

Corporate Presentation

2Q24

Petz

CENTRO VETERINÁRIO
seres

**BANHO
& TOSA**
Petz




adotepetz


zee.dog

**CANSEI
DE SER
GATO**

petix.
o melhor para seu pet



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.

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A decorative graphic on the left side of the slide consists of a thick blue line that starts at the top left, curves down and then up, then curves down and then up again, ending in a small loop. Below this line are three circular shapes: two on the left, each divided diagonally from the top-left to the bottom-right, with the top-left half being blue and the bottom-right half being white; and one solid blue circle below them.

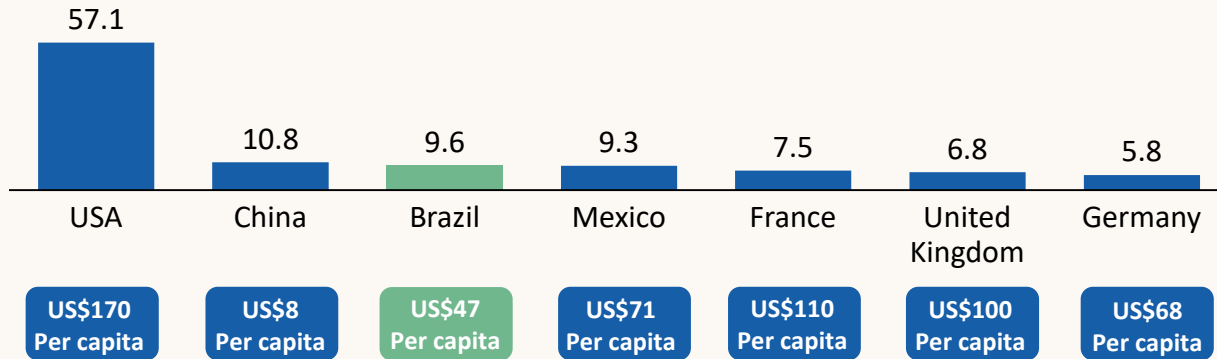
Pet market outlook

Sizeable and high growth market

The Brazilian pet market is one of the largest in the world, with secular trends driving strong growth

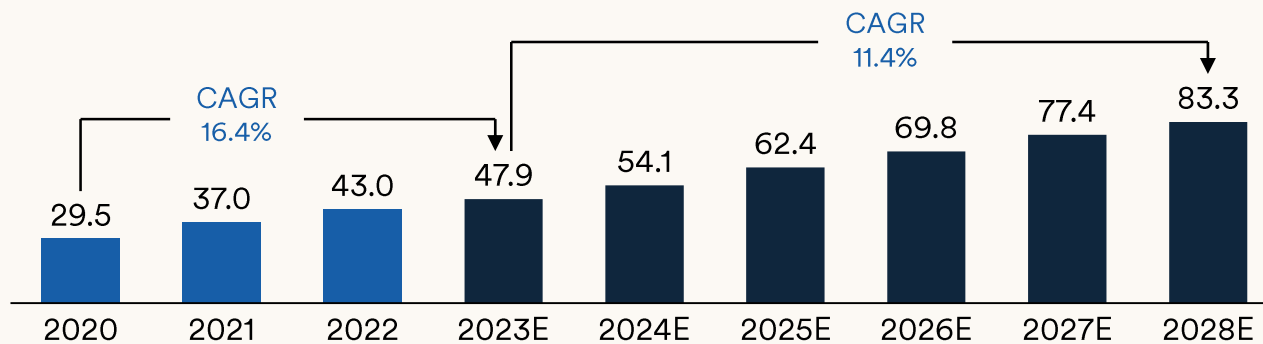
Pet Product Market Size and Annual Spend per pet¹

(US\$ bn, US\$ per capita, 2023)



Pet products market Evolution in Brazil²

(R\$ bn)

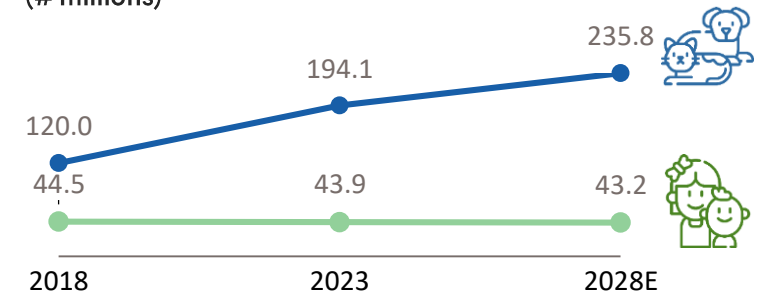


Trends:

- **Humanization:** pet as a family member
- **Content:** access to information
- Couples having children **later** and **reduction in the number of children** per family
- Aging of Baby Boomers population, which are now **more likely to have pets**
- **Verticalization** of urban centers

Number of Dogs and Cats vs Children under 14²

(# millions)



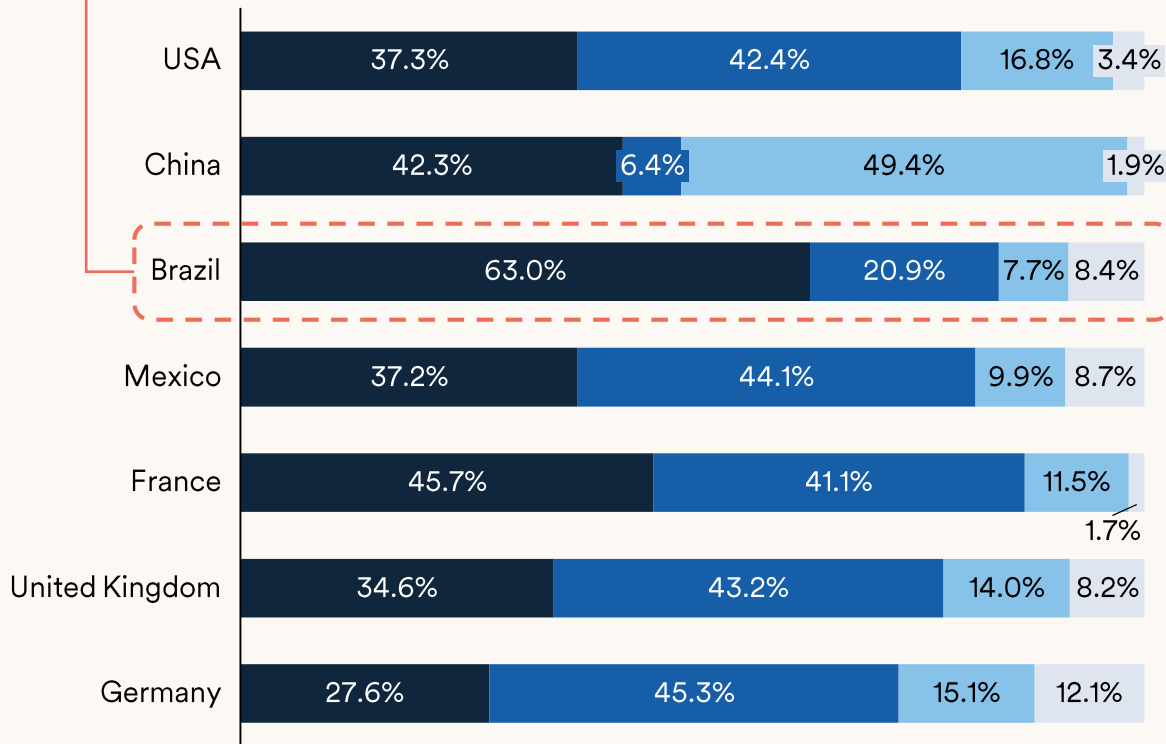
Highly fragmented market

Market consolidation at an early stage in Brazil

Pet Products Sales by Channel¹

(%, 2023E)

Sales in Local Pet Shops, Pet Superstores, and Veterinary Clinics: higher rate compared to the largest markets in the world



Pet shops, Vet Clinics and Superstores
 Hyper, Supermarkets and Markets
 E-Commerce
 Others

Value Proposition

	PETZ	Online	Mom&Pops Pet Shops	Food Retailers
Assortment	✓	✓	○	✗
Veterinary Services	✓	✗	○	✗
Pet Grooming	✓	✗	✓	✗
Online Platform	✓	✓	✗	○
Omnichannel	✓	✗	✗	○
Expertise & Content Curation	✓	○	○	✗
Location convenience	✓	✗	✓	✓
Price	=	=	=	=

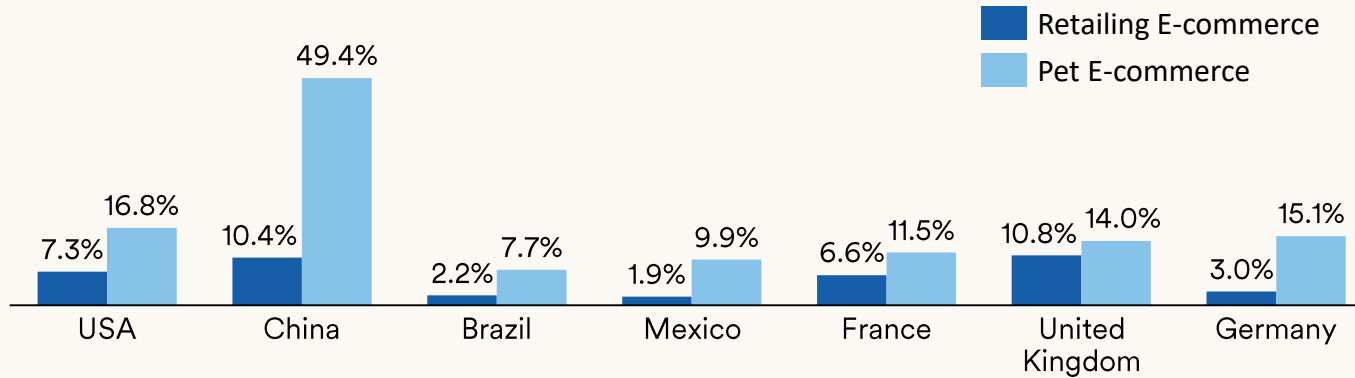
✓ Offering.
 ○ Some offering.
 ✗ No offering.
 = There is no value proposition difference.

