



ENNIS KITCHEN TOUR 2023:

GROWTH, RESILIENCE & MARGIN EXPANSION

Ennis, Texas

April 12, 2023

NOURISHING PETS, PEOPLE AND PLANET



FORWARD LOOKING STATEMENTS & NON-GAAP MEASURES

Forward-Looking Statements

Certain statements in this presentation by Freshpet, Inc. (the “Company”) constitute “forward-looking” statements, which include any statements related to the novel coronavirus (“COVID-19”), the Freshpet Kitchens Expansion, our long-term capacity planning, our net sales and Adjusted EBITDA guidance 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 our long-term capacity planning, and 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 EBITDA Margin), 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 net income (loss) on equity method investment, non-cash share-based compensation, fees related to equity offerings of our common stock, implementation and other costs associated with the implementation of an ERP system, and other expenses, including loss on disposal of equipment and COVID-19 expenses.

FORWARD LOOKING STATEMENTS & NON-GAAP MEASURES

Freshpet defines Adjusted Gross Profit as gross profit before depreciation expense, plant start-up expense, COVID-19 expense 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 of our common stock, implementation and other costs associated with the implementation of an ERP system and COVID-19 expense.

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 represent the Company's guidance for fiscal year 2022. The Company is unable to reconcile these forward-looking non-GAAP financial measures to the most directly comparable GAAP measures without unreasonable efforts because the Company is currently unable to predict with a reasonable degree of certainty the type and impact of certain items, including the timing of and amount of costs of goods sold and selling, general and administrative expenses, that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. The unavailable information could significantly impact our financial results. These items are not within the Company's control and may vary greatly between periods. Based on the foregoing, the Company believes that providing estimates of the amounts that would be required to reconcile these forecasted non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

INTRODUCTION & OVERVIEW



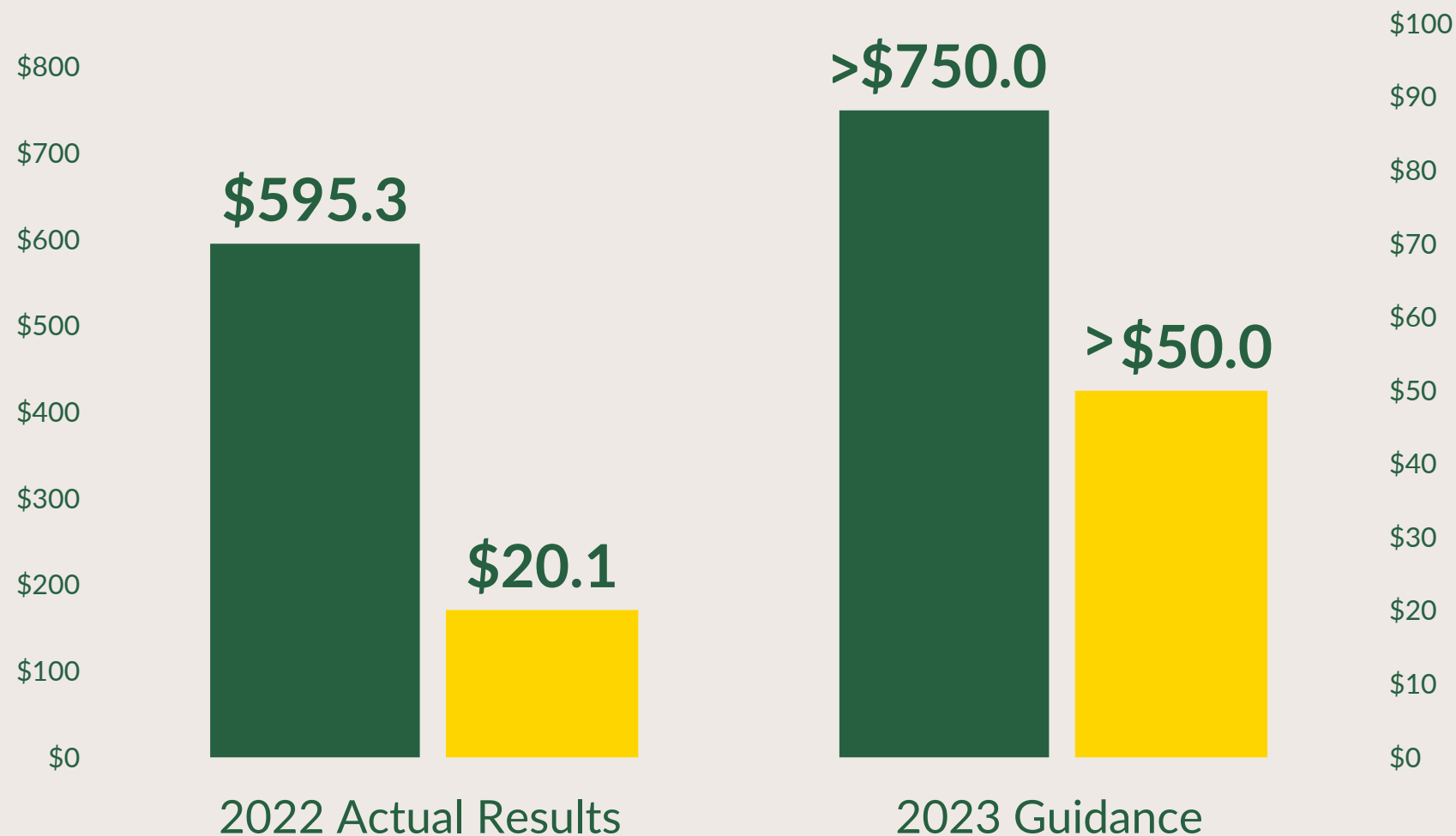
Billy Cyr
CEO



RE-AFFIRMING 2023 GUIDANCE

FRESHPET FINANCIAL PROJECTIONS

- Net Sales (\$ millions)
- Adj. EBITDA (\$ millions)



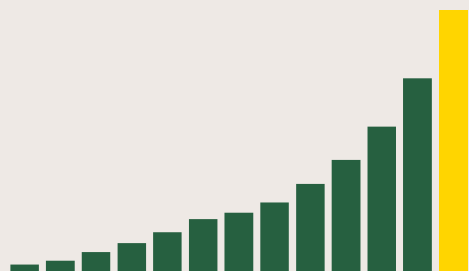


FRESHPET IS THE FUTURE OF PET FOOD



LARGE & GROWING TAM

Dog HHs represent 54% of total US HHs



DEMONSTRATED
RECORD OF CONSISTENT
GROWTH



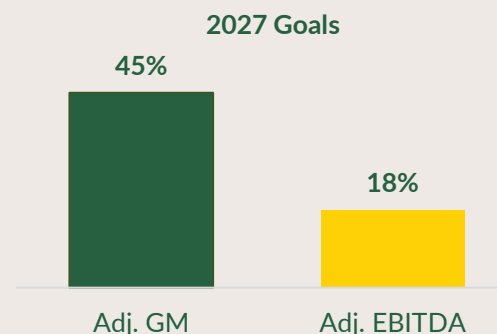
EXCEPTIONAL PRODUCTS



STRENGTHENED & FOCUSED
LEADERSHIP TEAM



PROPRIETARY DISTRIBUTION



LASER-LIKE FOCUS ON
IMPROVING PROFITABILITY



STATE-OF-THE-ART
MANUFACTURING &
TECHNICAL KNOW HOW
WITH AMPLE CAPACITY
FOR GROWTH

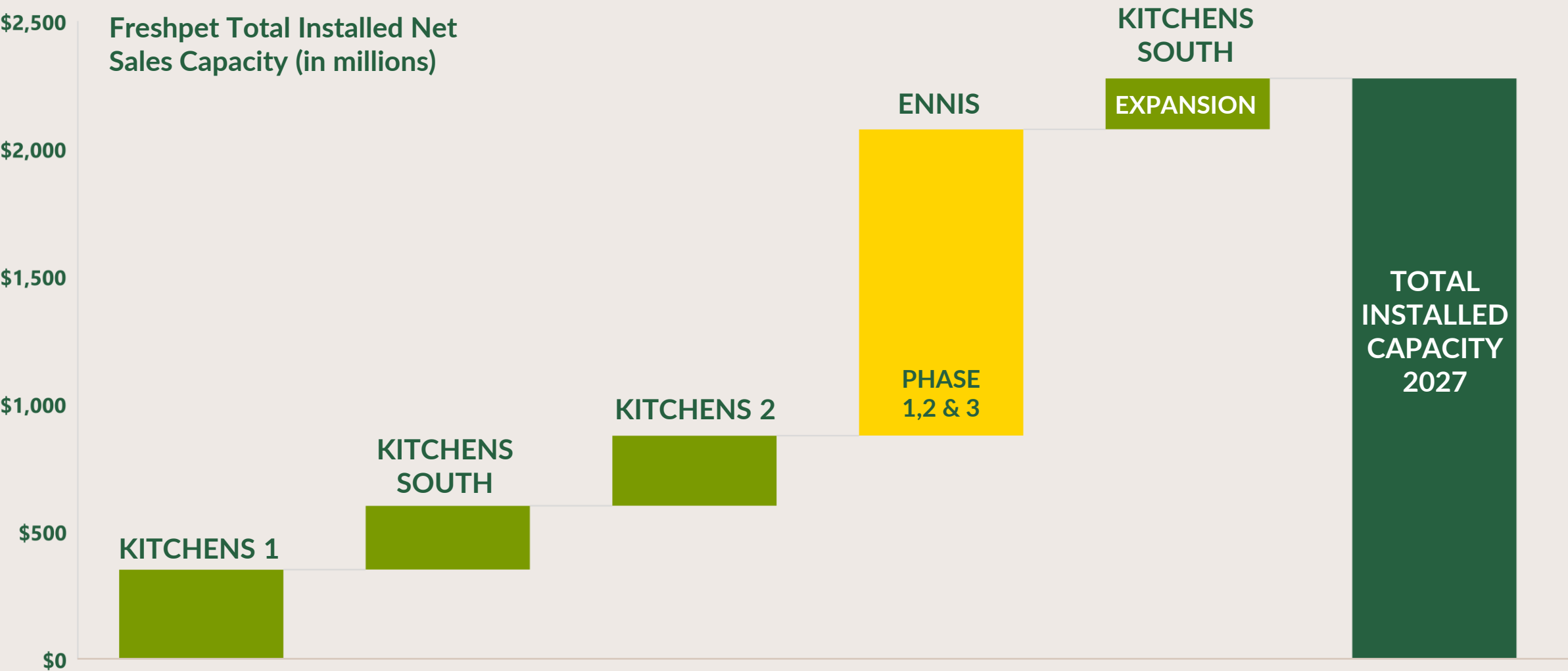
WE HAVE NEW CAPABILITY AND RENEWED FOCUS ON IMPROVING OPERATIONS TO DRIVE CASH GENERATION



