



JEFFERIES PET INDUSTRY SUMMIT

MARCH 2019



FORWARD LOOKING STATEMENTS

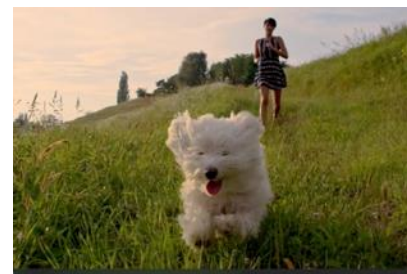
This presentation contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "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 promo-on 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.

NON-GAAP FINANCIAL MEASURES

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.



Provide the Best Veterinary Products and Services Available for All Pets at an Affordable Cost and Greater Convenience for Pet Parents



HEALTH & WELLNESS PRODUCTS • PHARMACEUTICALS • CLINICS • TREATS

THE PET CARE AND SERVICES MARKET ARE INCREDIBLY HEALTHY...

Total U.S. Pet market is estimated to reach \$86.7b in 2018 (+6% vs. prior year)

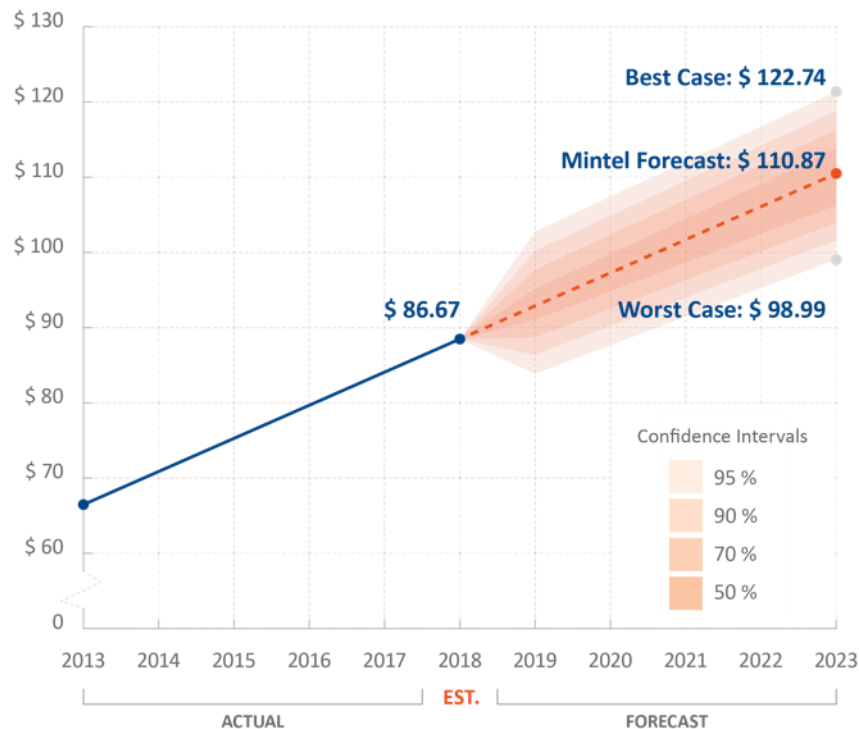
Market growth has remained consistent from 2013-17, and keeping pace with consumer spending overall

Pet health is becoming increasingly more “humanized”

Pet owners consistently invest in their pets; the new generation of pet owners continue the trend as they “seek to provide their pets with a healthy and happy life filled with products and experiences fit for human consumption”

Source: Based on IRI InfoScan® Reviews; US Census Bureau, Economic Census, Service Annual Survey, and Non-Employer Statistics; US Bureau of Economic Analysis/ Mintel

