Building the world’s best pet care platform
Agenda for today

Our vision for the future of pet care
Lyssa McGowan, Chief Executive Officer

An integrated consumer experience
Kathryn Imrie, Chief Consumer Officer

Our unique data and digital platform
William Hewish, Chief Information Officer

Differentiated, sector-leading vets
Louise Stonier, Vet Chief Operating Officer

Scale and category authority
Lisa Miao, Retail Chief Operating Officer

A strong financial framework
Mike Iddon, Chief Financial Officer
Our vision for the future of pet care

Lyssa McGowan
Chief Executive Officer
We have a unique position in a structurally growing market

Structural trends will drive further growth

- **Premiumisation**: Pet owners seeking higher-end products and services for their pets
- **Humanisation**: Human trends such as natural foods and complex healthcare
- **Penetration**: A step change in pet ownership as many of the historic barriers no longer exist

We are the only true complete pet care provider with a 24% share of a £7.2bn UK market

- **Grocery**: £3.4bn
- **Premium**: £1.0bn
- **Accessories**: £2.5bn
- **Grooming**: £0.3bn

- **Food**: 22%
- **PAH market share**
  - Grocery: 12%
  - Premium: 46%
  - Accessories: 48%
  - Grooming: 12%
  - Veterinary: 19%
We are the clear market leader, with a strong platform for growth

A track record of taking share

- 18% market share
- Pets CAGR +11%
- Market CAGR +5%

A leading market position

Strong financials
- Stat Revenue £1.4bn
- PBT £136.4m
- FCF £98.2m

A growing consumer base
- VIP Members 7.7m
- Subscriptions 1.6m
- Vet clients 1.7m

Well-invested infrastructure
- Pet care centres 457
- Groom rooms 339
- Vet practices 444

Supported by our 16,000 skilled and knowledgeable colleagues and partners

Pets at Home consumer revenue vs UK pet care market

FY17 FY23

- Pets at Home consumer revenue
- UK pet care market

Market share

- FY17
- FY23

CAGR

- Pets +11%
- Market +5%
A clear strategy to unify the business and drive us forward

Our purpose
To create a better world for pets and the people that love them

Our vision
To build the world’s best pet care platform

- **Integrated**
  a unified blend of products, services and advice

- **Omnichannel**
  seamlessly connected

- **Consumer-centric**
  an unrivalled experience

Our values

- **Pets**
  To improve the life of every pet in the UK

- **People**
  To be the best employer and developer of talent

- **Planet**
  To make pet care environmentally sustainable
Unified by a shared purpose

Our purpose

To create a better world for pets and the people that love them
A bold, clear, and compelling vision

To build the world’s best pet care platform

**Integrated**
a unified blend of products, services and advice

- Nutrition
- Accessories
- Preventative Care
- Curative Healthcare
- Grooming & Wellbeing
- Adjacencies

**Omnichannel**
seamlessly connected

- Physical petcare centres and practices
- Virtual consultations
- Digital advice and support
- E-commerce, click & collect
- E-pharmacy and telemedicine

**Consumer-centric**
an unrivalled experience

- Seamless and frictionless
- Easy and enjoyable
- Targeted and personalised
- Simple, unified experience across app, online, physical and virtual
Our pet care platform drives differentiated economics

**Integrated**

- a unified blend of products, services and advice

**Omnichannel**

- seamlessly connected

**Consumer-centric**

- an unrivalled experience

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**Delivering economies of scope**

- Category authority and expertise
- Investment cost amortisation base
- Innovation speed and time to market
- Digital and data platform integration

**Driving economies of scale and higher productivity**

- Scale economies (physical, virtual and digital)
- Supply chain, channel and distribution efficiencies
- Clinical and non-clinical productivity (right colleague, right task)

**Fuelling consumer and revenue growth**

- Share of wallet through frequency, cross-sell, upsell and subscriptions
- Lifetime Value and retention
- National brand halo
- Effectively targeted CRM and discounting
Our values underpin everything we do

**Our values**

**Pets**
To improve the life of every pet in the UK

**People**
To be the best employer and developer of talent

**Planet**
To make pet care environmentally sustainable

---

**By being the leading advocate for pet welfare:**
- Adopting the highest welfare and clinical standards for pets in our care
- Providing pet owners with the best products, services and advice
- Using our voice and expertise to advocate for pets
- Being the largest grant giver to pet charities in the UK