Further growth potential from online

E-commerce penetration is still low when compared to other countries and segments

Pet E-commerce Penetration by Country in 2023E (%)¹

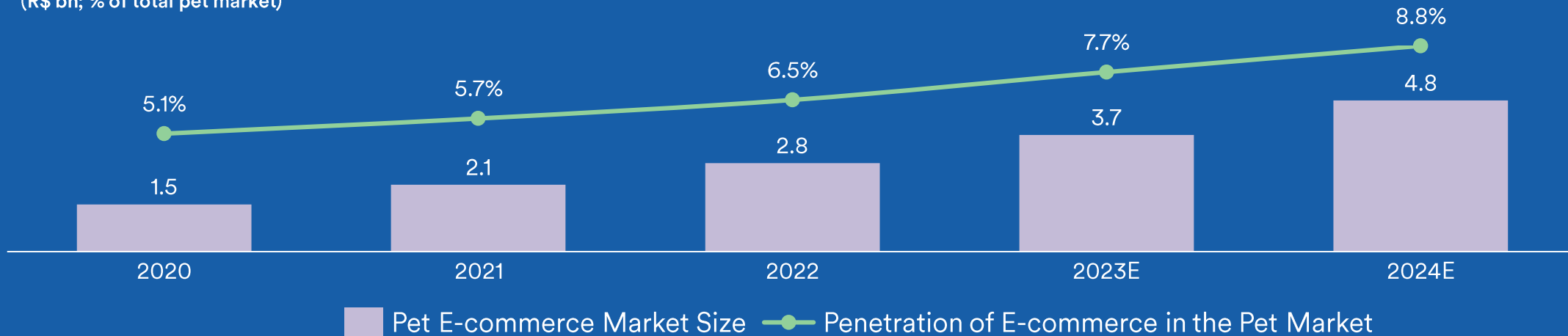
(E-commerce sales divided by total sales)



Brazil is one of the few countries where the penetration of e-commerce in the pet market is lower than the share of e-commerce in retail in general.

Pet E-commerce Market Size and Penetration in Brazil¹

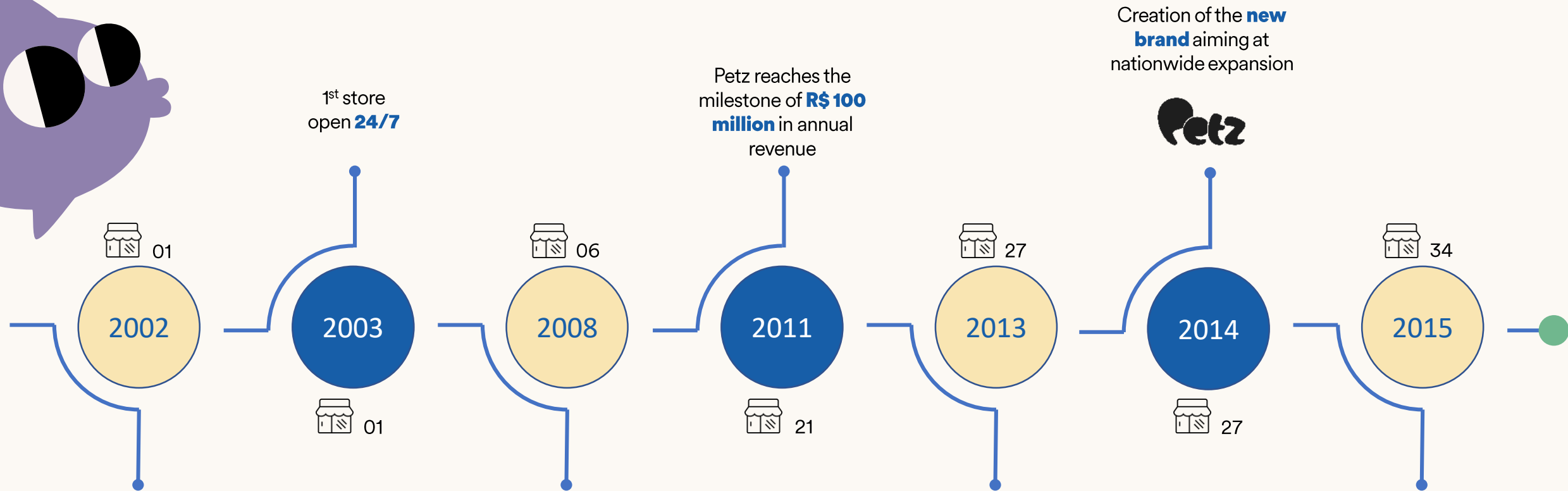
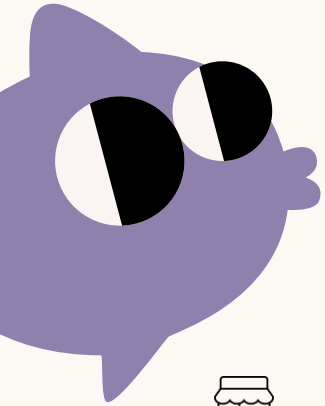
(R\$ bn; % of total pet market)





Petz Overview

A 22-year history of growth and success



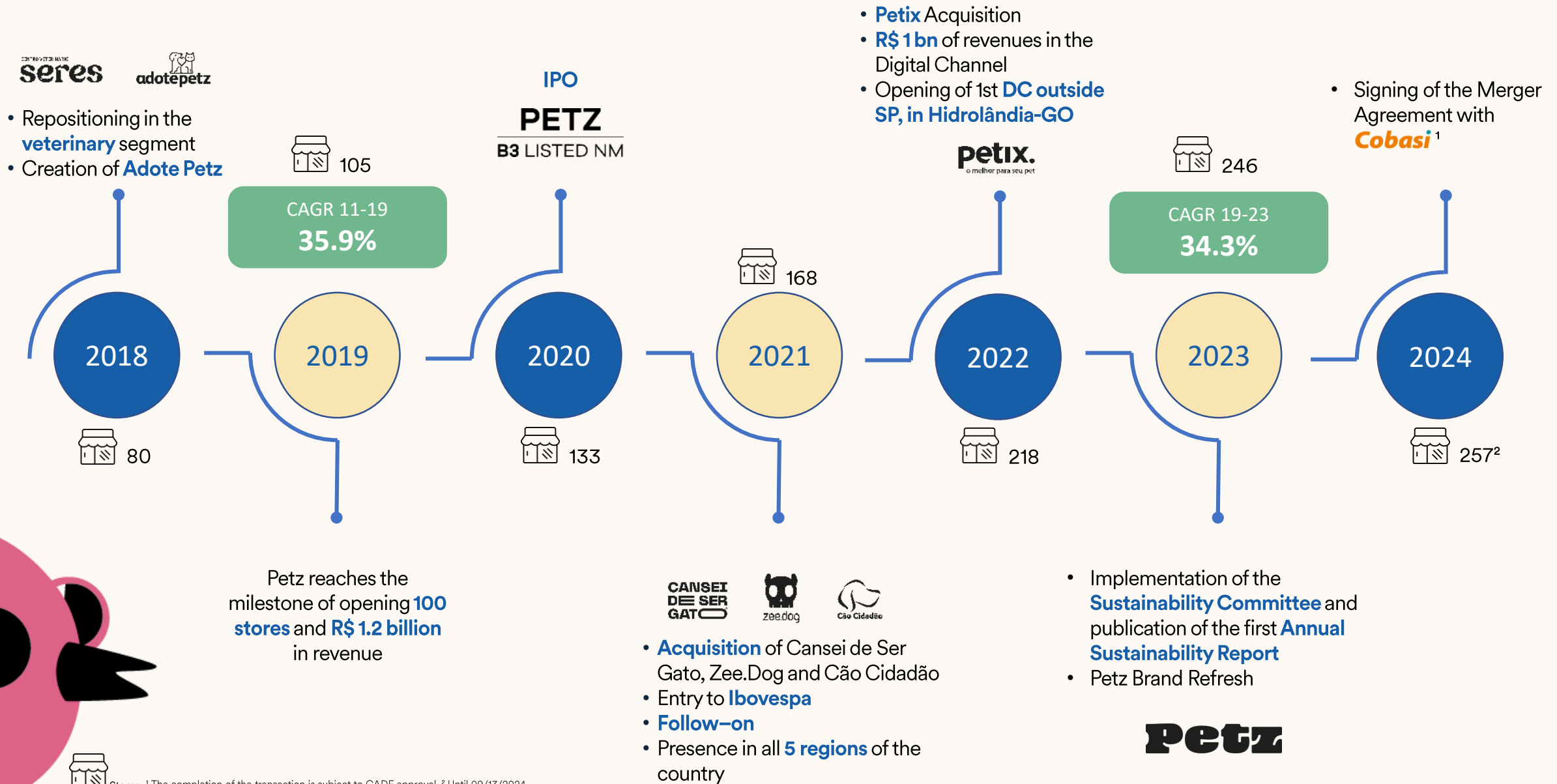
Foundation
Opening of the first store with the Pet Center Marginal brand in São Paulo/SP

- Launch of **E-commerce**
- Launch of **loyalty program "Vale a Pena ser Fiel"** - cash-back model

Entry of the Investment Fund
WARBURG PINCUS

Start of investment in **Omnichannel platform**

A 22-year history of growth and success



Everything your pet needs.



