

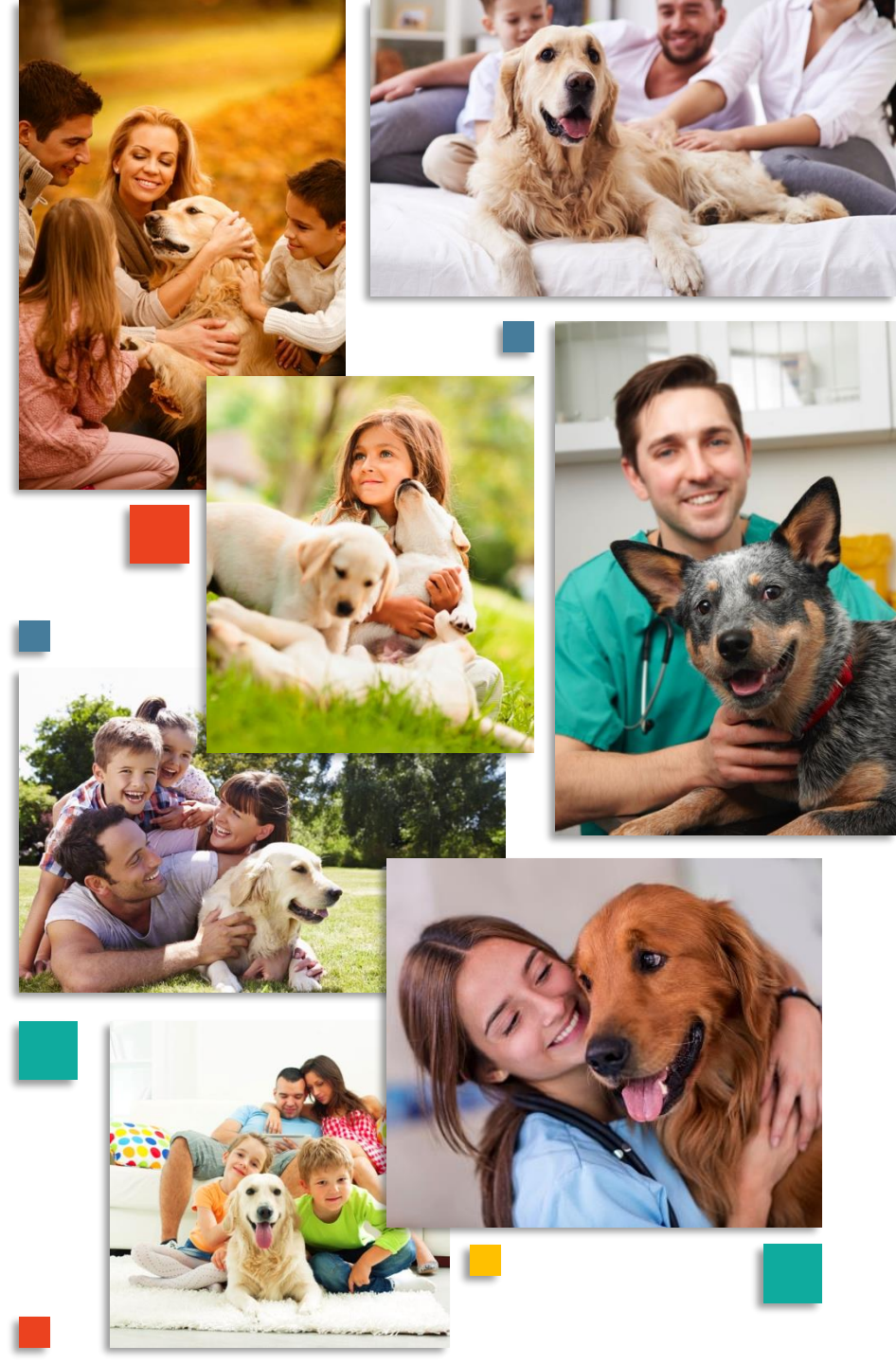


# Bank of America Animal Health Summit

February, 2020

**OUR MISSION:**

*To deliver a smarter way for pet parents to help their  
pets live their best lives through convenient access to  
affordable products and services.*



## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events, including statements regarding the proposed acquisition of VIP Petcare by PetIQ, the expected closing date of the acquisition and the potential benefits and synergies of the acquisition. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could" and similar expressions. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, our ability to successfully grow our business through acquisitions; our dependency on a limited number of customers; our ability to implement our growth strategy effectively; our ability to sustain profitability; competition from veterinarians and others in our industry; reputational damage to our brands; economic trends and spending on pets; the effectiveness of our marketing and trade promotion programs; recalls or withdrawals of our products or product liability claims; our ability to manage our manufacturing and supply chain effectively; disruptions in our manufacturing and distribution chains; our ability to introduce new products and improve existing products; our failure to protect our intellectual property; costs associated with governmental regulation; our ability to keep and retain key employees; and the risks set forth under the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2018 and other filings from time to time with the Securities and Exchange Commission.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Consequently, you should not place undue reliance on forward-looking statements.

