

Citi Global Consumer Conference

December 7, 2021



Safe Harbor and Non-GAAP Measures

This Presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including statements regarding our fiscal year 2021 guidance, our growth plans, and execution on our transformation initiatives. Such forward-looking statements can generally be identified by the use of forward-looking terms such as “believes,” “expects,” “may,” “intends,” “will,” “shall,” “should,” “anticipates,” “opportunity,” “illustrative”, or the negative thereof or other variations thereon or comparable terminology. Although Petco believes that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct or that any forward-looking results will occur or be realized. Nothing contained in this Presentation is, or should be relied upon as, a promise or representation or warranty as to any future matter, including any matter in respect of the operations or business or financial condition of Petco. All forward-looking statements are based on expectations and assumptions about future events that may or may not be correct or necessarily take place and that are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Petco. Forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results or events to differ materially from the potential results or events discussed in the forward-looking statements, including, without limitation, those identified in this Presentation, as well as the following: (i) increased competition (including from multi-channel retailers and e-Commerce providers); (ii) reduced consumer demand for our products and/or services; (iii) our reliance on key vendors; (iv) our ability to attract and retain qualified employees; (v) risks arising from statutory, regulatory and/or legal developments; (vi) macroeconomic pressures in the markets in which we operate; (vii) failure to effectively manage our costs; (viii) our reliance on our information technology systems; (ix) our ability to prevent or effectively respond to a privacy or security breach; (x) our ability to effectively manage strategic ventures, alliances or acquisitions; (xi) economic or regulatory developments that might affect our ability to provide attractive promotional financing; (xii) interruptions and other supply chain issues; (xiii) catastrophic events, health crises, and pandemics, including the potential effects that the ongoing COVID-19 pandemic and/or corresponding macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xiv) our ability to maintain positive brand perception and recognition; (xv) product safety and quality concerns; (xvi) changes to labor or employment laws or regulations; (xvii) our ability to effectively manage our real estate portfolio; (xviii) constraints in the capital markets or our vendor credit terms; (xix) changes in our credit ratings; and (xx) the other risks, uncertainties and other factors identified under “Risk Factors” and elsewhere in our Securities and Exchange Commission filings. The occurrence of any such factors could significantly alter the results set forth in these statements.

Petco cautions that the foregoing list of risks, uncertainties and other factors is not complete, and forward-looking statements speak only as of the date they are made. Petco undertakes no duty to update publicly any such forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

Included in this Presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) that are designed to supplement, and not substitute, Petco’s financial information presented in accordance with GAAP, including, but not limited to, Adjusted EBITDA, Trailing Twelve Month Adjusted EBITDA, Adjusted EPS, Net Debt and Free Cash Flow. The non-GAAP measures as defined by Petco may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude non-recurring items, should not be construed as an inference that Petco’s future results, cash flows, or leverage will be unaffected by other nonrecurring items. Refer to information about the non-GAAP measures contained in this Presentation. This Presentation also includes forward-looking estimates of Adjusted EBITDA and Adjusted EPS as part of our financial guidance. We do not reconcile these non-GAAP measures for future periods to their most comparable GAAP measures due to the uncertainty and potential variability of reconciling items. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide a reconciliation of these non-GAAP measures without unreasonable effort. Forward-looking estimates of Adjusted EBITDA and Adjusted EPS are estimated in a manner consistent with the relevant definitions and assumptions noted herein.

Petco gaining share in fast-growing category, with differentiated model

1 7% projected category go-forward CAGR with high economic resilience

2 Fully-integrated pet ecosystem of premium:

- products
- services
- veterinary care
- omni-channel

Merchandise differentiated from competitors in Owned/Exclusive

1,449 multi-dimensional pet care centers in the U.S. acting as service, product experience, and fulfillment centers

Rapidly growing scaled digital platform with structural fulfillment advantages

Shift to Services with ~70 new vet hospitals per year complementing double-digit grooming and training growth

Recurring customer revenue⁴ up +60%, driven by repeat delivery, Vital Care, insurance, and PupBox

3 Rapidly adding customers with 830K net new active customers added in Q3⁵ and double-digit increase in higher value multichannel/multicategory customers

- 12th consecutive quarter of growth with 6 consecutive double-digit quarters
- 159% Digital growth on a two-year basis¹
- On track for 197 vet hospitals by EOY
- Q3 YTD Adjusted EBITDA² up 25%
- Raised FY'21 guidance in Q1'21 and Q2'21 & Q3'21³

¹ Excludes the Sale of Live Aquaria

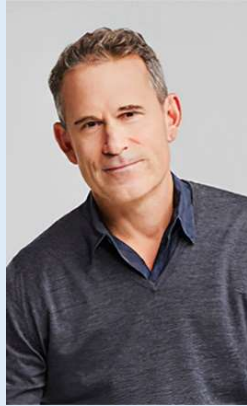
² Non-GAAP financial measure; see definition and reconciliation at the end of this Presentation.

