2025

RETAIL OPERATING PERFORMANCE REPORT

BASED ON 2024 RESULTS

WPA
World Pet Association

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The 2025 World Pet Association Retail Operating Performance Report, a collaboration of the World Pet Association (WPA) and Pet Store Pro, presents a detailed analysis of key operating data from the retail pet industry. Based on confidential surveys completed by 93 companies (representing 1,172 retail locations), the Retail Operating Performance Report includes a compilation and analysis of sales and operations data, as well as additional profile information.

WPA is a trade association whose mission is to bring the pet world together, so quality interaction and education between and among product suppliers and pet owners can create healthier, happier pets and a healthier, more productive pet industry.

The 2025 World Pet Association Retail Operating Performance Report was compiled, tabulated, and analyzed by Industry Insights, Inc. (www.industryinsights.com), an independent professional research and consulting firm that specializes in conducting financial operating surveys, compensation studies, market assessment surveys, customer satisfaction research, educational programs and other forms of customized research.

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ABOUT THIS REPORT

The World Pet Association Retail Operating Performance Report has been designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities.

The report was prepared by Industry Insights, Inc. of Columbus, Ohio, and Washington, DC, while working closely with WPA and Pet Store Pro representatives in the design and execution of the study. Confidential survey forms (refer to the Appendix for a sample) were made available to WPA members and Pet Store Pro users in early April 2025. Respondents could complete their survey by using an online survey form or completing a downloadable hard-copy version of the questionnaire.

Following the survey period, a confidential identification code was assigned to each organization. The data were entered into a proprietary system and reviewed and edited by Industry Insights' analysts. All information was then compiled and thoroughly reviewed to ensure responses were reasonable and fit within certain guidelines.

As a safeguard to ensure the confidentiality of all responses, a minimum of five responding organizations for each value is required to show means and medians. An asterisk (*) replaces the values for all cases in which the data sampling fails to meet both requirements.

This report includes comparative financial ratios, sales mix data, and company profile information. The data in this report, coupled with the online portal, have been segmented to reveal findings and provide tools that allow insights for business improvement opportunities and strategy development.

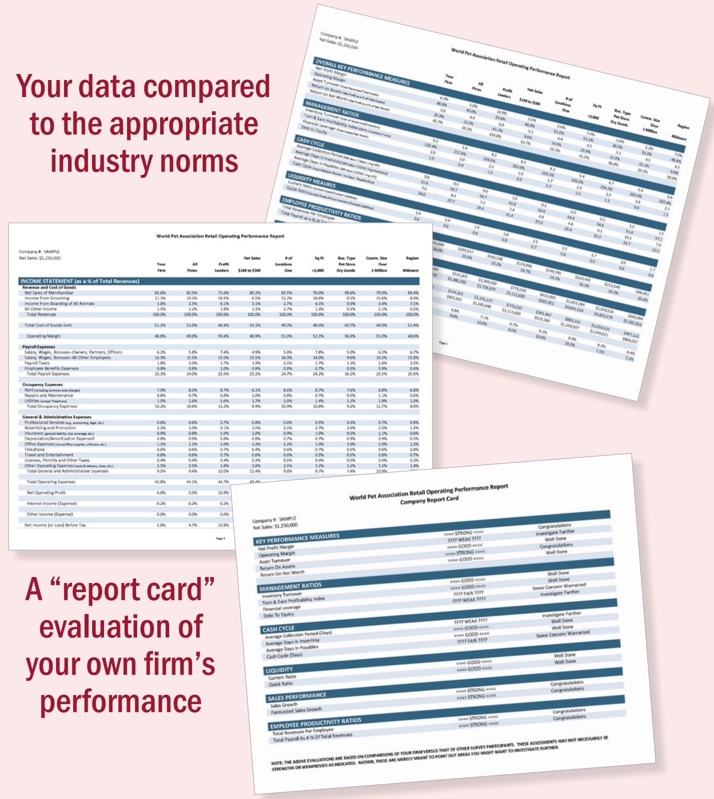
This report provides an "abridged" view of the survey results where the data is segmented by all responding companies, the type of business operated, and subsets within each type of business (by sales volume and profitability). In cases where a more precise data segment is desired, all survey participants and report purchasers may access the interactive, Online Reporting Tools (housed in the online WPA Benchmarking Portal at www.WPAsurvey.com), which allows for more specific data analyses (provided sampling requirements are met) than this report could reasonably contain. Users of the Online Reporting Tools are able to customize their own data cuts to create benchmarks that most closely match their circumstances or areas of interest. Additional filter options available through the Online Reporting Tools include: number of locations, square footage, community size served, and region.

In addition to the Online Reporting Tools, all companies participating in the World Pet Association Retail Operating Performance survey automatically receive a free confidential Company Performance Report. This report displays each company's own ratios and data, computed consistently with the full benchmarking report, alongside the appropriate industry comparatives. As shown above on the right, a company's data appears on each line next to reported norms for all respondents and for similar companies, providing invaluable insights without the need for manual calculations.

Sample Company Performance Report

The images on this page provide a sample of each of the sections that are included in each participant's Company Performance Reports (CPR). The actual CPR that participants receive contains information about their organization, compared against other similar companies and formatted as the pages below.

Your data compared to the appropriate industry norms



A "report card" evaluation of your own firm's performance

HOW TO USE THIS REPORT

This World Pet Association Retail Operating Performance Report has been designed to help companies evaluate their own performance relative to that of similar companies to identify improvement opportunities. The statistics in this report represent broad performance “yardsticks” against which a company’s performance can be measured.

Using the information within this report, industry members can compare their own company’s financial, operating, and sales figures with: the group of participants as a whole, the type of business operated, and subsets within each type of business (by sales volume and profitability). Spotting significant differences between your own company’s performance and the composites can be the first step toward improving performance. Please keep in mind:

1. A deviation between your company’s figures (for any performance measure) and numbers in the report is not necessarily good or bad. It merely indicates additional analysis may be required. As a rule, the larger the difference, the greater the need for further investigation.

2. In situations where large deviations do exist, it may be helpful to go back and calculate the same performance measure over the past several years to identify any trends that may exist.

3. The information in this report should be used as a tool for informed decision making rather than absolute standards. Since companies differ as to their product emphasis, location, size, and other factors, any two companies can be successful yet have very different experiences with regard to certain performance measures.

How the Report is Organized
The survey results have been separated into four chapters. Each chapter examines the key findings through the use of textual analysis and a number of charts, graphs, and tables. This year’s chapters examine respondent information by all responding companies, type of business, and subsets within each type of business, recognizing that each operates differently and follows distinct financial practices. The following shows the breakdown of the groupings included in each chapter:

Chapter 1: All Respondents and Type of Business – provides a general overview of the demographics of responding companies. Additionally, the detailed information is shown by all responding companies and business type. In particular, the data are segmented by:
- All Respondents
- Type of Business:
  - Pet Stores with Animals and Aquariums
  - Pet Stores Dry Goods Only
  - Grooming Stores with Retail Supplies

Chapter 2: Pet Stores with Animals and Aquariums – this chapter analyzes the data for those businesses that are pet stores that sell animals and have aquariums. The data are segmented by:
- All Pet Stores with Animals and Aquariums
- Profit Leaders (Based on Net Profit—top 50% of pet stores that sell animals and have aquariums)
- Net Sales
  - Less than $2 Million
  - $2 Million or More

Chapter 3: Pet Stores – Dry Goods Only – this chapter analyzes the data for those businesses that are pet stores that sell dry goods only. The data are segmented by:
- All Pet Stores – Dry Goods Only
- Profit Leaders (Based on Net Profit—top 50% of pet stores that sell dry goods only)
- Net Sales
  - Less than $2 Million
  - $2 Million or More

Chapter 4: Grooming Stores with Retail Supplies – this chapter analyzes the data for those businesses that are grooming stores that also sell retail supplies. The data are segmented by:
- All Grooming Stores with Retail Supplies
- Net Sales
  - Less than $500,000
  - $500,000 or More

As a reminder, additional filters are available on the Online Reporting Tools. These include: number of locations, square footage, community size served, and region.

- Number of Locations:
  - One Location
  - Multiple Locations

- Community Size:
  - Population Less than 100,000
  - Population 100,000 to 1 Million
  - Population Over 1 Million

- Retail Square Footage:
  - Less than 3,000 SF
  - 3,000 to 10,000 SF
  - Over 10,000 SF

- Geographic Region:
  - New England
  - Middle Atlantic
  - South Atlantic
  - East North Central
  - East South Central
  - West South Central
  - Mountain
  - Pacific

Introduction

How to Interpret the Numbers

Most of the results included in this study are reported on the basis of medians rather than arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The "median" value represents the mid-point of the data for a particular measure, with one-half of the respondents reporting figures above it and one-half below. Each median was computed independently based on the companies that reported for that item. As a result, mathematical relationships do not always exist when different ratios are used together in the calculation.

Smallest Number Reported ↓	Typical ↓	Largest Number Reported ↓
Lower 25% of Reported Figures	Middle 50% of Reported Figures (or Middle Range)	Upper 25% of Reported Figures
	↑ Median	

Reported figures were not used unless they were in accordance with the survey instructions and definitions. In cases where the number of companies reporting was considered inadequate for the computation of a meaningful figure, blank spaces appear in the tables, or an insufficient data (*) notation is included.

Further insights into how to use this report are included in the Appendix section entitled: "Key Ratio Definitions."

Using Ratios

While it is important to analyze financial information in dollars and cents, it is essential that percentages and ratios be used if the data is to be compared to past performance or to reported standards. For example, it is necessary to know your annual employee compensation expense, but it is even more essential to compare this expenditure with the value it produces. A useful measure of effectiveness of compensation expense is the percentage that payroll expense is relative to sales. Therefore, a ratio such as total payroll expense as a percent of sales can be useful in determining how efficiently your company uses its payroll dollars over time or compared to similar pet retail companies in general.

In addition, just as dollar figures are not overly meaningful by themselves; ratios should not be used in isolation. In combination they can provide an extremely accurate overall picture of financial performance and financial position. Financial performance refers to how well a facility performs over a period of time (generally one year) and financial position refers to financial strength at a given point in time.

The tables in this report include key ratios for comparing your company's performance to norms experienced by other pet retailers in the following key areas: return on investment (profitability), profit margin management, financial management, cash cycle, liquidity measures, sales performance, employee management and space productivity.

Summary and Conclusions

While the volume of information in this report may, at first, seem overwhelming, by following the approach outlined in the preceding pages, your time and efforts can be channeled into a very effective and beneficial analysis. To summarize:

Step 1— Gather all your financial, operating, and sales figures for your latest fiscal year. If you participated in this year's study, this has already been done for you.

Step 2— Calculate the various performance measures for your company that are used in the report. Start with the "Overall Key Performance Measures."
(If you participated in the survey and filled out the survey form completely, most of the calculations have already been made for you.)

Step 3— Determine which data comparisons in this report are most comparable to your company.

Step 4— Use the information in this report to analyze your company's strengths and weaknesses.

Even a relatively simple analysis of your company's own figures using the data for comparisons can yield important insights into your business. You do not have to be a financial expert to benefit from this information.

All Respondents and Type of Business

KEY FINDINGS

Listed below is a summary of key findings related to all responding companies and respondents by type of business. Additional key findings by type of business are included in each business type's corresponding chapter.

Respondent Profile

- The most popular response for the **type of business** operated was Pet Store – Dry Goods Only (38.0%). Grooming Store with Retail Supplies accounted for 18.5% of respondents, followed by Pet Store with Animals at 17.4%, Online Retailers at 13.0%, and Aquarium Store at 4.4%. Another 8.7% of respondents selected "Other," with typical responses including training, boarding, and mobile/storefront hybrid stores.

- The **size of the community** served can often influence financial performance. Slightly more than three in five (60.8%) respondents indicated that the population of their community is 100,000 people or more.

- More than three in 10 respondents were from the Pacific **region** (31.8%) of the United States, followed by 20.0% in the Mountain region and 11.8% in the Middle Atlantic **region**.

- The median **store size** for Pet Stores with Animals and Aquariums was 4,000 square feet; Pet Stores – Dry Goods Only had a store size of 2,200 square feet, and Grooming Stores with Retail Supplies reported a store size of 1,500 square feet.

- Less than one in 10 (7.8%) respondents are a **franchise operation**.

- The typical respondent has been in business for 13 years, which is also true for Pet Store – Dry Goods Only respondents. Those operating a Pet Store with Animals and Aquariums have been in business for nearly 25 years, while Grooming Stores with Retail Supplies have been in business for 10 years.

- $870,000 was the typical **sales volume** for survey respondents. Looking at sales by type of business, Pet Stores – Dry Goods Only had median sales of $1.2 million, while Pet Stores with Animals and Aquariums reported sales of nearly $1.5 million. Grooming Stores with Retail Supplies had $439,000 in sales.

- 7 **full-time equivalent employees** (FTEs) was the median response for all responding stores.

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All Respondents and Type of Business

KEY FINANCIAL MEASURES

- $54.22 was the median **sales per transaction** reported by all responding companies. Pet Stores with Animals and Aquariums had a median sales per transaction of $66.77 and Pet Stores – Dry Goods Only had $50.13. Grooming Stores with Retail Supplies saw the highest sales per transaction, reporting $75.66.

- **Return on asset**s is a good overall indicator of company profitability performance and is calculated as net profit before taxes as a percent of total assets. The typical respondent's return on assets performance during 2024 was 16.4%.

- **Return on net worth** indicates the profit earned as a percent of net worth (or owner's equity) and measures the amount of profit generated from the dollars invested in the company by ownership. The typical respondent reported a return on net worth of 17.8%. Pet Store – Dry Goods Only reported the highest return on net worth of all the business types with a 37.3% return.

- The typical respondent experienced an **operating margin** of 6.7%. Pet Stores with Animals and Aquariums had the highest operating margin of 8.2%.

- The average **payroll expense** for responding companies was 26.4%, and the average occupancy expense was 8.9%. Combined, these categories made up the largest share of the overall average total operating expense of 42.7%.

- After subtracting cost of goods sold and total operating expenses, respondents reported a 7.2% **net profit margin** (as a percent of total revenues). Pet Stores with Animals and Aquariums were the most profitable business type with an average net profit of 8.9%.

- The typical respondent reported **sales growth** of 3.0% in 2024. Grooming Stores with Retail Supplies saw the largest growth, reporting 3.3%. **Forecasted sales growth** for all respondents in 2025 is expected to be 5.0%.

- **Inventory turnove**r shows how rapidly inventory is moving and is calculated by cost of goods sold divided by average inventory. In any retail industry, this is a metric that should be tracked closely, as having too much inventory on hand can financially limit a company. The typical respondent reported 5.4 inventory turns, while Pet Stores – Dry Goods Only had the highest number of turns at 6.8.

- **Asset turnover** tells us how many sales dollars are being generated by each dollar of assets employed in running the business. Overall, respondents to this year's study reported a median asset turnover of 4.7 for the year. Pet Stores – Dry Goods Only had the highest asset turnover during 2024 of 5.0.

- **Financial leverage** (total assets divided by net worth) and the **debt to equity ratio** (liabilities divided by net worth) are good indicators of how much a company is financed by debt versus the equity invested by the owners. The typical respondent reported a median financial leverage value of 1.4 and a median debt to equity ratio of 0.4. A debt to equity ratio of 1.0 would indicate that owners have an equal stake in the company's assets as outside creditors/lenders. A low debt to equity ratio typically implies a very stable organization.

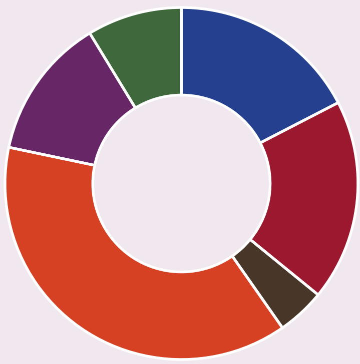
- The **current ratio** is a liquidity measure, and it indicates a firm's ability to pay short-term debt with funds (assets) currently available. The higher the value, the easier it will be for a company to pay off debt that is coming due. The typical respondent reported a current ratio of 4.2, and all company types had a value of 2.7 or higher.

- The **quick ratio** is another liquidity measure but subtracts inventory from current assets since inventory is not readily convertible to cash. The typical overall respondent reported a quick ratio of 1.4.

All Respondents and Type of Business

EXECUTIVE SUMMARY

Type of Business All Respondents



17.4% Pet Store with Animals

18.5% Grooming Store with Retail Supplies

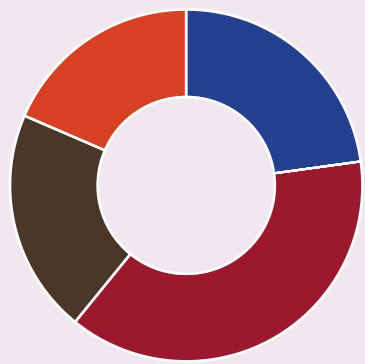
4.4% Aquarium Store

38.0% Pet Store – Dry Goods Only

13.0% Online Retailer

8.7% Other

Community Size of Store Locations All Respondents



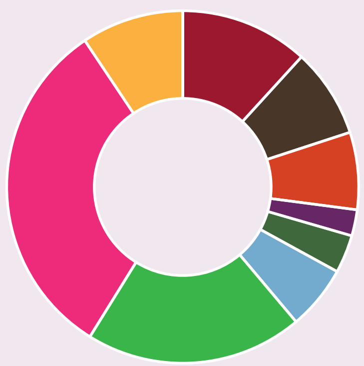
22.8% Major Metro Area (over 1 million population)

38.0% Moderate size city (100,000 to 1 million)

20.6% Small city (25,000 to less than 100,000)

18.5% Town of fewer than 25,000 or Rural Area

Region All Respondents



0.0%	New England
11.8%	Middle Atlantic
8.2%	South Atlantic
7.1%	East North Central
2.4%	East South Central
3.5%	West North Central
5.9%	West South Central
20.0%	Mountain
31.8%	Pacific
9.4%	Canada

Years in Operation

Total Square Feet per Store

Weekly Hours of Operation

All Respondents and Type of Business

SALES AND EMPLOYEE INFORMATION

$870,000
Sales

$54.22
Sale Price per Transaction

$160,000
Total Revenues Per Employee

7.0
Number of Employees (in FTEs)

26.4%
Total Payroll as a % of Total Revenues

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
ALL RESPONDENTS	3.0%	5.0%
PET STORES WITH ANIMALS & AQUARIUMS	2.9%	5.0%
GROOMING STORES WITH RETAIL SUPPLIES	3.3%	5.0%
PET STORES – DRY GOODS ONLY	2.4%	3.0%

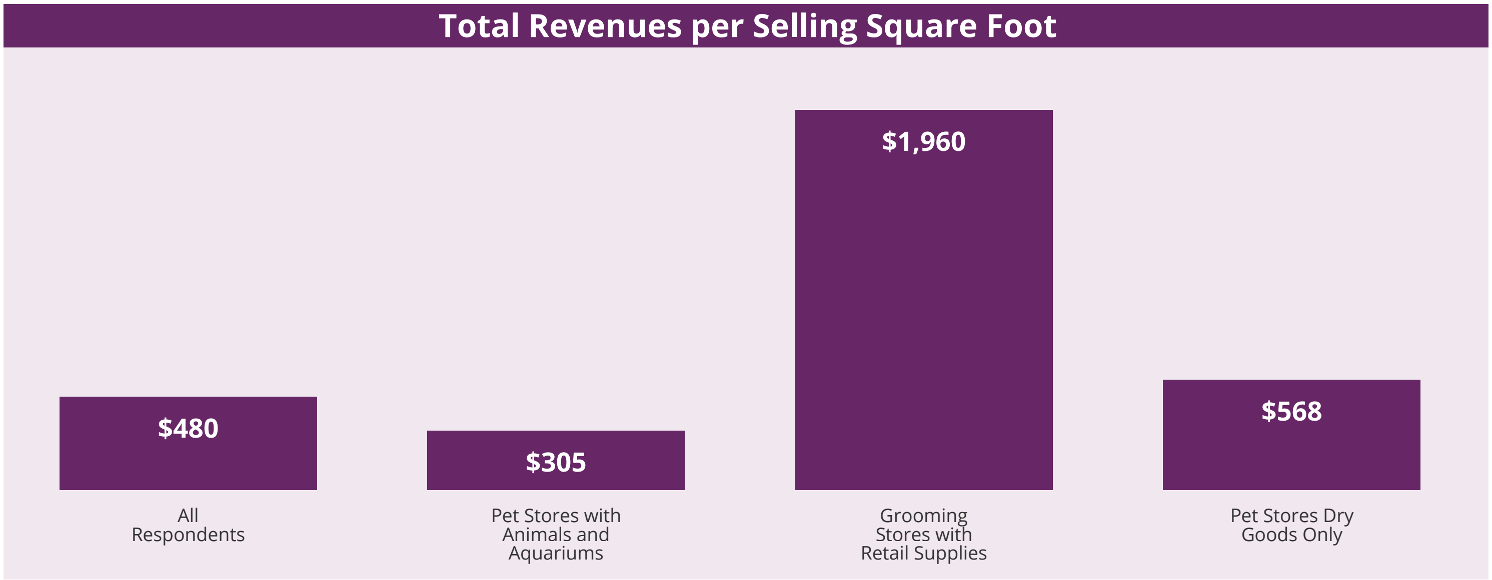
OVERALL KEY PERFORMANCE MEASURES

Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
7.2%	X	2.3	=	16.4%	X	1.1	=	17.8%

