

1-800-PetMeds®

America's Largest Pet Pharmacy

NASDAQ:PETS



Your pet's same exact
medications delivered
to your door, saving
you time & money!

www.1800petmeds.com

Cautionary Statement Regarding Forward-Looking Information

Certain information that is included in this investor presentation may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 or the Securities and Exchange Commission that may involve a number of risks and uncertainties. These statements are based on our beliefs, as well as assumptions we have used based upon information currently available to us. Because these statements reflect our current views concerning future events, these statements involve risks, uncertainties and assumptions. Actual future results may vary significantly based on a number of factors that may cause the actual results or events to be materially different from future results, performance or achievements expressed or implied by these statements. We have identified various risk factors associated with our operations in our most recent annual report and other filings with the Securities and Exchange Commission.

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Company Overview

- Formed in 1996
- America's largest full service pet pharmacy, marketing the most popular prescription and non-prescription medications, and other health products for dogs, cats, and horses direct to the consumer.
- Markets its products through national advertising campaigns, which direct the consumer to order by phone or on the internet, and aim to increase recognition of the "1-800-PetMeds" brand name.
- Provides an attractive alternative for obtaining pet medications in terms of convenience, price, ease of ordering and rapid home delivery.

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The Leading Direct Marketer of Pet Medications Annual Sales (in millions)



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OUR VISION & MISSION

- **A Trusted Household Name!**
- **Best in Class**
- **Best in Service**
- **Fast, Easy, Helpful Service with Great Savings**

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Fast, Easy, Helpful Service With Great Savings



- Consumers generally save money from veterinarians' prices.
- Consumers enjoy the convenience of rapid home or office delivery.
- Exceptional customer care and support is our top priority.

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Best In Service

- **100% Satisfaction Guaranteed or Your Money Back...no questions asked...Front line fully empowered to make the customer happy**
- **Answer the phone / live chat fast by a live person...no machines - average answer time less than 10 seconds**
- **E-mail average response time is less than 10 minutes**
- **Fast prescription authorization by contacting the vet on customers' behalf...Vet Web Portal, App, Fax, Phone**
- **Keep the customer informed when there are delays in prescription verification - 8 different communications**

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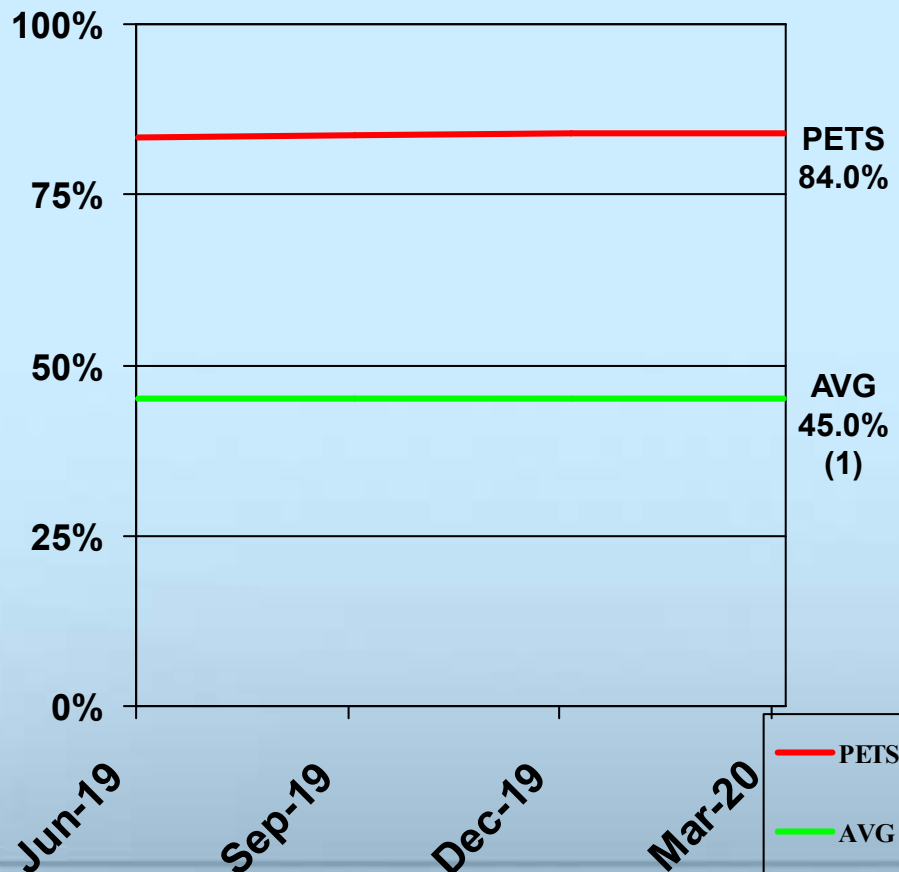
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Exceptional Customer Service

Net Promoter Score



- **Net Promoter Score = 84.0%**
in the top 2 % of companies
- **Google Seller Rating = 4.7/5.0**
- **Average email response time**
is less than 10 minutes vs 24 hours

(1)NPS Benchmark Study, December 2019,
www.netpromoter.com average for online
shopping.