ENNIS KITCHEN: KEY ENABLER OF OUR FRESH FUTURE PLAN



ENNIS KITCHEN: ENABLES GROWTH TO \$1.8 BILLION IN NET SALES BY 2027



ENNIS KITCHEN: INCREASES THE RESILIENCE OF OUR SUPPLY CHAIN

MULTI-SOURCING
INGREDIENTS & MATERIALS

INVENTORY AND
CAPABILITY BUFFERS

SUSTAINABLE DESIGN
& OPERATIONS

STRATEGIC PARTNERS

MULTIPLE
DISTRIBUTION CENTERS

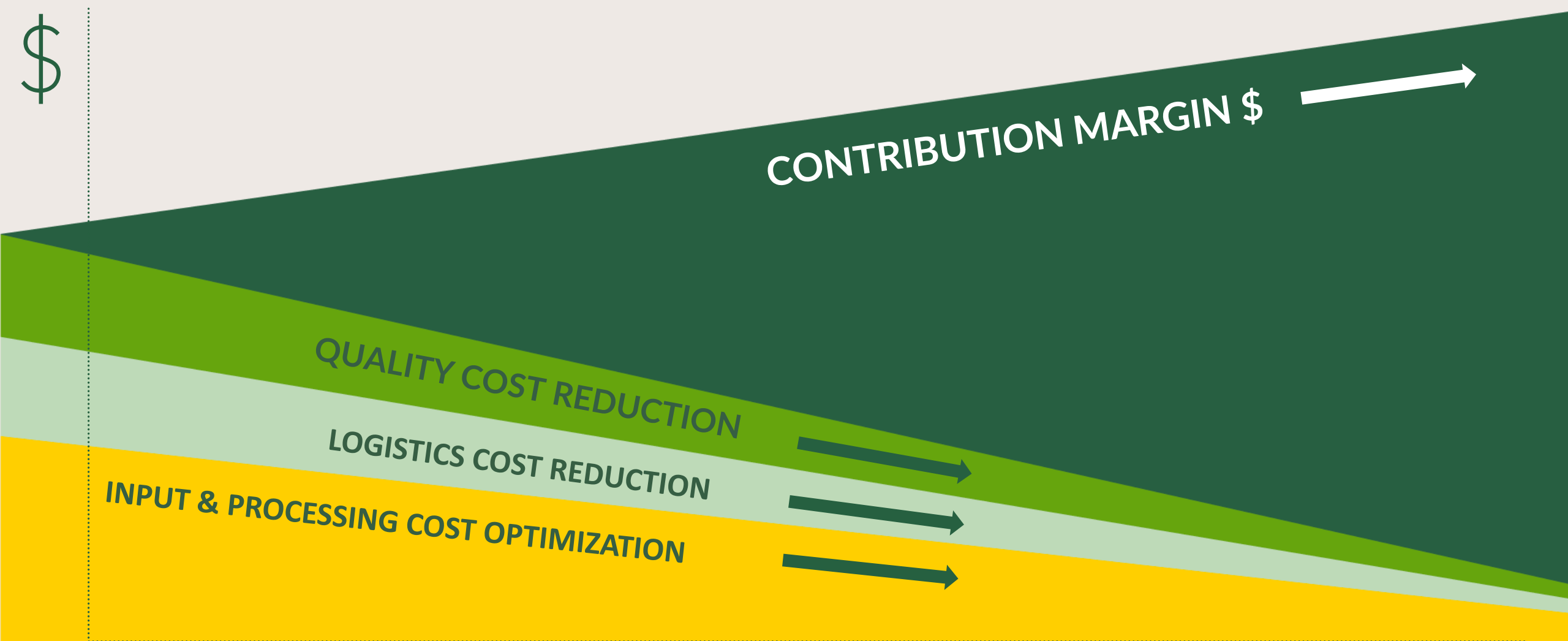

**SUPPLY CHAIN
RESILIENCE**

NEAR-SITE SUPPLY
OF CRITICAL MATERIALS

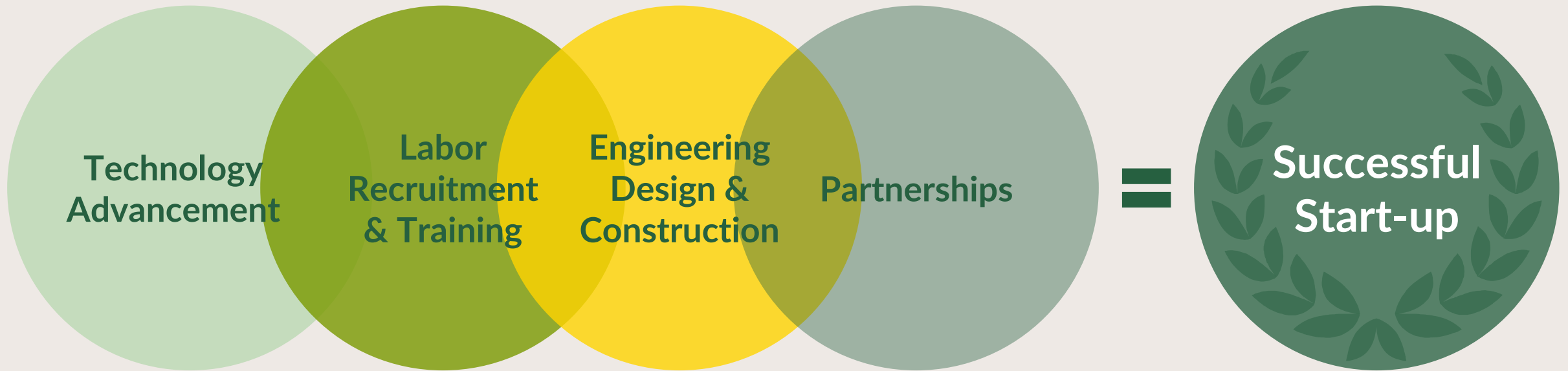
MULTIPLE
PRODUCTION FACILITIES



ENNIS KITCHEN: DESIGNED TO ENABLE MARGIN EXPANSION



ENNIS KITCHEN: DEMONSTRATES ORGANIZATIONAL CAPABILITY TO EXECUTE IN CHALLENGING TIMES



MANUFACTURING, TECHNOLOGY, & CAPACITY VISION



Jay Dahlgren

EVP of Manufacturing, Technology & Supply Chain



TODAY'S KEY TAKEAWAYS:



Leading advantage in fresh
pet food knowhow



Intense focus on margin
expansion & capital efficiency



Leveraging scale to drive resilience &
competitive advantage

KEY INSIGHTS UNDERPINNING OUR VISION FOR MANUFACTURING AND SUPPLY CHAIN

“Fresh” is a velocity & scale business

Drive and capture scale benefits in manufacturing, procurement, logistics & fridge operations

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Skilled labor can be a key driver of value creation

Invest in Freshpet Academy and leverage skills across the network

.....

