

PETIQ

AFFORDABLE PET CARE

April 2, 2018



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 ability to integrate, manage and expand VIP's business; our dependency on a limited number of customers; our ability to implement our growth strategy effectively; our ability to achieve or sustain profitability; competition from veterinarians and others in our industry; our ability to successfully grow our business through acquisitions; our ability to integrate, manage and expand VIP's business; 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, 2017.

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, including the VIP Petcare transaction and its potential impact, 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 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 Adjusted EBITDA to net income, the most directly comparable financial measure prepared in accordance with U.S. GAAP.

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

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AGENDA

Business Overview

Veterinary Clinic Information

Pro Forma Review

2018 and Beyond

Questions and Answers

presenters

Cord Christensen, CEO
John Newland, CFO

CORD CHRISTENSEN

CHIEF EXECUTIVE OFFICER

BUSINESS OVERVIEW

RECENT PETIQ FINANCIAL HIGHLIGHTS

FOURTH QUARTER 2017 COMPARED TO PRIOR YEAR

- Net sales were **$51.9 million**, an increase of **15.6% year-over-year**
- Net loss was **$3.4 million**
- Adjusted EBITDA increased **$2.0 million** to **$3.6 million***

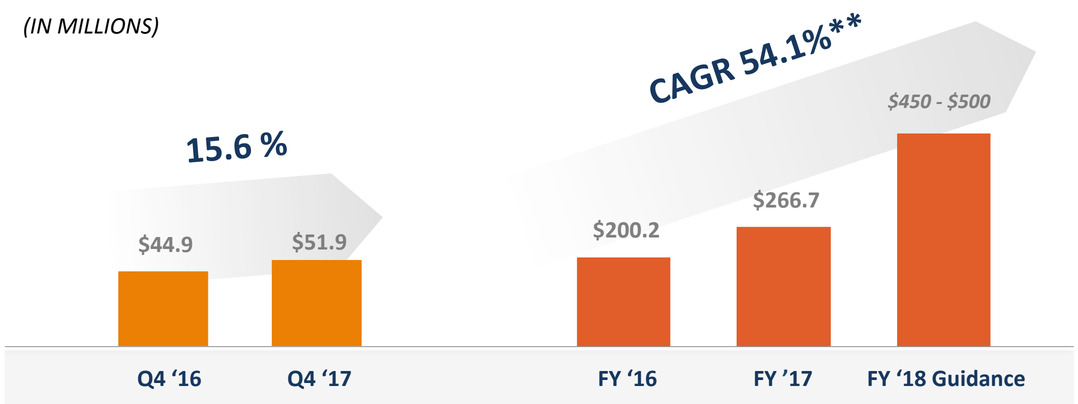
FULL YEAR 2017 COMPARED TO PRIOR YEAR

- Net sales were **$266.7 million**, an increase of **33.2% year-over-year**
- Net income increased **$11.2 million** to **$7.8 million**
- Adjusted EBITDA increased **$11.7 million** to **$22.3 million***

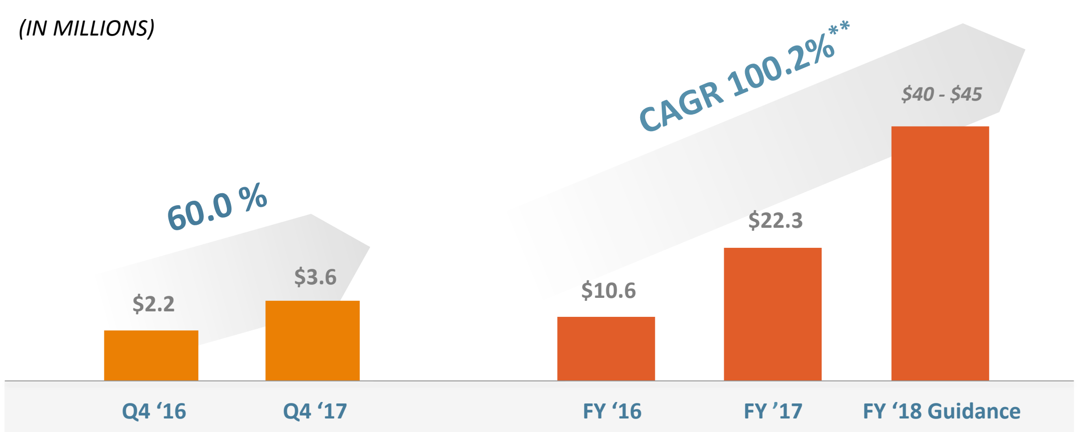
Notes: * See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure

2017 RESULTS

NET SALES



ADJUSTED EBITDA*



Notes:
*See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure
*** CAGR based on mid point of FY 18 Guidance*

THE PET INDUSTRY HAS NEVER BEEN STRONGER

INDUSTRY DRIVERS

- Pets increasingly treated like family members
- Growing demand for quality solutions
- Pets are living longer
- “Premiumization”

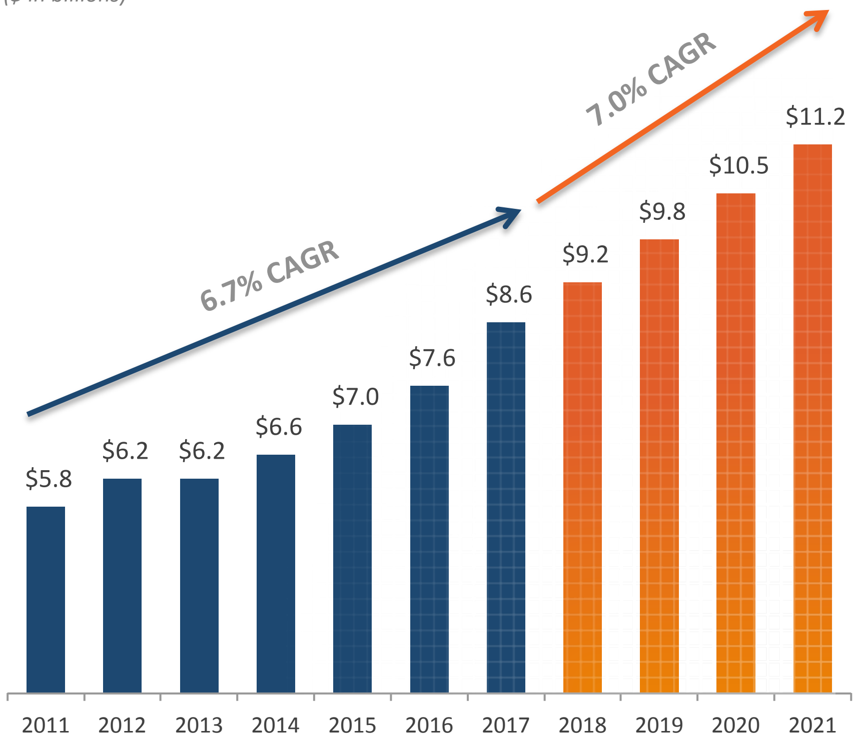
(IN BILLIONS)	2017	2018	2019	2020	2021	2022	CAGR BY SEGMENT 2012-2017	CAGR BY SEGMENT 2017-2022
Retail Channel Pet Food	$33.08	$34.57	$35.78	$37.00	$38.22	$39.44	4.3%	3.6%
Veterinary Services	**$26.87**	**$28.45**	**$30.06**	**$31.66**	**$33.26**	**$34.86**	**5.2%**	**5.3%**
Retail Channel Pet Supplies	**$16.79**	**$17.37**	**$17.93**	**$18.80**	**$19.06**	**$19.63**	**4.8%**	**3.2%**
Non-Medical Pet Services	$ 8.77	$ 9.21	$ 9.67	$10.15	$10.66	$11.19	5.5%	5.0%
TOTAL US PET MARKET	**$85.51**	**$86.90**	**$93.44**	**$97.31**	**$101.20**	**$105.12**	**4.8%**	**4.2%**

