

Chair's Statement

Delivering our strategy.



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FY25 has been a challenging but important year for the business. Our two major projects, the optimisation of our distribution network and our digital platform, have been delivered against the backdrop of subdued and volatile consumer demand. With these projects complete our business is well set up for the future.

Ian Burke, Chair

Strategy

A clear purpose runs through Pets at Home – ‘to create a better world for pets and the people who love them’ – and a clear strategy is in place to deliver this.

This strategy is to build an integrated, omnichannel, consumer-centric platform which unifies our unique blend of products, services, and advice, connecting them seamlessly across all channels to deliver an unrivalled experience for consumers. In what has been a challenging year, two key milestones have been delivered that will underpin the business for many years to come.

In March 2024, we initially launched our new digital platform to consumers. While initially disruptive, the team has focused on building functionality through FY25 and enters FY26 with a well-functioning app and website that is expected to drive growth in the business. Early progress has already been seen in subscriptions which represent an important part of the strategy and where the headroom for growth is significant.

In early 2025, the business began the final part of the distribution network optimisation – moving our online sales across to our Stafford DC. By March this was complete and since that point the business has been operating from a single DC.

While significant strategic progress has been made in the year, it has not been without challenge. Across the globe, the pet market has been through a period of subdued growth, while the UK economic backdrop has also been more challenging than many anticipated.

This has impacted our business, but we remain fundamentally strong. We remain the industry leader, the only business that truly integrates product and service, and we finished FY25 with more Pets Club customers, more vets clients and higher customer satisfaction meaning we are well placed for the future.

Our commitment to running a sustainable business is unwavering. Our values and sense of responsibility run deeply through our business and ensure we continue to generate long-term sustainable growth for all stakeholders.

Colleagues

Our colleagues, and their unrivalled skill, passion, and expertise, remain a key strategic advantage. They are the face of our business, and work tirelessly every day to help guide pet owners through their pet care journey.

The last 12 months represent another critical period for the business with important progress made, but also with some challenges. Our colleagues have been central to successfully navigating this and positioning the business well for the future. Personally, and on behalf of the Board, I would like to thank them for their ongoing hard work and dedication.

Governance

During the year, we were delighted to welcome Garret Turley to the Board as an independent Non-Executive Director. Garret is a qualified veterinarian who co-founded and built Pet Doctors, after which he transitioned into private equity focusing on health and education investments.

He also has significant board experience. His experience will be of great value to the business.

We also saw Angelique Augereau step down from the Board as an independent Non-Executive Director.

Dividend

The business continues to be highly cash generative, and despite strong levels of investment, we finish the year in an ‘adjusted net cash’ position.

As such, the Board has recommended a final dividend of 8.3 pence per share, taking the total dividend for the year to 13.0 pence per share. The final dividend will be payable on 16 July 2025 to shareholders on the register at the close of trading on 6 June 2025.

Looking ahead

Looking ahead, the pet care sector remains an attractive market with growth prospects supported by pets increasingly being seen as part of the family. Pets at Home, through our fully integrated omnichannel model, is well positioned to benefit. The significant investments we have made in the business in recent years are now largely complete, but the benefits lie ahead of us. We therefore look to the future with much optimism, and I remain confident that our unique pet care strategy will continue to deliver long-term sustainable value to all our stakeholders.

Ian Burke
Chair
28 May 2025