



# HELLOFRESH

GROUP

**Q2 2022 Results**  
*August 15<sup>th</sup>, 2022*

# Disclaimer

This document has been prepared by HelloFresh SE (the “Company“ and, together with its subsidiaries, the “Group”). All material contained in this document and information presented is for information purposes only and must not be relied upon for any purpose, and does not purport to be a full or complete description of the Company or the Group. This document does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement or recommendation to enter into any contract or commitment or investment decision or other transaction whatsoever. This document is not directed at, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

No representation, warranty or undertaking, express or implied, is made by the Company or any other Group company as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. No responsibility, obligation or liability is or will be accepted by the Company, any other Group company or any of their officers, directors, employees, affiliates, agents or advisers in relation to any written or oral information provided in this document or in connection with the document. All information in this document is subject to verification, correction, completion, updating and change without notice. Neither the Company, nor any other Group company undertake any obligation to provide the recipient with access to any additional information or to update this document or any information or to correct any inaccuracies in any such information.

A significant portion of the information contained in this document, including market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company or any other person as being accurate. All statements in this document attributable to third party industry experts represent the Company's interpretation of data, research opinion or viewpoints published by such industry experts, and have not been reviewed by them. Each publication of such industry experts speaks as of its original publication date and not as of the date of this document.

This document contains forward-looking statements relating to the business, financial performance and results of the Company, the Group or the industry in which the Group operates. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target" or "forecast" and similar expressions, or by their context. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; growth for products and services in new markets; industry trends; and the impact of regulatory initiatives. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions. No obligation is assumed to update any forward-looking statements.

This document includes certain financial measures not presented in accordance with IFRS, including, but not limited to, AEBITDA. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to result for the period or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See the appendix for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

## Our Mission

We change the way  
people eat forever

## Our Vision

The world's leading,  
fully integrated foods  
solution group



## Q2 2022 Highlights

Continued strong outperformance vs. overall e-commerce trends

Record quarterly revenue of €1.96bn in Q2, representing a constant currency growth rate of 16%

Active customer year-on-year growth to 8.0m, somewhat impacted by higher than usual travel/away from home activity

Successful expansion in average order value by 11% (on a constant currency basis)

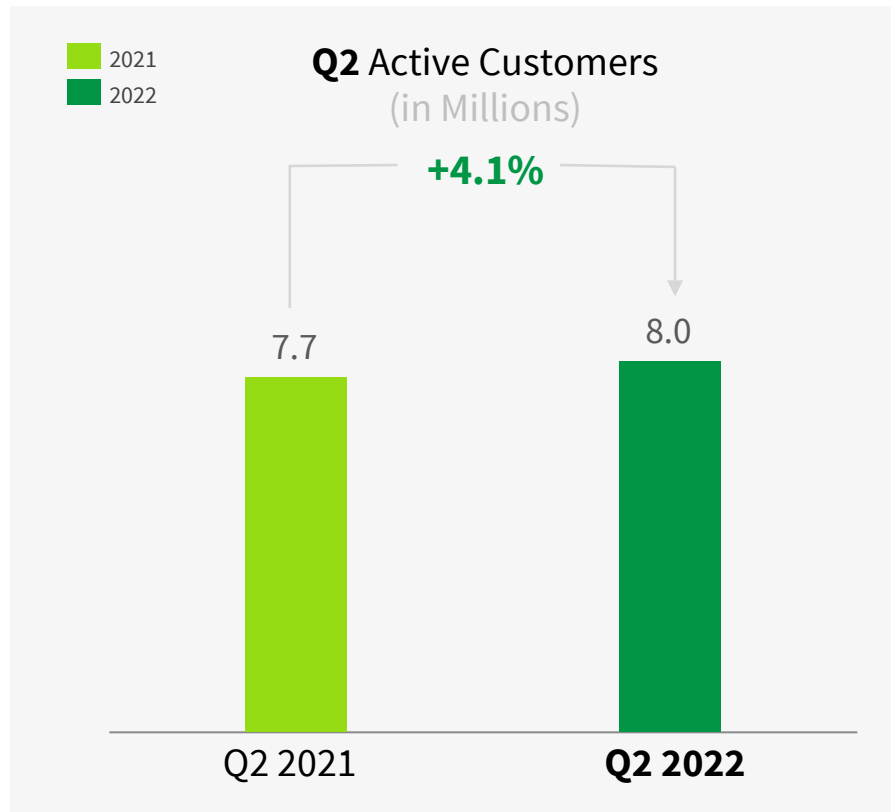
Solid retention and order rate development, with average orders per customer per quarter maintained at 4.0

Successful mitigation of inflationary cost pressures in ingredient prices and fulfilment: Q2 contribution margin maintained at 25.6%

AEBITDA of €146m, a margin of 7.5%

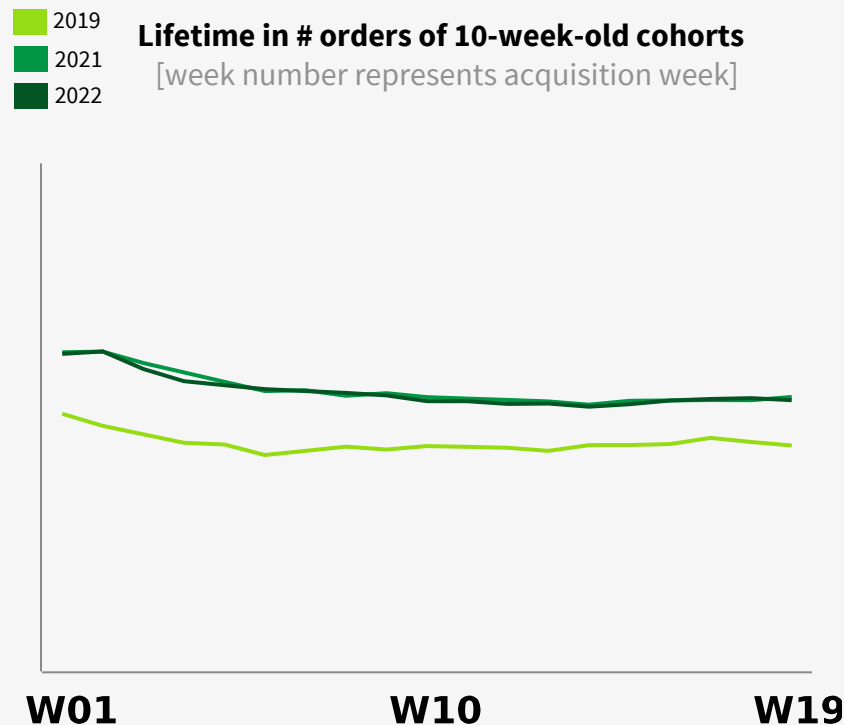
## Q2 Active customers increased by 4.1% year-on-year to 8.0m

- Active customer growth maintained across both segments
  - US +5.3%
  - Intl +3.0%
- Low web traffic in holiday heavy long weekend periods and early start of summer negatively impacted new customer growth
- Slightly better y-o-y growth expected in both Q3 and Q4 compared to Q2
- Q2 2020: 4.2m [Y-o-2Y +90.5%]



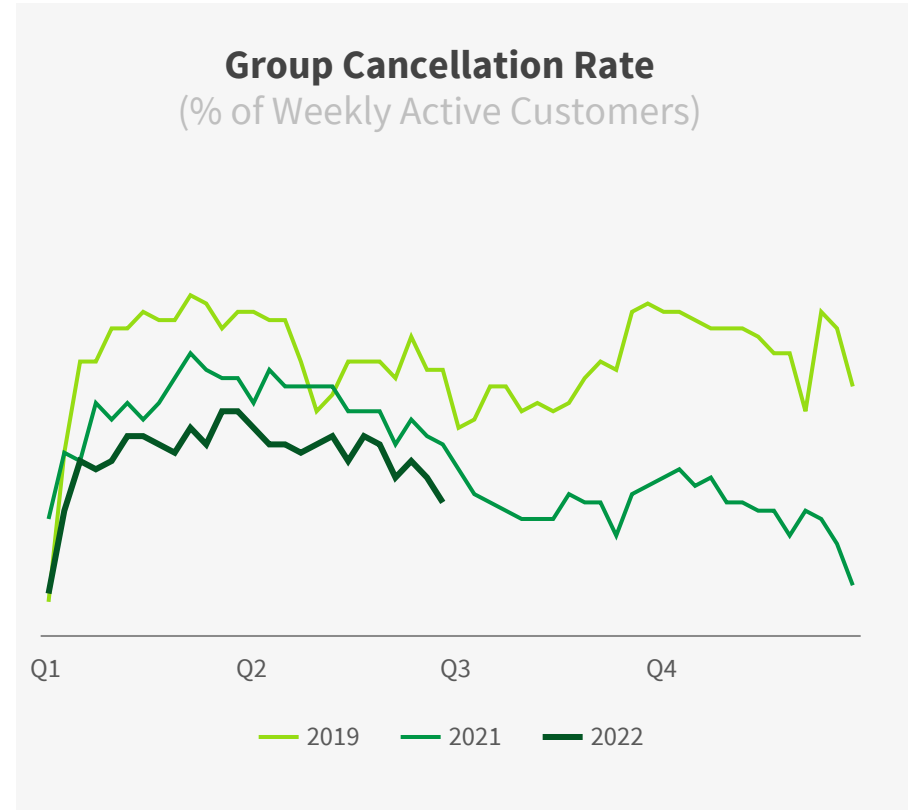
# Early retention of costumers acquired in 2022 is holding up at strong levels, in line with 2021

