



pets. people. planet.

Investor Presentation

March 2021



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 gain (loss) on disposal of equipment, plant start-up expenses, non-cash share-based compensation, launch expense, fees related to equity offerings, COVID-19 expenses, and fees associated with due diligence of new enterprise resource planning (“ERP”) software.

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

Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, plant start-up costs, 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, and fees associated with due diligence of new ERP software..

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 2020, for which the Company has not yet completed its internal or external audit procedures. 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.



Today's Objectives

- **Brief Intro to Freshpet**
- **2025 Goals and Plans to Achieve Them**
 - How Freshpet is ideally positioned for the coming generational shift
- **Update on Q1 Production and Consumption**
- **Capacity Addition Progress and Plans**

Mission: Awaken the world to a better way of feeding pets



We operate differently:

A healthier happier world where pets people and planet thrive



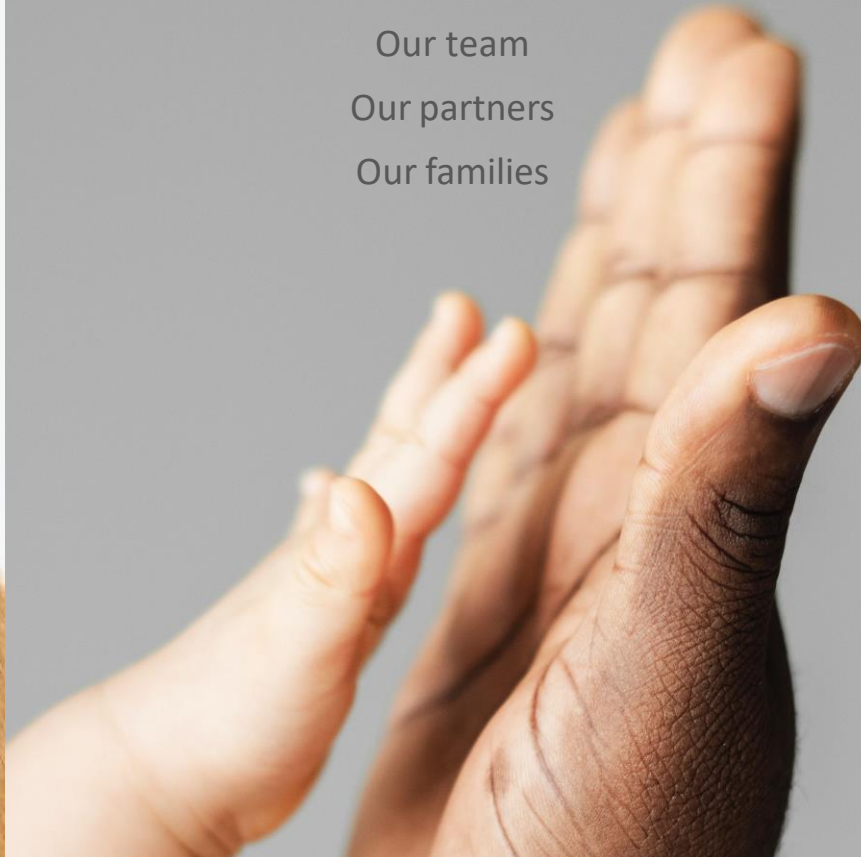
pets.

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



people.

Our team
Our partners
Our families



planet.

Renewable energy
Carbon footprint offset
Conservation – land fill free
Sustainable practices



\$30 billion industry stuck in 1950



Dogs had a different place in families in 1950's



Dogs are now part of our family



Zoeyia (Zoo-ey-ah)

The positive benefits to human health from interacting with animals



Immune System Development



Psycho-Social Development



Support Coping & Recovery



Catalyze Social Interactions



Motivate Regular Exercise

First major innovation since dry kibble in 1956



1956



2006

12

Freshpet Fresh from the Kitchen is a giant leap forward versus canned dog food



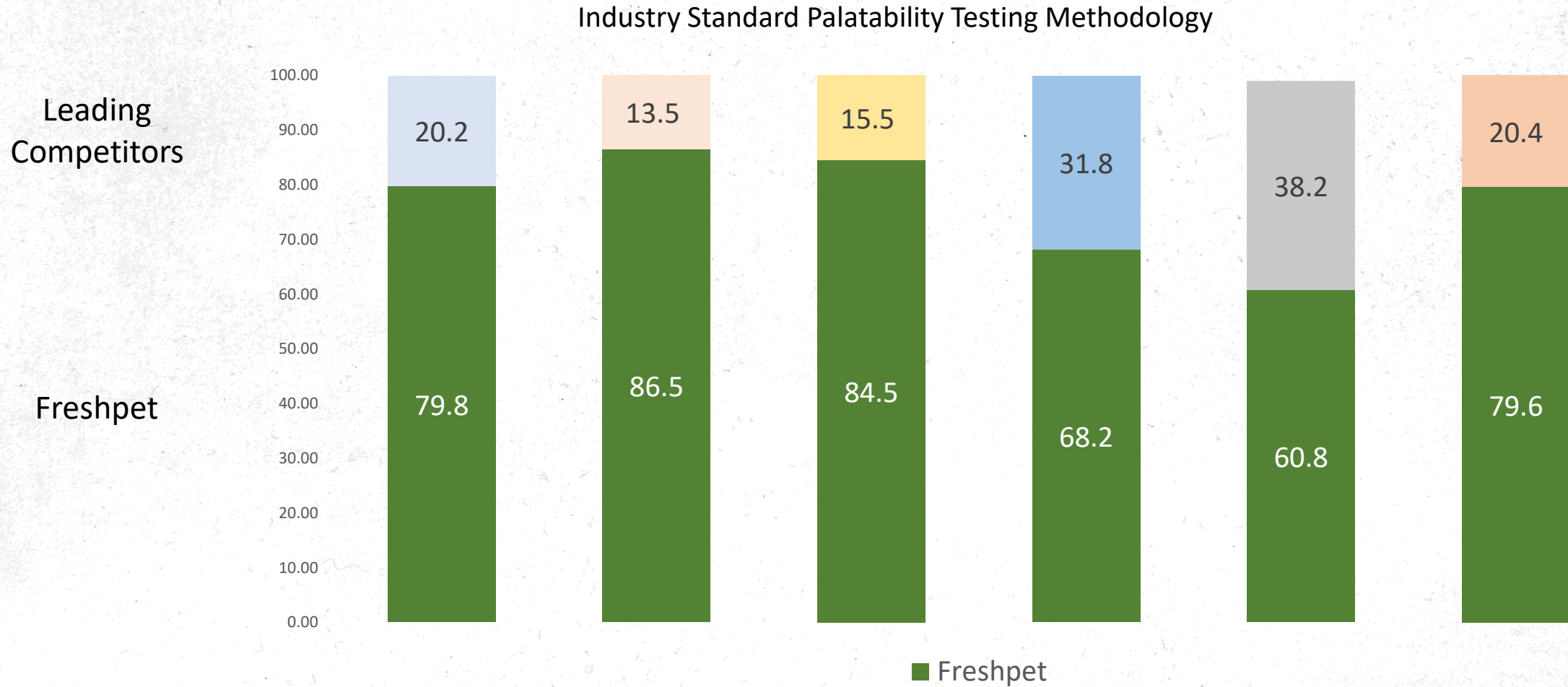
1922



2015

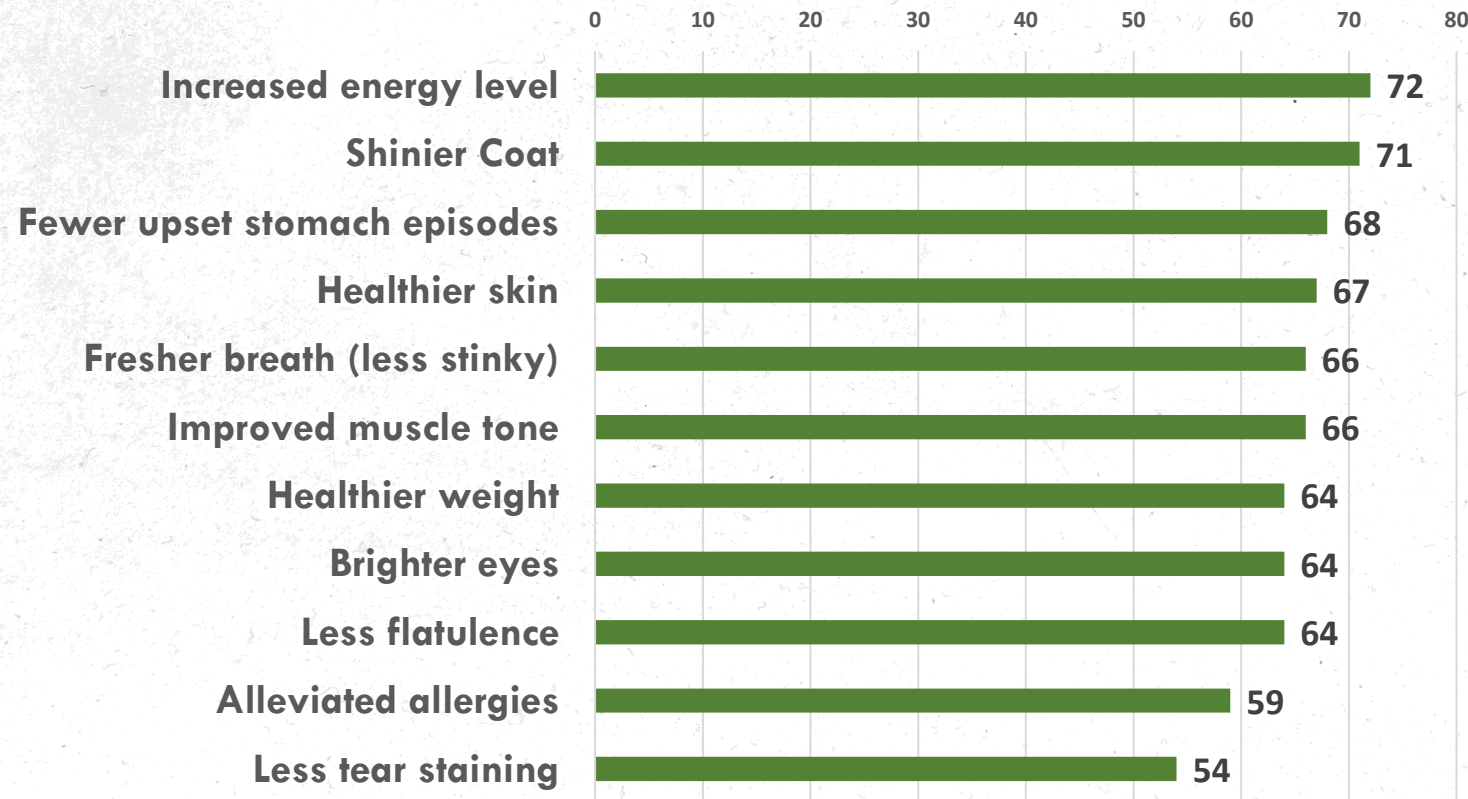


Exceptional palatability

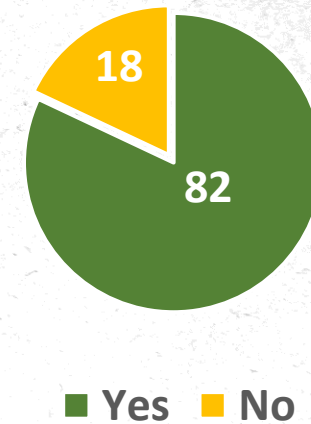


82% of consumers notice a visible difference

% Noticed Visible Health Difference

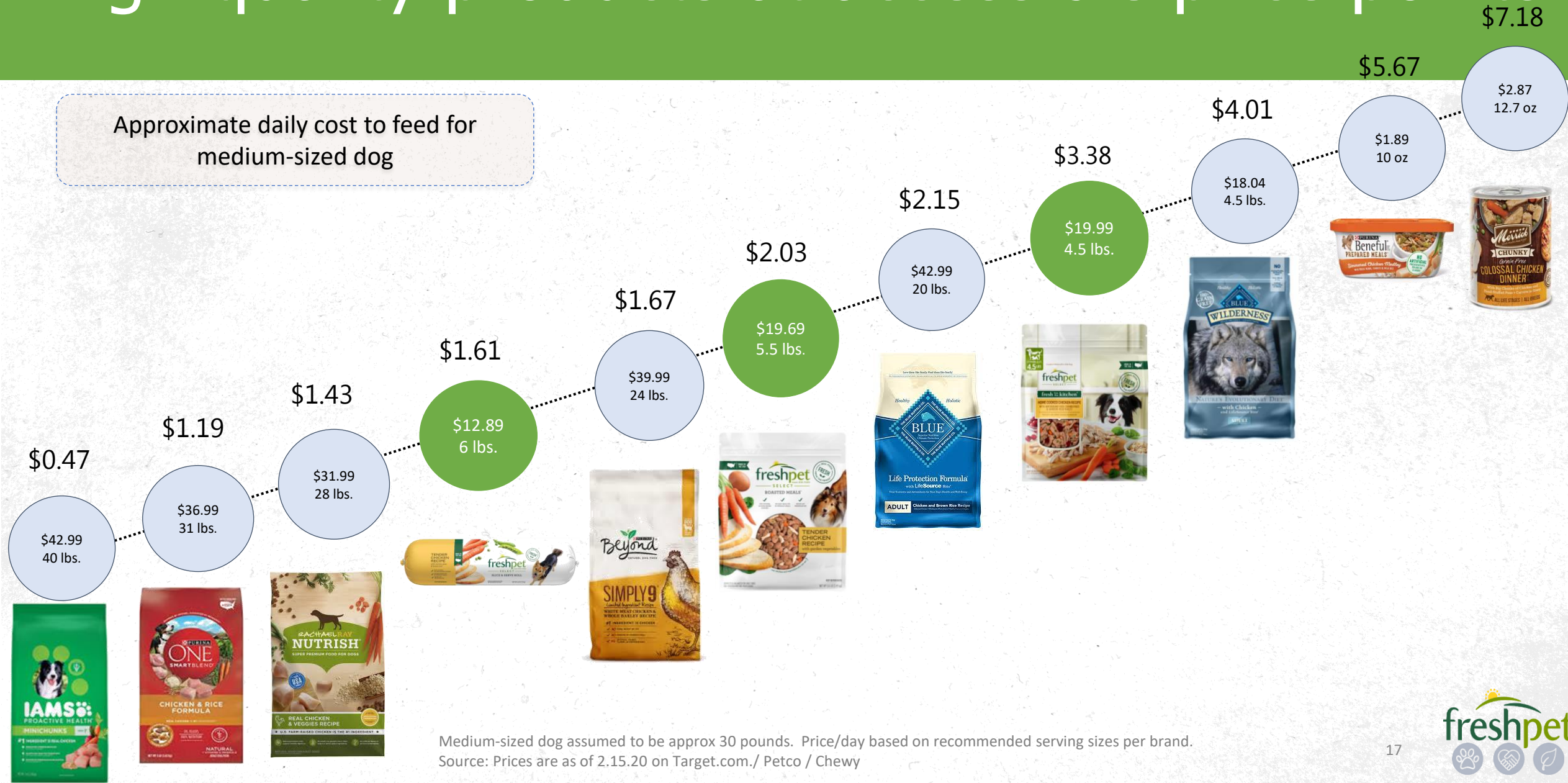


Noticed a Visible Health Difference



High quality products at accessible price points

Approximate daily cost to feed for medium-sized dog



Medium-sized dog assumed to be approx 30 pounds. Price/day based on recommended serving sizes per brand.
 Source: Prices are as of 2.15.20 on Target.com./ Petco / Chewy

>22,700 stores with company-owned Freshpet Fridges



>55% ACV



>1 Fridge in 2,477 stores



Freshpet e-com grew +173% in 2020; accounted for 6.1% of net sales in Q4 2020

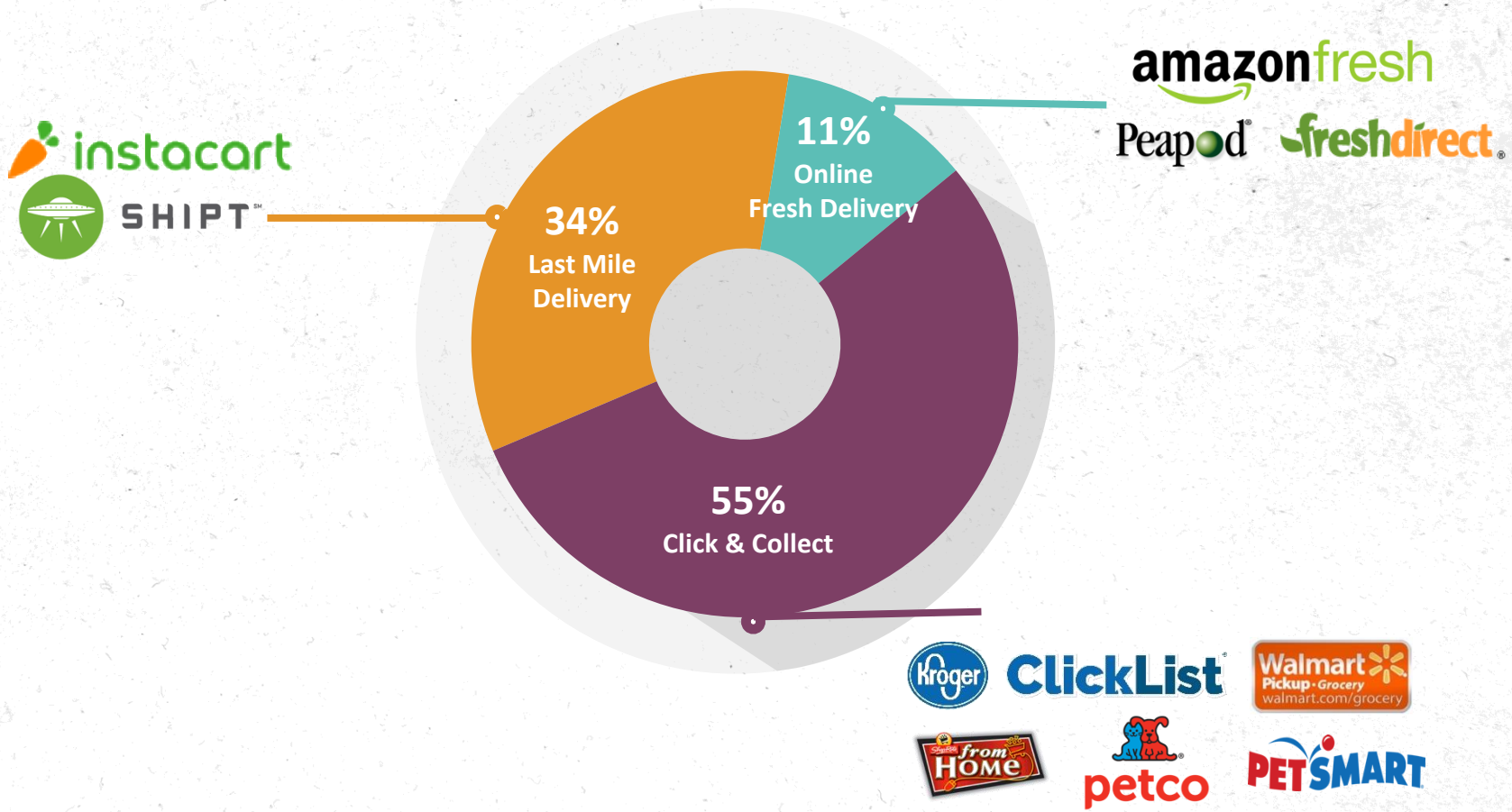
2020 - 4.9%
% of total FP sales through e-com

89% of Sales contribute to brick & mortar

e-com business model established with strong returns

2021+ will see 3x+ marketing investments

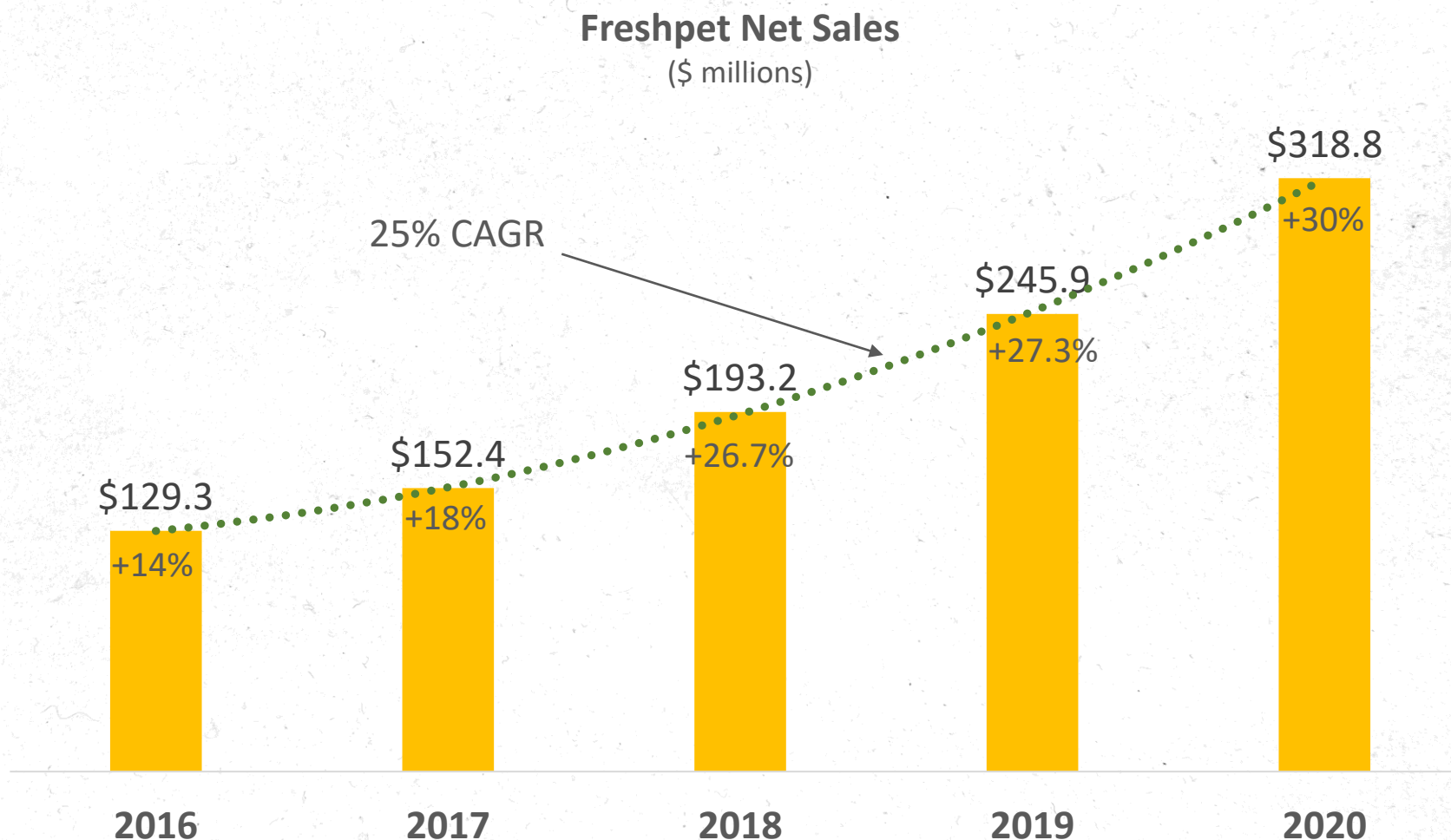
2021 - major expansion with partners



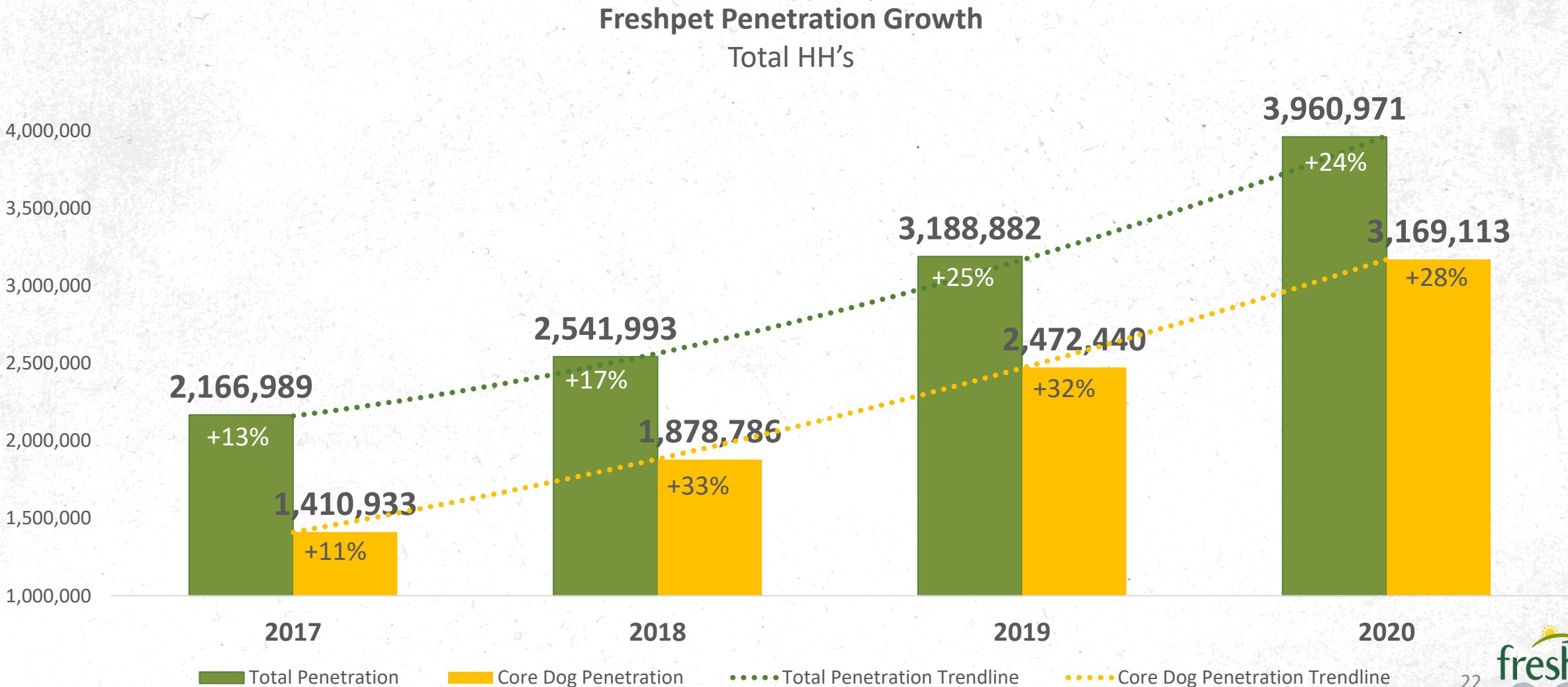
“Feed the Growth” creates scale and leverage through accelerated growth rate



