



Investor Day

August 8, 2018



bringing the power
of fresh food to pets



Katie Turner

ICR



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.

Agenda

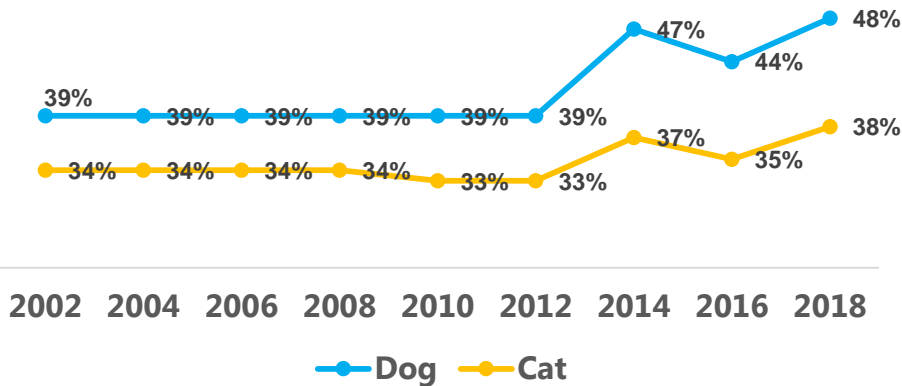
- **Introductions:** Katie Turner, ICR
- **Freshpet Story:** Scott Morris, Co-founder and COO
- **Feed the Growth:** Billy Cyr, CEO
- **Current Kitchens Capabilities:** Steve Weise, EVP of Manufacturing and Supply Chain
- **Kitchens 2.0 Objectives:** Billy Cyr, CEO
- **Kitchens 2.0 Plan:** Michael Hieger, SVP of Manufacturing Operations
- **Financials:** Dick Kassar, CFO, and Ivan Garcia, VP of Finance
- **Summary:** Billy Cyr, CEO
- **Q&A**
- **Tour**
- **Lunch and Additional Q&A**

Overview

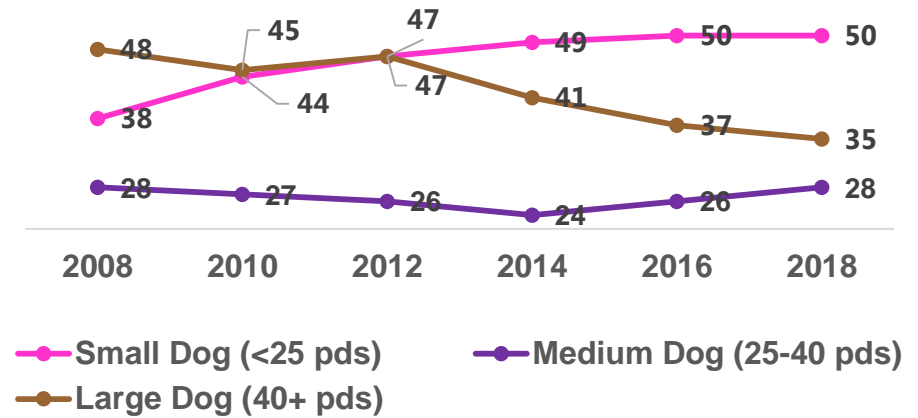
- Strong progress over the past 18 months
- Growing share in the big, growing pet food market
- Significant upside potential ahead as HH penetration is low and favorable macro-trends
- Significant scale benefits
- Unique business model with significant competitive insulation

\$26B Market with Strong Consumer Fundamentals

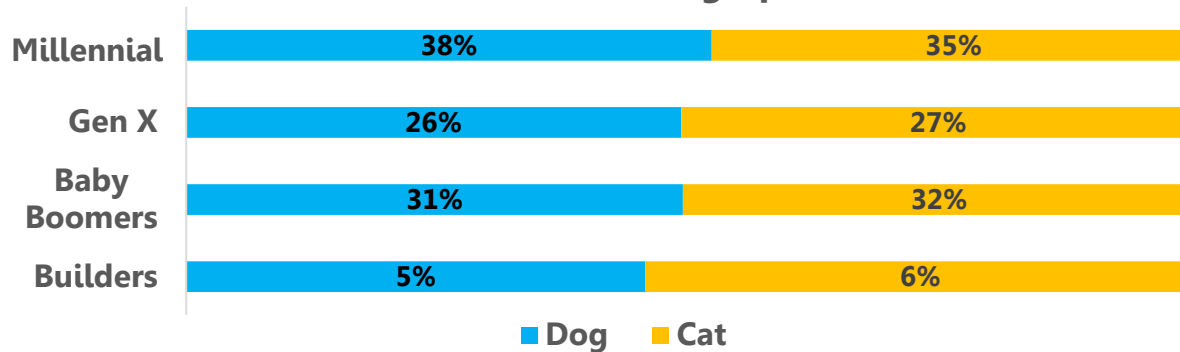
Pet Penetration



Size of Dog (%)



Pet Parent Demographics



Scott Morris

Co-Founder & COO



Fresh food is
good food.





How are we
different?





**A new ideology to
make good simple
food for pets**





Our Purpose:

To transform the way we nourish our pets with fresh healthy food made in a way that's best for pets, people, and the planet.

We start with FRESH ingredients & finish with FRESH food.



No preservatives, no additives...only the WHOLE NURISHMENT pets need.

Our commitment



We are pet owners and we believed we could change the industry

- We realized that pets should be eating better than kibbles or cans, They should have fresh food like us with simple, less processed ingredients you can pronounce
- We worked with pet and human food experts to develop new ways to make fresh, healthy food for pets
- Our fresh food is good for weeks, not years and months like dry and wet pet foods

We make our food in our kitchens and operate it like a human food facility

- We built our own kitchens so we could make good food instead of having someone else do it for us
- We run our kitchens as though we are making food for humans because pets are part of our family
- We work with local farmers to get fresh ingredients daily and are picky about where they come from

We are honored to be one of the fastest growing pet food companies and doing things the right way

- We bought our own refrigerators to keep our food fresh in the pet aisle
- We are proud our food is different. We are even prouder about all the good things our food has done for dogs and cats
- Last year we fed over 2MM happy, healthy pets & we are humbled that they like us as much as we love them



The First company to
make real food for pets



How you do it is as important as what you do

At Freshpet, we have a single-minded mission -- to bring the power of real, fresh food to our dogs and cats.

And, we're committed to doing so in ways that are good for our pets, for people and for the planet.



pets.

The power of fresh
natural & simple foods
that are Less
processed
Acts of kindness



people.

Our team
Our partners
Our families



planet.

Efficient conservation
Renewable energy
Sustainable practices
Carbon footprint offset



our commitment to the environment



landfill free



powered
by wind



carbon
emissions offset

25,000+ trees planted

Commitment to our People & Family



Commitment to our **Retailer Partners**



Category Consumers

24% of shoppers were NEW for retailer

Shortest purchase cycle in the pet aisle!!

71% Repeat rates

40% Larger basket and High % of fresh items

Freshpet draws most coveted consumer demos into pet aisle

Business

Category leading growth rates +25% CAGR

TL pet aisle is growing +2X faster when Freshpet is present

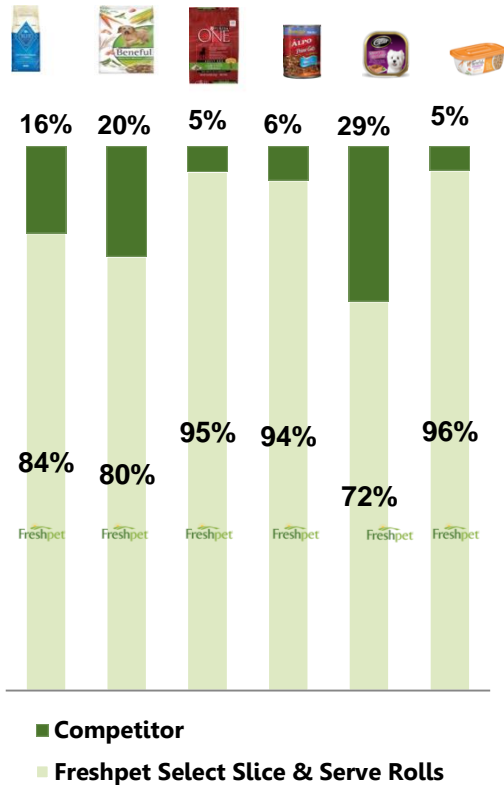
Category leading margins ~ 28%

Retail / Fridge network development - click and collect / store delivery

High double digit investment growth in marketing, resources and infrastructure

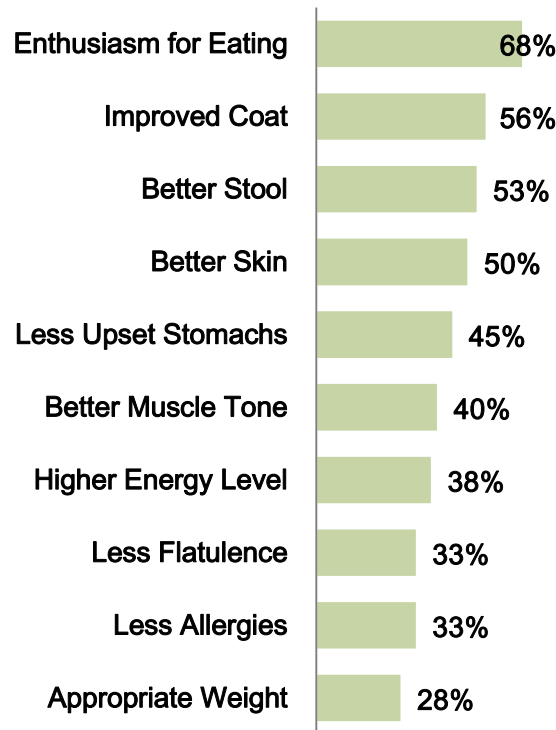
Commitment to our Consumers

Category leading palatability



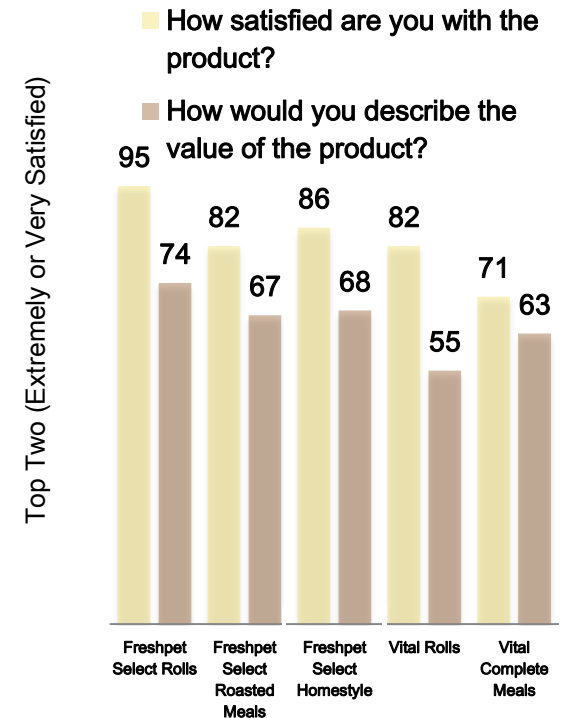
Source: Summit ridge kennels paired feeding study

76% of consumers report health difference



Source: Russell research attitude and usage study Freshpet n= 980

Category leading product satisfaction



Source: Russell research attitude and usage study Freshpet n= 980
 Q22: Overall, how satisfied are you with each of the following products?
 Q23: How would you describe the value of each of the following products?

"Freshpet gave him a new lease on life!"

- Buster Moore

"Since feeding him Freshpet, WOW!!!!!"

- Angelo

"She starts dancing as soon as I take it out of our fridge."

- Chip

"Freshpet gave him a new lease on life!"

- Buster Moore

"Since feeding hi

"The transformation with our dog has been incredible."

- Stretch

"Her skin issues are completely resolved!"

- Celina

"Freshpet saved our Shih Tzu!"

- Detra

"I've found a food I can trust and that he loves"

- Kate

"The transformation with our dog has been incredible."

- Stretch

"Her coat is so soft and shiny."

- Jigree

"I've found a food I can trust and that he loves."

- Kate

"After Freshpet, her coat is so soft and shiny."

- Jigree

"The transformation with our dog has been incredible."

- Stretch

"Freshpet gave him a new lease on life!"

- Buster Moore

"Since feeding him Freshpet, WOW!!!!!"

- Angelo

"She starts dancing as soon as I take it out of our fridge."

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"The transformation with our dog has been incredible."

- Stretch

"The transformation with our dog has been incredible."

- Stretch




freshpet[®]
a fresh take on pet food

Billy Cyr

CEO





We fundamentally believe that
Freshpet has the potential to change
the way people feed their pets . . .
forever

A Potent Business Model

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



Retailer Partners

Delivers benefits in traffic, frequency and retailer margins



Freshpet Fridge

Branded, company-owned real estate



100 Day Review Conclusion: Significant Potential to Grow . . . but we have underinvested in marketing

Consumer Appeal & Marketing Model



- High repeat & brand passion
- Low awareness
- Low Penetration
- Strong marketing model
- Outstanding message

Customer Support for Distribution



- Extensive network & scale
- Established & broad product portfolio
- Highly motivating retailer metrics
- Established sales & marketing team
- Significant white space

Operations Capabilities & Opportunities



- Expansion complete
- New lines running at parity
- Major investment in technical capability
- Strong focus on quality
- Significant capacity to support growth

Longer Term Potential = \$300 Million in Net Sales as soon as 2020

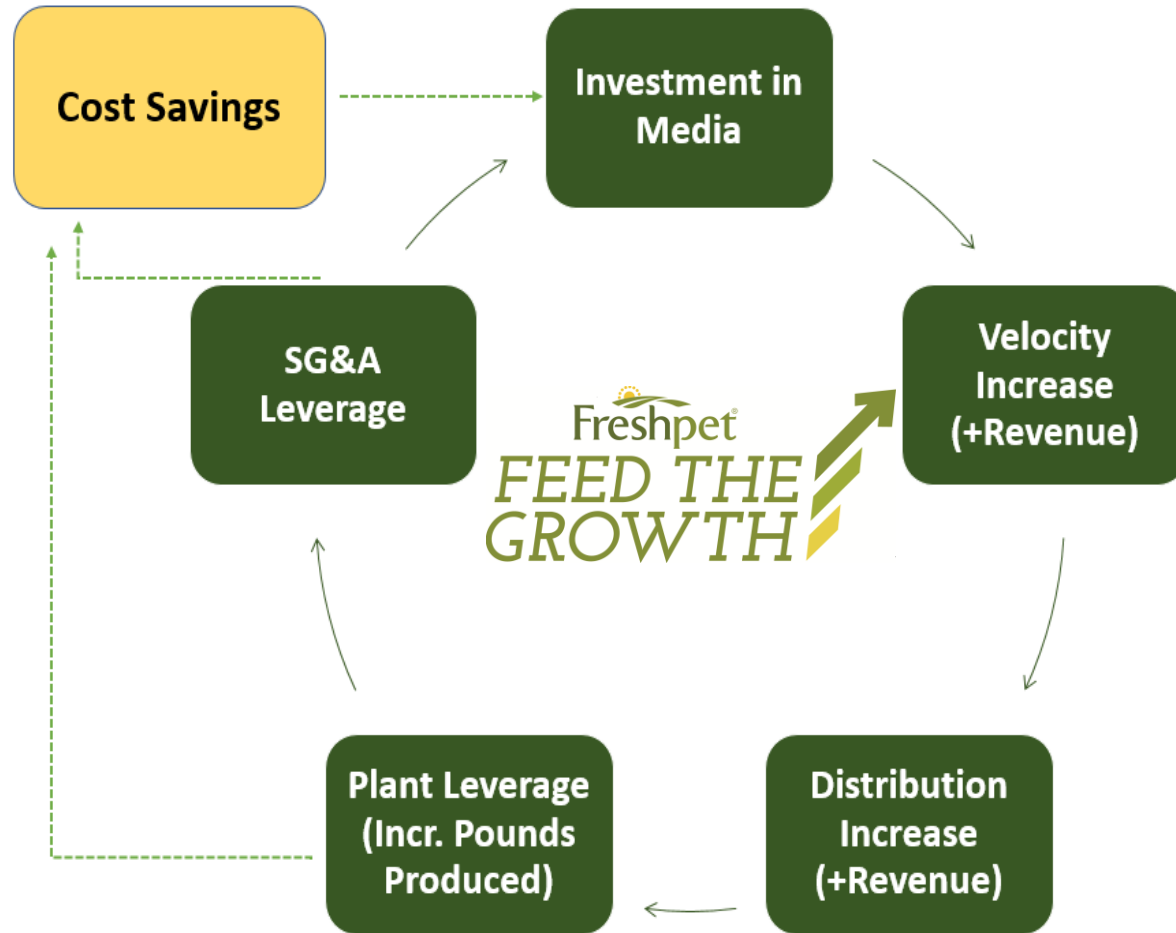


Freshpet[®]

*FEED THE
GROWTH*



In 2017, We Launched Our New Strategy . . .



