

GRUPO
Petz
4Q24 Results



Petz

CENTRO VETERINÁRIO
seres

BANHO & TOSA
petz


Cão Cidadão


adotepetz


zee.dog

**CANSEI
DE SER
GATO**

petix.
o melhor para seu pet

**ATACADO
PET**

Agenda

4Q24 Results Videoconference

1 Message from the Management

2 Financial Results

3 Q&A



Message from the Management

@ Sergio Zimmerman
Founder and CEO

1st Semester

Q1

Analysis and Diagnosis



- Challenges with low revenue growth
- Aggressive competitive environment
- Higher comparison bases
- Gross margin pressure (-0,9 p.p.)
- Physical channel: -6.1% y/y

Q2

Focus on Operational Indicators



- Review of the commercial strategy, aiming for greater competitiveness and customer loyalty
- Operational indicators confirmed that we were on the right track
- Increase in the number of customers and subscriber
- Gross Margin: -0.6 p.p. y/y
- Physical channel: -10.2% y/y

2nd Semester

Q3

Beginning of the Reversal of Trends



- Recovery of high single-digit growth (+7.6% y/y)
- Record quarterly revenue – R\$1 billion
- Growth recovery in the Accessories category (+15.6% y/y)
- Optimization of cash margin
- Gross Margin: +0.6 p.p. y/y
- Physical Channel: -0.3% y/y

Q4

Confirmation of Recovery and Resilience



- +9.0% in B2C sales, with no pass-through of inflation or price increases to customers
- Launch of more accessible entry-price products
- Private Label as a competitive differentiator, with record revenue
- Engaged team: focus on sales
- Increase in number of coupons, repurchase, and volume
- **Gross Margin: +0.7 p.p. y/y**
- **Physical Channel: +11.4% y/y**

Confirmation of the recovery of growth

- **+9.0% in Products (B2C)** – LTM internal inflation (-0.8%) below Brazil's inflation
- Increase of +11.0% in the number of **coupons**
- Recovery of growth and competitiveness in **physical stores (+11.4%)**
- **+7% y/y increase in active customers** in the Digital channel
- **Growth of +21% y/y in subscribers**, reaching 538,000 customers
- Greater engagement of store attendants through **gamification of internal goals**
- Omnichannel customers consume **2.5** times more than single-channel customers
- We started 1Q25 with the same trends as 2H24, **maintaining growth while preserving gross margin**



4Q24 Highlights

+7.4% y/y

Total Gross Revenue

R\$1.1 billion

Quarterly record

+5.1%

Same Store

Sales

(SSS)

Gross Margin of **39.5%**

(+0.7 p.p. y/y)

Gross Profit of R\$ 417.3 mm

(+9.2% y/y)

Adjusted EBITDA Margin of **7.9%**

(+1.1 p.p. y/y | +0.6 p.p. q/q)

Adjusted EBITDA of R\$ 83.3 mm

(+24.8% y/y)

+46%

Private Label

Revenue in 4Q24

(40% in 2024)

+49.7% y/y

Adjusted

Net Income¹

¹ To better understand the operational results, starting from 4Q24, we excluded the impact of the exchange rate variation of the 4131 debt swap on Adjusted Net Income, since it does not have a cash effect and is only related to the market valuation of the derivative (swap).

Improvement in Private Label and B2C channels

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

**ROBUST
REVENUE
GROWTH**

+46% (y/y)
in 4Q24

**SHARE IN
TOTAL PRODUCT
REVENUE**

~12%
in 4Q24

- Official launch of private label “Selections” dry food (Premium Category)
- Opening of the first two pilot stores of **Zee.Now** in São Paulo and Minas Gerais, with an average sales area of 146m²



Launch of dry food

(Premium Category)

SELECTIONS

for pets



- Sales success in just a few days
- High acceptance by both tutor and pet
- Available in all Petz stores
- 20 SKUs, in packaging of 3kg, 10kg, 15kg, and 20kg

Product with purpose:

