



September 2021 Business Update



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 net income (loss) on equity method investment, plant start-up expense, non-cash share-based compensation, launch expense, fees related to equity offerings of our common stock, implementation and other costs associated with the implementation of an ERP system, and other expenses, including loss on disposal of equipment and COVID-19 expenses.

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

Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, plant start-up expense, 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 of our common stock, implementation and other costs associated with the implementation of an ERP system and COVID-19 expenses.

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 2021. 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.



Nourishing Pets, People and Planet

Freshpet strengthens the bond between **people** and our **pets** so that we both live longer, healthier and happier lives -- while being kind to the **planet**



Until Freshpet, a dog's choices were really limited

Dry Kibble



Canned
Mystery Meat



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

Available in a variety of fresh product forms



Sold in leading retail outlets in company-owned fridges



Walmart 



SAFEWAY 

BJ's

 Giant



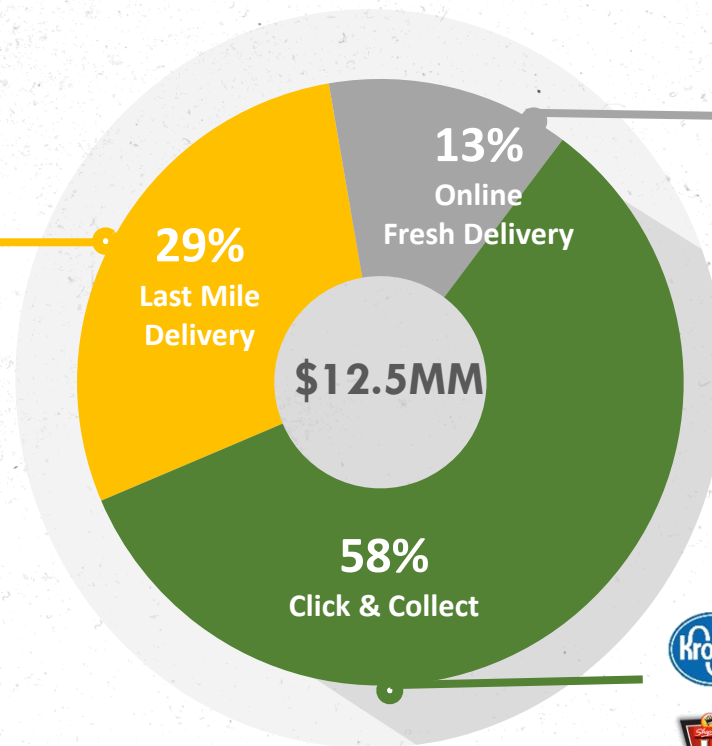
 TARGET

COSTCO
WHOLESALE



Also available via leading e-commerce platforms

First half 2021 e-commerce sales grew 86% vs. YA



5.9%
2Q 21 mix of e-commerce sales

87% of Sales
Contribute to Brick & Mortar





Category Trends

Zoeyia (Zoo-ey-ah)

The positive benefits to human health from interacting with animals



Immune
System
Development



Psycho-Social
Development



Support
Coping &
Recovery

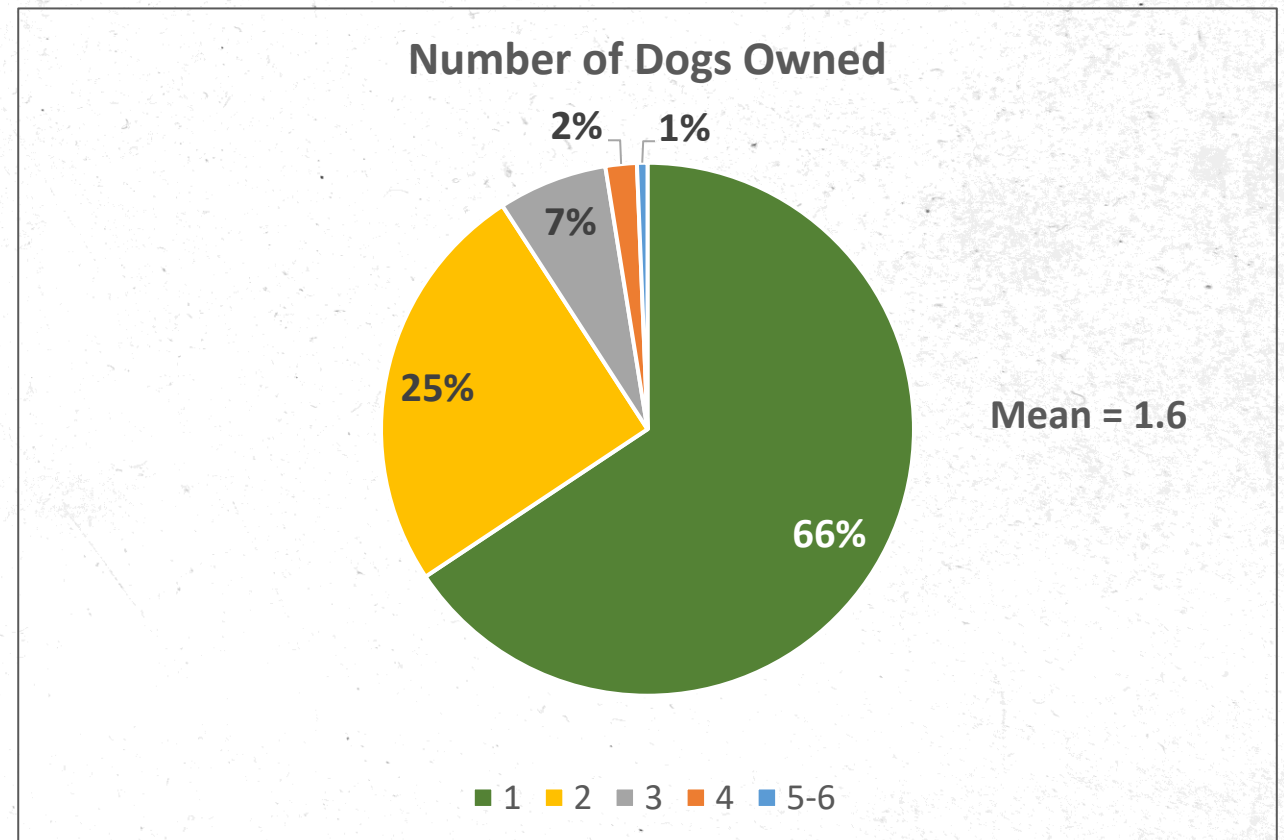
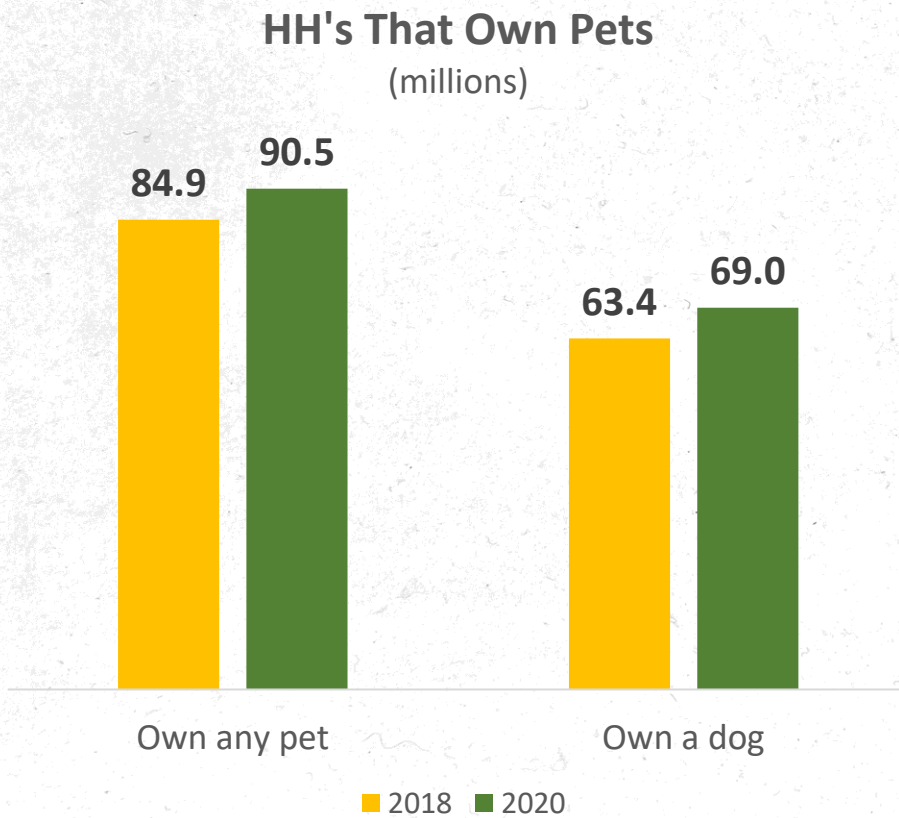


