



CAGNY Presentation

February 2023

NOURISHING PETS, PEOPLE AND PLANET



FORWARD LOOKING STATEMENTS & NON-GAAP MEASURES

Forward-Looking Statements

Certain statements in this presentation by Freshpet, Inc. (the “Company”) constitute “forward-looking” statements, which include any statements related to the novel coronavirus (“COVID-19”), the Freshpet Kitchens Expansion, our long-term capacity planning, our net sales and Adjusted EBITDA guidance 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 our long-term capacity planning, and 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 EBITDA Margin), 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, non-cash share-based compensation, 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.

Effective with Q3 2022 results, the definition of Adj. EBITDA has changed

FORWARD LOOKING STATEMENTS & NON-GAAP MEASURES

Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, plant start-up expense, COVID-19 expense 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 expense.

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 represent the Company's guidance for fiscal year 2022. The Company is unable to reconcile these forward-looking non-GAAP financial measures to the most directly comparable GAAP measures without unreasonable efforts because the Company is currently unable to predict with a reasonable degree of certainty the type and impact of certain items, including the timing of and amount of costs of goods sold and selling, general and administrative expenses, that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. The unavailable information could significantly impact our financial results. These items are not within the Company's control and may vary greatly between periods. Based on the foregoing, the Company believes that providing estimates of the amounts that would be required to reconcile these forecasted non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

TODAY'S PRESENTERS

BILLY CYR



CEO | JOINED 2016

TODD CUNFER



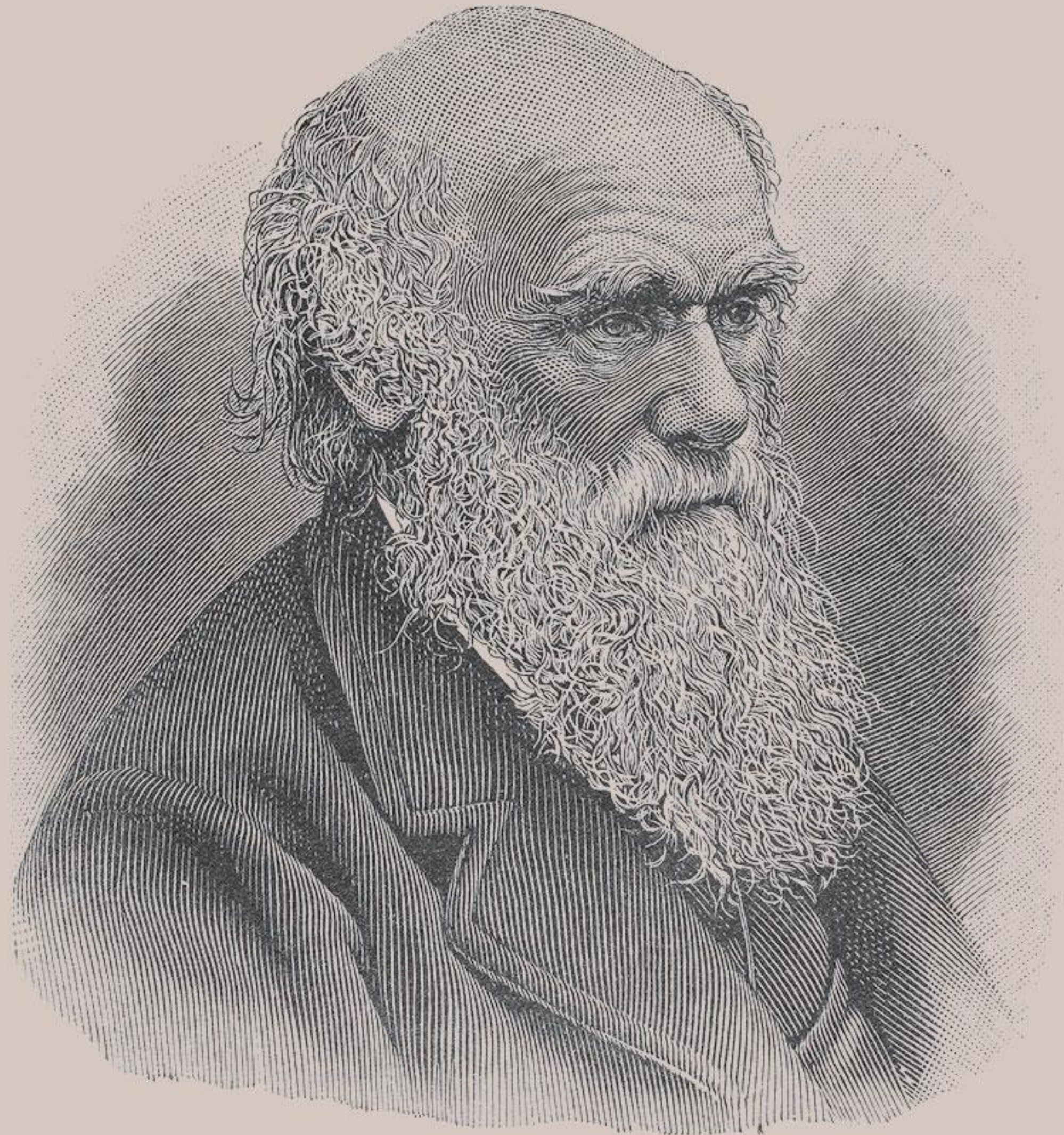
CFO | JOINED 2022





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.





Charles Darwin.

“It is not the strongest of the species that survives, nor the most intelligent that survives. **It is the one that is most adaptable to change.**”

- CHARLES DARWIN

15,000 years ago,
there were up to
2 million grey wolves
on earth...
And virtually no dogs.



Today, there are
800 million dogs
on Earth... And only
250 thousand
grey wolves.



DOGS ADAPTED TO THE RISE OF HUMANS



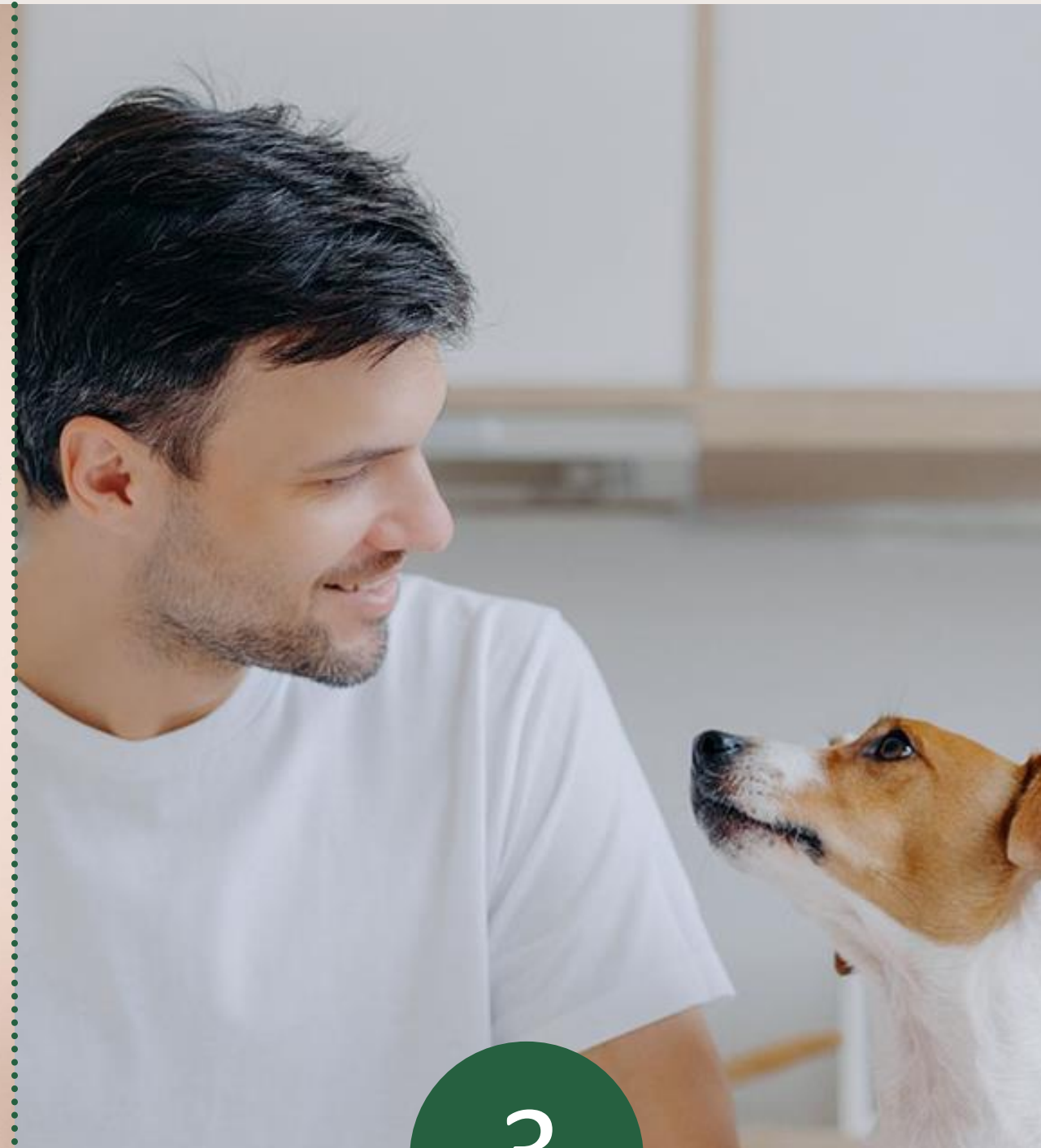
1

DOGS ARE INHERENTLY
OUTGOING



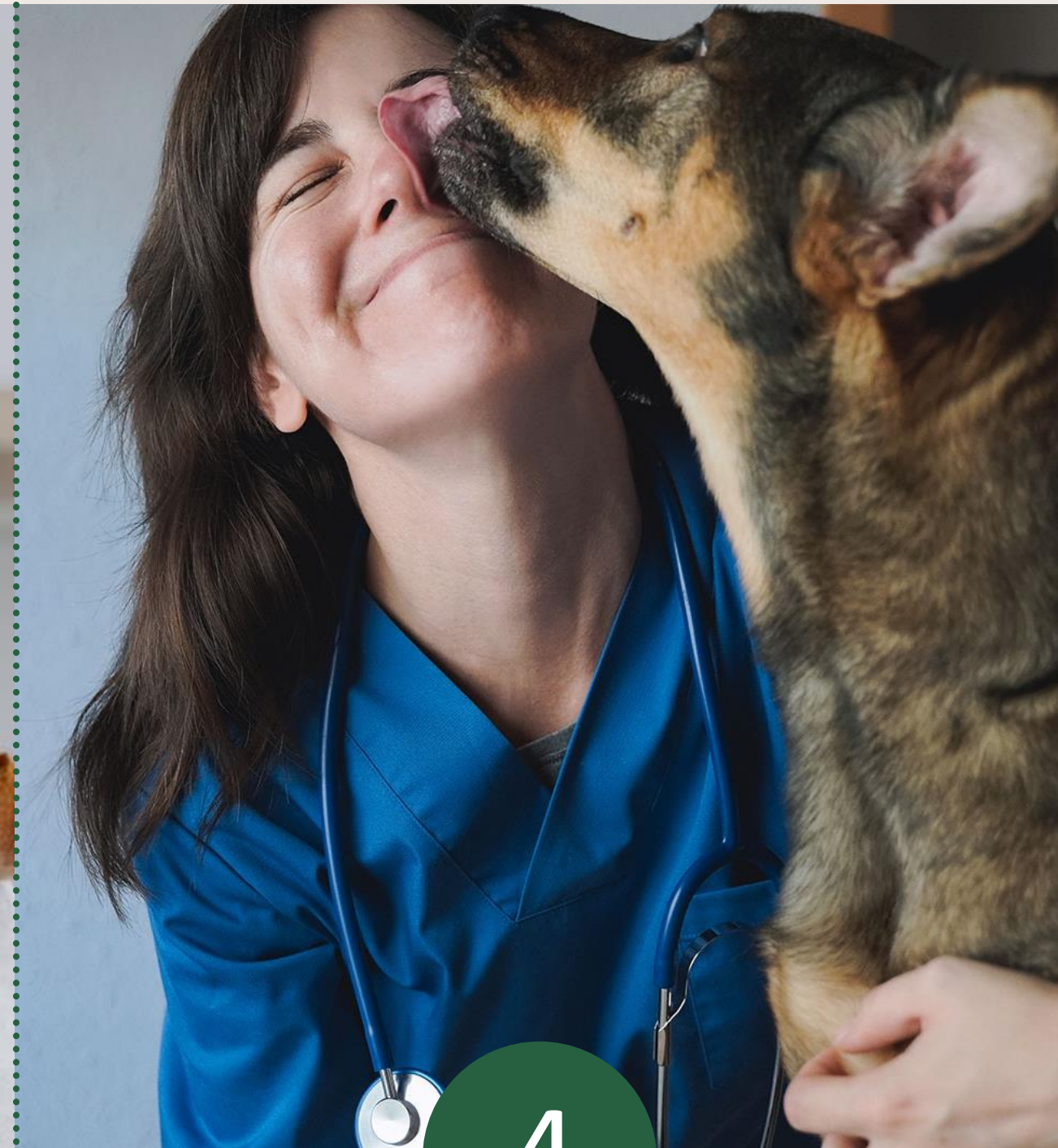
2

DOGS UNDERSTAND
HUMAN SPEECH



3

DOGS MAKE EYE
CONTACT TO BOND



4

DOGS HAVE THE ABILITY
TO DISTINGUISH BETWEEN
FRIEND AND FOE

FRESHPET EXISTS BECAUSE: “BIG FOOD” COMPANIES DID NOT ADAPT TO THE CHANGING RELATIONSHIP BETWEEN HUMANS AND THEIR PETS

1950's



Today



Dogs are now full-fledged members of our family.

FRESHPET EXISTS BECAUSE: “BIG FOOD” COMPANIES DID NOT ADAPT TO THE CHANGING EXPECTATIONS FOR FOOD FOR OUR FAMILIES

1950's



Today



Fresh is how we feed our families today.

