

Investor Presentation

March 2024



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BY PET VALU

Chico

Paulmac's
Pets

Tisol
Pet Nutrition & Supply Stores

Total Pet

Disclaimers

Forward-Looking Information

This presentation contains forward-looking information. Forward-looking information is provided as of the date of this presentation and is based on management’s opinions, estimates and assumptions in light of its experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. Particularly, information regarding the Company’s 2024 outlook and expectations, intentions or projections of future results, performance, achievements, prospects, opportunities or the markets in which the Company operates is forward-looking information. To the extent any forward-looking information in this presentation constitutes future-oriented financial information, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Pet Valu does not undertake to update any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

Many factors could cause the Company’s actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking information, including, without limitation, the factors discussed in the “Risk Factors” section in our most recent annual information form (“AIF”) dated March 4, 2024, which can be accessed under our profile on SEDAR+ at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully.

The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

Non-International Financial Reporting Standards (“IFRS”) and Supplementary Financial Measures and Non-IFRS Ratios

This presentation makes reference to certain non-IFRS measures and non-IFRS ratios. These measures and ratios are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. Pet Valu uses non-IFRS measures, including “EBITDA”, “Adjusted EBITDA”, “Adjusted Net Income”, “Free Cash Flow”, and “Net Capital Expenditures” and non-IFRS ratios, including “Adjusted EBITDA Margin” and “Adjusted Net Income per Diluted Share”. This presentation also makes reference to certain supplementary financial measures that are commonly used in the retail industry, including “System-wide sales”, “Same-store sales growth”, “4-Wall EBITDA”, “4-Wall EBITDA Margin”, “Average Unit Volume” or “AUV”, “average sales to investment ratio” and “cash-on-cash returns.” These non-IFRS measures, non-IFRS ratios, and supplementary financial measures are used to provide investors with supplemental measures of Pet Valu’s operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures, non-IFRS ratios and these supplementary financial measures in the evaluation of issuers. Management uses non-IFRS measures and non-IFRS ratios in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Refer to our management’s discussion and analysis (“MD&A”) for the fiscal year ended December 30, 2023 and AIF dated March 4, 2024, for further information on non-IFRS measures, non-IFRS ratios (including each non-IFRS measure that is used as a component of such non-IFRS ratios) and supplementary financial measures, including for their definition and, for non-IFRS measures, a reconciliation to the most comparable IFRS measure (except for Net Capital Expenditures).

Our Mission

To be Canada's preferred pet retailer delivering the products, care, expertise, and memorable moments that devoted pet lovers want...**locally in stores and everywhere online.**



Investment Highlights



Canada's largest specialty pet retailer,
in the resilient & growing pet industry



Highly flexible, franchise-led operating model
with small, adaptable formats to fit local needs