This presentation includes certain non-GAAP financial measures, including adjusted gross profit, adjusted G&A, adjusted net income and Adjusted EBITDA. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of these measures to net income, the most directly comparable financial measure prepared in accordance with U.S. GAAP.

The Company does not provide outlook for net income, and similarly cannot provide a reconciliation between its 2019 adjusted EBITDA outlook and net income without unreasonable effort due to the unavailability of reliable estimates for certain reconciling items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.





## WHAT WE DO & WHY

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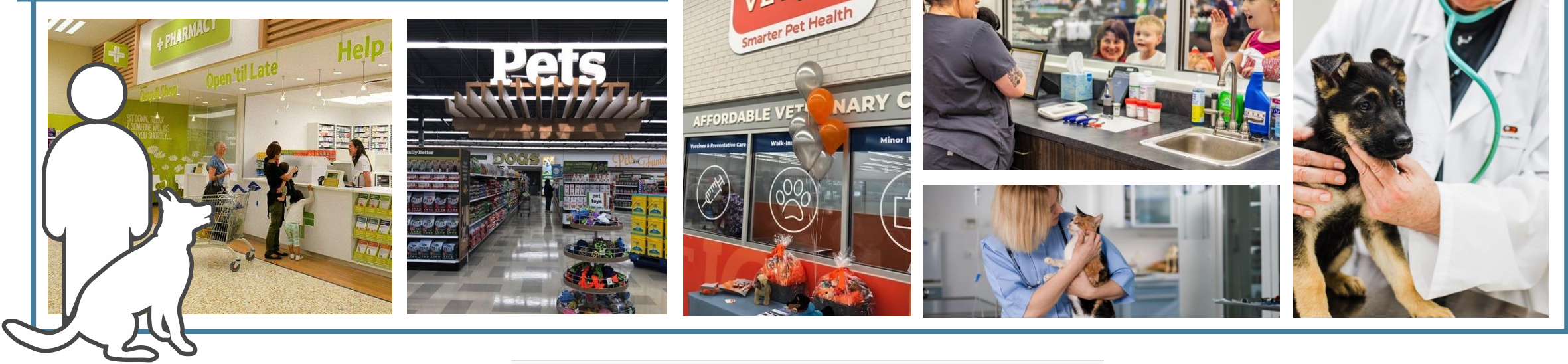
## TRADITIONAL VETERINARY CLINIC



VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS

# REDEFINING VETERINARY SOLUTIONS

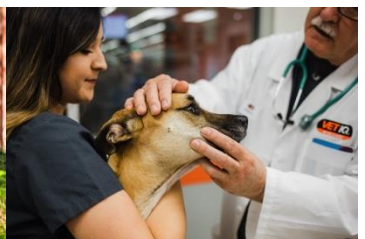
## RETAIL MARKETPLACE



**VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS**

**PET IQ** *Delivering a smarter way for pet parents to help their pets live their best lives through convenient access to affordable products and services.*

ATTRACTIVE  
**\$47.5 BILLION**  
ADDRESSABLE MARKET



Source: Packaged Facts, Competing for the PetCare Consumer, 2<sup>nd</sup> Edition, December 2, 2019



# COMPANY OVERVIEW

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# WE TAKE CARE OF PETS & HELP PET PARENTS SAVE MONEY

## VETERINARY SERVICES

\$ 28.5 Billion in 2019 \*

### **PET IQ** Veterinary Clinics

- Over 1,200,000 Pets served in 2019
- Retail Partners
- Mobile Community Clinics
- Wellness Centers
- **Opened 80 Wellness Centers in 2019**
- Plan to Open 1,000 Wellness Centers by 2023



## VETERINARY PET MEDICATIONS

\$ 9 Billion in 2019 \*

### **PET IQ** Distributed Product

- 500+ Distributed Medications
- Prescription and OTC
- Leading Animal Health Partner to Retailers
- Leading Partner to Animal Health Manufacturing
- 24 Hour Delivery to Any Pharmacy

### **PET IQ** Manufactured Product

- 780,000+ Square Feet of Our Own Facilities
- Over 1,200 Items Manufactured
  - Flea & Tick
  - Health & Wellness
  - Prescription Drug
  - Treats
- EPA/FDA Licensed
- SQF Certified



\* Package Facts, Veterinary Services in the US, 2000 – 2020



# WE PARTNER WITH TOP RETAILERS TO PROVIDE PRODUCTS AND SERVICES AT AFFORDABLE COSTS AND GREATER CONVENIENCE TO PET PARENTS