FRESHPET EXISTS BECAUSE: “BIG FOOD” COMPANIES’ VISION OF PET FOOD IS STUCK IN 1950

1950's



Today



Freshpet is the future of pet food.

FIRST MAJOR INNOVATION SINCE DRY KIBBLE IN 1956



1956



2006

OUR PORTFOLIO HAS MULTIPLE FORMS AND BRANDS THAT MEET THE EMOTIONAL AND RATIONAL MOTIVATIONS OF PET PARENTS



ROLLS WITH VISIBLE INCLUSIONS



ROASTED MEALS



SHREDDED, HUMAN APPEAL



HOME COOKED MEALS



PATTIES

CHANGE IS HAPPENING...

RETAILERS ARE RAPIDLY EXPANDING FRESHPET DISTRIBUTION



5 YEARS AGO

18,004

FRESHPET STORES

TODAY

25,281

FRESHPET STORES

CHANGE IS HAPPENING...

RETAILERS ARE INSTALLING MORE AND MORE FRESHPET FRIDGES



5 YEARS AGO

18,095

FRESHPET FRIDGES



TODAY

29,645

FRESHPET FRIDGES

CHANGE IS HAPPENING...

MORE AND MORE CONSUMERS ARE JOINING THE FRESHPET FRANCHISE



5 YEARS AGO

4.5 million

FRESHPET HH PENETRATION

TODAY

9.8 million

FRESHPET HH PENETRATION

CHANGE IS HAPPENING...

FRESHPET USERS ARE BUYING MORE AND MORE FRESHPET EACH YEAR



+52%

5 YEARS AGO

\$55.54

FRESHPET BUYING RATE

TODAY

\$84.50

FRESHPET BUYING RATE

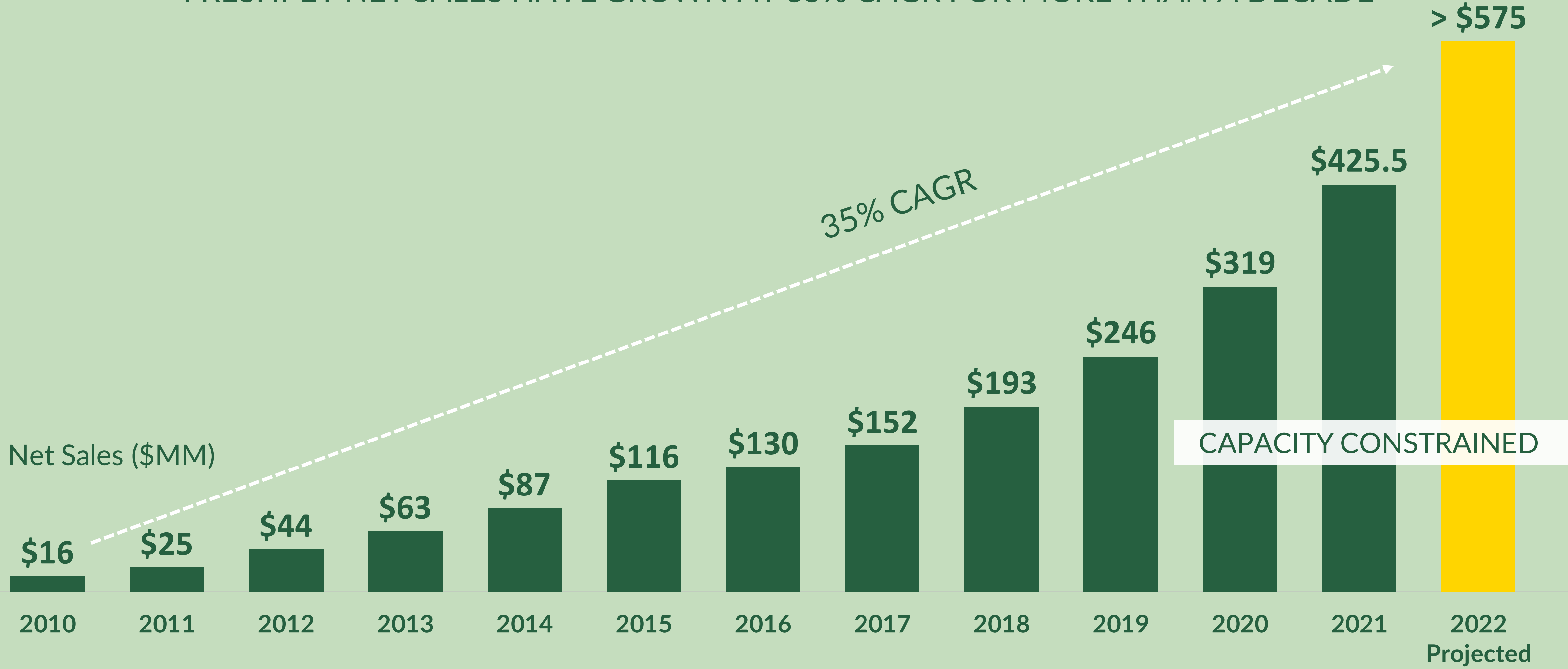
CHANGE IS HAPPENING...

FRESHPET NET SALES HAVE ALMOST QUADRUPLED IN 5 YEARS



CHANGE IS HAPPENING...

FRESHPET NET SALES HAVE GROWN AT 35% CAGR FOR MORE THAN A DECADE



CHANGE IS HAPPENING...

FRESHPET'S SHARE OF THE DOG FOOD MARKET IS GROWING RAPIDLY



5 YEARS AGO

2.7%

FRESHPET MARKET SHARE

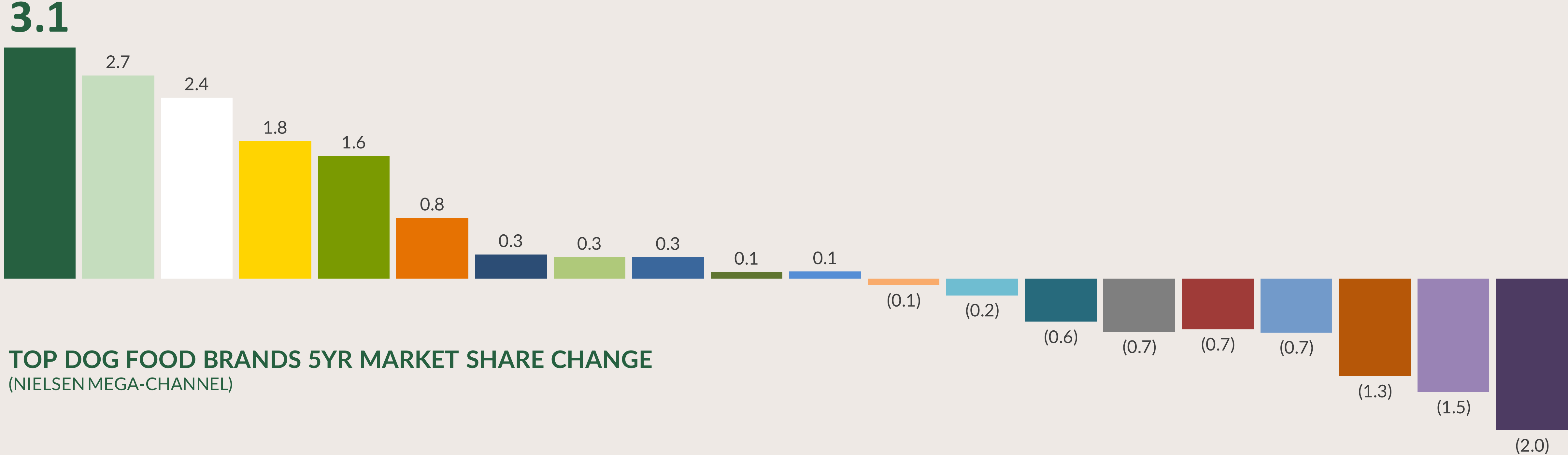
TODAY

5.8%

FRESHPET MARKET SHARE

CHANGE IS HAPPENING...

FRESHPET'S DOG FOOD MARKET SHARE HAS GROWN MORE THAN ALL OTHER BRANDS

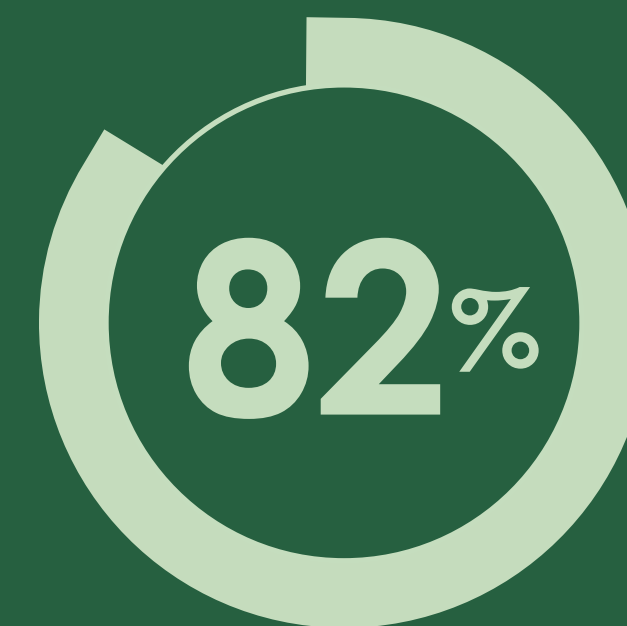


TOP DOG FOOD BRANDS 5YR MARKET SHARE CHANGE
(NIELSEN MEGA-CHANNEL)

- Freshpet RFG
- Pedigree
- Purina Pro Plan
- Purina ONE
- Hill's
- Purina True Instinct
- Cesar
- Royal Canin
- Purina Moist & Meaty
- Purina Dog Chow
- Blue Buffalo
- Purina Puppy Chow
- Merrick
- Iams
- Private Label
- Nature's Recipe
- Kibbles 'N Bits
- Rachael Ray Nutrish
- Nutro
- Beneful

PET PARENTS NOTICE THE DIFFERENCE FRESHPET MAKES

Increased energy level	72%
Shinier coat	71%
Fewer upset stomach episodes	68%
Healthier skin	67%
Fresher breath (less stinky)	66%
Improved muscle tone	66%
Healthier weight	64%
Brighter eyes	64%
Less flatulence	64%
Alleviated allergies	59%
Less tear staining	54%



82% of consumers report that Freshpet makes a difference in their pet's health.

