



## 2019 Q2 Results

A collage of images illustrating fresh pet food ingredients and pet care. The central text reads "bringing the power of fresh food to pets" in a green, lowercase, sans-serif font. Below this is the Freshpet logo. To the right, a list of ingredients is displayed in a white box with a black border: SWEET CORN, CUT FLOWERS, PEPPERS, BROCCOLI, ZUCCHINI, and CUCUMBERS. The collage includes images of a dog on a beach, chickens in a field, a woman with a dog, a family preparing food, a dog in a field, and various fresh vegetables like carrots, sweet corn, and zucchini.

bringing the power  
of fresh food to pets

Freshpet

SWEET CORN  
CUT FLOWERS  
PEPPERS  
BROCCOLI  
ZUCCHINI  
CUCUMBERS

# Safe Harbor

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## **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.

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**WE FUNDAMENTALLY BELIEVE THAT FRESHPET  
HAS THE POTENTIAL TO CHANGE THE WAY  
PEOPLE FEED THEIR PETS . . . FOREVER**

# 2019 Results: Strong topline growth will drive bottom line growth in 2<sup>nd</sup> half

Freshpet Q2 Financial Results		
	Q2 2018	Q2 2019
<b>Net Sales (\$ millions)</b>	<b>\$47.6</b>	<b>\$60.1</b>
<i>IYA</i>	(123)	(126)
<b>Adj. EBITDA (\$ millions)</b>	<b>\$2.5</b>	<b>\$1.2</b>
<i>IYA</i>	(80)	(53)

Freshpet YTD Financial Results (June 30)		
	2018	2019
<b>Net Sales (\$ millions)</b>	<b>\$90.8</b>	<b>\$114.8</b>
<i>IYA</i>	(125)	(126)
<b>Adj. EBITDA (\$ millions)</b>	<b>\$4.3</b>	<b>\$4.0</b>
<i>IYA</i>	(85)	(92)

# 2019 Guidance: Raising guidance to reflect strong start

Freshpet Guidance			
	Initial Guidance	Revised Guidance	Change
<b>Net Sales (\$ millions)</b>	<b>&gt;\$240</b>	<b>&gt;\$244</b>	<b>+4.0</b>
<i>IYA</i>	(>124)	(>126)	+2 pts.
<b>Adj. EBITDA (\$ millions)</b>	<b>&gt;\$28</b>	<b>&gt;\$29</b>	<b>+1.0</b>
<i>IYA</i>	(>138)	(>143)	+5 pts.

# 2019: Beginning to capture scale benefits of rapid growth

Freshpet Financial Performance			
	2017	2018	2019 Guidance*
<b>Net Sales (\$ millions)</b>	<b>\$152.4</b>	<b>\$193.2</b>	<b>&gt;\$244</b>
<i>IYA</i>	(117)	(127)	(>126)
<b>Adj. EBITDA (\$ millions)</b>	<b>\$17.6</b>	<b>\$20.3</b>	<b>&gt;\$29</b>
<i>IYA</i>	(99)	(115)	(>143)

