



EMBREE
CAPITAL MARKETS

Petco
2918 Church St. Conway, SC 29526

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Exclusively Offered By



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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 Conway, SC. 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

\$5,106,000



CAP RATE

6.00%



ANNUAL RENT

\$306,388



LEASE TYPE

ABSOLUTE NNN

THE OFFERING

Address 2918 Church St.

Conway, SC 29526

Tenant Petco Animal Supplies Stores, Inc.

Guarantor Petco Animal Supplies Stores, Inc.

SITE DESCRIPTION

Year Built 2024

Building SF Approx. 10,900 SQFT

Lot Size Approx. 1.77 Acres

INVESTMENT SUMMARY

Asset Class Single-Tenant Retail

Ownership Interest Fee Simple

Monthly Rent \$25,532

Rent Commencement** 03.20.2024

Lease Expiration 03.31.2039

Lease Term 15-Years

Renewal Options Five, 5-Year

Lease Escalations 8.5% Every 5-Years

ROFR None

Estoppel 30-Day Turnaround

- 25,000+ Vehicle Traffic Counts Per Day
- Adjacent to Walmart Super Center & Gateway Plaza
- 82,000+ Population Within 10-Miles

AREA OVERVIEW

CONWAY, SC

Nestled in the heart of the picturesque Low country of South Carolina, Conway stands as a charming blend of historical significance and modern vitality. Conway enjoys an enviable location just 15 miles northwest of the bustling coastal city of Myrtle Beach, making it a strategic hub for business ventures seeking proximity to both urban amenities and tranquil coastal landscapes. Accessible via major highways and with easy connectivity to regional airports, Conway is a convenient destination for clients, partners, and customers alike.

Conway boasts a well-preserved historic district that exudes Southern charm. With a diverse economy that has weathered economic changes over the years, Conway stands as a testament to its economic resilience. The city has fostered a balanced ecosystem of industries, including manufacturing, healthcare, education, and tourism. This variety provides a stable foundation for businesses to establish themselves and flourish.

Home to Coastal Carolina University, Conway benefits from a skilled and educated workforce. The university serves as a catalyst for innovation and research, fostering a talent pool that is attractive to businesses seeking knowledgeable and motivated employees. This academic presence provides opportunities for collaboration and knowledge exchange between academia and industry.

Conway's local government is committed to facilitating growth and investment. The city offers various incentives, including tax benefits and streamlined permitting processes, to encourage businesses to establish roots and contribute to the community's development. These incentives create an environment conducive to seamless expansion and long-term success.