** Packaged Facts, Pet Medications in the U.S., March 2018*

PET OWNERS ARE SHIFTING PURCHASES TO RETAIL

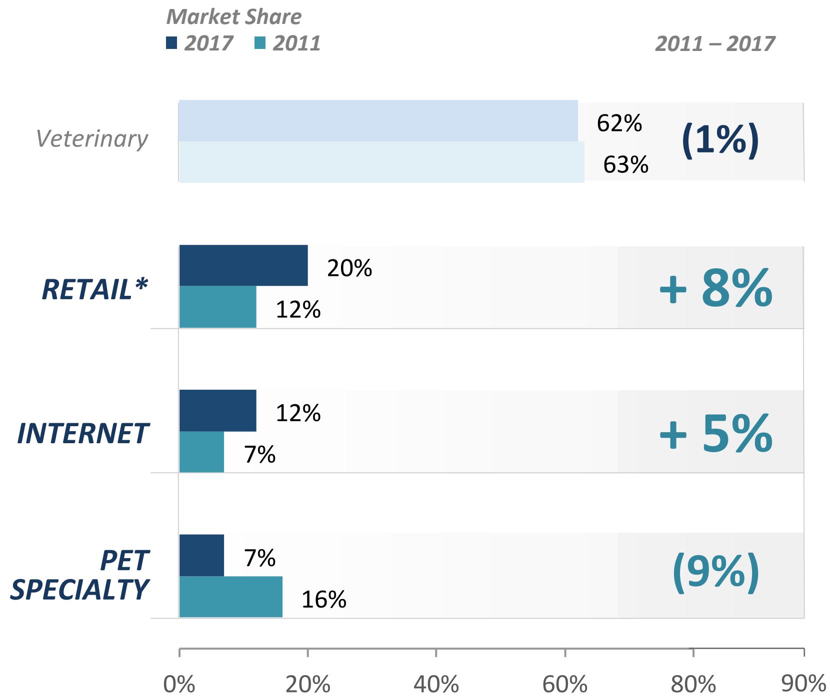
U.S. Pet Medication Growth

($ in billions)



** Packaged Facts, Pet Medications in the U.S., 4th Edition, October 2015*

Pet Medication Sales by Channel



- ** Includes supercenters, mass merchandisers, supermarkets, warehouse clubs, drugstores, farm/feed stores and other channels*
- *Note:* In 2011 Packaged Facts reported 2% medication sales in "other petcare service providers (groomers, etc)"
- Packaged Facts "Pet Medication in the U.S. Prescription and Over-the-Counter Remedies as Consumer Products, 2nd Edition 10/1/2011
- Packaged Facts "Pet Medication in the U.S., 5th Edition August 2017

PET IQ

1 PURPOSE BUILT COMPANY

2 MULTI-CHANNEL CUSTOMER EXECUTION

3 ANIMAL HEALTH PARTNERS

4 COMPLETE SERVICE PROVIDER

- SALES
- DISTRIBUTION & LOGISTICS
- MANUFACTURING
- OPERATIONS
- SERVICE

5 PET Rx

24 HOUR DELIVERY TO 90,000 PHARMACIES

95%+ RETAIL MARKET SHARE

6 DEMAND CREATION

7 VETERINARIAN HEALTH and WELLNESS CENTERS

OVER 900,000 PETS SERVED IN 2017

OUR MISSION:

Making Pet Lives Better With More Affordable and Accessible Veterinary-Grade Products and Services

COMPLEMENTARY BUSINESS PROVIDING VALUE TO EVERYONE

Animal Health Products

- 500+ DISTRIBUTED MEDICATIONS
- 200+ PRODUCTS MANUFACTURED
- 40+ RETAIL PARTNERS
- 40,000+ POINTS OF DISTRIBUTION
- LEADER IN DRIVING “MASS PREMIUMIZATION” TREND