Growth Goal: \$300 Million Net Sales as Soon as 2020

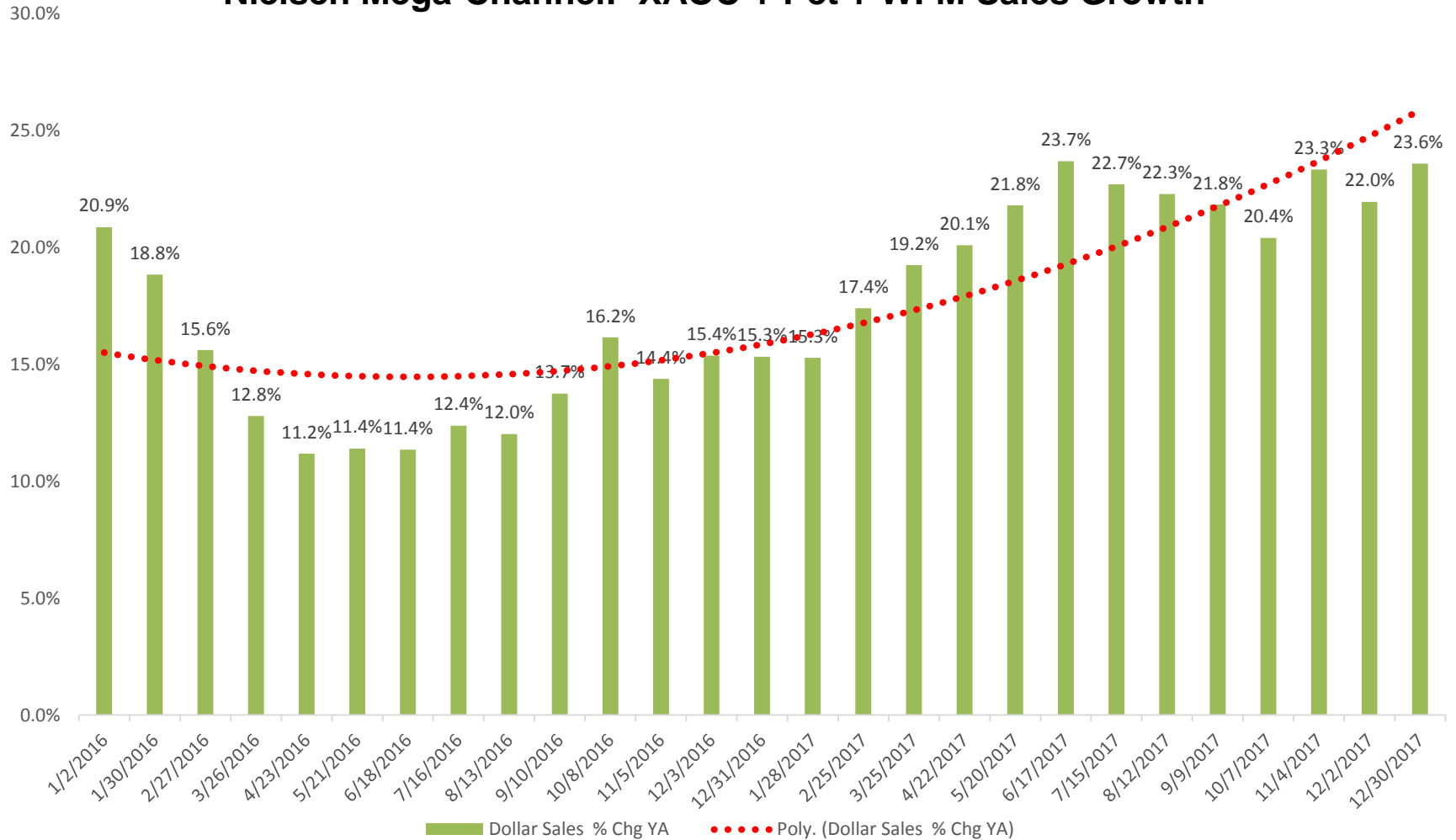
Future Economic Model

	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

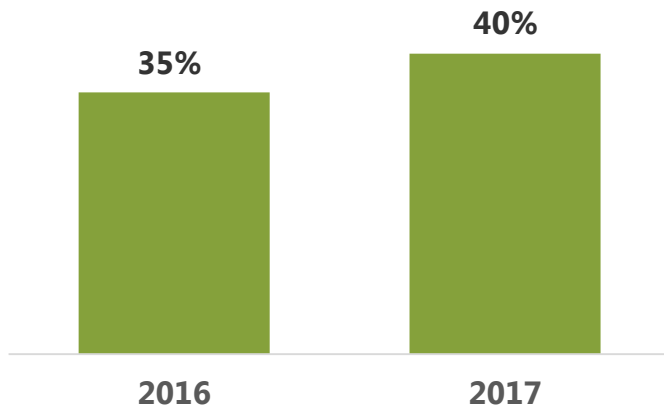
And the Growth Accelerated...

Nielsen Mega-Channel: XAOC + Pet + WFM Sales Growth

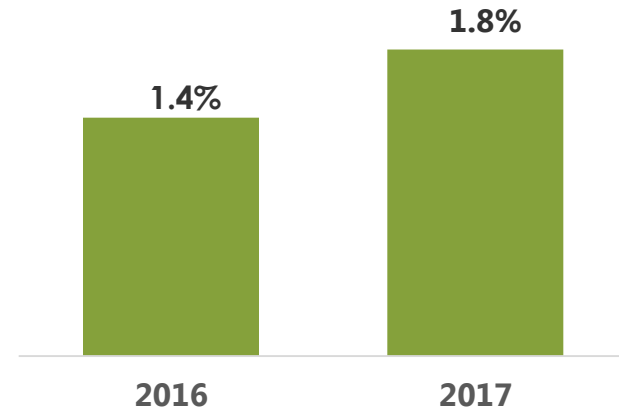


Increased Awareness & Penetration

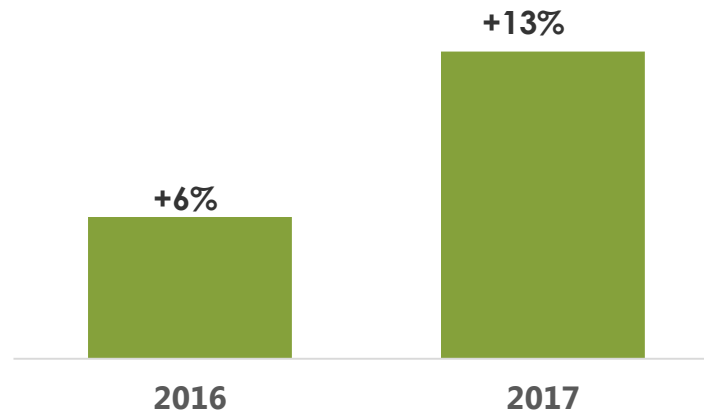
Awareness



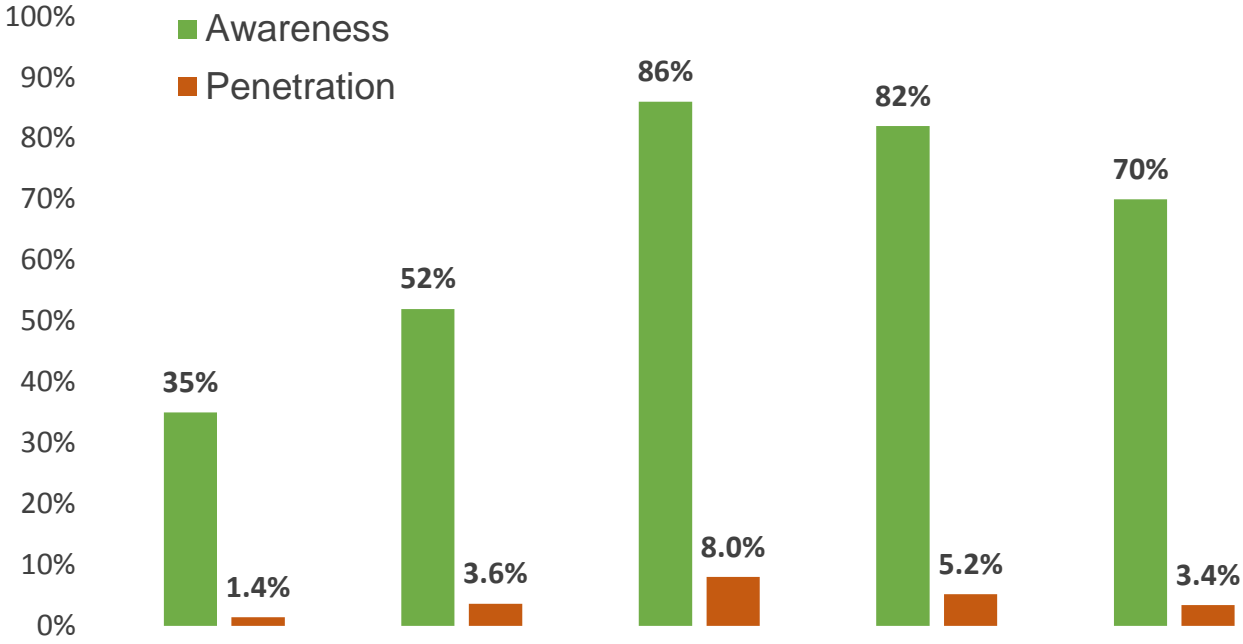
Penetration



Buying Rate



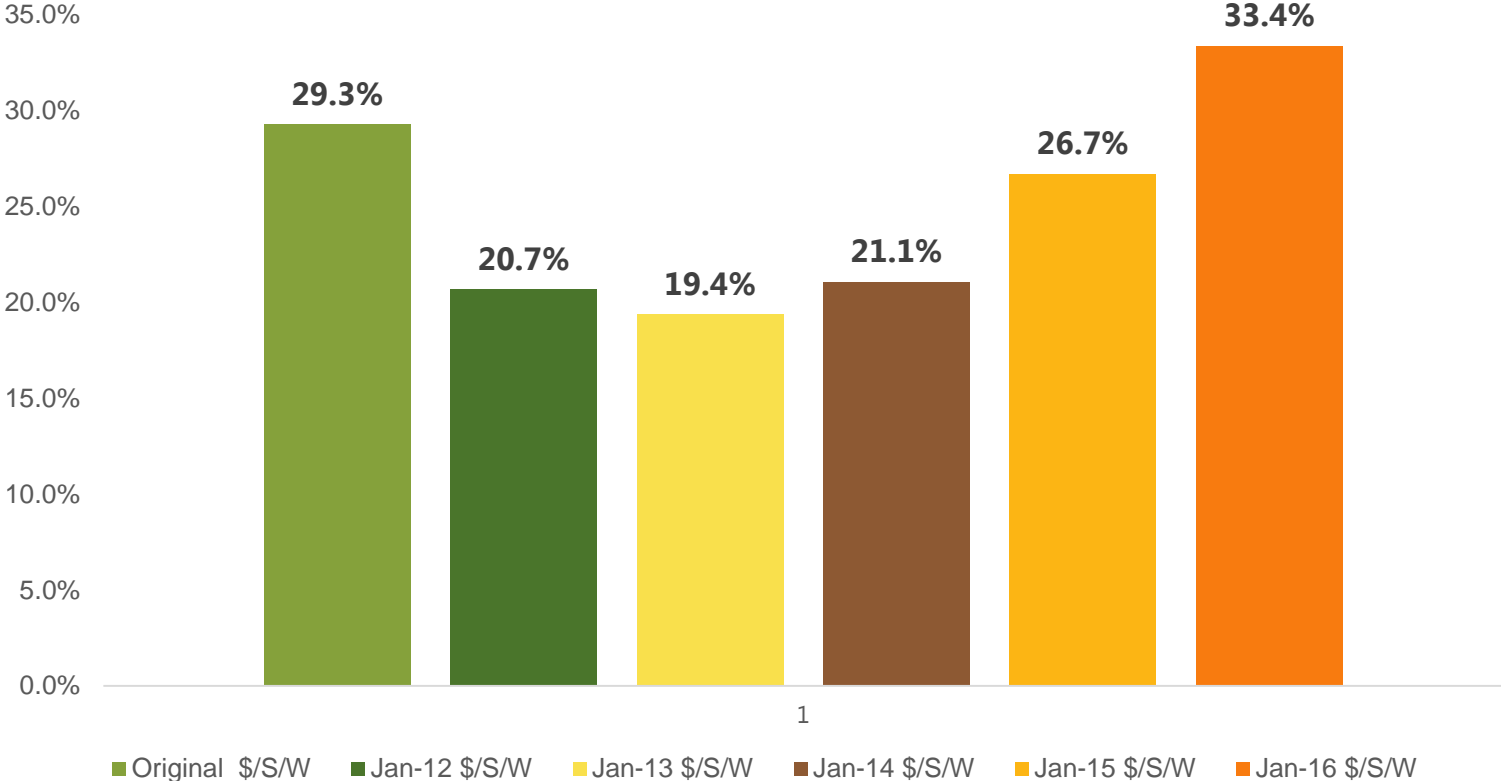
But Still Well Below Our Competitors....