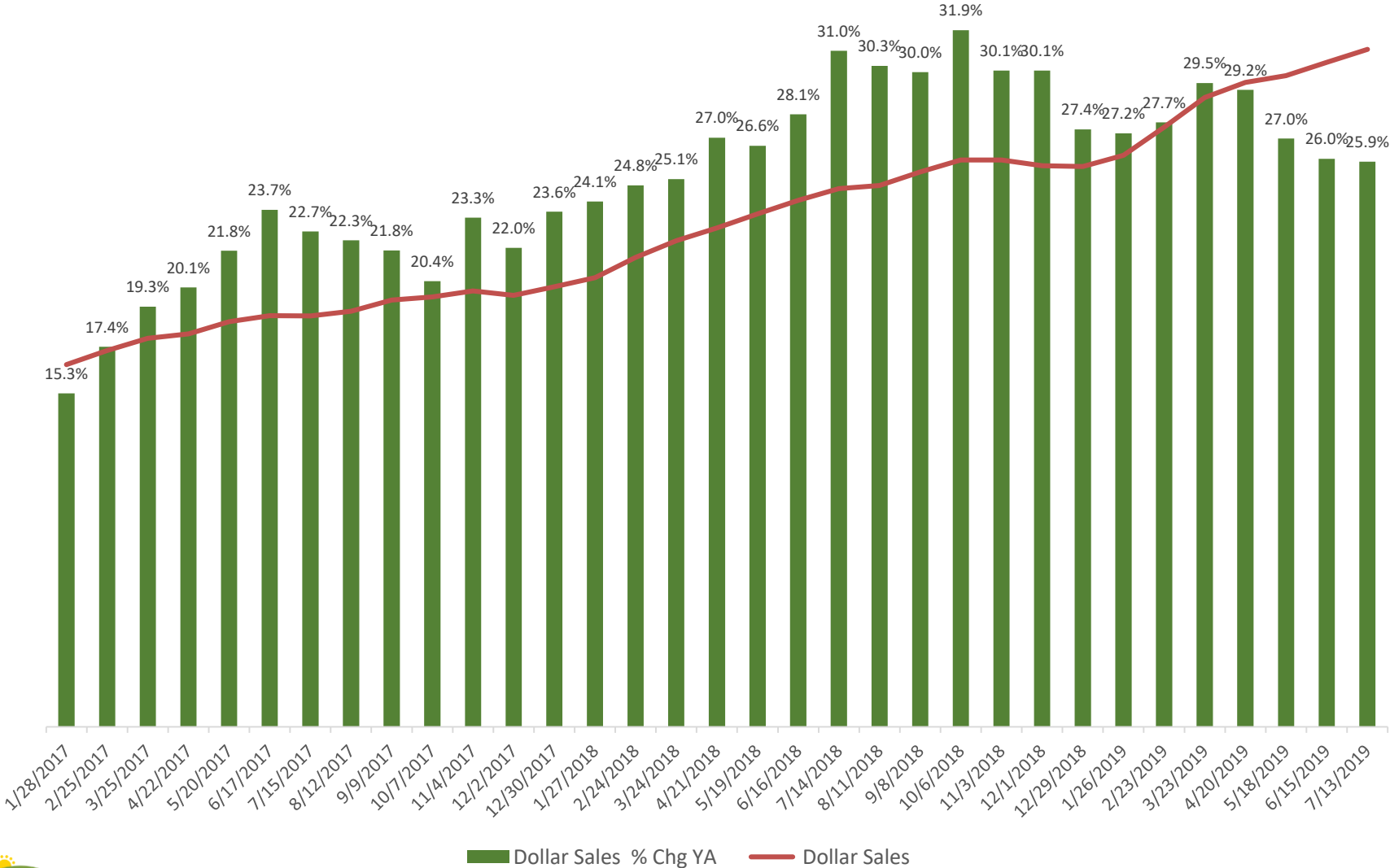
\*Excluding incremental investments in Canada/UK and technical capability/capacity building, Adjusted EBITDA would be up 50+% in 2019

# Strong growth across all classes of trade

Freshpet Consumption Growth vs YA		
	Q2 2018	Q2 2019
Mega-Channel	+28%	+27%
XAOC	+28%	+31%
Food	+32%	+35%
Big Box Pet	+25%	+13%