MASS / GROCERY	CLUB	PET SPECIALTY	E-COMMERCE	RETAIL PHARMACY
        	  	       	     	  

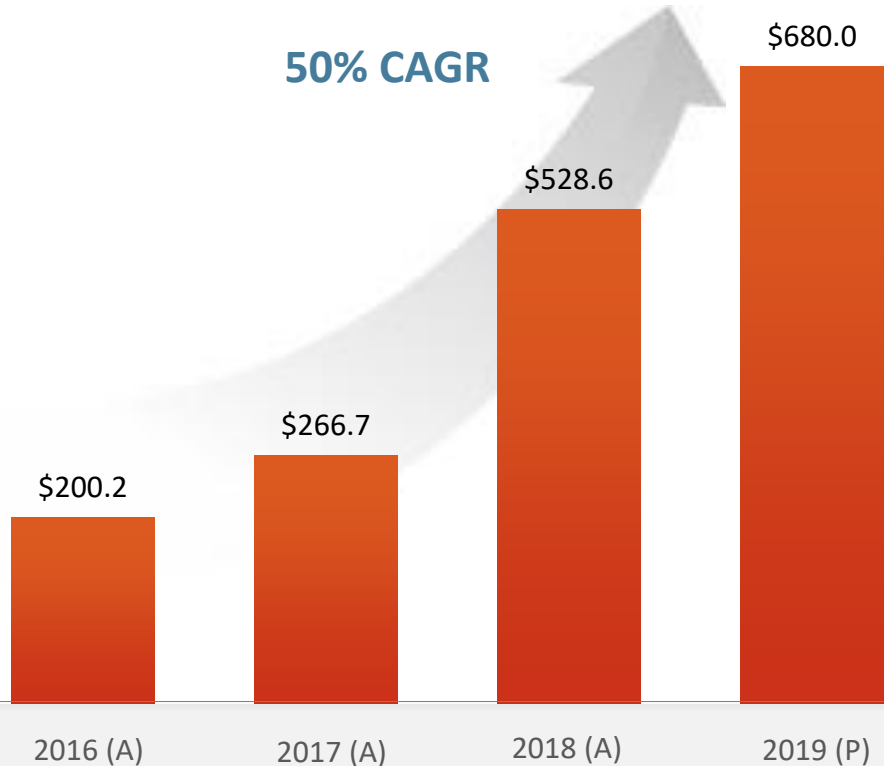
VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS

# GROWTH TRAJECTORY REMAINS INTACT

## ANNUAL NET SALES

(\$ IN MILLIONS)

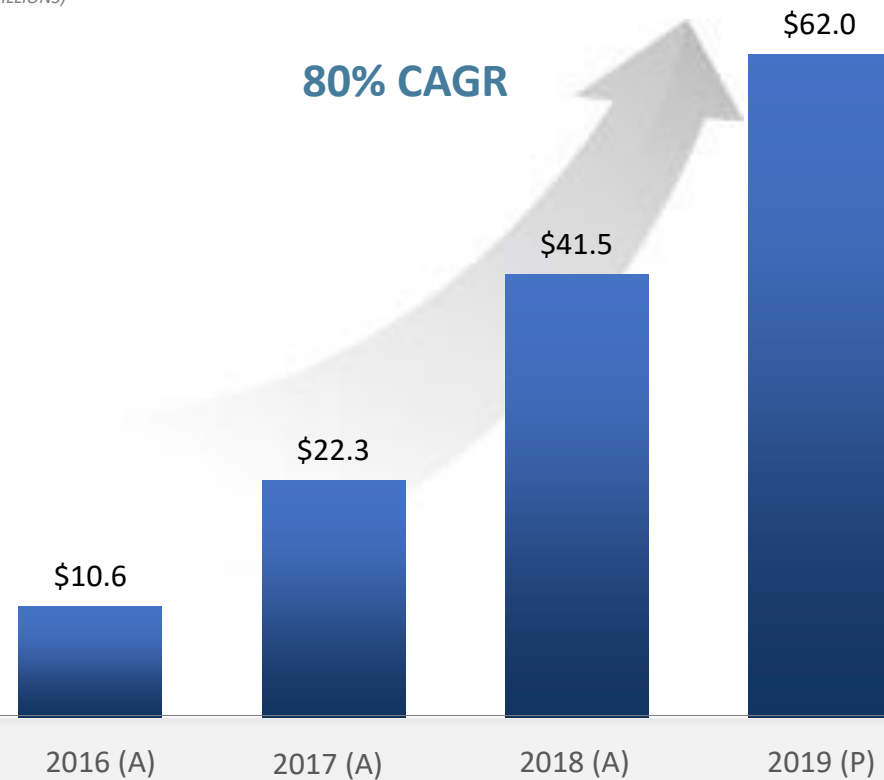
50% CAGR



## ANNUAL ADJ EBITDA <sup>1</sup>

(\$ IN MILLIONS)

