



1Q22 Earnings Presentation

MAY 2022

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 within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events; 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, the impact of COVID-19 on our business and the global economy; 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; disruptions in our manufacturing and distribution chains; 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; our ability to introduce new products and improve existing products; our ability to protect our intellectual property; costs associated with governmental regulation; our ability to keep and retain key employees; our ability to sustain profitability and the risks set forth under the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2021 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.



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BUSINESS OVERVIEW



UNIQUE ANIMAL HEALTH PLATFORM



*Packaged Facts, US Pet Market Outlook 2021-2022 *Internal PetIQ Data, Market Vision Research, October 2021.

PETIQ IS THE ONLY ANIMAL HEALTH COMPANY 100% PARTNERED WITH USA RETAILERS



Animal Health Products

- \$843 M LTM 1Q22 PRODUCT SALES
- 1,000+ PETIQ BRANDED ITEMS MANUFACTURED
- 500+ DISTRIBUTED MEDICATIONS
- 40+ RETAIL PARTNERS
- 60,000+ POINTS OF DISTRIBUTION
- LEADER IN ONLINE AND DTC ANIMAL HEALTH SALES VOLUME



VALUE TO EVERYONE



Veterinary Services

- CONVENIENT AND AFFORDABLE VET CARE
- ~ 3,000 CLINIC LOCATIONS
- ~ 1.2 M PETS SERVED IN 2021
- 2,500+ VETERINARIANS
- MOBILE & FIXED CLINIC LOCATIONS
- 35 REGIONAL OFFICES SERVING 42 STATES

OUR PRODUCTS REACH PET PARENTS WHERE THEY CHOOSE TO PURCHASE

MASS / GROCERY	CLUB	PET SPECIALTY	E-COMMERCE	RETAIL PHARMACY
       	  	       	     	  

VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS

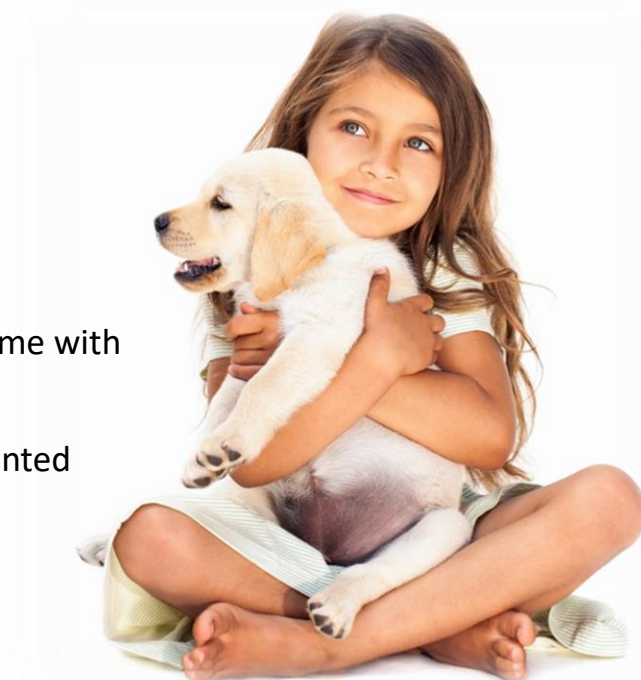
RECENT PETIQ FINANCIAL HIGHLIGHTS

FIRST QUARTER 2022 COMPARED TO PRIOR YEAR PERIOD

- Net Sales were **\$275.7 million**, compared to **\$254.4 million**, an increase of **17.8% on a pro forma basis**
 - Product net sales were **\$247.8 million**, compared to **\$230.0 million**, an increase of **18.1% on a pro forma basis**
 - PetIQ manufactured product sales increased to **26.6%** from **22.4%** of sales
 - Service revenue was **\$27.9 million**, compared to **\$24.3 million**, an increase of **14.9%**
- Gross margin increased **210 basis points** to **20.9%**; adjusted gross margin increased **265 basis points** to **23.6%**
- Adjusted EBITDA of **\$31.6 million** compared to **\$26.9 million**, an increase of **17.6%**
- Adjusted EBITDA margin increased **70 basis points** to **11.5%**
- **Four** new wellness center openings in the first quarter of 2022