# Continued strong consumption growth

## Nielsen Mega-Channel Consumption Growth

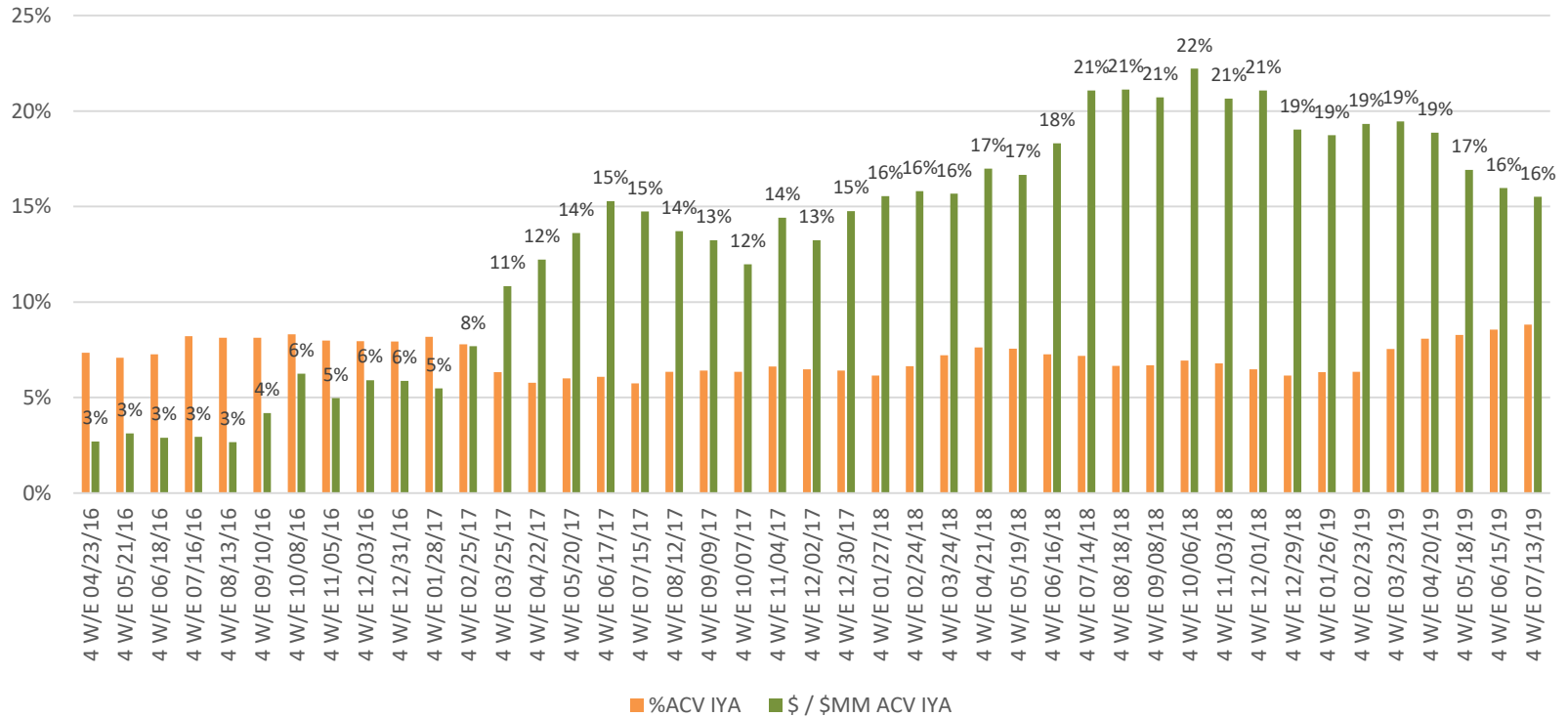


Nielsen measured \$ consumption for 4 week periods ending 7/13/19



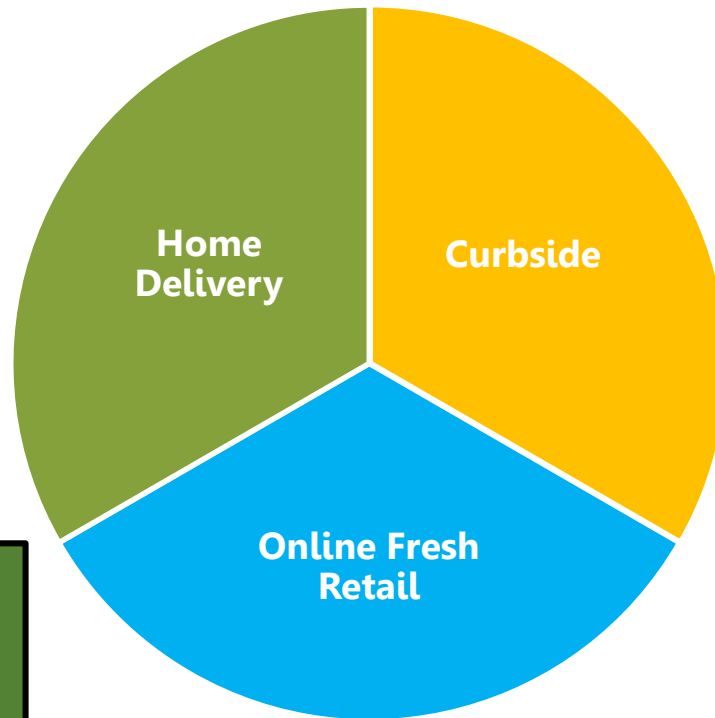
# Strong velocity gains driving accelerating distribution gains