2020: Fourth consecutive year of accelerating growth

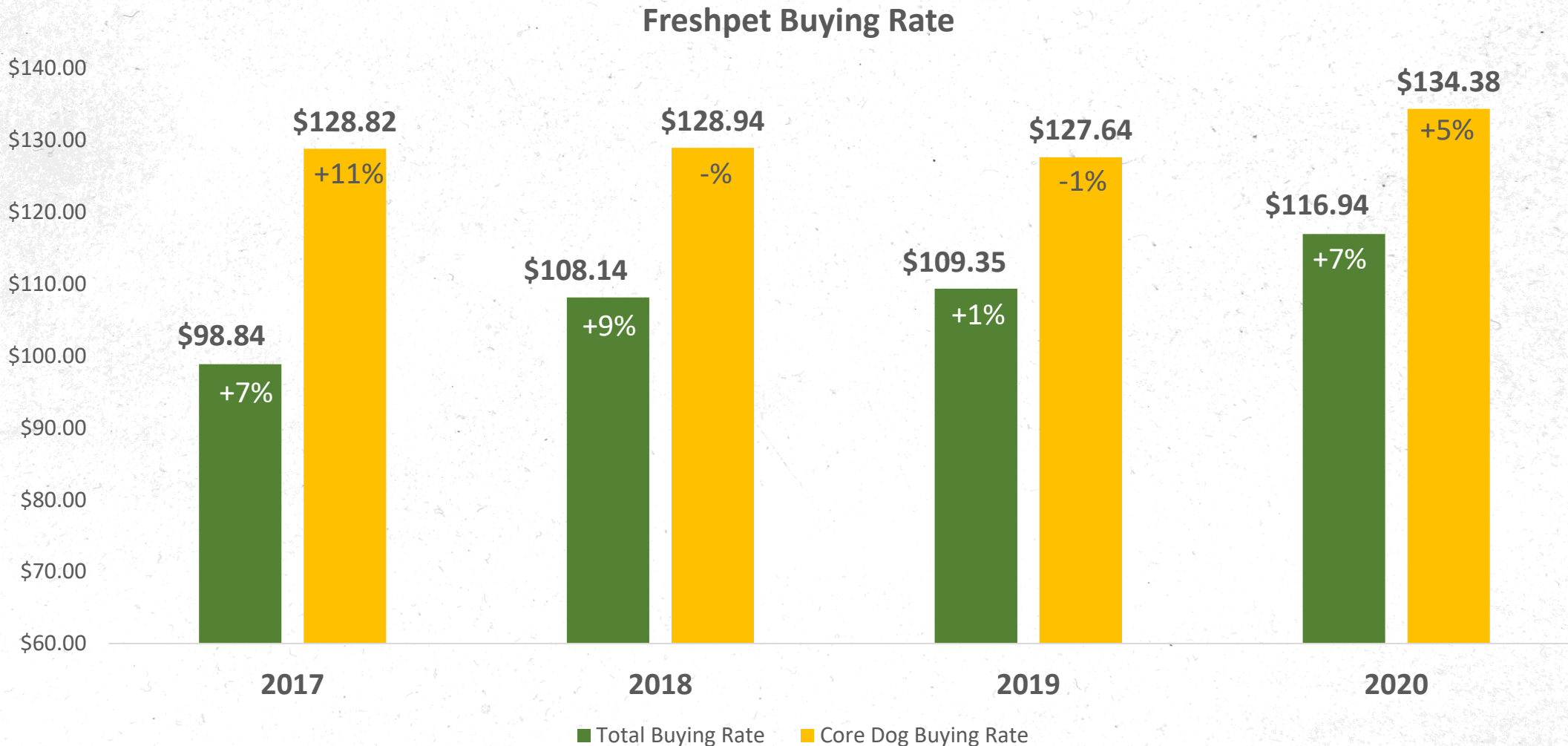


Strong, sustained growth in HH penetration

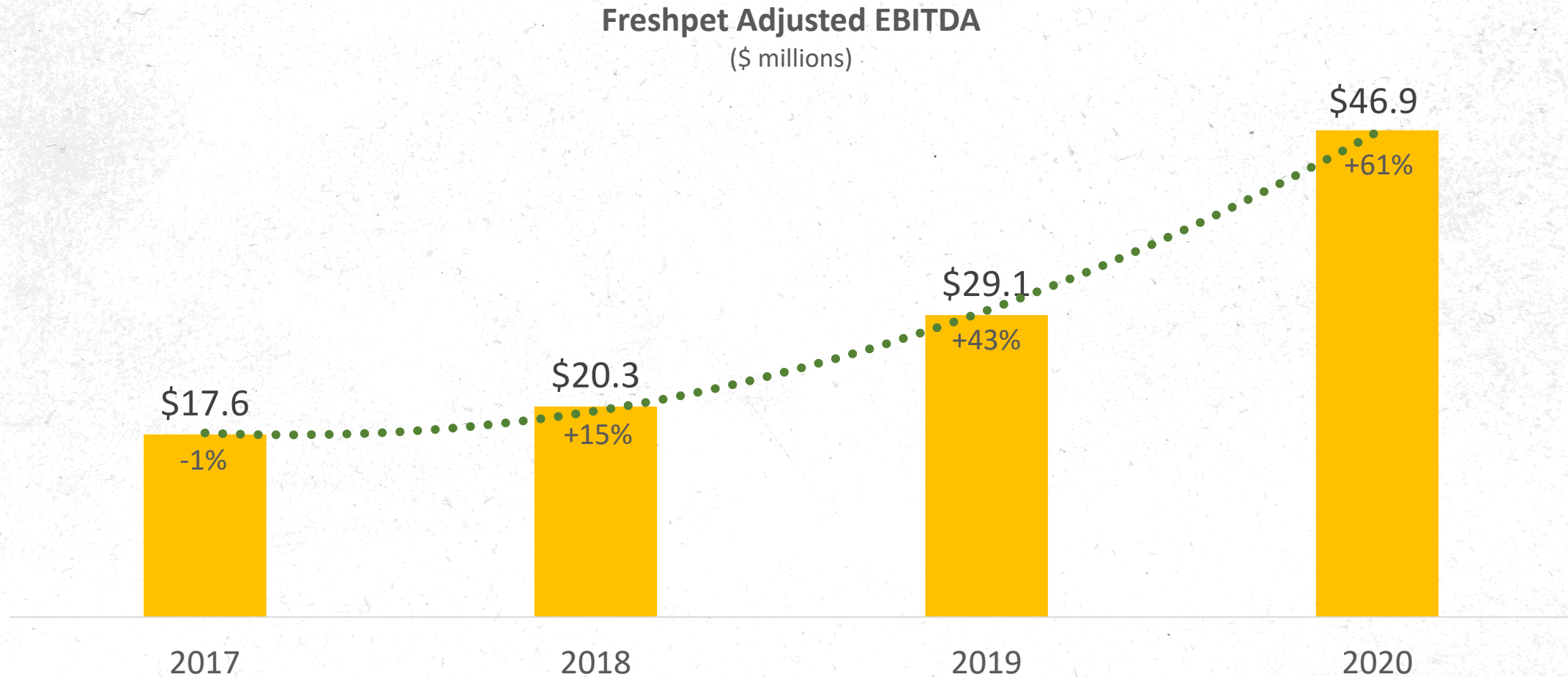


Source: Nielsen HH Panel for the period ending late December 2016-2020

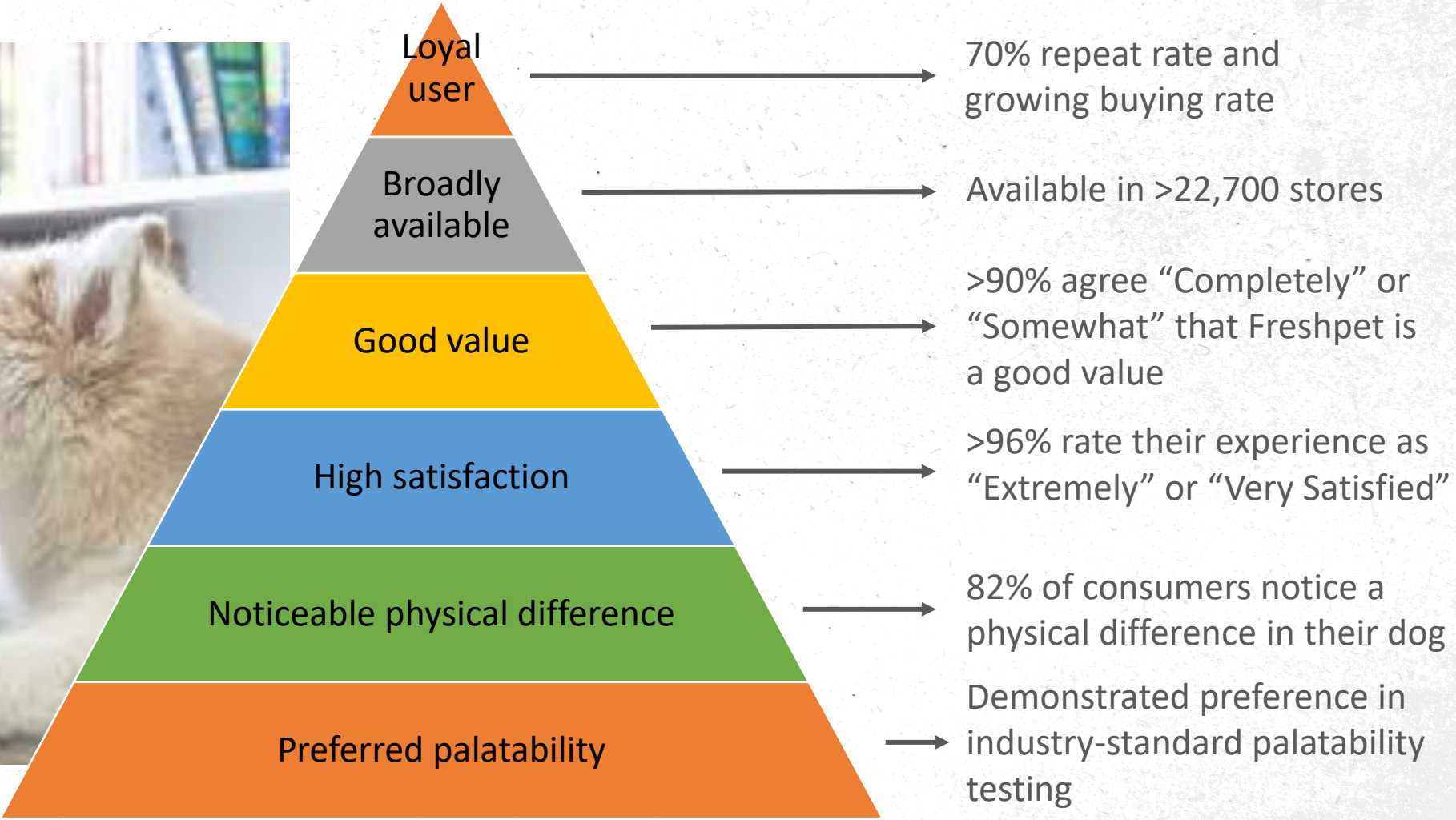
Growing buying rate despite dilution from new HH's



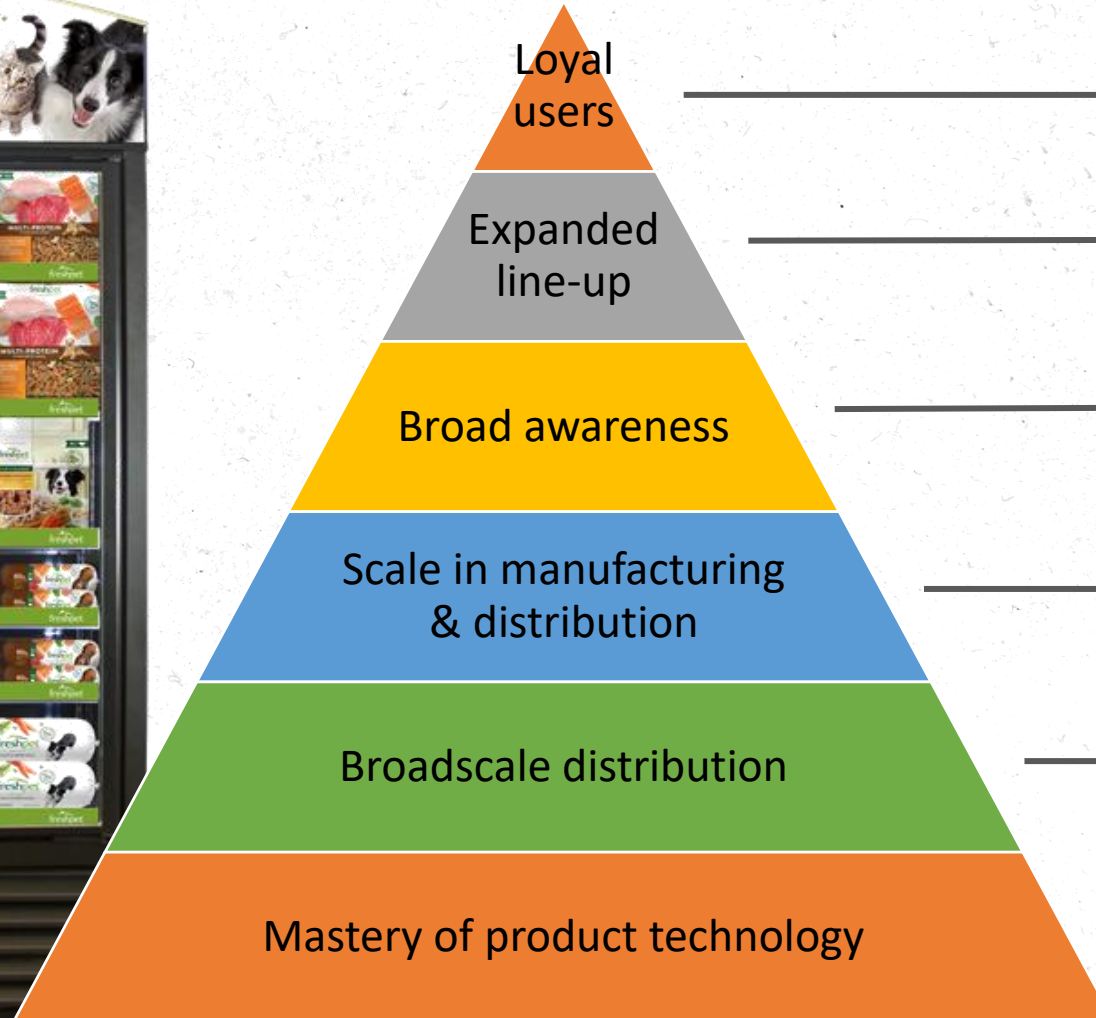
Benefits of scale are flowing through to the bottom line



Exceptional consumer experience creates a loyal consumer franchise and competitive insulation



Operational scale and mastery leads to a preferred offering and loyal franchise



Loyal users

70% repeat rate and growing buying rate

Expanded line-up

3 primary forms and expanding line-up tailored to more needs

Broad awareness

>\$100 million in advertising spent over a decade and growing

Scale in manufacturing & distribution

>\$500 million in production assets and increasing scale in distribution

Broadscale distribution

>\$110 million of Fridges in >22,700 stores and a service network to support them

Mastery of product technology

Delivers exceptional taste & nutrition with extended shelf life



2025 Goals and Building Blocks



freshpet[®]

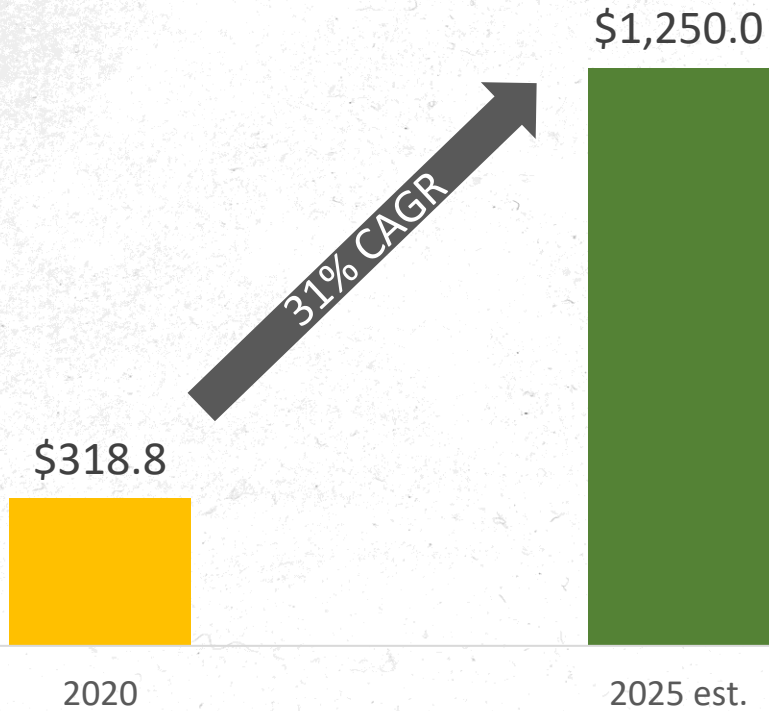
FEED THE GROWTH

11 MILLION HH BY 2025

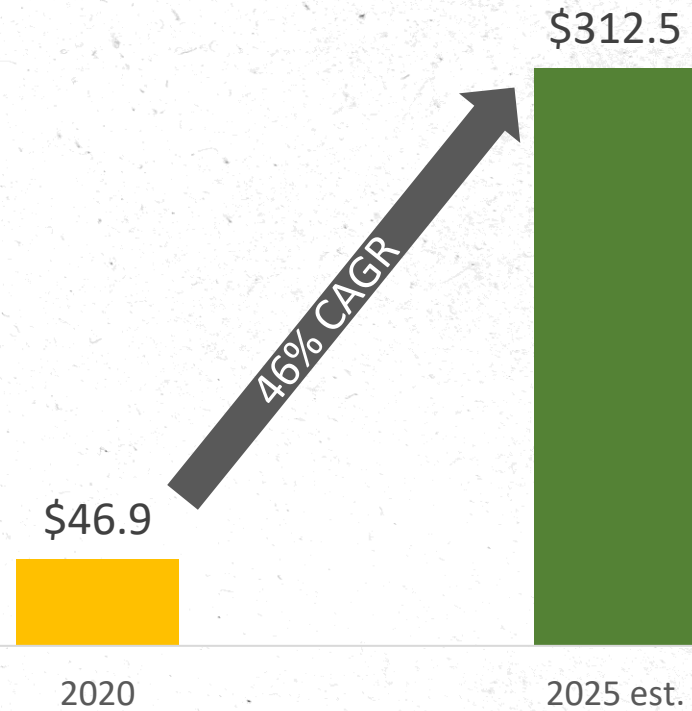


2025 Goals: Growth rates consistent with recent performance

Net Sales (\$ millions)

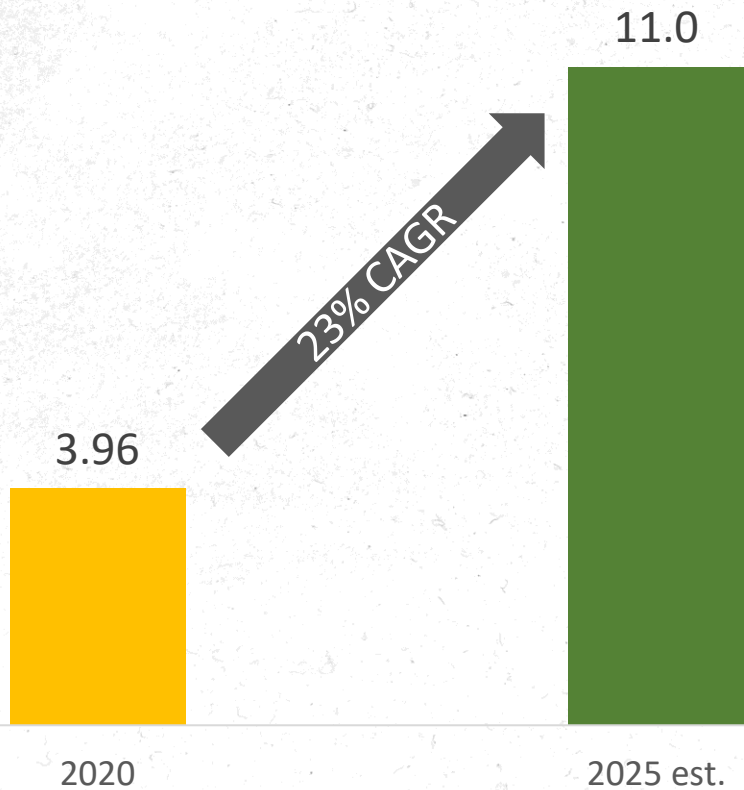


Adj. EBITDA (\$ millions)



