

Central Garden & Pet · Strategic Capital Allocation

Platform Acquisition Thesis: Consumable / Repeat Velocity

Strategic M&A Dossier
Q4 2026

Central Garden & Pet · Corporate Development

October 2026

Sources: Central Strategy Committee; SEC Form 10-K, Q3 2026

STRATEGIC RECOMMENDATION 01

Executive Recommendation: NaturaPet Labs Platform

Consumable Pet Wellness Delivers Superior Margin Accretion and Repeat Velocity

BALANCE SHEET & CREDIT

Available Firepower

\$2.0B

Exiting low-margin distribution assets lifted Pet gross margin to 40%; cash and ABL credit enable scale M&A.

MASS & PET SPECIALTY

Retail Door Moat

28k+

Plugs immediately into Central's 28,000+ retail doors across Walmart, Target, Chewy, and Petco.

CLINICALLY BACKED WELLNESS

Margin Expansion

+1,500 bps

Functional soft chews avoid commodity food risk while expanding gross margins to 55%+ with repeat cash flow.

PLANT NETWORK INTEGRATION

Capacity Absorption

100%

Absorbs unutilized soft-chew capacity across existing Nylabone and TDBBS manufacturing plants.

Sources: Central Garden & Pet Strategy Ontology (O-Laya Engine)

O-Laya Decision Engine Hurdle Verification: Conditional

Investment Hurdle Criterion	Ontology Axiom Status	Audit Finding
NicheCategoryLeadership (Rank #1 or #2)	✓	Passed
ConsumableRepeatVelocity (>=50% Repeat)	✓	Passed
OmnichannelRetailMoat (>=3 Tier-1 Doors)	✗	Deficient
MarginAccretionHurdle (GM >=40%, EBITDA >=18%)	✓	Passed

Sources: Central CorpDev Integration Playbook

Disciplined 18-Month Execution Horizon and Decision Milestones



**Central Garden & Pet should
proceed with bilateral
acquisition discussions for
NaturaPet Labs.**

Central Garden & Pet Corporate Development · Walnut Creek, CA