Freshpet Distribution and Velocity Progress  
(Growth vs. YA)



# Accelerating growth in fresh e-commerce

Strategy: Grow with winning players in fresh e-commerce



Doubled e-commerce sales vs. YA to 2.2% of brand in Q2 2019

>80% of e-commerce sales utilize Freshpet Fridge





# 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 2<sup>nd</sup> Fridges

## 3. Strengthen Gross Margin/Adjusted EBITDA Margin

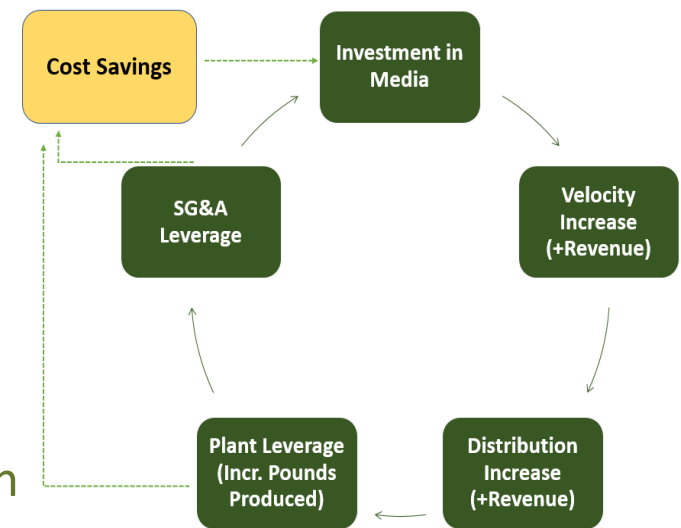
- Pricing
- Product Innovation
- Efficiency gains and capacity utilization
- Build more efficient capacity (Kitchens 2.0 start-up in 2020)
- Deliver SG&A absorption gains