Compelling and engaging retail experiences
through in-store and digital channels



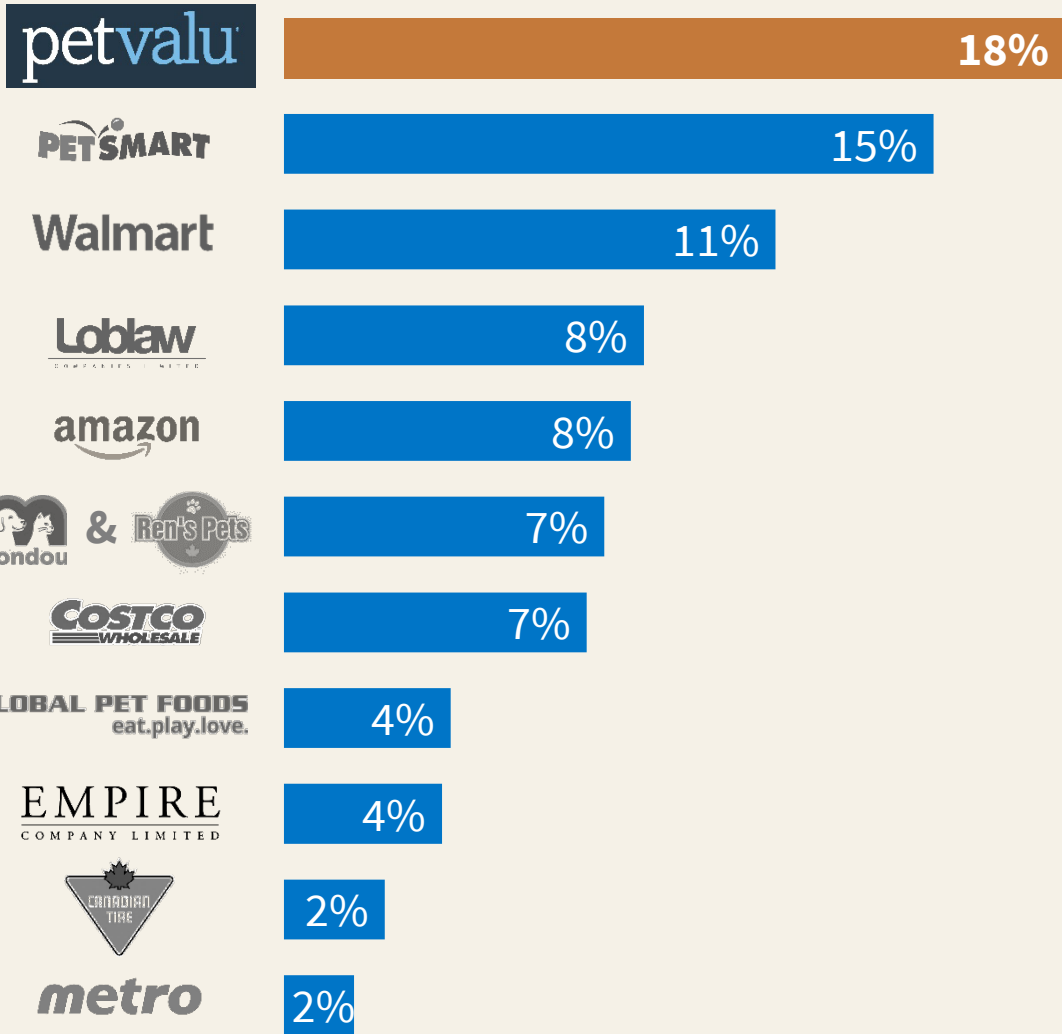
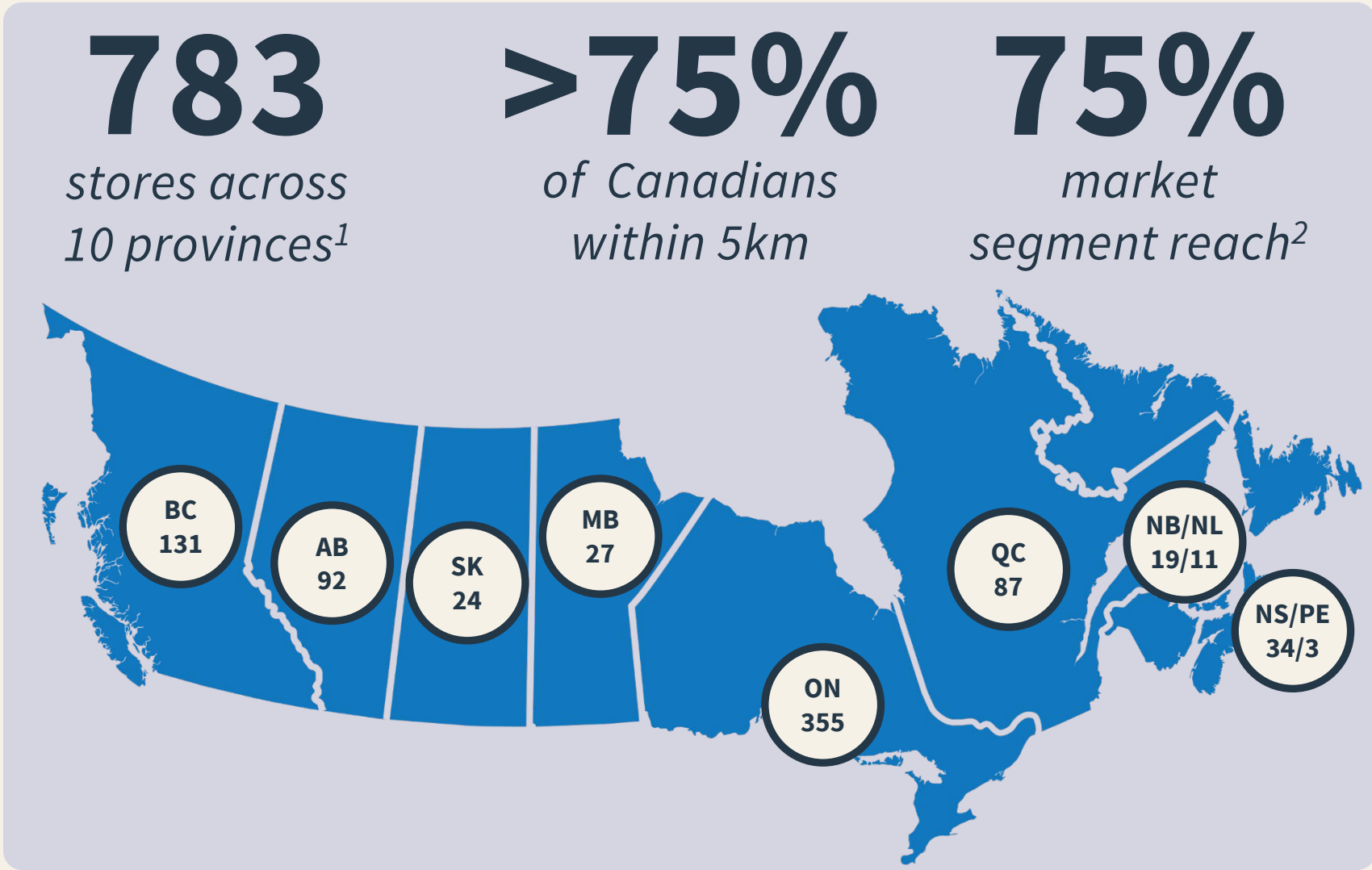
Local pet authority for Canadian pet lovers,
led by an experienced management team



