



madpaws  
**FY23 AGM**

Your pets' best life. Sorted.

15 November 2023



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## Acknowledgement of country

The Mad Paws Group acknowledges the Traditional Owners and Custodians of Country throughout Australia. We acknowledge the Gadigal people on whose lands our head office is located, as well as all First Nation Countries we operate across.

We pay our respects to Elders past, present and emerging. We recognise their connection to Country and their role in caring for and maintaining Country over thousands of years. May their strength and wisdom be with us today.

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# CEO Review



# Our Purpose

We exist to enable pets to live their lives to the fullest.

# Our Vision

Being the most trusted and convenient brand to rely on for all pet-related needs.

# Mad Paws at a glance

- Leading Australian pet ecosystem – connecting pet owners with high quality services and products
- Only ASX listed Pet company
- Strong growth and financial returns – EBITDA positive in September 2023
- Strong tech platform to facilitate future growth

## madpaws GROUP

**madpaws**

**Australias #1**

Pet services marketplace

**waggly**

**Australias #1**

Toys & treats subscription box

**PET CHEMIST**

**Australias #1**

Online pet chemist

**S A S H.**

**High growth**

Premium dog beds and accessories



**1.1m**

Subscribed Pet Owner e-mails



**\$167m**

Products and Services Delivered



**40,000**

Brand ambassadors: Pet Sitters & Dog Walkers



**70%+**

Customer repeat rate



Qantas Partnership and access to Qantas FF



> 2.5 million pet care services provided

**Deloitte.**

2022 & 2023 Deloitte Tech Fast 50



# Strong market dynamics

Pet market and spending is largely recession proof

# 73%

of all households would like to add a pet to their family. This tells us that pet ownership is becoming a way of life for most Australians, estimated at 7.3 million households.



# 85%

of pet owners say their pet has vastly improved their lives.



## Part of the family

Owners nowadays have a more human-like relationship with pets and more inelastic spend.



## Pet humanisation and premiumisation are driving spend



Prioritisation of pet needs



Increasing spend per pet



Increasing spend on pet products and services



Recession resilience



## Average household spend for dogs and cats represents a large wallet size

### Dog

\$3,237 pa



### Cat

\$2,074 pa





# Group Strategy

**“Building Australia's number one destination for pet parents.”**

Blended marketplace and e-Commerce offerings enables attractive benefits of each platform.



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## Horizon 1 FOUNDATIONS

- Marketplace Leadership
- Differentiation of revenues
- Build data foundations

## Horizon 2 BUILD THE BRAND

- Single Destination
- Data driven cross-sell
- Home brand strategy
- Media partnerships

## Horizon 3 EXPANSION

- Internationalisation
- Data commercialisation
- Cover more stages of the pet life-cycle

