



EMBREE
CAPITAL MARKETS

Petco

1630 Coshocton Ave. Mount Vernon, OH 43050

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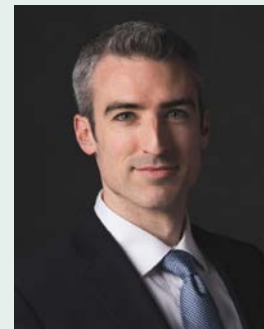


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EXECUTIVE SUMMARY

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PROPERTY & LEASE DETAILS

Offering Overview

Embree Capital Markets Group is pleased to present a build-to-suit Petco located in Mount Vernon, OH. This is an opportunity for an investor to acquire a well-located Petco retail store with an attractive 15-year absolute NNN lease that features 8.5% rental increases every five years.



PURCHASE PRICE

\$5,045,000



CAP RATE

5.85%



ANNUAL RENT*

\$295,017



LEASE TYPE

ABSOLUTE NNN

THE OFFERING

Address	1630 Coshocton Ave Mount Vernon, OH 43050
Tenant	Petco Animal Supplies Stores, Inc.
Guarantor	Petco Animal Supplies Stores, Inc.

SITE DESCRIPTION

Year Built	2023
Building SF	Approx. 10,900 SF
Lot Size	Approx. 1.69 Acres

INVESTMENT SUMMARY

Asset Class	Single-Tenant Retail
Ownership Interest	Fee Simple
Annual Rent*	\$295,017
Monthly Rent	\$24,585
Cap Rate	5.85%
Purchase Price*	\$5,045,000
Rent Commencement**	05.24.2023
Lease Expiration	05.31.2038
Lease Term	15-Years
Lease Type	Absolute NNN
Renewal Options	Five, 5-Year
Lease Escalations	8.5% Every 5-Years
ROFR	None
Estoppel	30-Day Turnaround

* Rent subject to reconciliation upon construction completion

** Substantial completion scheduled to take place 5/20/2023, the date is subject to change. Rent is estimated to start on 5/24/2023.

AREA OVERVIEW

Mount Vernon, OH

Mount Vernon Ohio is a city located in in Knox County. With a total population over 16,990 according to the 2010 census. The city lies in the Glaciated Allegheny Plateau and is surrounded by rolling hills and valleys, with the Kokosing River passing through the city.

Mount Vernon was founded in 1805 and was named after George Washington's plantation. Today it is a wonderful place to visit and tour the many buildings and homes that date back to the early 1800's.

Mount Vernon is the birthplace of Cooper Industries. There is a large industrial complex in the western part of the city that manufactures and repairs products for the gas and oil power generation industries. Mount Vernon is also home to Mount Vernon Nazarene University which provides hundreds of jobs to the local residents.



COMPANY OVERVIEW

petco



Investment Summary

Company Type	(NYSE: WOOF)
2021 Revenue	\$5.8+ Billion
YoY Revenue Growth	\$18%
2021 Adjusted EBITDA	\$591 Million
YoY Adjusted EBITDA	22%
Store Count	1,500+
Employees	28,000+
Total Active Customers	24.1+ Million
Website	www.Petco.com

- The significant work Petco has done over the last four years to retool Petco positioned us well in 2021, delivering 18% revenue growth for the year with overall share gains in food, in digital and in veterinary services.
- More than 54% of pet parents are looking for a one-stop-shop for their pet's needs.
- The total pet merchandise category is \$72 billion, projected to grow at a 7% CAGR to 2025.
- In 2021, Petco added millions of net new customers, bringing their total active customer count to 24.1 million at the end of fiscal 2021. 2021 revenue grew 18% to \$5.8 billion, the highest in company history. For the fourth quarter of 2021, revenue grew 13% with comparable sales up 14%, or 30% on a 2-year stack with strength in transactions and average basket trends. Adjusted EBITDA¹ outpaced revenue growth for the year, up 22% to \$591 million.
- This year Petco saved nearly 400,000 pet lives, and in partnership with Merck, Petco distributed over half a million free vaccines to under-resourced communities as part of their 1 million free vaccines commitment.
- More than 1,500 pet care centers in the U.S., Mexico and Puerto Rico, their digital channel, and their flexible fulfillment options.
- As of January 29, 2022, Petco operated 197 full service veterinary hospitals with planned expansion to approximately 900 hospitals over time.
- The U.S. pet care industry is large and growing, serving millions of households with pets, and represented a total addressable market of \$119 billion in 2021.
- Petco Love, formerly the Petco Foundation, is a