³ Guidance as of November 18, 2021. All guidance is subject to change without notice depending on a number of factors, including economic conditions, currency rates, the tax and regulatory landscape and other factors that are beyond Petco's control. Petco undertakes no obligation to affirm or update its guidance.

⁴ Recurring revenue customers include repeat delivery, Pupbox, insurance and Vital Care customers

⁵ Please see the Total Active Customer footnote at the end of this Presentation.

Petco has attracted a world-class management team complementing Fortune 100 talent with deep retail experience



Ron Coughlin
Chief Executive
Officer &
Chairman



Brian LaRose
Chief Financial
Officer



Ilene Eskenazi
Chief Legal
Officer
and Corporate
Secretary



**Darren
MacDonald**
Chief Digital
and Innovation
Officer



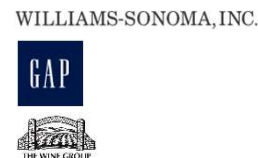
Justin Tichy
Chief Pet Care
Center Officer



Mike Nuzzo
Chief Operating
Officer and
President of Petco
Services



**Michelle
Bonfilio**
Chief Human
Resources
Officer



John Zavada
Chief
Information and
Administrative
Officer



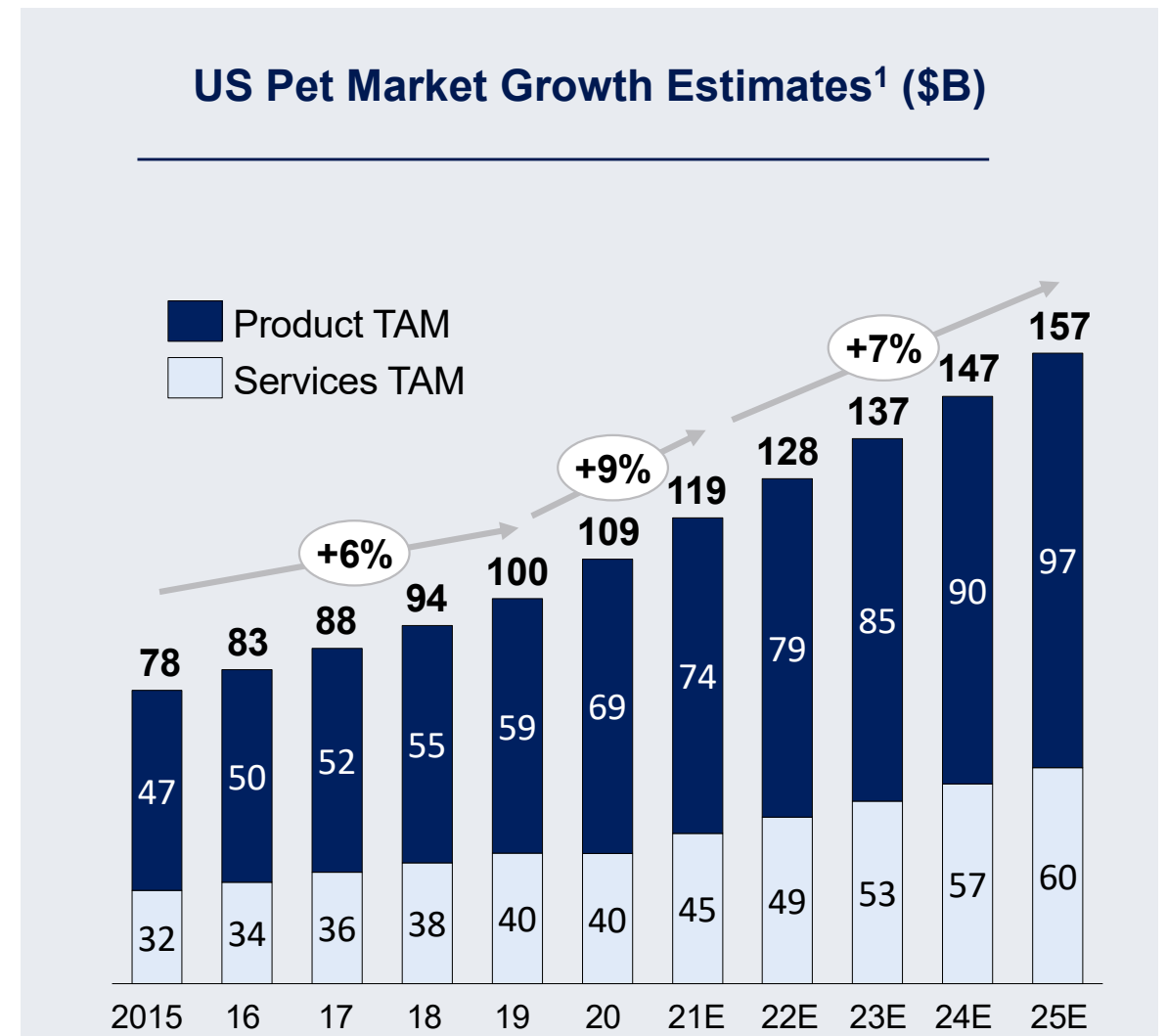
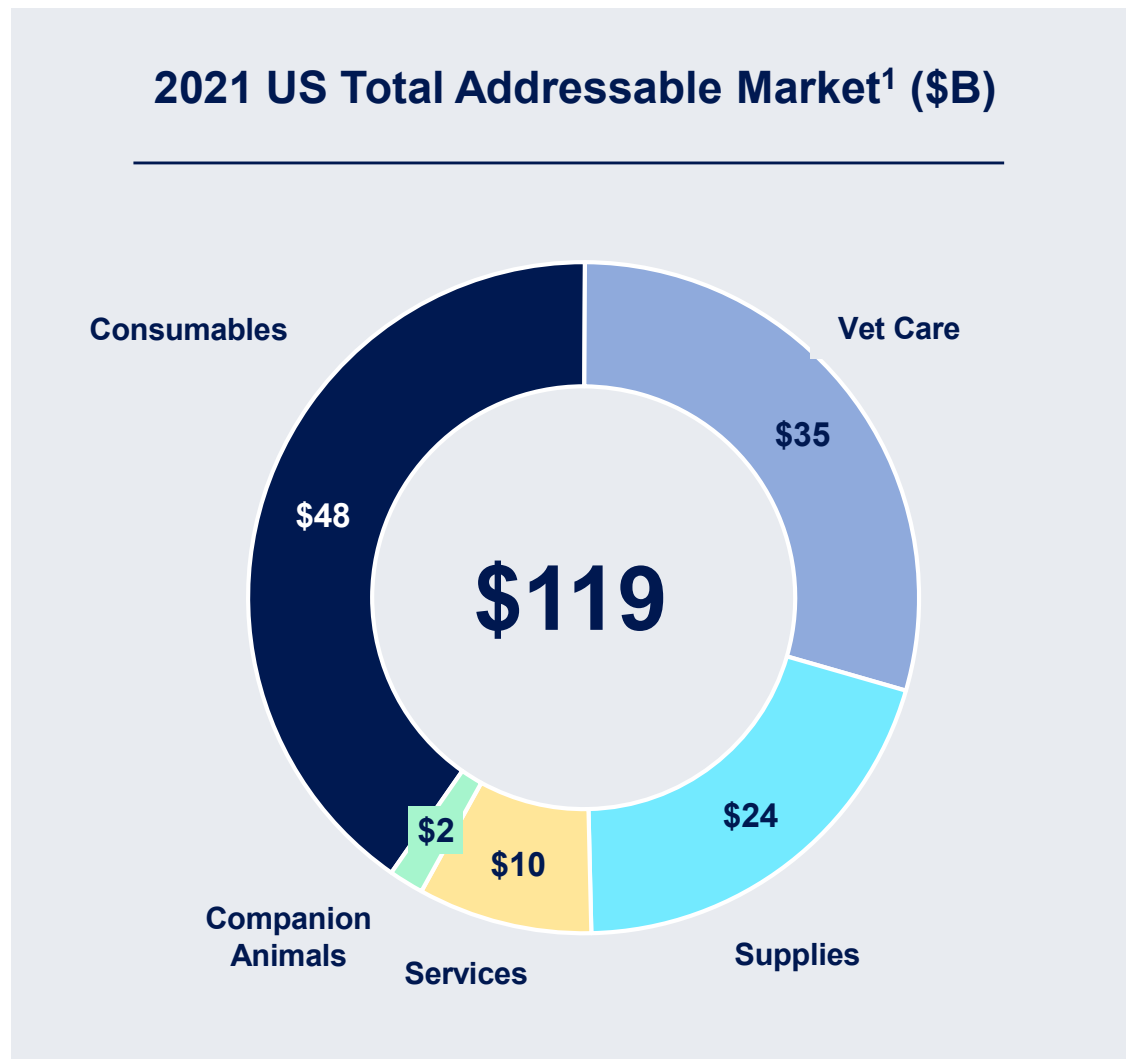
Nick Konat
Chief
Merchandising
Officer