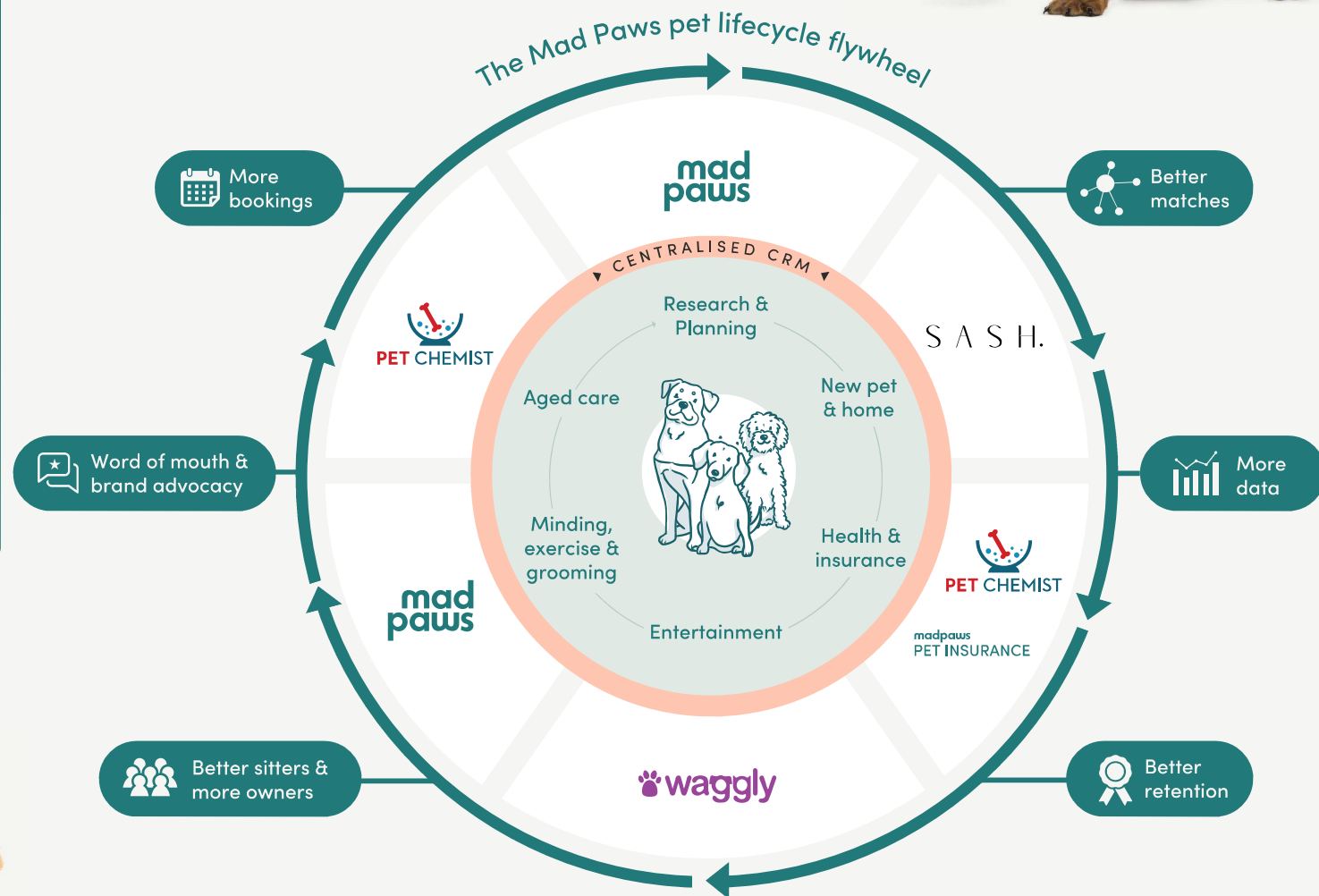


# Unrivalled competitive advantages

Mad Paws leverages the family of brands to connect with Australian Pet Owners across every stage in the pet lifecycle.

Anchored by our significant first-party data points, we're able to seamlessly attract, engage and delight customers.

- Allows us to capture a larger customer network
- More products equals more solutions and more data
- Maximizing value from customers



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# Building a highly engaged, data-rich community across the pet lifecycle



**1.1 mil**

Subscribed Pet Owner e-mails



**1.3 mil**

Monthly website visits



**40,000**

Brand ambassadors:  
Pet Sitters and  
Dog Walkers



**70%+**

Customer repeat rate



Our passionate and loyal pet sitting community are a key part of building trusted brand.

## Our research shows...

Mad Paws customers are highly engaged because of the personalised care their pet receives, the access they have to helpful pet ownership information, and the relevant products & services available when they need them.