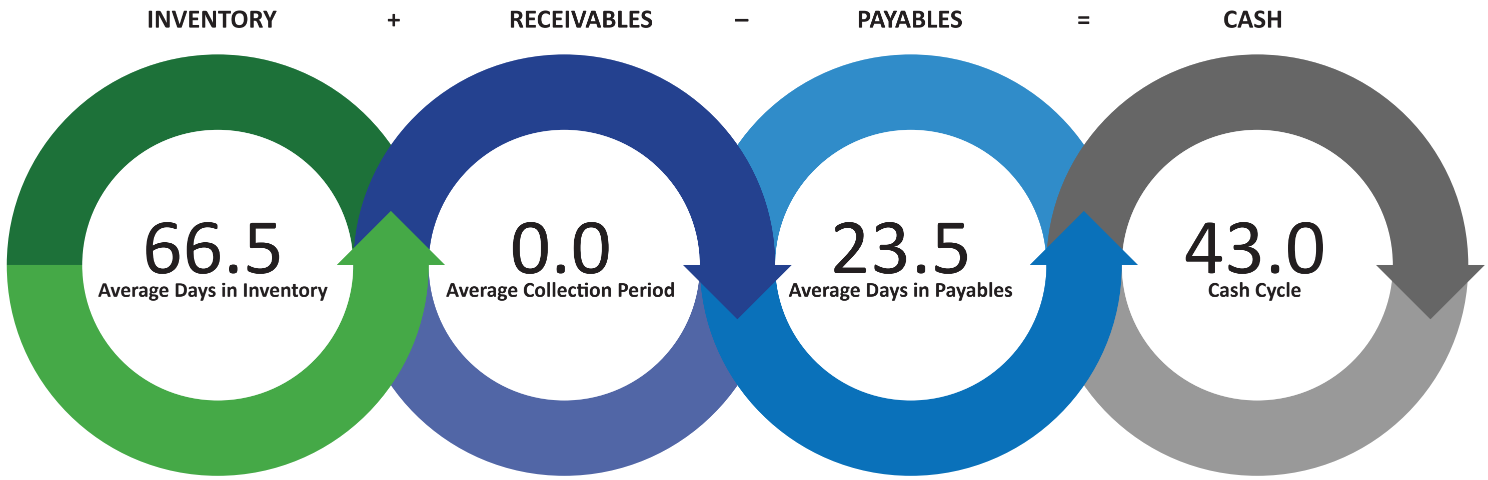
Operating Margin (Operating Margin as a % of Total Revenue)

Inventory Turnover (Cost of Goods Sold/Inventory)

All Respondents and Type of Business



CASH CYCLE



MULTI-YEAR TREND COMPARISON

Chapter 1 - All Respondents	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.6%	7.3%	5.6%	9.4%	9.9%	5.0%	7.2%
Operating Margin (Operating Margin as % of Total Revenues)	7.8%	7.4%	5.7%	7.4%	9.4%	4.8%	6.7%
Asset Turnover (Total Revenues/Total Assets)	4.4	4.3	5.0	3.7	4.7	4.8	4.7
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	18.7%	20.6%	21.7%	32.8%	43.5%	19.1%	16.4%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	34.6%	38.5%	31.1%	53.2%	58.1%	29.9%	17.8%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	5.3	5.5	6.0	6.5	6.3	5.8	5.4
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	221.0%	224.7%	247.9%	283.2%	221.4%	231.9%	222.0%
Financial Leverage (Total Assets/Net Worth)	1.5	1.4	1.6	1.4	1.2	1.3	1.4
Debt to Equity	0.5	0.5	0.6	0.4	0.2	0.3	0.4
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	2.1	2.5	2.7	2.4	3.9	2.9	4.2
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.6	0.7	0.8	1.0	1.2	0.8	1.4
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$157,970	$180,939	$181,279	$192,246	$166,667	$169,810	$160,000
Total Payroll as a % of Total Revenues	24.5%	24.4%	24.2%	22.1%	23.5%	25.7%	26.4%
SALES PERFORMANCE							
Median Current Year Sales	$946,835	$977,512	$1,250,950	$996,277	$1,000,000	$580,000	$870,000
Median Net Sales per Location	$859,231	$875,861	$1,000,000	$777,778	$735,604	$500,000	$788,958
Average Net Sales per Location	$1,718,196	$1,219,970	$1,384,742	$4,777,887	$1,587,625	$1,062,391	$1,237,890
Sales Growth	5.9%	4.4%	3.4%	17.5%	8.5%	7.4%	3.0%
Forecasted Sales Growth	6.0%	2.0%	5.0%	8.4%	7.0%	10.0%	5.0%

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All Respondents and Type of Business

Chapter 1 - All Respondents							
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	83.9%	86.4%	92.6%	93.9%	98.5%	93.9%	95.8%
Income from Grooming	12.2%	11.3%	4.9%	1.5%	0.8%	3.0%	1.2%
Income from Boarding of All Animals	2.0%	0.8%	0.3%	4.2%	0.0%	0.9%	1.4%
All Other Income	2.0%	1.6%	0.3%	0.4%	0.6%	2.2%	1.6%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	47.2%	49.6%	53.5%	54.3%	53.4%	52.4%	50.6%
Gross Margin	52.8%	50.5%	46.5%	45.7%	46.6%	47.6%	49.4%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	4.9%	4.9%	5.0%	5.2%	4.8%	5.1%	5.8%
Salary, Wages, Bonuses, Commission--All Other Employees	16.8%	16.4%	16.1%	14.3%	16.4%	17.2%	16.8%
Payroll Taxes	2.1%	2.1%	1.8%	1.6%	1.4%	2.2%	2.6%
Employee Benefits Expenses	0.7%	1.1%	1.3%	1.0%	1.0%	1.2%	1.2%
Total Payroll Expenses	24.5%	24.4%	24.2%	22.1%	23.5%	25.7%	26.4%
Occupancy Expenses							
Rent (including common area charges)	8.6%	7.8%	6.7%	7.1%	7.0%	7.0%	6.8%
Repairs and Maintenance	0.9%	0.7%	0.6%	0.6%	0.6%	0.6%	0.7%
Utilities (except Telephone)	1.6%	1.5%	1.1%	1.1%	1.6%	1.3%	1.4%
Total Occupancy Expenses	11.0%	10.0%	8.4%	8.7%	9.3%	9.0%	8.9%
Total Operating Expenses	45.0%	43.0%	40.8%	38.3%	37.1%	42.7%	42.7%
Operating Profit	7.8%	7.4%	5.7%	7.4%	9.4%	4.8%	6.7%
Interest Income (Expense)	-0.2%	-0.2%	-0.1%	0.0%	0.0%	-0.1%	0.0%
Other Income (Expense)	0.1%	0.1%	0.0%	0.3%	0.4%	0.2%	0.5%
Net Income (or Loss) Before Tax	7.6%	7.3%	5.6%	9.4%	9.9%	5.0%	7.2%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)							
Professional Services (e.g., accounting, legal, etc.)	6.8%	7.3%	6.2%	6.1%	11.2%	10.6%	13.2%
Advertising and Promotion	20.4%	21.1%	18.4%	20.1%	8.6%	15.2%	21.0%
Insurance (general liability, loss coverage, etc.)	10.2%	10.1%	7.0%	8.5%	16.6%	16.0%	11.8%
Depreciation/Amortization Expense	7.5%	7.5%	18.2%	9.2%	12.8%	11.9%	8.0%
Office Expenses (store/office supplies, computer equipment/ software, general postage)	14.0%	14.0%	13.2%	16.4%	17.7%	13.7%	10.5%
Telephone	6.0%	5.7%	3.4%	3.2%	6.4%	4.8%	5.1%
Travel and Entertainment	6.5%	6.0%	2.7%	2.2%	2.4%	1.8%	3.7%
Licenses, Permits and Other Taxes	2.4%	2.1%	2.9%	10.2%	12.0%	2.5%	2.8%
All Other	26.2%	26.1%	27.6%	24.4%	12.3%	23.5%	23.9%
Total General and Administrative Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

WPA World Pet Association

All Respondents and Type of Business

DETAILED INFORMATION

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.2%	8.9%	3.7%	6.1%
Operating Margin (Operating Margin as % of Total Revenues)	6.7%	8.2%	3.6%	5.8%
Asset Turnover (Total Revenues/Total Assets)	4.7	4.6	2.8	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	16.4%	24.7%	35.3%	13.7%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	17.8%	15.4%	9.4%	37.3%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	5.4	4.1	1.6	6.8
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	222.0%	212.1%	127.0%	263.5%
Financial Leverage (Total Assets/Net Worth)	1.4	1.3	1.9	1.6
Debt to Equity	0.4	0.3	0.9	0.6
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.0	0.5	0.4	0.0
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	66.5	89.2	47.7	51.6
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	14.9	26.6	4.6	15.0
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	43.0	60.4	43.2	31.6
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	4.2	3.1	5.5	2.7
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	1.4	1.0	1.5	1.2
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$160,000	$178,162	$93,921	$207,202
Total Payroll as a % of Total Revenues	26.4%	26.6%	58.0%	18.1%
Payroll Per Employee	$43,692	$36,981	$52,350	$45,269
Operating Margin Per Employee	$83,016	$79,838	$82,659	$94,191
SALES PERFORMANCE				
Median Current Year Sales	$870,000	$1,474,000	$439,000	$1,200,000
Average Current Year Sales	$113,183,404	$10,158,928	$408,650	$57,194,006
Median Net Sales per Location	$788,958	$975,000	$293,000	$928,000
Average Net Sales per Location	$1,237,890	$2,022,547	$339,450	$1,050,712
2024 Sales Growth	3.0%	2.9%	3.3%	2.4%
Forecasted 2025 Sales Growth	5.0%	5.0%	5.0%	3.0%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	9.7%	3.2%	*	9.9%
Freestanding	30.2%	46.0%	*	38.8%
Strip Center	23.9%	27.6%	*	33.5%
Online	36.2%	23.2%	*	17.8%
Total Net Sales	100.0%	100.0%	*	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	2,400	4,000	1,500	2,200
Selling Square Feet Per Store	1,800	3,000	125	1,800
Total Revenues Per Selling Square Foot	$480	$305	$1,960	$568
Operating Margin Per Selling Square Foot	$283	$229	*	$300

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	95.8%	93.1%	95.7%	98.9%
Income from Grooming	1.2%	0.8%	4.2%	0.3%
Income from Boarding of All Animals	1.4%	3.3%	0.0%	0.0%
All Other Income	1.6%	2.8%	0.0%	0.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	50.6%	47.2%	14.4%	63.0%
Gross Margin	49.4%	52.8%	85.6%	37.0%
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.8%	5.0%	12.3%	5.5%
Salary, Wages, Bonuses, Commission--All Other Employees	16.8%	17.3%	41.1%	10.5%
Payroll Taxes	2.6%	3.0%	1.7%	1.4%
Employee Benefits Expenses	1.2%	1.4%	2.9%	0.8%
Total Payroll Expenses	26.4%	26.6%	58.0%	18.1%
Occupancy Expenses				
Rent (including common area charges)	6.8%	6.9%	8.2%	6.3%
Repairs and Maintenance	0.7%	0.9%	1.3%	0.3%
Utilities (except Telephone)	1.4%	1.5%	2.4%	1.0%
Total Occupancy Expenses	8.9%	9.3%	12.0%	7.6%
Total Operating Expenses	42.7%	44.6%	81.9%	31.2%
Operating Profit	6.7%	8.2%	3.6%	5.8%
Interest Income (Expense)	0.0%	0.1%	0.1%	-0.1%
Other Income (Expense)	0.5%	0.7%	0.0%	0.4%
Net Income (or Loss) Before Tax	7.2%	8.9%	3.7%	6.1%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)				
Professional Services (e.g., accounting, legal, etc.)	13.2%	11.8%	*	14.9%
Advertising and Promotion	21.0%	13.0%	*	27.4%
Insurance (general liability, loss coverage, etc.)	11.8%	13.0%	*	9.9%
Depreciation/Amortization Expense	8.0%	7.8%	*	9.6%
Office Expenses (store/office supplies, computer equipment/software, general postage)	10.5%	12.6%	*	7.0%
Telephone	5.1%	7.6%	*	1.8%
Travel and Entertainment	3.7%	5.5%	*	1.9%
Licenses, Permits and Other Taxes	2.8%	3.3%	*	2.8%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	23.9%	25.5%	*	24.7%
Total General and Administrative Expenses	100.0%	100.0%	*	100.0%

World Pet Association

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	21.5%	23.2%	15.4%	21.2%
Accounts & Notes Receivable	1.6%	1.3%	0.2%	2.4%
Inventory	38.3%	38.8%	25.2%	45.5%
Other Current Assets	17.8%	12.8%	41.5%	6.3%
Total Current Assets	79.2%	76.1%	82.3%	75.4%
Total Noncurrent Assets	20.8%	23.9%	17.7%	24.6%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	16.9%	22.5%	7.6%	17.5%
Other Current Liabilities	13.8%	8.3%	11.6%	25.4%
Total Current Liabilities	30.6%	30.8%	19.2%	42.9%
Long Term Liabilities	22.1%	21.0%	23.2%	25.7%
Net Worth	47.2%	48.2%	57.6%	31.4%
Total Liabilities & Net Worth	100.0%	100.0%	100.0%	100.0%
RESPONDENT PROFILE				
Typical number of locations				
Median	1.0	1.0	1.0	1.0
Average	13.5	8.6	1.3	27.3
Type of business				
Pet Store with Animals	17.4%	80.0%	0.0%	0.0%
Grooming Store w/Retail Supplies	18.5%	0.0%	100.0%	0.0%
Aquarium Store	4.4%	20.0%	0.0%	0.0%
Pet Store Dry Goods Only	38.0%	0.0%	0.0%	100.0%
Online Retailer	13.0%	0.0%	0.0%	0.0%
Other	8.7%	0.0%	0.0%	0.0%
If you operate a pet store with animals, which animals do you sell?				
Dog	25.0%	25.0%	*	*
Cat	18.8%	18.8%	*	*
Bird	81.2%	81.2%	*	*
Freshwater Fish	56.2%	56.2%	*	*
Saltwater Fish	18.8%	18.8%	*	*
Reptile	62.5%	62.5%	*	*
Small Animal	81.2%	81.2%	*	*

World Pet Association

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
Service offered				
Grooming	45.8%	35.3%	100.0%	29.2%
Training	19.4%	29.4%	17.6%	16.7%
Aquarium Service	9.7%	29.4%	5.9%	4.2%
Wing Clipping	15.3%	41.2%	17.6%	0.0%
Veterinary Care	1.4%	0.0%	0.0%	4.2%
Boarding (Dog/Cat)	9.7%	5.9%	23.5%	8.3%
Boarding (Other)	9.7%	35.3%	5.9%	0.0%
Day Care	9.7%	5.9%	23.5%	8.3%
Nail Trimming	47.2%	47.1%	88.2%	37.5%
Other	43.1%	35.3%	11.8%	50.0%
Is your store a franchise operation?				
Yes	7.8%	10.5%	0.0%	14.3%
No	92.2%	89.5%	100.0%	85.7%
Community size of store location(s)				
Major Metro Area (over 1 million population)	22.8%	20.0%	17.6%	8.6%
Moderate size city (100,000 to 1 million)	38.0%	50.0%	35.3%	40.0%
Small city (25,000 to less than 100,000)	20.6%	15.0%	35.3%	20.0%
Town of fewer than 25,000 or rural area	18.5%	15.0%	11.8%	31.4%
Years in operation				
Median	13.0	24.5	10.0	13.0
Average	18.1	28.4	14.5	17.0
Legal form of business				
C-Corp	18.9%	15.0%	11.8%	17.6%
S-Corp	31.1%	45.0%	23.5%	32.4%
Partnership (LLC)	25.6%	15.0%	41.2%	26.5%
Sole proprietorship	15.6%	15.0%	11.8%	14.7%
Other	8.9%	10.0%	11.8%	8.8%
Business premises owned vs leased				
Owned	19.8%	20.0%	17.6%	14.3%
Leased	69.2%	75.0%	82.4%	80.0%
Both Owned and Leased (multiple locations)	6.6%	5.0%	0.0%	5.7%
Other	4.4%	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2024				
Median	57.5	59.5	50.0	55.5
Average	55.1	60.2	51.3	55.8
Total number of company-wide register transactions in 2024				
Median	20,320	37,898	8,124	24,160
Average	123,381	90,069	77,314	209,139
Sale price per register transaction in 2024				
Median	$54.22	$66.77	$75.66	$50.13
Average	$435.68	$1,502.92	$88.62	$56.47

World Pet Association

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	7.0	9.5	7.0	7.0
Average	25.2	34.0	8.8	33.1
Number of Full-Time Employees				
Median	4.0	8.0	4.0	4.5
Average	18.4	26.9	5.9	25.9
Number of Part-Time Employees				
Median	4.0	5.2	2.0	4.0
Average	9.4	10.9	3.9	10.9
Employee Turnover				
All Employees	22.6%	27.4%	10.1%	29.8%
Full-Time Employees	15.2%	18.3%	8.7%	18.7%
Part-Time Employees	34.3%	54.5%	9.2%	32.6%
GIFT CARDS				
Does company sell store gift cards?				
Yes	69.0%	65.0%	60.0%	90.3%
No	31.0%	35.0%	40.0%	9.7%
If store gift cards are sold, Total 2024 Gift Card Sales				
Median	$1,900	$10,000	$140	$1,900
Average	$20,464	$18,146	$322	$33,352
If store gift cards are sold, Total 2024 Gift Card Sales as a % of Total Revenues				
Median	0.2%	0.3%	**	0.1%
Average	0.8%	0.4%	**	1.1%
RETAIL SALES MIX				
General Sales Mix				
Pet food	40.8%	31.9%	21.8%	61.1%
Dry Goods	26.1%	25.9%	7.7%	32.2%
Live Animals	8.4%	28.8%	9.1%	0.4%
Other	24.7%	13.4%	61.4%	6.4%
Total	100.0%	100.0%	100.0%	100.0%
Detailed Category Sales Mix				
Aquatics	6.6%	29.9%	0.0%	0.9%
Bird	5.0%	14.7%	0.0%	5.7%
Cat	16.0%	6.0%	12.6%	21.5%
Dog	45.1%	24.3%	19.3%	58.7%
Reptile	1.3%	2.9%	0.0%	2.0%
Small Animals	1.5%	4.6%	0.4%	0.6%
Services	17.4%	8.5%	66.6%	8.9%
Other	7.2%	9.2%	1.1%	1.7%
Total	100.0%	100.0%	100.0%	100.0%

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
MARGINS AND TURNOVER				
Pet food				
Initial Margin	32.0%	35.0%	*	32.5%
Realized Margin (or Gross Margin)	30.0%	34.0%	*	30.0%
Inventory Turnover	8.5	8.1	*	14.0
Dry goods				
Initial Margin	50.0%	50.0%	*	50.0%
Realized Margin (or Gross Margin)	45.6%	45.6%	*	48.7%
Inventory Turnover	4.2	4.5	*	7.0
Live animals				
Initial Margin	64.8%	65.0%	*	*
Realized Margin (or Gross Margin)	63.6%	65.0%	*	*
Inventory Turnover	9.0	9.0	*	*
Aquatics (total)				
Initial Margin	51.0%	56.0%	*	*
Realized Margin (or Gross Margin)	55.0%	57.0%	*	*
Inventory Turnover	4.0	4.2	*	*
Bird (total)				
Initial Margin	50.8%	60.0%	*	*
Realized Margin (or Gross Margin)	53.0%	55.0%	*	*
Inventory Turnover	4.0	4.0	*	*
Cat (total)				
Initial Margin	40.1%	45.0%	*	*
Realized Margin (or Gross Margin)	40.0%	43.8%	*	*
Inventory Turnover	5.5	5.5	*	*
Dog (total)				
Initial Margin	45.0%	52.0%	*	40.0%
Realized Margin (or Gross Margin)	44.4%	49.0%	*	43.1%
Inventory Turnover	7.0	5.2	*	*
Reptile (total)				
Initial Margin	55.0%	59.0%	*	*
Realized Margin (or Gross Margin)	53.5%	59.0%	*	*
Inventory Turnover	5.2	6.0	*	*
Small animals (total)				
Initial Margin	51.8%	59.0%	*	*
Realized Margin (or Gross Margin)	51.8%	60.0%	*	*
Inventory Turnover	6.6	7.0	*	*
Services (total)				
Initial Margin	83.0%	86.0%	*	*
Realized Margin (or Gross Margin)	77.5%	80.0%	*	*
Inventory Turnover	*	*	*	*

All Respondents and Type of Business

Chapter 1 - All Respondents	FY 2024			
	All Respondents	Pet Store With Animals + Aquariums	Grooming Store W/Retail Supplies	Pet Stores Dry Goods Only
ADVERTISING/MARKETING				
Marketing budget (as a percent of total revenue) in each of the following years:				
2023	1.5%	2.6%	5.0%	1.5%
2024	2.0%	2.6%	5.0%	1.1%
Anticipated 2025	2.0%	3.5%	7.5%	1.4%
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	12.1%	15.0%	0.0%	15.4%
Cable TV Advertising	10.3%	20.0%	0.0%	7.7%
Radio Advertising	22.4%	20.0%	11.1%	38.5%
Co-Op Advertising with your supplier/manufacturer	39.7%	60.0%	22.2%	15.4%
Newspaper Advertising/Magazine Advertising	39.7%	40.0%	22.2%	53.8%
Non-Reimbursed Coupon Expense	24.1%	40.0%	11.1%	23.1%
Website/online advertisements	75.9%	85.0%	55.6%	69.2%
Email Blasts	74.1%	90.0%	66.7%	53.8%
In-Store/Community Events	63.8%	80.0%	44.4%	53.8%
Other	24.1%	20.0%	33.3%	15.4%
Percentage of advertising/marketing budget spent:				
In-house	64.2%	54.4%	76.5%	68.4%
Outsourced	35.8%	45.6%	23.5%	31.6%
Total	100.0%	100.0%	100.0%	100.0%
Does company allow ordering through own website?				
Yes	59.5%	55.0%	20.0%	64.5%
No	40.5%	45.0%	80.0%	35.5%
If yes, percent of 2024 sales that were made through own website				
Median	5.0%	5.0%	*	2.0%
Average	14.3%	4.7%	*	4.6%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	14.7%	22.2%	16.7%	9.1%
Yes, in 13-24 months	17.6%	22.2%	0.0%	27.3%
Yes, in more than 24 months	2.9%	0.0%	8.3%	0.0%
No	64.7%	55.6%	75.0%	63.6%

Pet Stores with Animals & Aquariums

KEY FINDINGS

The following summary highlights key findings for Pet Stores with Animals and Aquariums, focusing on the most profitable stores as well as stores by revenue size (Less Than $2 Million and $2 Million or More).

