



Needham 1st Annual Consumer Tech/E-Commerce Virtual Conference

November 22, 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 environmental and other sustainability plans and goals and potential acquisitions, investments and dispositions. 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. There can be no assurance that any forward-looking results will occur or be realized, and 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. Such forward-looking statements can 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. All forward-looking statements are based on assumptions or judgments 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 to differ materially from the potential results discussed in the forward-looking statements, including, without limitation, those identified in this Presentation, the risk factors that we identify in our Securities and Exchange Commission filings, 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; and (xix) changes in our credit ratings. The occurrence of any such factors, events, or circumstances could significantly alter the results set forth in these statements.

Petco cautions that the foregoing list of important factors is not complete, and any forward-looking statements speak only as of the date they are made. Petco undertakes no duty to update publicly any forward-looking statement that it may make, 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, 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's Winning Game Plan Against High Growth Category

In category that is expected to grow at a 7% CAGR through 2025, taking share in high growth segments



Compelling Value Proposition

- Health and Wellness Focus
- Omnichannel Leadership
- Unique Digital Platform
- Powerful Loyalty Programs
- Training and Grooming
- Vet Hospital Buildout

**2 YR Comp
Growth**

32%

**Net New
Customers**

830K

**Total Active
Customers¹**

23.3M

Driving Sustainable Growth and Operating Leverage with Proven Strategy

Expanding Share of Wallet & LTV

- +60% recurring customer revenue growth, +45% growth in those customers
- ~1M Nutrition & Grooming Perks members & 130K Vital Care subscriptions

Executing one of the Fastest Vet Rollouts in History

- 173 vet hospitals to date, on track to 197 hospitals year-end
- Attractive 4 wall economics + MSD center store lift

Becoming a Leader in Digital

- +32% and +159% digital revenue growth y/y and on 2-year stack
- 40% y/y repeat delivery growth & +5M app downloads

Targeting Attractive Growth Opportunities

- ~50% growth in Fresh and Frozen
- +DD owned brands growth
- 50% growth within \$11B prescription market

Driving Strategic Operating Leverage

- 240 bps y/y improvement in SG&A while reinvesting in sustainable growth
- ~\$20-30M in annual cost efficiencies
- Operating leverage from growth against an existing fixed cost footprint

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)

Petco's Playing a Different Game in Digital

1

Differentiated Customer Segmentation



- 29% of customers prefer to shop **digital only**
- 39% of customers prefer to shop **omnichannel**



2

Advantaged Fulfillment Capabilities



- ~1,450 PCCs fulfilling **80% of orders**
- **90%** of customers choose BOPUS/Same Day Delivery when available