Large valuable community of pet owners who travel



Multi channel touch points



Pet parents:  
pets are part  
of the family



Highly trusted brand, leading the charge in pet care

## Based on our pet profile data...



**210,000**

Unique pet profiles created since November 2022



**30%**

of pets have some sort of health problem



**25%**

of pets have some level of separation anxiety



**66%**

Increase in Cross-Sell year on year



# Mad Paws Group FY23 Highlights

**\$58.9m**

Group GMV  
+117%

**\$24.6m**

Operating Revenue  
+145%

**16%**

marketing as a % of  
revenue

**>70%**

Customer  
repeat rate

**122,000**

New customers  
+90%

**(\$4.1m)**

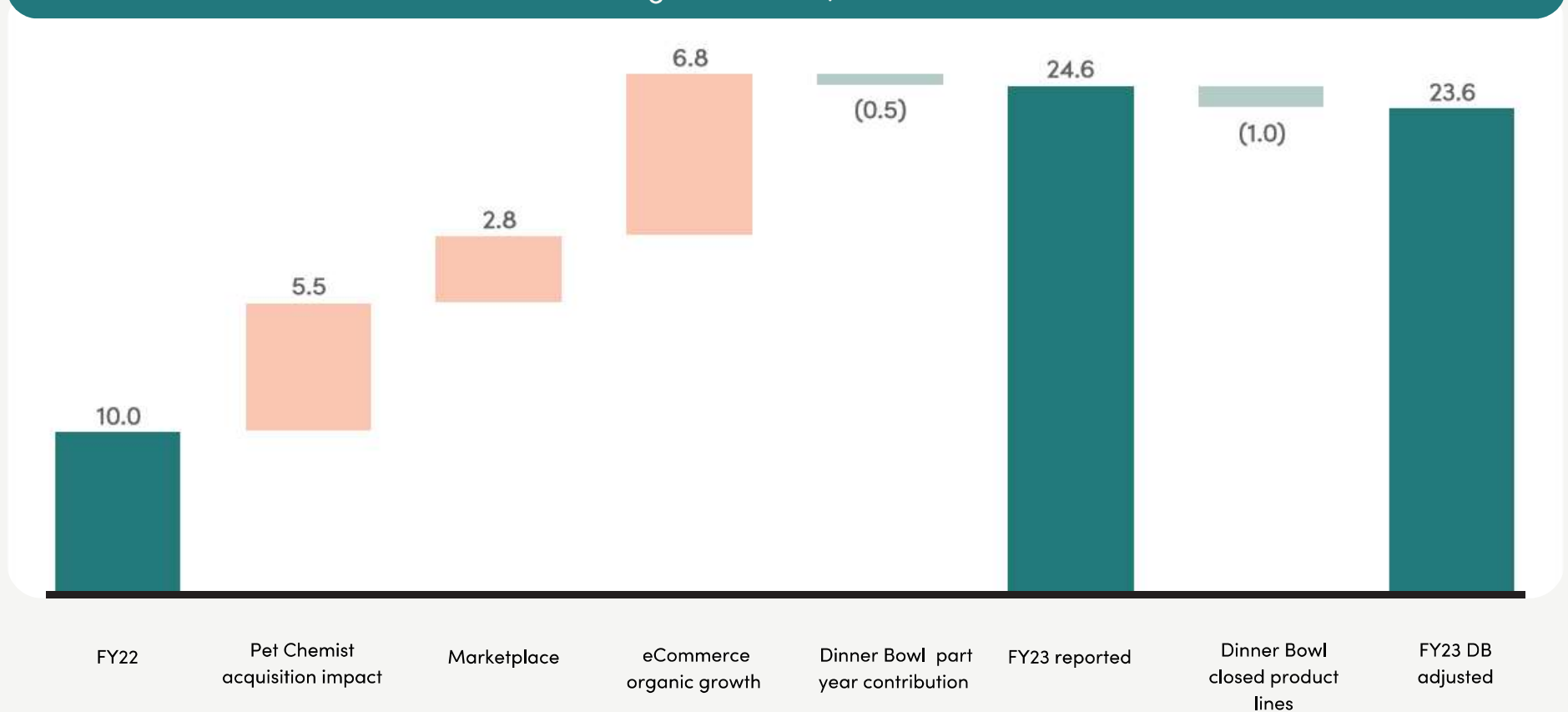
<sup>1</sup> Operating EBITDA  
+50%

<sup>1</sup> Operating EBITDA excludes the Dinner Bowl closed product lines

# FY23 Revenue growth

Successful integration of acquisitions and organic revenue growth drive revenue

FY23 revenue growth +145%, 136% ex Dinner Bowl



FY23 Pro forma revenue growth +59%

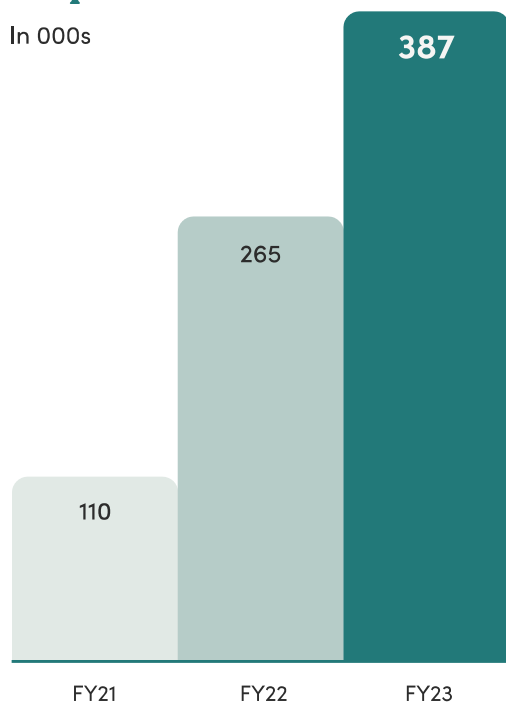
# Mad Paws 3 year growth profile

Mad Paws has grown to become Australia's Leading Online Pet Ecosystem



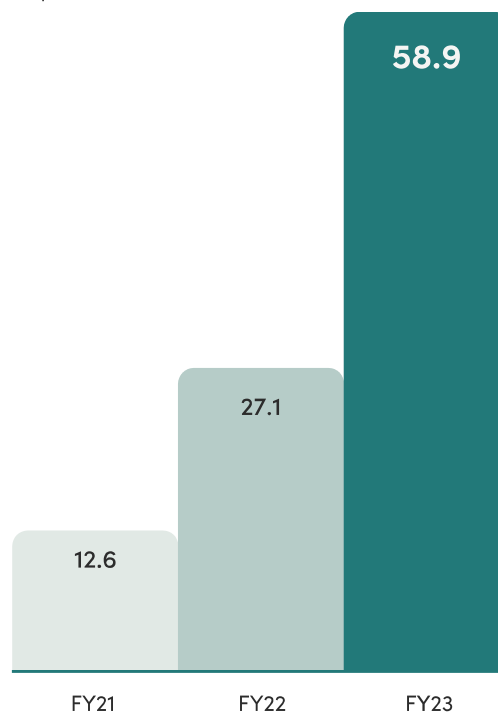
## Customers acquired to date

In 000s



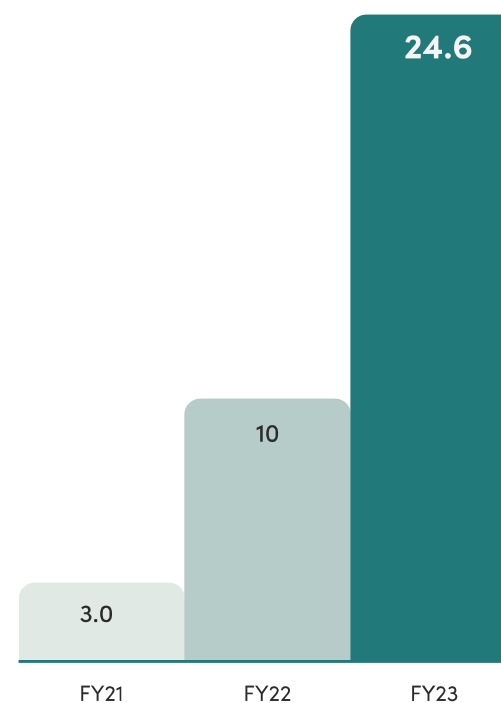
## Group GMV

In \$ millions



## Group Revenue

In \$ millions



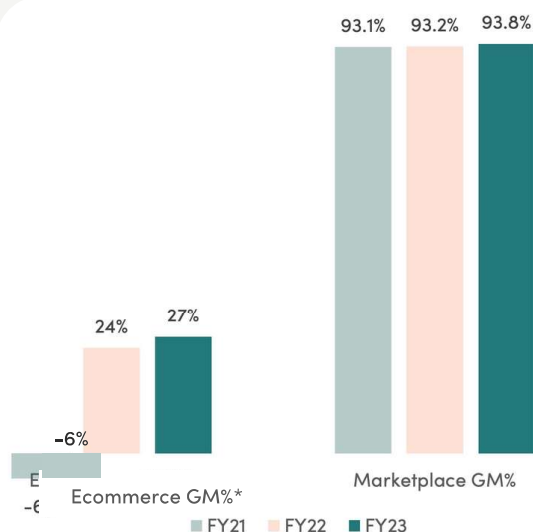
Three year revenue CAGR of 194%



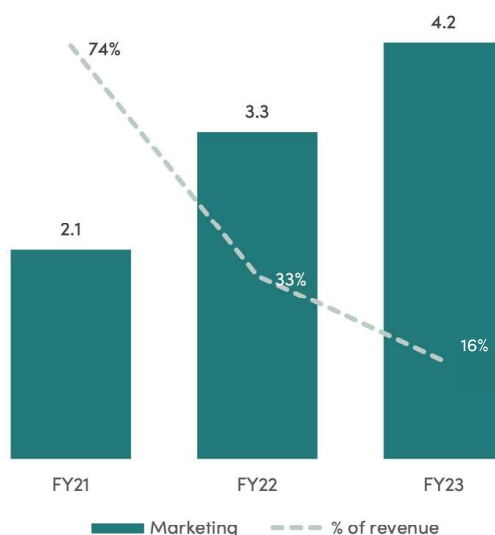
# Improved FY23 financial metrics

Gross margin and operating leverage driving towards profitability

## Gross margin by segment



## Marketing as a % of revenue



## Corporate as a % of revenue



### eCommerce

- Direct and better sourcing relationships with suppliers
- Delivery panel expansion and partner routing optimisations

### Marketplace

- Take rate improvements
- Cancellation rate normalised

### Marketing

- Product and website usability initiatives improve conversion rates
- Increased scale allows for inhousing of marketing expertise delivering better optimisations
- Lowered cost of subscription offers

### Central/Corporate

- Rationalised SaaS and technology spend
- Simplified organisation structures and reporting lines

# FY23 Operational Highlights

Mad Paws is a fast growing, capital light business, being driven by the strong tailwinds of the Australian pet sector.

## FY23 results built around 3 key pillars:



### Profitable revenue growth

- Maintaining high new customer acquisition rates and repeat customer rates
- Increasing our number of SKUs
- Bringing marketing resources in-house
- Improving marketing efficiency



### Prudent cost management

- Streamlining operational and corporate cost base
- Expanding directly sourced products
- Greater use of AI tools across the business



### Disciplined capital management

- Re-aligning Dinner Bowl dog food product offering
- Consolidating Waggly Shop operations into Pet Chemist



