



ICR Conference Presentation: January 2018

bringing the *power*
of *fresh* food to *pets*

Freshpet

- SWEET CORN
- CUT FLOWERS
- PEPPERS
- BROCCOLI
- ZUCCHINI
- CUCUMBERS

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.

Who Is Freshpet?

- A disruptive innovation in a huge and growing industry
- A socially responsible, pet health-centric brand built around the contemporary consumer
- We are redefining what good pet food is in ways that are intuitive to consumers
- We deliver a value proposition relevant to the average consumer and every class of pet retailer
- We have a scalable and very difficult to replicate business model



Freshpet Lives at the Intersection of Two Very Powerful Macro-Trends in CPG

Humanization
of
Pets



Fresh,
Wholesome,
All-Natural
Foods

We Operate Differently

Delighting consumers with fresh food & our company ideology

PETS · PEOPLE · PLANET

**Environmentally
Focused**



**Community &
Consumer Engagement**



**Employee
Engagement**



A Difficult Business to Replicate

Differentiated

Innovative forms, technologies, and appearance



Manufacturing

Proprietary technology, processes, and infrastructure



Supply Chain

Only refrigerated pet food network in North America



High Brand Loyalty

Alignment with deep pet parent emotional motivations



Retailer Partners

Delivers benefits in traffic, frequency and retailer margins



Freshpet Fridge

Branded, company-owned real estate

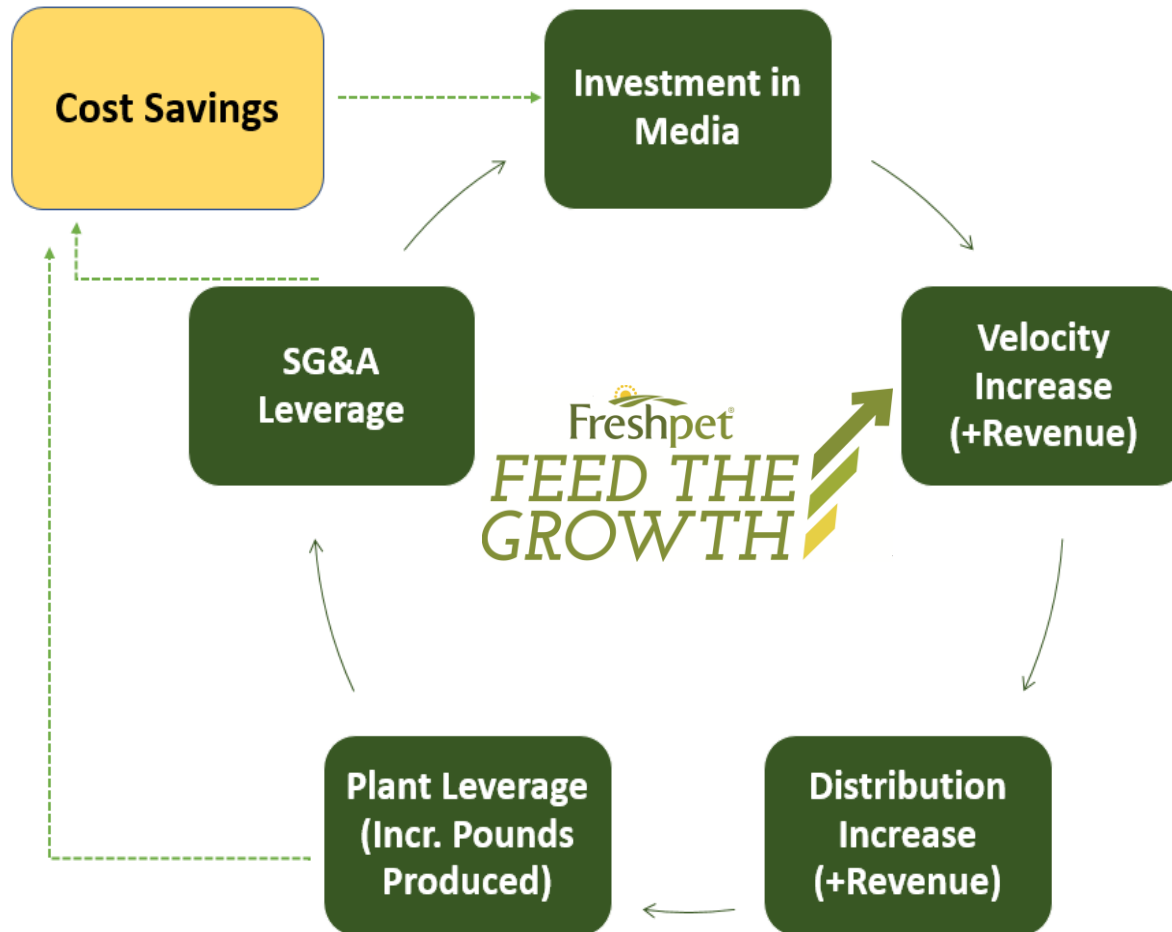


With Growth Potential in Fresh E-Commerce

Strategy: Grow with winning players in fresh e-commerce



In 2017, we launched our new strategy . . .



The essence of our strategic bet in 2017

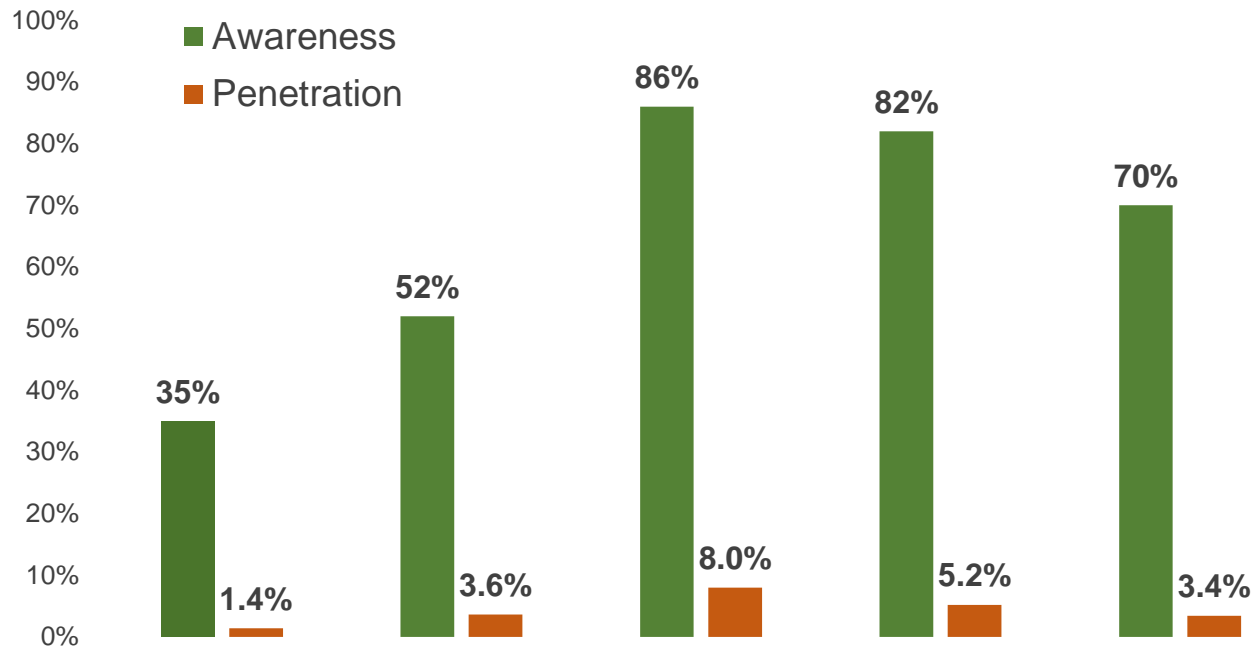
71% Repurchase
Rate

The best product nobody heard of . . .

