World Pet Association

2024

RETAIL OPERATING PERFORMANCE REPORT

BASED ON 2023 RESULTS

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The 2024 World Pet Association Retail Operating Performance Report (a collaboration of the World Pet Association and Pet Store Pro) presents a detailed analysis of key operating data from the retail pet industry. Based on confidential surveys completed by 152 companies (representing 581 retail locations), the Retail Operating Performance Report includes a compilation and analysis of sales and operations data, as well as additional profile information.

The World Pet Association Retail Operating Performance Report is published by the World Pet Association (WPA) in collaboration with Pet Store Pro. 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 2024 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 (based on 2023 results) has been designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities.

The World Pet Association Retail Operating Performance Report was prepared by Industry Insights, Inc. of Columbus, Ohio, while working closely with WPA and Pet Store Pro representatives in the design 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 2024. 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 5 responding organizations for each value is required in order 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, a valuable feature of the World Pet Association Retail Operating Performance Report is that all companies participating in the survey automatically receive a free confidential Company Performance Report. This report presents a company's own ratios and data computed in a manner consistent with those appearing in the full benchmarking report, and it is displayed alongside the appropriate industry comparatives.

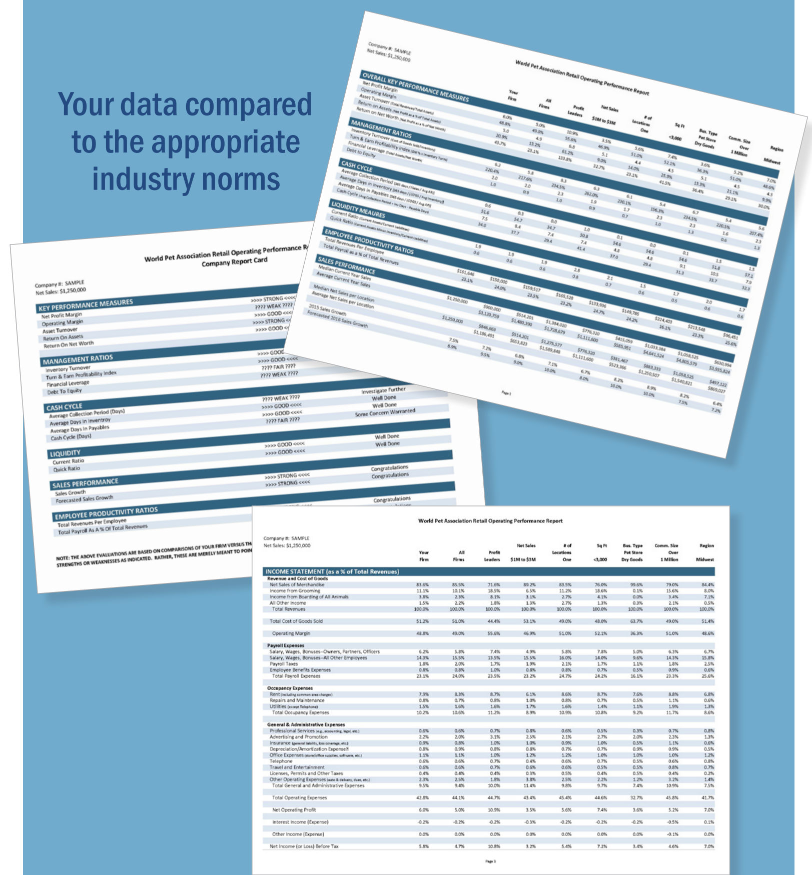
As shown on the following page, on any given line of the Company Performance Report, a company's own data is included along with reported norms for all respondents and for similar companies. Thus, the individual owner/manager is provided invaluable information without needing to spend time and effort performing the calculations manually.

Sample Company Performance Report pages are shown at right.

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

Introduction

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 in order 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. The report has been segmented to focus on the type of business as each business type does not operate identically and the financial practices of each type can vary greatly. The following shows the breakdown of the groupings include in each chapter:

Chapter 1: All Respondents and Type of Business – provides a general overview of the demographics of responding companies. Additionally, in this chapter, 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 $1 Million
  - $ 1 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 $1 Million
  - $1 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

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.

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:
  - Northeast
  - Midwest
  - South
  - West

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.

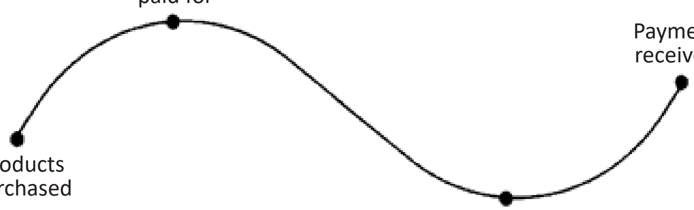
Even a relatively simple analysis of your company's own figures using the data for comparisons can yield important insights into your business. You do not have to be a financial expert to benefit from this information.

Introduction

Cash Flow Management

Cash flow management (i.e., effectively satisfying short term cash obligations relative to available cash) is, to a large extent, just as important as profits to any given retailer. In fact, poor cash management is one of the main causes of business failures, particularly among small to medium size companies. A cash shortage due to poor planning can set off a chain of disastrous consequences, even in a profitable company.

The key to effective cash management is to systematically and accurately define cash needs relative to cash resources over specific time intervals. In essence, this begins with the management of working capital, in the form of accounts receivable, inventory and payables. The cash flow cycle is the length of time, in days, from the initial payment of cash for materials (or services) to the receipt of cash from the collection of accounts receivable (or from cash sales). This cycle determines a company's cash turnover and, most important, the minimum cash balance required for continuing operations.



MEASURES FOR EVALUATING CASH FLOW

RATIO	RATIO CACULATION	EXAMPLE
Days payables outstanding	Accounts Payable ÷ Purchases per day*	21
Average collection period	(Accounts Receivable ÷ Credit Sales per day) times Credit Sales as a % of Total Sales	52
Average days in inventory	Average Inventory ÷ Cost of Goods Sold per day	50
Cash cycle (in days)	Days of Inventory + (Days of Receivables minus Days of Payables) (#2 + #3 - #1)	81
Cash turnover	365 ÷ Cash Cycle (in days)	4.5
Minimum cash requirement	Annual Cash Expenditures (i.e., cost of sales plus operating expenses plus interest expense)** ÷ Cash Turnover Rate	$445,000

**Also can be expressed as (Accounts Payable x 365) ÷ Purchases.* ***Assumes, for illustration purposes, $2,000,000 of annual cash expenditures.*

In the chart above, the first three ratios are used to calculate the next three ratios. The final ratio shown represents the minimum cash requirement for a hypothetical company that pays out $2,000,000 in annual cash expenditures. By calculating the six ratios for your own company, you can derive your own estimated minimum cash requirement figure.

CHAPTER 1
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 common **business type** was Pet Store – Dry Goods Only, selected by 27.0% of respondents. Grooming Store with Retail Supplies followed at 24.3%, and 17.8% operated as Online Retailers. Pet Store with Animals made up 14.5%, while Aquarium Stores represented 2.6%. An additional 13.8% selected 'Other,' with typical responses including training, boarding, and mobile/storefront hybrid stores.

- The **size of the community served** can often influence financial performance. 63.9% of all respondents indicated that the population of their community is 100,000 or more in population.

- Over 30% of all respondents were from the Pacific **region** of the United States, followed by the East South Central (21.7%) and Mountain **regions** (14.7%).

- The median **store size** for Pet Stores with Animals and Aquariums was 5,800 square feet, Pet Stores – Dry Goods Only had a store size of 2,288 square feet, and Grooming Stores with Retail Supplies reported a store size of 1,300 square feet.

- 10.5% of respondents are a **franchise operation**.

- The typical respondent has been in business for 10 years. Pet Stores with Dry Goods Only reported 13 years in operation, while those operating Pet Stores with Animals and Aquariums have been in business for 20 years. The typical Grooming Store with Retail Supplies has been in business for 5 years.

- $580,000 was the typical **sales volume** for survey respondents. Looking at sales by type of business, Pet Stores – Dry Goods Only had median sales of $1.3 million, while the typical respondent operating a Pet Store with Animals and Aquariums reported sales of $1.1 million. Grooming Stores with Retail Supplies had $343,000 in sales.

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

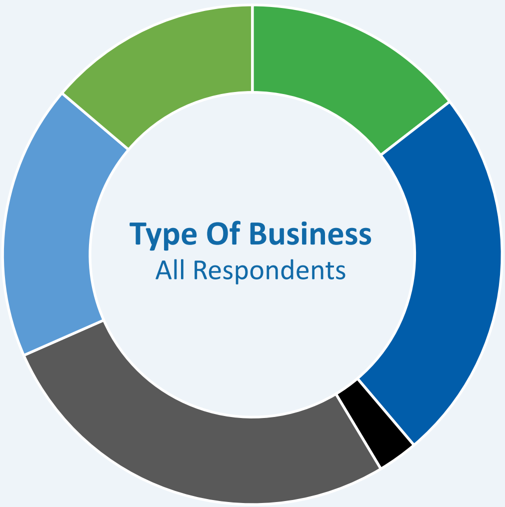
Key Financial Measures

- The median **sales per transaction** across all responding companies was $52.82. Pet Stores with Animals and Aquariums reported a median of $51.91, while Pet Stores – Dry Goods Only had $49.42. Grooming Stores with Retail Supplies reported the highest median sales per transaction at $87.34.
- **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 respondent's return on assets performance during 2023 was 19.1%.
- **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 29.9%. Grooming Stores with Retail Supplies reported the highest return on net worth of all the business types with a 43.4% return.
- The typical respondent experienced an **operating margin** of 4.8%. Pet Stores with Animals and Aquariums had the highest operating margin of 7.0%.
- The average **payroll expense** for responding companies was 25.7%, the average occupancy expense was 9.0%. These two expense categories combined for an average **total operating expense** of 34.7%.
- After subtracting out cost of goods sold and total operating expenses, respondents reported a 5.0% **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 7.2%.
- The typical respondent reported **sales growth** of 7.4% in 2023 versus 2022. Grooming Stores with Retail Supplies saw the largest growth, reporting 22.7% growth. All respondents are projecting a 10.0% **sales growth** for 2024.
- **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 respondent reported 5.8 inventory turns while Pet Stores – Dry Goods Only had the highest turns of 6.6.
- **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 4.8 for the year. Pet Stores – Dry Goods Only along with Grooming Stores with Retail Supplies both had the highest asset turnover, reporting turns of 5.0 during 2023.
- **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 1.3 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 measures 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 2.9, and all company types had a median reported value of 2.3 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 respondent reported a quick ratio of 0.8.

All Respondents and Type of Business

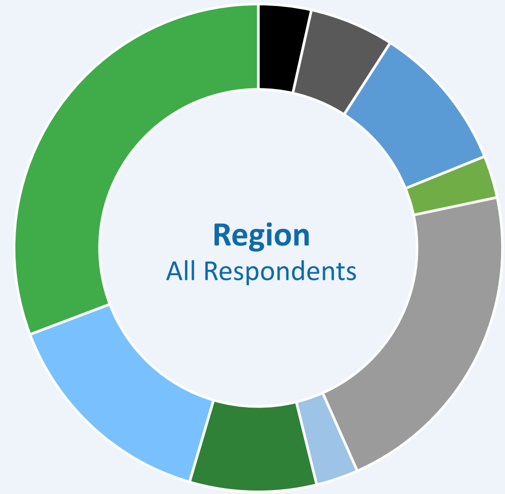
World Pet Association

Executive Summary



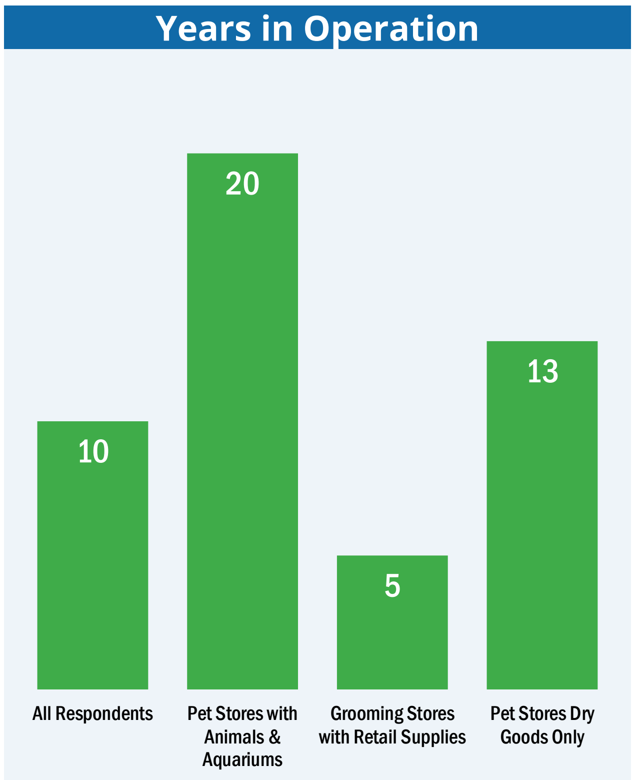
Pet Store with Animals 14.5%
Grooming Store w Retail Supplies 24.3%
Aquarium Store 2.6%
Pet Store Dry Goods Only 27.0%
Online Retailer 17.8%
Other 13.8%

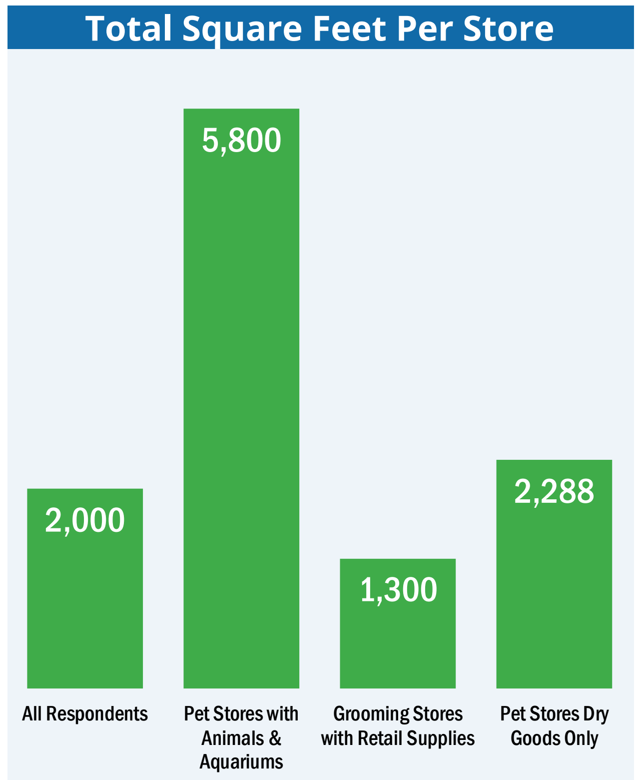
Major Metro Area (over 1 million population) 29.0%
Moderate size city (100,000 to 1 million) 34.9%
Small city (25,000 to less than 100,000) 22.4%
Town of fewer than 25,000 or rural area 13.8%

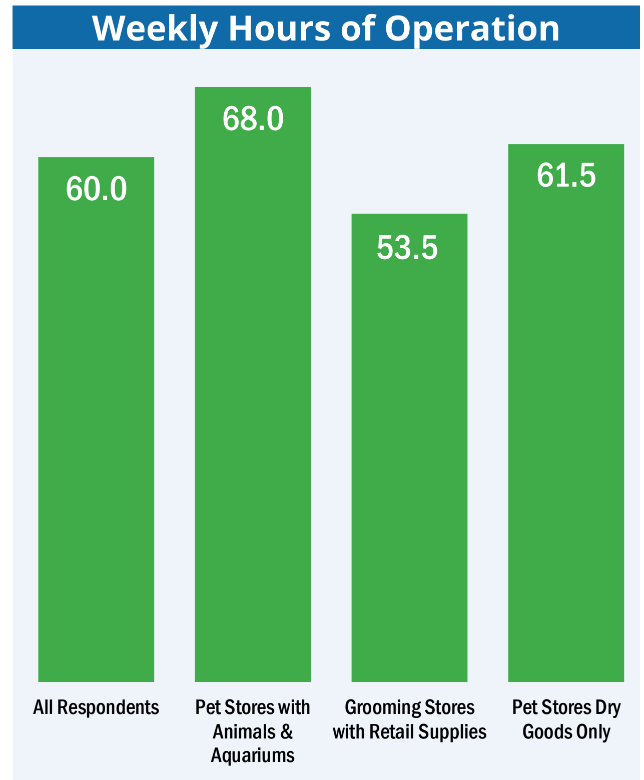


New England 3.5%
Middle Atlantic 5.6%
South Atlantic 9.8%
East North Central 2.8%
East South Central 21.7%
West North Central 2.8%
West South Central 8.4%
Mountain 14.7%
Pacific 30.8%
Canada 0.0%

Executive Summary







All Respondents and Type of Business

Sales and Employee Information

$580,000
Sales

$52.82
Sale Price per Transaction

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
ALL RESPONDENTS	7.4%	10.0%
PET STORES WITH ANIMALS AND AQUARIUMS	-0.6%	2.2%
GROOMING STORES	22.7%	13.0%
PET STORES DRY GOODS ONLY	5.5%	8.0%

$169,810
Total Revenues Per Employee

6.0
Number of Employees (in FTEs)

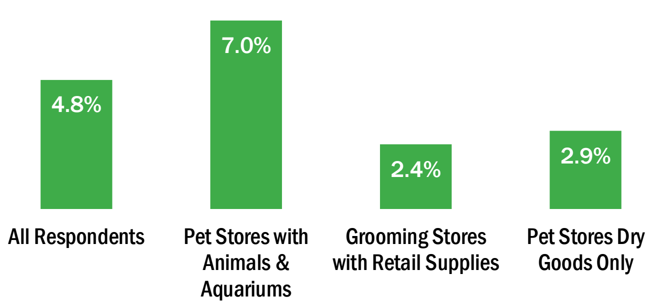
25.7%
Total Payroll as a % of Total Revenues