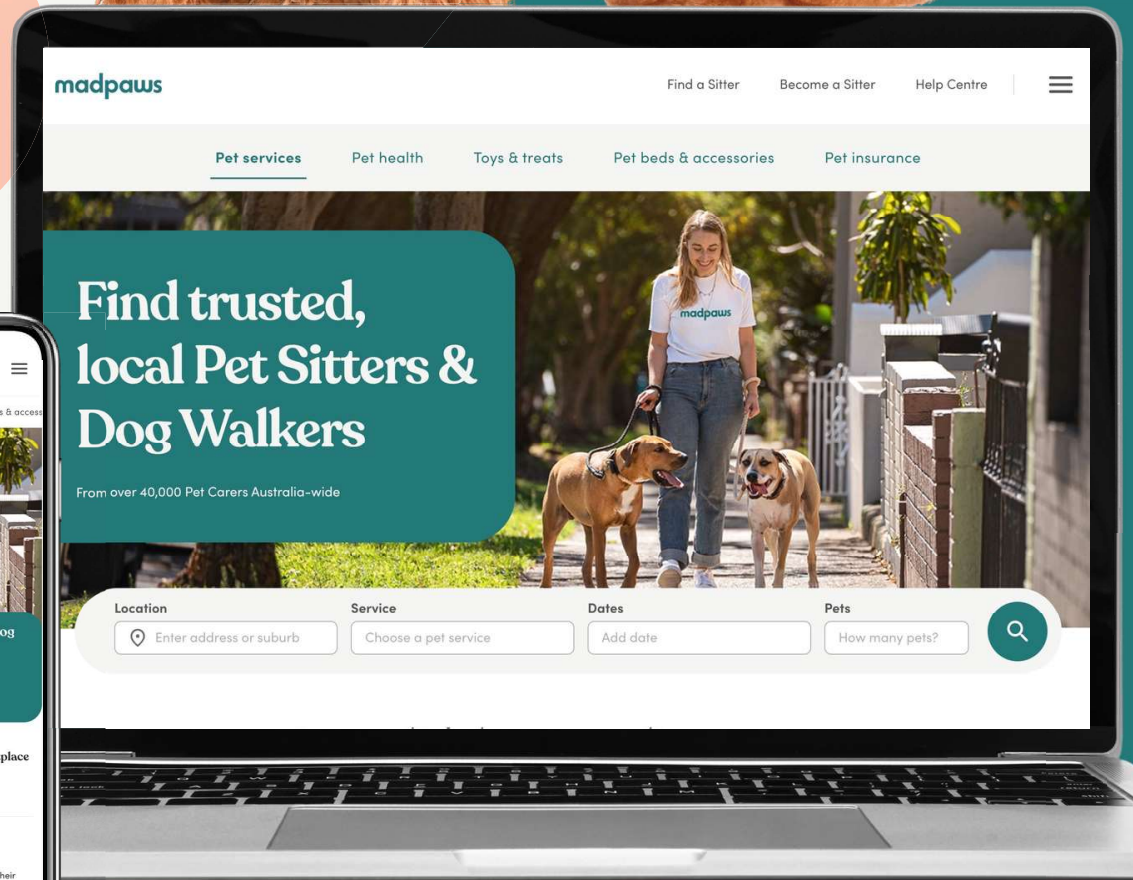
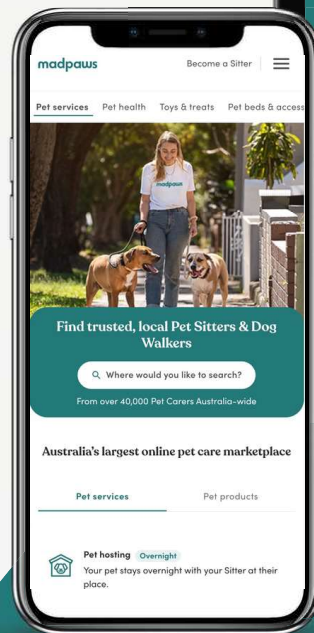
# Branding refresh

## A family of pet brands

In January 2023 we unveiled our first brand re-fresh since inception of Mad Paws in 2016.

The driving force behind this refresh was to enable the family of brands to emerge as a unified Group ready to embark on the next chapter and future direction as a one-stop-shop for pet care in Australia.

New home page saw a  
**↑ 20%**  
INCREASE in conversion





## Find trusted, local Pet Sitters & Dog Walkers

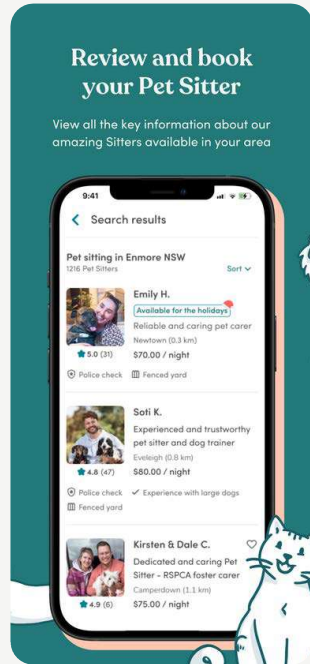


**mad paws**

Your pets' best life. Sorted.

