



Hello Fresh
CAPITAL MARKETS DAY
London, 5th November 2019



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.

These materials may not be published, distributed or transmitted in the United States, Canada, Australia or Japan. These materials do not constitute an offer of securities for sale or a solicitation of an offer to purchase securities (the “Securities”) of the Company in the United States, Germany or any other jurisdiction. The Securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Securities of the Company have not been, and will not be, registered under the Securities Act. Any sale in the United States of the securities mentioned in this communication will be made solely to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the Securities Act.

In the United Kingdom, this document is only made available to and is only directed at persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”) or (ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as “Relevant Persons”). This document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

2 important Management announcements



Edward Boyes
CCO
Management Board



Uwe Voss
US CEO

1 Mission

**2 The HelloFresh Business Model:
Scale Wins!**

3 Financials

4 Segment Update

US Update
International Update

5 Sustainability



1 Mission

2 The HelloFresh Business Model: Scale Wins!

3 Financials

4 Segment Update

US Update
International Update

5 Sustainability



AT  **HelloFRESH**
WE CHANGE THE
WAY PEOPLE
EAT
FOREVER





Our mission goes far beyond the financials



On track to deliver
MORE THAN 260m MEALS
in FY 2019

▶ **Having a positive impact on**
people's lives 260m times per year ◀



Our mission goes far beyond the financials

1 BUDGET

Helping consumers to save real money with every order, 260m times per year!

"We have saved over \$300 a month in groceries because we always bought too much food. Thanks HelloFresh!"

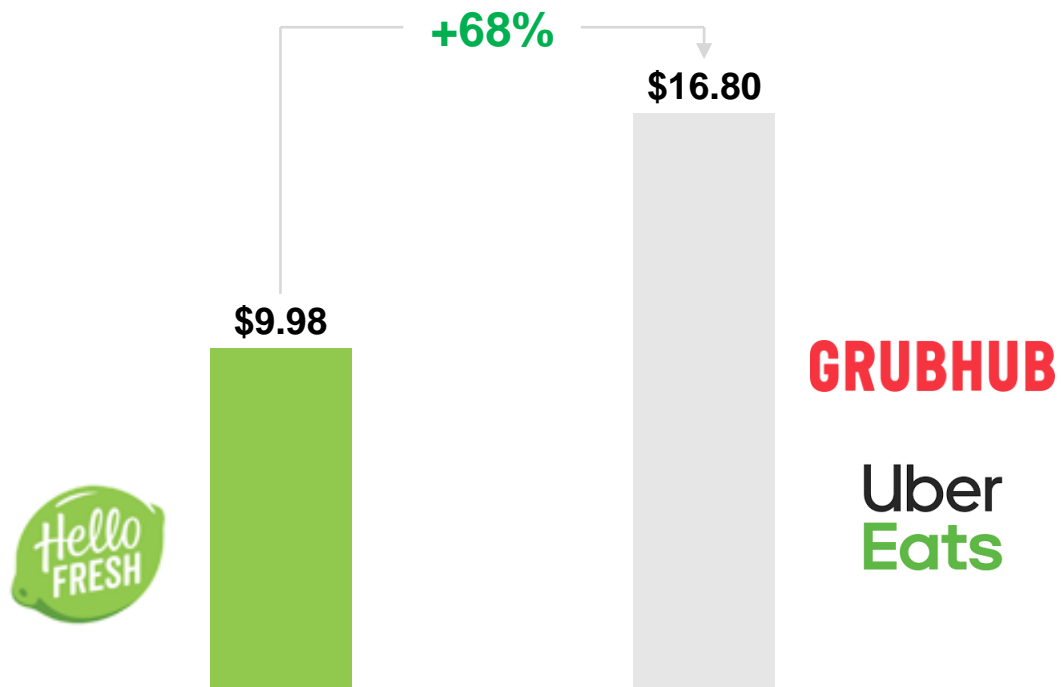
Lorri, HelloFresh Customer



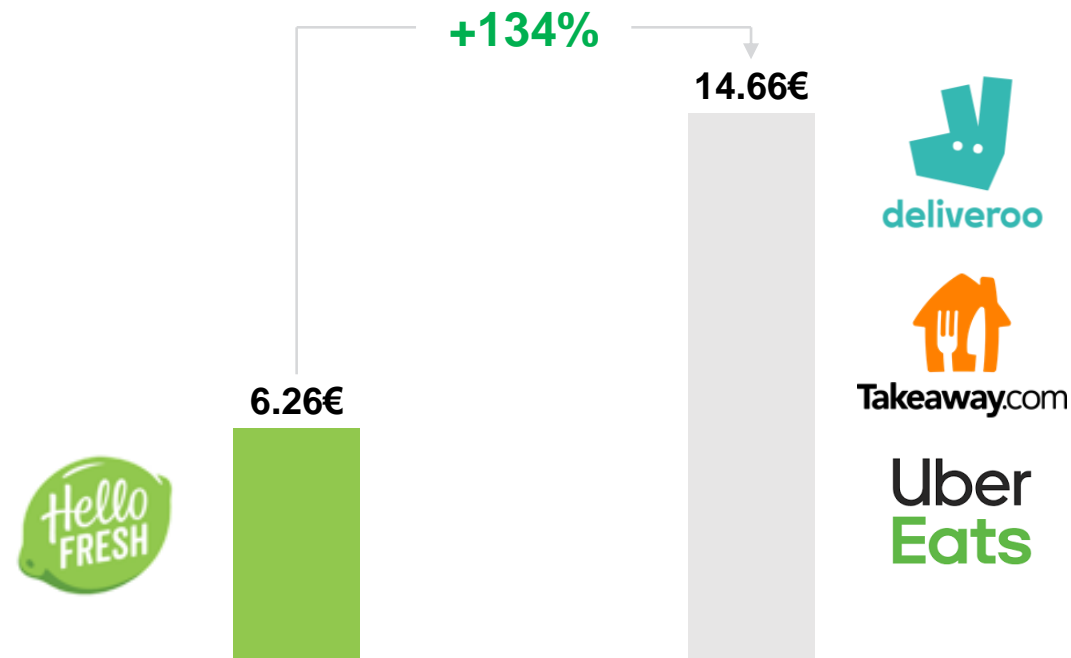


Our meals are priced for everyday

HELLOFRESH VS. TAKEAWAY, US*



HELLOFRESH VS. TAKEAWAY, INTL*



* Prices sampled for a period of 3 weeks, Oct. 2019. Each week, 5 HelloFresh meals were compared with corresponding meals from a delivery service. In the US, UberEats in New York and Dallas, GrubHub in Los Angeles, were examined. In international markets, Lieferando in Berlin, UberEats in Sydney, Deliveroo in London and Thuisbezorgd in Amsterdam, were examined. To avoid price biases, the most expensive and cheapest restaurant categories were excluded, and max. 3 dishes have been considered from the same restaurant. All prices incl. delivery fees, taxes, other charges and excl. discounts.



Our mission goes far beyond the financials

2

HEALTH

Democratizing access to healthier and more nutritious meals at the scale of 260m times per year!

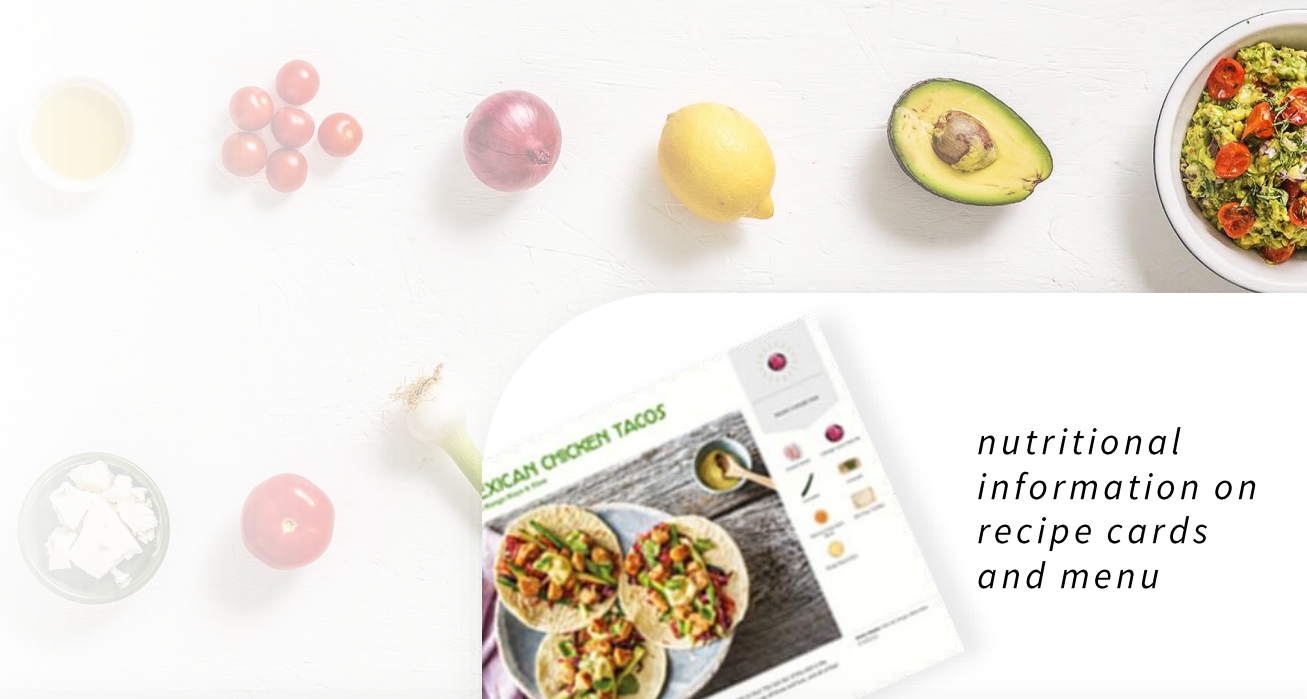
700¹ Kcal = recommended for dinner

700² Kcal = HelloFresh meals average



1 200³ Kcal = UK average dinner intake

1 300³ Kcal = US average dinner intake



nutritional information on recipe cards and menu

“Now dinner means preparing fantastic meals that are healthy and fresh. Not only does it feel better – for our wallet and our waistlines – but it’s far more satisfying and fun. Thank you HelloFresh!”

Melissa, HelloFresh Customer

1. Based on recommendation from HHS.gov - U.S. Department of Health & Human Services
2. Average for 2019 recipes in UK and US
3. Based on FAO estimation of calories intake, 35% of daily energy being consumed in Dinner (US National Health and Nutrition Examination Survey)



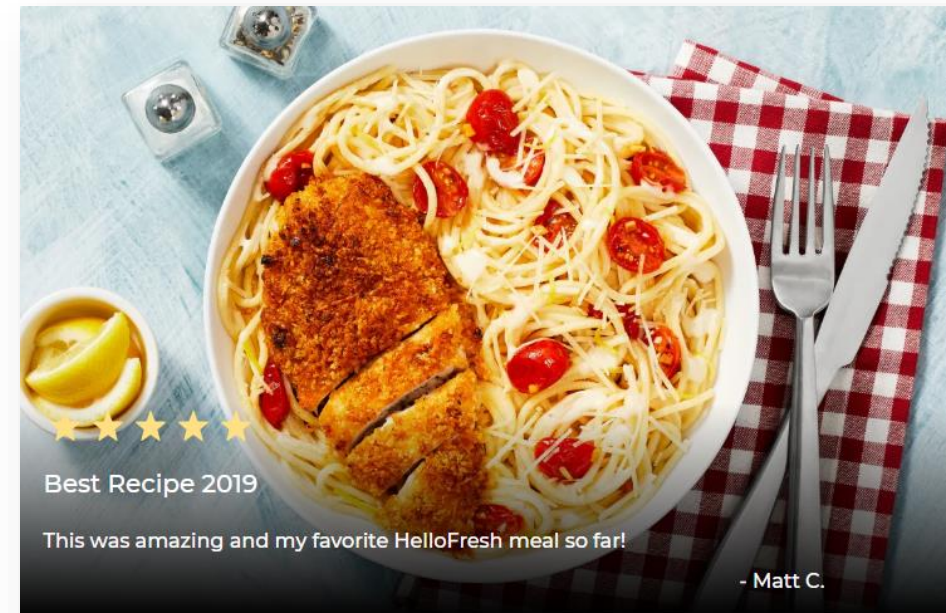
Our mission goes far beyond the financials

3

TASTE

Providing families and couples 260m opportunities per year to enjoy a varied and tasty diet!

Best Meal Delivery Service HelloFresh wins reader vote



Best Recipe 2019

This was amazing and my favorite HelloFresh meal so far!

- Matt C.

HALL OF FAME ⓘ

Parmesan-Crusted Chicken with Creamy Lemon Tomato Spaghetti

"HelloFresh gives us the chance to cook new meals together ... it has literally changed our lives and freed up time we really needed"

Julie, HelloFresh Customer



Our mission goes far beyond the financials

4

SUSTAINABILITY

Supporting a better food ecosystem and reducing environmental impact on 260m occasions per year!



“Results indicate that, on average, grocery meal greenhouse gas emissions are 33% higher than meal kits [...].”¹

University of Michigan Study



OUR PLANET



OUR COMMUNITY



OUR PEOPLE



Our mission goes far beyond the financials



> 260m TIMES

impacting society in a positive way

- 1 BUDGET
- 2 HEALTH
- 3 TASTE
- 4 SUSTAINABILITY

1

Mission

2

The HelloFresh Business Model: Scale Wins!

