

**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): May 21, 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.

Item 7.01. Regulation FD Disclosure.

On May 21, 2019, certain members of our management team will present at a conference hosted by William Blair. A copy of the presentation to be used by management during the conference is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information furnished with this Item 7.01 of this Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

Number

Description

99.1 [Investors Presentation dated May 2019](#)

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: May 21, 2019

By: /s/ Richard Kassar

Name: Richard Kassar

Title: Chief Financial Officer



Investor Presentation: May 2019



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.





**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

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

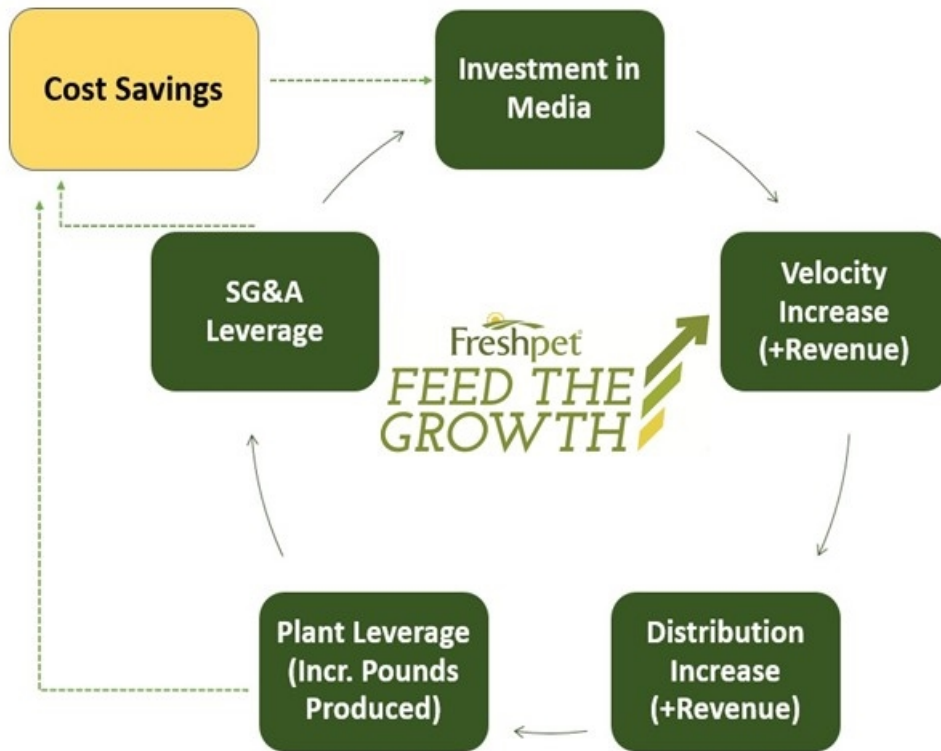
Kroger

WHOLE FOODS

TARGET



In 2017, we launched our Feed the Growth strategic plan



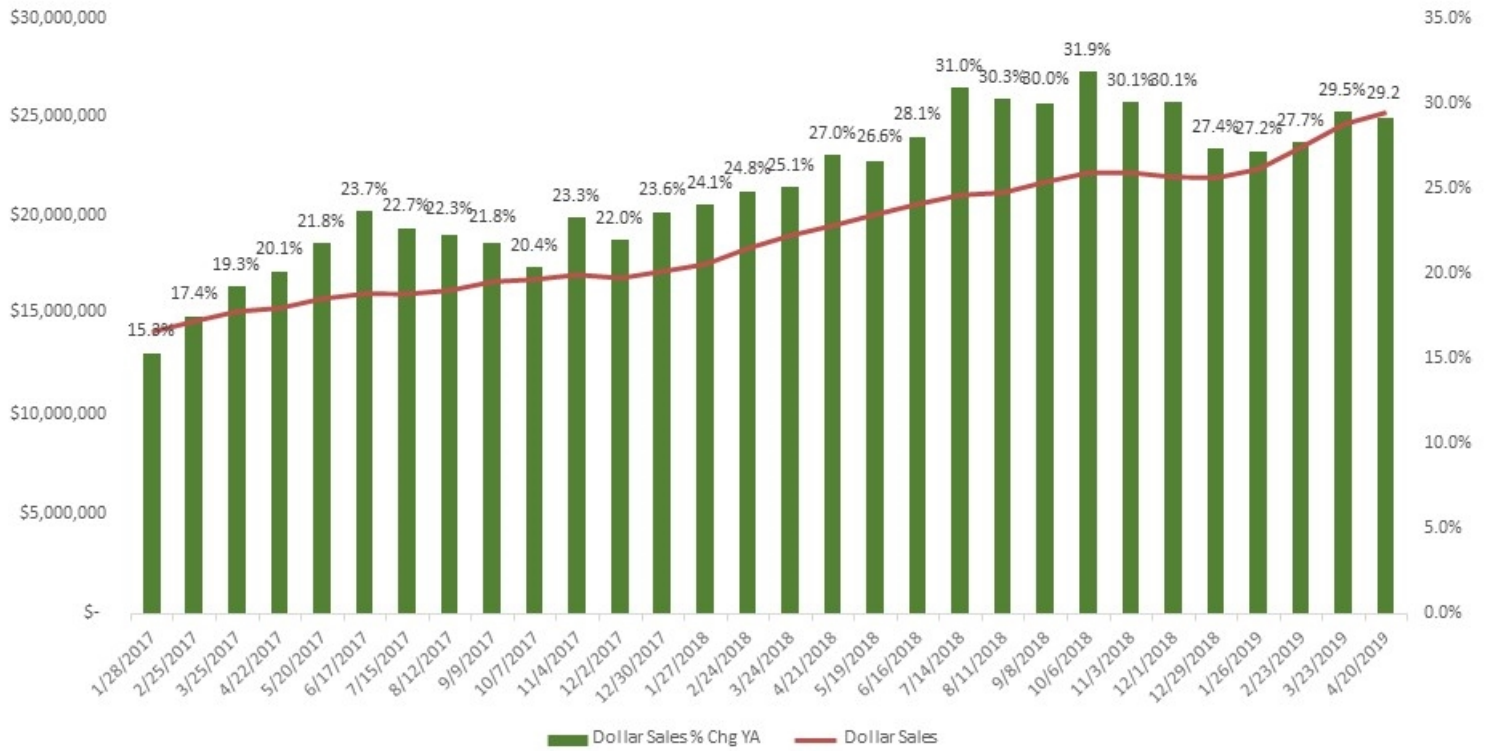
Delivered strong net sales growth and increasing scale benefits

Freshpet Financial Performance			
	2017	2018	2019 Guidance*
Net Sales (\$ millions)	\$152.4	\$193.2	>\$240
<i>IYA</i>	(117)	(127)	(>124)
Adj. EBITDA (\$ millions)	\$17.6	\$20.3	>\$28
<i>IYA</i>	(99)	(115)	(>138)