TOTAL U.S. SALES AND FAN CHART FORECAST OF PET CARE AND SERVICES, AT CURRENT PRICES, 2013-23



... AND GENERATIONAL TRENDS SUPPORT THE MARKET'S CONTINUED GROWTH

Millennial* and Gen Z Pet Owners Continue the Humanization of Pets



98%

PET OWNERS FEEL THEIR PET IS AN IMPORTANT PART OF THE FAMILY³

*Now the largest pet-owning demographic segment²

43% Of Millennials Refer to Their Pets as Their “Fur Baby”¹

44% Of Millennials *and*

67% of Gen Z celebrate Valentine’s Day With Their Pet¹

50% Of Pet Owners Sleep With Their Pets⁴

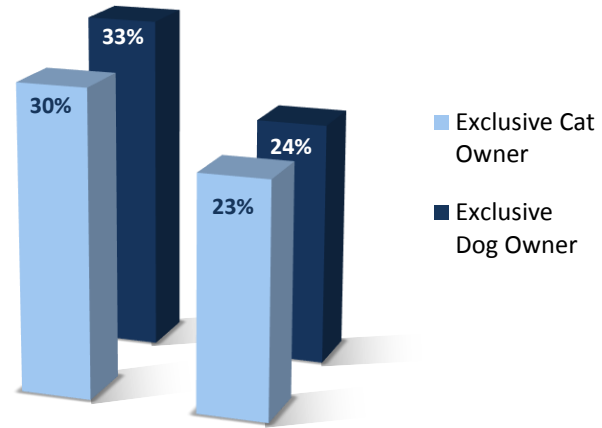
1. US Pet Owner Survey, Trupanion survey conducted in the US and Canada, October 2017, n=1,250
2. American Pet Products Association, National Pet Owners Survey, 2018.
3. Pet Owner Survey by the Human Animal Bond Research Institute (HABRI), 2016, n=1,995.
4. Harris Poll <http://www.theharrispoll.com/health-and-life/Pets-are-Members-of-the-Family.html>

COST IS *THE* PRIMARY BARRIER TO PROPER VETERINARY CARE...

- *In the past two years, nearly 28% of households experienced barriers to veterinary care,*
- *The overwhelming barrier for all groups of pet owners and all types of care is financial, with 80% unable to obtain preventative care due to financial constraints*



DOG AND CAT OWNERS ALIKE ARE CONCERNED ABOUT THE COST OF PET OWNERSHIP



It is costly to take care of my pet

I worry I will not be able to afford my pet's medical treatments

Source: Access to Veterinary Care: Barriers, Current Practices & Public Policy, A project of the Access to Veterinary Care Coalition, December 17, 2018

Source: Lightspeed/Mintel, 1,689 internet users aged 18+ who own a pet, March 2018
Question: "Which of the following statements about owning a pet do you agree with?"

...AND PET OWNERS ARE LOOKING FOR ALTERNATIVES TO VETERINARY CARE AND PRODUCTS

OVER 50% of Flea & Tick Product Purchases are Made in Retail Outlets or Online¹

64% Of Pet Owners say they would purchase more pet meds from their vet if they offered **more competitive prices**²

32% Of pet Owners say they would purchase more pet meds if their vet were **more conveniently located**²

1. Source: Kynetec, 2018, Q3 PetInsight: Omnibus, Published November 2018. N=1,087 Dog Owners; 778 Cat Owners
Question: Thinking about all the flea/tick product purchases you have made in the *past 12 months*, where did you purchase these product(s) from?
2. Packaged Facts, Survey of Pet Owners, January, 2018. Strongly Agree or Somewhat Agree to the question: "I would purchase more pet meds from vets if..."





COMPANY OVERVIEW

Provide the Best Veterinary Products and Services Available for All Pets at an Affordable Cost and Greater Convenience for Pet Parents



HEALTH & WELLNESS PRODUCTS • PHARMACEUTICALS • CLINICS • TREATS

Provide the Best Veterinary Products and Services Available for All Pets at an Affordable Cost and Greater Convenience for Pet Parents

MASS / GROCERY	CLUB	PET SPECIALTY	E-COMMERCE	RETAIL PHARMACY
        	  	       	     	  

HEALTH & WELLNESS PRODUCTS • PHARMACEUTICALS • CLINICS • TREATS



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



COMMITTED TO AFFORDABLE, CONVENIENT PET CARE TO ALL PETS AND PET PARENTS



Animal Health Products

- 500+ DISTRIBUTED MEDICATIONS
- 200+ PRODUCTS MANUFACTURED
- 40+ RETAIL PARTNERS
- 60,000+ POINTS OF DISTRIBUTION
- LEADER IN DRIVING “MASS PREMIUMIZATION” TREND



