Filed Pursuant to Rule 424(b)(4)
Registration No. 333-211377

Prospectus

Blue Buffalo Pet Products, Inc.

15,000,000 shares

The selling stockholders are selling 15,000,000 shares of common stock. We will not be selling any shares in this offering and will not receive any proceeds from the sale of shares by the selling stockholders.

Our common stock is listed on the NASDAQ Global Select Market, or NASDAQ, under the symbol BUFF. The last reported sale price of our common stock on the NASDAQ on June 24, 2016 was $24.03 per share.

	Per share	Total
Public offering price	$ 22.000	$ 330,000,000
Underwriting discounts and commissions(1)	$ 0.715	$ 10,725,000
Proceeds to the selling stockholders, before expenses	$ 21.285	$ 319,275,000

(1) See Underwriting.

The selling stockholders have granted the underwriters a 30-day option to purchase up to an additional 2,250,000 shares of common stock.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 17.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about July 5, 2016.

J.P. Morgan **Citigroup**

Barclays **Deutsche Bank Securities** **Morgan Stanley**

Wells Fargo Securities

The date of this prospectus is June 28, 2016.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with different information. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus, or any free writing prospectus, as the case may be, or any sale of shares of our common stock.

For investors outside the United States: the selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. Neither we, the selling stockholders nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

Table of Contents

INDUSTRY AND MARKET DATA

Certain of the market data and other statistical information contained in this prospectus (such as the size, growth and share of the pet food industry and its constituent market segments) are based on information from independent industry organizations and other third-party sources, including Euromonitor International, or Euromonitor, Nielsen, GfK, Information Resources Inc., or IRI, American Pet Products Association, Competitrack and other industry publications, surveys and forecasts. Some market data and statistical information contained in this prospectus are also based on management s estimates and calculations, which are derived from our review and interpretation of the independent sources listed above, our internal research and our knowledge of the pet food industry. While we believe such information is reliable, we have not independently verified any third-party information and our internal data has not been verified by any independent source.

Our market size estimate of $27 billion for the U.S. pet food industry across all channels in 2015 is based on a combination of independent third-party data and our knowledge of the pet food industry. Our estimate is similar to Euromonitor s $28 billion estimate of the U.S. pet food industry for 2015.

For the purposes of this prospectus:

AAFCO refers to the Association of American Feed Control Officials, which is a voluntary, non-governmental membership association of local, state and federal agencies that are charged by law with the regulation of the sale and distribution of animal feed, including pet food;

cold-formed refers to the processing of our LifeSource Bits during which they are exposed to levels of heat that are lower than the heat levels that dry pet food, including the kibble we produce, typically are exposed to during processing. By reducing the amount of heat to which the LifeSource Bits are exposed, numerous heat-sensitive vitamins and antioxidants contained in the LifeSource Bits avoid the degradation that would be caused by exposure to higher temperatures;

CPG refers to consumer packaged goods in the packaged foods, beverages, household and personal care, pet care and tobacco industries;

chicken by-product meal or poultry by-product meal refers to the AAFCO definition for pet food ingredients that consist of ground, rendered clean parts of the carcasses of slaughtered chicken and poultry, such as necks, feet, undeveloped eggs and intestines. Chicken by-product meal and poultry by-product meal typically cost less than chicken meal, which is made from whole chicken meat and skin;

major pet food company refers to the top five U.S. pet food companies, which together had a 78% market share of branded pet food sales in Tracked Channels in 2015;

meat meal refers to whole meat turned into dry matter, which is used as an ingredient in pet food manufacturing;

natural refers to AAFCO s ingredient definitions and labeling guidelines, which designates a pet food as natural if it contains only ingredients that are derived solely from plant, animal or mined sources, has not been subject to a chemically synthetic process and does not contain any chemically synthetic additives. A natural pet food under AAFCO, however, may contain synthetically derived vitamin, minerals or trace nutrients that are added to enhance nutrition if the label discloses these ingredients;

pet food refers to dry foods, wet foods and treats for dogs and cats only, and does not include rawhide, vitamins, supplements, cat litter or foods for other companion animals;

Table of Contents

retail sales or sales at retail refers to the dollar value of sales at retail by our retail partners to consumers, and not to our sales to retailers or our revenues;

Tracked Channels refers to stores and other outlets within channels in which a third-party industry source collects and reports sales data on an ongoing basis with stock keeping unit, or SKU, level detail. In our industry, Tracked Channels include Food-Drug-Mass, or FDM, included in Nielsen s xAOC data, as well as pet stores (including national pet superstores, regional pet store chains and neighborhood pet stores) and veterinary clinics, or Vet, included in data from GfK. GfK bases its market data on a combination of point-of-sale data it obtains directly from retailers (typically national pet superstores and other larger pet store chains) and projections off of a sampling of other specialty outlets. Such projections are inherently subject to sampling and other data collection errors making them less reliable than point-of-sale data obtained directly from retailers by GfK or Nielsen;

Untracked Channels refers to stores and other outlets within channels in which no third-party industry source collects and reports sales data on an ongoing basis with SKU level detail. In our industry, Untracked Channels include FDM retailers that do not participate in Nielsen tracking (e.g., Costco and Whole Foods), farm and feed stores, eCommerce retailers (including eCommerce sales of national pet superstores, which unlike their brick-and-mortar retail sales are not included in the GfK market data), hardware stores and military outlets; and

whole meat refers to flesh with or without accompanying skin and bones of animal proteins such as chicken, lamb or fish in fresh, frozen or slurry form.

In addition, references in this prospectus to AAFCO definitions or guidelines refer to those found in the AAFCO 2016 Official Publication.

In this prospectus, references to share and market share, unless otherwise indicated, are to market share based on retail sales rather than volume sold. Our market share based on volume sold is typically lower than our market share based on retail sales as our products are priced at a premium to many of our competitors products. We calculate the percentage of dogs and cats eating our products based on our share of volume sold in Tracked Channels. Statements in this prospectus regarding our growth and share of the pet food industry and its constituent market segments are for the United States only, unless otherwise indicated, and are based on data from Tracked Channels for 2015.

Market Segments

There are no standard market segment definitions in the pet food industry. We segment pet foods into Wholesome Natural, Engineered, Private Label and Therapeutic market segments. This market segmentation is based on the ingredient profile of pet foods, with the exception of Private Label and Therapeutic pet foods, for the reasons discussed below. While others may segment the market in different ways, we believe this market segmentation is most helpful in understanding the industry and its market dynamics.

Table of Contents

Our definition of the Wholesome Natural market segment incorporates the AAFCO definition of natural, but imposes further criteria based on the type of ingredients used to achieve nutritional targets. We believe this specific and ingredient-focused market segmentation reflects consumer preferences and how consumers make their purchase decisions, as evidenced by the disparity among the growth rates of the different market segments. In order to account for variation in portfolios of products, a pet food brand or product line is categorized in a particular market segment if 90% or more of the products under such brand or product line as measured by retail sales (rather than by volume) satisfy the market segment criteria specified. We define the market segments as follows:

Wholesome Natural brands achieve their nutritional targets using only natural ingredients (as defined by AAFCO), and may include added vitamins, minerals and other trace nutrients. All Wholesome Natural dry foods have whole meats and/or meat meals, with the type of animal protein clearly identified, as their principal ingredients. Wholesome Natural products (dry foods, wet foods and treats) do not include chicken or poultry by-product meals, which we believe pet parents do not desire. Wholesome Natural products also do not rely on grain proteins, such as corn gluten meal, wheat gluten and soybean meal, as principal sources of protein, as grain proteins have a narrower array of amino acids compared to animal proteins. In addition, these products also do not use corn, wheat, soy or fractionated grains, such as brewer s rice, as sources of starch.

Engineered brands achieve their nutritional targets without fulfilling all the requirements of the Wholesome Natural market segment. They typically do not contain whole meat or meat meal as their principal ingredients and/or they use lower cost proteins (such as chicken by-product meal, corn gluten meal or wheat gluten) and lower-cost starches (such as corn, wheat or fractionated grains). Engineered products may or may not include artificial ingredients or preservatives.

Private Label brands are owned by retailers. While the vast majority of Private Label products fall within the Engineered market segment, some Private Label products fall within the Wholesome Natural market segment based on their ingredients. However, consistent with retail industry practice, market data providers do not identify the specific Private Label SKUs. As a result, Private Label market segment sales are not categorized into either the Wholesome Natural or the Engineered market segment.

Therapeutic (Rx) brands are formulated to support treatment for certain medical conditions and are prescribed by veterinarians. Certain Therapeutic pet foods that claim to diagnose, cure, mitigate or prevent diseases are regulated by the U.S. Food and Drug Administration, or FDA, as animal drugs rather than as pet food, and are subject to FDA pre-market approval. In light of this regulatory process and the distinct veterinary channel for the sale of Therapeutic pet foods, there is no Private Label participation in this market segment.

OUR INITIAL PUBLIC OFFERING

In July 2015, selling stockholders sold 38,906,286 shares of our common stock at a price per share of $20.00 in our initial public offering. Upon completion of the initial public offering, our common stock was listed on the NASDAQ under the symbol BUFF.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before deciding to invest in our common stock. You should read the entire prospectus carefully, including Risk Factors and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. In this prospectus, the terms Blue Buffalo, we, us, our and the Company refer to Blue Buffalo Pet Products, Inc. and our consolidated subsidiaries and the term BLUE refers to the BLUE brand.

Blue Buffalo: A New Breed

We are the fastest growing major pet food company in the United States, selling dog and cat food made with whole meats, fruits and vegetables, and other high-quality, natural ingredients. BLUE is a billion dollar brand and is the #1 brand in the Wholesome Natural market segment. We currently have approximately 6% share of the U.S. pet food market and feed only 2-3% of the 164 million pets in the United States. With a proven new user acquisition strategy, we are committed to converting more pet parents into *True Blue Believers* and continuing to increase our share of the attractive $27 billion U.S. pet food market.

We were founded in 2002 by Bill Bishop and his two sons, Billy and Chris. As lifelong pet lovers, the Bishops interest in natural pet foods was inspired by their love for their family dog, Blue. When Blue had a bout with cancer at a young age, the Bishop family became very concerned with the quality of his food. In the process of learning all they could about pet food ingredients, they discovered what they believed was a major disconnect between what pet parents wanted to feed their dogs and cats and what they were actually feeding them. The Bishops made it their mission to bring transparency to the pet food industry by educating pet parents to look beyond the pictures on the packaging and to focus on the actual ingredients in the food they were feeding their pets. Tapping into this unmet consumer demand, the Bishops started Blue Buffalo to develop and market pet foods made with the kind of ingredients they would want to feed their own furry family members.

We believe we have built an exceptional company with a breakthrough brand and an innovative business model. Backed by our mission and belief in a large unmet consumer demand for pet food with high-quality, natural ingredients, we invested heavily in our brand well ahead of our scale. As a result of this investment strategy, we did not turn profitable until 2010. Our net sales have grown from $190 million in 2010 to $1,027 million in 2015, which represents a compound annual growth rate, or CAGR, of 40%. During this period, our operating income grew from $15 million to $160 million, which represents a CAGR of 61%, while our net income grew from $23 million to $89 million, which represents a CAGR of 31%. Given the size and scale we have reached, we expect our growth rates to moderate in the future. We believe that only a few public U.S. CPG companies have our combination of scale, significant growth and strong margins. The following chart illustrates our growth in net sales, operating income and net income from 2005 to 2015. Our adjusted net income and net income for 2015 was $122.5 million and $89.4 million, respectively. See Summary Consolidated Financial Data for a reconciliation of net income to adjusted net income.

1

Table of Contents

The Industry Where We Operate: Large and Attractive

Industry Trends

Pet food is one of the largest CPG categories in the United States. We estimate the U.S. pet food industry had approximately $27 billion in retail sales in 2015. According to Euromonitor, the pet food industry had $42 billion in additional retail sales outside the United States in 2015, bringing the total size of the global pet food industry of approximately $69 billion.

U.S. pet food retail sales grew 59% between 2005 and 2015, which represents a CAGR of 5%, based on data from Euromonitor. The industry growth over this period has been fueled by the humanization of pets, as pets are increasingly regarded as family members. This humanization trend has led pet parents to increasingly evaluate pet foods in the same way they scrutinize their own food choices. As a result, a significant number of pet parents have demonstrated a willingness to pay a premium for pet food that they believe will enhance the well-being of their pets. The higher demand for natural food products and more specialized formulas has fueled premiumization in the industry, leading to the faster growth of products with higher revenue per pound.

The pet food industry has high penetration in the United States with 62% of households purchasing pet food in 2015. Virtually all pets in the United States are fed packaged pet foods. Pet food is also a highly branded industry with low rates of switching due, in part, to potential digestive issues that may occur when switching between different pet food brands. As a result, brands that build a strong relationship with a pet and its pet parents realize significant value over the lifetime of the pet, especially if the pet starts on the brand as a puppy or kitten.

We believe the Wholesome Natural and Therapeutic market segments are particularly on trend as pet parents increasingly treat their pets like family. With market shares of 18% and 7%, these two market segments have become significant parts of the U.S. pet food market, and continue to grow faster than the rest of the market.

Industry Channels

In 2015, specialty channels accounted for 47% of U.S. pet food sales, with the Food-Drug-Mass, or FDM, channels accounting for the other 53%. Specialty channels include a diverse set of retailers with over 20,000 stores (which includes national pet superstore chains, regional pet store chains, neighborhood pet stores, farm and feed stores, eCommerce retailers, military outlets and hardware stores) and 25,000 veterinary clinics. BLUE is sold across all types of specialty outlets, although our sales in the veterinary channel, which represents 6% of U.S. pet food sales, are currently minimal. We have chosen to sell BLUE in the specialty channels as we believe these channels provide a better environment for us to interact with and educate pet parents, help position BLUE as a premium brand and dedicate more shelf space to pet food, which grants consumers access to a broader range of our products. Pet food sales in specialty channels have grown faster than pet food sales in the FDM channel for the past 20 years as a result of the expansion of the channel and its pet-focused environment and superior product selection.

Starting in the second half of 2013, the largest pet food company in the United States initiated a significant increase in its promotional spending focused primarily on the FDM channel, which effectively reduced the average price per pound of pet food for its products. Other pet food companies responded by increasing their own promotional spending. This heightened promotional activity drove down the pet food category growth rate in 2013 and 2014. It also reduced traffic to the specialty channels as price gaps widened and consumers stocked up on pet food products. As a result, overall pet food sales growth rate in Tracked Channels decelerated from 5% in 2012 to 4% in 2013 and 1% in 2014. Since then, the category growth in Tracked Channels has reaccelerated growing 3% in 2015. Despite these FDM-focused promotional activities during this period, specialty channels continued to grow faster than the

FDM channel, with a 5% growth rate compared to only a 1% growth rate for the FDM channel as measured in Tracked Channels between 2012 and 2015. We believe Untracked Channels have continued to grow at significantly higher rates than the overall market, as well as specialty channels, and have become a meaningful part of the overall pet food market. We estimate that Untracked Channels were 14% of the overall pet food market in 2015. Wholesome Natural and Therapeutic market segments also continued to outperform the overall market in 2015, growing at a rate of 12% and 6%, respectively.

Table of Contents

Doing Things the BLUE Way: Our Strategic Differentiation

The Landscape We Found

Pet food in 2002 was an established industry dominated by large CPG companies, offering a variety of brands made primarily with ingredients such as poultry by-product meals, corn, wheat and soy. Based on our conversations with many pet parents, we found that the vast majority of them did not read pet food labels and were often unaware of the ingredients they were feeding their pets, even though they were seeking natural foods and products for themselves and their families. A number of small natural pet food brands began to emerge in the neighborhood pet stores, led by entrepreneurs who often did not have the funding to build sizable businesses. In parallel, the pet food retail landscape had evolved significantly with the expansion of national pet superstores. These superstores carried a broad assortment of pet products and foods, anchored by Engineered brands but did not participate in the emerging Wholesome Natural market segment in a meaningful way.

The BLUE Disruption

We set out to challenge the status quo set by the incumbent brands. We were convinced that the Wholesome Natural market segment could become a large part of the industry due to a large unmet consumer demand for pet food with high-quality, natural ingredients. We have established our leadership position in the Wholesome Natural market segment through the strength and quality of our products, by broadly sharing our message to encourage pet parents to read ingredient labels and by pricing our products at a reasonable premium to Engineered brands. This approach was in contrast to our major competitors whose business models were tied to the mass production of Engineered brands.

