

## **Pets at Home Group Plc: FY25 pre-close statement**

Pets at Home Group plc, the UK's leading pet care business, today provides a pre-close update in respect to the 52-week period to 27 March 2025.

### **For FY25:**

- Group underlying profit before tax (PBT) for FY25 is expected to be £133m, in line with previous guidance.
- Q4 trends have been broadly as we planned across Retail and Vets, against a challenging and volatile UK consumer backdrop.
- We finish FY25 with record numbers of Pets Club members, higher customer satisfaction and having grown our clinical talent with more vets and more vet nurses.
- We have successfully completed the transition of online sales to our Stafford distribution centre, meaning we begin FY26 with a single DC, having completed our network optimisation.
- Our new digital platform is also now functioning well, with particularly strong growth in subscriptions.
- The completion of our network optimisation and new digital platform mean we have now fully completed our two major strategic programs, setting our retail business up to return to sales growth and market outperformance in FY26.
- We expect to finish FY25 in a net cash position, after having return c£85m to investors during the year.

### **As we look to FY26:**

- We expect the current market conditions and subdued consumer backdrop to continue into the new financial year.
- In our Vet Group, which now represents more than half of our Group underlying PBT:
  - We expect further progress in underlying PBT albeit against the comparative of the exceptional levels of growth delivered in FY24 and FY25.
  - Going forward we are accelerating the rollout of new practices, and will deliver at least 10 in FY26, together with a further 15 extensions.
  - We now expect the provisional findings of the CMA to be released over Summer 2025, rather than previous expectations of May 2025.
- We will invest c£3m in a new, capital-light insurance proposition which will leverage our best-in-class consumer data, large customer base and leading brand.
- In Retail:
  - Given the uncertain economic backdrop for both demand and inflation, our plan for FY26 assumes subdued UK pet retail market growth continues. Against this, we expect to outperform the market as our investments in digital bear fruit.
  - In this uncertain environment we will focus on what we can control: putting consumers at the heart of our business, being committed to remaining competitive and keeping tight control of our cost base.
  - We are facing cost increases including the externally imposed headwinds of NLW/NICs (c£18m impact) and new packaging regulations (£2m), the rebuild of variable pay (c£10m) and we are investing a further £3m in marketing costs to drive sales.
  - We plan to make significant savings through material cost reduction and productivity initiatives to deliver no more than a 5% increase in operating costs in FY26.
  - The extent to which we can further mitigate cost inflation will depend on the rate of sales growth we are able to deliver, which is dependent on how consumer demand evolves and how inflation comes through.
  - Overall, taking into account our current view of demand and costs we expect Retail underlying PBT to decline year on year.
- Taking all this into account, this would lead to a FY26 Group underlying PBT outcome down year on year, within a range of £115-125m.
- Having gone through a period of significant change in the business over the past 2 years, we are now through this period of disruption and elevated investment. FY26 will see capex return to normalised levels of less than £50m and we do not expect any non-underlying costs.

- We remain highly cash generative and will continue to deploy capital in line with our established framework, remaining committed to our ordinary dividend.

Our next scheduled update will be our FY25 preliminary results announcement on 28 May 2025.

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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: <https://www.petsathomeplc.com/>

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This announcement contains information that is inside information for the purposes of Article 7 of the UK version of Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the Market Abuse Regulation ("MAR")). Upon the publication of this announcement, such information will no longer constitute inside information. Andrew Porteous, the Company's Director of Investor Relations, is the person responsible for making the notification for the purposes of Article 17 of MAR.