1% of the profits raised will be donated to animal causes



Focus on the growth of Main Categories

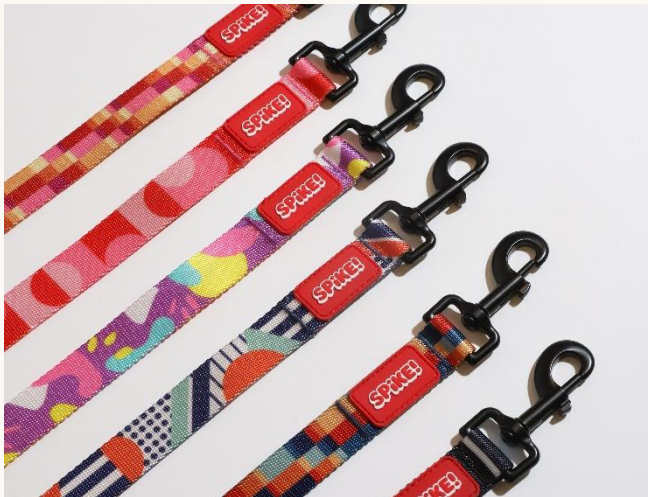
Hygiene & Cleaning
+16.4% (y/y)

Food
+8.9% (y/y)

Pharmacy
+8.8% (y/y)

Accessories
+15.6% (y/y)


- Driven mainly by the sales of **beds** and **collars**
- **Successful launch of Spike-branded beds** (average price of ~R\$120, -30% vs. previous entry price)
- **Toys:** launch of over 200 SKUs with the Spike brand in 1Q25





2

Financial Results

 Aline Penna
CFO & IRO, ESG and New Business

Financial Highlights | 4Q24



Total Gross Revenue

R\$ 1.1 Bn
(+7.4% y/y)

- Record quarterly revenue
- Physical channel recovery: **+11.4% y/y**
- B2C¹ sales revenue: **+9.0% y/y**
- Same Store Sales: **+5.1% y/y**
- Services: **+14.0% y/y**



Gross Profit

R\$ 417.3 mm
(+9.2% y/y)
Gross Margin of 39.5%
(+0.7 p.p. y/y)

- Ongoing efficiency initiatives in commercial and operational areas
- Gain in market share for private label brands
- Increased commercial effectiveness
- Physical channel growth recovery
- Focus on optimizing cash margin and margin visibility by customer



Adjusted EBITDA

R\$ 83.3 mm
(+24.8% y/y)
Adjusted EBITDA Margin of 7.3%
(+1.1 p.p. y/y)

- Expansion of **0.7 p.p. in Gross Margin**
- Dilution of **0.4 p.p. in operating expenses**



Adjusted Net Income²

R\$ 22.4 mm
(+49.7% y/y)
Net Margin of 2.1%
(+0.6 p.p. y/y)

¹ B2C (Business to Consumer) sales refer to sales made directly to the end consumer and include the Petz channels, Zee.Now, and Zee.Dog's e-commerce.

² For better understanding of the operational results, starting from 4Q24, we exclude the impact of foreign exchange variation from the 4131 debt swap on Adjusted Net Income, as it does not have a cash effect and is only related to the mark-to-market of the derivative (swap).

Stores Performance

SSS:
+5.1% y/y

16 new stores
in 2024

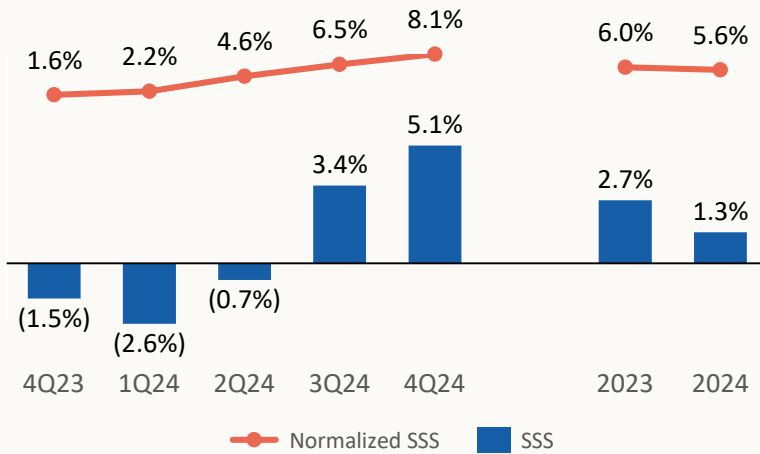
221k sqm of
sales area

262 stores
in 24 states

50% of store with
less than 4 years

Same Store Sales Growth ¹

Change %, y/y



4-Wall EBITDA (Stores)

% Petz Stores Gross Revenue

Cohort	# Stores	4-Wall EBITDA (2024)
until 2020	130	15.7%
2021	37	15.1%
2022	49	12.3%
2023	30	10.6%
2024	16	(0.8%)

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.



