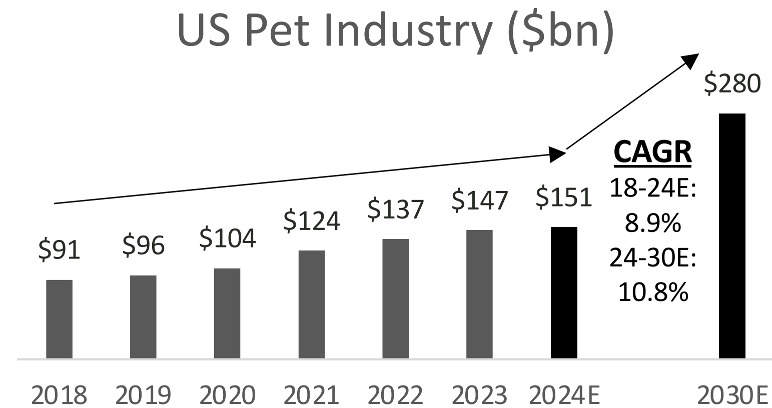
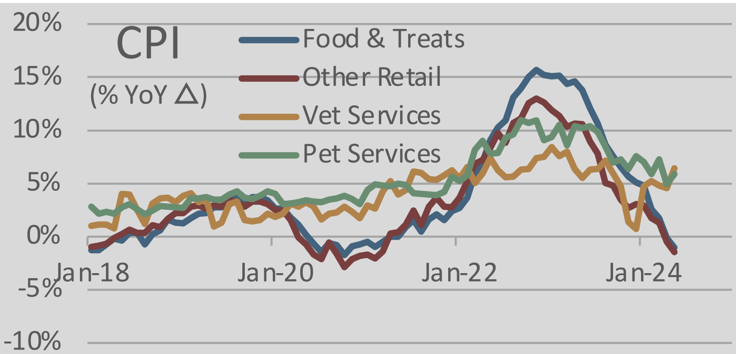
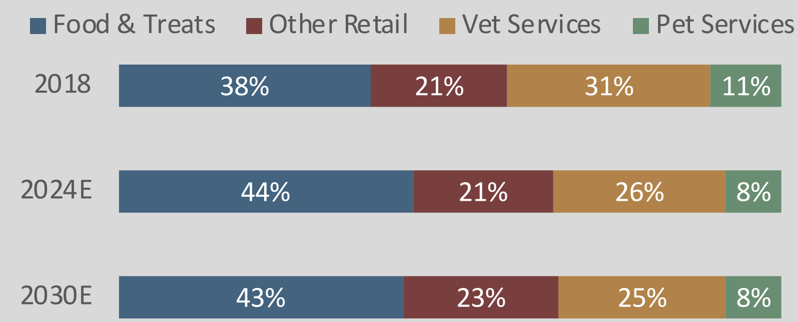
US PET INDUSTRY

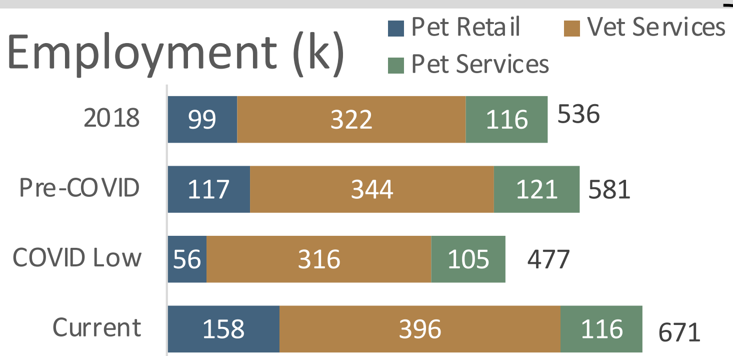
- Total economic impact of the pet industry has increased to $303bn in 2023, an increase of 16% from $260bn in 2021
- Pet population growth continues in post-COVID era (100mm+ dogs by 2030)
- Human-Animal Bond continues to grow significantly (92-96% from 2018 to 2022)
- Owning a pet saves the American healthcare system an estimated $22bn annually

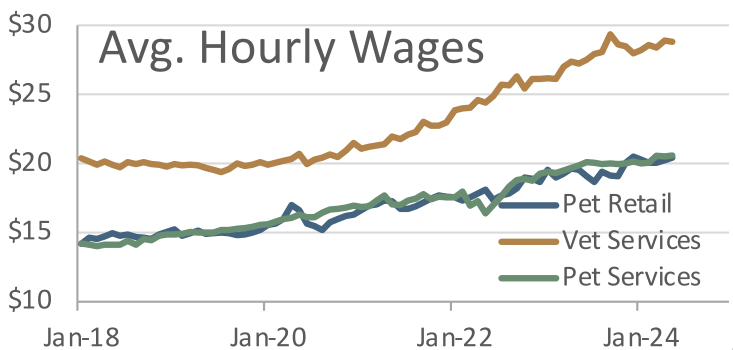




- Industry remains recession-proof, growing in recent downturns
- Inflation on pet products (food, treats & more) has slowed, while service pricing increases steadily
- Products are expected to continue taking share against Services, growing to 66% of sales by 2030
- New role for pet care financing options (buy now, pay later)

