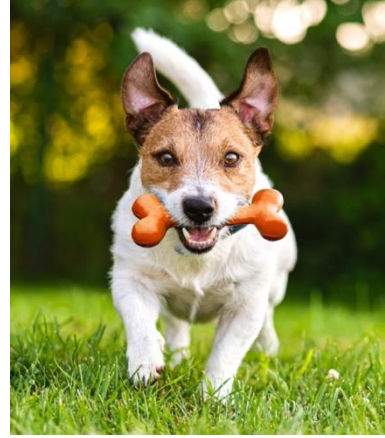




# 4Q21 Earnings Presentation

MARCH 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.



# CONTENTS

- BUSINESS OVERVIEW
- PRODUCTS SEGMENT HIGHLIGHTS
- SERVICES SEGMENT HIGHLIGHTS
- OUTLOOK
- APPENDIX





# 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

- \$825 M IN 2021 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



## Veterinary Services

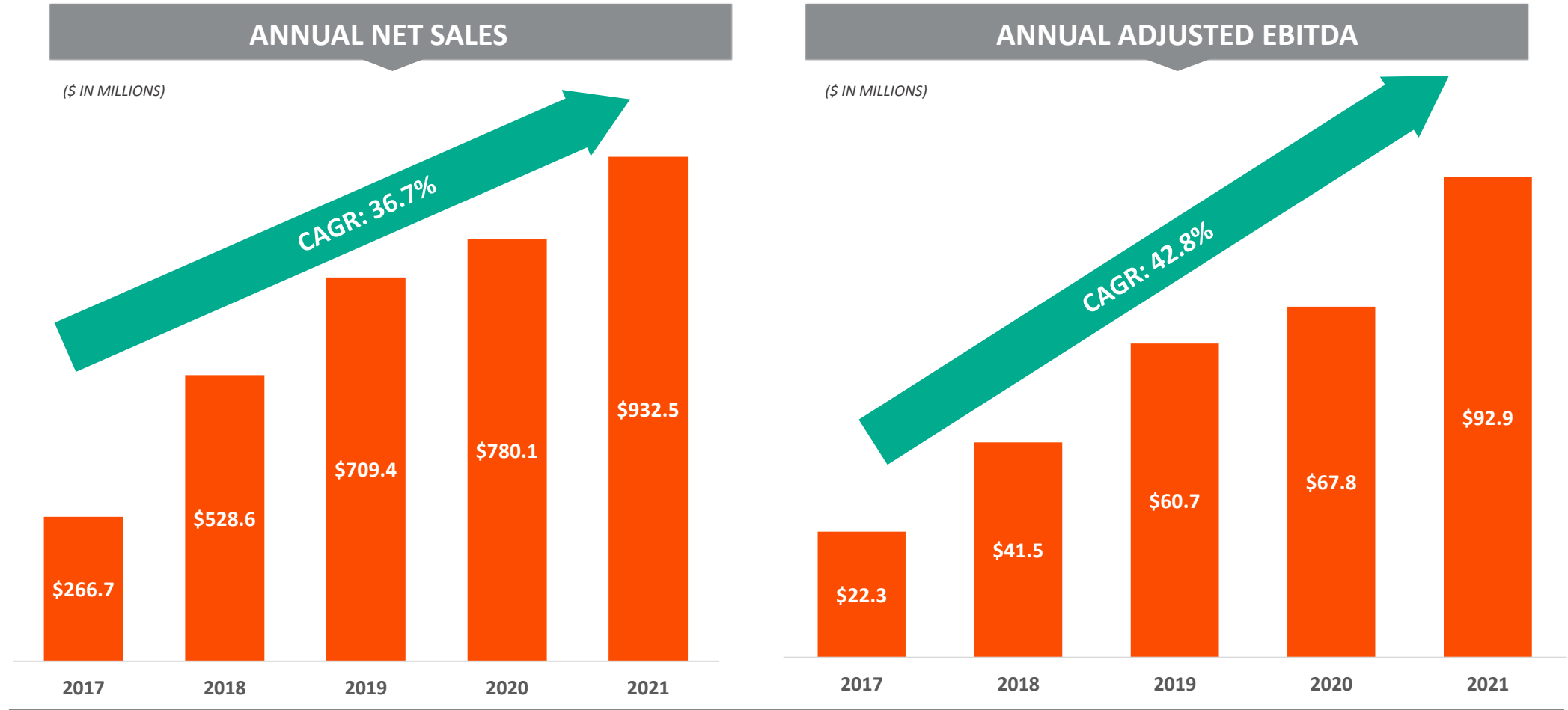
- CONVENIENT AND AFFORDABLE VET CARE
- ~ 3,000 CLINIC LOCATIONS
- ~ 1.2 M PETS SERVED IN 2021
- 1,500+ VETERINARIANS
- MOBILE & FIXED CLINIC LOCATIONS
- 35 REGIONAL OFFICES SERVING 42 STATES

