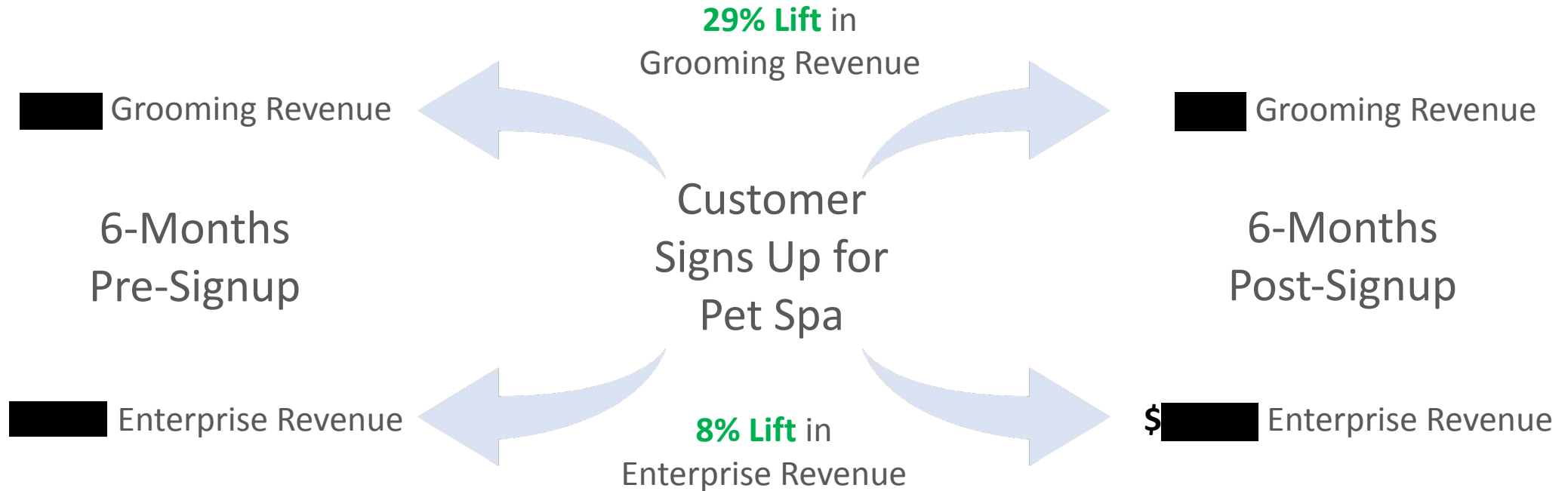


## Pre/Post Spa Club Enrollment Analysis

Upon spa club enrollment, expect customers to spend an additional [REDACTED] with the enterprise over the next 6-months with 90% coming from increased grooming spend – spa club leads to major improvement in grooming activity with no downside to enterprise

