



# Q2 2025 Earnings

August 4, 2025



# Forward Looking Statements & Non-GAAP Measures

## FORWARD-LOOKING STATEMENTS

Certain statements in this presentation by Freshpet, Inc. (the "Company") constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on our current expectations and assumptions. These include statements related to growth potential, ability to maintain key fundamentals of our business model in the current macro-economic environment, timing and impact of new technology, plans to reduce capital spend, operating efficiency, FY 2025 Guidance and additional considerations and including our expected cash position at the end of 2025 and our goal of being free cashflow positive in 2026, 2027 targets, and reduced capital spend. Words such as "anticipate", "believe", "could", "estimate", "expect", "guidance", "intend", "may", "might", "outlook", "plan", "predict", "seek", "will", "would" and variations of such word and similar future or conditional expressions are intended to identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements including difficulties in launching our new technology, a change in economic uncertainty, changes in rate of pet acquisition, the launch of new competitive products, impact of tariffs, difficulties in construction of manufacturing facilities, 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, COVID-19 expenses and organization changes designed to support long-term growth objectives. Freshpet defines adjusted Gross Profit as gross profit before depreciation 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, 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, COVID-19 expense and organization changes designed to support long term growth objectives.

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 2024. 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.



Freshpet strengthens the bond between people and our pets so that we both live longer, healthier and happier lives while being kind to the planet.





# Highlights





“Against a more challenging consumer sentiment backdrop, we continue to significantly outperform the dog food category – delivering both category leading sales growth and strong improvements in operations.”



Q2 2025:

## Strong profitability improvement despite lower sales volume



### FINANCIAL

	Q2 2025	YoY Change
Net Sales	<b>\$264.7M</b>	<b>+12.5%</b>
Adjusted Gross Margin*	<b>46.9%</b>	<b>+100 bps</b>
Adjusted EBITDA	<b>\$44.4M</b>	<b>+\$9.3M</b>
Adjusted EBITDA Margin*	<b>16.8%</b>	<b>+190 bps</b>
Logistics Costs*	<b>5.7%</b>	<b>-10 bps</b>
Input Costs*	<b>28.9%</b>	<b>-90 bps</b>
Quality Costs*	<b>2.0%</b>	<b>-70 bps</b>
Operating Cash Flow	<b>\$33.9M</b>	<b>-\$8.5M</b>


### RETAIL

<i>All comparisons to prior year period</i>	Q2 2025
Total Household Penetration	<b>+11%</b>
Total Buy Rate	<b>+6%</b>
MVP Household Penetration	<b>+18%</b>
Cubic Feet	<b>+10%</b>
Store Count	<b>+6%</b>
Total Distribution Points	<b>+14%</b>

*\*As a percent of net sales*

*Source: Internal Data, Numerator for L52W ended 6/29/25*





Q2 2025:

## Key fundamentals remain intact

### Strength of the Freshpet growth model

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- Net sales growth far exceeding category growth
- Household penetration growth of 11% and heaviest users growing even faster
- Media spend continuing to drive household penetration

### Improved operational effectiveness

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- 170 basis point improvement across quality, input, and logistics costs in Q2 2025
- Overall Equipment Effectiveness (OEE) improvements across our manufacturing network
- Ennis now has the highest margins of all Freshpet Kitchens

### Improving capital efficiency

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- More out of existing lines, more out of existing sites, and new technology
- Expanding capacity to meet demand while improving margins

Source: Internal data; Numerator Panel data for the 52-week period ending 6/29/25

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Q2 2025:

## Significant operational achievements



### Ennis Kitchen has become our most profitable facility

- Achieved better profitability sooner than expected due to strong leadership and thoughtful design
- Expected to produce more than 50% of volume within the next few years

### Development of new production technologies

- Designed to increase bagged product margins and decrease margin gap between bags and roll products
- Aim to deliver higher quality product at lower cost through increased yields and throughput
- Could be new basis for bag lines going forward and “lite” version could be retrofit on existing lines

### Ability to reduce capital spending by a combined total of at least \$100 million in 2025-2026

- Improved output from the existing lines coupled with new technology can allow us to defer capex
- Direct impact on our cash flow and make the business much less capital intensive the next few years

Source: Internal Estimates



# Addressing the current consumer environment



## Marketing

- New advertising campaign launching in August to complement more social/digital campaigns
- Targeting MVP's through digital, social and connected TV
- Returns are still healthy



## Channels

- Value-oriented channel expansion (club & mass)
  - Expanded test in club retailer to 125 stores
- Expect outsized growth in digital channel including expansion in Freshpet Custom Meals (DTC)



## Value Products

- Entry price point bag (Complete Nutrition) and multipacks/bundles in select retailers