**Katie
Nauman**
Chief
Marketing
Officer



Petco is a leader in a category that is large and growing with strong resilience through economic cycles



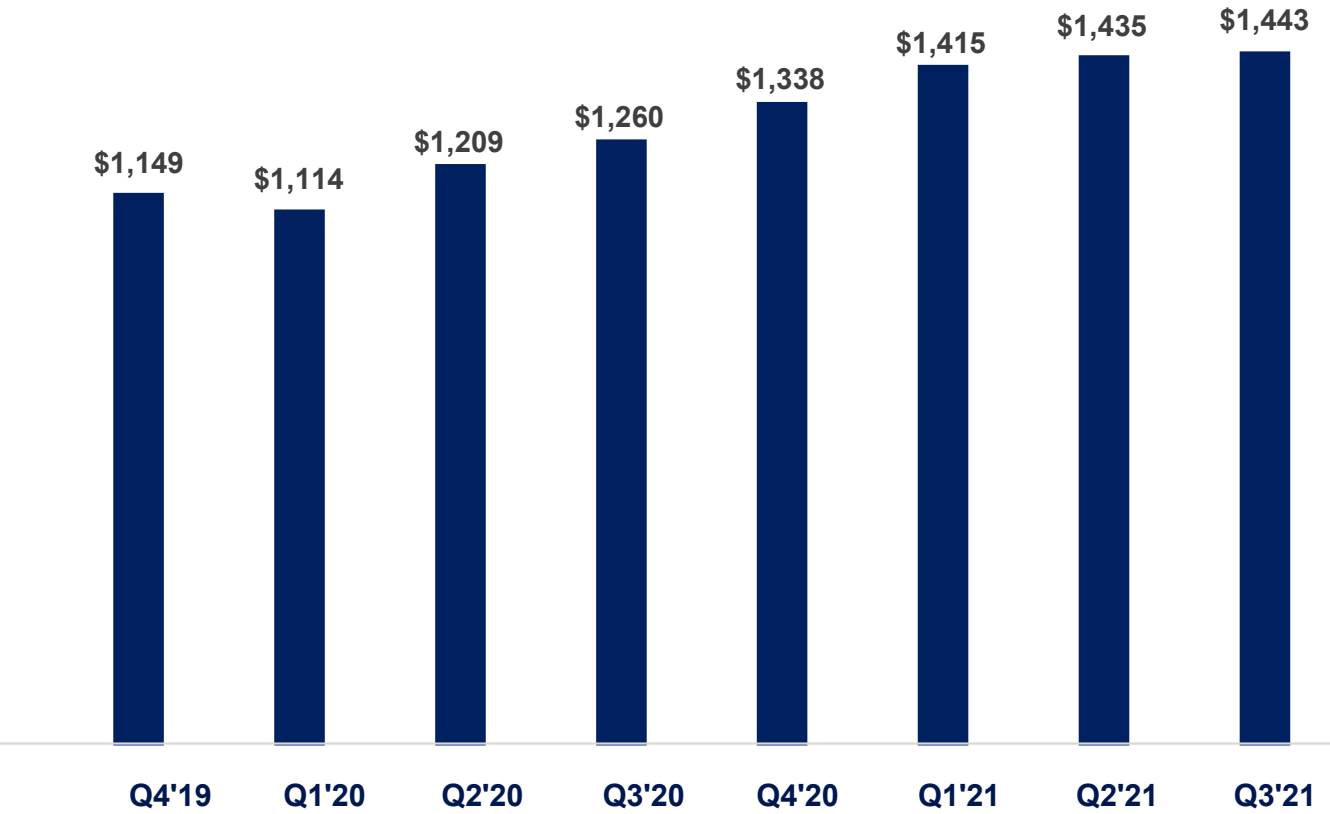
With a fully-integrated and comprehensive pet care ecosystem



BOPUS: Buy Online, Pick-up in Store.
 (1) As of May 2021 (2) Lippincott Survey (n=2.7k) (3) As of Oct 2021 6

Strong track record of delivering growth

Net Revenue (\$M)

