



June 16, 2021 Business Update



Forward Looking Statements & Non-GAAP Measures

Forward-Looking Statements

Certain statements in this presentation constitute “forward-looking” statements, which include any statements related to the novel coronavirus (“COVID-19”), the Freshpet Kitchens Expansion, 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, 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 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, plant start-up expense, non-cash share-based compensation, launch expense, 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.

Forward Looking Statements & Non-GAAP Measures (cont.)

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

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 present the Company's guidance for fiscal year 2021. The Company does not provide guidance for the most directly comparable GAAP measure and similarly cannot provide a reconciliation to such measure without unreasonable effort due to the unavailability of reliable estimates for certain items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.



Nourishing Pets, People and Planet

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**





2021 Guidance Review

2021 guidance re-affirmed

\$ in Millions	2020	2021	% Change
Net Sales	\$318.8	>\$430	+35%
Adjusted EBITDA	\$46.9	>\$61	+30%

- **ERP Conversion:** Tentatively targeted for 10/1/21
- **COVID Addback:** Anticipating \$2.0 million in COVID-related costs in 2021 until broadscale vaccination has occurred – currently projected to occur within Q3

Assumptions behind guidance

Q1 Expectations

- ✓ Moderating consumption growth due to out-of-stocks
- ✓ Net sales in excess of consumption as we re-fill trade inventory – slight acceleration in growth rate from Q4
- ✓ Adj. gross margin in line with Q4 due to higher staffing levels to drive higher throughput, beef costs, lost production due to storms and mix shift to bags
- ✓ U. S. advertising investment delayed to allow for improved in-stocks– in line with previous year
- ✓ Low new store additions until trade inventory is replenished in April

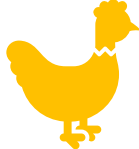




Q2 Expectations

- Accelerating consumption behind improved retail conditions and strong advertising investment
- Shipment growth modestly in excess of consumption growth due to trade inventory re-fill
- Lower cost per lb. of production (improved mix & higher throughput)
- Incremental costs associated with disposals & incremental processing
- Strong advertising investment
- Resumption of fridge placements as inventories are replenished

Q3 & Q4 Expectations

- Strong period-to-period consumption growth behind advertising investment and strong supply
- Shipment growth in excess of consumption growth due to short shipments in the YA
- Continuing to expect adjusted gross margin lift due to increased throughput
- Continued heavy advertising investment
- Meaningful store count growth

Inflation considerations heading into 2H 2021

Key cost element	Chicken 	Beef 	Packaging 	Labor 	Freight 
Potential cost impact	Priced annually in December; potential impact next year	Priced quarterly; assumed in plan	Floats with resin price; expect some impact in back half	Tight labor market; impact likely next year	Assumed inflation but exceeding expectations

- Full year 2021 adjusted gross margin could be pressured and be slightly below previous year
- May require pricing actions to offset rising costs in 2022

COVID impact & addback

Q1 Results

- Includes \$950K of COVID-related addbacks for supplemental wages to production team, incremental sanitation and health screening, and above normal absenteeism

Q2 Expectations

- Team members became eligible for vaccines on March 31, 2021
- Offered team members an incentive to provide documentation that they have successfully been vaccinated
 - 2 days of paid time off if vaccinated by June 1; 1 day of paid time off if vaccinated between June 1 and August 1
 - \$25 gift card
 - Entered in drawing to win \$1500
- Continuing all safety protocols, supplemental wages, testing/quarantine costs

Q3 Expectations

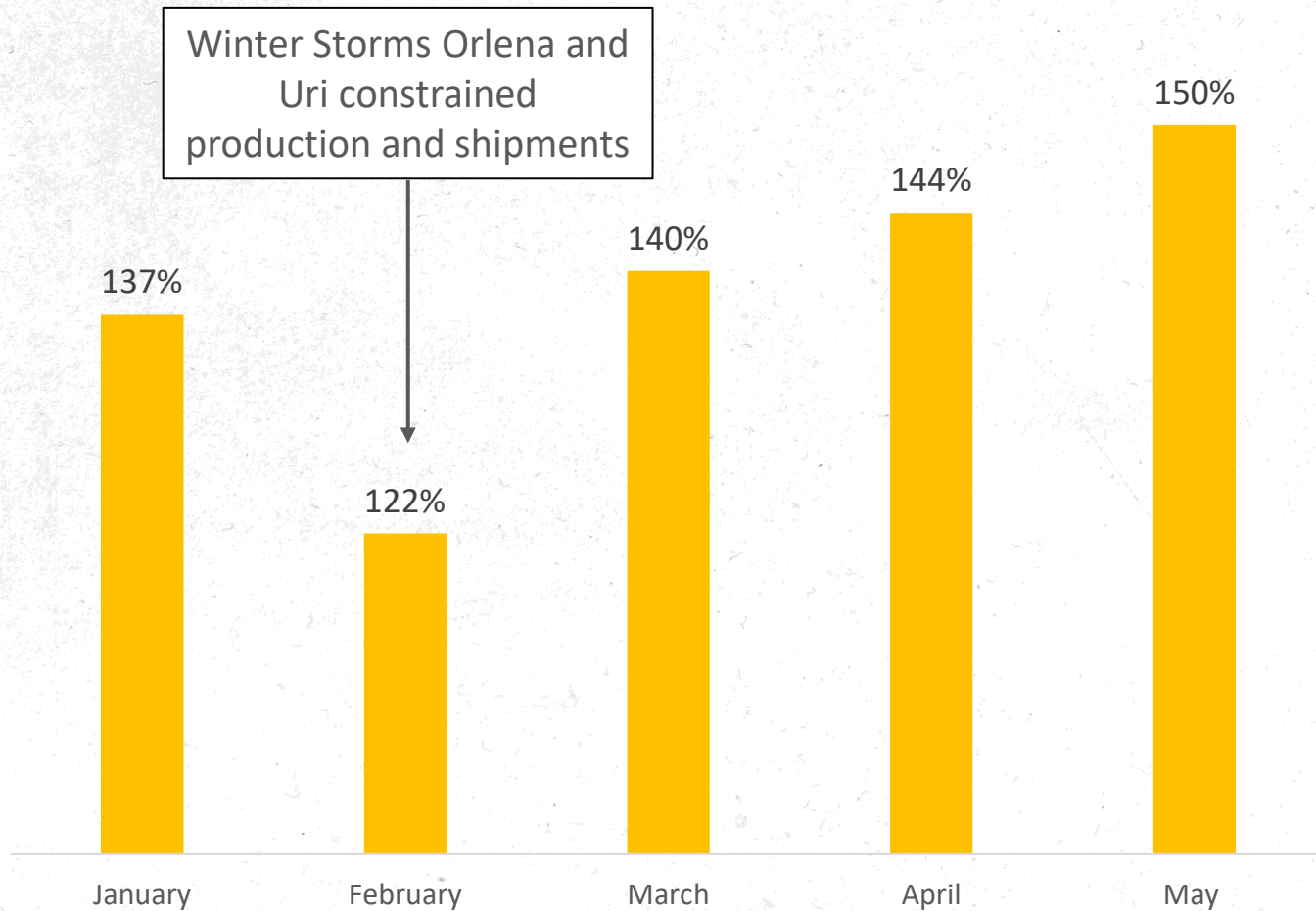
- Anticipated completion of COVID addback
- Final quarter of supplemental pay and compensation for asymptomatic testing/quarantine
- Maintaining supplemental screening and sanitation costs per OSHA and CDC guidance



