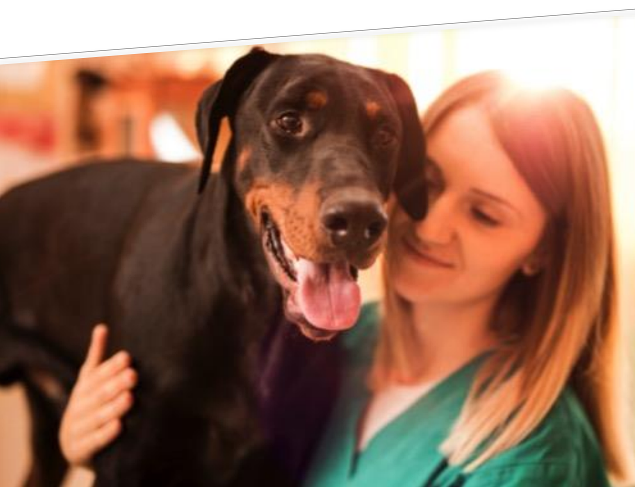


FOURTH QUARTER 2018 EARNINGS PRESENTATION

MARCH 11, 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 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 sustain profitability; competition from veterinarians and others in our industry; our ability to open retail veterinarian wellness centers and clinics; 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 and Quarterly Report on 10-Q for the period ended March 31, 2018.

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 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

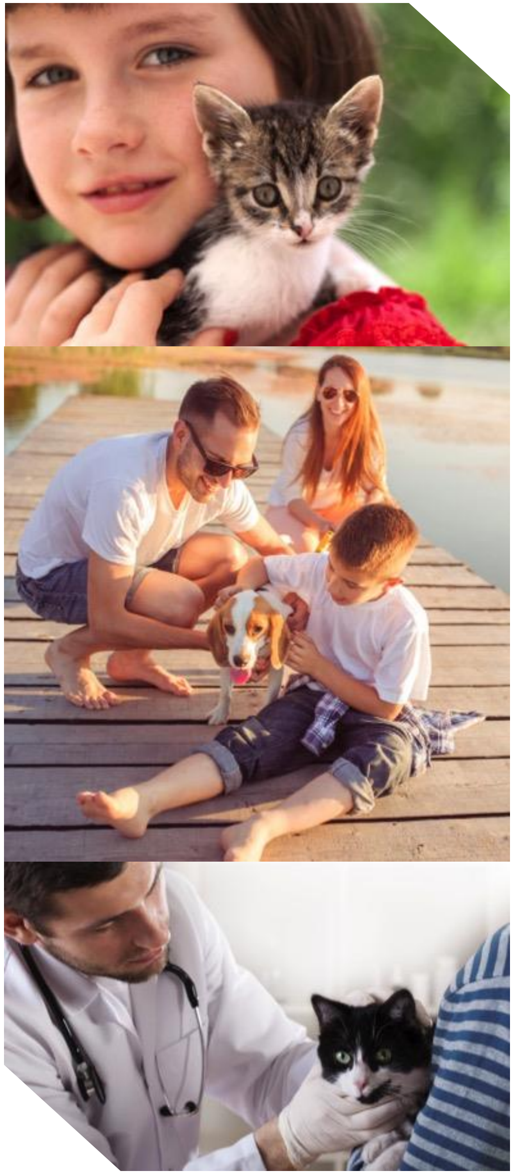
GROSS PROFIT ADJUSTMENTS

G&A ADJUSTMENTS

APPENDIX

PRESENTERS

Cord Christensen, CEO
John Newland, CFO



RECENT PETIQ FINANCIAL HIGHLIGHTS

FOURTH QUARTER 2018 RESULTS COMPARED TO PRIOR YEAR PERIOD

- Net sales were **$111.0 million**, an increase of **114% year-over-year**
  - Product Sales were **$95.1 million**, an increase of **83% year-over-year**
  - Service revenue was **$15.9 million**
  - Organic growth of **70%**[2]
- Net Loss was **$5.3 million** compared to a loss of $3.4 million. Net Income includes a $3.0 million fair value adjustment on a contingent note relating to the VIP acquisition.
- Adjusted Net Income was **$1.2 million**[1]
- Adjusted EBITDA was **$6.5 million** compared to $3.6 million, an increase of 82%

