PETCO
FOURTH QUARTER 2022
EARNINGS CALL

March 22, 2023

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 2023 guidance, our growth plans, execution on our transformation initiatives, and our goals and expectations with respect to sustainability and employee matters, risks and opportunities. 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 current 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, including inflation and prevailing interest rates; (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; (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.

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 Net Income, Adjusted EPS, 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. Beginning in 2023, Petco has made certain changes to how it defines Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS that impact the comparability of the metrics to prior periods. Refer to "Non-GAAP Measures and Other Definitions" in this Presentation for more information. 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.

KEY HIGHLIGHTS

Demonstrated solid business performance, with focus on strategic objectives for long-term profitable growth

17th consecutive quarter of comparable sales growth and 16th consecutive quarter of active customer growth, with 1M net new customers added in 2022

Continued top-line strength with Q4 net revenue growth of 4% year-over-year, and comparable sales growth of 5% year-over-year and 19% on a two-year basis

Total Q4 services growth of 14% year-over-year and 36% on a two-year basis driven by ongoing momentum in vet and grooming

Q4 digital sales up 12% year-over-year and 37% on a two-year basis

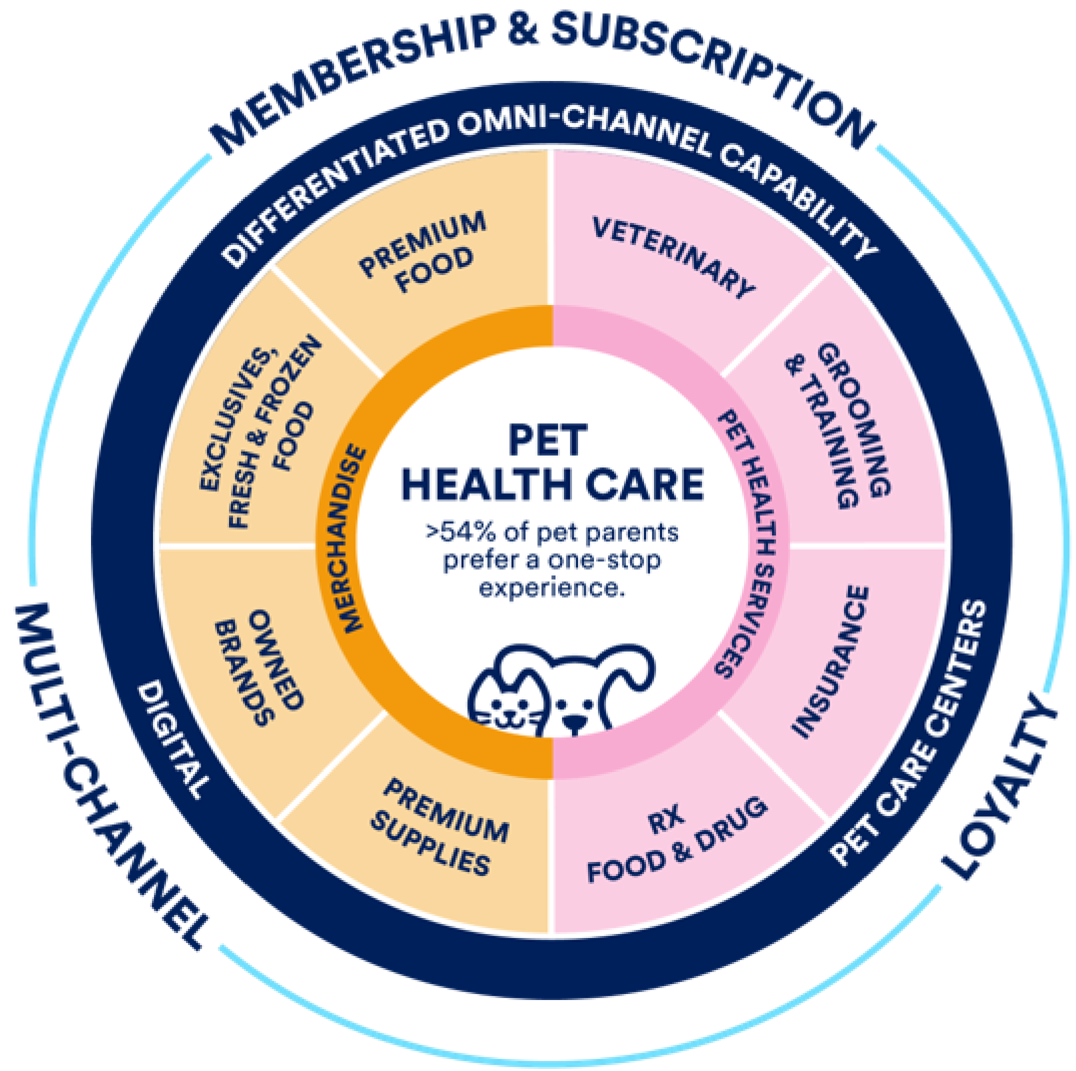
Acceleration in Vital Care plans (now at ~500k Premier plans); Premier members delivering 3.6x higher LTV

Exceptional cash flow performance in the quarter highlighted by a 96% YoY increase in operating cash flow, driving a $76 million YoY increase in free cash flow[1]

Ongoing focus on balance sheet strength; Q1’23 debt paydown of $35 million

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

ECOSYSTEM AND CUSTOMER ACQUISITION ENGINE CONTINUE TO DRIVE LOYALTY



2 YR Comp Growth, Q4'22	+19%
Net New Customers[1], Q4'22	>70K
Total Active Customers[1], Year-End 2022	25.1M

[1] Please see the Total Active Customer footnote at the end of this Presentation.

