



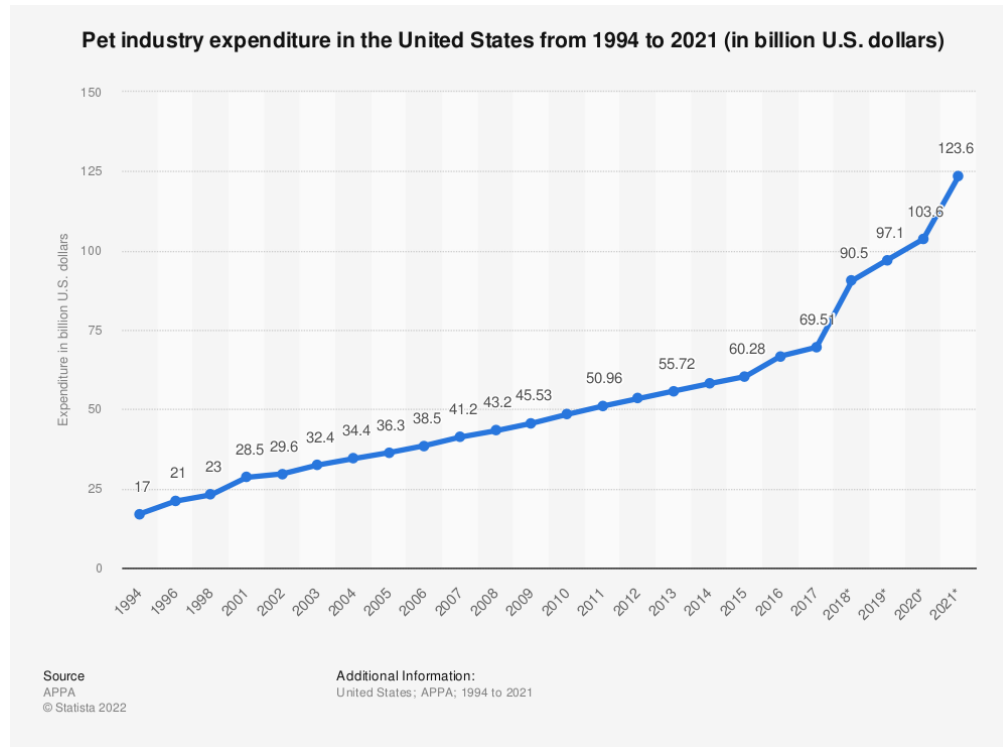
# **PET MARKET INSIGHTS**

## **July 2022**



# Pet Industry - a booming market

Triple growth  
from \$100  
billion to \$275  
billion by  
2030\*



## KEY DRIVERS:



New owners



Increased pet spending



Favorable demographics

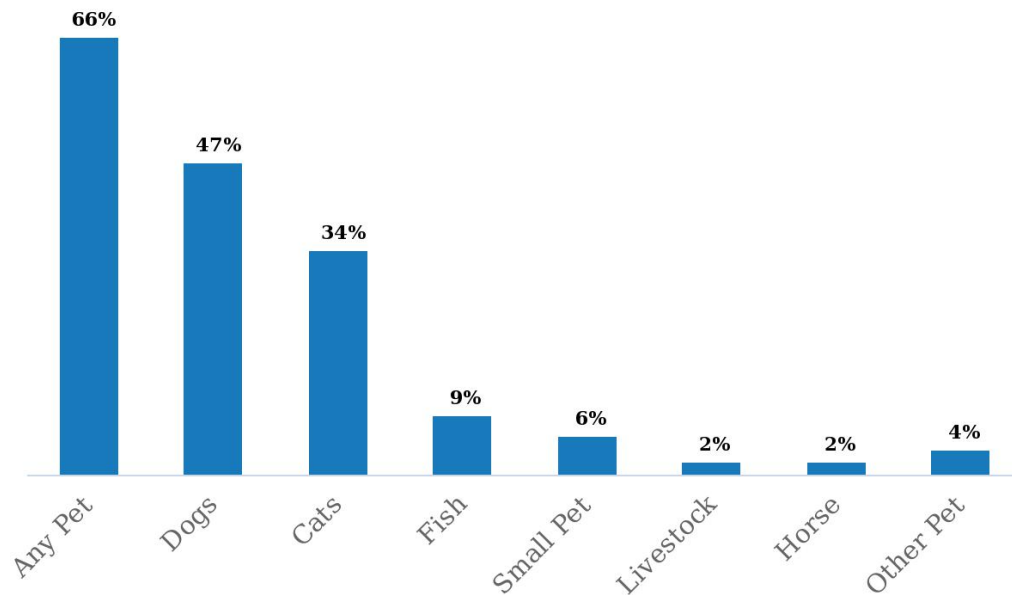
*It should be noted that the source used a new research methodology from 2018, therefore, direct comparisons to previous years should be avoided.*