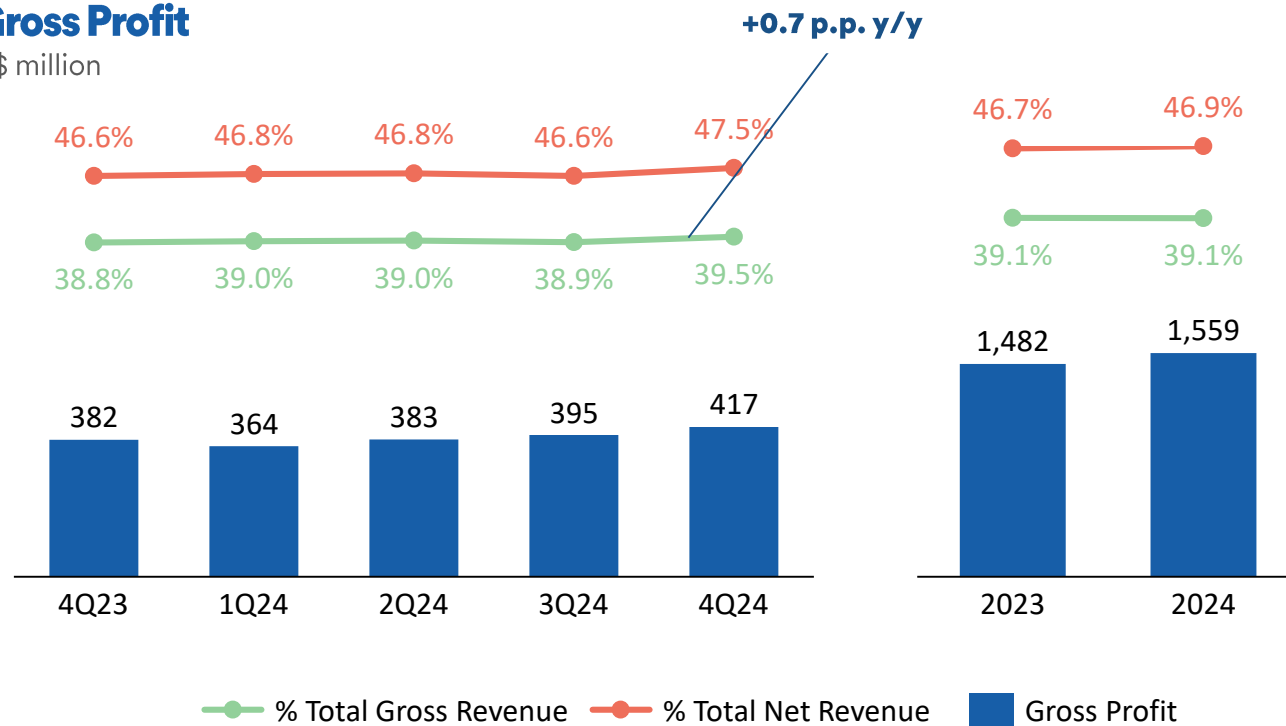
Gross Margin



Gross margin remained stable throughout the year, reflecting our ability to balance growth with profitability

Gross Profit

R\$ million



Expansion of 0.7 p.p. in Gross Margin

- Resumption of growth in the physical channel (+11.4% y/y) contributes to the mix effect
- Gain in market share for private label brands (+2.8 p.p. y/y)
- Offering more affordable products across various categories

Cash margin increase

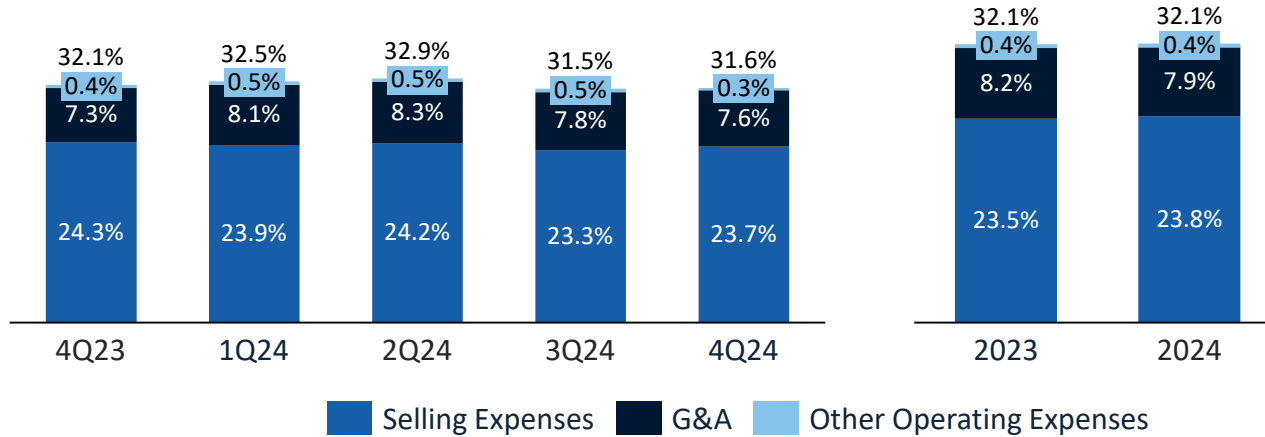
- Broader view of customer margin
- Focus on maximizing cash margin and customer share of wallet

