



FOR IMMEDIATE RELEASE, 30 JULY 2014

Pets at Home Group Plc: Interim Management Statement

A strong Q1, confident for financial year 2015

Pets At Home Group Plc, the UK's leading specialist retailer of pet food, accessories, pet-related products and services, today announces its Interim Management Statement for the period from 28th March 2014 to date. The financial information disclosed represents the first quarter of the current financial year, a 16 week period to 17th July 2014.

Summary

- Like-for-like sales growth of 4.1%, driven by VIP Club momentum, strength in Advanced Nutrition and Health & Hygiene, and continued growth of our veterinary practices and Groom Rooms
- Like-for-like revenue growth of 18.3% within the Joint Venture veterinary practices, resulting in strong fee income growth within our Services revenues
- Total revenue grew by 10.4% to £210.8m, driven by new store openings and continued strength across Food, Accessories and Services
- Merchandise revenues grew by 9.0% to £192.5m, with 8.8% growth in Food revenues and 9.2% growth in Accessories revenues
- Services revenues grew by 27.3% to £18.3m, reflecting both new openings and the developing maturity of our veterinary practices and Groom Rooms
- VIP Club reached 2.4m members, up from 2m at FY14 end

Strategy update

We have continued to focus on executing our strategy to grow like-for-like sales, maintain space rollout and footprint development, and drive gross margin improvement.

During the first quarter, we opened 10 new stores, 16 veterinary practices and 19 Groom Rooms, including 10 veterinary practice and 9 Groom Room retrofits to existing stores. We continue to expect the growing maturation of our veterinary practices and Groom Rooms to increase Services revenue participation and deliver consequent margin leverage.

Our VIP Club is an important driver of like-for-like sales growth, through targeted marketing communications to our customers, and continues to underpin our differentiated product and services proposition. We saw excellent progress in membership growth, to 2.4 million members, adding 400,000 since year end. VIP card swipes also increased to 57% of store revenues, up from 52% during the final quarter of FY14.

We continue to invest in PetsAtHome.com, extending our website functionality and increasing the range of products. Deliver To Store is in rollout and expected to be fully operational across our store portfolio by the end of August. We now offer over 9,800 SKUs online, which represents an extended range of over 2,900 SKUs when compared to the number of SKUs available in an average superstore.

We also returned to national TV advertising during the quarter and have been pleased with the very positive reaction to 'MyPetMoments', with clips crowd sourced from our customers. The full length online advertisement has now been viewed over 1.2 million times.

Financial position and outlook

Underlying trends during the first quarter were as expected, notwithstanding weaker year on year comparables, when performance was impacted by a sustained period of hot weather.

The performance and returns on new stores, vet practices and Groom Rooms remain in line with our expectations.

A key focus for FY15 remains the delivery of at least 25 new stores, 60 new veterinary practices and 50 new Groom Room salons. Given the strong first quarter performance, continued momentum in our VIP Club, the developing maturity of veterinary practices and Groom Rooms, and plans to further enhance our Advanced Nutrition offering in stores this Autumn, we remain confident in our expectations for the full financial year.

The Group's financial position remains sound.

Nick Wood, Chief Executive Officer, commented:

"We are pleased with the start to our financial year, with first quarter like-for-like growth of 4.1%. Our differentiated offering in the pet retail market, an increasingly seamless approach to omni-channel, and growing customer participation and engagement in our VIP loyalty programme continues to drive strong returns.

Looking ahead, we will continue to seize opportunities to grow and develop Pets At Home and focus on the delivery of our strategy. Given the strong first quarter performance, we remain confident in our expectations for the full financial year."

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: 3115531#) and at <http://investors.petsathome>

Key Performance Indicators

ROLLOUT		Q1 FY15	Q1 FY14	FY14
Stores	Number of stores	386 ¹	349	377
	New stores	10	4	32 ²
Vets	Number of vet practices (total)	293	226	277
	Of which Joint Venture practices	285	216	267
	Of which wholly owned Group Venture practices	8	10	10
	Number of standalone vet practices	119	102	119
	Number of in-store vet practices	174	124	158
	% of stores with vet	45%	36%	42%
	New vet practices (total)	16	18	69
	New standalone vet practices	0	4	22
	New in-store vet practices	16	14	47
	Of which retrofits	10	6	18
Groomers	Number of groomers	148	93	129
	% of stores with groomer	38%	27%	34%
	New groomers	19	6	42
	Of which retrofits	9	3	11
VIP CLUB		Q1 FY15		FY14
	VIP Club members (m)	2.4		2.0
	VIP swipe as % revenue	57% ³		52% ⁴
FINANCIALS		Q1 FY15	Q1 FY14	Change
Revenue	<u>Revenue Split (£m)</u>			
	Merchandise revenue ⁵	192.5	176.6	9.0%
	Services & other revenue ⁶	18.3	14.4	27.3%
	Total Group revenue	210.8	191.0	10.4%
	Like For Like growth ⁷	4.1%	0.2%	
	<u>Revenue Mix (% of total revenues)</u>			
	Merchandise	91.3%	92.5%	(115)bps
Services & other	8.7%	7.5%	115bps	

¹ Store portfolio net of one closure in the period

² F14 openings include new format store, Barkers

³ Average swipe rate over Q1 FY15 period

⁴ Average swipe rate over Q4 FY14 period

⁵ Includes Food and Accessories revenue

⁶ Includes veterinary Joint Venture fees and other income, Groom Room revenue, revenue from live pet sales and insurance commission

⁷ '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

Enquiries

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About Pets At Home

Pets At Home Group Plc is the UK's leading specialist pet retailer and services provider, with a wide omni-channel offering.

Pets At Home operates from 386 stores located across the UK. The Group operates the UK's largest small animal veterinary business with 293 surgeries, run principally under a Joint Venture model using the Companion Care and Vets4Pets brand names. Pets at Home is the UK's leading operator of pet grooming services offered through its 148 Groom Room salons. The Group also owns and operates Ride-away, a specialist equine retail business with a York superstore, website and catalogue. For more information visit: <http://investors.petsathome.com/>