Catalyze
Social
Interactions



Motivate
Regular
Exercise

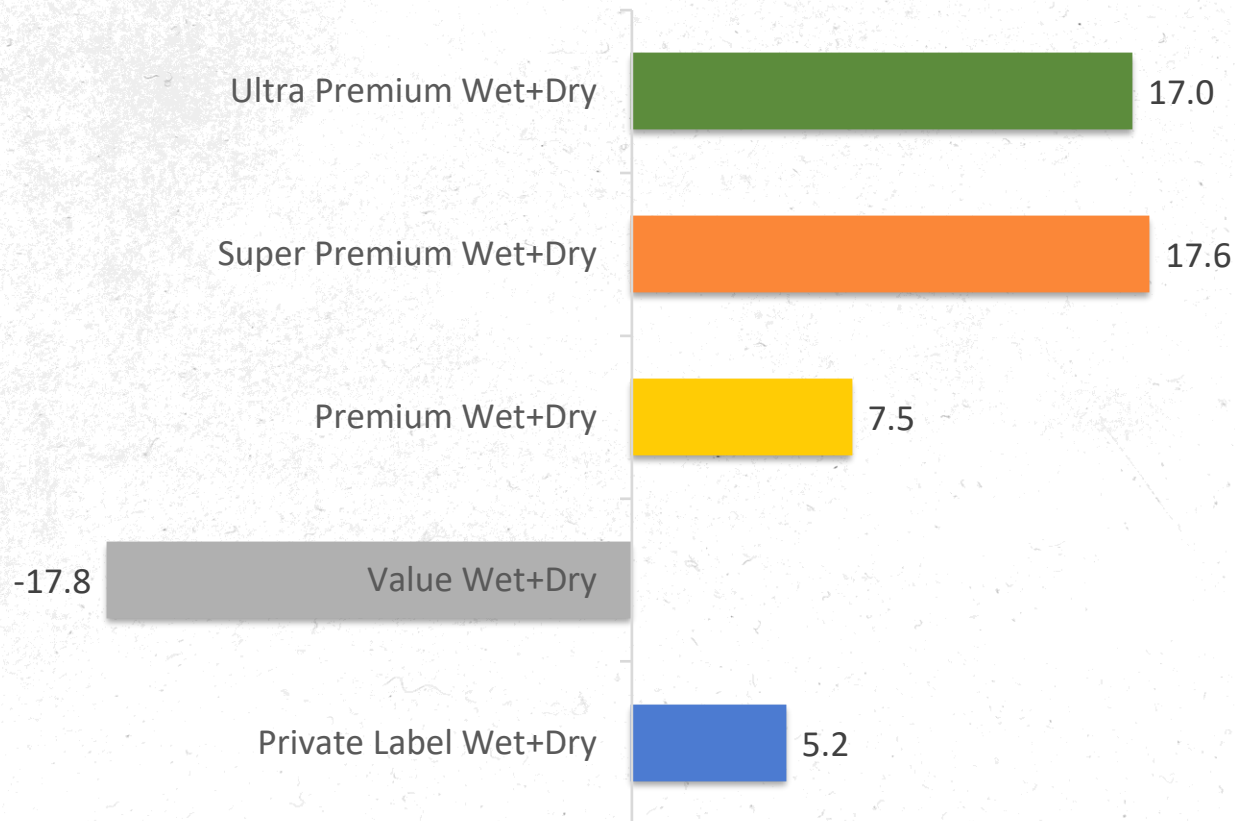
Dog ownership is growing



Category growth skews towards premium items

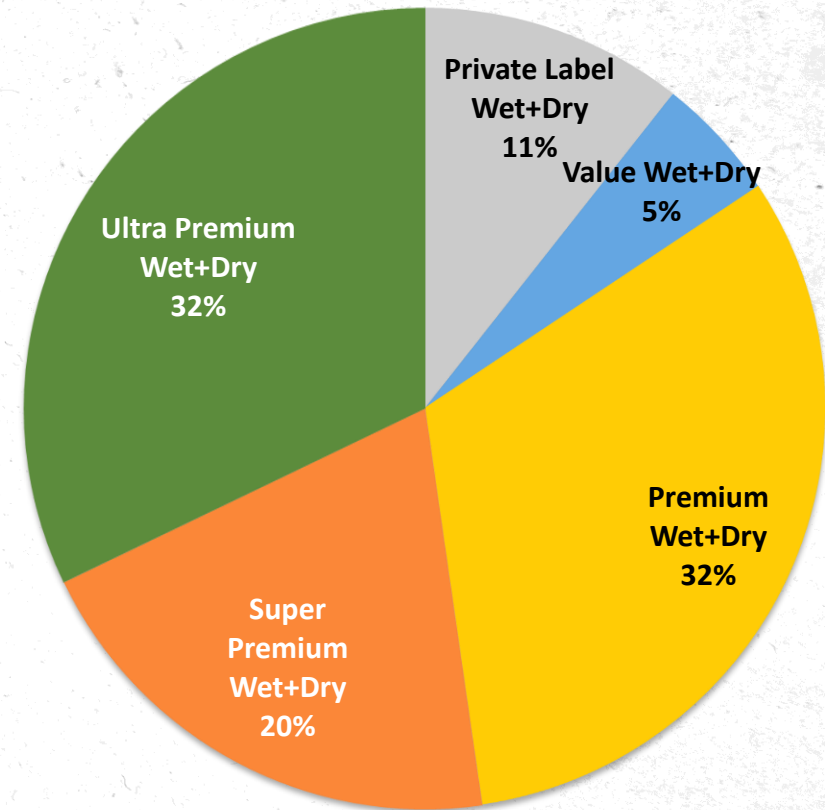
Growth by Value Segment

Latest 13wks dollar sales vs. YA



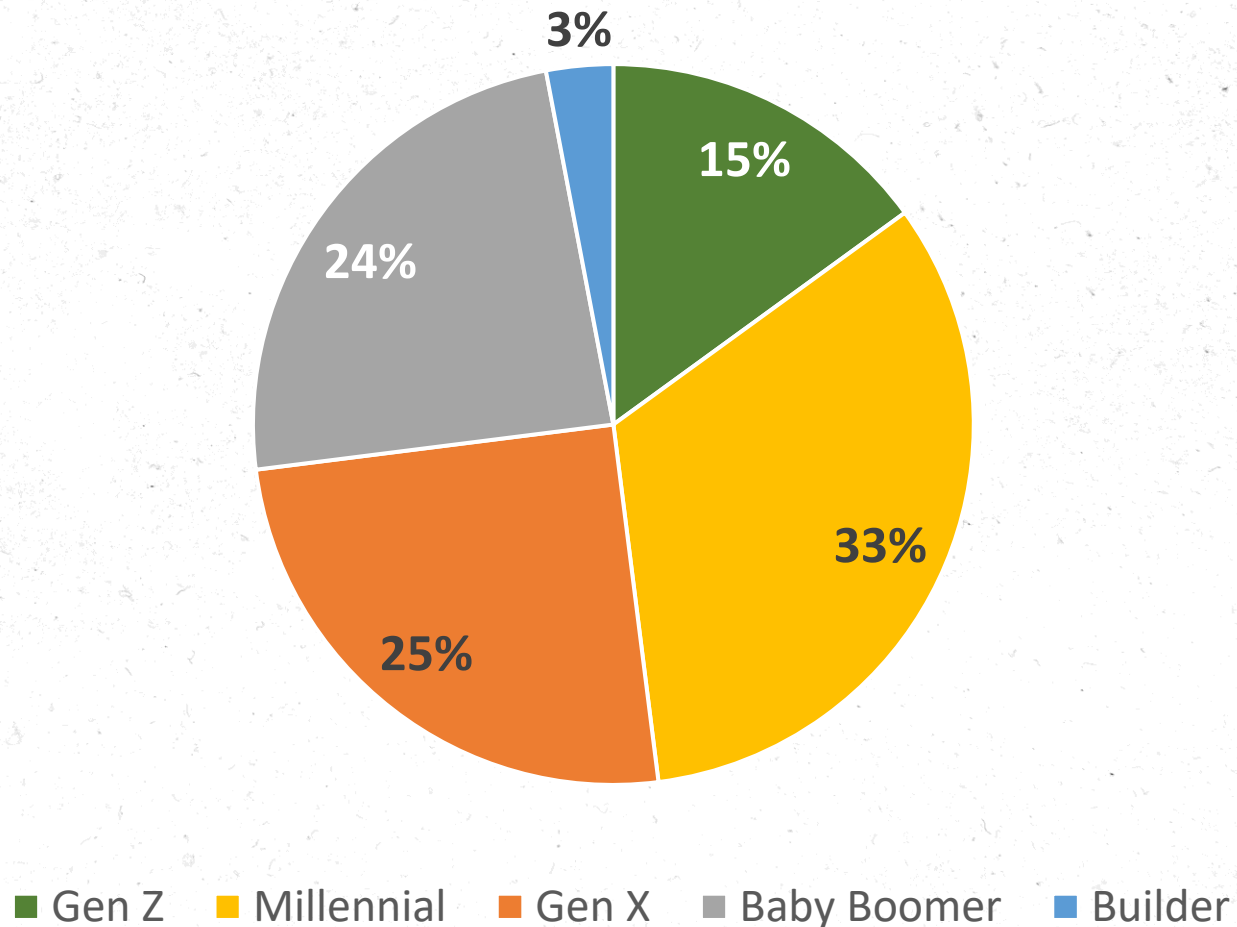
Value Segment Size

Latest 13wk Dollar Share



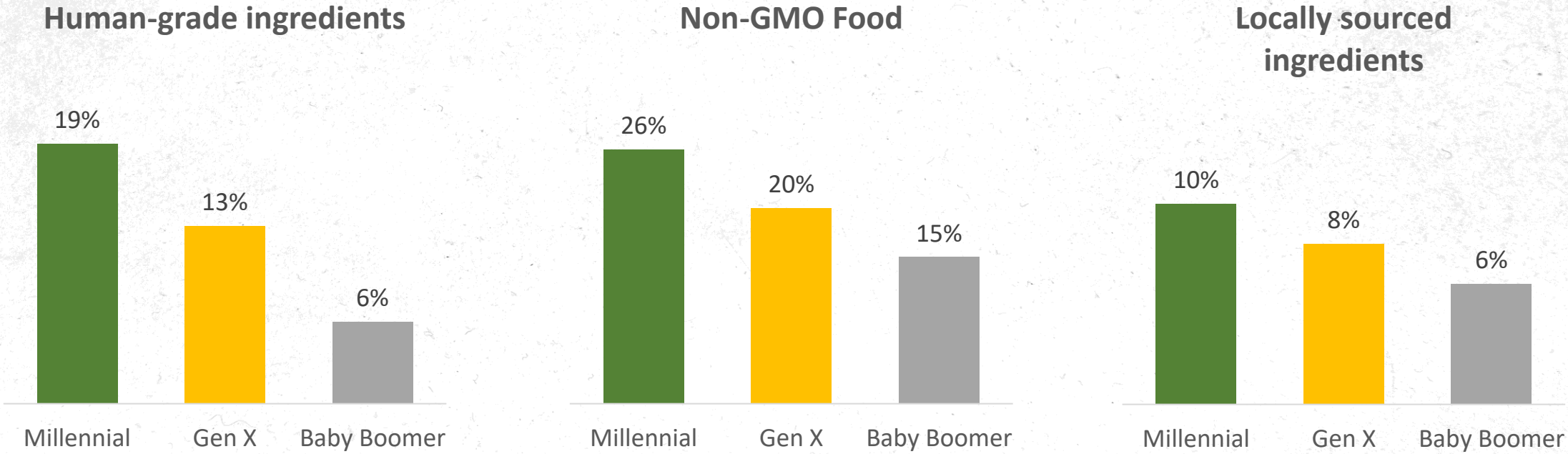
Millennials: Largest share of the dog food market today

Dog Ownership by Generation (2020)

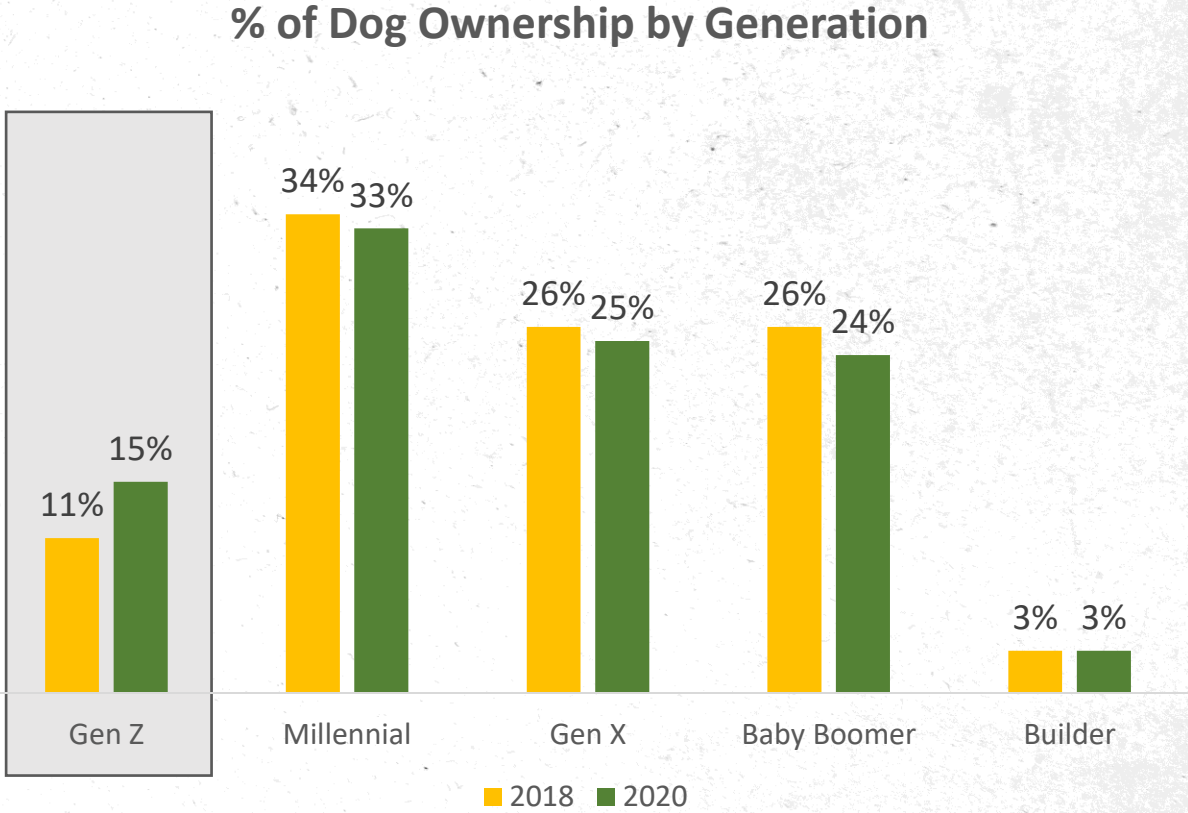
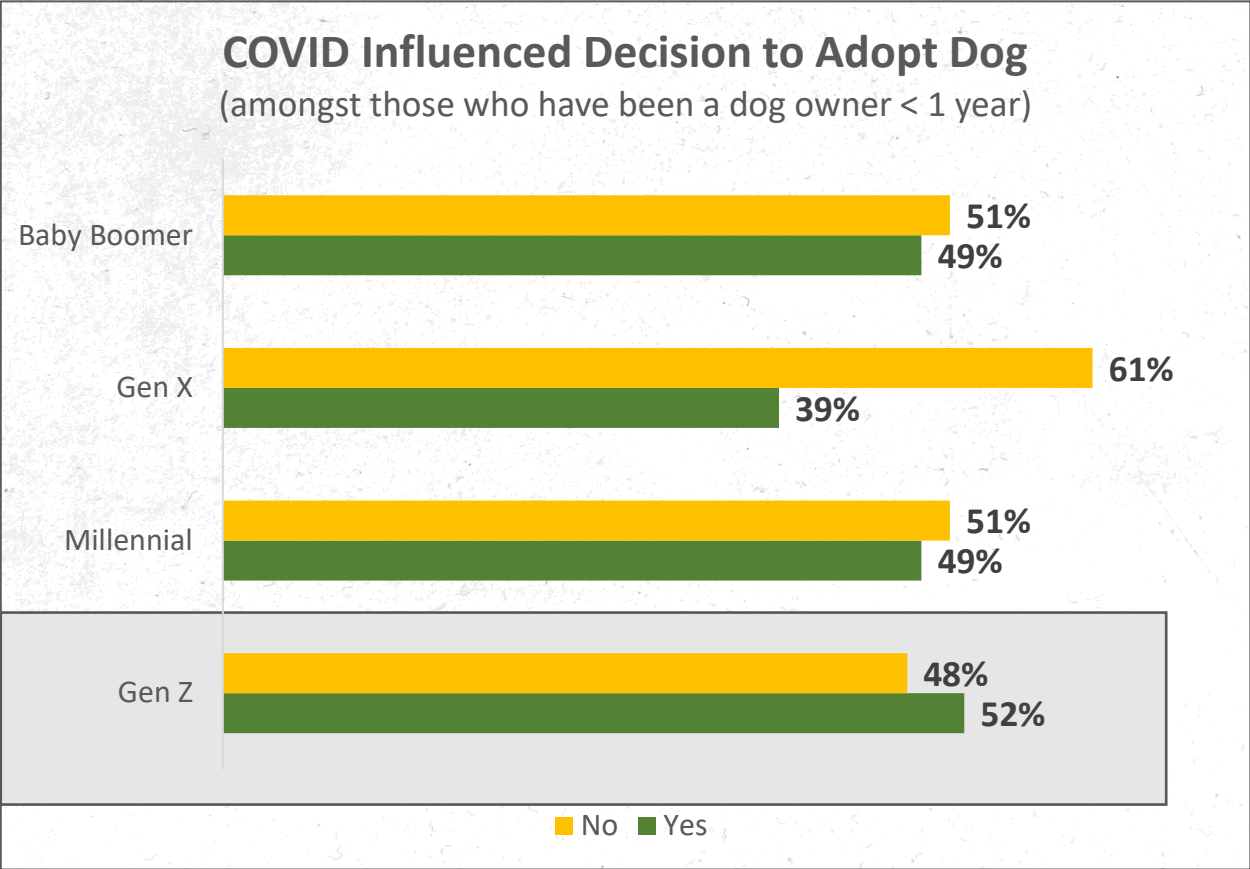


Millennials are seeking pet foods like Freshpet

Purchased pet food with these attributes:

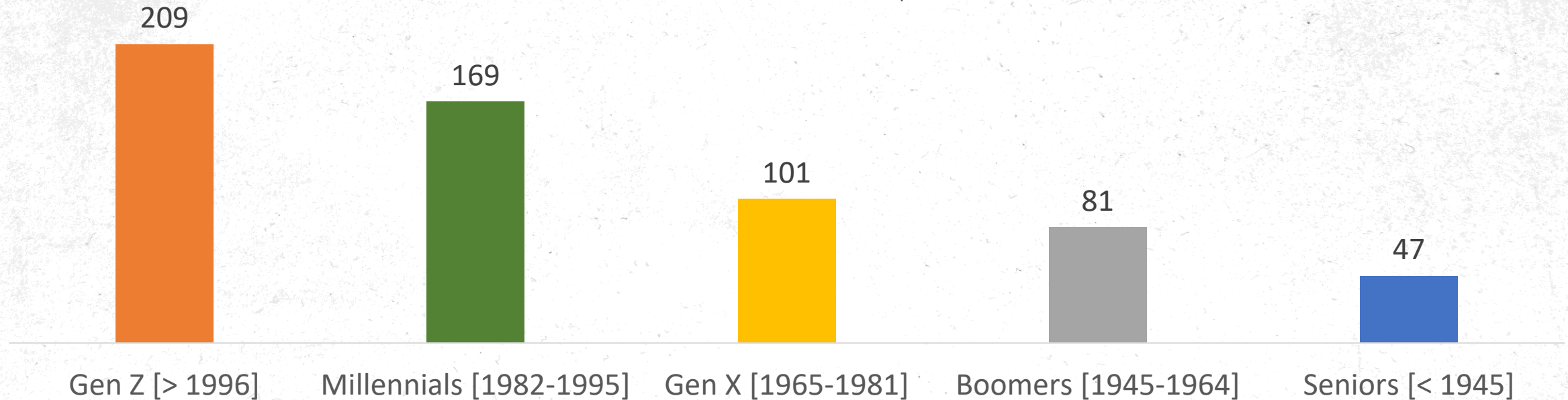


Gen Z is a growing segment of the pet market



GenZ is choosing Freshpet even more than previous generations

Freshpet Latest 12 Month New Buyers
(Index vs. Share of Existing 12 Month Buyers)





Strategy & Results

Fortified business model provides competitive insulation

Diverse line-up
that is difficult
to match



Differentiated
Innovative forms, technologies, and appearance



Manufacturing
Proprietary technology, processes, and infrastructure



\$~2.0 billion capacity

High Brand Loyalty
Alignment with deep pet parent emotional motivations



11 mm HH's



Supply Chain
Only refrigerated pet food network in North America



Significant
scale in
distribution

40,000 Fridges



Freshpet Fridge
Branded, company-owned real estate



Retailer Partners
Delivers benefits in traffic, frequency and retailer margins

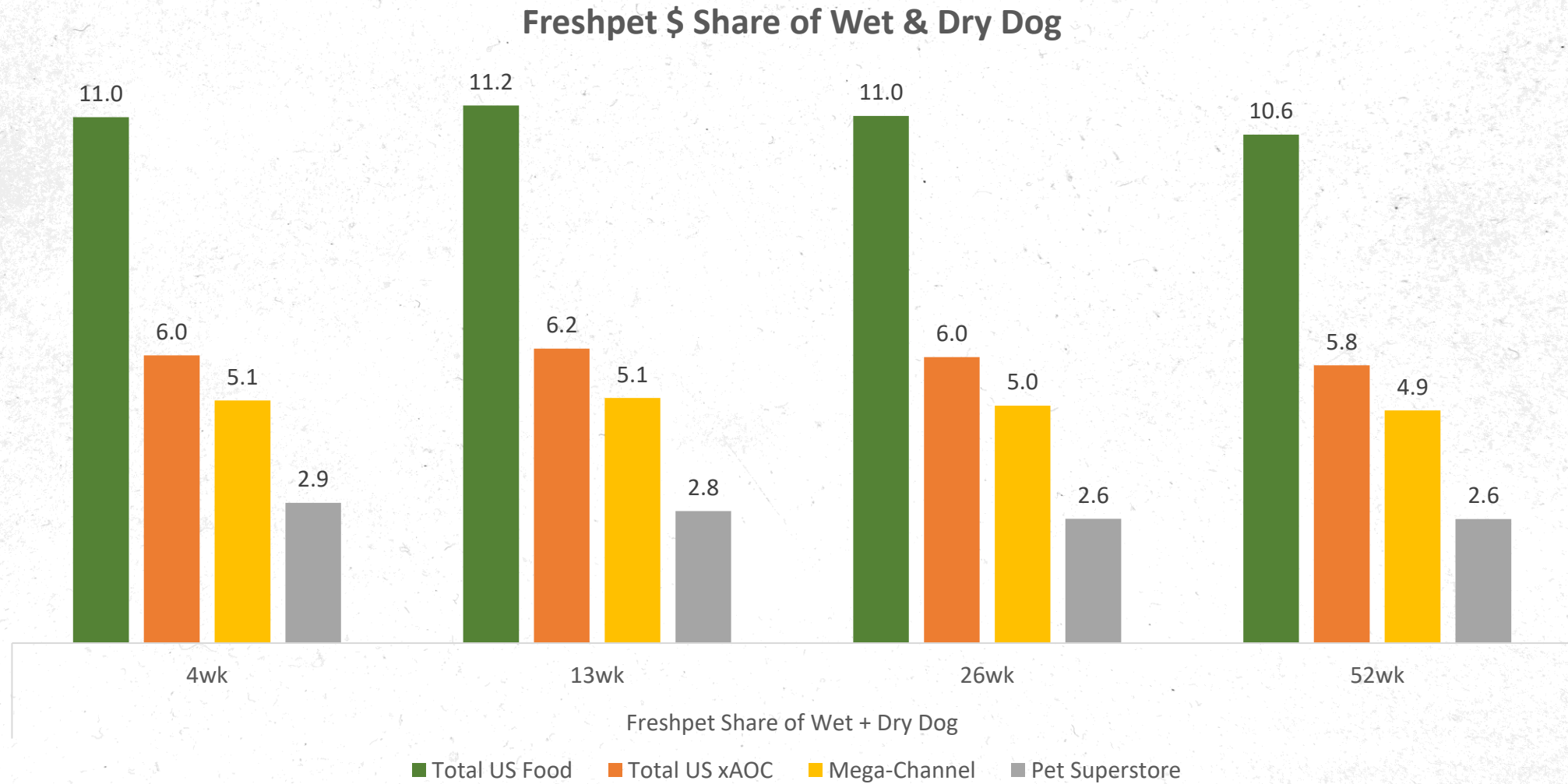


~75-80% ACV

“Feed the Growth” generates significant scale and operating leverage as we maximize our first mover advantage



