

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 23, 2022

Petco Health and Wellness Company, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39878
(Commission
File Number)

81-1005932
(IRS Employer
Identification No.)

10850 Via Frontera
San Diego, California 92127
(Address of Principal Executive Offices)

(858) 453-7845
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.001 per share	WOOF	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On March 23, 2022, Petco Health and Wellness Company, Inc. (the “Company”) issued a press release announcing that it will unveil its long-term strategic priorities at its inaugural Investor Day on Wednesday, March 23, 2022 beginning at approximately 8:00 a.m. Eastern Time. The full text of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

The event will be streamed live and available via webcast on the Company’s investor relations page at ir.petco.com. A replay of the webcast will also be made available on the Company’s investor relations page through June 23, 2022.

The information being furnished pursuant to Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise be subject to the liability of that section, and shall not be incorporated by reference into any other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release, dated March 23, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Petco Health and Wellness Company, Inc.

Date: March 23, 2022

By: /s/ Ilene Eskenazi

Name: Ilene Eskenazi

Title: Chief Legal and Human Resources Officer and Secretary

Petco Health + Wellness Company, Inc. Announces Long-Term Strategic Priorities as it Shapes the Future of Pet Health and Wellness

- *Outlines strategic approach to drive sustained, profitable growth with industry-leading ecosystem*
- *Reinforces success across services, unique merchandise, digital and powerful data*
- *Reaffirms Fiscal Year 2022 outlook; Provides long-term financial framework for growth priorities and Adjusted EBITDA margin expansion*

SAN DIEGO, March 23, 2022 – Petco Health and Wellness Company, Inc. (Nasdaq: WOOF), a complete partner in pet health and wellness, is hosting its 2022 Investor Day today, Wednesday, March 23, 2022, in New York, N.Y. The event begins at 8 a.m. Eastern Standard Time and can be viewed virtually [here](#). In conjunction with the event, the company is unveiling its longer-term financial framework, as well as its strategic and capital priorities.

“Petco is on one of the steepest growth trajectories in all of retail, supported by our position as the only fully integrated provider of pet health and wellness across products, veterinary and services, digital, and in brick and mortar channels,” said Ron Coughlin, Chairman and CEO of Petco. “We are defining the future of pet parenting in an incredibly high growth and economically resilient category. Our ecosystem is built to capture the market opportunity and positions us as a leader of what we call Retail 3.0. As we build on last year’s incredible performance, we’re emerging stronger and more confident that our strategic moats position us to compete and win.”

Highlights – What You’ll Hear From Us Today

Petco will provide updates on its new and existing strategic initiatives to drive growth, including:

- Outlining an integrated future loyalty program unified under **Vital Care**, migrating customers to subscription, saving money for customers, driving share of wallet for Petco, and expanding Petco’s position as the premiere destination for pet parents;
- Testing “Small Town Rural” concepts in key strategic locations and driving brand awareness and penetration in low-share markets;
- Building a differentiated merchandise offering through key vendor relationships, such as its recently expanded partnership with **Just Food For Dogs**, a category defining over-the-counter offering with the Healthy Habits Hub, and continuing to scale owned brands, including **Reddy** and **Whole Hearted**;
- Scaling personalization capabilities by leveraging the power of its comprehensive pet database and data-driven approach to enhance the pet parent experience, and deepen engagement and loyalty;
- Investing to build a customer-centric, flexible fulfillment network by enhancing the company’s physical footprint and digital capabilities;
- Driving access to new, high-value customers through partnerships with best-in-class brands, such as **Lowe’s**; and
- Committing to improving the lives of pets, pet parents and Petco partners as evidenced by becoming the first pet retailer in history to receive the American Humane Certified™ Seal of Approval.