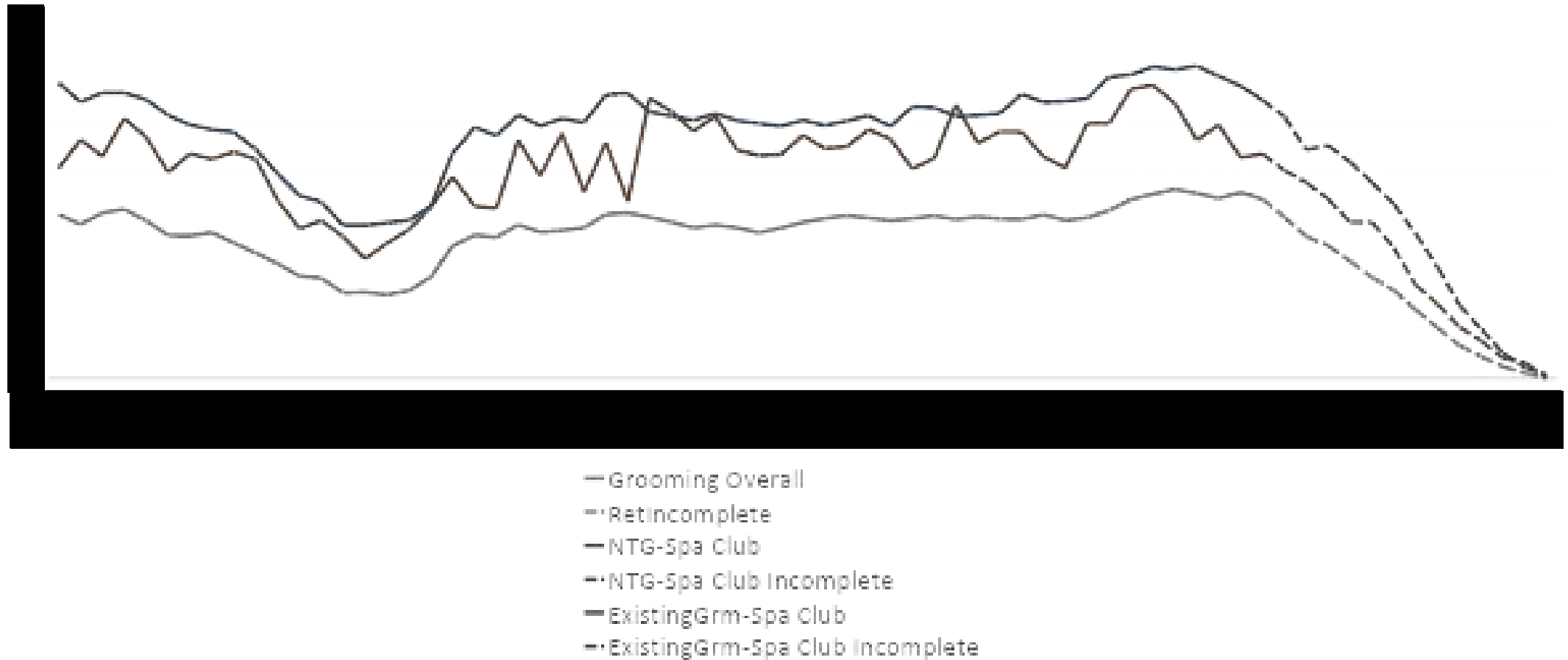


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Methodology: Customers included in analysis are spa club enrolled with at least one transaction with Petco that is 6 months or before enrollment and had enrolled 6 months or before date of analysis – [REDACTED] – allowing for isolation of customers with a 6-month pre and 6-month post enrollment purchasing behavior

## Retention Trends: Spa Club vs Grooming Overall

Spa club outpaces the grooming retention rate baseline by approximately 2500 basis points with spa club being the key lever driving improvements in overall retention

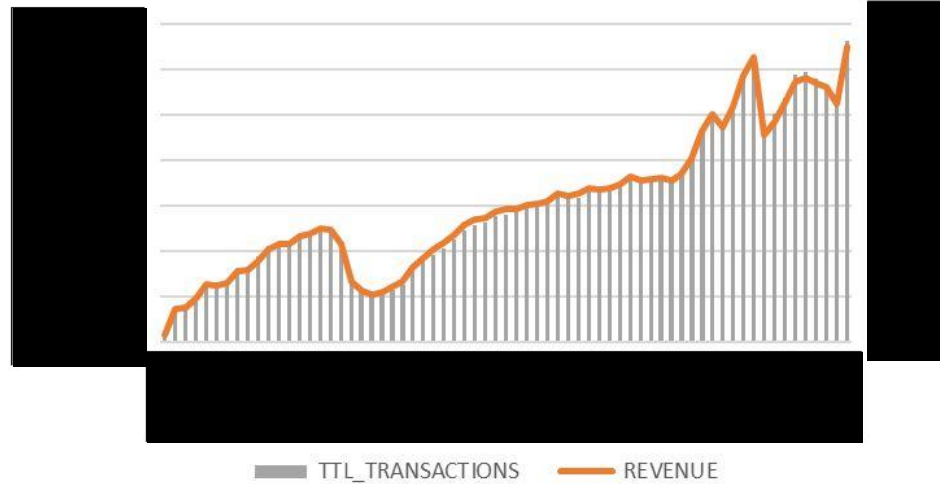


Methodology: Cohort retention is based on 13wk retention upon acquisition. NTG-Spa Club is the cohort in which the customer's first grooming transaction with Petco is spa club. ExistingGrm-Spa Club is the cohort in which the customer had grooming transactions before enrolling in spa club.

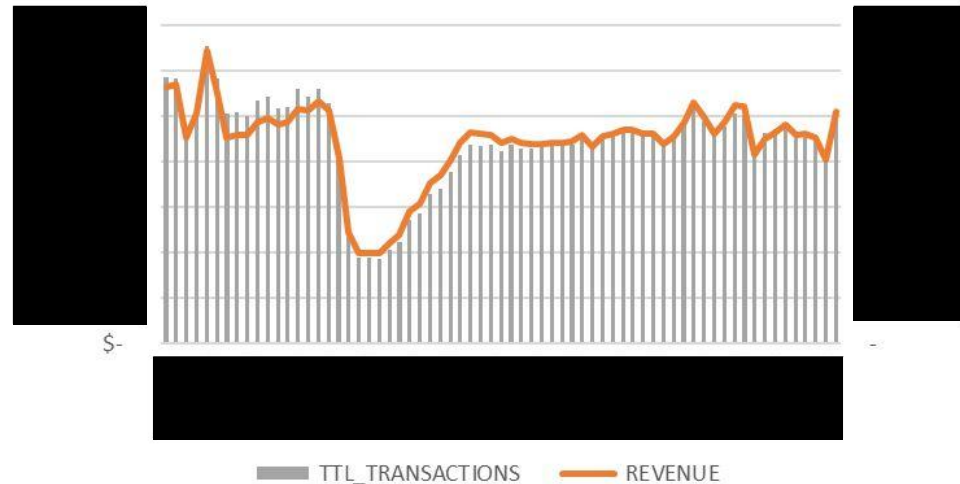
# Spa Club/Non-Spa Club Revenue Comparison

Non-Spa Club grooming sales have remained stagnant over the last year while spa club revenue and customers have grown indicating incremental gains over the base; Spa Club under-stated and non-Spa Club overstated due to ~80% match of IDs to sales table

Spa Club Grooming Sales



Non Spa Club Grooming Sales



Spa Club Enterprise Sales



Non Spa Club Enterprise Sales



## Back Napkin Math

In [REDACTED], there were [REDACTED] customers that made a grooming transaction and have at some point enrolled in spa club. There were [REDACTED] customers that made a grooming transaction in total.

[REDACTED] penetration

Given [REDACTED] (arbitrary goal) penetration:

- [REDACTED] more customers in spa club
- [REDACTED] = \$10,278,540 more enterprise revenue per year

Given [REDACTED]% (arbitrary goal) penetration:

- [REDACTED] more customers in spa club
- [REDACTED] = \$3,854,460 more enterprise revenue per year