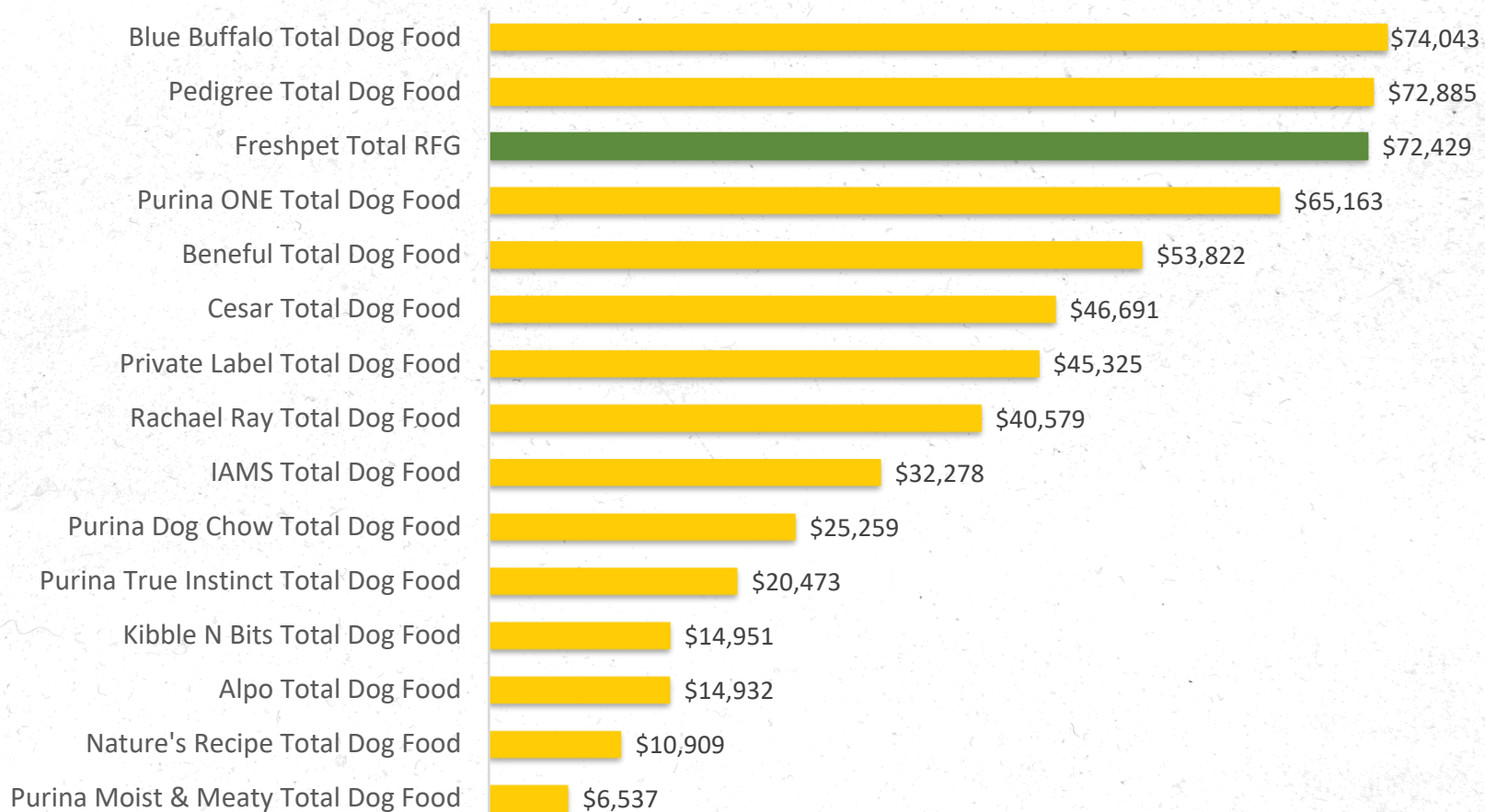
Freshpet: Building meaningful share of the category



On a total brand basis, Freshpet now rivals the leading brands in the grocery channel

Total Wet & Dry Dog Food Brands Dollar Sales: US Food

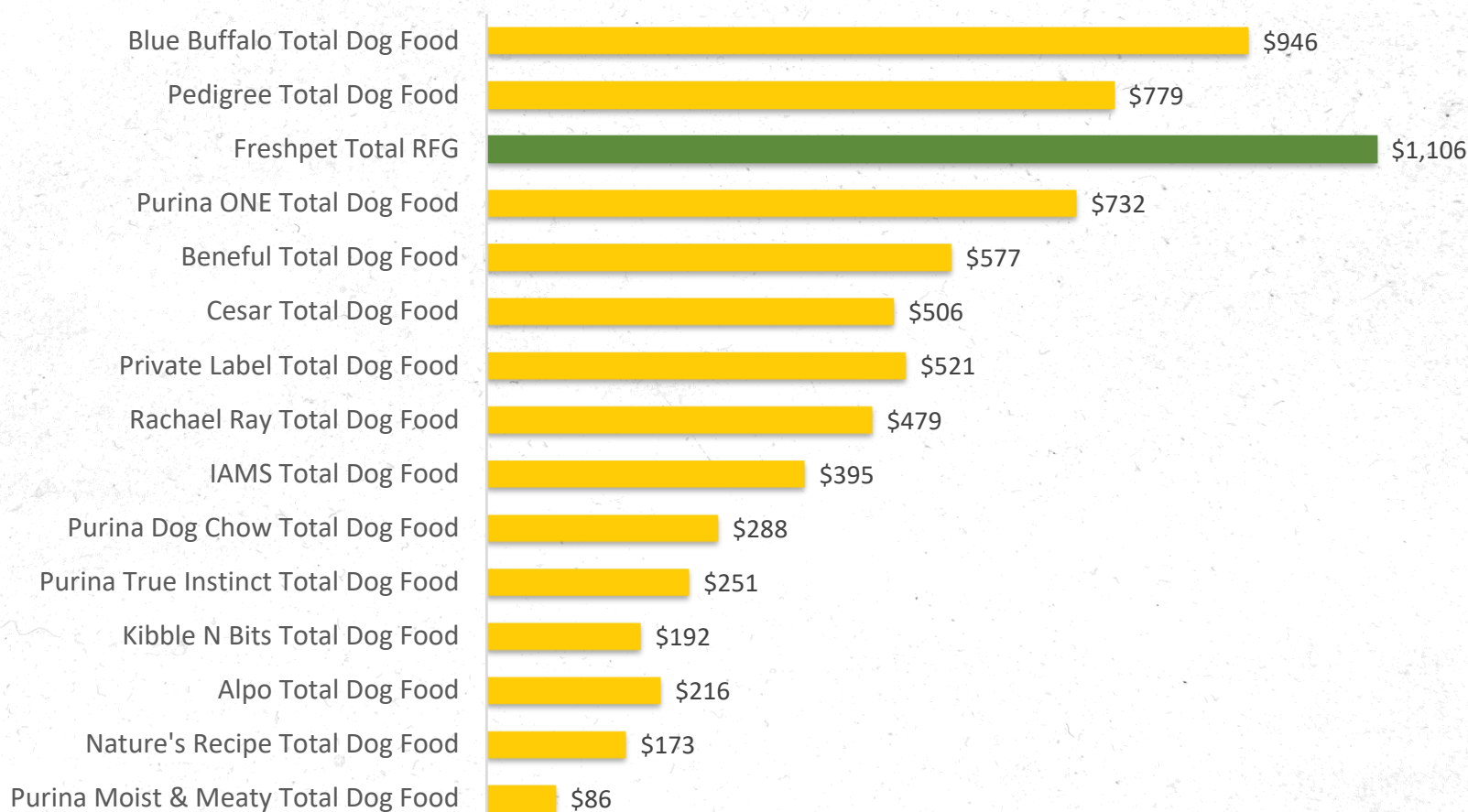
(Latest 13wks thru 8/14/21 -- \$M)



Freshpet velocity leads the category in grocery

Total Wet & Dry Dog Food Brands Dollar Velocity: US Food

(Latest 13wks \$/%ACV thru 8/14/21 -- \$M)