Veterinary Services

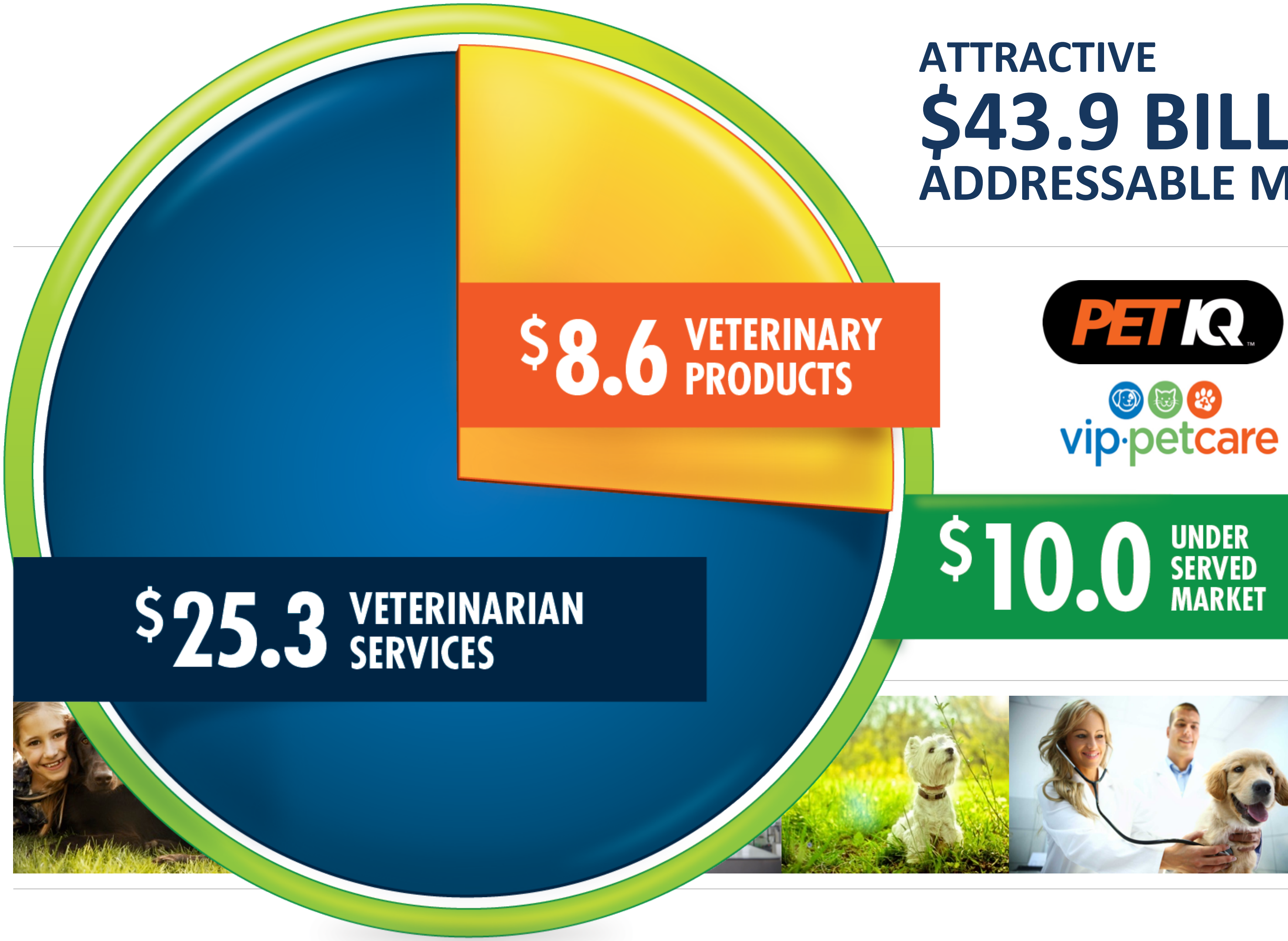
- 29 REGIONAL OFFICES
- 2,900 CLINIC LOCATIONS
- CONVENIENT AND AFFORDABLE VET CARE
- MOBILE & FIXED LOCATION CLINICS
- 1,400 VETERINARIANS
- 926,000 PETS TREATED (IN 2017)

VALUE TO EVERYONE

- Healthier Pets
- Saving Pet Owners Time & Money
- Adding Value To Retailers
- Helping the Animal Health Industry Grow Faster
- Increasing Shareholder Value

All numerical references as of FY 2017

ATTRACTIVE
$43.9 BILLION
ADDRESSABLE MARKET



Source: Packaged Facts: U.S. Pet Market Outlook – May 2017

CORD CHRISTENSEN
CHIEF EXECUTIVE OFFICER

VETERINARY CLINIC INFORMATION

ENGINE FOR EXPANSION

Expand VIP Petcare's Expert Services to Company's Combined Retail Partners

VIP WELLNESS CENTER

VETIQ PETCARE CLINICS

RAPID VETIQ ROLLOUT:

- First 2 VetIQ Clinics Within 60 Days Of VIP Acquisition
- First 20 Clinics Opened By the End of June

86% Of Cat & Dog Owning House Holds, Shop Within PetIQ's Primary Channels Of Distribution.

Source: "Nielsen Homescan Panel Data, Total U.S., All Outlets, 52 weeks ending 2/24/18"

UNIT ECONOMICS AND PROJECTED BUILDOUT SCHEDULE

VETIQ CLINIC PROJECTIONS

In thousands	YEAR 1	MATURITY
Sales	$ 375	$ 640
Cost of Sales [1]	$ 373	$ 416
Contribution Margin	$ 2	$ 224
SG & A (Adjusted) [2]	$ 27	$ 34
NET CONTRIBUTION	($25)	$ 190
NET CONTRIBUTION MARGIN	(7%)	30%

NEW CLINIC ROLLOUT TARGET

2018	20 - 30
2019	80 - 120
2020	130 - 170
2021	180 - 220
2022	230 - 270
2023	255 - 295
TOTAL	1000

In dollars	
SALES PER SQFT AT MATURITY [3]	$ 753
INVESTMENT PAYBACK [4]	24 -36 Months

1. Cost of sales: wages, COGS, supplies, marketing
2. SG&A: rent, merchant fees, telecom; excludes depreciation and one-time opening expenses of $70,000 per clinic.
3. Average Clinic size is 850 sqft
4. Company expects to spend $130,000 in capital expenditures per clinic.