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Pet Medications



- Flea & Tick Preventatives
- Heartworm Preventives
- Arthritis, Thyroid, Heart, Blood Pressure
- Skin, Dental, Ear, Eye Care
- Vitamins & Nutritional Supplements

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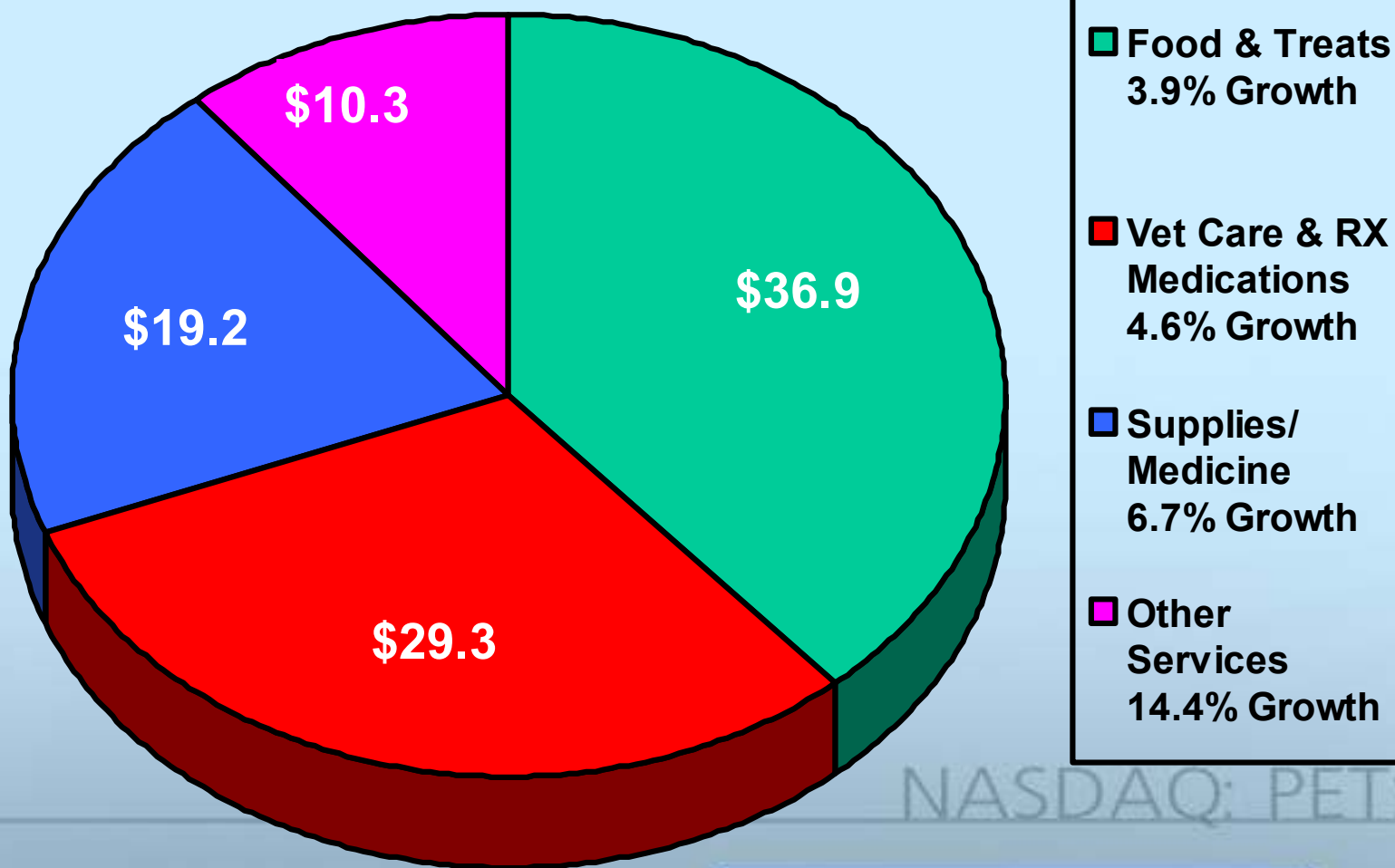
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\$95.7 Billion Pet Market in U.S.

5.7% Growth in 2019



According to American Pet Products Association (APPA).