## Review and book your Pet Sitter

View all the key information about our amazing Sitters available in your area



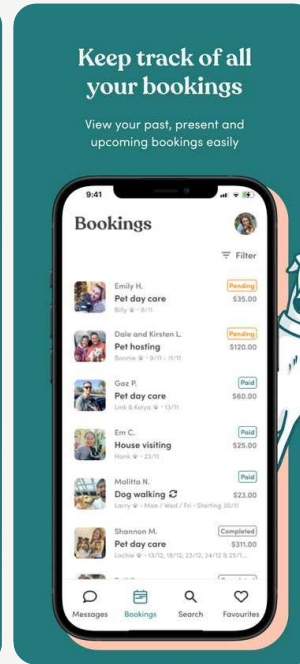
## Be in constant contact via messages

Chat with the Sitter and receive photo updates of your pet being adorable



## Keep track of all your bookings

View your past, present and upcoming bookings easily

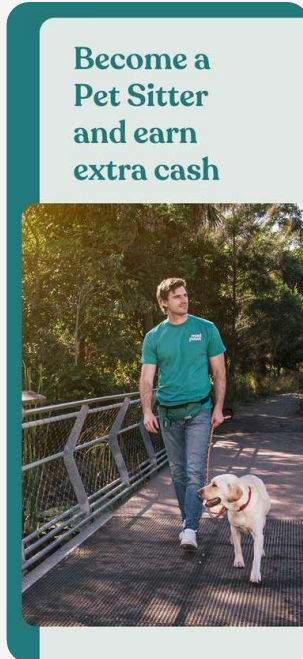


## Shortlist your favourite Sitters

Make re-booking easy by saving your preferred Sitters




## Become a Pet Sitter and earn extra cash



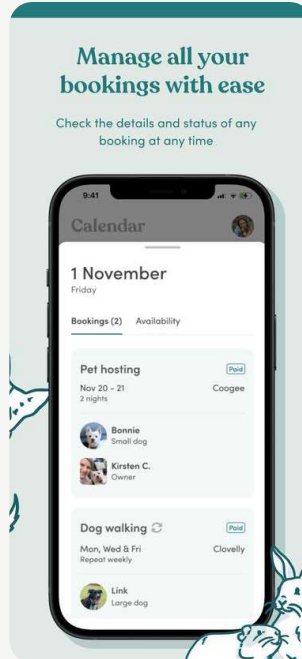
## View and edit your calendar

Keep organised by updating your calendar up to 6 month in advance



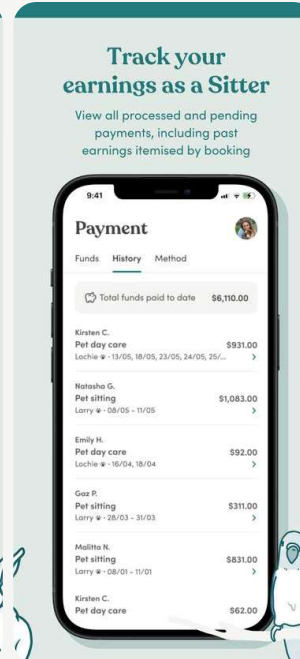
## Manage all your bookings with ease

Check the details and status of any booking at any time



## Track your earnings as a Sitter

View all processed and pending payments, including past earnings itemised by booking



# New Mobile App

- Native app with significant better performance
- Improved usability for sitters
- Super fast messaging
- Foundation for app cross selling



# Marketplace highlights

**167,000**

bookings

+31%

**46,000**

new customers

+30%

**\$30.3m**

GMV

+64%

**25.4%**

take rate

+3%

**\$6.5m**

revenue

+74%

**20%**

EBITDA margin

vs -18% in FY22



# Marketplace operational highlights

Product initiatives and marketing optimisation drive higher revenues and improvements in operating EBITDA.

## Product initiatives

### Launch of 'Links Data':

Pet Profile Database allows for more accurate matchmaking between Sitter and Owner.

### Expanded use of data science & machine learning:

Conversion rates improved and off-platform bookings reduced.

### Re-brand of website home page:

Seamless user experience and brand consolidation.

### Increased website speed:

Enabled a significant uplift in site traffic and conversion.

## Marketplace liquidity

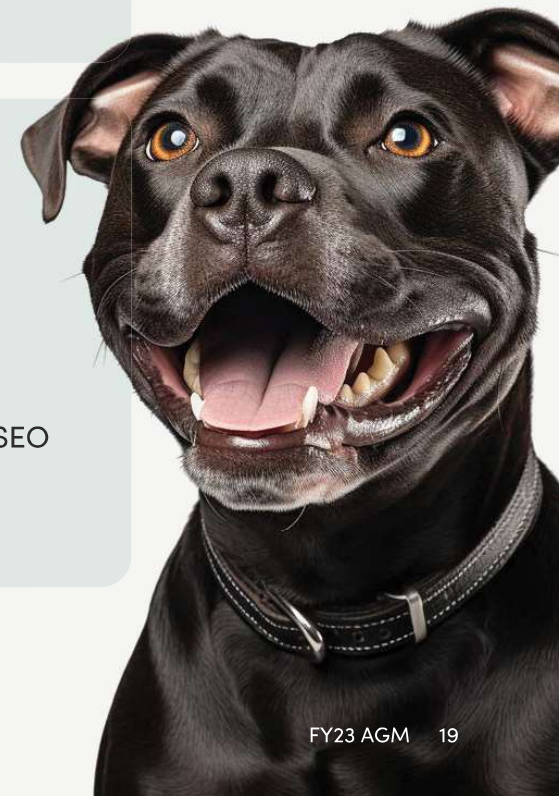
Technology upgrades to improve the quality of care provided to Pet Owners as well as the earning potential of Pet Sitters, which has been successful in attracting more sitters to our platform.

## Operational initiatives

AI to reduce customer services contacts.

Introduction of peak period pricing.

Continuous development of content and SEO resources





# eCommerce highlights

**267,000**

total orders  
+155%

**\$18.1m**

revenue  
+188%

**>70%**

Customer  
repeat rate

**600+**

New SKUs added

**(11%)**

Operating  
<sup>1</sup>EBITDA margin  
significantly improved  
across the year



Completed  
realignment of  
Dinner bowl  
strategy

<sup>1</sup> Operating EBITDA excludes the Dinner Bowl closed product lines



# e-Commerce operational highlights

Successful Pet Chemist integration, range expansion and realignment of Dinner Bowl drive EBITDA improvement.