COMPANY OVERVIEW



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

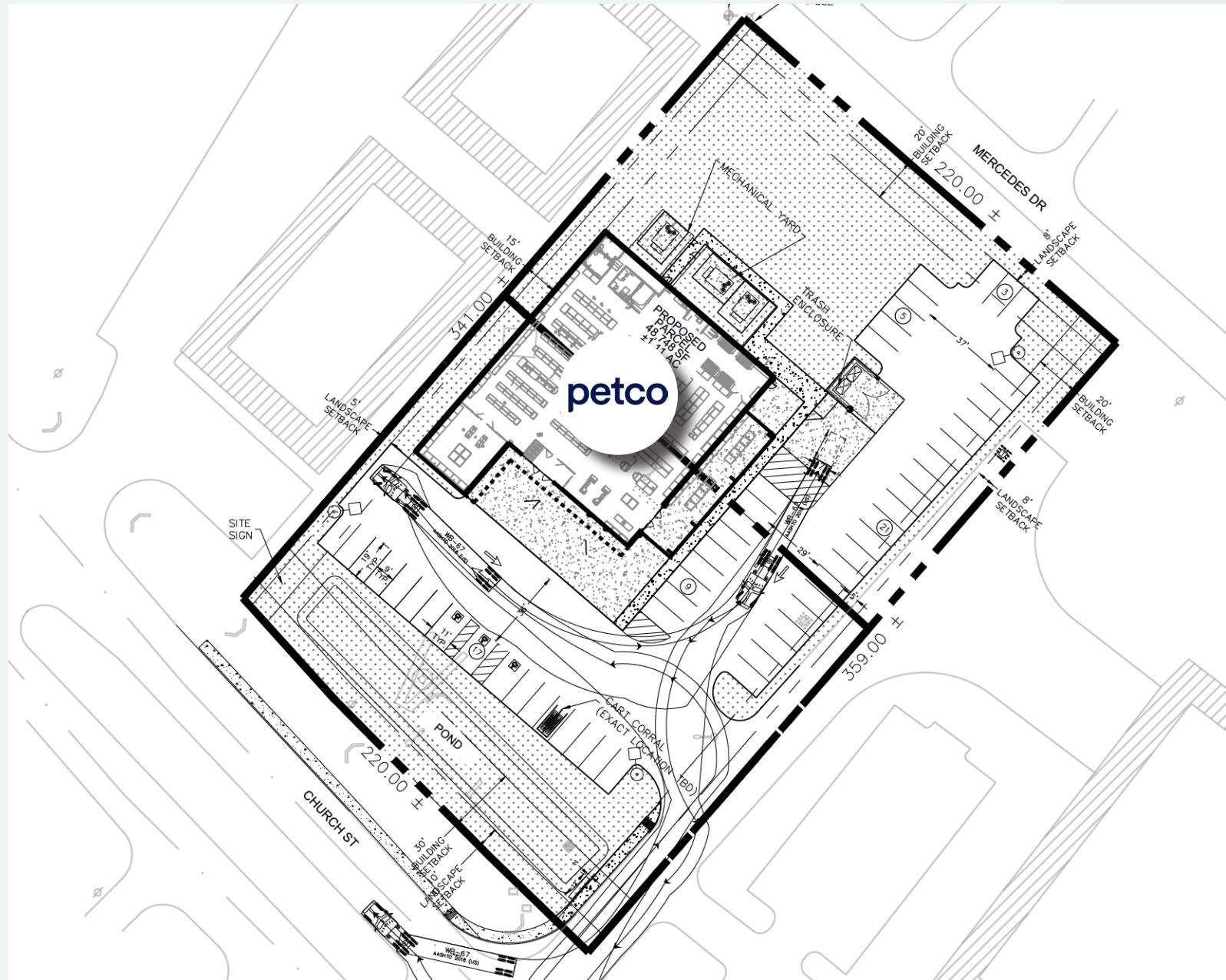
- The significant work Petco has done over the last four years to retool Petco positioned us well in 2021, delivering 18% revenue growth for the year with overall share gains in food, in digital and in veterinary services.
