



2023 First Quarter Results

31st May 2023



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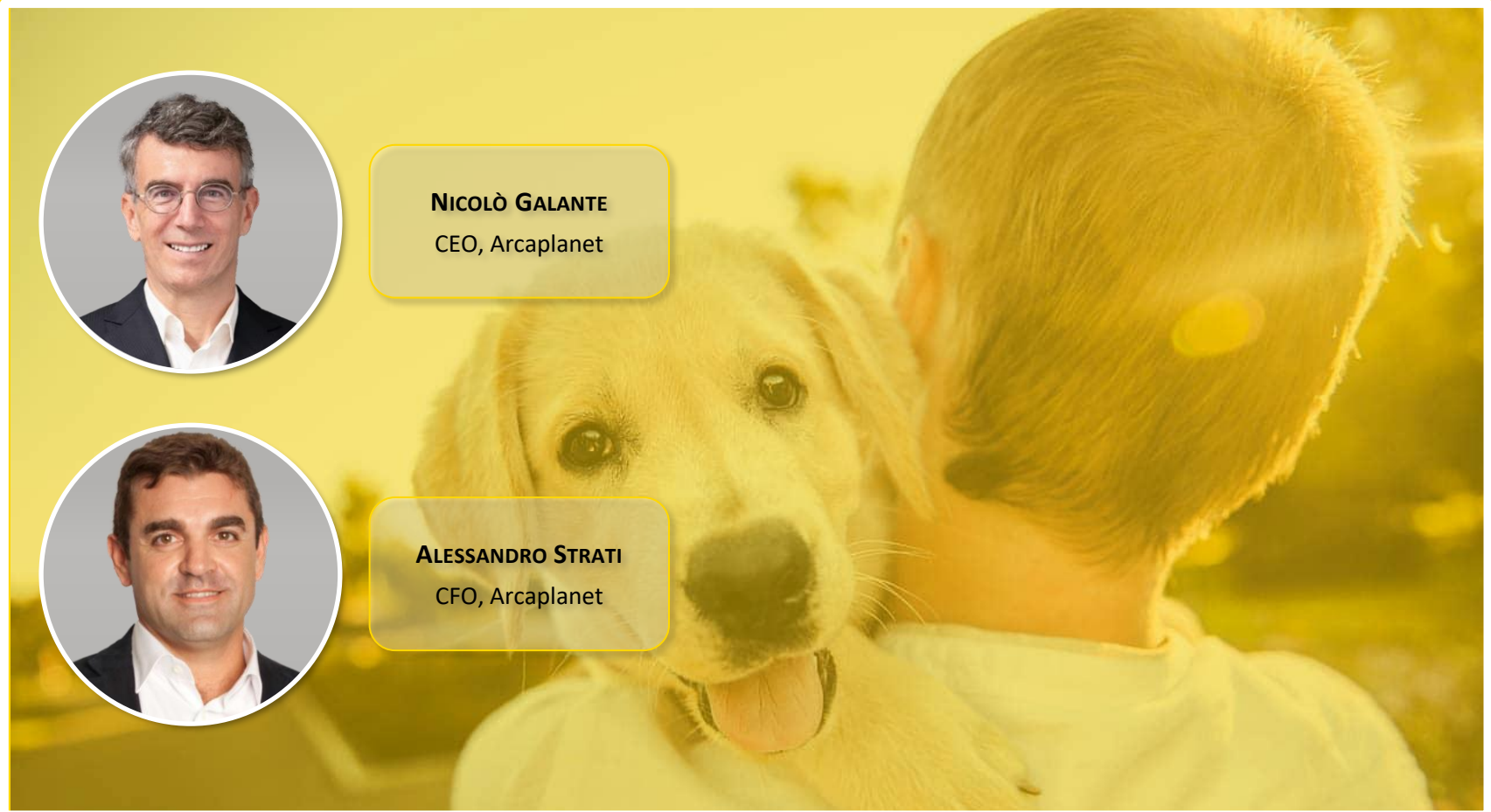
TODAY'S PRESENTERS



NICOLÒ GALANTE
CEO, Arcaplanet



ALESSANDRO STRATI
CFO, Arcaplanet



ARCAPLANET AT A GLANCE

UNDISPUTED LEADING PET CARE BRAND

>2x
SIZE OF NEAREST COMPETITOR BY REVENUE

+10%
MAR-23 LTM REVENUE GROWTH

+5% LfL

LARGE PET CARE MARKET
GROWING AT 6% P.A.⁽²⁾

FULL RANGE
OF PRODUCTS AND EXPANDING SERVICE OFFERING


DEEP INDIVIDUAL RELATIONSHIP WITH CUSTOMERS
~2,500 TRAINED SALES ASSISTANTS

COMPLEMENTARY SERVICE OFFERING

BEST-IN-CLASS ASSORTMENT OF OWN EXCLUSIVE BRANDS

+10%
MAR-23 LTM EXCLUSIVE BRANDS REVENUE GROWTH

~46%
EXCLUSIVE BRANDS REVENUE AS % OF TOTAL REVENUE



FULLY INTEGRATED FACTORY

FULL OWNERSHIP
OF OWN EXCLUSIVE BRANDS PRODUCTS CYCLE

FORWARD MARGIN UPLIFT
FROM OWN FACTORY

ENABLER
ADDITIONAL STRATEGIC GROWTH REVENUE

520
RETAIL LOCATIONS

~9%
ONLINE REVENUE PENETRATION (Q1-23)


