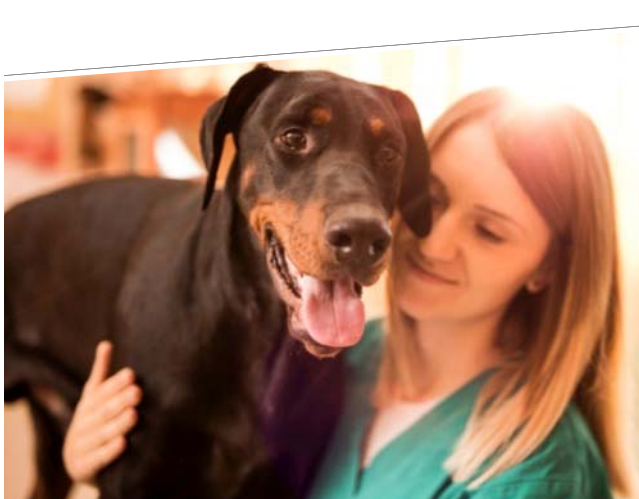




FOURTH QUARTER 2019 EARNINGS PRESENTATION
MARCH 10, 2020



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.

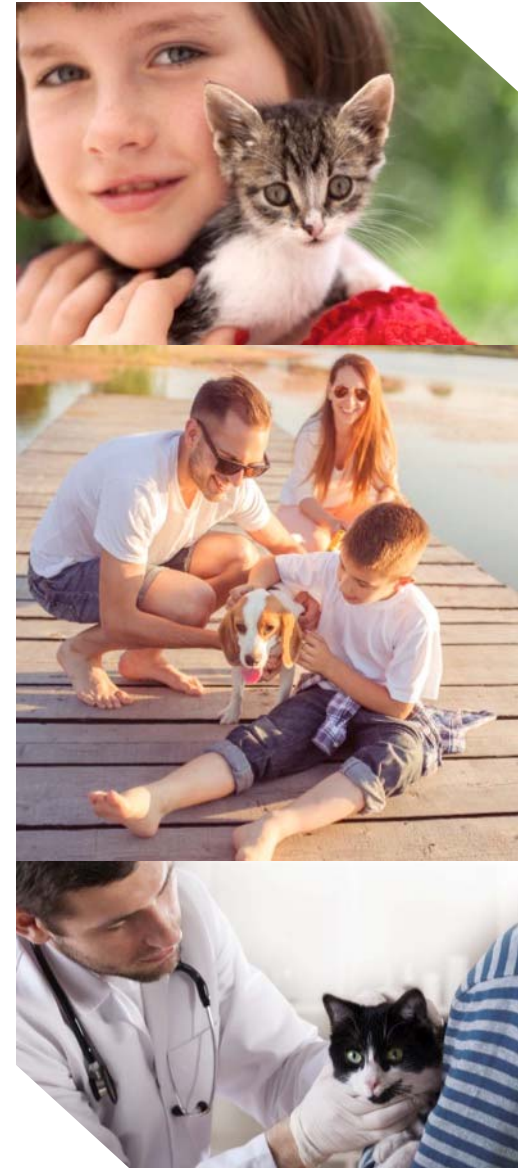


OUTLINE

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

PRESENTERS

Cord Christensen, CEO
John Newland, CFO



RECENT PETIQ FINANCIAL HIGHLIGHTS

FOURTH QUARTER 2019 RESULTS COMPARED TO PRIOR YEAR PERIOD

- Net sales were **\$154.3 million**, an increase of **39%**
- Net loss was **\$13.8 million** compared to net loss of \$5.3 million
 - Net loss includes \$8.8 million of non-recurring expenses, including \$4.6 million acquisition and purchase accounting adjustment related costs, as well as a \$4.2 million fair value adjustment to a contingent note. Also includes \$5.0 million of net losses of non-same store operations.
 - Interest expense was **\$2.7 million** higher versus the fourth quarter 2018, which was nearly entirely due to debt incurred to finance the Perrigo Animal Health transaction.
- Adjusted Net loss was **\$0.03 million¹**, compared to net income of \$1.2 million
- Adjusted EBITDA was **\$9.7 million¹**, an increase of **49%**

