



HELLOFRESH

GROUP

Q3 2024 Results

October 29th, 2024

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We have started a fundamental shift of adapting our marketing strategy to the different maturity stage of the market

From

To

Maximizing growth at low ROI thresholds



Maximizing marketing ROI and long-term cash generation

Prioritizing market share considerations



Prioritizing high value customers

Focusing on first-term buyers



Improving brand considerations and strength of the whole new & existing customer base

Primarily monetary incentives to drive trial



Product incentives to drive usage and customer tenure

We bring the strategy through a disciplined full-funnel approach to life...



Build long-term desirability through brand and content investments



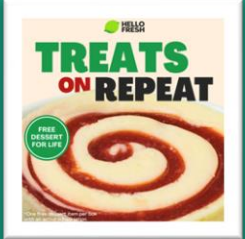
Bring product innovation & 'reasons to buy' to the forefront of the customer journey



Leverage leading D2C growth platform to convert efficiently & effectively while turning away low value audiences



Drive usage and upselling via product incentives



Provide value & benefits via owned channels

... and nurture long-term relationships with our existing customer base to increase long-term marketing ROI

Improved service levels

The left screenshot shows a 'Liefertag ändern?' (Change delivery day?) screen with a calendar for 'Verfügbare Liefertage' (Available delivery days). It lists days from Saturday to Wednesday with time slots: 08:00 - 14:00Uhr (+1,49 €) and 10:00 - 14:00Uhr (+1,49 €). Buttons for 'Abbrechen' and 'Weiter' are at the bottom.

The right screenshot shows a chat interface with a virtual assistant named 'Freshy'. The assistant says: 'Hallo, ich bin Freshy, der virtuelle Assistent von HelloFresh. Wähle ein Thema aus oder stell mir eine Frage.' Below are options: 'Meine KontoEinstellungen bearbeiten' and 'Kundenkonto bearbeiten'.

Accelerated product investments

The screenshot shows a menu titled 'On the menu' with categories: 'New & Popular', 'Promotions & in season', and 'Fruit, baking & more'. Under 'Fruit, baking & more', there are three drink items: 'Tropical Splash', 'Carrot Twist', and 'Zesty Greens'. Each item has a 'Toevoegen' (Add) button and a price of €5.99. A 'Feedback' button is visible on the right side.

Content and brand strategy targeted at whole customer base

The advertisement features two main panels. The left panel shows a family of four in a kitchen with the text 'EVERY FAMILY IS UNIQUE.' The right panel shows a plate of food with the text 'YOUR DINNER SHOULD BE TOO.' Below the plate, it says 'Balanced dinner kits made easy. Hello dinner.'

Roll out HF+ program

The screenshot shows a personalized message for 'Hi Meghan!'. It says: 'HelloFresh+ is here! Unlock benefits and tasty surprises for free! Spots are limited. Check it out'. Below is a 'Coming up next week' section with a purple banner: 'HF+ Join to get a HF+ gift after this order!'. It shows the date 'Sat, Jul 3' and 'Pre-selected meals, 3 days left to edit'. There are 'Edit' and 'Select meals' buttons. At the bottom, there are two meal preview images and two '+' icons.

Q3 2024 Highlights

Robust quarter, both from a revenue growth and bottom line perspective

Revenue of €1.8bn, a constant currency growth of 2%

Further increase in average order value in both segments to Group AOV of €66.2 (+3.8 % yoy on CC)

Good marketing efficiency with marketing expenses down yoy both in relative and absolute terms

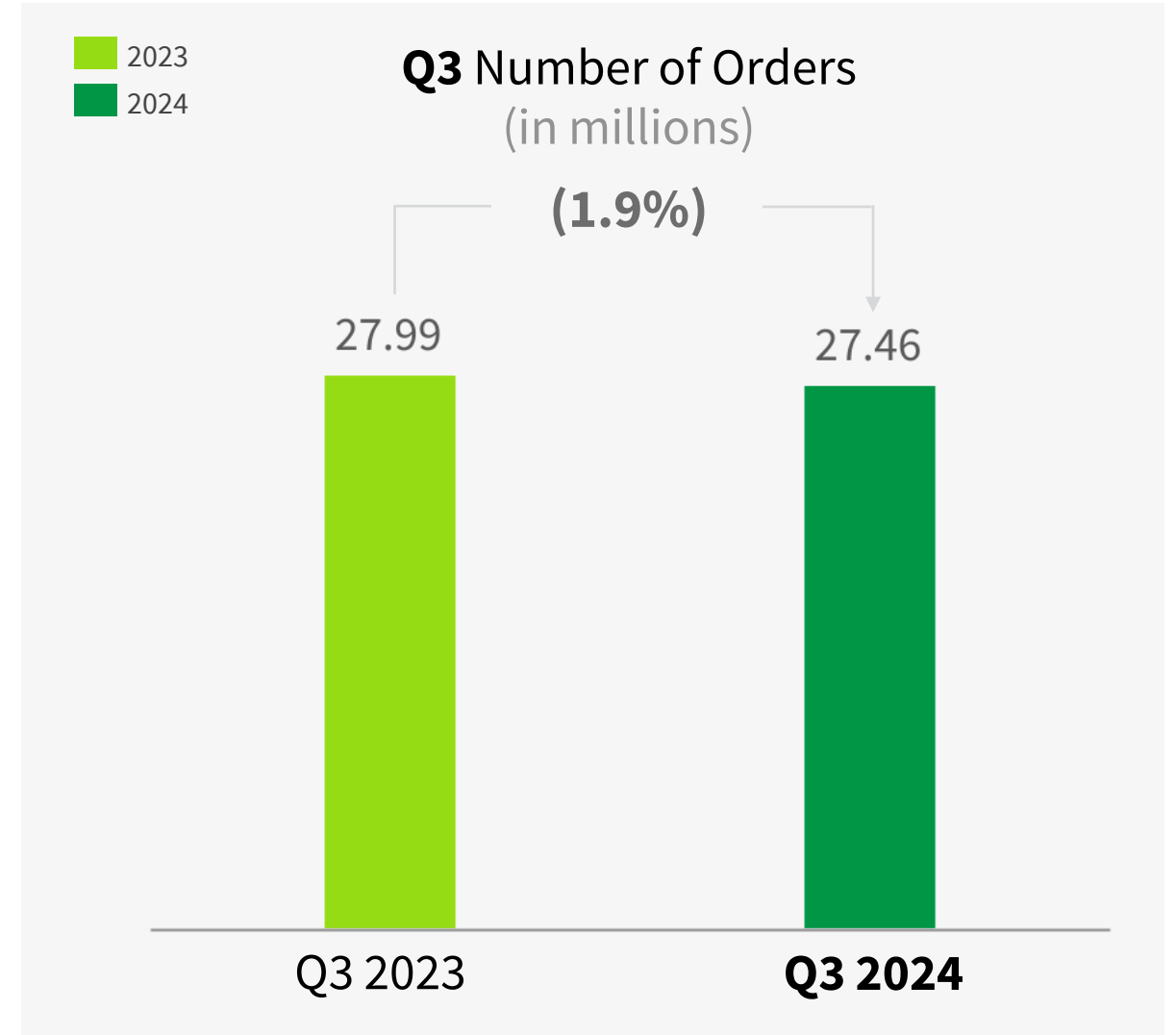
As a result, relatively strong AEBITDA of €72.1m for Q3 2024, a margin of 8.5% for meal kits and 1.3 % for RTE

