



Investor Presentation: June 2018

bringing the *power*
of *fresh* food to *pets*

Freshpet

- SWEET CORN
- CUT FLOWERS
- PEPPERS
- BROCCOLI
- ZUCCHINI
- CUCUMBERS

Safe Harbor

Forward Looking Statements

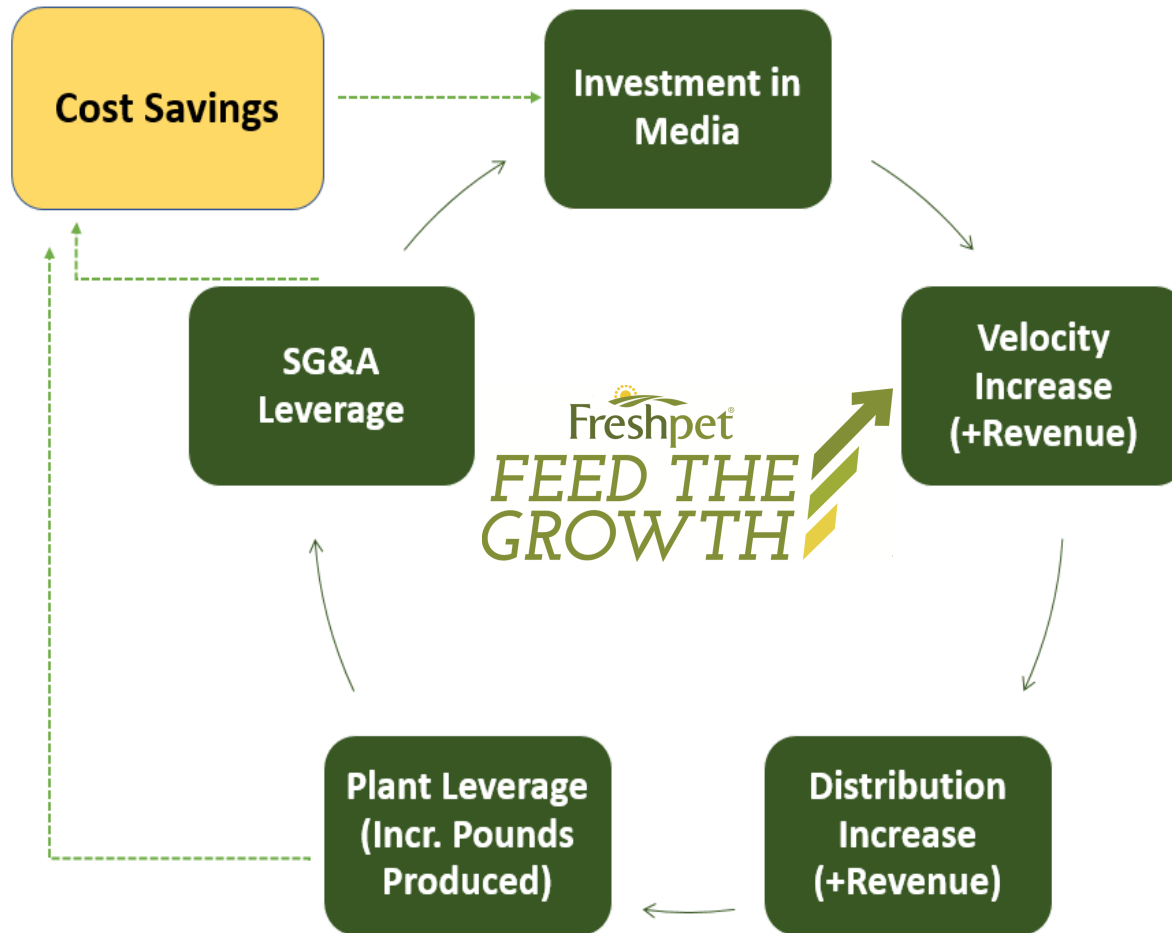
This presentation contains “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the Company’s results may differ materially from those expressed or implied by such forward-looking statements. 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.

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.

In 2017, we launched our new strategy . . .



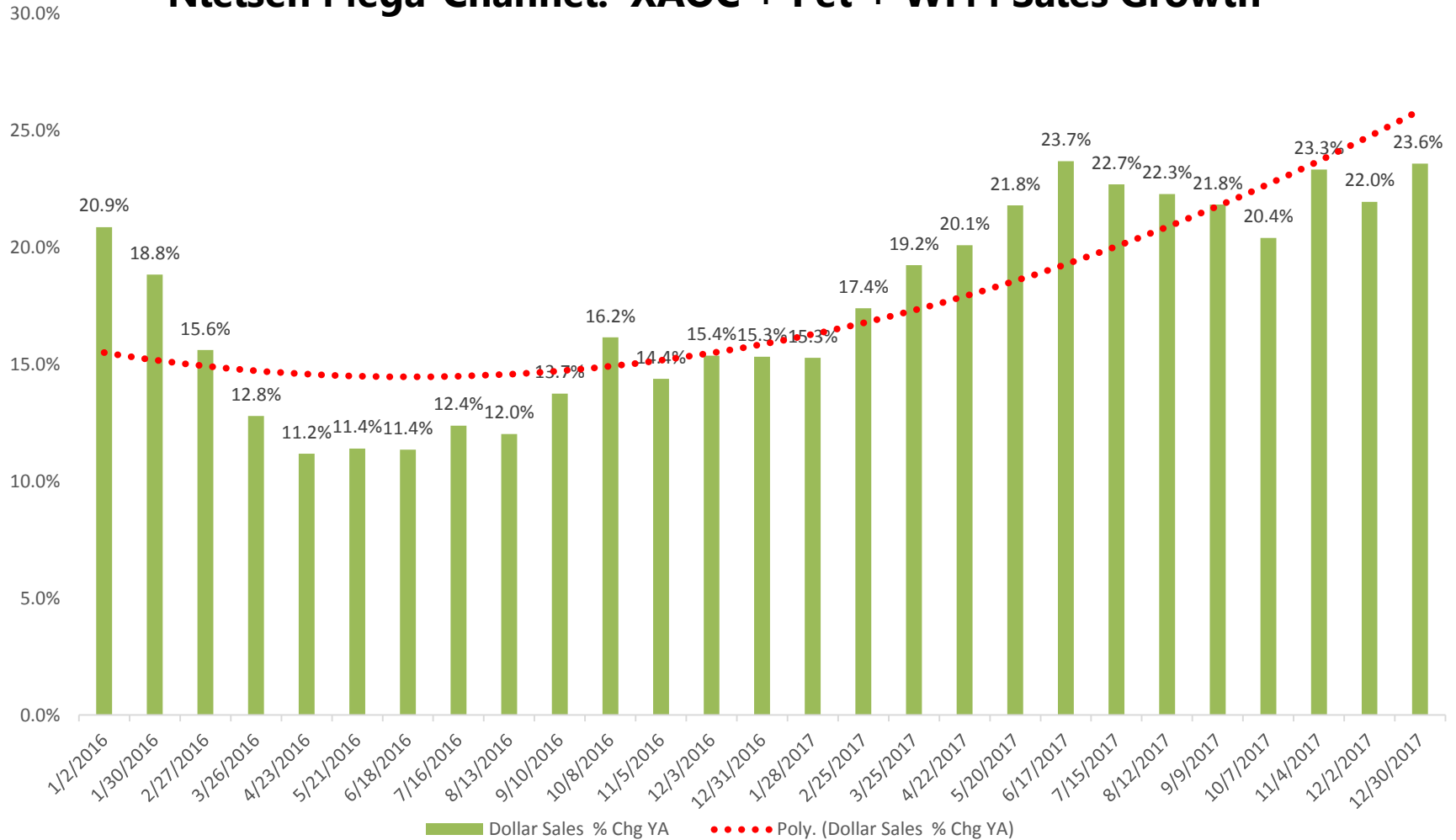
Growth Goal: \$300 million net sales as soon as 2020