35% Awareness

1.4% Penetration

Well below our competitors . . .

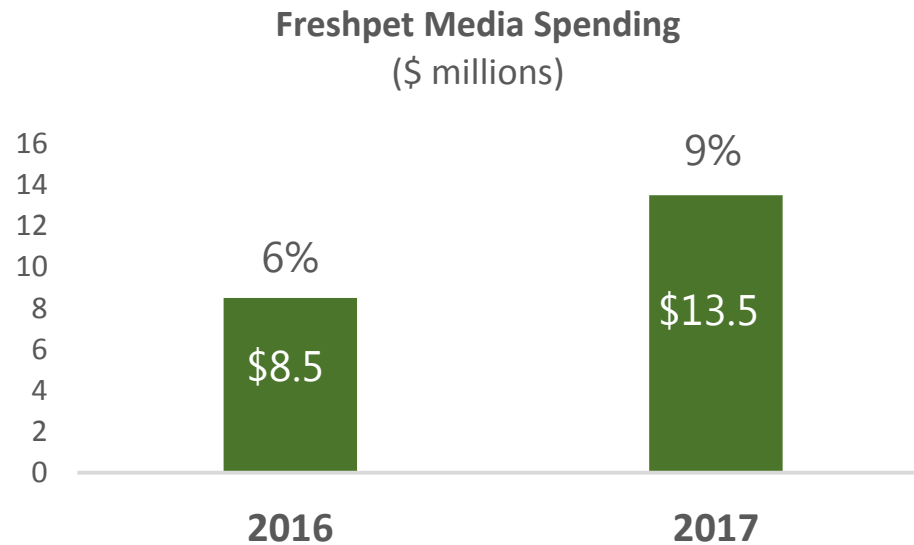


	Freshpet	Rachel Ray	Blue Buffalo	Purina ONE	Cesar
Awareness (Aided)	35%	52%	86%	82%	70%
Penetration	1.4%	3.6% (dry)	~8% (est)	5.2% (dry)	3.4% (wet)



We increased our advertising investment . . .

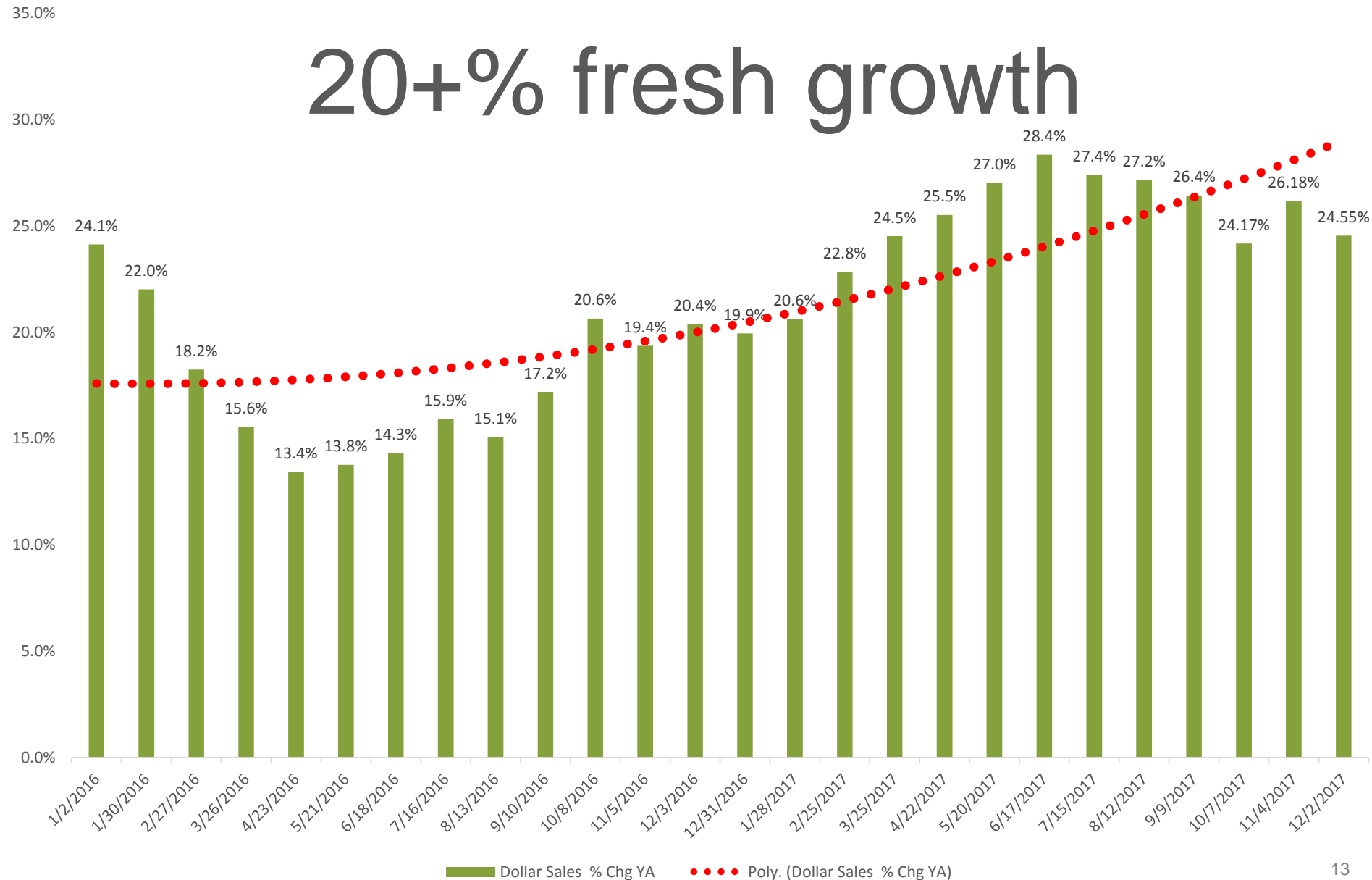
+60% media spending



% = percent of sales

And the growth accelerated

20+% fresh growth



The media delivered an attractive financial return. . .

90% pay back

(about 13 months to get our money back – and accelerating)

