

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 13, 2020

FRESHPET, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36729
(Commission File Number)

20-1884894
(IRS Employer
Identification No.)

400 Plaza Drive, 1st Floor
Secaucus, NJ
(Address of Principal Executive Offices)

07094
(Zip Code)

Registrant's Telephone Number, Including Area Code: (201) 520-4000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	FRPT	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On January 12, 2020, Freshpet, Inc. ("Freshpet") published to the investor relations section of its website a presentation which will be used by Freshpet's management team in meetings with analysts and stockholders. A copy of the presentation (including an additional appendix) is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information furnished with this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Freshpet uses the "Investors" section of its website (*investors.freshpet.com*) as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

Number	Description
99.1	January 2020 Investors Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FRESHPET, INC.

By: /s/ Richard Kassar

Name: Richard Kassar

Title: Chief Financial Officer

Date: January 13, 2020



Exhibit 99.1

ICR Conference
January 13, 2020



FRESHPET MANAGEMENT TEAM



Co-Founder, COO

SCOTT MORRIS



**CFO
Vice-Chairman
on 10/1/20**

DICK KASSAR



CEO

BILLY CYR



**EVP Finance
CFO on
10/1/20**

**HEATHER
POMERANTZ**



Safe Harbor

Forward Looking Statements

This presentation contains “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the Company’s results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate and any statements of assumptions underlying any of the foregoing. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance.

These forward-looking statements are based on certain assumptions and are subject to risks and uncertainties, including those described in the “Risk Factors” section and elsewhere in the preliminary prospectus for this offering. You should read the prospectus, including the Risk Factors set forth therein and the documents that the Company has filed as exhibits to the registration statement, of which the prospectus is a part, completely and with the understanding that if any such risks or uncertainties materialize or if any of the relevant assumptions prove incorrect, the Company’s actual results could differ materially from the results expressed or implied by these forward-looking statements. Except as required by law we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Non-GAAP Disclosure

This presentation contains certain non-GAAP financial measures such as EBITDA and adjusted EBITDA among others. While the company believes these non-GAAP financial measures provide useful information for investors, the presentation of this information is not intended to be considered in isolation or as a substitute for the financial information presented in accordance with GAAP. Please refer to the Company’s earnings press releases for a reconciliation of non-GAAP financial measures to the most comparable measures prepared in accordance with GAAP.



freshpet

WE FUNDAMENTALLY BELIEVE THAT FRESHPET
HAS THE POTENTIAL TO CHANGE THE WAY
PEOPLE FEED THEIR PETS . . . FOREVER



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

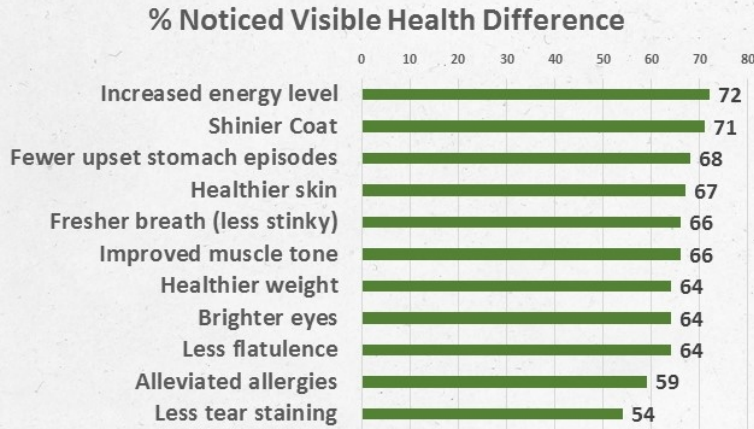




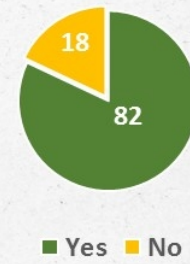
All natural, refrigerated meals made with fresh ingredients.

A totally different approach to nourishing pets

82% of Consumers Report Visible Health Difference



Noticed a Visible Health Difference



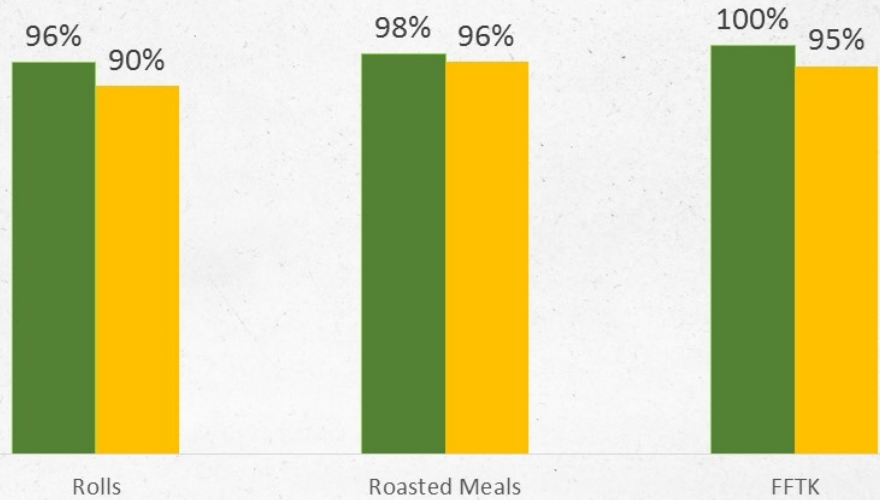
Source: Freshpet Visible Difference Study 2018 n=202

Delivering a noticeable impact on pet's wellbeing

Creating very high satisfaction

Freshpet Product Satisfaction

Top Two Box Percentages
Among Regular FP Users



Rolls

Roasted Meals

FFTK

■ % Extremely/Very Satisfied on Product Satisfaction

■ % Agree Completely/Somewhat on Good Value

Source: Freshpet Quality and Satisfaction Study, July 2018



WE OPERATE DIFFERENTLY

Delighting consumers with fresh food & our company ideology.

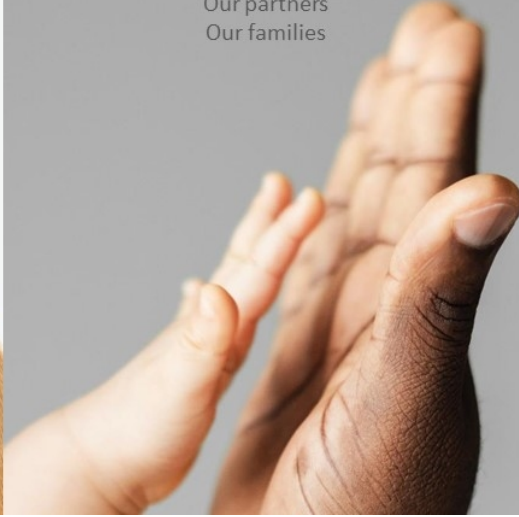
pets.