FOURTH QUARTER 2019 SEGMENT RESULTS COMPARED TO PRIOR YEAR PERIOD

- Product sales were **\$134.9 million**, an increase of **42%**
- Product adjusted EBITDA of **\$17.1 million**, an increase of **63%**
- Service revenue was **\$19.4 million**, an increase of **22%**
- Services adjusted EBITDA of **\$1.9 million**, a decrease of **11%**

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



RECENT PETIQ HIGHLIGHTS

FOURTH QUARTER 2019 HIGHLIGHTS

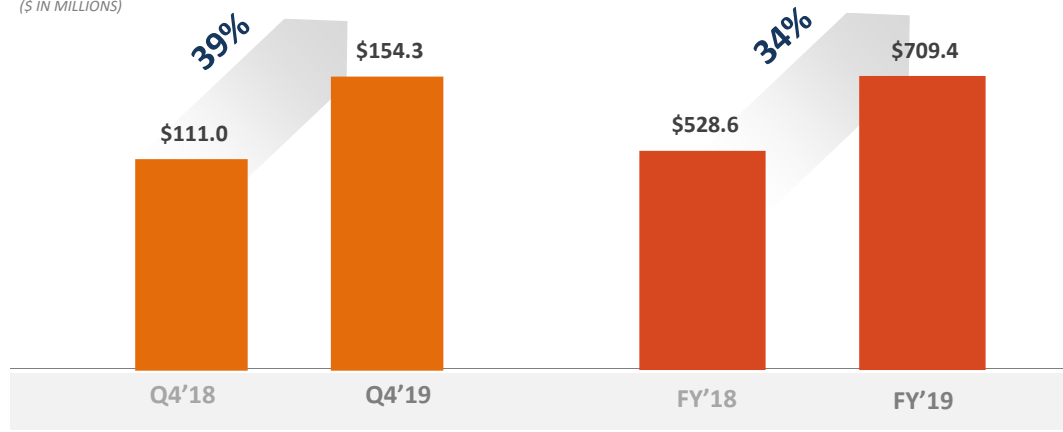
- Opened **80** veterinary wellness centers in 2019
- Cash and cash equivalents of **\$27.3 million** with total liquidity of **\$127.3** million as of December 31, 2019.
- On January 13, 2020, PetIQ entered into a definitive agreement under which PetIQ will acquire Capstar, the #1 oral over-the-counter ("OTC") flea treatment product in the United States, from Elanco Animal Health, Inc. ("Elanco") (NYSE: ELAN).
 - The Company continues expect the closing of the transaction to occur, upon approval of the acquisition under a consent order issued by the U.S. Federal Trade Commission. The Company now anticipates this approval to be received by the end of second quarter 2020, with closing anticipated early in the third quarter of 2020. The assets associated with the Capstar portfolio will be acquired for \$95 million in cash.



FOURTH QUARTER 2019 RESULTS

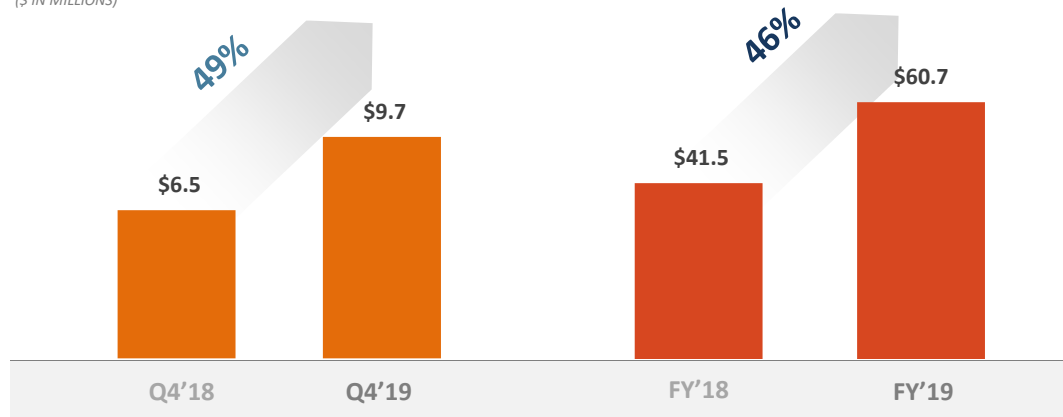
NET SALES

(\$ IN MILLIONS)



ADJUSTED EBITDA¹

(\$ IN MILLIONS)