The Average U.S. Veterinary Clinic Has $707,000 in Service Revenue Per Year According to American Animal Hospital Association (AAHA)

JOHN NEWLAND

CHIEF FINANCIAL OFFICER

PRO FORMA REVIEW

PRO FORMA FINANCIAL DATA*

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS DATA

FOR THE YEAR ENDED DECEMBER 31, 2017

	HISTORICAL				
$ IN MILLIONS	PETIQ	VIP	RECLASS & ELIMINATIONS	ADJUSTMENTS	PRO FORMA
NET SALES	$266.7	$251.9	($111.1)		$407.5
COST OF SALES	$215.5	$176.6	($73.7)		$318.4
GROSS PROFIT	$51.2	$75.3	($37.4)		$89.1
G&A	$37.9	$67.4	($37.4)	$5.6	$73.4
OPERATING INCOME	$13.3	$8.0		($5.6)	$15.6
OTHER INCOME	($1.5)	($0.2)		($6.2)	($7.8)
NET INCOME	$7.8	$7.5		($12.5)	$2.8
ADJ EBITDA**	$22.3	$11.0			$33.4

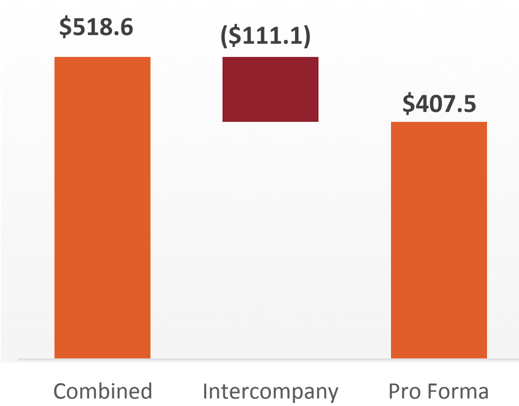
*Notes: * See PetIQ's Form 8-K/A filed with the SEC on April 2, 2018 for audited consolidated financial statements of VIP (comprised of the consolidated balance sheet as of December 31, 2017, 2016 and 2015, and the related consolidated statements of operations, stockholder's equity and cash flows for the years ended December 31, 2017, 2016 and 2015, and the related notes thereto) as well as the unaudited pro forma combined balance sheet as of December 31, 2017 and the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2017*

*** See the Appendix of this presentation for a reconciliation of pro forma Adjusted EBITDA to pro forma net income for the year ended December 31, 2017*

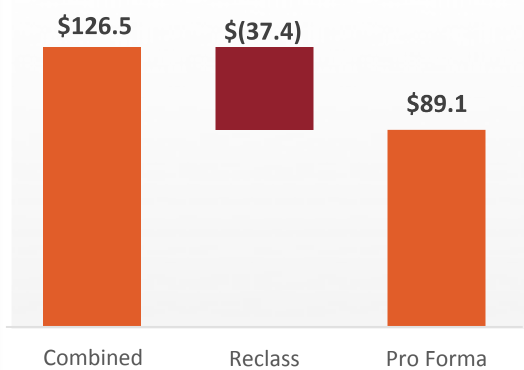
PRO FORMA BRIDGE

FOR THE YEAR ENDED DECEMBER 31, 2017

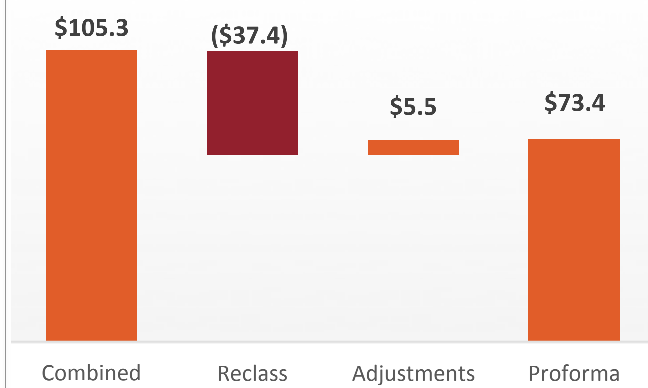
NET SALES



GROSS PROFIT



G&A



INTERCOMPANY

Represents the elimination of sales from VIP to PetIQ for the period.

RECLASSES

Represents the reclassification of certain expenses directly related to revenue into cost of sales rather than G&A to conform to PetIQ's accounting policies SEC rules.

ADJUSTMENTS

Represents the following:

- Addition of certain intangible amortization ($5.5M) and stock based compensation costs ($2.4M) to VIP historical financial statements.
- Elimination of transactional costs associated with the purchase of VIP ($2M) and certain historical VIP amortization expenses ($0.4M).