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



Differentiated

Innovative forms, technologies, and appearance



Manufacturing

Proprietary technology, processes, and infrastructure



High Brand Loyalty

Alignment with deep pet parent emotional motivations



Freshpet Fridge

Branded, company-owned real estate



TECHNICAL KNOWLEDGE

PRODUCT PERFORMANCE

PRODUCTION SCALE

BRAND EQUITY

DISTRIBUTION SCALE

FRIDGE PLACEMENTS

Supply Chain

Only refrigerated pet food network in North America



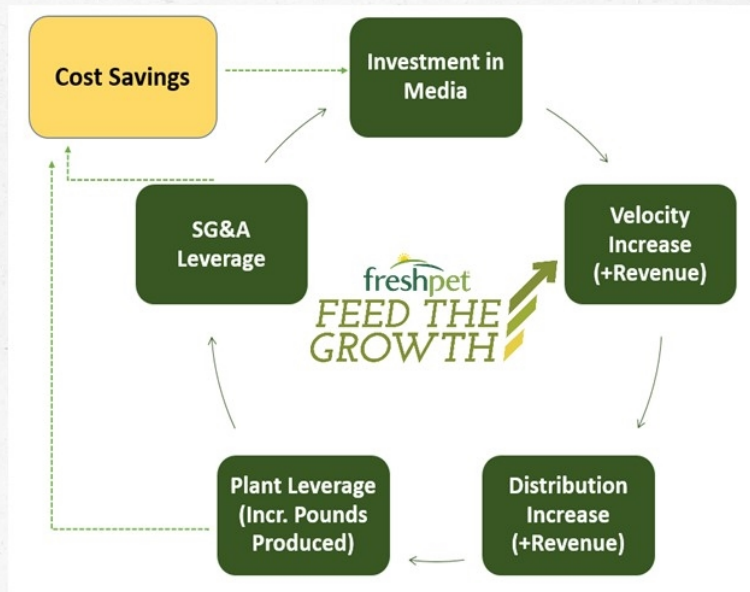
Retailer Partners

Delivers benefits in traffic, frequency and retailer margins

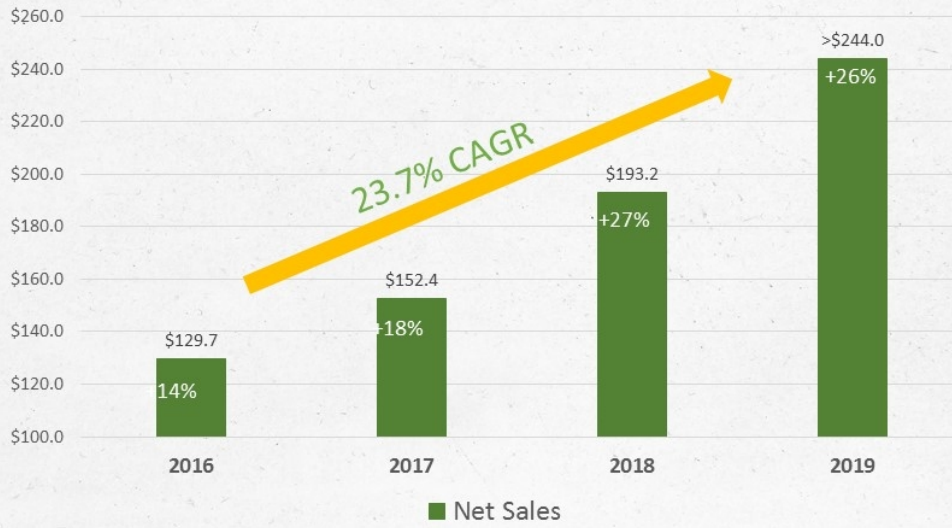
A difficult business to replicate

2017: Launched Feed the Growth

Goal: \$300 million
in net sales as
soon as 2020

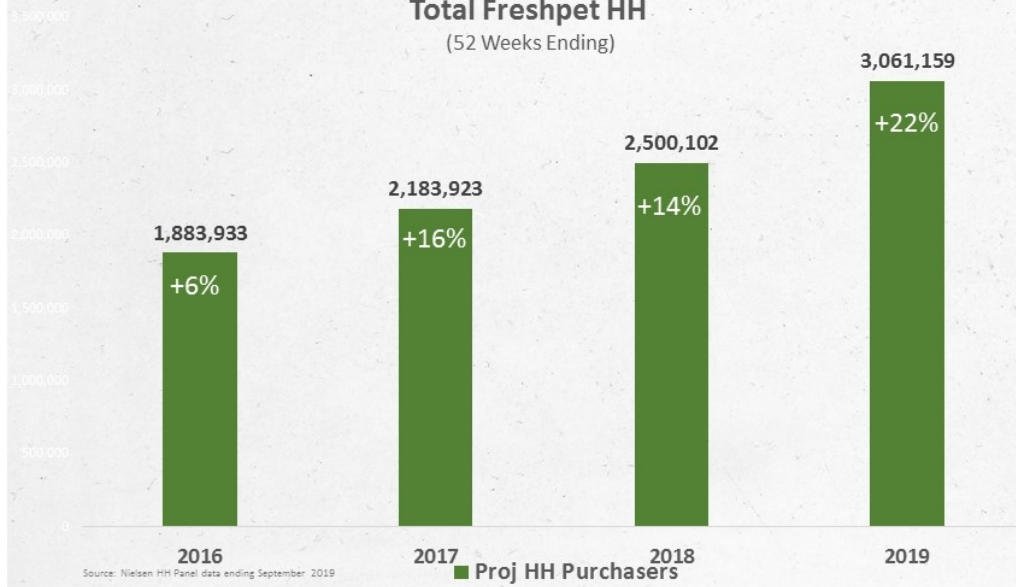


Freshpet Net Sales

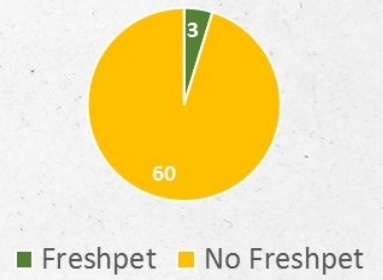


Media investment re-accelerated growth

Total Freshpet HH (52 Weeks Ending)



2019 Dog HH's



HH penetration gains accelerate . . . but are still a small share of the pet universe

Total Freshpet Buying Rate

SWITCHING TO FRESHPET

We always recommend transitioning slowly to Freshpet so that the change is gentle on your pet's tummy.



Despite rapid influx of new buyers, buying rate continues to grow

Expanding consumer franchise . . . that is increasingly loyal



	2016	Today	Growth
Awareness	35%	46%	+31%
Penetration	1.54%	2.45%	+59%
Buying Rate	\$81.73	\$105.19	+29%
Repeat Rate	67%	70%	+300 bps

Source: Nielsen HH Panel and internal company data

Freshpet Distribution and Velocity Growth

(Growth vs. YA)



Source: Nielsen Mega-Channel Data through 12/28/19

Inflection point: velocity gains become biggest driver of growth

Created growth and scale for retailers

25.3% CAGR
since 2016

	2016	Today
52wk Dollars (Nielsen)	\$172.7M	\$339.7M
ACV Adj. Share Dog Food	4.5	6.9
Avg. Dollars / Store / Week	\$244	\$365
Average Unit Price	\$7.45	\$8.36

Source: Nielsen Mega Channel (xAOC + Pet) Latest 52wks end 12-28-19 - Fresh Only

Growing distribution and velocity . . . with significant room to grow



	2016	Today	Growth
Store Count	16,609	21,570	+4,961
% ACV Distribution	41	52.3	+28%
Total Distribution Points	517	734	+42%
Velocity (\$/MM ACV)	371.0	560.9	+51%

Source: Nielsen Mega Channel (xAOC + Pet) Latest 52wks end 12-28-19 and internal company data



~400 stores

~7% ACV



~1000 stores

~23% ACV

Media investments are beginning to drive distribution gains in Canada and UK

Growing into our scale . . . and reinvesting for growth

“Feed the
Growth”
Progress

	2016	Today*	Growth
Net Sales	\$130M	>\$244M	+88%
Adj. SG&A (excl. media)	31.2%	25.3%	+590 bps
Media Spending	\$8M	\$29M	+263%
Media Spending % of Sales	6.3%	11.9%	-560 bps