## 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



# 18% growth in total Freshpet HH penetration vs. YA; 9% increase in buying rate

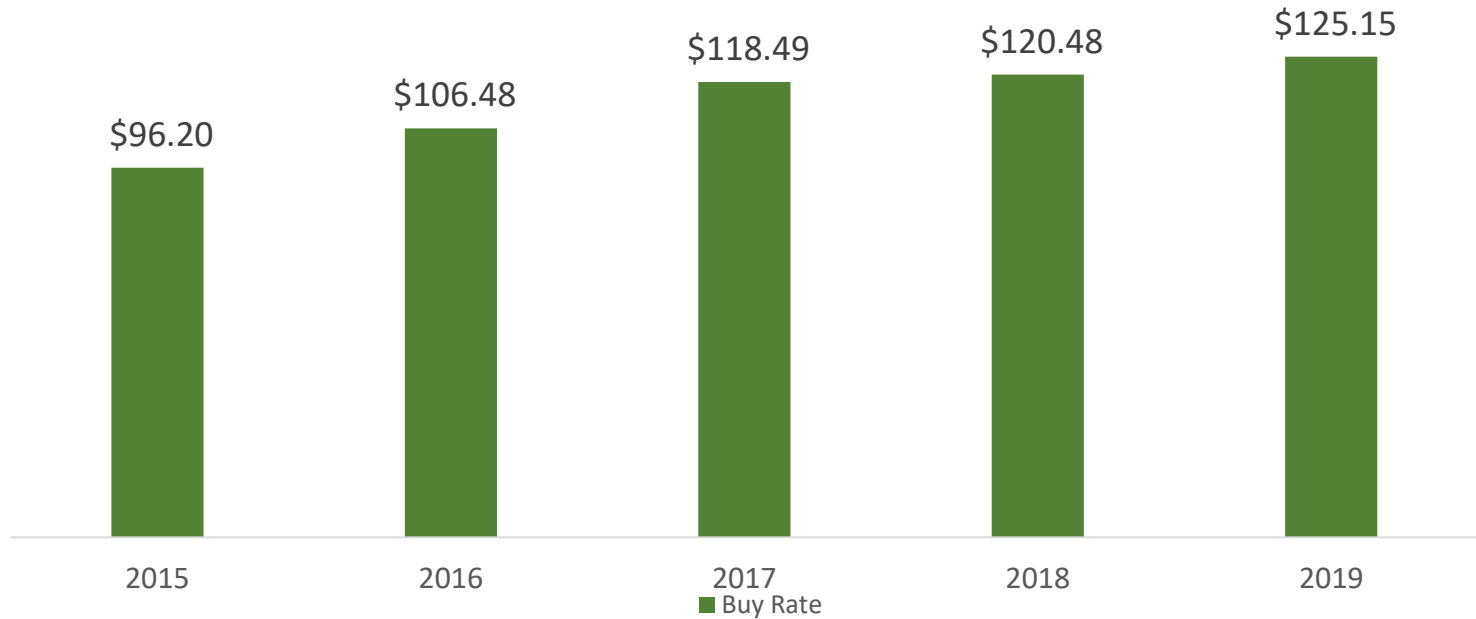
## Total Freshpet Buying Rate, Penetration and Repeat Rate



Penetration	1.47	1.56	1.61	1.93	2.27
Repeat	65	66	68	69	70

# 27% growth in Core Dog HH penetration vs YA; 4% increase in buying rate

Core Dog HH Penetration, Repeat Rate and Buying Rate:



Penetration	0.94	1.03	1.09	1.35	1.71
Repeat	67	68	70	70	71

# “Fresh First” is driving strong distribution gains

Freshpet Distribution Gains		
	Q2 2018	Q2 2019
<b>Store Count</b>	<b>18,662</b>	<b>20,414</b>
<i>IYA</i>	(108)	(109)
<b>Upgraded Fridges (Cum.)</b>	<b>710</b>	<b>1,168</b>
<b>Increase</b>	-	458
<b>2nd Fridges (Cum.)</b>	<b>NA</b>	<b>747</b>
<b>% ACV</b>	<b>44.5%</b>	<b>48.2%</b>
<i>IYA</i>	(107)	(108)
<b>Total Dist. Points (IYA)</b>	<b>(111)</b>	<b>(108)</b>