All Respondents and Type of Business

Overall Key Performance Measures

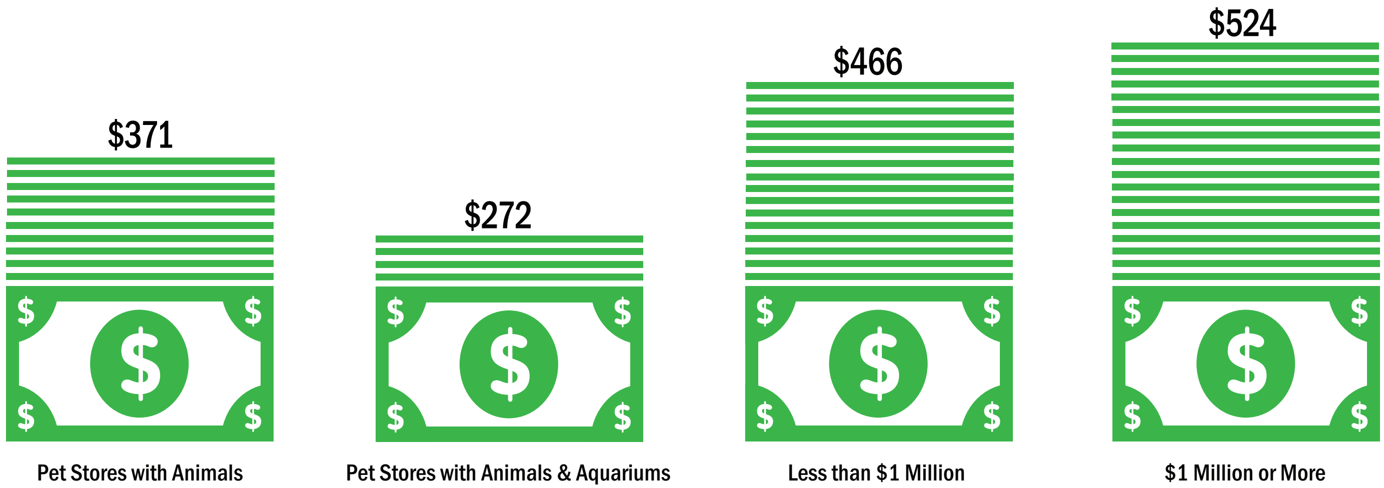
Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
5.0%	X	3.8	=	19.1%	X	1.6	=	29.9%

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

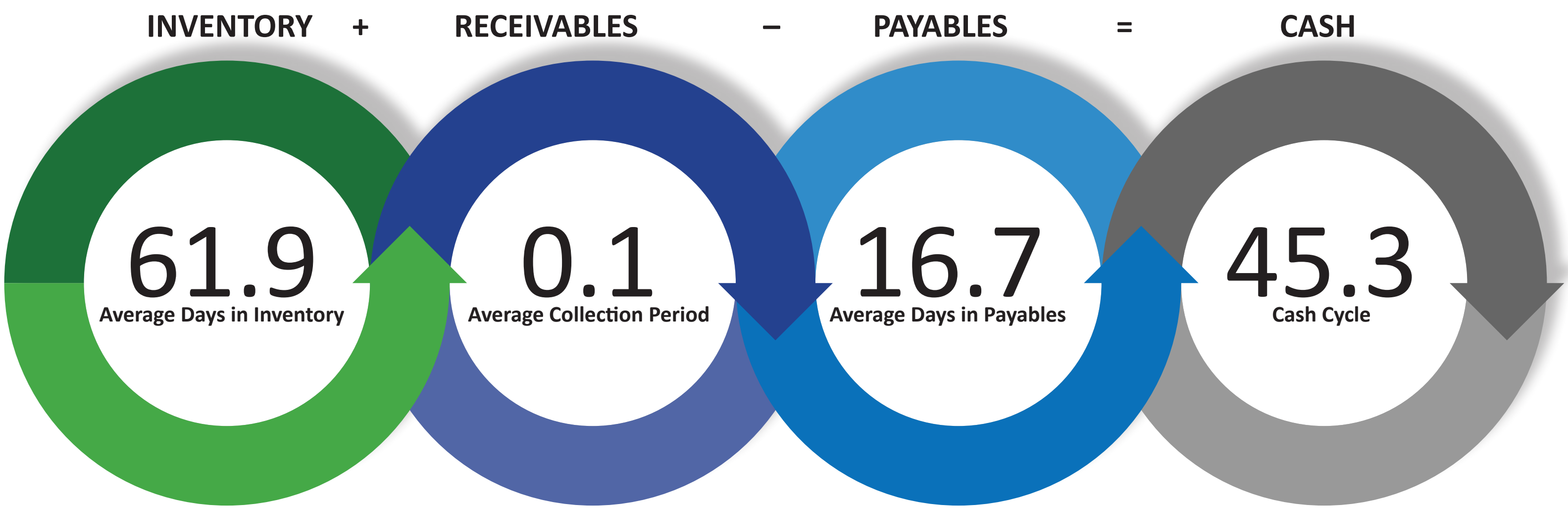


Inventory Turnover
(Cost of Goods Sold/Inventory)

Total Revenues Per Selling Square Foot



CASH CYCLE



CHAPTER 1
All Respondents and Type of Business

Multi-year Trend Comparison

Chapter 1 - All Respondents and Type of Business	FY2017	FY2018	FY2019	FY2020	FY 2021	FY 2022	FY 2023
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.4%	7.6%	7.3%	5.6%	9.4%	9.9%	5.0%
Operating Margin (Operating Margin as % of Total Revenues)	7.7%	7.8%	7.4%	5.7%	7.4%	9.4%	4.8%
Asset Turnover (Total Revenues/Total Assets)	4.5	4.4	4.3	5.0	3.7	4.7	4.8
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	17.3%	18.7%	20.6%	21.7%	32.8%	43.5%	19.1%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	40.2%	34.6%	38.5%	31.1%	53.2%	58.1%	29.9%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	5.5	5.3	5.5	6.0	6.5	6.3	5.8
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	233.6%	221.0%	224.7%	247.9%	283.2%	221.4%	231.9%
Financial Leverage (Total Assets/Net Worth)	1.5	1.5	1.4	1.6	1.4	1.2	1.3
Debt to Equity	0.6	0.5	0.5	0.6	0.4	0.2	0.3
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	1.6	2.1	2.5	2.7	2.4	3.9	2.9
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.5	0.6	0.7	0.8	1.0	1.2	0.8
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$150,411	$157,970	$180,939	$181,279	$192,246	$166,667	$169,810
Total Payroll as a % of Total Revenues	24.0%	24.5%	24.4%	24.2%	22.1%	23.5%	25.7%
SALES PERFORMANCE							
Median Current Year Sales	$850,000	$946,835	$977,512	$1,250,950	$996,277	$1,000,000	$580,000
Average Current Year Sales	$3,020,607	$2,428,688	$2,121,488	$5,801,710	$8,074,396	$7,071,871	$11,311,125
Median Net Sales per Location	$728,814	$859,231	$875,861	$1,000,000	$777,778	$735,604	$500,000
Average Net Sales per Location	$1,634,645	$1,718,196	$1,219,970	$1,384,742	$4,777,887	$1,587,625	$1,062,391
Sales Growth	5.3%	5.9%	4.4%	3.4%	17.5%	8.5%	7.4%
Forecasted Sales Growth	6.0%	6.0%	2.0%	5.0%	8.4%	7.0%	10.0%

CHAPTER 1
All Respondents and Type of Business

Multi-year Trend Comparison

Chapter 1 - All Respondents and Type of Business	FY2017	FY2018	FY2019	FY2020	FY 2021	FY 2022	FY 2023
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	86.9%	83.9%	86.4%	92.6%	93.9%	98.5%	93.9%
Income from Grooming	9.0%	12.2%	11.3%	4.9%	1.5%	0.8%	3.0%
Income from Boarding of All Animals	1.8%	2.0%	0.8%	0.3%	4.2%	0.0%	0.9%
All Other Income	2.3%	2.0%	1.6%	0.3%	0.4%	0.6%	2.2%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	47.3%	47.2%	49.6%	53.5%	54.3%	53.4%	52.4%
Gross Margin	52.7%	52.8%	50.5%	46.5%	45.7%	46.6%	47.6%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.3%	4.9%	4.9%	5.0%	5.2%	4.8%	5.1%
Salary, Wages, Bonuses, Commission--All Other Employees	15.8%	16.8%	16.4%	16.1%	14.3%	16.4%	17.2%
Payroll Taxes	2.1%	2.1%	2.1%	1.8%	1.6%	1.4%	2.2%
Employee Benefits Expenses	0.8%	0.7%	1.1%	1.3%	1.0%	1.0%	1.2%
Total Payroll Expenses	24.0%	24.5%	24.4%	24.2%	22.1%	23.5%	25.7%
Occupancy Expenses							
Rent (including common area charges)	8.8%	8.6%	7.8%	6.7%	7.1%	7.0%	7.0%
Repairs and Maintenance	0.8%	0.9%	0.7%	0.6%	0.6%	0.6%	0.6%
Utilities (except Telephone)	1.7%	1.6%	1.5%	1.1%	1.1%	1.6%	1.3%
Total Occupancy Expenses	11.3%	11.0%	10.0%	8.4%	8.7%	9.3%	9.0%
Total Operating Expenses	45.1%	45.0%	43.0%	40.8%	38.3%	37.1%	42.7%
Operating Profit	7.7%	7.8%	7.4%	5.7%	7.4%	9.4%	4.8%
Interest Income (Expense)	-0.4%	-0.2%	-0.2%	-0.1%	0.0%	0.0%	-0.1%
Other Income (Expense)	0.1%	0.1%	0.1%	0.0%	0.3%	0.4%	0.2%
Net Income (or Loss) Before Tax	7.4%	7.6%	7.3%	5.6%	9.4%	9.9%	5.0%

World Pet Association

Multi-year Trend Comparison

Chapter 1 - All Respondents and Type of Business	FY2017	FY2018	FY2019	FY2020	FY 2021	FY 2022	FY 2023
General & Administrative Expenses							
Professional Services (e.g., accounting, legal, etc.)	6.8%	6.8%	7.3%	6.2%	6.1%	11.2%	10.6%
Advertising and Promotion	17.5%	20.4%	21.1%	18.4%	20.1%	8.6%	15.2%
Insurance (general liability, loss coverage, etc.)	9.7%	10.2%	10.1%	7.0%	8.5%	16.6%	16.0%
Depreciation/Amortization Expense	6.6%	7.5%	7.5%	18.2%	9.2%	12.8%	11.9%
Office Expenses (store/office supplies, computer equipment/software, general postage)	13.9%	14.0%	14.0%	13.2%	16.4%	17.7%	13.7%
Telephone	6.0%	6.0%	5.7%	3.4%	3.2%	6.4%	4.8%
Travel and Entertainment	6.5%	6.5%	6.0%	2.7%	2.2%	2.4%	1.8%
Licenses, Permits and Other Taxes	2.3%	2.4%	2.1%	2.9%	10.2%	12.0%	2.5%
All Other	30.8%	26.2%	26.1%	27.6%	24.4%	12.3%	23.5%
Total General and Administrative Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	5.0%	7.2%	2.2%	2.9%
Operating Margin (Operating Margin as % of Total Revenues)	4.8%	7.0%	2.4%	2.9%
Asset Turnover (Total Revenues/Total Assets)	4.8	4.6	5.0	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	19.1%	22.3%	32.8%	6.8%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	29.9%	31.0%	43.4%	21.2%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	5.8	5.3	4.7	6.6
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	231.9%	222.4%	133.2%	251.1%
Financial Leverage (Total Assets/Net Worth)	1.3	1.4	1.0	1.4
Debt to Equity	0.4	0.5	0.1	0.4
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.1	0.4	0.0	0.0
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	61.9	68.8	54.0	51.6
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	9.4	9.6	2.2	11.2
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	45.3	66.4	34.7	35.1
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	2.9	3.0	2.3	2.4
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.8	0.9	0.8	0.7
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$169,810	$174,679	$102,927	$218,333
Total Payroll as a % of Total Revenues	25.7%	24.5%	35.2%	24.6%
Payroll Per Employee	$46,379	$38,298	$47,426	$47,410
Operating Margin Per Employee	$87,090	$83,138	$83,102	$91,446

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
SALES PERFORMANCE				
Median Current Year Sales	$580,000	$1,100,000	$342,913	$1,300,000
Average Current Year Sales	$11,311,125	$6,767,065	$479,191	$6,026,299
Median Net Sales per Location	$500,000	$1,100,000	$266,456	$800,000
Average Net Sales per Location	$1,062,391	$2,393,240	$316,353	$1,169,767
2023 Sales Growth	7.4%	-0.6%	22.7%	5.5%
Forecasted 2024 Sales Growth	10.0%	2.2%	13.0%	8.0%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	6.4%	6.2%	*	10.7%
Freestanding	28.9%	36.7%	*	31.1%
Strip Center	34.2%	49.8%	*	49.1%
Online	30.6%	7.3%	*	9.2%
Total Net Sales	100.0%	100.0%	*	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	2,000	5,800	1,300	2,288
Selling Square Feet Per Store	1,500	4,000	500	1,850
Total Revenues Per Selling Square Foot	$371	$272	$466	$524
Operating Margin Per Selling Square Foot	$155	$129	*	$216
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	93.9%	95.0%	72.2%	98.5%
Income from Grooming	3.0%	0.2%	24.9%	0.0%
Income from Boarding of All Animals	0.9%	1.6%	1.9%	0.1%
All Other Income	2.2%	3.2%	1.0%	1.4%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	52.4%	51.9%	35.7%	57.6%
Gross Margin	47.6%	48.1%	64.3%	42.4%

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.1%	5.2%	3.2%	5.7%
Salary, Wages, Bonuses, Commission--All Other Employees	17.2%	15.9%	28.9%	15.8%
Payroll Taxes	2.2%	2.1%	1.8%	1.9%
Employee Benefits Expenses	1.2%	1.3%	1.4%	1.2%
Total Payroll Expenses	25.7%	24.5%	35.2%	24.6%
Occupancy Expenses				
Rent (including common area charges)	7.0%	6.6%	9.3%	6.9%
Repairs and Maintenance	0.6%	0.7%	1.0%	0.4%
Utilities (except Telephone)	1.3%	1.3%	2.2%	1.1%
Total Occupancy Expenses	9.0%	8.6%	12.5%	8.4%
Total Operating Expenses	42.7%	41.1%	62.0%	39.5%
Operating Profit	4.8%	7.0%	2.4%	2.9%
Interest Income (Expense)	-0.1%	0.0%	-0.1%	-0.2%
Other Income (Expense)	0.2%	0.3%	-0.1%	0.2%
Net Income (or Loss) Before Tax	5.0%	7.2%	2.2%	2.9%
General & Administrative Expenses				
Professional Services (e.g., accounting, legal, etc.)	10.6%	8.0%	*	12.8%
Advertising and Promotion	15.2%	9.8%	*	19.9%
Insurance (general liability, loss coverage, etc.)	16.0%	14.0%	*	17.6%
Depreciation/Amortization Expense	11.9%	16.7%	*	7.7%
Office Expenses (store/office supplies, computer equipment/software, general postage)	13.7%	11.8%	*	15.4%
Telephone	4.8%	6.3%	*	3.6%
Travel and Entertainment	1.8%	1.8%	*	1.8%
Licenses, Permits and Other Taxes	2.5%	1.1%	*	3.6%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	23.5%	30.4%	*	17.4%
Total General and Administrative Expenses	100.0%	100.0%	*	100.0%

World Pet Association

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	20.4%	21.7%	17.0%	21.3%
Accounts & Notes Receivable	1.2%	1.5%	0.5%	1.2%
Inventory	39.6%	47.2%	25.2%	40.2%
Other Current Assets	11.0%	6.3%	20.8%	7.2%
Total Current Assets	72.2%	76.7%	63.6%	69.9%
Total Noncurrent Assets	27.8%	23.3%	36.4%	30.1%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	16.4%	15.4%	9.5%	23.2%
Other Current Liabilities	12.1%	7.9%	16.9%	16.7%
Total Current Liabilities	28.4%	23.3%	26.4%	39.9%
Long Term Liabilities	27.0%	18.6%	24.9%	24.5%
Net Worth	44.6%	58.1%	48.7%	35.6%
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	4.4	5.9	7.1	3.4
Type of business				
Pet Store with Animals	14.5%	84.6%	0.0%	0.0%
Grooming Store w/Retail Supplies	24.3%	0.0%	100.0%	0.0%
Aquarium Store	2.6%	15.4%	0.0%	0.0%
Pet Store Dry Goods Only	27.0%	0.0%	0.0%	100.0%
Online Retailer	17.8%	0.0%	0.0%	0.0%
Other	13.8%	0.0%	0.0%	0.0%

World Pet Association

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
If you operate a pet store with animals, which animals do you sell?				
Dog	54.6%	54.6%	*	*
Cat	50.0%	50.0%	*	*
Bird	86.4%	86.4%	*	*
Freshwater Fish	77.3%	77.3%	*	*
Saltwater Fish	59.1%	59.1%	*	*
Reptile	72.7%	72.7%	*	*
Small Animal	77.3%	77.3%	*	*
Service offered				
Grooming	54.1%	47.8%	97.3%	35.0%
Training	21.3%	26.1%	21.6%	20.0%
Aquarium Service	10.7%	43.5%	0.0%	0.0%
Wing Clipping	9.0%	34.8%	8.1%	0.0%
Veterinary Care	8.2%	21.7%	2.7%	5.0%
Boarding (Dog/Cat)	12.3%	8.7%	13.5%	5.0%
Boarding (Other)	4.9%	13.0%	2.7%	5.0%
Day Care	9.8%	8.7%	10.8%	5.0%
Nail Trimming	44.3%	47.8%	67.6%	50.0%
Other	36.1%	17.4%	13.5%	40.0%
Is your store a franchise operation?				
Yes	10.5%	15.4%	16.2%	9.8%
No	89.5%	84.6%	83.8%	90.2%
Community size of store location(s)				
Major Metro Area (over 1 million population)	29.0%	19.2%	16.2%	24.4%
Moderate size city (100,000 to 1 million)	34.9%	46.2%	40.5%	26.8%
Small city (25,000 to less than 100,000)	22.4%	19.2%	27.0%	29.3%
Town of fewer than 25,000 or rural area	13.8%	15.4%	16.2%	19.5%

