



PetMeds[™]

Your Trusted Pet Health Expert

NASDAQ: PETS



Investor Presentation

November 2022

Safe Harbor & Non-GAAP Measures

This Presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including statements regarding our environmental and other sustainability plans and goals and potential acquisitions, investments and dispositions. Although PetMeds believes that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. There can be no assurance that any forward-looking results will occur or be realized, and nothing contained in this Presentation is, or should be relied upon as, a promise or representation or warranty as to any future matter, including any matter in respect of the operations or business or financial condition of PetMeds. Such forward-looking statements can be identified by the use of forward-looking terms such as “believes,” “expects,” “may,” “intends,” “will,” “shall,” “should,” “anticipates,” “opportunity,” “illustrative”, or the negative thereof or other variations thereon or comparable terminology. All forward-looking statements are based on assumptions or judgments about future events that may or may not be correct or necessarily take place and that are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of PetMeds. Forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from the potential results discussed in the forward-looking statements, including, without limitation, those identified in this Presentation, the risk factors that we identify in our Securities and Exchange Commission filings, as well as the following: (i) increased competition (including from multichannel retailers and e-Commerce providers); (ii) reduced consumer demand for our products and/or services; (iii) our reliance on key vendors; (iv) our ability to attract and retain qualified employees; (v) risks arising from statutory, regulatory and/or legal developments; (vi) macroeconomic pressures in the markets in which we operate; (vii) failure to effectively manage our costs; (viii) our reliance on our information technology systems; (ix) our ability to prevent or effectively respond to a privacy or security breach; (x) our ability to effectively manage strategic ventures, alliances or acquisitions; (xi) economic or regulatory developments that might affect our ability to provide attractive promotional financing; (xii) interruptions and other supply chain issues; (xiii) catastrophic events, health crises, and pandemics, including the potential effects that the ongoing COVID-19 pandemic and/or corresponding macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xiv) our ability to maintain positive brand perception and recognition; (xv) product safety and quality concerns; (xvi) changes to labor or employment laws or regulations; (xvii) our ability to effectively manage our real estate portfolio; (xviii) constraints in the capital markets or our vendor credit terms; and (xix) changes in our credit ratings. The occurrence of any such factors, events, or circumstances could significantly alter the results set forth in these statements.

PetMeds cautions that the foregoing list of important factors is not complete, and any forward-looking statements speak only as of the date they are made. PetMeds undertakes no duty to update publicly any forward-looking statement that it may make, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

Included in this Presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) that are designed to supplement, and not substitute, PetMeds’ financial information presented in accordance with GAAP, including, but not limited to, Adjusted EBITDA, Trailing Twelve Month Adjusted EBITDA, Adjusted EPS, and free cash flow. The non-GAAP measures as defined by PetMeds may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude non-recurring items, should not be construed as an inference that PetMeds’ future results, cash flows, or leverage will be unaffected by other non-recurring items. Refer to information about the non-GAAP measures contained in this Presentation. This Presentation also includes forward-looking estimates of Adjusted EBITDA and Adjusted EPS as part of our financial guidance. We do not reconcile these non-GAAP measures for future periods to their most comparable GAAP measures due to the uncertainty and potential variability of reconciling items. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide a reconciliation of these non-GAAP measures without unreasonable effort. Forward-looking estimates of Adjusted EBITDA and Adjusted EPS are estimated in a manner consistent with the relevant definitions and assumptions noted herein.

Your Trusted Pet Health Expert

VISION

Every pet deserves to live a long, happy, healthy life

MISSION

PetMeds aims to be the most trusted pet health expert by providing incredible care and services that are affordable to the broadest group of pet parents.



Corporate Overview

Founded in 1996, PetMeds is “Your Trusted Pet Health Expert” providing fast, easy and helpful service to over 11 million customers across the U.S.

