



Seu pet center de estimação

# Video Conference Results 3Q20

October 27<sup>th</sup>, 2020



# Disclaimer

The statements contained in this document regarding outlooks for the business, forecasts of operations, financial results, and growth outlooks for Petz are mere projections. They are solely based on the expectations of management regarding the future of the business. These expectations substantially depend on market conditions, performance of Brazilian economy, the industry, and international markets. Therefore expectations are subject to change without prior notice. All changes presented herein are calculated based on figures in thousands of reais, as well as rounded numbers.

This performance report includes accounting and non-accounting data, such as operational, pro-forma financial data, and forecasts based on management's expectations. Non-accounting data was not reviewed by the company's independent auditors.



# AGENDA

01 **Message from  
the Management**

02 **3Q20  
Results**

03 **Closing  
Remarks**



# Message from Management

**Sergio Zimmerman**  
Founder & CEO



# IPO Petz: First Company of the Pet Sector to List at B3

Listed on Novo Mercado, the highest level of corporate governance in the Brazilian stock exchange



**Brazil** Journal

**Petz: o IPO em que deu tudo certo**



**Valor** ECONÔMICO

**Petz estreia com alta de 22% na B3**

Empresa tem atualmente 110 lojas distribuídas pelo país



**InfoMoney**

**Ações da Petz (PETZ3) fecham com disparada de 21,82% no pregão de estreia na Bolsa**

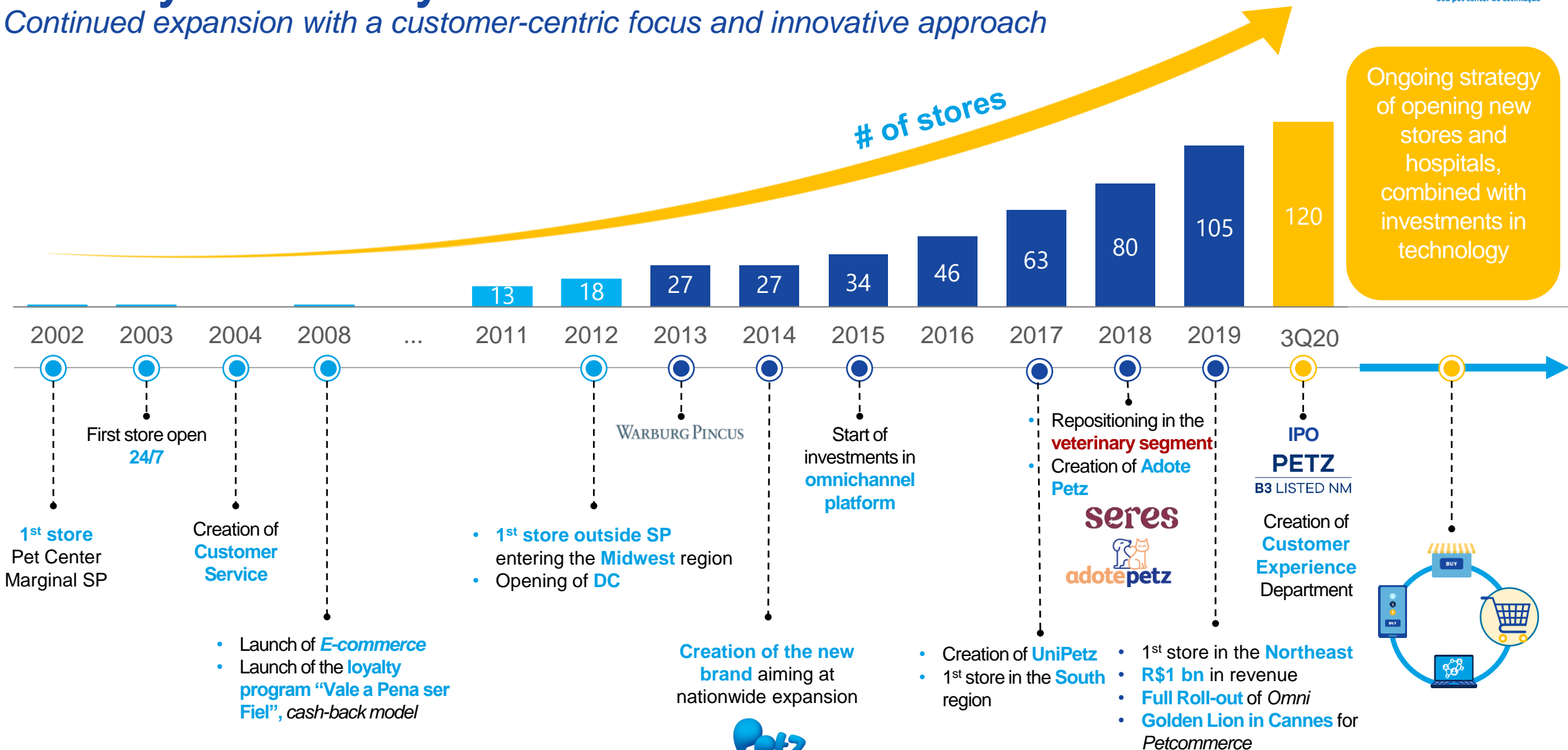


**REUTERS**

**Pet products retailer Petz shares rise in Brazil stock market debut**

# An 18-year History of Growth and Success

Continued expansion with a customer-centric focus and innovative approach




# The Largest and Most Comprehensive Ecosystem for Pet Lovers

**120**



**Brazil's Largest Pet Retailer**  
Presence in **16 States**



**Omnichannel**

<b>100%</b> Integrated Platform	<b>25%</b> Digital Sales	<b>79%</b> Omni
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**~1,000 m<sup>2</sup>  
8-12k SKUs**