We are Canada's Largest Pet Specialty Retailer

Unrivaled network across Canada with broad customer reach...

...driving **leading market share³** position

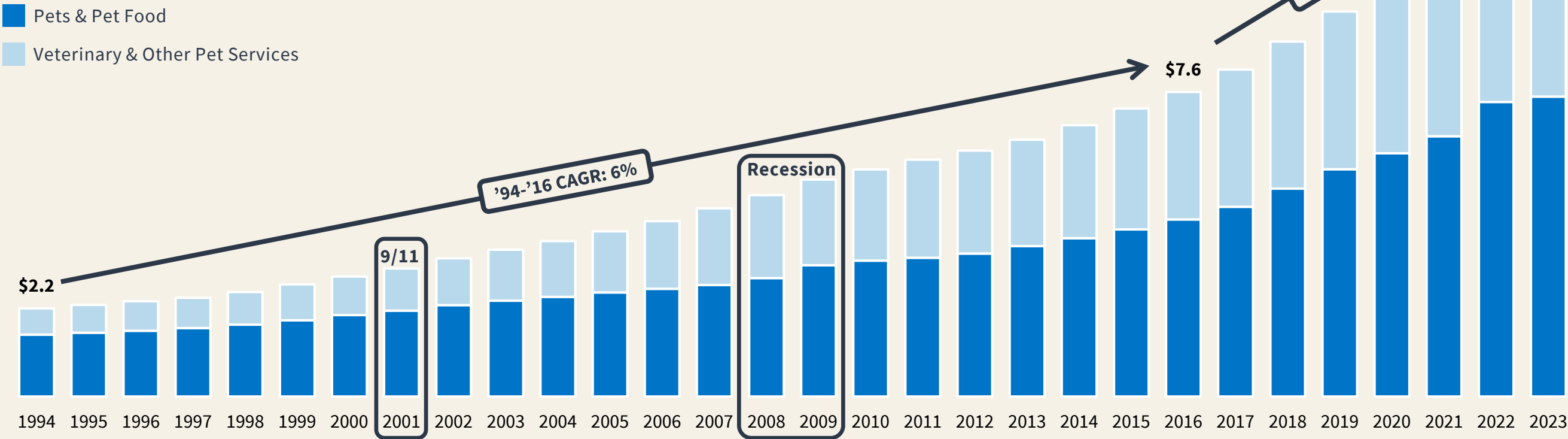


¹ As of the end of Q4 2023. ² Customer segmentation from roundpeg Custom Quant Study (Summer 2022). ³ Fusion Analytics, 2023 Canadian Pet Spend Market Share.

Pet Industry Has Delivered Consistent & Resilient Growth

Canadian Pet Industry Spend¹

C\$ billions



UNDERLYING TRENDS DRIVING INDUSTRY GROWTH

1

Growing number of pet owners & multi-pet households

2

Increasing humanization of pets

3

Highest value customer segment seeing fastest growth

¹Statistics Canada, Table 36-10-0124-01 Detailed household final consumption expenditure, Canada, quarterly.

We Operate a Highly-Flexible, Franchise-Led Model

	Franchise Network 561 Stores ¹	Corporate Core 222 Stores ¹	
Strategic Benefits	✓ Franchisees live and invest in their communities ✓ Owner-operator model, with mandatory 40hr/week commitment ✓ Limited concentration: 61% of franchisees owning one store, 23% owning two stores and no franchisees with more than 7 stores ✓ Average franchisee tenure of ~10 years with 3% annual turnover (mostly related to retirement)	✓ Stores in every major location and market type ✓ Rapidly innovate our product and service offering, while developing and standardizing leading practices ✓ Flexibility to invest in competitive real estate markets if a franchisee has not yet been identified ✓ Average corporate manager tenure of ~5 years	All stores sized in small, adaptable formats to fit local market needs, driving consistent results ↓
Economic Benefits	✓ AUV of \$2.0M² & 4-Wall EBITDA of \$250K² (~12.5% 4-Wall EBITDA Margin) drives: ○ Low historical investment cost of \$500K driving average sales to investment ratio of approximately 4x ○ Cash-on-cash returns ~50% and ~4-year payback on initial investment	✓ AUV of \$1.85M² & 4-Wall EBITDA Margin >25%² drives: ○ Low historical investment cost of \$450K driving average sales to investment ratio of approximately 4x ○ Cash-on-cash returns >100% and ~2-year payback on initial investment	Consistent Same-Store Sales Growth across rural, suburban & metro markets

¹As of the end of Q4 2023.

