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# madpaws

## FY2022 Results Presentation

Mad Paws Holding (ASX: MPA)

August 30, 2022



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## Our Purpose

We exist to enable pets to live their lives to the fullest.

## Our Vision

Being the most trusted and convenient brand to rely on for all pet-related needs.



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## Mad Paws at a Glance

Mad Paws provides a safe and convenient digital platform that connects pet owners with high quality services and products. Mad Paws has built a loyal and growing community of pet owners and sitters, focused on enabling their loved pets to live their lives to the fullest.

Mad Paws proudly serves pet owners and pet sitters in the following verticals:

### Mad Paws Care: Sitting, Walking, Day Care, Grooming

Launched 2015

### Mad Paws Food

Dinner Bowl launched Q1 2021

### Mad Paws Health

Insurance launched Q3 2021, acquired Pet Chemist April 2022

### Mad Paws Joy

Toys and Treats – Waggly acquisition Q4 2021

### Mad Paws Home

Curated Ecommerce – Launched in Q2 FY22 with Sash acquisition



Over 1 million pet care services provided



Product Review Best Raw Dog Food of 2021



Qantas Partnership & Access to Qantas FF

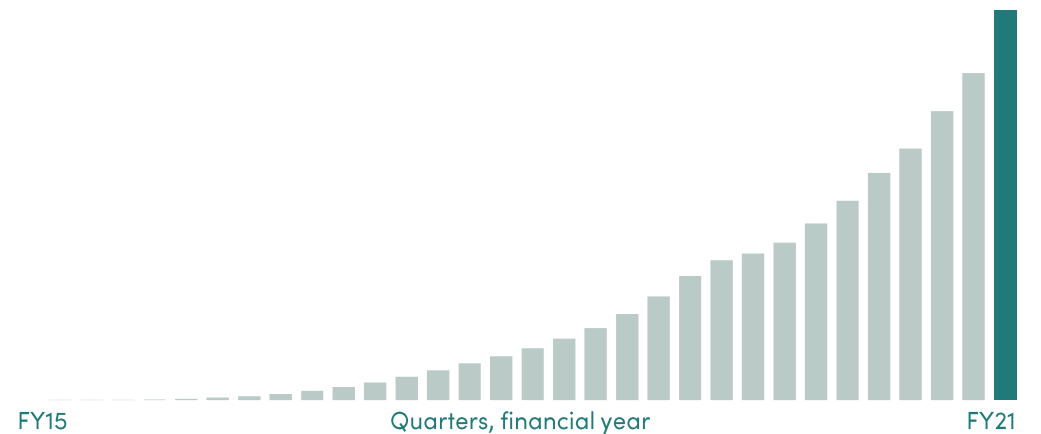
## 264K Cumulative unique customers

264k



## 558K Cumulative Bookings

558k



# Pet's and their impact on Australian's lives

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## Pet ownership is a way of life

for the majority of Australians, an estimated 7.3 millions households (73% of all households) would like to add a pet to their family



## 70% of pet owners

say their pets have improved their lives during the pandemic

Owners now have different, **more human like relationships with pets**, more inelastic spend



## Pet Humanisation and Premiumisation Driving Spend



Prioritisation of Pet Needs



Increasing Spend Per Pet



Increasing Spend on Pet Products and Services



Recession resilience



# Mad Paws is Building a Powerful Network Effect

The Mad Paws platform is driving powerful momentum as more owners and sitters enjoy benefits and advocate acceptance and usage.

Advocacy and customer demand for existing and new products and services continue to gain business traction reducing the amount of effort and marketing spend required over time.

Ultimately leading to greater loyalty, repeat rates and a larger share of wallet for Mad Paws.

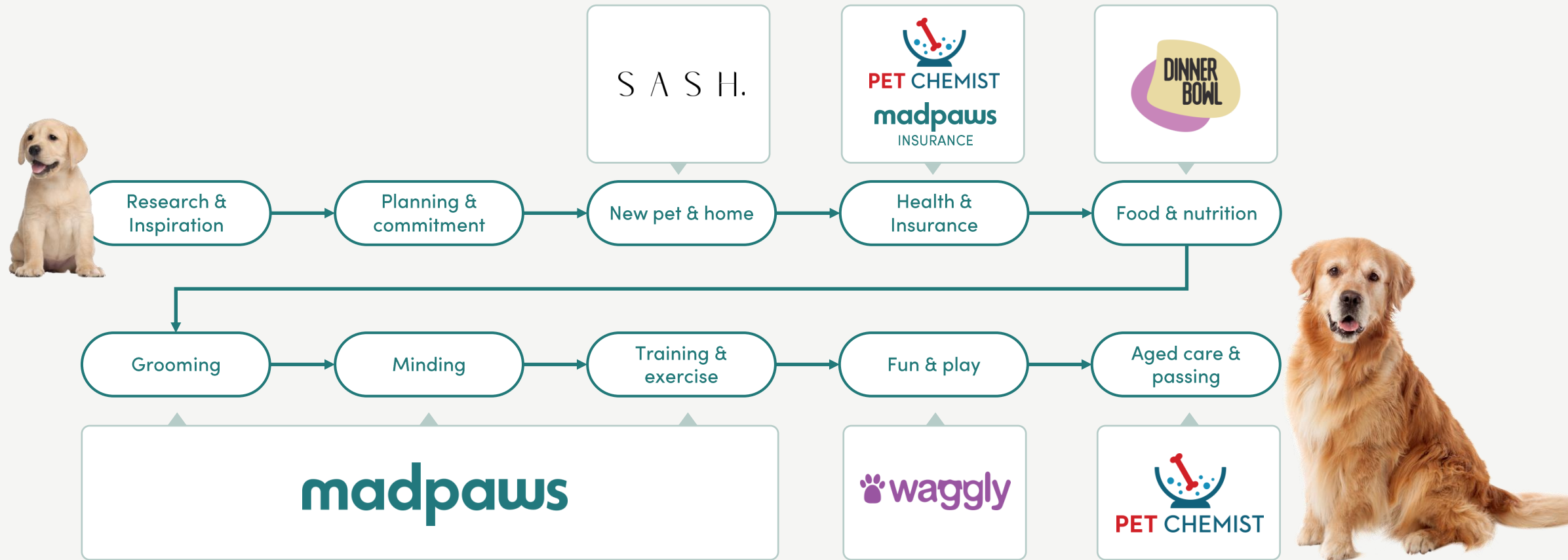


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# Pet Owners Have Multiple Needs Across the Pet Life Cycle

Mad Paws is already providing products and services in most categories. Mad Paws can play a role throughout the pet life cycle, leveraging it's trusted positioning, expanding data set and love of Pet's.

Leading to lower customer acquisition costs and strong customer loyalty and high customer repeat rates throughout the lifecycle.



