



Q3 2022

EARNINGS PRESENTATION

November 1, 2022



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.



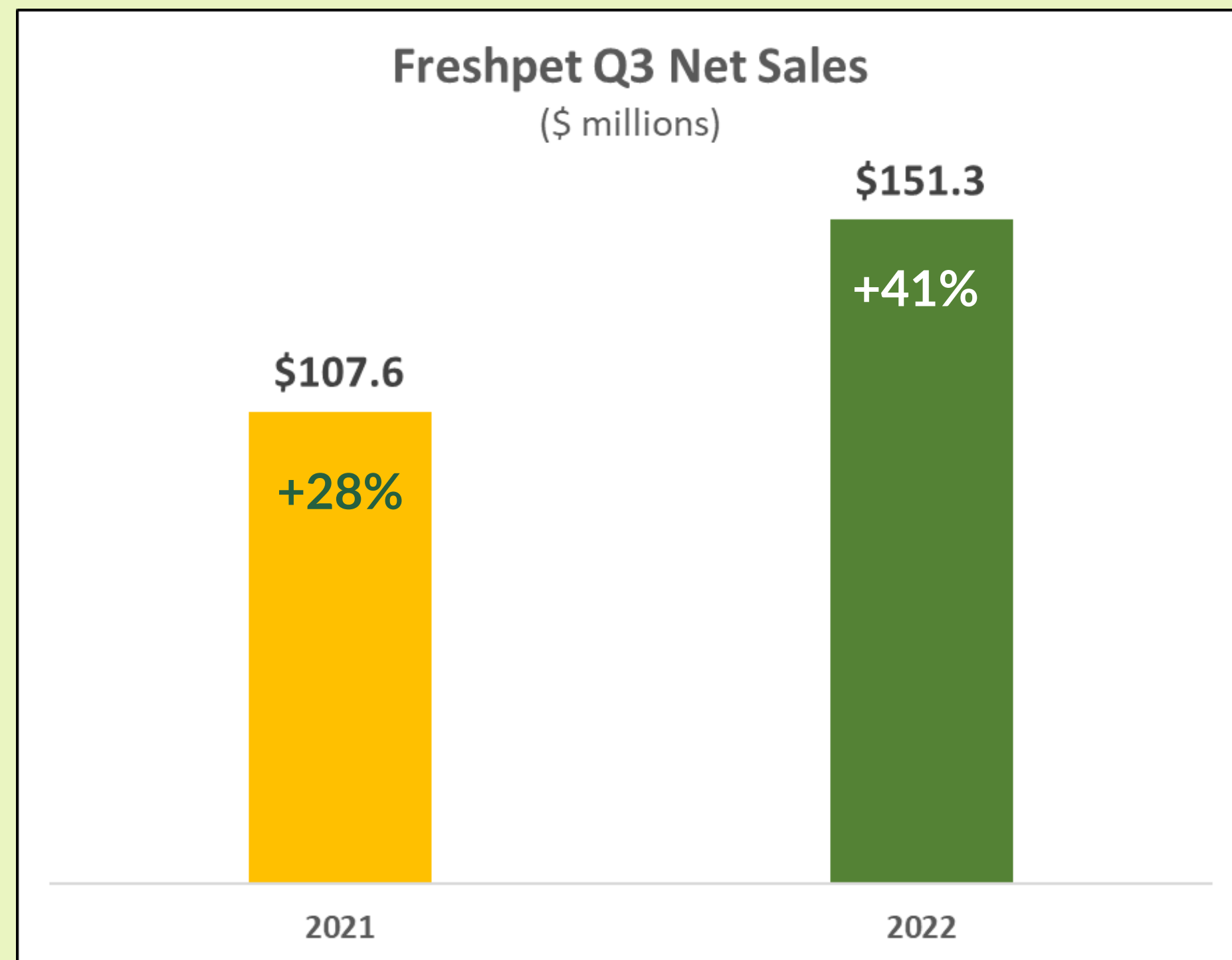
FRESHPET STRENGTHENS THE BOND BETWEEN PEOPLE AND OUR PETS SO THAT WE BOTH LIVE LONGER, HEALTHIER AND HAPPIER LIVES WHILE BEING KIND TO THE PLANET.



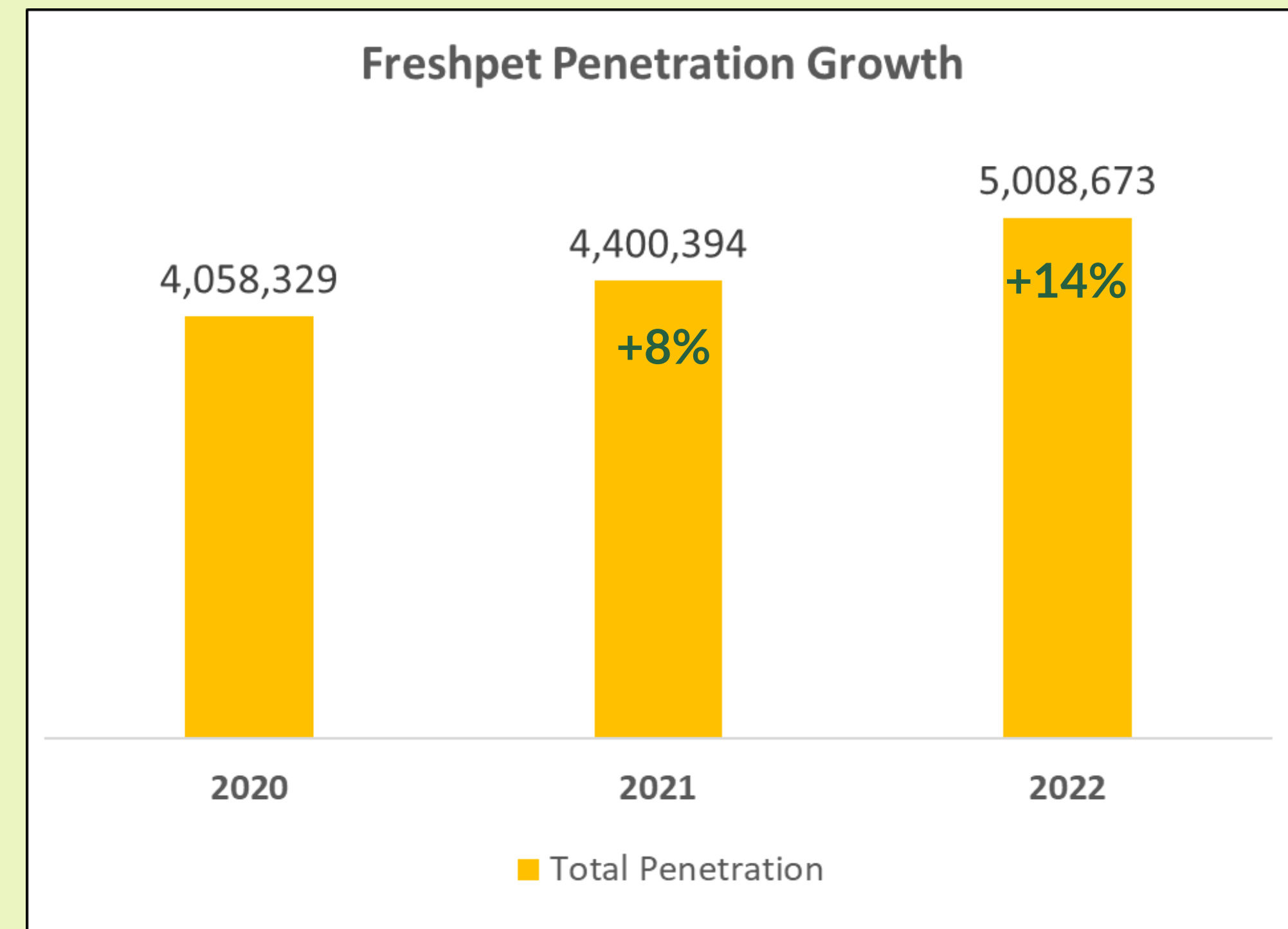
PROGRESS REPORT



CONTINUING TO DRIVE THE STRONG AND CONSISTENT TOP LINE GROWTH THAT FRESHPET HAS DEMONSTRATED FOR 6 YEARS



Net sales ahead of pace to achieve our 2025 net sales goal of \$1.25 billion



Growth amongst heavy & super heavy users is even stronger

EXECUTING ON OUR OPERATIONAL IMPROVEMENT PLAN TO DRIVE MARGIN EXPANSION



MARGIN EXPANSION PLAN

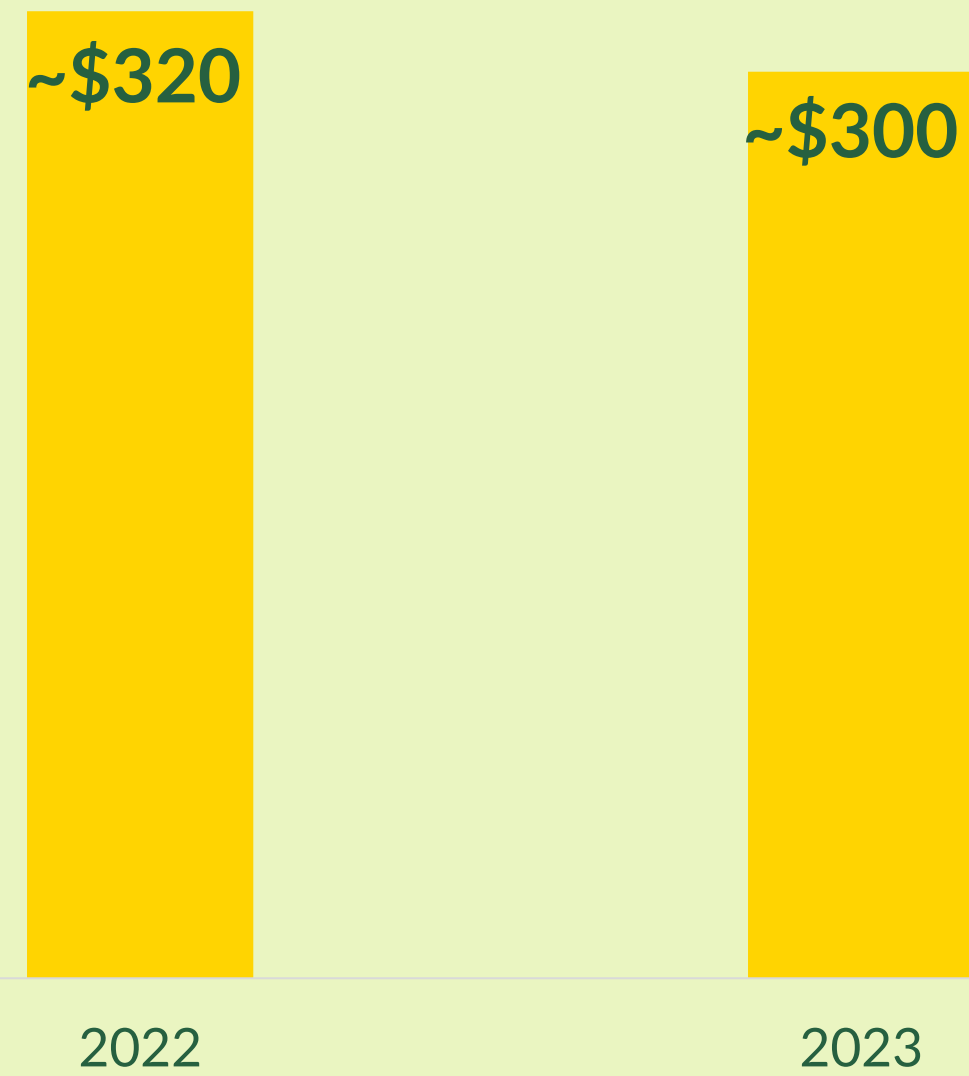
SG&A		COGS		
LOGISTICS	G&A	INGREDIENTS	QUALITY	OPERATING EXCELLENCE & AUTOMATION
<ul style="list-style-type: none"> • Ship from dual locations <ul style="list-style-type: none"> - Less Miles - Operating Flexibility • Increase fill rate <ul style="list-style-type: none"> - Inventory allocation • Drive customers to efficient ordering <ul style="list-style-type: none"> - Bracket pricing 	<ul style="list-style-type: none"> • Leverage from scale <ul style="list-style-type: none"> - Grow sales faster than costs - Drive marketing efficiencies and productivity per person 	<ul style="list-style-type: none"> • Price to recover margin • Increase cost certainty <ul style="list-style-type: none"> - Hedging - Longer term contracts - Longer notice period on supplier increases • Dual sourcing 	<ul style="list-style-type: none"> • Immediate, Mid and Long term initiatives • Deploy and develop improvements further establishing leadership 	<ul style="list-style-type: none"> • Reduce labor per line shift by 25% • Reduce low value work • Implement Milliken operational excellence program • Freshpet Academy training

PROGRESS-TO-DATE

LOGISTICS	G&A	INGREDIENTS	QUALITY	OPERATIONS IMPROVEMENTS
<ul style="list-style-type: none"> • Fill rate in upper 80's • Second DC operating 	<ul style="list-style-type: none"> • 200 bps of G&A leverage YTD 	<ul style="list-style-type: none"> • 5% price increase • 25% of inputs locked 	<ul style="list-style-type: none"> • Disposals reduced 50% vs Q2 	<ul style="list-style-type: none"> • Kitchens 2 +~500bps vs K1 • Ennis +~500bps vs Bethlehem • Throughput per man hour +7% YTD

ALIGNING LONG-TERM GROWTH WITH PRUDENT CAPITAL EXPENDITURES

PREVIOUS PROJECTED CAPITAL SPENDING (\$ MILLIONS)



UPDATED PROJECTED CAPITAL SPENDING (\$ MILLIONS)



✓ Reduced projected capital spending over 2022/2023 by a total of \$100 million.