Petz

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Cão Cidadão

GRUPO
Petz

Exclusive Products
and Private Label

B2B: Franchises and
Pet Shops

Services: Veterinary
and Bath &
Grooming

Physical and Digital
Channel

Adoption and
Training

Content and
Information

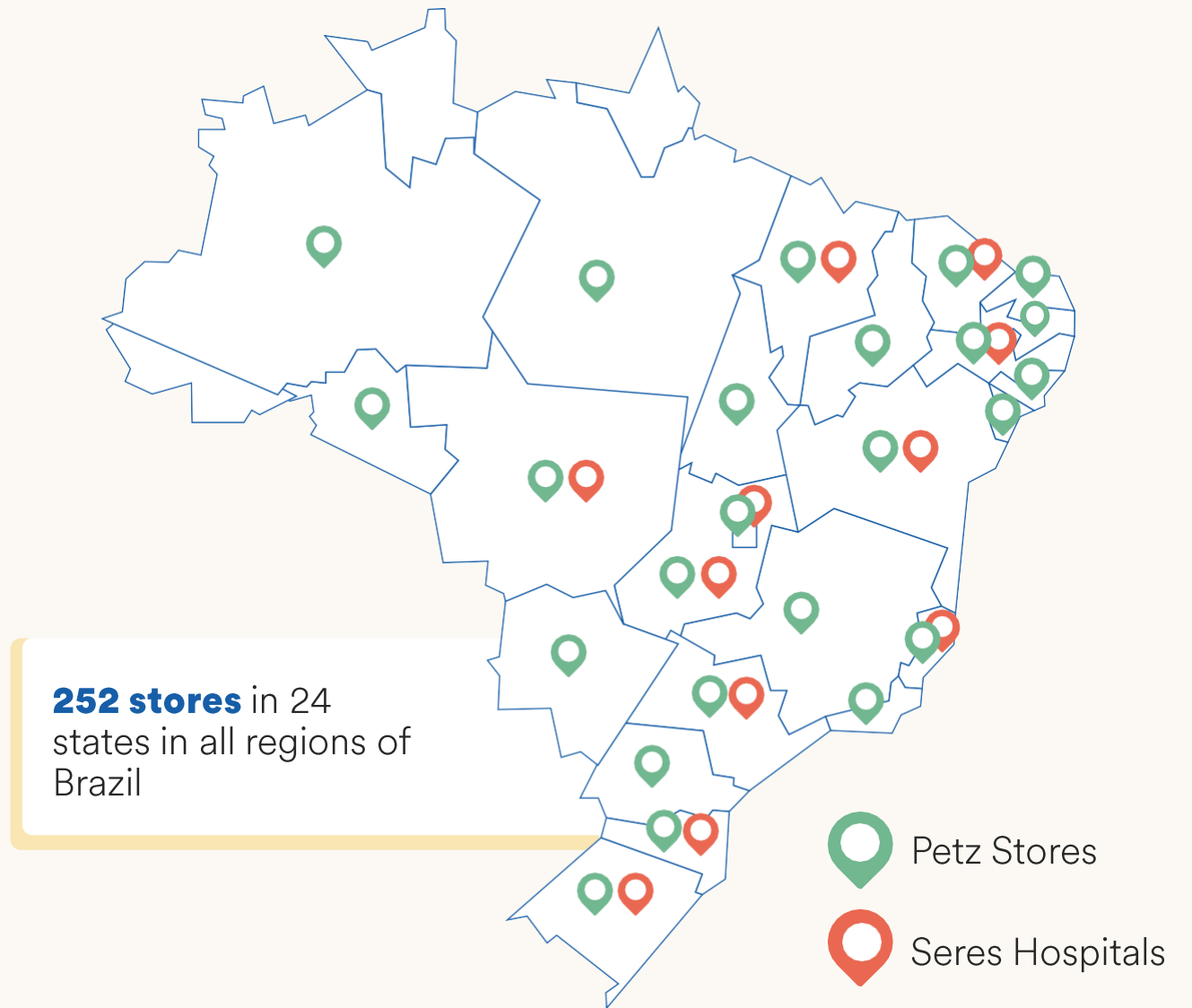
Petz Stores Expansion

2Q24 Highlights

Opening of 3 stores, 22 in the last 12 months

52% of stores located **outside São Paulo**

44% of the stores **have not yet completed their 3rd year of operation,** with 9% in their 1st year



Customer indicators already show important sequential improvement

Even if this improvement is not reflected in the top line dynamics in the short term, we believe we are on the right path to increasing customer loyalty and engagement levels

ACTIVE CUSTOMERS

SUBSCRIBERS

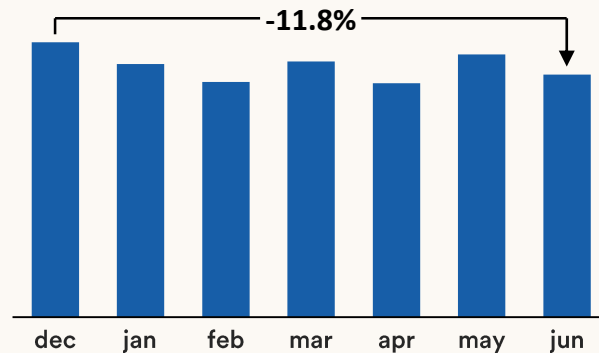
Increase in the active customer base¹, reflecting:

- churn reduction
- greater reactivation of old customers
- healthy pace of acquiring new customers

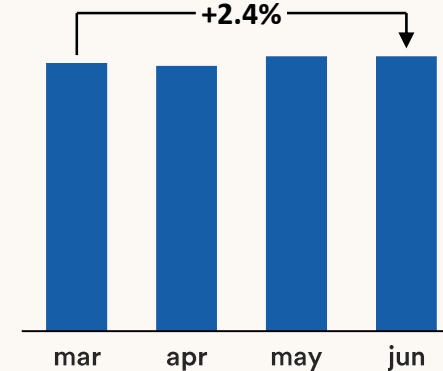
2.8MM (+6.4% y/y)

Active Omnichannel customers¹ in Jun/24

New and reactivated customers per month



Number of active subscribers



Churn

Churn at historic low in Jun/24 (-4.0 p.p. y/y)

496k (+17% y/y)

Active subscribers¹ as of Jun/24




Top line growth is driven by the **increase in coupons**, while the **average ticket** remains **stable** due to the **reduction in items per basket** (mainly impacting discretionary items).

¹ Customers who made purchases in the last 6 months.

Brazilian pet market main fundamentals remain solid



Brazil is one of the largest pet markets in the world, with strong trends driving growth



Pet population increase

It will continue to grow, due to:



- Human population aging and the “empty nest” syndrome
- Couples deciding to have children later/not to have children
- Increase in pet life expectancy
- Trend of more than one pet per household

Pet humanization

The act of having a pet as a member of the family will continue to grow:



- Emotional relationship, not based solely on product attributes
- Young people today have seen their pet as a family member since they were born: this generation grew up used to sharing intimate spaces with their pet

Level of information of pet owners

People are looking for more information about their pets and quality information is scarce:


- Blog/text is no longer the most desired (and democratic) source: need to strengthen content channel, preferably through video
- Access to information increases spending levels

Available income

Contraction of the current macroeconomic environment:

- Customer loyalty: importance of being well positioned when the situation improves



Petz main pillars and 2024 overview

We are convinced that Petz is in a privileged position, with a solid cash position, low level of debt, immaterial exposure to tax incentives, as well as being a market leader in a resilient segment

Presence in a resilient market with solid growth trends

- Humanization and pet population continue to increase



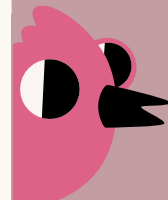
Leading, scalable, and profitable Omnichannel platform

- Healthy growth levels
- Platform in continuous improvement
- Growing customer base



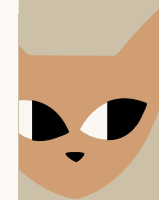
Robust financial structure

- Solid cash position
- Low level of indebtedness
- Immaterial exposure to tax incentives



Continuous pursuit of operational efficiency

- Expense reduction process underway
- Significant improvement in cash conversion cycle
- Capex reduction process and store size optimization



Continuity in capturing synergies with acquired companies

- Significant improvement in the acquired companies performance
- Zee.Dog on track towards breakeven





Financial Highlights

2Q24 Highlights

* **44.4% of Digital channel share in total revenue**, growth of +8.7 p.p. y/y

+21% y/y increase in the number of active customers in June 2024 in the Digital channel

* **Record level of over 500,000 subscribers in July** with a growth of 14% y/y

SSS with a positive performance of +0.9% in 2Q24, reversing the negative trend of the last 3 quarters

* **Record achievement of 10.2% private label share as a % of total revenue in 2Q24**

Private label is now considered the **Company's second-largest supplier**, with a growth of 38% y/y in 2Q24



2Q24 Key Messages

Growth y/y

- Negative pet inflation: real growth of 3,8% y/y, without price increase effect;
- **Operational efficiency:** maturation of implemented initiatives;
- **Increase in digital sales:** +10.4% q/q;
- 94% of Omnichannel sales.

Product Performance

- Pet food category: expansion of the standard pet food portfolio – substantial volume growth in 6 months;
- +14% y/y in **Pharmacy** and +13% y/y in **Hygiene and Cleaning**
- Discretionary: After 4 quarters of decline y/y, we had a reversal of the trend and the month of July already brought encouraging results

New clients and sales increase

- Balance between price vs. volume: focus on **Cash Margin**;
- More competitive and accurate pricing strategy;
- Improvement on **product mix** in stores - clustering process;
- Increase in new customers, base reactivation and churn reduction.

Private Label

- **Company's second-largest supplier:** record achievement of 10.2% of total revenue.
- Launch of **Zee.Dog collabs** and new products from exclusive brands;
- **+21% y/y on Zee.Dog sales** via Petz channels;
- Zee.Now: **+17.2%** os total revenue;
- **Dog pads** category with 84.3% share of private label (+10.8 p.p. y/y).



