

**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): November 6, 2019**

**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.

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**Item 7.01. Regulation FD Disclosure.**

On November 6, 2019, 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 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

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">November Investors Presentation dated November 2019</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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.

Date: November 6, 2019

By: /s/ Richard Kassar

Name: Richard Kassar

Title: Chief Financial Officer



Exhibit 99.1

## Investor Presentation: November 2019



# Safe Harbor

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## 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.





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, dogs' choices were really limited

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Dry Kibble



Canned  
Mystery Meat





# A totally different approach to nourishing our pets



# We Operate Differently

Delighting consumers with fresh food & our company ideology

PETS · PEOPLE · PLANET

## **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



# A Difficult Business to Replicate

## Differentiated

Innovative forms, technologies, and appearance



## Manufacturing

Proprietary technology, processes, and infrastructure



## High Brand Loyalty

Alignment with deep pet parent emotional motivations



## Supply Chain

Only refrigerated pet food network in North America



Technical Knowledge

Production Scale

Product Performance

Freshpet Franchise

Distribution Scale

Brand Equity

Fridge Placements

## Freshpet Fridge

Branded, company-owned real estate



Walmart

## Retailer Partners

Delivers benefits in traffic, frequency and retailer margins

petco

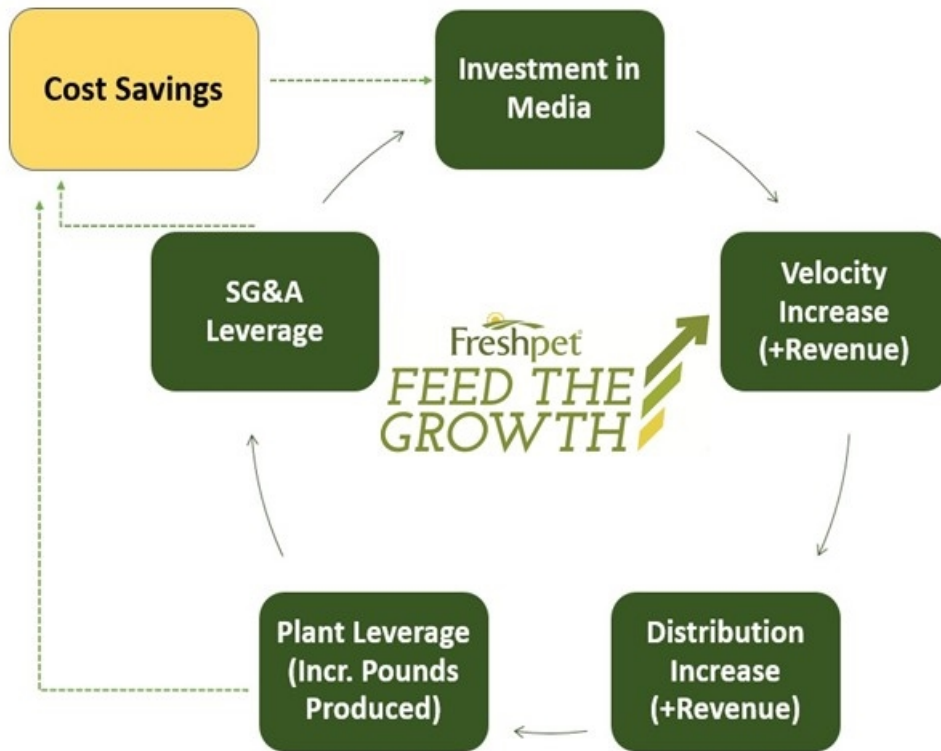
Kroger

WHOLE FOODS MARKET

TARGET



# In 2017, we launched our Feed the Growth strategic plan



## Delivered strong net sales growth and increasing scale benefits

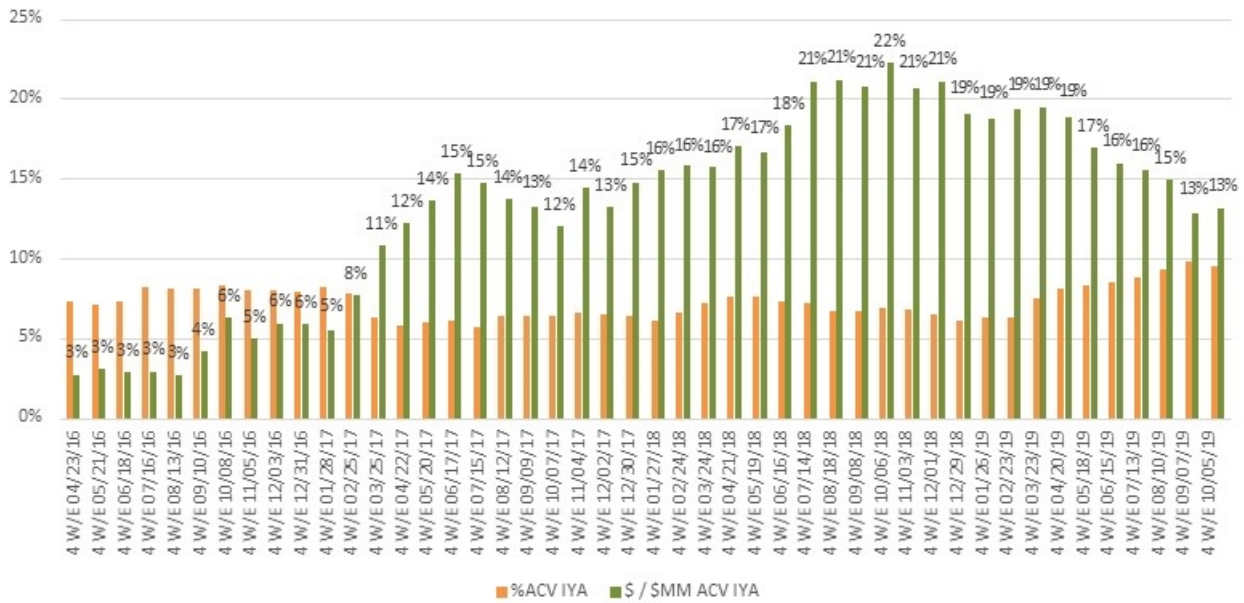
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Freshpet Financial Performance			
	2017	2018	2019 Guidance*
<b>Net Sales (\$ millions)</b>	<b>\$152.4</b>	<b>\$193.2</b>	<b>&gt;\$244</b>
<i>IYA</i>	(117)	(127)	(>126)
<b>Adj. EBITDA (\$ millions)</b>	<b>\$17.6</b>	<b>\$20.3</b>	<b>&gt;\$29</b>
<i>IYA</i>	(99)	(115)	(>143)

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

# Strong velocity gains driving accelerating distribution gains

Freshpet Distribution and Velocity Growth  
(Growth vs. YA)



Nielsen Mega-Channel for 4 week periods 4/23/16 through 10/5/19

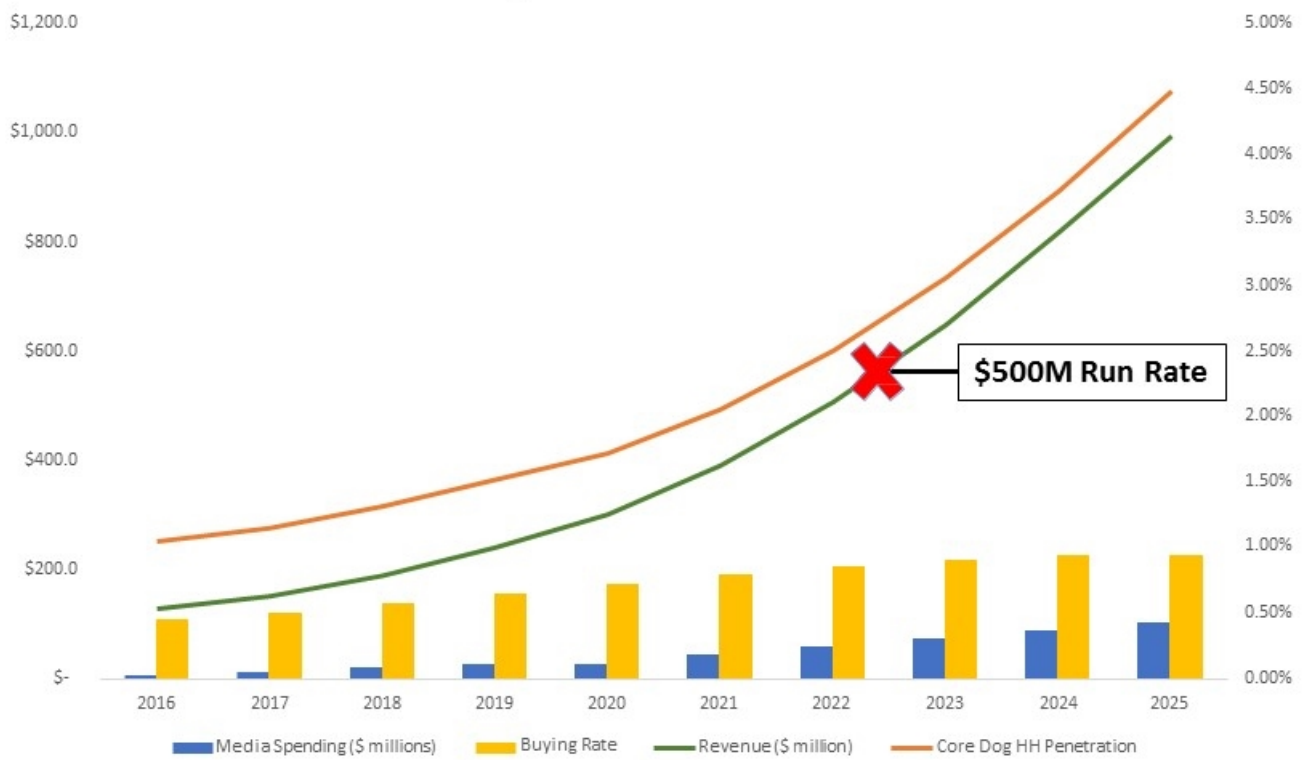
## Gaining SG&A leverage and reinvesting for growth