²Reflect Fiscal 2023 performance for 405 franchised stores and 190 corporate stores open for at least 24 months, excluding Chico.

Note: Average unit volume (“AUV”), 4-Wall EBITDA, 4-Wall EBITDA Margin, average sales to investment ratio, cash-on-cash returns and Same-Store Sales Growth are supplementary financial measures. Refer to our AIF dated March 4, 2024, for definitions, which are incorporated by reference herein.

Our Compelling & Engaging Retail Experiences Set Us Apart

Welcoming store environment

- ✓ Serves customers making **a quick stop** or those looking for **high-touch engagement and service**
- ✓ **Ongoing upgrades to stores** to maintain consistent look & feel



Expert, compassionate advice

- ✓ **Highly engaging** Animal Care Experts (ACEs) balance safety, compassion, expertise and efficiency
- ✓ **30+ hours of rigorous upfront & continuing training** in nutrition, care, wellness, customer service & selling skills



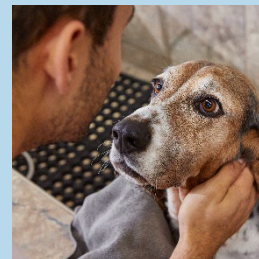
Premium consumables offering; strong proprietary brands

- ✓ Premium consumables-focused offering comprised **~78% of system-wide sales** in Fiscal 2023
- ✓ Broad assortment of national brands, complemented by award-winning proprietary brands, **consisting of >1,900 products comprising ~25% of system-wide product sales** in Fiscal 2023



Inviting in-store services

- Drive incremental traffic, extends visit durations and enhances overall engagement
- **66%** of stores offer self-service dog wash bays and **30%** offer grooming salons
- Significant growth opportunity with **>20% offering both**



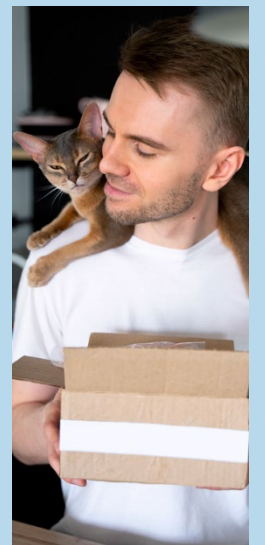
Strong, growing customer loyalty

- **2.9 million** active loyalty members as of end of Fiscal 2023
- **81% of system-wide sales** from loyalty members in Fiscal 2023
- Significantly higher average transaction size and increased frequency of visits



Fully integrated omni-channel capabilities

- Canada-wide **direct-to-customer e-commerce site** as of February 2021
- Upgraded **Point-of-Sale** system as of Q3 2021
- Integrated **Click-and-Collect** as of Q3 2021
- AutoShip **subscription service** as of Q3 2022



Notes: Active Loyalty Members = customers transacting at any of our stores or online in the last 12 months.

System-wide Sales is a supplementary financial measure. Refer to our AIF dated March 4, 2024, for definitions, which are incorporated by reference herein.

Local Pet Authority, Led by Experienced Leadership Team

Translating “Our Four Paws” into “Memorable Moments”

- Our Four Paws: Safety, Compassion, Expertise and Efficiency
- We hire ACEs for compassion, and develop the skills and expertise to serve
- Prioritize time with customers to create “Memorable Moments”

Deeply Committed to supporting pets across Canada

- Raised & donated over \$28M to local animal shelters and pet rescues since 2010
- Aided 46,000 homeless pets in finding their forever homes
- National feeding sponsor for Lions Foundation of Canada Dog Guides Program

Adam Woodward	Kendalee MacKay	BJ Morden	Christine Bevilacqua	Nico Weidel	Richard Maltsbarger	Linda Drysdale	Tanbir Grover	Catherine Johnston	Gaylyn Craig	Guy Beaumier
SVP, Franchise Store Operations	Chief Merchandising Officer	SVP, Corporate Technology Solutions	Chief Administrative Officer	Chief Supply Chain Officer	President & Chief Executive Officer	Chief Financial Officer	Chief Digital & Marketing Officer	Chief Legal Officer, General Counsel & Secretary	SVP, Corporate Store Operations	President & GM of Chico