2025 Goals: Continuing HH penetration and buying rate gains at same rate as 2020

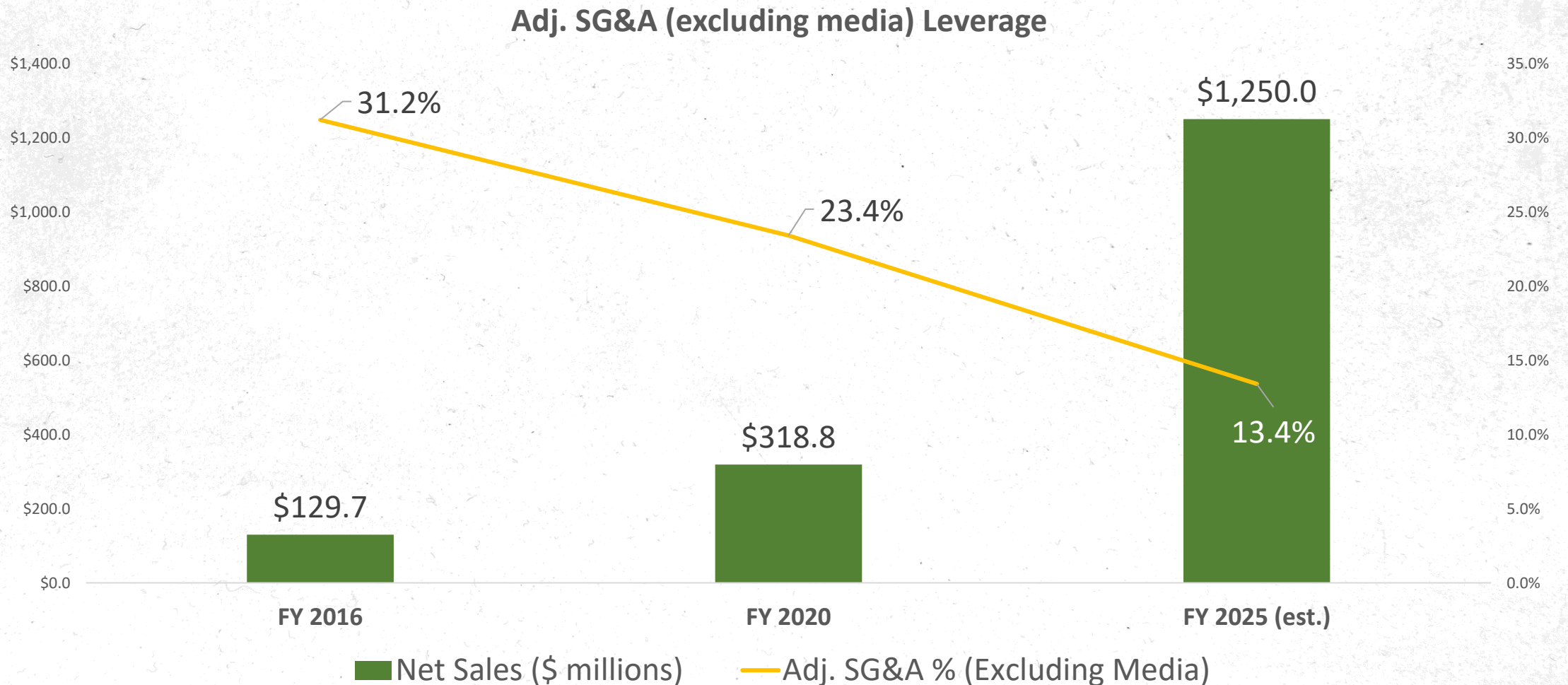
Total HH Penetration (millions)



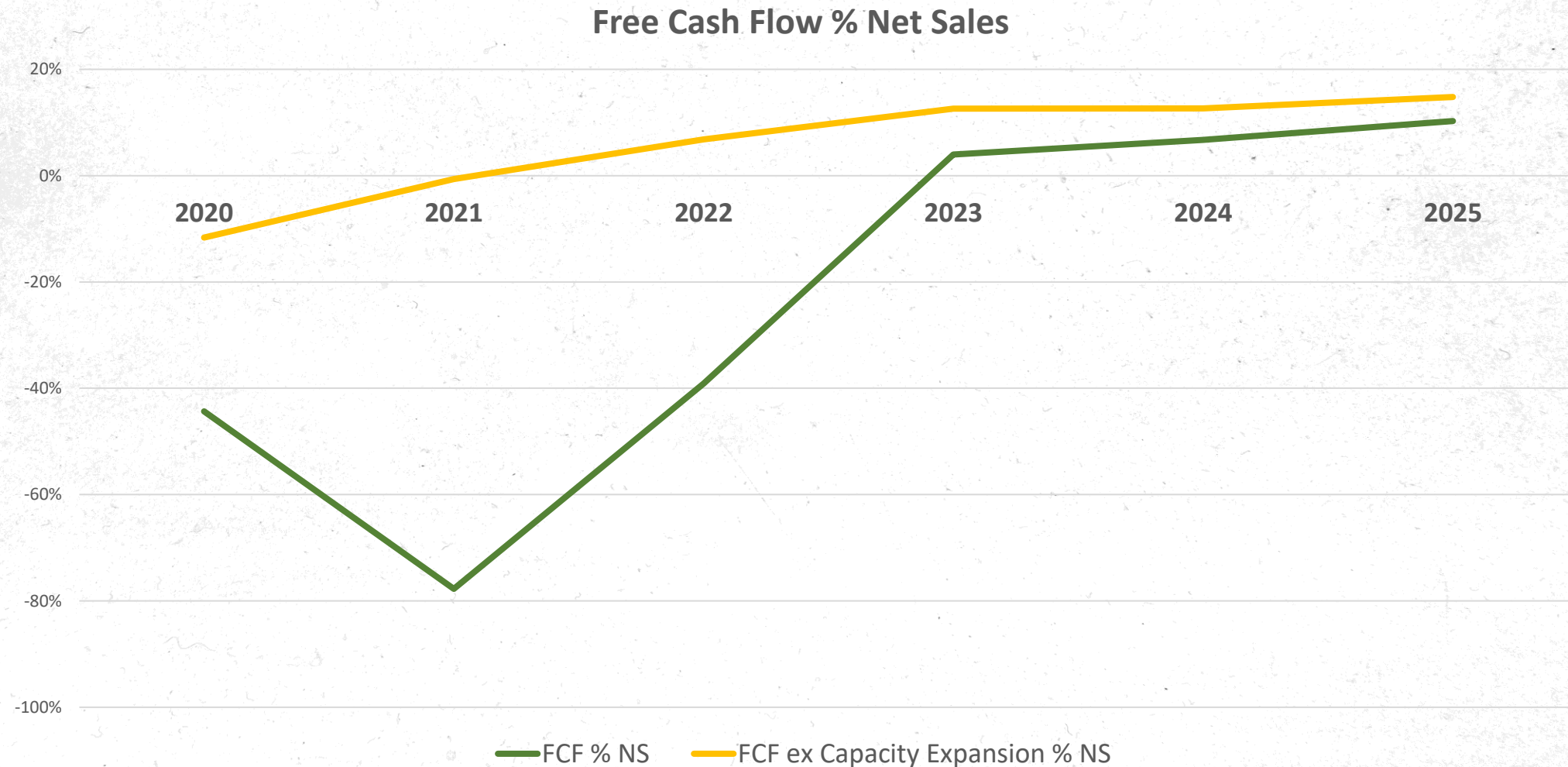
Buying Rate (\$/HH/Year)



Generating 1000 bps of Adj. SG&A (excl. media) leverage



Generating strong free cash flow by 2023

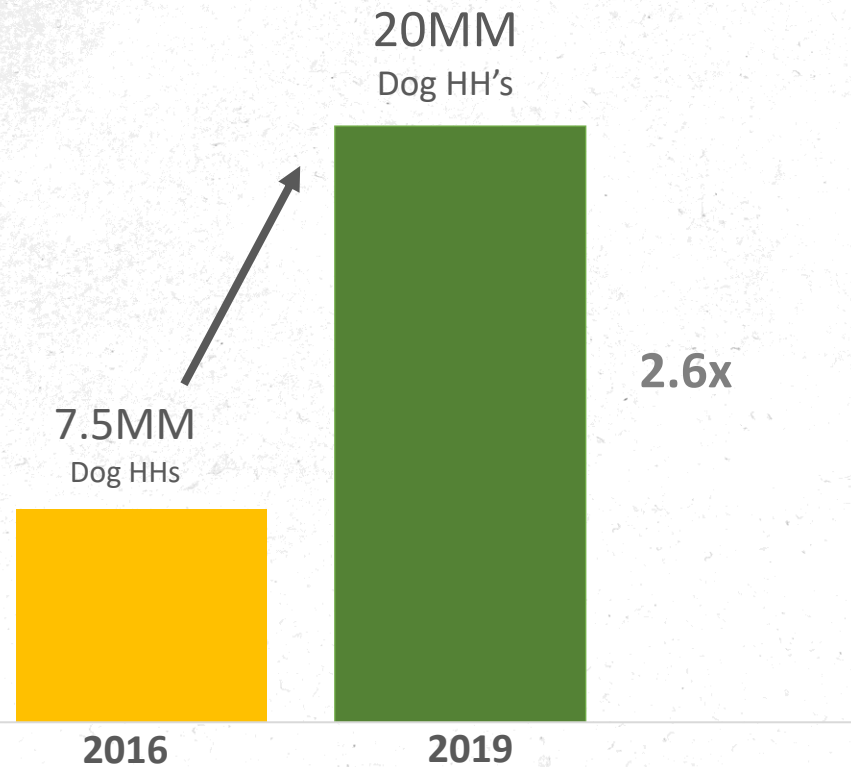




Generational Shift

Freshpet's Prime Prospects continue to grow; the values of Prime Prospects are the values of the next generation

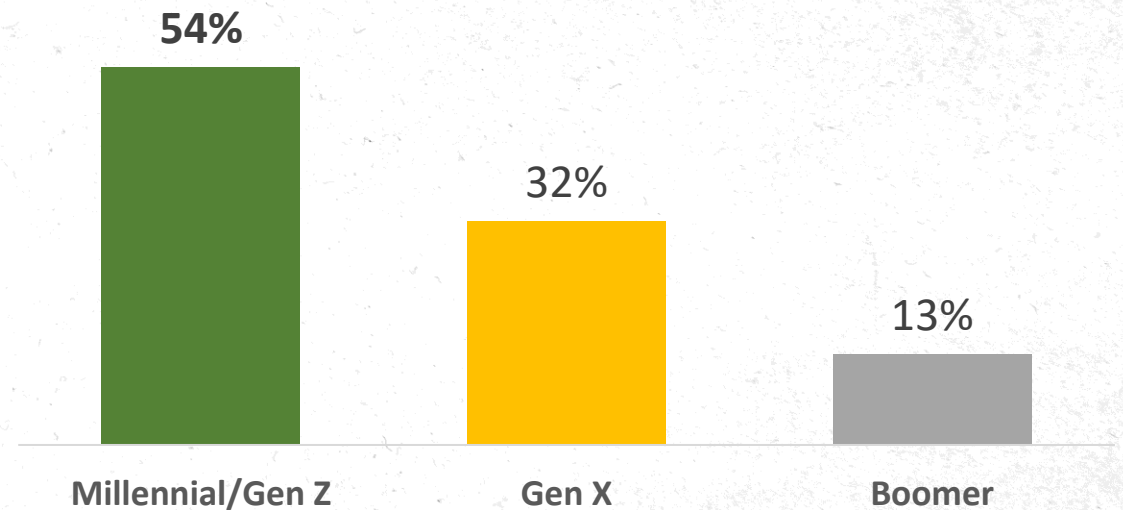
Prime Prospects



Prime Prospects are dog food buyers who share similar values to current Freshpet buyers on factors such as:

- Importance of fresh, natural and preservative-free foods
- Willing to sacrifice their needs to make their dog happy
- Made with humanely sourced and sustainable ingredients
- Willing to pay a premium for good food

% of Prime Prospects by Generation



Millennials are driving the pet food industry today

Millennials Can't Afford Homes or Babies, But They Own All the Pets

With few other luxuries within reach, my peers and I are finding comfort in our fur children



Minyoung Lee Dec 7, 2020 · 5 min read ★



Forbes

Why Are So Many Millennials Opting For Pets, Not Parenthood?

76% of Millennials Are Pet Parents—Here's What They've Been Buying for Them

Aug 24 2020

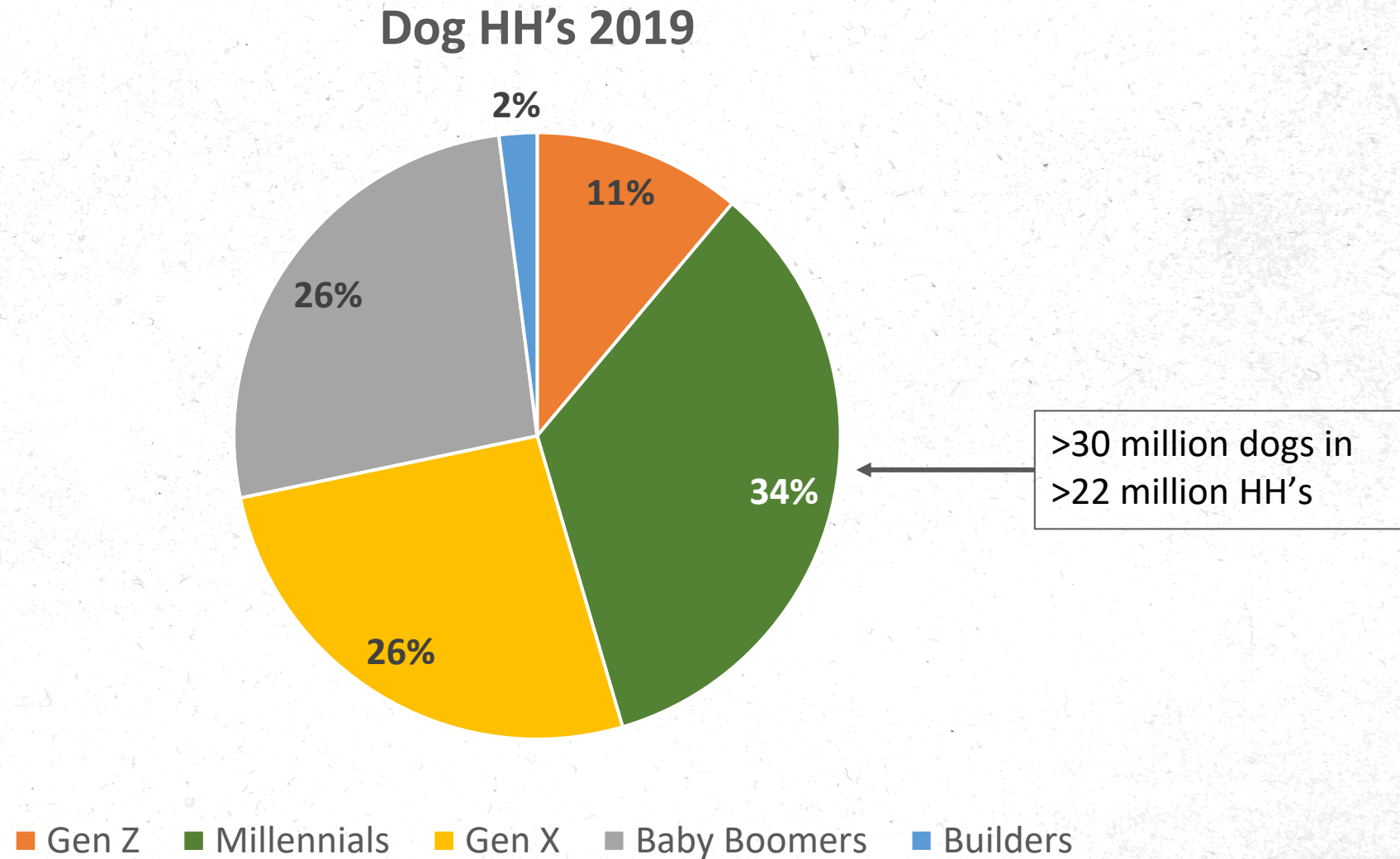
PEOPLE.COM > PETS

New Report on Pet Care Costs Reveals Millennials Spend More on Their Dogs Than Baby Boomers

The average annual cost of owning a dog can range from \$650 to \$2,295, the report found

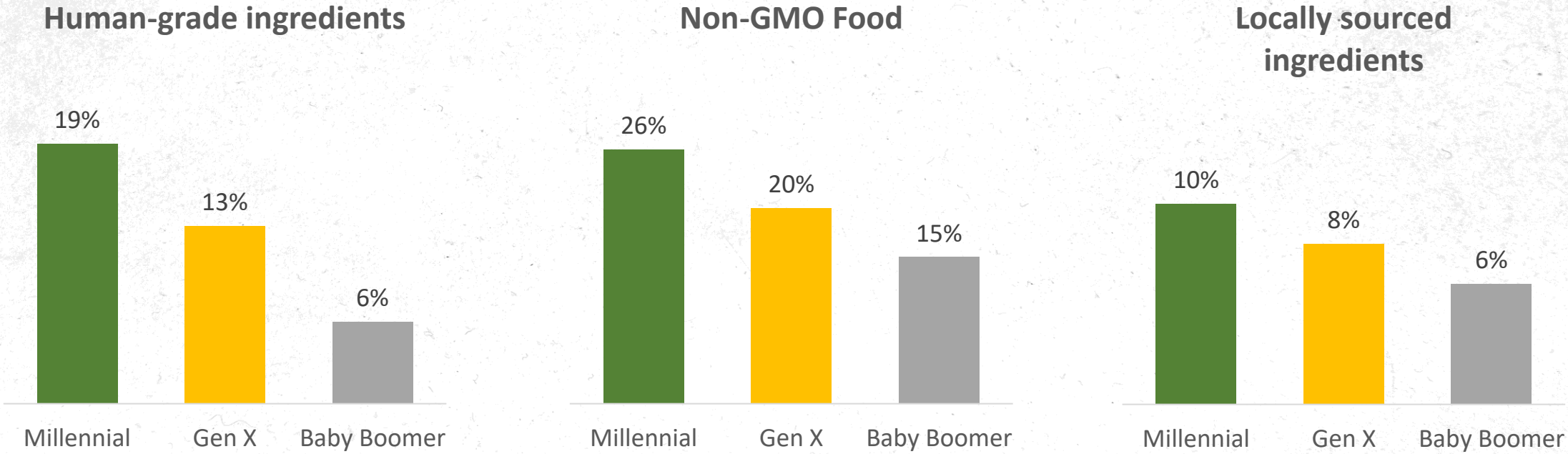
By Ally Mauch | August 20, 2020 03:21 PM

Millennials: Largest share of the dog food market today



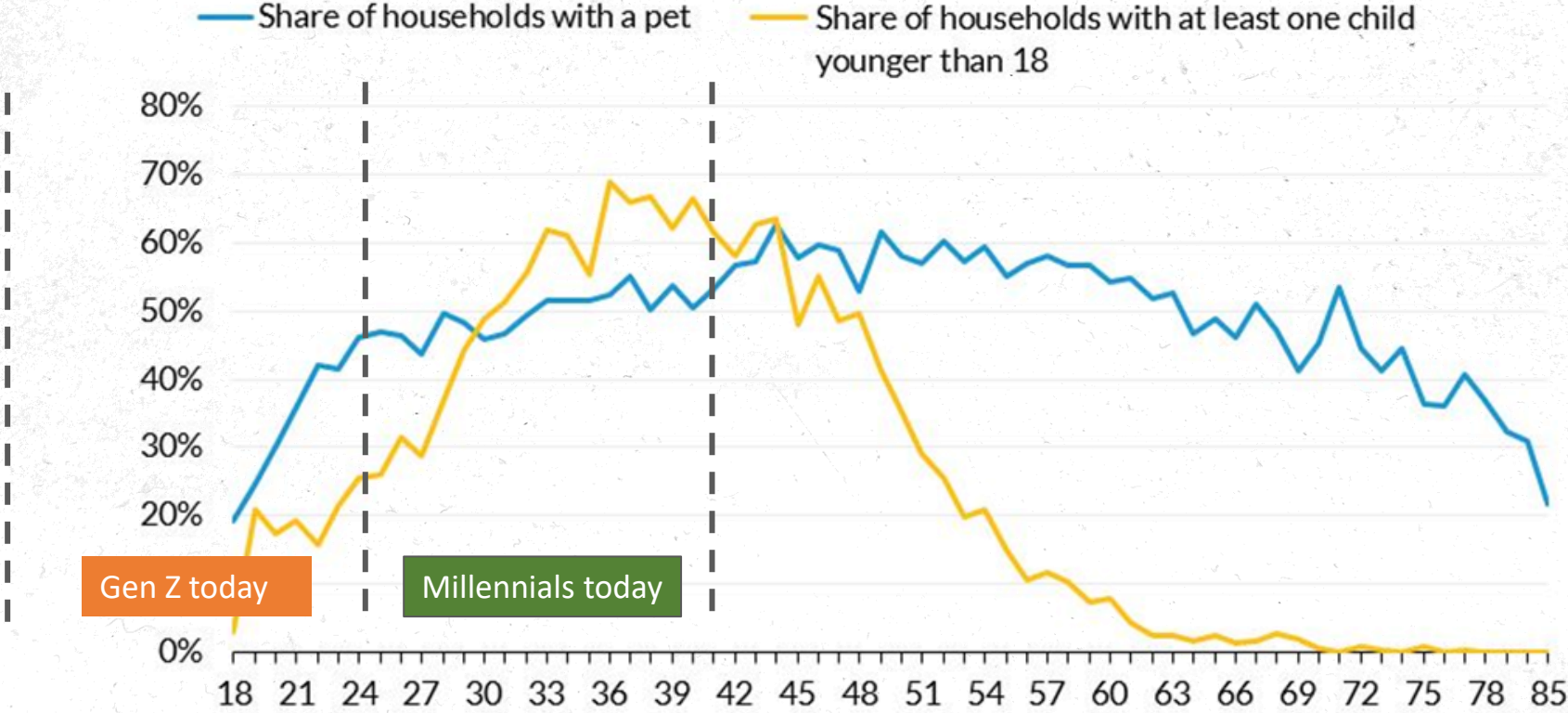
Millennials are seeking pet foods like Freshpet

Purchased pet food with these attributes:



Share of Millennial HH's with a pet will plateau in a few years – while GenZ will be on the rapid rise for the next decade

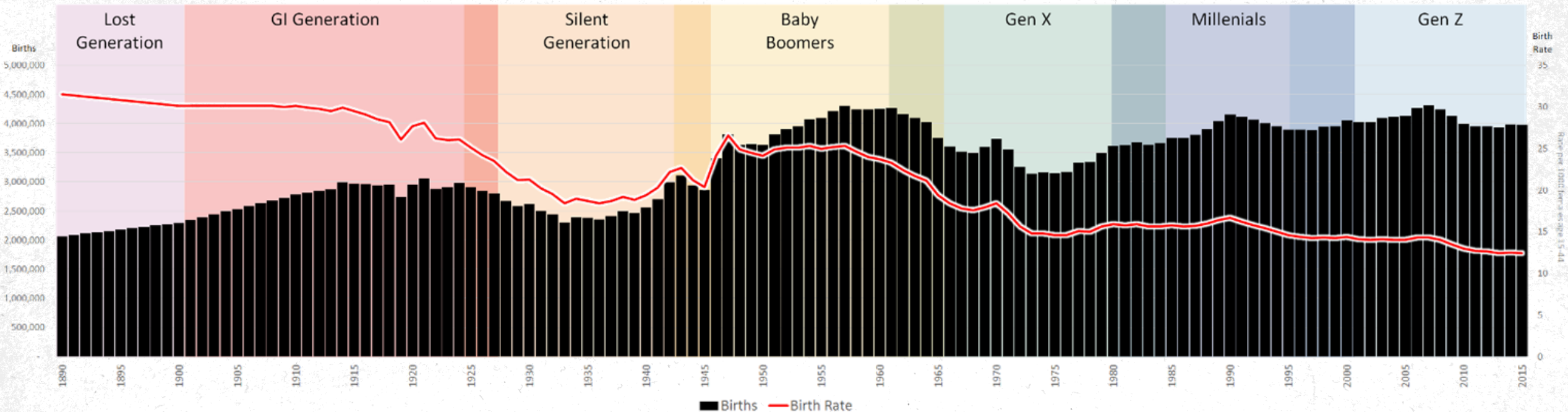
Having Children versus Owning a Pet, by Age



Source: 2017 American Housing Survey.

