



## 2019 Q3 Results

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

**Freshpet**

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

# Safe Harbor

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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.

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

# 2019 Results: Continued strong top line results driving bottom line gains

Freshpet Q3 Financial Results		
	Q3 2018	Q3 2019
<b>Net Sales (\$ millions)</b>	<b>\$50.8</b>	<b>\$65.3</b>
vs YA	+27%	+28%
<b>Adj. EBITDA (\$ millions)</b>	<b>\$6.7</b>	<b>\$12.0</b>
vs YA	+20%	+78%

Freshpet YTD Financial Results (Sept 30)		
	2018	2019
<b>Net Sales (\$ millions)</b>	<b>\$141.6</b>	<b>\$180.1</b>
vs YA	+26%	+27%
<b>Adj. EBITDA (\$ millions)</b>	<b>\$11.1</b>	<b>\$16.0</b>
vs YA	+3%	+44%

# 2019 Guidance: Reiterating guidance provided in August

Freshpet Financial Performance			
	2017	2018	2019 Guidance*
<b>Net Sales (\$ millions)</b>	<b>\$152.4</b>	<b>\$193.2</b>	<b>&gt;\$244</b>
vs YA	+17%	+27%	>+26%
<b>Adj. EBITDA (\$ millions)</b>	<b>\$17.6</b>	<b>\$20.3</b>	<b>&gt;\$29</b>
vs YA	-1%	+15%	>+43%

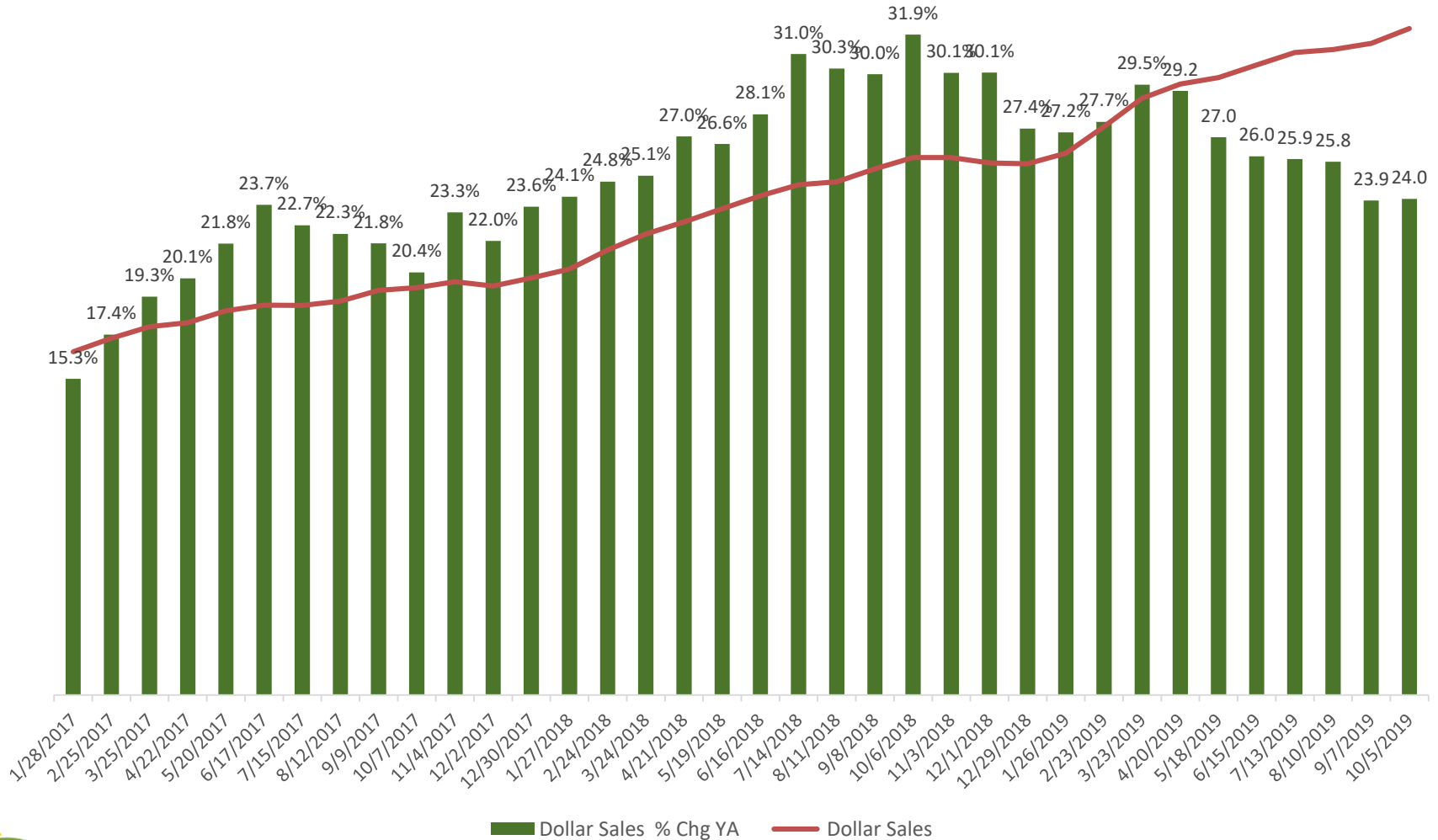
\*Excluding incremental investments in Canada/UK and technical capability/capacity building, Adjusted EBITDA would be up 50+% in 2019

