



EMBREE
CAPITAL MARKETS

Petco

141 Beaver Trail South. Glasgow, KY 42141

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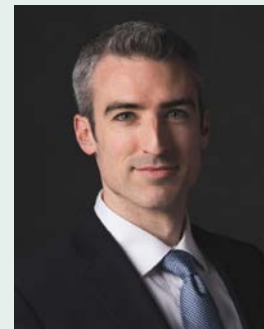


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PRESIDENT

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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 locate in Glasgow, KY. 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

\$4,335,000



CAP RATE

6.00%



ANNUAL RENT

\$259,888



LEASE TYPE

ABSOLUTE NNN

THE OFFERING

Address	141 Beaver Trail South Glasgow, KY 42141
Tenant	Petco Animal Supplies Stores, Inc.
Guarantor	Petco Animal Supplies Stores, Inc.

SITE DESCRIPTION

Year Built	2022
Building SF	Approx. 11,050 SF
Lot Size	Approx. 1.33 Acres

INVESTMENT SUMMARY

Asset Class	Single-Tenant Retail
Ownership Interest	Fee Simple
Monthly Rent	\$21,657
Rent Commencement	12.16.2022
Lease Expiration	12.31.2037
Lease Term	15-Years
Lease Type	Absolute NNN
Renewal Options	Five, 5-Year
Lease Escalations	8.50% Every 5-Years
ROFR	None
Estoppel	30-Day Turnaround

- 17,000+ Vehicles Per Day Traffic Counts
- Adjacent to Walmart Supercenter
- 39,000+ Population Within 10-Miles

AREA OVERVIEW

Glasgow, KY

Glasgow is a city in and the county seat of , , United States. The population was 14,200 at the 2000 census. The city is well-known for its annual Scottish Highland Games. In 2007, Barren County was named the number one rural place to live by Progressive Farmer magazine. Glasgow is the principal city of the Glasgow Micropolitan Statistical Area, which includes all of Barren and Metcalfe counties.

According to the United States Census Bureau, the city has a total area of 14.8 square miles (38 km²), of which, 14.8 square miles (38 km²) is land and 0.07% is water.

As of the census of 2010, there were 14,208 people, 5,994 households, and 3,619 families residing in the city. The population density was 960.0 inhabitants per square mile (370.7 /km²). There were 6,710 housing units, at an average density of 453.38 /sq mi (175.05 /km²). The racial makeup of the city was 86.1% White, 8.0% Black, 0.1% Native American, 0.8% Asian, 0.2% Pacific Islander, 2.1% from other races, and 2.7% from two or more races. Hispanics or Latinos of any race were 4.3% of the population.