EXECUTIVE LEADERSHIP TEAM CHANGES

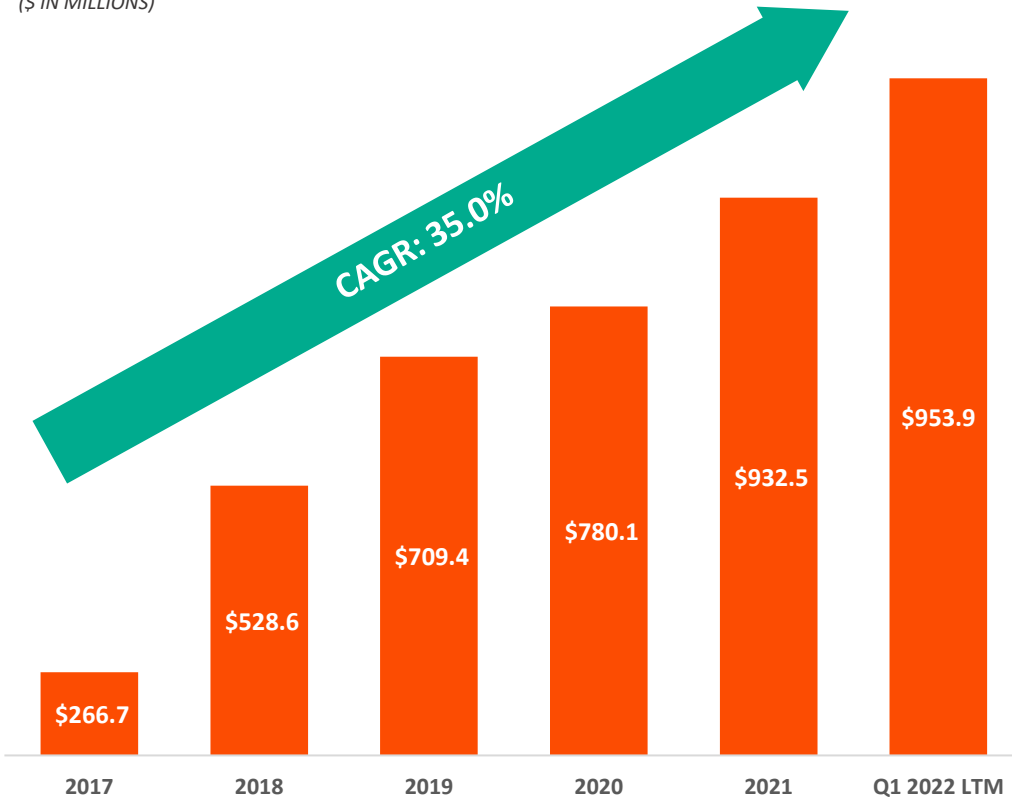
- Today, we announced that Susan Sholtis will leave the Company as President on May 27, 2022, to spend more time with her family
- Michael Smith, who has served as the Company's Executive Vice President, Products since 2019, has been appointed President and Chief Operating Officer, a newly created role, effective June 1, 2022
- Smith will continue to report directly to Cord Christensen, Chief Executive Officer
- Sholtis will remain available on an as needed basis to ensure a smooth transition through September 30, 2022



RECORD FINANCIAL PERFORMANCE

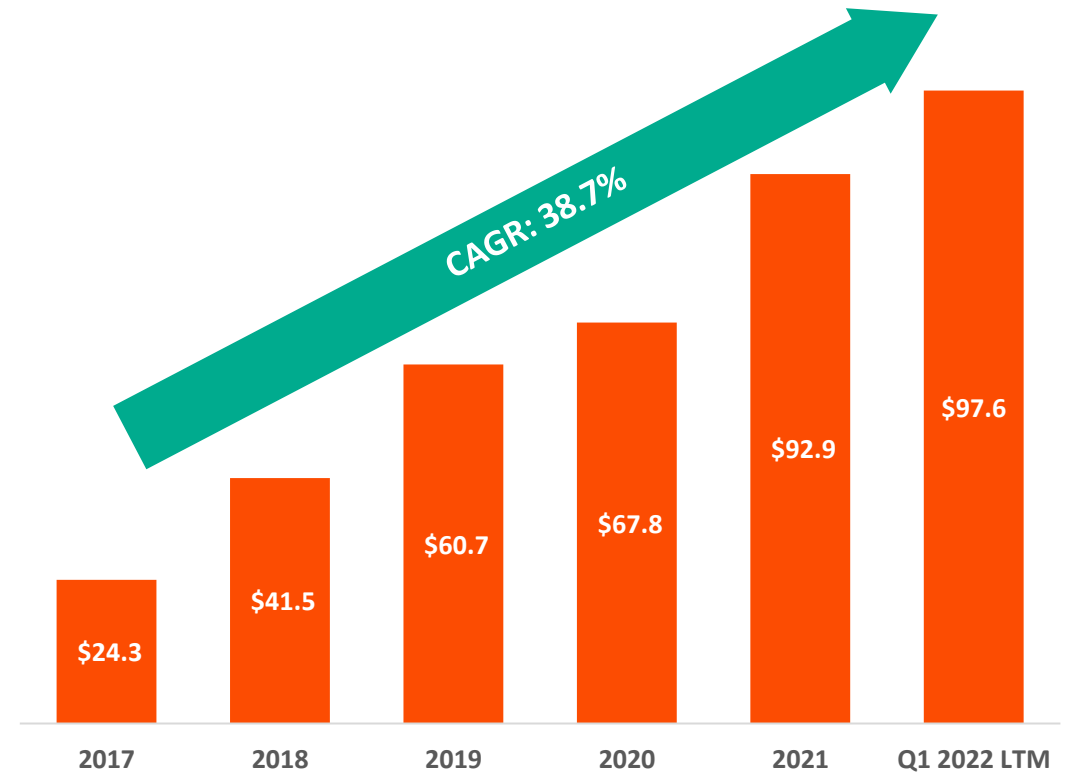
ANNUAL NET SALES

(\$ IN MILLIONS)



ANNUAL ADJUSTED EBITDA

(\$ IN MILLIONS)