- More than 54% of pet parents are looking for a one-stop-shop for their pet's 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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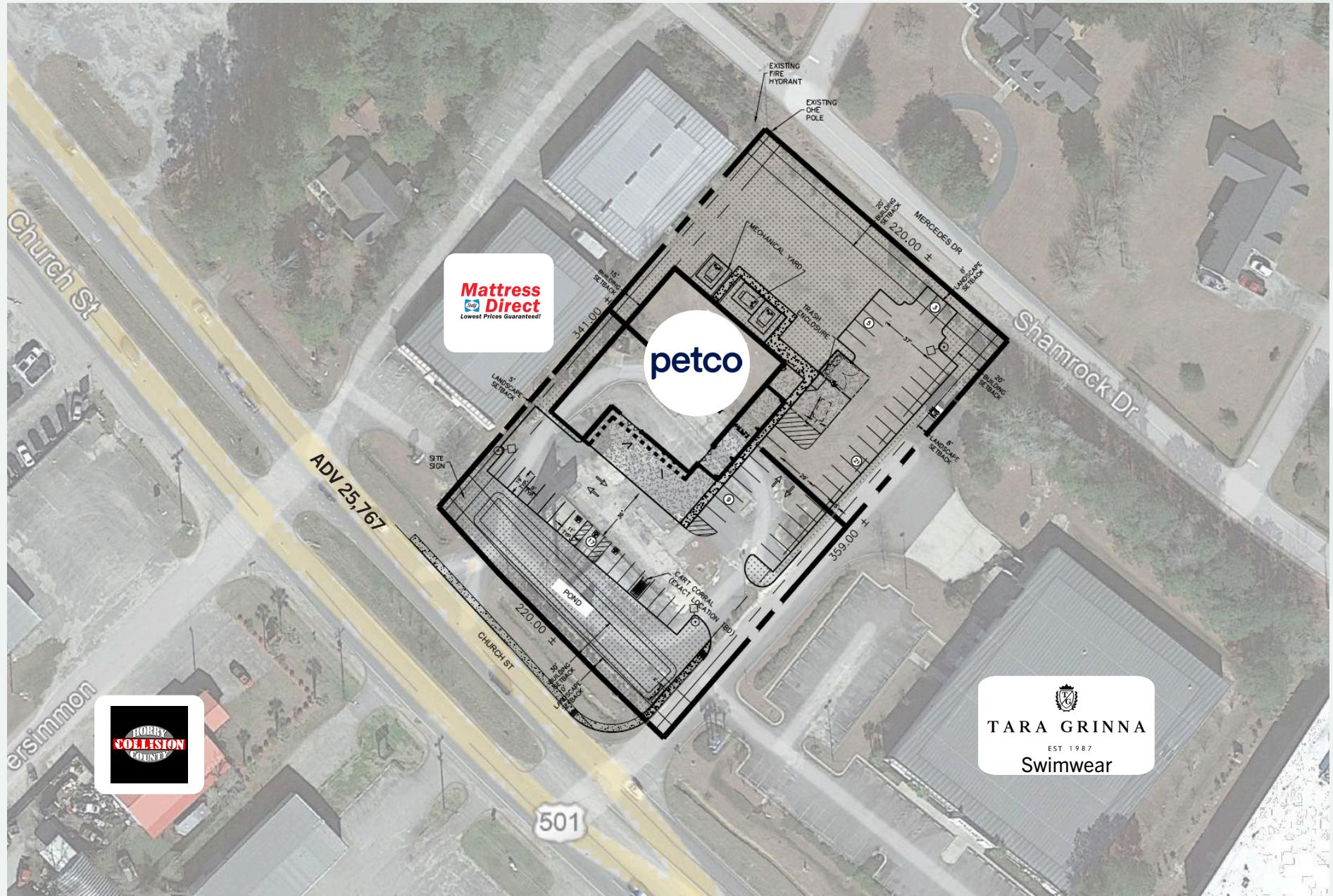
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SITE PLAN