- New customers in 2022 on average show the same strong retention and ordering pattern profile as in 2021, which was still affected by Covid tailwinds
- This is evidenced by the average 10-week lifetime in # of orders by starting customer - one of our most important early retention metrics
- Remarkably stable development, also for most recent cohorts



# We observe historically low cancellation rates among our Active Customer base

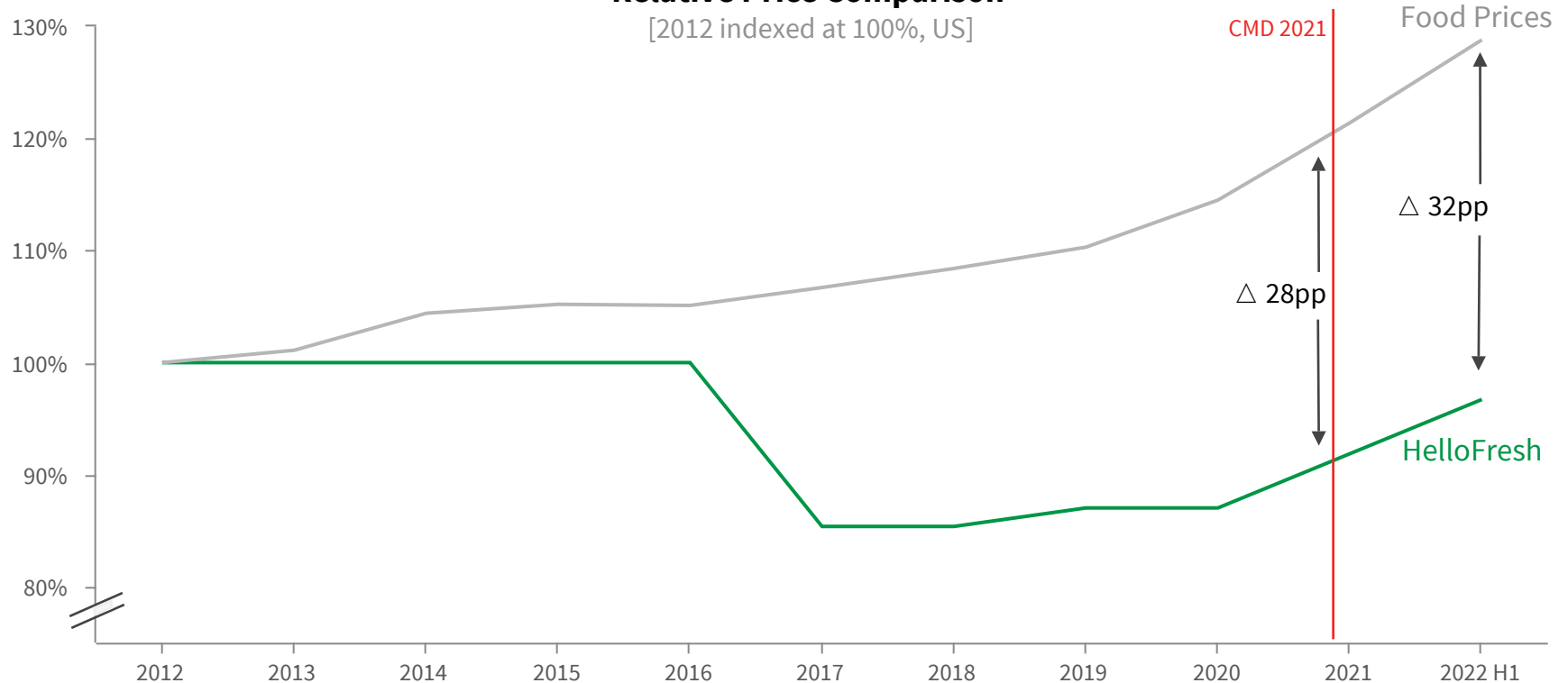
- Cancellation rates continue to improve y-o-y, currently trending at lowest ever levels
- Main drivers of this long term trend include:
  - improved relative affordability
  - greater selection of meals and marketplace items
  - y-o-y service quality enhancements



# Since our CMD, we have further improved our value proposition against traditional supermarkets in real terms

## Relative Price Comparison

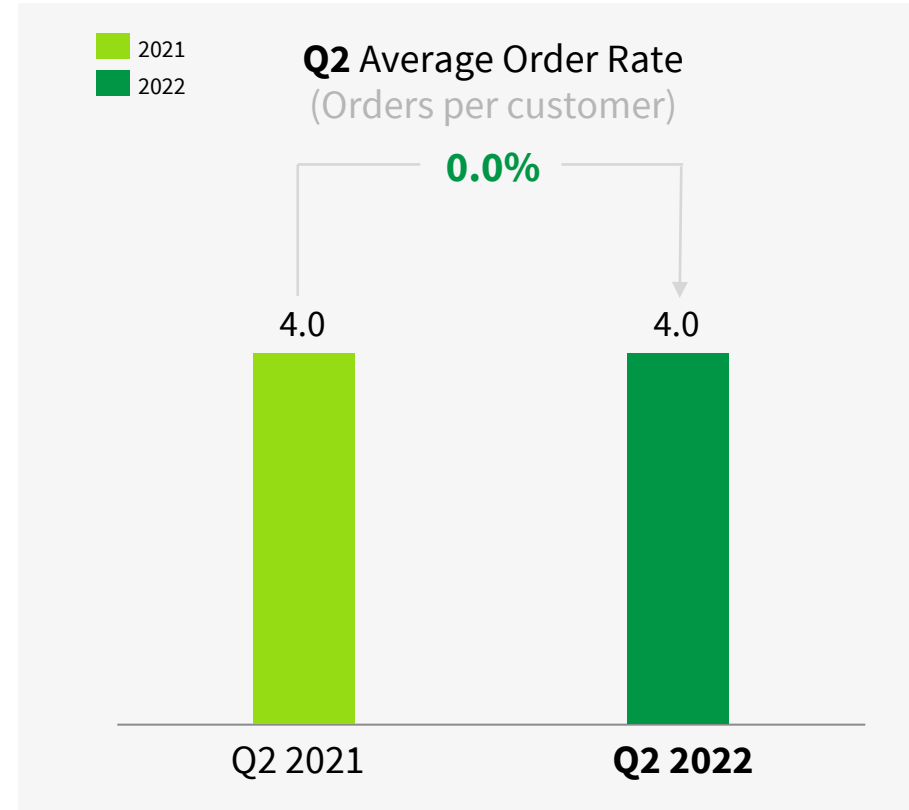
[2012 indexed at 100%, US]