Respondent Profile

- The **size of the community served** can often influence financial performance. 70% of all responding Pet Stores with Animals and Aquariums indicated that the population of their community is 100,000 people or more.
- The median **store size** for all Pet Stores with Animals and Aquariums was 4,000 square feet. As could be expected, the respondents in the $2 Million or More sales group had more square footage than the Less than $2 Million in sales group, 4,850 square feet and 2,900 square feet, respectively.
- 10.5% of all responding Pet Stores with Animals and Aquariums are a **franchise operation**.
- The typical Pet Store with Animals and Aquariums has been in business for 25 years as compared to seven years for the Profit Leaders.
- $1.5 million was the typical **sales volume** for Pet Stores with Animals and Aquariums.
- The median number of **full-time equivalent employees** (FTEs) for all Pet Stores with Animal and Aquariums was 9.5. The $2 Million or More sales group reported a typical staff size of 37 FTEs.

KEY FINANCIAL MEASURES

- $66.77 was the median **sales per transaction** reported by all responding Pet Stores with Animals and Aquariums. The Profit Leaders outpaced the typical Pet Store with Animals and Aquariums respondent with a median sale per transaction of $88.47.

- **Return on assets** is a good overall indicator of company profitability performance and is calculated as net profit before taxes as a percent of total assets. The typical Pet Store with Animals and Aquariums' return on assets performance during 2024 was 24.7%, while the most profitable companies experienced a 33.8% return.

- **Return on net worth** indicates the profit earned as a percent of net worth (or owner's equity) and measures the amount of profit generated from the dollars invested in the company by ownership. The typical Pet Store with Animals and Aquariums reported a return on net worth of 15.4%, while respondents in the $2 Million or More in revenue group reported a return on net worth of 13.6%

- The typical Pet Store with Animals and Aquariums experienced an **operating margin** of 8.2%. Profit Leaders experienced a 15.0% operating margin.

- The average **payroll expense** for Pet Stores with Animals and Aquariums was 26.6%, and the average occupancy expense was 9.3%. Together, these represent significant portions of the overall average total operating expense of 44.6%.

- After subtracting cost of goods sold and total operating expenses, Pet Stores with Animals and Aquariums reported an average **net profit margin** of 8.9% (as a percentage of total revenues). By comparison, Profit Leaders achieved a 15.8% net profit margin.

- The typical Pet Store with Animals and Aquariums reported **sales growth** of 2.9% in 2024 over 2023, and a **forecasted sales growth** of 5.0% for 2025.

- **Inventory turnover** shows how rapidly inventory is moving and is calculated by cost of goods sold divided by average inventory. In any retail industry, this is a metric that should be tracked closely, as having too much inventory on hand can financially limit a company. The typical Pet Store with Animals and Aquariums reported inventory turns of 4.1.

- **Asset turnove**r tells us how many sales dollars are being generated by each dollar of assets employed in running the business. Overall, Pet Stores with Animals and Aquariums reported a median asset turnover of 4.6 for the year.

- **Financial leverage** (total assets divided by net worth) and the **debt to equity ratio** (liabilities divided by net worth) are good indicators of how much a company is financed by debt versus the equity invested by the owners. The typical Pet Store with Animals and Aquariums reported a median financial leverage value of 1.3 and a median debt to equity ratio of 0.3. A debt to equity ratio of 1.0 would indicate that owners have an equal stake in the company's assets as outside creditors/lenders. A low debt to equity ratio typically implies a very stable organization.

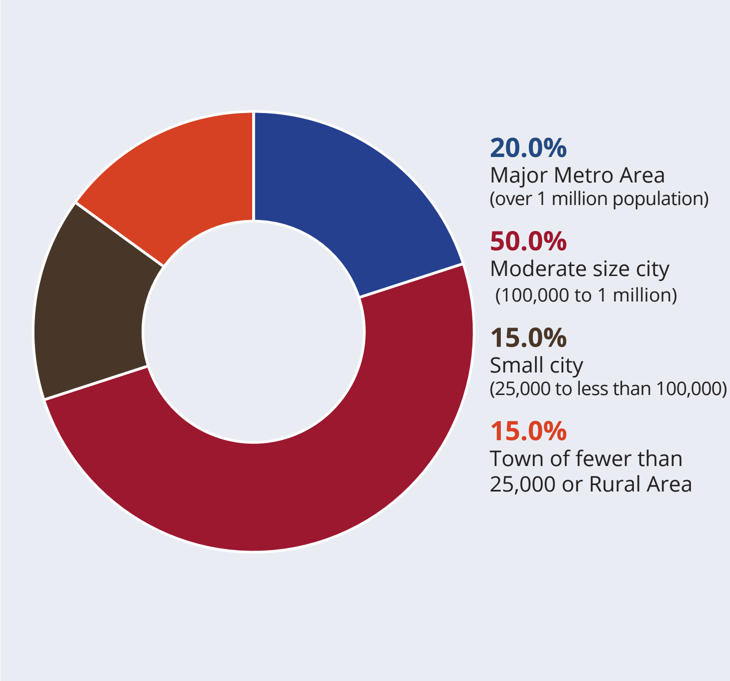
- The **current ratio** is a liquidity measure and it indicates a firm's ability to pay short-term debt with funds (assets) currently available. The higher the value, the easier it will be for a company to pay off debt that is coming due. The typical Pet Store with Animals and Aquariums reported a current ratio of 3.1.

- The **quick ratio** is another liquidity measure but subtracts inventory from current assets since inventory is not readily convertible to cash. The typical Pet Store with Animals and Aquariums respondent reported a quick ratio of 1.0, compared to 1.3 for the Profit Leaders.

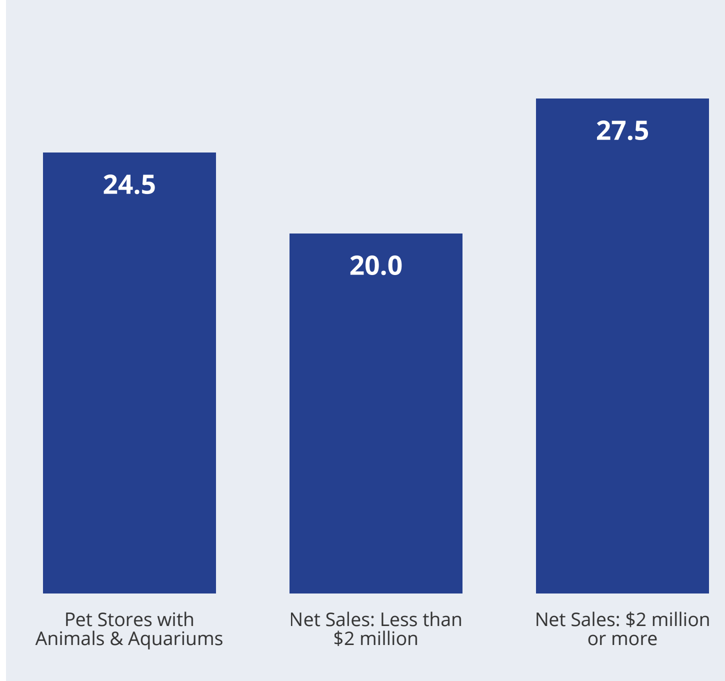
Pet Stores with Animals & Aquariums

EXECUTIVE SUMMARY

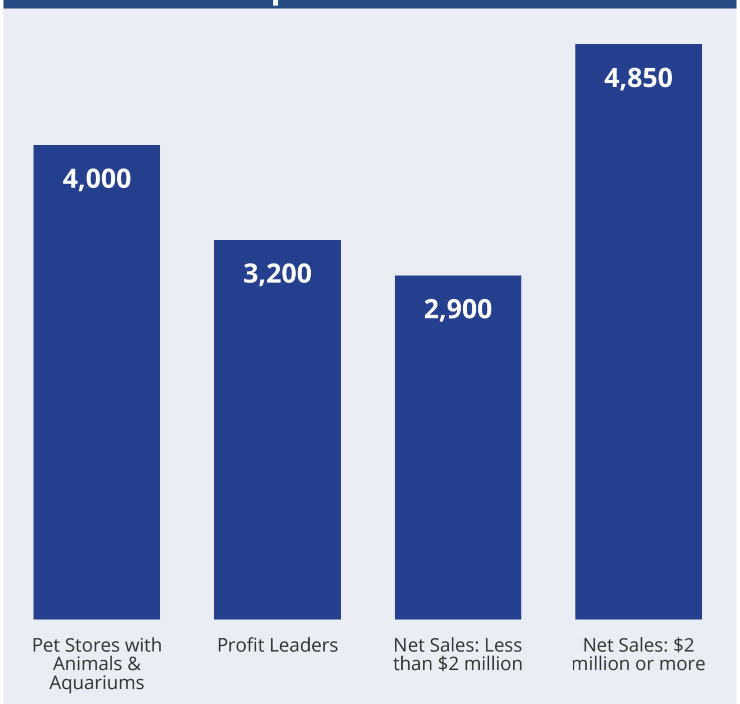
Community Size of Store Location(s)



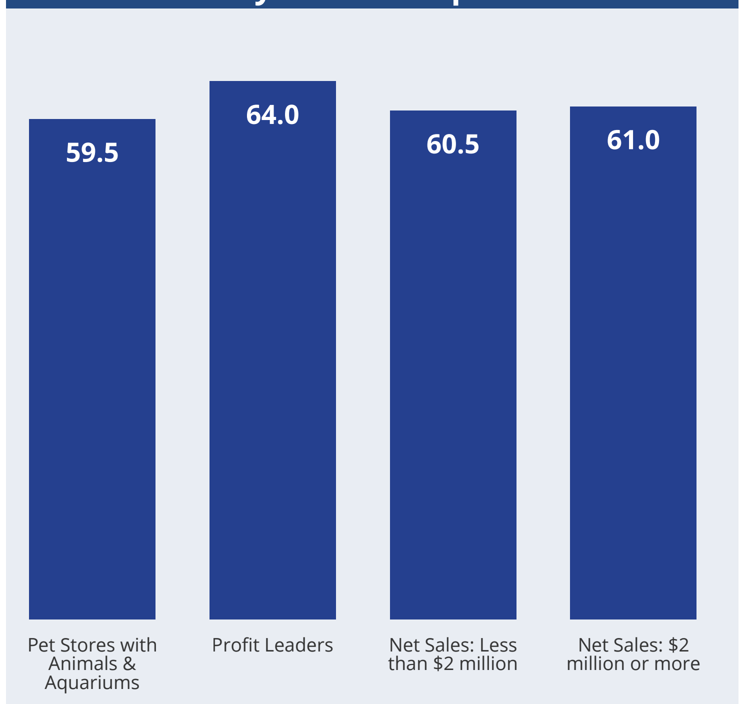
Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation



Pet Stores with Animals & Aquariums

SALES AND EMPLOYEE INFORMATION

$1,474,000
Sales

$66.77
Sale Price per Transaction

$178,162
Total Revenues Per Employee

9.5
Number of Employees (in FTEs)

26.6%
Total Payroll as a % of Total Revenues

SALES GROWTH VS PRIOR YEAR		FORECASTED SALES GROWTH
2.9%	PET STORES WITH ANIMALS & AQUARIUMS	5.0%
0.9%	PROFIT LEADERS	4.0%
1.6%	NET SALES: LESS THAN $2 MILLION	5.0%
2.9%	NET SALES: $2 MILLION OR MORE	5.0%

OVERALL KEY PERFORMANCE MEASURES

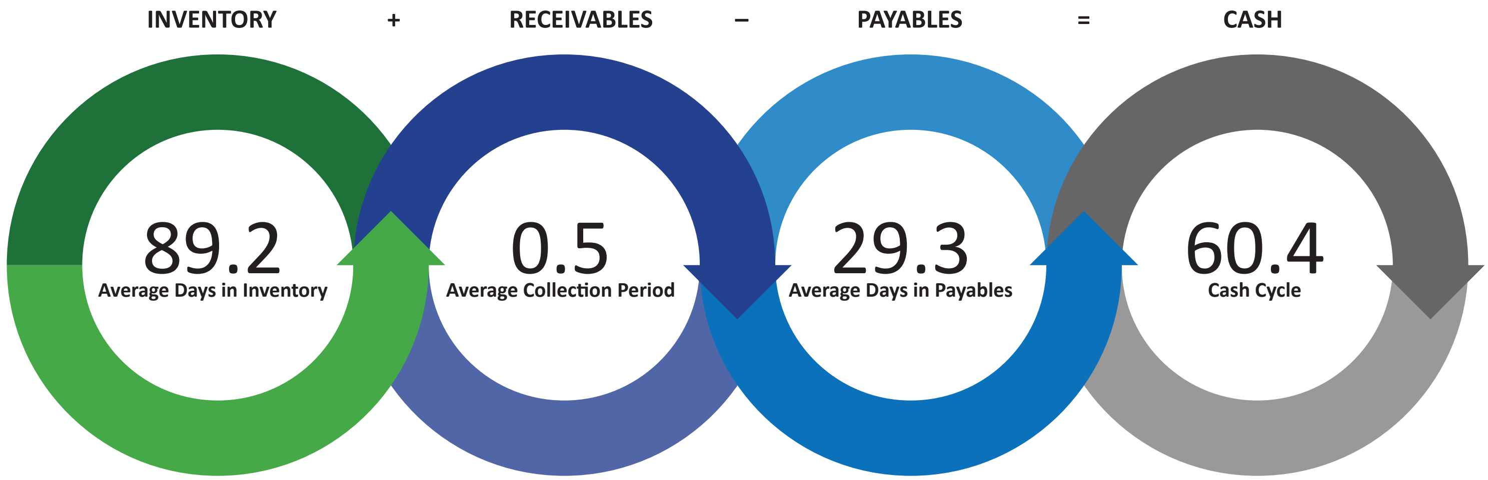
Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
8.9%	X	2.8	=	24.7%	X	0.6	=	15.4%

Operating Margin (Operating Margin as a % of Total Revenue)

Inventory Turnover (Cost of Goods Sold/Inventory)

Total Revenues per Selling Square Foot

CASH CYCLE



MULTI-YEAR TREND COMPARISON

Chapter 2 - Pet Stores with Animals & Aquariums	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.5%	8.4%	6.6%	2.3%	8.7%	7.2%	8.9%
Operating Margin (Operating Margin as % of Total Revenues)	7.6%	8.5%	6.6%	0.3%	8.7%	7.0%	8.2%
Asset Turnover (Total Revenues/Total Assets)	4.7	4.7	4.9	3.3	4.5	4.6	4.6
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	19.4%	24.4%	23.4%	21.9%	24.6%	22.3%	24.7%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	40.8%	44.0%	52.9%	49.9%	44.9%	31.0%	15.4%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	5.6	5.4	5.2	5.4	5.3	5.3	4.1
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	276.8%	277.8%	217.0%	282.9%	227.9%	222.4%	212.1%
Financial Leverage (Total Assets/Net Worth)	1.5	1.4	1.8	1.5	1.6	1.4	1.3
Debt to Equity	0.5	0.5	0.7	0.5	0.6	0.4	0.3
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	3.0	3.7	3.5	3.0	3.1	3.0	3.1
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.7	1.3	0.9	1.3	1.0	0.9	1.0
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$142,857	$157,142	$150,816	$170,000	$172,065	$174,679	$178,162
Total Payroll as a % of Total Revenues	21.1%	21.5%	23.5%	27.0%	22.6%	24.5%	26.6%
SALES PERFORMANCE							
Median Current Year Sales	$1,077,977	$1,163,410	$1,280,355	$1,129,500	$1,500,000	$1,100,000	$1,474,000
Average Current Year Sales	$2,173,611	$2,293,125	$2,449,807	$4,202,444	$6,166,124	$6,767,065	$10,158,928
Median Net Sales per Location	$981,221	$999,850	$1,018,322	$975,273	$1,076,966	$1,100,000	$975,000
Average Net Sales per Location	$1,353,303	$1,546,193	$1,775,905	$2,408,472	$2,463,433	$2,393,240	$2,022,547
Sales Growth	4.8%	4.4%	2.6%	16.5%	3.1%	-0.6%	2.9%
Forecasted Sales Growth	5.0%	2.3%	5.0%	8.4%	5.0%	2.2%	5.0%

Chapter 2 - Pet Stores with Animals & Aquariums	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	96.5%	96.4%	96.6%	93.5%	96.2%	95.0%	93.1%
Income from Grooming	0.3%	0.4%	0.4%	0.4%	0.2%	0.2%	0.8%
Income from Boarding of All Animals	0.0%	0.2%	0.1%	5.4%	1.0%	1.6%	3.3%
All Other Income	3.2%	3.0%	0.2%	0.8%	2.5%	3.2%	2.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	53.5%	52.7%	53.1%	51.4%	52.0%	51.9%	47.2%
Gross Margin	46.5%	47.3%	46.9%	48.6%	48.0%	48.1%	52.8%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	3.9%	4.3%	5.8%	7.2%	4.4%	5.2%	5.0%
Salary, Wages, Bonuses, Commission--All Other Employees	14.8%	14.4%	14.8%	16.5%	15.5%	15.9%	17.3%
Payroll Taxes	1.7%	1.8%	1.5%	2.0%	1.7%	2.1%	3.0%
Employee Benefits Expenses	0.7%	1.0%	1.3%	1.2%	1.0%	1.3%	1.4%
Total Payroll Expenses	21.1%	21.5%	23.5%	27.0%	22.6%	24.5%	26.6%
Occupancy Expenses							
Rent (including common area charges)	7.3%	7.2%	6.4%	9.3%	7.1%	6.6%	6.9%
Repairs and Maintenance	0.6%	0.7%	0.7%	0.5%	0.6%	0.7%	0.9%
Utilities (except Telephone)	1.7%	1.6%	1.0%	1.4%	1.4%	1.3%	1.5%
Total Occupancy Expenses	9.6%	9.5%	8.1%	11.2%	9.1%	8.6%	9.3%
Total Operating Expenses	38.9%	38.8%	40.3%	48.3%	39.4%	41.1%	44.6%
Operating Profit	7.6%	8.5%	6.6%	0.3%	8.7%	7.0%	8.2%
Interest Income (Expense)	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	0.0%	0.1%
Other Income (Expense)	0.1%	0.1%	0.1%	0.3%	0.1%	0.3%	0.7%
Net Income (or Loss) Before Tax	7.5%	8.4%	6.6%	2.3%	8.7%	7.2%	8.9%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)							
Professional Services (e.g., accounting, legal, etc.)	5.8%	6.1%	5.2%	4.1%	10.9%	8.0%	11.8%
Advertising and Promotion	22.5%	25.2%	20.5%	23.8%	9.5%	9.8%	13.0%
Insurance (general liability, loss coverage, etc.)	10.2%	9.8%	5.6%	8.4%	9.4%	14.0%	13.0%
Depreciation/Amortization Expense	9.2%	10.5%	21.2%	7.0%	20.1%	16.7%	7.8%
Office Expenses (store/office supplies, computer equipment/ software, general postage)	12.8%	12.3%	14.7%	17.5%	21.6%	11.8%	12.6%
Telephone	5.2%	5.1%	3.4%	3.2%	3.0%	6.3%	7.6%
Travel and Entertainment	4.4%	4.2%	2.2%	2.0%	3.5%	1.8%	5.5%
Licenses, Permits and Other Taxes	2.7%	1.9%	4.2%	12.2%	12.3%	1.1%	3.3%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	27.2%	24.9%	22.9%	21.8%	9.6%	30.4%	25.5%
Total General and Administrative Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

