

HELLOFRESH

GROUP

Q1 2023 Results
April 27th, 2023

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Our Mission

We change the way
people eat forever

Our Vision

The world's leading,
fully integrated foods
solution group



Q1 2023 Highlights

All time high quarterly revenue of €2.02bn with a 3.3% growth on a constant currency basis

Continuous increase in AOV to €61.2 (+8.9% on a constant currency basis)

Consistently stable average order rate for the Group of 4.0

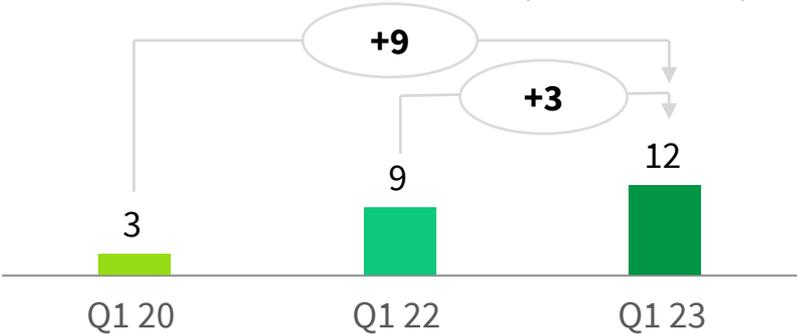
Contribution margin expanded by 1.1pp to 26.3% owing to further fulfillment efficiencies

AEBITDA of €66.1m, with a group margin of 3.3%

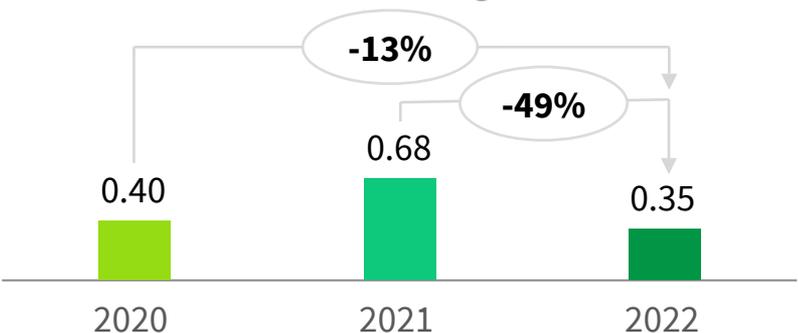
On track to deliver full year guidance

We continue to invest in enhancing the customer proposition in meal kits

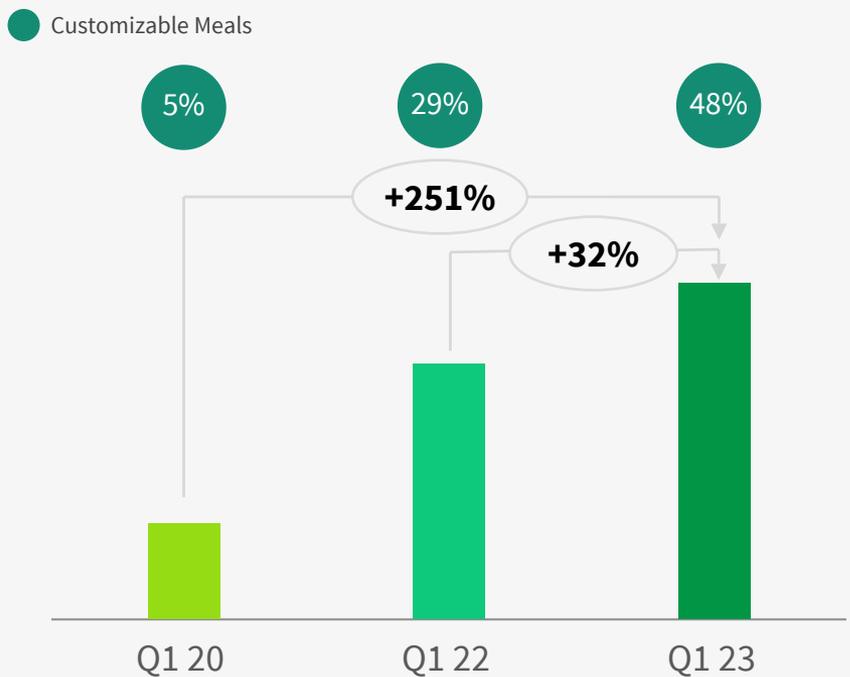
HelloFresh Market Rollout (# of markets)



Food Waste² (g/€)



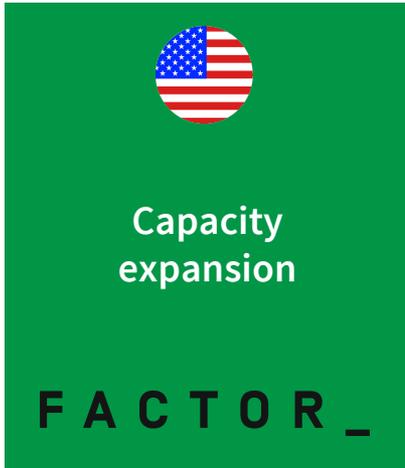
Recipe Choice and Customizable Meals¹
(in # of meals offered)



¹Group (excl. Youfoodz and GoodChop). Number of weekly recipes on offer
²Only for the meal-kits business

Our RTE vertical is very early in its lifecycle: Factor US will unlock significant additional capacity in H2

- Limited competition in D2C RTE due to strong defensibility of business model
- Improve RTE customer proposition by following HF's meal kit playbook
- Grow brand awareness and consideration strongly



A green square graphic with a circular icon of the United States flag at the top. Below the icon, the text "Capacity expansion" is centered. At the bottom, the word "FACTOR_" is written in a bold, black, sans-serif font.

Capacity expansion

FACTOR_



A teal square graphic with a circular icon of the Canadian flag at the top. Below the icon, the text "Launched in January 2023" is centered. At the bottom, the word "FACTOR_" is written in a bold, black, sans-serif font.

Launched in January 2023

FACTOR_



A light green square graphic with a circular icon of the Australian flag at the top. Below the icon, the text "Scale post successful platform integration and capacity expansion" is centered. At the bottom, the "youfoodz" logo is displayed, consisting of a stylized 'y' in a circle followed by the text "youfoodz".