Delivers prescription and non-prescription medications and pet supplies for less, direct to the consumer

Expert online pharmacy is an established & trusted brand with strong customer loyalty

Increasing pet population and focus on pet wellness driving demand for Rx and OTC medications

Leveraging core service ecosystem assets to become a broader pet health brand

Strategic Initiatives in Pet Telemedicine and new unique and differentiated services

NASDAQ: PETS

Share Price ¹	\$22.31
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Market Cap ¹	\$455.4M
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FY 2022 Revenue ²	\$273.4M
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FY 2022 Net Income ²	\$21.1M
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FY 2022 Adj. EBITDA ²	\$34.0M
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Shares Outstanding	21.0M
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Float	18.1M
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Headquarters	Delray Beach, FL
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1. As of November 4, 2022

2. At March 31, 2022

Key Metrics & Highlights



Expert Online
Pet Pharmacy

2+

2+ Million Unique
Customers

81

Net Promoter
Score of 81



Loyal Customer
Base



Strong Balance
Sheet

39%

Growing AutoShip &
Save Subscriber Base

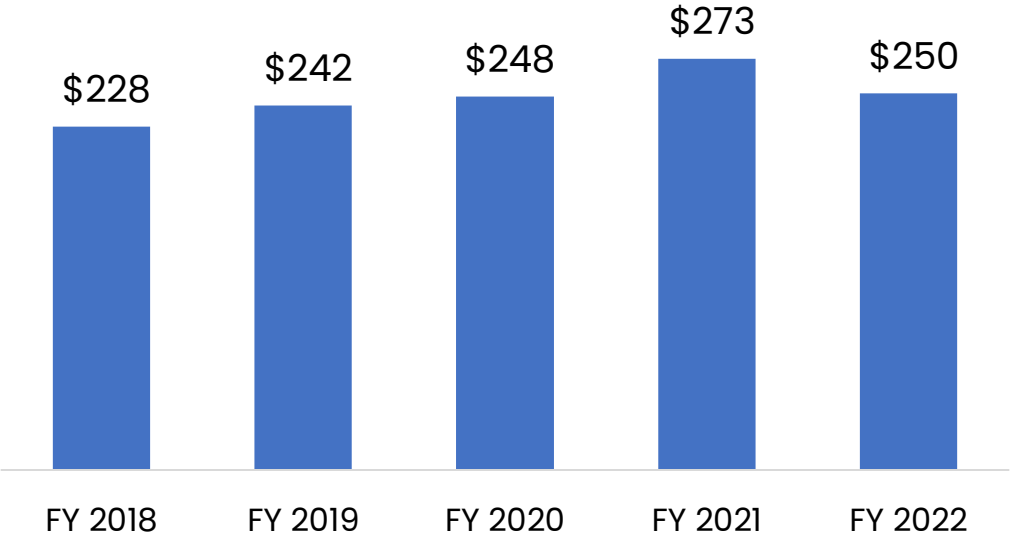


Consistent Returning Customer Base

Opportunities To Build Deeper Relationships with Existing Customer Base

Reorder Sales

\$ in Millions



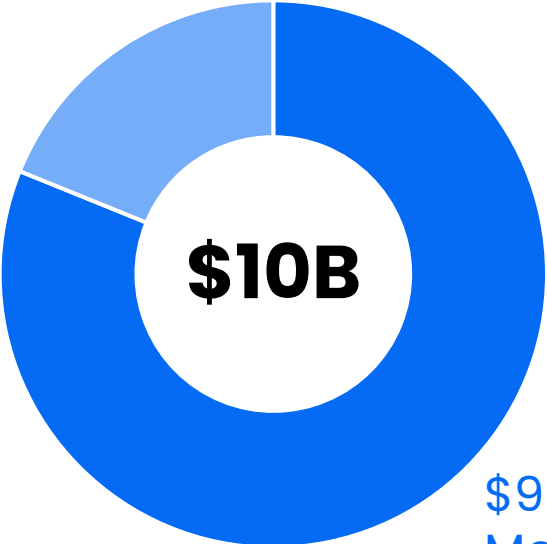
- Over 2 million customers have ordered from us over the past 24 months
- AutoShip & Save launched in July 2021, now represents 39% of total sales as of the end of September
- Long term strategy to grow our existing base by shifting to AutoShip & Save