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

Accelerating consumption growth

Nielsen Mega-Channel Consumption Growth



Nielsen measured \$ consumption for 4 week periods ending 4/20/19

Growing 20+ pts. faster than category in all classes of trade

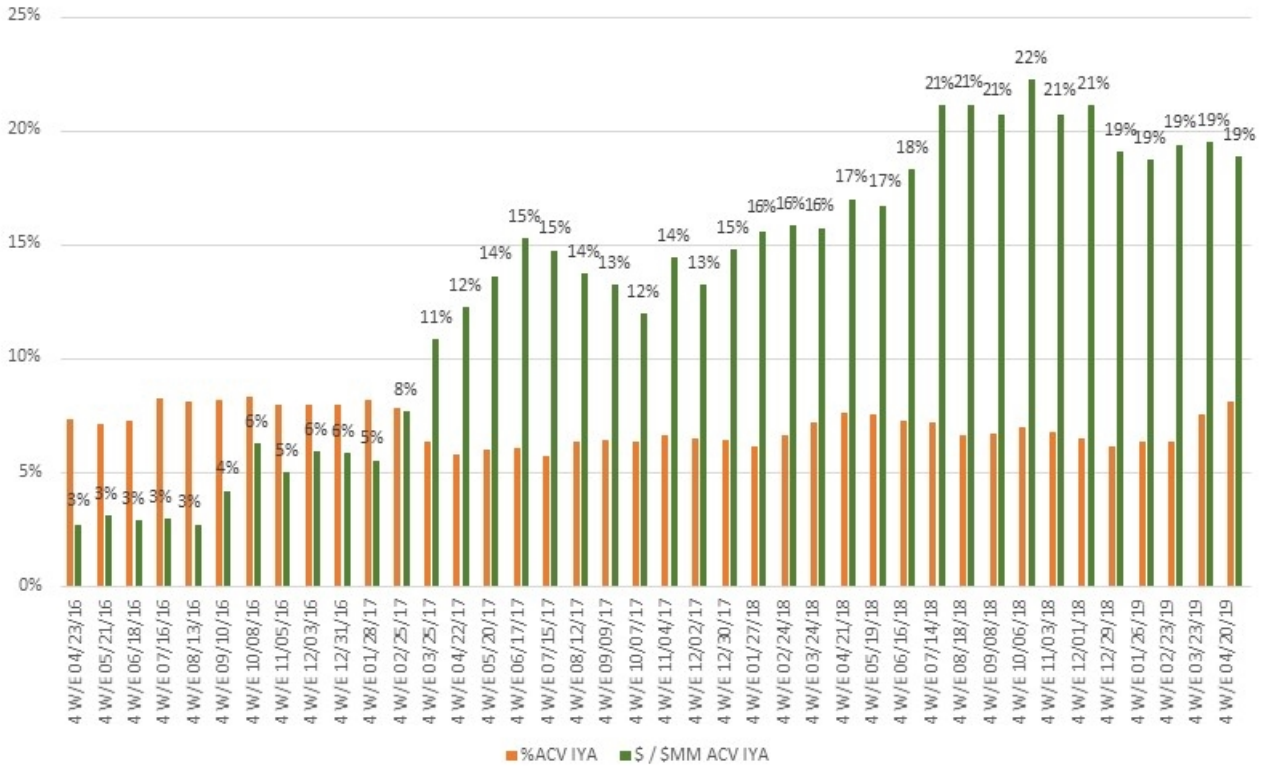
% Change vs YA by Class of Trade						
	Dog Food Wet+Dry (wo FRS/FRZ)			Freshpet Total RFG		
	\$ % Change YA			\$ % Change YA		
	L4 Wks	L13 Wks	L52 Wks	L4 Wks	L13 Wks	L52 Wks
Total xAOC+Pet+WFM	2.3	1.7	0.6	29.2	28.4	29.2
Total US xAOC	6.2	4.6	2.7	33.0	31.5	31.5
Total US Food	2.7	2.0	1.6	37.1	37.0	36.8
Big Box Pet	-7.6	-5.7	-4.6	14.9	17.0	20.5



Nielsen \$ Volume through 4/20/19 – Growth vs YA

Driven by strong velocity gains

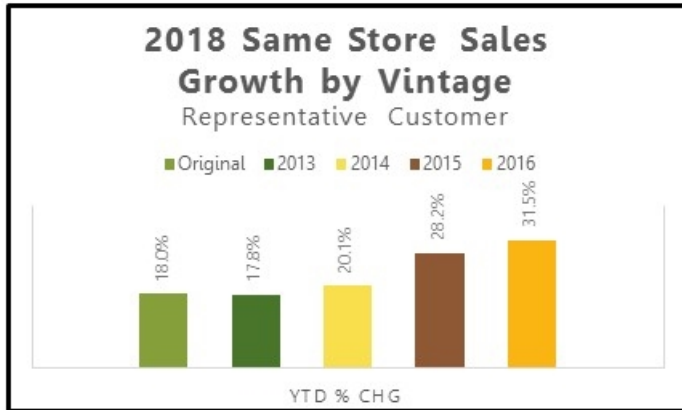
Freshpet Distribution and Velocity Growth



Nielsen Mega-Channel for 4 week periods 4/23/16 through 4/20/19

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

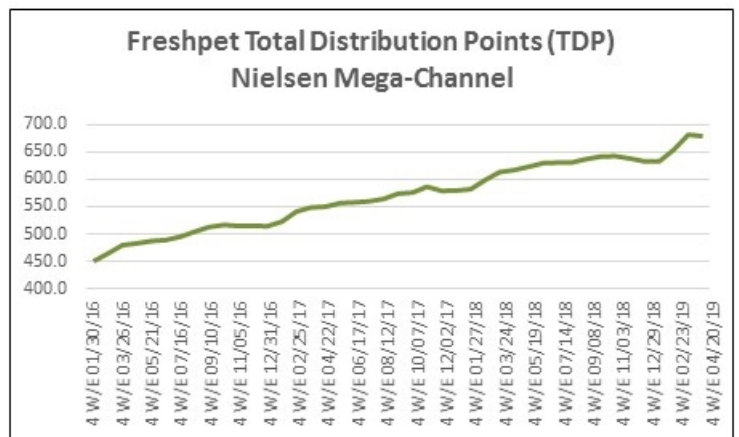
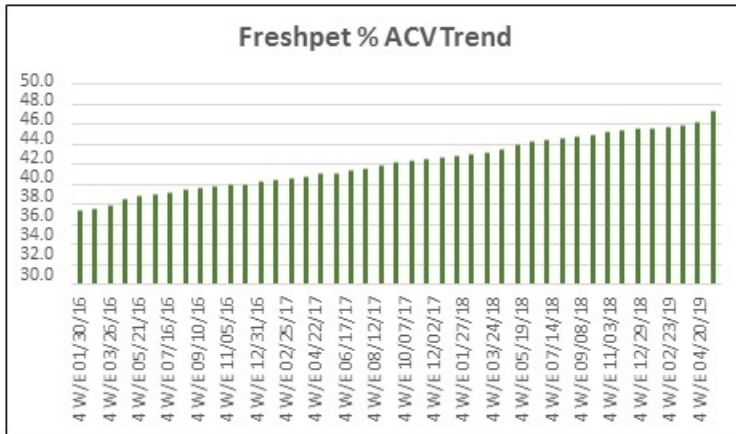
Customer A



Customer B



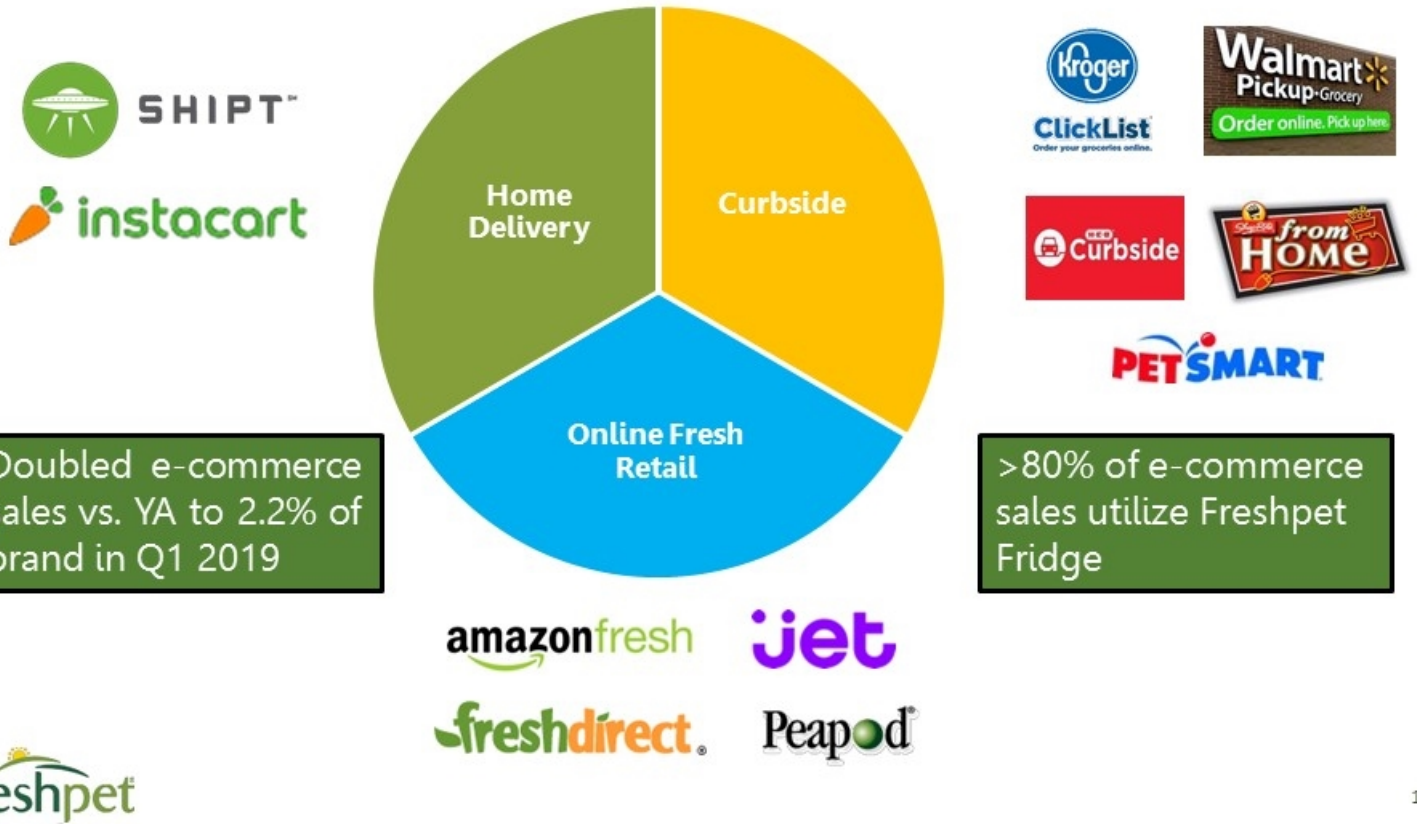
Growing distribution (ACV) and depth (TDP) with room to grow