\*Morgan Stanley Why Pets could be a longtail trend, april 7 2021



# New owners

Two thirds of U.S households have at least one pet



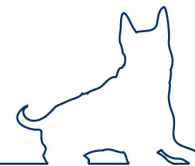
\*Source: AlphaWise, Morgan Stanley Research

\*\*APPA COVID-19 Pulse Study: Pet Ownership During The Pandemic Vol. 6 February 2022, page 2




69% of respondents "strongly agree" that their pets are important members of the family\*

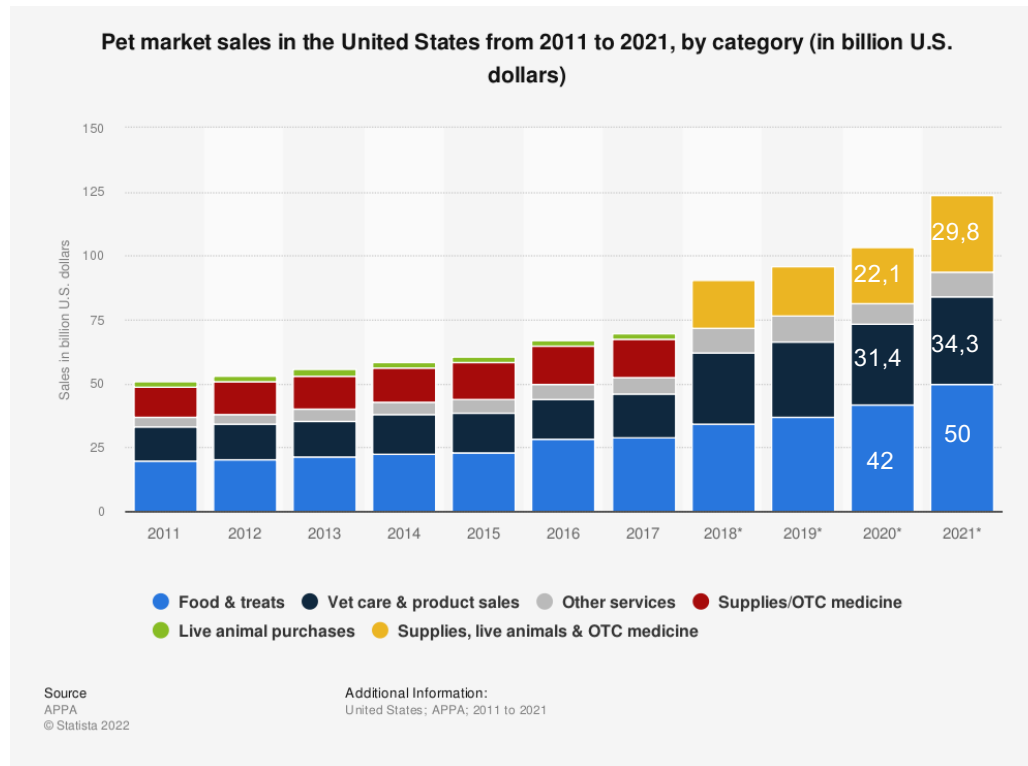
- In 2020 nearly **70%** of American households owned one or more pets - in comparison to 56% pet ownership rate in 1988
- Expected 14% increase in pet ownership by 2030
- The coronavirus pandemic has affected many industries in significant ways, including the pet industry. During a survey carried out in February 2022, 14 percent of respondents in the U.S reported acquiring a new pet - an increase of 4 percent compared to December 2020, when 10 percent of respondents reported getting a new pet\*\*.