*2019 Guidance

Scale is beginning to turn into profits

Freshpet Financial Performance

	2017	2018	2019 Guidance*
Net Sales (\$ millions)	\$152.4	\$193.2	>\$244
vs YA	+17%	+27%	>+26%
Adj. EBITDA (\$ millions)	\$17.6	\$20.3	>\$29
vs YA	-1%	+15%	>+43%

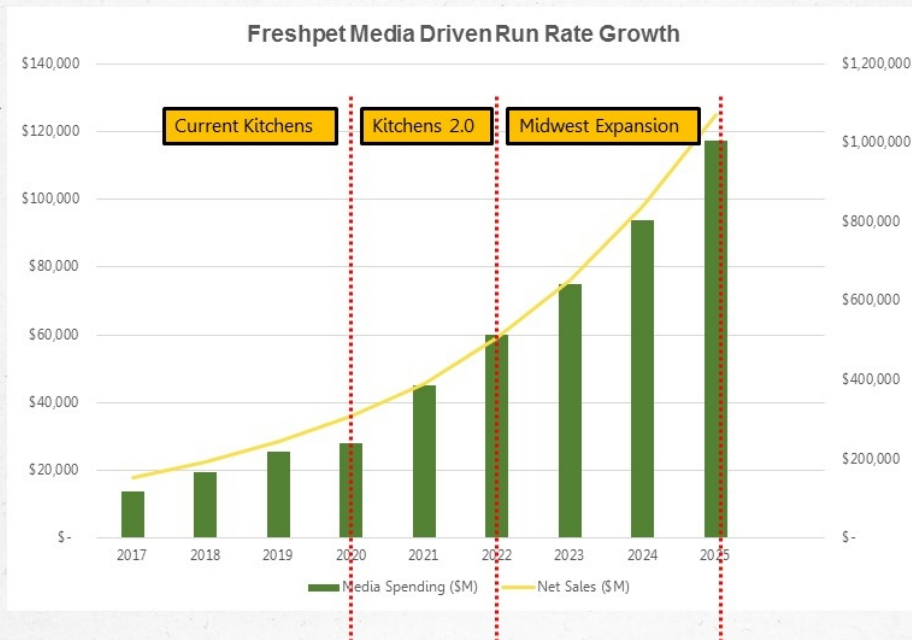
*Excluding incremental investments in Canada/UK and technical capability/capacity building, Adjusted EBITDA would be up 50+% in 2019



Feed the Growth
progress



Kitchens 2.0 to open in Q3 2020



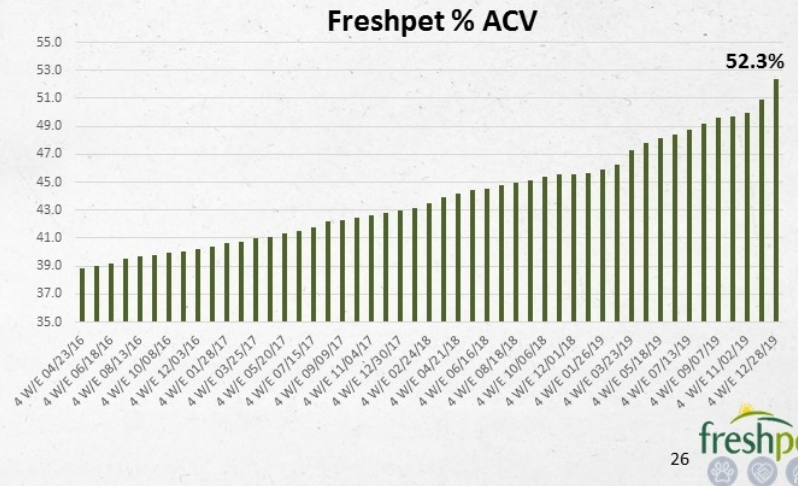
Rapid growth will require incremental capacity in 2022

2019 Update: Distribution

Strong distribution gains continued in Q4 and will set us up for a good start in 2020

- ACV distribution grew +6.7 pts. vs YA to 52.3%
- Store count grew +791 stores in Q4 delivering 2,071 net new stores in 2019 vs. goal of 1500-1600
- Incremental 249 upgrades and +29 double chillers in Q4

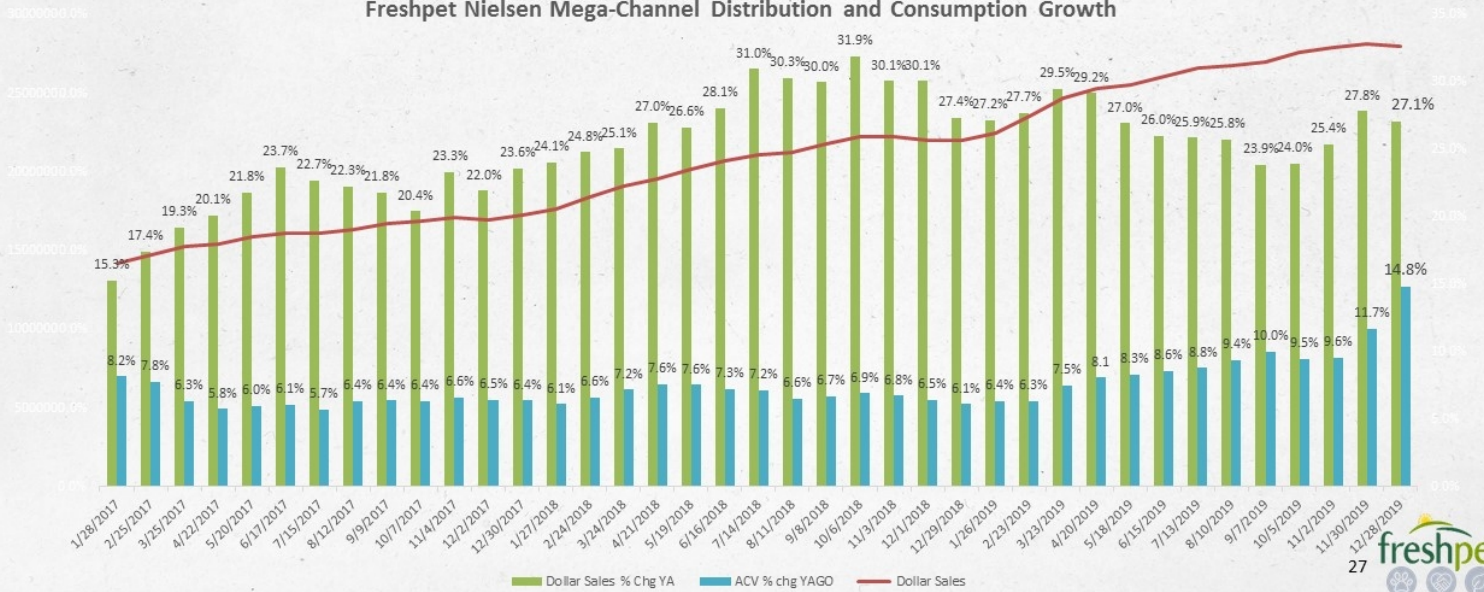
Freshpet Distribution Gains		
	Q4 2018	Q4 2019
Store Count	19,499	21,570
vs YA	+8%	+11%
Upgraded Fridges (Cum.)	805	1,591
YTD Increase	-	786
2nd Fridges (Cum.)	NA	807
% ACV	45.6%	52.3%
vs YA	+7%	+15%
Total Distribution Points (Change vs YA)	+10%	+16%