FCF excluding repayment of lease liabilities stands at €29.9m for 9M 2024

Target to maintain strong marketing efficiency in Q4

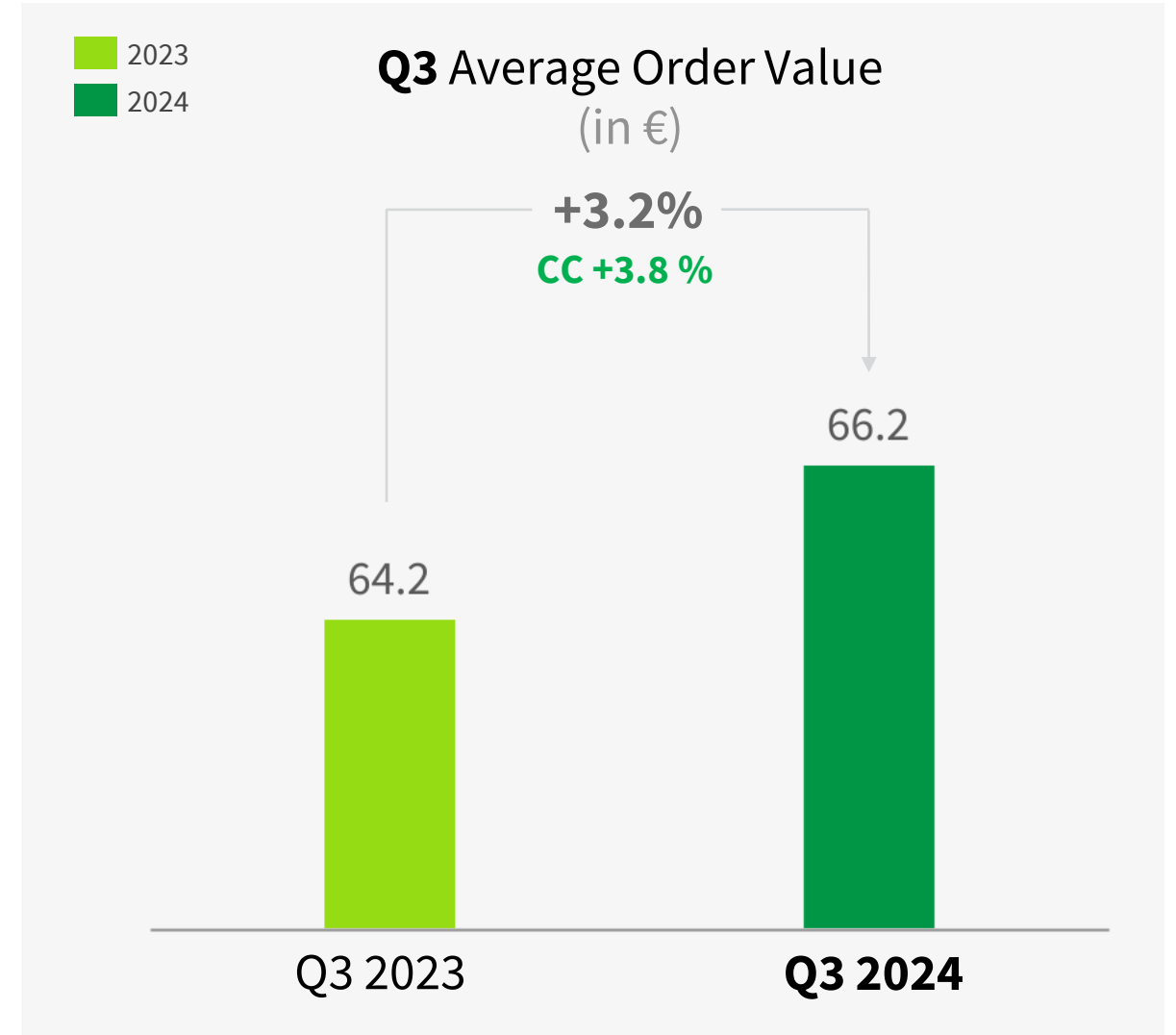
27m+ orders delivered in Q3 2024, supported by robust behavior from existing customers

- Continued modest yoy decrease in overall order volume for the Group
- Subdued new customer acquisitions in meal kits, partly driven by focus on higher value meal kit customers and marketing budget shift towards rapidly growing RTE
- Continued robust behavior of existing customers, expressed by yoy increasing order rates and retention



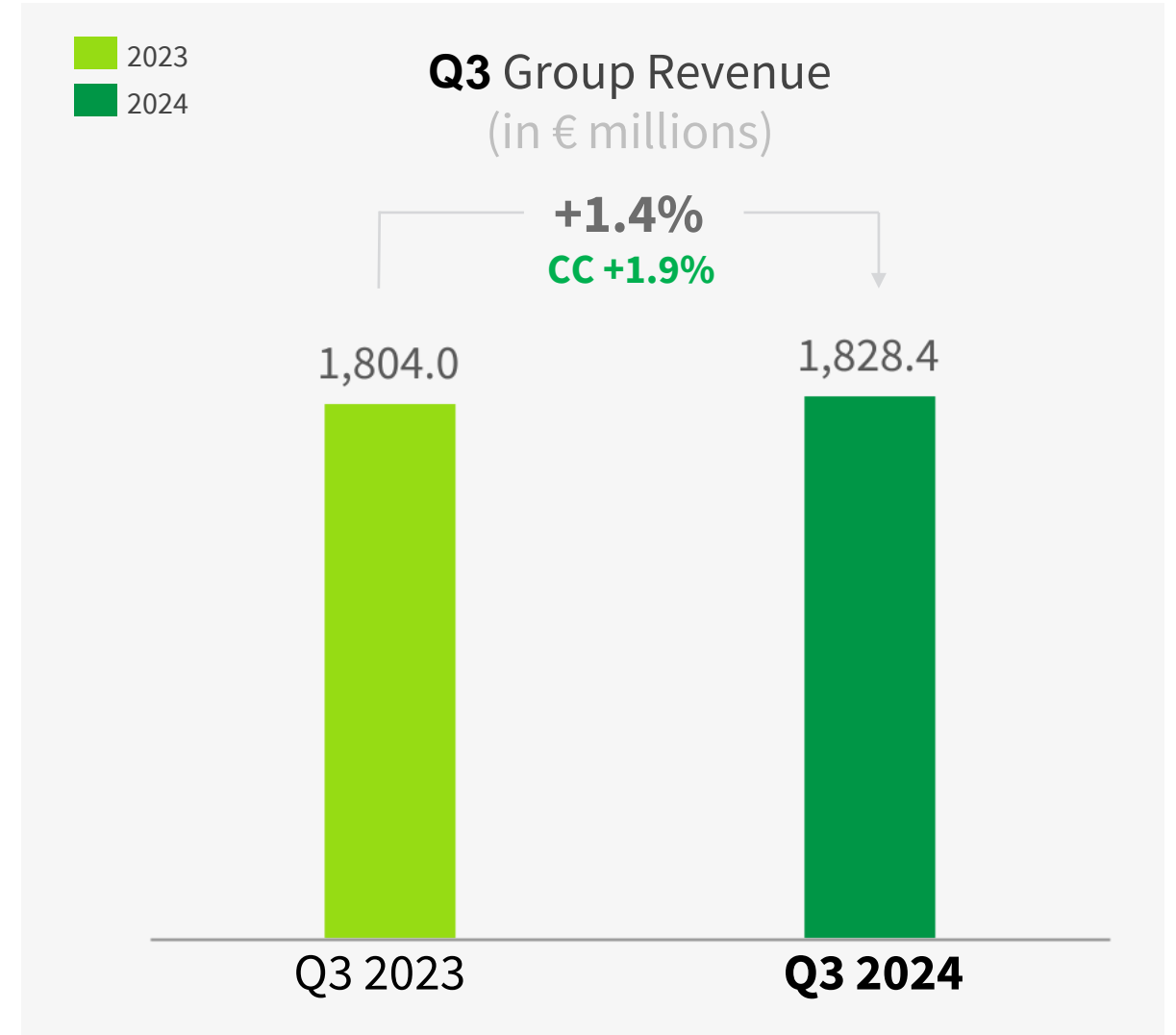
Average order value up by 3.8% on a constant currency basis

