



Fourth Quarter & Full Year 2017 Results 2018 Plan Review

A collage of images illustrating the Freshpet brand. It includes a ginger cat and a small dog on a wooden deck with large carrots hanging from above; a man walking a dog on a beach; two chickens in a field; a red barn; a woman smiling with a large Dalmatian dog in a field; a family of four preparing food at a table; a bowl of fresh produce including melons and oranges; a close-up of raw red meat; and a white West Highland White Terrier dog in a field.

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.

Agenda

Freshpet Full Year 2017 Review

Billy Cyr, Chief Executive Officer

Financial Review & 2018 Guidance

Dick Kassar, Chief Financial Officer

2018 Strategic Plan

Billy Cyr, Chief Executive Officer

Q&A

**Billy Cyr, Chief Executive Officer
Dick Kassar, Chief Financial Officer
Scott Morris, Chief Operating Officer**

Billy Cyr

Chief Executive Officer



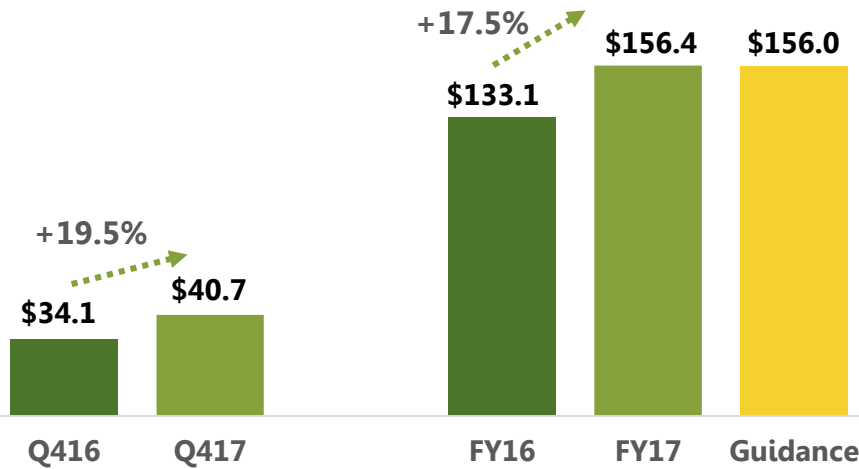
Freshpet Financial Highlights & Business Performance

- **Q4 net sales grew 19.5% with fresh sales +21.9%**
 - Double digit growth in all classes of trade
- **FY17 net sales grew 17.5% with fresh sales +20.1%**
 - Accelerated growth rate from FY16's +15%
- **FY17 Adjusted EBITDA of \$17.6 million**
 - Flat vs. YA despite +60% increase in media spending
- **HH penetration, awareness and buying rate all increased significantly**
 - Still significant room to grow
- **Velocity grew 16% in FY17**

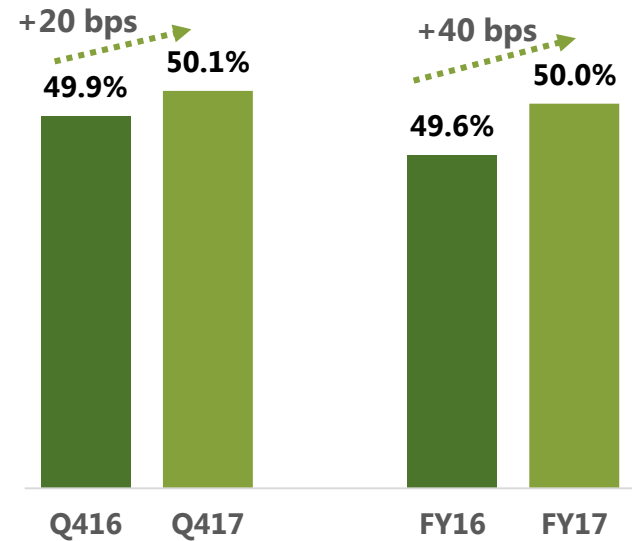


2017 Results Exceed Full Year Guidance

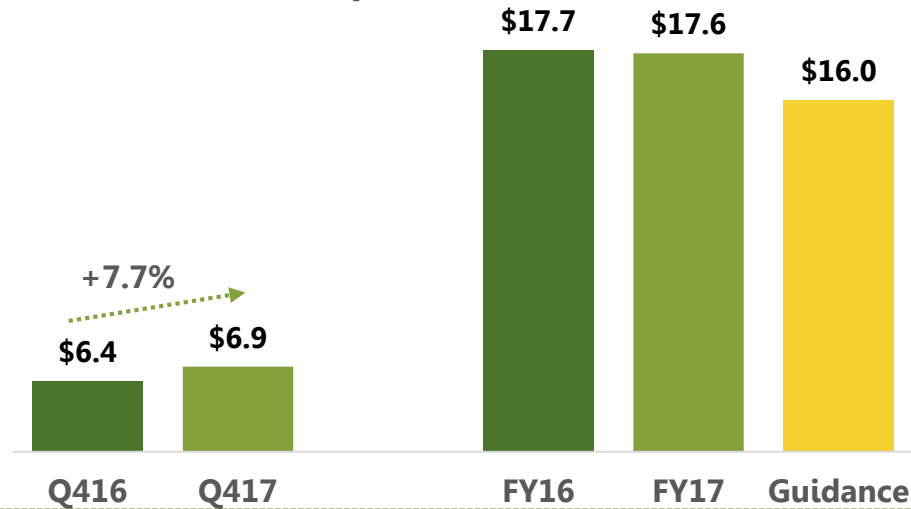
Net Sales



Adj. Gross Margin



Adjusted EBITDA



All Channel Results Are Strong for Freshpet Fresh Products

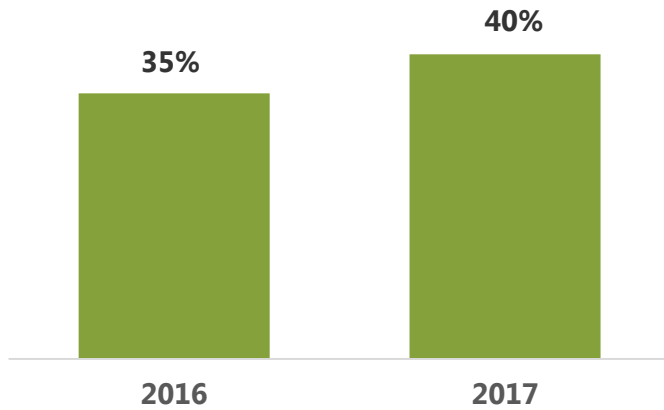
Grocery/Mass	Q4	2017
Freshpet	+23.8%	+24%
Dog Food Category (Nielsen XAOC)	+2.4%	+0.8%
Pet Specialty/Natural/Other	Q4	2017
Freshpet	+14.8%	+5.6%
Dog Food in Pet Specialty	-7.4%	-7.2%
Total All Channels	Q4	2017
Freshpet	+21.9%	+20.1%
Dog Food Category	-0.5%	-1.7%