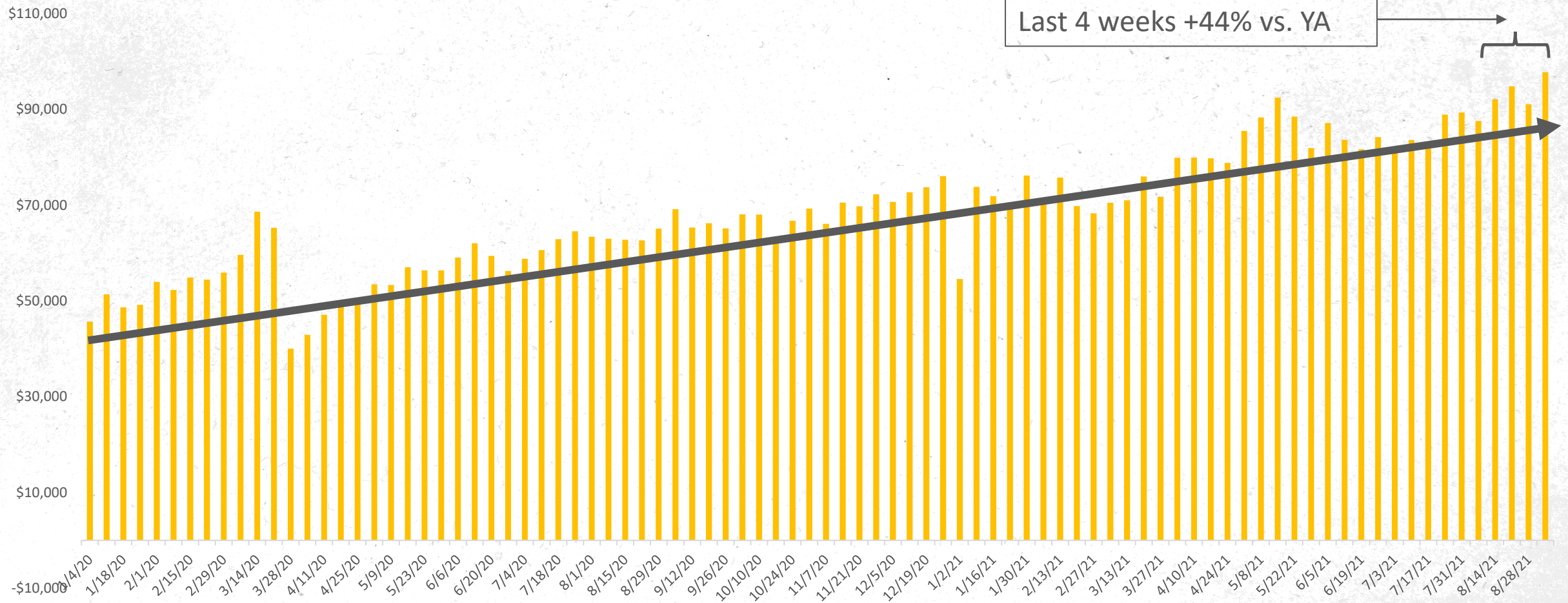




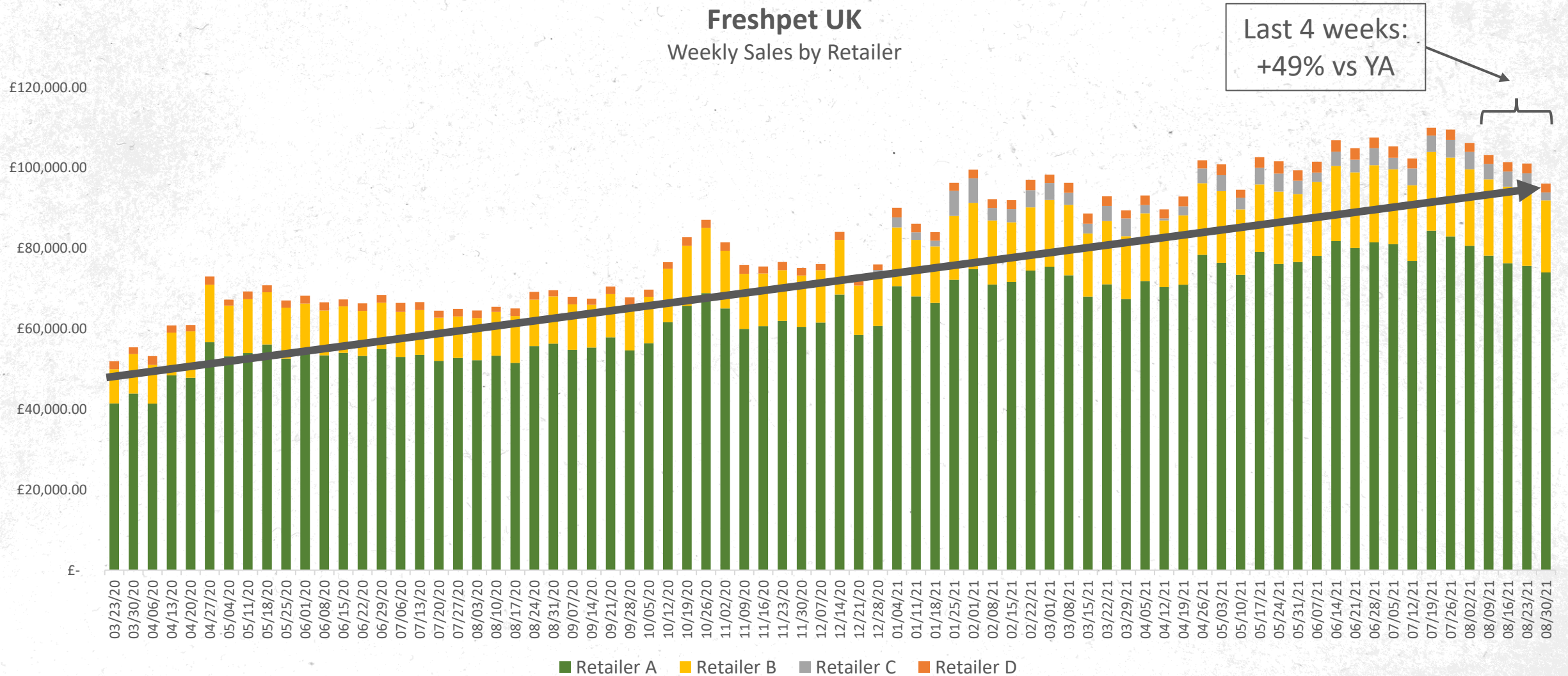
International Business

Canadian business accelerating behind advertising investment

Leading Canadian Freshpet Retailer
Weekly Sales



Freshpet's advertising-driven model works in the UK

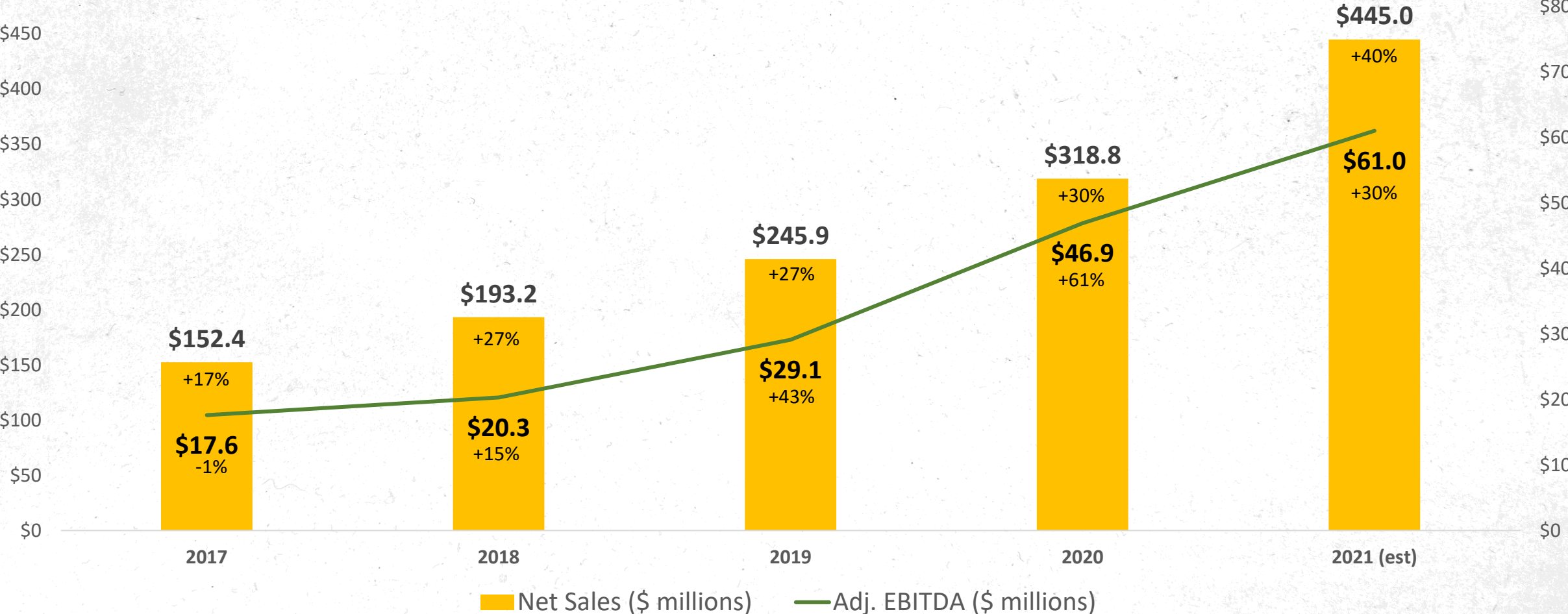




Financial Performance & Goals

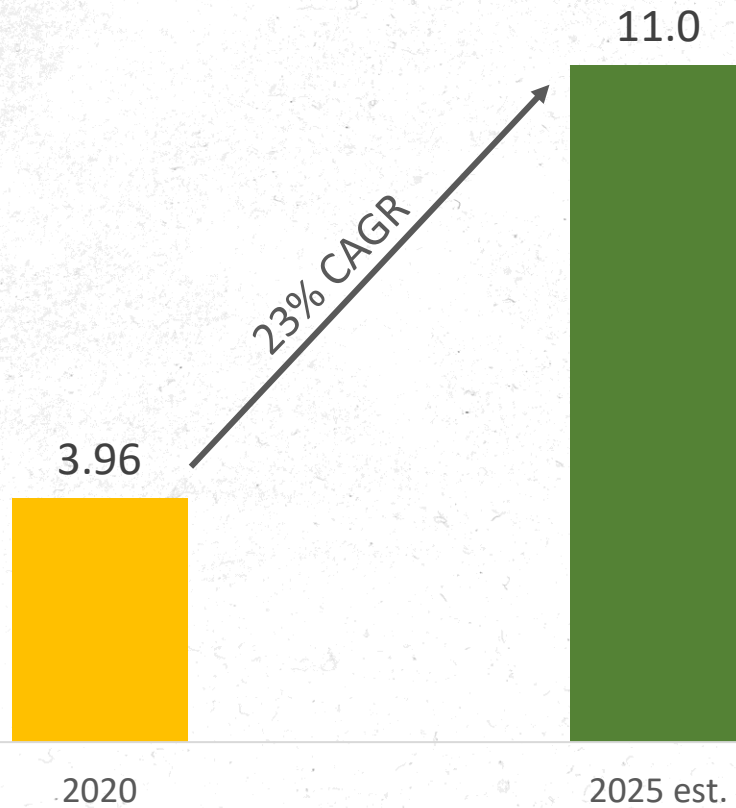
Strong track record of accelerating growth

Freshpet Net Sales & Adj. EBITDA Performance

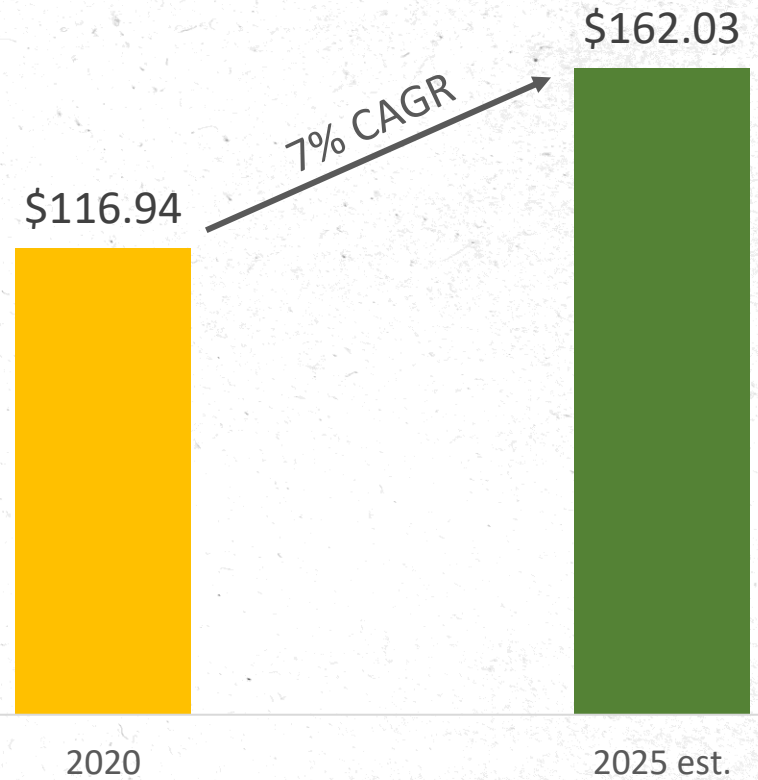


2025 Goals: Continue driving HH penetration and buying rate gains at same rate as 2020

Total HH Penetration (millions)

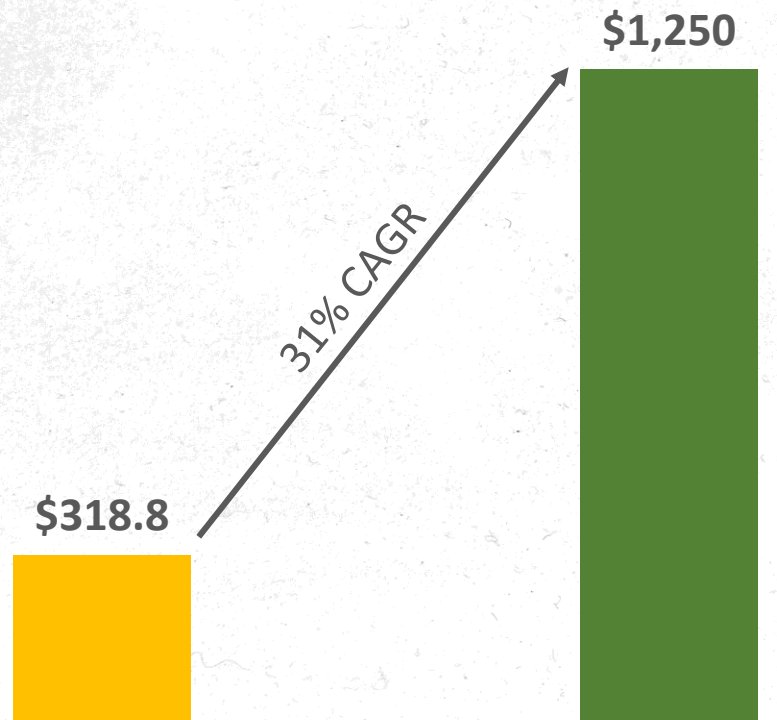


Buying Rate (\$/HH/Year)



2025 Target: Net Sales of \$1.25 billion with 25% Adj. EBITDA margin

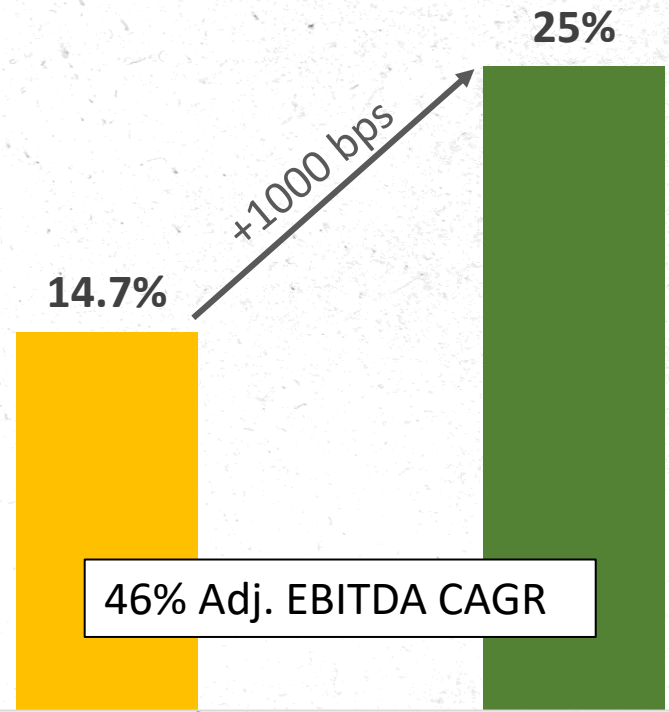
2025 Net Sales Target
(\$ millions)



2020 Actual

2025 Target

2025 Adj. EBITDA Margin Target



2020 Adj. EBITDA Margin
(Actual)

2025 Adj. EBITDA Margin
Target








Q3 Update

Summary

- **Increasing rate of consumption growth has resumed**
 - Nielsen Mega-Channel growth up 17% week of 8/21 vs. 13% during the week of 8/14
- **Retail in-stock conditions began improving in the third week of August**
 - Third party warehouse is back on track after struggles in early-mid July
- **Production and capacity expansion are on-track**
 - Quarter-to-date, production (lbs.) is up 40% vs. YA despite taking 3 days for extended maintenance over July 4th (August +47%)
 - Starting up Kitchens South line #2 next week
 - Taking one bag line down for automation and upgrades later this month and will restart in mid-November
 - Ennis will be “dried in” this month – on track for Q2 2022 start-up
- **Media on air continuously in H2 but skews heavily to Q4**
 - Strong media presence matches improved in-stock conditions and available capacity
- **Expecting net sales growth in H2 to skew towards Q4; approximate 44% growth**
 - YA had a very soft December due to winter storms – creating the potential for a much stronger growth rate in Q4 than Q3
- **Price increase announced; effective with orders placed on 11/29/21**
 - Effective increase = 4.8% but varies significantly by item
 - Minimal impact this year

Inflation and temporary operating inefficiencies will mute benefits from increased net sales guidance in H2

Key cost element	Chicken 	Beef 	Packaging 	Labor 	Freight 
Potential cost impact	Priced annually in December; potential impact next year	Priced quarterly; assumed in plan	Resin and corrugate cost increases anticipated	Tight labor market; second wage increase in September	Assumed inflation but exceeding expectations

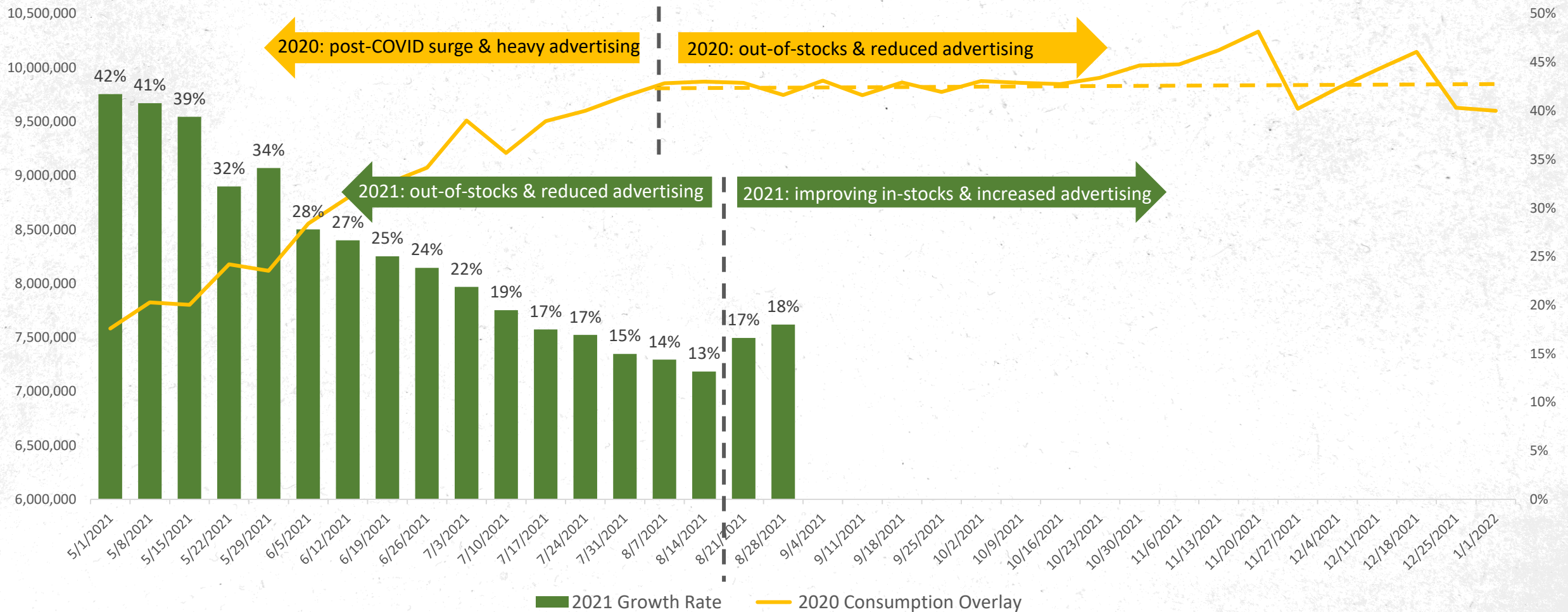
- Announced plans to increase prices at the end of this year



