



NEWS RELEASE

PETMED EXPRESS D/B/A 1-800-PETMEDS ANNOUNCES RECORD SECOND QUARTER FINANCIAL RESULTS

10/23/2017

PETMED EXPRESS D/B/A 1-800-PETMEDS ANNOUNCES RECORD SECOND QUARTER FINANCIAL RESULTS

*Second Quarter Net Income Increased 79% Second Quarter Sales Increased 10% Second Quarter Online Sales
Increased 12%*

Delray Beach, Florida, October 23, 2017 - PetMed Express, Inc. (NASDAQ: PETS) today announced its financial results for the quarter ended September 30, 2017. Net income was \$8.8 million, or \$0.43 diluted per share, for the quarter ended September 30, 2017, compared to net income of \$4.9 million, or \$0.24 diluted per share, for the quarter ended September 30, 2016, a 79% increase to net income. Net income for the six months ended September 30, 2017 was \$18.0 million, or \$0.88 diluted per share, compared to net income of \$11.5 million, or \$0.56 diluted per share, for the six months ended September 30, 2016, a 57% increase to net income. Net sales for the quarter ended September 30, 2017 were \$66.7 million, compared to \$60.8 million for the quarter ended September 30, 2016, an increase of 10%. Net sales for the six months ended September 30, 2017 were \$146.4 million, compared to \$133.3 million for the six months ended September 30, 2016, an increase of 10%. New order sales increased 9%, to \$11.6 million for the quarter ended September 30, 2017, compared to \$10.7 million for the same quarter in the prior year. The Company's online sales for the quarter ended September 30, 2017 were approximately 84% of all sales compared to 82% for the same quarter the prior year, with online sales increasing 12%.

Menderes Akdag, CEO and President, commented: "The trend we have seen in the last two quarters continued with increases in both new order and reorder sales during the quarter, along with an accelerated increase to net income for the third consecutive quarter. This increase to net income can be attributed to increased revenue with a shift in sales to higher margin items in the flea, tick and heartworm categories. Gross profit as a percentage of sales increased to 35.2% for the quarter ended September 30, 2017, compared to 29.7% for the quarter ended September 30, 2016. Also, an income tax benefit of approximately \$807,000 related to stock-based compensation was recognized in the quarter ended September 30, 2017. Average order value increased to \$85 for the quarter compared to \$82 for the same quarter the prior year. For the remainder of fiscal 2018 we will continue to focus on increasing sales and improving our service levels."

The Board of Directors declared a quarterly dividend of \$0.20 per share on the Company's common stock. The dividend will be payable on November 17, 2017, to shareholders of record at the close of business on November 6, 2017. The Company intends to continue to pay regular quarterly dividends; however, the declaration and payment of future dividends is discretionary and will be subject to a determination by the Board of Directors each quarter following its review of the Company's financial performance.

This morning at 8:30 A.M. Eastern Time, Mr. Akdag will host a conference call to review the quarter's financial results. To access the call, which is open to the public, please dial (888) 455-1758 (toll free) or (203) 827-7025. Callers will be required to supply PETMEDS as the passcode. For those unable to participate in the live event, the call will be available for replay from 10:00 A.M. on October 23, 2017 until November 6, 2017 at 10:59 P.M. To access the replay, call (800) 839-2239 (toll free) or (203) 369-3108, and enter passcode 5500.

Founded in 1996, PetMed Express is America's Largest Pet Pharmacy, delivering prescription and non-prescription pet medications and other health products for dogs and cats at competitive prices direct to the consumer through its 1-800-PetMeds toll free number and on the Internet through its website at www.1800petmeds.com.

This press release may contain "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission, that involve a number of risks and uncertainties, including the Company's ability to meet the objectives included in its business plan. Important factors that could cause results to differ materially from those indicated by such "forward-looking" statements are set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations in the PetMed Express Annual Report on Form 10-K for the year ended March 31, 2017. The Company's future results may also be impacted by other risk factors listed from time to time in its SEC filings, including, but not limited to, the Company's Form 10-Q and its Annual Report on Form 10-K. For investment relations contact PetMed Express, Inc., Bruce S. Rosenbloom, CFO, 561-526-4444.

###