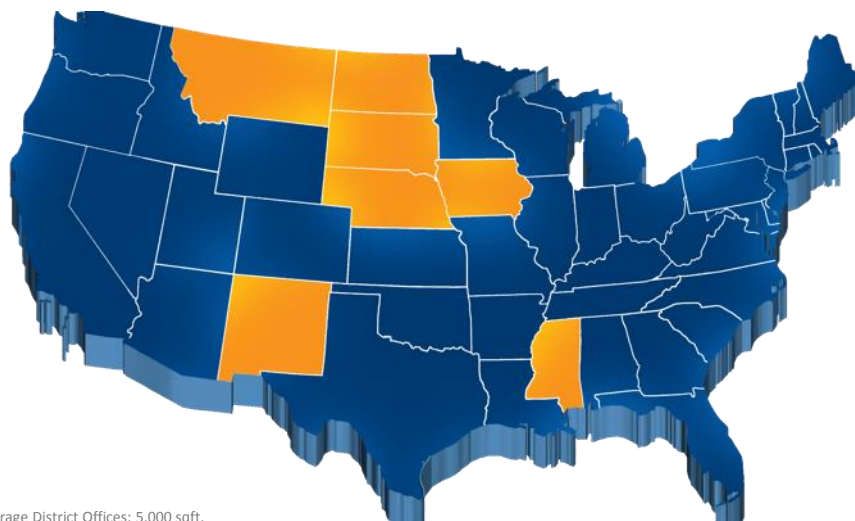
VALUE TO EVERYONE

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



- 34 REGIONAL OFFICES
- 3,400 CLINIC LOCATIONS
- CONVENIENT AND AFFORDABLE VET CARE
- MOBILE & FIXED LOCATION CLINICS
- 1,500+ VETERINARIANS
- OVER 1,000,000 PETS SERVED IN 2018

NATIONWIDE INFRASTRUCTURE TO OPERATE VETERINARY CLINICS



Average District Offices; 5,000 sqft.

CURRENT FOOTPRINT
 FUTURE EXPANSION

OPERATING VETERINARY CLINICS NEAR 90% OF THE U.S. POPULATION

WE TAKE CARE OF PETS & HELP PET PARENTS SAVE MONEY

VETERINARY PET PRODUCTS

\$ 10.7 Billion in 2018 *



Distributed Product

- Prescription and OTC
- Leading Animal Health Partner to Retailers
- 24 Hour Delivery to Any Pharmacy



Manufactured Product

- 400,000 Square Feet of Our Own Facilities
- Over 200 Items Manufactured
 - Flea & Tick
 - Health & Wellness
 - Prescription Drug
 - Treats
- EPA/FDA Licensed
- SQF Certified



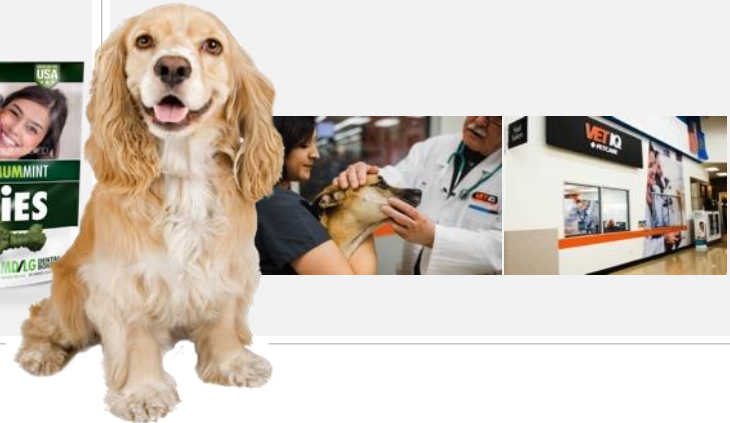
VETERINARY SERVICES

\$ 21.3 Billion in 2018 *



Veterinary Clinics

- Over 1,000,000 Pets served in 2018
- Retail Partners
- Community Clinics
- Wellness Centers
- Plan to Open 1,000 Wellness Centers by 2023