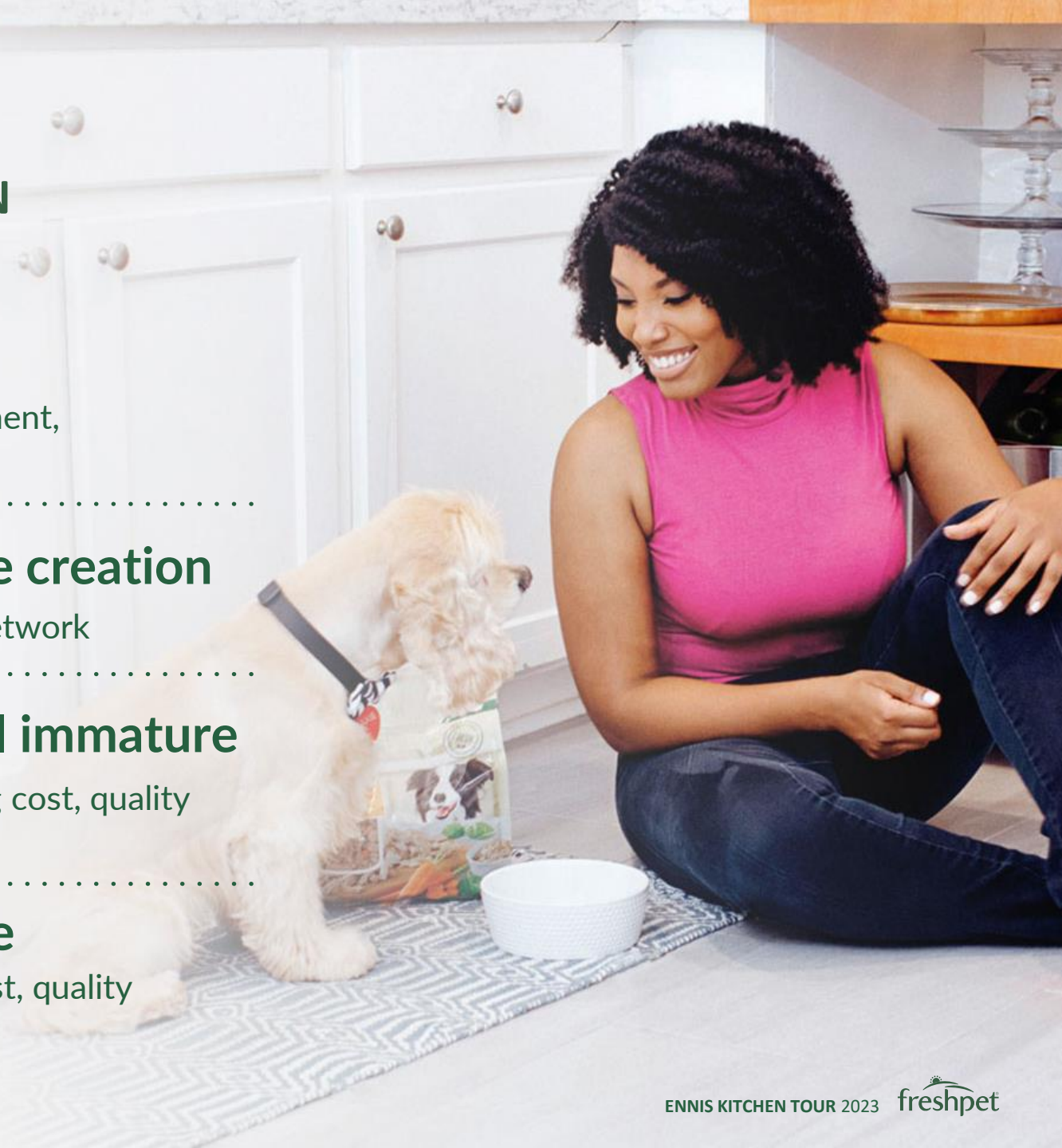
The technology for fresh pet food is still immature

Invest in new technology development capable of improving cost, quality and capital efficiency.

.....

Partnerships can create significant value

Develop partnerships with key suppliers who can deliver cost, quality or technology advantages



FOCUSED ON THREE DISTINCT STREAMS OF WORK TO SUPPORT GROWTH, INCREASE RESILIENCE & EXPAND MARGINS



.....

**CONTINUOUS
OPERATIONAL
IMPROVEMENT**



.....

**EXPAND CAPACITY &
START-UP NEW OPERATIONS**



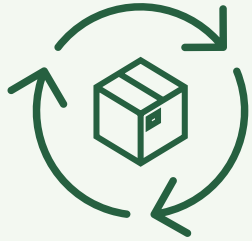
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**DEVELOP & IMPLEMENT
NEW TECHNOLOGIES**

IMPROVING EXISTING OPERATIONS: EXPANDING OPERATIONAL CAPABILITIES



IMPROVING EXISTING OPERATIONS: DELIVERING IMPROVED FINANCIAL RETURN



**IMPROVE
THROUGHPUT**



**IMPROVE
QUALITY**



**IMPROVE
GROSS MARGIN**



IMPROVE ROIC



EXPANDING CAPACITY: CONTINUOUS IMPROVEMENT ACROSS THE NETWORK



Quakertown, PA

2006



Kitchens 1.0 Expansion, Bethlehem, PA

2016



Kitchens 1.0, Bethlehem, PA

- Expanded capacity
- Increased automation

2013



Kitchens 3.0, Ennis, TX

2022



Kitchens 2.0 Bethlehem, PA
& Kitchens South

2020

- Higher throughput
- Increased automation
- Improved quality

- Higher throughput

- Enhanced sanitary design
- Increased automation
- Higher throughput
- On-site chicken processing

EXPANDING CAPACITY: SUPPORTS LONG-TERM GROWTH AND SCALE WE CAN LEVERAGE

Specialization of our assets,
both talent and equipment

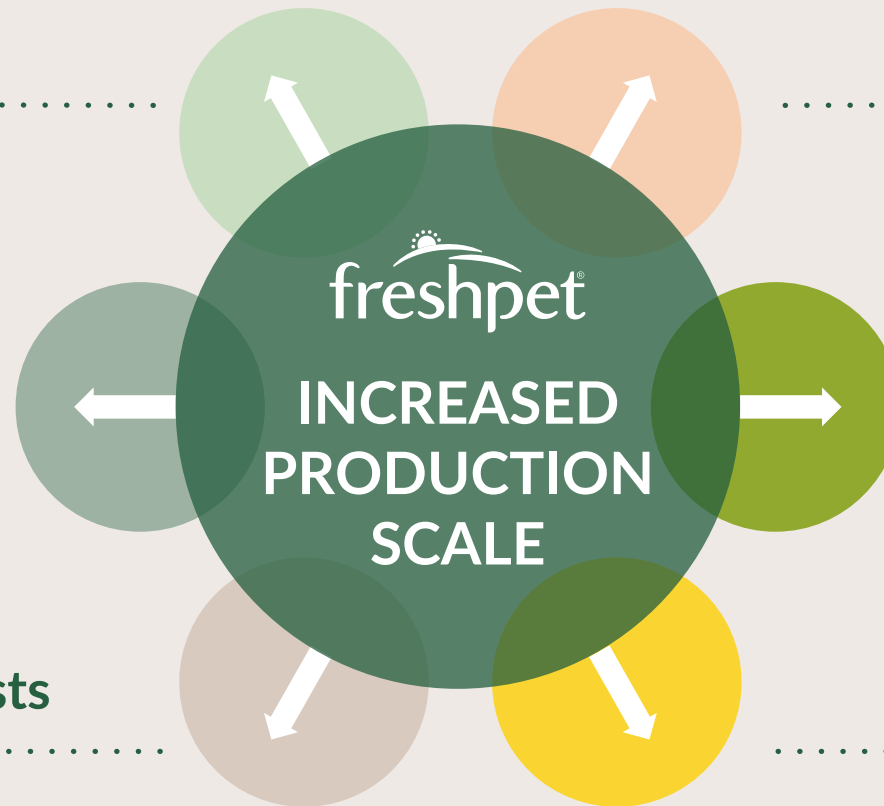
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Increased efficiency of
fridge network

.....

Increased automation to drive
higher throughput & lower costs

.....



Geographically diverse supply
improves resilience

.....

Fresher chicken at lower
cost from on-site processing

.....

Lower logistics costs

.....

NEW TECHNOLOGY: EXTENDING OUR COMPETITIVE ADVANTAGE BY INVESTING IN MORE EFFICIENT TECHNOLOGY



Gross margin
expansion



Sustainability
improvements



Enhanced
ROIC



Quality
improvements



Yield
improvements



Energy
efficiencies



Throughput
increases



Space
utilization

ENNIS KITCHEN



Willie Everett

Ennis Kitchen General Manager





Chicken Processing
Operation

Future Location of 10
Acres of Solar Panels

Wastewater
Treatment

Central Utilities
Building

Site of Phase 3
Expansion

Phase 1
Production Building

Site of Phase 2
Expansion

FRESHPET KITCHEN: ENNIS TX



ENNIS KITCHEN: THE BASICS

 1 Roll Line  2 Bag Lines

- Wastewater Treatment
- Central Utilities Building
- Chicken Processing Facility

 **~275** Employees

Phase 1

Opened October 2022

 3 Roll Lines  1 Bag Line

 **~190** Employees

Phase 2

Opening Q3 2024

 1 Roll Line  2 Bag Lines

- Potential New Technology

 **~145** Employees

Phase 3

Opening 2026-2027

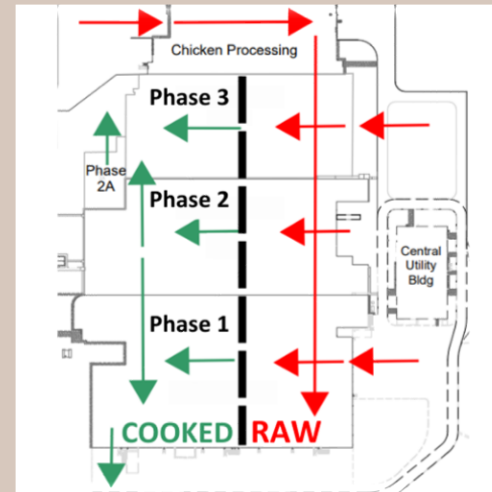
ENNIS KITCHEN: DESIGN IMPROVEMENTS INTENDED TO IMPROVE QUALITY & MARGINS



Higher Speed Lines
(+20%)