Scale post successful platform integration and capacity expansion

youfoodz



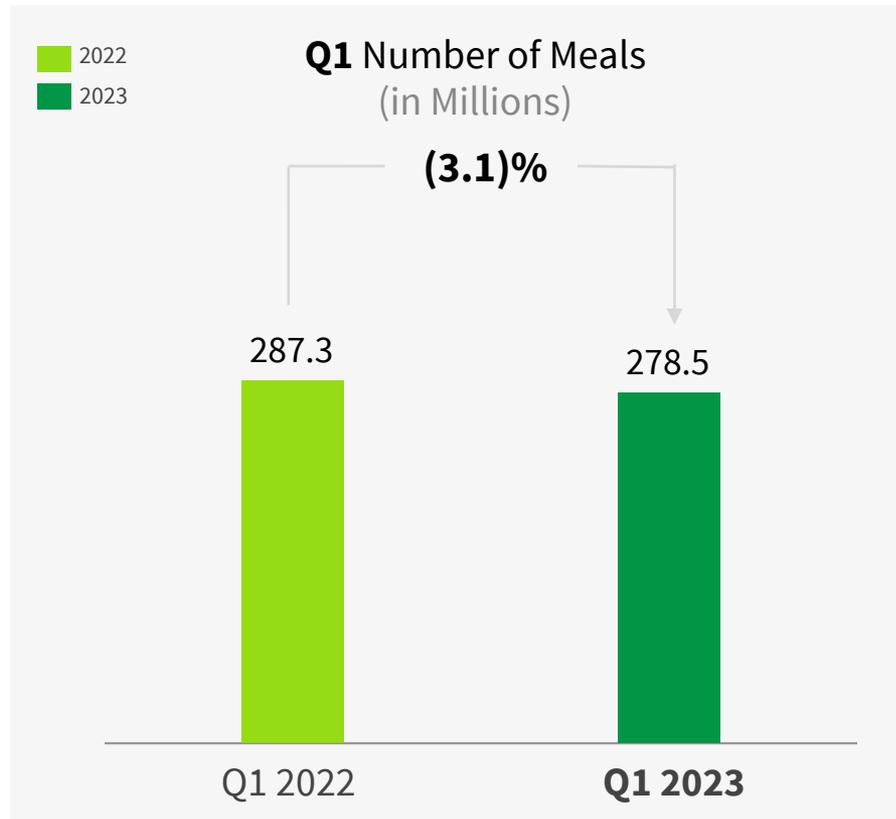
A light green square graphic with a circular icon of the European Union flag at the top. Below the icon, the text "Launch by 2023 year end" is centered. At the bottom, the word "FACTOR_" is written in a bold, black, sans-serif font.

Launch by 2023 year end

FACTOR_

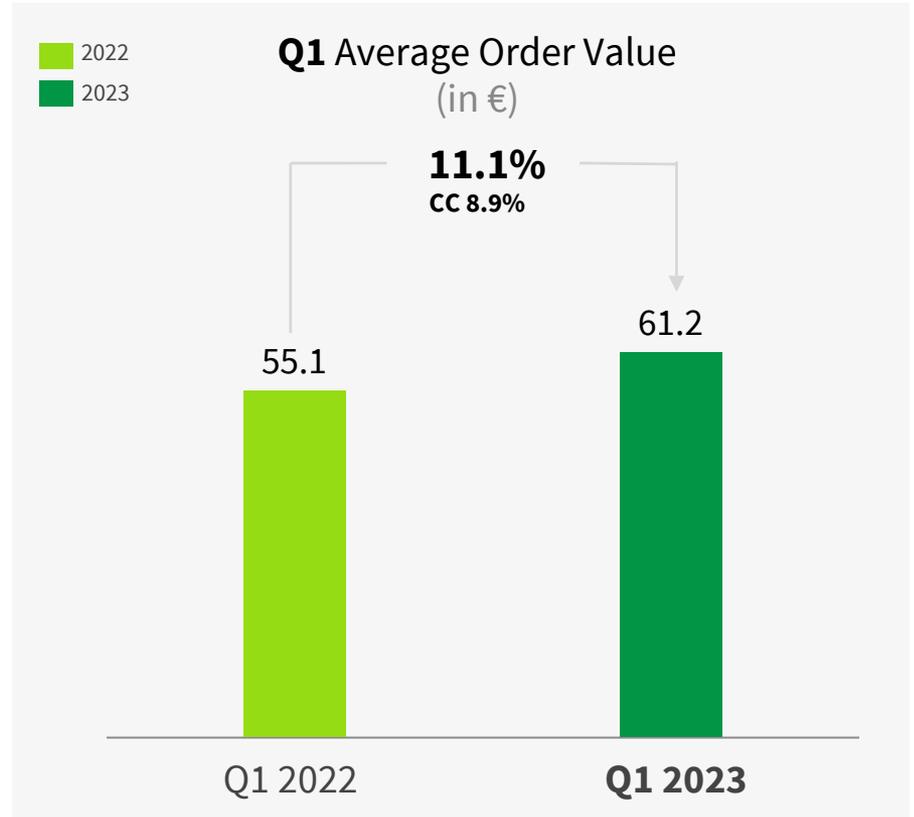
We delivered 278m meals in Q1 2023, a sequential increase of 13%

- Meals (3)% down y-o-y, driven by y-o-y decline in active customers by c.(5)%, with comparative period still influenced by Omicron effect, as previously flagged
 - However, strong seasonal active customer growth by 1m or 14% q-o-q
 - Both segments contributed to positive sequential growth
- We have maintained consistently high order rates and further expanded meals per order, also in the current normalization period



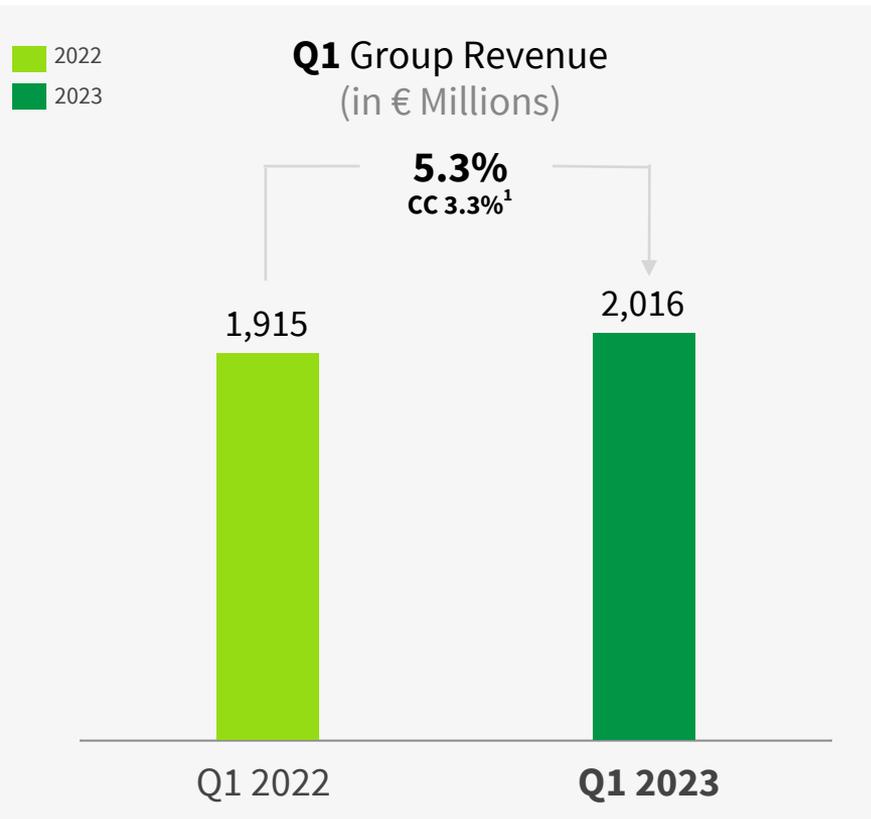
We have increased Q1 Average Order Value meaningfully year on year