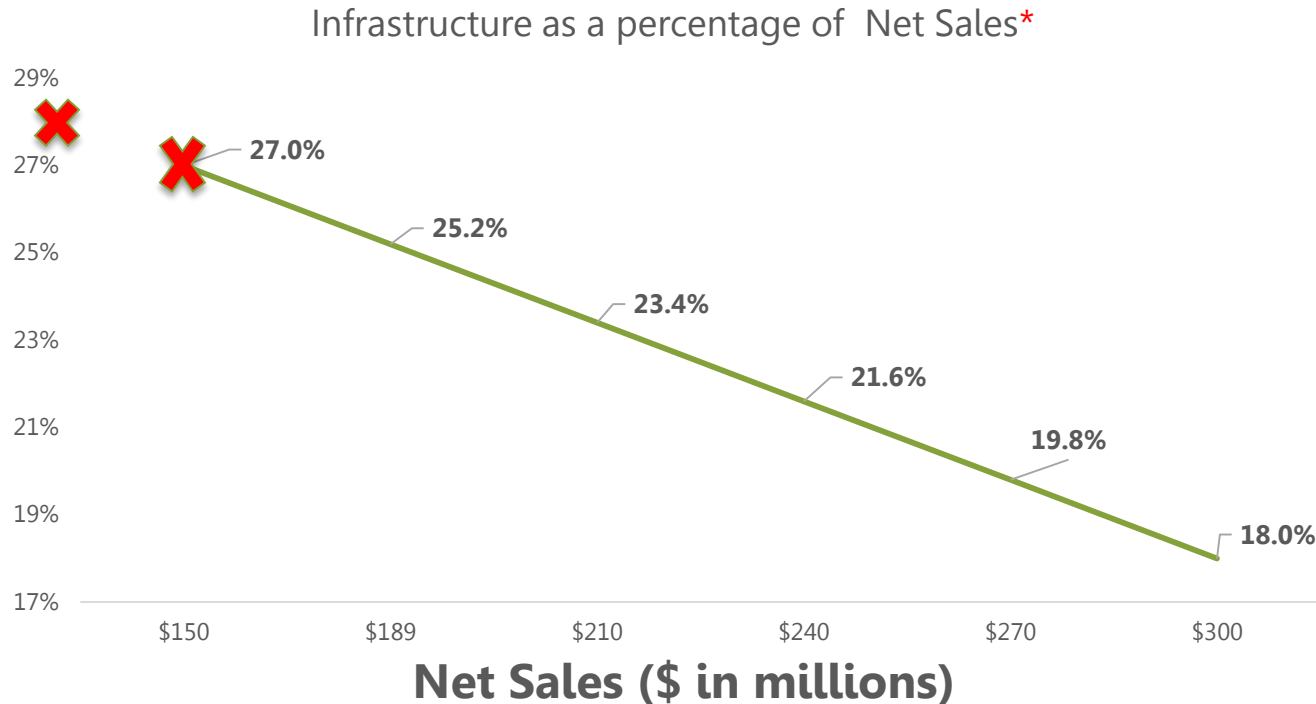
Increased awareness and penetration . . .

40% Awareness
(+5 points)

1.8% Penetration
(+0.4 points)

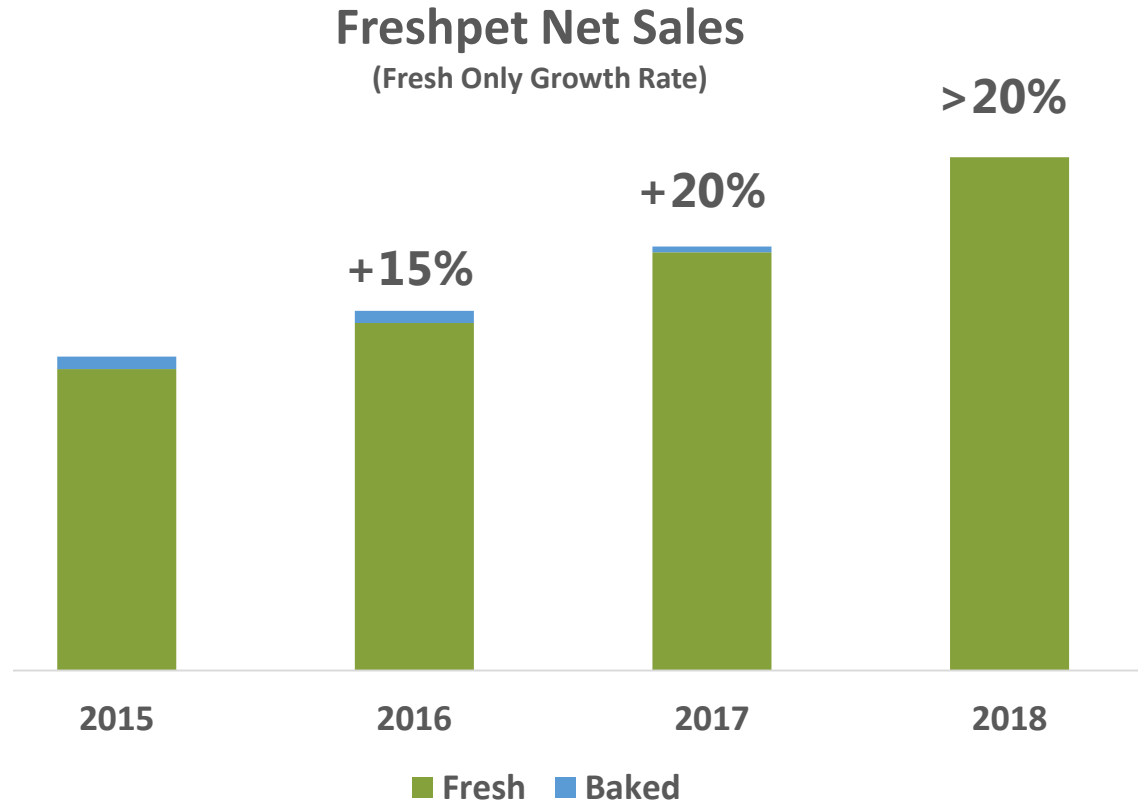
Which helped Freshpet grow into its scale in 2017. . .

100 bps reduction YTD



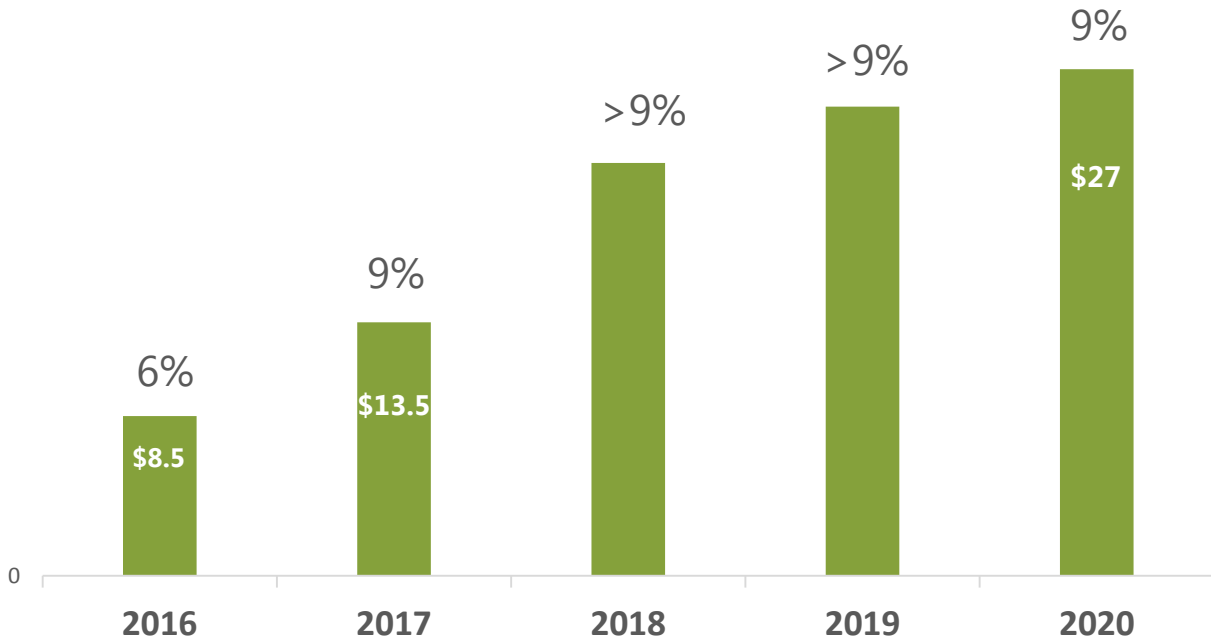
* - Leverage adjusted to projected inflationary growth of infrastructure

In 2018, we will accelerate fresh growth. . .