More
Automation



Hygienic
Design



On-site Chicken
Processing

ENNIS KITCHEN: START-UP IS ON TRACK

2023 Milestones

2022 DART Rate = 1.57

First SQF Audit = 99

Bag line will be operating 24/7

2023 Chicken Processing Start-Up

Bag line begins shipping saleable product

Rolls line operating 24/7

2022

2023

2024-2027

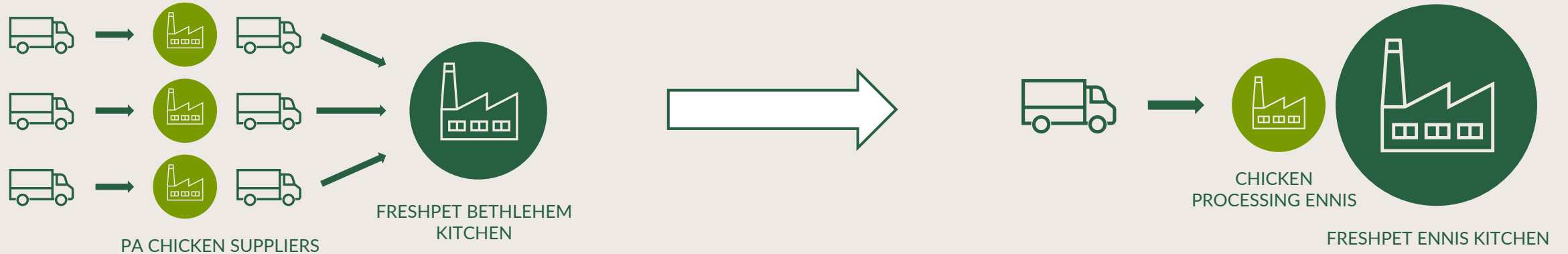
SUPPLY CHAIN PLAN



Chris Taranto
VP of Supply Chain



CHICKEN PROCESSING WILL SUPPLY THE ENTIRE ENNIS SITE WITH FRESH, LOCAL CHICKEN AT FULL SCALE



Vertically integrated local partner operator

Committed capacity, scalable to supply a **10-line** Freshpet operation



Conjoined with Freshpet plant as site buildout advances

More efficient transportation & ESG friendly



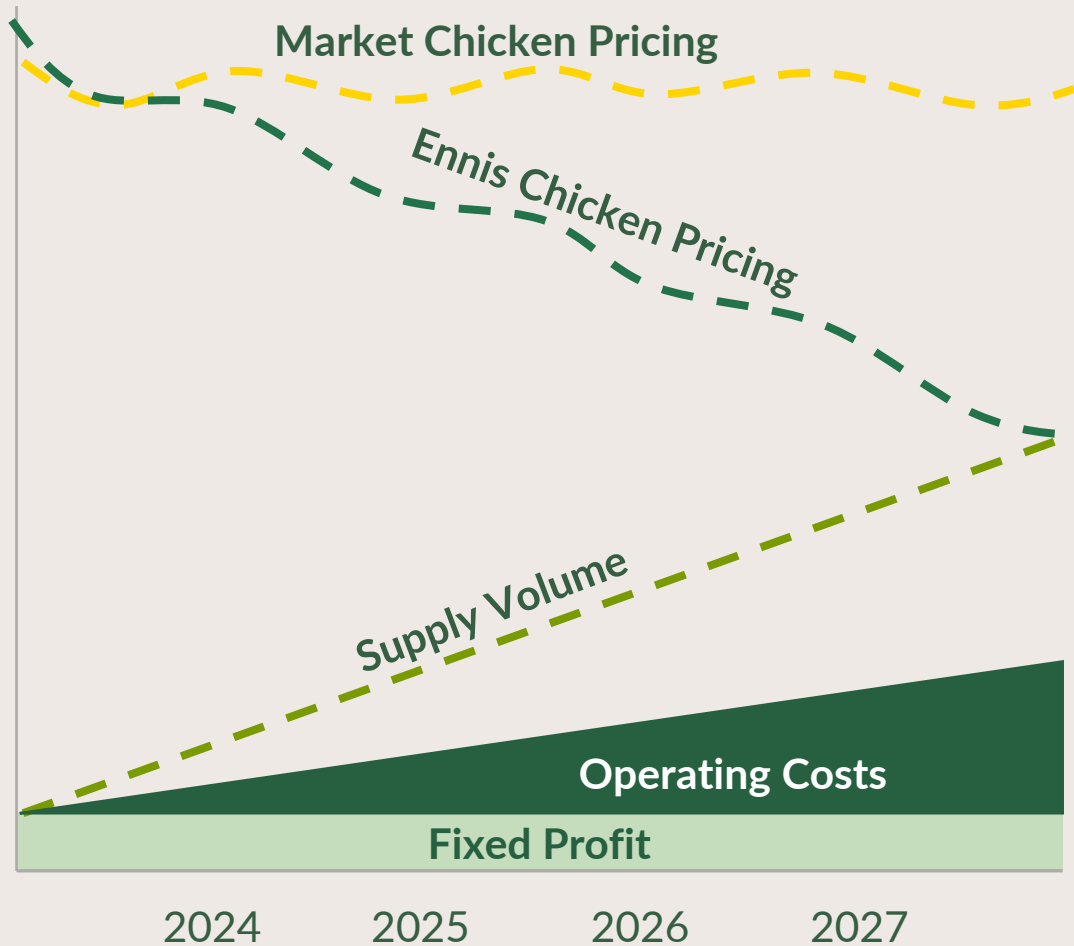
Cycle time from inbound raw chicken to cooked Freshpet product of only a few hours

Improved freshness, quality & performance



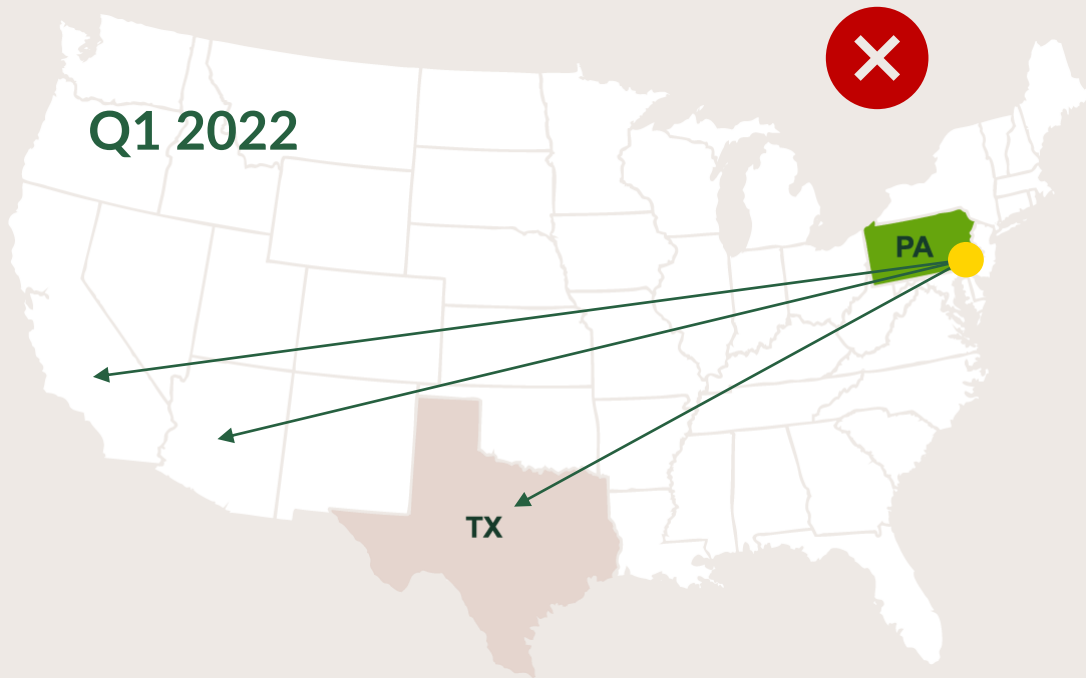
Option to insource operation in time

CHICKEN PROCESSING PROVIDES SIGNIFICANT COST ADVANTAGES AS WE SCALE

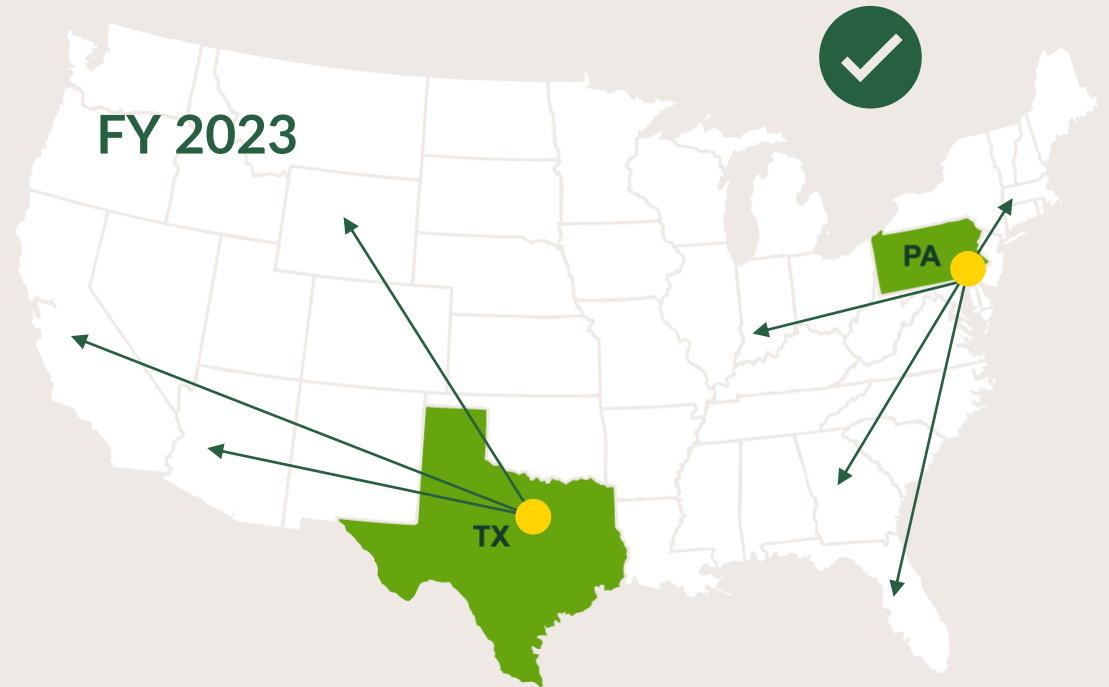


- ✓ Fixed profit model provides extraordinary cost leverage with volume growth
- ✓ Chicken cost reduction could be ~10% annual benefit at scale
- ✓ Redundancy and contingency in design provide installed risk mitigation