2Q24 Financial Highlights | Petz Group



**Gross Revenue
(GR)**

R\$ 980.9 MM

+3.8% y/y

- **Strong comparison basis** in 2Q23 (+18.0% vs. 2Q22)
- **Digital Gross Revenue:** R\$435.3 MM; **+29.2% y/y**
- **Same Store Sales: +0.9% y/y**



Gross Profit

R\$ 383.0 mm

+2.1% y/y

39.0% of GR
(-0.6 p.p. y/y and 0.0 p.p. q/q)

- Margin pressure y/y due to the relevant increase in the Digital channel, increase in the ICMS rates in some states and PIS/COFINS tax changes
- Adjustment in pricing strategy (focus on **cash margin**)



Adjusted EBITDA

R\$ 59.9 mm

-14.4% y/y

6.1% of GR
(-1.3 p.p. y/y)

- **G&A: -0.7% y/y**, representing 8.3% of GR (**-0.4 p.p. y/y**), reflecting optimizations in **expenses packages and synergies with acquired companies**
- EBITDA Margin pressure reflecting gross margin, increase in the Digital channel, lower operating leverage and higher selling expenses



Adjusted Net Income

R\$ 5.0 mm

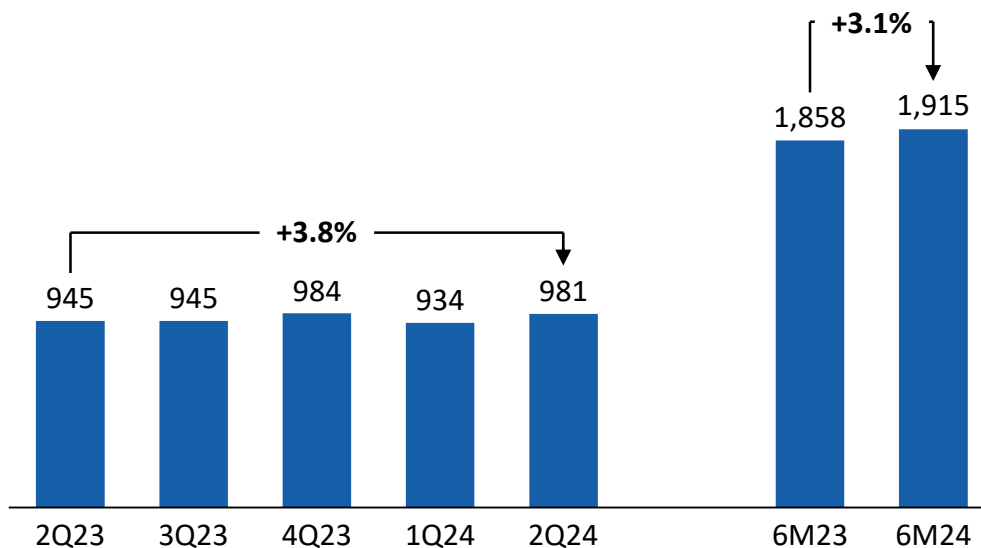
-79.8 % y/y

0.5% of GR
(-2.1 p.p. y/y)

- Lower operating leverage, D&A growth and financial expenses

Gross Revenue

R\$ million



Sequential Sales Evolution

Sales in April
below
expectations

May and June
High single
digit sales
growth

Products

Recurring and essential categories: **Pharmacy** (+14% y/y) and **Hygiene and Cleaning** (+13% y/y).

Accessories, after 4 quarters presenting a decrease y/y, **July** already presents encouraging results

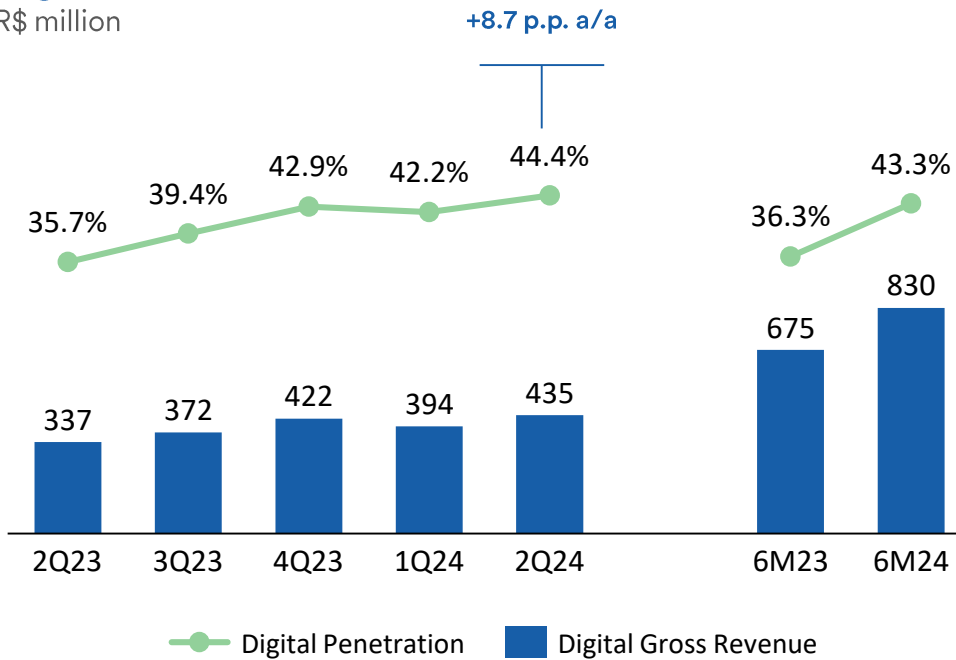
Services

Decline in revenue y/y although we have already seen an improvement in operational indicators throughout 2Q24: an increase in profitability and cash margin in the services segment y/y

Gross Revenue | Performance by Channel

Digital Gross Revenue

R\$ million



Physical Channel

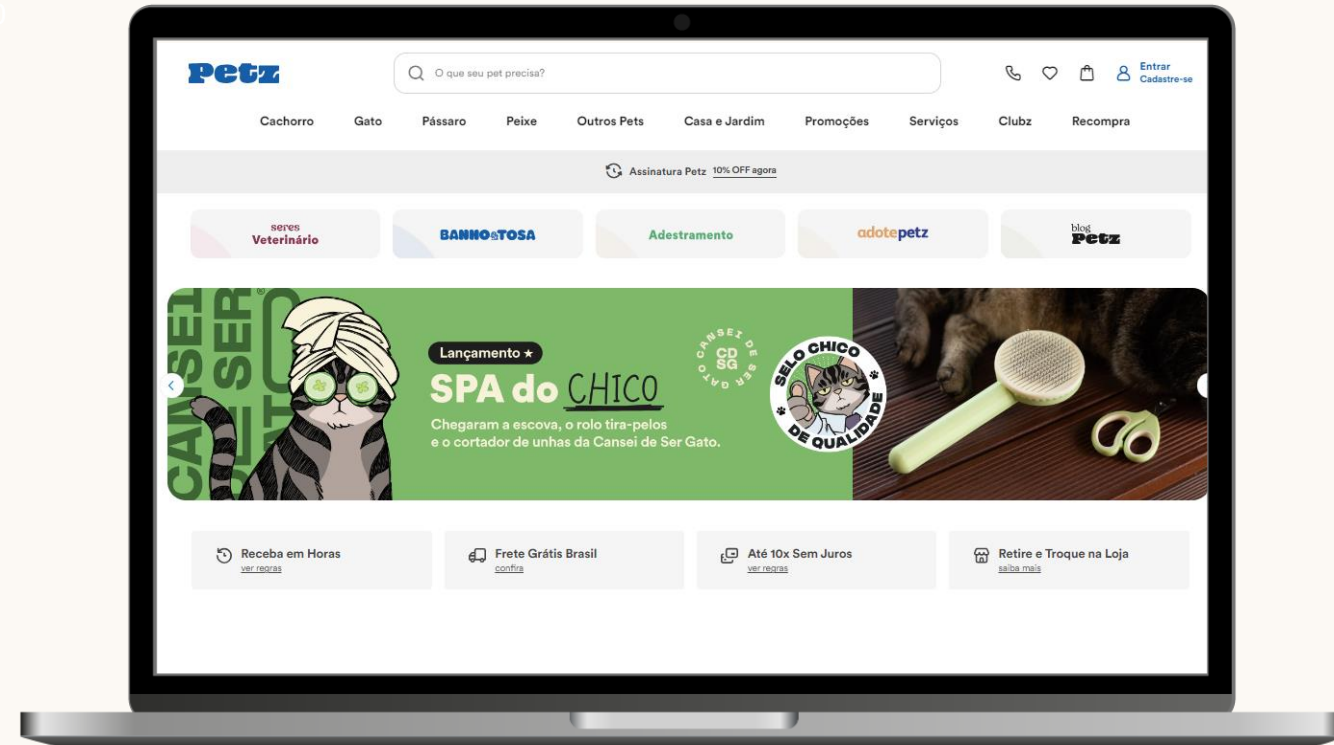
-10.2% y/y

- Reduction in service revenue;
- Customer preference for online purchases: 94% Omnichannel ratio.

Digital Channel

+29.2% y/y, versus a strong basis of comparison (+28.4% y/y in 2Q23)

- High level of service: 91% of Digital orders delivered within 1 business day;
- Products with more competitive and attractive terms

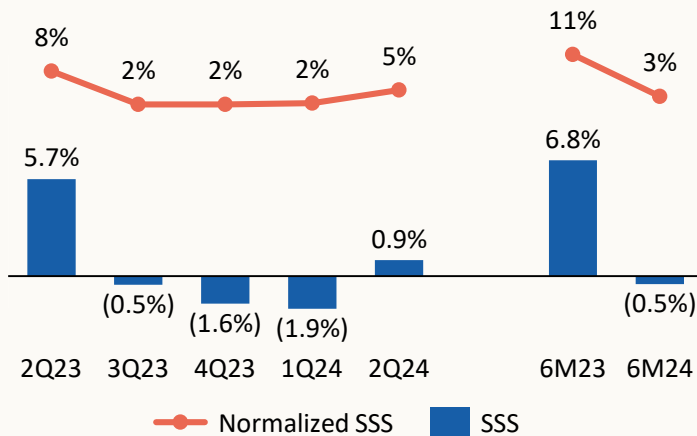


Stores Performance

Positive performance of 0.9% y/y in 2Q24, reversing the negative trend observed over the past three quarters. Notably, this performance shows an upward trend throughout the months of April, May and June, with July presenting the best result in this series, and August, so far, following the same trend.