Powerful ecosystem continues to drive share of wallet gains, recurring revenue and retention of high value customers

vital care by petco

Unified and simplified memberships under Vital Care Program

In January, we unified our memberships within a two-tiered Vital Care offering – Core and Premier:

- Former members of our Pals Rewards loyalty program, including grooming and nutrition perks members, were transitioned to Vital Care Core
- Members of our existing Vital Care program were transitioned to Vital Care Premier

~500K Active Paid Vital Care Premier Plans

>$1Bn Fiscal 2022 Recurring Revenue[1]

1 Recurring customer revenue includes enterprise sales for customers who participated in any of our recurring revenue programs during the preceding twelve months, which include: repeat delivery, Pupbox, Vital Care and insurance.

Petco's purpose in action

Petco Partners

Achieved commitment to pay every non-trainee partner a base wage of $15 an hour

Honored Veterans Day with our Military and Veterans Partner Resource Group

Corporate partners and leadership worked alongside distribution center and pet care center partners as part of Holiday Helper program

Petco Love

Delivered over 170,000 free vaccines; with progress made toward a second 1M vaccine commitment to help save pets from preventable deadly diseases

Saved over 97K pet lives in the quarter and reunited over 17K pets with their loving families to date through Petco Love Lost

Supported Brandywine Valley SPCA Mega adoption event in PA, Giving Tuesday in partnership with BOBS from Sketchers, and marked Kinston, NC grand opening celebration with $25K grant to Lenoir County SPCA in NC

petco love
A NONPROFIT CHANGING LIVES

We are on a mission to improve lives for pets, pet parents and our Petco partners.

OPERATIONAL EXECUTION DRIVING SOLID BUSINESS PERFORMANCE

	Q4'22		FY'22	
	Results	YoY	Results	YoY
Net Revenue ($B)	$1.6	4%	$6.0	4%
Gross Margin %	39.8%	(222) bps	40.2%	(158) bps
Adj. EBITDA[1] ($M)	$170	(1)%	$582	(2)%
Adj. EPS[1]	$0.23	$(0.05)	$0.75	$(0.16)
Net Debt[1]/ TTM Adj. EBITDA[1]	2.5x	0.0x	2.5x	0.0x
Free Cash Flow[1] ($M)	$71	+$76	$68	$(51)

Key business highlights

Q4 revenue growth driven by broad based strength:

- Services & Vet: up **14**% y/y and **36**% on a 2-year stack
- Digital: up **12**% y/y and **37**% on a 2-year stack
- B&M Merchandise: up **2**% y/y and **12**% on a 2-year stack

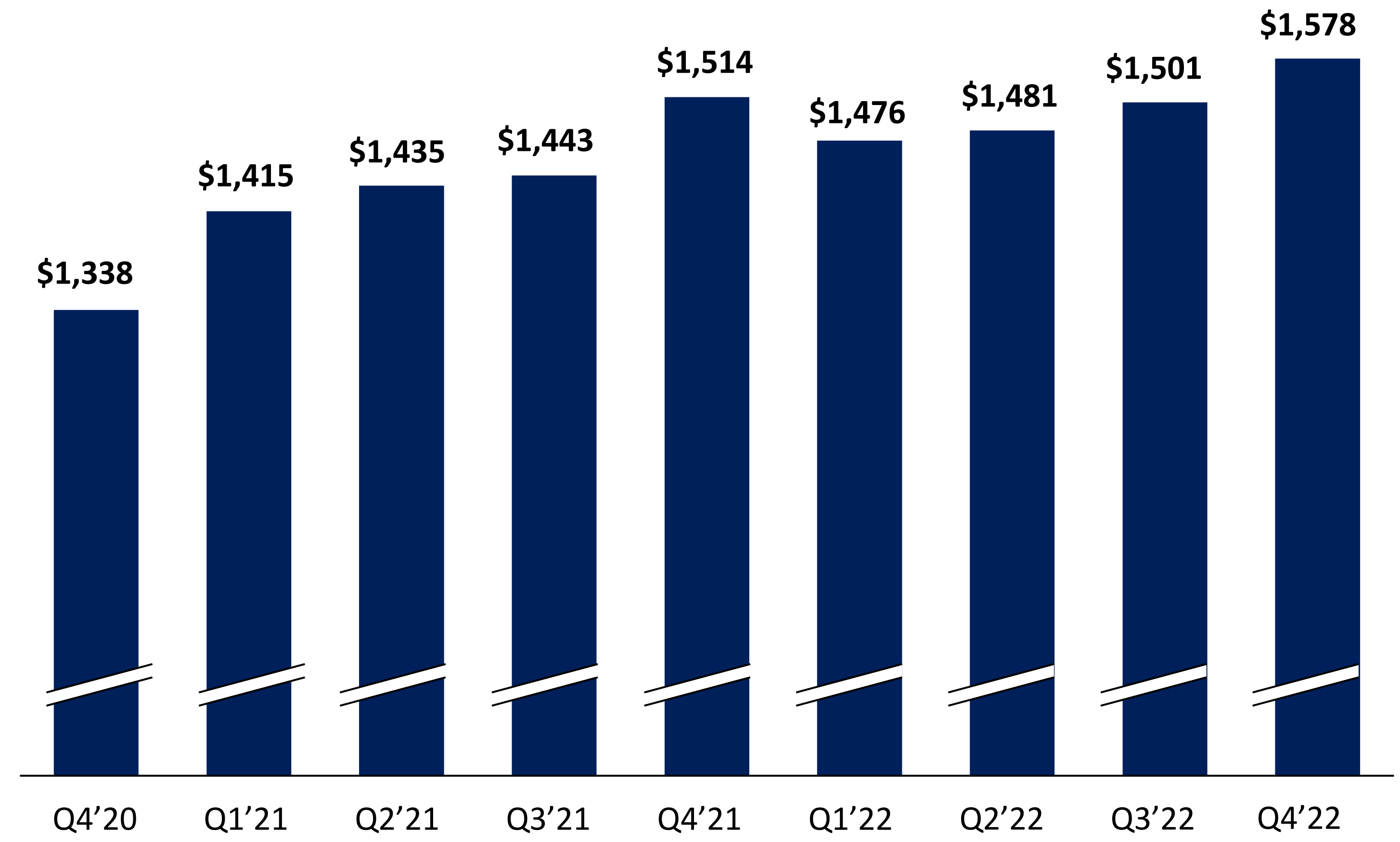
Added 50 full-service vet hospitals in 2022 (18 in the quarter), bringing total Petco owned hospitals to 247