WE HAVE BUILT A CONSUMER PROPOSITION POSITIONED TO BE THE LEADER

Brand Satisfaction, NPS, Price Value

92%

BRAND SATISFACTION

#2

INDUSTRY LEADING NPS

#3

PRICE/VALUE PERCEPTION



DOGS PREFER IT

SIGNIFICANT PALATABILITY LEADERSHIP

82%

SEE A VISIBLE DIFFERENCE IN THEIR DOG

9.8M HHs

+17% vs YAGO

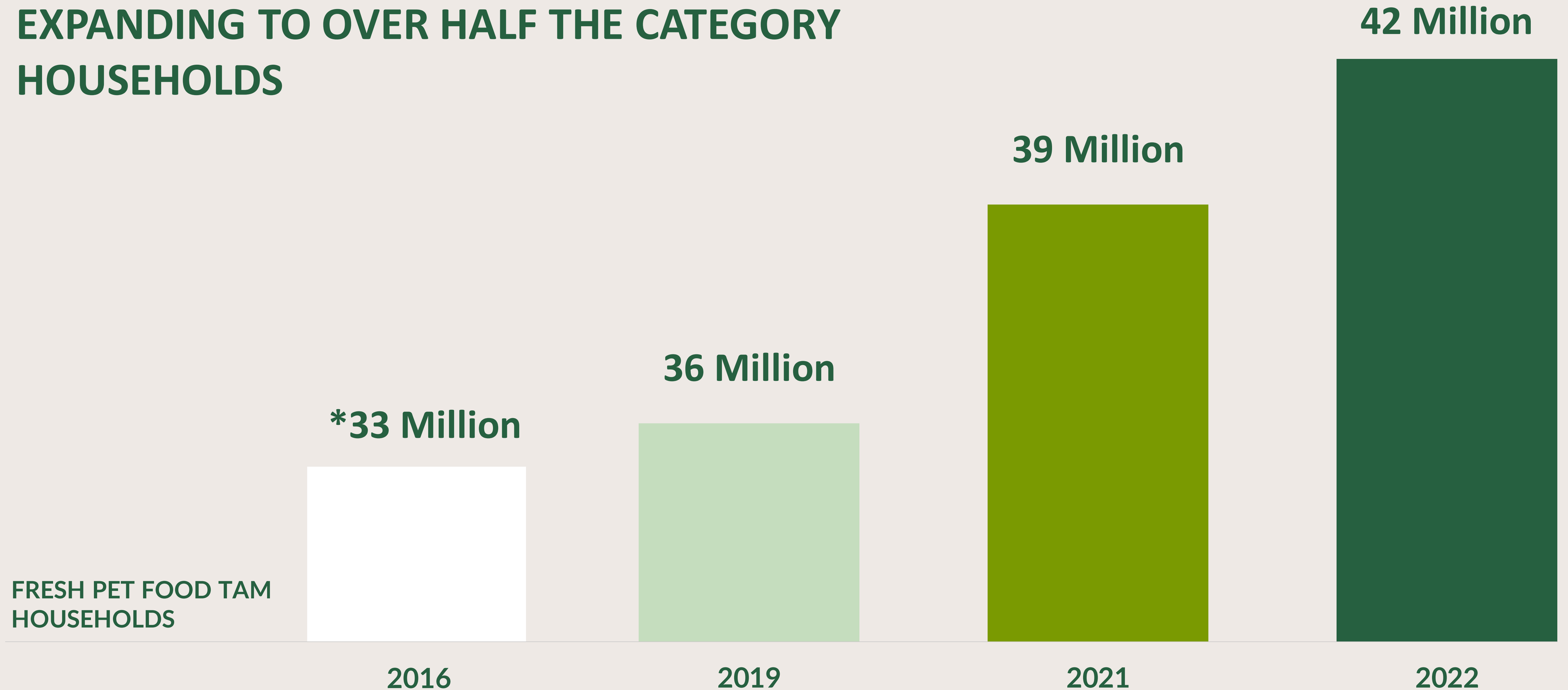
PENETRATION

\$223/yr

SUPER HEAVY/HEAVY BUY-RATE



THE TOTAL ADDRESSABLE MARKET IS RAPIDLY EXPANDING TO OVER HALF THE CATEGORY HOUSEHOLDS



FRESH PET FOOD TAM HOUSEHOLDS

2016

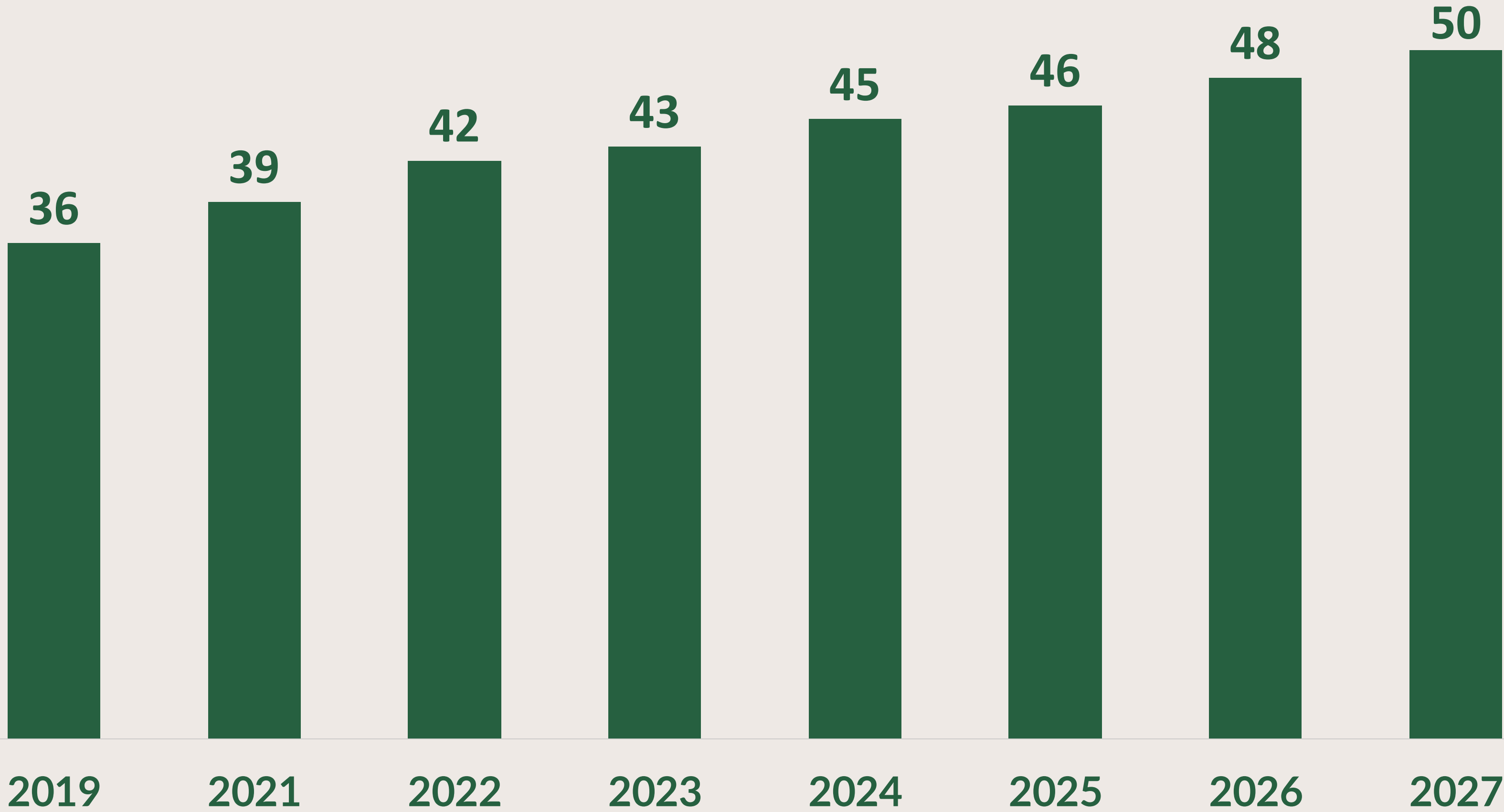
2019

2021

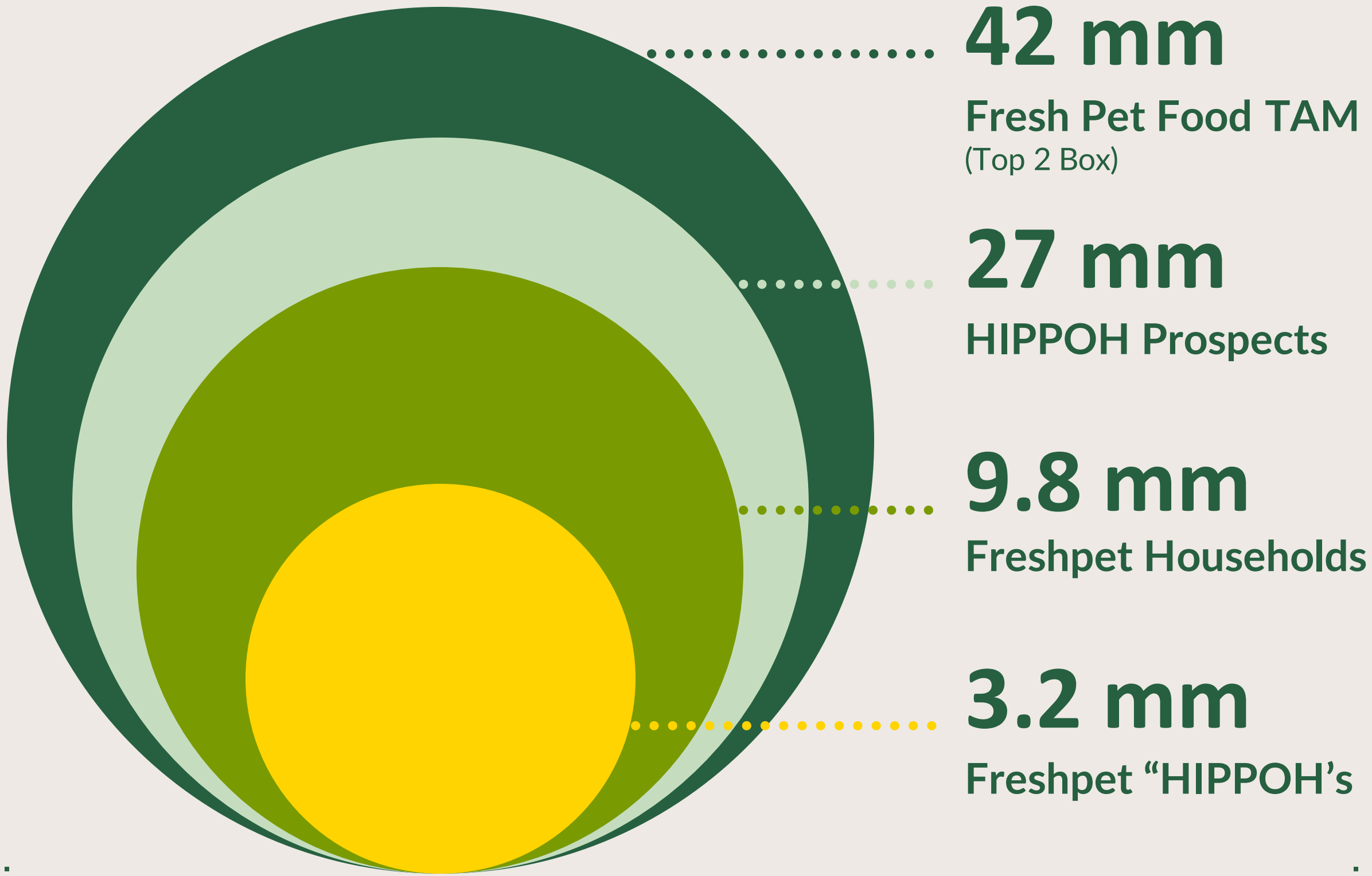
2022

FRESH COULD BECOME OVER 65% OF THE CATEGORY'S CONSUMERS

FRESH PET FOOD TOTAL ADDRESSABLE MARKET (HH's)



WE ARE FOCUSED ON HIPPOH'S



70.8 mm

Dog Households (represents 54% of total U.S HHs)

These people are our HIPPOH's: high-profit pet owning households.

Representing 33% of current consumers and 87% of sales.

- ✔ 2x buy rate of \$220+
- ✔ Household Income \$80K+

LEVERAGING OUR SCALE FOR CONTINUED GROWTH WITH A FOCUS ON THE HIPPOH'S



RELEVANT AND HIGH-QUALITY BRANDS AND PRODUCTS DRIVING LOYALTY



2027 DOLLARS – FUTURE OF PET FOOD AND FRESHPET



\$37.8 B

**US Dog Food
and Treats Sales**



\$6.0B+

**Fresh Dog
Food TAM**



\$2.7 B

**Estimated Freshpet
Retail Sales**



\$1.8 B

**Estimated
Freshpet Net Sales**

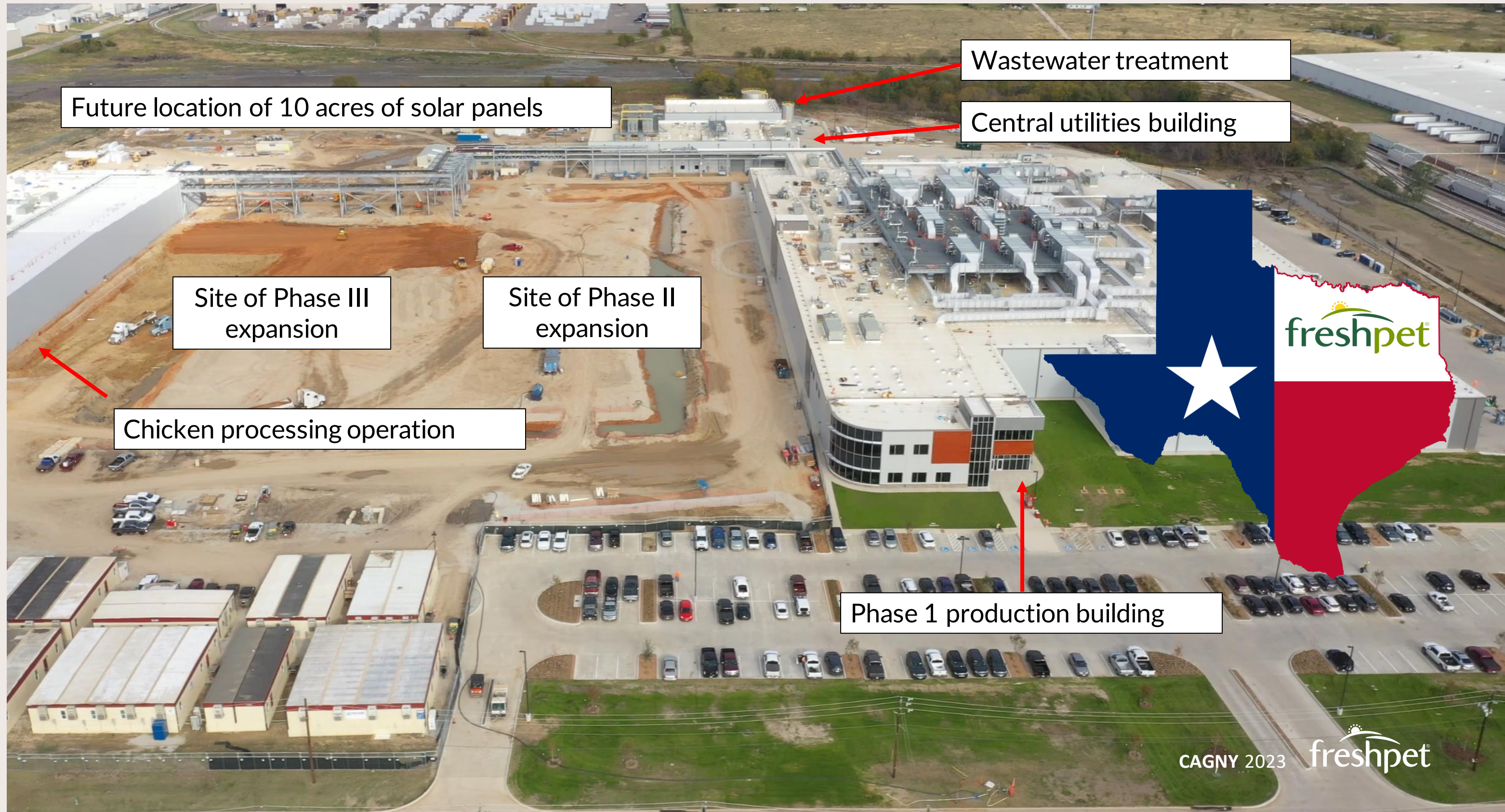


OUR MANUFACTURING PLATFORM BUILT OVER 10+ YEARS MAKES US A LOW-COST PRODUCER WITH SIGNIFICANT BENEFITS OF SCALE TO DRIVE PROFITABILITY OVER TIME

- ✔ Technical mastery of fresh pet food manufacturing that is difficult to match
- ✔ Significant investment in R&D to continue improving the cost and quality of production
- ✔ >\$750 million of capital invested to date in manufacturing assets



WE ARE BUILDING CAPACITY FOR EXTENDED GROWTH



**Ennis: 1 Million Square Feet
of Manufacturing by 2025**

ENNIS PHASE I IS ALREADY PRODUCING & SHIPPING THE ENTIRE ROLLS PRODUCT LINE-UP

- ✔ Enables total Freshpet growth to >\$1 billion in net sales
- ✔ Bag line is on track to start up at end of Q1/beginning of Q2
- ✔ Enables lower cost logistics for part of US; Dallas DC began shipping to West Coast in January 2023
- ✔ Most efficient Freshpet Kitchen at scale
- ✔ Most environmentally sustainable Kitchen
- ✔ Enables significant quality improvements