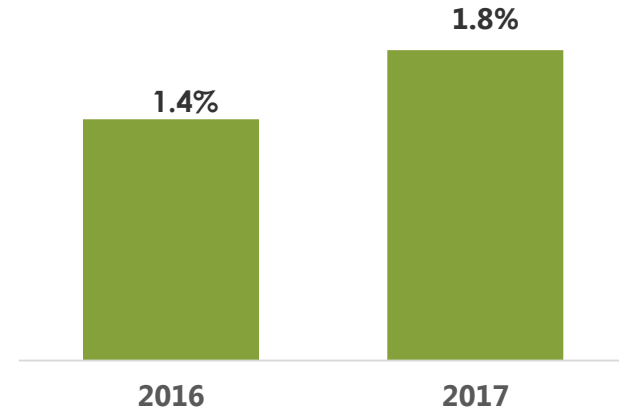
Source: Internal company shipment results by channel and Nielsen 52 weeks ending 12/30/17

Advertising Drives Awareness, Penetration and Buying Rate

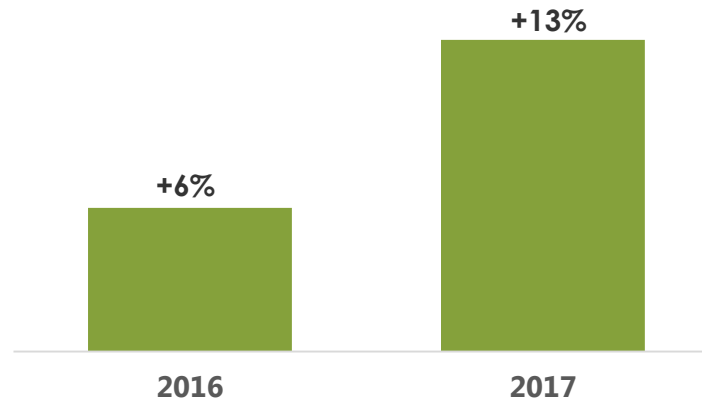
Awareness



Penetration

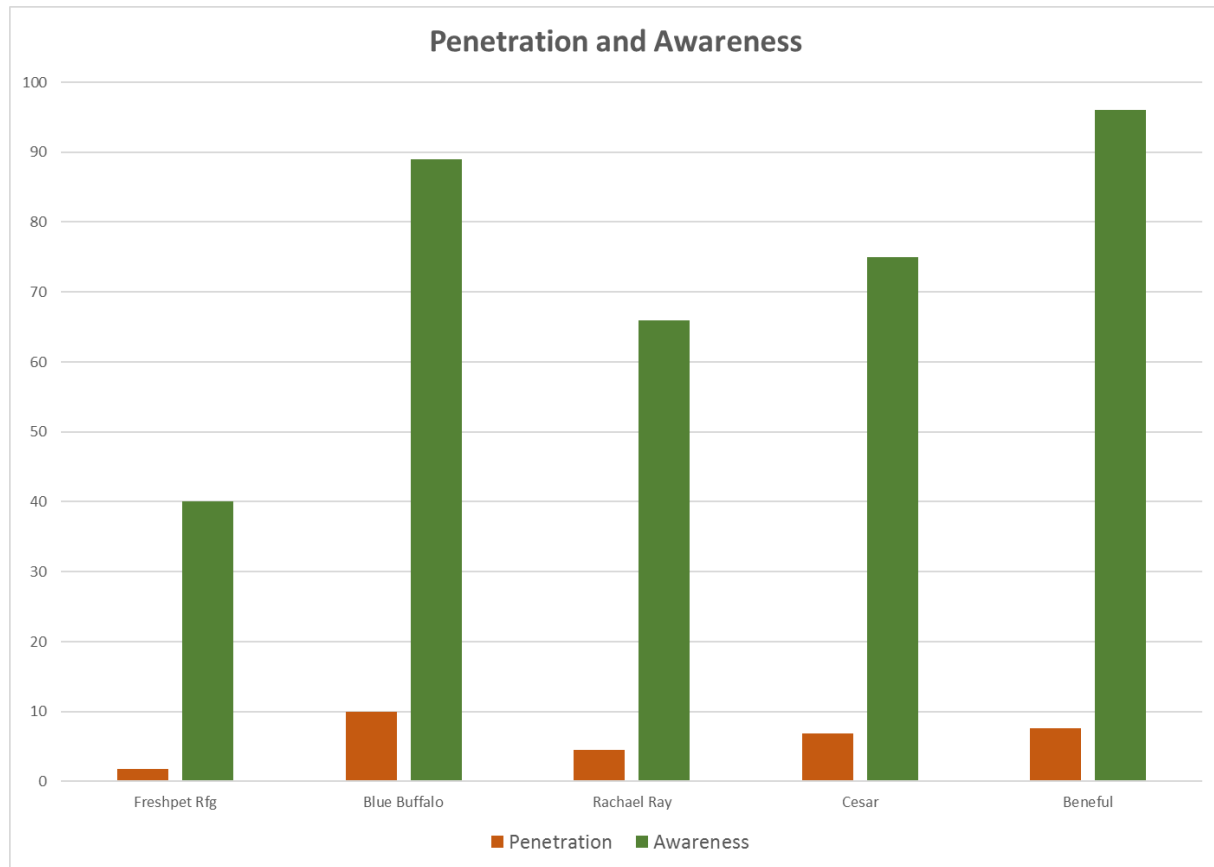


Buying Rate



Source: Nielsen HH Panel Q3 '17; Buying Rate is internal calculation for dog food only

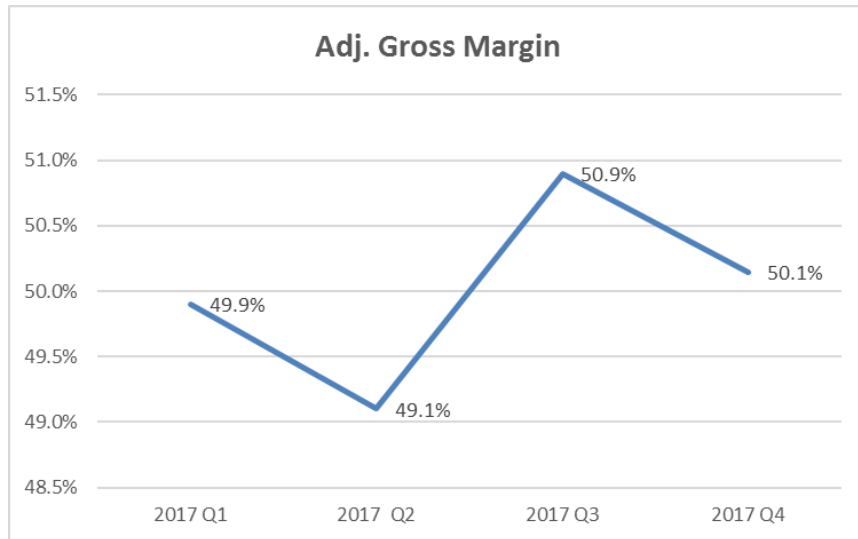
Opportunity to Expand Awareness and HH Penetration



