



Q2 2025 Financial Results
September 10, 2025

Forward-Looking Statements

This communication contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this communication, including statements regarding our share repurchase program, our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions, although not all forward-looking statements contain these identifying words.

Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could cause actual results to differ materially from those in such forward-looking statements, including but not limited to, our ability to: sustain our recent growth rates and successfully manage challenges to our future growth, including introducing new products or services, improving existing products and services, and expanding into new jurisdictions and offerings; successfully respond to business disruptions; successfully manage risks related to the macroeconomic environment, including any adverse impacts on our business operations, financial performance, supply chain, workforce, facilities, customer services and operations; acquire and retain new customers in a cost-effective manner and increase our net sales, improve margins, and maintain profitability; manage our growth effectively; maintain positive perceptions of the Company and preserve, grow, and leverage the value of our reputation and our brand; limit operating losses as we continue to expand our business; forecast net sales and appropriately plan our expenses in the future; estimate our market share; strengthen our current supplier relationships, retain key suppliers and source additional suppliers; negotiate acceptable pricing and other terms with third-party service providers, suppliers and outsourcing partners and maintain our relationships with such parties; mitigate changes in, or disruptions to, our shipping arrangements and operations; optimize, operate, and manage the expansion of the capacity of our fulfillment centers; provide our customers with a cost-effective platform that is able to respond and adapt to rapid changes in technology; limit our losses related to online payment methods; maintain and scale our technology, the reliability of our websites, mobile applications, and network infrastructure, including through the use of artificial intelligence; maintain adequate cybersecurity with respect to our systems and retain third-party service providers that do the same with respect to their systems; maintain consumer confidence in the safety, quality, and health of our products; limit risks associated with our suppliers and our outsourcing partners; comply with existing or future laws and regulations in a cost-efficient manner; utilize net operating loss and tax credit carryforwards, and other tax attributes; adequately protect our intellectual property rights; successfully defend ourselves against any allegations or claims that we may be subject to; attract, develop, motivate and retain highly-qualified and skilled employees; respond to economic conditions, industry trends, and market conditions, and their impact on the pet products market; reduce merchandise returns or refunds; respond to severe weather and limit disruption to normal business operations; manage new acquisitions, investments or alliances, and integrate them into our existing business; successfully compete in new offerings; manage challenges presented by international markets; successfully compete in the pet products and services health and retail industry, especially in the e-commerce sector; comply with the terms of our credit facility; raise capital as needed; and maintain effective internal control over financial reporting.

You should not rely on forward-looking statements as predictions of future events, and you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of factors. We have based the forward-looking statements contained in this communication primarily on our current assumptions, expectations, and projections about future events and trends that we believe may affect our business, financial condition, and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” included under Part I, Item 1A in our Annual Report on Form 10-K for the fiscal year ended February 2, 2025, in our other filings with the Securities and Exchange Commission, our subsequent quarterly reports, and elsewhere in this communication. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this communication. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this communication. While we believe that such information provides a reasonable basis for these statements, this information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this communication relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this communication to reflect events or circumstances after the date of this communication or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

Key Recent Highlights



150K

**Net Sequential Active
Customer Adds**



\$123.6M

**Capital Returned to
Shareholders in Q2 25¹**

Financial Metrics

\$591

**Net Sales Per
Active Customer²**

83.0%

**Autoship Customer Sales
as a % of Net Sales³**

\$183.3M

**Q2 25 Adj. EBITDA
(5.9% Margin)⁴**

(1) Represents executed share repurchases during the thirteen weeks ended August 3, 2025.

(2) Net sales per active customer defined as the aggregate net sales for the preceding four fiscal quarters, divided by the total number of active customers at the end of that fiscal quarter.

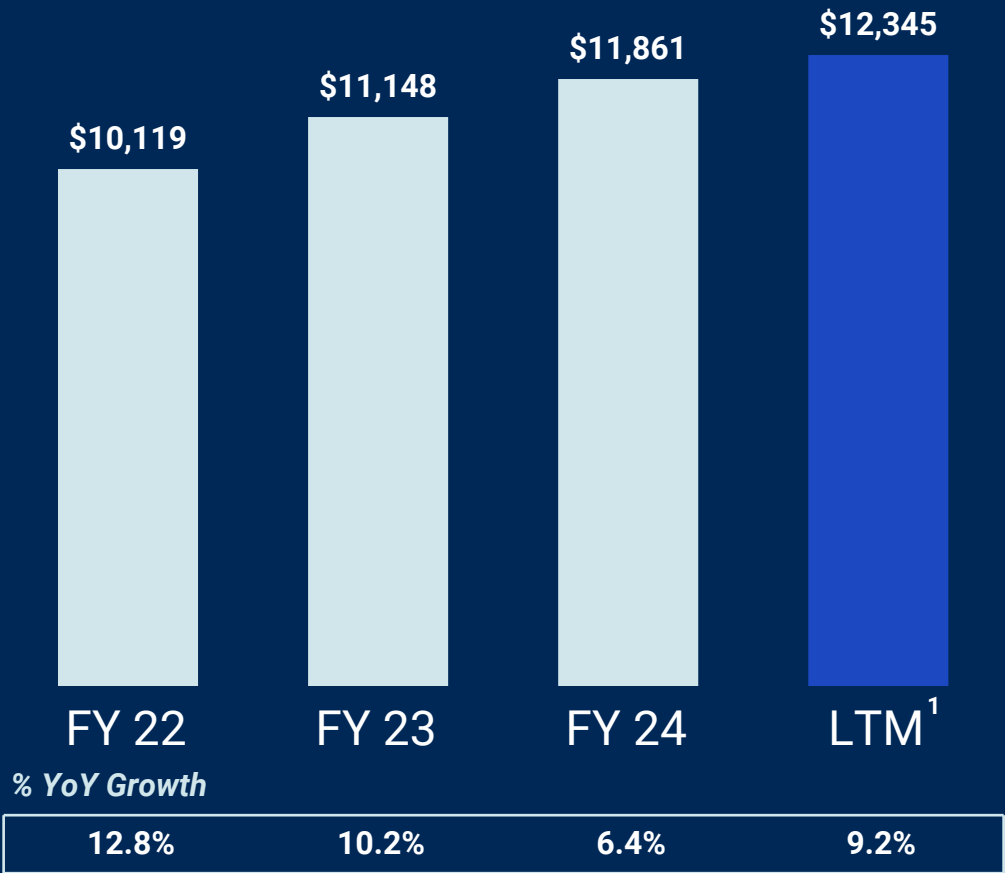
(3) Autoship customers defined as customers in a given fiscal quarter for whom an order has shipped through our Autoship subscription program during the preceding 364-day period. We define Autoship customer sales as a percentage of net sales as the Autoship customer sales in a given reporting period divided by the net sales from all orders in that period.