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Freshpet SG&A Leverage					
	FY 2016	FY 2017	FY 2018	9 Months Ended 2019	YTD 2019 vs. FY 2016 Change
Adj. SG&A % Excluding Media	31.2%	31.0%	28.5%	25.3%	+590 bps
Media %	6.3%	8.9%	11.1%	15.3%	-900 bps
<b>Total Adj. SG&amp;A %</b>	<b>37.5%</b>	<b>39.9%</b>	<b>39.7%</b>	<b>40.7%</b>	<b>-320 bps</b>

# With growth potential well beyond \$300M

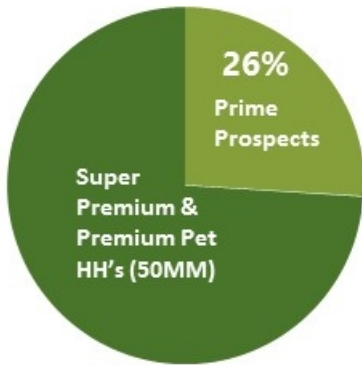
## Freshpet Growth Potential





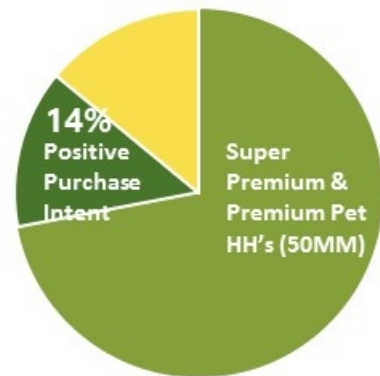
# Just scratching the surface of HH penetration potential . . .

## Prime Prospects



## With Top 2 Box Purchase Interest in Freshpet Concept

→ PP's with Positive Interest (53%) →



By 2025, there will be **7.5 million HH's** who have expressed top 2 box purchase interest in the Freshpet idea – and we have reached <2 million so far

# With international growth opportunities beyond 2020

Currently testing in:





## 2019 Q3 Results

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

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

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



# Continued strong consumption growth

## Nielsen Mega-Channel Consumption Growth



Nielsen measured \$ consumption for 4 week periods ending 10/5/19

## Strong growth across all classes of trade

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Freshpet Consumption Growth vs YA		
	Q3 2018	Q3 2019
Mega-Channel	+31%	+25%
XAOC	+33%	+29%
Food	+38%	+34%
Big Box Pet	+23%	+11%



Nielsen measured \$ consumption for 13 weeks ending 9/28/19 and 9/29/18 compared to the same period prior year

Growing 12+ pts. faster than category in all classes of trade

% Change vs YA by Class of Trade						
	Dog Food Wet+Dry (wo FRS/FRZ)			Freshpet Total RFG		
	\$ % Change YA			\$ % Change YA		
	L4 Wks	L13 Wks	L52 Wks	L4 Wks	L13 Wks	L52 Wks
Total xAOC+Pet+WFM	2.2	3.3	2.5	24.0	24.7	27.1
Total US xAOC	4.5	5.8	4.7	27.6	28.2	30.3
Total US Food	1.0	2.8	2.7	30.5	33.0	35.7
Big Box Pet	-3.9	-3.1	-3.3	9.3	10.8	14.8



Nielsen \$ Volume through 10/5/19 – Growth vs YA

# Freshpet 2019 growth priorities

## 1. Expand the Freshpet consumer franchise

- Increase HH penetration
- Expand buying rate

## 2. Strengthen Freshpet's retail presence

- Increase ACV and TDP's
- Upgrade Fridges
- Install 2<sup>nd</sup> Fridges

## 3. Strengthen Gross Margin/Adjusted EBITDA Margin

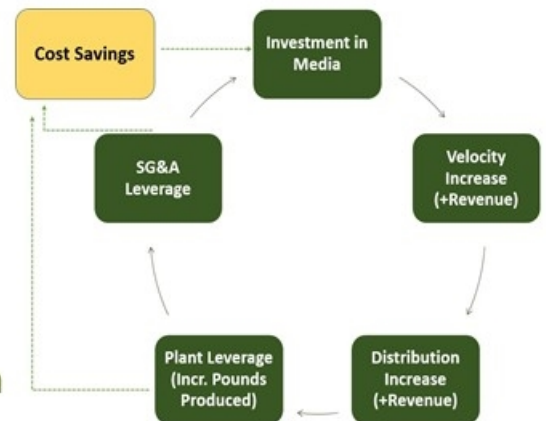
- Pricing
- Product Innovation
- Efficiency gains and capacity utilization
- Build more efficient capacity (Kitchens 2.0 start-up in 2020)
- Deliver SG&A absorption gains

## 4. Continue Measured Development in Canada and UK

- Modest investment to establish consumer foundation

## 5. Build Capability to Support Accelerated Longer-Term Capacity Expansion

- Invest in technical talent to enable more rapid and reliable capacity expansion and maximize its productivity





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

## Total Freshpet Buying Rate, Penetration and Repeat Rate



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

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

Core Dog HH Penetration, Repeat Rate and Buying Rate



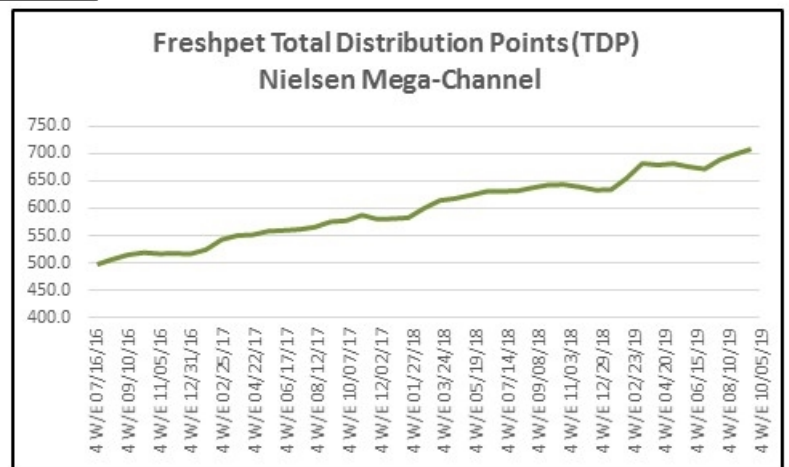
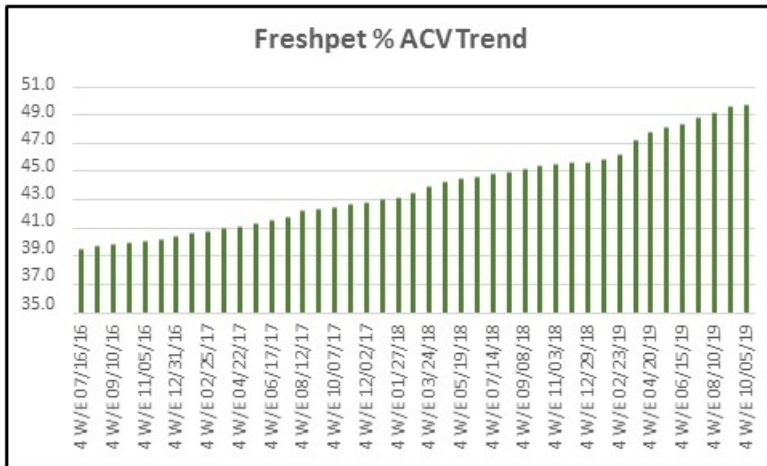
Nielsen HHPanel Data for 52 Week Periods ending September 2019; Buying Rate is internal calculation based on company sales data

# “Fresh First” is driving strong distribution gains

Freshpet Distribution Gains		
	Q3 2018	Q3 2019
<b>Store Count</b>	<b>19,107</b>	<b>20,779</b>
vs YA	+8%	+9%
<b>Upgraded Fridges (Cum.)</b>	<b>761</b>	<b>1,342</b>
YTD Increase	-	537
<b>2nd Fridges (Cum.)</b>	<b>NA</b>	<b>778</b>
<b>% ACV</b>	<b>45.1%</b>	<b>49.4%</b>
vs YA	+7%	+9%
<b>Total Distribution Points (Change vs YA)</b>	<b>+12%</b>	<b>+9%</b>



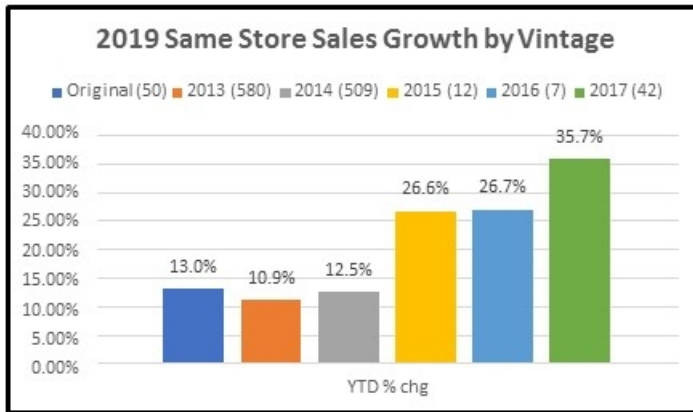
# Growing distribution (ACV) and depth (TDP) with room to grow



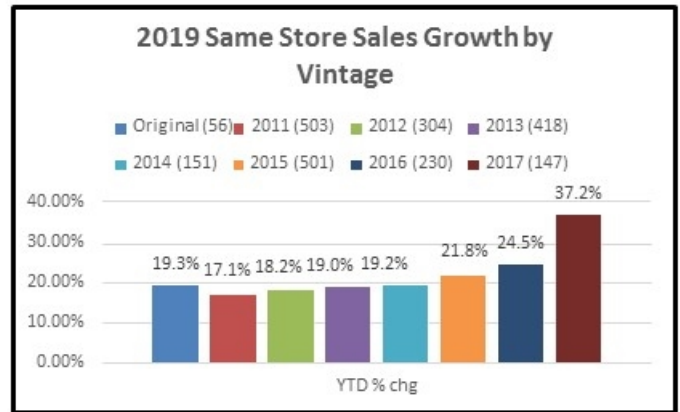
Nielsen Mega-Channel 4 week periods 7/16/16 through 10/5/19

# Strong velocity growth regardless of how long the fridge has been in place

## Customer A

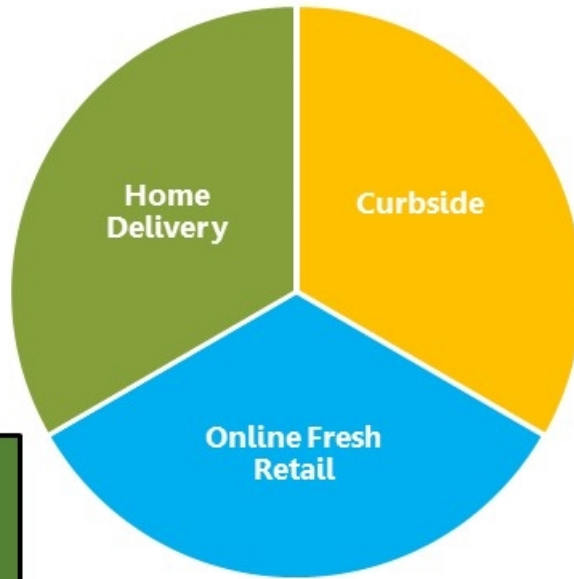


## Customer B



# Continued strong growth in fresh e-commerce

**Strategy:** Grow with winning players in fresh e-commerce



e-commerce sales grew +93% vs. YA to 2.5% of sales in Q3 2019

>85% of e-commerce sales utilize Freshpet Fridge



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

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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

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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
<b>Total Adj. SG&amp;A %</b>	<b>36.5%</b>	<b>31.4%</b>	<b>+510 bps</b>

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
<b>Total Adj. SG&amp;A %</b>	<b>42.7%</b>	<b>40.7%</b>	<b>+200 bps</b>



# Kitchens 2.0 construction underway; on track for Q3 2020 start-up





A fluffy white dog, possibly a Samoyed, is sitting in a field of tall green grass. The dog has its tongue out and is looking towards the camera. A speech bubble is positioned to the left of the dog's head, containing the text "Why haven't you bought any Freshpet yet????".

Why haven't you  
bought any  
Freshpet yet????

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## Appendix





freshpet<sup>®</sup>

**DIG  
DEEPER**

2019 Plan

# Expand the Freshpet consumer franchise

Increase US advertising investment to \$27 million (11+% of sales)

- More weeks
- Higher media weights

## TV



## Digital/Social



# Expand the Freshpet consumer franchise

## Innovation that attracts new users

### Homestyle Creations – Custom Dog Meals



freshpet  
**HOMESTYLE Creations**  
"CUSTOM DOG MEALS"

**NATURAL CHICKEN RECIPE**  
COMPLETE & BALANCED FOOD FOR ADULT DOGS  
FULLY COOKED & READY TO SERVE  
4 PATTIES

**11lb Chicken Patties**

**NATURAL BEEF RECIPE**  
COMPLETE & BALANCED FOOD FOR ADULT DOGS  
FULLY COOKED & READY TO SERVE  
4 PATTIES

**11lb Beef Patties**

**freshpet HEALTHY MIXERS**  
CRANBERRIES, CARROTS & GREEN BEANS  
4.5oz

**freshpet HEALTHY MIXERS**  
BROWN RICE, PUMPKIN, GREEN BEANS & CARROTS  
4.5oz

**freshpet HEALTHY MIXERS**  
BANANAS, CRANBERRIES & BLUEBERRIES  
4.5oz

**Bananas, Cranberries & Blueberries**

**Create Unlimited Combinations**



### Multi-Protein Roll



## Strong velocity growth is driving increased retailer interest

- Add 1500-1600 net new stores to 21,000+ (↑ACV by 7%)
- Upgrade another 500 Fridges (beyond 1000 committed in 2018)
- Install 800 second Fridges





# With aspirations to change the category forever

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Good



Better



Best



# Strengthen gross margin/adjusted EBITDA margin

Increase Adj. Gross Margin – largely in back half of the year – to 51+% by year-end

## Pricing

- Targeted bag items
- +2% pricing impact across total line
- Effective in mid-Q1



## Innovation

- Increase appeal of rolls
- Higher margin bag items
- Begins shipping end of Q1



## Manufacturing Efficiency

- Increase yield/throughput
- 24/7 on 2 lines in Jan. '19
- 24/3.5 on final line in Q2
- Break ground on Kitchens 2.0