80% CAGR



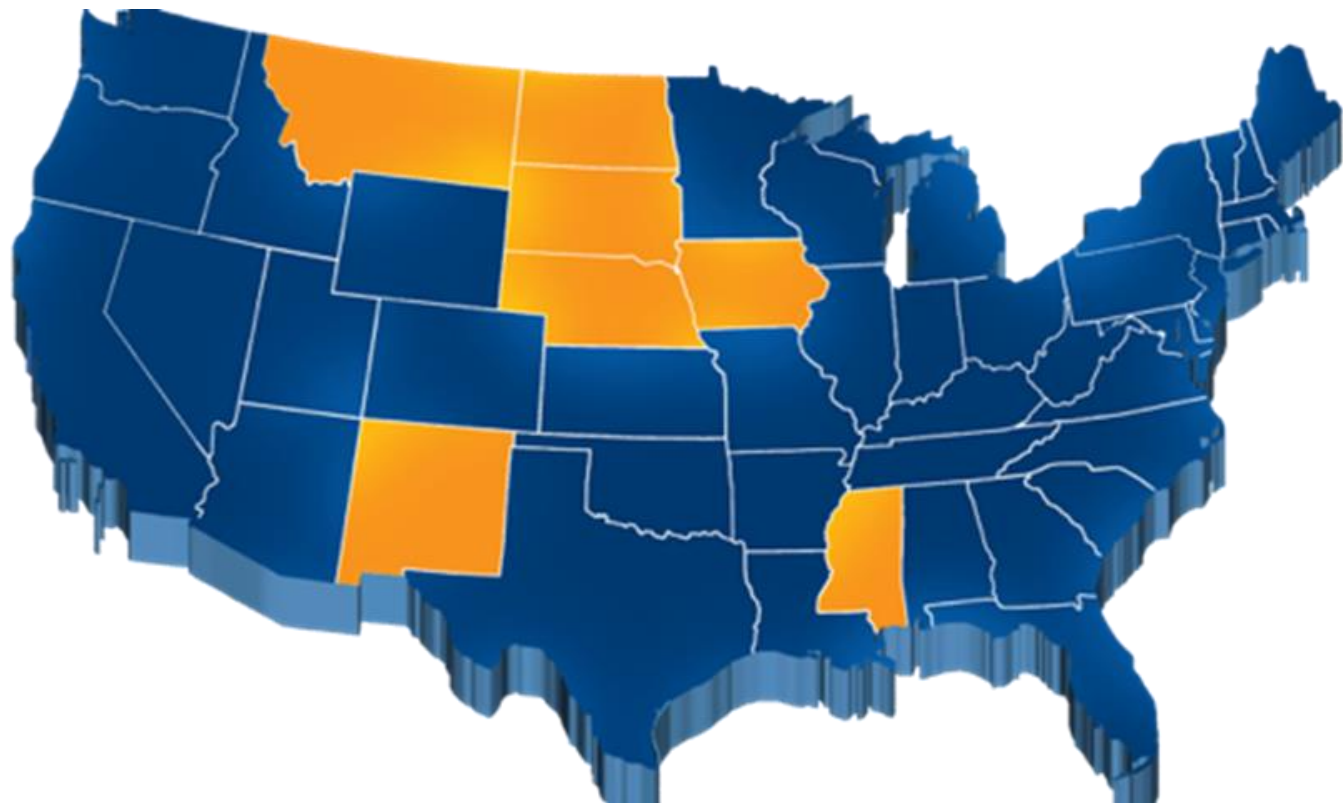
Notes: 1 - Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of the most comparable GAAP measure.



# SERVICES

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# NATIONWIDE INFRASTRUCTURE



**41**  
STATES



**+1.3M**  
PETS SERVED



**3,400**  
CLINIC  
LOCATIONS



**+1,000**  
EMPLOYEES



**250**  
PARTNERS



**+2,300**  
VETERINARIANS



**+70,000**  
MOBILE CLINICS



**100+**  
WELLNESS  
CENTERS



Where We Operate – CURRENT FOOTPRINT

**OPERATING VETERINARY CLINICS  
NEAR 90% OF THE U.S. POPULATION**

## POSITION IN THE MARKET

Service Provider	Footprint Coverage (States)	Multiple Partnerships	Top 20 US Pet Retailer	Non-Pet Retailers	Mobile Clinics	Wellness Centers
	41	✓	12	✓	✓	✓
BANFIELD PET HOSPITALS	44	✗	1	✗	✗	✓
NATIONAL VETERINARY ASSOCIATES (NVA)	43	✗	0	✗	✗	✓
VCA ANIMAL HOSPITALS	43	✗	0	✗	✗	✓
VETCO ( PETCO )	32	✗	1	✗	✓	✓
SHOTVET	5	✓	2	✓	✓	✗
GOOD NEIGHBOR VET	3	✓	2	✓	✓	✗
PET PREVENTIVE CARE	3	✓	0	✗	✓	✓
VAXSMART	3	✓	1	✓	✓	✗
THRIVE	3	✗	1	✗	✗	✓
AFFORDABLE PET VACCINES	2	✓	0	✓	✓	✓
EZ VET	2	✗	1	✗	✗	✓
PETSTOP	2	✓	0	✓	✓	✗
ESSENTIALS PETCARE	2	✗	1	✓	✗	✓
VACCINATION STATION	1	✓	0	✓	✓	✗