Nielsen Mega-Channel 4 week periods 1/30/16 through 4/20/19

With growth potential in fresh e-commerce

Strategy: Grow with winning players in fresh e-commerce



Increased total Freshpet penetration & buying rate

Total Freshpet Buying Rate, Penetration and Repeat Rate

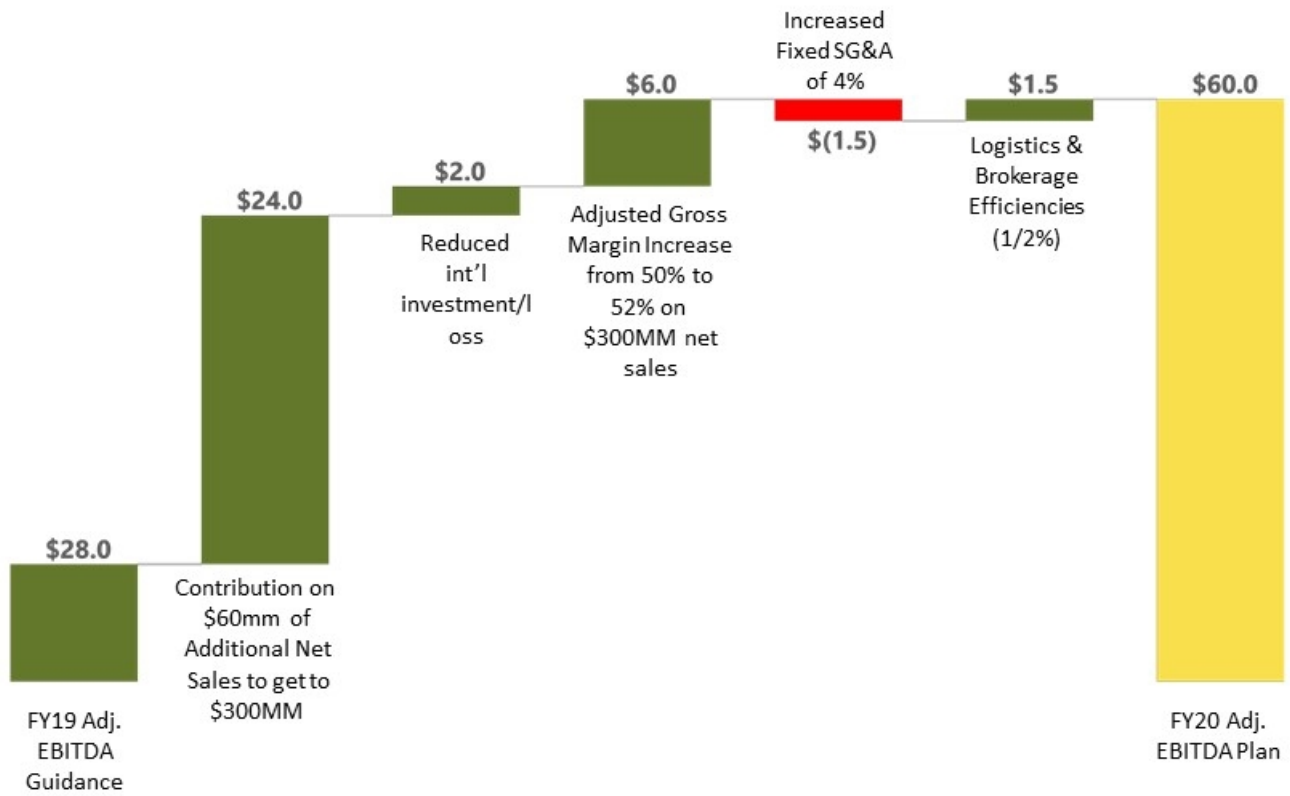


Nielsen HH Panel Data for 52 Week Periods ending March; Buying Rate is internal calculation based on company sales data

Gaining SG&A leverage and reinvesting for growth

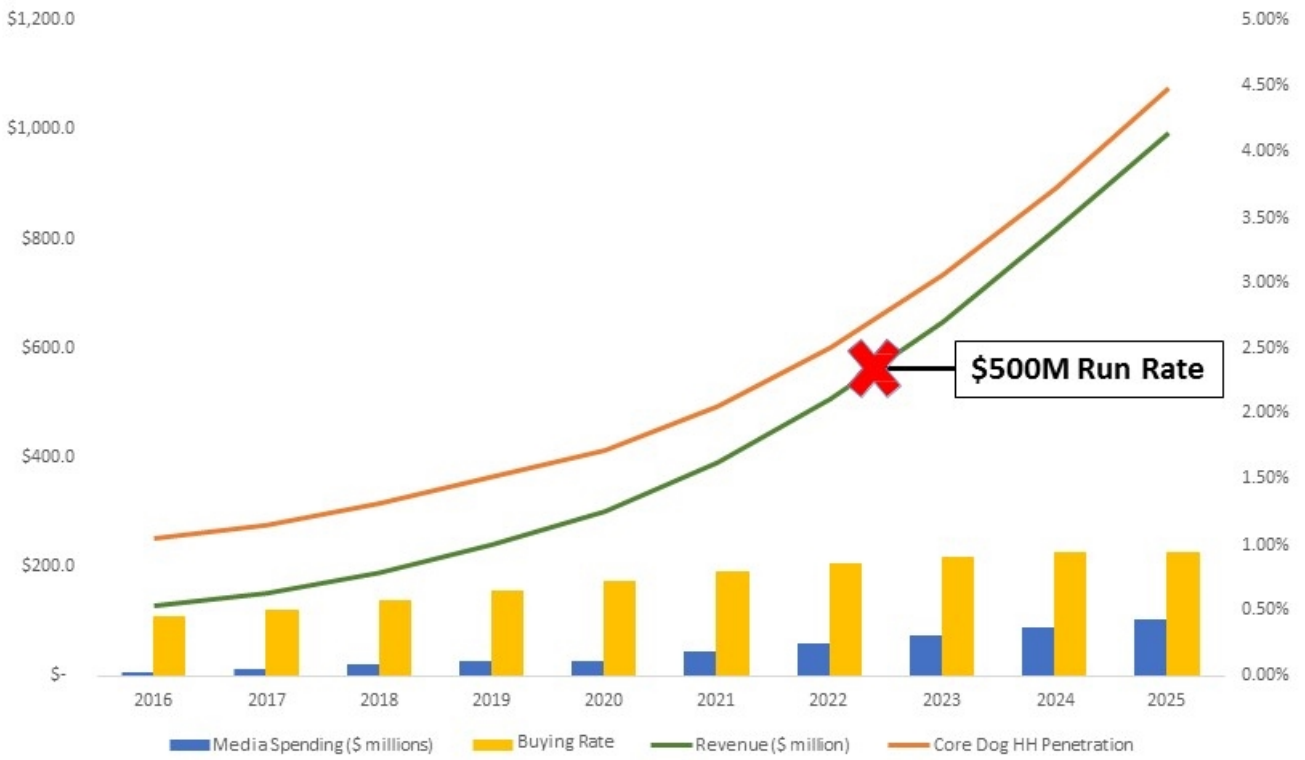
SG&A Leverage			
	FY 2017	FY 2018	Y-o-Y Change
Adj. SG&A % Excluding Media	31.0%	28.5%	2.4%
Media%	8.9%	11.1%	-2.2%
Total Adj. SG&A %	39.9%	39.7%	0.2%

Increased scale/efficiency will deliver \$60M Adj. EBITDA in 2020



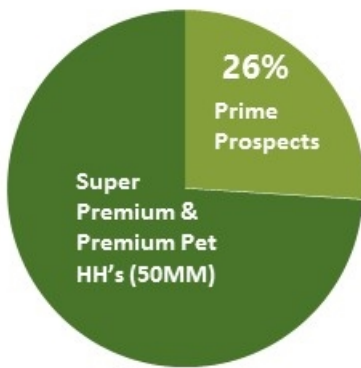
With growth potential well beyond \$300M

Freshpet Growth Potential



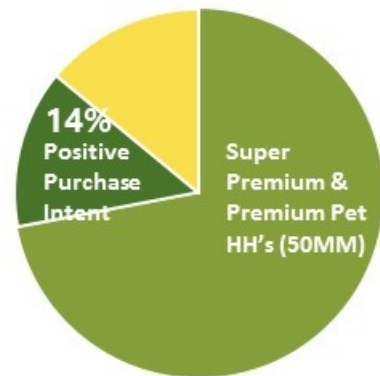
Just scratching the surface of HH penetration potential . . .