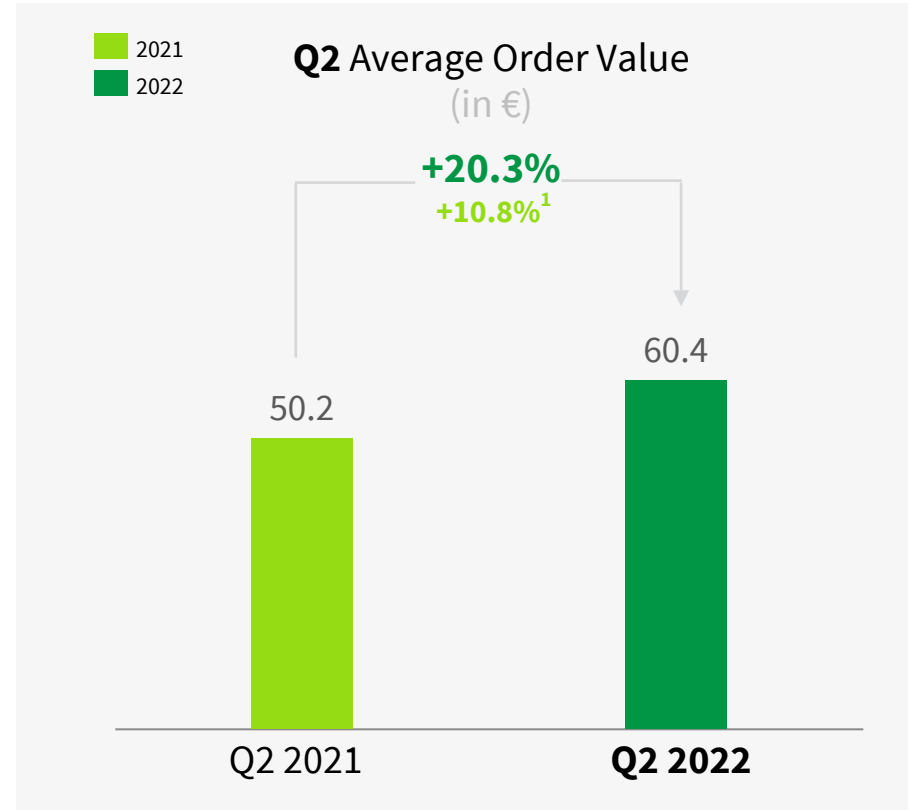
# Orders per customer stable year on year at 4.0, despite some remaining Covid effect in comparative period

- Robust ordering pattern of existing customers across both segments (outside of public holiday affected weeks)
- Stable to Q2 2021, despite some order rate enhancing Covid impact in that period
- Driven by continued improvement to menu, product quality and relative affordability
- Q2 2020: 4.3 [Y-o-2Y -7%]



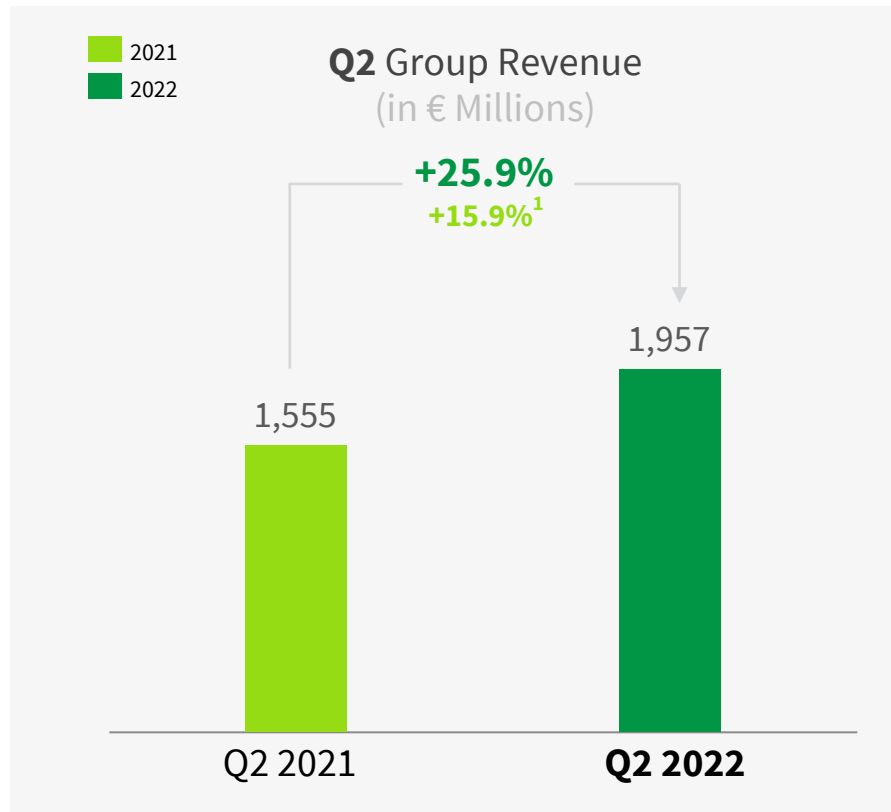
# We have achieved further meaningful expansion of average order value

- Group AOV increases 10.8% on a CC basis
- Key drivers
  - Selected price increases over the last 2 quarters, in each case after careful testing
  - More meals per order
  - Further progress on the roll-out and uptake of HF market and surcharge offerings
  - Consistently high service levels and therefore lower compensation
- Q2 2020: €53.7 [Y-o-2Y 12.5%]



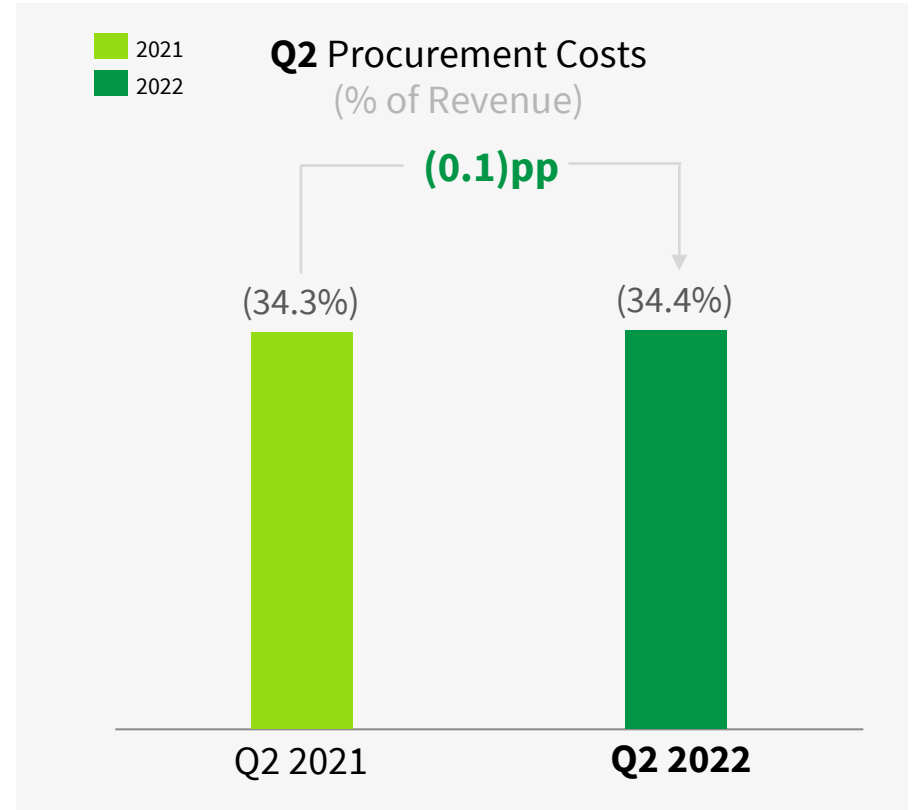
# We delivered another record revenue quarter of €1,957m, with CC growth of 15.9%

- US CC growth of 21.6% driven by stronger consumer resilience and RTE growth
- Intl CC growth of 9.0%
- Q2 2020: €972.1 Mil [Y-o-2Y +101.3%]



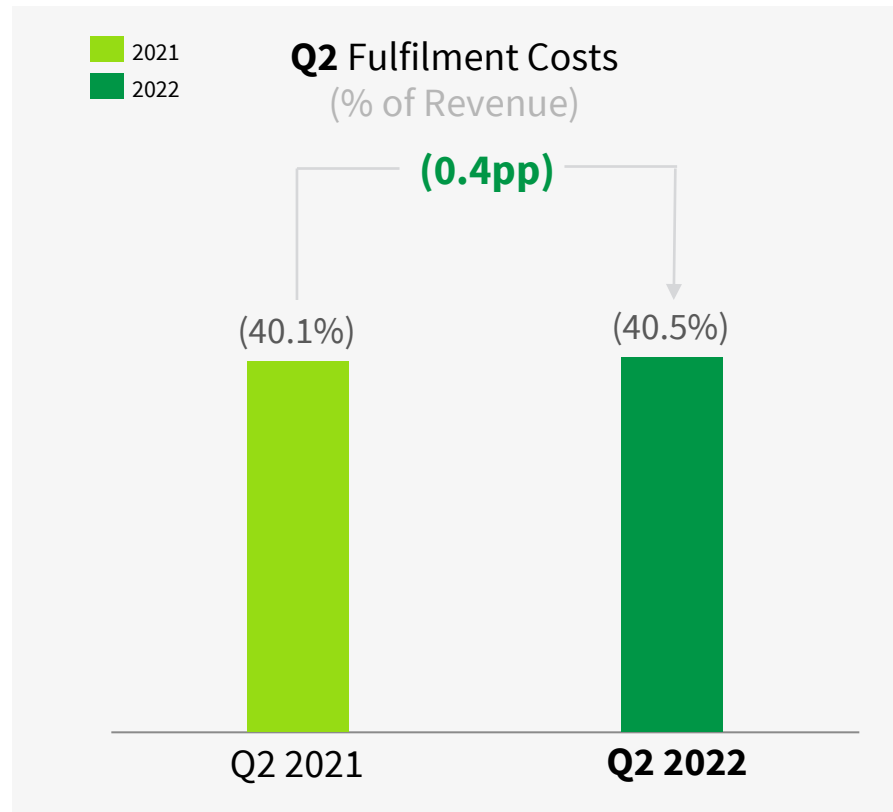
# So far, we have successfully mitigated very meaningful food price inflation through a number of measures