# OUR VETERINARY SERVICE FOOTPRINT

## COMMUNITY CLINICS: OUR MOBILE MODEL



- Legacy Business Had Double-Digit Growth in 2019
- Over 70K Clinics Held in 2019
- Over 20% Adjusted EBITDA Margin Enabler
- Saw over 1M pets in 2019

## WELLNESS CENTERS: OUR STATIC MODEL



- Growth vehicle to treat 8M pets by 2023
- First 34 Clinics Completed in 2018
- 80 New Wellness Centers Opened in 2019
- EBITDA Acceleration Achieved with Conversion Clinics

# OUR PLAN: BUILD 1000 WELLNESS CLINICS BY 2023

# CONVERSION CLINICS: TURNING COMMUNITY CLINICS INTO WELLNESS CENTERS

We Succeed When We Convert Community Clinics To Wellness Centers



The Pet Owner



The Community



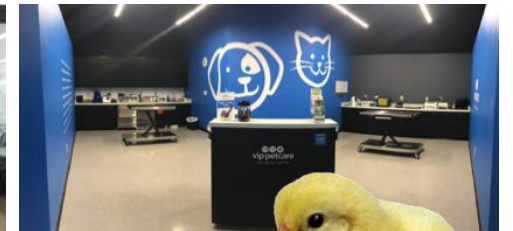
The Location



Services

Learnings Are Captured & Optimized

Learnings Are Used To Customize The Centers To The Community

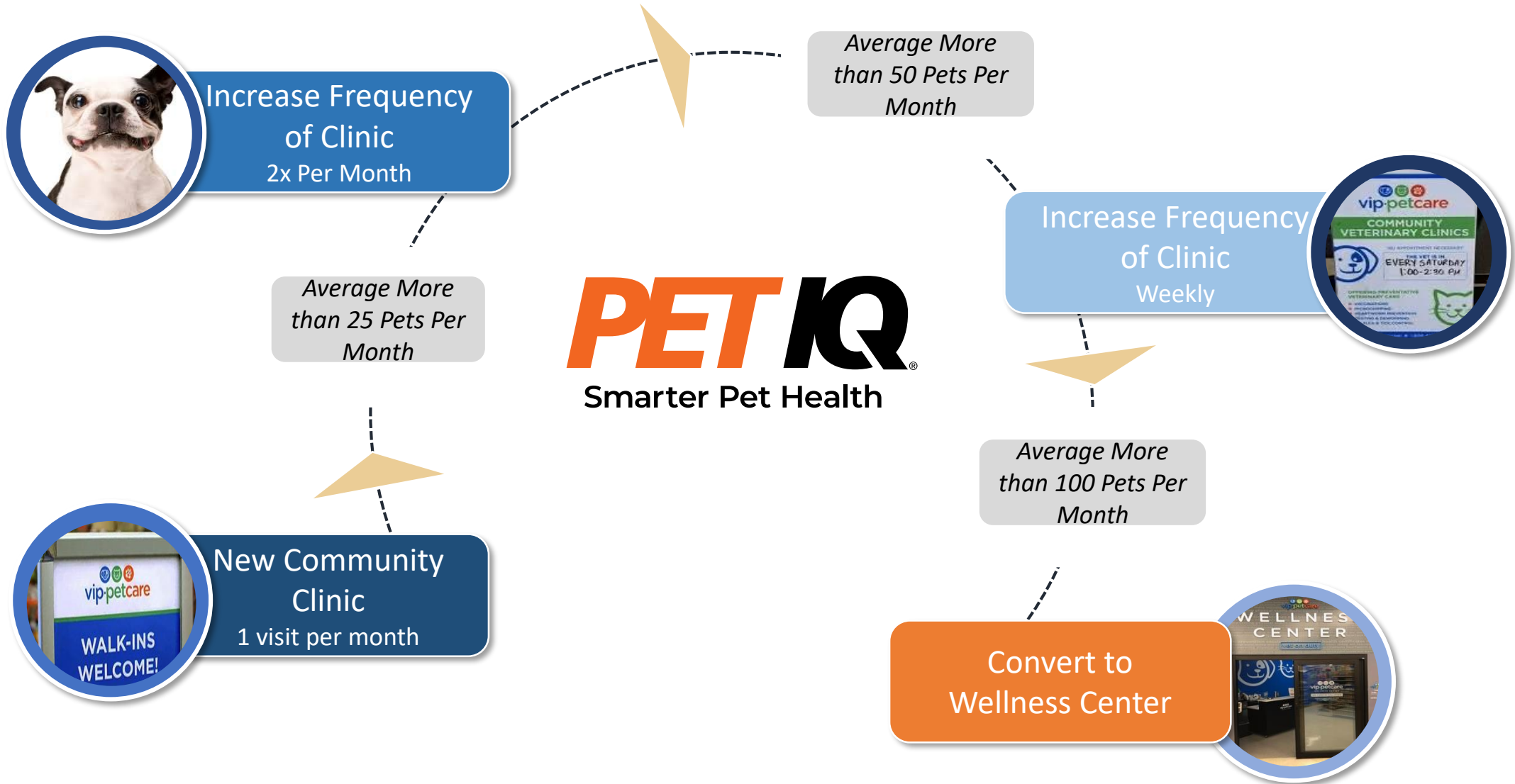


WELLNESS CENTERS



MOBILE CLINICS

# OUR CONVERSION MODEL IS OUR COMPETITIVE ADVANTAGE





# OUR LAUNCH MODEL IS PROVEN SCALABLE



## Pre-Launch (-3 to 0 Months)

## Launch (0 to 3 Months)

## Post-Launch (3 to 18 Months)

### CONSTRUCTION

### DIGITAL MARKETING

### OVERALL MARKETING CAMPAIGNS

### STAFFING & TRAINING

VetIQ Wellness Center Now Open | Located in Fairfield  
[www.vetiqpetcare.com/now-open](http://www.vetiqpetcare.com/now-open)  
 Offering Affordable and Convenient Pet Care at Our Walk-In Wellness Center. Now Open!  