We committed to creating wholesome pet food made with whole meats, fruits and vegetables and other high-quality, natural ingredients that we feel good about feeding our own furry family members and to educating fellow pet parents about pet nutrition. We further distinguished our products by creating a two-part dry food, consisting of kibble and our trademarked LifeSource Bits that are cold-formed to help preserve the potency of vitamins, minerals and antioxidants. LifeSource Bits are more expensive and complex to manufacture, but we believe they provide significant benefits and create a visual point of differentiation when we talk to pet parents. We also combined advanced quality control and supply chain capabilities generally consistent with the standards required for human food industries with our deep expertise in pet foods. We believe these competitive advantages, together with our investments in our brand, have distinguished us from our smaller competitors in the Wholesome Natural market segment.

We deploy our Pet Detectives, part-time pet-passionate team members, to help us fulfill our mission to educate fellow pet parents about pet nutrition. Pet Detectives interact with pet parents one-on-one as they shop for pet food in specialty stores nationwide and in Canada. Our Pet Detective program serves as an educational marketing and sales platform as it is a resource for both pet parents already feeding their pets BLUE and pet parents currently feeding their pets other pet food brands. The Pet Detectives allow us to engage pet parents with our brand story, our mission and our shared love for pets in an authentic manner.

From the dynamics we saw in human foods, we knew that consumers were willing to pay a premium for natural products, and we were confident that pet parents would be open to paying a reasonable premium for our natural products for their furry family members. Our price premium compared to Engineered brands varies. For example, virtually all pet parents feeding their medium-sized dog an Engineered brand can switch to BLUE for anywhere from no extra cost to 70 cents more per day. For a cat, they can switch to BLUE for anywhere from no extra cost to 30 cents more per day. As we have grown, we have successfully switched pet parents from feeding their pets various brands across the full range of price points to feeding their pets BLUE, demonstrating our broad appeal and affordability to a large population of pet parents.

We believe that our rapid creation of a brand with over a billion dollars of net sales is proof that our strategy is working.

Table of Contents

Building Our Brand

We chose to build a master BLUE brand with a strong identity on top and different product lines underneath with distinct benefits and personalities, instead of following a brand portfolio approach like most of our major competitors. We engage pet parents with our brand story, mission and our shared love for pets. We want to build a relationship with our consumers by having them understand what we do and why we do it, rather than just sell them a product. With our transparent approach, we strive to educate them on pet nutrition and ingredients so they can make their own informed choices. Our mantra is Love them like family. Feed them like family. We carry this message across all our touch points with pet parents from our advertising to the one-on-one conversations our Pet Detectives have with tens of thousands of pet parents at stores around the United States and Canada every week.

In order to reach a broad cross-section of consumers, we started out in national pet superstore chains with large stores around the country. As our brand has grown, we have continued to broaden our distribution within the specialty channels to include, among others, regional and neighborhood pet stores, farm and feed stores and online retailers. Today BLUE is sold at over 10,000 stores across the United States and Canada, and we just started building our distribution in Japan and Mexico.

Since we started in national pet superstore chains, which have more shelf space dedicated to pet food than either the FDM channel or neighborhood pet stores, we were able to offer a broad portfolio of products at an early stage in our brand development. As our brand grew and our retail sales surpassed even well-known brands, we gained scale and now offer even more tailored product offerings. Today, we have the broadest portfolio of products of any natural pet food brand in the United States. Our goal remains to offer pet parents a no-compromise product solution for their needs. We believe this leads to higher levels of satisfaction, a higher share of their spending and increased brand loyalty.

We started with an ambitious vision to build our brand, and we followed a deliberate strategy, investing in brand communication at the level of the major brands when the Wholesome Natural market segment and the size of our business alone were too small to financially support that spending. Our results continue to reinforce our belief in our strategy and execution.

The Herd s Thunder: Using BLUE s Strengths

The pet food industry is highly competitive. Over the last decade, all of our major competitors and many independent companies have also entered or have attempted to benefit from the fast-growing Wholesome Natural market segment through new brand introductions, brand extensions and/or acquisitions. These attempts have included entries directly into the Wholesome Natural market segment, as well as launching brands and products that have some but not all of the Wholesome Natural market segment s characteristics. We continue to enjoy leading growth in the U.S. pet food market and clear leadership of the Wholesome Natural market segment. In 2015, we had approximately one-third market share in the Wholesome Natural market segment and were more than four times the size of the next largest Wholesome Natural brand.

Due to the strength of the BLUE brand and our innovative business model, BLUE has grown and continues to grow its sales well in excess of pet food industry growth. BLUE is no longer just the leader of the Wholesome Natural market segment, but is now one of the largest pet food brands overall in the $27 billion U.S. pet food industry.

We believe our market success is driven by the following competitive advantages we have built and continue to strengthen.

Marketing Engine and Strong Brand Equity

We believe we have an effective new user acquisition strategy: a powerful, authentic brand with significant, ongoing investment in proven marketing elements and a broad product portfolio with tailored specialty formulas.

Table of Contents

We believe we have a highly engaged consumer base of passionate pet parents, who connect with our authentic story of a pet food brand that is by pet parents for pet parents. Our goal is for the buffalo icon and the BLUE shield featured on our products to symbolize quality and project a certain attitude that pet parents feel good associating with. We actively support pet cancer awareness and research, promote animal welfare and engage our pet parents in these important causes with special events such as the Pet Cancer Awareness Month during May of every year. We believe our consumers are strong advocates of our brand and are major contributors to our success in the marketplace.

Our master brand strategy, combined with significant cumulative investments in highly effective marketing and brand-building of over $500 million since 2003, has resulted in what we believe to be one of the strongest brand equities in the pet food industry. We have a full-service in-house advertising and marketing agency which enables us to maintain the authenticity of our communications, whether through marketing or packaging, and allows us to build a cohesive brand. This integrated approach gives us a significant advantage in speed-to-market from product development to advertising, increases our marketing effectiveness and creates marketing efficiencies.

We are the #1 advertiser in the Wholesome Natural market segment by a wide margin and one of the top advertised brands in the industry overall. However, we believe we have an opportunity to continue to increase our brand awareness compared to brands with much longer histories in the marketplace. We plan to continue to invest in advertising to increase our brand awareness and drive traffic to brick-and-mortar stores and eCommerce retailers where BLUE is sold.

Our commitment to pet nutrition education is reflected in our approach to marketing, which has a strong call-to-action for pet parents to examine the ingredients in their pet food. We achieve this through our integrated marketing strategy and Pet Detective program. We believe our Pet Detective program enhances the in-store shopping experiences of our retail partners and provides us with the benefits of direct-to-consumer marketing without creating a conflict with our retail partners. We believe our Pet Detective program is the largest of its kind run by any CPG company in the United States. More recently, as we focus on increasing our distribution in channels outside national pet superstores, we have been investing in sales and marketing capabilities and programs suited for these different channels such as in-store merchandising to differentiate our products in smaller footprint neighborhood stores and web marketing tools to increase our conversion of online traffic. We also continue to look for ways to strengthen our relationships with key influencers in the industry (e.g., veterinarians, store associates and trainers) to help generate more recommendations for BLUE. We are currently in the process of building a national veterinary detailing force, which we believe will be an important driver in educating the veterinarian community about BLUE and generating recommendations for our products, while also building our business in the rapidly growing veterinary channel and the Rx market segment.

Product Development Engine with the Broadest Portfolio

We have the broadest portfolio of products of any natural pet food brand in the United States. Our tailored product offerings enable our pet parents to satisfy their pet s specific dietary, lifestyle and life-stage needs, offering them no-compromise product solutions. We believe this, in turn, leads to higher consumer satisfaction, brand loyalty and a lifetime relationship between us and pet parents and their pets.

We have four major product lines under our master BLUE brand in addition to our recently introduced BLUE Natural Veterinary Diet. Each of our product lines has a different nutritional philosophy and distinct personality. We continue to deepen each product line with new products, expand each product line s shelf presence and support each product line with advertising:

¡ *BLUE Life Protection Formula* introduced in 2003, this is our original and largest product line with the broadest flavor, functional and breed-specific variety;

¡ *BLUE Wilderness* introduced in 2007, this is our high-meat, high-protein, grain-free ancestral feeding line and our second largest product line;

Table of Contents

- *BLUE Basics* introduced in 2010, this is our line of limited ingredient diet products for pets with food sensitivities;
- *BLUE Freedom* introduced in 2012, this is our grain-free line that is a cousin of the original BLUE Life Protection Formula line; and
- *BLUE Natural Veterinary Diet* introduced in 2015, this is our line of Therapeutic diets for pets, offered exclusively through veterinarians.

We also develop and sell cat litter products that are made from walnut shells under our BLUE Naturally Fresh line, introduced in 2012.

Our product portfolio enjoys a strong base of existing products, combined with a strong track record of significant and incremental new product introductions. We believe we can bring new products to the market significantly faster than our major competitors as a result of our singular focus on the Wholesome Natural market segment and our integrated in-house marketing, research and development and product development capabilities. Our retail partners in the specialty channels also look to us to drive innovation and enable us to rapidly introduce new products into the marketplace.

Strong Organization: The Herd

Our company culture is an integral part of our strategy and one of our founding objectives is being a great place to work. We have a strong and dedicated team of employees we refer to as the Herd, where each one of us is a Buff. Our company culture is built on entrepreneurship, collaboration, a commitment to Blue Buffalo s mission, a competitive spirit and a friendly, casual work environment. We believe our company culture is a key competitive advantage and a strong contributor to our success.

We have a strong and experienced management team, with our founders playing an active role in the business. We have a deep bench of senior leaders with strong business and operational experience across all business functions working closely as the Herd Leadership Team. Our Chief Executive Officer, Kurt Schmidt, and our Chief Financial Officer, Mike Nathenson, have decades of leadership experience in CPG companies in the United States and overseas. Our President, Chief Operating Officer and co-founder, Billy Bishop, has been leading marketing and operations since our founding in 2002. Billy provides us with the unique perspective of an entrepreneurial business builder.

Scaled Pure-Play in the Wholesome Natural Market Segment

We believe our scale allows us to compete effectively against both our larger and smaller competitors. Being one of the largest pet food companies in the United States and the #1 brand in the Wholesome Natural market segment provides us with significant scale advantages in our supply chain. We have a hybrid network of owned and contracted manufacturing facilities and owned and contracted distribution centers, which we believe will continue to provide us with enhanced margin opportunities and greater flexibility in our supply chain.

We focus on developing and marketing Wholesome Natural pet foods that we would want to feed our own furry family members. Our exclusive focus on pet products enables us to identify and react to trends early, develop Wholesome Natural products that meet the needs of pets and their pet parents and execute with speed and efficiency. We believe being a pure-play with this focus on pet products gives us a competitive advantage compared to most of our major competitors who are diversified CPG conglomerates. As the only Wholesome Natural pet food brand with a billion dollars of net sales, we possess operational and financial processes and tools that are difficult for smaller companies to implement.

Table of Contents

Strong Position at Our Retailers

As a leader in advertising and brand-building in the pet food category, we continue to drive traffic to brick-and-mortar stores and eCommerce retailers where BLUE is sold. In addition to the regular traffic we help generate, we believe our products are attractive to retailers given the strong gross margins they deliver to retailers. We work with our retail partners to customize product assortment, starting with the highest sales velocity items that fit their customer base in order to optimize our retail partners economics. With our broad product portfolio, we see an opportunity to continue to increase our shelf space, especially outside of national pet superstores. These dynamics have made us a strong partner to our retailers, as we continue to increase the breadth and depth of our distribution.

Future of Blue Buffalo: Bigger. Better. Bolder.

With the investments we have made in our brand, our people and our infrastructure, we believe we are well positioned to continue to deliver industry-leading growth that outpaces both the fast-growing Wholesome Natural market segment and the overall pet food industry.

We expect to continue to grow our volumes and increase our revenue per pound. We plan to grow our volumes by reaching and feeding more pets, and by feeding them more of our products. Our goal is to increase our revenue per pound by continuing to improve our product mix through our marketing and product development engines. We will also be focused on investing in new growth drivers, including building our business in the veterinary channel and entering select international markets.

Reach and Feed More Pets

- **Converting more pet parents to BLUE**. We currently feed less than 4% of the dogs and less than 2% of the cats in the United States. The combination of our focus on building our brand awareness, our commitment to educating pet parents and the breadth of our product portfolio that meets the diverse needs of pets and pet parents forms our powerful, proven new user acquisition strategy. We believe this successful strategy will continue to help us bring more pet parents into the BLUE family.

- **Being available to more pet parents**. Our share in specialty channels outside of national pet superstores is just over one-third of our share in national pet superstores. We believe we have significant opportunity to grow the depth and breadth of our distribution in channels outside of national pet superstores that fit our brand positioning and target consumers such as the fast growing eCommerce and farm and feed store channels. We believe that increasing our presence in these channels will make BLUE available to a greater proportion of pet parents. In 2015 our sales outside national pet superstores grew at over 2 times BLUE s overall growth rate.

- **Growing with our younger pets and younger pet parents**. Our share of puppies and kittens is significantly higher than our share of older dogs and cats, which reflects the fact that BLUE is a younger brand with a shorter history in the market. We believe our share of puppies and kittens is a leading indicator of our future market share potential. We expect our total share, as well as our share of older pets to grow over time as we continue to bring future generations of puppies and kittens into our brand and as the current generation of puppies and kittens eating BLUE ages. BLUE also indexes higher among younger pet parents, who generationally tend to be more in tune with health and wellness trends and are more focused on ingredients.

We believe that we can realize significant lifetime value from our relationship with this younger generation of pets and pet parents.

Table of Contents

Feed Pets More of Our Products

- **Cross-selling more of our products to our broad and growing base of users**. Our market shares of wet foods and treats are each currently just over one-third of our market share in dry foods. Only a fraction of our dry foods users buy our wet foods and treats on a regular basis. We actively seek to encourage our user base to purchase our broadening and enhanced portfolio of wet foods and treats through our various marketing touch-points, from our Pet Detective program to cross-promotional activities. We also intend to leverage our core brand equity and relationship with pet parents to continue to extend our brand into adjacent categories.

Increase Our Revenue per Pound

- **Enhancing our product mix**. We plan on continuing to drive our marketing and product development engines to enhance our product mix. We have a wide distribution and a large media budget. Therefore, we can increase our advertising and marketing for each of our major product lines and product types. We believe this will allow us to accelerate the growth of our newer product lines, as well as wet foods and treats, and cat foods overall where we have lower relative market share. We also intend to continue to expand our specialized product offerings.

  We closely monitor the pet food industry and when we see a promising product or diet type, we pursue it aggressively. Our newer food lines, which include BLUE Wilderness, BLUE Basics, BLUE Freedom, and BLUE Natural Veterinary Diet have higher revenue per pound and are growing faster than our overall company average.

  The revenue per pound of the more specialized products (e.g., breed-size specific and hairball management for cats) we introduce across our product lines and product types is typically higher than the average revenue per pound of existing products in our portfolio.

  As we cross-sell more of our products to our user base and reach more cats where we have lower relative market share, our product mix will continue to shift towards wet foods and treats, as well as cat foods overall, which all have higher revenue per pound than our overall company average.

Continue to Invest in New Growth Drivers

- **Funding growth initiatives with a long-term view.** With strong top-line growth, we expect to have significant scale benefits and operating leverage in our business in the future. Following the successful ramp-up of our Heartland manufacturing plant, we recently announced a new $200 million capital program to expand our internal manufacturing and R&D capabilities. We expect the capabilities we will build as a result of this new capital program will drive additional productivity, flexibility and innovation in the future. In the near term, we plan to use our increased efficiencies to fund our growth initiatives to reach and feed more pets.

- **Growing in select international markets**. In 2015, approximately 4% of our sales were from outside the United States. Expanding our business in the $42 billion non-U.S. pet food market is an important area of focus for us, as other established premium pet food brands generate a significant percentage of their sales from international markets. In late 2015, we began selling our foods in Mexico and Japan through local distribution and also entered the Quebec region in Canada with multi-language packaging. We are determined to take a targeted approach to future international expansion, prioritizing sizeable markets with strong potential.