(4) Adjusted ("Adj.") EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measures.

Net Sales

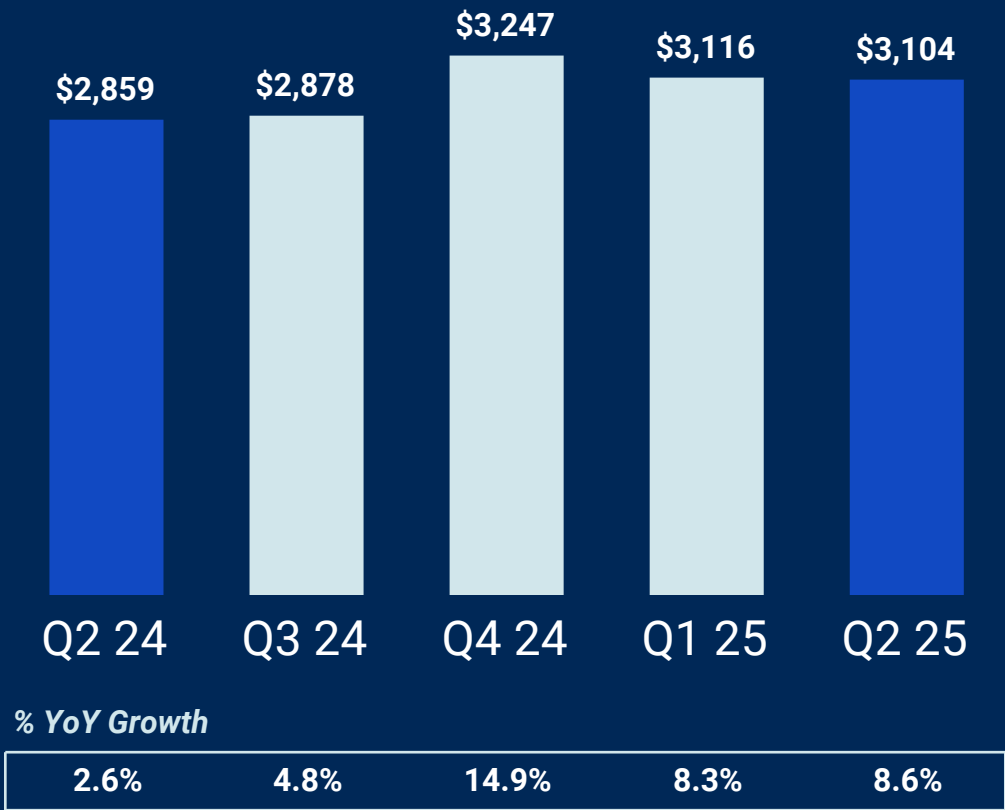
Full Year

(\$ Millions)



Quarterly

(\$ Millions)

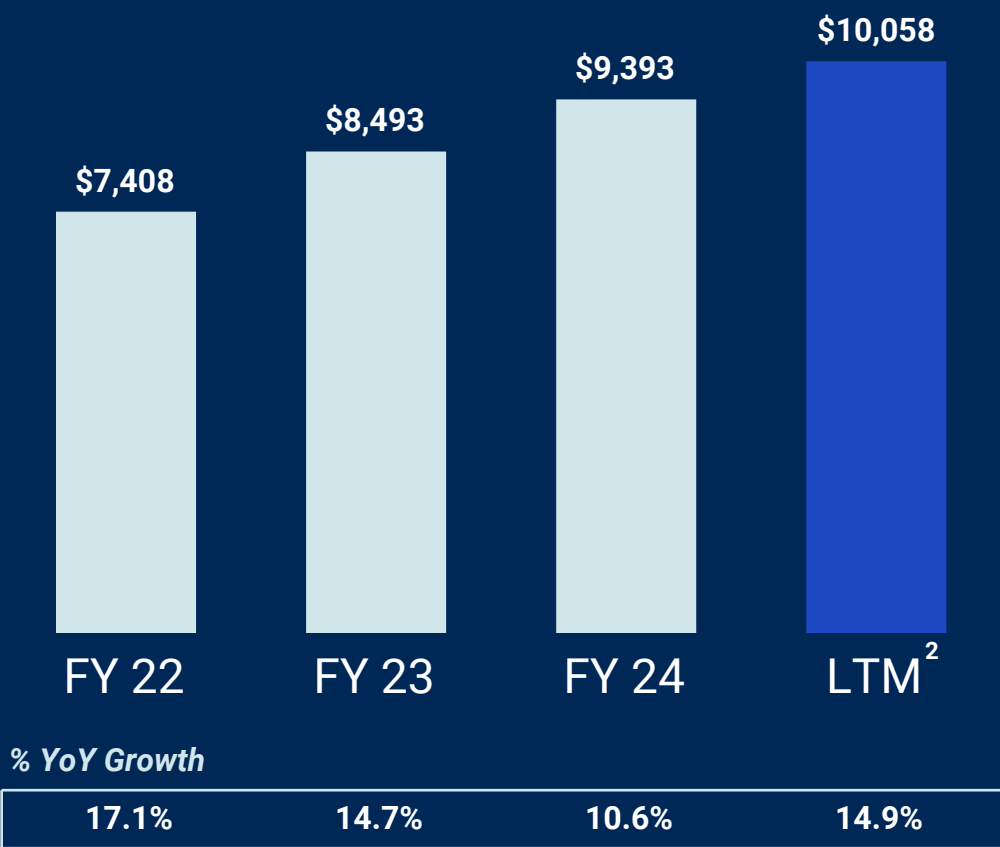


(1) "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (Q2 25).