Our Key Focuses



Local & Everywhere Pet Specialty Retailer

- Opening new stores across Canada
- Continual renovations, expansions and relocations
- Growing our franchisee community
- Enhancing our digital capabilities



Best Pet Customer Experience in Canada

- Offering compassionate, expert in-store customer service
- Curating an attractive, premium product offering
- Expanding our proprietary brand selection and value
- Enhancing our loyalty program



Strong Wholesale & Retail Fundamentals

- Transforming our supply chain
- Modernizing back-office systems and infrastructure
- Optimizing in-store and corporate operating processes



Delivering Strong Free Cash Flow and Return on Invested Capital

Note: Free cash flow is a non-IFRS measure. Refer to "Disclaimers – Non-IFRS and Supplementary Financial Measures and Non-IFRS Ratios" and the Appendix for a reconciliation of certain non-IFRS measures.

Our Long-Term Growth Formula



1

Expand Our Store Network

Opportunity to grow store count to 1,200+

2

Drive Same-Store Sales Growth

Build on proven strategies & growing digital channels

3

Enhance Operating Margins

Leverage investments in modernizing systems

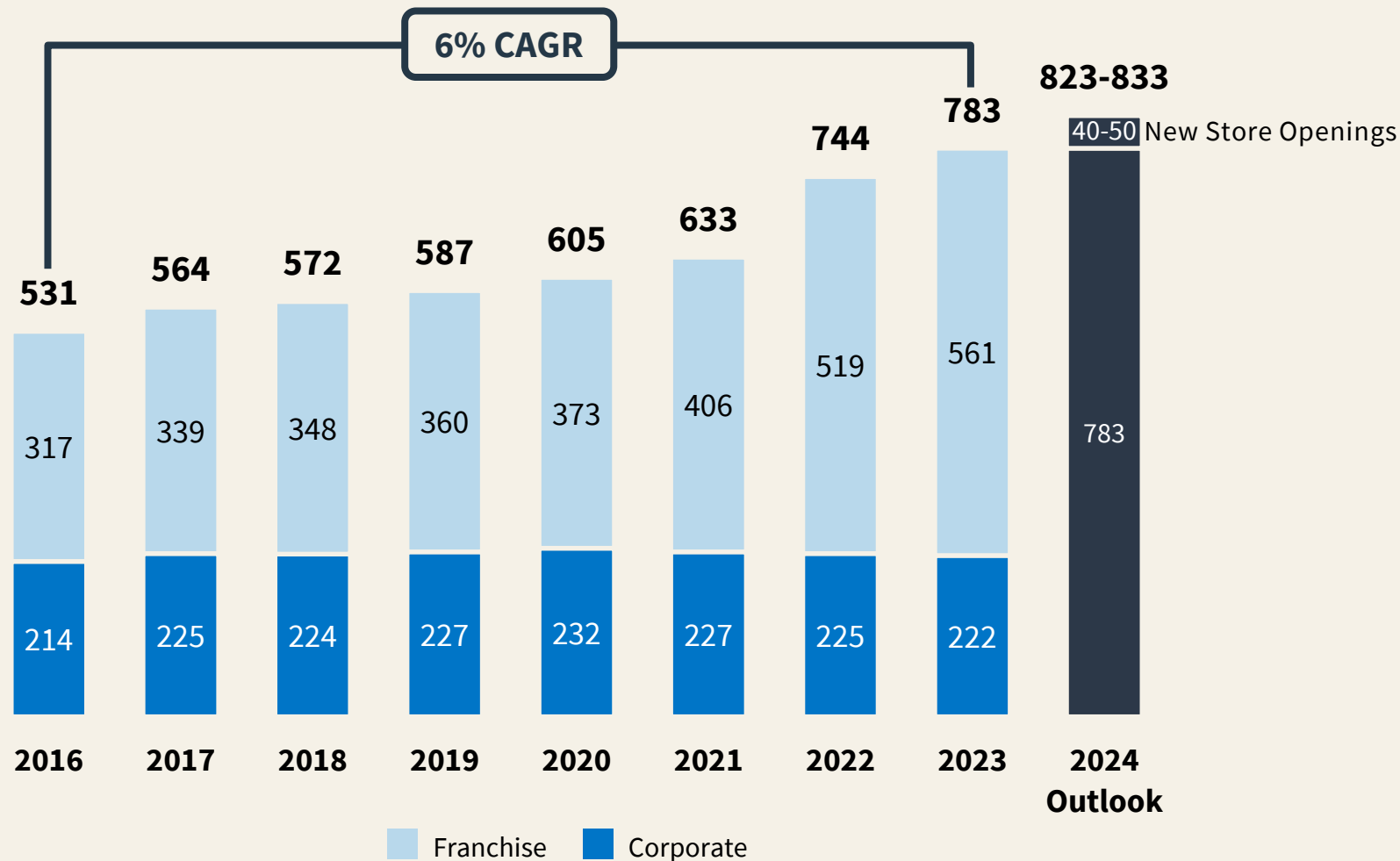


**Underpinned
by the
Resilient &
Growing
Canadian Pet
Industry**

1 Expanding Our Store Network

Store Count, by Type

as at year-end



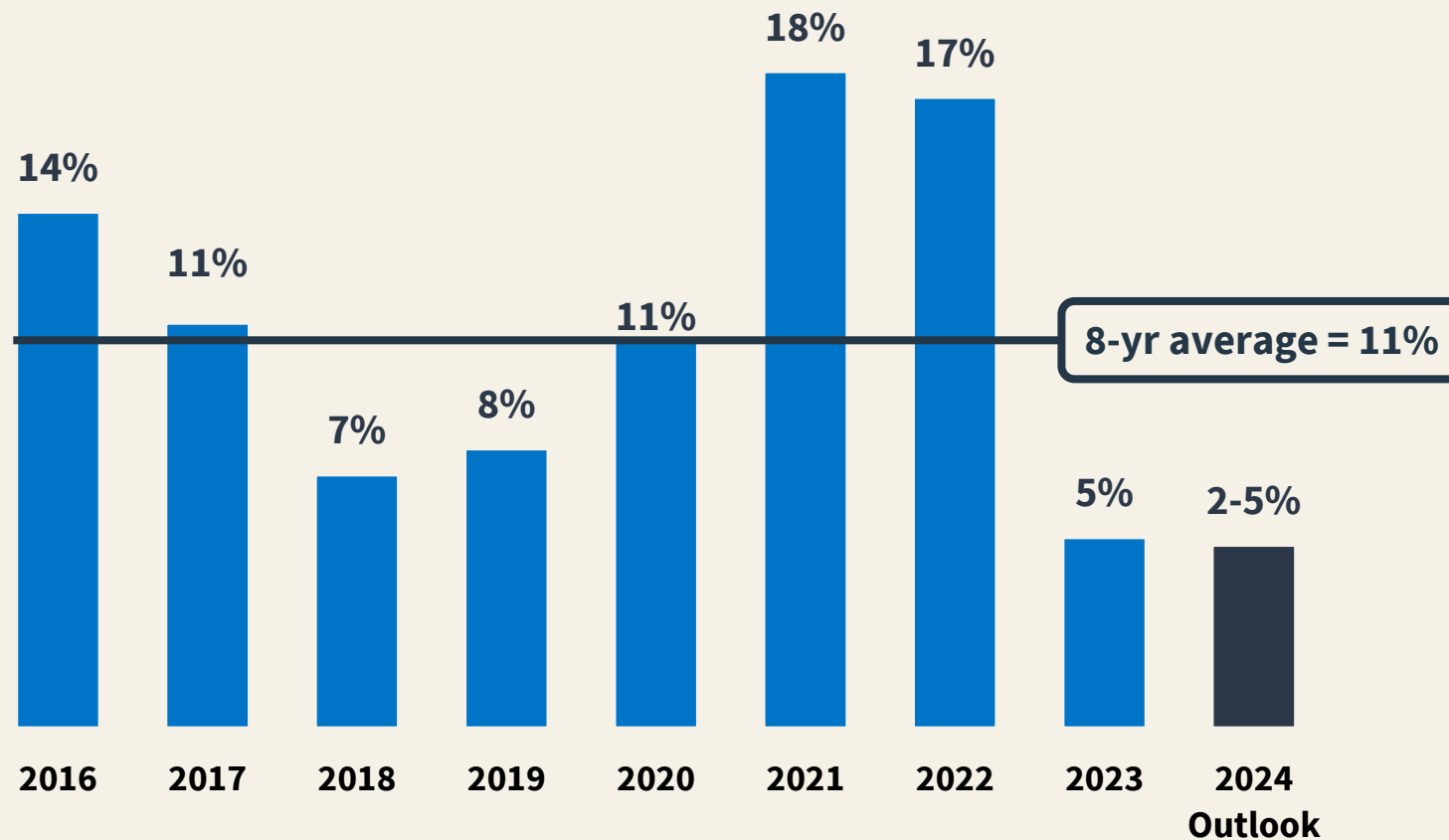
Drivers

- ✓ Opportunity to grow store count to 1,200+ locations over the long term
- ✓ Identified locations in both new and fill-in markets for future growth
- ✓ Growth to be led primarily through franchised units
- ✓ Received >1,600 formal franchising inquiries in 2023



2 Driving Same-Store Sales Growth

Same-Store Sales Growth



Drivers

- ✓ Embedded growth from maturation of recently opened stores
- ✓ Growth in loyalty, enabled by digital investments
- ✓ Continued excellence in merchandising
- ✓ Continued growth in omni-channel
- ✓ Expanding service offering across store network
- ✓ Refreshing and remodelling stores older than 10 years

