

GRUPO **Petz**

3Q24 Results



Petz

seres

**BANHO
& TOSA**
Petz


Cão Cidadão


adotepetz


zee dog

**CANSEI
DE SER
GATO**

petix.
o melhor para seu pet

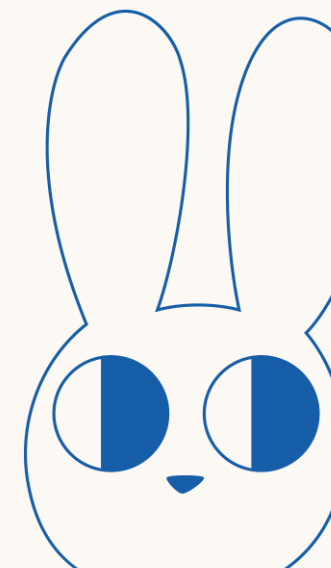
**ATACADO
PET**

Agenda

1 Message from the Management

2 3Q24 Results

3 Q&A





Message from the Management

 Sergio Zimmerman
Founder and CEO




3Q24: Reversal of the financial results trend

We are convinced that Petz is in a privileged position, with a solid cash position, as well as being a market leader in a resilient segment


Growth recovery:
Revenue, Gross Margin, EBITDA and Net Income



Leading, scalable, and profitable Omnichannel platform




Operational indicators moving in the same direction, including at the beginning of 4Q24



Continuous pursuit of operational efficiency



Robust Financial Structure:
Net Cash of R\$ 48.9 million in 3Q24



1st semester

- Results below expectations
- Gross margin pressure
- Revision of commercial policies, aiming for more competitiveness

2nd semestre (3Q24)

- Growth recovery: +7.6% in Gross Revenue
- Increase in competitiveness and positive impact on cash margin
- Real sales growth – inflation close to 0%

3Q24 Highlights and Strategic Initiatives

Revenue growth recovery

- **Real growth of 8.0% in Products**
- Controlled LTM internal inflation (approximately 0% y/y)
- Better understanding of the **competitiveness of physical stores**

Improvement in private label and channels

- **Official launch of Selections dry food**
- **+17.5% growth in the Zee.Dog Accessories category**, driven by Marvel collaboration
- Transformation of more than **70 Petz stores into Zee.Now hubs**

Consistent growth of the customer base

- **+14% y/y in active customers** in the Digital channel
- **Record of 524 thousand subscribers** (+20% y/y)
- **Subscriber churn (-1.0 p.p. y/y)** – all-time low

Strategic initiatives

- **Relaunch of CLUBZ**, our loyalty program, bringing more benefits and value to our customers
- **Monetization opportunities** via **Petz TV**, our new media and communication channel



3Q24 Highlights

**R\$ 1.0 bn of
Gross Revenue, +7.6% y/y**

Record quarterly
revenue

**R\$ 395.2 mm of
Gross Profit, +9.4% y/y**

Gross Margin of 38.9% of GR
(+0.6 p.p. y/y)