- Selected price increases
- Leveraging strength of a well diversified procurement network
- Leveraging data advantage by factoring different degree of inflation into menu decisions
- Q2 2020: (35.2%) [Y-o-2Y +0.8pp]



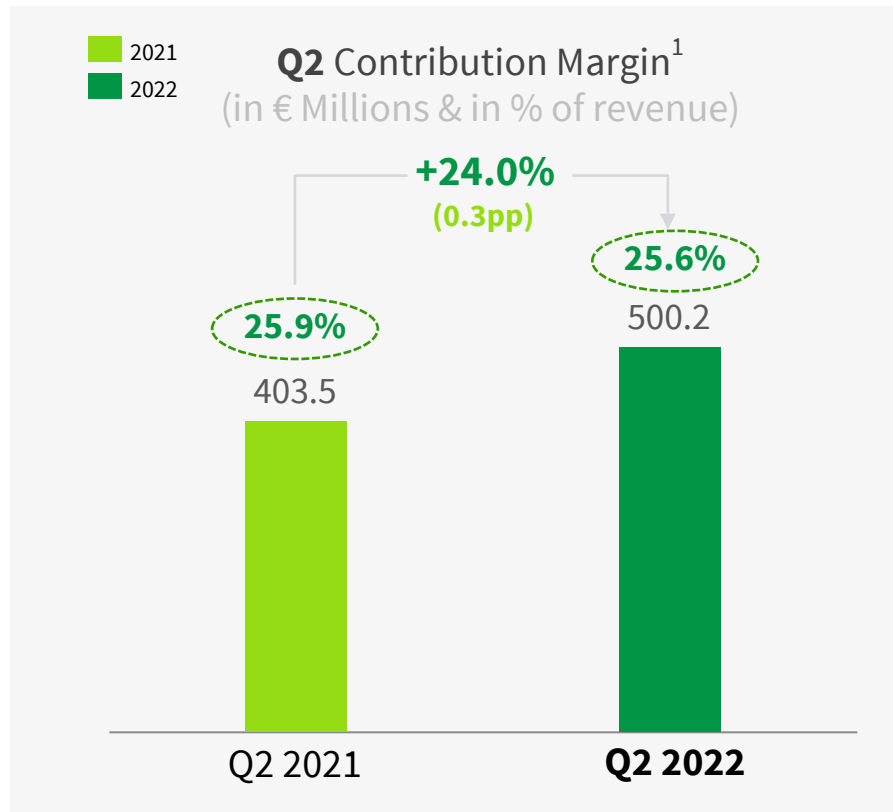
## Slight expansion of relative fulfilment expenses, primarily driven by increased shipping costs

- Increased shipping expenses mainly due to higher fuel costs and driver wages
- Improvement in production expenses (y-o-y and sequentially), as we successfully increase productivity, especially in the US
- Q2 2020: (38.7%) [Y-o-2Y -1.8pp]



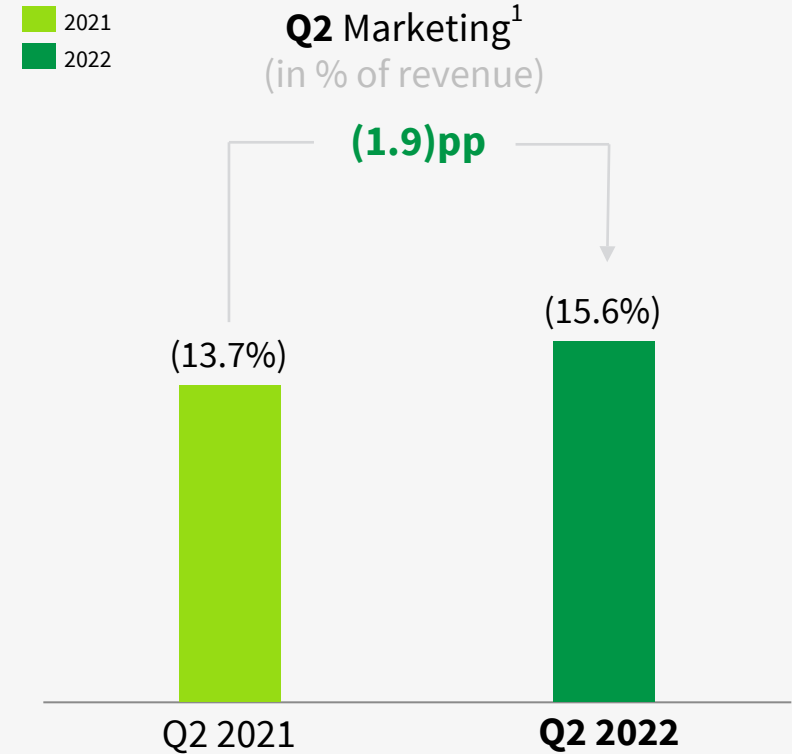
# Contribution profit increased in line with revenue growth

- Quasi stable margin compared to comparative period
  - i.e. Meaningful inflationary pressure across ingredients, logistics and direct labor wages has been successfully offset
- Q2 2020: 26.2% [Y-o-2Y -0.6pp]

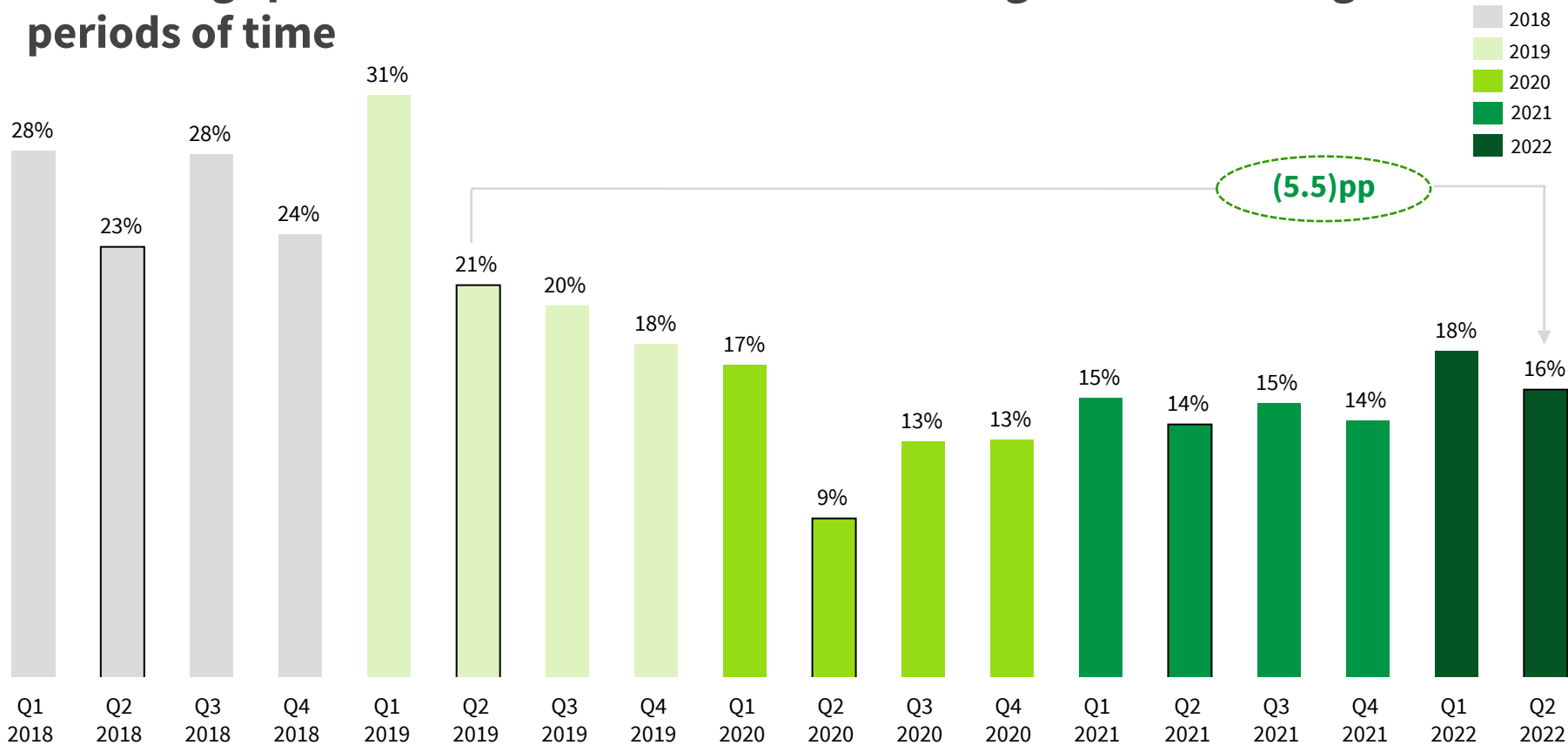


# Whilst marketing as % of revenue in the comparative period was still impacted by Covid, Q2 2022 has normalised to 15.6%