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**

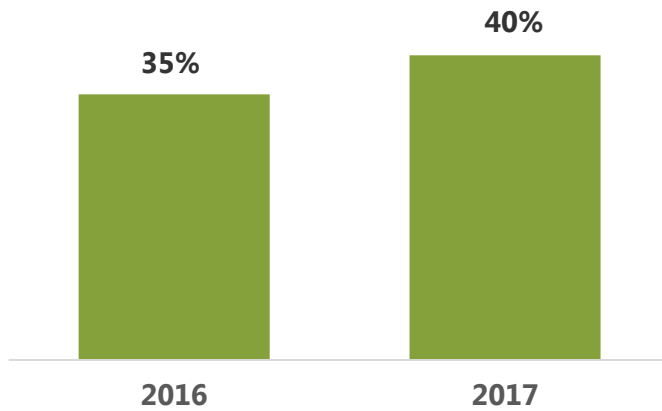
And the growth accelerated

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

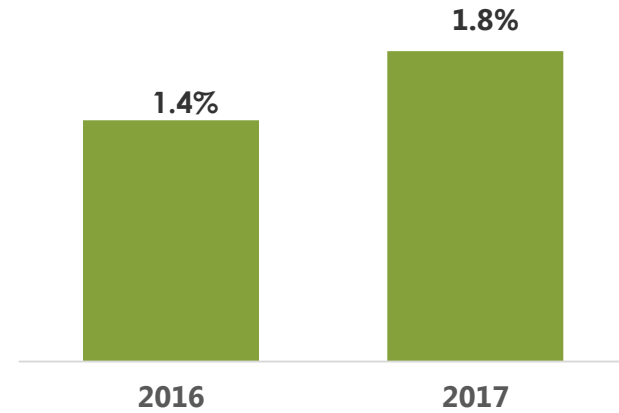


Increased awareness and penetration . . .

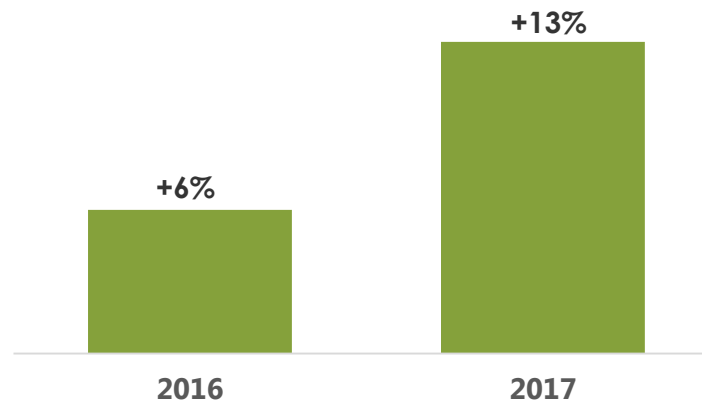
Awareness



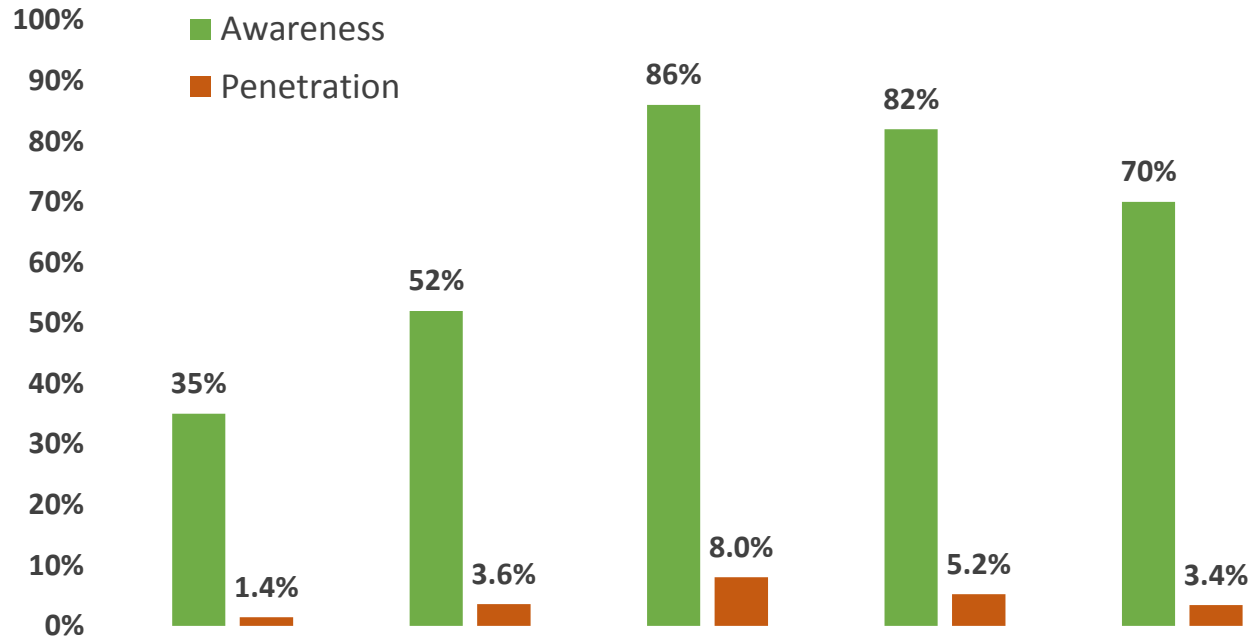
Penetration



Buying Rate



But still well below our competitors . . .