3

Financials

4

Segment Update

US Update
International Update

5

Sustainability



The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

Long-Term
Sustainable
Growth

4

High
Profitability

The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

Long-Term
Sustainable
Growth

4

High
Profitability



The food market represents a huge, largely untapped opportunity that will massively benefit from offline-to-online tailwind

US\$

2018 Global food market

8.7 tr¹

2018 Online

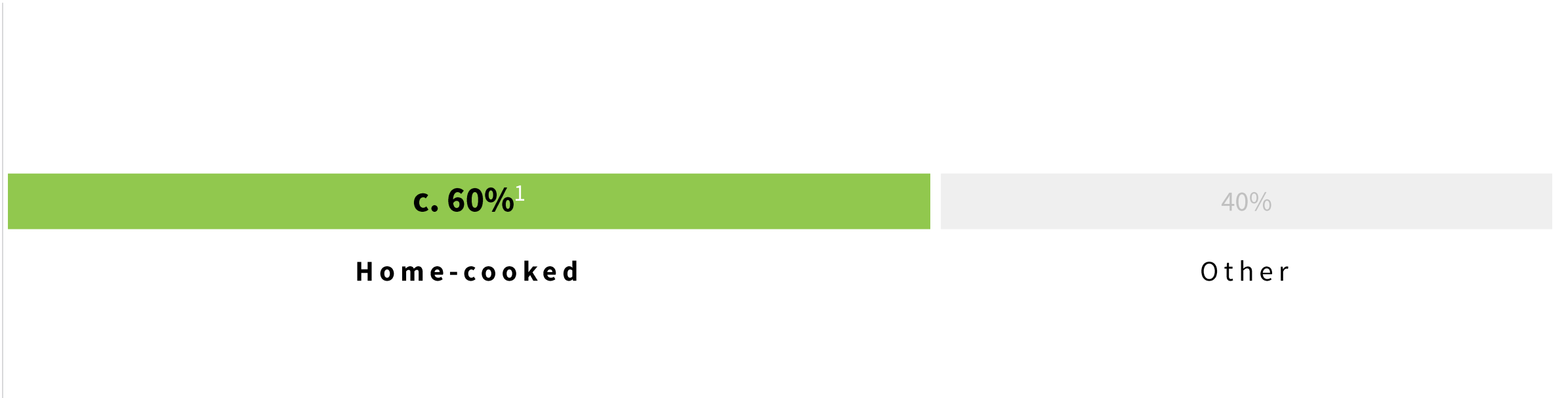
250 bn²

1. Plunkett Research 2018, "Global Food Industry Statistics and Market Size Overview, Business and Industry Statistics"

2. Statista 2019, "Revenue Forecast for the Online Food Delivery Market Worldwide"; IGD Research 2018, "Leading global online grocery markets"; Management Estimate



Home-cooked dinners represent by far the most frequent meal occasion





Home-cooked meals will grow in share according to consumer sentiment

More frequently About the same Less frequently

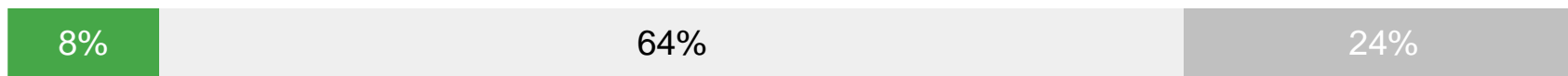
Preparing Meals at Home



Meal Delivery



Dining out



Ipsos Market Research; Main Markets: BE, UK, CA, GER, AU, FRA, US, SE ; Results may not sum to 100% or may be 1 point higher/lower than the actuals due to rounding, multiple responses or the exclusion of don't knows or not stated responses



Right now only a small share of home-cooked dinners is purchased online

Share of online from home-cooked meals



6%



2%

Online Players



ocado



Online¹ % today



Both online grocers and meal kits are expected to continue growing significantly in the next decade

Share of online from home-cooked meals



6%

20% in 2025



2%

10% in 2025

Online Players



ocado



Online² % 2025

Online¹ % today

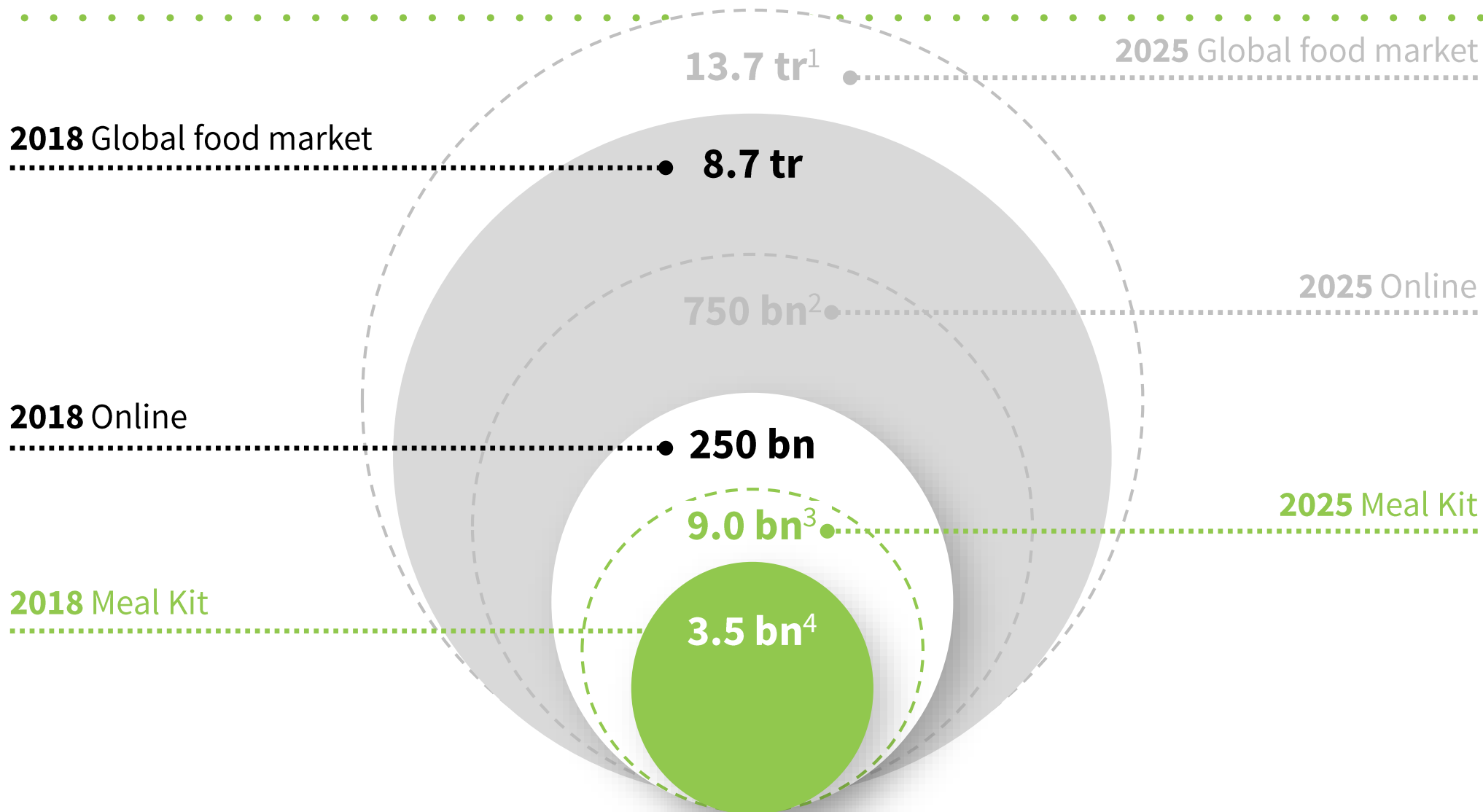
1. Brick Meets Click 2018, "How the online grocery market is shifting"; IGD 2019, "Retail in 2025"

2. Nielsen and FMI (2017) "The Digitally Engaged Food Shopper Study"; Foley Retail Consulting, "Can online grocery retailing be profitable?"



The expected offline to online shift will open up large opportunities for all online players

US\$



1. Global Data 2019, "Global & Regional Food & Grocery Retailing", assumed linear CAGR to 2025 2. Frost and Sullivan 2019, "Future of Global Online Food Delivery Services Market"; IGD Research 2018, "Leading global online grocery markets", assumed linear CAGR to 2025; Hexa Research 2019, "Global Meal kit Delivery Service Market Size And Forecast" 3. Hexa Research 2019, "Global Meal Kit Delivery Service Market Size And Forecast" 4. Management Estimate

The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

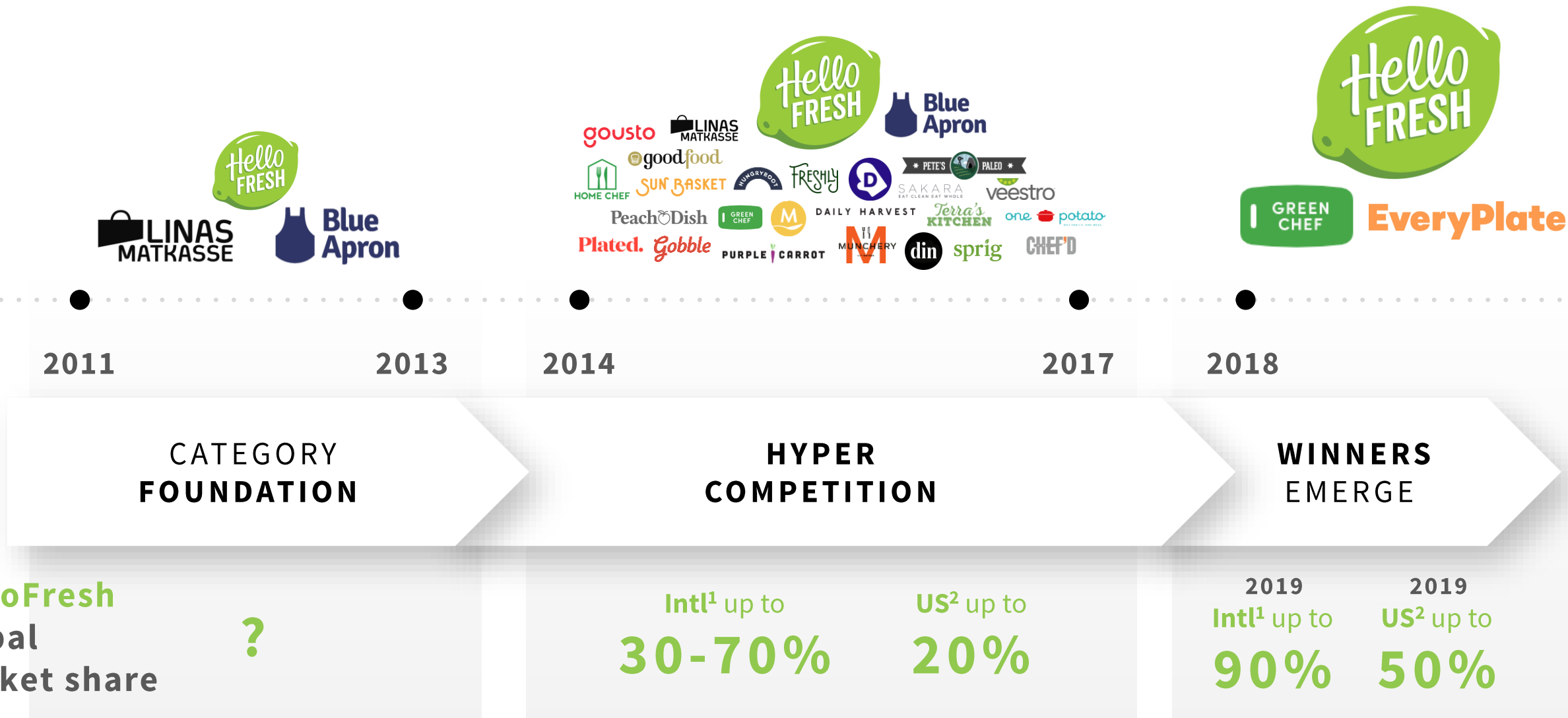
Long-Term
Sustainable
Growth

4

High
Profitability



Some historical context: The meal-kit market from inception till today



1. Company estimation
2. Historic TXN data

A collage of fresh ingredients including tomatoes, lemons, herbs, and spices. The background features a wooden surface with various items: a red tomato, a yellow lemon, green herbs, and packets of spices like CINNAMON, SUGAR, and SUGAR. A blue bowl with a salad is also visible. The text "What drove our success to date?" is centered in a green, bold, sans-serif font.

**What drove our
success to date ?**



EXECUTION + EXCELLENCE

requested at every step of the value chain

“ Like a world class athlete,
in complex systems & markets,
every single muscle needs to perform in
order to succeed! ”



Our value chain is complex and hard to replicate

- Direct to grower network
- End-to-end IT integration of procurement platform



DIRECT SOURCING



FOOD MANUFACTURING

- Majority done by 3PL, some in-house
- Suite of propriety tech tools to optimize cost, carrier & utilization



DISTRIBUTION

- Engaging content
- High customer loyalty & repeat rates

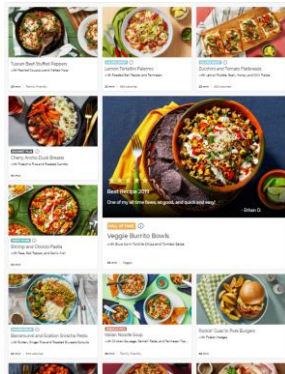


CUSTOMER ACQUISITION

- Brand building
- In-house D2C growth engine at scale, driven by highly costumed MarTech tools