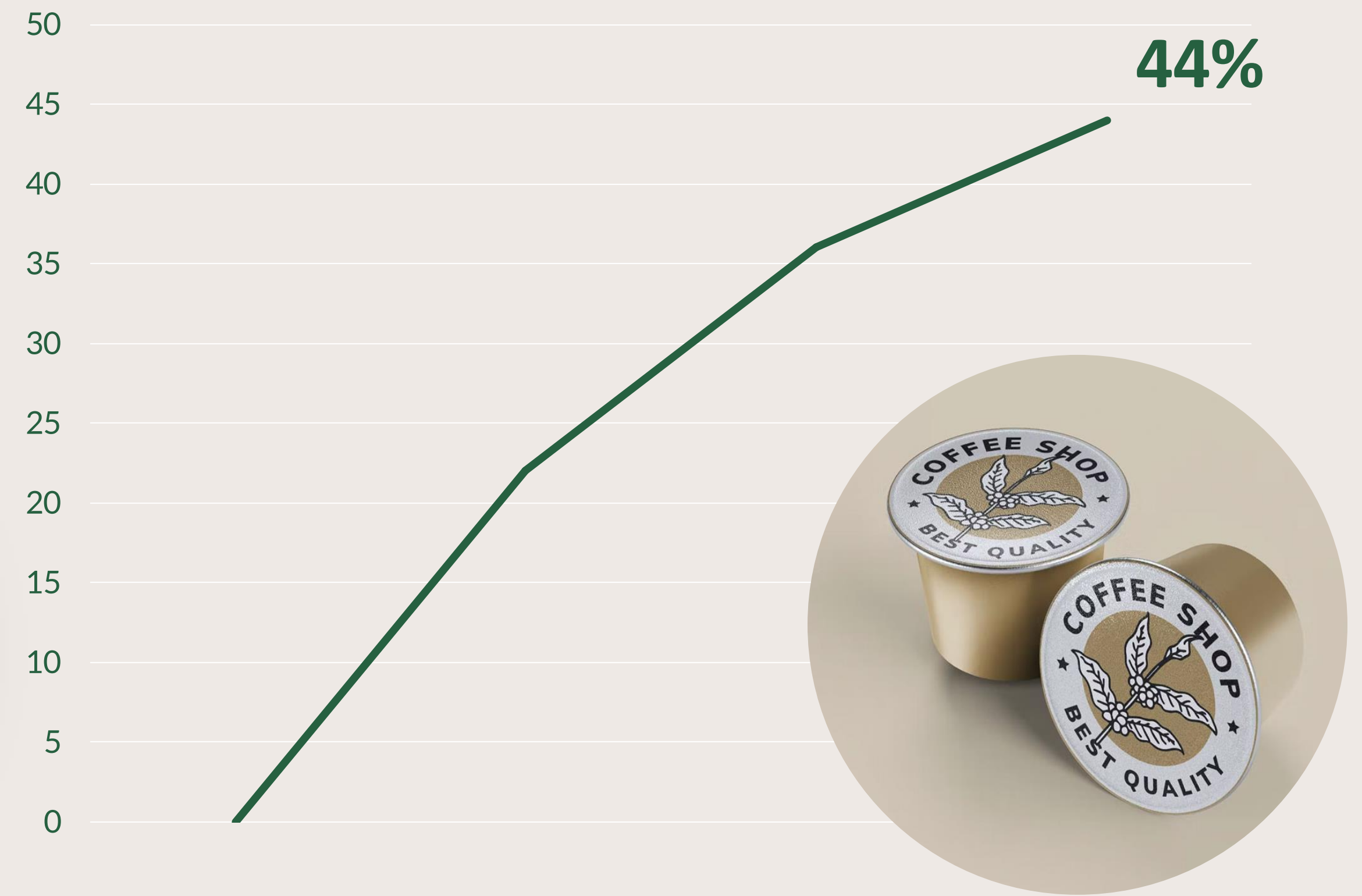


THIS IS NOT THE FIRST TIME BIG FOOD MISSED AN EMERGING OPPORTUNITY

From an idea to a dominant share – **better products win**



GREEK YOGHURT % OF CATEGORY SALES



COFFEE PODS % OF CATEGORY SALES

WE HAVE 96% OF FRESH AND FROZEN IN MEASURED CHANNELS

With over 10 fresh/frozen competitors Freshpet continues to lead the category with 96% share

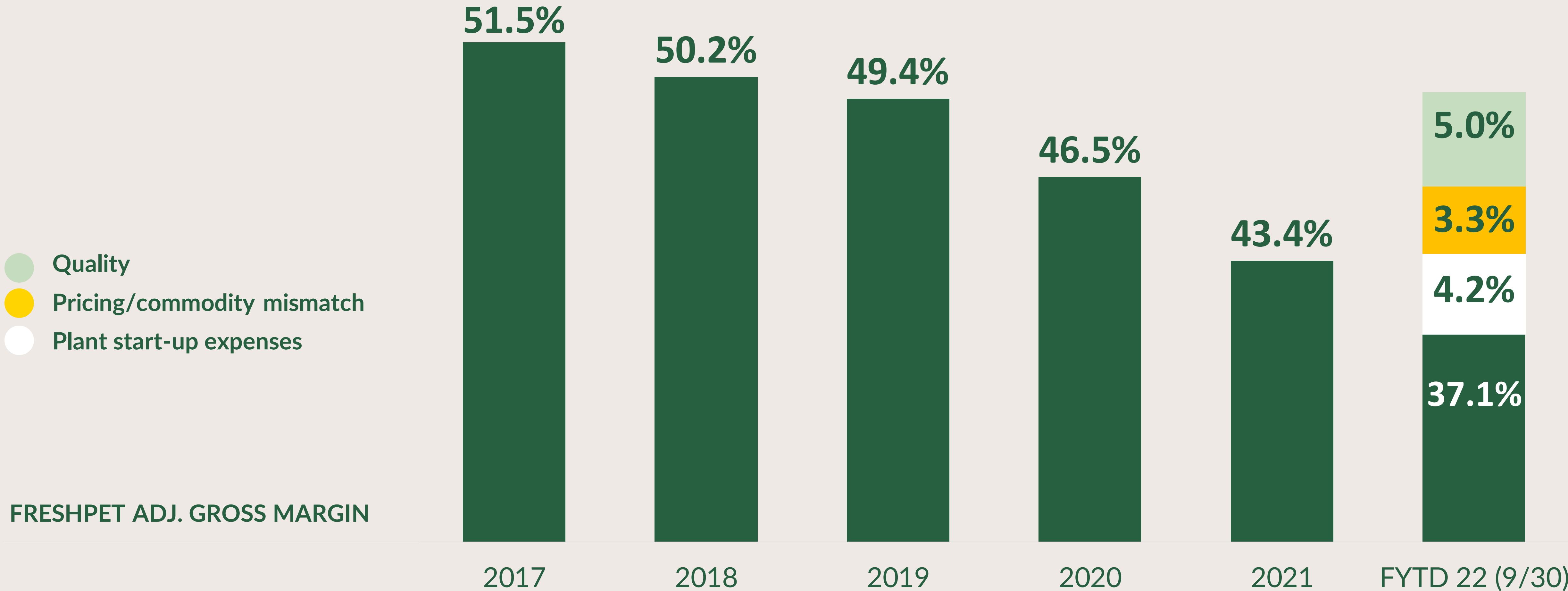


**WE NEED TO CHANGE AND
ADAPT, TOO . . .**



WE HAVE TO CHANGE, TOO...

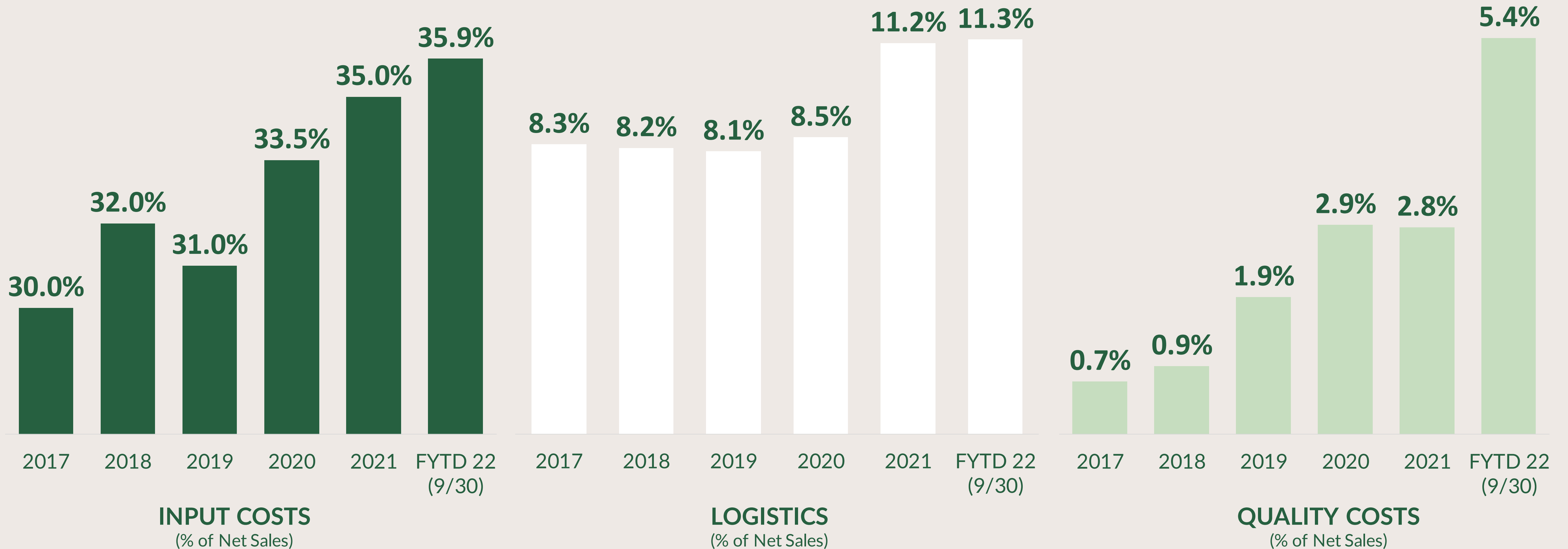
ADJ. GROSS MARGIN'S HAVE ERODED DUE TO INFLATION, QUALITY AND PLANT START-UP EXPENSES



FRESHPET ADJ. GROSS MARGIN

WE HAVE TO CHANGE TOO...

WE ARE FOCUSED ON FIXING THE COMMODITY COSTS/PRICING, LOGISTICS AND QUALITY COSTS

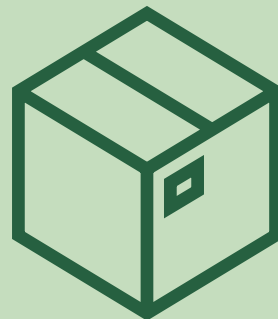


KEY OPERATIONAL IMPROVEMENTS from 2022 to 2023



QUALITY

- Improved production practices reduced quality issues by 24% (as a % of net sales) in Q4 vs Q3 and are still improving
- New technologies being tested that can reduce the incidence of issues



LOGISTICS

- Fill rates already >90%
- 2nd DC expanding operations in Q1 2023
- Warehouses have been de-bottlenecked



COMMODITY COST MANAGEMENT

- 75%+ of 2023 input costs are locked
- 2/6/23 price increase covers projected costs

BOLSTERING CAPABILITIES WITH PROVEN LEADERSHIP ADDITIONS

FINANCE



TODD CUNFER
CFO

LOGISTICS



DIRK MARTIN
VP of Logistics

MANUFACTURING



JAY DAHLGREN
EVP of Manufacturing,
Technology & Supply Chain



2027
freshpet[®]
THE FUTURE IS FRESH
UNLEASHING GROWTH. SCALING PROFITS.



TODD CUNFER | CFO



PRIMARY AREAS OF FOCUS

- ✔ Recovering Gross Margin and EBITDA Margin
- ✔ Capital requirements
- ✔ Cash flow and liquidity
- ✔ Ability to forecast

TODD CUNFER | CFO



FINANCIAL HIGHLIGHTS

FY 2022 Earnings release on Feb 27

- ✔ We reiterate our previous guidance

5yr Operating Plan (by 2027) achieves:

- ✔ \$1.8b of net sales (CAGR of 25%)
- ✔ Adjusted EBITDA margin opportunity of 18%
- ✔ Long-term Adjusted EBITDA margin opportunity of 20%