3

Gaining Traction in Multichannel



- Avg. **2-7x** increased spending
- **+50%** retention rate improvement



With 5 Million App Downloads, Driving Sticky Relationships and Higher Spend

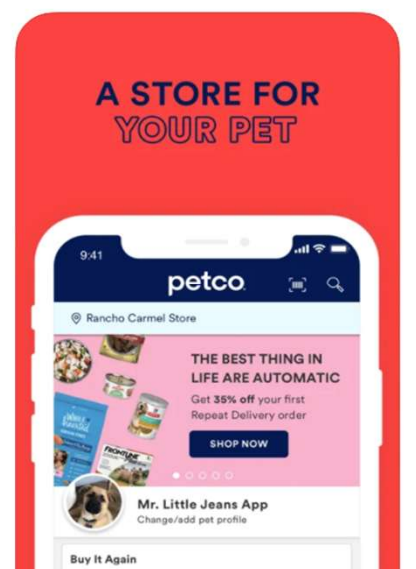
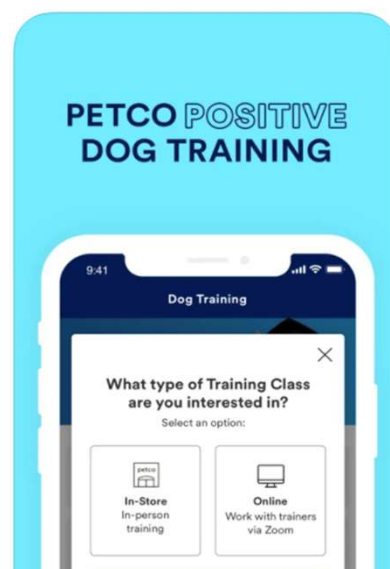
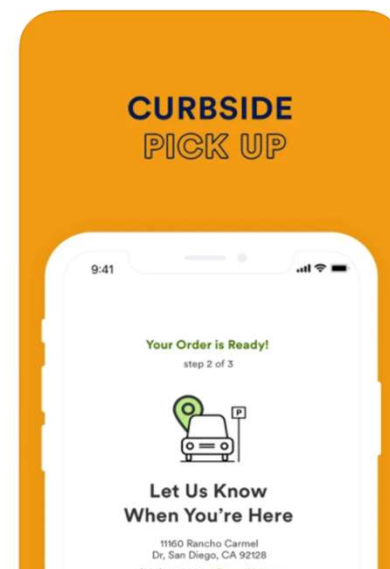
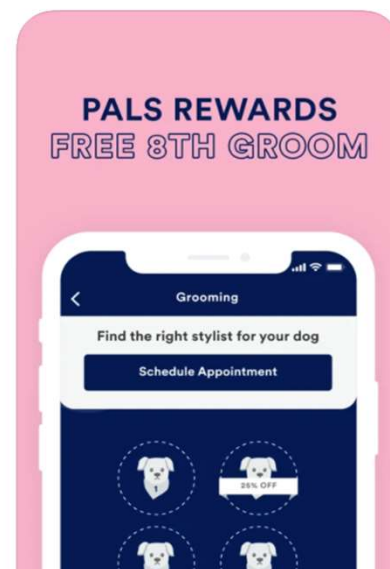
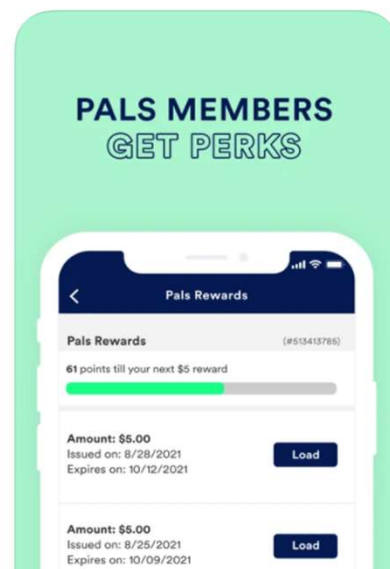
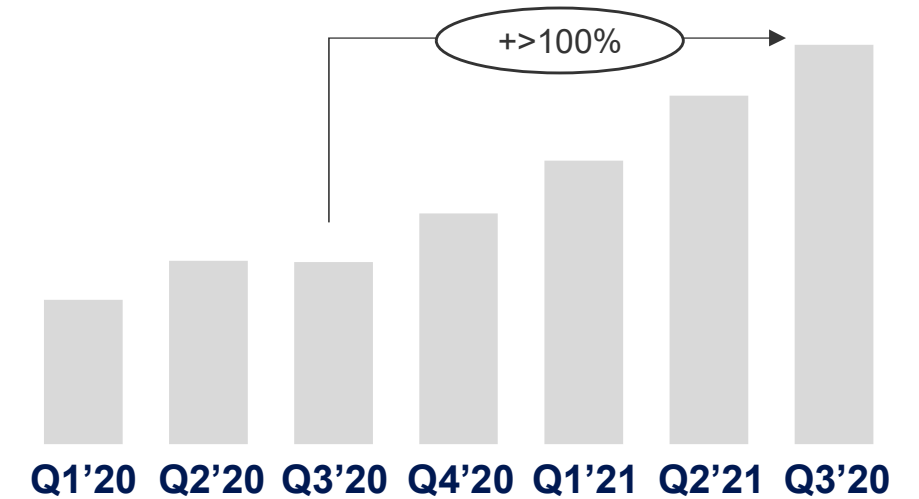
>100% YoY active user growth