	Freshpet	Blue Buffalo	Rachel Ray	Cesar	Beneful
Awareness (Aided)	40%	86%	66%	75%	95%
Penetration	1.8%	~10% (est)	4.5% (dry)	6.8% (wet+dry)	7.6% (dry)



Adjusted Gross Margin Progress is Not Linear



- **Maintained progress on yields in Q4**
- **Lower gross margin in Q4 than Q3**
 - Commodity and inbound freight inflation
 - Mix shift to FFTK
 - Ongoing testing
 - Seasonal labor expenses (e.g. holidays, incentive pay, etc...)
- **Eliminated all start-up expenses**
- **Offset part of mix shift**

Freshpet Fridges: More Placements and Higher Velocity

Velocity Drivers

- ✓ # of Fridges
- ✓ Penetration and buying rate
- ✓ In-stock conditions
- ✓ Fridge size and location/placement
- ✓ Assortment

	Q4	2017	Store Count
Gross Stores	+478	+2,001	
Net Stores	+354	+1,395	18,004
Velocity Increase (\$/\$M ACV – Nielsen XAOC)	+16.5%	+16.4%	

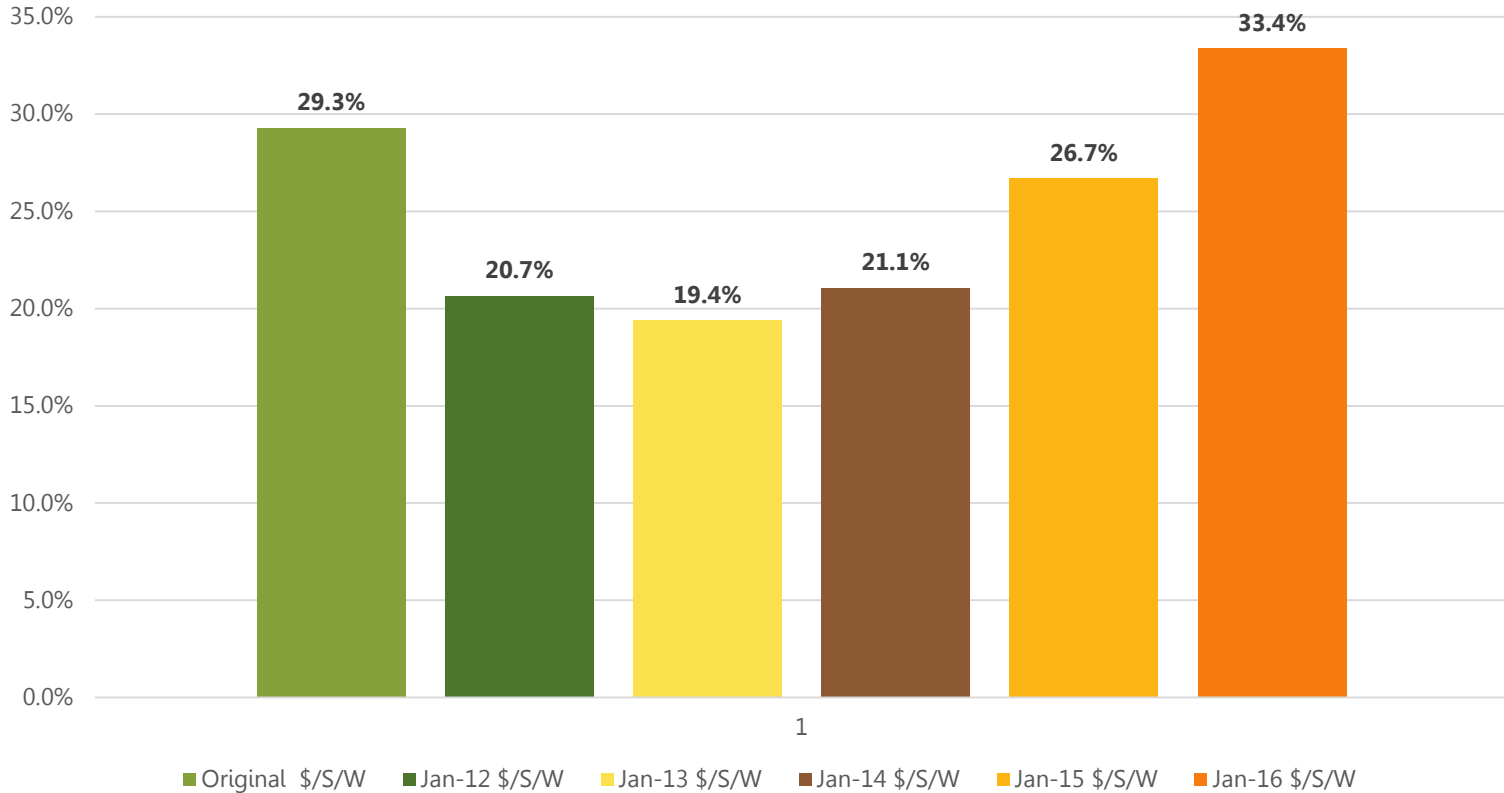


Source: Internal store count and Nielsen XAOC Data for the 12 month period ending 12/30/17

Strong Velocity Growth

2017 Same Stores Sales Growth By Vintage

Representative customer



Dick Kassar

Chief Financial Officer



Tax Reform Impact

- **No meaningful impact to earnings or the balance sheet**
- **The Company has a \$175 million NOL that will eliminate most federal taxes for many years**
- **The NOL was not capitalized so there is no balance sheet impact from the change in tax rates**
- **Other changes in the tax reform law will have minor impact on the company**

Revenue Recognition Policy Change

	Previous Policy			New Policy		
	2016	2017	2020 Goal	2016	2017	2020 Goal
Net Sales (\$ millions)	133.0	156.4	300	129.7	152.4	300
Cost of Sales (\$ millions)	72.7	84	--	69.3	79.9	--
Adjusted Gross Margin	49.6%	50.0%	~52%	50.9%	51.3%	53.9%
Adjusted EBITDA (\$ millions)	17.7	17.6	60+	17.7	17.6	60+

