.9 million in our Pet segment in the consolidated statement of operations, from the closure of a second manufacturing and distribution facility in Texas.

Intangible Impairments

- (6) During the fourth quarter of fiscal 2024, we recognized a non-cash impairment charge in our Pet segment of \$12.8 million.
- (7) In fiscal 2023, we recognized a non-cash impairment charge in our Pet segment of \$2.8 million related to the impairment charge of \$3.9 million related to the impairment of intangible assets due to reduced demand for products we sold under an acquired trademark.

Gain from litigation and investment impairment

Operating Income Reconciliation

- Net sales
- Cost of goods sold and occupancy
- Gross profit
- Selling, general and administrative expenses
- Income from operations

(8) Within corporate, the Company received \$3.2 million during the fourth quarter of fiscal 2024 in settlement of litigation which gain income (expense) in the consolidated statement of operations.

Pet Segment Operating Income Reconciliation

- GAAP operating income
- Facility closure and intangible asset impairment
- Non-GAAP operating income
- GAAP operating margin
- Non-GAAP operating margin

Garden Segment Operating Income Reconciliation

GAAP operating income
Garden independent distribution sale and intangible asset impairment
Non-GAAP operating income
GAAP operating margin
Non-GAAP operating margin

Net Income and Diluted Net Income Per Share Reconciliation

GAAP net income attributable to Central Garden & Pet Company
Pet facilities closures
Independent garden channel distribution sale and related facility closure
Intangible impairments
Tax effect of adjustments
Non-GAAP net income attributable to Central Garden & Pet Company
GAAP diluted net income per share
Non-GAAP diluted net income per share
Shares used in GAAP and non-GAAP diluted net income per share calculation

Net Income and Diluted Net Income Per Share Reconciliation

GAAP net income attributable to Central Garden & Pet Company
Facility closures
Intangible impairments
Litigation settlement
Independent channel distribution business sale
Investment impairment
Tax effect of adjustments
Non-GAAP net income attributable to Central Garden & Pet Company
GAAP diluted net income per share
Non-GAAP diluted net income per share
Shares used in GAAP and non-GAAP diluted net income per share calculation

Adjusted EBITDA Reconciliation

Net income attributable to Central Garden & Pet
Interest expense, net
Other income
Income tax expense

Net income attributable to noncontrolling interest
 Sum of items below operating income
 Income (loss) from operations
 Depreciation & amortization
 Noncash stock-based compensation
 Non-GAAP adjustments
 Adjusted EBITDA

Operating Income Reconciliation

| | | Fiscal Ye |
|--|--------------|-----------|
| | GAAP | |
| Net sales | \$ 3,200,460 | \$ |
| Cost of goods sold and occupancy | 2,256,725 | |
| Gross profit | 943,735 | |
| Selling, general and administrative expenses | 758,348 | |
| Income from operations | \$ 185,387 | \$ |
| Gross margin | 29.5 % | |
| Operating margin | 5.8 % | |

Adjusted EBITDA Reconciliation

Net income attributable to Central Garden & Pet
 Interest expense, net
 Other expense
 Income tax expense
 Net income attributable to noncontrolling interest
 Sum of items below operating income
 Income (loss) from operations
 Depreciation & amortization
 Noncash stock-based compensation
 Adjusted EBITDA

Pet Segment Operating Income Reconciliation

GAAP operating income
 Facility closures
 Intangible impairments
 Non-GAAP operating income
 GAAP operating margin
 Non-GAAP operating margin

Garden Segment Operating Income Reconciliation

GAAP operating income
Facility closures
Independent channel distribution business sale
Intangible impairments
Non-GAAP operating income
GAAP operating margin
Non-GAAP operating margin

Organic Net Sales Reconciliation

Reported net sales FY 2024
Reported net sales FY 2023
\$ decrease
% decrease

Organic Pet Segment Net Sales Reconciliation

Reported net sales FY 2024
Reported net sales FY 2023
\$ decrease
% decrease

Organic Garden Segment Net Sales Reconciliation

Reported net sales FY 2024
Reported net sales FY 2023
\$ decrease
% decrease

Adjusted EBITDA Reconciliation

Net income attributable to Central Garden & Pet
Interest expense, net
Other expense
Income tax expense
Net income attributable to noncontrolling interest
Sum of items below operating income

| |
|----------------------------------|
| Income (loss) from operations |
| Depreciation & amortization |
| Noncash stock-based compensation |
| Non-GAAP adjustments |
| Adjusted EBITDA |

Adjusted EBITDA Reconciliation

| |
|--|
| Net income attributable to Central Garden & Pet |
| Interest expense, net |
| Other income |
| Income tax expense |
| Net income attributable to noncontrolling interest |
| Sum of items below operating income |
| Income (loss) from operations |
| Depreciation & amortization |
| Noncash stock-based compensation |
| Non-GAAP adjustments |
| Adjusted EBITDA |

Inflation

Our revenues and margins are dependent on various economic factors, including rates of inflation, energy costs, interest rates, adversely impacted by high input costs due to inflation, particularly relating to prices for grain and seed, fuel and the ingredients used to sufficiently increase prices and volumes to offset higher input costs. Costs continued rise in fiscal 2023, however, and we were unable to maintain our moderate in fiscal 2024, and we were able to benefit from lower cost inventory and significant productivity gains resulting in

In fiscal 2022, we experienced increasing inflationary pressure, including notable increases in costs for key commodities, materials, labor and freight. During fiscal 2023, we experienced increasing inflationary pressure, including notable increases in costs for key commodities, materials, labor and freight. During fiscal 2024, we expect inflationary pressure to continue, but at a lower rate than in 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 sales are seasonal, with the highest sales occurring in the second and third fiscal quarters. Substantially all of the Garden segment's operating income is typically generated in this period.

Liquidity and Capital Resources

We have financed our growth through a combination of internally generated funds, bank borrowings, supplier credit, and sales of our products.

Our business is seasonal and our working capital requirements and capital resources track closely to this seasonal pattern. General accounts payable and short-term borrowings increase, reflecting the build-up of inventory and related payables in anticipation of the higher sales volume received during the peak selling season. During the fourth fiscal quarter, inventory levels are at their lowest, and accounts receivable are at their highest.

We service two broad markets: pet supplies and lawn and garden supplies. Our pet supplies businesses involve products that are seasonal with approximately 67% of our Garden segment's net sales occurring during the second and third fiscal quarters. This has been for manufacturers to give extended credit terms and/or promotional discounts.

Operating Activities

Net cash provided by operating activities increased \$13.3 million, from \$381.6 million in fiscal 2023 to \$394.9 million in fiscal 2024, generated from the decrease in accounts receivable, as compared to the prior year.

Net cash provided by operating activities increased \$415.6 million, from \$34.0 million of cash used in operating activities in fiscal 2021 to \$394.9 million in fiscal 2022, due to our focus on converting inventory to cash, and in accounts receivable.

Investing Activities

Net cash used in operating investing activities increased \$284.8 million, from \$70.6 million from \$250.8 million of cash provided by operating changes in our working capital accounts, primarily an increase in inventory, driven in part by higher costs of acquisition of inventory in the Garden segment.

Investing Activities TDBBS, LLC.

Net cash used in investing activities decreased \$108.4 million from \$143.0 million in fiscal 2022 to \$34.6 million in fiscal 2023. independent garden center distribution business.

Financing Activities

Net cash used in investing financing activities decreased \$756.4 million \$12.1 million from \$899.4 million \$37.6 million in fiscal 2022 the prior year. The decrease was partially offset by an increase in capital expenditures of approximately \$35 million in the current year for approximately \$81 million, Green Garden Products for approximately \$571 million and D&D Commodities for approximately \$88 million.

Financing Activities 2023.

Net cash used by in financing activities decreased \$29.2 million from \$66.8 million of cash used in fiscal 2022 to \$37.6 million cash used in financing activities.

Net cash used in financing activities increased \$487.3 million from \$420.5 million of cash provided in fiscal 2021. We issued \$400 million of our 2030 Notes in October 2020 and \$400 million of our 2031 Notes in April 2021, partially offset by the prior year repayment of \$300 million of our 2021 Notes. We also increased open market purchases of our common stock during fiscal 2022 as compared to fiscal 2021.

We expect that our principal sources of funds will be cash generated from our operations, proceeds from our debt and equity offerings, and cash provided by our asset backed loan facility and the scheduled maturity of our debt, we believe that our sources of liquidity should be adequate to meet our liquidity needs and, should we require it, that we will be able to obtain financing on terms satisfactory to us, or at all.

We anticipate that our capital expenditures, which are related primarily to replacements and expansion of and upgrades to plant and equipment, will be approximately \$100 million in fiscal 2023.

As part of our growth strategy, we have acquired a large number of businesses in the past, and we anticipate that we will continue to acquire additional external capital. In addition, such acquisitions would subject us to the general risks associated with acquiring companies, including the risk of integration.

Stock Repurchases

During fiscal 2023, we repurchased approximately 0.6 million 0.3 million shares of our non-voting common stock (CENTA) on the open market at an aggregate cost of approximately \$8.5 million, or \$37.31 per share. \$109 thousand. During fiscal 2022, we repurchased approximately 39,000 0.3 million shares of our voting common stock (CENT) on the open market at an aggregate cost of approximately \$1.1 million.

In August 2019, our Board of Directors authorized a share repurchase program to purchase up to \$100 million of our common stock. As of September 30, 2023 September 28, 2024, we had \$83.2 million \$82 million remaining under our 2019 Repurchase Authorization.

In February 2019, the Board of Directors authorized us to make supplemental purchases to minimize dilution resulting from the issuance of shares of restricted stock or stock options granted in the prior fiscal year, to the extent not already repurchased, and the number of shares the Company had authorization remaining to repurchase up to 38 thousand shares under our its Equity Dilution Authorization.

During the period September 29, 2024 through November 21, 2024, we repurchased 1.3 million shares of our non-voting common stock under our 2019 Repurchase Authorization.

Total Debt

At September 30, 2023 September 28, 2024, our total debt outstanding was \$1,190.0 million versus \$1,188.2 million versus \$1,188.2 million.

Senior Notes

Issuance of \$400 \$400 million 4.125% Senior Notes due 2031

On April 30, 2021, In April 2021, we issued \$400 million aggregate principal amount of 4.125% senior notes due April 2031 (the "2031 Notes").

We incurred approximately \$6 million of debt issuance costs in conjunction with this issuance, which included underwriter fees and expenses.

The 2031 Notes require semi-annual interest payments on April 30 and October 30. The 2031 Notes are unconditionally guaranteed by the Company and will not be registered under the Securities Act of 1933.

We may redeem some or all of the 2031 Notes at anytime, any time, at our option, prior to April 30, 2026, at the principal amount of the principal amount of the notes. We The Company may redeem some or all of the 2031 Notes at our its option, at any time on or before April 30, 2026.

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.

The 2031 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments.

Issuance of \$500 \$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"). The 2030 Notes will accrue 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 expenses.

The 2030 Notes require semiannual interest payments on October 15 and April 15. The 2030 Notes are unconditionally guaranteed by the Company and will not be registered under the Securities Act of 1933.

We may redeem some or all of the 2030 Notes at anytime, any time, at our option, prior to October 15, 2025, at a price equal to 101.375%, 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.

The 2030 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments.

\$300 Million 5.125% Senior Notes due 2028

On December 14, 2017, in December 2017, we issued \$300 million aggregate principal amount of 5.125% senior notes due February 1, 2028. We incurred approximately \$4.8 million of debt issuance costs in conjunction with this transaction, which included underwriter fees and expenses. The 2028 Notes require semiannual interest payments on February 1 and August 1. The 2028 Notes are unconditionally guaranteed by us. We may redeem some or all of the 2028 Notes, at our option, at any time on or after January 1, 2023 for 102.563%, on or after January 1, 2028 for 100%. 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 of 102.563% on or after January 1, 2028. The 2028 Notes contain customary high-yield covenants, including covenants limiting debt incurrence and restricted payments.

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 Facility is a secured asset-based revolving credit facility, with up to an additional \$400 million principal amount available with the consent of the lenders. We may borrow, repay and reborrow amounts under the Amended Credit Facility until its maturity date, at which time all amounts outstanding will be due and payable.

The Amended Credit Facility is subject to a borrowing base that is calculated using a formula based upon eligible receivables and inventories. The Amended Credit Facility was approximately \$493 million as of September 30, 2023. The Amended Credit Facility was approximately \$481 million as of September 28, 2024. The Amended Credit Facility contains various covenants, including a maximum leverage ratio, a minimum interest coverage ratio, and restrictions on the incurrence of additional debt. There were no borrowings outstanding and no letters of credit outstanding under the Amended Credit Facility. Outside of the Amended Credit Facility, we have no other credit facilities.

Borrowings under the Amended Credit Facility will bear interest at an index based on SOFR (which will not be less than 0.00%) plus a margin. The applicable margin for SOFR-based borrowing is 8.5% as of September 30, 2023 and 8.0% as of September 28, 2024. An unused line fee shall be payable quarterly in respect of the total amount of the unused line of credit, at a rate of 0.125% per annum. A commitment fee is 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 a commitment fee of 0.125% per annum on the unused line of credit. As of September 30, 2023, the applicable interest rate related to Base Rate borrowings was 8.5% and the applicable interest rate related to SOFR borrowings was 8.0%. As of September 28, 2024, the applicable interest rate related to Base Rate borrowings was 8.0%, and the applicable interest rate related to SOFR borrowings was 8.0%.

We incurred approximately \$2.4 million of debt issuance costs in conjunction with the Amended Credit Agreement, this transaction was completed on December 16, 2021.

The Amended Credit Facility continues to contain customary covenants, including financial covenants which require us to maintain a minimum interest coverage ratio and a maximum leverage ratio. The Amended Credit Facility is secured by substantially all assets of the borrowing parties, including (i) pledges of 100% of the assets of the borrowing parties, (ii) pledges of 100% of the assets of the Guarantors, and (iii) pledges of 100% of the assets of the Company, in each case subject to customary exceptions. We were in compliance with all financial covenants under the Amended Credit Facility as of September 30, 2023 and September 28, 2024.

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 \$100 million of 2028 Notes in April 2021. The Parent/Issuer also has 100% ownership interest in its domestic restricted subsidiaries (the "Guarantors") which are guarantors of our senior secured revolving credit facility ("Credit Facility"). The Credit Facility is secured by substantially all assets of the Parent/Issuer and its Guarantors, to the extent of the value of the collateral securing such indebtedness. There are no significant restrictions on the ability of the Guarantors to pay dividends or make other distributions.

The Guarantors jointly and severally, and fully and unconditionally, guarantee the payment of the principal and premium, if any, of the Parent/Issuer's obligations under the 2031, 2030 and 2028 Notes and to the trustee under the indenture governing the 2031, 2030 and 2028 Notes.

The obligations of each Guarantor under its Guarantee shall be limited to the maximum amount, after giving effect to all other creditors of the Parent/Issuer, 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);
- (2) if such Guarantor merges with and into the Company, with the Company surviving such merger;
- (3) if such 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 Credit Facility.

The following tables present summarized financial information of the Parent/Issuer subsidiaries and the Guarantor subsidiaries. The tables are presented on a separate basis, as well as on a consolidated basis. In presenting the summarized financial statements, the equity method is used to account for investments in these entities.

Summarized Summarized Statements Statements of of Operations Operations

| (in thousands) | (in thousands) | Fiscal Year Ended | | Fiscal Year Ended | |
|----------------|----------------|--------------------|--------------|--------------------|--------------------|
| | | September 30, 2023 | | September 24, 2022 | |
| (in thousands) | | | | | |
| Parent/Issuer | Guarantors | Parent/Issuer | Guarantors | | |
| (in thousands) | | | | | |
| (in thousands) | | | | | Fiscal Year Ended |
| | | | | | September 28, 2024 |
| | | | | | (in thousands) |
| | | | | | Parent/Issuer |
| Net sales | Net sales | \$ 768,207 | \$ 2,531,503 | \$ 819,213 | \$ 2,198,460 |
| Gross profit | Gross profit | \$ 166,370 | \$ 767,480 | \$ 183,090 | \$ 709,635 |

| Income | Income | \$ (32,001) | \$ 244,164 | \$ (12,305) | \$ 243,293 | |
|---|---|--------------------|---------------------------|---------------------------|--------------------|--------------------|
| (loss) from | (loss) from | | | | | |
| operations | operations | | | | | |
| Equity in | Equity in | \$ 191,793 | \$ — | \$ 189,228 | \$ — | |
| earnings of | earnings of | | | | | |
| Guarantor | Guarantor | | | | | |
| subsidiaries | subsidiaries | | | | | |
| Net income | Net income | \$ (63,840) | \$ 191,793 | \$ (53,968) | \$ 189,228 | |
| (loss) | (loss) | | | | | |
| Summarized Balance Sheet Information | | | | | | |
| (in thousands) | (in thousands) | | As of | As of | (in thousands) | |
| | | | <u>September 30, 2023</u> | <u>September 24, 2022</u> | | |
| | | | (in thousands) | | | |
| | | | Parent/Issuer | Guarantors | Parent/Issuer | Guarantors |
| September 28, 2024 | | | | | | |
| | | | (in thousands) | | | |
| | | | Parent/Issuer | | | |
| Current assets | Current assets | \$ 661,660 | \$ 999,218 | \$ 455,381 | \$ 904,090 | |
| Intercompany receivable from Non-guarantor subsidiaries | Intercompany receivable from Non-guarantor subsidiaries | 69,404 | — | 309,238 | 61,794 | |
| Other assets | Other assets | 3,402,000 | 2,762,797 | 3,124,526 | 2,458,823 | |
| Total assets | Total assets | \$4,133,064 | \$3,762,015 | \$3,889,145 | \$3,424,707 | |
| Current liabilities | Current liabilities | \$ 155,793 | \$ 294,686 | \$ 162,793 | \$ 267,872 | |
| Current liabilities | | | | | | |
| | | | (in thousands) | | | |
| | | | Parent/Issuer | | | |
| Intercompany payable from Non-guarantor subsidiaries | Intercompany payable from Non-guarantor subsidiaries | — | 766 | | | |
| Long-term debt | Long-term debt | 1,187,771 | 186 | 1,185,891 | — | |
| Other liabilities | Other liabilities | 1,308,736 | 60,611 | 1,450,702 | 220,990 | |
| Total liabilities | Total liabilities | \$2,652,300 | \$ 356,249 | \$2,799,386 | \$ 488,862 | |
| | | <hr/> | <hr/> | <hr/> | <hr/> | |
| Contractual Obligations | | | | | | |
| The table below presents our significant contractual cash obligations by fiscal year: | | | | | | |
| Contractual Obligations | Contractual Obligations | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 | Fiscal 2028 |
| | | | | | | |
| | | | | | | (in millions) |
| Long-term debt, including current maturities | Long-term debt, including current maturities | | | | | |
| (1) | (1) | \$ 0.2 | \$ 0.2 | \$ 0.1 | \$ — | \$ — |
| Interest payment obligations (2) | Interest payment obligations (2) | 52.5 | 52.5 | 52.5 | 52.5 | 52.5 |
| Operating leases | Operating leases | 54.9 | 47.1 | 33.0 | 22.8 | 14.7 |

| | | | | | | |
|--------------------------------|--------------------------------|----------|----------|----------|---------|---------|
| Purchase commitments (3) | Purchase commitments (3) | 138.9 | 36.4 | 21.4 | 13.0 | 5.9 |
| Performance-based payments (4) | Performance-based payments (4) | — | — | — | — | — |
| Total | Total | \$ 246.5 | \$ 136.2 | \$ 107.0 | \$ 88.3 | \$ 73.1 |

(1) Excludes \$1.3 million \$3.0 million of outstanding letters of credit related to normal business transactions. Debt repayments do not commence until 2024, of which \$2.0 million \$1.6 million is amortizable until February 2028, \$5.6 million \$4.8 million is amortizable until October 2029. See Note 11 - Long-Term Debt.