DALLAS DC PROVIDES LOWER COSTS, FASTER AND MORE RELIABLE SERVICE TO CUSTOMERS

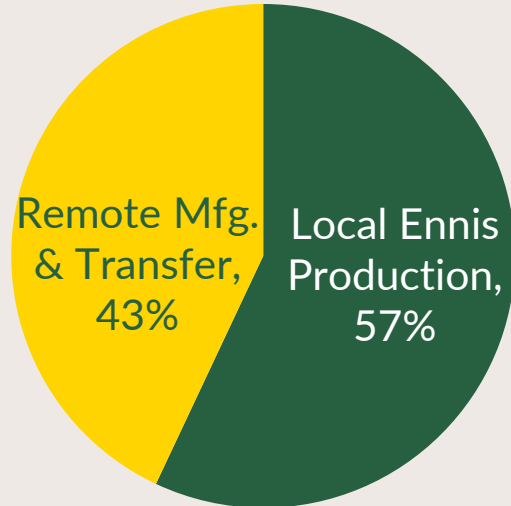


- Dual distribution network is more resilient
- Longer average transit times
- Long distance, high-cost lanes
- FTL, LTL and consolidated multi-stop
- Longer lanes = higher damages, fines & fees



- Dual warehouses provide resilience
- Shorter average transit times
- Shorter distance, lower cost lanes
- Leveraging low-cost intermodal transport
- Shorter lanes = lower total cost to service

DALLAS DC PROVIDES LOWER COSTS, FASTER AND MORE RELIABLE SERVICE TO CUSTOMERS



DALLAS DC SUPPLY SOURCE
Current



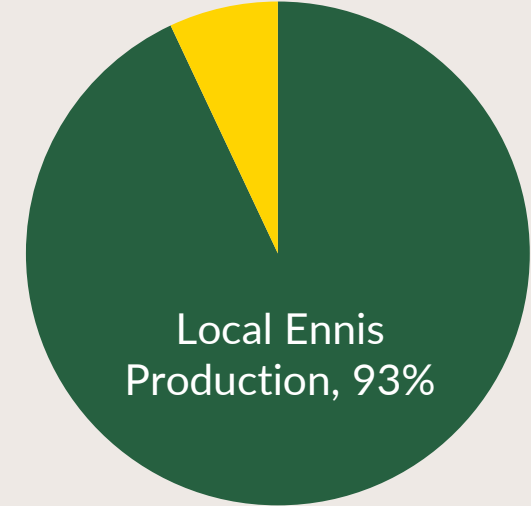
Currently servicing ~30% of volume through Dallas DC

84% reduction in DC-DC transfer freight planned by Q4'23 as we expand local Ennis Production



98%+ fill rates network-wide for the last month

Remote Mfg. & Transfer, 7%

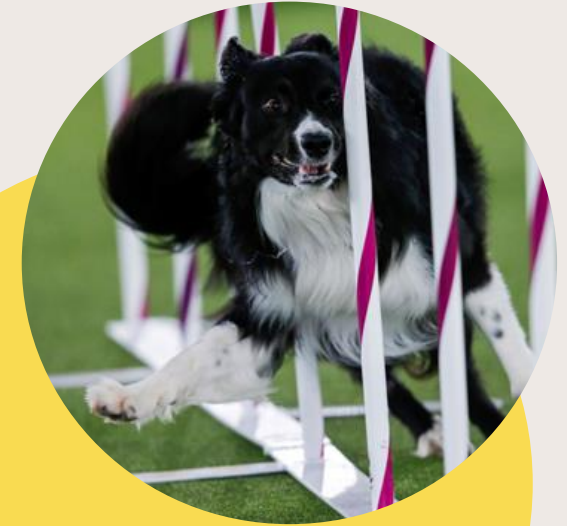


DALLAS DC SUPPLY SOURCE
Q4 2023



Logistics on track for ~200 basis point improvement in 2023

MULTIPLE PRODUCTION SITES & DC'S ENABLE FRESHER PRODUCT, MORE EFFICIENT PRODUCTION AND LESS OVER AGE PRODUCT



EVOLUTION OF FRESHPET PRODUCT SUPPLY & DISTRIBUTION VELOCITY

Circa 2006

Circa 2017

2023 & beyond

More frequent,
smaller production
runs

Higher
velocity
turns

Lower avg.
inventory
trade age

Fewer
Disposals

Higher Fill
Rates

Improved
Customer
Satisfaction

KEY PARTNERSHIP: KITCHEN SOUTH

- ✔ Provides flexible capacity in an existing space requiring lower capital requirements
- ✔ Beneficial ROIC and timing flexibility to install future incremental capacity
- ✔ Collaboration on process and technology development
- ✔ Specialized forms and processes to support innovation



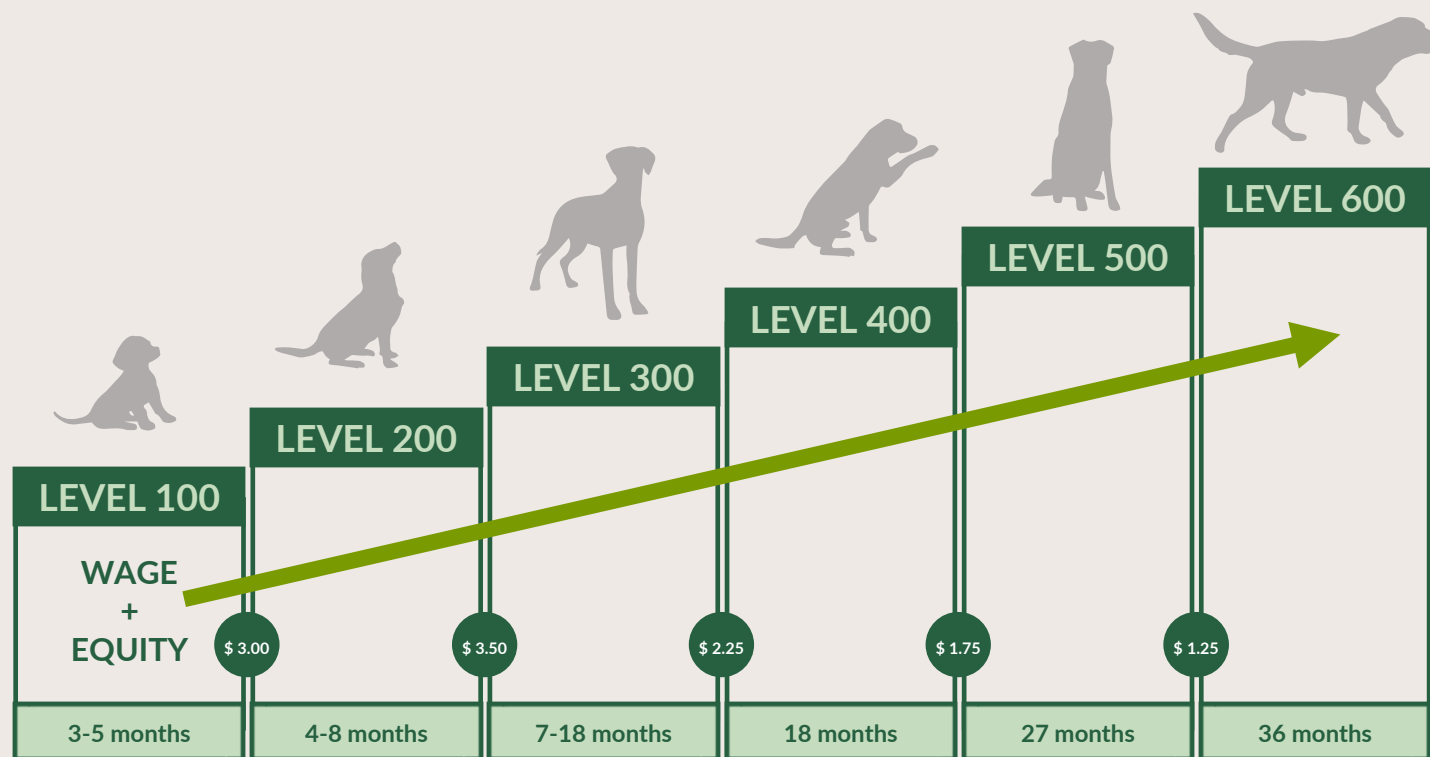
HUMAN CAPITAL



Thembi Machaba
SVP of Human Resources

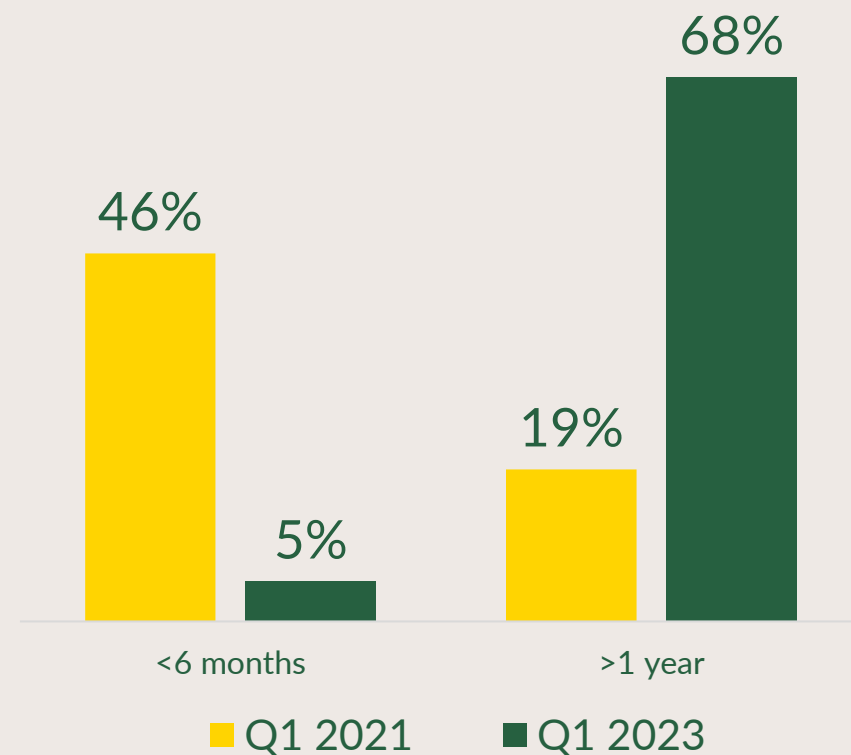


FRESHPET ACADEMY IS DELIVERING THE LABOR IMPROVEMENTS WE HAD HOPED FOR



GROWING OUR TALENT, INCREASING SKILLS →

FRESHPET TEAM MEMBER TENURE



ENNIS START-UP TRAINING PLAN: TRANSFERRING EXPERIENCE AND KNOWLEDGE FROM PA



ENNIS, TX



BETHLEHEM, PA



Relocated 114 Ennis production team members to PA for as long as 15 months

Senior PA-based leaders took up residence in Ennis for months to assist with the start-up