~4 million Gen Z'ers are entering adulthood each year for the next decade – and having fewer kids

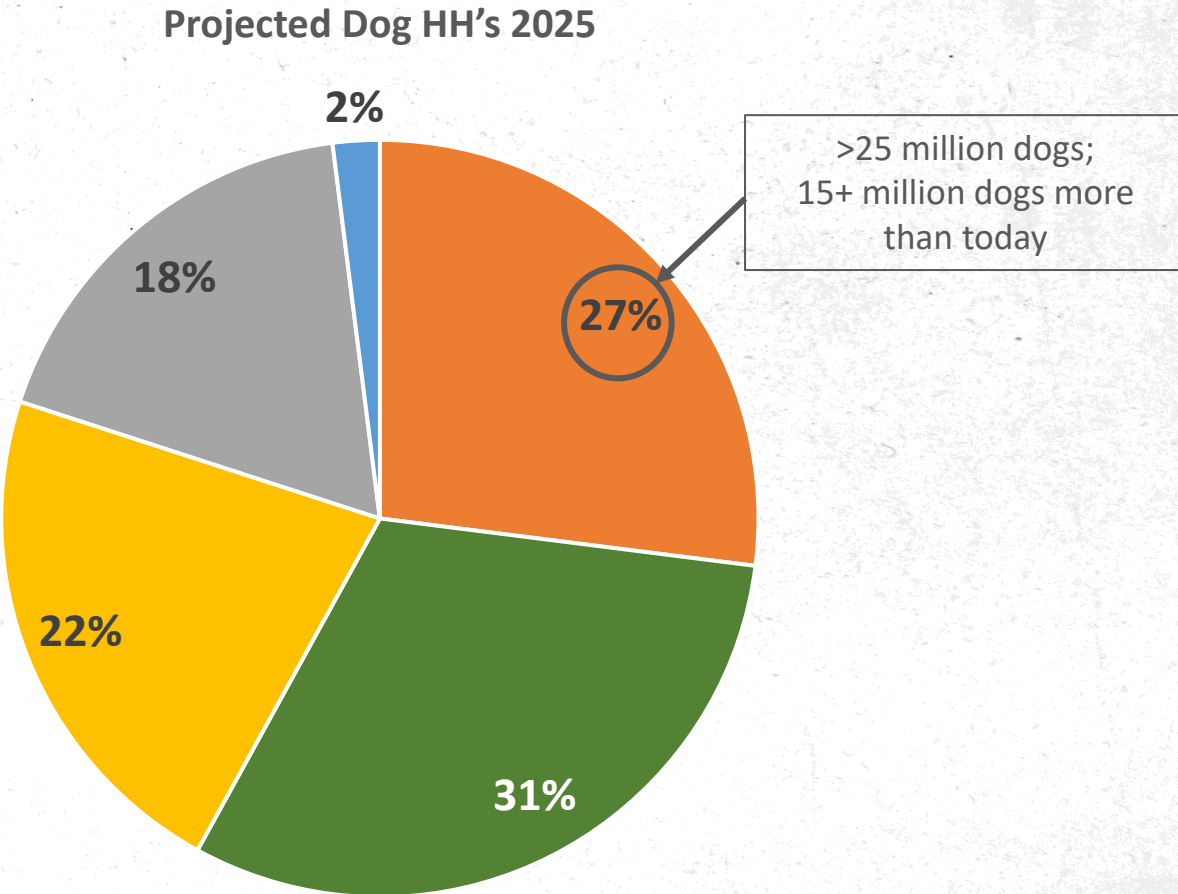
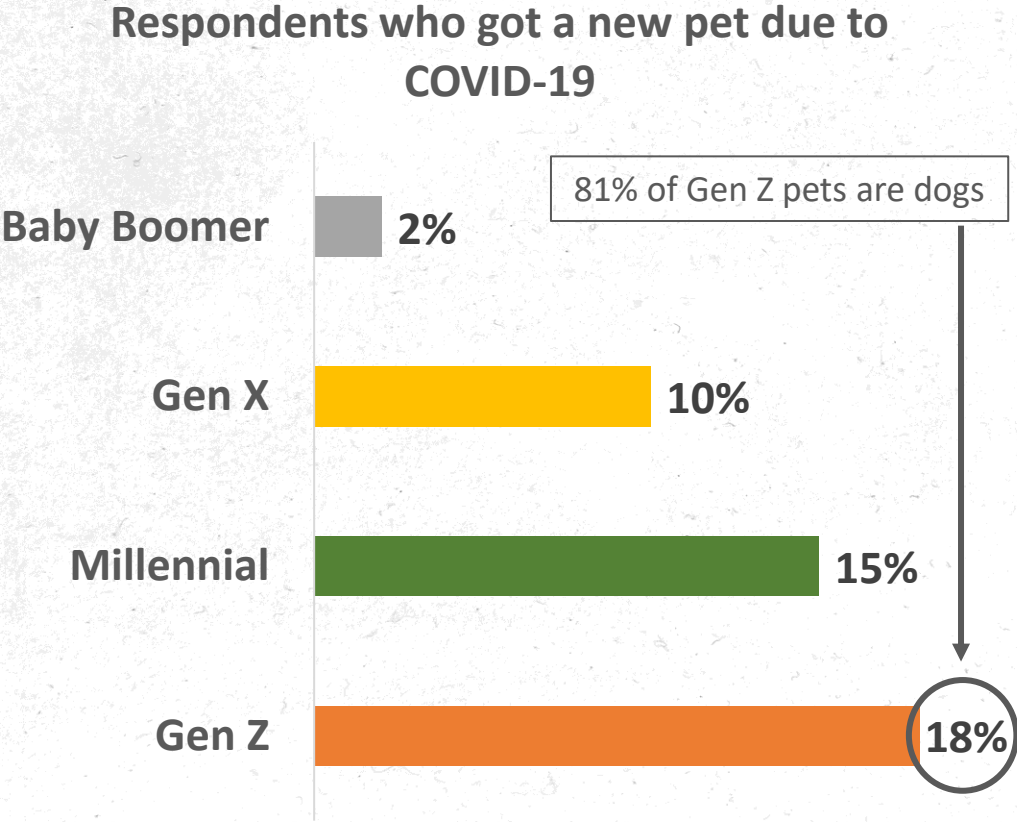
US Generations' Births & Birth Rates 1890 - 2015



Source: Centers for Disease Control, US Census Bureau, Wikipedia, InfoPlease
Figures for years 1990-1995, 2000-2015 are linear estimates

60% of Gen Z 11 to 17-year-olds have a dog in their household

Gen Z is quickly acquiring pets and will account for a large share of category growth over the next decade

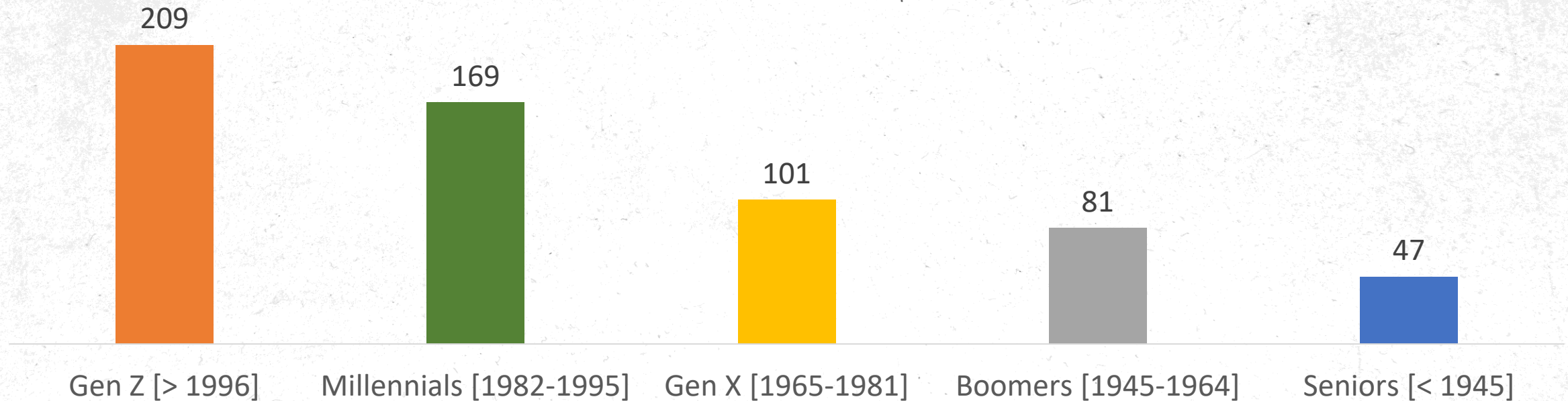


■ Gen Z
 ■ Millennials
 ■ Gen X
 ■ Baby Boomers
 ■ Builders

Source: Idexx, 2019 A&U, APPA

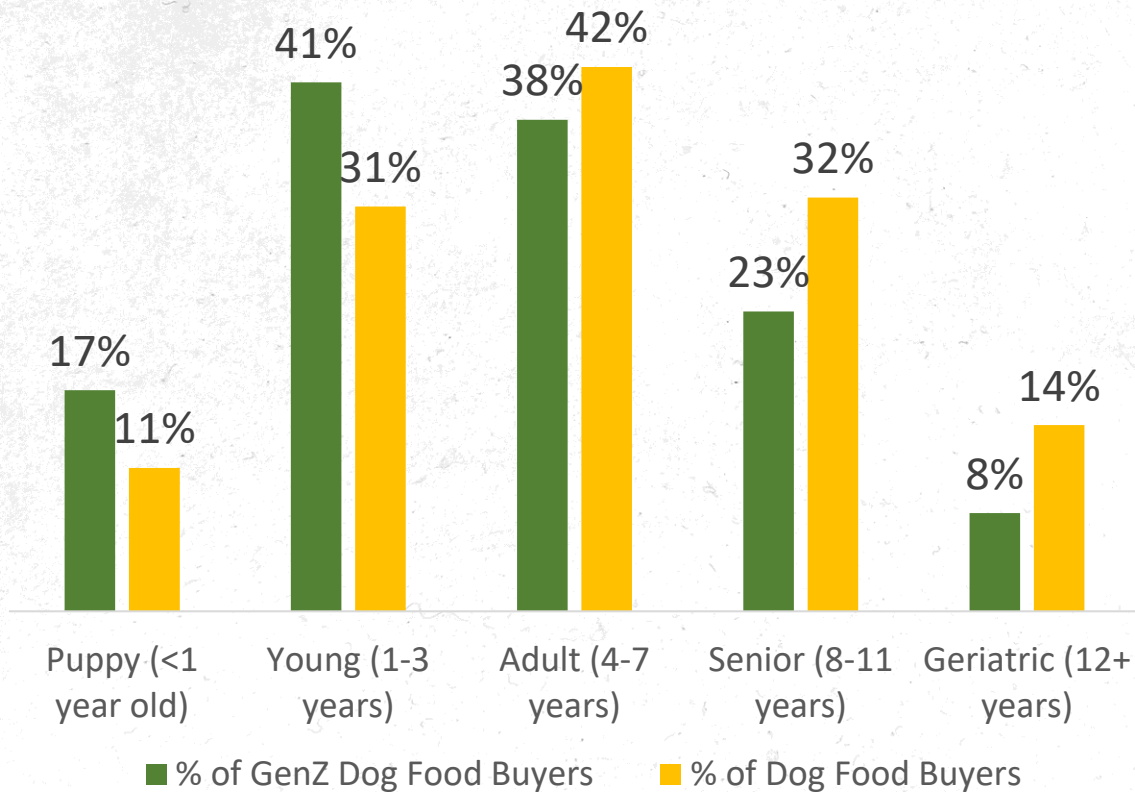
GenZ is choosing Freshpet even more than previous generations

Freshpet Latest 12 Month New Buyers
(Index vs. Share of Existing 12 Month Buyers)

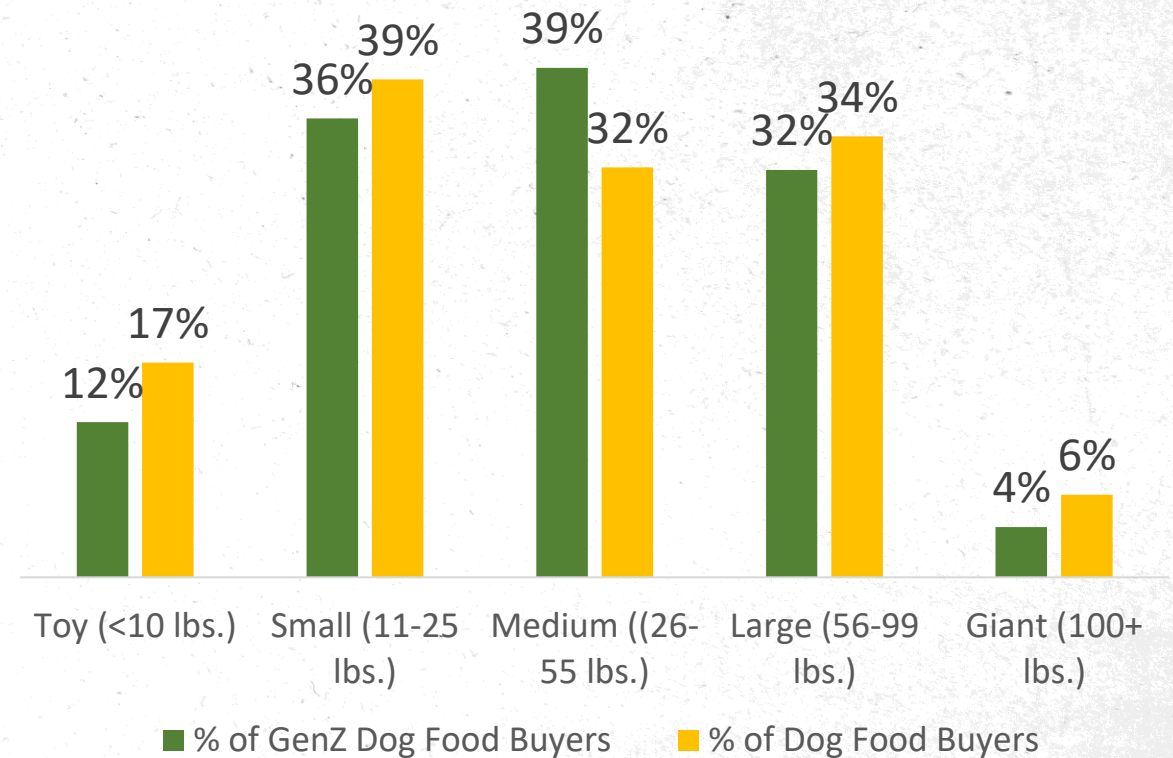


GenZ dogs: Younger and skew towards medium sized dogs

Gen Z Dog Food Buyers By Age of Dog



Gen Z Dog Food Buyers by Size of Dog





Proven Business Model

Business model creates increasing synergy as we scale

Advertising



Result: Improving Customer Acquisition Cost

Increases ad relevance

Drives velocity

Amplifies advertising

Visibility/Availability



Result: More and bigger fridges

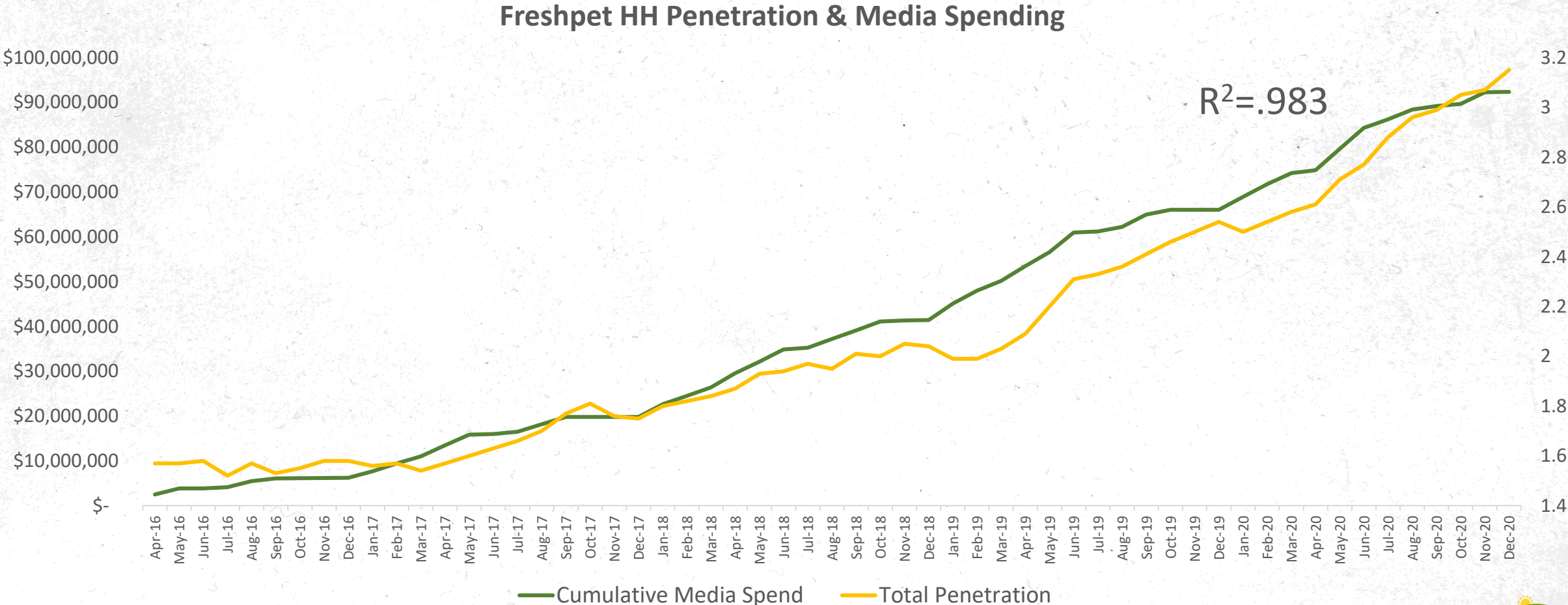
Innovation



Result: More broadly appealing line-up

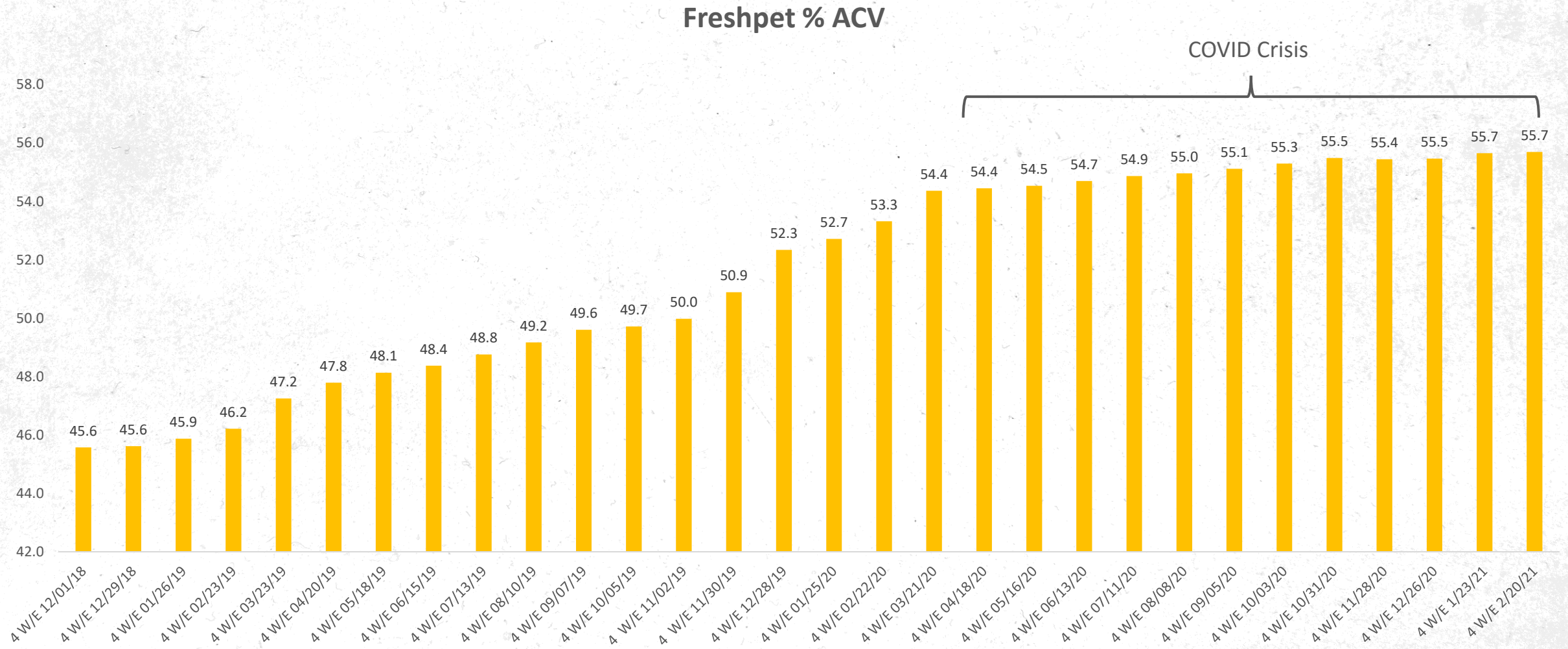
Space for innovation

Demonstrated track record of driving HH penetration gains via media investment



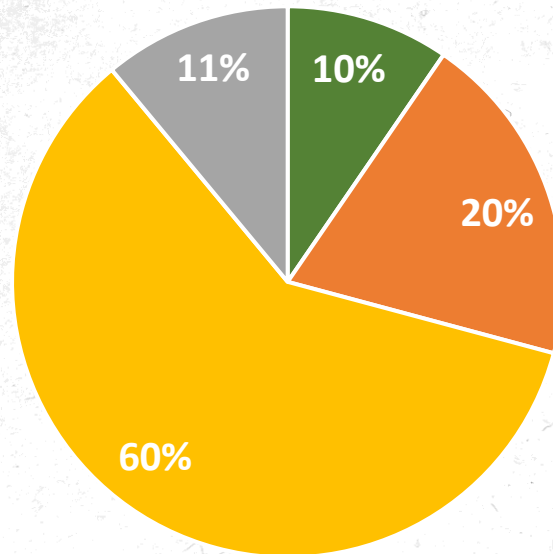
Source: Nielsen 52-week HH panel through 12/26/20 and internal data

Retailers respond to strong velocity gains with more Fridge placements



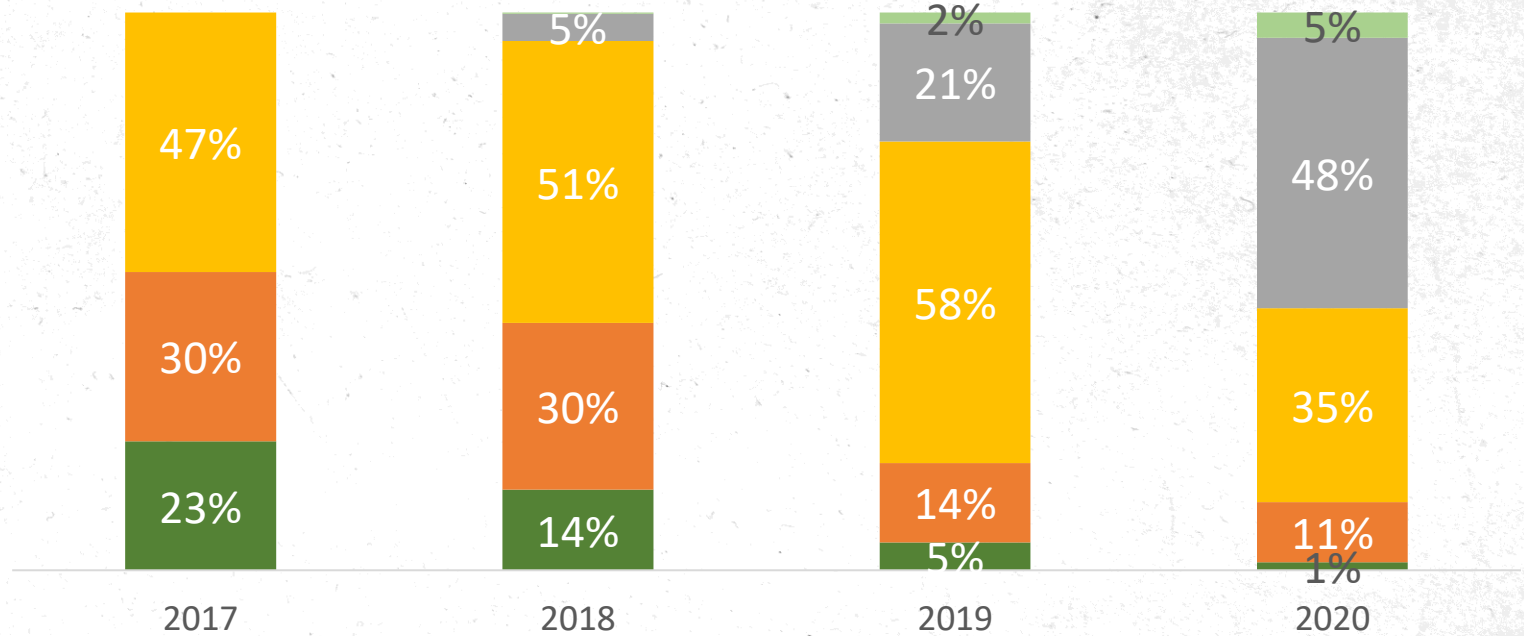
New fridge placements skew heavily to second fridges

