

FOR IMMEDIATE RELEASE, 01 AUGUST 2024

Pets at Home Group Plc: Q1 FY25 Trading Statement

for the 16 week period to 18 July 2024

A resilient start to the year; full year guidance maintained

Financial Highlights

- Consumer revenue¹ up 1.5% to £576.6m supported by growing average customer spend and growth in active Pets Club members, up 3% YoY to 8.0m, offsetting the impacts of market normalization, as the pet population stabilizes, and slowing inflation.
- Total Group revenue growth of 1.0% to £441.1m, with Group like-for-like² (LFL) revenue up 0.5%.
 - Vet Group revenue remain strong growing 17.1%, and LFL² of 13.3%, driven by higher average spend and growth in visits, supported by improved clinical capacity and continued strong new customer sign-ups.
 - Retail revenue down -0.8% as expected, with LFL² down -0.8%, with a stronger performance through the second half of Q1 driven by consistent market share gains in key categories confirming that our offer continues to resonate well with consumers. Category trends were broadly consistent with previous quarters.

Business Highlights

- Our digital platform is seeing a positive response from customers, and improved conversion rates show the platform can deliver on our ambitions, leaving us optimistic for the future. We continue to build improved functionality into the platform and build momentum with consumers.
- We continue to grow our subscriptions revenues, now generating 11% of consumer revenue. Pet care plans benefited from strong customer acquisition in Vets during the quarter, while subscriptions in our Retail business are starting to benefit from the improved functionality offered by our new digital platform.
- Our investment program is on track. Year to date we have opened 2 new pet care centres and completed 5 refits including 2 vet extensions. Our Stafford DC continues to support very strong levels of availability and we are on track to transition our online operations this year.
- We continue to win vet talent, with clinical FTE headcount up 6% YoY. The benefits of our unique JV model continue to attract vets and vet nurses to join our practices attracted by the independence, clinical freedom and significant development opportunities we offer.
- We are progressing our sustainability agenda, and in the first quarter we have raised over £1.3m for pet charities, fed over 700k pets for a day through our pet food bank partnership with Blue Cross, and donated over 650 hours to local communities through our Better World Pledge volunteering program.

Current trading and outlook

- We make no change to guidance for FY25 and remain comfortable with current analyst consensus for Group underlying PBT of £144m*. Our H1/H2 profit shape is expected to broadly in line with prior year.
- Sales trends remain in line with expectations, with LFLs expected to improve in future quarters as comparatives ease, we see the benefits of continued strong availability and the benefits of the new platform start to come through.
- Gross margins were resilient through Q1, helped by favorable product mix including own label strength and good performance in some accessories categories such as Health & Wellbeing.
- Our balance sheet remains robust and we are progressing our £25m share buyback.

*Consensus currently £144 m, with a range of £134m to £151m.

Lyssa McGowan, Chief Executive Officer, commented:

We are pleased to have delivered a resilient Q1, with our growth improving through the quarter as our offer continued to resonate well with UK pet owners. The benefits of our investments in logistics, stores and digital are coming through, and our unique joint venture vets continued to deliver differentiated performance, growing visits and attracting new customers, driven by our passionate, independent practice owners.

As ever it is our people, and their unrivalled expertise, that continue to drive our business. I would like to thank our colleagues and vet partners for their ongoing passion and dedication to creating a better world for pets and the people that love them.

Key Performance Indicators

Strategic KPIs	FY25 Q1	FY24 Q1	YoY
Number of active Pets Club members ³ (m)	8.0m	7.8m ⁷	3%
Average Consumer Value ⁴ (£)	176	172	2%
% of Revenue from Subscriptions ⁵ (%)	10.5%	9.6%	9%
Clinical FTE Headcount ⁶ (k)	3.3k	3.1k	6%

1. Consumer revenue includes total revenue across the Group including consumer sales made by Joint Venture vet practices, and therefore differs to the fee income recognised within Vet Group statutory revenue.
2. Like-for-like revenue comprises total revenue in a financial period compared to revenue achieved in a prior period, for stores, omnichannel operations, grooming salons, and vet practices that have been trading for 52 weeks or more.
3. Number of active Pets Club members who transacted across the group in the last 365 days prior to the end of the reporting period.
4. The average spend of active Pets Club members across the group over the last 365 days based on consumer revenue as defined above, rather than statutory revenue.
5. Subscription revenue includes our Flea & Worm, Easy Repeat, Complete Care and Vac4Life plans and is divided by Group consumer revenue.
6. Full time equivalent number of all vets and nurses working across the group, based on standard working hours.
7. Restated from 7.7m reported in Q1 last year

Our next scheduled update will be our FY25 interim results announcement on 27 November 2024.

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About Pets at Home

Pets at Home Group Plc is the UK's leading pet care business, providing pets and their owners with the very best advice, products and care. Pet products are available online or from over 450 pet care centres, many of which also have vet practices and grooming salons. The Group also operates a leading small animal veterinary business, with over 440 veterinary general practices located both in our pet care centres and in standalone locations. For more information visit: <http://petsathomeplc.com/>

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