Autoship Customer Sales¹

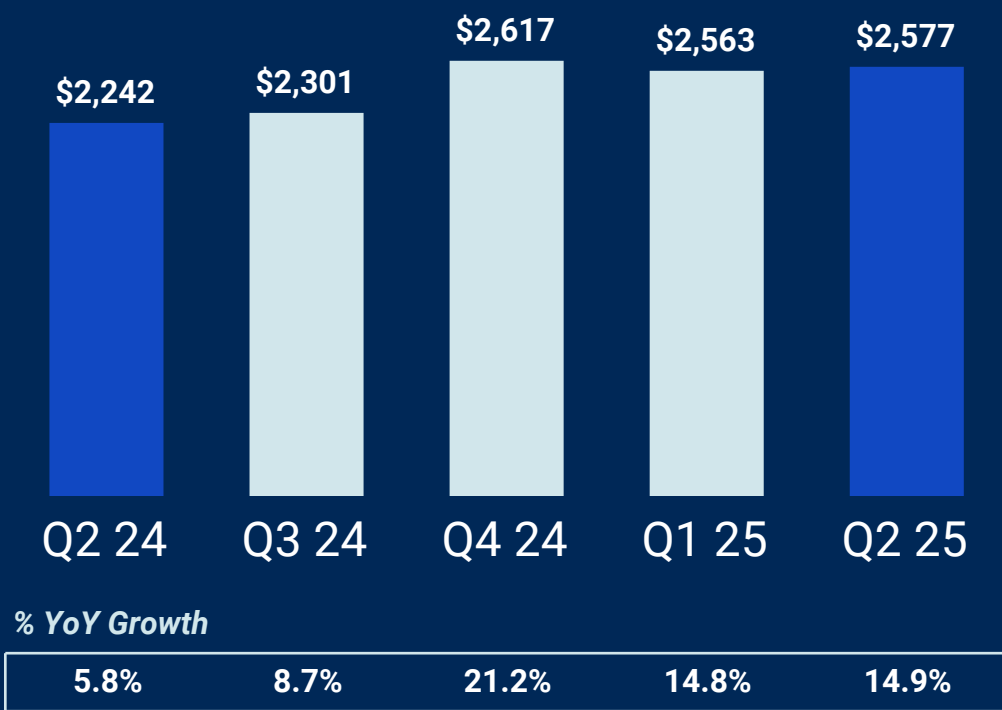
Full Year

(\$ Millions)



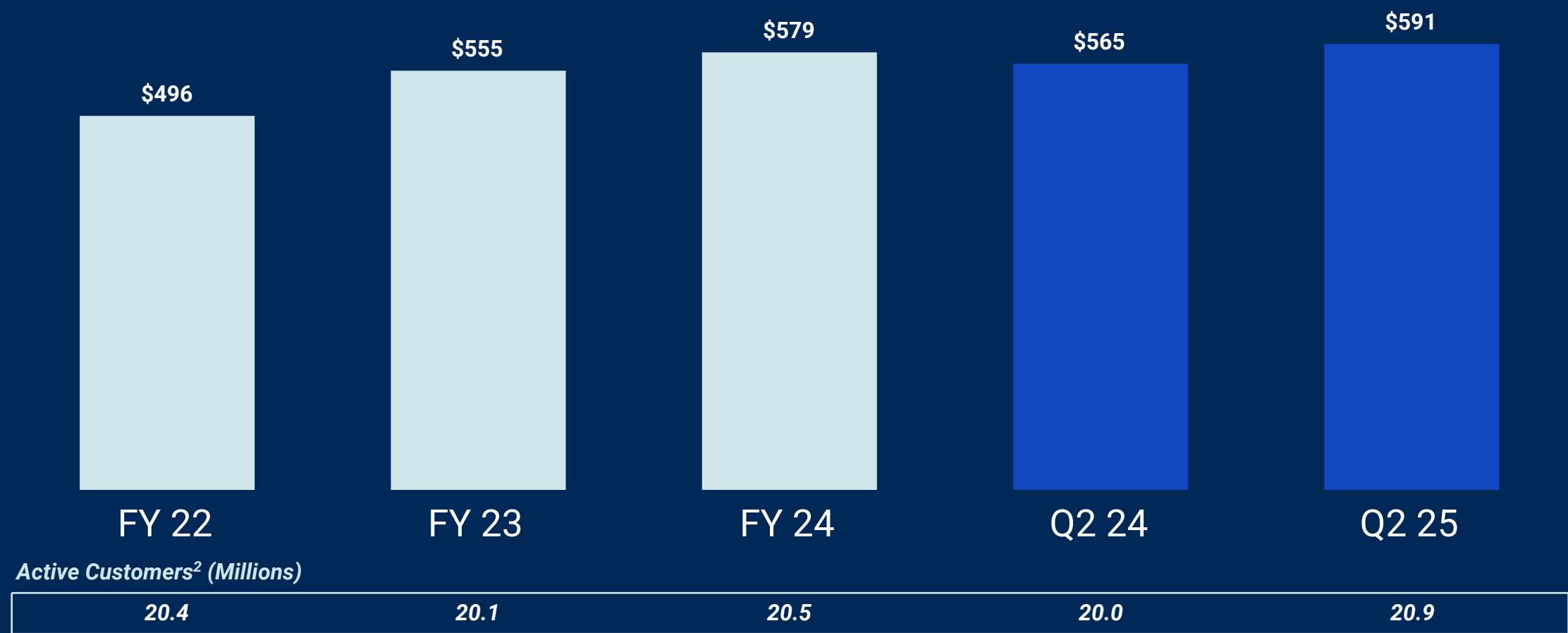
Quarterly

(\$ Millions)



(1) We define Autoship customers as customers in a given fiscal quarter for whom an order has shipped through our Autoship subscription program during the preceding 364-day period.
(2) "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (Q2 25).