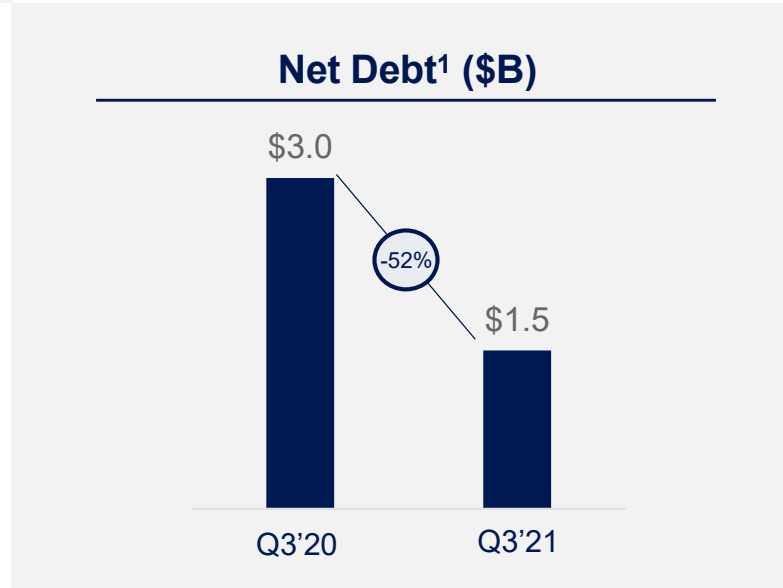
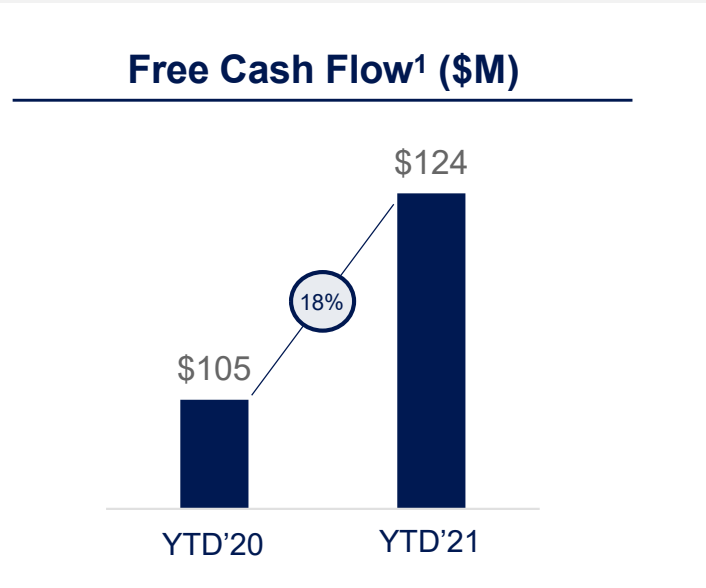
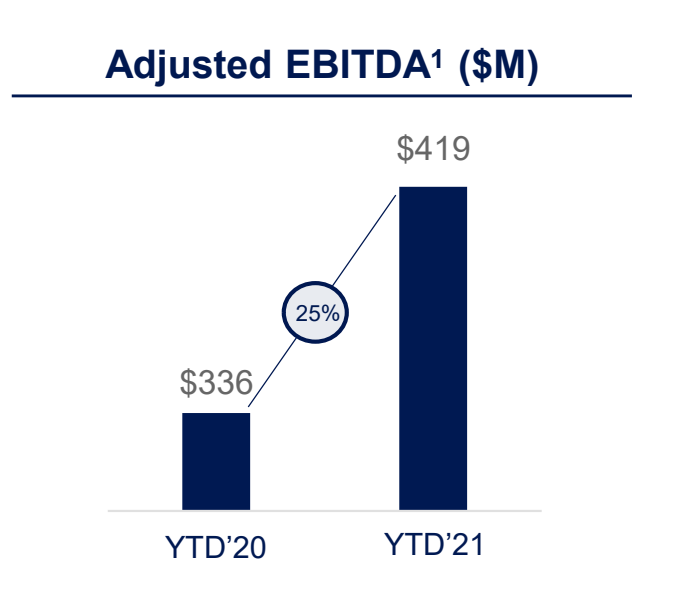
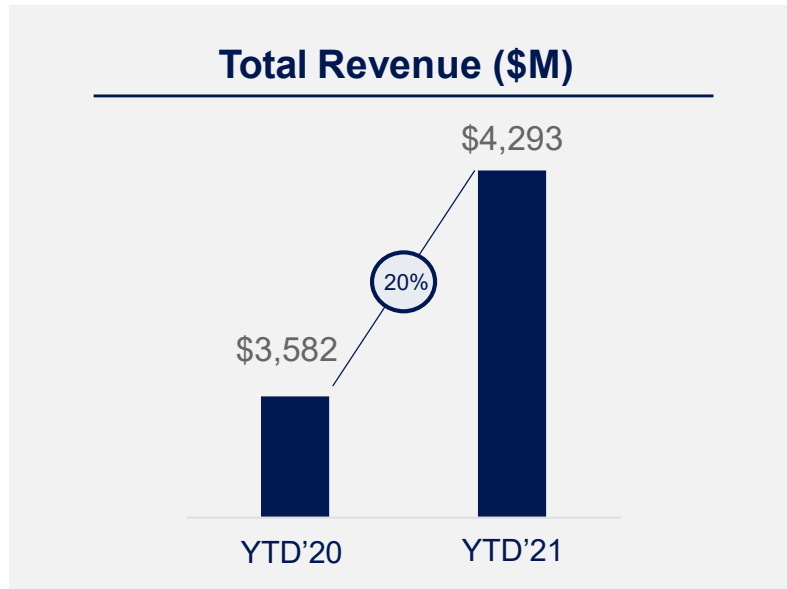