2019 Update: Consumption

Continued strong consumption growth driven by both velocity and distribution gains

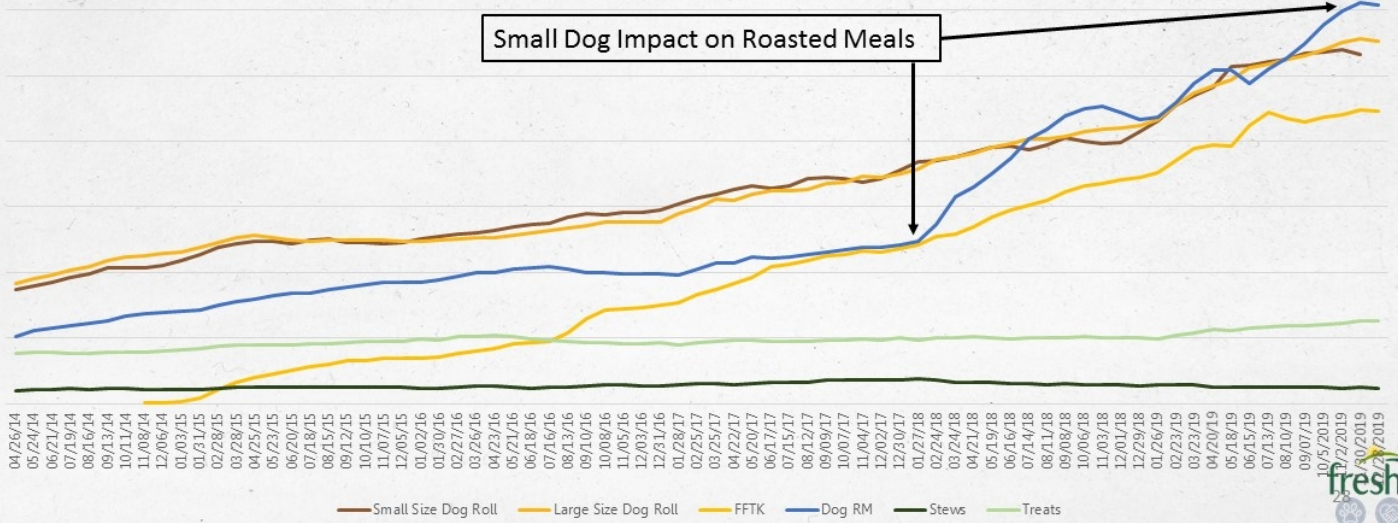
Freshpet Nielsen Mega-Channel Distribution and Consumption Growth



2019 Update: Mix Shift

Success of Freshpet Small Dog has accelerated a mix shift towards bags

- Creates need for incremental bag capacity and the opportunity for specialized production lines
- Delivers lower % adj. gross margin but higher \$ adj. gross margin due to higher selling price/lb.





Installing an incremental bag line in Q1 2020
to enable strong growth in 2020

2019 Update: Reiterate Guidance

- **Expect Net Sales consistent with guidance of >\$244 million**
 - Recall, Q3 net sales were aided by 100-300 bps to catch-up on shipments from Q2 so Q4 will be comparable to Q3 and up >25% vs. YA
- **Expect Adj. EBITDA consistent with guidance of >\$29 million (+43% vs YA)**

Freshpet Financial Performance			
	2017	2018	2019 Guidance*
Net Sales (\$ millions)	\$152.4	\$193.2	>\$244
vs YA	+17%	+27%	>+26%
Adj. EBITDA (\$ millions)	\$17.6	\$20.3	>\$29
vs YA	-1%	+15%	>+43%

*Excluding incremental investments in Canada/UK and technical capability/capacity building, Adjusted EBITDA would be up 50+% in 2019

2019 Update: Capacity Expansion

- **Kitchens 2.0 remains on track**
 - Expect to be under roof in late January/early February
- **New specialized small-piece size bag line is on track to start-up this month and ship product next month**
 - Long-term, we expect this to create higher throughput on bags lines through specialization by size
 - Near term, it will be sub-scale, operating one-shift and requiring added freight
- **Successfully started our 4th line (rolls) on 24/7 schedule on January 8, 2020**
- **On track to acquire the land for our Midwest Capacity Expansion in Q1 2020**
 - Will announce the site location, timing expectations, and preliminary costs at our Investor Day

Freshpet's long-term growth opportunity is significantly bigger than our 2016 projections suggested

- Once-in-a-lifetime opportunity to change the way we feed our pets and we will pursue it aggressively
- 2016 market potential was estimated at 7.5 million Prime Prospects

At our Investor Day, we will provide an update on:

- The Total Addressable Market (Prime Prospects)
- Capacity expansion plan to meet that demand, including location, timing, costs, anticipated returns and financing
- Fridge expansion potential
- International growth expectations

2020 Expectations: Beginning of 2025 Plan

In 2020, we will invest to capture the long-term growth opportunity, including:

- **US Advertising Investment:**
 - Modestly higher than previously projected US advertising spending in 2020 to drive growth
 - Will end 2020 with an accelerating growth rate
 - Long term advertising investment will be ~12% of net sales
- **International Advertising Investment:**
 - Doubling down on advertising investment in international markets in 2020 to stimulate expanded distribution
- **Capacity Expansion/System Capability/Innovation:**
 - Pull forward capacity expansion efforts, including systems upgrade investment and engineering capability to be able to satisfy demand sooner
 - Will also invest in incremental innovation to further expand product advantage and relevance of product portfolio

2020 Expectations: Beginning of 2025 Plan

Near term adjusted gross margin will be a bit lower than previously projected due to:

- **Mix shift towards bags**
 - Rapid growth of Small Dog product creates mix shift and reduces gross margin % but improves gross margin \$ per pound
- **Sub-scale production on specialized bag line**
 - Specialized line for small piece size products (small dog and cat) will be margin dilutive (%) in the near term but is needed for both near term capacity and long-term efficiency
- **Operating investments to drive improved production consistency and reliability**
 - Improving operating processes to drive improved consistency

Continue to drive SG&A (excluding media) efficiency improvements to deliver the committed 700 bps of improvement since 2016

- Continue to believe there is more opportunity for improvement beyond 2020

2020 Expectations: Beginning of 2025 Plan

We expect significant Adj. EBITDA growth in 2020 and beyond

- EBITDA growth significantly in excess of net sales growth in 2020
- Incremental near-term investments/expenses (i.e. advertising, sub-scale manuf., systems, etc...) to support accelerated long-term growth will reduce Adj. EBITDA to <\$60M in 2020
- Without those incremental investments to support accelerated long-term growth, the plan could deliver \$60 million in Adj. EBITDA and >\$300 million in net sales in 2020
- Long-term Adj. EBITDA margin expectations remain intact but deferred to support more aggressive growth (25+% long-term growth rate)

2020 Expectations: Beginning of 2025 Plan



bringing the power of fresh food to pets





ICR Appendix – January 2020



2019 Results: Continued strong top line results driving bottom line gains

Freshpet Q3 Financial Results		
	Q3 2018	Q3 2019
Net Sales (\$ millions)	\$50.8	\$65.3
vs YA	+27%	+28%
Adj. EBITDA (\$ millions)	\$6.7	\$12.0
vs YA	+20%	+78%

Freshpet YTD Financial Results (Sept 30)		
	2018	2019
Net Sales (\$ millions)	\$141.6	\$180.1
vs YA	+26%	+27%
Adj. EBITDA (\$ millions)	\$11.1	\$16.0
vs YA	+3%	+44%