Transferred 10 experienced PA team members to Ennis – including R&D, Training, Supply Chain and Production

CAPACITY EXPANSION PLAN



Michael Hieger
SVP of Engineering



WE TOOK A DELIBERATE APPROACH TO BUILDING THE ENNIS KITCHEN

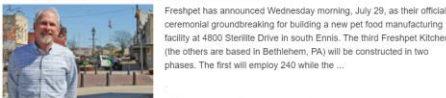


First site visit to Ennis

2017

Pedal to the metal, Freshpet announces start

Pedal to the metal, Freshpet announces start



Broke ground in August 2020

2020



Chicken processing starts up

2023

Selected Ennis for Kitchen 3



Grand Opening



ENNIS OFFERED EVERYTHING WE WERE LOOKING FOR TO BUILD A STATE-OF-THE-ART KITCHEN



Plenty of fresh chicken
available locally



Robust infrastructure
(utilities, water, highways, etc.)

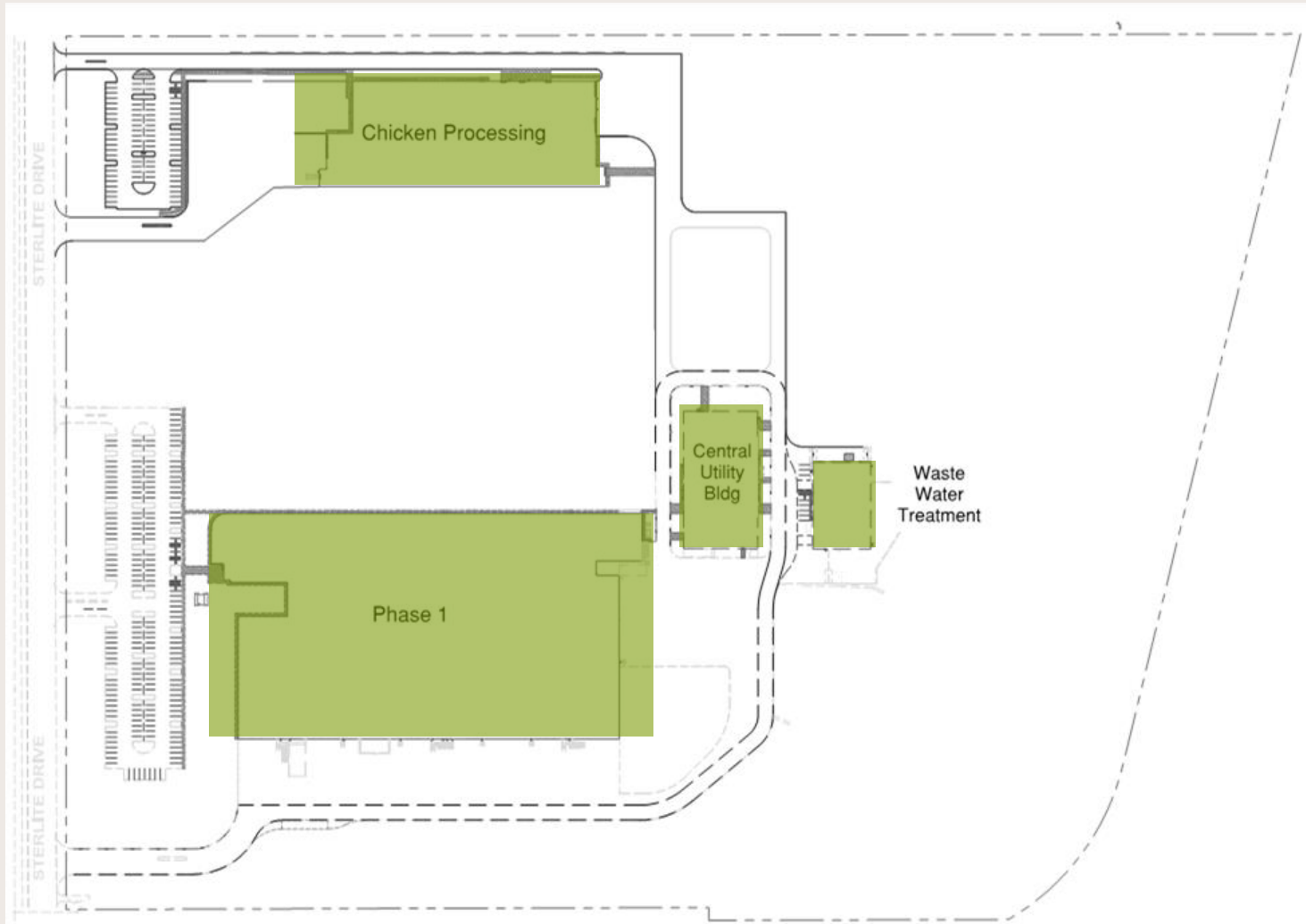


Strong labor supply
& good quality of life



Supportive local
& state government

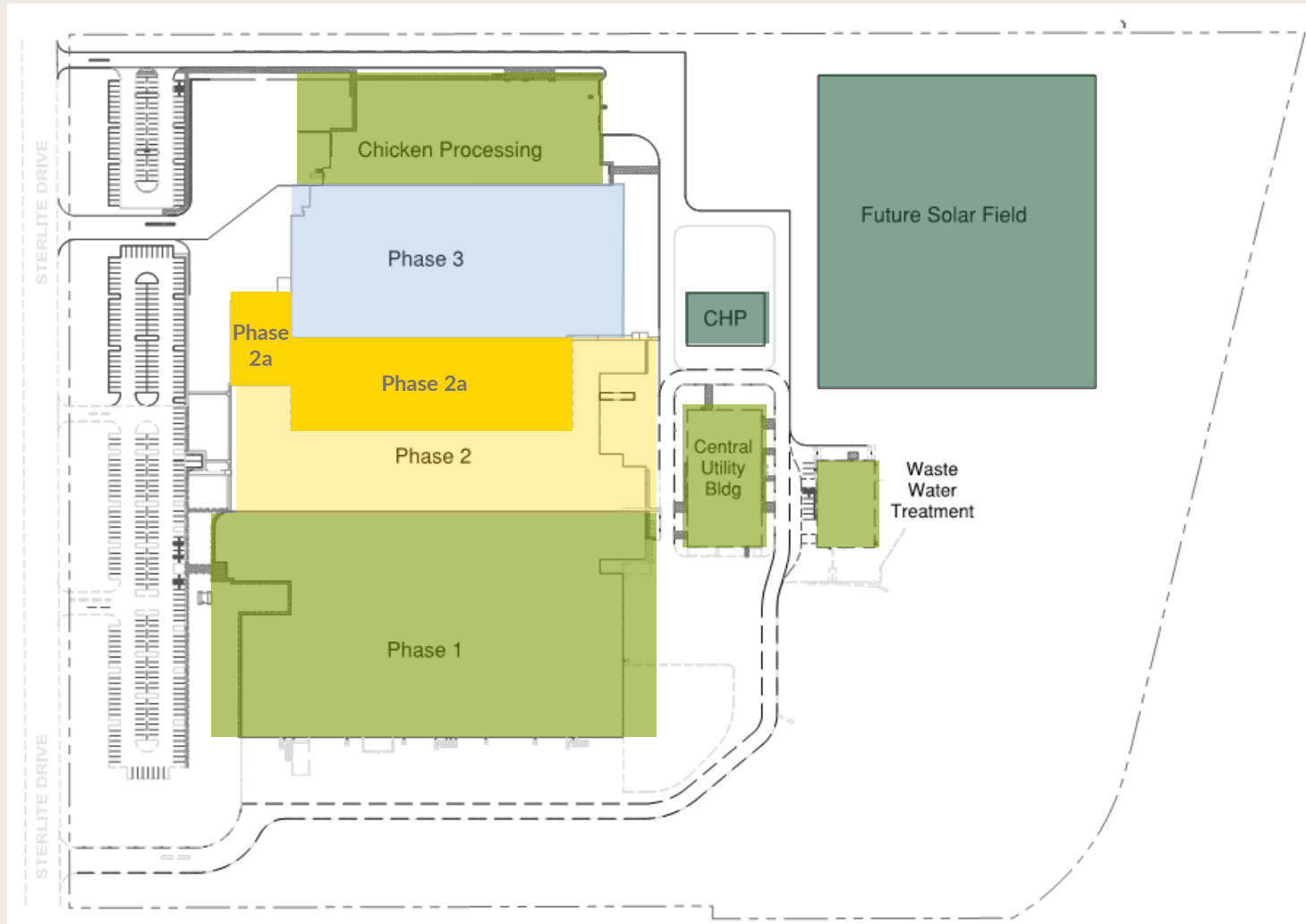
ENNIS KITCHEN TODAY



● PHASE 1

- 2 Lines Operational
- 1 Line In-Progress
- Central Utility Building
- Wastewater Treatment
- Chicken Processing