Source: Company estimates

UPGRADING AND ENHANCING FINANCE ORGANIZATION

TODD CUNFER



NEW CFO

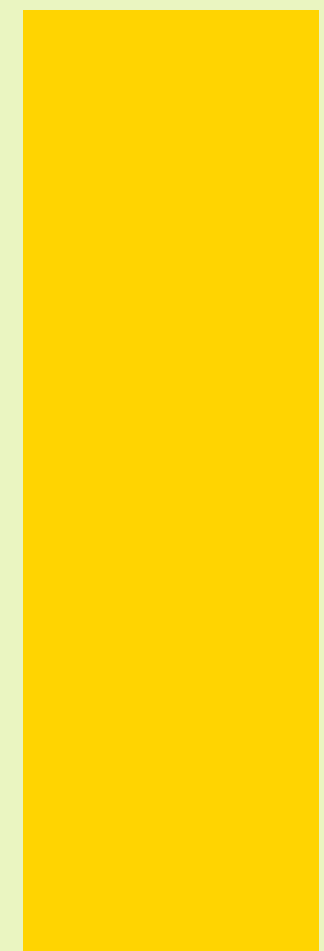
- Proven, public company CFO
- High growth company experience
- 25+ years of CPG experience
- 25+ years of food experience

ERP: STEADY IMPROVEMENT IN PERFORMANCE



2022 ACCOUNTS RECEIVABLE
(MILLIONS)

\$62,090



Q2

\$48,235



Q3

2022 DAYS SALES OUTSTANDING

38.3



Q2

28.7



Q3

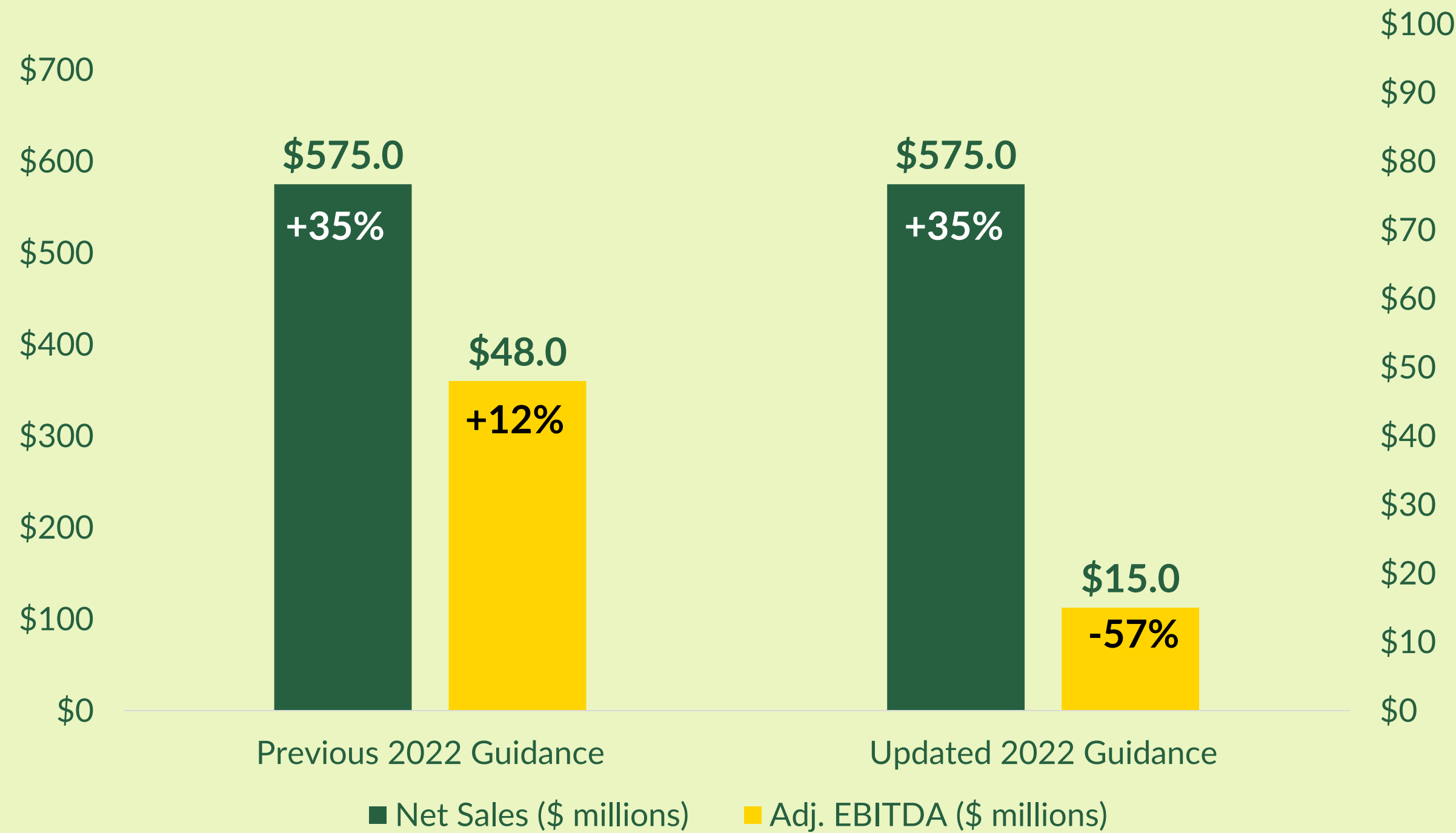
ENNIS KITCHEN: EXPECT TO BE SHIPPING PRODUCT WITHIN 2 WEEKS

- 12 sku's qualified for production already
- Moved to 24/7 operation 6 months earlier than previous start-up
- Line is producing high quality product
- Final requirements to ship product: building security and processing system coding