Strong growth across all classes of trade

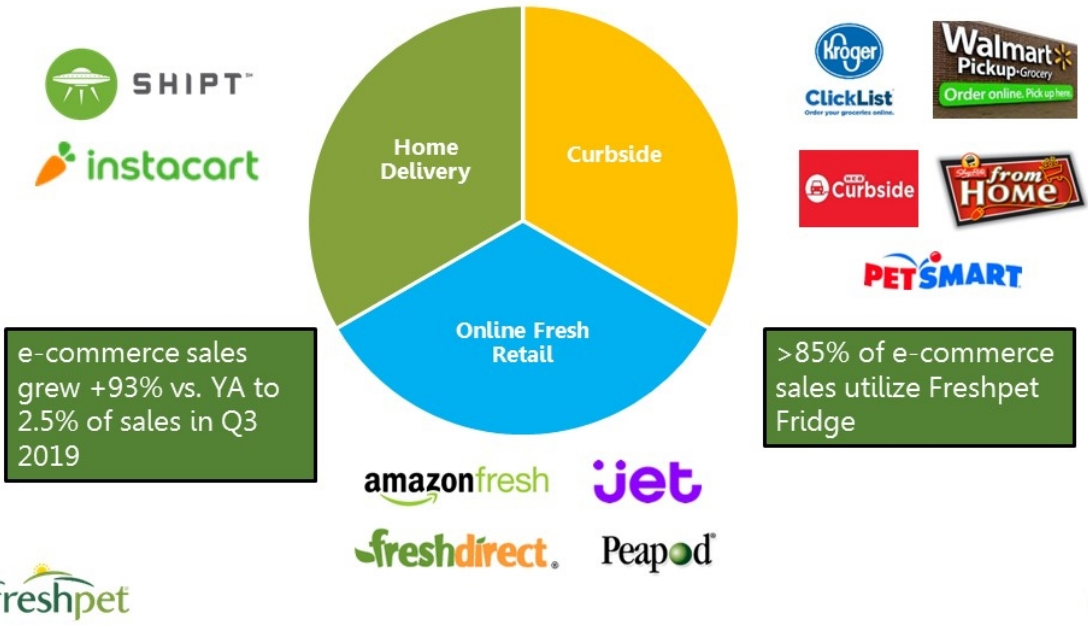
Freshpet Consumption Growth vs YA		
	Q4 2018	Q4 2019
Mega-Channel	+29%	+27%
XAOC	+32%	+31%
Food	+39%	+34%
Big Box Pet	+20%	+9%



Nielsen measured \$ consumption for 13 weeks ending 12/28/19 and 12/29/18 compared to the same period prior year

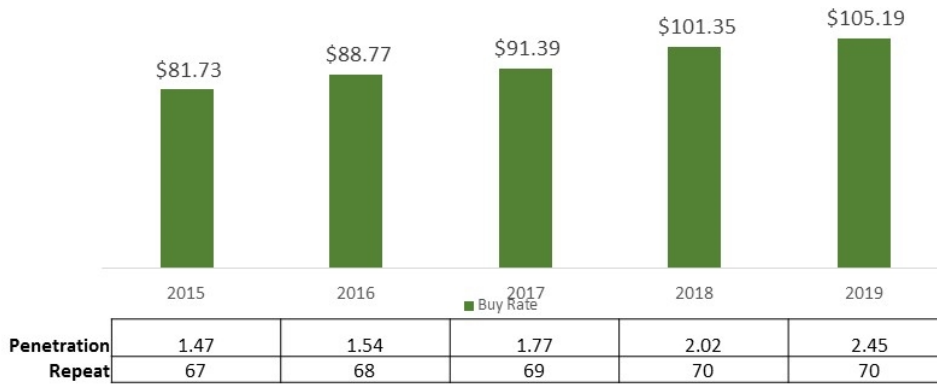
Continued strong growth in fresh e-commerce

Strategy: Grow with winning players in fresh e-



21% growth in total Freshpet HH penetration vs. YA;
4% increase in buying rate

Total Freshpet Buying Rate, Penetration and Repeat Rate



31% growth in Core Dog HH penetration vs YA; flat buying rate

Core Dog HH Penetration, Repeat Rate and Buying Rate



Nielsen HH Panel Data for 52 Week Periods ending September 2019; Buying Rate is internal calculation based on company sales data

“Fresh First” is driving strong distribution gains

Freshpet Distribution Gains		
	Q4 2018	Q4 2019
Store Count	19,499	21,570
vs YA	+8%	+11%
Upgraded Fridges (Cum.)	805	1,591
YTD Increase	-	786
2nd Fridges (Cum.)	NA	807
% ACV	45.6%	52.3%
vs YA	+7%	+15%
Total Distribution Points (Change vs YA)	+10%	+16%



Adjusted gross margin bounced back from Q2 dip and on-track for 50% goal in 2019

Freshpet Q3 Adjusted Gross Margin Progress		
	Q3 2018	Q3 2019
Adj. Gross Margin	49.7%	49.8%

Freshpet Q3 Adjusted Gross Margin Progress				
	Q1 2019	Q2 2019	Q3 2019	YTD 2019
Adj. Gross Margin	50.4%	48.5%	49.8%	49.5%



Delivering significant leverage from scale in SG&A

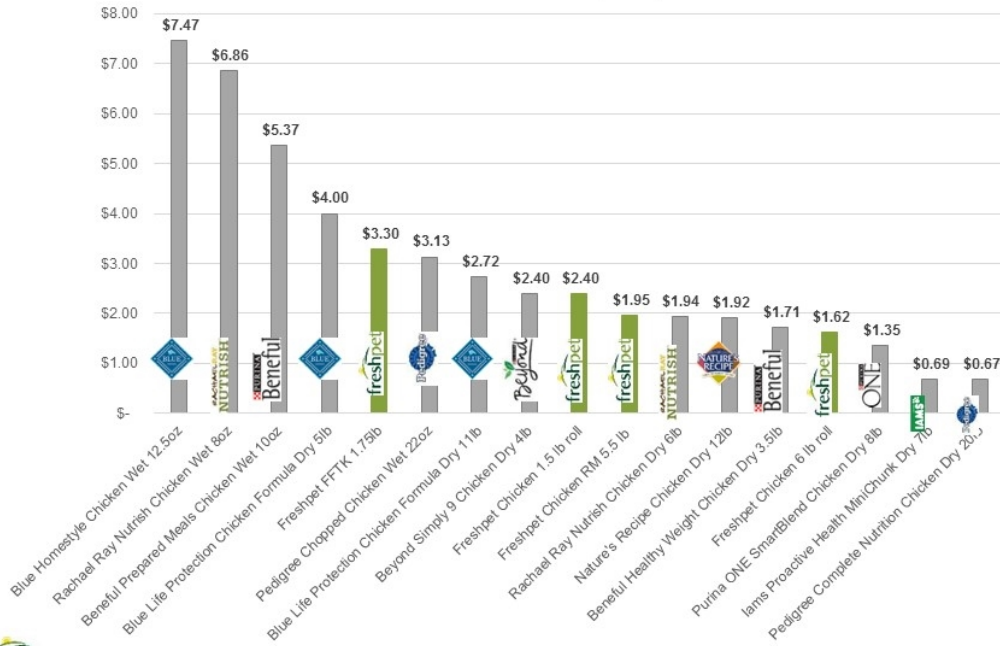
Freshpet Q3 SG&A Leverage			
	Q3 2018	Q3 2019	Y-o-Y Change
Adj. SG&A % Excluding Media	27.8%	24.6%	+320 bps
Media %	8.7%	6.8%	+190 bps
Total Adj. SG&A %	36.5%	31.4%	+510 bps