# Strong growth across all classes of trade

Freshpet Consumption Growth vs YA		
	Q3 2018	Q3 2019
Mega-Channel	+31%	+25%
XAOC	+33%	+29%
Food	+38%	+34%
Big Box Pet	+23%	+11%

# Continued strong consumption growth

## Nielsen Mega Channel Consumption Growth



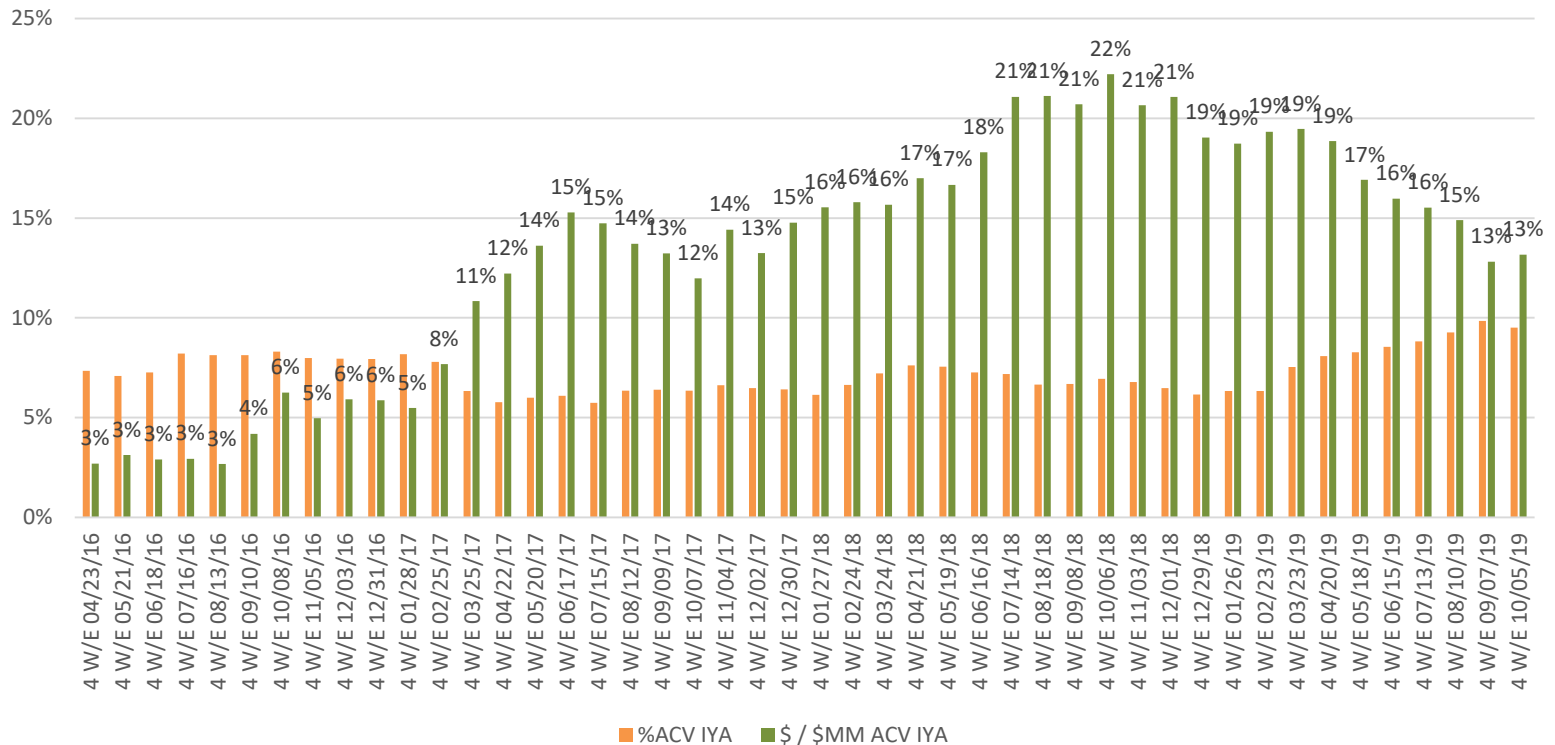
■ Dollar Sales % Chg YA    — Dollar Sales