CUSTOMER RELATIONSHIP MANAGEMENT

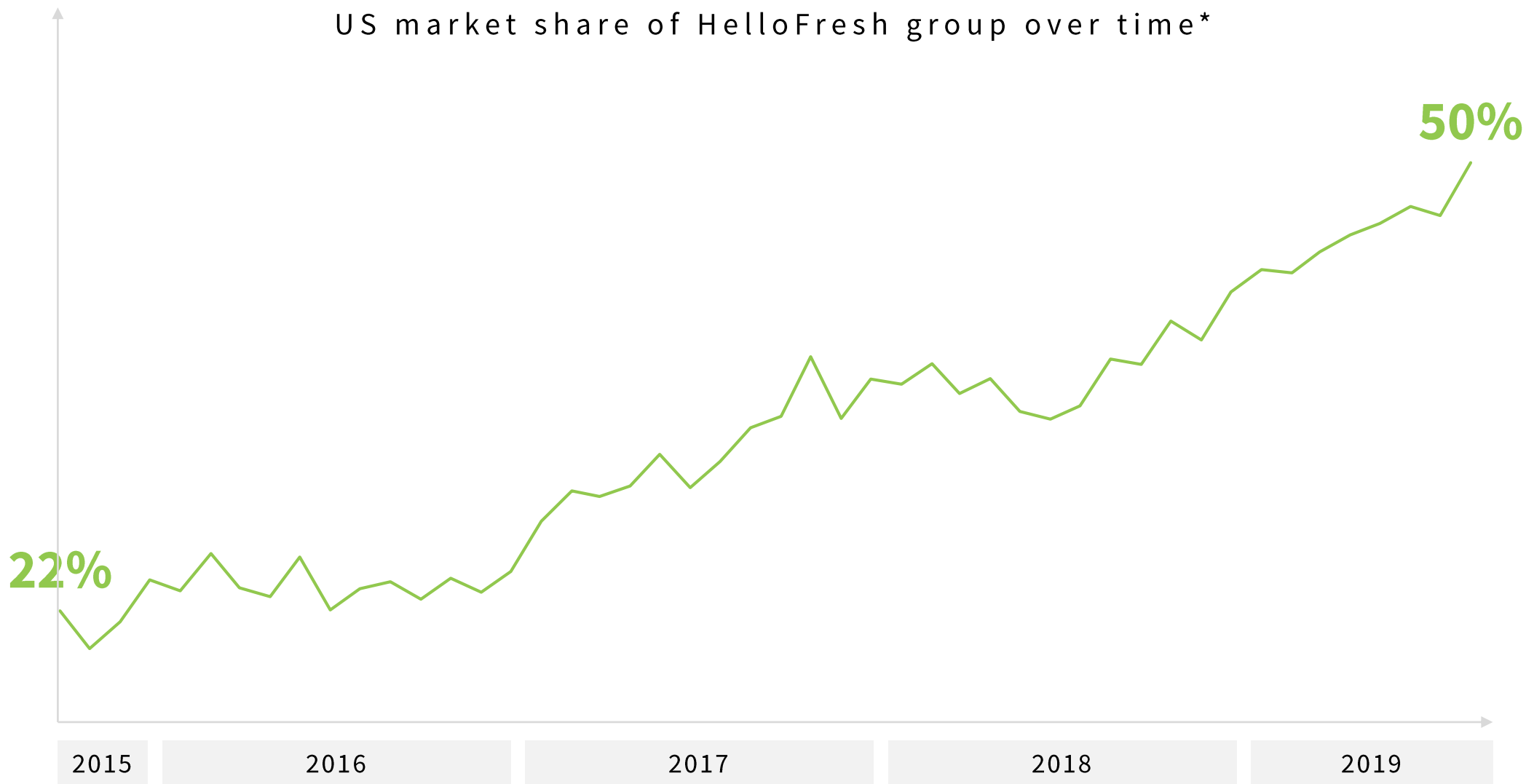


PRODUCT DESIGN

- Data driven Menu Planning
- Stage-gated recipe development process

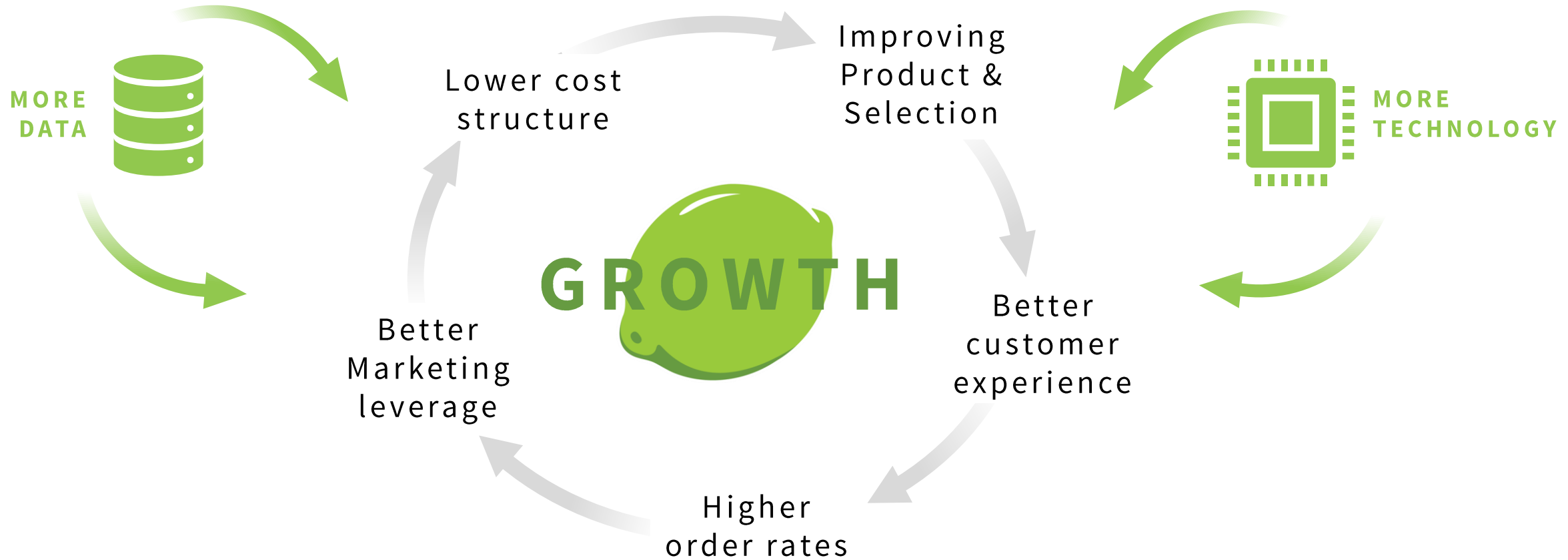


Excellence in execution provides a great cumulative effect over time rather than a one-time step change






The flywheel effect we created allows us to scale much more efficiently over time



 **STRONG BALANCE SHEET**

ACCESS TO THE BEST TALENTS 



Over the last 8 years, we have created significant “barriers to entry” and “barriers to scale” against potential new entrants



8 years of data collection & software development investments - powering all functions of the business with proprietary data, tools and algorithms



c. 130 €m* of Capex investments - into state-of-the-art Manufacturing Site Network



c. 60% aided Brand Awareness - created by > 500 €m in Marketing and Advertising investments



4 years head start on Supply Chain Automation Technology - explicitly designed for the meal kit business and its intricacies



Integrated Network of > 1000 suppliers globally - allowing us to procure directly at source for better cost & quality



While we ensure end-to-end control over the complex meal kit value chain, potential new entrants are missing key capabilities

VALUE CHAIN



PRODUCT DESIGN



DIRECT SOURCING



FOOD MANUFACTURING



DISTRIBUTION



CUSTOMER ACQUISITION



CUSTOMER RELATIONSHIP



ONLINE GROCERS



RETAILERS



FOOD DELIVERY



The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

Long-Term
Sustainable
Growth

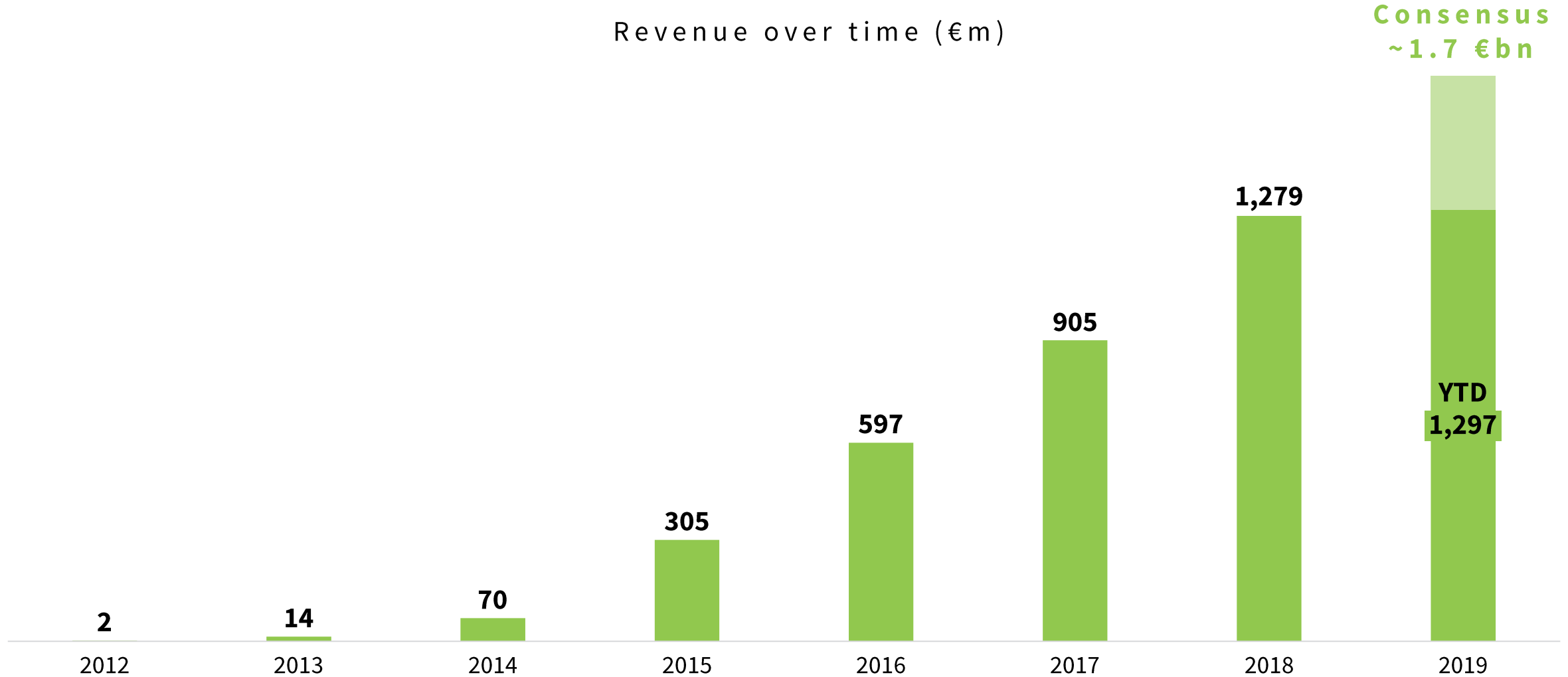
4

High
Profitability



Our business has grown very strongly, while continuously expanding margins

Revenue over time (€m)



Audited IFRS financials for FY2012, FY2013, FY2014, FY2015, FY2016, FY2017, FY2018, Q3 2019 Financial Statement for 2019 YTD Consensus for FY 2019



We have achieved this growth by consistently following the 3 pillars of our Growth strategy

1 TAM penetration

- 2 TAM expansion**
- **Geographic** expansion
 - **Product** expansion

3 Better monetization of customers

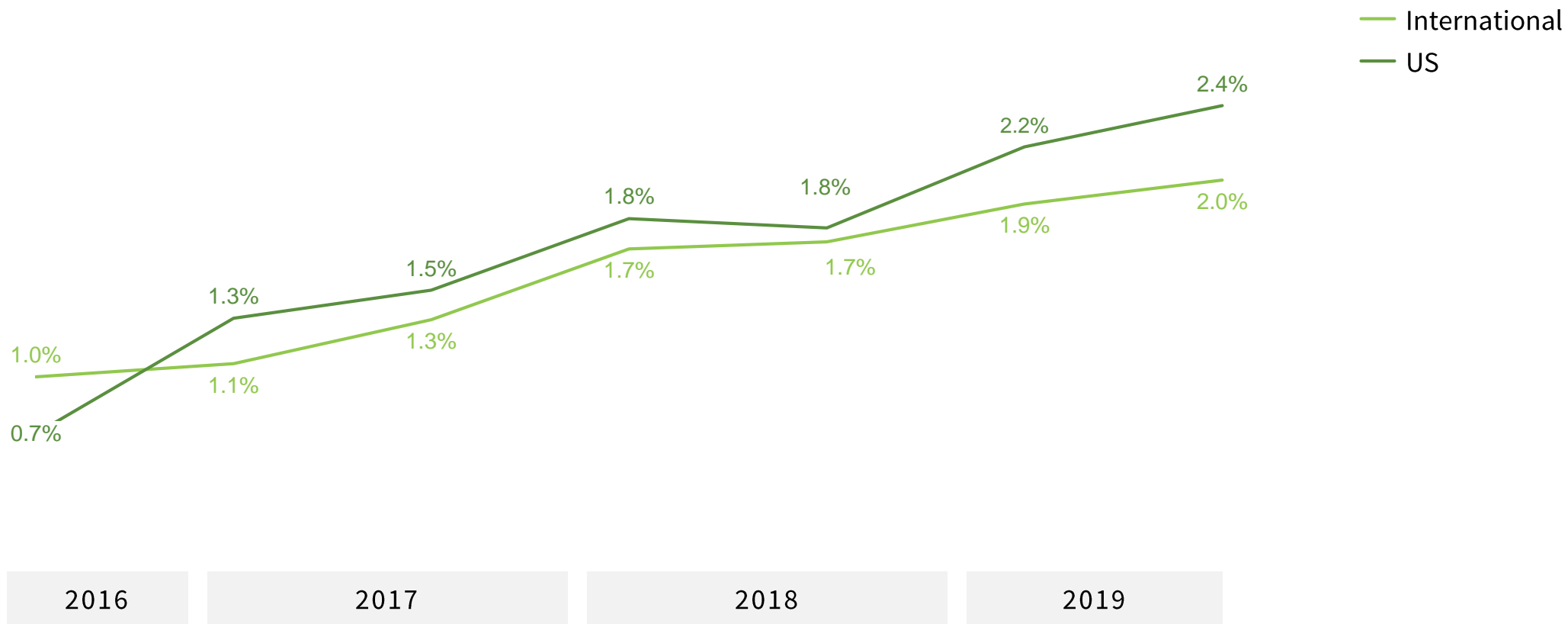
GROWTH DRIVERS

GROWTH & PROFITABILITY DRIVER



While we have massively increased penetration in all markets, there is still a huge untapped penetration opportunity left

Active customers¹ vs households² over time

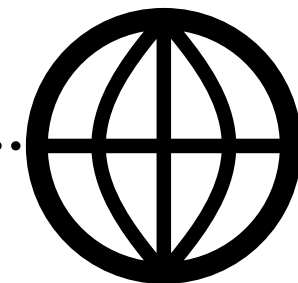
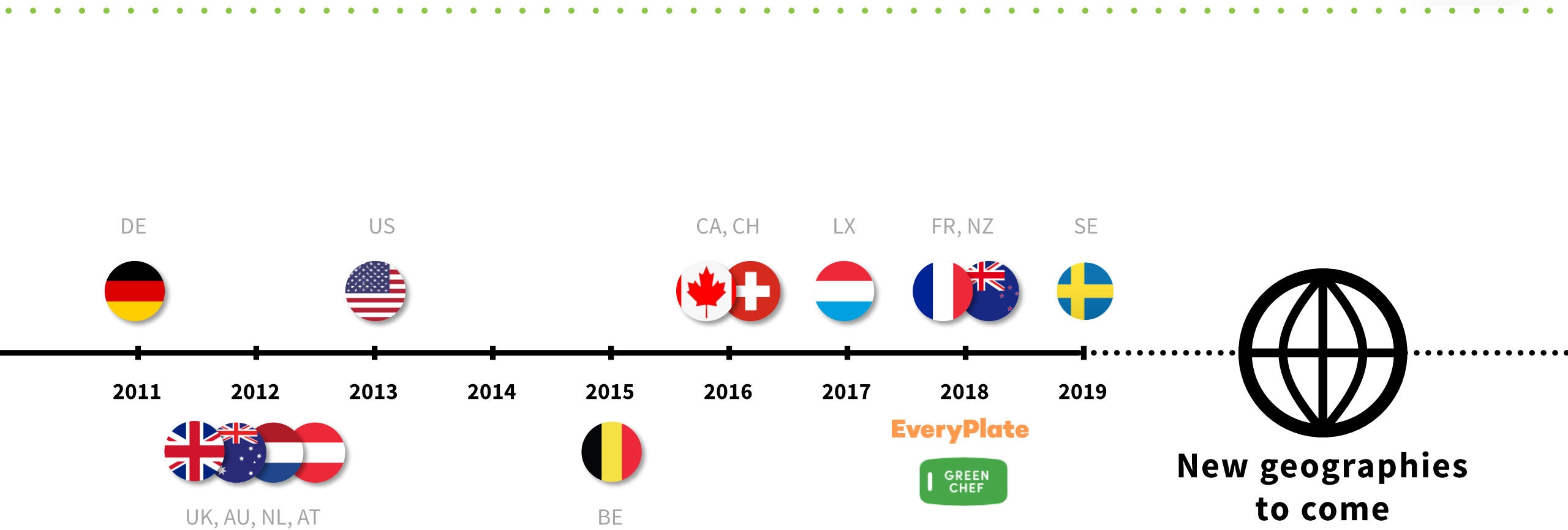


1. Active customers refers to number of uniquely identified customers receiving at least one box within the last three months (including first-time customers, customers receiving free or discounted box and customers who ordered during the relevant period but cancelled their subscription before period end)
2. International: Top 40% income households; US: Top 50% income households



Launching new Geographies helps us to expand the TAM while following a proven playbook

TAM expansion 1 2 3



New geographies to come



As we continuously improve our Product range & service levels, our TAM gets significantly bigger over time

TAM expansion



Price differentiation

EveryPlate



Meal Selection

From 3 recipes per week to >20 recipes per week



Service Levels

From 10 days (2012) order-to-first delivery to 3 days (2019)

TAM is dynamic, not static!



