

A woman with dark hair is lying on her back on a dark blue sofa. She is wearing a grey long-sleeved top and bright orange pants. She is holding a brown dog in her arms and drinking from a white cup. A bright yellow pillow is under her head. Sunlight is streaming in from a window in the background, creating a warm atmosphere. The text "FY25 Interim Results" is overlaid in the center of the image.

FY25 Interim Results

Our strategy remains clear...

Our purpose

To create a better world for pets and the people who love them

Planet

To make pet care environmentally sustainable

Pets

To improve the life of every pet in the UK

People

To be the best employer and developer of pet care talent

Our vision

To build the world's best pet care platform

Integrated

a unified blend of products, services and advice

- Nutrition
- Accessories
- Preventative Care
- Curative Healthcare
- Grooming & Wellbeing
- Adjacencies

Omnichannel

seamlessly connected

- Physical petcare centres and practices
- Virtual consultations
- Digital advice and support
- E-commerce, click & collect
- E-pharmacy and telemedicine

Consumer-centric

an unrivalled experience

- Seamless and frictionless
- Easy and enjoyable
- Targeted and personalised
- Simple, unified experience across app, online, physical and virtual

...and will drive differentiated economics over the long-term

Integrated

a unified blend of products, services and advice



Delivering economies of scope

- Category authority and expertise
- Investment cost amortisation base
- Innovation speed and time to market
- Digital and data platform integration

Omnichannel

seamlessly connected



Driving economies of scale and higher productivity

- Scale economies (physical, virtual and digital)
- Supply chain, channel and distribution efficiencies
- Clinical and non-clinical productivity (right colleague, right task)