 Routine Care • Comprehensive Pet Wellness • No Appointment Necessary  
 Service catalog: Vaccine Packs, Puppy Vaccines, Kitten Vaccines, Lab Work, Microchipping, Vaccination...

<b>Dog Services and Pricing</b> Routine Care and Minor Illnesses: Vaccines, Lab Work, and Microchips.	<b>Vet IQ FAQ</b> Find Answers to Your Questions Contact Our HelpDesk
<b>Cat Services and Pricing</b> Routine Care and Minor Illnesses: Vaccines, Lab Work, and Microchips.	<b>About Us</b> Care from Licensed Professionals No Appointment Necessary

### SOFT OPEN

### GRAND OPENING

### October is Pet Wellness Month!

There's no better way to celebrate than to treat your pet to a healthy, happy lifestyle.

Stop in to any VIP Petcare Wellness Center or Community Clinic and receive \$10 off a wellness package\* or vaccine package, plus get a free bandana.\*\*

**GET VOUCHER**

\*Only available at Wellness Centers  
 \*\*With purchase of a wellness package or vaccine package, while supplies last

Connect With Us:

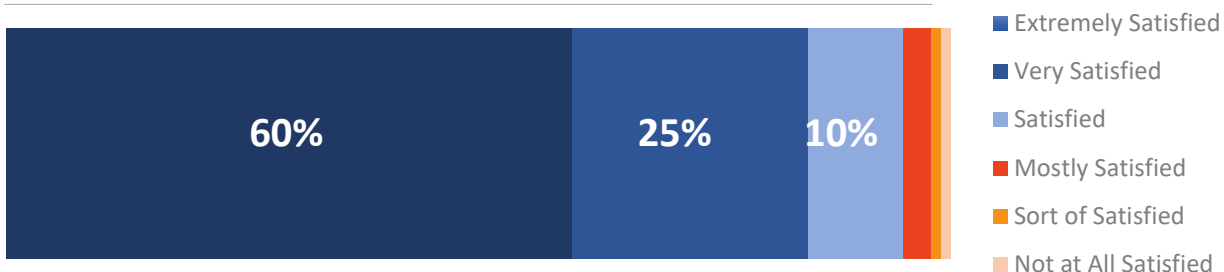
Services Locations My Records  
[helpdesk@vipetcare.com](mailto:helpdesk@vipetcare.com) or call us 1.800.427.7973

VIP Petcare®, 5813 Skyline Blvd., Windsor, CA 95492, United States  
 Unsubscribe Manage preferences

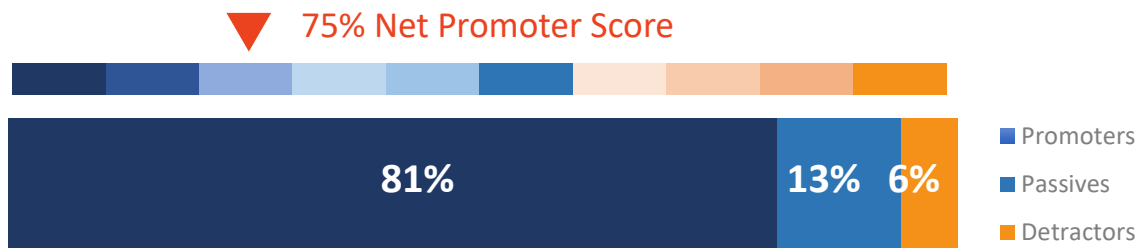
# AND OUR PET OWNERS HAVE TOLD US, WE DO IT VERY WELL