Long-term Goals Revised for Accounting Change

	Original Goals		Revised Accounting Policy	
	FY 2016	FY 2020	FY 2016	FY 2020
Growth Rate	15%	15-20%	15%	15-20%
Stores	16,609	23,000	16,609	23,000
Adj. Gross Margin	49.6%	~52%	50.9%	53.9%
Adj. EBITDA Margin	13%	20+%	13%	20+%
Media Investment	~6% of sales	~9% of sales	~6% of sales	~9% of sales
Advertising Payback	1.5 yrs	--	1.5 yrs	--
Free Cash Flow	-\$13.9M	~15% of sales*	-\$13.9M	~15% of sales*

*Before capacity expansion for sales beyond \$300 million

Feed the Growth: Year II -- 2018

2018 Guidance

\$ in Millions	2017	2018	% Change
Net Sales	\$152.4	>\$185	21+%
Adjusted EBITDA	\$17.6	>\$20	14+%
Media Spend Increase	+60%	60+%	--

Billy Cyr

Chief Executive Officer



Freshpet



We Operate Differently

Delighting consumers with fresh food & our company ideology

PETS · PEOPLE · PLANET

**Environmentally
Focused**



**Community &
Consumer Engagement**



**Employee
Engagement**



2020 Goals

Future Economic Model		
	FY 2016	FY 2020
Growth Rate	15%	15-20%
Stores	16,609	23,000
Adj. Gross Margin	50.9%	53.9%
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*