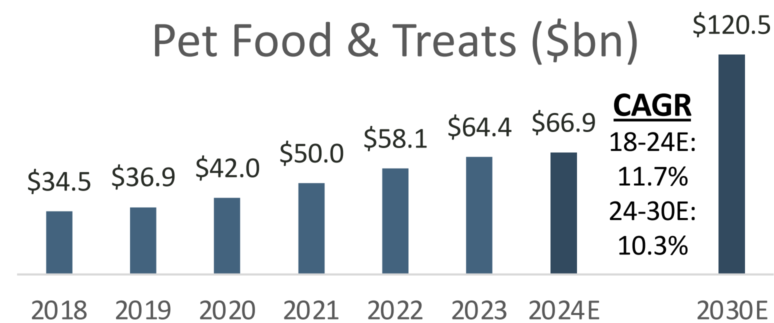


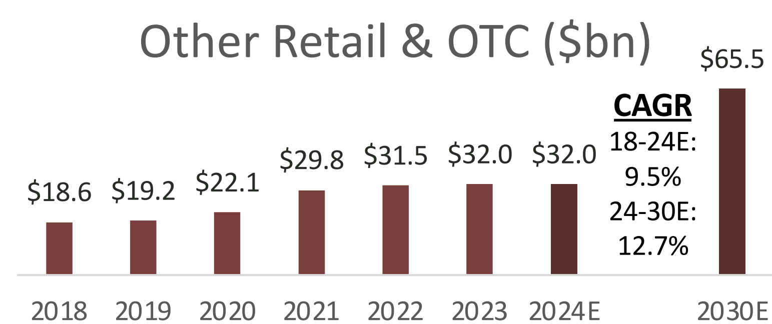




- Pet care is a top performing consumer goods category
- Premium food rules (45% in 2022 for dogs, up from 37%)
- Meat & dental treats dominate overall treat market
- Flea & Tick product purchases driven by location (rural & suburban 60%+)
- Toys continue to be bought mostly at retail stores

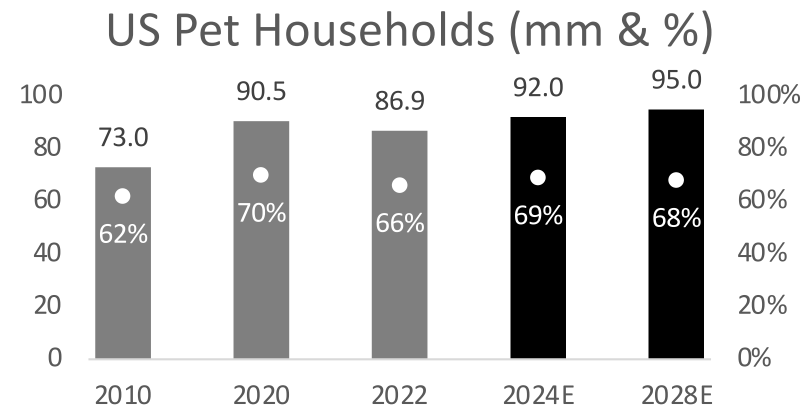
- Over 1mm jobs are directly attributed to pet businesses
- Pet Services employment has yet to reach peak levels
- Wage growth has slowed w/ Pet Retail & Services settling at ~$20/hr & Vet at ~$30/hr





US PET CONSUMER

- Majority of all pet owners state the economy has not impacted their ownership
- Younger generations prefer natural food w/ older generations using premium food
- Pet owner shopping behavior has moved online quickly due to COVID
- Younger pet owners utilize vet for a variety of services vs exams & vaccinations
- Pet-friendly locations continue to grow, targeting Gen Z & Millennial pet owners

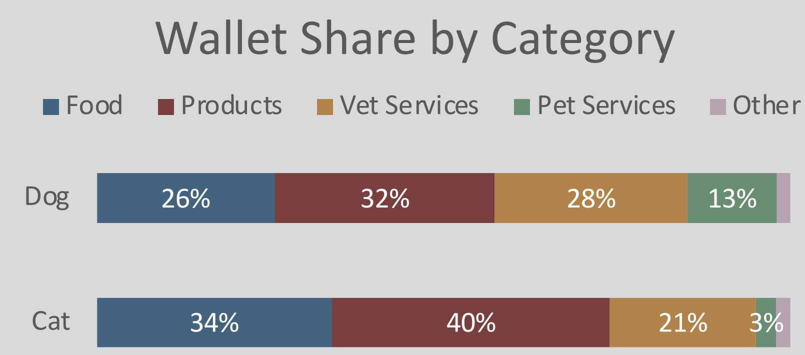


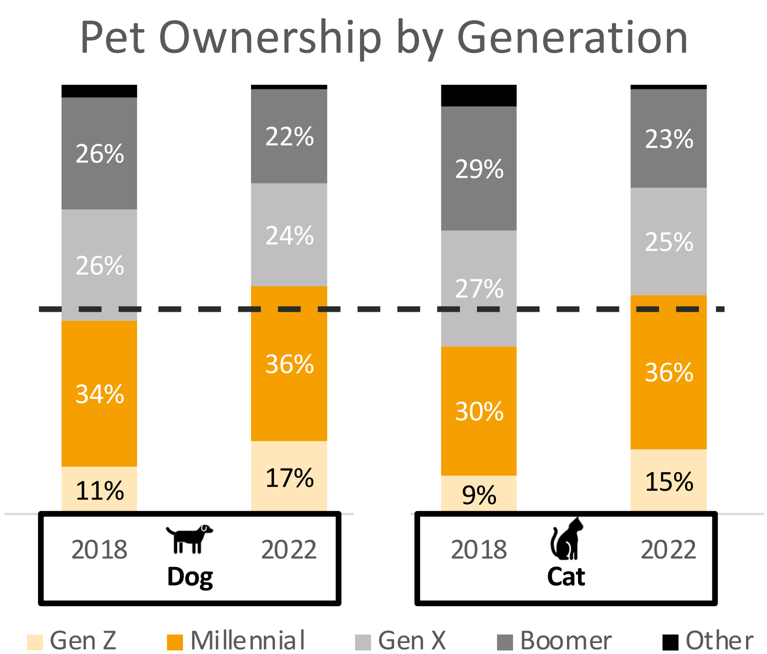
Cost of Ownership

Dog:
- **Upfront: $870 - $4,565**
- Essentials: $1,000 - $5,225
- *Extras: $1,405 - $6,235*