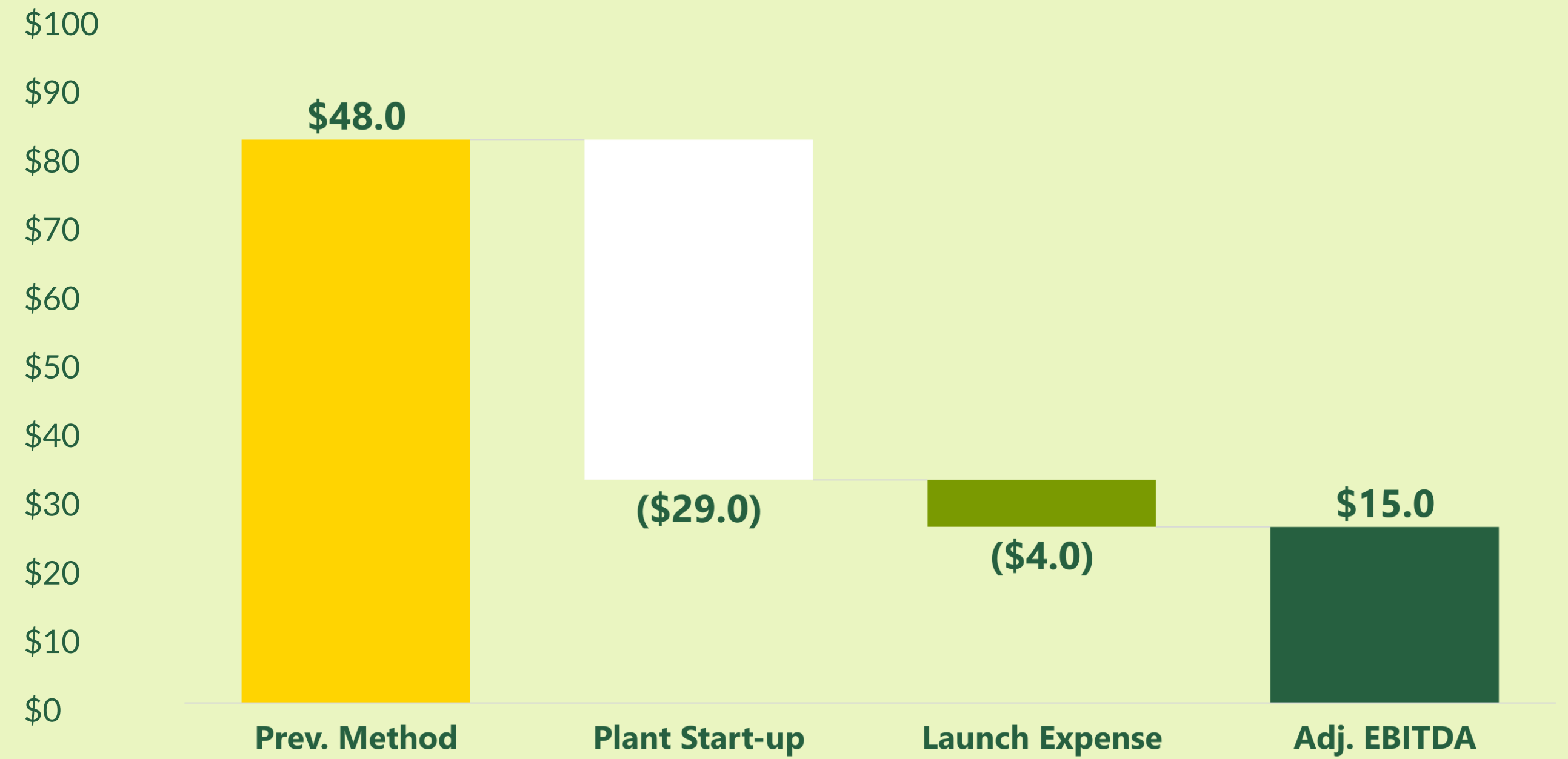


RE-AFFIRMING UNDERLYING GUIDANCE BUT UPDATING TO REFLECT NEW ACCOUNTING TREATMENT

NEW GUIDANCE TO REFLECT ACCOUNTING CHANGE



2022 FRESHPET ADJ. EBITDA ACCOUNTING CHANGE

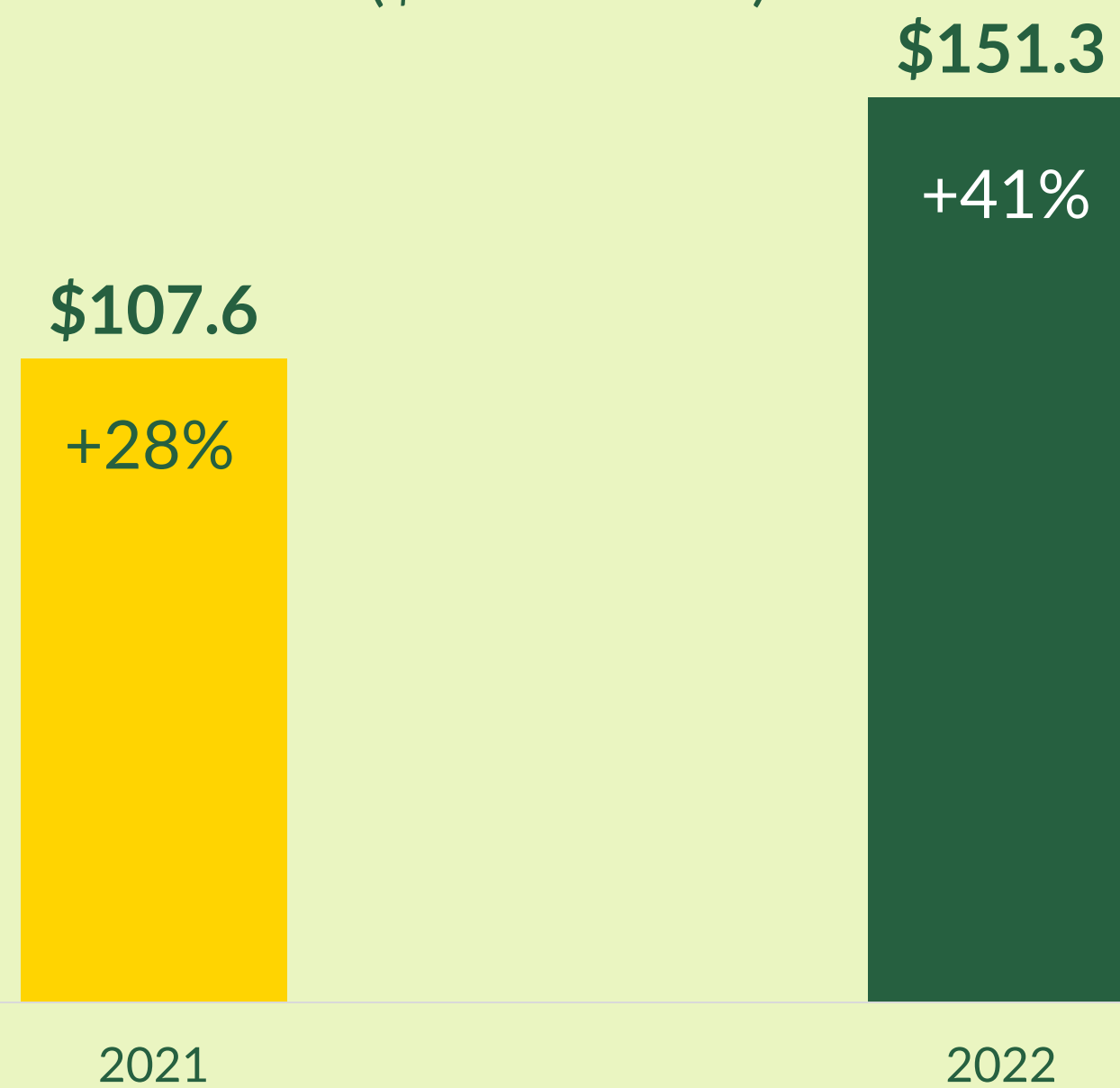




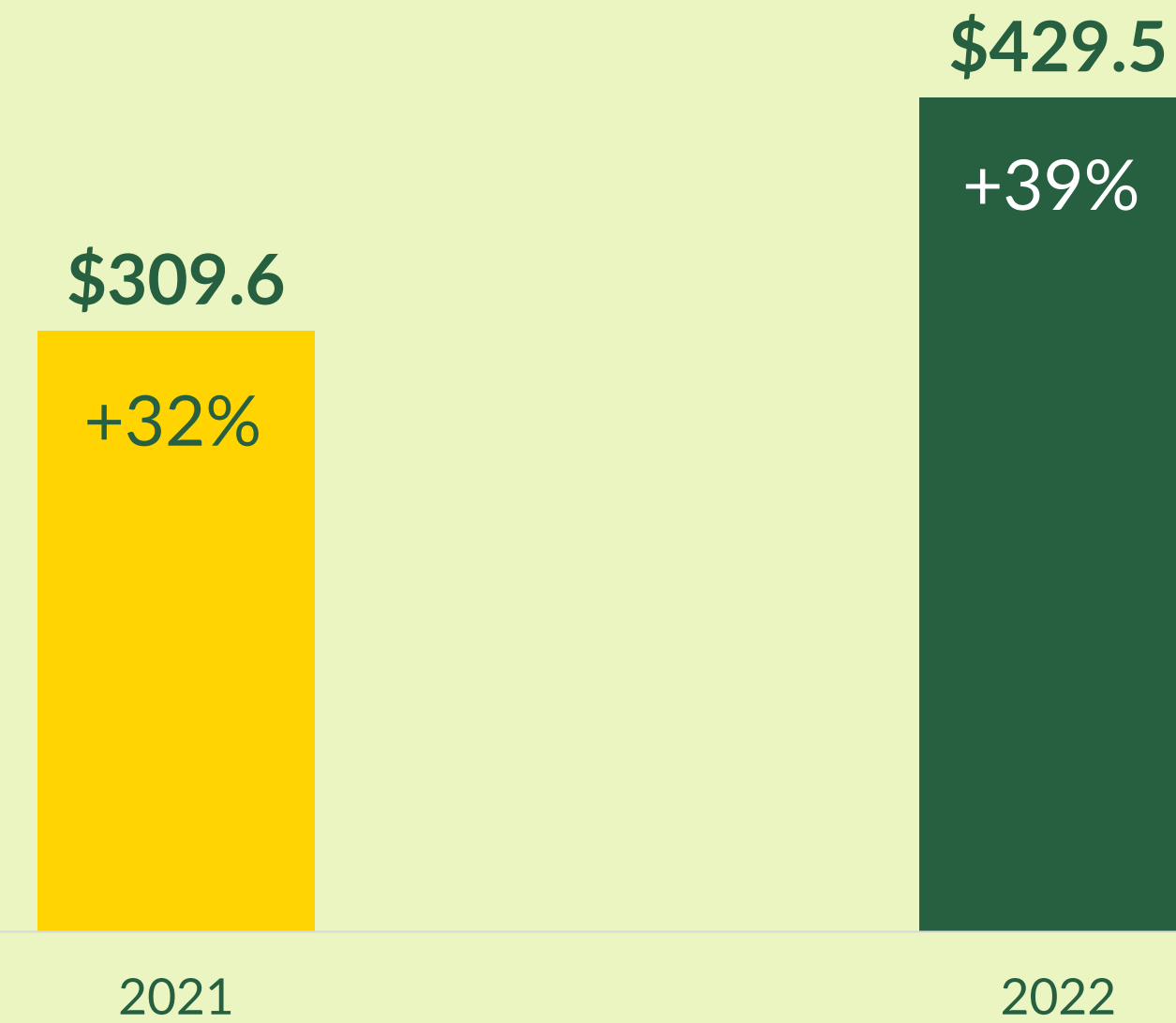
Q3 & YTD 2022 RESULTS

STRONG NET SALES GROWTH CONTINUES

FRESHPET Q3 NET SALES
(\$ MILLIONS)



FRESHPET YTD NET SALES (SEP. 30)
(\$ MILLIONS)



NET SALES GROWTH DRIVEN BY VOLUME/MIX, PRICING AND TRADE INVENTORY RE-FILL

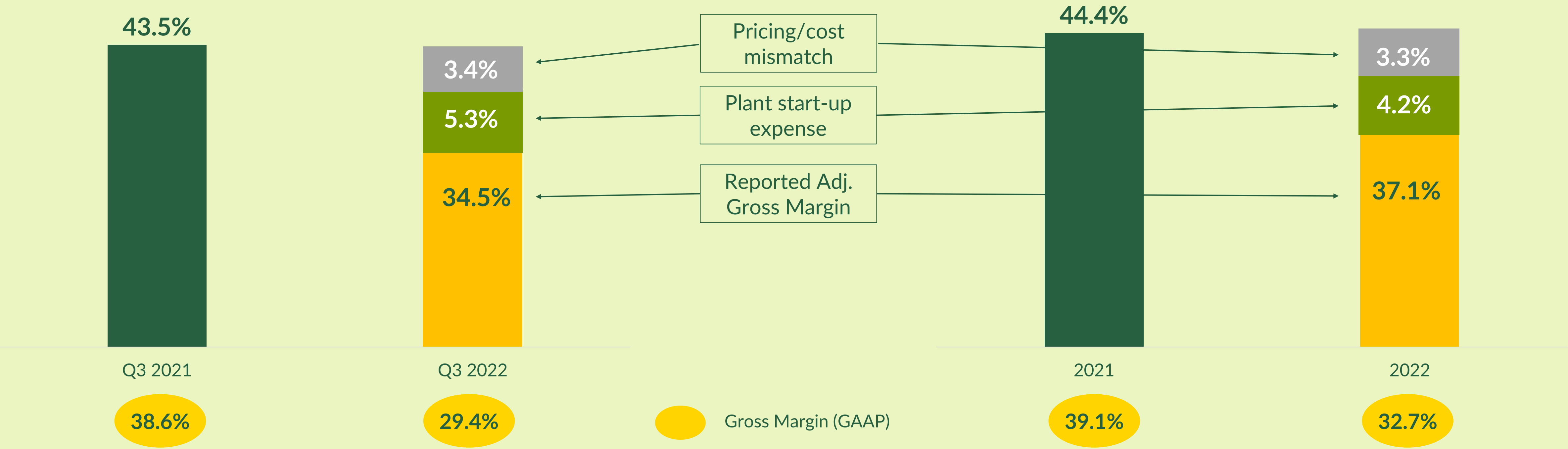


Source: Nielsen consumption data thru 10/1/22 and internal sales data

DECLINE IN ADJ. GROSS MARGIN DUE TO PLANT START-UP EXPENSES AND INFLATION

Q3 2022 ADJ. GROSS MARGIN PROGRESS

YTD ADJ. GROSS MARGIN PROGRESS

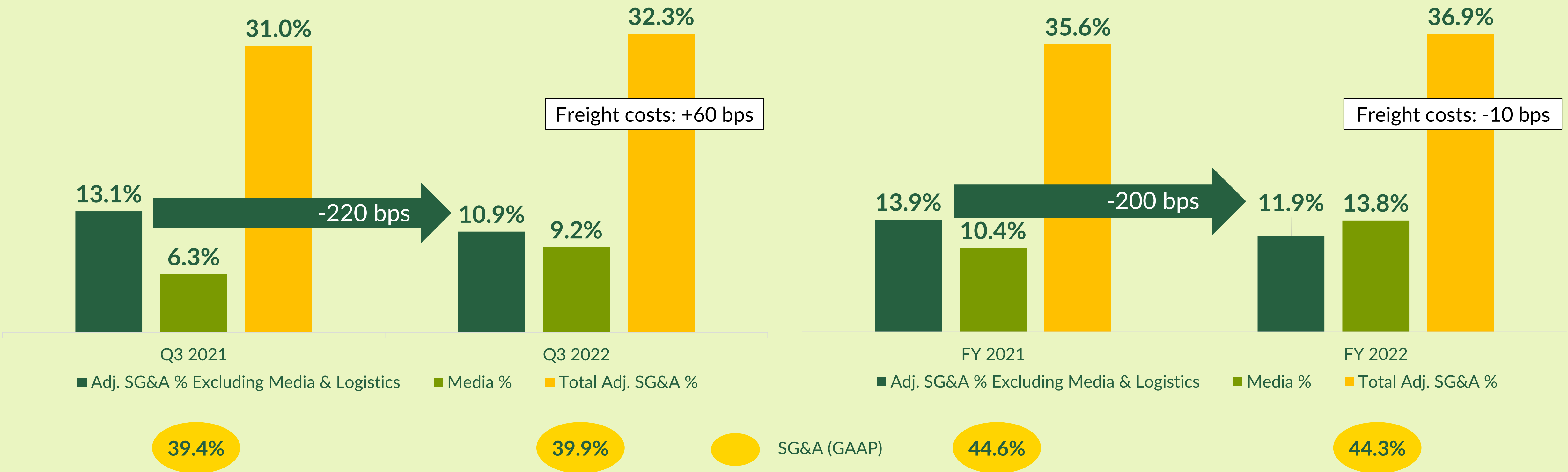


Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, non-cash share-based compensation and COVID-19 expenses

DELIVERED SIGNIFICANT ADJ. SG&A LEVERAGE EXCLUDING MEDIA & LOGISTICS

Q3 2022 ADJ. SG&A LEVERAGE

YTD Q3 2022 ADJ. SG&A LEVERAGE

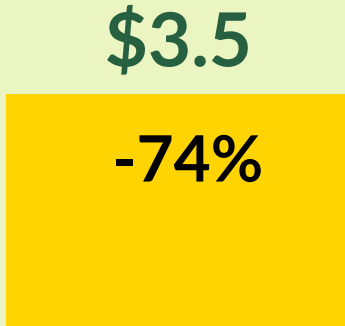


SIGNIFICANT INVESTMENT IN PLANT START-UP AND NEW FRIDGE PLACEMENTS IMPACTED ADJ. EBITDA

FRESHPET Q3 ADJ. EBITDA
(\$ MILLIONS)

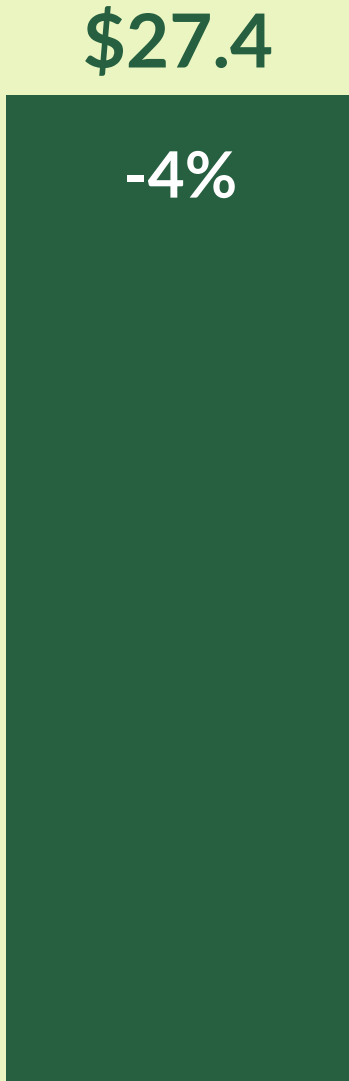


2021



2022

FRESHPET YTD ADJ. EBITDA (SEP. 30)
(\$ MILLIONS)



