



Pet Valu Continues Supply Chain Transformation with Official Opening of Distribution Centre in British Columbia

September 6, 2024

New facility triples warehouse capacity in British Columbia



MARKHAM, ON, Sept. 6, 2024 /CNW/ - Pet Valu Holdings Ltd. ("Pet Valu" or "the Company"), the leading Canadian specialty retailer of pet food and pet-related supplies, announced today the official opening of its 350,000 sq. ft., LEED-gold certified distribution centre in Surrey, British Columbia ("Surrey DC" or the "Facility"). The Surrey DC, which is three times the size of Pet Valu's existing warehouse in the province, is a key component of Pet Valu's over \$100 million supply chain transformation and unlocks the Company's continued growth in Western Canada while providing enhanced service to existing stores in the region.

"Our new Surrey DC represents the second pillar of our supply chain transformation, and another key achievement of our cross-functional teams, whose careful balance of rigorous planning and iterative learning have kept this multi-year project on time and on budget," says Richard Maltsbarger, Chief Executive Officer of Pet Valu. "This new Facility embodies Pet Valu's commitment to Our Four Paws service model, designed to emphasize safety, compassion, expertise and efficiency. Following several years of heightened investments, we are now entering the final stretch of our transformation, after which we will have Canada's strongest pet specialty distribution network as the backbone to propel Pet Valu's continued profitable growth over the next decade."

The Surrey DC is the second largest pet specialty distribution centre in Canada, exceeded only by Pet Valu's own 670,000 sq. ft. distribution centre in Brampton, Ontario ("GTA DC"), and brings up to 150 skilled jobs to Surrey. Similar to the GTA DC, the Facility utilizes an advanced warehouse management system, and modernized machine handling equipment, safety systems and security systems. Additional features include ample wellness space to support the diverse needs of its employees, including a meal room, training space, a driver's lounge, prayer and ablution rooms, and first aid facilities. As part of the Company's ongoing pursuit to optimize energy and emissions management, the Surrey DC will pilot the use of two electric trucks as part of its delivery fleet. Each electric delivery truck represents an opportunity to avoid consumption of over 25,000 litres of diesel fuel per year.

Pet Valu expects the Surrey DC to be fully operational by the fourth quarter of 2024, as it scales down use and exits its legacy distribution centre and third-party storage space in the Metro Vancouver Region in the coming months. The Facility is currently receiving and shipping all products through advanced manual processes with implementation of automation of its piece-pick operations intended for 2026 or thereafter.

"Pet Valu continues to set a high bar for pet specialty distribution capabilities in Canada," says Nico Weidel, Chief Supply Chain Officer at Pet Valu. "The advanced, modern processes and systems at each of our new distribution centres provide improved product availability, faster order processing, and enhanced customer service levels for stores and eCommerce customers alike in a safe, spacious environment that supports the needs of our modern workforce. As we finalize our transitions in the Greater Toronto and Metro Vancouver regions, we will soon shift our focus to our final distribution hub in Calgary and completion of our supply chain transformation in 2025."

About Pet Valu

Pet Valu is Canada's leading retailer of pet food and pet-related supplies with over 800 corporate-owned or franchised locations across the country. For more than 45 years, Pet Valu has earned the trust and loyalty of pet parents by offering knowledgeable customer service, a premium product offering and engaging in-store services. Through its neighbourhood stores and digital

platform, Pet Valu offers more than 9,000 competitively priced products, including a broad assortment of premium, super premium, holistic and award-winning proprietary brands. The company is headquartered in Markham, Ontario and its shares trade on the Toronto Stock Exchange (TSX: [PET](#)). To learn more, please visit: www.petvalu.ca.

Forward looking and other cautionary statements

This news release contains "forward-looking information" within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events, including the Company's expectations regarding the timeline for the Facility to be fully operational and for the introduction of automation capabilities, the expected impact of the Facility, including pick productivity improvement and job creation, and the amount of investment to be made by the Company in its distribution network. Forward-looking information is based on a number of assumptions, and is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Such risks and uncertainties include, but are not limited to, the factors discussed in the "Risk Factors" section of the Company's annual information form dated March 4, 2024. Actual results could differ materially from those projected herein. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this news release is provided as of the date of this news release and Pet Valu does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.

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