Consumption Trends

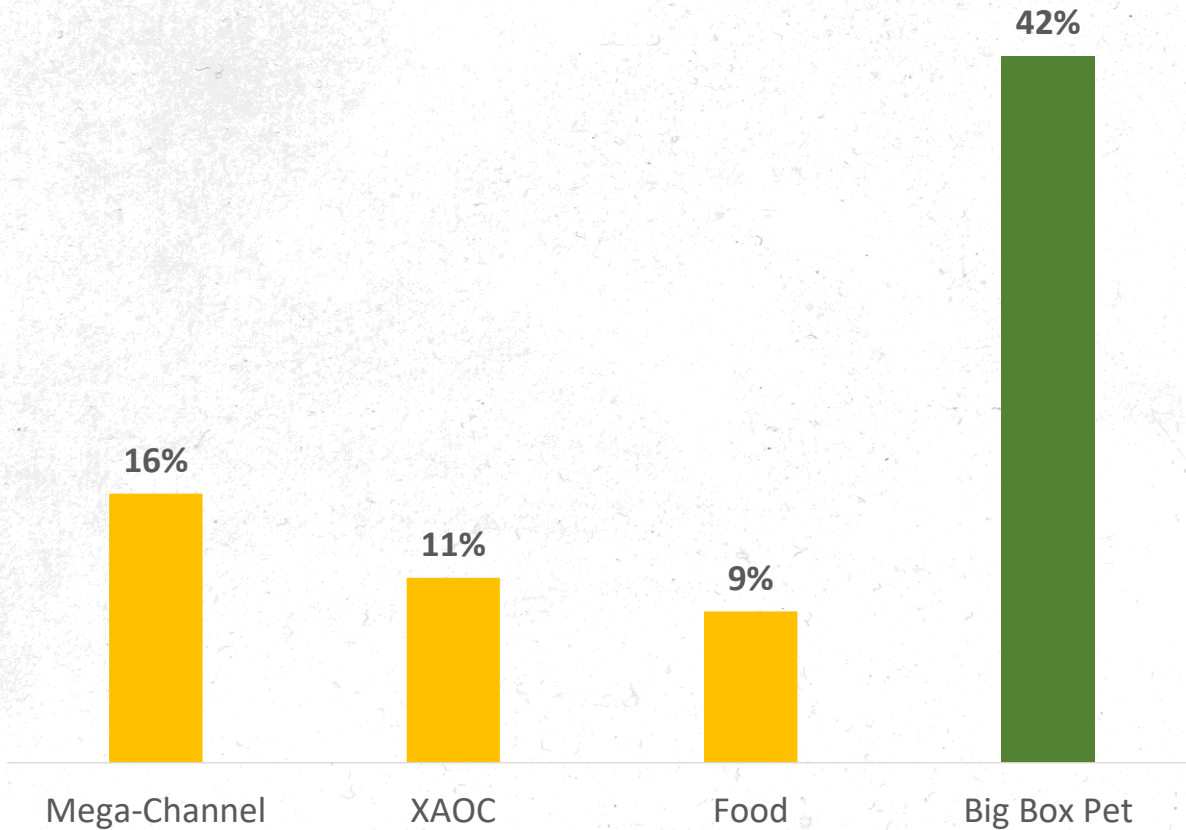
Inflection point: 2021 growth rate re-accelerates as in-stocks improve & advertising investment increases

Freshpet 2021 Growth Rate vs. 2020 Consumption

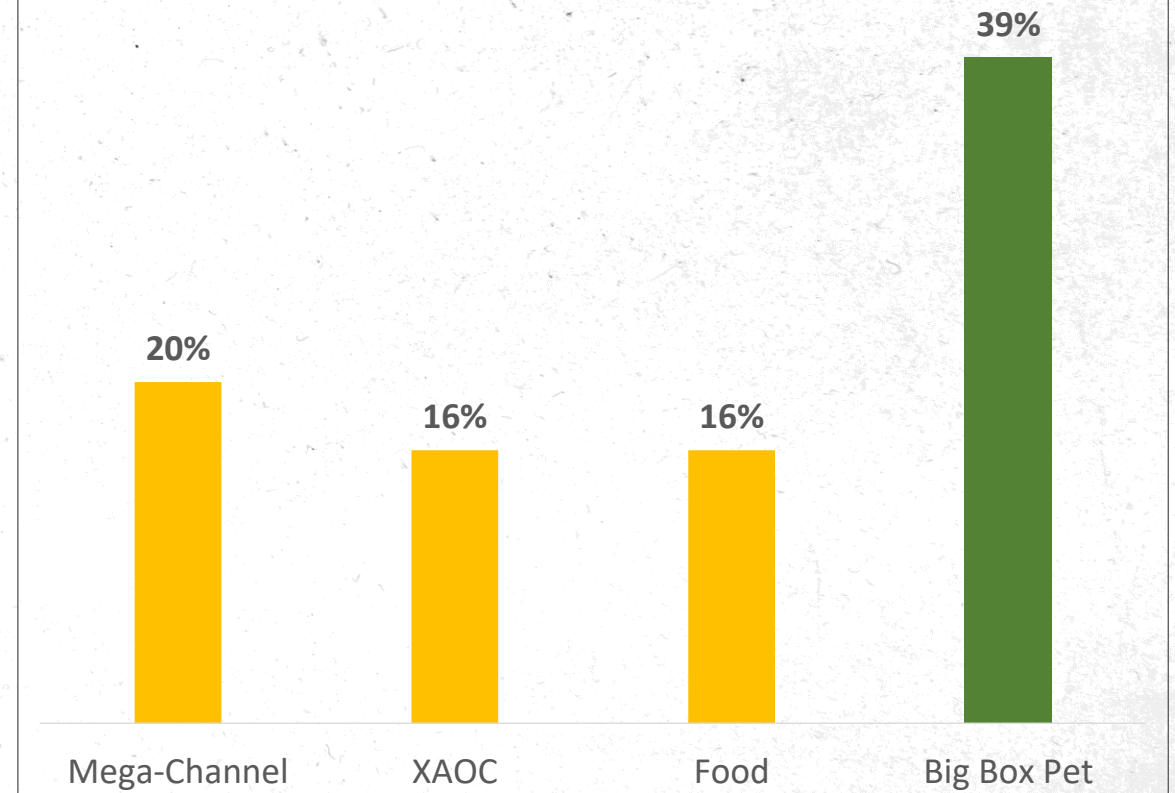


Pet specialty is our fastest growing channel

Latest 4 Week Nielsen Consumption Growth

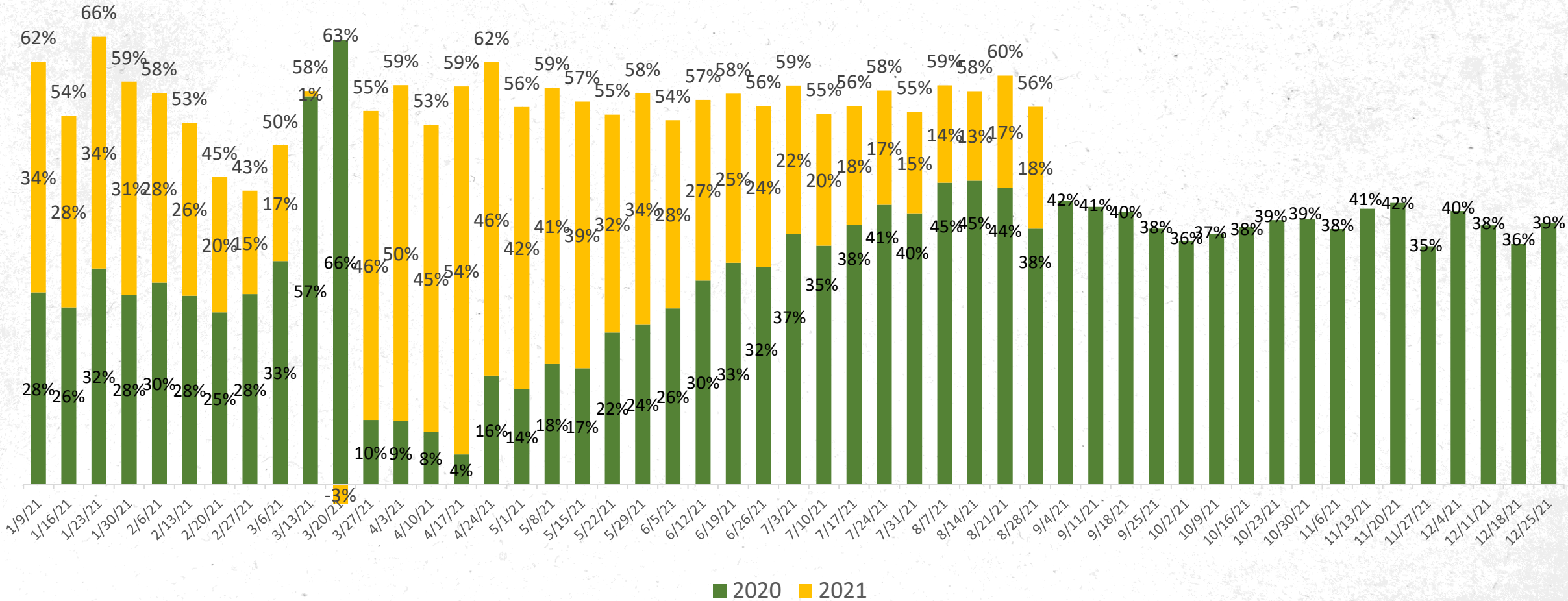


Latest 13 Week Nielsen Consumption Growth



Increasing growth should drive two-year stacked to >60%

Nielsen Mega-Channel Consumption Growth
(2 Year Stacked)