* Package Facts, US Pet Market Outlook, 2018 – 2019

* Package Facts US Pet Medications US 5th Edition

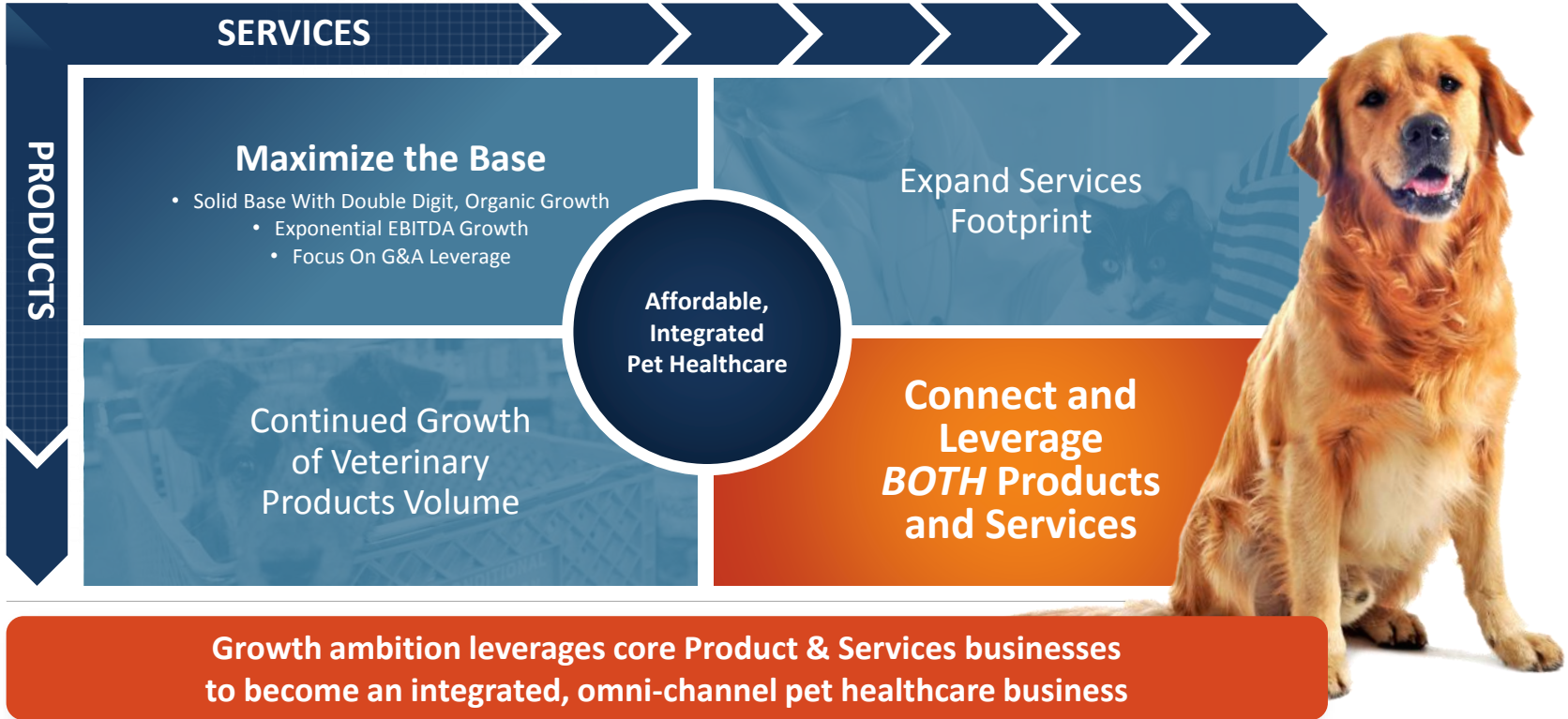


OUR STRATEGY

PETIQ GROWTH STRATEGY

CORE BUSINESS GROWTH OUTPACES THE MARKET TODAY

Further Acceleration Happens with Expansion Beyond the Base



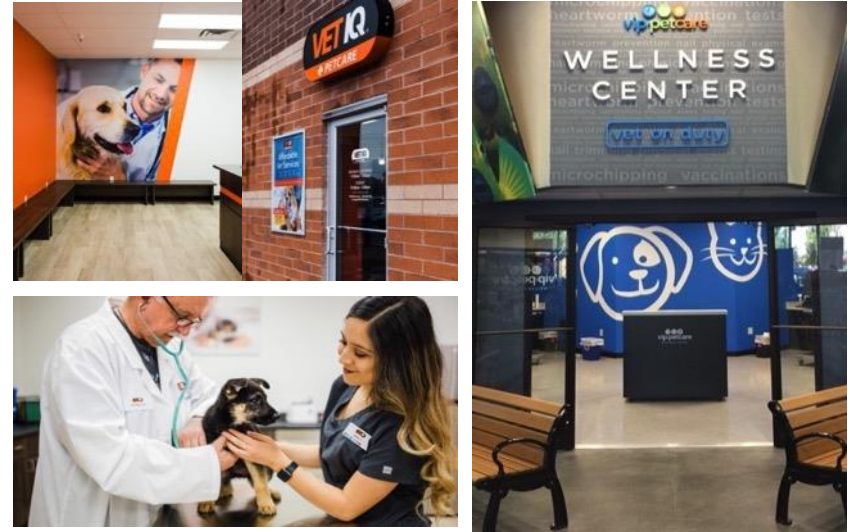
EXPANDING VETERINARY SERVICES FOOTPRINT

COMMUNITY CLINICS



- Legacy Business Has Double Digit Growth
- 74K Clinics Held in 2018
- 20% Adjusted EBITDA Margin Enabler

WELLNESS CENTERS



- Rollout of First 34 Clinics Completed by December of 2018
- Learnings to be Leveraged With New Clinics
- Expansion With Existing and New Retail Partners Planned in 2019