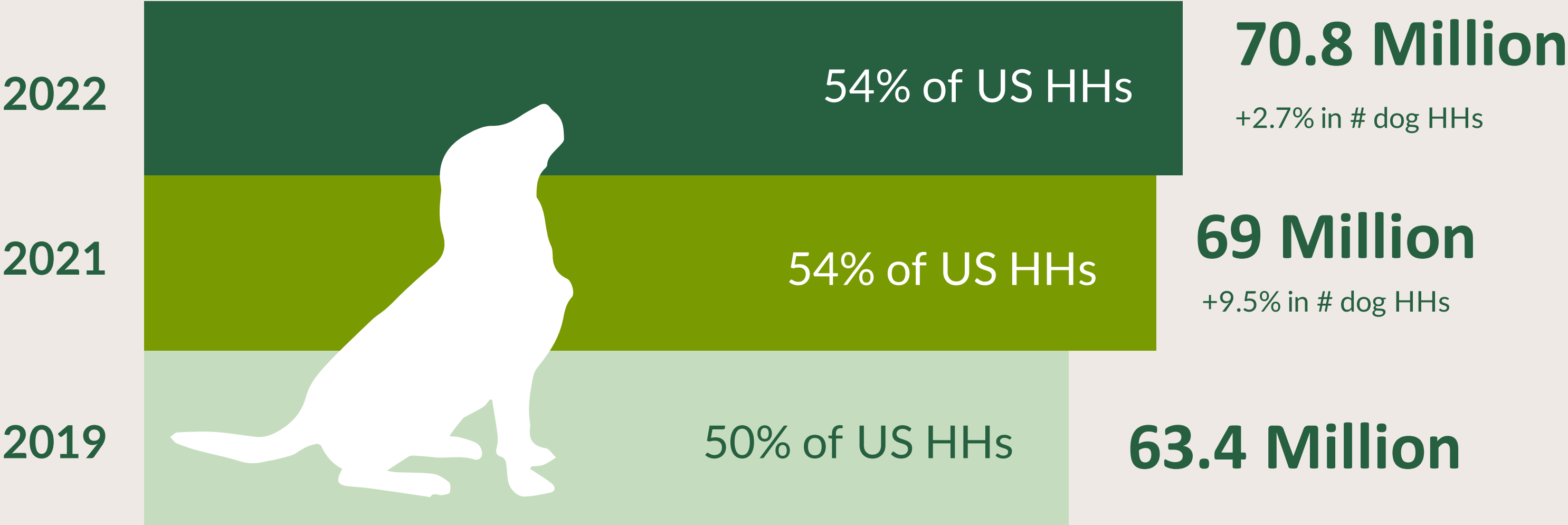
DOG FOOD AND TREATS IS A BIG CATEGORY

Dog food sales today

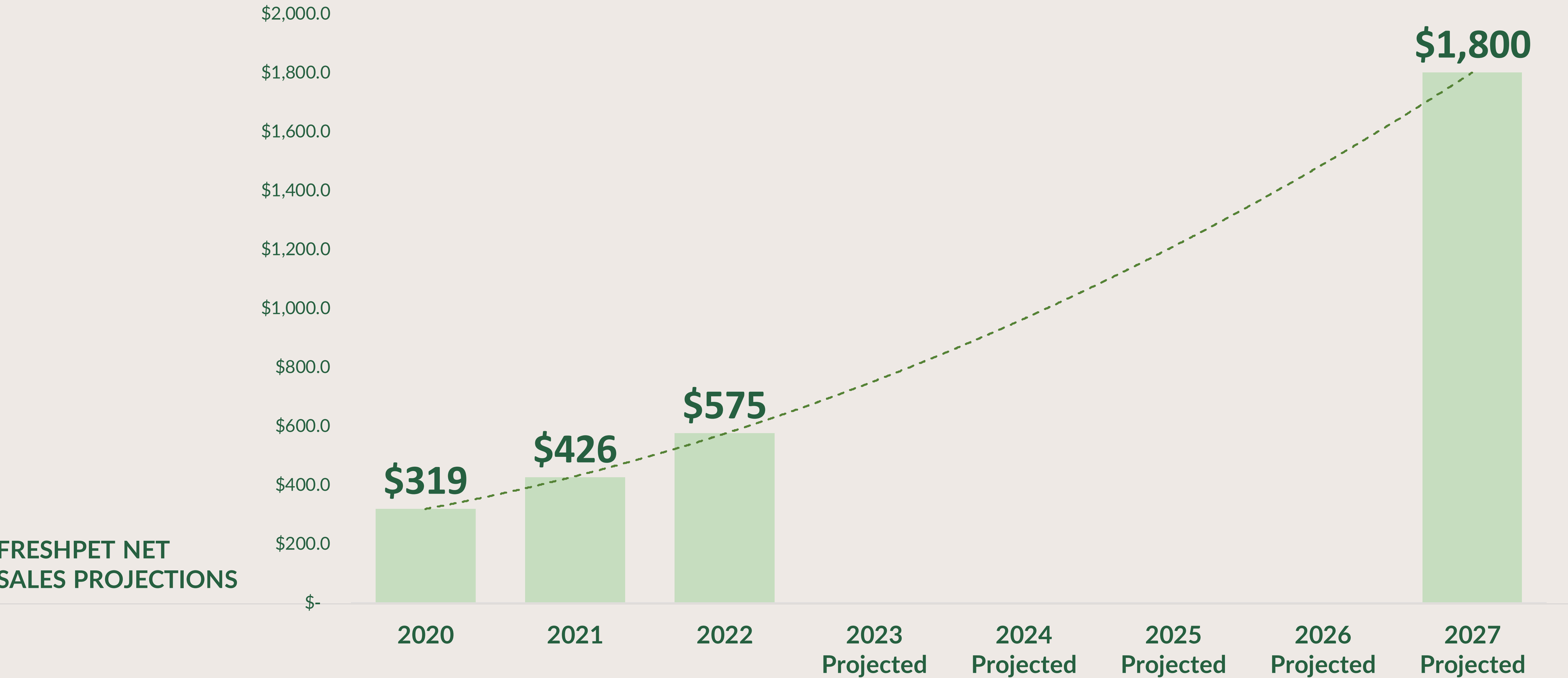
DOG FOOD & TREATS SALES



DOG HOUSEHOLD POPULATION



FRESHPET CAN DELIVER A 25% NET SALES CAGR THROUGH 2027



FRESHPET NET SALES PROJECTIONS

WE BELIEVE WE CAN DELIVER 20 MILLION HH'S BY 2027 AND 9.5 MM HIPPOH'S



Fresh Pet Food TAM (Top 2 Box)



HIPPOH Prospects



Freshpet Households



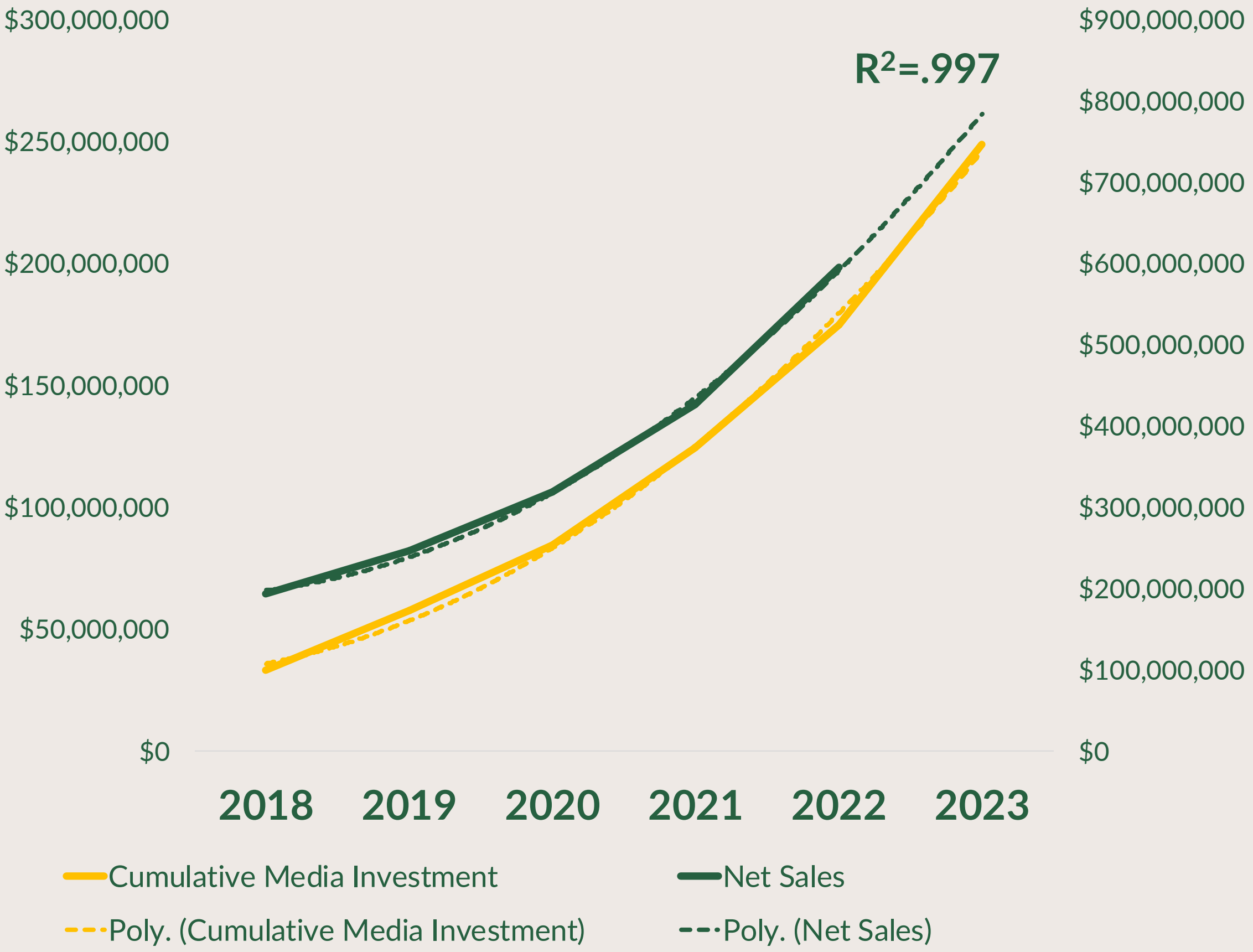
Freshpet "HIPPOH's"

77 mm

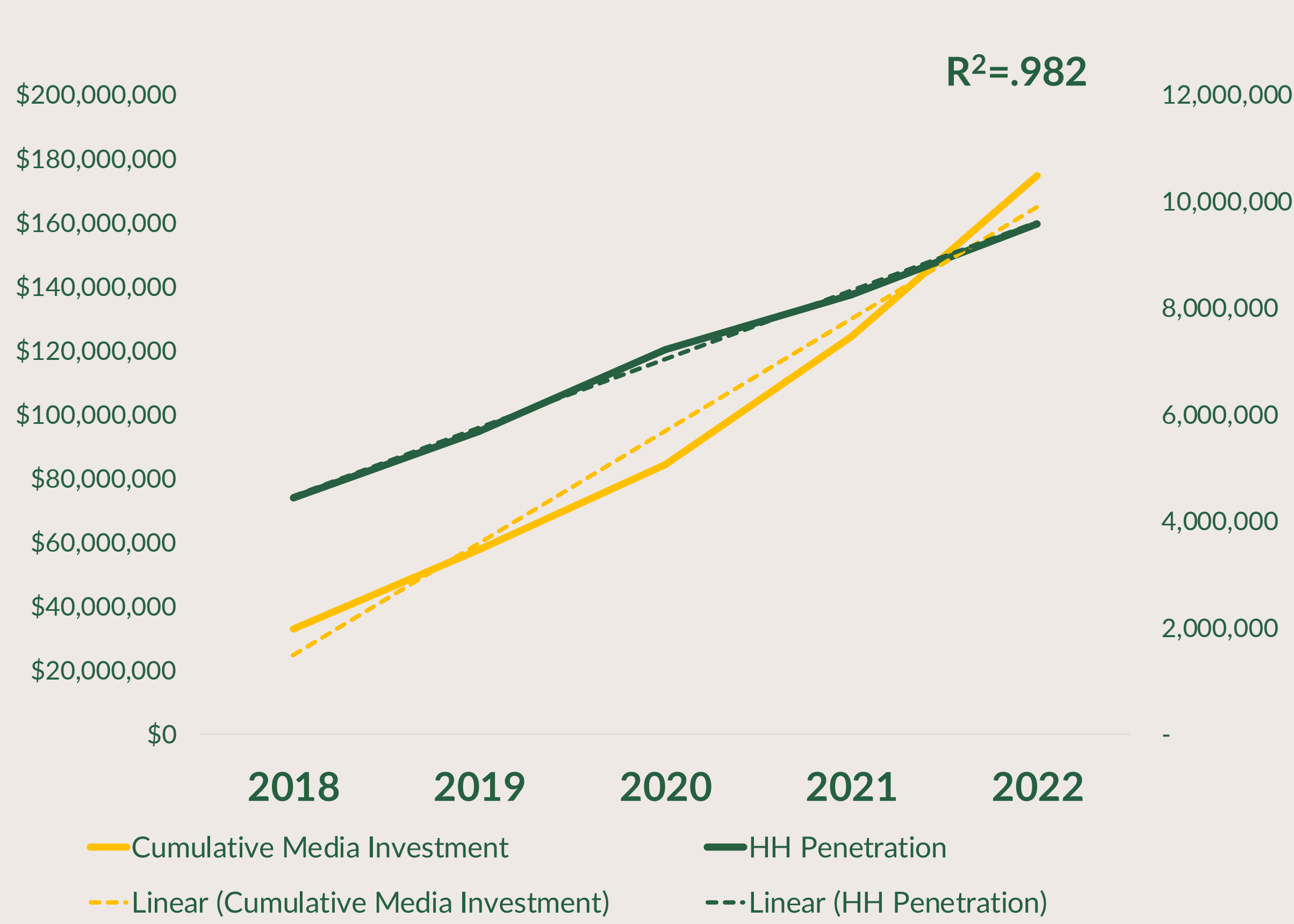
Dog Households (represents 56% of total US HHs)