Freshpet YTD SG&A Leverage (Sept 30)			
	YTD 2018 Q3	YTD 2019 Q3	Y-o-Y Change
Adj. SG&A % Excluding Media	28.9%	25.3%	+360 bps
Media %	13.8%	15.3%	-150 bps
Total Adj. SG&A %	42.7%	40.7%	+200 bps



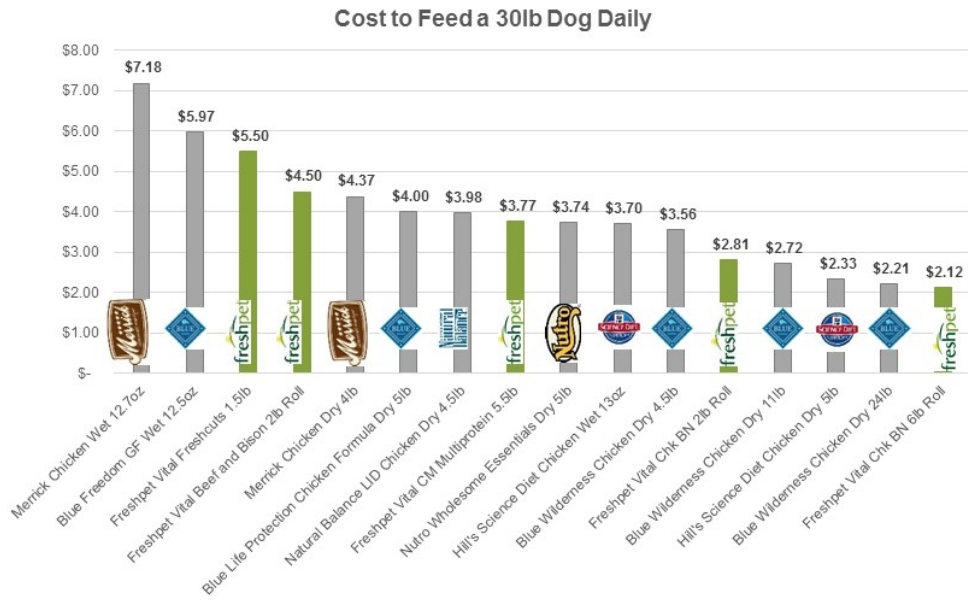
Cost to Feed – Grocery & Mass

Cost to Feed a 30lb Dog Daily



HIGHLY CONFIDENTIAL

Cost to Feed – Pet Specialty



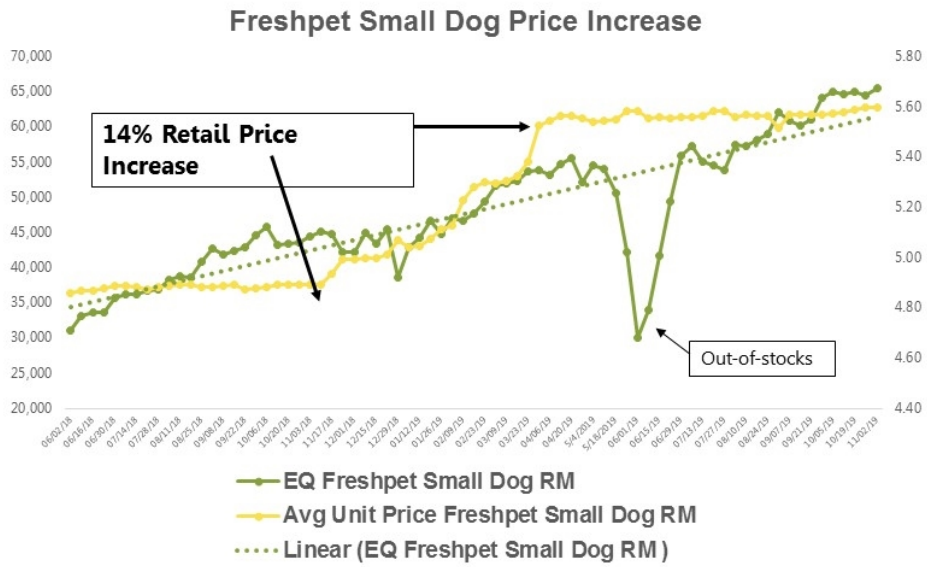
High Quality Products at Accessible Price Points



Medium-sized dog assumed to be 35 pounds. Price/day based on recommended serving sizes per brand. Source: Prices are as of 4.29.19 on Chewy and Target.com.

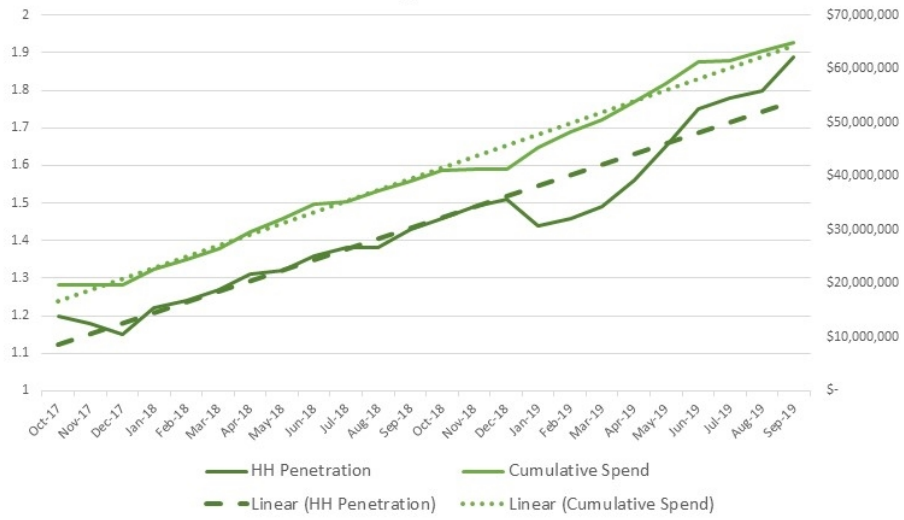
HIGHLY CONFIDENTIAL

Very little price sensitivity

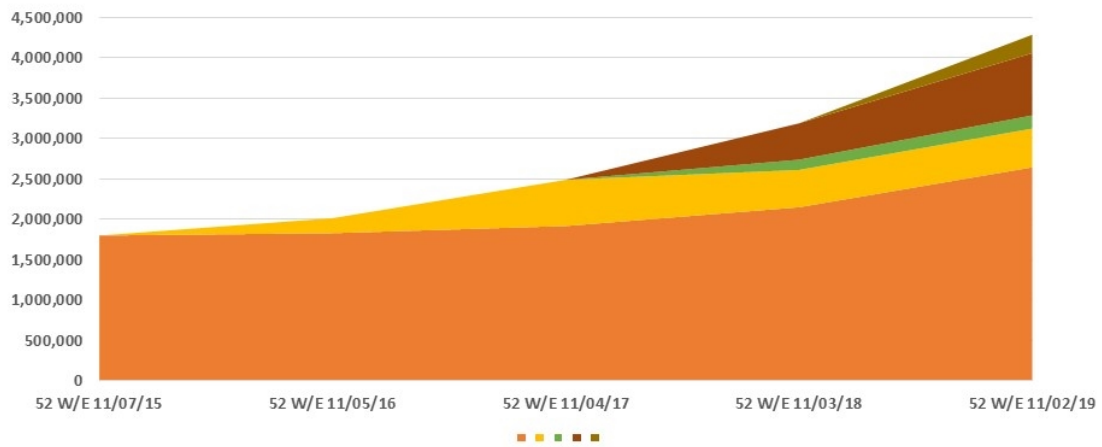


Media investment drives HH penetration gains

Cumulative Media Spending vs. 52 Week Core Dog Penetration



HH Penetration Contributed By New Items (Grouped By Year Launched*)