3 Enhancing Operating Margins Through Proven Initiatives



Procurement Strength & Distribution Efficiency

- **Long-standing relationships** with a diverse base of suppliers
- **86%** of products for Pet Valu stores fulfilled by our own distribution infrastructure
- **Supply chain productivity gains** post-transformation



Increased Proprietary Brand Penetration

- **Significantly higher margin** vs. national brands
- **~25% penetration**
- **Underpenetrated** hardline mix relative to global benchmarks



Improved Labour Efficiency

- **Upgraded** customer service model
- **Process improvement** reallocating minutes **from tasks to selling**



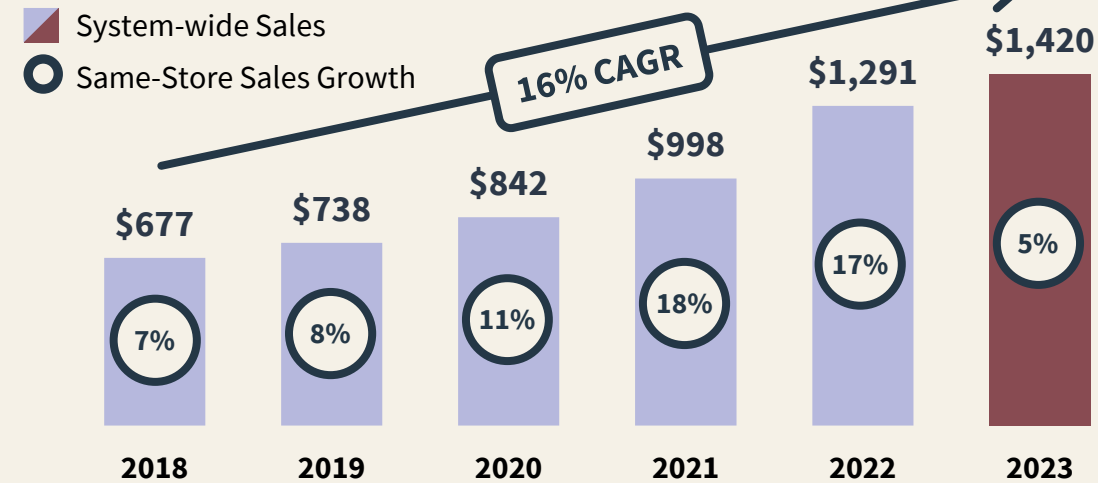
Increased Corporate SG&A Leverage

- **Significant investment** in technology since 2019
- **IT, digital & data analytics** capabilities
- **Inventory fulfillment** tools

Strong Financial Track Record

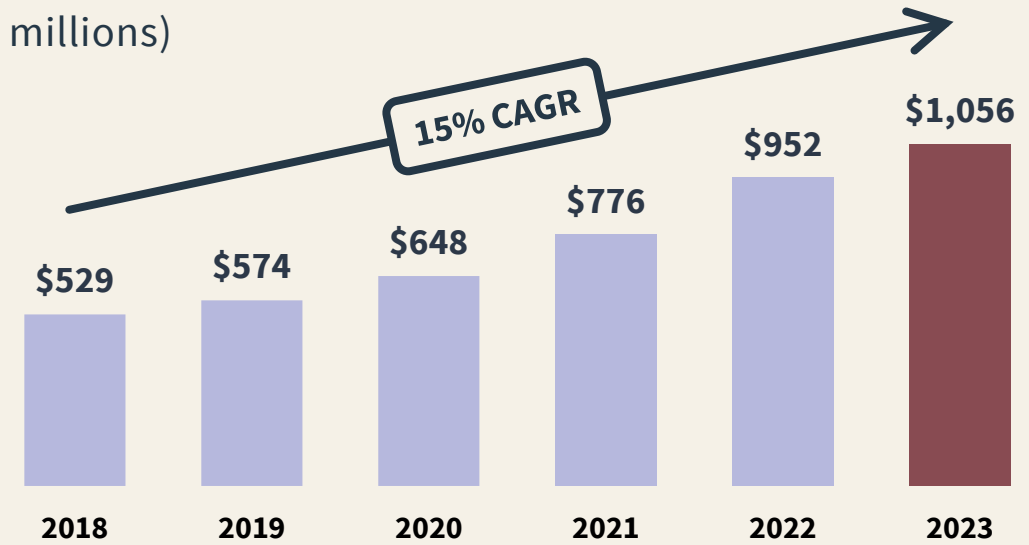
System-wide Sales & Same-Store Sales Growth

(in millions)