Same Store Sales Growth

Change %, y/y



4-Wall EBITDA (Stores)

% as of Petz Store's Gross Revenue

Cohorts	# Stores	4-wall EBITDA (2Q24 LTM)
until 2018	80	15.6%
2019	26	16.0%
2020	28	15.6%
2021	37	14.5%
2022	50	10.7%
2023	30	8.0%
2024	6	(4.6%)

2Q24

+3 openings,
in **1** new state

252 stores in **24**
states

44% of stores have
not reached maturity

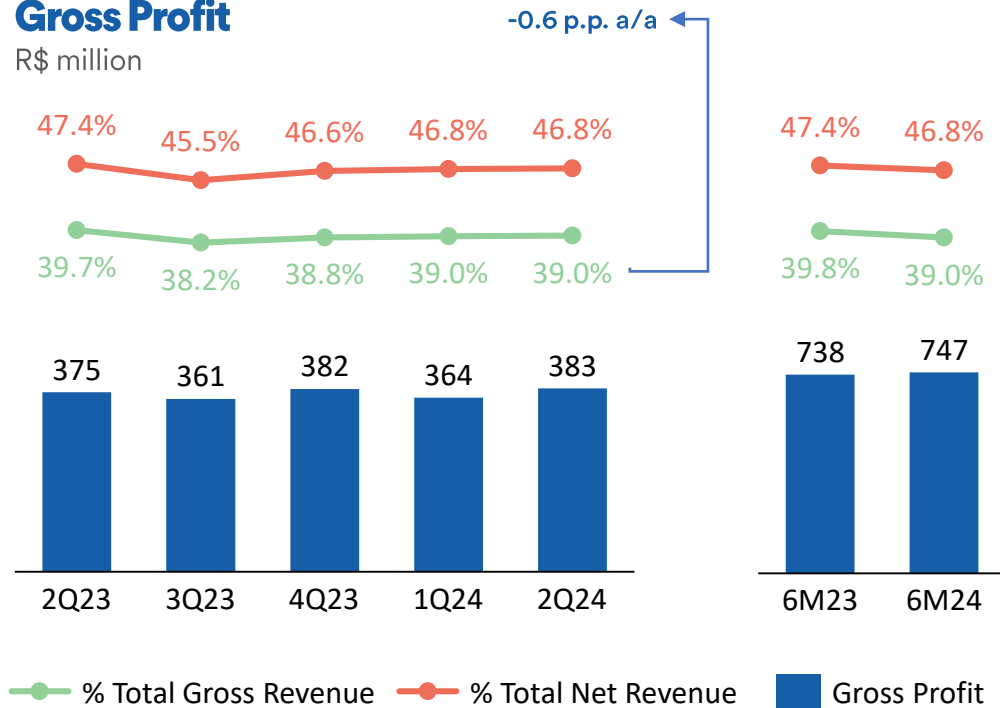


Gross Margin

Margin pressure y/y due to significant increase in digital penetration, increase in ICMS rates in some states, changes in PIS/Cofins taxation, and new pricing strategy.

Gross Profit

R\$ million



Base effect of comparison



Focus on profitability and margin preservation in 2Q23, creating a strong comparison base. In 2024, the Company aims to balance growth and profitability.



Cash margin growth

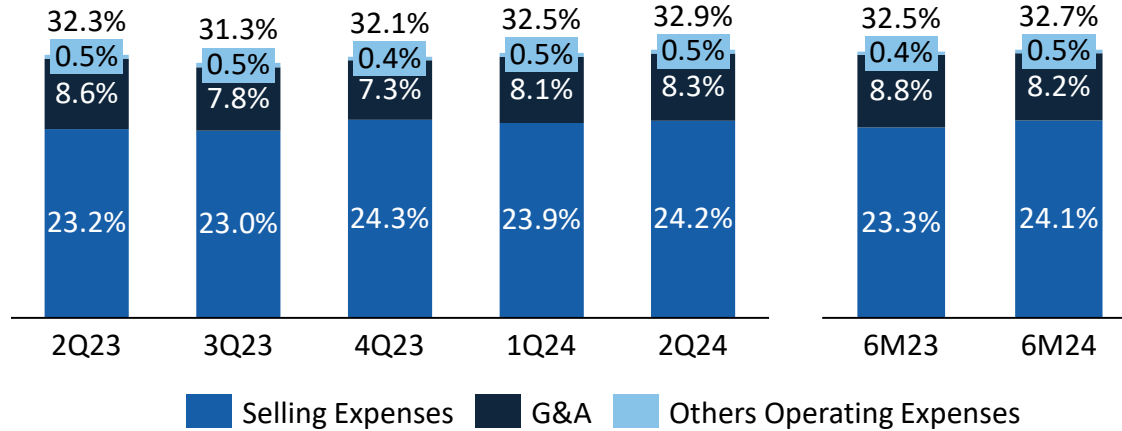
Strategy focused on optimizing cash margin, which grew compared to the previous year. Furthermore, the addition of new customers generates a positive effect that opens up prospects for an increase in future cash margin.

Operating Expenses and Adjusted EBITDA

Margin pressure, due to gross margin, increased digital penetration and lower operational leverage

Operating Expenses

% as of Gross Revenue

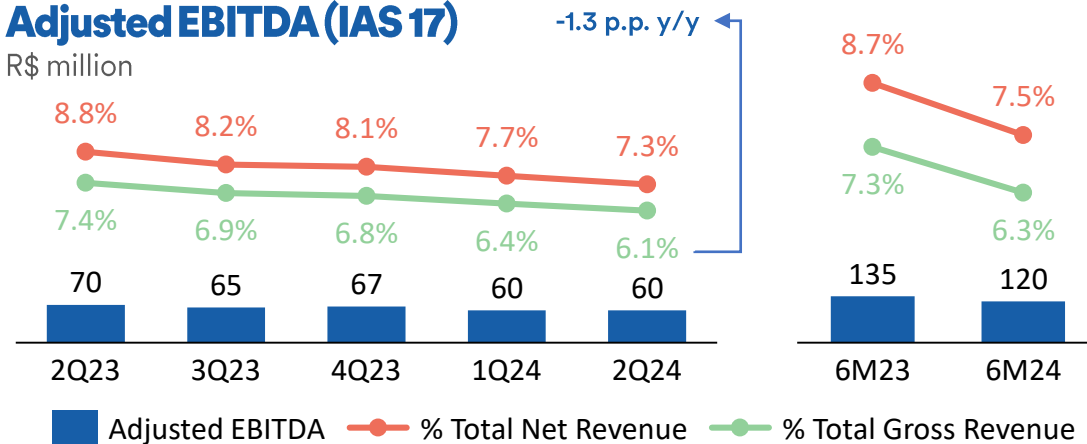


Sales: +8.4% y/y
24.2% of GR (+1.0 p.p. y/y)

Reflection of stores opening process and maturation of the portfolio in a context of lower operational leverage

Adjusted EBITDA (IAS 17)

R\$ million



General & Administrative: -0.7% y/y
8.3% of GR (-0.4 p.p. y/y)

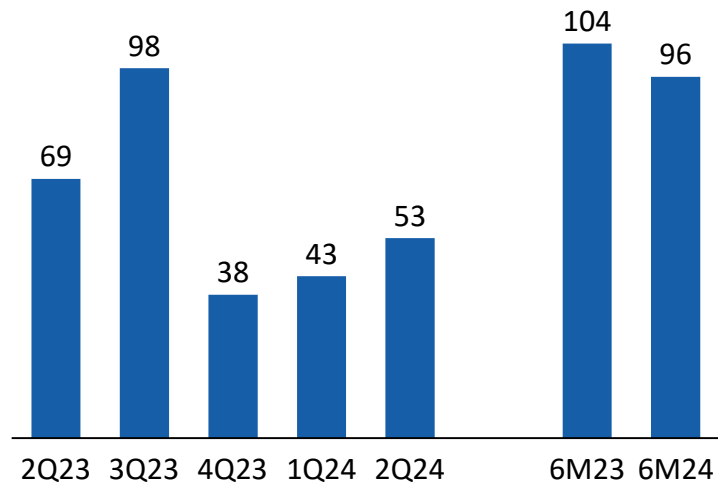
Optimizations in expense packages implemented at the end of 2023 and synergies with acquired companies

Cash flow, investments and debt

Another quarter of operational generation sufficient to cover investments, excluding interest on financing

Operational Cash Flow

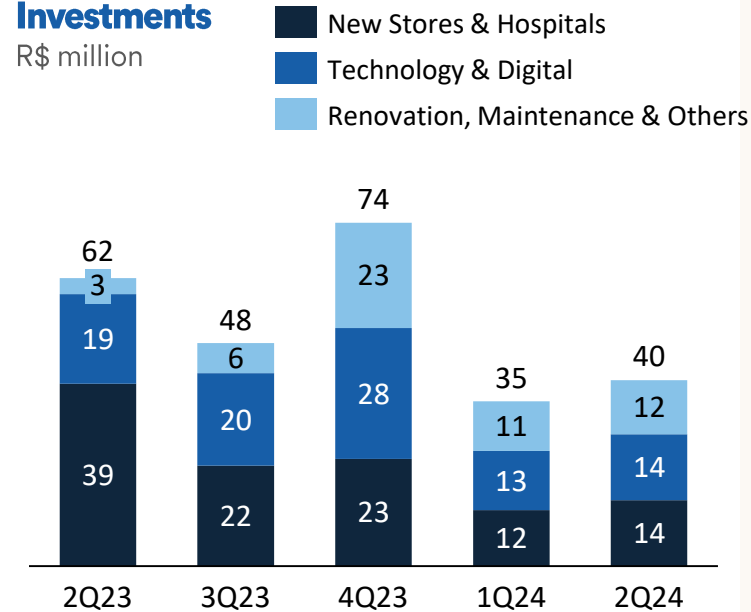
R\$ million



- **R\$53 million** of operational cash generation, driven by operational efficiency and effective working capital management
- Improvement in the cash cycle of approximately **~4 days y/y**