By increasing media investment to further drive penetration

Freshpet Media Spending (\$ Million)

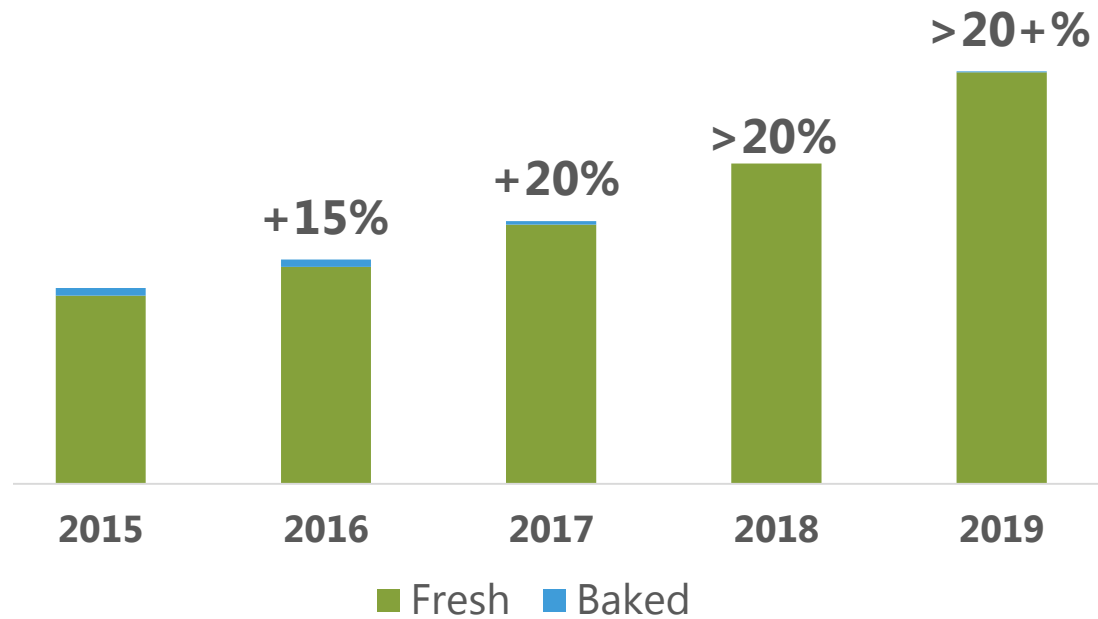


% = percent of sales

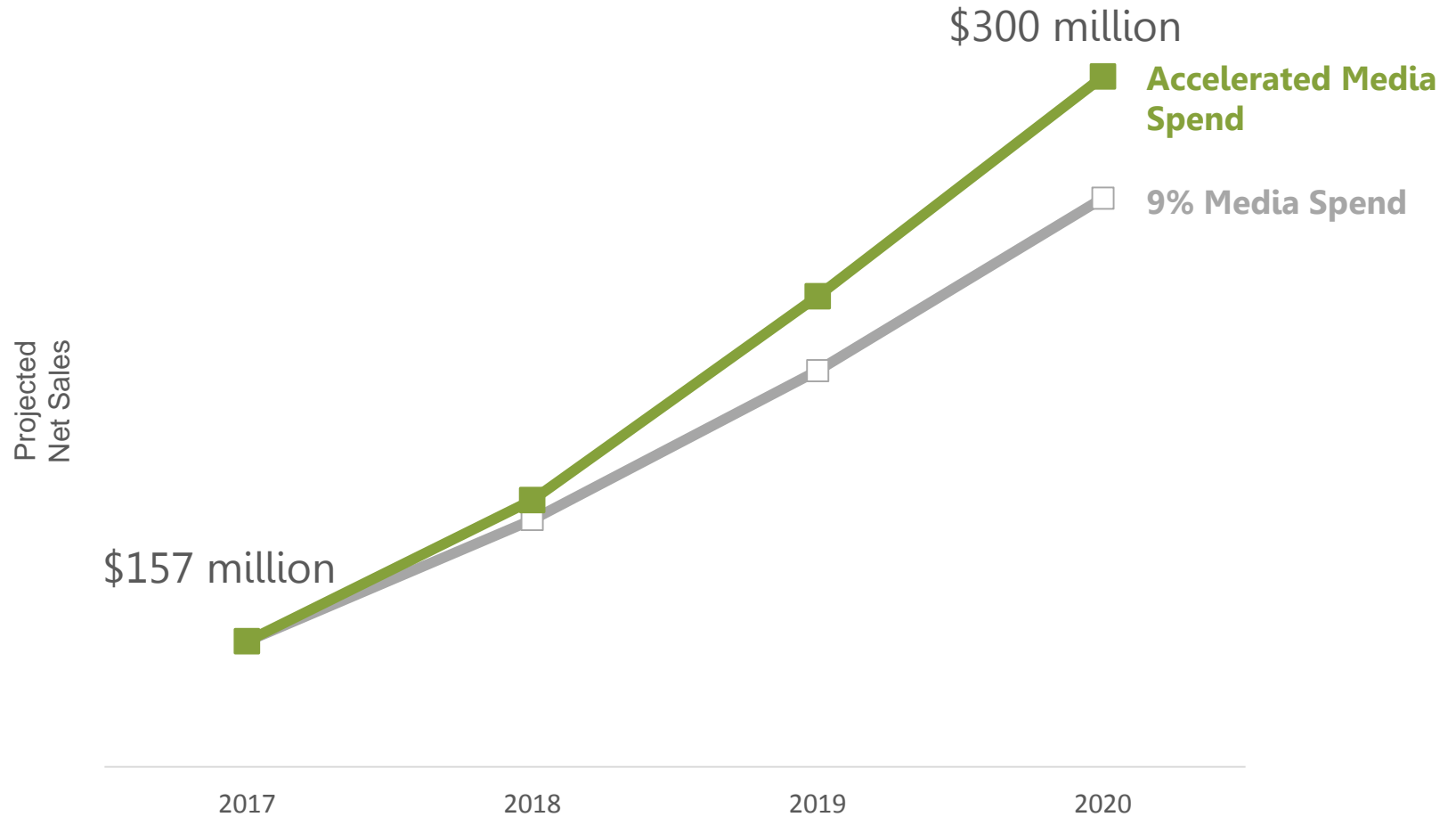


That will deliver even stronger growth in 2019. . .

Freshpet Net Sales



Putting Freshpet well on its way to our \$300 million goal . . .



While driving both *distribution and velocity* . . .