Opened three additional rural locations in Q4, bringing total to five, while expanding shop-in-shop partnerships with Lowe's and Canadian Tire

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

STRONG TRACK RECORD OF DELIVERING GROWTH

NET REVENUE ($M)



	Q4’20	Q1’21	Q2’21	Q3’21	Q4’21	Q1’22	Q2’22	Q3’22	Q4’22
Revenue Growth Y/Y	16%	27%	19%	15%	13%	4%	3%	4%	4%
Comp Sales Growth	17%	28%	20%	15%	14%	5%	4%	4%	5%
2 Yr Comp Sales Growth	21%	30%	30%	32%	30%	33%	23%	20%	19%

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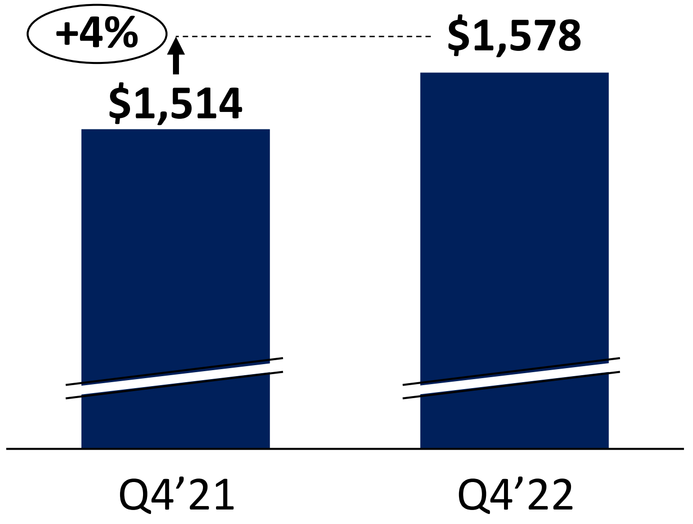
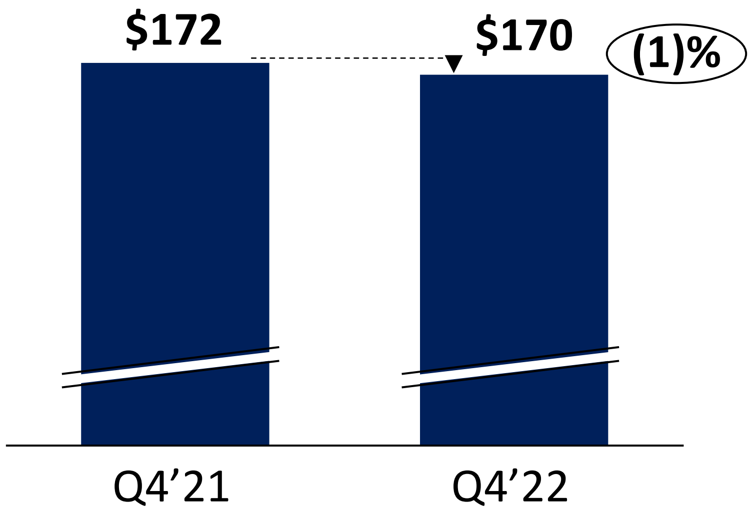
DELIVERED SOLID Q4’22 REVENUE GROWTH

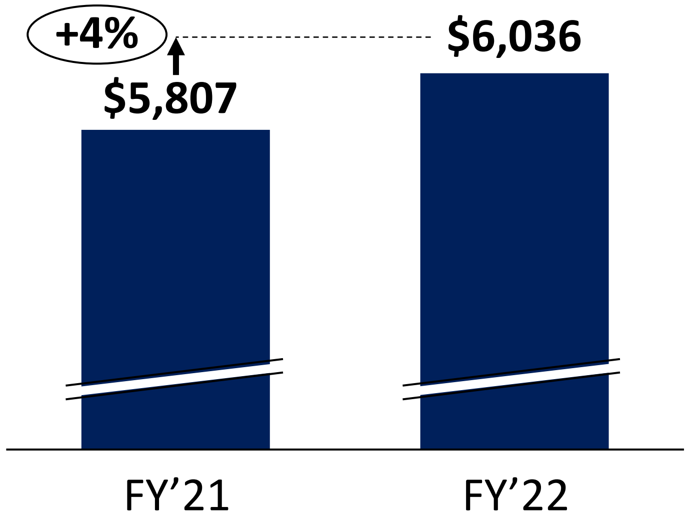
Q4’22 Net Revenue ($M)



