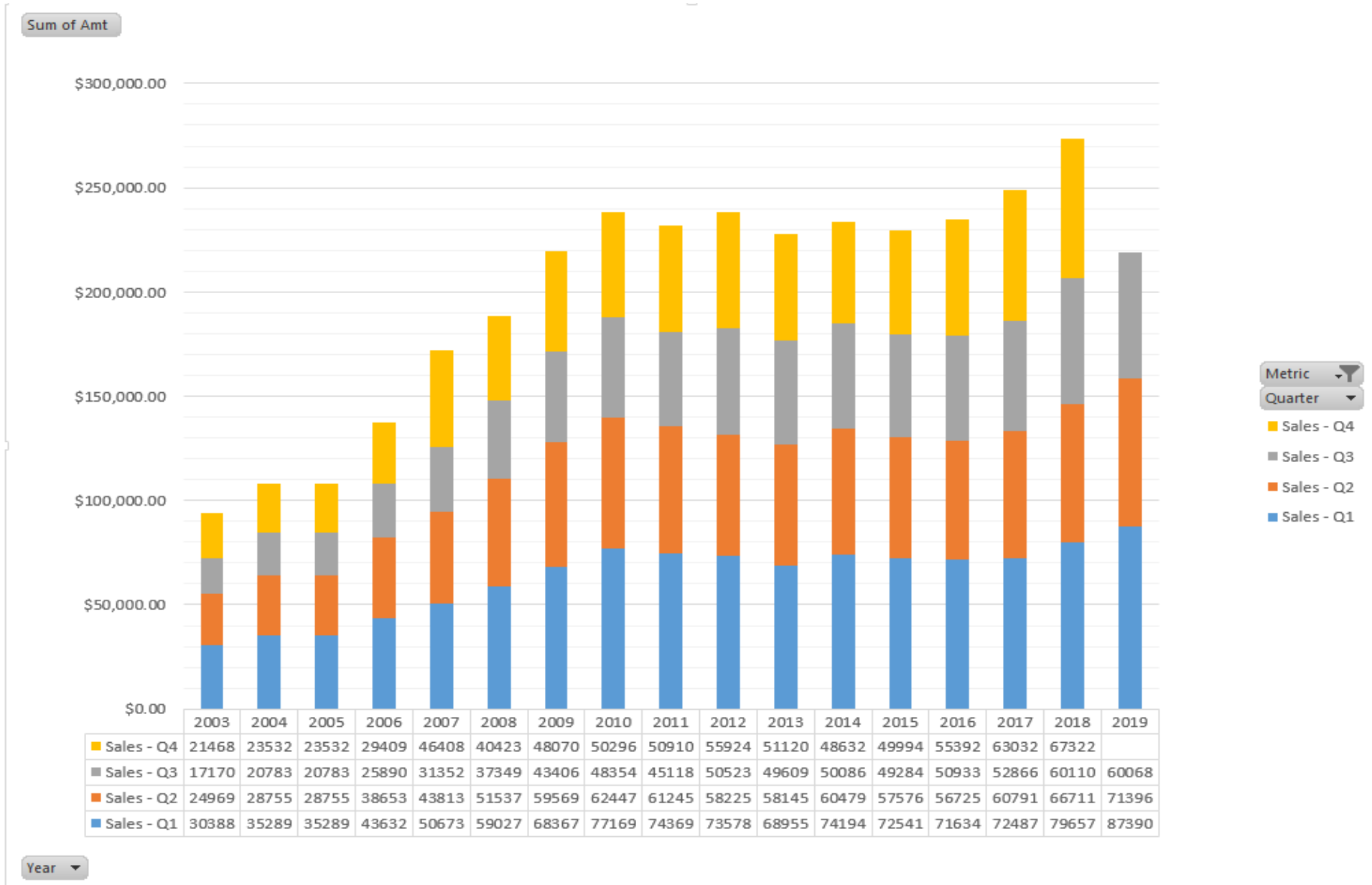


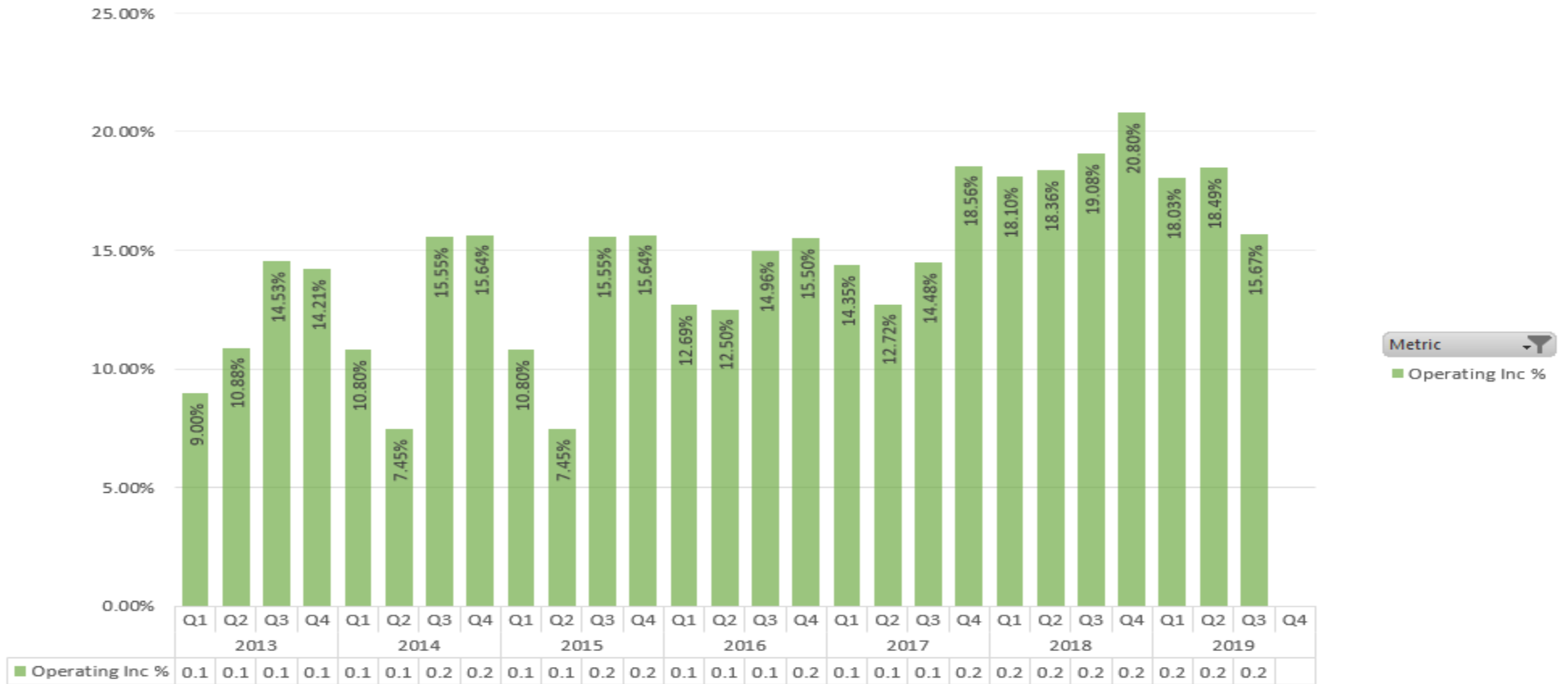
Sales have been increasing since 2015. In 2010, PETS experienced some competitive pressures and reduced pricing to retain customers, but started to increase pricing again as some of those pressures subsided. I believe Walmart was the threat in 2010 and PETS squared up quickly with their market reality. I believe it will do likewise with the latest threat. Their track record proves it! Good management.



Operating Income has been trending up. The latest quarter shows management taking pre-emptive moves to stave off competitive threats. While big companies are slow to adjust, PETS is nimble and able to adjust quickly against competitive pressures. Sure they have given up some gross margin, but it tells you loads about the depth of management.