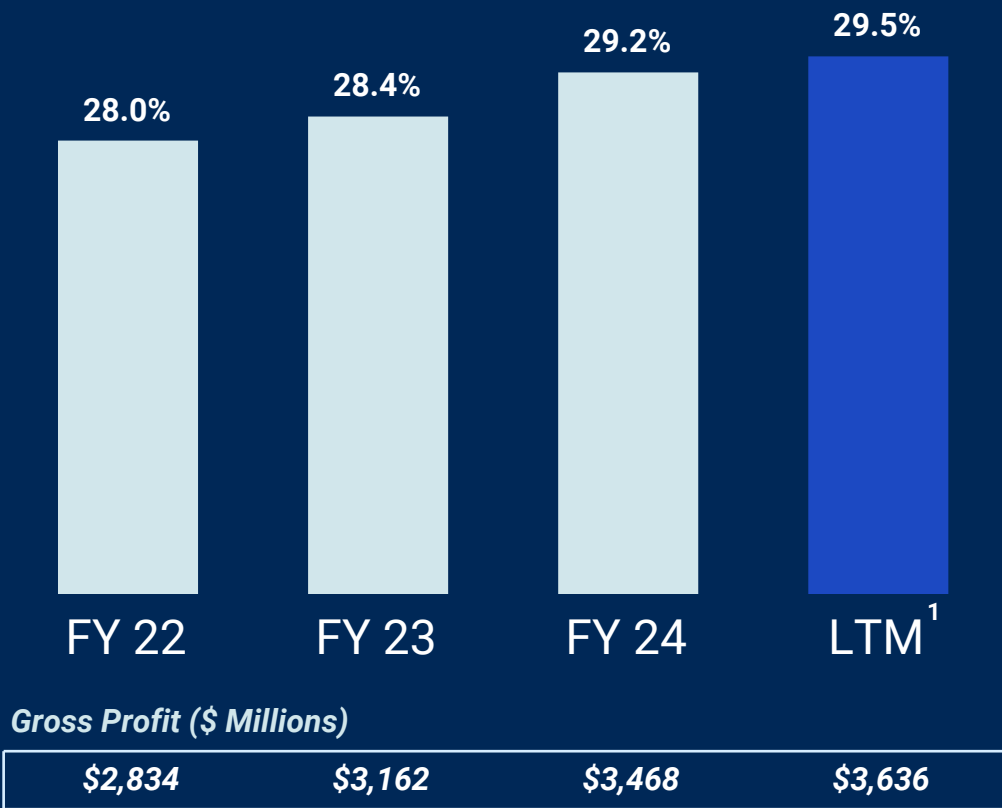
Net Sales Per Active Customer (“NSPAC”)¹



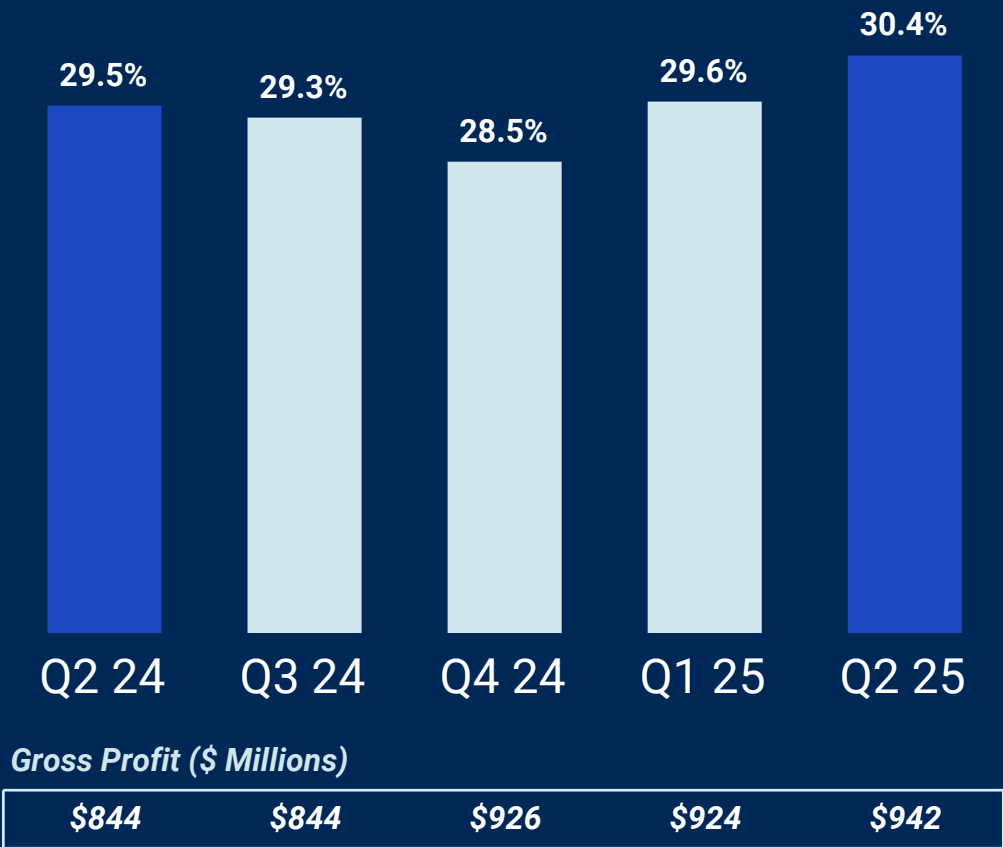
(1) We define net sales per active customer (“NSPAC”) as the aggregate net sales for the preceding four fiscal quarters, divided by the total number of active customers at the end of that fiscal quarter.
(2) We define active customers as the total number of customers who have ordered a product or service, and for whom a product has shipped or for whom a service has been provided, at least once during the preceding 364-day period.