# OUR PRODUCTS REACH PET PARENTS WHERE THEY CHOOSE TO PURCHASE

MASS / GROCERY	CLUB	PET SPECIALTY	E-COMMERCE	RETAIL PHARMACY

VETERINARY SERVICES • PHARMACEUTICALS • PET PRODUCTS

## RECORD FINANCIAL PERFORMANCE



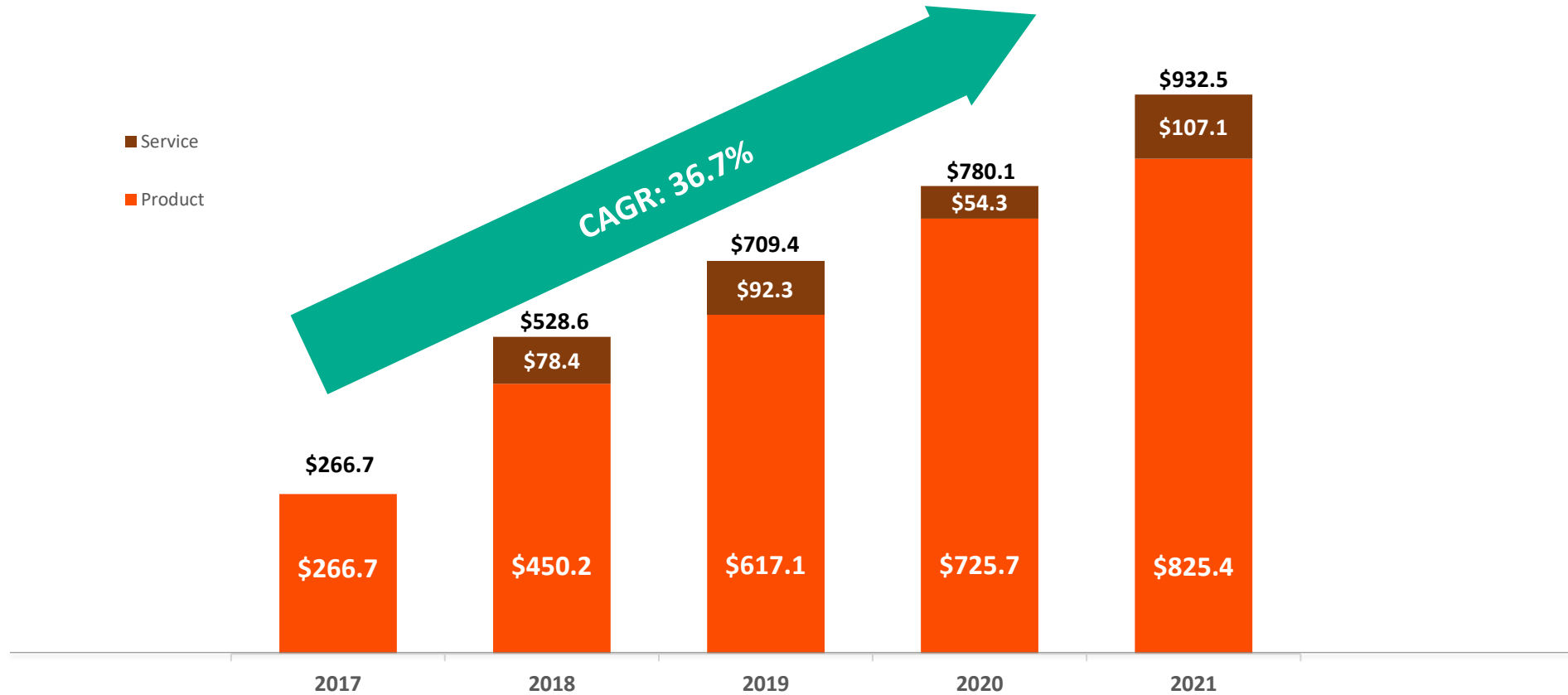
**GROWING SIGNIFICANTLY FASTER THAN THE ANIMAL HEALTH INDUSTRY'S 7% CAGR**



# PRODUCT SEGMENT CONSISTENT DRIVER OF ANNUAL GROWTH

## PRODUCT AND SERVICES NET SALES

(\$ IN MILLIONS)