CAPACITY EXPANSION IS MODULAR AND CAN BE PAUSED OR MODIFIED BASED ON DEMAND



● PHASE 1

3 Lines

- Central Utility Building
- Wastewater Treatment
- Chicken Processing

● PHASE 2

2 lines

● PHASE 2A

2 lines

● PHASE 3

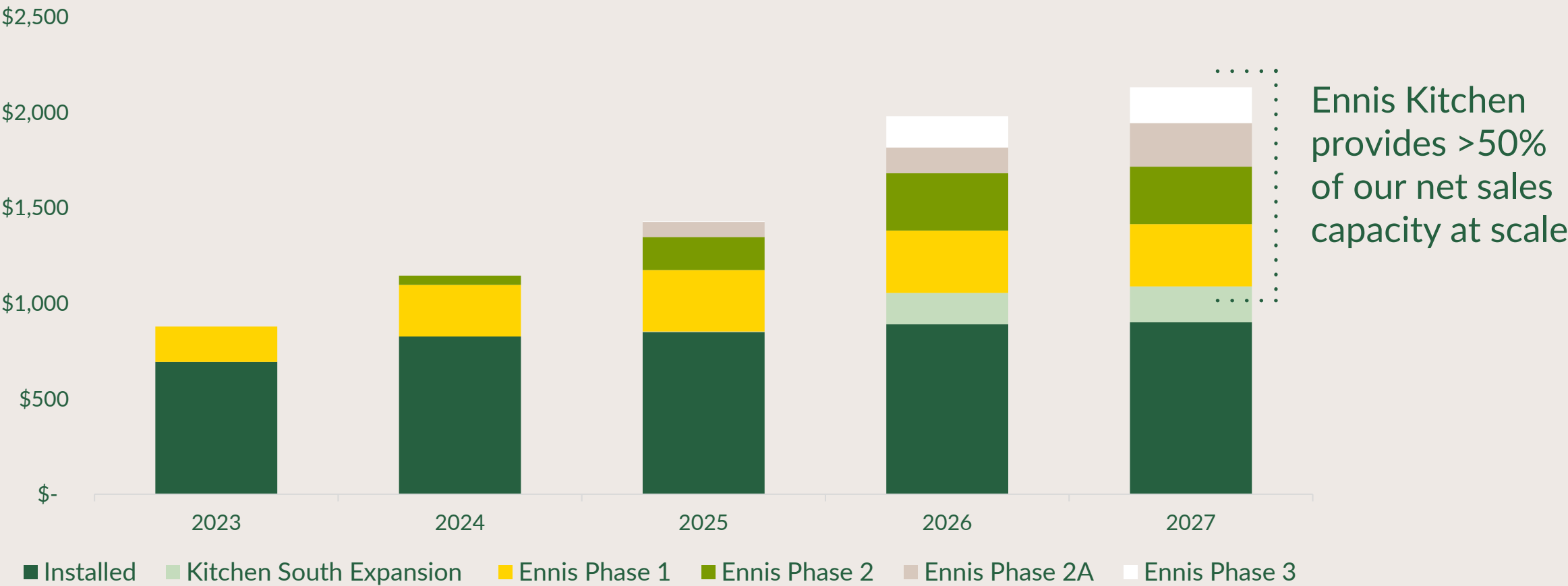
3 lines

● OTHER FEATURES

- Combined Heat and Power (CHP)
- Future Solar Field

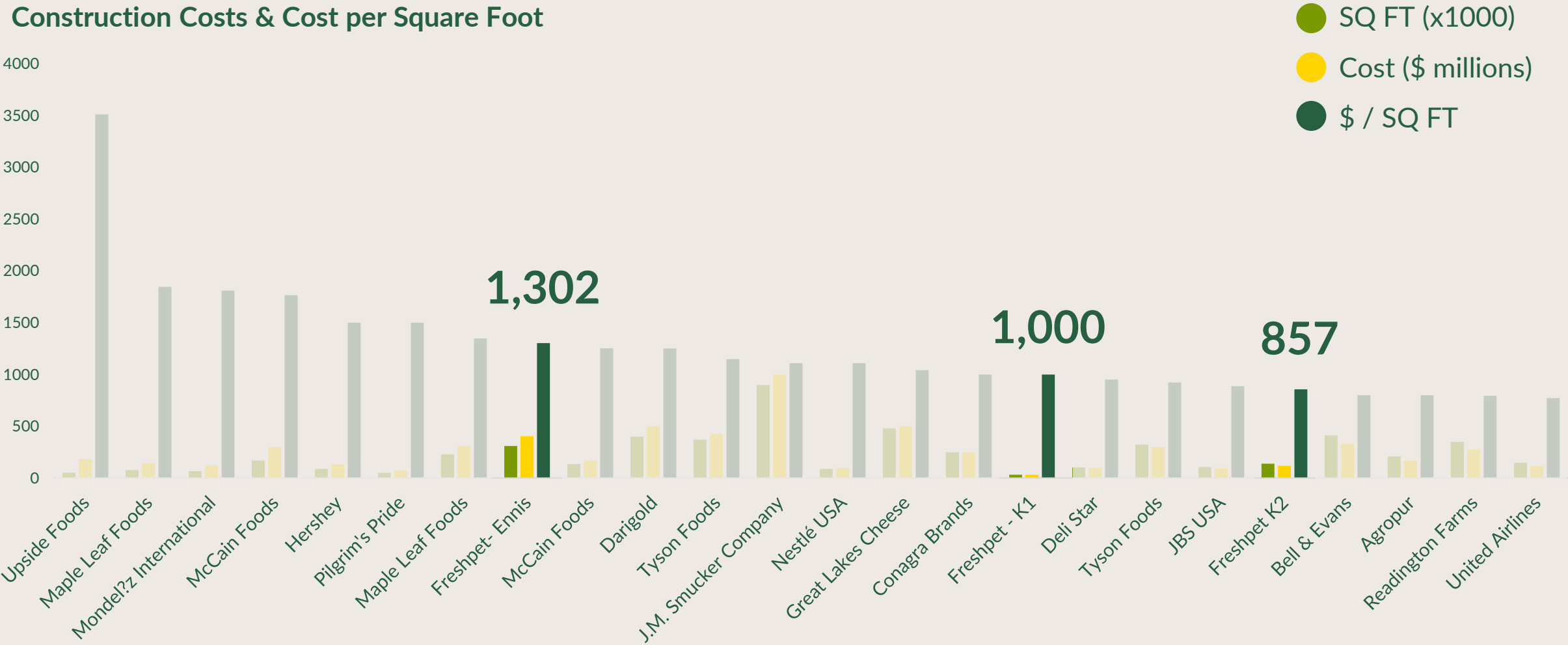
ENNIS CAN ACCOMODATE OUR GROWTH FOR THE NEXT 5 YEARS

Installed Net Sales Capacity (\$ millions)



FRESHPET CONSTRUCTION COSTS ARE IN LINE WITH COMPARABLE REFRIGERATED/FROZEN FACILITIES

Construction Costs & Cost per Square Foot



SUSTAINABILITY

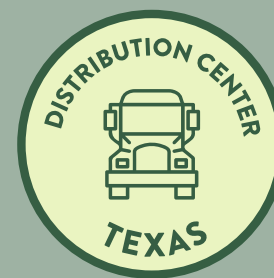
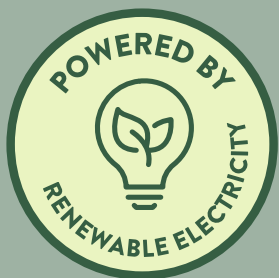


Justin Joyner
Director of Sustainability

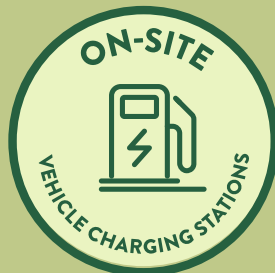




TODAY



FUTURE



ENNIS SUSTAINABILITY IMPACTS

Sustainable Construction

On-site soil processing, Low CO2e concrete, Recycled steel structure, Re-furbished office equipment, Low VOC / recycled building materials



≈ **1,100+**
Metric Tons of CO2e avoided

On-site micro-grid: combined heat & power plant, solar cells, and battery storage



≈ **22,087**
Metric Tons of CO2e avoided/year vs grid

On-site Wastewater Processing & Re-use



≈ **50+**
Million gallons water saved /year

High-Pressure water wash down system



≈ **42%**
Less water used

TX and CA Distribution Center



≈ **28%**
Fewer miles driven from DC to customer



UNLEASHING GROWTH. SCALING PROFITS.