Prime Prospects



→ PP's with Positive Interest (53%) →

With Top 2 Box Purchase Interest in Freshpet Concept



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:





freshpet[®]

**DIG
DEEPER**

2019

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 2nd Fridges

3. Strengthen Gross Margin/Adjusted EBITDA Margin

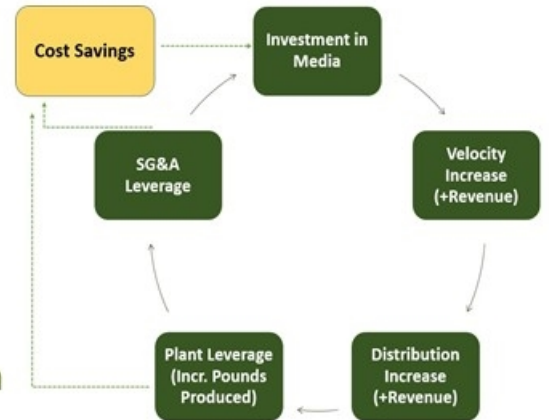
- Pricing
- Product Innovation
- Efficiency gains and capacity utilization
- Build more efficient capacity (Kitchens 2.0 start-up in 2020)
- Deliver SG&A absorption gains

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



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
Cranberries, Carrots & Green Beans

freshpet HEALTHY MIXERS
BROWN RICE, PUMPKIN, GREEN BEANS & CARROTS
4.5oz
Brown Rice, Pumpkin, Green Beans & Carrots