FULL YEAR 2018 RESULTS COMPARED TO PRIOR YEAR PERIOD

- Net sales were **$528.6 million**, an increase of **98%**
  - Product Sales were **$450.2 million**, an increase of **69%**
  - Service revenue was **$78.4 million**
  - Organic Growth **of 45%**[2]
- Net Income was **$0.1 million** compared to $7.8 million. Net Income includes a $3.3 million fair value adjustment on a contingent note relating to the VIP acquisition
- Adjusted Net Income was **$21.6 million**[1]
- Adjusted EBITDA was **$41.5 million** compared to $22.3 million for the same period in the prior year[1]
- Up-C structure generated **$36.8 million** of future cash tax savings, with a total deferred tax asset **of $43.9 million**

Notes: 1 - Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of the most comparable GAAP measure.
2 – Represents growth in current period as reported compared to same period prior year to include VIP on a pro forma basis.

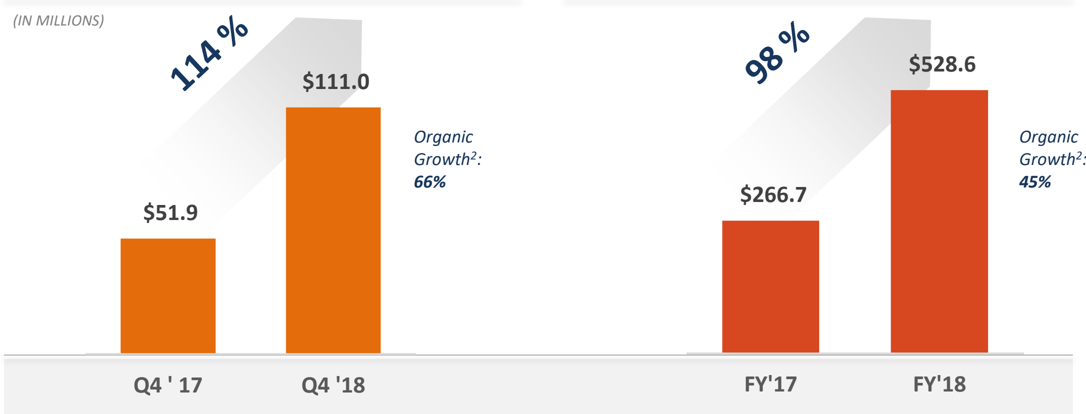
RECENT PETIQ FINANCIAL HIGHLIGHTS

2018 HIGHLIGHTS

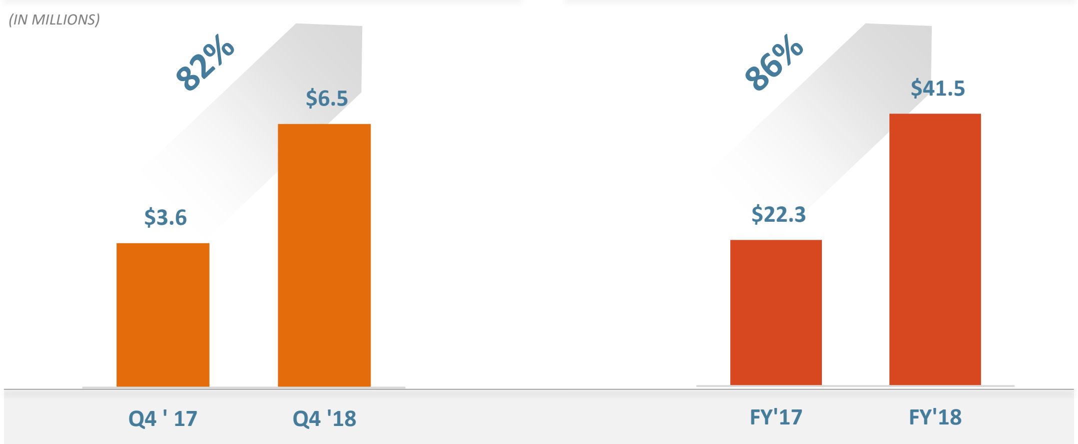
- Completed two strategic acquisitions of Community Veterinary Clinics, LLC d/b/a VIP Petcare ("VIP") and HBH Enterprises LLC, in January and October, respectively.
- Opened 25 wellness centers during the year, for a total of 34 wellness centers and 34 regional offices in operation.
- The Company amended its credit agreement on August 9, 2018, to expand the capacity of the revolving line of credit from $50 million to $75 million; liquidity as December 31, 2018 was **$128 million.**
- During the fourth quarter, the Company completed an underwritten public offering of 2.0 million shares of Class A primary common stock for total net proceeds of approximately $73.9 million.
- Continued integration and expansion plans with VIP in Services Segment. Company now well positioned to open an additional **80** wellness centers in 2019.