- Further AOV growth into Q3, increasing 3.8% yoy on a constant currency basis
- Both segments showed steady increase
 - NA: 4.3 % (cc)
 - Intl: 3.0 % (cc)
- AOV increase primarily driven by:
 - Increased RTE contribution
 - Increase in add-ons



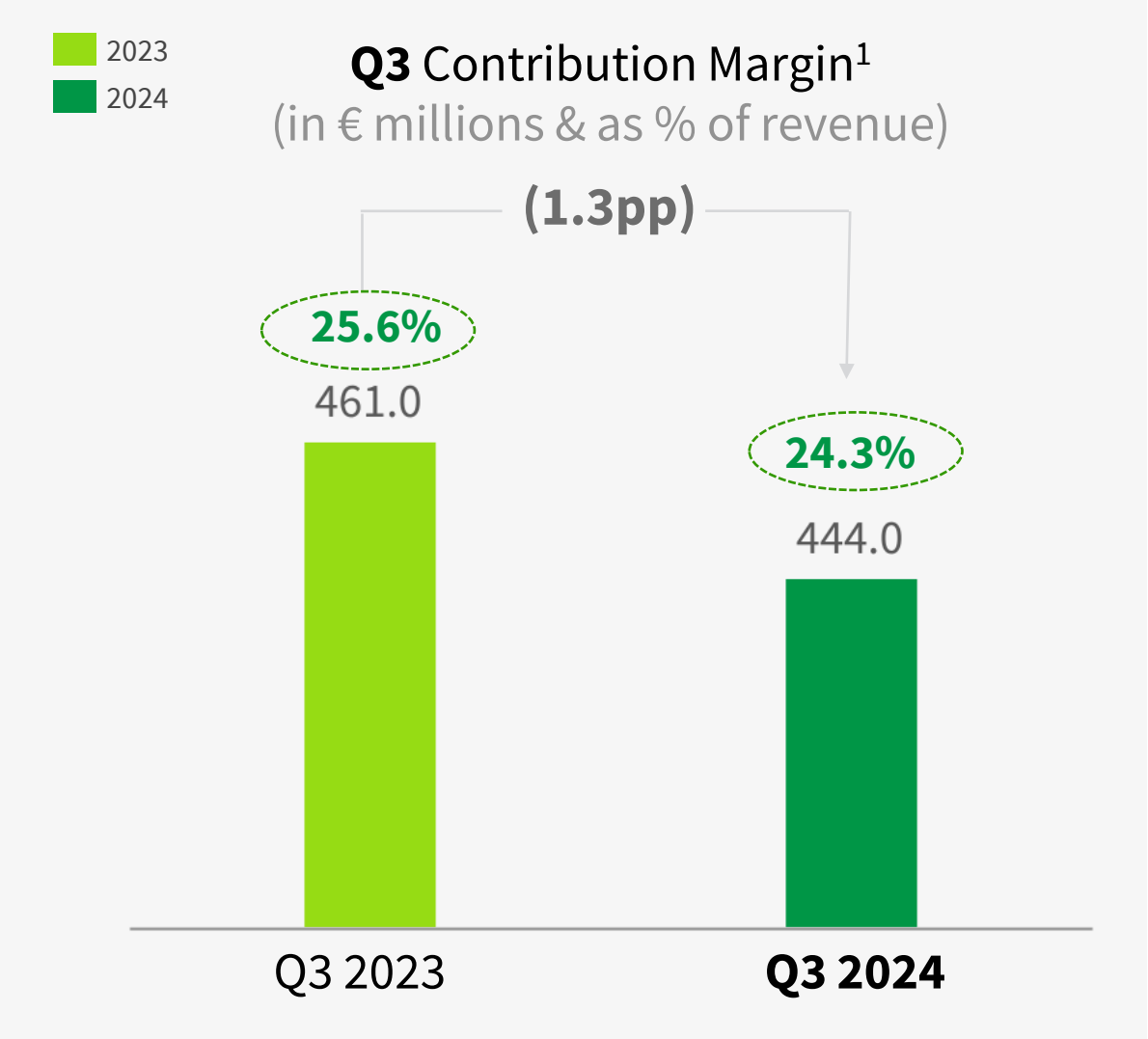
2% cc revenue growth for the Group

- Positive revenue growth across both segments
 - NA cc growth of +2.0%
 - Intl cc growth of +1.7%
- Continued strong cc revenue growth in RTE of 40%
- Meal kits negative cc revenue growth of (9%), with continued overall marketing discipline