Investments

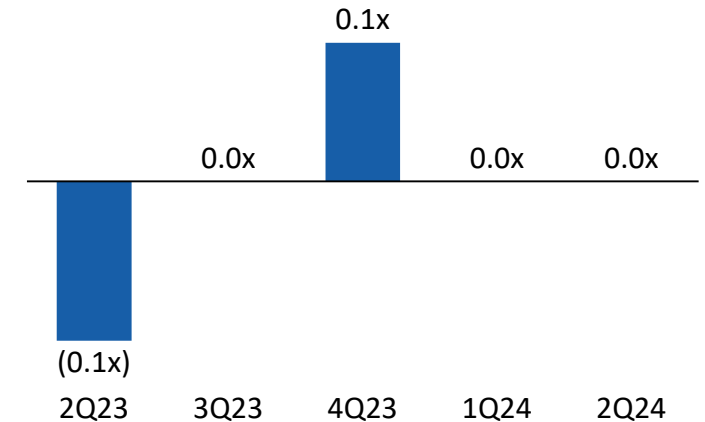
R\$ million



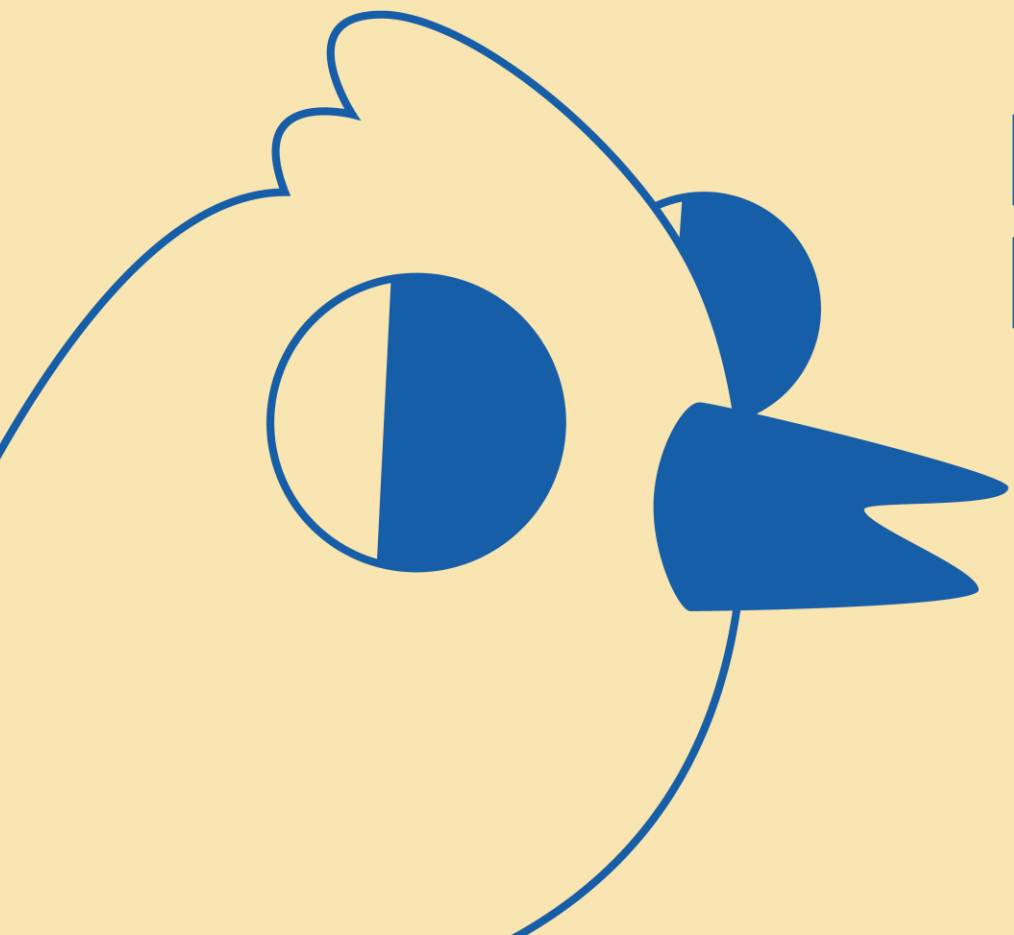
- **-35% y/y** in Total Investments
- **-64% y/y** in New Stores, due to a slower pace of openings throughout the year, reduced capex per store, and optimization of store formats
- **-27% y/y** in Technology and Digital reflecting improvements in customer solutions and internal processes for productivity gains

Leverage (IAS 17)

Net Debt/Adjusted EBITDA 12M



- Financial discipline in investment approvals and cash management enabled an investment of R\$196.9 million over the last 12 months, as well as the payment of R\$4.3 million in dividends and R\$62 million in share repurchases completed in 3Q23, with no increase in the Company's debt.



Petz Brand Refresh

What is a Brand Refresh?

Strategic movement that involves updating a brand in a subtle way to ensure **longevity, growth and relevance** in the market, without completely changing its visual identity or positioning.



It represents the Company's progress in **consolidating its ecosystem** of products and services, enhanced by recent acquisitions.

This process was based both on the **evolution** of the **pet owners-pet relationship** and opportunities for **differentiation** and **innovation** in the face of competition (specialized and non-specialized)

Generation P

New generation of pet owners: people's relationships with their pets are undergoing transformation, becoming more intimate, deeper and acquiring an unprecedented degree of complexity



2 average number of pets per household

88%

consider the pet a member of the family

63%

consider themselves a pet parent

65% do not hesitate to spend money on their pets

% of pet owners show their affection through:

68% Different food or treats

48% New toys

41%

of pet owners bought or adopted a pet during the pandemic

R\$300

Average monthly spending on the pet, with bathing and vet appointments being the most important services

72%

show interest in the animal welfare cause

68%

say that pets influence leisure decisions, such as holiday destinations, weekend trips, choice of hotel and restaurant

75%

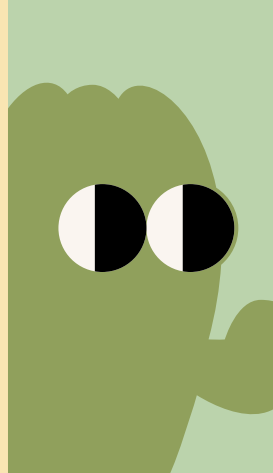
declare that they talk to their pets, and even pay tribute to the pet, such as a tattoo or a birthday party

Why a **Brand Refresh**



Create **competitive differences** that generate greater customer **loyalty and engagement**, resulting in an increase in share of wallet and frequency

How we **execute**



Visual identity and brand message

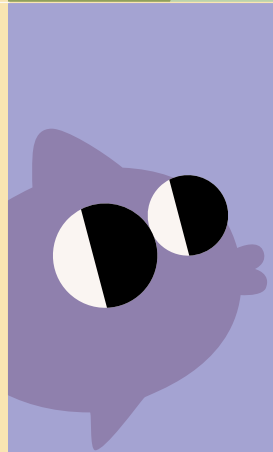
Brand positioning

Marketing strategy

Private label with exclusive products

Customer experience

What we **deliver**



- Adequacy of the brand to the greater digitalization of customers
- Slogan review

- Exploration of attributes focusing on the pet, owners and society
- Strengthening the emotional connection between pet-owner

- Communication beyond retail (ecosystem)
- Institutional TV and out-of-home campaign
- Use of new advertising channels

- Continuity of the private label strategy implemented since the beginning of the year

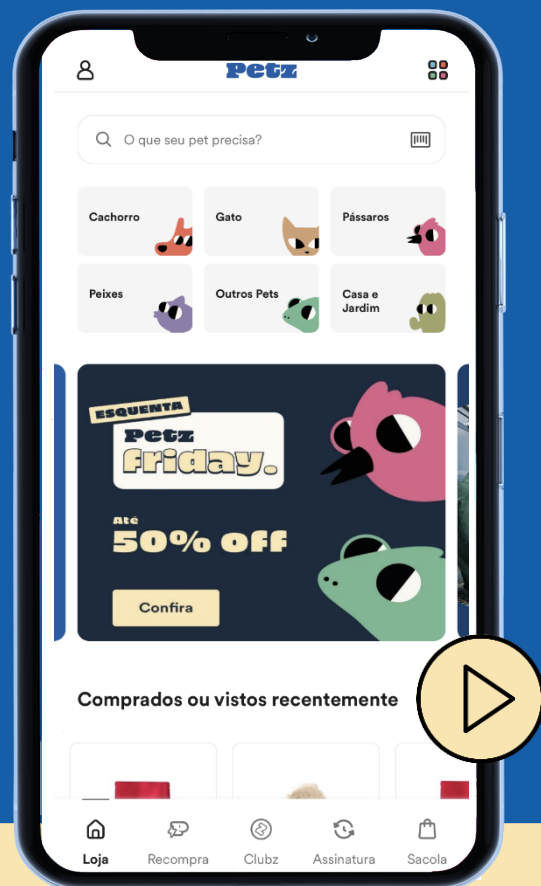
- New App: products and services unified in a single app
- New store experience

Marketing strategy

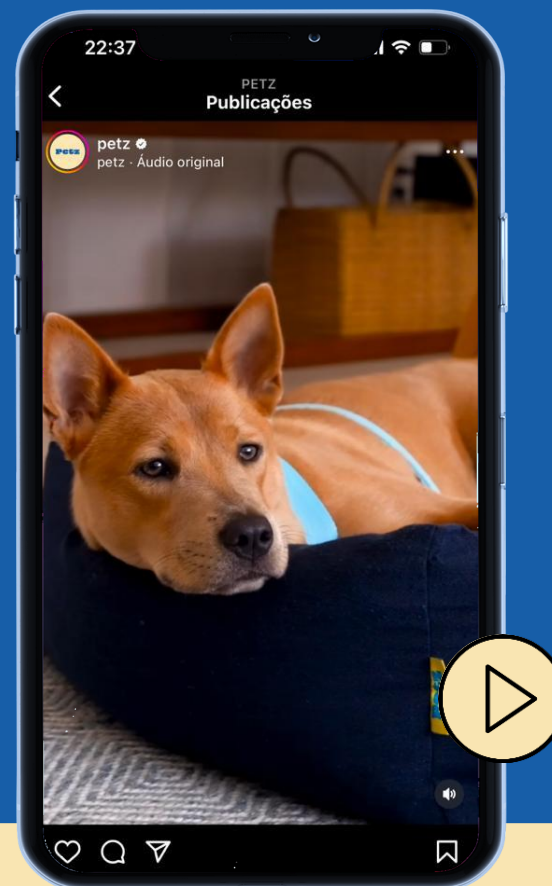
Reinforcement of Petz's communication as an ecosystem (not just retail), new advertising channels utilization, and promotion of in-store events.

We launched a **national institutional campaign** - including TV and out-of-home media.