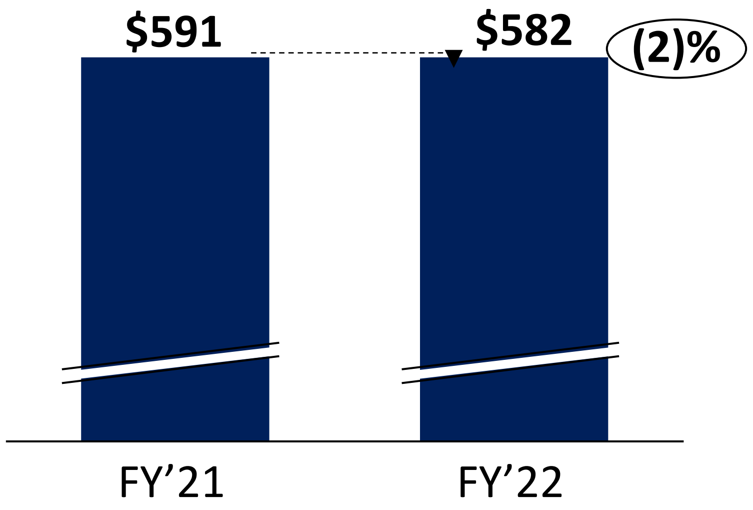
Q4’22 Adjusted EBITDA[1] ($M)



FY’22 Net Revenue ($M)



FY’22 Adjusted EBITDA[1] ($M)



Key growth highlights

Q4 revenue growth was 4% while Adjusted EBITDA[1] was nearly flat:

- Continued Services strength, driven by strength in vet and grooming
- Consumables sales up 12% year-over-year, driven by owned brand WholeHearted and year-over-year growth in revenue and customer numbers in fresh frozen

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

Strong Q4'22 Free Cash Flow[1] continues to support balance sheet, with incremental $35 million in debt pay down in Q1'23

	2022		2021
Q4 2022 Free Cash Flow[1]	$71M	+$76M	$(5M)
FY 2022 Free Cash Flow[1]	$68M	(43)%	$119M
Net Debt[1]	$1.47B	0%	$1.48B
Liquidity[2]	$646M	(1)%	$650M

FY 2022 Key Highlights

- Capital expenditures of $278M included investments in pet care centers, inclusive of vet buildouts and cooling infrastructure to support fresh frozen expansion
- Strong liquidity of $646M inclusive of $202M of cash and cash equivalents and $444M of availability on our revolving credit facility
- $35 million paydown of debt in Q1'23 continues to demonstrate commitment towards deleveraging and strengthening our balance sheet

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1 Non-GAAP financial measure; see definition and reconciliation at the end of this Presentation.
2 Liquidity as defined by Cash and Cash Equivalents plus the availability on the company's revolving credit facility.

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 U.S. 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.

Beginning in fiscal 2023, Petco has made certain changes to how it defines Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS that impact the comparability of the metrics to prior periods. Specifically, Petco will no longer include store pre-opening expenses, store closing expenses, non-cash occupancy costs, and certain other costs in its non-GAAP add-backs. Details of these changes and a reconciliation of the definitions prior to fiscal 2023 to allow for like-for-like comparisons to the new definitions can be found throughout this section of the Presentation.

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 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 Annual Report on Form 10-K filed on March 24, 2022 with the SEC for additional information on Adjusted EBITDA.

Adjusted Net Income and Adjusted EPS: Adjusted Net Income and Adjusted diluted earnings per share attributable to Petco common stockholders (Adjusted EPS) are considered non-GAAP financial measures under the SEC's rules because they exclude certain amounts included in the net income attributable to Petco common stockholders and diluted earnings per share attributable to Petco common stockholders calculated in accordance with GAAP. Management believes that Adjusted Net Income and Adjusted EPS are meaningful measures to share with investors because they facilitate comparison of the current period performance with that of the comparable prior period. In addition, Adjusted Net Income and Adjusted EPS afford investors a view of what management considers to be Petco's core earnings performance as well as the ability to make a more informed assessment of such earnings performance with that of the prior period.

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.

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.

Total Active Customers: Total Active Customers is the total number of 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 Vital Care Core members accounts with certain personal information are counted.

Note: Management generally rounds amounts to millions but calculates all percentages and per-share data from underlying whole-dollar amounts. As a result, certain amounts may not foot, cross-foot, or recalculate based on reported numbers due to rounding.