## Vast runway for growth in a large category

**\$54B**

U.S. pet food category<sup>1</sup>

**\$37B**

Dog food category<sup>1</sup>

**3.6%**

Freshpet market share of dog food<sup>1</sup>



**95%**

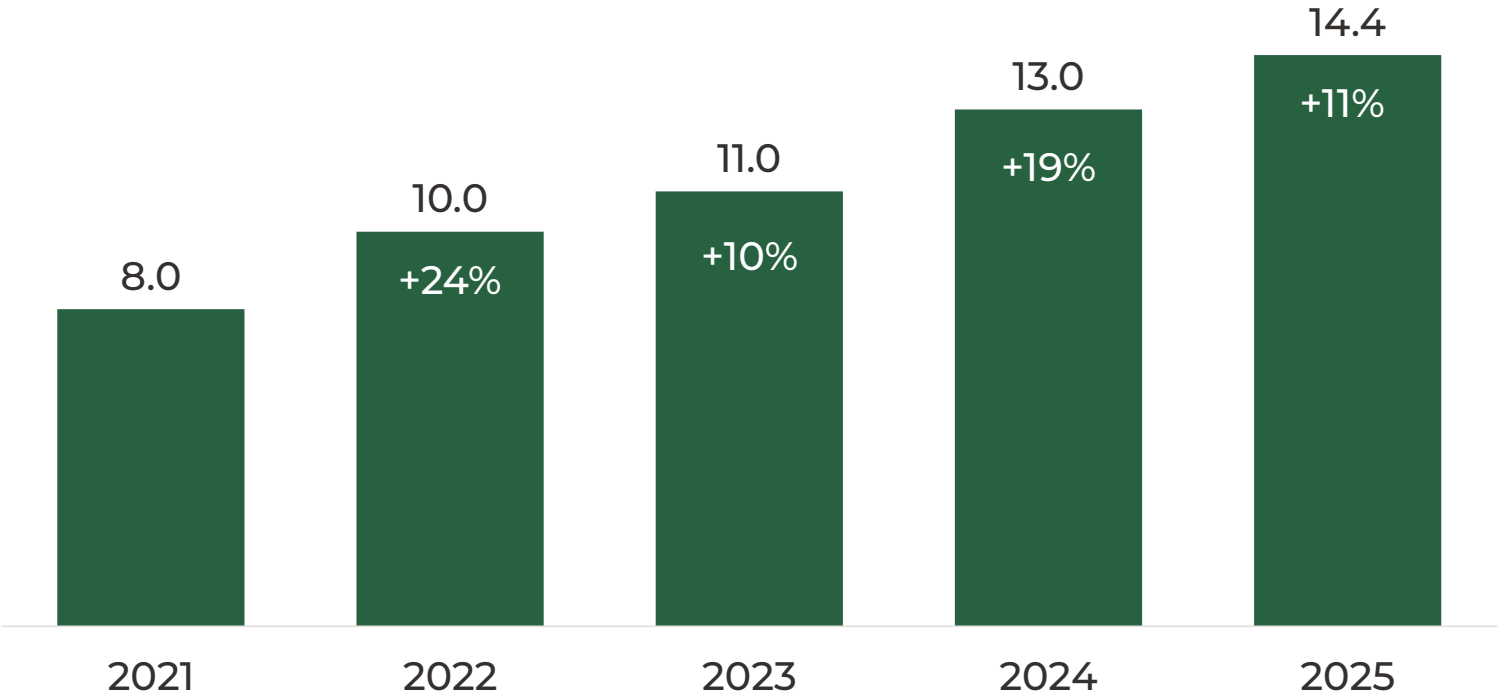
Freshpet market share  
of fresh/frozen in  
measured channels<sup>2</sup>

1. NIQ Total US Pet Food \$ - OmniChannel by Category 52 Weeks Ended 6/28/25

2. NIQ Brick & Mortar Customers (defined as XAOC + Pet) 52 Weeks Ended 6/28/25, Gently Cooked Fresh/Frozen Branded Dog Food

Continued growth in consumer franchise; added ~1.4m households YoY

Freshpet Household Penetration Growth (in millions)  
(52 weeks)