- Group AOV increase of 8.9% in constant currency
- Both segments showed meaningful increase in AOV:
 - NA: 9.5% (CC)
 - Intl: 6.9% (CC)
- AOV increase driven primarily by:
 - Higher price per meal
 - More meals per order
 - Further increase in popularity of surcharge offerings and HF Market add-ons



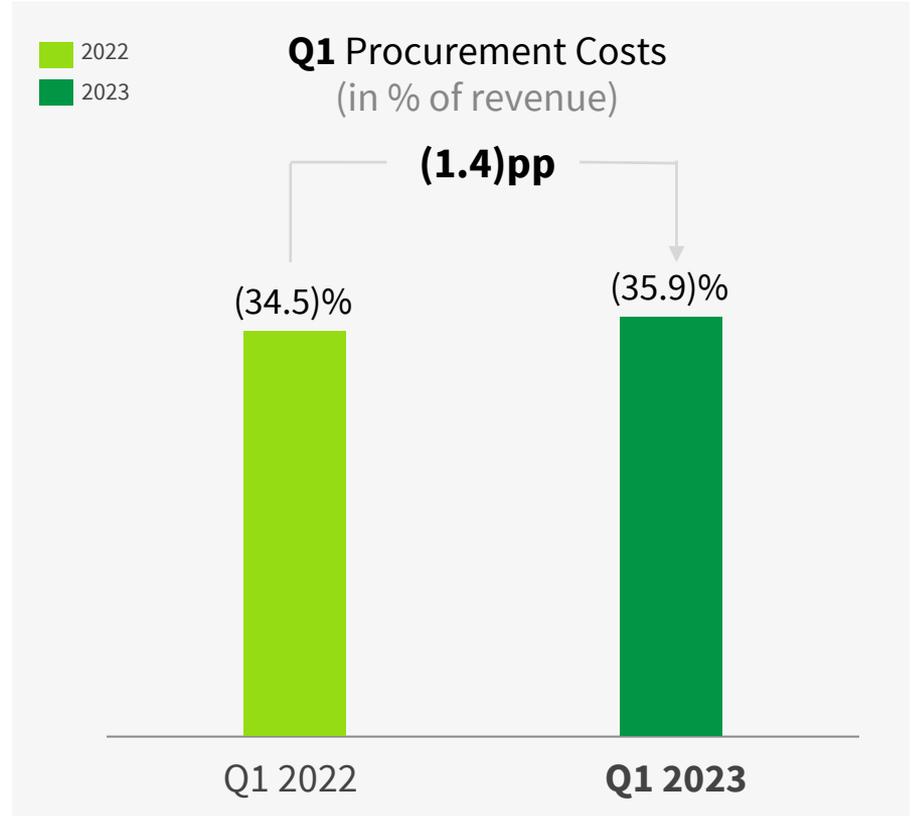
Against a heavily impacted Omicron quarter in 2022, we delivered yet another record net revenue quarter, exceeding €2bn for the first time

- Well diversified revenue streams enabled positive revenue growth of 3%, despite challenging comparative period and soft macro environment
- Q1 NA CC revenue growth of +5.5%
- Q1 Intl CC revenue growth broadly stable with (0.5)%



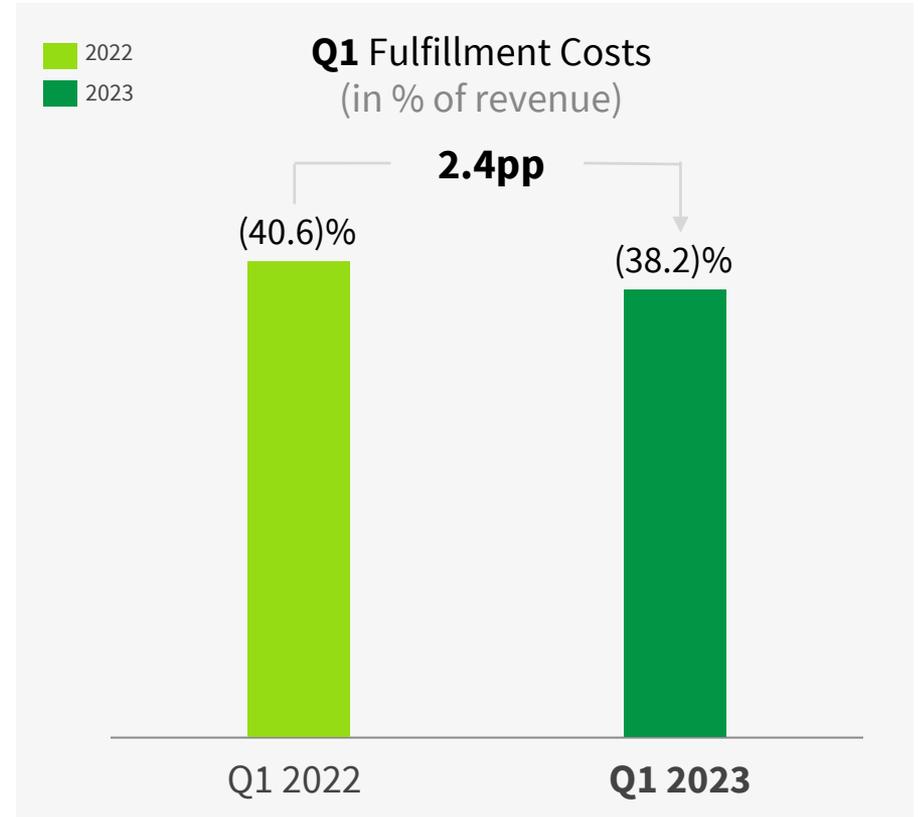
Q1 procurement expenses are somewhat higher due to inflation and mix effects