	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Revenue Growth Y/Y	1%	1%	10%	15%	16%	27%	19%	15%
Comp Sales Growth	4%	2%	11%	16%	17%	28%	20%	15%
2Yr Comp Sales Growth	5%	6%	15%	20%	20%	30%	30%	32%

Q3 2021 Key Highlights

- ▶ Services and Vet revenue grew by 24% y/y and 37% on a 2-year stack as we continue to differentiate as the only holistic provider of pet health and wellness
- ▶ Digital revenue increased 32% y/y and 159% on a 2-year stack excl. sale of Live Aquaria, reflecting our expanded brand assortment and enhanced personalization
- ▶ Pet Care Center revenue increased 11% y/y and 21% on a 2-year stack with higher retail traffic and strong execution

Petco's transformation is driving strong results and continued momentum YTD through Q3'21



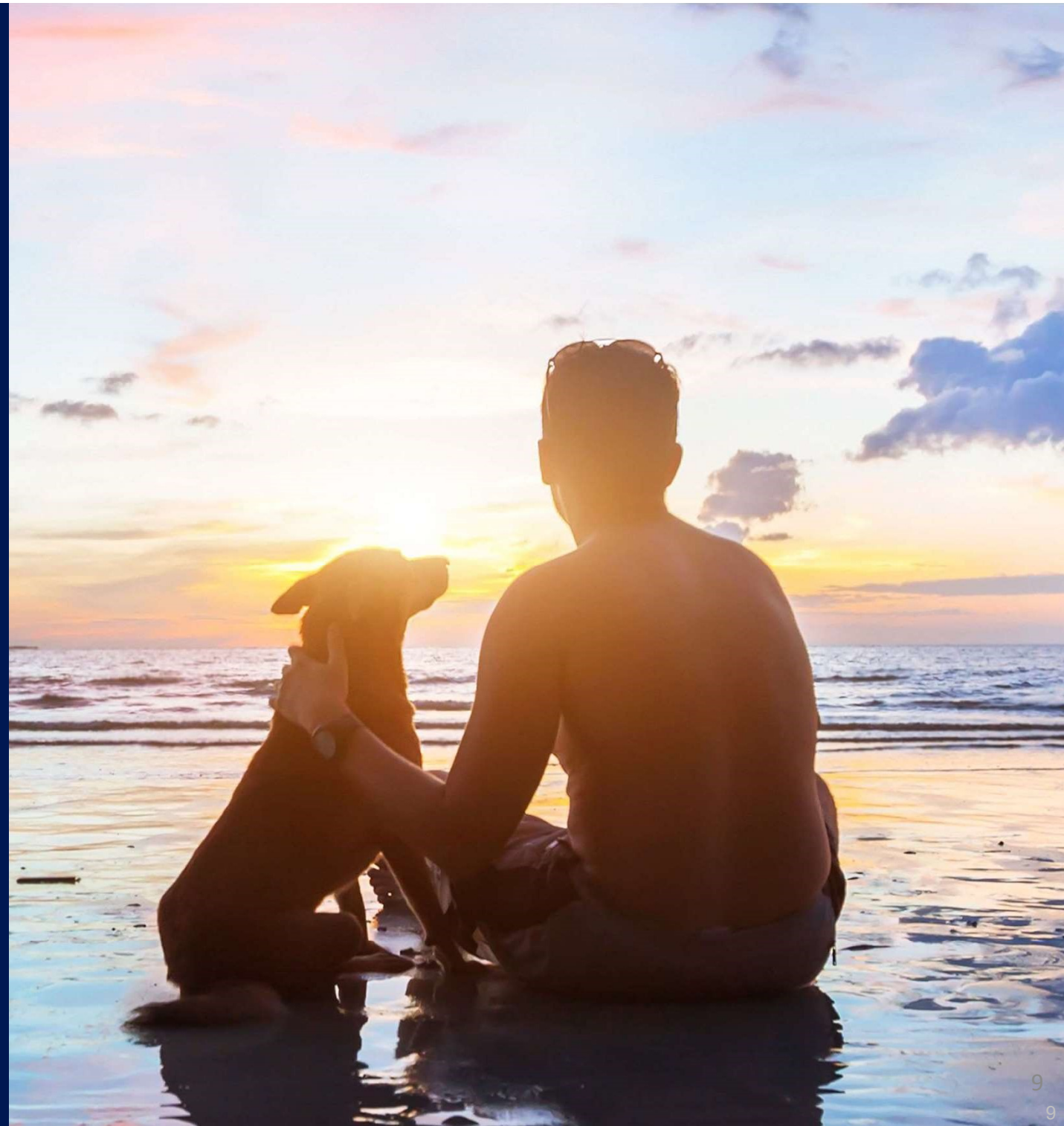
Key Highlights for YTD Q3'21

- ▶ Revenue and comp sales growing versus prior year with accelerating trends year-to-date
- ▶ Strong revenue trends and expense leverage driving higher Adjusted EBITDA flow through
- ▶ Free cash flow improvement driven by strong business performance and operational execution
- ▶ Significantly reduced net debt through proceeds from IPO transaction, recapitalization & strong Free Cash Flow

We Are a Purpose Driven Company

We improve lives...
Pet lives, Pet Parent lives,
and the lives of our
partners working at

petco
THE HEALTH +
WELLNESS CO.



NON-GAAP MEASURES AND OTHER DEFINITIONS



Non-GAAP Measures and Other Definitions

The following information provides definitions and reconciliations of the non-GAAP financial measures presented in this Presentation to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The company has provided this non-GAAP financial information, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in this Presentation that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in this Presentation. The non-GAAP financial measures in this Presentation may differ from similarly-titled measures used by other companies.