(2) Estimated interest payments to be made on our 2028 Notes, our 2030 Notes and our 2031 Notes. See Note 11 - Long-Term Debt.

(3) Contracts for purchases of grains, grass seed and pet food ingredients, used primarily to mitigate risk associated with increases in variable pricing and quantities. For certain agreements,

management estimates are used to develop the quantities and pricing for anticipated purchases, and future purchases could vary.

(4) Possible performance-based payments associated with prior acquisitions of businesses are not included in the above table, because Hydro-Organics Wholesale, Inc. Potential performance-based periods extend through fiscal 2025 for Hydro-Organics Wholesale, Inc. a wholly-owned subsidiary.

Recent Accounting Pronouncements

Refer to the discussion under Part II, Item 8, Notes to Consolidated Financial Statements, Note 1 – Organization and Significant Events.

Critical Accounting Policies, Estimates and Judgments

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements and judgments that affect the reported amounts and related disclosures in the consolidated financial statements. Estimates and assumptions are used in the areas of revenue recognition, fair value measurements, long-lived assets, employee benefit plans, stock-based compensation, deferred and current income taxes, self-insurance accruals and the impact of contingencies and litigation. We also estimate the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Although not all inclusive, we believe that the following represent the more critical accounting policies, which are subject to estimation and judgment.

Goodwill

Goodwill represents the excess of cost of an acquired business over the fair value of the identifiable tangible and intangible assets. Identifiable intangible assets with indefinite lives are not subject to amortization but must be evaluated for impairment.

We test goodwill for impairment annually (as of the first day of the fourth fiscal quarter), or whenever events occur or circumstances indicate that the carrying amount of the reporting unit is less than its fair value. The qualitative assessment evaluates factors including macro-economic conditions, market conditions, and the impact of planned business and operational strategies. 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, 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 greater than its carrying amount, we elect to bypass the qualitative assessment and proceed directly to performing the quantitative goodwill impairment test, which compares the fair value of the reporting unit to its carrying amount. An impairment charge is recognized for the differential. Our goodwill impairment analysis also includes a comparison of the aggregate fair value of all reporting units to their carrying amounts.

Determining the fair value of a reporting unit segment involves the use of significant estimates and assumptions. The estimate of fair value is based on market conditions as well as the impact of planned business and operational strategies. We base our fair value estimates on as follows: (i) fair value of the reporting units; segments; (ii) estimated future cash flows; and (iii) projected revenue and operating profit growth rates under the reporting unit.

Our goodwill is associated with our Pet segment and our Garden segment. In connection with our annual goodwill impairment test, we completed our qualitative assessment of potential goodwill impairment and determined that it was more likely than not that the fair value of the reporting units exceeded their carrying amounts.

In connection with our annual goodwill impairment testing performed during fiscal 2023, we elected to bypass the qualitative assessment as the fair values of our reporting units segments were greater than their carrying amounts.

In connection with our annual goodwill impairment testing performed during fiscal year 2022, we made a qualitative evaluation of potential goodwill impairment and completed our qualitative assessment of potential goodwill impairment and it was determined that it was more likely than not the fair value of the reporting units exceeded their carrying amounts.

Changes in the judgments and estimates underlying our analysis of goodwill for possible impairment, including expected future cash flows, could affect the results of our annual impairment test.

Intangible assets

Indefinite-lived intangible assets consist primarily of acquired trade names and trademarks. Indefinite-lived intangible assets are intangible assets with an indefinite useful life if its carrying value exceeds its fair value.

Indefinite-lived intangible assets are primarily tested for impairment by comparing the fair value of the asset to the carrying value, using assumed royalty rates. Future net sales and short-term growth rates are estimated for trade names based on management's forecasts.

During fiscal 2024, 2023, 2022 and 2021, we performed evaluations of the fair value of our indefinite-lived trade names and trademarks. The fair value of our indefinite-lived trade names and trademarks was \$11.5 million and \$11.5 million in fiscal years 2024 and 2023, respectively, and there were no impairment losses recorded in fiscal years 2024 and 2023.

Acquisitions

In connection with businesses we acquire, management must determine the fair values of assets acquired and liabilities assumed. The resulting valuations could be materially different, which could materially impact the operating results we report.

We account for business combinations using the acquisition method of accounting whereby the identifiable assets and liabilities of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill.

Several valuation methods may be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, significant estimates and assumptions inherent in the income approach include the amount and timing of projected future cash flows. See the consolidated financial statements included in this Annual Report for additional information regarding our acquisitions.

Our contractual commitments are presented under the caption Liquidity and Capital Resources.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

We are exposed to market risks, which include changes in U.S. interest rates and commodity prices and, to a lesser extent, foreign currency rates.

Interest Rate Risk. The interest payable on our Amended Credit Facility is based on variable interest rates and therefore affects our earnings. If interest rates were fully drawn and interest rates changed by 25 basis points compared to actual rates, interest expense would have increased or decreased by approximately \$1.0 million.

Commodity Prices. We are exposed to fluctuations in market prices for grains, grass seed, chemicals, fertilizer ingredients and other agricultural products. As of **September 30, 2023** **September 28, 2024**, we had entered into fixed purchase commitments for commodities totaling approximately \$1.0 million. These purchases are based on current market prices and are subject to change if the inventory containing those inputs is sold.

Foreign Currency Risks. Our market risk associated with foreign currency rates is not considered to be material. To date, we have minimal exposure to foreign currency exchange risk. We do not hedge our foreign currency exposure.

Item 8. Financial Statements and Supplementary Data

See pages beginning at F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

Our Principal Executive Officer and Principal Financial Officer have reviewed, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) and believe that our disclosure controls and procedures are effective in ensuring that information required to be included in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported in a timely and proper manner. There have been no significant changes in our internal control over financial reporting during the period covered by this report.

Remediation of Previously Disclosed Material Weaknesses

We previously identified and disclosed in our Form 10-K for the fiscal year ended September 30, 2023, as well as in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.

In connection with the preparation of the financial statements for this Annual Report on Form 10-K, we identified deficiencies in our internal control over financial reporting. We identified material weaknesses related to (1) certain information technology general computer controls ("ITGC's") at our Live Plants Financial Reporting System ("LFRS") that did not operate effectively. As a result, certain of the Company's related business controls that are dependent upon the affected ITGC's did not operate effectively, which had a reasonable possibility of materially impacting the financial reporting.

As of September 28, 2024, we have completed our remediation activities including testing of the design and concluding on the following:

- Instituted a ITGC material weaknesses did not result in any identified misstatements weakness remediation team;
- Implemented defined standards & control processes;
- Enhanced the training of personnel on the design and operation of our internal controls over financial reporting;
- Developed monitoring controls and protocols allowing us to timely assess the design and operating effectiveness of the ITGC's;
- Hired an additional resource with an appropriate level of knowledge and experience; and
- Expanded and formalized controls related to recording revenue from an outsourced service provider that supports certain of our business units.

Based upon the above, we believe the steps taken have improved the effectiveness of our internal control over financial statements.

Management is in the process of establishing a remediation plan and expects its remediation efforts will involve implementing a new system to better manage the data and providers and the data they provide effectively.

(b) Changes in Internal Control Over Financial Reporting.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated whether the improvements to our internal control over financial reporting to remediate the material weaknesses identified discussed above, likely to materially affect, our the Company's internal control over financial reporting.

(c)

Management's Report on Internal Control Over Financial Reporting.

A copy of our management's report and the report of Deloitte & Touche LLP, our independent registered public accounting firm,

Item 9B. Other Information

During the quarter ended September 30, 2023 September 28, 2024, none of our directors or officers informed us of the adoption below:

| Name & Title | Date Adopted | Characteristics |
|------------------------------------|--------------|-----------------|
| Brooks M. Pennington III, Director | 8/29/2024 | |

- 1 Except as indicated by footnote, each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" is intended to satisfy the requirements of Rule 10b5-1 under the Exchange Act.
- 2 The Rule 10b5-1 Trading Arrangements permit transactions through and including the earlier to occur of (a) the completion of all 10b5-1 Trading Arrangements also provide for automatic expiration in the event of certain events, including written notice of termination of the Rule 10b5-1 Trading Arrangement by the executive.
- 3 Includes options to purchase 20,446 shares of CENTA of which only the amount of net shares issued after withholding shares to satisfy tax obligations will be included in the reporting person's beneficial ownership.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection:

None.

Item 10. Directors, Executive Officers and Corporate Governance

We have adopted a code of ethics that applies to all of our executive officers and directors, a copy of which is available on our website.

The remaining information required by this item is incorporated by reference from Central's Definitive Proxy Statement for its 2024 and Reports," "Code of Ethics, Ethics," and "Restrictions on Transactions in Company Stock by Directors and Officers." See also Item 10.

Item 11. Executive Compensation

The information required by this item is incorporated by reference from Central's Definitive Proxy Statement for its 2024 2025 A

Item 12. Security Ownership of Certain Beneficial Owners and Management and Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference from Central's Definitive Proxy Statement for its 2024 2025 A

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference from Central's Definitive Proxy Statement for its 2024 2025 A

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference from Central's Definitive Proxy Statement for its 2024 2025 A

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

- (i) Consolidated Financial Statements of Central Garden & Pet Company are attached to this Form 10-K beginning on page [1](#) and include:
 - Management's Report on Internal Control Over Financial Reporting
 - Report [Reports](#) of Independent Registered Public Accounting Firm
 - Consolidated Balance Sheets
 - Consolidated Statements of Operations
 - Consolidated Statements of Comprehensive Income (Loss)
 - Consolidated Statements of Shareholders' Equity
 - Consolidated Statements of Cash Flows
 - Notes to Consolidated Financial Statements

All other schedules are omitted because of the absence of conditions under which they are required or because the required information is not present.

(2) Exhibits:

Set forth below is a list of exhibits that are being filed or incorporated by reference into this Form 10-K:

| <u>Exhibit</u> | |
|---------------------|--|
| <u>Number</u> | <u>Exhibit</u> |
| 2.1 | Agreement and Plan of Merger, dated December 30, 2020, between Central Garden & Pet Company and Flora Parent, Inc. |
| 2.2 | Amendment No. 1, dated April 27, 2021, to Agreement and Plan of Merger between Central Garden & Pet Company and Flora Parent, Inc. |
| 2.3 | Amendment No. 2, dated June 17, 2021, to Agreement and Plan of Merger between Central Garden & Pet Company and Flora Parent, Inc. |
| 2.4 | Amendment No. 3, dated June 23, 2021, to Agreement and Plan of Merger between Central Garden & Pet Company and Flora Parent, Inc. |
| 3.1 | Fourth Amended and Restated Certificate of Incorporation |
| 3.2 | Amended and Restated By-laws of Central Garden & Pet Company, dated as of March 31, 2022 |
| 4.1 | Specimen Common Stock Certificate |
| 4.2 | Specimen Class A Common Stock Certificate |
| 4.3 | Indenture, dated as of March 8, 2010, by and between the Company and Wells Fargo Bank, National Association, relating to the 5.125% Senior Notes due 2020 |
| 4.4 | Seventh Supplemental Indenture, dated as of December 24, 2017, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 5.125% Senior Notes due 2020 |
| 4.5 | Ninth Supplemental Indenture, dated as of March 30, 2019, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 6.125% Senior Notes due 2028 |
| 4.6 | Tenth Supplemental Indenture, dated as of June 29, 2019, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 6.125% Senior Notes due 2023 and the 6.125% Senior Notes due 2028 |
| 4.7 | Eleventh Supplemental Indenture, dated as of October 16, 2020, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 4.125% Senior Notes due 2028 |

| <u>Exhibit</u> | |
|---------------------|---|
| <u>Number</u> | <u>Exhibit</u> |
| 4.8 | Twelfth Supplemental Indenture, dated as of March 10, 2021 by P&M Solutions, LLC, the Company, Wells Fargo Bank, National Association as trustee. |
| 4.9 | Thirteenth Supplemental Indenture, dated effective as of April 9, 2021 by (i) Flora Parent, Inc., (ii) Seed Plantation Products, LLC, (iv) Ferry-Morse Seed Company, (v) Livingston Seed Company, (vi) MARY MCKENZIE CO. ULC, the Company, the other Guarantors and Wells Fargo Bank, National Association. |

| | |
|-----------------------|--|
| 4.10 | 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, to the 5.125% Senior Notes due 2028 and the 4.125% Senior Notes due 2030. |
| 4.11 | Indenture, dated as of April 30, 2021, 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 4.125% Senior Notes due 2031. |
| 4.12 | 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, relating to the 4.125% Senior Notes due 2031. |
| 4.13 | Description of the Registrants Securities Registered Pursuant to Section 12 of the Securities Exchange Act. |
| 10.1 | Form of Indemnification Agreement between the Company and Executive Officers and Directors. |
| 10.2 | Third Amended and Restated Credit Agreement dated December 16, 2021 among the Company, certain of the Company's subsidiaries as guarantors, a syndicate of financial institutions party thereto, Truist Bank, as issuing agent, Bank of America, N.A., Keybank National Association, U.S. Bank National Association and Wells Fargo National Association as Co-Syndication Agents, Bank of the West, Capital One National Association, J.P. Morgan Chase Bank, N.A., and MUFG Bank LTD., as Co-Documentation Agents, Truist Securities, Inc., Bank of America N.A., J.P. Morgan Chase Bank, N.A., Keybank National Association, U.S. Bank National Association and Wells Fargo National Association as Joint Lead Arrangers and Joint Bookrunners. |
| 10.3 | First Amendment to Third Amended and Restated Credit Agreement dated May 15, 2023, among the Company, certain of the Company's subsidiaries as guarantors, a syndicate of financial institutions party thereto, as Issuing Bank and Administrative Agent, Bank of America, N.A., Keybank National Association, U.S. Bank National Association and Wells Fargo National Association as Co-Syndication Agents, Bank of the West, Capital One National Association, JPMorgan Chase Bank, N.A., and MUFG Bank LTD., as Co-Documentation Agents, Truist Securities, Inc., Bank of America N.A., Keybanc Capital Markets, Inc., U.S. Bank National Association and Wells Fargo National Association as Joint Lead Arrangers and Joint Bookrunners. |
| 10.4* | 2003 Omnibus Equity Incentive Plan, as amended and restated effective February 13, 2012. |

| <u>Exhibit Number</u> | <u>Exhibit</u> |
|------------------------|--|
| 10.5* | Form of Nonstatutory Stock Option Agreement for 2003 Omnibus Equity Incentive Plan. |
| 10.6* | Form of Restricted Stock Agreement for 2003 Omnibus Equity Incentive Plan. |
| 10.7* | Form of Performance-Based Non-Statutory Stock Option Agreement for 2003 Omnibus Equity Incentive Plan. |
| 10.8* | Form of Central Garden & Pet Company 2003 Omnibus Equity Incentive Plan Performance Unit Agreement. |
| 10.9* | Nonemployee Director Equity Incentive Plan, as amended and restated effective October 7, 2020. |
| 10.10* | Form of Nonstatutory Stock Option Agreement for Nonemployee Director Equity Incentive Plan. |
| 10.11* | Form of Restricted Stock Agreement for Nonemployee Director Equity Incentive Plan. |
| 10.21* | Form of Agreement to Protect Confidential Information, Intellectual Property and Business Relations. |
| 10.22* | Form of Post-Termination Consulting Agreement. |
| 21 | List of Subsidiaries. |
| 22 | List of Guarantor Subsidiaries. |
| 23 | Consent of Independent Registered Public Accounting Firm. |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rule 13a-14(a). |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rule 13a-14(a). |
| 32.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350. |
| 32.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350. |
| 101 | The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, are filed as exhibits to this report and are incorporated by reference: (i) Consolidated Balance Sheet, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements, tagged as block text and including detailed tags for all non-GAAP items. |
| 104 | Cover Page Interactive Data File - the cover page iXBRL tags are embedded within the Inline XBRL. |
| * | Management contract or compensatory plan or arrangement. |

| <u>Exhibit Number</u> | <u>Exhibit</u> |
|---------------------------|---|
| <u>3.1</u> | <u>Fourth Amended and Restated Certificate of Incorporation</u> |
| <u>3.2</u> | <u>Amended and Restated By-laws of Central Garden & Pet Company, dated as of March 31, 2022</u> |
| <u>4.1</u> | <u>Specimen Common Stock Certificate</u> |
| <u>4.2</u> | <u>Specimen Class A Common Stock Certificate</u> |
| <u>4.3</u> | <u>Indenture, dated as of March 8, 2010, by and between the Company and Wells Fargo Bank, National Association, as trustee, relating to the 5.125% Senior Notes due 2020</u> |
| <u>4.4</u> | <u>Seventh Supplemental Indenture, dated as of December 24, 2017, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 5.125% Senior Notes due 2020</u> |
| <u>4.5</u> | <u>Ninth Supplemental Indenture, dated as of March 30, 2019, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 6.125% Senior Notes due 2028</u> |
| <u>4.6</u> | <u>Tenth Supplemental Indenture, dated as of June 29, 2019, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 6.125% Senior Notes due 2023 and 2028</u> |
| <u>4.7</u> | <u>Eleventh Supplemental Indenture, dated as of October 16, 2020, by and among the Company, certain guarantors and Wells Fargo Bank National Association, as trustee, relating to the 4.125% Senior Notes due 2028</u> |
| <u>4.8</u> | <u>Twelfth Supplemental Indenture, dated as of March 10, 2021 by P&M Solutions, LLC, the Company, Wells Fargo Bank, National Association as trustee.</u> |
| <u>4.9</u> | <u>Thirteenth Supplemental Indenture, dated effective as of April 9, 2021 by (i) Flora Parent, Inc., (ii) Seed Plantation Products, LLC, (iv) Ferry-Morse Seed Company, (v) Livingston Seed Company, (vi) MARY MCKENZIE CO., ULC, the Company, the other Guarantors and Wells Fargo Bank, National Association, as trustee, relating to the 4.125% Senior Notes due 2028</u> |
| <u>4.10</u> | <u>Fourteenth Supplemental Indenture, dated as of March 3, 2023, by and among the Company, certain guarantors 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.</u> |
| <u>4.11</u> | <u>Fifteenth Supplemental Indenture (this "Supplemental Indenture"), dated effective as of February 7, 2024, by (i) Nightingale, LLC, a Delaware limited liability company, (ii) BRP Hold Ox, LLC, a Delaware limited liability company, (iii) TDBBS, 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, (iv) the Company, the other Guarantors (as defined in the Indenture referred to herein), and (v) Wells Fargo Bank, National Association, as successor to Wells Fargo Bank, National Association, as trustee under the indenture (the "Trustee").</u> |
| <u>4.12</u> | <u>Indenture, dated as of April 30, 2021, by and among the Company, certain guarantors named therein and Wells Fargo Bank, National Association, as trustee, relating to the 4.125% Senior Notes due 2031.</u> |
| <u>4.13</u> | <u>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, relating to the 4.125% Senior Notes due 2031.</u> |
| <u>4.14</u> | <u>Second Supplemental Indenture and Guarantee, dated as of February 7, 2024 among (i) BRP Hold Ox, LLC, (ii) TDBBS, LLC, (each of (i)-(ii), each, a "New Guarantor" and, collectively, the "New Guarantors"), the Company, the other Guarantors (as defined in the Indenture referred to herein), and (v) Wells Fargo Bank, National Association, as Trustee, paying agent and registrar under the Indenture.</u> |
| <u>4.15</u> | <u>Description of the Registrants Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as Amended</u> |
| <u>10.1</u> | <u>Form of Indemnification Agreement between the Company and Executive Officers and Directors</u> |
| <u>10.2</u> | <u>Third Amended and Restated Credit Agreement dated December 16, 2021 among the Company, certain subsidiaries as guarantors, a syndicate of financial institutions party thereto, Truist Bank, as issuing agent, Bank of America, N.A., Keybank National Association, U.S. Bank National Association and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of the West, Capital One National Association, J.P. Morgan Chase Bank, N.A. and MUFG Bank LTD., as Co-Documentation Agents, Truist Securities, Inc., Bank of America N.A., J.P. Morgan Chase Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, National Association as Joint Lead Arrangers and Bookrunners.</u> |