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

\$ IN MILLIONS	THREE MONTHS ENDED		YEAR ENDED	
	DECEMBER 31, 2019	DECEMBER 31, 2018	DECEMBER 31, 2019	DECEMBER 31, 2018
PRODUCT SALES	\$134.9	\$95.1	\$617.1	\$450.2
SERVICE REVENUE	\$19.4	\$15.9	\$92.3	\$78.4
TOTAL NET SALES	\$154.3	\$111.0	\$709.4	\$528.6
COST OF PRODUCT SOLD	\$113.3	\$81.2	\$530.0	\$383.5
COST OF SERVICES	\$20.6	\$12.9	\$72.0	\$61.8
TOTAL COST OF SALES	\$133.9	\$94.1	\$602.0	\$445.3
GROSS PROFIT	\$20.5	\$16.9	\$107.4	\$83.3
<i>GROSS PROFIT AS % OF NET SALES</i>	<i>13.3%</i>	<i>15.2%</i>	<i>15.1%</i>	<i>15.8%</i>
G&A	\$28.9	\$18.7	\$103.2	\$72.3
<i>G&A AS % OF NET SALES</i>	<i>18.7%</i>	<i>16.8%</i>	<i>14.5%</i>	<i>13.7%</i>
CONTINGENT NOTE	\$4.2	\$3.0	\$7.3	\$3.3
OPERATING INCOME	(\$12.6)	(\$4.9)	(\$3.1)	\$7.7
TAX & OTHER EXPENSES	(\$1.2)	(\$0.4)	(\$11.2)	(\$7.6)
NET (LOSS) INCOME	(\$13.8)	(\$5.3)	(\$14.3)	\$0.1
ADJUSTED EBITDA*	\$9.7	\$6.5	\$60.7	\$41.5

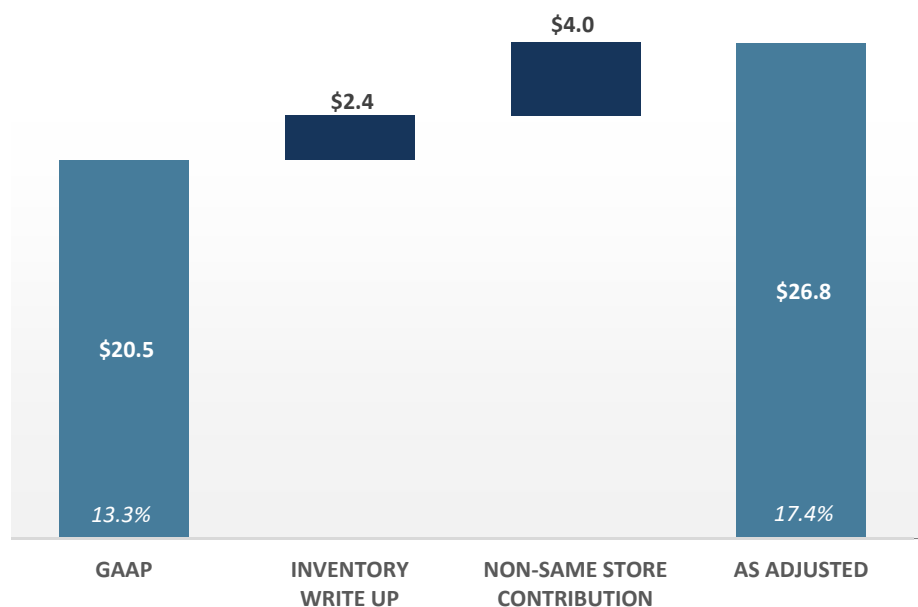
Notes: * Non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure

ADJUSTED GROSS PROFIT*

FOR THE QUARTER ENDED DECEMBER 31, 2019

GROSS PROFIT

\$ IN MILLIONS



RESULTS PERFORMANCE

The Company reported adjusted Gross Profit of \$26.8M, an increase of **\$7.3M** compared to 4Q18. Adjustments from GAAP gross profit to adjusted gross profit include:

- INVENTORY WRITE UP**
 Gross profit includes a \$2.4 million purchase accounting adjustment to fair value inventory relating to the Perrigo Animal Health acquisition.
- NON SAME STORE CONTRIBUTION**
 Adjustment includes net revenue of \$1.8M and costs of \$5.8M in the Services Segment 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