**+14.0% y/y growth of
Adjusted EBITDA,**

totaling R\$ 74.6 mm and Adjusted
EBITDA Margin of 7.3% of GR

**+120.1% y/y growth of
Net Income,**

totaling R\$ 14.9 mm and
Net Margin of 1.5% of GR

+15.4% y/y

Growth of Accessories
after 4 consecutive quarters
of decline

257 stores,

with 5 openings
in the quarter



Resilient performance

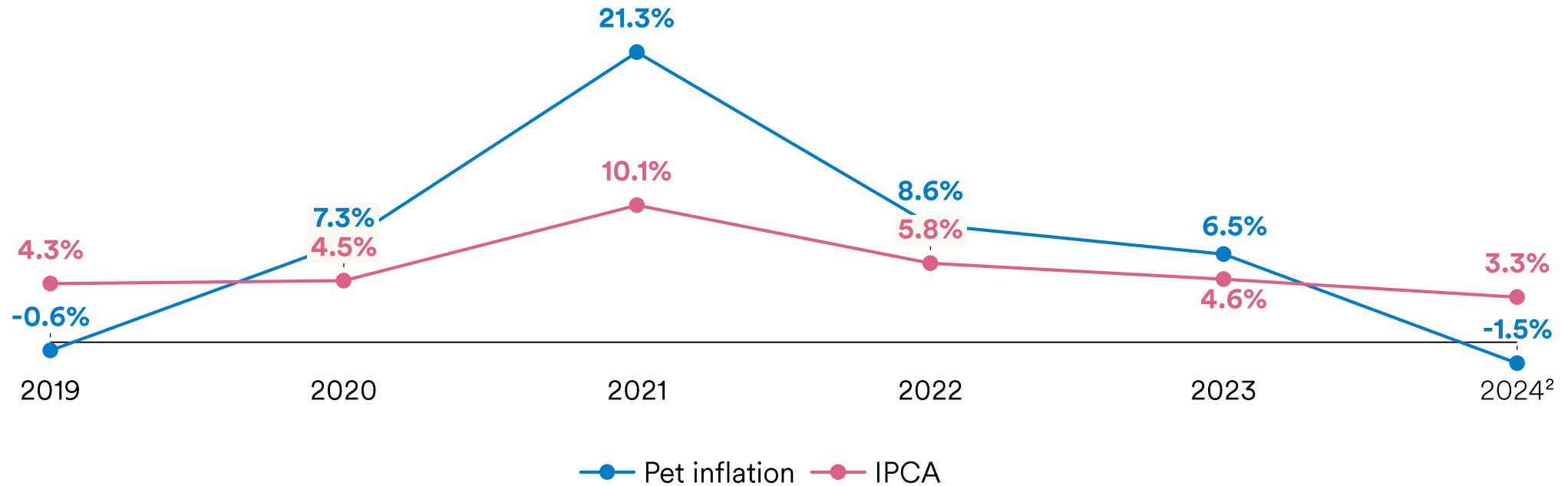


Real growth in 2024, considering a deflation scenario in the pet sector

Flat performance in 3Q24

Pet inflation¹

Annual view



¹ Pet inflation is calculated based on the price variation of all products sold by Petz, weighted by the revenue share of each product in total sales.

² Data up to September 2024 (9M24). For IPCA, it considers the September estimate from the IBSA.

Private Label

Fundamental pillar for increasing customer loyalty and engagement, profitability, and differentiation vs competitors

Private Label growth

+38% (y/y)
in 9M24

~10% in 3Q24 (+1.8 p.p. y/y)

Share of Private Label in total product revenue*

+17.5% y/y Growth of **zee.dog** Accessories in national channels, driven by the success of the Marvel collab

Launch of Dry Food
(Premium category)

SELECTIONS
for pets



*Includes Petz + Zee.Now sales

Relaunch of Clubz – Petz’s Loyalty Program

- Fixed benefits and unlimited use
- Also available in paid versions with more benefits
- Expansion of value offerings for loyal customers and heavy users

| | CLUBZ BRONZE Gratuito para clientes Petz | CLUBZ PRATA Gratuito para Assinantes Petz ou por 12x de R\$ 6,90 | CLUBZ OURO por 12x de R\$ 12,90 | CLUBZ DIAMANTE por 12x de R\$ 24,90 |
|--|---|---|---|---|
| CashPetz e descontos com o Compre e Ganhe | ✓ | ✓ | ✓ | ✓ |
| 10% OFF em todas as compras de produtos | × | ✓ | ✓ | ✓ |
| Desconto no Banho & Tosa | × | 10% OFF | 20% OFF | 30% OFF |
| Conteúdo exclusivo | × | ✓ | ✓ | ✓ |
| 5% de CashPetz em todas as compras de produtos | × | × | ✓ | ✓ |
| Sem taxa de serviço em compras online | × | × | × | ✓ |
| 30% de CashPetz em consultas, vacinas e exames | × | × | × | ✓ |
| Frete grátis para todo o Brasil na Entrega Padrão | × | × | × | ✓ |