# PRODUCTS SEGMENT

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

**RX Pet Meds**



**Flea & Tick**



**Behavior**



**Supplements**



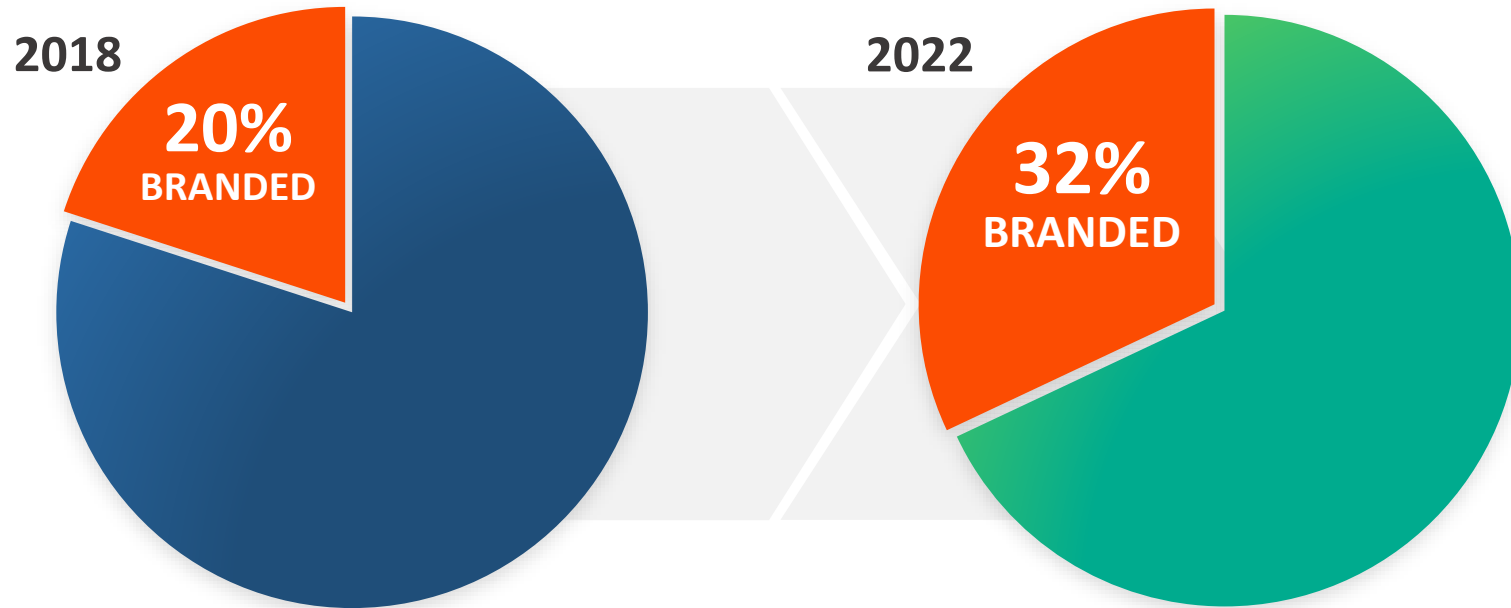
**Treats**



**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



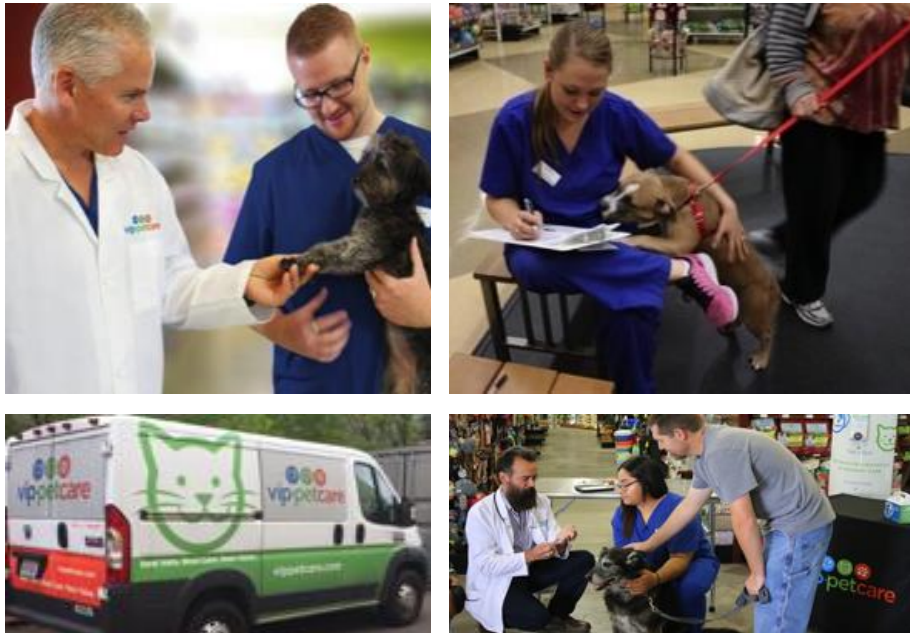


# SERVICES SEGMENT

# 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



- 11,537 Clinics Operated in 4Q21
- 55,752 Clinics Operated FY21

## WELLNESS CENTERS: PHYSICAL LOCATIONS



- 26 Locations Opened in 4Q21
- 98 Locations opened in FY21; 224 Total 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 pet<sup>1</sup>. 55% of pet parents come to PetIQ for affordable services, 41% for no appointment needed<sup>2</sup>**