DETAILED INFORMATION

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	8.9%	15.8%	14.7%	3.7%
Operating Margin (Operating Margin as % of Total Revenues)	8.2%	15.0%	13.4%	3.5%
Asset Turnover (Total Revenues/Total Assets)	4.6	3.2	4.2	4.6
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	24.7%	33.8%	79.1%	17.9%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	15.4%	39.4%	63.2%	13.6%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	4.1	3.6	3.3	5.2
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	212.1%	181.9%	139.7%	245.5%
Financial Leverage (Total Assets/Net Worth)	1.3	1.2	1.3	1.4
Debt to Equity	0.3	0.2	0.3	0.4
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.5	0.0	0.0	0.6
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	89.2	102.8	109.9	70.6
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	26.6	29.5	26.6	22.0
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	60.4	87.2	91.2	41.5
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	3.1	3.4	4.2	2.9
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	1.0	1.3	1.3	0.8
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$178,162	$165,555	$169,810	$200,000
Total Payroll as a % of Total Revenues	26.6%	26.8%	28.4%	25.0%
Payroll Per Employee	$36,981	$34,626	$33,778	$45,043
Operating Margin Per Employee	$79,838	$79,364	$73,741	$90,360
SALES PERFORMANCE				
Median Current Year Sales	$1,474,000	$846,245	$750,000	$9,625,304
Average Current Year Sales	$10,158,928	$1,442,774	$730,348	$21,944,654
Median Net Sales per Location	$975,000	$846,245	$750,000	$2,070,600
Average Net Sales per Location	$2,022,547	$1,432,774	$726,348	$3,642,796
2024 Sales Growth	2.9%	0.9%	1.6%	2.9%
Forecasted 2025 Sales Growth	5.0%	4.0%	5.0%	5.0%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	3.2%	*	*	4.1%
Freestanding	46.0%	*	*	44.8%
Strip Center	27.6%	*	*	35.5%
Online	23.2%	*	*	15.6%
Total Net Sales	100.0%	*	*	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	4,000	3,200	2,900	4,850
Selling Square Feet Per Store	3,000	2,850	2,600	3,667
Total Revenues Per Selling Square Foot	$305	$300	$210	$351
Operating Margin Per Selling Square Foot	$229	$390	*	*

Pet Stores with Animals & Aquariums

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	93.1%	90.2%	90.5%	95.5%
Income from Grooming	0.8%	1.2%	1.8%	0.0%
Income from Boarding of All Animals	3.3%	6.2%	6.9%	0.0%
All Other Income	2.8%	2.4%	0.9%	4.5%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	47.2%	43.4%	41.7%	52.2%
Gross Margin	52.8%	56.6%	58.3%	47.8%
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.0%	5.0%	6.0%	4.1%
Salary, Wages, Bonuses, Commission--All Other Employees	17.3%	17.4%	17.8%	16.8%
Payroll Taxes	3.0%	3.1%	3.5%	2.5%
Employee Benefits Expenses	1.4%	1.3%	1.1%	1.6%
Total Payroll Expenses	26.6%	26.8%	28.4%	25.0%
Occupancy Expenses				
Rent (including common area charges)	6.9%	6.7%	7.3%	6.6%
Repairs and Maintenance	0.9%	0.8%	0.7%	1.1%
Utilities (except Telephone)	1.5%	1.5%	1.6%	1.4%
Total Occupancy Expenses	9.3%	9.0%	9.5%	9.1%
Total Operating Expenses	44.6%	41.6%	44.9%	44.3%
Operating Profit	8.2%	15.0%	13.4%	3.5%
Interest Income (Expense)	0.1%	0.2%	0.2%	0.0%
Other Income (Expense)	0.7%	0.6%	1.2%	0.2%
Net Income (or Loss) Before Tax	8.9%	15.8%	14.7%	3.7%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)				
Professional Services (e.g., accounting, legal, etc.)	11.8%	*	*	*
Advertising and Promotion	13.0%	*	*	*
Insurance (general liability, loss coverage, etc.)	13.0%	*	*	*
Depreciation/Amortization Expense	7.8%	*	*	*
Office Expenses (store/office supplies, computer equipment/software, general postage)	12.6%	*	*	*
Telephone	7.6%	*	*	*
Travel and Entertainment	5.5%	*	*	*
Licenses, Permits and Other Taxes	3.3%	*	*	*
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	25.5%	*	*	*
Total General and Administrative Expenses	100.0%	*	*	*

Pet Stores with Animals & Aquariums

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	23.2%	26.2%	33.2%	16.9%
Accounts & Notes Receivable	1.3%	1.2%	1.3%	1.2%
Inventory	38.8%	34.1%	41.1%	37.3%
Other Current Assets	12.8%	18.1%	15.1%	11.2%
Total Current Assets	76.1%	79.6%	90.8%	66.7%
Total Noncurrent Assets	23.9%	20.4%	9.2%	33.3%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	22.5%	20.8%	27.3%	19.4%
Other Current Liabilities	8.3%	8.8%	7.1%	9.1%
Total Current Liabilities	30.8%	29.6%	34.4%	28.5%
Long Term Liabilities	21.0%	10.7%	11.3%	27.3%
Net Worth	48.2%	59.7%	54.4%	44.2%
Total Liabilities & Net Worth	100.0%	100.0%	100.0%	100.0%
RESPONDENT PROFILE				
Typical number of locations				
Median	1.0	1.0	1.0	2.0
Average	8.6	1.2	1.1	19.9
Type of business				
Pet Store with Animals	80.0%	50.0%	80.0%	87.5%
Grooming Store w/Retail Supplies	0.0%	0.0%	0.0%	0.0%
Aquarium Store	20.0%	50.0%	20.0%	12.5%
Pet Store Dry Goods Only	0.0%	0.0%	0.0%	0.0%
Online Retailer	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
If you operate a pet store with animals, which animals do you sell?				
Dog	25.0%	*	37.5%	14.3%
Cat	18.8%	*	25.0%	14.3%
Bird	81.2%	*	100.0%	71.4%
Freshwater Fish	56.2%	*	50.0%	71.4%
Saltwater Fish	18.8%	*	0.0%	42.9%
Reptile	62.5%	*	50.0%	85.7%
Small Animal	81.2%	*	62.5%	100.0%

Pet Stores with Animals & Aquariums

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
Service offered				
Grooming	35.3%	25.0%	44.4%	33.3%
Training	29.4%	25.0%	22.2%	33.3%
Aquarium Service	29.4%	50.0%	22.2%	33.3%
Wing Clipping	41.2%	25.0%	55.6%	33.3%
Veterinary Care	0.0%	0.0%	0.0%	0.0%
Boarding (Dog/Cat)	5.9%	0.0%	0.0%	16.7%
Boarding (Other)	35.3%	25.0%	44.4%	33.3%
Day Care	5.9%	0.0%	0.0%	16.7%
Nail Trimming	47.1%	50.0%	55.6%	33.3%
Other	35.3%	25.0%	33.3%	50.0%
Is your store a franchise operation?				
Yes	10.5%	*	11.1%	12.5%
No	89.5%	*	88.9%	87.5%
Community size of store location(s)				
Major Metro Area (over 1 million population)	20.0%	25.0%	10.0%	25.0%
Moderate size city (100,000 to 1 million)	50.0%	50.0%	50.0%	62.5%
Small city (25,000 to less than 100,000)	15.0%	0.0%	10.0%	12.5%
Town of fewer than 25,000 or rural area	15.0%	25.0%	30.0%	0.0%
Years in operation				
Median	24.5	6.5	20.0	27.5
Average	28.4	10.2	23.3	37.5
Legal form of business				
C-Corp	15.0%	0.0%	0.0%	37.5%
S-Corp	45.0%	50.0%	30.0%	62.5%
Partnership (LLC)	15.0%	25.0%	20.0%	0.0%
Sole proprietorship	15.0%	0.0%	30.0%	0.0%
Other	10.0%	25.0%	20.0%	0.0%
Business premises owned vs leased				
Owned	20.0%	25.0%	20.0%	25.0%
Leased	75.0%	50.0%	80.0%	62.5%
Both Owned and Leased (multiple locations)	5.0%	25.0%	0.0%	12.5%
Other	0.0%	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2024				
Median	59.5	64.0	60.5	61.0
Average	60.2	63.2	58.8	63.1
Total number of company-wide register transactions in 2024				
Median	37,898	12,574	7,353	57,838
Average	90,069	15,763	8,712	146,437
Sale price per register transaction in 2024				
Median	$66.77	$88.47	$192.59	$52.67
Average	$1,502.92	$4,059.76	$2,839.22	$166.62

Pet Stores with Animals & Aquariums

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	9.5	15.5	5.0	37.0
Average	34.0	18.2	7.1	71.4
Number of Full-Time Employees				
Median	8.0	9.0	3.0	22.0
Average	26.9	10.0	4.8	51.9
Number of Part-Time Employees				
Median	5.2	6.8	3.5	16.5
Average	10.9	8.2	4.0	19.5
Employee Turnover				
All Employees	27.4%	37.2%	18.8%	35.2%
Full-Time Employees	18.3%	45.3%	27.8%	15.4%
Part-Time Employees	54.5%	22.7%	13.1%	86.5%
GIFT CARDS				
Does company sell store gift cards?				
Yes	65.0%	75.0%	40.0%	87.5%
No	35.0%	25.0%	60.0%	12.5%
If store gift cards are sold, Total 2024 Gift Card Sales				
Median	$10,000	*	*	$21,875
Average	$18,146	*	*	$30,667
If store gift cards are sold, Total 2024 Gift Card Sales as a % of Total Revenues				
Median	0.3%	*	*	*
Average	0.4%	*	*	*
RETAIL SALES MIX				
General Sales Mix				
Pet food	31.9%	35.0%	27.6%	34.1%
Dry Goods	25.9%	23.8%	18.0%	36.0%
Live Animals	28.8%	26.2%	40.9%	15.4%
Other	13.4%	15.0%	13.6%	14.5%
Total	100.0%	100.0%	100.0%	100.0%
Detailed Category Sales Mix				
Aquatics	29.9%	*	26.2%	*
Bird	14.7%	*	22.9%	*
Cat	6.0%	*	4.2%	*
Dog	24.3%	*	21.4%	*
Reptile	2.9%	*	1.7%	*
Small Animals	4.6%	*	3.7%	*
Services	8.5%	*	12.5%	*
Other	9.2%	*	7.5%	*
Total	100.0%	*	100.0%	*

Pet Stores with Animals & Aquariums

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
MARGINS AND TURNOVER				
Pet food				
Initial Margin	35.0%	32.5%	30.0%	*
Realized Margin (or Gross Margin)	30.0%	32.5%	27.6%	*
Inventory Turnover	8.1	7.0	*	*
Dry goods				
Initial Margin	50.0%	50.1%	50.0%	*
Realized Margin (or Gross Margin)	48.0%	47.9%	45.0%	*
Inventory Turnover	4.5	4.2	*	*
Live animals				
Initial Margin	65.0%	64.5%	65.5%	*
Realized Margin (or Gross Margin)	62.1%	60.0%	65.0%	*
Inventory Turnover	9.0	*	*	*
Aquatics (total)				
Initial Margin	56.0%	51.0%	56.0%	*
Realized Margin (or Gross Margin)	53.0%	51.0%	53.0%	*
Inventory Turnover	4.2	*	*	*
Bird (total)				
Initial Margin	60.0%	55.4%	56.0%	*
Realized Margin (or Gross Margin)	53.0%	53.9%	53.0%	*
Inventory Turnover	4.0	*	*	*
Cat (total)				
Initial Margin	45.0%	43.0%	*	*
Realized Margin (or Gross Margin)	43.8%	41.8%	*	*
Inventory Turnoverr	5.5	*	*	*
Dog (total)				
Initial Margin	52.0%	53.5%	*	*
Realized Margin (or Gross Margin)	49.0%	52.0%	*	*
Inventory Turnover	5.2	*	*	*
Reptile (total)				
Initial Margin	59.0%	55.5%	*	*
Realized Margin (or Gross Margin)	59.0%	53.5%	*	*
Inventory Turnover	6.0	*	*	*
Small animals (total)				
Initial Margin	59.0%	52.0%	*	*
Realized Margin (or Gross Margin)	57.5%	52.0%	*	*
Inventory Turnover	7.0	*	*	*
Services (total)				
Initial Margin	86.0%	87.5%	90.0%	*
Realized Margin (or Gross Margin)	80.0%	77.5%	75.0%	*
Inventory Turnover	*	*	*	*

Chapter 2 - Pet Stores with Animals & Aquariums			NET SALES	
	Pet Store with Animals + Aquariums	Profits Leaders	Less Than $2 Million	$2 Million Or More
ADVERTISING/MARKETING				
Marketing budget (as a percent of total revenue) in each of the following years:				
2023	2.6%	2.0%	4.0%	2.3%
2024	2.6%	2.0%	5.5%	2.3%
Anticipated 2025	3.5%	2.0%	6.0%	2.8%
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	15.0%	22.2%	0.0%	30.0%
Cable TV Advertising	20.0%	22.2%	10.0%	30.0%
Radio Advertising	20.0%	22.2%	10.0%	30.0%
Co-Op Advertising with your supplier/manufacturer	60.0%	66.7%	40.0%	80.0%
Newspaper Advertising/Magazine Advertising	40.0%	44.4%	40.0%	40.0%
Non-Reimbursed Coupon Expense	40.0%	55.6%	30.0%	50.0%
Website/online advertisements	85.0%	88.9%	70.0%	100.0%
Email Blasts	90.0%	88.9%	90.0%	90.0%
In-Store/Community Events	80.0%	77.8%	70.0%	90.0%
Other	20.0%	11.1%	10.0%	30.0%
Percentage of advertising/marketing budget spent:				
In-house	54.4%	62.2%	45.4%	63.4%
Outsourced	45.6%	37.8%	54.6%	36.6%
Total	100.0%	100.0%	100.0%	100.0%
Does company allow ordering through own website?				
Yes	55.0%	75.0%	30.0%	87.5%
No	45.0%	25.0%	70.0%	12.5%
If yes, percent of 2024 sales that were made through own website				
Median	5.0%	*	*	6.0%
Average	4.7%	*	*	5.9%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	22.2%	*	14.3%	*
Yes, in 13-24 months	22.2%	*	14.3%	*
Yes, in more than 24 months	0.0%	*	0.0%	*
No	55.6%	*	71.4%	*

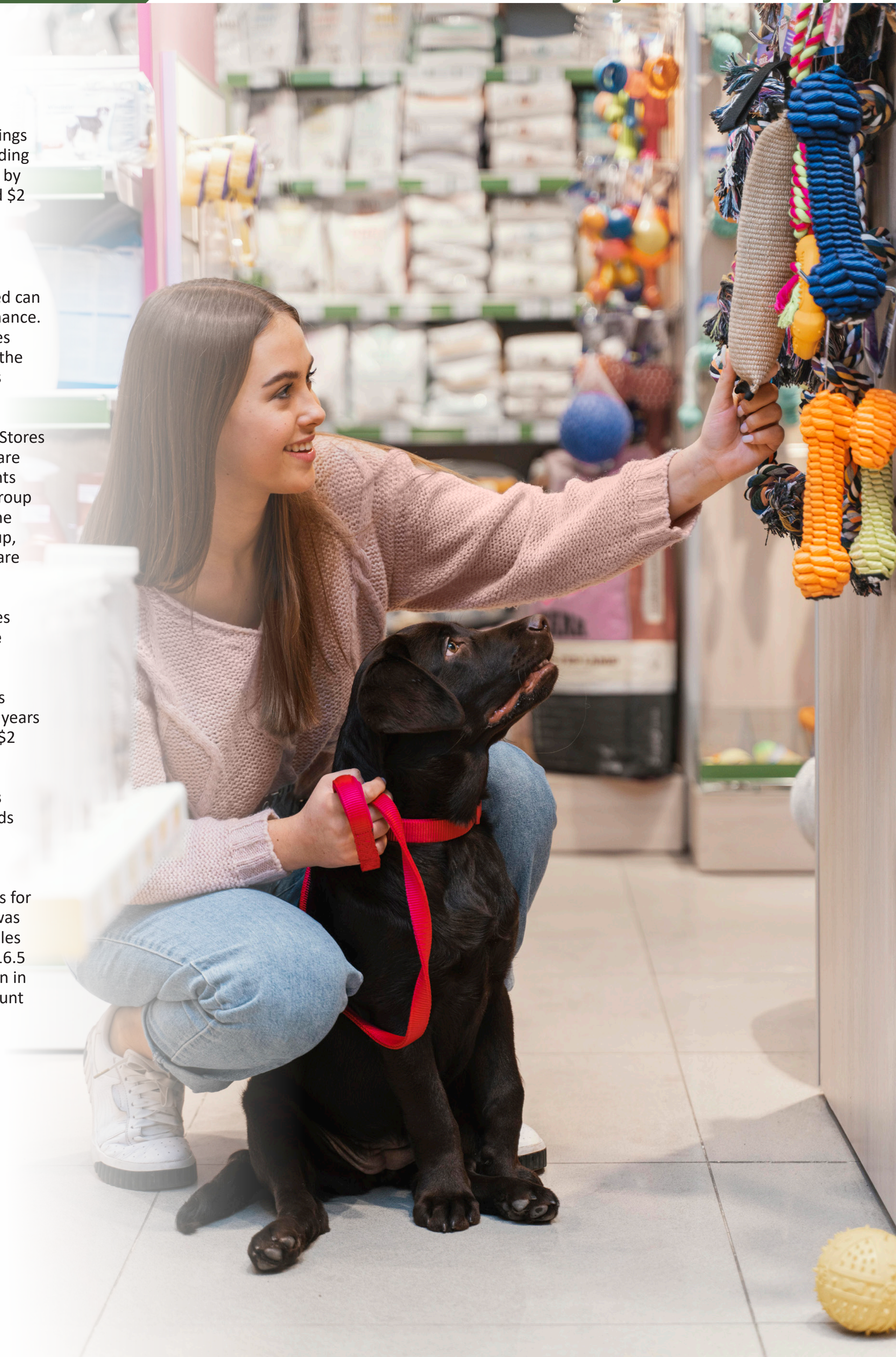
Pet Stores – Dry Goods Only

KEY FINDINGS

Listed below is a summary of key findings for Pet Stores – Dry Goods Only, including the most profitable stores and results by revenue size (Less than $2 Million and $2 Million or More).

Respondent Profile

- The **size of the community** served can often influence financial performance. 48.6% of all responding Pet Stores – Dry Goods Only indicated that the population of their community is 100,000 people or more.
- The median **store size** for all Pet Stores – Dry Goods Only was 2,200 square feet. As expected, the respondents in the $2 Million or More sales group had more square footage than the Less than $2 Million in sales group, 4,139 square feet and 1,700 square feet, respectively.
- 14.3% of all responding Pet Stores – Dry Goods Only are a **franchise operation**.
- The typical Pet Store – Dry Goods Only has been in business for 13 years as compared to 27 years for the $2 Million or More sales group.
- $1.2 million was the typical **sales volume** for Pet Stores – Dry Goods Only.
- The median number of **full-time equivalent employees** (FTEs) was for all Pet Stores – Dry Goods Only was seven. The $2 Million or More sales group reported typically having 16.5 FTEs, and the Less than $2 Million in sales group had a median FTE count of 5.8.