- **Building a strong relationship with the veterinary community and building our business in the Therapeutic (Rx) market segment.** Veterinarians are the most important influencers for pet food selection, with over one in five pet parents choosing their pet food brand based on a veterinarian recommendation. We are in the process of building a national detailing force dedicated to the veterinarian community. We are also strengthening our relationships with leading veterinary medicine schools and key opinion leaders in academia. We recently introduced BLUE Natural

Veterinary Diet, our line of Therapeutic diets for pets offered exclusively through veterinarians. While sales in the veterinary channel are currently minimal, this significant new investment initiative for us will be an important part of our go-to-market strategy in the future. We believe that our differentiated natural Rx products will allow us to be a new, disruptive player in this market segment. While we do not expect to generate significant revenues from Therapeutic products in the near term, we believe they will be synergistic for our relationship with the veterinarian community and provide an incremental avenue for future growth.

The Path Forward: Staying True to BLUE

Evoking the Bishop family s love for their dog Blue and the buffalo, an iconic image of the natural American frontier, the Blue Buffalo name is a constant reminder of our challenge and commitment to stay true to BLUE and preserve our passion and authenticity as we grow our business. We will remain committed and stay true to our founding objectives of making the healthiest pet food we can, being a great place to work and helping to find a cure for pet cancer. That is our promise to our loyal pet parents and to ourselves.

Risk Factors

Investing in our stock involves a high degree of risk. You should carefully consider the risks described in Risk Factors before making a decision to invest in our common stock. If any of these risks actually occurs, our business, financial condition and results of operations would likely be materially adversely affected. In such case, the trading price of our common stock would likely decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

- We may not be able to successfully implement our growth strategy on a timely basis or at all.
- The growth of our business depends on our ability to accurately predict consumer trends and demand and successfully introduce new products and product line extensions and improve existing products.
- Any damage to our reputation or our brand could have a material adverse effect on our business, financial condition and results of operations.
- Our growth and business are dependent on trends that may change or not continue, and our historical growth may not be indicative of our future growth.
- There may be decreased spending on pets in a challenging economic climate.
- Our business depends, in part, on the sufficiency and effectiveness of our marketing and trade promotion programs.
- If we are unable to maintain or increase prices, our margins may decrease.

We are dependent on a relatively limited number of customers for a significant portion of our sales.

We rely upon a limited number of contract manufacturers to provide a significant portion of our supply of products.

We are involved in litigation with Nestlé Purina PetCare Company and related class action lawsuits, including false advertising claims relating to the ingredients contained in our pet food. Regardless of whether we are successful in our defense of these claims or in our counterclaims, this litigation may adversely affect our brand, reputation, business, financial condition and results of operations. In December 2015, we agreed to pay $32.0 million pursuant to a settlement agreement to resolve all related consumer class action lawsuits filed in the United States making allegations similar to Nestlé Purina s.

Table of Contents

Our Sponsor

Invus, L.P., or Invus or our Sponsor, has been our principal financial backer since its initial investment in 2006. Invus is a private investment firm based in New York. Invus benefits from an evergreen investment structure managing family capital with a long-term strategic perspective. Invus and its affiliates have been investing in companies who seek to transform their industries since 1985.

Our Corporate Information

We were originally formed as a limited liability company in August 2002 under the name The Blue Buffalo Company, LLC. In December 2006, we converted into a corporation under the name Blue Buffalo Company, Ltd. In July 2012, we undertook a corporate reorganization and exchanged the stock of Blue Buffalo Company, Ltd. for the stock of Blue Buffalo Pet Products, Inc., a newly formed Delaware corporation. As part of the corporate reorganization, Blue Buffalo Pet Products, Inc. established another Delaware corporation, Blue Pet Products, Inc., which then became the sole shareholder of Blue Buffalo Company, Ltd. Blue Buffalo Company, Ltd. remains our operating company.

Our principal offices are located 11 River Road, Suite 103, Wilton, Connecticut 06897. Our telephone number is (203) 762-9751. We maintain a website at www.bluebuffalo.com. The reference to our website is intended to be an inactive textual reference only. The information contained on, or that can be accessed through, our website is not part of this prospectus.

Table of Contents

THE OFFERING

Common Stock offered by the Selling Stockholders	15,000,000 shares (or 17,250,000 shares if the underwriters exercise their option to purchase additional shares from the selling stockholders in full).
Common Stock to be Outstanding after this Offering	196,388,566 shares.
Use of Proceeds	We will not receive any proceeds from the sale of shares of our common stock in this offering by the selling stockholders. However, we will pay certain expenses, other than underwriting discounts and commissions, associated with this offering. See Use of Proceeds.
Controlled Company	Upon the closing of this offering, our Sponsor will own approximately 101.9 million shares, or 51.9%, of our outstanding common stock. Together, our Sponsor and The Bishop Family Limited Partnership constitute a group that controls a majority of the voting power of our outstanding common stock and collectively will hold 116.1 million shares, or 59.1%, of our outstanding common stock. As a result, we will remain a controlled company within the meaning of the listing rules, and therefore will continue to be exempt from certain of the corporate governance listing requirements, of the NASDAQ Global Select Market, or NASDAQ.
Risk Factors	Investing in shares of our common stock involves a high degree of risk. See Risk Factors beginning on page 17 of this prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.
NASDAQ trading symbol	BUFF.

In this prospectus, the number of shares of our common stock to be outstanding after this offering is based on 196,238,566 shares of our common stock outstanding as of June 7, 2016, and:

- excludes 4,275,995 shares of common stock issuable upon exercise of stock options outstanding as of June 7, 2016 under our 2012 Blue Buffalo Pet Products, Inc. Stock Purchase and Option Plan, or the 2012 Plan, at a weighted average exercise price of $6.11 per share;

- excludes 382,563 shares of common stock issuable upon exercise of stock options outstanding as of June 7, 2016 at a weighted average exercise price of $25.47 and 82,993 shares of common stock issuable upon settlement of Restricted Stock Units outstanding, in each case under our 2015 Omnibus Incentive Plan, or the 2015 Plan;

excludes 77,306 shares of common stock reserved for future issuance under our 2012 plan and 7,855,823 shares of common stock reserved for future issuance under our 2015 Plan; and

is adjusted to reflect the issuance of 150,000 shares of our common stock to holders of stock options under the 2012 Plan upon exercise thereof, which shares are to be sold in this offering.

Unless otherwise indicated, this prospectus reflects and assumes:

no exercise by the underwriters of their option to purchase additional shares of common stock; and

no exercise of outstanding options after June 7, 2016.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table presents summary consolidated financial data for the periods and at the dates indicated. The summary consolidated financial data as of December 31, 2014 and 2015 and for each of the three years in the period ended December 31, 2015 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data as of December 31, 2013 has been derived from our audited consolidated financial statements not included in this prospectus. The summary consolidated statement of income data for the three months ended March 31, 2015 and 2016 and the summary consolidated balance sheet data as of March 31, 2016 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data as of March 31, 2015 has been derived from our unaudited consolidated financial statements not included in this prospectus. The unaudited condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the financial information. The results for any interim period are not necessarily indicative of the results that may be expected for the full year. In addition, our historical results are not necessarily indicative of the results expected for any future periods.

You should read the following financial information together with the information under Capitalization, Selected Consolidated Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes included elsewhere in this prospectus.

Table of Contents

	Fiscal Year Ended December 31,			Three Months Ended March 31,	
	2013	2014	2015	2015	2016
dollars in thousands, except share and per share mounts)					
tatements of Income Data:					
et sales	$ 719,509	$ 917,760	$ 1,027,447	$ 248,774	$ 279,836
ost of sales	421,897	550,893	608,616	149,240	156,604
ross profit	297,612	366,867	418,831	99,534	123,232
elling, general and administrative expenses	138,986	187,864	226,716	47,399	59,756
rovision for legal settlement			32,000		
perating income	158,626	179,003	160,115	52,135	63,476
nterest expense	20,640	13,887	15,091	3,734	3,738
oss on extinguishment of debt	15,918				
nterest income	(125)	(173)	(294)	(51)	(101)
ncome before income taxes	122,193	165,289	145,318	48,452	59,839
rovision for income taxes	43,957	63,358	55,930	18,406	22,506
et income	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
asic net income per common share	$ 0.40	$ 0.52	$ 0.46	$ 0.15	$ 0.19
iluted net income per common share	$ 0.40	$ 0.52	$ 0.45	$ 0.15	$ 0.19
ividends declared and paid per common share	$	$	$	$	$
asic weighted average shares	195,619,943	195,735,309	195,933,800	195,745,670	196,217,311
iluted weighted average shares	196,559,084	197,852,932	198,047,453	197,773,850	198,160,465
alance Sheet Data (end of period):					
ash and cash equivalents	$ 42,874	$ 95,788	$ 224,253	$ 149,044	$ 265,087
orking capital (1)	114,622	202,243	286,483	231,961	338,113
roperty, plant, and equipment, net	85,830	113,863	115,160	114,101	113,742
otal assets (2)	254,797	383,167	512,546	420,878	525,372
otal debt, including current maturities	395,017	391,057	387,097	390,067	386,107
tockholders equity (deficit)	(191,085)	(87,297)	9,281	(56,770)	47,153
ther Data:					
djusted net income (3)	$ 88,930	$ 106,569	$ 122,477	$ 31,097	$ 38,314
djusted basic net income per common share (3)	$ 0.45	$ 0.54	$ 0.63	$ 0.16	$ 0.19
djusted diluted net income per common share (3)	$ 0.45	$ 0.54	$ 0.62	$ 0.16	$ 0.19
BITDA (4)	143,994	183,863	168,285	54,032	65,670
djusted EBITDA (4)	162,442	193,189	221,689	56,173	67,689
epreciation and amortization	1,286	4,860	8,170	1,897	2,194
apital expenditures	63,507	32,948	9,556	2,184	796

(1)

Working capital is defined as current assets, including cash and cash equivalents, minus current liabilities. As disclosed in Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Recently Issued Accounting Pronouncements, the Company elected to early

13

Table of Contents

adopt ASU 2015-17, Balance Sheet Classification of Deferred Taxes, as of the fourth quarter of 2015, utilizing retrospective application as permitted. Accordingly, working capital for prior years has been reclassified to conform to the new standard.

(2) Total assets for the fiscal year ended December 31, 2014 and three months ended March 31, 2015, has been reclassified to conform to the requirements of ASU 2015-17.

(3) Adjusted net income represents net income plus loss on extinguishment of debt and unusual, non-recurring or one-time items (comprising initial public offering preparation costs, litigation expenses and provisions for legal settlement), net of tax. We present adjusted net income because our management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors, securities analysts and other interested parties, in evaluating the performance of companies in our industry. We also believe adjusted net income is useful to management and investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. Adjusted net income is not a measurement of financial performance under generally accepted accounting principles in the United States, or GAAP. It should not be considered an alternative to net income as a measure of our operating performance or any other measure of performance derived in accordance with GAAP. In addition, adjusted net income should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted net income has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for analyzing our results as reported under GAAP. Our definition and calculation of adjusted net income is not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation.

Adjusted basic net income per common share is defined as adjusted net income divided by basic weighted average shares. Adjusted diluted net income per common share is defined as adjusted net income divided by diluted weighted average shares.

The following table provides a reconciliation of net income to adjusted net income:

	Fiscal Year Ended December 31,			Three Months Ended March 31,	
	2013	**2014**	**2015**	**2015**	**2016**
(dollars in thousands)					
Net income	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
Loss on extinguishment of debt, net of tax of $5,921 (3a)	9,997				
Initial public offering preparation costs, net of tax of $413, $1,109, $1,509 and $75, respectively (3b)	697	1,777	7,005	122	
Litigation expenses, net of tax of $1,760, $3,827, $570 and $591, respectively		2,861	6,244	929	981

(3c)					
Provision for legal settlement, net of tax of $12,160 (3d)			19,840		
Adjusted net income	$ 88,930	$ 106,569	$ 122,477	$ 31,097	$ 38,314

(3a) Represents the loss on extinguishment of debt associated with the repricing of our senior secured credit facilities in December 2013. See Note 5 to our audited consolidated financial statements included elsewhere in this prospectus.

(3b) Represents costs incurred in preparing for our initial public offering and common stock issued to our employees.

(3c) Represents costs primarily related to the litigation with Nestlé Purina PetCare Company. See Business Legal Proceedings.

(3d) Represents provision related to the settlement agreement entered into in December 2015. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

(4) EBITDA represents net income plus interest expense, less interest income and plus provision for income taxes and depreciation and amortization. Adjusted EBITDA represents EBITDA plus loss on extinguishment of debt, stock-based compensation and unusual, non-recurring or one-time items (comprising initial public offering preparation costs, litigation expenses and provision for legal settlement).

We present EBITDA and Adjusted EBITDA because our management uses these as supplemental measures in assessing our operating performance, and we believe they are helpful to investors, securities analysts and other interested parties, in evaluating the performance of companies in our industry. We also believe EBITDA and Adjusted EBITDA are useful to management and investors, securities analysts and other interested parties as measures of our comparative operating performance from period to period. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP. They should not be considered as alternatives to cash flow from operating activities, as measures of liquidity, or as alternatives to net income as a measure of our operating performance or any other measures of performance derived in accordance with GAAP. In addition, EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP. Our definitions and calculations of EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation.

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA:

	Fiscal Year Ended December 31,			Three Months Ended March 31,	
	2013	**2014**	**2015**	**2015**	**2016**
(dollars in thousands)					
Net income	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
Interest expense	20,640	13,887	15,091	3,734	3,738
Interest income	(125)	(173)	(294)	(51)	(101)
Provision for income taxes	43,957	63,358	55,930	18,406	22,506
Depreciation and amortization	1,286	4,860	8,170	1,897	2,194
EBITDA	$ 143,994	$ 183,863	$ 168,285	$ 54,032	$ 65,670
Loss on extinguishment of debt (4a)	15,918				
Initial public offering preparation costs (4b)	1,110	2,886	8,513	197	
Litigation expenses (4c)		4,621	10,071	1,499	1,572

Provision for legal settlement (4d)						32,000				
Stock-based compensation (4e)		1,420		1,819		2,820		445		447
Adjusted EBITDA	$	162,442	$	193,189	$	221,689	$	56,173	$	67,689

(4a) Represents the loss on extinguishment of debt associated with the repricing of our senior secured credit facilities in December 2013. See Note 5 to our audited consolidated financial statements included elsewhere in this prospectus.

(4b) Represents costs incurred in preparing for our initial public offering and common stock issued to our employees.

Table of Contents

(4c) Represents costs primarily related to the litigation with Nestlé Purina PetCare Company. See Business Legal Proceedings.

(4d) Represents provision related to the settlement agreement entered into in December 2015. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

(4e) Represents non-cash, stock-based compensation expense.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider each of the following risk factors, as well as the other information in this prospectus, including our consolidated financial statements and the related notes, before deciding whether to invest in shares of our common stock. If any of the following risks actually occurs, our business, results of operations and financial condition may be materially adversely affected. In that event, the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Related to Our Business and Industry

We may not be able to successfully implement our growth strategy on a timely basis or at all.

Our future success depends, in large part, on our ability to implement our growth strategy of expanding distribution and improving placement of our products in the stores of our retail partners, attracting new consumers to our brand and introducing new products and product line extensions and expanding into new markets. Our ability to implement this growth strategy depends, among other things, on our ability to:

- enter into distribution and other strategic arrangements with retailers and other potential distributors of our products;
- continue to effectively compete in specialty channels;
- secure shelf space in the stores of our retail partners;
- increase our brand recognition by effectively implementing our marketing strategy and advertising initiatives;
- expand and maintain brand loyalty;
- develop new products and product line extensions that appeal to consumers;
- maintain and, to the extent necessary, improve our high standards for product quality, safety and integrity;
- maintain sources for the required supply of quality raw ingredients to meet our growing demand;
- successfully expand our internal manufacturing capabilities, including the construction of additional manufacturing facilities;

successfully operate our Heartland facility;

further expand in both new and existing international markets;

identify and successfully enter and market our products in new geographic markets and market segments; and

educate the veterinarian community about our new line of veterinary exclusive therapeutic products and generate recommendations from veterinarians for our current portfolio of wholesome natural products.