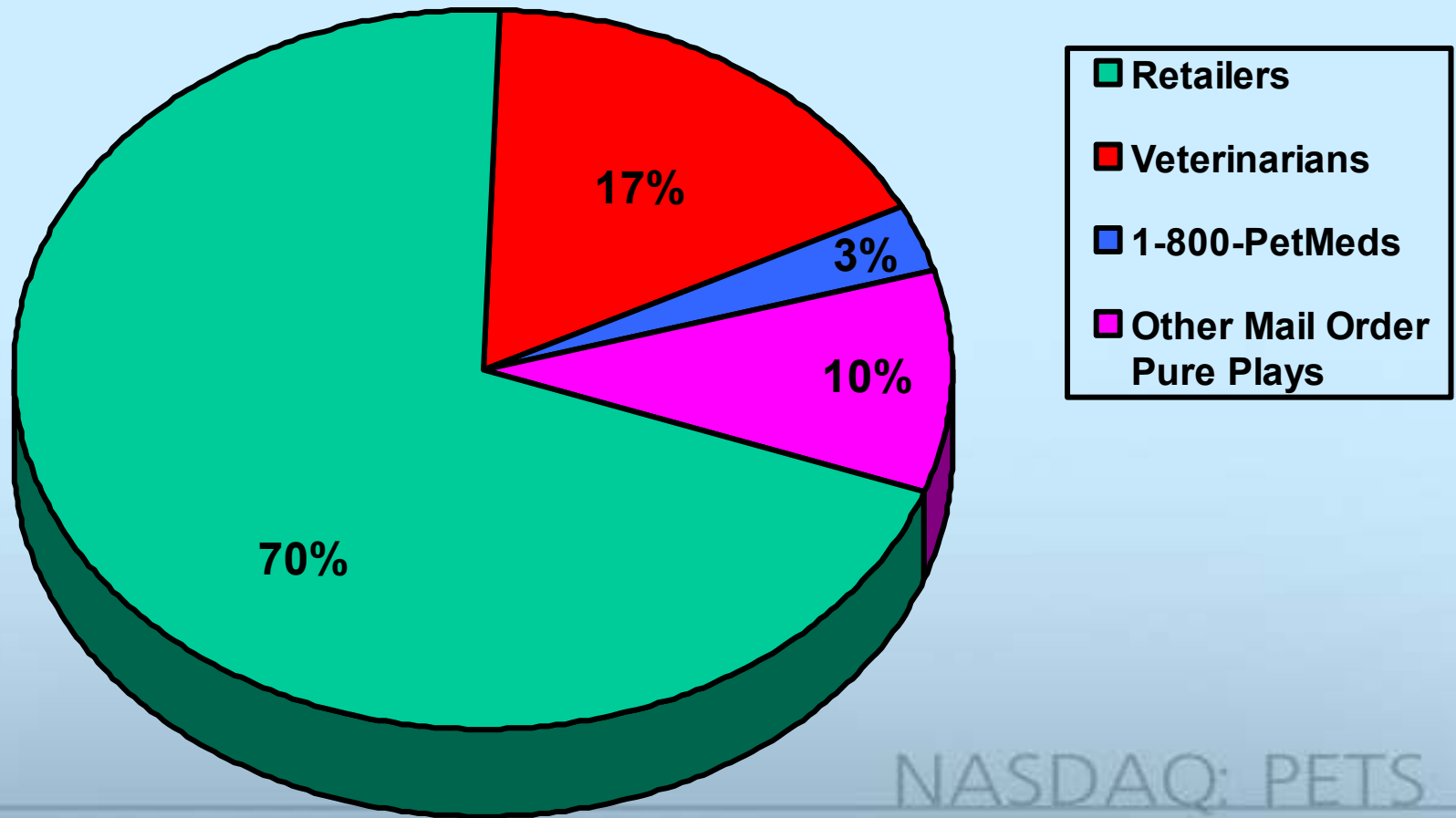
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OTC Pet Medications Market Share

\$2.1 Billion (Estimated)