## 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 reasons<sup>1</sup>*

**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

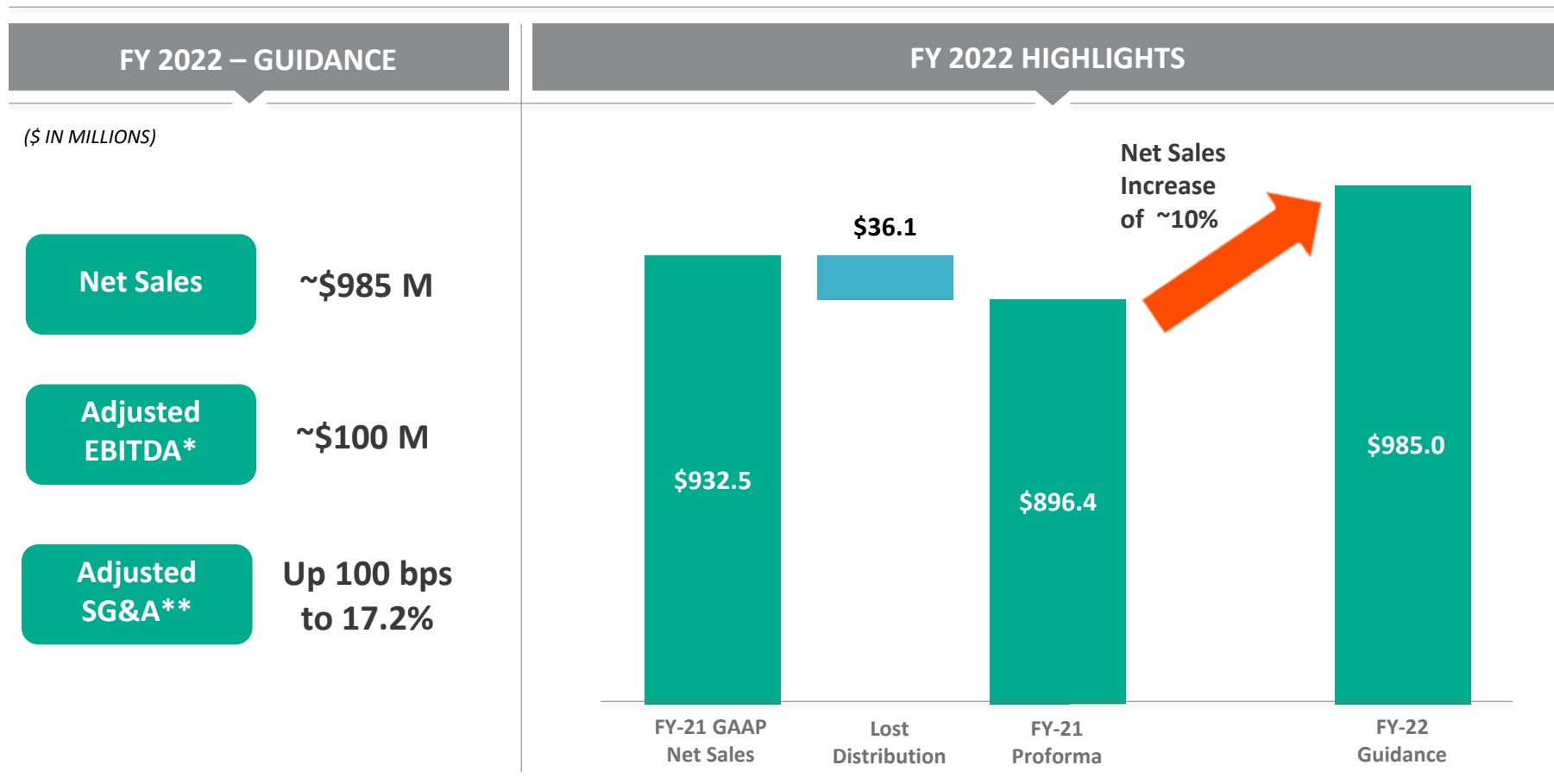
*PetIQ's unique, nation-wide, clinic operations offers veterinary professionals work-life balance and the ability to provide preventative care for pets in an affordable and convenient setting*