KEY FINANCIAL MEASURES

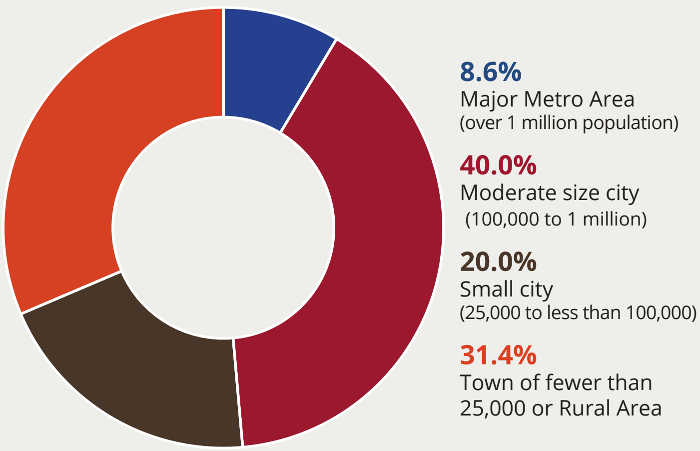
- $50.13 was the median **sales per transaction** reported by all responding Pet Stores – Dry Goods Only. Notably, when broken down by revenue category, The smaller sales group with revenues of Less than $2 Million reported higher sales per transaction than the larger grouping ($58.07 vs. $49.31).
- **Return on assets** is a good overall indicator of company profitability performance and is calculated as net profit before taxes as a percent of total assets. The typical Pet Store – Dry Goods Only return on assets performance during 2024 was 13.7%, while the most profitable companies experienced a 37.4% return.
- **Return on net worth** indicates the profit earned as a percent of net worth (or owner's equity) and measures the amount of profit generated from the dollars invested in the company by ownership. The typical Pet Store – Dry Goods Only reported a return on net worth of 37.3%.
- The typical Pet Store – Dry Goods Only experienced an **operating margin** of 5.8%.
- The average **payroll expense** for Pet Stores – Dry Goods Only was 18.1%, and the average occupancy expense was 7.6%. Together, these represent major components of the overall average total operating expense of 31.2%.
- After subtracting cost of goods sold and total operating expenses, Pet Store – Dry Goods Only respondents reported an average of 6.1% **net profit margin** (as a percent of total revenues). By comparison, Profit Leaders achieved a 12.3% net profit margin.
- The typical Pet Store – Dry Goods Only reported **sales growth** of 2.4% in 2024 over 2023, and a **forecasted sales growth** of 3.0% for 2025.
- **Inventory turnover** shows how rapidly inventory is moving and is calculated by cost of goods sold divided by average inventory. In any retail industry, this is a metric that should be tracked closely, as having too much inventory on hand can financially limit a company. The typical Pet Store – Dry Goods Only reported inventory turns of 6.8. The Less than $2 Million sales group reported the highest inventory turnover at 8.7.
- **Asset turnover** tells us how many sales dollars are being generated by each dollar of assets employed in running the business. Overall, Pet Stores – Dry Goods Only reported a median asset turnover of 5.0 for the year. This compares to 4.5 turns for the Profit Leaders during 2024.
- **Financial leverage** (total assets divided by net worth) and the **debt to equity ratio** (liabilities divided by net worth) are good indicators of how much a company is financed by debt versus the equity invested by the owners. The typical Pet Store – Dry Goods Only reported a median financial leverage value of 1.6 and a median debt to equity ratio of 0.6. A debt to equity ratio of 1.0 would indicate that owners have an equal stake in the company's assets as outside creditors/lenders. A low debt to equity ratio typically implies a very stable organization.
- The **current ratio** is a liquidity measure and it indicates a firm's ability to pay short-term debt with funds (assets) currently available. The higher the value, the easier it will be for a company to pay off debt that is coming due. The typical Pet Store – Dry Goods Only reported a current ratio of 2.7. The respondents in the $2 Million or More sales group reported 3.0.
- The **quick ratio** is another liquidity measure but subtracts inventory from current assets since inventory is not readily convertible to cash. The typical Pet Store – Dry Goods Only respondent reported a quick ratio of 1.2.

World Pet Association

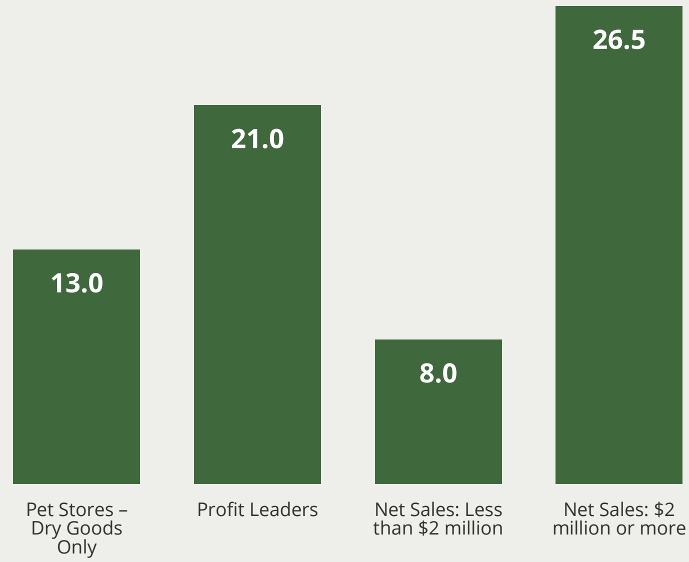
Pet Stores – Dry Goods Only

EXECUTIVE SUMMARY

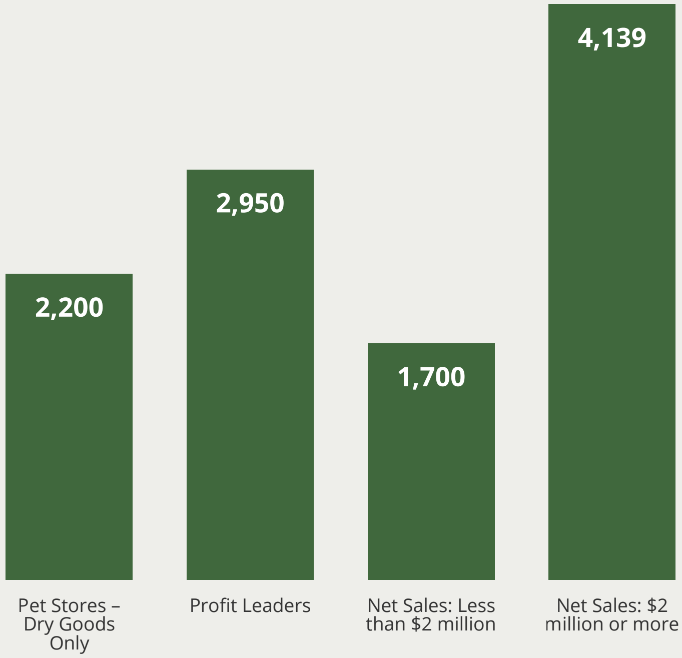
Community Size of Store Location(s)



Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation

Pet Stores – Dry Goods Only

SALES AND EMPLOYEE INFORMATION

$1,200,000
Sales

$50.13
Sale Price per Transaction

$207,202
Total Revenues Per Employee

7.0
Number of Employees (in FTEs)

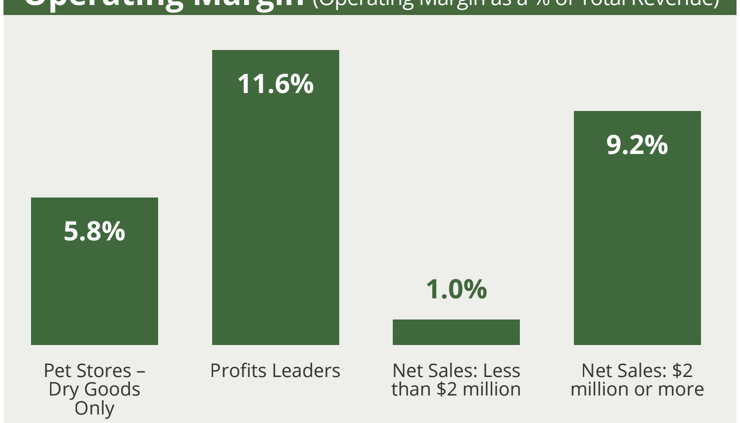
18.1%
Total Payroll as a % of Total Revenues

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
PET STORES – DRY GOODS ONLY	2.4%	3.0%
PROFIT LEADERS	8.4%	*
NET SALES: LESS THAN $2 MILLION	4.2%	6.0%
NET SALES: $2 MILLION OR MORE	2.3%	3.0%

OVERALL KEY PERFORMANCE MEASURES

Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
6.1%	X	2.2	=	13.7%	X	2.7	=	37.3%

Operating Margin (Operating Margin as a % of Total Revenue)

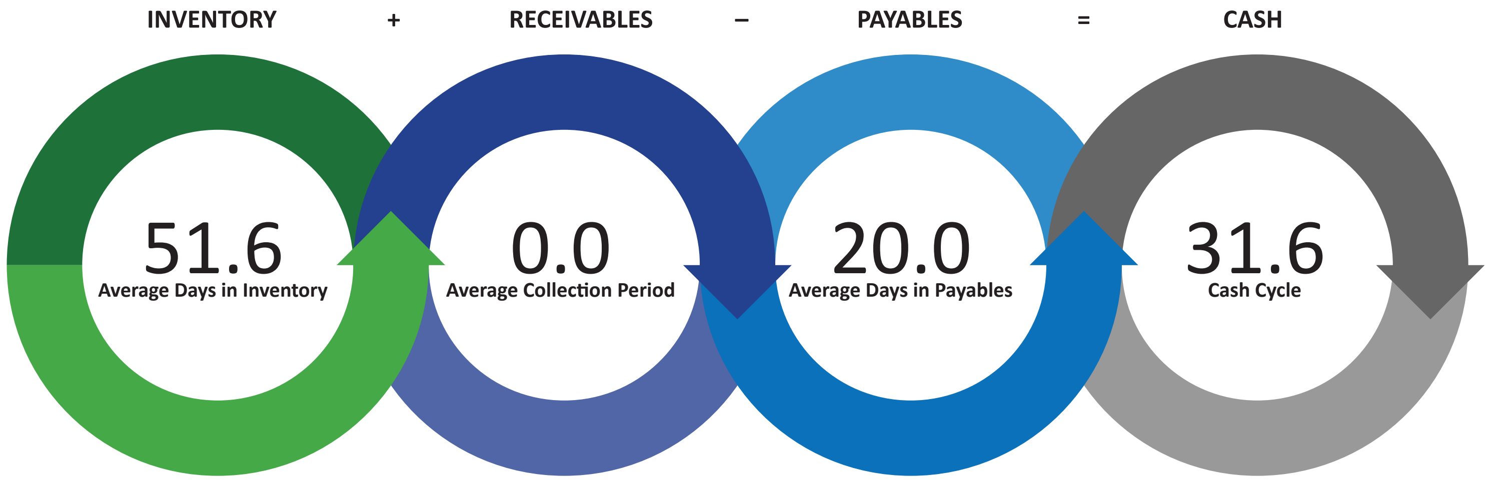


Inventory Turnover (Cost of Goods Sold/Inventory)

Pet Stores – Dry Goods Only

Total Revenues per Selling Square Foot

CASH CYCLE



Pet Stores – Dry Goods Only

MULTI-YEAR TREND COMPARISON

Chapter 3 - Pet Stores – Dry Goods Only							
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	8.2%	7.1%	4.4%	12.7%	4.7%	2.9%	6.1%
Operating Margin (Operating Margin as % of Total Revenues)	8.6%	7.4%	4.6%	11.5%	4.8%	2.9%	5.8%
Asset Turnover (Total Revenues/Total Assets)	5.0	5.0	5.3	5.5	4.8	5.0	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	21.5%	20.6%	9.3%	36.3%	17.0%	6.8%	13.7%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	38.9%	32.1%	27.7%	54.7%	32.1%	21.2%	37.3%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	6.2	6.4	6.6	9.5	6.4	6.6	6.8
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	239.4%	242.9%	247.9%	370.3%	233.2%	251.1%	263.5%
Financial Leverage (Total Assets/Net Worth)	1.5	1.5	1.6	1.4	1.5	1.4	1.6
Debt to Equity	0.5	0.5	0.6	0.4	0.5	0.4	0.6
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	1.7	1.8	2.2	2.2	2.2	2.4	2.7
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.5	0.5	0.7	1.0	0.5	0.7	1.2
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$213,636	$233,658	$220,000	$222,538	$217,503	$218,333	$207,202
Total Payroll as a % of Total Revenues	17.6%	18.4%	22.3%	19.0%	22.5%	24.6%	18.1%
SALES PERFORMANCE							
Median Current Year Sales	$874,878	$1,213,623	$1,462,679	$1,000,000	$1,749,780	$1,300,000	$1,200,000
Median Net Sales per Location	$711,624	$949,087	$1,103,391	$966,000	$1,000,981	$800,000	$928,000
Average Net Sales per Location	$1,013,745	$1,204,170	$1,293,340	$1,093,467	$1,507,790	$1,169,767	$1,050,712
Sales Growth	6.2%	3.9%	5.3%	13.6%	10.6%	5.5%	2.4%
Forecasted Sales Growth	8.0%	1.5%	5.0%	9.9%	6.5%	8.0%	3.0%

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	99.8%	99.9%	97.1%	100.0%	99.1%	98.5%	98.9%
Income from Grooming	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.3%
Income from Boarding of All Animals	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
All Other Income	0.2%	0.1%	0.1%	0.1%	0.9%	1.4%	0.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	57.4%	60.4%	59.5%	57.4%	58.7%	57.6%	63.0%
Gross Margin	42.7%	39.6%	40.5%	42.6%	41.3%	42.4%	37.0%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	4.2%	4.8%	5.3%	2.9%	5.5%	5.7%	5.5%
Salary, Wages, Bonuses, Commission--All Other Employees	11.1%	11.2%	14.1%	13.8%	14.2%	15.8%	10.5%
Payroll Taxes	1.7%	1.4%	1.7%	1.4%	1.8%	1.9%	1.4%
Employee Benefits Expenses	0.6%	1.0%	1.2%	0.9%	1.1%	1.2%	0.8%
Total Payroll Expenses	17.6%	18.4%	22.3%	19.0%	22.5%	24.6%	18.1%
Occupancy Expenses							
Rent (including common area charges)	7.5%	6.2%	6.0%	5.3%	6.0%	6.9%	6.3%
Repairs and Maintenance	0.6%	0.4%	0.4%	0.5%	0.5%	0.4%	0.3%
Utilities (except Telephone)	1.1%	1.1%	0.8%	0.9%	1.1%	1.1%	1.0%
Total Occupancy Expenses	9.2%	7.6%	7.1%	6.7%	7.5%	8.4%	7.6%
Total Operating Expenses	34.0%	32.2%	35.9%	31.1%	36.5%	39.5%	31.2%
Operating Profit	8.6%	7.4%	4.6%	11.5%	4.8%	2.9%	5.8%
Interest Income (Expense)	-0.4%	-0.3%	-0.1%	0.0%	-0.2%	-0.2%	-0.1%
Other Income (Expense)	0.0%	0.0%	-0.1%	0.5%	0.2%	0.2%	0.4%
Net Income (or Loss) Before Tax	8.2%	7.1%	4.4%	12.7%	4.7%	2.9%	6.1%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)							
Professional Services (e.g., accounting, legal, etc.)	7.5%	9.1%	7.6%	7.4%	*	12.8%	14.9%
Advertising and Promotion	22.1%	23.6%	18.2%	12.9%	*	19.9%	27.4%
Insurance (general liability, loss coverage, etc.)	9.6%	10.9%	6.9%	8.9%	*	17.6%	9.9%
Depreciation/Amortization Expense	11.5%	9.1%	14.8%	14.4%	*	7.7%	9.6%
Office Expenses (store/office supplies, computer equipment/ software, general postage)	15.5%	17.3%	16.0%	14.6%	*	15.4%	7.0%
Telephone	5.9%	6.3%	3.5%	2.4%	*	3.6%	1.8%
Travel and Entertainment	5.6%	5.3%	3.2%	1.5%	*	1.8%	1.9%
Licenses, Permits and Other Taxes	1.9%	1.9%	2.5%	5.7%	*	3.6%	2.8%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	20.6%	16.2%	25.8%	32.1%	*	17.4%	24.7%
Total General and Administrative Expenses	100.0%	100.0%	100.0%	100.0%	*	100.0%	100.0%

Pet Stores – Dry Goods Only

DETAILED INFORMATION

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	6.1%	12.3%	1.5%	9.4%
Operating Margin (Operating Margin as % of Total Revenues)	5.8%	11.6%	1.0%	9.2%
Asset Turnover (Total Revenues/Total Assets)	5.0	4.5	6.6	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	13.7%	37.4%	5.5%	31.0%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	37.3%	69.6%	5.0%	62.4%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	6.8	6.0	8.7	5.5
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	263.5%	261.0%	333.9%	226.5%
Financial Leverage (Total Assets/Net Worth)	1.6	1.6	1.4	1.6
Debt to Equity	0.6	0.6	0.4	0.6
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.0	0.0	0.0	0.0
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	51.6	60.9	43.2	64.6
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	15.0	7.9	9.2	21.4
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	31.6	41.2	32.6	31.6
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	2.7	5.2	2.4	3.0
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	1.2	3.0	1.3	0.7
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$207,202	$373,659	$198,152	$269,609
Total Payroll as a % of Total Revenues	18.1%	14.3%	21.5%	15.7%
Payroll Per Employee	$45,269	$49,324	$35,498	$53,326
Operating Margin Per Employee	$94,191	$132,347	$84,739	$123,670
SALES PERFORMANCE				
Median Current Year Sales	$1,200,000	$3,200,000	$700,000	$3,253,942
Average Current Year Sales	$57,194,006	$292,340,657	$713,283	$164,507,380
Median Net Sales per Location	$928,000	$1,618,630	$452,117	$1,699,247
Average Net Sales per Location	$1,050,712	$1,370,501	$645,697	$1,779,741
2024 Sales Growth	2.4%	8.4%	4.2%	2.3%
Forecasted 2025 Sales Growth	3.0%	*	6.0%	3.0%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	9.9%	*	0.0%	21.5%
Freestanding	38.8%	*	31.4%	47.5%
Strip Center	33.5%	*	38.9%	27.2%
Online	17.8%	*	29.7%	3.8%
Total Net Sales	100.0%	*	100.0%	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	2,200	2,950	1,700	4,139
Selling Square Feet Per Store	1,800	1,925	1,200	3,025
Total Revenues Per Selling Square Foot	$568	$608	$667	$553
Operating Margin Per Selling Square Foot	$300	$276	*	*

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	98.9%	98.8%	99.2%	98.7%
Income from Grooming	0.3%	0.5%	0.0%	0.5%
Income from Boarding of All Animals	0.0%	0.0%	0.0%	0.0%
All Other Income	0.8%	0.7%	0.8%	0.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	63.0%	61.0%	62.8%	63.1%
Gross Margin	37.0%	39.0%	37.2%	36.9%
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.5%	4.4%	8.4%	3.4%
Salary, Wages, Bonuses, Commission--All Other Employees	10.5%	7.8%	11.1%	10.0%
Payroll Taxes	1.4%	1.3%	1.6%	1.2%
Employee Benefits Expenses	0.8%	0.8%	0.4%	1.1%
Total Payroll Expenses	18.1%	14.3%	21.5%	15.7%
Occupancy Expenses				
Rent (including common area charges)	6.3%	6.4%	6.3%	6.3%
Repairs and Maintenance	0.3%	0.3%	0.4%	0.2%
Utilities (except Telephone)	1.0%	0.9%	1.0%	1.0%
Total Occupancy Expenses	7.6%	7.6%	7.8%	7.5%
Total Operating Expenses	31.2%	27.4%	36.2%	27.7%
Operating Profit	5.8%	11.6%	1.0%	9.2%
Interest Income (Expense)	-0.1%	-0.1%	-0.2%	0.0%
Other Income (Expense)	0.4%	0.8%	0.7%	0.2%
Net Income (or Loss) Before Tax	6.1%	12.3%	1.5%	9.4%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)				
Professional Services (e.g., accounting, legal, etc.)	14.9%	*	*	17.2%
Advertising and Promotion	27.4%	*	*	32.6%
Insurance (general liability, loss coverage, etc.)	9.9%	*	*	6.9%
Depreciation/Amortization Expense	9.6%	*	*	11.6%
Office Expenses (store/office supplies, computer equipment/software, general postage)	7.0%	*	*	7.4%
Telephone	1.8%	*	*	1.4%
Travel and Entertainment	1.9%	*	*	2.2%
Licenses, Permits and Other Taxes	2.8%	*	*	2.8%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/ subscriptions, etc.)	24.7%	*	*	18.0%
Total General and Administrative Expenses	100.0%	*	*	100.0%