Sum of Amt

OPERATING INC %

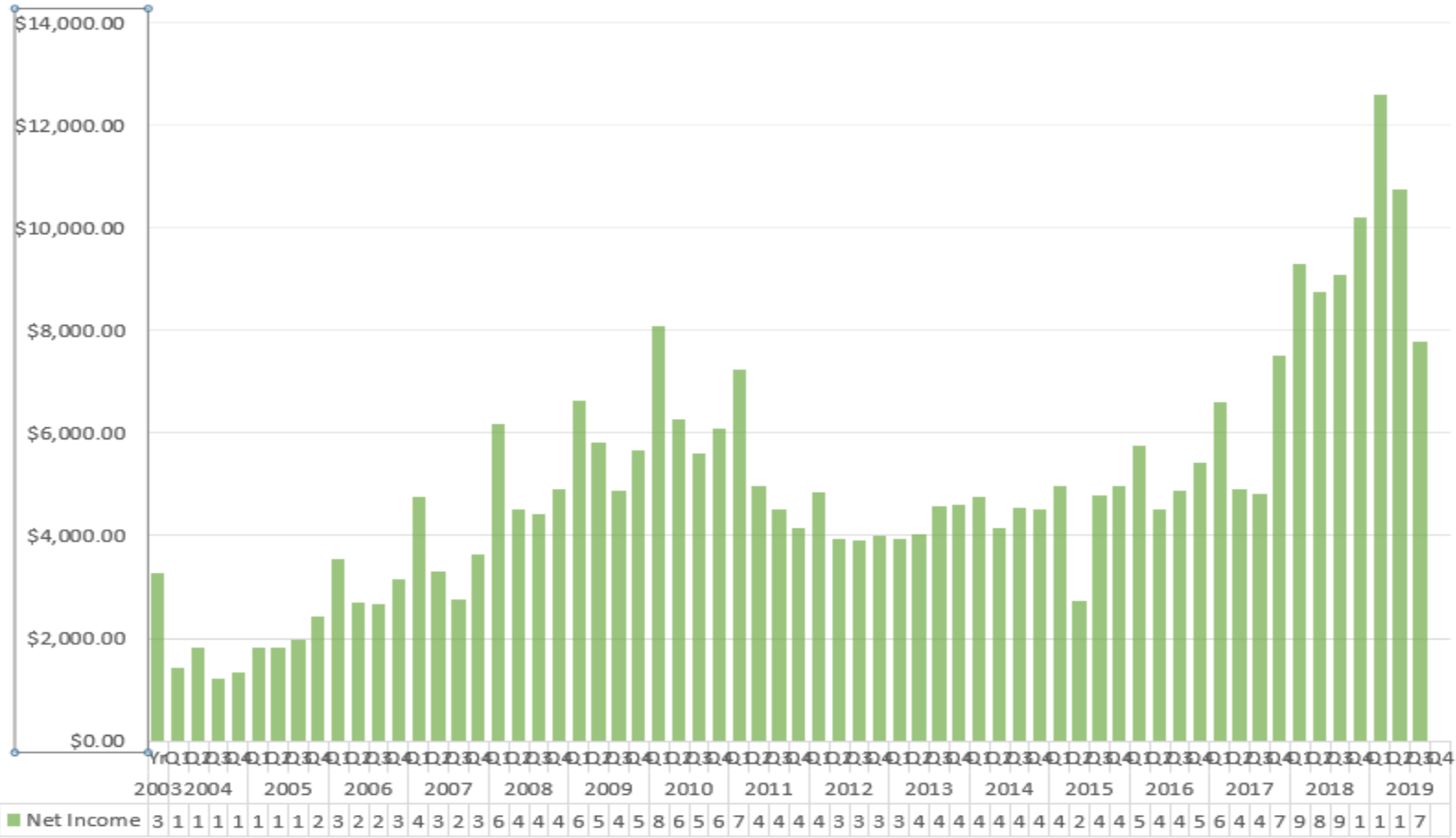


Year Quarter

Net Income is trending up well. The most recent quarter was down to deal with competitive threats like they did in 2010.