- Seasonal sequential reduction in marketing spend quarter on quarter
- Continued strong ROI; however, less activity during public holiday and hot temperature weeks
- Q2 2020: (8.5%) [Y-o-2Y -7.1pp]

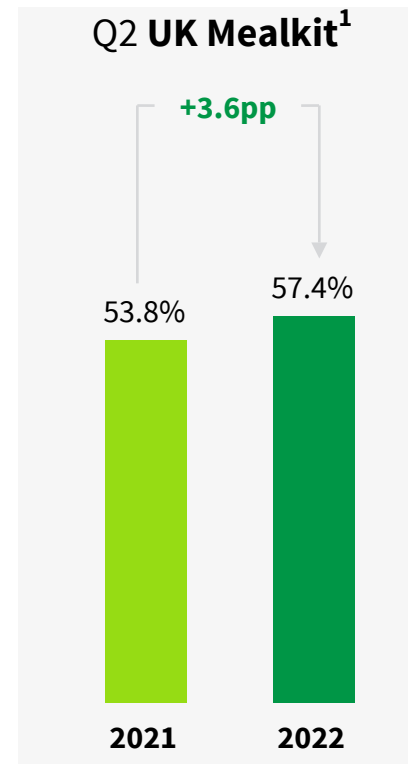
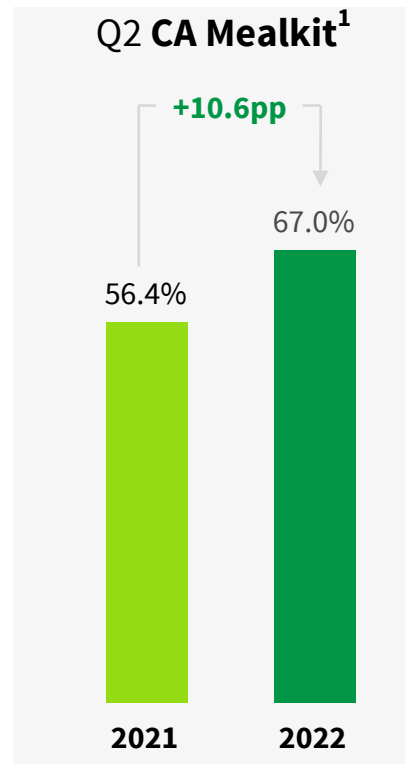
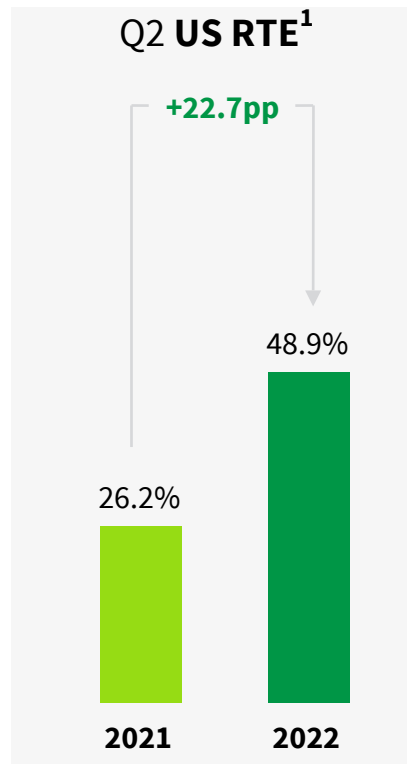
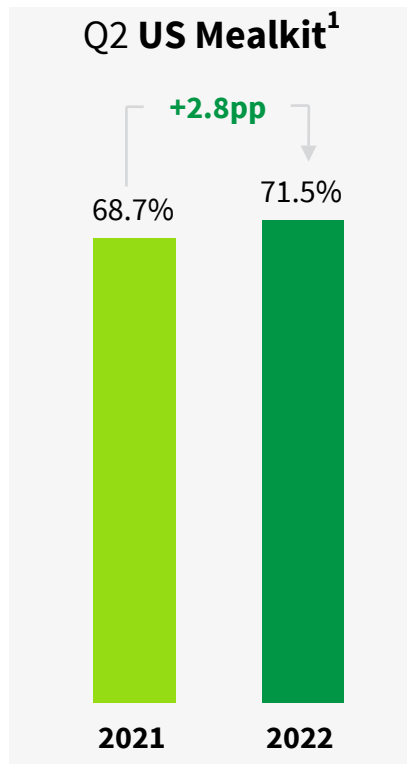