Freshpet Fridge Fleet Distribution by Size
(US & Canada Stores)



■ Small ■ Medium ■ Large ■ 2+ Chillers

New Fridge Installations by Size
(US & Canada)



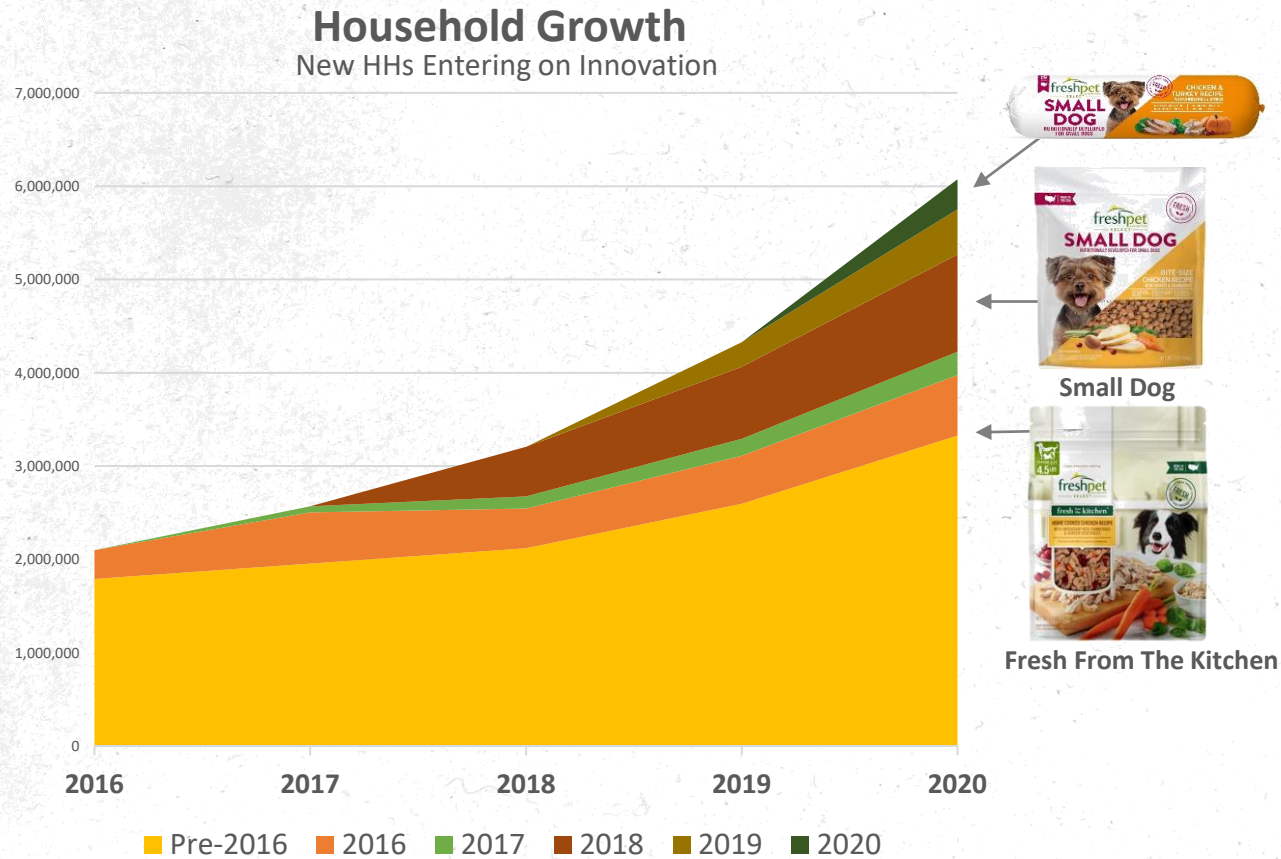
■ Small ■ Medium ■ Large ■ 2 Chillers ■ 3 Chillers

Leading customers are leaning into second fridges

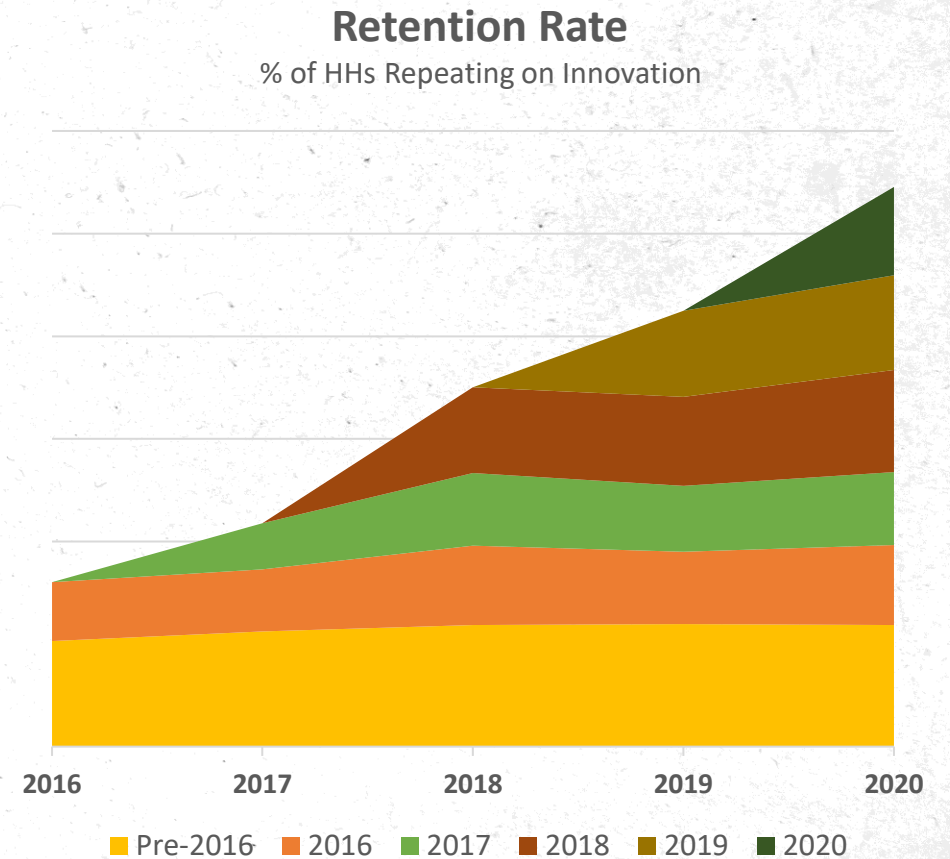
Customers With At Least 40 Stores With 2 or More Fridges



Robust innovation program drives HH penetration growth



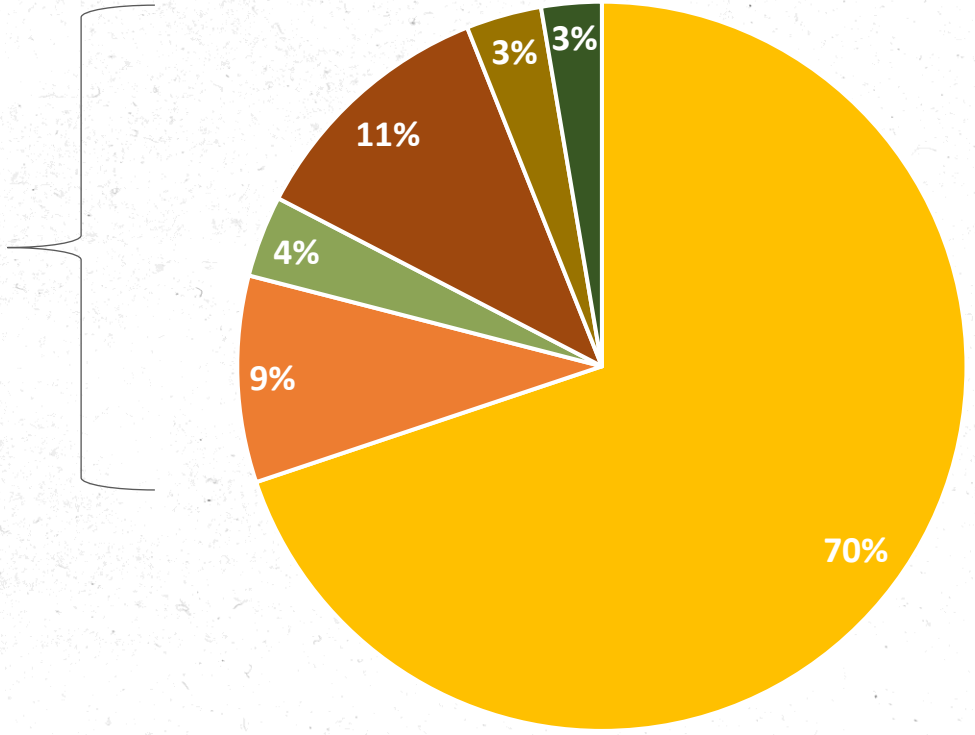
*HH's may purchase both new and old items. Total exceeds net HH penetration.



New items launched in the last 5 years account for 30% of current volume

Freshpet Nielsen Consumption Contribution From Innovation

30% of revenue from new items launched over the last 5 years



■ Pre-2016 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

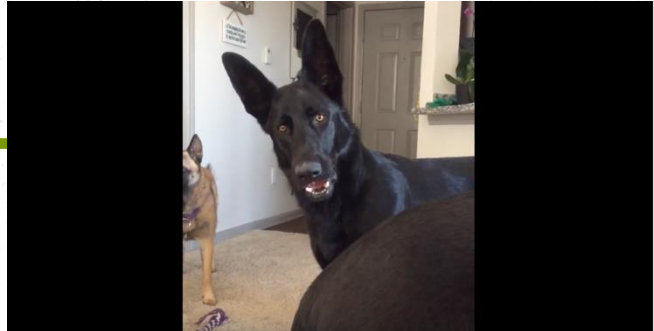
Source: Nielsen 52-week Mega-Channel consumption through 2/20/21

2021 innovation increases relevance & impact of the brand

Letters



Awakening



MARKETING COMMUNICATIONS & INNOVATION

IMPROVE

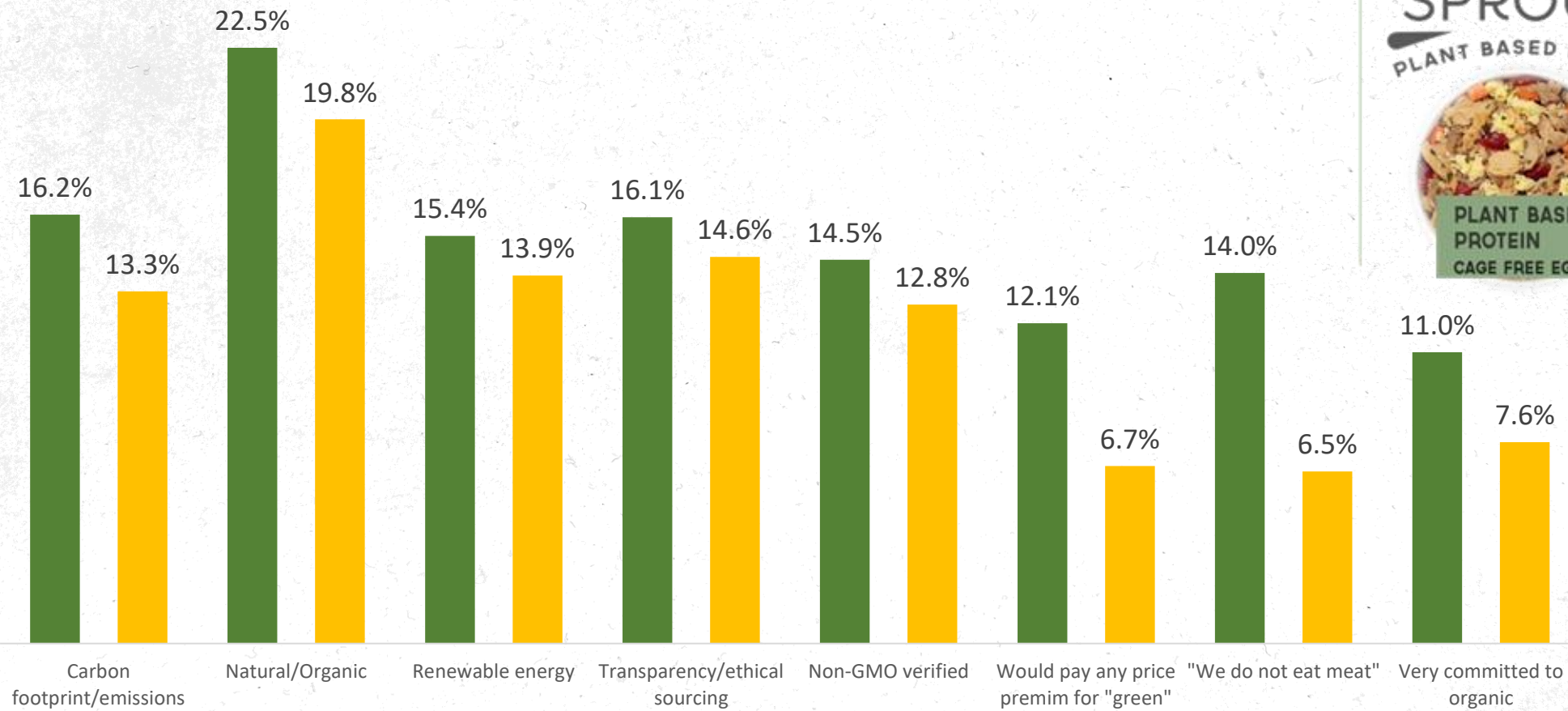
INNOVATE

REINVENT



Innovation that is highly relevant to GenZ values

GenZ Values

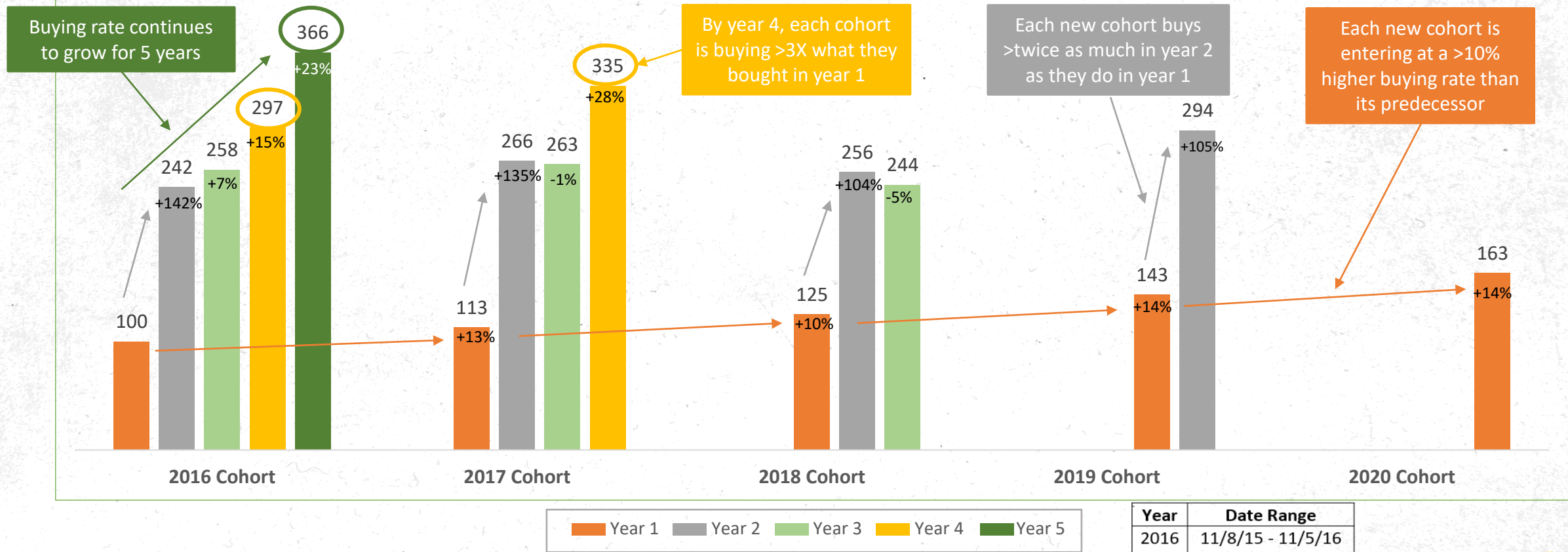


■ % of GenZ Dog Food Buyers ■ % of Dog Food Buyers



Product innovation and satisfaction drives increased buying rates

Freshpet Core Dog New Buyers - Dollar Buy Rate Evolution
(Index vs. 2016 New Buyers)



Year	Date Range
2016	11/8/15 - 11/5/16
2017	11/6/16 - 11/4/17
2018	11/5/17 - 11/3/18
2019	11/4/18 - 11/2/19
2020	11/3/19 - 10/31/20



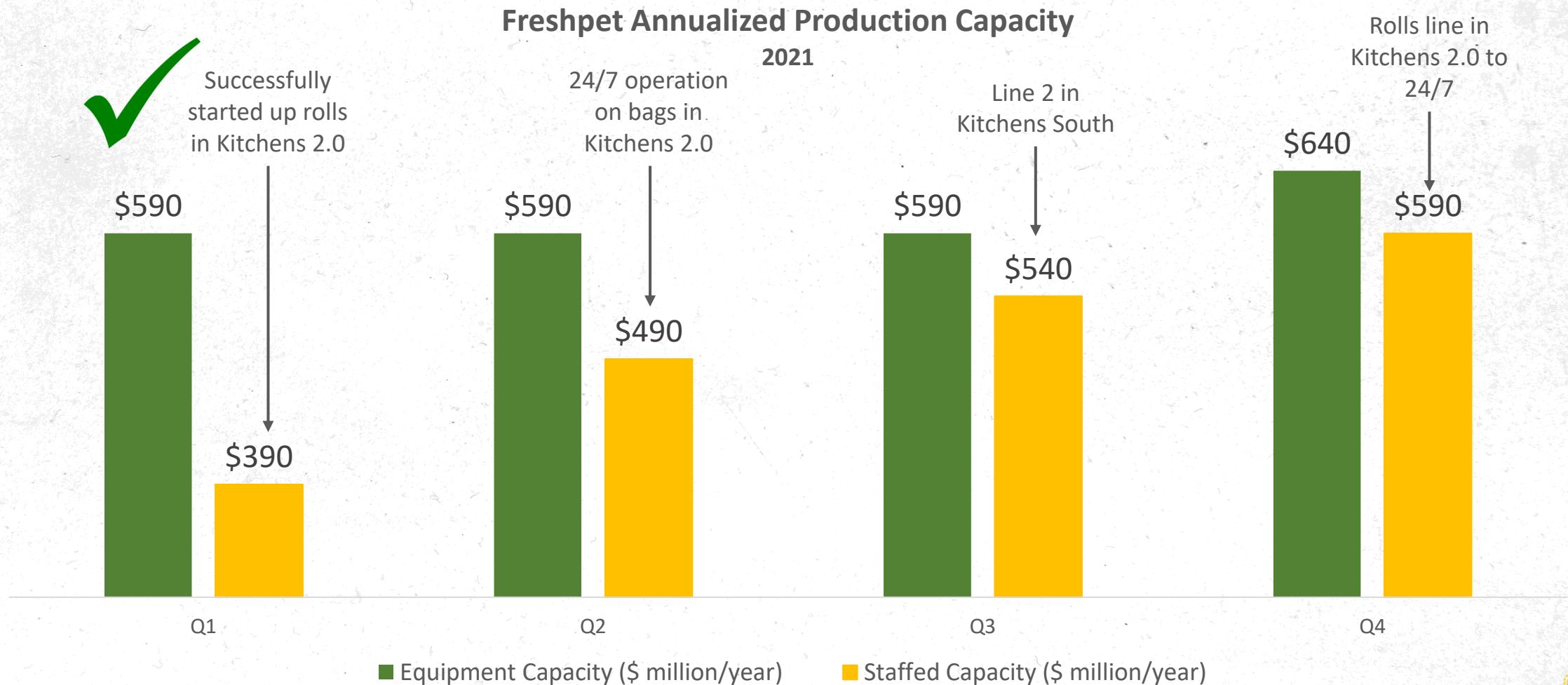
2021 Progress to Date

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 until broadscale vaccination has occurred

Steady increases in capacity throughout the year



Momentum will build throughout the year as we replenish trade inventory in Q1 and increase advertising investment in Q2

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 growth behind improved retail conditions and strong advertising investment
- Improving adj. gross margin due to increased throughput and increased roll capacity improving mix
- Heaviest advertising investment of the year
- Resumption of fridge placements

Q3 & Q4 Expectations

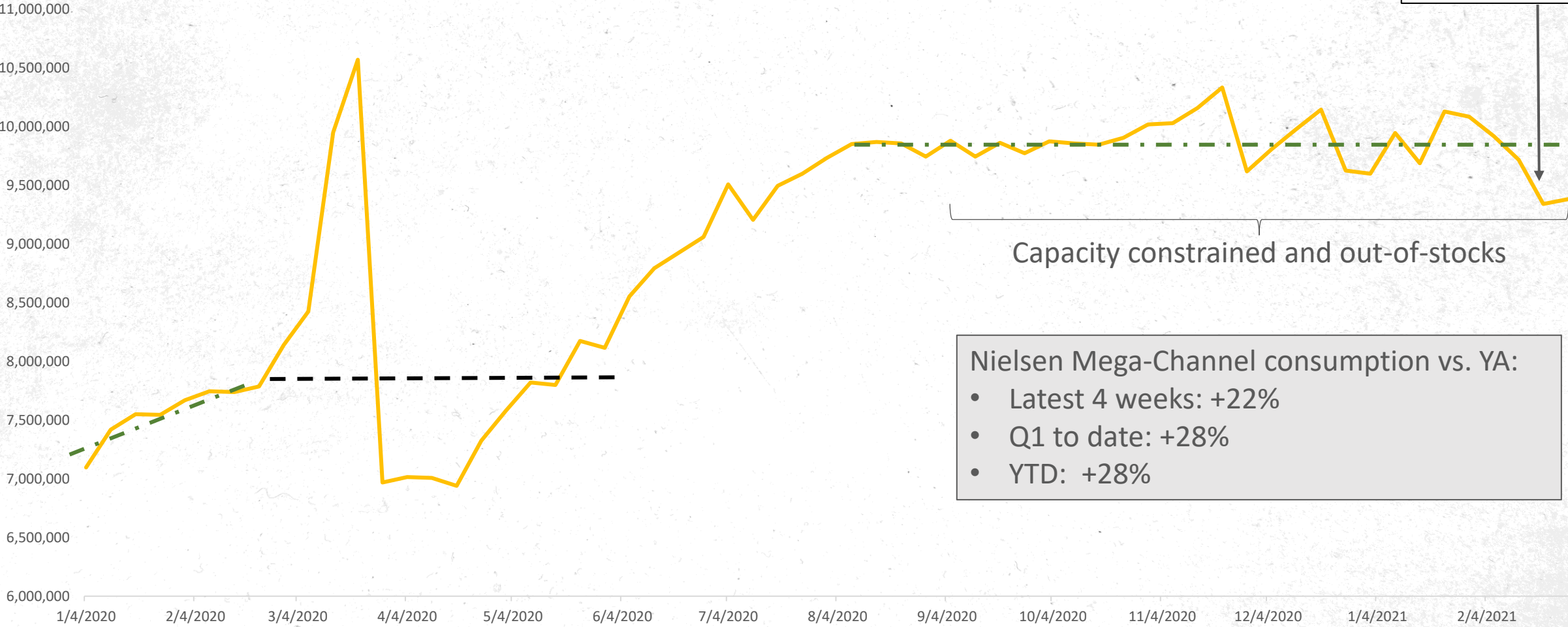
- Very strong consumption growth behind advertising investment and strong supply
- Improving gross margin due to increased throughput
- Continued heavy advertising investment
- Renewed store count growth