Distribution Drivers

- More stores
- Right stores

Significant White Space

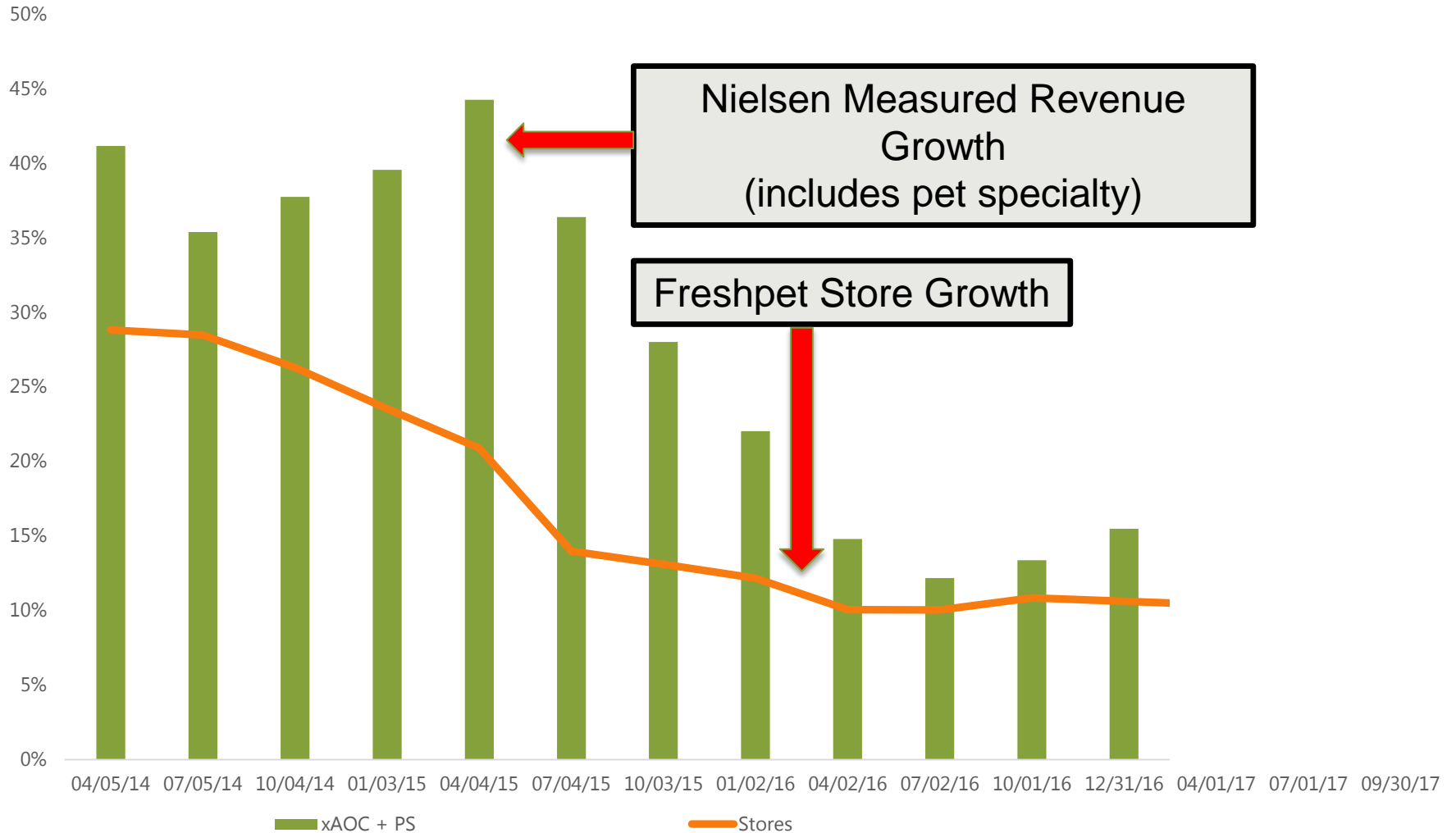


Velocity Drivers

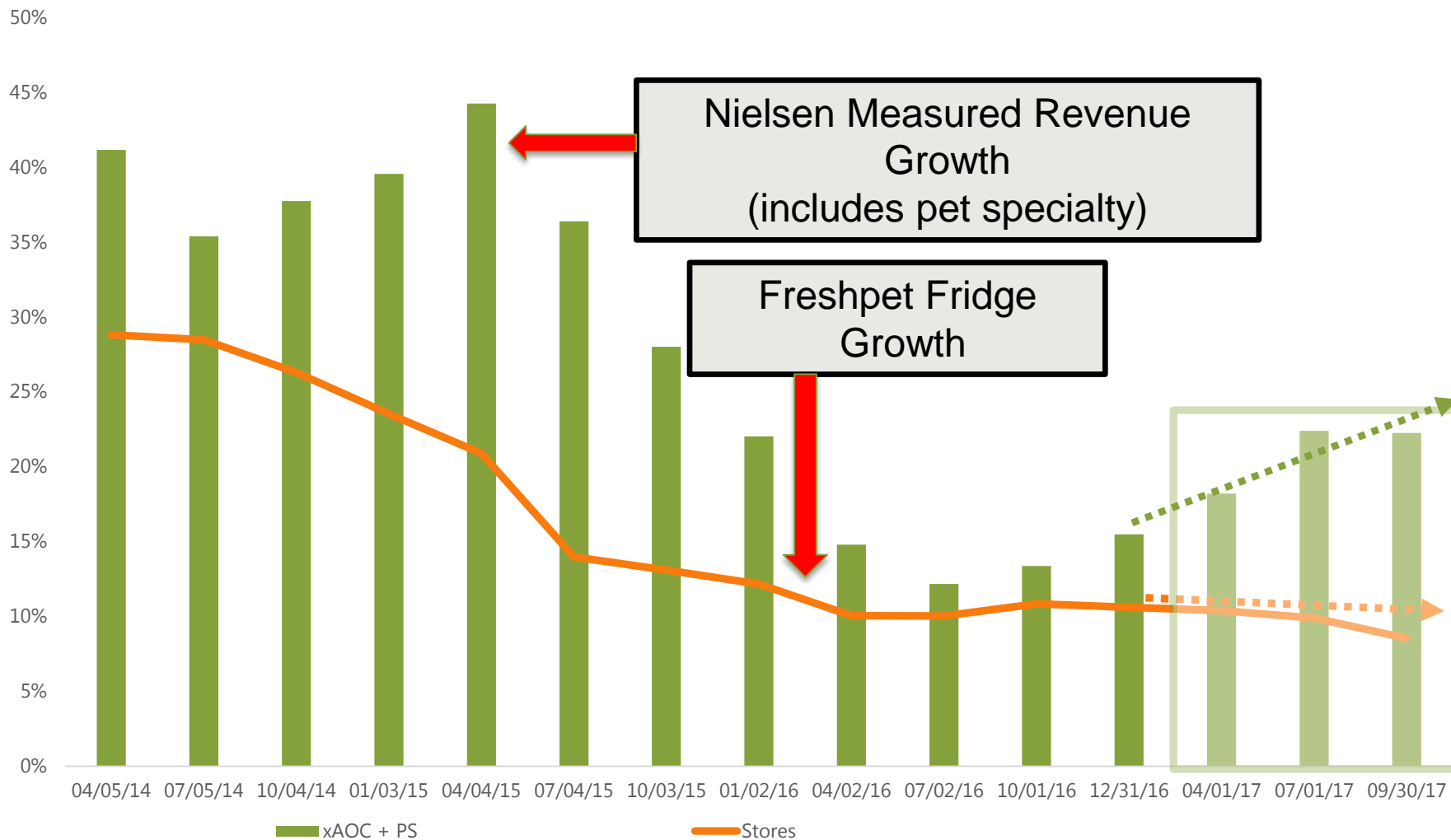
- HH Penetration
- Buying Rate
- In-store conditions