SWEDENCARE

# Increased pet spending

 **45% of American pet owners spend the same amount of money or more on their pets' healthcare as they do on their own\*\***



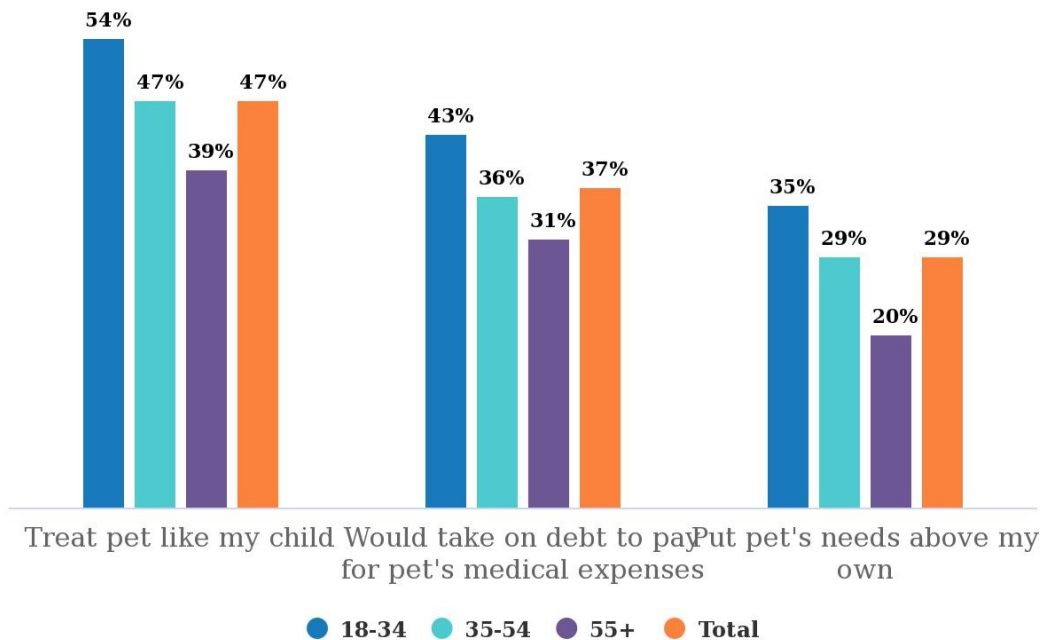
- US spending on pet care and products has seen an even greater rise over the past few decades, both overall and on a per capita basis
- Average annual expenses for a pet dog amount to about \$1,480. On cats, average annual expenses amount to roughly \$902\*\*\*
- Average annual household spending per pet could grow from \$980 in 2020 to \$1,292 by 2025 and expand further to \$1,909 by 2030\*
- Petcare spending can span many different categories, but animal health may be the most important. After food and treats, animal health is the biggest subsegment, and vet care could be the fastest growing subsegment in the industry over the next decade\*.

\*Morgan Stanley Research  
\*\*LendEDU  
\*\*\*APPA pet spending statistics

# Favorable demographics

Millennials

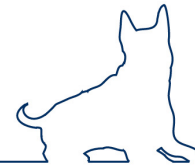
 More than half of millennial pet owners buy their pets gifts at least once a month\*\*



\*Source: AlphaWise, Morgan Stanley Research

\*\*APPA

- Millennials are the largest age group of pet owners in the US, with 32% of them owning at least one\*\*.
- 65% of 18- to 34-year-olds plan to acquire or add a pet in the next five years, helping drive what's expected to be a 14% increase in pet ownership by 2030\*
- Adults aged 18-34 seem more willing to spend a relatively high portion of income on pets vs older generations\*




# Top 5 trends in Pet Care

 **71% of pet owners consider their pets as family members**




## Humanisation

 Consumers are searching for treats which are close to human grade




## Premiumisation

 Pet parents are increasingly eager to provide their pets with high quality, expensive food and products




## Health & Wellness

 Increasing demand for functional and natural ingredients




## Sustainability

 Development of sustainability in packaging and ingredient selection



## Digitalisation

 Almost one third of consumers aged under 45 years buy products for their pets via their smartphone

Source: Euromonitor