We continue to systematically build out new verticals and additional growth legs

Illustrative only



The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

Long-Term
Sustainable
Growth

4

High
Profitability



Profitability increases with higher maturity in each market

7+
years

Group of most seasoned countries



Group generating **significant EBITDA**

4-6
years



breaking-even **after c. 5 years**

0-3
years



EveryPlate



Depending on **the maturity of the market**, we see a difference in contribution margin, marketing investment and AEBITDA margin



At customer level, we see highly predictable and consistent patterns, giving us great confidence in long-term profitability and ROI

$$\text{Customer Profitability} = \frac{\text{AOV} \times \text{(Marginal) Contribution Margin} \times \text{Order Rate}}{\text{CAC}}$$

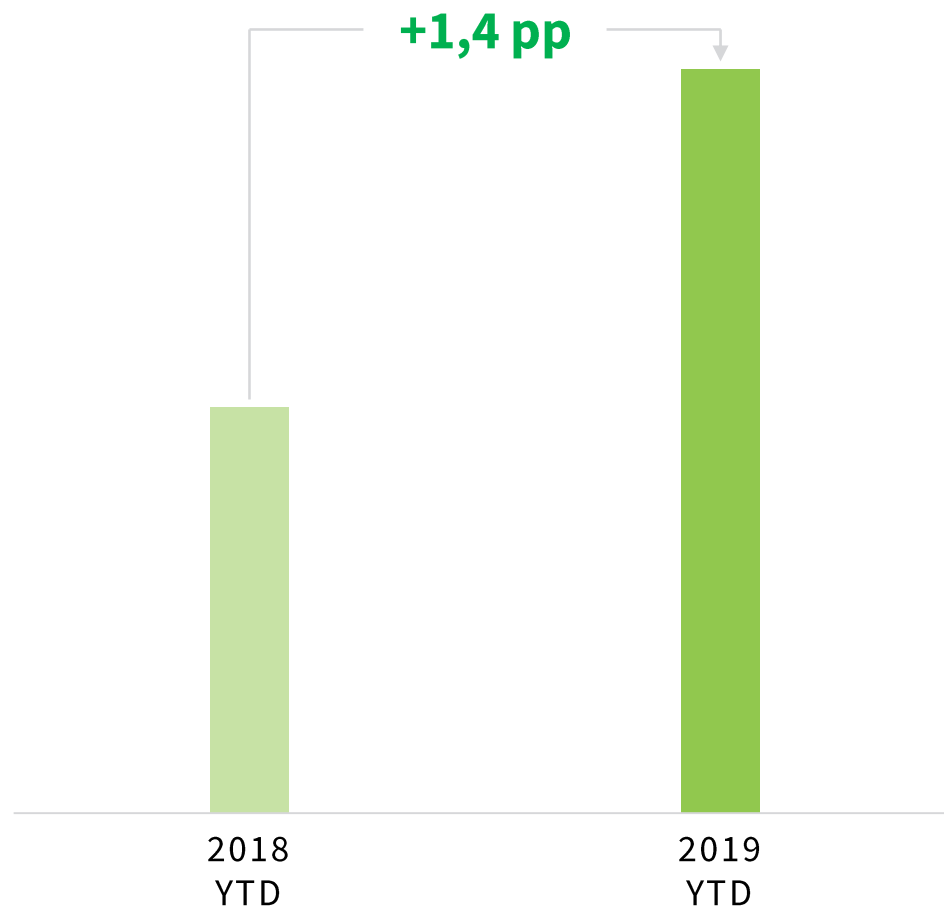
Profit over time

Upfront investment



Providing an attractive upselling portfolio is a powerful driver for both growth & profitability

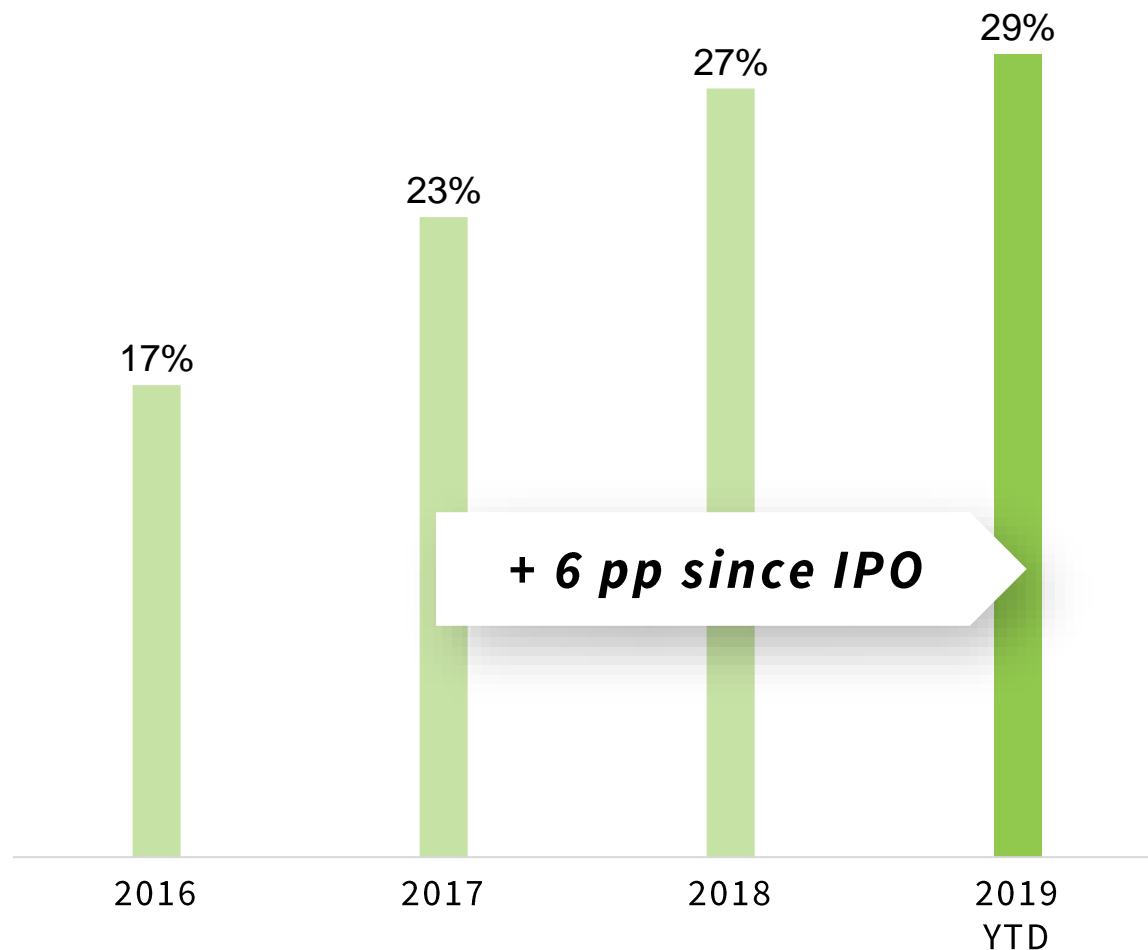
Share of Revenue generated by upselling portfolio





With scale & automation, we have significantly improved our cost base, driving up customer profitability over time

Contribution Margin (% of Revenue)





As a result of product and service level improvements, we see order rates for new customers improving

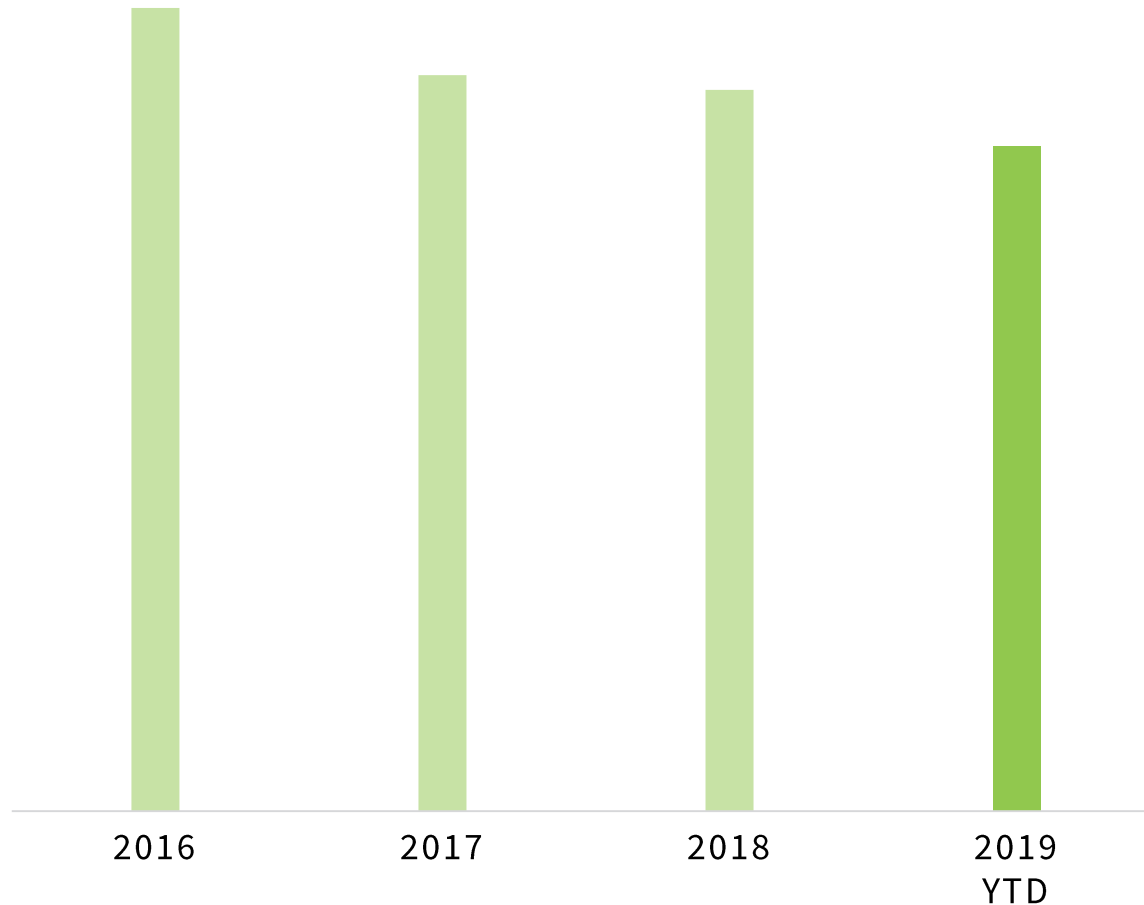
YTD Number of Orders per New Customer
(2018 vs. 2019 yoy comparison)

+ 11%



Customer Acquisition Costs have benefitted from higher Brand Awareness and better utilization of Data

Customer Acquisition Costs (€)

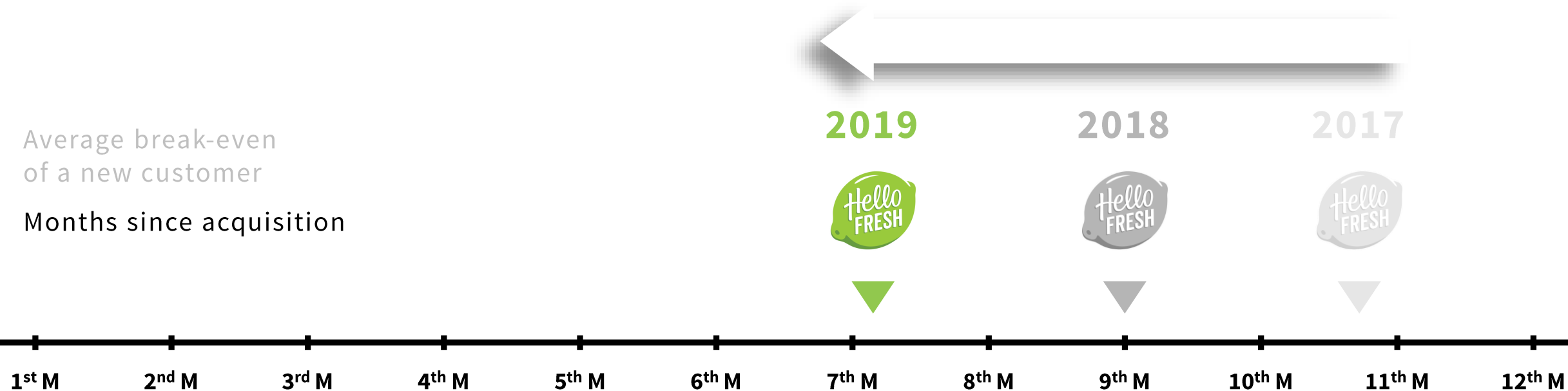


c. -10%
(2016 vs. 2019 YTD)



As a result we have consistently brought forward our payback periods, currently projected at 7 months

Average break-even
of a new customer
Months since acquisition





Going forward, we see lots of potential to further improve all drivers of the customer profitability equation



CAC

- Higher Brand Awareness
- Additional automation of advertising solutions



AOV

- Better monetization via cross & upsell portfolio



Contribution Margin

Margin expansion through

- Economies of scale
- Higher sophistication of tools landscape
- Higher forecasting accuracy



Order Rate

Order rate improvement due to

- Increased choice
- Better service levels
- More customization options

The HelloFresh Business Model: Scale Wins!

1

Large
TAM

2

Limited
Competition

3

Long-Term
Sustainable
Growth

4

High
Profitability

1

Mission

2

The HelloFresh Business Model:
Scale Wins!