CLICK & COLLECT
LAUNCHED IN 2023 WITH HIGH TAKE-UP

TOP 3
E-COMMERCE PLATFORM FOR PET FOOD

BEST-IN-CLASS PROFITABILITY
OF ONLINE CHANNEL

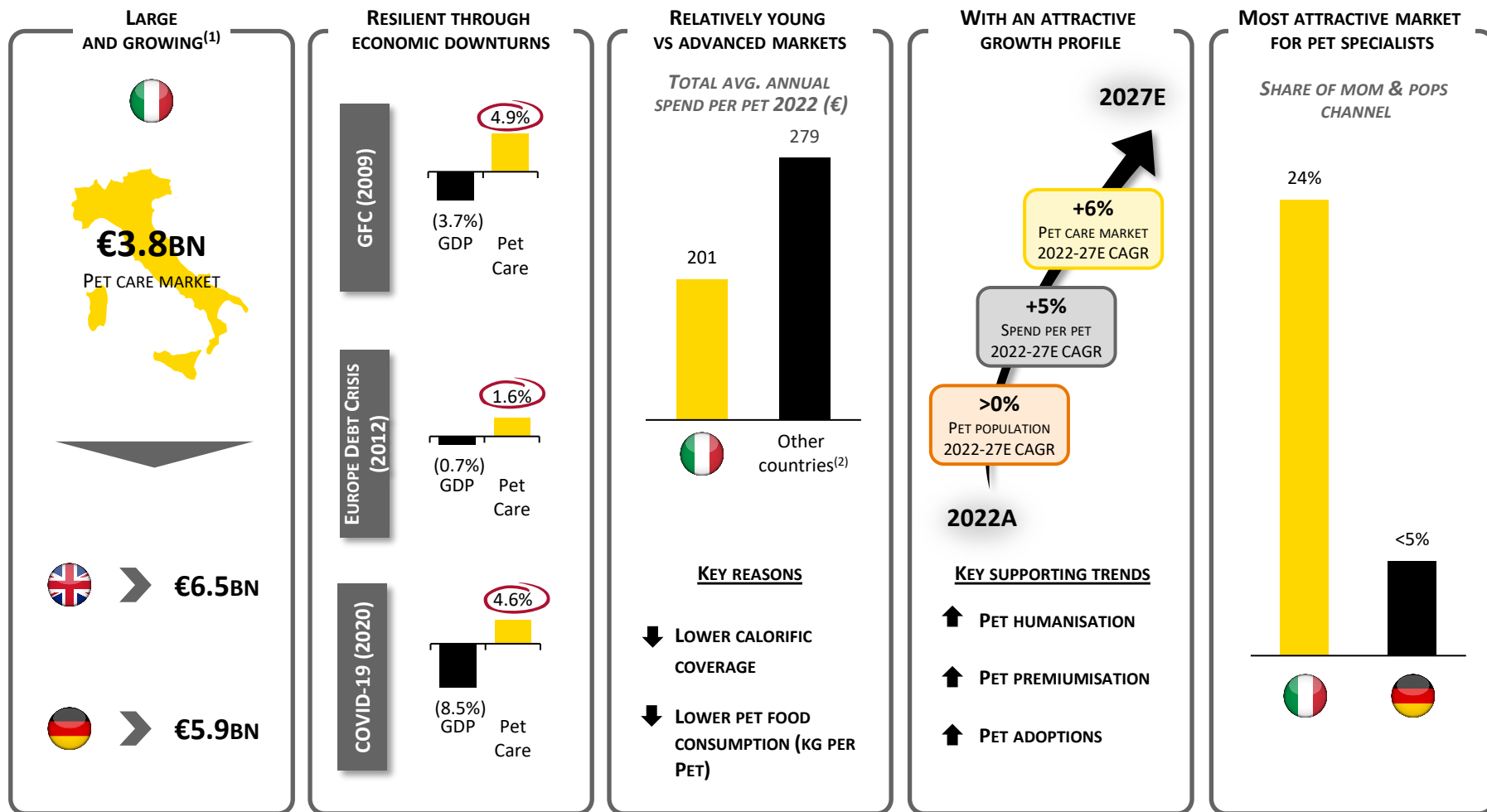
FULL OMNICHANNEL SET-UP

BEST-IN-CLASS CUSTOMER LOYALTY⁽¹⁾

	2.0M ACTIVE CARDHOLDERS (MAR-23 LTM)	~93% CARDHOLDERS REVENUE PENETRATION ⁽³⁾ (Q1-23)	~2x AVG. OMNICHANNEL SPENDING PER MEMBER (VS SINGLE CHANNEL)	~13% REVENUE SHARE OF OMNICHANNEL CLIENTS (Q1-23)	~71k AVG. NEW MONTHLY CLIENTS (Q1-23)
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Note: Financials displayed are net of antitrust disposal
 Source: Group information, Company elaborations based on macroeconomic data and market study from leading consulting firm
 (1) Refers to Arcaplanet cardholders
 (2) Refers to 2022-27E CAGR
 (3) Calculated based on retail revenue (excluding online)