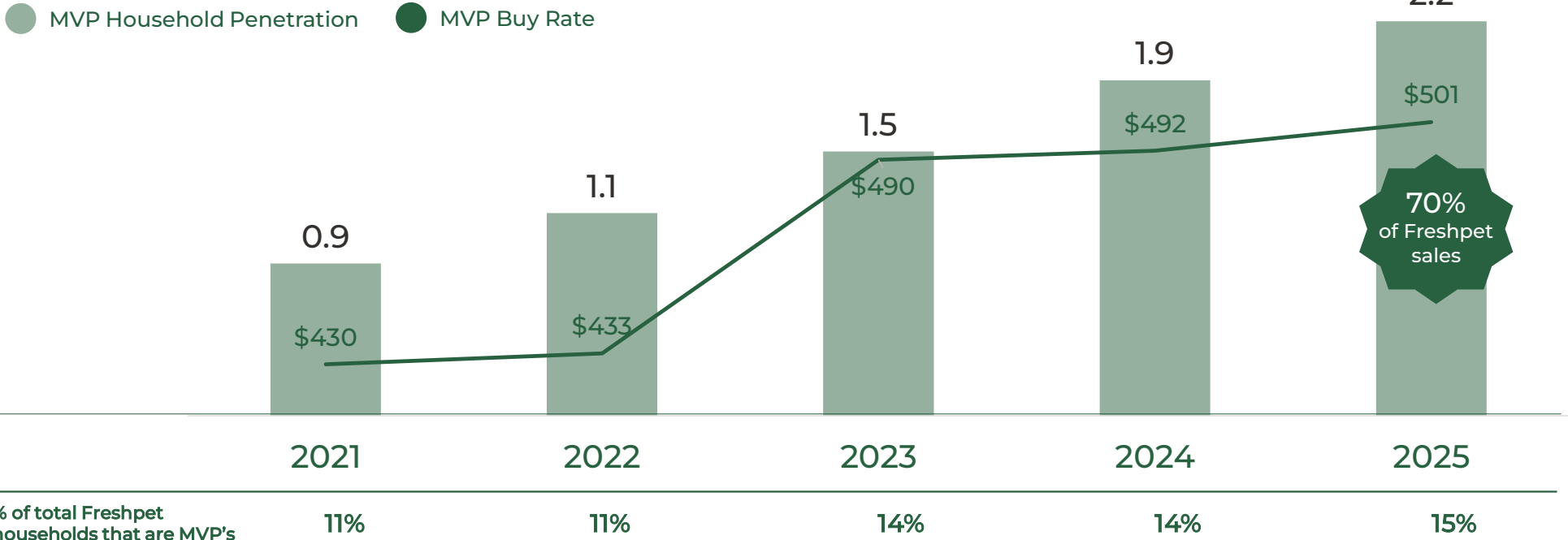


Source: Numerator Panel data for the 52-week periods ending 7/4/21, 7/3/22, 7/2/23, 6/30/24, 6/29/25  
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Freshpet sales are increasingly concentrated in our heaviest users– now called MVP’s\* – and account for 70% of LTM net sales

Freshpet Users who are MVP’s (Ultra/Super Heavy Buyers) (in millions)



% of total Freshpet households that are MVP's

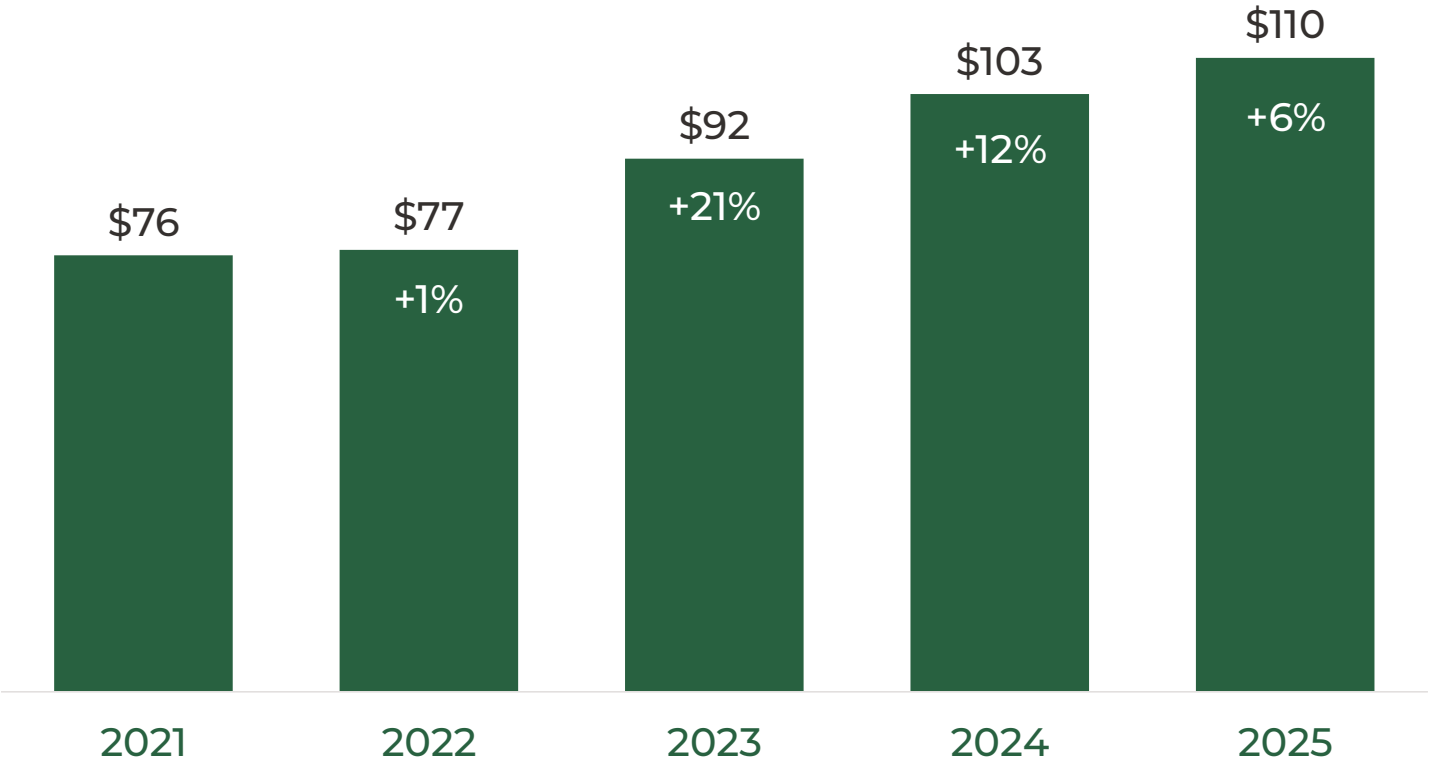
Source: Numerator Panel data for the 52-week periods ending 7/4/21, 7/3/22, 7/2/23, 6/30/24, 6/29/25

\*Most Valuable Pet Parents

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# MVP growth is helping to increase buy rate

Freshpet Buy Rate  
(52 weeks)