| | | |
|--|------------------------|--|
| | 10.3 | First Amendment to Third Amended and Restated Credit Agreement dated May 15, 2023, among the other Borrowers and Guarantors party hereto, the Lenders party hereto, and Trust Bank, as the Administrative Agent, and the Company, certain of the Company's subsidiaries as guarantors, a syndicate of financial institutions, as Issuing Bank and Administrative Agent, Bank of America, N.A., Keybank National Association, U.S. Association and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of the West, JPMorgan Chase Bank, N.A., and MUFG Bank, LTD., as Co-Documentation Agents, Truist Financial Corporation, N.A., Keybanc Capital Markets, Inc., U.S. Bank National Association and Wells Fargo Bank, National Association as Joint Lead Arrangers and Joint Bookrunners. |
| | 10.4* | 2003 Omnibus Equity Incentive Plan, as amended and restated effective February 13, 2012. |
| | 10.5* | Form of Nonstatutory Stock Option Agreement for 2003 Omnibus Equity Incentive Plan |
| | 10.6* | Form of Restricted Stock Agreement for 2003 Omnibus Equity Incentive Plan |
| | 10.7* | Form of Performance-Based Non-Statutory Stock Option Agreement for 2003 Omnibus Equity Incentive Plan |
| | 10.8* | Form of Central Garden & Pet Company 2003 Omnibus Equity Incentive Plan Performance Unit Agreement |
| | 10.9* | Nonemployee Director Equity Incentive Plan, as amended and restated effective October 7, 2020 |
| | 10.10* | Form of Nonstatutory Stock Option Agreement for Nonemployee Director Equity Incentive Plan |
| | 10.11* | Form of Restricted Stock Agreement for Nonemployee Director Equity Incentive Plan |
| | 10.21* | Form of Agreement to Protect Confidential Information, Intellectual Property and Business Relations |
| | 10.22* | Form of Post-Termination Consulting Agreement |
| | 10.23 | Promotion Letter of Niko Lahanas dated September 26, 2024 |
| | 10.24 | Promotion Letter of Bradley Smith dated September 25, 2024 |
| | 19 | Insider Trading Policy |
| | 21 | List of Subsidiaries |
| | 22 | List of Guarantor Subsidiaries |
| | 23 | Consent of Independent Registered Public Accounting Firm |
| | 31.1 | Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) |
| | 31.2 | Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) |
| | 32.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 |
| | 32.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 |
| | 97 | Compensation Recovery Policy |
| | 101 | The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, are filed as exhibits to this report and are incorporated by reference into this report: (i) Consolidated Balance Sheet, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements, tagged as block text and including detailed tags for all non-GAAP financial measures. |
| | 104 | Cover Page Interactive Data File - the cover page iXBRL tags are embedded within the Inline XBRL file. |
| | * | Management contract or compensatory plan or arrangement |

Item 16. Form 10-K Summary

Not applicable.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this document to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: [November 28, 2023](#) [November 27, 2024](#)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated.

Signature

/s/ Mary Beth Springer Nicholas Lahanas

Mary Beth Springer **Nicholas Lahanas**

/s/ Nicholas Lahanas Bradley G. Smith

Nicholas Lahanas **Bradley G. Smith**

/s/ Howard A. Macheck

Howard A. Macheck

/s/ William E. Brown

William E. Brown

/s/ Mary Beth Springer

Mary Beth Springer

/s/ Courtnee Chun

Courtnee Chun

/s/ Lisa Coleman

Lisa Coleman

/s/ Brendan P. Dougher

Brendan P. Dougher

/s/ Michael J. Griffith

Michael J. Griffith

/s/ Christopher Metz

Christopher Metz

/s/ Daniel Myers

Daniel Myers

/s/ Brooks M. Pennington III

Brooks M. Pennington III

/s/ John R. Ranelli

John R. Ranelli

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a basis for our opinion. An audit includes examining, testing and evaluating the accounting information and related disclosures of the financial statements for the presence of any material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was considered to be a critical audit matter because it involved significant judgment by the auditor, or because it involved a high degree of subjectivity, or complex judgments. The communication of the critical audit matters matter does not alter in any way our opinion on the financial statements.

Net Sales - Revenue Recognition for Consignment Arrangements — Refer to Note 1 to the financial statements

Critical Audit Matter Description

Under consignment arrangements, which is a component of the garden Garden segment net sales, the customer receives the products and revenue when control over such products has transferred to the retail consumer. The initiation, processing, and recording of certain services provided by a third party.

We identified revenue recognition for a this consignment arrangement included in net sales for the fiscal year ended September 30, 2023. In the extent of effort to evaluate the accuracy and completeness of information reported by the Company's customer and third-party transac

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue recognized for a this consignment arrangement included the following, among others:

- We tested the effectiveness of controls over recognizing consignment revenue.
- With the assistance of data specialists, we created data visualizations to analyze journal entries to (i) identify significant transactions and (ii) evaluate the reasonableness of the recorded amounts.
- For a sample of transactions, we performed a test of details on those related accounts determined to have a significant relationship to the critical audit matter.
- We traced the recording of point of sale point-of-sale revenue transactions into the Company's records to understand how the Company processes these transactions.
- We performed a proof of cash reconciliation that reconciled cash deposits to revenue recognized throughout the year. For a sample of transactions, we reviewed underlying source documents, including cash receipts.
- We selected a sample of credits issued after the end of the fiscal year end and performed detailed transaction testing by agreement with the Company's customer.

/s/ DELOITTE & TOUCHE LLP

San Francisco, CA California

November 28, 2023 27, 2024

We have served as the Company's auditor since at least 1987; however, an earlier year could not be reliably determined.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Central Garden & Pet Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Central Garden & Pet Company and subsidiaries (the "Company") as of September 28, 2024, based on criteria established in the Internal Control—Control and Reporting—Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 28, 2024. In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of September 28, 2024, based on criteria established in Internal Control—Control and Reporting—Integrated Framework (2013) issued by COSO.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the acquisition of assets and net sales, respectively, as of and for the fiscal year ended September 28, 2024. Accordingly, our audit did not include the evaluation of the internal control over financial reporting of these acquisitions.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCACB and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to fraud or error. In our audit we considered the company's internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements that conform with generally accepted accounting principles. This process includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable protection against unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projection of any evaluation of the effectiveness of internal control over financial reporting to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that it could be used by an entity to commit fraud or cause a material misstatement of the financial statements in a timely manner.

- Ineffective information technology (IT) general computer controls
- Ineffective controls over an outsourced IT service provider

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the company's financial statements.

/s/ DELOITTE & TOUCHE LLP

San Francisco, CA California

November 28, 2023 27, 2024

| | | September | |
|------------------------------------|------------------------------------|--------------------|------------|
| | | September 30, 2023 | 24, 2022 |
| | | September | |
| | | 28, 2024 | |
| | | (in thousands) | |
| ASSETS | | ASSETS | |
| Current assets: | Current assets: | | |
| Current assets: | | | |
| Current assets: | | | |
| Cash and cash equivalents | | | |
| Cash and cash equivalents | | | |
| Cash and cash equivalents | Cash and cash equivalents | \$ 488,730 | \$ 177,442 |
| Restricted cash | Restricted cash | 14,143 | 14,742 |
| Accounts receivable, net | Accounts receivable, net | 332,890 | 376,787 |
| Inventories, net | Inventories, net | 838,188 | 938,000 |
| Prepaid expenses and other | Prepaid expenses and other | 33,172 | 46,883 |
| Total current assets | Total current assets | 1,707,123 | 1,553,854 |
| Plant, property and equipment, net | Plant, property and equipment, net | 391,768 | 396,979 |

| | | | |
|--|---|-------------------------------|---|
| Goodwill | Goodwill | 546,436 | 546,436 |
| Other intangible assets, net | Other intangible assets, net | 497,228 | 543,210 |
| Operating lease right-of-use assets | Operating lease right-of-use assets | 173,540 | 186,344 |
| Other assets | Other assets | 62,553 | 55,179 |
| Total | Total | \$ 3,378,648 | \$ 3,282,002 |
| LIABILITIES AND EQUITY | | LIABILITIES AND EQUITY | |
| Current liabilities: | Current liabilities: | | |
| Current liabilities: | | | |
| Accounts payable | | | |
| Accounts payable | Accounts payable | \$ 190,902 | \$ 215,681 |
| Accrued expenses | Accrued expenses | 216,241 | 201,783 |
| Current lease liabilities | Current lease liabilities | 50,597 | 48,111 |
| Current portion of long-term debt | Current portion of long-term debt | 247 | 317 |
| Total current liabilities | Total current liabilities | 457,987 | 465,892 |
| Long-term debt | Long-term debt | 1,187,956 | 1,186,245 |
| Long-term lease liabilities | Long-term lease liabilities | 135,621 | 147,724 |
| Deferred income taxes and other long-term obligations | Deferred income taxes and other long-term obligations | 144,271 | 147,429 |
| Commitments and contingencies (Note 12) | Commitments and contingencies (Note 12) | | Commitments and contingencies (Note 12) |
| Equity: | Equity: | | |
| Common stock | | 111 | 113 |
| Class A common stock | | 410 | 413 |
| Class B stock | | 16 | 16 |
| Common stock (\$0.01 par value; 80 million shares authorized; 11,074,620 and 11,077,612 issued at September 28, 2024 and September 30, 2023, respectively) | | | |
| Common stock (\$0.01 par value; 80 million shares authorized; 11,074,620 and 11,077,612 issued at September 28, 2024 and September 30, 2023, respectively) | | | |
| Common stock (\$0.01 par value; 80 million shares authorized; 11,074,620 and 11,077,612 issued at September 28, 2024 and September 30, 2023, respectively) | | | |

Class A common stock (\$0.01 par value; 100 million shares authorized; 54,446,194 and 54,472,902 issued at September 28, 2024 and September 30, 2023, respectively)
 Class B stock (\$0.01 par value; 3 million shares authorized; 1,602,374 and 1,602,374 issued at September 28, 2024 and September 30, 2023, respectively)

| | | | |
|---|---|--------------|--------------|
| Additional paid-in capital | Additional paid-in capital | 594,416 | 582,056 |
| Retained earnings | Retained earnings | 859,370 | 755,253 |
| Accumulated other comprehensive loss | Accumulated other comprehensive loss | (2,970) | (4,145) |
| Total Central Garden & Pet shareholders' equity | Total Central Garden & Pet shareholders' equity | 1,451,353 | 1,333,706 |
| Noncontrolling interest | Noncontrolling interest | 1,460 | 1,006 |
| Total equity | Total equity | 1,452,813 | 1,334,712 |
| Total | Total | \$ 3,378,648 | \$ 3,282,002 |

| | | Fiscal Year Ended | | |
|--|--|--|--------------------|--------------------|
| | | September 30, 2023 | September 24, 2022 | September 25, 2021 |
| | | (in thousands, except per share amounts) | | |
| Net sales | Net sales | \$ 3,310,083 | \$ 3,338,588 | \$ 3,303,684 |
| Cost of goods sold | Cost of goods sold | 2,363,241 | 2,346,283 | 2,332,783 |
| Gross profit | Gross profit | 946,842 | 992,305 | 970,901 |
| Selling, general and administrative expenses | Selling, general and administrative expenses | 736,196 | 732,269 | 716,405 |

| | | | | |
|--|--|------------|------------|------------|
| Operating income | Operating income | 210,646 | 260,036 | 254,496 |
| Interest expense | Interest expense | (57,025) | (58,253) | (58,597) |
| Interest income | Interest income | 7,362 | 719 | 415 |
| Other income (expense), net | Other income (expense), net | 1,462 | (3,596) | (1,506) |
| Income before income taxes and noncontrolling interest | Income before income taxes and noncontrolling interest | 162,445 | 198,906 | 194,808 |
| Income tax expense | Income tax expense | 36,348 | 46,234 | 42,035 |
| Net income including noncontrolling interest | Net income including noncontrolling interest | 126,097 | 152,672 | 152,773 |
| Net income attributable to noncontrolling interest | Net income attributable to noncontrolling interest | 454 | 520 | 1,027 |
| Net income attributable to Central Garden & Pet Company | Net income attributable to Central Garden & Pet Company | \$ 125,643 | \$ 152,152 | \$ 151,746 |
| Net income per share attributable to Central Garden & Pet Company: | Net income per share attributable to Central Garden & Pet Company: | \$ 2.40 | \$ 2.86 | \$ 2.81 |
| Basic | Basic | | | |
| Basic | Basic | | | |
| Diluted | Diluted | \$ 2.35 | \$ 2.80 | \$ 2.75 |
| Weighted average shares used in the computation of net income per share: | Weighted average shares used in the computation of net income per share: | | | |
| Basic | Basic | 52,395 | 53,220 | 53,914 |
| Basic | Basic | | | |
| Diluted | Diluted | 53,427 | 54,425 | 55,248 |

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| Fiscal Year Ended | | |
|--------------------|--------------------|--------------------|
| September 30, 2023 | September 24, 2022 | September 25, 2021 |
| | | |

(in thousands)

| | | | | | | | | | | | | | | |
|---|---|--------|------------|------------|----|-------------------|----|-------------|---|------------------|-----|-----------|----|--------------|
| Distribution to noncontrolling interest | | | | | | | | — | — | — | — | — | — | — |
| Repurchase of stock | | | | | | | | (700) | — | (520,299) | (5) | — | — | (5,2) |
| Other comprehensive loss | | | | | | | | — | — | — | — | — | — | — |
| Net income | | | | | | | | — | — | — | — | — | — | — |
| Balance, September 25, 2021 | 11,335,658 | | | 113 | | 42,282,922 | | 423 | | 1,612,374 | | 16 | | 576,0 |
| Amortization of share-based awards | | | | | | | | — | — | — | — | — | — | 18,0 |
| Restricted share activity | | | | | | | | — | — | 170,659 | 1 | — | — | (3,0) |
| Issuance of common stock | | | | | | | | — | — | 261,373 | 3 | — | — | 4,3 |
| Issuance of common stock | Issuance of common stock | | | — | | — | | — | | — | — | — | — | — |
| Distribution to noncontrolling interest | Distribution to noncontrolling interest | | | — | | — | | — | | — | — | — | — | — |
| Repurchase of stock | Repurchase of stock | | | (39,307) | | — | | (1,378,731) | | (14) | — | — | — | (14,3) |
| Other comprehensive loss | Other comprehensive loss | | | — | | — | | — | | — | — | — | — | — |
| Net income | Net income | | | — | | — | | — | | — | — | — | — | — |
| Balance, September 24, 2022 | 11,296,351 | | | 113 | | 41,336,223 | | 413 | | 1,612,374 | | 16 | | 582,0 |
| Amortization of share-based awards | | | | | | | | — | — | — | — | — | — | 20,0 |
| Restricted share activity | | | | | | | | — | — | 60,377 | 1 | — | — | (4,7) |
| Issuance of common stock | Issuance of common stock | | | — | | — | | 274,468 | | 2 | — | — | — | 6,2 |
| Distribution to noncontrolling interest | Distribution to noncontrolling interest | | | — | | — | | — | | — | — | — | — | — |
| Share conversion | | 10,000 | | — | | — | | — | | (10,000) | — | — | — | — |
| Repurchase of stock | Repurchase of stock | | | (228,739) | | (2) | | (628,743) | | (6) | — | — | — | (9,3) |
| Other comprehensive loss | | | | | | | | — | — | — | — | — | — | — |
| Other comprehensive income | | | | | | | | — | — | — | — | — | — | — |
| Net income | Net income | | | — | | — | | — | | — | — | — | — | — |
| Balance, September 30, 2023 | 11,077,612 | \$ | 111 | | \$ | 41,042,325 | \$ | 410 | | 1,602,374 | \$ | 16 | \$ | 594,0 |
| Amortization of share-based awards | | | | | | | | — | — | — | — | — | — | — |
| Restricted share activity | | | | | | | | — | — | — | — | — | — | — |
| Issuance of common stock | | | | — | | — | | — | | — | — | — | — | — |
| Distribution to noncontrolling interest | | | | — | | — | | — | | — | — | — | — | — |
| Repurchase of stock | | | | — | | — | | — | | — | — | — | — | — |

| | | | | | |
|---|---|----------|-----------|-----------|--|
| | Facility closures and business exit costs | | | | |
| | Impairment of intangibles | | | | |
| | Asset impairments | 750 | — | — | |
| | Other asset impairments | | | | |
| | Other asset impairments | | | | |
| | Other asset impairments | | | | |
| Other | Other | (263) | (779) | 4,716 | |
| Changes in assets and liabilities (excluding businesses acquired): | Changes in assets and liabilities (excluding businesses acquired): | | | | |
| Receivables | | | | | |
| Receivables | | | | | |
| Receivables | Receivables | 43,980 | 7,004 | 69,135 | |
| Inventories | Inventories | 86,980 | (256,443) | (132,170) | |
| Prepaid expenses and other assets | Prepaid expenses and other assets | 8,813 | (6,031) | 13,370 | |
| Accounts payable | Accounts payable | (19,962) | (31,209) | 24,583 | |
| Accrued expenses | Accrued expenses | 6,766 | (33,495) | 6,734 | |
| Other long- term obligations | Other long- term obligations | 9,595 | (7,728) | 14,731 | |
| Operating lease liabilities | Operating lease liabilities | (48,692) | (44,527) | (40,322) | |
| Net cash (used in) provided by operating activities | | 381,634 | (34,030) | 250,844 | |
| Net cash provided by (used in) operating activities | | | | | |
| Cash flows from investing activities: | Cash flows from investing activities: | | | | |
| Additions to property, plant and equipment | Additions to property, plant and equipment | (53,966) | (115,205) | (80,333) | |
| Businesses acquired, net of cash acquired | | — | — | (820,453) | |
| Additions to property, plant and equipment | | | | | |
| Additions to property, plant and equipment | | | | | |
| Business acquired, net of cash acquired | | | | | |
| Proceeds from sale of business | | | | | |
| Proceeds from sale of business | | | | | |