# OUTLOOK

# ANNUAL OUTLOOK

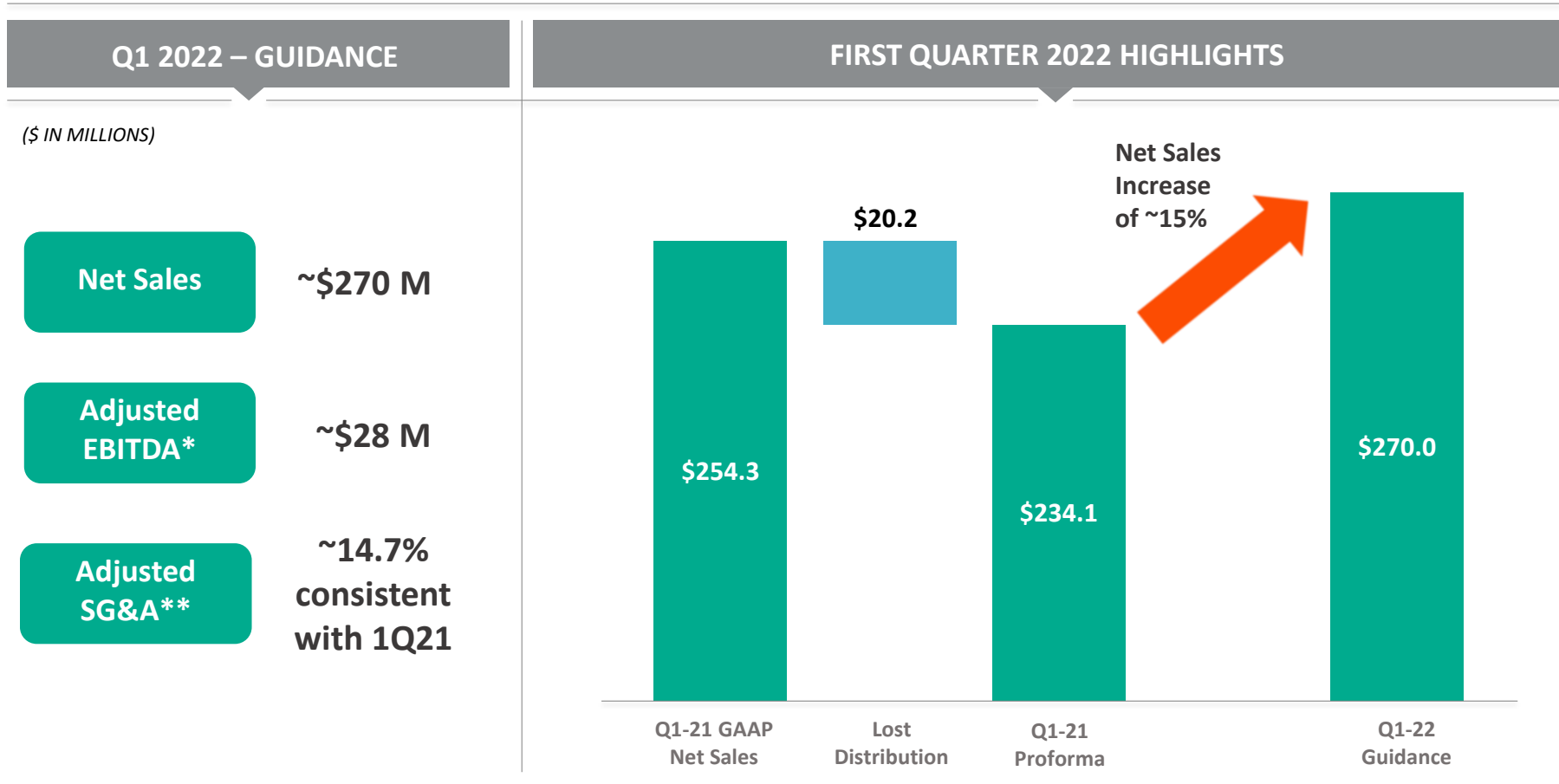


\*Assumes nominal improvement from the Services segment

\*\* 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

\*\*\* Sales related to loss of distribution rights for certain animal health manufacturing products.

# QUARTERLY OUTLOOK



\*Assumes nominal improvement from the Services segment

\*\* Includes an incremental \$15 million, or 150 basis points of expense, to support two significant new manufactured brand introductions, and continued marketing investments to help accelerate growth of manufactured brand product portfolio

\*\*\* Sales related to loss of distribution rights for certain animal health manufacturing products.