Table of Contents

We may not be able to successfully implement our growth strategy and may need to change our strategy. If we fail to implement our growth strategy or if we invest resources in a growth strategy that ultimately proves unsuccessful, our business, financial condition and results of operations may be materially adversely affected.

The growth of our business depends on our ability to accurately predict consumer trends and demand and successfully introduce new products and product line extensions, improve existing products and offer our products at attractive price points.

Our growth depends, in part, on our ability to successfully introduce new products and product line extensions and improve and reposition our existing products to meet the requirements of pet parents and the dietary needs of their pets. This, in turn, depends on our ability to predict and respond to evolving consumer trends, demands and preferences. The development and introduction of innovative new products and product line extensions involve considerable costs. In addition, it may be difficult to establish new supplier relationships and determine appropriate product selection when developing a new product or product line extension. Any new product or product line extension may not generate sufficient customer interest and sales to become a profitable product or to cover the costs of its development and promotion and may reduce our operating income. In addition, any such unsuccessful effort may adversely affect our brand. If we are not able to anticipate, identify or develop and market products that respond to changes in requirements and preferences of pet parents and their pets or if our new product introductions or repositioned products fail to gain consumer acceptance, we may not grow our business as anticipated, our sales may decline and our business, financial condition and results of operations may be materially adversely affected. If our retail prices were to increase due to a price increase by us or by price increases or lower promotions by our retailer partners, the consumer demand for our products and hence our sales may decline.

Any damage to our reputation or our brand could have a material adverse effect on our business, financial condition, and results of operations.

Maintaining our strong reputation with consumers, our retail partners and our suppliers is critical to our success. Our brand may suffer if our marketing plans or product initiatives are not successful. The importance of our brand may increase if competitors offer more products with formulations similar to ours. Price competition between retailers may drive our retail prices down and may adversely impact our brand equity and reputation among consumers and/or retailers. Further, our brand may be negatively impacted due to real or perceived quality issues or if consumers perceive us as being untruthful in our marketing and advertising, even if such perceptions are not accurate. Product contamination, the failure to maintain high standards for product quality, safety and integrity, including raw materials and ingredients obtained from suppliers, or allegations of product quality issues, mislabeling or contamination, even if untrue or caused by our third-party contract manufacturers or raw material suppliers, may reduce demand for our products or cause production and delivery disruptions. We maintain guidelines and procedures to ensure the quality, safety and integrity of our products. However, we may be unable to detect or prevent product and/or ingredient quality issues, mislabeling or contamination, particularly in instances of fraud or attempts to cover up or obscure deviations from our guidelines and procedures. For example, in September 2014 we discovered that a facility owned by a major supplier of ingredients to the pet food industry, including Blue Buffalo, for a period of time, had mislabeled as chicken meal or turkey meal ingredients that contained other poultry-based ingredients that were inappropriate for inclusion in chicken meal or turkey meal under industry standards, and it appears that this mislabeling was deliberate. If any of our products become unfit for consumption, cause injury or are mislabeled, we may have to engage in a product recall and/or be subject to liability. Damage to our reputation or our brand or loss of consumer confidence in our products for any of these or other reasons could result in decreased demand for our products and our business, financial condition and results of operations may be materially adversely affected.

Our growth and business are dependent on trends that may change or not continue, and our historical growth may not be indicative of our future growth.

The growth of the overall pet food industry depends primarily on the continuance of current trends in humanization of pets and premiumization of pet foods as well as on general economic conditions, the size of the pet population and average dog size. The growth of the Wholesome Natural market segment and our business, in particular, depends on the continuance of such humanization and premiumization trends and health and wellness trends. We also benefit from the rapid growth rates and our share gains in the specialty channels we participate in, such as pet superstores, farm and feed stores and eCommerce. These trends may not continue or may change. In the event of a decline in the overall number or average size of pets, a change in the humanization, premiumization or health and wellness trends or during challenging economic times, we may be unable to persuade our customers and consumers to purchase our branded products instead of lower-priced products, and our business, financial condition and results of operations may be materially adversely affected and our growth rate may slow or stop. In addition, while we expect that our net sales will continue to increase, we believe that our growth rate will decline in the future as our scale increases.

There may be decreased spending on pets in a challenging economic climate.

The United States and other countries have experienced and continue to experience challenging economic conditions. Our business, financial condition and results of operations may be materially adversely affected by a challenging economic climate, including adverse changes in interest rates, volatile commodity markets and inflation, contraction in the availability of credit in the market and reductions in consumer spending. In addition, a slow-down in the general economy or a shift in consumer preferences for economic reasons or otherwise to regional, local or Private Label products or other less expensive products may result in reduced demand for our products which may affect our profitability. The keeping of pets and the purchase of pet-related products may constitute discretionary spending for some of our consumers and any material decline in the amount of consumer discretionary spending may reduce overall levels of pet ownership or spending on pets. As a result, a challenging economic climate may cause a decline in demand for our products which could be disproportionate as compared to competing pet food brands since our products command a price premium. In addition, we cannot predict how current or worsening economic conditions will affect our retail partners, suppliers and distributors. If economic conditions result in decreased spending on pets and have a negative impact on our retail partners, suppliers or distributors, our business, financial condition and results of operations may be materially adversely affected.

Our business depends, in part, on the sufficiency and effectiveness of our marketing and trade promotion programs.

Due to the highly competitive nature of our industry, we must effectively and efficiently promote and market our products through television, internet and print advertisements as well as trade promotions and incentives to sustain our competitive position in our market. Marketing investments may be costly. In addition, we may, from time to time, change our marketing strategies and spending, including the timing or nature of our trade promotions and incentives. We may also change our marketing strategies and spending in response to actions by our competitors and other pet food companies. For instance, starting in the second half of 2013, the largest pet food company in the United States initiated a significant increase in its promotional spending, which resulted in other pet food companies, including us, increasing their own promotional spending. The sufficiency and effectiveness of our marketing and trade promotions and incentives are important to our ability to retain and/or improve our market share and margins. If our marketing and trade promotions and incentives are not successful or if we fail to implement sufficient and effective marketing and trade promotions and incentives or adequately respond to changes in our competitors marketing strategies, our business, financial condition and results of operations may be adversely affected.

Table of Contents

If we are unable to maintain or increase prices, our margins may decrease.

Our success depends in part upon our ability to persuade consumers to purchase our branded products, which generally command a price premium as compared to prices of Engineered and Private Label products. Some products in the Engineered market segment may be labeled as natural in accordance with the AAFCO regulatory definition even though they do not satisfy all the requirements of the Wholesome Natural market segment. These products are often priced lower than ours and even if we do not increase prices, consumers may choose to purchase such products instead of ours, based on the fact that such products cost less but yet are still labeled as natural.

We rely in part on price increases to offset cost increases and improve the profitability of our business. Our ability to maintain prices or effectively implement price increases may be affected by a number of factors, including competition, effectiveness of our marketing programs, the continuing strength of our brand, market demand and general economic conditions, including inflationary pressures. In particular, in response to increased promotional activity by other pet food companies, we have increased our promotional spending, which has resulted in a lower average price per pound for our products and has adversely impacted our gross margins. During challenging economic times, consumers may be less willing or able to pay a price premium for our branded products and may shift purchases to lower-priced or other value offerings, making it more difficult for us to maintain prices and/or effectively implement price increases. In addition, our retail partners and distributors may pressure us to rescind price increases that we have announced or already implemented, whether through a change in list price or increased promotional activity. If we are unable to maintain or increase prices for our products or must increase promotional activity, our margins may be adversely affected. Furthermore, price increases generally result in volume losses, as consumers purchase fewer units. If such losses are greater than expected or if we lose distribution due to a price increase, our business, financial condition and results of operations may be materially adversely affected.

If our products are alleged to cause injury or illness or fail to comply with governmental regulations, we may need to recall our products and may experience product liability claims.

Our products may be exposed to product recalls, including voluntary recalls or withdrawals, if they are alleged to cause or pose a risk of injury or illness or if they are alleged to have been mislabeled, misbranded or adulterated or to otherwise be in violation of governmental regulations. We may also voluntarily recall or withdraw products that we consider do not meet our standards, whether for palatability, appearance or otherwise, in order to protect our brand and reputation. For example, in 2015 and 2016, we issued three voluntary recalls. The first recall concerned certain cat treats, due to the possible presence of propylene glycol, an ingredient not permitted for use in cat food, and the second recall concerned certain dog bones, due to potential salmonella contamination. Both recalls were the result of errors occurring at third party suppliers. The third recall concerned a limited number of bags of our BLUE Life Protection Formula dry dog food manufactured at our Heartland plant due to excessive moisture content, which can lead to mold. These recalls resulted in a reduction to net sales and the incurrence of incremental expenses. If there is any future product recall or withdrawal that results in substantial and unexpected expenditures, destruction of product inventory, damage to our reputation or lost sales due to the unavailability of the product for a period of time, our business, financial condition and results of operations may be materially adversely affected.

We also may be subject to product liability claims if the consumption or use of our products is alleged to cause injury or illness. While we carry product liability insurance, our insurance may not be adequate to cover all liabilities we may incur in connection with product liability claims. For example, punitive damages are generally not covered by insurance. In addition, we may not be able to continue to maintain our existing insurance, obtain comparable insurance at a reasonable cost, if at all, or secure additional coverage, which may result in future product liability claims being uninsured. If there is a product liability judgment against us or a settlement agreement related to a product liability claim, our business, financial condition and results of operations may be materially adversely affected.

Table of Contents

We are dependent on a relatively limited number of customers for a significant portion of our sales.

We sell our products to retail partners and distributors in specialty channels. Our two largest retail partners, PetSmart and Petco, accounted for 44% and 24% of our net sales for the three months ended March 31, 2016, 46% and 24% of our net sales for the year ended December 31, 2015, 49% and 24% of our net sales for the year ended December 31, 2014, and 53% and 22% of our net sales for the year ended December 31, 2013, respectively. If we were to lose any of our key customers, if any of our retail partners reduce the amount of their orders or if any of our key customers consolidate, reduce their store footprint and/or gain greater market power, our business, financial condition and results of operations may be materially adversely affected. In addition, we may be similarly adversely impacted if any of our key customers experience any operational difficulties or generate less traffic.

In addition, we do not enter into contracts with national pet superstores and certain other large retailers, and we do not have long-term contracts with our other customers. As a result, we rely on our consumers continuing demand for our products and our position in the market for all purchase orders. If our retail partners or distributors are not satisfied with their margins on BLUE products due to changes in their expectations or due to changes to pricing strategies by us, our sales could decrease and our business, financial condition and results of operations may be materially adversely affected. We may be similarly negatively impacted if they change their pricing and margin expectations or business strategies as a result of industry consolidation or otherwise, including a reduction in the number of brands they carry or amount of shelf space or a shift of shelf space they allocate to our products, or increased emphasis on Private Label or another brand s products.

We rely upon a limited number of contract manufacturers to provide a significant portion of our supply of products.

There is limited available manufacturing capacity that meets our quality standards. Our current plans to meet expected production needs rely in large part on successful ongoing operations at our Heartland facility in Joplin, Missouri. Our Heartland facility may not, however, continue to operate in accordance with our expectations.

We have agreements with a network of contract manufacturers that require them to provide us with specific finished products. Most of our agreements with our contract manufacturers expire in 2016 and will thereafter be automatically renewed for consecutive one-year terms until notice of non-renewal is given. Upon expiration of our existing agreements with these contract manufacturers, or if our contract manufacturers were to merge or get acquired, we may not be able to renegotiate the terms of our agreements with these contract manufacturers on a commercially reasonable basis, or at all.

During the years ended December 31, 2013, 2014, and 2015 and the three months ended March 31, 2016, approximately 69%, 68%, 44% and 43%, respectively, of our cost of sales was derived from products purchased from the Company s five largest contract manufacturers. We manufacture our canned wet foods at two different locations owned by a single contract manufacturer and certain of our wet foods, treats and all of our cat litter products are also manufactured by single-source contract manufacturers. The manufacture of our products may not be easily transferable to other sites in the event that any of our contract manufacturers experience breakdown, failure or substandard performance of equipment, disruption of supply or shortages of raw materials and other supplies, labor problems, power outages, adverse weather conditions and natural disasters or the need to comply with environmental and other directives of governmental agencies. From time to time, a contract manufacturer may experience financial difficulties, bankruptcy or other business disruptions, which could disrupt our supply of finished goods or require that we incur additional expense by providing financial accommodations to the contract manufacturer or taking other steps to seek to minimize or avoid supply disruption, such as establishing a new contract manufacturing arrangement with another provider.

21

Table of Contents

The loss of any of these contract manufacturers or the failure for any reason of any of these contract manufacturers to fulfill their obligations under their agreements with us, including a failure to meet our quality controls and standards, may result in disruptions to our supply of finished goods. We may be unable to locate an additional or alternate contract manufacturing arrangement that meets our quality controls and standards in a timely manner or on commercially reasonable terms, if at all.

To the extent our customers purchase products in excess of consumer consumption in any period, our sales in a subsequent period may be adversely affected as our customers seek to reduce their inventory levels.

From time to time, our customers may purchase more product than they expect to sell to consumers during a particular time period. Our customers may grow their inventory in anticipation of, or during, our promotional events, which typically provide for reduced prices during a specified time or other customer or consumer incentives. Our customers may also grow inventory in anticipation of a price increase for our products, or otherwise over-order our products as a result of overestimating demand for our products. If a customer increases its inventory during a particular reporting period as a result of a promotional event, anticipated price increase or otherwise, then sales during the subsequent reporting period may be adversely impacted as our customers seek to reduce their inventory levels. This effect may be particularly pronounced when the promotional event, price increase or other event occurs near the end or beginning of a reporting period or when there are changes in the timing of a promotional event, price increase or similar event, as compared to the prior year. To the extent our customers seek to reduce their usual or customary inventory levels or change their practices regarding purchases in excess of consumer consumption, our net sales and results of operations may be materially adversely affected in that period.

We operate in a highly competitive industry and may lose market share or experience margin erosion if we are unable to compete effectively.

The pet food industry is highly competitive. We compete on the basis of product quality and palatability, brand awareness and loyalty, product variety and ingredients, interesting product names, product packaging and package design, shelf space, reputation, price and promotional efforts. We compete with a significant number of companies of varying sizes, including divisions or subsidiaries of larger companies who may have greater financial resources and larger customer bases than we have. As a result, these competitors may be able to identify and adapt to changes in consumer preferences more quickly than us due to their resources and scale. They may also be more successful in marketing and selling their products, better able to increase prices to reflect cost pressures and better able to increase their promotional activity, which may impact us and the entire pet food industry. Increased promotional activity may include increasing the size of packaging, which in turn has in the past reduced and may in the future reduce foot traffic at retailers and the number of opportunities we have to educate pet parents about the benefits of BLUE. In addition, these larger companies have entered the Wholesome Natural market segment and we expect them to continue to launch new Wholesome Natural brands, acquire existing Wholesome Natural brands, launch brand extensions or increase the promotion of existing Wholesome Natural brands and pet food products, all of which will increase our direct competition. We also compete with other companies who focus solely on manufacturing Wholesome Natural pet foods that may be smaller, more innovative and/or able to bring products to market faster and move more quickly to exploit and serve niche markets. If these competitive pressures cause our products to lose market share or experience margin erosion, our business, financial conditions and results of operations may be materially adversely affected.

We may face issues with respect to increased costs, disruption of supply or shortages of raw materials and other supplies, contaminations, adulterations or mislabeling.

We and our contract manufacturers use various raw materials and other supplies in our business, including ingredients, packaging materials and fuel. The prices of our raw materials and other supplies are subject to fluctuations attributable to, among other things, changes in supply and demand of crops or other commodities, weather conditions, agricultural uncertainty or governmental incentives and controls.