Consumer-centric

an unrivalled experience

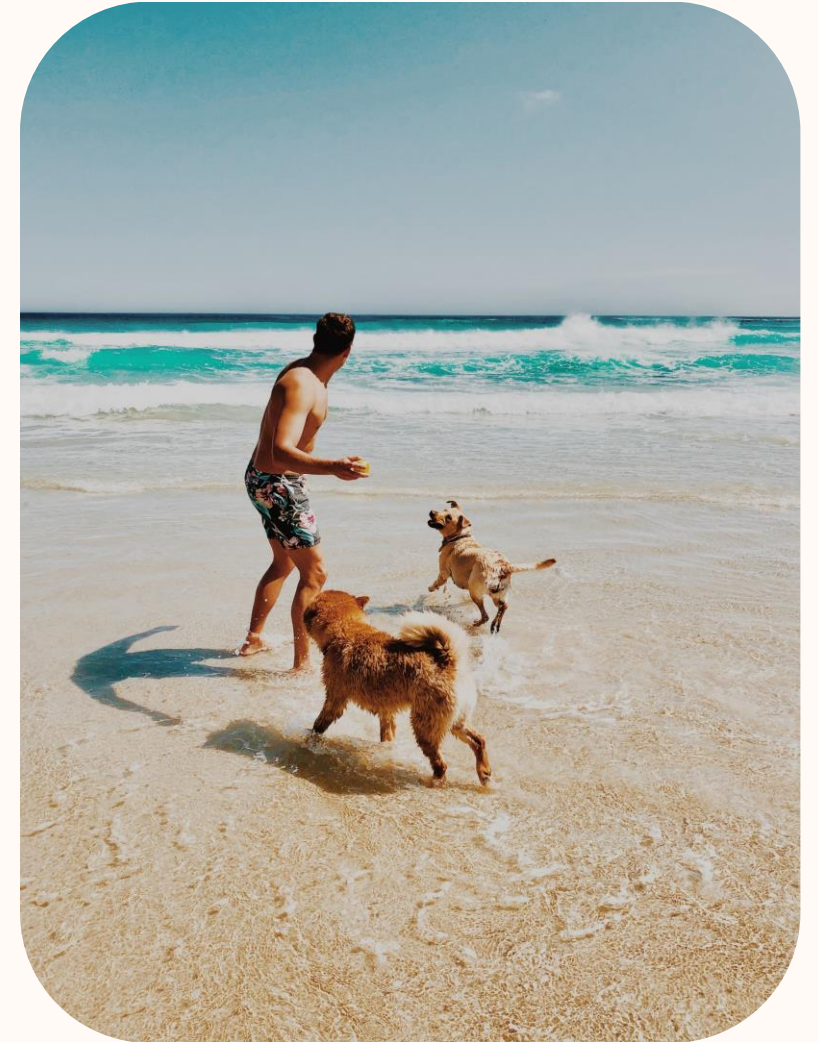


Fuelling consumer and revenue growth

- Share of wallet through frequency, cross-sell, upsell and subscriptions
- Lifetime Value and retention
- National brand halo
- Effectively targeted CRM and discounting

H1 was a period of further strong execution...

- 1** Won share across Retail and Vets growing Pets Club members to 8.1m (+3%) and growing Average Consumer Value to £175
- 2** Transitioned to our new digital platform as planned with encouraging early signs including a near doubling of app sales. Now exited transition phase and building further capability
- 3** Launched (Price Drop & Lock) – targeted price investment delivering strong volume uplifts – and launched of own brand Dog Food ‘Nutribalance’ improving the breadth of our range
- 4** Grew our subscriptions business to 12.4% of revenue, from 9.9% at the start of the year
- 5** Invested in our physical assets – 3 new stores, 2 new vets, 14 refits (includes 7 vet extensions) and launched our new pet care centre format in Brentford & Hull
- 6** Winning on vet talent continues – improved attraction and retention, more vets driving growth in visits
- 7** Fully engaged with the CMA review into the veterinary sector, highlighting the uniqueness of our Practice Owner model
- 8** Progressed our sustainability agenda adding solar panels to our Stafford distribution centre and remaining the largest grant maker to UK pet charities raising over £3m for pet charities



...but against a subdued market backdrop...

	Pets at Home	Market
Vets	13.0%	Slight growth
Retail	0.1%	Slight decline
Total	4.1%	Broadly flat

...meaning we are pleased to have delivered a resilient performance

Financial KPIs

Consumer Revenue	Underlying PBT	FCF	EPS
£1.0bn	£54.5m	£33.1m	7.9p
+4% YoY	+14% YoY	+43% YoY	+52% YoY

Strategic KPIs

Active Pets Club Members	Average Consumer Value	% of Revenue from Subscriptions	Clinical FTE Headcount
8.1m	£175	12.4%	3.5k
+3% YoY	+1% YoY	+25% YoY	+8% YoY