ITALY: ONE OF THE MOST ATTRACTIVE PET CARE MARKETS IN EUROPE



Source: Company elaborations based on macroeconomic data and market study from leading consulting firm

(1) 2022 Pet Care retail value at current prices

(2) Average of USA, UK, France, Germany and Spain

ARCAPLANET KEY INVESTMENT HIGHLIGHTS

THE LEADING SPECIALIST IN THE ATTRACTIVE ITALIAN PET CARE MARKET, BEST POSITIONED TO DELIVER A COMPELLING GROWTH JOURNEY



LARGE, GROWING AND RESILIENT REFERENCE PET CARE MARKET



#1 PET CARE SPECIALIST IN ITALY ACROSS RETAIL AND ONLINE CHANNELS



LOYAL CUSTOMER BASE, BEST-IN-CLASS NPS AND BRAND AWARENESS



HIGHLY PROFITABLE OMNICHANNEL PLATFORM, WITH STRONG PIPELINE OF SERVICES OFFERING



BEST-IN-CLASS PORTFOLIO OF EXCLUSIVE BRANDS, DRIVING INCREMENTAL GROWTH AND MARGINS



VERTICALLY INTEGRATED BUSINESS MODEL WITH A NEW STATE-OF-THE-ART FACTORY



ESG AT THE CORE OF ARCAPLANET'S MISSION



STRONG FINANCIAL TRACK RECORD WHICH WILL BE FURTHER ACCELERATED BY MAXI ZOO SYNERGIES

ARCAPLANET⁵

STRATEGIC INITIATIVES PROGRESSING AT FULL SPEED DRIVING SUPERIOR PERFORMANCE

1

SIGNIFICANT COMMERCIAL PROGRESS DRIVING CUSTOMER LOYALTY



- Continued opportunity from **growing Exclusive Brands penetration**, in particular following the acquisition of Maxi Zoo
- Superior premium **category mix offering** with growing **innovative products and services**
- Successful **omnichannel approach**
- **Growing and loyal customer base** with **industry-leading satisfaction**

2

INTEGRATION WITH MAXI ZOO AHEAD OF PLAN



- **Successful integration of Maxi Zoo ongoing**, with banner rebranding of stores now complete and well-progressed refurbishment programme
- **Higher than envisaged synergies quantum confirmed**, ~90% of which to be realised **by end of 2023**, ahead of plan

3

NEW STORE OPENINGS PROGRESSING AT FULL SPEED



- Accelerating network expansion with **~50 new store openings over last 12 months, 19 in Q1-23⁽¹⁾**
- **Large white space ahead** given market fragmentation with visible pipeline
- **#1 network in Italy with 520 stores as of Mar-23**, in 18 out of 20 regions, >2x nearest competitor, driving sector consolidation



4

VERTICAL INTEGRATION PROJECT COMPLETED



- State-of-the-art facility now complete, with **production starting in Sep-23**
- **Top quality, innovative dry pet food offering** unlocking faster time-to-market and full ownership of the supply chain
- **Driving margin uplift** from manufacturing internalisation