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	21.2%	29.2%	22.6%	19.4%
Accounts & Notes Receivable	2.4%	0.5%	3.7%	0.8%
Inventory	45.5%	38.6%	45.1%	46.0%
Other Current Assets	6.3%	8.4%	5.3%	7.6%
Total Current Assets	75.4%	76.6%	76.7%	73.8%
Total Noncurrent Assets	24.6%	23.4%	23.3%	26.2%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	17.5%	11.2%	16.4%	18.8%
Other Current Liabilities	25.4%	6.8%	38.5%	9.4%
Total Current Liabilities	42.9%	18.1%	54.9%	28.2%
Long Term Liabilities	25.7%	25.3%	21.3%	31.1%
Net Worth	31.4%	56.6%	23.8%	40.6%
Total Liabilities & Net Worth	100.0%	100.0%	100.0%	100.0%
RESPONDENT PROFILE				
Typical number of locations				
Median	1.0	2.0	1.0	2.5
Average	27.3	166.2	1.4	91.8
Type of business				
Pet Store with Animals	0.0%	0.0%	0.0%	0.0%
Grooming Store w/Retail Supplies	0.0%	0.0%	0.0%	0.0%
Aquarium Store	0.0%	0.0%	0.0%	0.0%
Pet Store Dry Goods Only	100.0%	100.0%	100.0%	100.0%
Online Retailer	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
If you operate a pet store with animals, which animals do you sell?				
Dog	*	*	*	*
Cat	*	*	*	*
Bird	*	*	*	*
Freshwater Fish	*	*	*	*
Saltwater Fish	*	*	*	*
Reptile	*	*	*	*
Small Animal	*	*	*	*

World Pet Association

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
Service offered				
Grooming	29.2%	*	20.0%	60.0%
Training	16.7%	*	13.3%	40.0%
Aquarium Service	4.2%	*	0.0%	20.0%
Wing Clipping	0.0%	*	0.0%	0.0%
Veterinary Care	4.2%	*	6.7%	0.0%
Boarding (Dog/Cat)	8.3%	*	6.7%	20.0%
Boarding (Other)	0.0%	*	0.0%	0.0%
Day Care	8.3%	*	6.7%	20.0%
Nail Trimming	37.5%	*	33.3%	60.0%
Other	50.0%	*	46.7%	20.0%
Is your store a franchise operation?				
Yes	14.3%	40.0%	0.0%	30.0%
No	85.7%	60.0%	100.0%	70.0%
Community size of store location(s)				
Major Metro Area (over 1 million population)	8.6%	0.0%	15.8%	0.0%
Moderate size city (100,000 to 1 million)	40.0%	100.0%	26.3%	60.0%
Small city (25,000 to less than 100,000)	20.0%	0.0%	15.8%	20.0%
Town of fewer than 25,000 or rural area	31.4%	0.0%	42.1%	20.0%
Years in operation				
Median	13.0	21.0	8.0	26.5
Average	17.0	25.4	12.0	27.3
Legal form of business				
C-Corp	17.6%	*	21.0%	22.2%
S-Corp	32.4%	*	21.0%	66.7%
Partnership (LLC)	26.5%	*	31.6%	0.0%
Sole proprietorship	14.7%	*	15.8%	0.0%
Other	8.8%	*	10.5%	11.1%
Business premises owned vs leased				
Owned	14.3%	0.0%	15.8%	10.0%
Leased	80.0%	80.0%	79.0%	80.0%
Both Owned and Leased (multiple locations)	5.7%	20.0%	5.3%	10.0%
Other	0.0%	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2024				
Median	55.5	57.0	51.0	72.0
Average	55.8	56.6	47.8	67.9
Total number of company-wide register transactions in 2024				
Median	24,160	*	12,000	67,623
Average	209,139	*	15,604	658,655
Sale price per register transaction in 2024				
Median	$50.13	*	$58.07	$49.31
Average	$56.47	*	$59.02	$50.93

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	7.0	*	5.8	16.5
Average	33.1	*	6.8	107.5
Number of Full-Time Employees				
Median	4.5	*	2.8	7.2
Average	25.9	*	4.0	80.9
Number of Part-Time Employees				
Median	4.0	*	4.0	6.2
Average	10.9	*	4.3	26.6
Employee Turnover				
All Employees	29.8%	24.6%	35.5%	26.3%
Full-Time Employees	18.7%	*	23.9%	14.8%
Part-Time Employees	32.6%	*	34.5%	41.7%
GIFT CARDS				
Does company sell store gift cards?				
Yes	90.3%	100.0%	83.3%	100.0%
No	9.7%	0.0%	16.7%	0.0%
If store gift cards are sold, Total 2024 Gift Card Sales				
Median	$1,900	*	$1,400	$5,000
Average	$33,352	*	$1,681	$101,163
If store gift cards are sold, Total 2024 Gift Card Sales as a % of Total Revenues				
Median	0.1%	*	*	0.2%
Average	1.1%	*	*	1.7%
RETAIL SALES MIX				
General Sales Mix				
Pet food	61.1%	64.0%	55.7%	68.6%
Dry Goods	32.2%	24.8%	37.6%	23.5%
Live Animals	0.4%	0.0%	0.0%	1.1%
Other	6.4%	11.2%	6.7%	6.7%
Total	100.0%	100.0%	100.0%	100.0%
Detailed Category Sales Mix				
Aquatics	0.9%	*	0.1%	2.6%
Bird	5.7%	*	0.2%	16.8%
Cat	21.5%	*	19.5%	25.5%
Dog	58.7%	*	62.5%	51.1%
Reptile	2.0%	*	2.5%	1.0%
Small Animals	0.6%	*	0.2%	1.2%
Services	8.9%	*	13.0%	0.8%
Other	1.7%	*	2.0%	1.0%
Total	100.0%	*	100.0%	100.0%

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
MARGINS AND TURNOVER				
Pet food				
Initial Margin	33.0%	*	36.0%	33.0%
Realized Margin (or Gross Margin)	30.0%	*	31.0%	30.0%
Inventory Turnover	14.0	*	22.0	*
Dry goods				
Initial Margin	50.0%	*	50.0%	50.0%
Realized Margin (or Gross Margin)	48.4%	*	45.0%	48.7%
Inventory Turnover	7.0	*	*	*
Live animals				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Aquatics (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Bird (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Cat (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnoverr	*	*	*	*
Dog (total)				
Initial Margin	40.0%	*	*	*
Realized Margin (or Gross Margin)	38.5%	*	*	*
Inventory Turnover	*	*	*	*
Reptile (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Small animals (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Services (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*

Pet Stores – Dry Goods Only

Chapter 3 - Pet Stores – Dry Goods Only			NET SALES	
	Pet Store Dry Goods Only	Profits Leaders	Less Than $2 Million	$2 Million Or More
ADVERTISING/MARKETING				
Marketing budget (as a percent of total revenue) in each of the following years:				
2023	1.5%	*	0.4%	*
2024	1.1%	*	0.2%	*
Anticipated 2025	1.4%	*	1.0%	*
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	15.4%	40.0%	0.0%	33.3%
Cable TV Advertising	7.7%	20.0%	0.0%	16.7%
Radio Advertising	38.5%	60.0%	28.6%	50.0%
Co-Op Advertising with your supplier/manufacturer	15.4%	20.0%	14.3%	16.7%
Newspaper Advertising/Magazine Advertising	53.8%	80.0%	28.6%	83.3%
Non-Reimbursed Coupon Expense	23.1%	40.0%	0.0%	50.0%
Website/online advertisements	69.2%	100.0%	42.9%	100.0%
Email Blasts	53.8%	80.0%	28.6%	83.3%
In-Store/Community Events	53.8%	40.0%	42.9%	66.7%
Other	15.4%	0.0%	14.3%	16.7%
Percentage of advertising/marketing budget spent:				
In-house	68.4%	*	81.8%	55.0%
Outsourced	31.6%	*	18.2%	45.0%
Total	100.0%	*	100.0%	100.0%
Does company allow ordering through own website?				
Yes	64.5%	60.0%	61.1%	70.0%
No	35.5%	40.0%	38.9%	30.0%
If yes, percent of 2024 sales that were made through own website				
Median	2.0%	*	3.9%	2.0%
Average	4.6%	*	5.7%	3.4%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	9.1%	*	14.3%	*
Yes, in 13-24 months	27.3%	*	14.3%	*
Yes, in more than 24 months	0.0%	*	0.0%	*
No	63.6%	*	71.4%	*

Grooming Stores with Retail Supplies

KEY FINDINGS

Listed below is a summary of key findings for Grooming Stores with Retail Supplies, including results by revenue size (Less than $500,000 and $500,000 or More). Please note that there were not enough Grooming Stores that provided income statements and/or balance sheets to include financial data in the graphs or detailed tables in this chapter.

Respondent Profile

- The **size of the community served** can often influence financial performance. More than half (52.9%) of all responding Grooming Stores with Retail Supplies indicated that the population of their community is 100,000 or more.
- The median **store size** for all Grooming Stores with Retail Supplies was 1,500 square feet. The $500,000 or More in sales group reported slightly larger store sizes of 1,600 square feet.
- None of the responding Grooming Stores with Retail Supplies are a **franchise operation**.
- The typical Grooming Store with Retail Supplies has been in business for 10 years as compared to 28 years for those in the Less than $500,000 Million in sales group.
- $439,000 was the typical **sales volume** for Grooming Stores with Retail Supplies.
- The median number of **full-time equivalent employees** (FTEs) for all responding Grooming Stores with Retail Supplies was 7.
- The typical Grooming Store with Retail Supplies reported **sales growth** of 3.3% in 2024 over 2023 and **forecasted sales growth** of 5.0% for 2025.

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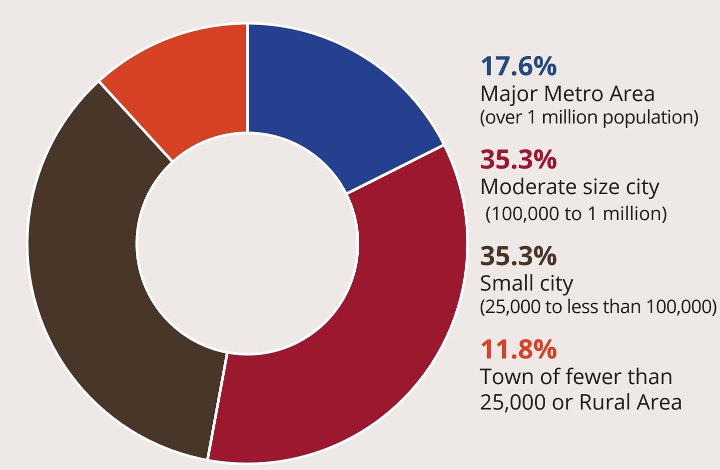
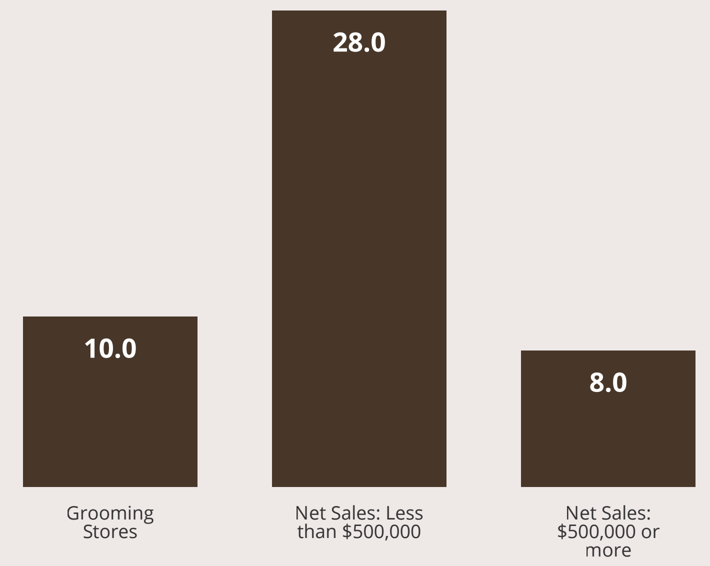
Grooming Stores with Retail Supplies

EXECUTIVE SUMMARY

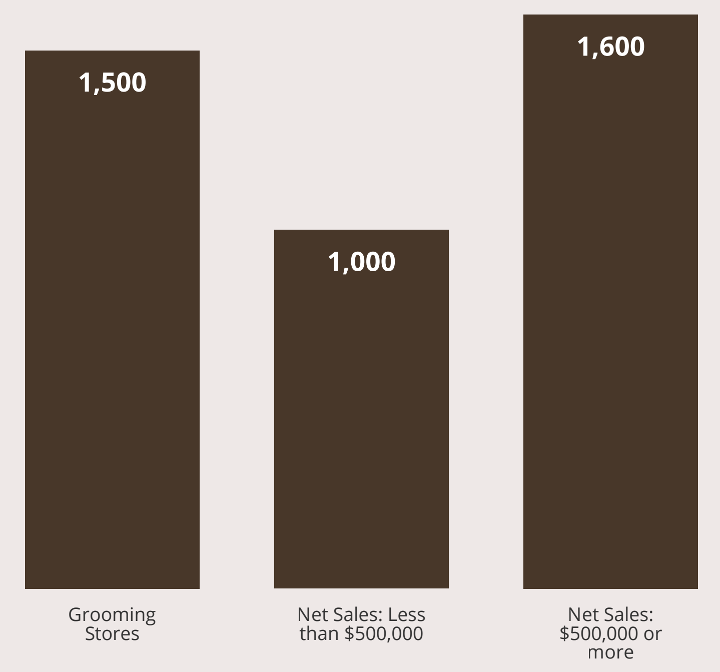
Community Size of Store Location(s)



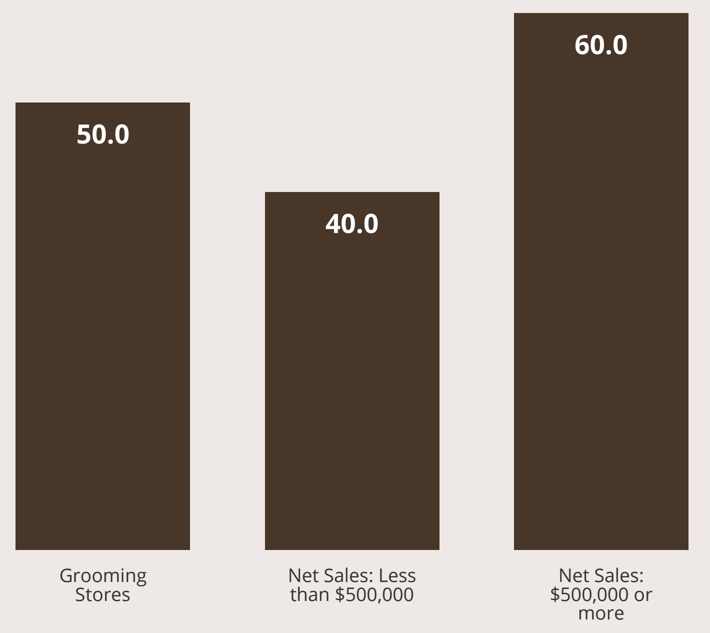
Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation



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Grooming Stores with Retail Supplies

SALES AND EMPLOYEE INFORMATION

$439,000
Sales

$75.66
Sale Price per Transaction

$93,921
Total Revenues Per Employee

7.0
Number of Employees (in FTEs)

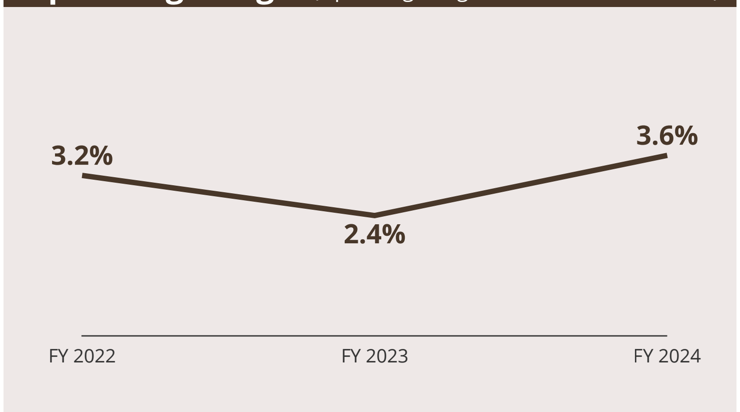
58.0%
Total Payroll as a % of Total Revenues

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
GROOMING STORES	3.3%	5.0%
NET SALES: LESS THAN $500,000	-1.0%	10.0%
NET SALES: $500,000 OR MORE	6.7%	*

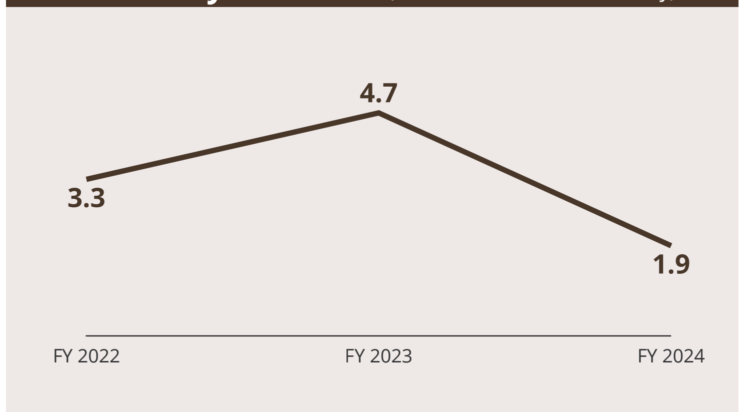
OVERALL KEY PERFORMANCE MEASURES

Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
3.7%	X	9.5	=	35.3%	X	0.3	=	9.4%

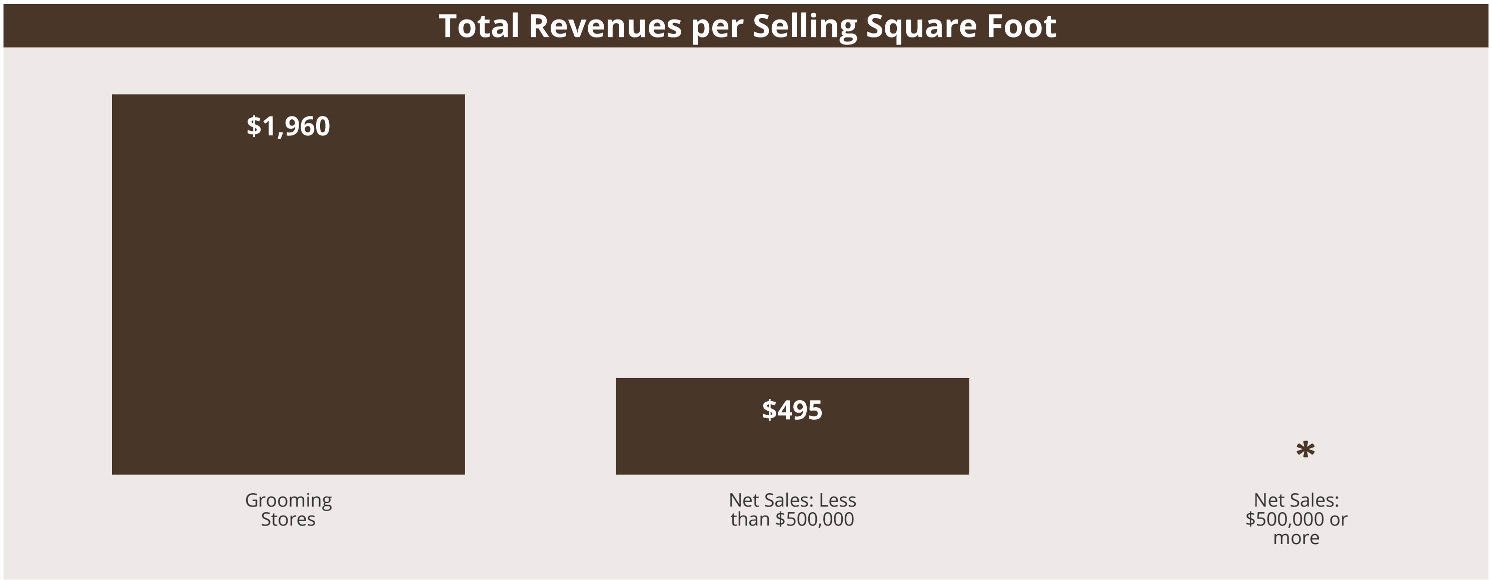
Operating Margin (Operating Margin as a % of Total Revenue)