Nielsen measured \$ consumption for 4 week periods ending 10/5/19



# Strong velocity gains driving accelerating distribution gains

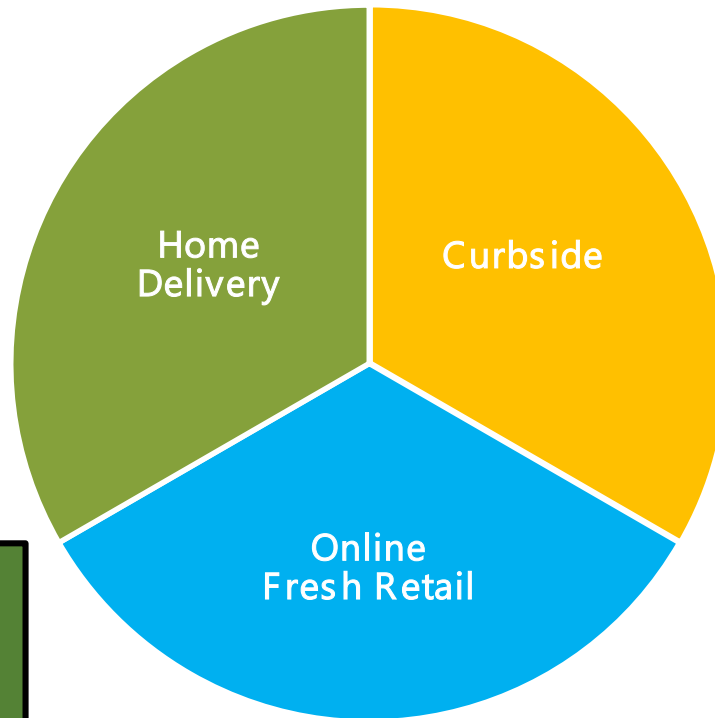
Freshpet Distribution and Velocity Growth  
(Growth vs. YA)





# Continued strong growth in fresh e-commerce

Strategy: Grow with winning players in fresh e-



e-commerce sales grew +93% vs. YA to 2.5% of sales in Q3 2019

>85% 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

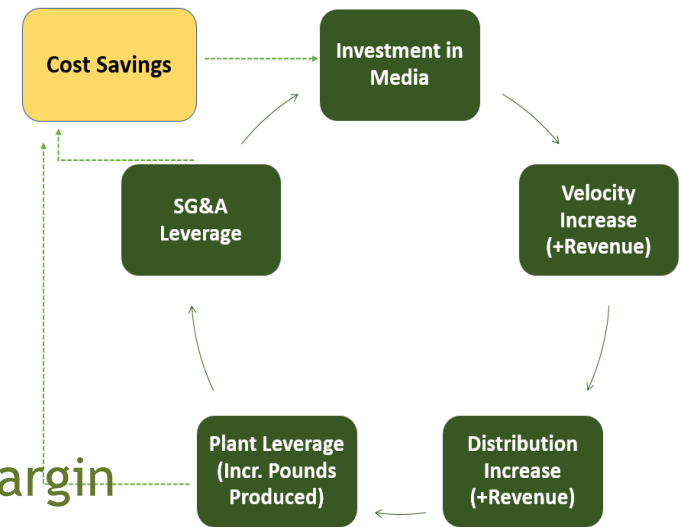
- Pricing
- Product Innovation
- Efficiency gains and capacity utilization
- Build more efficient capacity (Kitchens 2.0 start-up in 2020)
- Deliver SG&A absorption gains

