

## Pets at Home Group Plc Q3 FY16 trading update

Pets at Home Group Plc, the UK's leading specialist retailer of pet food, accessories, pet-related products and services, today announces a scheduled Q3 FY16 trading update. Unless otherwise stated, this reflects the 12 week period from 9<sup>th</sup> October to 31<sup>st</sup> December 2015, compared with the 12 week period from 10<sup>th</sup> October 2014 to 1<sup>st</sup> January 2015.

### Q3 FY16 financial summary

- Like-for-like sales (LFL) growth of 2.2%\*
  - Merchandise LFL growth of 1.7%\*, with strength in Advanced Nutrition, omnichannel and recovering sales in Health & Hygiene
  - Services LFL growth of 8.5%\*, driven by strong performance in vet and grooming services
- Total revenue growth of 7.1% to £195.1m
  - Merchandise revenues up 5.4% to £177.3m
  - Services revenues up 27.4% to £17.8m, with fee income from Joint Venture veterinary practices up 16.3% to £7.5m
- Financial outlook for FY16 remains in line with current expectations

*\*Q3 FY16 benefits from one fewer bank holiday than the prior year, closing on New Years Eve, compared with Q3 FY15 which closed on New Years Day when the majority of stores are closed. Our LFL growth calculation removes this benefit and compares the 12 weeks from 9 Oct 2015 to 31 Dec 2015, with the 12 weeks from 9 Oct 2014 to 31 Dec 2014*

### Q3 FY16 operational summary

- Store and services openings
  - 7 Pets at Home superstores
  - One Barkers store in Sevenoaks, Kent
  - Launch of a trial format in Dorking, branded 'Whiskers 'n Paws by Pets at Home.' A local High Street store focused on dog and cat owners, with a Groom Room salon
  - 15 grooming salons and 6 veterinary practices
  - On track to deliver FY16 rollout targets: 20-25 Pets at Home stores, 5 Barkers, 50-55 vet practices and 55-60 grooming salons
- VIP club
  - Total members of 4.2m, an increase of over 250,000 since Q2 FY16
  - Card swipe rate at store tills 64% of revenues, compared with 61% in the prior year
- Post period end, acquired Anderson Moores, a specialist veterinary referral hospital based in Winchester, Hampshire. Anderson Moores will operate as a standalone brand in the Vet Group, as a shared venture model through which the existing shareholders retain significant equity ownership

### Nick Wood, Chief Executive Officer, commented:

"We are pleased with the improved trading momentum in our Merchandise business, alongside continued strength in our vet and grooming services. We are also delighted with our acquisition of one of the UK's leading specialist hospitals, Anderson Moores, which further develops our presence in this important strategic segment of the veterinary market. I would like to thank all

our colleagues for their hard work through the busy festive period. We look forward to further growth and expansion in 2016.”

### Conference call

A conference call for analysts and investors will be held at 8.30am today. To join the call, please dial + 44 20 3059 8125 and quote ‘Pets at Home’. A recording will be available for seven days on + 44 121 260 4861 (passcode: 2443287#) and at <http://investors.petsathome>

## Key Performance Indicators

ROLLOUT		Q3 FY16	Q3 FY15	H1 FY16	
Stores	Number of stores in period <sup>1</sup>	417	392	408	
	Store openings <sup>1</sup>	9	7	8	
Vets	Number of vet practices	359	308	353	
	Number of standalone vet practices	130	121	130	
	Number of in-store vet practices	229	187	223	
	% of stores with vet	55%	48%	55%	
	New vet practices in period	6	5	15	
	New standalone vet practices	0	0	3	
	New in-store vet practices	6	5	12	
Groomers	Number of groomers <sup>1</sup>	205	161 <sup>2</sup>	190	
	% of stores with groomer	49%	40%	47%	
	New groomers in period <sup>1</sup>	15	8	10	
VIP CLUB		Q3 FY16	Q3 FY15	H1 FY16	
	VIP club members (m)	4.2	2.9	3.9	
	VIP swipe as % revenue <sup>3</sup>	64%	61%	67%	
FINANCIALS		Q3 FY16	Q3 FY15	Change	
Revenue	<u>Revenue Split (£m)</u>				
		Merchandise revenue <sup>4</sup>	177.3	168.2	5.4%
		Services & other revenue <sup>5</sup>	17.8	14.0	27.4%
		Total Group revenue	195.1	182.2	7.1%
		Like-for-like growth <sup>6</sup>	2.2% <sup>7</sup>	4.1%	
		Merchandise like-for-like growth	1.7% <sup>7</sup>	3.4%	
		Services like-for-like growth	8.5% <sup>7</sup>	15.6%	
		<u>Revenue Mix (% of total revenues)</u>			
		Merchandise	90.9%	92.3%	(146) bps
		Services & other	9.1%	7.7%	146 bps

<sup>1</sup> Includes Barkers and Whiskers ‘n Paws by Pets at Home

<sup>2</sup> Re-stated to include an additional grooming salon located in Barkers of Wilmslow

<sup>3</sup> Average swipe rate over latest quarterly period

<sup>4</sup> Includes Food and Accessories revenue from our store and online operations

<sup>5</sup> Includes veterinary Joint Venture fees and other veterinary income, grooming revenue, revenue from live pet sales and insurance commission

<sup>6</sup> ‘Like-for-Like’ sales growth comprises total sales/fee revenue in a financial period compared to revenue achieved in a prior period, post cannibalisation, for stores, grooming salons and vets that have been trading for 52 weeks. LfL includes revenue from the Group’s online operations

<sup>7</sup> The accounting period for Q3 FY16 has the benefit from one fewer bank holiday during the quarter, when compared with the prior year. The stated LFL growth removes this benefit and compares the 12 weeks from 9 Oct 2015 to 31 Dec 2015, with the 12 weeks from 9 Oct 2014 to 31 Dec 2014

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## **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 413 stores located across the UK. The Group operates the UK's largest small animal veterinary business with 359 practices, run principally under a Joint Venture model using the Vets4Pets and Companion Care brand names, and two specialist referral vet hospitals. Pets at Home is the UK's leading operator of pet grooming services offered through its 205 grooming salons. The Group also operates 4 specialist High Street based dog stores, called Barkers, as well as Ride-away, an equine retail business with a superstore and website. For more information visit: <http://investors.petsathome.com/>