3

Financials

4

Segment Update

US Update
International Update

5

Sustainability





Recap of Q3 performance

Selected underlying financial drivers

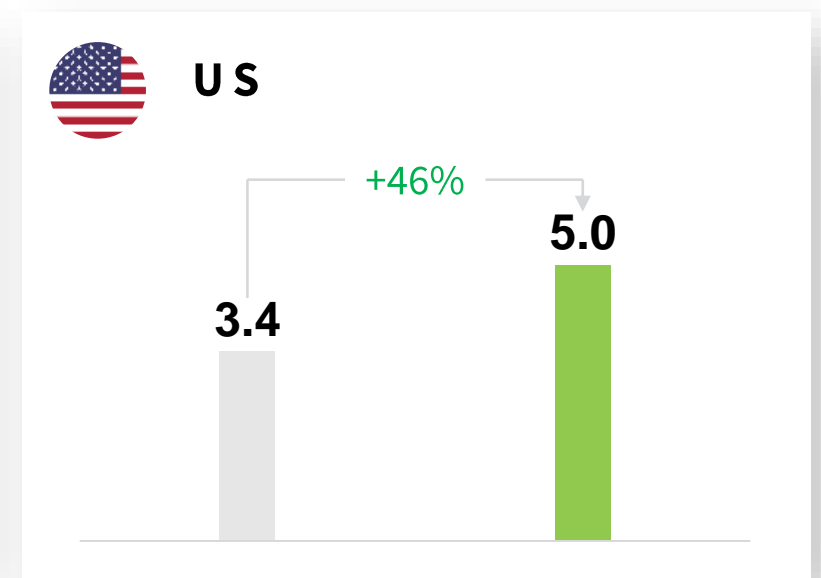
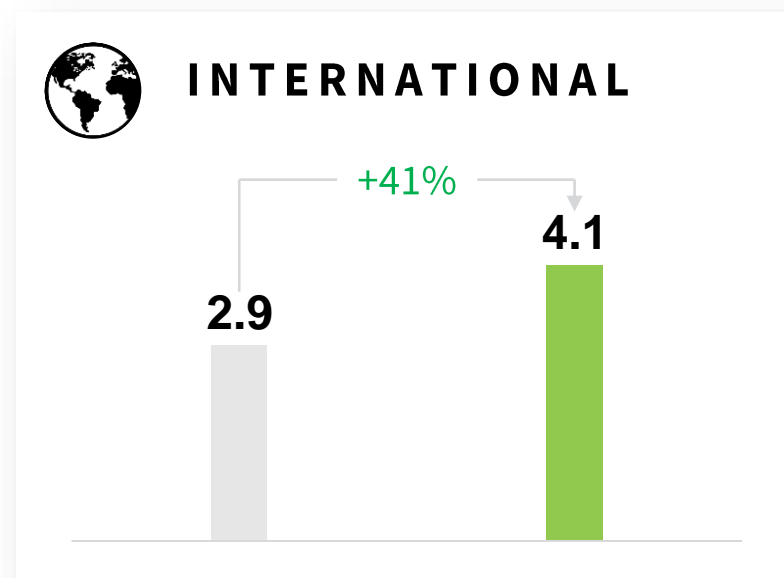
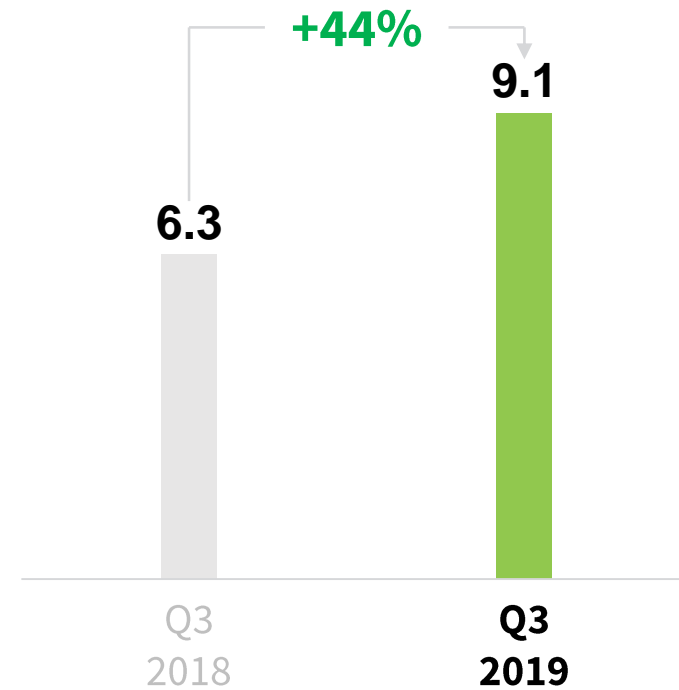
Q3 Orders

in millions

Strong growth in orders delivered

US: reacceleration driven by strong performance across all three brands

Intl: maintains high yoy growth rate



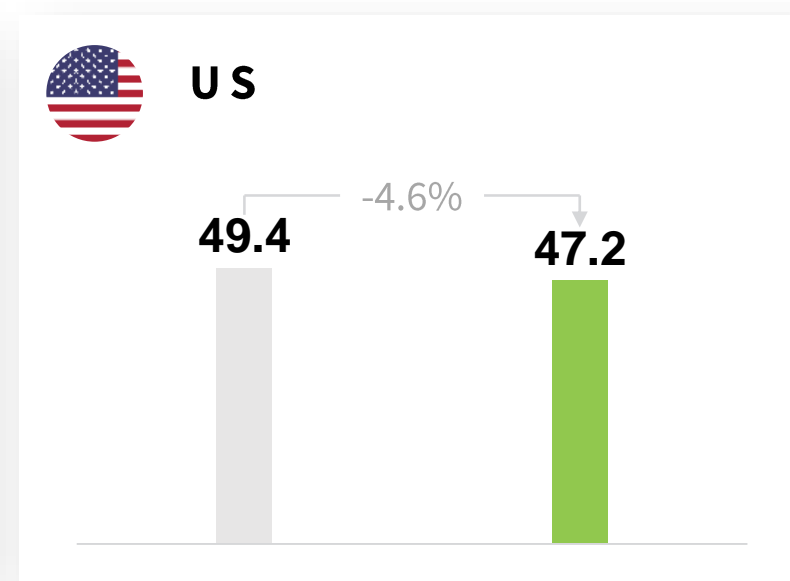
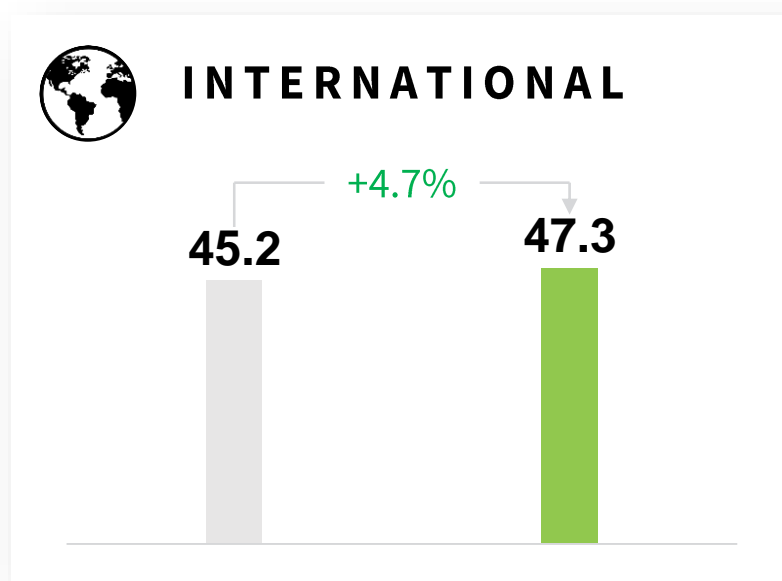
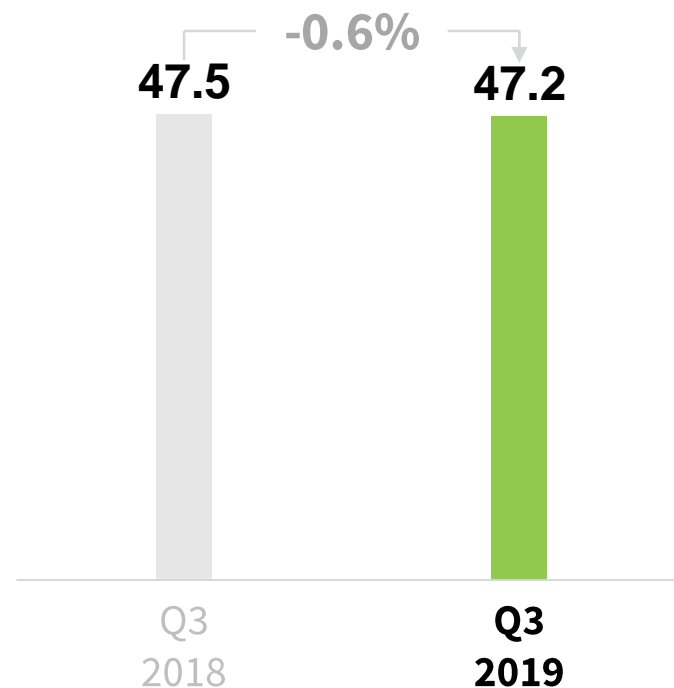
Q3 AOV Constant Currency

in €

Average Order Value yoy stable, despite last year's price investments

Price investments implemented Q4 last year
Optimized discount policy

Largely offset by increased take-up of upselling offerings



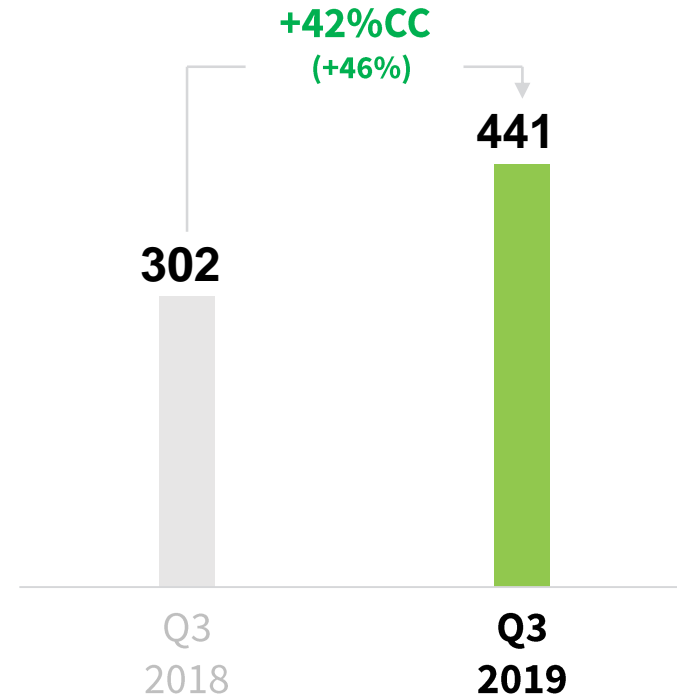
Q3 Revenue

in €m

Biggest Revenue quarter ever, despite typically slow seasonality in Q3

Strong yoy growth in both segments during the summer and especially in September

Accelerating growth in the US is a key driver



INTERNATIONAL



US



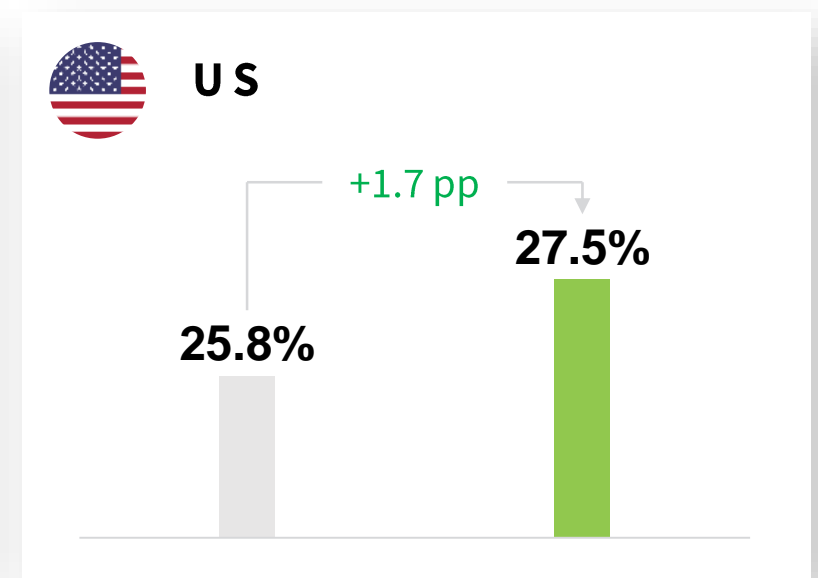
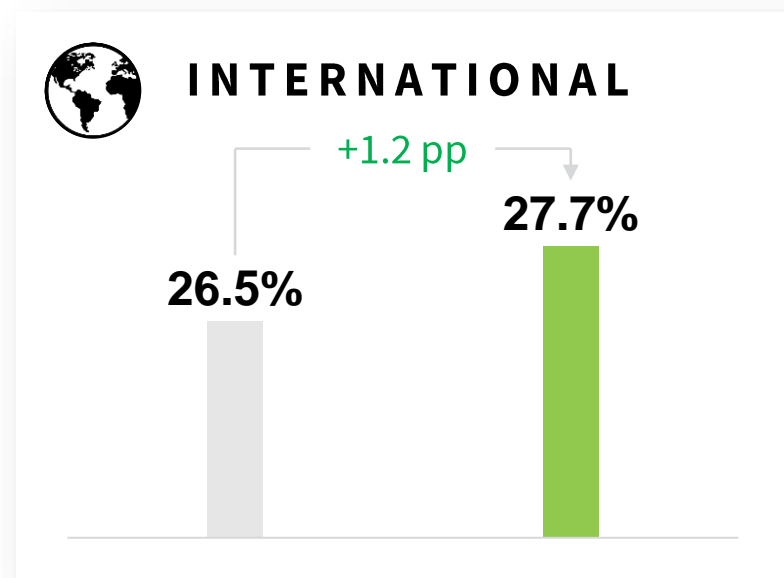
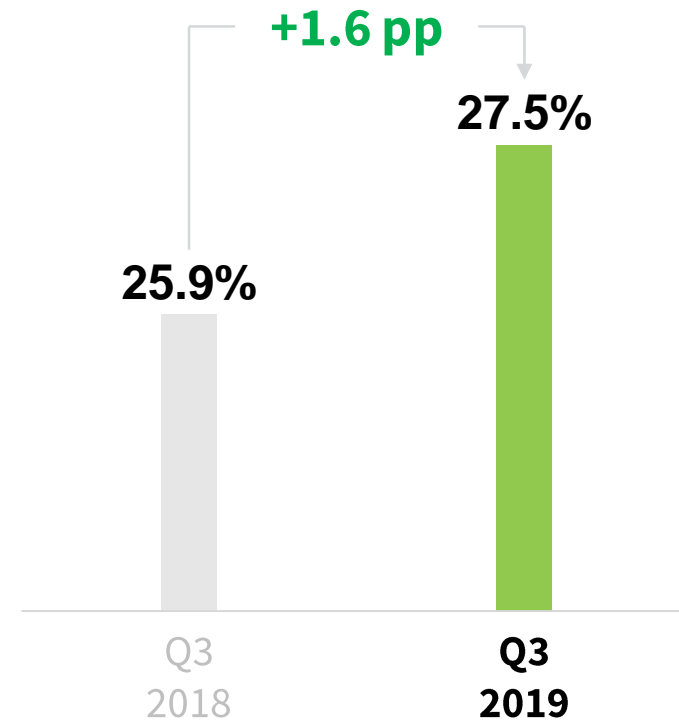
Q3 Contribution Margin¹