Delivering against our strategy



We have a leading position in an attractive growth market

Structural trends will drive further growth

Premiumisation

Pet owners seeking higher-end products and services for their pets

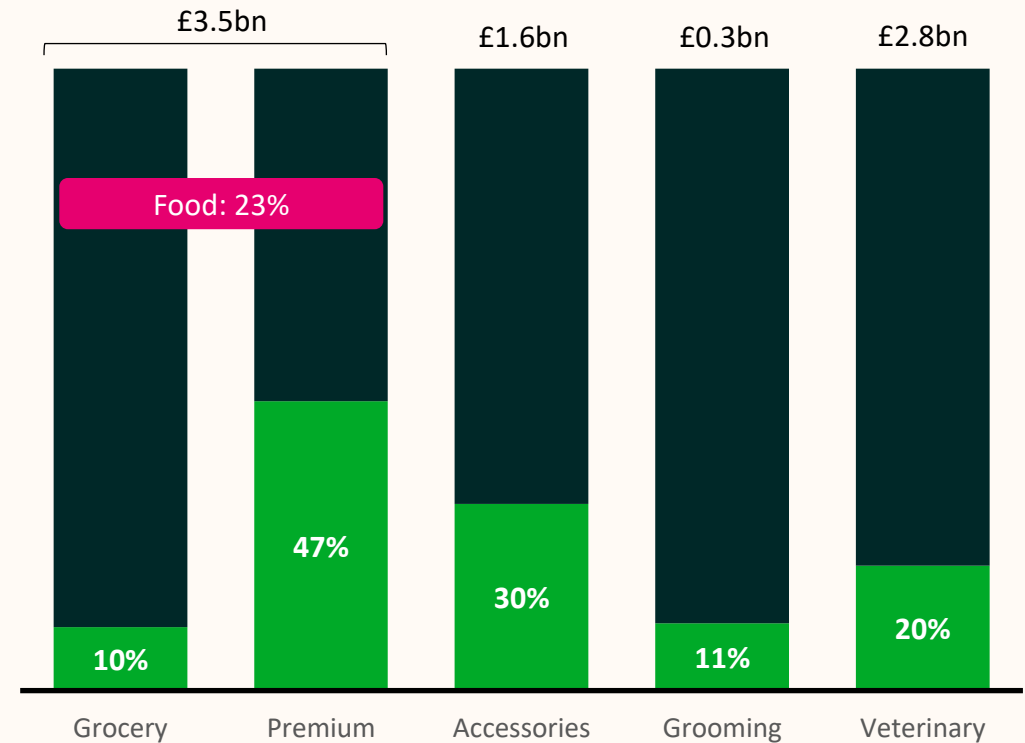
Humanisation

Human trends such as natural foods and complex healthcare

Penetration

A step change in pet ownership as many of the historic barriers no longer exist

We are the only true complete pet care provider with a 23% share of the £8.2bn UK market (2023)