**PETS**



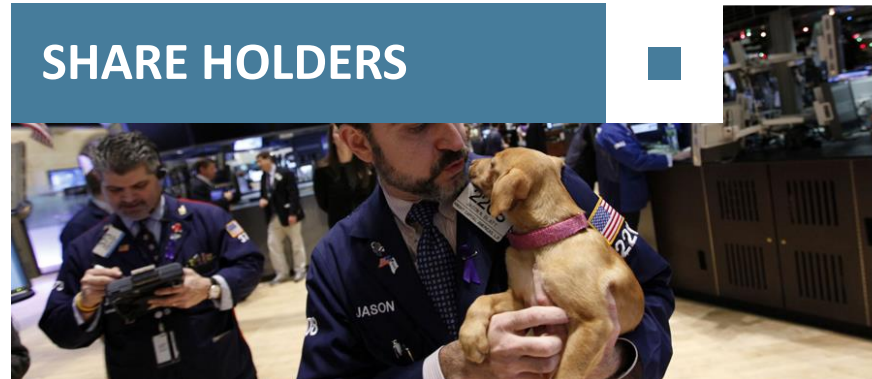
**PET PARENTS**



# Creating Value Through Smarter Pet Health



**SHARE HOLDERS**



**RETAILER & E-COMMERCE PARTNERS**



**MANUFACTURERS**







# APPENDIX

## ADJUSTED GROSS PROFIT RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED			YEAR ENDED		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
<b>GROSS PROFIT</b>	<b>36,894</b>	28,582	20,462	<b>186,393</b>	135,188	107,383
<b>PLUS:</b>						
NON SAME-STORE GROSS LOSS	<b>3,341</b>	3,535	3,973	<b>15,146</b>	11,195	8,802
COVID-19 RELATED LOSS	—	225	—	—	4,053	—
PURCHASE ACCOUNTING ADJ TO INVENTORY	—	—	2,402	—	—	4,805
SKU RATIONALIZATION	—	—	—	—	—	6,482
<b>ADJUSTED GROSS PROFIT</b>	<b>40,235</b>	32,342	26,837	<b>201,539</b>	150,436	127,472

## ADJUSTED G&A EXPENSE RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED			YEAR ENDED		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>41,455</b>	32,631	28,867	<b>170,521</b>	138,375	103,200
<b>LESS:</b>						
ACQUISITION COSTS	—	805	722	<b>92</b>	2,620	6,147
STOCK BASED COMPENSATION EXPENSE	<b>2,240</b>	2,621	2,608	<b>9,428</b>	9,170	7,355
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	<b>212</b>	165	1,480	<b>(876)</b>	9,776	3,788
NON SAME-STORE GENERAL AND ADMINISTRATIVE EXPENSES	<b>2,888</b>	1,416	1,057	<b>8,013</b>	5,159	2,663
CLINIC LAUNCH EXPENSES	—	—	95	—	—	767
LITIGATION EXPENSE	<b>1,219</b>	283	529	<b>4,105</b>	1,006	529
LOSS ON EXTINGUISHMENT	—	—	—	<b>985</b>	—	—
COVID-19 RELATED LOSS	—	218	—	—	2,073	—
CFO TRANSITION	<b>597</b>	—	—	<b>928</b>	—	—
<b>ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>34,299</b>	27,123	22,376	<b>147,846</b>	108,571	81,951

# ADJUSTED NET INCOME RECONCILIATION

	THREE MONTHS ENDED			YEAR ENDED		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
<i>\$ IN MILLIONS</i>						
<b>NET INCOME</b>	<b>(14,475)</b>	<b>(10,123)</b>	<b>(13,738)</b>	<b>(16,383)</b>	<b>(85,727)</b>	<b>(14,302)</b>
<b>PLUS:</b>						
TAX EXPENSE	3,682	(169)	(3,386)	3,869	60,413	(3,309)
ACQUISITION COSTS	—	805	722	92	2,620	6,147
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	212	165	1,480	(142)	9,776	3,788
STOCK BASED COMPENSATION EXPENSE	2,240	2,621	2,608	9,428	9,170	7,355
FAIR VALUE ADJ OF CONTINGENT NOTE	—	—	4,230	—	—	7,320
NON SAME-STORE ADJUSTMENT	6,229	4,951	5,124	23,159	16,354	12,232
LOSS ON DEBT EXTINGUISHMENT	—	—	—	6,438	—	—
LITIGATION EXPENSES	1,219	283	529	4,105	1,006	529
SKU RATIONALIZATION	—	—	—	—	—	6,482
COVID-19 RELATED LOSS	—	443	—	—	6,476	—
CFO TRANSITION	597	—	—	928	—	—
PURCHASE ACCOUNTING ADJ TO INVENTORY	—	—	2,402	—	—	4,805
<b>ADJUSTED NET INCOME</b>	<b>(296)</b>	<b>(1,024)</b>	<b>(29)</b>	<b>31,494</b>	<b>20,088</b>	<b>31,047</b>