Key Takeaways

- **Strong production performance:** On track to re-fill trade inventory by the end of April
- **Capacity additions are on-track:**
 - Kitchens 2.0 roll line produced saleable product slightly ahead of schedule
 - On track to add shifts in Q2
 - Second line in Kitchen South on track for Q3 start-up
- **Strong advertising program:** Heavy advertising begins in late April to re-accelerate growth
- **Year-on-year Nielsen consumption comparisons not indicative of shipment performance:** Due to out-of-stocks in Q1 and COVID surge/trough in March-June, year-on-year comparisons will not be meaningful. Period-to-period Nielsen will be best measure from January-June.
- **Adj. gross margin progress:** Will track with increased throughput

Consumption continues in tight band due to out-of-stocks and delayed advertising; ramping soon behind increased production

Nielsen Mega-Channel Consumption



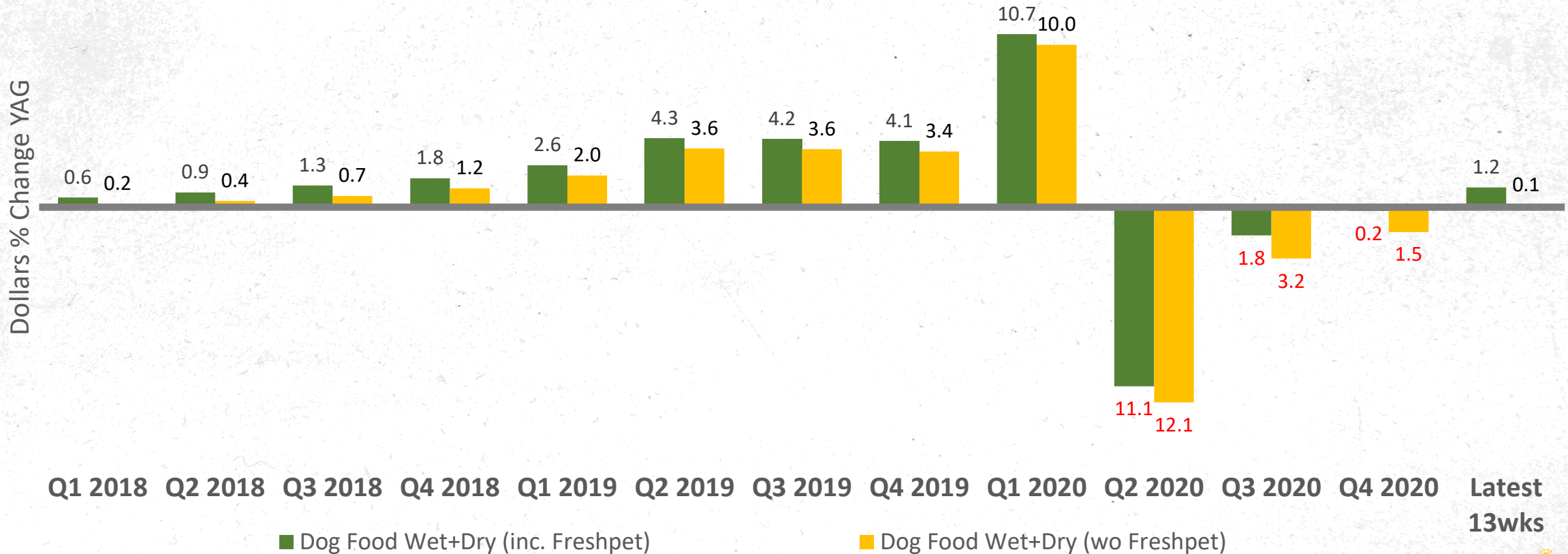
Nielsen Mega-Channel consumption vs. YA:

- Latest 4 weeks: +22%
- Q1 to date: +28%
- YTD: +28%

Source: Nielsen Mega-Channel Data thru 2/27/21

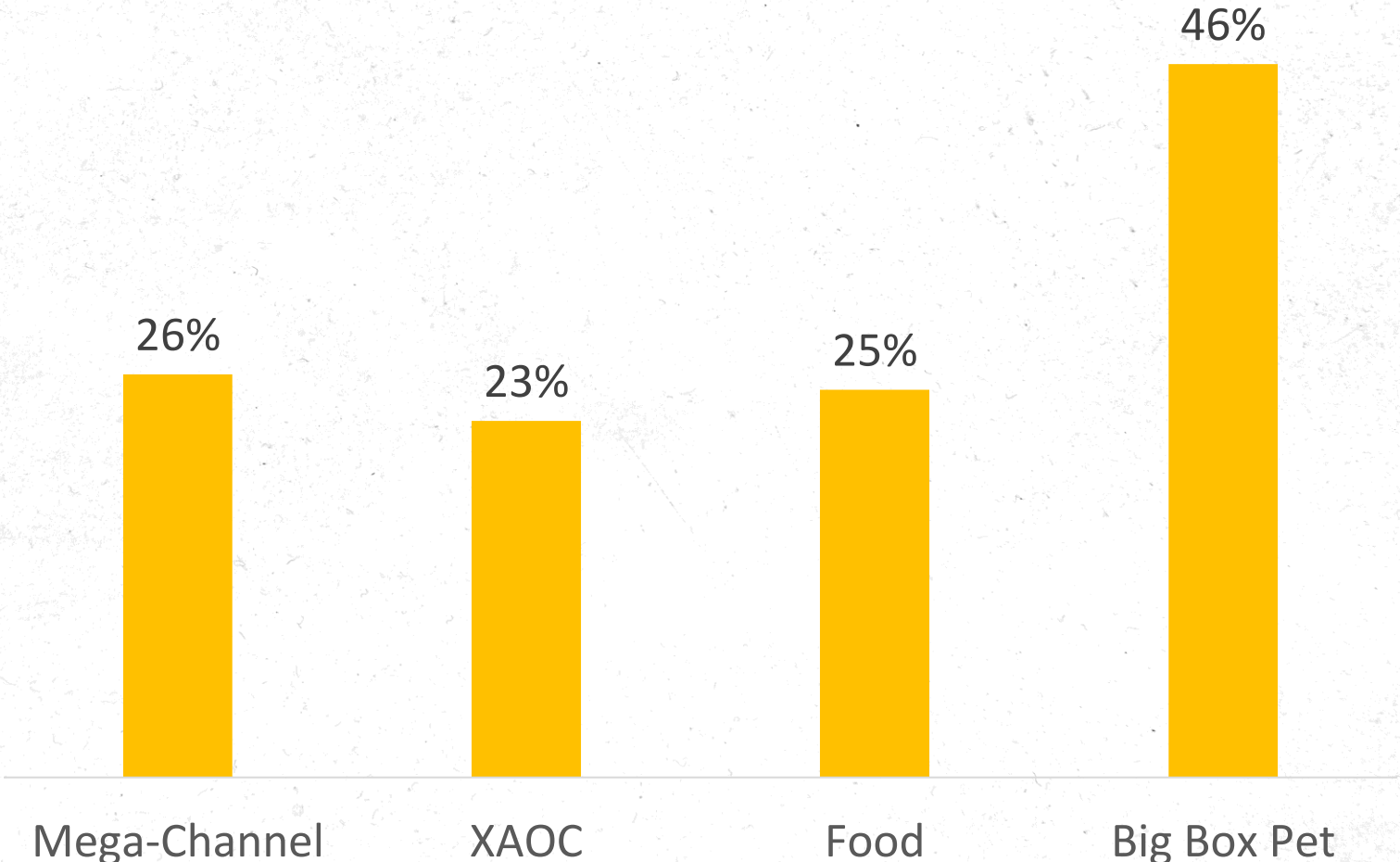
Year-on-year comparisons will be distorted by the impact of COVID in 2020

Wet & Dry Dog Food Category Growth Rates by Quarter



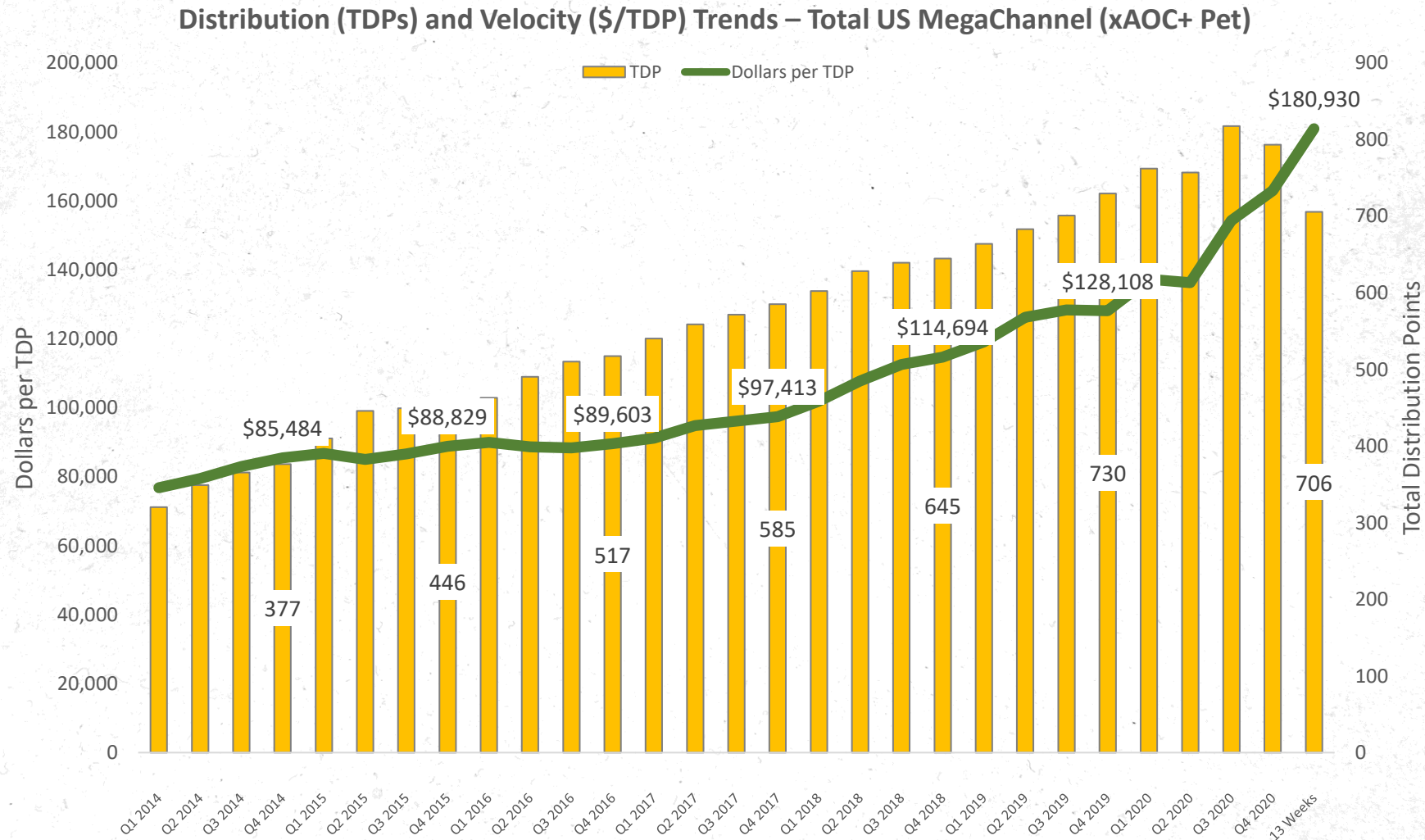
Capacity constraints limit growth; continued strength in pet specialty

Latest 13 Week Nielsen Consumption Growth

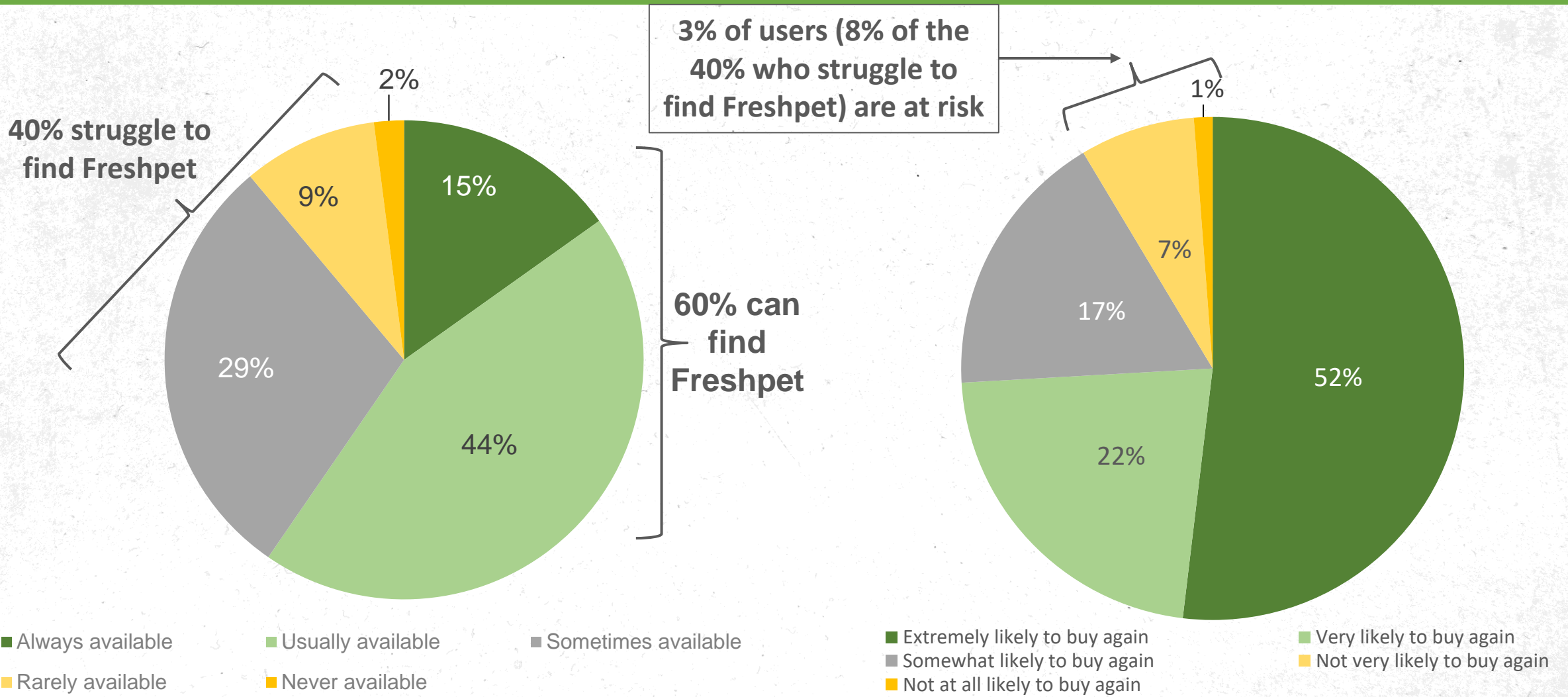


Source: Nielsen consumption data thru 2/20/21

Velocity gains are making up for out-of-stocks



The vast majority of users are likely to remain with the brand despite out-of-stocks

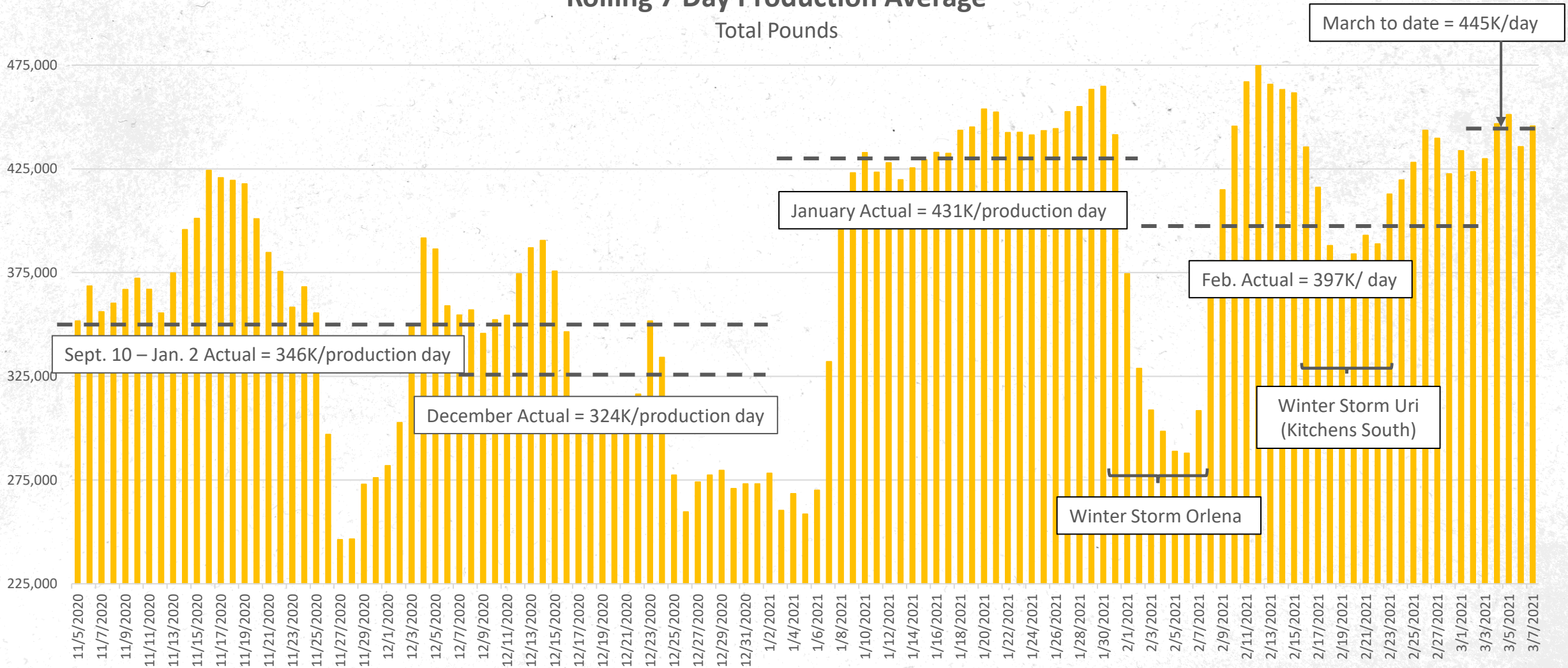




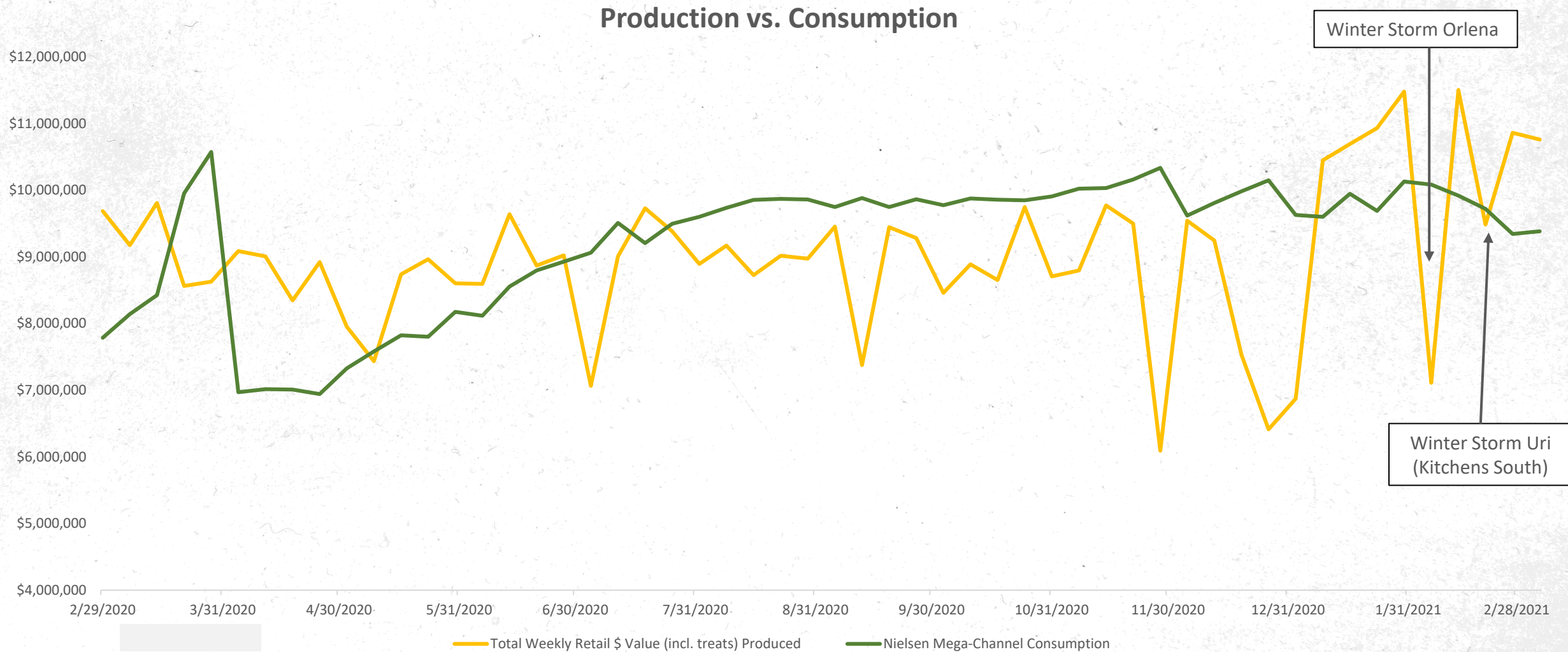
Winter storms interrupted progress, but production has improved significantly from Q4

