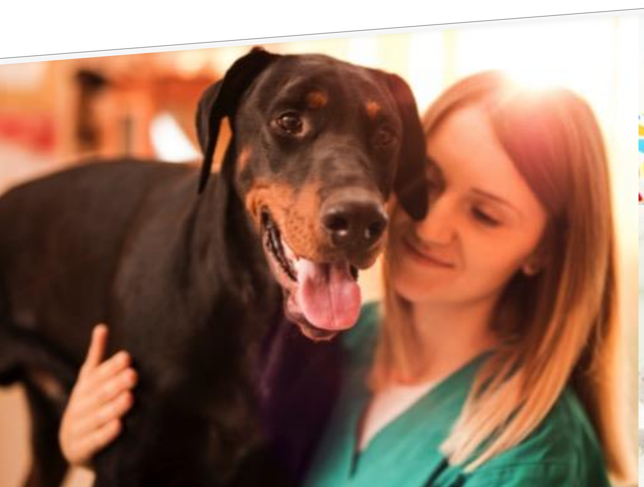


SECOND QUARTER 2019 EARNINGS PRESENTATION

AUGUST 7, 2019



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.

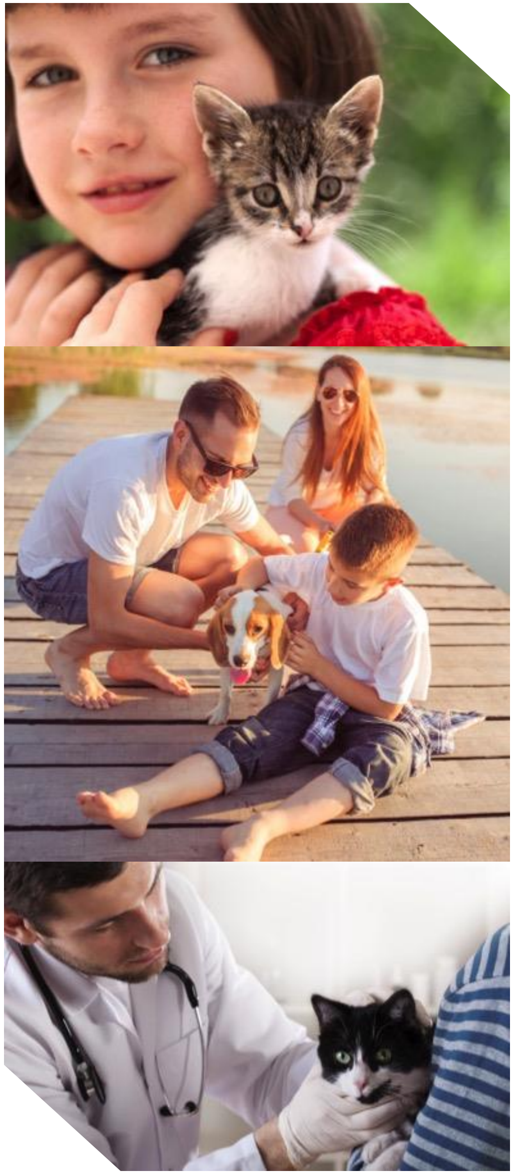
The Company does not provide outlook for net income, and similarly cannot provide a reconciliation between its 2019 adjusted EBITDA outlook and net income without unreasonable effort due to the unavailability of reliable estimates for certain reconciling items. These items are not within the Company's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

OUTLINE

- RESULTS OVERVIEW
- GAAP FINANCIALS
- GROSS PROFIT ADJUSTMENTS
- G&A ADJUSTMENTS
- 2019 OUTLOOK AND LONG TERM TARGETS
- APPENDIX

PRESENTERS

Cord Christensen, CEO
John Newland, CFO



RECENT PETIQ FINANCIAL HIGHLIGHTS

SECOND QUARTER 2019 RESULTS COMPARED TO PRIOR YEAR PERIOD

- Net sales were **$220.6 million**, an increase of **28.9%** year-over-year
- Net Income was **$5.9 million** compared to $5.4 million
    - Net Income includes a $1.5 million fair value adjustment on a contingent note in 2Q19 and $0.5 million in 2Q18
- Adjusted Net Income was **$15.8 million**[1] compared to $10.8 million, an increase **46.0%** year-over-year
- Adjusted EBITDA was **$20.8 million**[1] compared to $16.1 million, an increase of **29.7%** year-over-year

SECOND QUARTER 2019 SEGMENT RESULTS

- Product sales were **$194.6 million**, an increase of **30.9%** year-over-year
- Service revenue was **$26.0 million**, compared to $22.4 million in the prior year period, an increase of **14%**.
- Product operating income of **$20.2 million**, compared to $16.2 million, an increase of **25.2%**.
- Services operating income of **$4.4 million**, compared to $2.0 million, and increase of **125%**.