***Before capacity expansion for sales beyond \$300 million**

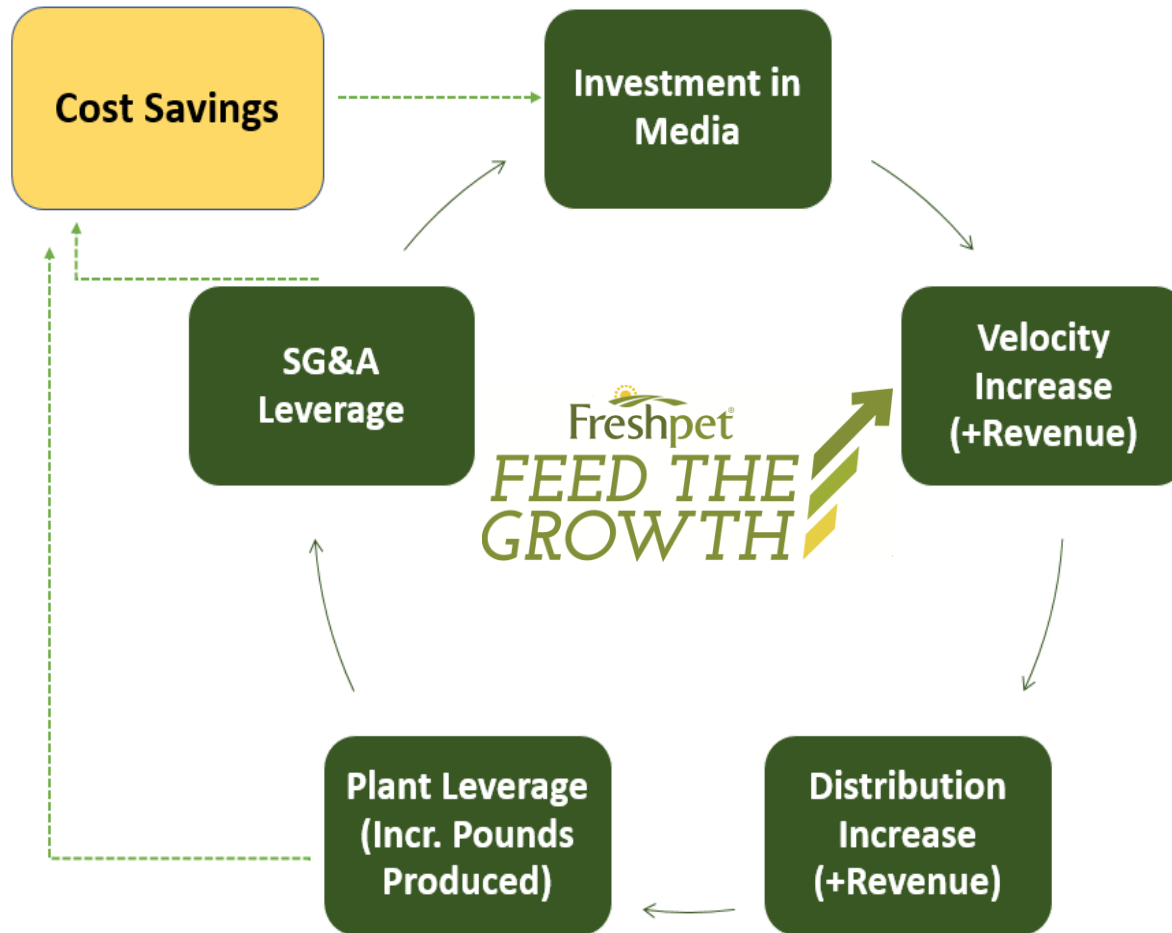


Freshpet[®]
*FEED THE
GROWTH*

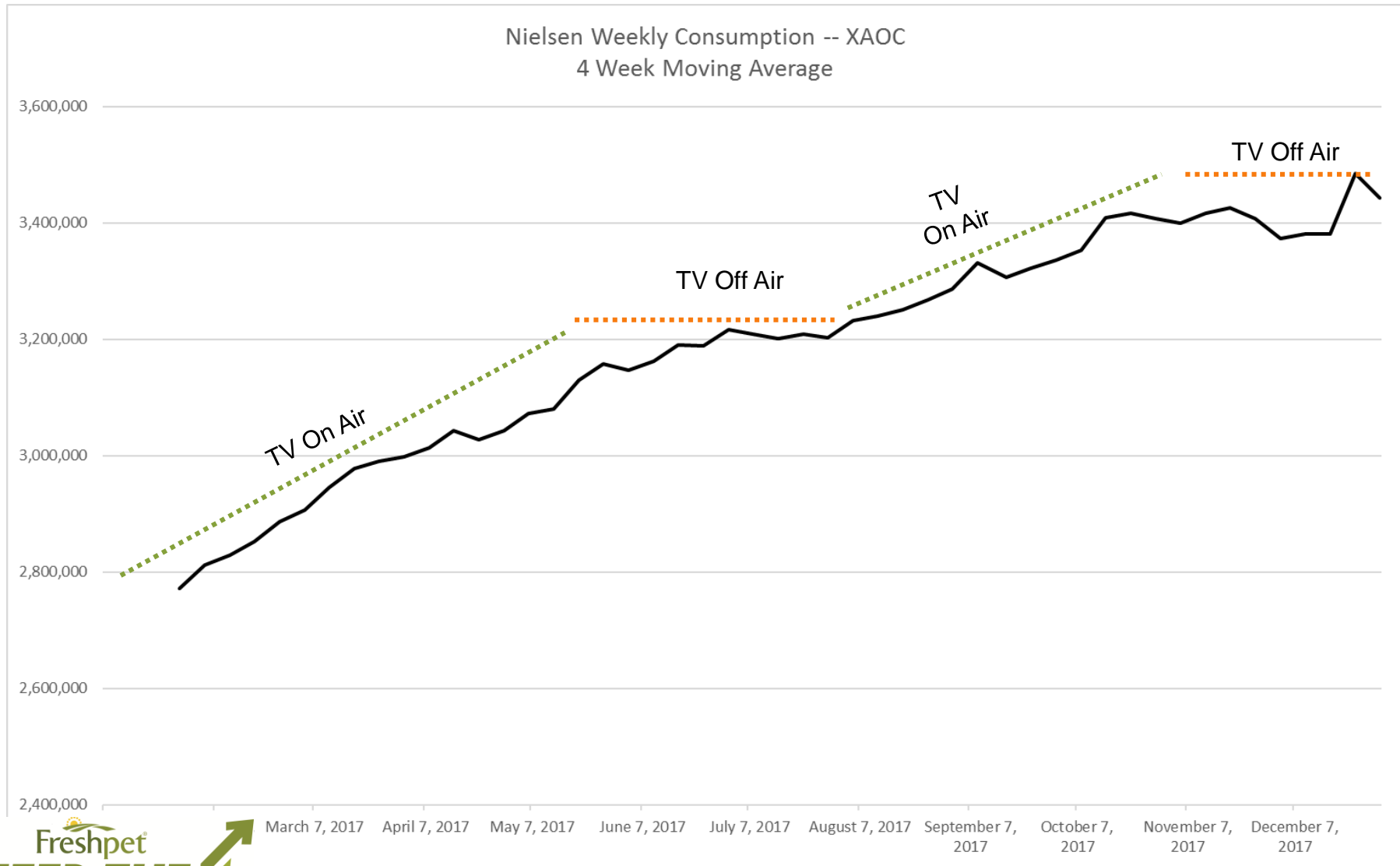


YEAR II: Bigger and Faster

Freshpet Operating Model

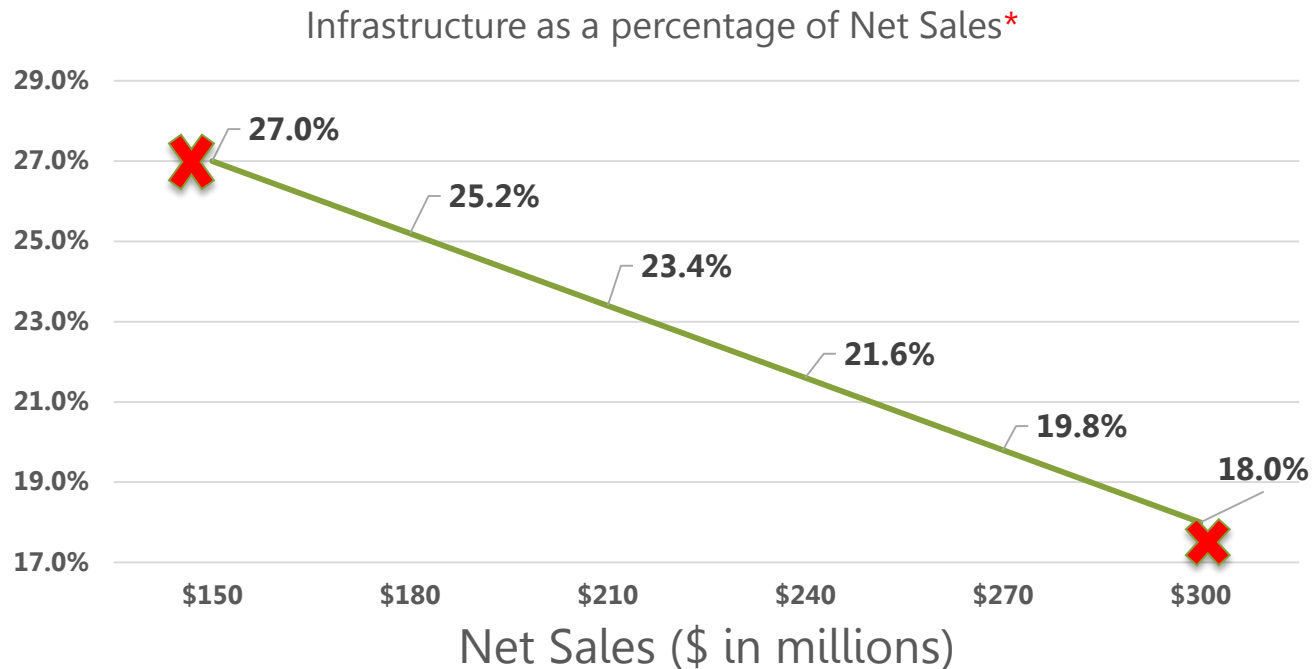


Advertising Investment Drives Consumption Consistently



Driving Significant Margin Improvement . . .

By 2020: 9 pt. reduction in fixed costs



Strong Barriers to Entry: 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



Freshpet Fridge

Branded, company-owned real estate



Retailer Partners

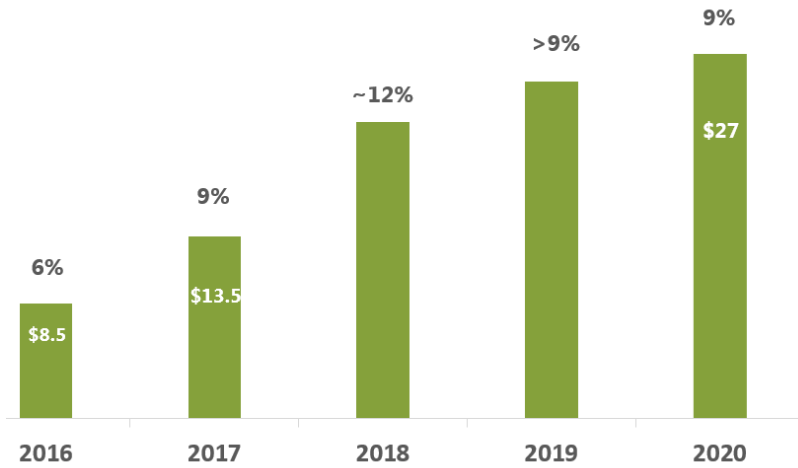
Delivers benefits in traffic, frequency and retailer margins