Sum of Amt

NET INCOME

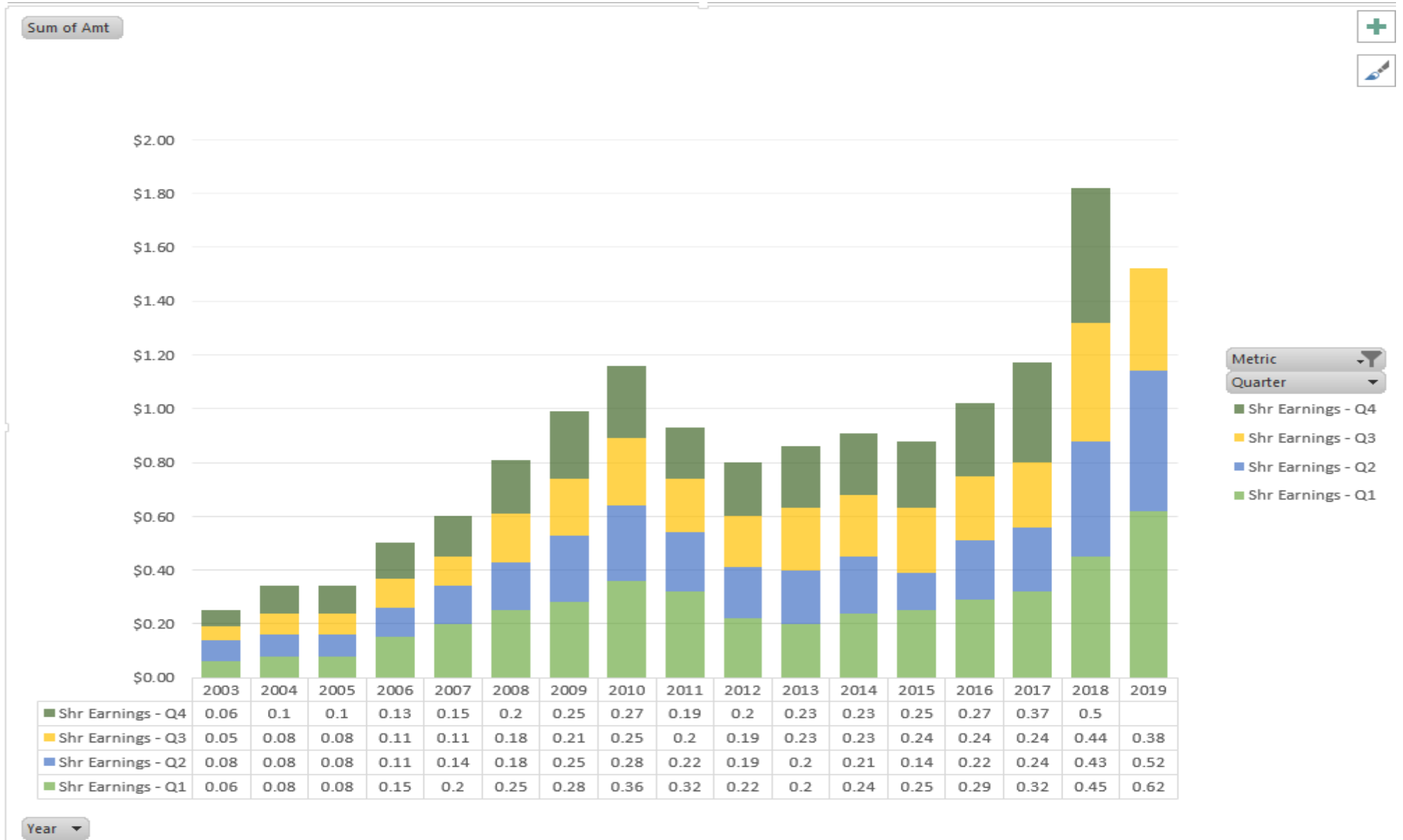


Metric

Net Income

Year Quarter

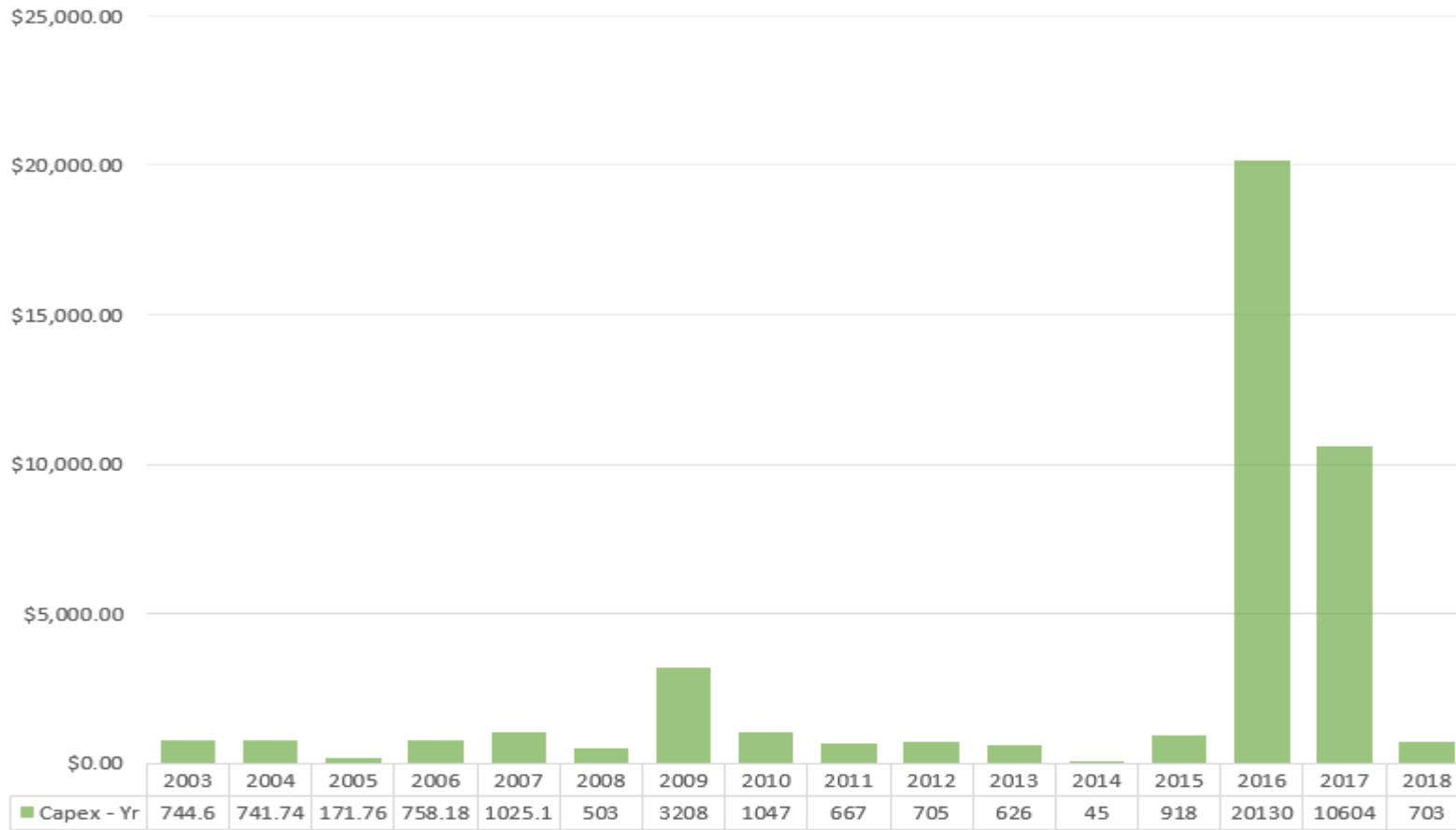
Share earnings are trending up. In 2018, there was a significant increase. Share earnings are trending up. In 2018, there was a significant increase. 2019 is on track for a strong year.



What is driving significant income growth in 2018 and 2019? Smart and significant investment in their business in 2016 and 2017!