- Procurement expenses increased by 1.4pp y-o-y driven by:
 - Continued y-o-y inflationary headwinds
 - Increased contribution of RTE to the mix (meal production is included in procurement for RTE)
 - More meals per order and higher take-up of HF Market add-ons
- While both of the latter two points increase relative procurement expenses, they are accretive to overall contribution margin



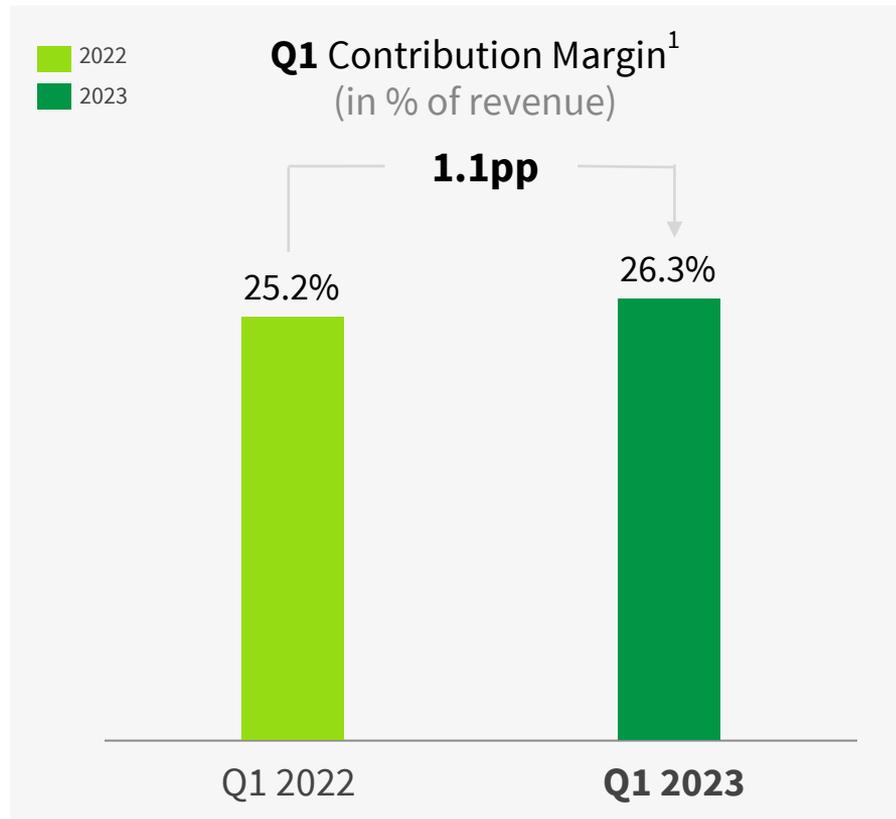
We significantly improved fulfillment expenses as % of net revenue by > 2pp y-o-y

- Continued sequential and y-o-y improvement in relative fulfillment expenses
 - NA: +3.8pp
 - Intl: +0.1pp
- Further structural efficiencies to be realized through
 - Production network maturity and optimization
 - FC technology and automation



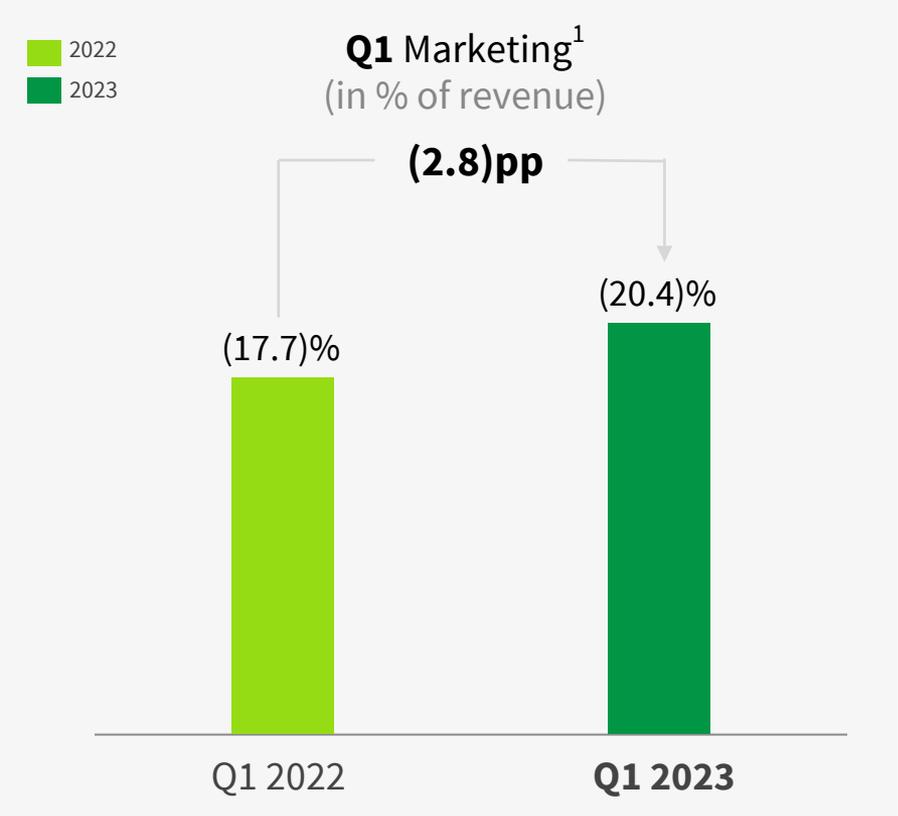
We expanded contribution margin in Q1 to 26.3%

- Improvement in Q1 2023 contribution margin primarily driven by fulfillment efficiencies
- Further efficiencies targeted for the rest of 2023, primarily driven by additional production productivity gains