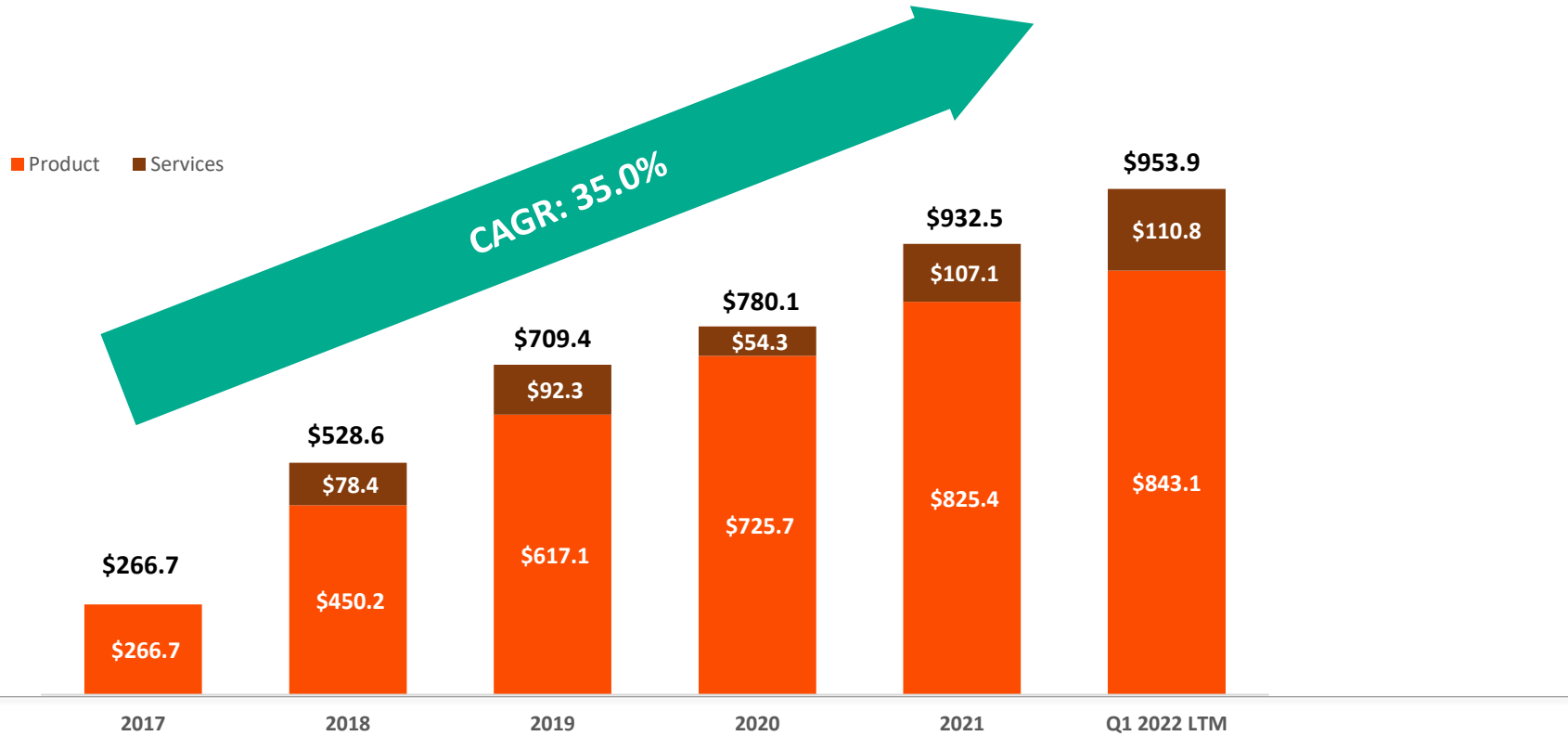


GROWING SIGNIFICANTLY FASTER THAN THE ANIMAL HEALTH INDUSTRY'S 7% CAGR

PRODUCT SEGMENT CONSISTENT DRIVER OF ANNUAL GROWTH

PRODUCT AND SERVICES NET SALES

(\$ IN MILLIONS)