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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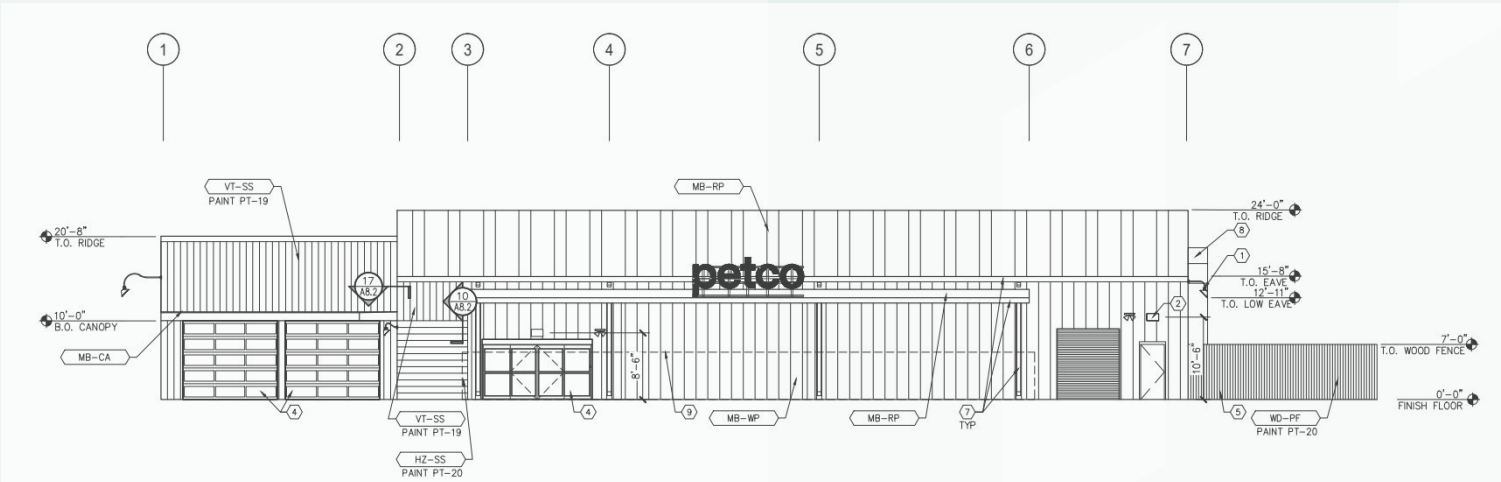
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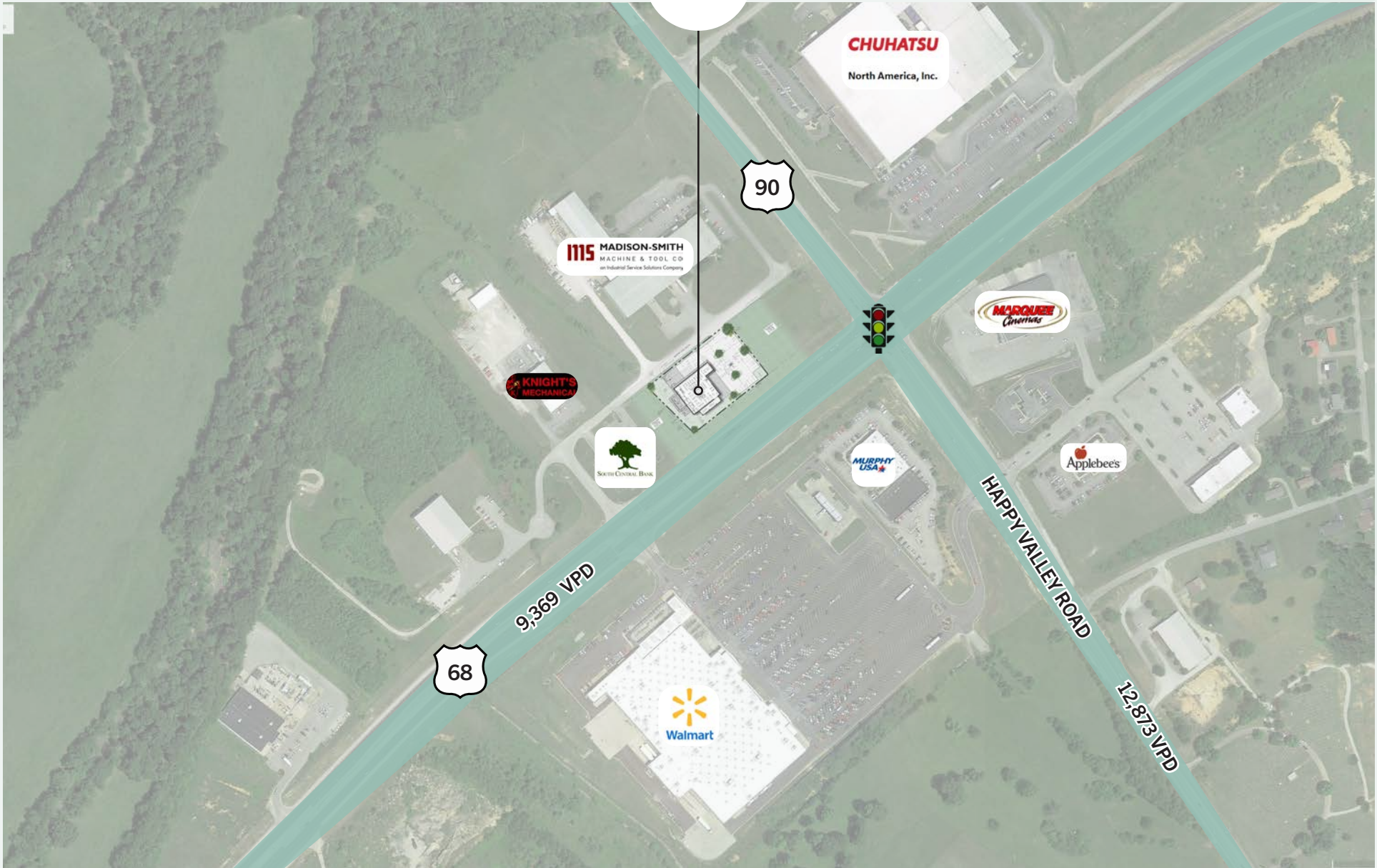
SITE PLAN



ELEVATIONS



SITE AERIAL



SURROUNDING AERIAL



LOCAL CONTEXT



BOWLING GREEN (35 MILES), NASHVILLE, TN (94 MILES), LOUISVILLE (93 MILES) AND CINCINNATI, OH (191 MILES)

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ANALYTICS

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DEMOGRAPHIC ANALYSIS



POPULATION	3 MILE	5 MILES	10 MILES
2027 Projection	14,650	21,451	39,363
2022 Estimate	14,335	20,985	38,434



HOUSEHOLDS			
2027 Projection	6,247	8,886	15,934
2022 Estimate	6,116	8,698	15,563



AVG. HOUSEHOLD INCOME			
Average Household Income	\$48,447	\$52,159	\$54,872
Less than \$25,000	2,118	2,831	4,626
\$25,000 - \$50,000	2,052	2,868	4,864
\$50,000 - \$75,000	868	1,259	2,535
\$75,000 - \$100,000	451	712	1,535
\$100,000 - \$125,000	335	472	895
\$125,000 - \$150,000	139	241	449
\$150,000 - \$200,000	59	137	374
More than \$200,000	96	178	283

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 300+ 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 41 years, Embree's executive team has developed, built, or transacted more than 14,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$10 billion.

Contact Details

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