## FY22 Highlights

**FY22  
Bookings/Transactions  
up 101%**

**FY22 GMV up 115% to  
\$27.1 million**

**Group Operating  
Revenue up 251% to  
\$10.0 million**

**Marketplace positive  
Operating EBITDA for Q4  
FY22**

**Entered the Pet Health  
and Curated e-commerce  
markets**

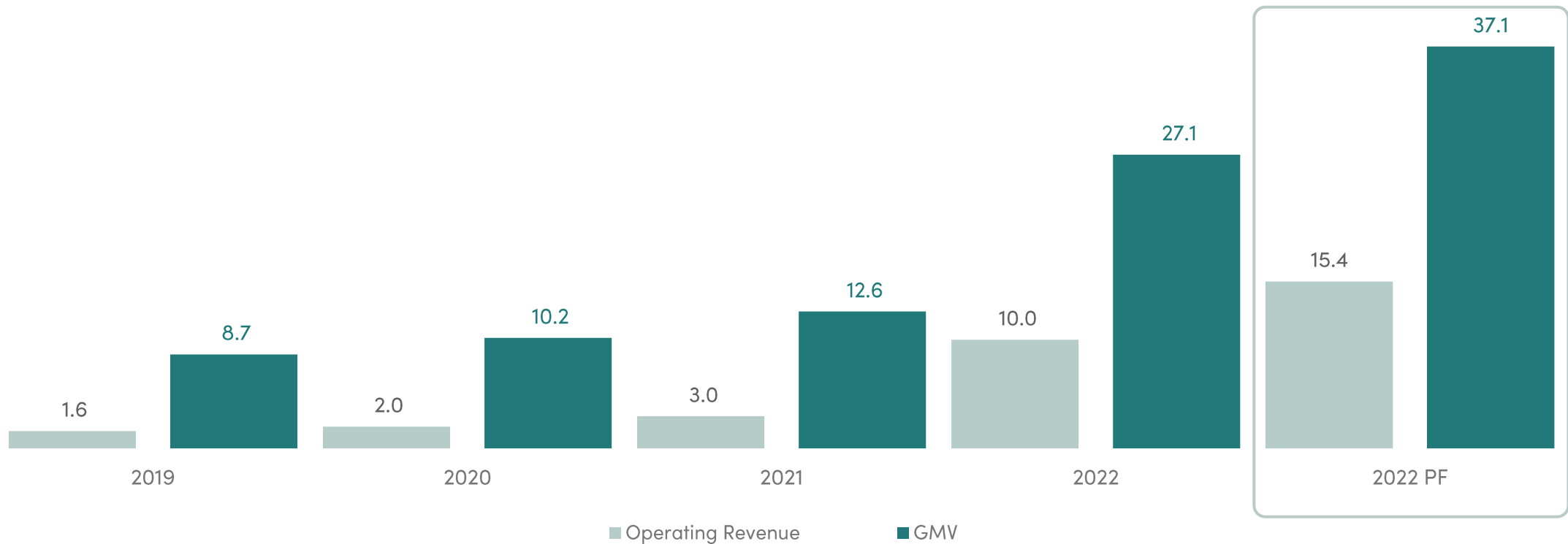
**Marketing and operating  
cost efficiency  
improvements**



# Mad Paws exits FY22 a Substantially Larger Business, with Significant Momentum for the Future



FY19 – FY22 GMV and Operating Revenue in \$ million



<sup>1</sup>GMV is the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

<sup>2</sup>The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition

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# FY23 Trading Update

We enter FY23 being a very different company compared to FY22. Not just from a scale perspective but also from an efficiency perspective.

## Marketplace

First 8 weeks of FY23 performing strongly with GMV exceeding internal expectations (refer GMV chart opposite).

Monthly Operating EBITDA margins expected to trend between 10% to 20% for 1H 23.

Significant improvements to our yearly cohorts a result of our ongoing improvements to the platform and search algorithm.

## eCommerce & Subscriptions

Positive momentum in Q4 FY22 has continued to improve in Q1 FY23. With \*Q1 FY23 QTD operating revenue trending 15% to 19% up on QTD Q4 FY22.

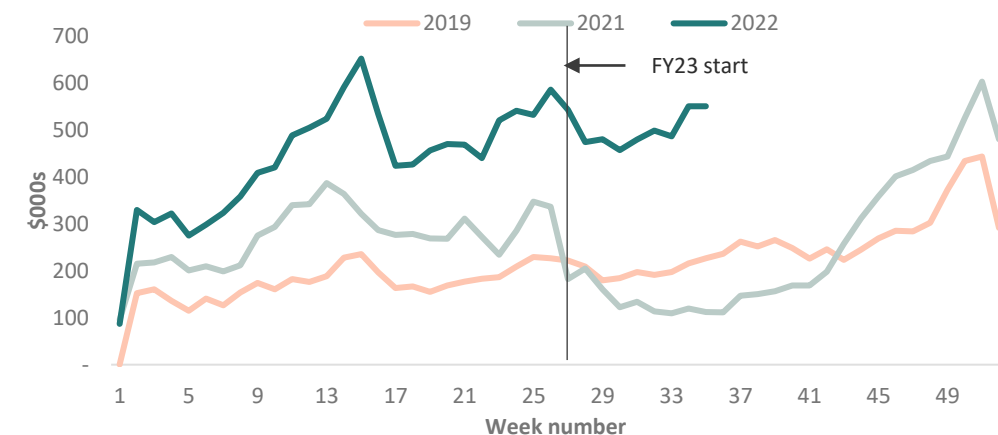
Pet Chemist growth accelerating with completion of integration activities.

Subscriber numbers +23% in the first 2 months of FY23 versus 30 June 22

Improving gross margin and marketing efficiencies are leading to further improvements in monthly Operating EBITDA margins, ranging from -25% to -18%.

Central & Corporate expenses are expected to remain consistent.

## Weekly Marketplace GMV in \$000s



## Marketplace Average Lifetime Value\*\*



\*Q1 FY23 QTD operating revenue represents July 22 actuals and an estimate for August 22, the operating revenues are unaudited  
 \*\*Average Lifetime Value = Marketplace take rate \$ excluding GST. Dotted line shows part of the cohort year that has not yet had the time to reach full 12 months. That part was constructed using the trajectory of Jan & Feb cohorts in the same cohort year. Final cohorts may vary from the historical trend line.

# FY22 Execution Milestones

## Pet Services Marketplace

- Achieved **profitability** in Q4 FY22
- Optimised acquisition cost while still delivering record months
- Continuous improvements to our search algorithm resulted in **improved conversion, retention rates and lifetime values**
- **Data integration** – single data layer from all businesses
- Foundational work for our **central pet database** – to be used by all verticals

## eCommerce & Subscriptions

### FOOD

- **New and improved production facility** for Dinner Bowl now operational
- Laser focus on improving operational efficiencies

### JOY

- Found a new level of **growth for the subscription** business at significantly reduced acquisition cost
- Improved buying to **improve margins**
- Website improvements

### HEALTH

- **Increased scale** through acquisition of **Pet Chemist**
- Completed Pet Chemist integration
- Data integration
- Operations integration
- Customer support improvements
- In-housing marketing functions and setting channels up for rapid growth

### HOME

- Expanded product range resulting in **5x growth in revenue** from acquisition
- Website improvements **increasing site conversion rates**, reducing acquisition costs