Q3 2024 contribution margin at 24.3%¹

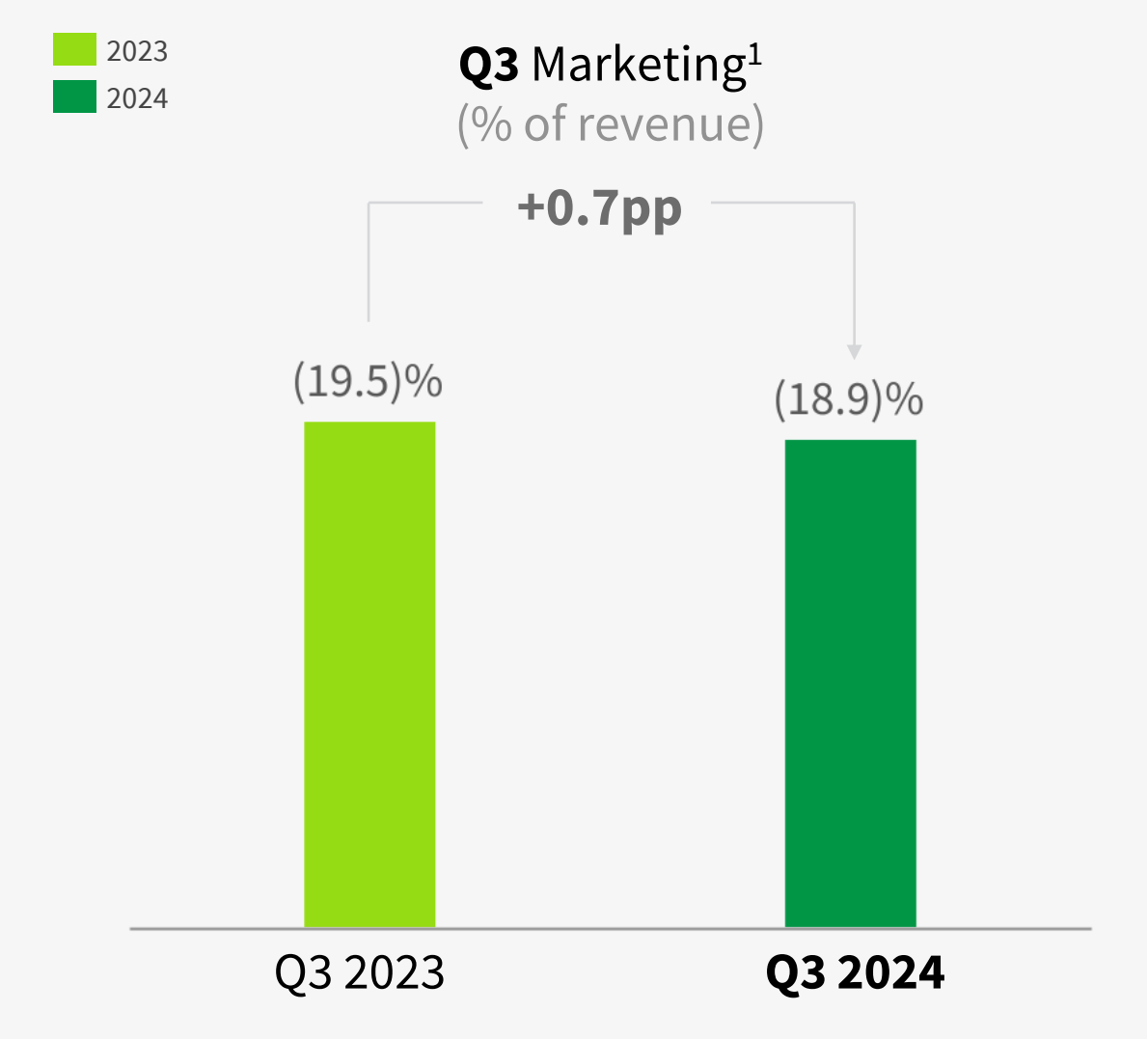
- Q3 is a seasonally lower quarter for contribution margin given lower utilization rates and warm temperatures (more packaging required)
- Contribution margin still down yoy, but delta sequentially reducing, due to:
 - gradual improvement of productivity in RTE
 - continuous productivity improvements in meal kits, especially in NA
 - Intl still impacted by ramp-up expenses of new fulfilment centers in Germany and UK
- By segment¹:
 - NA: (1.2pp)
 - Intl: (2.4pp)



¹ Excl. SBC and impairment

Marketing spend at 18.9%¹ down yoy both in relative and absolute terms

- Q3 marketing expenses reflect normal seasonality, with September impacted by the ‘back-to-school’ period
- Disciplined focus on marketing ROI results in yoy reduction
- For Q4 we target to maintain our marketing efficiency and, unlike last year, will not spend against seasonally weaker trends in the 2nd half of the quarter



¹ Excl. SBC

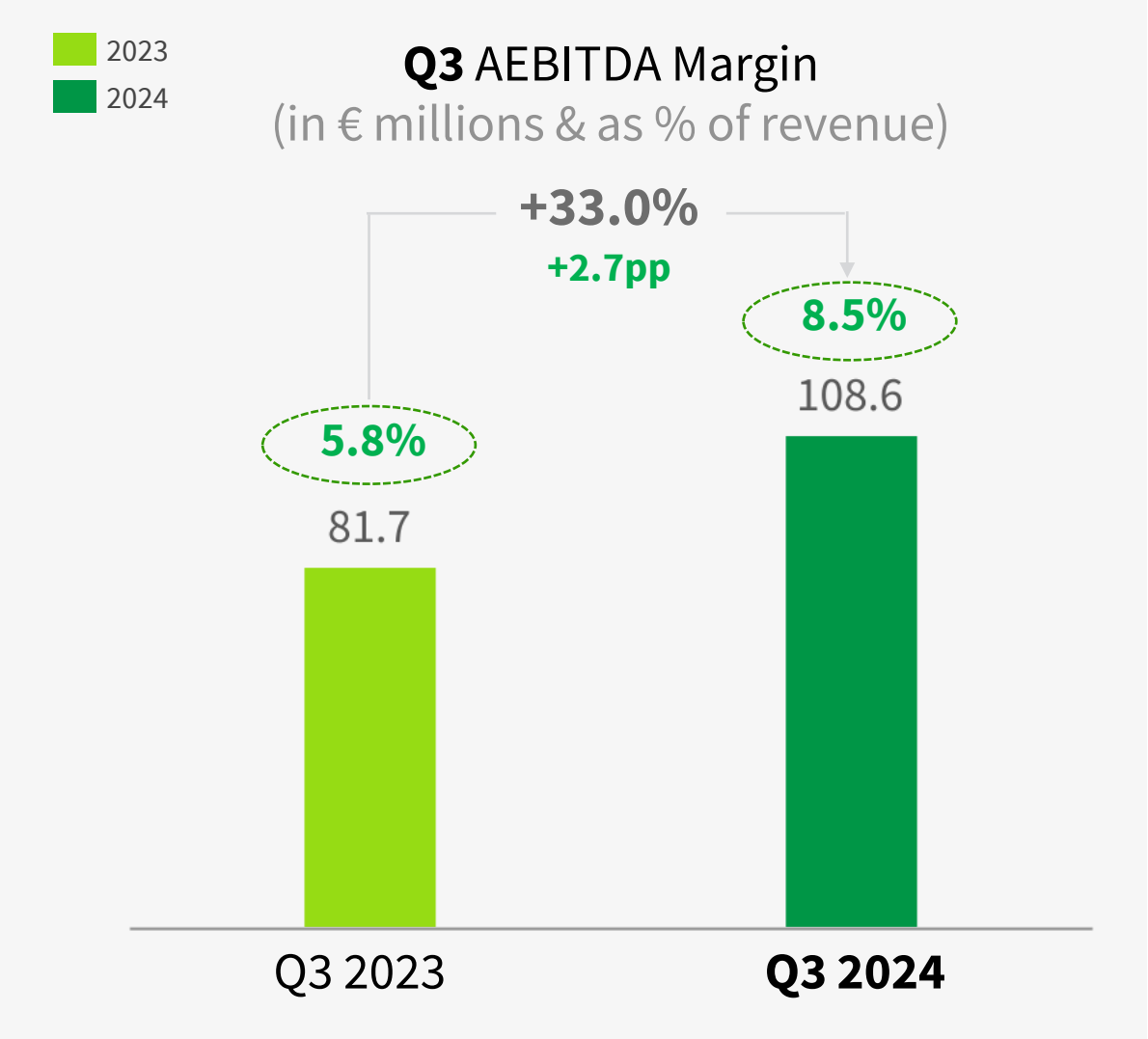
AEBITDA of €72m delivered in Q3 2024

	Q3		9M	
	By segment			
<i>In MEUR</i>	Q3 2024	Q3 2023	9M 2024	9M 2023
North America	74.0	83.3	232.4	326.6
International	34.7	23.7	118.1	111.4
Holding	(36.6)	(37.8)	(115.4)	(110.6)
Group	72.1	69.2	235.1	327.2

	By product category			
<i>In MEUR</i>	Q3 2024	Q3 2023	9M 2024	9M 2023
Meal kits	108.6	81.7	360.3	373.7
<i>AEBITDA margin meal kits</i>	8.5 %	5.8 %	8.5 %	8.0 %
RTE	6.7	30.1	5.9	75.7
<i>AEBITDA margin RTE</i>	1.3 %	8.0 %	0.4 %	7.2 %
Others	(6.6)	(4.8)	(15.6)	(11.7)
Holding	(36.6)	(37.8)	(115.4)	(110.6)
Group	72.1	69.2	235.1	327.2

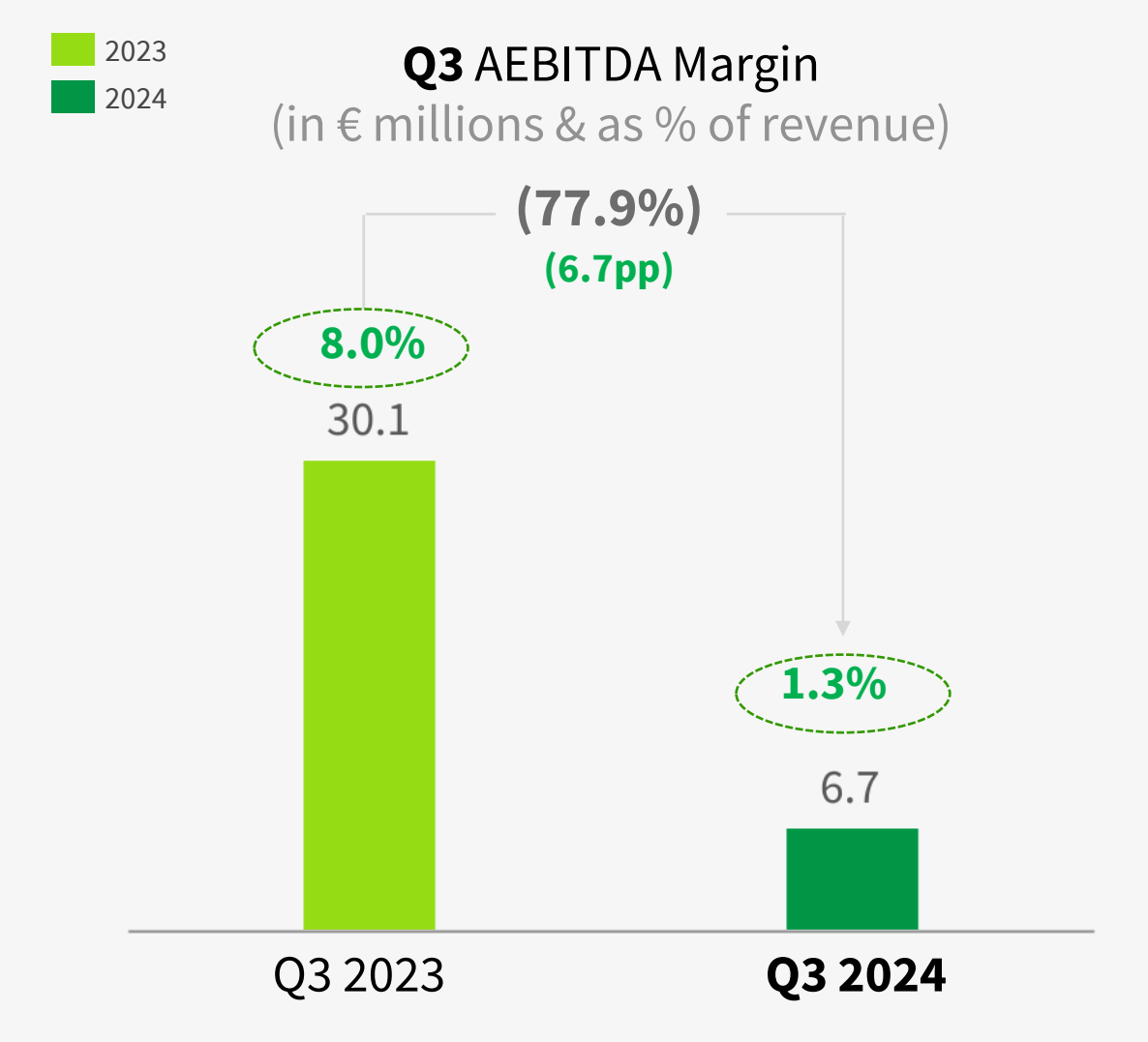
Q3 AEBITDA of €109m for meal kits, a significant improvement yoy

- Meal kit AEBITDA up yoy in absolute and relative terms
- Key driver is focus on marketing ROI, leading to lower yoy marketing spend (absolute and relative)
- Contribution margin lower than last year, due to lower fixed cost leverage and new fulfilment center ramp-up (DE, UK); however, upside for next year



Slightly positive Q3 RTE AEBITDA of €6.7m, as investments in growth continue

- Seasonality for RTE is similar to meal kit business
 - In Q3, lower trading volume during the summer; then an increase in marketing intensity during 'back to school'
- Envisaged breakeven for Q3 2024 over-achieved
- Well positioned to exceed prior year AEBITDA benchmark in Q4 onwards