New app

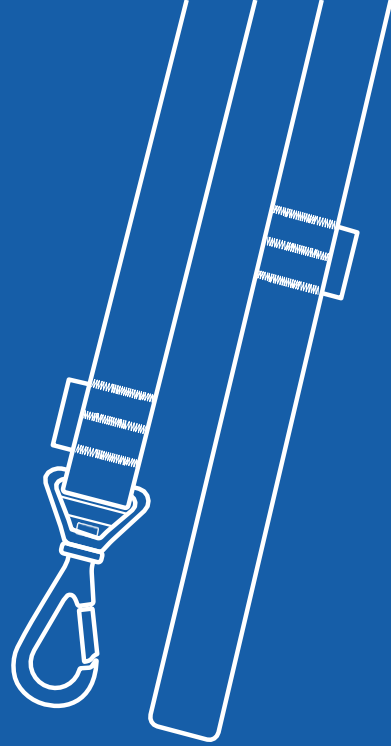


New products



Generation P campaign





Private label with exclusive products

Strengthening the private label portfolio, through different price points in different categories



**CANSEI
DE SER
GATO**

CDSG biodegradable cat litter

- Launch of the brand's first recurring consumer product in September
- 100% natural, biodegradable, made with corn and cassava and without chemical additives
- Results above expectations



Petz toys and plush

Private label Sep/23 highlights:

25% (+5 p.p. y/y)

Private label share in the categories we are present

80% (+20 p.p. y/y)

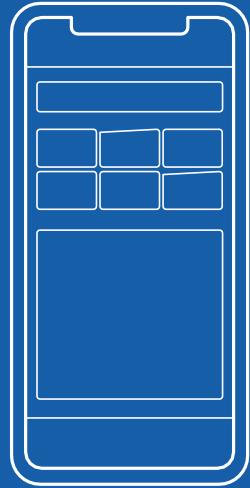
Dog pads
(Fresh, Super Secão, Petz, Zee.Dog)

8% (+2 p.p. y/y)

Share of private label in Petz Standalone product revenue

57% (+7 p.p. y/y)

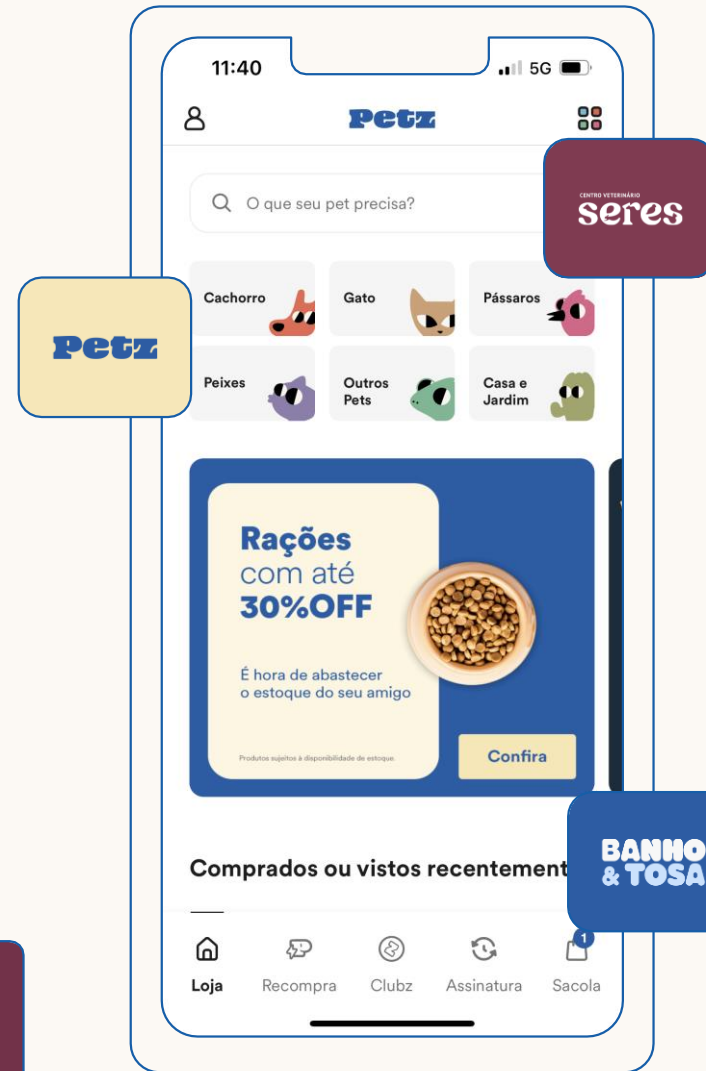
Collars, leash and harnesses
(Spike, Petz, Zee.Dog)



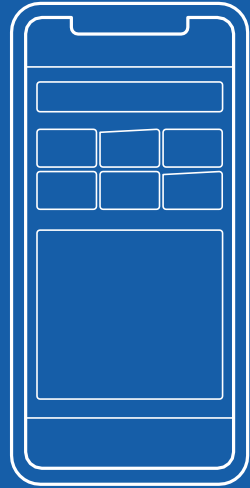
Customer experience

Everything your pet needs in one app

The main products, services and curation of the ecosystem were unified in a **single app**, making the **journey more fluid** and customer's life even easier.

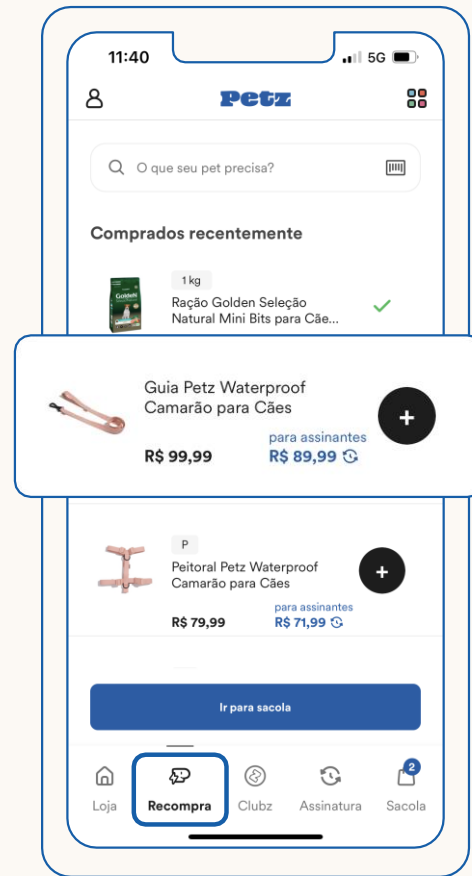



In the new app, customers can **schedule** vet appointment (Seres) and Grooming services.




Customer experience

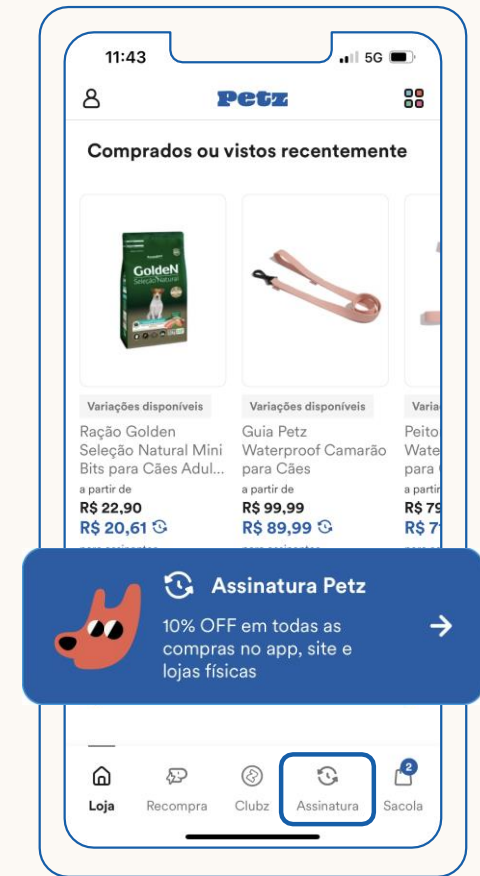
With a more modern design, customers can repurchase, with just 1 click, items recently purchased in the app, stores and website.




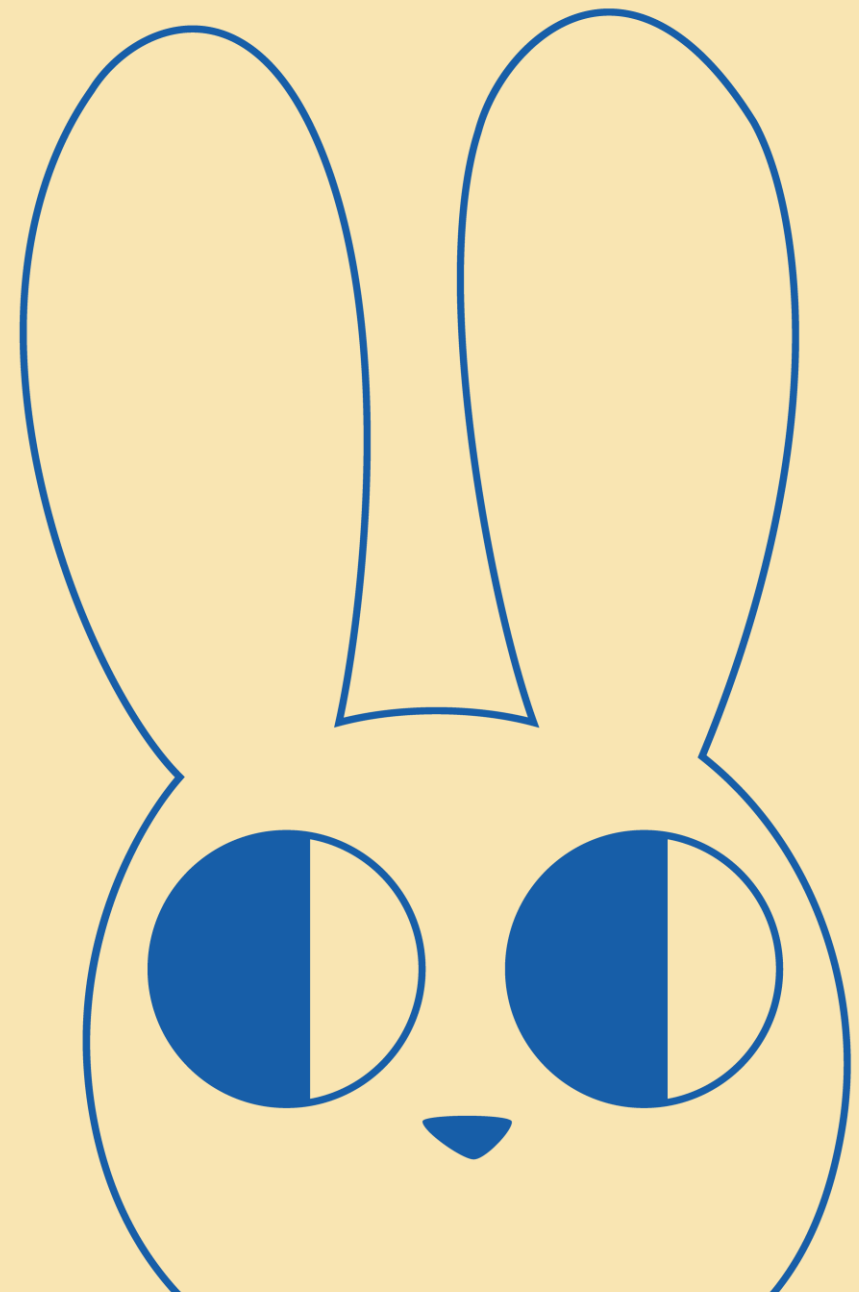
 **Buyback** of favorite products in only one click