Increasing Media Investment to Accelerate Growth

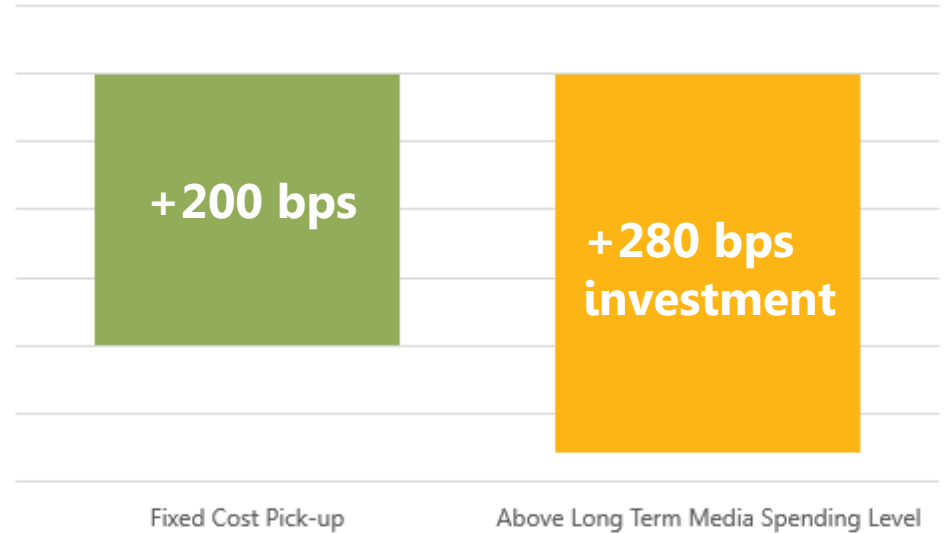
Freshpet Media Spending

(\$ Million)



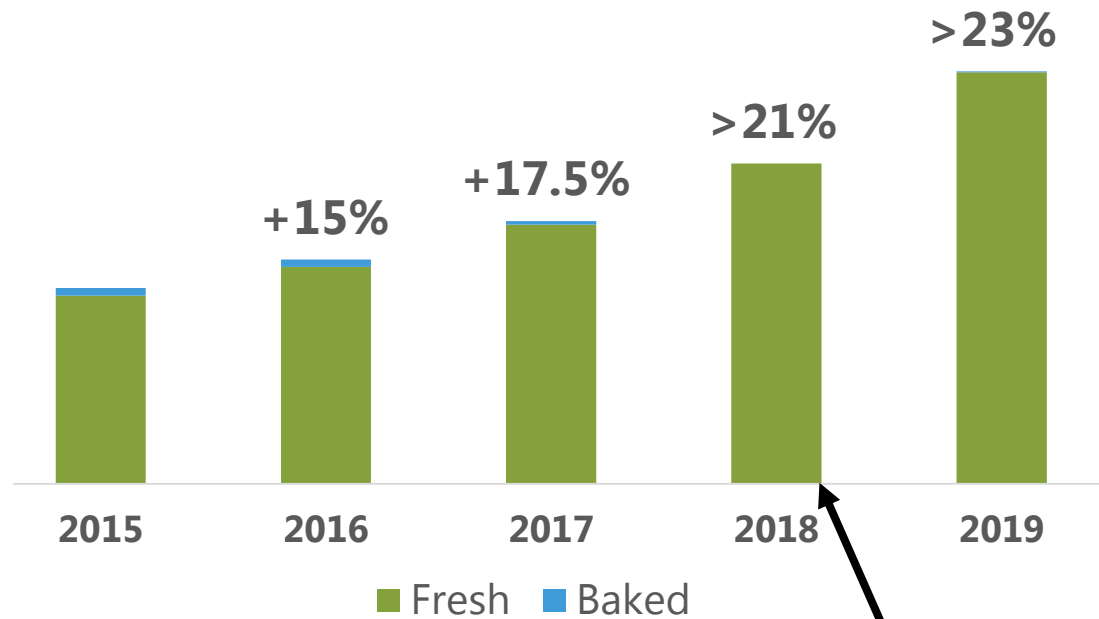
% = percent of sales

2018: Reinvesting Scale Benefits Into Media



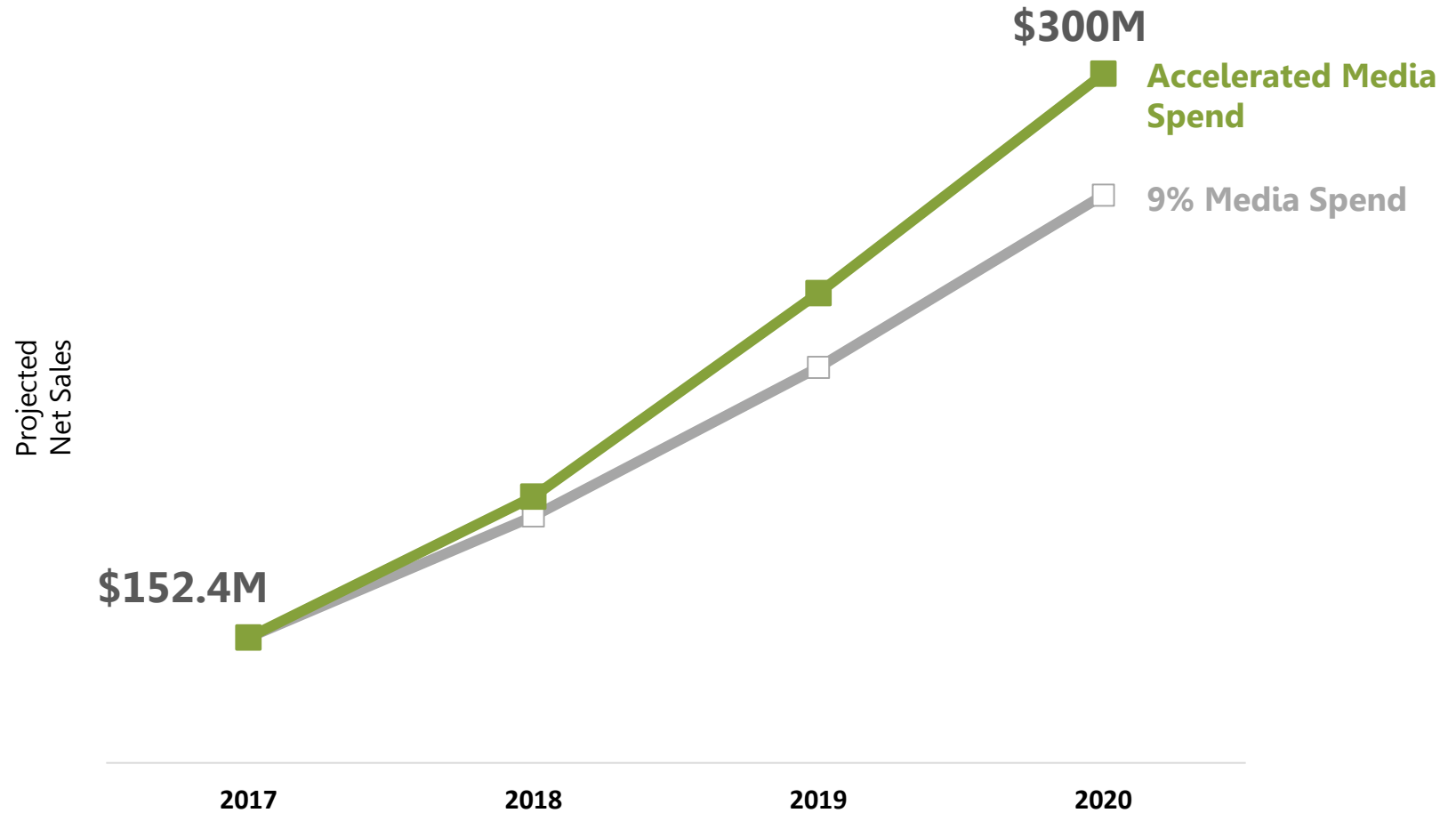
In 2018, We Expect to Accelerate Fresh Growth. . . and Carry Momentum into 2019