	Freshpet	Rachel Ray	Blue Buffalo	Purina ONE	Cesar
Awareness (Aided)	35%	52%	86%	82%	70%
Penetration	1.4%	3.6% (dry)	~8% (est)	5.2% (dry)	3.4% (wet)

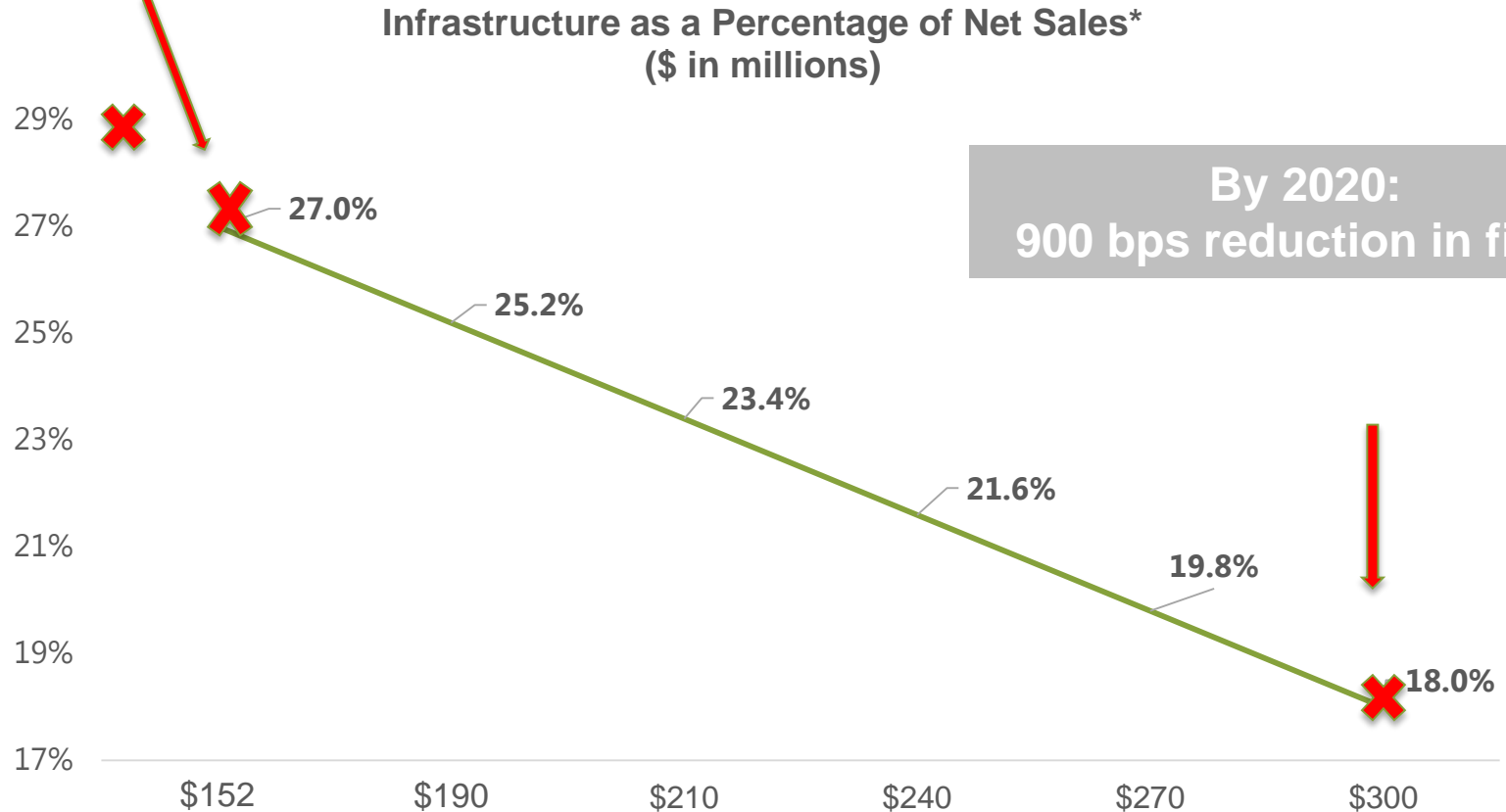
Strong Velocity Growth...

2017 Same Stores Sales Growth By Vintage Representative Customer



Which Helped Freshpet Grow into its Scale in 2017...

100 bps reduction



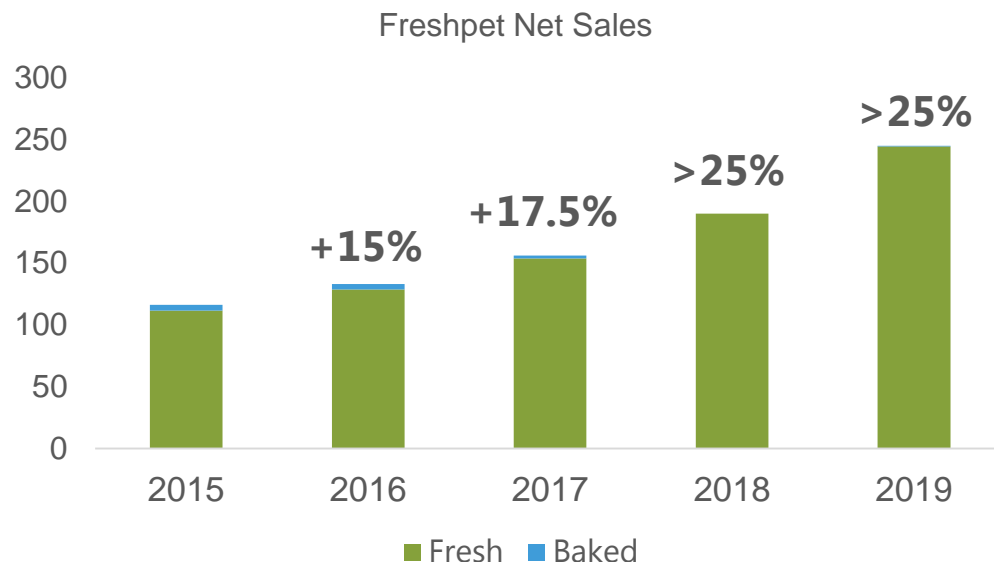
By 2020:
900 bps reduction in fixed

*Leverage adjusted to projected inflationary growth of infrastructure



**YEAR II: Bigger and
Faster**

In 2018, We Are Accelerating Fresh Growth...



2018 Fresh-only sales guidance: +26%

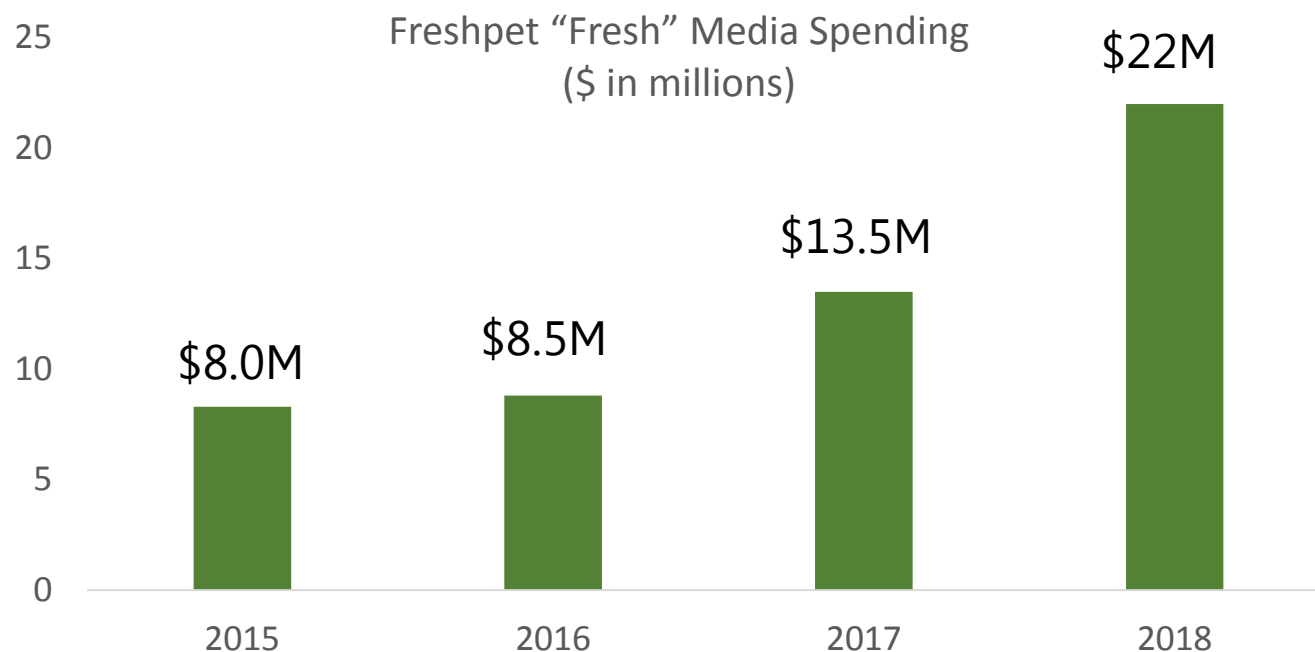
2018 Guidance

	2017	2018	% Change
Net Sales	\$152.4	>\$190	25+%
Adjusted EBITDA	\$17.6	>\$20	14+%

Doubling Down On...

Media: 60% increase for the second year in a row

- Each quarter will increase vs. YA
- 70/30 first half vs. second half spending



Doubling Down On...

Velocity drivers:
Upgraded fridges



Before



After

Focused innovation

Small Dog



Premiumization & Added Variety



Select Roasted Meals
Grain Free



Select Beef
Roasted Meals



Select Roasted Meals
Multi-Protein

And With Growth Potential in Fresh E-commerce

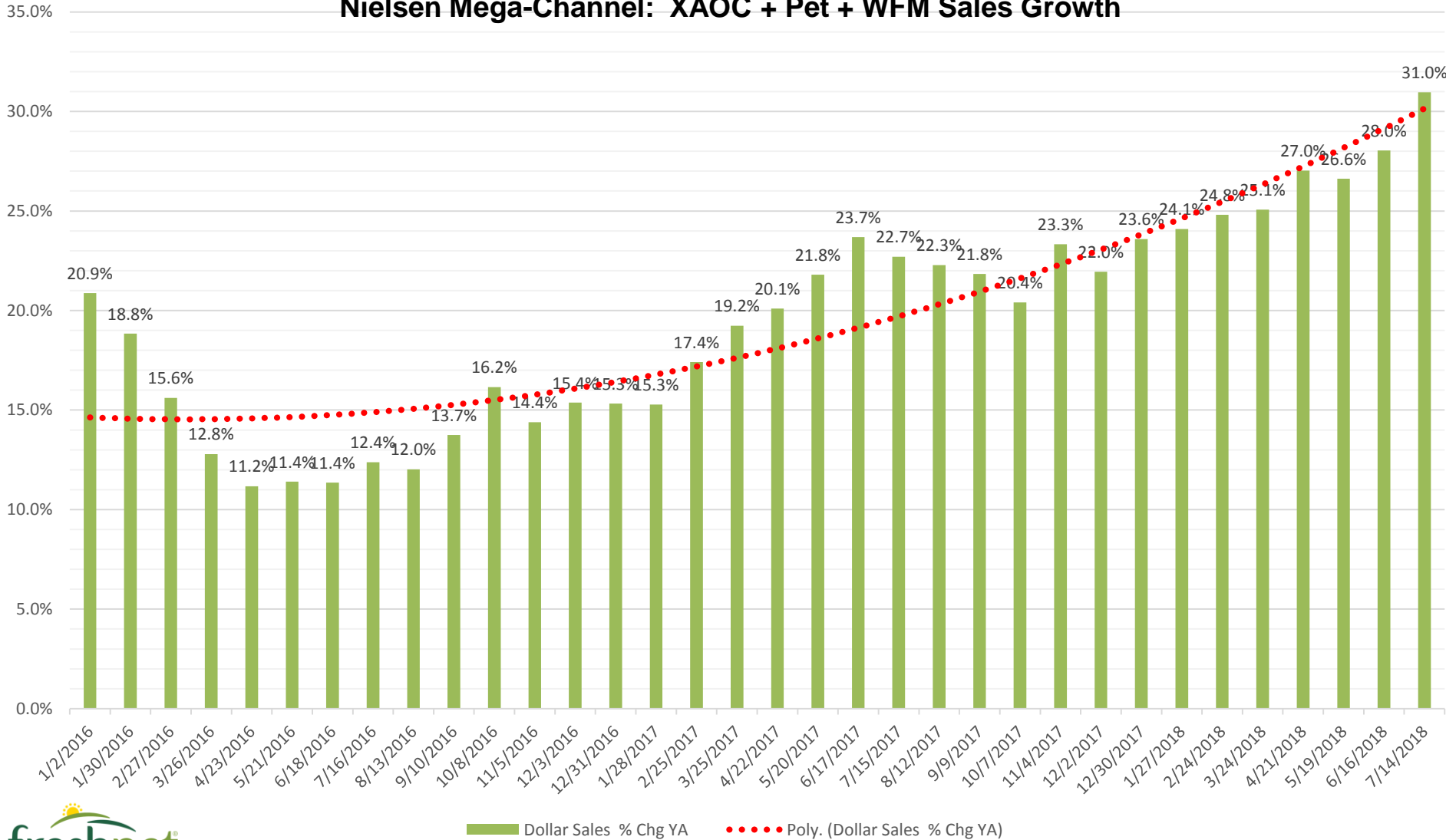
Strategy: Grow with winning players in fresh e-commerce



And the Growth Has Accelerated Again...

YTD '18 fresh consumption +27%

Nielsen Mega-Channel: XAOC + Pet + WFM Sales Growth



Legend: ■ Dollar Sales % Chg YA ●●●● Poly. (Dollar Sales % Chg YA)

Growing 25 pts. Faster Than the Category in All Classes of Trade ...