CLUBZ


Economize abrindo a carteira

São muitas possibilidades para o usar o seu CashPetz:

 App ou site


 Centro Veterinário

 Lojas físicas

 Banho & Tosa



Financial Results

 Aline Penna
CFO & IRO, ESG and New Business

Financial Highlights | 3Q24



**Gross Revenue
(GR)**

R\$ 1.0 Bn

+7.6% y/y

- **Record quarterly revenue**
- **Recovery of the physical channel** compared to 2Q24
- **Digital Gross Revenue:** R\$445.5 MM; **+19.7% y/y**
- **Same Store Sales: +3.4% y/y**



Gross Profit

R\$ 395.2 mm

+9.4% y/y

38.9% of GR
(+0.6 p.p. y/y)

- Continuous effort to identify opportunities in operational areas and increased commercial assertiveness
- New commercial policies aimed at **balancing growth and profitability**
- Focus on optimizing **cash margin** and margin by customer



Adjusted EBITDA

R\$ 74.6 mm

+14.0% y/y

7.3% of GR
(+0.4 p.p. y/y)

- Positively impacted mainly by the **+0.6 p.p. increase in Gross Margin** and negatively by the higher share of the digital channel and lower operational leverage.



Net Income

R\$ 14.9 mm

+120.1% y/y

1.5% of GR
(+0.7 p.p. y/y)

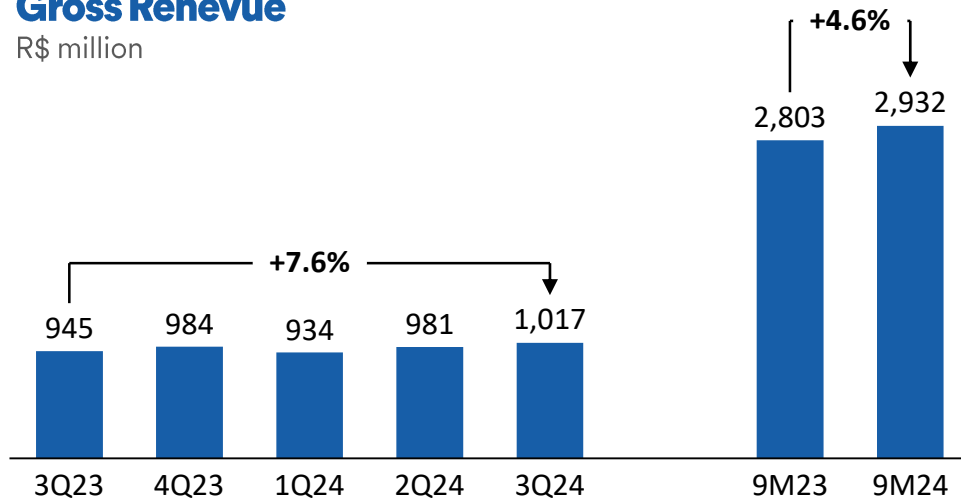
- Positive effect from the **EBITDA Margin expansion**
- Positive impact of mark-to-market (**non-cash**) of derivative instrument and exchange rate variation (approximately R\$8.0 million)