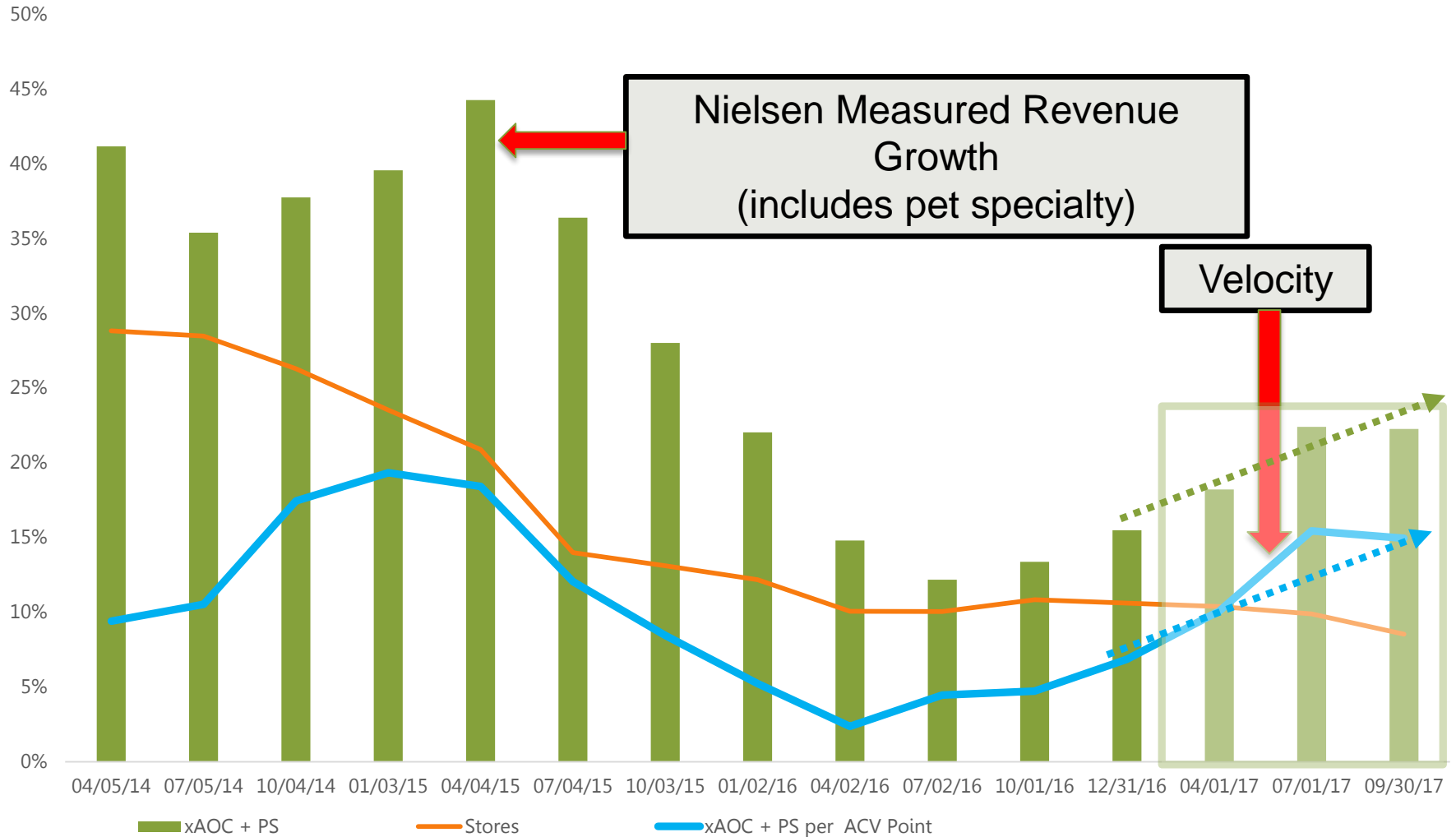
Previously, store growth closely mirrored revenue growth . . .



Until we implemented our new strategy . . .



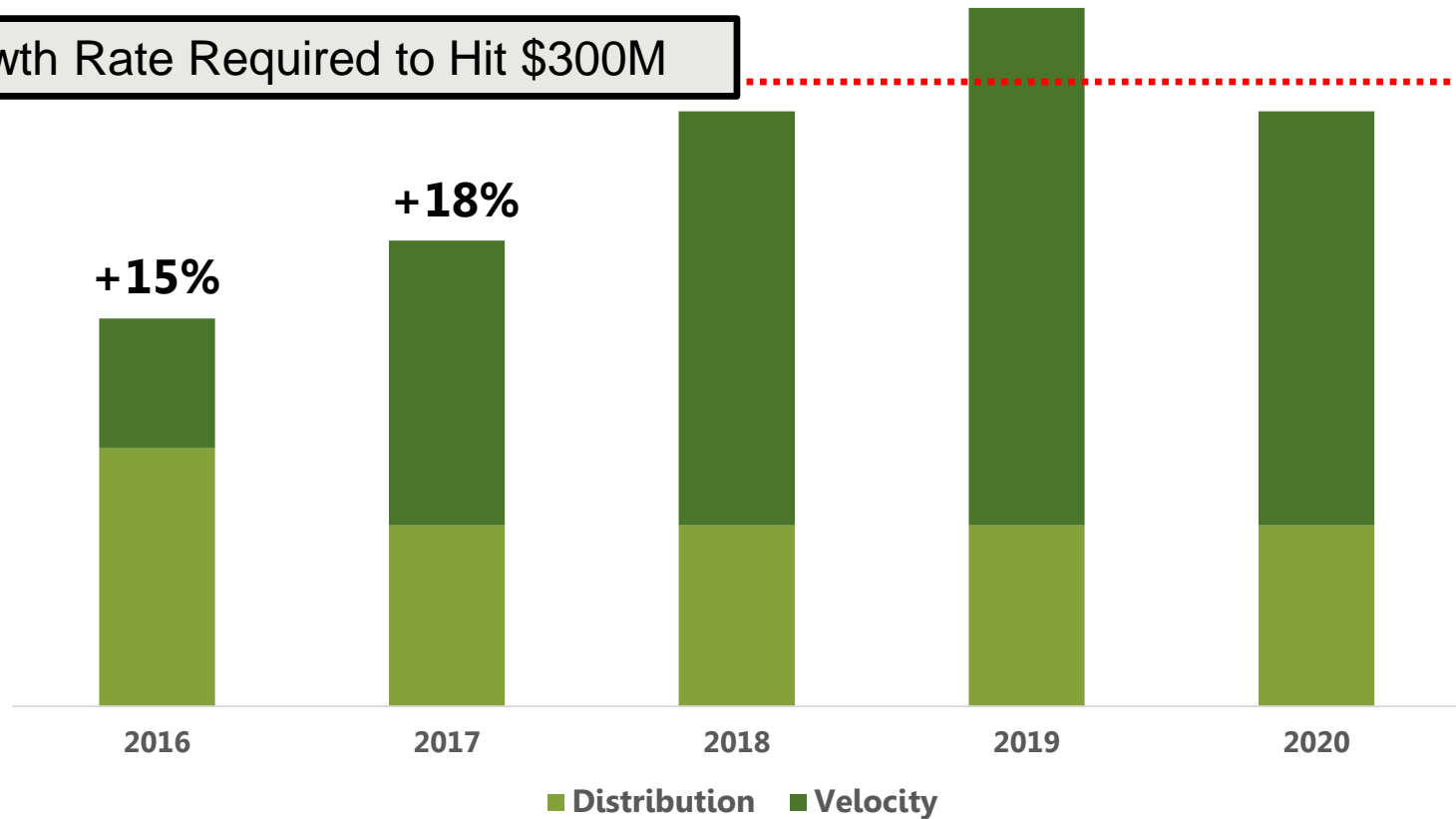
Now, velocity growth is a better predictor of revenue growth



Velocity growth will drive the incremental growth rate to deliver our 2020 goal . . .