**By creating rewarding, sustainable careers in pet care open to everyone:**
- Continuous investment in pet care expertise
- Compelling clinical careers and development opportunities
- Colleagues fully representing our diverse communities

**By leading in sustainable pet food:**
- Environmental impacts on carbon, land use, water and nature
- Innovative sustainable packaging
- Nutritional needs met, affordably
Our strategy will drive compelling growth in sales, profit and FCF

<table>
<thead>
<tr>
<th>A growing market</th>
<th>Consistently taking share</th>
<th>Driving high-quality growth</th>
<th>Reward shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>c4%</td>
<td>c300bps</td>
<td>+10%</td>
<td>£50m</td>
</tr>
<tr>
<td>Forecast market CAGR over the medium term</td>
<td>Market out performance pa, Pets sales CAGR +7%</td>
<td>PBT grows at 10%, FCF to trend towards 70% of PBT</td>
<td>Progressive dividend, further £50m share buyback in FY24</td>
</tr>
</tbody>
</table>
Our new brand world brings it all together

[video not included on web-ready version]
An integrated consumer experience

Kathryn Imrie, Chief Consumer Officer
With 30 years of caring for pets and the people who love them, we know our role

We provide the best products, services and advice to guide pet owners through their pet care journey

We provide everything we know owners need, in an easily accessible way, that suits them.

We positively impact the lives of pets by helping their human be the best owner they can be.

We offer our expertise through trusted and valued advice that helps owners take great care of their pets.

Our insights enable us to personalise the care we offer our pets providing the right solution for them and their owners.

We’re here to support every stage of the pet ownership journey, through all the joys and any challenges too.
More pet owners trust us than anyone else...

70% of pet owners trust us – 7 times that of the nearest competitor
...and we understand their needs better than anyone else

We have the best proprietary data set in the industry with over 10 years of data on 8 million consumers.

Our data insights have already delivered significant value, but we are only getting started.

Incremental sales from VIP CRM +170%
Year One consumer ACV +20%
Touchpoints per consumer 2.6→3.6

VIP Members
Behaviour is predictable and demand is sticky supporting high LTV

Spend is sticky and predictable...

...and we have acquired a lot of new consumers to support 12-15 years of future value

The consumers acquired in the past 3 years give us a 10-15 year growth opportunity
Increasing ACV by just £10 drives £77m of incremental consumer revenue

Growing share of wallet is our greatest opportunity

Drivers of engagement
- Accessories participation: 63%
- Vet participation: 3%
- Own Brand participation: 36%

Lower Quartile
- Average VIP: £160

Second Quartile
- Average VIP: £160

Third Quartile
- Average VIP: £160

Upper Quartile
- Average VIP: £160

Fanatic
- £950

Engagement

ACV
An integrated consumer experience

- We know pet owners best and they trust us for our care and expertise
- We are the only player that can integrate services to provide a complete pet care solution
- Demand is sticky and predictable supporting attractive LTV and cohort dynamics
- Gaining share of wallet is our biggest growth opportunity and we are investing to deliver this
Our unique data and digital platform

William Hewish, Chief Information Officer
Creating a truly integrated omnichannel petcare business

Digital Platform:
- Colleague Device
- Consumer App and Website
- Practice Management System

Physical Platform:
- Pet Care Centre
- Consumer
- Vet Practices
With the foundations built, we are now delivering sustained improvements in consumer experience.

**Data Platform**
- Fully in-housed cloud-based data solution bringing together VIP, ecommerce and clinical data to create our Customer DNA.

**Pets App**
- Bringing together loyalty & shopping with single sign on across Pets & VIP Club.

**Colleague device**
- Our integrated colleague experience, on significantly improved hardware, making day to day tasks simpler and easier.