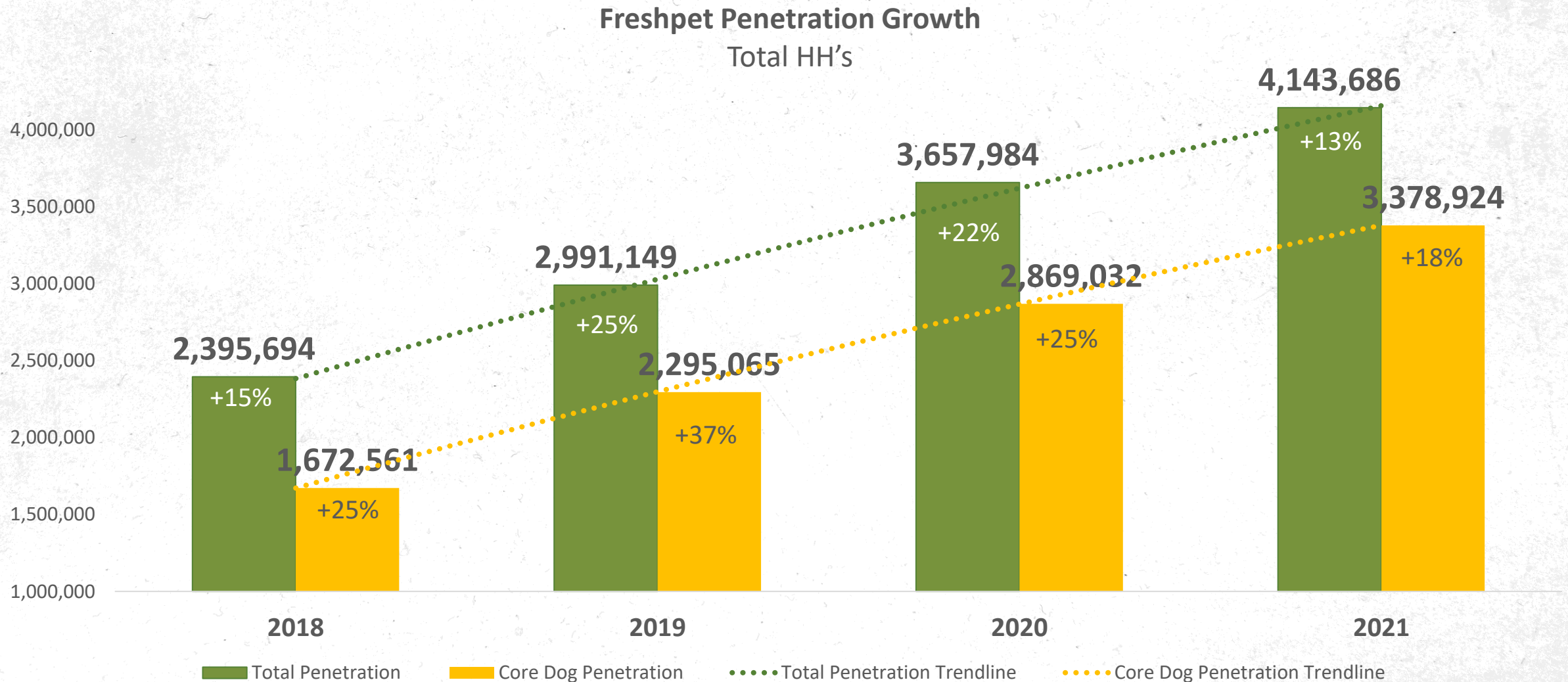


Source: Nielsen Mega-Channel Data thru 8/28/21

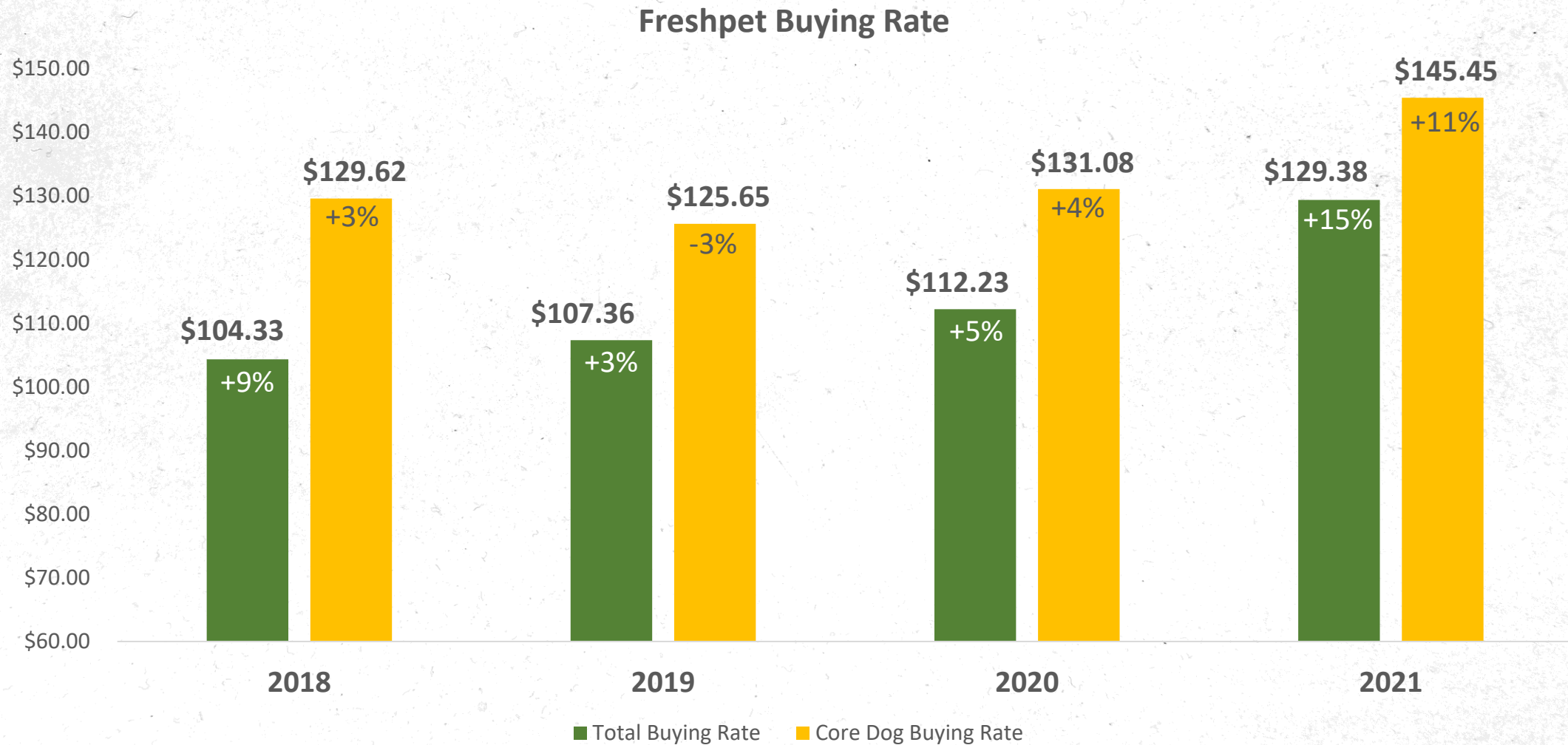


Penetration & Buying Rate

HH penetration growth is temporarily depressed due to out-of-stocks



Buying rate continues to grow despite out-of-stocks

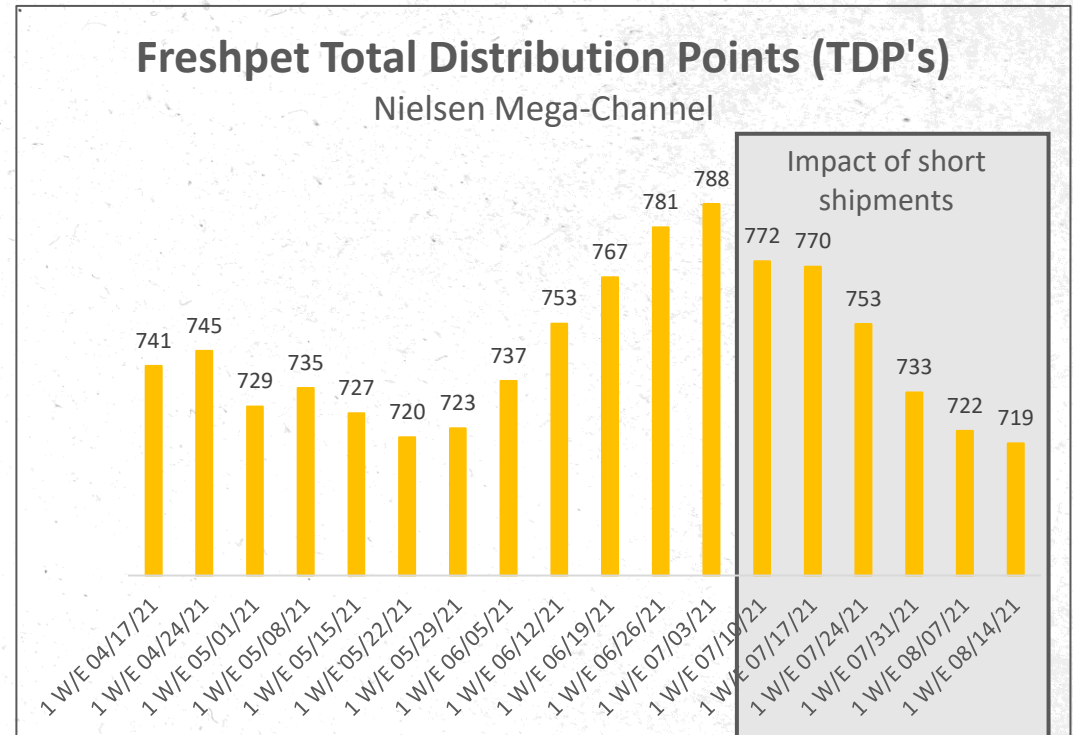
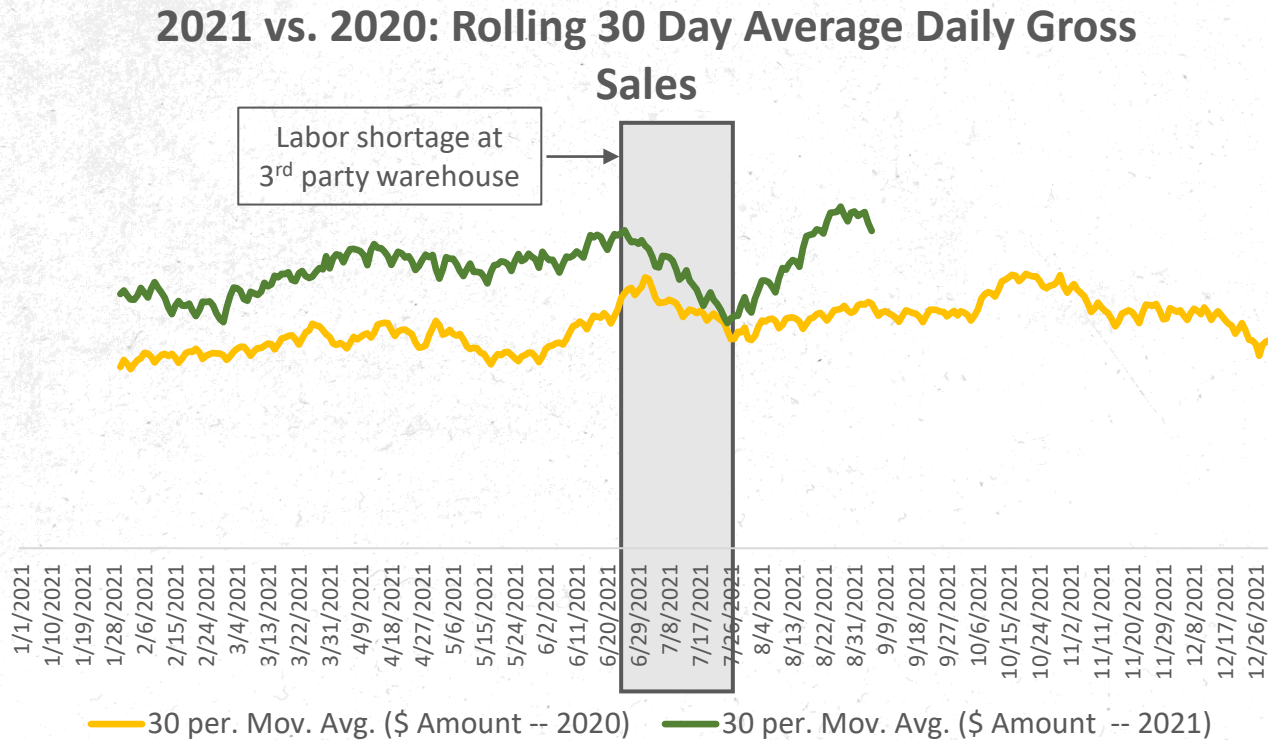




Retail Conditions

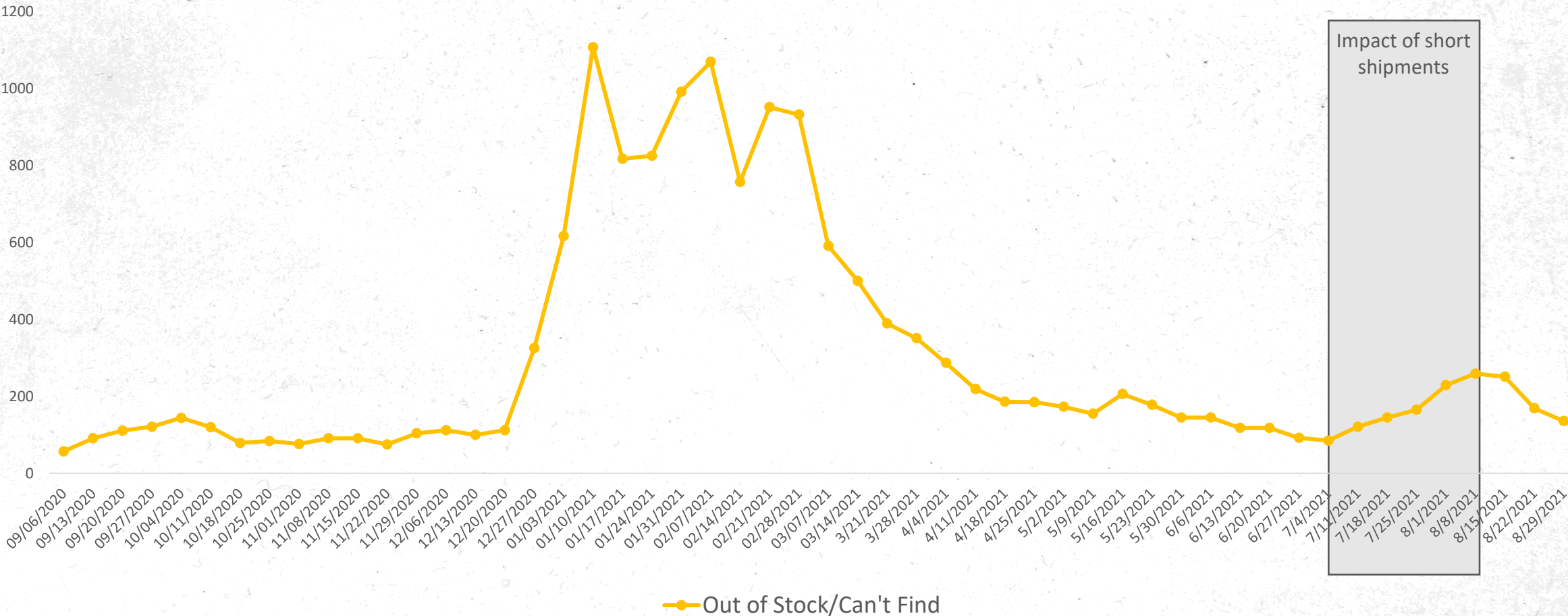
Short shipments in July increased out-of-stocks; strong August shipments are helping to restore retail conditions

Short-term labor issues at our 3rd party warehouse constrained shipments in early-mid July – increasing out-of-stocks and reducing consumption. Staffing and shipments were restored by the end of July and delivered strong August shipments. Retail condition improvements will lag shipment improvements by ~2-3 weeks.



Strong August shipments are improving in-stocks after the July short shipments

Freshpet Consumer Comments: Out-of-stock & Can't find



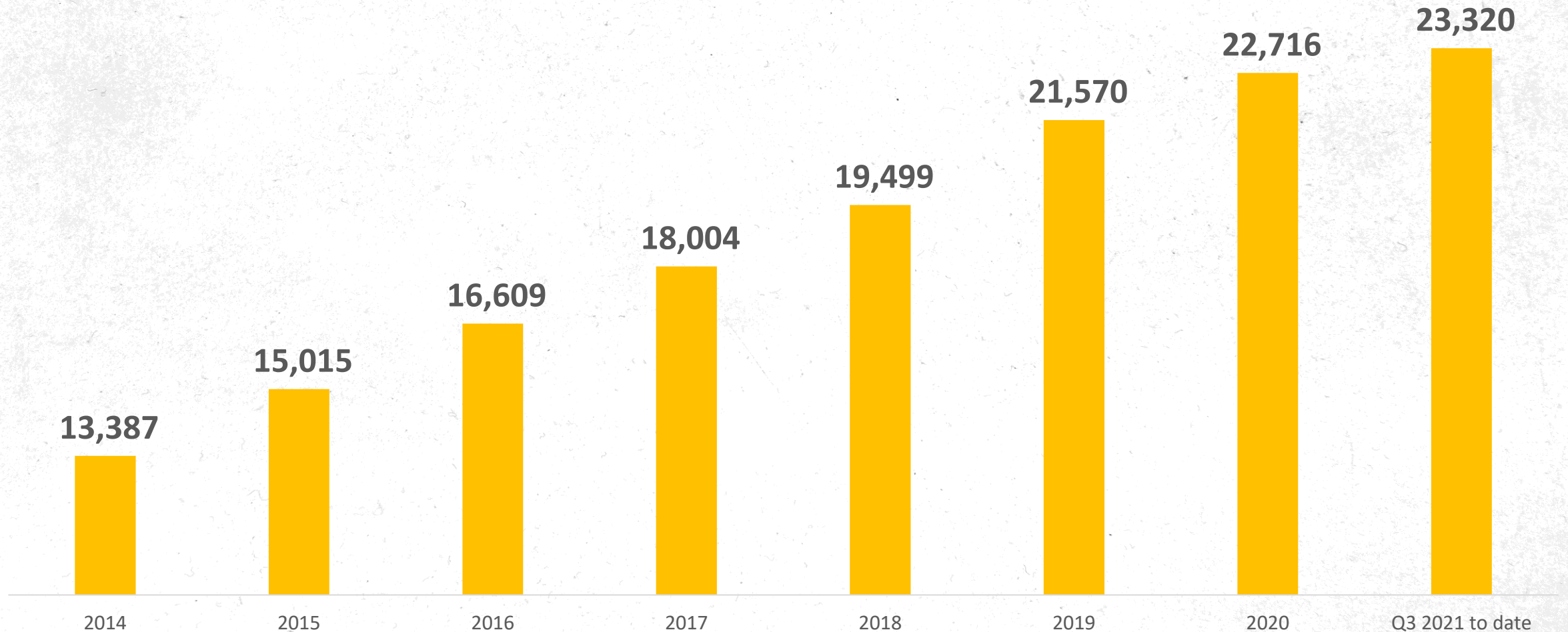
Source: Internal company data



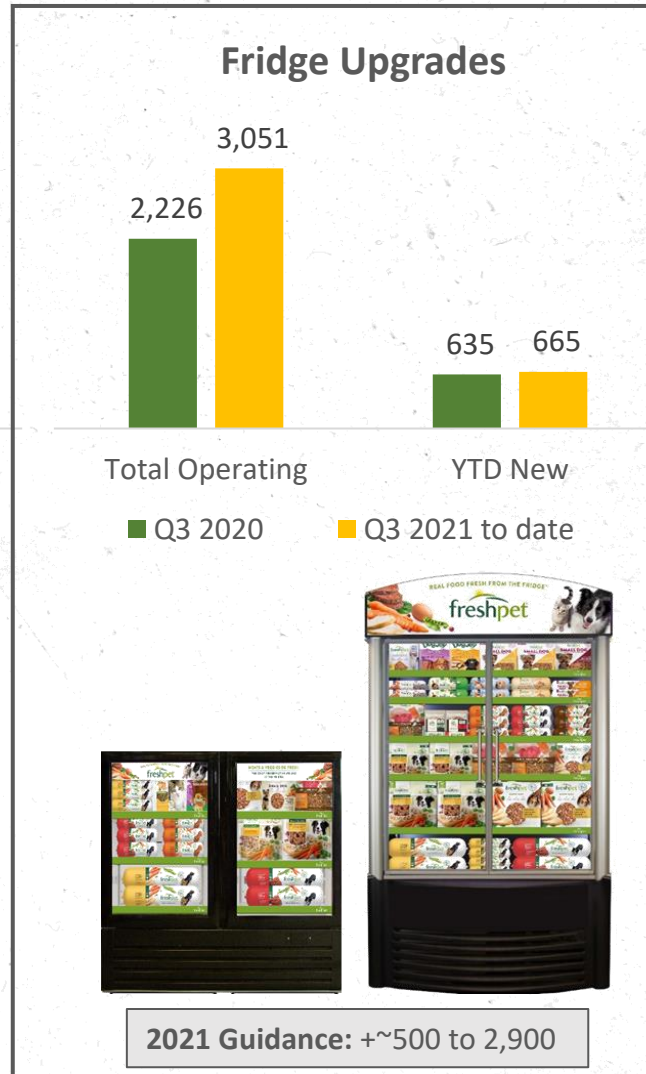
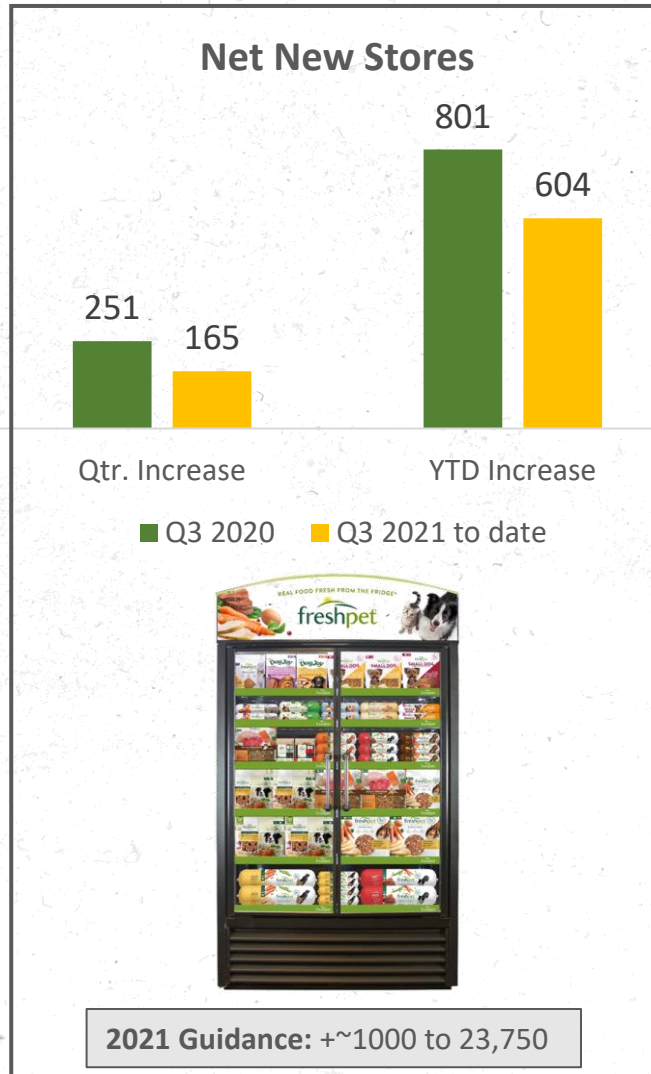
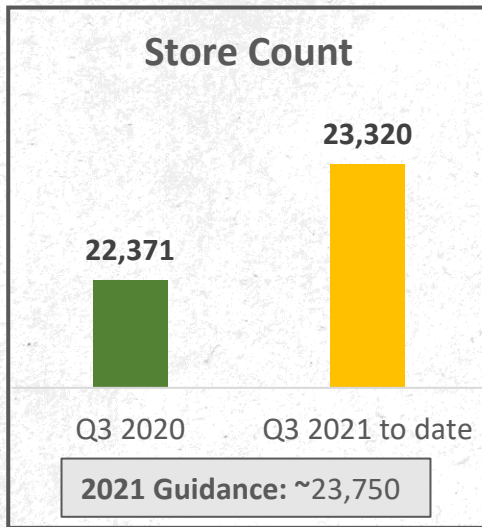
Visibility & Availability