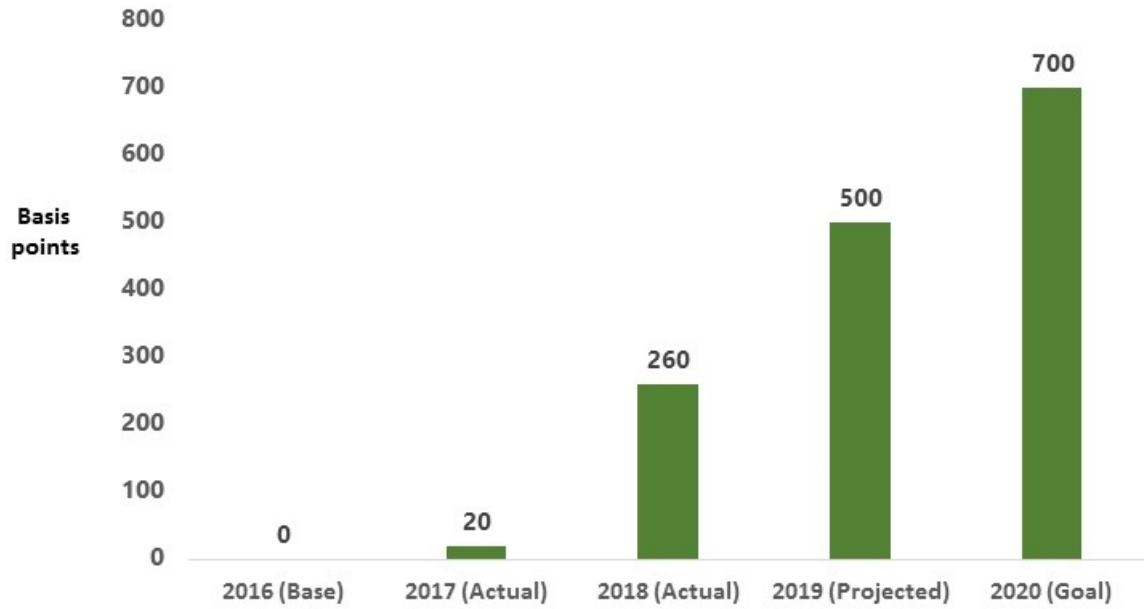
## SG&A Leverage

- Scale benefits in freight
- G&A growth significantly < sales growth

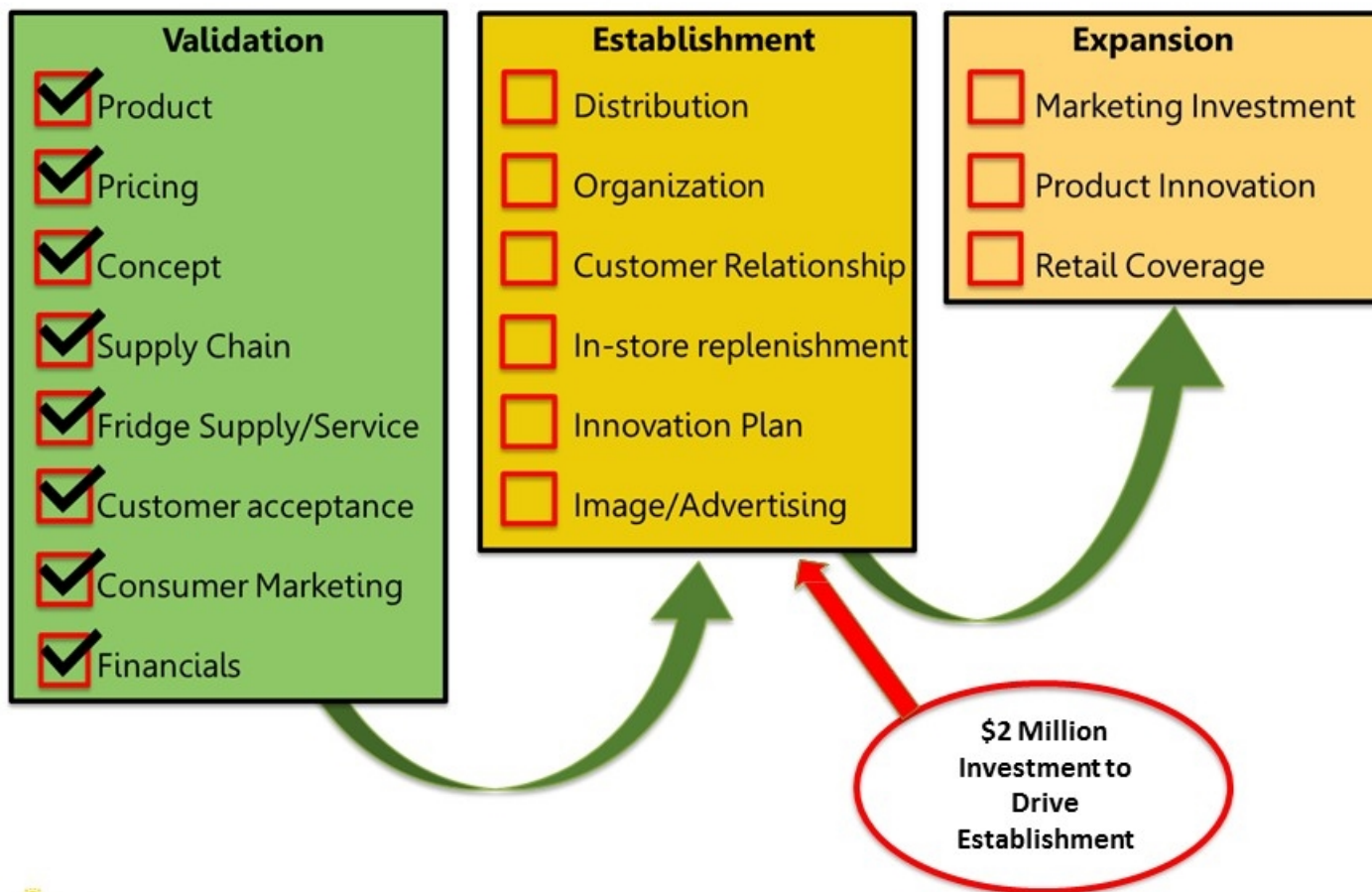
# Gaining leverage in SG&A

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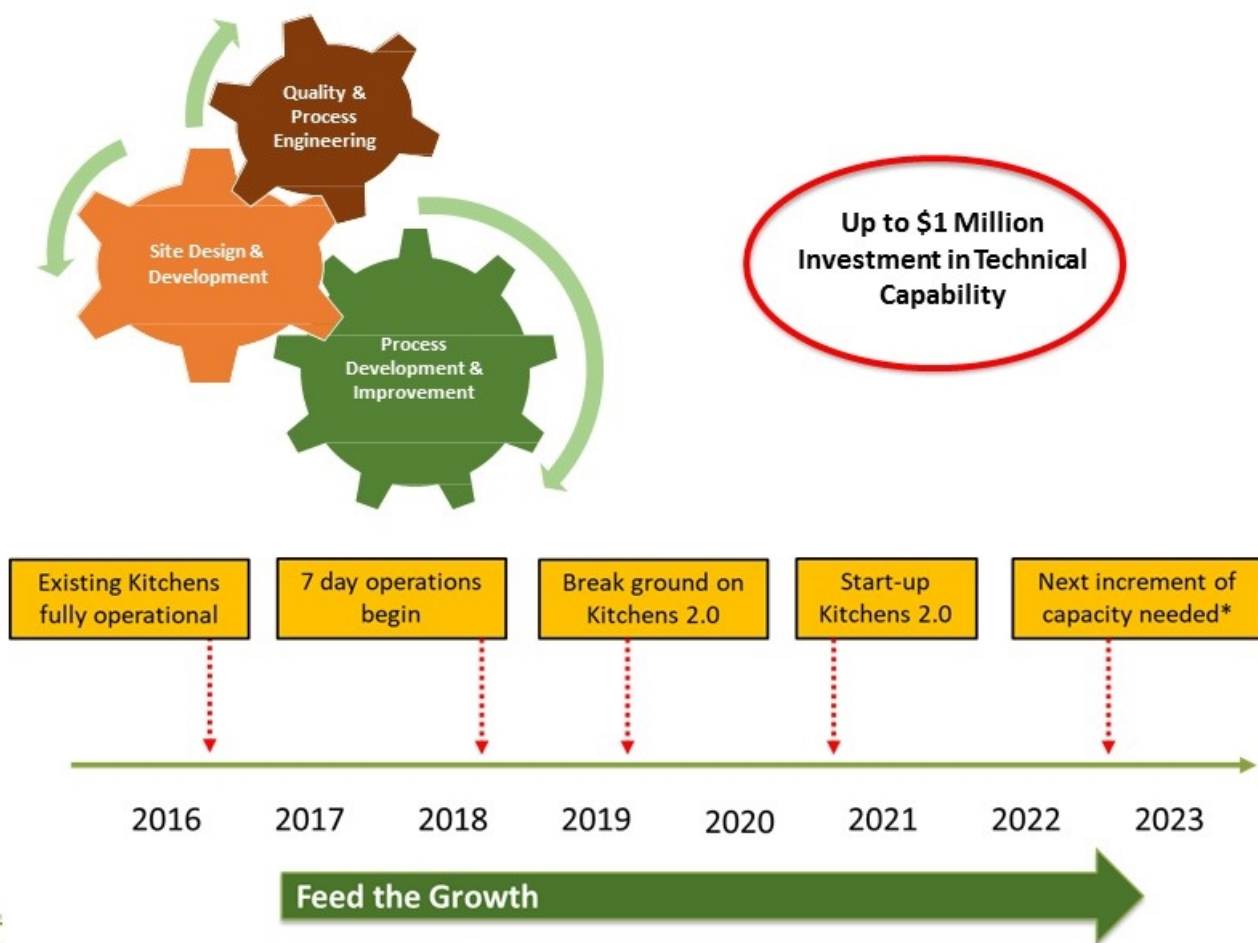
## Cumulative SG&A Leverage Progress