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

RECENT PETIQ FINANCIAL HIGHLIGHTS

SECOND QUARTER 2019 HIGHLIGHTS

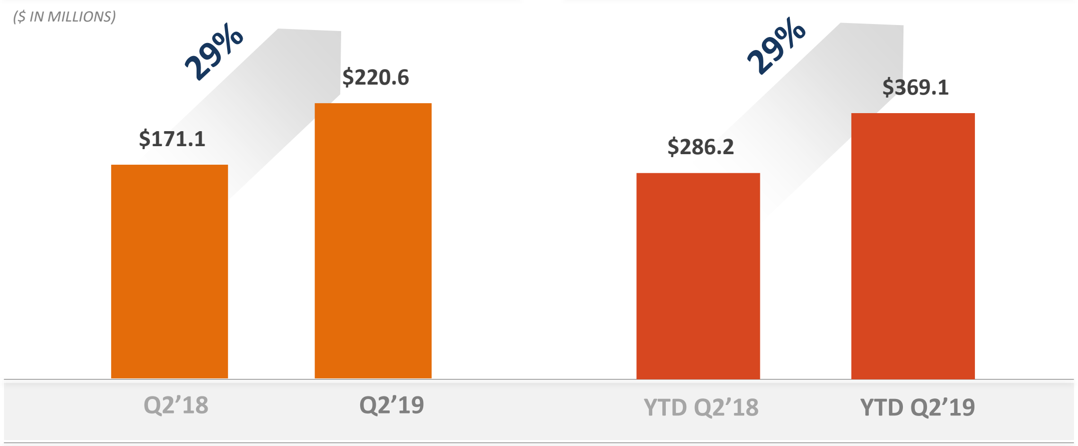
- Opened 7 wellness centers for a total of 41 in operation
- Continued integration and expansion plans with VIP in Services Segment. Company remains on track to open 80 new wellness centers in 2019.
- Cash and cash equivalents of **$36.6 million** with total liquidity of **$106.4** million.

SUBSEQUENT EVENTS

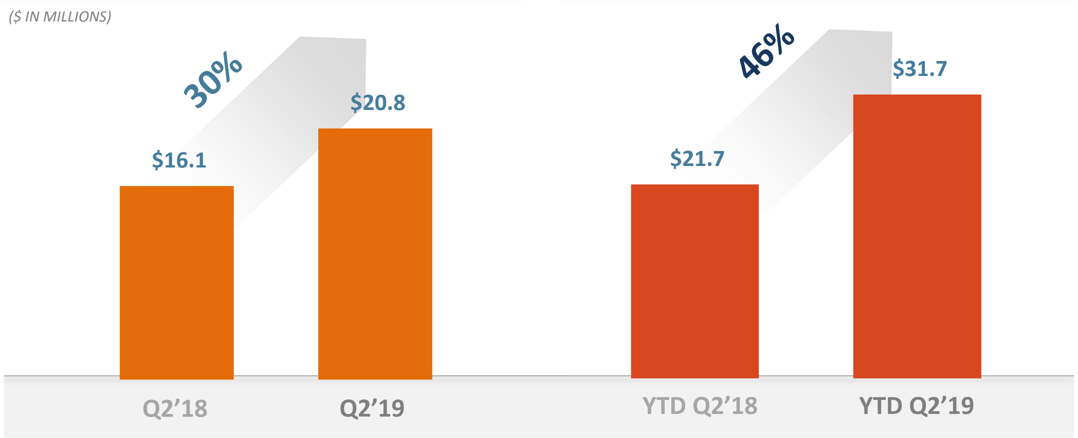
- On July 8, 2019, the Company completed the acquisition of Perrigo Animal Health for total consideration of $185 million.
- The transaction was financed through a combination of $25 million of existing cash on hand, $145 million of new term loan financing from Ares Capital Management, with the remaining balance financed through PetIQ's existing revolving credit facility with East West Bank. PetIQ was able to improve amend its terms, reducing the interest rate by 75 basis points.