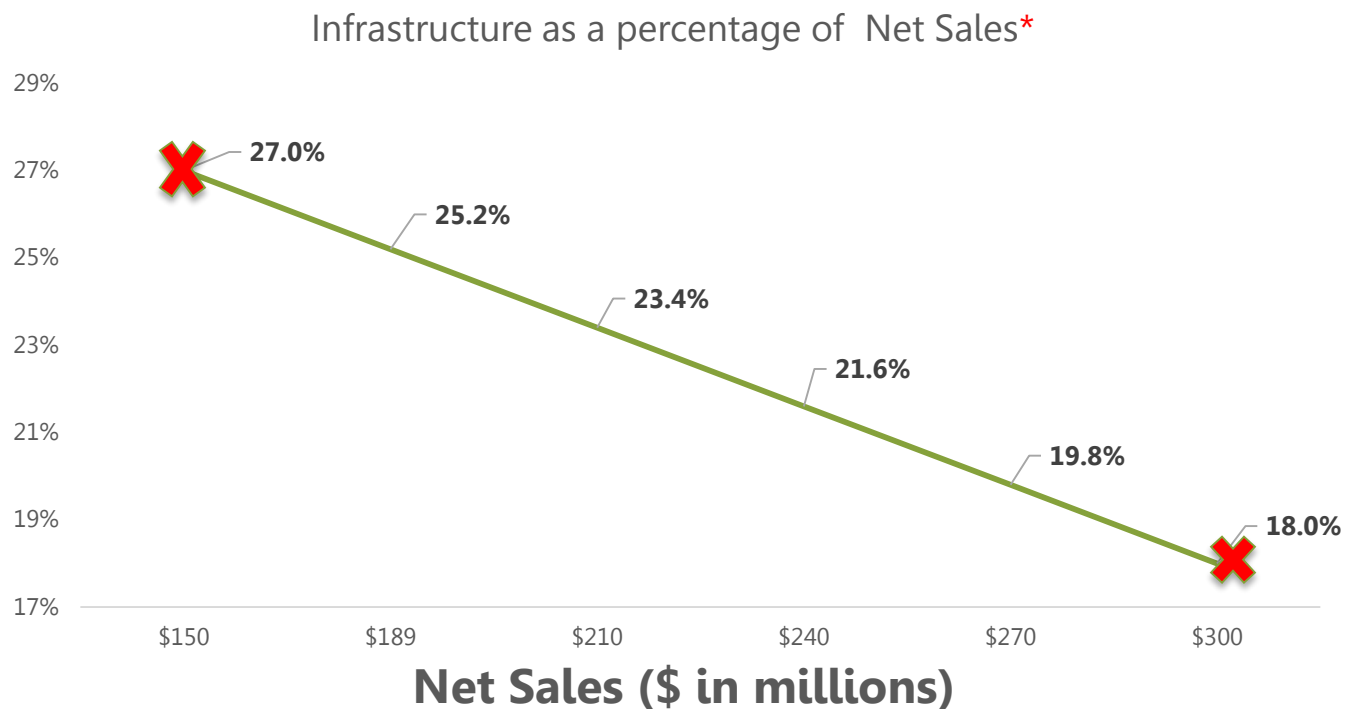
Freshpet Growth Rate

Growth Rate Required to Hit \$300M



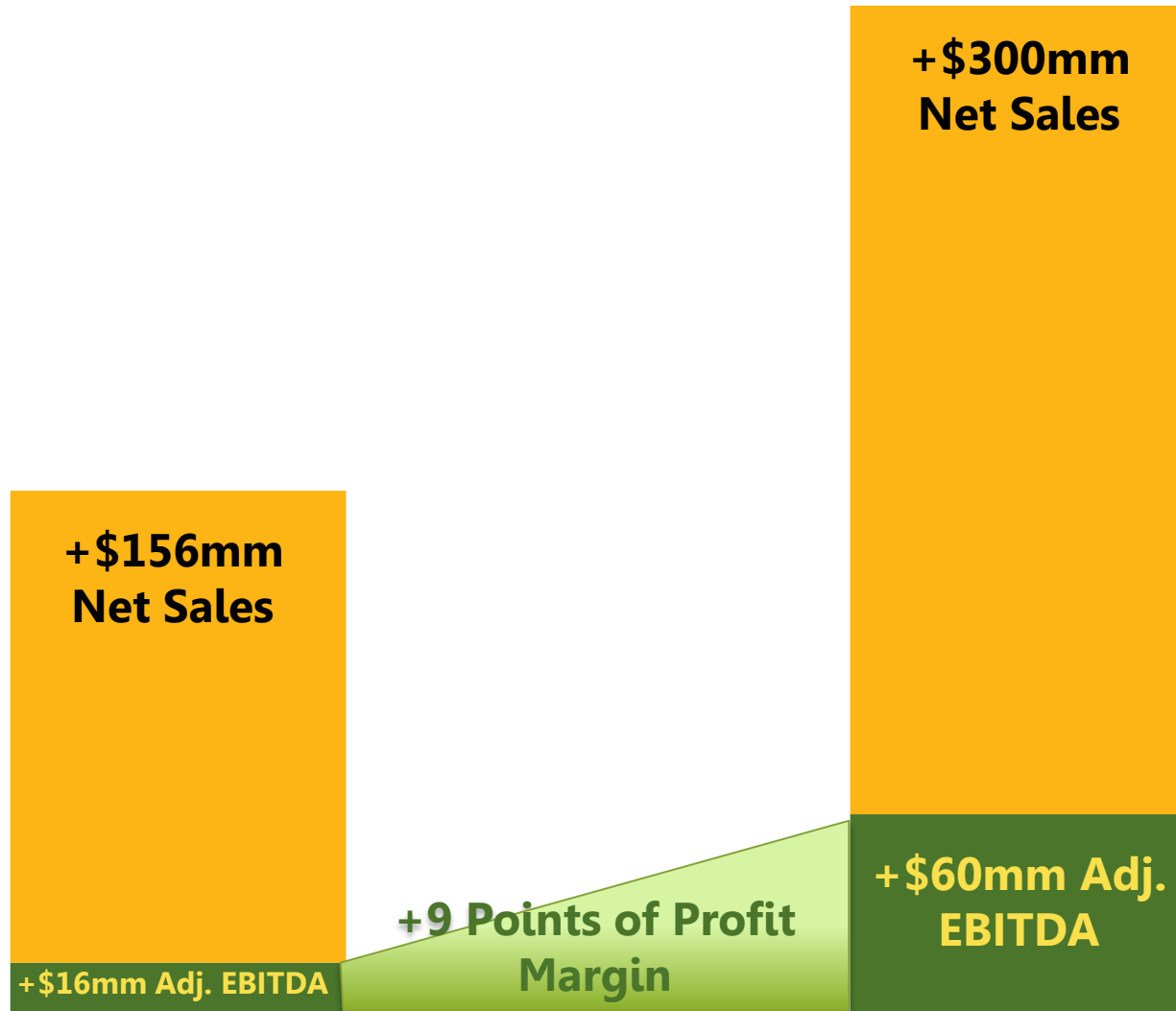
Driving significant margin improvement . . .

By 2020: 9 pt. reduction in fixed costs



* - Leverage adjusted to projected inflationary growth of infrastructure

Which will drive long term net sales and profitability . . .