>100% YoY revenue growth

4.8 Q3 App store rating

50% Incremental margin with customers downloads

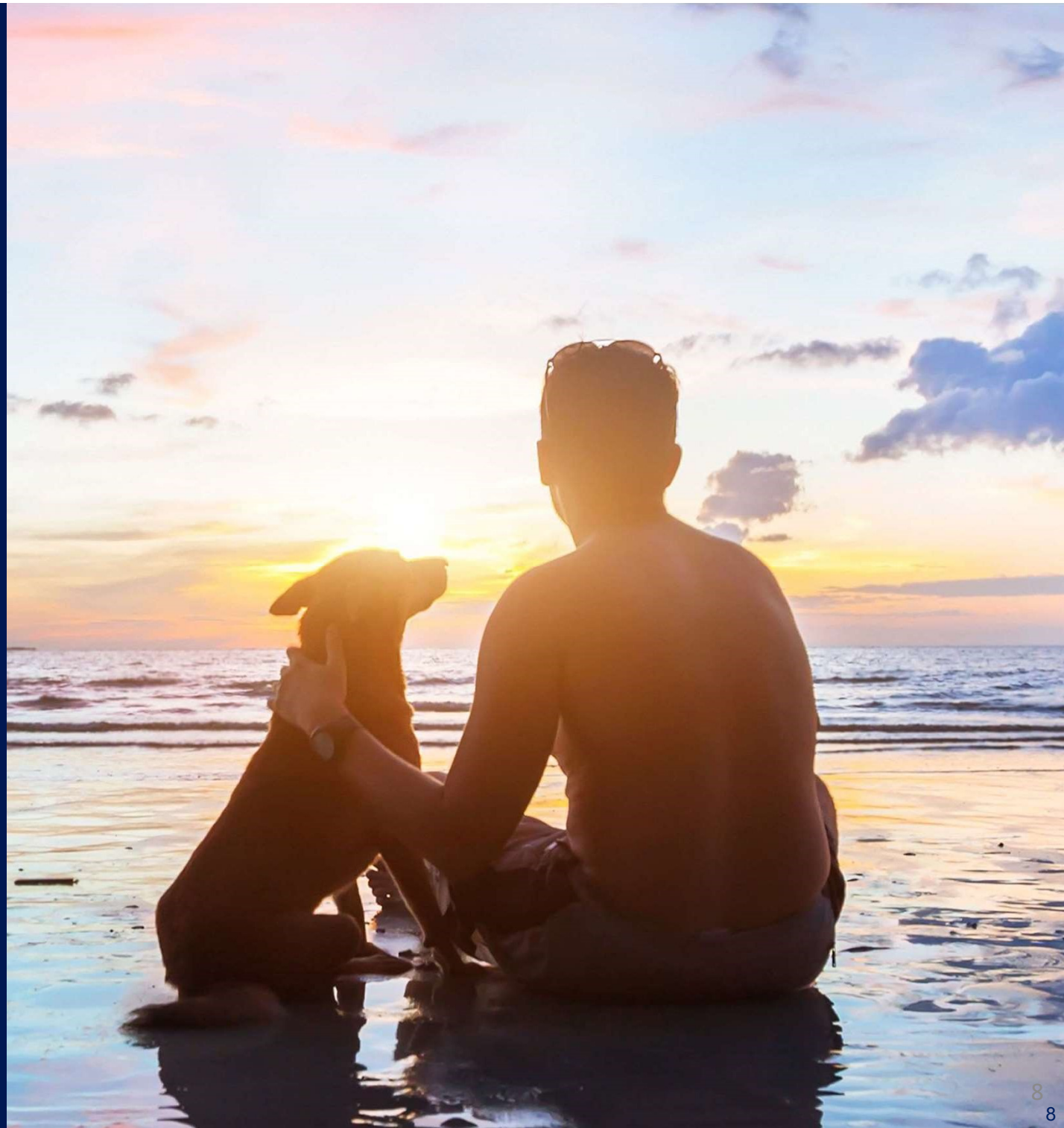
Quarterly App Revenue



We Are a Purpose Driven Company

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

petco
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WELLNESS CO.



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