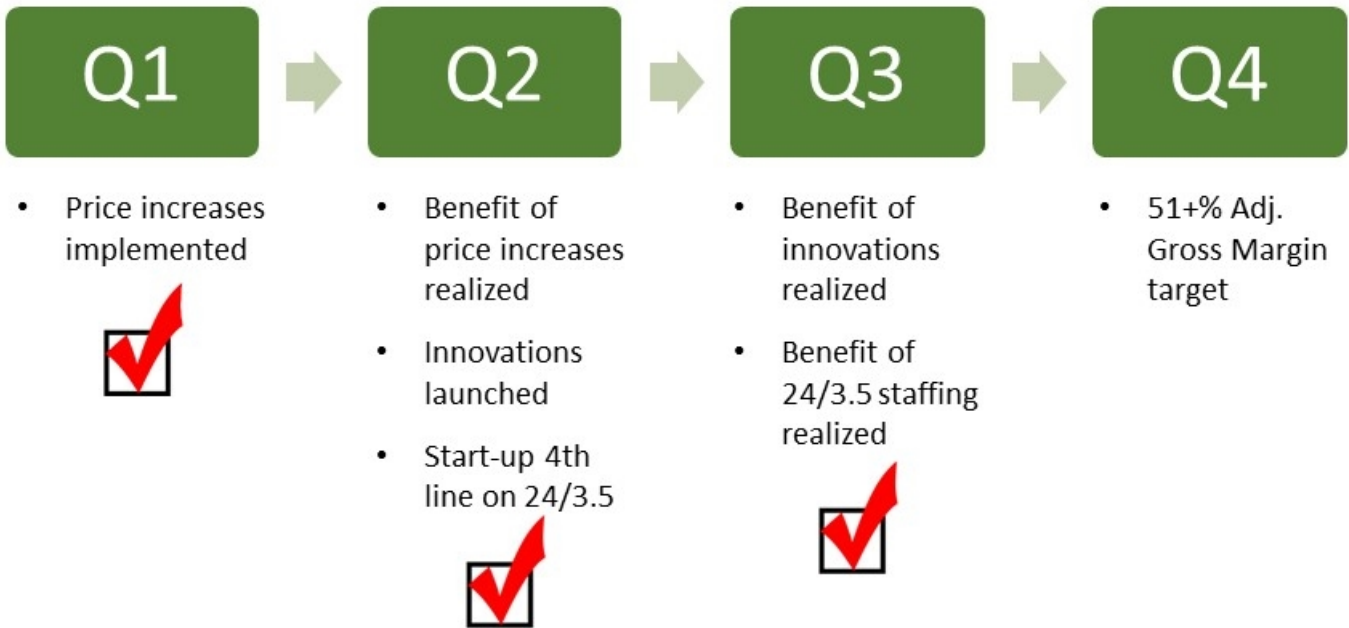
# Continue measured development in Canada & UK