CHANGE IN BRANDED PRODUCT SALES FROM 20% IN 2018 TO A PROJECTED 32% IN 2022 WITH ~55% MARGIN



PRODUCTS SEGMENT

LARGEST PORTFOLIO OF OTC PET HEALTH & WELLNESS PRODUCTS = COMPETITIVE ADVANTAGE

RX Pet Meds



Flea & Tick



Behavior



Supplements



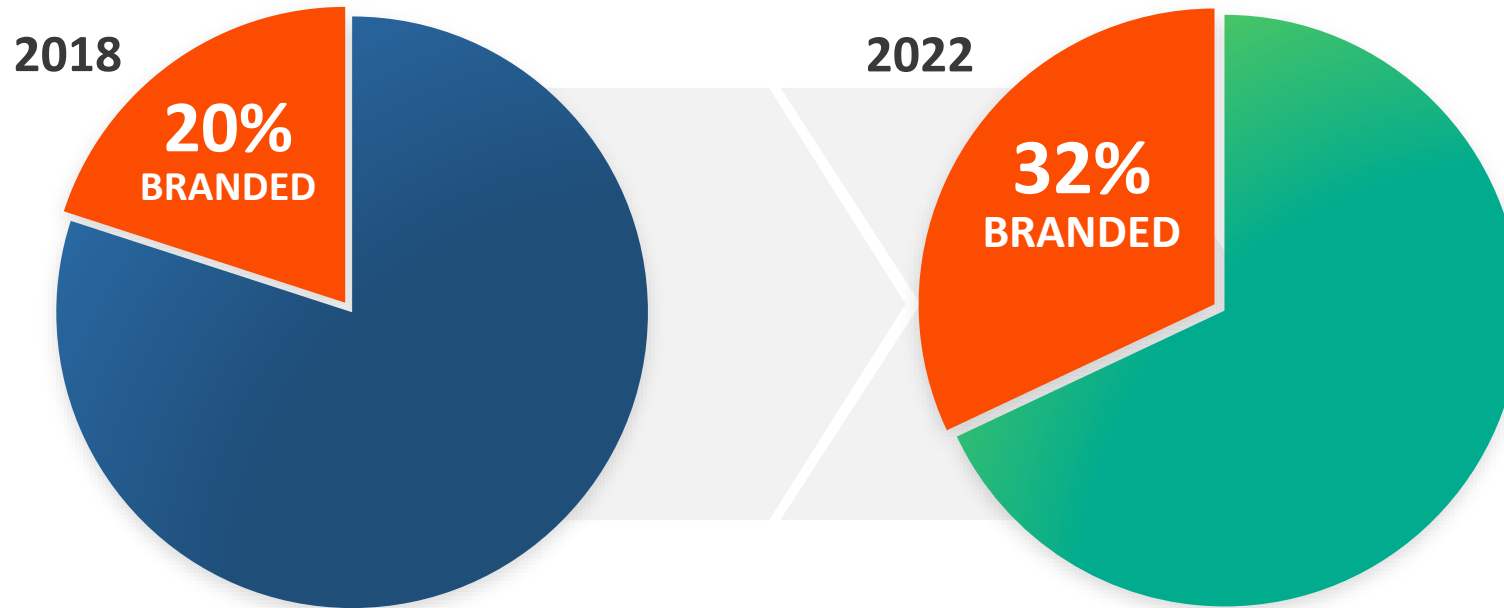
Treats



Predictable revenue streams with significant new innovation and sales and profit contribution

EXPECT CONTINUED STRONG CONTRIBUTION FROM PETIQ'S BRANDS

PETIQ'S MANUFACTURED BRANDED SALES MIX



PETIQ'S BRAND MARGIN OF ~55% IS SIGNIFICANTLY HIGHER THAN DISTRIBUTED PRODUCT MARGIN

CONTINUED GROWTH OF PRODUCT SEGMENT

SOURCES OF GROWTH IN 2022 AND BEYOND





SERVICES SEGMENT

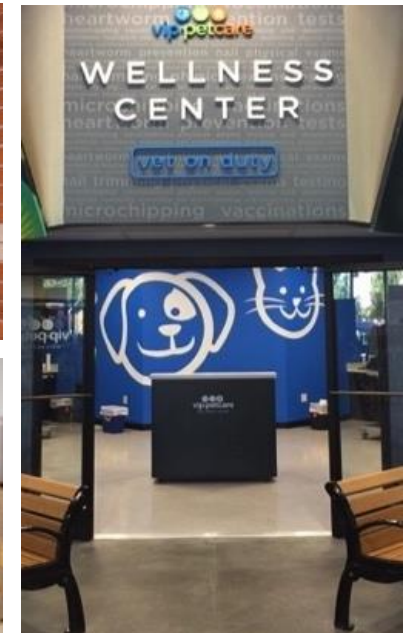
VETERINARY SERVICES TOTAL PETS SERVED IN 2021: ~ 1.2 MILLION

4Q21 HIGHEST PETS PER CLINIC AND DOLLARS PER CLINIC IN THE HISTORY OF THE COMPANY

COMMUNITY CLINICS: *MOBILE MODEL*



WELLNESS CENTERS: *PHYSICAL LOCATIONS*



33% of pet parents strongly agree and 35% of pet parents somewhat agree they are concerned about the affordability of routine healthcare for their pet¹. 55% of pet parents come to PetIQ for affordable services, 41% for no appointment needed²

PETIQ OFFERS VETERINARIANS THE ABILITY TO PRACTICE LOW-STRESS MEDICINE

Over 40% of veterinarians who graduated in the last 10 years are thinking of leaving the profession due to mental health (33%) and work-life balance (27%) as their top reasons¹