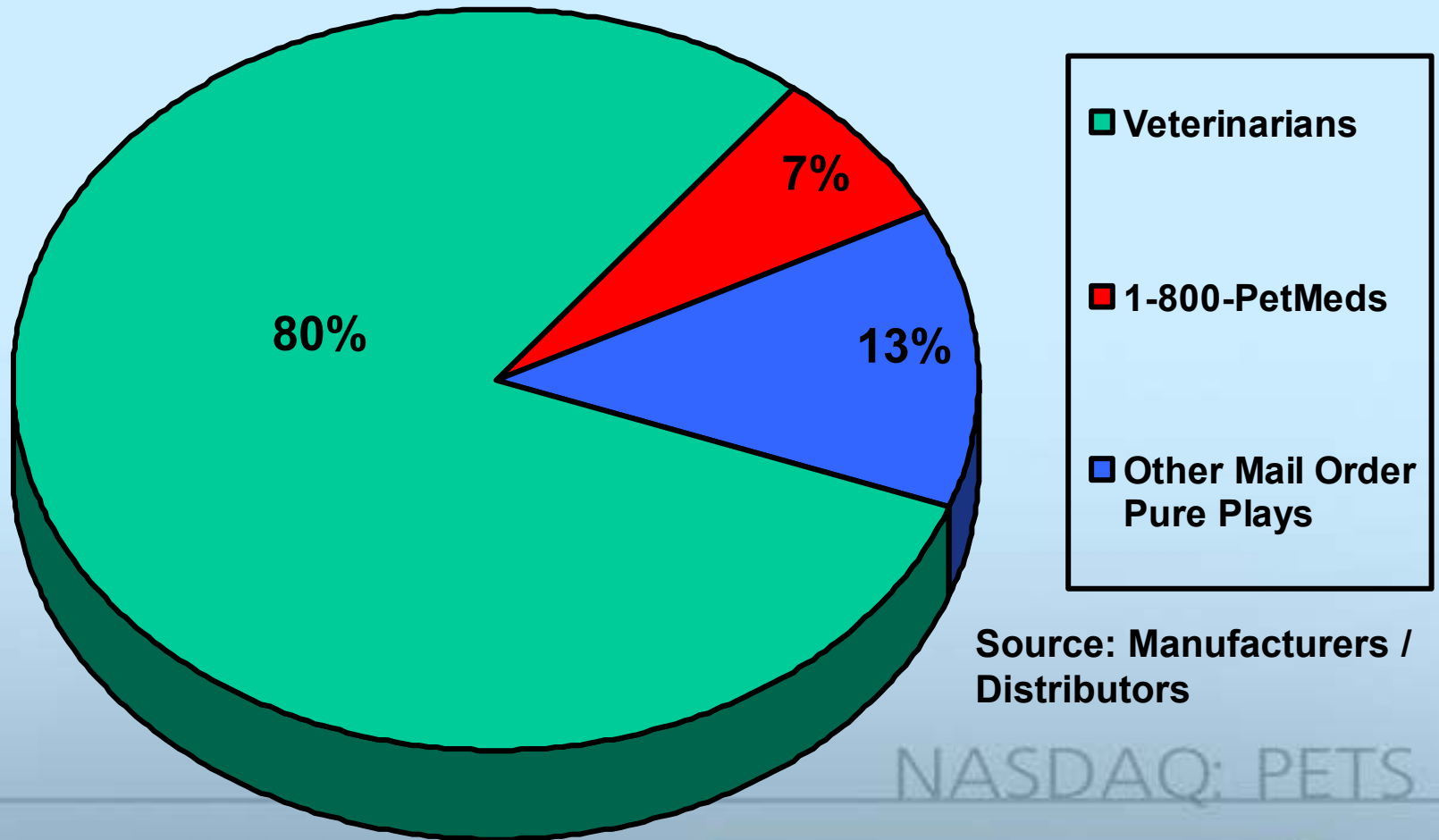


Source: Manufacturers /
Distributors

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RX Pet Medications Market Share

\$3.2 Billion (Estimated)



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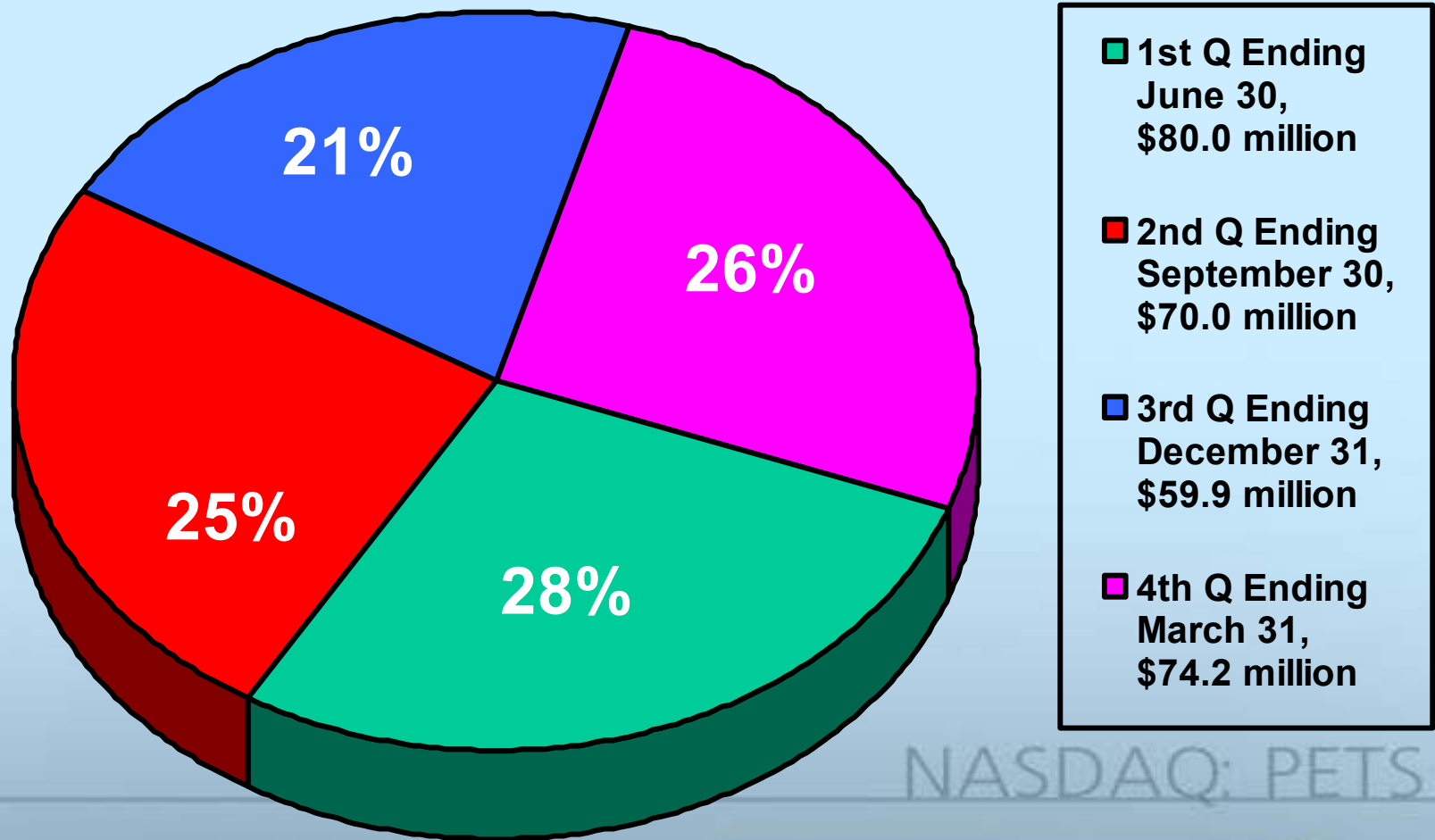
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Sales Seasonality Trends