2021



2022

New reporting method for Adj. EBITDA

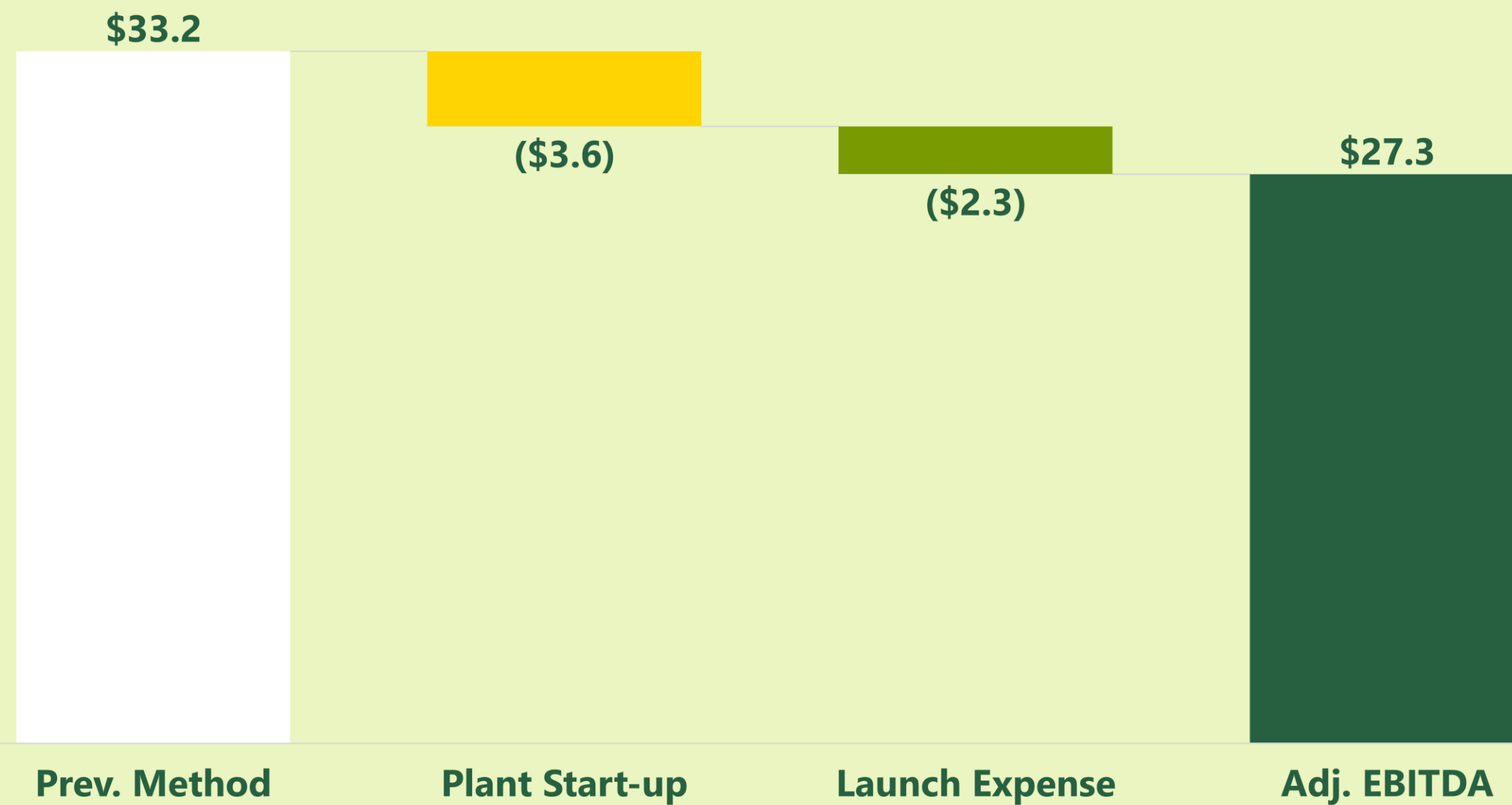
Q3: RECONCILIATION OF PREVIOUS REPORTING METHOD TO NEW ADJ. EBITDA DEFINITION



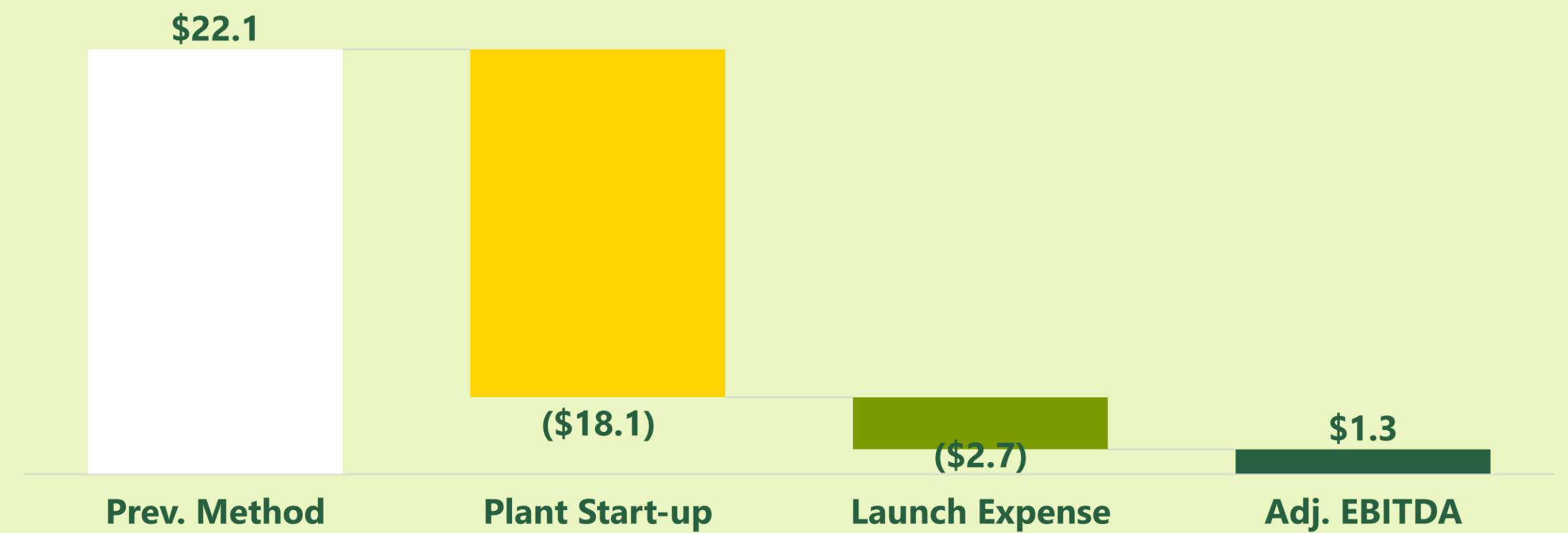
Reconciliation of Adj. EBITDA to previous reporting method.

YTD: RECONCILIATION OF PREVIOUS REPORTING METHOD TO NEW ADJ. EBITDA DEFINITION

2021 YTD ADJ. EBITDA (SEP. 30)



2022 YTD ADJ. EBITDA (SEP. 30)



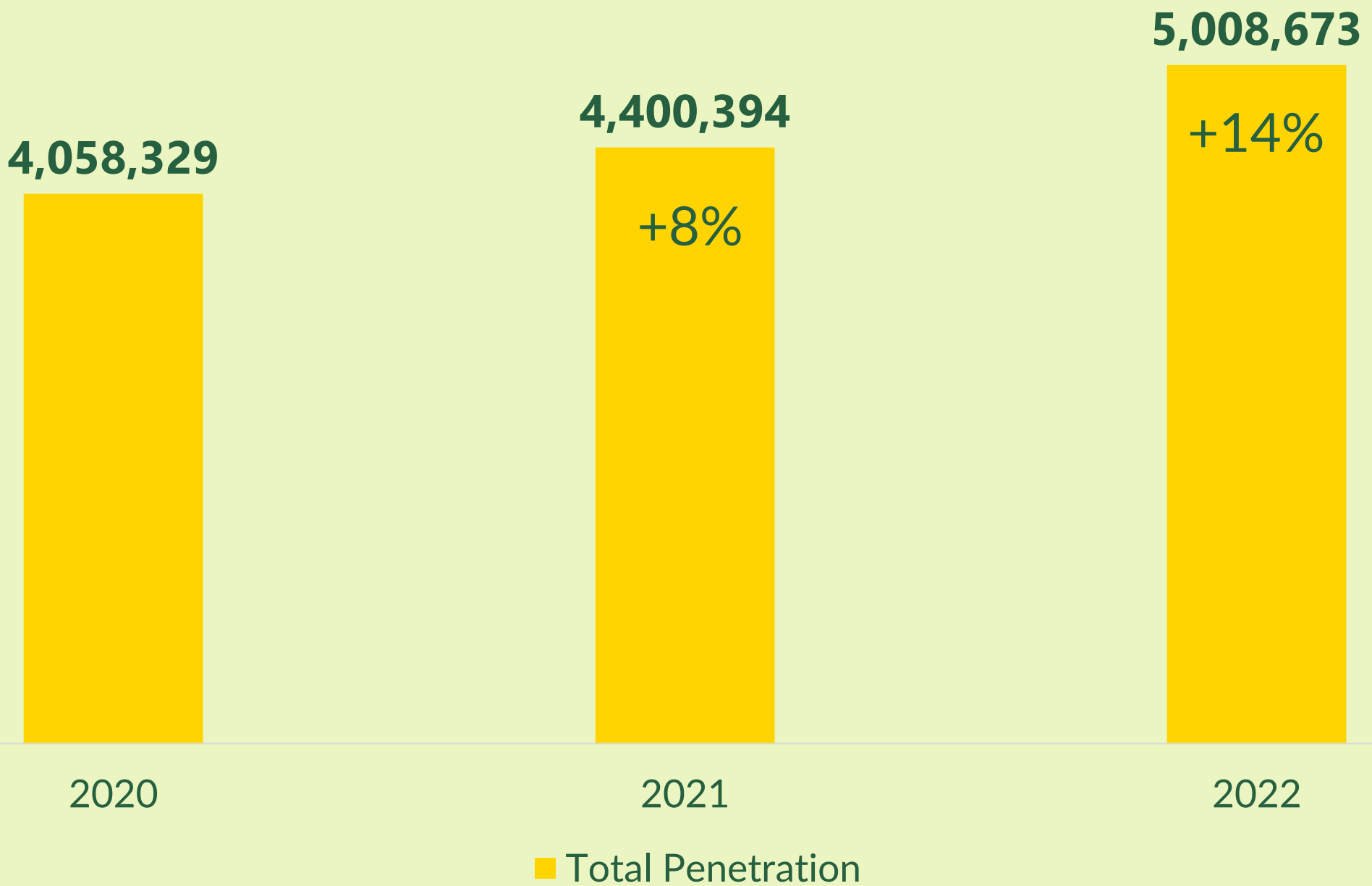
Reconciliation of Adj. EBITDA to previous reporting method.