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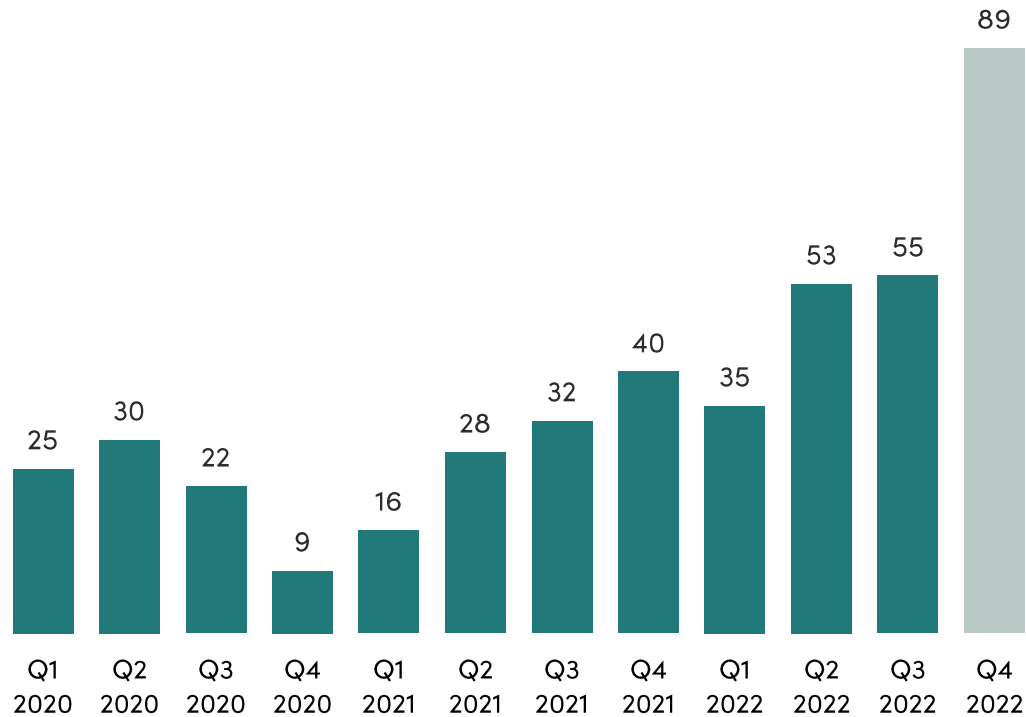
Financial Results



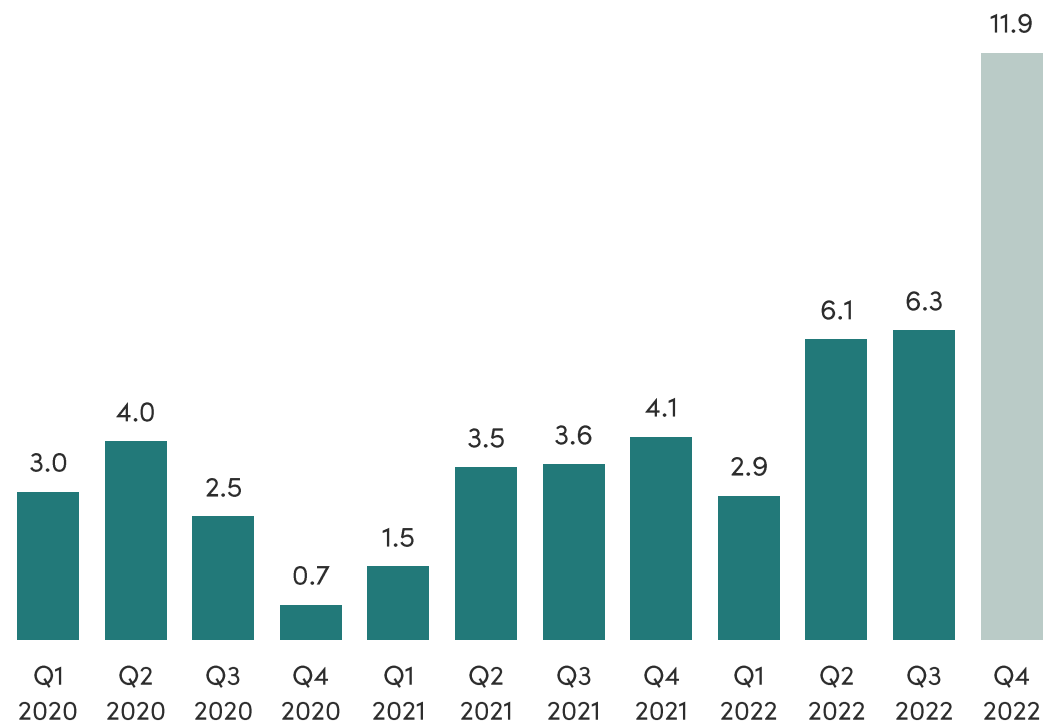
# Execution of our pet life cycle strategy is gaining share of the pet owner's wallet and accelerating growth throughout FY22 resulting in significantly growing number of bookings and GMV



