The Future of the Companion Animal Market in Germany

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Companion Animal market is expected to be the fastest growing species sector globally

Market Drivers:

- Market benefits from new product launches
- Consumers are expected to maintain high levels of spending on pets
- Continued novel innovations expected in parasiticides, biologicals and other pharmaceuticals
Global Key Trends Shaping the Companion Animal Market Dynamics

Premiumisation drives value sales growth
With hybrid lifestyles becoming the new norm, pet owners are spending more time with their pets and are gravitating towards more premium product offerings.

Continuous humanization of pets
Pet owners increasingly perceive their pets as part of the family, trying to give them food, products and services similar to those for humans.

Strong growth in e-commerce
Pet owners embraced the convenience of online shopping during the pandemic. Online stores and subscription services enable the increasing offer of personalisation.

Sustainability drives alternative proteins and packaging
Pet owners are increasingly seeking products that they perceive not only to be better for themselves and their pets, but also for the planet.

Source: Euromonitor’s Pet Care Research, 2022.
Cats and dogs are most popular pets

34.4m pets live in German households

- **Rx Market ~$900M in size**
- **60% Companion Animals**
- **CA growing ~5%**
- **Driven by novel innovations**

Source: BIT 2022
GERMAN PETCARE MARKET

Cat and dog population throughout the pandemic

Stable situation

- Covid caused a strong increase in number of cats
- In 2022 number of cats decreased again
- German dog population comparatively stable

Demographics on households with pets (1/2)

Pets are presents in all household sizes

### Household size
- 29% 1 person
- 35% 2 persons
- 36% 3 persons and more

### Age
- 16% up to 29 years
- 19% 33-39 years
- 18% 40-49 years
- 21% 50-59 years
- 26% 60 years and older

Source: ZZF IVH/ZZF Der Deutsche Heimtiermarkt, 2022
Demographics on households with pets (2/2)

2/3 of families own a pet

Note: in Germany, it is illegal to own more than 5 cats, dogs, or ferrets
GERMAN PETCARE MARKET

Core demographics on veterinarians

Total of 21,963 vets working in Germany

<table>
<thead>
<tr>
<th>Gender ratio</th>
<th>Average age</th>
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<tbody>
<tr>
<td>Germany</td>
<td>53.6</td>
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Most of them independently/in privately owned practice

Sources: Deutsches Tierärztleblatt 2022; 70 (6)
International Survey of Pet Owners and Veterinarians from HABRI/Zoetis, Published January 2022.
Key Trends Shaping the Companion Animal Market Dynamics Locally

01 Increasing number of pets and continuous humanization of pets

02 Innovations and increasing medicalization

03 Specialized subject areas/veterinary care

04 Consolidation of veterinary practices

05 New care concepts
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THE HUMAN ANIMAL BOND

A global, quantitative study of 16,000 pet owners and 1,200 veterinarians across four continents and eight countries.
of all pet owners in Germany consider their cat or dog as a family member or like a child.

GERMANY

Human population: 83.02m people

Pet population*: 10.7m dogs; 15.7m cats

Pets per 1,000 people: 129 dogs; 189 cats

Source: European Pet Food Industry Federation (FEDIAF)
Top 3 Statements of German Pet Owners

- **94%**
  - I would take any intervention necessary to prevent my pet from undergoing pain and suffering.

- **92%**
  - I spend time playing/interacting with my pet every day.

- **90%**
  - My pet and I have a close relationship.

93% of owners in Germany experience health benefits of having a pet.

85% of German owners say that having a pet has impacted their health (physically or mentally) positively.
The Human-Animal Bond

Pet owners are prioritizing health and wellness of their animals

• **Gen-Z and Millennials** are fueling the humanization of pets

• **High income households** often have more than one pet and are more willing to spend during a down economy

• When faced with a 20% decrease in budget, *pet owners will not spend less on their pets.*

86% of pet owners would pay whatever it takes if their pet needed extensive veterinary care.1

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1 International Survey of Pet Owners and Veterinarians from HABRI/Zoetis. Published January 2022.
2 Zoetis Market Research, Dec. 2022
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To nurture our world and humankind by advancing care for animals

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