Gross Revenue | Performance by channel



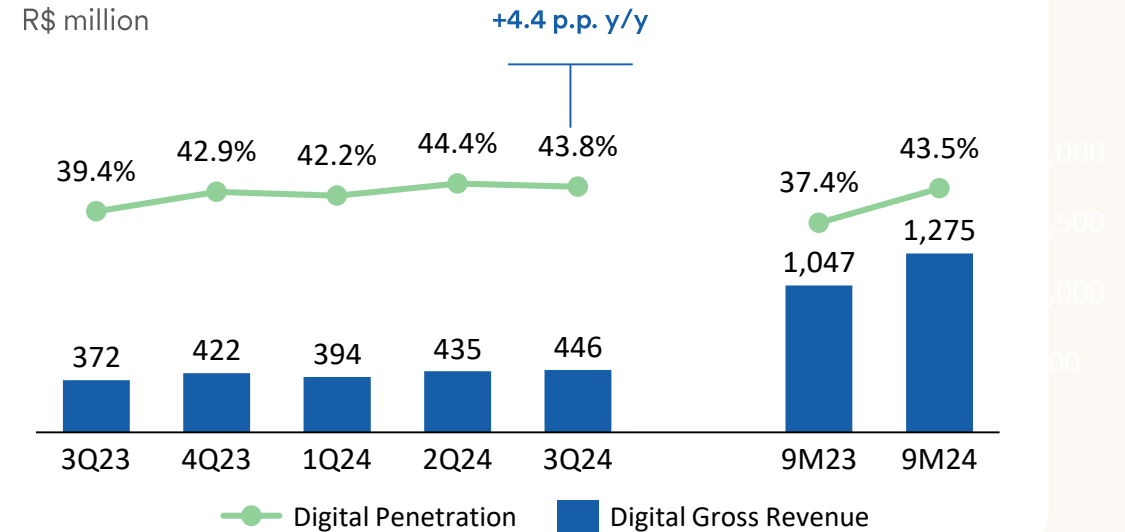
Gross Revenue

R\$ million



Digital Gross Revenue

R\$ million



Products

+8.0% y/y

- Accessories: +15.4% y/y
- Hygiene & Cleaning: +10.4% y/y
- Pharmacy: +9.5% y/y

Services

-3.3% y/y

- Increase in (i) the occupancy rate of Grooming services, (ii) the number of grooming sessions per professional, and (iii) the volume of veterinary procedures

Physical Channel

-0.3% y/y

- Stable sales vs. 3Q23
- Stores remain an essential part of our business

Digital

+19.7% y/y
(+19.6% y/y in 3Q23)

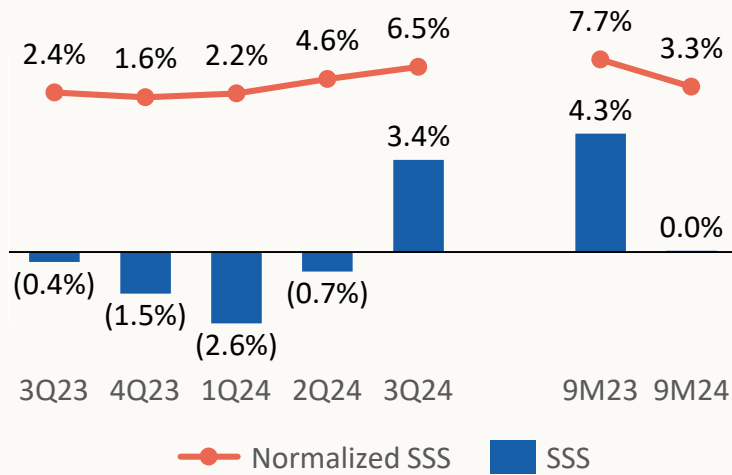
- 92% of Digital orders delivered within 1 business day
- Products with more competitive and attractive conditions

Store Expansion

Performance of +3.4% y/y in 3Q24, with accelerated growth. It is important to note that pet inflation recorded in the quarter was approximately 0%, meaning that the growth achieved is real, without any impact from price increases.