Non-GAAP Measures: Adjusted EBITDA*

(dollars in thousands) Reconciliation of Net Income Attributable to Class A and B-1 Common Stockholders to Adjusted EBITDA	13 Weeks Ended January 28, 2023	13 Weeks Ended January 29, 2022	52 Weeks Ended January 28, 2023	52 Weeks Ended January 29, 2022
Net income attributable to Class A and B-1 common stockholders	**$ 32,732**	**$ 28,994**	**$ 90,801**	**$ 164,417**
Add (deduct):				
Interest expense, net	32,137	18,884	100,611	77,335
Income tax expense	14,548	9,689	35,347	53,473
Depreciation and amortization	50,229	46,794	193,828	172,431
Income from equity method investees	(5,155)	(3,393)	(12,976)	(10,883)
Loss on debt extinguishment and modification	—	—	—	20,838
(Gains) losses on sale of assets, impairments and write-offs	(307)	5,000	1,992	10,918
Equity-based compensation	19,892	12,774	60,784	49,265
Other non-operating loss (income)	3,298	30,437	12,667	(34,497)
Mexico joint venture EBITDA (1)	9,265	8,314	29,584	26,837
Store pre-opening expenses (2)	3,900	3,026	14,993	14,765
Store closing expenses (2)	1,117	1,699	5,168	5,028
Non-cash occupancy-related costs (3)	1,456	2,550	8,432	8,114
Acquisition-related integration costs (4)	627	—	15,314	—
Other costs (5)	6,535	7,382	25,790	33,437
Adjusted EBITDA, as defined through fiscal 2022	**$ 170,274**	**$ 172,150**	**$ 582,335**	**$ 591,478**
Store pre-opening expenses (2)	(3,900)	(3,026)	(14,993)	(14,765)
Store closing expenses (2)	(1,117)	(1,699)	(5,168)	(5,028)
Non-cash occupancy-related costs (3)	(1,456)	(2,550)	(8,432)	(8,114)
Other costs (5)	(5,912)	(7,378)	(22,973)	(15,202)
Adjusted EBITDA, as defined beginning fiscal 2023	**$ 157,889**	**$ 157,497**	**$ 530,769**	**$ 548,369**
Net sales	$ 1,577,959	$ 1,514,357	$ 6,035,967	$ 5,807,149
Net margin (6)	2.1%	1.9%	1.5%	2.8%
Adjusted EBITDA Margin, as defined through fiscal 2022 (6)	10.8%	11.4%	9.6%	10.2%
Adjusted EBITDA Margin, as defined beginning fiscal 2023 (6)	10.0%	10.4%	8.8%	9.4%

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* Please see slide at the end of presentation for related footnotes.

Non-GAAP Measures: Historical Adjusted EBITDA Reconciliations*

(dollars in thousands) Reconciliation of Net Income Attributable to Class A and B-1 Common Stockholders to Adjusted EBITDA	Fiscal Year 2021 13 Weeks Ended May 1, 2021	July 31, 2021	October 30, 2021	January 29, 2022	Fiscal Year Ended January 29, 2022	Fiscal Year 2022 13 Weeks Ended April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	Fiscal Year Ended January 28, 2023
Net income attributable to Class A and B-1 common stockholders	**$ 7,560**	**$ 75,111**	**$ 52,752**	**$ 28,994**	**164,417**	**$ 24,693**	**$ 13,456**	**$ 19,920**	**$ 32,732**	**$ 90,801**
Add (deduct):										
Interest expense, net	20,508	19,193	18,751	18,884	77,336	19,614	21,683	27,177	32,137	100,611
Income tax expense	2,679	27,011	14,095	9,689	53,474	10,000	6,638	4,161	14,548	35,347
Depreciation and amortization	41,607	41,238	42,792	46,794	172,431	46,967	48,603	48,029	50,229	193,828
Income from equity method investees	(2,425)	(2,429)	(2,637)	(3,393)	(10,884)	(3,163)	(2,031)	(2,627)	(5,155)	(12,976)
Loss on debt extinguishment and modification	20,838	—	—	—	20,838	—	—	—	—	—
Losses (gains) on sale of assets, impairments and write-offs	947	1,743	3,228	5,000	10,918	162	1,207	930	(307)	1,992
Equity-based compensation	11,604	11,506	13,381	12,774	49,265	12,222	12,895	15,775	19,892	60,784
Other non-operating (income) loss	—	(45,162)	(19,773)	30,437	(34,498)	(314)	10,259	(576)	3,298	12,667
Mexico joint venture EBITDA (1)	6,006	5,856	6,661	8,314	26,837	6,778	6,501	7,040	9,265	29,584
Store pre-opening expenses (2)	4,029	3,488	4,222	3,026	14,765	3,359	3,803	3,931	3,900	14,993
Store closing expenses (2)	1,103	962	1,264	1,699	5,028	1,860	881	1,310	1,117	5,168
Non-cash occupancy-related costs (3)	1,139	2,885	1,540	2,550	8,114	2,194	2,286	2,496	1,456	8,432
Acquisition-related integration costs (4)	—	—	—	—	—	2,236	10,859	1,592	627	15,314
Other costs (5)	10,151	13,671	2,233	7,382	33,437	5,943	4,915	8,397	6,535	25,790
Adjusted EBITDA, as defined through fiscal 2022	**$ 125,746**	**$ 155,073**	**$ 138,509**	**$ 172,150**	**$ 591,478**	**$ 132,551**	**$ 141,955**	**$ 137,555**	**$ 170,274**	**$ 582,335**
Store pre-opening expenses (2)	(4,029)	(3,488)	(4,222)	(3,026)	(14,765)	(3,359)	(3,803)	(3,931)	(3,900)	(14,993)
Store closing expenses (2)	(1,103)	(962)	(1,264)	(1,699)	(5,028)	(1,860)	(881)	(1,310)	(1,117)	(5,168)
Non-cash occupancy-related costs (3)	(1,139)	(2,885)	(1,540)	(2,550)	(8,114)	(2,194)	(2,286)	(2,496)	(1,456)	(8,432)
Other costs (5)	(2,911)	(2,697)	(2,216)	(7,378)	(15,202)	(5,943)	(1,488)	(9,630)	(5,912)	(22,973)
Adjusted EBITDA, as defined beginning fiscal 2023	**$ 116,564**	**$ 145,041**	**$ 129,267**	**$ 157,497**	**$ 548,369**	**$ 119,195**	**$ 133,497**	**$ 120,188**	**$ 157,889**	**$ 530,769**
Net sales	$ 1,414,994	$ 1,434,534	$ 1,443,264	$ 1,514,357	$5,807,149	$ 1,475,991	$ 1,480,797	$ 1,501,220	$ 1,577,959	$ 6,035,967
Net margin (6)	0.5%	5.2%	3.7%	1.9%	2.8%	1.7%	0.9%	1.3%	2.1%	1.5%
Adjusted EBITDA Margin, as defined through fiscal 2022 (6)	8.9%	10.8%	9.6%	11.4%	10.2%	9.0%	9.6%	9.2%	10.8%	9.6%
Adjusted EBITDA Margin, as defined beginning fiscal 2023 (6)	8.2%	10.1%	9.0%	10.4%	9.4%	8.1%	9.0%	8.0%	10.0%	8.8%