Fiscal Year Ended March 31, 2020



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FREE Shipping
on orders over \$49



20% OFF w/code: **SAVE20**

100% Satisfaction
Guaranteed

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Top Sellers



NexGard



Heartgard Plus
Chewables



Bravecto



Revolution



Triflexis



K9 Advantix II



Frontline Plus



Sentinel



Advantage II



Apoquel



Flea5X Plus
Generic to
Frontline Plus



Interceptor Plus



Simparica



Galliprant



Advantage Multi



Seresto



Proin



Rimadyl

Competitive Strengths

- Online channel leader – 33% of the RX online market.
- “1-800-PetMeds” brand name – 20+ years of experience. Consumer knows us as the pet medication experts.
- Licensed pharmacy to do business in 50 states – .Pharmacy verified website.
- Superior service – Fast, Easy and Helpful – Most consumers do not have hard copy prescriptions. We do the work for them.
- Operational efficiency: Sales per employee is \$1.5 million, more than twice that of the competitors in the e-commerce space.

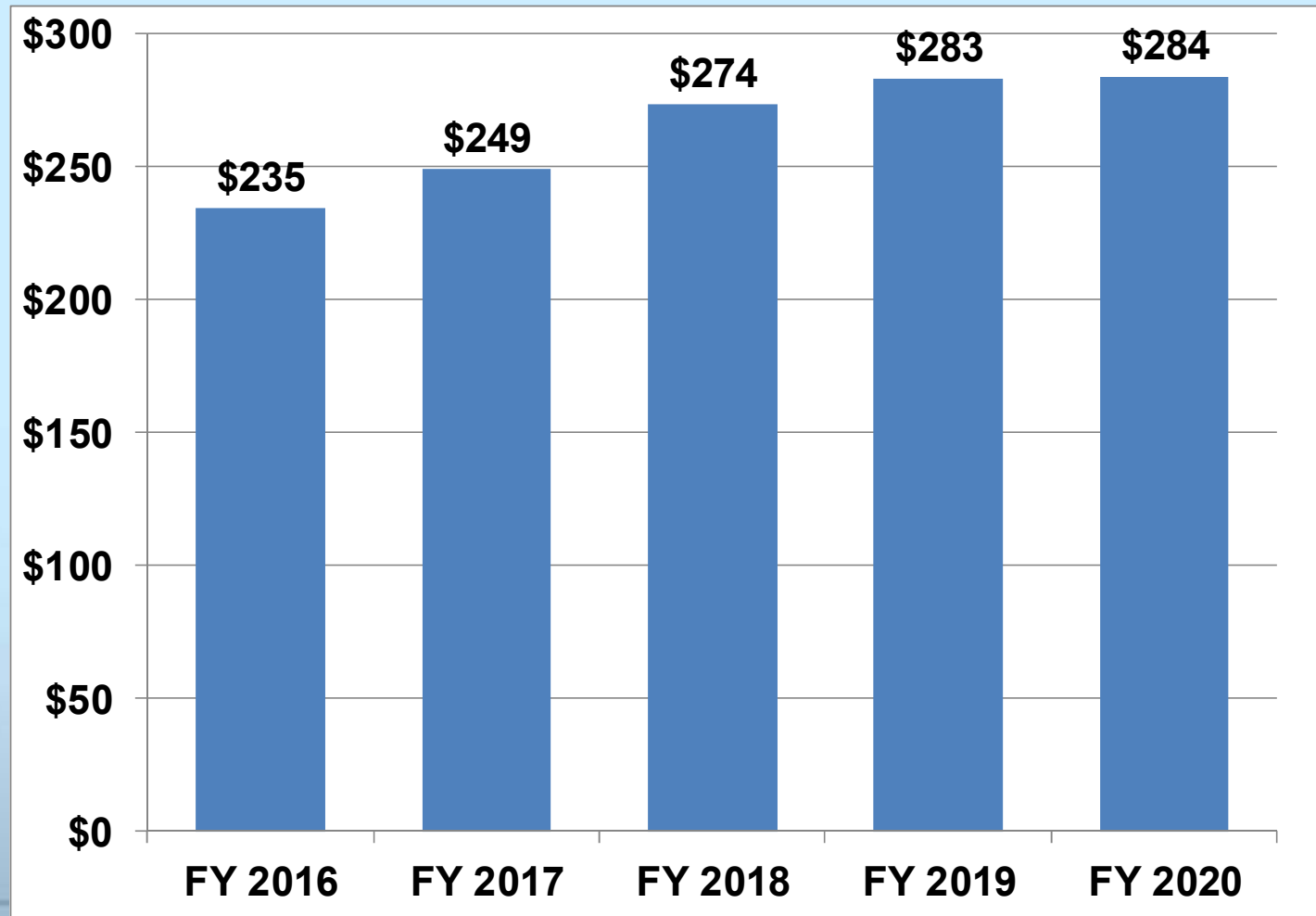
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Sales (In millions)