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Years in operation				
Median	10.0	20.0	5.0	13.0
Average	15.1	25.0	10.3	17.1
Legal form of business				
C-Corp	14.7%	7.7%	16.7%	15.0%
S-Corp	25.3%	46.2%	16.7%	35.0%
Partnership (LLC)	36.0%	15.4%	41.7%	32.5%
Sole proprietorship	16.7%	23.1%	16.7%	10.0%
Other	7.3%	7.7%	8.3%	7.5%
Business premises owned vs leased				
Owned	26.4%	29.2%	30.6%	12.5%
Leased	59.5%	58.3%	61.1%	82.5%
Both Owned and Leased (multiple locations)	7.4%	12.5%	5.6%	5.0%
Other	6.8%	0.0%	2.8%	0.0%
Weekly hours of operation, per store, in 2023				
Median	60.0	68.0	53.5	61.5
Average	63.8	62.9	51.1	65.3
Total number of company-wide register transactions in 2023				
Median	15,400	28,584	7,772	25,000
Average	92,204	106,215	37,967	150,966
Sale price per register transaction in 2023				
Median	$52.82	$51.91	$87.34	$49.42
Average	$97.77	$105.38	$163.97	$51.10
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	6.0	10.8	5.0	7.0
Average	17.2	46.0	6.6	12.4

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Number of Full-Time Employees				
Median	3.0	7.0	2.5	3.0
Average	10.3	28.4	4.8	7.4
Number of Part-Time Employees				
Median	3.5	4.0	1.8	4.8
Average	8.8	24.9	1.9	7.0
Employee Turnover				
All Employees	27.1%	36.4%	22.9%	37.5%
Full-Time Employees	16.4%	12.3%	19.0%	25.0%
Part-Time Employees	61.8%	77.5%	53.5%	62.3%
GIFT CARDS				
Does company sell store gift cards?				
Yes	61.2%	75.0%	48.4%	84.2%
No	38.8%	25.0%	51.6%	15.8%
If store gift cards are sold, Total 2023 Gift Card Sales				
Median	$1,000	$13,750	$475	$1,200
Average	$11,898	$20,098	$1,198	$18,034
If store gift cards are sold, Total 2023 Gift Card Sales as a % of Total Revenues				
Median	0.1%	*	*	0.1%
Average	0.2%	*	*	0.1%
RETAIL SALES MIX				
General Sales Mix				
Pet food	31.2%	31.0%	21.3%	51.8%
Dry Goods	27.1%	31.8%	19.6%	39.6%
Live Animals	7.2%	25.0%	4.7%	0.0%
Other	34.6%	12.3%	54.4%	8.5%
Total	100.0%	100.0%	100.0%	100.0%

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Detailed Category Sales Mix				
Aquatics	5.7%	47.3%	0.2%	0.1%
Bird	1.1%	6.0%	0.6%	0.4%
Cat	16.7%	4.7%	4.6%	16.7%
Dog	47.6%	24.3%	20.9%	77.8%
Reptile	0.6%	4.6%	0.1%	0.2%
Small Animals	1.0%	3.5%	0.6%	0.8%
Services	20.2%	3.0%	72.0%	0.7%
Other	7.1%	6.7%	1.2%	3.3%
Total	100.0%	100.0%	100.0%	100.0%
MARGINS AND TURNOVER				
Pet food				
Initial Margin	35.0%	35.0%	35.0%	35.0%
Realized Margin (or Gross Margin)	31.5%	33.0%	28.0%	30.5%
Inventory Turnover	8.1	7.4	9.1	9.0
Dry goods				
Initial Margin	50.2%	52.0%	50.0%	50.0%
Realized Margin (or Gross Margin)	45.6%	46.5%	42.0%	46.0%
Inventory Turnover	5.0	5.0	4.0	7.0
Live animals				
Initial Margin	60.0%	61.0%	*	*
Realized Margin (or Gross Margin)	55.0%	56.0%	*	*
Inventory Turnover	10.0	9.6	*	*
Aquatics (total)				
Initial Margin	56.6%	57.3%	*	*
Realized Margin (or Gross Margin)	51.0%	51.0%	*	*
Inventory Turnover	5.3	5.6	*	*

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Bird (total)				
Initial Margin	50.9%	55.0%	*	47.0%
Realized Margin (or Gross Margin)	47.9%	52.0%	*	43.0%
Inventory Turnover	4.2	4.2	*	*
Cat (total)				
Initial Margin	41.7%	44.5%	39.5%	39.0%
Realized Margin (or Gross Margin)	39.0%	41.5%	*	37.0%
Inventory Turnoverr	5.2	5.0	*	6.9
Dog (total)				
Initial Margin	45.0%	49.0%	42.6%	39.5%
Realized Margin (or Gross Margin)	42.9%	45.0%	*	38.0%
Inventory Turnover	6.0	5.6	*	8.0
Reptile (total)				
Initial Margin	60.0%	56.0%	*	*
Realized Margin (or Gross Margin)	53.0%	55.6%	*	*
Inventory Turnover	5.0	5.0	*	*
Small animals (total)				
Initial Margin	55.0%	58.0%	*	48.5%
Realized Margin (or Gross Margin)	53.0%	54.5%	*	45.0%
Inventory Turnover	5.5	7.0	*	*
Services (total)				
Initial Margin	65.0%	75.0%	60.0%	*
Realized Margin (or Gross Margin)	60.0%	75.0%	52.0%	*
Inventory Turnover	*	*	*	*
ADVERTISING/MARKETING				
Marketing budget (as a percent of total revenue) in each of the following years:				
2022	2.0%	2.5%	4.0%	2.0%
2023	2.0%	2.8%	2.9%	2.0%
Anticipated 2024	3.0%	3.0%	3.5%	2.0%

Detailed Information

Chapter 1 - All Respondents and Type of Business	Type of Business			
	All Respondents	Pet Stores with Animals and Aquariums	Grooming Stores w/ Retail Supplies	Pet Stores: Dry Goods Only
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	8.3%	12.2%	4.0%	7.0%
Cable TV Advertising	10.5%	18.4%	8.0%	7.0%
Radio Advertising	23.3%	20.4%	20.0%	32.6%
Co-Op Advertising with your supplier/manufacturer	39.8%	55.1%	20.0%	34.9%
Newspaper Advertising/Magazine Advertising	39.1%	32.6%	40.0%	51.2%
Non-Reimbursed Coupon Expense	38.4%	49.0%	24.0%	44.2%
Website/online advertisements	82.0%	85.7%	76.0%	81.4%
Email Blasts	66.2%	63.3%	64.0%	62.8%
In-Store/Community Events	58.6%	69.4%	44.0%	60.5%
Other	18.8%	20.4%	8.0%	18.6%
Percentage of advertising/marketing budget spent:				
In-house	70.0%	69.9%	68.7%	71.0%
Outsourced	30.0%	30.1%	31.3%	29.0%
Total	100.0%	100.0%	100.0%	100.0%
Does company allow ordering through own website?				
Yes	51.1%	48.0%	24.2%	57.9%
No	48.9%	52.0%	75.8%	42.1%
If yes, percent of 2023 sales that were made through own website				
Median	6.0%	3.8%	4.0%	2.4%
Average	27.3%	20.2%	29.1%	4.9%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	32.8%	30.8%	24.0%	43.8%
Yes, in 13-24 months	11.9%	7.7%	16.0%	12.5%
Yes, in more than 24 months	3.0%	7.7%	0.0%	0.0%
No	52.2%	53.8%	60.0%	43.8%

Key Findings

Listed below is a summary of key findings related to all Pet Stores with Animals and Aquariums. The findings include the most profitable Pet Stores with Animals and Aquariums as well as Pet Stores with Animals and Aquariums by revenue size (stores with Less than $1 Million in revenue and stores with revenue of $1 Million or More).

Respondent Profile

- The **size of the community served** can often influence financial performance. 65% of all responding Pet Stores with Animals and Aquariums indicated that the population of their community is 100,000 or more.
- The typical **store size** for Pet Stores with Animals and Aquariums was 5,800 square feet. As expected, respondents in the $1 Million or More sales group reported larger stores, with a median size of 9,021 square feet, compared to 3,600 square feet for those in the Less than $1 Million sales group.
- 15.4% 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 20 years.
- $1.1 million was the typical **sales volume** for Pet Stores with Animals and Aquariums.
- Pet Stores with Animals and Aquariums typically reported having 10.8 **full-time equivalent employees** (FTEs).

CHAPTER 2

Pet Stores with Animals and Aquariums

Key Findings

Key Financial Measures

- Pet Stores with Animals and Aquariums reported a typical **sales per transaction** of $51.91. Interestingly, the $1 Million or More sales group had a slightly lower median of $51.23 per transaction.
- **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 2023 was 22.3%, while the most profitable companies experienced a 32.7% return.
- **Return on net worth** represents the profit earned as a percentage of net worth (or owner's equity), indicating how effectively ownership's investment generates profit. The typical Pet Store with Animals and Aquariums reported a return on net worth of 31.0%. Respondents in the $1 Million or More sales group reported a slightly higher return of 32.9%.
- The typical Pet Store with Animals and Aquariums experienced an **operating margin** of 7.0%. Profit Leaders experienced a 12.4% operating margin.
- The average **payroll expense** for Pet Stores with Animals and Aquariums was 24.5%, the average occupancy expense was 8.6%. All expense categories sum to an average **total operating expense** of 41.1%.
- After accounting for the cost of goods sold and total operating expenses, Pet Stores with Animals and Aquariums reported a typical **net profit margin** of 7.2% as a percentage of total revenues. In comparison, Profit Leaders achieved a significantly higher net profit margin of 12.9%.
- The typical Pet Store with Animals and Aquariums reported **sales change** of -0.6% in 2023 versus 2022, and a **forecasted sales growth** of 2.2% for 2024.
- **Inventory turnover** shows how rapidly inventory is moving and is calculated as 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 5.3.
- **Asset turnover** 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 1.4 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 measures 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 3.0.
- 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 with Animals and Aquariums reported a quick ratio of 0.9, compared to 1.1 for the Profit Leaders.

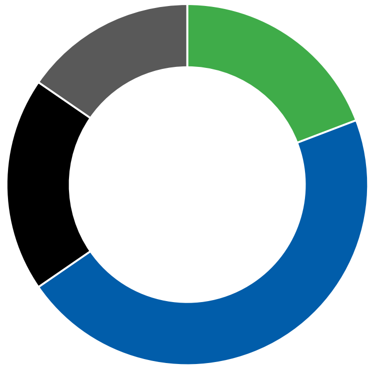
Pet Stores with Animals and Aquariums

World Pet Association

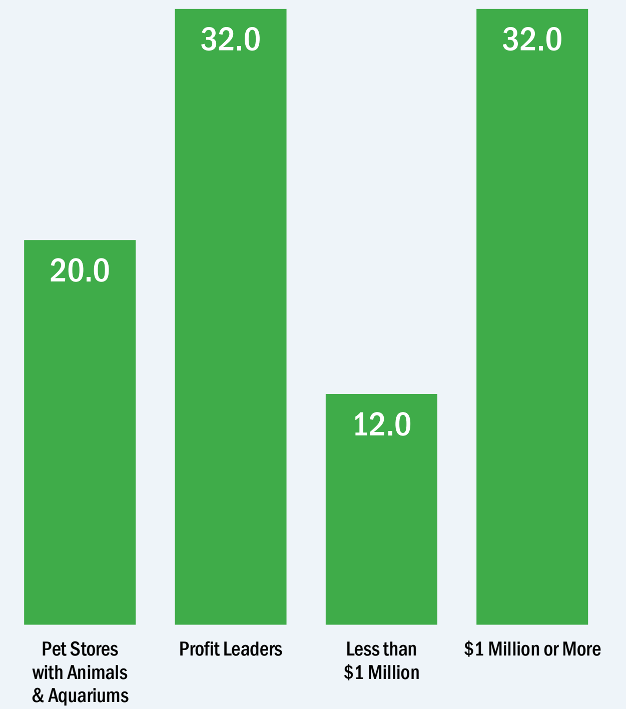
Executive Summary

Community Size of Store Location(s)

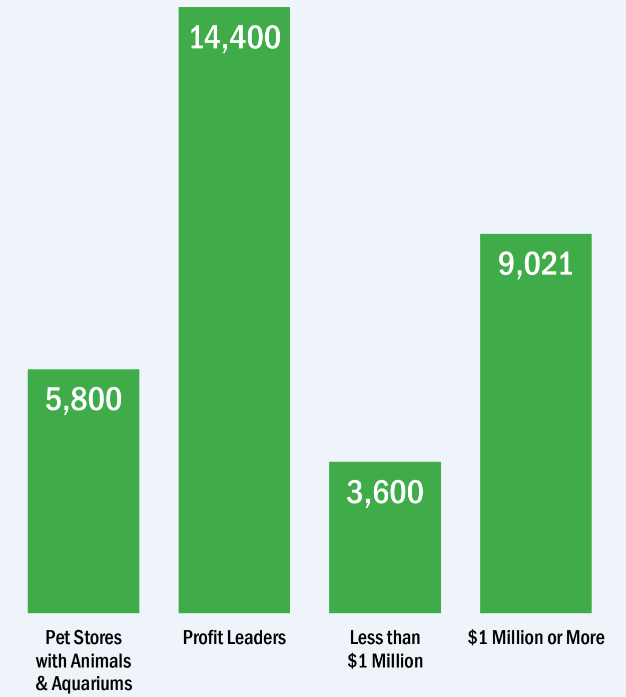
ALL RESPONDENTS



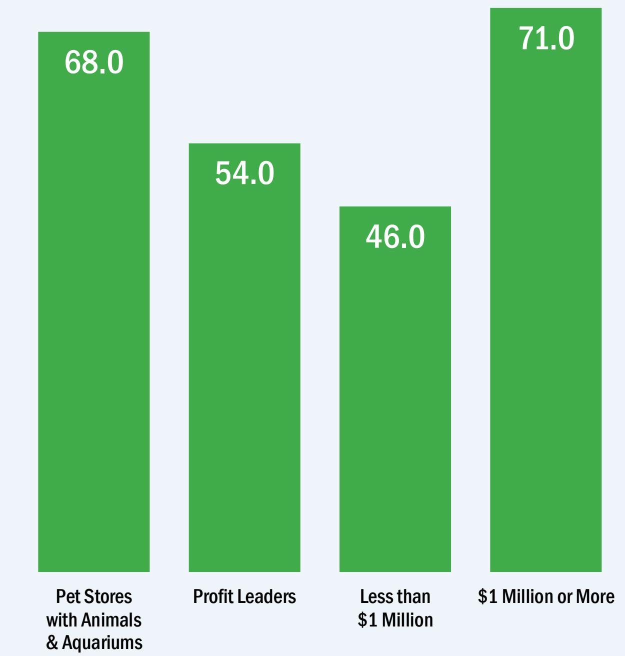
Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation



Pet Stores with Animals and Aquariums

World Pet Association

Sales and Employee Information

$1,100,000
Sales

$51.91
Sale Price per Transaction

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
PET STORES WITH ANIMALS AND AQUARIUMS	-0.6%	2.2%
PROFIT LEADERS	-1.2%	-4.0%
LESS THAN $1 MILLION	-6.0%	5.0%
$1 MILLION OR MORE	-0.6%	2.0%

$174,679
Total Revenues Per Employee

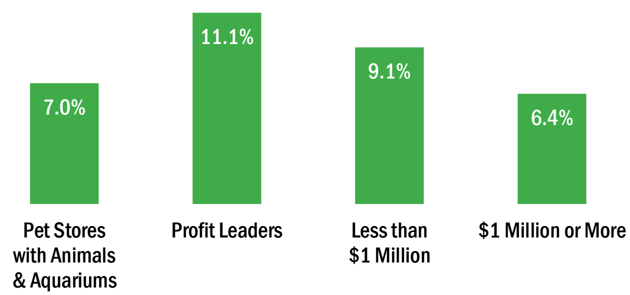
11
Number of Employees
(in FTEs)

24.5%
Total Payroll as a % of Total Revenues

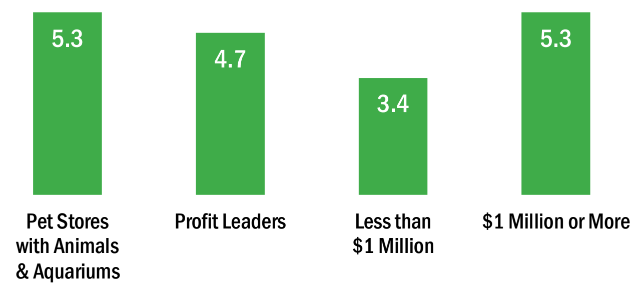
Overall Key Performance Measures

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	3.1	=	22.3%	X	1.4	=	31.0%

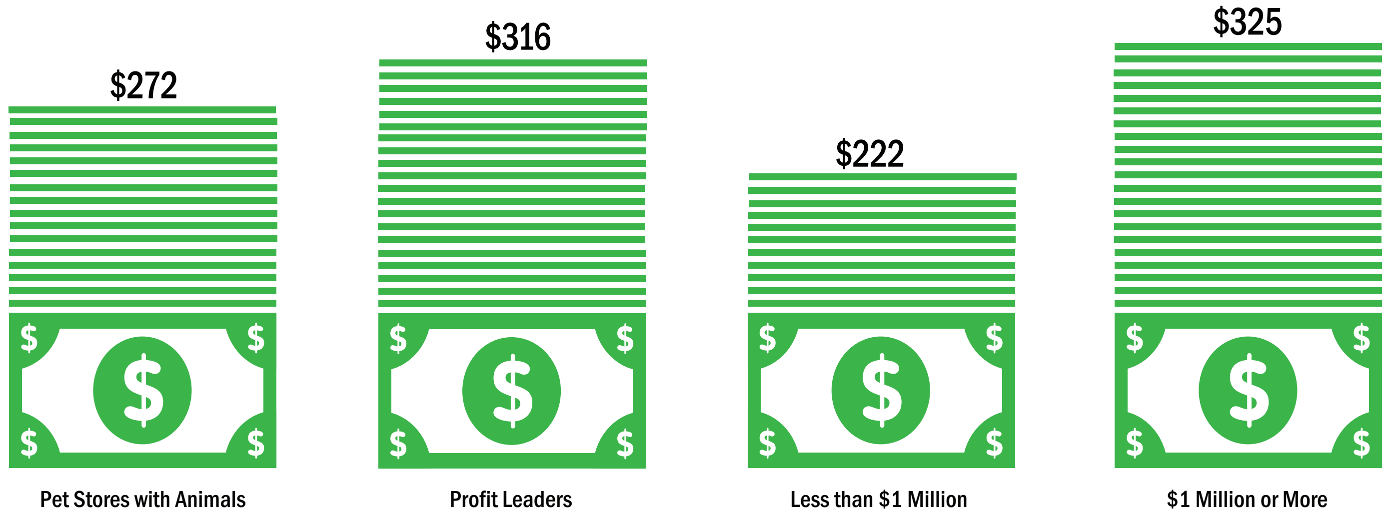
Operating Margin
(Operating Margin as a % of Total Revenue)