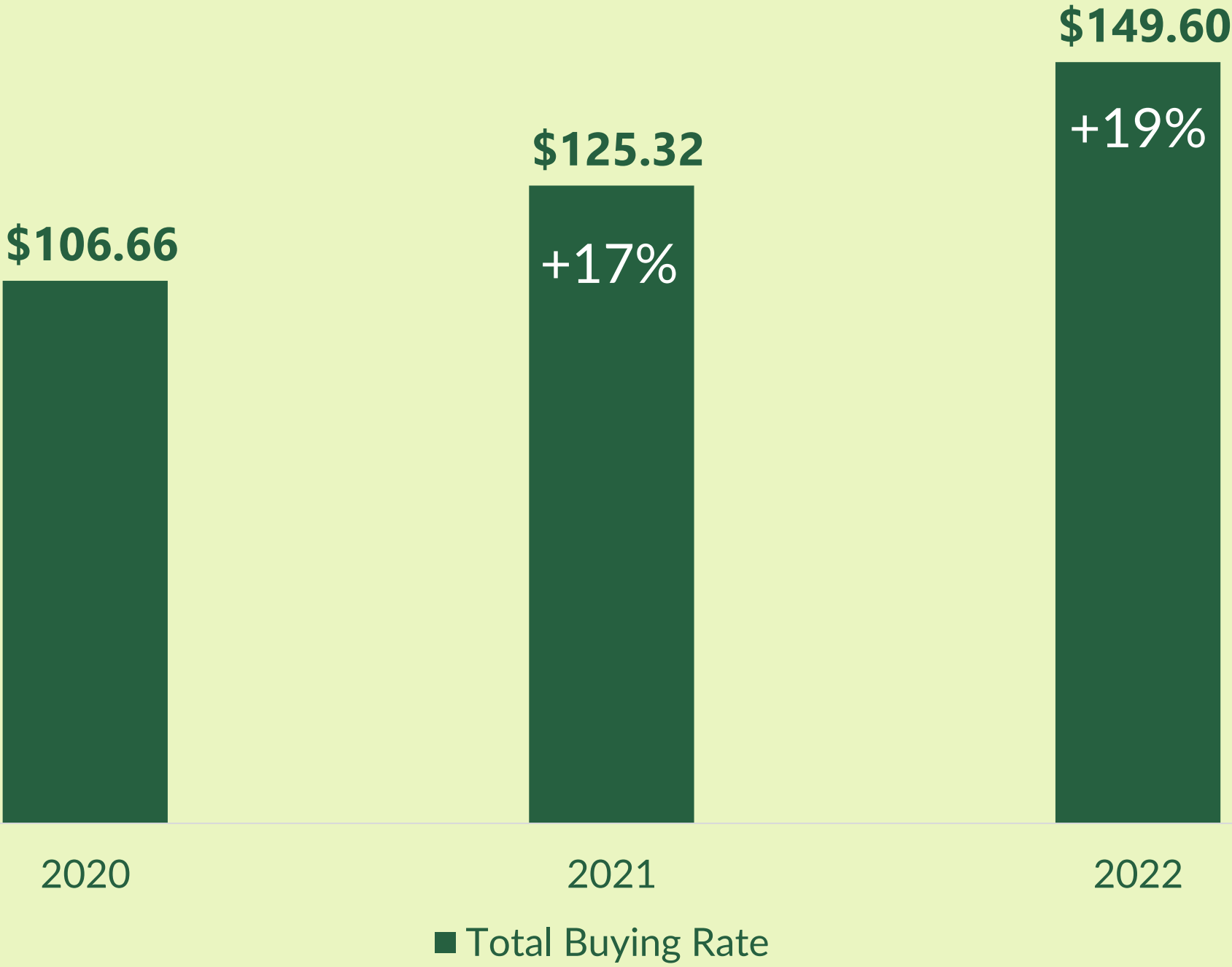
HOUSEHOLD PENETRATION & BUYING RATE

CONTINUED GROWTH IN CONSUMER FRANCHISE; EXCEEDED 5 MILLION HH'S FOR THE FIRST TIME

FRESHPET PENETRATION GROWTH



FRESHPET BUYING RATE

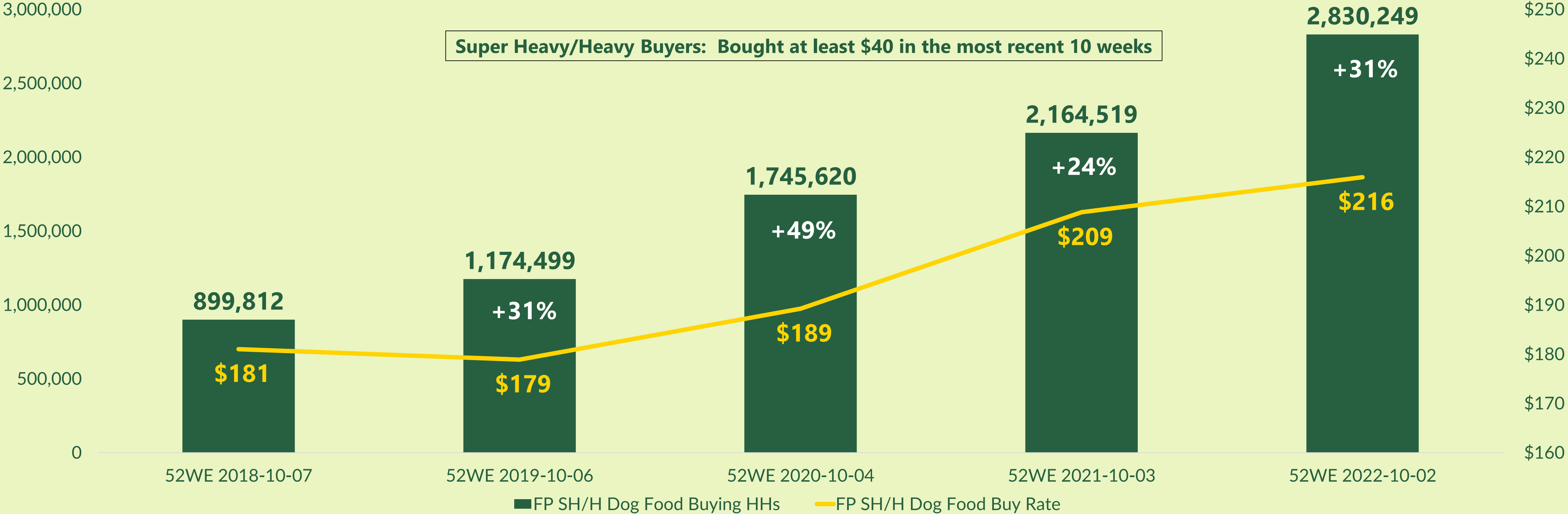


Note: Updated Nielsen projections only include the past 3 years of data, so year-on-year comparisons are not possible for 2020.

FRESHPET HEAVY/SUPER HEAVY BUYERS CONTINUE TO INCREASE

Freshpet Super Heavy/Heavy Dog Food Buyers 5 Year Trend

Super Heavy/Heavy Buyers: Bought at least \$40 in the most recent 10 weeks



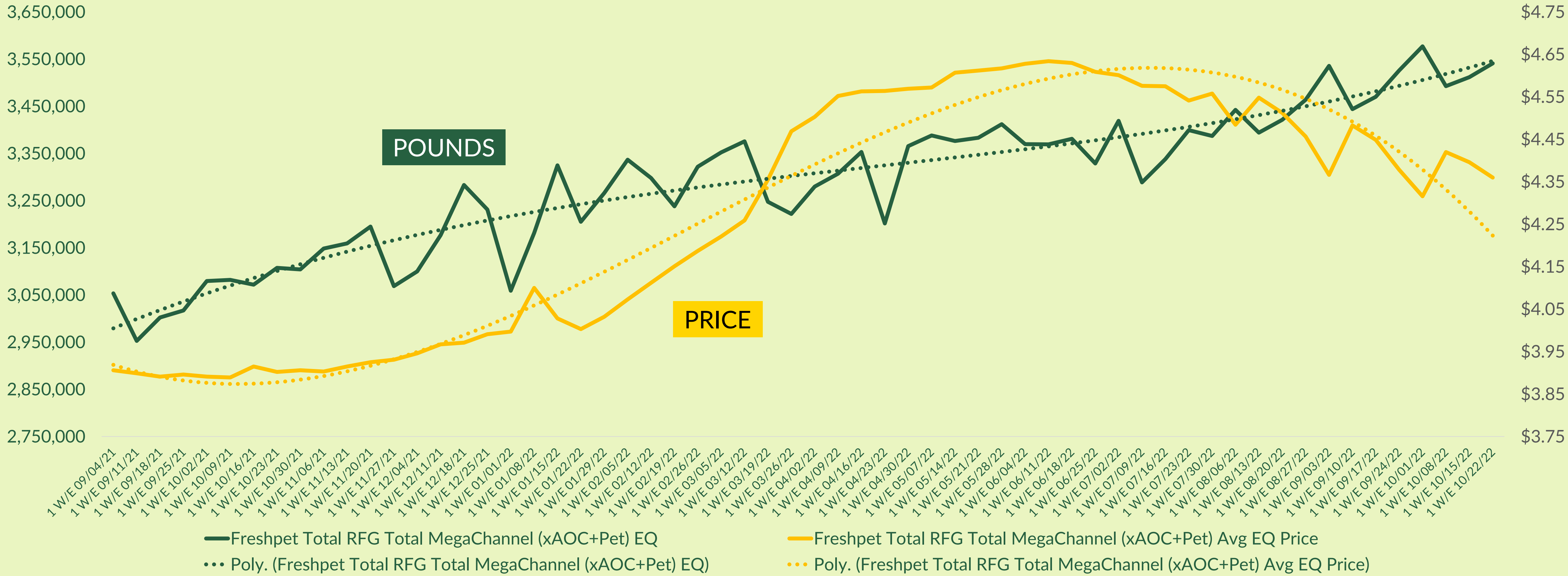
Source: Numerator Data thru 10/2/22



PRICING IMPACT

PRICING AND SENSITIVITY HAVE STABILIZED

Total Freshpet Price Sensitivity (Pounds)



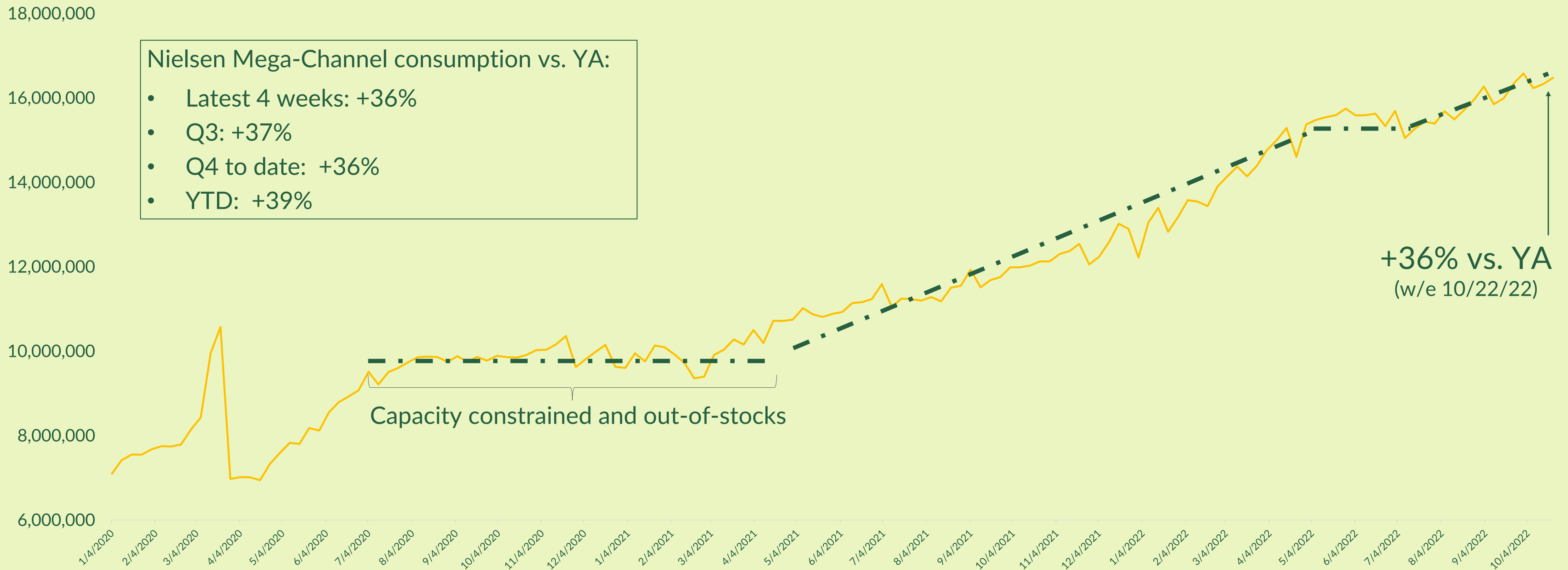
Source: Nielsen Mega-Channel Data thru 10/22/22