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

Source: Nielsen HH Panel

Focused innovation adds unique users

Unique Freshpet FTK and Small Dog Users

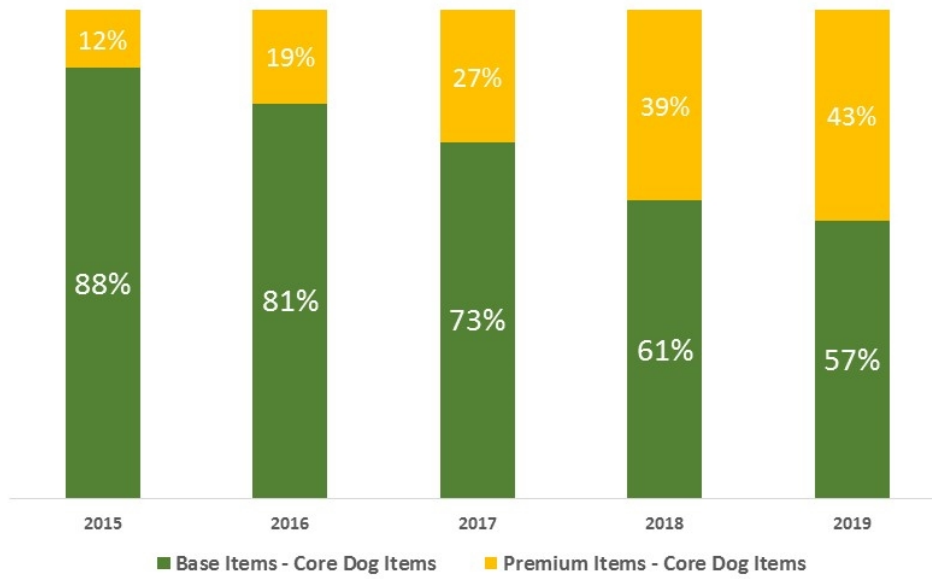


Source: Nielsen HH Panel



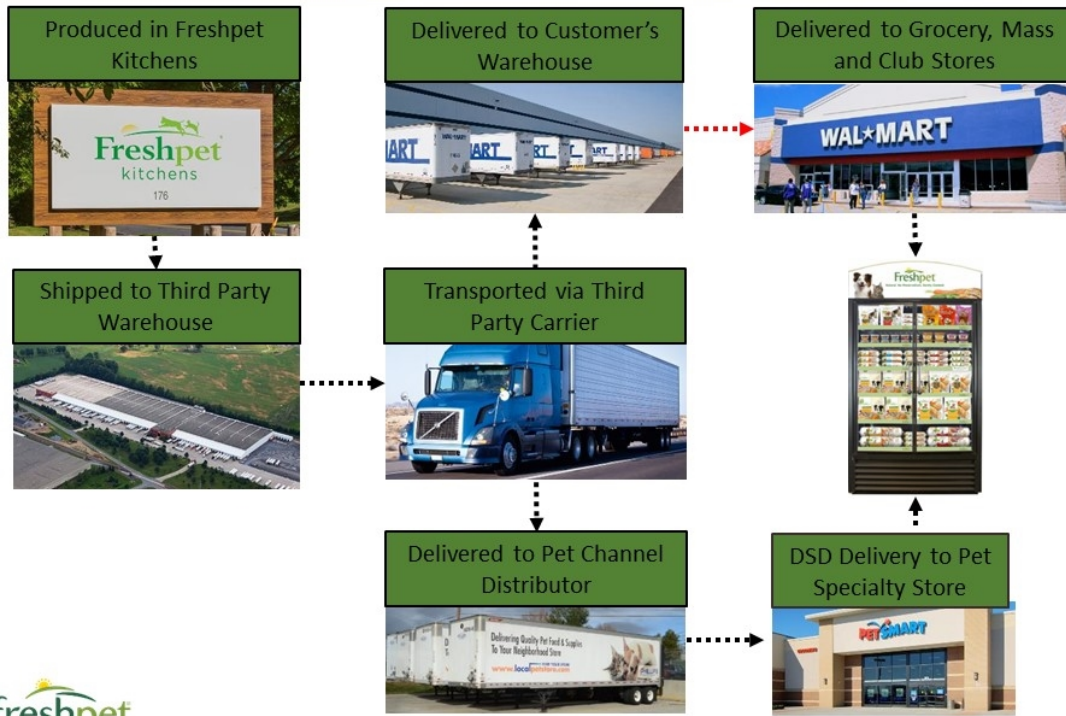
Premium innovation helps drive buying rate