Market Opportunity

Growth opportunity expands TAM to broader pet market

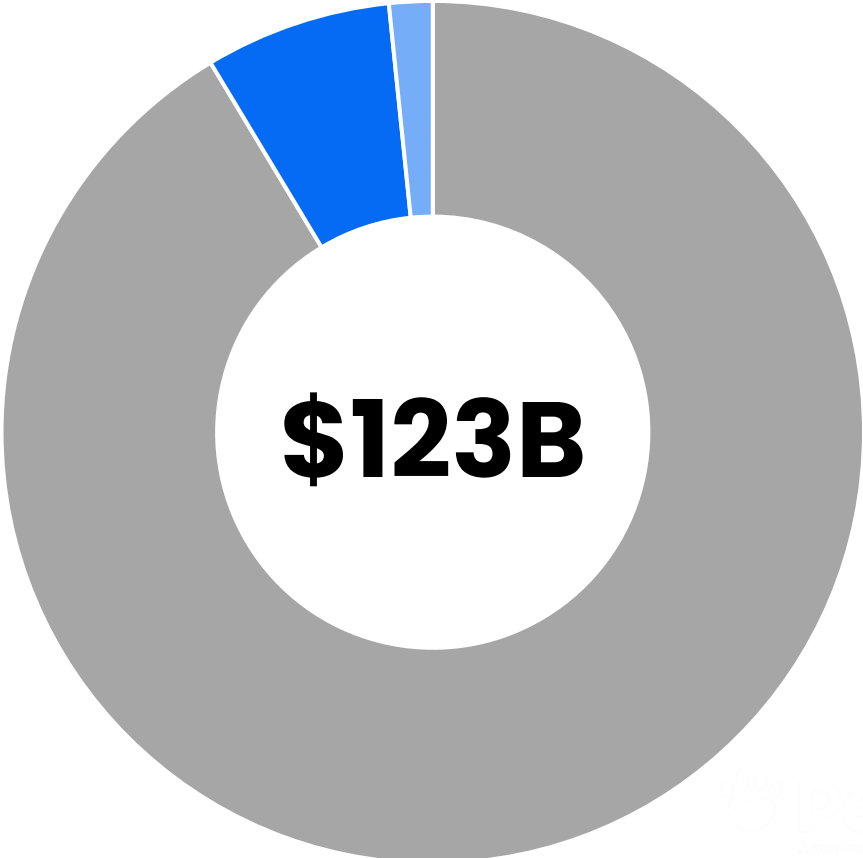
Pet Medication

\$2B OTC Pet Medication Market



\$9B Rx Pet Medication Market

Total Pet Market

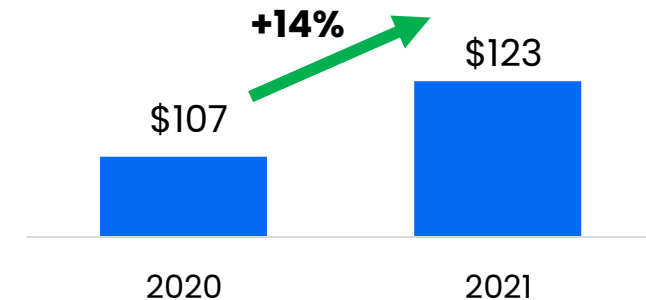


Key Industry Trends

- COVID-19 drove a spike in pet population with 70% of U.S. households now owning a pet, or ~90.5 millions homes¹
- Deepening pet parent focus on pet wellness with 38% of dog owners, 40% of cat owners, and 41% of other pet owners reporting spending more on pet care in 2021²
- Aging pet population:
 - Pets are living longer due to advances in veterinary care, and pet owner interest in pet wellness and nutrition is at an all-time high²
 - As of 2020, 55% of dog-owning households had pet dogs aged 7 or over, up from 45% in 2014³
- The transition to e-commerce continues its unprecedented expansion to reach \$1.3 Trillion 2025⁴