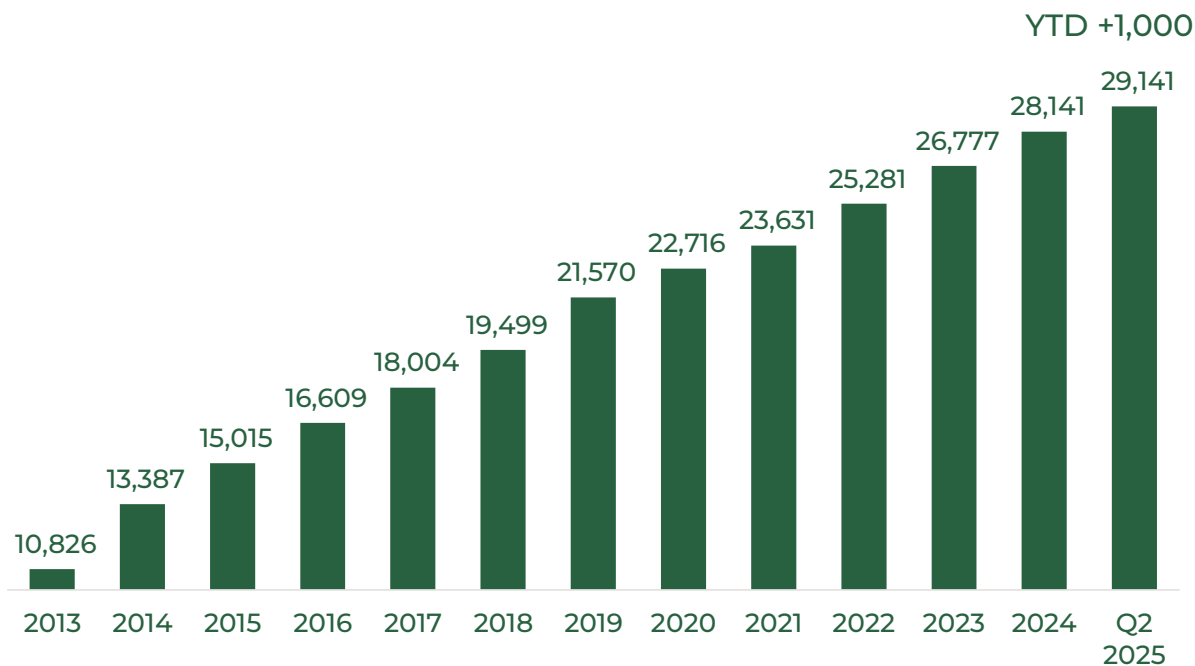


Source: Numerator Panel data for the 52-week periods ending 7/4/21, 7/3/22, 7/2/23, 6/30/24, 6/29/25  
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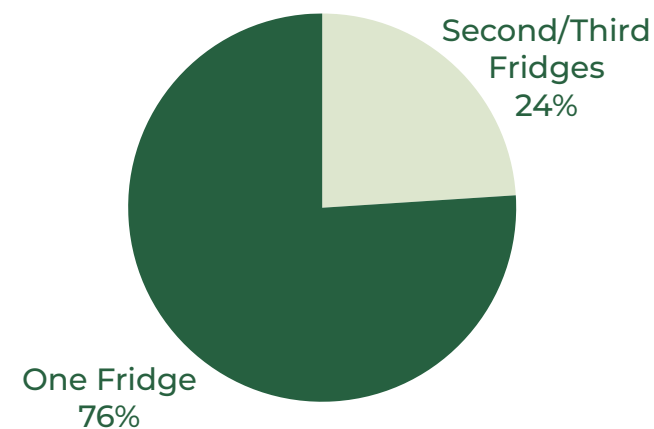
## Expanding depth and breadth: 24% of all stores have multiple fridges



Freshpet Store Count



Number of Fridges per Store\*



Source: Internal data for the period ending 6/30/25; \*U.S. and Canada Fridges  
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# Capacity Update

Facility	# Lines Today	# Lines Projected
Bethlehem Kitchen	6	7
Kitchen South	4	7
Ennis Kitchen	5	10+
<b>Total</b>	<b>15</b>	<b>24+</b>

- ✓ Ennis now the most profitable Freshpet Kitchen
- ✓ New production technology line for bagged product to be commissioned in 4Q 2025 in Bethlehem
  - Potential to retrofit existing bag lines starting 2H 2026 with “lite” version
- ✓ Reduced capital requirements to support growth plans

Source: Internal Data

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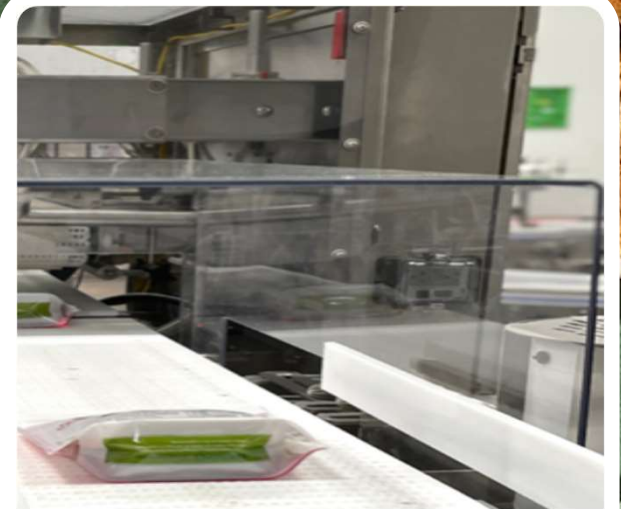
# Capital Efficiency Framework