Rolling 7 Day Production Average

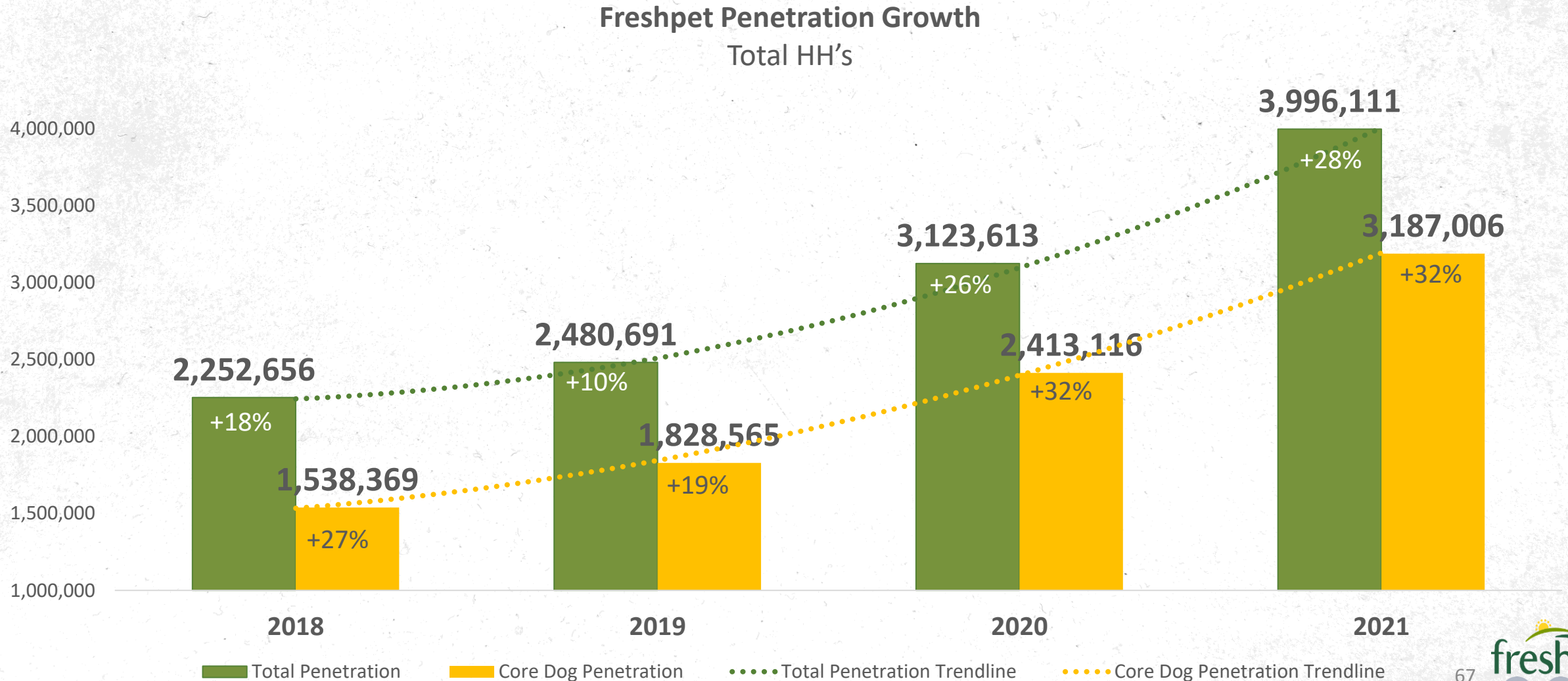
Total Pounds



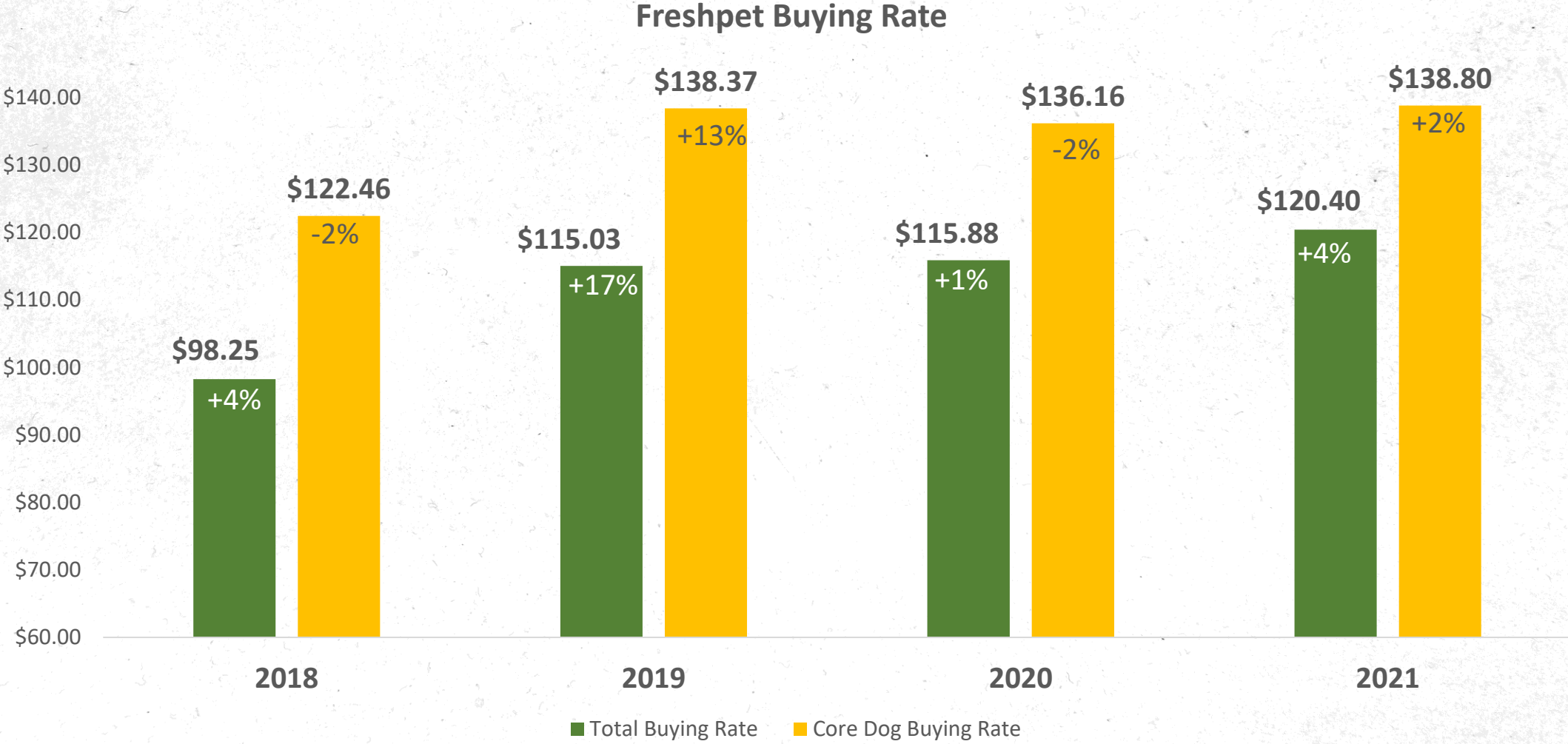
Outside of winter storms, production consistently exceeds consumption since January 1



Continued strong HH penetration growth despite out-of-stocks



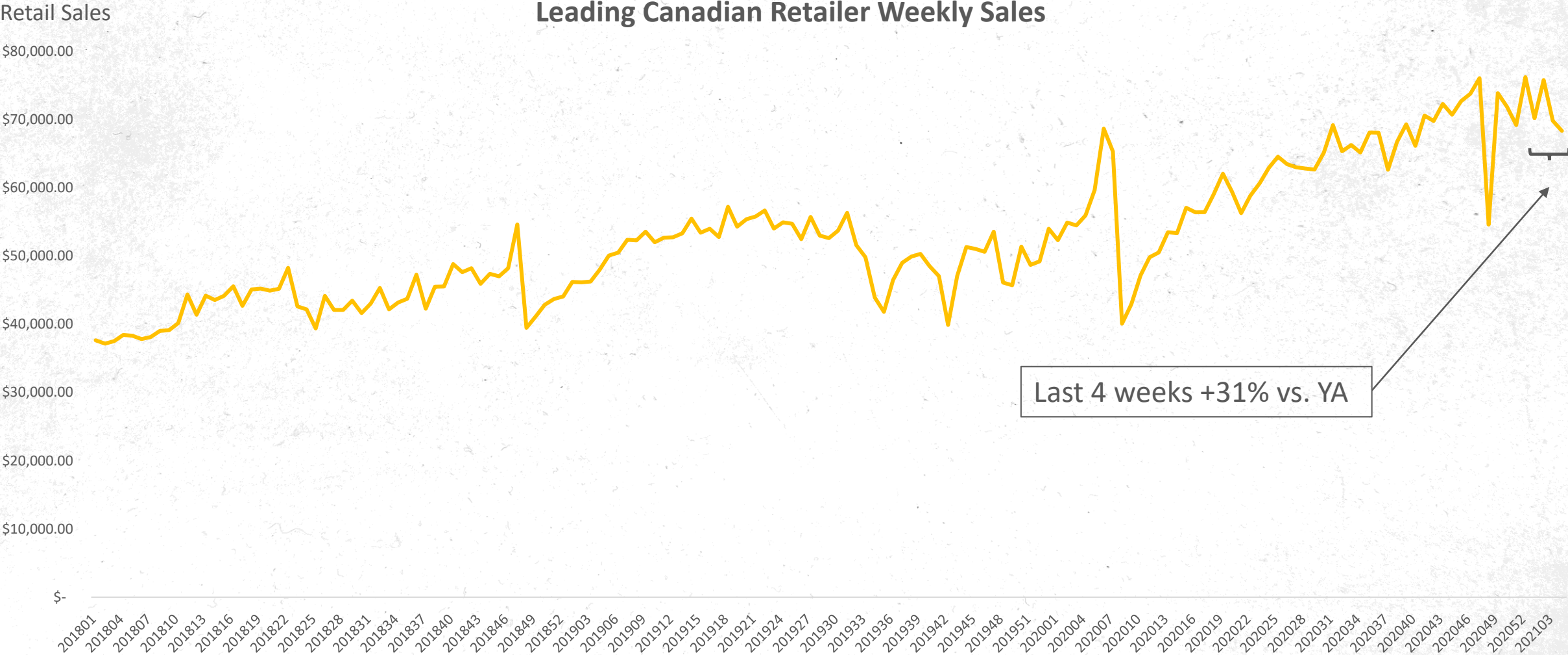
Buying rate continues to grow despite out-of-stocks



Source: Nielsen HH Panel for the period ending late December 2018, 2019, 2020, 2021 and company internal data

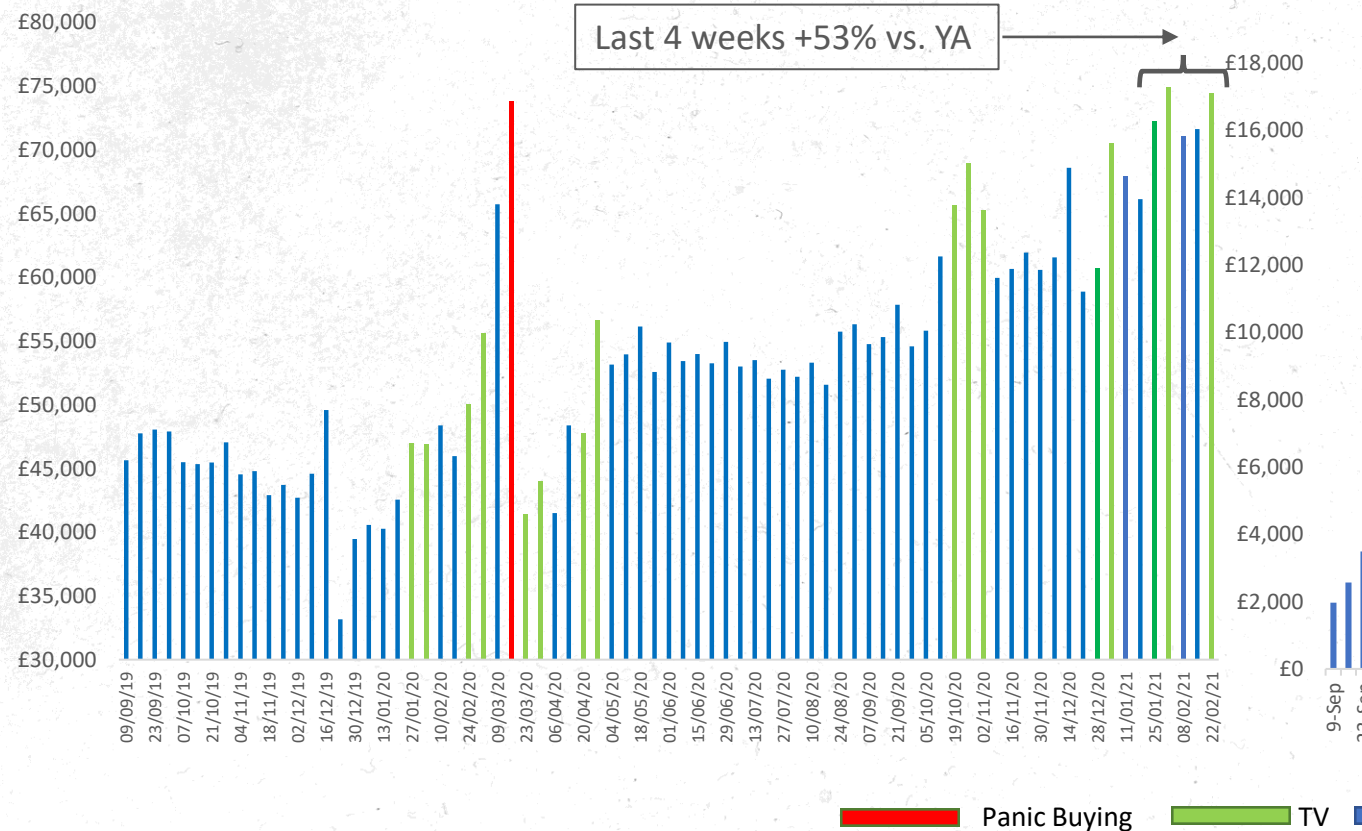


Canadian business accelerating behind advertising investment

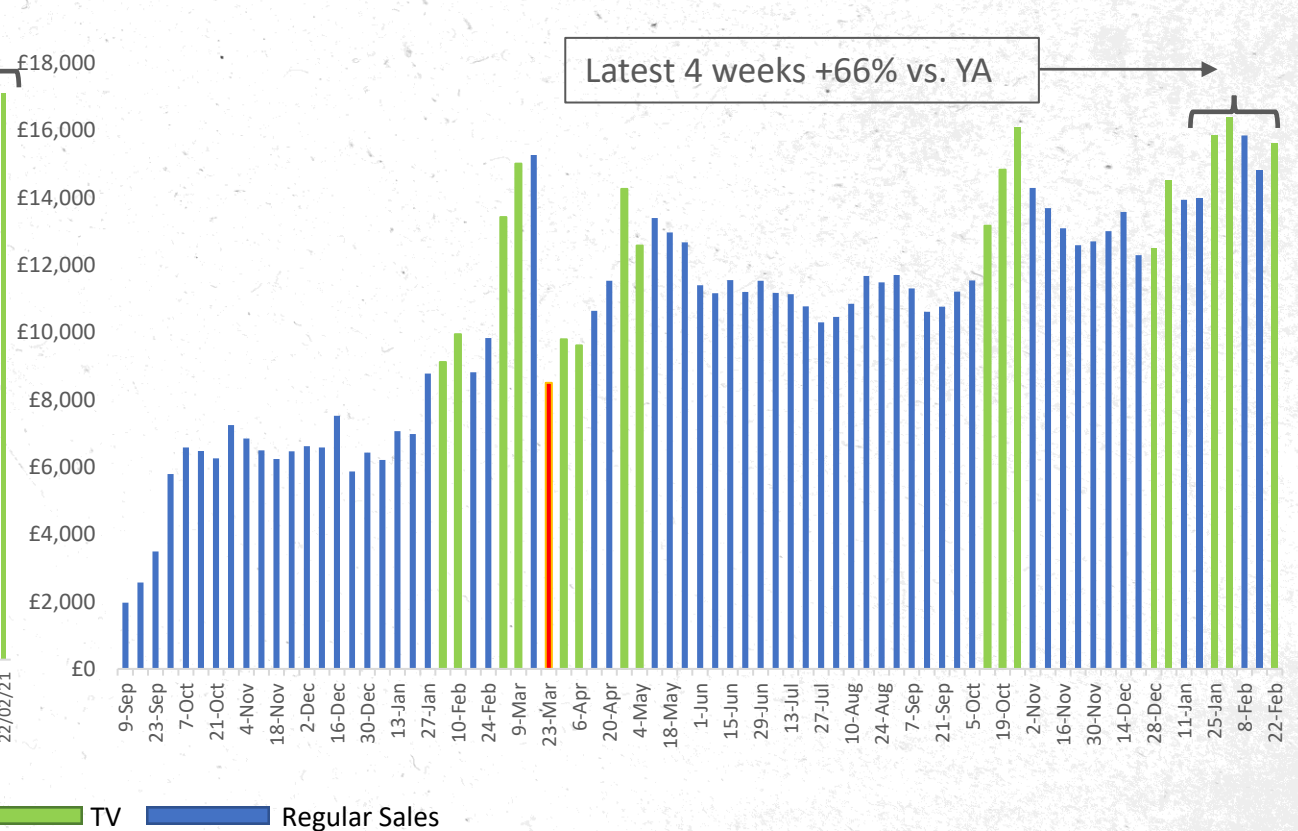


Freshpet's advertising-driven model works in the UK

Retail Sales **Leading UK Retail Customer Sales by Week** Retail Sales



Retail Sales **Leading UK Retail Customer Sales by Week**



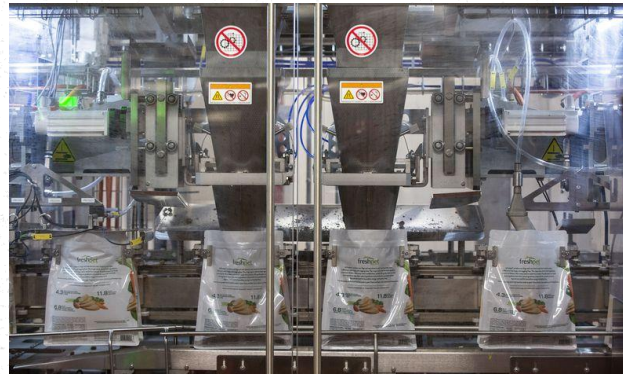


Accelerating and Increasing Capacity

Significant achievements in 2020 demonstrate our capability to add capacity and the value of our partnership



Completed construction and started up **Kitchens 2.0** – despite limitations imposed by COVID



Proved that we could create and operate **higher throughput lines** with more automation that drives better margins



Started up operations with long-term partner at **Kitchens South**



Broke ground on our biggest project yet – **Ennis Phase 1**



Installed and are operating an **innovation line**



Advanced **new manufacturing technology** with potential to produce more in less space

Kitchens 2.0: Proving that higher speed/more automated operations work as expected



landfill free



powered
by wind



carbon
emissions offset

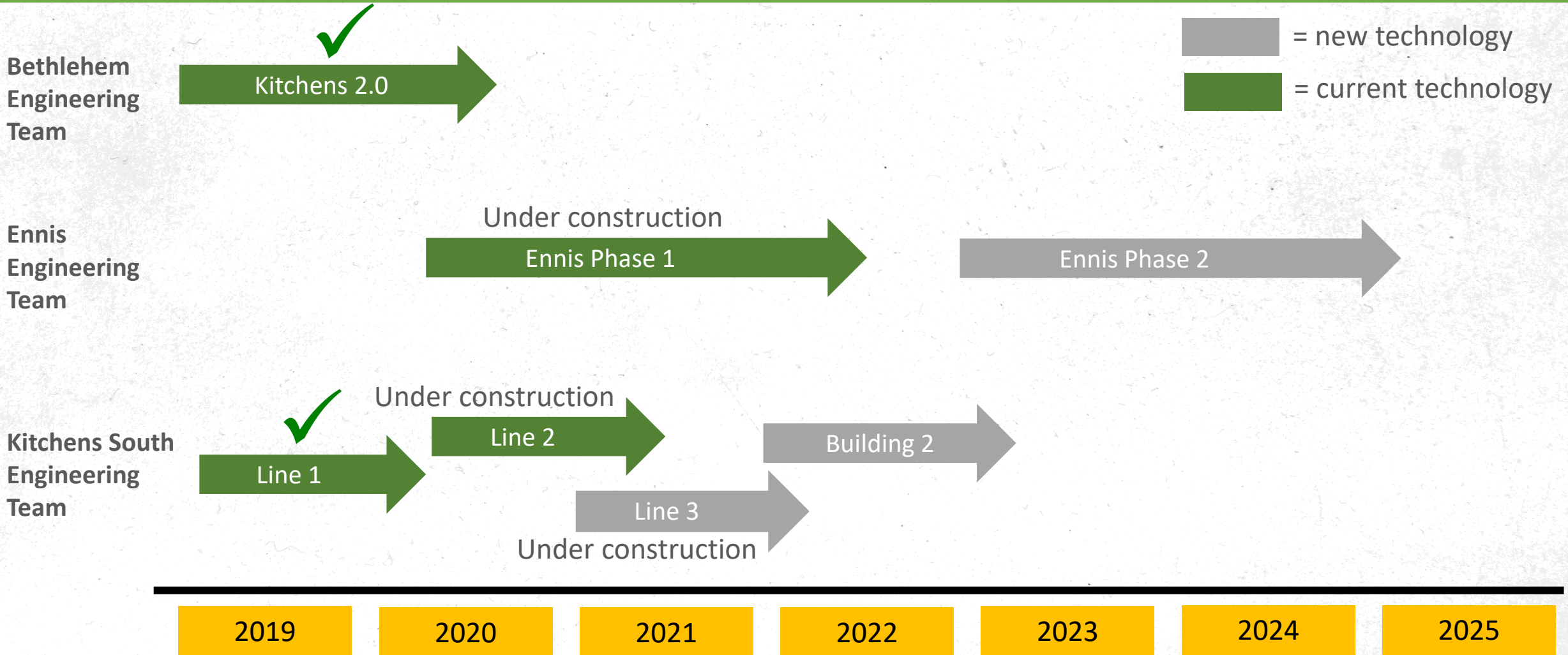
Kitchens 3.0 in Ennis, TX is being pulled forward and will produce more



Phase 1 is being pulled forward to start producing in Q2 2022

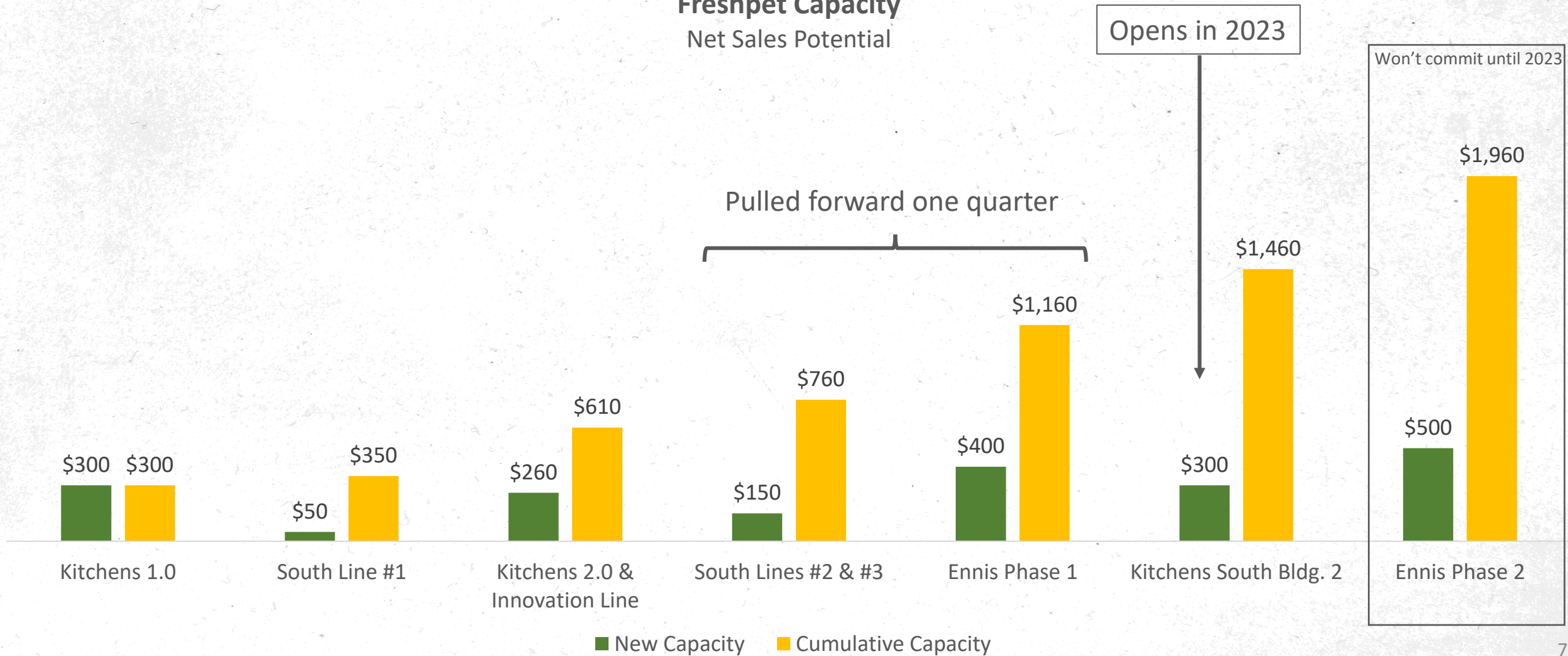
Increasing projected capacity by ~30% to reflect higher speed equipment