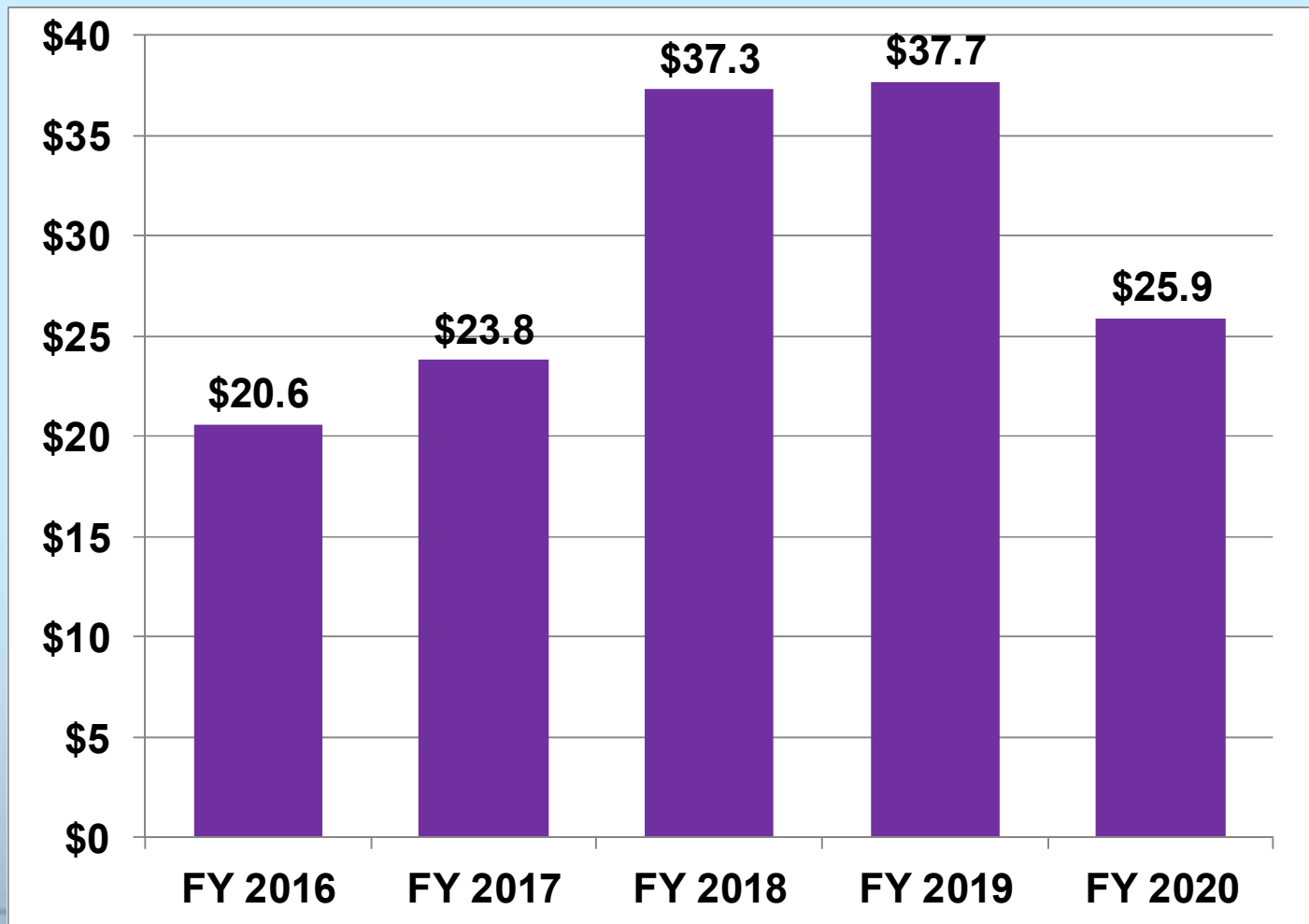


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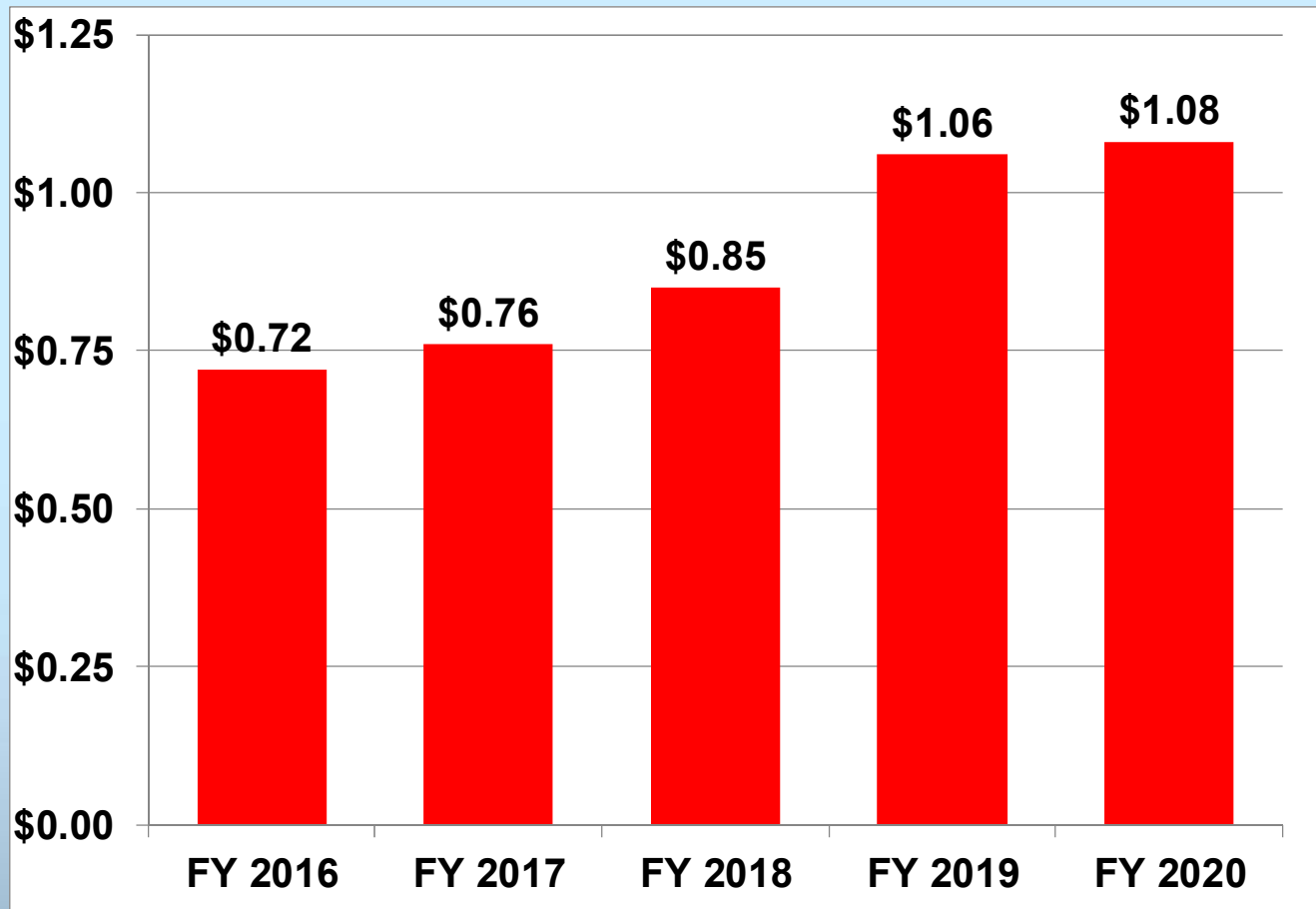