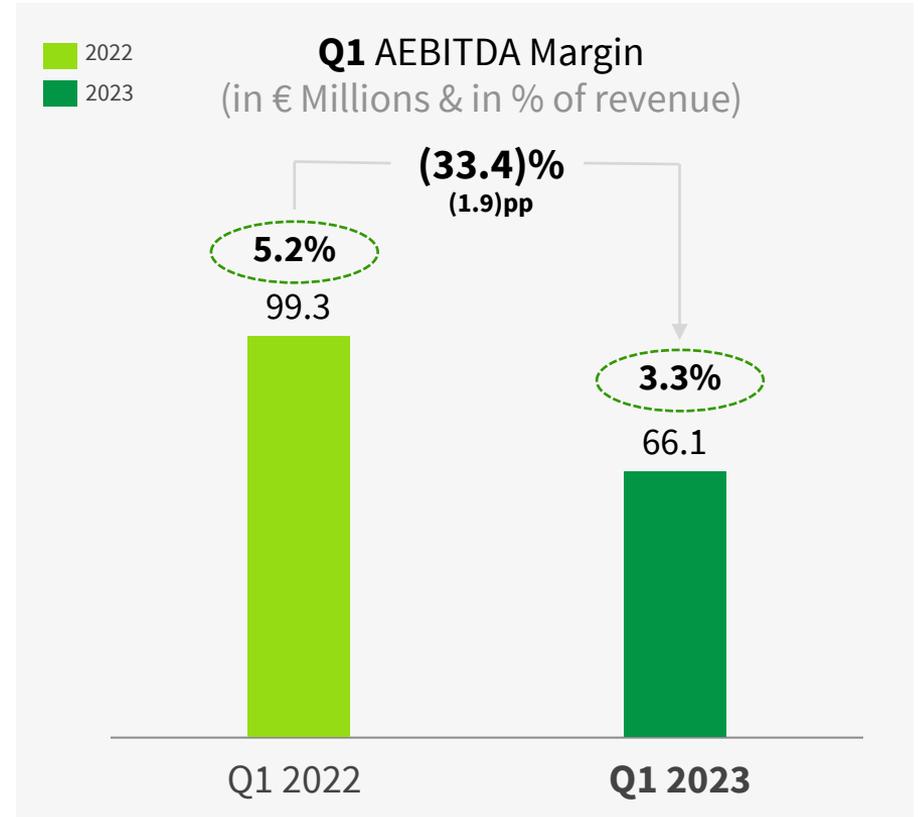
Marketing activity at a seasonal high in Q1, amounting to (20.4)% of revenue

- Front loaded marketing activities drove sequential increase in active customers by 1m at attractive ROI
- Comparative period still impacted by Covid



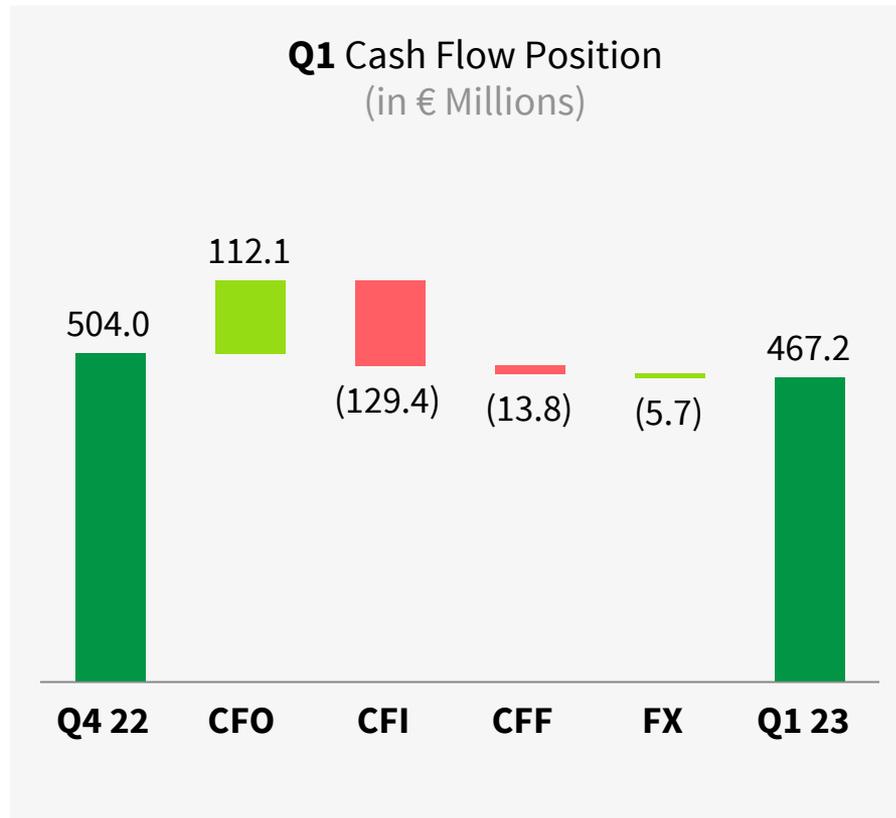
We delivered a Q1 2023 AEBITDA of €66m

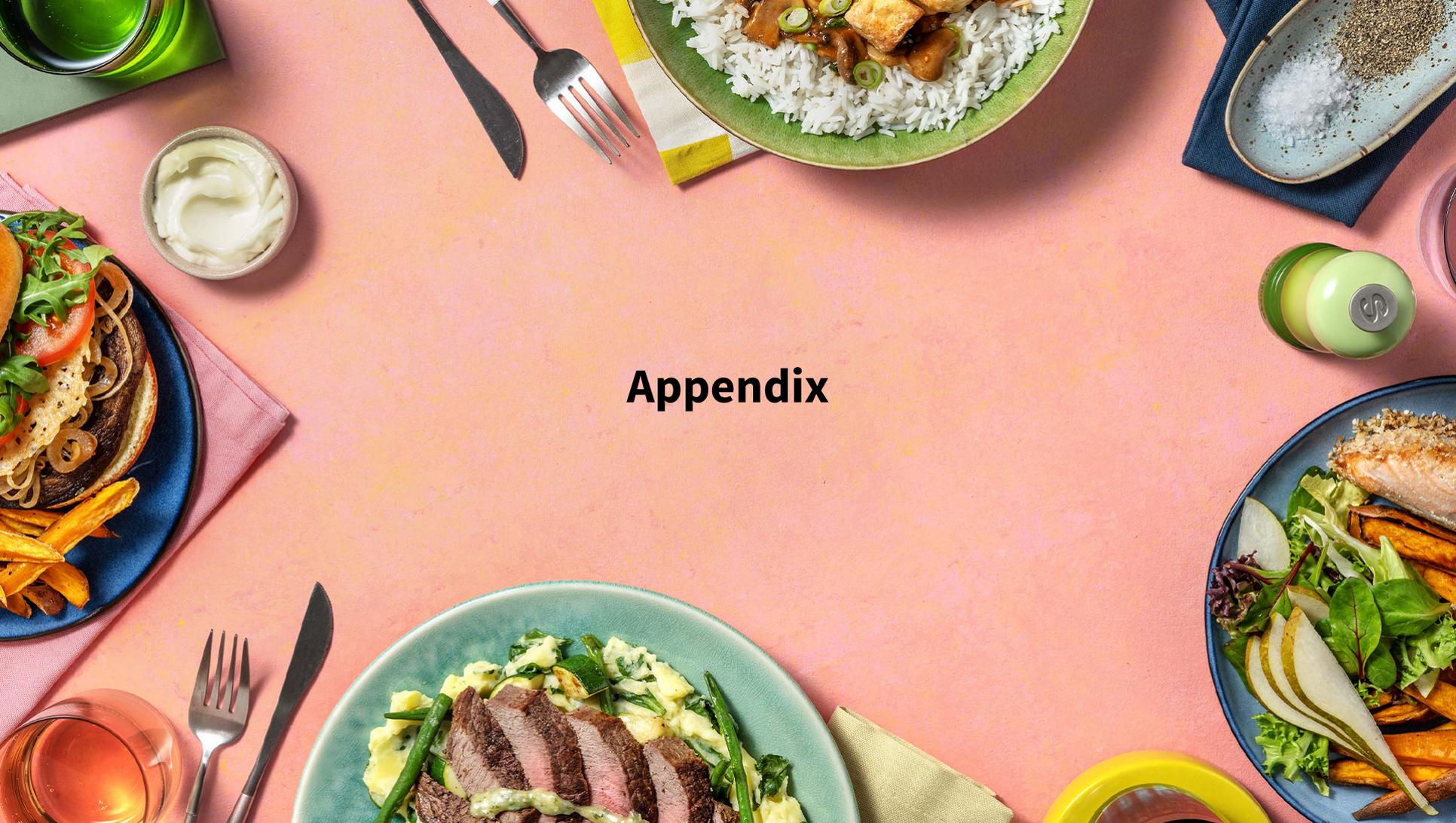
- Overall, decent start of the year, considering strong sequential growth in active customers and successful contribution margin expansion
- Provides a solid basis to deliver on the outlook provided