Sum of Amt

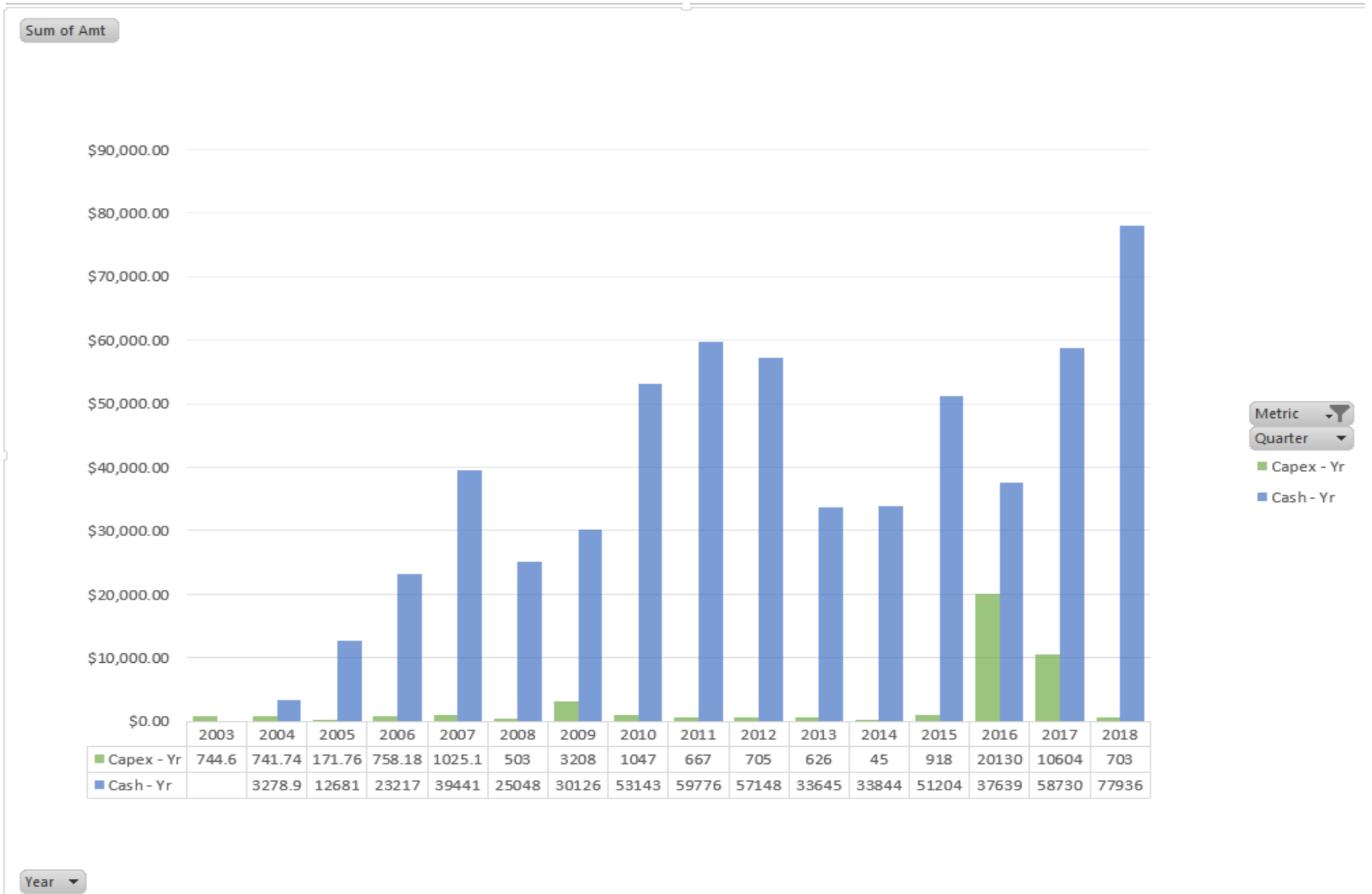
CAPEX - YR



Metric
Quarter
Capex - Yr

Year

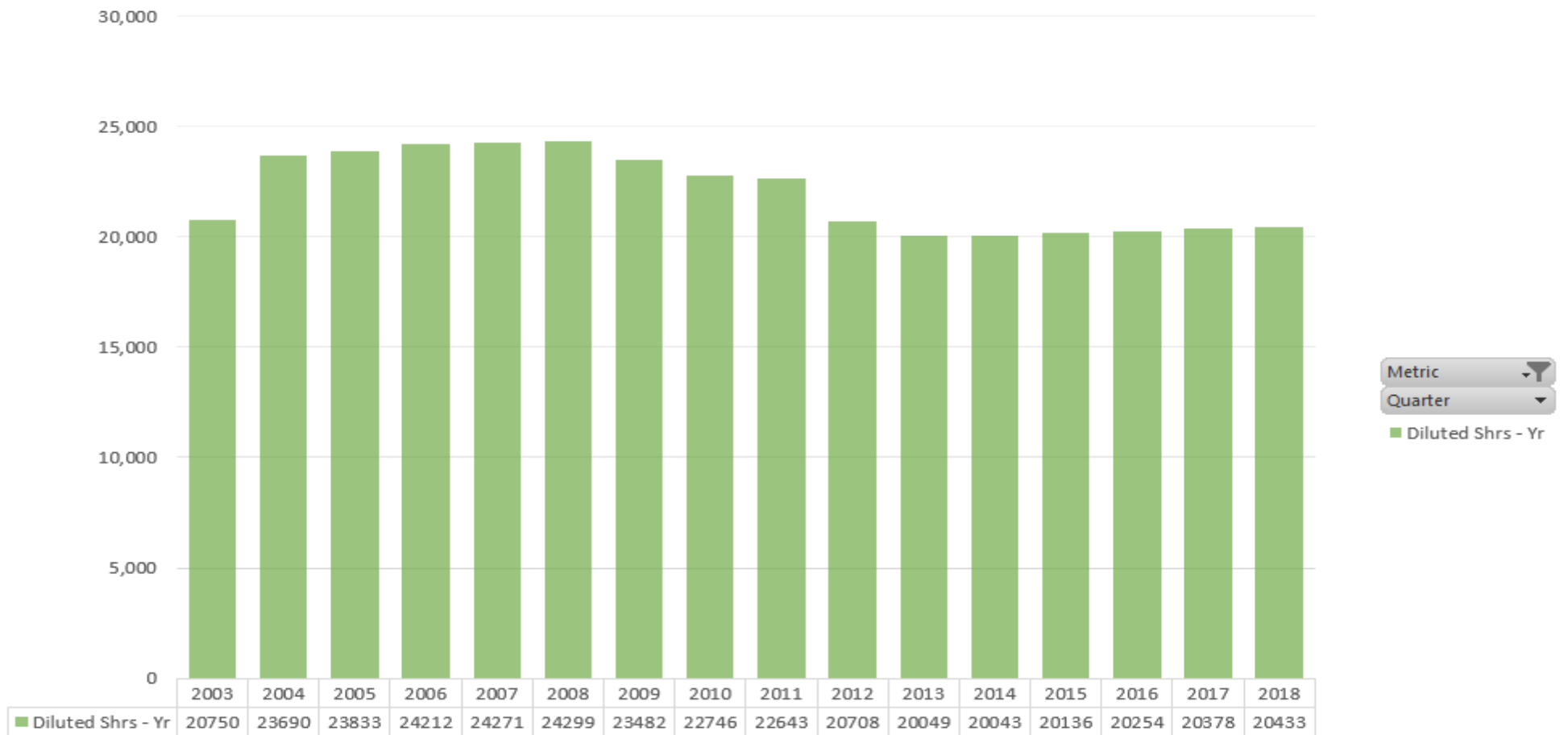
But...that investment was only a portion of their cash.



Unlike many companies, they reduced their diluted share count when their stock was really down (2009 to 2012). They did the buybacks early and then starting putting the cash to work on capital expenditures. They were ahead of the curve.