Gross Margin

Full Year
(%)



Quarterly
(%)

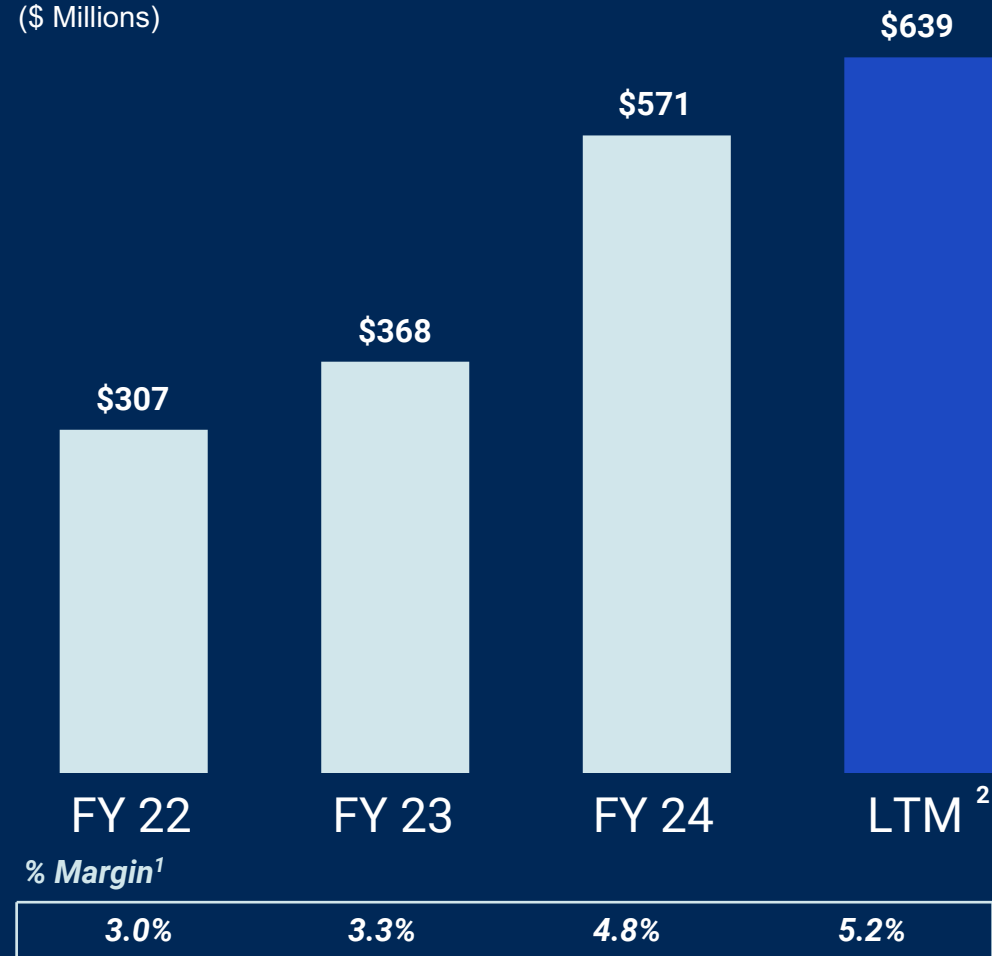


(1) "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (Q2 25).

Adjusted EBITDA¹

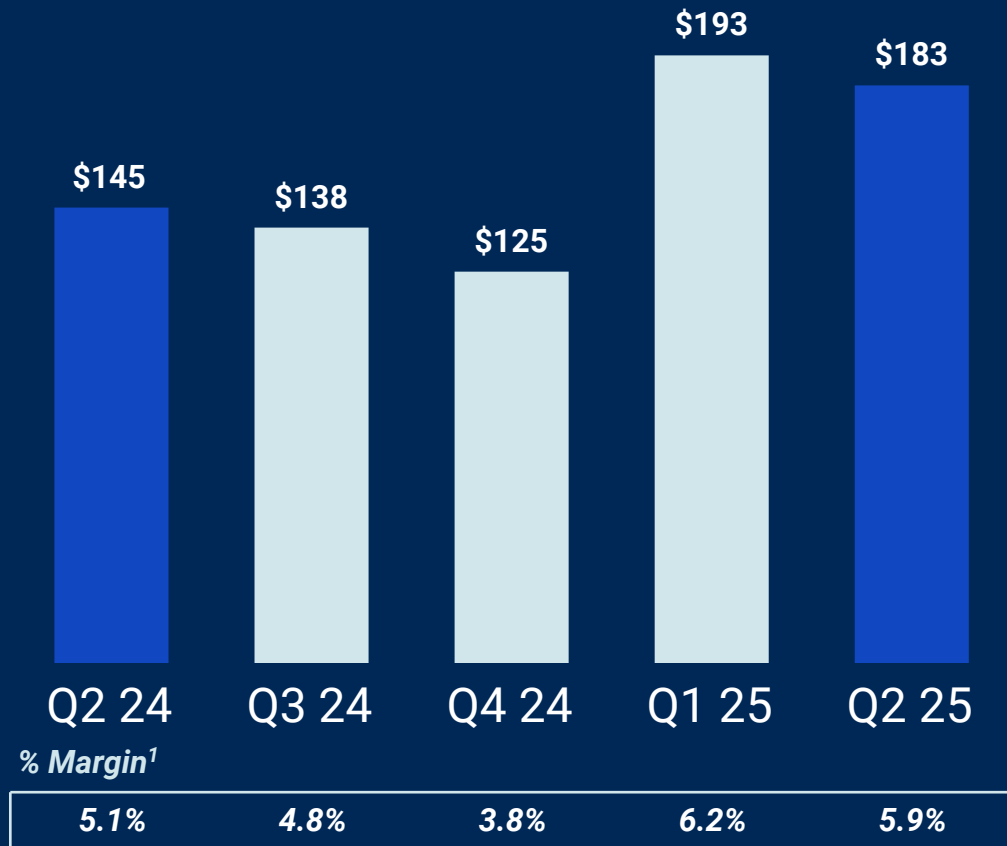
Full Year

(\$ Millions)