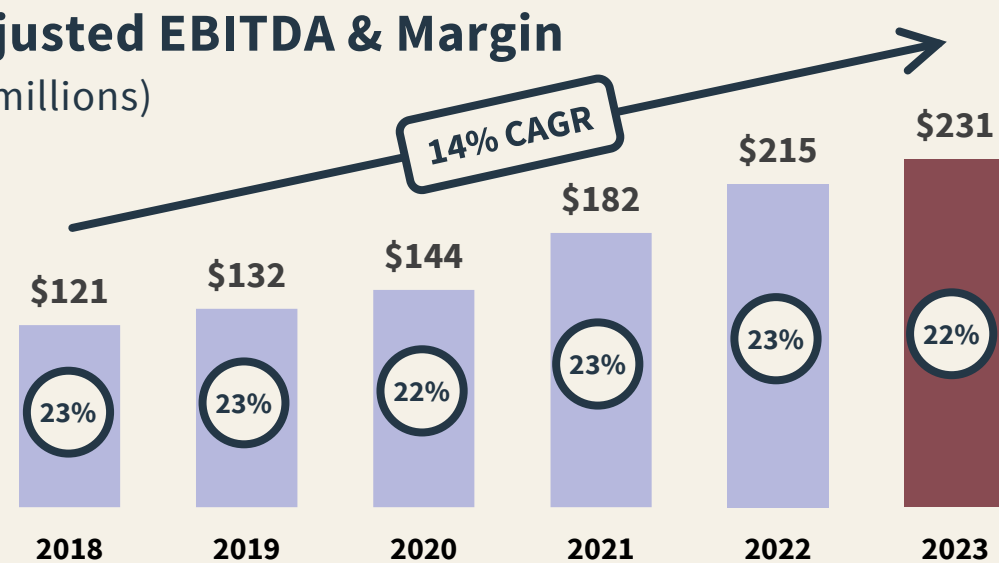
Revenue

(in millions)



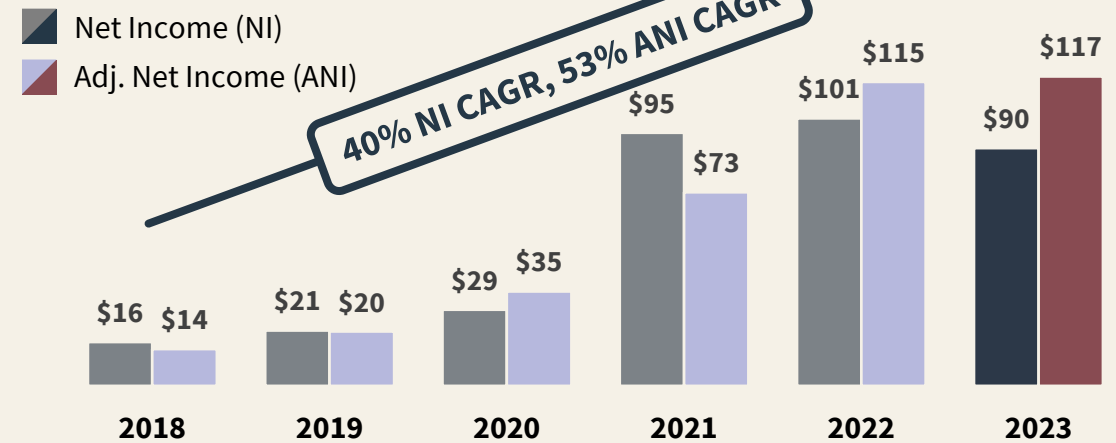
Adjusted EBITDA & Margin

(in millions)



Net Income & Adjusted Net Income

(in millions)



Note: Adjusted EBITDA and Adjusted Net Income are non-IFRS measures and Adjusted EBITDA Margin is a non-IFRS ratio. Refer to our MD&As for fiscal year ended December 30, 2023, fiscal year ended December 31, 2022, and fiscal year ended January 1, 2022 as well as the supplemented long form PREP prospectus dated June 23, 2021, for more information and reconciliations of these non-IFRS measures, which are incorporated by reference herein.

2024 Outlook



	2024	Growth from FY 2023
Revenue <i>...supported by...</i>	\$1.11-1.14B	+5 to +8%
<i>Same-store Sales Growth</i>	+2-5%	---
<i>New Store Openings</i>	40-50	+5 to +6% ¹
Adjusted EBITDA	\$248-254M	+7 to +10%
Adjusted Net Income per Diluted Share	\$1.57-1.63	(2%) to +1%
Net Capital Expenditures	~\$55M	+\$3M

¹ Represents growth in total store count from 783 stores as of December 30, 2023.

Note: Net Capital Expenditures is a non-IFRS measure and Adjusted Net Income per Diluted Share in a non-IFRS ratio. Refer to our MD&A for the fiscal year ended December 30, 2023, for definitions, which are incorporated by reference herein.

Thank You

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