Operating Expenses and Adjusted EBITDA



Operating Expenses

% as of Gross Revenue



Selling Expenses: +4.7% y/y 23.7% of Gross Revenue (-0.6 p.p. y/y)

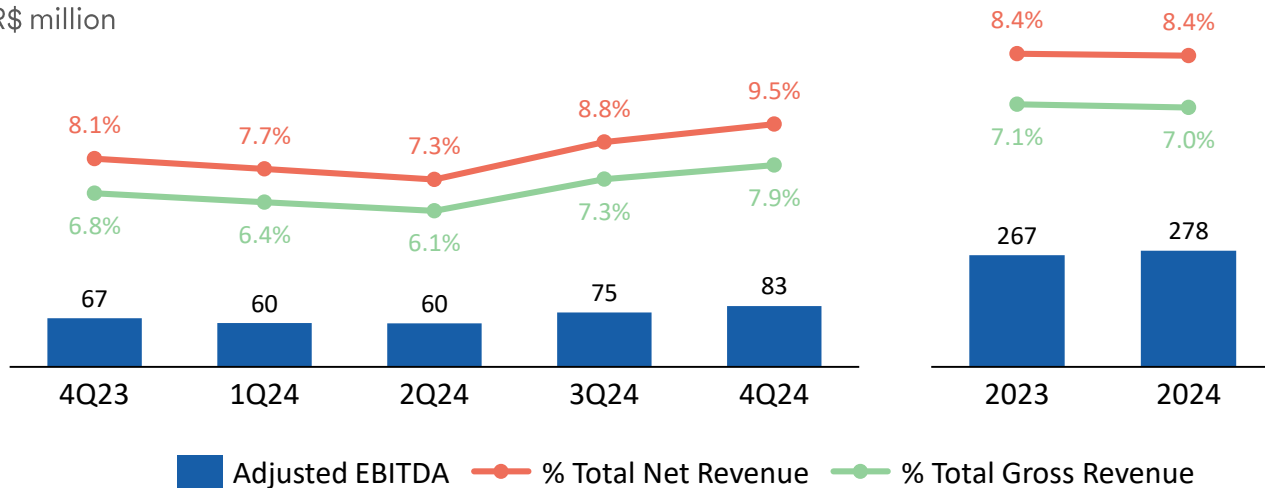
- Revenue growth, which enabled operational leverage gain
- Lower marketing investment compared to 4Q23, which was marked by the strategy of launching the Petz brand refresh
- With the store expansion strategy, logistics expenses are more burdensome

General & Adm. Expenses.: +11.9% y/y 7.6% of Gross Revenue (+0.3 p.p. y/y)

- Due to higher volume growth, coupons, and more affordable products, as well as the seasonal effect of 4Q, the distribution center operated at a higher occupancy rate, necessitating the hiring of additional staff.
- Fixed expenses adjusted by the country's inflation (IPCA) were higher than Petz's inflation (-0.8%)

Adjusted EBITDA (IAS 17)

R\$ million



Other Expenses: -26.3% y/y 0.3% of Gross Revenue (stable y/y)

- Reduction in pre-operational expenses for opening stores, due to the decrease in the number of store openings compared to 4Q23

Adjusted EBITDA: +24.8% y/y +1.1 p.p. y/y of Adjusted EBITDA Margin

- Expansion of gross margin
- Dilution of operating expenses

1

Impairment on Cão Cidadão and Zee.Dog

We conducted an annual impairment test on our acquired operations to ensure that our financial statements reflect the economic reality of the business

Impacts:

EBITDA
R\$55.4 million

Net Income
R\$36.6 million

Cão Cidadão

Initial revenue projections included the development of a series of services in partnership with Petz, such as pet hotels, dog walking, and pet sitting, which were not implemented