**Digital Platform**
- Best-in-class components integrated into end-end, modern, holistic, cloud-based digital solution, underpinning the petcare platform.
Our digital capability will deliver a succession of improvements over the next 2 years

**Shopping Relaunch**  
Significantly improved shopping experience, with integrated subscription journey, on our new digital platform

**New PMS Pilot**  
Delivering improved efficiency and clinical productivity

**Single Booking Engine**  
One way to book across Vets, Pets, and Grooming with integrated Pet dashboard

**Joined-up Pet Care**  
One way to manage, subscribe, interact and shop across integrated Vets, Pets, and Grooming App

**New PMS rollout**  
Real time data in a modern cloud-based practice system

**Integrated Pet Care experience**  
Personalised 1:1 experience, bringing together all your petcare needs digitally, physically and virtually, powered by data and AI
Our unique data and digital platform

- Our digital and data investment is core to our plan and is a key enabler for growth
- We have already delivered a lot and there is much more to come
- We have a clear plan ahead to create a truly joined up pet care experience across our digital and physical assets
Differentiated, sector-leading vets

Louise Stonier
Vet Chief Operating Officer
Our full service, primary care veterinary business is a clear differentiator in the sector

Clinical freedom within full service practices

Creating value for our partners through our unique JV model

Significant scale as one of UK’s largest providers

68% of revenue from curative procedures

£36m Dividends drawn by partners in FY23

69% of practices co-located within a pet care centre
Our unique JV model delivers superior returns across the partnership

**JV model delivers sector-leading financial outcomes**

<table>
<thead>
<tr>
<th></th>
<th>Corporate competitor</th>
<th>JV practice (debt free)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average practice sales</td>
<td>£1.1m</td>
<td>£1.4m</td>
</tr>
<tr>
<td>Average practice EBITDA</td>
<td>£220k</td>
<td>£420k</td>
</tr>
<tr>
<td>Average dividend payment to JVP</td>
<td>n/a – unique to JV model</td>
<td>&gt;£150k</td>
</tr>
<tr>
<td>Capital value to JVP at exit</td>
<td>n/a – unique to JV model</td>
<td>JVP realises full capital value</td>
</tr>
</tbody>
</table>

**Driving strong, sustained practice performance**

- **Average practice sales**
  - Corporate competitor: £1.1m
  - JV practice (debt free): £1.4m

- **Average practice EBITDA**
  - Corporate competitor: £220k
  - JV practice (debt free): £420k

- **Average dividend payment to JVP**
  - Corporate: n/a – unique to JV model
  - JV: >£150k

- **Capital value to JVP at exit**
  - Corporate: n/a – unique to JV model
  - JV: JVP realises full capital value

**CAGR**

- +13%
- +58%
- +12%

*Graph showing financial performance with labels for Average practice sales, Average practice EBITDA, and Average fee income to PaH.*
It is now a c£500m consumer revenue business contributing almost half of Group FCF.

Practice growth translating to overall growth....

....and a material contribution to the group

(FY19 metrics exclude Specialist Group disposed of in December 2020)
Maturity alone will drive a further 25% growth in practice sales

**Practice Estate**

- **FY23**
  - Average practice sales
  - Average practice EBITDA
  - Average fee income to PaH

- **At Maturity**
  - 36% practice maturity

**Vet Group**

- **FY23**
  - Consumer Revenue
  - Vet Group PBT
  - Vet Group FCF

- **At Maturity**
  - 36% practice maturity

Maturity = practices that are 10+ years old
Maturity also opens up multiple additional growth options for our practices

- Multiple, complimentary levers of growth
- 20+ Extensions in 2024
- 10+ Advanced Practices in medium term
- 5-15 openings per year
- 24hr Hospitals
Together these opportunities will drive significant growth of our vet business.

50% of growth from embedded maturity

50% of growth from strategic investments

+9% CAGR

Consumer Revenue

FY23

Embedded Maturity

Practice Rollout

Practice Extension

Advanced Capabilities

Medium Term
Our pet care platform delivers sustainable competitive advantages for us and our vets to underpin this growth

**Operational and scale benefits**
...driving efficiencies and allowing vets to focus on clinical practice

**Clinical talent development, retention and productivity**
...allowing us to secure critical human capital

**Unique platform services**
...allowing us to effectively grow clients and revenue

- Group purchasing and supplier negotiations
- Support services
- Financial and loans
- Capital and expertise to support growth

- Clinical freedom and value creation
- Recruitment
- Retention
- Productive operating models
- Advocacy and campaigning

- Integrated practice management, data and digital ecosystem
- National brand advertising
- Clinical & non-clinical network referrals
- Pricing and subscription expertise
- Virtual and hybrid telecare models
Differentiated, sector-leading vets