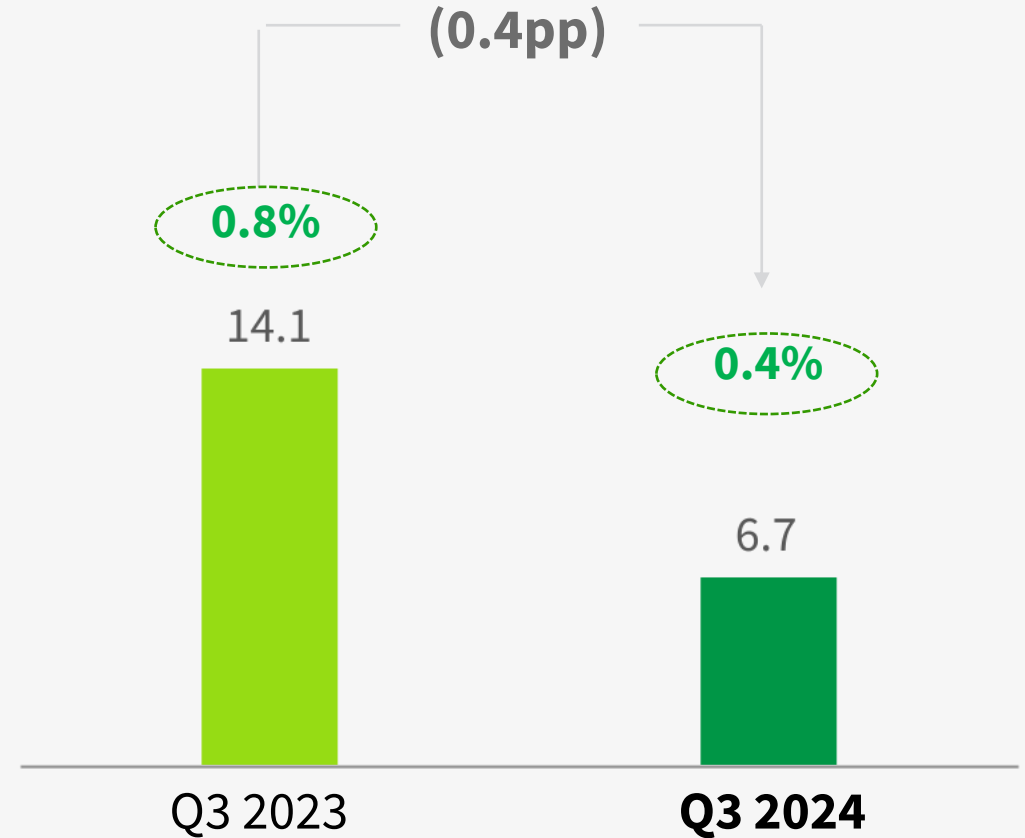


AEBIT (excl. impairments) of €6.7m¹ in Q3

- Difference to prior year primarily driven by higher D&A
- Increasing focus on AEBIT as a key performance metric going forward to steer the business to higher capital efficiency

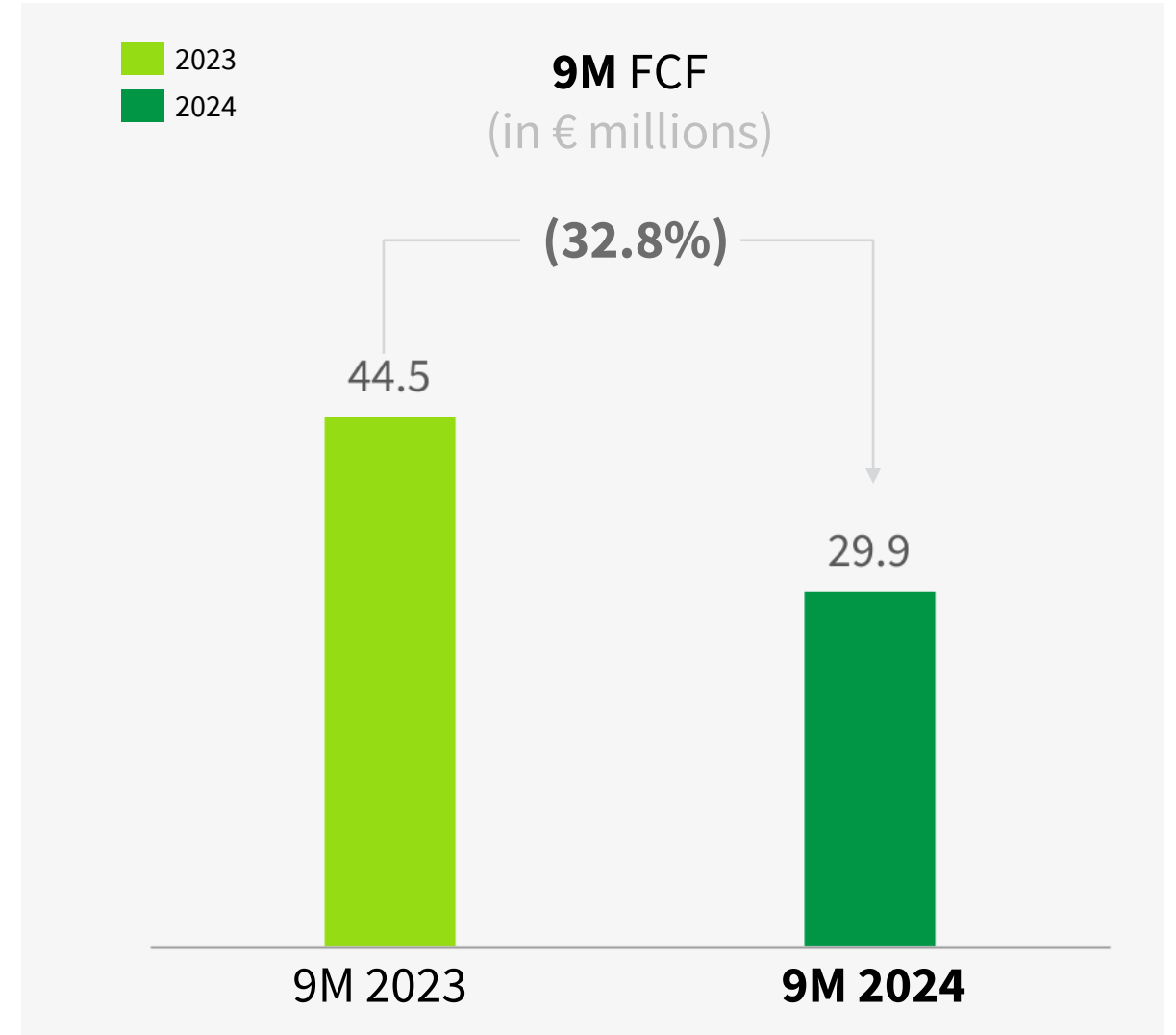
2023
2024

Q3 AEBIT Margin¹
(in € millions & as % of revenue)



Year-to-date Free Cash Flow of €29.9m

- Cash Flow from Operating Activities lower yoy, primarily driven by lower AEBITDA
- Somewhat offset by lower CapEx
 - 9m 2023 CapEx of EUR 235.8m
 - 9m 2024 CapEx of EUR 131.6m




Revised 2024 outlook: 1%-1.7%% cc revenue growth and €360m - €400m AEBITDA

	FY Guidance	9M 2024	Revised Guidance
Constant Currency Revenue Growth	2% - 8%	2%	1% - 1.7%
AEBITDA	€350m - €400m	€235m	€360m - €400m

Indicative mid-term outlook: We are planning to meaningfully expand our AEBIT(DA) and FCF