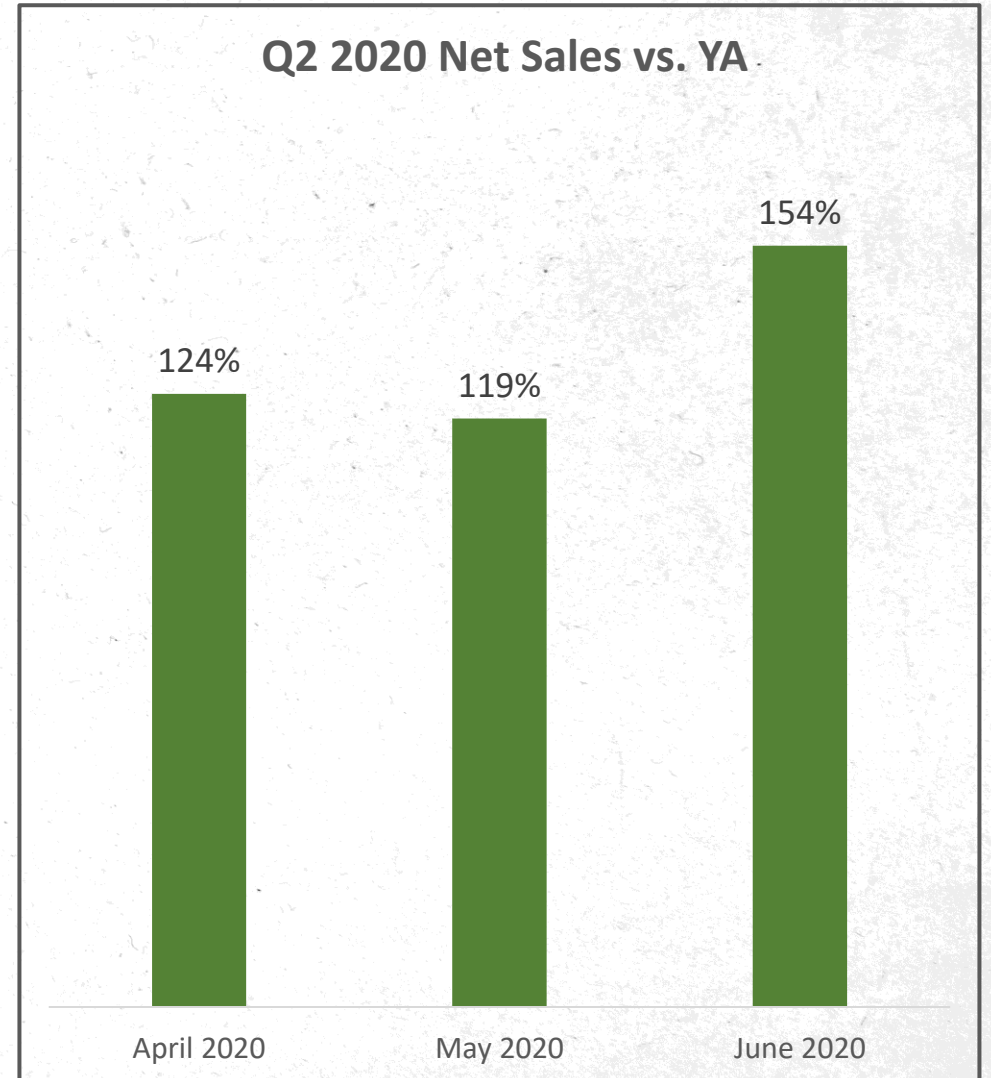
Current Business Performance

Strong net sales growth YTD; tough year-on-year comp in June will bring Q2 growth rate to low-mid 30's