| | | | | |
|--|--|----------|-----------|-----------|
| Proceeds from sale of business | Proceeds from sale of business | 20,000 | — | 2,400 |
| Payments for investments | Payments for investments | (500) | (27,818) | (500) |
| Other investing activities | Other investing activities | (115) | 40 | (473) |
| Net cash used in investing activities | Net cash used in investing activities | (34,581) | (142,983) | (899,359) |
| Cash flows from financing activities: | Cash flows from financing activities: | | | |
| Repayments on revolving line of credit | Repayments on revolving line of credit | (48,000) | — | (858,000) |
| Repayments on revolving line of credit | Repayments on revolving line of credit | | | |
| Borrowings on revolving line of credit | Borrowings on revolving line of credit | 48,000 | — | 858,000 |
| Premium paid on extinguishment of debt | | — | — | (6,124) |
| Repayments of long-term debt | Repayments of long-term debt | (338) | (1,096) | (430,401) |
| Issuance of long-term debt | | — | — | 900,000 |
| Repayments of long-term debt | Repayments of long-term debt | | | |
| Repurchase of common stock, including shares surrendered for tax withholding | Repurchase of common stock, including shares surrendered for tax withholding | | | |
| Repurchase of common stock, including shares surrendered for tax withholding | Repurchase of common stock, including shares surrendered for tax withholding | | | |
| Repurchase of common stock, including shares surrendered for tax withholding | Repurchase of common stock, including shares surrendered for tax withholding | (37,161) | (62,287) | (27,892) |
| Payments of contingent consideration | Payments of contingent consideration | (54) | (216) | (373) |
| Distribution to noncontrolling interest | Distribution to noncontrolling interest | — | (806) | (606) |
| Payment of financing costs | Payment of financing costs | — | (2,410) | (14,129) |
| Net cash (used in) provided by financing activities | | (37,553) | (66,815) | 420,475 |
| Net cash used in financing activities | Net cash used in financing activities | | | |
| Effect of exchange rate changes on cash and equivalents | Effect of exchange rate changes on cash and equivalents | 1,189 | (3,510) | 1,165 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | | 310,689 | (247,338) | (226,875) |

| | | | | | |
|--|--|-----------|-----------|-----------|--|
| Net increase (decrease) in cash, cash equivalents and restricted cash | | | | | |
| Cash, cash equivalents and restricted cash at beginning of year | Cash, cash equivalents and restricted cash at beginning of year | 192,184 | 439,522 | 666,397 | |
| Cash, cash equivalents and restricted cash at end of year | Cash, cash equivalents and restricted cash at end of year | \$502,873 | \$192,184 | \$439,522 | |
| Supplemental information: | Supplemental information: | | | | |
| Cash paid for interest | Cash paid for interest | \$ 57,143 | \$ 57,928 | \$ 42,762 | |
| Cash paid for interest | | | | | |
| Cash paid for income taxes – net of refunds | Cash paid for income taxes – net of refunds | 17,910 | 34,964 | 70,831 | |
| Non-cash investing and financing activities: | Non-cash investing and financing activities: | | | | |
| Capital expenditures incurred but not paid | | | | | |
| Capital expenditures incurred but not paid | Capital expenditures incurred but not paid | 2,243 | 8,016 | 6,150 | |
| Liability for contingent performance based payments | Liability for contingent performance based payments | (374) | (847) | 610 | |
| Shares of common stock repurchased but not settled | Shares of common stock repurchased but not settled | — | 911 | 2,112 | |
| Operating lease right of use assets recognized after ASC 842 transition | | 42,777 | 70,794 | 90,799 | |
| Lease liabilities arising from obtaining right- of-use assets | | | | | |
| Lease liabilities arising from obtaining right- of-use assets | | | | | |
| Lease liabilities arising from obtaining right- of-use assets | | | | | |

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1. Organization and Significant Accounting Policies

Organization – Central Garden & Pet Company (“Central”), a Delaware corporation, and subsidiaries (the “Company”), is a leading

Basis of Consolidation and Presentation – The consolidated financial statements are prepared in conformity with accounting principles in consolidation. The fiscal year ended September 28, 2024 included 52 weeks, the fiscal year ended September 30, 2023 included

Stock Dividend - In December 2023, the Board of Directors approved a stock dividend in the form of one share of the Company 2024, to stockholders of record as of January 8, 2024.

The stock dividend did not affect the number of the Company's authorized shares and the par value of each share of stock remains performance share units outstanding at January 8, 2024, which resulted in a proportional increase in the number of vesting stock options.

Unless noted, all Class A Common Stock share and per share amounts contained in the condensed consolidated financial statements for the Company concluded that shareholders were not receiving a distribution of earnings.

Noncontrolling Interest – Noncontrolling interest in the Company's consolidated financial statements represents the 20% interest in the 20% share of the subsidiary's net assets and results of operations is deducted and reported as noncontrolling interest on the consolidated financial statements.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period including realization of acc.

Revenue Recognition and Nature of Products and Services

The Company manufactures, markets and distributes a wide variety of branded, private label and third-party pet and garden products. The Company recognizes a minor amount of non-product revenue (approximately one percent of consolidated net sales) comprising third-party logistics contracts with customers are satisfied. The Company recognizes product revenue when control over the finished goods transfers to consumers in consignment arrangements. These revenue arrangements generally have single performance obligations. Non-product Revenue, which includes shipping and handling charges billed to the customer, is reported net of variable consideration and consists of shipping and handling costs included in net sales for the fiscal years ended **September 30, 2023**, **September 28, 2024**, **September 30, 2023** and **September 28, 2024**. The point in time when 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 term or less. Most sales are made on credit terms that require payment within 30 days. The Company primarily sells to individual consumers and to small and medium-sized businesses. The Company does not receive noncash significant financing components.

Sales Incentives and Other Promotional Programs

The Company routinely offers sales incentives and discounts through various regional and national programs to its customers and employees. These programs generally require the Company to estimate and accrue the expected costs of such programs. The costs associated with these activities are based on historical trend experience with similar programs, actual incentive terms per customer contractual obligations and expected costs for these programs. Differences between estimated and actual incentive costs are generally not material and are recognized in earnings as the value of inventory associated with reserves for sales returns is included within prepaid and other current assets on the consolidated balance sheet.

Cost of goods sold consists of cost of product, inbound freight charges, purchasing and receiving costs, certain indirect purchases and selling expenses. The Company incurs substantially all shipping and handling and out-bound freight costs to customers, which are included in selling, general and administrative expenses for the fiscal years ended **September 30, 2023**, **September 28, 2024**, **September 30, 2023** and **September 24, 2022** was \$8.5 million, \$8.5 million, \$8.5 million and \$8.5 million, respectively.

Advertising Costs – The Company expenses the costs of advertising as incurred. Advertising expenses were **\$43.6 million**, **\$56.4 million**, **\$40.1 million** and **\$56.4 million** for the fiscal years ended **September 30, 2023**, **September 28, 2024**, **September 30, 2023** and **September 24, 2022**, respectively.

401(k) Plans – The Company sponsors several 401(k) plans which cover substantially all employees. The Company's matching contributions for the fiscal years ended **September 30, 2023**, **September 28, 2024**, **September 30, 2023** and **September 24, 2022** was \$0.5 million, \$0.5 million, \$0.5 million and \$0.5 million, respectively.

Other income (expense) consists principally of earnings (losses) from equity method investments and foreign exchange gains and losses.

Income taxes are accounted for under the asset and liability method. Deferred income taxes reflect the impact of "temporary differences" between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The Company establishes a valuation allowance for deferred tax assets if it is not more likely than not that the assets will be realized. The Company had various state and foreign net deferred tax assets of **\$7.7 million**, **\$9.9 million** and **\$6.7 million** for the fiscal years ended **September 30, 2023**, **September 28, 2024** and **September 30, 2023**, respectively.

Cash, cash equivalents and restricted cash – The Company considers cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company has agreements related to normal business transactions. These agreements require the Company to maintain specified amounts of cash. The reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets to the consolidated statement of cash flows is as follows:

September 28, 2024, September 30, 2023, and September 24, 2022 and September 25, 2021, respectively (in thousands).

| | September 30, 2023 | September 24, 2022 | September 25, 2021 | |
|--|--|-----------------------|-----------------------|-----------|
| | (in thousands) | | | |
| September 28, 2024 | | | | |
| | (in thousands) | | | |
| Cash and cash equivalents | Cash and cash equivalents | \$488,730 | \$177,442 | \$426,422 |
| Restricted cash | Restricted cash | 14,143 | 14,742 | 13,100 |
| Total cash, cash equivalents and restricted cash | Total cash, cash equivalents and restricted cash | \$502,873 | \$192,184 | \$439,522 |

Accounts receivable are carried at their estimated collectible amounts, **net realizable value**. Trade credit is generally extended on

Allowance for Credit Losses and Customer Allowances – The Company's trade accounts receivable are recorded at net realizable value in accordance with ASC Topic 326, the "expected credit loss" model.

replaces the previous incurred loss model and requires consideration of a broader range of information to estimate expected credit losses.

The Company maintains an allowance for credit losses related to its trade accounts receivable for future expected credit losses condition. The allowance is adjusted to reflect changes in current and forecasted macroeconomic conditions. The Company's estimate

Inventories, which primarily consist of garden products and pet supplies finished goods, are stated at the lower of FIFO cost or received in order to prepare them to be picked for orders, and certain other overhead costs. The amount of such costs capitalized to

Land, buildings, improvements and equipment are stated at cost. Depreciation is computed by the straight-line method over 30 years by the straight-line method over the estimated useful lives of three to 10 years. See Note 7 – Property and Equipment.

Long-Lived Assets – The Company reviews its long-lived assets, including amortizable and indefinite-lived intangible assets, for recoverable, and at least annually for indefinite-lived intangible assets. An impairment loss would be recognized for a long-lived asset if the estimated undiscounted future cash flows associated with the asset group would be compared to the asset group carrying amount. Equipment when the estimated fair value of the asset is less than its carrying amount. An impairment loss would be recognized for a long-lived asset if its fair value is less than its carrying amount. The Company recognized impairment losses on certain intangible assets of \$12.8 million and \$11.5 million in fiscal years 2018 and 2017, respectively. Changes in fair value of long-lived assets, or management changes plans regarding the future use of certain assets, additional charges to operations may be required.

Goodwill represents the excess of cost of an acquired business over the fair value of the identifiable tangible and intangible assets not subject to amortization but must be evaluated for impairment annually. The Company tests for goodwill impairment annually or when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Investments – The Company owns membership interests ranging from 3% to 50% in fifteen fourteen unconsolidated companies an investment impairment of \$7.5 million) in fiscal year 2024, equity method losses of \$0.2 million in fiscal year 2023, and equity method investment in these entities was \$31.5 million at September 28, 2024 and \$38.7 million at September 30, 2023 and \$38.5 million at September 30, 2022. The investment in these entities was not significant. See [Note 3 – Acquisitions](#).

Leases - The Company determines whether an arrangement contains a lease at inception by determining if the contract conveys assets and current and long-term operating lease liabilities are presented separately in the consolidated balance sheets. Finance lease

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. The lease term begins on the commencement date and excludes any lease incentives received from the lessor. Lease liabilities are recognized based on the present value of the lease payments. As the Company's leases typically do not contain a readily determinable implicit rate, the Company determines the present value of the lease payments using its incremental borrowing rate. The lease term is determined by the lease contract, which may include certain non-lease components, such as maintenance and other services provided by the lessor, and other charges included in the 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. Interest expense (based on a front-loaded interest expense pattern) for finance leases and is recorded in cost of sales. Finance leases are recorded within cash flows from operating activities and all finance lease principal payments are recorded within cash flows from investing activities.

Insurance – The Company maintains insurance for certain risks, including workers' compensation, general liability and automobile. The Company maintains excess loss insurance that covers any health care claims in excess of \$750,000 per occurrence. The Company maintains excess loss insurance that covers any health care claims in excess of \$350,000 per occurrence. The Company maintains excess loss insurance that covers any health care claims in excess of \$750,000 per occurrence. Costs are recognized in the period the claim is incurred, and the financial statement accruals include an estimate of claims yet reported.

Fair Value of Financial Instruments – At September 30, 2023 September 28, 2024 and September 24, 2022 September 30, 2021, the fair value of financial instruments is based on quoted market prices for the Company's senior subordinated notes.

Stock-Based Compensation – Stock-based compensation cost is estimated at the grant date based on the fair value of the awards. The Company's stock-based compensation cost for fiscal 2023 was \$28.0 million (\$21.3 million after tax), and fiscal 2022 was \$25.8 million (\$19.7 million after tax), and fiscal 2021 was \$23.1 million (\$17.5 million after tax).

Total Comprehensive Income (Loss) – Total comprehensive income (loss) consists of two components: net income and other comprehensive income. Other comprehensive income is excluded from net income, and is comprised of currency translation adjustments relating to the Company's foreign subsidiaries in the Company's consolidated financial statements.

Recent Accounting Pronouncements

Accounting Pronouncements Recently Adopted *Accounting Updates*

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

Accounting Standards Not Yet Adopted

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure Requirements*. The ASU requires all annual disclosures currently required by Topic 280 to be included in interim periods. ASU No. 2023-07 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires companies to disclose the amount of tax paid on a cash basis, the amount of tax paid on an accrual basis, and the amount of tax paid on a cash basis. ASU No. 2023-09 is to be applied prospectively, with the option to apply the standard retrospectively, effective for annual periods beginning after December 15, 2024.

2. Fair Value Measurements

Generally accepted accounting principles require financial assets and liabilities to be categorized based on the inputs used to determine fair value.

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.

The Company's financial instruments include cash and equivalents, restricted cash and equivalents, short term investments, accounts receivable, and accounts payable.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis.

Liabilities:

Liability for contingent consideration (a)

Total liabilities

The following table presents our financial assets and liabilities at fair value on a recurring basis based upon the level within the

Liabilities:

Liability for contingent consideration (a)

Total liabilities

(a) The fair values of the Company's contingent consideration liabilities from previous business acquisitions are considered "Level 3" performance-based contingent payments for Hydro-Organics Wholesale, Inc., acquired in October 2015. The performance period, probability and amount of any earn-out that will be achieved based on expected future performance by the acquired entity. This 1

The following table provides a summary of changes in fair value of the Company's Level 3 financial instruments for the years ended September 30, 2022, 2023, and 2024.

Balance as of September 24, 2022

Changes in the fair value of contingent performance-based payments

Performance-based payments made

Balance as of September 30, 2023

Changes in the fair value of contingent performance-based payments

Performance-based payments made

Balance as of September 28, 2024

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, intangible assets and assets, goodwill and other intangible assets. As a result of market changes and declining sales, factors indicating the carrying value was not recoverable, and accordingly, recorded impairment charges of approximately \$7.5 million and \$3.9 million \$12.8 million in its year ended September 30, 2023, impairment charges of approximately \$7.5 million and \$3.9 million in the Company's Pet and Garden segment for the year ended September 30, 2022.

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"), with a carrying value of \$395.4 \$396.0 million and \$394.8 \$395.4 million, respectively.

In October 2020, the Company issued \$500 million aggregate principal amount of 4.125% senior notes due October 2030 (the "2030 Notes"), with a carrying value of \$494.4 \$495.2 million and \$493.6 \$494.4 million, respectively.

In December 2017, the Company issued \$300 million aggregate principal amount of 5.125% senior notes due February 2028 (the "2028 Notes"), with a carrying value of \$298.4 million and \$298.0 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. Acquisitions and Investments in Joint Ventures

Fiscal 2024

On November 3, 2023, the Company acquired TDBBS, LLC ("TDBBS"), a provider of premium natural dog chews and treats for dogs, with direct-to-consumer capabilities. The purchase price exceeded the estimated fair value of the net tangible assets acquired by approximately \$12.8 million. Financial results of TDBBS have been included in the results of operations within the Pet segment since the date of acquisition.

| | |
|--|---|
| | Current assets, net of cash and cash equivalents acquired |
| | Fixed assets |
| | Goodwill |
| | Other assets |
| | Operating lease right-of-use assets |
| | Deferred tax assets |
| | Other intangible assets, net |
| | Current liabilities |
| | Long-term lease liabilities |
| | Net assets acquired, less cash and cash equivalents |

(1) As previously reported in the Company's Form 10-Q for the period ended June 29, 2024.

The impact to the consolidated statement of operations associated with the finalization of purchase accounting and true-up of intangible assets for Proforma financial information has not been presented as the TDRBS acquisition was not considered material to the Company's overall consolidated financial statements.

Fiscal 2023

The Company did not make any acquisitions in fiscal 2023.

Divestiture

Sale of Garden Segment Independent Distribution Business

In the fourth quarter of fiscal 2023, the Company sold their independent garden center distribution business for approximately \$10.0 million. The Company also closed 10 independent garden centers. As a result of these closures, the Company recorded a gain of \$5.8 million which is net of the inventory

Fiscal 2022

The Company did not make any acquisitions in fiscal 2022.

During the second quarter and fourth quarter of fiscal 2022, the Company finalized the allocation of the purchase price to the fair value of the assets and liabilities.

Green Garden Products

On February 11, 2021, the Company acquired Flora Parent, Inc. and its subsidiaries ("Green Garden Products"), a leading provider of hydroponic and soil-based growing systems and services. The purchase price exceeded the estimated fair value of the net tangible assets acquired by approximately \$1.2 million. The acquisition was completed on September 24, 2022. The financial results of Green Garden Products have been included in the results of operations within the Garden Products segment, subject to subsequent adjustments.

Current assets, net of cash and cash equivalents acquired
Fixed assets
Goodwill
Other intangible assets, net
Other assets
Operating lease right-of-use assets
Current liabilities
Long-term lease liabilities
Deferred income taxes and other long-term obligations
Net assets acquired, less cash and cash equivalents

(1) As previously reported in the Company's Form 10-K for the fiscal year ended September 25, 2021.

The impact to the consolidated statement of operations associated with the finalization of purchase accounting and true-up of intangible assets is as follows:

D&D Commodities Limited

On June 30, 2021, the Company purchased D&D Commodities, Ltd. ("D&D"), a provider of high-quality, premium bird feed, for a purchase price exceeded the estimated fair value of the net tangible assets acquired by approximately \$99 million, of which \$64 million have been included in the results of operations within the Garden segment since the date of acquisition.

