

FOR IMMEDIATE RELEASE, 22 JANUARY 2020

Pets at Home Group Plc: Q3 FY20 Trading Statement

Strong growth in LFL revenue; on track with our plans for FY20

Pets at Home Group Plc, the UK's leading pet care business, today announces a scheduled trading update for the 12 week period from 11 October 2019 to 2 January 2020, compared with the 12 week period from 12 October 2018 to 3 January 2019.

Financial summary

- Group total revenue growth of 7.9% to £255.9m
 - Retail revenue up 7.2%, with omnichannel¹ revenue up 23.4%
 - Vet Group revenue up 14.4%. First Opinion customer sales across all vet practices grew 8.6%, with mature practices growing ahead of the market
- Group like-for-like² revenue growth of 7.2%
 - Retail like-for-like revenue growth of 7.0%, or 12% on a 2-year basis
 - Vet Group like-for-like revenue growth of 8.9%, with like-for-like Joint Venture fee income up 5.6%, reflecting the impact of planned adjustments made to fee arrangements for ongoing Joint Venture practices
- On track with our plans for FY20; financial guidance unchanged³
 - Expectations for Group underlying PBT, before the impact of IFRS16⁴, remain in line with current market consensus⁵
 - Guidance reflects full year impact of Joint Venture fee adjustments, certain pre-openings costs relating to our Specialist Referral division and ongoing investment in new customer acquisition

Strategic highlights

- UK pet care market remains resilient and we continue to take share across both the retail and vet segments, underlining the strength of our complete pet care strategy
- Ongoing investment in our pet care ecosystem is generating continued momentum across key indicators:
 - Number of VIPs who purchased products and a service has grown 24% year-on-year
 - Number of subscription customers⁶ across the Group is now over 850,000
 - We are attracting and retaining even more of the UK's pet lovers, building long-term relationships with over 5.3m VIP members
- Record-breaking performance in Retail, including our biggest ever online and offline trading days and grooming 6,023 dogs in a single day, whilst we also launched a further 9 new format pet care centres during the quarter
- In the Vet Group, underlying performance of Joint Venture First Opinion practices across a range of financial metrics continues to improve, whilst our expansion plans at both Dick White Referrals and our new Specialist Referral centre in Scotland remain on track

Peter Pritchard, Group Chief Executive Officer, commented:

“Our sales performance in the quarter proves once again that by offering convenient and affordable pet care to customers, we can further strengthen our market leading position. Against a backdrop of unprecedented consumer volatility, our continued momentum leaves us very much on track with our plans for the year.”

Conference call

A conference call for analysts and investors will be held at 9am today. To join the call, please dial +44 (0)330 336 9514 and use the participant access code 5151666. A recording will be available at <http://investors.petsathome>

Strategic Key Performance Indicators

	Q3 FY20	Q3 FY19	YoY change
Number of customer transactions (m)	48.4	45.7	5.8%
Customer sales ⁷ from services ⁸	35.4%	33.9%	153 bps
VIP customer sales ^{7,9} (£m)	764.3	597.9	27.8%
Customer sales ⁷ per colleague (£k)	153.0	133.9	14.2%
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Number of stores	453	451	2
Number of grooming salons	316	314	2
Number of Joint Venture First Opinion vet practices	396	455	(59)
Number of company managed First Opinion vet practices	44	20	24

1. Defined as orders placed online at petsathome.com and in-store using our order-in-store service, plus subscriptions to monthly flea & worm treatments via the 'Subscribe & Save' platform
2. Like-for-like growth comprises total revenue in a financial period compared to revenue achieved in a prior period, for stores, omnichannel operations, grooming salons, vet practices and referral centres that have been trading for 52 weeks or more
3. Refers to financial guidance as disclosed during FY20 interim results on 26 November 2019, which was provided on a pre IFRS16 basis
4. The impact of IFRS16 is expected to reduce Group underlying profit before tax by c£6-7m in FY20
5. Current company compiled analyst estimates for FY20 Group underlying profit before tax have a mean of £93m, with a range between £87m and £101m
6. Defined as customers signed up to a Vet Group health plan, omnichannel subscription platforms Easy Repeat and Subscribe & Save, or Bubble Bundle
7. Includes gross customer sales made by JV vet practices, rather than fee income recognised within Vet Group revenue
8. Defined as gross customer sales made by JV vet practices, revenue from our Specialist Referral centres and company managed vet practices, grooming services, subscriptions, pet sales and pet insurance commissions
9. VIP customer sales are shown on a rolling 12 month basis rather than a year-to-date basis

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About Pets at Home

Pets at Home Group Plc is the UK's leading pet care business; our commitment is to make sure pets and their owners get the very best advice, products and care. Pet products are available online or from our 453 stores, many of which also have vet practices and grooming salons. Pets at Home also operates a UK leading small animal veterinary business, with 440 First Opinion practices located both in our stores and in standalone locations, as well as four Specialist Referral centres. For more information visit: <http://investors.petsathome.com/>

Disclaimer

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Certain statements in this trading statement constitute forward-looking statements. Any statement in this document that is not a statement of historical fact including, without limitation, those regarding the Company's future plans and expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this statement. As a result you are cautioned not to place reliance on such forward-looking statements. Nothing in this statement should be construed as a profit forecast.