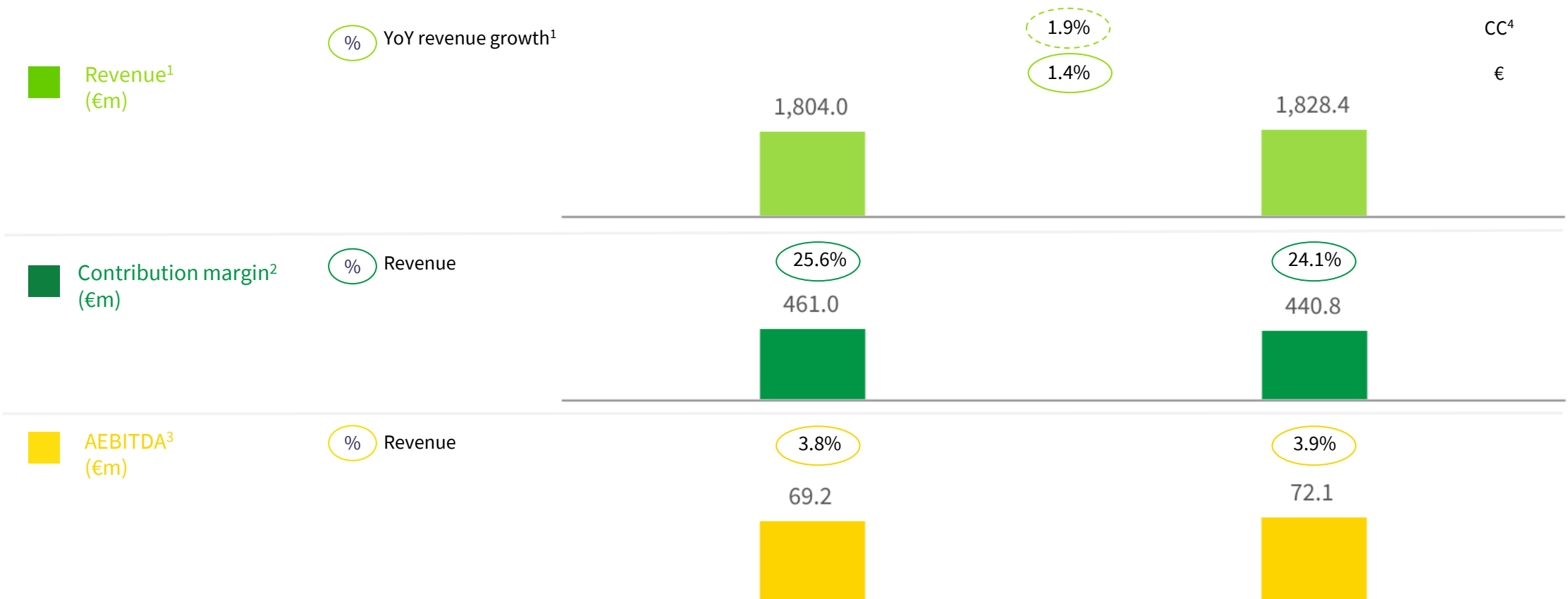
		Meal kits	RTE
Contribution margin		<ul style="list-style-type: none"> ▪ Direct labor productivity increase (DE, US, UK) ▪ Site rationalization 	<ul style="list-style-type: none"> ▪ Direct labor productivity increase
Marketing		<ul style="list-style-type: none"> ▪ Lower new customer acquisitions ▪ Higher ROI thresholds 	<ul style="list-style-type: none"> ▪ Increased share of existing customer base
G&A		<ul style="list-style-type: none"> ▪ Streamlining of fixed costs and operating model across the organization 	
Capex		<ul style="list-style-type: none"> ▪ Mostly maintenance and selected modernizations 	<ul style="list-style-type: none"> ▪ Other than moderate NA expansion and Intl site buildout, capacity largely sufficient beyond 2026



Appendix

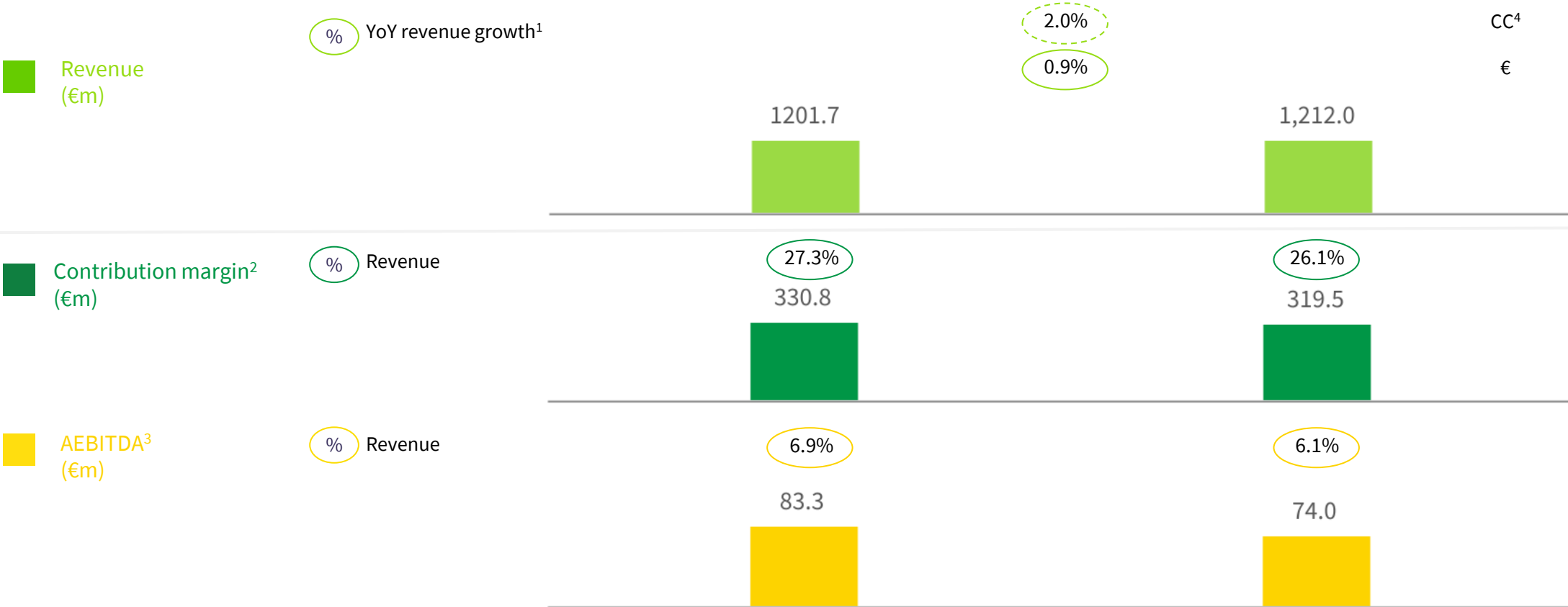
Group: Operational and Financial KPIs

	Q3 23	Q3 24
Number of orders (m)	28.0	27.5
Number of meals (m)	236.6	231.2
Average Order Value (€)	64.2	66.2
Average Order Value constant currency (€)	64.2	66.6



