NEWS RELEASE

PetMeds® Announces Its Second Quarter Financial Results and Declares a Quarterly Dividend of $0.30 Per Share

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Delray Beach, Florida, November 7, 2022, PetMed Express, Inc. (NASDAQ: PETS), Your Trusted Pet Health Expert™, today announced its financial results for its second quarter ended September 30, 2022.

Quarterly Highlights

- Net sales for the quarter ended September 30, 2022, were $65.4 million, compared to $67.4 million for second quarter in the prior year, a decrease of 3.0%.
- Net income for the quarter ended September 30, 2022 was $2.6 million, or $0.13 diluted earnings per share, and includes $1.3 million, or $0.05, per diluted share for two items not indicative of our ongoing operations. This compares to net income of $6.3 million, or $0.31 diluted earnings per share, for the prior year quarter ended September 30, 2021.
- Adjusted EBITDA[1] was $7.1 million, for the current year quarter, compared to Adjusted EBITDA of $9.8 million, for the quarter ended September 30, 2021, a decrease of (28)%.

"We were pleased to see revenue begin to stabilize this quarter after multiple quarters of decline," said Matt Hulett, CEO and President. "This mainly reflects the continued growth of our AutoShip & Save subscription sales, which

increased to 39% of our total sales for the quarter from 34% for the prior quarter."

The Board of Directors declared a quarterly dividend of $0.30 per share on the Company's common stock. The dividend will be payable on November 30, 2022, to shareholders of record at the close of business on November 18, 2022. The declaration and payment of future dividends is discretionary and will be subject to the determination by the Board of Directors.

This afternoon the Company will host a conference call to review the quarter's financial results.Time: 4:30 P.M. Eastern Time, November 7, 2022Public call dial in(877) 407-0789 (toll free) or (201) 689-8562.Webcast stream link:**https://www.1800petmeds.com/investor.html** for those who wish to stream the call via webcast.Replay: Available until November 21, 2022, at 11:59 P.M Eastern Time.To access the replay, call (844) 512-2921 (toll free) or (412) 317-6671 and enter passcode 13733883.

Founded in 1996, PetMeds is Your Trusted Pet Health Expert™, delivering prescription and non-prescription pet medications and other health products for dogs, cats, and horses at competitive prices direct to the consumer through its 1-800-PetMeds toll free number and through its website at **www.petmeds.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, 2022. 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.

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(1) Adjusted EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measures.

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Non-GAAP Financial Measures

To provide investors and the market with additional information regarding our financial results, we have disclosed (see below) adjusted EBITDA, a non-GAAP financial measure that we calculate as net income excluding share-based compensation expense; depreciation and amortization; income tax provision; interest income (expense); and other expenses. We have provided reconciliations below of adjusted EBITDA to net income, the most directly comparable GAAP financial measures.

We have included adjusted EBITDA, herein, because it is a key measure used by our management and Board of Directors to evaluate our operating performance, generate future operating plans, and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating adjusted EBITDA facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and other expenses. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

We believe it is useful to exclude non-cash charges, such as share-based compensation expense, depreciation and amortization from our adjusted EBITDA because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations. We believe it is useful to exclude income tax provision and interest income (expense), as neither are components of our core business operations. We also believe that it is useful to exclude other expenses, including the investment banking fee related to the Vetster partnership, which was executed in the June quarter, and employee severance and estimated state sales tax assessment accrual, both were executed in the September quarter, as these items are not indicative of our ongoing operations. Adjusted EBITDA has limitations as a financial measure, these non-GAAP measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and adjusted EBITDA does not reflect capital expenditure requirements for such replacements or for new capital expenditures;
- Adjusted EBITDA does not reflect share-based compensation. Share-based compensation has been, and will continue to be for the foreseeable future, a material recurring expense in our business and an important part of our compensation strategy;
- Adjusted EBITDA does not reflect interest income (expense), net; or changes in, or cash requirements for, our working capital;

- Adjusted EBITDA does not reflect certain expenses including the investment banking fee related to the Vetster partnership, which was executed in the June quarter;
- Adjusted EBITDA does not reflect certain expenses including the employee severance, which was executed in the September quarter;
- Adjusted EBITDA does not reflect certain expenses including the estimated state sales tax assessment accrual, which was executed in the September quarter;
- Other companies, including companies in our industry, may calculate adjusted EBITDA differently, which reduces the measures usefulness as comparative measures.

Because of these and other limitations, adjusted EBITDA should only be considered as supplemental to, and alongside with other GAAP based financial performance measures, including various cash flow metrics, net income, net margin, and our other GAAP results. The following table presents a reconciliation of net income, the most directly comparable GAAP measure to adjusted EBITDA for each of the periods indicated: