

Pets at Home sees profits hit, but Brits still love cats and dogs

THE pandemic pet boom that saw locked-up Brits embrace [cats](#) and [dogs](#) as family members like never before is still aiding the leading animal business in the UK.

But [Pets at Home](#) warned today that wider economic issues could hit its profits later, even in such a pet-friendly [country](#) as this one.

The company saw profits for the half year down 9% to £59 million, a challenge to new CEO Lyssa McGowan, who recently replaced the highly regarded Peter Pritchard.

Pritchard moved on after 11 highly successful years that saw the business become a household name.

Today McGowan said the pet care market was “resilient” despite a looming recession, something regarded as inevitable by many economists.

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Pets At Home is seen as a key economic indicator since all studies show Brits are so passionate about their pets that they maintain spending on the animals even after they have cut meals for themselves.

Revenue in the half year to October rose 7% to £727 million, a sign that so-far pet spending is robust in the face of a cost-of-living crisis.

Sarah Riding, retail partner at law firm Gowling WLG, said:

“The increase in the number of ‘pandemic pets’ during COVID-19 gave a boost to the retailer, and despite the current cost of living pressures, it has maintained strong growth. As consumers start to feel the economic pinch ever more so over the next few months, the company’s revenue may take a hit and investors will be wary of this eating into profits.”

McGowan said she has been learning how the company operates and thinks pet care will be a boom sector whatever the economic weather.

She said: “I am more convinced that Pets at Home is well-positioned to capitalise on an attractive growth opportunity in our structurally-growing pet care market, supported by our unique blend of products and services, deeply-embedded culture and expert, passionate colleagues and partners.

“Our first-half performance shows progress and resilience across the business.”

Pets At Home shares fell 12p, 4%, to 290p today on concern that the coming recession could even see people cut back on treats and food for their animals.

The stock is down 40% in the past year on exactly that concern.

Pets At Home said full year profit should be £131 million, in

line with previous guidance to the City.