% of Revenue

Seasonally down,
but strong yoy expansion

Continued yoy expansion
in both segments

COGS efficiencies continue
to drive margin expansion



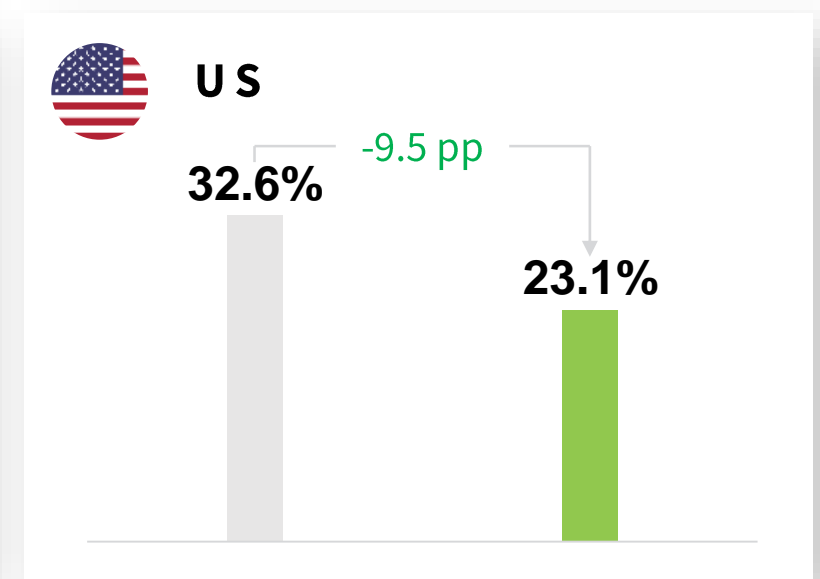
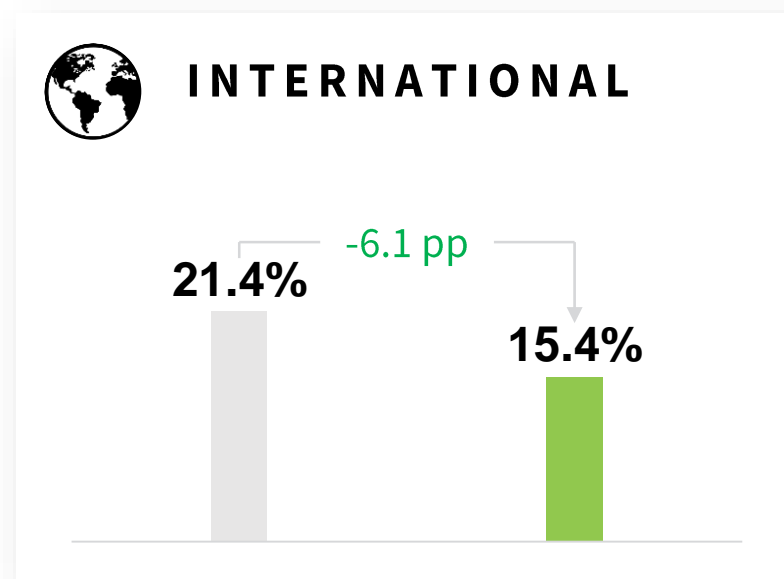
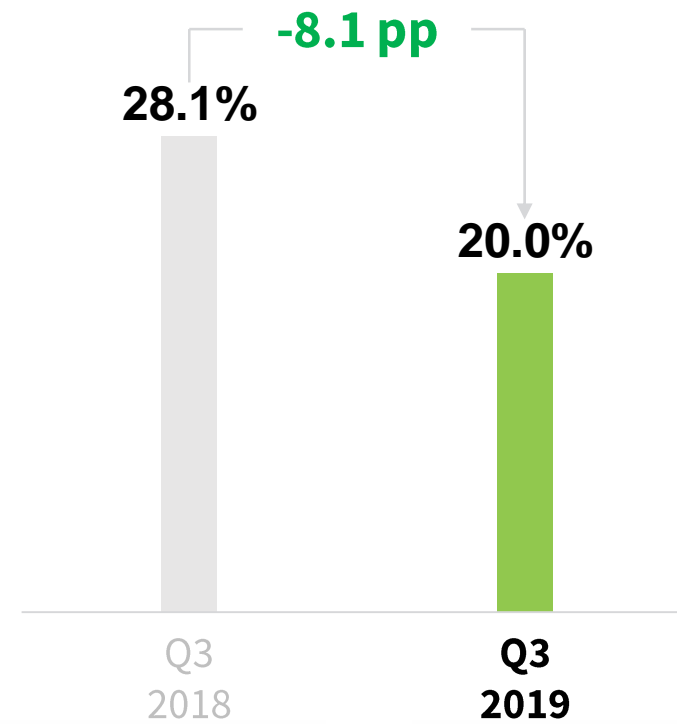
Q3 Marketing¹

% of Revenue

Significant marketing leverage, despite strong customer growth

Attractive CACs achieved during Q3 across most markets

Mix shift from paid marketing to price investments

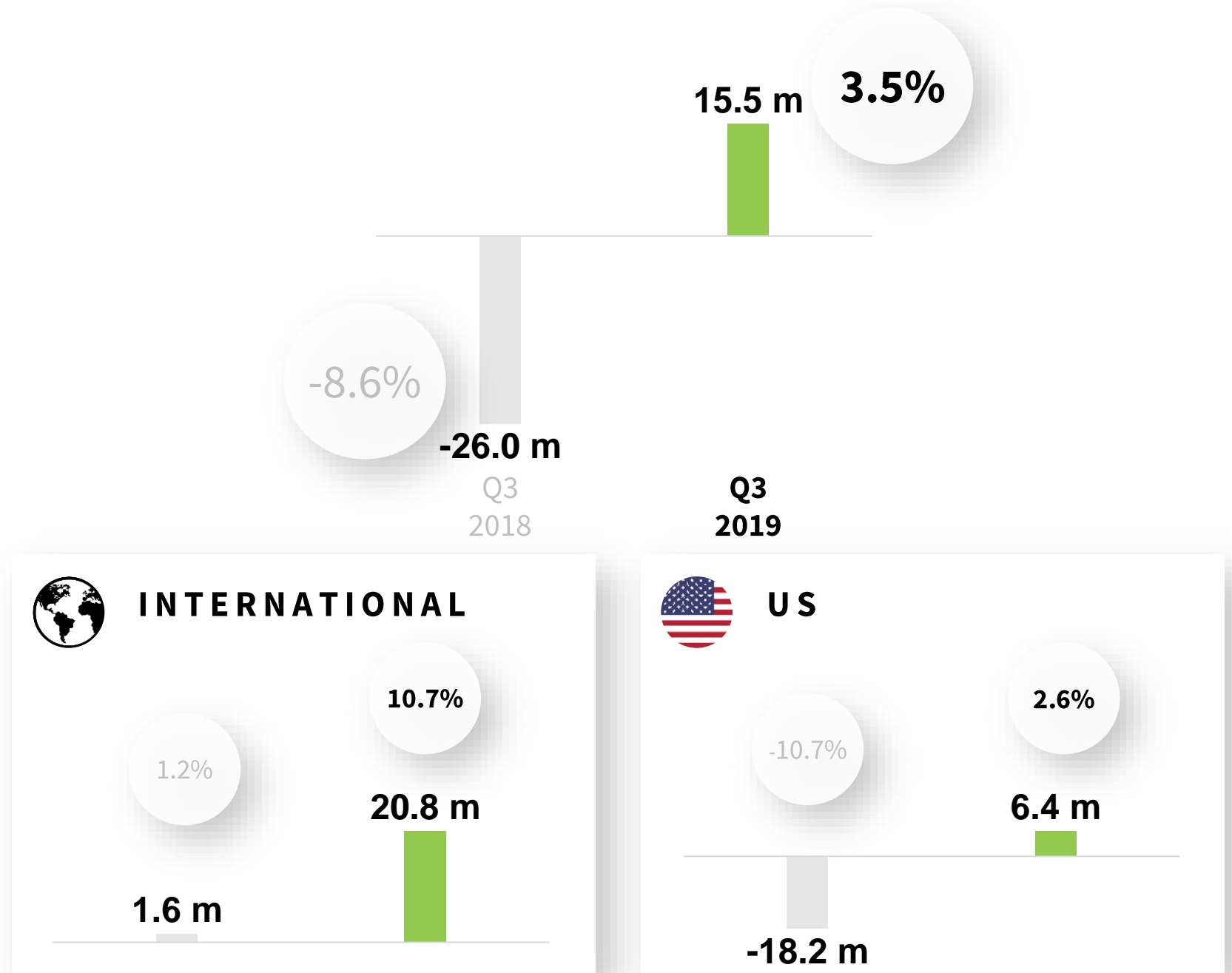


Q3 AEBITDA

In €m and % of Revenue

Meaningfully positive AEBITDA despite seasonality

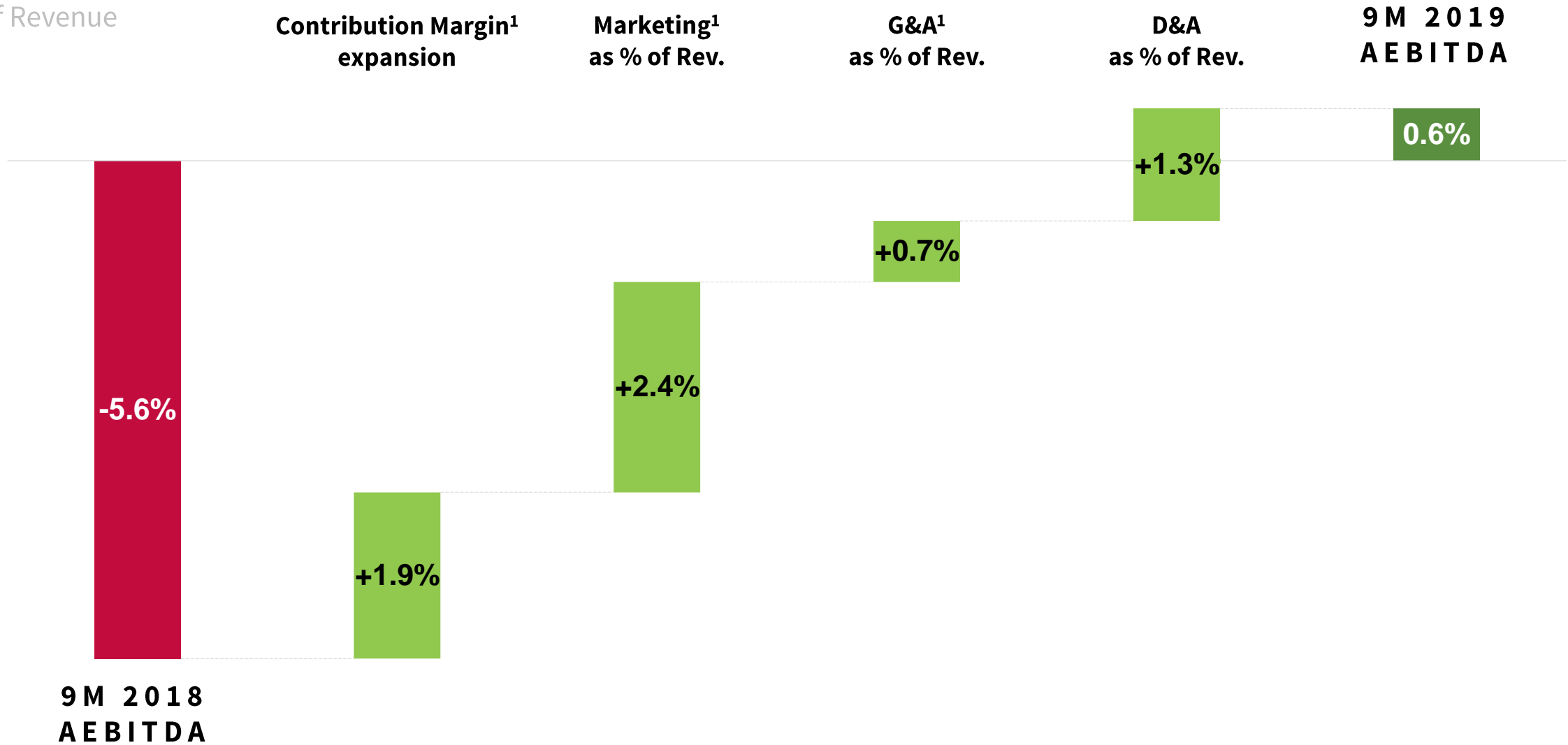
AEBITDA positive on Group level as well as in both segments





What has driven our margin expansion in the 9 months to date ?