Table of Contents

We generally do not have long-term supply contracts with our ingredient suppliers. The length of the contracts is fixed for a period of time, typically up to a year or for a season and/or a crop year. In addition, some of our raw materials are sole-sourced or sourced from a limited number of suppliers. We may not be able to renew or enter into new contracts with our existing suppliers following the expiration of such contracts on commercially reasonable terms, or at all. We purchase some of our raw materials in the open market, and although we aim to enter into fixed price and/or fixed quantity contracts for a pre-determined amount of our ingredients to reduce short term price volatility in certain commodities, these activities may not successfully reduce or stabilize the costs of our raw materials and supplies. If commodity prices increase or our procurement or future hedging activities are not effective, we may not be able to increase our prices to offset these increased costs. Moreover, our competitors may be better able than we are to implement productivity initiatives or effect price increases or to otherwise pass along cost increases to their customers.

Some of the raw materials we use are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes and pestilences and may be impacted by climate change and other factors. Adverse weather conditions and natural disasters can reduce crop size and crop quality, which in turn could reduce supplies of raw materials, increase the prices of raw materials, increase costs of storing raw materials and interrupt or delay our production schedules if harvests are delayed. Our competitors may not be impacted by such weather conditions and natural disasters depending on the location of their suppliers and operations.

If any of our raw materials or supplies are alleged or proven to include contaminants affecting the safety or quality of our products (including, for example, bacteria, mold or as a result of animal or human-related pandemics, such as outbreaks of bovine spongiform encephalopathy, foot-and-mouth disease, avian influenza, or any other disease), we may need to find alternate materials or supplies, delay production of our products, discard or otherwise dispose of our products, or engage in a product recall, all of which may have a materially adverse effect on our business, financial condition and results of operations.

We may be unable to detect or prevent the use of ingredients from our suppliers which do not meet our quality standards. For example, in September 2014 we discovered that a facility owned by a major supplier of ingredients to the pet food industry, including Blue Buffalo, for a period of time, had mislabeled as chicken meal or turkey meal ingredients that contained other poultry-based ingredients that were inappropriate for inclusion in chicken meal or turkey meal under industry standards, and it appears that this mislabeling was deliberate. This supplier was one of our primary sources of chicken meal and turkey meal. Any use of such ingredients may result in a loss of consumer confidence in our brand and products and a reduction in our sales if consumers perceive us as being untruthful in our marketing and advertising and may materially adversely affect our brand, reputation, business, financial condition and results of operations.

If our sources of raw materials and supplies are terminated or affected by adverse prices, weather conditions or quality concerns, we may not be able to identify alternate sources of raw materials or other supplies that meet our quality controls and standards to sustain our sales volumes or on commercially reasonable terms, or at all.

We are involved in litigation with Nestlé Purina PetCare Company, including false advertising claims relating to the ingredients contained in our pet food. Regardless of whether we are successful in our defense of these claims or in our counter claims, this litigation may adversely affect our brand, reputation, business, financial condition and results of operations.

On May 6, 2014, Nestlé Purina Petcare Company, or Nestlé Purina, filed a lawsuit against us in the United States District Court for the Eastern District of Missouri, alleging that we have engaged in false advertising, commercial disparagement, unfair competition and unjust enrichment, or the Nestlé Purina litigation. Nestlé Purina asserts that, contrary to our advertising and labeling claims, certain BLUE products contain chicken or poultry by-product meals, artificial preservatives and/or corn and that certain products in the BLUE grain-free lines contain grains. Nestlé Purina also alleges that we have made false claims that our products (including LifeSource Bits) provide superior nutrition and health benefits compared to our competitors products. In addition, Nestlé Purina contends that we have been unjustly enriched as consumers have paid a premium for

BLUE products in reliance on these alleged false and misleading statements, at the expense of our competitors. Nestlé Purina seeks an injunction prohibiting us from making these alleged false and misleading statements, as well as treble damages, restitution and disgorgement of our profits, among other things. In addition, Nestlé Purina has issued press releases and made other public announcements, including advertising and promotional communications through emails and internet and social media websites that make claims similar to those contained in their lawsuit. Nestlé Purina seeks a declaratory judgment that these statements are true and do not constitute defamation. Nestlé Purina later amended its complaint a second time to supplement certain allegations and to add a claim regarding the advertising for one of our pet treats. On February 29, 2016, Nestlé Purina filed a third amended complaint adding Blue s wholly-owned subsidiary Great Plains Leasing LLC, new causes of action under Connecticut and Missouri state law, and updating Nestlé Purina s factual allegations. On May 12, 2016, BLUE filed an answer to the third amended complaint and an amended third-party complaint. In addition, BLUE filed a motion for leave to amend its answer and counterclaim against Nestlé Purina to reflect information recently developed in discovery, namely that Nestlé Purina for many years purchased chicken meal similar to the chicken meal that BLUE had purchased from the same supplier. Specifically, the very same ingredient supplier that victimized BLUE had also victimized Nestlé Purina and, as a result, we believe Nestlé Purina s own pet food products were mislabeled and inaccurately advertised. BLUE has sought the Court s permission to amend its counterclaims to add a claim for false advertising based on the fact that Nestlé Purina has labeled and advertised certain of its pet food products as free of animal by-products or by-product meals, when those products in fact contained those ingredients. BLUE has also sought the Court s permission to expand its existing affirmative defense of unclean hands to reflect these new revelations.

On May 14, 2014, we filed a lawsuit against Nestlé Purina in the United States District Court for the Eastern District of Missouri, alleging that Nestlé Purina has engaged in false advertising, unfair competition, unjust enrichment and defamation. We allege that the statements made by Nestlé Purina advertising the allegations of their lawsuit are false and misleading, and we deny that our product formulas contain chicken or poultry by-product meals, artificial preservatives or corn and we deny that any of our grain-free products contain grains. We also assert that Nestlé Purina s statements falsely imply that our products are not made in the United States and are subject to quality control issues. We allege that Nestlé Purina s conduct as described in this lawsuit is aimed at destroying the reputation and goodwill of the BLUE brand and may induce consumers to make purchasing decisions based on Nestlé Purina s false and misleading representations about the composition and sourcing of BLUE products. Our complaint in this lawsuit seeks, among other things, a preliminary and permanent injunction prohibiting Nestlé Purina from disseminating such false information, as well as damages (including punitive damages), restitution and disgorgement of all profits attributable to their false and deceptive advertising. On June 4, 2014, this lawsuit was consolidated with the Nestlé Purina lawsuit. We have since amended our pleading to name as additional defendants the two advertising and public relations agencies that assisted Nestlé Purina with its advertising campaign.

In the course of pretrial discovery in the consolidated Nestlé Purina lawsuit, beginning in September 2014 documents and information were revealed that indicate that a facility owned by a major supplier of ingredients to the pet food industry, including Blue Buffalo, for a period of time, had mislabeled as chicken meal or turkey meal ingredients that contained other poultry-based ingredients that were inappropriate for inclusion in chicken meal or turkey meal under industry standards, and it appears that this mislabeling was deliberate. This conduct was undertaken by the supplier without our knowledge, and we have since ceased purchasing ingredients from this facility. This supplier was one of our primary sources of chicken meal and turkey meal. As a result of the supplier s conduct, our advertising claims of no chicken or poultry by-product meals were inaccurate as to products containing the mislabeled ingredients. Therefore, we may be exposed to false advertising liability to Nestlé Purina and others to the extent a claimant can prove they were injured by our actions. Such liability may be material. We have brought third-party indemnity and damages claims, with respect to the Nestlé Purina lawsuit, against the supplier that mislabeled the ingredients, as well as a broker involved in those transactions for such mislabeled ingredients. The trial court narrowed certain of our third party claims in response to motions to dismiss filed by the third parties but allowed numerous claims to proceed. In addition, we maintain insurance coverage for some of the Nestlé Purina claims. However, we may not be able to fully recover from such supplier, broker or from our insurance the full amount of any damages we might incur in these matters. On June 10, 2016, Nestlé Purina filed a motion to sever its main lawsuit against us from our third-party claims against such supplier and broker.

Table of Contents

On October 15, 2014, we initiated a separate lawsuit against Nestlé Purina in state court in Connecticut. Nestlé Purina subsequently removed the case to the United States District Court for the District of Connecticut, and the Connecticut District Court then granted Nestlé Purina s motion to transfer this matter to the same court where Nestlé Purina s lawsuit against us is pending. Our complaint in this matter alleges that Nestlé Purina has intentionally engaged in false advertising, unfair trade practices and unjust enrichment in the promotion and advertisement of numerous of its products. In particular, our complaint alleges that Nestlé Purina is deceptively advertising that certain high-quality, wholesome ingredients are present in certain of Nestlé Purina s most popular pet food products in greater amounts, or are more prevalent in the products in relation to other ingredients, than is actually the case. In addition, our complaint alleges that Nestlé Purina is deceptively advertising certain of its products as healthy and nutritious when in fact Nestlé Purina knew that these products were unsafe and were responsible for illness and even death in many of the dogs that consumed them. And our complaint alleges that Nestlé Purina falsely claims its Just Right brand of dog food is personalized to match each dog s unique nutritional needs when it consists of only a limited set of basic ingredient formulas, each of which is substantially similar to the others. Our complaint seeks an injunction prohibiting Nestlé Purina from continuing these false and misleading advertisements, as well as damages and disgorgement of profits, among other things. Discovery is underway in this matter. On July 31, 2015, Nestlé Purina filed an amended answer in this case that also asserted counterclaims against us. Nestlé Purina asserted that our complaint does not state viable claims, but that if a ruling is entered against it then in the alternative it asserts counterclaims that relate to the advertising of a variety of our products, which Nestlé Purina contends are misleading or deceptive as to the amounts of certain ingredients in those products. On August 28, 2015, we amended our complaint to include allegations that Nestlé Purina falsely claims that its Bright Mind dog food is proven to promote alertness, mental sharpness, memory, trainability, attention, and interactivity in dogs age seven and older, when in fact such claims are unsubstantiated and false. In response to Nestlé Purina s amended answer and counterclaims, we filed a motion to dismiss the counterclaims in their entirety on October 2, 2015, which was granted on June 13, 2016 with respect to all but two of the counterclaims.

We believe Nestlé Purina s claims are without merit and are vigorously defending ourselves. However, Nestlé Purina s allegations, whether made in their lawsuit or through press releases, social media or other public announcements, may result in a loss of consumer confidence in our brand and products and a reduction in our sales if consumers perceive us as being untruthful in our marketing and advertising and may materially adversely affect our brand, reputation, business, financial condition and results of operations, regardless of the outcome of the litigation and any damages we may recover from Nestlé Purina. In addition, if we do not prevail in these claims, we may be required to pay substantial damages and/or may not be able to fully recover those damages from either our insurance, the ingredient supplier, the ingredient broker or any other responsible parties. In addition, we may be enjoined from certain marketing and advertising practices, which have been an important driver of the growth of our brand and business. If the relief sought in the Nestlé Purina lawsuit is granted, the impact on the Company could be material. We expect these legal proceedings will be costly and time consuming and will divert management s attention from running our business. In addition, during the course of this litigation, we anticipate announcements of the court s decisions in connection with hearings, motions and other matters, as well as other interim developments related to the litigation. If securities analysts or investors regard these announcements as being unfavorable to us, the market price of our common stock may decline.

In addition, a number of related putative consumer class action lawsuits were filed in various states in the United States making allegations similar to Nestlé Purina s. In December 2015, we entered into a settlement agreement, which has received final court approval, with the plaintiffs to resolve all of the U.S. consumer class action lawsuits pursuant to which we agreed to pay $32.0 million into a settlement fund. See Business Legal Proceedings for further detail on the settlement.

Our Heartland facility may not operate in accordance with our expectations.

In 2014, we commenced manufacturing operations at our Heartland facility in Joplin, Missouri. Opening this facility and bringing this facility up to full production required significant capital expenditures and the

Table of Contents

efforts and attention of our management and other personnel, which diverted resources from our business operations. Maintaining and optimizing operations at our Heartland facility will continue to require certain capital expenditures as well as attention of our management and other personnel.

We expect our Heartland facility to provide us with in-house dry food manufacturing for approximately half of our forecasted dry food production needs over the next several years. This facility, however, may not provide us with the anticipated benefits. Our Heartland facility is located in an area susceptible to tornadoes and other adverse weather conditions, and the damage or destruction of such facility due to fire or natural disasters, including tornadoes, power failures or disruptions or equipment breakdown, failure or substandard performance could severely affect our ability to operate it. Our Heartland facility and the manufacturing equipment we use to produce our products would be difficult or costly to replace or repair and may require substantial lead-time to do so. For example, if we were unable to use our Heartland facility, the use of any new facility would need to be approved by various federal and local planning, zoning and health agencies, including the U.S. Department of Agriculture, the Missouri Department of Health and the Missouri Department of Agriculture, and registered with the FDA, in addition to passing our internal quality assurance requirements which may take up to 18 months and would result in significant production delays. We also may not be able to find suitable alternatives with contract manufacturers on a timely basis and at a reasonable cost. In addition, we may in the future experience plant shutdowns or periods of reduced production as a result of regulatory issues, equipment failure or delays in deliveries. Any such disruption or unanticipated event may cause significant interruptions or delays in our business and loss of inventory and/or data or render us unable to accept and fulfill customer orders in a timely manner, or at all. We have property and business disruption insurance coverage in place for our Heartland facility. However, such insurance coverage may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all.

We may not successfully complete and open our additional manufacturing facilities or our additional manufacturing facilities may not operate in accordance with our expectations.

We are in the process of expanding our internal manufacturing capacity under our recently announced $200 million multi-year capital investment program. We may experience substantial delays in the planning, construction and implementation of these additional manufacturing facilities. Any substantial delay in opening our additional facilities, registering these facilities with appropriate regulatory authorities or bringing these facilities up to full production on our schedule may hinder our ability to produce all of the product needed to meet orders and achieve our expected financial performance. Opening these facilities and bringing these facilities up to full production will require additional capital expenditures and the efforts and attention of our management and other personnel, which will divert resources from our existing business operations. If we miscalculate the resources or time we need to complete these projects or fail to implement the projects effectively, our business and operating results could be adversely affected. Even if these facilities begin operations according to our schedule, these facilities may not provide us with the benefits that we expect to receive. If these facilities do not provide us with the benefits we expect to receive, our business and operating results could be adversely affected.

We may not be able to manage our manufacturing and supply chain effectively which may adversely affect our results of operations.

We must accurately forecast demand for our products in order to ensure we have adequate available manufacturing capacity. Our forecasts are based on multiple assumptions that may cause our estimates to be inaccurate and affect our ability to obtain adequate manufacturing capacity (whether our own manufacturing capacity or contract manufacturing capacity) in order to meet the demand for our products, which could prevent us from meeting increased customer or consumer demand and harm our brand and our business. However, if we overestimate our demand and overbuild our capacity, we may have significantly underutilized assets and may experience reduced margins. If we do not accurately align our manufacturing capabilities with demand, our business, financial condition and results of operations may be materially adversely affected.

In addition, we must continuously monitor our inventory and product mix against forecasted demand. If we underestimate demand, we risk having inadequate supplies. We also face the risk of having too much

Table of Contents

inventory on hand that may reach its expiration date and become unsaleable, and we may be forced to rely on markdowns or promotional sales to dispose of excess or slow-moving inventory. If we are unable to manage our supply chain effectively, our operating costs could increase and our profit margins could decrease.

We rely upon a number of third parties to manage or provide distribution centers for our products.

In addition to our Heartland warehouse, which we operate, our distribution operations include the use of third-party distribution centers as well as the use of third parties to manage such distribution centers. These third-party distribution centers may distribute our products as well as the products of other companies. Our distribution operations at these third-party distribution centers could be disrupted by a number of factors, including labor issues, failure to meet customer standards, bankruptcy or other financial issues affecting our third-party providers, or other issues affecting any such third party s ability to service our customers effectively. If there is any disruption of these distribution centers, our business may be materially adversely affected.

If we continue to grow rapidly, we may not be able to manage our growth effectively.

Our net sales have grown from $719.5 million in 2013 to $917.8 million in 2014 to $1.0 billion in 2015. Our historical rapid growth, and continued rapid growth as a CPG company, has placed and, if continued, may continue to place significant demands on our management and our operational and financial resources. Our organizational structure may become more complex as we add additional staff, and we may require valuable resources to grow and continue to improve our operational, management and financial controls without undermining our strong corporate culture of entrepreneurship and collaboration that has been a strong contributor to our growth so far. If we are not able to manage our growth effectively, our business, financial condition and results of operations may be materially adversely affected.

Our market size estimate may prove to be inaccurate.