* Please see slide at the end of presentation for related footnotes.

Non-GAAP Measures: Q4 Adjusted Net Income and Adjusted EPS*

(in thousands, except per share amounts)	13 Weeks Ended			
Reconciliation of Diluted EPS to Adjusted EPS	January 28, 2023		January 29, 2022	
	Amount	Per share	Amount	Per share
Net income attributable to common stockholders / diluted EPS	**$ 32,732**	**$ 0.12**	**$ 28,994**	**$ 0.11**
Add (deduct):				
Income tax expense	14,548	0.05	9,689	0.04
(Gains) losses on sale of assets, impairments and write-offs	(307)	(0.00)	5,000	0.02
Equity-based compensation	19,892	0.08	12,774	0.05
Other non-operating loss	3,298	0.01	30,437	0.11
Store pre-opening expenses (2)	3,900	0.02	3,026	0.01
Store closing expenses (2)	1,117	0.00	1,699	0.01
Non-cash occupancy-related costs (3)	1,456	0.01	2,550	0.01
Acquisition-related integration costs (4)	627	0.00	—	—
Other costs (5)	6,535	0.02	7,382	0.02
Adjusted pre-tax income / diluted earnings per share	$ 83,798	$ 0.31	$ 101,551	$ 0.38
Income tax expense at 26% normalized tax rate	21,787	0.08	26,403	0.10
Adjusted Net Income / Adjusted EPS, as defined through fiscal 2022	**$ 62,011**	**$ 0.23**	**$ 75,148**	**$ 0.28**
Store pre-opening expenses (2)	(3,900)	(0.02)	(3,026)	(0.01)
Store closing expenses (2)	(1,117)	(0.00)	(1,699)	(0.01)
Non-cash occupancy-related costs (3)	(1,456)	(0.01)	(2,550)	(0.01)
Other costs (5)	(5,912)	(0.01)	(7,378)	(0.02)
Income tax effect of above items at 26% normalized tax rate	3,220	0.01	3,810	0.01
Adjusted Net Income / Adjusted EPS, as defined beginning fiscal 2023	**$ 52,846**	**$ 0.20**	**$ 64,305**	**$ 0.24**

* Please see slide at the end of presentation for related footnotes.

Non-GAAP Measures: FY22 Adjusted Net Income and Adjusted EPS*

(in thousands, except per share amounts)	52 Weeks Ended			
Reconciliation of Diluted EPS to Adjusted EPS	January 28, 2023		January 29, 2022	
	Amount	Per share	Amount	Per share
Net income attributable to common stockholders / diluted EPS	**$ 90,801**	**$ 0.34**	**$ 164,417**	**$ 0.62**
Add (deduct):				
Income tax expense	35,347	0.13	53,473	0.20
Loss on debt extinguishment and modification	—	—	20,838	0.08
(Gains) losses on sale of assets, impairments and write-offs	1,992	0.01	10,918	0.04
Equity-based compensation	60,784	0.22	49,265	0.19
Other non-operating loss (income)	12,667	0.05	(34,497)	(0.13)
Store pre-opening expenses (2)	14,993	0.06	14,765	0.06
Store closing expenses (2)	5,168	0.02	5,028	0.02
Non-cash occupancy-related costs (3)	8,432	0.03	8,114	0.03
Acquisition-related integration costs (4)	15,314	0.06	—	—
Other costs (5)	25,790	0.10	33,437	0.12
Adjusted pre-tax income / diluted earnings per share	$ 271,288	$ 1.02	$ 325,758	$ 1.23
Income tax expense at 26% normalized tax rate	70,535	0.27	84,697	0.32
Adjusted Net Income / Adjusted EPS, as defined through fiscal 2022	**$ 200,753**	**$ 0.75**	**$ 241,061**	**$ 0.91**
Store pre-opening expenses (2)	(14,993)	(0.06)	(14,765)	(0.06)
Store closing expenses (2)	(5,168)	(0.02)	(5,028)	(0.02)
Non-cash occupancy-related costs (3)	(8,432)	(0.03)	(8,114)	(0.03)
Other costs (5)	(22,973)	(0.08)	(15,202)	(0.05)
Income tax effect of above items at 26% normalized tax rate	13,407	0.05	11,208	0.04
Adjusted Net Income / Adjusted EPS, as defined beginning fiscal 2023	**$ 162,594**	**$ 0.61**	**$ 209,160**	**$ 0.79**

* Please see slide at the end of presentation for related footnotes.