SITE AERIAL



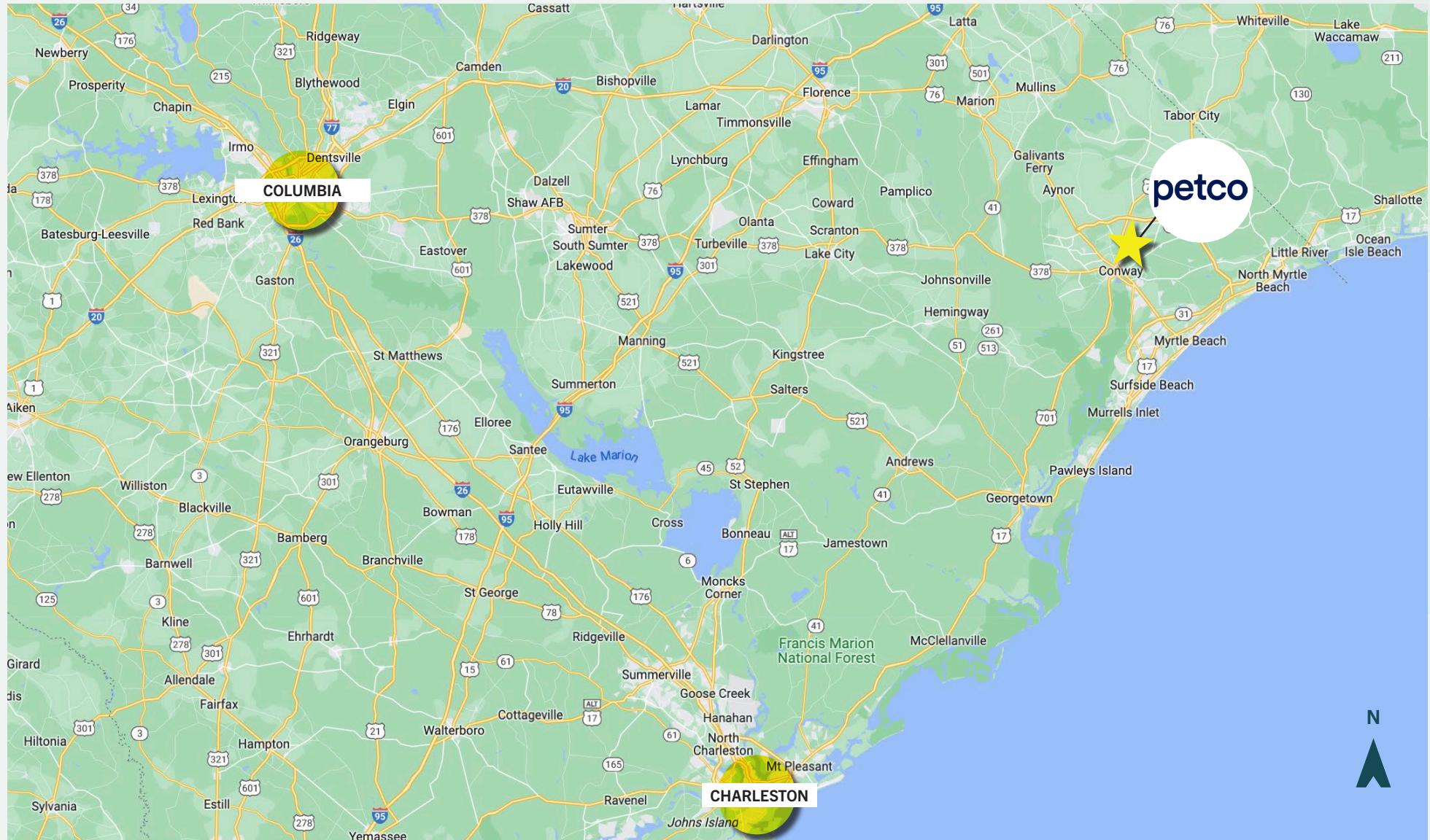
SURROUNDING AERIAL



LOCATION



LOCAL CONTEXT



CHARLESTON (100 MI), COLUMBIA (135 MI)

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ANALYTICS

Demographic Analysis 15

DEMOGRAPHIC ANALYSIS



POPULATION	3 MILE	5 MILES	10 MILES
2028 Projection	20,897	34,895	85,815
2023 Estimate	19,841	33,274	82,024
HOUSEHOLDS			
2028 Projection	8,105	13,139	32,355
2023 Estimate	7,705	12,541	30,953
AVG. HOUSEHOLD INCOME			
Average Household Income	\$59,443	\$61,450	\$66,209
Less than \$25,000	1,837	2,741	6,091
\$25,000 - \$50,000	2,505	3,866	8,654
\$50,000 - \$75,000	1,608	2,746	6,958
\$75,000 - \$100,000	676	1,328	3,746
\$100,000 - \$125,000	373	688	2,112
\$125,000 - \$150,000	196	335	1,173
\$150,000 - \$200,000	336	591	1,511
More than \$200,000	173	247	710

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 the Dallas-Fort Worth area. Over the past 46 years, Embree's executive team has developed, built, or transacted more than 20,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$14 billion.

Contact Details

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