OUR PLAN: BUILD 1000 NEW CLINICS BY 2023

CONTINUED GROWTH OF VETERINARY PRODUCTS VOLUME

SOURCES OF GROWTH

EXISTING PORTFOLIO

Organic Growth – Outpacing the Market

Expand into Existing Doors

Expand into New Doors



NEW ITEM INNOVATION

PetIQ R&D and Manufacturing

Animal Health Partners R&D

Expanding Into New & Existing Doors

**MORE AFFORDABLE OPTIONS
FOR PET OWNERS**

meijer



COSTCO
WHOLESALE

TSC TRACTOR
SUPPLY CO



TARGET

petvalu
your pet • your store

Walmart

Publix

PET SUPPLIES PLUS



CVS

DOLLAR
GENERAL

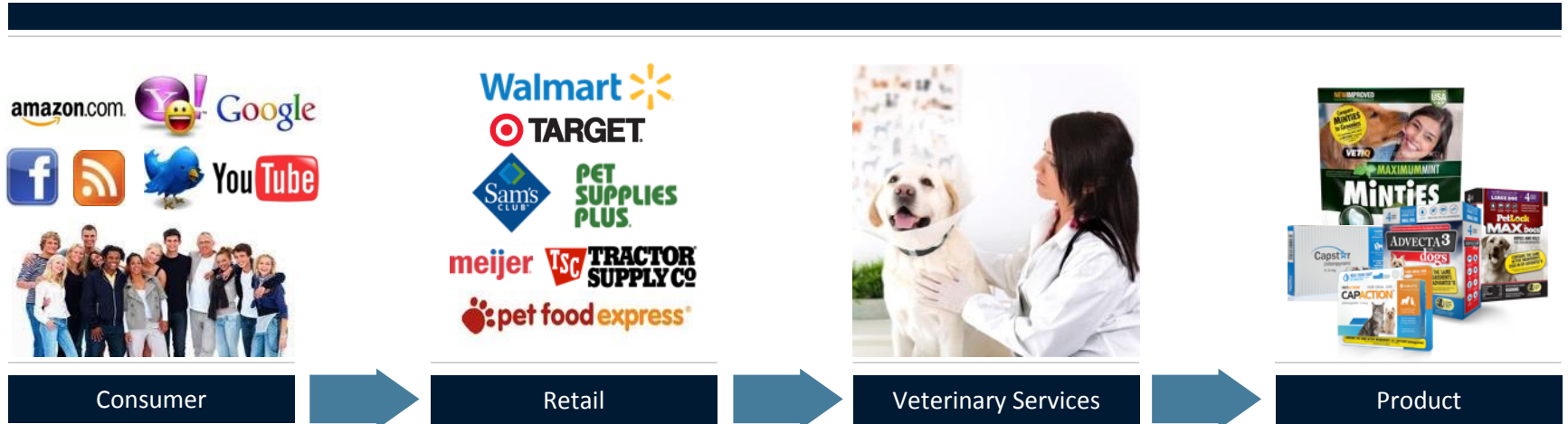
MENARDS

PET SMART



H-E-B

CONNECT AND LEVERAGE PRODUCTS & SERVICES



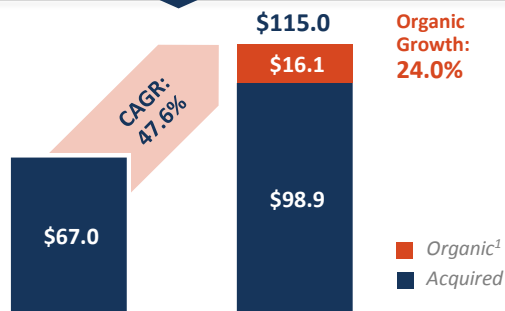


FINANCIAL PERFORMANCE

PLATFORM GENERATING SIGNIFICANT ORGANIC GROWTH

Q1 NET SALES

(\$ IN MILLIONS)

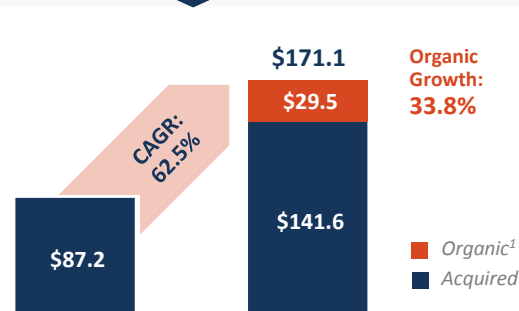


2017

2018

Q2 NET SALES

(\$ IN MILLIONS)

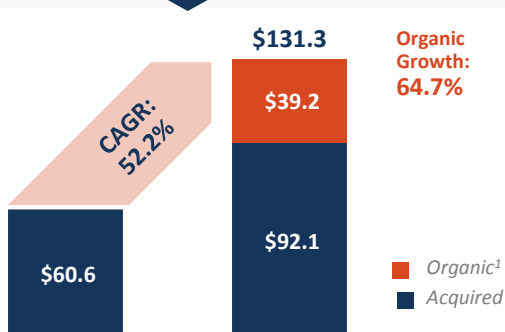


2017

2018

Q3 NET SALES

(\$ IN MILLIONS)

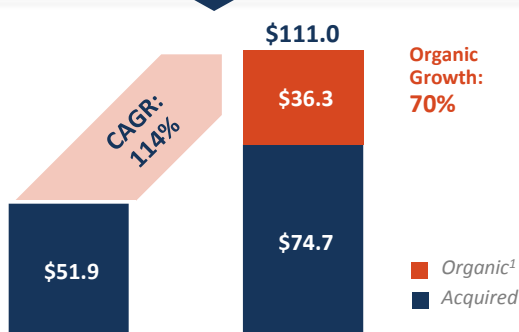


2017

2018

Q4 NET SALES

(\$ IN MILLIONS)