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

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



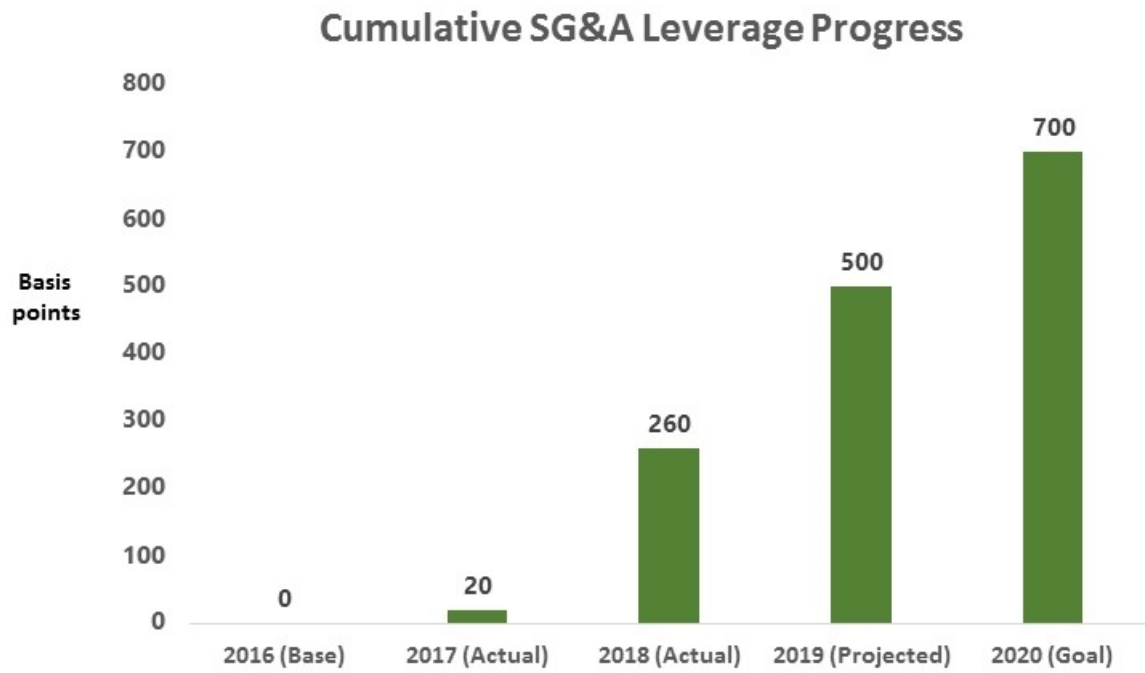
Manufacturing Efficiency

- 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

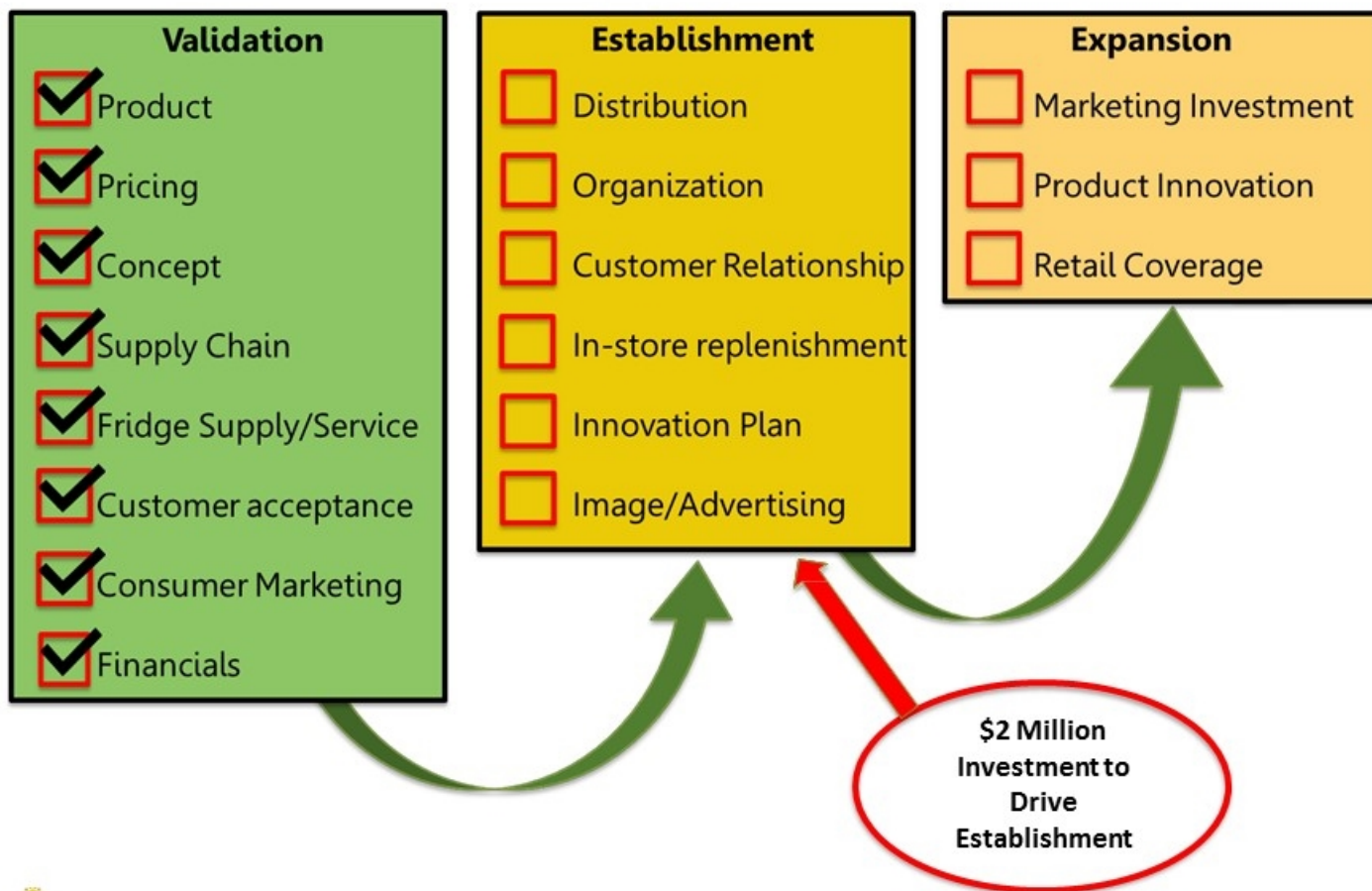
SG&A Leverage

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

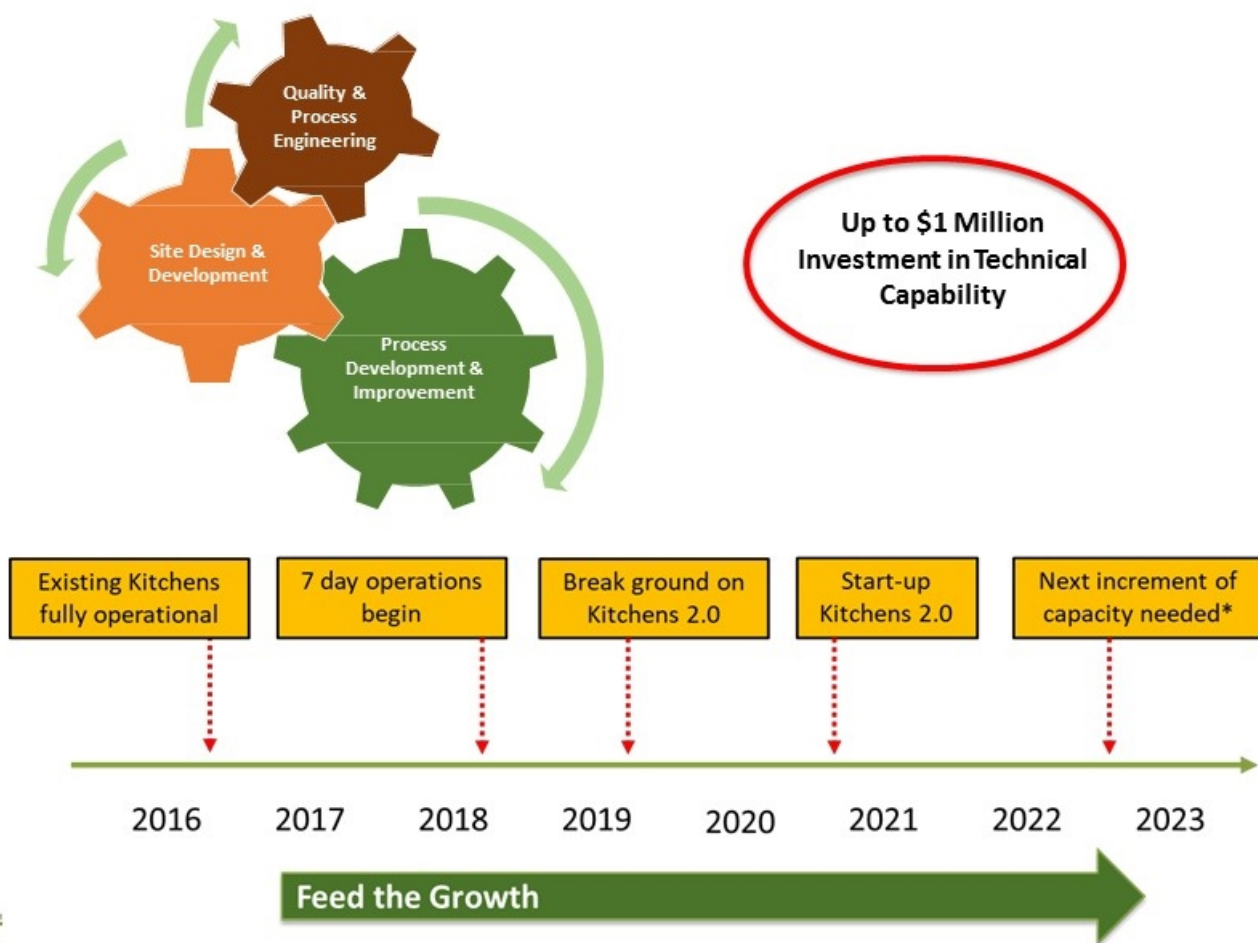
Gaining leverage in SG&A



Continue measured development in Canada & UK



Build capability to support longer-term capacity expansion





2019 Q1 Results

Off to a strong start in 2019: Delivering growth and profitability

Freshpet Q1 Financial Results		
	Q1 2018	Q1 2019
Net Sales (\$ millions)	\$43.2	\$54.8
<i>IYA</i>	(128)	(127)
Adj. EBITDA (\$ millions)	\$1.8	\$2.8
<i>IYA</i>	(95)	(154)

Significant, accelerating consumption growth across all classes of trade

Freshpet Consumption Growth vs YA		
	Q1 2018	Q1 2019
Mega-Channel	+25.0%	+27.8%
XAOC	+27.6%	+30.4%
Food	+32.1%	+36.5%
Big Box Pet	+15.6%	+18.3%



Nielsen measured \$ consumption for 13 weeks ending 3/30/19 and 3/31/18 compared to the same period prior year

18% growth in Core Dog HH penetration vs YA

Core Dog HH Penetration, Repeat and Buying Rate



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

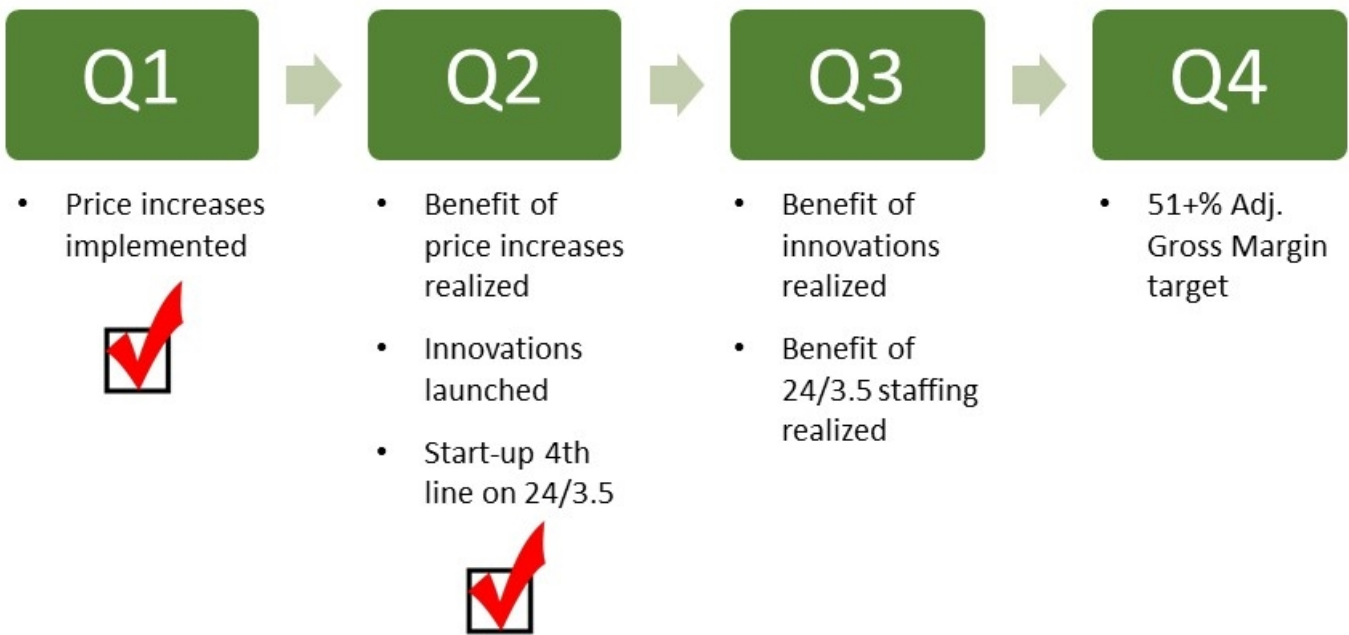
Driving strongest distribution gains since Q1 2016

Freshpet Distribution Gains

	Q1 2018	Q1 2019
Store Count	18,277	20,053
<i>IYA</i>	(107)	(109)
Upgraded Fridges (Cum.)	495	1,008
Increase	-	513
2nd Fridges	NA	341
% ACV	43.9%	47.4%
<i>IYA</i>	(107)	(108)
Total Dist. Points (IYA)	(111)	(111)



On track to deliver adjusted gross margin improvement



Freshpet Adjusted Gross Margin Progress		
	Q4 2018	Q1 2019
Adj. Gross Margin	49.4%	50.4%

Delivering significant leverage from scale in SG&A

SG&A Leverage			
	Q1 2018	Q1 2019	Y-o-Y Change
Adj. SG&A % Excluding Media	30.1%	27.0%	3.1%
Media %	16.0%	18.3%	-2.4%
Total Adj. SG&A %	46.0%	45.4%	0.7%