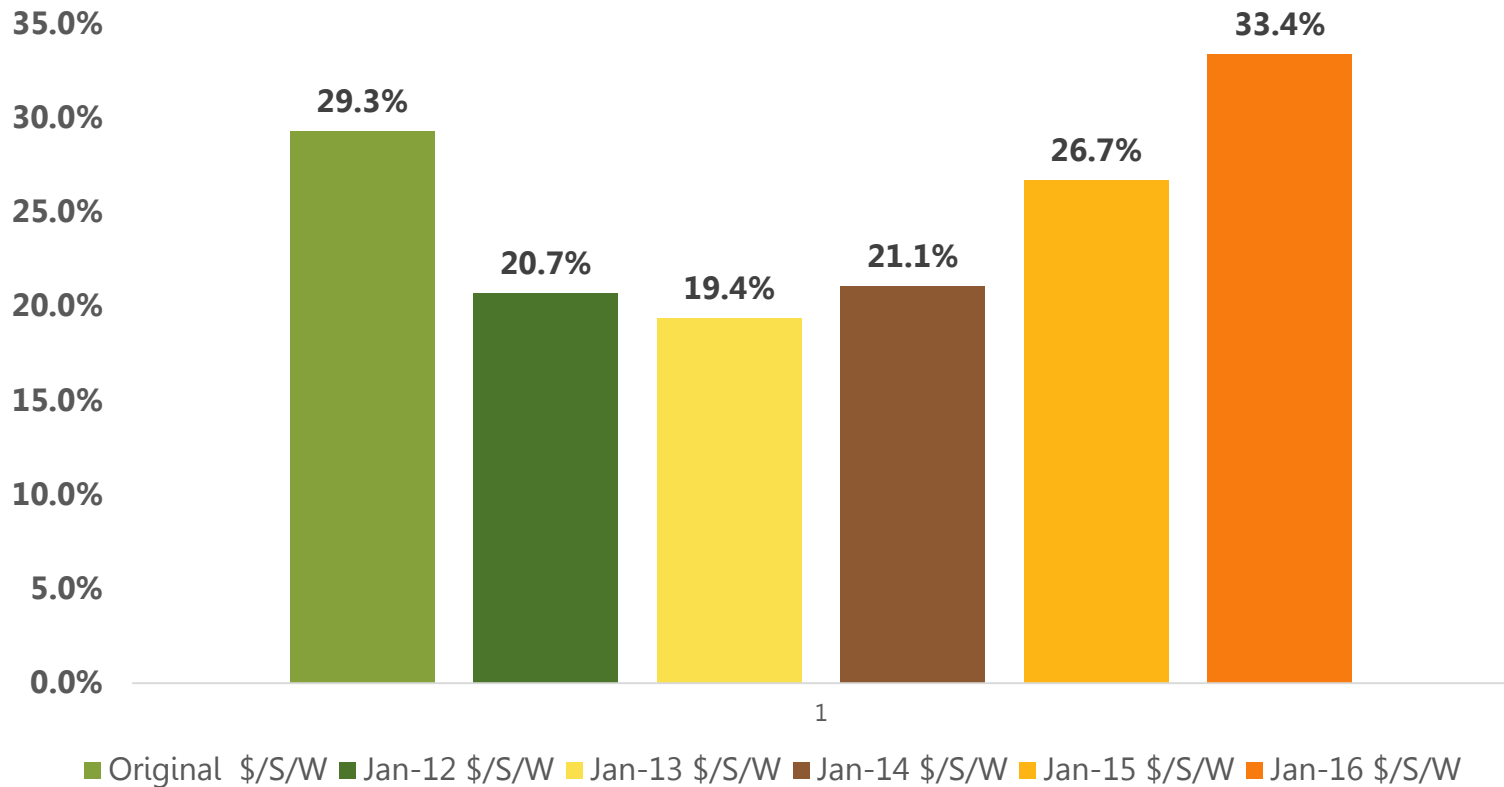
	Freshpet	Rachel Ray	Blue Buffalo	Purina ONE	Cesar
Awareness (Aided)	35%	52%	86%	82%	70%
Penetration	1.4%	3.6% (dry)	~8% (est)	5.2% (dry)	3.4% (wet)



Source: 2016 Brand Tracker, IRI 2016 HH Panel

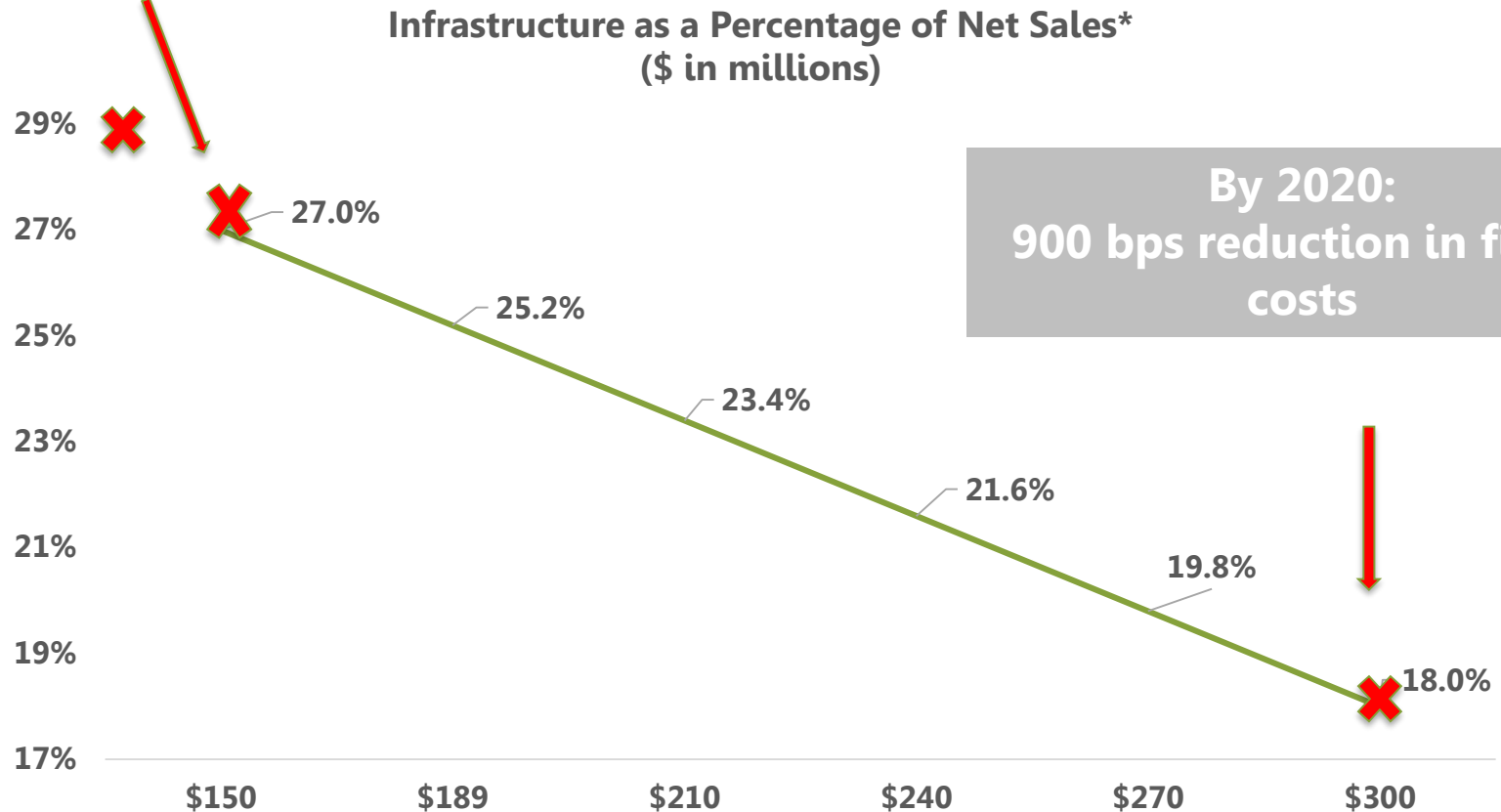
Strong velocity growth . . .

2017 Same Stores Sales Growth By Vintage
Representative Customer



Which helped Freshpet grow into its scale in 2017...

100 bps reduction



*Leverage adjusted to projected inflationary growth of infrastructure

Benefits of scale and 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**

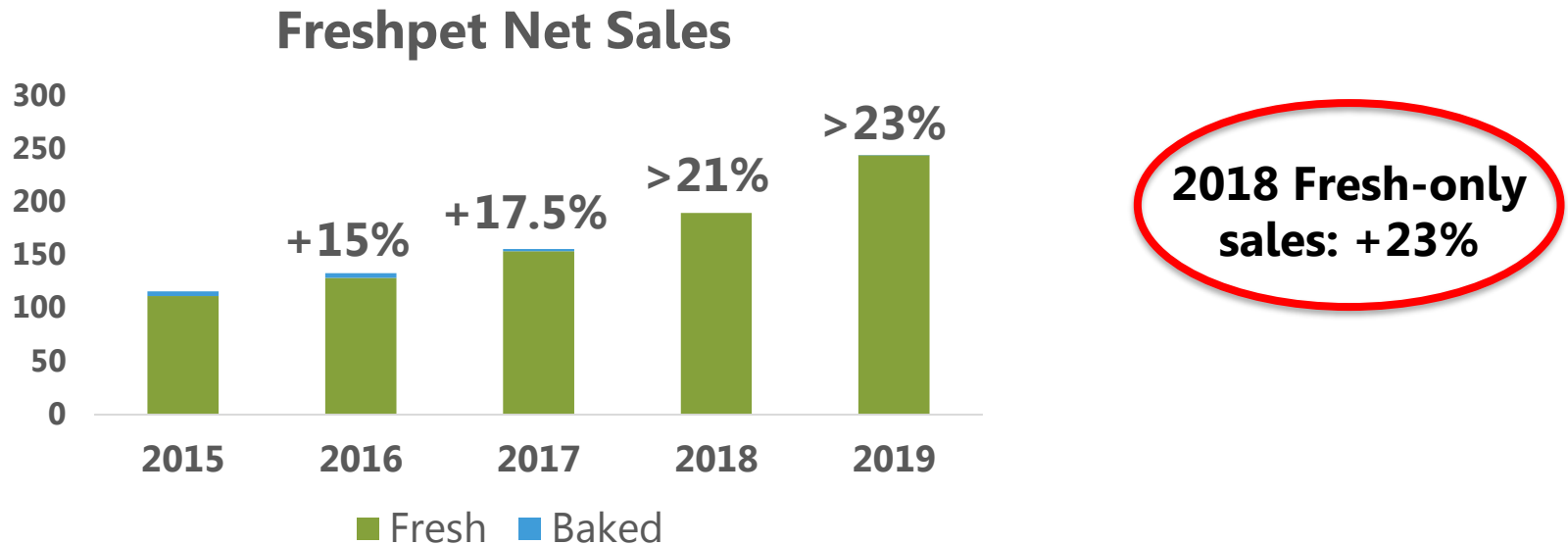


Freshpet[®]
*FEED THE
GROWTH*



YEAR II: Bigger and Faster

In 2018, we are accelerating fresh growth. . .



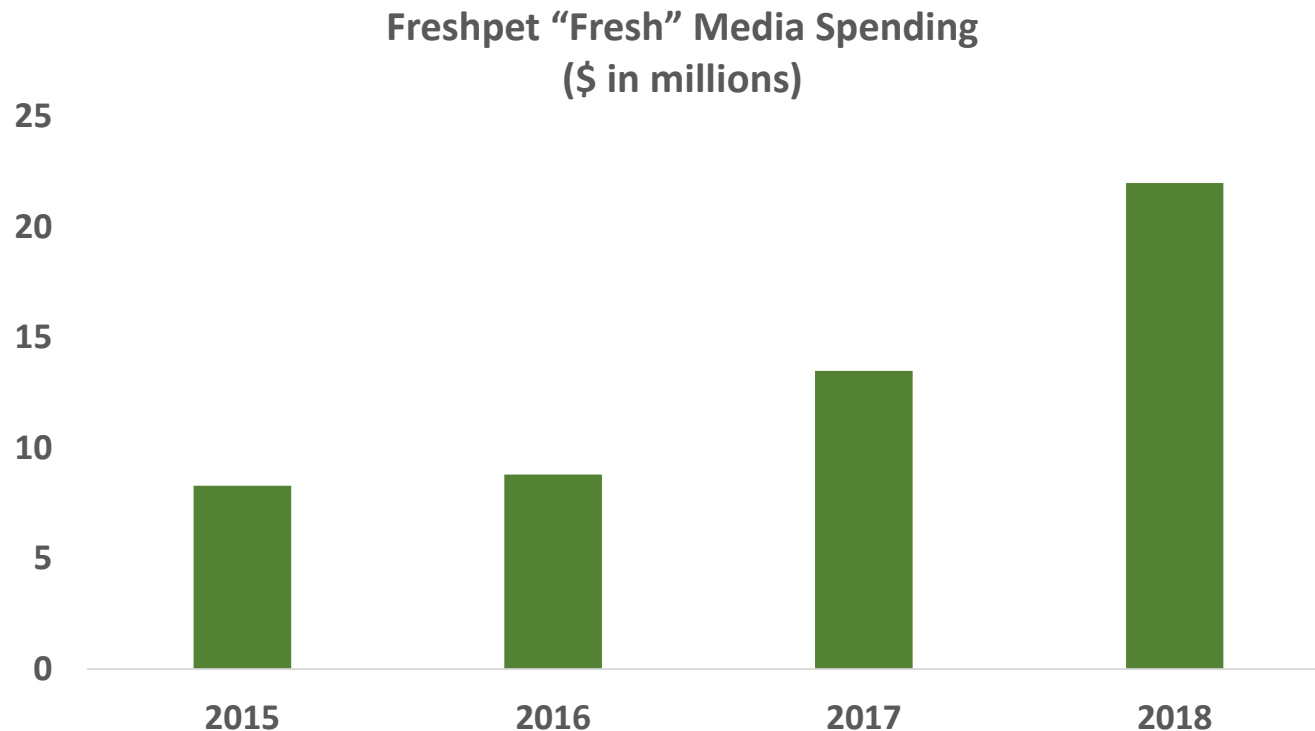
2018 Guidance

	2017	2018	% Change
Net Sales	\$152.4	>\$185	21+%
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

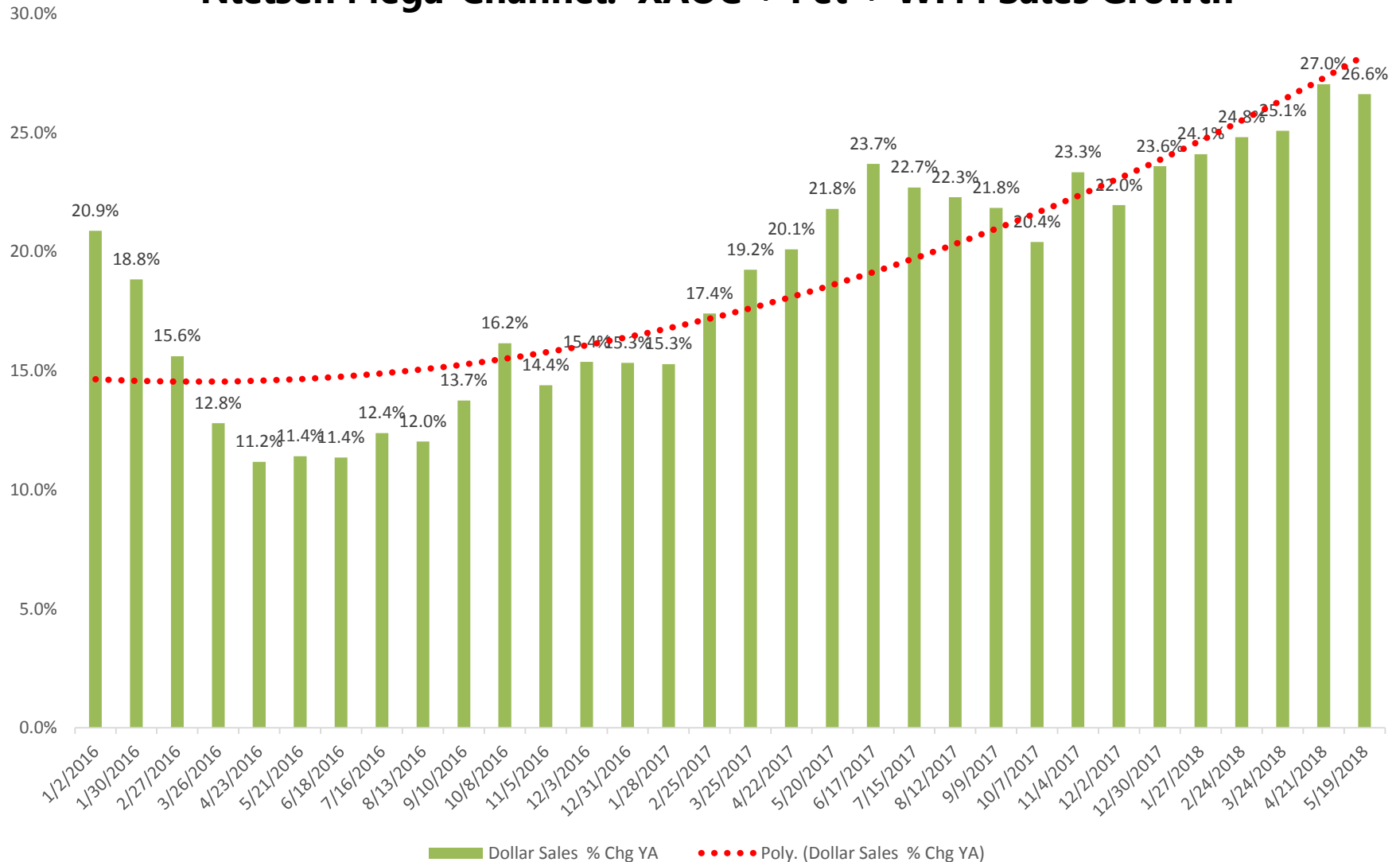


Select Roasted Meals
Multi-Protein

And the growth has accelerated again. . . .