Quarterly

(\$ Millions)



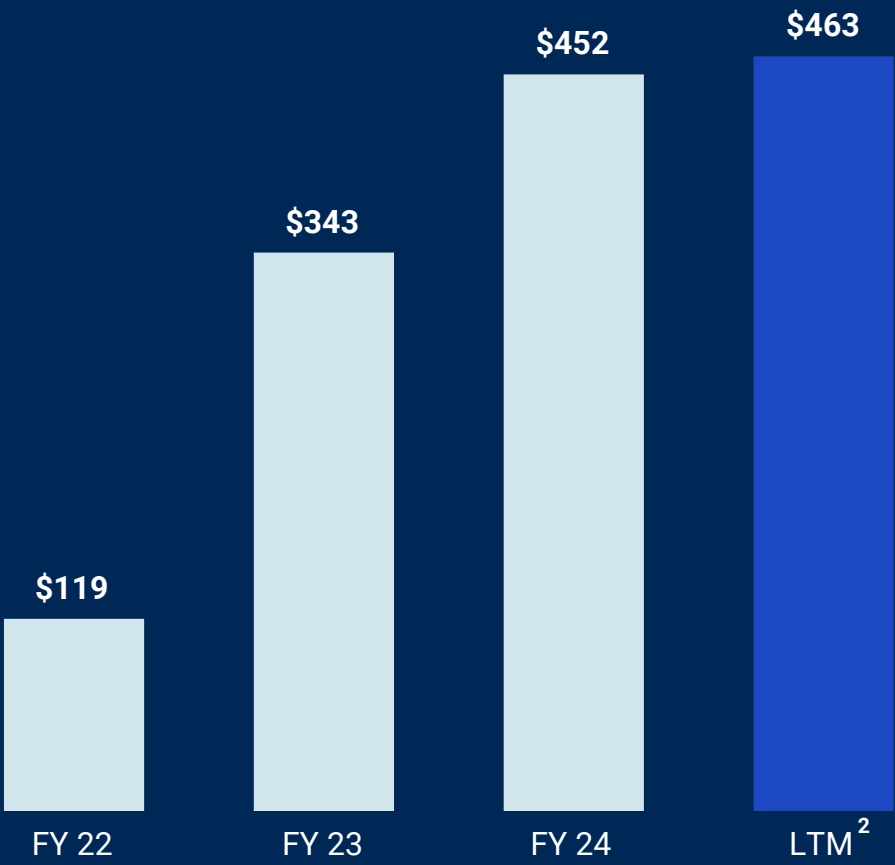
(1) Adjusted ("Adj.") EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measures.

(2) "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (Q2 25).

Free Cash Flow¹

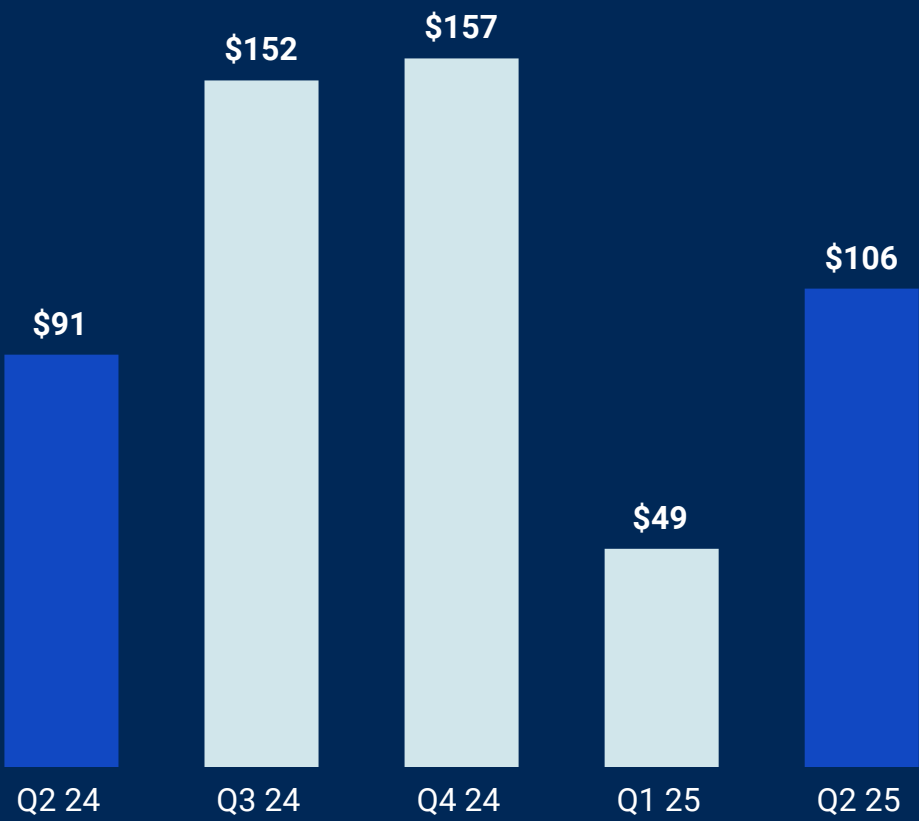
Full Year

(\$ Millions)



Quarterly

(\$ Millions)



Q2 FY25 Cash Balance: \$592M

(1) Free cash flow ("FCF") is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measures.
(2) "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (Q2 25).