2017

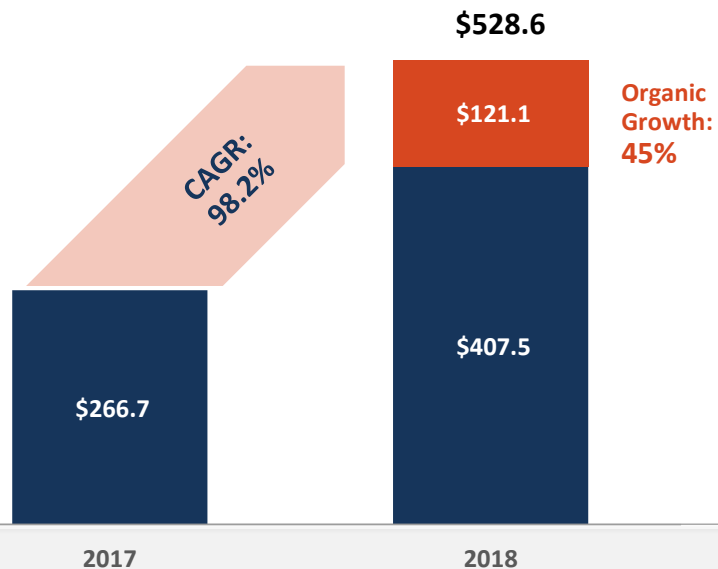
2018

1. Organic growth represents year over year, in corresponding quarters, comparing Proforma financial results to include VIP.

GROWTH TRAJECTORY REMAINS INTACT

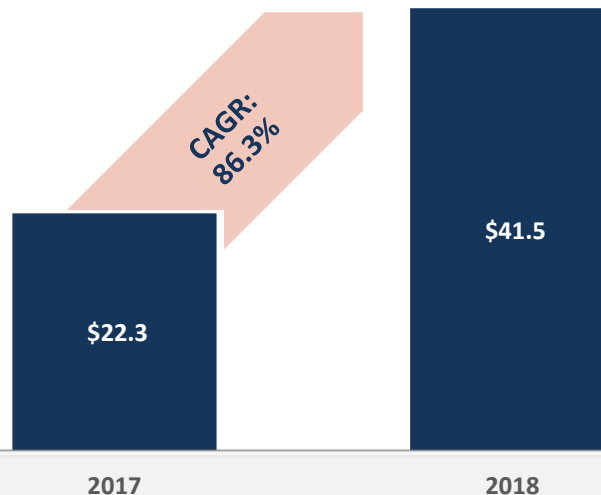
ANNUAL NET SALES ¹

(\$ IN MILLIONS)



ANNUAL ADJ EBITDA

(\$ IN MILLIONS)



1. Organic growth represents year over year, in corresponding quarters, comparing Proforma financial results to include VIP.

■ Acquired ■ Organic

LONG TERM TRAJECTORY

DOUBLE THE SIZE OF THE COMPANY



LONG TERM GROWTH TARGETS

Future Net Sales Growth	15 %	Future Adj EBITDA Margin by 2023	15 % +
Wellness Centers Locations	1,000	Adjusted EBITDA Growth	20 % +