# Build capability to support longer-term capacity expansion



# Fully implemented adjusted gross margin improvement plan



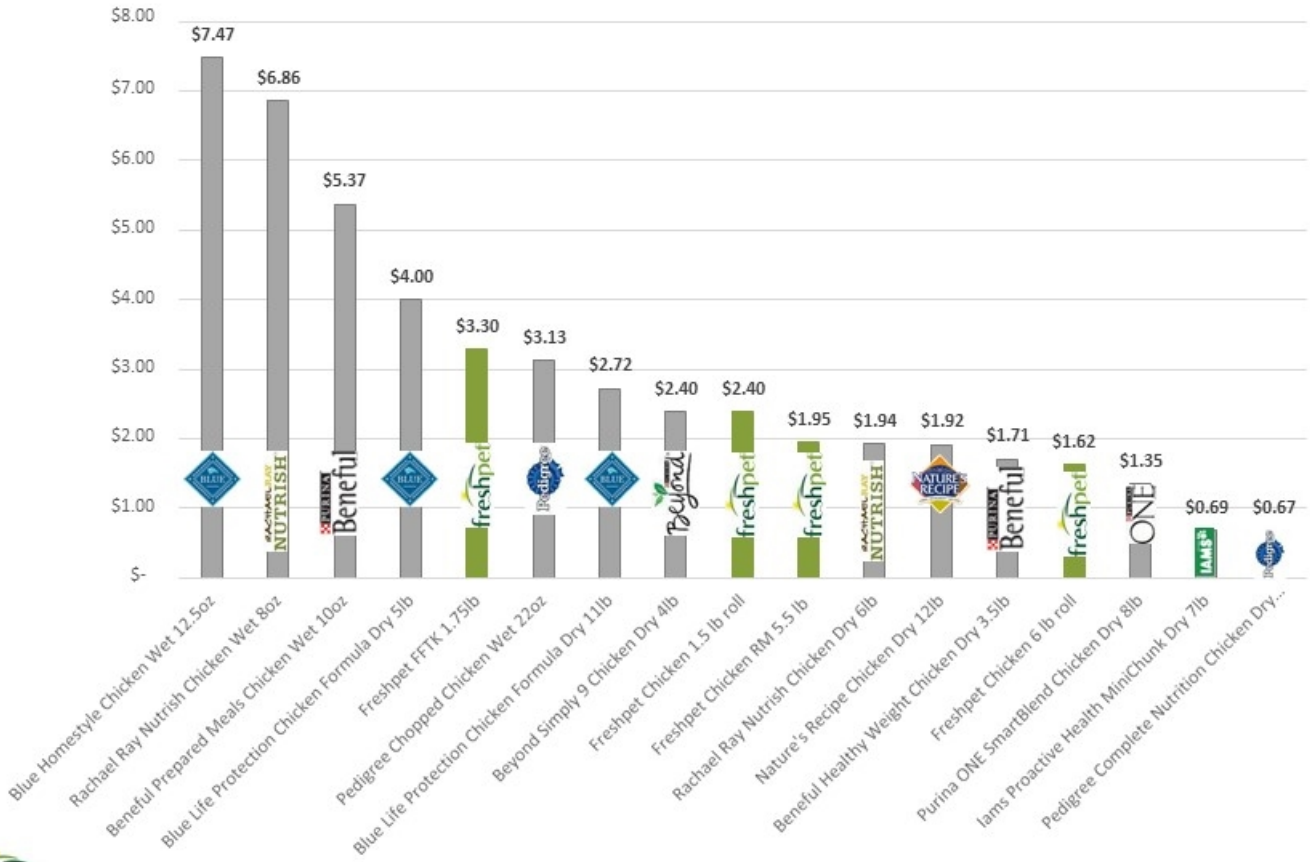


## Pricing and Business Model



# Cost to Feed – Grocery & Mass

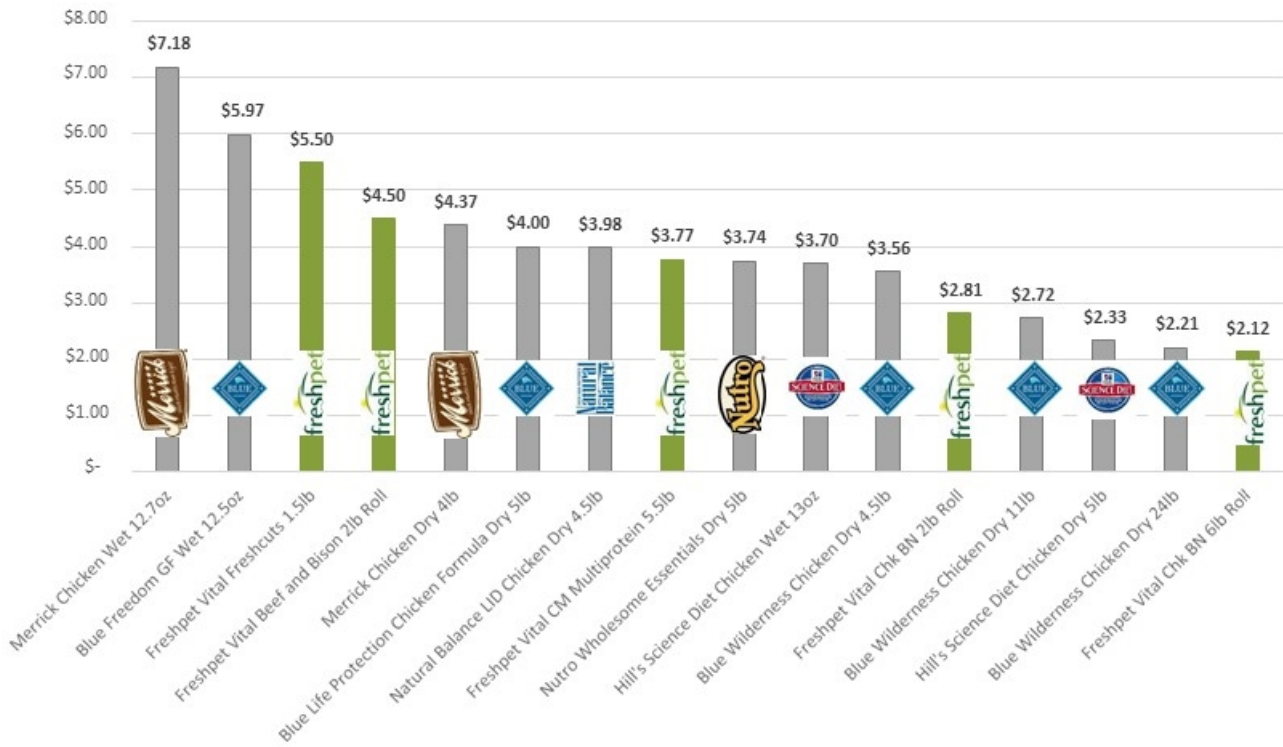
## Cost to Feed a 30lb Dog Daily





# Cost to Feed – Pet Specialty

## Cost to Feed a 30lb Dog Daily



# High Quality Products at Accessible Price Points

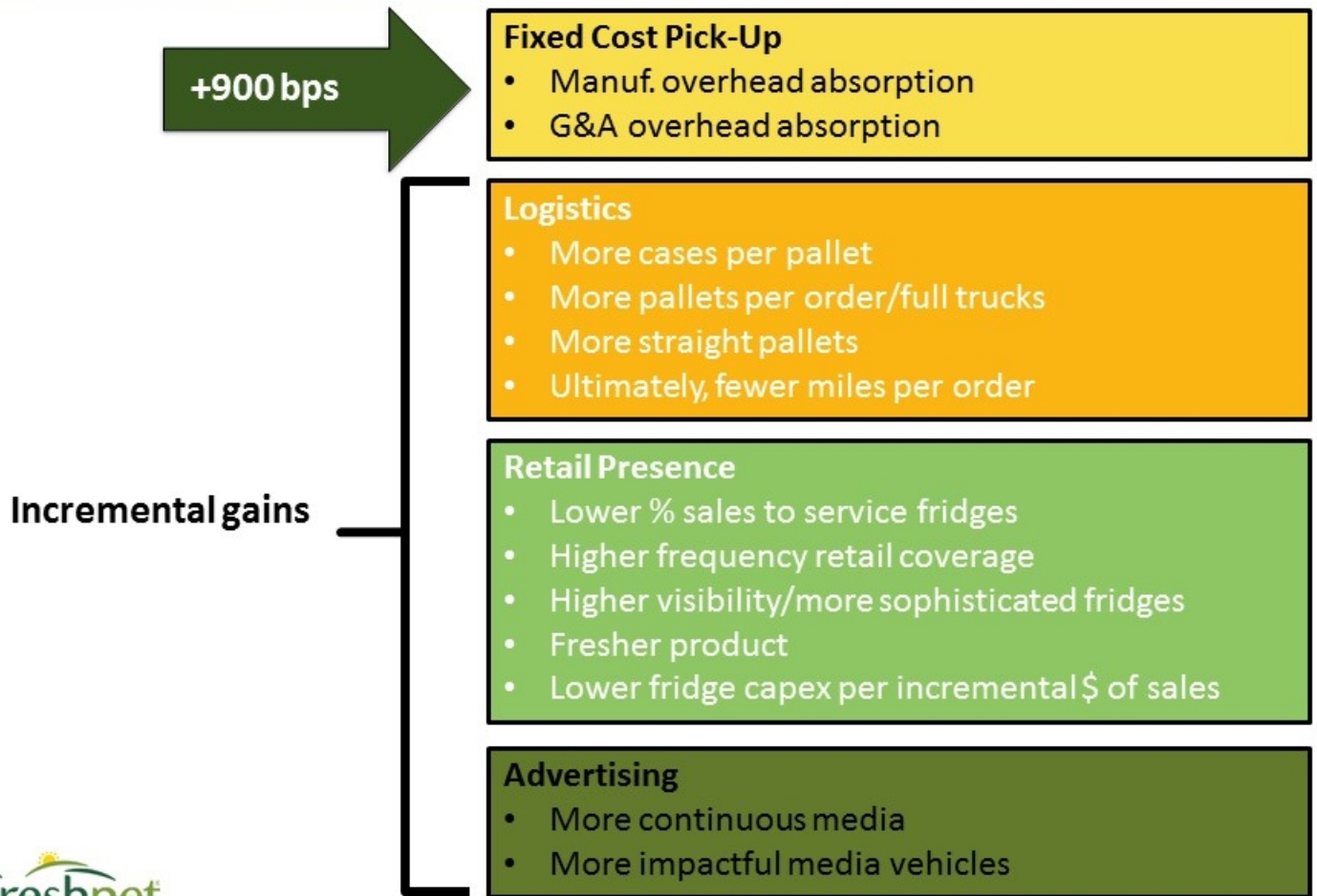


Medium-sized dog assumed to be 35 pounds. Price/day based on recommended serving sizes per brand.  
 Source: Prices are as of 4.29.19 on Chewy and Target.com.

# How We Service Our Customers



# Capturing significant benefits of scale and velocity



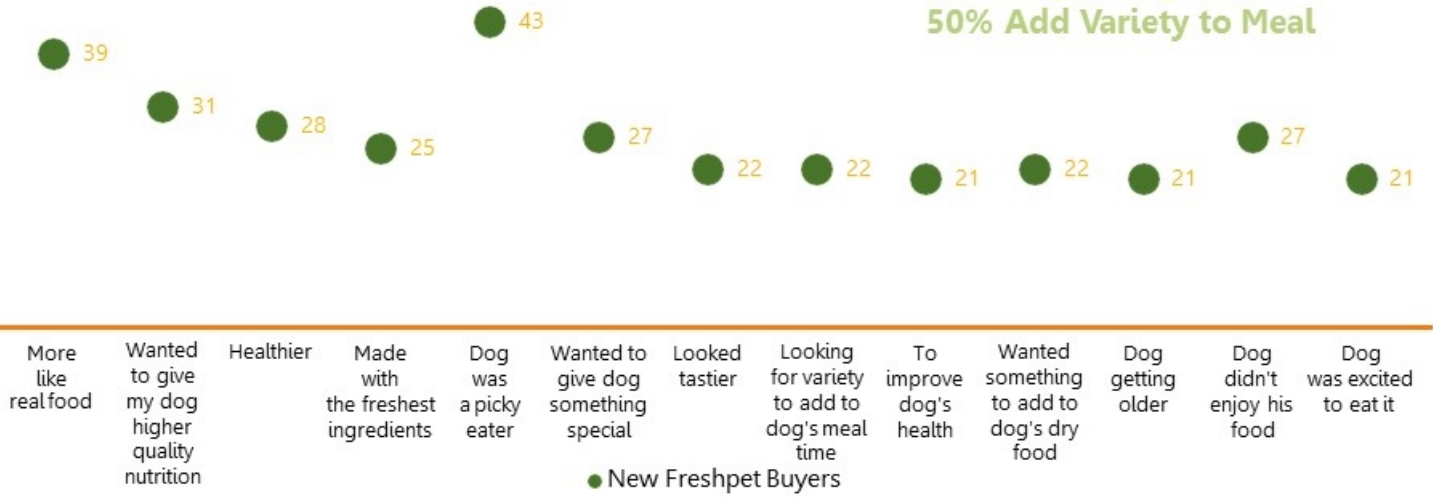


## APPENDIX: Consumer Dynamics



# Reasons to Start Buying Freshpet

80% Health  
70% Dog Eating Woes  
50% Add Variety to Meal

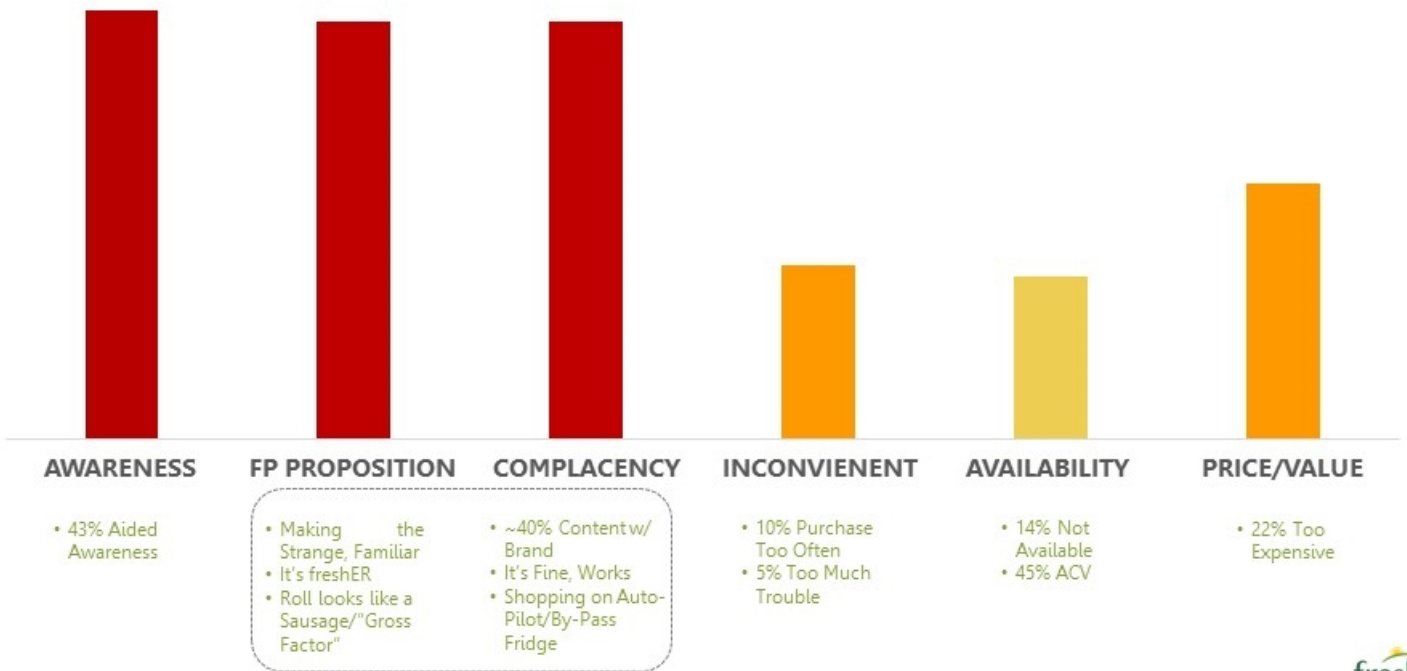


Source: Nielsen NLR Survey 2017, n=67. Why have you INSERT Q9 RESPONSE: started purchasing, purchased more of Freshpet in the past 12 months compared to the previous 12 months? Please select all that apply.  
Note: Top 13 responses shown



# 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

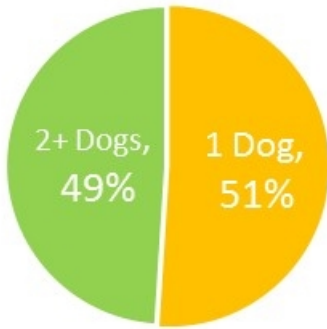


Source: Nielsen 2017 NLR Custom Survey; 2016 A&U, Nielsen Demos 2017, 2018 Mini A&U.