Adjusted EBITDA: Adjusted EBITDA, including Trailing Twelve Month Adjusted EBITDA, is considered a non-GAAP financial measure under the Securities and Exchange Commission's ("SEC") rules because it excludes certain amounts included in net income (loss) calculated in accordance with GAAP. Management believes that Adjusted EBITDA is a meaningful measure to share with investors because it facilitates comparison of the current period performance with that of the comparable prior period. In addition, Adjusted EBITDA affords investors a view of what management considers to be Petco's core operating performance as well as the ability to make a more informed assessment of such operating performance as compared with that of the prior period. Please see the company's 10-K filed on April 5, 2021 with the SEC for additional information on Adjusted EBITDA. The tables on pages 12 and 13 of this Presentation reflect the calculation of Adjusted EBITDA for the thirty-nine weeks and trailing twelve months ended October 30, 2021, compared to the prior year quarter and twelve-month period ended October 31, 2020, respectively, as well as the twelve-month period ended January 30, 2021.

Free Cash Flow: Free cash flow is a non-GAAP financial measure that is calculated as net cash provided by operating activities less cash paid for fixed assets. Management believes that free cash flow, which measures the ability to generate additional cash from business operations, is an important financial measure for use in evaluating the company's financial performance. The table on page 14 of this Presentation reflects the calculation of free cash flow for the thirteen and thirty-nine weeks ended October 30, 2021, compared to the thirteen and thirty-nine weeks ended October 31, 2020.

Net Debt: Net Debt is a non-GAAP financial measure that is calculated as the sum of current and non-current debt, less cash and cash equivalents. Management considers this adjustment useful because it reduces the volatility of total debt caused by fluctuations between cash paid against the company's revolving credit facility and cash held on hand in cash and cash equivalents. The table on page 15 reflects the calculation of Net Debt as of the period ended October 30, 2021, compared to the prior quarters ended January 30, 2021 and October 31, 2020.