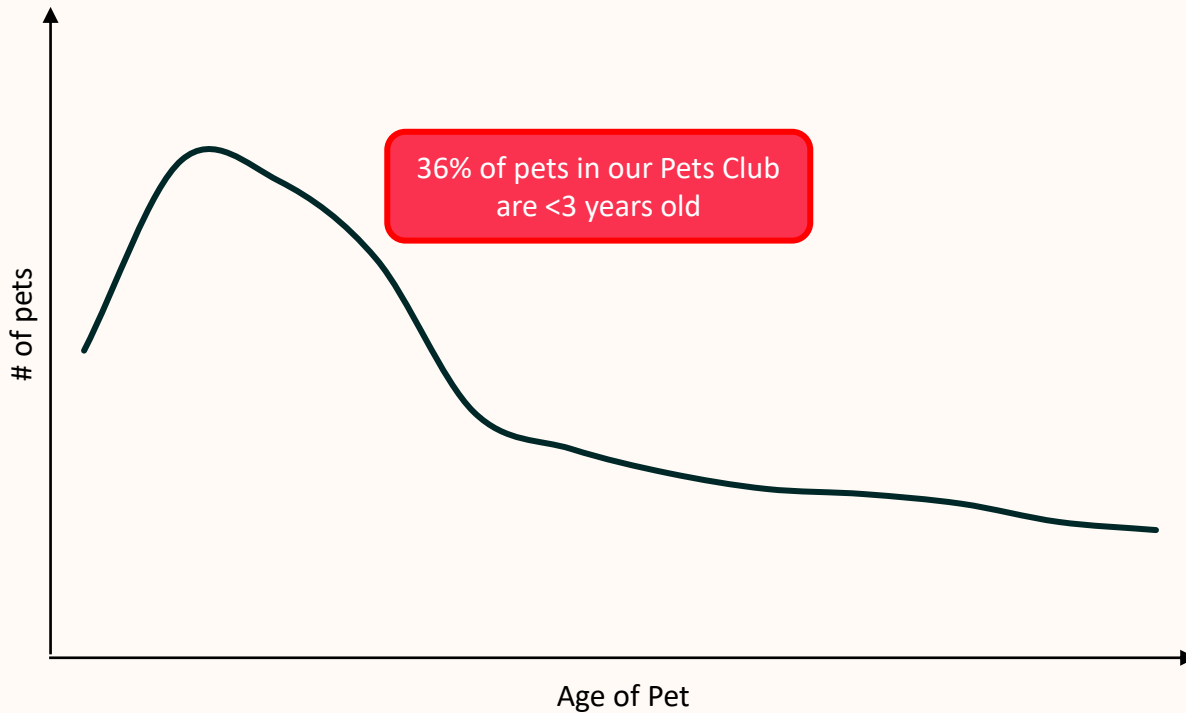
■ PAH market share

But right now market growth is below trend

	Normally	Currently
Normalisation of pet population	Stable pet population has little impact on growth	Puppy & Kitten market down yoy but pet population stable. Temporary drag on growth.
Inflation	Low single digit	No inflation
Premiumisation/humanisation	Structural trend drives mix benefit of 1-2%	Cautious consumer behaviour seeing resilient food spend and slightly lower discretionary spend

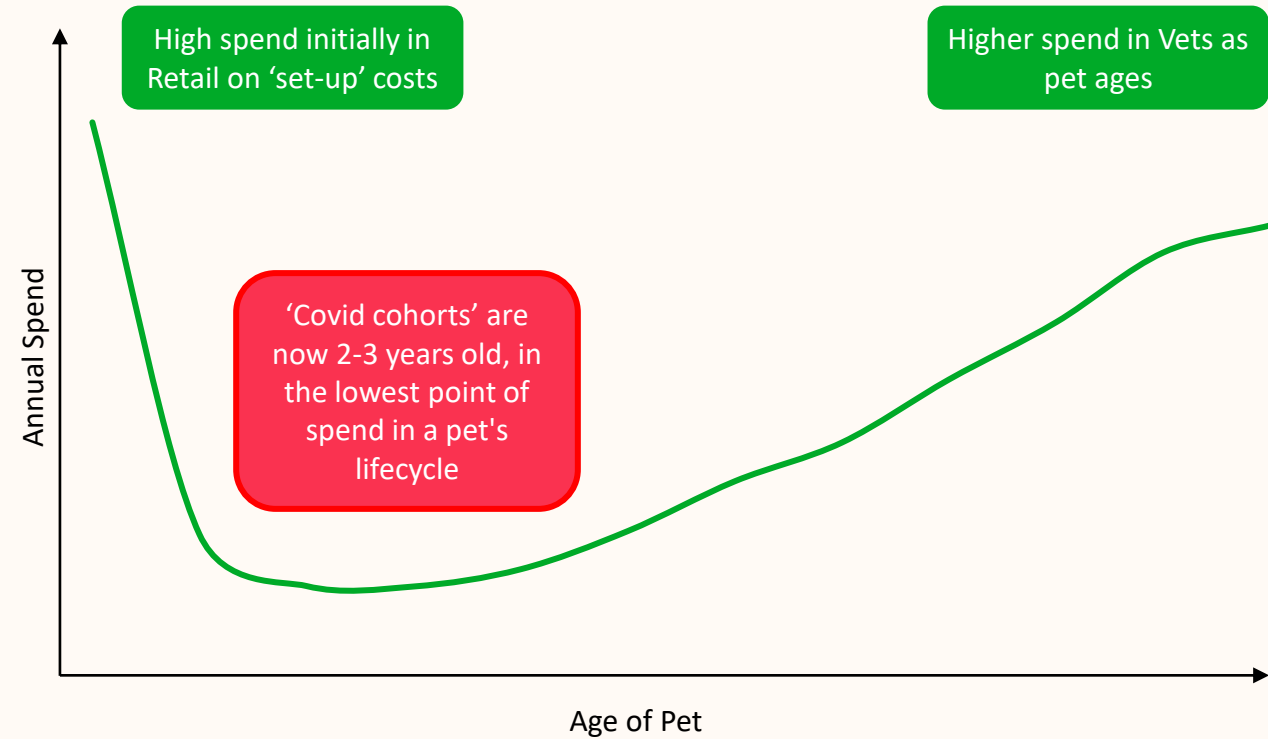
But the long-term prognosis remains positive

We have acquired a lot of new pets over the last few years...