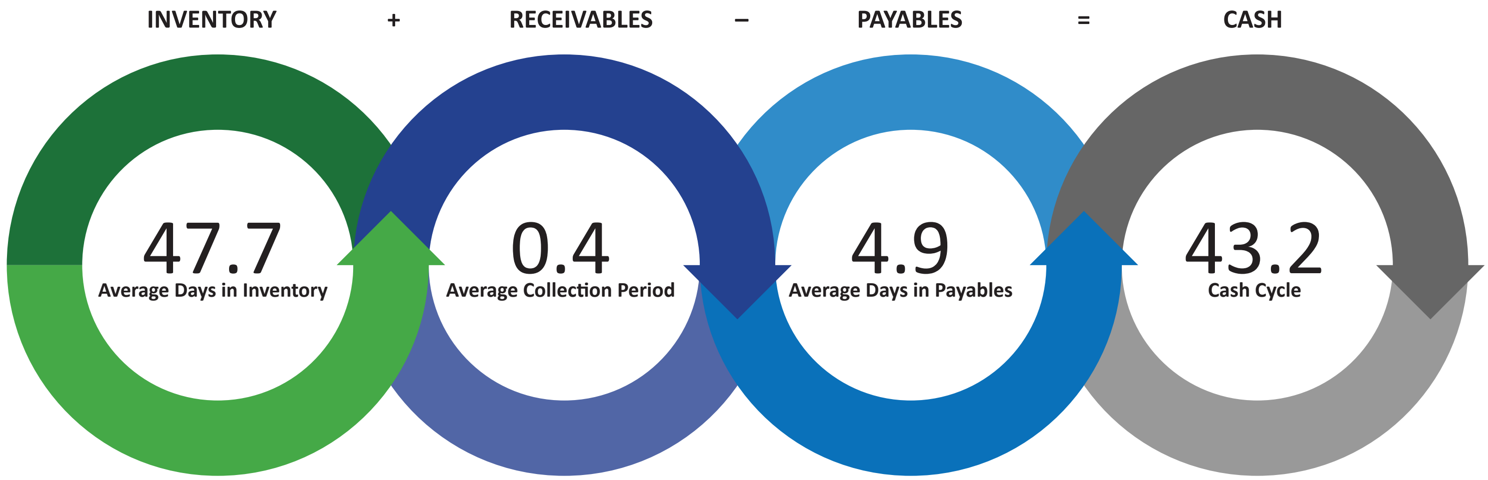
Inventory Turnover (Cost of Goods Sold/Inventory)



Grooming Stores with Retail Supplies



CASH CYCLE



MULTI-YEAR TREND COMPARISON

Chapter 4 - Grooming Stores with Retail Supplies	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	6.8%	5.6%	4.4%	*	2.9%	2.2%	3.7%
Operating Margin (Operating Margin as % of Total Revenues)	78.7%	74.8%	62.1%	*	3.2%	2.4%	3.6%
Asset Turnover (Total Revenues/Total Assets)	3.7	4.0	5.0	*	4.0	5.0	2.8
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	9.9%	7.3%	42.2%	*	8.3%	32.8%	35.3%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	22.5%	10.8%	49.2%	*	13.4%	43.4%	9.4%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	1.9	3.5	6.1	*	3.3	4.7	1.6
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	29.6%	79.1%	189.9%	*	75.6%	133.2%	127.0%
Financial Leverage (Total Assets/Net Worth)	1.6	1.2	1.1	*	1.1	1.0	1.9
Debt to Equity	0.4	0.3	0.4	*	0.1	0.1	0.9
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	1.4	1.5	1.8	*	1.5	2.3	5.5
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.6	0.5	0.7	*	0.4	0.8	1.5
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$91,487	$93,620	$112,579	$118,036	$112,579	$102,927	$93,921
Total Payroll as a % of Total Revenues	40.9%	40.2%	31.9%	*	37.4%	35.2%	58.0%
SALES PERFORMANCE							
Median Current Year Sales	$552,048	$602,737	$577,771	$780,000	$625,224	$342,913	$439,000
Average Current Year Sales	$902,321	$793,606	$9,607,617	$17,808,891	$15,571,507	$479,191	$408,650
Median Net Sales per Location	$552,048	$602,737	$596,629	$530,000	$498,510	$266,456	$293,000
Average Net Sales per Location	$648,704	$711,884	$744,722	$16,551,669	$666,504	$316,353	$339,450
Sales Growth	6.0%	5.0%	2.2%	16.7%	18.1%	22.7%	3.3%
Forecasted Sales Growth	7.0%	2.5%	5.5%	7.6%	18.5%	13.0%	5.0%

World Pet Association

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	38.4%	44.1%	67.1%	*	55.5%	72.2%	95.7%
Income from Grooming	50.7%	51.7%	29.9%	*	40.4%	24.9%	4.2%
Income from Boarding of All Animals	8.2%	3.2%	1.9%	*	2.7%	1.9%	0.0%
All Other Income	2.7%	1.0%	0.3%	*	1.4%	1.0%	0.0%
Total Revenues	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Total Cost of Goods Sold	21.3%	25.2%	37.9%	*	29.0%	35.7%	14.4%
Gross Margin	78.7%	74.8%	62.1%	*	71.0%	64.3%	85.6%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	7.7%	6.3%	3.2%	*	5.6%	3.2%	12.3%
Salary, Wages, Bonuses, Commission--All Other Employees	28.9%	28.9%	25.3%	*	27.8%	28.9%	41.1%
Payroll Taxes	3.3%	3.6%	2.3%	*	2.7%	1.8%	1.7%
Employee Benefits Expenses	1.0%	1.3%	1.2%	*	1.4%	1.4%	2.9%
Total Payroll Expenses	40.9%	40.2%	31.9%	*	37.4%	35.2%	58.0%
Occupancy Expenses							
Rent (including common area charges)	12.3%	11.5%	9.0%	*	11.8%	9.3%	8.2%
Repairs and Maintenance	1.9%	1.4%	0.8%	*	1.4%	1.0%	1.3%
Utilities (except Telephone)	2.1%	2.0%	2.0%	*	2.2%	2.2%	2.4%
Total Occupancy Expenses	16.3%	14.9%	11.8%	*	15.4%	12.5%	12.0%
Total Operating Expenses	71.9%	69.3%	57.6%	*	67.8%	62.0%	81.9%
Operating Profit	6.8%	5.6%	4.4%	*	3.2%	2.4%	3.6%
Interest Income (Expense)	-0.1%	-0.4%	-0.2%	*	-0.3%	-0.1%	0.1%
Other Income (Expense)	0.2%	0.0%	-0.1%	*	0.0%	-0.1%	0.0%
Net Income (or Loss) Before Tax	6.9%	5.2%	4.1%	*	2.9%	2.2%	3.7%
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)							
Professional Services (e.g., accounting, legal, etc.)	1.1%	1.1%	0.8%	*	*	*	*
Advertising and Promotion	2.6%	2.1%	1.9%	*	*	*	*
Insurance (general liability, loss coverage, etc.)	1.5%	1.4%	1.1%	*	*	*	*
Depreciation/Amortization Expense	0.4%	0.4%	2.9%	*	*	*	*
Office Expenses (store/office supplies, computer equipment/ software, general postage)	2.1%	1.9%	1.1%	*	*	*	*
Telephone	1.0%	0.9%	0.5%	*	*	*	*
Travel and Entertainment	1.4%	1.2%	0.4%	*	*	*	*
Licenses, Permits and Other Taxes	0.4%	0.4%	0.3%	*	*	*	*
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	4.3%	4.9%	5.1%	*	*	*	*
Total General and Administrative Expenses	100.0%	100.0%	100.0%	*	*	*	*

DETAILED INFORMATION

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
OVERALL KEY PERFORMANCE MEASURES			
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	3.7%	*	*
Operating Margin (Operating Margin as % of Total Revenues)	3.6%	*	*
Asset Turnover (Total Revenues/Total Assets)	2.8	*	*
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	35.3%	*	*
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	9.4%	*	*
MANAGEMENT RATIOS			
Inventory Turnover (Cost of Goods Sold/Inventory)	1.6	*	*
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	127.0%	*	*
Financial Leverage (Total Assets/Net Worth)	1.9	*	1.1
Debt to Equity	0.9	*	0.1
CASH CYCLE			
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.4	*	*
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	47.7	*	*
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	4.6	*	*
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	43.2	*	*
LIQUIDITY MEAURES			
Current Ratio (Current Assets/Current Liabilities)	5.5	*	*
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	1.5	*	*
EMPLOYEE PRODUCTIVITY RATIOS			
Total Revenues Per Employee	$93,921	$80,000	$133,333
Total Payroll as a % of Total Revenues	58.0%	*	*
Payroll Per Employee	$52,350	*	*
Operating Margin Per Employee	$82,659	*	*
SALES PERFORMANCE			
Median Current Year Sales	$439,000	$80,000	$608,000
Average Current Year Sales	$408,650	$138,900	$678,400
Median Net Sales per Location	$293,000	$80,000	$600,000
Average Net Sales per Location	$339,450	$138,900	$540,000
2024 Sales Growth	3.3%	-1.0%	6.7%
Forecasted 2025 Sales Growth	5.0%	10.0%	*
SALES LOCATION BREAKDOWN (as a % of total net sales)			
Mall Shopping Center	*	*	*
Freestanding	*	*	*
Strip Center	*	*	*
Online	*	*	*
Total Net Sales	*	*	*

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Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
SPACE PRODUCTIVITY RATIOS			
ALL STORES:			
Total Square Feet Per Store	1,500	1,000	1,600
Selling Square Feet Per Store	125	50	*
Total Revenues Per Selling Square Foot	$1,960	$495	*
Operating Margin Per Selling Square Foot	*	*	*
INCOME STATEMENT (as a % of Total Revenues)			
Revenue and Cost of Goods			
Net Sales of Merchandise	95.7%	*	*
Income from Grooming	4.2%	*	*
Income from Boarding of All Animals	0.0%	*	*
All Other Income	0.0%	*	*
Total Revenues	100.0%	*	*
Total Cost of Goods Sold	14.4%	*	*
Gross Margin	85.6%	*	*
Payroll Expenses			
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	12.3%	*	*
Salary, Wages, Bonuses, Commission--All Other Employees	41.1%	*	*
Payroll Taxes	1.7%	*	*
Employee Benefits Expenses	2.9%	*	*
Total Payroll Expenses	58.0%	*	*
Occupancy Expenses			
Rent (including common area charges)	8.2%	*	*
Repairs and Maintenance	1.3%	*	*
Utilities (except Telephone)	2.4%	*	*
Total Occupancy Expenses	12.0%	*	*
Total Operating Expenses	81.9%	*	*
Operating Profit	3.6%	*	*
Interest Income (Expense)	0.1%	*	*
Other Income (Expense)	0.0%	*	*
Net Income (or Loss) Before Tax	3.7%	*	*
GENERAL & ADMINISTRATIVE EXPENSES (as a % of Total General & Administrative Expenses)			
Professional Services (e.g., accounting, legal, etc.)	*	*	*
Advertising and Promotion	*	*	*
Insurance (general liability, loss coverage, etc.)	*	*	*
Depreciation/Amortization Expense	*	*	*
Office Expenses (store/office supplies, computer equipment/software, general postage)	*	*	*
Telephone	*	*	*
Travel and Entertainment	*	*	*
Licenses, Permits and Other Taxes	*	*	*
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	*	*	*
Total General and Administrative Expenses	*	*	*

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
BALANCE SHEET (as a % of Total Assets)			
Assets			
Cash & Equivalent	15.4%	*	3.9%
Accounts & Notes Receivable	0.2%	*	0.2%
Inventory	25.2%	*	28.0%
Other Current Assets	41.5%	*	39.5%
Total Current Assets	82.3%	*	71.6%
Total Noncurrent Assets	17.7%	*	28.4%
Total Assets	100.0%	*	100.0%
Liabilities & Net Worth			
Accounts Payable	7.6%	*	4.8%
Other Current Liabilities	11.6%	*	3.7%
Total Current Liabilities	19.2%	*	8.5%
Long Term Liabilities	23.2%	*	28.3%
Net Worth	57.6%	*	63.2%
Total Liabilities & Net Worth	100.0%	*	100.0%
RESPONDENT PROFILE			
Typical number of locations			
Median	1.0	1.0	1.0
Average	1.3	1.0	1.4
Type of business			
Pet Store with Animals	0.0%	0.0%	0.0%
Grooming Store w/Retail Supplies	100.0%	100.0%	100.0%
Aquarium Store	0.0%	0.0%	0.0%
Pet Store Dry Goods Only	0.0%	0.0%	0.0%
Online Retailer	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
If you operate a pet store with animals, which animals do you sell?			
Dog	*	*	*
Cat	*	*	*
Bird	*	*	*
Freshwater Fish	*	*	*
Saltwater Fish	*	*	*
Reptile	*	*	*
Small Animal	*	*	*
Service offered			
Grooming	100.0%	100.0%	100.0%
Training	17.6%	20.0%	20.0%
Aquarium Service	5.9%	0.0%	20.0%
Wing Clipping	17.6%	0.0%	40.0%
Veterinary Care	0.0%	0.0%	0.0%
Boarding (Dog/Cat)	23.5%	20.0%	60.0%
Boarding (Other)	5.9%	0.0%	20.0%
Day Care	23.5%	0.0%	60.0%
Nail Trimming	88.2%	100.0%	100.0%
Other	11.8%	0.0%	0.0%

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
Is your store a franchise operation?			
Yes	0.0%	0.0%	0.0%
No	100.0%	100.0%	100.0%
Community size of store location(s)			
Major Metro Area (over 1 million population)	17.6%	0.0%	40.0%
Moderate size city (100,000 to 1 million)	35.3%	40.0%	60.0%
Small city (25,000 to less than 100,000)	35.3%	20.0%	0.0%
Town of fewer than 25,000 or rural area	11.8%	40.0%	0.0%
Years in operation			
Median	10.0	28.0	8.0
Average	14.5	27.0	10.4
Legal form of business			
C-Corp	11.8%	20.0%	20.0%
S-Corp	23.5%	0.0%	40.0%
Partnership (LLC)	41.2%	40.0%	20.0%
Sole proprietorship	11.8%	40.0%	0.0%
Other	11.8%	0.0%	20.0%
Business premises owned vs leased			
Owned	17.6%	20.0%	40.0%
Leased	82.4%	80.0%	60.0%
Both Owned and Leased (multiple locations)	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2024			
Median	50.0	40.0	60.0
Average	51.3	40.0	61.0
Total number of company-wide register transactions in 2024			
Median	8,124	*	*
Average	77,314	*	*
Sale price per register transaction in 2024			
Median	$75.66	*	*
Average	$88.62	*	*
EMPLOYEE INFORMATION			
Typical Number of Employees for the Year (in FTEs)			
Median	7.0	*	*
Average	8.8	*	*
Number of Full-Time Employees			
Median	4.0	*	*
Average	5.9	*	*
Number of Part-Time Employees			
Median	2.0	*	*
Average	3.9	*	*
Employee Turnover			
All Employees	10.1%	6.1%	*
Full-Time Employees	8.7%	*	*
Part-Time Employees	9.2%	*	*

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
GIFT CARDS			
Does company sell store gift cards?			
Yes	60.0%	60.0%	60.0%
No	40.0%	40.0%	40.0%
If store gift cards are sold, Total 2024 Gift Card Sales			
Median	$140	*	*
Average	$322	*	*
If store gift cards are sold, Total 2024 Gift Card Sales as a % of Total Revenues			
Median	*	*	*
Average	*	*	*
RETAIL SALES MIX			
General Sales Mix			
Pet food	21.8%	20.0%	*
Dry Goods	7.7%	7.9%	*
Live Animals	9.1%	0.0%	*
Other	61.4%	72.1%	*
Total	100.0%	100.0%	*
Detailed Category Sales Mix			
Aquatics	0.0%	0.0%	*
Bird	0.0%	0.0%	*
Cat	12.6%	1.5%	*
Dog	19.3%	23.9%	*
Reptile	0.0%	0.0%	*
Small Animals	0.4%	0.7%	*
Services	66.6%	73.9%	*
Other	1.1%	0.0%	*
Total	100.0%	100.0%	*
MARGINS AND TURNOVER			
Pet food			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Dry goods			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Live animals			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
Aquatics (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Bird (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Cat (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnoverr	*	*	*
Dog (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Reptile (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Small animals (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Services (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
ADVERTISING/MARKETING			
Marketing budget (as a percent of total revenue) in each of the following years:			
2023	5.0%	*	*
2024	5.0%	*	*
Anticipated 2025	7.5%	*	*
Does company engage in the following advertising/marketing activities?			
Broadcast TV Advertising	0.0%	*	0.0%
Cable TV Advertising	0.0%	*	0.0%
Radio Advertising	11.1%	*	16.7%
Co-Op Advertising with your supplier/manufacturer	22.2%	*	16.7%
Newspaper Advertising/Magazine Advertising	22.2%	*	33.3%
Non-Reimbursed Coupon Expense	11.1%	*	16.7%
Website/online advertisements	55.6%	*	83.3%
Email Blasts	66.7%	*	83.3%
In-Store/Community Events	44.4%	*	33.3%
Other	33.3%	*	33.3%

Grooming Stores with Retail Supplies

Chapter 4 - Grooming Stores with Retail Supplies	NET SALES		
	Grooming Stores	Less than $500,000	$500,000 or More
Percentage of advertising/marketing budget spent:			
In-house	76.5%	*	*
Outsourced	23.5%	*	*
Total	100.0%	*	*
Does company allow ordering through own website?			
Yes	20.0%	20.0%	40.0%
No	80.0%	80.0%	60.0%
If yes, percent of 2024 sales that were made through own website			
Median	*	*	*
Average	*	*	*
If company does not conduct sales through own website, is company planning to?			
Yes, in 1-12 months	16.7%	*	*
Yes, in 13-24 months	0.0%	*	*
Yes, in more than 24 months	8.3%	*	*
No	75.0%	*	*

SURVEY METHODOLOGY AND DEMOGRAPHICS

In early April 2025, an email was sent to pet retailers with a link to a strictly confidential online questionnaire. The primary intent of this survey was to collect detailed financial, operating and sales information from members by the group of participants as a whole, the type of business operated, and subsets within each type of business (by sales volume and profitability).

Once the questionnaires were submitted to Industry Insights, a confidential company identification code was assigned to each company. The data was then coded, entered into a proprietary system and edited by Industry Insights' financial analysts for accuracy and consistency. Computer processing was performed on all data to ensure statistical validity and to produce the financial and operating ratios contained in this study.

In all, 93 companies, representing 1,172 retail locations, submitted their surveys to Industry Insights. In particular, the statistical sample consists of the following at right.

Number of Companies	
All Respondents	**93**
All Pet Stores with Animals and Aquariums	**20**
Net Sales: Less than $2 Million	10
Net Sales: $2 Million or More	8
All Pet Stores – Dry Goods Only	**35**
Net Sales: Less than $2 Million	19
Net Sales: $2 Million or More	10
All Grooming Stores with Retail Supplies	**17**
Net Sales: Less than $500,000	5
Net Sales: $500,000 or More	5
All "Other" Stores	**7**

KEY RATIO DEFINITIONS

The primary purpose of this World Pet Association Retail Operating Performance Report is to provide a basis for comparing your own performance with your peers. In order to do this, it is necessary to calculate your own ratios using the same methods that were used to compute the ratios in this report (see method of computation on right). The definitions appear on the pages that follow.

To further clarify the computational process, this section of the report also contains a copy of the survey used for the study.

Note: Those companies that participated in this year's survey automatically received a confidential individualized "Company Performance Report." This report presents a participant's own ratios and data already computed in a manner consistent with those appearing in the full report, which are displayed alongside the appropriate comparatives. As a result, participating firms received invaluable information about their own business performance without having to spend time and effort to make the calculations manually.

PERFORMANCE MEASURE	METHOD OF COMPUTATION
OVERALL PERFORMANCE MEASURES	
Profit Margin	Profit Before Taxes ÷ Total Revenues
Operating Margin as a % of Total Revenues	Operating Margin ÷ Total Revenues
Asset Turnover	Total Revenues ÷ Total Assets
Return on Assets	Profit Before Taxes ÷ Total Assets
Return on Net Worth	Profit Before Taxes ÷ Net Worth
MANAGEMENT RATIOS	
Inventory Turnover	Cost of Goods Sold ÷ Inventory
Turn & Earn Profitability Index	Gross Margin % x Inventory Turns
Financial Leverage	Total Assets ÷ Net Worth
Debt to Equity	Total Liabilities ÷ Net Worth
CASH CYCLE	
Average Collection Period (Days)	Accounts Receivable ÷ (Net Sales ÷ 365 Days)
Average Days in Inventory	Accounts Inventory ÷ (Cost of Goods Sold ÷ 365 Days)
Accounts Payable Payout Days	Accounts Payable ÷ (Cost of Goods Sold ÷ 365 Days)
Cash Cycle	Average Collection Period + Inventory Days - Payable Days
EMPLOYEE PRODUCTIVITY RATIOS	
Sales per Employee	Total Revenues ÷ Full-Time Equivalent Employees (FT employees were counted as 1.0 and PT employees were counted as 0.5)
Payroll Expense as a % of Total Revenues	Total Payroll Expense (incl. Fringe Benefits and Payroll Taxes) ÷ Total Revenues
LIQUIDITY MEASURES	
Current Ratio	Current Assets ÷ Current Liabilities
Quick Ratio	(Current Assets - Inventory) ÷ Current Liabilities
SALES PERFORMANCE	
Percent Change in Overall Sales from Prior Year	(Total Revenues - Previous Year's Sales) ÷ Previous Year's Sales

UNDERSTANDING THE METRICS

Overall Performance Ratio Analysis
The “Overall Performance Measures” included in this report provide key ratios for comparing a company’s performance to reported norms in each of three areas: profitability, productivity, and financial management. In using this report, it is important to prioritize time and effort by starting with the Overall Performance Measures. As discrepancies are identified between a company’s performance measures and the reported norms, further investigation will be needed as to the reasons for these discrepancies.