**MORE OUT OF  
EXISTING LINES**



**MORE OUT OF  
EXISTING SITES**



**DEVELOP & IMPLEMENT  
NEW TECHNOLOGIES**



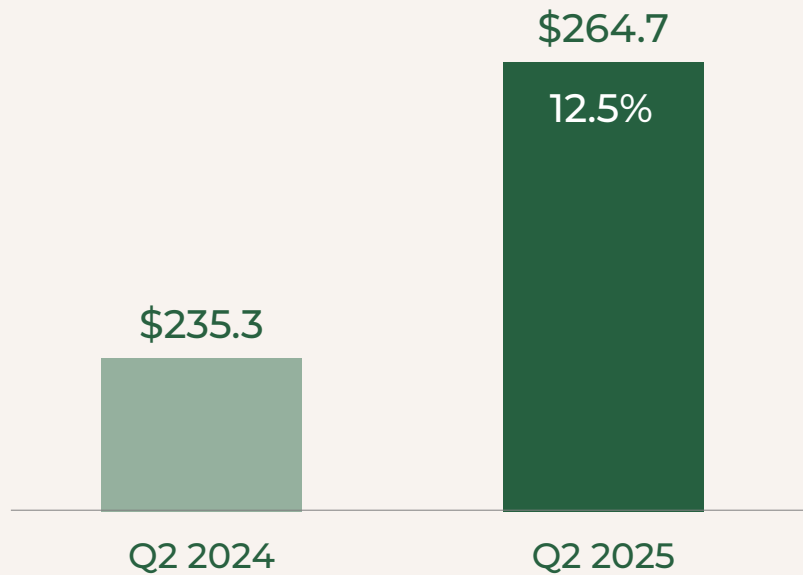
# Q2 2025 Results



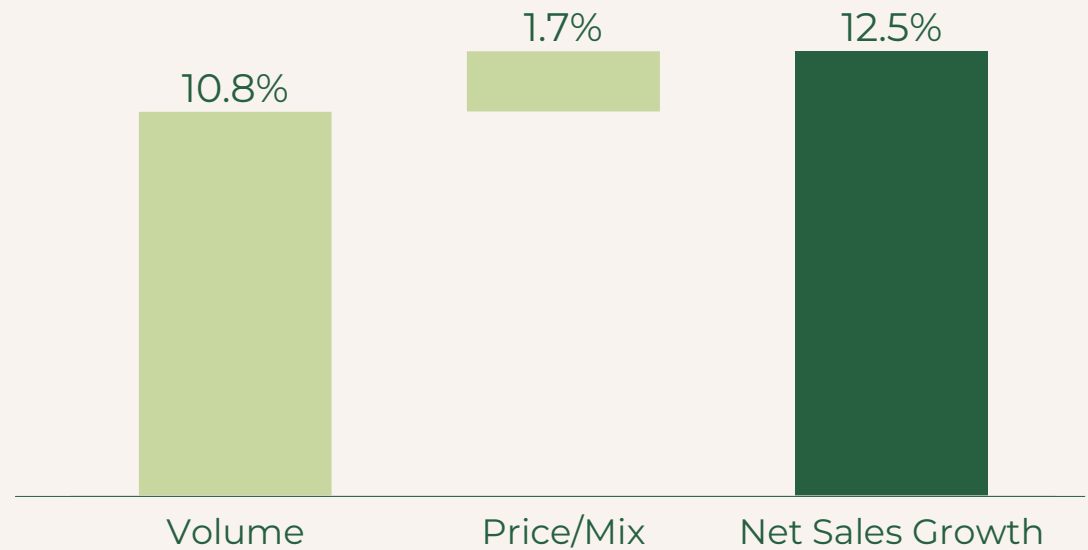


## Q2 net sales primarily driven by volume

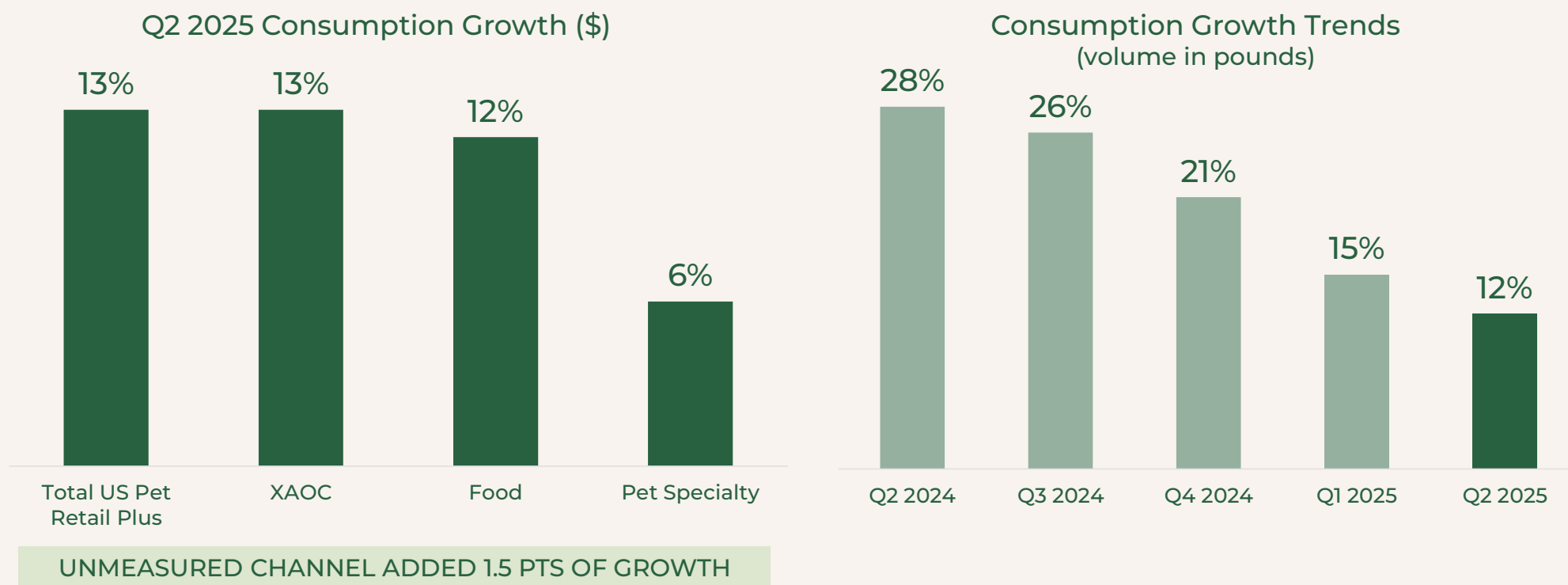
Q2 2025 Net Sales (\$m)