## 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



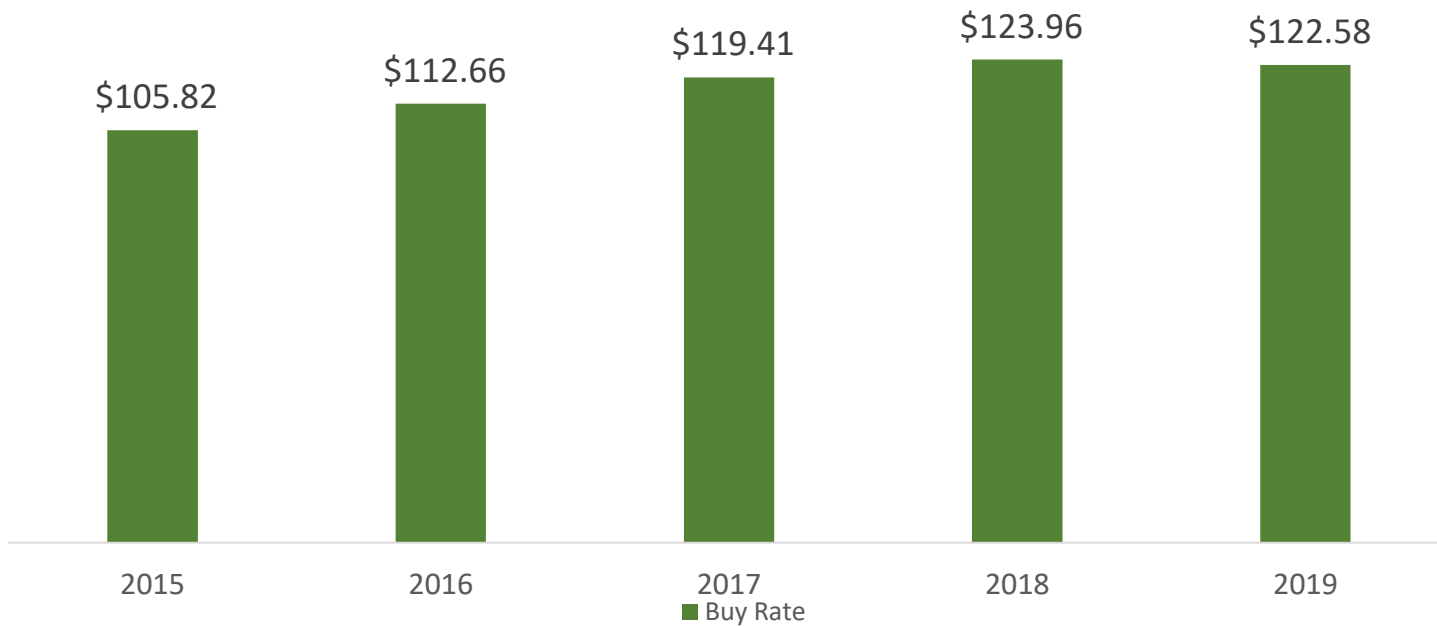
# 21% growth in total Freshpet HH penetration vs. YA; 4% increase in buying rate

## Total Freshpet Buying Rate, Penetration and Repeat Rate



# 31% growth in Core Dog HH penetration vs YA; flat buying rate

Core Dog HH Penetration, Repeat Rate and Buying Rate



Penetration	0.93	1.01	1.15	1.44	1.89
Repeat	69	70	71	71	71

# “Fresh First” is driving strong distribution gains

Freshpet Distribution Gains		
	Q3 2018	Q3 2019
<b>Store Count</b>	<b>19,107</b>	<b>20,779</b>
vs YA	+8%	+9%
<b>Upgraded Fridges (Cum.)</b>	<b>761</b>	<b>1,342</b>
YTD Increase	-	537
<b>2nd Fridges (Cum.)</b>	<b>NA</b>	<b>778</b>
<b>% ACV</b>	<b>45.1%</b>	<b>49.4%</b>
vs YA	+7%	+9%
<b>Total Distribution Points (Change vs YA)</b>	<b>+12%</b>	<b>+9%</b>