Breaking ground on \$100M Kitchens 2.0 soon





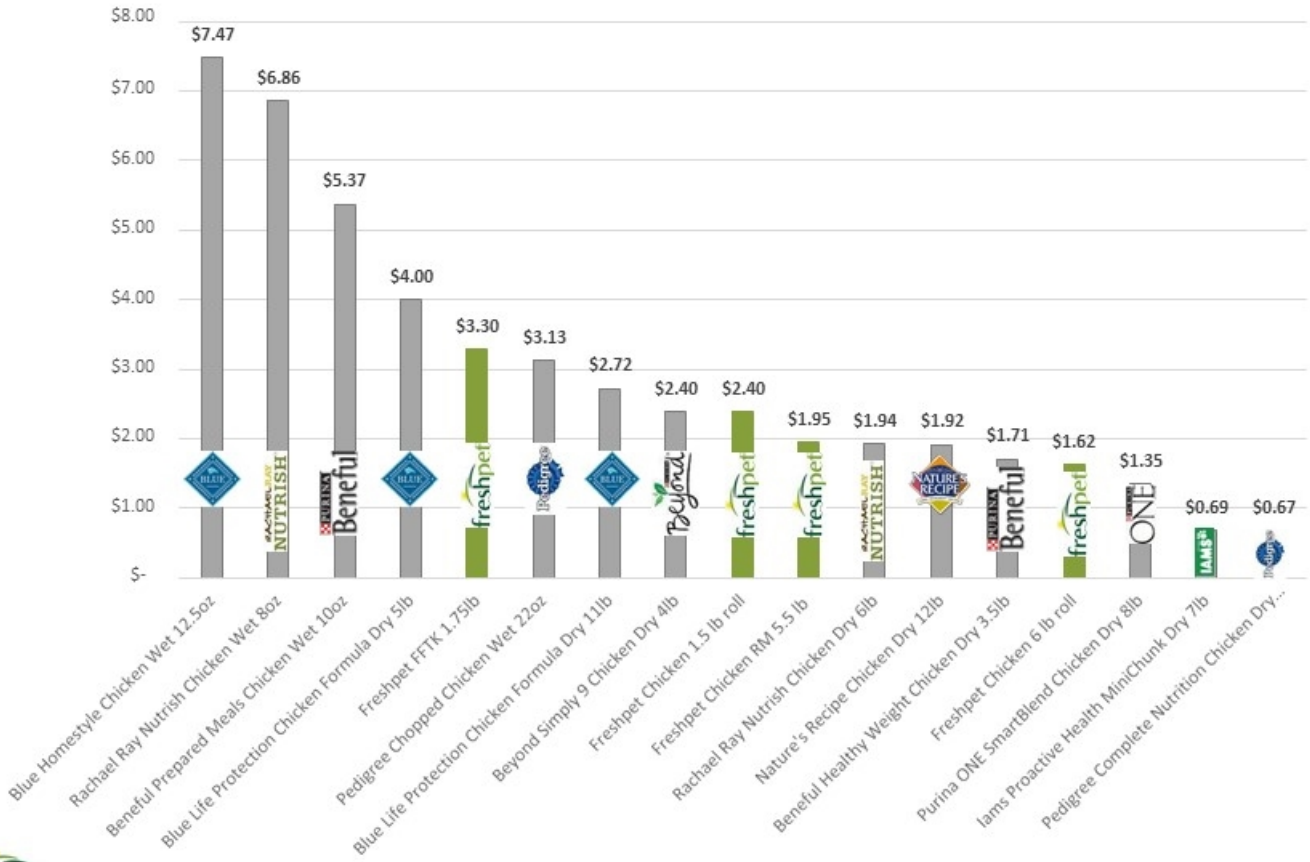


Appendix



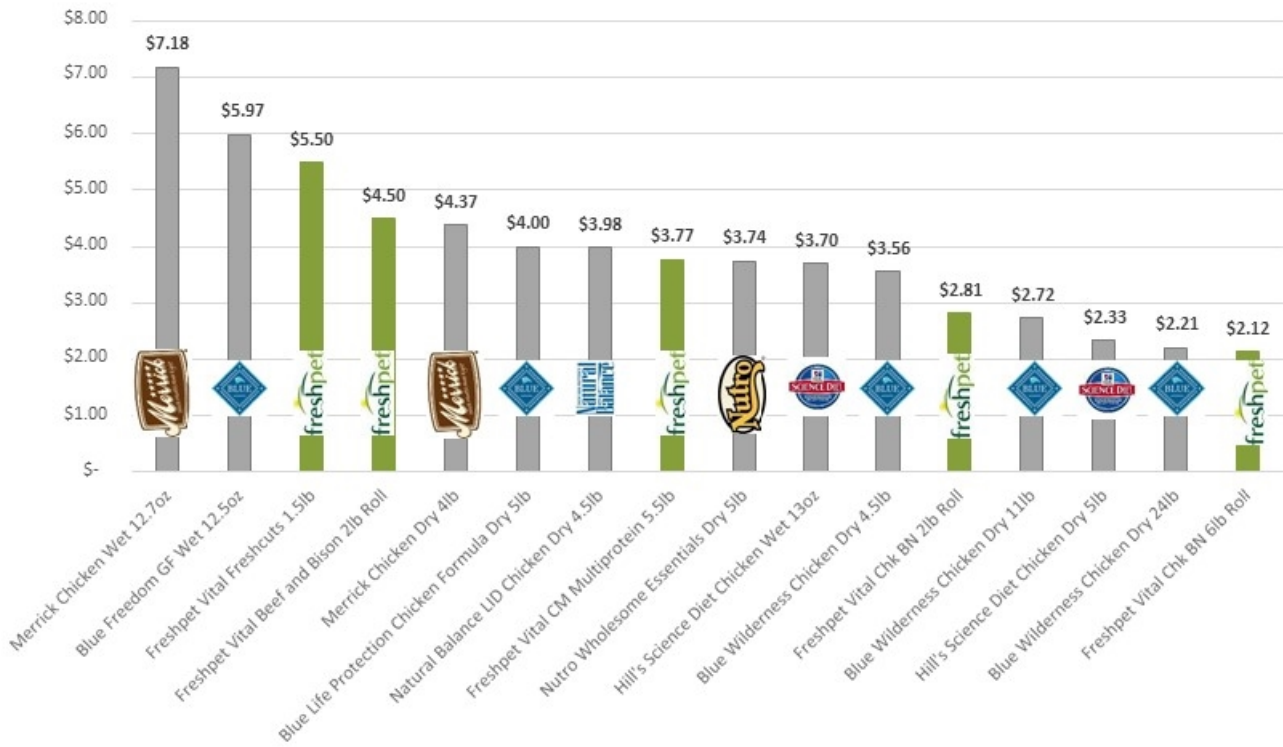
Cost to Feed – Grocery & Mass

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

Approximate daily cost to feed for medium-sized dog

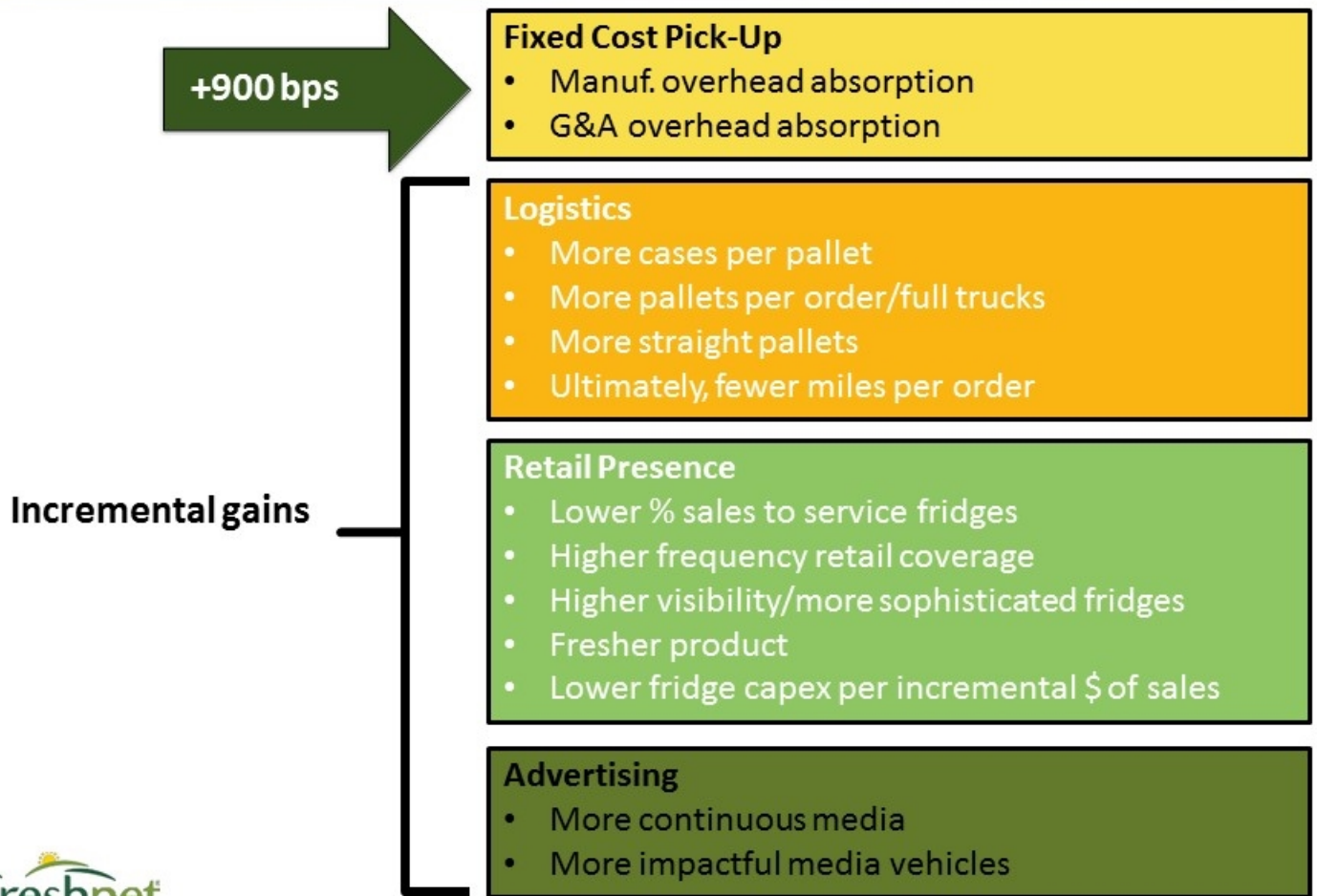


Medium-sized dog assumed to be 35 pounds. Price/day based on recommended serving sizes per brand.
Source: Prices are as of 4.29.19 on Chewy and Target.com.