Guidance

Fiscal Third Quarter 2025

Net Sales

\$3.07 billion - \$3.10 billion
Approximately 7 to 8% YoY growth

Adj. Diluted EPS¹

\$0.28 - \$0.33

Fiscal Year 2025

Net Sales

\$12.5 billion - \$12.6 billion

Adj. EBITDA Margin¹

5.4% - 5.7%

(1) Adjusted ("Adj.") EBITDA Margin and adjusted ("Adj.") diluted earnings per share ("EPS") are non-GAAP financial measures. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures.

Our guidance is based on certain assumptions, including current expectations regarding the impact of general economic conditions, and is subject to various risks and uncertainties applicable to all forward-looking statements in this presentation. See "Forward-Looking Statements" for more information. We have not reconciled our outlook for adjusted EBITDA margin to net margin because we do not provide an outlook for GAAP net income due to the uncertainty and potential variability of other income, net, and provision for income taxes, which are reconciling items between adjusted EBITDA and GAAP net income. Because such items cannot be reasonably predicted, we are unable to provide a reconciliation of the non-GAAP financial measure outlook to the corresponding GAAP measure. However, such items could have a significant impact on GAAP net income and net margin.

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we have disclosed the following non-GAAP financial measures:

- Adjusted EBITDA: defined as net income (the most comparable GAAP financial measure) excluding depreciation and amortization; share-based compensation expense and related taxes; income tax provision (benefit); interest income (expense), net; transaction related costs; changes in the fair value of equity warrants; severance and exit costs; and litigation matters and other items that we do not consider representative of our underlying operations.
- Adjusted EBITDA margin: defined as adjusted EBITDA divided by net sales, as compared to net margin (the most directly comparable GAAP financial measure) defined as net income divided by net sales.
- Adjusted net income: defined as net income (the most comparable GAAP financial measure) excluding share-based compensation expense and related taxes, releases of valuation allowances associated with deferred tax assets, changes in the fair value of equity warrants, and severance and exit costs.
- Adjusted basic and diluted earnings per share: defined as adjusted net income attributable to common stockholders divided by the weighted-average shares outstanding during the period, as compared to basic and diluted earnings per share (the most directly comparable GAAP financial measures) defined as net income attributable to common stockholders divided by the weighted average shares outstanding during the period.
- Free cash flow: defined as net cash provided by operating activities (the most comparable GAAP financial measure) less capital expenditures (which consist of purchases of property and equipment, capitalization of labor related to our websites, mobile applications, software development, and leasehold improvements).

We have included these non-GAAP metrics because each is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans, assess liquidity and the amount of cash we generate, and make strategic decisions regarding the allocation of capital. Accordingly, we believe these non-GAAP metrics provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We believe it is useful to exclude: i) non-cash depreciation and amortization, income tax provision (benefit), interest income (expense), net, transaction related costs, and litigation matters and other items from our adjusted EBITDA, ii) releases of valuation allowances associated with deferred tax assets from our adjusted net income, and iii) changes in the fair value of equity warrants, share-based compensation and related taxes, and severance and exit costs from our adjusted EBITDA and adjusted net income as these exclusions may represent temporary initiatives to realign resources and enhance operational efficiency, and/or are not components of, and may not directly correlate to, the underlying performance of our core business operations.

All of these non-GAAP measures have limitations as financial measures and you should not consider these in isolation or as a substitute for analysis of our results as reported under GAAP. Specifically, some of these limitations are:

- although depreciation and amortization are non-cash charges excluded from Adjusted EBITDA, the assets being depreciated and amortized may have to be replaced in the future and adjusted EBITDA does not reflect capital expenditure requirements for such replacements or for new capital expenditures;
- adjusted EBITDA does not reflect interest income (expense), net; or changes in, or cash requirements for, our working capital;
- adjusted EBITDA does not reflect transaction related costs, litigation matters, integration consulting fees, internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities), certain costs related to integrating and converging IT systems, and other items;
- adjusted EBITDA and adjusted net income do not reflect share-based compensation and related taxes. Share-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy; and
- adjusted EBITDA and adjusted net income do not reflect changes in the fair value of equity warrants, and severance and exit costs, as all of these exclusions are either not representative of our underlying operations or are incremental costs that result from an actual or planned transaction or initiative.

Additionally, other companies, including companies in our industry, may calculate these non-GAAP measures differently, which reduces their usefulness as comparative measures. Because of these limitations, you should consider these measures alongside GAAP financial performance measures, including net income, net margin, basic and diluted earnings per share, various cash flow metrics including net cash provided by operating activities and capital expenditures, and our other GAAP results.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin

The following table presents a reconciliation of net income to adjusted EBITDA, as well as the calculation of net margin and adjusted EBITDA margin, for each of the periods indicated:

(in millions, except percentages)