North America: Operational and Financial KPIs

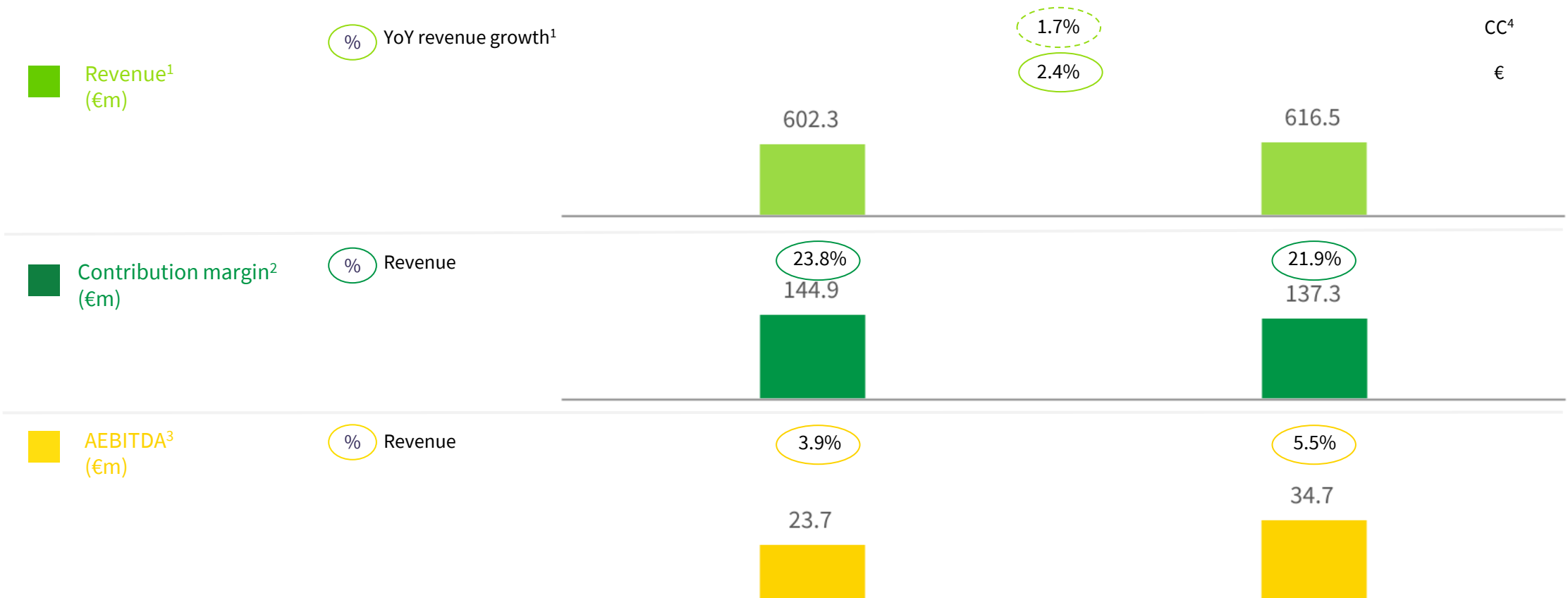
	Q3 23	Q3 24
Number of orders (m)	16.0	15.7
Number of meals (m)	128.3	124.2
Average Order Value (€)	74.9	77.2
Average Order Value constant currency (€)	74.9	78.1



1. Revenue post promotional discounts, customer credits, refunds and excluding VAT; YoY stands for year on year and compares the respective quarter with the same quarter of the previous year
 2. Contribution margin is defined as revenue less procurement and cooking expenses and fulfilment expenses, excluding share-based compensation expenses and impairment
 3. AEBITDA is calculated by adjusting EBITDA for special items and share-based compensation expenses; AEBITDA margin is defined as % of revenue
 4. Based on constant currency

International: Operational and Financial KPIs

	Q3 23	Q3 24
Number of orders (m)	12.0	11.8
Number of meals (m)	108.4	107.0
Average Order Value (€)	49.7	51.6
Average Order Value constant currency (€)	49.7	51.2



Profit and Loss Statement

	3 months ended		Change %	9 months ended		Change %
	30-Sep 24	30-Sep 23	YoY	30-Sep 24	30-Sep 23	YoY
Revenue	1,828.4	1,804.0	1.4%	5,852.8	5,737.6	2.0%
Procurement Expense	(697.3)	(634.4)	9.9%	(2,203.1)	(2,005.5)	9.9%
Fulfilment Expense	(697.9)	(715.6)	(2.5)%	(2,240.3)	(2,218.7)	1.0%
Contribution Margin	433.2	454.1	(4.6)%	1,409.4	1,513.4	(6.9)%
<i>% of Revenue</i>	23.7%	25.2%	(1.5)pp	24.1%	26.4%	(2.3)pp
Marketing Expense	(345.1)	(352.4)	(2.1)%	(1,163.0)	(1,083.8)	7.3%
G&A, other income and expenses	(111.9)	(114.5)	(2.3)%	(352.2)	(350.8)	0.4%
EBIT	(23.7)	(12.9)	84.0%	(105.9)	78.8	(234.5)%
<i>% of Revenue</i>	(1.3)%	(0.7)%	(0.6)pp	(1.8)%	1.4%	(3.2)pp
Financial Result	(26.1)	0.7	nm	(16.1)	(19.1)	15.7%
EBT	(49.8)	(12.2)	308.2%	(122.0)	59.7	(304.4)%
Income Tax	16.1	0.7	nm	13.3	(30.2)	144.0%
Net Income / (Loss)	(33.6)	(11.5)	192.2%	(108.7)	29.5	(468.5)%
<hr/>						
Reconciliation starting at EBIT						
EBIT	(23.7)	(12.9)	84.0%	(105.9)	78.8	(234.5)%
D&A and impairment	68.6	55.1		242.4	156.9	
EBITDA	44.9	42.2	6.4%	136.5	235.6	(42.1)%
<i>% of Revenue</i>	2.5%	2.3%	0.2pp	2.3%	4.1%	(1.8)pp
Special Items	6.2	3.2	93.8%	22.5	22.8	(1.3)%
SBC	21.0	23.8	(11.8)%	76.1	68.8	10.6%
AEBITDA	72.1	69.2	4.2%	235.1	327.2	(28.1)%
<i>% of Revenue</i>	3.9%	3.8%	0.1pp	4.0%	5.7%	(1.7)pp

Balance Sheet & Cash Flow Statement

In MEUR	As at 30-Sep 24	As at 31-Dec 23
Assets		
Non-current assets	1,717.8	1,756.4
Cash and cash equivalents	355.6	433.1
Other current assets	365.8	391.8
Total assets	2,439.2	2,581.3
Equity and liabilities		
Equity	900.8	1,019.0
Non-current liabilities	535.7	649.3
Current liabilities	1,002.7	913.0
Total equity and liabilities	2,439.2	2,581.3

In MEUR	For the 3 months ended at 30-Sep 24	For the 3 months ended at 30-Sep 23
Cash and cash equivalents at the beginning of the period	381.9	464.5
Net Cash flows from / (used in) operating activities	14.5	73.0
Net Cash flows from / (used in) investing activities	(33.6)	(66.1)
Net Cash flows from / (used in) financing activities	(1.9)	(9.2)
Effects of exchange rate changes on cash and cash equivalents	(5.3)	4.4
Cash and cash equivalents at the end of the period	355.6	466.6

Share Count

As of September 30, 2024

Types of share

Ordinary shares

Stock exchange

Frankfurt Stock Exchange

Market Segment

Regulated Market (Prime Standard)

Number of shares issued

173,190,562

Number of shares outstanding

163,465,079

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	11.0	1.3	12.3
WAEP (in EUR) - vested instruments	21.85	—	19.62
Unvested (in mn)	7.8	9.0	16.7
WAEP (in EUR) - unvested instruments	13.49	—	6.26
Total outstanding (in mn)	18.8	10.2	29.0
WAEP (in EUR)	18.40	—	11.91



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