Zee.Dog

Increase in the discount rate (WACC) used in the impairment test, which rose over the past year, reducing the estimated present value of the asset

Accounting impact, not affecting the utilization of the benefit from the amortization of tax goodwill

2

Mark-to-market of the derivative related to the swap operation linked to the "4131" financing line, in dollars

Variations may occur between quarters due to differences in the dollar exchange rate between the beginning and end of each period

- Negative impact of R\$ 12.8 million on Net Income in 4Q24

Despite the mark-to-market variation existing between quarters (non-cash effect), at the end of the five-year period the accumulated impact of this will be zero

Adjusted Net Income

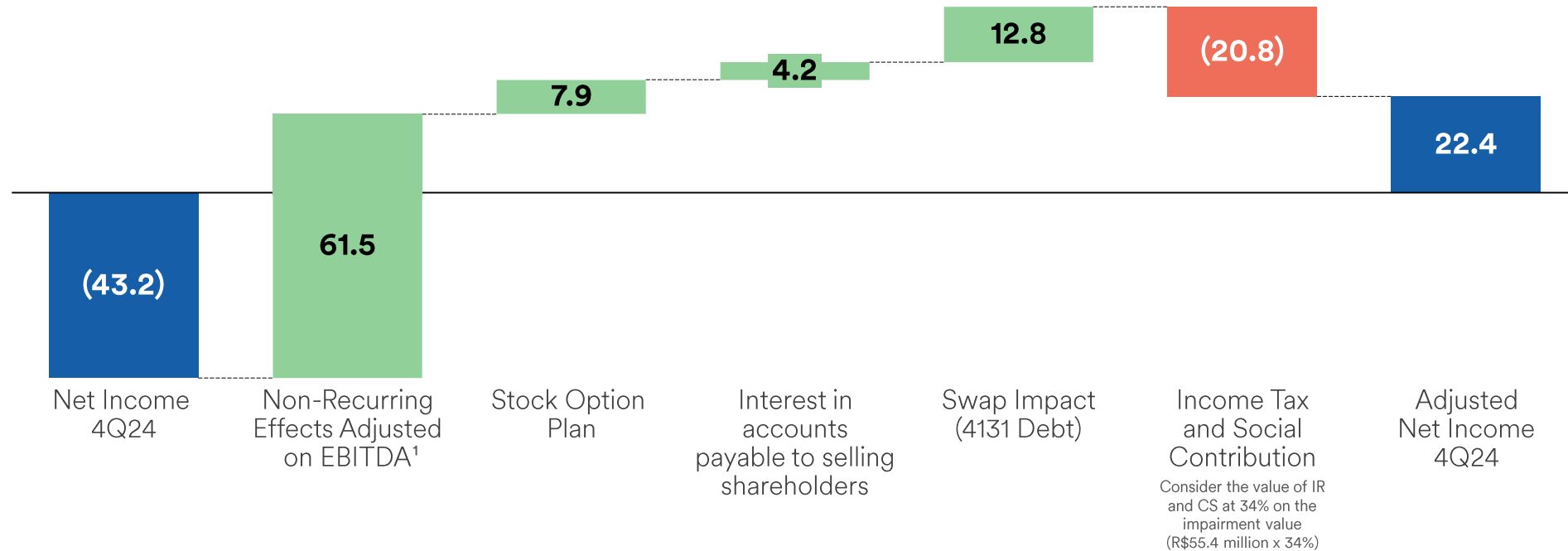


+49.7% Growth in Adjusted Net Income

(Excluding the market valuation effect of the derivative related to the swap operation linked to the “4131” financing line)

Adjustments in Net Income

R\$ million



¹ Includes (i) the effect of impairment amounting to R\$55.4 million; (ii) expenses related to the Partnership Agreement with Cobasi, involving transaction advisory fees and due diligence; and (iii) recognition (non-cash) of the earnout portion of the Zee.Dog transaction amounting to R\$1.5 million.