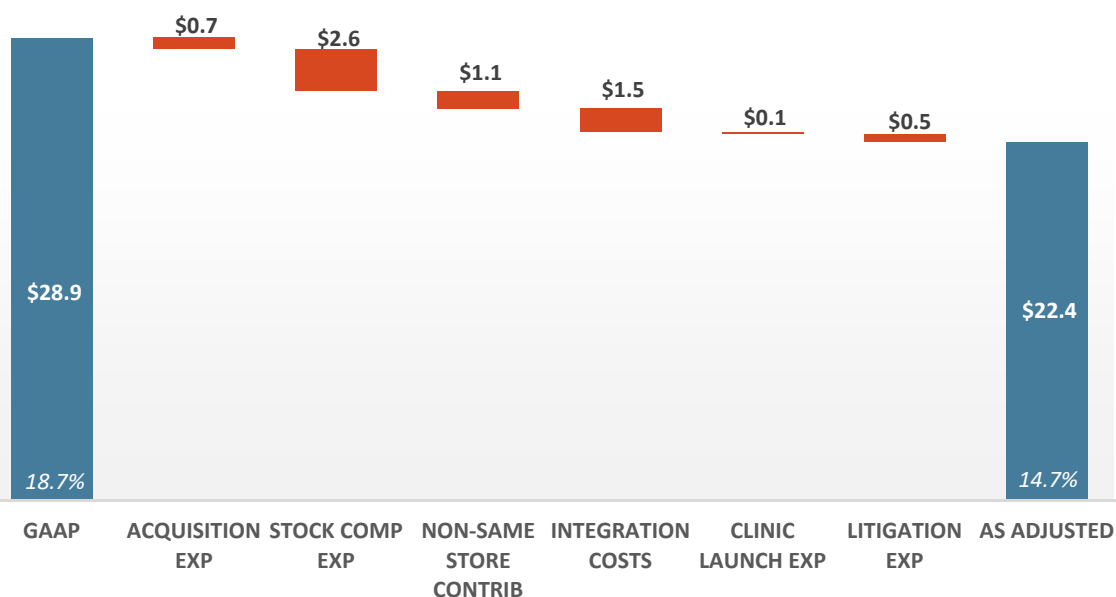
ADJUSTED G&A*

FOR THE QUARTER ENDED DECEMBER 31, 2019

G&A

RESULTS PERFORMANCE

\$ IN MILLIONS



Adjusted G&A was **\$22.4 million**, representing a decrease as a percent of sales of **~35bps** vs. 4Q18. Adjustments from GAAP G&A to Adjusted G&A include:

- 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.
- 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.
- INTEGRATION EXPENSE**
 Represent costs related to integrating the acquired businesses.
- CLINIC LAUNCH EXPENSE**
 Represents nonrecurring costs to open new veterinary wellness centers in our Services segment.
- LITIGATION EXPENSE**
 Represents nonrecurring costs associated with various litigation matters.

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

OUTLOOK

FY2020 – PetIQ Standalone	FY2020 Pro Forma – PetIQ + CapStar*	2023 Growth Targets
Net Sales ▪ \$800M +	Net Sales ▪ \$815M +	Net Sales Growth ▪ 15% +
Adjusted EBITDA* ▪ \$80M +	Adjusted EBITDA* ▪ \$100M +	Adjusted EBITDA Growth* ▪ 20% +
Wellness Center Locations ▪ 130+ Openings		Adjusted EBITDA Margin* ▪ 15%
		Wellness Center Locations ▪ 1,000