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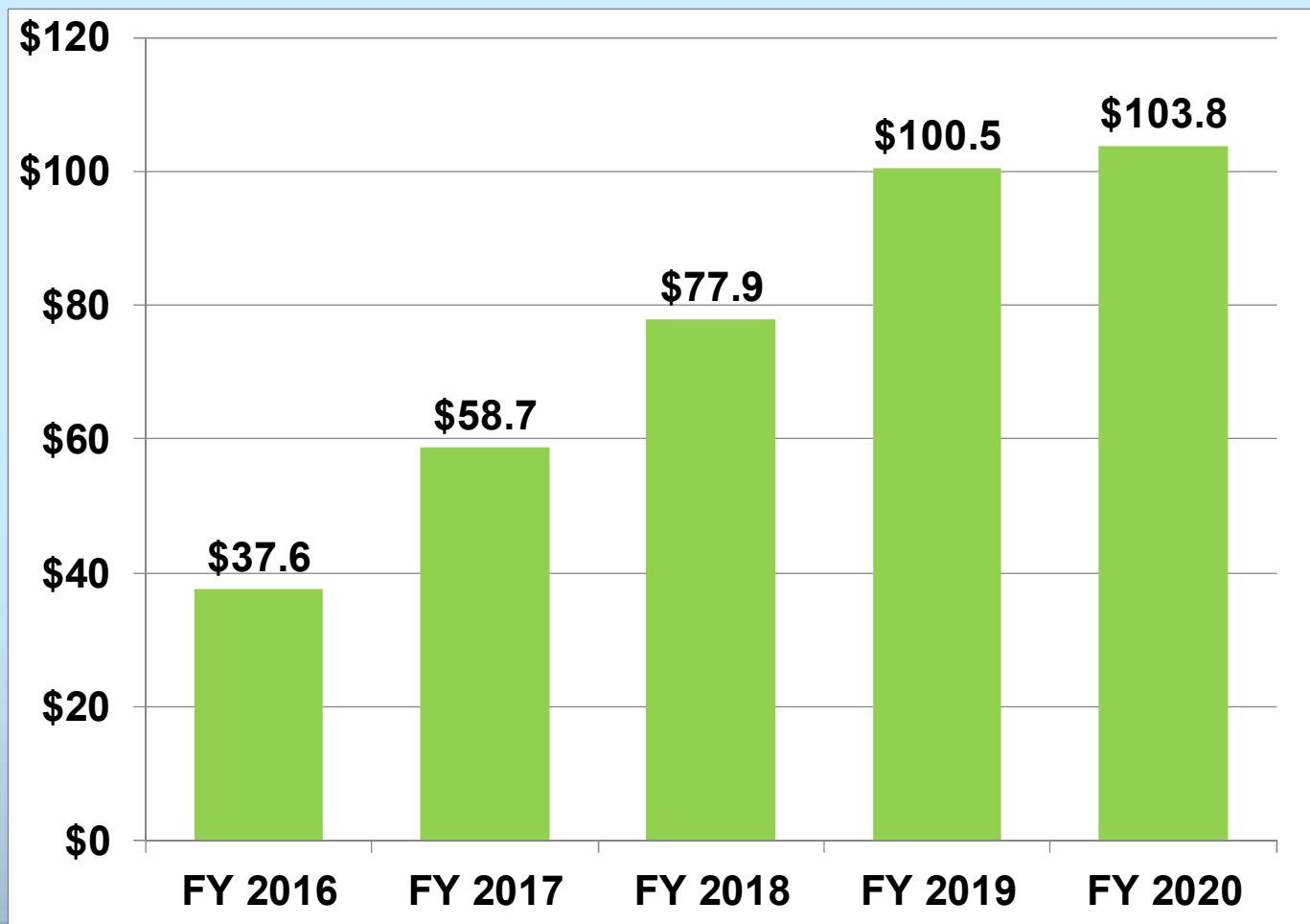
Net Income (In millions)