# Operational challenges constrained gross margin progress

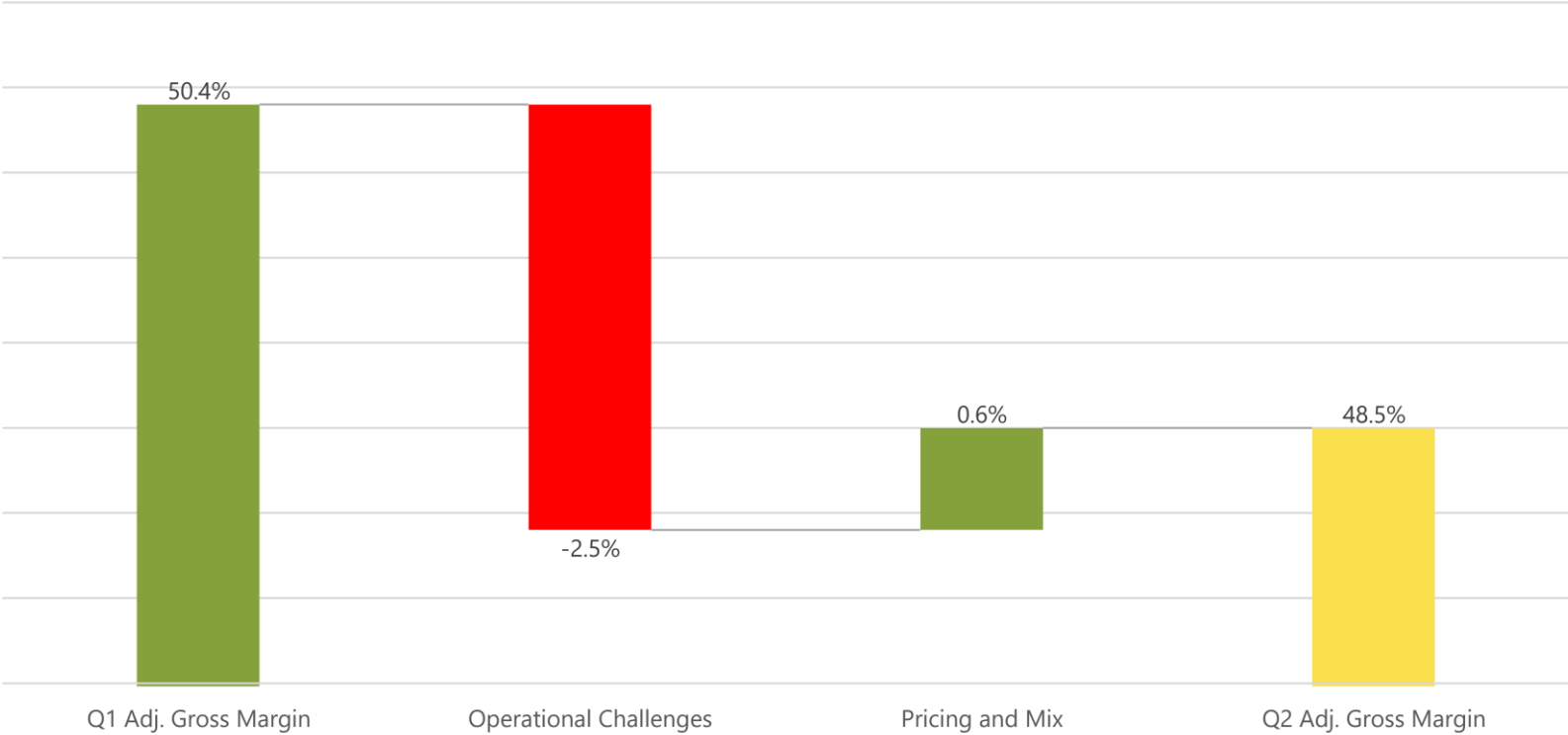
Freshpet Q2 Adjusted Gross Margin Progress		
	Q2 2018	Q2 2019
Adj. Gross Margin	51.4%	48.5%

Freshpet YTD Adjusted Gross Margin (June 30)		
	Q2 2018	Q2 2019
Adj. Gross Margin	50.8%	49.4%