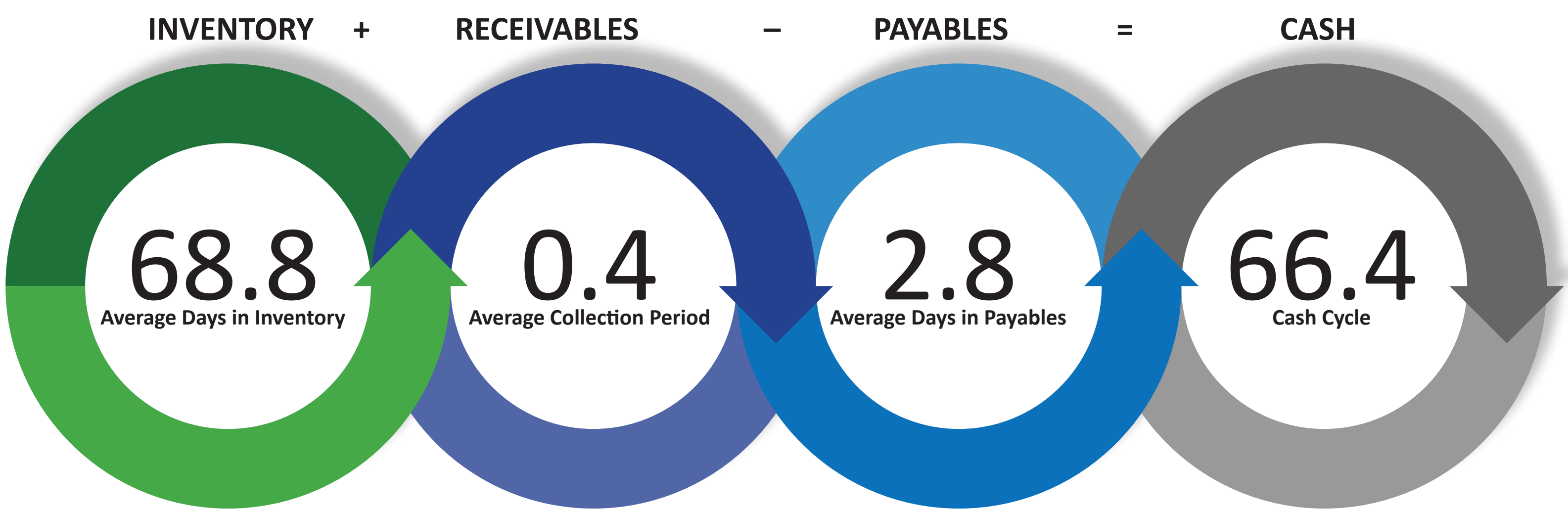
Inventory Turnover
(Cost of Goods Sold/Inventory)



Total Revenues Per Selling Square Foot



CASH CYCLE



World Pet Association

Multi-year Trend Comparison

Chapter 2 - Pet Stores with Animals and Aquariums	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.4%	7.5%	8.4%	6.6%	2.3%	8.7%	7.2%
Operating Margin (Operating Margin as % of Total Revenues)	7.5%	7.6%	8.5%	6.6%	0.3%	8.7%	7.0%
Asset Turnover (Total Revenues/Total Assets)	5.0	4.7	4.7	4.9	3.3	4.5	4.6
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	17.3%	19.4%	24.4%	23.4%	21.9%	24.6%	22.3%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	56.2%	40.8%	44.0%	52.9%	49.9%	44.9%	31.0%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	6.0	5.6	5.4	5.2	5.4	5.3	5.3
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	270.7%	276.8%	277.8%	217.0%	282.9%	227.9%	222.4%
Financial Leverage (Total Assets/Net Worth)	1.5	1.5	1.4	1.8	1.5	1.6	1.4
Debt to Equity	0.5	0.5	0.5	0.7	0.5	0.6	0.4
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	2.6	3.0	3.7	3.5	3.0	3.1	3.0
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.5	0.7	1.3	0.9	1.3	1.0	0.9
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$175,125	$142,857	$157,142	$150,816	$170,000	$172,065	$174,679
Total Payroll as a % of Total Revenues	20.4%	21.1%	21.5%	23.5%	27.0%	22.6%	24.5%
SALES PERFORMANCE							
Median Current Year Sales	$1,245,260	$1,077,977	$1,163,410	$1,280,355	$1,129,500	$1,500,000	$1,100,000
Average Current Year Sales	$3,192,133	$2,173,611	$2,293,125	$2,449,807	$4,202,444	$6,166,124	$6,767,065
Median Net Sales per Location	$974,400	$981,221	$999,850	$1,018,322	$975,273	$1,076,966	$1,100,000
Average Net Sales per Location	$1,408,107	$1,353,303	$1,546,193	$1,775,905	$2,408,472	$2,463,433	$2,393,240
Sales Growth	3.1%	4.8%	4.4%	2.6%	16.5%	3.1%	-0.6%
Forecasted Sales Growth	5.0%	5.0%	2.3%	5.0%	8.4%	5.0%	2.2%

Multi-year Trend Comparison

Chapter 2 - Pet Stores with Animals and Aquariums	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	98.1%	96.5%	96.4%	96.6%	93.5%	96.2%	95.0%
Income from Grooming	0.2%	0.3%	0.4%	0.4%	0.4%	0.2%	0.2%
Income from Boarding of All Animals	0.1%	0.0%	0.2%	0.1%	5.4%	1.0%	1.6%
All Other Income	1.6%	3.2%	3.0%	0.2%	0.8%	2.5%	3.2%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	54.0%	53.5%	52.7%	53.1%	51.4%	52.0%	51.9%
Gross Margin	46.0%	46.5%	47.3%	46.9%	48.6%	48.0%	48.1%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	3.2%	3.9%	4.3%	5.8%	7.2%	4.4%	5.2%
Salary, Wages, Bonuses, Commission--All Other Employees	14.4%	14.8%	14.4%	14.8%	16.5%	15.5%	15.9%
Payroll Taxes	2.0%	1.7%	1.8%	1.5%	2.0%	1.7%	2.1%
Employee Benefits Expenses	0.8%	0.7%	1.0%	1.3%	1.2%	1.0%	1.3%
Total Payroll Expenses	20.4%	21.1%	21.5%	23.5%	27.0%	22.6%	24.5%
Occupancy Expenses							
Rent (including common area charges)	8.0%	7.3%	7.2%	6.4%	9.3%	7.1%	6.6%
Repairs and Maintenance	0.6%	0.6%	0.7%	0.7%	0.5%	0.6%	0.7%
Utilities (except Telephone)	1.7%	1.7%	1.6%	1.0%	1.4%	1.4%	1.3%
Total Occupancy Expenses	10.2%	9.6%	9.5%	8.1%	11.2%	9.1%	8.6%
Total Operating Expenses	38.5%	38.9%	38.8%	40.3%	48.3%	39.4%	41.1%
Operating Profit	7.5%	7.6%	8.5%	6.6%	0.3%	8.7%	7.0%
Interest Income (Expense)	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Other Income (Expense)	0.1%	0.1%	0.1%	0.1%	0.3%	0.1%	0.3%
Net Income (or Loss) Before Tax	7.4%	7.5%	8.4%	6.6%	2.3%	8.7%	7.2%

Multi-year Trend Comparison

Chapter 2 - Pet Stores with Animals and Aquariums	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
General & Administrative Expenses							
Professional Services (e.g., accounting, legal, etc.)	6.1%	5.8%	6.1%	5.2%	4.1%	10.9%	8.0%
Advertising and Promotion	20.7%	22.5%	25.2%	20.5%	23.8%	9.5%	9.8%
Insurance (general liability, loss coverage, etc.)	10.5%	10.2%	9.8%	5.6%	8.4%	9.4%	14.0%
Depreciation/Amortization Expense	8.1%	9.2%	10.5%	21.2%	7.0%	20.1%	16.7%
Office Expenses (store/office supplies, computer equipment/software, general postage)	12.9%	12.8%	12.3%	14.7%	17.5%	21.6%	11.8%
Telephone	5.1%	5.2%	5.1%	3.4%	3.2%	3.0%	6.3%
Travel and Entertainment	3.8%	4.4%	4.2%	2.2%	2.0%	3.5%	1.8%
Licenses, Permits and Other Taxes	2.7%	2.7%	1.9%	4.2%	12.2%	12.3%	1.1%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/ subscriptions, etc.)	30.1%	27.2%	24.9%	22.9%	21.8%	9.6%	30.4%
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 and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	7.2%	11.5%	9.1%	6.7%
Operating Margin (Operating Margin as % of Total Revenues)	7.0%	11.1%	9.1%	6.4%
Asset Turnover (Total Revenues/Total Assets)	4.6	4.0	4.5	4.7
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	22.3%	31.6%	24.2%	21.7%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	31.0%	34.0%	16.2%	32.9%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	5.3	4.7	3.4	5.3
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	222.4%	217.9%	179.1%	231.9%
Financial Leverage (Total Assets/Net Worth)	1.4	1.3	1.2	1.4
Debt to Equity	0.5	0.4	0.4	0.5
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.4	0.1	0.0	0.6
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	68.8	78.1	87.3	68.8
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	9.6	15.4	14.2	9.6
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	66.4	68.9	64.7	66.4
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	3.0	4.5	6.2	3.0
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.9	1.8	1.1	0.9
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$174,679	$175,020	$144,209	$181,984
Total Payroll as a % of Total Revenues	24.5%	23.9%	21.9%	25.2%
Payroll Per Employee	$38,298	$38,159	$36,657	$39,864
Operating Margin Per Employee	$83,138	$83,618	$79,675	$83,187

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
SALES PERFORMANCE				
Median Current Year Sales	$1,100,000	$4,015,059	$560,130	$4,015,059
Average Current Year Sales	$6,767,065	$6,150,267	$470,902	$12,094,587
Median Net Sales per Location	$1,100,000	$4,015,059	$450,000	$2,000,000
Average Net Sales per Location	$2,393,240	$6,150,267	$448,310	$3,739,730
2023 Sales Growth	-0.6%	-1.2%	-6.0%	-0.6%
Forecasted 2024 Sales Growth	2.2%	-4.0%	5.0%	2.0%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	6.2%	*	*	10.0%
Freestanding	36.7%	*	*	58.7%
Strip Center	49.8%	*	*	19.7%
Online	7.3%	*	*	11.6%
Total Net Sales	100.0%	*	*	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	5,800	14,400	3,600	9,021
Selling Square Feet Per Store	4,000	12,000	2,650	6,700
Total Revenues Per Selling Square Foot	$272	$316	$222	$325
Operating Margin Per Selling Square Foot	$129	$133	*	$129
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	95.0%	94.4%	91.2%	96.0%
Income from Grooming	0.2%	0.0%	0.3%	0.2%
Income from Boarding of All Animals	1.6%	3.0%	7.3%	0.1%
All Other Income	3.2%	2.6%	1.2%	3.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	51.9%	49.4%	50.7%	52.2%
Gross Margin	48.1%	50.6%	49.3%	47.8%

CHAPTER 2
Pet Stores with Animals and Aquariums

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.2%	3.9%	7.9%	4.5%
Salary, Wages, Bonuses, Commission--All Other Employees	15.9%	17.2%	12.2%	16.9%
Payroll Taxes	2.1%	1.8%	1.2%	2.3%
Employee Benefits Expenses	1.3%	1.0%	0.5%	1.5%
Total Payroll Expenses	24.5%	23.9%	21.9%	25.2%
Occupancy Expenses				
Rent (including common area charges)	6.6%	7.5%	8.7%	6.1%
Repairs and Maintenance	0.7%	0.5%	0.6%	0.7%
Utilities (except Telephone)	1.3%	1.2%	1.4%	1.2%
Total Occupancy Expenses	8.6%	9.2%	10.8%	8.0%
Total Operating Expenses	41.1%	39.4%	40.2%	41.4%
Operating Profit	7.0%	11.1%	9.1%	6.4%
Interest Income (Expense)	0.0%	0.0%	0.0%	0.0%
Other Income (Expense)	0.3%	0.3%	0.0%	0.4%
Net Income (or Loss) Before Tax	7.2%	11.5%	9.1%	6.7%
General & Administrative Expenses				
Professional Services (e.g., accounting, legal, etc.)	8.0%	7.9%	*	8.5%
Advertising and Promotion	9.8%	9.3%	*	8.9%
Insurance (general liability, loss coverage, etc.)	14.0%	16.7%	*	10.9%
Depreciation/Amortization Expense	16.7%	20.8%	*	19.5%
Office Expenses (store/office supplies, computer equipment/software, general postage)	11.8%	14.9%	*	11.1%
Telephone	6.3%	3.4%	*	6.8%
Travel and Entertainment	1.8%	2.5%	*	1.9%
Licenses, Permits and Other Taxes	1.1%	1.6%	*	0.5%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	30.4%	22.8%	*	31.8%
Total General and Administrative Expenses	100.0%	100.0%	*	100.0%

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	21.7%	26.3%	20.5%	21.9%
Accounts & Notes Receivable	1.5%	1.0%	0.0%	1.8%
Inventory	47.2%	41.8%	56.9%	45.0%
Other Current Assets	6.3%	8.9%	7.2%	6.1%
Total Current Assets	76.7%	78.0%	84.7%	74.9%
Total Noncurrent Assets	23.3%	22.0%	15.3%	25.1%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	15.4%	11.5%	14.2%	15.7%
Other Current Liabilities	7.9%	6.7%	3.5%	8.9%
Total Current Liabilities	23.3%	18.2%	17.7%	24.5%
Long Term Liabilities	18.6%	13.7%	11.3%	20.2%
Net Worth	58.1%	68.1%	71.0%	55.2%
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	1.0
Average	5.9	1.0	1.1	9.3
Type of business				
Pet Store with Animals	84.6%	60.0%	72.7%	92.3%
Grooming Store w/Retail Supplies	0.0%	0.0%	0.0%	0.0%
Aquarium Store	15.4%	40.0%	27.3%	7.7%
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%

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
If you operate a pet store with animals, which animals do you sell?				
Dog	54.6%	*	50.0%	50.0%
Cat	50.0%	*	50.0%	41.7%
Bird	86.4%	*	75.0%	91.7%
Freshwater Fish	77.3%	*	62.5%	83.3%
Saltwater Fish	59.1%	*	37.5%	66.7%
Reptile	72.7%	*	50.0%	83.3%
Small Animal	77.3%	*	62.5%	83.3%
Service offered				
Grooming	47.8%	20.0%	40.0%	54.6%
Training	26.1%	0.0%	20.0%	27.3%
Aquarium Service	43.5%	60.0%	50.0%	36.4%
Wing Clipping	34.8%	20.0%	30.0%	36.4%
Veterinary Care	21.7%	0.0%	10.0%	27.3%
Boarding (Dog/Cat)	8.7%	0.0%	10.0%	9.1%
Boarding (Other)	13.0%	0.0%	20.0%	9.1%
Day Care	8.7%	0.0%	0.0%	18.2%
Nail Trimming	47.8%	0.0%	40.0%	45.4%
Other	17.4%	60.0%	10.0%	27.3%
Is your store a franchise operation?				
Yes	15.4%	0.0%	9.1%	23.1%
No	84.6%	100.0%	90.9%	76.9%
Community size of store location(s)				
Major Metro Area (over 1 million population)	19.2%	40.0%	27.3%	15.4%
Moderate size city (100,000 to 1 million)	46.2%	40.0%	27.3%	53.8%
Small city (25,000 to less than 100,000)	19.2%	20.0%	18.2%	23.1%
Town of fewer than 25,000 or rural area	15.4%	0.0%	27.3%	7.7%

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Years in operation				
Median	20.0	32.0	12.0	32.0
Average	25.0	32.8	14.0	33.2
Legal form of business				
C-Corp	7.7%	0.0%	0.0%	7.7%
S-Corp	46.2%	100.0%	36.4%	61.5%
Partnership (LLC)	15.4%	0.0%	9.1%	23.1%
Sole proprietorship	23.1%	0.0%	36.4%	7.7%
Other	7.7%	0.0%	18.2%	0.0%
Business premises owned vs leased				
Owned	29.2%	60.0%	30.0%	30.8%
Leased	58.3%	20.0%	70.0%	46.2%
Both Owned and Leased (multiple locations)	12.5%	20.0%	0.0%	23.1%
Other	0.0%	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2023				
Median	68.0	54.0	46.0	71.0
Average	62.9	60.4	51.2	69.4
Total number of company-wide register transactions in 2023				
Median	28,584	*	*	44,754
Average	106,215	*	*	143,768
Sale price per register transaction in 2023				
Median	$51.91	*	*	$51.23
Average	$105.38	*	*	$116.67
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	10.8	35.0	5.0	19.5
Average	46.0	43.6	5.2	78.6

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Number of Full-Time Employees				
Median	7.0	22.0	3.0	21.5
Average	28.4	29.4	3.3	48.0
Number of Part-Time Employees				
Median	4.0	13.5	2.8	7.5
Average	24.9	14.2	3.2	39.4
Employee Turnover				
All Employees	36.4%	41.0%	15.2%	54.1%
Full-Time Employees	12.3%	21.4%	3.2%	19.4%
Part-Time Employees	77.5%	137.9%	26.7%	111.3%
GIFT CARDS				
Does company sell store gift cards?				
Yes	75.0%	100.0%	80.0%	69.2%
No	25.0%	0.0%	20.0%	30.8%
If store gift cards are sold, Total 2023 Gift Card Sales				
Median	$13,750	*	$845	*
Average	$20,098	*	$20,710	*
If store gift cards are sold, Total 2023 Gift Card Sales as a % of Total Revenues				
Median	*	*	*	*
Average	*	*	*	*
RETAIL SALES MIX				
General Sales Mix				
Pet food	31.0%	*	24.7%	37.2%
Dry Goods	31.8%	*	29.5%	34.0%
Live Animals	25.0%	*	26.9%	23.0%
Other	12.3%	*	18.8%	5.8%
Total	100.0%	*	100.0%	100.0%