% of Revenue



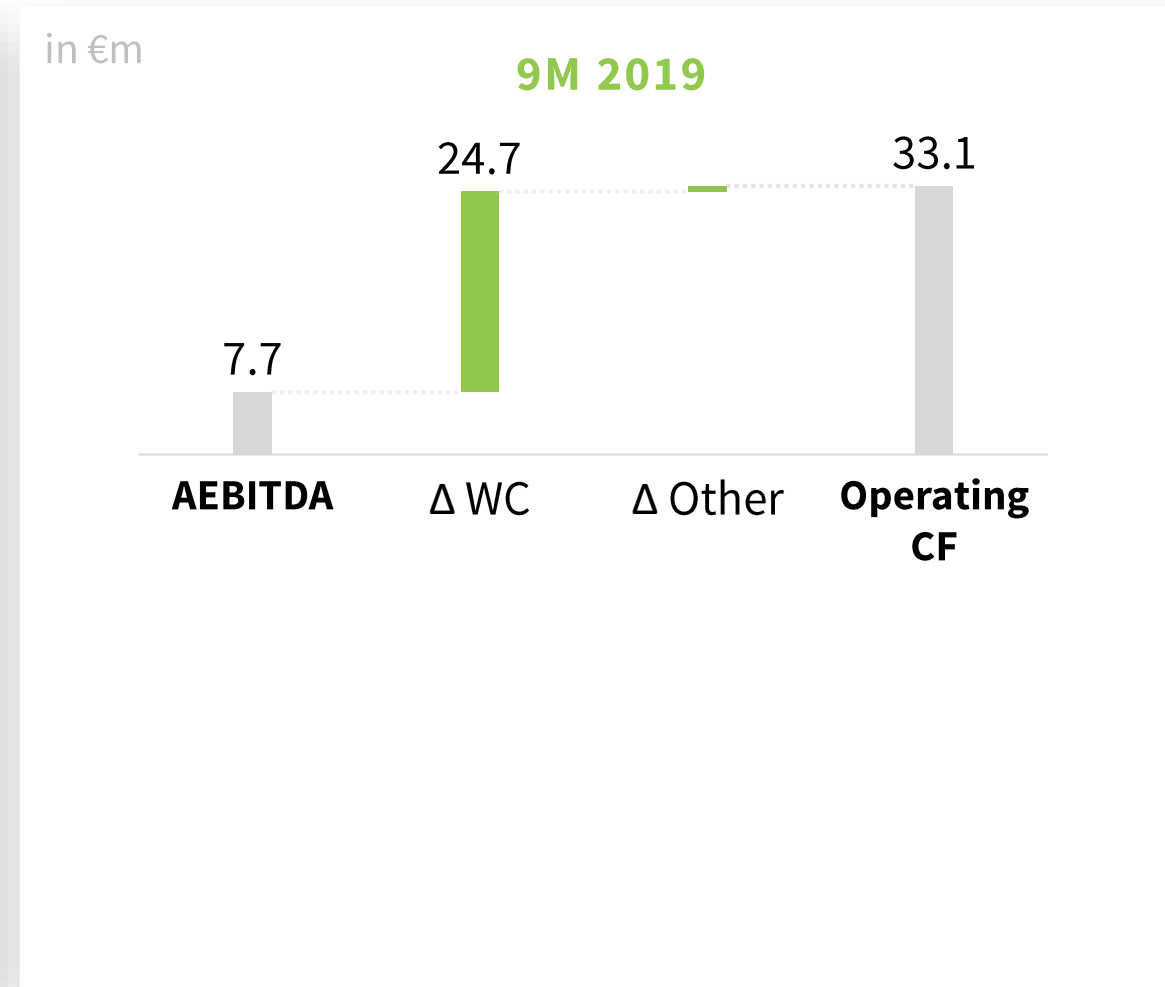
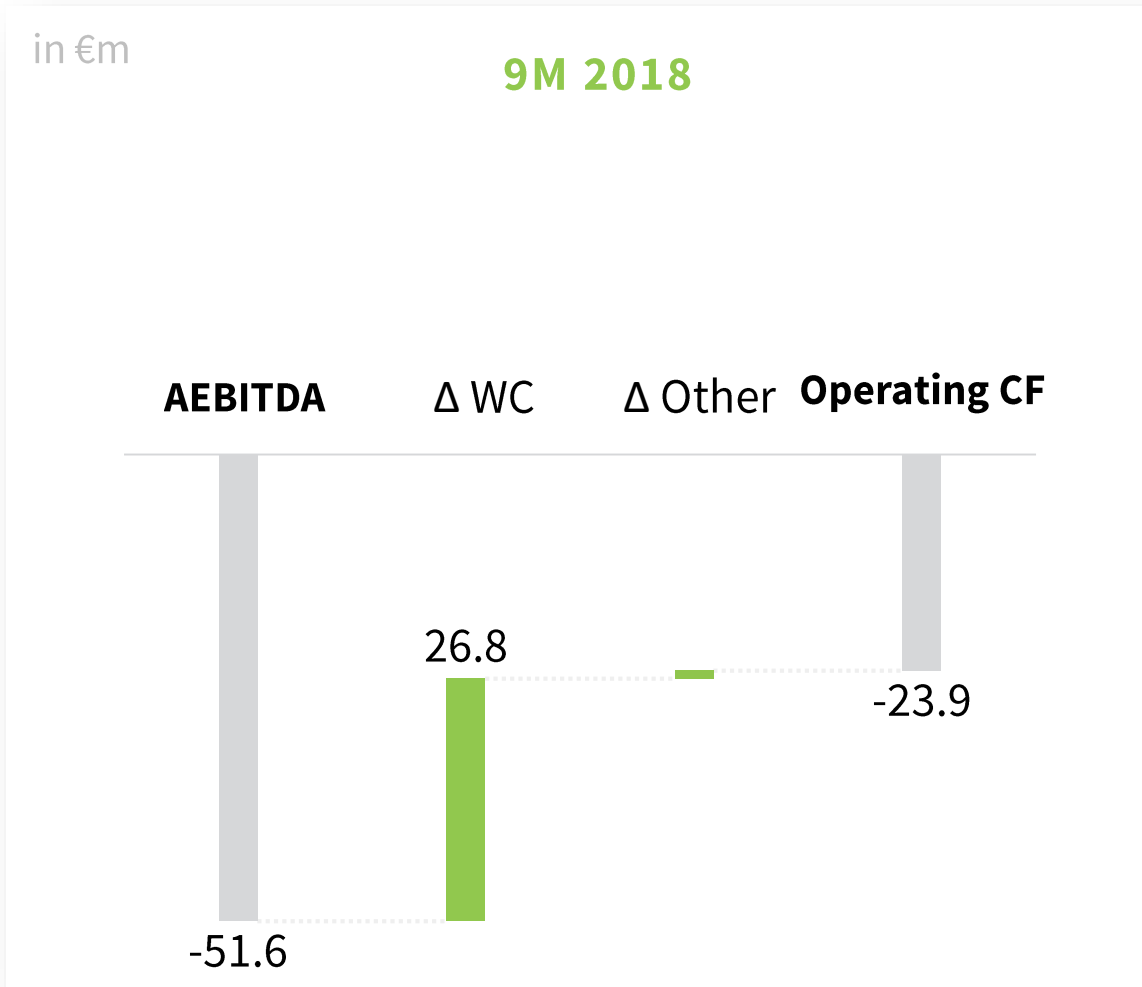


2019 full year guidance update

	Initial Guidance (Mar. 2019)	Narrowed Guidance (Aug. 2019)	Increased Guidance (Nov. 2019)
Const. Currency Rev. growth	25% - 30%	28% - 30%	31% - 33%
Contribution margin	> 27.0%	28.0% - 29.0%	28.0% - 29.0%
AEBITDA margin	(2.0)% - 1.0%	(1.0)% - 1.0%	0.50% - 1.75%

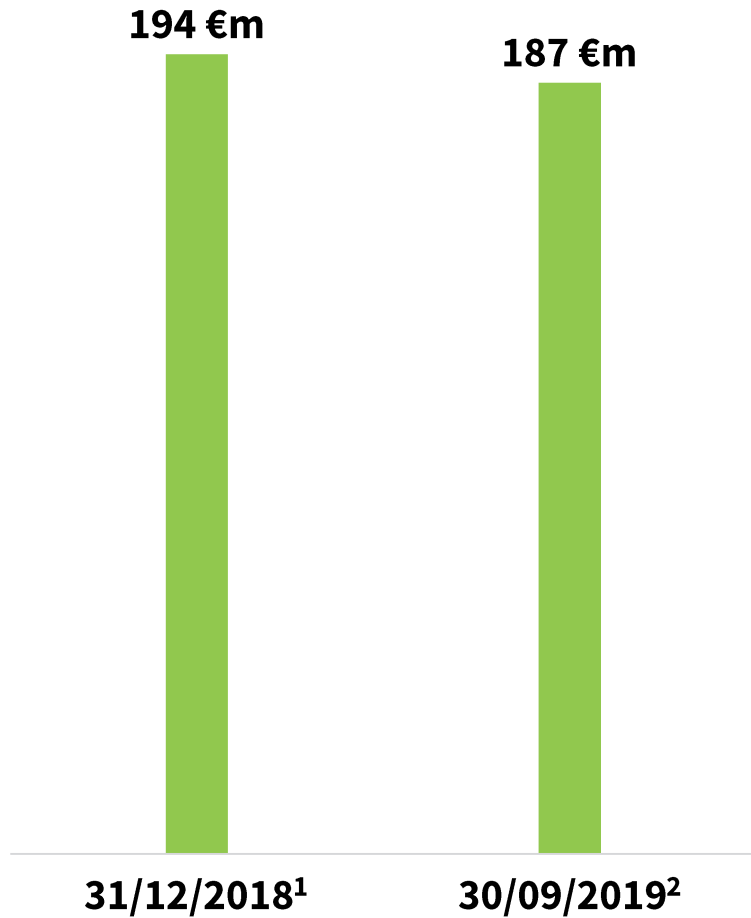


Operating cash flow has already turned positive YTD





Strong and stable cash position



**Largely unchanged cash resources
despite >30% Revenue growth**

**In addition, €80m bank facility
mostly undrawn**



Recap of Q3 performance

Selected underlying financial drivers



Let's revisit our unit economics

Unit economics

Customer Profitability

=

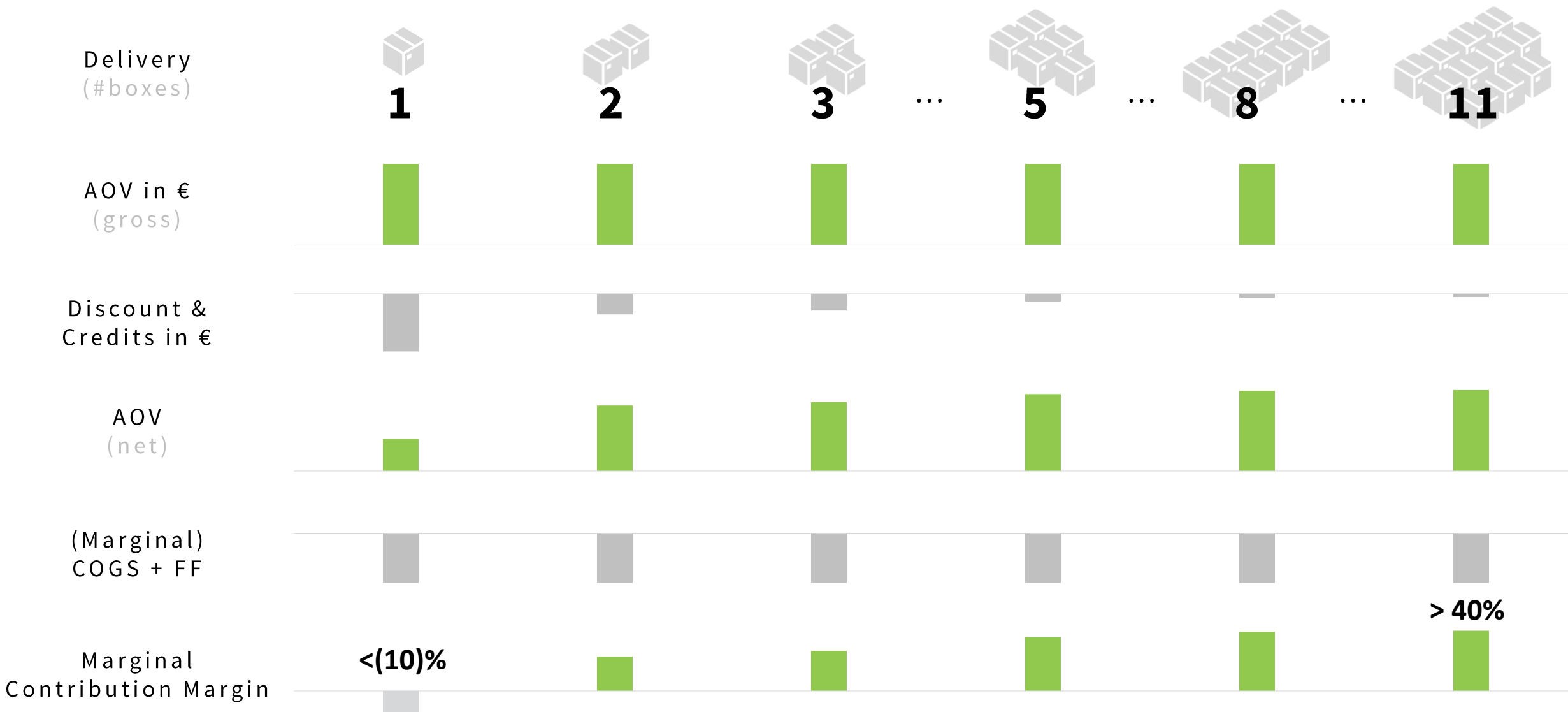
$$\frac{\text{AOV} \times \text{(Marginal) Contribution Margin} \times \text{Order Rate}}{\text{CAC}}$$

Profit over time

Upfront investment



How do our unit economics develop over a customer's lifetime





With higher maturity, profitability increases disproportionately

▶ We make a positive contribution margin from the 2nd delivery to a customer onwards

▶ Discounts per customer go down with increasing # of deliveries and contribution margin per delivery goes up

▶ The more mature a customer base the higher the total Group contribution margin ...

... and the lower paid marketing spend and the higher AEBITDA

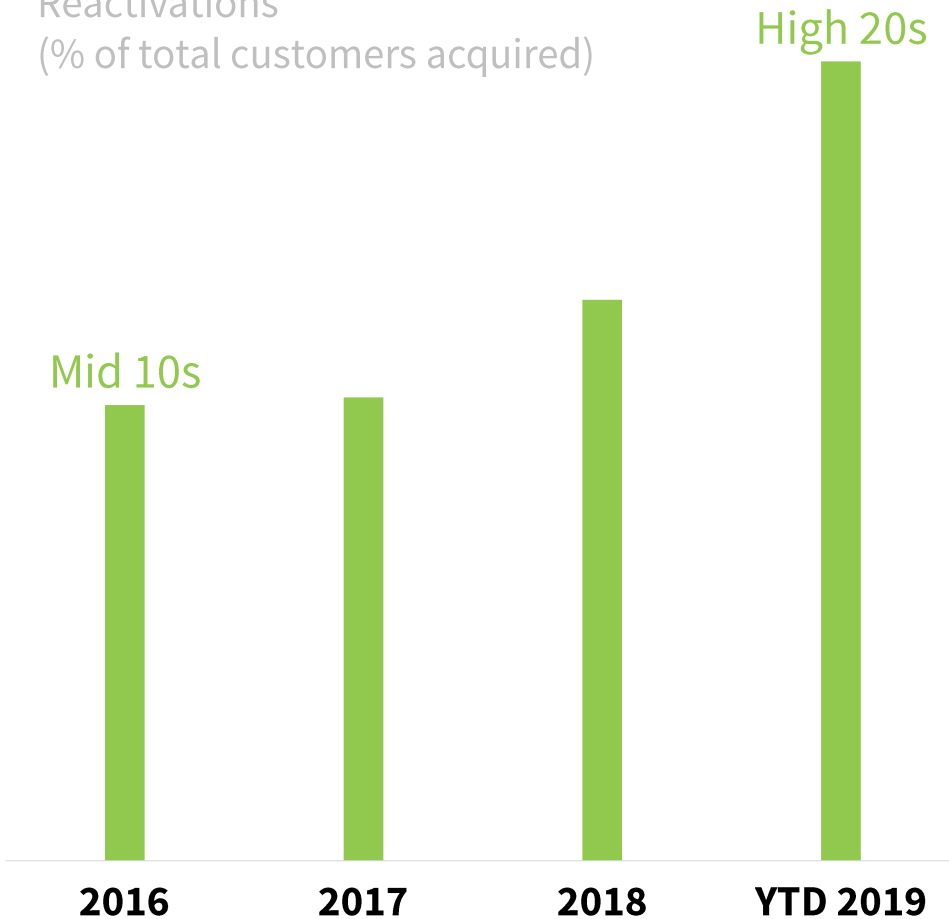
▶ Those unit economics apply similarly to new customers as well as to Reactivations ...