OPERATIONAL ADJUSTMENTS

$ IN MILLIONS	PRO FORMA	OPERATIONAL ADJUSTMENTS DISTRIBUTOR RATIONALIZATION	OTHER	AS ADJUSTED PRO FORMA
SALES	**$407.5**	**($14.5)**		**$393.0**
Products	*$335.5*	*($14.5)*		*$321.0*
Services	*$72.0*			*$72.0*
COST OF SALES	**$318.4**	**($13.2)**		**$305.3**
GROSS PROFIT	**$89.1**	**($1.3)**		**$87.8**
G&A	**$73.4**		**($2.7)**	**$70.7**
OPERATING INCOME	**$15.6**	**($1.3)**	**$2.7**	**$17.0**
OTHER INCOME	**($7.8)**			**($7.8)**
NET INCOME	**$2.8**	**($1.0)**	**$2.2**	**$4.0**
ADJ EBITDA	**$33.4**	**($1.3)**	**($.0)**	**$32.1**

Distributor Rationalization

VIP distributed to a handful of other suppliers and retailers that the combined company will no longer serve. In partnership with our suppliers, PetIQ is pursuing a more strategic plan in order to support its channel strategy in the market. The as adjusted pro forma amounts reflect the shift away from opportunistic customers.

Other

For comparative purposes, costs associated with PetIQ's public offering have been excluded from the as adjusted pro forma amounts.

JOHN NEWLAND

CHIEF FINANCIAL OFFICER

2018 AND BEYOND

2018 GUIDANCE

$ IN MILLIONS	2017	PRO FORMA	2017 AS ADJUSTED PRO FORMA	2018 GUIDANCE	GUIDANCE % INCREASE vs. AS ADJUSTED PRO FORMA
NET SALES	**$266.7**	**$407.5**	**$393.0**	**$450 - $500**	**14% - 27%**
Product Net Revenue	*$266.7*	*$335.5*	*$321.0*	*$370 - $405*	*15% - 26%*
Service Net Revenue		*$72.0*	*$72.0*	*$80 - $95*	*11% - 31%*
ADJ EBITDA	**$22.5**	**$33.4**	**$32.1**	**$40 - $45**	**27% - 43%**
EBITDA MARGIN	**8.4%**	**8.2%**	**8.2%**	**8%+**	

Notes: 2017 As Adjusted Pro Forma includes operational adjustments for VIP opportunistic customers that are no longer part of the combined company base

2018 QUARTERLY GUIDANCE

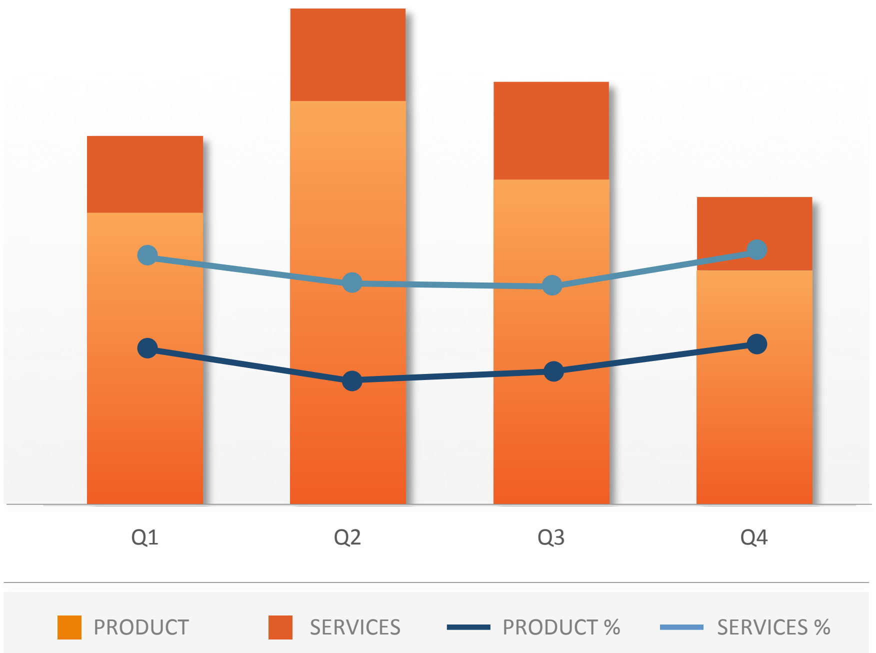
$ IN MILLIONS	Q1-18	Q2-18	Q3-18	Q4-18	2018 GUIDANCE
NET SALES	**$105 - $115**	**$140 - $155**	**$120 - $135**	**$85 - $95**	**$450 - $500**
Product Net Revenue	*80% - 90%*	*70% - 90%*	*70% - 90%*	*70% - 90%*	*$370 - $405*
Service Net Revenue	*10% - 20%*	*10% - 30%*	*10% - 30%*	*10% - 30%*	*$80 – $95*
G&A% of Sales	**17% - 19%**	**12% - 14%**	**14% - 16%**	**19% - 21%**	**15% - 17%**
APPROX. ADJ EBITDA	**$5**	**$16**	**$13.5**	**$5.5**	**$40 - $45**
EBITDA MARGIN	**4% - 6%**	**10% - 12%**	**9% - 12%**	**5% - 7%**	**8%+**