nonprofit organization that is changing lives by making communities and pet families healthier, stronger, and closer. It is a separately incorporated 501(c)(3) nonprofit organization supported both by contributions from us and contributions from Petco customers and community partners.

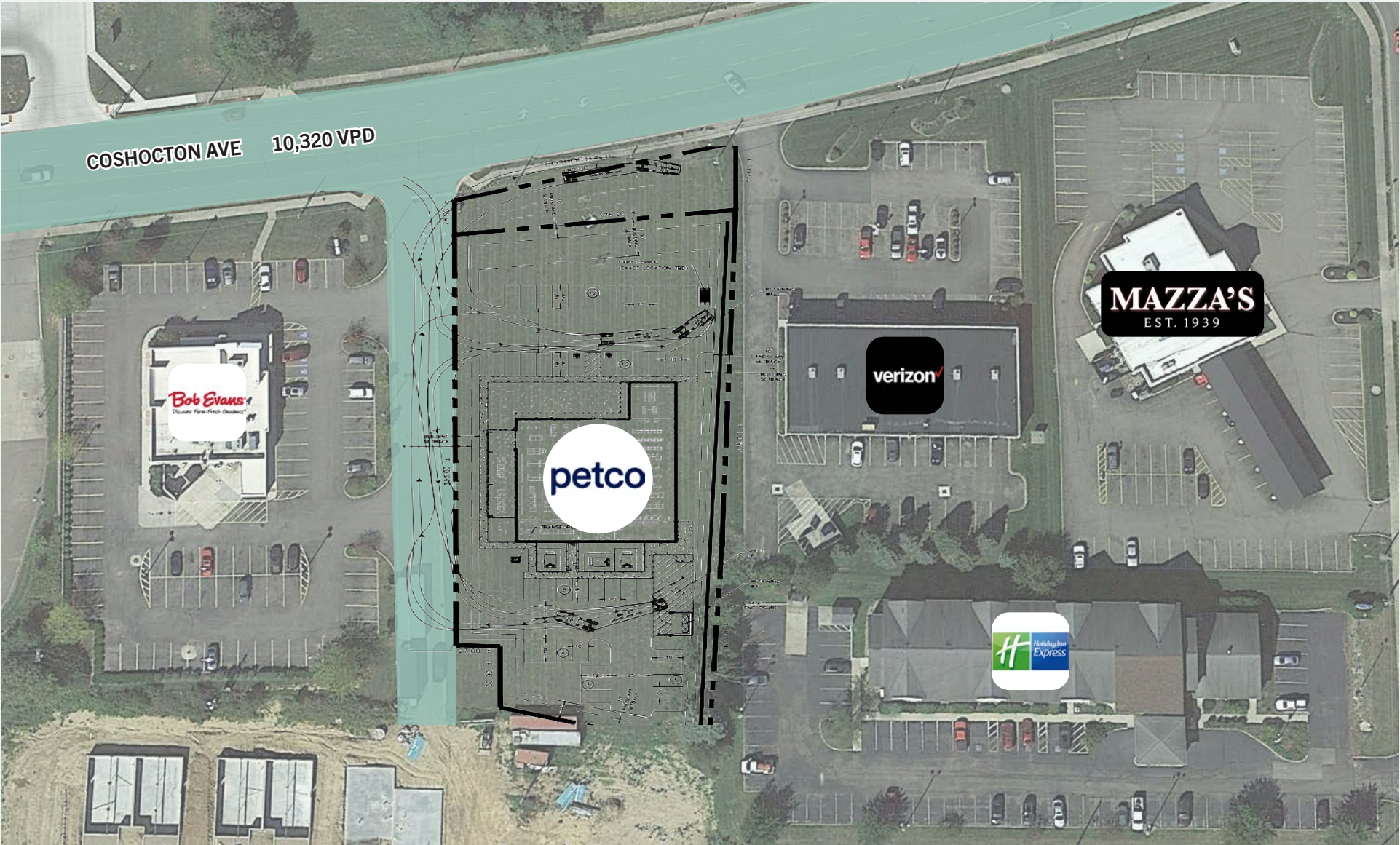
- Comparing fiscal 2021 and fiscal 2020, Petco achieved the following results: (1) an increase in net sales from \$4.92 billion to \$5.81 billion, representing period-over-period growth of 18.0%; (2) comparable sales growth of 18.9%; (3) an increase in operating income from \$194.4 million to \$266.1 million, representing period-over-period growth of 36.9%; (4) an improvement in net cash flows provided by operating activities from \$268.6 million in fiscal 2020 to \$358.2 million in fiscal 2021.
- Net sales increased \$886.9 million, or 18.0%, to \$5.81 billion in fiscal 2021 compared to net sales of \$4.92 billion in fiscal 2020, driven by a 18.9% increase in their comparable sales.
- In fiscal 2021, pet care center merchandise delivered growth of 15.4% with higher retail traffic and strong growth in all major categories, including consumables, supplies, and companion animals. Their e-commerce and digital sales increased 21.1% from fiscal 2020 to fiscal 2021, reflecting their expanded brand assortment, enhanced personalization and extended fulfillment options.
- Petco Health and Wellness Company, Inc. (together with its consolidated subsidiaries, the "Company") is a category-defining health and wellness company focused on improving the lives of pets, pet parents, and its own partners with 1,433 pet care centers in 50 states, the District of Columbia and Puerto Rico as of January 29, 2022.