- Our vet business is among the best in the industry and our JV model is unique
- Embedded maturity alone will drive a further 25% growth in practice sales
- We have multiple levers to drive growth over and above practice maturity
- There are clear benefits to our vets business and our partners from our pet care platform
Scale and category authority

Lisa Miao
Retail Chief Operating Officer
We have unrivalled scale and reach supported by a profitable, flexible physical estate

<table>
<thead>
<tr>
<th># of pet care centres</th>
<th>Average unexpired lease length</th>
<th>Average rent reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>457</td>
<td>5yrs</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of VIPs within 15m drivetime of a store</th>
<th>% of online orders(^1) collected in store</th>
<th>% of subscription signs ups in store</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>40%</td>
<td>75%</td>
</tr>
</tbody>
</table>

1. Excluding flea & worm and food subscriptions.
We will continue to invest significantly in our physical assets

- 40+ new pet care centres in medium term
- 5–15 new vet practices a year
- 20+ vet extensions in FY24
- 30+ space swaps in FY24
Food anchors our retail growth strategy, driving frequency and spend

Consumers who spend more on food, engage with us more frequently...

...and spend more with us overall

+4x uplift in frequency

+60% uplift in non-food spend

Annual Spend on Food

Annual Frequency

Grooming
Accessories
Vets
We will build on our track record of innovating and growing new and high-value market segments.

We already over index in the fastest growing segment...

- 12% Grocery Food
- 46% Premium Food

...and we are uniquely placed to open up new premium categories.

Frozen & Fresh

+£76m
31% CAGR
Our own brands are a winning proposition and will continue to play a critical role.

We have strong own brand penetration, with lots of opportunity ahead.

- Grocery: 12%
- Bridging: 20%
- Advanced Nutrition: 32%

Own brand offers a winning proposition to us and to consumers:

- Lower Prices: (25)%
- Lower Churn: (5)%
- Higher Volumes: +21%
- Higher Margin: ↑% margin

Our long term supplier partnership will secure supply and drive innovation.
Scale and category authority in accessories gives us clear differentiation and drives superior returns

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value/Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own brand products designed in-house</td>
<td>100%</td>
</tr>
<tr>
<td>Product SKUs in extended range</td>
<td>10,000</td>
</tr>
<tr>
<td>Accessories market share</td>
<td>50%</td>
</tr>
<tr>
<td>New products launched in FY23</td>
<td>1,500</td>
</tr>
<tr>
<td>Colleagues in HK sourcing office</td>
<td>25</td>
</tr>
<tr>
<td>Own brand participation</td>
<td>&gt;50%</td>
</tr>
</tbody>
</table>
Our people, and their unrivalled expertise, are at the heart of our business

- **10,000** expert retail colleagues
- **60%** of store managers have >10yrs service
- **85%** of colleagues are pet owners
- **10,000** colleagues awarded shares in FY23
- **80%** of colleagues paid at least Real Living Wage
- **9 months** basic training period, more available via EAYL
Our new DC is onstream and will support more than a decade of growth

A well executed multi-year project, now in operation

Delivering clear operational and commercial benefits

- Single purpose-built 670k sq.ft. facility
- Consolidating legacy infrastructure improves fulfilment capacity and inventory flexibility
- Material reduction in online fulfilment costs
- Operational efficiencies in property overheads, stock holding and warehouse management
- Clear focus on sustainability
- Future proofing our operations, unlocking growth in frozen, fresh, e-pharmacy and other new categories
• Our physical estate gives us unrivalled reach and scale and we will continue to invest
• We create and drive category growth and new revenue opportunities across both nutrition and accessories
• Our people, and their unrivalled expertise, remain at the heart of our business
• Our new distribution centre is now online and will deliver operational and commercial benefits
A strong financial framework

Mike Iddon
Chief Financial Officer
A year of record profits driven by high quality, sustainable growth

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Revenue</td>
<td>£1.8bn</td>
<td>+6.5%</td>
</tr>
<tr>
<td>Group Revenue</td>
<td>£1.4bn</td>
<td>+6.6%</td>
</tr>
<tr>
<td>LFL</td>
<td>+7.9%</td>
<td></td>
</tr>
<tr>
<td>Underlying PBT</td>
<td>£136.4m</td>
<td>+4.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
<th>Value</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF</td>
<td>£98.2m</td>
<td>3.5%</td>
</tr>
<tr>
<td>Net Cash</td>
<td>£54.7m</td>
<td></td>
</tr>
<tr>
<td>CROIC</td>
<td>22.7%</td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>12.8p</td>
<td>+8.5%</td>
</tr>
</tbody>
</table>