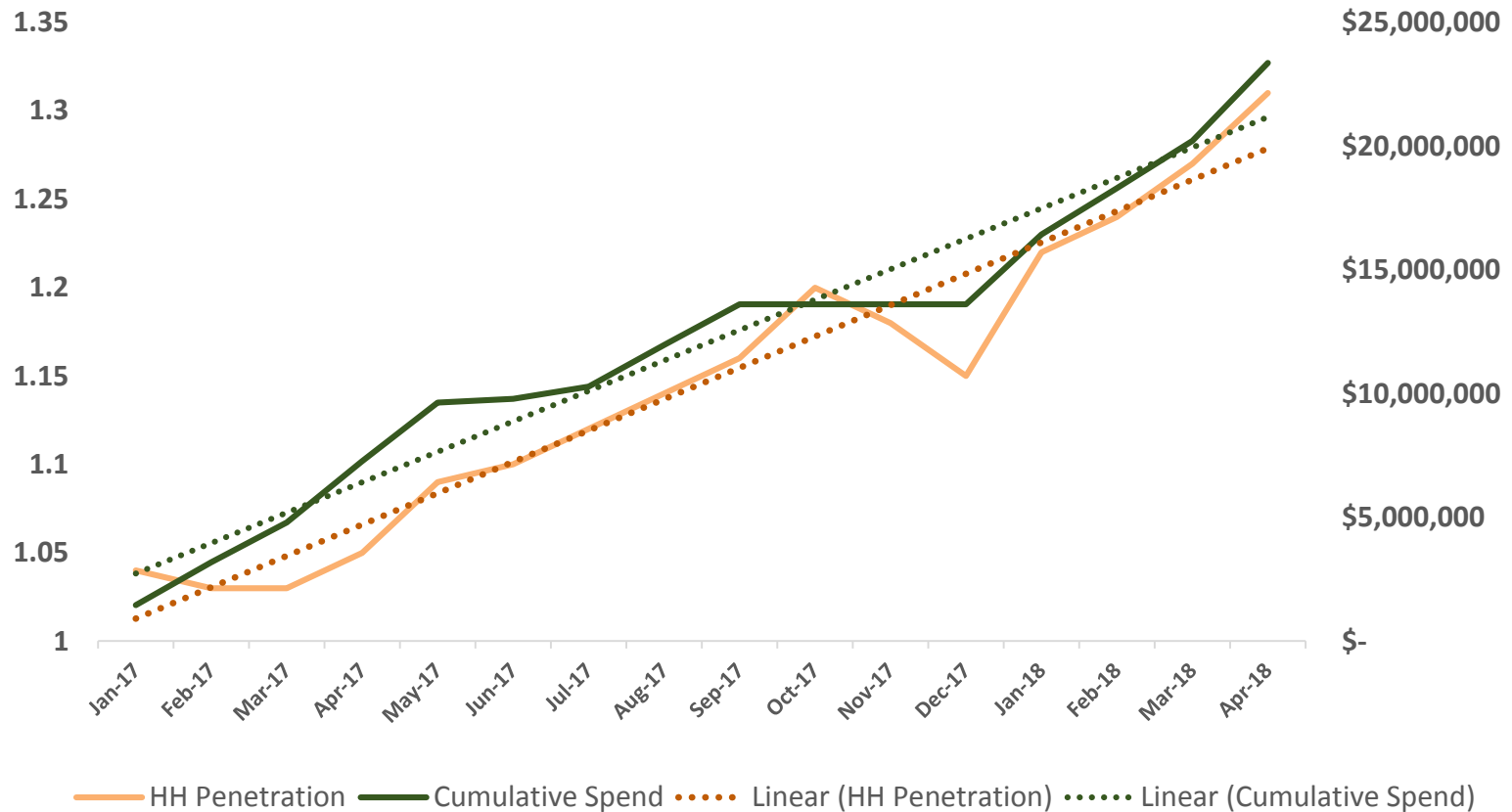
**YTD '18
consumption
+25%**

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



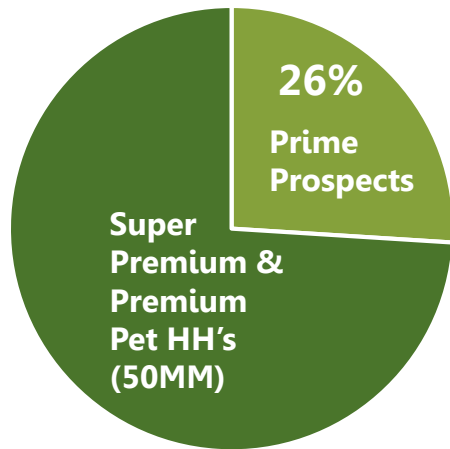
Growth is driven by advertising that drives penetration. . .

Cumulative Media Spending vs. 52 Week Core Dog Penetration



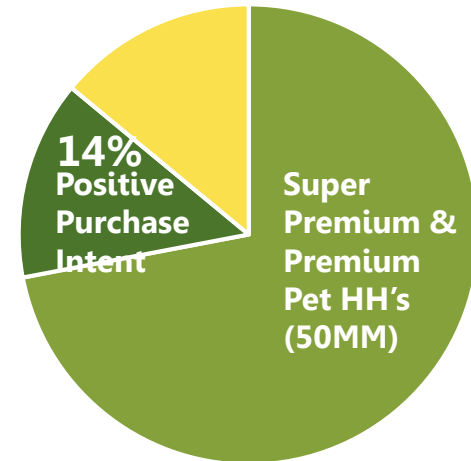
Just scratching the surface of HH penetration potential . . .

Prime Prospects



With Top 2 Box Purchase Interest in Freshpet Concept

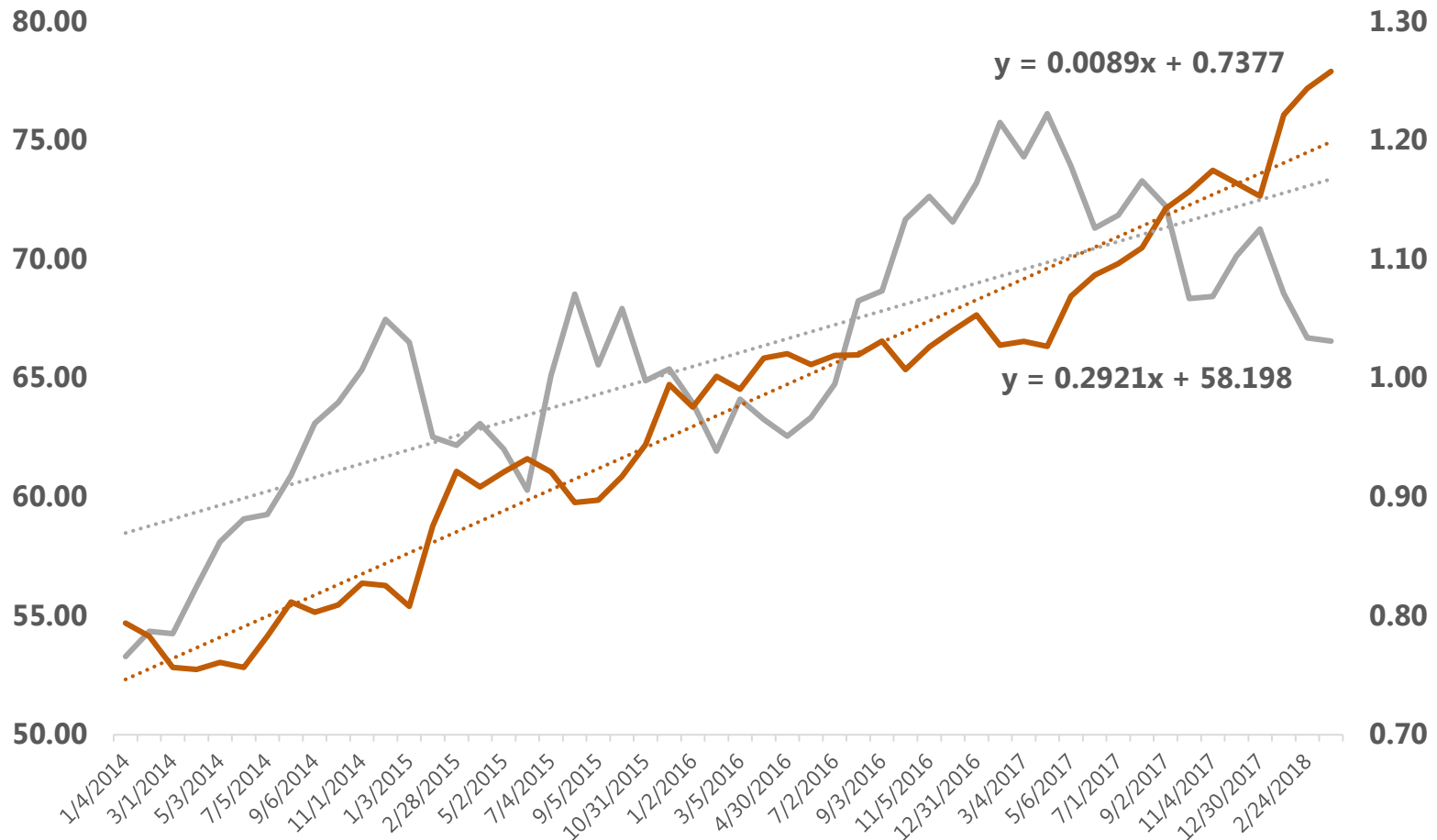
PP's with Positive Interest (53%)



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

Also driving buying rate up . . .