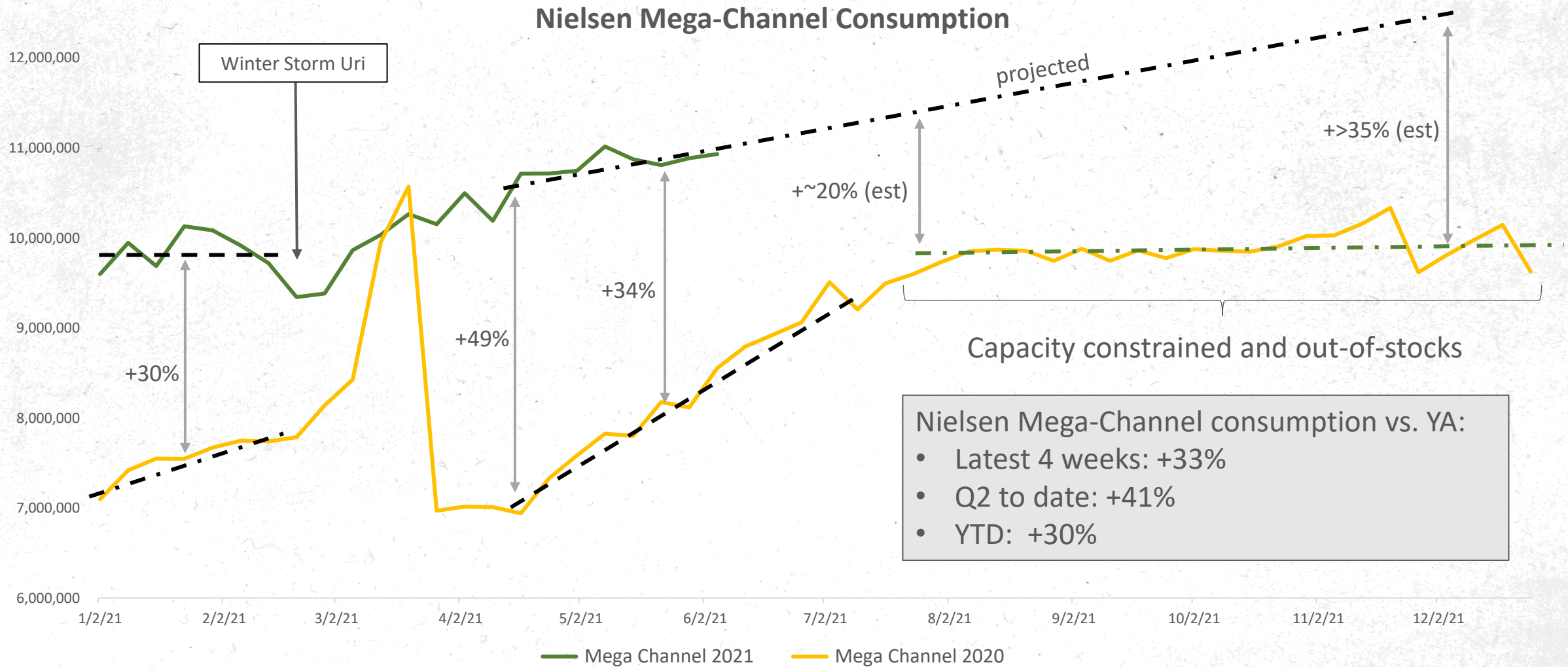
2021 Freshpet Monthly Net Sales vs. YA



Q2 2020 Net Sales vs. YA

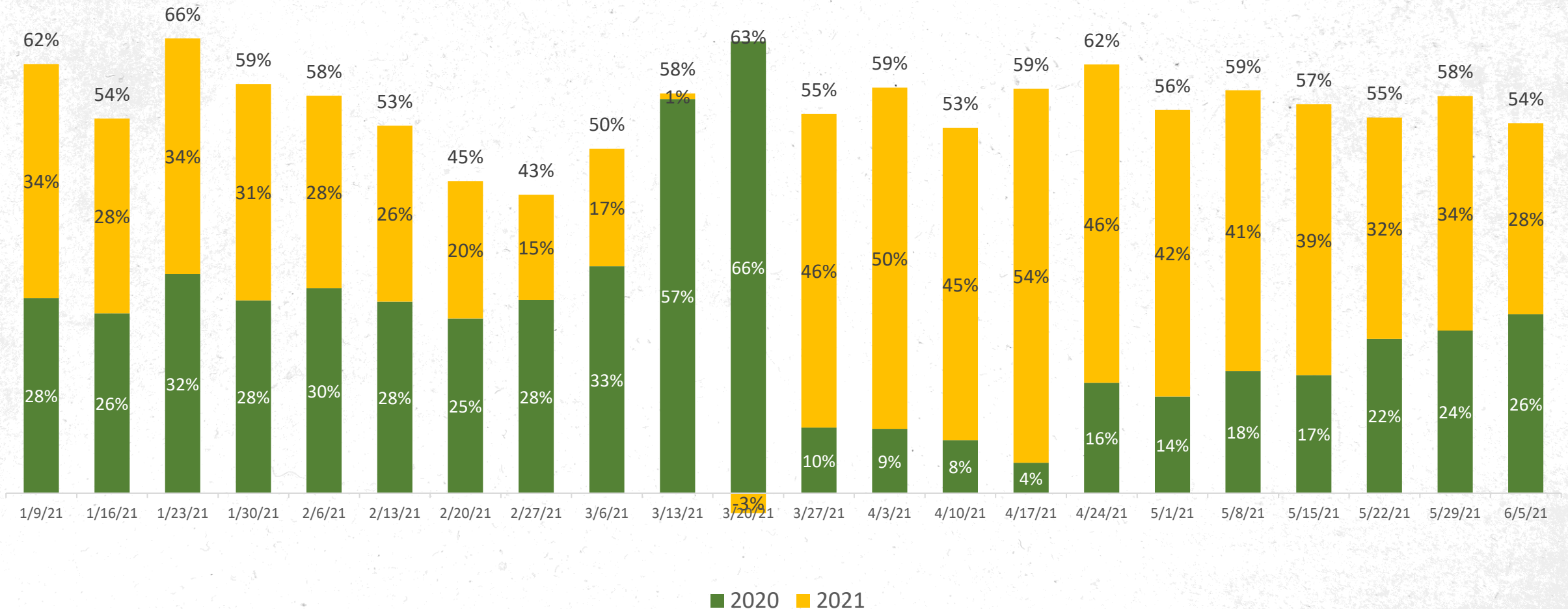


Strong growth vs. YA will narrow before expanding again in late Q3 & Q4 behind increased capacity and advertising investment



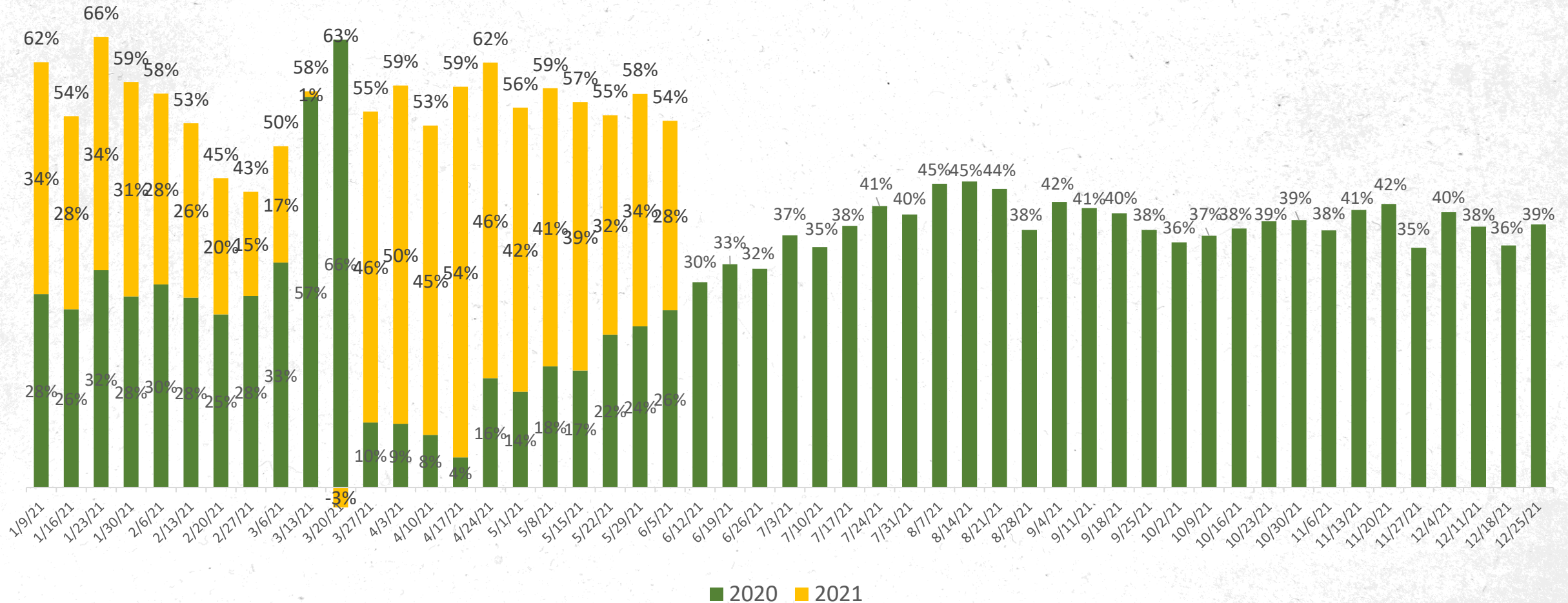
Strong growth on a 2-year stacked basis

Nielsen Mega-Channel Consumption Growth
(2 Year Stacked)



2-year stacked will remain strong and could accelerate in late Q3 and Q4 behind increased advertising