**BREAKING DOWN
THE BARRIERS** to
preventative pet health

PET PRODUCTS

VETERINARY SERVICES

MANUFACTURING



OUR DIFFERENCE

FIVE-STAR

Preventative Veterinary Care



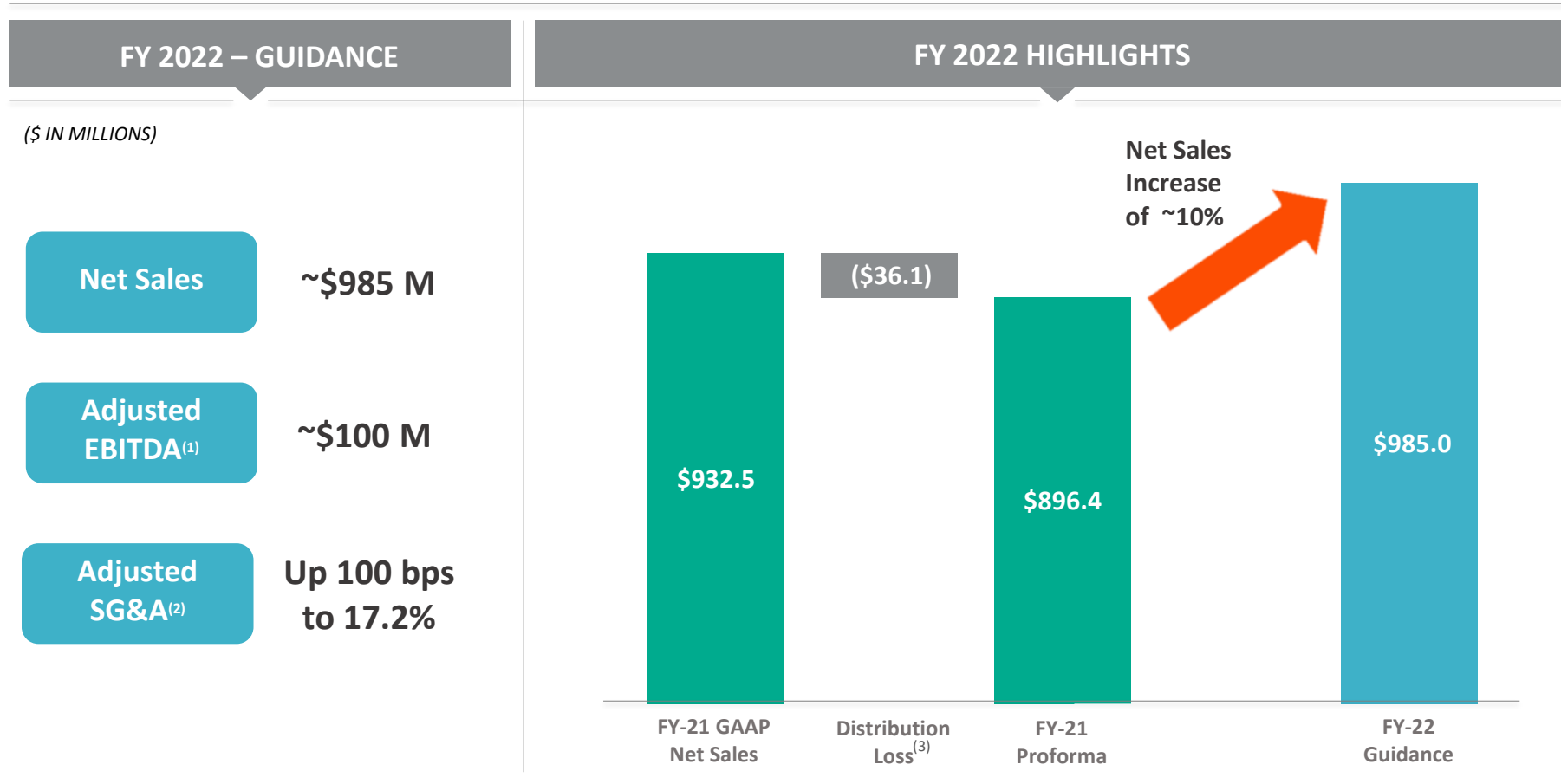
- ★ Best-Practice Preventative Care
- ★ Veterinarian Expertise
- ★ National Footprint Local Focus
- ★ Affordable & Convenient
- ★ The PetIQ Promise Starts With You

PetIQ's unique, nation-wide, clinic operations offers veterinary professionals work-life balance and the ability to provide preventative care for pets in an affordable and convenient setting