Quarterly Bookings/Transactions in 000s



Quarterly GMV<sup>1</sup> in millions



FY22 LTM <sup>2</sup>PF Group GMV \$37.1 million

<sup>1</sup>GMV is the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

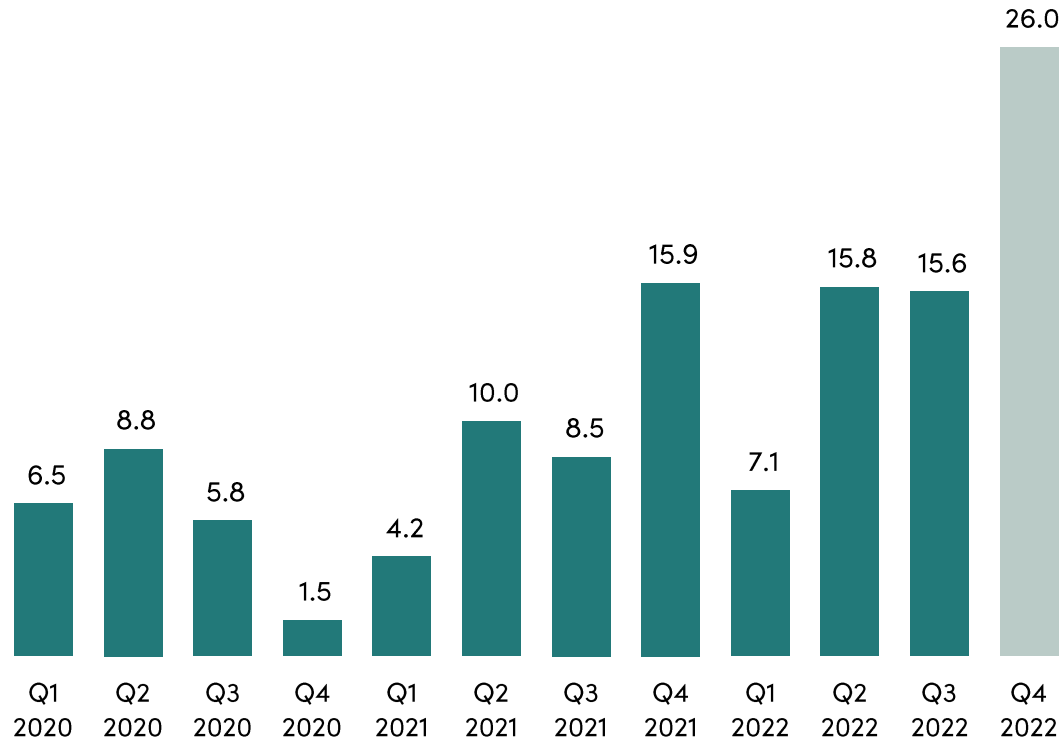
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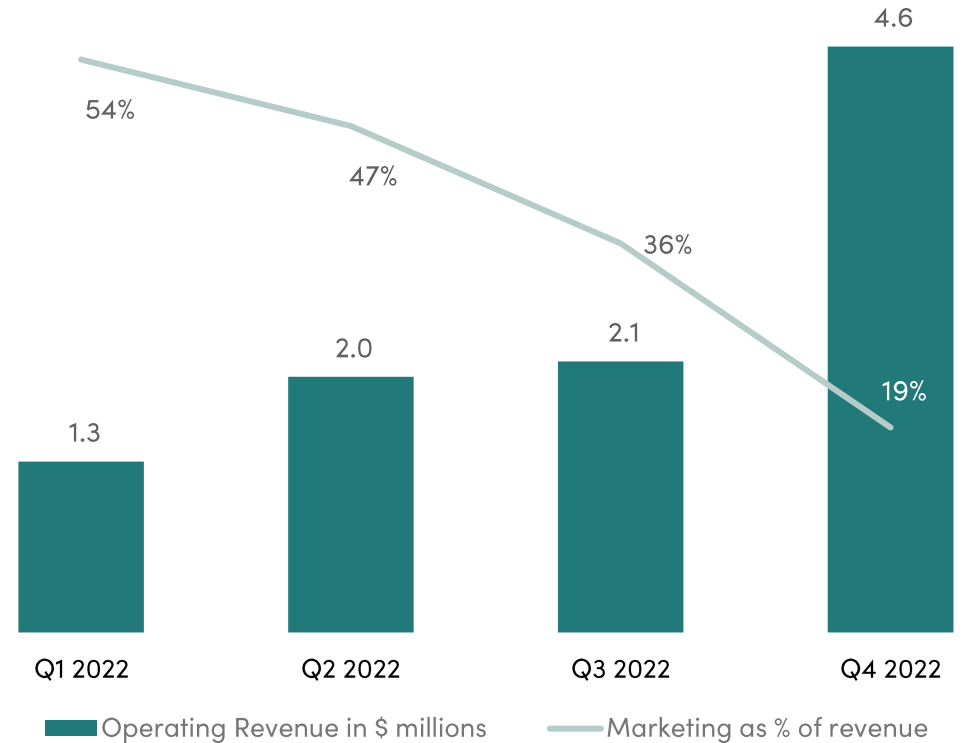
# Record new customers acquired at a lower cost of acquisition drives marketing efficiency



Quarterly New Customer in 000s



FY22 Quarterly Marketing as a % of Revenue

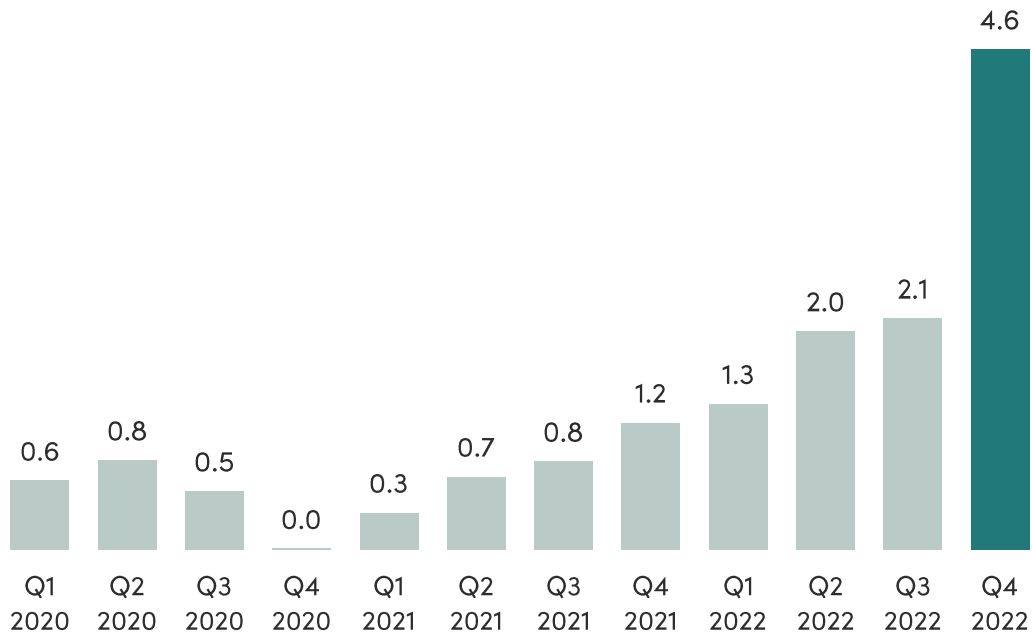


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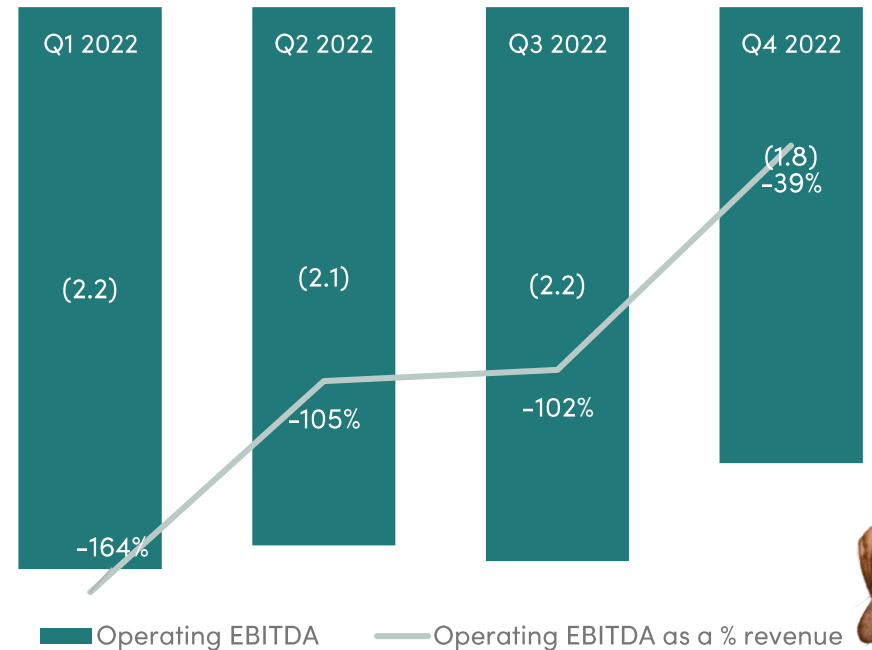
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# Mad Paws focus on profitable revenue growth, marketing efficiency and prudent cost management across FY22 means we exit FY22 with strong momentum and clear path to Operating EBITDA breakeven

Quarterly Operating Revenue in millions



FY22 Operating EBITDA in millions



FY22 LTM <sup>1</sup>PF Group Operating Revenue \$15.4 million

<sup>1</sup>The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition



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## FY22 MPA Group P&L in \$000s