## And Doing it Well

Customer satisfaction is very high



## Best in Class Promoter Scores



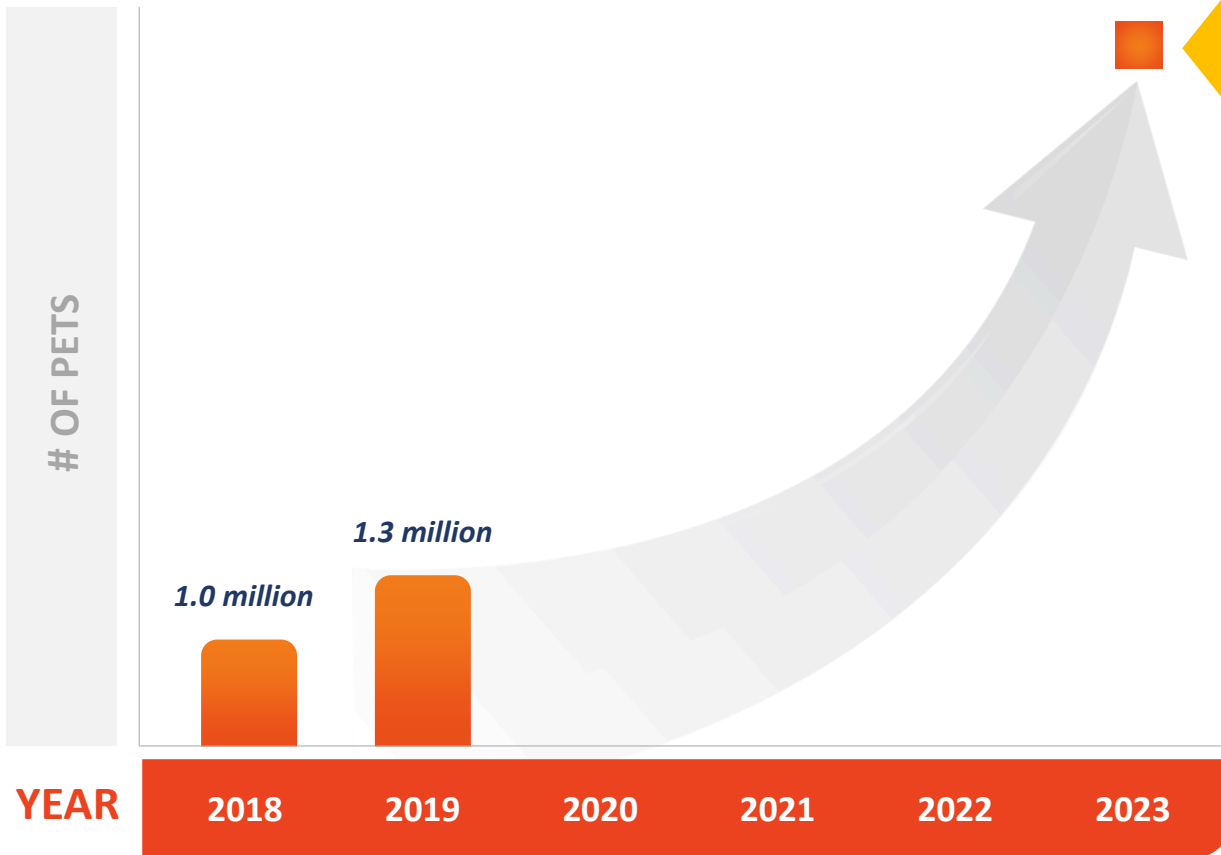
Cost considerations and walk-in ability are mentioned by the majority of pet owners as reasons to visit a PetIQ location over a traditional vet.

## Reasons to Visit Rig/Wellness Center

	MORE COST EFFECTIVE	NO APPOINTMENT NEEDED
Mobile Rig (n=248)	81%	77%
Wellness Center (n=453)	76%	74%
Total (n=701)	76%	74%

Source: VIP Customer Profiling Market Research, Market Vision Research, December, 2019.

# FORECASTED PET GROWTH 2018 - 2023



**6 MILLION PETS**





# PRODUCTS

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# OUR PRODUCTS REACH PET PARENTS WHERE THEY CHOOSE TO PURCHASE

## VETERINARY CLINICS



## OTC

- 1200+ items
- 40+ Retail Partners
- 60,000+ Points of Distribution
- Leading Animal Health Partner to Retailers & Manufacturers

## PRESCRIPTION

- 500+ Distributed Medications
- 24 Hour Delivery to Any Pharmacy
- Leading Partner to Animal Health Manufacturing