1. All YoY growth metrics presented on a 52 week vs 53 week basis.
Profit growth into FY24 held back by external headwinds

- £136.4m
- Consensus £136m

Profit growth into FY24 held back by external headwinds:
- Freight
- Foreign exchange
- Additional NLW increase

2023:
- FY23 PBT: £136.4m

2024:
- FY24 pre cost impacts: £136.4m
- Freight
- Foreign exchange
- Additional NLW increase
- Consensus £136m
Our petcare platform strategy drives differentiated economics, delivering attractive returns

- **Integrated**
  a unified blend of products, services and advice

- **Omnichannel**
  seamlessly connected

- **Consumer-centric**
  an unrivalled experience

- Delivering economies of scope
- Driving economies of scale and higher productivity
- Fuelling consumer and revenue growth
Our well invested strategy will continue to drive strong revenue growth

- **£1.0bn** to **£1.8bn**

- **+11% CAGR**

- **+7% CAGR**

- **24% market share**

- **18% market share**

- **18% market share**

- **+7% CAGR**

- **24% market share**

- **+11% CAGR**

- **Consumer Revenue**

- **FY17**

- **FY23**

- **Vet Embedded Maturity**

- **Vet Growth Drivers**

- **Core Retail Growth**

- **New & Refitted Pet Care Centres**

- **Medium Term**

- **Digital Platform**

- **New Distribution Centre**

- **c300bps market out performance per year over medium term**
Profits grow ahead of sales driven by productivity gains, efficiency benefits and operational leverage

Productivity and efficiency benefits underpinned by economies of scope and scale from investment in our digital platform and distribution centres.
Our growth plan is fully funded by targeted and disciplined investment

£400m investment over the medium term (including capital + digital/opex investment)

Capex tapers to a normalised run rate of £50m pa in outer years

Veterinary c15%
75 extensions and new PMS

Pet care centres c40%
40 new sites and 200 refits

Digital and data c40%
Analytics and digital platform

£400m investment over the medium term

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Investment</th>
<th>Opex Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21</td>
<td>£44m</td>
<td>£15m</td>
</tr>
<tr>
<td>FY22</td>
<td>£73m</td>
<td>£24m</td>
</tr>
<tr>
<td>FY23</td>
<td>£105m</td>
<td>£75m</td>
</tr>
<tr>
<td>FY24</td>
<td>c£60m</td>
<td>c£30m</td>
</tr>
<tr>
<td>Medium Term</td>
<td>c£50m</td>
<td>£90m</td>
</tr>
</tbody>
</table>

Medium Term Investment c£600m
Our balanced capital allocation is closely aligned to our strategic priorities

<table>
<thead>
<tr>
<th>Capital Priorities</th>
<th>Over £250m returned to shareholders in the last 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Investment in the business</strong></td>
<td>c£400m investment over medium term, maintaining CROIC at c20%. Run rate of £50m capex pa in outer years.</td>
</tr>
<tr>
<td><strong>2. Ordinary Dividend</strong></td>
<td>Progressive dividend which approximates to 50% of EPS. e.g. Record 12.8p dividend paid in FY23.</td>
</tr>
<tr>
<td><strong>3. M&amp;A</strong></td>
<td>Strategic investments and bolt-on M&amp;A. e.g. Acquisition of The Vet Connection for £15m in FY21.</td>
</tr>
<tr>
<td><strong>4. Surplus Returns</strong></td>
<td>Via share buy backs or special dividends. e.g. further £50m share buy back announced for FY24.</td>
</tr>
</tbody>
</table>

Further returns subject to maintaining a prudent balance sheet whilst not constraining the business.
Our financial framework will reward shareholders with compounding growth and strong cash flow