— Age profile of pets in our Pets Club loyalty programme

...supporting 12-15 years of future value

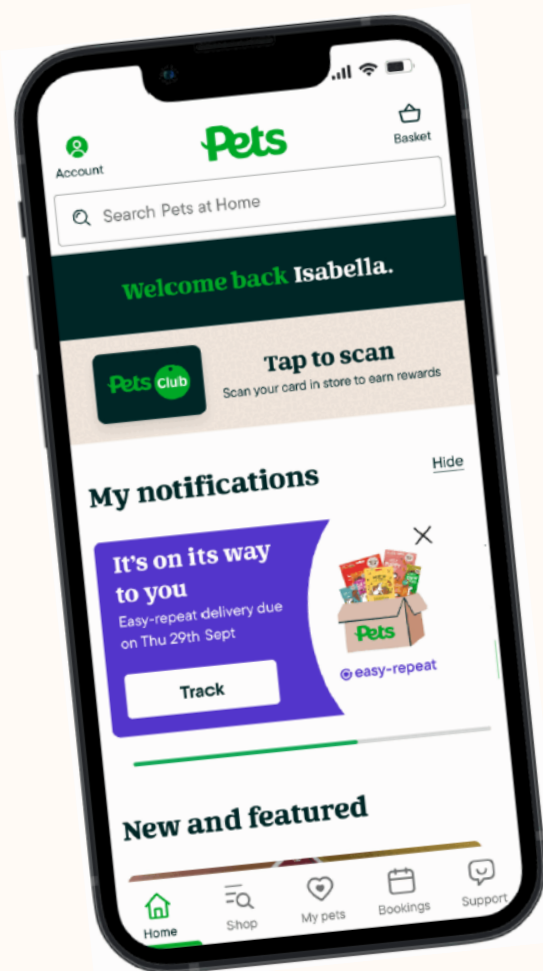


— Annual spend per pet (Retail + Vet combined)

Our digital investments touch every part of our business



Our new digital platform is launched



- **App sales have nearly doubled**, now 1/3 of our digital sales
- **Easy Repeat subscription sales up 21% YoY**. Range broadened to 3k lines
- Now leveraging proprietary data to **deliver personalised recommendations and targeting**
- **Web sales impacted by transition** but now improving
- **A platform for further improvement** as we launch new features and capabilities in future

Our vets continued to outperform delivering capital light growth

A strong start to the year

for our partners and the group

+13%

Average Practice
Revenue

+6%

Practice
EBITDA

+8%

Average Transaction
Value

18k

Weekly New Pet
Registrations

£352m

Consumer
Revenue
+13% YoY

£42m

Profit Before
Tax
+26% YoY

448

Vet
Practices

£46m

Free cash
flow

Underpinned by increased vet capacity through improved attraction, retention, and productivity

We continue to invest in our stores to offer an engaging and rewarding experience for consumers