We delivered a solid cash flow from operations of €112m and maintained our strong balance sheet

- €112m cash flow from operating activities supported by normal seasonal cash inflow from working capital
- Cash outflow from investing activities primarily consists of:
 - €(95.1)m capex
 - €(34.5)m final acquisition earn-out payment to former Factor shareholders
- Strong cash position at €467.2m; continued strong, largely unlevered balance sheet
- Capex profile somewhat front-end loaded during the year, as previously flagged





Appendix

New segment reporting and AGM reminders

New Segment Reporting

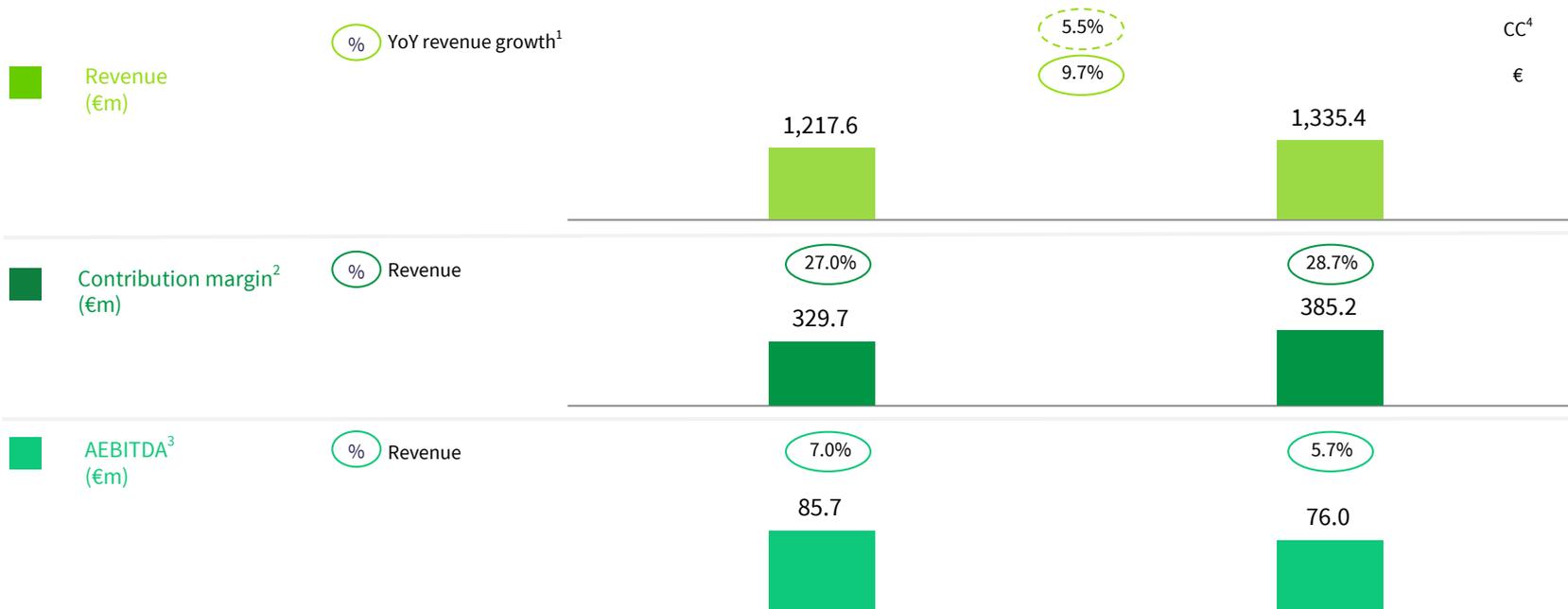
- As of Jan 1, HFG's Canadian business has been brought under our US management reporting structure
- It has therefore moved from being previously included in the Intl segment to now being part of our North America segment
- Data for the comparative Q1 2022 period has been adjusted accordingly to enable like-for-like comparability

Annual General Meeting

- HelloFresh is holding the 2023 Annual General Meeting on Friday, May 12, 2023
- The AGM will be held in a virtual format at <https://ir.hellofreshgroup.com/agm>
- The AGM invitation is available at the link: [Invitation to the Annual General Meeting 2023](#)