	Fiscal Quarter Ended					LTM ⁽¹⁾	Fiscal Year		
	August 3, 2025	May 4, 2025	February 2, 2025	October 27, 2024	July 28, 2024	August 3, 2025	2024	2023	2022
Reconciliation of Net Income to Adjusted EBITDA									
Net income	\$ 62.0	\$ 62.4	\$ 22.8	\$ 3.9	\$ 299.1	\$ 151.1	\$ 392.7	\$ 39.6	\$ 49.9
Add (deduct):									
Depreciation and amortization	32.1	30.0	29.2	28.9	28.5	120.2	114.6	109.7	83.4
Share-based compensation expense and related taxes	79.1	78.0	99.7	80.4	82.5	337.2	332.1	248.5	163.2
Interest income, net	(3.9)	(3.2)	(3.8)	(3.9)	(12.9)	(14.8)	(35.1)	(58.5)	(9.3)
Change in fair value of equity warrants	—	2.6	(2.5)	0.7	(1.2)	0.8	(2.3)	(13.1)	13.3
Income tax provision (benefit)	12.0	15.5	(25.5)	25.6	(252.6)	27.6	(241.0)	8.7	2.6
Severance costs	—	5.9	—	—	—	5.9	—	14.4	—
Exit costs	—	—	—	—	—	—	—	6.8	—
Transaction related costs	0.6	0.1	0.7	0.4	0.5	1.8	1.6	7.8	4.0
Other	1.4	1.4	3.9	2.2	1.0	8.9	7.9	4.2	(0.4)
Adjusted EBITDA	<u>\$ 183.3</u>	<u>\$ 192.7</u>	<u>\$ 124.5</u>	<u>\$ 138.2</u>	<u>\$ 144.9</u>	<u>\$ 638.7</u>	<u>\$ 570.5</u>	<u>\$ 368.1</u>	<u>\$ 306.7</u>
Net sales	\$ 3,104.2	\$ 3,116.0	\$ 3,247.4	\$ 2,877.6	\$ 2,858.6	\$ 12,345.2	\$ 11,861.3	\$ 11,147.7	\$ 10,119.0
Net margin	2.0 %	2.0 %	0.7 %	0.1 %	10.5 %	1.2 %	3.3 %	0.4 %	0.5 %
Adjusted EBITDA margin	5.9 %	6.2 %	3.8 %	4.8 %	5.1 %	5.2 %	4.8 %	3.3 %	3.0 %

⁽¹⁾ "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (thirteen weeks ended August 3, 2025).

Non-GAAP Financial Measures

Adjusted Net Income and Adjusted Basic and Diluted Earnings per Share

The following table presents a reconciliation of net income to adjusted net income, as well as the calculation of adjusted basic and diluted earnings per share, for each of the periods indicated:

(in millions, except per share data)

	Fiscal Quarter Ended					Fiscal Year		
	August 3, 2025	May 4, 2025	February 2, 2025	October 27, 2024	July 28, 2024	2024	2023	2022
Reconciliation of Net Income to Adjusted Net Income								
Net income	\$ 62.0	\$ 62.4	\$ 22.8	\$ 3.9	\$ 299.1	\$ 392.7	\$ 39.6	\$ 49.9
Add (deduct):								
Share-based compensation expense and related taxes	79.1	78.0	99.7	80.4	82.5	332.1	248.5	163.2
Change in fair value of unvested equity warrants	—	2.6	(2.5)	0.7	(1.2)	(2.3)	(13.1)	13.3
Deferred tax asset valuation allowance release	—	—	—	—	(275.7)	(275.7)	—	—
Severance costs	—	5.9	—	—	—	—	14.4	—
Exit costs	—	—	—	—	—	—	6.8	—
Adjusted net income	<u>\$ 141.1</u>	<u>\$ 148.9</u>	<u>\$ 120.0</u>	<u>\$ 85.0</u>	<u>\$ 104.7</u>	<u>\$ 446.8</u>	<u>\$ 296.2</u>	<u>\$ 226.4</u>
Weighted-average common shares used in computing adjusted earnings per share:								
Basic	414.2	413.7	407.8	414.4	429.4	421.4	429.4	422.3
Effect of dilutive share-based awards	14.2	11.6	16.3	12.2	8.5	9.6	2.6	5.5
Diluted	<u>428.4</u>	<u>425.3</u>	<u>424.1</u>	<u>426.6</u>	<u>437.9</u>	<u>431.0</u>	<u>432.0</u>	<u>427.8</u>
Earnings per share attributable to common Class A and Class B stockholders								
Basic	\$ 0.15	\$ 0.15	\$ 0.06	\$ 0.01	\$ 0.70	\$ 0.93	\$ 0.09	\$ 0.12
Diluted	\$ 0.14	\$ 0.15	\$ 0.05	\$ 0.01	\$ 0.68	\$ 0.91	\$ 0.09	\$ 0.12
Adjusted basic	\$ 0.34	\$ 0.36	\$ 0.29	\$ 0.20	\$ 0.24	\$ 1.06	\$ 0.69	\$ 0.54
Adjusted diluted	<u>\$ 0.33</u>	<u>\$ 0.35</u>	<u>\$ 0.28</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>	<u>\$ 1.04</u>	<u>\$ 0.69</u>	<u>\$ 0.53</u>

Non-GAAP Financial Measures

Free Cash Flow

The following table presents a reconciliation of net cash provided by operating activities to free cash flow for each of the periods indicated:

<i>(in millions)</i>	Fiscal Quarter Ended					LTM ⁽¹⁾	Fiscal Year		
	August 3, 2025	May 4, 2025	February 2, 2025	October 27, 2024	July 28, 2024	August 3, 2025	2024	2023	2022
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow									
Net cash provided by operating activities	\$ 133.9	\$ 86.4	\$ 207.5	\$ 183.5	\$ 123.4	\$ 611.3	\$ 596.3	\$ 486.2	\$ 349.8
Deduct:									
Capital expenditures	(28.0)	(37.7)	(50.9)	(31.7)	(31.9)	(148.3)	(143.8)	(143.3)	(230.3)
Free Cash Flow	<u>\$ 105.9</u>	<u>\$ 48.7</u>	<u>\$ 156.6</u>	<u>\$ 151.8</u>	<u>\$ 91.5</u>	<u>\$ 463.0</u>	<u>\$ 452.5</u>	<u>\$ 342.9</u>	<u>\$ 119.5</u>

⁽¹⁾ "LTM" is defined as Last Twelve Months and reflects the preceding 12 month period as of the end of the current quarter (thirteen weeks ended August 3, 2025).

Free cash flow may be affected in the near to medium term by the timing of capital investments (such as the launch of new fulfillment centers, pharmacy facilities, veterinary clinics, customer service infrastructure, and corporate offices and purchases of IT and other equipment), fluctuations in our growth and the effect of such fluctuations on working capital, and changes in our cash conversion cycle due to increases or decreases of vendor payment terms as well as inventory turnover.



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