CURRENT CONSUMPTION TRENDS

STRONG, STEADY CONSUMPTION GROWTH

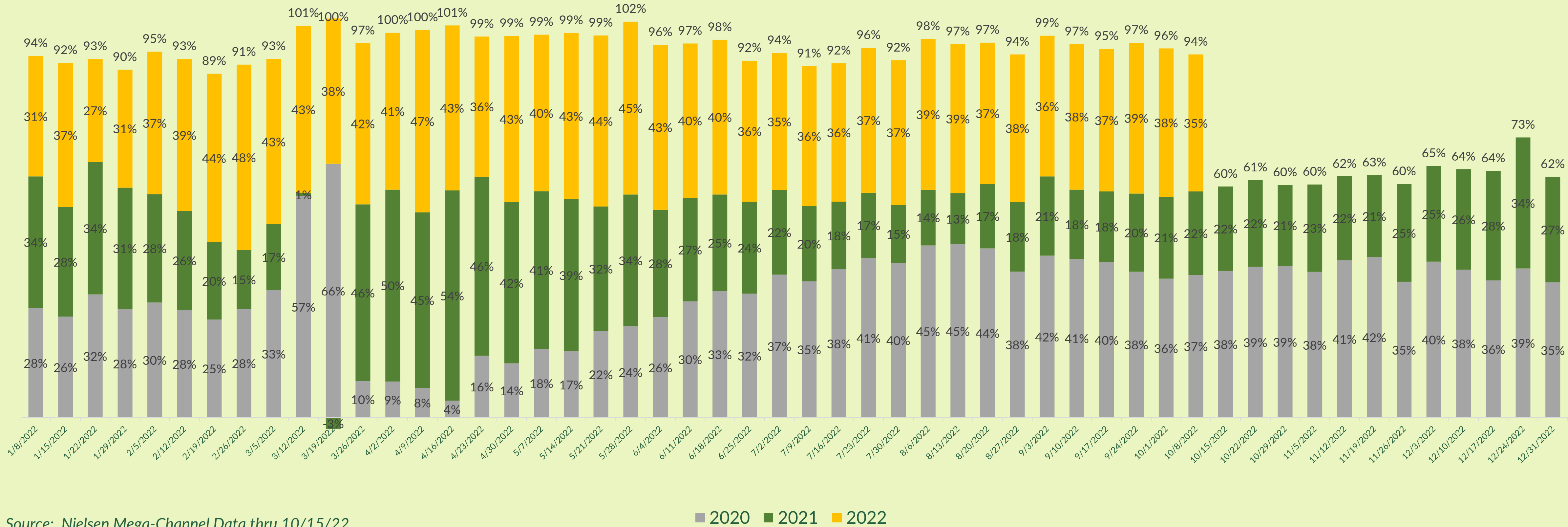
Nielsen Mega-Channel Consumption



Source: Nielsen Mega-Channel Data thru 10/22/22

3-YEAR STACKED GROWTH IS REMARKABLY CONSISTENT

NIELSEN MEGA-CHANNEL CONSUMPTION GROWTH 3-YEAR STACKED

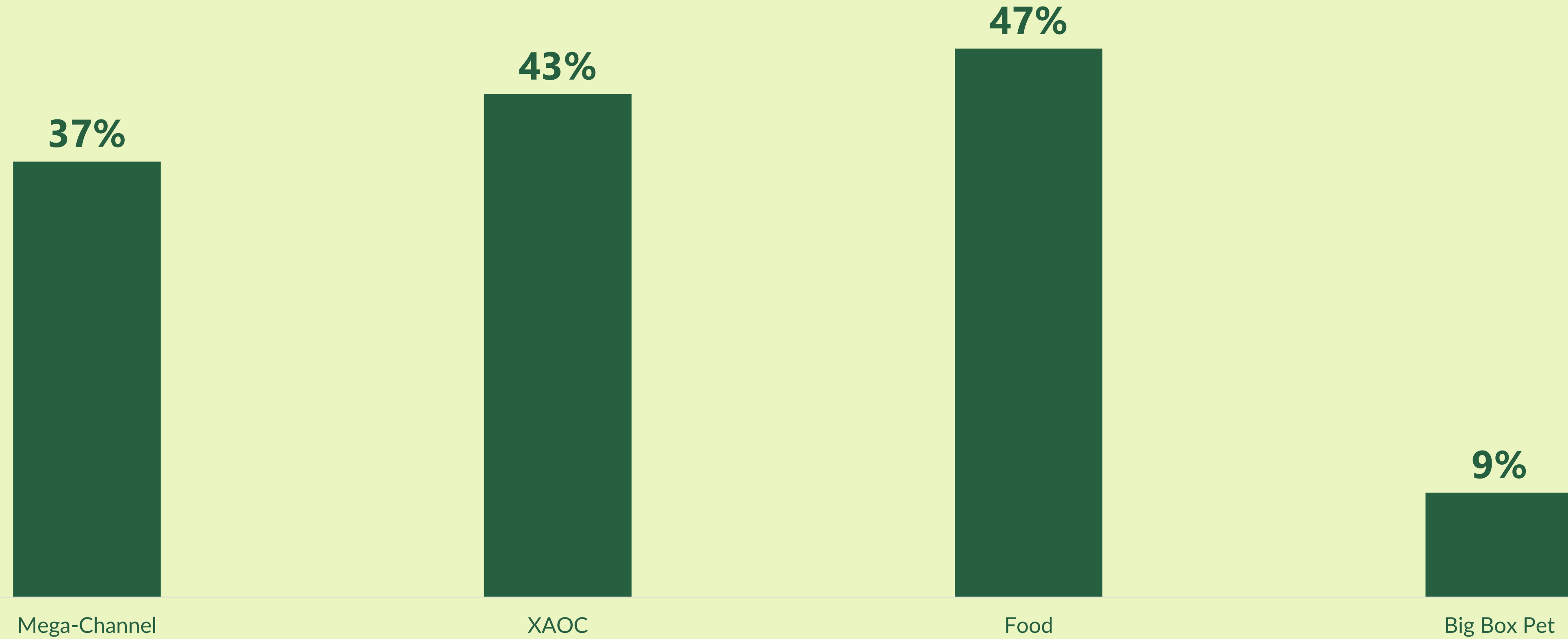


Source: Nielsen Mega-Channel Data thru 10/15/22

■ 2020 ■ 2021 ■ 2022

STRONG GROWTH IN GROCERY AND MASS; PET SPECIALTY BEGINNING TO REBOUND

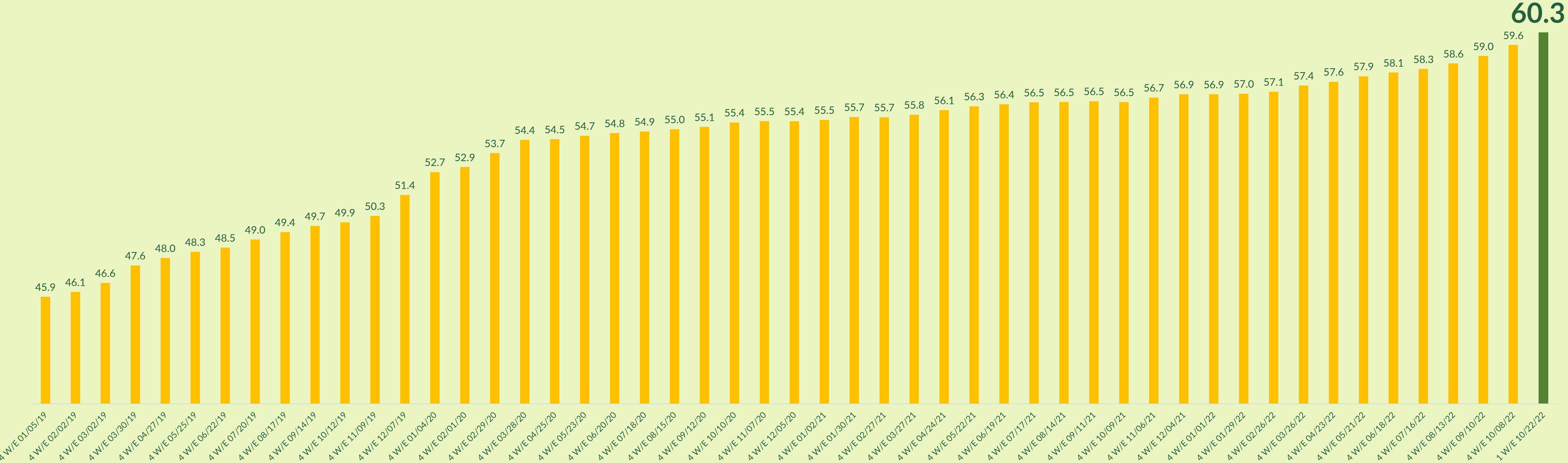
LATEST 13WK NIELSEN CONSUMPTION GROWTH



Source: Nielsen consumption data thru 10/08/22

FRESHPET DISTRIBUTION CONTINUES TO GROW

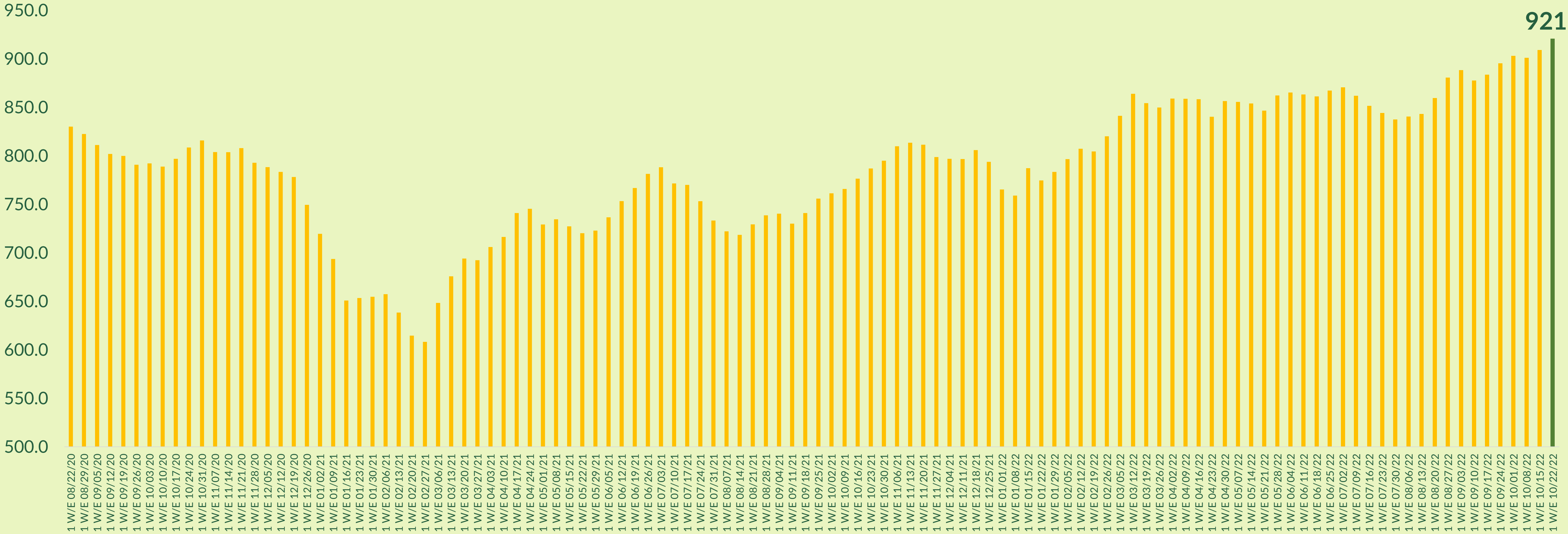
Freshpet % ACV
Nielsen Mega-Channel



Source: Nielsen Mega-Channel Data thru 10/22/22

RETAIL AVAILABILITY AT RECORD LEVELS

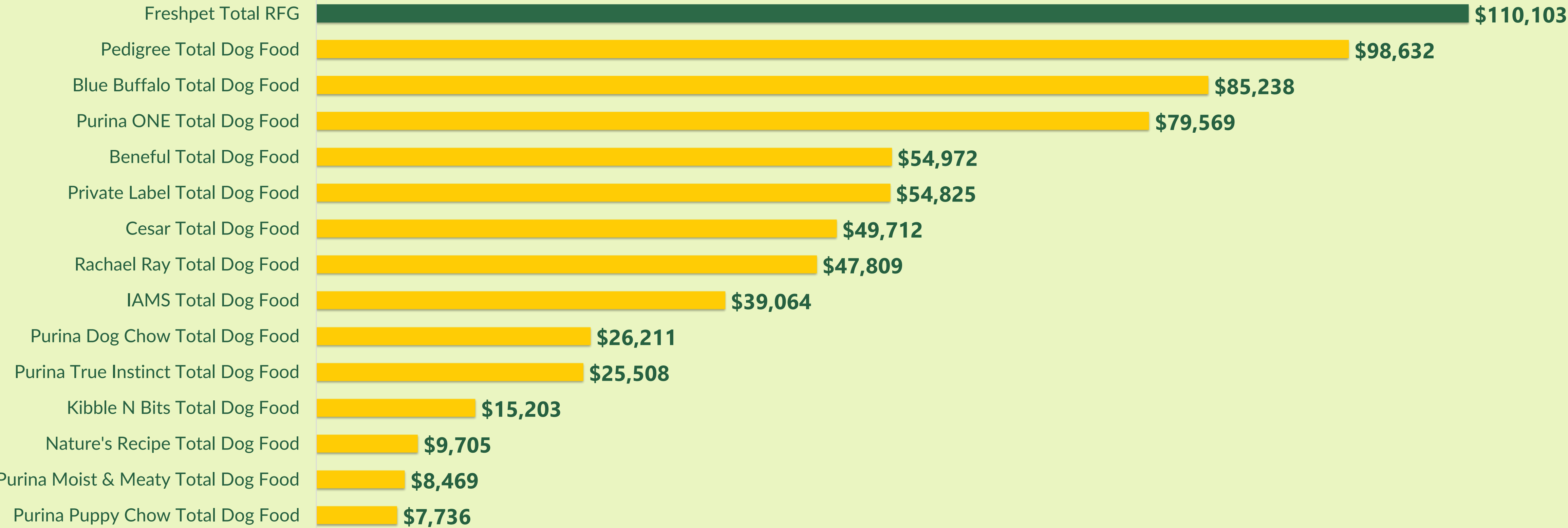
Freshpet Total Distribution Points (TDP's)
Nielsen Mega-Channel



Source: Nielsen Mega-Channel Data thru 10/22/22

ON A TOTAL BRAND BASIS, FRESHPET IS NOW THE LEADING BRAND IN THE GROCERY CHANNEL

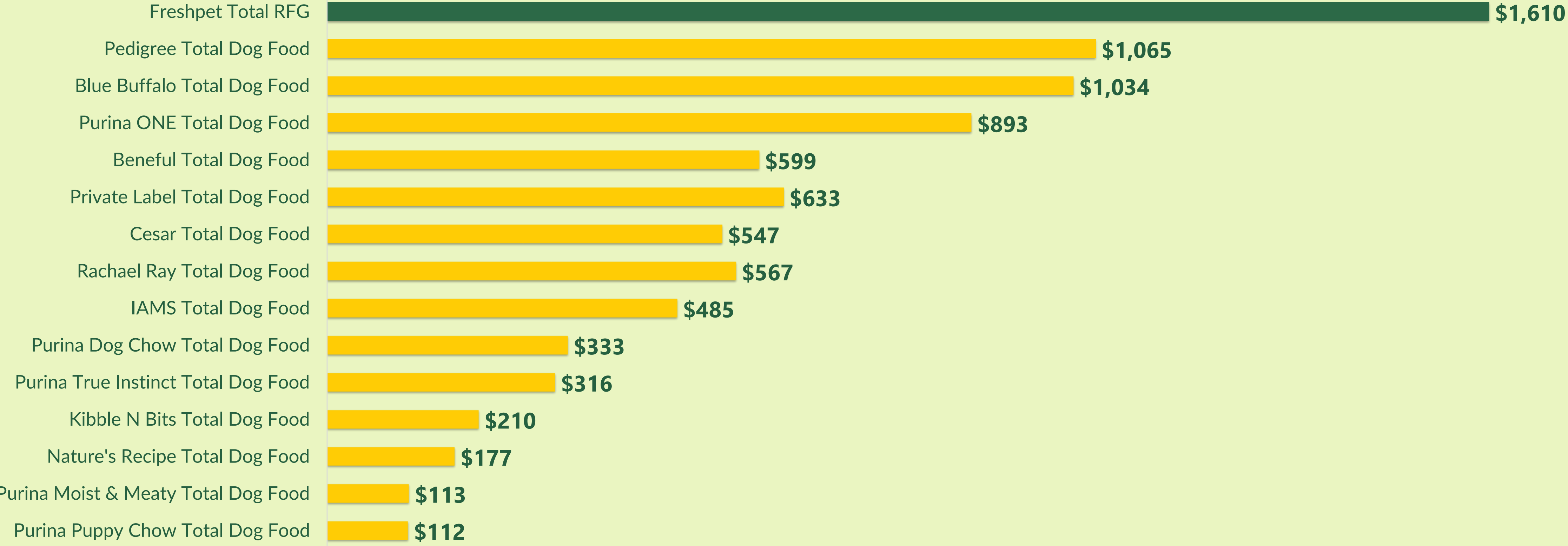
TOTAL WET & DRY DOG FOOD BRANDS DOLLAR SALES: US FOOD
(LATEST 13WKS THRU 10/08/22 -- \$M)