Non-GAAP Measures: Historical Quarterly Adjusted Net Income and Adjusted EPS Reconciliations*

(in thousands, except per share amounts)	Fiscal 2021								Fiscal 2022							
	13 Weeks Ended								13 Weeks Ended							
Reconciliation of Diluted EPS to Adjusted EPS	May 1, 2021		July 31, 2021		October 30, 2021		January 29, 2022		April 30, 2022		July 30, 2022		October 29, 2022		January 28, 2023	
	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share
Net income attributable to common stockholders / diluted EPS	**$ 7,560**	**$ 0.03**	**$ 75,111**	**$ 0.28**	**$ 52,752**	**$ 0.20**	**$ 28,994**	**$ 0.11**	**$ 24,693**	**$ 0.09**	**$ 13,456**	**$ 0.05**	**$ 19,920**	**$ 0.07**	**$ 32,732**	**$ 0.12**
Add (deduct):																
Income tax expense	2,679	0.01	27,011	0.10	14,095	0.05	9,689	0.04	10,000	$ 0.04	6,638	0.02	4,161	0.02	14,548	0.05
Loss on debt extinguishment and modification	20,838	0.08	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill & indefinite-lived intangible impairment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(Gains) losses on sale of assets, impairments and write-offs	947	0.00	1,743	0.01	3,228	0.01	5,000	0.02	162	0.00	1,207	0.01	930	0.00	(307)	(0.00)
Equity-based compensation	11,604	0.04	11,506	0.04	13,381	0.05	12,774	0.05	12,222	0.04	12,895	0.05	15,775	0.06	19,892	0.08
Other non-operating (income) loss	—	—	(45,162)	(0.17)	(19,773)	(0.08)	30,437	0.11	(314)	(0.00)	10,259	0.04	(576)	(0.00)	3,298	0.01
Store pre-opening expenses (2)	4,029	0.02	3,488	0.01	4,222	0.02	3,026	0.01	3,359	0.01	3,803	0.01	3,931	0.02	3,900	0.02
Store closing expenses (2)	1,103	0.00	962	0.01	1,264	0.00	1,699	0.01	1,860	0.01	881	0.00	1,310	0.00	1,117	0.00
Non-cash occupancy-related costs (3)	1,139	0.01	2,885	0.01	1,540	0.01	2,550	0.01	2,194	0.01	2,286	0.01	2,496	0.01	1,456	0.01
Acquisition-related integration costs (4)	—	—	—	—	—	—	—	—	2,236	0.01	10,859	0.04	1,592	0.01	627	0.00
Other costs (5)	10,151	0.04	13,671	0.05	2,233	0.01	7,382	0.02	5,943	0.02	4,915	0.02	8,397	0.03	6,535	0.02
Adjusted pre-tax income / diluted earnings per share	$ 60,050	$ 0.23	$ 91,215	$ 0.34	$ 72,942	$ 0.27	$ 101,551	$ 0.38	$ 62,355	$ 0.23	$ 67,199	$ 0.25	$ 57,936	$ 0.22	$ 83,798	$ 0.31
Income tax expense at 26% normalized tax rate	15,613	0.06	23,716	0.09	18,965	0.07	26,403	0.10	16,212	0.06	17,472	0.06	15,063	0.06	21,787	0.08
Adjusted Net Income / Adjusted EPS, as defined through fiscal 2022	**$ 44,437**	**$ 0.17**	**$ 67,499**	**$ 0.25**	**$ 53,977**	**$ 0.20**	**$ 75,148**	**$ 0.28**	**$ 46,143**	**$ 0.17**	**$ 49,727**	**$ 0.19**	**$ 42,873**	**$ 0.16**	**$ 62,011**	**$ 0.23**
Store pre-opening expenses (2)	(4,029)	(0.02)	(3,488)	(0.01)	(4,222)	(0.02)	(3,026)	(0.01)	(3,359)	(0.01)	(3,803)	(0.02)	(3,931)	(0.02)	(3,900)	(0.02)
Store closing expenses (2)	(1,103)	(0.00)	(962)	(0.00)	(1,264)	(0.00)	(1,699)	(0.01)	(1,860)	(0.01)	(881)	(0.00)	(1,310)	(0.00)	(1,117)	(0.00)
Non-cash occupancy-related costs (3)	(1,139)	(0.01)	(2,885)	(0.01)	(1,540)	(0.01)	(2,550)	(0.01)	(2,194)	(0.01)	(2,286)	(0.01)	(2,496)	(0.01)	(1,456)	(0.01)
Other costs (5)	(2,911)	(0.01)	(2,697)	(0.01)	(2,216)	(0.01)	(7,378)	(0.02)	(5,943)	(0.02)	(1,488)	(0.01)	(9,630)	(0.04)	(5,912)	(0.02)
Income tax effect of above items at 26% normalized tax rate	2,387	0.01	2,608	0.01	2,403	0.02	3,810	0.01	3,473	0.02	2,199	0.01	4,515	0.02	3,220	0.02
Adjusted Net Income / Adjusted EPS, as defined beginning fiscal 2023	**$ 37,642**	**$ 0.14**	**$ 60,075**	**$ 0.23**	**$ 47,138**	**$ 0.18**	**$ 64,305**	**$ 0.24**	**$ 36,260**	**$ 0.14**	**$ 43,468**	**$ 0.16**	**$ 30,021**	**$ 0.11**	**$ 52,846**	**$ 0.20**

* Please see slide at the end of presentation for related footnotes.