Data for pet food retail sales is collected for most, but not all channels, and as a result, it is difficult to estimate the size of the market and predict the rate at which the market for our products will grow, if at all. While our market size estimate was made in good faith, is within the range of a major independent third-party estimate of the U.S. pet food industry and is based on assumptions and estimates we believe to be reasonable, this estimate may not prove to be accurate.

We may face difficulties as we expand in and into countries in which we have no prior operating experience.

We have expanded and intend to continue to expand our global footprint by entering into new markets. As we expand our business into new countries we will encounter foreign economic, political, regulatory, personnel, technological, language barriers and other risks that may increase our expenses or delay our ability to become profitable in such countries. These risks include:

- fluctuations in currency exchange rates;

- the difficulty of enforcing agreements and collecting receivables through some foreign legal systems;

customers in some foreign countries potentially having longer payment cycles;

changes in local tax laws, tax rates in some countries that may exceed those of the United States or Canada and lower earnings due to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;

seasonal reductions in business activity;

the credit risk of local customers and distributors;

general economic and political conditions;

Table of Contents

- unexpected changes in legal, regulatory or tax requirements;
- differences in culture and trends in foreign countries with respect to pets and pet care;
- the difficulties associated with managing a large global organization;
- the risk that certain governments may adopt regulations or take other actions that would have a direct or indirect adverse impact on our business and market opportunities, including nationalization of private enterprise;
- non-compliance with applicable currency exchange control regulations, transfer pricing regulations or other similar regulations;
- violations of the Foreign Corrupt Practices Act or comparable local anticorruption laws by acts of agents and other intermediaries whom we have limited or no ability to control; and
- violations of regulations enforced by the U.S. Department of The Treasury s Office of Foreign Asset Control.

In addition, our expansion into new countries may require significant resources and the efforts and attention of our management and other personnel, which will divert resources from our existing business operations. As we expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our operations outside of the United States and Canada.

We may seek to grow our business through acquisitions of or investments in new or complementary businesses, facilities, technologies or products, or through strategic alliances, and the failure to manage acquisitions, investments or strategic alliances, or the failure to integrate them with our existing business, could have a material adverse effect on us.

From time to time we may consider opportunities to acquire or make investments in new or complementary businesses, facilities, technologies or products, or enter into strategic alliances, that may enhance our capabilities, expand our manufacturing network, add new brands to our portfolio, complement our current products or expand the breadth of our markets. Potential and completed acquisitions and investments and other strategic alliances involve numerous risks, including:

- problems assimilating the purchased business, facilities, technologies or products;
- issues maintaining uniform standards, procedures, controls and policies;

unanticipated costs associated with acquisitions, investments or strategic alliances;

diversion of management s attention from our existing business;

adverse effects on existing business relationships with suppliers, contract manufacturers, retail partners and distribution customers;

increased complexity of running a broader portfolio of products, brands or facilities, which may conflict with our existing business

risks associated with entering new markets in which we have limited or no experience;

potential loss of key employees of acquired businesses; and

increased legal and accounting compliance costs.

Table of Contents

We do not know if we will be able to identify acquisitions or strategic relationships we deem suitable, whether we will be able to successfully complete any such transactions on favorable terms or at all or whether we will be able to successfully integrate any acquired business, facilities, technologies or products into our business or retain any key personnel, suppliers or customers. Our ability to successfully grow through strategic transactions depends upon our ability to identify, negotiate, complete and integrate suitable target businesses, facilities, technologies and products and to obtain any necessary financing. These efforts could be expensive and time-consuming and may disrupt our ongoing business and prevent management from focusing on our operations. If we are unable to integrate any acquired businesses, facilities, technologies and products effectively, our business, results of operations and financial condition could be materially adversely affected.

Our substantial indebtedness may have a material adverse effect on our business, financial condition and results of operations.

As of March 31, 2016, we had a total of $386.1 million of indebtedness, consisting of amounts outstanding under our term loan facilities, and a total availability of $40.0 million under our revolving credit facility. Our indebtedness could have significant consequences, including:

- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of funding growth, working capital, capital expenditures, investments or other cash requirements;
- reducing our flexibility to adjust to changing business conditions or obtain additional financing;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our term loan facilities are at variable rates;
- making it more difficult for us to make payments on our indebtedness;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- subjecting us to restrictive covenants that may limit our flexibility in operating our business; and
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements and general corporate or other purposes.

If our cash from operations is not sufficient to meet our current or future operating needs, expenditures and debt service obligations, our business, financial condition and results of operations may be materially adversely affected.

Our ability to generate cash to meet our operating needs, expenditures and debt service obligations will depend on our future performance and financial condition, which will be affected by financial, business, economic legislative, regulatory and other factors, including potential changes in costs, pricing, the success of product innovation and marketing, competitive pressure and consumer preferences. If our cash flow and capital resources are insufficient to fund our debt service obligations and other cash needs, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. Our revolving credit facility and our term loan facilities restrict our ability to take these actions and we may not be able to affect any such alternative measures on commercially reasonable terms or at all. If we cannot make scheduled payments on our debt, the lenders under our senior secured credit facilities can terminate their commitments to loan money, can declare all outstanding principal and interest to be due and payable and foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. In addition, any downgrade of our debt ratings by any of the major rating agencies, which could result from our financial performance, acquisitions or other factors, would also negatively impact our access to additional debt

Table of Contents

financing (including leasing) or refinancing on favorable terms, or at all. Even if we are successful in taking any such alternative actions, such actions may not allow us to meet our scheduled debt service obligations and, as a result, our business, financial condition and results of operations may be materially adversely affected.

Failure to protect our intellectual property could harm our competitive position or require us to incur significant expenses to enforce our rights.

Our trademarks such as Blue Buffalo, LifeSource Bits, Life Protection Formula, BLUE Wilderness, BLUE Basics BLUE Freedom, BLUE Naturally Fresh, and BLUE Natural Veterinary Diet along with the BLUE shield logo, the Blue Buffalo figure logo and the tag line Love them like family. Feed them like family. are valuable assets that support our brand and consumers perception of our products. We rely on trademark, copyright, trade secret, patent and other intellectual property laws, as well as nondisclosure and confidentiality agreements and other methods, to protect our trademarks, trade names, proprietary information, technologies and processes. Our non-disclosure agreements and confidentiality agreements may not effectively prevent disclosure of our proprietary information, technologies and processes and may not provide an adequate remedy in the event of unauthorized disclosure of such information, which could harm our competitive position. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited for some of our trademarks, inventions and other proprietary information and patents in some foreign countries. We may need to engage in litigation or similar activities to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of proprietary rights of others. Further, third parties may also engage in litigation or similar activities to challenge the validity and scope of our intellectual property and proprietary rights. Any such litigation could require us to expend significant resources and divert the efforts and attention of our management and other personnel from our business operations. If we fail to protect our intellectual property, our business, financial condition and results of operations may be materially adversely affected.

We may be subject to intellectual property infringement claims or other allegations, which could result in substantial damages and diversion of management s efforts and attention.

We have obligations with respect to the non-use and non-disclosure of third-party intellectual property. The steps we take to prevent misappropriation, infringement or other violation of the intellectual property of others may not be successful. From time to time, third parties have asserted intellectual property infringement claims against us and our customers and may continue to do so in the future. While we believe that our products do not infringe in any material respect upon proprietary rights of other parties and/or that meritorious defenses would exist with respect to any assertions to the contrary, we may from time to time be found to infringe on the proprietary rights of others. For example, patent applications in the United States and some foreign countries are generally not publicly disclosed until the patent is issued or published and we may not be aware of currently filed patent applications that relate to our products or processes. If patents later issue on these applications, we may be found liable for subsequent infringement.

Any claims that our products or processes infringe these rights, regardless of their merit or resolution, could be costly and may divert the efforts and attention of our management and technical personnel. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could, among other things, be required to:

- pay substantial damages (potentially treble damages in the United States);

- cease the manufacture, use or sale of the infringing products;

discontinue the use of the infringing processes;

expend significant resources to develop non-infringing processes; and

enter into licensing arrangements from the third party claiming infringement, which may not be available on commercially reasonable terms, or may not be available at all.

Table of Contents

If any of the foregoing occurs, our ability to compete could be affected or our business, financial condition and results of operations may be materially adversely affected.

A failure of one or more key information technology systems, networks, or processes may materially adversely affect our ability to conduct our business.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage our sales and marketing, accounting and financial and legal and compliance functions, engineering and product development tasks, research and development data, communications, supply chain, order entry and fulfillment and other business processes. The failure of our information technology systems to perform as we anticipate could disrupt our business and could result in transaction errors, processing inefficiencies and the loss of sales and customers, causing our business and results of operations to suffer. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power outages, systems failures, security breaches, cyber-attacks and computer viruses. The failure of our information technology systems to perform as we anticipate or our failure to effectively implement new systems could disrupt our entire operation and could result in decreased sales, increased overhead costs, excess inventory and product shortages and a loss of important information. Further, to the extent that we may have customer information in our databases, any unauthorized disclosure of, or access to, such information could result in claims under data protection laws and regulations. If any of these risks materialize, our reputation and our ability to conduct our business may be materially adversely affected.

We are subject to extensive governmental regulation and we may incur material costs in order to comply with existing or future laws and regulation, and our failure to comply may result in enforcement, recalls and other adverse actions.

We are subject to a broad range of federal, state and local laws and regulations intended to protect public health, natural resources and the environment. See Business Government Regulation. Our operations are subject to regulation by the Occupational Safety and Health Administration, the FDA, the Department of Agriculture, or USDA, and by various state, local and foreign authorities regarding the processing, packaging, storage, distribution, advertising, labeling and export of our products, including food safety standards.

Among other regulatory requirements, the FDA reviews the inclusion of specific claims in pet food labeling, such as claims regarding hairball control. We currently produce pet food products, such as cat food with hairball management claims, which undergo FDA pre-market review. These products, as well as other of our products, such as those in our BLUE Natural Veterinary Diet line, provide all or most of the nutrients in support of an animal s total daily nutrient needs but are also labeled and marketed with claims that may suggest that they are intended to treat or prevent disease, thereby potentially meeting the statutory definitions of both a food and a drug. The FDA recently issued guidance containing a list of specific factors it will consider in determining whether to initiate enforcement action against such products if they do not comply with the regulatory requirements applicable to drugs. These factors include, among other things, whether the product is only made available through or under the direction of a veterinarian and does not present a known safety risk when used as labeled. While we believe that we market our products in compliance with the policy articulated in FDA s guidance and in other claim-specific guidance, the FDA may disagree or may classify some of our products differently than we do, and may impose more stringent regulations which could lead to alleged regulatory violations, enforcement actions and product recalls. For example, a manufacturer of animal drugs must comply with the FDA s Good Manufacturing Practices, or GMPs, for the manufacture of pharmaceutical products and is subject to FDA inspection to confirm its compliance. In addition, we may produce more products that may be subject to FDA pre-market review, including new products we introduce to the Therapeutic market segment.

Table of Contents

The FDA Food Safety Modernization Act provides direct recall authority to the FDA and includes a number of other provisions designed to enhance food safety, including increased inspections by the FDA of domestic and foreign food facilities and increased review of food products imported into the United States. In addition to periodic government agency inspections affecting our operations generally, our operations, which produce meat and poultry products, are subject to mandatory continuous on-site inspections by the USDA. The FSMA also mandates that the FDA adopt preventative controls to be implemented by pet food facilities in order to minimize or prevent hazards to food safety. Under the FSMA, the FDA finalized the Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Food for Animals on September 17, 2015. The final rule has staggered compliance dates based on the business size. There are two components of the final rule with different compliance dates including CGMP requirements and the Preventive Controls. Blue Buffalo must be in compliance with the CGMP by September 2016 and with the Preventive Controls by September 2017. The FDA has also finalized the Foreign Supplier Verification Program (FSVP) on November 27, 2015. The compliance date is July 2017. The third relevant regulation recently finalized is the Sanitary Transportation of Human and Animal Food. We believe we are prepared and expect to be in compliance for all three regulations as they come into force.

Complying with government regulation can be costly or may otherwise adversely affect our business. Our business is also affected by import and export controls and similar laws and regulations, both in the United States and elsewhere. Issues such as national security or health and safety, which may slow or otherwise restrict imports or exports, may adversely affect our business. Violations of or liability under any of these laws and regulations may result in administrative, civil or criminal penalties against us, revocation or modification of applicable permits, environmental investigations or remedial activities, voluntary or involuntary product recalls, warning or untitled letters or cease and desist orders against operations that are not in compliance, among other things. These laws and regulations may change in the future and we may incur (directly, or indirectly through our contract manufacturers) material costs to comply with current or future laws and regulations or in any required product recalls. In addition, we and our contract manufacturers are subject to additional regulatory requirements, including compliance with the environmental, health and safety laws and regulations administered by the U.S. Environmental Protection Agency, or the EPA, state environmental regulatory agencies (including the Missouri Department of Natural Resources) and the National Labor Relations Board. Such laws and regulations generally have become more stringent over time and may become more so in the future. Costs of compliance, and the impacts on us of any non-compliance, with any such laws and regulations could materially adversely affect our business, financial condition and results of operations.

There is no single U.S. government regulated definition of the term natural for use in the pet food industry. On November 10, 2015, the FDA requested public comments on the use of the term natural in the labeling of human food products. Comments were due on or before May 10, 2016. It is unclear whether FDA will engage in rulemaking after the close of the comment period and, if so, whether any resulting regulation would impact the pet food industry.

Currently, many states in the United States have adopted the AAFCO definition of the term natural with respect to the pet food industry, which means no synthetic additives or synthetic processing except vitamins, minerals or certain trace nutrients, and only ingredients that are derived solely from plant, animal or mined sources. Certain groups and individuals have proposed requiring pet food labeling to disclose the presence or use of genetically modified organisms, or GMOs. We may incur material costs to comply with any new GMO-labeling requirements, and could be subject to liabilities if we fail to timely comply. If any of these changes materialize, our reputation, business, financial condition and results of operations may be materially adversely affected.

Our operations are also subject to the laws of, and regulation by governmental authorities in, Canada, including the Canadian Food Inspection Agency, and provincial and local regulations; Mexico, including the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food; and Japan, including the Ministry of Agriculture, Forestry and Fisheries and the Ministry of the Environment.

Adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business, financial condition and results of operations.

From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations. Such allegations, claims and proceedings may be brought by third parties, including our customers, employees, governmental or regulatory bodies or competitors. Defending against such claims and proceedings is costly and time consuming and may divert management s attention and personnel resources from our normal business operations, and the outcome of many of these claims and proceedings cannot be predicted. If any of these claims or proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, our business, financial condition and results of operations could be materially adversely affected. For example, in December 2015, we entered into a settlement agreement with respect to the U.S. consumer class action lawsuits related to the Nestlé Purina proceedings and agreed to pay $32.0 million into a settlement fund to resolve all such class action lawsuits.

Our success depends on our ability to attract and retain key employees and the succession of senior management as well as team members within stores.

Our continued growth and success requires us to hire, retain and develop our leadership bench. If we are unable to attract and retain talented, highly qualified senior management and other key executives, as well as provide for the succession of senior management, our growth and results of operations may be adversely impacted.

Our success also depends on our ability to continue to attract, motivate and retain employees who understand and appreciate our culture and are able to represent our brand effectively, including our Pet Detectives who interact with consumers in stores. If we are unable to attract, train and retain new employees and new team members to act as Pet Detectives, this could delay or prevent the implementation of our business strategy and in turn, lead to fewer sales of our products. In addition, we have in the past been a defendant in a purported class action by former and current Pet Detectives, which alleged certain violations of wage and labor laws in California and Oregon, and we may be subject to other claims in the future.

Risks Related to this Offering and Ownership of our Common Stock

We are a controlled company within the meaning of NASDAQ rules and, as a result, qualify for exemptions from certain corporate governance requirements.

Together, our Sponsor and The Bishop Family Limited Partnership constitute a group that controls, and, after completion of this offering, will continue to control a majority of the voting power of our outstanding common stock. Under NASDAQ rules a listed company of which more than 50% of the voting power for the election of directors is held by another person or group of persons acting together is a controlled company and such a company may elect not to comply with certain NASDAQ corporate governance requirements, including the requirement (1) that a majority of the Board of Directors consist of independent directors, (2) to have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities and (3) that our director nominations be made, or recommended to the full Board of Directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. We have elected to be treated as a controlled company. Accordingly, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ corporate governance requirements.