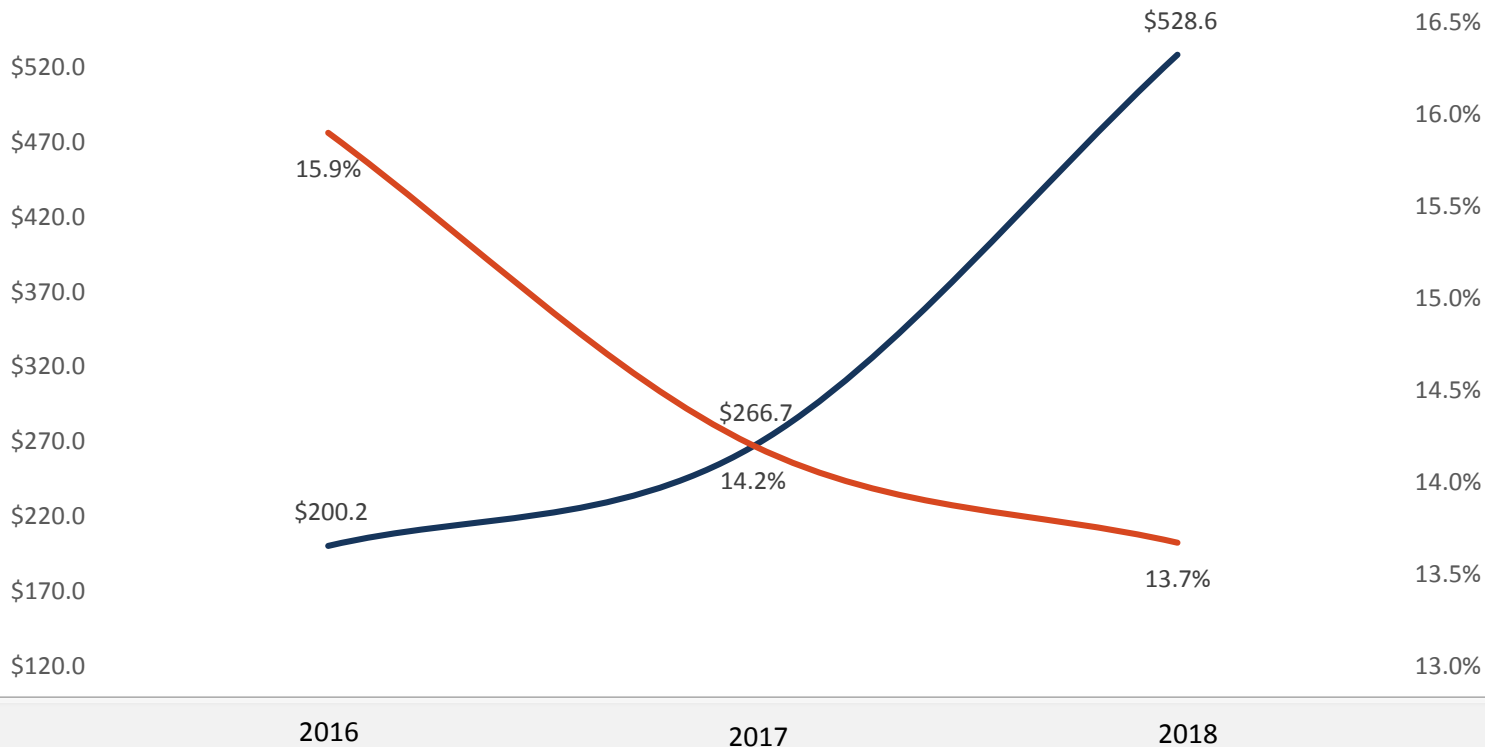
* These are not projections; they are goals and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Report on Form 10-Q for the period ended March 31, 2018. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals.



APPENDIX

BASE BUSINESS GENERATING G&A LEVERAGE

(IN MILLIONS)



■ Net Sales ■ G&A % of Sales

ADJUSTED EBITDA RECONCILIATION

\$ IN MILLIONS	FYE '18
NET INCOME	87
PLUS:	
TAX EXPENSE (BENEFIT)	(661)
DEPRECIATION	6,657
AMORTIZATION	5,210
INTEREST	8,022
EBITDA	19,315
ACQUISITION COSTS	3,787
STOCK BASED COMPENSATION EXPENSE	3,812
PURCHASE ACCOUNTING ADJUSTMENT TO INVENTORY	2,149
NON SAME-STORE REVENUE	(3,967)
NON SAME-STORE COSTS	10,345
FAIR VALUE ADJUSTMENT OF CONTINGENT NOTE	3,280
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	998
NEW WELLNESS CENTER LAUNCH EXPENSES	1,380
NON-RECURRING ROYALTY SETTLEMENT	440
ADJUSTED EBITDA	41,539