FOURTH QUARTER 2018 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.
2 – Represents growth in current period as reported compared to same period prior year to include VIP on a pro forma basis.

CONSOLIDATED STATEMENT OF OPERATIONS

$ IN MILLIONS	THREE MONTHS ENDED DECEMBER 31, 2018	THREE MONTHS ENDED DECEMBER 31, 2017	FULL YEAR ENDED DECEMBER 31, 2018	FULL YEAR ENDED DECEMBER 31, 2017
PRODUCT SALES	$95.1	$51.9	$450.2	$266.7
SERVICE REVENUE	$15.9	—	$78.4	—
TOTAL NET SALES	**$111.0**	**$51.9**	**$528.6**	**$266.7**
COST OF PRODUCT SOLD	$81.2	$41.4	$383.5	$215.5
COST OF SERVICES	$12.9	—	$61.8	—
TOTAL COST OF SALES	**$94.1**	**$41.4**	**$445.3**	**$215.5**
GROSS PROFIT	**$16.9**	**$10.5**	**$83.3**	**$51.2**
G&A	$18.7	$10.5	$72.3	$37.9
CONTINGENT NOTE	$3.0	—	$3.3	—
OPERATING INCOME	**($4.8)**	**$0.04**	**$7.7**	**$13.3**
TAX & OTHER EXPENSES	($0.4)	($3.4)	($7.6)	($5.5)
NET (LOSS) INCOME	**($5.3)**	**($3.4)**	**$0.1**	**$7.8**
ADJUSTED EBITDA*	**$6.5**	**$3.6**	**$41.5**	**$22.3**

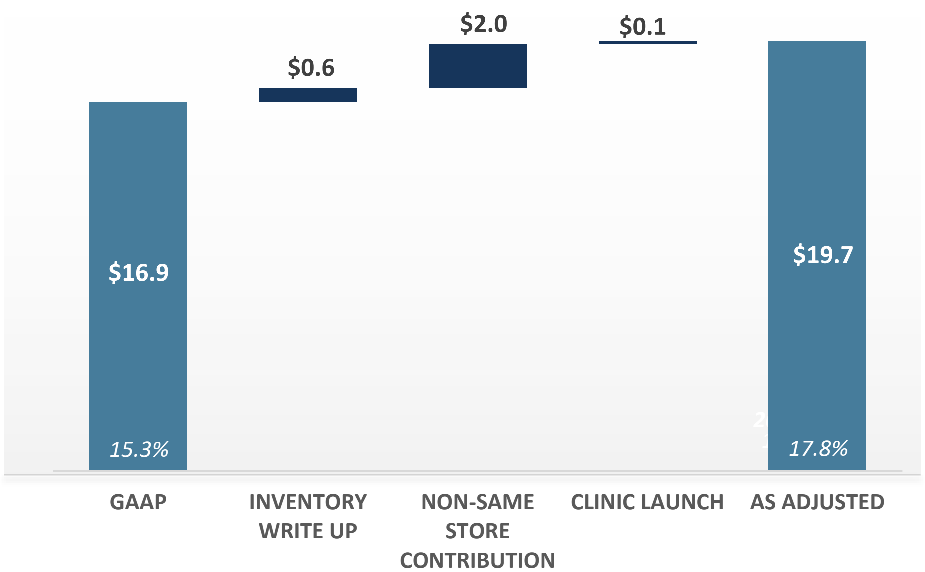
Notes: * Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure

ADJUSTED GROSS PROFIT*

FOR THE QUARTER ENDED DECEMBER 31, 2018

GROSS PROFIT

$ IN MILLIONS



RESULTS PERFORMANCE

The Company reported adjusted Gross Profit of $19.7M, an increase of **$9.2M** compared to 4Q17. Adjustments from GAAP gross profit to adjusted gross profit include:

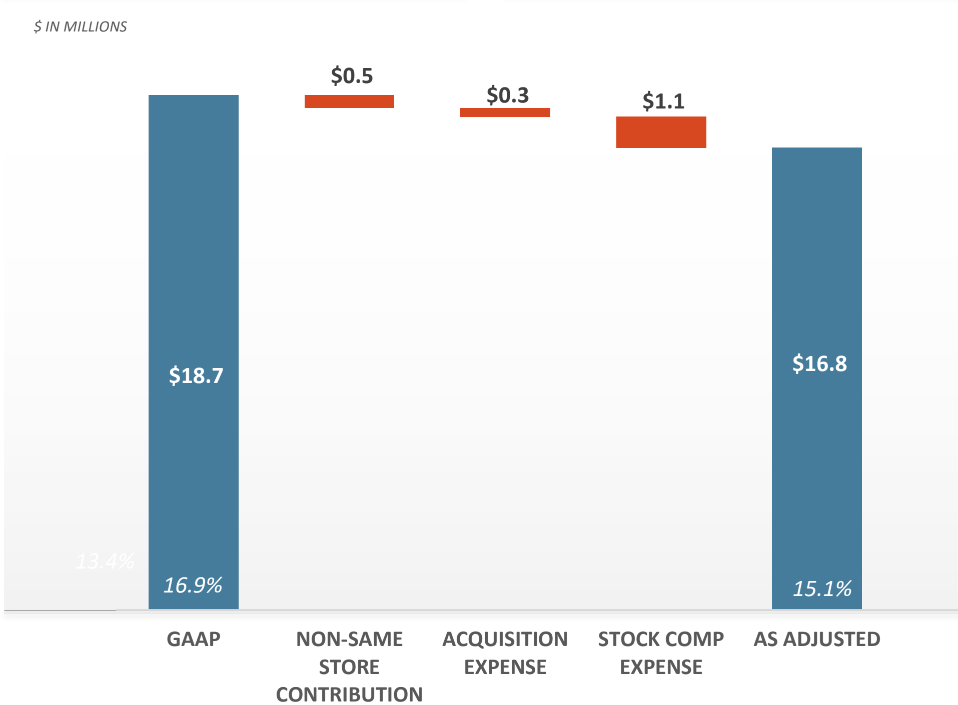
- **INVENTORY WRITE UP**
  Gross profit includes a $0.6 million purchase accounting adjustment to fair value inventory relating to the HBH acquisition.
- **NON SAME STORE CONTRIBUTION**
  Adjustment includes net of revenue of $1.2M and costs of $3.2M associated with operating retail service locations that have been open less than 6 full quarters.
- **NEW WELLNESS CENTER LAUNCH EXPENSES**
  Adjustment represents ‘pre-opening’ costs related to the opening of wellness centers, including compensation, training, and other costs.

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 DECEMBER 31, 2018

G&A



RESULTS PERFORMANCE

Adjusted G&A was **$16.8 million**, representing improvements as a percent of sales of **9bps** vs. 4Q17. 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 VIP Petcare and HBH including items such legal and tax services
- **STOCK COMPENSATION EXPENSE**
  Expenses associated with employee and director equity awards

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

2019 OUTLOOK & LONG TERM GROWTH TARGETS

2019	Net Sales	$600M +
	Adjusted EBITDA*	$51M +
	New Wellness Centers	80+ New Locations
LONG TERM GROWTH TARGETS	Net Sales Growth	15% +
	Adjusted EBITDA Growth	20% +
	Adjusted EBITDA Margin	15% by 2023