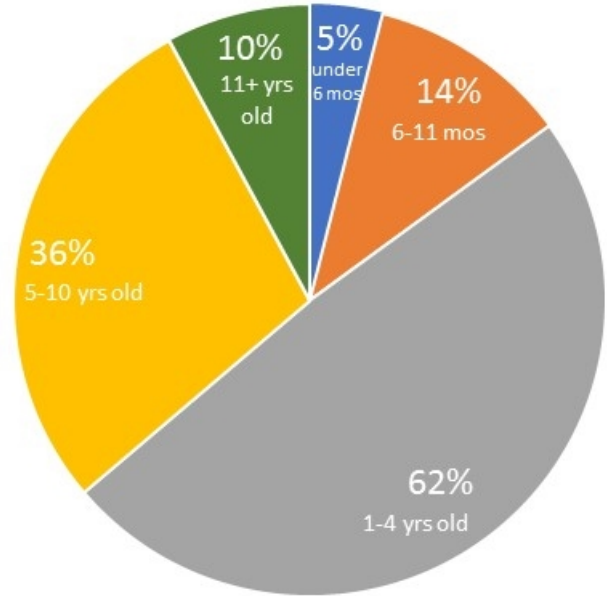


# Encouraging franchise longevity

### Freshpet Number of Dogs in HH

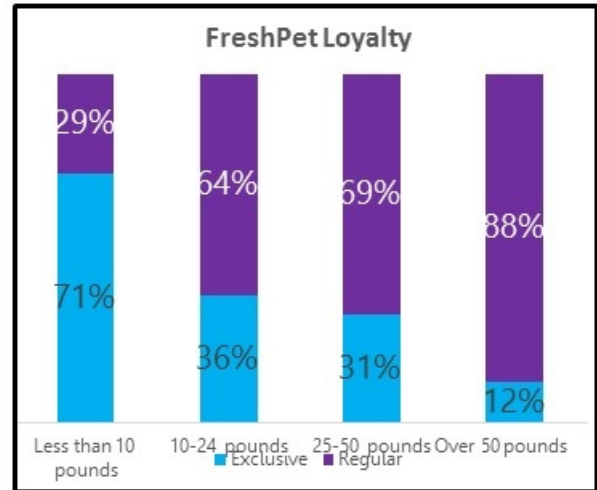
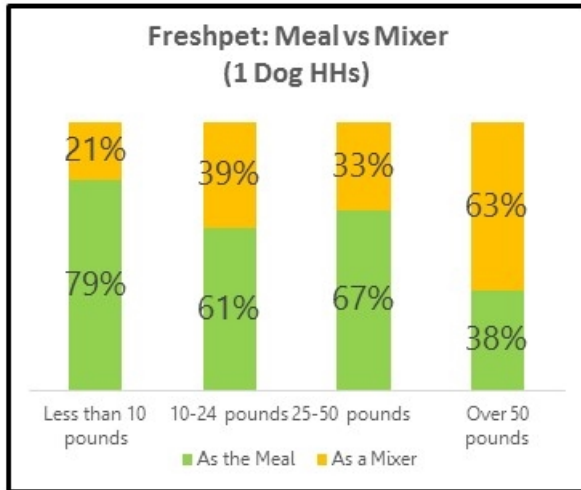


### Dog Age



Source: Visible Difference Survey, September 2018; 2016 FP A&U, green highlight notes statistical difference at least at 80% confidence level

# Freshpet feeding behavior by size of dog



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

# Freshpet pet parents notice a difference

Freshpet Pet Parents are significantly more likely to have experienced a visible difference in their dog(s)

## % Noticed a Visible Difference in Dog

	Freshpet Dog Food Feeders	Competitive Dog Food Feeders
	%	%
Yes	83	62
No	17	38

## Top-Two Box Percentages (i.e. Much/Somewhat Better)

	Freshpet Dog Food Feeders	Competitive Dog Food Feeders
	%	%
More Enthusiastic for Eating	74	50
Improved Appetite (Less of a Picky Eater)	73	48
Increased Energy Level	72	54
Shinier Coat	71	53
Happier	70	53
Better Stools	70	51
Fewer Upset Stomach Episodes	68	45
Healthier Skin	67	49
Fresher Breath (Less Stinky)	66	44
Improved Muscle Tone	66	43
Healthier Weight	64	45
Brighter Eyes	64	43
Less Flatulence	64	41
Alleviated Allergies	59	33
Less Tear Staining	54	34



Source: Visible Difference Study, Sept 2018. green highlight notes statistical difference at 95% confidence level.



## Appendix: Manufacturing



## Freshpet's Human-Quality Pet Food Facility in Bethlehem, PA



- 4 lines: 2 bag and 2 rolls
- Currently operating any 3 lines 7 days /24 hours per day
- Adding capability to run 4th line 24 hours /3.5 days per week
- By early next year, we will staff all 4 lines 7 days per week

Expanding our manufacturing advantage . . .



Quakertown

Kitchens

Kitchens  
2.0

Improving Safety, Quality, Value, Customer Delight



## By creating Freshpet Kitchens 2.0 . . .

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### Use automation to further improve:

- Quality
- Safety
- Cost



## Kitchens 2.0 plan will deliver . . .

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- **Efficient use of capital:** Payback at full capacity in <2 years
- **Strengthened manufacturing expertise advantage:** Increased automation delivers improved quality, safety and lower cost – improving gross margins
- **Continued focus on existing gross margin improvement goals:** We will not let Kitchens 2.0 work dilute our near term gross margin improvement efforts



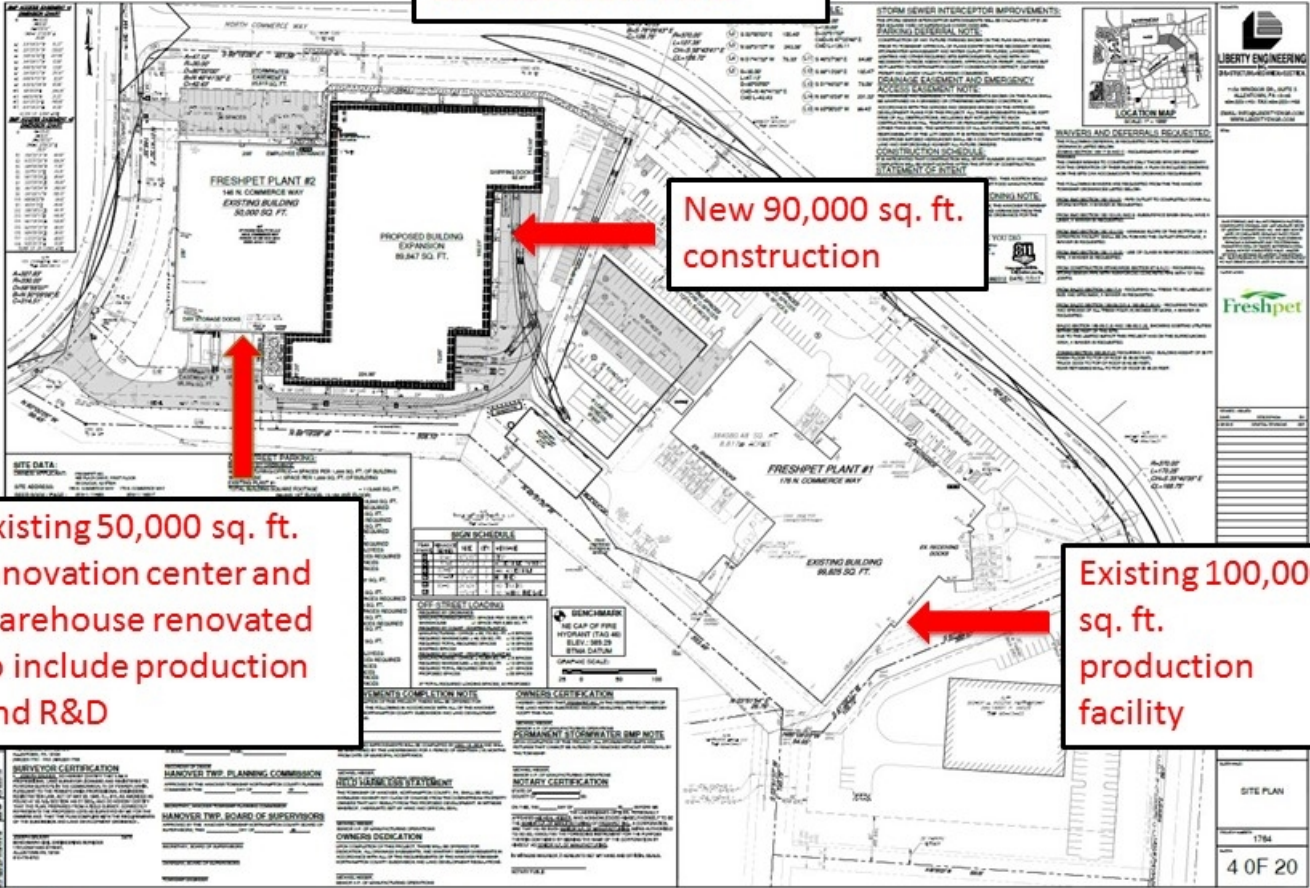
# Creating 2<sup>nd</sup> Production Facility on Site