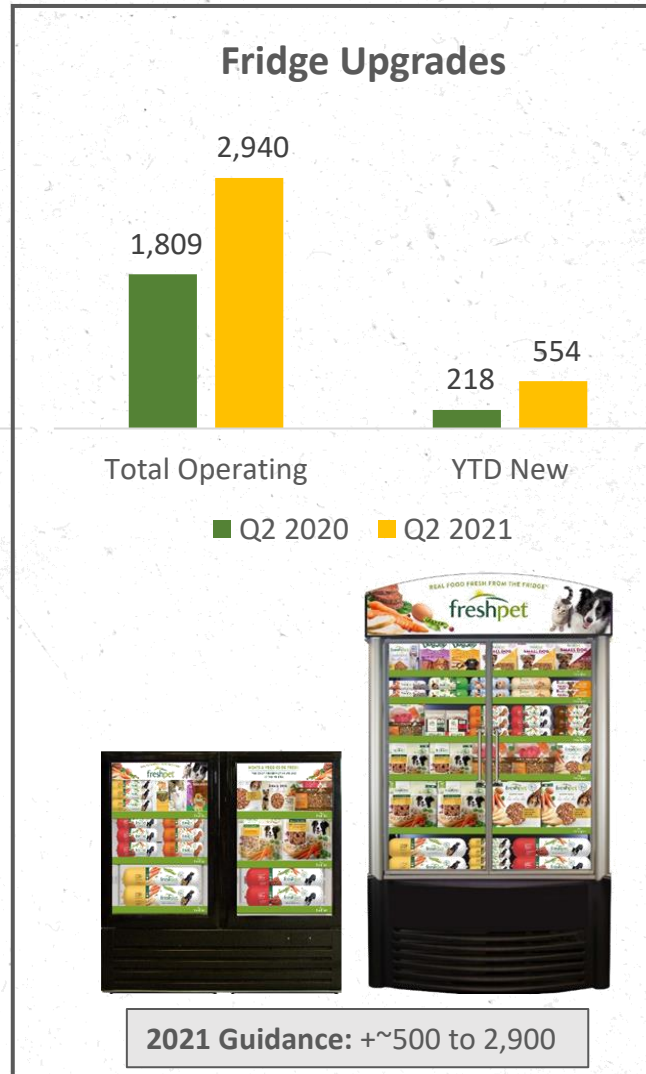
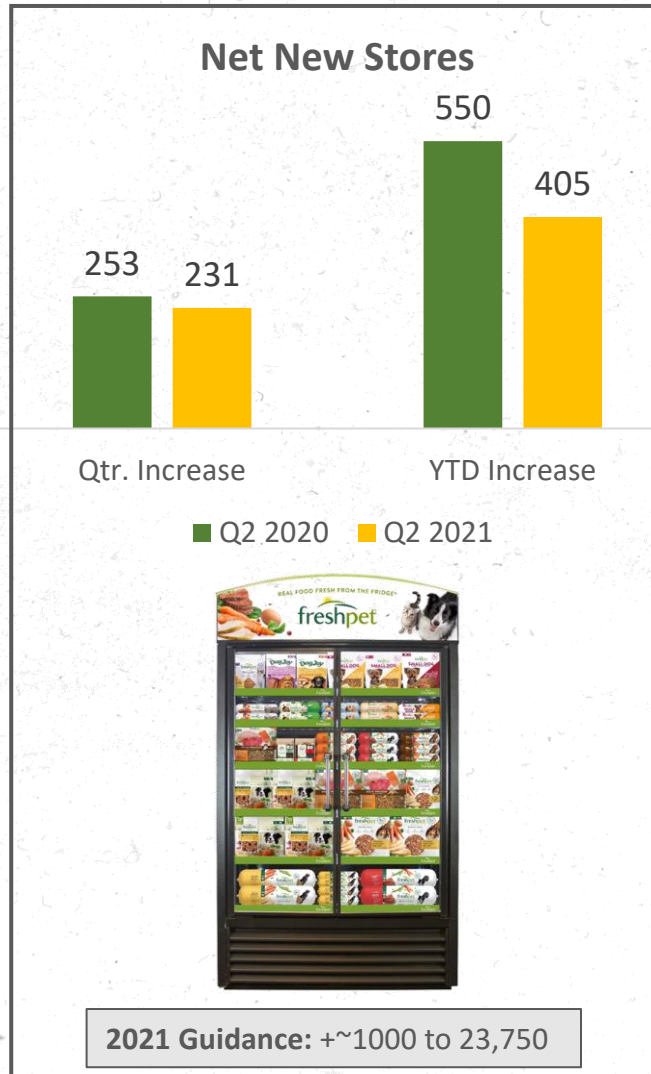
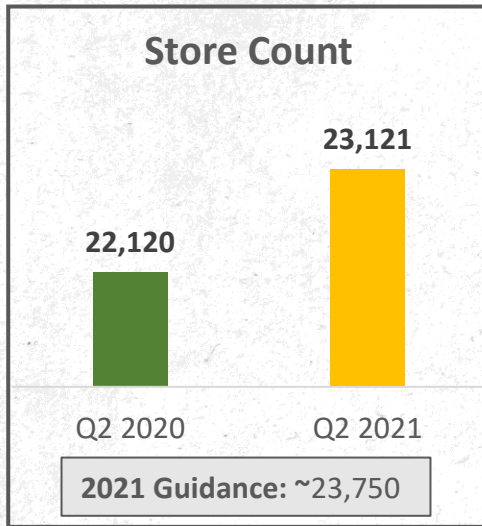
Nielsen Mega-Channel Consumption Growth
(2 Year Stacked)





Channels & Distribution

Q2 to date: Strong performance on upgrades & second fridges



Source: Internal company data through 6/7/21

Innovative new products launched to meet emerging consumer needs with focus on Millennials & GenZ



Environmentally friendly

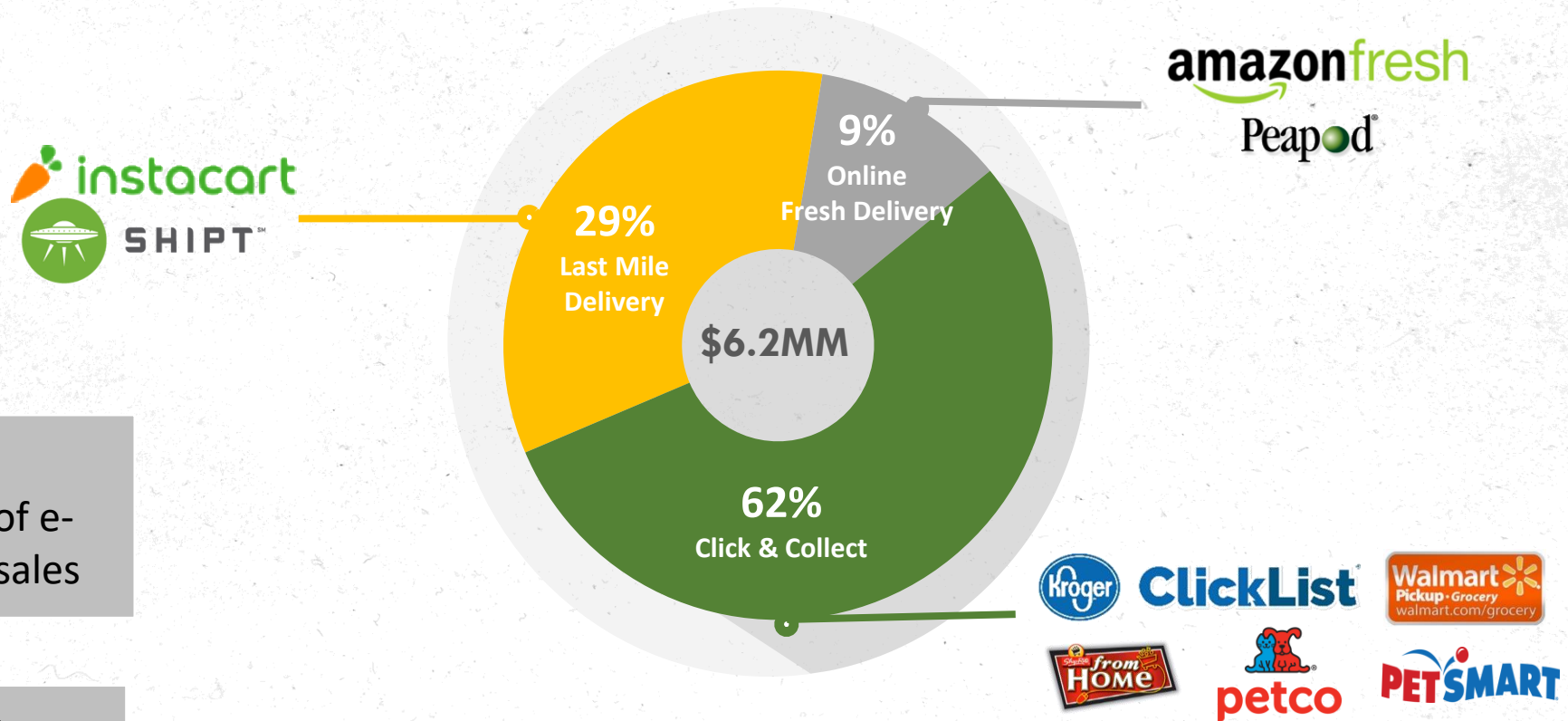


Ethical treatment of animals



Home cooking

Q1 2021 Freshpet E-Com grew +156% vs. YA



6.3%
1Q 21 mix of e-commerce sales

91% of Sales
Contribute to Brick & Mortar

Freshpet is an omni-channel brand with differentiated propositions to serve the widest range of consumer needs

“Healthy, Tail-Wagging Nourishment”



Kroger Walmart



“Purposeful Food, Thriving Pets”



petco PETSMART



“Fresh Food for Your Family’s Pack”



COSTCO



“Good Food that Does Good”



WHOLE FOODS MARKET



Partnership with Chewy.com to provide subscription capability to consumers who prefer to buy that way

A Fresh Idea for Pets and Pet Parents

We are excited to announce our entry into the fresh and prepared pet food space with new selections from the segment's leading brand, Freshpet, and our premium proprietary brand, Tylee's. Our highly trained and best-in-class customer service team, coupled with our personalized search and discovery features, make Chewy the right platform to drive customer adoption in this category, given the increased level of education and awareness pet parents need when deciding among the many pet food options that are available today.