Same Store Sales Growth¹

% Change, y/y



4-Wall EBITDA (Stores)

% Petz Stores Gross Revenue

| Cohort | # Stores | EBITDA 4-wall (3T24 LTM) |
|------------|----------|--------------------------|
| Until 2018 | 80 | 15.6% |
| 2019 | 26 | 16.0% |
| 2020 | 28 | 15.6% |
| 2021 | 37 | 14.8% |
| 2022 | 50 | 11.5% |
| 2023 | 30 | 9.4% |
| 2024 | 12 | (7.2%) |

¹ Starting from 3Q24, the methodology for calculating SSS now includes consolidated sales from Petz + Zee.Now. For better comparability, the figures for previous quarters have been updated to reflect Zee.Now sales in the comparison base

3Q24

5 stores openings

257 stores in 24 states

54% of stores have not reached maturity



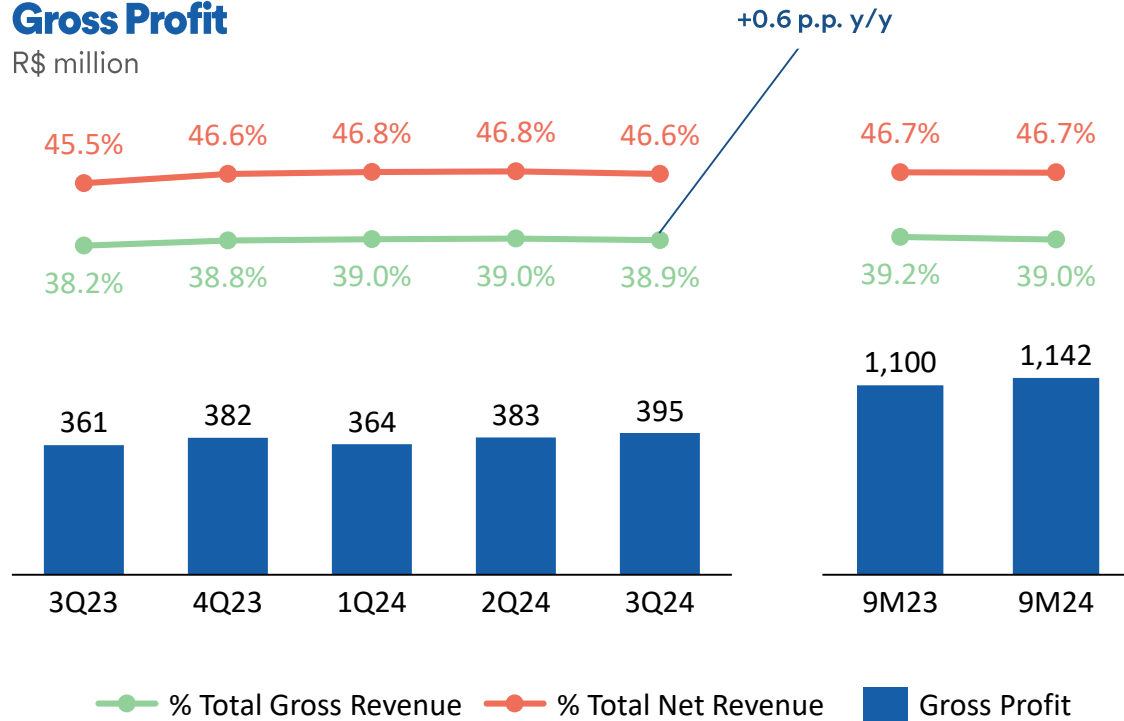
Gross Margin



Even in a scenario of increased digital channel penetration, **Gross Margin remained stable compared to the first half of the year**, result of our ongoing efforts to identify opportunities and enhance efficiency in commercial and operational areas.