SECOND QUARTER 2019 RESULTS

NET SALES



ADJUSTED EBITDA[1]



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

FINANCIAL PERFORMANCE

CONSOLIDATED STATEMENT OF OPERATIONS

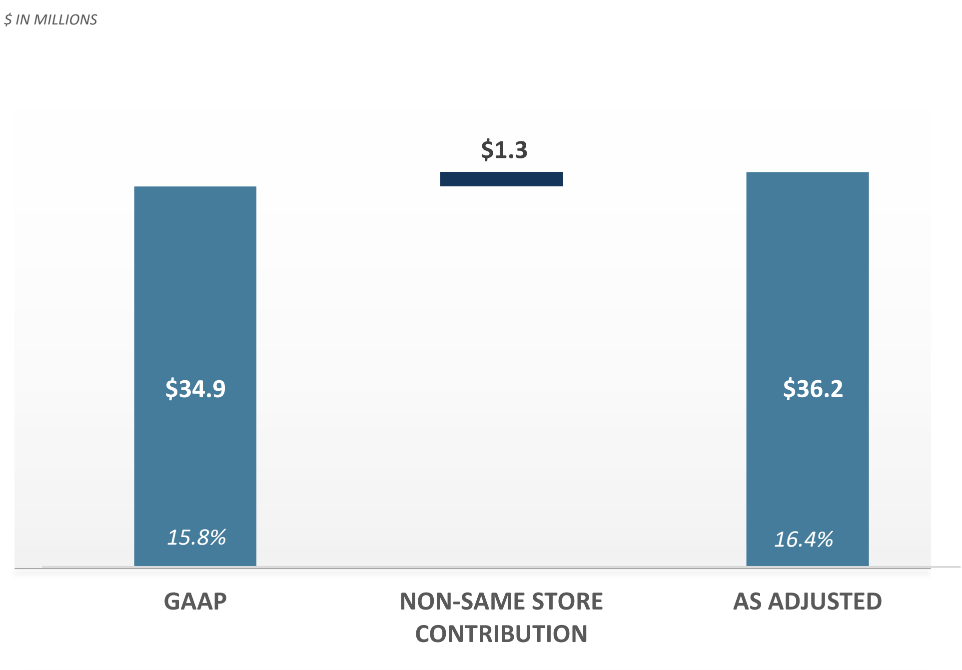
	THREE MONTHS ENDED		SIX MONTHS ENDED	
$ IN MILLIONS	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2019	JUNE 30, 2018
PRODUCT SALES	$194.6	$148.7	$320.7	$246.6
SERVICE REVENUE	$26.0	$22.4	$48.4	$39.6
TOTAL NET SALES	**$220.6**	**$171.1**	**$369.1**	**$286.2**
COST OF PRODUCT SOLD	$167.8	$127.6	$275.9	$212.2
COST OF SERVICES	$17.9	$17.2	$33.5	$31.8
TOTAL COST OF SALES	**$185.7**	**$144.8**	**$309.4**	**$244.0**
GROSS PROFIT	**$34.9**	**$26.3**	**$59.6**	**$42.2**
GROSS PROFIT AS % OF NET SALES	*15.8%*	*15.4%*	*16.2%*	*14.7%*
G&A	$24.5	$16.9	$45.0	$35.9
G&A AS % OF NET SALES	*11.1%*	*9.9%*	*12.2%*	*12.5%*
CONTINGENT NOTE	$1.5	$0.5	$0.8	$0.6
OPERATING INCOME	**$9.0**	**$8.9**	**$13.9**	**$5.7**
TAX & OTHER EXPENSES	($3.1)	($3.5)	($5.6)	($4.3)
NET INCOME (LOSS)	**$5.9**	**$5.4**	**$8.2**	**$1.4**
ADJUSTED EBITDA*	**$20.8**	**$16.1**	**$31.7**	**$21.7**

Notes: * Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure

ADJUSTED GROSS PROFIT*

FOR THE QUARTER ENDED JUNE 30, 2019

GROSS PROFIT



RESULTS PERFORMANCE

The Company reported adjusted Gross Profit of $36.2M, an increase of **$7.8M** compared to 2Q18. Adjustments from GAAP gross profit to adjusted gross profit include:

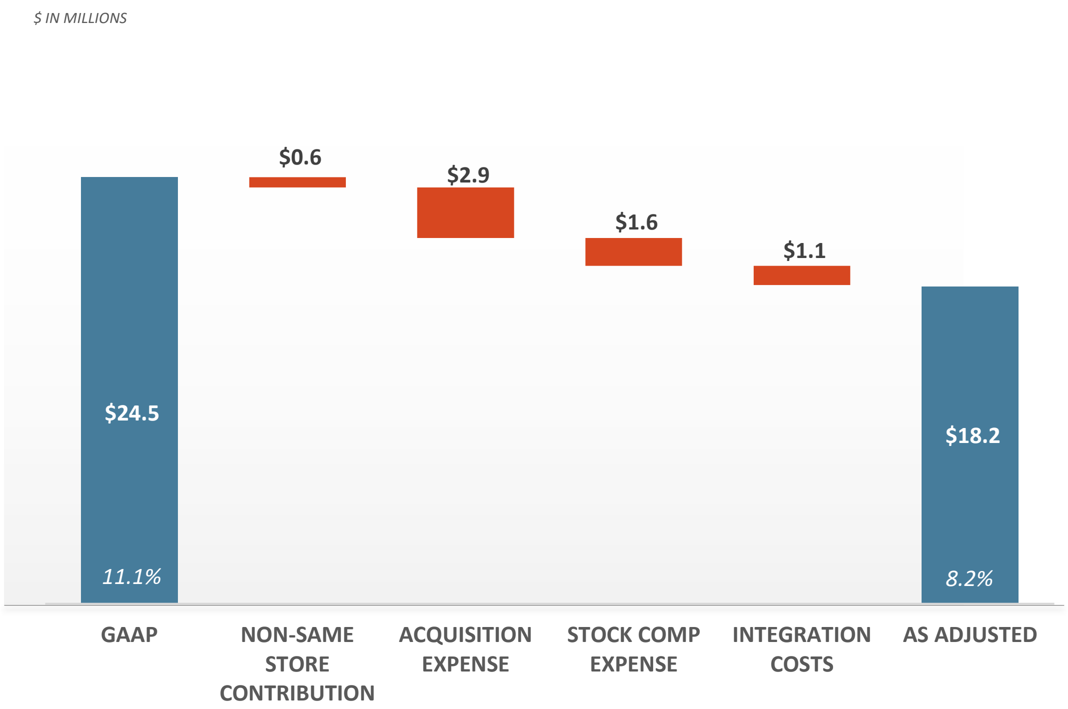
- **NON SAME STORE CONTRIBUTION**
  Adjustment includes net of revenue of $2.2M and costs of $3.4M associated with operating retail service locations that have been open less than 6 full quarters.

Notes: * Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of adjusted gross profit to gross profit, the most comparable GAAP measure

ADJUSTED G&A*

FOR THE QUARTER ENDED JUNE 30, 2019

G&A



RESULTS PERFORMANCE

Adjusted G&A was **$18.2 million**, representing improvements as a percent of sales of **~80bps** vs. 2Q18. Amortization expense related to the purchase of VIP was **$1.2 million.** Adjustments from GAAP G&A to Adjusted G&A include:

- **NON-SAME STORE G&A**
  Adjustment outlines expenses associated with operating wellness centers, regional offices, and host partner clinics that have been open less than 6 full quarters.
- **ACQUISITION EXPENSE**
  Adjustment includes expenses associated with the purchase of Perrigo Animal Health including items such legal and tax services
- **STOCK COMPENSATION EXPENSE**
  Expenses associated with employee and director equity awards
- **INTEGRATION EXPENSE**
  Represent costs related to integrating the acquired businesses

Notes: * See the Appendix of this presentation for a reconciliation of Adjusted G&A to General and administrative expenses, the most comparable GAAP measure

RAISING 2019 OUTLOOK

FY2019 – PetIQ Standalone		FY2019 – PetIQ + Perrigo		2023 Growth Targets	
Net Sales	$650M +	Net Sales	$680M +	Net Sales Growth	15% +
Adjusted EBITDA*	$56M +	Adjusted EBITDA*	$62M +	Adjusted EBITDA Growth*	20% +
Wellness Center Locations	80 Openings			Adjusted EBITDA Margin*	15%
				Wellness Center Locations	1,000

Notes: * Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure

APPENDIX

PETIQ

ADJUSTED GROSS PROFIT RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 6/30/2019	THREE MONTHS ENDED 6/30/2018	SIX MONTHS ENDED 6/30/2019	SIX MONTHS ENDED 6/30/2018
GROSS PROFIT	**34,900**	26,318	**59,630**	42,201
PLUS:				
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	—	—	—	1,502
NON SAME-STORE GROSS LOSS	**1,255**	1,352	**2,690**	1,519
ADJUSTED GROSS PROFIT	**36,155**	27,670	**62,320**	45,222