	FY21	FY22	Change	
			\$000s	%
Marketplace	2,378	3,740	1,361	57%
Ecommerce & Subscription	476	6,291	5,815	1222%
<b>Operating revenue</b>	<b>2,854</b>	<b>10,031</b>	<b>7,177</b>	<b>251%</b>
Cost of goods sold	(668)	(5,036)	(4,368)	-654%
<b>Gross Margin</b>	<b>2,186</b>	<b>4,995</b>	<b>2,808</b>	<b>128%</b>
<i>% of revenue</i>	<i>77%</i>	<i>50%</i>		
Marketing	(2,123)	(3,316)	(1,193)	-56%
Employment costs	(1,740)	(4,215)	(2,474)	-142%
Other opex	(459)	(1,331)	(871)	-190%
<b>Segment Operating EBITDA</b>	<b>(2,136)</b>	<b>(3,867)</b>	<b>(1,731)</b>	<b>-81%</b>
<i>% of revenue</i>	<i>-75%</i>	<i>-39%</i>		
Central/Corporate costs	(2,568)	(4,341)	(1,774)	-69%
<b>Group Operating EBITDA</b>	<b>(4,704)</b>	<b>(8,208)</b>	<b>(3,504)</b>	<b>-74%</b>
<i>% of revenue</i>	<i>-165%</i>	<i>-82%</i>		
Non operating, non-cash and non-recurring items	(7,231)	(2,169)	5,061	233%
<b>Loss before income tax benefit</b>	<b>(11,935)</b>	<b>(10,378)</b>	<b>1,557</b>	<b>13%</b>
Income tax benefit	-	33	33	nm
<b>Loss after income tax benefit</b>	<b>(11,935)</b>	<b>(10,345)</b>	<b>1,590</b>	<b>13%</b>
<i>Group Key Performance Metrics</i>				
GMV \$000s	12,628.0	27,119.9	14,491.9	115%
Bookings/Transactions 000s	115.7	232.4	116.7	101%
New Customer acquisition 000s	38.7	64.4	25.7	66%

## Commentary

FY22 Operating revenue grew 251% to \$10.0 million, with marketplace revenue increasing 57% to \$3.7 million due to the relaxation of COVID19 travel restrictions. Our e-Commerce and subscription revenues grew by 1222% to \$6.3 million, an increase of \$5.8 million versus FY21. This is as a result of the full year contribution from the Waggly acquisition, the acquisition of Sash Beds and the contribution of the Pet Chemist acquisition from 1 April 2022. In addition, we saw organic growth from these acquisitions well above their performance pre-acquisition which is a reflection of our cross-selling efforts and marketing excellence.

Gross margin increased by \$2.8 million to \$5.0 million in FY22 a 128% improvement versus FY21. The change in the Group's gross margin in FY22 is due to a greater contribution of the e-commerce and subscription segment versus the prior year. At a segment level we have seen improving margins across FY22 and expect to see further margin improvements in FY23 from operational initiatives, direct sourcing, and increased scale.

Group Operating EBITDA loss for FY22 was \$8.2 million, an increase of \$3.5 million from FY21. The increase relates to the following factors:

- Segment Operating EBITDA loss was \$3.9 million an increase of \$1.7 million from FY21. This is due to higher marketing costs across both segments as we continued to invest in customer acquisition due to the strong return on investments and customer acquisition costs trending lower. Employee costs were \$2.5 million higher with the integration of the Waggly, Sash and Pet Chemist acquisitions as well as the build out of the segment product, technology and marketing teams. Other segment opex costs increased \$0.9 million due to higher technology platform running costs such as messaging and hosting as well as additional property costs from the expansion of our warehousing facilities to support growth.
- Central and corporate costs increased \$1.8 million largely due to higher employment costs from the build out of the central management team post the company's IPO in March 2022, as well as public company costs.

### Notes

<sup>1</sup>In the MPA Group operating P&L promotional \$ off offers are added back to revenue and treated as a marketing expense a reconciliation is detailed in the appendix to their statutory treatment

<sup>2</sup>Gross Merchandising Value ('GMV') is a non-GAAP measure that represents the total value of transactions processed by all Mad Paws Businesses, on a cash basis, before deduction pet service provider payments, cancellations, refunds, chargebacks, discounts and GST