1. Grow sales ahead of the market
   +7%
   CAGR sales growth, 300bps ahead of market (c4%)

2. Grow profit ahead of sales
   +10%
   Grow PBT at 10% CAGR over medium term

3. Drive strong, improving FCF
   c70%
   FCF conversion to trend towards 70% of PBT

4. Reward shareholders
   £50m
   Progressive dividend, further £50m share buyback in FY24
Building the world’s best pet care platform
Questions
<table>
<thead>
<tr>
<th>FY24 Outlook</th>
<th>Revenue</th>
<th>Inline with medium term ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY24 Outlook</td>
<td>Underlying PBT</td>
<td>Inline with current consensus¹</td>
</tr>
<tr>
<td>FY24 Outlook</td>
<td>Investment</td>
<td>c£90m (£60m capital + £30m digital/opex)</td>
</tr>
<tr>
<td>FY24 Outlook</td>
<td>Effective Tax Rate</td>
<td>26%</td>
</tr>
</tbody>
</table>

1. Current company-compiled consensus for FY24 full-year underlying pre-tax profit is £136m with a range of £127-£142m.
## FY23 Revenue

<table>
<thead>
<tr>
<th>Group</th>
<th>Revenue (£m)</th>
<th>FY23</th>
<th>FY22</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>1,404.2</td>
<td>1,317.8</td>
<td>6.6%</td>
</tr>
<tr>
<td>Like-for-like</td>
<td></td>
<td>7.9%</td>
<td>15.8%</td>
<td></td>
</tr>
</tbody>
</table>

### Retail

<table>
<thead>
<tr>
<th>Revenue (£m)</th>
<th>FY23</th>
<th>FY22</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>744.8</td>
<td>668.8</td>
<td>11.4%</td>
</tr>
<tr>
<td>Accessories</td>
<td>486.4</td>
<td>490.6</td>
<td>(0.9)%</td>
</tr>
<tr>
<td>Other</td>
<td>47.5</td>
<td>47.5</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>1,278.7</td>
<td>1,206.9</td>
<td>5.9%</td>
</tr>
<tr>
<td>Like-for-like</td>
<td>7.5%</td>
<td>15.8%</td>
<td></td>
</tr>
</tbody>
</table>

### Vet Group

<table>
<thead>
<tr>
<th>Revenue (£m)</th>
<th>FY23</th>
<th>FY22</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee income from JV vet practices</td>
<td>77.2</td>
<td>69.9</td>
<td>10.4%</td>
</tr>
<tr>
<td>Company managed practices</td>
<td>37.5</td>
<td>31.2</td>
<td>20.4%</td>
</tr>
<tr>
<td>Other veterinary income</td>
<td>8.1</td>
<td>7.3</td>
<td>10.8%</td>
</tr>
<tr>
<td>Total</td>
<td>122.8</td>
<td>108.4</td>
<td>13.3%</td>
</tr>
<tr>
<td>Like-for-like</td>
<td>13.4%</td>
<td>17.1%</td>
<td></td>
</tr>
</tbody>
</table>

All FY22 figures are presented on a 53-week basis.

1. Includes revenue generated from The Vet Connection within our Central operating segment, not shown here
2. Includes revenue from grooming services, pet sales and insurance commissions
3. Revenue from company managed practices, which is recognised in full from the point they become wholly owned
4. Includes income generated from non-revenue based fees such as those relating to the set up of new practices, income generated from the sale of company managed practices, and other supplier income
## FY23 Profit

All FY22 figures are presented on a 53-week basis.

1. FY23 non-underlying items of £10.1m relate to transition costs relating to our new distribution centre, costs of £2.7m relating to restructuring of certain support functions, and £0.1m relating to aborted project costs, all allocated against non-underlying operating costs. FY23 non-underlying cost of £1.0m relate to transition costs relating to our new distribution centre, recognised within non-underlying interest charge.

2. FY22 non-underlying credit of £0.1m relates to the release of a provision held against property leases allocated against non-underlying gross margin. FY22 non-underlying cost of £19.2m relating to disposal of the Specialist Group, allocated against non-underlying operating costs. FY22 non-underlying cost of £0.7m relating to loan fees written off upon refinancing of our revolving credit facility, allocated against non-underlying interest charge.