**Standard Stores**  
Full Assortment of Products  
Grooming and Veterinary Services

**106**




**Health**  
Largest Veterinary Network In Brazil  
7 Hospitals of which 5 are 24/7

**~500 m<sup>2</sup>  
6-8k SKUs**

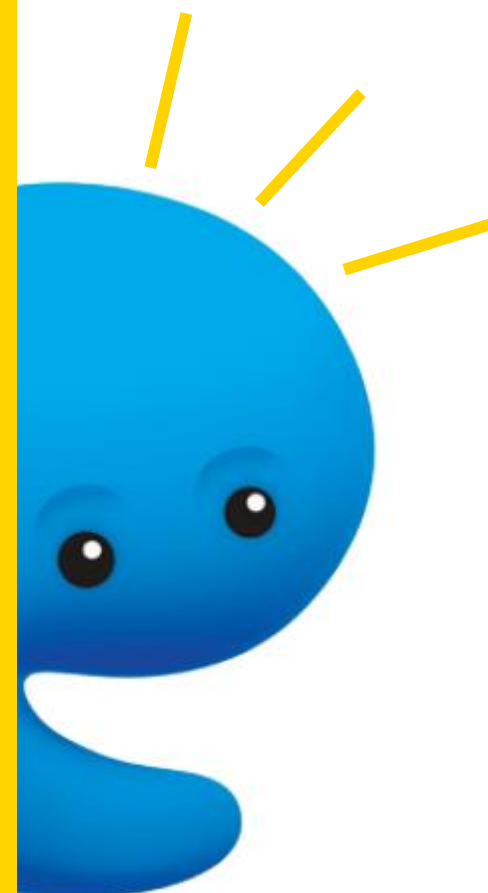


**Express Stores**  
Assortment of Main Products (Focus on Dogs and Cats) at Convenient Locations



**Services & Adote Petz**  
Grooming Centers  
Largest adoption program in Brazil +45k adoptions

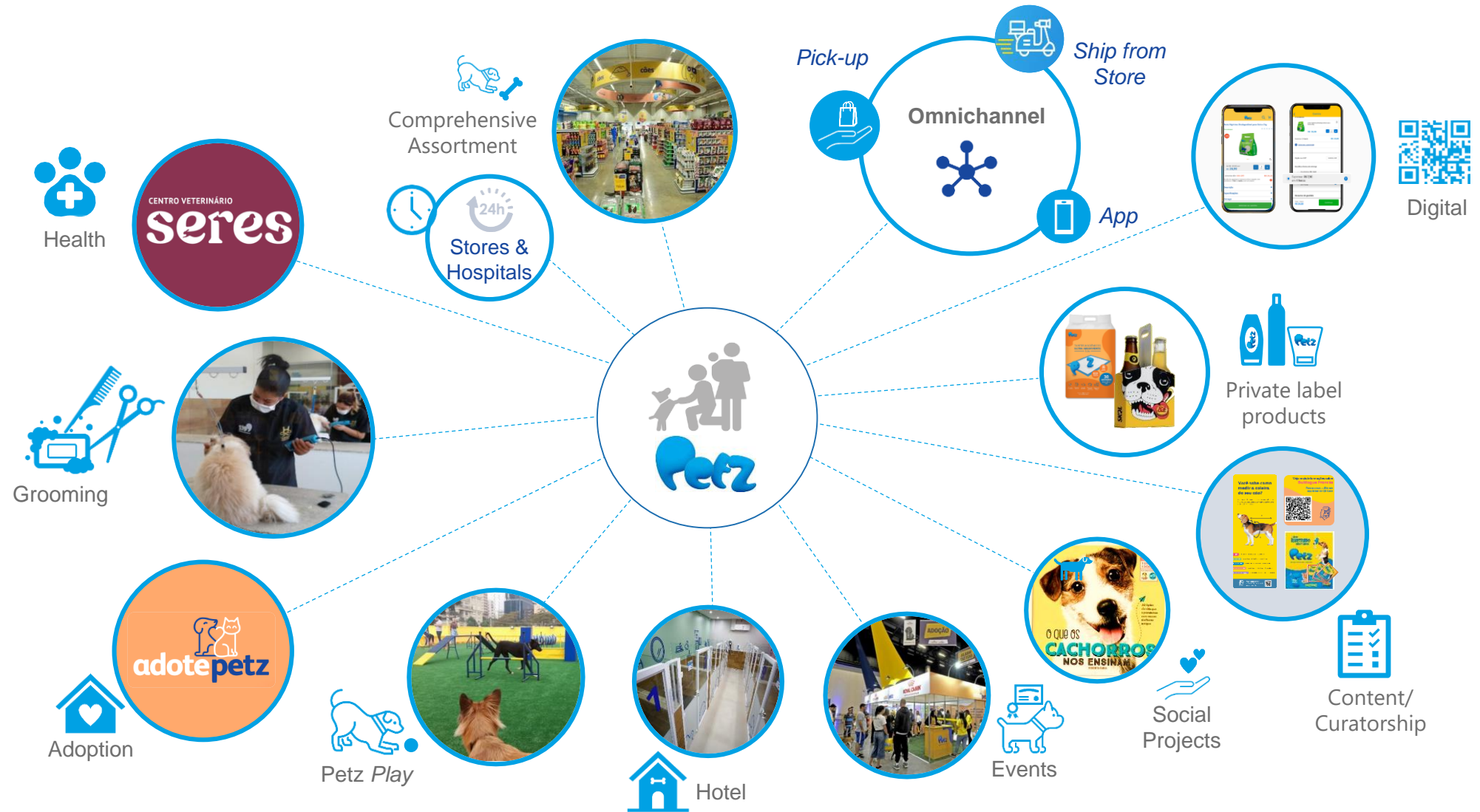
**115**



**A focus on animal care, well-being and health**

# Petz Solution

Building the best and most comprehensive ecosystem of solutions for pets and tutors in Brazil



# Expansion of the Petz Platform

Consistent returns all over the country and leveraging the Omnichannel



## 120 Stores as "Mini-DCs"



Better customer experience



Faster shipping time



Lower freight costs

Digital sales increase multiple times when a new physical store is opened in a new region

**Petz Target Market** =

Available Income \$



Level of affection for pets



# Successful and Highly-Scalable Digital Platform

*Better customer experience and cost optimization*



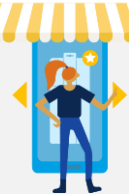
**100%** of stores with pick-up or ship from store