Cat:
- **Upfront: $535 - $2,810**
- Essentials: $710 - $2,865
- *Extras: $2,080 - $3,540*

Dog ($)	2018	2022	%	Cat ($)	2018	2022
Food/Treats	$159	$354	***94%***	Food	$228	**$300**
Surgery	$426	$472	*11%*	Surgery	$214	$232
Vet-Sick	$209	$304	***45%***	Vet-Sick	$174	$200
Vet-Well	$212	$250	*18%*	Vet-Well	$160	$198
Boarding	$229	$315	***38%***	Boarding	$120	$105
Medication	$212	$247	*17%*	Litter		$153



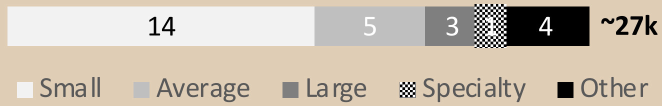


- **Multi-Pet Households:** Increase from 63-66% driven entirely by Gen Z (66-71%) & Millennials (67-73%) versus Gen X (66% flat) and Boomers (55% flat)
- **Brand Matters:** Brand names are much more important to Gen Z & Millennials (72-75% vs < 70%), which makes branding a big opportunity for strategy and marketing teams
- **Online Subscriptions:** Gen Z (62%) & Millennials (59%) are far more likely to use online subscriptions than older generations (Gen X – 41%; Boomer – 34%)
- **Annual Vet Visits:** All generations take their pets to the veterinarian for ~3x visits per year, but Gen Z (Dog – 48% / Cat – 33%) and Millennials (Dog – 37% / Cat – 29%) take their pets for 3+ visits more than older generations (Gen X: Dog – 33% / Cat – 17% | Boomer: Dog – 30% / Cat – 16%)
- **Pet Services:** Younger owners use pet services like daycare, walking, at home boarding and training far more often than older pet owners
- **Marketing Methods:** Gen Z & Millennials learn about new pet products on YouTube, Tik Tok and Instagram – all visual platforms. Boomers and Gen X turn to company websites (50-60%)
- **Online Services:** Gen Z (17-22%) & Millennial (21-23%) pet owners use online services to find pet care services much more than Gen X (7-8%) & Boomers (4-5%)

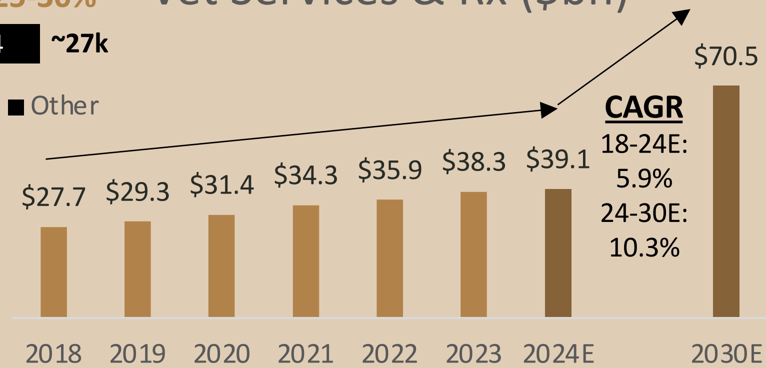
VET SERVICES

of Locations by Size

Top 10: 25-30%



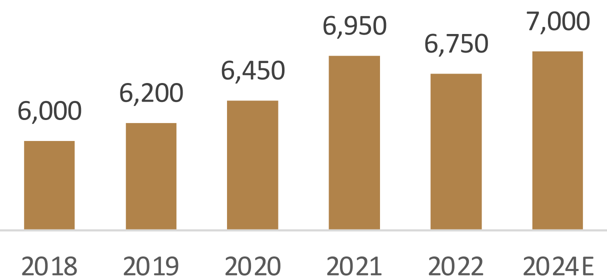
Vet Services & Rx ($bn)



- Corporate & private equity ownership of large vet groups has consolidated market
- Veterinarian staffing shortages & new non-compete laws impact ability to satisfy customer demand and organically grow practices
- Expansion of pet insurance creating new incentives and customer patterns
- Acceleration of preventative care following trends in human healthcare, including telehealth visits and virtual care providers

