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ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ACCC will not oppose Woolworths Group's acquisition of 55% interest in Petstock Group

Please see attached an announcement on the Australian Competition and Consumer Commission's (ACCC) decision that it will not oppose Woolworths Group's acquisition of a 55% equity interest in Petstock Group.

Authorised by: Kate Eastoe, Group Company Secretary

For further information contact

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Woolworths Group welcomes today's ACCC decision that it will not oppose Woolworths Group's acquisition of a 55% interest in Petstock Group¹.

The ACCC has accepted Petstock Group's undertaking to divest 41 specialty pet retail stores, 25 co-located veterinary hospitals and two online retail stores, predominantly under the Best Friends Pets, My Pet Warehouse and Pet City banners² following the ACCC's investigation into Petstock Group's past acquisitions.

The ACCC has also decided that it will not oppose Woolworths Group's acquisition of a 55% equity interest in PetStock Group, [first announced on 15 December 2022](#). The acquisition is expected to complete on 3 January 2024.

Woolworths Group CEO, Brad Banducci, said: "We are excited that we are now in a position to move forward with our investment in Petstock Group in partnership with the Young family. Petstock Group is a leading Australian and New Zealand specialty pet business. As we said at the time of the original announcement, this investment will enable Woolworths Group to meet more of our customers' pet needs and is expected to deliver strong returns for shareholders."

Petstock Group CEO, Shane Young, said: "This announcement allows us to take the next positive step in the Petstock Group journey, and we look forward to working with the Woolworths Group team to deliver an unrivalled customer experience for pet parents."

Petstock Group's divestment undertaking has led to an adjustment to the previously disclosed purchase price which is now expected to be \$438 million for Woolworths Group's 55% equity interest. The adjusted enterprise value³ is approximately \$1.46 billion.

Petstock Group has continued to grow over the period since the original transaction announcement with underlying sales increasing by approximately 10% over the 12 months to October 2023 to \$892 million and underlying EBITDA relatively stable over the period at \$125 million⁴.

Woolworths Group's investment in Petstock will be overseen by a combined board with representatives from both Woolworths Group and the Young Family, with the board to be chaired by Colin Storrie.

¹ Formerly known as Petspiration Group

² Woolworths Group has also provided an undertaking to procure compliance with Petstock Group's undertaking

³ Enterprise value is adjusted for the estimated proceeds on divestment stores that will be sold by Petstock Group post-completion. Includes net financial debt and lease liabilities

⁴ Twelve months to October 2023 on a consolidated basis but excluding the sales and earnings contribution from the stores to be divested. Sales excludes approximately \$143 million attributable to stores to be divested

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