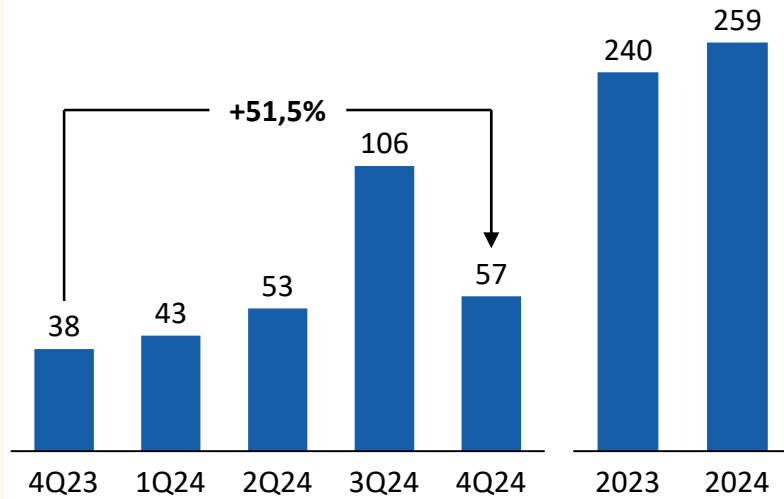
Cash flow, investments and debt



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

Operating Cash Flow

R\$ million

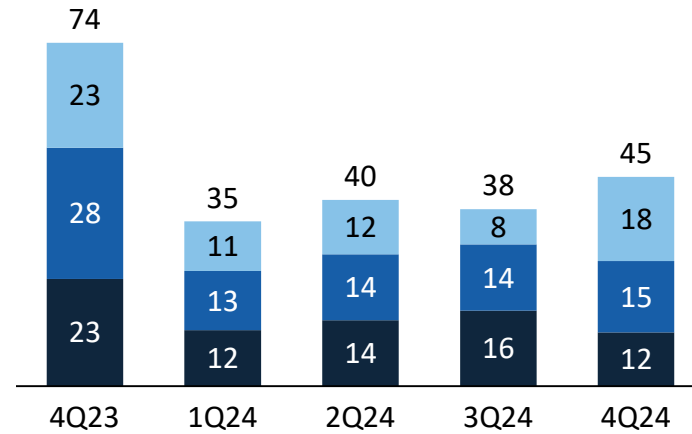


- **R\$57.4 million** in operating cash generation (**+51.5% y/y**), driven by operational efficiency and efficient working capital management
- Sufficient operating generation to cover investments

Investments

R\$ million

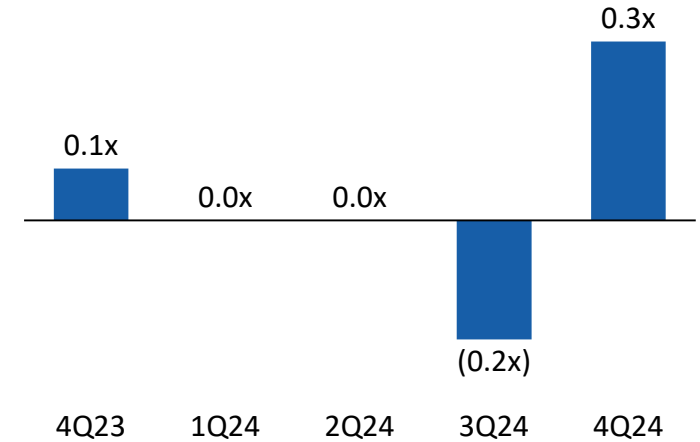
- New Stores & Hospitals
- Technology & Digital
- Renovation, Maintenance & Others



- **Reduction of -39.1% y/y** in Total Investments
- **Reduction of -49.8% y/y** in New Stores, reflecting the slower pace of openings in 2024, reduced capex per store, and optimization of store formats
- **Reduction of -45.8% y/y** in Technology & Digital. The main investments related to digital transformation have already been made, and the company continues to focus on optimizing and maintaining the established infrastructure.

Leverage (IAS 17)

Net Debt/Adjusted EBITDA 12M



- **Net Debt of R\$88.6 million**, representing 0.3x the Adjusted EBITDA of the last 12 months
- **Dividend distribution amounting to R\$130 million**, paid during the quarter, which constitutes the cash portion received by Petz shareholders in the context of the business combination with Cobasi

Q&A



PT

- Para perguntar, clique em “Q&A” na parte inferior da tela;
- **Escreva seu nome, empresa e idioma;**
- Ao ser anunciado, uma solicitação para ativar o microfone aparecerá na tela. Você deve ativá-lo para fazer perguntas.

EN

- *To ask questions, click on the “Q&A” icon at the bottom of the screen;*
- ***Write your name, company and language;***
- *When announced, a request to activate the microphone will appear on the screen. You must activate it to ask questions.*



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This performance report includes both accounting and non-accounting data, such as operational, financial pro forma, and projections based on management's expectations. The non-accounting data have not been subject to review by the Company's independent auditors.