

Apollo Funds to Make Strategic Equity Investment in PetSmart

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- PetSmart is a leading omnichannel pet retailer in North America, providing an extensive range of pet products and services across more than 1,660 stores in the United States, Canada, and Puerto Rico*
- Apollo Fund investment underscores the robust fundamentals of PetSmart's business and resilient performance across economic cycles*
- BC Partners and its co-investors to receive partial liquidity while maintaining majority ownership and control of the Board of PetSmart*
- Apollo will join BC Partners, as it continues to draw on its deep sector knowledge and strong operating capabilities, to support PetSmart's management to continue delivering leading products and services to its more than 62 million loyalty members*

PHOENIX and NEW YORK, July 24, 2023 (GLOBE NEWSWIRE) -- PetSmart (or "the Company"), a leading omnichannel pet retailer in North America, announced today that funds managed by affiliates of Apollo (NYSE: APO) have entered into a definitive agreement to make a strategic equity investment in the Company. BC Partners, alongside co-investors including GIC and the PetSmart management team, will remain the majority shareholder of PetSmart and retain control of the Board.

The strategic investment by the Apollo Funds affirms PetSmart's strong fundamentals and continued growth opportunity, as the Company drives operational excellence across its store network and builds a broader suite of products and services for pets and pet parents. The Apollo and BC Partners teams continue to see significant opportunities ahead, driven by PetSmart's growth plans and an industry that continues to be a long-term net grower with increasing pet ownership and higher spend per pet. PetSmart is also differentiated from online-only peers thanks to a broad array of in-person grooming, training, and veterinary services, as well as proprietary brands and product lines.

BC Partners first invested in PetSmart in 2015, leading a group of investors to acquire the Company in a public-to-private transaction. The investment thesis, which continues to hold true today, was underpinned by the structural growth in pet ownership, the humanization of pets, and an increasing focus on animal wellness. PetSmart's strong market position, robust profitability, and strong cash flow generation reinforces its growth strategy and the resilience of the business and industry.

Under BC Partners ownership, PetSmart and its management team have increased revenues by more than 40%, while investing in associates and industry-leading pet care. The Company's commitment to continuous investment in learning and professional development for its associates ensures a happy and safe working environment, while delivering the highest standard of animal care. BC Partners' owner-operator mindset and close, collaborative relationship with PetSmart leadership has helped guide strategic capital investment, including in digital and supply chain development, enabling the Company to deliver significant growth in revenue and profitability, with meaningful contribution coming from omnichannel sales.

"We are delighted to welcome Apollo as a strategic partner – affirming our growth and the strength of our associates' commitment to doing anything for pets," said J.K. Symancyk, President and CEO of PetSmart. "The combined expertise of BC Partners and Apollo enables even greater value creation opportunities as we embark on the next stage of growth for the business. We are grateful for the continued support of BC Partners, who have been our trusted partner for over eight years and look forward to working with the team at Apollo who bring the highest levels of expertise and whose vision for PetSmart aligns with our own."

Apollo Partner Andrew Jhawar said, "PetSmart is an incredible, highly differentiated business in an industry that continues to see strong, sustainable growth across both pet ownership and pet care. We are big believers in PetSmart's management team and store associates, as well as the Company's growth strategy, operating model, and historical resiliency throughout market cycles, which gave us strong conviction to make this strategic investment alongside BC Partners, its co-investors and management. We are pleased to support PetSmart's continued success as a meaningful shareholder moving forward, where we will utilize our demonstrated historical experience as a highly successful investor in the consumer, grocery, and retail sectors."

Apollo Partner Salim Hirji said, "We are excited to be making this investment in PetSmart, an industry leader providing a wide breadth of products and services to pets and pet parents in communities across North America. We look forward to working with and supporting the Company's management team and store associates as PetSmart embarks on its next phase of growth."

Raymond Svider, Chairman of BC Partners, said: "We are in the midst of an incredible journey, which we are pleased to share with the entire PetSmart team. Our conviction in this business, close partnership with management, and the acumen of our investment and portfolio operations team have achieved a flagship investment for the firm, our limited partners, and all stakeholders. BC Partners has a long history of working in partnership with the Apollo team and we welcome the opportunity to do so again as we support PetSmart in the next stage of its growth."

The transaction is currently expected to close in the fourth quarter of 2023, subject to customary closing conditions and regulatory approvals. Terms of the transaction were not disclosed.

For BC Partners, JP Morgan served as financial advisor and Kirkland & Ellis LLP served as legal advisors. UBS Investment Bank served as financial advisor to the Apollo Funds and Simpson Thatcher & Bartlett LLP served as legal advisors.

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About Apollo

Apollo is a high-growth, global alternative asset manager. In our asset management business, we seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid, and equity. For more than three decades, our investing expertise across our fully integrated platform has served the financial return needs of our clients and provided businesses with innovative capital solutions for growth. Through Athene, our retirement services business, we specialize in helping clients achieve financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Our patient, creative, and knowledgeable approach to investing aligns our clients, businesses we invest in, our employees, and the communities we impact, to expand opportunity and achieve positive outcomes. As of March 31, 2023, Apollo had approximately \$598 billion of assets under management. To learn more, please visit www.apollo.com.

About BC Partners

BC Partners is a leading investment firm with over €40 billion in assets under management across private equity, private debt, and real estate strategies. Established in 1986, BC Partners has played an active role for over three decades in developing the European buy-out market. Today BC Partners integrated transatlantic investment teams work from offices in Europe and North America and are aligned across our four core sectors: TMT, Healthcare, Services & Industrials, and Consumer. Since its foundation, BC Partners has completed over 127 private equity investments in companies with a total enterprise value of over €160 billion and is currently investing its eleventh private equity buyout fund.

For further information, visit www.bcpartners.com

About PetSmart

PetSmart is the leading omnichannel pet retailer offering products, services and solutions for the lifetime needs of pets. At PetSmart, we love pets and we believe pets make us better people. Every day with every connection, PetSmart's passionate associates help bring pet parents closer to their pets so together they can live more fulfilled lives. This vision impacts everything we do for our customers, the way we support our associates and how we give back to our communities.

PetSmart operates over 1,660 pet stores in the United States, Canada and Puerto Rico, as well as more than 200 in-store PetSmart PetsHotel® dog and cat boarding facilities. We provide a broad range of competitively priced pet food and products, as well as services such as dog training, pet grooming, pet boarding, PetSmart Doggie Day Camp™ and pet adoption.

PetSmart, PetSmart Charities® and PetSmart Charities® of Canada work with nearly 4,000 animal welfare organizations to bring adoptable pets into stores so they have the best chance possible of finding a forever home. Through this in-store adoption program and other signature events, PetSmart has facilitated over 10 million adoptions, more than any other brick-and-mortar organization.

For more information, visit <https://www.petsmart.com/>

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Source: Apollo Global Management, Inc.