Profitability
While there are several ways to look at profitability, the most useful are those that compare profits to some other quantity. Perhaps the most frequently cited is net operating profit, or net profit as a percent of sales or total revenue. This ratio measures the difference between a company’s total and what it spends over a period of time. It is highly dependent upon a company’s pricing policy and expense control. If gross margin (Net Sales minus Cost of Goods Sold) increases or expenses decrease as a percent of revenues, net operating profit will rise. Some companies prefer to use profit before income taxes, since income tax in small business is often influenced by factors other than those involved in running the business. No matter which you prefer to use, net operating profit is a good overall measure of how well gross margin and expenses are being controlled.

Perhaps the best measure of overall profitability is return on investment (ROI). The two most important measures of ROI are return on assets and return on net worth. Return on assets is defined as either annual 1) profit after tax, 2) profit before tax, or 3) profit before tax and interest divided by end-of-year total assets. It is an excellent indicator of the percentage return on total assets employed in the business. As is the case with net operating profit, using profit before tax is a good idea. In addition, profit before taxes and interest divided by total assets is an even more “pure” look at the operational efficiency of the business because the amount of interest paid depends on the amount of debt the business needs or wishes to incur. This is a matter of financial policy and is not directly related to the operational efficiency of the business.

While return on assets measures ROI from a business management standpoint, return on net worth is the best measure of return to the owners of the business. It is defined as profit before or after tax to net worth. Return on net worth is the percentage return to the owners compared to the amount that they have invested in the business.

Productivity
Productivity is simply the output produced compared with input expended. As a rule, the more output produced per labor hour, employee, dollar investment, or whatever the input, the more profitable a company can be. Retailers need to always strive to improve the productivity of their principal assets–inventory, and personnel. However, in order to improve productivity, you first have to measure it.

Inventory productivity is best measured by inventory turnover, defined as the cost of goods sold divided by average inventory. This ratio shows how rapidly inventory is moving. Inventory turnover is expressed as “annual turns.”

Personnel productivity can be measured in numerous ways. The easiest and most commonly used methods are:

- **Total Revenues per Employee**—a good overall measure, but subject to distortion by inflation. Always use full-time equivalents for employee counts.
- **Payroll Expense as a percent of Total Revenues**—complements the previous measure by adding the dimension of compensation levels instead of just number of employees. It is not distorted by inflation.
- **Asset turnover**—(net sales divided by total assets) presents a good overall indicator of total company productivity. The ratio tells us how many sales dollars are being generated by each dollar of assets employed in running the business.

Financial Management
There are two financial management issues that should be of primary importance to all businesses–liquidity and leverage.

Liquidity represents the short-term financial strength of the company. It is your ability to meet short-term obligations out of currently available funds. Two liquidity measures are commonly used.

- **Current Ratio** (current assets divided by current liabilities)—This measures the extent to which fairly liquid assets (all current assets) exceeds current debt.
- **Quick (acid-test) Ratio** (current assets less inventory divided by current liabilities)—This ratio eliminates inventory from the numerator because it is not extremely liquid, and compares the result to current debt. Therefore, the quick ratio is often considerably lower than the current ratio.

Leverage is merely the extent to which a company is financed by debt as opposed to the owners’ funds. It is the amount of liabilities in relation to the amount of net worth on the right hand side of the balance sheet. The most significant ratio of overall company leverage is Total Assets to Net Worth. The higher this ratio is, the higher the leverage. Debt to Equity (Total Liabilities divided by Net Worth) is another common measure of company leverage used within this report.

Improving Performance Based on the Overall Performance Measures
It is important to remember that while the key performance measures are excellent “yardsticks” for gauging the success of your business, they must be understood, not just applied blindly. For instance, if the profitability of your facility is far below the reported norm, it is important to know why. Is your business really suffering or is your profitability artificially low because you are paying high salaries? With this warning in mind, let us examine some of the key performance measures and some possible actions that can be taken if you deviate significantly from the reported average. The following are only guidelines for action and should not be considered to be specific recommendations.

PROFITABILITY

Net Operating Profit

TOO LOW

Further investigation is warranted. Check to see if cost of sales is too high. If so, check costs by product type. Check all expense categories to see which need better control.

TOO HIGH

It is difficult to imagine a situation where this presents a problem, but you should know why the net profit margin is so high.

Return on Assets

TOO LOW

Either revenues or net profit before taxes is too low to support your asset structure. Examination of net profit before taxes value and asset turnover will tell which.

TOO HIGH

No problem as a rule. You are effectively managing your business.

Return on Net Worth

TOO LOW

If return on assets is sufficient, you may have more of your funds invested in the business than necessary (see Leverage).

TOO HIGH

This is a very good situation unless the degree of leverage is too high.

PRODUCTIVITY

Personnel Productivity

TOO LOW

Low personnel productivity during normal business conditions may indicate the business is too "people heavy." Consider decreasing staff size or generating more volume from existing personnel.

TOO HIGH

No problem as a rule. May be artificially high if many functions are performed by outsiders not on the payroll.

Inventory Productivity

TOO LOW

This could indicate either a lack of volume or an overstocked condition. Investigate by product type.

TOO HIGH

Excessively high inventory productivity generally means too little inventory is available and may result in shortages.

Average Collection Period

TOO LOW

Usually is preferred, unless credit policies are too restrictive and thus result in lost sales.

TOO HIGH

May mean a poorly organized and managed receivables management system.

Total Asset Productivity

TOO LOW

Low asset turnover can signal a need for more attention to the productivity of the areas previously described.

TOO HIGH

Asset turnover, which is significantly in excess of the reported norm,
might be caused by the absence of owned fixed assets or the lack of any significant amount of receivables. Check your percentage
balance sheet with the composite for your sales volume category.

FINANCIAL MANAGEMENT

Liquidity

TOO LOW

If current and quick ratios are too low, it is possible you are operating with insufficient liquid capital. This can be dangerous if business takes a turn for the worse or a loan payment becomes due unexpectedly. Liquidity can be increased by using more long-term financing and/or by leaving more profits in the business.

TOO HIGH

If liquidity is exceptionally high, it is possibly a sign of excess inventories and receivables. Check productivity ratios for these items. Otherwise, this is no reason for concern.

Leverage

TOO LOW

You have excess capacity for debt should it become necessary to borrow. Although some owners do not like borrowing any more than absolutely necessary, additional debt will increase overall profitability as long as the business can earn a before tax return which exceeds the borrowing rate.

TOO HIGH

This will severely curtail your ability to attract new borrowed funds. In addition, interest charges could be strongly affecting profitability. Try to retain more profits in the business or attract new sources of equity if you wish to lower leverage.

SURVEY QUESTIONNAIRE

CONFIDENTIAL CONFIDENTIAL CONFIDENTIAL

2025 World Pet Association Retail Operating Performance Survey

World Pet Association

DEADLINE FOR SUBMITTING FORM: MAY 15, 2025

This year's ***WPA Retail Operating Performance Report*** promises to be the most timely and comprehensive profile of peer performance. Every company that participates in the survey will receive a FREE copy of the final Industry Report and an individual **Company Performance Report (CPR)** that will compare your company's performance against other retailers of a similar size and location. An online, interactive filtering tool will also be available to all participants that allows them to dig deeper into the data.

General Information

- The online survey is available at: **www.WPAsurvey.com**.
- It is OK to leave blanks. The more you are able to fill out, the more information you will get back about your own company. You may provide estimates if necessary.
- Enter figures from your completed year that ended nearest to December 31, 2024.
- **If you need assistance**, contact Jake Hackathorne of Industry Insights at jhackathorne@industryinsights.com / (380) 215-1077. To save time, you can forward your financial statements to Industry Insights and they will fill out the rest of the form for you, to the extent possible.
- Individual company responses will not be shared with WPA or anyone outside of Industry Insights. All responses will be kept in strictest confidence by Industry Insights, Inc.
- **Return this survey to:** Industry Insights, Inc., PO Box 4330, Dublin, Ohio 43016.

Your data will be treated in the strictest confidence by Industry Insights, Inc., an outside, third-party company that specializes in such studies. Please fill out the information below so that Industry Insights can distribute the results directly to you.

Please type or print clearly.

Contact Name:______________________ Title:______________________

Email:______________________ Phone: (______) ______________________

Company Name:______________________ Suite/Floor: ______________________

Address:______________________ ______________________ __________

City:______________________ State/Province:__________ Zip/postal code:______________________

Questions marked with an asterisk (*) are required.

1. *** Indicate the type of business that most closely matches your operation?** (Check only one)
   - 2-1 ☐ Pet Store with Animals
   - -2 ☐ Grooming Store w/Retail Supplies
   - -3 ☐ Aquarium Store
   - -4 ☐ Pet Store Dry Goods Only
   - -5 ☐ Online Retailer
   - -6 ☐ Other ______________

   *** If type of business is Pet Store with Animals, check all animals that apply.**
   3 ☐ Dog 4 ☐ Cat 5 ☐ Bird 6 ☐ Freshwater Fish 7 ☐ Saltwater Fish 8 ☐ Reptile 9 ☐ Small Animal

   *** If other, do you have retail operations?** 320-1 ☐ Yes -2 ☐ No

2. **Which of the following services does your store offer?** (if multiple locations, check if any store provides the service)
   22 ☐ Grooming 23 ☐ Training 24 ☐ Aquarium Service 25 ☐ Wing Clipping 26 ☐ Veterinary Care 27 ☐ Boarding (Dog / Cat) 28 ☐ Boarding (other) 29 ☐ Day Care 30 ☐ Nail Trimming 31 ☐ Other ______________ 31
3. **Is your store a franchise operation?** 10-1 ☐ Yes -2 ☐ No
4. **Please indicate the association / service to which you belong?** (Check all that apply)
   300 ☐ WPA 301 ☐ Pet Store Pro User 820 ☐ Other__________ 821 ☐ None
5. **What size community does your primary location serve?** (Check only one)
   11-1 ☐ Major Metro Area (over 1 million population) -2 ☐ Moderate size city (100,000 to 1 million) -3 ☐ Small city (25,000 to less than 100,000) -4 ☐ Town of fewer than 25,000 or rural area
6. **How many years has your business been in operation?** # ____ Years 12
7. **In what state is your primary location (State)?** ____ 13
8. **What is your legal form of business?**
   14-1 ☐ C-Corp -2 ☐ S-Corp -3 ☐ Partnership (LLC) -4 ☐ Sole proprietorship -5 ☐ Other ______________
9. **Is / are your business premises owned or leased?**
   15-1 ☐ Owned -2 ☐ Leased -3 ☐ Both Owned and Leased (multiple locations) -4 ☐ Other ______________
10. **Weekly hours of operation, per store, in 2024** (i.e., if you were open 6 days a week for 10 hours a day, input 60) # ____ 17
11. **Indicate below the number of stores you operate, the number of square feet used, and annual sales by location.**

Physical Facilities	TOTAL All Stores	Mall Shopping Center	Free-standing	Strip Center	Online
Number of Stores	# 36				
Total Square Feet	# 41				
Square Feet of Selling Space	# 46				
Net Sales	$ 51	$ 47	$ 48	$ 49	$ 50

12. **Indicate the number of employees and terminations below.**

	All Employees	Full-Time Employees	Part-Time Employees
Number of employees as of 1/1/2024	# 52	# 53	# 54
Number of employees as of 12/31/2024	# 55	# 56	# 57
Number of terminations (voluntary and involuntary) in 2024	# 58	# 59	# 60

13.	**Total number of company-wide register transactions in 2024**	# 18
14.	*** Current year (i.e. 2024) net sales**	$ 19
15.	*** Prior year (i.e. 2023) net sales**	$ 20

16.	**Forecasted 2025 total company sales growth** (i.e., your expected total 2025 sales volume change over 2024). Use a "-" for an expected decline.	% 21
17.	**Does your company sell gift cards for your store or services?**	61-1 ☐ Yes -2 ☐ No
17b.	**If yes, what was the dollar values of gift cards sold in 2024?**	$ 62
18.	**Does your company allow ordering through your own website?**	189-1 ☐ Yes -2 ☐ No
18b.	**If yes, percent of 2024 sales that were made through your website.**	% 190
18c.	**If you don't conduct sales through your website, are you planning to?** 191-1 ☐Yes, in 1-12 months -2 ☐ Yes, in 13-24 months -3 ☐ Yes, in more than 24 months -4 ☐ No	
19.	**What percent of 2024 sales transactions were paid in cash?**	% 321

20. **Approximately what percentage of your total 2024 retail sales (exclude service revenue) is related to the following categories:**

Category	%
Pet Food	% 63
Dry goods	% 64
Live Animals	% 65
Other	% 66
Total	**100%**

20a. **OPTIONAL – If you have greater detail, please also use the following list:**

Category	%
Aquatics total (fish: dry goods, aquariums & kits, food)	% 70
Bird total (bird: dry goods, food)	% 73
Cat total (cat: dry goods, collars, leads, flea & tick, food, litter)	% 80
Dog total (dog: dry goods, collars, leads, flea & tick, food, treats)	% 87
Reptile total (reptile: dry goods, food)	% 98
Small animals total (small animal: dry goods, food)	% 101
Services (grooming, training, day care, boarding, trimming, etc.)	% 111
Other ______________ 116	% 116
Total	**100%**

IMPORTANT

The information below is requested in order to compute the various financial ratios and industry comparative data for the industry report as well as your personalized *Company Performance Report.* It is important that this information is provided to produce the most complete and accurate data possible. No one outside Industry Insights will ever have access to your data. All responses are kept strictly confidential.

If you are pressed for time, Industry Insights' analysts will transfer your company's financial statements to this survey for you, to the extent possible. Simply provide a copy of your most recent financial statements (Income Statement and Balance Sheet) along with your completed form to this point.

BALANCE SHEET (FISCAL YEAR 2024)

Assets:	**Amount**
1. Cash & Equivalents	$ 195
2. Accounts Receivable	$ 196
3. Inventory	$ 197
4. Other Current Assets	$ 198
5. Total Current Assets **(Sum of Lines 1 thru 4)**	$ 199
6. Total Noncurrent Assets	$ 331
7. Total Assets **(Sum of Lines 5 and 6)**	$ 202
Liabilities & Net Worth:	**Amount**
8. Accounts Payable	$ 203
9. Other Current Liabilities	$ 205
10. Total Current Liabilities **(Sum of Lines 8 and 9)**	$ 206
11. Long Term Liabilities	$ 207
12. Net Worth	$ 208
13. Total Liabilities & Net Worth **(Line 10 thru 12)**	$ 209

IF YOU DON'T HAVE YOUR NUMBERS BROKEN OUT BY CATEGORY, PLEASE ENTER TOTALS
(e.g. Total Payroll, Total Occupancy Expenses, etc.)

INCOME STATEMENT (FISCAL YEAR 2024)

Revenue and Cost of Goods:	**Amount**
1. **Gross Sales** of Merchandise	$ 210
2. Credit Card Discounts (fees)	$ 211
3. Returns, Allowances, and all other reductions from gross to net sales	$ 212
4. Net Sales of Merchandise **(Line 1 minus lines 2 and 3)**	$ 213

5.	**Total Cost of Goods Sold**	$ 214
6.	**Gross Margin (Line 4 minus Line 5)**	$ 215
	Other Income:	**Amount**
7.	Net Income from Grooming (grooming revenue minus grooming expenses)	$ 216
8.	Net Income from Boarding of All Animals (boarding rev. minus boarding specific exp.)	$ 221
9.	All Other Income	$ 225
10.	**Total Other Income (Sum of Lines 7 thru 9)**	$ 226
11.	**Operating Margin (Line 6 plus Line 10)**	$ 227
	Payroll Expenses:	**Amount**
12.	Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	$ 228
13.	Salary, Wages, Bonuses, Commission--All Other Employees	$ 229
14.	Payroll Taxes	$ 230
15.	Employee Benefits Expenses	$ 231
16.	Total Payroll Expenses **(Sum of Lines 12 through 15)**	$ 232
	Occupancy and G&A Expenses:	**Amount**
17.	Rent (including common area charges)	$ 233
18.	Repairs and Maintenance	$ 234
19.	Utilities	$ 235
20.	Total Occupancy Expenses **(Sum of Lines 17 thru 19)**	$ 236
21.	All General and Administrative Expenses	$ 246
22.	Total Operating Expenses **(Line 16 plus Line 20 plus Line 21)**	$ 247
23.	**Net Operating Profit (Line 11 minus Line 22)**	$ 248
	Other Income (Expense):	**Amount**
24.	Interest Income (Expense)	$ 249
25.	Other Income (Expense)	$ 250
26.	**Net Income (or Loss) Before Tax (Line 23 plus Line 24 and 25)**	$ 251

Optional Questions

Margins and Turnover

21. Please indicate your estimated "initial" and "realized" overall margin experience for each of the following categories. For example, if you buy an item at a cost of $10 and initially price it to sell for $20, this would be an *initial margin* of 50% (i.e., $20 original price minus $10 merchandise cost equals $10, which is 50.0% of the $20 price). If, however, after pricing markdowns, employee discounts, and shortages have been taken into account (i.e., shrinkage) the effective sales price is $18, then the *realized margin* would be 44.4% (i.e., $18 sales price minus $10 merchandise cost equals $8, which is 44.4% of the $18 actually received for the merchandise sold).

	Initial Margin	Realized Margin (or Gross Margin)	Inventory Turnover
Pet Food	% 123	% 136	# times 149
Dry Goods	% 124	% 137	# times 150
Live Animals	% 125	% 138	# times 151
Aquatics (total)	% 126	% 139	# times 152
Bird (total)	% 127	% 140	# times 153
Cat (total)	% 128	% 141	# times 154
Dog (total)	% 129	% 142	# times 155
Reptile (total)	% 130	% 143	# times 156
Small Animals (total)	% 131	% 144	# times 157
Services (total)	% 132	% 145	# times 158

Financial Information

22.	**Average monthly (or quarterly) total assets for the year 2024** *To arrive at this figure, please add ending assets figures for all 12 months, then divide by 12 – or add ending assets figures for each quarter, then divide by 4.*	$ 117
23.	**Average monthly (or quarterly) inventory for the year 2024** *To arrive at this figure, please add ending inventory figures for all 12 months, then divide by 12 – or add ending inventory figures for each quarter, then divide by 4.*	$ 118
24.	**Average monthly (or quarterly) accounts receivable for the year 2024** *To arrive at this figure, please add ending A/R figures for all 12 months, then divide by 12 – or add ending A/R figures for each quarter, then divide by 4.*	$ 252
25.	**Average monthly (or quarterly) accounts payable for the year 2024** *To arrive at this figure, please add ending A/P figures for all 12 months, then divide by 12 – or add ending A/P figures for each quarter, then divide by 4.*	$ 119
26.	**What percent of G&A Expenses fall into the following categories?**	
	Professional Services (e.g., accounting, legal, etc.)	% 322
	Advertising and Promotion	% 323
	Insurance (general liability, loss coverage, etc.)	% 324
	Depreciation / Amortization Expense	% 325
	Office Expenses (store / office supplies, computer equipment / software, general postage)	% 326
	Telephone	% 327
	Travel and Entertainment	% 328
	Licenses, Permits and Other Taxes	% 329
	Other Operating Expenses (auto / delivery, franchise fees, collection expense, dues, etc.)	% 330

Advertising / Marketing

27.	**What was your company's marketing budget (as a percent of total net sales) in each of the following years?**	2023	% 174
		2024	% 175
		Anticipated 2025	% 176
28.	**Does your company engage in the following Advertising / Marketing Activities?** (Check all that apply)		
	177 ☐ Broadcast TV Advertising 178 ☐ Cable TV Advertising 179 ☐ Radio Advertising 180 ☐ Co-Op Advertising with your supplier / manufacturer 181 ☐ Newspaper / Magazine Advertising 182 ☐ Non-Reimbursed Coupon Expense 183 ☐ Website / online advertisements 184 ☐ Email Blasts 185 ☐ In-store / Community Events 186 ☐ Other________________________		
29.	**Percentage of Advertising / Marketing budget that is spent:**	In-house	% 187
		Outsourced	% 188
		Total	100%