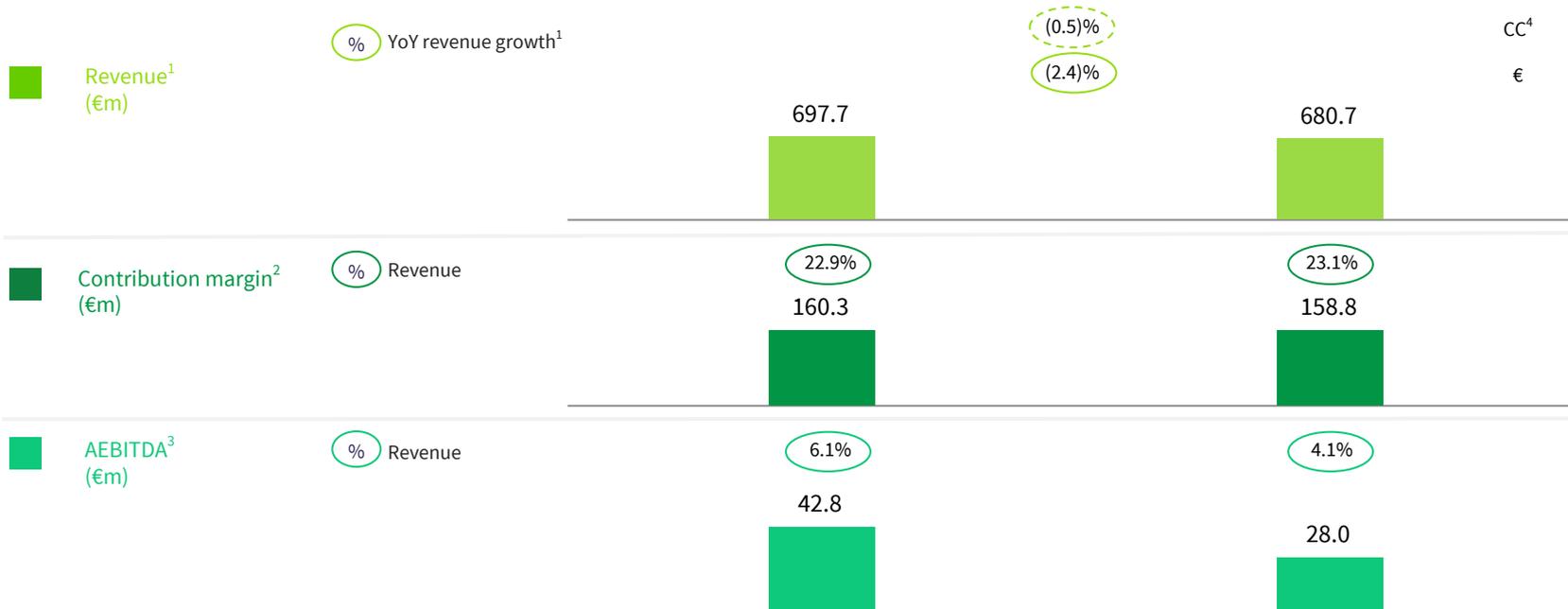
North America: Operational and Financial KPIs

	Q1 22	Q1 23
Active Customers (m)	4.87	4.63
Average Order Rate	4.0	4.1
Average Order Value (€)	62.0	70.6
Average Order Value constant currency (€)	62.0	67.9



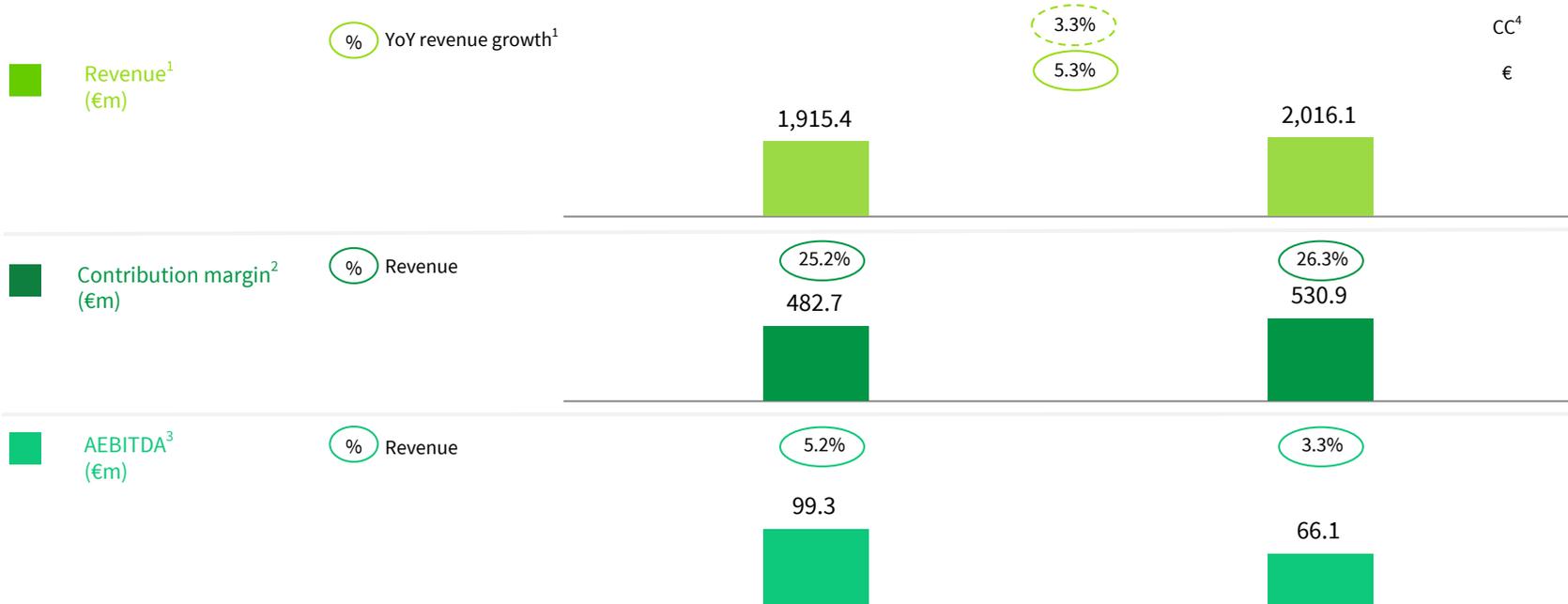
International: Operational and Financial KPIs

	Q1 22	Q1 23
Active Customers (m)	3.65	3.48
Average Order Rate	4.1	4.0
Average Order Value (€)	46.1	48.4
Average Order Value constant currency (€)	46.1	49.3



Group: Operational and Financial KPIs

	Q1 22	Q1 23
Active Customers (m)	8.52	8.11
Average Order Rate	4.0	4.0
Average Order Value (€)	55.1	61.2
Average Order Value constant currency (€)	55.1	60.0