5

ENHANCED FOCUS ON ESG, AT THE CORE OF ARCAPLANET'S MISSION



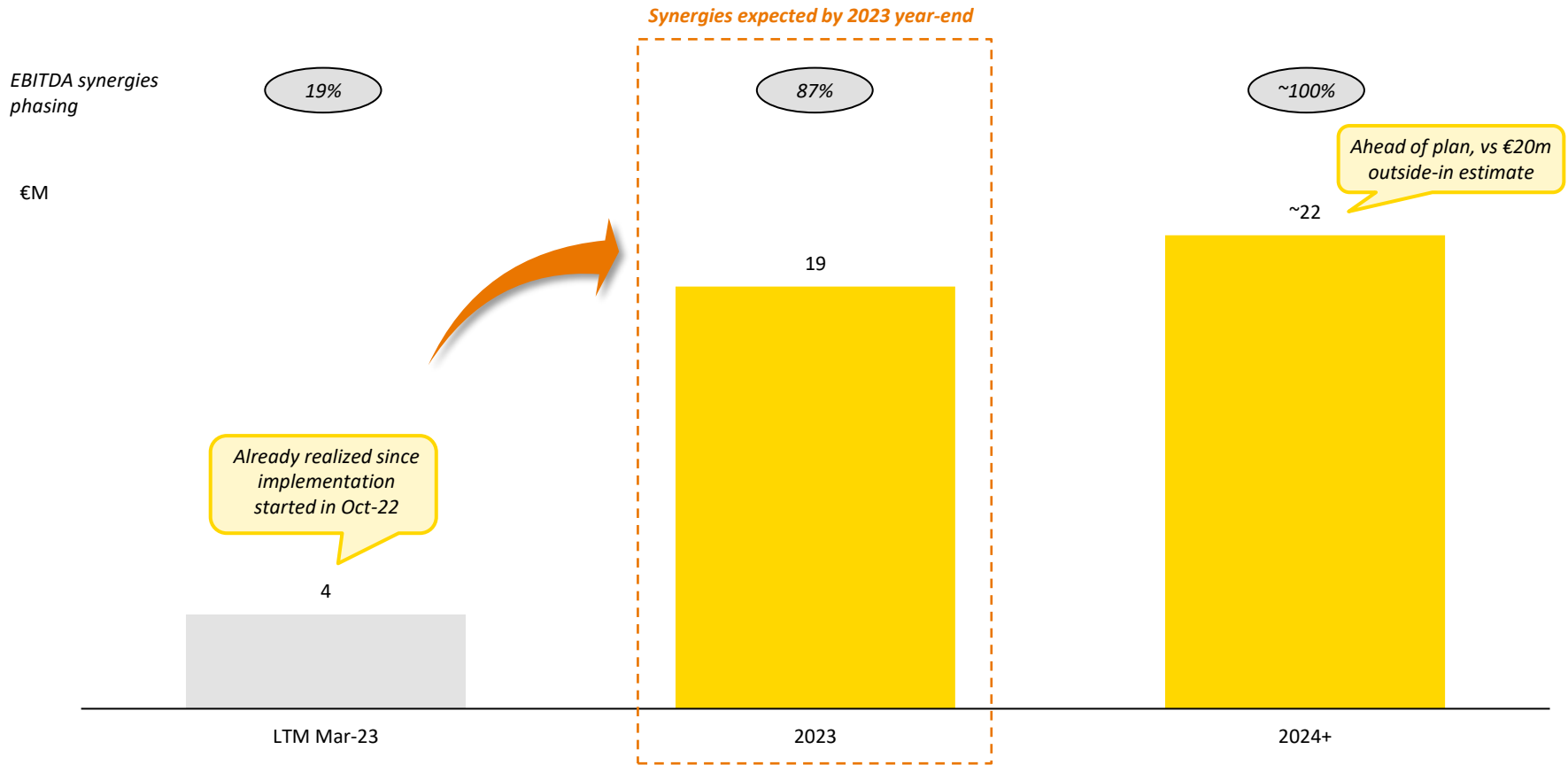
- Definition of **clear ESG agenda** underpinned by **forward-looking metrics and KPIs**
- Strong focus on **decarbonization and social initiatives** at the core of Arcaplanet brand identity

Source: Group information

(1) Includes #17 stores acquired in Sicily in Jan-23; does not consider antitrust disposal of #61 stores closed in Sep-22 and store closures

INTEGRATION WITH MAXI ZOO AHEAD OF PLAN WITH ~90% OF SYNERGIES EXPECTED BY YEAR-END

ACCELERATED TIMELINE TO ACHIEVE RUN-RATE SYNERGIES



Source: Group information

STRONG START OF THE YEAR ON A SOLID PERFORMANCE TRAJECTORY

Q1-23 FINANCIAL RESULTS HIGHLIGHTS



PF REVENUE⁽¹⁾

Q1-23: €152M | +12% YoY⁽²⁾

LTM MAR-23: €585M | +10% YoY⁽²⁾



PF ADJ. EBITDA

Q1-23: €26M | +25% YoY⁽²⁾

LTM MAR-23: €97M | +12% YoY⁽²⁾



RR ADJ. EBITDA⁽³⁾

LTM MAR-23: €138M



NET FINANCIAL LEVERAGE

4.1x LTM MAR-23 NET LEVERAGE RATIO⁽⁴⁾



LIQUIDITY POSITION

€12M MAR-23 CASH & EQUIVALENTS

€45M MAR-23 UNDRAWN SSRCF

- **Solid topline growth**, thanks to **strong organic performance both in the retail and online channels and acceleration of new store openings** (19 new stores in the quarter)⁽⁵⁾
- **Increasing profitability margins**, with price/volume growth and cost discipline actions continuing to outpace inflation headwinds
- **Demonstrated deleveraging profile** despite high organic growth investments, underpinned by EBITDA growth and operating cash flow generation, **accelerating into Q2-23 and beyond on the back of lower capex**
- **Strong liquidity position**, with €57m available cash and undrawn RCF