In Fresh, we developed (and patented) new sustainable packaging that allows us to preserve product quality throughout the delivery process. We are currently in Beta mode and will soon launch initial distribution in three geographies covering approximately 60 percent of Chewy's customer base, and we intend to grow both our fresh catalog and expand geographic distribution as we scale this business.

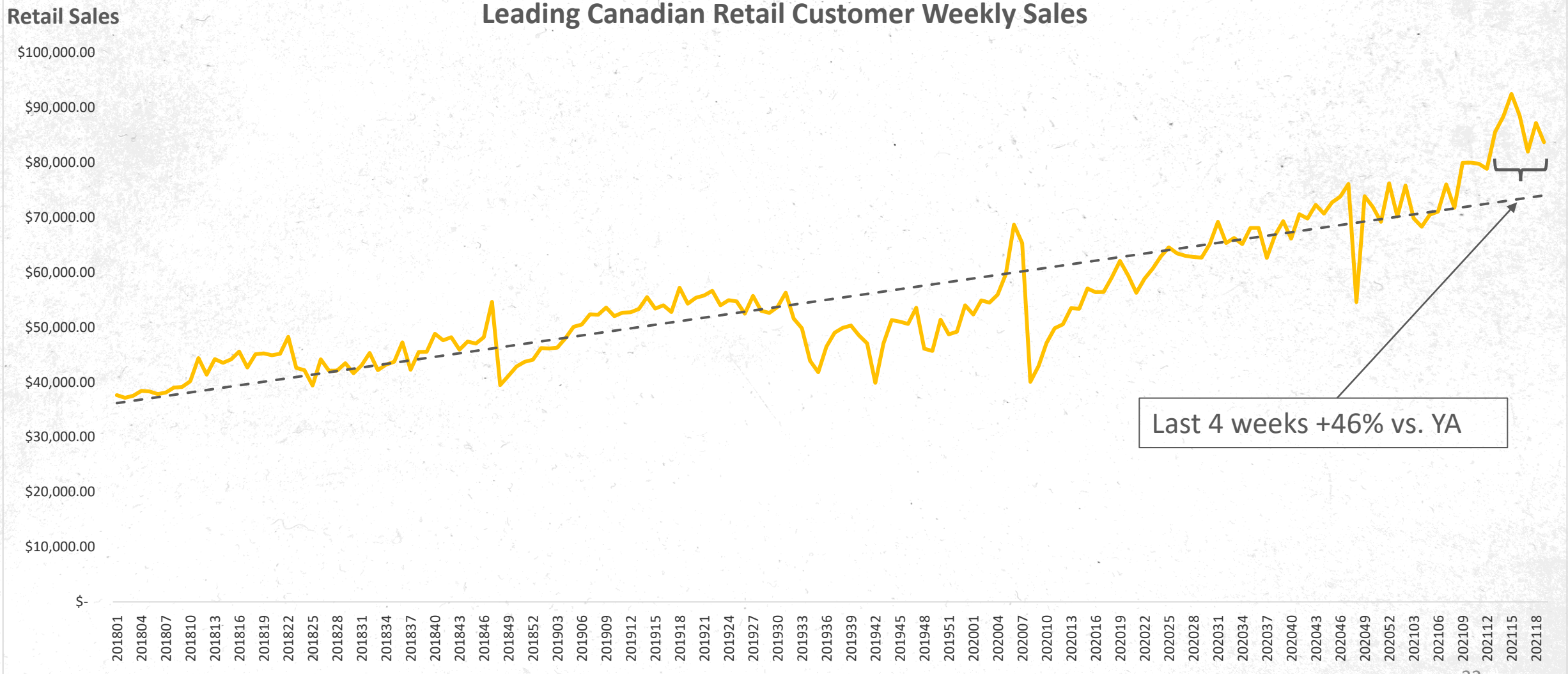
We are enthusiastic about the fresh and prepared foods category and the opportunity to serve new customers and expand assortment choices for our existing ones. With this launch, Fresh joins "Connect with a Vet" and our Compounding Pharmacy on the growing list of recently launched offerings that expand our total addressable market.