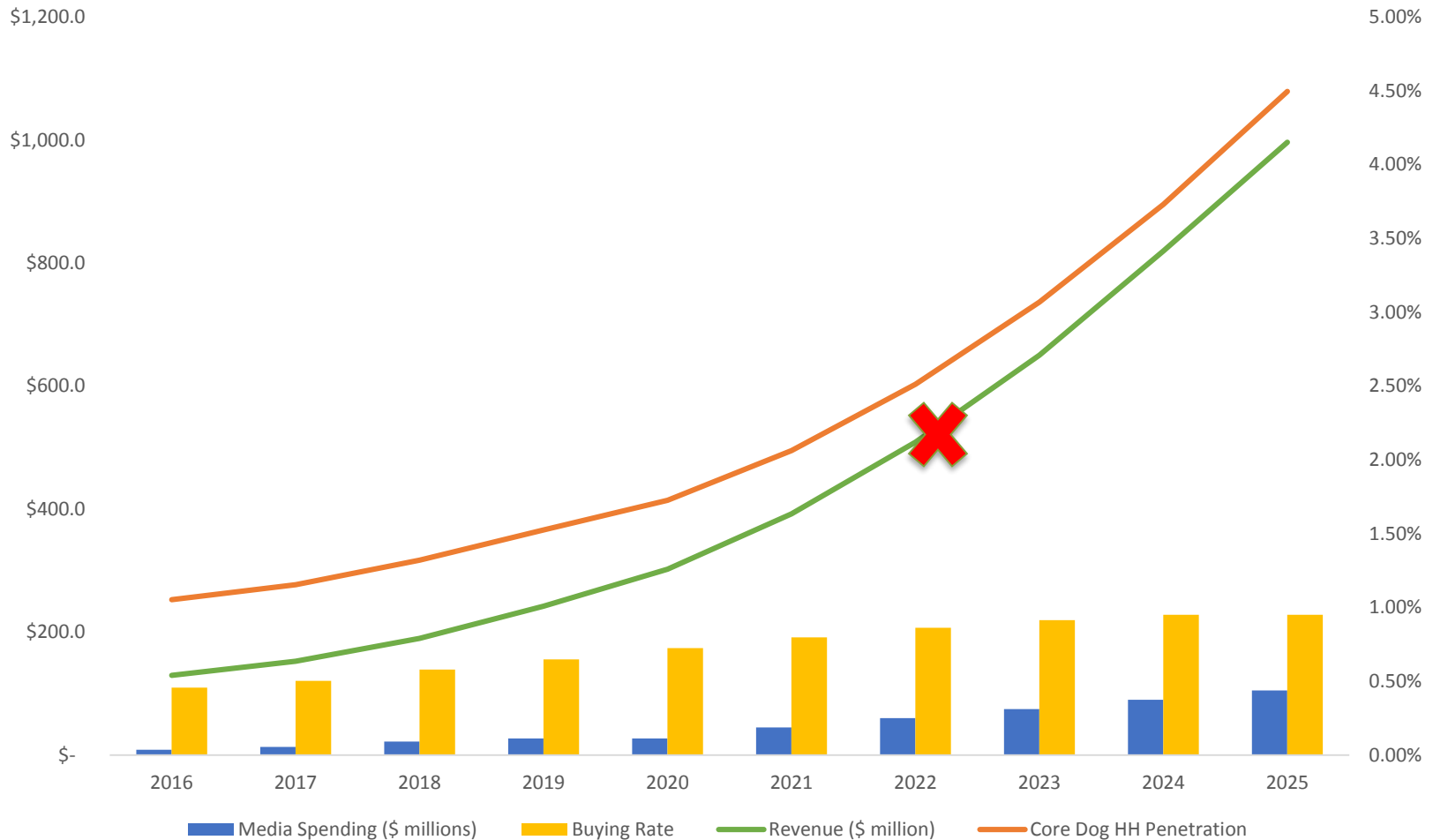
**Freshpet Buying Rate and Penetration
Core Dog (Rolls, RM, FFTK)
52 weeks ending monthly**



— \$ Per HH Prch — Penetration Linear (\$ Per HH Prch) Linear (Penetration)

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

Freshpet Growth Potential



Further strengthening our barriers to entry . . .



Enabling us to expand our manufacturing advantage . . .



Quakertown

Kitchens

Kitchens
2.0

Improving Safety, Quality, Value, Customer Delight

By creating Freshpet Kitchens 2.0 . . .

Use automation to further improve:

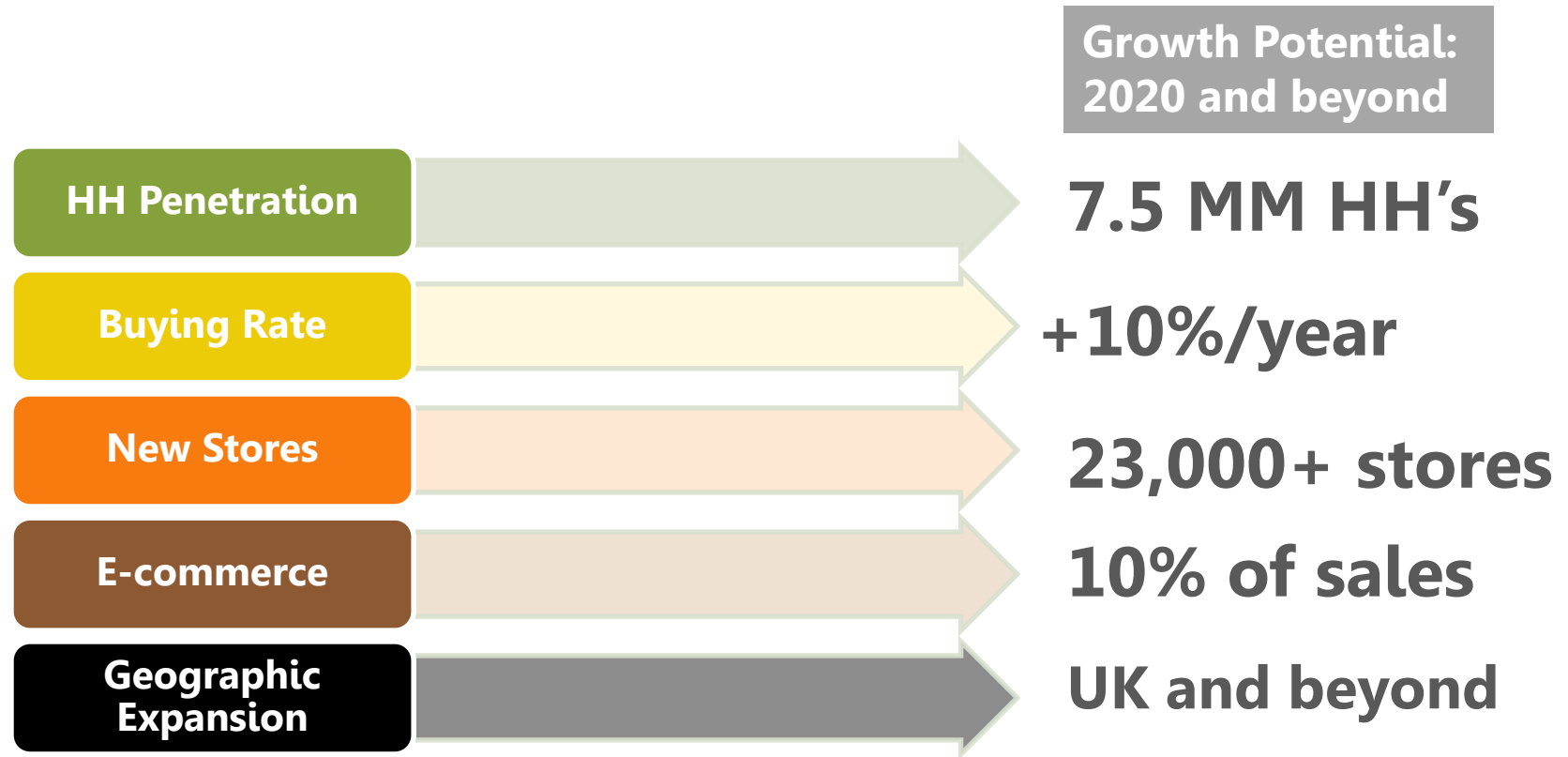
- Quality
- Safety
- Cost



Kitchens 2.0 plan will deliver . . .

- **Efficient use of capital:** Payback in <2 years
- **Strengthened manufacturing expertise advantage:** Increased automation delivers improved quality, safety and lower cost – improving gross margins
- **Continued focus on existing gross margin improvement goals:** We will not let Kitchens 2.0 work dilute our near term gross margin improvement efforts

Positioning Freshpet for future growth beyond 2020...



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

Melissa & Zooka
Canton, MI





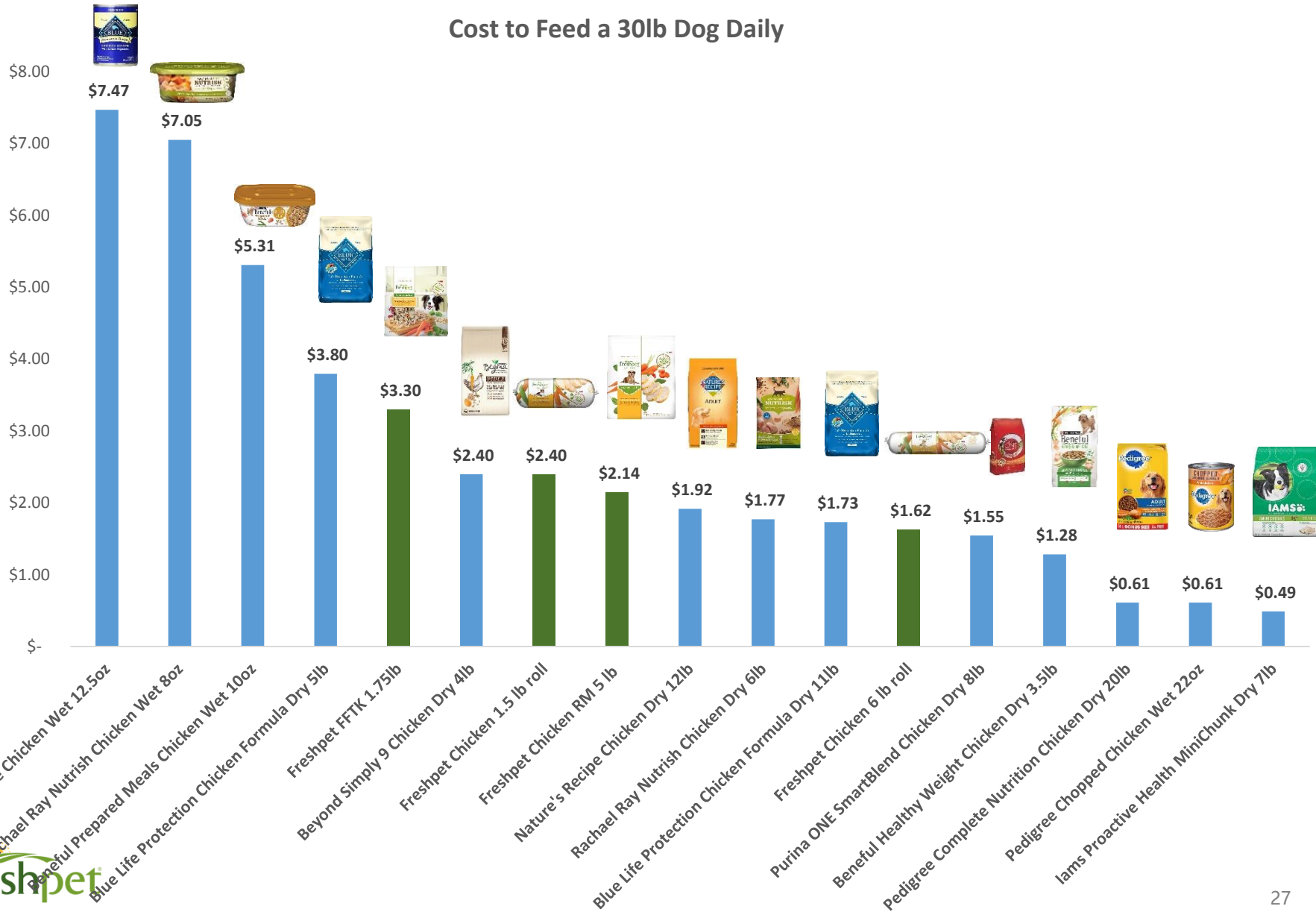
APPENDIX



Grocery and Mass

Select is middle of the pack on cost to feed

Cost to Feed a 30lb Dog Daily



Pet Specialty

Vital is an economical choice in Pet

Cost to Feed a 30lb Dog Daily Title