Total site: 15.3 acres

New 90,000 sq. ft. construction

Existing 50,000 sq. ft. innovation center and warehouse renovated to include production and R&D

Existing 100,000 sq. ft. production facility



# Continuing Commitment to the Environment

- ▶ 100% landfill free
- ▶ 100% wind energy
- ▶ Rain water will be collected and used for lawn and landscape irrigation



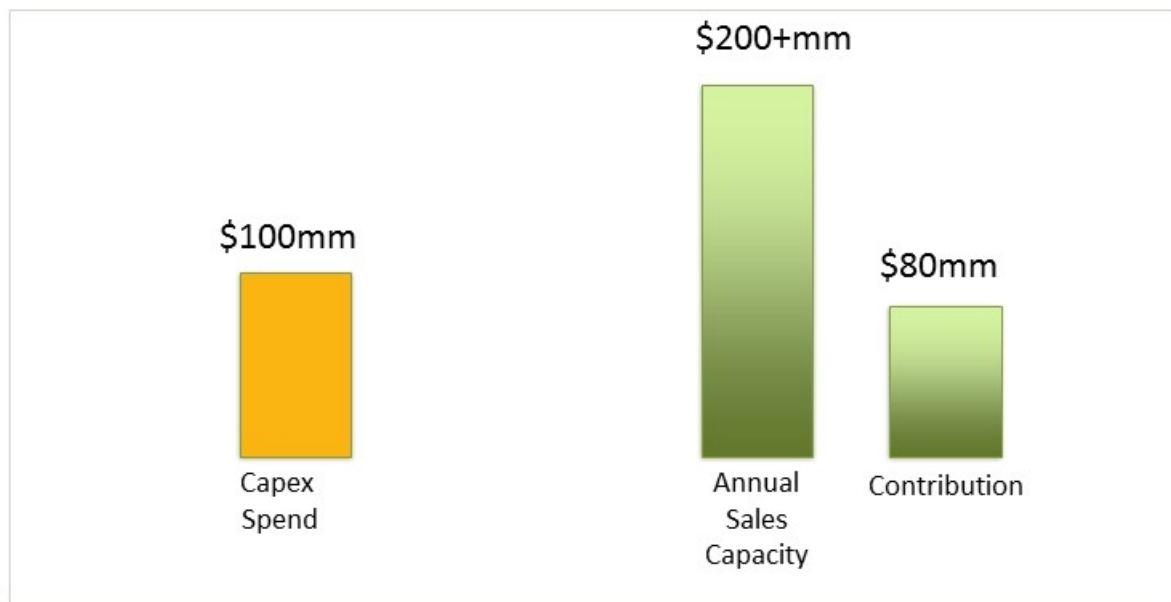
## GOOD STEWARDS OF THE ENVIRONMENT

At Freshpet, we're always looking for ways to minimize our impact on the environment wherever we can. We're devoted to running our operations in a sustainable and efficient manner by utilizing 100% wind energy and minimizing waste and materials to become 100% landfill free at the Freshpet Kitchens. We're also reducing energy consumption with Smart Way Transport and energy-efficient fridges



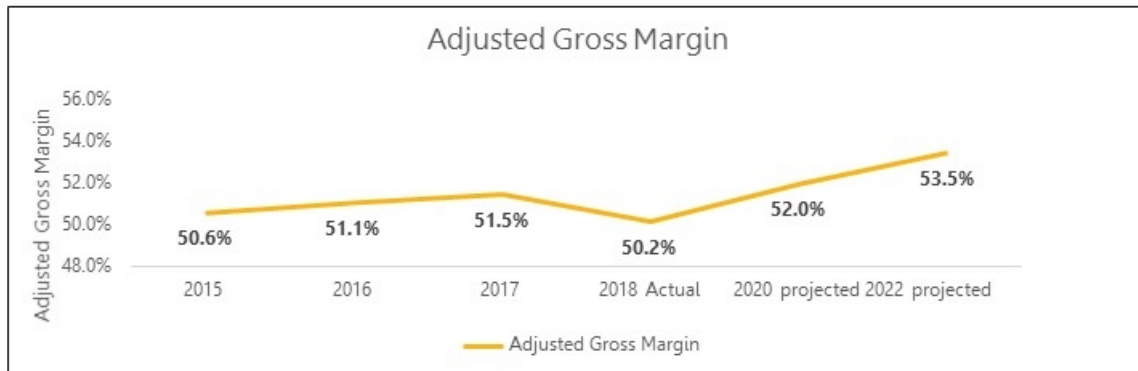
## Freshpet Kitchens 2.0 Investment

- Incremental volume will flow through at a 40% contribution rate
- At full capacity payback is less than two years.



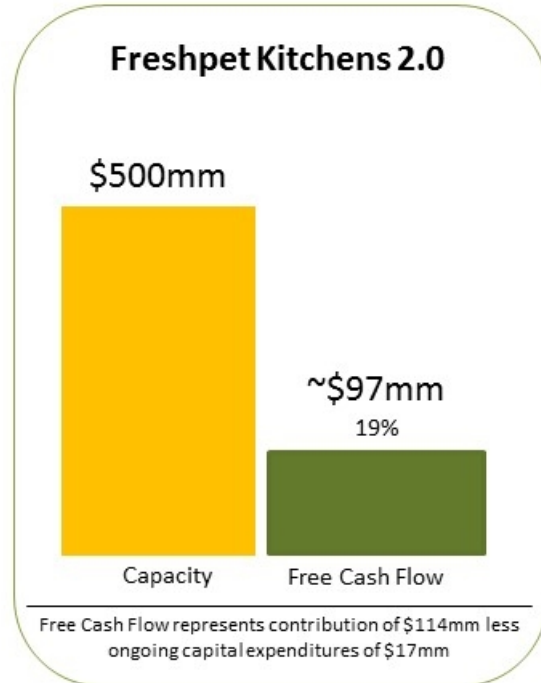
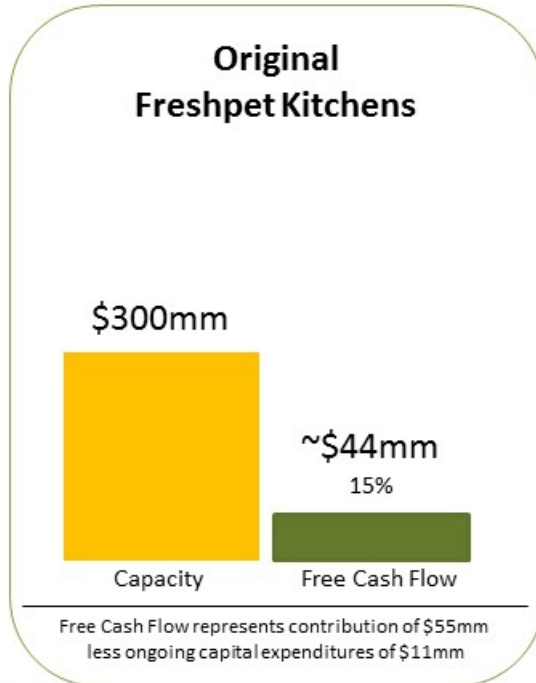
## Freshpet Kitchens 2.0 Adjusted Gross Margin Growth

- Safety, quality, and productivity enhancements will improve adjusted gross margin by 100 basis points, with an additional 50 basis points due to scale



# Freshpet Kitchens 2.0 Contribution to FCF

As we continue to leverage our infrastructure we expect to reap the benefits of scale with our Free Cash Flow\* increasing by 4%.



\*Free cash flow excludes capital for capacity expansion

## Freshpet Kitchens 2.0 - Recap

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- **Cost:** \$100mm plus or minus 5%
- **Financing:** Replace our existing \$30mm credit line with a \$90mm line in Q2 19
- **Leverage:** Will not exceed 2.5x Adj EBITDA
- **Pay Off:** We expect to pay off the credit line by 2022
- **Capacity:** Net Sales capacity increases \$200mm+ to \$500mm+
- **Payout:** At full capacity payout is less than 15 months



# Timeline