Avg. Clinical Visits

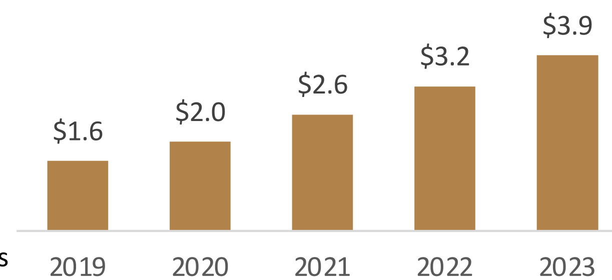
Avg. Total Visits: 10,000 +

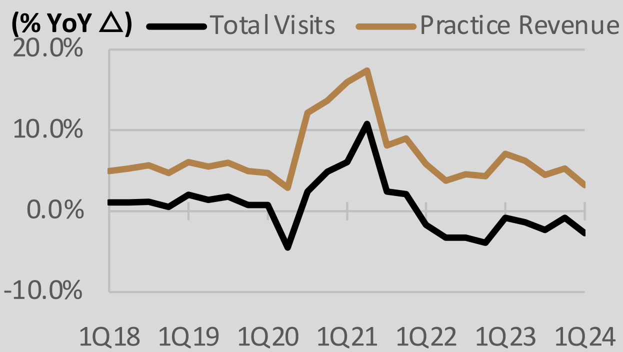


Vet Practice Staffing Shortages

- Estimated 335mm total annual visits in 2023 to general practices, with ~70% (235mm) clinical (needing a DVM)
- ~73k practicing DVMs in companion animal or mixed practices, currently averaging ~3,200 clinical visits / DVM
- An estimated 40% increase in productivity is required to keep up w/ projected clinical visit demand growth thru 2030
- A shortage of ~15k veterinarians could exist by 2030 given current DVM demographics, graduation rates & other factors

Insurance GWP ($bn)



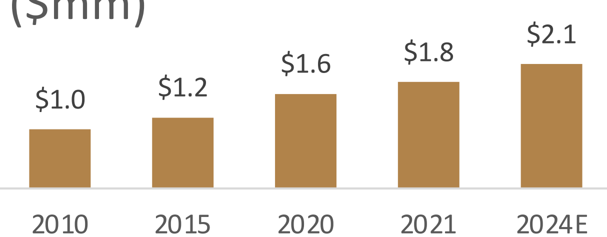


Veterinary Technicians (VTs)

- No national standards for veterinary technicians and lack of title protection (un-certified staff perform similar duties)
- 70%+ of VTs have an associates degree (+16% from 2016)
- Only 40% of VTs feel they are being utilized to full potential
- Nearly 70% of practices offer VT-specific appointments (but this is only up 2% since 2016)
- Low wages continue to be the biggest concern for VTs with wages varying widely from state to state ($20-35/hr range)
- Large female workforce population (~90% of employees)

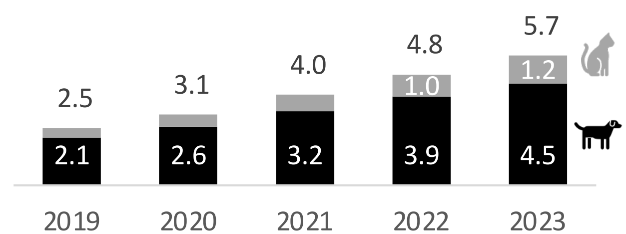
Avg. Annual Premiums	Dog		Cat	
	2019	2023	2019	2023
Accident	$169	$204	$117	$116
Accident & Illness	$595	$676	$366	$383
Insurance w/ Wellness	$970	$1,263	$532	$626

Avg. Practice Revenue ($mm)



Potential Time Savings / Clinical Visit (Staff : DVM ratio)	Practice Productivity Level		
	Good	Better	Best
Small Practices: 1-2 DVMs	15 mins (2.5x)	9 mins (3.0x)	6 mins (3.3x)
Avg / Large Practices: 3+ DVMs	8 mins (2.0x)	5 mins (2.5x)	3 mins (2.8x)

Insured Pets (mm)



VET PRACTICE DASHBOARD

MEDICAL DIRECTOR: ______________________________

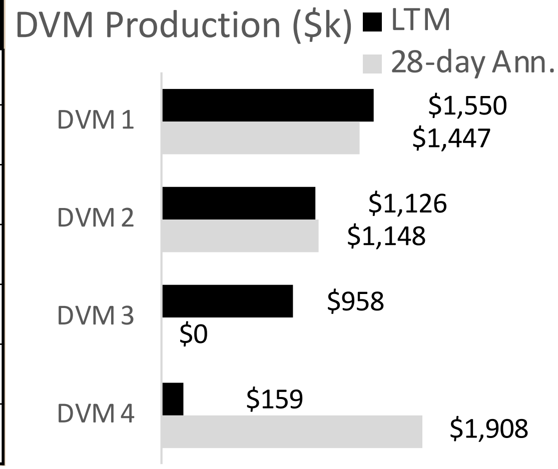
PRACTICE MANAGER: ____________________________

ADDRESS: ______________________________________

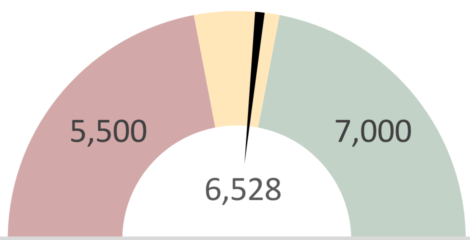
PHONE NUMBER: _________________________________

Services
Dental
Surgery
Tech Appt
Boarding
Grooming
Retail
Other

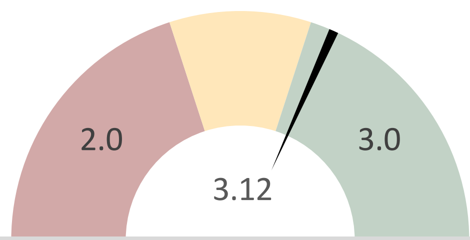
Facility Overview	
# of Exam Rooms:	3
# of Surgery Suites:	1
# of Vet Techs:	6
# of Kennels:	15
Grooming Stations:	2
Parking Capacity:	15
Location Setting:	Urban