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Segment  
Performance

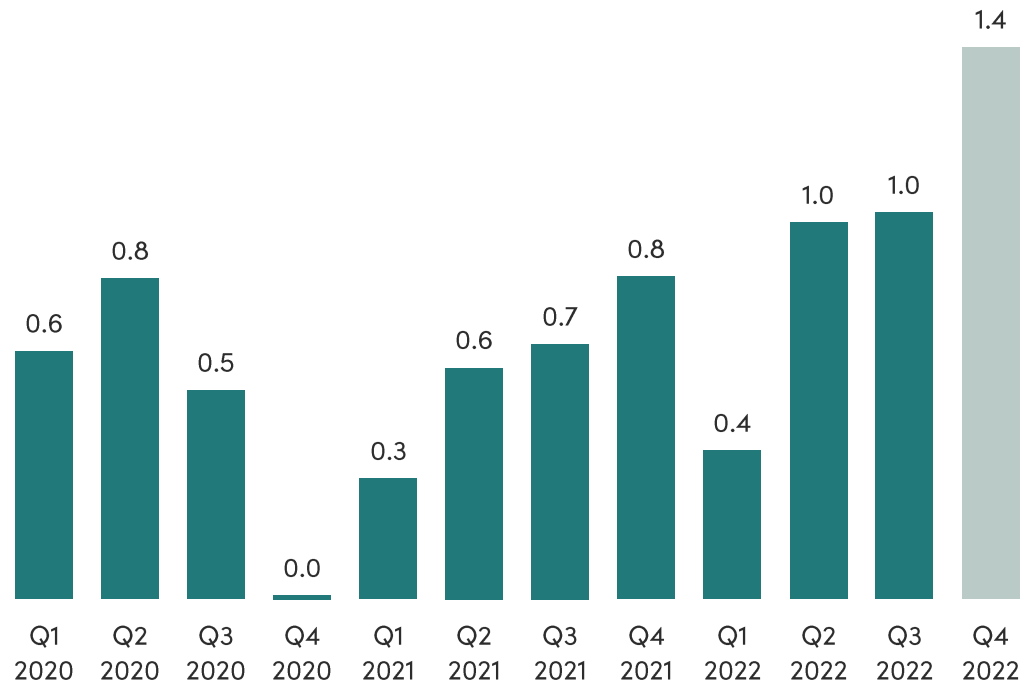


# Marketplace performance

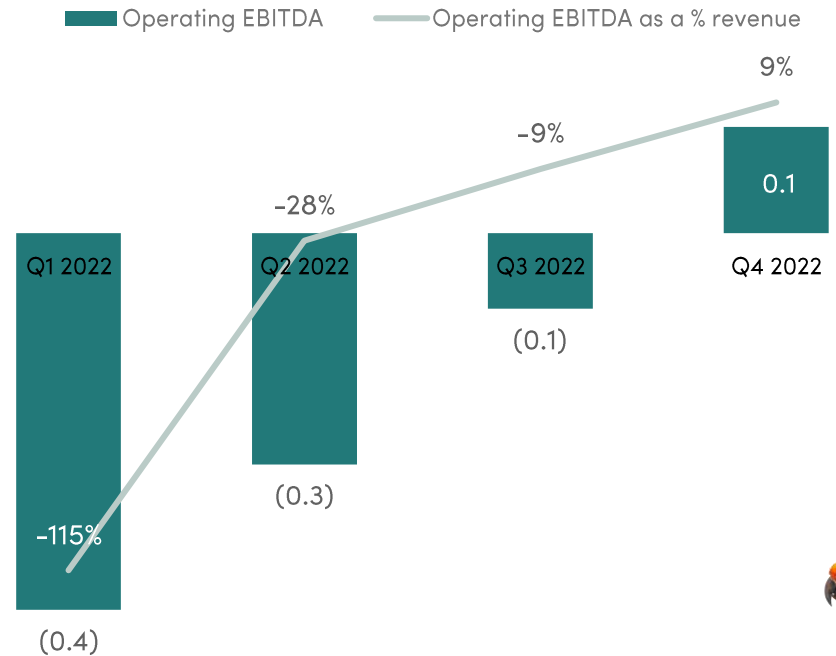
Marketplace performance rebounded strongly with the easing of restrictions. Strong operating leverage and improving marketing efficiency are driving Operating EBITDA as % of revenue



## Quarterly Marketplace Operating Revenue in millions



## FY22 Quarterly Operating EBITDA in millions



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## FY22 Marketplace P&L in \$000s

	FY21	FY22	Change	
			\$000s	%
Operating revenue	2,378	3,740	1,361	57%
Cost of goods sold	(165)	(254)	(89)	-54%
<b>Gross Margin</b>	<b>2,213</b>	<b>3,486</b>	<b>1,273</b>	<b>57%</b>
<i>% of revenue</i>	93%	93%		
Marketing	(1,547)	(1,408)	139	9%
Employment costs	(1,559)	(2,042)	(483)	-31%
Other opex	(383)	(701)	(318)	-83%
<b>Segment Operating EBITDA</b>	<b>(1,275)</b>	<b>(665)</b>	<b>610</b>	<b>48%</b>
<i>% of revenue</i>	-54%	-18%		
<i>Marketplace Key Performance Metrics</i>				
GMV \$000s	12,065.3	18,487.8	6,422.5	53%
Take rate %	24.1%	24.7%	0.0	2%
Bookings 000s	106.2	127.4	21.2	20%

### Commentary

Our pet services marketplace delivered 57% operating revenue growth to \$3.7 million in FY22. The first half of FY22 was a challenging period with the impact of the Omnicron variant. After the relaxation of restrictions during Q2 FY22, the marketplace performance has accelerated, regularly exceeding monthly GMV benchmarks.

Across our key marketplace drivers, we have seen a strong rebound in booking activity and average booking values.

- Total bookings increased 20% versus FY21. Year over Year booking growth is impacted by changes in customer booking behavior in FY21 due to international border closures. During FY21 customers made shorter bookings due to the COVID 19 market uncertainty. This trend reversed in H2 FY22 as customers had greater confidence in booking domestic and international travel due to higher vaccination rates. Comparing the number of time units' customers booked in FY22 versus FY21 we see a 31% increase year over year.
- The marketplace take rate improved 0.6ppt to 24.7% on a booked basis.
- Marketplace segment operating EBITDA loss was \$0.7 million an improvement of 48% or \$0.6 million compared to FY21. The marketplace has strong operating leverage as revenue grows the cost base increases at a much lower rate. However, during FY22 employment costs increased \$0.5 million from, the build out of segment product, marketing and technology teams. Other opex costs increased \$0.3 million due to higher platform messaging and hosting costs.
- Marketplace marketing costs decreased \$0.1 million versus FY21, with the greater use of our central data and analytics team as well improved direct traffic sources such as SEO. We have seen a 30% decrease in our performance customer acquisition costs versus FY21. We expect this trend to continue as we enter FY23.
- As a result of the bookings, revenue and customer acquisition trends the profitability of the marketplace has been improving through FY22. In Q4 FY22 the marketplace segment achieved operational EBITDA profitability for the first time achieving \$0.1 million

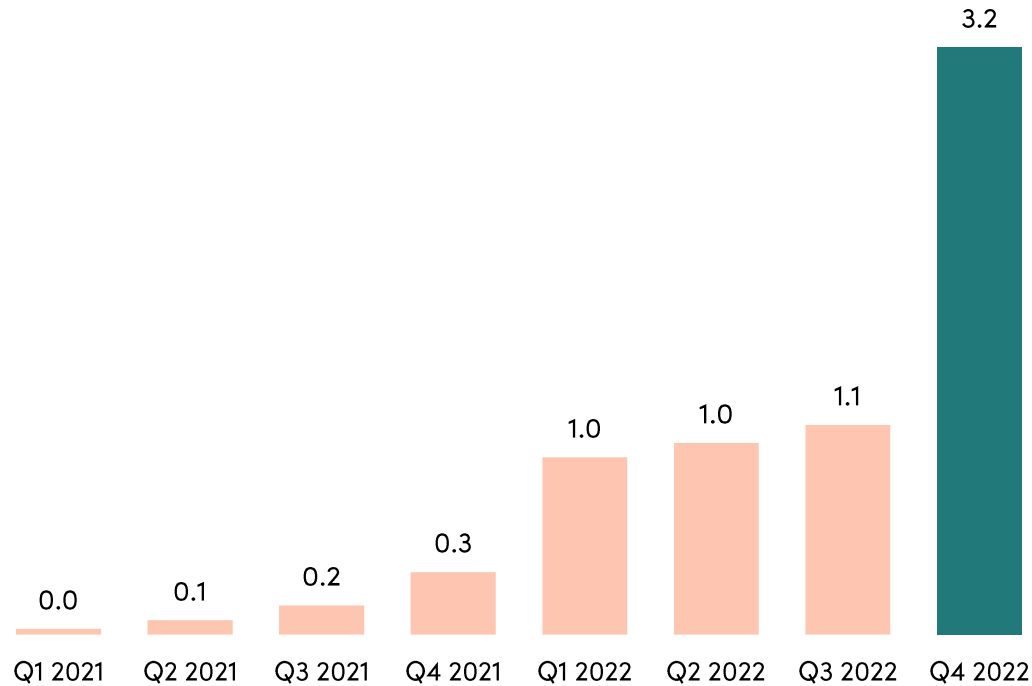
Note

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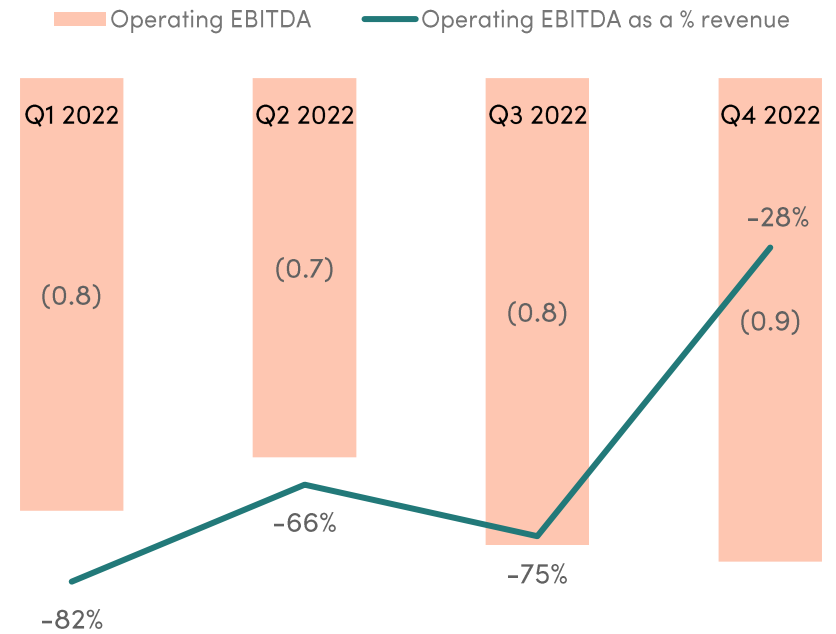
# eComm & Subscription performance