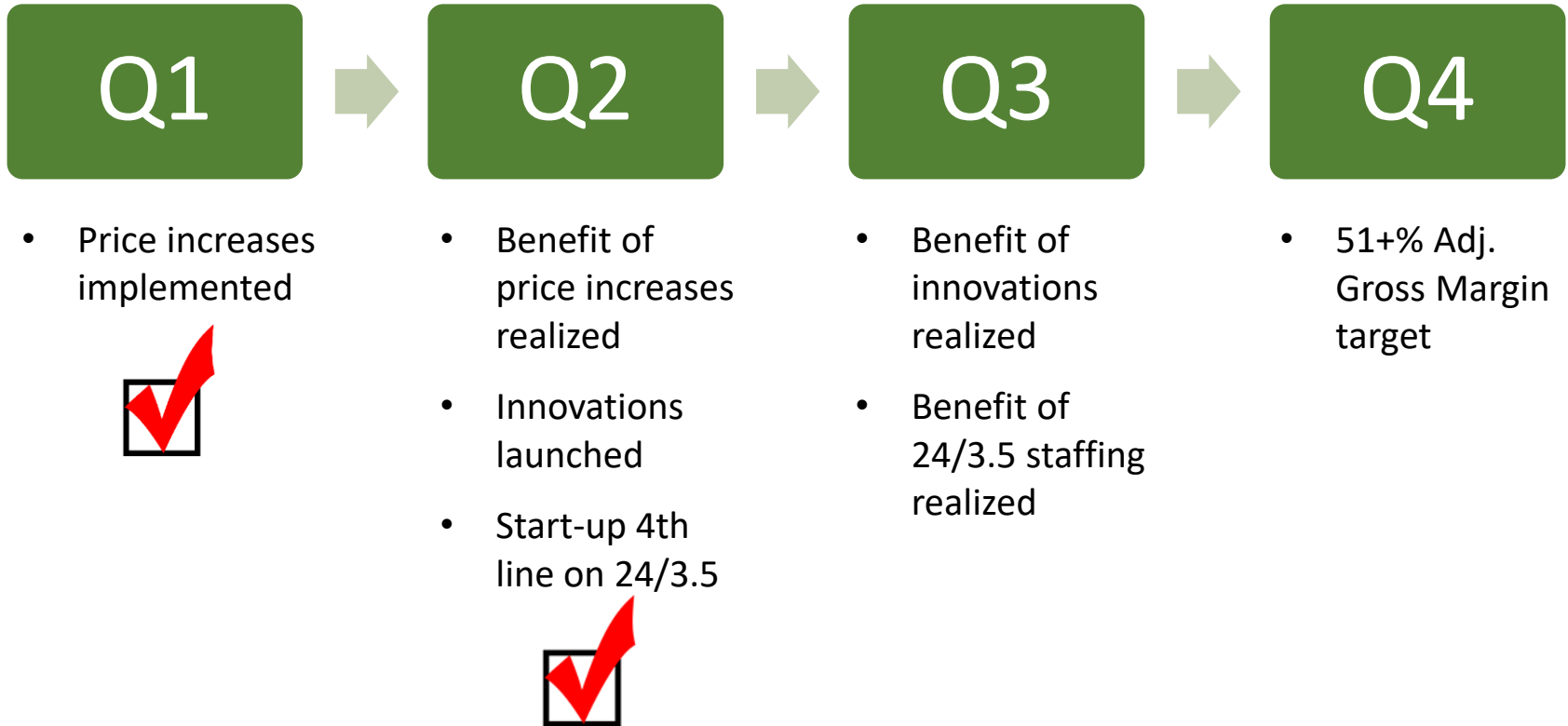
# Operational challenges constrained gross margin progress

### Adjusted gross margin bridge from Q1 to Q2



Operational challenges largely resolved in July 2019 and should not impact ability to achieve 50% AGM for FY 2019 and 51% AGM for Q4

# Fully implemented adjusted gross margin improvement plan



# Delivering significant leverage from scale in SG&A

Freshpet Q2 SG&A Leverage			
	Q2 2018	Q2 2019	Y-o-Y Change
Adj. SG&A % Excluding Media	28.8%	24.6%	4.2%
Media %	17.4%	21.8%	-4.4%
<b>Total Adj. SG&amp;A %</b>	<b>46.2%</b>	<b>46.4%</b>	<b>-0.2%</b>

Freshpet YTD SG&A Leverage (June 30)			
	YTD 2018 Q2	YTD 2019 Q2	Y-o-Y Change
Adj. SG&A % Excluding Media	29.4%	25.7%	3.7%
Media %	16.7%	20.1%	-3.4%
<b>Total Adj. SG&amp;A %</b>	<b>46.1%</b>	<b>45.9%</b>	<b>0.3%</b>

# Broke ground on ~\$100M Kitchens 2.0 in June 2019



Delighting pet parents, pets, shareholders and employees . . .

*Melissa & Zooka*  
Canton, MI



A fluffy white dog, possibly a Samoyed, is sitting in a field of tall green grass. The dog has its tongue out and is looking towards the camera. A speech bubble is overlaid on the left side of the image, containing the text "Why haven't you bought any Freshpet yet????".

Why haven't you  
bought any  
Freshpet yet????