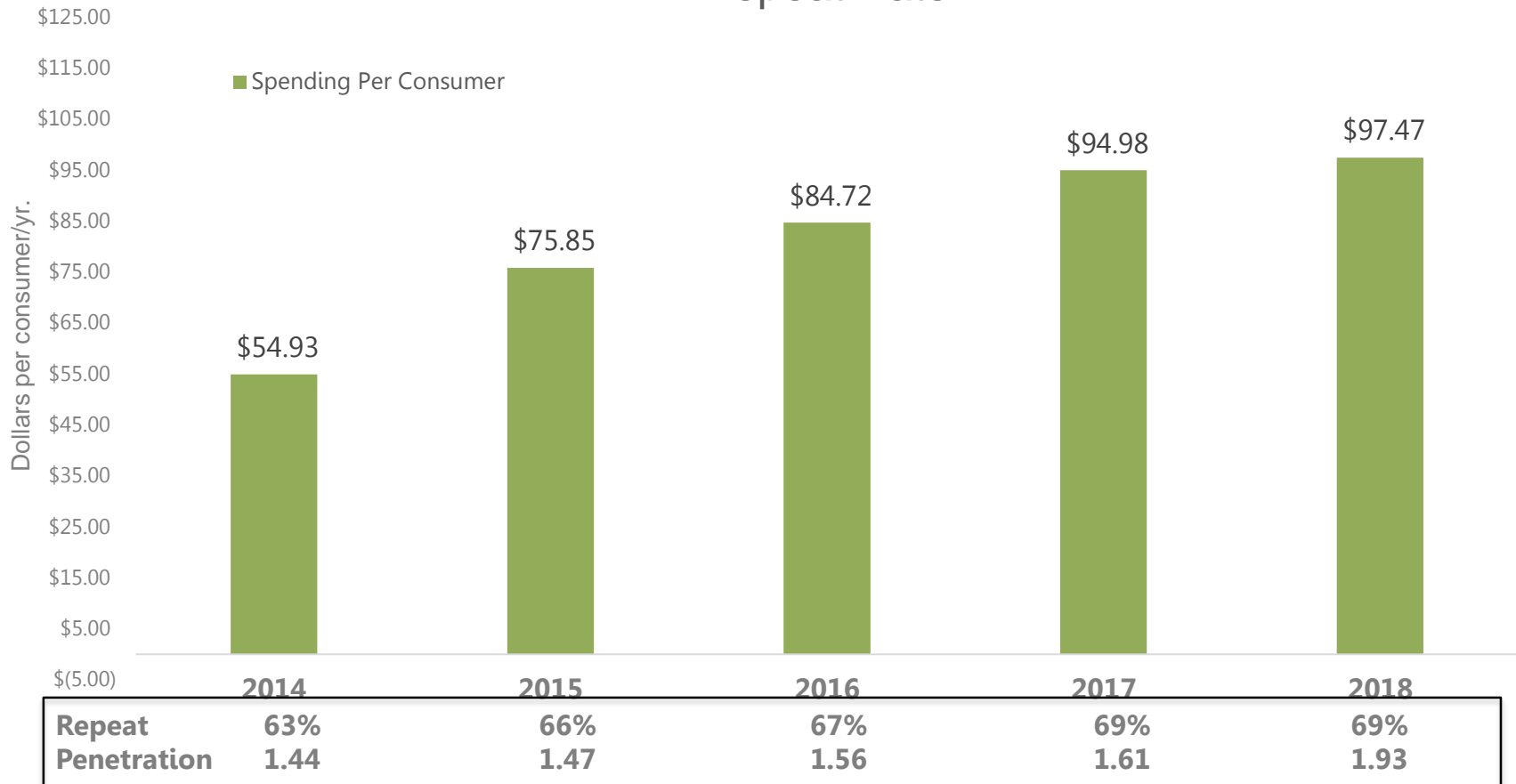
\$ % Chg YA – Week Ending 07/14/18

	Freshpet Total RFG		
	L4W	L13W	L52W
Total xAOC+Pet+WFM	31.0	28.9	24.8
Total US xAOC	32.5	30.4	27.4
Total US Food	37.0	33.9	31.3
Big Box Pet	25.2	24.2	15.7

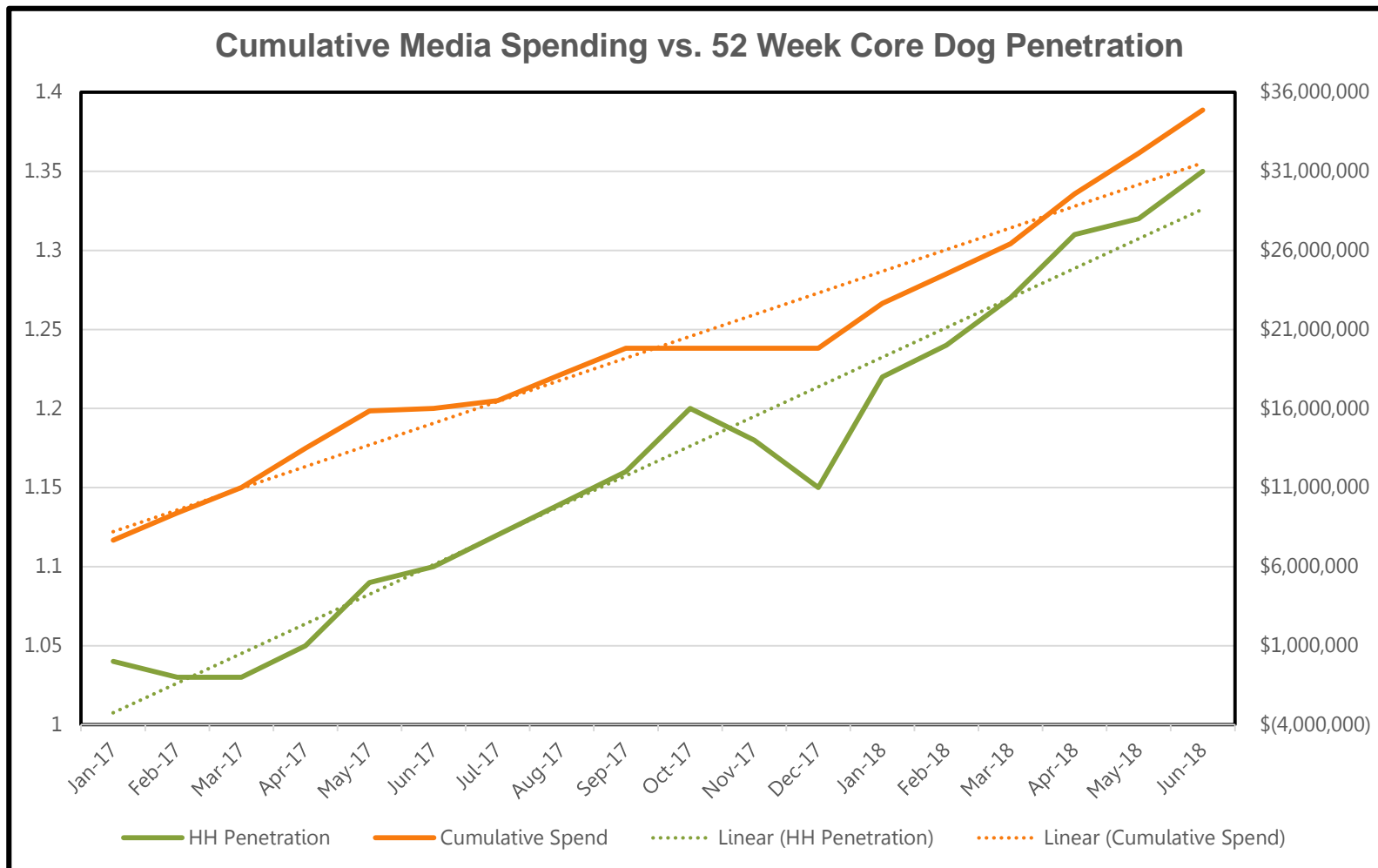


Increased Penetration & Buying Rate

Total Freshpet Buying Rate, Penetration and Repeat Rate



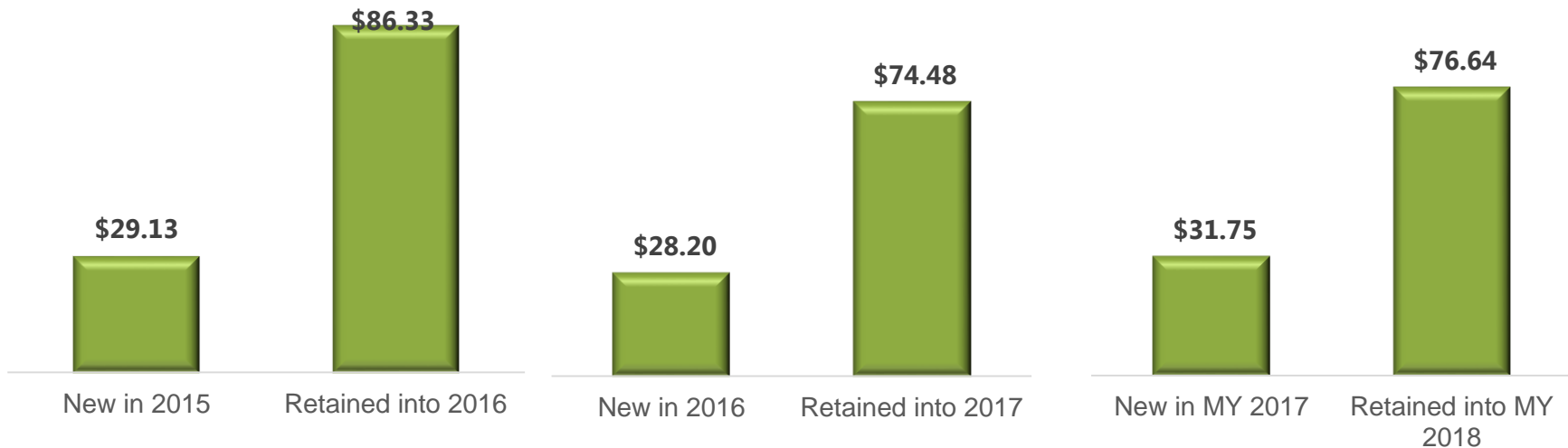
Growth is Driven by Advertising that Drives Penetration



Nielsen HH Panel date for Freshpet Core Dog – Rolling 52 week penetration data

Adding New Buyers Who Behave Like Previous Buyers

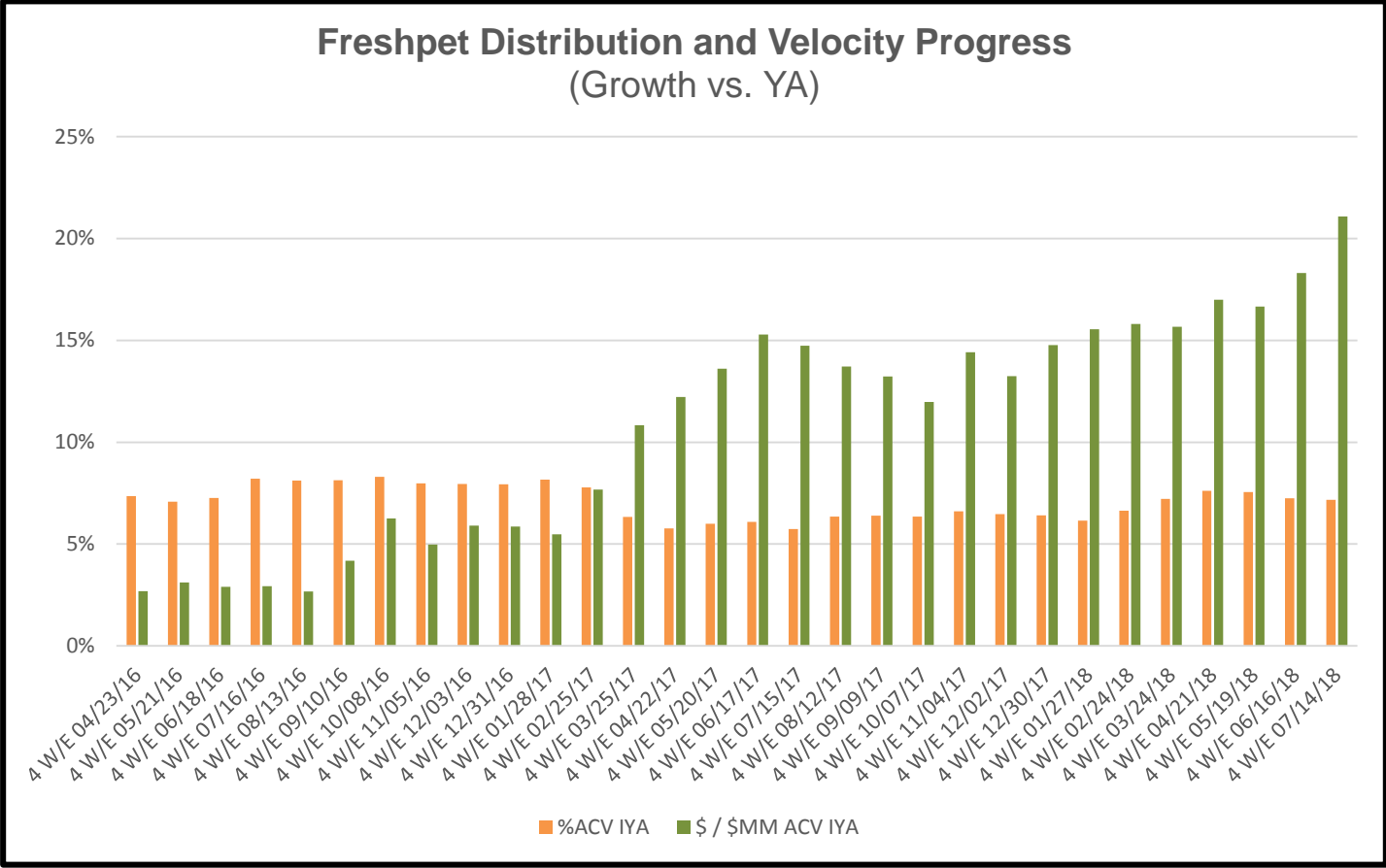
New User Buying Rate: Freshpet Core Dog



MY= 52 weeks ending June

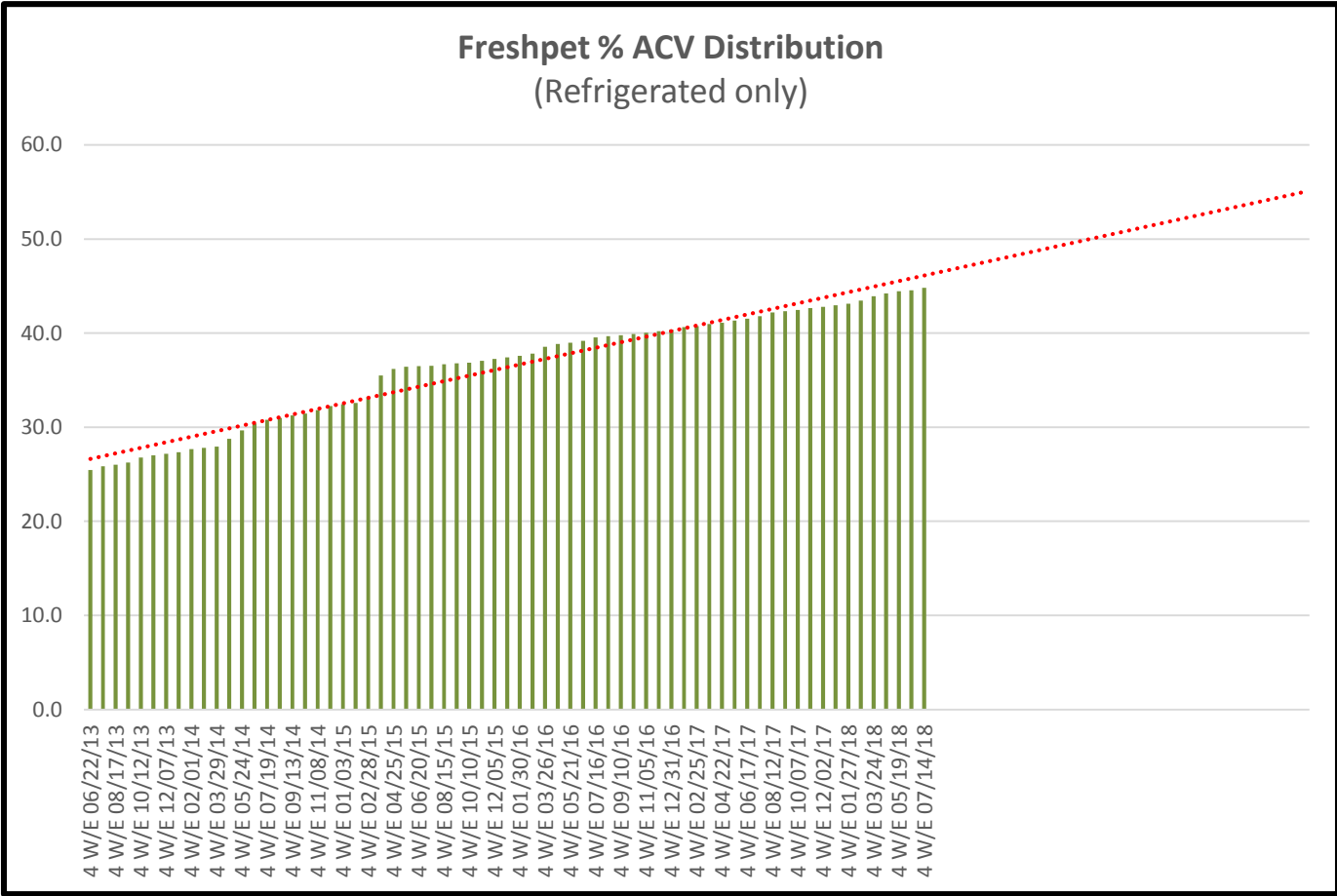
Nielsen HH Panel date for Freshpet Core Dog – 52 week buying rate data for new users by year