Despite out-of-stocks, store count continued to grow

Freshpet Store Count



Q3: Continued increases in retail availability & visibility



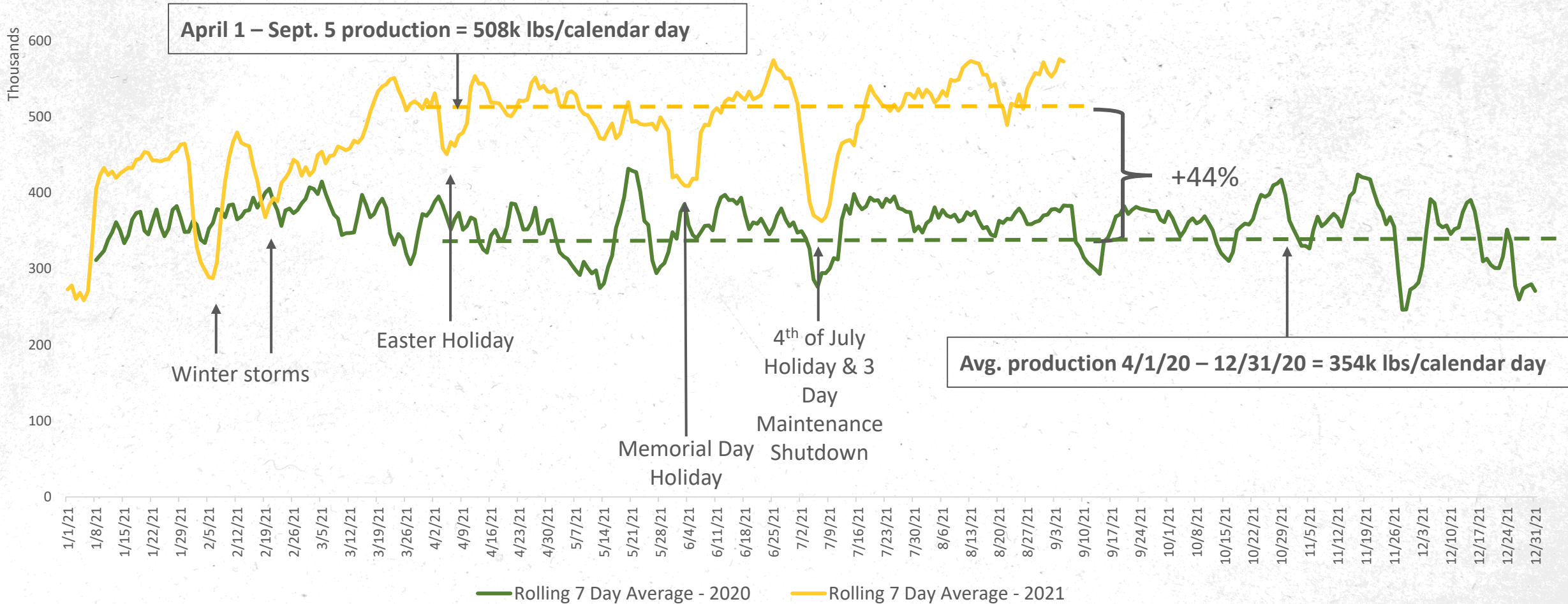


Production

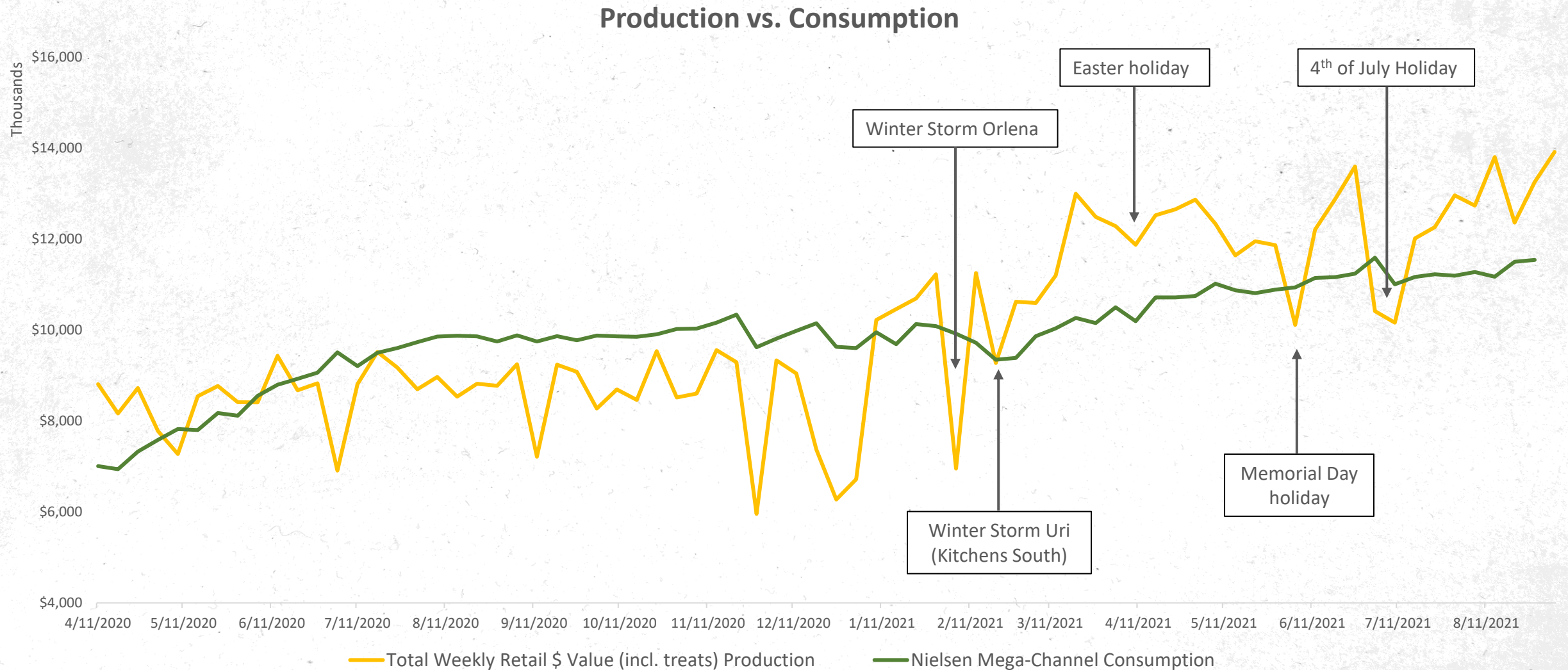
Production is running well ahead of YA with more capacity coming on-stream in September

2021 vs. 2020 Production Performance Comparison

Rolling 7-Day Average Pounds Produced

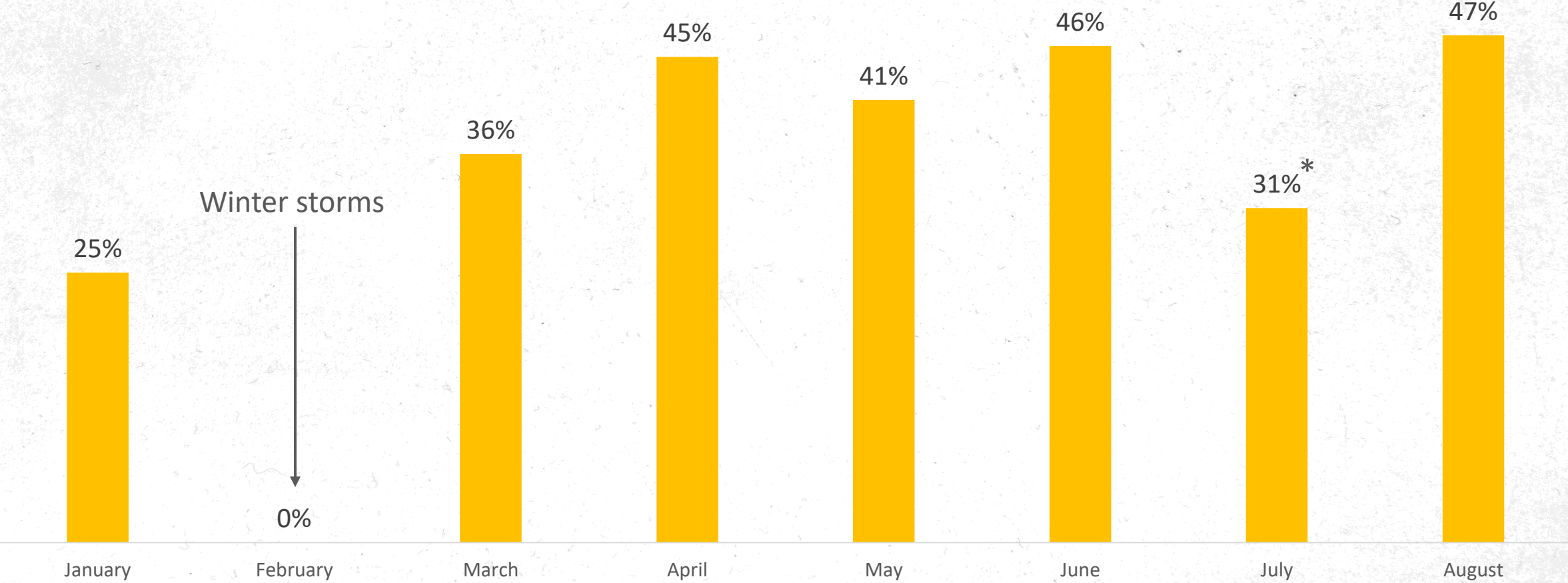


Outside of holidays and snowstorms, production is in excess of consumption every week this year



Strong production supports robust growth vs. YA

Freshpet Pounds Produced -- 2021
(growth vs. YA)



* Shut down lines for 3 days to perform maintenance over 4th of July holiday

Source: Internal company data through August 2021



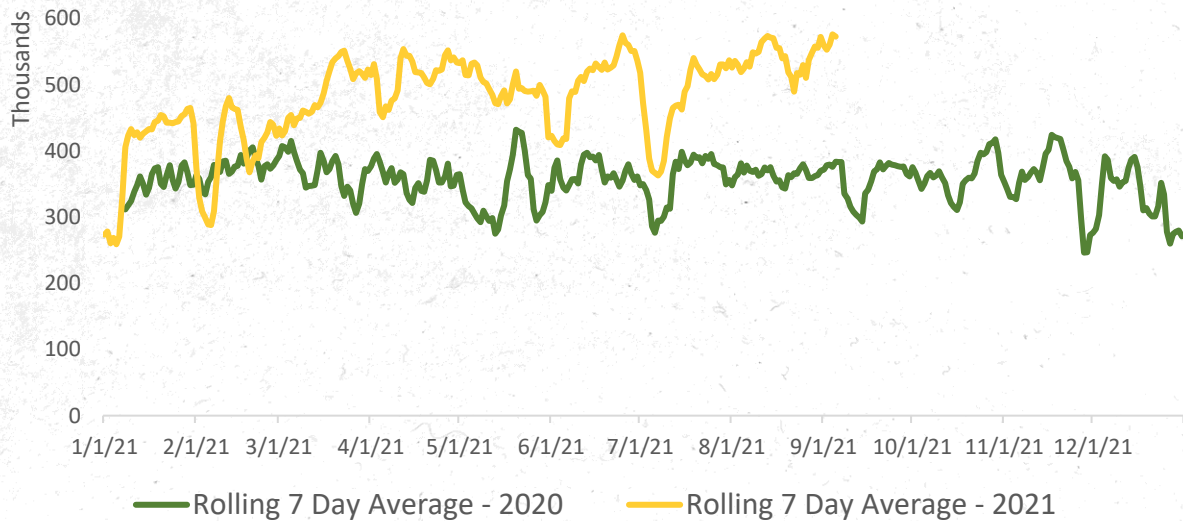
Capacity

Capacity plans are on track

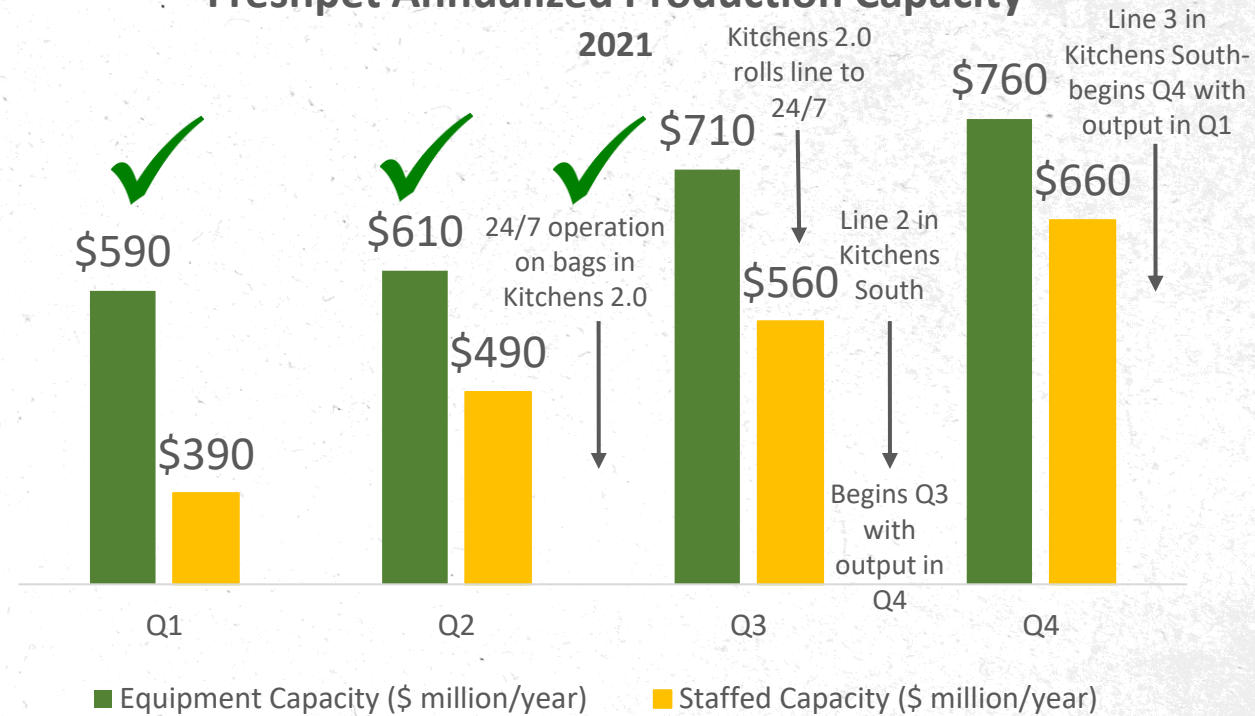
Production continues to run >40% ahead of YA and is accelerating – with August production +47% vs. YA and running at >\$525 million annualized run rate