Q2 2025 Net Sales Bridge



## Broad based consumption growth across channels

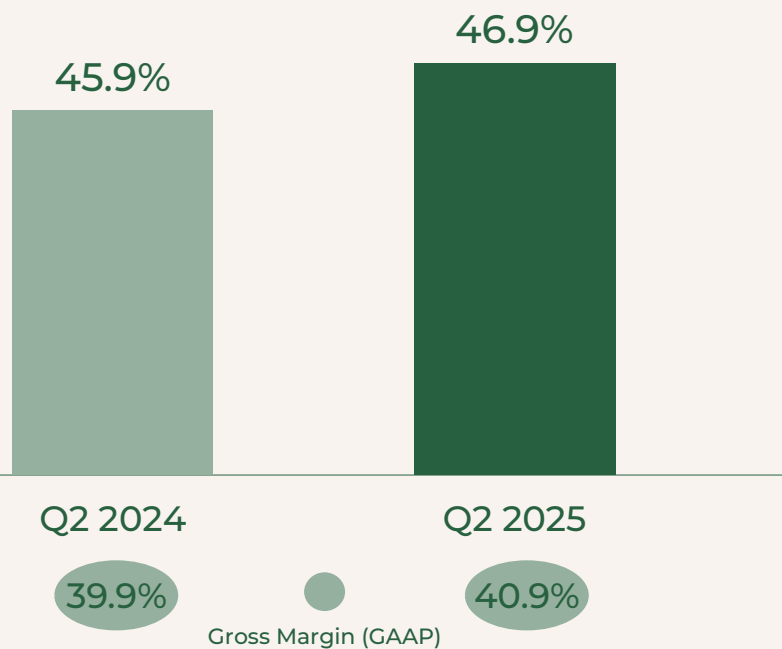


Source: NIQ consumption data, latest 13 weeks thru 6/28/25 and internal sales data

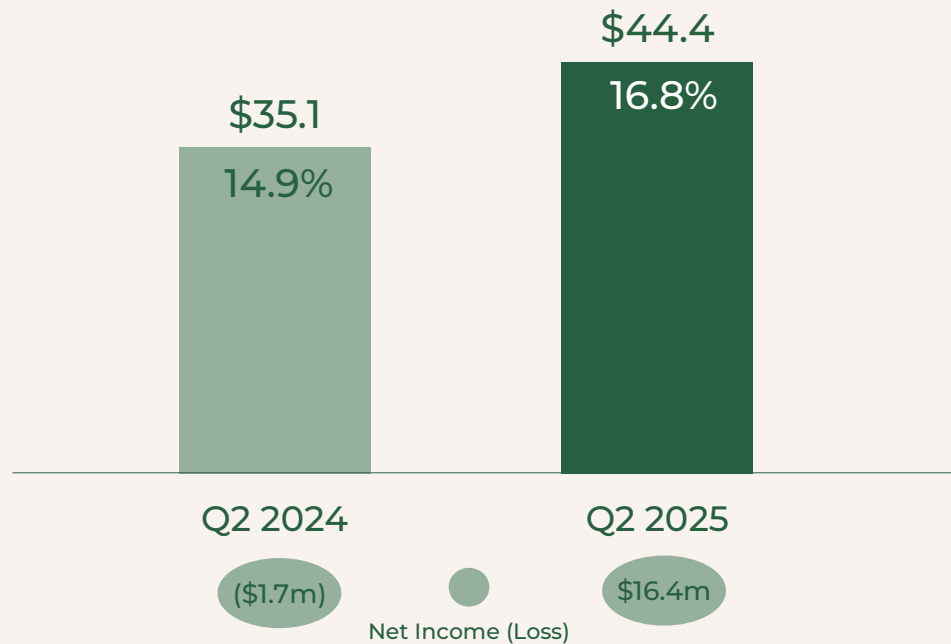
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## Q2 2025 delivered solid Adjusted Gross Margin and Adjusted EBITDA improvement despite less volume growth