Table of Contents

Our Sponsor controls us and, after consummation of this offering, will continue to effectively control us, and its interests may conflict with yours in the future.

Immediately following this offering, our Sponsor will beneficially own approximately 51.9% of our common stock, or 50.9% if the underwriters exercise in full their option to purchase additional shares from the selling stockholders. Our Sponsor will effectively control us and will effectively be able to control the election and removal of our directors and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our amended and restated certificate of incorporation or amended and restated bylaws and other significant corporate transactions for so long as our Sponsor and its affiliates retain significant ownership of us. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. So long as our Sponsor continues to own a significant amount of our combined voting power, our Sponsor will continue to be able to strongly influence or effectively control our decisions and, so long as our Sponsor and its affiliates collectively own at least 5% of all outstanding shares of our stock entitled to vote generally in the election of directors, it will be able to appoint individuals to our Board of Directors under the amended and restated investor rights agreement we have entered into with the Sponsor. See Certain Relationships and Related Party Transactions Investor Rights Agreement. The interests of our Sponsor may not coincide with the interests of other holders of our common stock.

In the ordinary course of their business activities, our Sponsor and its affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Our amended and restated certificate of incorporation provides that none of our Sponsor, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Our Sponsor also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, our Sponsor may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you.

We have incurred and will continue to incur increased costs, and are subject to additional regulations and requirements as a result of being a public company, and our management will be required to devote substantial time to new compliance matters, which could lower our profits or make it more difficult to run our business.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-executive directors. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act and related rules implemented by the Securities and Exchange Commission, or the SEC, and NASDAQ. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. These rules and regulations have increased, and will continue to increase, our legal and financial compliance costs and make some activities more time-consuming and costly. Our management will need to devote a substantial amount of time to ensure that we comply with all of these requirements. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

The market price of shares or our common stock may be volatile, which could cause the value of your investment to decline.

The trading price of our common stock has been, and may continue to be, volatile. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our common stock in spite of our operating performance. In addition, our results of operations could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly results of operations, additions or departures of key management personnel, failure to meet analysts earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about our industry or individual scandals, and in response the market price of shares of our common stock could decrease significantly. You may be unable to resell your shares of common stock at or above the public offering price.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management s attention and resources, or at all.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, beginning with our annual report on Form 10-K for 2016, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and our independent registered public accountants will be required to attest to the effectiveness of our internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time-consuming, costly, and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the NASDAQ, the SEC, or other regulatory authorities, which could require additional financial and management resources.

Because we have no current plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We have no current plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our senior secured credit facilities and other indebtedness we may incur, and such other factors as our Board of Directors may deem relevant.

Blue Buffalo Pet Products, Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund all of its operations and expenses, including future dividend payments, if any.

Our operations are conducted almost entirely through our subsidiaries and our ability to generate cash to meet our debt service obligations or to make future dividend payments, if any, is highly dependent on the earnings and the receipt of funds from our subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our common stock, the credit agreement governing our revolving credit facility significantly restricts the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

As of June 7, 2016 we had approximately 1,304 million shares of common stock authorized but unissued. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options relating to common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved shares for issuance under the 2012 Plan and the 2015 Plan. See Management Compensation Discussion and Analysis. Any common stock that we issue, including under the 2012 Plan, the 2015 Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase common stock in this offering.

Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price for our common stock to decline.

The sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, including sales by our Sponsor, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Upon completion of this offering we will have a total of 196,388,566 shares of our common stock outstanding. After the expiration or earlier waiver or termination of the lockup periods described below, a significant portion of outstanding shares will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, may be sold only in compliance with the limitations described in Shares Eligible for Future Sale.

In connection with this offering, we, our executive officers, directors and the selling stockholders, who collectively hold 120,239,856 shares of common stock (including options exercisable within 60 days of June 7, 2016), immediately after this offering will sign lock-up agreements with the underwriters that will, subject to certain customary exceptions, restrict the sale of the shares of our common stock and certain other securities held by them for 90 days following the date of this prospectus. J.P. Morgan Securities LLC and Citigroup Global Markets Inc. may, in their sole discretion and at any time without notice, release all or any portion of the shares or securities subject to any such lock-up agreements. See Underwriting for a description of these lock-up agreements.

Table of Contents

Upon the expiration of the lock-up agreements described above, all of such 120,239,856 shares (including options exercisable within 60 days of June 7, 2016) will be eligible for resale in a public market, subject, in the case of shares held by our affiliates, to volume, manner of sale and other limitations under Rule 144. We expect that our Sponsor will continue to be considered an affiliate 90 days after this offering based on their expected share ownership (consisting of 101,948,597 shares), as well as their board nomination rights. Certain other of our stockholders may also be considered affiliates at that time. In addition, pursuant to an amended and restated investor rights agreement, we have granted our Sponsor the right, subject to certain conditions, to require us to register the sale of its shares of our common stock under the Securities Act. See Certain Relationships and Related Party Transactions Investor Rights Agreement. Prior to this offering, our Sponsor owned 114,987,547 shares of our common stock and, immediately after this offering, will own 101,948,597 shares (or 99,972,999 shares if the underwriters exercise their option to purchase additional shares).

As of June 7, 2016, 4,741,551, shares of our common stock were granted in connection with outstanding equity awards under the 2012 Plan and the 2015 Plan, and an aggregate of 7,933,129 shares of our common stock were made available for future issuance under such plans. We have filed a registration statement on Form S-8 under the Securities Act to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to the 2012 Plan and the 2015 Plan. All shares registered under such registration statements will be available for sale in the open market.

As restrictions on resale ends or if our Sponsor exercises its registration rights, the market price of our shares of common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities.

Anti-takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the merger or acquisition of the Company more difficult without the approval of our Board of Directors. Among other things:

- although we do not have a stockholder rights plan, these provisions allow us to authorize the issuance of undesignated preferred stock in connection with a stockholder rights plan or otherwise, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;

- these provisions provide for a classified Board of Directors with staggered three-year terms;

- these provisions require advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;

these provisions prohibit stockholder action by written consent from and after the date on which our Sponsor, The Bishop Family Limited Partnership, or The Bishop Family Partnership, and their affiliates beneficially own, in the aggregate, less than 40% of our outstanding shares of common stock;

these provisions provide for the removal of directors only for cause and only upon affirmative vote of holders of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors if our Sponsor, The Bishop Family Partnership and their affiliates beneficially own, in the aggregate, less than 40% of our outstanding shares of common stock; and these provisions require the amendment of certain provisions only by the affirmative vote of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors if our Sponsor, The Bishop Family Partnership and their affiliates beneficially own, in the aggregate, less than 40% of our outstanding shares of common stock.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

Our Board of Directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

Our amended and restated certificate of incorporation authorizes our Board of Directors, without the approval of our stockholders, to issue 150 million shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that reflect our current views with respect to, among other things, our operations and financial performance. These forward-looking statements are included throughout this prospectus, including in the sections entitled Prospectus Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Business and relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We have used the words anticipate, assume, believe, continue, could, estimate, expect, intend, may, plan, potentia future, will, seek, foreseeable and similar terms and phrases to identify forward-looking statements in this prospect

The forward-looking statements contained in this prospectus are based on management s current expectations and are subject to uncertainty and changes in circumstances. We cannot assure you that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local economic, business, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that these factors include but are not limited to those described under Risk Factors. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this prospectus speaks only as of the date of this prospectus. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This prospectus includes our trademarks, trade names and service marks, such as Blue Buffalo, LifeSource Bits, Life Protection Formula, BLUE Wilderness, BLUE Basics, BLUE Freedom, BLUE Naturally Fresh, and BLUE Natu Veterinary Diet, as well as the BLUE shield logo, the Blue Buffalo figure logo and the tag line Love them like family. Feed them like family. which are protected under applicable intellectual property laws and are our property. This prospectus also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Table of Contents

USE OF PROCEEDS

The selling stockholders are selling 17,250,000 shares of our common stock in this offering, which includes the 2,250,000 shares, if any, that may be sold in connection with the exercise of the underwriters option to purchase additional shares. See Principal and Selling Stockholders and Underwriting. We will not receive any proceeds from the sale of shares of our common stock in this offering by the selling stockholders. However, we will pay certain expenses, other than underwriting discounts and commissions, associated with this offering pursuant to the registration rights provisions contained in the Investor Rights Agreement. See Certain Relationships and Related Party Transactions Investor Rights Agreement.

Table of Contents

PRICE RANGE OF COMMON STOCK

Our common stock began trading publicly on the NASDAQ under the symbol BUFF on July 22, 2015. Prior to that date, there was no public trading market for our common stock.

The following table sets forth the high and low sale prices per share of our common stock on the NASDAQ for the periods indicated:

	High	Low
2015		
Third Quarter (from July 22, 2015, date of initial trading)	$ 28.80	$ 17.61
Fourth Quarter	$ 20.96	$ 16.22
2016		
First Quarter	$ 25.98	$ 15.19
Second Quarter (through June 24, 2016)	$ 27.37	$ 22.64

On June 24, 2016, the last reported sale price of our common stock on the NASDAQ was $24.03 per share. As of June 7, 2016, there were 76 holders of record of our common stock. This stockholder figure does not include a substantially greater number of holders whose shares are held of record by banks, brokers and other financial institutions.

Table of Contents

DIVIDEND POLICY

Although we have paid cash dividends on our capital stock prior to becoming a public company, we currently expect to retain all future earnings for use in the operation and expansion of our business and have no current plans to pay dividends. The declaration, amount and payment of any future dividends will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our senior secured credit facilities and other indebtedness we may incur, and such other factors as our Board of Directors may deem relevant. In addition, because we are a holding company and have no direct operations, we will only be able to pay dividends from funds we receive from our subsidiaries.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2016. You should read this table together with Prospectus Summary Summary Consolidated Financial Data, Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, Underwriting and our audited consolidated financial statements and unaudited condensed consolidated financial statements and the related notes included elsewhere in this prospectus.

(in thousands)	As of March 31, 2016
Cash and cash equivalents (1)	$ 265,087
Long-term debt (including current maturities)	
Revolving credit facility (2)	
Term loan facilities	386,107
Total long-term debt	386,107
Stockholders deficit:	
Common stock, $0.01 par value; authorized 1,500,000,000 shares, issued and outstanding 196,221,296 shares	1,962
Additional paid-in capital	65,410
Accumulated deficit	(20,216)
Accumulated other comprehensive loss	(3)
Total stockholders equity	47,153
Total capitalization	$ 433,260

(1) Does not reflect offering expenses, which we estimate to be approximately $1.16 million.

(2) Our revolving credit facility consists of a $40.0 million revolving credit facility maturing on August 8, 2017. As of March 31, 2016, there were no outstanding borrowings under our revolving credit facility.

Table of Contents

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected consolidated financial data for the periods and at the dates indicated. The selected consolidated financial data as of December 31, 2014 and 2015 and for each of the three years in the period ended December 31, 2015 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of December 31, 2011, 2012 and 2013 has been derived from our audited consolidated financial statements not included in this prospectus. The selected consolidated statement of income data for each of the two years in the period ended December 31, 2012 have been derived from our audited consolidated financial statements that do not appear in this prospectus. The selected consolidated statement of income data for the three months ended March 31, 2015 and 2016 and the selected consolidated balance sheet data as of March 31, 2016 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of March 31, 2015 has been derived from our unaudited condensed consolidated financial statements not included in this prospectus. The unaudited condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the financial information. The results for any interim period are not necessarily indicative of the results that may be expected for the full year. In addition, our historical results are not necessarily indicative of the results expected for any future periods.

You should read the following financial information together with the information under Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes included elsewhere in this prospectus.

(dollars in thousands, except share and per share amounts)	Fiscal Year Ended December 31, 2011	2012	2013	2014	2015	Three Months Ended March 31, 2015	2016
Statements of Income Data:							
Net sales	$ 345,525	$ 522,999	$ 719,509	$ 917,760	$ 1,027,447	$ 248,774	$ 279,836
Operating income	42,279	118,410	158,626	179,003	160,115	52,135	63,476
Interest expense	36	10,209	20,640	13,887	15,091	3,734	3,738
Loss on extinguishment of debt			15,918				
Income before income taxes	42,296	108,353	122,193	165,289	145,318	48,452	59,839
Provision for income taxes	16,489	42,853	43,957	63,358	55,930	18,406	22,506
Net income	$ 25,807	$ 65,500	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
Basic net income per common share	$ 0.13	$ 0.34	$ 0.40	$ 0.52	$ 0.46	$ 0.15	$ 0.19
Diluted net income per common share	$ 0.13	$ 0.33	$ 0.40	$ 0.52	$ 0.45	$ 0.15	$ 0.19
Dividends declared and paid per common share	$	$ 2.05	$	$	$	$	$
Basic weighted average shares	194,539,627	195,298,147	195,619,943	195,735,309	195,933,800	195,745,670	196,217,311
Diluted weighted average shares	195,076,707	195,707,975	196,559,084	197,852,932	198,047,453	197,773,850	198,160,465
Balance Sheet Data (end of period):							
Cash and cash equivalents	$ 17,397	$ 45,770	$ 42,874	$ 95,788	$ 224,253	$ 149,044	$ 265,087
Working capital (1)	60,365	87,148	114,622	202,243	286,483	231,961	338,113
Property, plant, and equipment, net	2,197	23,778	85,830	113,863	115,160	114,101	113,742

Total assets (2)	92,990	154,443	254,797	383,167	512,546	420,878	525,372
Total debt, including current maturities (3)		386,320	395,017	391,057	387,097	390,067	386,107
Stockholders equity (deficit)	61,584	(270,868)	(191,085)	(87,297)	9,281	(56,770)	47,153
Other Data:							
Adjusted net income (4)	$ 25,807	$ 65,500	$ 88,930	$ 106,569	$ 122,477	$ 31,097	$ 38,314
Adjusted basic net income per common share (4)	$ 0.13	$ 0.34	$ 0.45	$ 0.54	$ 0.63	$ 0.16	$ 0.19
Adjusted diluted net income per common share (4)	$ 0.13	$ 0.33	$ 0.45	$ 0.54	$ 0.62	$ 0.16	$ 0.19
EBITDA (5)	43,529	119,617	143,994	183,863	168,285	54,032	65,670
Adjusted EBITDA (5)	43,997	119,983	162,442	193,189	221,689	56,173	67,689
Depreciation and amortization	1,250	1,207	1,286	4,860	8,170	1,897	2,194
Capital expenditures	980	22,787	63,507	32,948	9,556	2,184	796

(1) Working capital is defined as current assets, including cash and cash equivalents, minus current liabilities. As disclosed in Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Recently Issued Accounting Pronouncements, the Company elected to early adopt ASU 2015-17, Balance Sheet Classification of Deferred Taxes, as of the fourth quarter of 2015, utilizing retrospective application as permitted. Accordingly, working capital for prior years has been reclassified to conform to the new standard.

(2) Total assets for the fiscal year ended December 31, 2014 and three months ended March 31, 2015, has been reclassified to conform to the requirements of ASU 2015-17. In addition, for the fiscal year ended December 31, 2012, has been reclassified to conform to the requirements of ASU 2015-03.

(3) Total debt, including current maturities for the fiscal year ended December 31, 2012, has been reclassified to conform to the requirements of ASU 2015-03.

(4) Adjusted net income represents net income plus loss on extinguishment of debt and unusual, non-recurring or one-time items (comprising initial public offering preparation costs, litigation expenses and provisions for litigation settlement), net of tax. We present adjusted net income because our management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors,

securities analysts and other interested parties, in evaluating the performance of companies in our industry. We also believe adjusted net income is useful to management and investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. Adjusted net income is not a measurement of financial performance under GAAP. It should not be considered an alternative to net income as a

45

Table of Contents

measure of our operating performance or any other measure of performance derived in accordance with GAAP. In addition, adjusted net income should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted net income has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for analyzing our results as reported under GAAP. Our definition and calculation of adjusted net income is not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation.

Adjusted basic net income per common share is defined as adjusted net income divided by basic weighted average shares. Adjusted diluted net income per common share is defined as adjusted net income divided by diluted weighted average shares.