Freshpet Net Sales



**Fresh-only
sales: +23%**

Putting Freshpet Well On Its Way to Our \$300M 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



Fridge Upgrades Drive Incremental Velocity

Before



After

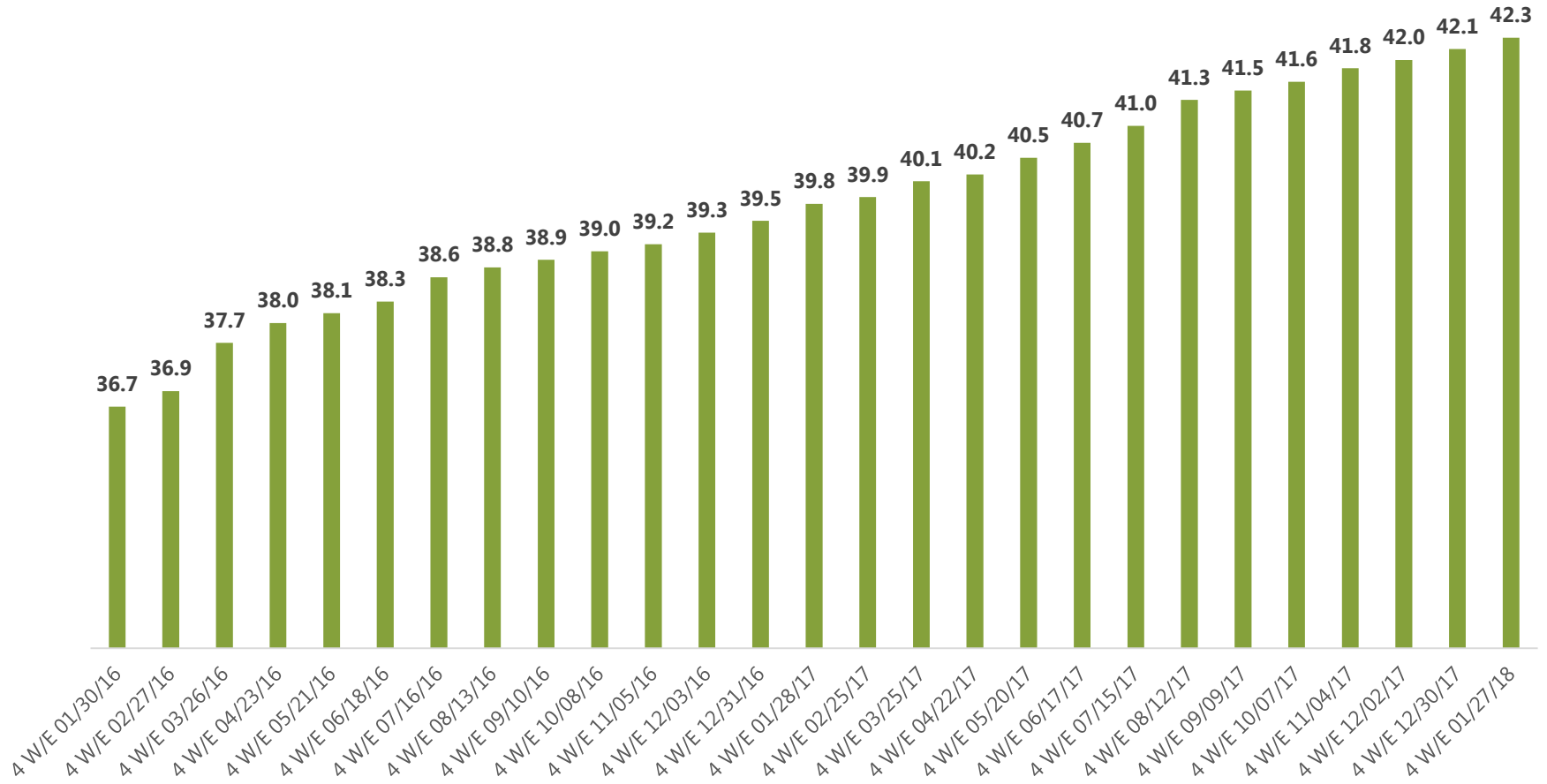


Growing sales by distribution point

- Fridge upgrades have yielded significant incremental growth
- Maximizes existing retail location sales opportunities
- Payback in ~36 months
- Upgrades provide:
 - Expanded space
 - 22% -200% larger
 - Opportunity for wider assortment
 - Significantly improved visibility and merchandising
 - Easier stocking
 - More holding power