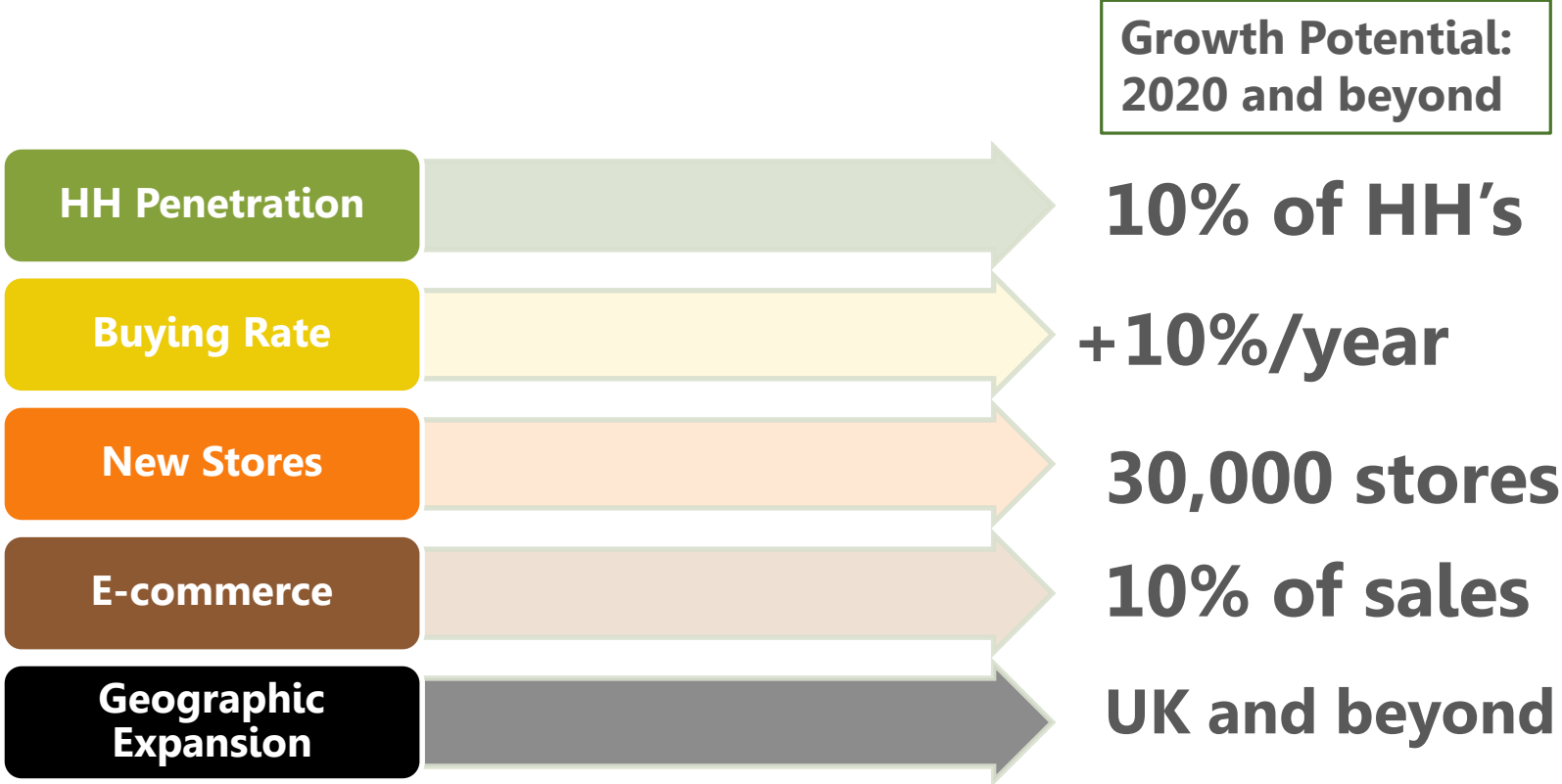


Delivering our 2020 goals. . .

Future Economic Model

	FY 2016	FY 2020
Growth Rate	15%	15-20%
Stores	16,609	23,000+
Adj. Gross Margin (1)	49.6%	~52%
Adj. SG&A (2)	43.1%	~33%
Adj. EBITDA Margin	13%	20+%
Media Investment	~6% of sales	~9% of sales
Advertising Payback	1.5 yrs.	--
Free Cash Flow	-\$13.9M	~15% of sales

While positioning Freshpet for future growth beyond 2020. . .



Further strengthening our barriers to entry . . .



Delighting pet parents, pets, shareholders and employees . . .

Melissa & Zooka
Canton, MI





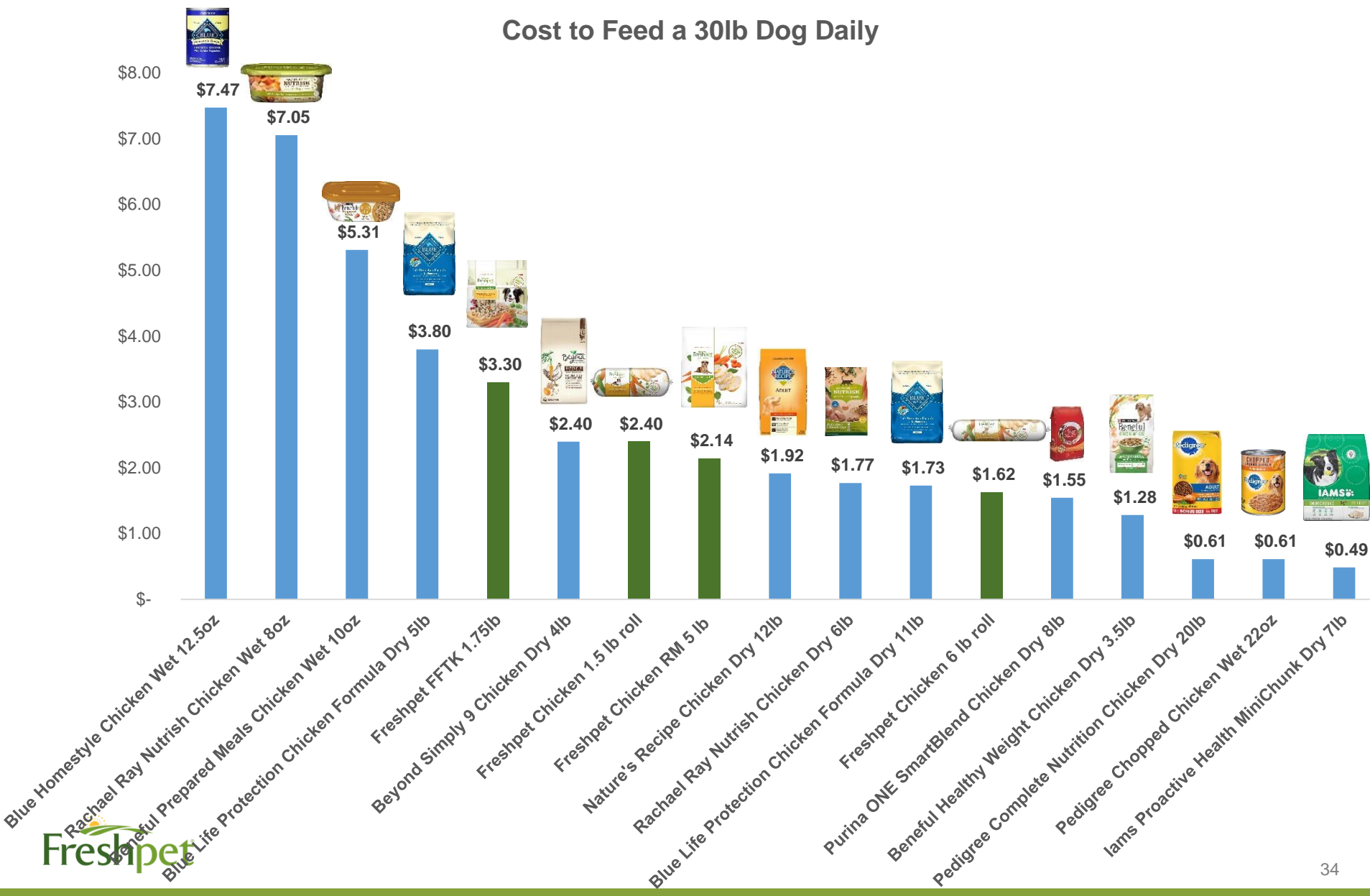
**PUG OFF,
PROPYLENE
GLYCOL**

APPENDIX

Freshpet[®]
*FEED THE
GROWTH* 

Grocery and Mass

Select is middle of the pack on cost to feed



Pet Specialty

Vital is an economical choice in Pet

Cost to Feed a 30lb Dog Daily Title