Integrated Inventory/Endless aisle



~**67%** of digital sales are made on mobile phones



Pick-up at store in **1 hour**



Economy delivery **within one business day**



Express shipping in **2 hours** in larger cities



Super Express Shipping within **minutes**



**Zero-contact pick-up** during the COVID-19 pandemic

**25%** Digital Penetration over Total Gross Revenue

**79%** Omnichannel Ratio

**94%** of Ship from Store orders delivered within 1 business day

**4x** Winner of the RA1000 seal of maximum customer service quality



**Diogo Bassi**  
CFO & IRO

**3Q20**  
**Results**



# 3Q20 Highlights

## STORE NETWORK



10 new stores

**120 total**

16 states

## TOTAL GROSS REVENUES



R\$450.2 M

**+51.0% yoy**

SSS +32.3%

## DIGITAL



R\$114.8 M

**+392.9% yoy**

25.5% GR

## GROSS PROFIT



R\$186.2 M

**+49.6% yoy**

41.4% GR

## ADJUSTED EBITDA



R\$46.8 M

**+34.5% yoy**

10.4% GR

## NET INCOME



R\$17.1 M

**+47.5% yoy**

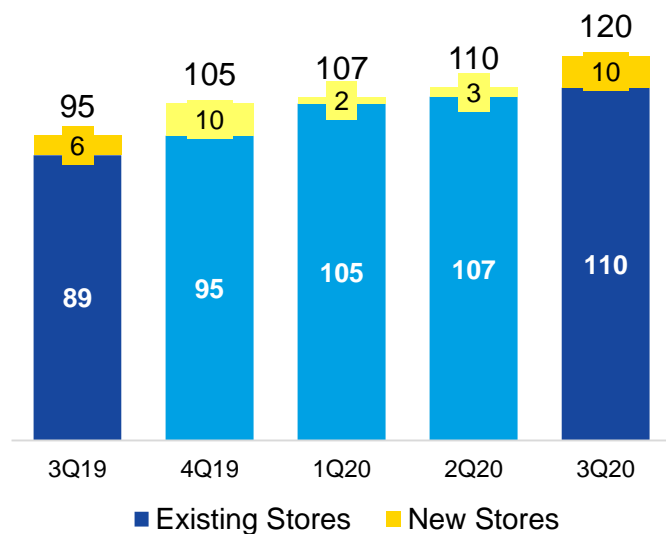
3.8% GR

# Store Portfolio

Expansion plan in line with 2020 budget

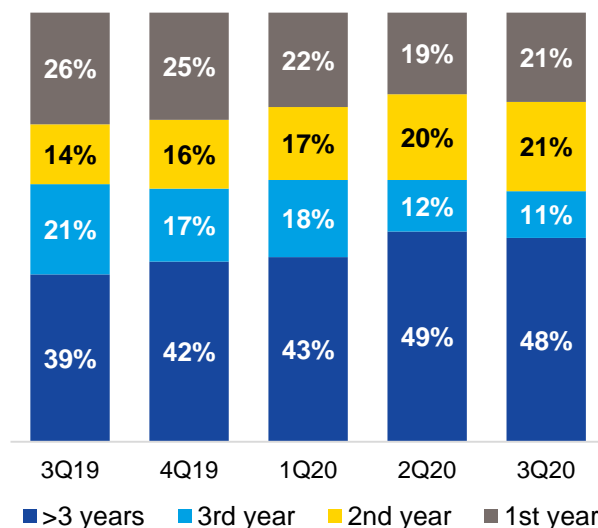
## Number of Stores

Existing Stores, Openings



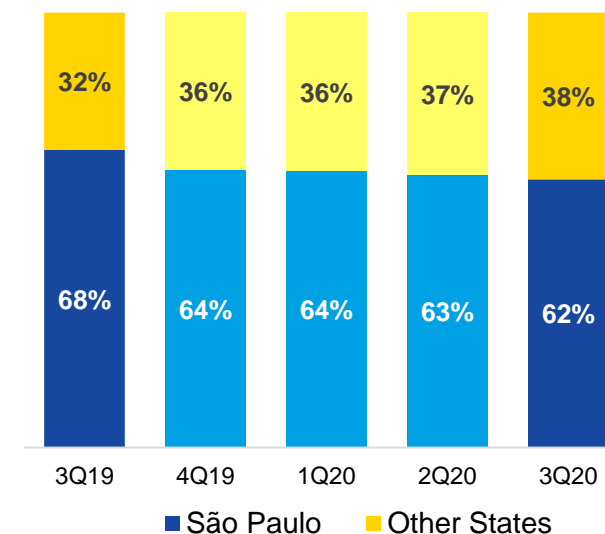
## Distribution by Age

% of total stores



## Store Mix in São Paulo & Other States

% of total stores



**10** New stores in the quarter, matching the record of openings in 4Q19

**52%** of the stores have yet to complete 3 years in operation

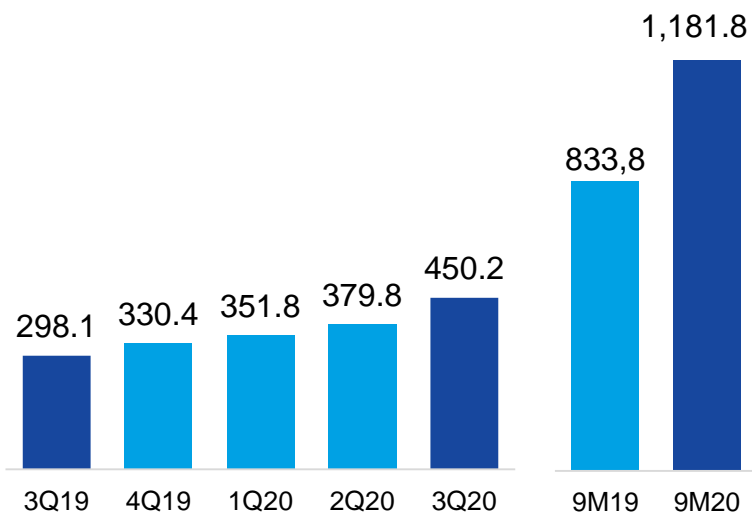
**38%** of the stores located outside São Paulo