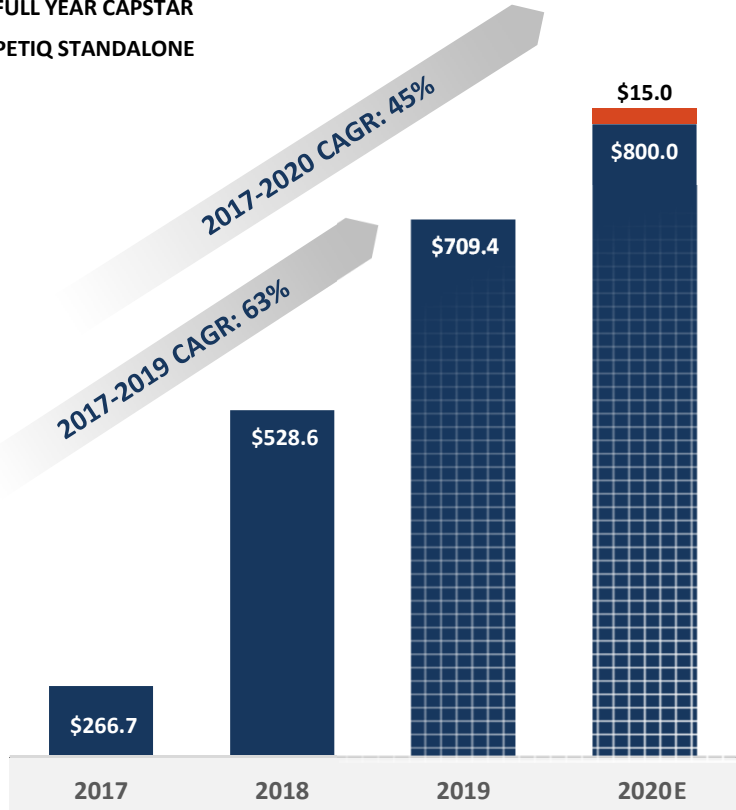
Notes: * Pro forma to give effect to a full year of Capstar contribution if the Capstar acquisition had closed on January 1, 2020. Closing is currently anticipated early in the third quarter of 2020.

TRENDED NET SALES & ADJ EBITDA W/ CAPSTAR

NET SALES

(IN MILLIONS)

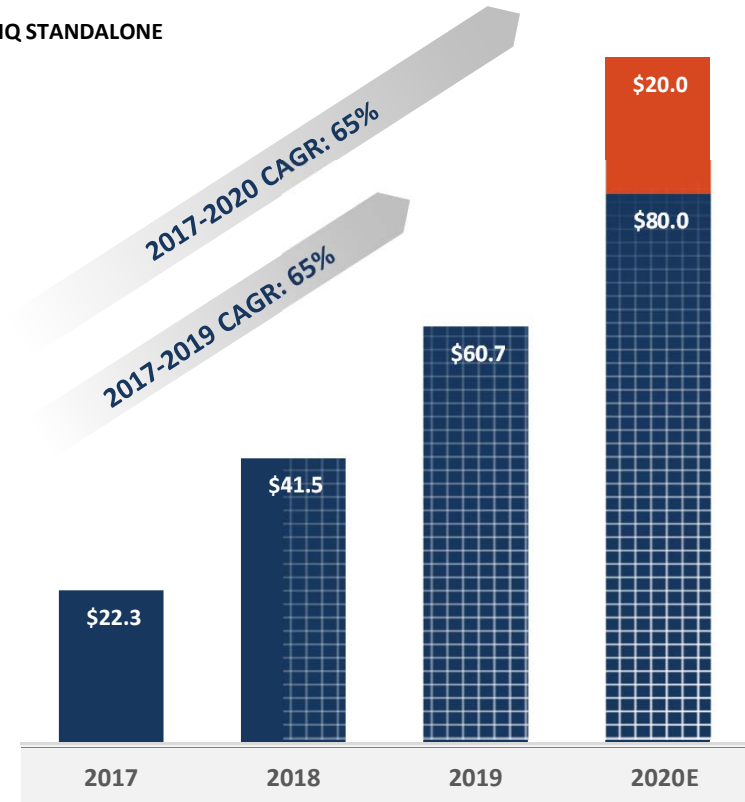
- FULL YEAR CAPSTAR
- PETIQ STANDALONE



ADJ EBITDA

(IN MILLIONS)

- FULL YEAR CAPSTAR
- PETIQ STANDALONE



YOY GROWTH %: 98.2% 34.2% 14.9%

YOY GROWTH %: 86.1% 46.3% 64.7%

Notes: * Pro forma to give effect to a full year of Capstar contribution if the Capstar acquisition had closed on January 1, 2020. Closing is currently anticipated early in the third quarter of 2020.