Note: Financials displayed are net of antitrust disposal

Source: Group information

(1) Revenue from sales and services

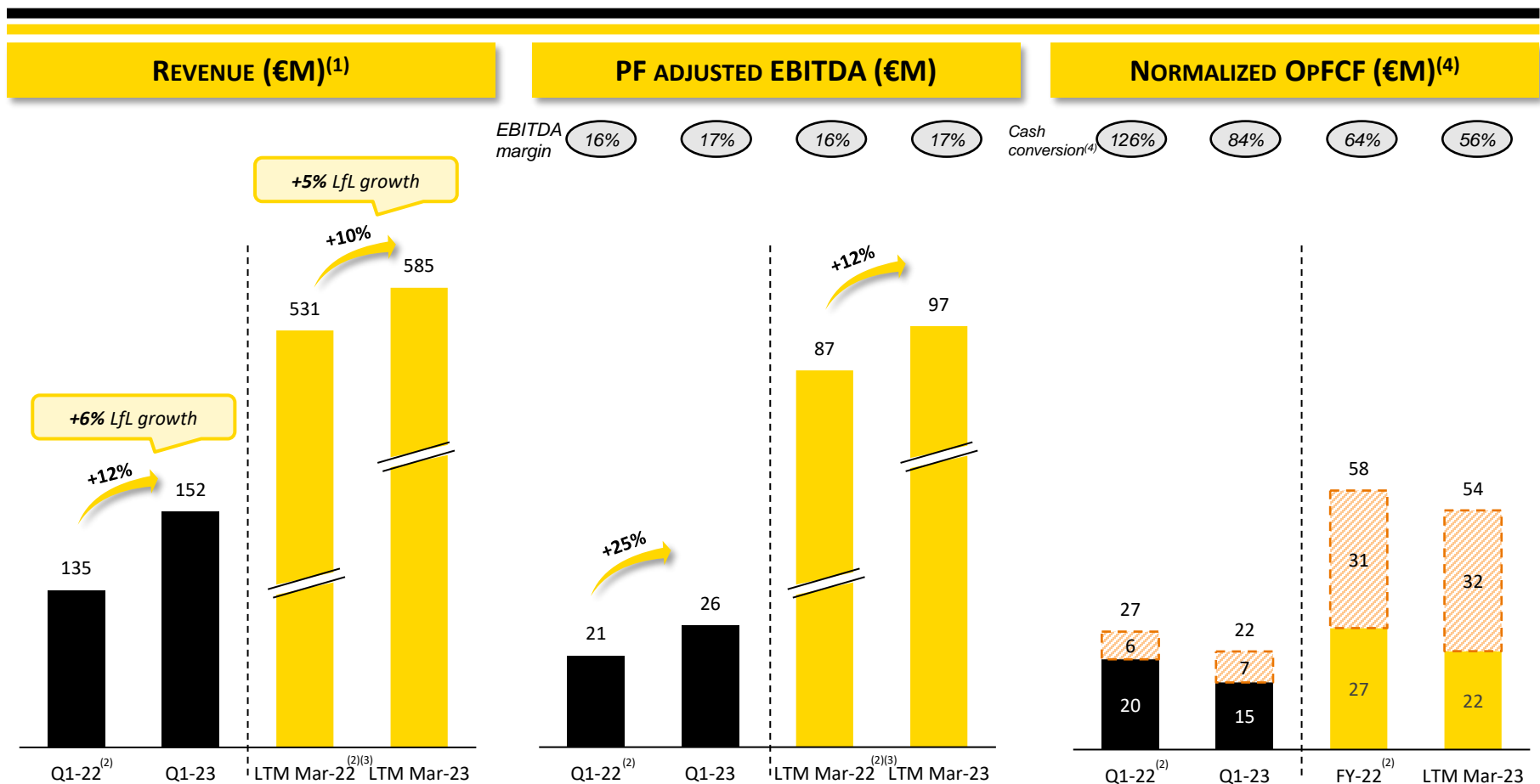
(2) On a reported basis as if Agrifarma and Maxi Zoo had been acquired on January 1, 2022; for the historical period preceding the Arcaplanet / Maxi Zoo transaction completion, the figure is adjusted for (i) the elimination of Fressnapf Group's transfer pricing adjustment, which has historically been recorded within Maxi Zoo adj. EBITDA and (ii) the effects of the pricing agreement for the purchase of exclusive label products by Maxi Zoo from Fressnapf Group as a result of the Maxi Zoo acquisition

(3) Run-rate adjustments include (i) run rate adjustments for new store openings and (ii) synergies

(4) As defined by bond documentation and based on €570m Mar-23 net debt excluding €18m unamortized costs and €10m accrued interest