Gross Profit

R\$ million



Efficiency gains

Implementation of new commercial policies aimed at balancing growth and profitability, which allows us to achieve more consistent operational results aligned with the growth strategy



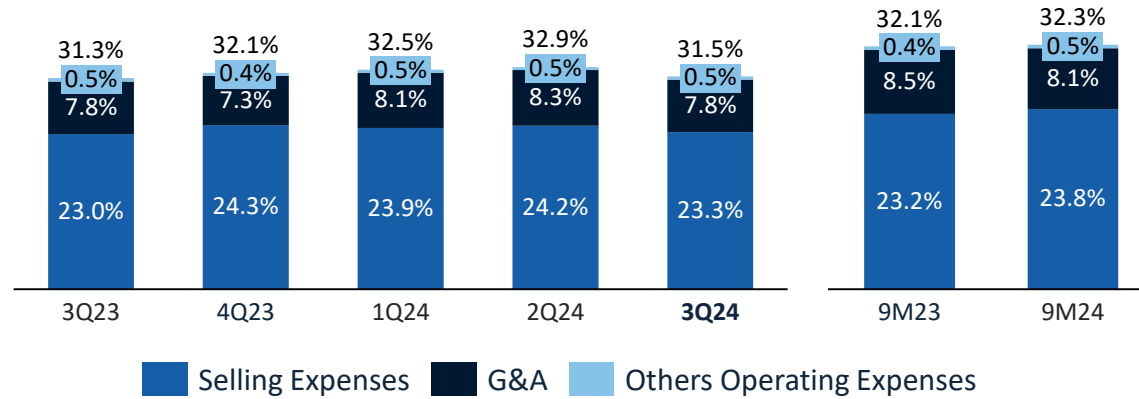
Cash margin growth

Adoption of a broader view of customer margin allowed for the optimization of pricing, loyalty, and cash margin strategies

Operating Expenses and Adjusted EBITDA

Operating Expenses

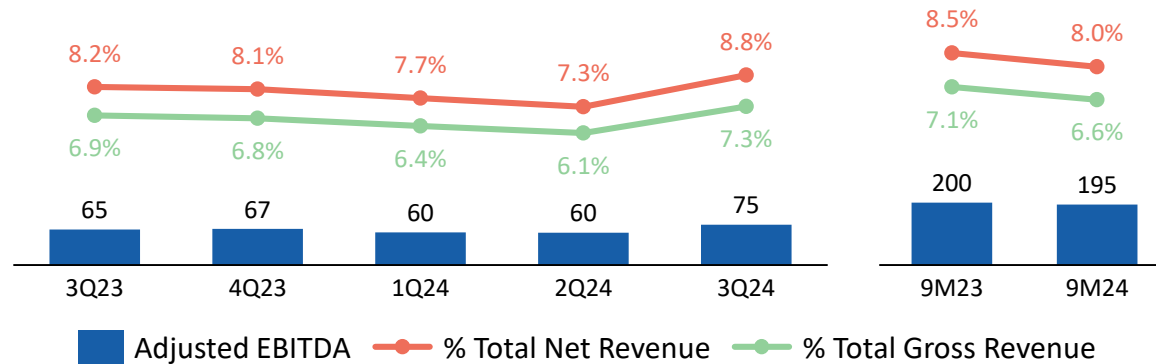
% as of Gross Revenue



Revenue growth: +7.6% y/y

Adjusted EBITDA (IAS 17)

R\$ million



Selling Expenses: +8.8% y/y
23.3% of GR (+0.3 p.p. y/y)

Reflection of the store openings, considering that each store takes, on average, 6 months to reach the breakeven point



General & Administrative Expenses: +7.8% y/y
7.8% of GR (stable y/y)

Other Operating Expenses: -4.5% y/y
0.5% of GR (stable y/y)