Current assets, net of cash and cash equivalents acquired

Fixed assets

Goodwill

Other assets

Other intangible assets, net

Current liabilities

Long-term debt

Net assets acquired, less cash and cash equivalents

(1) As previously reported in the Company's Form 10-K for the fiscal year ended September 25, 2021.

The impact to the consolidated statement of operations associated with the finalization of purchase accounting and true-up of intangible assets is as follows:

The Company expects all the goodwill from its acquisition of D&D Commodities Limited to be deductible for tax purposes.

Fiscal 2021

DoMyOwn

On December 18, 2020, the Company acquired DoMyOwn, a leading online retailer of professional-grade control products, for approximately \$100 million, of which \$31.5 million was allocated to net tangible assets and approximately \$68.5 million was included in goodwill in the Company's consolidated balance sheet as of September 25, 2020, based on fair values of the assets acquired and liabilities assumed as of the acquisition date and subsequent adjustments.

Current assets, net of cash and cash equivalents acquired

Fixed assets

Goodwill

Other assets

Other intangible assets, net

Current liabilities

Net assets acquired, less cash and cash equivalents

(1) As previously reported in the Company's Form 10-Q for the period ended June 26, 2021.

The impact to the consolidated statement of operations associated with the finalization of purchase accounting and true-up of intangible assets is as follows:

Hopewell Nursery

On December 31, 2020, the Company purchased substantially all of the assets of Hopewell Nursery, a leading live goods wholesale company, for approximately \$15 million, of which approximately \$4.1 million was allocated to identified intangible assets. The following table summarizes the purchase price and results of operations within the Garden segment since the date of acquisition. The following table summarizes the purchase price and results of operations within the Garden segment since the date of acquisition. The following table summarizes the purchase price and results of operations within the Garden segment since the date of acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

values of the assets acquired and liabilities assumed as of the acquisition date and subsequent adjustments.

Current assets, net of cash and cash equivalents acquired

Fixed assets

Goodwill

Other assets

Other intangible assets, net

Current liabilities

Other long-term liabilities

Net assets acquired, less cash and cash equivalents

(1) As previously reported in the Company's Form 10-Q for the period ended June 26, 2021.

The impact to the statement of operations associated with the finalization of purchase accounting and true-up of intangible assets.

Proforma financial information has not been presented as the DoMyOwn and Hopewell Nursery acquisitions were not considered in the Company's historical financial statements.

The Company expects all the goodwill from both of the acquisitions above to be deductible for tax purposes.

Green Garden Products

The finalization of the allocation of the purchase price to the fair value of the tangible assets, intangible assets and liabilities acquired.

For the **During** fiscal year ended September 25, 2021, net sales and net income related to Green Garden Products were approximately \$1.2 billion and \$100 million, respectively.

The following unaudited pro forma financial information summarizes the combined results of operations for Central and Green Garden Products.

Net sales

Net income attributable to Central Garden & Pet Company

Diluted net income per share attributable to Central Garden & Pet Company

This pro forma information is based on historical results of operations, adjusted for the preliminary estimated allocation of the purchase price of the periods presented. The pro forma adjustments reflect the income statement effects of the elimination of intercompany sales arising from the acquisition, incremental interest expense directly resulting from the acquisition and the related tax effects.

D&D Commodities Limited

The finalization of the allocation of the purchase price to the fair value of the tangible assets, intangible assets and liabilities acquired.

The Company includes the unallocated purchase price for acquisitions in other assets on its consolidated balance sheet.

Divestiture

Sale of Garden Segment Independent Distribution Business

In the fourth quarter of fiscal 2023, the Company sold their independent garden center distribution business for approximately \$100 million. The Company includes the unallocated purchase price for acquisitions in other assets on its consolidated balance sheet.

Breeder's Choice

In December 2020, the Company completed the sale of certain assets of its Breeder's Choice business unit. Prior to the sale of the assets, the Company recorded a loss on the sale of the Breeder's Choice business unit of approximately \$26.1 million.

Investments

The Company recorded an investment impairment totaling \$7.5 million for two related private company investments. During fiscal 2023, the Company recorded a gain of \$5.8 million on the sale of its investment in a venture for approximately \$26.1 million, maintaining its 7% interest in a venture and acquiring a 10% interest in another venture, both of which are accounted for as available-for-sale investments.

4. Concentration of Credit Risk and Significant Customers and Suppliers

Customer Concentration – Approximately 52% 54% of the Company's net sales for fiscal 2024, 52% for fiscal 2023 and 51% for fiscal 2024, 16% in 2023 and 17% in 2022 (in both Pet and 16% in 2021. Garden). The Company's second largest customer in 2023 third largest customer in 2023 2024 accounted for approximately 8% of the Company's net sales in fiscal years 2024, 2023 8% in fiscal 2024. The Company's business and financial results. The loss of or reduction in orders from any significant customer, losses arising from customer impact on the Company's business and financial results. As of September 30, 2023 September 28, 2024 and September 24, 2022 September 23, 2021, the Company's largest customer accounted for approximately 11% 14% and 13% 11%, respectively, from the Company's largest customer.

Supplier Concentration – While the Company purchases products from many different manufacturers and suppliers, approximately 10 suppliers.

5. 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. The Company uses the "expected credit loss" model to estimate credit losses on its trade receivables. The Company's credit losses on trade receivables did not differ significantly from the new requirements of Topic 326, Policies.

The Company maintains an allowance for credit losses related to its trade accounts receivable for future expected credit losses financial condition. The allowance is adjusted to reflect differences in current conditions as well as changes in forecasted macroeconomic conditions.

The following provides a reconciliation of the activity in the Allowance for Credit Losses and Customer Allowances:

| Description | Charged/ | | Asset | | (in thousands) | |
|---------------------------------------|-------------|---------------|-------------|-------------|----------------|--|
| | Balances at | (Credited) to | Write-Offs, | Balances at | | |
| | Beginning | Costs and | Less | End of | | |
| Description | | | | | | |
| (in thousands) | | | | | | |
| Fiscal Year | | | | | | |
| Ended September 25, 2021 | 27,661 | 6,604 | (5,046) | 29,219 | | |
| Balances at Beginning of Period | | | | | | |
| (in thousands) | | | | | | |
| Fiscal Fiscal | | | | | | |
| Year Year | | | | | | |
| Ended Ended | | | | | | |
| September September | | | | | | |
| 24, 2022 24, 2022 | 29,219 | 1,264 | (4,237) | 26,246 | | |
| Fiscal Fiscal | | | | | | |
| Year Year | | | | | | |
| Ended Ended | | | | | | |
| September September | | | | | | |
| 30, 2023 30, 2023 | 26,246 | 1,258 | (1,707) | 25,797 | | |
| Fiscal | | | | | | |
| Year | | | | | | |
| Ended | | | | | | |
| September | | | | | | |
| 28, 2024 | | | | | | |

6. Inventories, net

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

| | | September 30, 2023 | September 24, 2022 |
|------------------------|------------------------|--------------------------|--------------------------|
| | | (in thousands) | |
| | September 28, 2024 | (in thousands) | |
| Raw materials | Raw materials | \$ 270,672 | \$ 266,695 |
| Work in progress | Work in progress | 166,394 | 99,842 |
| Finished goods | Finished goods | 384,903 | 528,481 |
| Supplies | Supplies | <u>16,219</u> | 42,982 |
| Total inventories, net | Total inventories, net | <u><u>\$ 838,188</u></u> | <u><u>\$ 938,000</u></u> |

7. Property and Equipment, Net

Property and equipment, net consists of the following:

| | | September 30, 2023 | September 24, 2022 |
|---|---|--------------------------|--------------------------|
| | | (in thousands) | |
| | September 28, 2024 | (in thousands) | |
| Land | Land | \$ 29,434 | \$ 29,474 |
| Buildings and improvements | Buildings and improvements | 277,618 | 263,499 |
| Transportation equipment | Transportation equipment | 14,258 | 12,572 |
| Machine and warehouse equipment | Machine and warehouse equipment | 388,854 | 345,994 |
| Capitalized software | Capitalized software | 117,007 | 123,353 |
| Office furniture and equipment | Office furniture and equipment | 30,534 | 29,697 |
| Assets under construction | Assets under construction | <u>25,701</u> | <u>51,617</u> |
| | | <u><u>883,406</u></u> | <u><u>856,206</u></u> |
| | | <u><u>913,546</u></u> | |
| Accumulated depreciation and amortization | Accumulated depreciation and amortization | <u>(491,638)</u> | <u>(459,227)</u> |
| | | <u><u>\$ 391,768</u></u> | <u><u>\$ 396,979</u></u> |
| Total property and equipment, net | | | |

Depreciation and amortization expense, including the amortization of intangible assets, charged to operations was **\$87.7 million**

8. Goodwill

Changes in the carrying amount of goodwill for the fiscal years ended **September 30, 2023** **September 28, 2024**, **September 24**

| | | Garden Products Segment | Pet Products Segment | Total | | | |
|----------------------------------|----------------------------------|----------------------------|-------------------------|------------|--|--|--|
| | | (in thousands) | | | | | |
| Balance as of September 26, 2020 | | | | | | | |
| Garden Products Segment | | | | | | | |
| (in thousands) | | | | | | | |
| Balance as of September 25, 2021 | | | | | | | |
| Goodwill | Goodwill | \$ 226,471 | \$ 473,045 | \$ 699,516 | | | |
| Goodwill | Goodwill | | | | | | |
| Goodwill | Goodwill | \$ 226,471 | \$ 473,045 | \$ 699,516 | | | |
| Accumulated impairment losses | Accumulated impairment losses | (213,583) | (195,978) | (409,561) | | | |
| | | 12,888 | 277,067 | 289,955 | | | |
| Additions in fiscal 2021 | | 79,436 | — | 79,436 | | | |
| Balance as of September 25, 2021 | | | | | | | |
| Goodwill | Goodwill | 305,907 | 473,045 | 778,952 | | | |
| Accumulated impairment losses | Accumulated impairment losses | (213,583) | (195,978) | (409,561) | | | |
| | | 92,324 | 277,067 | 369,391 | | | |
| | | 92,324 | | | | | |
| Additions in fiscal 2022 | Additions in fiscal 2022 | 177,045 | — | 177,045 | | | |
| Balance as of September 24, 2022 | Balance as of September 24, 2022 | | | | | | |
| Goodwill | Goodwill | 482,952 | 473,045 | 955,997 | | | |
| Goodwill | Goodwill | | | | | | |
| Goodwill | Goodwill | | | | | | |
| Accumulated impairment losses | Accumulated impairment losses | (213,583) | (195,978) | (409,561) | | | |
| | | 269,369 | 277,067 | 546,436 | | | |
| | | 269,369 | | | | | |
| Additions in fiscal 2023 | Additions in fiscal 2023 | — | — | — | | | |
| Balance as of September 30, 2023 | Balance as of September 30, 2023 | | | | | | |
| Goodwill | Goodwill | 482,952 | 473,045 | 955,997 | | | |
| Goodwill | Goodwill | | | | | | |
| Goodwill | Goodwill | | | | | | |
| Accumulated impairment losses | Accumulated impairment losses | (213,583) | (195,978) | (409,561) | | | |
| | | \$ 269,369 | \$ 277,067 | \$ 546,436 | | | |
| | | 269,369 | | | | | |
| Additions in fiscal 2024 | | | | | | | |
| Balance as of September 28, 2024 | | | | | | | |
| Goodwill | Goodwill | | | | | | |

Goodwill
Goodwill
Accumulated
impairment
losses

\$

Additions or reductions to goodwill include acquisitions, sale of businesses, purchase price adjustments and adjustments of am

The Company tests goodwill for impairment annually (as of the first day of the fourth fiscal quarter), or whenever events occur c 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 considerat perform the quantitative goodwill impairment test. If it is determined that it is more likely than not that the fair value of the reporting ui and proceed directly to performing the quantitative goodwill impairment test, which compares the estimated fair value of our reporting differential. The Company's goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of its two

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The estimate of fair val economic and market conditions as well as the impact of planned business and operational strategies. The Company bases its fair v (i) discount rates used in determining the fair value of the reporting units; (ii) estimated future cash flows; and (iii) projected revenue factors.

In connection with the Company's annual goodwill impairment testing performed during fiscal 2023, the Company elected to by it was more likely than not the fair values of the Company's reporting units were greater than their carrying amounts.

In connection with the Company's annual goodwill impairment testing performed during fiscal 2022, 2024, the Company made ; completed its qualitative assessment of potential goodwill impairment and determined that it was more likely than not the fair values

In connection with the Company's annual goodwill impairment testing performed during fiscal 2023, the Company elected to by it was more likely than not the fair values of the Company's reporting units were greater than their carrying amounts.

In connection with the the Company's annual goodwill impairment testing performed during fiscal year 2022, the Company mad Company completed our qualitative assessment of potential goodwill impairment and determined that it was more likely than not the

9. Other Intangible Assets

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

| | Gross | | | | Net (in millions) |
|--|-------|-----------------------------|---------------------------|-------------------|----------------------|
| | Gross | Accumulated Amortization | Accumulated Impairment | Carrying Value | |
| September 28, 2024 | | | | | |
| Marketing-related intangible assets – amortizable | | | | | |
| Marketing-related intangible assets – amortizable | | | | | |
| Marketing-related intangible assets – amortizable | | | | | |
| Marketing-related intangible assets – nonamortizable | | | | | |

| | | | | | | | | |
|--|-------------------------------|----------|------------|-----------|-----------|----------|--|--|
| Total | | | | | | | | |
| Customer-related | | | | | | | | |
| intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | | | | | | | | |
| Total other intangible assets | | | | | | | | |
| September 30, 2023 | September 30, 2023 | | | | | | | |
| Marketing-related intangible assets – amortizable | | | | | | | | |
| Marketing-related intangible assets – nonamortizable | | | | | | | | |
| Marketing-related intangible assets – amortizable | | | | | | | | |
| Marketing-related intangible assets – nonamortizable | | | | | | | | |
| Marketing-related intangible assets – amortizable | | | | | | | | |
| Marketing-related intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 22.1 | \$ (21.5) | \$ — | \$ — | \$ 0.6 | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 274.6 | \$ (21.5) | \$ (29.4) | \$ (29.4) | \$ 223.1 | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 416.4 | \$ (147.4) | \$ (10.3) | \$ (10.3) | \$ 258.8 | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 39.7 | \$ (30.5) | \$ (0.3) | \$ (0.3) | \$ 8.9 | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 7.1 | \$ — | \$ (1.2) | \$ (1.2) | \$ 5.9 | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Customer-related intangible assets – amortizable | | | | | | | | |
| Customer-related intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Other acquired intangible assets – amortizable | | | | | | | | |
| Other acquired intangible assets – nonamortizable | | | | | | | | |
| Total | Total | \$ 46.8 | \$ (30.5) | \$ (1.5) | \$ (1.5) | \$ 14.8 | | |
| Total other intangible assets | Total other intangible assets | | | | | | | |
| September 30, 2022 | September 30, 2022 | \$ 737.8 | \$ (199.4) | \$ (41.2) | \$ (41.2) | \$ 497.2 | | |

| | | | | |
|--|-----------------|-------------------|------------------|-----------------|
| 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 | \$ 737.8 | \$ (164.9) | \$ (29.8) | \$ 543.2 |

September 25, 2021

Marketing-related intangible assets – amortizable

| | | | | |
|--|-----------------|-------------------|------------------|-----------------|
| Marketing-related intangible assets – amortizable | \$ 22.1 | \$ (19.0) | \$ — | \$ 3.1 |
| Marketing-related intangible assets – nonamortizable | 70.6 | — | (26.0) | 44.6 |
| Total | 92.7 | (19.0) | (26.0) | 47.7 |
| Customer-related intangible assets – amortizable | 143.6 | (75.4) | (2.5) | 65.7 |
| Other acquired intangible assets – amortizable | 37.2 | (22.0) | — | 15.2 |
| Other acquired intangible assets – nonamortizable | 7.1 | — | (1.2) | 5.9 |
| Total | 44.3 | (22.0) | (1.2) | 21.1 |
| Total other intangible assets | \$ 280.6 | \$ (116.4) | \$ (29.8) | \$ 134.4 |

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

As part of its acquisitions acquisition of DoMyOwn and Hopewell Nursery in fiscal 2021, TDBBS, the Company acquired approximately of Green Garden Products and D&D Commodities in fiscal 2021, the Company acquired \$181.9 million of marketing related intangible assets. The acquisition of D&D Commodities was finalized during fiscal 2022. See [Note 3 – Acquisitions](#).

The Company evaluates long-lived assets, including amortizable and indefinite-lived intangible assets, for impairment whenever there is evidence of impairment. Declining sales, factors indicating the carrying value of certain amortizable and indefinite-lived intangible assets may not be recoverable.

approximately \$12.8 million in its Pet segment as part of selling, general and administrative expenses in the consolidated statements of operations for the fiscal year ended September 30, 2023. Factors indicating the carrying value of the Cor

assets may not be recoverable were not present in fiscal 2021 or 2022, and accordingly, no impairment testing was performed on the

The Company is currently amortizing its acquired intangible assets with definite lives over periods ranging from two to four years to Amortization expense for intangibles subject to amortization was approximately \$34.5 million \$34.1 million, \$35.1 million \$34.5 million Annual amortization expense related to acquired intangible assets in each of the succeeding five years is estimated to be approxima

10. Leases

The Company has operating and finance leases for manufacturing and distribution facilities, vehicles, equipment and office space. Significant restrictions or covenants in its lease agreements, and residual value guarantees are not included within its operating leases. Variable payments are not included in the Company's recorded lease assets and liabilities and are expensed as incurred. Certain leases require more information about the Company's lease accounting policies.