## More space to grow

Expanded warehouse and distribution centre

## Accelerate growth

Ongoing expansion of product range:  
Already 600 SKUs added in FY24

## Expand owned range

SASH launched 3 new products in FY23,  
all exceeding launch expectations

## Increase margins

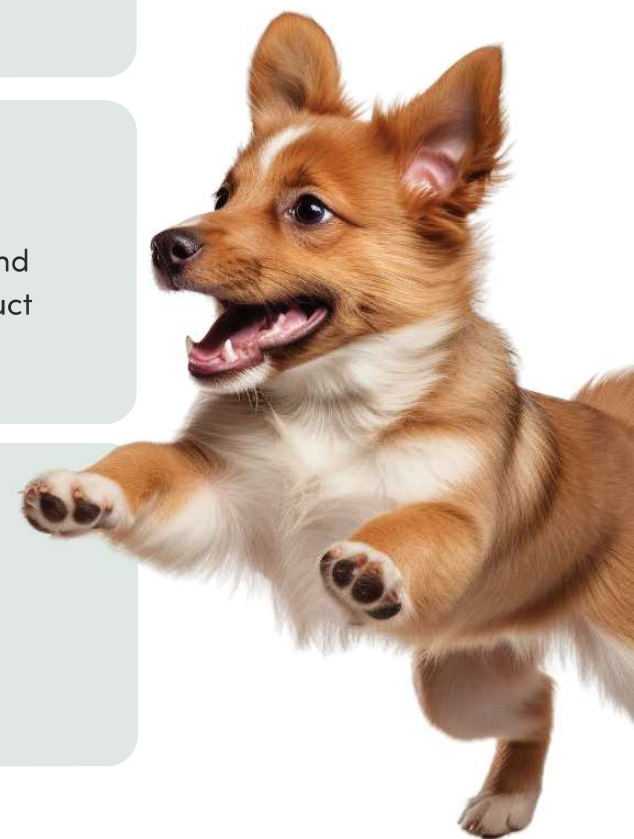
Moved Waggly to in-house designed and  
sourced toys, maintain consistent product  
quality while improving bottom line

## Improve customer acquisition cost

Enhancements to the website and  
shopping cart

## Strategic Re-alignment of Dinner Bowl

Ceasing production of raw and lightly  
cooked meals



# Environmental, social and governance

## EMBARKING ON A MORE SUSTAINABLE FUTURE

Sustainability is one of our core business pillars. We're committed to playing our role in reducing our carbon footprint, as well as finding innovative ways to further improve the sustainability of our products and offerings. By 2025, we aim to neutralise our carbon emissions and offset what we cannot eliminate.

### What we achieved:

At April 2023 our near-term goal was to replace three of our largest sources of single-use plastic with a biodegradable alternative, including: Mailing satchels, packing tape, and pallet wrap. We are pleased to report that all three items have been replaced with a biodegradable alternative that will breakdown naturally when buried in landfill.

### What it means for our footprint:

This is a significant step in our sustainability strategy by decreasing our carbon footprint and reducing the amount of plastic that we use with carbon neutral satchels and packaging tape.

### What's next?

- **Improved waste management:** Reviewing how we manufacture, process and pack our products, and making in-roads in reducing unnecessary elements.
- **Moving to green power:** Installing solar panels on our warehouses and production facilities. Where solar panels are not feasible, we'll move to purchase green power.
- **Partnerships:** We've begun working with our strategic partners to find better methods and processes that are inherently more sustainable.

- **Manufacturing & Packaging:** This makes up the largest portion of our footprint, so we're already testing and trialling new materials and packaging made from recycled or compostable materials.

[Read more about our sustainability initiatives](#)



Pictured: Darajat Geothermal, Indonesia. One of the many projects being supported by this initiative.

## INCLUSION & DIVERSITY

Mad Paws is committed to providing a workplace underpinned by respect in all circumstances. A proud LGBTQIA+ inclusive organisation, fair play and equal opportunities are in our DNA. This same sentiment applies to gender, where there is a conscious effort to empowering and championing for more women in leadership.

"We strive to create an environment of authenticity, respect and inclusion. A place where people can focus on solving real challenges rather than spending time trying to fit in." – Justus Hammer, CEO

58%  Female workforce



Employment across the globe

65  
Australia

44  
Philippines

16  
Other

## MORE THAN JUST NUMBERS ON A PAGE



3717

The number of trees planted across the Mad Paws Group, to help create a greener future.



80%

The percentage of carbon we've offset to date for the Mad Paws Group.



8

The number of hours we offer every employee yearly, to spend giving back to the community.



2025

The year that the Mad Paws family of brands plan to offset 100% of their emissions.