The following table provides a reconciliation of net income to adjusted net income:

			Fiscal Year Ended December 31,			**Three Months Ended March 31,**	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
dollars in housands)							
Net income	$ 25,807	$ 65,500	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
Loss on xtinguishment f debt, net of ax of $5,921 4a)			9,997				
nitial public ffering reparation osts, net of tax f $413, 1,109, $1,508 nd $75, espectively 4b)			697	1,777	7,005	122	
Litigation xpenses, net of ax of $1,760, 3,827, $570 nd $591, espectively 4c)				2,861	6,244	929	981
Provision for egal ettlement, net f tax of 12,160 (4d)					19,840		
	$ 25,807	$ 65,500	$ 88,930	$ 106,569	$ 122,477	$ 31,097	$ 38,314

djusted net
ncome

(4a) Represents the loss on extinguishment of debt associated with the repricing of our senior secured credit facilities in December 2013. See Note 5 to our audited consolidated financial statements included elsewhere in this prospectus.

(4b) Represents costs incurred in preparing for our initial public offering and common stock issued to our employees.

(4c) Represents costs primarily related to the litigation with Nestlé Purina.

(4d) Represents provision related to the settlement agreement entered into in December 2015. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

(5) EBITDA represents net income plus interest expense, less interest income and plus provision for income taxes and depreciation and amortization. Adjusted EBITDA represents EBITDA plus loss on extinguishment of debt, stock-based compensation and unusual, non-recurring or one-time items (comprising initial public offering preparation costs, litigation expenses and provisions for legal settlement). We present EBITDA and Adjusted EBITDA because our management uses these as supplemental measures in assessing our operating performance, and we believe they are helpful to investors, securities analysts and other interested parties, in evaluating the performance of companies in our industry. We also believe EBITDA and Adjusted EBITDA are useful to management and investors, securities analysts and other interested parties as measures of our comparative operating performance from period to period. EBITDA and Adjusted EBITDA are not measurements of financial performance

Table of Contents

under GAAP. They should not be considered as alternatives to cash flow from operating activities, as measures of liquidity, or as alternatives to net income as a measure of our operating performance or any other measures of performance derived in accordance with GAAP. In addition, EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP. Our definitions and calculations of EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation.

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA:

	Fiscal Year Ended December 31,					Three Months Ended March 31,	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
(dollars in thousands)							
Net income	$ 25,807	$ 65,500	$ 78,236	$ 101,931	$ 89,388	$ 30,046	$ 37,333
Interest expense	36	10,209	20,640	13,887	15,091	3,734	3,738
Interest income	(53)	(152)	(125)	(173)	(294)	(51)	(101)
Provision for income taxes	16,489	42,853	43,957	63,358	55,930	18,406	22,506
Depreciation and amortization	1,250	1,207	1,286	4,860	8,170	1,897	2,194
EBITDA	$ 43,529	$ 119,617	$ 143,994	$ 183,863	$ 168,285	$ 54,032	$ 65,670
Loss on extinguishment of debt (5a)			15,918				
Initial public offering preparation costs (5b)			1,110	2,886	8,513	197	
Litigation expenses (5c)				4,621	10,071	1,499	1,572
Provision for legal settlement (5d)					32,000		
Stock-based compensation (5e)	468	366	1,420	1,819	2,820	445	447
Adjusted EBITDA	**$ 43,997**	**$ 119,983**	**$ 162,442**	**$ 193,189**	**$ 221,689**	**$ 56,173**	**$ 67,689**

(5a) Represents the loss on extinguishment of debt associated with the repricing of our senior secured credit facilities in December 2013. See Note 5 to our audited consolidated financial statements included elsewhere in this prospectus.

(5b) Represents costs incurred in preparing for our initial public offering and common stock issued to our employees.

(5c) Represents costs primarily related to the litigation with Nestlé Purina.

(5d) Represents provisions related to the settlement agreement entered into in December 2015. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

(5e) Represents non-cash, stock-based compensation expense.

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Such statements involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Risk Factors and Special Note Regarding Forward-Looking Statements. The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus, as well as the information presented under Prospectus Summary Summary Consolidated Financial Data and Selected Consolidated Financial Data. All references to years, unless otherwise noted, refer to our fiscal years, which end on December 31.

Overview

We are the fastest growing major pet food company in the United States, selling dog and cat food made with whole meats, fruits and vegetables, and other high-quality, natural ingredients. BLUE is a billion dollar brand and is the #1 brand in the Wholesome Natural market segment. We develop, produce, market and sell pet food under our five product lines: BLUE Life Protection Formula, BLUE Wilderness, BLUE Basics, BLUE Freedom and BLUE Natural Veterinary Diet lines. Each of our major product lines of pet food include different product types for dogs and cats, such as dry food, wet food and treats. We also produce and sell cat litter under the BLUE Naturally Fresh line. While we have only one reporting segment, for purposes of discussing our net sales we categorize our products as (1) Dry Foods or (2) Wet Foods, Treats and Other Products. Dry Foods contributed approximately 81% of our net sales for both of 2015 and 2014 and 82% for 2013, with the remaining 19% and 18%, respectively, for each of those periods attributable to Wet Foods, Treats and Other Products.

We sell our products in the specialty channels, either directly to retailers or through distributors. The specialty channels include national pet superstore chains, regional pet store chains, neighborhood pet stores, veterinary clinics and hospitals, farm and feed stores, eCommerce retailers, military outlets and hardware stores. BLUE is sold across all types of specialty retailers in the United States, Canada, Mexico, and Japan although our sales in the veterinary channel are currently minimal. Our products were first sold in national pet superstores and a significant majority of our net sales is still generated from national pet superstores, PetSmart and Petco, which are our top two customers. Over the last three years, we have diversified our customer base, with 70% of our net sales generated from national pet superstores in 2015 as compared to 75% in 2013. We expect our net sales to accounts outside of national pet superstores to continue to grow faster as we make BLUE more widely available across different specialty channels.

Our products are manufactured in the United States through a hybrid network of owned and contracted manufacturing facilities and owned and contracted distribution centers. In September 2014, we commenced manufacturing operations at our Heartland facility in Joplin, Missouri. Our Heartland facility is expected to provide us with approximately half of our forecasted dry food production needs over the next several years. We have also commenced plans to expand our internal manufacturing capabilities to provide additional production capacity in the future.

The primary market for our products is the United States, which represented approximately 96% of our net sales for both 2015 and 2014 and 97% in 2013, with the remaining 4% and 3%, respectively, for each of those periods attributable primarily to our operations in Canada, where we also market and sell our products. In 2015, we also had minimal net sales in Mexico and Japan. As part of our growth strategy, we intend to continue to expand our international operations to select markets.

Table of Contents

Industry Trends

The U.S. pet food industry has been growing as a result of a number of factors, including:

- continued humanization of pets more pet parents consider their pets to be a family member, driving demand for more premium and specialized pet foods;
- strong health and wellness trends crossing over from human foods there is increased focus on pets consuming high-quality, natural foods, as evidenced by the growth in the Wholesome Natural market segment; and
- growth of the specialty channels the specialty channels have been growing faster than the FDM channel as pet parents are attracted to the variety, premium assortment and tailored shopping experience offered by retailers in specialty channels, including eCommerce.

Nonetheless, the pet food industry faces a number of challenges and uncertainties including:

- the pet food industry s continued ability to innovate and meet pet parents future needs;
- increased promotional activity in the pet food industry;
- a challenging economic climate, which may impact spending on pets; and
- new or increased regulatory requirements and scrutiny, including increased oversight by the FDA and the implementation of the Food Safety Modernization Act.

Components of our Results of Operations

Net Sales

We develop, produce, market and sell natural pet food and cat litter in the specialty channels in the United States, Canada, Mexico and Japan. We rely on consumer demand for our products, financial performance of our products for retailers and our position in the marketplace, rather than entering into contracts with retailers to sell our products. We enter into agreements with various distributors to distribute our products to other stores in the specialty channel that typically stock a narrower range of our products given their smaller store footprints. We recognize revenues generally upon receipt of the product by the customer. See Critical Accounting Policies and Estimates Revenue Recognition. All sales are made on pre-agreed pricing terms, are not subject to contingencies and are, therefore, final.

We offer a variety of trade promotions and incentives to our customers and consumers, such as temporary price reductions, cooperative advertising programs, in-store displays and coupons. These trade promotions and incentives are accounted for as a reduction of our net sales. Our net sales are periodically influenced by the timing, extent and amount of such trade promotions and incentives. In April and May 2016, our business continued to grow consistent with its performance for the first quarter of 2016.

In addition, the following trends have driven our growth in net sales over the past three years and we expect these trends to continue to drive our growth in net sales in the near future:

- our continued growth in net sales within national pet superstores as well as our increased availability to a greater proportion of pet parents as we have expanded our distribution to other retailers in the specialty channels;

- our continued investment in our highly-effective marketing and brand-building; and our continued innovation, including the expansion of existing product lines, the introduction of new product types and the introduction of new product lines that are tailored to meet evolving consumer preferences and the needs of different pets. The revenue per pound of new products that we introduce across our product lines is typically higher than the average revenue per pound of existing products in our portfolio due to their more specialized and higher cost formulas.

These factors have powered our growth at a faster rate than the overall pet food industry. Over the past three years, our net sales have increased at a CAGR of 25% as compared to the overall pet food industry which has increased at a CAGR of 4%, according to Euromonitor. While we expect these trends to continue to drive our growth for the near future, we believe that our growth rate will decline in the future as our scale increases.

However, our results of operations and business face the following challenges and uncertainties:

our ability to introduce new product offerings that will gain broad market acceptance;

reduced traffic trends at national pet superstores;

competitive threats from other pet foods companies;

our ability to pass along increases in commodity costs to our customers and ultimately to consumers; and

reduced customer and consumer demand for our products due to a recession, financial and credit market disruptions, or other economic downturns.

Gross Profit

Gross profit is our net sales less cost of goods sold. Our cost of goods sold consists primarily of costs of ingredients and packaging materials, manufacturing costs and costs associated with our warehouses and distribution network, which are influenced by a number of factors including transportation costs and fuel charges. These components are subject to fluctuations in certain commodities and inflation. Gross margin measures our gross profit as a percentage of net sales.

We have a network where we both self-manufacture finished goods as well as purchase finished products from our contract manufacturers predominantly on a cost-plus basis. We pay our contract manufacturers on a dollar-per-pound basis for dry foods and dollar-per-unit basis for wet foods and treats. Over the past three years, we have worked closely with our contract manufacturers to negotiate lower manufacturing costs through increased volume of purchases, contract consolidation and price negotiations. More recently, the benefit to us of our contract manufacturers increased productivity has been offset in part by higher manufacturing costs resulting from smaller run sizes and more complex diets.

We negotiate pricing and availability directly with suppliers for most ingredients in our dry foods. We also negotiate for raw materials used at our Heartland facility as well as by our contract manufacturers. Our contract manufacturers then purchase these ingredients from suppliers approved by us based on the specifications and terms we negotiate. This has allowed us to consolidate ingredient sourcing across our manufacturing network in order to negotiate more favorable pricing on ingredients for dry foods, which make up the majority of our product portfolio. For wet foods and treats, our contract manufacturers negotiate directly with suppliers approved by us and purchase ingredients directly based on our specifications. We have entered into contracts relating to the physical purchase of the majority of the main ingredients used in our products, including our meats and meals, grains, fruit, vegetables, starches and fibers. These contracts are focused primarily on ensuring availability, quality and price predictability. Depending on the nature of the ingredients, some contracts are fixed in price while others have a variable component based on a pricing formula. The length of the contracts is fixed for a period of time, typically up to a year or for a season and/or a crop year. We have increased the percentage of ingredients contracted for our dry foods from approximately 30% of our forward twelve-month needs in 2009 to approximately 90% in 2015. In 2016, under our Commodity Price Risk Management Policy we expect to contract approximately 90% of our ingredients for our forward twelve-month needs, as well as enter into fixed price and/or fixed quantity contracts for a pre-determined amount of our ingredients to reduce short-term price volatility in certain commodities. Although we do not currently engage in hedging activities, we expect to adopt certain hedging strategies in the future consistent with our Commodity Price Risk Management Policy. We believe these efforts will help ensure the availability and quality of our ingredients and help mitigate the impact of volatile and increasing commodity costs on our business.

We have also invested and plan to continue to invest in equipment to be used by certain of our contract manufacturers to increase volume capacity where needed, improve efficiency and improve product quality. With the opening of our Heartland facility, we now have a hybrid network of owned and contracted manufacturing facilities. We believe this hybrid network will provide us with continued enhanced margin opportunities and greater flexibility in our supply chain. In the near term, these manufacturing efficiencies will give us an opportunity to reinvest in growth initiatives, including the flexibility to respond to competitive activity. We have also commenced plans to expand our internal manufacturing capabilities as part of a $200 million capital program we recently announced to provide additional production capacity in the future and increase manufacturing efficiencies.

Over the past three years, despite volatility in commodity prices and start-up costs associated with our Heartland facility in 2014, we have managed our gross margin through a combination of increased prices to offset commodity cost inflation, changes in our product mix, productivity improvements, purchasing efficiencies and cost reductions in our supply chain. Historically, we have been able to pass along commodity cost increases to our customers through annual or semi-annual price increases. Over an 18-month period between summer of 2011 and early 2013, we implemented three price increases while continuing to grow our sales volumes. When evaluating pricing, we consider many factors including cost of sales increases, competitive pricing strategy and the price-value equation to our consumers. In January 2016, we have raised prices on selected items, which has resulted in a blended price increase of approximately 2% which is not expected to materially impact our sales volumes.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses primarily consist of advertising and marketing expenses, salaries and other payroll-related expenses, stock-based compensation, legal and professional fees, consulting expenses, travel expenses, depreciation and research and development costs. Selling, general and administrative expenses as a percentage of net sales has increased from 19.3% in 2013 to 22.1% in 2015, primarily driven by increased investments in advertising to support newer product lines and drive greater brand awareness, investments in our strategic initiatives and investments in our corporate infrastructure to support our larger scale and growth.

In the future, we expect our selling, general and administrative expenses to grow at a slower rate than our net sales growth as we leverage our past investments. In the near term, we intend to reinvest operating efficiencies to fund our growth initiatives. In 2015, we incurred approximately $2.3 million of incremental expenses as a result of the additional reporting and compliance costs associated with being a public reporting company. We also expect that we will continue to incur litigation expenses relating to the Nestlé Purina litigation for the foreseeable future. In 2016, we expect incremental selling, general and administrative expenses of approximately $1.4 million as a result of the additional reporting and compliance costs associated with being a public reporting company.

Table of Contents

Results of Operations

The following tables set forth our consolidated statements of income in dollars and as a percentage of net sales for the periods presented:

(dollars in thousands, except for per share amounts and percentages)	Three Months Ended March 31, 2015	2016	% of Net Sales 2015	2016
	(unaudited)			
Net sales	$ 248,774	$ 279,836	100.0%	100.0%
Cost of sales	149,240	156,604	60.0%	56.0%
Gross profit	99,534	123,232	40.0%	44.0%
Selling, general and administrative expenses	47,399	59,756	19.1%	21.4%
Operating income	52,135	63,476	21.0%	22.7%
Interest expense	3,734	3,738	1.5%	1.3%
Interest income	(51)	(101)	%	%
Income before income taxes	48,452	59,839	19.5%	21.4%
Provision for income taxes	18,406	22,506	7.4%	8.0%
Net income	$ 30,046	$ 37,333	12.1%	13.3%
Basic net income per common share	$ 0.15	$ 0.19		
Diluted net income per common share	$ 0.15	$ 0.19		

(dollars in thousands, except for per share amounts and percentages)	Fiscal Year Ended December 31, 2013	2014	2015	% of Net Sales 2013	2014	2015
Net sales	$ 719,509	$ 917,760	$ 1,027,447	100.0%	100.0%	100.0%
Cost of sales	421,897	550,893	608,616	58.6%	60.0%	59.2%
Gross profit	297,612	366,867	418,831	41.4%	40.0%	40.8%
Selling, general and administrative expenses	138,986	187,864	226,716	19.3%	20.5%	22.1%
Provision for legal settlement			32,000	%	%	3.1%