Focus on gross margin improvements and lower customer acquisition costs are driving significant improvements in Operating EBITDA margins with strong momentum for FY23

### Quarterly Operating Revenue in millions



### FY22 Quarterly Operating EBITDA in millions



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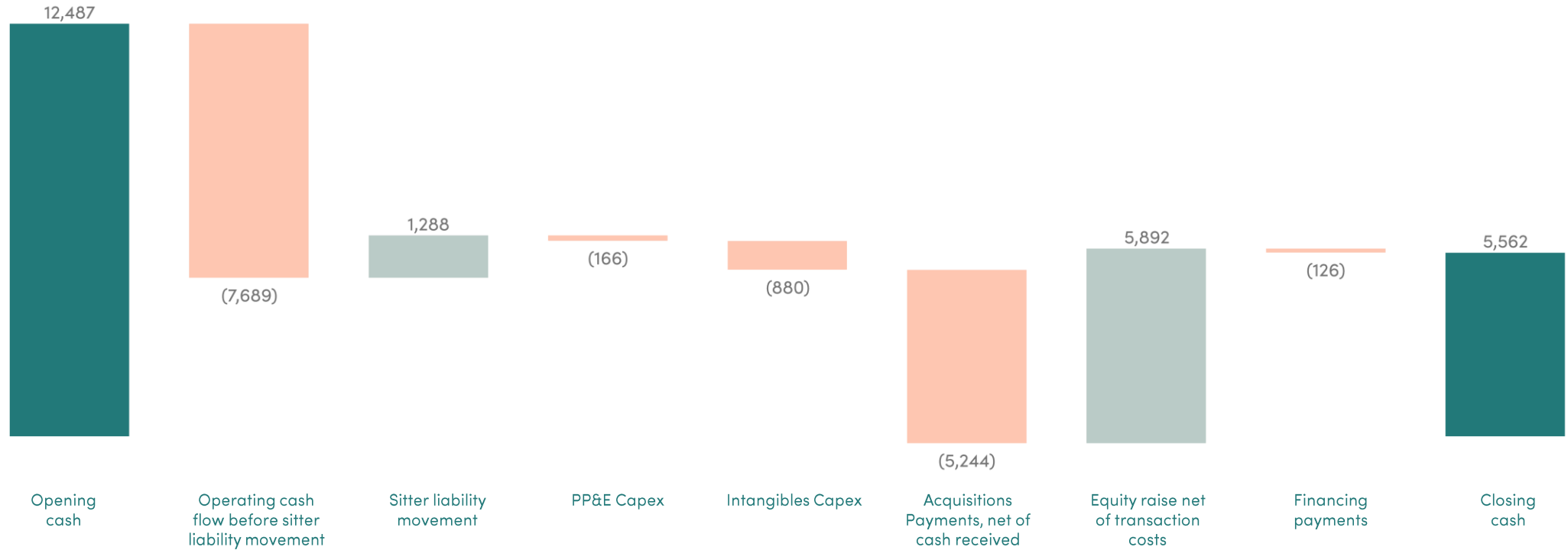
## FY22 eCommerce & Subscription P&L

	FY21	FY22	Change	
			\$000s	%
Operating revenue	476	6,291	5,815	1222%
Cost of goods sold	(503)	(4,782)	(4,280)	-851%
<b>Gross Margin</b>	<b>(27)</b>	<b>1,509</b>	<b>1,536</b>	<b>5707%</b>
<i>% of revenue</i>	<i>-6%</i>	<i>24%</i>		
Marketing	(576)	(1,908)	(1,332)	-231%
Employment costs	(181)	(2,172)	(1,991)	-1098%
Other opex	(77)	(630)	(553)	-720%
<b>Segment Operating EBITDA</b>	<b>(861)</b>	<b>(3,202)</b>	<b>(2,340)</b>	<b>-272%</b>
<i>% of revenue</i>	<i>-181%</i>	<i>-51%</i>		

### Commentary

- Ecommerce & Subscription revenue increased 1222% or \$5.8 million in FY22. Most of the growth is attributable to full year impact of the Waggly acquisition and contributions from acquiring Sash beds in November 21 and Pet Chemist in Q4 FY22. We have seen acceleration in performance of these acquisitions once they are fully integrated.
  - Waggly subscribers increased 96% from acquisition, and Sash monthly revenue has increased 5 times from acquisition date. With the learnings from these acquisitions, we expect to see similar trends following the Pet Chemist integration.
- Gross margin increased \$1.5 million in FY22 with gross margin improving to 24%. Our pet food business was impacted in the period by rising input costs, sub scale operations and transition costs in centralizing our operations in Melbourne. Dinnerbowl is exiting the FY22 with stronger gross margins across its product suite.
- Waggly gross margins were steady throughout the period at 35%, Waggly is exiting FY22 with a higher subscription revenue mix and this coupled with a number of sourcing initiatives should see margin improvement during FY23.
- Marketing costs were \$1.3 million in FY22 due to a full year of investment for Waggly and Dinnerbowl (launched during FY21). Several new customer acquisition approaches were tested during the year resulting in significantly improving our performance marketing metrics. During the second half of FY22 the launch of a new subscriber journey as well as the launch of a multi offer strategy for Waggly have resulted in significant increase in new customer acquisitions at significantly lower cost of acquisition.
- Employment costs increased \$2.0 million in FY22 due to the integration of the teams following the acquisition, additional warehouse labour costs from higher orders as well as labour costs from the launch of the lightly cooked product for Dinnerbowl.

# FY 22 Cash Flow Waterfall



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Outlook



# Strategic Focus For FY23



## Pet Services Marketplace

With our marketplace now contributing positive EBITDA to the group, we are doubling down on our data efforts, focusing on our flywheel of more owner requests, more matches, more data, better offerings, increased bookings/transactions.

## Upselling and Margins

We have made significant headway putting our subscription business in a position to scale them even faster. With customer acquisition in a very good place, we are now laser focused on increasing our average order value through “add to box” as well as increasing margin through better sourcing taking advantage of our volume and internal capabilities.

## Cross Selling

We have already seen our cross-selling strategy working. The next step for us is to make our customer experience even more cohesive and enjoyable. We are doing this by focusing on three things:

- Identity layer: Single sign-on for all our verticals
- Loyalty: Mad Paws loyalty offering
- Payments: single payments layer for all verticals

## Ecommerce Efficiencies

Optimising the current set up we have to better service our customers and at the same time reduce operating cost and increase margins.