Source: Nielsen Mega-Channel Data thru 10/08/22

FRESHPET VELOCITY LEADS THE CATEGORY IN GROCERY

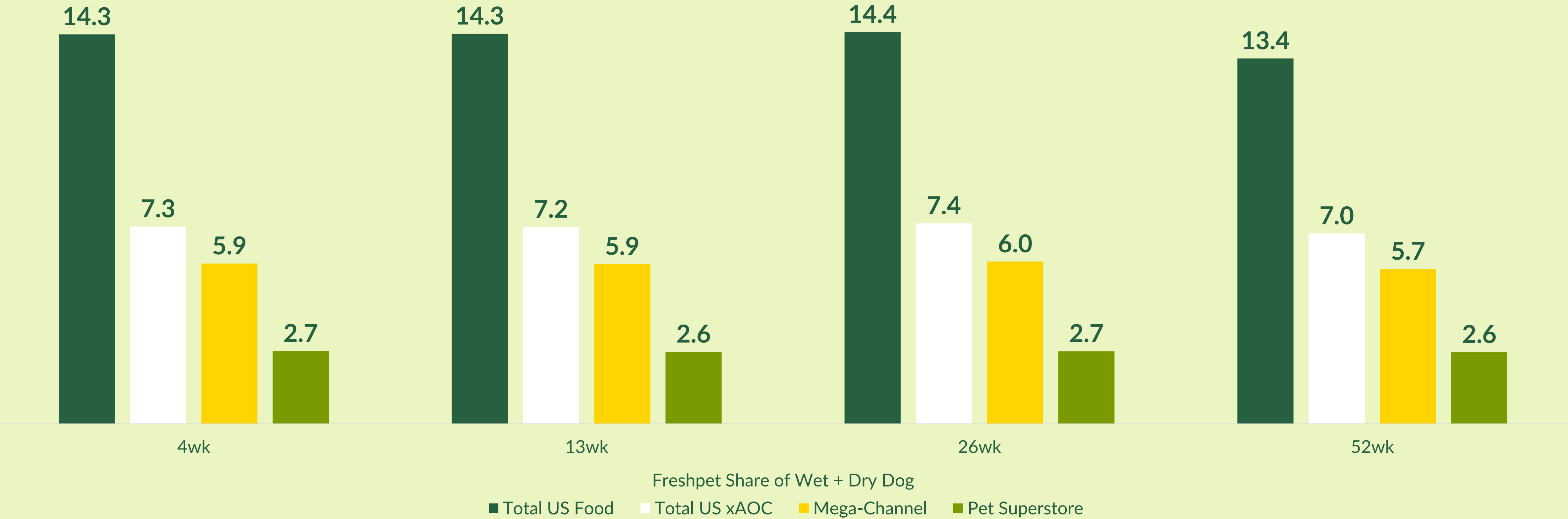
TOTAL WET & DRY DOG FOOD BRANDS DOLLAR VELOCITY: US FOOD
(LATEST 13WKS \$/%ACV THRU 10/08/22 -- \$M)



Source: Nielsen Mega-Channel Data thru 10/08/22

BUILDING MEANINGFUL SHARE OF THE CATEGORY

FRESHPET \$ SHARE OF WET & DRY DOG

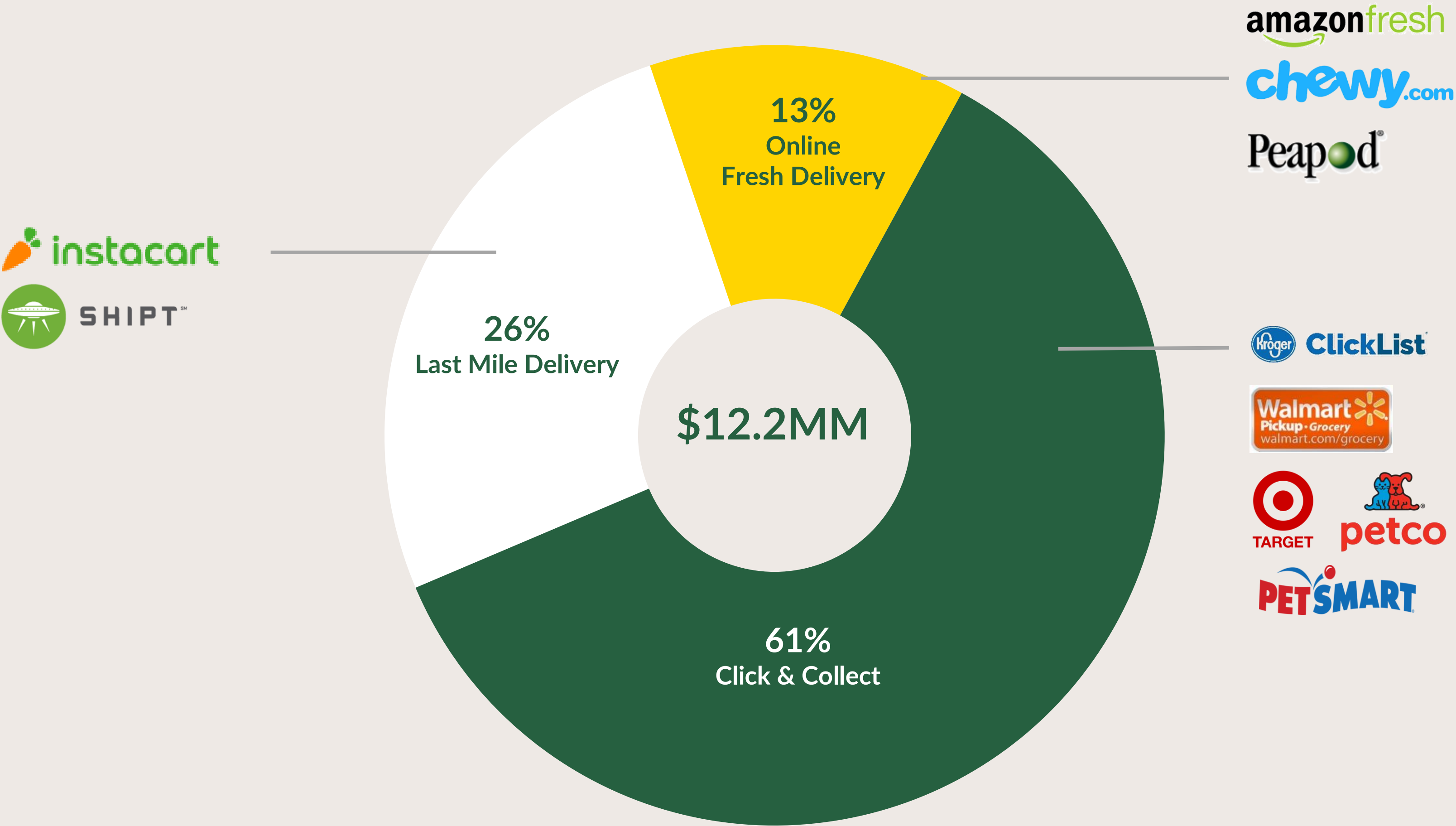


Source: Nielsen Mega-Channel Data thru 10/08/22

Q3 2022 FRESHPET E-COM GREW 65% VS YA

7.6%
% of Total FP Sales
Through E-Com

87% of Sales
Contribute to Brick &
Mortar



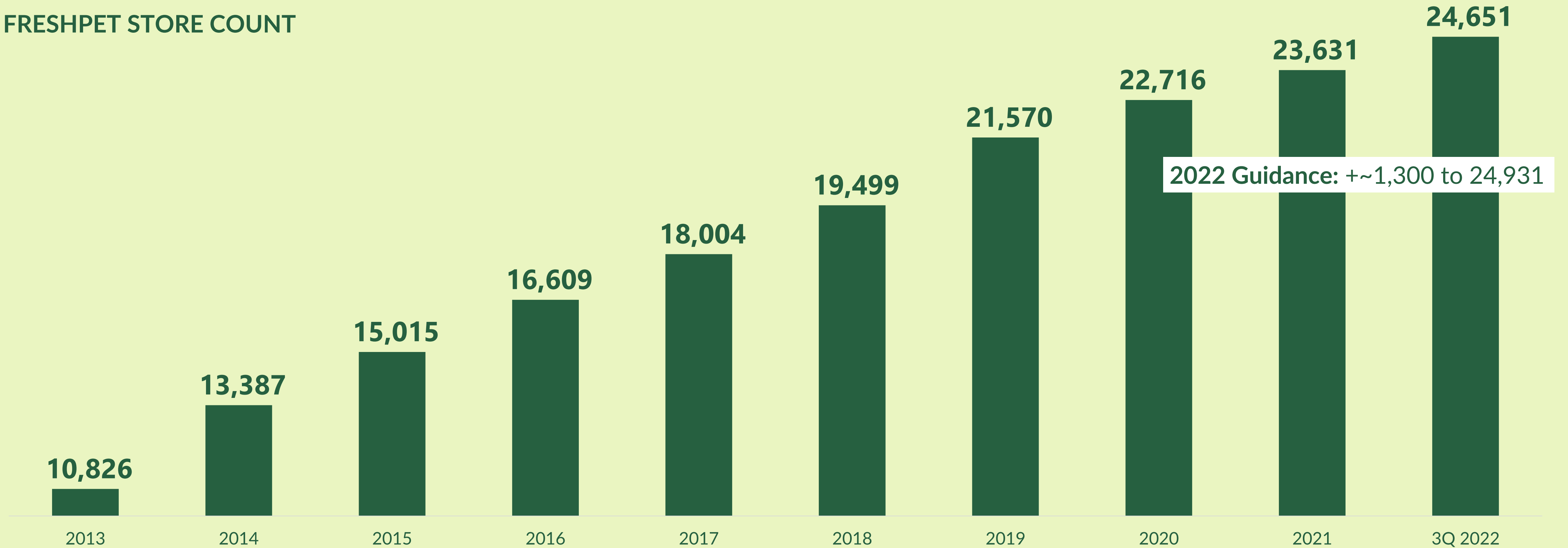
Source: Customer and internal data through 10/1/22