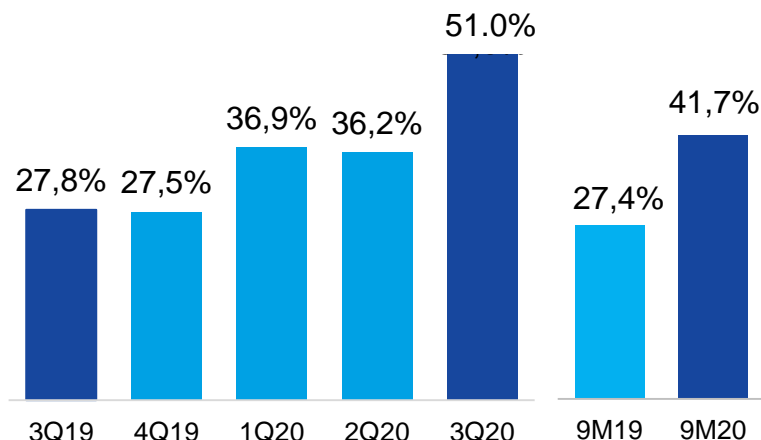
# Network expansion and Omnichannel Strategy

Boosting revenues

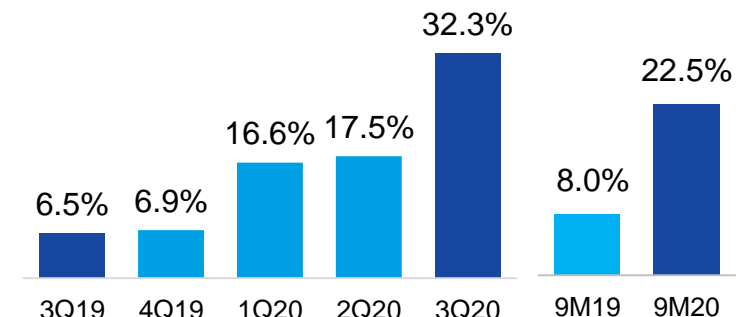
Total Gross Revenue  
R\$ million



Total Gross Revenue Growth  
% Change, yoy



Same-Store-Sales Growth  
% Change, yoy