GROWTH RATE HAS BEEN AND WILL BE DRIVEN BY ADVERTISING

CUM. MEDIA INVESTMENT VS NET SALES

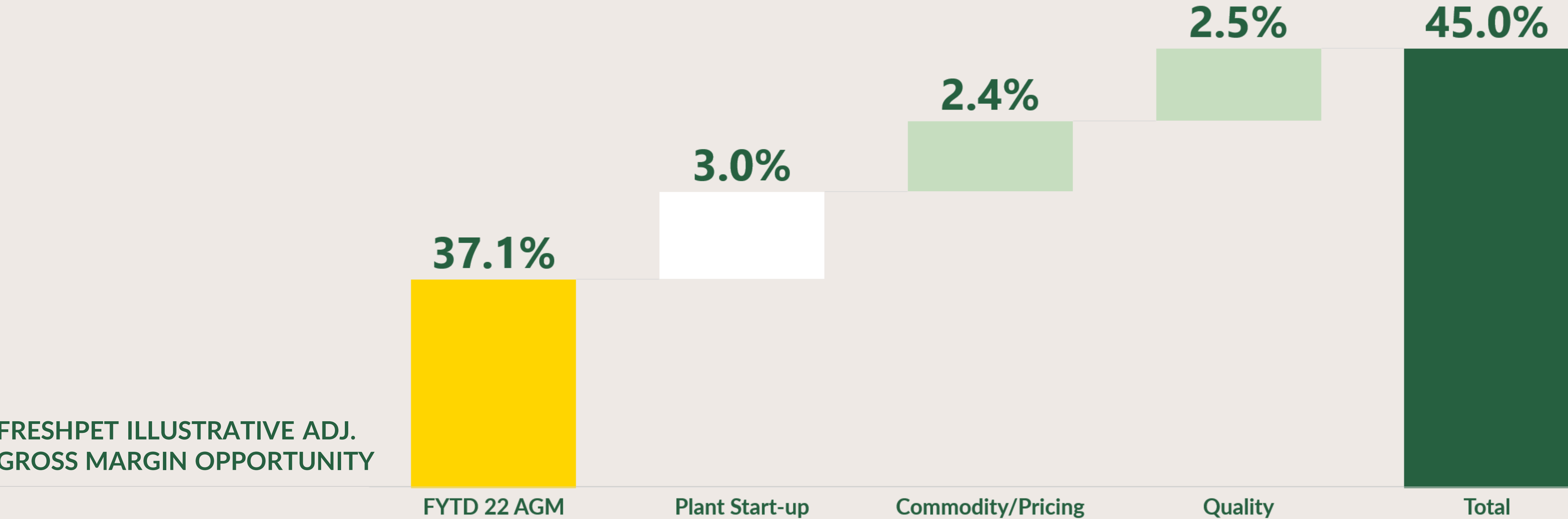


CUM. MEDIA INVESTMENT VS HH PENETRATION



FRESHPET CAN RETURN ADJ. GROSS MARGINS TO 45% BY 2027

BY RECOVERING MOST OF PLANT START-UP EXPENSES AND ONLY ~HALF OF WHAT WAS LOST ON INPUT COSTS AND QUALITY



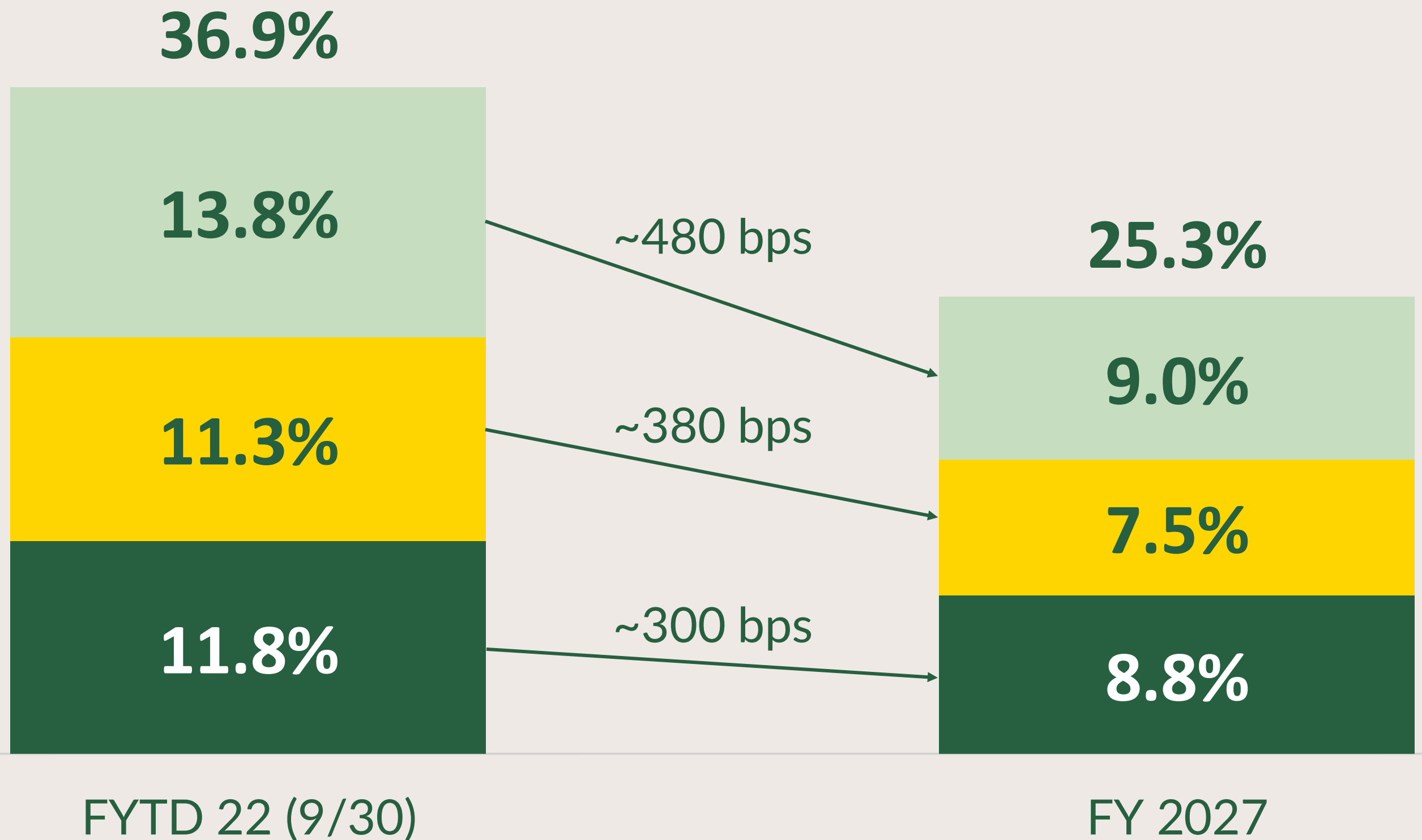
FRESHPET ILLUSTRATIVE ADJ. GROSS MARGIN OPPORTUNITY

FRESHPET CAN DELIVER SIGNIFICANT ADJ. SG&A LEVERAGE

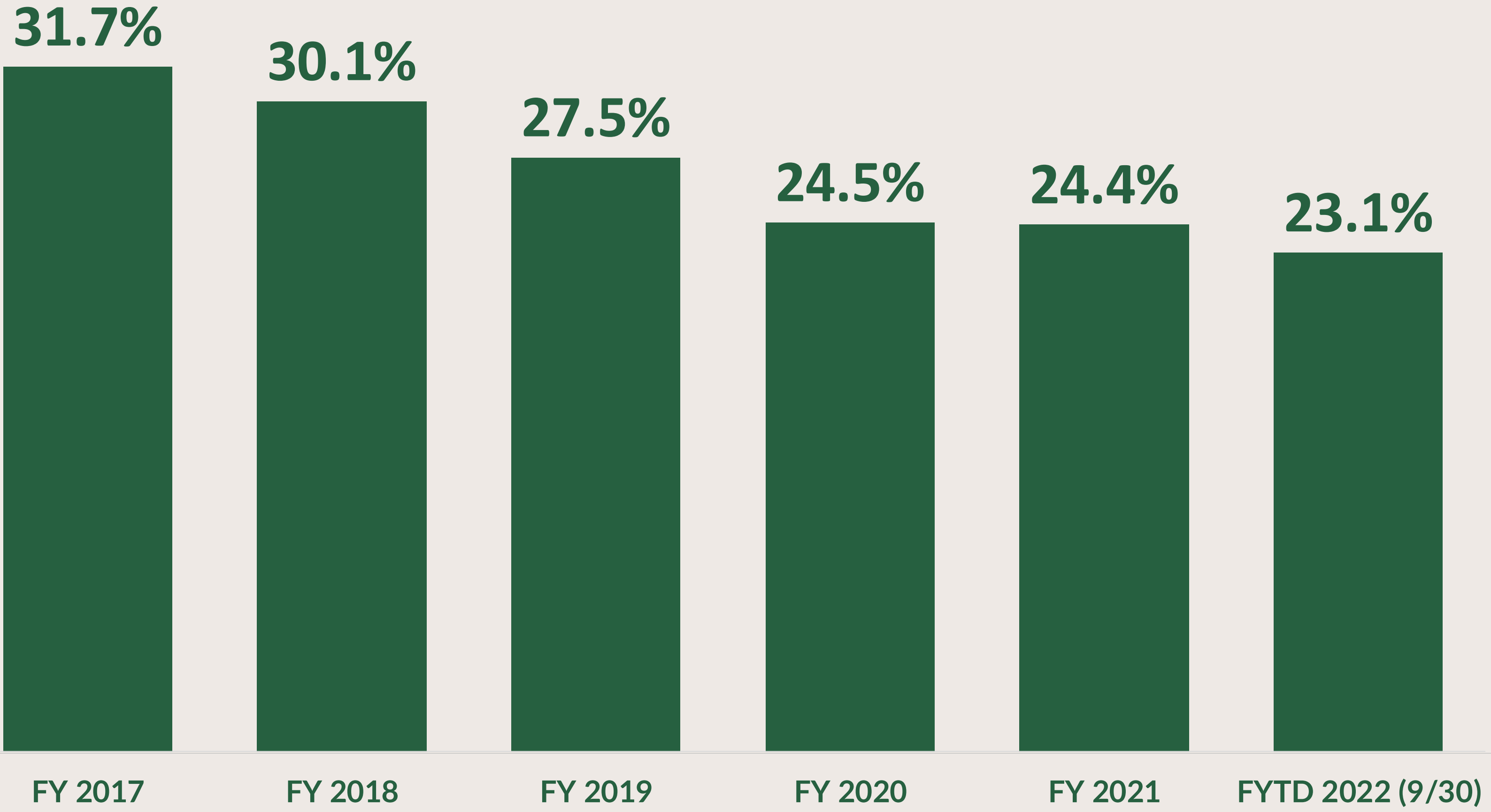
THROUGH SCALE & EFFICIENCY – PARTICULARLY IN LOGISTICS