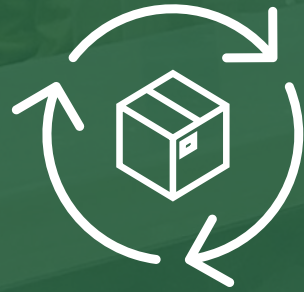
Ricardo Moreno
SVP of Manufacturing & Engineering



ENNIS KITCHEN IS A STATE-OF-THE-ART FOOD MANUFACTURING FACILITY



Most sanitary
design



Highest
throughput



Most
automation



Most
sustainable

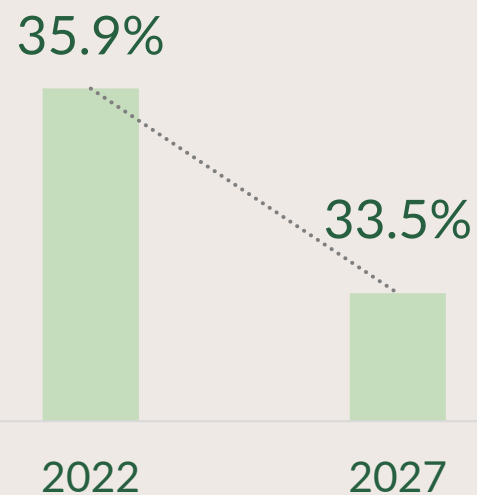
ENNIS IS THE MOST SIGNIFICANT
STEP ON OUR JOURNEY TO ACHIEVE
SCALE, EFFICIENCY
AND EXCEPTIONAL QUALITY



ENNIS KITCHEN WILL ENABLE MARGIN EXPANSION

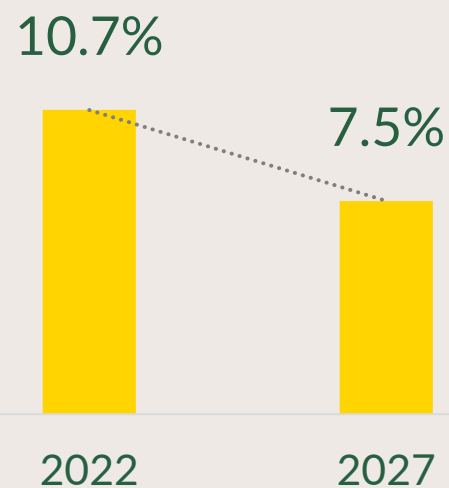
INPUT COSTS

% of NET Sales



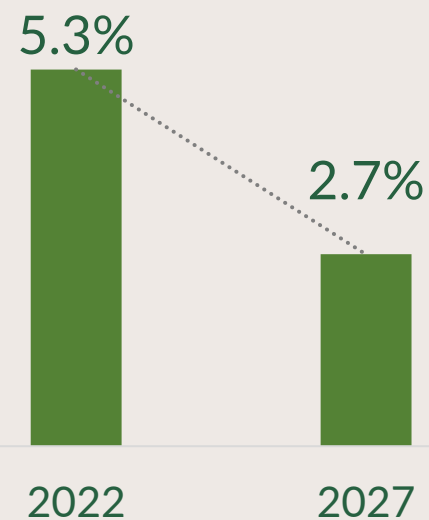
LOGISTICS COSTS

% of NET Sales



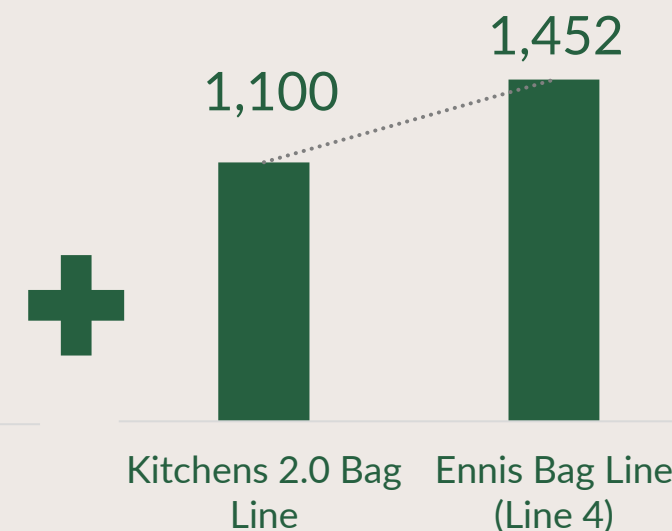
QUALITY COSTS

% of NET Sales



LABOR EFFICIENCY

Lbs./Team member / Hour



Chicken Processing

Second DC

Hygienic Design

Line Speed/Automation

ENNIS DEMONSTRATES OUR TEAM'S ABILITY TO EXPAND OUR COMPETITIVE ADVANTAGE DURING CHALLENGING TIMES



WE ARE LEVERAGING SCALE TO DELIVER BETTER QUALITY AT LOWER COST, STRENGTHENING OUR COMPETITIVE ADVANTAGE



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Lower logistics costs



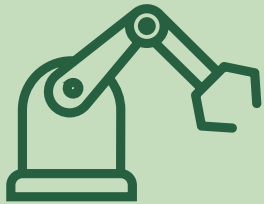
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Fresher product



.....

Production Efficiency



.....

Advancing technology



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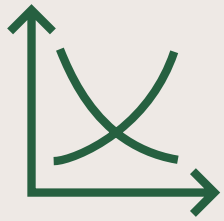
Investing in talent



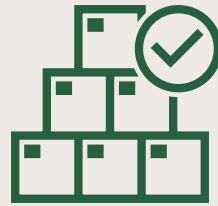
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Forming strong partnerships

FRESHPET SUPPLY NETWORK IS **MORE RESILIENT THAN EVER**



Ample capacity to
meet demand



Healthy inventories



Sustainable
production sites



Three geographically
dispersed production sites



Two geographically
dispersed warehouses



Dual sourced on all
key ingredients

**THE FUTURE OF PET
FOOD IS FRESH AND
FRESHPET IS SEIZING
THAT OPPORTUNITY**



KITCHEN TOUR

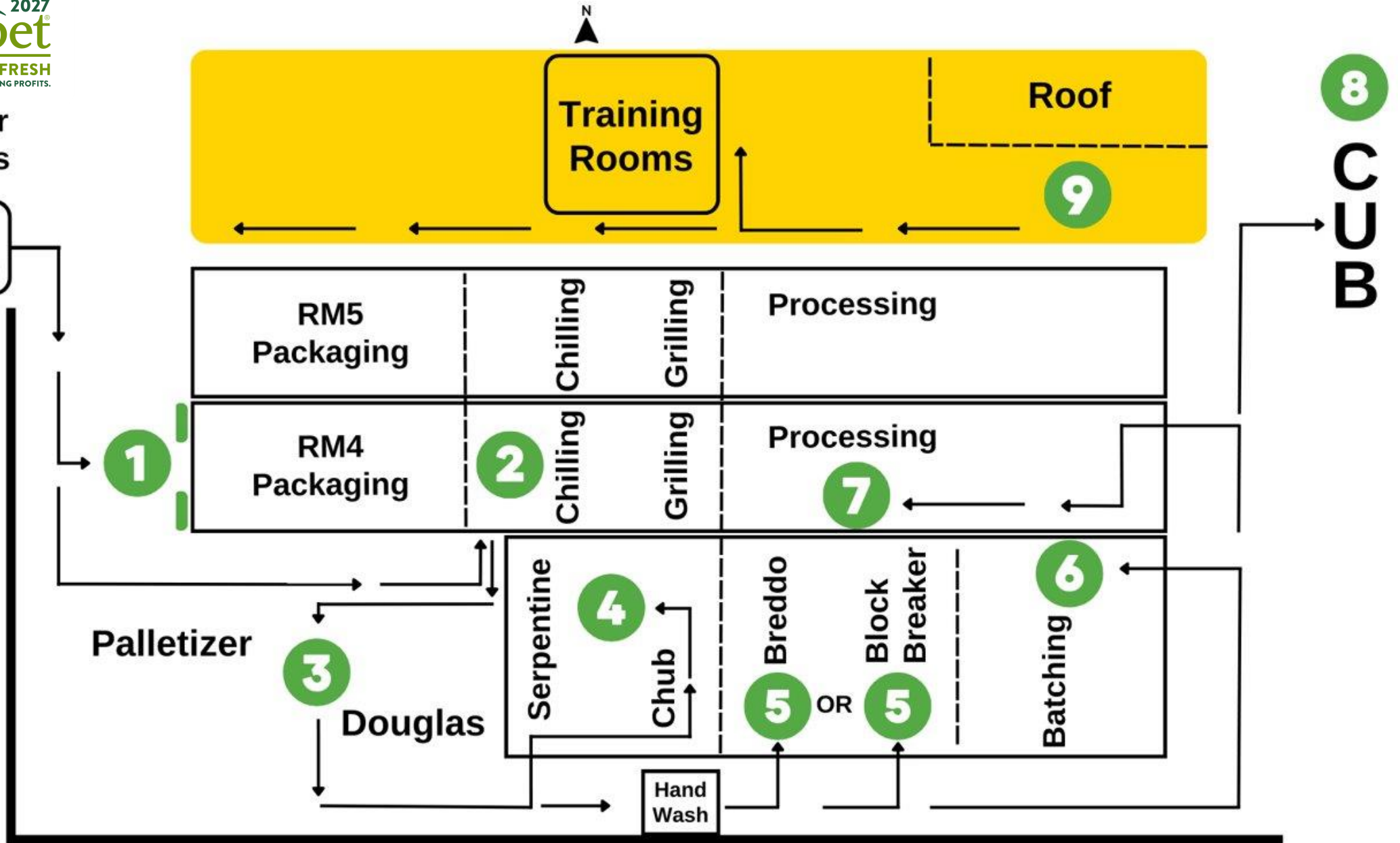


T.K. Tejan
Ennis Production Manager



Locker
Rooms

Boot
Wash





When the tour is complete, some of our highly skilled & trained operators who trained in PA will be here to answer questions about their experience.

A close-up photograph of a white dog, possibly a Samoyed, looking directly at the camera. The dog's face is the central focus, with its dark eyes and black nose clearly visible. The background is a soft-focus green, suggesting foliage. Overlaid on the dog's face is the text "THANK YOU!" in a large, white, sans-serif font. The text is positioned horizontally across the middle of the image, with the exclamation mark at the end. The dog's fur is thick and white, and the overall lighting is bright and natural.

THANK YOU!

The logo for Freshpet, featuring a stylized sun or moon icon above the word "freshpet" in a lowercase, sans-serif font. The word "fresh" is in a lighter weight than "pet", and there is a registered trademark symbol (®) to the upper right of the word "pet".

freshpet®




freshpet®

20+ MILLION HOUSEHOLDS
BY 2027