OUTLOOK

ANNUAL OUTLOOK REITERATED

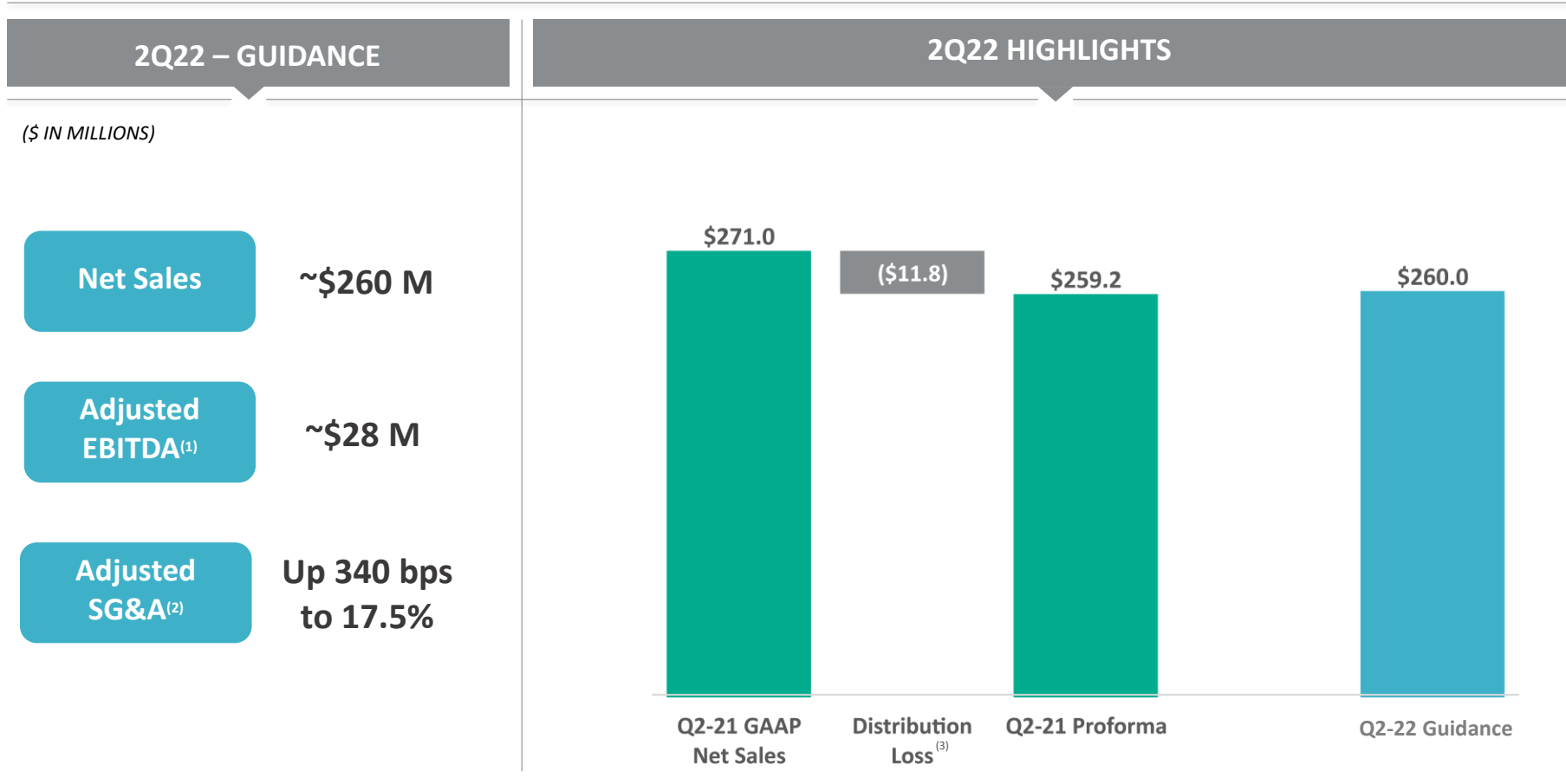


⁽¹⁾ Assumes nominal improvement from the Services segment

⁽²⁾ Includes an incremental \$15 million, or 150 basis points of expense, to support launch into direct-to-consumer, two significant new manufactured brand introductions, and continued marketing investments to help accelerate growth of manufactured brand product portfolio

⁽³⁾ Sales related to loss of distribution rights for certain animal health manufacturing products.

QUARTERLY OUTLOOK



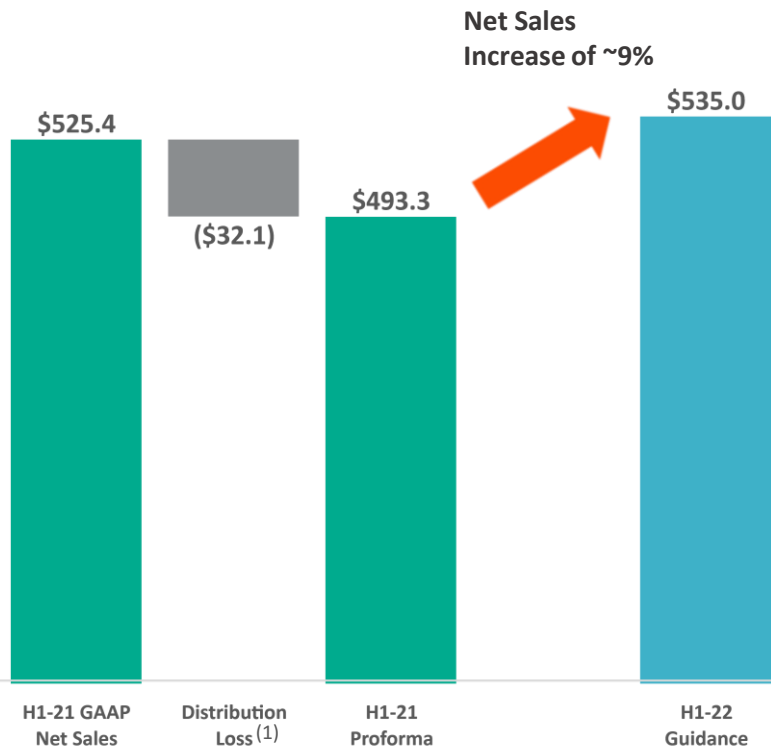
⁽¹⁾ Assumes nominal improvement from the Services segment

⁽²⁾ Includes an incremental \$7 million, or 260 basis points of expense, to support launch into direct-to-consumer, two significant new manufactured brand introductions, and continued marketing investments to help accelerate growth of manufactured brand product portfolio