# Marketing spend as % of net revenue still coming down over longer periods of time



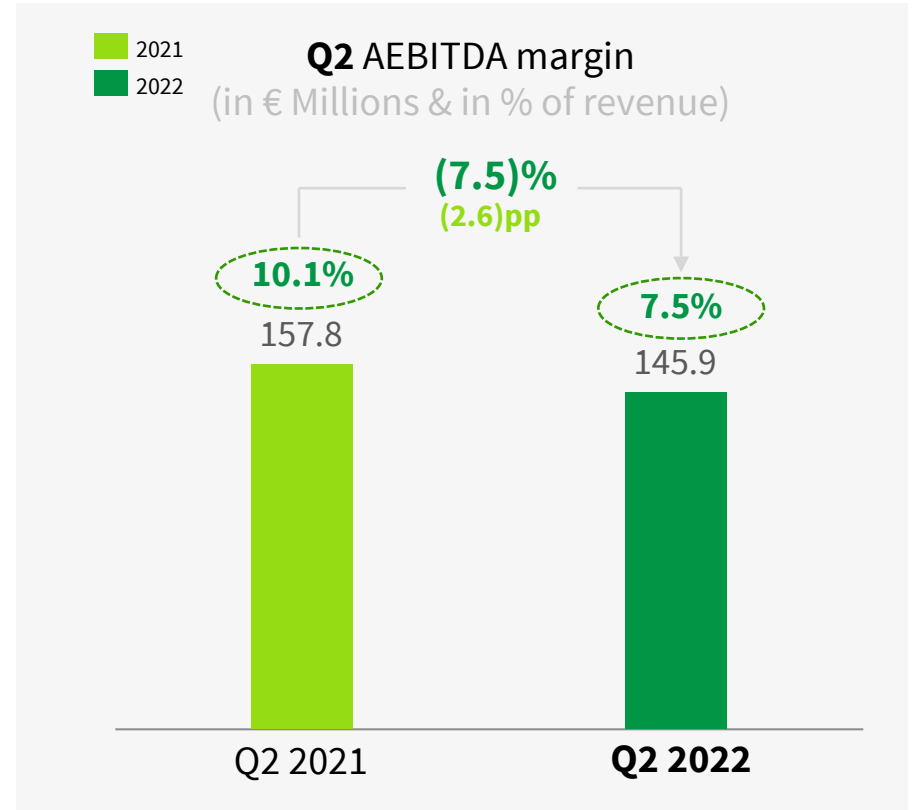


# We continue to gain market share whilst maintaining superior marketing efficiency



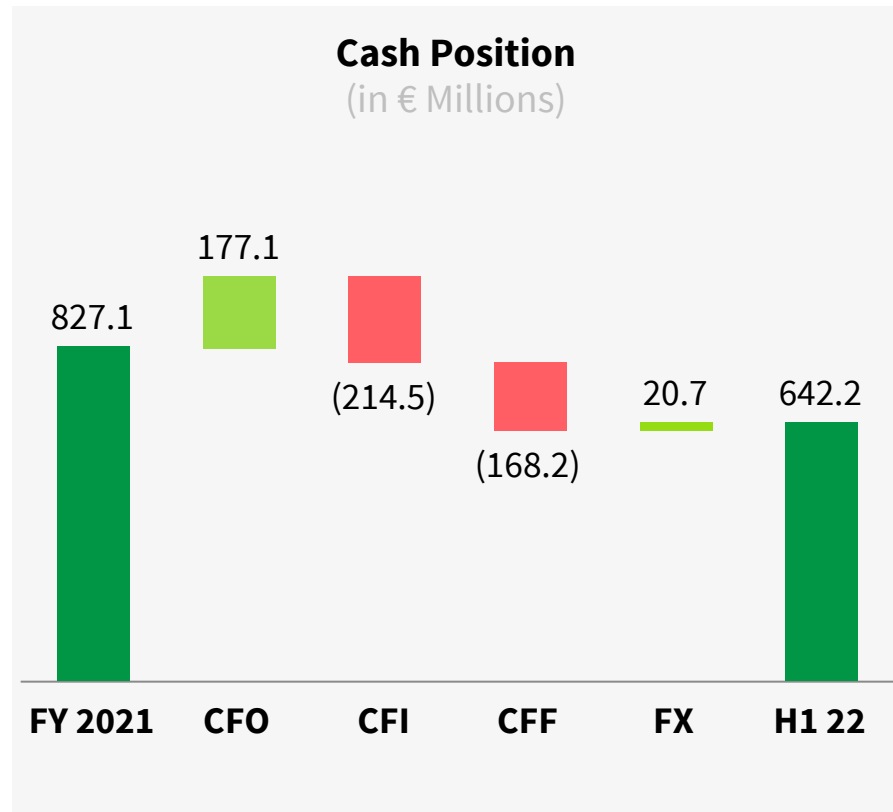
# We delivered an AEBITDA of €145.9m in Q2

- Y-o-Y reduction in AEBITDA margin primarily driven by:
  - A contribution margin reduction in Intl
  - A normalization of CACs/ marketing expenses
  - G&A increase to catch up to normalized levels after slower relative growth in Technology and central functions during Covid period
- Q2 2020: €153.6 M (15.8%) [Y-o-2Y -5.0%]

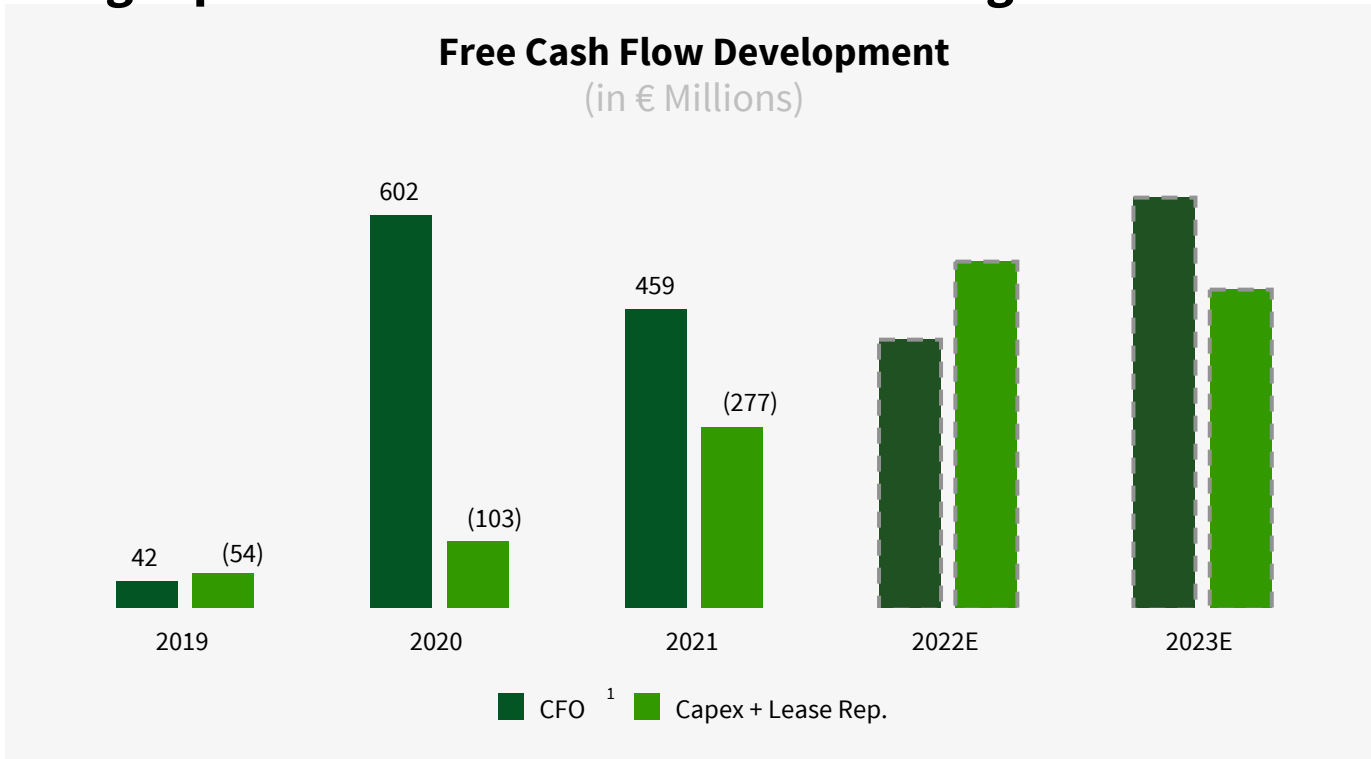


# H1 Cash flow primarily driven by ongoing infrastructure investment program and €125m share buyback

- Cash flow from operations includes €106m cash outflow for paid taxes
- Infrastructure and automation investment program progresses substantially on time and on budget
  - CFI also includes 1st payment for Factor earnout and supply chain management software business acquisition in Q2
- Cash outflow from financing activities primarily represents €125m share buyback in Q1