 **Clubz**, the Petz Benefits Club, offers CashPetz (cashback), exclusive offers and challenges and coupons for benefits on products and services



 **Subscription** to recurring products



Appendix

ATACADO PET

- The opening will take place on August 17th, the date we celebrate Petz's 22nd anniversary;
- This project is a pilot aimed at testing a **new business model**;
- Focus on clients that currently are not Petz clients;
- **Target on social classes B and C**;
- Differentiated and most popular product mix;
- Partnerships with new suppliers, differentiated cost structure, and interest-only installment options and **progressive discounts, depending on purchase volume**



Sustainability

Publication of the 2nd Annual Sustainability Report in July 2024

Highlights of the Report

Entry into the B3 Efficient Carbon Index – ICO2

More than 3.07 thousand tons of recycled waste

Conscious Delivery: Reduction of 550 thousand plastic envelopes

Petix Upcycling: Processing 650 tons of discarded diapers per month

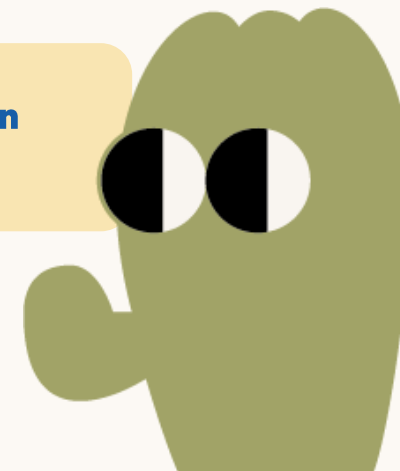
“Reversa” Project: Savings of R\$2.8 million in losses due to expiration dates

Performance Assessment: Achievement for 100% of employees

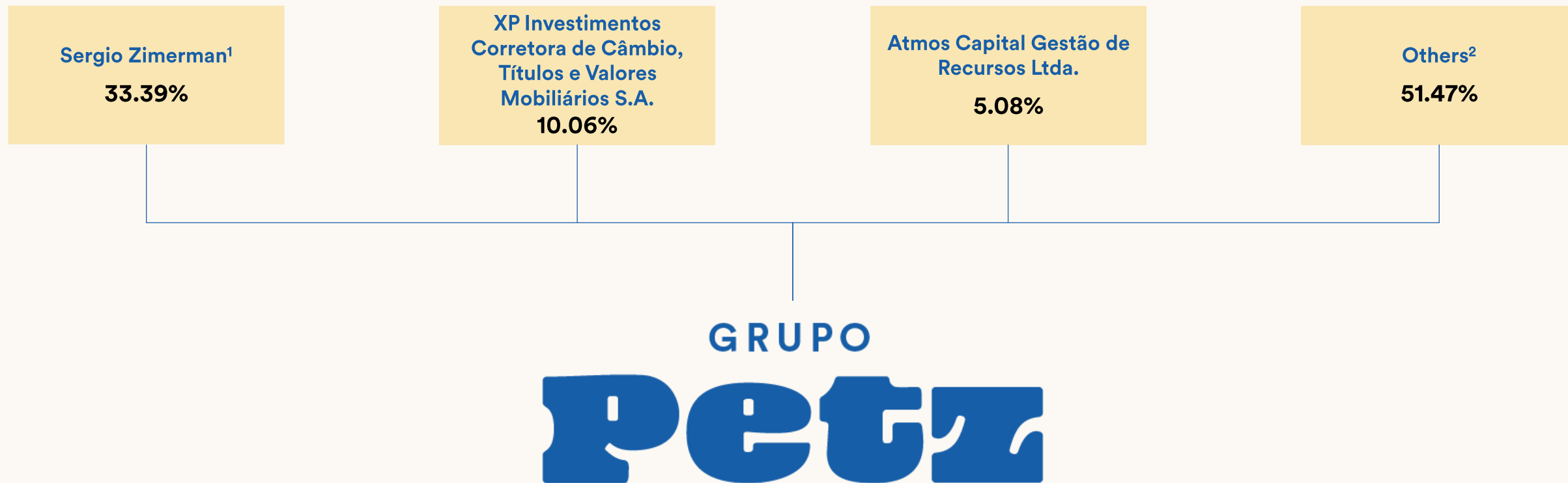
Adote Petz: Support for 135 NGOs and protectors with R\$8 million in donations

Corporate Volunteering: 690 social actions carried out by 400 employees

7,300 pets adopted in Petz stores



Ownership Breakdown



¹Considering the position of the PLATINA 55 FIM fund.

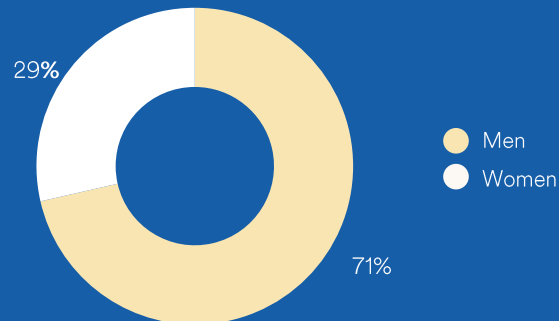
²Updated data based on the Reference Form released on 09/13/2024.

Diversity in Governance Bodies: Board of Directors

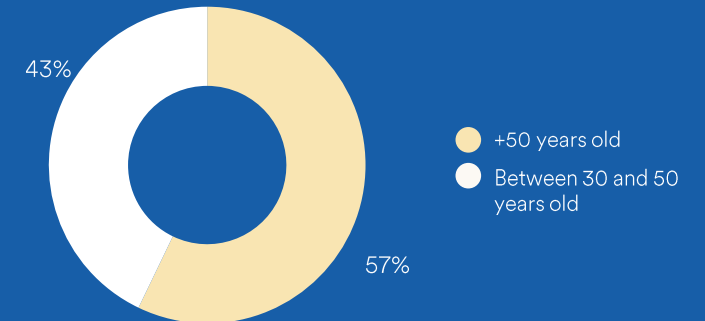
Personal Information	Name	Cláudio Roberto Ely	Eduardo Terra	Gregory Louis Reider	Ricardo Dias Mieskalo Silva	Sergio Zimerman	Sylvia de Souza Leão Wanderley	Tania Zimerman
	Position	Chairman	Member	Member	Member	Member	Member	Conselheira
Diversity	Gender							
	Age Group	+50 years old	Between 30 and 50 years old	Between 30 and 50 years old	Between 30 and 50 years old	+50 years old	+50 years old	Mais de 50 anos
	Total mandates (AGM 2026)	10 years	4 years	10 years	2 years	10 years	2 years	5 anos
Effectiveness	Permanent	★	★	★	★	★	★	★
	Independent	★	★		★		★	
	Participation in councils /committees							
Experience	Management	★	★	★	★	★	★	★
	ESG		★				★	
	Marketing		★	★	★		★	
	M&A	★						
	People	★			★		★	★
	Retail	★	★	★	★	★	★	★

Note: Composition in June 2024







Board of Directors by Gender



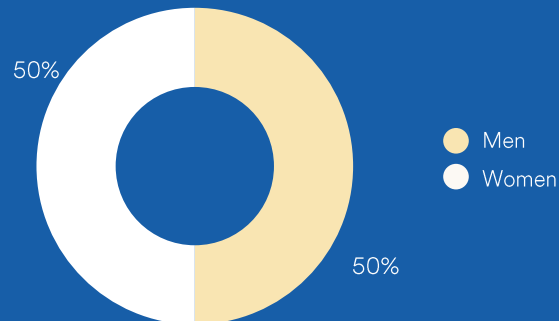
Board of Directors by Age Group



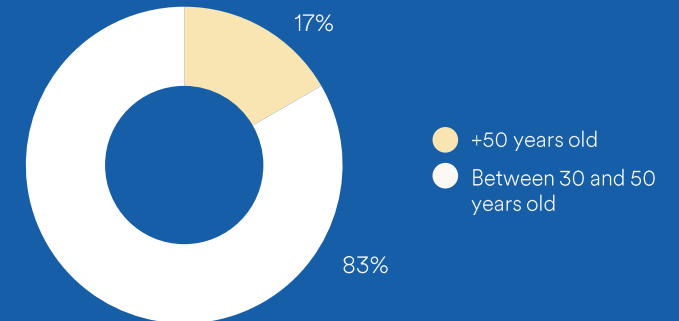
Diversity in Governance Bodies: Executive Board

	Name	Sergio Zimerman	Aline Ferreira Penna Peli	Flávia Pontes	Marcelo Silveira Maia	Rodrigo Fernandes Cruz	Thalyta Losano
Personal Information	Position	CEO	VP of Finance, Investor Relations/ESG, and New Business	Executive Director of People, Culture, Services, and Integrations	VP of Digital and Innovation	VP of Retail and Commercial	Legal Director
	Gender						
Diversity	Age Group	+50 years old	Between 30 and 50 years old	Between 30 and 50 years old	Between 30 and 50 years old	Between 30 and 50 years old	Between 30 and 50 years old
	Total mandates	22 years	2 years	1 year	10 years	8 years	10 years
Board	Statutory	★	★		★	★	
	Technology				★		
Experience	M&A and IR	★	★				
	Operations	★			★	★	
	People			★			
	Health			★			
	Legal						★
	Retail	★	★	★	★	★	★

Executive Board by Gender



Executive Board by Age Group



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