Expanded capability to deliver capacity expansion



Almost \$2 billion in net sales production capacity by 2025

Freshpet Capacity Net Sales Potential



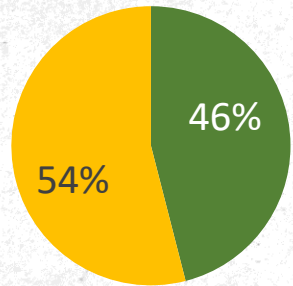


Summary

Significant opportunities to grow

We have multiple ways to win

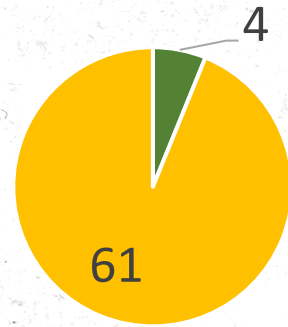
Aided Awareness



■ Aided Awareness ■ Unaware

Drive Awareness

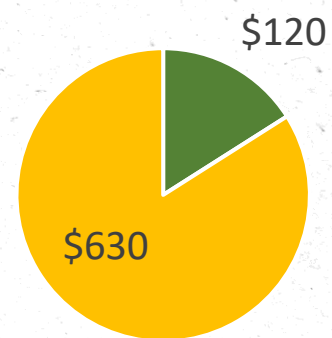
2020 Dog HH's



■ Freshpet ■ No Freshpet

Increase Penetration

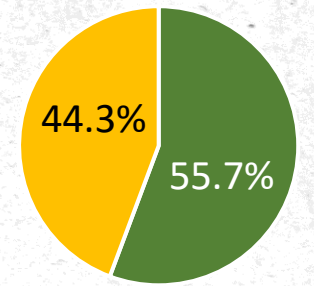
Buying Rate



■ Current
■ Avg. Cost to Feed 30 lb Dog

Increase Frequency of Use
& Size of Dog

% ACV Distribution



■ Available ■ Not Available

Expand Distribution

Fortified business model that provides strong competitive insulation

Diverse line-up that is difficult to match



Differentiated
Innovative forms, technologies, and appearance



Manufacturing
Proprietary technology, processes, and infrastructure



\$~2.0 billion capacity

High Brand Loyalty
Alignment with deep pet parent emotional motivations



Supply Chain
Only refrigerated pet food network in North America



Significant scale in distribution

40,000 Fridges



Freshpet Fridge
Branded, company-owned real estate



Retailer Partners
Delivers benefits in traffic, frequency and retailer margins



~75-80% ACV



freshpet[®]

FEED THE GROWTH

11 MILLION HH BY 2025

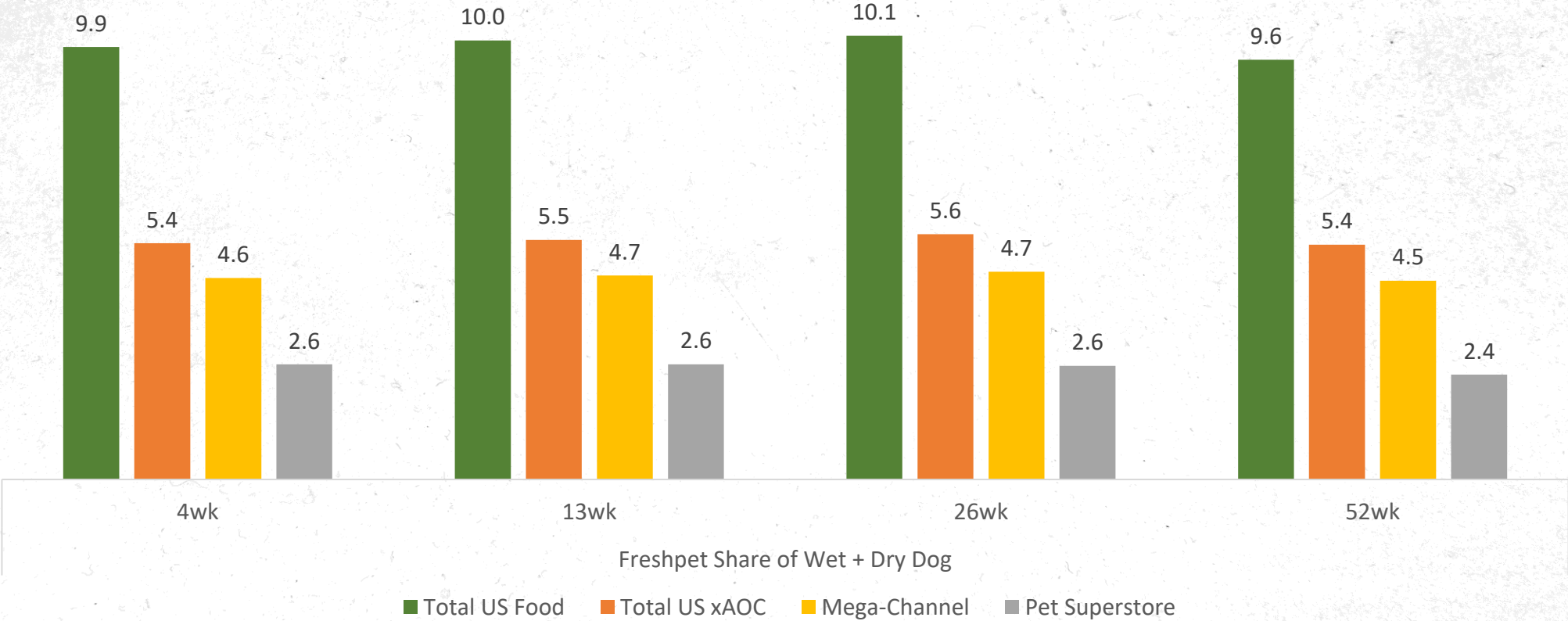




Appendix

Building meaningful share of the category

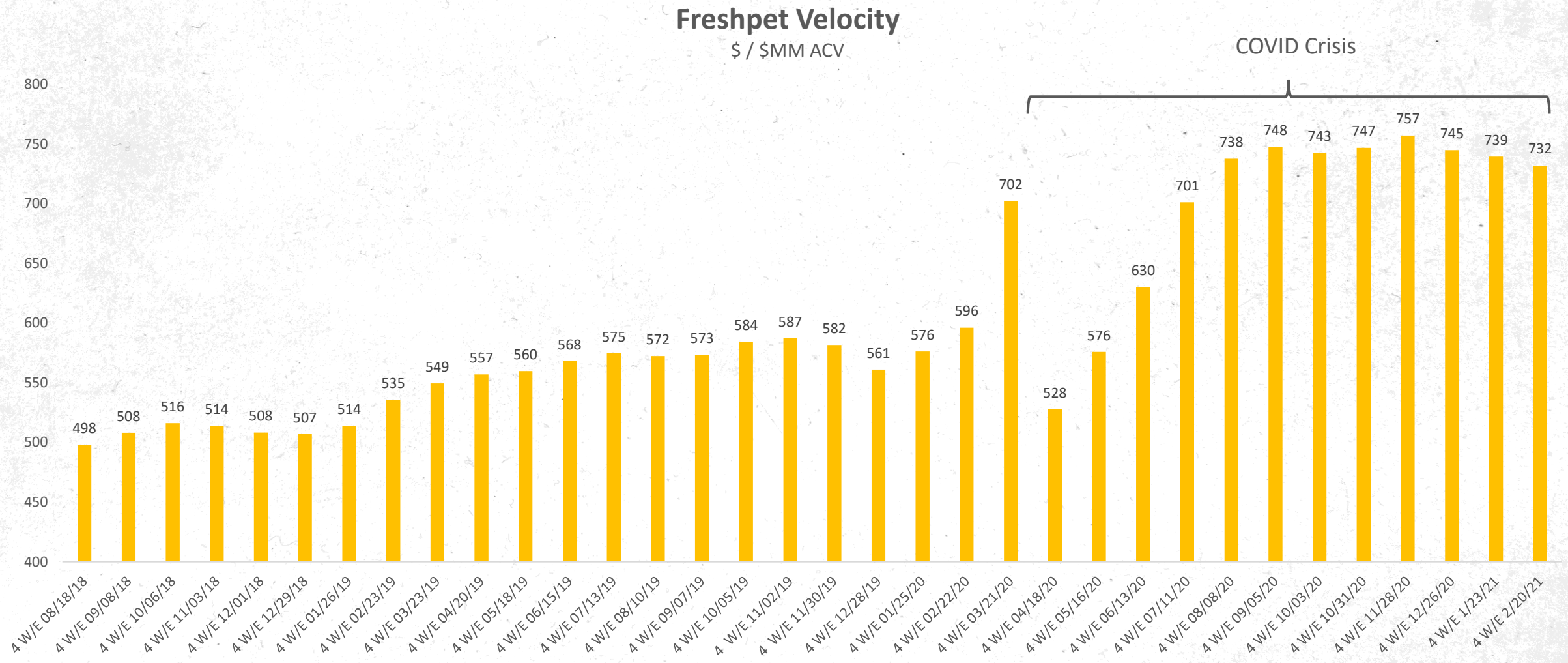
Freshpet \$ Share of Wet & Dry Dog



Source: Nielsen Mega-Channel Data thru 2/20/21

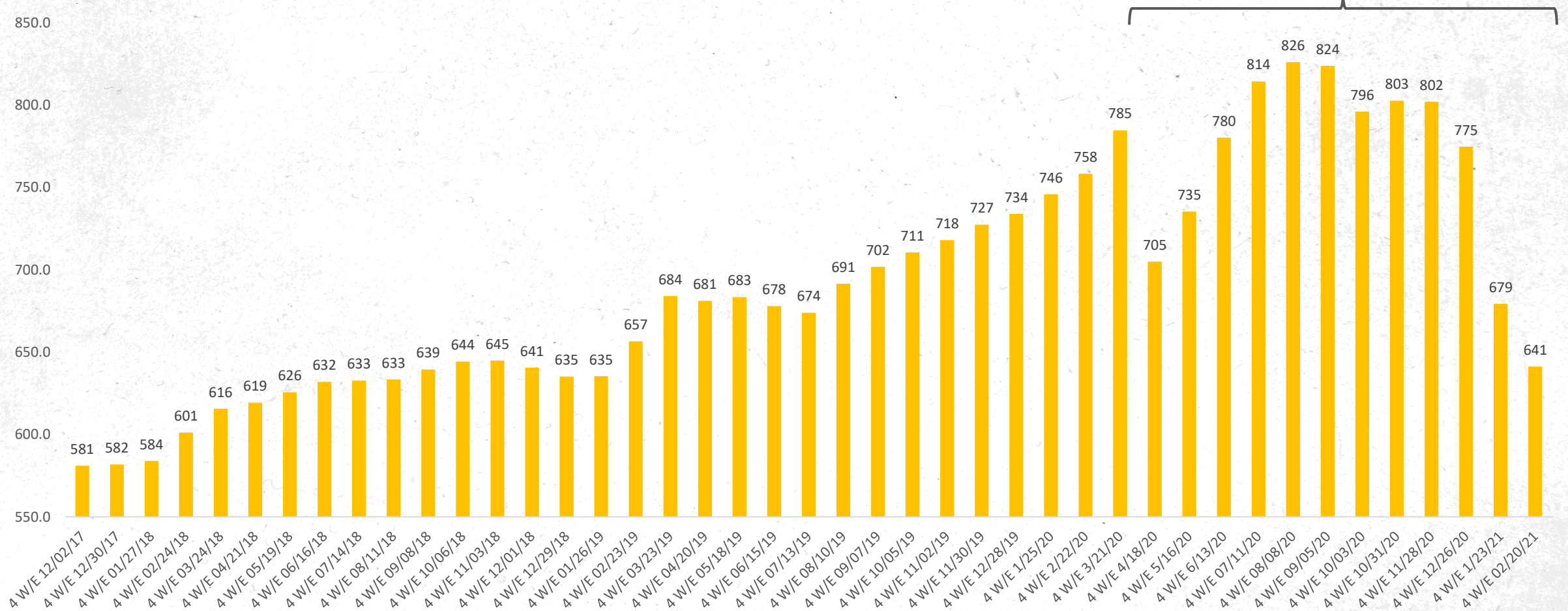


Continued strong velocity during COVID crisis

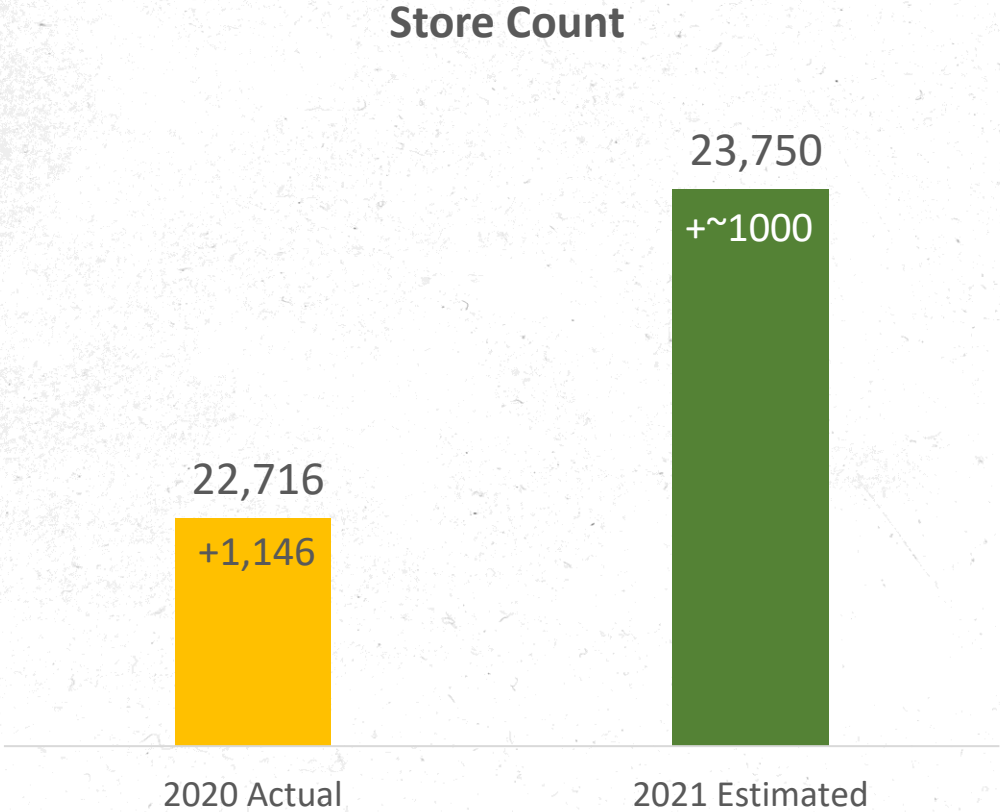


Out-of-stocks are temporarily eroding TDP's

Freshpet Total Distribution Points (TDP)
Nielsen Mega-Channel

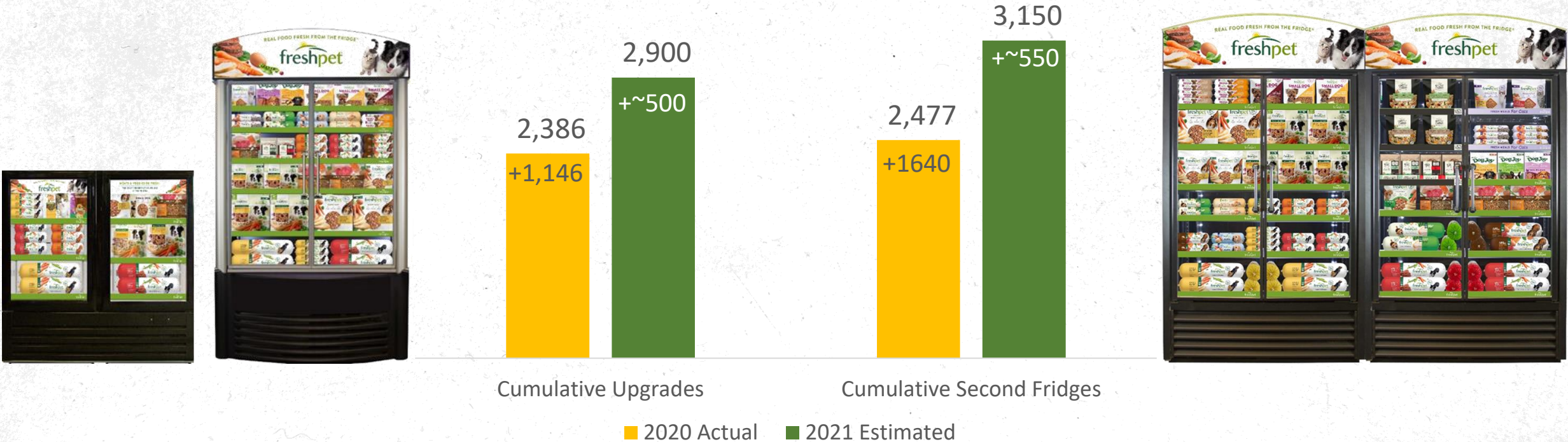


Continued increases in retail availability

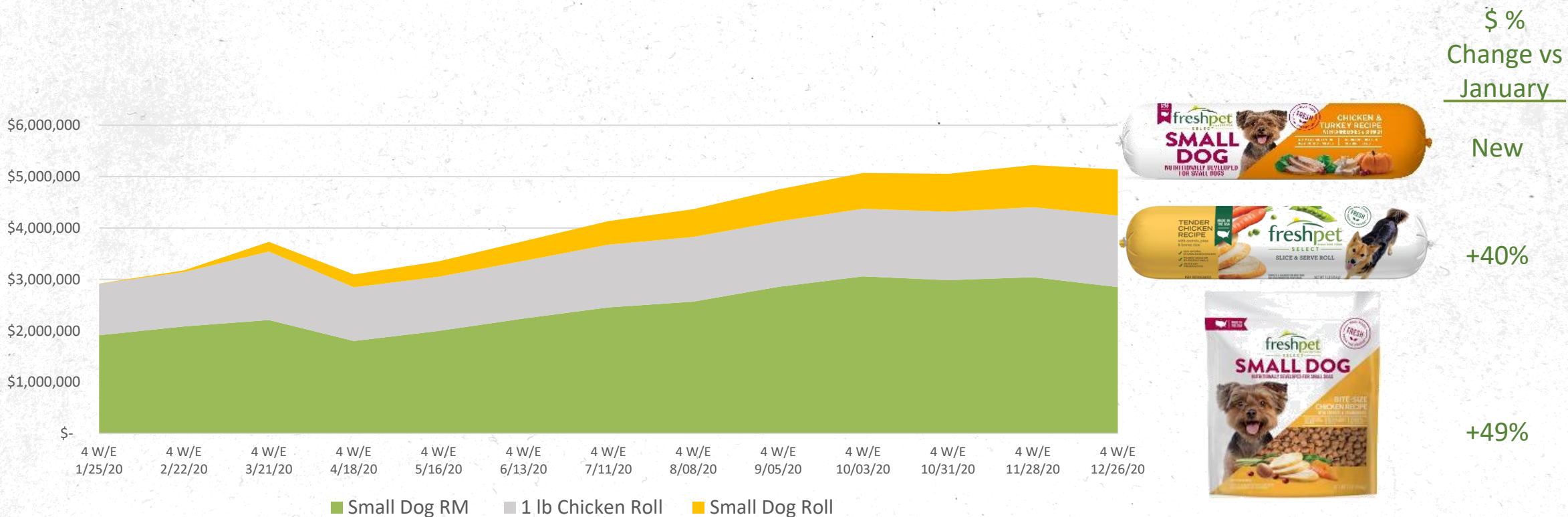


Continued increases in retail visibility

Upgrades & Second Fridges



Innovation continues small dog growth



Source: Nielsen Mega-Channel data through 12/26/20

Strategy: Accelerating and increasing capacity investments to meet increased demand expectations



Pulling forward Ennis start-up

- Ennis Phase 1 to begin production in Q2 of 2022 vs. Q3 and have higher speed lines
- Investing in round-the-clock construction to meet demand at Ennis

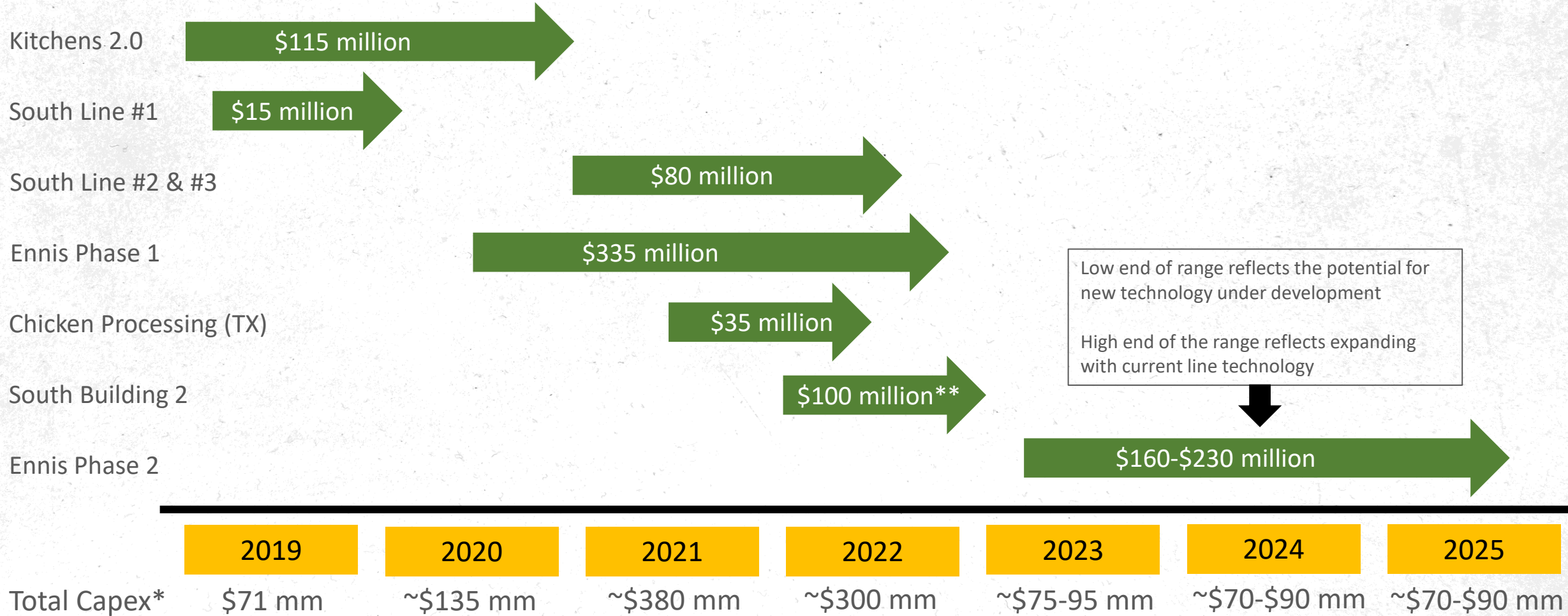
Pulling forward Kitchens South Line #2 and adding a third line at Kitchens South sooner:

- Kitchens South Line #2 to start production in Q3 of 2021 vs. Q4
- Kitchens South Line #3 to start production in Q1 of 2022 vs. Q3 of 2022

Adding a second building at Kitchens South:

- Adding ~\$300 million in sales capacity in 2023
- Same intellectual property protections that have worked in existing facility
- Ideally located to supply both Bethlehem and Dallas DC's
- Deep engineering bench to enable more rapid capacity expansion

Capital spending plan supports up to ~\$2 billion in capacity



Low end of range reflects the potential for new technology under development
 High end of the range reflects expanding with current line technology

*also includes maintenance capex, fridges and IT

** represents a high-level estimate

At ~\$2 billion in net sales, we will have a 75/25 split between self-manufacture and partner production

Total Freshpet Capacity (\$ millions)