# ADJUSTED EBITDA RECONCILIATION

\$ IN MILLIONS	THREE MONTHS ENDED			YEAR ENDED		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
<b>NET INCOME</b>	<b>(14,475)</b>	(10,123)	(13,738)	<b>(16,383)</b>	(85,727)	(14,302)
<b>PLUS:</b>						
TAX EXPENSE (BENEFIT)	<b>3,682</b>	(169)	(3,386)	<b>3,869</b>	60,413	(3,309)
DEPRECIATION	<b>4,947</b>	3,196	3,551	<b>14,366</b>	12,082	9,139
AMORTIZATION	<b>4,654</b>	4,502	1,630	<b>22,336</b>	12,815	5,994
INTEREST	<b>6,003</b>	6,347	4,574	<b>24,696</b>	22,807	14,495
<b>EBITDA</b>	<b>4,811</b>	3,753	(7,369)	<b>48,884</b>	22,390	12,017
ACQUISITION COSTS	—	805	722	<b>92</b>	2,620	6,147
STOCK BASED COMPENSATION EXPENSE	<b>2,240</b>	2,621	2,608	<b>9,428</b>	9,170	7,355
PURCHASE ACCOUNTING ADJ TO INVENTORY	—	—	2,402	—	—	4,805
LITIGATION EXPENSES	<b>1,219</b>	283	529	<b>4,105</b>	1,006	529
NON SAME-STORE NET (INCOME) LOSS	<b>6,229</b>	4,951	5,124	<b>23,159</b>	16,354	12,232
FAIR VALUE ADJ OF CONTINGENT NOTE	—	—	4,230	—	—	7,320
LOSS ON EXTINGUISHMENT AND RELATED COSTS	—	—	—	<b>6,438</b>	—	—
INTEGRATION COSTS AND COSTS OF DISCONTINUED CLINICS	<b>212</b>	165	1,480	<b>(142)</b>	9,776	3,788
SKU RATIONALIZATION	—	—	—	—	—	6,482
COVID-19 RELATED COSTS	—	443	—	—	6,476	—
CFO TRANSITION	<b>597</b>	—	—	<b>928</b>	—	—
<b>ADJUSTED EBITDA</b>	<b>15,308</b>	13,021	9,726	<b>92,892</b>	67,792	60,675

## SEGMENT FINANCIAL INFORMATION

\$ IN MILLIONS	THREE MONTHS ENDED			YEAR ENDED		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
PRODUCT SEGMENT SALES	170,947	145,055	134,894	825,395	725,705	617,118
SERVICES SEGMENT SALES:						
SAME-STORE SALES	18,133	16,285	17,608	81,955	45,359	84,225
NON SAME-STORE SALES	7,556	2,868	1,834	25,178	8,987	8,088
<b>NET SERVICES SEGMENT SALES</b>	<b>25,689</b>	<b>19,153</b>	<b>19,442</b>	<b>107,133</b>	<b>54,346</b>	<b>92,313</b>
<b>TOTAL NET SALES</b>	<b>196,636</b>	<b>164,208</b>	<b>154,336</b>	<b>932,528</b>	<b>780,051</b>	<b>709,431</b>
ADJUSTED EBITDA						
PRODUCTS	28,664	24,768	17,093	149,321	117,216	73,537
SERVICES	2,797	509	1,949	11,742	3,387	20,045
CORPORATE	(16,153)	(12,256)	(9,315)	(68,171)	(52,811)	(32,907)
<b>TOTAL ADJUSTED EBITDA</b>	<b>15,308</b>	<b>13,021</b>	<b>9,726</b>	<b>92,892</b>	<b>67,792</b>	<b>60,675</b>