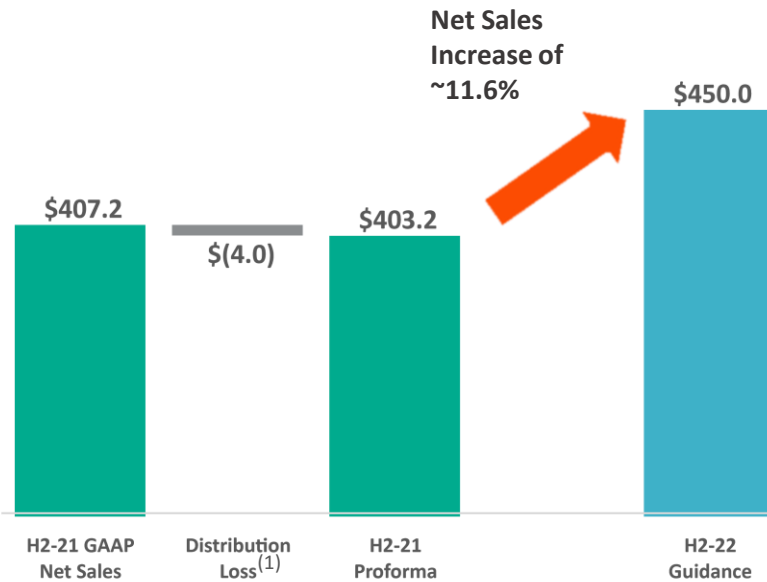
⁽³⁾ Sales related to loss of distribution rights for certain animal health manufacturing products.

NET SALES OUTLOOK

FIRST HALF 2022 NET SALES



SECOND HALF 2022 NET SALES

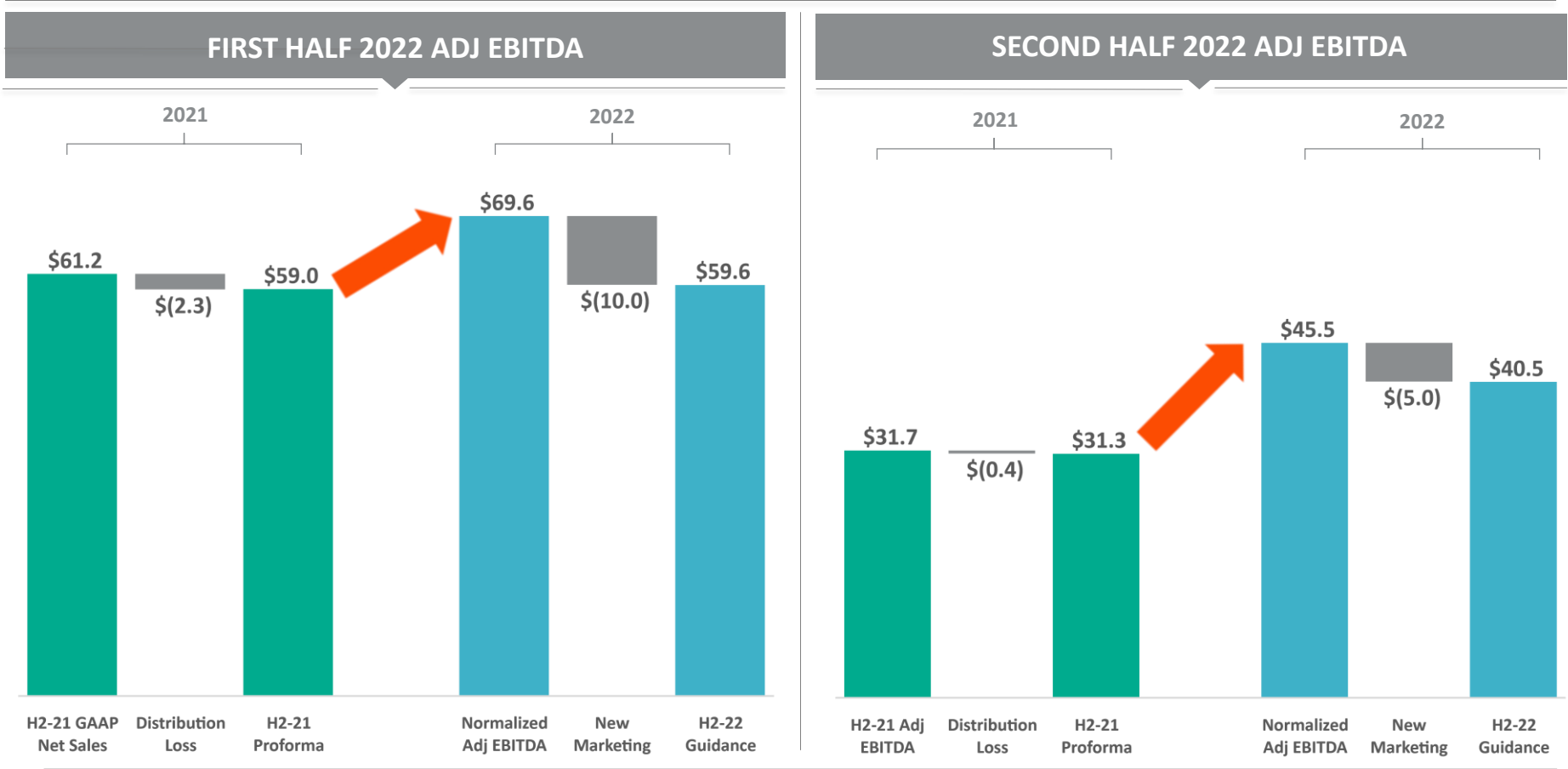


HIGHLIGHTS

- For the first half of 2022 the Company expects pro forma net sales to increase approximately 9.0% compared to the first half of 2021
- PetIQ continues to expect most of the net sales growth in the second half of 2022 will be weighted to the third quarter

⁽¹⁾ Sales related to loss of distribution rights for certain animal health manufacturing products.