Non-GAAP Measures: Free Cash Flow

(in thousands)	13 Weeks Ended		52 Weeks Ended	
	January 28, 2023	January 29, 2022	January 28, 2023	January 29, 2022
Net cash provided by operating activities	$ 136,540	$ 69,771	$ 346,003	$ 358,215
Cash paid for fixed assets	(65,946)	(74,780)	(278,020)	(239,110)
Free Cash Flow	**$ 70,594**	**$ (5,009)**	**$ 67,983**	**$ 119,105**

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Non-GAAP Measures: Net Debt

(dollars in thousands)	January 28, 2023	January 29, 2022
Total debt:		
Senior secured credit facilities, net, including current portion	$ 1,645,331	$ 1,657,390
Finance leases, including current portion	29,435	29,816
Total debt	1,674,766	1,687,206
Less: cash and cash equivalents	(201,901)	(211,602)
Net Debt	**$ 1,472,865**	**$ 1,475,604**
Adjusted EBITDA (TTM), as defined through fiscal 2022	$ 582,335	$ 591,478
Net Debt / Adjusted EBITDA ratio, as defined through fiscal 2022	2.5x	2.5x
Adjusted EBITDA (TTM), as defined beginning fiscal 2023	$ 530,769	$ 548,369
Net Debt / Adjusted EBITDA ratio, as defined beginning fiscal 2023	2.8x	2.7x

Net Sales by Category

	13 Weeks Ended				
	January 28, 2023	January 29, 2022	January 30, 2021	% Change (1 yr)	% Change (2 yr)
Consumables	$ 766,092	$ 683,552	$ 575,484	12.1%	30.9%
Supplies and companion animals	595,764	646,082	620,779	(7.8%)	(3.7%)
Services and other	216,103	184,723	141,450	17.0%	47.6%
Net sales	**$ 1,577,959**	**$ 1,514,357**	**$ 1,337,713**	**4%**	**17%**

	52 Weeks Ended				
	January 28, 2023	January 29, 2022	January 30, 2021	% Change (1 yr)	% Change (2 yr)
Consumables	$ 2,859,602	$ 2,533,755	$ 2,123,499	12.9%	32.2%
Supplies and companion animals	2,370,913	2,603,104	2,328,663	(8.9%)	2.9%
Services and other	805,452	670,290	468,040	20.2%	63.4%
Net sales	**$ 6,035,967**	**$ 5,807,149**	**$ 4,920,202**	**4%**	**22%**

Adjusted EBITDA, Adjusted Net Income and Adjusted EPS Footnotes

(1) Mexico Joint Venture EBITDA represents 50 percent of the entity's operating results for all periods, as adjusted to reflect the results on a basis comparable to Adjusted EBITDA. In the financial statements, this joint venture is accounted for as an equity method investment and reported net of depreciation and income taxes. Because such a presentation would not reflect the adjustments made in the calculation of Adjusted EBITDA, we include the 50 percent interest in the company's Mexico joint venture on an Adjusted EBITDA basis to ensure consistency. Refer to earnings releases, quarterly and annual reports posted to our website for reconciliations of Mexico joint venture net income to Mexico joint venture EBITDA.

(2) Store pre-opening and closing expenses were adjusted for periods prior to fiscal 2023. Beginning in fiscal 2023, such expense will no longer be adjusted.

(3) Non-cash occupancy-related costs include the difference between cash and straight-line rent and were adjusted for periods prior to fiscal 2023. Beginning in fiscal 2023, such expenses will no longer be adjusted.

(4) Acquisition/integration costs include direct costs resulting from acquiring and integrating businesses. These include third-party professional and legal fees and other integration-related costs that would not have otherwise been incurred as part of the company's operations. For the thirteen weeks ended January 28, 2023, approximately $0.6 million of Thrive integration costs were recorded in cost of sales and $0.1 million of integration costs were recorded in selling, general and administrative expenses. For the fifty-two weeks ended January 28, 2023, approximately $8.2 million of Thrive integration costs were recorded in cost of sales and $7.1 million of integration costs were recorded in selling, general and administrative expenses.

(5) Other costs prior to fiscal 2023 included: severance; legal reserves and related fees; one-time consulting and other costs associated with our strategic transformation initiatives; discontinuation and liquidation costs; and costs related to our initial public offering and refinancing. Other costs beginning in fiscal 2023 will include, as incurred: restructuring costs and restructuring-related severance costs; legal reserves associated with significant, non-ordinary course legal or regulatory matters; and costs related to certain significant strategic transactions.

(6) We define net margin as net income attributable to Class A and B-1 common stockholders divided by net sales and Adjusted EBITDA margin as Adjusted EBITDA divided by net sales.

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