Q2 2025 Adj. Gross Margin  
% of net sales



Q2 2025 Adj. EBITDA (\$m)  
% of net sales



Source: Internal Data

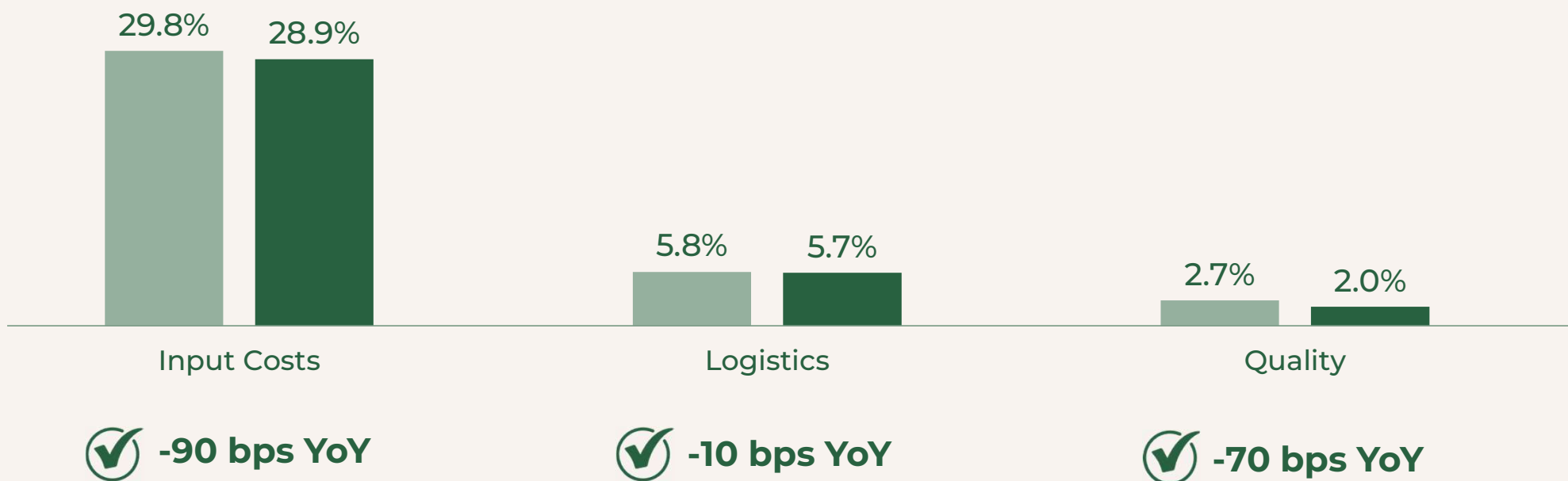
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# 170 basis point improvement across key focus areas in Q2 2025

Key Margin Improvement Targets & Progress

● Q2 2024 ● Q2 2025



Source: Internal Data  
Q2 2025 Earnings Presentation

Guidance



## FY 2025 Guidance

	Previous	Updated
Net Sales Growth YoY	15 – 18%	13 – 16%
Adjusted EBITDA	\$190M – \$210M	No change
Capital Expenditures	~\$225M	~\$175M

### Additional considerations:

- **Net Sales:** Expect sequential increase in net sales per quarter
- **Adjusted Gross Margin:** Expect modest expansion
- **Advertising Investment:** Expect media as a percent of sales to be greater than 2024
- **Cash:** Expect to end the year with ~\$250M of cash and be free cash flow positive in 2026



# 2027 Targets



# Capital Spending, Cash Flow & Liquidity





## Q2 2025 operating cash flow impacted by one-time items

### ✓ Capital Spending:

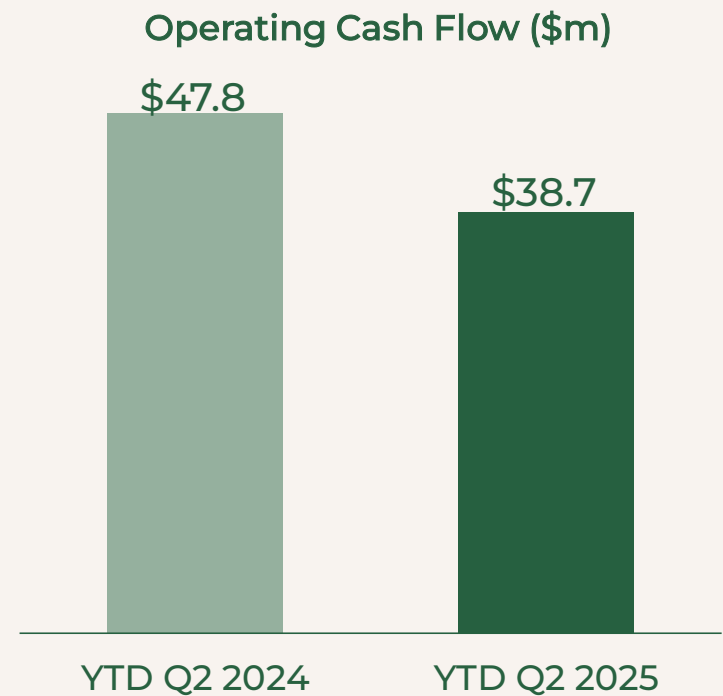
- YTD Q2 2025 spend of \$59.9 million
- Estimated 2025 spending of ~\$175 million
- Deferring at least \$100 million in capex from 2025-2026 and believe we can still meet demand we expect to generate due to operational efficiencies and new technology