**+55%** Product Gross Revenue

**+393%** Digital Sales

**+24%** Product Gross Revenue from B&M

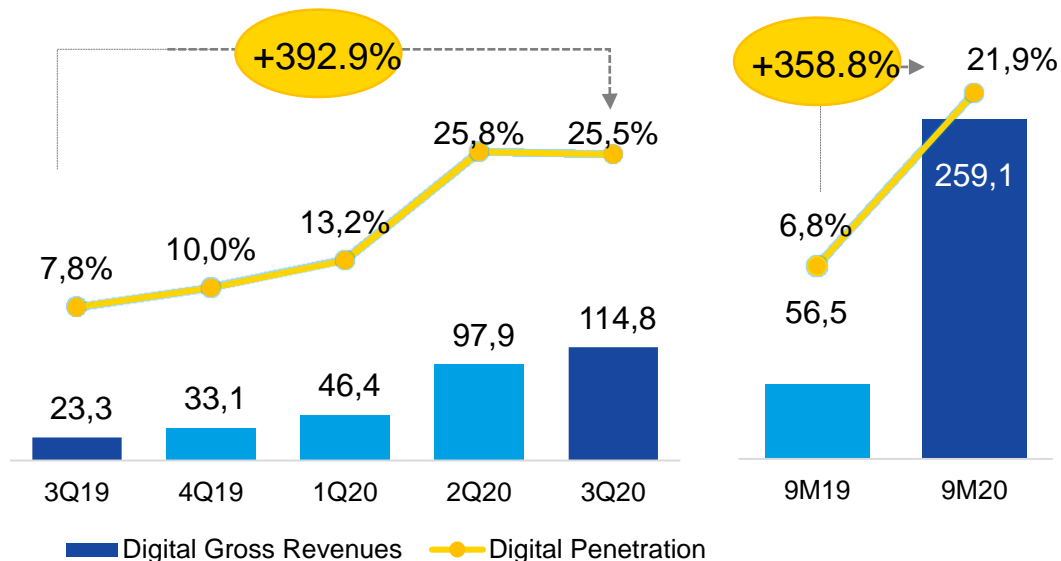
**+44%** Vet Services' Revenue

# Digital Sales: 5 years in 5 months

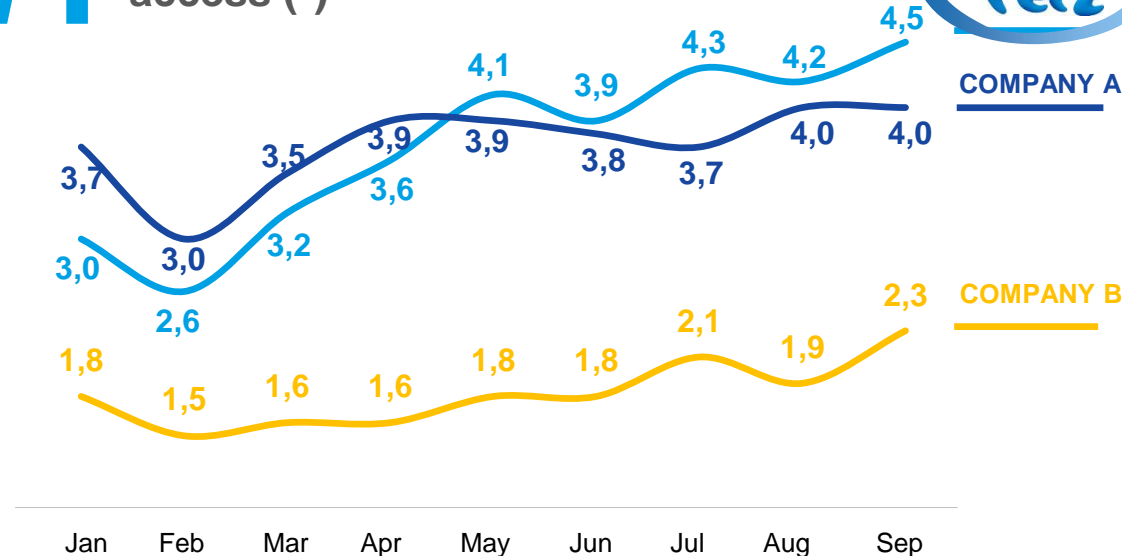
Already accounting for 25.5% of Total Gross Revenue in 3Q20, vs. 7.8% in 3Q19