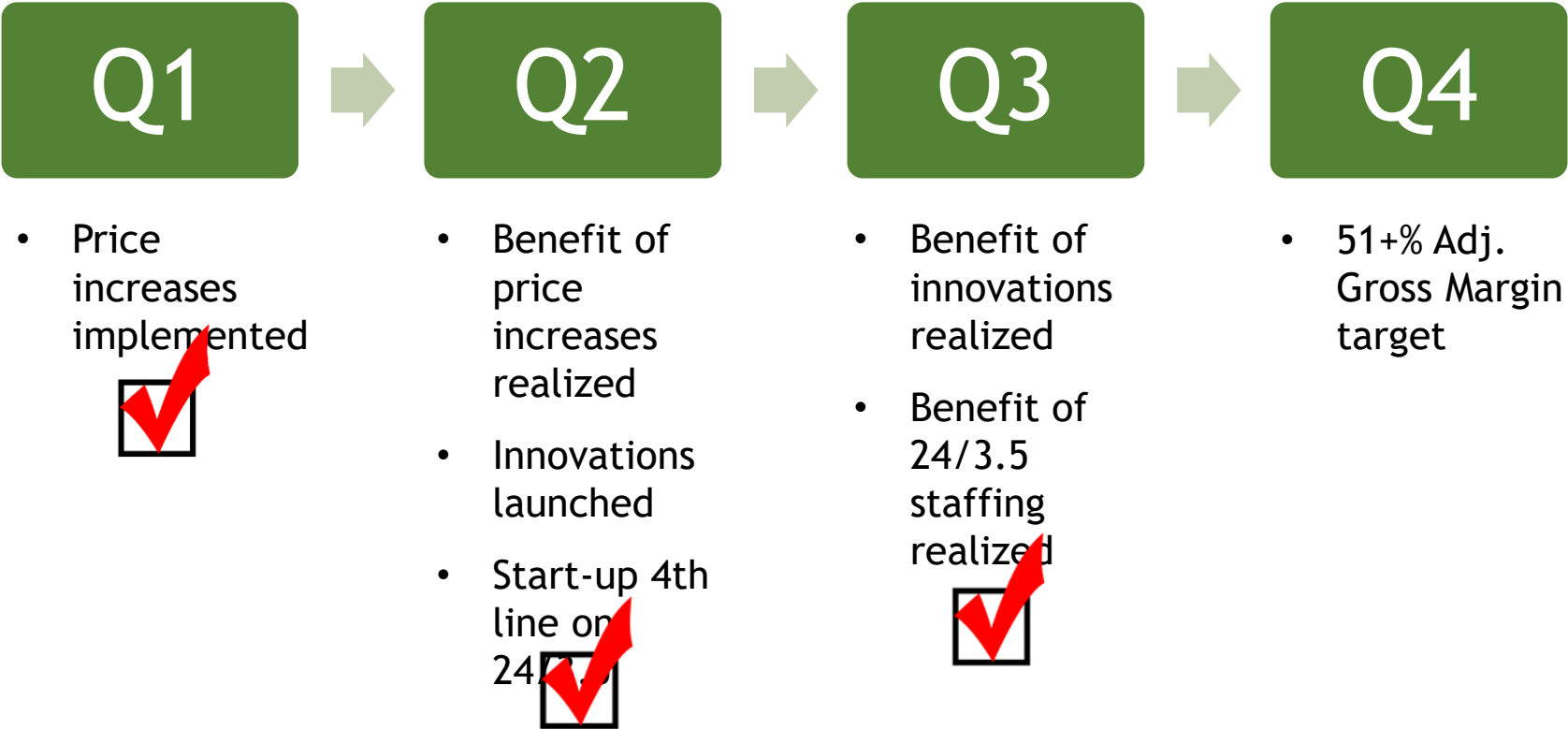


# Adjusted gross margin bounced back from Q2 dip and on-track for 50% goal in 2019

Freshpet Q3 Adjusted Gross Margin Progress		
	Q3 2018	Q3 2019
Adj. Gross Margin	49.7%	49.8%

Freshpet Q3 Adjusted Gross Margin Progress				
	Q1 2019	Q2 2019	Q3 2019	YTD 2019
Adj. Gross Margin	50.4%	48.5%	49.8%	49.5%

# Fully implemented adjusted gross margin improvement plan





# Delivering significant leverage from scale in SG&A

Freshpet Q3 SG&A Leverage			
	Q3 2018	Q3 2019	Y-o-Y Change
Adj. SG&A % Excluding Media	27.8%	24.6%	+320 bps
Media %	8.7%	6.8%	+190 bps
<b>Total Adj. SG&amp;A %</b>	<b>36.5%</b>	<b>31.4%</b>	<b>+510 bps</b>

Freshpet YTD SG&A Leverage (Sept 30)			
	YTD 2018 Q3	YTD 2019 Q3	Y-o-Y Change
Adj. SG&A % Excluding Media	28.9%	25.3%	+360 bps
Media %	13.8%	15.3%	-150 bps
<b>Total Adj. SG&amp;A %</b>	<b>42.7%</b>	<b>40.7%</b>	<b>+200 bps</b>

# Kitchens 2.0 construction underway; on track for Q3 2020 start-up



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????