Supplemental balance sheet information related to the Company's leases was as follows:

| | Balance Sheet | | September 30, | September 24, | |
|-------------------------------|-------------------------------|------------------------------------|-----------------------------|---------------|----------|
| Classification | | | 2023 | 2022 | |
| (in millions) | | | | | |
| Balance Sheet Classification | | | | | |
| (in millions) | | | | | |
| Operating leases | Operating leases | | | | |
| Right-of-use assets | | | | | |
| Right-of-use assets | | | | | |
| Right-of-use assets | Right-of-use assets | Right-of-use assets | lease right-of-use assets | | |
| | | | | \$ 173.5 | \$ 186.3 |
| Current lease liabilities | Current lease liabilities | Current lease liabilities | operating lease liabilities | \$ 50.6 | \$ 48.1 |
| Non-current lease liabilities | Non-current lease liabilities | Long-term liabilities | operating lease liabilities | 135.6 | 147.7 |
| Total liabilities | Total liabilities | | | \$ 186.2 | \$ 195.8 |
| Finance leases | Finance leases | | | | |
| Right-of-use assets | Right-of-use assets | Property, plant and equipment, net | | \$ 0.1 | \$ 0.1 |
| Right-of-use assets | | | | | |
| Right-of-use assets | | | | | |
| Current lease liabilities | Current lease liabilities | portion of long-term debt | | \$ — | \$ — |
| Non-current lease liabilities | Non-current lease liabilities | Long-term debt | | — | — |

| Total finance lease liabilities | Total finance lease liabilities | \$ | \$ |
|---------------------------------------|---------------------------------------|-----------|-----------|
| | | <u> </u> | <u> </u> |

Components of lease cost were as follows:

| | | |
|-------------------------------------|-------------------------------------|----|
| Operating lease cost | | |
| Operating lease cost | | |
| Operating lease cost | Operating lease cost | \$ |
| Finance lease cost: | Finance lease cost: | |
| Finance lease cost: | | |
| Finance lease cost: | | |
| Amortization of right-of-use assets | | |
| Amortization of right-of-use assets | | |
| Amortization of right-of-use assets | Amortization of right-of-use assets | |
| Interest on lease liabilities | Interest on lease liabilities | |
| Interest on lease liabilities | | |
| Interest on lease liabilities | | |
| Total finance lease cost | | |
| Total finance lease cost | | |
| Short-term lease cost | Short-term lease cost | \$ |
| Short-term lease cost | | |
| Short-term lease cost | | |
| Variable lease cost | | |
| Variable lease cost | | |
| Variable lease cost | Variable lease cost | |
| Total lease cost | Total lease cost | \$ |
| Total lease cost | | |
| Total lease cost | | |

Supplemental cash flow information and non-cash activity related to the Company's leases was as follows:

| | | |
|---|---|----|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Cash paid for amounts included in the measurement of lease liabilities: | Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from operating leases | Operating cash flows from operating leases | \$ |
| Operating cash flows from operating leases | | |
| Operating cash flows from finance leases | | |
| Operating cash flows from finance leases | | |
| Operating cash flows from finance leases | | |
| Financing cash flows from finance leases | | |
| Financing cash flows from finance leases | | |
| Financing cash flows from finance leases | | |
| Financing cash flows from finance leases | | |
| Financing cash flows from finance leases | | |
| Right-of-use assets obtained in exchange for lease obligations: | Right-of-use assets obtained in exchange for lease obligations: | \$ |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Operating leases | | |
| Operating leases | | |
| Operating leases | Operating leases | \$ |
| Finance leases | Finance leases | \$ |
| Finance leases | | |
| Finance leases | | |
| Weighted-average remaining lease term and discount rate for the Company's leases were as follows: | | |
| Weighted-average remaining lease term (in years): | | |
| Weighted-average remaining lease term (in years): | | |
| Weighted-average remaining lease term (in years): | Weighted-average remaining lease term (in years): | |
| Operating leases | Operating leases | |
| Operating leases | | |
| Operating leases | | |
| Finance leases | | |
| Finance leases | | |
| Finance leases | Finance leases | |
| Finance leases | | |
| Weighted-average discount rate: | Weighted-average discount rate: | |
| Weighted-average discount rate: | | |
| Weighted-average discount rate: | | |
| Operating leases | Operating leases | |

| | | | | |
|--|----------------|--------------------|--------------------|--------------------|
| Operating leases | | | | |
| Operating leases | | | | |
| Finance leases | | | | |
| Finance leases | | | | |
| Finance leases | | | Finance leases | |
| Lease liability maturities as of September 30, 2023 September 28, 2024 are as follows: | | | | |
| | | September 28, 2024 | | |
| | | | September 30, 2023 | |
| | | | | Operating |
| | | | | Leases |
| | | | | Finance |
| | | | | Leases |
| | | | | Operating |
| | | | | Leases |
| | | | | Operating |
| | | | | Leases |
| | | | | Operating |
| | | | | Leases |
| | | | | |
| Fiscal | Fiscal | | | |
| Year | Year | | | |
| | | | (in millions) | |
| | | | | Fiscal Year |
| 2024 | | \$ 54.9 | \$ — | |
| 2025 | 2025 | 47.1 | — | |
| 2026 | 2026 | 33.0 | — | |
| 2027 | 2027 | 22.8 | — | |
| 2028 | 2028 | 14.7 | — | |
| 2029 | | | | |
| Thereafter | | | | |
| Thereafter | | | | |
| Thereafter | Thereafter | 34.8 | — | |
| Total | Total | | | |
| future | future | | | |
| undiscounted | undiscounted | | | |
| lease | lease | | | |
| payments | payments | \$ 207.3 | \$ — | |
| Less | Less | | | |
| imputed | imputed | | | |
| interest | interest | (21.1) | — | |
| Total | Total | | | |
| reported lease | reported lease | | | |
| liability | liability | \$ 186.2 | \$ — | |

11. Long-Term Debt

Long-term debt consists of the following:

| | | | | |
|--------------------|--------------------|--------------------|--------------------|----------------|
| | | September 30, 2023 | September 24, 2022 | |
| | | September | | |
| | | 28, 2024 | | |
| | | | (in thousands) | |
| | | | | (in thousands) |
| Senior | Senior | | | |
| notes, interest at | notes, interest at | | | |
| 5.125%, payable | 5.125%, payable | | | |
| semi-annually, | semi-annually, | | | |
| principal due | principal due | | | |
| February 2028 | February 2028 | | | |
| | | 300,000 | 300,000 | |

| | | | |
|---|---|--------------|--------------|
| Senior notes, interest at 4.125%, payable semi-annually, principal due October 2030 | Senior notes, interest at 4.125%, payable semi-annually, principal due October 2030 | 500,000 | 500,000 |
| Senior notes, interest at 4.125%, payable semi-annually, principal due April 2031 | Senior notes, interest at 4.125%, payable semi-annually, principal due April 2031 | 400,000 | 400,000 |
| Unamortized debt issuance costs | Unamortized debt issuance costs | (12,231) | (14,116) |
| Net carrying value | Net carrying value | 1,187,769 | 1,185,884 |
| Asset-based revolving credit facility, interest at SOFR 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 | Asset-based revolving credit facility, interest at SOFR 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 | — | — |
| Other notes payable | Other notes payable | 434 | 678 |
| Total | Total | 1,188,203 | 1,186,562 |
| Less current portion | Less current portion | (247) | (317) |
| Long-term portion | Long-term portion | \$ 1,187,956 | \$ 1,186,245 |

Senior Notes

Issuance of \$400 \$400 million 4.125% Senior Notes due 2031

On April 30, 2021, **In April 2021**, the Company issued \$400 million aggregate principal amount of 4.125% senior notes due April 30, 2031 for corporate purposes.

The Company incurred approximately \$6 million of debt issuance costs in conjunction with this issuance, which included underwriting fees and other professional fees.

The 2031 Notes require semi-annual interest payments on April 30 and October 30. The 2031 Notes are unconditionally guaranteed by the Company. 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 anytime, **any time**, at its option, prior to April 30, 2026 at the principal amount 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 prior to April 30, 2031 at a 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 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 100% of the principal amount plus accrued and unpaid interest.

The 2031 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments.

Issuance of \$500 \$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"). The 2030 Notes have a principal amount of \$500 million, a fixed annual interest rate of 4.125%, and a maturity date of October 15, 2030. The 2030 Notes were issued at a 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 underwriting fees and other professional fees.

The 2030 Notes require semiannual interest payments on October 15 and April 15. The 2030 Notes are unconditionally guaranteed by the Company.

The Company may redeem some or all of the 2030 Notes at anytime, **any time**, at its option, prior to October 15, 2025 at a price of 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 100.000%.

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 of 102.563% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. The 2030 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, including dividends and other distributions.

\$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 2028. The Company incurred approximately \$4.8 million of debt issuance costs in conjunction with this transaction, which included unamortized financing costs of \$4.6 million.

The 2028 Notes require semiannual interest payments on February 1 and August 1. The 2028 Notes are unconditionally guaranteed by the Company.

The Company may redeem some or all of the 2028 Notes, at its option, at any time on or after January 1, 2023 for 102.563% of the principal amount.

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 of 102.563% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

The 2028 Notes contain customary high yield covenants, including covenants limiting debt incurrence and restricted payments, including dividends and other distributions.

Asset-Based Loan Facility Amendment

On December 16, 2021, the Company entered into a Third Amended and Restated Credit Agreement ("Amended Credit Agreement") with a financial institution, which replaced the Company's existing senior secured asset-based revolving credit facility, with up to an additional \$400 million principal amount available with 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.

The Amended Credit Facility is subject to a borrowing base that is calculated using a formula based upon eligible receivables as of the last day of the most recently completed fiscal quarter. The Amended Credit Facility was approximately \$493 million as of September 30, 2023. There were no borrowings outstanding and no letters of credit outstanding under the Amended Credit Facility. Outside of the Amended Credit Facility, the Company had no other debt outstanding.

Borrowings under the Amended Credit Facility will bear interest at an index based on SOFR (which will not be less than 0.00%) plus (a) the applicable margin for the applicable interest rate, (b) the Federal Funds Rate plus 0.50%, (c) one-month SOFR plus 1.00% and (d) 0.00%. The applicable margin for the applicable interest rate will range from 0.00%-0.50%, and was 0.00% as of September 30, 2023. An unused line fee shall be payable quarterly in respect of the unused portion of the Amended Credit Facility. The unused line fee is 0.125% of the unused portion of the Amended Credit Facility. The Amended Credit Facility contains a commitment fee of 0.125% of the stated amount of standby 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 applicable interest rate related to Base Rate borrowings was 8.0%, and the applicable interest rate related to SOFR borrowings was 8.0%.

On December 16, 2021, the Company entered into the Amended Credit Facility, which replaced the Company's existing senior secured asset-based revolving credit facility, with up to an additional \$400 million principal amount available with 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. The Amended Credit Facility is subject to a borrowing base that is calculated using a formula based upon eligible receivables as of the last day of the most recently completed fiscal quarter. The Amended Credit Facility was approximately \$493 million as of September 30, 2023. The applicable interest rate related to Base Rate borrowings was 8.0%, and the applicable interest rate related to SOFR borrowings was 8.0%.

The Company incurred approximately \$2.4 million of debt issuance costs in conjunction with the Amended Credit Agreement, which were capitalized and are being amortized over the term of the Amended Credit Facility. The Amended Credit Facility continues to contain customary covenants, including financial covenants which require the Company to maintain a minimum liquidity ratio and a maximum leverage ratio. The Amended Credit Facility is secured by substantially all assets of the borrowing parties, including (i) pledges of 100% of the capital stock of each of the Company's wholly-owned subsidiaries, in each case subject to customary exceptions. The Company was in compliance with all financial covenants under the Amended Credit Facility as of September 30, 2023.

The scheduled principal repayments on long-term debt as of September 30, 2023 are as follows:

| | | (in thousands) | |
|--------------|--------------|----------------|------------|
| Fiscal year: | Fiscal year: | | |
| 2024 | | \$ 247 | |
| | Fiscal year: | | |
| | 2025 | | |
| | 2025 | | |
| | 2025 | 242 | \$ |
| | 2026 | 133 | 2026 |
| | 2027 | 19 | 2027 |
| | 2028 | 20 | |
| | 2029 | | |
| | 2029 | | |
| | 2029 | | |
| | Thereafter | 1,200,013 | Thereafter |
| Total | Total | \$ 1,200,674 | (1) |
| | | | Total |

(1) Debt repayments do not reflect the unamortized portion of deferred financing costs associated with the 2028 Notes, 2030 Notes and 2031 Notes. The 2028 Notes are amortizable until October 2030 and \$4.6 million is amortizable until April 2031, and are included in the carrying value of the debt.

12. Commitments and Contingencies

Commitments

Letters of credit – The Company had \$1.3 million \$3.0 million of outstanding letters of credit related to normal business transaction thereunder, which will affect the amount of cash the Company has available for other uses. The amount of cash collateral in these securities is "Restricted cash" on the Company's consolidated balance sheets.

Purchase commitments – Production and purchase agreements (primarily for grass seed and grains) entered into in the ordinary course of business. The Company uses management estimates to develop the quantities and pricing for anticipated pricing and quantities. For certain agreements, management estimates are used to develop the quantities and pricing for anticipated

Contingencies

The Company may from time to time become involved in legal proceedings in the ordinary course of business. Currently, the Company is 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 for breach of contract and misappropriation of confidential information based on the terms of a Non-Disclosure Agreement. On June 18, 2013, the court issued a judgment amount to \$12.4 million and denying the plaintiff's request for attorneys' fees. The Company filed its notice of appeal and the court 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. The Company intends to vigorously pursue its defenses in the any future proceedings and be financial

statements, the outcome of litigation is inherently uncertain and the final resolution of this matter may result in expense to the Company.

The Company has experienced, and may in the future experience, issues with products that may lead to product liability, recalls or other legal proceedings that would have a material effect on the Company's financial position or results of operations.

13. Income Taxes

The provision for income tax expense (benefit) consists of the following:

| | | Fiscal Year Ended | | | | |
|-----------|-----------|-----------------------|-----------------------|-----------------------|-----------|--|
| | | September 30, 2023 | September 24, 2022 | September 25, 2021 | | |
| | | (in thousands) | | | | |
| Current: | Current: | | | | | |
| | Federal | Federal | \$ 41,375 | \$ 11,391 | \$ 49,941 | |
| | Federal | | | | | |
| | Federal | | | | | |
| | State | State | 6,229 | 4,418 | 6,193 | |
| | Foreign | Foreign | 997 | 2,297 | 645 | |
| | Total | Total | 48,601 | 18,106 | 56,779 | |
| Deferred: | Deferred: | | | | | |
| | Federal | Federal | (10,339) | 27,276 | (14,740) | |
| | Federal | | | | | |
| | Federal | | | | | |
| | State | State | (2,547) | 1,710 | (690) | |
| | Foreign | Foreign | 633 | (858) | 686 | |
| | Total | Total | (12,253) | 28,128 | (14,744) | |
| | Total | Total | \$ 36,348 | \$ 46,234 | \$ 42,035 | |

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

| | | Fiscal Year Ended | | | | |
|---|---|-----------------------|-----------------------|-----------------------|---|---------------------------|
| | | September 30, 2023 | September 24, 2022 | September 25, 2021 | | |
| Statutory federal income tax rate | Statutory federal income tax rate | 21.0 | % | 21.0 | % | 21.0 |
| Statutory federal income tax rate | | | | | | |
| Statutory federal income tax rate | | | | | | |
| State income taxes, net of federal benefit | State income taxes, net of federal benefit | 1.5 | | 2.5 | | 2.2 |
| Other permanent differences | Other permanent differences | 0.5 | | 0.4 | | 0.1 |
| Non- Deductible Officers Compensation | | | | | | |
| Adjustment of prior year accruals | Adjustment of prior year accruals | (0.2) | | 0.2 | | (0.1) |
| Credits | Credits | (0.7) | | (0.5) | | (0.4) |
| Stock based compensation | Stock based compensation | (0.3) | | (0.5) | | (1.4) |
| Stock based compensation | | | | | | |
| Stock based compensation | | | | | | |
| Other | Other | 0.6 | | 0.1 | | 0.2 |
| Effective income tax rate | Effective income tax rate | 22.4 | % | 23.2 | % | 21.6 |
| | | | | | | Effective income tax rate |

The tax effect of temporary differences and carryforwards which give rise to deferred tax assets and liabilities are as follows:

| | | September 30, 2023 | | September 24, 2022 | |
|------------------------------------|------------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
| | | Deferred Tax Assets | Deferred Tax Liabilities | Deferred Tax Assets | Deferred Tax Liabilities |
| (in thousands) | | | | | |
| Allowance for doubtful accounts | Allowance for doubtful accounts | \$ 5,338 | \$ — | \$ 6,286 | \$ — |
| Inventory write-downs | Inventory write-downs | 18,230 | — | 14,413 | — |
| Prepaid expenses | Prepaid expenses | | 1,602 | | 1,787 |
| Nondeductible reserves | Nondeductible reserves | 10,045 | — | 8,898 | — |
| State taxes | State taxes | 181 | — | — | 279 |

| | | | | | |
|---------------------------------------|---------------------------------------|-----------|------------|-----------|------------|
| Employee benefits | Employee benefits | 10,743 | — | 9,799 | — |
| Depreciation and amortization | Depreciation and amortization | | 192,235 | — | 194,225 |
| Equity earnings | Equity earnings | | 653 | — | 564 |
| State net operating loss carryforward | State net operating loss carryforward | 6,158 | — | 6,415 | — |
| Stock based compensation | Stock based compensation | 8,155 | — | 7,330 | — |
| State credits | State credits | 3,055 | — | 2,979 | — |
| Other | Other | 5,389 | — | 966 | — |
| Valuation allowance | Valuation allowance | (7,659) | — | (6,734) | — |
| Total | Total | \$ 59,635 | \$ 194,490 | \$ 50,352 | \$ 196,855 |

The Company also has state tax net operating losses of \$69.2 million \$93.4 million, which expire at various times between 2023

The Company has state income tax credits of \$3.5 million, which expire at various times beginning in 2024 2025 through 2043. prudent and feasible tax planning strategies in assessing the need for a valuation allowance against any deferred tax assets. The Company's valuation allowances of \$7.7 million \$9.9 million and \$6.7 million \$7.7 million (net of federal impact) at September 30, 2023 September 30, 2024

The Company classifies uncertain tax positions as non-current income tax liabilities unless expected to be paid within one year. For 2023, accrued interest was less than \$0.1 million and no penalties were accrued related to uncertain tax positions.

The following table summarizes the activity related to the Company's unrecognized tax benefits for fiscal years ended September 30, 2024.

| |
|--|
| Balance as of September 25, 2021 |
| Increases related to prior year tax positions |
| Increases related to current year tax positions |
| Decreases related to prior year tax positions |
| Settlements |
| Decreases related to lapse of statute of limitations |
| Balance as of September 24, 2022 |
| Increases related to prior year tax positions |
| Increases related to current year tax positions |
| Decreases related to prior year tax positions |
| Settlements |
| Decreases related to lapse of statute of limitations |
| Balance as of September 30, 2023 |
| Increases related to prior year tax positions |
| Increases related to current year tax positions |
| Decreases related to prior year tax positions |
| Settlements |
| Decreases related to lapse of statute of limitations |
| Balance as of September 28, 2024 |

As of September 30, 2023 September 28, 2024, unrecognized income tax benefits totaled approximately \$0.4 million \$0.3 million.

The Company is principally subject to taxation by the United States and various states within the United States. The Company's fiscal year ended 2019 2020 forward.

The Company believes there is a reasonable chance that its unrecognized tax benefits will decrease by less than \$0.1 million within one year.

14. Stock-Based Compensation

The Company's 2003 Omnibus Equity Incentive Plan (the "2003 Plan"), as amended, allows for the grant of options, restricted stock, restricted stock units and performance shares. The 2003 Plan is comprised only of independent directors, and which must approve individual awards to be granted, vesting and exercise of share options.

There are a total of 5.8 million shares of Common Stock, 19.7 million shares of Class A Common Stock and 500,000 shares of Preferred Stock available for issuance in an amount equal to the number of shares of Class A Common Stock that are issuable upon conversion of such Preferred Stock.

The Company has a Nonemployee Director Equity Incentive Plan (the "Director Plan") which provides for the grant of options and restricted stock units to independent directors, which are divided by such fair market value.

As of **September 30, 2023** **September 28, 2024**, there were approximately **3.5 million** **2.5 million** shares of Class A Common Stock, 19.7 million shares of Common Stock and 0.5 million shares of Preferred Stock remaining for future awards on the date of each annual meeting of stockholders.