- Media
- Logistics
- SG&A ex Media and Logistics

SG&A EFFICIENCIES

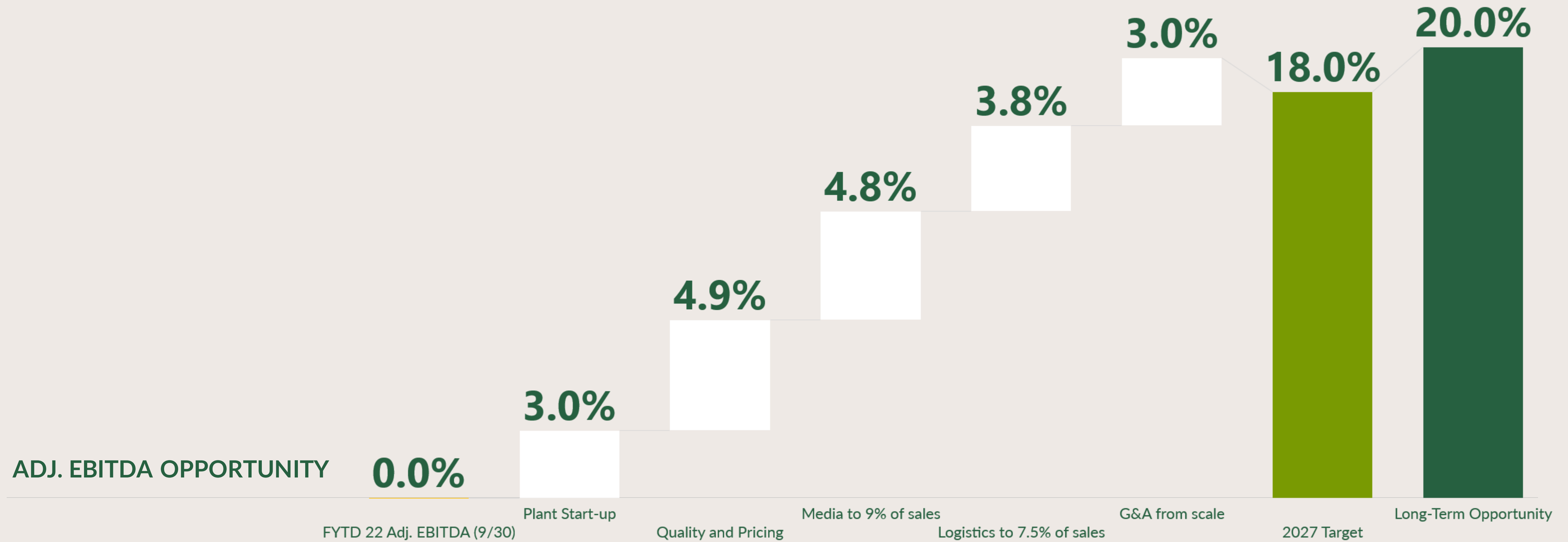


FRESHPET HAS CONSISTENTLY DELIVERED LEVERAGE FROM SCALE IN SG&A



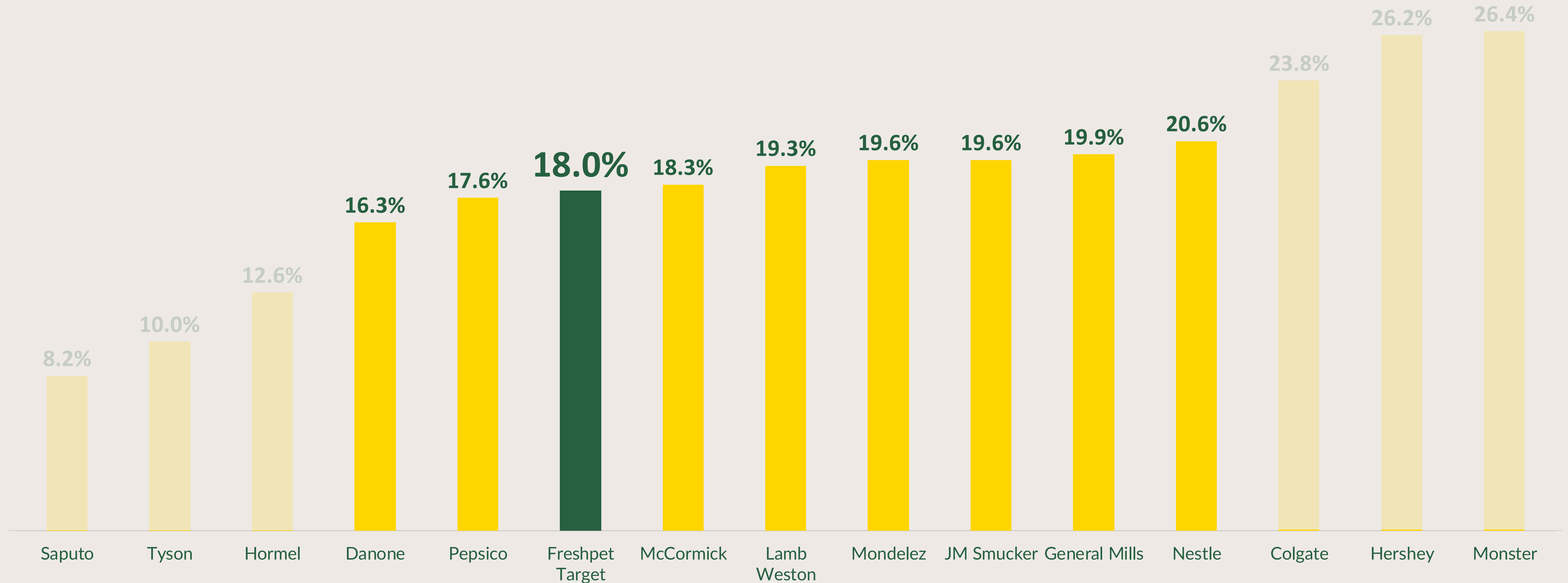
ADJ. SG&A % EXCLUDING MEDIA

FRESHPET CAN DELIVER 18% ADJ. EBITDA MARGIN AT SCALE AND ULTIMATELY A 20% ADJ. EBITDA MARGIN



AT 2027 TARGET, ADJ. EBITDA MARGINS ARE COMPARABLE TO OTHER LEADING FOOD BUSINESSES

COMPARATIVE EBITDA MARGINS

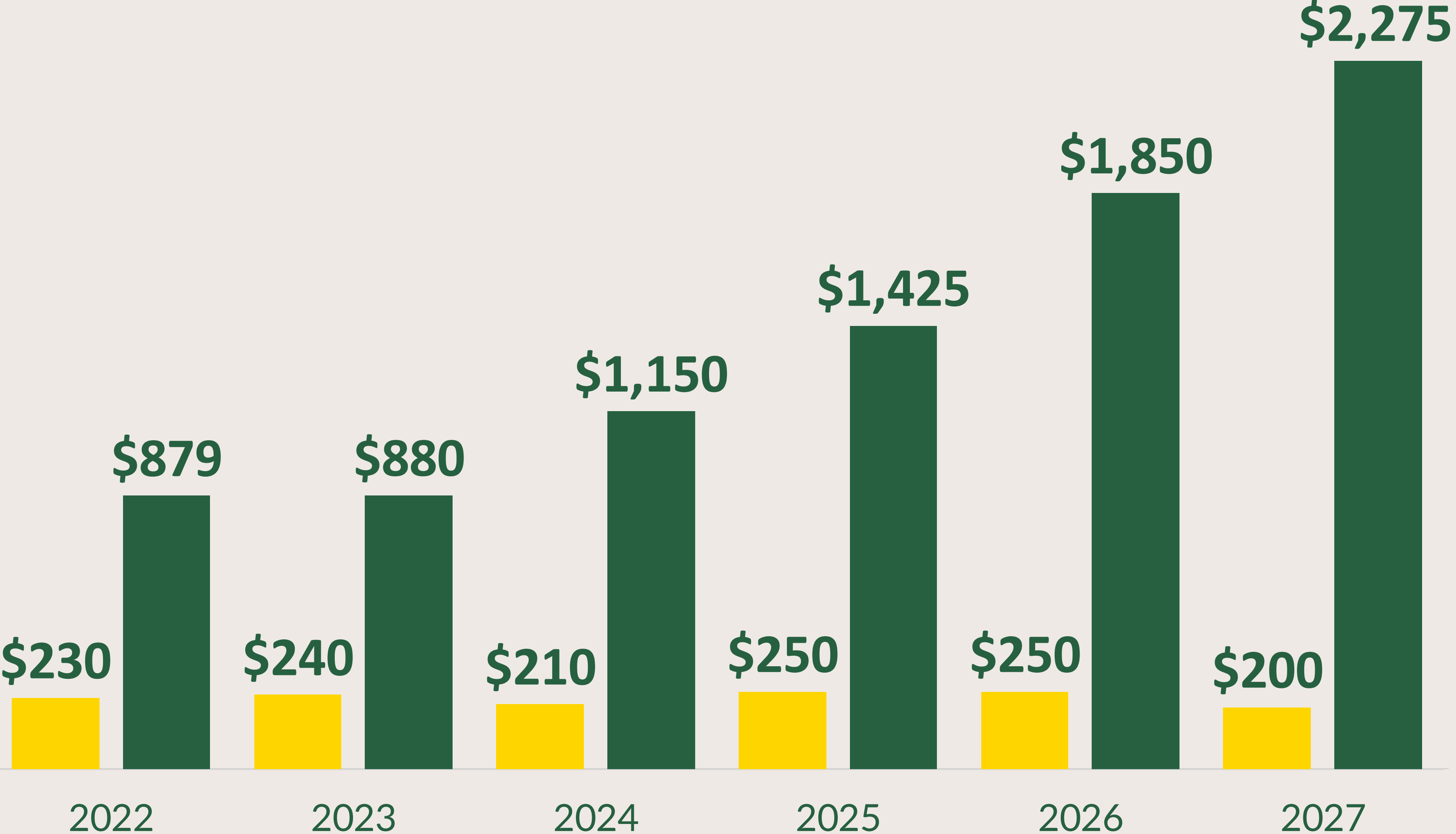


WE ARE ADJUSTING THE CAPEX SPENDING PLAN TO MATCH THE ANTICIPATED CAPACITY NEEDS OF THE BUSINESS

- Projected Capital Spending (\$ mill)
- End of Year Capacity (\$ mill)

\$50 million reduction in 2022/2023 vs. last projection

FRESHPET CAPITAL SPENDING & CAPACITY (\$ MILLIONS)



CASH FLOW AND LIQUIDITY OUTLOOK

- ✔ **Focused on margin improvement:** As our margins and EBITDA dollars increase, our ability to fund the business improve significantly
- ✔ **Upgrading credit agreement:** Currently vetting new credit facilities to provide enhanced flexibility to meet growth and capital needs
- ✔ **Leverage:** Comfortable with net debt leverage up to 4.0x EBITDA
- ✔ **Cash Flow Positive in FY 2026:** Forecast being free cash flow positive in FY 2026, with rate of net sales growth determining whether this happens sooner or later