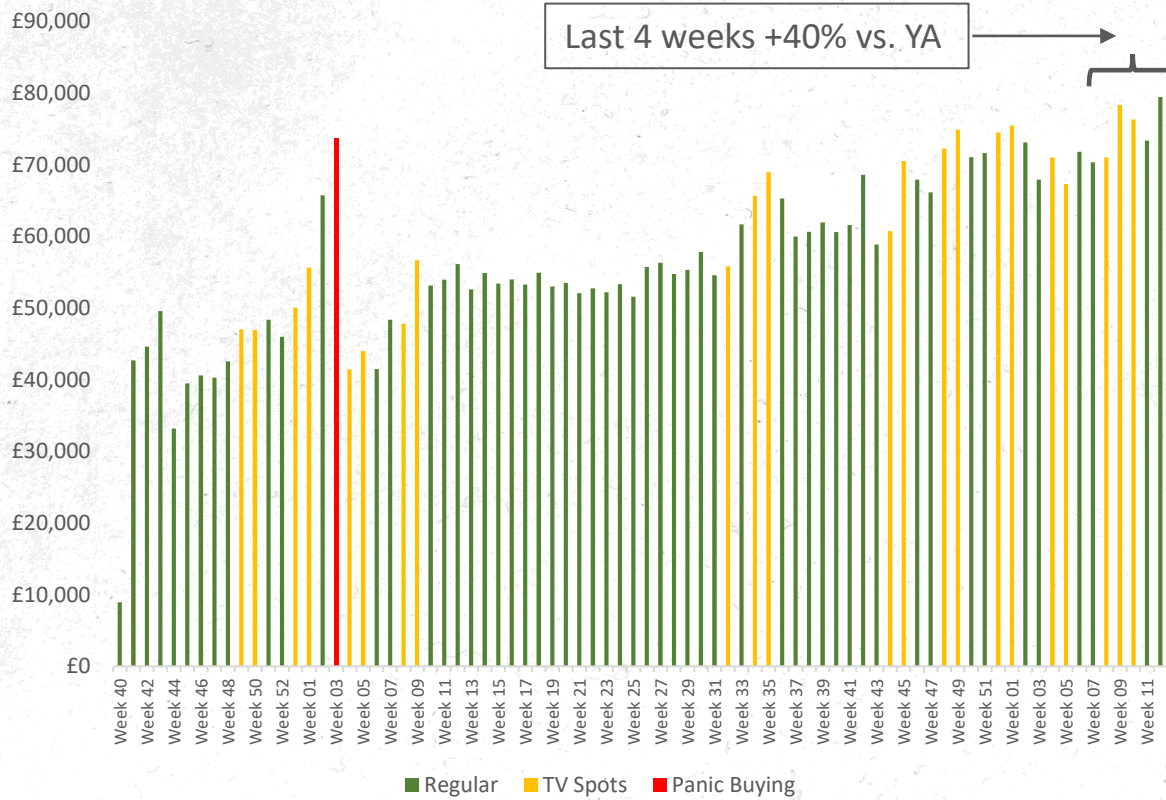
International Business

Canadian business accelerating behind advertising investment

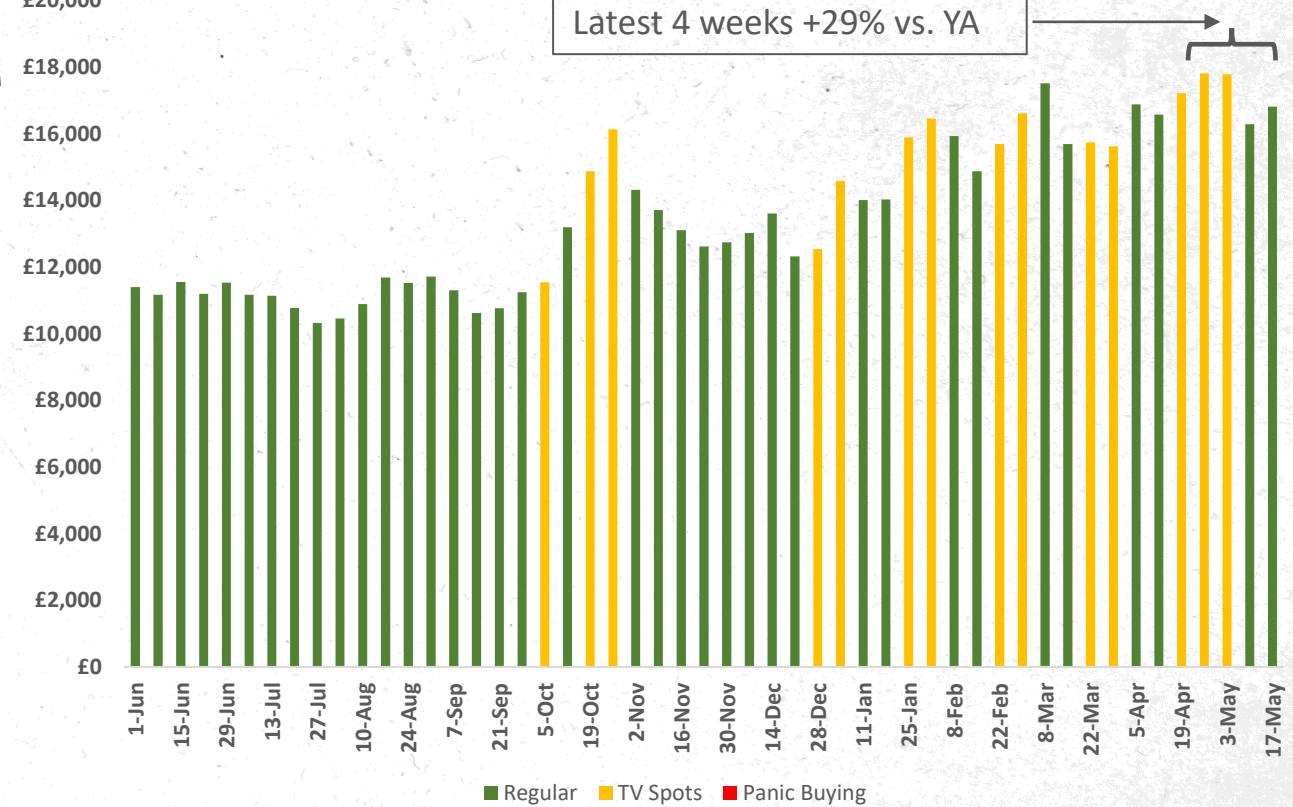


Freshpet's advertising-driven model works in the UK

Retail Sales Leading UK Retail Customer Sales by Week



Retail Sales Leading UK Retail Customer Sales by Week



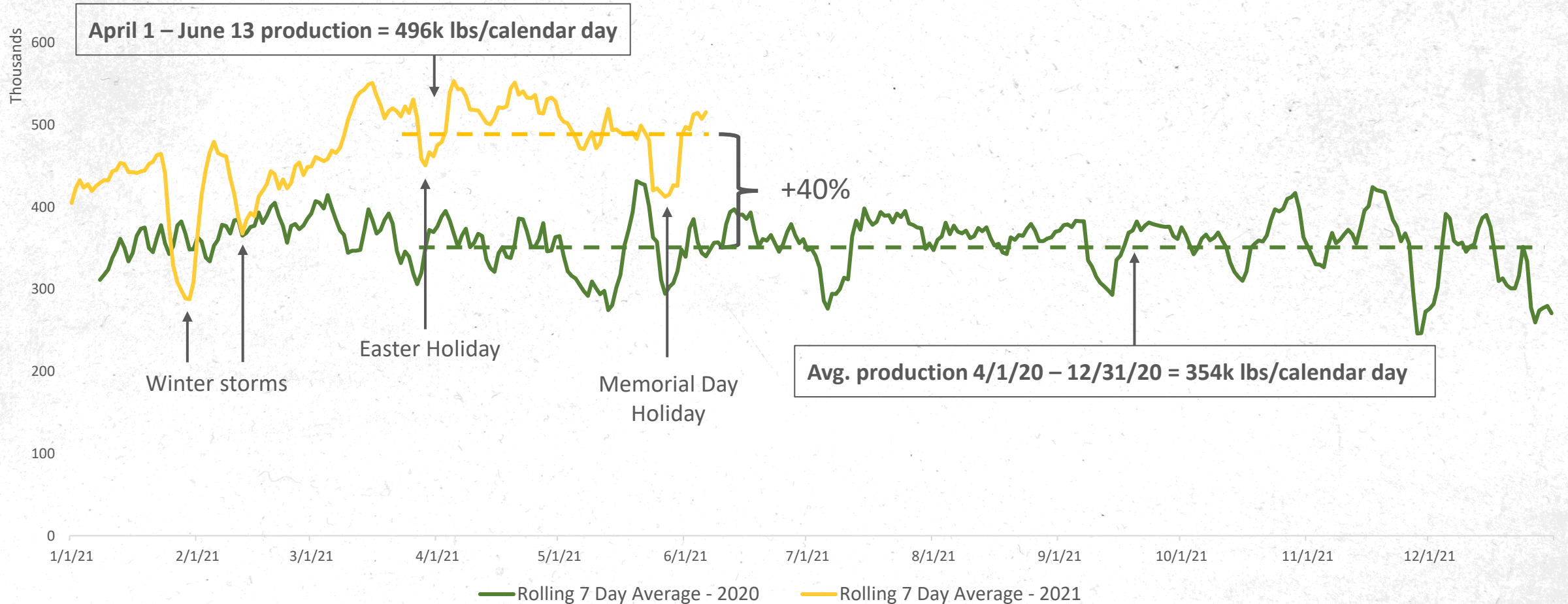


Manufacturing Progress

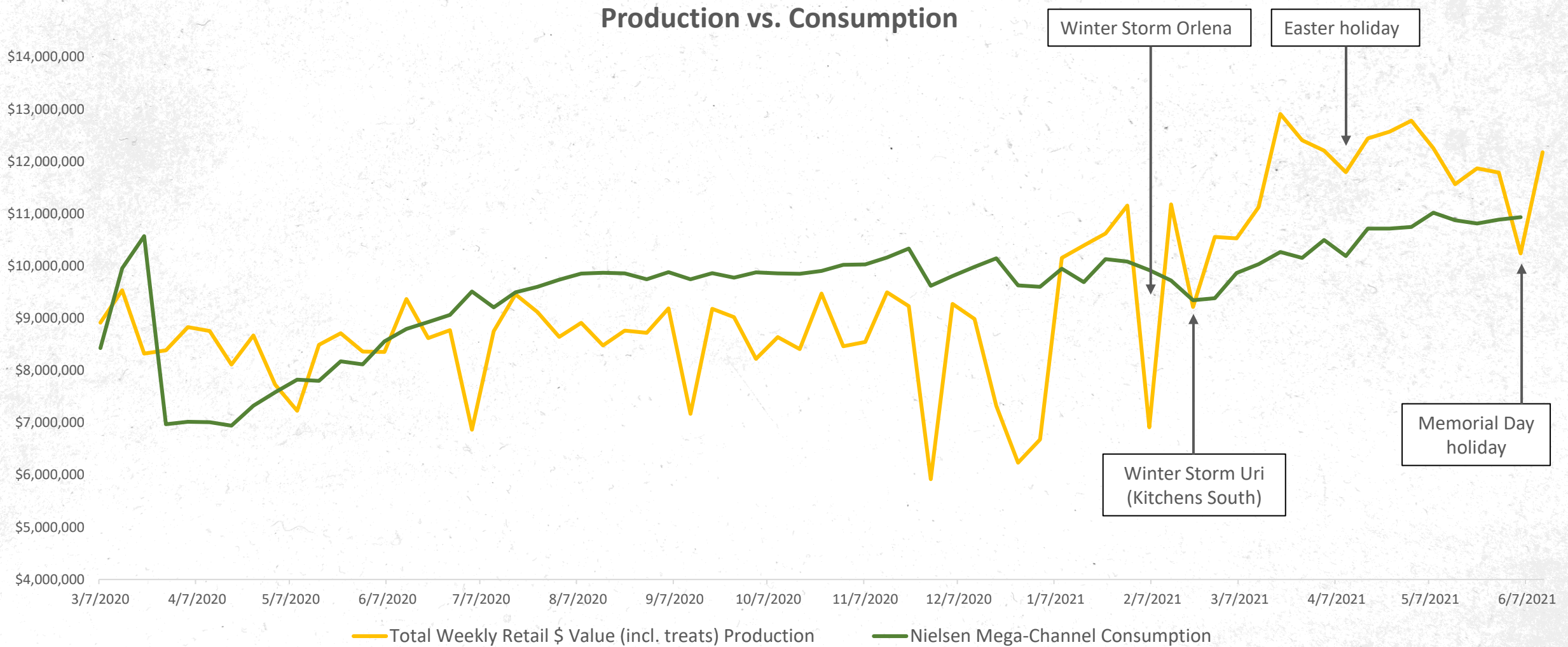
Production is running well ahead of YA with more capacity coming on-stream in Q3