2021 vs. 2020 Production Performance Comparison

Rolling 7-Day Average Pounds Produced



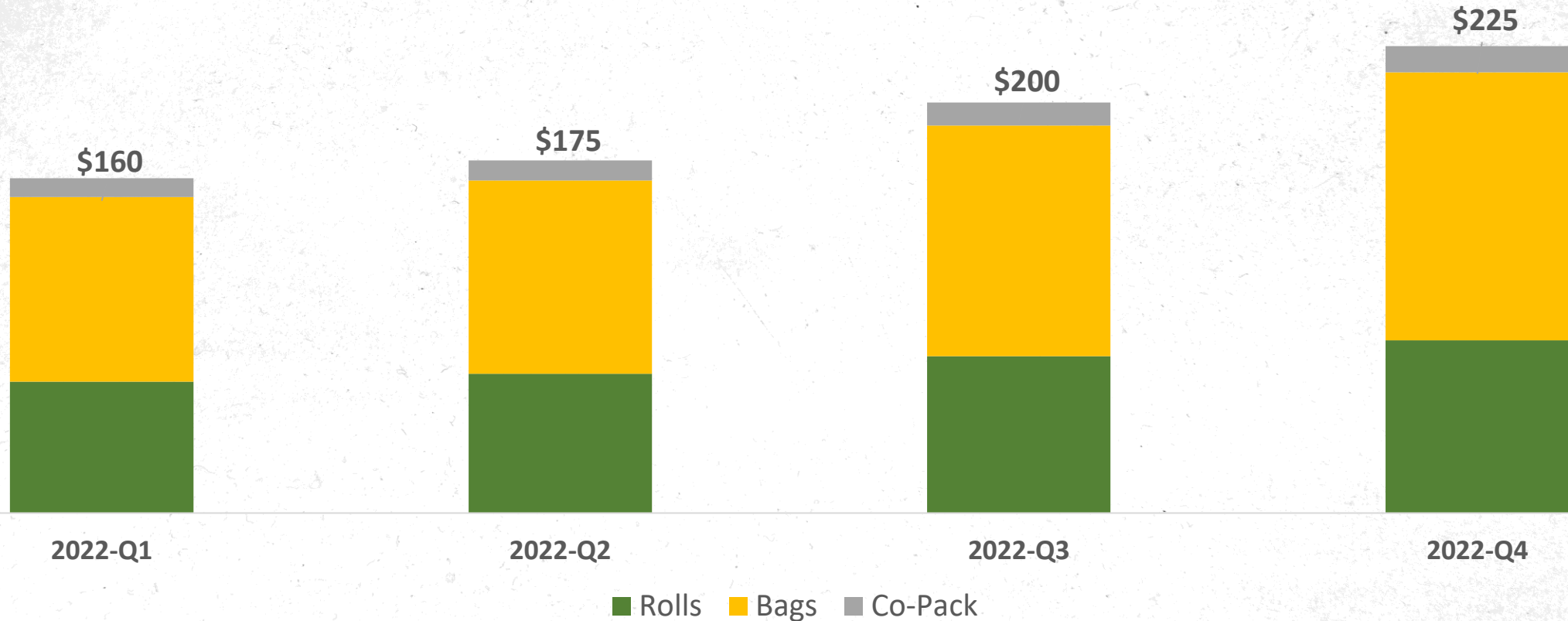
Freshpet Annualized Production Capacity



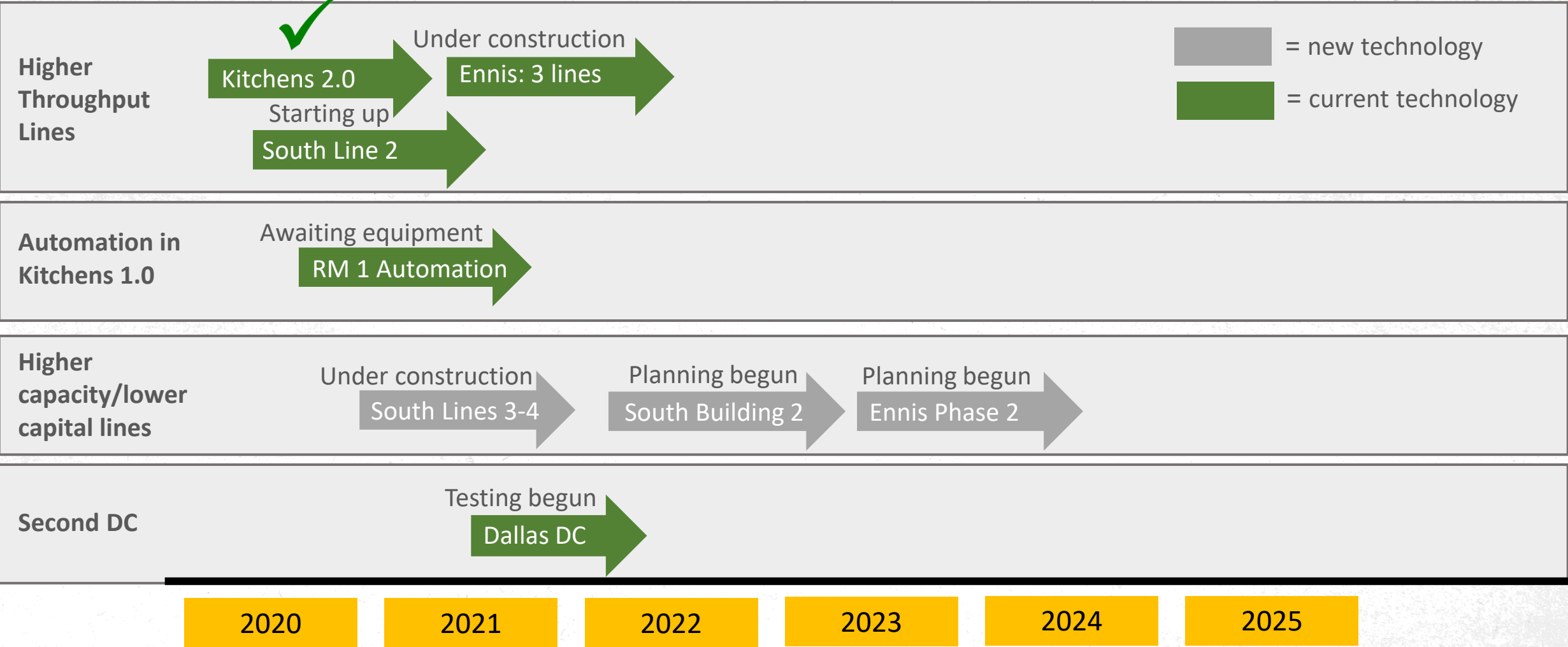
Ample capacity to support strong growth in 2022

Freshpet Estimated Capacity by Quarter: 2022

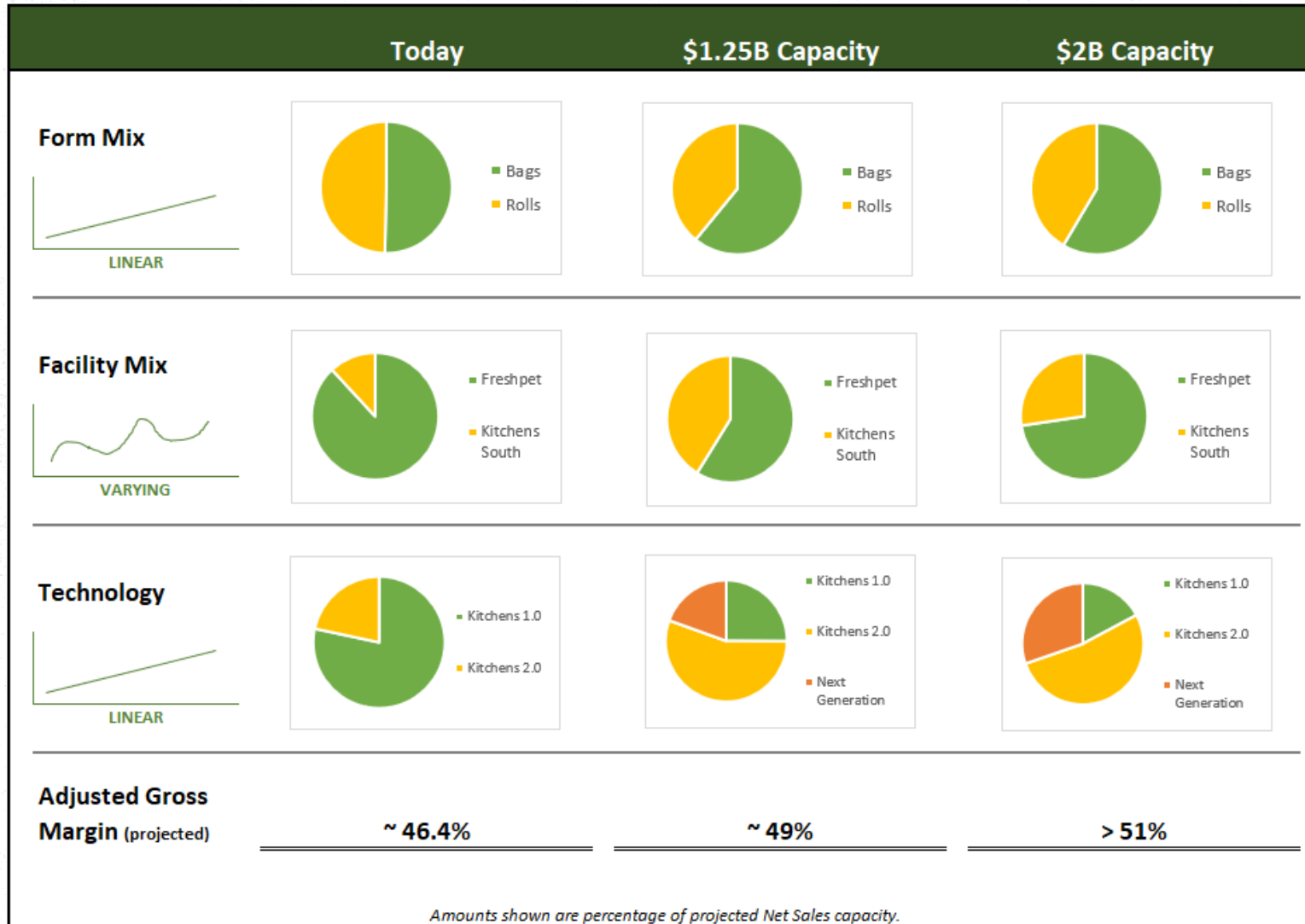
(\$ millions)



Investing in more efficient capacity

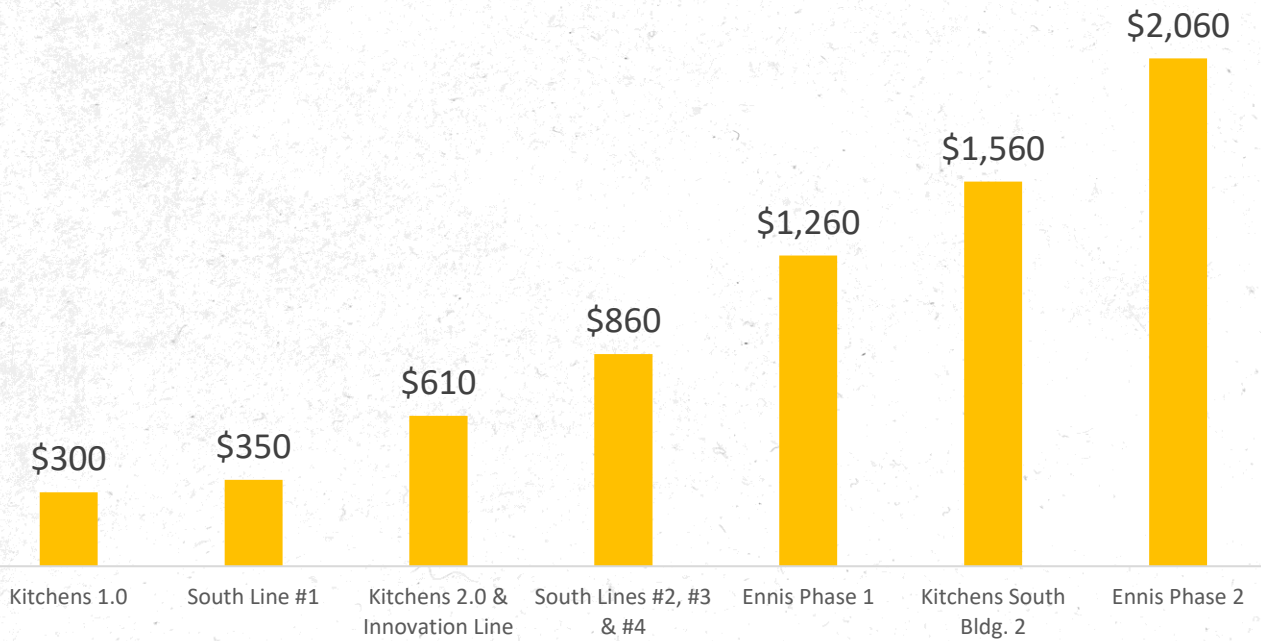


Manufacturing technology can drive margin improvement

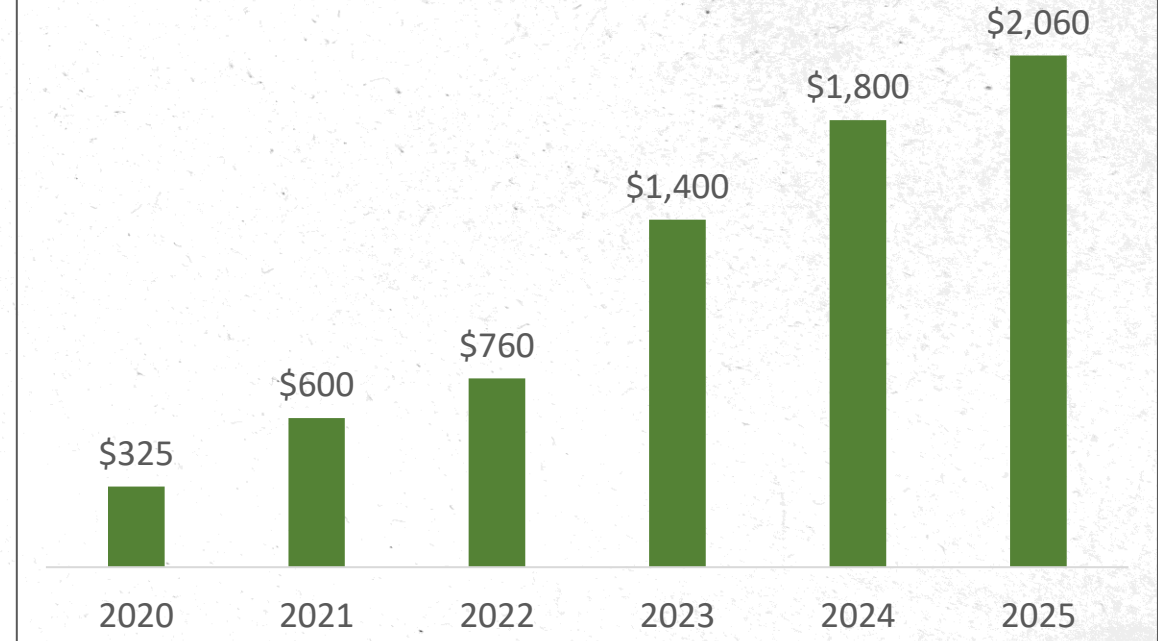


Building \$2 billion in net sales capacity

Freshpet Capacity Increases by Project (\$ millions)



Freshpet Capacity by Year (\$ millions)





freshpet®

FEED THE GROWTH

11 MILLION HH BY 2025