# STATE OF THE ART OTC MANUFACTURING & DISTRIBUTION FACILITIES

- 780,000+ Square Feet of Our Own Facilities
- Over 1,200 Items Manufactured
  - Flea & Tick
  - Health & Wellness
  - Prescription Drug
  - Treats
- EPA/FDA Licensed
- SQF Certified



## **PETIQ UTAH**

1375 N. Mountain Springs Pkwy  
Springville, Utah 84663  
sqft - 240,000



## **PETIQ FLORIDA**

530 Fentress Blvd  
Daytona Beach, Florida 32114  
sqft - 142,900



## **PETIQ TEXAS**

3601 E Plano Parkway, Suite 150  
Plano, Texas 75074  
sqft - 60,000



## **PETIQ NEBRASKA**

10077 S 134th St  
Omaha, Nebraska 6813  
sqft - 60,000



## RECENT ACQUISITIONS TO FUEL OUR GROWTH STRATEGY



- Closed acquisition 7-8-2019
- State of the art Animal Health Manufacturing Facility
- On track for \$3MM in cost synergies for 2020
- On track to grow +15% in 2020
- Strong Brand Portfolio: Pet Armor and Sergeants
- Margin enhancer, high margin portfolio



**CAPSTAR®**  
(NITENPYRAM)

- Signed Definitive Agreement 1-12-2020 to acquire brands, registrations, and all rights to Capstar portfolio for the USA
- Deal subject to FTC Consent Decree: PetIQ is an acceptable buyer and not contingent on approval of the Bayer transaction
- \$95MM purchase price, financed cash and debt within our existing credit facility
- #1 Oral OTC Flea Treatment in the USA
- Highest gross margin items in the company

# CONTINUED GROWTH OF VETERINARY PRODUCTS VOLUME

## SOURCES OF GROWTH



**MORE AFFORDABLE OPTIONS FOR PET OWNERS**





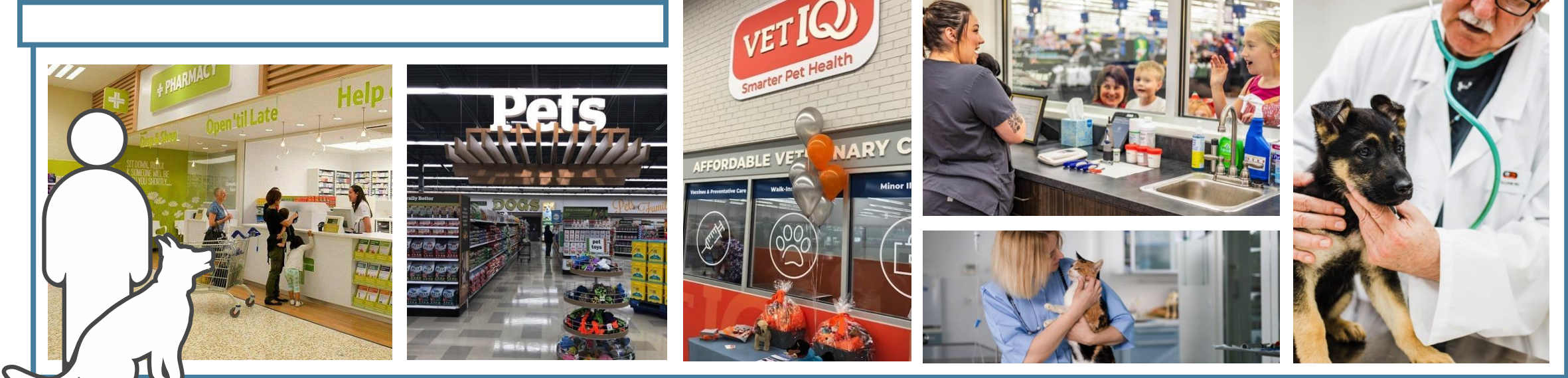


# SMARTER PET HEALTH

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# REDEFINING VETERINARY SOLUTIONS

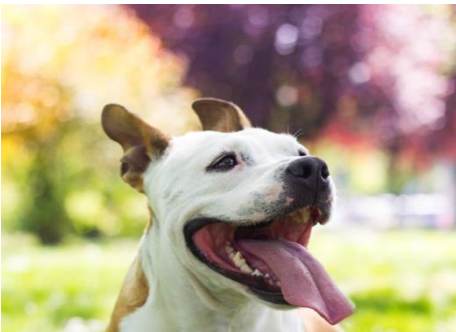
## RETAIL MARKETPLACE



**VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS**



*Delivering a smarter way for pet parents to help their pets live their best lives through convenient access to affordable products and services.*



**PETS**

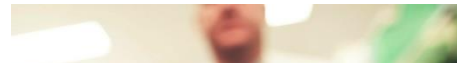


**PET PARENTS**

# CREATING VALUE THROUGH SMARTER PET HEALTH



**SHAREHOLDERS**



**RETAILERS**



**MANUFACTURERS**



**WE ARE**  
**PET IQ**<sup>®</sup>  
Smarter Pet Health