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Detailed Category Sales Mix				
Aquatics	47.3%	*	*	32.4%
Bird	6.0%	*	*	8.1%
Cat	4.7%	*	*	6.2%
Dog	24.3%	*	*	32.4%
Reptile	4.6%	*	*	5.6%
Small Animals	3.5%	*	*	4.7%
Services	3.0%	*	*	1.8%
Other	6.7%	*	*	8.9%
Total	100.0%	*	*	100.0%
MARGINS AND TURNOVER				
Pet food				
Initial Margin	35.0%	35.0%	38.0%	35.0%
Realized Margin (or Gross Margin)	33.0%	33.0%	35.5%	32.0%
Inventory Turnover	7.4	7.9	7.5	7.4
Dry goods				
Initial Margin	52.0%	50.2%	49.0%	54.0%
Realized Margin (or Gross Margin)	46.5%	47.0%	36.0%	48.0%
Inventory Turnover	5.0	4.8	6.0	4.9
Live animals				
Initial Margin	61.0%	63.2%	60.0%	62.0%
Realized Margin (or Gross Margin)	56.0%	56.0%	53.9%	58.0%
Inventory Turnover	9.6	7.5	10.0	8.6
Aquatics (total)				
Initial Margin	57.3%	51.5%	64.0%	56.6%
Realized Margin (or Gross Margin)	51.0%	46.2%	49.0%	51.0%
Inventory Turnover	5.6	4.5	8.0	5.3

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Bird (total)				
Initial Margin	55.0%	60.0%	50.5%	58.0%
Realized Margin (or Gross Margin)	52.0%	54.0%	47.0%	53.0%
Inventory Turnover	4.2	4.0	*	4.1
Cat (total)				
Initial Margin	44.5%	46.3%	43.0%	45.2%
Realized Margin (or Gross Margin)	41.5%	43.8%	37.8%	42.1%
Inventory Turnoverr	5.0	5.0	*	5.0
Dog (total)				
Initial Margin	49.0%	50.0%	49.0%	49.0%
Realized Margin (or Gross Margin)	45.0%	48.2%	45.0%	44.4%
Inventory Turnover	5.6	5.2	*	5.6
Reptile (total)				
Initial Margin	56.0%	55.5%	50.0%	60.0%
Realized Margin (or Gross Margin)	55.6%	52.0%	44.0%	59.5%
Inventory Turnover	5.0	5.0	*	4.7
Small animals (total)				
Initial Margin	58.0%	58.0%	*	59.0%
Realized Margin (or Gross Margin)	54.5%	57.0%	*	54.5%
Inventory Turnover	7.0	7.0	*	6.8
Services (total)				
Initial Margin	75.0%	65.0%	*	65.0%
Realized Margin (or Gross Margin)	75.0%	60.0%	*	60.0%
Inventory Turnover	*	*	*	*
ADVERTISING/MARKETING				
Marketing budget (as a percent of total revenue) in each of the following years:				
2022	2.5%	3.0%	2.0%	2.8%
2023	2.8%	2.5%	2.8%	2.8%
Anticipated 2024	3.0%	3.0%	2.2%	3.0%

WPA World Pet Association

Detailed Information

Chapter 2 - Pet Stores with Animals and Aquariums	Net Sales			
	Pet Stores with Animals and Aquariums	Profit Leaders	Less than $1 Million	$1 Million or More
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	12.2%	16.7%	5.9%	12.9%
Cable TV Advertising	18.4%	27.8%	5.9%	22.6%
Radio Advertising	20.4%	33.3%	17.6%	22.6%
Co-Op Advertising with your supplier/manufacturer	55.1%	61.1%	47.1%	61.3%
Newspaper Advertising/Magazine Advertising	32.6%	50.0%	11.8%	45.2%
Non-Reimbursed Coupon Expense	49.0%	55.6%	35.3%	58.1%
Website/online advertisements	85.7%	83.3%	82.4%	87.1%
Email Blasts	63.3%	66.7%	47.1%	71.0%
In-Store/Community Events	69.4%	61.1%	64.7%	71.0%
Other	20.4%	16.7%	11.8%	25.8%
Percentage of advertising/marketing budget spent:				
In-house	69.9%	70.5%	78.8%	65.1%
Outsourced	30.1%	29.5%	21.2%	34.9%
Total	100.0%	100.0%	100.0%	100.0%
Does company allow ordering through own website?				
Yes	48.0%	60.0%	30.0%	61.5%
No	52.0%	40.0%	70.0%	38.5%
If yes, percent of 2023 sales that were made through own website				
Median	3.8%	*	*	2.5%
Average	20.2%	*	*	4.6%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	30.8%	*	28.6%	40.0%
Yes, in 13-24 months	7.7%	*	0.0%	20.0%
Yes, in more than 24 months	7.7%	*	0.0%	0.0%
No	53.8%	*	71.4%	40.0%

CHAPTER 3

Pet Stores – Dry Goods Only

World Pet Association

Key Findings

Listed below is a summary of key findings related to all Pet Stores – Dry Goods Only. The findings include the most profitable Pet Stores – Dry Goods Only as well as Pet Stores – Dry Goods Only by revenue size (stores with Less than $1 Million in revenue and stores with revenue of $1 Million or More).

Respondent Profile

- The size of the community served often impacts financial performance. Among all responding Pet Stores with Dry Goods Only, 51.2% reported serving communities with a population of 100,000 or more.
- The typical store size for all Pet Stores with Dry Goods Only was 2,288 square feet. As expected, respondents in the $1 Million or More sales group reported larger stores, with a median size of 3,000 square feet, compared to 1,550 square feet for those in the Less than $1 Million sales group.
- 9.8% of all responding Pet Stores with Dry Goods Only are a franchise operation.
- The typical Pet Store – Dry Goods Only has been in business for 13 years as compared to 17 years for the $1 Million or More sales group.
- The typical sales volume for Pet Stores with Dry Goods Only was $1.3 million.
- Pet Stores with Dry Goods Only typically reported 7 full-time equivalent employees (FTEs). In the $1 Million or More sales group, the median was higher at 9.5 FTEs, while the Less than $1 Million group had a median of 3 FTEs.

Key Findings

Key Financial Measures

- The typical **sales per transaction** for all responding Pet Stores with Dry Goods Only was $49.42. Larger stores reported higher sales per transaction, with the $1 Million or More group averaging $50.40, compared to $33.59 for the Less than $1 Million group.
- **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 Dry Goods Only return on assets performance during 2023 was 6.8%, while the most profitable companies experienced a 31% 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 Dry Goods Only reported a return on net worth of 21.2%.
- The typical Pet Store with Dry Goods Only experienced an **operating margin** of 2.9%.
- Pet Stores with Dry Goods Only reported an average **payroll expense** of 24.6% and an average occupancy expense of 8.4%. Combined, these expense categories accounted for a total average operating expense of 33.0%.
- After accounting for the cost of goods sold and total operating expenses, Pet Stores with Dry Goods Only reported a typical **net profit margin** of 2.9% as a percentage of total revenues. In contrast, Profit Leaders achieved a significantly higher net profit margin of 9.8%.
- The typical Pet Store with Dry Goods Only reported **sales growth** of 5.5% in 2023 versus 2022, and a **forecasted sales growth** of 8.0% for 2024.
- **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 Dry Goods Only reported inventory turns of 6.6. The Profit Leaders group reported slightly higher inventory turnover at 8.0.
- **Asset turnover** measures how efficiently a business generates sales from its assets. Pet Stores with Dry Goods Only reported a typical asset turnover of 5.0 for the year, compared to 4.7 turns for the Profit Leaders in 2023.
- **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 Dry Goods Only 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 measures 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 Dry Goods Only reported a current ratio of 2.4.
- 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 Dry Goods Only respondent reported a quick ratio of 0.7.

CHAPTER 3

Pet Stores – Dry Goods Only

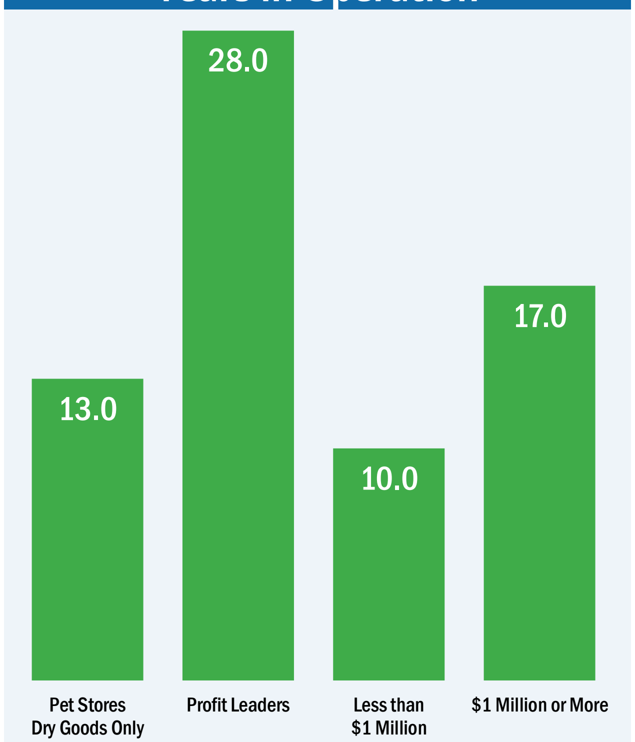
Executive Summary

Community Size of Store Location(s)

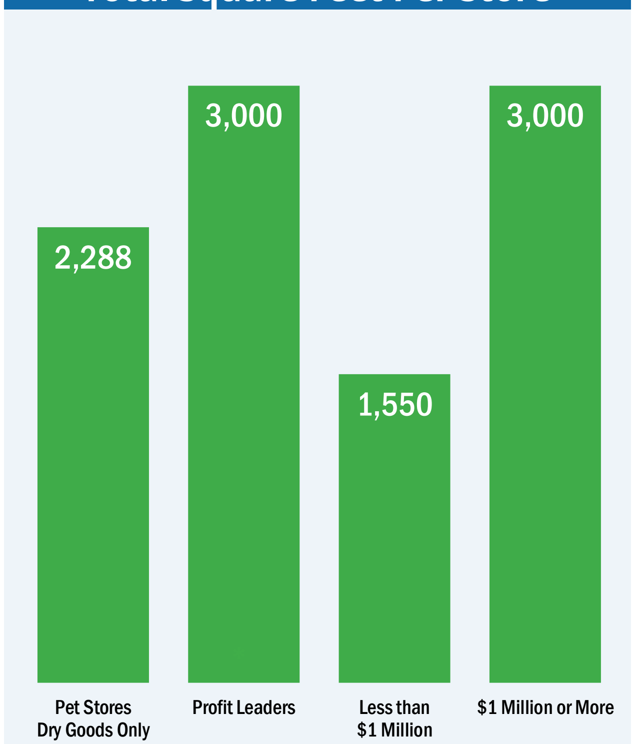
ALL RESPONDENTS

Major Metro Area (over 1 million population)	24.4%
Moderate size city (100,000 to 1 million)	26.8%
Small city (25,000 to less than 100,000)	29.3%
Town of fewer than 25,000 or rural area	19.5%

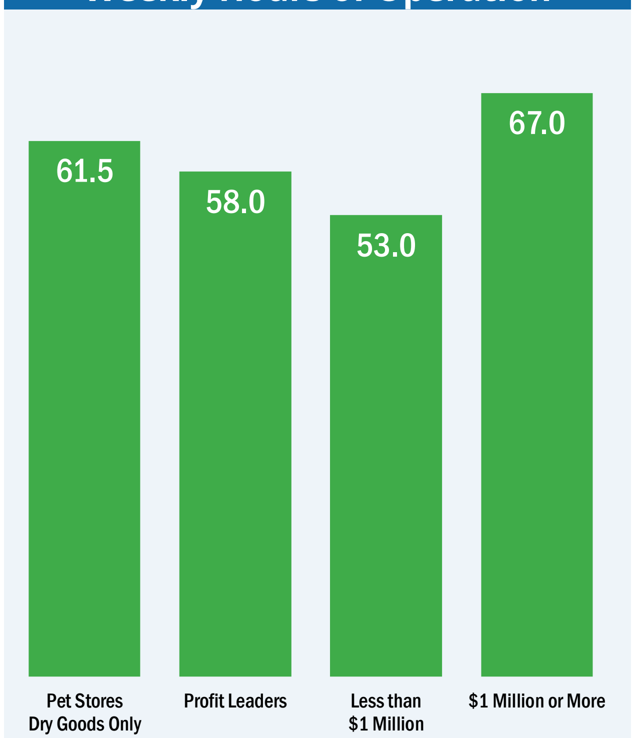
Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation



* = Insufficient Data

Pet Stores – Dry Goods Only

Sales and Employee Information

$1,300,000
Sales

$49.42
Sale Price per Transaction

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
PET STORES DRY GOODS ONLY	5.5%	8.0%
PROFIT LEADERS	1.5%	1.0%
LESS THAN $1 MILLION	17.8%	10.0%
$1 MILLION OR MORE	3.6%	3.5%

$218,333
Total Revenues Per Employee

7.0
Number of Employees (in FTEs)

24.6%
Total Payroll as a % of Total Revenues

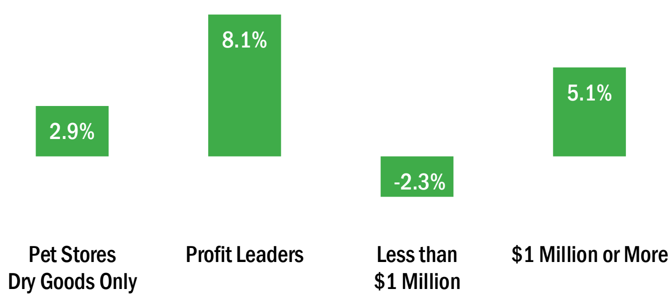
* = Insufficient Data

World Pet Association

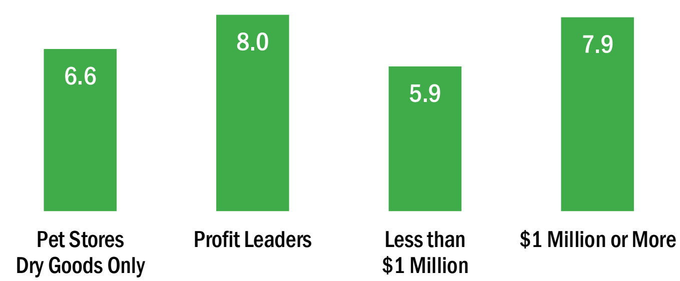
Overall Key Performance Measures

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)
2.9%	X	2.3	=	6.8%	X	3.1	=	21.2%

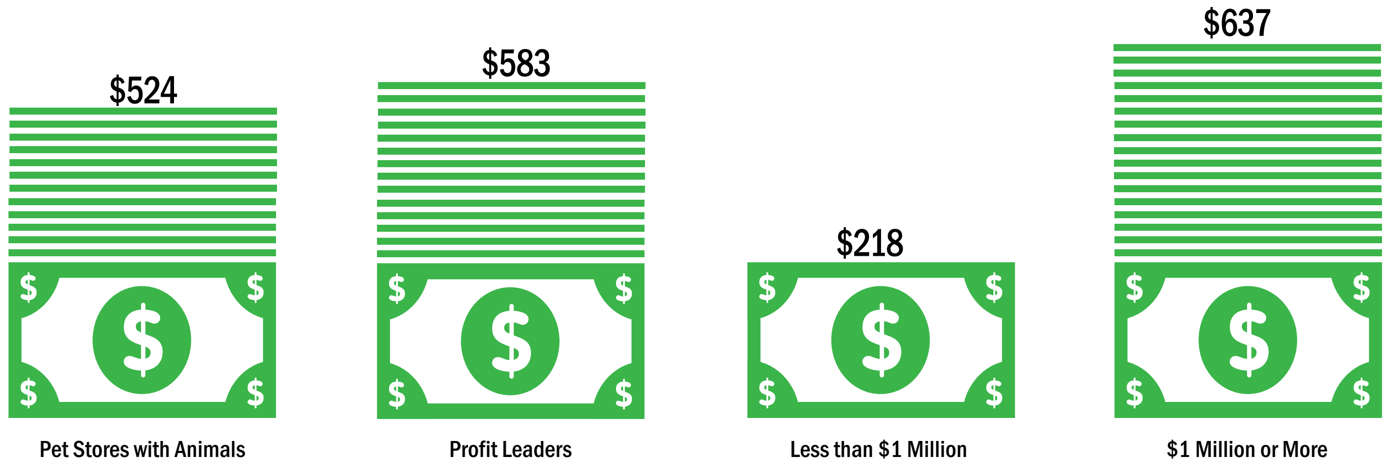
Operating Margin
(Operating Margin as a % of Total Revenue)