2021 vs. 2020 Production Performance Comparison

Rolling 7-Day Average Pounds Produced

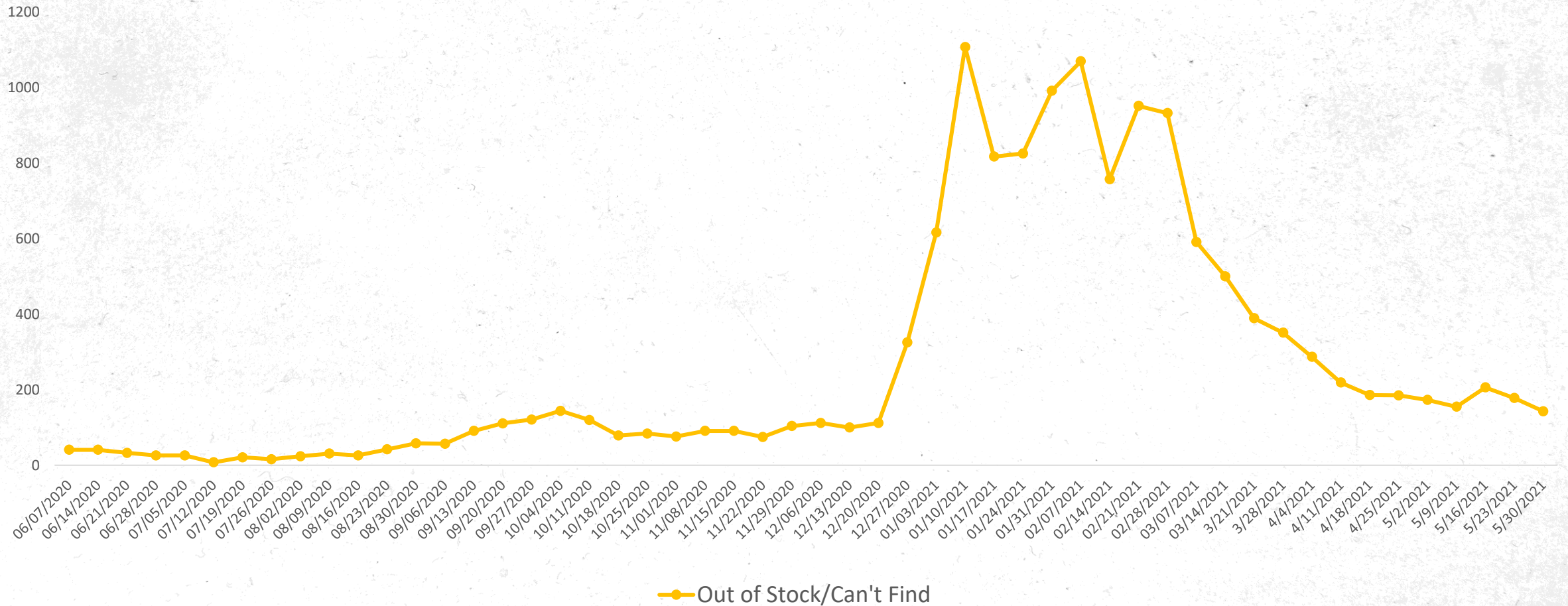


Outside of holidays and snowstorms, production is in excess of consumption every week this year