Petco's Strategy for Long-Term Value Creation

The company will share its updated strategic priorities that support its vision to create the future of pet health & wellness as it continues to capture market share, drive profitable growth and expand its total addressable market. Together we believe that will enable sustainable, profitable growth through strategies, including:

- Deepening Petco's competitive moats through its unique and comprehensive pet health & wellness ecosystem, in a \$119B category that is large and growing;
- Scaling Petco's services offering – led by its national veterinary care footprint – by providing pet parents with unrivaled access to general and specialized health care services;
- Leading the category with an enhanced merchandise offering, emphasizing premium owned and exclusive products Pet Parents can't get in other channels;
- Leveraging Petco's national pet care center network to enable differentiated fulfillment capabilities to meet customer needs regardless of how they choose to shop; and
- Growing competitive advantages, including the recently launched Vital Care 2.0 membership subscription program, deepening our data insights and harnessing the power and passion of our knowledgeable partners.

Long-Term Financial Framework

Petco Health + Wellness Co., is announcing a long-term financial framework:

<u>Financial Metric</u>	<u>Target</u>
Revenue growth	+High single digits
Adjusted EBITDA growth ¹	Faster than Revenue
Adjusted Net Income growth ¹	+Low double digits
Net debt-to-Adjusted EBITDA ratio ¹	<1.9x

Reaffirms Full Year 2022 Guidance

Petco is also reaffirming its 2022 Fiscal Year guidance which it provided at its year-end earnings announcement:

<u>Financial Metric</u>	<u>Current Guidance</u>
Net Revenue	\$6.15 - \$6.25 billion
Adjusted EBITDA¹	\$630 - \$645 million
Adjusted Earnings per Share¹	\$0.97 - \$1.00
Capital Expenditures	\$275 - \$325 million

Assumptions in the guidance include that economic conditions, currency rates and the tax and regulatory landscape remain generally consistent. Adjusted EPS guidance assumes approximately \$76 million of interest expense, a 26 percent tax rate and a 267 million weighted average diluted share count.

- (1) We have not reconciled Adjusted EBITDA, Adjusted EPS and Net debt-to-Adjusted EBITDA ratio outlook to the most comparable GAAP outlook because it is not possible to do so without unreasonable efforts due to the uncertainty and potential variability of reconciling items, which are dependent on future events and often outside of management’s control and which could be significant. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide outlook for the comparable GAAP measures. Forward-looking estimates of Adjusted EBITDA, Adjusted EPS and Net debt-to-Adjusted EBITDA ratio are made in a manner consistent with the relevant definitions and assumptions noted herein.

Webcast Information

Today’s event is expected to last approximately 4.5 hours, and will be livestreamed and available via webcast on the Petco’s investor relations page at ir.petco.com.

Full Link: <https://ir.petco.com/events/event-details/petco-2022-investor-day>

About Petco, The Health + Wellness Co.:

Petco is a category-defining health and wellness company focused on improving the lives of pets, pet parents and our own Petco partners. Since our founding in 1965, we’ve been striving to set new standards in pet care, delivering comprehensive wellness solutions through our products and services, and creating communities that deepen the pet-pet parent bond. We operate more than 1,500 Petco locations across the U.S., Mexico and Puerto Rico, including a growing network of nearly 200 in-store veterinary hospitals, and offer a complete online resource for pet health and wellness at petco.com and on the [Petco app](#). In tandem with [Petco Love](#) (formerly the Petco Foundation), an independent nonprofit organization, we work with and support thousands of local animal welfare groups across the country and, through in-store adoption events, we’ve helped find homes for more than 6.5 million animals.

Forward-Looking Statements:

This press release 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 not statements of historical fact, including statements regarding our fiscal year 2022 guidance, our long-term financial framework, 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 earnings release 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, 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 including inflation; (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 or integrate strategic ventures, alliances or acquisitions and realize the anticipated benefits of such transactions; (xi) economic or regulatory developments that might affect our ability to provide attractive promotional financing; (xii) business interruptions and other supply chain issues; (xiii) catastrophic events, political tensions, conflicts and wars (such as the ongoing conflict in Ukraine), 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 Petco’s 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.

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