(5) Including 17 stores acquired in Sicily

RECORD TOPLINE AND PROFITABILITY



Note: Financials displayed are net of antitrust disposal

Source: Group information

(1) Revenue from sales and services

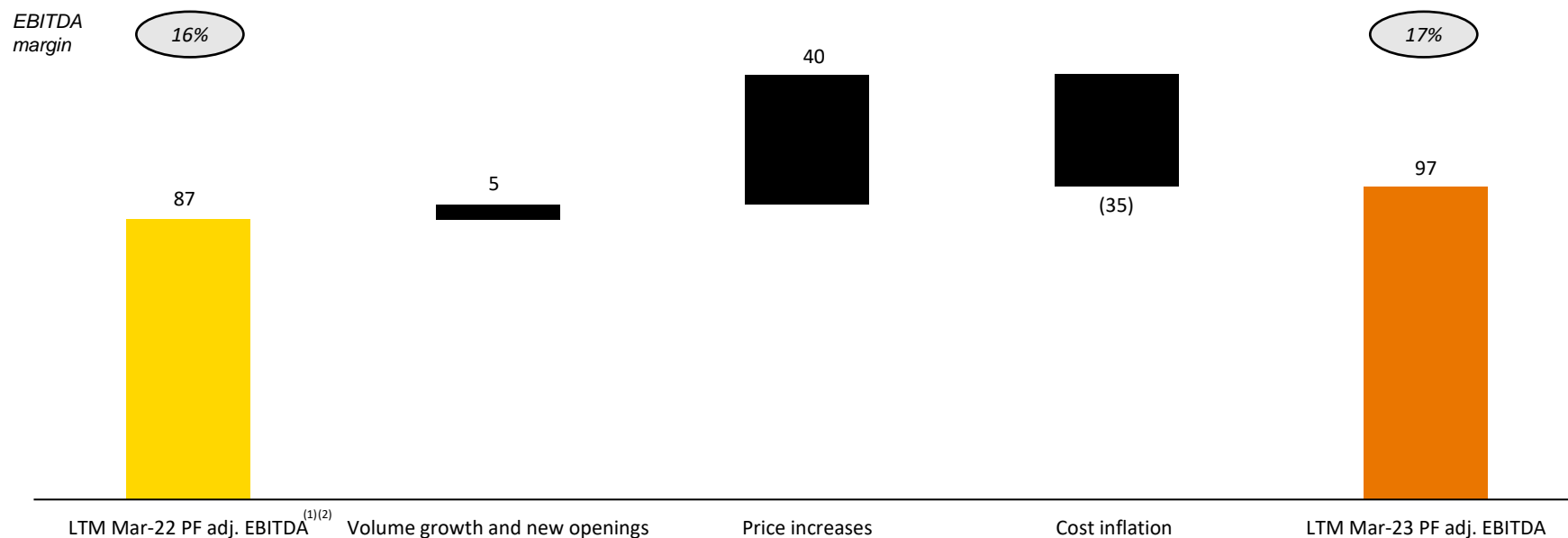
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(3) 2021 data on an aggregated basis

(4) Normalized OpFCF computed as PF adj. EBITDA plus / minus normalized change in NWC minus normalized Capex, excluding one-off effects from (i) 17 stores acquired in Sicily in Jan-23, (ii) impact on inventory from Q1-23 promotional campaigns and (iii) NWC impact from Dec-22 payables cashed out in Jan-23; cash conversion computed as normalized OpFCF / PF adj. EBITDA

LTM MAR-23 PF ADJUSTED EBITDA BRIDGE

PF ADJ. EBITDA BRIDGE (€M)



- 46 net new openings⁽³⁾ coupled with volumes LfL growth
- Increase in the cost of products almost entirely passed through to customers
- Opex inflation impact mainly due to utilities higher cost of energy

Note: Financials displayed are net of antitrust disposal

Source: Group information

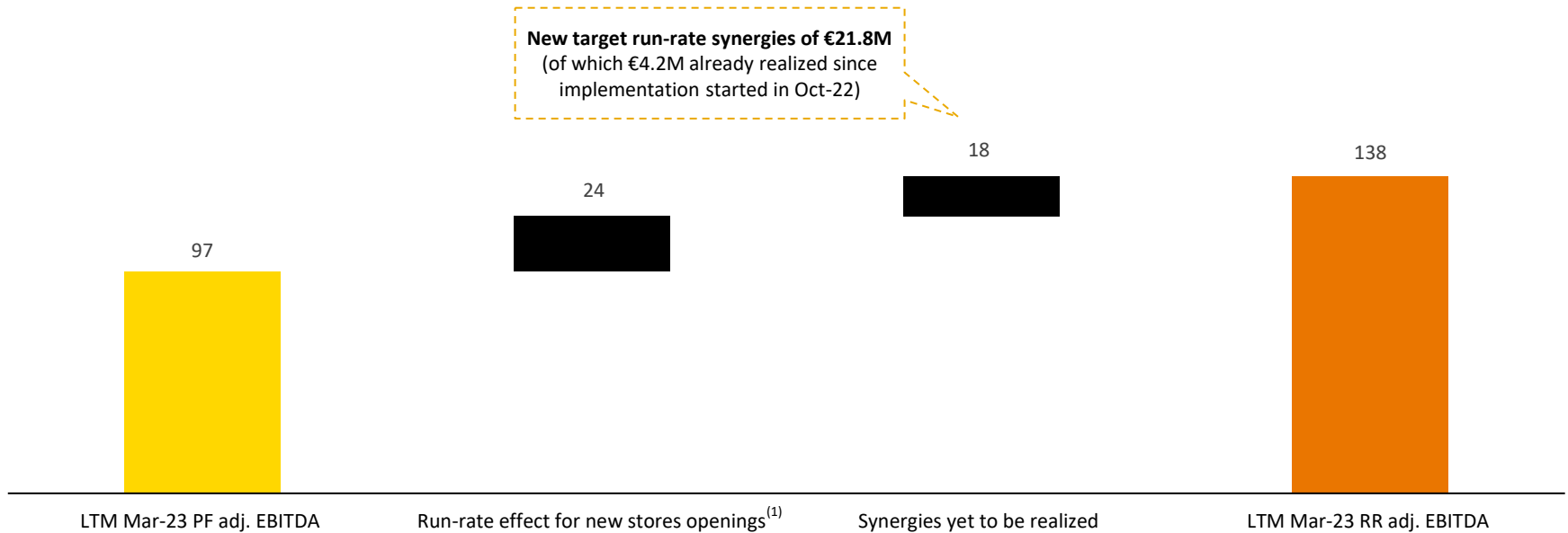
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(2) 2021 data on an aggregated basis

