

Chief Executive Officer's review

Our platform to deliver future growth is now in place.



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The past two years have seen a profound transformation at Pets at Home. We have moved from a business with a strong presence in pet retail and vets, to a true pet care platform.

Lyssa McGowan, CEO

I am tremendously proud of our colleagues and partners for navigating this challenging but critical period which leaves us in a position to look to the future with confidence. While FY26 comes with its own challenges as we digest externally imposed cost headwinds and heightened macro uncertainty, our objective is clear – to deliver outperformance against our underlying markets, across our business.

Our strategy is clear. We are the UK's only complete pet care provider, and our recent transformational investments will provide a platform for outperformance through unlocking new areas of growth in existing and adjacent markets, generating long-term sustainable value for all stakeholders.

FY25 has been a critical year in the delivery of our strategy, completing and bedding in two major investment programmes, our distribution network optimisation and our digital platform. This investment has been critical to futureproof the business and has required significant focus and resource to deliver, against a challenging and uncertain trading backdrop.

With these two key programmes now complete, our focus is now firmly on delivering the omnichannel benefits of these investments across our 8.2m Pets Club members. We will continue to improve our experience and broaden our appeal as we fully integrate vets, grooming and insurance going forward. Our vision is on track to build the world's best pet care platform, bringing together a best-in-class omnichannel retail proposition with our unique blend of services, through an integrated and consumer-centric experience.

An integrated consumer experience

Our new digital platform is now live, completing a key building block of our strategy.

As consumers interact with our platform, we are seeing increased conversion as consumer journeys are simplified, and higher average baskets as consumer engage with new features.

While FY25 was impacted by the transition to the new platform, we have a long track record of growing our online sales. We expect to return to market outperformance in FY26 and beyond as we leverage our improved capability with a particular focus on subscriptions growth and improved mix through growing own brand and accessories participation.

Our Pet Care Centres remain central to our omnichannel experience. High quality assets in their own right, and also providing an important digital halo, with online sales increasing over 25% in areas with a new Pet Care Centre opening. Our new format stores have performed well, with stronger subscription and Pets Club sign-ups,

supporting a broader rollout, with 30 refreshes planned for FY26.

Consumers will continue to benefit as we further enhance our experience, truly integrating our unique blend of products, services and advice. Most importantly, we can begin to use our best-in-class, first party data much more effectively to better meet consumer needs and drive incremental demand.

Growing our recurring revenue streams

Our revenues are increasingly predictable as our business mix improves, with more of our revenues coming from areas such as vets, grooming, and subscriptions. We plan to continue to grow this further with subscription participation still fairly low across our 8.2m Pets Club members and 0.6m non-Pets Club vet clients (of 1.7m total active vet clients).

Spotlight on Sustainability

Acting responsibly has always been at the heart of our business. Our sustainability agenda is fully integrated into our strategy, centred around a shared purpose of creating a better world for pets and the people who love them.

We are proud of the progress we have made this year:

- We have carbon footprinted over 250 of our own brand complete cat and dog food products representing over 65% of own brand complete cat and dog food sales, this is a key enabler to understanding our Scope 3 emissions and prioritising where we take action.
- We have Pet food bank collection points in all our Pet Care Centres, in partnership with the Blue Cross, helping to keep pets in loving homes. In FY25 we collected 1.6m meals bringing the total since this initiative was launched to over 4 million.
- Over 60,000 children attended one of our 'My Pet pals' or 'Scout Association' Pet Care Centre workshops over the course of the year.



For more information:

[Please visit our 2025 Sustainability Report](#)

Chief Executive Officer's review continued

The new digital platform has already unlocked strong growth in Easy Repeat subscriptions, which are +35% YoY. These consumers are showing c50% higher frequency and c50% higher ACV than prior to taking out a plan.

We have also recently launched Easy Repeat sign up in store, with over 1,000 sign-ups a day so far. 75% of these in-store sign-ups are opting for 2-4 weekly frequency vs 80% of online sign-ups being 4-12 weeks. In addition, over 90% of new sign-ups are opting for Click & Collect.

Our headroom for growth remains significant, with only c3% of our 8.2m Pets Club members having an active Easy Repeat subscription compared to over 50% of our vet clients who have a Care Plan. Each 1% of consumers moved onto Easy Repeat would add £10m to our revenues.

Our relaunched Care Plans have been a success in driving practice revenue growth. Our Care Plans contributed 9% to Vet Consumer revenue* growth as our relaunched plans resonated well with consumers and we sold more, higher value plans, increasing the stickiness and predictability of our vet revenues.

Differentiated, sector-leading vets

Our unique JV model has delivered another year of double-digit growth and market share gains. Our vet group is a clear #2 in the UK First Opinion sector and is responsible for 33% of our consumer revenues, over 50% of Group underlying PBT* and the majority of Group Free Cash Flow*.

The Nation's Local Vet. The success of our vets business begins with delivering the best outcomes for consumers and their pets. Our practice owners operate with clinical freedom, build their business with a long term, community focus and compete effectively to grow their consumer base, supported by our national brand, platform and industry leading support.

This shows up in differentiated economics for us and our partners. In FY25:

- We increased our brand consideration by 7pts and delivered a 4pts increase in customer satisfaction from already high levels.
- Average practice revenues grew 12.8% to £1.4m.
- Our JV practices reduced total indebtedness by £6.4m to £24.8m and paid c£46m out to partners in dividends, averaging over £150k per debt-free practice.

This year we surpassed our vets FCF* target of £60m. But the ambitions of us and our partners are not satisfied. We will deliver further growth through embedded maturity, the rollout of new practices, and investments in advanced capabilities and extensions. While we expect recovery in Retail FCF* in future, we expect Vets to continue to contribute the majority of Group FCF*.

Practice maturity is not a constraint on our growth, in FY25 sales growth in our 10+ year old practices was 11%. We have a clear track record of growing practice revenues beyond 10-years old through extensions

and advanced capabilities and plan for c15 further extensions in FY26 and c100 over the medium term.

We also plan to accelerate our openings, delivering >10 in FY26 and c100 over the medium term.

We remain confident and consistent in our view that our unique JV model still insulates us from many areas of the CMA's concern and await the CMA's provisional findings in July 2025.

Insurance

Our new insurance venture will bring a disruptive, Pets branded proposition to the c£2bn pet insurance market. Pet insurance is the largest vertical outside of Pets at Home's current core operations. It is expected, by Mintel, to grow at c4% per annum reaching c£2.5bn by 2029. We have secured an experienced team, who have a 20% minority stake, to build a capital light, Pets at Home insurance proposition leveraging our brand, data and leading consumer base. We will deliver a disruptive consumer experience by leveraging AI to remove key areas of consumer friction.

We expect to incur start-up losses for around 2 years as we move towards launch and begin building our book of business. We expect to reach break-even point during FY28 before generating meaningful profits thereafter. We believe over time the business is capable of contributing c10% of Group Profits.

Strategic highlights

Key elements of our strategy are now complete.

Distribution optimisation complete

All sales channels now being serviced by our single site distribution centre in Stafford.

Winning on vet talent

Improved attraction and retention, more vets driving growth in visits.

Digital platform complete

Fully cut over and functioning well providing the foundations to leverage our Pets Club data to drive an increasingly personalised consumer experience.

Subscription revenues up +30%

Growth across Easy Repeat and Care Plans, our improved offer and functionality is resonating well.

Vet footprint growth & continued investment in Pet Care Centres

3 new vet practices, 15 practice extensions, 4 new Pet Care Centres and 32 Pet Care Centre refits.

Pet Club member growth continues

8.2m active members are now in the Club, up +5%.