With Consistent Ability to Drive Product Availability

Freshpet Total RFG %ACV



Source: Nielsen XAOC data ending 1/27/18

And With Growth Potential in Fresh E-commerce

Strategy: Grow with winning players in fresh e-commerce



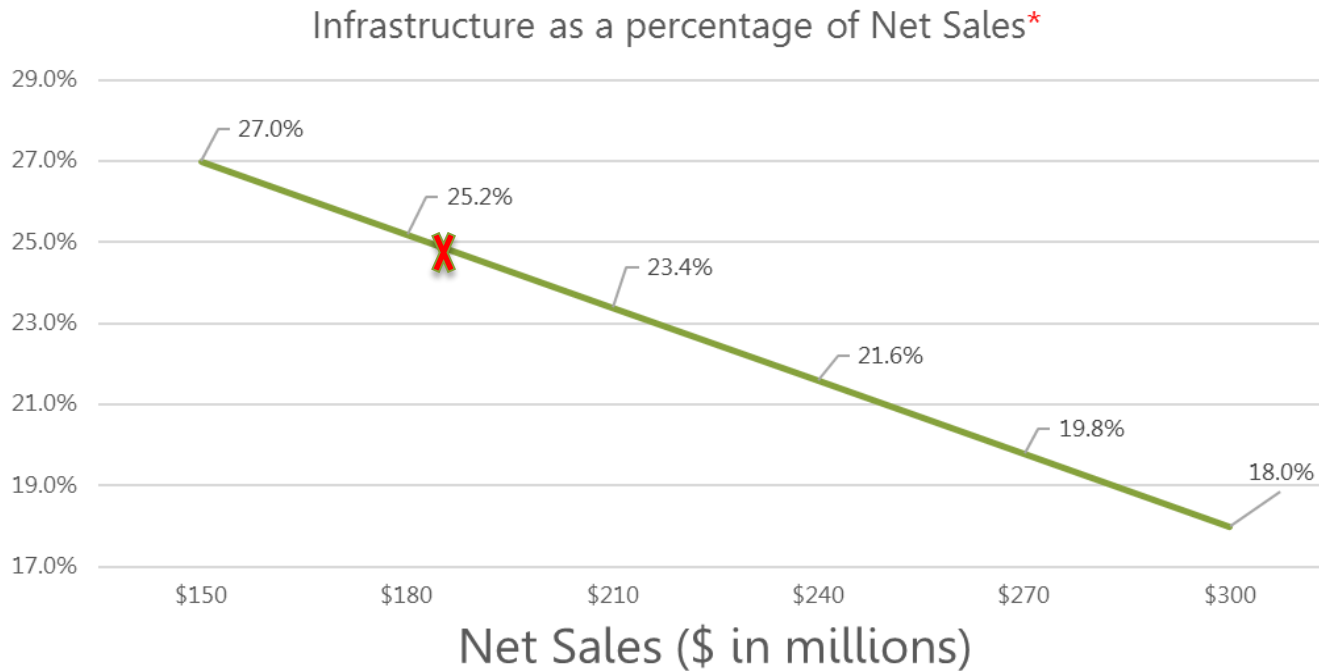
Freshpet Long-Term Capacity Planning

- **Existing Kitchens can support \$300M to 400M in net sales – depending on product mix**
- **If we deliver our 2020 goals, we will need new bag capacity sometime in 2020, rolls in 2021**
- **It takes two years to add capacity:**
 - Year 1: Planning and permitting plus ordering long lead-time equipment
 - Year 2: Construction and start-up
- **Need to have a plan in place before the end of 2018**
 - Location
 - Size and Scope
 - Technology
- **Financial commitments would be made in late 2018 and throughout 2019**
 - We will update plans and commitments later in the year

Guiding Principles for Capacity Expansion

- **Freshpet has tremendous growth potential ahead of it**
 - Capacity increases must envision and enable future expansions in a cost effective way
- **Manufacturing expertise must remain a competitive advantage**
 - We will continue to advance our mastery of the technology
 - Particular focus on efficiency, reliability and safety improvements
- **We will not dilute our focus on gross margin improvement efforts in the existing facility**
 - We will dedicate engineering staffing to design and build the next facility
 - We will replace that staffing in the existing facility with full-time operating talent
- **The location decision will consider the full range of risks/opportunities that come with each location**
 - Considerations will include access to raw material supply, labor, utilities, technology transfer risk, freight costs, local incentives, supply diversification, etc.

Gaining 200 Basis Points of Fixed Cost Leverage in 2018



Feed the Growth: Year II -- 2018

2018 Guidance

\$ in Millions	2017	2018	% Change
Net Sales	\$152.4	>\$185	21+%
Adjusted EBITDA	\$17.6	>\$20	14+%
Media Spend Increase	+60%	60+%	--

Further Strengthening Our Barriers to Entry . . .



While delighting pet parents, pets, shareholders and employees . . .

Melissa & Zooka
Canton, MI



Appendix

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*FEED THE
GROWTH* 

Historical Impact of the upcoming Revenue Recognition Policy (ASC 606) - Annually

Year Ended December 31,

\$ amounts in thousands

	2014	2015	2016	2017
Current Policy under ASC 605				
Net Sales	\$ 86,764	\$ 116,186	\$ 133,054	\$ 156,379
Cost of Sales	\$ 44,546	\$ 61,537	\$ 72,683	\$ 83,963
Gross Profit	\$ 42,218	\$ 54,649	\$ 60,371	\$ 72,416
Gross Margin	48.7%	47.0%	45.4%	46.3%
Adjusted Gross Margin	51.6%	49.2%	49.6%	50.0%

New Policy under ASC 606

Net Sales	\$ 84,154	\$ 113,505	\$ 129,707	\$ 152,359
Cost of Sales	\$ 41,936	\$ 58,856	\$ 69,336	\$ 79,943
Gross Profit	\$ 42,218	\$ 54,649	\$ 60,371	\$ 72,416
Gross Margin	50.2%	48.1%	46.5%	47.5%
Adjusted Gross Margin	53.2%	50.4%	50.9%	51.3%

Historical Impact of the upcoming Revenue Recognition Policy (ASC 606) - Quarterly

Three Months Ended

\$ amounts in thousands

	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017
Current Policy under ASC 605								
Net Sales	\$ 31,454	\$ 33,002	\$ 34,536	\$ 34,061	\$ 34,514	\$ 39,969	\$ 41,200	\$ 40,697
Cost of Sales	\$ 16,566	\$ 18,090	\$ 19,185	\$ 18,841	\$ 18,711	\$ 21,799	\$ 21,697	\$ 21,756
Gross Profit	\$ 14,888	\$ 14,912	\$ 15,351	\$ 15,220	\$ 15,803	\$ 18,170	\$ 19,503	\$ 18,940
Gross Margin	47.3%	45.2%	44.4%	44.7%	45.8%	45.5%	47.3%	46.5%
Adjusted Gross Margin	50.2%	48.7%	49.6%	49.9%	49.9%	49.1%	50.9%	50.1%

New Policy under ASC 606

Net Sales	\$ 30,529	\$ 32,100	\$ 33,768	\$ 33,310	\$ 33,678	\$ 38,728	\$ 40,125	\$ 39,829
Cost of Sales	\$ 15,641	\$ 17,188	\$ 18,417	\$ 18,090	\$ 17,874	\$ 20,559	\$ 20,622	\$ 20,888
Gross Profit	\$ 14,888	\$ 14,912	\$ 15,351	\$ 15,220	\$ 15,803	\$ 18,170	\$ 19,503	\$ 18,940
Gross Margin	48.8%	46.5%	45.5%	45.7%	46.9%	46.9%	48.6%	47.6%
Adjusted Gross Margin	51.8%	50.1%	50.7%	51.1%	51.2%	50.7%	52.2%	51.2%