New pet care centres in FY25

3

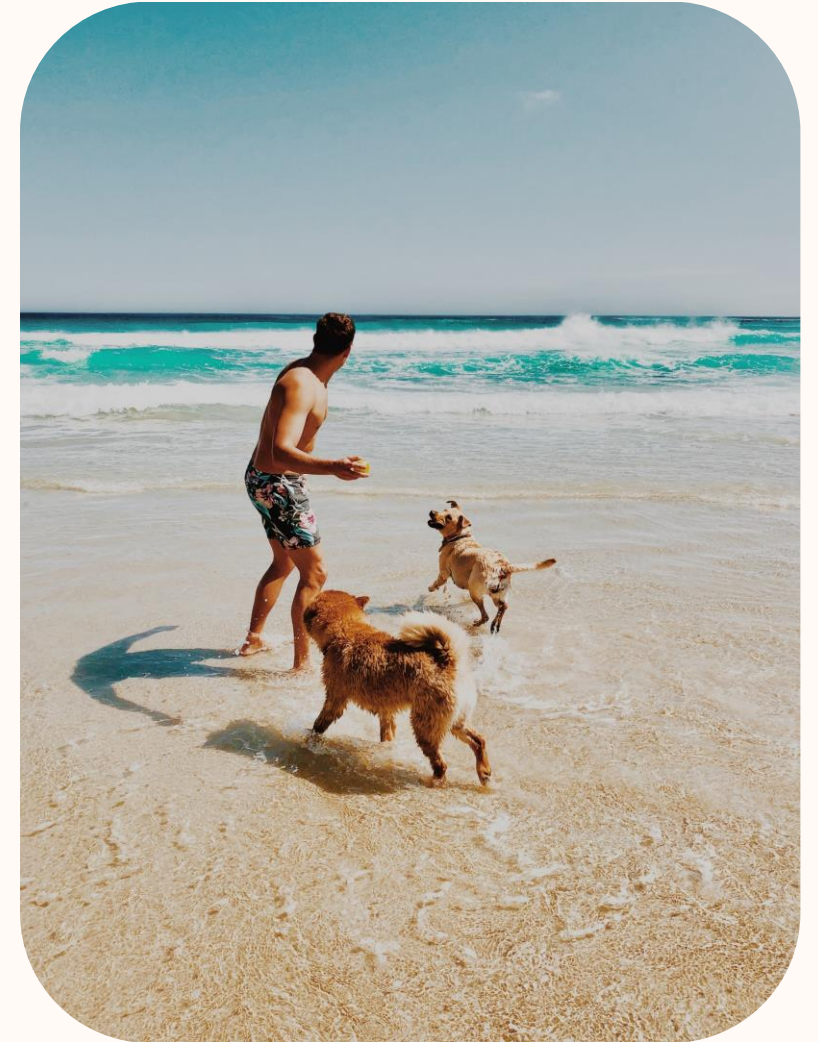
Store refits in FY25

14



In summary

- 1 We have a clear and consistent strategy that we have made further progress against
- 2 H1 benefitted from strong execution and saw us outperform a subdued underlying market
- 3 We now assume this slower market growth will persist through H2 and we have reflected this in full year guidance and now expect just modest profit growth
- 4 But the outlook for the pet market remains attractive and we expect growth to return to historic norms of c4%
- 5 Our strategy is the right one and we have clear competitive advantages and a well invested platform to take advantage of the long term opportunity
- 6 We are now through the bulk of our investments and beyond the peak of operational risk. The benefits are to come.
- 7 As market growth returns we expect the benefits of our investments become apparent and reward our shareholders



Financial review



H1 has seen a resilient performance in a subdued market...

Financial KPIs

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...consumer revenue grew at over 4% ahead of the market but below our medium-term ambition of 7%

Group Consumer Revenue (£m)	FY25 H1	FY24 H1	YoY
Total	1,048.6	1,007.7	4.1%

Group Revenue (£m)	FY25 H1	FY24 H1	YoY
Total	789.1	774.2	1.9%
Like-for-like	1.6%	6.2%	

Retail Revenue (£m)	FY25 H1	FY24 H1	YoY
Food	428.3	427.5	0.2%
Accessories	239.3	241.6	-1.0%
Other ¹	28.7	26.9	6.9%
Total	696.3	696.0	0.1%
Like-for-like	0.0%	5.2%	

Vet Group Revenue (£m)	FY25 H1	FY24 H1	YoY
Fee income from JV vet practices	56.3	47.7	18.0%
Company managed practices ²	27.7	24.0	15.5%
Other veterinary income ³	6.7	5.0	33.5%
The Vet Connection	2.1	1.5	37.2%
Total	92.8	78.2	18.6%
Like-for-like	18.2%	17.3%	