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MAPS & AERIALS

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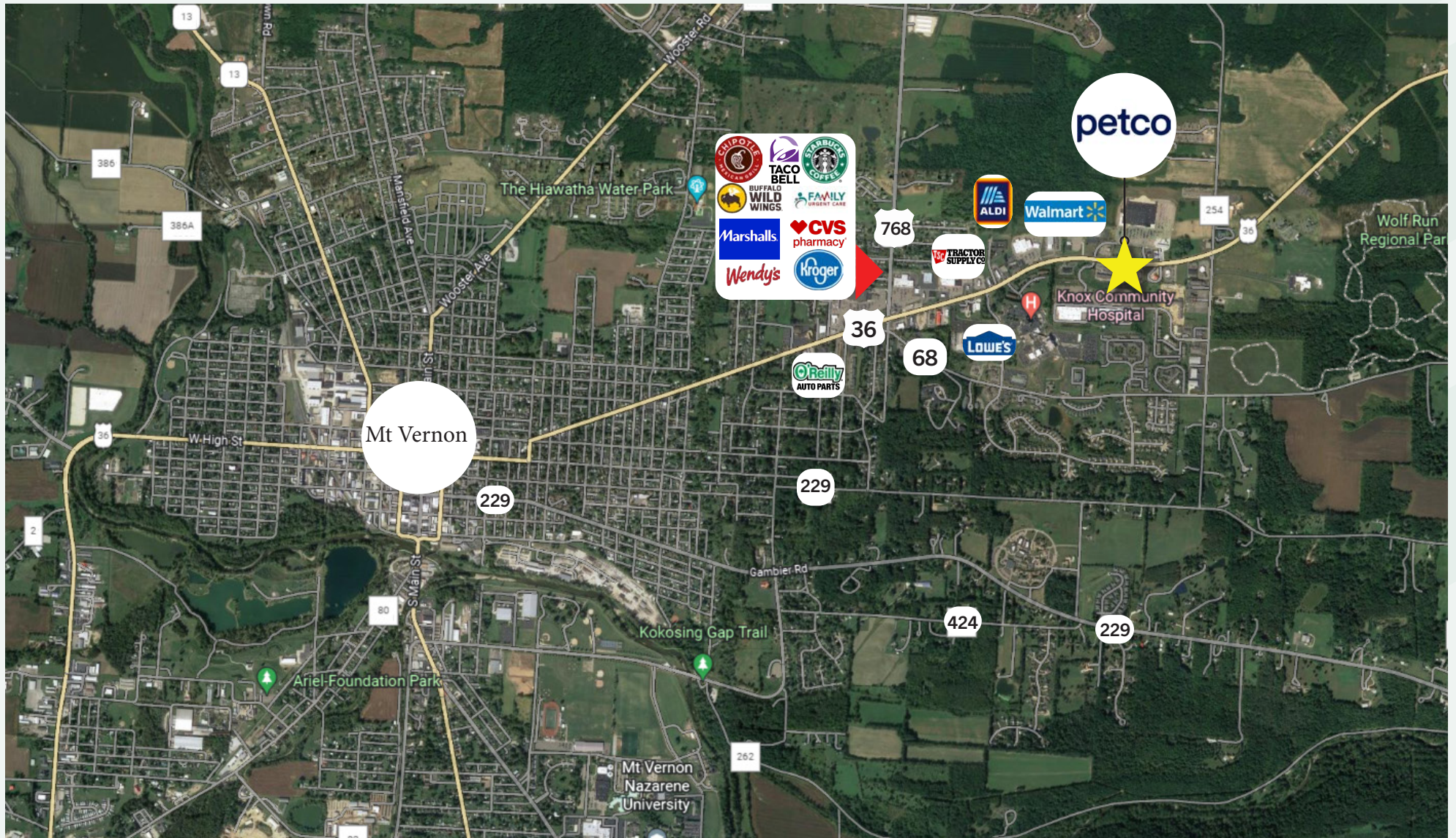
SITE PLAN



SITE AERIAL



LOCATION



LOCAL CONTEXT



COLUMBUS, OH (55 MILES); NEW PHILADELPHIA, OH (70 MILES); CLEVELAND, OH (103 MILES); PITTSBURGH, PA (150 MILES); AND DETRIOT, MI (196 MILES)

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ANALYTICS

Demographic Analysis 14

DEMOGRAPHIC ANALYSIS



POPULATION	3 MILE	5 MILES	10 MILES
2027 Projection	19,666	31,716	52,310
2022 Estimate	18,945	30,416	50,163



HOUSEHOLDS			
2027 Projection	7,671	12,165	19,850
2022 Estimate	7,373	11,640	18,988



AVG. HOUSEHOLD INCOME			
Average Household Income	\$63,085	\$67,941	\$71,397
Less than \$25,000	2,006	2,780	3,630
\$25,000 - \$50,000	1,670	2,705	4,476
\$50,000 - \$75,000	1,605	2,417	4,072
\$75,000 - \$100,000	819	1,431	2,719
\$100,000 - \$125,000	478	863	1,588
\$125,000 - \$150,000	330	561	1,075
\$150,000 - \$200,000	280	526	938
More than \$200,000	185	356	490

ABOUT EMBREE GROUP

Embree Group provides nationwide turnkey real estate services, specializing in build-to-suit development, design/build, general construction, program management, and capital markets for specialty retail, financial, automotive, restaurant, healthcare and senior living facilities. Embree's fully integrated, in-house services allow us to become an extension of the client's organization. Since 1979, Embree's foundation has been built on developing tailored programs for 350+ national clients. The firm is headquartered near Austin, Texas, with regional offices located in Phoenix, AZ and the Dallas-Fort Worth area. Over the past 43 years, Embree's executive team has developed, built, or transacted more than 15,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$14 billion.

Contact Details

For more information about this listing, please contact:

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