(3) 50 new openings net of 4 closures

RUN-RATE EBITDA BUILD-UP

LTM MAR-23 RUN-RATE ADJ. EBITDA BUILD-UP (€M)



Note: Financials displayed are net of antitrust disposal

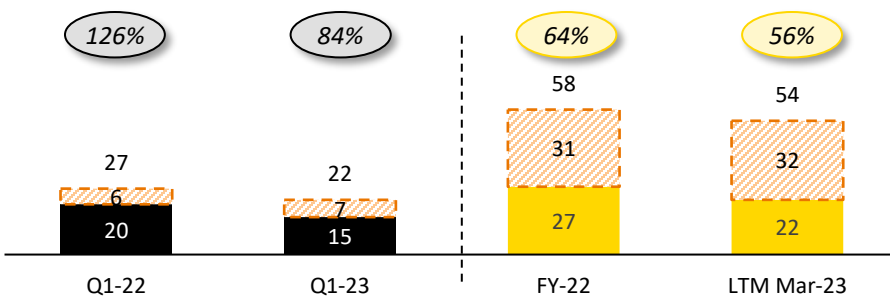
Source: Group information

(1) Represents the adjustment for the run rate effect of new store openings on the basis that there is a 3-year ramp up period to reach the target run-rate store EBITDA

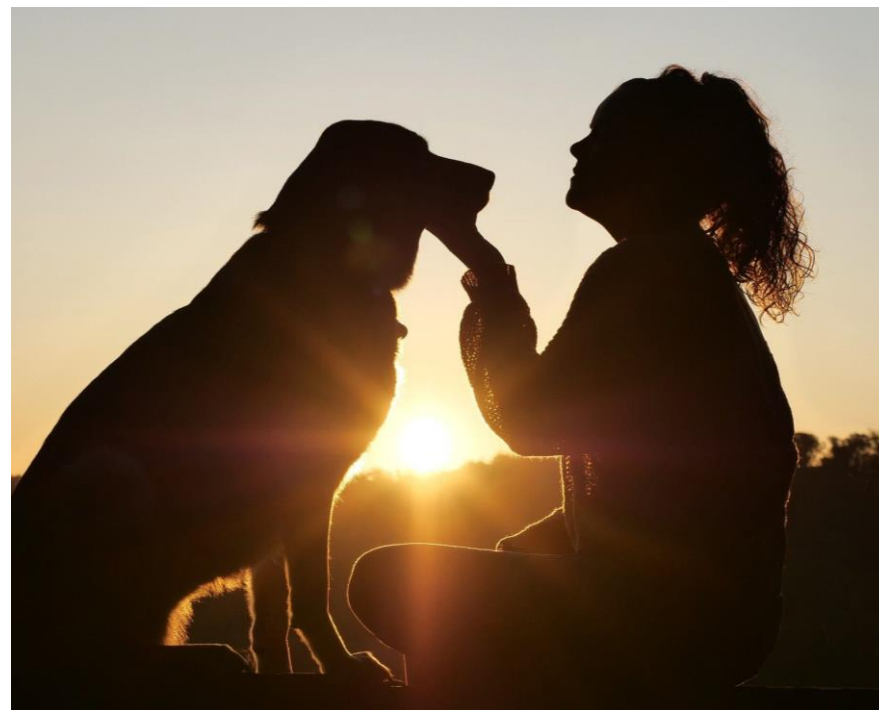
PRO FORMA CASH FLOW PROFILE

NORMALIZED OpFCF (€M)⁽²⁾

CASH CONVERSION (%)



€M	Q1-22 ⁽¹⁾	Q1-23	2022 ⁽¹⁾	LTM Mar-23
PF adj. EBITDA	21	26	91	97
Normalized change in NWC ⁽²⁾	6	1	(2)	(8)
Normalized OpFCF before Capex	27	27	89	89
Normalized capex (excl. San Vito facility) ⁽²⁾	(1)	(5)	(31)	(35)
Normalized OpFCF (excl. San Vito facility capex)	27	22	58	54
Cash conversion (%)	126%	84%	64%	56%
San Vito Facility	(6)	(7)	(31)	(32)
Normalized OpFCF (excl. one-off effects ⁽²⁾)	20	15	27	22



Capex related to the San Vito al Tagliamento manufacturing facility largely complete; scale production will commence in September 2023