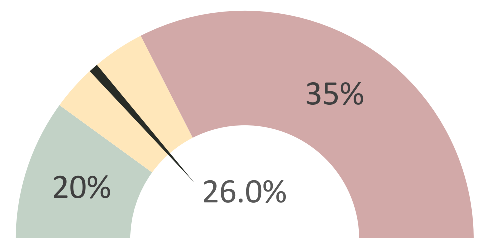
Clinical Visits



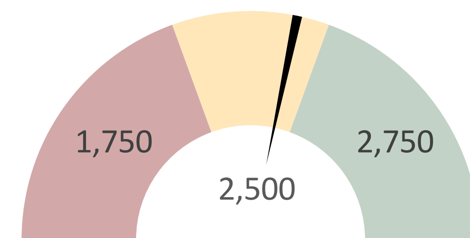
Vet Staff : DVM Hours Ratio

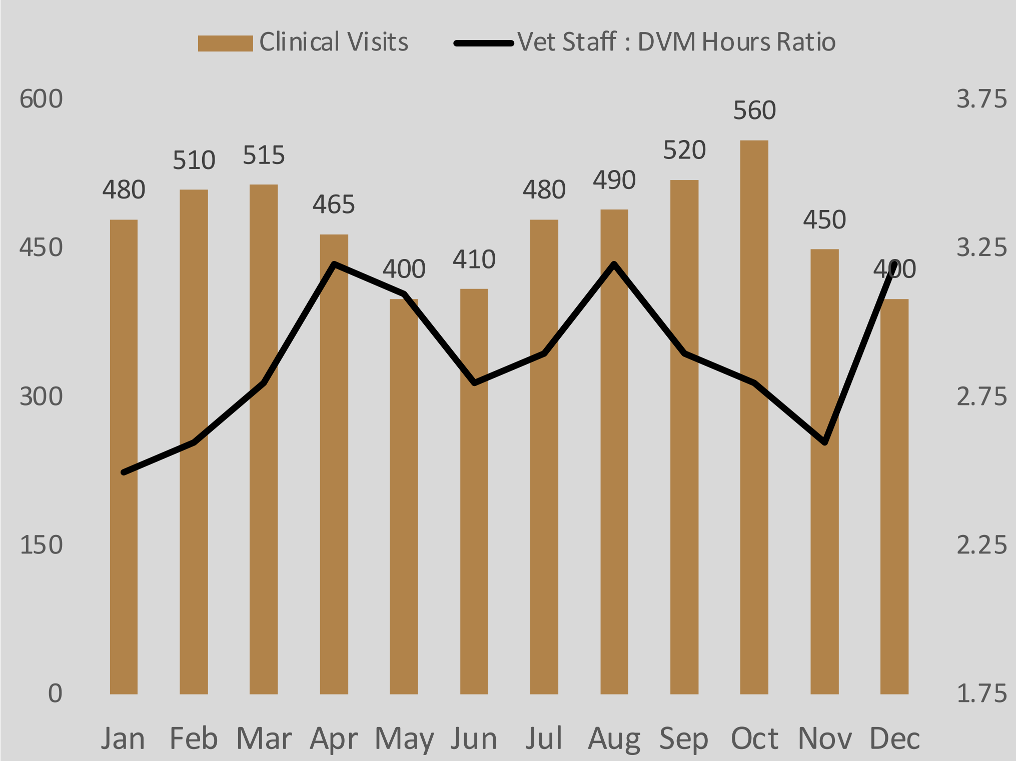


Non-DVM Labor (% of Sales)



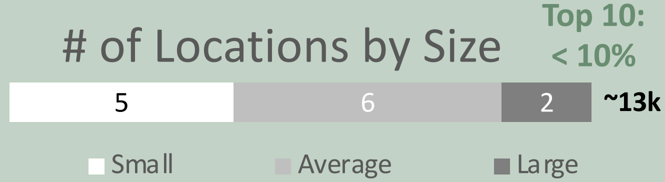
Active Customers



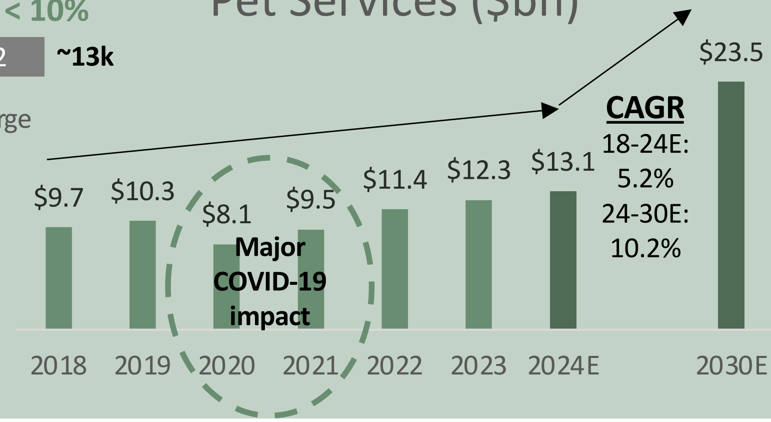


($000s)	Month	% △ YoY	YTD	vs Plan	LTM	%
Clinical						
Non-Clinical Vet						
Pet Services						
Total Sales						
Product Costs						
DVM Labor						
Grooming Labor						
Total COGS						
Non-DVM Labor						
Facility Exp.						
Marketing Exp.						
4-Wall EBITDA						

PET SERVICES



- Consolidation in the industry continues with a large presence of franchise & mobile operations (including at home) providing low barriers to entry
- COVID-19 significantly impacted boarding (travel-driven, full recovery w/ new travel records daily) and daycare (return to office, partial recovery)
- Younger generations are much more likely to utilize pet services than older owners
- Large unlocked market w/ owners utilizing friends & family for various pet services



Est. Annual Market ($bn)