Total Active Customers: Total Active Customers is the total number of customers (including Pals members and eComm customers) trackable by certain personal information that have made at least one transaction with us during the prior 12-month period. It reflects the inflow of new customers as well as the outflow of customers who have not made a transaction during the prior 12-month period. Net New Customers is the change in Total Active Customers between this quarter end and the prior quarter end. Previously, Total Active Customers and Net New Customers included Pals members whose transactions were tracked by member numbers only as opposed to other personal information. Currently, only Pals member accounts with certain personal information are counted.

Non-GAAP Measures: Adjusted EBITDA*

(dollars in thousands)	39 Weeks Ended	
	October 30, 2021	October 31, 2020
Reconciliation of Net Income Attributable to Class A and B-1 Common Stockholders to Adjusted EBITDA		
Net income attributable to Class A and B-1 common stockholders	\$ 135,423	\$ (20,324)
Add (deduct):		
Interest expense, net	58,451	168,764
Income tax expense (benefit)	43,784	(13,537)
Depreciation and amortization	125,637	128,961
Income from equity method investees	(7,490)	(2,952)
Asset impairments and write offs	5,918	7,651
Equity-based compensation	36,491	7,464
Other non-operating income	(64,934)	—
Mexico joint venture EBITDA (1)	18,523	12,419
Store pre-opening expenses	11,739	7,010
Store closing expenses	3,329	5,947
Non-cash occupancy-related costs (2)	5,564	17,089
Non-recurring costs (3)	26,055	17,257
Adjusted EBITDA	\$ 419,328	\$ 335,749
Net sales	\$ 4,292,792	\$ 3,582,489
Net margin (4)	3.2%	(0.6%)
Adjusted EBITDA Margin	9.8%	9.4%

Non-GAAP Measures: Trailing Twelve Month Adjusted EBITDA*

(dollars in thousands)	Trailing Twelve Months		
	October 30, 2021	January 30, 2021	October 31, 2020
Reconciliation of Net Income (Loss) Attributable to Class A and B-1 Common Stockholders to Adjusted EBITDA			
Net income (loss) attributable to Class A and B-1 common stockholders	\$ 129,264	\$ (26,483)	\$ (27,495)
Add (deduct):			
Interest expense, net	108,117	218,430	229,426
Income tax expense (benefit)	53,984	(3,337)	(20,932)
Depreciation and amortization	171,512	174,836	172,905
Income from equity method investees	(11,020)	(6,482)	(5,067)
Loss on debt extinguishment and modification	38,387	17,549	—
Goodwill & indefinite-lived intangible impairment	—	—	19,000
Asset impairments and write offs	13,873	15,606	10,266
Equity-based compensation	41,942	12,915	9,951
Other non-operating income	(64,934)	—	—
Mexico joint venture EBITDA (1)	25,178	19,074	17,206
Store pre-opening expenses	13,957	9,228	9,290
Store closing expenses	5,164	7,782	8,487
Non-cash occupancy-related costs (2)	7,715	19,240	23,846
Non-recurring costs (3)	34,788	25,990	20,785
Adjusted EBITDA	\$ 567,927	\$ 484,348	\$ 467,668
Net sales	\$ 5,630,505	\$ 4,920,202	\$ 4,731,145
Net margin (4)	2.3%	(0.5%)	(0.6%)
Adjusted EBITDA Margin	10.1%	9.8%	9.9%

* Please see our third quarter 2021 earnings release posted to our investor relations website for related footnotes.

Non-GAAP Measures: Free Cash Flow

(in thousands)

	13 Weeks Ended		39 Weeks Ended	
	October 30, 2021	October 31, 2020	October 30, 2021	October 31, 2020
Net cash provided by operating activities	\$ 86,040	\$ 109,091	\$ 288,444	\$ 201,480
Cash paid for fixed assets	(64,447)	(46,246)	(164,330)	(96,289)
Free Cash Flow	\$ 21,593	\$ 62,845	\$ 124,114	\$ 105,191

Non-GAAP Measures: Net Debt

(dollars in thousands)	October 30, 2021	January 30, 2021	October 31, 2020
Total debt:			
Senior secured credit facilities, net, including current portion	\$ 1,660,423	\$ 1,646,281	\$ 2,355,426
Senior notes, net	—	—	868,624
Finance leases, including current portion	14,828	13,639	13,615
Total debt	1,675,251	1,659,920	3,237,665
Less: cash and cash equivalents	(221,484)	(111,402)	(195,832)
Net Debt	\$ 1,453,767	\$ 1,548,518	\$ 3,041,833
Adjusted EBITDA (TTM)	\$ 567,927	\$ 484,348	\$ 467,668
Net Debt / Adjusted EBITDA ratio	2.6x	3.2x	6.5x

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WELLNESS CO.