SEASONALITY	Q1-18	Q2-18	Q3-18	Q4-18
Legacy PetIQ	*25%*	*33%*	*23%*	*19%*
PetIQ + VIP	*22% - 24%*	*29% - 33%*	*25% - 29%*	*18% - 20%*

Notes: January service net revenue estimates excludes sales that accrued during VIP's stub period, prior to the acquisition

G&A INVESTMENTS

2018 G&A % BY SEGMENT



	Q1	Q2	Q3	Q4
SERVICES G&A	29% - 31%	25% - 27%	25% - 27%	29% - 31%
PRODUCT G&A	14% - 16%	9% - 11%	10% - 12%	15% - 16%

TIMING OF INVESTMENTS

- Due to the higher fixed cost nature of services, expect services segment to breakeven in Q1 & Q4
- Seasonality has a larger impact to contribution as fixed G&A in services in lower selling months lowers earnings margins
- As services continue to scale, expect profitability to exponentially grow
- Company continues to leverage fixed costs in product G&A compared to prior year of 100 – 150bps improvements. Expect Combined G&A to range between 15% - 17% of annual sales

REVENUE RECOGNITION & INCOME TAXES

REVENUE RECOGNITION

In the first quarter of 2018, the Company will be adopting the new revenue recognition standard ("ASC 606") using the modified retrospective adoption method. Company anticipates this impact will have a negative impact to earnings of approximately $1M in the first quarter, offset by greater earnings in future quarters. Expect future years to have similar impacts as a percentage of product sales.

PROJECTED REVENUE RECOGNITION IMPACT TO FY'18 UNDER NEW POLICY

$ IN MILLIONS	Q1-18	Q2-18	Q3-18	Q4-18	FY'18
GROSS PROFIT	*($1.0)*	*($0.3)*	*$0.1*	*$0.1*	**($1.1)**
G&A	*($0.2)*	*($0.3)*	*($0.3)*	*($0.3)*	**($1.1)**
OPERATING INCOME	*($0.8)*		*$0.4*	*$0.4*	

TAX IMPACTS

- Company projects the following related to income tax expense
  - *GAAP tax rate of approximately 25% for 2018, on a fully converted basis*
  - *Cash tax rate of significantly less based utilization of deferred tax assets*
  - *Cash tax distribution to non-controlling owners of approximately 20% of taxable income*
- Adjustments are included in 2018 guidance

CLINIC EXPANSION AND INTEGRATION INVESTMENTS

ACQUISITON & INTEGRATION RELATED EXPENSES

Following the acquisition of VIP, Company anticipates recognizing the following expenses related to our integration efforts:

- *Corporate and field leadership realignment*
- *Elimination or reduction of underperforming clinics*
- *Reposition resources to grow fixed Health and Wellness locations*

VETIQ WELLNESS CENTER IMPACT

Relating to the launch of VetIQ Wellness centers,
Company anticipates recognizing the following expenses:

- *Launch expenses, such as marketing and preopening labor, estimated at $70K per center*
- *Capital Expenditures of $130K per center*

Combined integration and opening expenses expected to be $2M - $2.5M.

Company will report sales and Adjusted EBITDA margin on a comparable store basis, to exclude Wellness Centers open less than year.

AREAS IMPACTING 1st QUARTER RESULTS

QUARTERLY SALES CADENCE & PRODUCT MIX

- **Seasonal Cadence**

  Anticipate first quarter sales to be 21%-24% of total annual volume, down from 25% in prior year.

- **Product Mix**

  Approximately 150 bps in margin declines largely driven by increase mix towards distributed product.

- **Revenue Recognition**

  Company anticipates this impact will have a negative impact to earnings of approximately $1M in the first quarter, offset by greater earnings in future quarters.

G&A INVESTMENTS

Anticipate G&A to increase year over year in Q1 related to the fixed cost nature of services and seasonality.