Sum of Amt

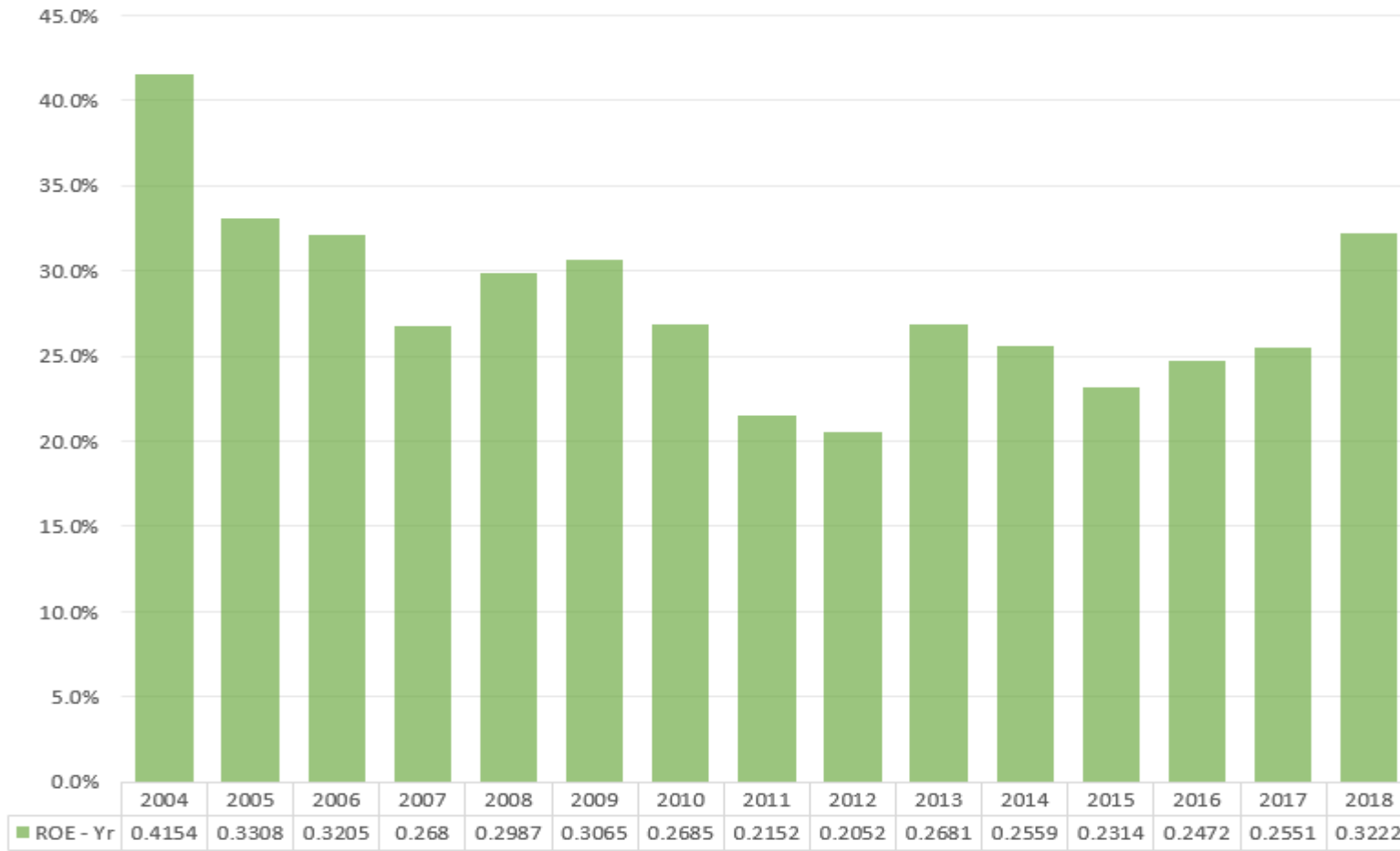
DILUTED SHRS - YR



They have NO long term debt and their return on equity was 20.5% at the lowest since 2004

Sum of Amt

ROE - YR



Metric
Quarter
■ ROE - Yr

Year