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# Mad Paws is consolidating its brands

Master Mad Paws brand, with a variety of categories, housed in the same product ecosystem.

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**madpaws** Best Pet Carers Best Pet Care

I'm looking for **Pet Hosting at Sitter's Home** Near **Sydney** From **05/12/22** To **05/12/22** For my **Small Dog**

**Your pets' best lives. Sorted.**  
Find trusted local pet sitters.

**Save on your pet medications**

**Shop calming dog beds**

**Discover nutritious dog food, delivered.**

**madpaws** Best Pet Carers Best Pet Care

**DINNER BOWLS** Raw Kibble Cooked Treats Supplements FAQs

**Australia's favourite dog food, delivered.**  
BUILD YOUR BOWL

**madpaws** Best Pet Carers Best Pet Care

**WAGGLY** Find Your Box Puppy Power Chewer Active Original FAQs

**Customised boxes of toys and treats, delivered every month.**  
FIND YOUR BOX

**madpaws** Best Pet Carers Best Pet Care

**PET CHEMIST** Medication Vet Diets Dog Cat Horse Birds Brands

**Calming Beds for Anxious Pups**  
SHOP NOW

**Medicine for your pets made easy and affordable**  
EXPLORE THE RANGE

**Shop calming bed with Boucle cover**

**Shop original calming bed**

**Shop supportive orthopedic bed**

**Shop for your dog** SHOP DOG

**Shop for your cat** SHOP CAT

**Shop for your horse** SHOP HORSE

# Mad Paws Has Never Been Better Placed for Accelerated Growth and Recovery

**Pet ownership has dramatically increased** with 62% of all Australians now owning at least one pet, 48% of which are dog owners and 37% cat owners<sup>1</sup>.

**Pet humanization and premiumisation is driving an increase** in spend on pet services and pet needs.

**Pet Industry is now worth \$30B in Australia** and the popularity of gourmet meals continues to rise<sup>1</sup>.

**Covid has accelerated the shift from offline to online validating the future demand and growth** in pet care services and subscription services.

**Pent up demand for travel is building; tailwinds ahead for pet sitting once lockdown restrictions ease – demand for pet sitters.**

**Growing Recurring Revenue from Pet Chemist, Dinner Bowl and Waggly subscription services** supplementing core business and diversifying revenue streams.

**Strong balance sheet with \$5.6m of cash** at 30<sup>th</sup> of June, with revenue growth and prudent cost management expected to deliver cash flow breakeven and profitability



<sup>1</sup> Animal Medicines Australia, Pets in Australia (2019): A national survey of pets and people.

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# Thank You



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# Appendix

## FY 22 Summary Balance Sheet in \$000s

	FY21	FY22
Cash	12,487	5,562
Inventory	181	921
Prepayments & Other receivables	506	935
<b>Current assets</b>	<b>13,173</b>	<b>7,419</b>
PP&E	69	231
ROA	-	1,252
Intangibles & Other	3,698	22,018
<b>Non Current assets</b>	<b>3,766</b>	<b>23,500</b>
Trade & Other payables	1,316	4,126
Deferred revenue	68	451
Borrowings & Lease liabilities	28	352
Other	1,408	3,097
<b>Current Liabilities</b>	<b>2,821</b>	<b>8,027</b>
Borrowings & Lease liabilities	-	1,151
Other	143	142
<b>Non Current liabilities</b>	<b>143</b>	<b>1,294</b>
<b>Net Assets</b>	<b>13,976</b>	<b>21,598</b>

### Commentary

- \$5.6m in cash at 30 June 22, remaining well capitalized with positive quarterly trends in operating EBITDA and cash flow
- Inventory increased \$0.7m from Dinnerbowl product expansion, subscriber growth in Waggly and the Pet Chemist and Sash acquisitions.
- Intangibles relate to goodwill and customer contracts on the Waggly acquisition and capitalised web development costs across both segments
- Accounts payable increased by \$2.8m with \$1.2m due to the payable to Sunny Chemist as part of the pharmacy supplier agreement. \$0.6m for contingent acquisition payments linked to ongoing employment services which are largely equity settled
- Other payables include the marketplace sitter liability of \$2.4m and \$0.3m of contingent consideration payments for the Pet Chemist acquisition that are not linked to employment services
- Lease liabilities of \$1.5m relate too the application of AASB16 Leases in relation to the Melbourne warehouse and kitchen leases.

## Group Operating EBITDA reconciliation to statutory net loss after income tax benefit

	FY21	FY22
<b>Group Operating EBITDA</b>	<b>(4,704)</b>	<b>(8,208)</b>
<i>% of revenue</i>	<i>-165%</i>	<i>-82%</i>
<b>Non operating, non-cash and non-recurring items</b>		
R&D Grant & COVID 19 support	649	835
Capital raising/IPO costs	(923)	(269)
Share based payments	(6,554)	(1,399)
Depreciation and amortisation	(248)	(610)
Deferred consideration - linked to remuneration	-	(636)
Other non-recurring items	(27)	(57)
Net interest (Expense)/Income	(128)	(34)
Non operating, non-cash and non-recurring items	(7,231)	(2,169)
<b>Loss before income tax benefit</b>	<b>(11,935)</b>	<b>(10,378)</b>
Income tax benefit	-	33
<b>Loss after income tax benefit</b>	<b>(11,935)</b>	<b>(10,345)</b>

## Reconciliations to statutory revenue and marketing to segment disclosures

	Revenue	Marketing expenses
Management Approach	10,031	3,316
Promotion discounts on subscription products	(205)	(205)
<b>Statutory reported</b>	<b>9,826</b>	<b>3,111</b>

# Glossary

Term	Definition	Calculation/Comment
<b>GMV</b>	Gross Merchandise Value	GMV is a non-IFRS measure, it represents the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.
<b>ARR</b>	Annual Recurring Revenue	Annual recurring revenue (ARR) = Closing subscribers at the end of period X Subscription price X 12 months
<b>Operating Revenue</b>	Non GAAP measure of revenue	Operating revenue is revenue recognised in accordance with IFRS before the deduction of promotional voucher cost for subscription customers
<b>Operational EBITDA</b>	Management's core earnings metric	Operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating, non-recurring income and costs) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider operational EBITDA to reflect the core earnings of the consolidated entity
<b>LTM</b>	Last Twelve Months	Refers to the trailing 12 month period ending on the reporting date, or as otherwise indicated
<b>FCF</b>	Free cash flow before strategic investments	FCF = Free cash flow less maintenance capex excludes strategic marketing and technology investments and sitter liability working capital movements



# Glossary

Term	Definition	Calculation/Comment
<b>Performance marketing CAC</b>	Performance marketing customer per customer acquired	Includes all performance marketing costs including paid search, social, programmatic (excluded brand, PR and agency cost) and the cost of any promotions e.g. %/\$ discount, giveaways etc / number of new customers acquired
<b>Marketplace take rate %</b>	Mad Paws earning % from marketplace transactions	Takes the marketplace owner booking fee + Sitter fee (at the date of payment) divided by the GMV (at the date of payment)

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