



Investor Presentation
September 2020



Forward Looking Statements & Non-GAAP Measures

Forward-Looking Statements

Certain statements in this presentation constitute “forward-looking” statements, which include any statements related to the novel coronavirus (“COVID-19”), the Freshpet Kitchens Expansion, and the Company's general operating and economic environment. These statements are based on management's current opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results. These forward-looking statements are only predictions, not historical fact, and involve certain risks and uncertainties, as well as assumptions. Actual results, levels of activity, performance, achievements and events could differ materially from those stated, anticipated or implied by such forward-looking statements. While Freshpet believes that its assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect actual results. There are many risks and uncertainties that could cause actual results to differ materially from forward-looking statements made herein including, most prominently, the risks discussed under the heading “Risk Factors” in the Company's latest annual report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission. Such forward-looking statements are made only as of the date of this presentation. Freshpet undertakes no obligation to publicly update or revise any forward-looking statement because of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

Non-GAAP Measures

Freshpet uses certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA as a % of net sales, Adjusted Gross Profit, Adjusted Gross Profit as a % of net sales (Adjusted Gross Margin), Adjusted SG&A and Adjusted SG&A as a % of net sales. These non-GAAP financial measures should be considered as supplements to GAAP reported measures, should not be considered replacements for, or superior to, GAAP measures and may not be comparable to similarly named measures used by other companies.

Freshpet defines EBITDA as net income (loss) plus interest expense, income tax expense and depreciation and amortization expense, and Adjusted EBITDA as EBITDA plus gain (loss) on disposal of equipment, plant start-up expenses, non-cash share-based compensation, launch expense, fees related to equity offerings, COVID-19 expenses, and fees associated with due diligence of new enterprise resource planning (“ERP”) software.

Forward Looking Statements & Non-GAAP Measures (cont.)

Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, plant start-up costs, COVID-19 expenses and non-cash share-based compensation, and Adjusted SG&A as SG&A expenses before depreciation and amortization expense, non-cash share-based compensation, launch expense, gain (loss) on disposal of equipment, fees related to equity offerings, and fees associated with due diligence of new ERP software..

Management believes that the non-GAAP financial measures are meaningful to investors because they provide a view of the Company with respect to ongoing operating results. Non-GAAP financial measures are shown as supplemental disclosures in this presentation because they are widely used by the investment community for analysis and comparative evaluation. They also provide additional metrics to evaluate the Company's operations and, when considered with both the Company's GAAP results and the reconciliation to the most comparable GAAP measures, provide a more complete understanding of the Company's business than could be obtained absent this disclosure. Adjusted EBITDA is also an important component of internal budgeting and setting management compensation. The non-GAAP measures are not and should not be considered an alternative to the most comparable GAAP measures or any other figure calculated in accordance with GAAP, or as an indicator of operating performance. The Company's calculation of the non-GAAP financial measures may differ from methods used by other companies. Management believes that the non-GAAP measures are important to an understanding of the Company's overall operating results in the periods presented. The non-GAAP financial measures are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance.

Certain of these measures present the company's guidance for fiscal year 2020, for which the Company has not yet completed its internal or external audit procedures. The Company does not provide guidance for the most directly comparable GAAP measure and similarly cannot provide a reconciliation to such measure without unreasonable effort due to the unavailability of reliable estimates for certain items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.



Mission: Awaken the world to a better way of feeding our pets



We operate differently:

A healthier happier world where pets people and planet thrive



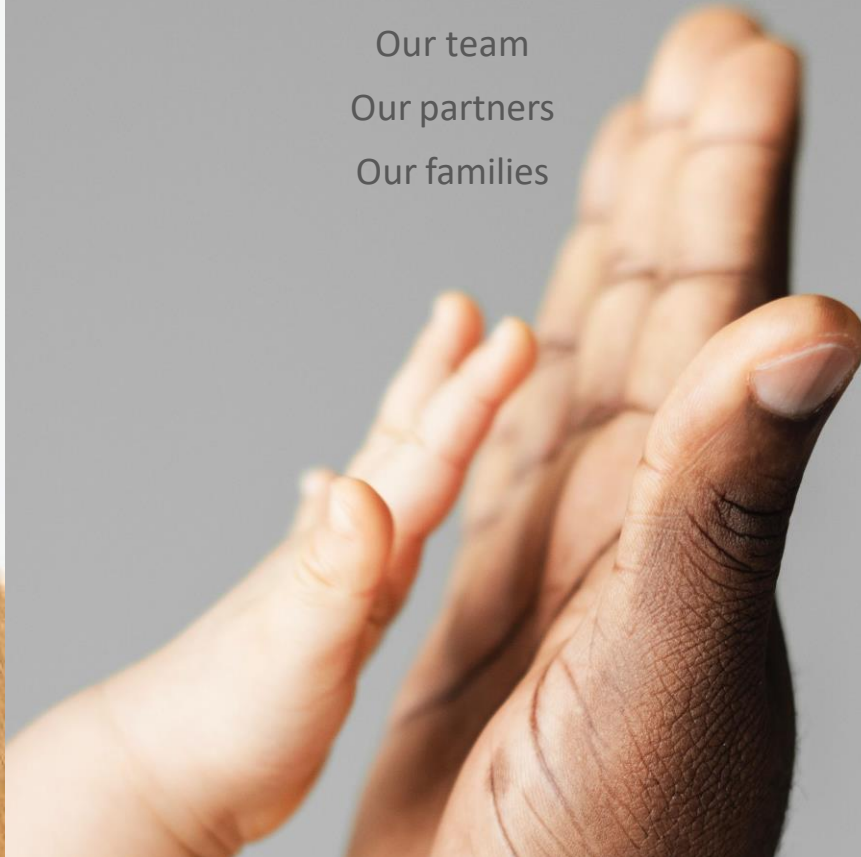
pets.

The power of fresh
natural & simple foods
Less processed
Acts of kindness



people.

Our team
Our partners
Our families



planet.

Renewable energy
Carbon footprint offset
Conservation – land fill free
Sustainable practices



Freshpet lives at the intersection of two very powerful macro-trends in CPG



Humanization
of Pets



Fresh,
Wholesome,
All-Natural
Foods



Until Freshpet, a dog's choices were really limited

Dry Kibble



Canned
Mystery Meat



\$30 billion industry stuck in 1950



Dogs had a different place in families in 1950's



Dogs are now part of our family



First major innovation since dry kibble in 1956



1956



2006

Freshpet Fresh from the Kitchen is a giant leap forward versus canned dog food



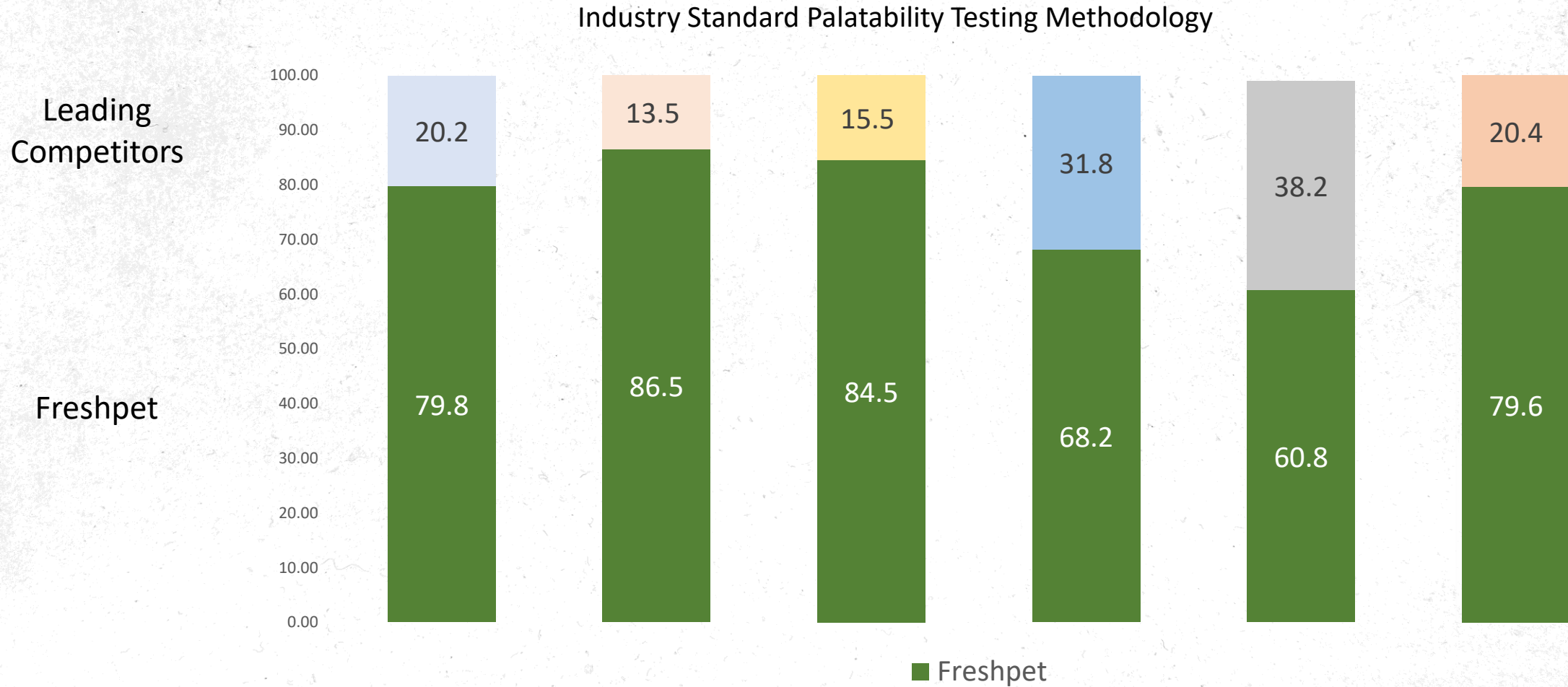
1922



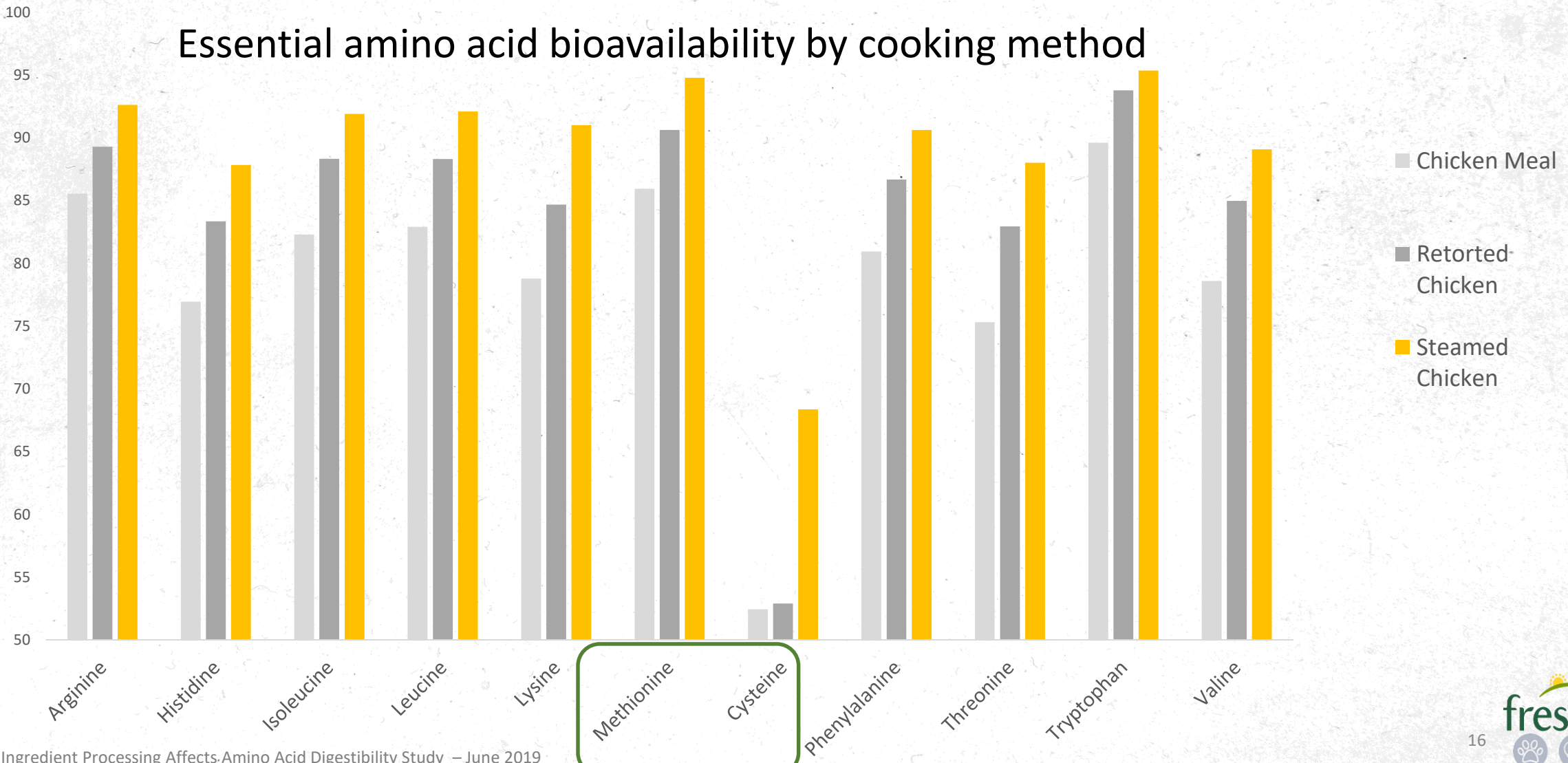
2015



Exceptional palatability



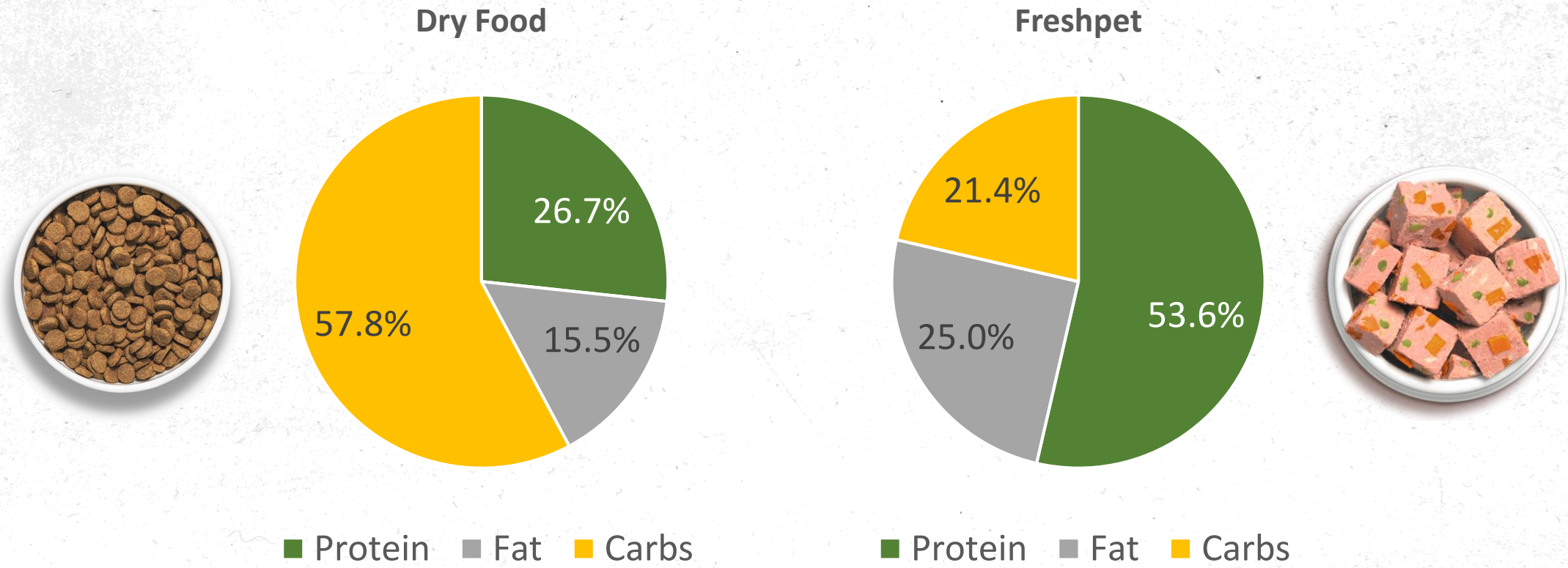
Better amino acid bioavailability from lighter cooking



Source: Ingredient Processing Affects Amino Acid Digestibility Study – June 2019

Higher percentage of calories from protein

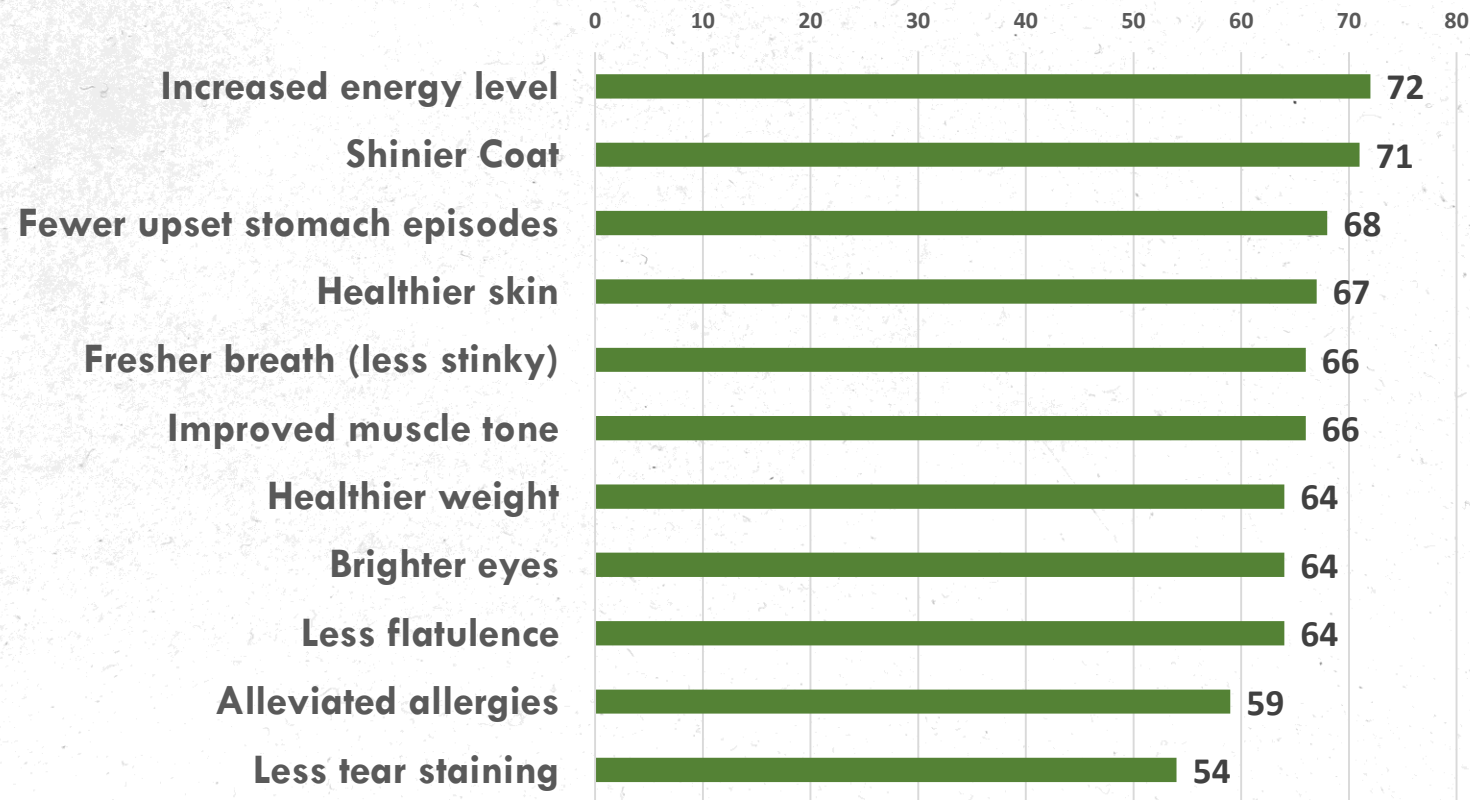
than typical dry foods



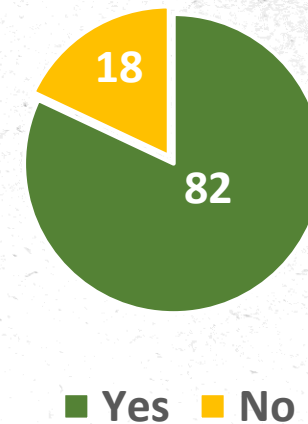
Source: Internal company calculation of source of calories for Freshpet and average dry dog food

82% of consumers notice a visible difference

% Noticed Visible Health Difference

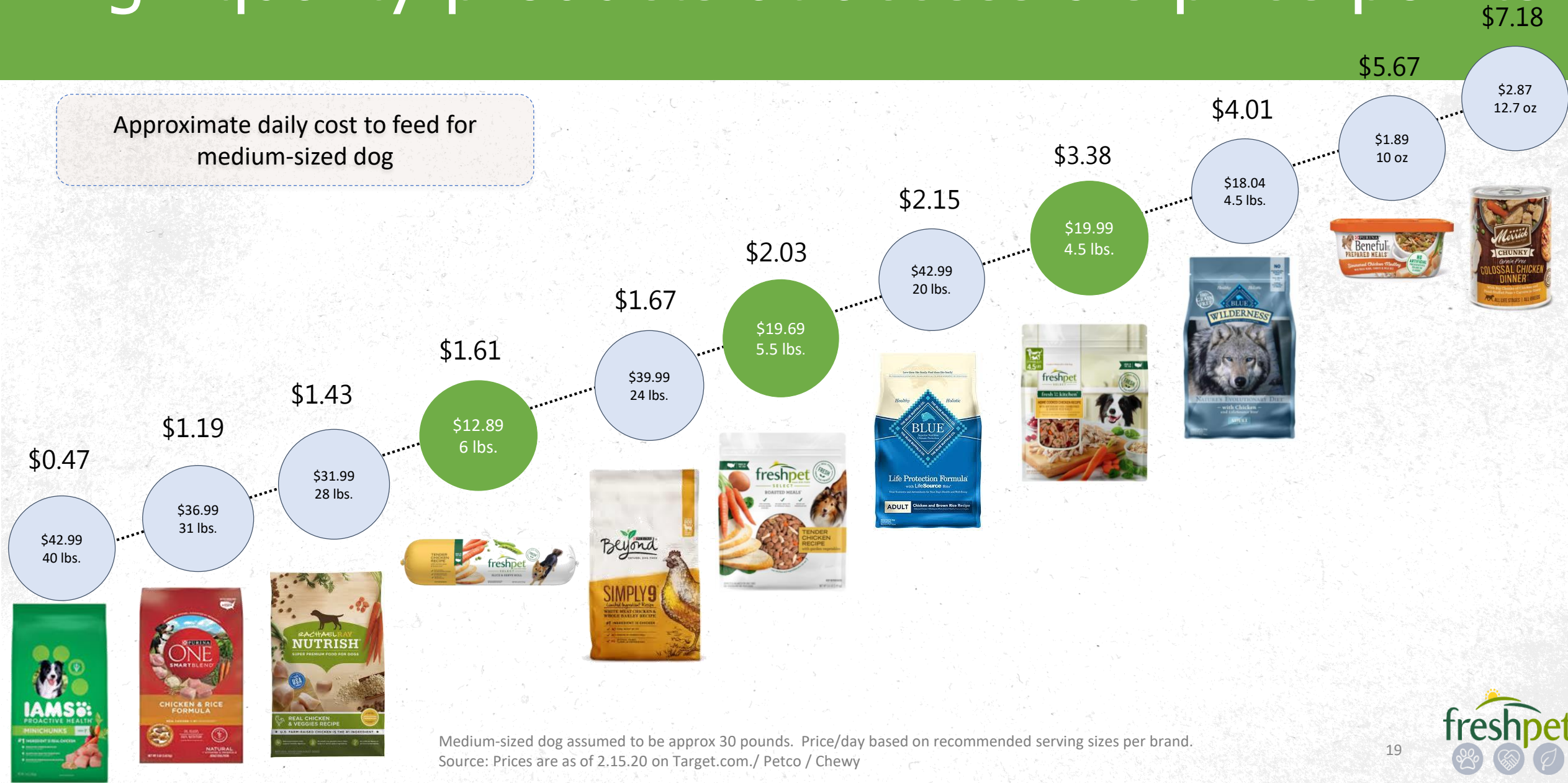


Noticed a Visible Health Difference



High quality products at accessible price points

Approximate daily cost to feed for medium-sized dog

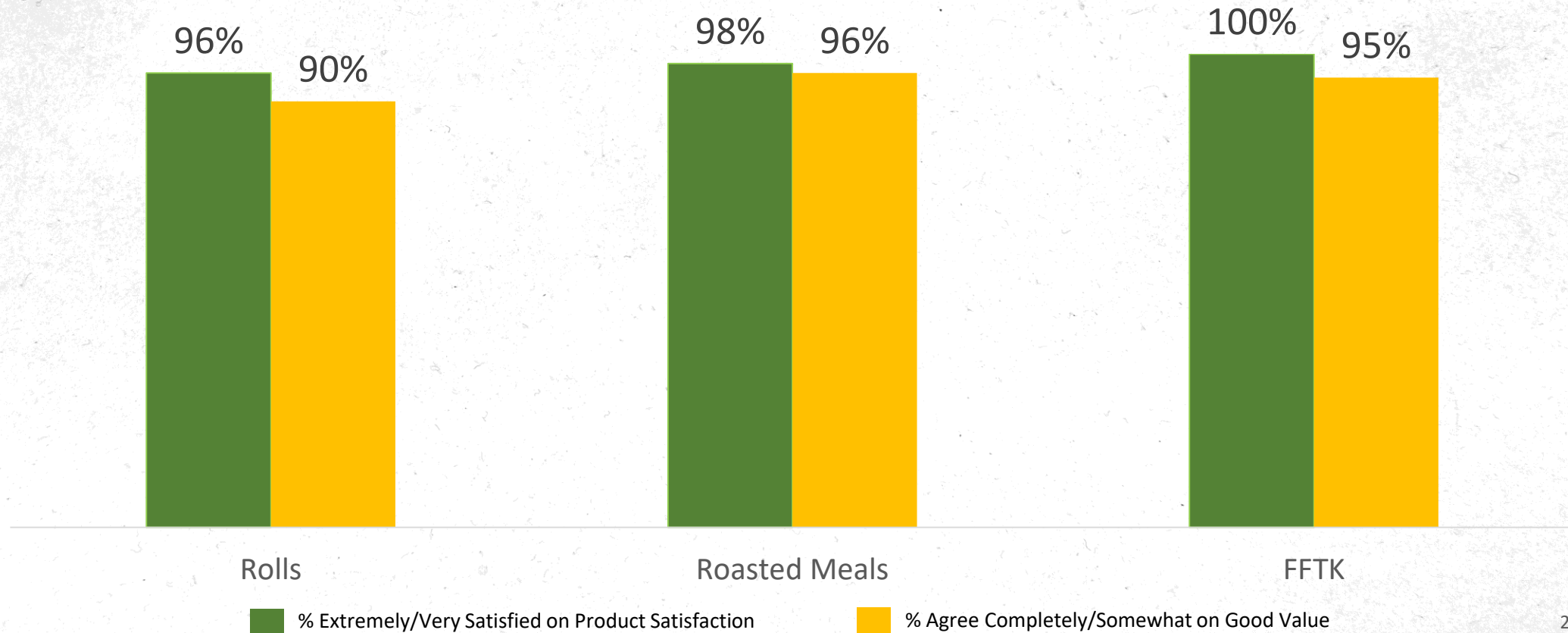


Medium-sized dog assumed to be approx 30 pounds. Price/day based on recommended serving sizes per brand.
 Source: Prices are as of 2.15.20 on Target.com./ Petco / Chewy

Very strong consumer satisfaction

Freshpet Product Satisfaction

Top Two Box Percentages
Among Regular FP Users



■ % Extremely/Very Satisfied on Product Satisfaction

■ % Agree Completely/Somewhat on Good Value

>22,000 stores with company-owned Freshpet Fridges



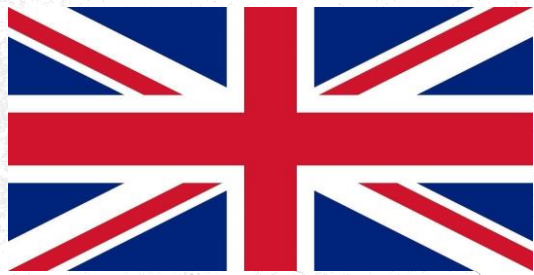
>55% ACV



>1 Fridge in 1586 stores



In the early stages of international expansion



TESCO

M
MORRISONS


ocado

~400 stores

~7% ACV



 **Loblaws**

Walmart 

Sobeys

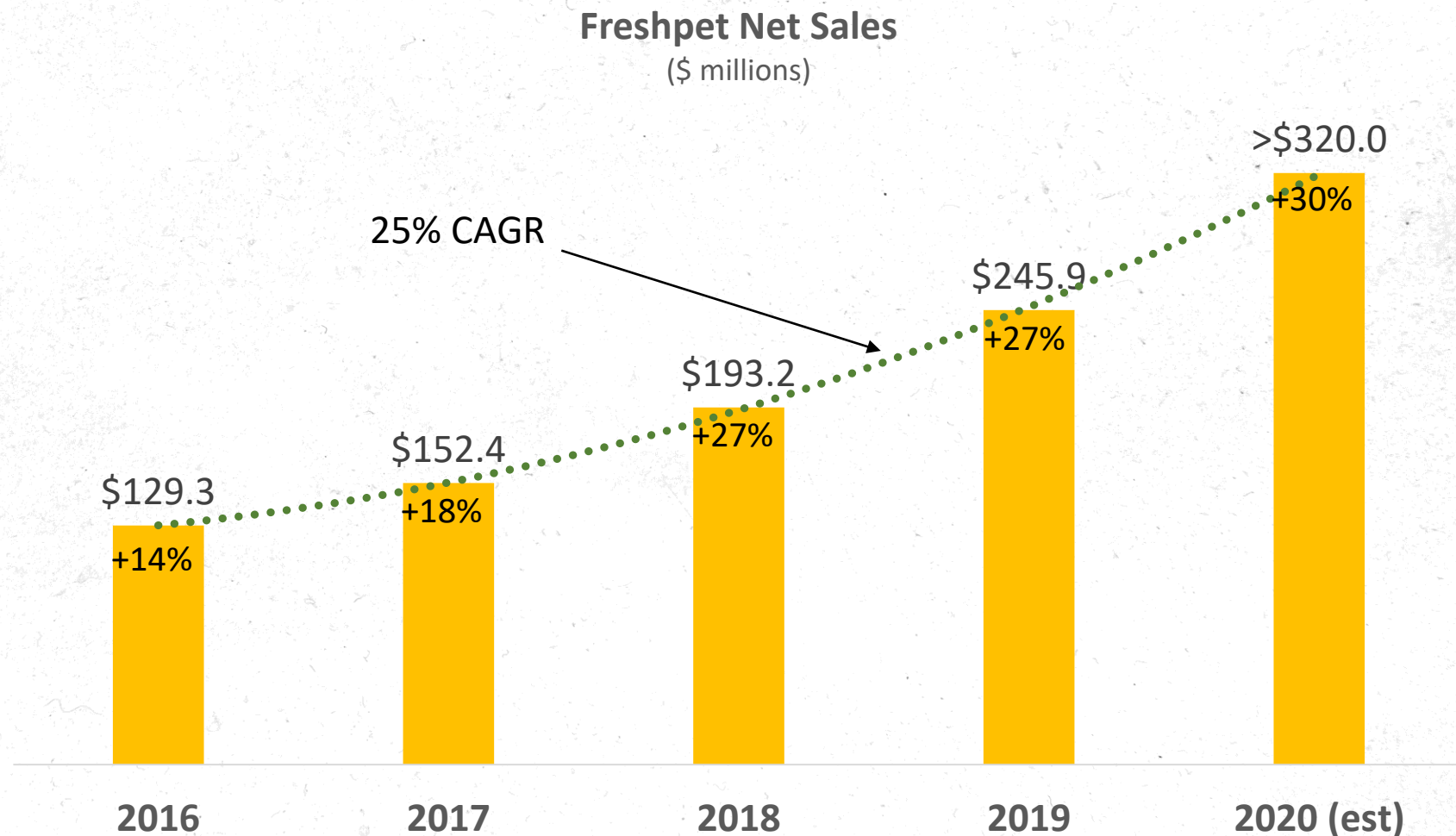
~1000 stores

~23% ACV

“Feed the Growth” creates scale and leverage

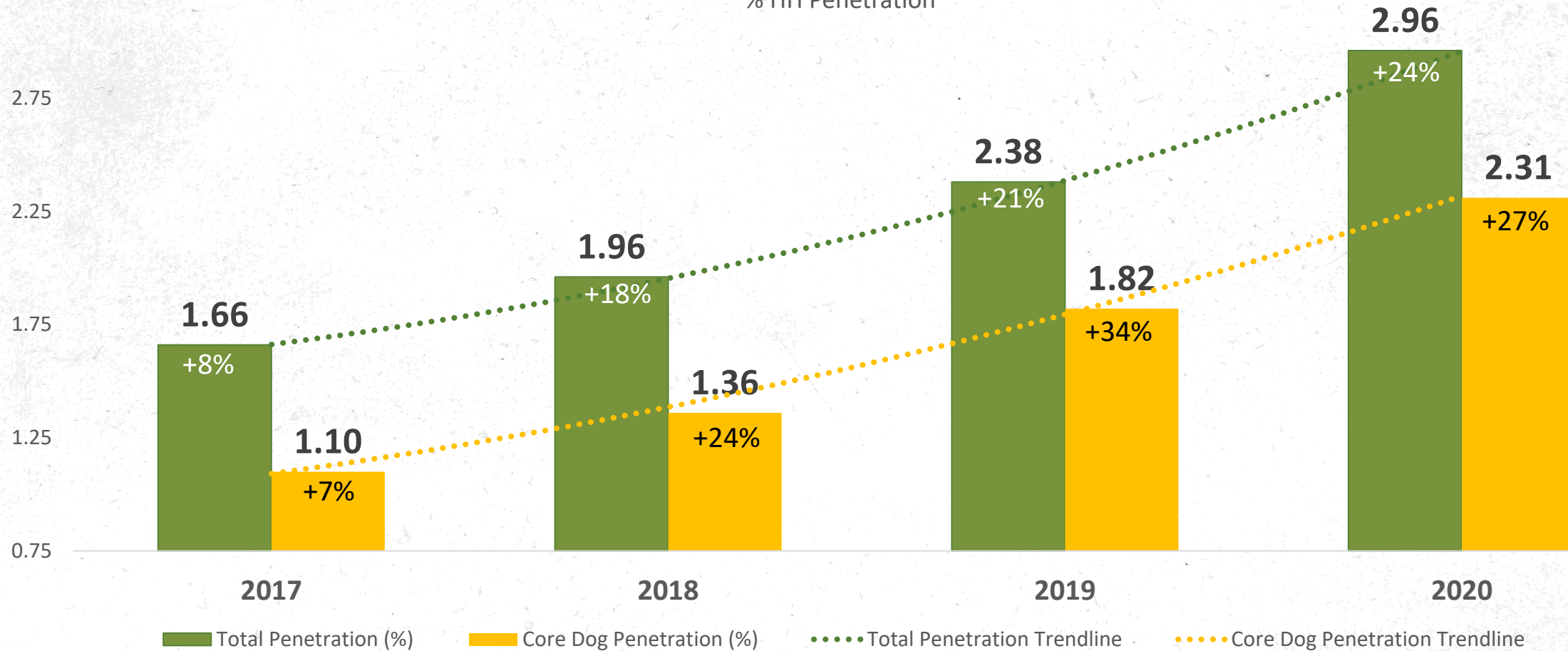


Freshpet is growing quickly & accelerating



Adding HH's quickly

Freshpet Penetration Growth
% HH Penetration

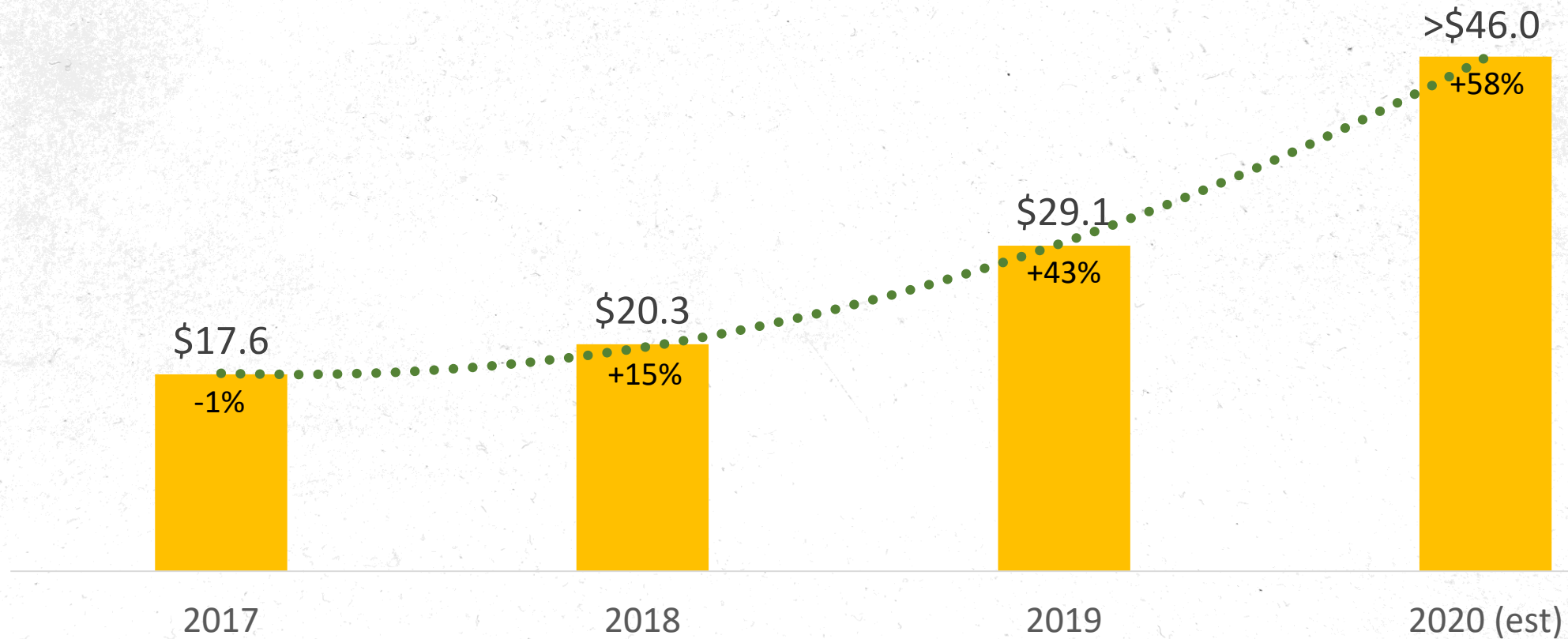


Source: Nielsen HH Panel for the period ending mid-August 2016-2020

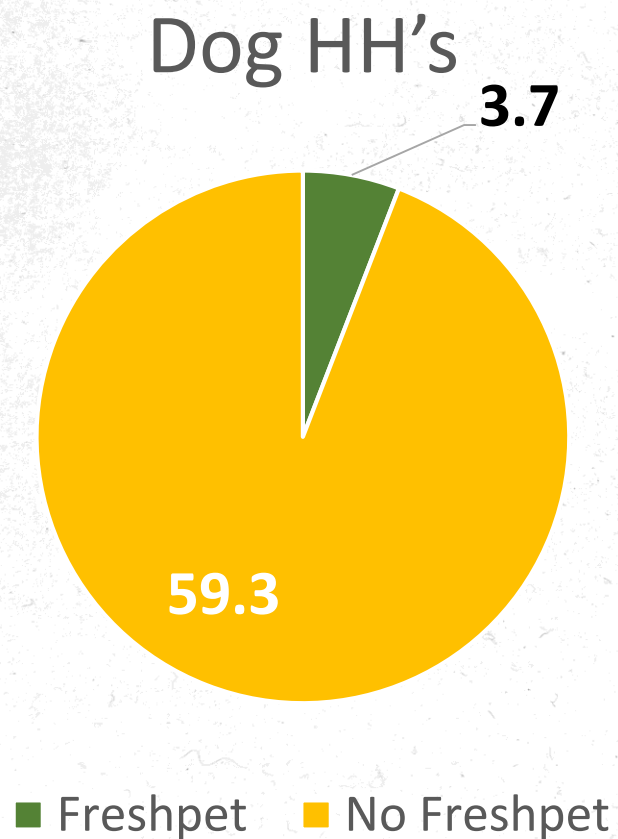


Capturing scale benefits on bottom line

Freshpet Adjusted EBITDA
(\$ millions)



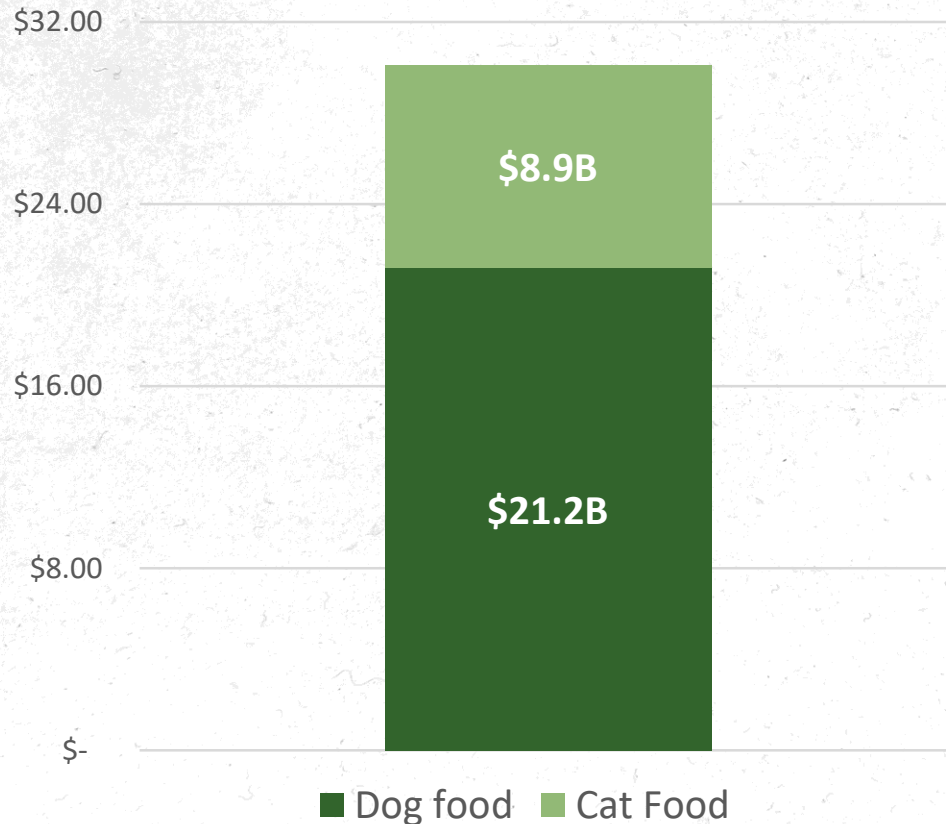
The Freshpet opportunity is much bigger than \$320 million



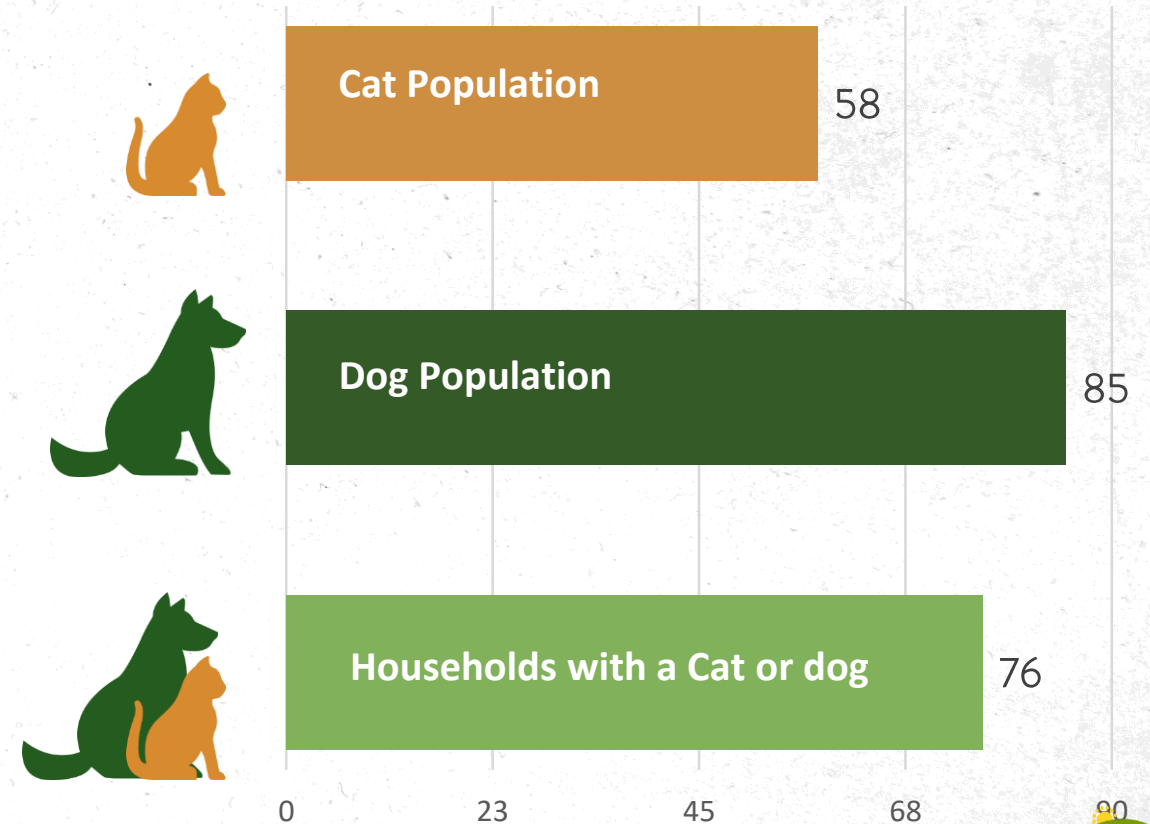
Pet food is a large and growing market

\$30B+ of Pet Food Sales in the US

2019 Growth ~+7%

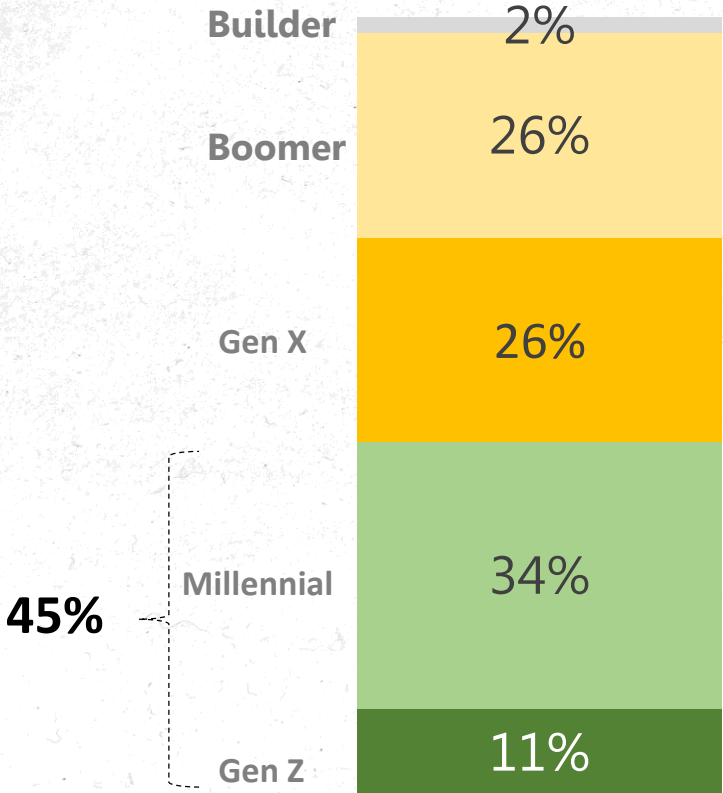


Pet Population & Households # in MM's

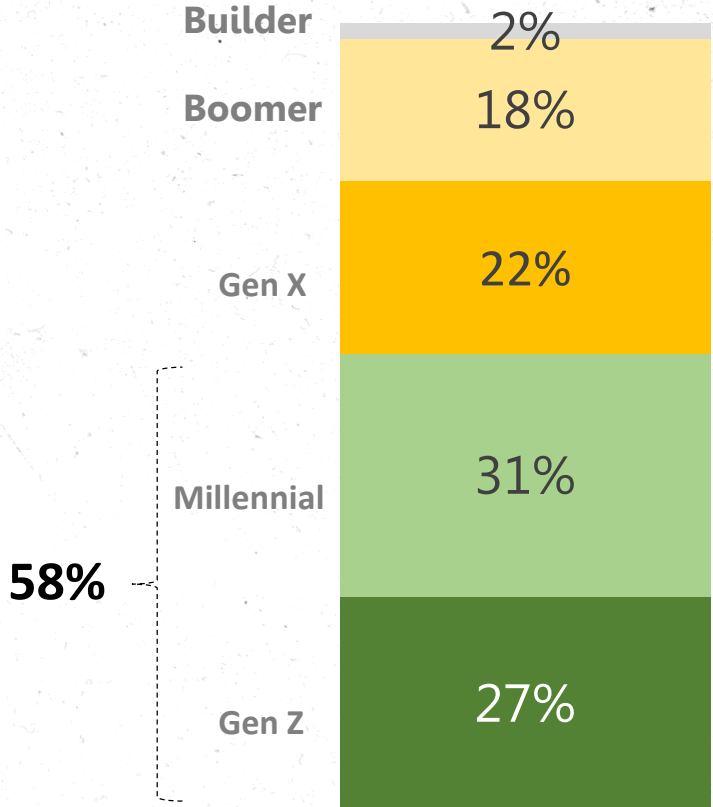


Demographic trends are working in our favor

Dog HHs Today



Dog HHs 2025

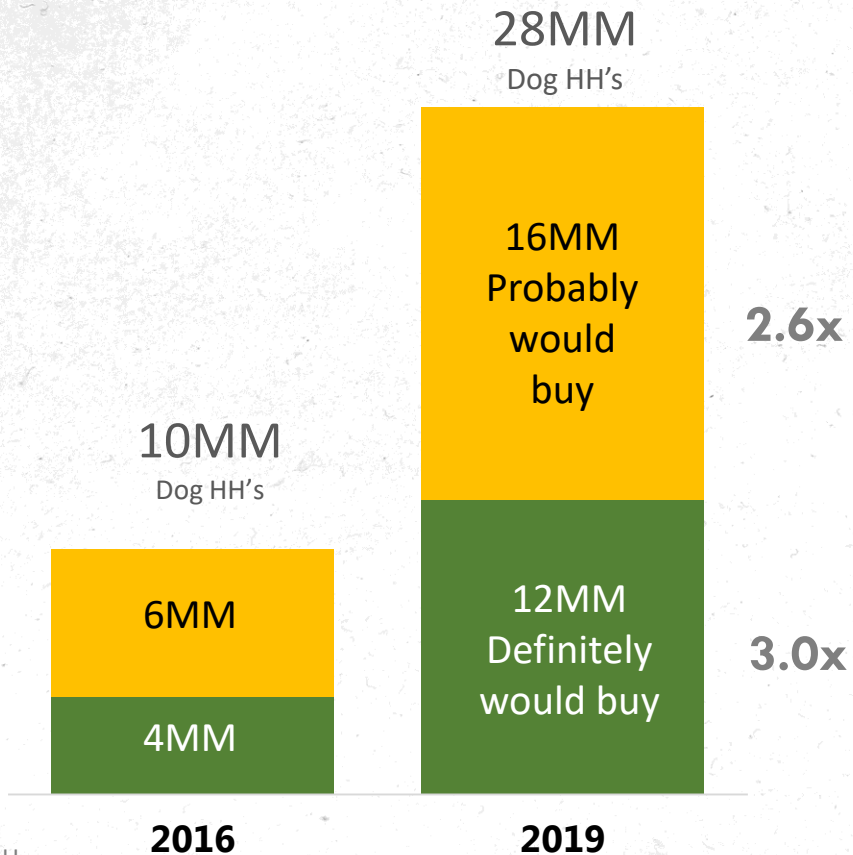


Addressable market: >20 million HH's

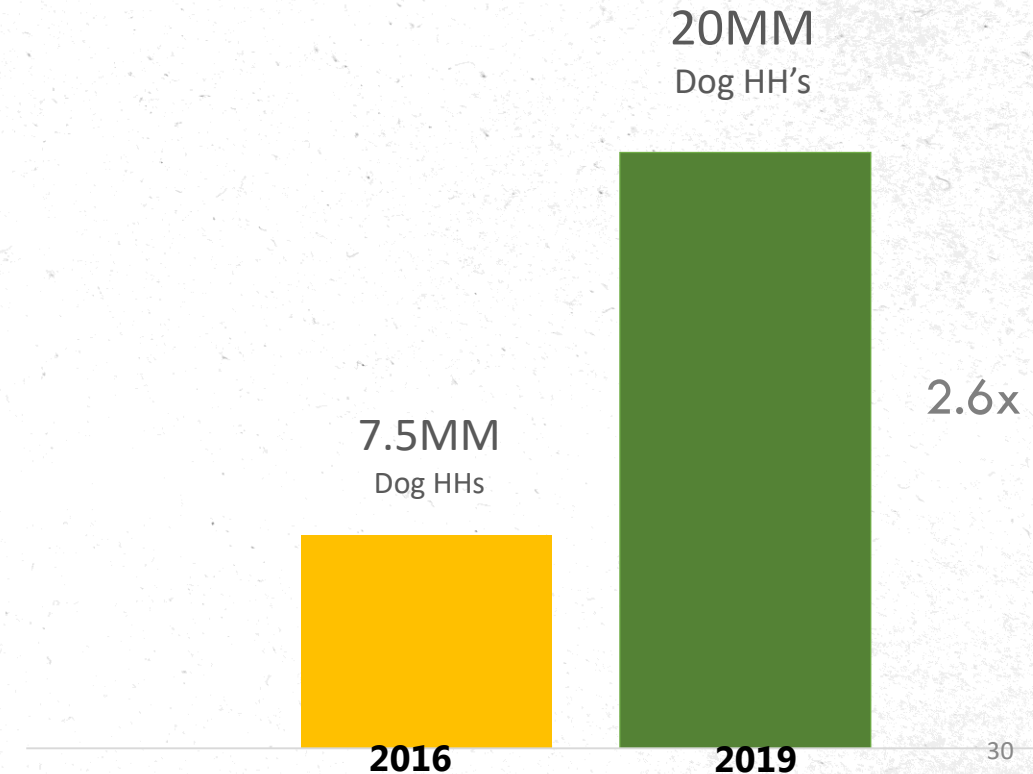
Consumer Concept

Purchase Interest Among Never Users

Top 2 Box purchase interest



Prime Prospect Methodology

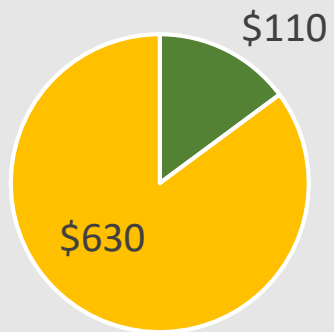


30

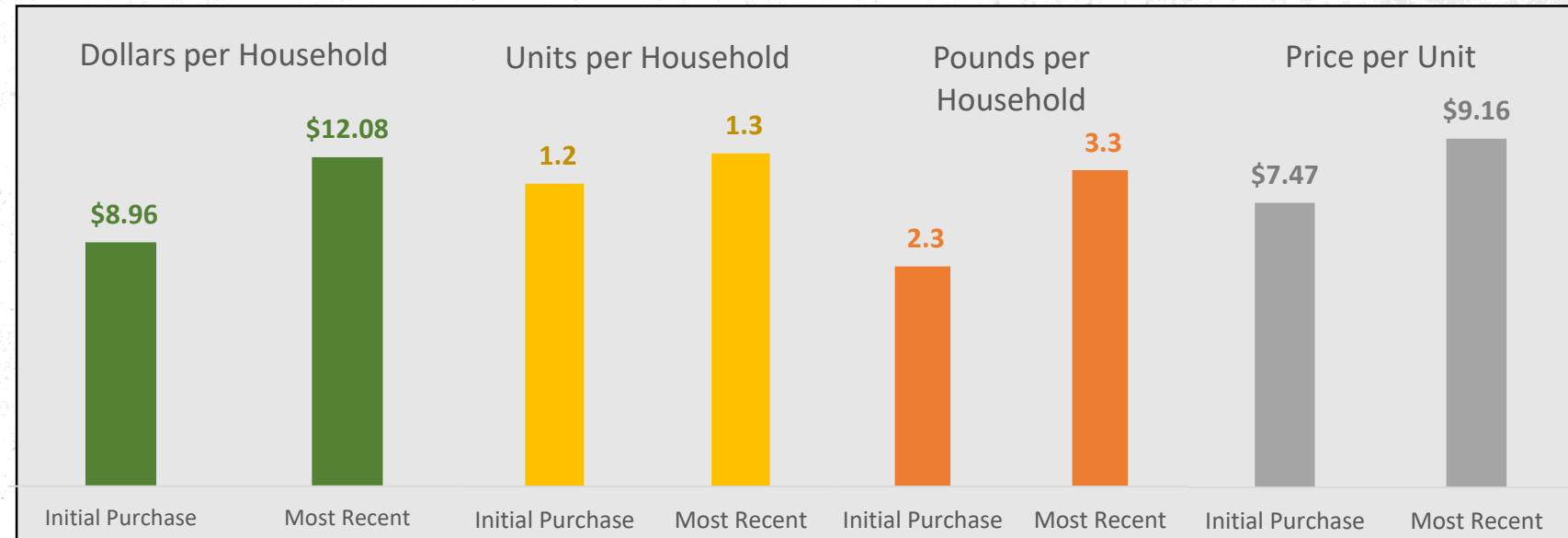
Opportunity to continue growing the buying rate

Purchasing Changes from Initial Purchase to Most Recent

Buying Rate

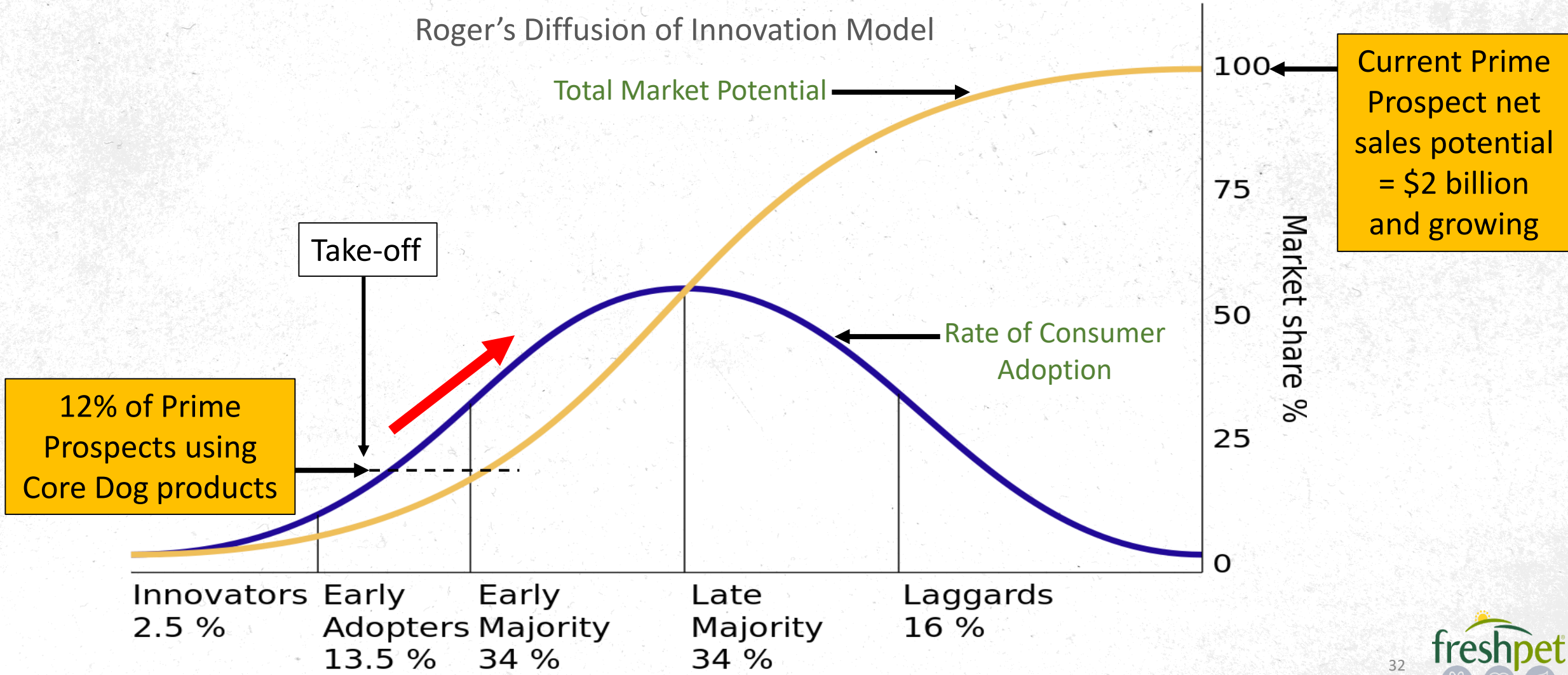


- Current
- Avg. Cost to Feed 30 lb Dog



In the early stages of accelerating consumer adoption

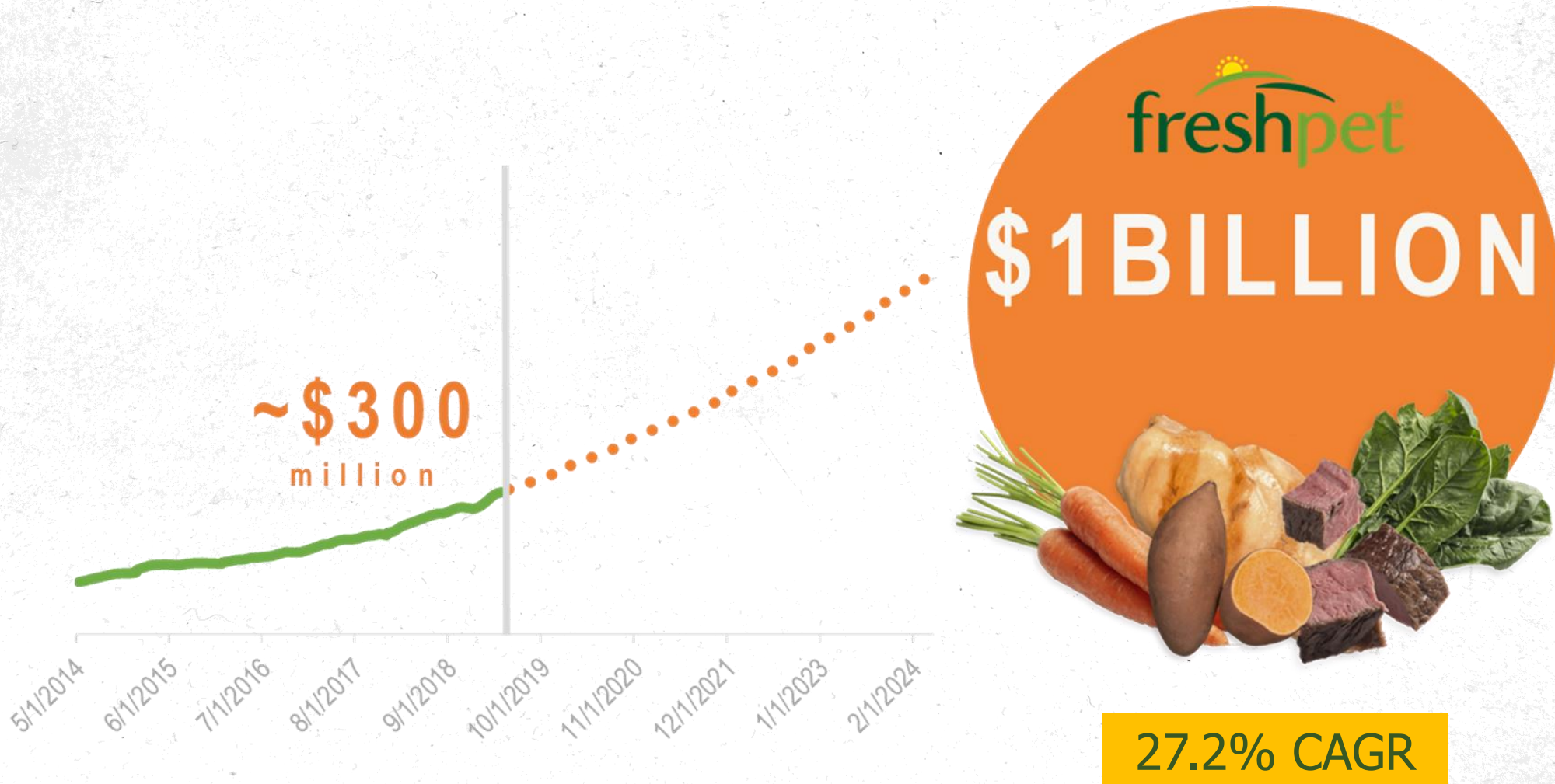
Roger's Diffusion of Innovation Model



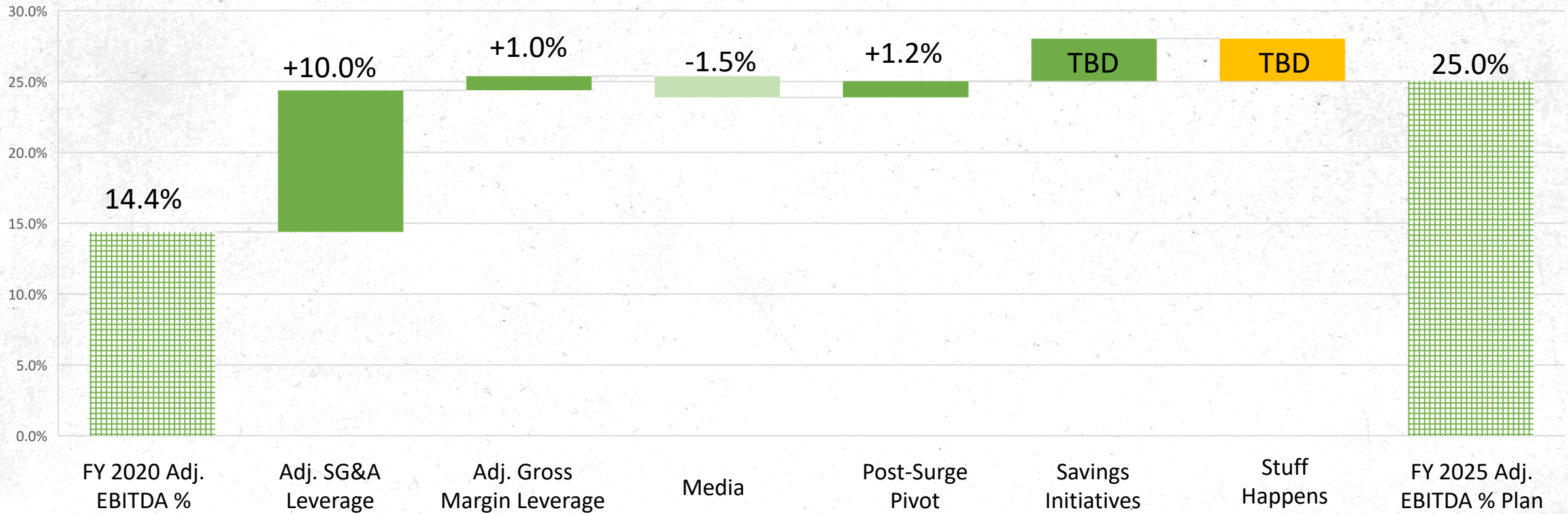
2025 Goal: 5 million more HH's feed Freshpet



5 million new HH's leads to \$1 billion net sales by 2025



We expect our path to \$1B to continue to deliver leverage



A difficult business model to replicate





2020 Progress

Post-COVID: Pivoted to accelerate growth



- Moved April advertising back
- Increased advertising \$2 million
- Continuous media May-October

- Delivery options on website
- Launched “Delivered” ad
- Introduced DTC option

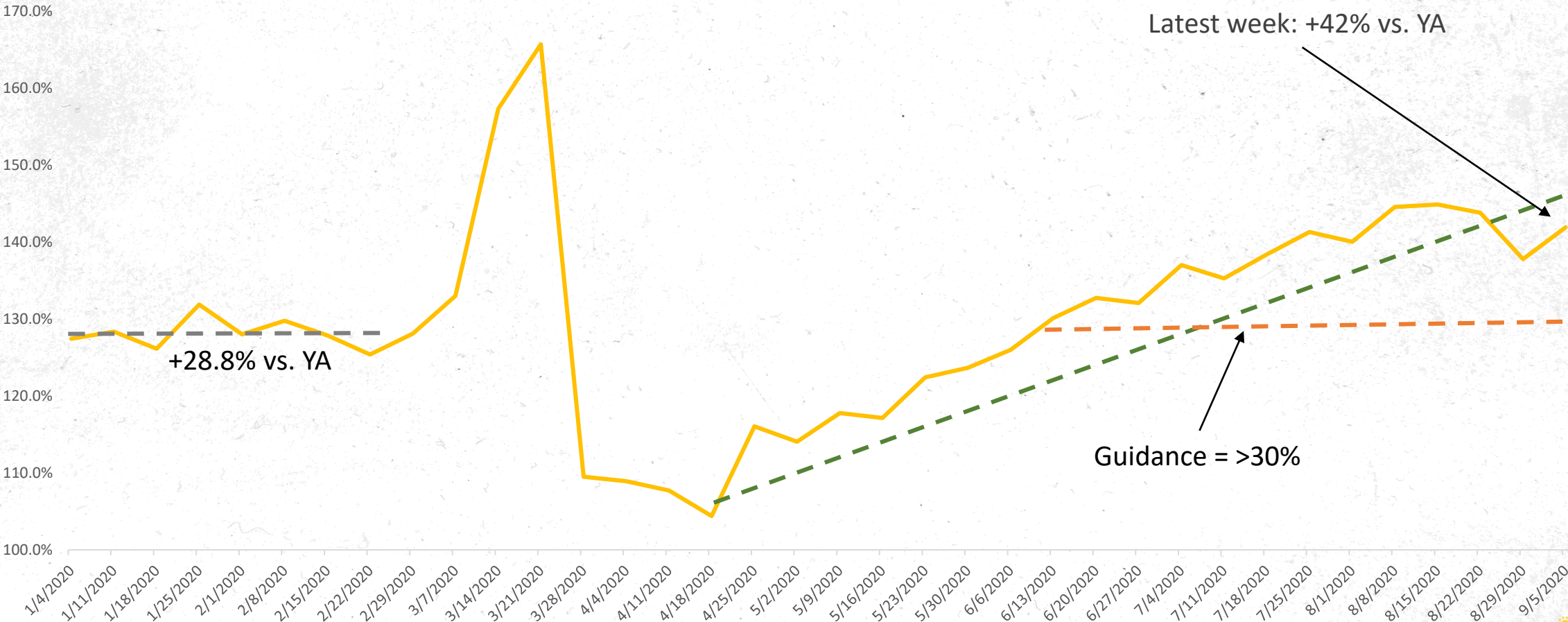
- Incremental retail coverage

- Ran production lines continuously
- Improved fill rates to 90+%
- Added 2nd shift at Kitchens South

- 3 layers of protection
- Transparent communication

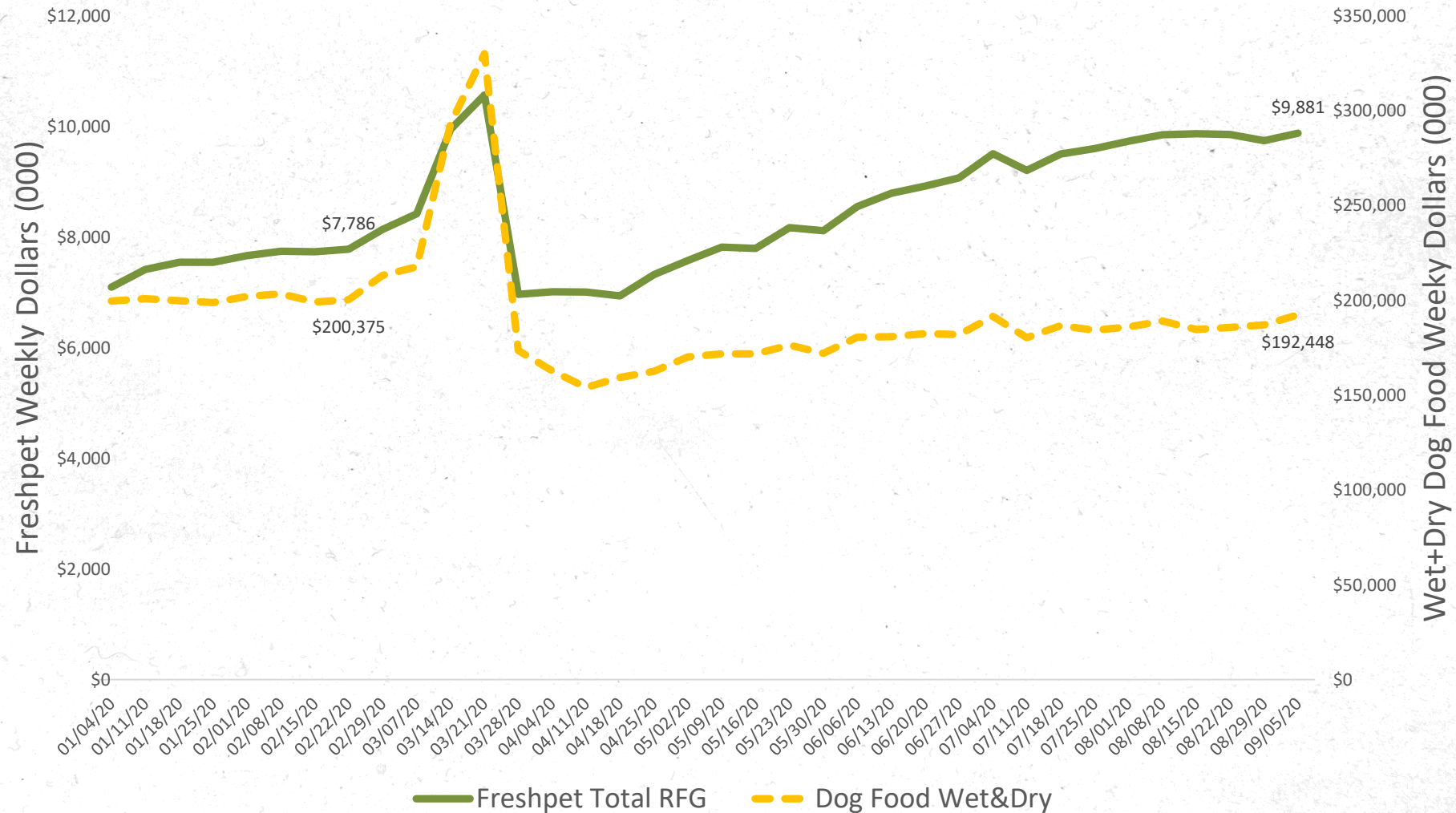
Accelerating out of the post-COVID trough

Nielsen Mega-Channel Growth (Index vs. YA)



Source: Nielsen Mega-Channel Data thru 9/5/20

Bouncing back faster than the category



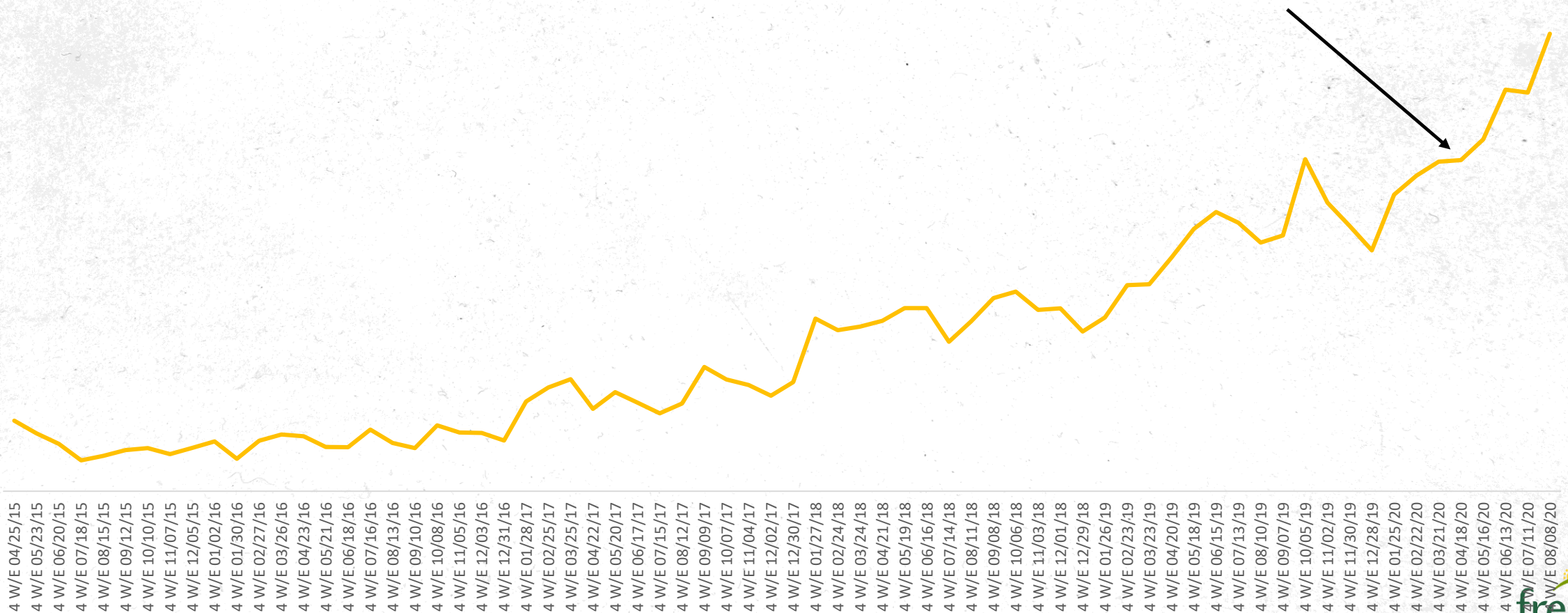
Source: Nielsen Mega-Channel Data thru 9/5/20

Accelerating HH penetration gains

Freshpet HH Penetration

Past 4 week users

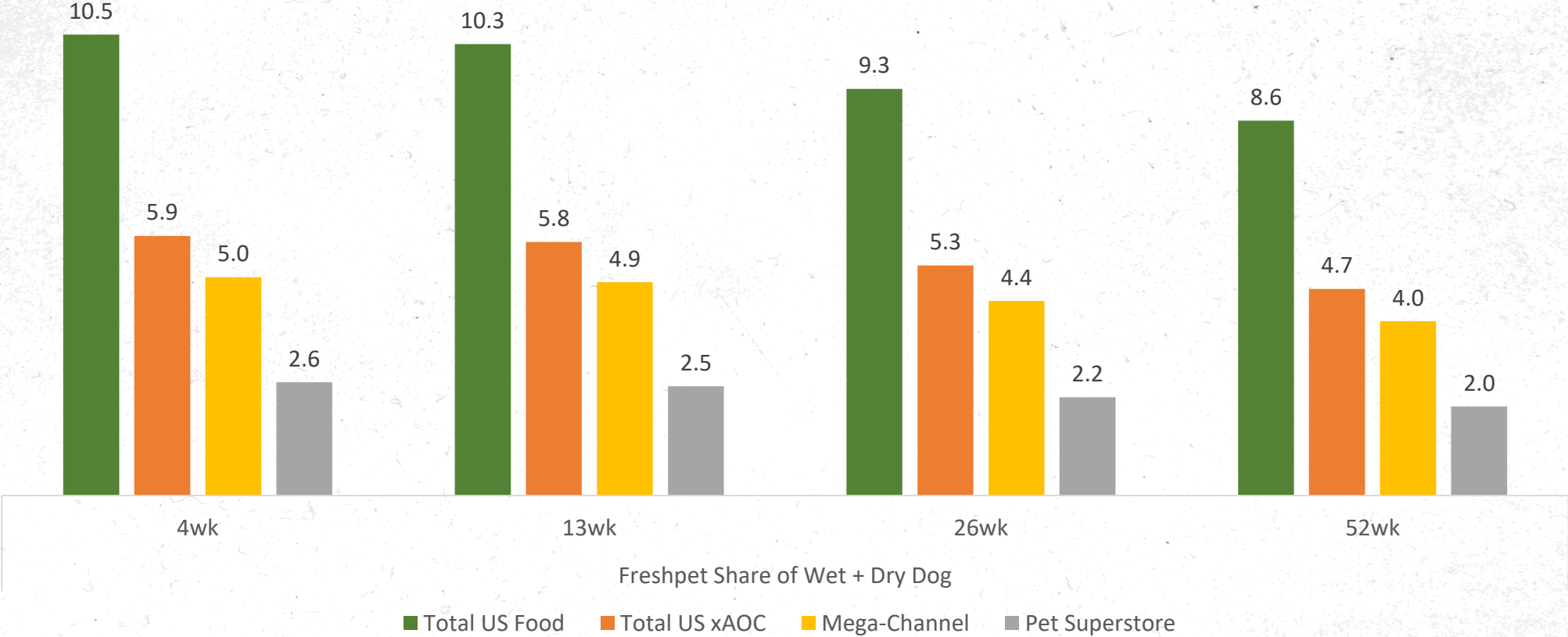
Advertising back on air post-COVID



Source: Nielsen HH Panel Data thru 8/8/20

Building meaningful share of the category

Freshpet \$ Share of Wet & Dry Dog

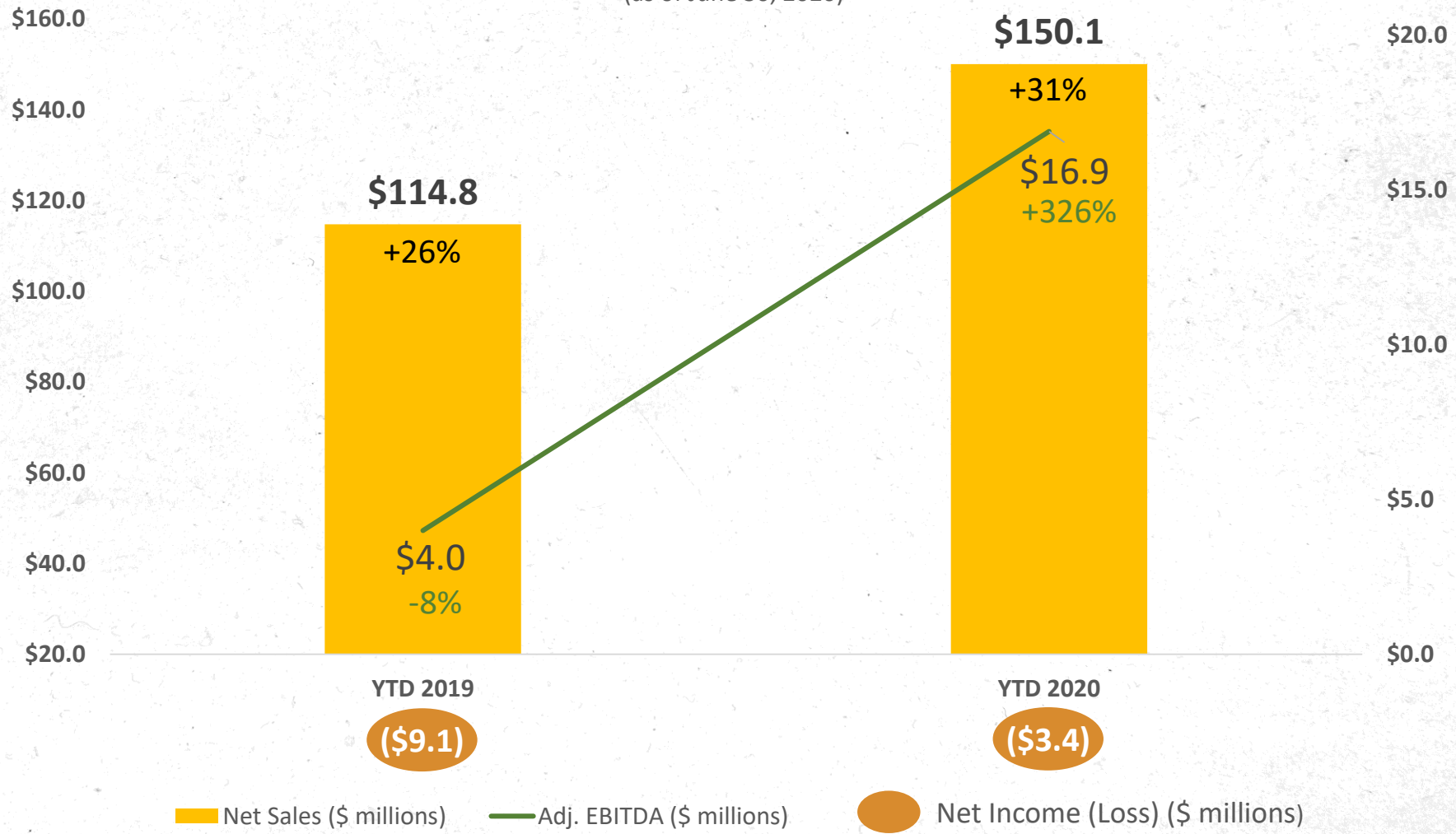


Source: Nielsen Mega-Channel Data thru 9/5/20

Strong Net Sales & Adj. EBITDA growth YTD

Freshpet Net Sales & Adj. EBITDA Performance

(as of June 30, 2020)



Capacity constrained until Kitchens 2.0 begins production in Q4

Freshpet Capacity

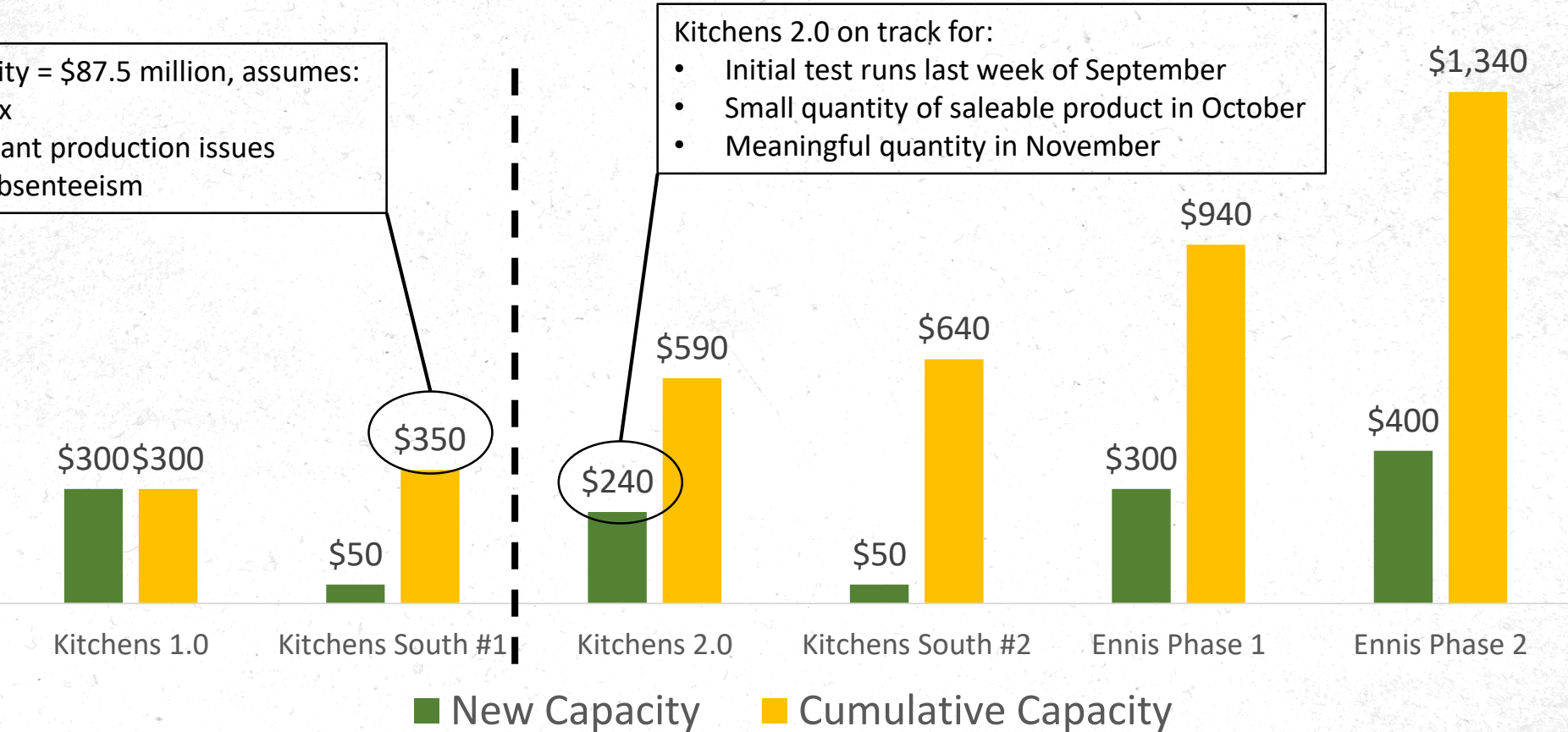
Net Sales Potential

Max Q3 capacity = \$87.5 million, assumes:

- Perfect mix
- No significant production issues
- Minimal absenteeism

Kitchens 2.0 on track for:

- Initial test runs last week of September
- Small quantity of saleable product in October
- Meaningful quantity in November





Growth Drivers

HOW FRESHPET GROWS, OUR MODEL IS SIMPLE

Advertising



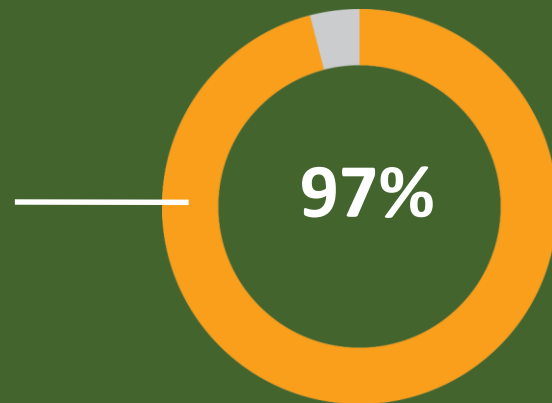
Availability & Visibility



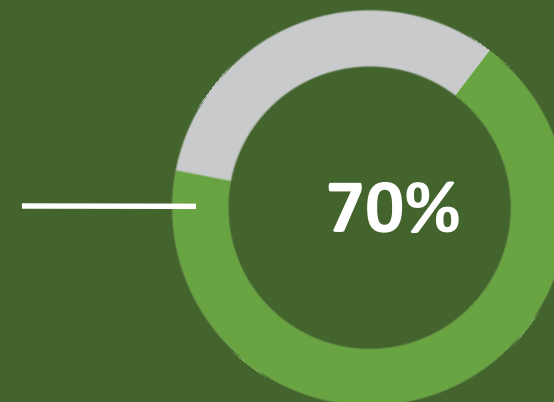
Innovation



Product Satisfaction
Extremely & Very Satisfied



Freshpet Repeat Rate



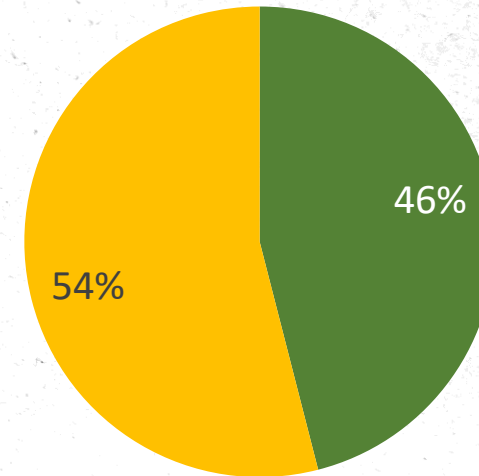


Advertising

Significant opportunity to increase awareness



Freshpet Aided Awareness



■ Aided Awareness ■ Unaware

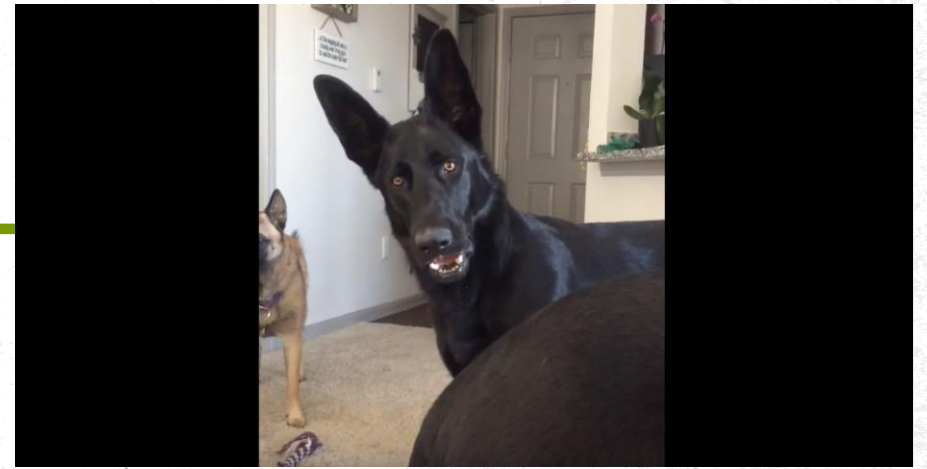
Advertising is the critical driver of success



Letters

Consumer testimonial
Heart-first storytelling

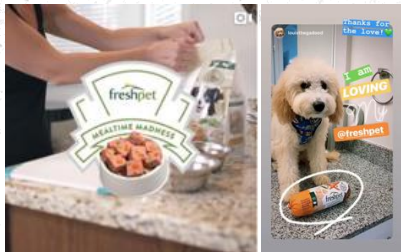
ANCHOR CAMPAIGNS



Awakening

Humor to deliver a challenging message
Head-first storytelling

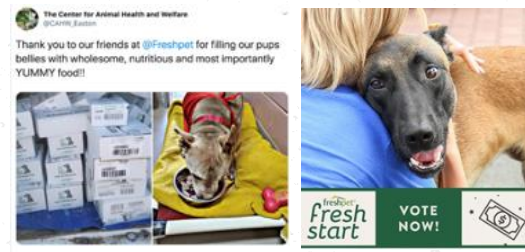
PET LOVE



BENEFITS OF FRESH



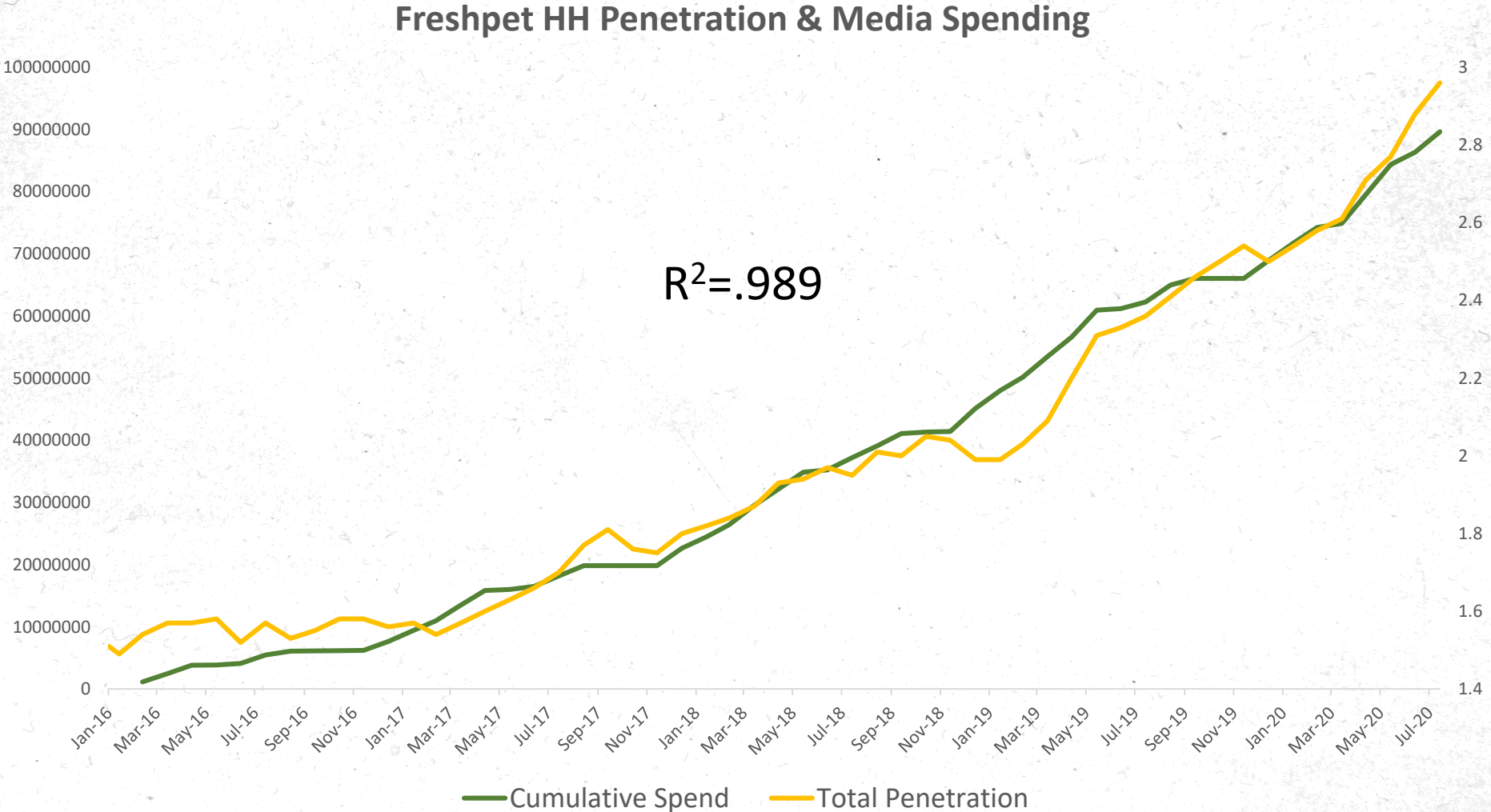
TAILS OF GOOD



PROOF POINTS



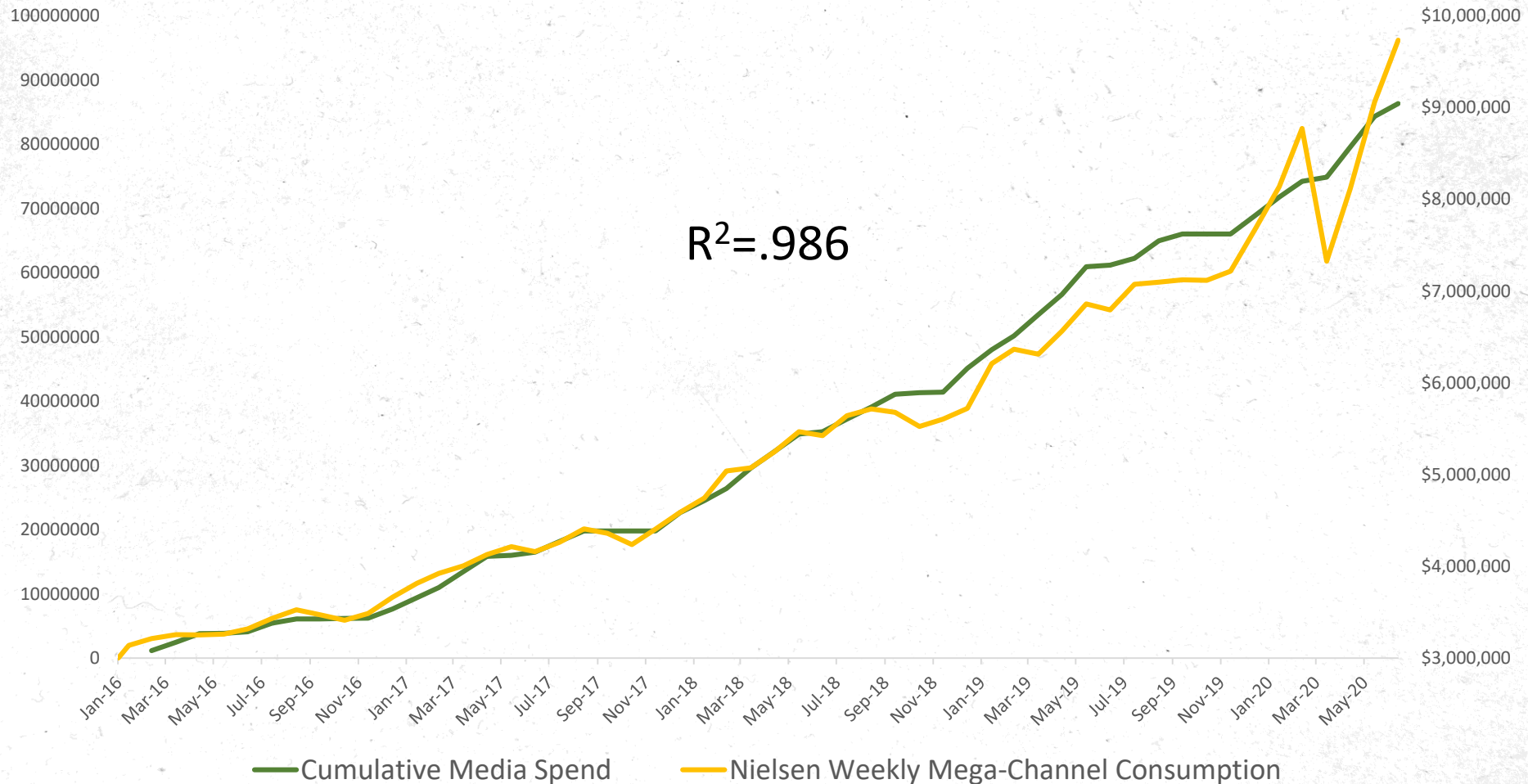
Media investment drives HH penetration gains



Source: Nielsen 52-week HH panel through 8/8/20 and internal data

Media investment drives consumption gains

Freshpet Nielsen Mega-Channel Consumption & Media Spending



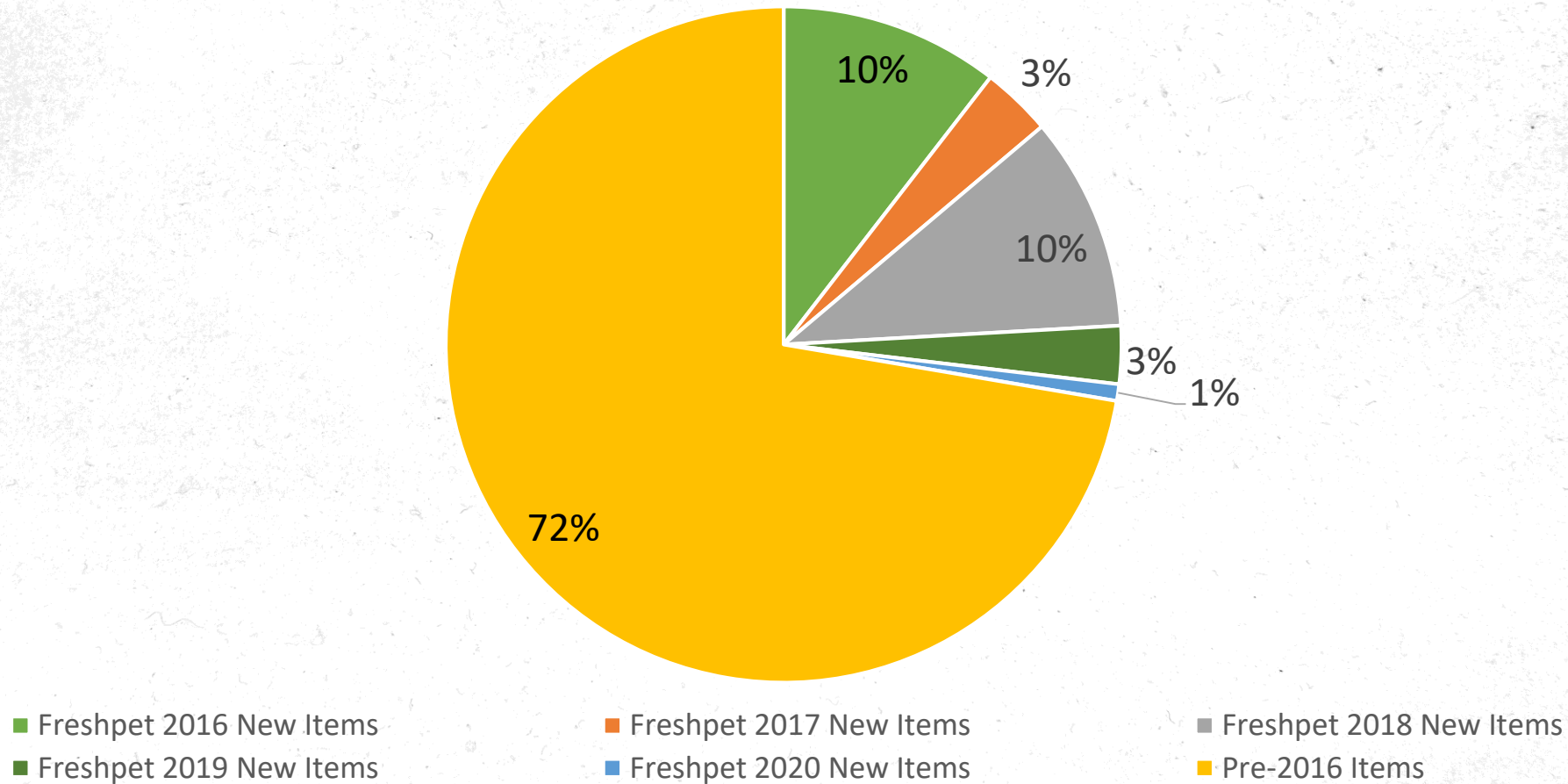
Source: Nielsen 52-week Mega-Channel consumption through 8/8/20 and internal company data



Innovation

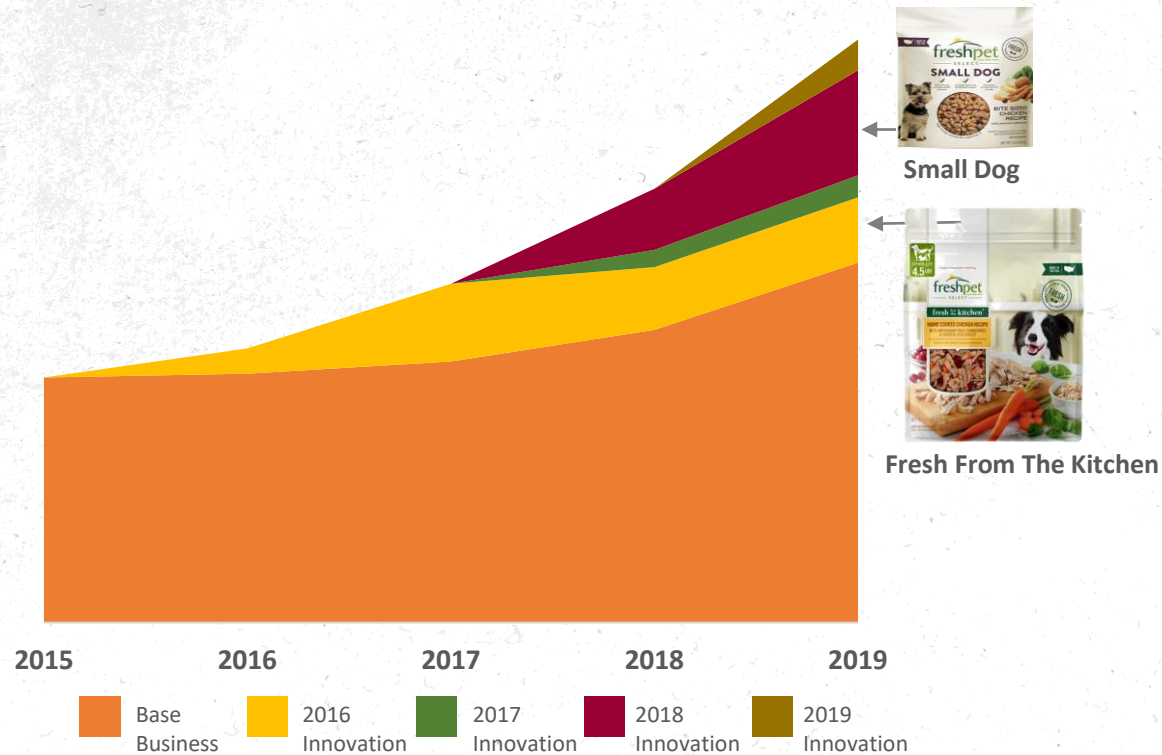
New items launched in the last 5 years account for 28% of current volume

Freshpet Nielsen Consumption Contribution From Innovation



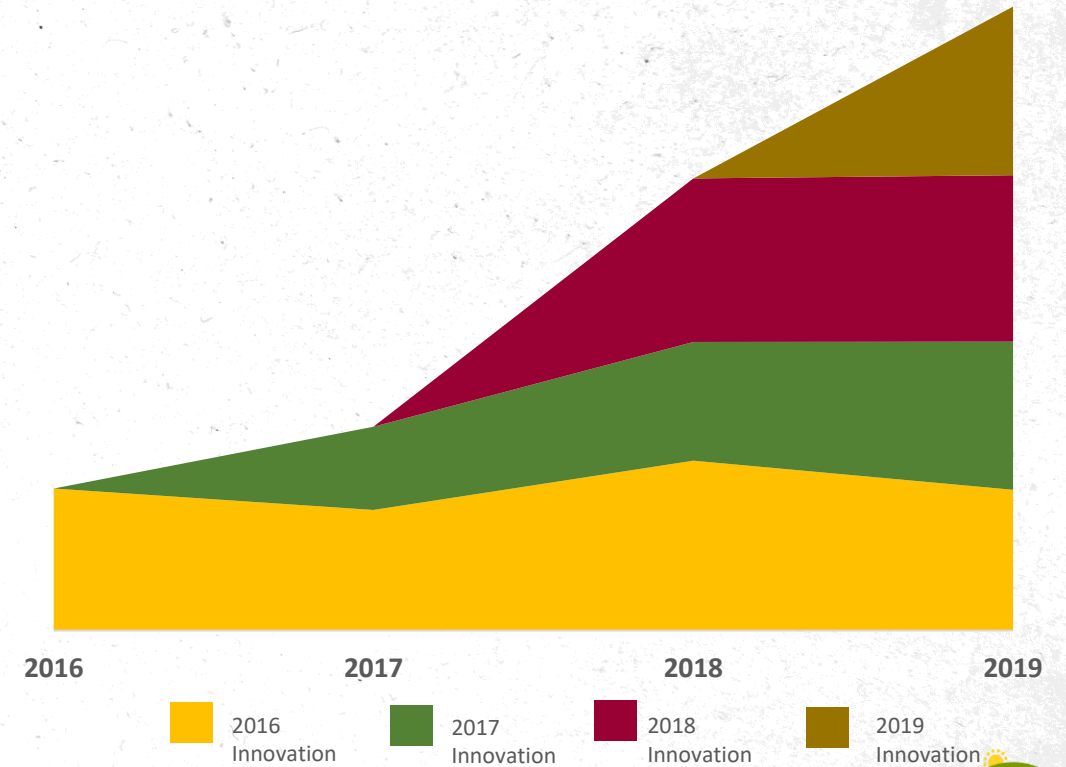
Robust innovation program drives HH penetration growth

Household Growth



Retention Rate

% of HH Repeating on Innovation



*HH's may purchase both new and old items. Total exceeds net HH penetration.