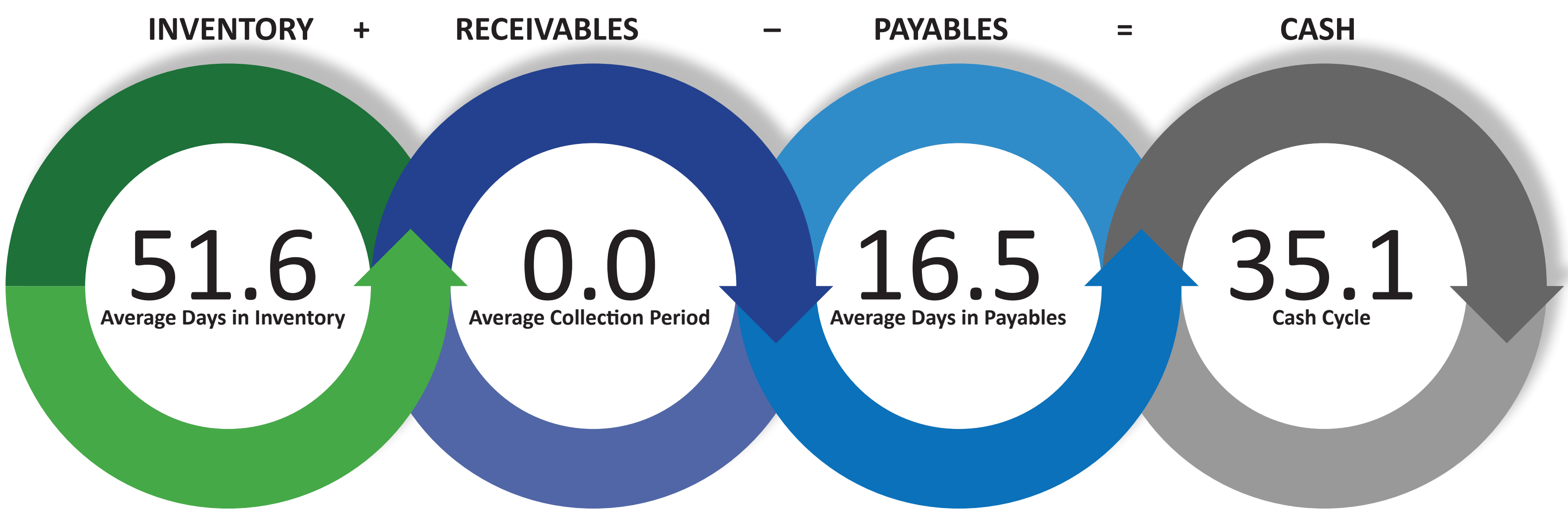
Inventory Turnover
(Cost of Goods Sold/Inventory)



Total Revenues Per Selling Square Foot



CASH CYCLE



* = Insufficient Data

World Pet Association

Multi-year Trend Comparison

Chapter 3 - Pet Stores – Dry Goods Only	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	8.3%	8.2%	7.1%	4.4%	12.7%	4.7%	2.9%
Operating Margin (Operating Margin as % of Total Revenues)	8.8%	8.6%	7.4%	4.6%	11.5%	4.8%	2.9%
Asset Turnover (Total Revenues/Total Assets)	4.1	5.0	5.0	5.3	5.5	4.8	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	20.7%	21.5%	20.6%	9.3%	36.3%	17.0%	6.8%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	39.5%	38.9%	32.1%	27.7%	54.7%	32.1%	21.2%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	6.3	6.2	6.4	6.6	9.5	6.4	6.6
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	238.4%	239.4%	242.9%	247.9%	370.3%	233.2%	251.1%
Financial Leverage (Total Assets/Net Worth)	1.5	1.5	1.5	1.6	1.4	1.5	1.4
Debt to Equity	0.5	0.5	0.5	0.6	0.4	0.5	0.4
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	1.3	1.7	1.8	2.2	2.2	2.2	2.4
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.3	0.5	0.5	0.7	1.0	0.5	0.7
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$194,362	$213,636	$233,658	$220,000	$222,538	$217,503	$218,333
Total Payroll as a % of Total Revenues	16.5%	17.6%	18.4%	22.3%	19.0%	22.5%	24.6%
SALES PERFORMANCE							
Median Current Year Sales	$748,922	$874,878	$1,213,623	$1,462,679	$1,000,000	$1,749,780	$1,300,000
Average Current Year Sales	$2,462,384	$1,903,699	$2,804,009	$7,257,633	$9,260,864	$4,937,202	$6,026,299
Median Net Sales per Location	$595,000	$711,624	$949,087	$1,103,391	$966,000	$1,000,981	$800,000
Average Net Sales per Location	$1,016,749	$1,013,745	$1,204,170	$1,293,340	$1,093,467	$1,507,790	$1,169,767
Sales Growth	4.9%	6.2%	3.9%	5.3%	13.6%	10.6%	5.5%
Forecasted Sales Growth	10.0%	8.0%	1.5%	5.0%	9.9%	6.5%	8.0%

World Pet Association

Multi-year Trend Comparison

Chapter 3 - Pet Stores – Dry Goods Only	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	99.7%	99.8%	99.9%	97.1%	100.0%	99.1%	98.5%
Income from Grooming	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%
Income from Boarding of All Animals	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
All Other Income	0.3%	0.2%	0.1%	0.1%	0.1%	0.9%	1.4%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	57.3%	57.4%	60.4%	59.5%	57.4%	58.7%	57.6%
Gross Margin	42.7%	42.7%	39.6%	40.5%	42.6%	41.3%	42.4%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.7%	4.2%	4.8%	5.3%	2.9%	5.5%	5.7%
Salary, Wages, Bonuses, Commission--All Other Employees	8.5%	11.1%	11.2%	14.1%	13.8%	14.2%	15.8%
Payroll Taxes	1.7%	1.7%	1.4%	1.7%	1.4%	1.8%	1.9%
Employee Benefits Expenses	0.6%	0.6%	1.0%	1.2%	0.9%	1.1%	1.2%
Total Payroll Expenses	16.5%	17.6%	18.4%	22.3%	19.0%	22.5%	24.6%
Occupancy Expenses							
Rent (including common area charges)	7.9%	7.5%	6.2%	6.0%	5.3%	6.0%	6.9%
Repairs and Maintenance	0.5%	0.6%	0.4%	0.4%	0.5%	0.5%	0.4%
Utilities (except Telephone)	1.3%	1.1%	1.1%	0.8%	0.9%	1.1%	1.1%
Total Occupancy Expenses	9.6%	9.2%	7.6%	7.1%	6.7%	7.5%	8.4%
Total Operating Expenses	33.9%	34.0%	32.2%	35.9%	31.1%	36.5%	39.5%
Operating Profit	8.8%	8.6%	7.4%	4.6%	11.5%	4.8%	2.9%
Interest Income (Expense)	-0.6%	-0.4%	-0.3%	-0.1%	0.0%	-0.2%	-0.2%
Other Income (Expense)	0.1%	0.0%	0.0%	-0.1%	0.5%	0.2%	0.2%
Net Income (or Loss) Before Tax	8.3%	8.2%	7.1%	4.4%	12.7%	4.7%	2.9%

Multi-year Trend Comparison

Chapter 3 - Pet Stores – Dry Goods Only	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
General & Administrative Expenses							
Professional Services (e.g., accounting, legal, etc.)	7.7%	7.5%	9.1%	7.6%	7.4%	*	12.8%
Advertising and Promotion	18.5%	22.1%	23.6%	18.2%	12.9%	*	19.9%
Insurance (general liability, loss coverage, etc.)	9.1%	9.6%	10.9%	6.9%	8.9%	*	17.6%
Depreciation/Amortization Expense	9.0%	11.5%	9.1%	14.8%	14.4%	*	7.7%
Office Expenses (store/office supplies, computer equipment/software, general postage)	17.8%	15.5%	17.3%	16.0%	14.6%	*	15.4%
Telephone	7.8%	5.9%	6.3%	3.5%	2.4%	*	3.6%
Travel and Entertainment	6.8%	5.6%	5.3%	3.2%	1.5%	*	1.8%
Licenses, Permits and Other Taxes	1.9%	1.9%	1.9%	2.5%	5.7%	*	3.6%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	21.3%	20.6%	16.2%	25.8%	32.1%	*	17.4%
Total General and Administrative Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	*	100.0%

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
OVERALL KEY PERFORMANCE MEASURES				
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	2.9%	8.4%	-2.0%	5.0%
Operating Margin (Operating Margin as % of Total Revenues)	2.9%	8.1%	-2.3%	5.1%
Asset Turnover (Total Revenues/Total Assets)	5.0	4.7	1.9	5.4
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	6.8%	27.0%	1.6%	13.8%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	21.2%	38.4%	3.8%	30.5%
MANAGEMENT RATIOS				
Inventory Turnover (Cost of Goods Sold/Inventory)	6.6	8.0	5.9	7.9
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	251.1%	297.8%	238.6%	259.6%
Financial Leverage (Total Assets/Net Worth)	1.4	1.4	1.1	1.4
Debt to Equity	0.4	0.4	0.0	0.4
CASH CYCLE				
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.0	0.0	0.0	0.2
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	51.6	45.4	61.8	45.8
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	11.2	11.2	3.5	12.8
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	35.1	31.6	59.1	33.4
LIQUIDITY MEAURES				
Current Ratio (Current Assets/Current Liabilities)	2.4	4.4	2.6	2.3
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.7	2.0	0.3	0.7
EMPLOYEE PRODUCTIVITY RATIOS				
Total Revenues Per Employee	$218,333	$242,171	$171,727	$242,171
Total Payroll as a % of Total Revenues	24.6%	23.8%	31.9%	21.5%
Payroll Per Employee	$47,410	$52,302	$64,472	$47,365
Operating Margin Per Employee	$91,446	$101,409	$90,372	$94,191

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
SALES PERFORMANCE				
Median Current Year Sales	$1,300,000	$2,984,700	$287,949	$2,350,000
Average Current Year Sales	$6,026,299	$2,667,437	$415,166	$9,929,696
Median Net Sales per Location	$800,000	$1,634,127	$287,949	$1,707,460
Average Net Sales per Location	$1,169,767	$1,700,649	$355,943	$1,735,906
2023 Sales Growth	5.5%	1.5%	17.8%	3.6%
Forecasted 2024 Sales Growth	8.0%	1.0%	10.0%	3.5%
SALES LOCATION BREAKDOWN (as a % of total net sales)				
Mall Shopping Center	10.7%	*	*	13.1%
Freestanding	31.1%	*	*	30.6%
Strip Center	49.1%	*	*	46.1%
Online	9.2%	*	*	10.2%
Total Net Sales	100.0%	*	*	100.0%
SPACE PRODUCTIVITY RATIOS				
ALL STORES:				
Total Square Feet Per Store	2,288	3,000	1,550	3,000
Selling Square Feet Per Store	1,850	2,750	1,275	2,524
Total Revenues Per Selling Square Foot	$524	$583	$218	$637
Operating Margin Per Selling Square Foot	$216	$216	*	$260
INCOME STATEMENT (as a % of Total Revenues)				
Revenue and Cost of Goods				
Net Sales of Merchandise	98.5%	98.8%	97.7%	98.9%
Income from Grooming	0.0%	0.0%	0.0%	0.0%
Income from Boarding of All Animals	0.1%	0.0%	0.3%	0.0%
All Other Income	1.4%	1.2%	2.0%	1.1%
Total Revenues	100.0%	100.0%	100.0%	100.0%
Total Cost of Goods Sold	57.6%	56.6%	51.9%	60.0%
Gross Margin	42.4%	43.4%	48.1%	40.0%

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Payroll Expenses				
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	5.7%	5.5%	9.1%	4.2%
Salary, Wages, Bonuses, Commission--All Other Employees	15.8%	15.0%	19.4%	14.3%
Payroll Taxes	1.9%	2.1%	1.8%	1.9%
Employee Benefits Expenses	1.2%	1.1%	1.6%	1.0%
Total Payroll Expenses	24.6%	23.8%	31.9%	21.5%
Occupancy Expenses				
Rent (including common area charges)	6.9%	4.4%	9.4%	5.8%
Repairs and Maintenance	0.4%	0.5%	0.5%	0.4%
Utilities (except Telephone)	1.1%	1.0%	1.3%	1.0%
Total Occupancy Expenses	8.4%	5.9%	11.2%	7.2%
Total Operating Expenses	39.5%	35.3%	50.4%	34.9%
Operating Profit	2.9%	8.1%	-2.3%	5.1%
Interest Income (Expense)	-0.2%	-0.2%	0.0%	-0.3%
Other Income (Expense)	0.2%	0.5%	0.3%	0.2%
Net Income (or Loss) Before Tax	2.9%	8.4%	-2.0%	5.0%
General & Administrative Expenses				
Professional Services (e.g., accounting, legal, etc.)	12.8%	*	*	14.0%
Advertising and Promotion	19.9%	*	*	17.1%
Insurance (general liability, loss coverage, etc.)	17.6%	*	*	16.0%
Depreciation/Amortization Expense	7.7%	*	*	8.1%
Office Expenses (store/office supplies, computer equipment/software, general postage)	15.4%	*	*	16.9%
Telephone	3.6%	*	*	3.4%
Travel and Entertainment	1.8%	*	*	2.0%
Licenses, Permits and Other Taxes	3.6%	*	*	3.4%
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	17.4%	*	*	19.2%
Total General and Administrative Expenses	100.0%	*	*	100.0%

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
BALANCE SHEET (as a % of Total Assets)				
Assets				
Cash & Equivalent	21.3%	29.3%	21.9%	21.0%
Accounts & Notes Receivable	1.2%	1.6%	0.9%	1.3%
Inventory	40.2%	32.6%	38.2%	41.0%
Other Current Assets	7.2%	9.5%	1.5%	9.3%
Total Current Assets	69.9%	72.9%	62.5%	72.5%
Total Noncurrent Assets	30.1%	27.1%	37.5%	27.5%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth				
Accounts Payable	23.2%	16.8%	27.7%	21.6%
Other Current Liabilities	16.7%	6.1%	28.8%	12.3%
Total Current Liabilities	39.9%	22.8%	56.5%	33.9%
Long Term Liabilities	24.5%	13.0%	20.8%	25.8%
Net Worth	35.6%	64.2%	22.7%	40.3%
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	2.0
Average	3.4	1.6	1.1	4.9
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%

CHAPTER 3

Pet Stores – Dry Goods Only

World Pet Association

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
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	35.0%	*	50.0%	28.6%
Training	20.0%	*	16.7%	21.4%
Aquarium Service	0.0%	*	0.0%	0.0%
Wing Clipping	0.0%	*	0.0%	0.0%
Veterinary Care	5.0%	*	0.0%	7.1%
Boarding (Dog/Cat)	5.0%	*	16.7%	0.0%
Boarding (Other)	5.0%	*	16.7%	0.0%
Day Care	5.0%	*	16.7%	0.0%
Nail Trimming	50.0%	*	50.0%	50.0%
Other	40.0%	*	33.3%	42.9%
Is your store a franchise operation?				
Yes	9.8%	0.0%	0.0%	13.0%
No	90.2%	100.0%	100.0%	87.0%
Community size of store location(s)				
Major Metro Area (over 1 million population)	24.4%	20.0%	25.0%	21.7%
Moderate size city (100,000 to 1 million)	26.8%	60.0%	25.0%	30.4%
Small city (25,000 to less than 100,000)	29.3%	0.0%	43.8%	21.7%
Town of fewer than 25,000 or rural area	19.5%	20.0%	6.2%	26.1%
Years in operation				
Median	13.0	28.0	10.0	17.0
Average	17.1	27.2	12.8	21.0

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Legal form of business				
C-Corp	15.0%	20.0%	6.2%	21.7%
S-Corp	35.0%	80.0%	18.8%	47.8%
Partnership (LLC)	32.5%	0.0%	56.2%	13.0%
Sole proprietorship	10.0%	0.0%	12.5%	8.7%
Other	7.5%	0.0%	6.2%	8.7%
Business premises owned vs leased				
Owned	12.5%	0.0%	12.5%	13.0%
Leased	82.5%	100.0%	87.5%	78.3%
Both Owned and Leased (multiple locations)	5.0%	0.0%	0.0%	8.7%
Other	0.0%	0.0%	0.0%	0.0%
Weekly hours of operation, per store, in 2023				
Median	61.5	58.0	53.0	67.0
Average	65.3	63.6	56.5	70.9
Total number of company-wide register transactions in 2023				
Median	25,000	45,798	7,768	35,985
Average	150,966	45,276	9,235	240,480
Sale price per register transaction in 2023				
Median	$49.42	$63.70	$33.59	$50.40
Average	$51.10	$59.54	$40.07	$58.07
EMPLOYEE INFORMATION				
Typical Number of Employees for the Year (in FTEs)				
Median	7.0	7.5	3.0	9.5
Average	12.4	10.1	6.3	17.0
Number of Full-Time Employees				
Median	3.0	7.5	2.0	5.0
Average	7.4	10.1	2.7	9.7
Number of Part-Time Employees				
Median	4.8	4.5	3.5	5.8
Average	7.0	6.5	5.8	7.8

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Employee Turnover				
All Employees	37.5%	66.5%	24.7%	46.4%
Full-Time Employees	25.0%	51.6%	1.1%	35.6%
Part-Time Employees	62.3%	*	31.4%	81.8%
GIFT CARDS				
Does company sell store gift cards?				
Yes	84.2%	100.0%	73.3%	91.3%
No	15.8%	0.0%	26.7%	8.7%
If store gift cards are sold, Total 2023 Gift Card Sales				
Median	$1,200	$1,482	$650	$1,438
Average	$18,034	$2,272	$1,162	$27,314
If store gift cards are sold, Total 2023 Gift Card Sales as a % of Total Revenues				
Median	0.1%	0.1%	*	0.1%
Average	0.1%	0.1%	*	0.1%
RETAIL SALES MIX				
General Sales Mix				
Pet food	51.8%	74.0%	41.9%	58.1%
Dry Goods	39.6%	22.8%	47.4%	34.7%
Live Animals	0.0%	0.0%	0.0%	0.0%
Other	8.5%	3.2%	10.6%	7.2%
Total	100.0%	100.0%	100.0%	100.0%