The Company recognized stock-based compensation expense of **\$28.0 million** **\$20.6 million**, **\$25.8 million** **\$28.0 million**, and **\$2.7 million** **\$13.7 million**, respectively, for stock awards. Share-based compensation expense in fiscal 2024, 2023, 2022 and 2021 was \$2.7 million, \$13.7 million, respectively, for stock awards. Share-based compensation expense in fiscal 2024, 2023, 2022 and 2021 was \$2.7 million, \$13.7 million, respectively, for stock awards.

Stock Option Awards

During fiscal 2024, the Company did not grant any stock options.

During fiscal 2023, the Company granted time-based stock options with an exercise price 15% above the market price on the date of grant and expire approximately 10 years after the grant date.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model. Expected volatility, risk-free interest rates, exercise behavior, option exercises and the contractual term of the option. The risk-free rates are based on U.S. Treasury yield rates.

The in fiscal years 2023 and 2022, the Company's calculations were made using the Black-Scholes option pricing model with the following assumptions: 32.4% in fiscal 2023; 32.2% in fiscal 2022; risk free interest rates, 3.6% in fiscal 2023 and 1.7% in fiscal 2022 and 0.5% in fiscal 2021; 20.0% in fiscal 2020.

The following table summarizes option activity for the period ended **September 30, 2023** **September 28, 2024**:

| | Number of Shares (in thousands) | Weighted Average Price per Share | Weighted Average Remaining Contractual Life | Aggregate Intrinsic Value (in thousands) |
|------------------------------------|------------------------------------|----------------------------------|---|---|
| Outstanding at September 24, 2022 | 2,217 | \$ 32.69 | 3 years | \$ 10,624 |
| Number of Shares (in thousands) | | | | |
| Outstanding at September 30, 2023 | | | | |
| Granted | Granted | 40 | \$ 46.75 | |
| Exercised | Exercised | (415) | \$ 31.24 | |
| Exercised | | | | |
| Exercised | | | | |
| Canceled or expired | Canceled or expired | (59) | \$ 38.26 | |
| Outstanding at September 30, 2023 | | 1,783 | \$ 33.17 | 3 years |
| Exercisable at September 25, 2021 | | 929 | \$ 29.64 | 3 years |
| Canceled or expired | | | | |
| Canceled or expired | | | | |
| Outstanding at September 28, 2024 | | | | |
| Outstanding at September 28, 2024 | | | | |
| Outstanding at September 28, 2024 | | | | |

| | | | | | |
|---|-----------------------------------|-------|----------|---------|-----------|
| Exercisable at September 24, 2022 | Exercisable at September 24, 2022 | 1,191 | \$ 31.88 | 3 years | \$ 5,826 |
| Exercisable at September 30, 2023 | Exercisable at September 30, 2023 | 1,290 | \$ 31.97 | 2 years | \$ 11,361 |
| Expected to vest after September 30, 2023 | | 492 | \$ 36.30 | 3 years | \$ 2,837 |
| Exercisable at September 28, 2024 | | | | | |
| Expected to vest after September 28, 2024 | | | | | |

The prices of options to purchase shares of Class A common stock outstanding at September 30, 2023 September 28, 2024, \$ per share, respectively. There were no options granted in fiscal year ended September 28, 2024. The weighted average grant date fair intrinsic value of options exercised during the fiscal years ended September 30, 2023 September 28, 2024, September 30, 2023 and

As of September 30, 2023 September 28, 2024, there was \$2.8 million \$0.3 million of total unrecognized compensation cost related

Restricted Stock Awards

As of September 30, 2023 September 28, 2024 and September 24, 2022 September 30, 2023, there were approximately 1.5 million grant.

Restricted stock award activity during the period ended September 30, 2023 September 28, 2024 is summarized as follows:

| | | Number of Shares |
|---------------------------------|-----------|------------------|
| Nonvested at September 30, 2023 | | |
| Nonvested at September 24, 2022 | | |
| Nonvested at September 30, 2023 | | |
| Nonvested at September 30, 2023 | | |
| Granted | Granted | |
| Vested | Vested | |
| Forfeited | Forfeited | |
| Nonvested at September 30, 2023 | | |
| Nonvested at September 28, 2024 | | |

As of September 30, 2023 September 28, 2024, there was \$31.0 million \$24.4 million of unrecognized compensation cost related

In fiscal years 2024, 2023 and fiscal 2022, the Company granted a combination of performance stock units (PSU's) and restricted PSU's during fiscal year 2023 2024 was not material to the Company's Consolidated Financial Statements.

PSU's provide the right to receive shares of the Company's common stock based on the Company's achievement of certain performance goals. The performance period may range from 50% to 225% of the original target award amount (100%).

15. Shareholders' Equity

At September 30, 2023 September 28, 2024 and September 24, 2022 September 30, 2023, there were 80,000,000 shares of common stock (par value) authorized, of which 41,042,325 54,446,194 and 41,336,223 54,472,902, respectively, were outstanding. The preferences are set forth in the law.

There are 1,000,000 shares of preferred stock (\$0.01 par value) authorized, of which none were outstanding at September 30,

In August 2019, the Company's Board of Directors authorized a new share repurchase program to purchase up to \$100 million of its common stock. As of September 30, 2023, the Company had \$83.2 million remaining under its 2023 share repurchase program. The cost of approximately \$22.2 million, or \$35.31 per share, \$10.7 million and approximately 0.2 million 3 thousand shares of its voting common stock had been repurchased.

In February 2019, the Board of Directors authorized the Company to make supplemental purchases to minimize dilution resulting from shares equal to the number of shares of restricted stock or stock options granted in the prior fiscal year, to the extent not already repurchased. The Company did not have any shares had authorization remaining from the fiscal 2023 equity plan activity to repurchase up to 38 thousand shares.

16. Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share (EPS) computation.

| | Fiscal Year Ended September 30, 2023 | | | Fiscal Year Ended September 24, 2022 | | | Fiscal Year Ended September 25, 2021 | | | Fiscal Year Net Income |
|---|---|-----------|-----------|--------------------------------------|-----------|-----------|--------------------------------------|-----------|-----------|---------------------------|
| | Net Income | Shares | Per Share | Net Income | Shares | Per Share | Net Income | Shares | Per Share | |
| | (in thousands, except per share amounts) | | | | | | | | | |
| Basic EPS: Basic EPS: | | | | | | | | | | |
| Net income available to common shareholders | Net income available to common shareholders | \$125,643 | 52,395 | \$2.40 | \$152,152 | 53,220 | \$2.86 | \$151,746 | 53,914 | \$2.81 |
| Net income available to common shareholders | | | | | | | | | | |
| Net income available to common shareholders | | | | | | | | | | |
| Effect of dilutive securities: Options to purchase common stock | Effect of dilutive securities: Options to purchase common stock | | | | | | | | | |
| Options to purchase common stock | Options to purchase common stock | 295 | (0.02) | | 477 | (0.02) | | 645 | (0.03) | |
| Restricted shares | Restricted shares | 638 | (0.03) | | 728 | (0.04) | | 689 | (0.03) | |
| Performance stock units | Performance stock units | 99 | — | | — | — | | — | — | |
| Diluted EPS: Diluted EPS: | | | | | | | | | | |
| Net income available to common shareholders | Net income available to common shareholders | \$125,643 | 53,427 | \$2.35 | \$152,152 | 54,425 | \$2.80 | \$151,746 | 55,248 | \$2.75 |

Net income available to
common shareholders
Net income available to
common shareholders

For fiscal 2024, options to purchase 0.3 million shares were not included in the computation of diluted earnings per share because

For fiscal 2023, options to purchase 0.6 million shares were not included in the computation of diluted earnings per share because

For fiscal 2022, options to purchase 0.4 million shares were not included in the computation of diluted earnings per share because

For fiscal 2021, options to purchase 0.2 million shares were not included in the computation of diluted earnings per share because

17. Transactions with Related Parties

During fiscal 2024, 2023 2022 and 2021, Tech Pac, a subsidiary of the Company, made purchases from Contract Packaging \$42.6 million \$41.0 million for fiscal years 2024, 2023 2022 and 2021, respectively. Amounts due to CPI as of September 28, 2024

18. Business Segment Data

The Company's chief operating decision-maker is its Chief Executive Officer. Operating segments are managed separately because the Company's Corporate division is included in the following presentation since certain expenses of this division are not allocated separately to segments.

Management has determined that the Company has two operating segments which are also reportable segments based on the segment and the Garden segment. Substantially all of the Company's assets and operations relate to its business in the United States.

The Pet segment consists of Nylabone Products, IMS Trading, Four Paws Products, Central Specialty Pet (Avian and Small Animal) delivery of internally and externally produced pet supplies, animal health and insect controls, aquariums, books, dog treats and food. The Garden segment consists of Grass Seed, Bird Feed, Chemicals and Fertilizers, Excel Marketing, Gulfstream, Hydro-Organics, Pottery (terra-cotta) typically in the lawn and garden sections of mass merchandisers, warehouse-type clubs, home improvement centers and nurseries and sold directly to national and regional retail chains, independent garden distributors, online retailers, grocery stores, nurseries and garden centers.

The Corporate division includes expenses associated with corporate functions and projects, certain employee benefits, interest expense and other costs.

The following table indicates each class of similar products which represented approximately 10% or more of the Company's consolidated net sales for each of the years 2023, 2022 and 2021.

| Category | Category | 2023 | 2022 | 2021 | Category |
|--------------------------------|-------------------------------|---------------|------------|------------|----------|
| | | (in millions) | | | |
| Other garden products | Other garden products | \$ 832.2 | \$ 865.3 | \$ 876.6 | |
| Other pet products | Other pet products | 699.4 | 765.9 | 767.0 | |
| Other manufacturers' products | Other manufacturers' products | 734.9 | 730.2 | 749.1 | |
| Dog & cat products | Dog & cat products | 568.6 | 542.9 | 570.9 | |
| Wild bird products | Wild bird products | 475 | 434.3 | 340.1 | |
| Controls & fertilizer products | | — | — | (1) | |
| Total | Total | \$ 3,310.1 | \$ 3,338.6 | \$ 3,303.7 | |

(1) The product category was less than 10% of our consolidated net sales in the period.

Total

Total

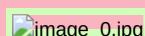
See [Note 4 – Concentration of Credit Risk and Significant Customers and Suppliers](#) for the Company's largest customers by segment.

Financial information relating to the Company's business segments for each of the three most recent fiscal years is presented in the following table.

| | | Fiscal Year Ended | | | | | |
|---|--|---------------------|---------------------|---------------------|--|--|--|
| | | September 30, 2023 | September 24, 2022 | September 25, 2021 | | | |
| | | (in thousands) | | | | | |
| (in thousands) | | | | | | | |
| Net sales: | | | | | | | |
| Pet segment | | | | | | | |
| Pet segment | | | | | | | |
| Pet segment | Pet segment | \$ 1,877,177 | \$ 1,878,110 | \$ 1,894,929 | | | |
| Garden segment | Garden segment | 1,432,906 | 1,460,478 | 1,408,755 | | | |
| Total | Total | <u>\$ 3,310,083</u> | <u>\$ 3,338,588</u> | <u>\$ 3,303,684</u> | | | |
| Operating income (loss): | | | | | | | |
| Pet segment | | | | | | | |
| Pet segment | | | | | | | |
| Pet segment | Pet segment | \$ 198,004 | \$ 208,924 | \$ 208,201 | | | |
| Garden segment | Garden segment | 123,455 | 153,956 | 138,755 | | | |
| Corporate | Corporate | <u>(110,813)</u> | <u>(102,844)</u> | <u>(92,460)</u> | | | |
| Total | Total | 210,646 | 260,036 | 254,496 | | | |
| Interest expense | Interest expense | (57,025) | (58,253) | (58,597) | | | |
| Interest income | Interest income | 7,362 | 719 | 415 | | | |
| Other expense, net | | | | | | | |
| Other income (expense), net | | | | | | | |
| Income before income taxes and noncontrolling interest | Income before income taxes and noncontrolling interest | 162,445 | 198,906 | 194,808 | | | |
| Income tax expense | Income tax expense | 36,348 | 46,234 | 42,035 | | | |
| Net income including noncontrolling interest | Net income including noncontrolling interest | 126,097 | 152,672 | 152,773 | | | |
| Net income attributable to noncontrolling interest | Net income attributable to noncontrolling interest | 454 | 520 | 1,027 | | | |
| Net income attributable to Central Garden & Pet Company | Net income Pet Company | <u>\$ 125,643</u> | <u>\$ 152,152</u> | <u>\$ 151,746</u> | | | |
| Assets: | | | | | | | |

| | | | | |
|--|----------------------------|---------------------|---------------------|---------------------|
| Pet segment | Pet segment | \$ 944,359 | \$ 1,069,167 | \$ 966,437 |
| Pet segment | | | | |
| Pet segment | | | | |
| Garden segment | Garden segment | 1,349,426 | 1,405,802 | 1,313,899 |
| Corporate and eliminations | Corporate and eliminations | 1,084,863 | 807,033 | 836,344 |
| Total | Total | <u>\$ 3,378,648</u> | <u>\$ 3,282,002</u> | <u>\$ 3,116,680</u> |
| Depreciation and amortization: and amortization: | | | | |
| Pet segment | | | | |
| Pet segment | | | | |
| Pet segment | Pet segment | \$ 41,126 | \$ 38,960 | \$ 36,952 |
| Garden segment | Garden segment | 43,375 | 36,583 | 33,050 |
| Corporate | Corporate | 3,199 | 5,405 | 4,725 |
| Total | Total | <u>\$ 87,700</u> | <u>\$ 80,948</u> | <u>\$ 74,727</u> |
| Expenditures for long-lived assets: | | | | |
| Pet segment | Pet segment | \$ 33,515 | \$ 46,917 | \$ 44,919 |
| Pet segment | | | | |
| Pet segment | | | | |
| Garden segment | Garden segment | 19,109 | 65,126 | 34,043 |
| Corporate | Corporate | 1,342 | 3,162 | 1,371 |
| Total | Total | <u>\$ 53,966</u> | <u>\$ 115,205</u> | <u>\$ 80,333</u> |

Noncontrolling interest is associated with the Garden segment.



September 26, 2024

Niko Lahanas
1029 Pebble Beach Dr
Clayton, CA 94517

Dear Niko,

I am delighted to offer you the position of Chief Executive Officer ("CEO") of Central Garden & Pet Company ("Central"), with an effective date of [redacted].

Please find listed below the details regarding your offer. In your capacity as CEO, you will report to Central's Board of Directors (the "Board").

Please review the below and if you accept the terms of the offer, sign, date and return this letter to me.

1. FULL TIME PERFORMANCE OF DUTIES. During your employment, you will perform those duties and responsibilities consistent with your position as CEO. During your employment you agree to devote substantially all of your business time, attention, skill and efforts to the faithful and loyal performance of your duties as CEO. You will not be entitled to compensation for any time spent by you in the performance of your duties as CEO, whether for compensation or otherwise, without the prior written consent of Central. However, the expenditure of reasonable amounts of time by you in the performance of your duties as CEO will not be deemed to be a violation of this provision if such time is spent in the performance of your duties as CEO.

2. COMPENSATION. Your base salary pay will increase to \$900,000 per year, less applicable taxes and deductions, based on your performance.

You will be eligible to participate in Central's Management Incentive Plan, Corporate Segment, at a target rate of 100% of your base salary. You will be eligible for an annual bonus based on your performance.

You will be eligible to participate in the Company's Long-Term Incentive Program and your target annual equity grant is \$1,000,000.

Stock options will be granted to you at the beginning of each year. The number of shares awarded is determined by dividing the dollar amount of the stock grant by the market price of company shares (CENTA) at the time of grant. Equity grants are typically awarded annually in February.

Your existing health and welfare and retirement benefits will remain unchanged.

3. COMPANY STOCK. During your employment as CEO, you agree to hold capital stock of Central with a value of not less than \$1,000,000. You will be required to purchase additional stock to achieve this holding requirement; provided, however, that you may not be required to purchase additional stock if you are granted stock options.

4. SECTION 409A. For purposes of Internal Revenue Code Section 409A, the regulations and other guidance thereunder and any rules made under this letter comply with, or are exempt from, the requirements of Section 409A so that none of the payments will be includable in your gross income. You will not be required to purchase additional stock to achieve this holding requirement; provided, however, that you may not be required to purchase additional stock if you are granted stock options.

5. EMPLOYMENT STATUS. Your employment with Central remains "at will" in that it can be terminated with or without cause, at any time, by either party without notice or explanation of the relationship.

6. TERMINATION IN THE EVENT OF INCAPACITY OR DEATH. If you become physically or mentally disabled or incapacitated, your employment will be terminated. During the four (4) month period, you will be entitled to the compensation as provided by this letter. For purposes of this paragraph, physical or mental disability means a physical or mental condition that prevents you from performing your duties as CEO. The amount does not exceed the compensation as provided by this letter. For purposes of this paragraph, physical or mental disability means a physical or mental condition that prevents you from performing your duties as CEO. The amount does not exceed the compensation as provided by this letter.

If your employment is terminated due to incapacity or death, all previously granted stock options, shall remain exercisable until the expiration date of each such stock option.

Sincerely,

/s/ William E. Brown

William E. Brown
Chairman of the Board

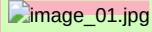
Accepted:

/s/ Niko Lahanas 9/26/24

Niko Lahanas Date

cc: Beth Springer

Joyce McCarthy
Robert Boyce



September 25, 2024
Bradley G. Smith
2169 Green Street, Apt. 2
San Francisco, CA 94123

Dear Brad,

I am delighted to offer you the position of Chief Financial Officer ("CFO") of Central Garden & Pet Company ("Central"), with an effective date of [REDACTED].

Please find listed below the details regarding your offer. You will report to Central's Chief Executive Officer (the "CEO").

Please review the below and if you accept the terms of the offer, sign, date and return this letter to me.

1. FULL TIME PERFORMANCE OF DUTIES. During your employment, you will perform those duties and responsibilities consistent with your position as CFO. You acknowledge and agree that during the term of your employment you agree to devote substantially all of your business time, attention, skill and efforts to the faithful and loyal performance of your duties and responsibilities. You further acknowledge and agree that you will not, directly or indirectly, seek or accept compensation, whether for compensation or otherwise, without the prior written consent of Central. However, the expenditure of reasonable amounts of time and effort in the performance of your duties and responsibilities will not be deemed to be a violation of this provision if such time and effort is spent in the performance of the services required of you as CFO.

2. **COMPENSATION:** Your base salary pay will increase to \$485,000 per year, less applicable taxes, and deductions, based on

You will be eligible to participate in Central's Management Incentive Plan, Corporate Segment, at a target rate of 50% or you later than March 15 of the following year. To be eligible for an annual bonus you must be actively employed by Central and in

You will be eligible to participate in the Company's Long-Term Incentive Program and your target annual equity grant is \$250,000.

market price of company shares (CENTA) at the close of the market on the grant date. The amount of an equity grant is not

Your existing health and welfare and retirement benefits will remain unchanged.