2020 innovations off to a delayed but good start

2020 Innovation



Sensitive Stomach & Skin
Healthy



Toy/Small Dog
Experiential

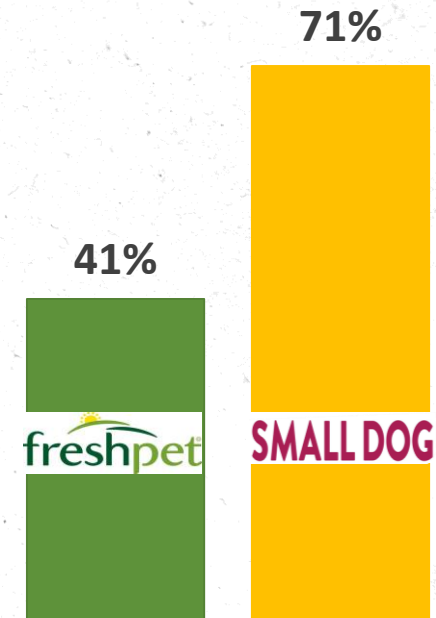


Homestyle Patties
Fresh, Real Food & Convenient

In year 3, Small Dog still growing very rapidly

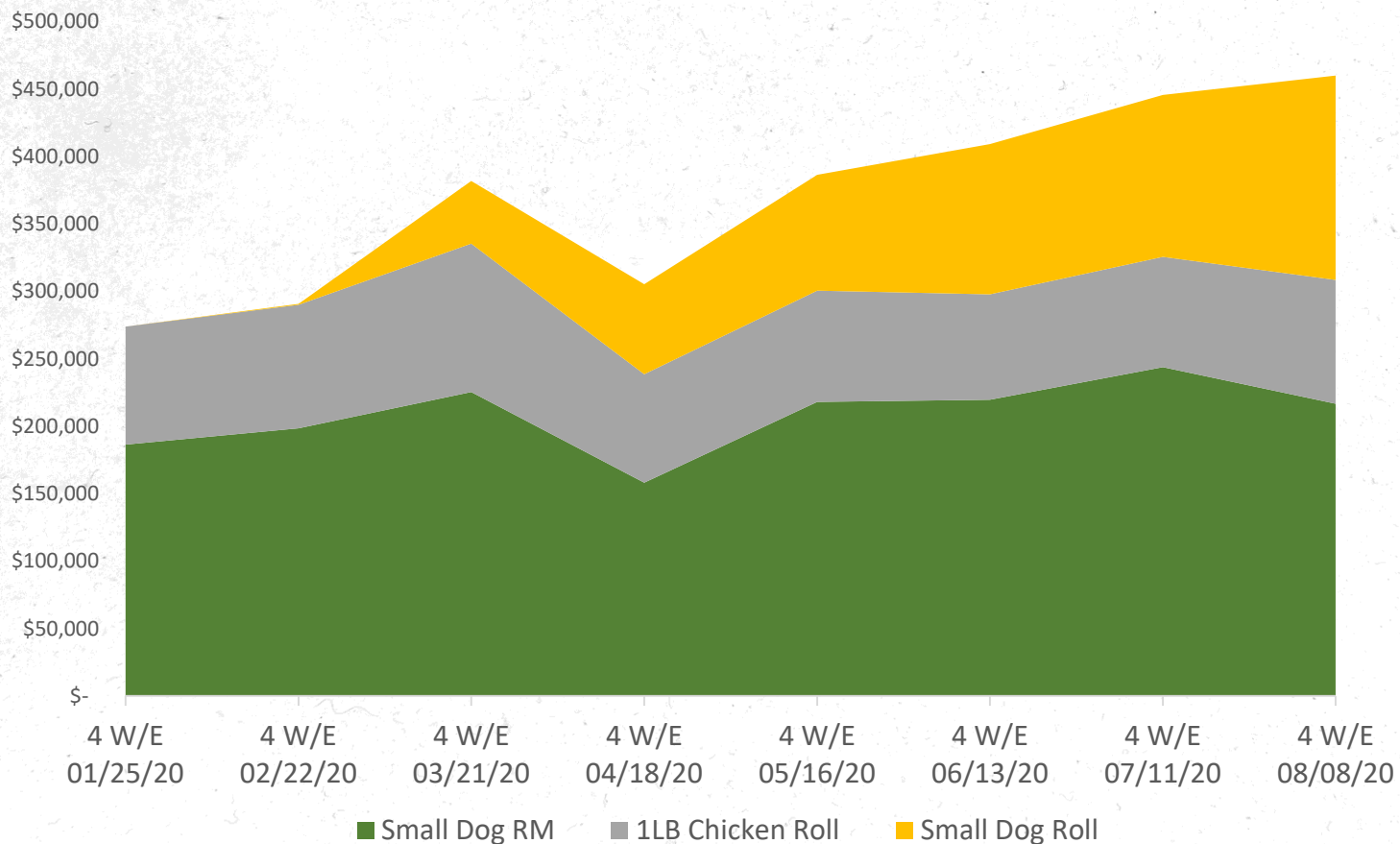


Latest 4 Week Growth Rate



Innovation continues small dog growth

Freshpet Small Dog Offerings Revenue Contribution



	\$ % Change vs January
	New
	-3.1%
	+19.6%

Total Small Dog Portfolio: +60.4%

Source: Nielsen Mega-Channel data through 8/8/20

Launching this month: Homestyle Creations Meals



Chicken & Turkey 1 LB
Suggested Retail Price: ~ \$7.99



Beef, Chicken & Turkey 1 LB
Suggested Retail Price: ~ \$8.99

Initial shipments begin this month

Freshpet Homestyle
Creations Meals
Chicken & Turkey 1 LB

- Ground Chicken
- Ground Turkey
- Shredded Chicken
- Eggs
- Sweet Potatoes
- Cranberries
- Green Beans
- Spinach



freshpet
HOMESTYLE
Creations[™]
— FRESHLY CRAFTED MEALS —

CHICKEN & TURKEY RECIPE
WITH EGGS, CRANBERRIES,
SWEET POTATOES & GREEN BEANS

FULLY COOKED & READY TO SERVE



COMPLETE & BALANCED FOOD FOR ADULT DOGS
NO ADDED PRESERVATIVES / NATURAL WITH ADDED VITAMINS AND MINERALS / KEEP REFRIGERATED

NET WT. 1 LB (454 g)

Freshpet Homestyle Creations Meals

Beef, Chicken & Turkey 1 LB

- Ground Beef
- Ground Chicken
- Ground Turkey
- Eggs
- Brown Rice
- Carrots
- Pumpkin
- Green Beans
- Spinach



freshpet
HOMESTYLE
Creations[™]
- FRESHLY CRAFTED MEALS -

BEEF, CHICKEN & TURKEY RECIPE
WITH EGGS, CARROTS, BROWN RICE,
PUMPKIN & GREEN BEANS

FULLY COOKED & READY TO SERVE



COMPLETE & BALANCED FOOD FOR ADULT DOGS
NO ADDED PRESERVATIVES / NATURAL WITH ADDED VITAMINS AND MINERALS / KEEP REFRIGERATED

NET WT. 1 LB (454 g)

Nature's Fresh is Freshpet's First Carbon Neutral Pet Food Brand

freshpet®
NATURE'S FRESH®
GOOD FOOD THAT DOES GOOD®



*Our chicken and turkey proteins are Animal Welfare Certified. Our wild salmon and wild ocean whitefish come from MSC certified fisheries but most of Freshpet's products do not qualify for MSC certification because they contain a mix of wild and farmed fish.

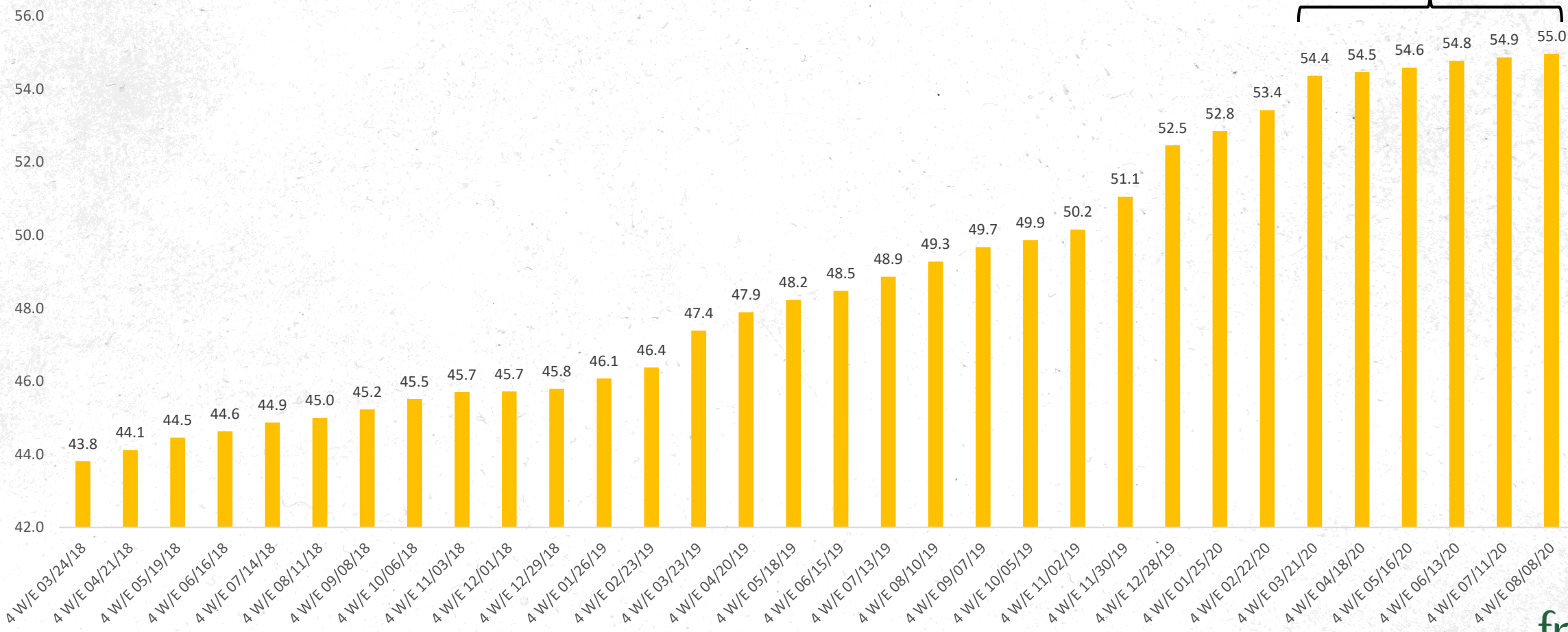




Availability & Visibility

Expanding distribution with room to grow

Freshpet % ACV Distribution

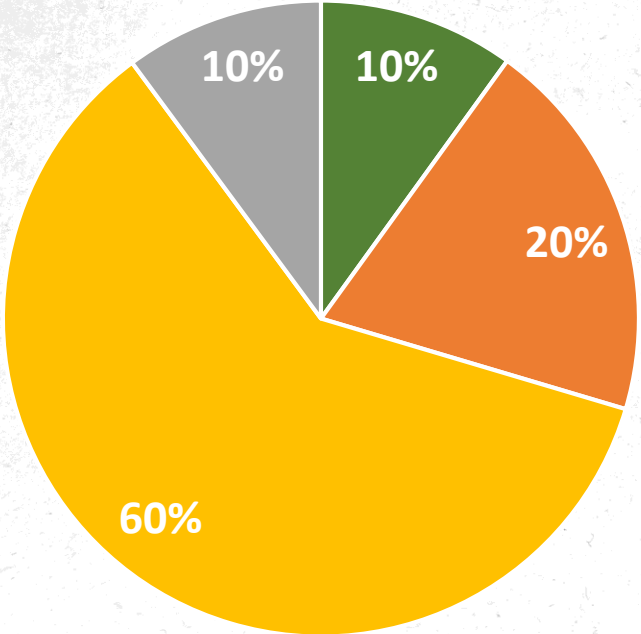


Source: Nielsen Mega-Channel Data thru 8/8/20



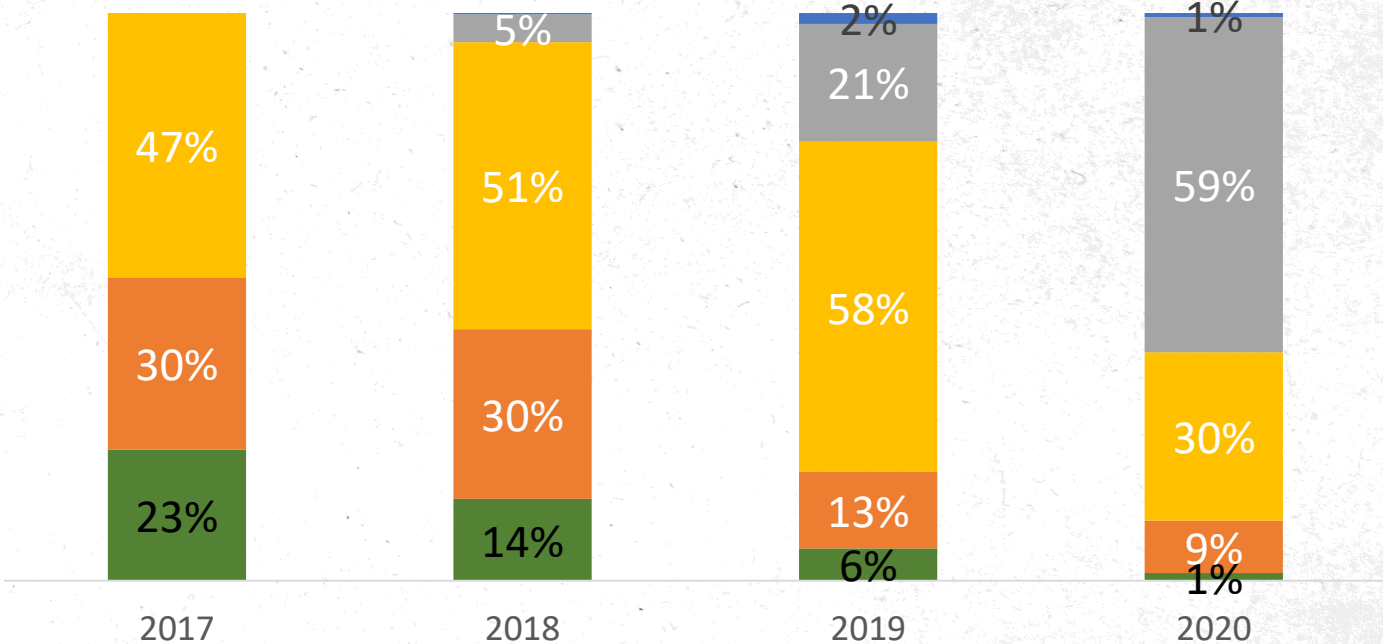
Increasing mix of large & multi-fridge stores

Freshpet Fridge Fleet Distribution by Size
(US & Canada Stores)



■ Small ■ Medium ■ Large ■ 2+ Chillers

New Fridge Installations by Size
(US & Canada)



■ Small ■ Medium ■ Large ■ 2 Chillers ■ 3 Chillers

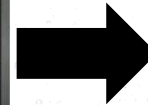
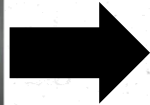
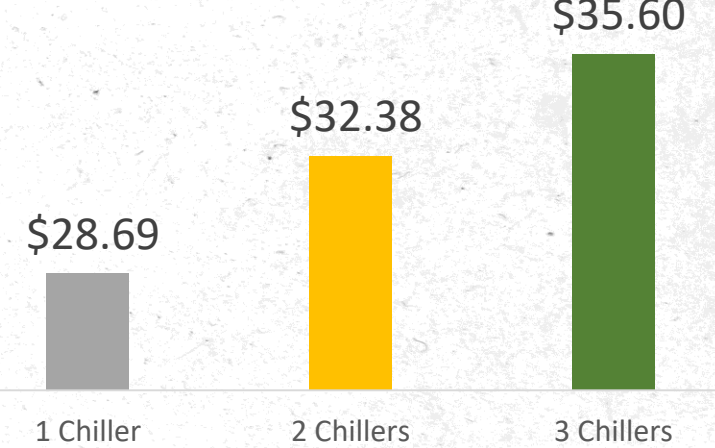
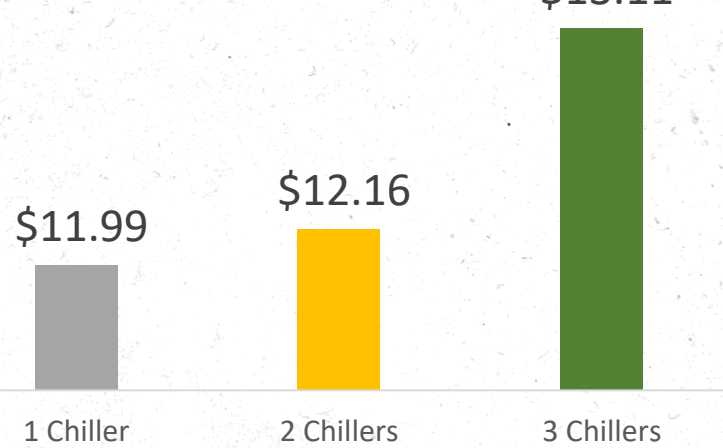
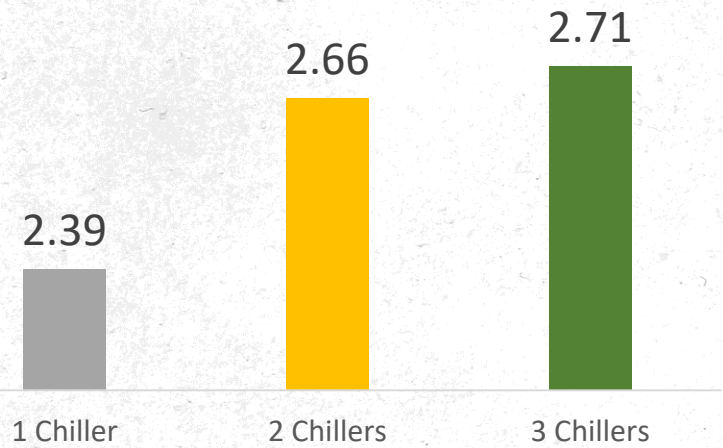
Source: Internal company data through August 2020