Freshpet Core Dog Product Mix

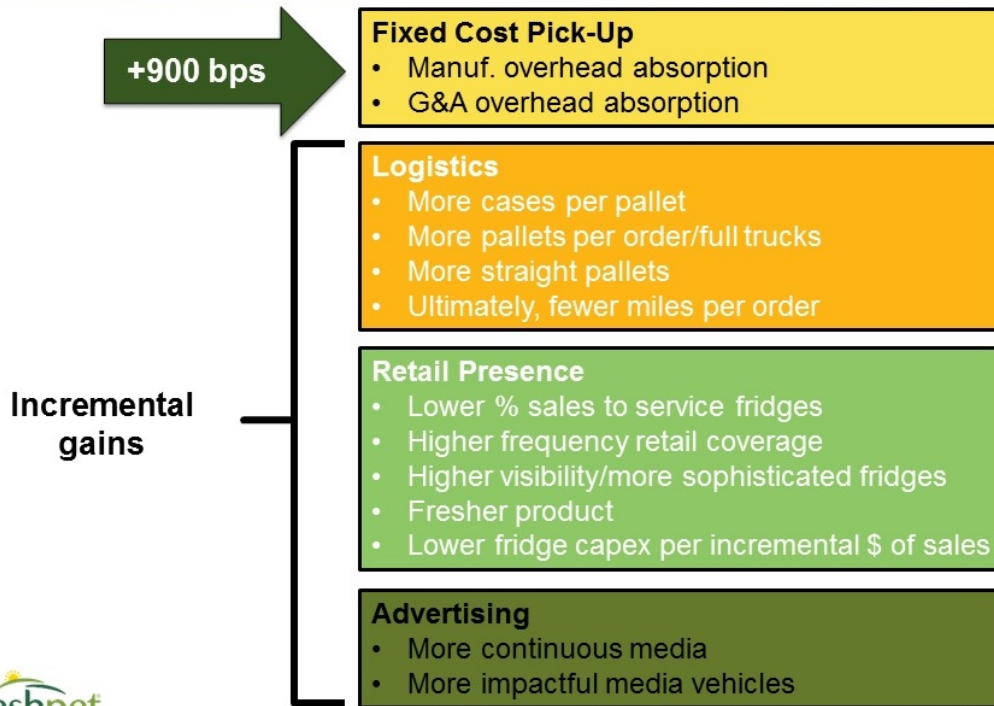


Source: Nielsen XADC Data 52 weeks through 11/2/19; Freshpet Select only

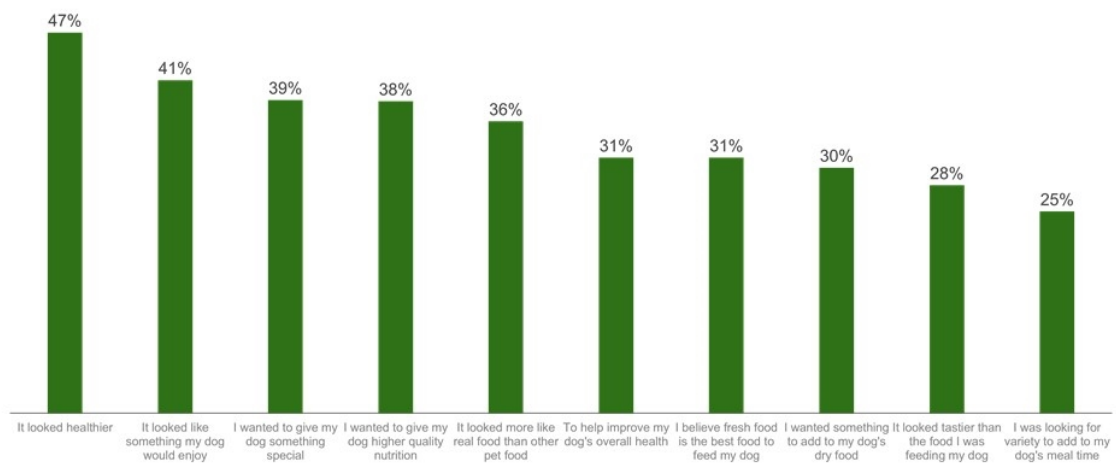
How We Service Our Customers



Capturing significant benefits of scale and velocity



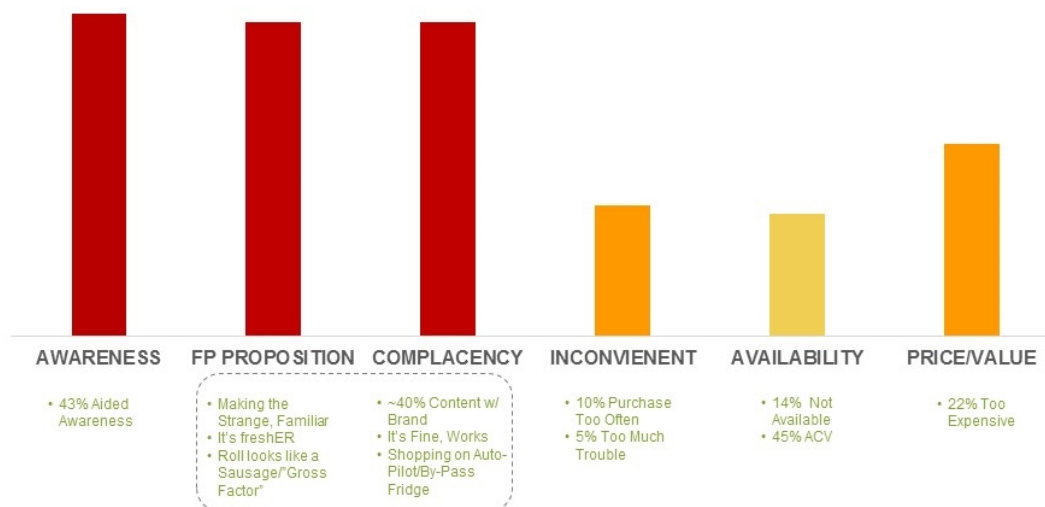
Reasons to start buying Freshpet



Source: 2019 A&U, Top 10 reasons, users could select more than one, New Users = 1st purchases in the past year

Barriers to purchasing Freshpet

(among prime prospects)



Source: 2016 FP Brand Tracker, 2016 FP A&U, TTL Aware Non Users/Prime Prospects Main Reason Not Purchasing, Shop-A-Longs, n=202

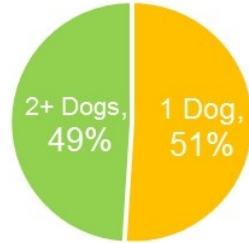
Freshpet pet parent segments



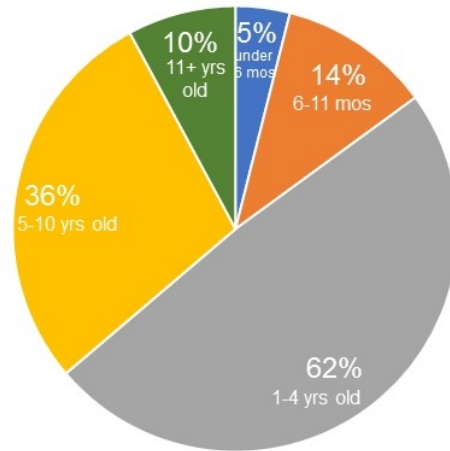
Source: Nielsen 2017 NLR Custom Survey, 2016 A&U, Nielsen Demos 2017, 2018 Mini A&U.

Encouraging franchise longevity

Freshpet Number of Dogs in HH

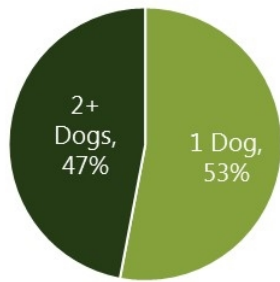


Dog Age

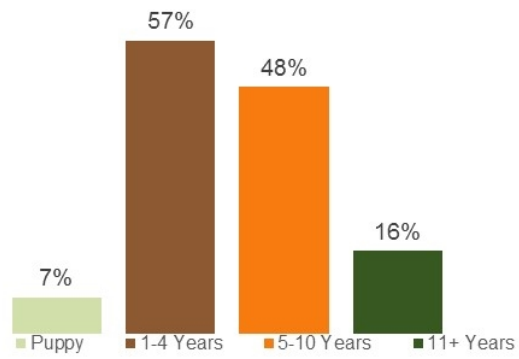


Source: FP Panel, FP134, FP Users, n=424, APPA data

Encouraging franchise longevity



Freshpet Number of Dogs in HH

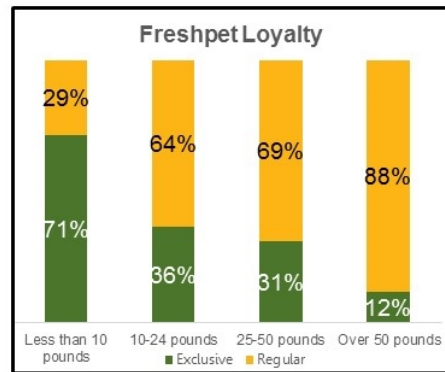
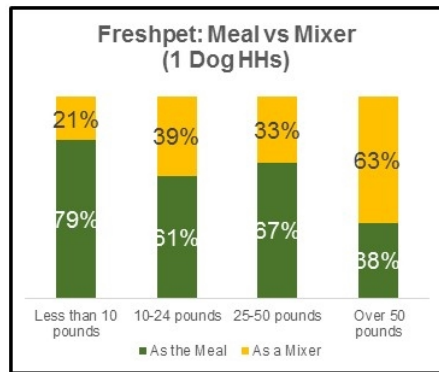


Freshpet Age of Dogs in HH



Source: FP Panel, FP134, FP Users., n=424, APPA data

Freshpet feeding behavior by size of dog



Source: FP Panel, FP088, n=123 Single Dog HHs, FP Regular Users