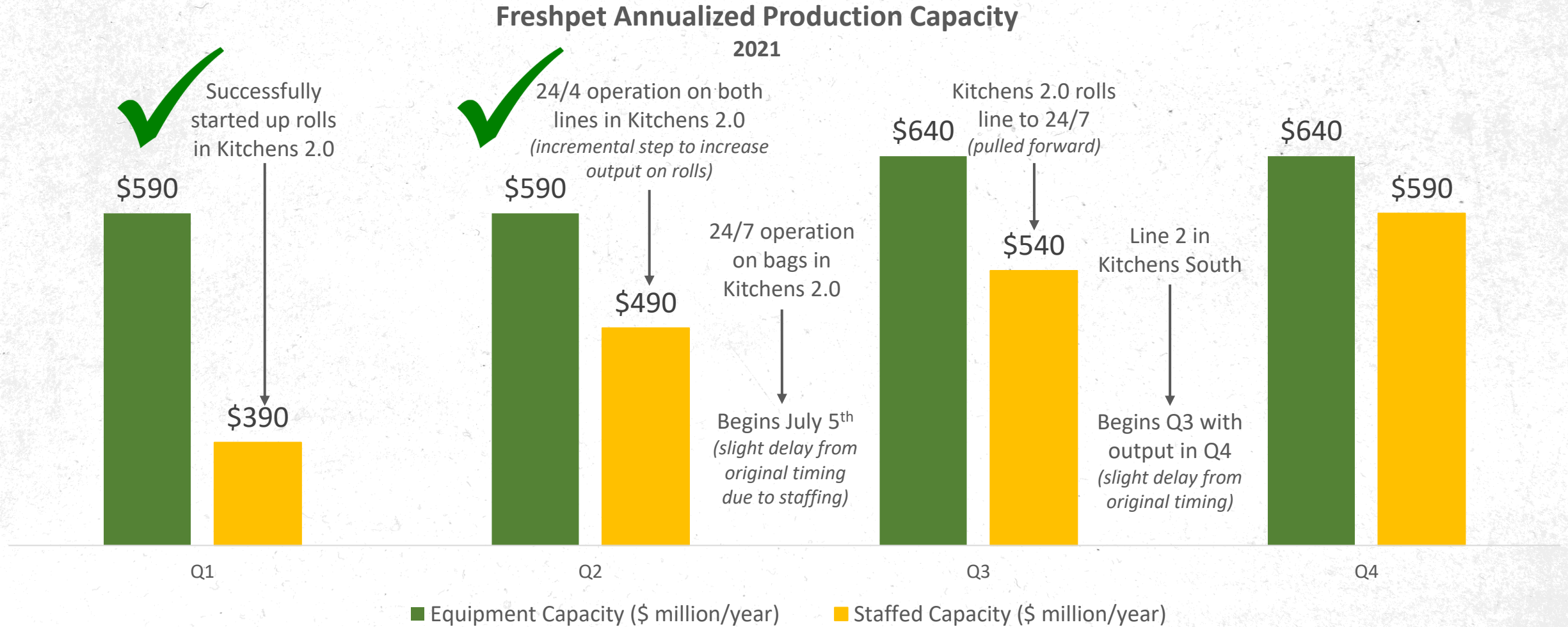


Out-of-stocks are improving

Freshpet Consumer Comments: Out-of-stock & Can't find

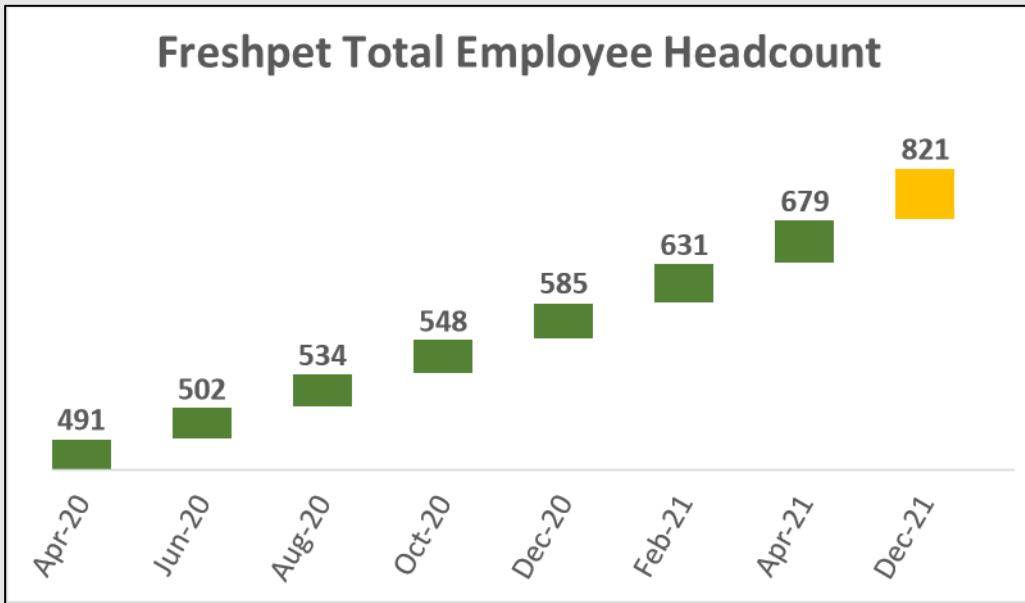


Steady increases in production capacity throughout 2021

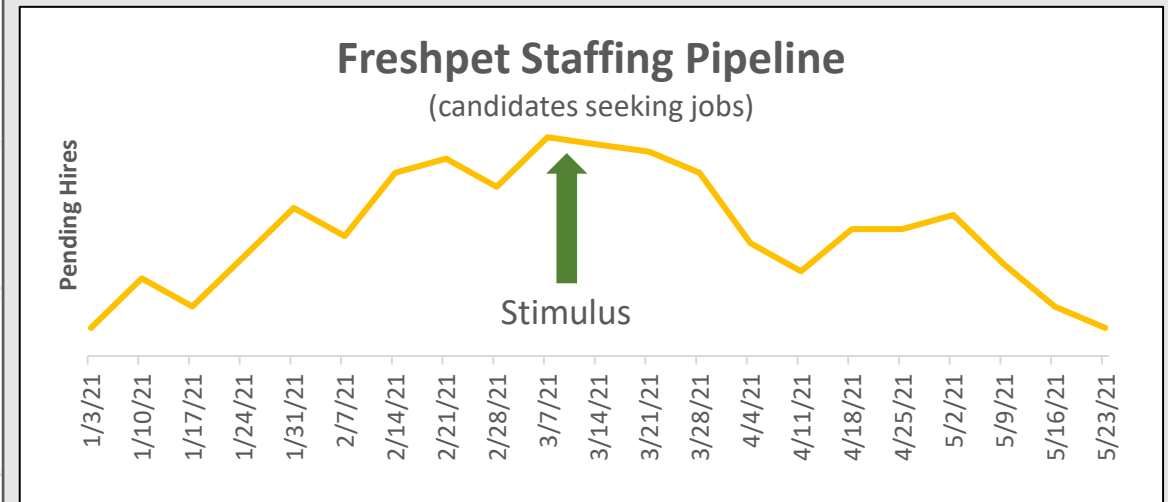


Successfully added significant talent but labor supply remains a real challenge

Successfully Hiring Key Talent

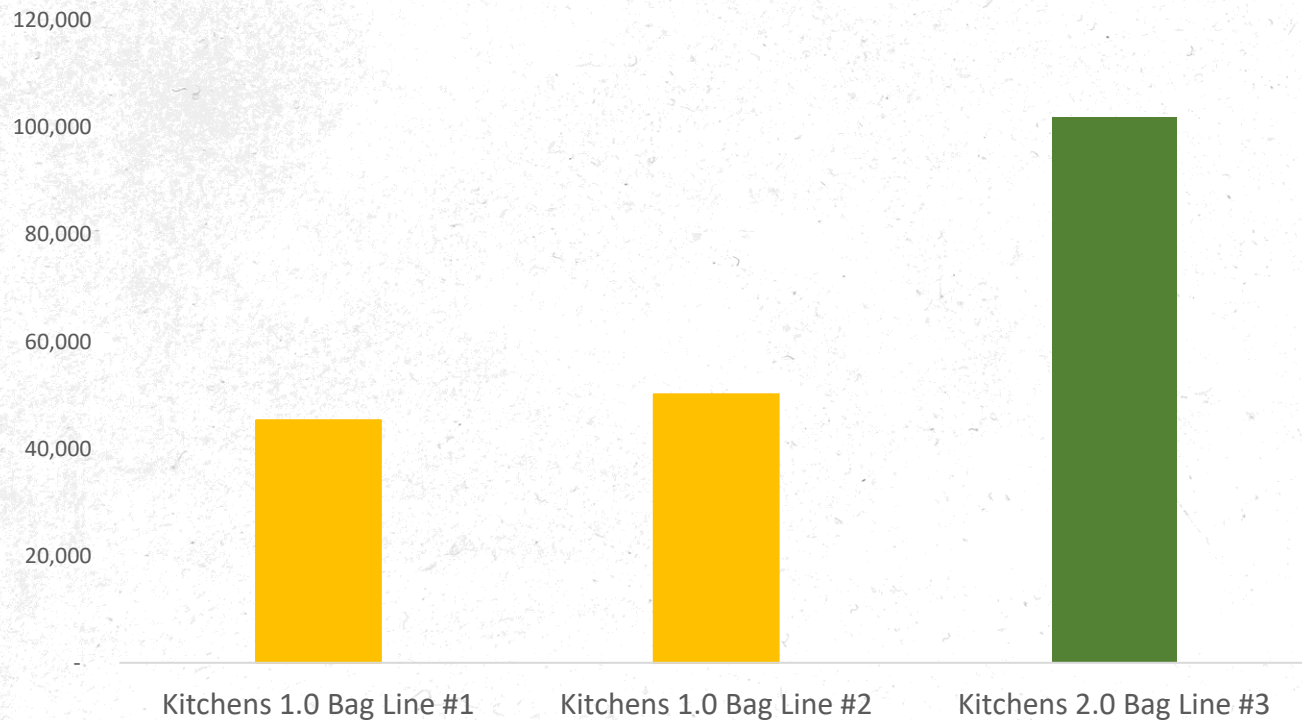


Challenges in the Labor Market



Kitchens 2.0 bag line produces more pounds with fewer people – fulfilling its potential for greater efficiency and throughput

Avg. Pounds Per Production Day: April 2021



Production Staffing



*Results will vary for each line based on package and product mix on each line on each day. Staffing only includes production personnel. Does not include support services.

Kitchens 3.0 in Ennis, TX: Construction is on track for a Q2 2022 start-up



Kitchens 3.0 will include all the technical advances found in Kitchens 2.0 with additional improvements designed to increase throughput, improve quality and safety, and enhance the environmental sustainability of the facility



June 15, 2021 1:00 PM



freshpet®

FEED THE GROWTH

11 MILLION HH BY 2025