Q3 2022 VISIBILITY & AVAILABILITY

STORE COUNT CONTINUES TO GROW

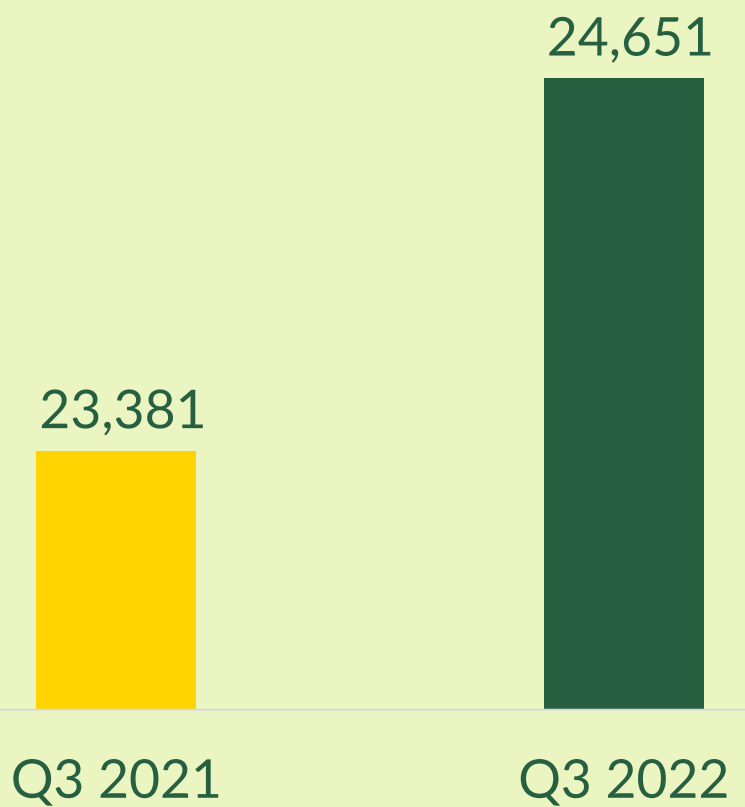
FRESHPET STORE COUNT



Source: Internal data for the period ending 10/1/22

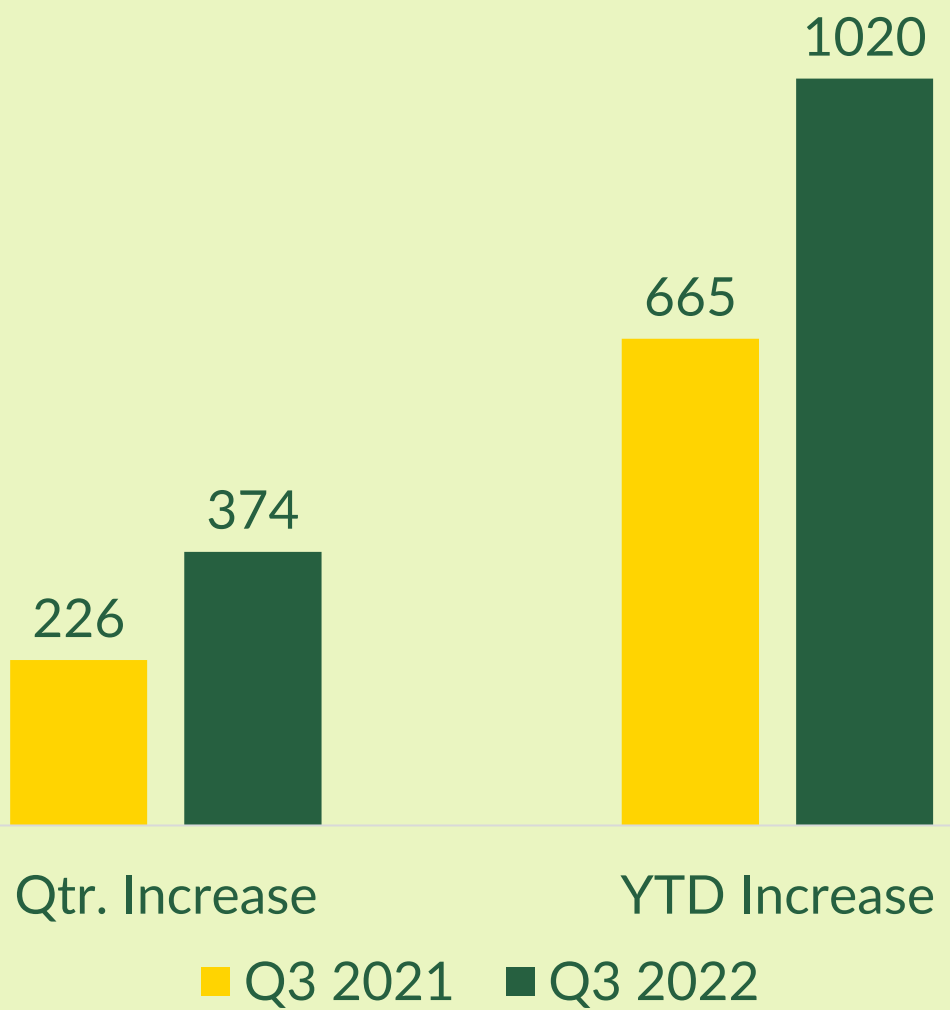
Q3 2022: STRONG INCREASE IN NEW STORES

STORE COUNT

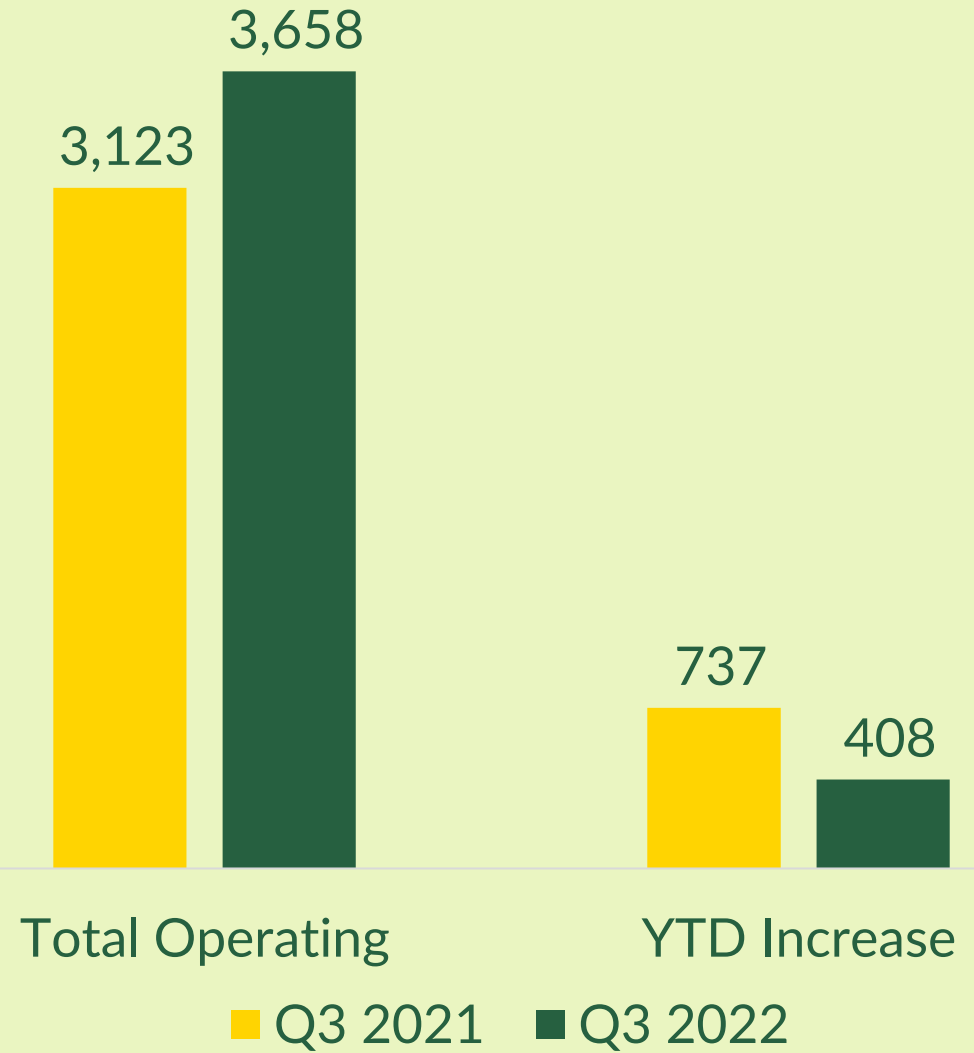


2022 Guidance: ~24,931

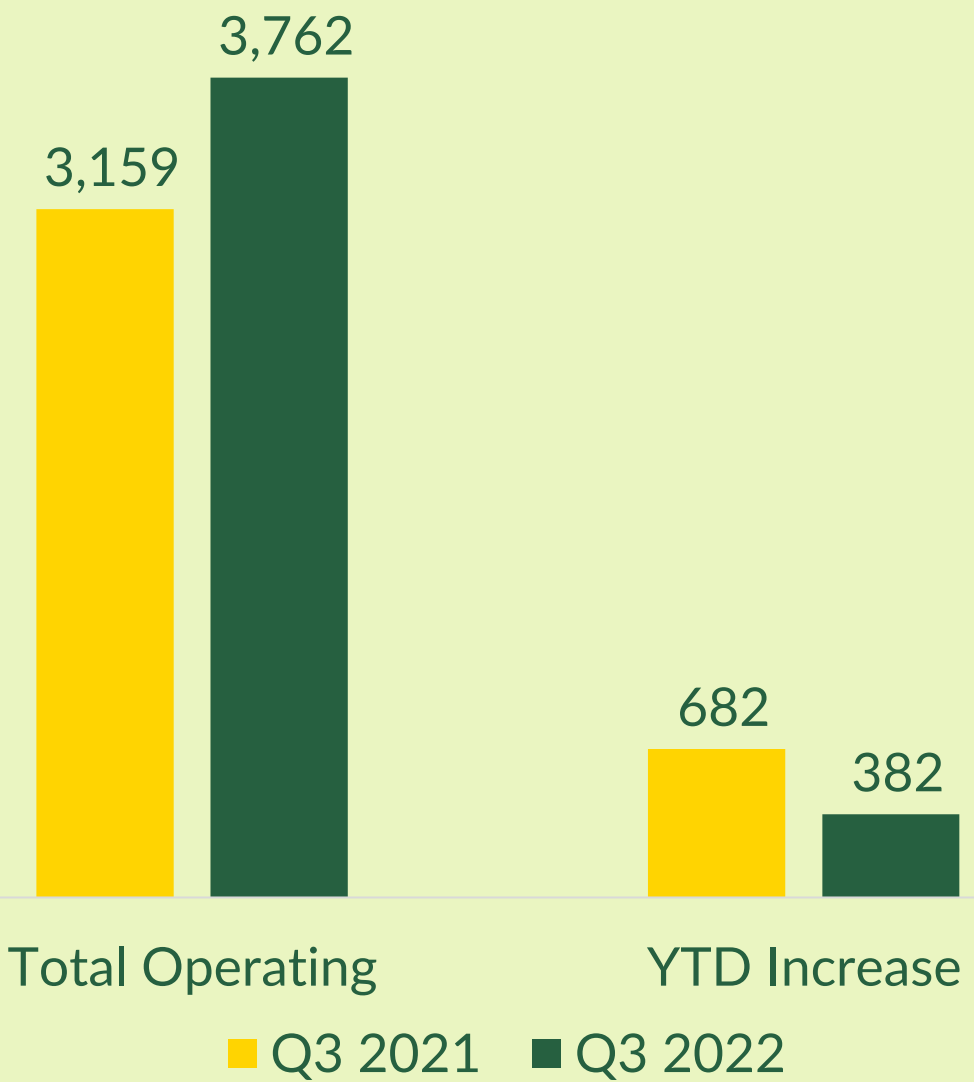
NET NEW STORES



FRIDGE UPGRADES



SECOND/THIRD FRIDGES



2022 Guidance: +~1,400 to 25,031



Source: Internal company data through 10/1/22



ENNIS KITCHEN UPDATE

ENNIS PHASE I IS PRODUCING HIGH QUALITY PRODUCT THAT WE EXPECT TO BEGIN SHIPPING WITHIN 2 WEEKS



- Enables total Freshpet growth to >\$1 billion in net sales
- Most efficient Freshpet Kitchen
- Enables lower cost logistics for part of US
- Most environmentally sustainable Kitchen
- Enables significant quality improvements

APPENDIX



FRESHPET, INC. AND SUBSIDIARIES
RECONCILIATION BETWEEN GROSS PROFIT AND ADJUSTED GROSS PROFIT

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(Dollars in thousands)			
Gross profit	\$ 44,545	\$ 41,525	\$ 140,324	\$ 120,931
Depreciation expense	5,159	4,075	14,208	11,896
Non-cash share-based compensation	2,450	1,058	4,789	2,970
COVID-19 expense (a)	—	119	—	1,753
Adjusted Gross Profit	\$ 52,154	\$ 46,777	\$ 159,321	\$ 137,550
Adjusted Gross Profit as a % of Net Sales	34.5%	43.5%	37.1%	44.4%

(a) Represents COVID-19 expenses including (i) costs incurred to protect the health and safety of our employees during the COVID-19 pandemic, (ii) temporary increased compensation expense to ensure continued operations during the pandemic, and (iii) costs related to mitigating potential supply chain disruptions during the pandemic, included in cost of goods sold. As of the fourth quarter of 2021, all remaining COVID-19 related expenses are part of our operating performance.

FRESHPET, INC. AND SUBSIDIARIES
RECONCILIATION BETWEEN SG&A EXPENSES AND ADJUSTED SG&A EXPENSES

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(Dollars in thousands)			
SG&A expenses	\$ 60,449	\$ 42,365	\$ 190,241	\$ 137,955
Depreciation and amortization expense	3,387	3,671	10,216	10,593
Non-cash share-based compensation	5,371	4,688	15,620	15,546
Loss on disposal of equipment	124	412	203	518
Enterprise Resource Planning (a)	1,937	273	4,946	1,123
COVID-19 expense (b)	—	—	—	5
Organization changes (c)	734	—	734	—
Adjusted SG&A Expenses	\$ 48,896	\$ 33,321	\$ 158,522	\$ 110,170
Adjusted SG&A Expenses as a % of Net Sales	32.3%	31.0%	36.9%	35.6%

(a) Represents implementation and other costs associated with the implementation of an ERP system.

(b) Represents COVID-19 expenses including (i) costs incurred to protect the health and safety of our employees during the COVID-19 pandemic, (ii) temporary increased compensation expense to ensure continued operations during the pandemic, and (iii) costs related to mitigating potential supply chain disruptions during the pandemic, included in SG&A. As of the fourth quarter of 2021, all remaining COVID-19 related expenses are part of our operating performance.

(c) Represents transition costs related to the organization changes designed to support growth, including several changes in organizational structure designed to enhance capabilities and support long-term growth objectives.

FRESHPET, INC. AND SUBSIDIARIES
RECONCILIATION BETWEEN NET (LOSS) AND ADJUSTED EBITDA

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(Dollars in thousands)			
Net loss	\$ (18,449)	\$ (2,070)	\$ (56,577)	\$ (20,433)
Depreciation and amortization	8,546	7,746	24,424	22,489
Interest expense	1,817	677	4,060	2,232
Income tax expense	41	16	123	48
EBITDA	\$ (8,045)	\$ 6,369	\$ (27,970)	\$ 4,336
Loss on equity method investment	943	539	\$ 2,969	1,124
Loss on disposal of equipment	124	412	203	518
Non-cash share-based compensation	7,821	5,746	20,409	18,516
Enterprise Resource Planning (a)	1,937	273	4,946	1,123
COVID-19 expense (b)	—	119	—	1,758
Organization changes (c)	734	—	734	—
Adjusted EBITDA	\$ 3,514	\$ 13,458	\$ 1,291	\$ 27,375
Adjusted EBITDA as a % of Net Sales	2.3%	12.5%	0.3%	8.8%

(a) Represents implementation and other costs associated with the implementation of an ERP system.

(b) Represents COVID-19 expenses including (i) costs incurred to protect the health and safety of our employees during the COVID-19 pandemic, (ii) temporary increased compensation expense to ensure continued operations during the pandemic, and (iii) costs related to mitigating potential supply chain disruptions during the pandemic. As of the fourth quarter of 2021, all remaining COVID-19 related expenses are part of our operating performance.

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FRESHPET, INC. AND SUBSIDIARIES
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	2022	2021	2022	2021
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Net loss	\$ (18,449)	\$ (2,070)	\$ (56,577)	\$ (20,433)
Depreciation and amortization	8,546	7,746	24,424	22,489
Interest expense	1,817	677	4,060	2,232
Income tax expense	41	16	123	48
EBITDA	\$ (8,045)	\$ 6,369	\$ (27,970)	\$ 4,336
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COVID-19 expense (b)	—	119	—	1,758
Organization changes (c)	734	—	734	—
Adjusted EBITDA	\$ 3,514	\$ 13,458	\$ 1,291	\$ 27,375
Adjusted EBITDA as a % of Net Sales	2.3%	12.5%	0.3%	8.8%

(a) Represents implementation and other costs associated with the implementation of an ERP system.

(b) Represents COVID-19 expenses including (i) costs incurred to protect the health and safety of our employees during the COVID-19 pandemic, (ii) temporary increased compensation expense to ensure continued operations during the pandemic, and (iii) costs related to mitigating potential supply chain disruptions during the pandemic. As of the fourth quarter of 2021, all remaining COVID-19 related expenses are part of our operating performance.

(c) Represents transition costs related to the organization changes designed to support growth, including several changes in organizational structure designed to enhance capabilities and support long-term growth objectives.

Prior to September 30, 2022, the Company presented for the following items as adjustments to its non-GAAP metrics. Those details are provided again here for your convenience and for consideration in making comparisons to prior periods:

	FY 2020	FY 2021
	(Dollars in thousands)	
Plant start-up expense	\$ 5,962	\$ 4,868
Launch expense	3,421	3,130

	Three Months Ended						
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
	(Dollars in thousands)						
Plant start-up expense	\$ 1,843	\$ 1,130	\$ 588	\$ 1,306	\$ 4,748	\$ 5,293	\$ 8,015
Launch expense	731	1,018	562	819	632	504	1,542



FEED THE GROWTH
11 MILLION HH BY 2025