Steady Distribution Growth & Accelerating Velocity



Nielsen Mega-Channel ACV and \$M/\$M ACV for 4 week periods 4/23/16 to 7/14/18

Growing Distribution Towards 50% ACV

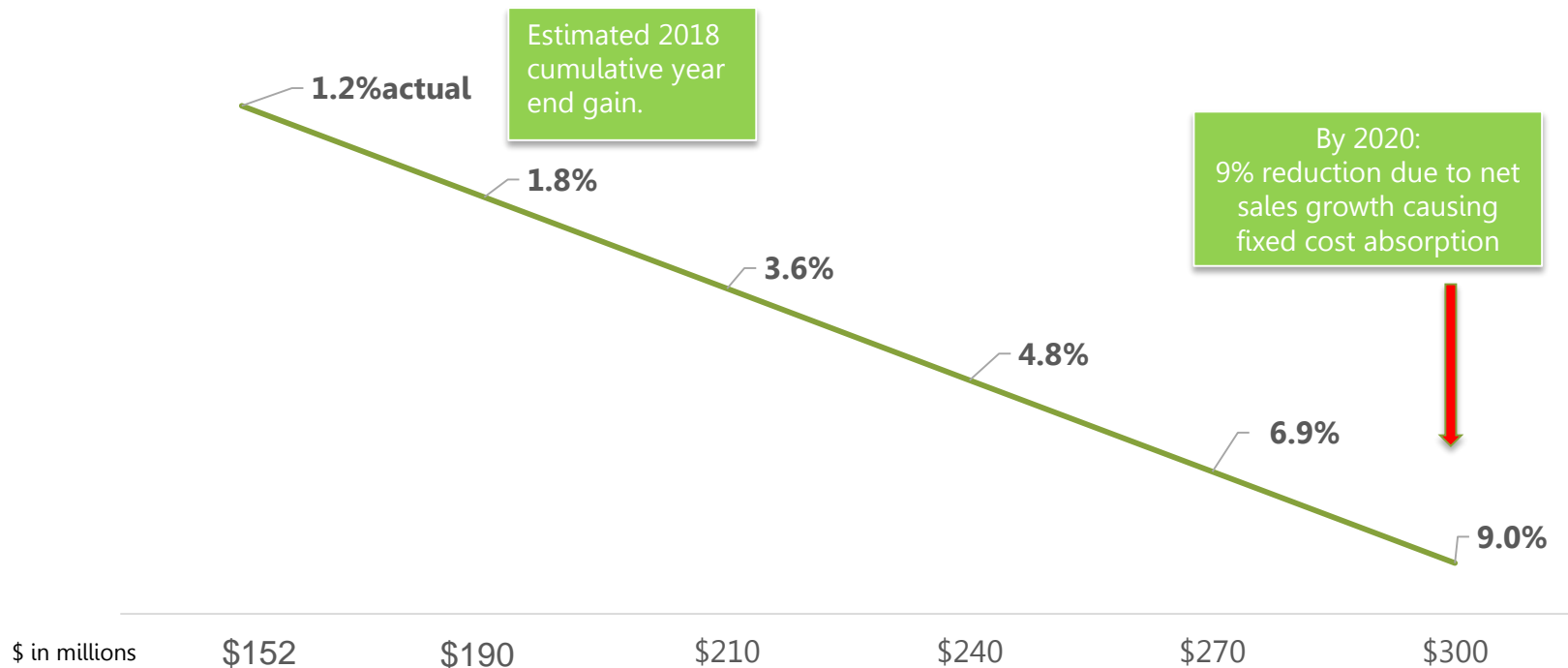


Nielsen Mega-Channel % ACV for 4 week periods 6/22/13 through 7/14/18



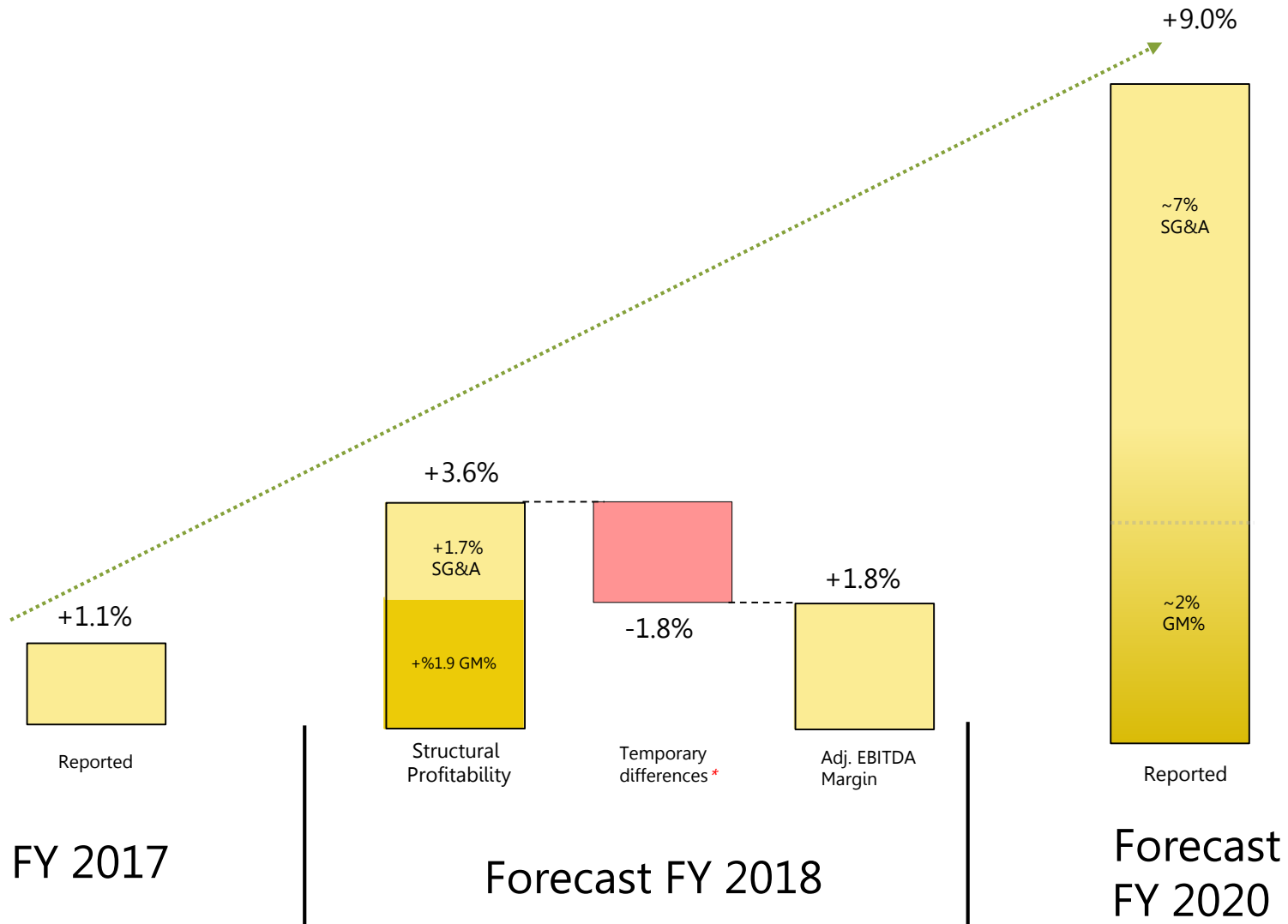
Freshpet Grew into its scale in 2017 and in the first half of 2018 Plans to deliver 9% incremental margin by 2020

Infrastructure Reduction as a Percentage of Net Sales* (\$ in millions)



*Leverage growth projected excluding media

Strong structural profitability improvement partially offset by commodities and 7 day production expansion



*Temporary differences in Forecast FY 2018 represent 130 basis points of raw material cost and 60 basis points related to unabsorbed labor from 7 day operation.

Benefits of Scale & Velocity

+900 bps

Fixed Cost Pick-Up

- Manuf. overhead absorption
- G&A overhead absorption

Logistics

- More cases per pallet
- More pallets per order/full trucks
- More straight pallets
- Ultimately, fewer miles per order

Retail Presence

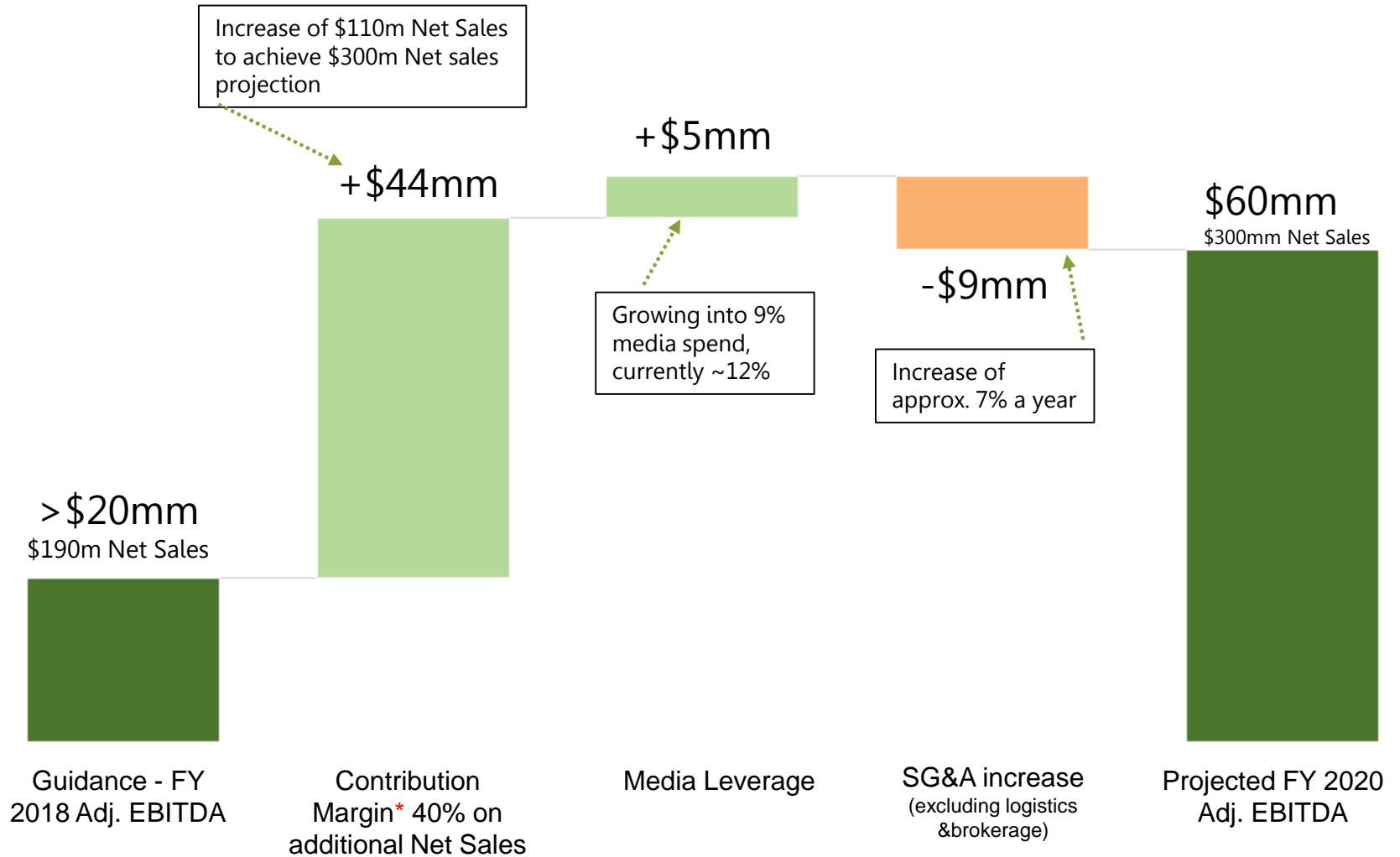
- Lower % sales to service fridges
- Higher frequency retail coverage
- Higher visibility/more sophisticated fridges
- Fresher product
- Lower fridge capex per incremental \$ of sales

Advertising

- More continuous media
- Lower % of sales in media

Incremental
gains

Path to 20% Adjusted EBITDA Margin



Contribution Margin* - Represents Adj. Gross Margin excluding Logistics and Brokerage cost.