Adjusted Net Income

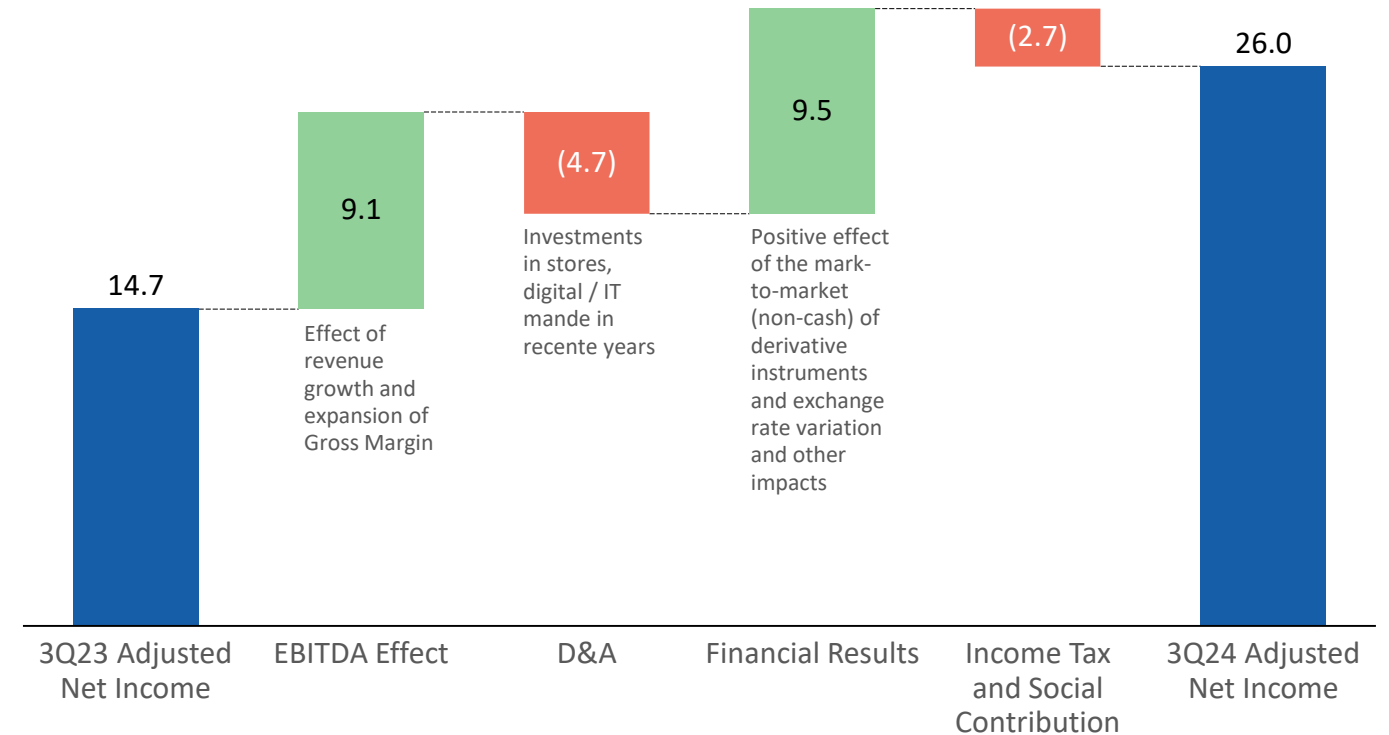


Positively driven, mainly by:

- Revenue growth
- EBITDA Margin expansion
- **Mark-to-Market of the Derivative (Swap):**
 - **(Non-cash)** positive effect of the financial result of approximately R\$8.0 million