## Digital Gross Revenue and Penetration

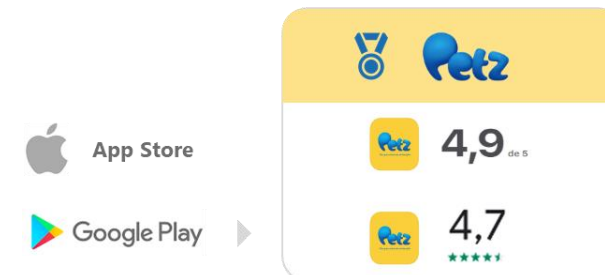
R\$ million; % Total Gross Revenue



## #1 Leader in website access (\*)



## #1 Leader of apps of the pet sector on Google Play and Apple Store (\*\*)

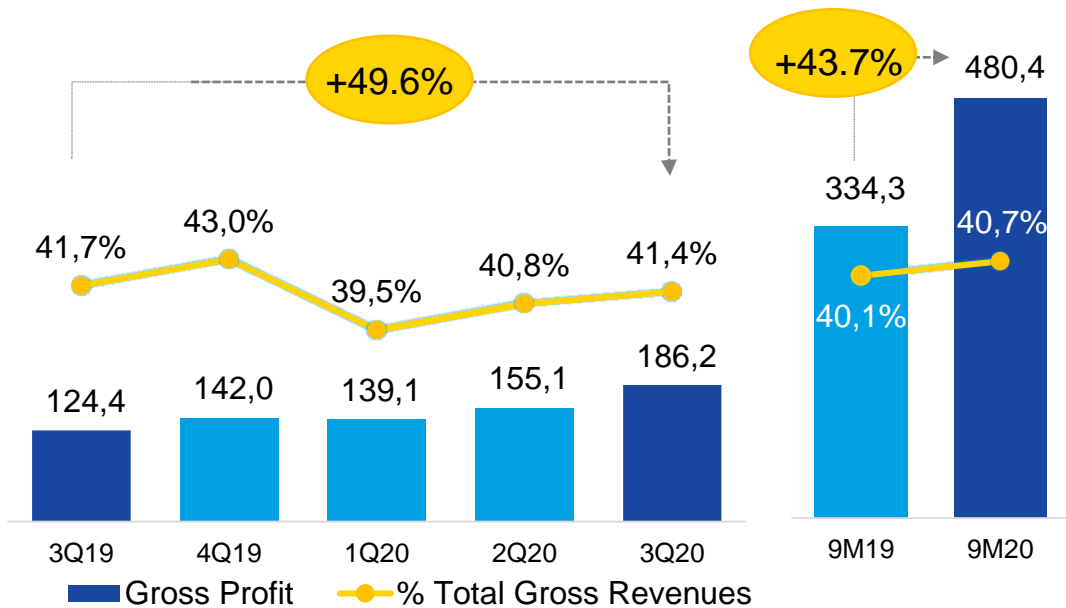


# Accelerated Growth with Strong Profitability

Even with the pandemic and significant increase in penetration of digital sales

## Gross Profit

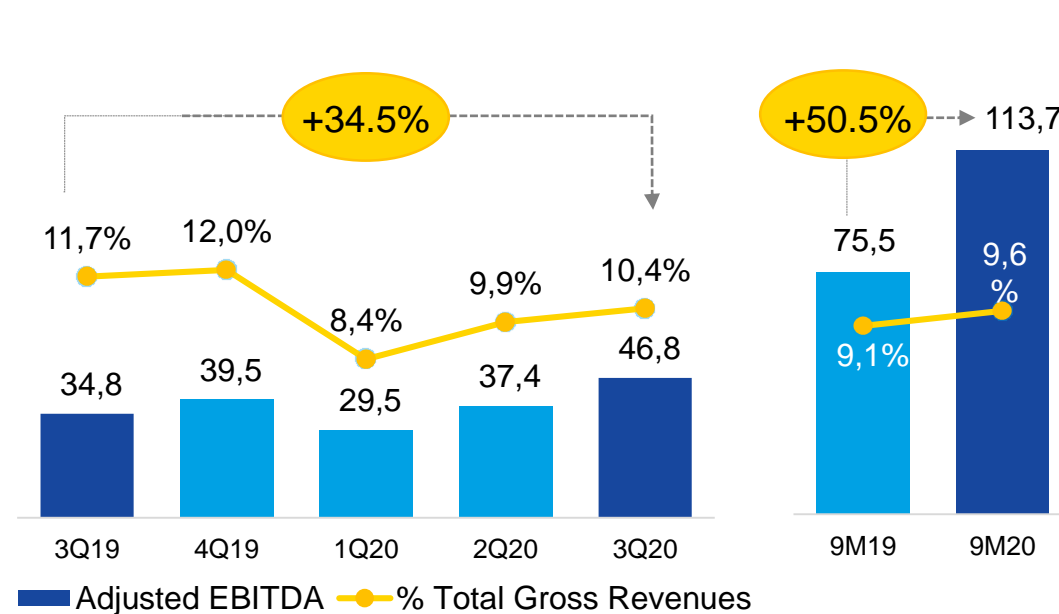
R\$ million; % Total Gross Revenue



**+50%** Growth in Gross Profit yoy

## Adjusted EBITDA

R\$ million; % Total Gross Revenue

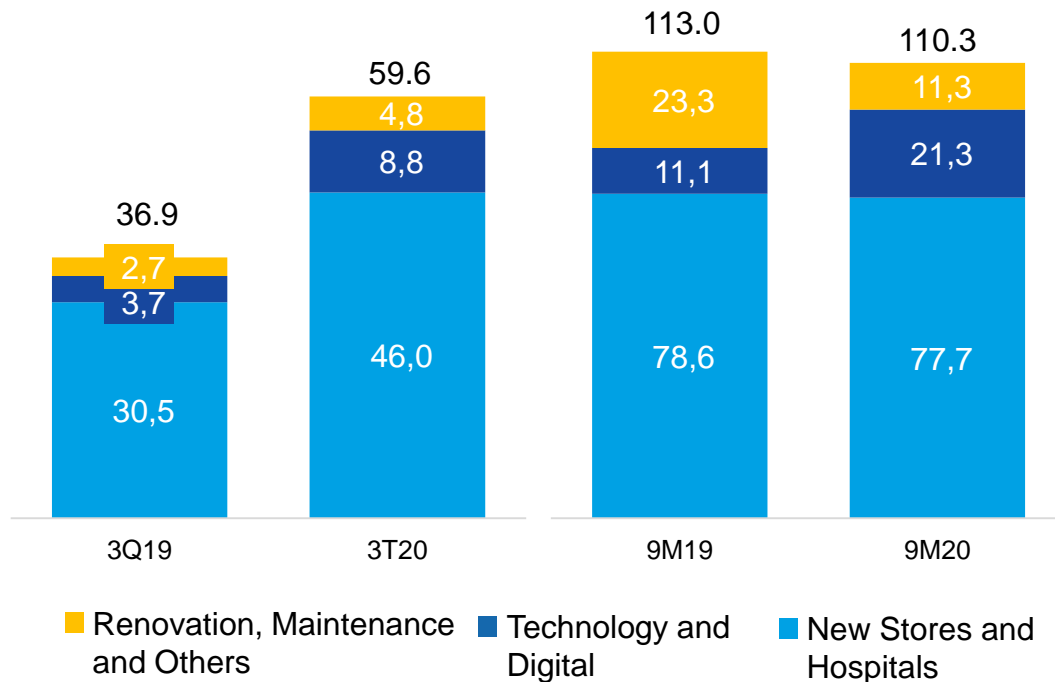


**+34%** Growth in Adjusted EBITDA yoy

# Investments and Indebtedness

Accelerating investments with comfortable leverage

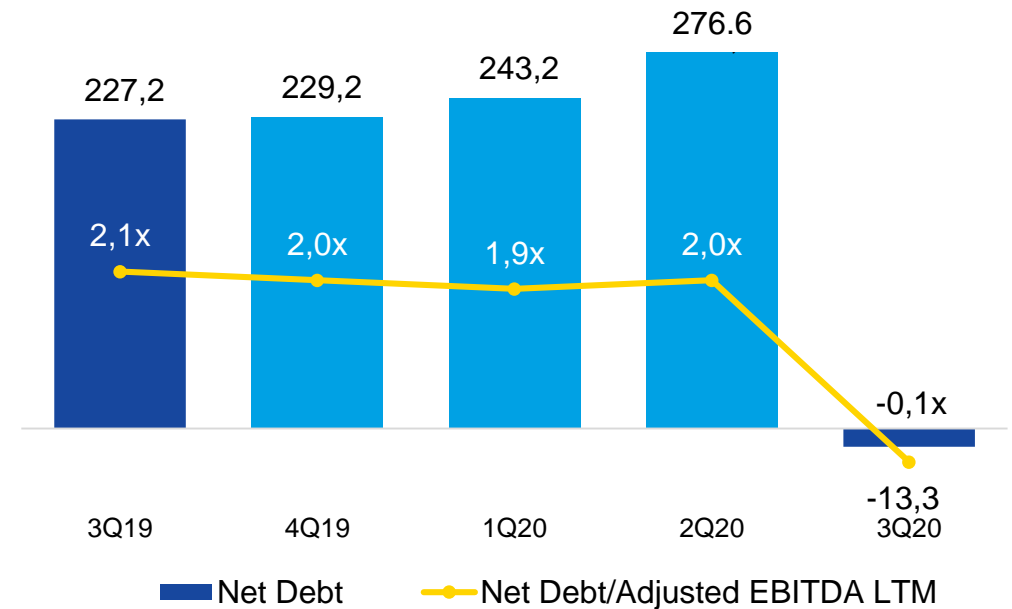
Investments  
R\$ million



**77%**

Invested in New Stores and Hospitals in 3Q20

Net Debt (Cash) & Leverage  
R\$ million, x



# Closing Remarks

**Sergio Zimmerman**  
Founder & CEO



# Key Takeaways

## Pet sector

Large addressable market

4<sup>th</sup>

largest consumer market in the world in the product category

Highly-fragmented industry

<50%

of the share held by mom-and-pop stores and veterinary clinic

Low penetration of digital sales

<5%

of total sales made through digital channels

Resilience in adverse macroeconomic scenarios



Pet humanization

## Petz



Brazil's largest player and most integrated platform



Comprehensive and scalable ecosystem of pet solutions



Omnichannel and Digital Strategy



Broad avenues for growth



Strong unit economics



Seu pet center de estimação





**PETZ**  
B3 LISTED NM

# Thank you!



[ri.petz.com.br](http://ri.petz.com.br)

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**Matheus Nascimento**  
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