Further Strengthening Our Barriers to Entry

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



Retailer Partners

Delivers benefits in traffic, frequency and retailer margins

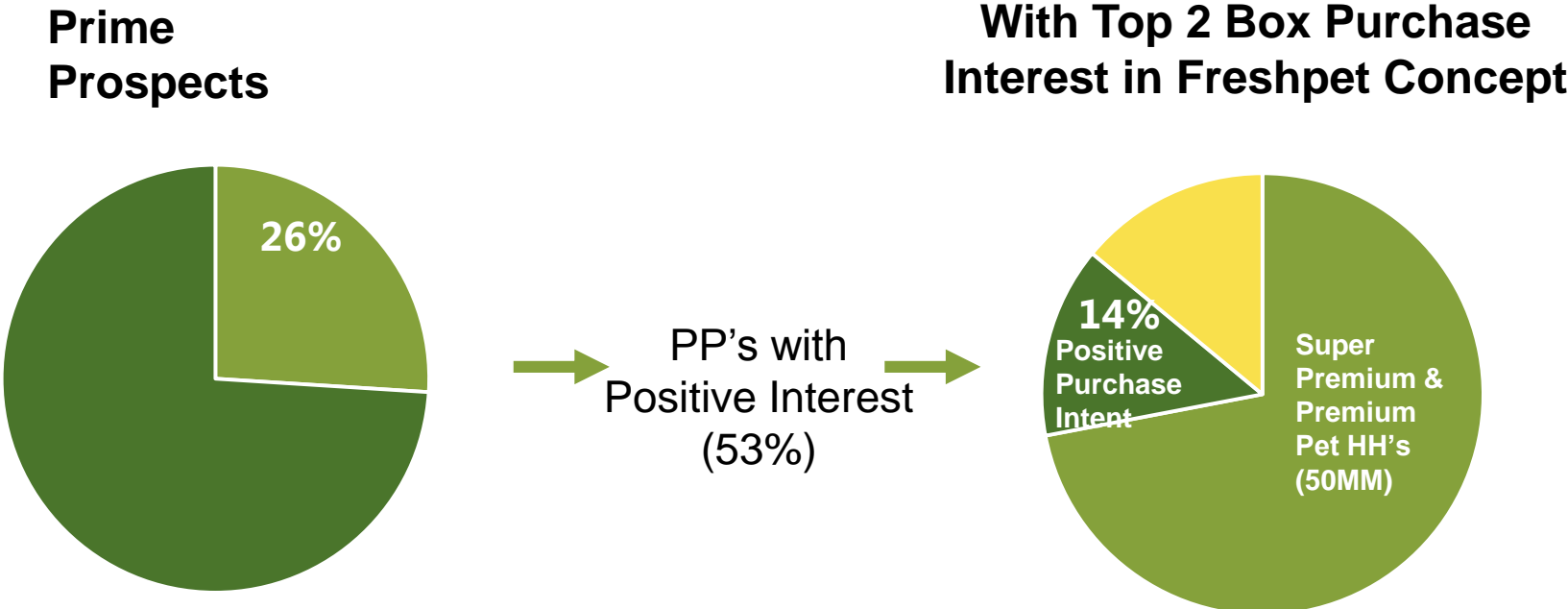


Freshpet Fridge

Branded, company-owned real estate



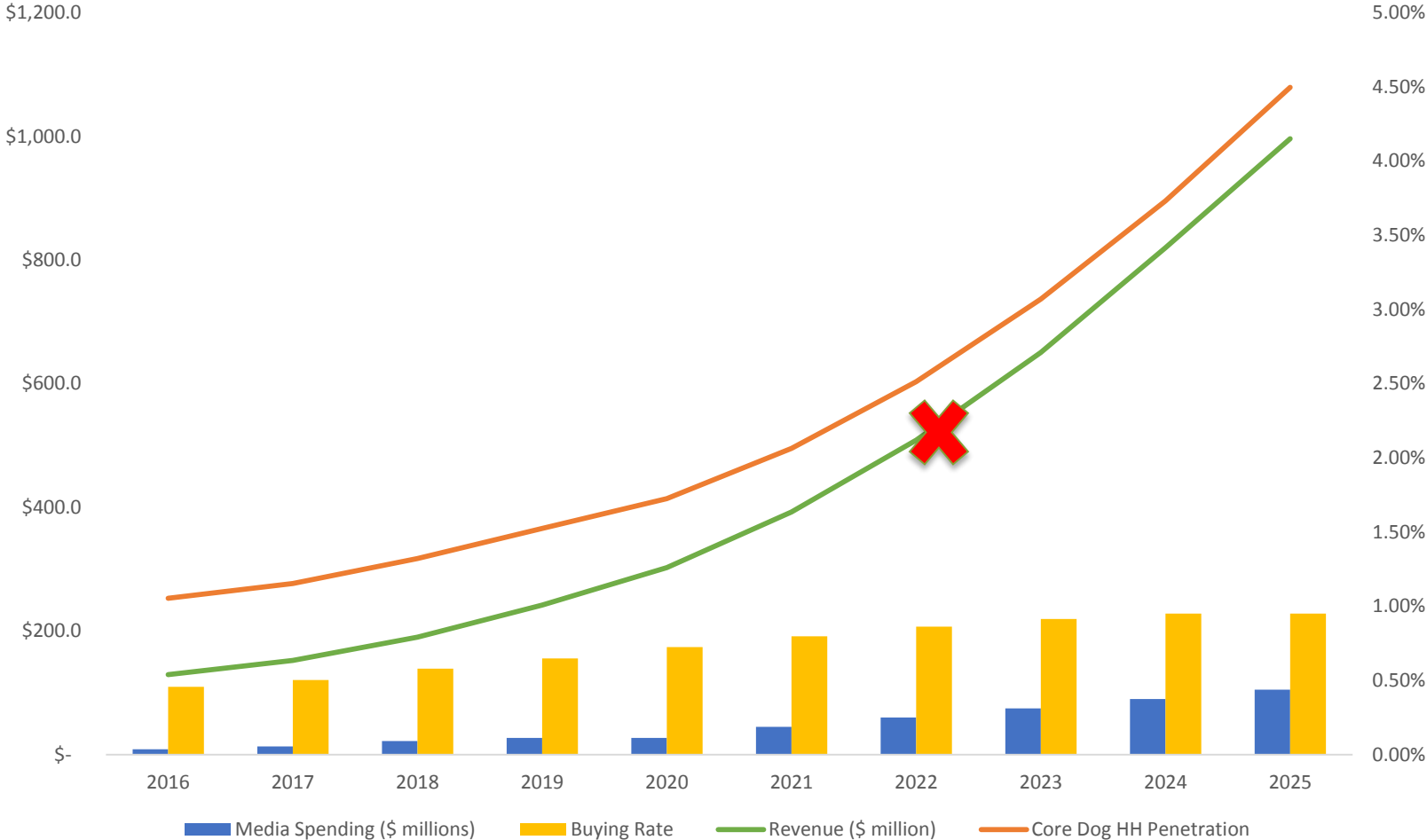
Just Scratching the Surface of HH Penetration Potential...



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

At existing media efficiencies, we could create a business surpassing \$500 million by 2023....and still growing quickly

Freshpet Growth Potential



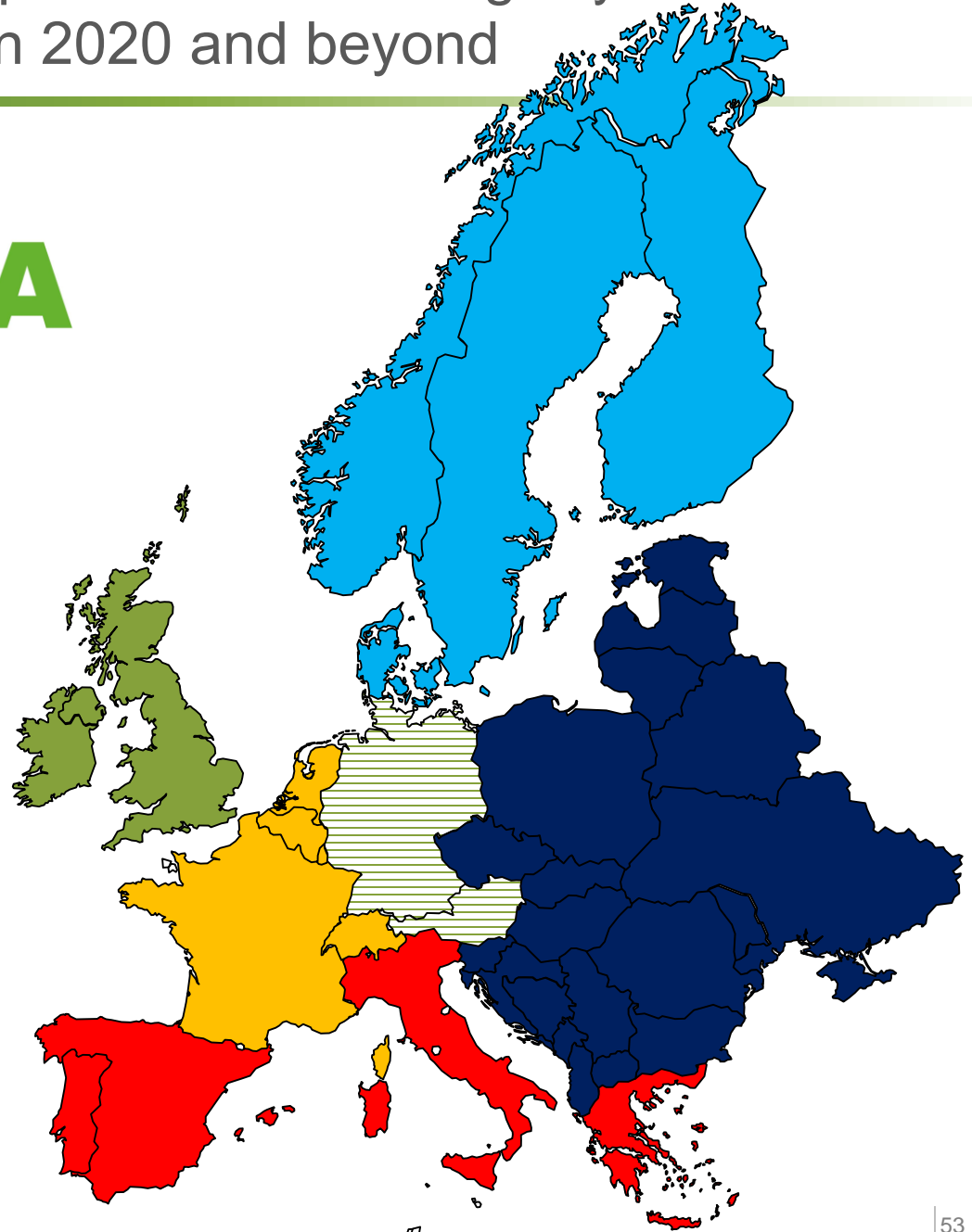
We expect international expansion to meaningfully impact Freshpet's growth in 2020 and beyond

Currently testing in:

TESCO

ASDA

HOOGVLIET



Steve Weise

EVP of Manufacturing



Development of Freshpet Manufacturing Expertise



Quakertown

Kitchens

Improving Safety, Quality, Value, Customer Delight

2012: Original Kitchens Building Purchased

- Converted from dairy to pet food
- Capability to produce rolls and bags
- Capacity to support \$100-120 million
- Core team transferred from Quakertown
- Proprietary formulation, process and packaging
- Investment in sanitary design



2015-2016: Expanded Facility

- Designed to support a \$300+ million business on a 7 day week
- Upgraded technology/continued focus on sanitary design
- Maximized the build out on the existing site
- Prioritized product quality and capacity, not labor saving automation



Current Operations

- 4 lines: 2 bag and 2 rolls
- Currently operating any 3 lines 5 days per week 24 hours per day
- Transitioning one line to a 7 day operation on September 9th
- Ultimately we will staff all 4 lines 7 days per week



Summary of Existing Investment

- **Total capital invested to date: \$75 million**
 - Includes the cost benefit of buying and re-purposing the original building
 - Includes the construction costs typical of 2012 - 2015
- **Space constraints limit automation**
 - Next facility will require more space and more equipment to enable greater automation



Ready to Expand our Capacity & Expertise Again...



Quakertown

Kitchens

Kitchens
2.0

Improving Safety, Quality, Value, Customer Delight

Billy Cyr

CEO



Freshpet Kitchens 2.0 Objectives

- Expand capacity to support a \$500+ million business
- Drive improvements in quality, safety and cost
- Build organization capability to support future capacity expansions at a second, geographically-diverse site

Bethlehem: The Right Site for Kitchens 2.0

- Scale/Operating flexibility benefits > than freight savings opportunity
- Talented, local engineering team reduces technical risk
- Highly skilled local operating team reduces start-up and operating risk
- Opportunity to further develop expertise and talent pool before transferring it to a new site
- We can offset most “single site risk” via alternate methods

Freshpet Kitchens 2.0 Will Deliver

- ~\$540 million total capacity (\$200+ million increase) that pays for itself within 1.5 years of full capacity utilization
- Adjusted gross margin increase of 150 bps on the whole business
- Greater control of quality and enhanced safety
- Increased scale benefits in purchasing and shipping
- Greater innovation capabilities

Michael Hieger

SVP of Manufacturing



Increased Automation is the Key Enabler

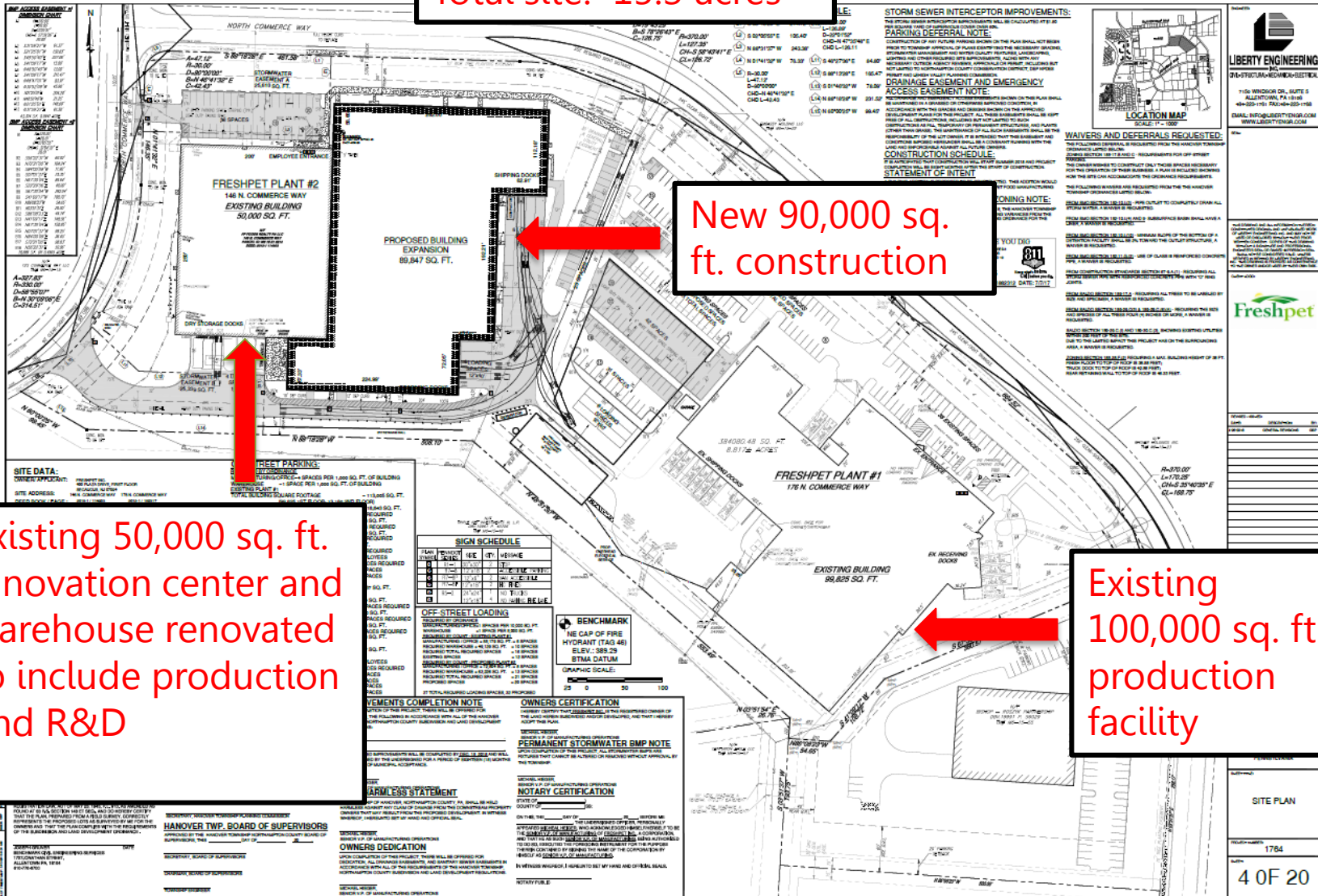
Use automation to further improve:

- Quality
- Safety
- Cost



Creating 2nd Production Facility on Site

Total site: 15.3 acres



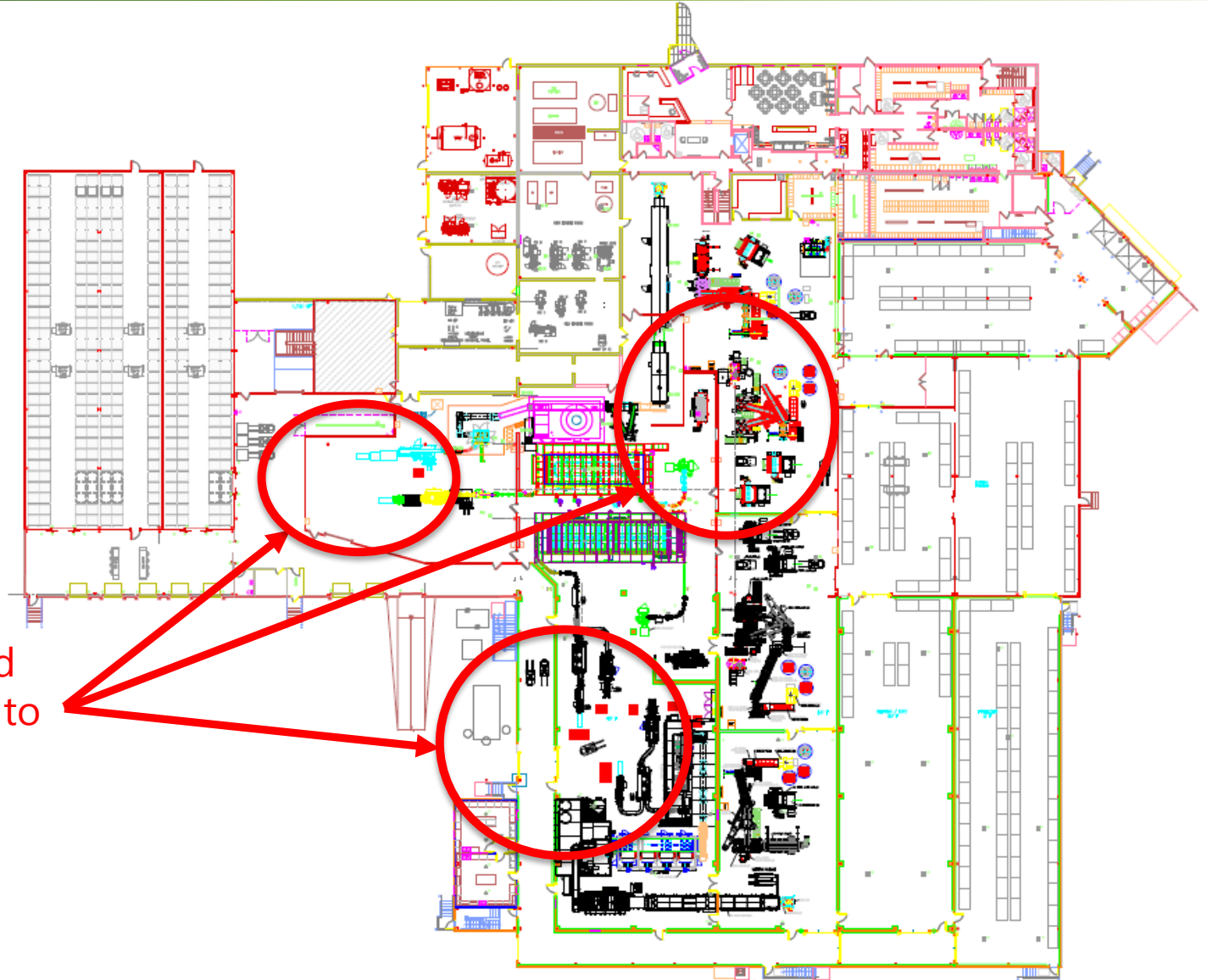
New 90,000 sq. ft. construction

Existing 50,000 sq. ft. innovation center and warehouse renovated to include production and R&D

Existing 100,000 sq. ft. production facility



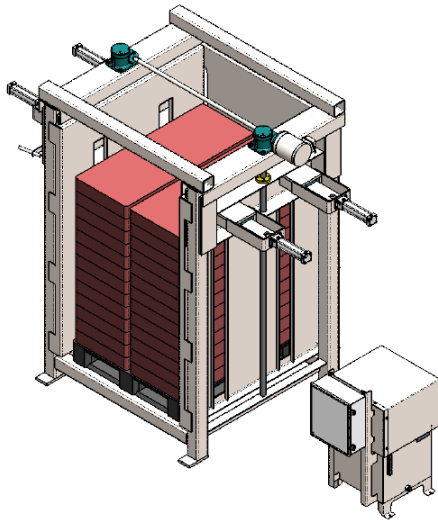
Existing Facility



Space constrained areas limit ability to add automation

Kitchens 2.0 Includes:

- New, high speed bag line that drives margin improvement
- Incremental high capacity roll line that improves throughput
- Increased automation on raw material & ingredient handling and back-end
- Automated quality and safety enhancements
- Critical infrastructure: freezer, cooler, shipping and receiving docks, finished product storage, utilities



Palletizer Automation

Existing Facility



New Facility



Raw Material to Finished Product Flow



FRESHPET EXPANSION
INNOVATION CENTER
148 North Commerce Way, Bethlehem, PA 18017



GROUND FLOOR PLAN

A101

Risk Reduction Benefits of 2 Buildings & Labor & Inventory Benefit of a Single Site

Two Buildings:
Reduced risk of a catastrophic business interruption due to fire, wind or bacteria

Upgraded Technology:
Focus new facility on high volume sku's to drive margin improvement and

Single Site: Trained experienced resources for start up and ramp up



Single Site: Optimized production scheduling as we grow from \$300 - \$500 million

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



landfill free



powered
by wind



carbon
emissions offset
25,000+ trees planted

Total Cost: ~\$100 million (+/- 5%)

Dick Kassar

CFO

&

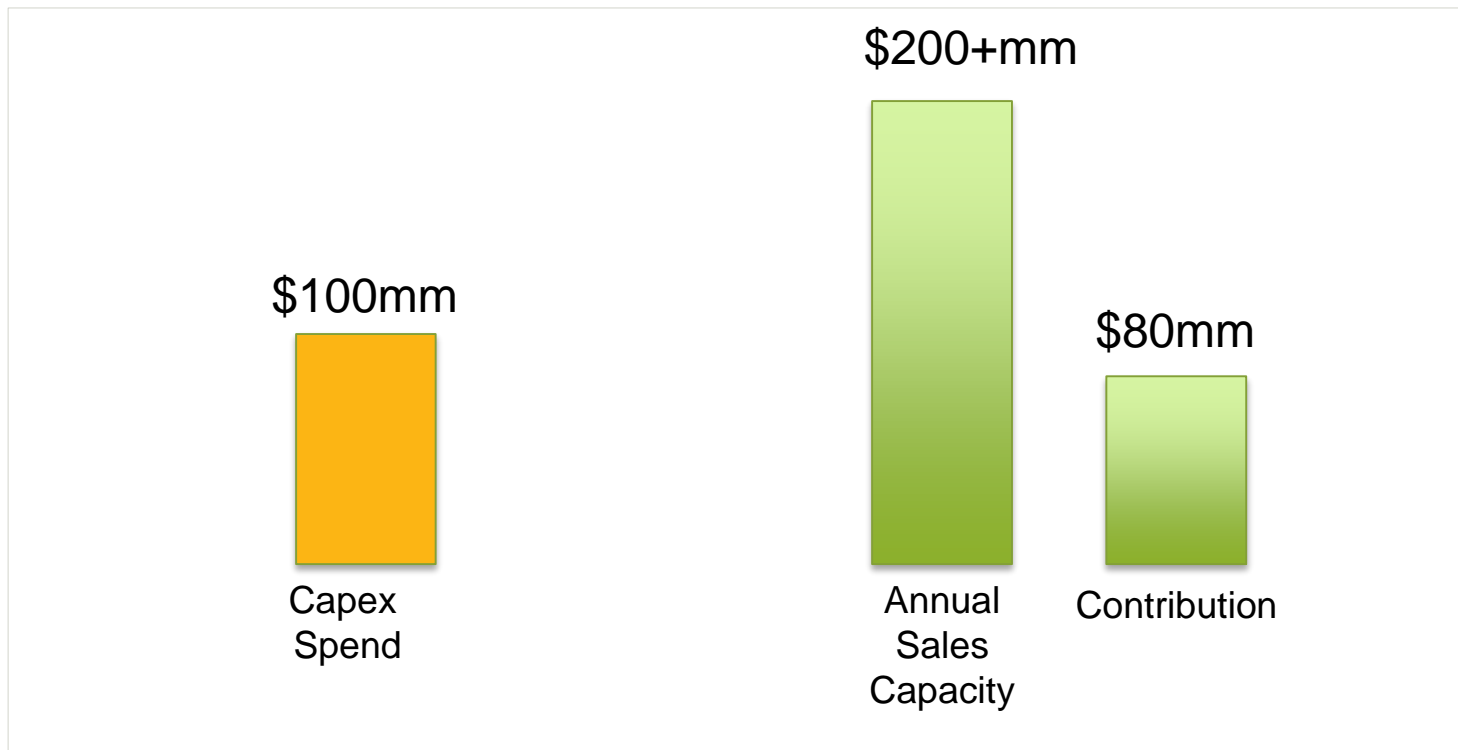
Ivan Garcia

VP of Finance



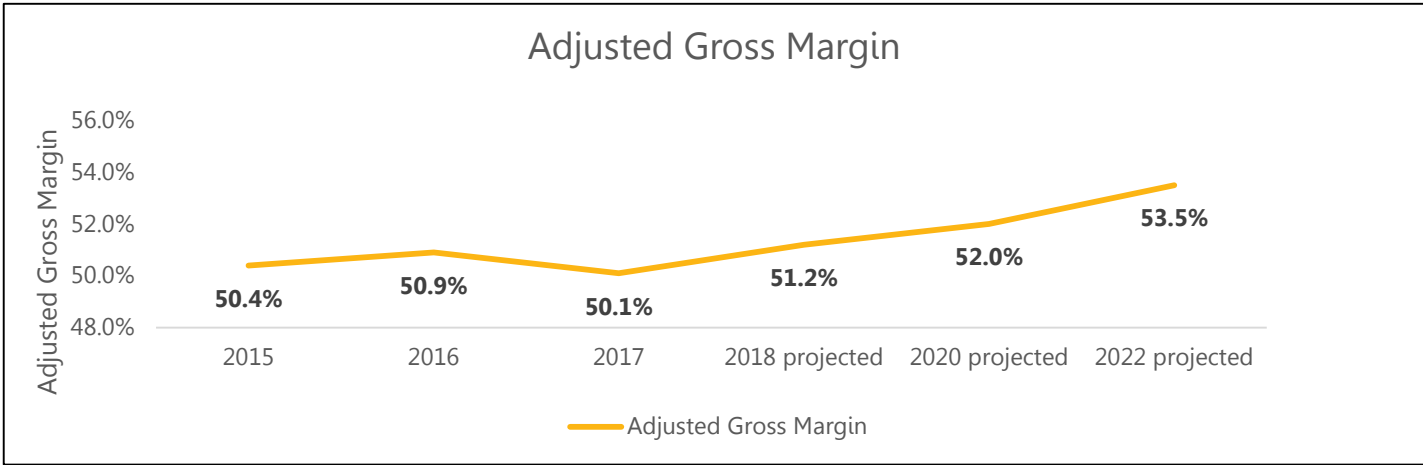
Freshpet Kitchens 2.0 Investment

- 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

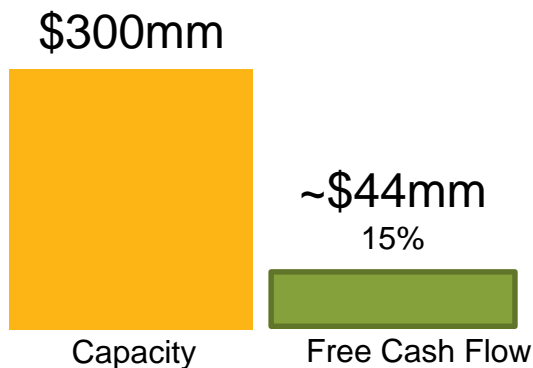
- Safety, quality, and productivity enhancements will improve adjusted gross margin by 100 basis points, with an additional 50 basis points due to scale



Freshpet Kitchens 2.0 Contribution to FCF

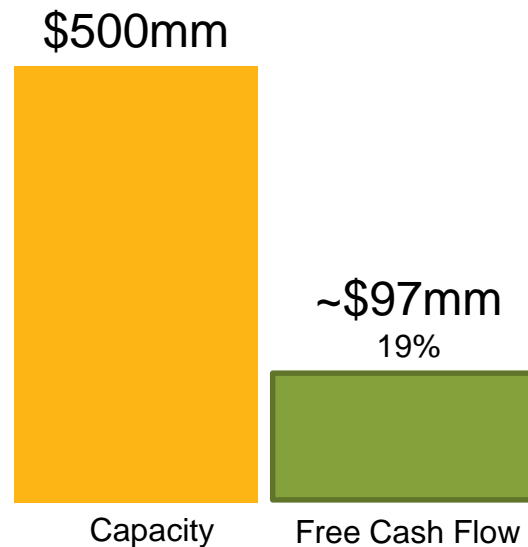
As we continue to leverage our infrastructure we expect to reap the benefits of scale with our Free Cash Flow increasing by 4%.