Adjusted Net Income 3Q24 vs. 3Q23

R\$ million



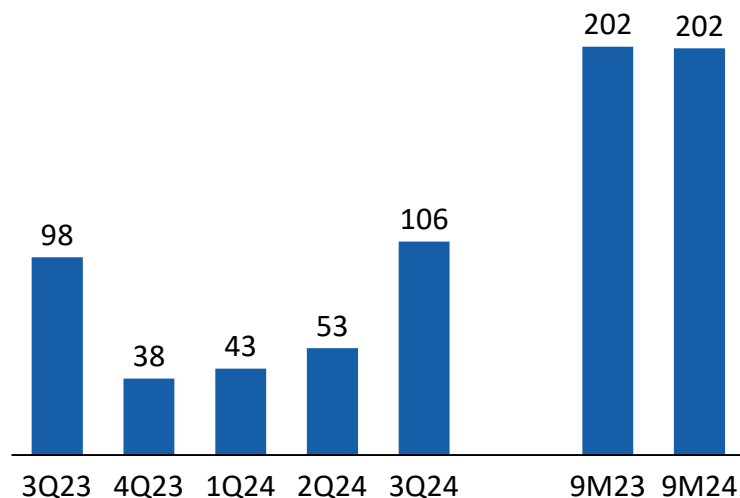
Cash flow, investments and debt



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

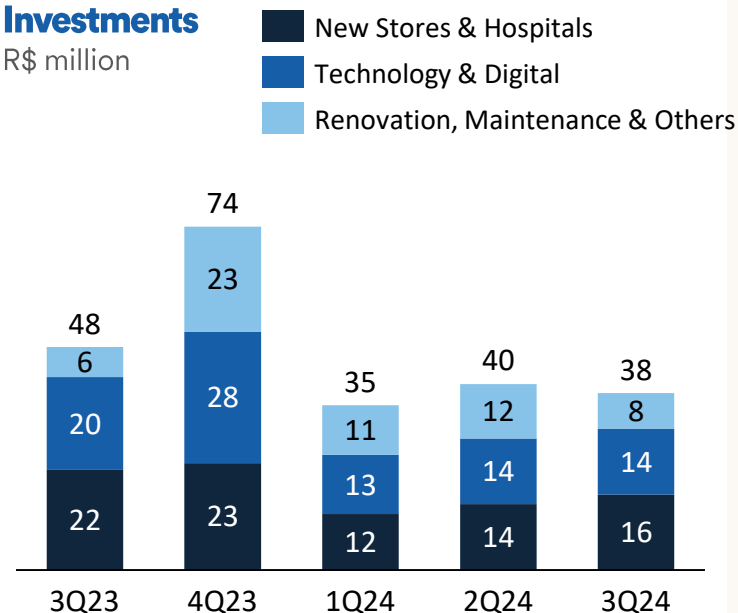
Operating Cash Flow

R\$ million



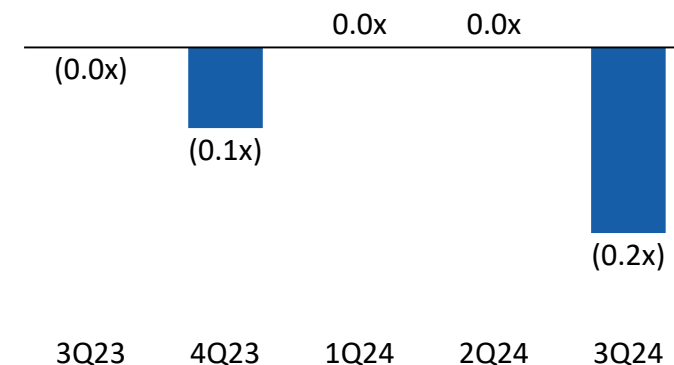
Investments

R\$ million



Leverage (IAS 17)

Net Debt/Adjustment EBITDA 12M



- **R\$105.8 million** in operating cash flow, driven by operational efficiency and effective management of Working Capital
- Sufficient operational generation to cover investments

- **Reduction of -20.6% y/y** in Total Investments
- **Reduction of -24.7% y/y** in New Stores, reflecting the slower pace of store openings, reduced capex per store, and optimization of store typology
- **Increase of +18.0% y/y** in Renovations, Maintenance, and Others, driven by (i) maintenance of the store network; (ii) 4 renovations and 18 facade conversions to the Brand Refresh model throughout the year; and (iii) investments in energy efficiency projects.

- **Net Cash of R\$48.9 million**, reflecting financial discipline and a focus on cash generation
- No reliance on external fundraising in the short term



GRUPO **Petz**

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Disclaimer

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