Dividends Paid



Cash Position (In millions)



Summary Financial Data (in millions)

	FY 2020		FY 2019	
New Order Revenue	\$ 35.6	12.5%	\$ 41.6	14.7%
Reorder Revenue	\$ 248.6	87.5%	\$ 241.8	85.3%
Total Net Revenue	\$ 284.2		\$ 283.4	
Gross Profit	\$ 81.2	28.6%	\$ 95.3	33.6%
G&A Expenses	\$ 25.3	8.9%	\$ 24.8	8.7%
Advertising Expenses	\$ 22.7	8.0%	\$ 22.1	7.8%
Depreciation Expenses	\$ 2.3	0.8%	\$ 2.2	0.8%
Operating Income	\$ 31.0	10.9%	\$ 46.2	16.3%
Net Income	\$ 25.9	9.1%	\$ 37.7	13.3%
EPS - Diluted	\$ 1.29		\$ 1.84	
Dividends Declared	\$ 1.08		\$ 1.06	

FY 2020 Highlights

- We obtained direct purchasing relationships with all of the major manufacturers during the year.
- Manufacturers initiated a minimum advertised price policy (MAPP), which stabilized pricing for the e-commerce channel.
- As an essential business, we have been open during normal hours since the onset of the COVID-19 pandemic.
- Due to COVID-19, consumer demand has increased for the e-commerce channel, with pet owners shifting their purchases to online.

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Opportunity for 1-800-PetMeds

- Prescription market share shift from vets to online and other channels...currently only the online channel does the work for the consumer to obtain prescription authorization.
- \$600 million to \$1 billion (20% to 30% of the market) up for grabs...speed of the shift will depend on prescription availability.
- Full Service Pharmacy – continue to expand our extensive line of pet medications.
- Redesigning our website and mobile app to continue to optimize our customers' digital experience.



4 Compelling Reasons To invest in 1-800-PetMeds

- 1. Leader in its channel in an estimated \$5 billion industry**
- 2. 1-800-PetMeds brand name**
- 3. Licensed pharmacy to conduct business in 50 states**
- 4. Exceptional customer service and support**

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