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 Financing

- **Financing:** Replace our existing \$30 million credit line with a \$90 million line in Q4 18
- **Leverage:** Will not exceed 2.5x Adj. EBITDA

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capex Spend	\$8mm	\$55mm	\$37mm	\$-	\$-
Max Debt Drawdown	\$-	\$60mm	\$55mm	\$50mm	\$-

Freshpet Kitchens 2.0 - Recap

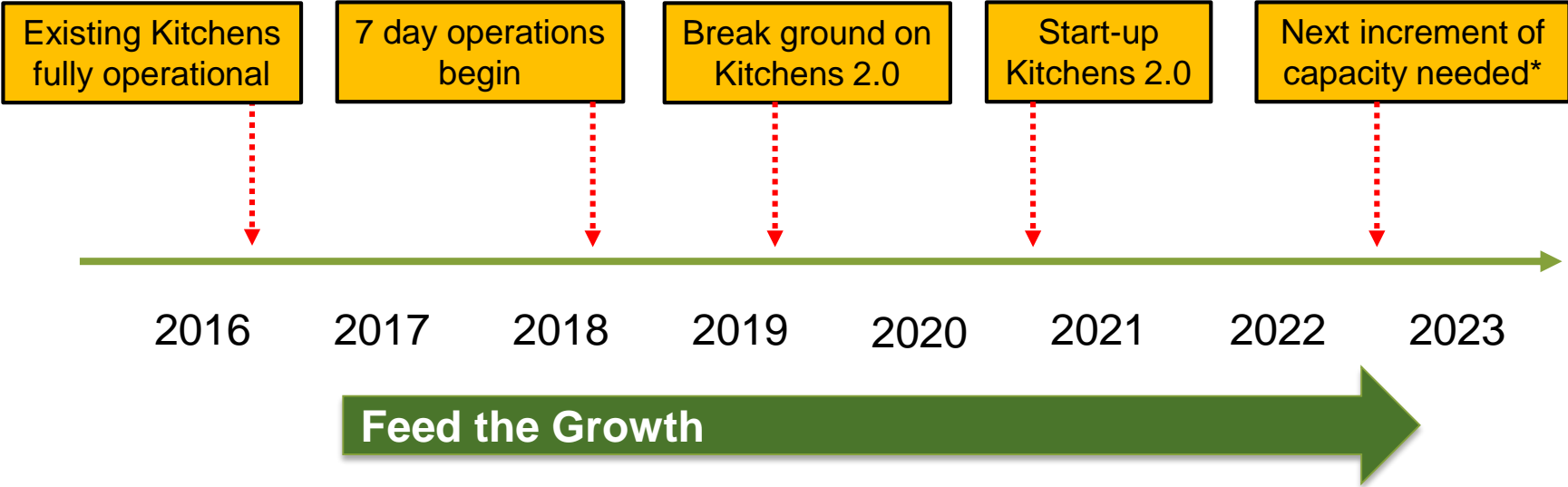
- **Cost:** \$100mm plus or minus 5%
- **Financing:** Replace our existing \$30mm credit line with a \$90mm line in Q4 18
- **Leverage:** Will not exceed 2.5x Adj EBITDA
- **Pay Off:** We expect to pay off the credit line by 2022
- **Capacity:** Net Sales capacity increases \$200mm+ to \$500mm+
- **Payout:** At full capacity payout is less than 15 months

Billy Cyr

CEO



Timeline



2016

2017

2018

2019

2020

2021

2022

2023

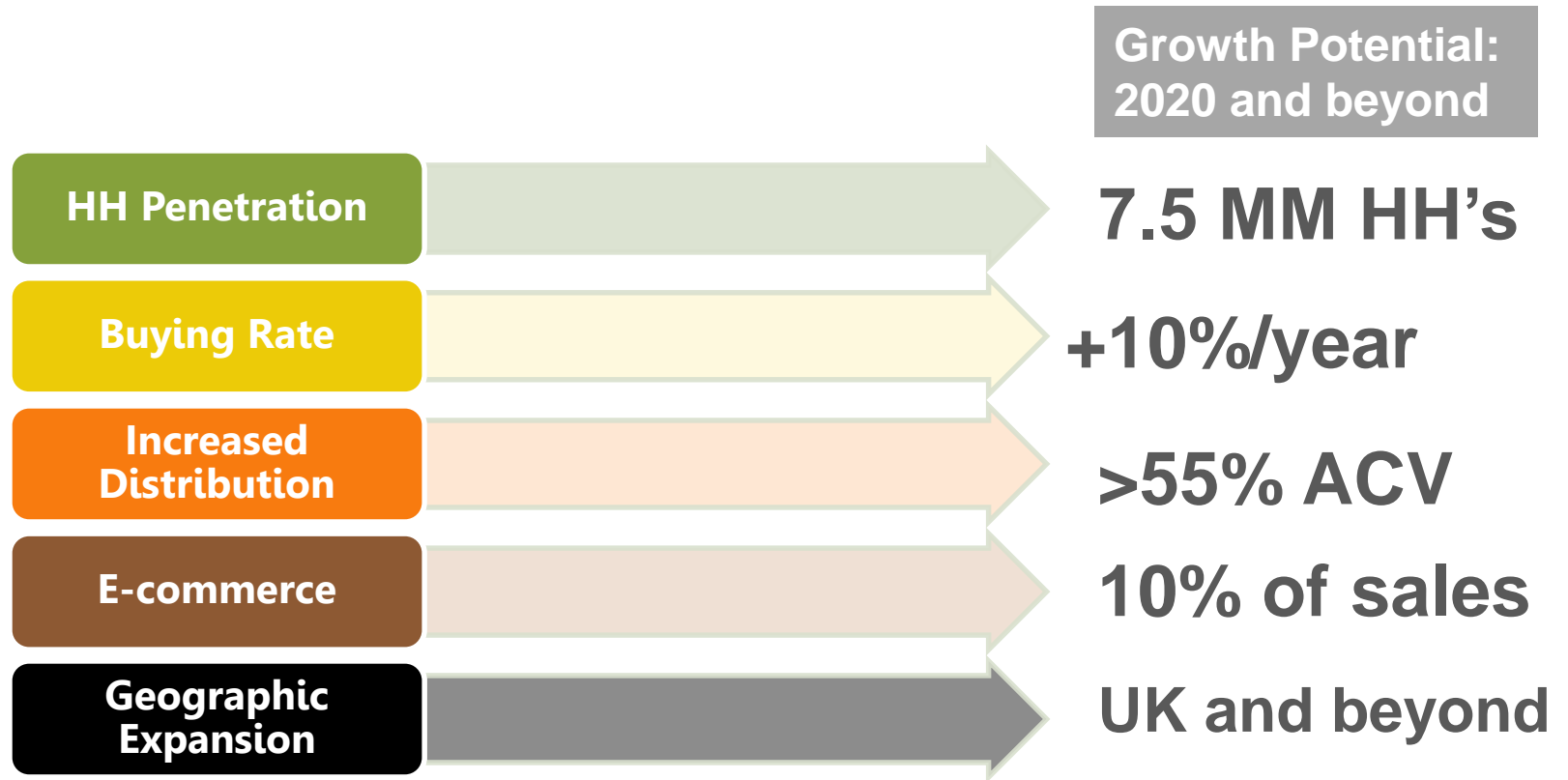
Feed the Growth

* Timing for next increment of capacity is dependent on growth rate and product mix



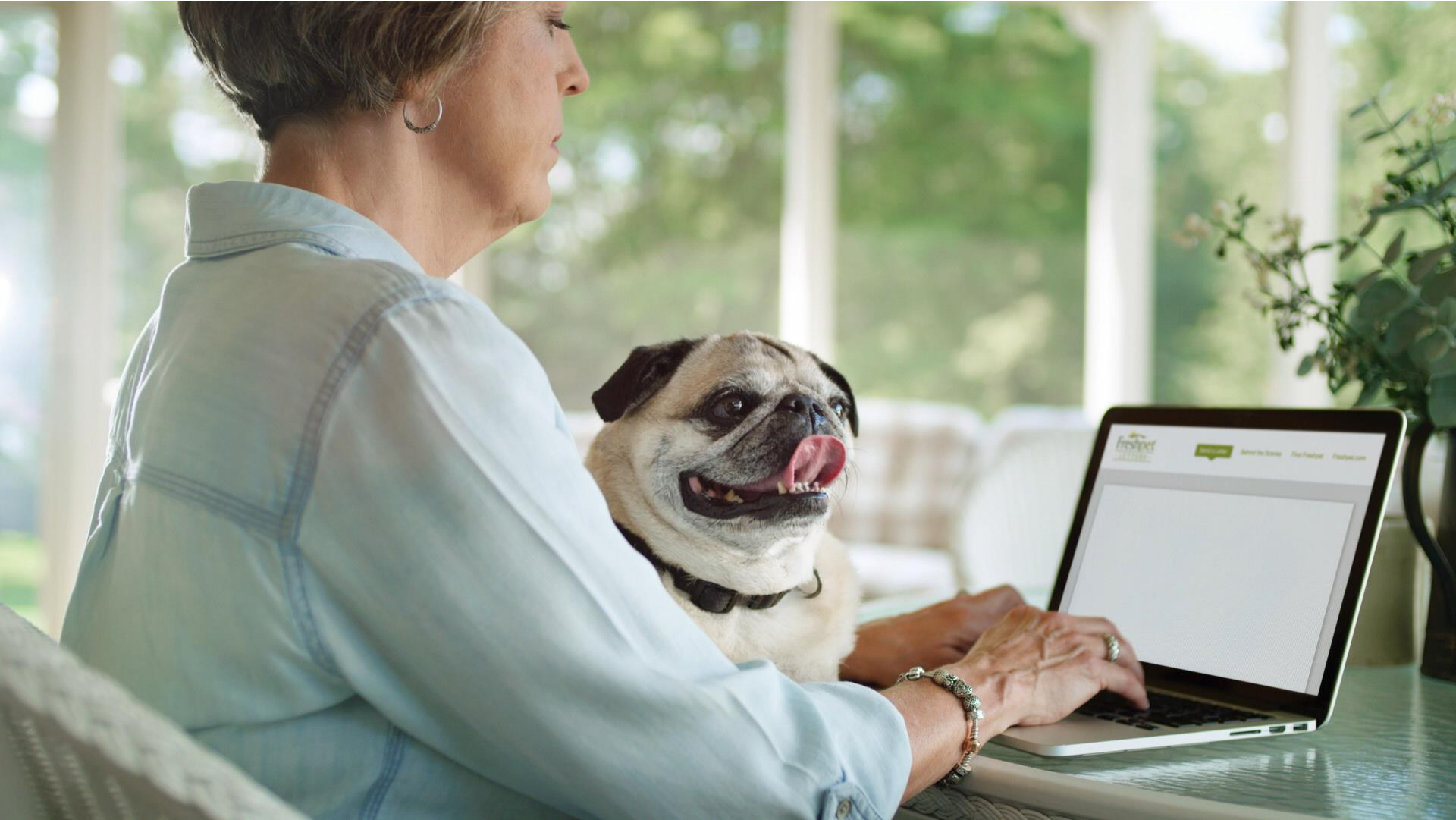
We believe that the Freshpet
business model is incredibly robust
and capable of enabling the
category-changing potential of the
Freshpet brand

Potential for Continued Growth Beyond 2020

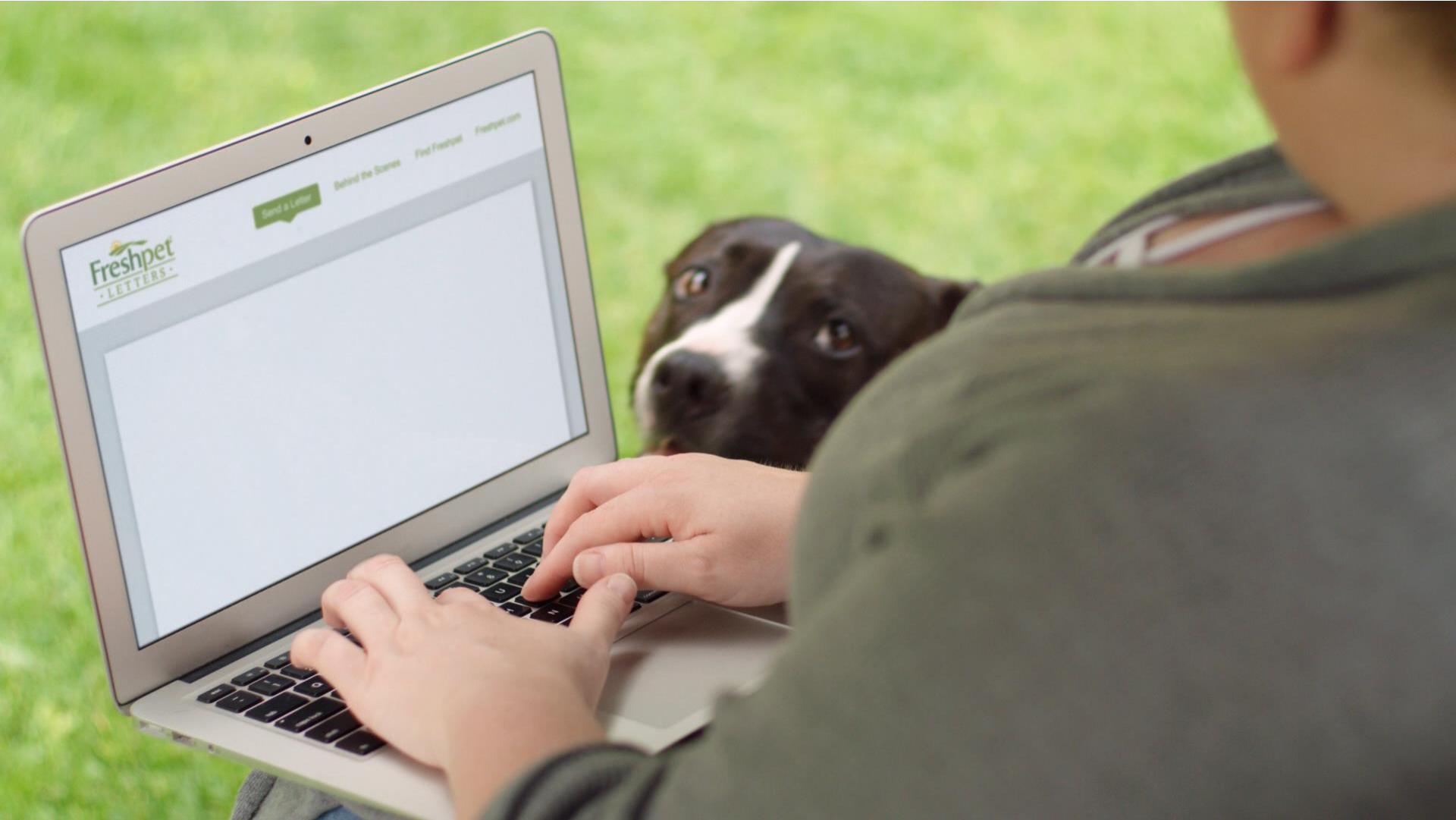


Delighting Pet Parents, Pets, Shareholders & Employees...

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freshpet®