1. Includes revenue from grooming services, pet sales and insurance commissions
2. Revenue from company managed practices, which is recognised in full from the point they become wholly owned
3. Includes income generated from non-revenue based fees

Profit growth driven by strong Vet performance and lapping last years restructuring costs

£m	FY25 H1	FY24 H1	YoY Change
Revenue	789.1	774.1	1.9%
Gross Profit	365.1	358.4	1.9%
<i>Gross Margin</i>	46.3%	46.3%	(3)bps
Operating Costs	(308.9)	(310.5)	(0.5)%
Other Income	6.9	7.0	(1.5)%
Net Interest	(8.6)	(7.1)	21.0%
Group Underlying PBT	54.5	47.8	14.1%
Non-underlying items	(3.4)	(13.1)	
Statutory PBT	51.1	34.7	47.3%
Underlying PBT margin	6.9%	6.2%	73bps
Underlying basic EPS (pence)	8.4	7.4	13.5%
<i>Underlying PBT by Segment</i>			
Retail	22.0	23.8	(7.3)%
Vet Group	41.5	32.8	26.2%
Central	(9.0)	(8.8)	2.0%

We grew FCF, returned over £50m to shareholders and maintained a robust balance sheet...

£m	FY25 H1	FY24 H1
Net cash flow from operating activities	105.7	103.1
Lease payments ¹	(36.1)	(38.1)
Net cash capex ²	(25.1)	(22.4)
Net interest ³	(8.6)	(7.7)
Purchase of own shares for colleague share schemes	(2.9)	(11.8)
Free cash flow	33.1	23.1
Opening Net Cash	8.8	54.7
Free Cash Flow	33.1	23.1
Equity dividend paid	(38.4)	(39.5)
Share buyback	(12.5)	(25.1)
Acquisitions	(1.3)	(1.1)
Disposals	2.0	-
Closing Net cash	(8.3)	12.1
Lease liabilities	(364.7)	(398.1)
Total indebtedness	(373.1)	(368.0)
Pre IFRS 16 leverage	0.0x	(0.1)x
Lease adjusted leverage	1.5x	1.6x

1. Lease payments are cash payments for the principal portion of the right-of-use lease liability.
2. Net cash capex is proceeds from the sale of property, plant and equipment less costs to acquire right-of-use assets and acquisition of property, plant and equipment and other intangible assets.
3. Net interest is interest received less interest paid, interest paid on lease obligations, and debt issue costs.

Our capital investment remains fully aligned to delivering our strategy

£m	FY25 H1	FY24 H1	
Store Refit Programme	12.8	10.6	14 refits completed in FY25 H1
Digitising the Business	4.4	1.6	Digital platform transition
Investing in our Supply Chain	3.5	3.3	Completing our network optimisation
New Stores	2.8	2.5	3 new pet care centres
Vet Group	0.6	0.6	
Capex Investment	24.1	18.6	
Investment in Vet Practices	0.5	0.0	Growth investment to support extensions, equipment, and branding
Total Capital Investment	24.6	18.6	

We have updated our guidance to reflect near term market softness but our strategy is on track, our conviction is strong and the outlook remains positive

Our strategy is on track and we expect pet care market growth to recover, which is supported by long term structural growth trends, meaning we look to the future with confidence

Given the current market softness has lasted longer than originally planned, and although we are growing market share we have updated our guidance to only modest profit growth for FY25

Vet momentum continues – performance fuelled by proven growth drivers alongside our unique business model

Peak investment and period of heightened operational risk is now very much behind us and the benefits of our strategic investments are ahead of us

As the benefits of our investments come through our clear competitive advantages position us to deliver growing sales and profits, strong cash generation and create significant value for our shareholders

Questions