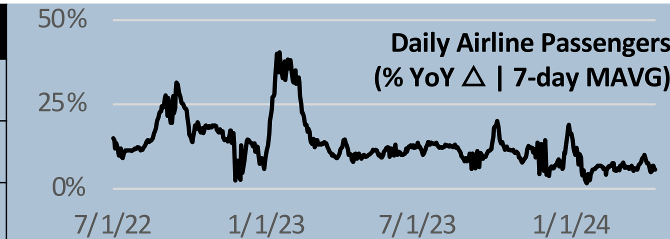
Pricing & Contribution Margin

Key Drivers

Boarding

Potential TAM: $15-60bn On Premise (%)

Boarding Type	Kennel	+ Daycare	Luxury
Pricing:	$30	$50	$70
SF / Guest:	25 sf	35 sf	45 sf
Contribution %:	~65%	~60%	~55%



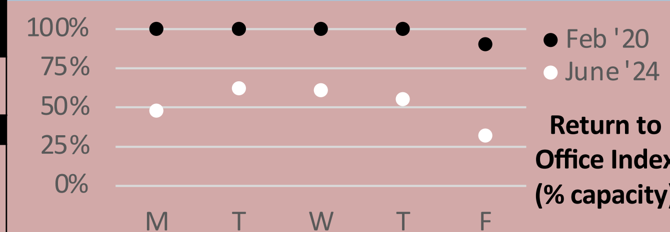
Daycare

Potential TAM: $10-20bn On Premise (%)

Dog Size	Small	Average	Large
Room Size (SF/Dog):	1,000 (35)	1,350 (45)	1,600 (55)

Pricing: $25-40 (Daycare)
$10-20 (Walking)

Daycare Contribution %:
Basic: ~45% | Luxury: ~55%



Grooming

Potential TAM: $20-35bn On Premise (%)

Grooming Setup	Pet Spa	Groom	Salon
Pricing:	$10-40 (bathing)	$50-90 (on premise)	$80-120 (mobile)
Dedicated SF:	250 sf	500 sf	1,200 sf
Contribution %:	~25%	~30%	~40%

- 20-25% of dogs don't require grooming
- ~50% of owners complete their own grooming
- Pet Retailers expanding grooming services
- Mobile grooming franchises provide low-cost point of entry into the industry
- Bathing is growing in the DIY & DIFM markets

Training

Potential TAM: $5-10bn On Premise (%)

Class Type	Group	Private	Program
Pricing:	$60/class	$100/class	$1-4k

Group Room SF: 500 sf
SF/Dog: 50 sf
Contribution %: ~55%
Revenue / Trainer: ~$100k

- Often an expense during 1st year of ownership
- State of economy significantly impacts availability of disposable income for training
- Wide range of price / quality in training offerings
- Trend towards offering enrichment training during boarding & daycare visits
- Intensive programs typically run 7 - 21 days

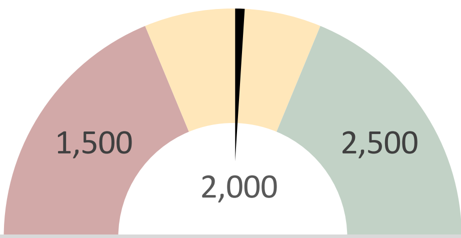
PET RESORT DASHBOARD

REGIONAL MANAGER:______________________________
RESORT MANAGER:______________________________
ADDRESS:______________________________
PHONE NUMBER:______________________________

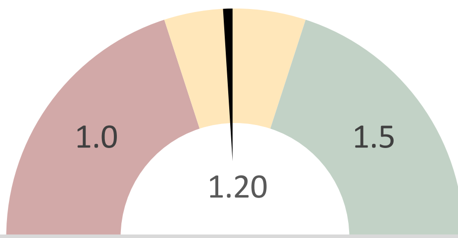
Services
Boarding
Daycare
Grooming
Training
Mobile
Retail
Other

Facility Overview			Kennel Setup	#
# of Kennels:	85	Floor Drains	Luxury Suite	10
# of Daycare Areas:	3	Floor Drains	Luxury Kennel	20
# of Groom Tables:	2	Food Prep	Standard Kennel	45
# of Outdoor Areas:	3	Dishwasher	Small Kennel	10
Building Size (sf):	8,525	Laundry	Wire Cage / Crate	0
Parking Capacity:	15	Vacuum	In / Outdoor Run	0
Staffing Ratio:	15	Suburban	Collapsible / Flex	15