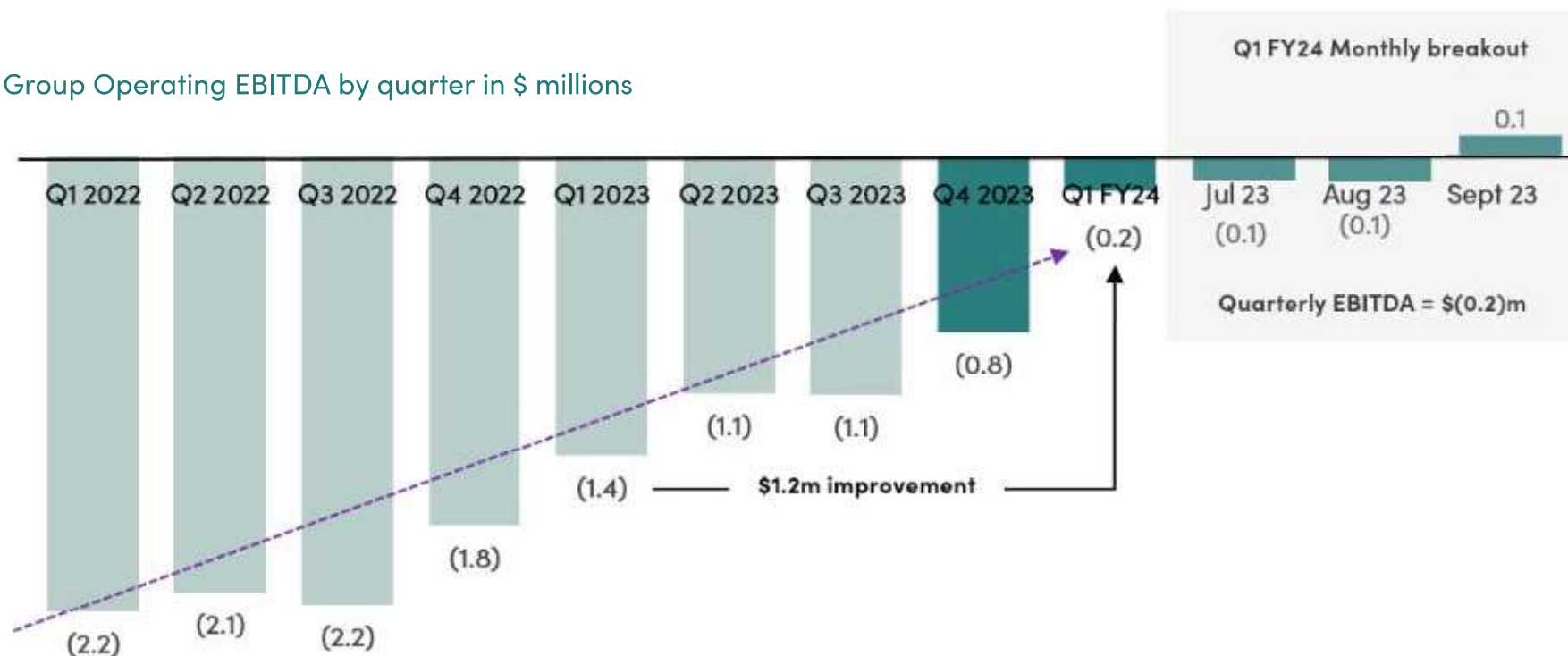
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# Outlook

# Mad Paws achieves first month of positive Group Operating EBITDA

Key milestone in Mad Paws journey to cash flow break-even, in line with stated target

Group Operating EBITDA by quarter in \$ millions



Key strategic initiatives build profitable platform for continued growth

# Outlook for the remaining FY24

Mad Paws will build off our Q1 FY24 momentum focussing on the following areas

## The Group's key strategies include:

### SCALING MARKETPLACE EFFICIENCY

Improve the search for sitter experience, sitter pricing dynamics, and reduce off platform bookings

### E-COMMERCE PLATFORM REBUILD

Leveraging the new Pet Chemist rebuild to create a single platform from which customers can book or buy any Mad Paws' products and services

### CROSS-SELL EXPANSION

Leveraging our data capabilities and centralised CRM to provide personalised offers and solutions for our customer base. Furthermore, we will launch a Mad Paws loyalty offering, driving our share of wallet and decreasing customer acquisition cost for the verticals.

### COMMERCIALISE 'LINKS DATA' OUR DATA RICH PET PROFILES

Additional revenue stream through media partnerships

### DRIVE PRODUCT EXPANSION

Targeting 4,500 SKUs with Pet Chemist, utilising our new warehouse

### SCALE PRIVATE LABEL PRODUCTS

Continuing the success with Sash and Waggly, launch of the first cohort of private label products for Pet Chemist

## Outcomes

### Sustainable growth

Building on positive momentum to deliver EBITDA positive on a quarterly basis

### Customer acquisition

Cost effective acquisition with SEO and targeted marketing

### Efficiencies & Cross sell

Leverage platform, data and fixed cost base to drive margins

### Cash flow breakeven

Based on current momentum and planned growth



# Key takeaways

## Australia's market-leading Pet Provider

Multiple product  
category and service  
leaders across the pet  
life cycle

## Major Technology & data advantages

1.3m subscribers & 210K  
pet profiles drive  
improved customer  
opportunities

## Recession proof growth in Pet sector

Treating pets as family  
members not  
discretionary spending

## Strong growth >EBITDA Positive

Continued growth from  
\$24.6m revenues in  
FY23 +145%

Scale, Platform and resources to achieve continued profitable growth

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# Appendix

# Glossary

Term	Definition	Calculation/Comment
GMV	Gross Merchandise Value	GMV is a non-IFRS measure, it represents the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.
Operating Revenue	Non GAAP measure of revenue	Operating revenue is revenue recognised in accordance with IFRS before the deduction of promotional voucher cost for subscription customers
Operational EBITDA	Management's core earnings metric	Operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating income and costs) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider operational EBITDA to reflect the core earnings of the consolidated entity
LTM	Last Twelve Months	Refers to the trailing 12 month period ending on the reporting date, or as otherwise indicated
CAC	Customer Acquisition Cost	Refers to the cost to acquire a customer across the Group's brand and consists of performance marketing costs such as social, search, affiliates and general performance marketing costs
TAM	Total Addressable Market	Represent the current overall revenue opportunity of the Australian Pet market sourced from "Animal Medicines Australia, Pets and the Pandemic: A social research snapshot of pets and people in Australia" report

Financial results for FY23 and prior financial years in this Presentation, are sourced from the FY2023 Financial report filed with the ASX on 29 August 2023"