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Detailed Category Sales Mix				
Aquatics	0.1%	0.0%	0.0%	0.1%
Bird	0.4%	0.0%	0.9%	0.3%
Cat	16.7%	22.0%	12.1%	18.7%
Dog	77.8%	77.4%	78.1%	77.6%
Reptile	0.2%	0.0%	0.0%	0.2%
Small Animals	0.8%	0.4%	0.6%	0.8%
Services	0.7%	0.0%	1.0%	0.6%
Other	3.3%	0.2%	7.3%	1.6%
Total	100.0%	100.0%	100.0%	100.0%
MARGINS AND TURNOVER				
Pet food				
Initial Margin	35.0%	33.0%	35.0%	35.0%
Realized Margin (or Gross Margin)	30.5%	30.0%	31.5%	30.0%
Inventory Turnover	9.0	11.0	9.0	10.0
Dry goods				
Initial Margin	50.0%	52.0%	51.0%	50.0%
Realized Margin (or Gross Margin)	46.0%	47.0%	45.0%	47.0%
Inventory Turnover	7.0	8.0	8.0	6.0
Live animals				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Aquatics (total				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Bird (total)				
Initial Margin	47.0%	*	*	*
Realized Margin (or Gross Margin)	43.0%	*	*	*
Inventory Turnover	*	*	*	*
Cat (total)				
Initial Margin	39.0%	*	*	37.0%
Realized Margin (or Gross Margin)	37.0%	*	*	37.0%
Inventory Turnoverr	6.9	*	*	*
Dog (total)				
Initial Margin	39.5%	*	42.5%	36.5%
Realized Margin (or Gross Margin)	38.0%	*	42.5%	35.0%
Inventory Turnover	8.0	*	*	*
Reptile (total)				
Initial Margin	*	*	*	*
Realized Margin (or Gross Margin)	*	*	*	*
Inventory Turnover	*	*	*	*
Small animals (total)				
Initial Margin	48.5%	*	*	*
Realized Margin (or Gross Margin)	45.0%	*	*	46.0%
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:				
2022	2.0%	2.5%	2.0%	1.5%
2023	2.0%	2.0%	2.0%	1.0%
Anticipated 2024	2.0%	3.0%	3.0%	2.0%

Detailed Information

Chapter 3 - Pet Stores – Dry Goods Only	Net Sales			
	Pet Stores – Dry Goods Only	Profit Leaders	Less than $1Million	$1 Million or More
Does company engage in the following advertising/marketing activities?				
Broadcast TV Advertising	7.0%	6.2%	5.6%	8.7%
Cable TV Advertising	7.0%	6.2%	11.1%	4.4%
Radio Advertising	32.6%	25.0%	27.8%	34.8%
Co-Op Advertising with your supplier/manufacturer	34.9%	43.8%	27.8%	39.1%
Newspaper Advertising/Magazine Advertising	51.2%	56.2%	44.4%	52.2%
Non-Reimbursed Coupon Expense	44.2%	43.8%	38.9%	47.8%
Website/online advertisements	81.4%	81.2%	72.2%	87.0%
Email Blasts	62.8%	68.8%	44.4%	78.3%
In-Store/Community Events	60.5%	50.0%	44.4%	73.9%
Other	18.6%	12.5%	22.2%	13.0%
Percentage of advertising/marketing budget spent:				
In-house	71.0%	63.7%	79.3%	68.0%
Outsourced	29.0%	36.3%	20.7%	32.0%
Total	100.0%	100.0%	100.0%	100.0%
Does company allow ordering through own website?				
Yes	57.9%	80.0%	50.0%	63.6%
No	42.1%	20.0%	50.0%	36.4%
If yes, percent of 2023 sales that were made through own website				
Median	2.4%	*	3.5%	2.4%
Average	4.9%	*	4.6%	5.0%
If company does not conduct sales through own website, is company planning to?				
Yes, in 1-12 months	43.8%	*	50.0%	37.5%
Yes, in 13-24 months	12.5%	*	12.5%	12.5%
Yes, in more than 24 months	0.0%	*	0.0%	0.0%
No	43.8%	*	37.5%	50.0%

CHAPTER 4
Grooming Stores with Retail Supplies

Key Findings

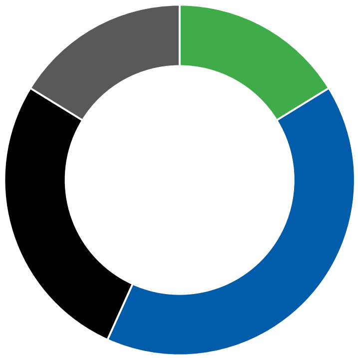
Listed below is a summary of key findings related to all Grooming Stores with Retail Supplies. The findings include data broken out by revenue size (stores with Less than $500,000 in revenue and stores with revenue of $500,000 or More). Please note that there were not enough Grooming Stores that provided 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. Over 56% 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 1,300 square feet.
- 16.2% of all responding Grooming Stores with Retail Supplies are a **franchise operation**.
- The typical Grooming Store with Retail Supplies has been in business for 5 years.
- The typical **sales volume** for Grooming Stores with Retail Supplies was $342,913.
- Grooming Stores with Retail Supplies typically reported having 5 **full-time equivalent employees** (FTEs).
- The typical Grooming Store with Retail Supplies reported **sales growth** of 22.7% in 2023 versus 2022 and **forecasted sales growth** of 13.0% for 2024.

Grooming Stores with Retail Supplies

Executive Summary



Community Size of Store Location(s)

ALL RESPONDENTS

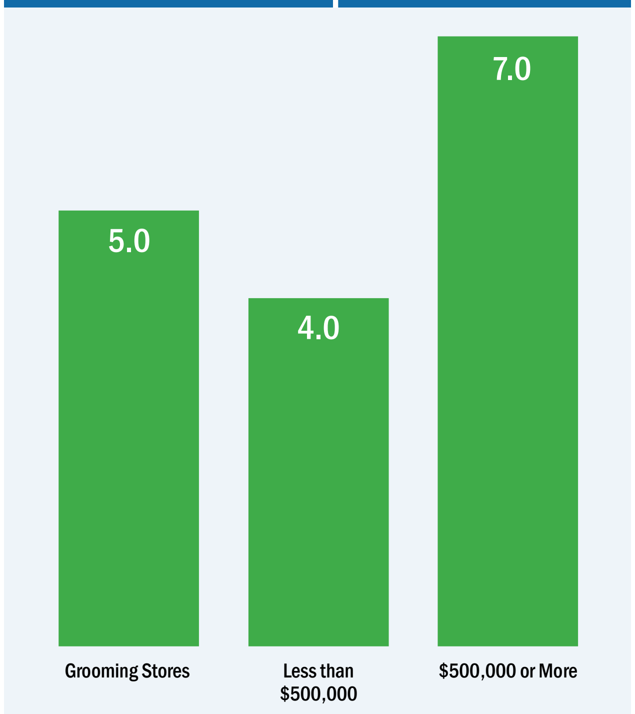
Major Metro Area (over 1 million population) 16.2%

Moderate size city (100,000 to 1 million) 40.5%

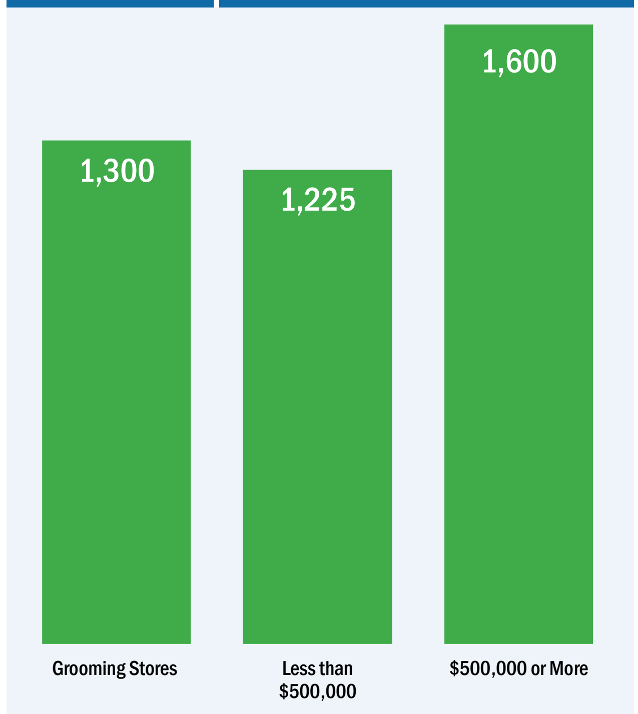
Small city (25,000 to less than 100,000) 27.0%

Town of fewer than 25,000 or rural area 16.2%

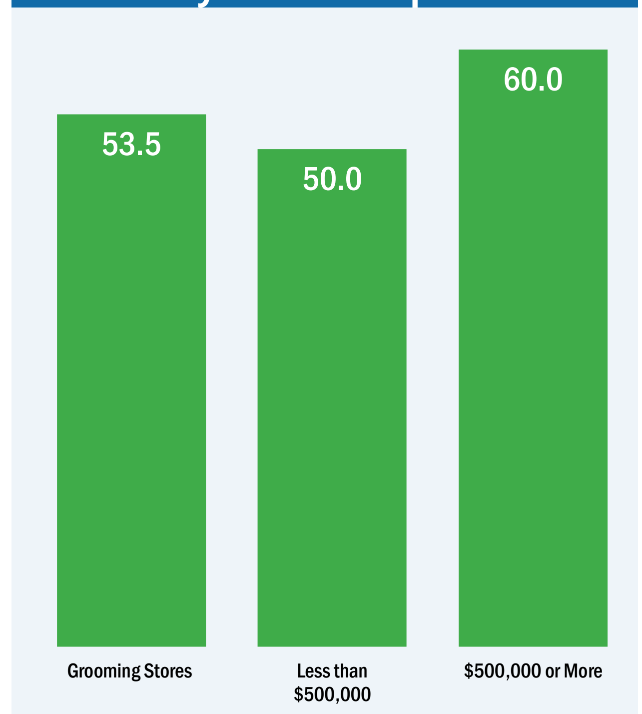
Years in Operation



Total Square Feet Per Store



Weekly Hours of Operation



* = Insufficient Data

CHAPTER 4

Grooming Stores with Retail Supplies

World Pet Association

Sales and Employee Information

$342,913
Sales

$87.34
Sale Price per Transaction

	SALES GROWTH VS PRIOR YEAR	FORECASTED SALES GROWTH
GROOMING STORES	22.7%	13.0%
LESS THAN $500,000	22.7%	15.0%
$500,000 OR MORE	20.9%	10.5%

$102,927
Total Revenues Per Employee

5.0
Number of Employees (in FTEs)

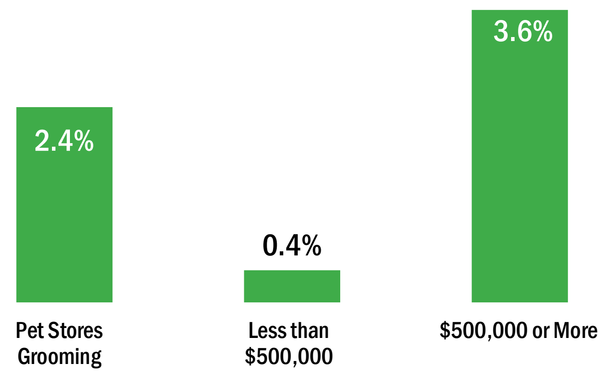
35.2%
Total Payroll as a % of Total Revenues

* = Insufficient Data

Overall Key Performance Measures

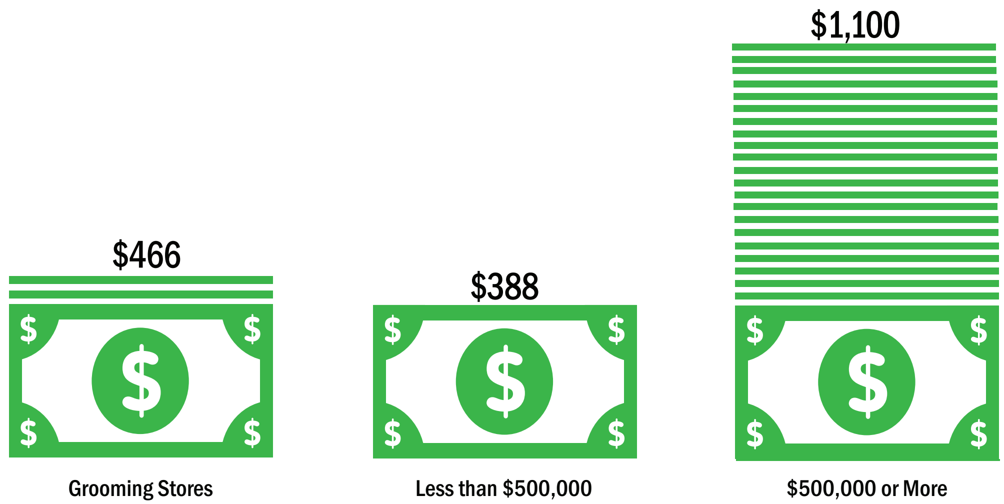
Profit Margin (Net Profit Before Taxes as a % of Total Revenues)		Asset Turnover (Total Revenues/Total Assets)		Return on Assets (Net Profit Before Taxes as a % of Total Assets)		Financial Leverage (Total Assets / Net Worth)		Return on Net Worth Net Profit Before Taxes as a % of Net Worth)
2.2%	X	14.9	=	32.8%	X	1.3	=	43.4%

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

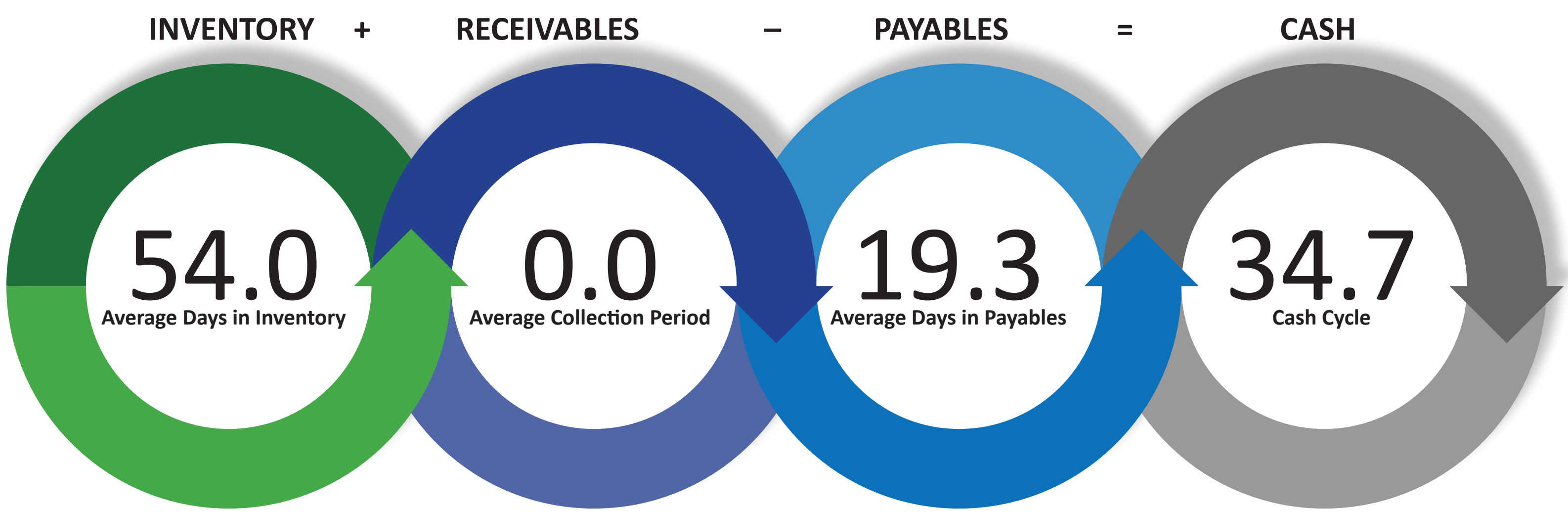


Inventory Turnover
(Cost of Goods Sold/Inventory)

Total Revenues Per Selling Square Foot



CASH CYCLE



Multi-year Trend Comparison

Chapter 4 - Grooming Stores with Retail Supplies	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
OVERALL KEY PERFORMANCE MEASURES							
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	6.3%	6.8%	5.6%	4.4%	*	2.9%	2.2%
Operating Margin (Operating Margin as % of Total Revenues)	77.8%	78.7%	74.8%	62.1%	*	3.2%	2.4%
Asset Turnover (Total Revenues/Total Assets)	3.9	3.7	4.0	5.0	*	4.0	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	6.7%	9.9%	7.3%	42.2%	*	8.3%	32.8%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	35.0%	22.5%	10.8%	49.2%	*	13.4%	43.4%
MANAGEMENT RATIOS							
Inventory Turnover (Cost of Goods Sold/Inventory)	2.5	1.9	3.5	6.1	*	3.3	4.7
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	66.5%	29.6%	79.1%	189.9%	*	75.6%	133.2%
Financial Leverage (Total Assets/Net Worth)	2.1	1.6	1.2	1.1	*	1.1	1.0
Debt to Equity	1.2	0.4	0.3	0.4	*	0.1	0.1
LIQUIDITY MEAURES							
Current Ratio (Current Assets/Current Liabilities)	1.6	1.4	1.5	1.8	*	1.5	2.3
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.6	0.6	0.5	0.7	*	0.4	0.8
EMPLOYEE PRODUCTIVITY RATIOS							
Total Revenues Per Employee	$87,917	$91,487	$93,620	$112,579	$118,036	$112,579	$102,927
Total Payroll as a % of Total Revenues	40.5%	40.9%	40.2%	31.9%	*	37.4%	35.2%
SALES PERFORMANCE							
Median Current Year Sales	$488,685	$552,048	$602,737	$577,771	$780,000	$625,224	$342,913
Average Current Year Sales	$1,295,974	$902,321	$793,606	$9,607,617	$17,808,891	$15,571,507	$479,191
Median Net Sales per Location	$480,213	$552,048	$602,737	$596,629	$530,000	$498,510	$266,456
Average Net Sales per Location	$483,195	$648,704	$711,884	$744,722	$16,551,669	$666,504	$316,353
Sales Growth	8.1%	6.0%	5.0%	2.2%	16.7%	18.1%	22.7%
Forecasted Sales Growth	8.2%	7.0%	2.5%	5.5%	7.6%	18.5%	13.0%