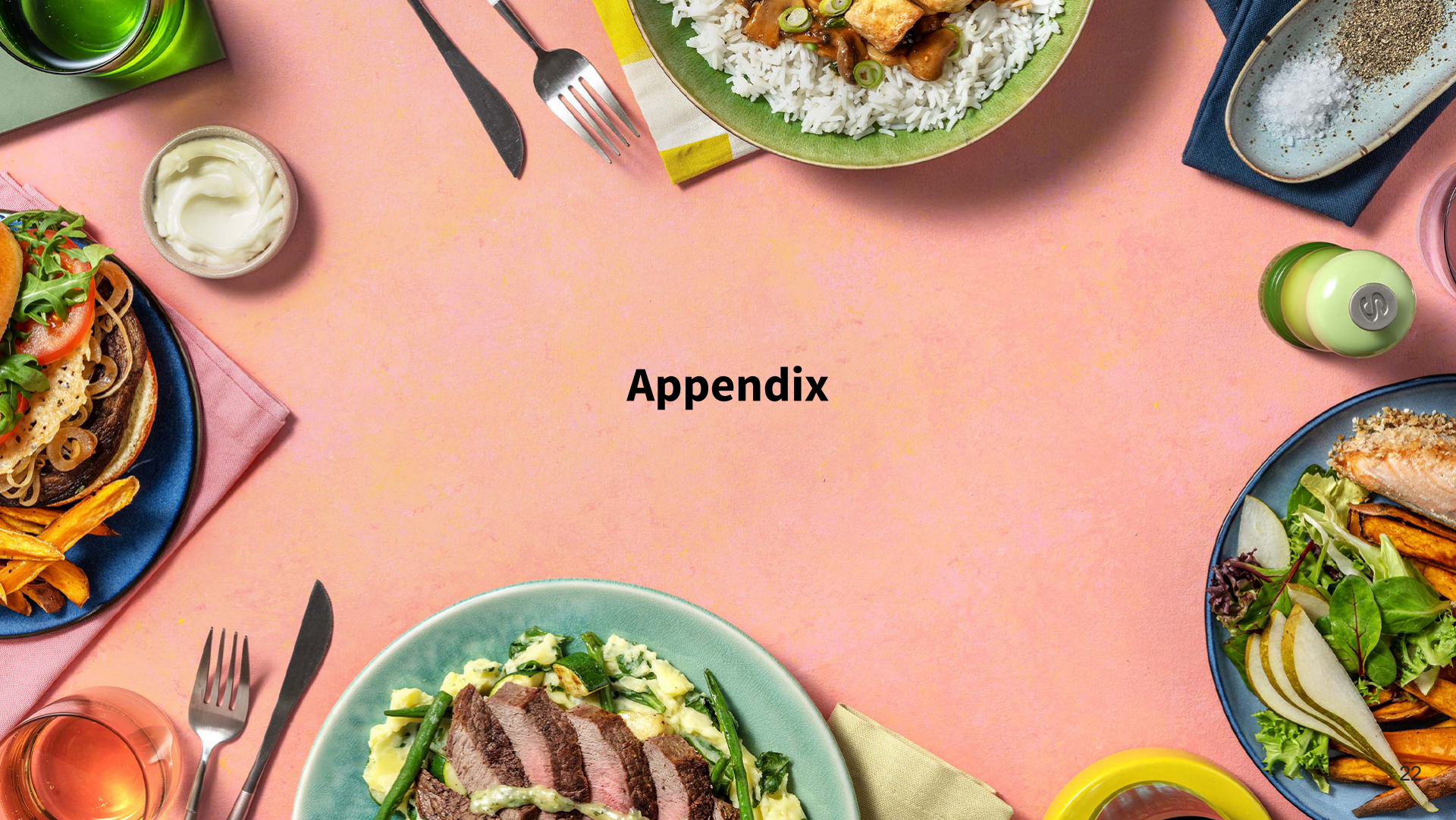


# After peaking infrastructure and capacity optimization investments in 2022, we target positive FCF from 2023 onwards again



# We updated our FY 2022 outlook to 18% – 23% CC revenue growth and €460m - €530m AEBITDA

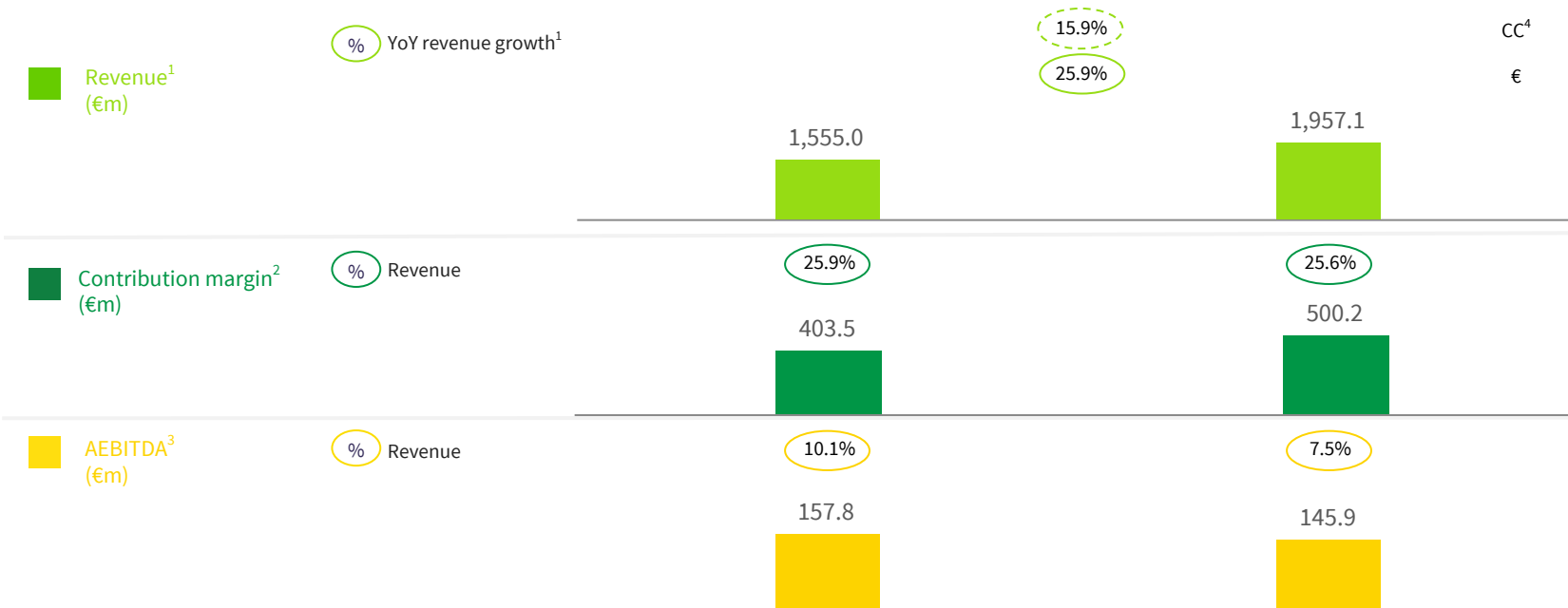
	July/Aug 2022	CMD Dec 2021
Constant Currency Revenue Growth	18% - 23%	20% - 26%
AEBITDA	€460m - €530m	€500m - €580m



**Appendix**

# Group: Operational and Financial KPIs

	Q2 21	Q2 22
Active Customers (m)	7.7	8.0
Average Order Rate	4.0	4.0
Average Order Value (€) (excl. retail)	50.2	60.4
Average Order Value constant currency (€)	50.2	55.6



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

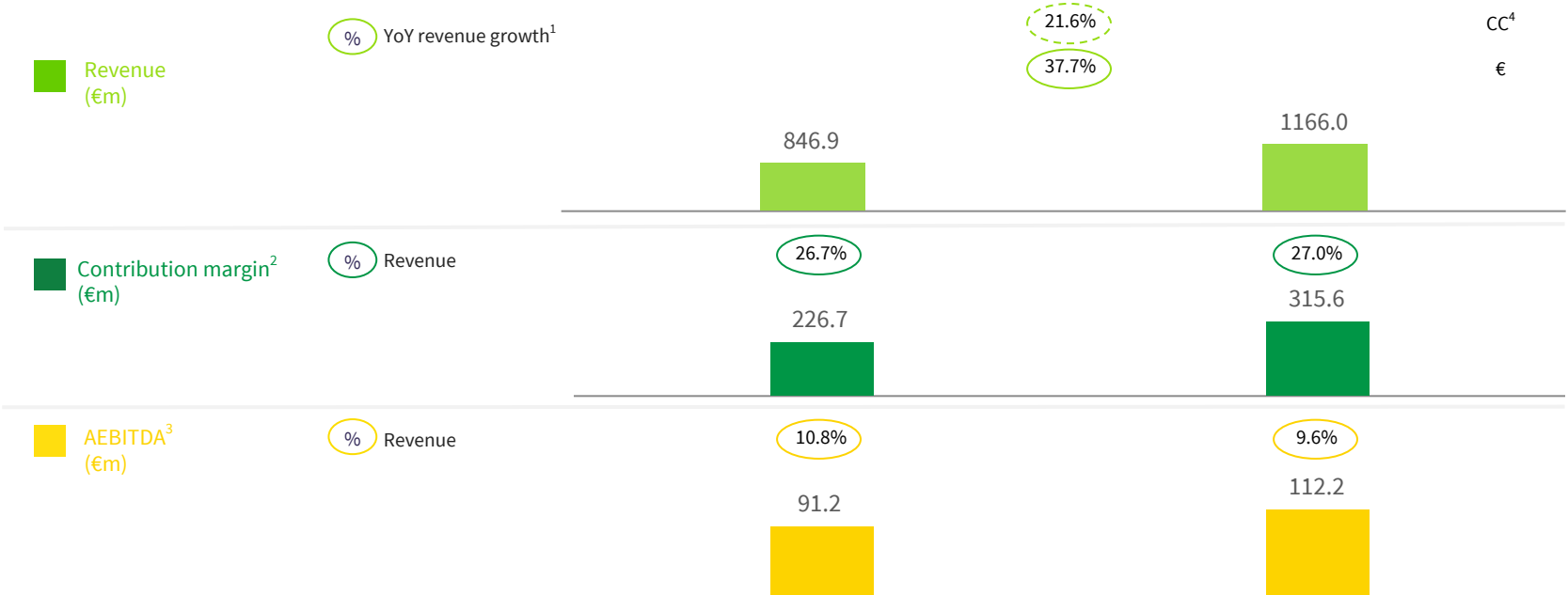
2. Contribution margin is defined as revenue less cost of goods sold and fulfilment expenses, excluding share-based compensation expenses

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

# USA: Operational and Financial KPIs

	Q2 21	Q2 22
Active Customers (m)	3.8	4.0
Average Order Rate	4.1	4.1
Average Order Value (€)	54.4	70.3
Average Order Value constant currency (€)	54.4	62.1



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 cost of goods sold and fulfillment expenses, excluding share-based compensation expenses