APPENDIX



ADJUSTED GROSS PROFIT RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		YEAR ENDED	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
GROSS PROFIT	20,462	16,905	107,383	83,288
PLUS:				
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	2,402	647	4,805	2,149
NON SAME-STORE GROSS LOSS	3,973	2,011	8,802	5,263
CLINIC LAUNCH EXPENSE	—	119	—	1,261
SKU RATIONALIZATION	—	—	6,482	—
ADJUSTED GROSS PROFIT	26,837	19,682	127,472	92,254

ADJUSTED G&A EXPENSE RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		YEAR ENDED	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
GENERAL AND ADMINISTRATIVE EXPENSES	28,867	18,728	103,200	72,260
LESS:				
ACQUISITION COSTS	722	308	6,147	3,787
STOCK BASED COMPENSATION EXPENSE	2,608	1,134	7,355	3,812
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	1,480	185	3,788	998
NON SAME-STORE G&A EXPENSE	1,056	475	2,663	1,115
CLINIC LAUNCH EXPENSE	95	119	767	1,380
LITIGATION EXPENSE	529	—	529	—
ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES	22,377	16,507	81,951	61,168

ADJUSTED NET INCOME RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		YEAR ENDED	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
NET INCOME	(13,738)	(5,256)	(14,302)	87
PLUS:				
TAX EXPENSE (BENEFIT)	(3,386)	(1,415)	(3,309)	(661)
ACQUISITION COSTS	722	308	6,147	3,787
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	1,480	185	3,788	998
SKU RATIONALIZATION	—	—	6,482	—
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	2,402	647	4,805	2,149
STOCK BASED COMPENSATION EXPENSE	2,608	1,134	7,355	3,812
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	4,230	3,030	7,320	3,280
NON SAME-STORE REVENUE	(1,834)	(1,192)	(8,088)	(3,967)
NON SAME-STORE COSTS	6,863	3,678	19,553	10,345
CLINIC LAUNCH EXPENSES	95	119	767	1,380
LITIGATION EXPENSES	529	—	529	—
NON-RECURRING ROYALTY SETTLEMENT	—	—	—	440
ADJUSTED NET INCOME	(29)	1,238	31,047	21,650

ADJUSTED EBITDA RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED		YEARS ENDED		
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2017
NET INCOME	(13,738)	(5,256)	(14,302)	87	7,817
PLUS:					
TAX EXPENSE (BENEFIT)	(3,386)	(1,415)	(3,309)	(661)	3,970
DEPRECIATION	3,551	1,841	9,139	6,657	2,348
AMORTIZATION	1,630	1,519	5,994	5,210	1,052
INTEREST	4,574	1,882	14,495	8,022	1,563
EBITDA	(7,369)	(1,429)	12,017	19,315	16,750
ACQUISITION COSTS	722	308	6,147	3,787	1,965
MANAGEMENT FEES	—	—	—	—	610
COSTS ASSOCIATED WITH BECOMING A PUBLIC COMPANY	—	—	—	—	2,710
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	1,480	185	3,788	998	—
SKU RATIONALIZATION	—	—	6,482	—	—
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	2,402	647	4,805	2,149	—
STOCK BASED COMPENSATION	2,608	1,134	7,355	3,812	447
SUPPLIER RECEIVABLE WRITE OFF (RECOVERY)	—	—	—	—	(175)
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	4,230	3,030	7,320	3,280	—
NON SAME-STORE REVENUE	(1,834)	(1,192)	(8,088)	(3,967)	—
NON SAME-STORE COSTS	6,863	3,678	19,553	10,345	—
CLINIC LAUNCH EXPENSES	95	119	767	1,380	—
LITIGATION EXPENSES	529	—	529	—	—
NON-RECURRING ROYALTY SETTLEMENT	—	—	—	440	—
ADJUSTED EBITDA	9,726	6,480	60,675	41,539	22,307

SEGMENT FINANCIAL INFORMATION

	THREE MONTHS ENDED		YEARS ENDED	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
<i>\$ IN MILLIONS</i>				
SERVICES SEGMENT SALES:				
SAME-STORE SALES	17,608	14,691	84,225	74,418
NON SAME-STORE SALES	1,834	1,192	8,088	3,967
NET SERVICES SEGMENT SALES	19,442	15,883	92,313	78,385
PRODUCT SEGMENT SALES	134,894	95,141	617,118	450,229
TOTAL NET SALES	154,336	111,024	709,431	528,614
ADJUSTED EBITDA				
PRODUCTS	17,093	10,498	73,537	52,185
SERVICES	1,949	2,197	20,045	15,246
CORPORATE	(9,315)	(6,215)	(32,907)	(25,892)
TOTAL ADJUSTED EBITDA	9,726	6,480	60,675	41,539