 Tagliamento facility capex

Note: Financials displayed are net of antitrust disposal

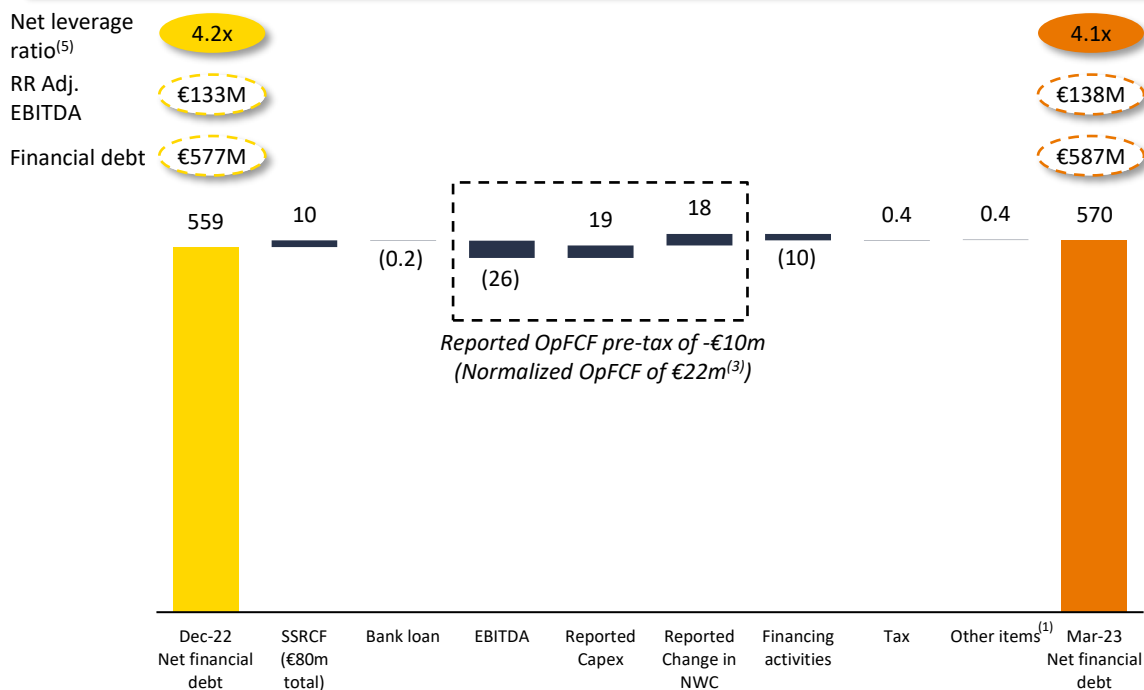
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(2) Excluding one-off effects from (i) 17 stores acquired in Sicily in Jan-23, (ii) impact on inventory from Q1-23 promotional campaigns and (iii) NWC impact from Dec-22 payables cashed out in Jan-23

DEBT AND LEVERAGE PROFILE

NET FINANCIAL DEBT BRIDGE (€M)



NET FINANCIAL LEVERAGE

€M	Dec-22	Change	Mar-23
Super Senior RCF (€80m total, Jul-28)	25	10	35
Bank loan	2	(0)	2
Notes (Oct-28)	550	-	550
Leasing	1	(0)	1
Financial Debt	577	10	587
Cash and cash equivalents ⁽⁴⁾	(12)	(0)	(13)
Antitrust deferred consideration receivables ⁽⁶⁾	(6)	1	(5)
Net Financial Debt	559	11	570⁽²⁾

RR Adj. EBITDA	133	138
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Net Financial Debt / RR Adj. EBITDA⁽⁵⁾	4.2x	4.1x
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Rating	Moody's	S&P
Corporate	B2 stable	B stable
SSN	B2	B
RCF	Ba2	-

- Financial debt mainly consisting of €550M Notes and the use of the Super Senior RCF for €35M
- €45M undrawn SSRCF to support future liquidity needs, organic and inorganic growth of the Group
- Positive cash flow generation taking leverage to 4.1x

Source: Group information

(1) Includes non-recurring items and other cash flow items

(2) Consolidated figure of €562m including €18m unamortized costs and €10m accrued interest

(3) Excl. San Vito facility capex and one-off effects from (i) 17 stores acquired in Sicily in Jan-23, (ii) impact on inventory from Q1-23 promotional campaigns and (iii) NWC impact from Dec-22 payables cashed out in Jan-23

(4) Includes non-current financial receivables and other financial liabilities

(5) As defined by bond documentation

(6) Relates to the sale of the inventory linked to the stores disposed as a result of the antitrust process

OUTLOOK

- ✓ **Positive outlook with solid topline growth** continuing into Q2-23 and beyond on the back of solid LFL, new store openings and online momentum
- ✓ **Improving profitability with easing inflation (passed through)**, fast synergies realisation with Maxi Zoo and vertical integration project kicking-in
- ✓ **Strong cash flow generation and deleveraging from Q2 onwards**, on the back of organic performance and completion of the vertical integration project
- ✓ **Continuous progress on key commercial & strategic initiatives**, resulting in growing, more loyal and more satisfied customer base



ARCAPLANET®

Q&A