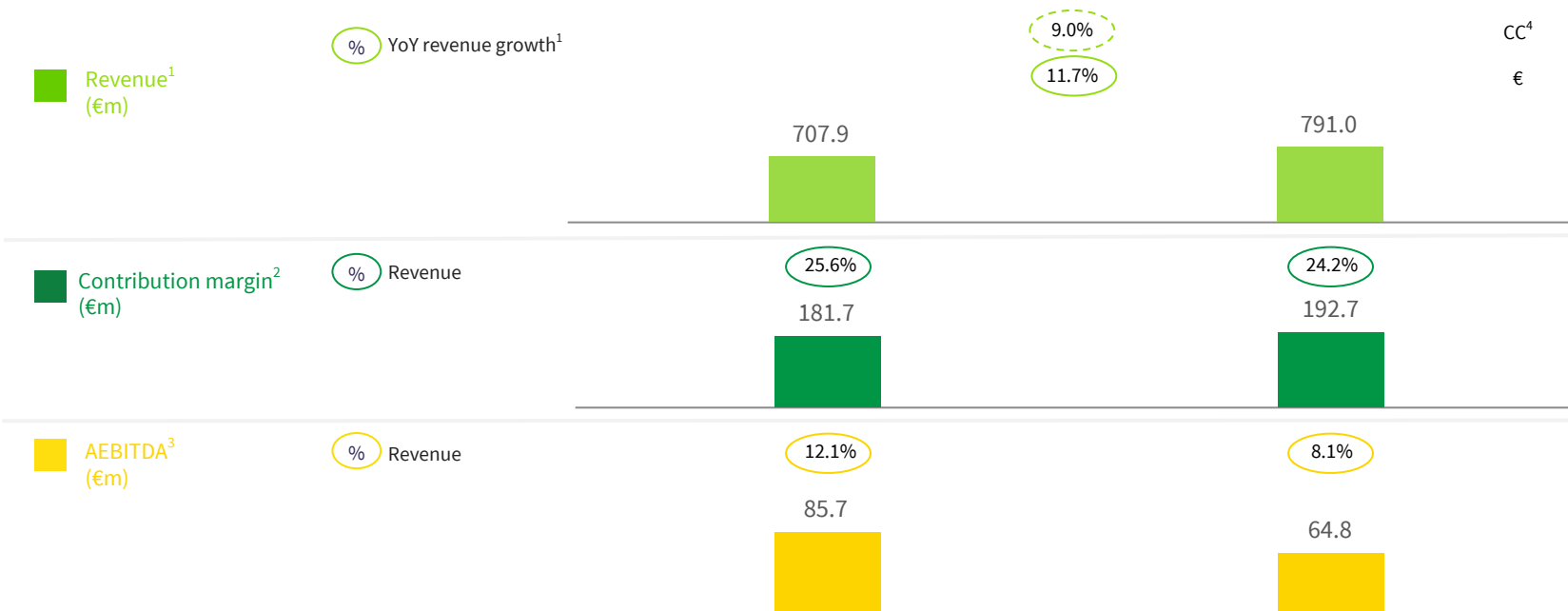
3. AEBITDA is calculated by adjusting EBITDA for special items and share-based compensation expenses; AEBITDA margin is defined as % of revenue

4. Based on constant currency



# International: Operational and Financial KPIs

	Q2 21	Q2 22
Active Customers (m)	3.9	4.0
Average Order Rate	4.0	3.9
Average Order Value (€)	46.0	49.9
Average Order Value constant currency (€)	46.0	48.7



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 cost of goods sold and fulfilment expenses, excluding share-based compensation expenses

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

# Profit and Loss Statement

	3 months ended		Change %	6 months ended		Change %
	30-Jun-22	30-Jun-21	YoY	30-Jun-22	30-Jun-21	YoY
<b>Revenue</b>	1,957.1	1,555.0	25.9%	3,872.5	2,997.9	29.2%
Procurement Expense	(672.3)	(532.7)	(26.2)%	(1,333.6)	(1,020.0)	(30.7)%
Fulfilment Expense	(792.0)	(623.5)	(27.0)%	(1,569.6)	(1,176.6)	(33.4)%
<b>Contribution Margin</b>	<b>492.8</b>	<b>398.8</b>	23.6%	<b>969.3</b>	<b>801.4</b>	21.0%
<i>% of Revenue</i>	25.6%	25.9%	(0.3)pp	25.4%	27.0%	(1.6)pp
Marketing Expense	(307.8)	(213.4)	(44.2)%	(646.8)	(431.4)	(49.9)%
G&A, other income and expenses	(99.3)	(54.4)	(82.5)%	(192.0)	(105.0)	(82.9)%
<b>EBIT</b>	<b>85.7</b>	<b>131.0</b>	(34.6)%	<b>130.5</b>	<b>265.0</b>	(50.8)%
<i>% of Revenue</i>	4.4%	8.4%	(4.0)pp	3.4%	8.8%	(5.4)pp
Financial Result	11.5	(8.0)	243.8%	16.0	(3.3)	584.8%
<b>EBT</b>	<b>97.2</b>	<b>123.0</b>	(21.0)%	<b>146.5</b>	<b>261.7</b>	(44.0)%
Income Tax (Expense) / Benefit	(34.7)	(39.2)	11.5%	(57.0)	(76.3)	25.3%
<b>Net Income / (Loss)</b>	<b>62.5</b>	<b>83.8</b>	(25.4)%	<b>89.5</b>	<b>185.4</b>	(51.7)%

## Reconciliation starting at EBIT

<b>EBIT</b>	<b>85.7</b>	<b>131.0</b>	(34.6)%	<b>130.5</b>	<b>265.0</b>	(50.8)%
D&A	36.4	24.8	(46.8)%	68.5	40.4	(69.6)%
<b>EBITDA</b>	<b>122.1</b>	<b>155.9</b>	(21.6)%	<b>199.0</b>	<b>305.4</b>	(34.8)%
<i>% of Revenue</i>	6.2%	10.0%	(3.8)pp	5.1%	10.2%	(5.1)pp
Special items	4.2	1.3	(223.1)%	9.2	3.8	(142.1)%
SBC	19.7	0.6	nm	37.0	7.8	(374.4)%
<b>AEBITDA</b>	<b>146.0</b>	<b>157.8</b>	(7.5)%	<b>245.2</b>	<b>317.0</b>	(22.6)%
<i>% of Revenue</i>	7.5%	10.1%	(2.6)pp	6.3%	10.6%	(4.3)pp

# Balance Sheet & Cash Flow Statement

In MEUR	As at 30-Jun-22	As at 31-Dec-21
<b>Assets</b>		
Non-current assets	1,319.7	1,055.5
Cash and cash equivalents	642.2	827.1
Other current assets	386.6	326.0
<b>Total assets</b>	<b>2,348.5</b>	<b>2,208.6</b>
<b>Equity and liabilities</b>		
Equity	917.7	896.6
Non-current liabilities	501.5	486.7
Current liabilities	929.3	825.3
<b>Total equity and liabilities</b>	<b>2,348.5</b>	<b>2,208.6</b>

In MEUR	30-Jun-22	30-Jun-21
<b>Cash and cash equivalents at the beginning of the period</b>	<b>827.1</b>	<b>729.0</b>
Net Cash flows from operating activities	177.1	311.3
Net Cash flows from investing activities	(214.5)	(67.1)
Net Cash flows from financing activities	(168.2)	(50.7)
Effects of exchange rate changes and other changes on cash and cash equivalents	20.7	10.9
<b>Cash and cash equivalents at the end of the period</b>	<b>642.2</b>	<b>933.4</b>

# Share Count

As of June 30, 2022

**Types of share**

Ordinary shares

**Stock exchange**

Frankfurt Stock Exchange

**Market Segment**

Regulated Market (Prime Standard)

**Number of shares issued**

173,934,478

**Number of shares outstanding**

171,488,297

<b>Employee Incentive Plan</b>	<b>Options</b>	<b>RSU</b>	<b>Total</b>
Vested (in mn)	7.0	0.02	7.01
WAEP (in EUR) - vested instruments	13.8	0	13.77
<b>Unvested (in mn)</b>	<b>3.5</b>	<b>1.3</b>	<b>4.78</b>
WAEP (in EUR) - unvested instruments	44.46	0	32.21
<b>Outstanding (in mn)</b>	<b>10.5</b>	<b>1.3</b>	<b>11.80</b>
<b>WAEP<sup>1</sup> (in EUR)</b>	<b>23.96</b>	<b>0</b>	<b>21.24</b>

<sup>1</sup> Weighted average exercise price



**HELLOFRESH**  
GROUP