4. **EMPLOYMENT STATUS.** Your employment with Central remains "at will" in that it can be terminated with or without cause, at any time, by either party without notice or cause.

5. **TERMINATION IN THE EVENT OF INCAPACITY OR DEATH.** If you become physically or mentally disabled or incapacitated due to physical or mental disability, your employment will be terminated. During the four (4) month period, you will be entitled to the amount of compensation as provided by this letter. For purposes of this paragraph, physical or mental disability means that restricted stock shall continue to vest in accordance with their terms for a period of one year after termination of employment.

Sincerely,

/s/ William E. Brown

William E. Brown
Chairman of the Board
Central Garden & Pet Company

Accepted:

/s/ Bradley G. Smith 9/25/24
Bradley G. Smith Date

Cc: Beth Springer
Niko Lahanas
Joyce McCarthy
Robert Boyce

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Subsequent EventsIn order to take an active role in the prevention of insider trading violations by its described in this Memorandum.

Acquisition: **Adoption of TDBBS Insider Trading Policy.**

On November 3, 2023The Company has adopted the Insider Trading Policy attached to this Memorandum ("Information"). The Policy covers officers, directors and all other employees of, or consultants or contractors to be delivered to all new employees and consultants who are likely to have access to significant financial information via email to all employees noted as insiders. As a provider condition of premium natural dog chews employer

II. Designation of Certain Persons.

A. **Section 16 Individuals.** The Company has determined that those persons listed on Attachment C 1934, as amended (the “1934 Act”) and the rules and regulations promulgated thereunder (“Section 16 Individuals”) resignation or departure of current officers or directors.

B. **Other Persons.** On an ongoing basis, the Company will determine that certain persons, together with their duties, such persons have, or are likely to have, regular access to Inside Information. The Company will have access to Inside Information for approximately \$60 million. The addition of TDBBS will expand the Company's ability to enhance Central's eCommerce and digital capabilities. the preclearance procedure described in Section IV.A. E.

III. Appointment of Compliance Officer.

The Company has appointed its Chief Financial Officer (or such officer's designee) as the Company's Internal Auditor.

IV. Duties of Compliance Officer.

The duties of the Compliance Officer, directly or through his designees, shall include, but not be limited to:

A. Preclearing all transactions involving the Company's securities by those individuals listed on Attachment C and Rule 144 promulgated under the Securities Act of 1933, as amended.

B. Assisting in the preparation and filing of Section 16 reports (Forms 3, 4 and 5) for all Section 16 Individuals.

C. Serving as the designated recipient at the Company of copies of reports filed with the SEC by Section 16 Individuals.

D. Mailing periodic reminders to all Section 16 Individuals regarding their obligations to report.

E. Performing periodic cross-checks of available materials, which may include Forms 3, 4 and 5, F&O reports, and other documents, to ensure compliance with the Company's Insider Trading Policy. The Company will direct its directors and others who have, or may have, access to Inside Information.

F. Posting the Insider Trading Policy on the Company's Intranet and circulating the Policy (and/or a summary of the policy) to all Section 16 Individuals and other persons who in the normal course of their duties have or are likely to have regular access to Inside Information. The Company will require a signed acknowledgment of receipt of the policy (Attachment B) periodically from all recipients.

G. Assisting the Company's Board of Directors in implementation of the Policy and Sections I and II of the Company's Code of Conduct.

October 2024

This Policy provides guidelines to employees, officers and directors of Central Garden & Pet Company

This Policy applies to all transactions in the Company's securities, including common stock, options for securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded funds and its subsidiaries, if any, who receive or have access to Material Nonpublic Information (as defined below). This Policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as

It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired by an Insider.

It is not possible to define all categories of material information. However, information should be regarded as material if it is likely to have a significant effect on the market price of the Company's securities.

While it may be difficult under this standard to determine whether particular information is material, the following list includes:

- Financial results
- Projections of future earnings or losses
- Sales forecasts
- News of a pending or proposed merger
- News of the disposition of a subsidiary
- Impending bankruptcy or financial liquidity problems
- Gain or loss of a substantial customer or supplier
- Changes in dividend policy
- New product announcements of a significant nature
- Significant product defects or modifications
- Significant pricing changes

- Stock splits
- New equity or debt offerings
- Acquisitions
- Significant litigation exposure due to actual or threatened litigation
- Major changes in senior management.

Either positive or negative information may be material.

Nonpublic information is information that has not been previously disclosed to the general public and is

- 1. Trading on Material Nonpublic Information.** No director, officer or employee of, or consultant or advisor to, the Company, shall, directly or indirectly, purchase or sell, or otherwise deal in, any of the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the time of public disclosure of that information, or at such time as such nonpublic information is no longer material. As used in this provision, "material" means information that is reasonably likely to have a material effect on the market price of the Company's securities.
- 2. Tipping.** No Insider shall disclose Material Nonpublic Information (commonly referred to as "tipping") to any person, unless such disclosure is made in the course of a bona fide business transaction or otherwise in connection with a bona fide business relationship, and such information relates, nor shall such Insider or related person make recommendations or express opinions concerning the Company's securities.
- 3. Confidentiality of Nonpublic Information.** Nonpublic information relating to the Company is the property of the Company and shall not be disclosed to any person, except as required by law or as otherwise provided in this Agreement.

- 1. Liability for Insider Trading.** Insiders may be subject to penalties of up to \$1,000,000 and up to ten years in prison for trading on material non-public information. Insiders may also be liable for civil damages and disgorgement of profits.
- 2. Liability for Tipping.** Insiders may also be liable for improper transactions by any person (commissions on the basis of such information as to trading in the Company's securities. The Securities and Exchange Commission and the National Association of Securities Dealers, Inc. use sophisticated electronic surveillance techniques to uncover insider trading.
- 3. Possible Disciplinary Actions.** Employees of the Company who violate this Policy shall also be subject to disciplinary action, up to and including termination of employment.

From time to time, the Company may also recommend that directors, officers, selected employees and transaction involving the purchase or sale of the Company's securities during such period and should not disclo

The purpose behind the "trading window" period is to help establish a diligent effort to avoid any improp engage in any transactions in the Company's securities until such information has been known publicly for a window should **not** be considered a "safe harbor," and all directors, officers and other persons should use goo

2. **Preclearance of Trades.** The Company has determined that all officers and directors of the Comp and director should contact the Company's Compliance Officer or such officer's designee prior to commencing consultants and contractors other than and in addition to officers and directors.

3. **Individual Responsibility.** Every officer, director and employee has the individual responsibility to The guidelines set forth in this Policy are guidelines only, and appropriate judgment should be exercised in cor

An Insider may, from time to time, have to forego a proposed transaction in the Company's securities economic loss or forego anticipated profit by waiting.

Applic

This Policy and the guidelines described in this Policy also apply to Material Nonpublic Information relat or other services performed on behalf of, the Company. Civil and criminal penalties, and termination of emp Company's Business Partners with the same care required with respect to information related directly to the C

For purposes of this Policy, the Company considers that the exercise of stock options under the Com under the Company's employee stock purchase plan (but not the sale of any such shares) is exempt from this

Rule 10b5-1(c) of the Securities Exchange Act of 1934 provides an affirmative defense against insider completely delegated to a third party, such as an institutional or professional trustee) or pursuant to a written p question may occur at a time when the person is aware of material nonpublic information. The Company may, which the individual entering into the transaction may have material nonpublic information or during black-out p

If you wish to enter into a blind trust arrangement or a pre-arranged trading program, you must notify th which you may be in possession of material nonpublic information. The Company reserves the right to bar Company.

Directors and officers of the Company must also comply with the reporting obligations and limitations c who both purchase and sell the Company's securities within a six-month period must disgorge all profits to receipt of an option under the Company's option plans, nor the exercise of that option, nor the receipt of stock **no officer or director may ever make a short sale of the Company's stock**, or an equivalent transaction, compliance with Section 16 and its related rules.

No short sales of the Company securities. You may not engage in short sales of the Company securities, which are transactions whereby a person will benefit from a decline in the price of the securities, and the Company benefits from the decline.

No trading in derivatives of the Company. You may not trade in derivatives of the Company's securities.

No hedging transactions. Certain forms of hedging or monetization transactions may offset a decrease in the risks and rewards of ownership. The Company believes that such transactions separate the holder's interests (forward contracts, equity swaps, collars or exchange funds) or otherwise engaging in any transactions that hedge

Limited use of standing orders. Standing orders should be used only for three business days. A stand order executed by the broker when you are aware of material nonpublic information may result in unlawful insider trading.

Please direct your questions as to any of the matters discussed in this Policy to Bradley G. Smith, the C

The undersigned certifies that he or she has read, understands and agrees to comply with Central Garde discretion, for violation of the Company's policy, and that the Company may give stop-transfer and other instr its Policy. The undersigned acknowledges that one of the sanctions to which he or she may be subject as a re:

Dated: Signature:

Printed Name:

The following table sets forth certain information concerning the principal subsidiaries of the Company.

Name

A.E. McKenzie Co. ULC
All-Glass Aquarium Co., Inc.
Aquatrica Tropicals
Arden Companies, LLC
B2E Corporation
B2E Biotech, LLC
B2E Microbials, LLC
B2E Manufacturing, LLC
Bell Nursery Holdings, LLC
Blue Springs Hatchery
C&S Products Co., Inc.
D&D Commodities Limited
Farnam Companies, Inc.
Ferry-Morse Seed Company
Flora Parent, Inc.
Florida Tropical Distributors
Four Paws Products, Ltd.
Four Star Microbial Products, LLC
Gro Tec, Inc.
Gulfstream Home & Garden, Inc.
Howard Johnson's Enterprises, Inc
Hydro-Organics Wholesale
IMS Comercializadora Y Fabricacion DE Calidad SA DE CV
IMS Southern, LLC
IMS Trading, LLC
IMS Trading Mexico
Interpet Limited
K&H Manufacturing, LLC
Kaytee Products, Inc.
Livingston Seed Company
Marteal, Ltd.
Matson, LLC
New England Pottery, LLC
Nexgen Turf Research, LLC
P&M Solutions, LLC
Pennington Seed, Inc.
Pets International, Ltd.
Plantation Products, LLC
Seed Holdings
Segrest, Inc.
Segrest Farms
Sun Pet

Sustainable Agrico LLC
TFH Publications, Inc.
Wellmark International

The names of certain subsidiaries have been omitted because such subsidiaries, considered in the aggregate, would not exceed 10% of the Company's total assets.

The following subsidiaries of Central Garden & Pet Company (the "Company") were, as of September 30, 2023 September 28, 2024, less than 10% of the Company's \$300 million aggregate principal amount of 5.125% senior notes due February 2028.

NAME OF GUARANTOR SUBSIDIARY

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
Bell Nursery Holdings, LLC
Bell Nursery USA, LLC
Blue Springs Hatchery, Inc.
BRP Hold Nightingale, LLC
BRP Hold Ox, LLC
C&S Products Co., Inc.
D & D Commodities Limited
Farnam Companies, Inc.
Ferry_Morse Seed Company
Flora Parent, Inc.
Florida Tropical Distributors International, Inc.
Four Paws Products, Ltd.
Gro Tec, Inc.
Gulfstream Home & Garden, Inc.
Hydro-Organics Wholesale
IMS Southern, LLC
IMS Trading, LLC
K&H Manufacturing, LLC
Kaytee Products, Incorporated
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.

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
TDBBS, LLC
T.F.H. Publications, Inc.
Wellmark International

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-83022, 333-105965, 333-134055, 333-
statements of Central Garden & Pet Company and the effectiveness of Central Garden & Pet Company's internal contro

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

November 28, 2023 November 27, 2024

I, Mary Beth Springer, Nicholas Lahanas, certify that:

1. I have reviewed this report on Form 10-K for the year ended September 30, 2023 September 28, 2024 of Central Garden & Pet Company and have signed below.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact which is 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-14) and we have:

 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed, to be sufficient to prevent or detect, as applicable, the types of errors or omissions which could be made in this report under the supervision of the registrant's other certifying officer and I;
b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed, to provide reasonable assurance that the financial statements of the registrant are presented fairly, in all material respects, 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 such controls and procedures, based on the evaluation as of, and for, the period covered by this report;
d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report, and any such change in internal control over financial reporting has been identified and evaluated by our other certifying officer and I and has been presented in this report.
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 audited financial statements:

 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could reasonably be expected to adversely affect the registrant's ability to file timely and accurate reports under the Exchange Act;
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: November 28, 2023 November 27, 2024

I, Nicholas Lahanas, **Bradley Smith**, certify that:

1. I have reviewed this report on Form 10-K for the year ended **September 30, 2023** **September 28, 2024** 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.
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 of the registrant as of the date of the financial statements.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-14 under the Exchange Act) and for their effectiveness.

 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed, 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, in accordance with accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about whether these controls and procedures are effective;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the report, and the reason for the change.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, in this report:

 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting;
 - 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: **November 28, 2023** **November 27, 2024**

In connection with the accompanying annual report on Form 10-K of Central Garden & Pet Company for the year ended **September 30, 2023** **September 28, 2024**, 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 the registrant.

November 28, 2023 **November 27, 2024**

In connection with the accompanying annual report on Form 10-K of Central Garden & Pet Company for the year ended **September 27, 2023**, and filed with the Securities and Exchange Commission on November 28, 2023, the undersigned, on behalf of the Company, hereby certifies that:

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 the Company.

November 28, 2023 **27, 2024**

1. Purpose

Central Garden & Pet Company (together with its subsidiaries, the "**Company**") is committed to promoting high standards of honesty and integrity in all aspects of its operations. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the **Definitions Exhibit** for the definitions of capitalized terms used throughout this Policy.

2. Miscalculation of Financial Performance Measure Results

In the event of a Restatement, the Company will seek to recover, reasonably promptly, all Recoverable Incentive Compensation from the Covered Person. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will consider all relevant facts and circumstances.

The Company will seek to recover all Recoverable Incentive Compensation that was awarded or paid in accordance with the definition of "Recoverable Incentive Compensation" in the **Definitions Exhibit**, to the extent that the amount that the Compensation Committee determines in good faith should be recouped.

3. Legal and Compliance Violations

Compliance with the law and the Company's Code of Ethics and other corporate policies is a pre-condition to earning Incentive Compensation. If the Company determines that a Covered Person violated the law or breached the Company's Code of Ethics, and the Covered Person had supervisory authority, the Company may, at the direction of the Compensation Committee, seek recovery of all Recoverable Incentive Compensation from the Covered Person. The Compensation Committee, conclude that any unpaid or unvested Incentive Compensation has not been earned and must be forfeited.

In the event of Misconduct, the Company may seek recovery of Recoverable Incentive Compensation even if the Misconduct did not violate the law or breach the Company's Code of Ethics.

¹ Note: This draft policy is designed to address the requirements of Exchange Act 10D-1 and the related Nasdaq listing standards.

In the event of Misconduct, in determining whether to seek recovery and the amount, if any, by which the payment or award should prejudice the Company's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the Company's interests.

4. Other Actions

The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement of amounts paid to a Covered Person.

In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may in its sole discretion determine appropriate discipline as it deems appropriate.

5. No Indemnification or Reimbursement

Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company or any of its affiliates have any obligation to indemnify or reimburse a Covered Person for any potential obligations with respect to Recoverable Incentive Compensation under this Policy.

6. Administration of Policy

The Compensation Committee will have full authority to administer this Policy. Actions of the Compensation Committee pursuant to the Company's bylaws, stock exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary.

7. Other Claims and Rights

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have with respect to any Covered Person. The Company's rights under this Policy will not impact any other rights that the Company or any of its affiliates may have with respect to any Covered Person.

8. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation

The Company will provide notice and seek acknowledgement of this Policy, from each Covered Person, provided that the failure to provide acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation. All Incentive Compensation will be provided to the Covered Person.

9. Amendment; Termination

The Board or the Compensation Committee may amend or terminate this Policy at any time.

10. Effectiveness

Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that is provided to a Covered Person. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company and its affiliates.

11. Successors

This Policy shall be binding and enforceable against all Covered Persons and their successors, beneficiaries, heirs, executors, administrators and assigns.

12. Governing Law

To the extent not preempted by U.S. federal law, this Policy will be governed by and construed in accordance with the laws of the State of New York.

"Applicable Period" means (a) in the case of any Restatement, the three completed fiscal years of the Company immediately preceding (but not including) that a Restatement is required or (ii) the date a regulator, court or other legally authorized entity directs the Company to restate its financial statements; and (b) "Applicable Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately preceding the date the Company's fiscal year begins.

“Board” means the Board of Directors of the Company.

“Compensation Committee” means the Company’s committee of independent directors responsible for executive compensation decisions.

"Covered Person" means (a) in the case of any Restatement, any person who is, or was at any time, during the Applicable Period, the time of the Misconduct. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left the Company

“Effective Date” means October 2, 2023.

"Executive Officer" means the Company's principal executive officer, president, principal financial officer, principal accounting officer, performs a policy-making function, or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs

“Financial Performance Measure” means a measure that is determined and presented in accordance with the accounting principle and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return (and any measures derived therefrom) are not financial performance measures.

"Impracticable." The Compensation Committee may determine in good faith that recovery of Recoverable Incentive Compensation has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to the Nasdaq.

would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company.

"Incentive Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Performance Measure performance goal; bonuses paid solely at the discretion of the Compensation Committee or Board that are leadership) and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more non-financial performance goals; and/or cash awards or other compensation earned solely upon the passage of time and/or attaining one or more non-financial Performance Measures. Notwithstanding the foregoing, in the case of any cash awards or other compensation earned solely upon the passage of time and/or attaining one or more non-financial Performance Measures.

"Misconduct" shall have the same meaning as "Cause" as such term is expressly defined in a then-effective written employment agreement between the Covered Person and the Company, which definition shall include (i) commission of any felony; (ii) attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) commission of any material violation of any contract or agreement between the Covered Person and the Company or of any statutory duty owed to the Company and its affiliates and subsidiaries.

"Received." Incentive Compensation is deemed "Received" in the Company's fiscal period during which the Financial Performance Measure is determined.

"Recoverable Incentive Compensation" means (a) in the case of any Restatement, the amount of any Incentive Compensation Restatement, and (b) in the case of any Misconduct, the amount of any Incentive Compensation (calculated on a pre-tax basis) avoidance of doubt, in the case of any Restatement, Recoverable Incentive Compensation does not include any Incentive Comper performance period for that Incentive Compensation, or (iii) during any period the Company did not have a class of its securitie Compensation Received by a person while serving as an employee if such person previously served as an Executive Officer and the

Compensation is not subject to mathematical recalculation directly from the information in the applicable Restatement, the amount will be determined by the Company based on the reasonable estimate of the amount of compensation that would have been received if the restatement had not been made. The Company will maintain documentation of such determination of that reasonable estimate and provide such documentation to the Covered Person upon request.

"Restatement" means an accounting restatement of any of the Company's financial statements filed with the Securities and Exchange Commission or any state securities authority, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. "Restatement" includes any accounting restatement that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (e.g., if the restatement were made in the current period).

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE C USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAK
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