Multi-year Trend Comparison

Chapter 4 - Grooming Stores with Retail Supplies	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
INCOME STATEMENT (as a % of Total Revenues)							
Revenue and Cost of Goods							
Net Sales of Merchandise	50.5%	38.4%	44.1%	67.1%	*	55.5%	72.2%
Income from Grooming	36.1%	50.7%	51.7%	29.9%	*	40.4%	24.9%
Income from Boarding of All Animals	7.2%	8.2%	3.2%	1.9%	*	2.7%	1.9%
All Other Income	6.2%	2.7%	1.0%	0.3%	*	1.4%	1.0%
Total Revenues	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%
Total Cost of Goods Sold	22.3%	21.3%	25.2%	37.9%	*	29.0%	35.7%
Gross Margin	77.8%	78.7%	74.8%	62.1%	*	71.0%	64.3%
Payroll Expenses							
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	8.2%	7.7%	6.3%	3.2%	*	5.6%	3.2%
Salary, Wages, Bonuses, Commission--All Other Employees	28.4%	28.9%	28.9%	25.3%	*	27.8%	28.9%
Payroll Taxes	2.8%	3.3%	3.6%	2.3%	*	2.7%	1.8%
Employee Benefits Expenses	1.0%	1.0%	1.3%	1.2%	*	1.4%	1.4%
Total Payroll Expenses	40.5%	40.9%	40.2%	31.9%	*	37.4%	35.2%
Occupancy Expenses							
Rent (including common area charges)	11.4%	12.3%	11.5%	9.0%	*	11.8%	9.3%
Repairs and Maintenance	1.8%	1.9%	1.4%	0.8%	*	1.4%	1.0%
Utilities (except Telephone)	2.2%	2.1%	2.0%	2.0%	*	2.2%	2.2%
Total Occupancy Expenses	15.4%	16.3%	14.9%	11.8%	*	15.4%	12.5%
Total Operating Expenses	71.5%	71.9%	69.3%	57.6%	*	67.8%	62.0%
Operating Profit	6.3%	6.8%	5.6%	4.4%	*	3.2%	2.4%
Interest Income (Expense)	-0.4%	-0.1%	-0.4%	-0.2%	*	-0.3%	-0.1%
Other Income (Expense)	0.1%	0.2%	0.0%	-0.1%	*	0.0%	-0.1%
Net Income (or Loss) Before Tax	6.0%	6.9%	5.2%	4.1%	*	2.9%	2.2%

Multi-year Trend Comparison

Chapter 4 - Grooming Stores with Retail Supplies	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
General & Administrative Expenses							
Professional Services (e.g., accounting, legal, etc.)	1.0%	1.1%	1.1%	0.8%	*	*	*
Advertising and Promotion	2.2%	2.6%	2.1%	1.9%	*	*	*
Insurance (general liability, loss coverage, etc.)	1.5%	1.5%	1.4%	1.1%	*	*	*
Depreciation/Amortization Expense	0.6%	0.4%	0.4%	2.9%	*	*	*
Office Expenses (store/office supplies, computer equipment/software, general postage)	1.8%	2.1%	1.9%	1.1%	*	*	*
Telephone	0.8%	1.0%	0.9%	0.5%	*	*	*
Travel and Entertainment	1.3%	1.4%	1.2%	0.4%	*	*	*
Licenses, Permits and Other Taxes	0.4%	0.4%	0.4%	0.3%	*	*	*
Other Operating Expenses (auto & delivery, franchise fees, collection expense, dues/subscriptions, etc.)	6.0%	4.3%	4.9%	5.1%	*	*	*
Total General and Administrative Expenses	100.0%	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
SALES PERFORMANCE			
Net Profit Margin (Net Profit Before Taxes as a % of Total Revenues)	2.2%	0.4%	3.3%
Operating Margin (Operating Margin as % of Total Revenues)	2.4%	0.4%	3.6%
Asset Turnover (Total Revenues/Total Assets)	5.0	10.5	5.0
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	32.8%	21.6%	32.8%
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	43.4%	24.2%	61.6%
MANAGEMENT RATIOS			
Inventory Turnover (Cost of Goods Sold/Inventory)	4.7	3.3	6.1
Turn & Earn Profitability Index (Gross Margin % x Inventory Turns)	133.2%	76.6%	189.8%
Financial Leverage (Total Assets/Net Worth)	1.0	1.0	1.1
Debt to Equity	0.1	0.1	0.1
CASH CYCLE			
Average Collection Period [365 days / (Sales / Avg Accounts Receivable)]	0.0	0.0	0.0
Average Days in Inventory [365 days / (COGS / Avg Inventory)]	54.0	69.0	54.0
Average Days in Payables [365 days / (COGS / Avg Accounts Payable)]	2.2	0.0	4.5
Cash Cycle (Average Collection Period + Inventory Days - Payable Days)	34.7	64.0	32.0
LIQUIDITY MEAURES			
Current Ratio (Current Assets/Current Liabilities)	2.3	*	1.8
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	0.8	*	0.4
EMPLOYEE PRODUCTIVITY RATIOS			
Total Revenues Per Employee	$102,927	$72,000	$118,558
Total Payroll as a % of Total Revenues	35.2%	36.4%	34.4%
Payroll Per Employee	$47,426	$52,067	$45,483
Operating Margin Per Employee	$83,102	$97,214	$75,697

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
SALES PERFORMANCE			
Median Current Year Sales	$342,913	$140,000	$929,484
Average Current Year Sales	$479,191	$182,379	$1,184,122
Median Net Sales per Location	$266,456	$140,000	$550,000
Average Net Sales per Location	$316,353	$182,379	$679,996
2023 Sales Growth	22.7%	22.7%	20.9%
Forecasted 2024 Sales Growth	13.0%	15.0%	10.5%
SALES LOCATION BREAKDOWN (as a % of total net sales)			
Mall Shopping Center	*	*	*
Freestanding	*	*	*
Strip Center	*	*	*
Online	*	*	*
Total Net Sales	*	*	*
SPACE PRODUCTIVITY RATIOS			
ALL STORES:			
Total Square Feet Per Store	1,300	1,225	1,600
Selling Square Feet Per Store	500	600	400
Total Revenues Per Selling Square Foot	$466	$388	$1,100
Operating Margin Per Selling Square Foot	*	*	*

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
INCOME STATEMENT (as a % of Total Revenues)			
Revenue and Cost of Goods			
Net Sales of Merchandise	72.2%	79.2%	67.6%
Income from Grooming	24.9%	19.2%	28.8%
Income from Boarding of All Animals	1.9%	0.0%	3.2%
All Other Income	1.0%	1.6%	0.5%
Total Revenues	100.0%	100.0%	100.0%
Total Cost of Goods Sold	35.7%	27.0%	41.4%
Gross Margin	64.3%	73.0%	58.6%
Payroll Expenses			
Salary, Wages, Bonuses, Commission--Owners, Partners, Officers	3.2%	0.4%	5.0%
Salary, Wages, Bonuses, Commission--All Other Employees	28.9%	33.7%	25.6%
Payroll Taxes	1.8%	1.2%	2.2%
Employee Benefits Expenses	1.4%	1.1%	1.5%
Total Payroll Expenses	35.2%	36.4%	34.4%
Occupancy Expenses			
Rent (including common area charges)	9.3%	11.2%	8.0%
Repairs and Maintenance	1.0%	1.5%	0.7%
Utilities (except Telephone)	2.2%	3.3%	1.5%
Total Occupancy Expenses	12.5%	15.9%	10.2%
Total Operating Expenses	62.0%	72.5%	54.9%
Operating Profit	2.4%	0.4%	3.6%
Interest Income (Expense)	-0.1%	0.0%	-0.2%
Other Income (Expense)	-0.1%	0.0%	-0.2%
Net Income (or Loss) Before Tax	2.2%	0.4%	3.3%

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
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	*	*	*
BALANCE SHEET (as a % of Total Assets)			
Assets			
Cash & Equivalent	17.0%	16.9%	8.9%
Accounts & Notes Receivable	0.5%	0.0%	0.8%
Inventory	25.2%	36.0%	19.2%
Other Current Assets	20.8%	18.5%	20.6%
Total Current Assets	63.6%	71.4%	49.5%
Total Noncurrent Assets	36.4%	28.6%	50.5%
Total Assets	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
Liabilities & Net Worth			
Accounts Payable	9.5%	4.8%	12.5%
Other Current Liabilities	16.9%	1.9%	20.0%
Total Current Liabilities	26.4%	6.7%	32.5%
Long Term Liabilities	24.9%	26.5%	27.8%
Net Worth	48.7%	66.8%	39.7%
Total Liabilities & Net Worth	100.0%	100.0%	100.0%
RESPONDENT PROFILE			
Typical number of locations			
Median	1.0	1.0	1.0
Average	7.1	1.0	1.9
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	*	*	*

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
Service offered			
Grooming	100.0%	100.0%	100.0%
Training	21.6%	10.5%	37.5%
Aquarium Service	0.0%	0.0%	0.0%
Wing Clipping	8.1%	10.5%	12.5%
Veterinary Care	2.7%	5.3%	0.0%
Boarding (Dog/Cat)	13.5%	10.5%	12.5%
Boarding (Other)	2.7%	5.3%	0.0%
Day Care	10.8%	10.5%	12.5%
Nail Trimming	67.6%	68.4%	62.5%
Other	13.5%	15.8%	0.0%
Is your store a franchise operation?			
Yes	16.2%	10.5%	12.5%
No	83.8%	89.5%	87.5%
Community size of store location(s)			
Major Metro Area (over 1 million population)	16.2%	15.8%	12.5%
Moderate size city (100,000 to 1 million)	40.5%	31.6%	62.5%
Small city (25,000 to less than 100,000)	27.0%	26.3%	25.0%
Town of fewer than 25,000 or rural area	16.2%	26.3%	0.0%
Years in operation			
Median	5.0	4.0	7.0
Average	10.3	7.7	15.6

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
Legal form of business			
C-Corp	16.7%	15.8%	37.5%
S-Corp	16.7%	10.5%	37.5%
Partnership (LLC)	41.7%	36.8%	25.0%
Sole proprietorship	16.7%	21.0%	0.0%
Other	8.3%	15.8%	0.0%
Business premises owned vs leased			
Owned	30.6%	42.1%	12.5%
Leased	61.1%	47.4%	87.5%
Both Owned and Leased (multiple locations)	5.6%	10.5%	0.0%
Other	2.8%	0.0%	0.0%
Weekly hours of operation, per store, in 2023			
Median	53.5	50.0	60.0
Average	51.1	47.5	59.9
Total number of company-wide register transactions in 2023			
Median	7,772	764	14,988
Average	37,967	5,710	21,551
Sale price per register transaction in 2023			
Median	$87.34	$172.31	$72.34
Average	$163.97	$249.34	$78.59
EMPLOYEE INFORMATION			
Typical Number of Employees for the Year (in FTEs)			
Median	5.0	3.0	10.8
Average	6.6	3.2	11.3

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
Number of Full-Time Employees			
Median	2.5	2.0	8.2
Average	4.8	2.2	9.0
Number of Part-Time Employees			
Median	1.8	1.2	2.5
Average	1.9	1.4	2.6
Employee Turnover			
All Employees	22.9%	19.4%	37.3%
Full-Time Employees	19.0%	12.7%	30.2%
Part-Time Employees	53.5%	47.6%	67.0%
GIFT CARDS			
Does company sell store gift cards?			
Yes	48.4%	41.2%	100.0%
No	51.6%	58.8%	0.0%
If store gift cards are sold, Total 2023 Gift Card Sales			
Median	$475	$250	$538
Average	$1,198	$1,021	$1,309
If store gift cards are sold, Total 2023 Gift Card Sales as a % of Total Revenues			
Median	*	*	*
Average	*	*	*

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
RETAIL SALES MIX			
General Sales Mix			
Pet food	21.3%	11.8%	48.3%
Dry Goods	19.6%	16.8%	21.2%
Live Animals	4.7%	0.2%	0.0%
Other	54.4%	71.1%	30.5%
Total	100.0%	100.0%	100.0%
Detailed Category Sales Mix			
Aquatics	0.2%	0.3%	0.0%
Bird	0.6%	0.9%	0.0%
Cat	4.6%	2.9%	10.0%
Dog	20.9%	14.3%	43.6%
Reptile	0.1%	0.2%	0.0%
Small Animals	0.6%	0.9%	0.0%
Services	72.0%	79.6%	44.2%
Other	1.2%	0.9%	2.2%
Total	100.0%	100.0%	100.0%
MARGINS AND TURNOVER			
Pet food			
Initial Margin	35.0%	35.0%	35.8%
Realized Margin (or Gross Margin)	28.0%	30.5%	30.0%
Inventory Turnover	9.1	6.0	10.0
Dry goods			
Initial Margin	50.0%	*	50.5%
Realized Margin (or Gross Margin)	42.0%	*	43.5%
Inventory Turnover	4.0	*	3.0

WPA World Pet Association

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
Live animals			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Aquatics (total)			
Initial Margin	*	*	50.0%
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Bird (total)			
Initial Margin	*	*	48.0%
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Cat (total)			
Initial Margin	39.5%	*	38.8%
Realized Margin (or Gross Margin)	*	*	35.0%
Inventory Turnoverr	*	*	5.2
Dog (total)			
Initial Margin	42.6%	*	39.3%
Realized Margin (or Gross Margin)	*	*	35.0%
Inventory Turnover	*	*	5.9
Reptile (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*

Detailed Information

Chapter 4 - Grooming Stores with Retail Supplies	Net Sales		
	Grooming Stores	Less than $500,000	$500,000 or More
Small animals (total)			
Initial Margin	*	*	*
Realized Margin (or Gross Margin)	*	*	*
Inventory Turnover	*	*	*
Services (total)			
Initial Margin	60.0%	60.0%	65.0%
Realized Margin (or Gross Margin)	52.0%	50.0%	60.0%
Inventory Turnover	*	*	*
ADVERTISING/MARKETING			
Marketing budget (as a percent of total revenue) in each of the following years:			
2022	4.0%	5.0%	2.8%
2023	2.9%	5.0%	2.2%
Anticipated 2024	3.5%	5.0%	3.0%
Does company engage in the following advertising/marketing activities?			
Broadcast TV Advertising	4.0%	0.0%	0.0%
Cable TV Advertising	8.0%	0.0%	7.1%
Radio Advertising	20.0%	0.0%	28.6%
Co-Op Advertising with your supplier/manufacturer	20.0%	25.0%	21.4%
Newspaper Advertising/Magazine Advertising	40.0%	25.0%	57.1%
Non-Reimbursed Coupon Expense	24.0%	25.0%	28.6%
Website/online advertisements	76.0%	62.5%	92.9%
Email Blasts	64.0%	50.0%	71.4%
In-Store/Community Events	44.0%	37.5%	57.1%
Other	8.0%	0.0%	0.0%

WPA World Pet Association

Detailed Information

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	68.7%	85.0%	55.6%
Outsourced	31.3%	15.0%	44.4%
Total	100.0%	100.0%	100.0%
Does company allow ordering through own website?			
Yes	24.2%	16.7%	37.5%
No	75.8%	83.3%	62.5%
If yes, percent of 2023 sales that were made through own website			
Median	4.0%	*	*
Average	29.1%	*	*
If company does not conduct sales through own website, is company planning to?			
Yes, in 1-12 months	24.0%	20.0%	20.0%
Yes, in 13-24 months	16.0%	20.0%	0.0%
Yes, in more than 24 months	0.0%	0.0%	0.0%
No	60.0%	60.0%	80.0%

Appendix

Survey Methodology and Demographics

In early April 2024, 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, 152 companies, representing 581 retail locations, submitted their surveys to Industry Insights. In particular, the statistical sample consists of the following:

	Number of Companies
All Respondents	**152**
All Pet Stores with Animals and Aquariums	**26**
Net Sales: Less than $1 Million	11
Net Sales: $1 Million or More	13
All Pet Stores – Dry Goods Only	**41**
Net Sales: Less than $1 Million	16
Net Sales: $1 Million or More	23
All Grooming Stores with Retail Supplies	**37**
Net Sales: Less than $500,000	19
Net Sales: $500,000 or More	8
All "Other" Stores Respondents	**21**

The statistical information contained in this report is believed to be representative of the companies responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of accounting reporting procedures. However, the data used in this report are not necessarily based on audited financial statements and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular ratio. Industry Insights, WPA, and Pet Store Pro therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error or omission. In no event shall Industry Insights and/or WPA and/or Pet Store Pro be liable for any consequential damages.

Appendix

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. These 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 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 precast 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.

Appendix

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.

Appendix

Survey Questionnaire

CONFIDENTIAL CONFIDENTIAL CONFIDENTIAL

2024 World Pet Association Retail Operating Performance Survey

DEADLINE FOR SUBMITTING FORM: MAY 15, 2024

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, 2023.
- **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 5 ☐ Bird 7 ☐ Saltwater Fish 9 ☐ Small Animal
   4 ☐ Cat 6 ☐ Freshwater Fish 8 ☐ Reptile

   *** 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 26 ☐ Veterinary Care 29 ☐ Day Care
   23 ☐ Training 27 ☐ Boarding (Dog / Cat) 30 ☐ Nail Trimming
   24 ☐ Aquarium Service 28 ☐ Boarding (other) 31 ☐ Other ______________ 31
   25 ☐ Wing Clipping
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) -3 ☐ Small city (25,000 to less than 100,000)
   -2 ☐ Moderate size city (100,000 to 1 million) -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 -3 ☐ Partnership (LLC) -5 ☐ Other ______________
   -2 ☐ S-Corp -4 ☐ Sole proprietorship
9. **Is / are your business premises owned or leased?**
   15-1 ☐ Owned -3 ☐ Both Owned and Leased (multiple locations) -4 ☐ Other ______________
   -2 ☐ Leased
10. **Weekly hours of operation, per store, in 2023**
    (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 1/1/2023	# 52	# 53	# 54
Number of employees as of 12/31/2023	# 55	# 56	# 57
Number of terminations (voluntary and involuntary) in 2023	# 58	# 59	# 60

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

Survey Questionnaire

15.	*** Prior year (i.e. 2022) net sales**		$ 20
16.	**Forecasted 2024 total company sales growth** (i.e., your expected total 2024 sales volume change over 2023). 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 2023?**		$ 62
18.	**Does your company allow ordering through your own website?**	189-1 ☐ Yes	-2 ☐ No
18b.	**If yes, percent of 2023 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 2023 sales transactions were paid in cash?**		% 321
20.	**Approximately what percentage of your total 2023 retail sales (exclude service revenue) is related to the following categories:**	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:**		
	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 2023)

	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

Survey Questionnaire

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 2023)		
	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 2023** *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 2023** *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 2023** *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 2023** *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?	2022	% [174]
		2023	% [175]
		Anticipated 2024	% [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%