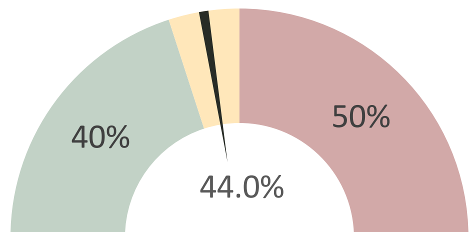
Boarding & Daycare Visits



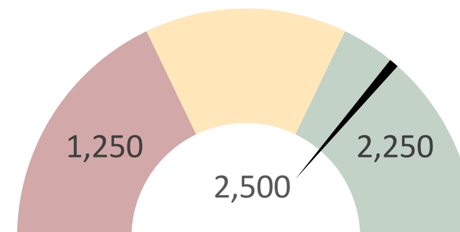
Guest : Hours Ratio

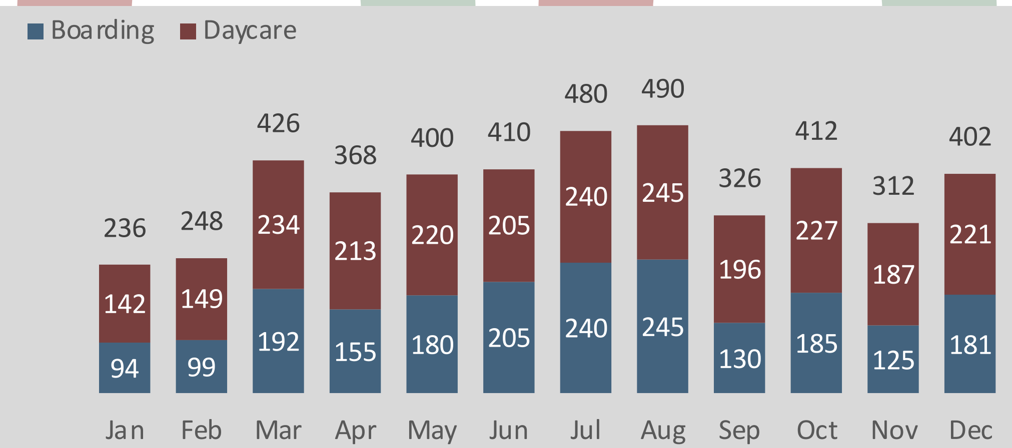


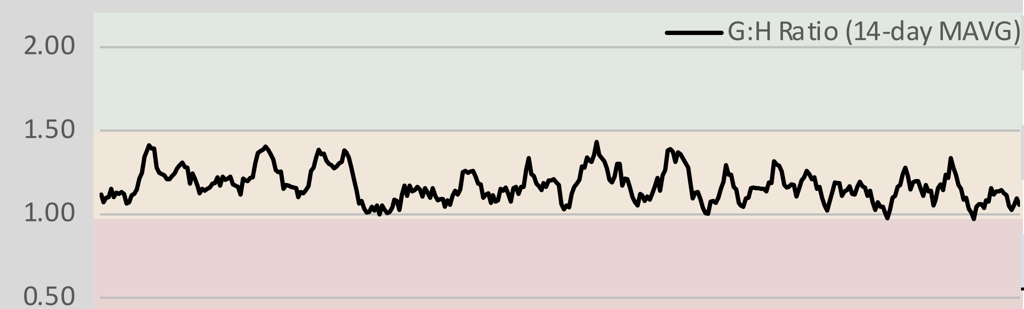
Labor (% of Sales)



Active Customers



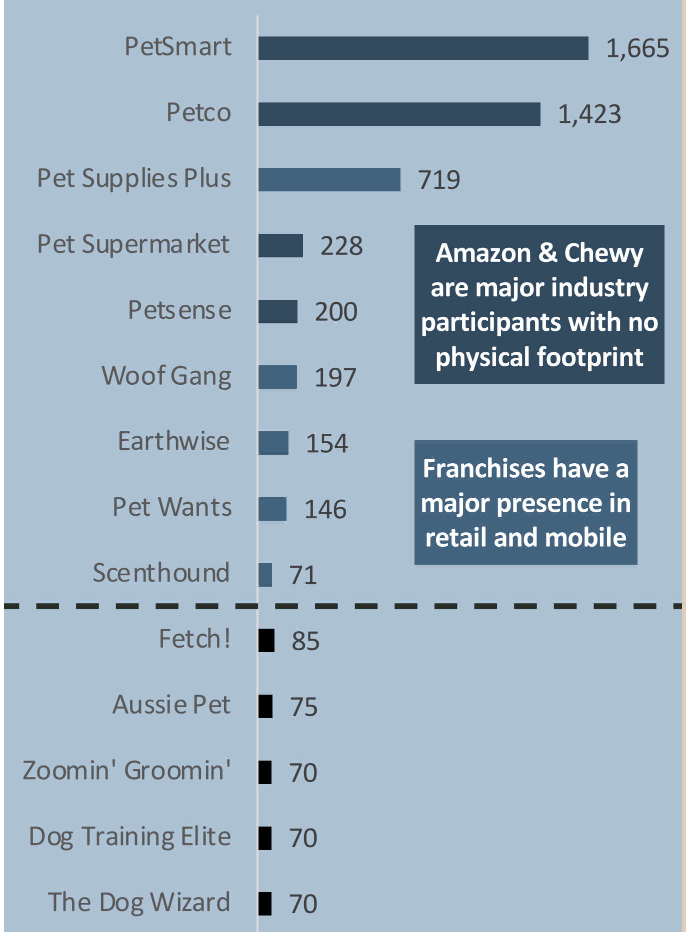




($000s)	Month	% △ YoY	YTD	vs Plan	LTM	%
Boarding						
Daycare						
Grooming						
Total Sales						
Services Labor						
Grooming Labor						
Total COGS						
Manager & FoH						
Facility Exp.						
Marketing Exp.						
Other Exp.						
4-Wall EBITDA						