ADJUSTED G&A EXPENSE RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 6/30/2019	THREE MONTHS ENDED 6/30/2018	SIX MONTHS ENDED 6/30/2019	SIX MONTHS ENDED 6/30/2018
GENERAL AND ADMINISTRATIVE EXPENSES	**24,450**	16,943	**44,988**	35,911
LESS:				
ACQUISITION COSTS	**2,889**	151	**3,465**	3,366
STOCK BASED COMPENSATION EXPENSE	**1,602**	756	**3,146**	1,454
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	**1,142**	385	**1,142**	756
NON SAME-STORE GENERAL AND ADMINISTRATIVE EXPENSES	**634**	—	**935**	—
ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES	**18,183**	15,651	**36,300**	30,335

ADJUSTED NET INCOME RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 6/30/2019	THREE MONTHS ENDED 6/30/2018	SIX MONTHS ENDED 6/30/2019	SIX MONTHS ENDED 6/30/2018
NET INCOME	**5,918**	5,398	**8,244**	1,441
PLUS:				
ACQUISITION COSTS	**2,889**	151	**3,465**	3,366
TAX EXPENSE	**881**	1,020	**1,381**	(47)
STOCK BASED COMPENSATION EXPENSE	**1,602**	756	**3,146**	1,454
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	—	—	—	1,502
NON SAME-STORE REVENUE	**(2,155)**	(1,082)	**(3,671)**	(1,303)
NON SAME-STORE COSTS	**4,044**	2,434	**7,296**	2,822
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	**1,460**	459	**780**	600
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	1,142	385	**1,142**	756
NEW CLINIC LAUNCH EXPENSES	—	846	—	1,211
NON-RECURRING ROYALTY SETTLEMENT	—	440	—	440
ADJUSTED NET INCOME	**15,781**	10,807	**21,783**	12,242

ADJUSTED EBITDA RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 6/30/2019	THREE MONTHS ENDED 6/30/2018	SIX MONTHS ENDED 6/30/2019	SIX MONTHS ENDED 6/30/2018
NET INCOME	**5,918**	5,398	**8,244**	1,441
PLUS:				
TAX EXPENSE (BENEFIT)	**881**	1,020	**1,381**	(47)
DEPRECIATION	**1,529**	1,780	**3,183**	3,030
AMORTIZATION	**1,278**	1,257	**2,557**	2,397
INTEREST	**2,242**	2,216	**4,179**	3,981
EBITDA	**11,848**	11,671	**19,544**	10,802
ACQUISITION COSTS	**2,889**	151	**3,465**	3,366
STOCK BASED COMPENSATION EXPENSE	**1,602**	756	**3,146**	1,454
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	—	—	**—**	1,502
NON SAME-STORE REVENUE	**(2,155)**	(1,082)	**(3,671)**	(1,303)
NON SAME-STORE COSTS	**4,044**	2,434	**7,296**	2,822
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	**1,460**	459	**780**	600
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	1,142	385	**1,142**	756
NEW WELLNESS CENTER LAUNCH EXPENSES	—	846	**—**	1,211
NON-RECURRING ROYALTY SETTLEMENT	—	440	**—**	440
ADJUSTED EBITDA	**20,830**	16,060	**31,702**	21,650

SEGMENT FINANCIAL INFORMATION

$ IN MILLIONS	THREE MONTHS ENDED JUNE 30, 2019			
	PRODUCTS	SERVICES	CORPORATE	CONSOLIDATED
NET SALES	194,606	26,028	-	220,635
OPERATING INCOME (LOSS)	20,227	4,394	(15,631)	8,990
INTEREST EXPENSE	-	-	(2,242)	(2,242)
FOREIGN CURRENCY LOSS, NET	-	-	49	49
OTHER INCOME, NET	-	-	2	2
DEPRECIATION EXPENSE	429	520	580	1,529
AMORTIZATION EXPENSE	-	-	1,278	1,278

$ IN MILLIONS	SIX MONTHS ENDED JUNE 30, 2019			
	PRODUCTS	SERVICES	CORPORATE	CONSOLIDATED
NET SALES	320,690	48,380	-	369,071
OPERATING INCOME (LOSS)	33,316	7,410	(26,865)	13,861
INTEREST EXPENSE	-	-	(4,179)	(4,179)
FOREIGN CURRENCY LOSS, NET	-	-	(73)	(73)
OTHER INCOME, NET	-	-	15	15
DEPRECIATION EXPENSE	982	1,045	1,156	3,183
AMORTIZATION EXPENSE	-	-	2,557	2,557

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