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



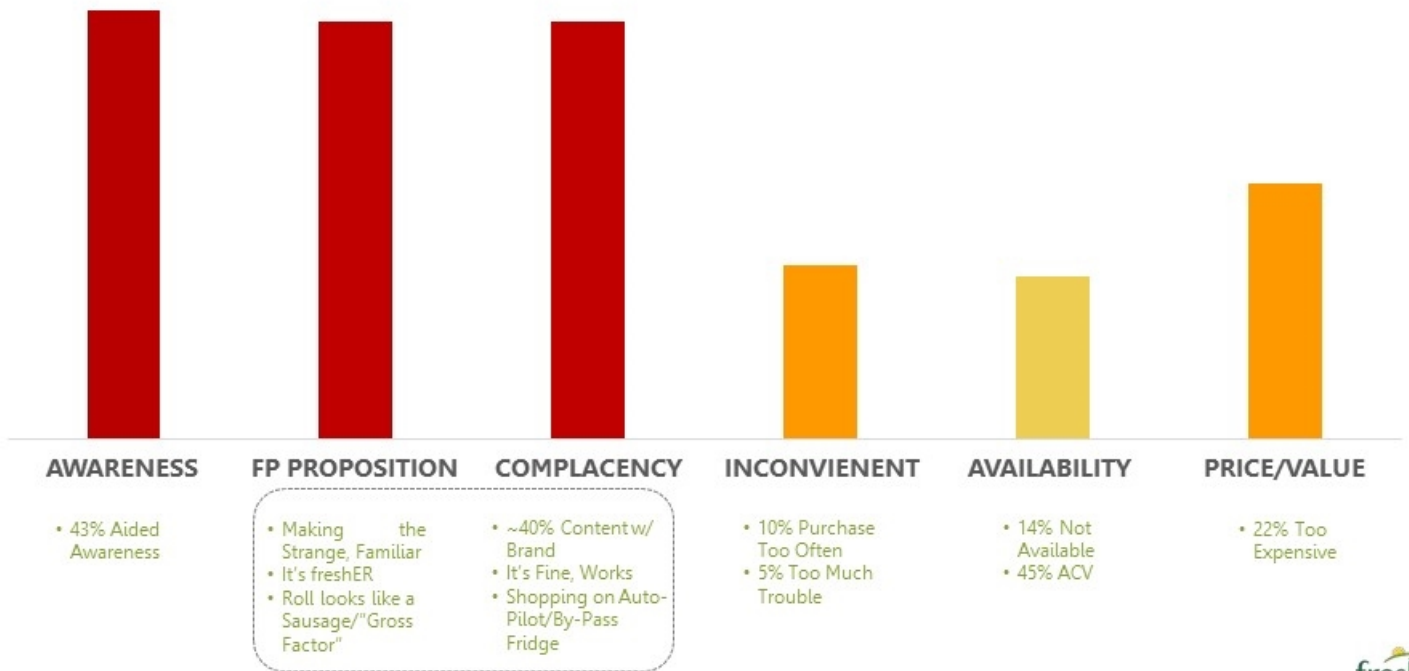
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Source: Nielsen NLR Survey 2017, n=67. Why have you INSERT Q9 RESPONSE: started purchasing, purchased more of Freshpet in the past 12 months compared to the previous 12 months? Please select all that apply.
Note: Top 13 responses shown



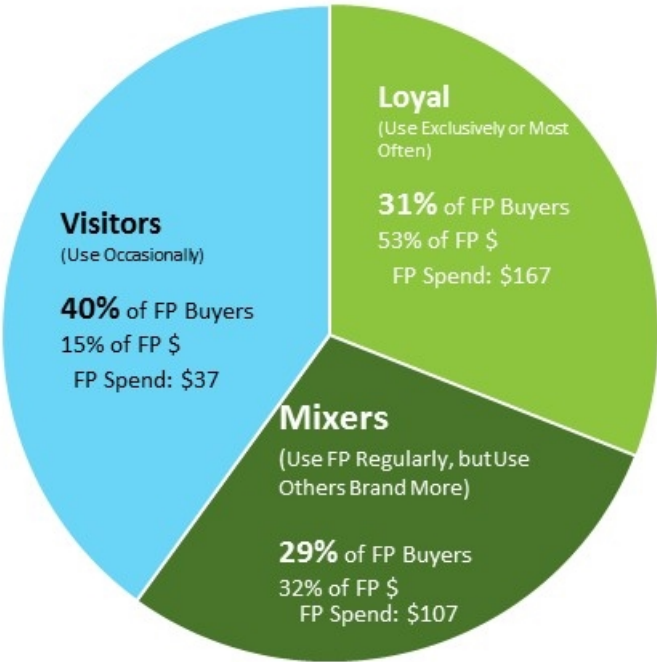
Barriers to purchasing Freshpet

(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.

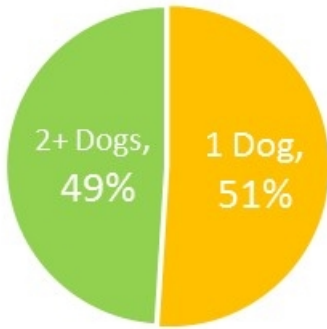
Freshpet pet parent segments



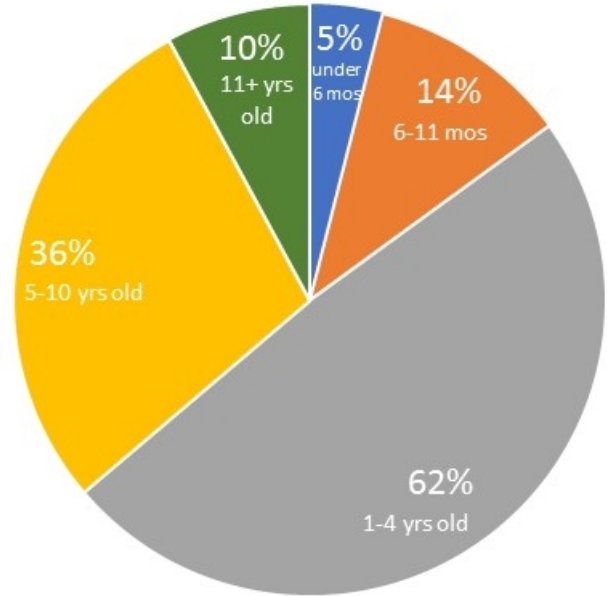
Source: Nielsen 2017 NLR Custom Survey; 2016 A&U, Nielsen Demos 2017, 2018 Mini A&U.

Encouraging franchise longevity

Freshpet Number of Dogs in HH

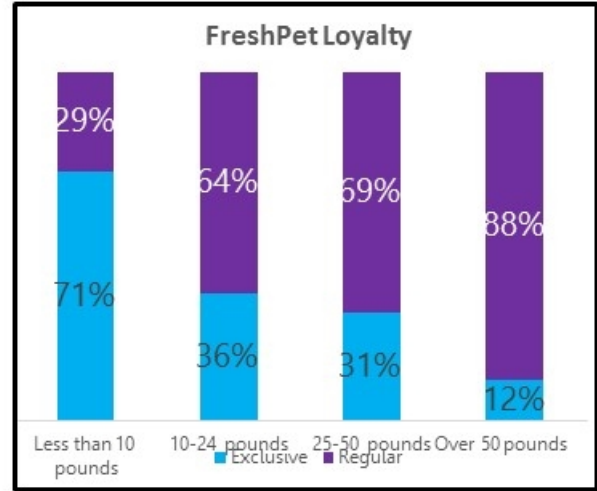
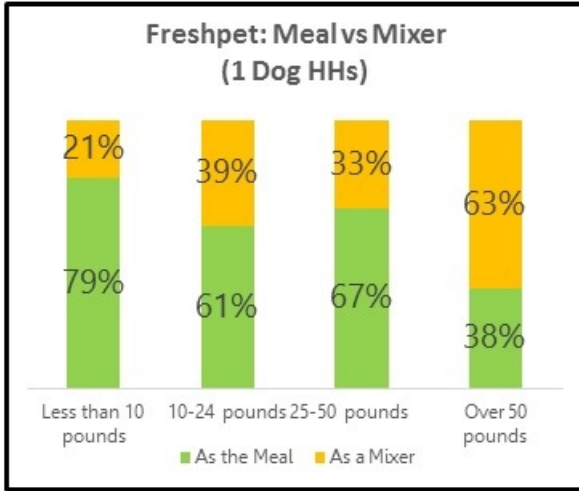


Dog Age



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 . . .