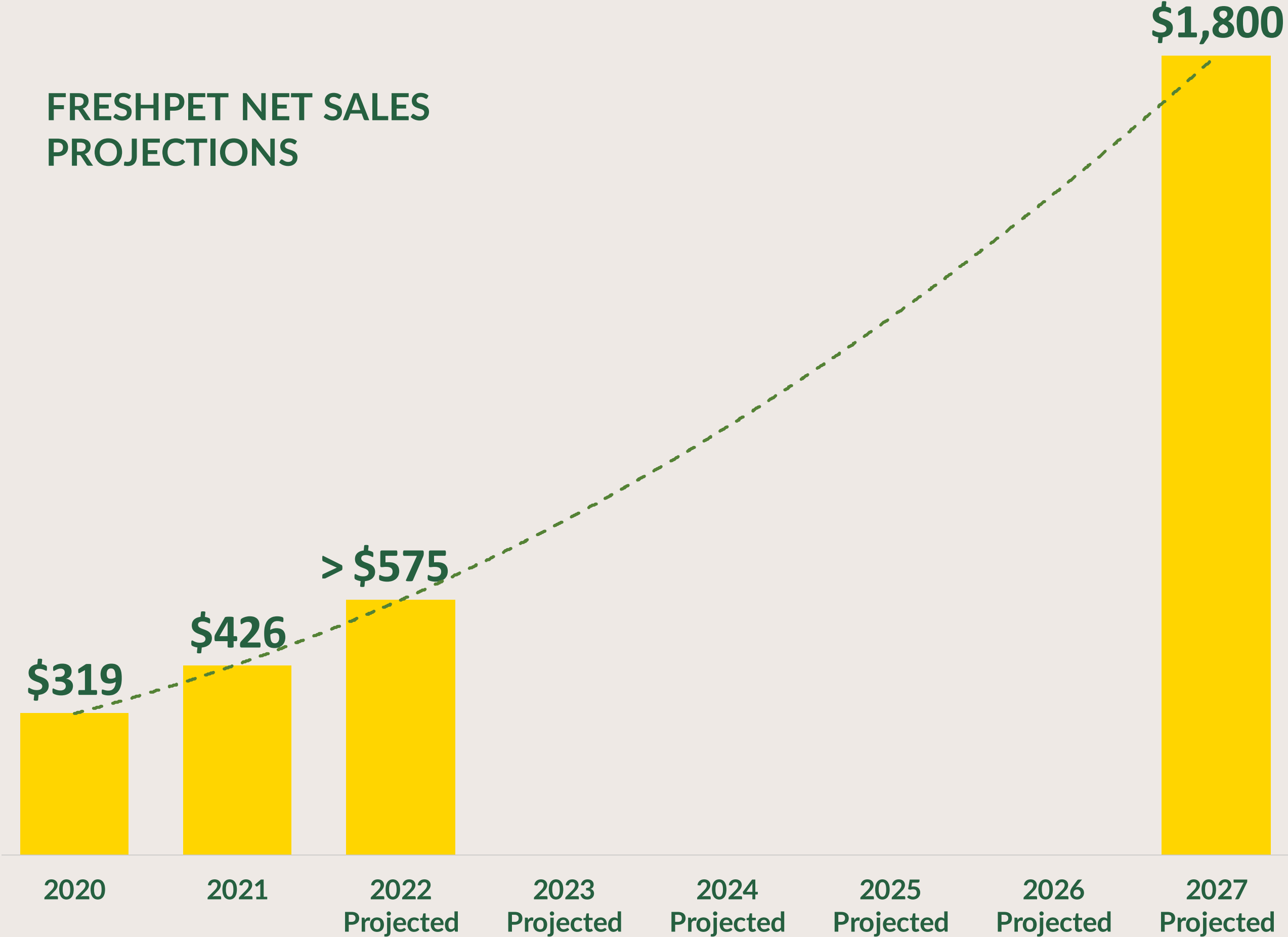
SUMMARY



FRESHPET IS GROWING QUICKLY AND CHANGING THE WAY PEOPLE NOURISH THEIR PETS FOREVER

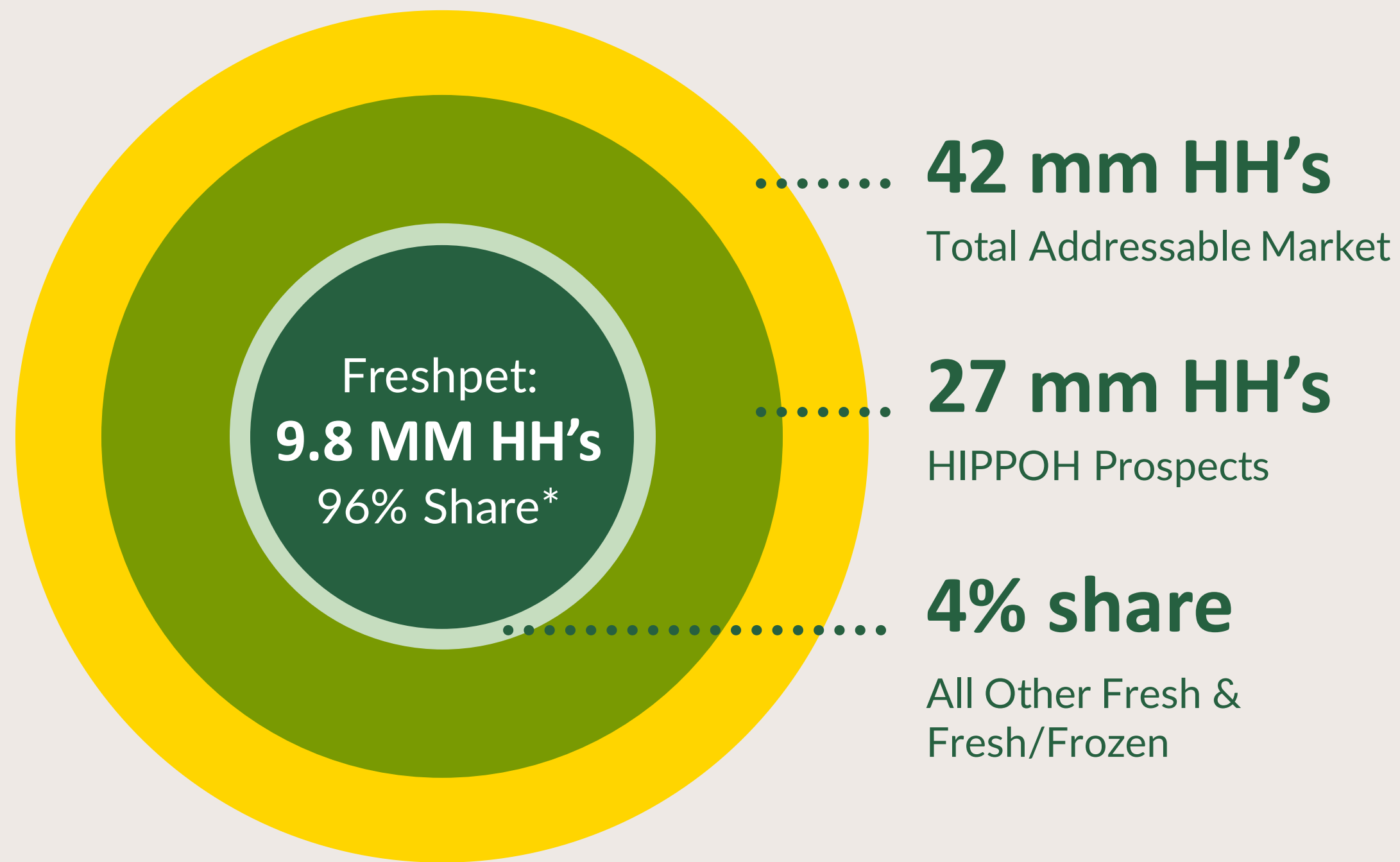


FRESHPET NET SALES PROJECTIONS

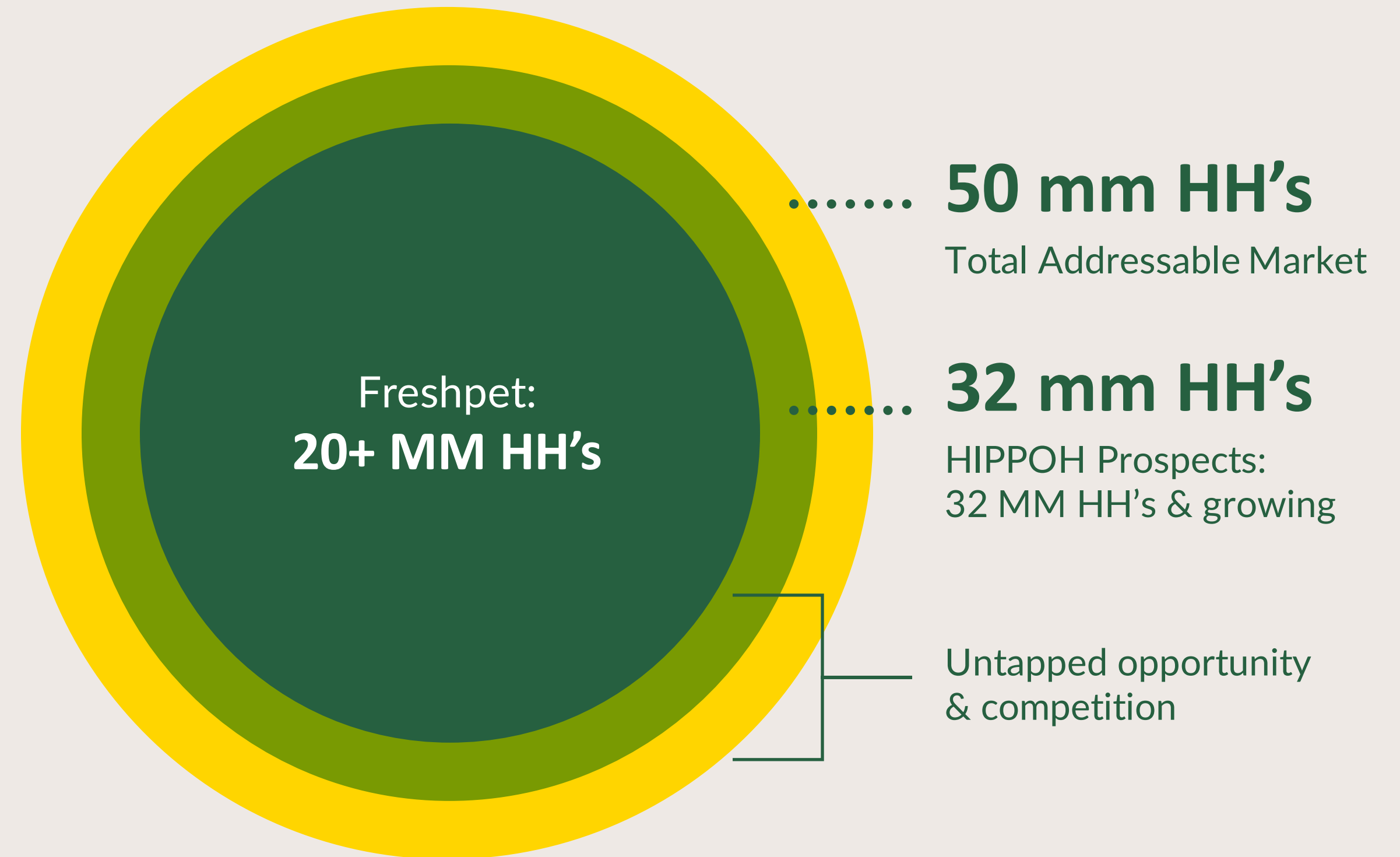


WE EXPECT TO MAINTAIN A VERY LARGE SHARE OF THIS GROWTH MARKET

TODAY



2027



*Measured channels

OUR CONSUMER CENTRIC MODEL IS DIFFICULT TO REPLICATE

Leveraging know-how, first mover and now scale benefits

Our Fresh Food Ideology and Know-How:
Delivers a Healthy, Nutritious, great Tasting Product that Nourishes the Pet-Parent Bond.

Our Broad Portfolio of brands and products: Meets all Emotional and Rational Motivations of Pet Parents.

Our Innovation Continues to Serve New Pet Parents: We align with their needs and values.

Our Branded, Owned-Fridges:
1.5M cu ft on our way to 2M+ cu ft of real estate.

Our Scale Creates Long-Term Growth Benefits: Advertising, Retail Presence, Logistics, and Operational Efficiencies.

Our \$1B Investment in Proprietary Tech, Processes and Infrastructure:
490K sq ft on our way to 1.4M+ sq ft.



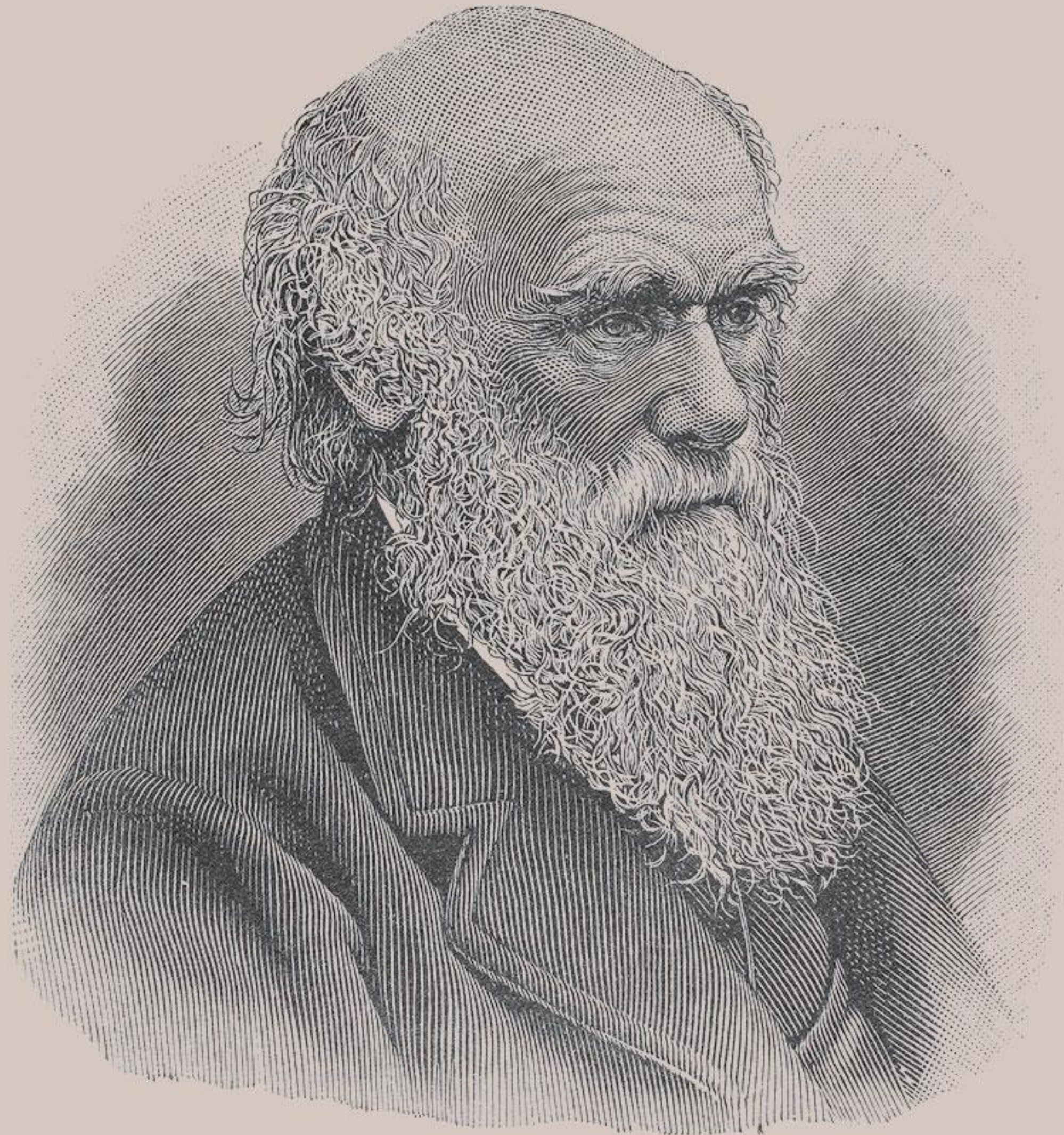
WE HAVE NEW CAPABILITY AND RENEWED FOCUS ON IMPROVING OPERATIONS TO DRIVE CASH GENERATION



WE ARE PASSIONATELY FOCUSED ON
MEETING THE NEEDS OF PET PARENTS
BETTER THAN ANYONE ELSE

“We don’t make dog food.
We make food food.”





Charles Darwin.

“ . . . and we shall then see how **Natural Selection almost inevitably causes much Extinction of the less improved forms of life** and induces what I have called **Divergence of Character.**”

- CHARLES DARWIN

FRESHPET IS A DIVERGENCE OF CHARACTER



1956



2006

FRESHPET IS THE EVOLUTION OF PET FOOD



1922



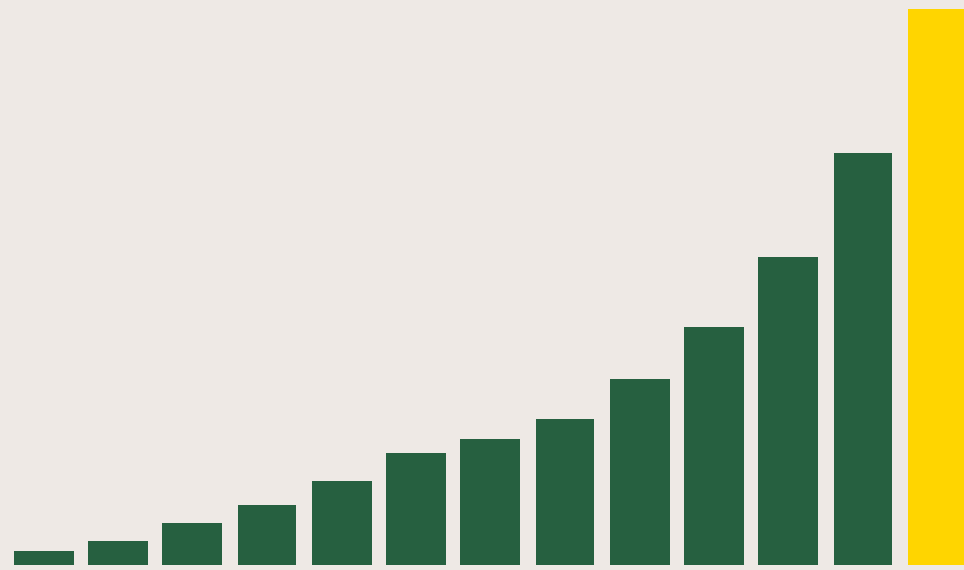
2015

FRESHPET IS THE FUTURE OF PET FOOD



70.8 mm

LARGE & GROWING TAM



DEMONSTRATED RECORD OF GROWTH



EXCEPTIONAL PRODUCTS



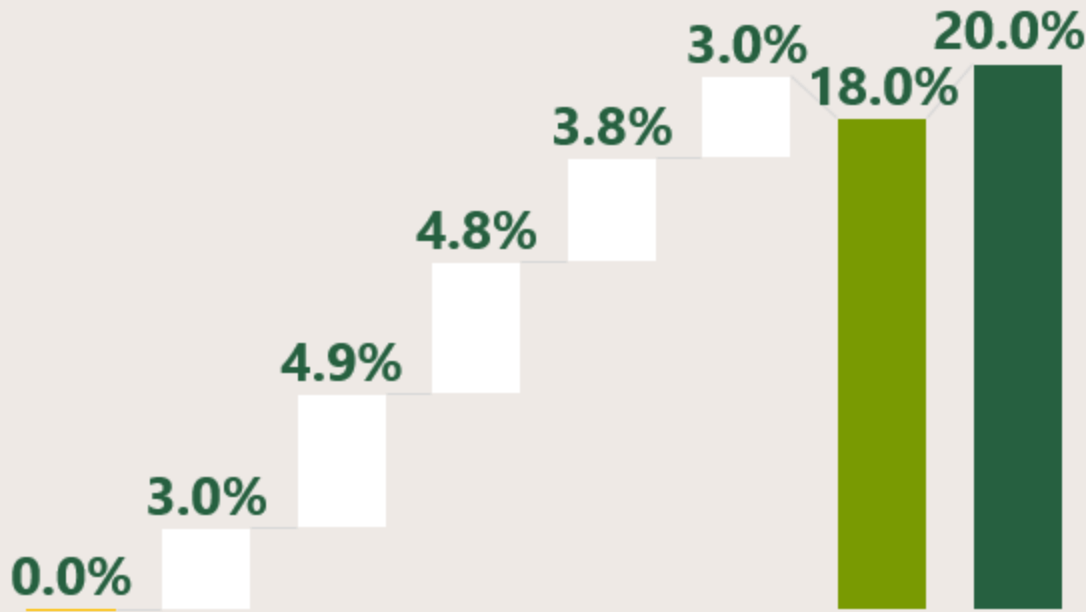
PROPRIETARY DISTRIBUTION



STATE-OF-THE-ART MANUFACTURING & TECHNICAL KNOW HOW WITH AMPLE CAPACITY FOR GROWTH



STRENGTHENED & FOCUSED LEADERSHIP TEAM



LASER-LIKE FOCUS ON IMPROVING PROFITABILITY



2027
freshpet[®]
THE FUTURE IS FRESH
UNLEASHING GROWTH. SCALING PROFITS.



THANK YOU!






20+ MILLION HOUSEHOLDS
BY 2027