ADJUSTED EBITDA OUTLOOK



HIGHLIGHTS

- Normalized Adj EBITDA, which excludes marketing investment, up ~17.9% for 1H22
- Our 1H22 guide of **\$59.6M** includes \$10M of incremental spend dedicated to marketing investments in new brands and product launches.
- Normalized Adj EBITDA, which excludes marketing investment, up ~45% for 2H22
- 1H22 guide of **\$40.5M** includes \$5M of incremental spend dedicated to marketing investments in new brands and product launches



PETS



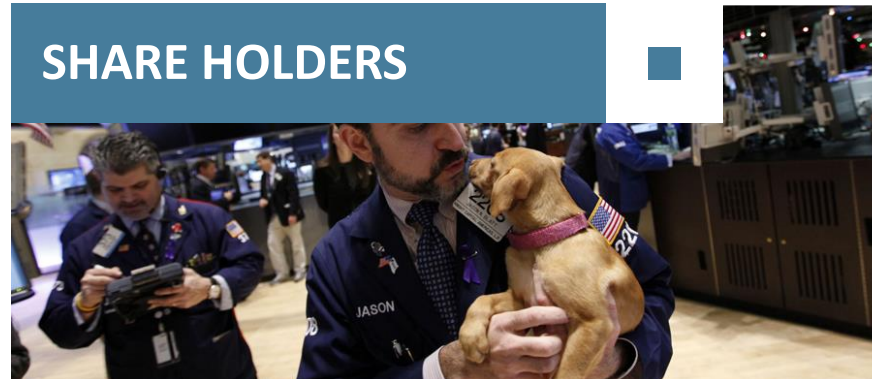
PET PARENTS



Creating Value Through Smarter Pet Health



SHARE HOLDERS



RETAILER & E-COMMERCE PARTNERS



MANUFACTURERS





APPENDIX

ADJUSTED GROSS PROFIT RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		
	3/31/2022	3/31/2021	3/31/2020
GROSS PROFIT	57,635	47,799	32,154
PLUS:			
NON SAME-STORE GROSS LOSS	5,709	4,539	3,442
ADJUSTED GROSS PROFIT	63,344	52,338	35,596

ADJUSTED G&A EXPENSE RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		
	3/31/2022	3/31/2021	3/31/2020
GENERAL AND ADMINISTRATIVE EXPENSES	48,236	40,672	31,690
LESS:			
ACQUISITION COSTS	—	6	586
STOCK BASED COMPENSATION EXPENSE	3,823	2,122	2,558
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	339	(48)	454
NON SAME-STORE GENERAL AND ADMINISTRATIVE EXPENSES	2,465	1,685	1,353
LITIGATION EXPENSE	2,661	243	49
ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES	38,948	36,664	26,690

ADJUSTED NET INCOME RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		
	3/31/2022	3/31/2021	3/31/2020
NET INCOME	3,160	2,386	(2,633)
PLUS:			
TAX EXPENSE	121	75	(1,169)
ACQUISITION COSTS	—	6	586
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	339	(48)	454
STOCK BASED COMPENSATION EXPENSE	3,823	2,122	2,558
NON SAME-STORE ADJUSTMENT	8,174	6,224	4,794
LITIGATION EXPENSES	2,661	243	49
ADJUSTED NET INCOME	18,278	11,009	4,639

ADJUSTED EBITDA RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		
	3/31/2022	3/31/2021	3/31/2020
NET INCOME	3,160	2,386	(2,633)
PLUS:			
TAX EXPENSE (BENEFIT)	121	75	(1,169)
DEPRECIATION	3,682	3,131	2,873
AMORTIZATION	4,523	8,428	2,242
INTEREST	6,121	4,870	4,704
EBITDA	17,607	18,890	6,017
ACQUISITION COSTS	—	6	586
STOCK BASED COMPENSATION EXPENSE	3,823	2,122	2,558
LITIGATION EXPENSES	2,661	243	49
NON SAME-STORE NET (INCOME) LOSS	7,165	5,648	4,794
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	339	(48)	454
ADJUSTED EBITDA	31,595	26,861	14,458

SEGMENT FINANCIAL INFORMATION

\$ IN MILLIONS	THREE MONTHS ENDED		
	3/31/2022	3/31/2021	3/31/2020
PRODUCT SEGMENT SALES	247,750	230,034	166,280
SERVICES SEGMENT SALES:			
SAME-STORE SALES	20,725	19,918	18,216
NON SAME-STORE SALES	7,220	4,395	2,882
NET SERVICES SEGMENT SALES	27,945	24,313	20,498
TOTAL NET SALES	275,695	254,347	186,778
ADJUSTED EBITDA			
PRODUCTS	47,909	38,792	24,279
SERVICES	3,084	2,096	1,989
CORPORATE	(19,398)	(14,027)	(11,810)
TOTAL ADJUSTED EBITDA	31,595	26,861	14,457