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

ADJUSTED GROSS PROFIT RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 12/31/2018	THREE MONTHS ENDED 12/31/2017	FULL YEAR ENDED 12/31/2018	FULL YEAR ENDED 12/31/2017
GROSS PROFIT	**16,905**	10,526	**83,288**	51,194
PLUS:				
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	**647**	—	**2,149**	—
NON SAME-STORE GROSS PROFIT	**2,011**	—	**5,556**	—
CLINIC LAUNCH EXPENSE	**119**	—	**1,261**	—
ADJUSTED GROSS PROFIT	**19,682**	10,526	**92,254**	51,194

ADJUSTED G&A EXPENSE RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 12/31/2018	THREE MONTHS ENDED 12/31/2017	FULL YEAR ENDED 12/31/2018	FULL YEAR ENDED 12/31/2017
GENERAL AND ADMINISTRATIVE EXPENSES	**18,728**	10,484	**72,260**	37,905
LESS:				
MANAGEMENT FEES	—	66	—	610
ACQUISITION COSTS	**308**	1,965	**3,787**	1,965
STOCK BASED COMPENSATION EXPENSE	**1,134**	201	**3,812**	447
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	—	—	**813**	—
NON SAME-STORE GENERAL AND ADMINISTRATIVE EXPENSES	**475**	—	**822**	—
COSTS ASSOCIATED WITH BECOMING A PUBLIC COMPANY	—	435	—	2,710
ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES	**16,811**	7,817	**63,026**	32,173

ADJUSTED NET INCOME RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 12/31/2018	THREE MONTHS ENDED 12/31/2017	FULL YEAR ENDED 12/31/2018	FULL YEAR ENDED 12/31/2017
NET INCOME	**(5,256)**	(3,391)	**87**	7,817
PLUS:				
ACQUISITION COSTS	**308**	1,965	**3,787**	1,965
TAX EXPENSE	**(1,415)**	3,420	**(661)**	3,970
STOCK BASED COMPENSATION EXPENSE	**1,134**	201	**3,812**	447
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	**647**	—	**2,149**	—
NON SAME-STORE REVENUE	**(1,192)**	—	**(3,967)**	—
NON SAME-STORE COSTS	**3,678**	—	**10,345**	—
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	**3,030**	—	**3,280**	—
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	**185**	—	**998**	—
NEW CLINIC LAUNCH EXPENSES	**119**	—	**1,380**	—
NON-RECURRING ROYALTY SETTLEMENT	—	—	**440**	—
COSTS ASSOCIATED WITH BECOMING PUBLIC COMPANY	—	435	—	2,710
ADJUSTED NET INCOME	**1,238**	2,630	**21,650**	16,909

ADJUSTED EBITDA RECONCILIATION

$ IN MILLIONS	THREE MONTHS ENDED 12/31/2018	THREE MONTHS ENDED 12/31/2017	FULL YEAR ENDED 12/31/2018	FULL YEAR ENDED 12/31/2017
NET INCOME	**(5,256)**	(3,391)	**87**	7,817
PLUS:				
TAX EXPENSE (BENEFIT)	**(1,415)**	3,420	**(661)**	3,970
DEPRECIATION	**1,841**	553	**6,657**	2,348
AMORTIZATION	**1,519**	270	**5,210**	1,052
INTEREST	**1,882**	212	**8,022**	1,563
EBITDA	**(1,429)**	1,064	**19,315**	16,750
ACQUISITION COSTS	**308**	1,965	**3,787**	1,965
MANAGEMENT FEES	**—**	66	**—**	610
COSTS ASSOCIATED WITH BECOMING A PUBLIC COMPANY	**—**	435		2,710
STOCK BASED COMPENSATION EXPENSE	**1,134**	201	**3,812**	447
SUPPLIER RECEIVABLE WRITE OFF (RECOVERY)	—	(175)		(175)
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	**647**	—	**2,149**	—
NON SAME-STORE REVENUE	**(1,192)**	—	**(3,967)**	—
NON SAME-STORE COSTS	**3,678**	—	**10,345**	—
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	**3,030**	—	**3,280**	—
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	**185**	—	**998**	—
NEW WELLNESS CENTER LAUNCH EXPENSES	**119**	—	**1,380**	—
NON-RECURRING ROYALTY SETTLEMENT	—	—	**440**	—
ADJUSTED EBITDA	**6,480**	3,556	**41,539**	22,307