Use automation to further improve:

- Quality
- Safety
- Cost



Kitchens 2.0 plan will deliver . . .

- **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

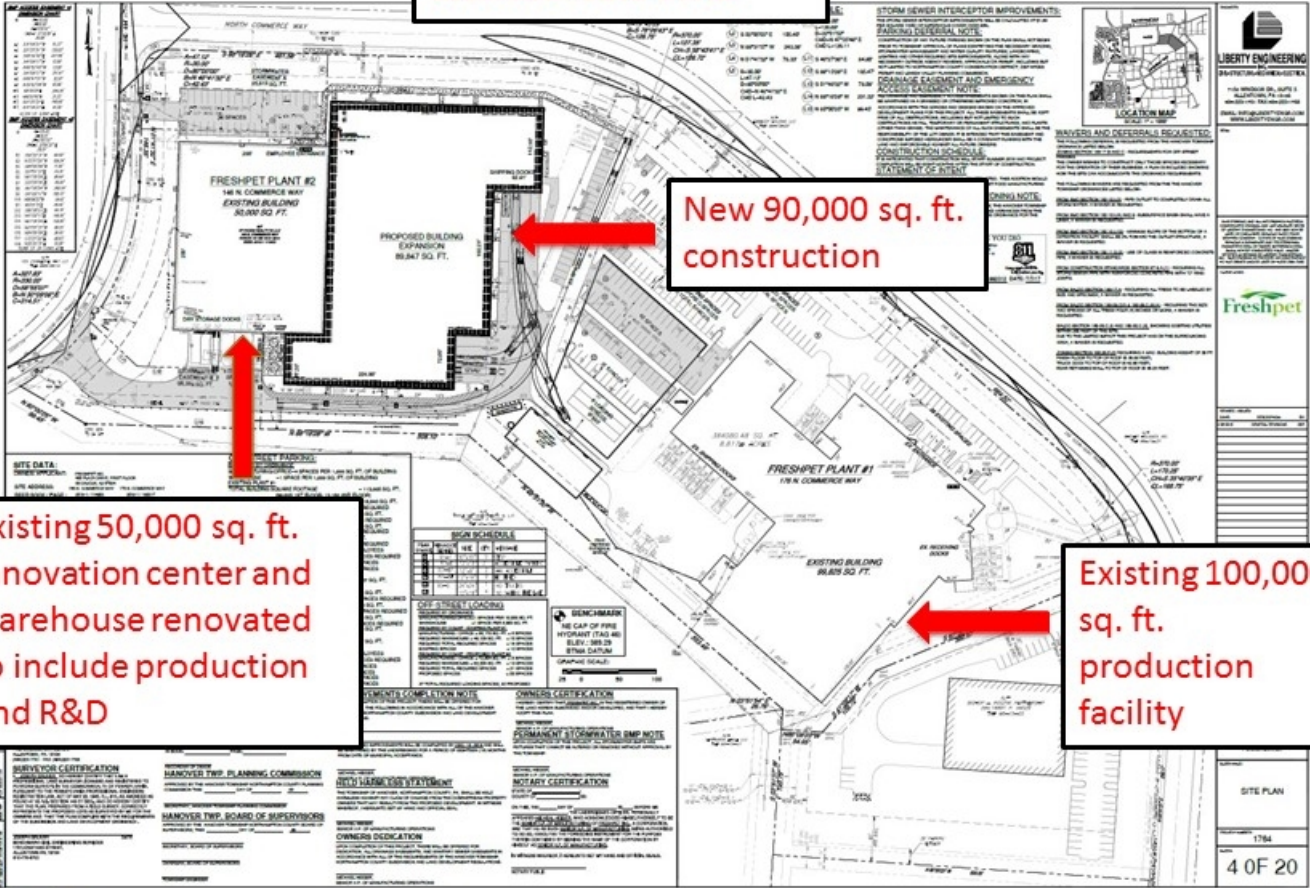
Creating 2nd Production Facility on Site

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



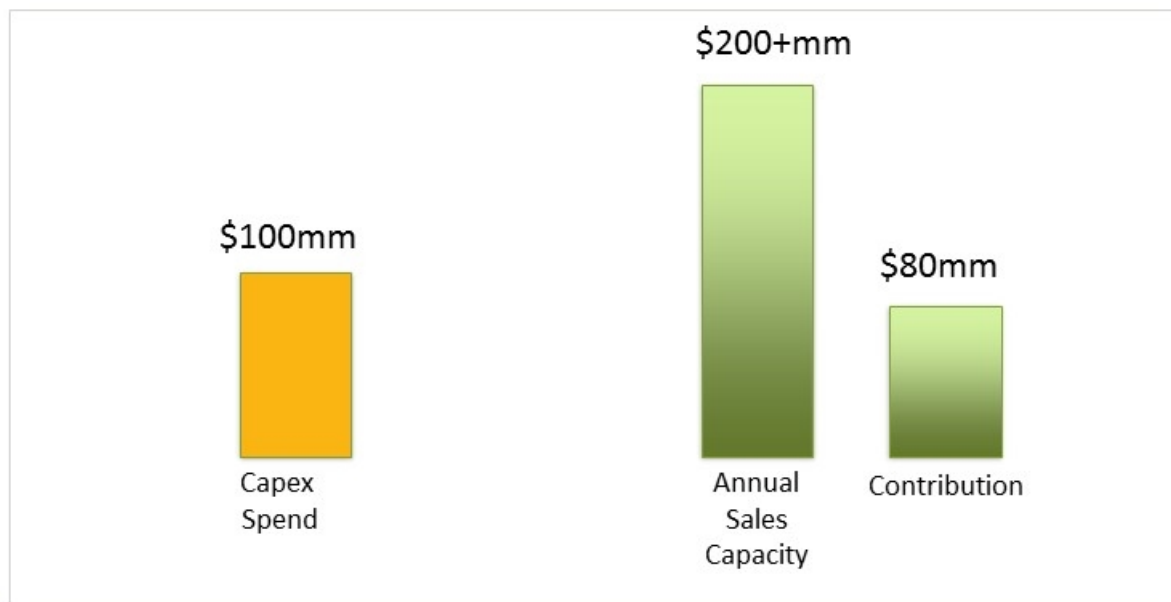
GOOD STEWARDS OF THE ENVIRONMENT

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



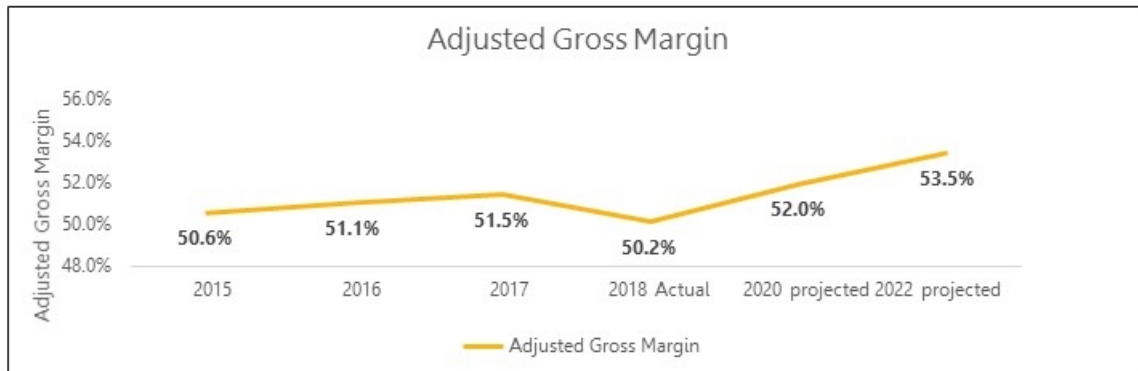
Freshpet Kitchens 2.0 Investment

- 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

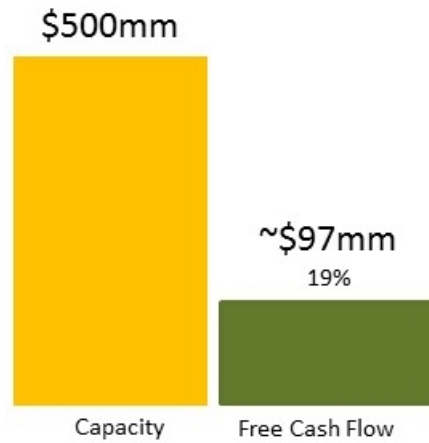
As we continue to leverage our infrastructure we expect to reap the benefits of scale with our Free Cash Flow increasing by 4%.

Original Freshpet Kitchens



Free Cash Flow represents contribution of \$55mm less ongoing capital expenditures of \$11mm

Freshpet Kitchens 2.0



Free Cash Flow represents contribution of \$114mm less ongoing capital expenditures of \$17mm



Freshpet Kitchens 2.0 - Recap

- **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