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>FY22</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying PBT</td>
<td>136.4</td>
<td>130.1</td>
<td>4.8%</td>
</tr>
<tr>
<td>Non-underlying items$^{1,2}$</td>
<td>(13.9)</td>
<td>18.6</td>
<td>n/a</td>
</tr>
<tr>
<td>Statutory PBT</td>
<td>122.5</td>
<td>148.7</td>
<td>(17.7)%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>FY22</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying PBT margin</td>
<td>9.7%</td>
<td>9.9%</td>
<td>(16)bps</td>
</tr>
<tr>
<td>Underlying basic EPS (pence)</td>
<td>22.8</td>
<td>21.2</td>
<td>7.6%</td>
</tr>
<tr>
<td>DPS (pence)</td>
<td>12.8</td>
<td>11.8</td>
<td>8.5%</td>
</tr>
</tbody>
</table>
## FY23 Investment

<table>
<thead>
<tr>
<th>Activity</th>
<th>FY23</th>
<th>FY22</th>
<th>Spend includes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investing in our Supply Chain</td>
<td>43.7</td>
<td>10.4</td>
<td>Development of new distribution facility</td>
</tr>
<tr>
<td>Digitising the Business</td>
<td>37.8</td>
<td>30.9</td>
<td>Enhancing data capabilities, Project Polestar</td>
</tr>
<tr>
<td>Store Refit Programme</td>
<td>17.5</td>
<td>17.2</td>
<td>Ongoing store refurbishment</td>
</tr>
<tr>
<td>Vet Group</td>
<td>4.1</td>
<td>5.8</td>
<td>Systems and TVC</td>
</tr>
<tr>
<td>New Stores and Groomers</td>
<td>1.8</td>
<td>5.1</td>
<td>2 new groomers opened</td>
</tr>
<tr>
<td>Other</td>
<td>0.3</td>
<td>3.7</td>
<td>Includes maintenance</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td><strong>105.2</strong></td>
<td><strong>73.1</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Investment</strong></td>
<td>75.3</td>
<td>49.1</td>
<td></td>
</tr>
<tr>
<td><strong>Digital Investment (Opex)</strong></td>
<td>29.9</td>
<td>24.0</td>
<td></td>
</tr>
</tbody>
</table>
## FY23 Free cashflow

<table>
<thead>
<tr>
<th>£m</th>
<th>FY23</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group operating cashflow(^1)</strong></td>
<td>205.6</td>
<td>200.3</td>
</tr>
<tr>
<td><strong>Tax and interest</strong></td>
<td>(16.0)</td>
<td>(34.2)</td>
</tr>
<tr>
<td><strong>Debt issue costs</strong></td>
<td>(0.1)</td>
<td>(3.3)</td>
</tr>
<tr>
<td><strong>Net capex inc. ROU assets</strong></td>
<td>(77.2)</td>
<td>(55.5)</td>
</tr>
<tr>
<td><strong>Purchase of own shares to satisfy colleague options</strong></td>
<td>(14.1)</td>
<td>(12.3)</td>
</tr>
<tr>
<td><strong>Free cashflow</strong></td>
<td><strong>98.2</strong></td>
<td><strong>95.0</strong></td>
</tr>
<tr>
<td><strong>Equity dividend</strong></td>
<td>(58.7)</td>
<td>(48.5)</td>
</tr>
<tr>
<td><strong>Acquisitions(^2)</strong></td>
<td>(0.5)</td>
<td>(1.7)</td>
</tr>
<tr>
<td><strong>Disposals(^3)</strong></td>
<td>-</td>
<td>19.8</td>
</tr>
<tr>
<td><strong>Share buyback</strong></td>
<td>(50.3)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Loan drawdown</strong></td>
<td>23.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td><strong>12.0</strong></td>
<td><strong>64.6</strong></td>
</tr>
<tr>
<td><strong>Total indebtedness</strong></td>
<td><strong>(366.7)</strong></td>
<td><strong>(317.0)</strong></td>
</tr>
<tr>
<td><strong>Lease adjusted leverage</strong></td>
<td>1.5x</td>
<td>1.3x</td>
</tr>
<tr>
<td><strong>£m (excluding lease liabilities)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash</strong></td>
<td><strong>54.7</strong></td>
<td><strong>66.0</strong></td>
</tr>
<tr>
<td><strong>Pre IFRS 16 leverage</strong></td>
<td>(0.3)x</td>
<td>(0.4)x</td>
</tr>
</tbody>
</table>

1. Operating cashflow is calculated as underlying EBITDA before IFRS2 charges and with any change in working capital added back
2. FY23 and FY22 includes investment in certain company managed practices.
3. FY22 includes the cash proceeds in relation to the disposal of the Specialist Group net of fees and cash held upon disposal.
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