



FOR IMMEDIATE RELEASE, 19 JANUARY 2017

Pets at Home Group Plc Q3 FY17 trading update

Pets at Home Group Plc, the UK's leading specialist retailer of pet food, pet accessories, veterinary and grooming services, today announces a scheduled Q3 FY17 trading update. Unless otherwise stated, this reflects the 12 week period from 14th October 2016 to 5th January 2017, compared with the 12 week period from 9th October to 31st December 2015.

Financial summary

- Group revenue growth of 4.4% to £203.7m
 - Merchandise revenues flat at £177.4m
 - Services revenues up 47.8% to £26.3m, reflecting Joint Venture vet practice fee income up 26.2% to £9.5m and the contribution from newly acquired specialist referral centres
- Group like-for-like revenue growth of 0.1%* reflecting continued strong growth in veterinary services, offset by more subdued trading across the Merchandise business
 - Merchandise like-for-like revenue growth (0.5)%*
 - Services like-for-like revenue growth 7.0%*
- Profit outlook for FY17 remains in line with market expectations

**Q3 FY17 has one fewer trading day than the prior year. The LFL growth calculation removes this difference and compares the 12 weeks from 14 Oct 2016 to 5 Jan 2017, with the 12 weeks from 14 Oct 2015 to 5 Jan 2016*

Operational summary

- Store and services rollout on track, having opened 2 superstores, 6 vet practices and 11 grooming salons. On target to deliver FY17 rollout targets: 15-20 superstores, 45-55 vet practices and 50-60 grooming salons
- VIP club active members 3.7m, an increase of around 280,000 since FY16 year end. Card swipe rate at store tills remained consistent at 66% of revenues
- Integration of our new veterinary specialist referral hospitals progressing well, with best practice & cost benefits already being realised across the business

Ian Kellett, Chief Executive Officer, commented:

“Vet services yet again performed strongly this quarter, where our strategy of providing a quality service to clients across both primary opinion and specialist referral centres is delivering results, and is a platform for continuing strong growth.

In Merchandise, whilst overall sales were softer than anticipated, online grew strongly, reflecting the momentum gained from our investments in seamless shopping. We saw a good performance in our Christmas range, where customers are responding to innovative products at great value for money, which we will reflect in new range launches later this year. We will also focus on delivering best value, starting with a very clear message to customers about the benefits of our high quality, UK produced private label foods, where we will be leveraging our competitive advantage.

With a quarter to go, our profit outlook for the year remains in line with expectations, reflecting both the continued investment in our customer offer and ongoing efficiency initiatives. Our focus on becoming more specialist, and doing the right thing for our customers, remains at the

forefront of our strategy. Our colleagues worked extremely hard over the busy festive period and I want to thank them all for their commitment and dedication.”

Conference call

A conference call for analysts and investors will be held at 8am 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: 5042024#)] and at <http://investors.petsathome>

Key Performance Indicators

ROLLOUT		Q3 FY16	Q3 FY17	H1 FY17
Stores	Number of stores in period ¹	417	437	435
	New stores (gross) ¹	9	2	8
Vets	Number of vet practices (total)	359	411	405
	Number of standalone vet practices	130	145	143
	Number of in-store vet practices	229	266	262
	% of stores with vet	55%	61%	60%
	New vet practices (total)	6	6	17
	New standalone vet practices	0	2	5
	New in-store vet practices	6	4	12
Groomers	Number of groomers	205	269	258
	% of stores with groomer	49%	60%	58%
	New groomers	15	11	18
VIP CLUB		Q3 FY16	Q3 FY17	H1 FY17
	VIP club active members (m) ²	3.3	3.7	3.6
	VIP swipe as % revenue ³	64%	66%	65%

FINANCIALS		Q3 FY16	Q3 FY17	Change
	<u>Revenue Split (£m)</u>			
	Merchandise revenue ⁴	177.3	177.4	0.0%
	Services & other revenue ⁵	17.8	26.3	47.8%
	Group revenue	195.1	203.7	4.4%
Revenue	Group like-for-like growth ⁶	2.2% ⁷	0.1% ⁸	
	Merchandise like-for-like growth	1.7% ⁷	(0.5)% ⁸	
	Services like-for-like growth	8.5% ⁷	7.0% ⁸	
	<u>Revenue Mix (% of total revenues)</u>			
	Merchandise	90.9%	87.1%	(379) bps
	Services & other	9.1%	12.9%	379 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 & Accessories revenue

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

⁶ 'Like-for-Like' sales growth comprises total sales/fee 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

⁷ The accounting period for Q3 FY16 has the benefit of one additional trading day 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

⁸ The accounting period for Q3 FY17 has one fewer trading day during the quarter, when compared with the prior year. The stated LFL growth calculation removes this difference and compares the 12 weeks from 14 Oct 2016 to 5 Jan 2017, with the 12 weeks from 14 Oct 2015 to 5 Jan 2016

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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 429 superstores located across the UK. The Group operates the UK's largest small animal veterinary business with 411 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 269 grooming salons. The Group also operates 7 specialist High Street based dog stores, called Barkers. For more information visit: <http://investors.petsathome.com/>