U.S. Pet Market⁵

\$ in Billions



2020 Pet Medication Market³

\$10.8B

Rx

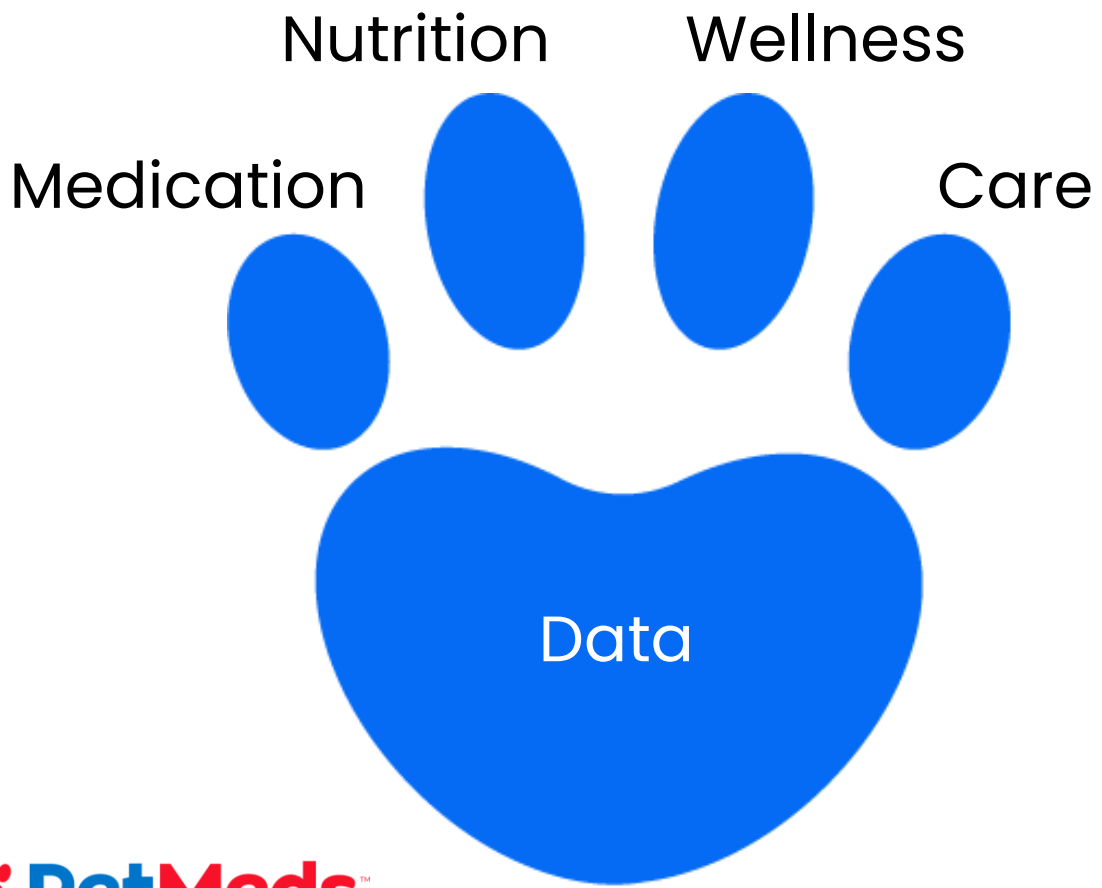
\$2.1B

OTC

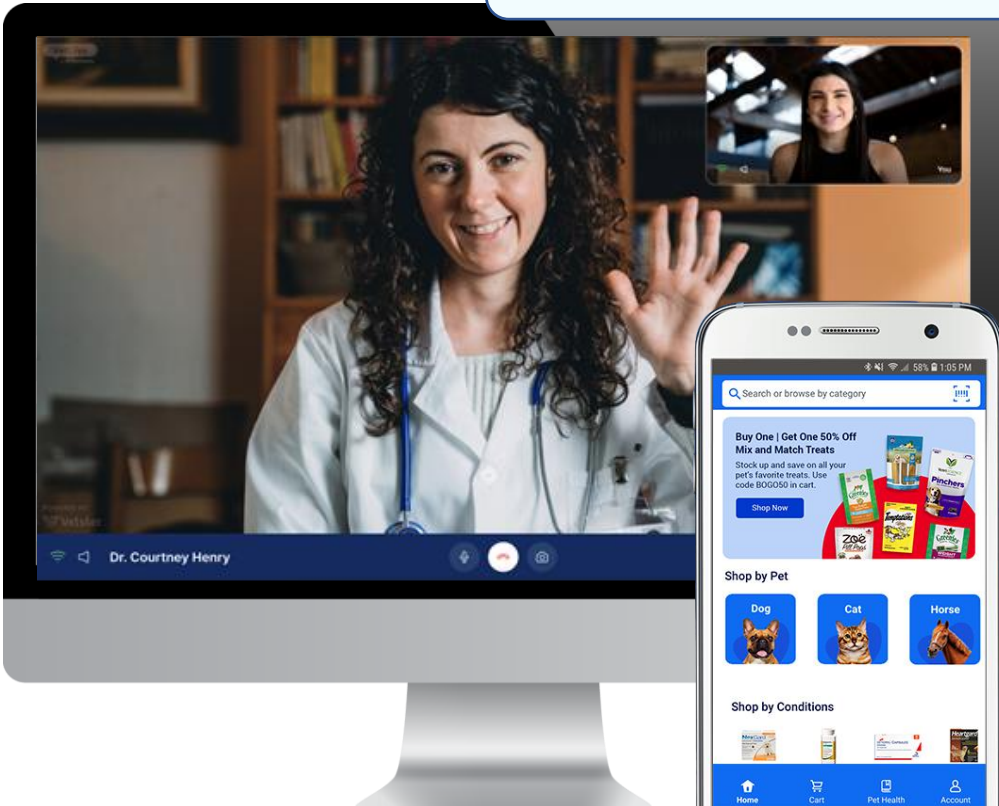
Vet Care & RX Medications grew 13% In 2020

Expert Pet Health Strategy

Total health from "nose to tail"



 TOLL FREE NUMBER (CALL OR TEXT):
1-800-PetMeds®
(1-800-738-6337)

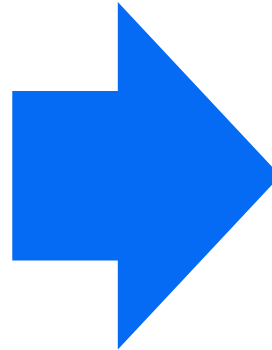


Growth Strategy

Leveraging key ecosystem assets to become a broader pet health brand

Key Assets

- Established, widely known & trusted brand
- Strong customer loyalty
- Category expertise
- Customer experience that drives growth
- 70,000+ Veterinarian & vet clinics
- 17,000 using online portal
- User data
- Strong supplier relationships
- Operational and quality efficiency
- Differentiated, focused provider



Strategic Initiatives





- Grow existing base by shifting to AutoShip & Save
- Pet telemedicine
- Expansion of new customers
- Non-medication catalog expansions
- Unique and differentiated services

Select Financials

\$ in Millions	3 Months Ended September 30,		Fiscal Year Ended March 31,	
	2022	2021	2022	2021
Sales	\$65.4	\$67.4	\$273.4	\$309.2
Gross Profit	18.5	19.2	78.1	89.9
Operating Expenses	(15.5)	(11.1)	(52.4)	(52.4)
Adj. EBITDA ¹	\$7.1	\$9.8	\$34.0	\$44.6
Net Income	\$2.6	\$6.3	\$21.1	\$30.6
Dividend	\$0.30	\$0.30		
Cash & Cash Equivalents	\$96.5		\$111.1	

Improvement of business on a year-over-year basis with new and returning customers, especially in loyal returning base

Investment Highlights

-  Expert well-known online pet pharmacy with over 2 million unique customers
-  Strong market demand for pet medication in pet category resilient to economic headwinds
-  Strong balance as a basis for growth with significant brand assets
-  Broader strategic plan – expansion of new customers, more products, unique and differentiated services





Company

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