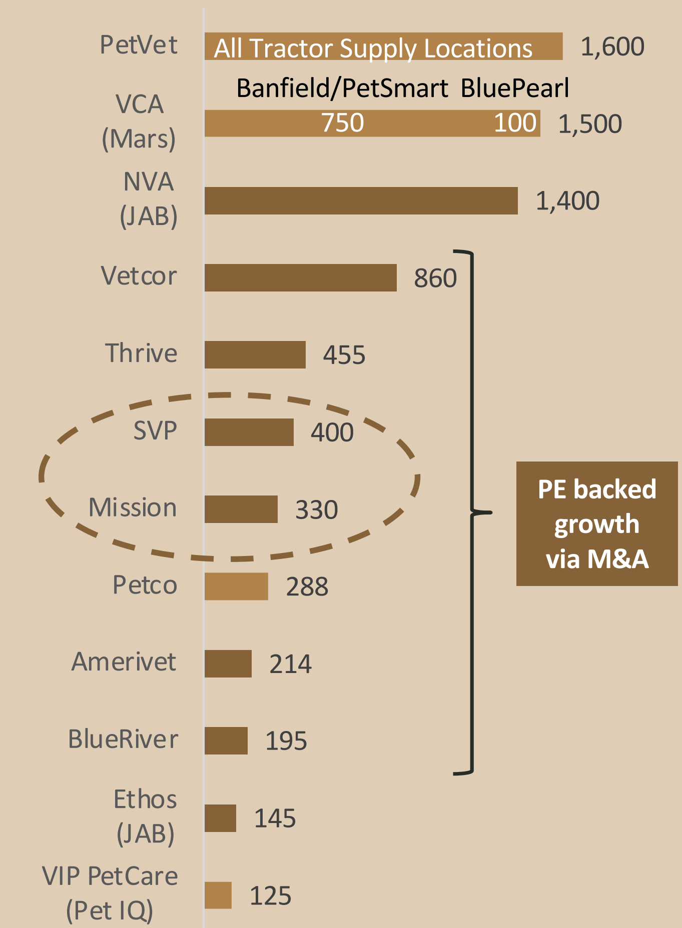
COMPETITIVE LANDSCAPE

Pet Retail & Mobile



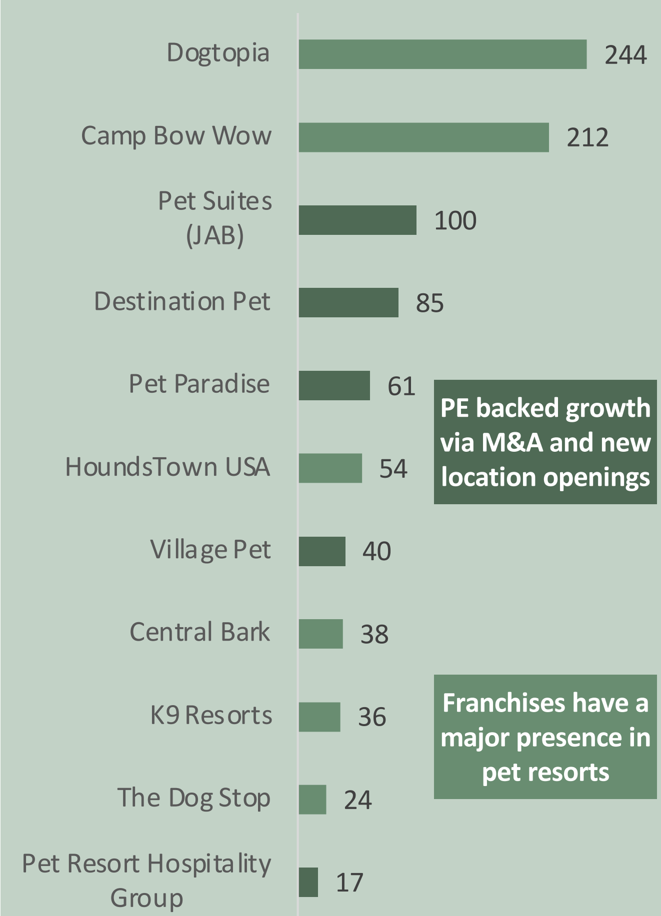
- Large B&M Pet Retailers focused on providing value-added services w/in existing footprint (grooming is primary service offered at all)
- Large presence of franchise-based operators
- At home market developing with Rover & Wag! connecting pet owners and at home providers

Vet Services



- Large B&M Pet Retailers continue to expand in-store vet clinic locations
- Consolidation began in the early 2000's
- Multiples started at 5-8x during early consolidation
- Historic peaks have seen multiples exceed 20x
- **Current multiples:**
  - **Single:** 8-12x
  - **Platform:** 12-16x

Pet Resorts



- Consolidation began in the early 2010's
- Private equity continues to enter space, driving multiples for platforms & premium centers
- Large presence of franchise-based operators
- **Current multiples:**
  - **Single:** 4-8x
  - **Platform:** 6-10x

BENCHMARKING ANALYSIS

Pet Retail	Sales / Location ($000s)	Avg Location Size (SF)	EBITDA (% of Sales)	Services (% of Sales)
Petco	$4,396	13,000	6%	16%
Pet Supplies Plus	$2,632	5,000 – 8,000	6%	< 10%
Woof Gang	$740	1,000 – 1,800	15%	69%
Earthwise	$1,141	2,200	15%	41%
Pet Wants	$561	1,000		
Scenthound	$467	1,100 – 1,300	14%	80% +
Wag 'N Wash	$1,373	2,500 – 5,000	6%	60% +

Vet Services	Sales / Location ($000s)	Avg Location Size (SF)	EBITDA (% of Sales)	Avg # of DVMs
In-Store Clinic	$1,500	1,500	20%	2
Small Practice	$1,000	1,500	< 10%	1 - 2
Average Practice	$2,100	2,500	25%	3 - 4
Large Hospital	$5,000	3,500	30% +	5 +
Specialty	$4,000	3,000 +	25% +	3 +
Full-Service Hub	$4,200	8,000 +	20%	3 +

Pet Resorts	Sales / Location ($000s)	Avg Location Size (SF)	EBITDA (% of Sales)	Avg # of Kennels
Dogtopia	$956	5,000 – 7,000	19%	
Camp Bow Wow	$1,039	7,938	17%	50 - 117
Hounds Town	$687	6,450	25%	33
Central Bark	$768	5,000 – 7,500	14%	
K9 Resorts	$1,800	15,000	27%	60+
The Dog Stop	$929	9,096	25%	62