Profit and Loss Statement

	3 months ended		Change %
	31-Mar-23	31-Mar-22	YoY
Revenue	2,016.1	1,915.4	5.3%
Procurement Expense	(722.8)	(661.3)	9.3%
Fulfillment Expense	(770.5)	(777.6)	(0.9)%
Contribution Margin	522.8	476.5	9.7%
<i>% of Revenue</i>	26.3%	25.2%	1.1pp
Marketing Expense	(415.4)	(339.1)	22.5%
G&A, other income and expenses	(116.4)	(81.7)	42.5%
EBIT	(9.0)	55.7	(116.2)%
<i>% of Revenue</i>	(0.4)%	2.9%	(3.3)pp
Financial Result	(16.4)	4.5	464.4%
EBT	(25.4)	60.2	(142.2)%
Income Tax (Expense) / Benefit	—	(22.3)	100.0%
Net Income / (Loss)	(25.4)	37.9	(167.0)%
<hr/>			
Reconciliation starting at EBIT			
EBIT	(9.0)	55.7	(116.2)%
D&A	50.3	32.1	56.7%
EBITDA	41.3	87.8	(53.0)%
<i>% of Revenue</i>	2.0%	4.6%	(2.6)pp
Special Items	4.8	5.1	(5.9)%
SBC	20.0	6.4	212.5%
AEBITDA	66.1	99.3	(33.4)%
<i>% of Revenue</i>	3.3%	5.2%	(1.9)pp

Balance Sheet & Cash Flow Statement

In MEUR	As at 31-Mar-23	As at 31-Dec-22
Assets		
Non-current assets	1,643.2	1,623.0
Cash and cash equivalents	467.2	504.0
Other current assets	366.2	408.2
Total assets	2,476.6	2,535.2
Equity and liabilities		
Equity	951.8	959.6
Non-current liabilities	597.4	605.1
Current liabilities	927.4	970.5
Total equity and liabilities	2,476.6	2,535.2

In MEUR	Q1 2023	Q1 2022
Cash and cash equivalents at the beginning of the period	504.0	827.1
Net Cash flows from operating activities	112.1	198.2
Net Cash flows from investing activities	(129.4)	(93.3)
Net Cash flows from financing activities	(13.8)	(146.6)
Effects of exchange rate changes and other changes on cash and cash equivalents	(5.7)	10.3
Cash and cash equivalents at the end of the period	467.2	795.7

Share Count

As of March 31, 2023

Types of share

Stock exchange

Market Segment

Number of shares issued

Number of shares outstanding

Ordinary shares

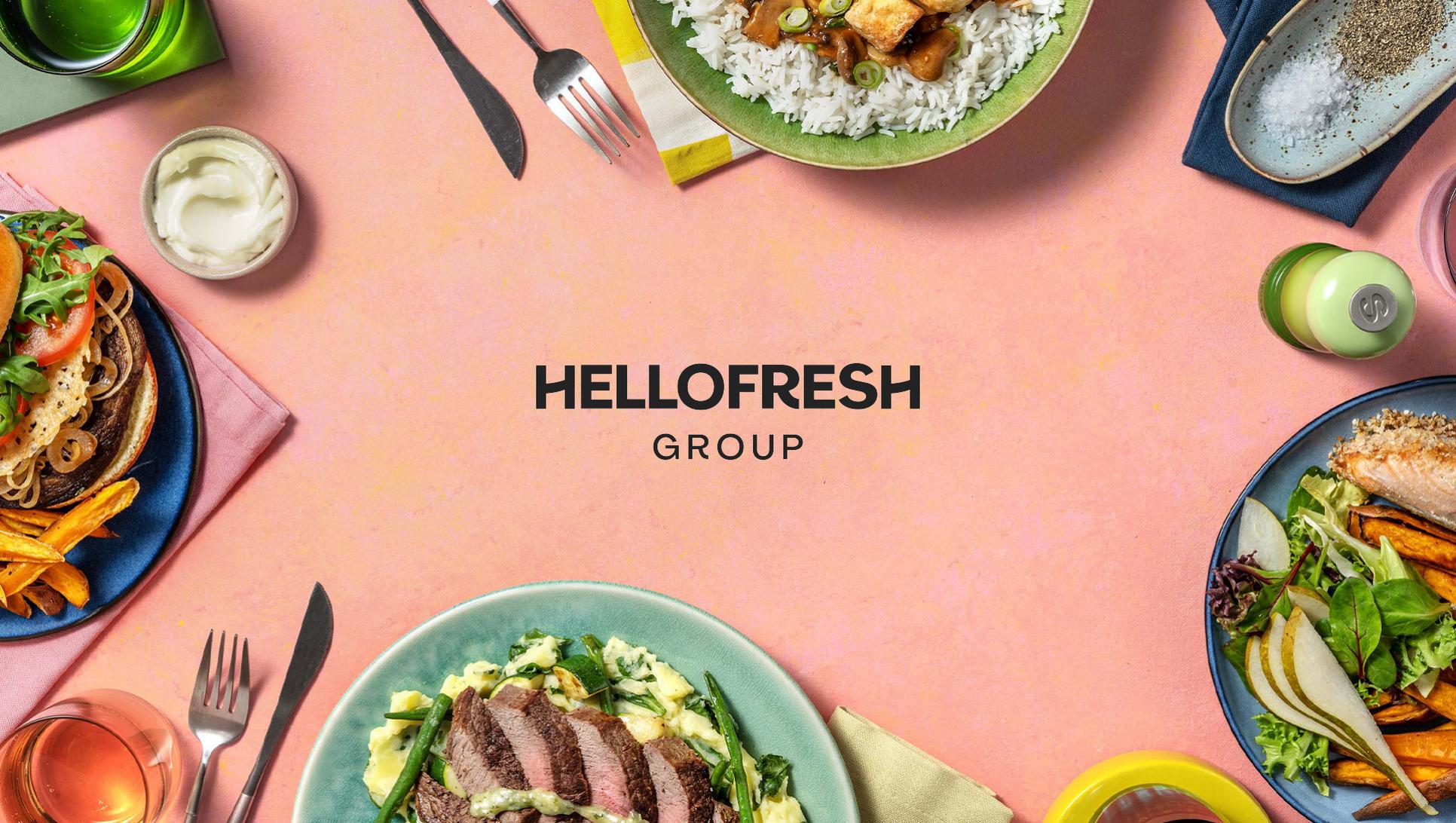
Frankfurt Stock Exchange

Regulated Market (Prime Standard)

172,204,714

171,972,579

Employee incentive plan	Options	RSU	Total
Vested (in mn)	7.9	0.1	8.0
Unvested (in mn)	4.1	3.6	7.7
Outstanding (in mn)	11.9	3.7	15.7
WAEP ¹ (in EUR) Vested	18.06	—	17.80
WAEP ¹ (in EUR) Unvested	34.24	—	18.09
WAEP¹ (in EUR)	23.58	—	17.95



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