Multiple Fridges increase purchases/HH

of Trips/HH

\$ Spend/Trip

13 Week Spend/HH

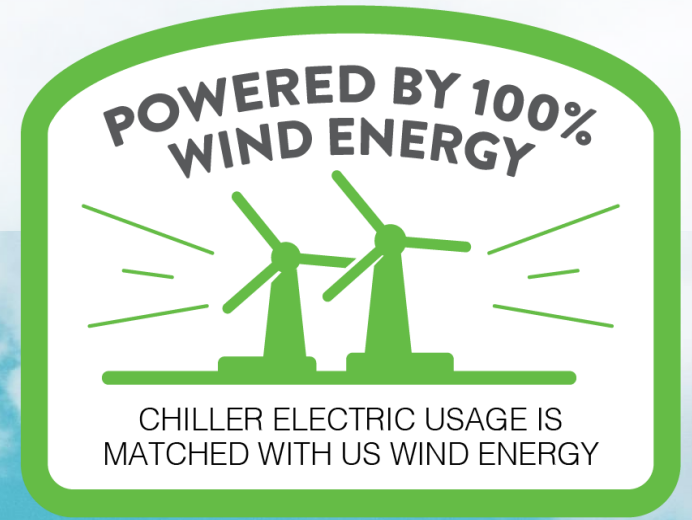


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MEIJER BFT 2020 TVM48SL

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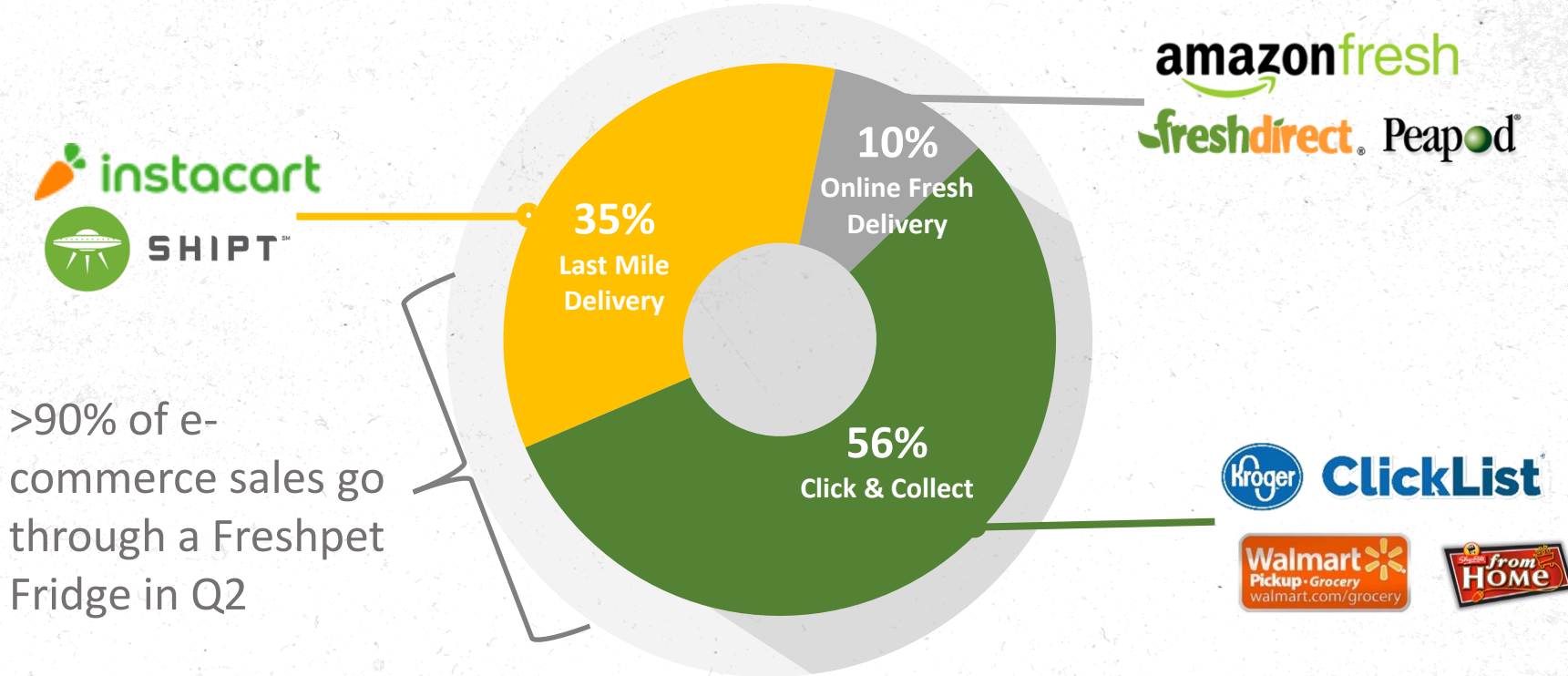
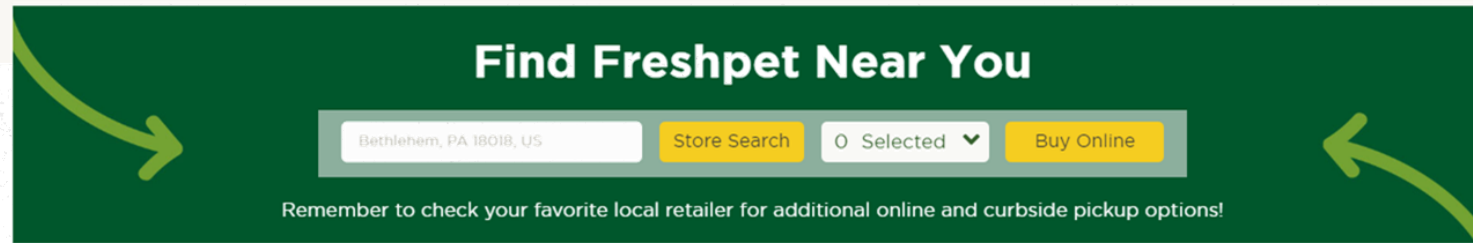
2020 AND BEYOND: CHILLERS POWERED BY WIND ENERGY



New technology will improve retail productivity



Rapidly growing suite of e-commerce options



Q2 2020 e-commerce results: • Net sales +201% vs. YA • e-commerce = 5.0% of sales



Capacity

New capacity: Kitchens 2.0 starts up this month



landfill free



powered
by wind



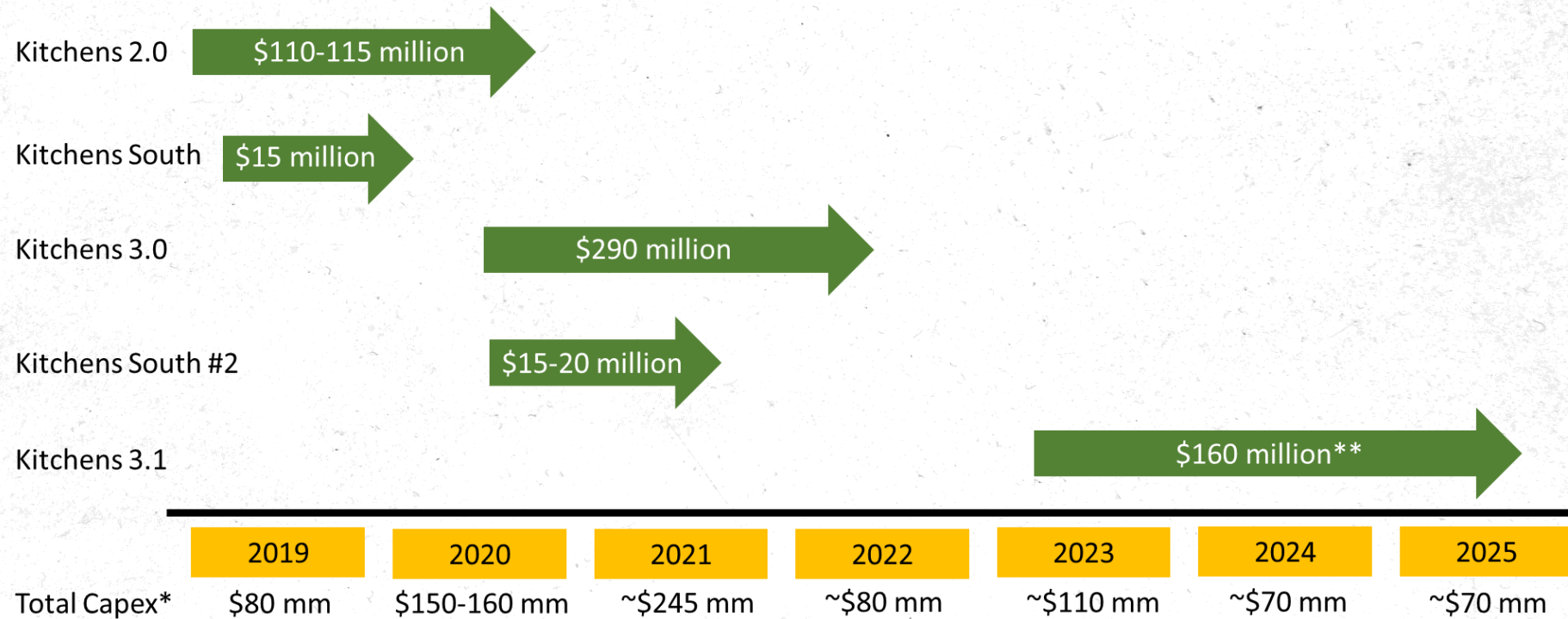
carbon
emissions offset

Broke ground on Kitchens 3.0 in Ennis, TX in August



Phase 1 scheduled to begin production in Q3 of 2022

CapEx plan designed to support \$1+ billion business



*also includes maintenance capex, fridges and IT

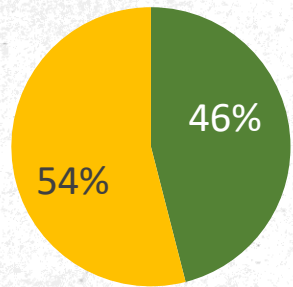
** includes 4 production lines, taking total capacity to \$1.3 billion



Summary

Significant opportunities to grow

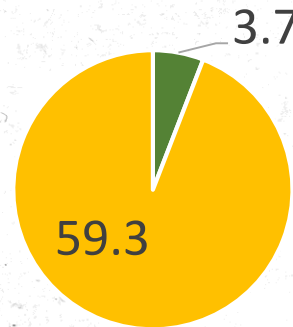
Aided Awareness



■ Aided Awareness ■ Unaware

Drive Awareness

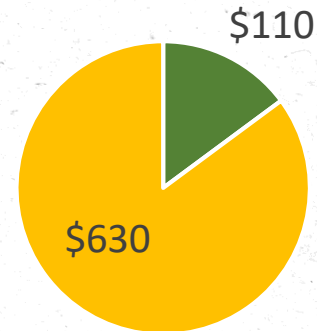
2020 Dog HH's



■ Freshpet ■ No Freshpet

Increase Penetration

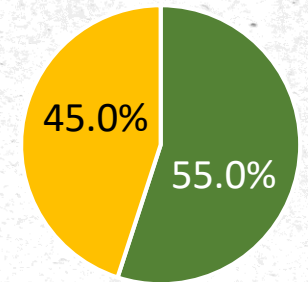
Buying Rate



■ Current
■ Avg. Cost to Feed 30 lb Dog

Increase Frequency of Use
& Size of Dog

% ACV Distribution



■ Available ■ Not Available

Expand Distribution

8 MM HH's will get Freshpet to \$1 billion net sales

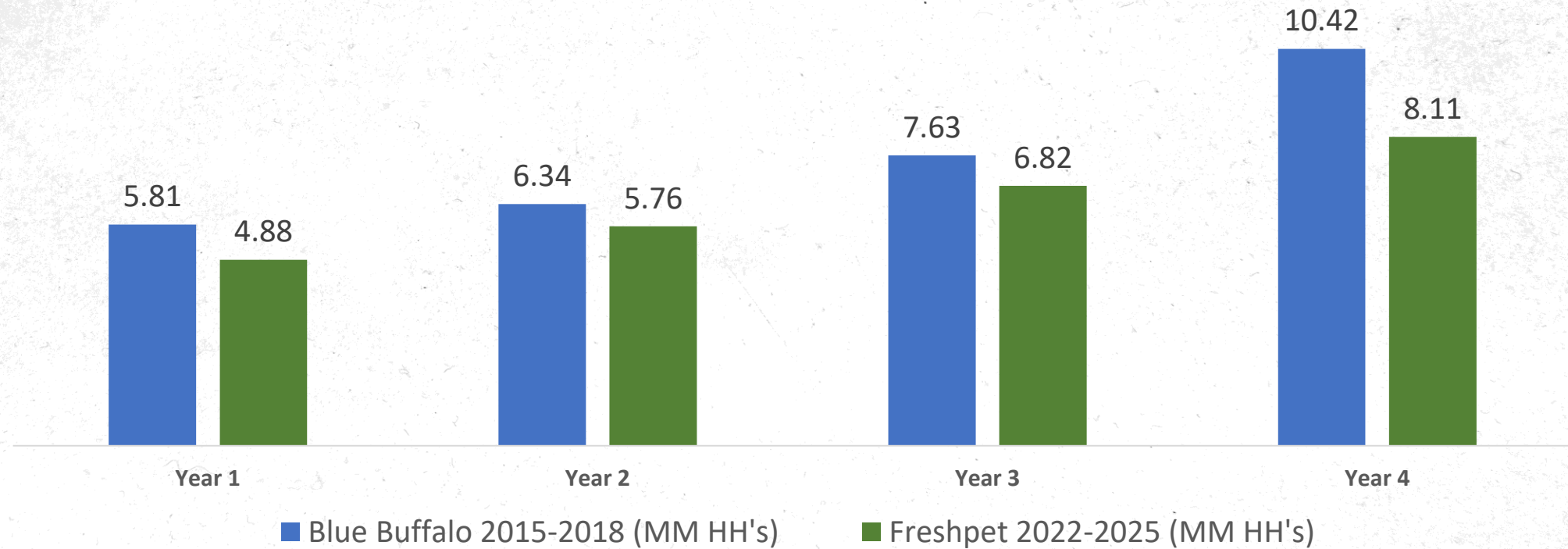
Progress Towards 2025 HH Penetration Goal



■ Current HH Penetration ■ 2025 Target HH Penetration

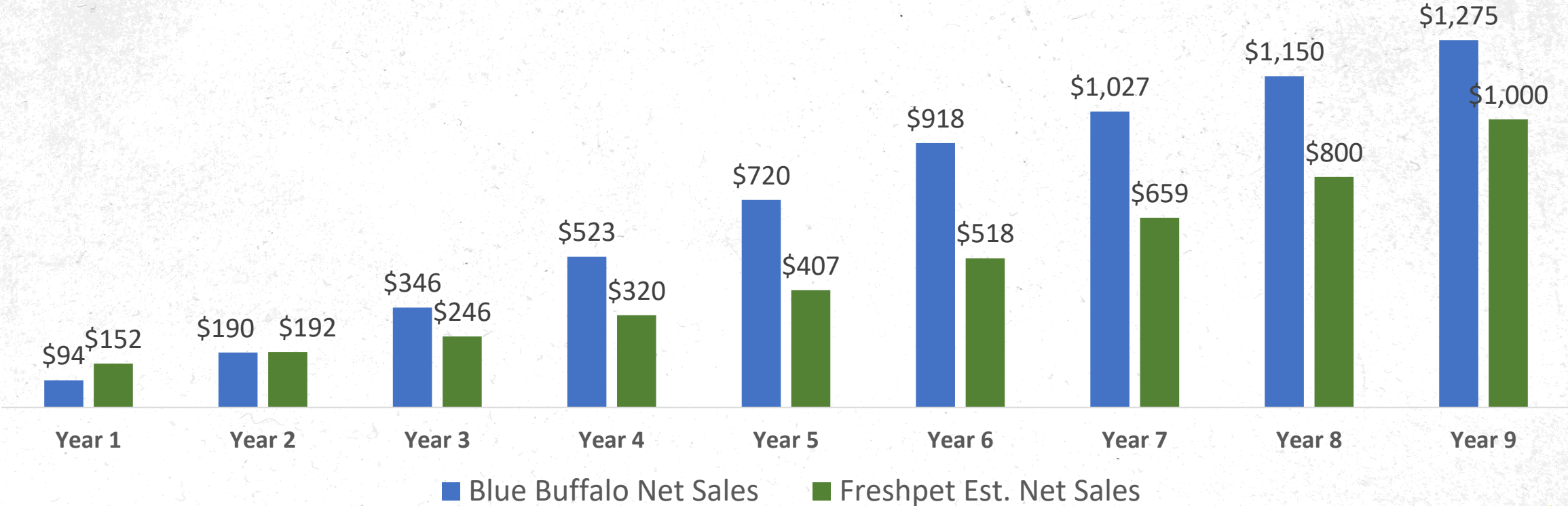
This has been done before

Freshpet vs. Blue Buffalo HH Penetration (MM HH's)



Delivering >\$1 billion in net sales

Freshpet vs. Blue Buffalo (Net Sales)



Thank-you!



Appa



2025
BY

FEED THE GROWTH

