



FOR IMMEDIATE RELEASE, 23 JANUARY 2018

Pets at Home Group Plc: Q3 FY18 trading statement

Pets at Home Group Plc (“Pets at Home”) today announces a scheduled trading update for the 12 week period from 13th October 2017 to 4th January 2018, compared with the 12 week period from 14th October 2016 to 5th January 2017.

Financial summary

- Group revenue growth of 9.6% to £223.3m
 - Merchandise revenue growth of 9.0% to £193.4m, including omnichannel revenue up 77% to £13m
 - Services revenue growth of 13.6% to £29.9m, including Joint Venture vet practice income up 19.3% to £12.1m
- Group like-for-like revenue growth of 7.2%
 - Merchandise like-for-like revenue growth of 6.8%, with good performance in store sales, as well as from omnichannel initiatives - Order In-Store and subscription
 - Services like-for-like revenue growth of 10.1%, reflecting strong growth in first opinion and specialist referral vet services
- All financial guidance*, including gross margin expectations, is unchanged

* Refers to financial guidance before exceptional items

Operational summary

- Excellent progress in Merchandise trading, where price repositioning has continued with the addition of further major brands in both dog and cat Advanced Nutrition
- New checkout process launched on the mobile website, delivering significantly improved online conversion and customer experience
- First Opinion vet practices delivering strong growth across both new and mature surgeries
- Opened two Pets at Home superstores, two Vets4Pets practices and five Groom Room salons. On track to deliver full year opening targets of around 10 superstores, 40-50 vet practices and 20-30 grooming salons
- The Barkers store trial has reached its conclusion. Existing stores will be closed over the coming year and exceptional costs of c£2m are expected in the FY18 income statement in relation to lease commitments and the write down of fixed assets

Ian Kellett, Group Chief Executive Officer, commented:

“I’m happy to report further progress in the third quarter, where trading momentum in our Merchandise division built over the Christmas period. In the year since we launched our lower pricing initiatives we have seen a really strong customer response to the investments we have made. At the same time, we continued to deliver strong growth in our veterinary business across both first opinion practices and specialist referral centres. Thanks again to colleagues across the Group who worked incredibly hard to deliver this result.

We again saw the benefits of our omnichannel capabilities, providing customers with innovative and convenient ways to shop, particularly through Order In-Store and subscription services. This unique combination of capabilities are brought to life by our store colleagues who provide the friendly expertise, advice and service that our customers really value.”

Key Performance Indicators

ROLLOUT		Q3 FY17	Q3 FY18
Stores	Number of stores ¹	437	452
	New stores (net)	2	2
Vets	Number of vet practices (total)	411	449
	Of which in-store vet practices	266	296
	Of which standalone vet practices	145	153
	New vet practices (total)	6	2
Groomers	Number of groomers	269	306
	New groomers (net)	11	5
Integrated store units	% of stores with a vet practice and grooming salon	50%	55%
VIP CLUB		Q3 FY17	Q3 FY18
	VIP club active members (m) ²	3.7	3.8
	VIP swipe as % revenue ³	66%	68%

FINANCIALS		Q3 FY17	Q3 FY18	Change	
Revenue	<u>Revenue Split (£m)</u>				
		Merchandise ⁴	177.4	193.4	9.0%
		Services & other ⁵	26.3	29.9	13.6%
		Total Group	203.7	223.3	9.6%
		Merchandise like-for-like growth	(0.5)%	6.8%	
		Services like-for-like growth	7.0%	10.1%	
		Group like-for-like growth ⁶	0.1%	7.2%	
		<u>Revenue Mix (% of total revenues)</u>			
		Merchandise	87.1%	86.6%	(46) bps
		Services & other	12.9%	13.4%	46 bps

¹ Includes Barkers and Whiskers 'n Paws by Pets at Home

² Active defined as customers who have purchased during the past twelve months

³ Average swipe rate of the card at store tills over latest quarterly period

⁴ Includes Food and Accessories revenue from store and online operations

⁵ Includes veterinary Joint Venture fees & other veterinary income, specialist referrals revenue, grooming salon revenue, revenue from pet sales & insurance

⁶ 'Like-for-Like' sales growth comprises total revenue in a financial period compared to revenue achieved in a prior period, for stores, online operations, grooming salons, vet practices & referral centres that have been trading for 52 weeks or more

Investor Relations Enquiries

Pets at Home Group Plc:

+44 (0)161 486 6688

Amie Gramlick, Director of Investor Relations

Media Enquiries

Pets at Home Group Plc:

+44 (0)161 486 6688

Brian Hudspith, Director of Corporate Affairs

Maitland:

+44 (0)20 7379 5151

James McFarlane, Joanna Davidson

About Pets at Home

Pets at Home Group Plc is the UK's leading specialist pet omnichannel retailer and services provider. Pets at Home operates from 444 superstores located across the UK. The Group operates the UK's largest small animal veterinary business with 449 practices, run principally under a Joint Venture model using the Vets4Pets and Companion Care brand names, and four veterinary specialist referral centres. Pets at Home is the UK's leading operator of pet grooming services offered through its 306 grooming salons.

For more information visit: <http://investors.petsathome.com/>