### ✓ Cash flow:

- Generated \$38.7 million of operating cash flow YTD Q2 2025, a YoY decrease of \$9.1 million driven by one-time items and increase in incentive comp payments
- Expect to be free cash flow positive in 2026

### ✓ Liquidity:

- \$243.7 million of cash-on-hand as of 6/30/25 and expect to end 2025 with ~\$250 million in cash



Source: Internal Data

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# Appendix



## Freshpet, Inc. and Subsidiaries Reconciliation between Gross Profit and Adjusted Gross Profit

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Gross profit	\$ 108,190	\$ 93,952	\$ 211,978	\$ 182,110
Depreciation expense	13,729	11,827	28,909	22,502
Non-cash share-based compensation	1,831	2,220	3,114	4,841
Loss on disposal of manufacturing equipment	260	32	255	53
<b>Adjusted Gross Profit</b>	<b>\$ 124,010</b>	<b>\$ 108,031</b>	<b>\$ 244,256</b>	<b>\$ 209,506</b>
Adjusted Gross Profit as a % of Net Sales	46.9%	45.9%	46.3%	45.6%

Source: Internal Data

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# Freshpet, Inc. and Subsidiaries Reconciliation between Net Income (loss) and Adjusted EBITDA

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Net income (loss)	\$ 16,356	\$ (1,694)	\$ 3,659	\$ 16,908
Depreciation and amortization	19,896	17,212	41,013	32,957
Interest expense, net of interest income	1,546	(110)	2,610	(384)
Income tax expense	(102)	54	32	108
<b>EBITDA</b>	<b>37,696</b>	<b>15,462</b>	<b>47,314</b>	<b>49,589</b>
Non-cash share-based compensation (a)	6,221	19,533	15,037	25,755
Loss on disposal of property, plant and equipment	485	136	646	286
Distributor transition costs (b)	—	—	10,680	—
Legal obligation (c)	—	—	4,987	—
International business charges (d)	—	—	1,273	—
Gain on equity investment	—	—	—	(9,918)
<b>Adjusted EBITDA</b>	<b>\$ 44,402</b>	<b>\$ 35,131</b>	<b>\$ 79,937</b>	<b>\$ 65,712</b>
Adjusted EBITDA as a % of Net Sales	16.8%	14.9%	15.1 %	14.3%

- (a) Includes true-ups to share-based compensation expense. We have certain outstanding share-based awards with performance-based vesting conditions that require the achievement of certain Adjusted EBITDA margins, Adjusted EBITDA and/or Net Sales targets as a condition of vesting. At each reporting period, we reassess the probability of achieving the performance criteria and the performance period required to meet those targets. When the probability of achieving such performance conditions changes, the compensation cost previously recorded is adjusted as needed. When such performance conditions are deemed to be improbable of achievement, the compensation cost previously recorded is reversed.
- (b) Represents a non-recurring loss as a result of an accounts receivable write-off in connection with the liquidation of one of our pet specialty distributors. Concurrent with its liquidation, we transitioned to a new distribution partner, who is a leading pet specialty distributor and who we anticipate will facilitate sales to pet specialty stores. Thus, despite the transitory impact during the first quarter of 2025, our ability to continue to generate sales is consistent with what we would expect to generate within the pet specialty channel.
- (c) Represents an accrual for legal obligations related to the ongoing litigation with Phillips.
- (d) Represents termination costs due to a business change in our international go-to-market strategy.

Source: Internal Data

# Convertible Share Dilution Calculations at Maturity

- We have run share dilution calculations to compare outcomes for the 2028 convertible notes
  - Freshpet has structured the convertible with Flexible Settlement, so we have the option to settle the convertible in shares, cash, or a combination at its option
  - We have run convertible dilution calculations once using the most dilutive physical settlement method (i.e. Freshpet delivers all underlying shares upon conversion if the convertible is in-the-money) and again using net share settlement method (i.e. Freshpet delivers the \$402.5mm principal amount in cash and any remaining in-the-money amount in shares under Treasury Stock method)

Stock Price at Maturity	Physical Settlement (mm shares) <sup>(1,2)</sup>		Net Share Settlement (mm shares)	
	Convert	Convert + Capped Call	Convert	Convert + Capped Call
\$100.00	5.8	4.0	1.8	0.0
\$110.00	5.8	3.7	2.1	0.0
\$120.00	5.8	3.4	2.4	0.0
\$130.00	5.8	3.5	2.7	0.4
\$140.00	5.8	3.7	2.9	0.8
\$150.00	5.8	3.8	3.1	1.1
\$160.00	5.8	4.0	3.3	1.4
\$170.00	5.8	4.1	3.4	1.7
\$180.00	5.8	4.2	3.5	1.9
\$190.00	5.8	4.2	3.7	2.1
\$200.00	5.8	4.3	3.8	2.3

Source: Internal Data

Q2 2025 Earnings Presentation

Note: Based on Freshpet's \$402.5mm convertible offering, a \$54.65 stock price at issue, a 27.5% conversion premium, and an up 120% capped call.

(1) If the convertible is in-the-money, Freshpet can deliver full underlying shares at its option since it has chosen a Flexible Settlement Structure.

(2) At stock prices below the conversion price, the convertible is redeemed for cash without any equity dilution.





Thank you