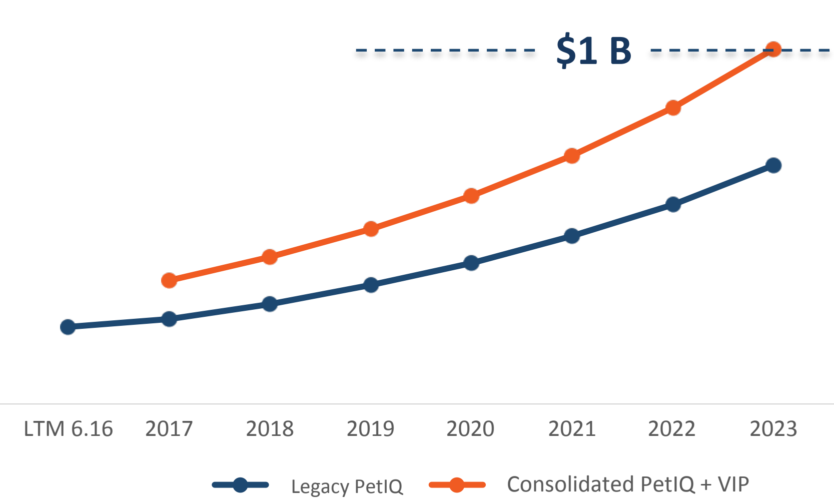
RESTRUCTURING, NEW CLINIC & SERVICE COSTS

- **Integration Costs and Clinic Closures**
- **VetIQ Opening Expenses**

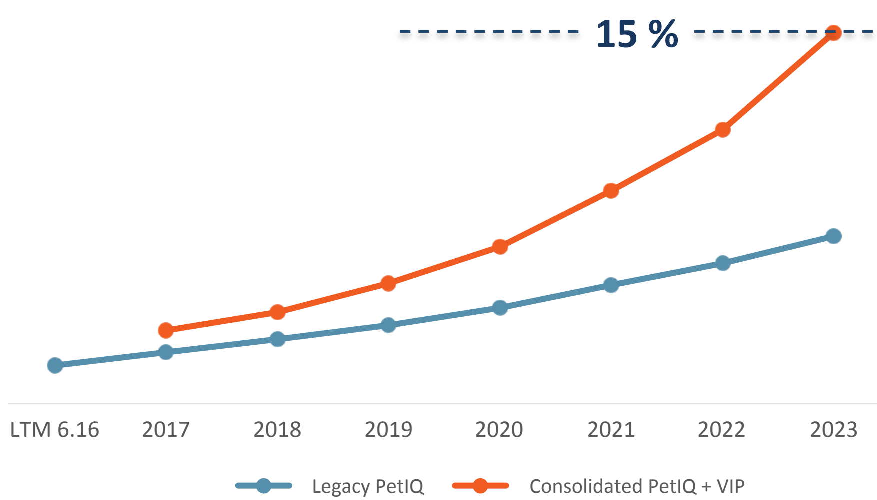
BUSINESS IS FUELED FOR GROWTH AND MARGIN EXPANSION

2018 – 2023 TRAJECTORY

Net Sales Growth



Adjusted EBITDA Growth



Legacy PetIQ Growth	20% +
Legacy Pet IQ Adj EBITDA Margin	10% +

LONG TERM TARGETS

Future Growth	15% +
EPS Growth	25% +
Future Adj EBITDA Margin by 2023	15% +
Adjusted EBITDA Growth	20% +

CORD CHRISTENSEN

CHIEF EXECUTIVE OFFICER

JOHN NEWLAND

CHIEF FINANCIAL OFFICER

QUESTIONS AND ANSWERS

APPENDIX

2017 PRO FORMA ADJUSTED EBITDA RECONCILIATION

$ IN MILLIONS*	PetIQ Q4 QTD (Historical)	PetIQ 2017 (Historical)	VIP (Historical)	PRO FORMA	ADJUSTMENTS	AS ADJUSTED PRO FORMA
NET INCOME	($3.4)	$7.8	$7.5	($12.5)	$1.2	$4.0
INCOME TAXES	$3.4	$4.0	$0.2	$0.8	$0.3	$5.3
DEPRECIATION AND AMORTIZATION	$0.8	$3.4	$3.1	$5.6		$12.1
INTEREST	$0.2	$1.6	$0.2	$6.2		$7.9
EBITDA	$1.1	$16.8	$11.0	($0.1)	$1.4	$29.2
ACQUISITION AND IPO	$2.4	$4.7		(2.0)	($2.7)	
OTHER	$0.1	$0.8		$2.0		$2.8
ADJ EBITDA**	$3.6	$22.3	$11.0	$0.0	($1.3)	$32.1

*Notes: * Amounts may not add due to rounding*

*** Other items include Pre-IPO management fees, the recovery of a portion of a Supplier Receivable write-off and stock based compensation*

PET IQ™