... but reactivations have little/ no paid marketing costs attached



The share of reactivated customers increases over time and provides a high ROI

Reactivations
(% of total customers acquired)



- Flexible plan-based model allows former customers to reactivate easily
- Reactivated customers show similar unit economics and lifetime as “new” customers
- But require less marketing spend

▶ **Source of high ROI, margin accretive**

▶ **Supports long term growth**



What does a new country launch cost us?

Example: recent geography

Revenue

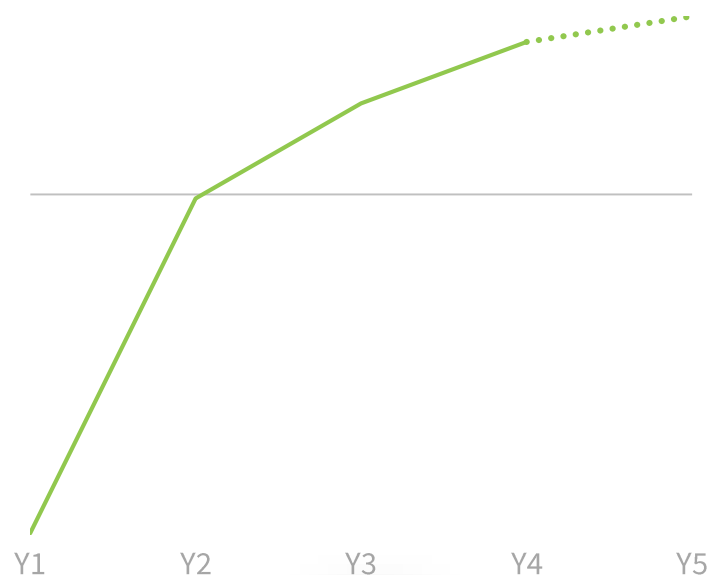
€



- Hyper growth over first 3 years of operations

Contribution Margin

% of Revenue



- Positive contribution margin in year 2
- Margin expanding as scale in procurement and production builds and impact of discounts lessens

AEBITDA

€



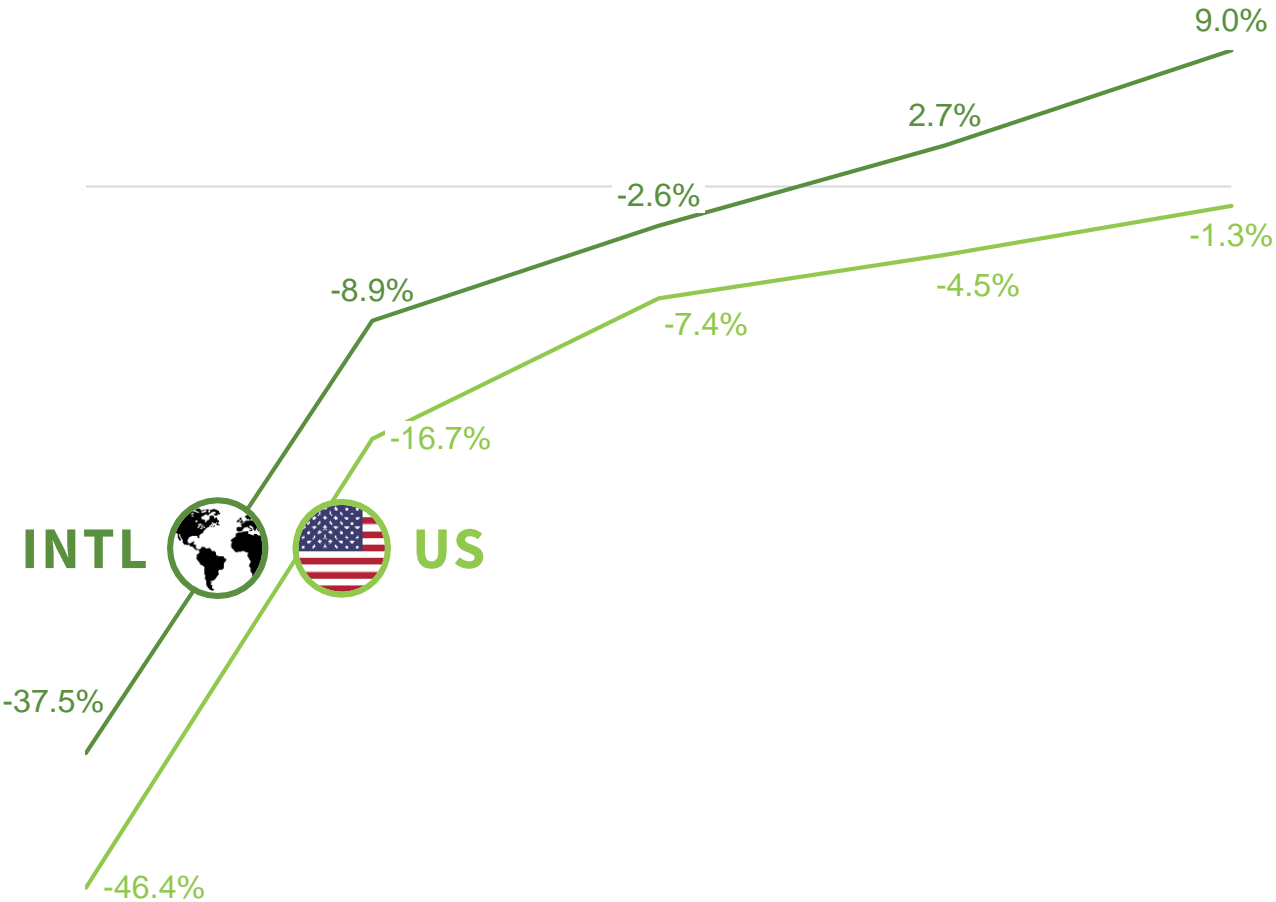
- As Revenue ramps, peak AEBITDA consumption in years 2-3



The US so far tracks International maturity with a c. 2 years time differential

AEBITDA (% of Revenue)

2015 2016 2017 2018 2019 YTD



US is on a similar margin trajectory as International, just with a c. 2 years time lag

US has turned AEBITDA profitable for the first time in in Q2 2019; Intl in Q4 2017

US is expected to be a key driver of Group margin expansion in 2020



What is the path to our mid-term margin target?

	9M 2019 ¹	Mid-term Target ¹
Contribution Margin	28.5%	~32%
Marketing	(24.1)%	~(17)%
G&A	(6.3)%	~(6)%
+ D&A	2.3%	~2%
AEBITDA	0.6%	c.+10%

Key Drivers

Ops

- Procurement: Optimized menu planning and procurement terms
- Fulfilment: fixed cost leverage

Marketing

- Higher share of tenured customers
- Lower topline growth
- Better utilization of data

G&A

- Fixed cost leverage

1

Mission

2

The HelloFresh Business Model:
Scale Wins!

3

Financials

4

Segment Update

US Update
International Update

5

Sustainability





US Update

International Update

Highlights of Our US Segment

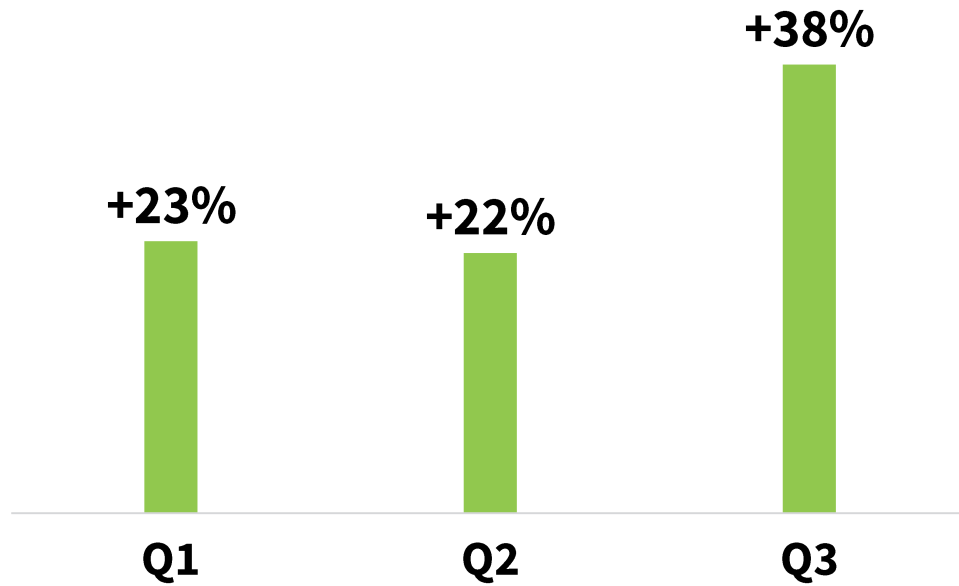
- ✓ Significant **growth acceleration** throughout 2019
- ✓ **Continued expansion in market share**, further cementing our market leadership
- ✓ **On track for first year of AEBITDA break-even** for full US segment
- ✓ Product enhancements driving **increases in customer retention and average order value**
- ✓ **Successful scale-up of new brands** expanding TAM



Significant Growth acceleration throughout 2019

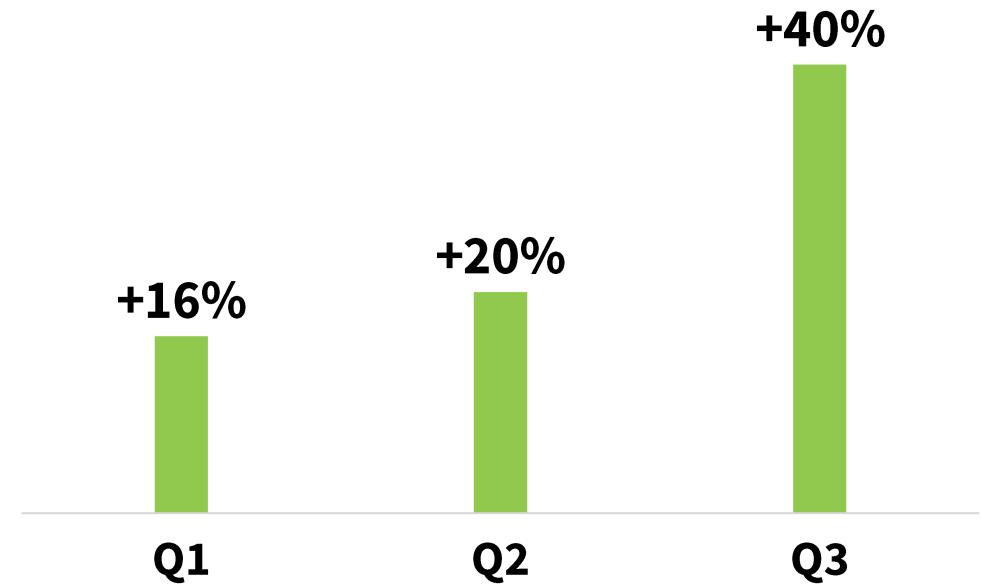
Revenue growth

(CC, yoy 2018-2019)



Number of Active customers growth

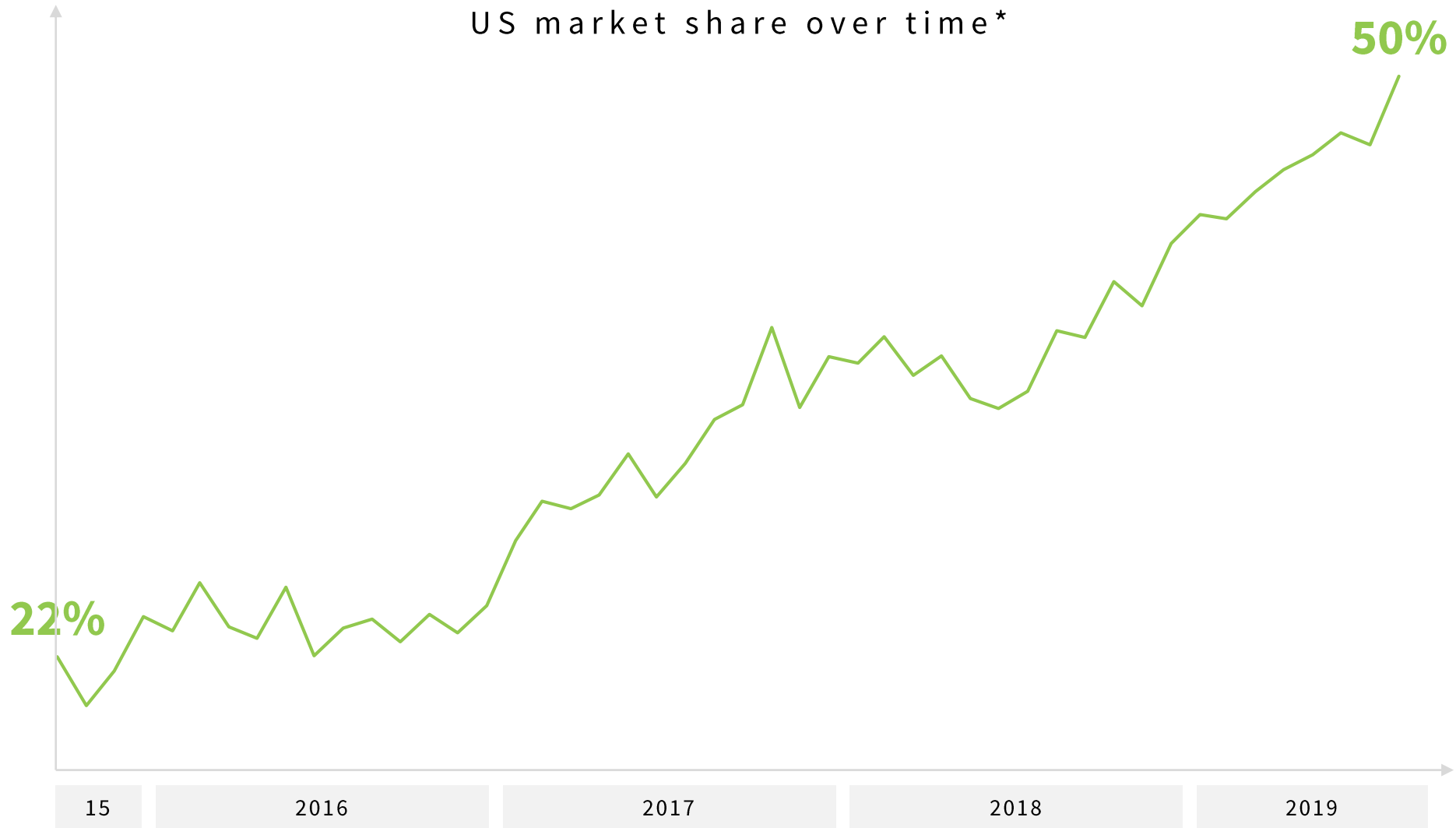
(yoy 2018-2019)



Investments in price, choice, quality and new segments are paying off



Continued expansion in market share, further cementing our market leadership

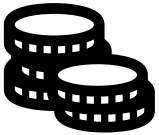




#1 meal kit in the US in terms of ...



SIZE



VALUE-FOR-MONEY



CHOICE



QUALITY

#1 best based on consumer feedback in 4 nationwide polls



CONSUMER AFFAIRS

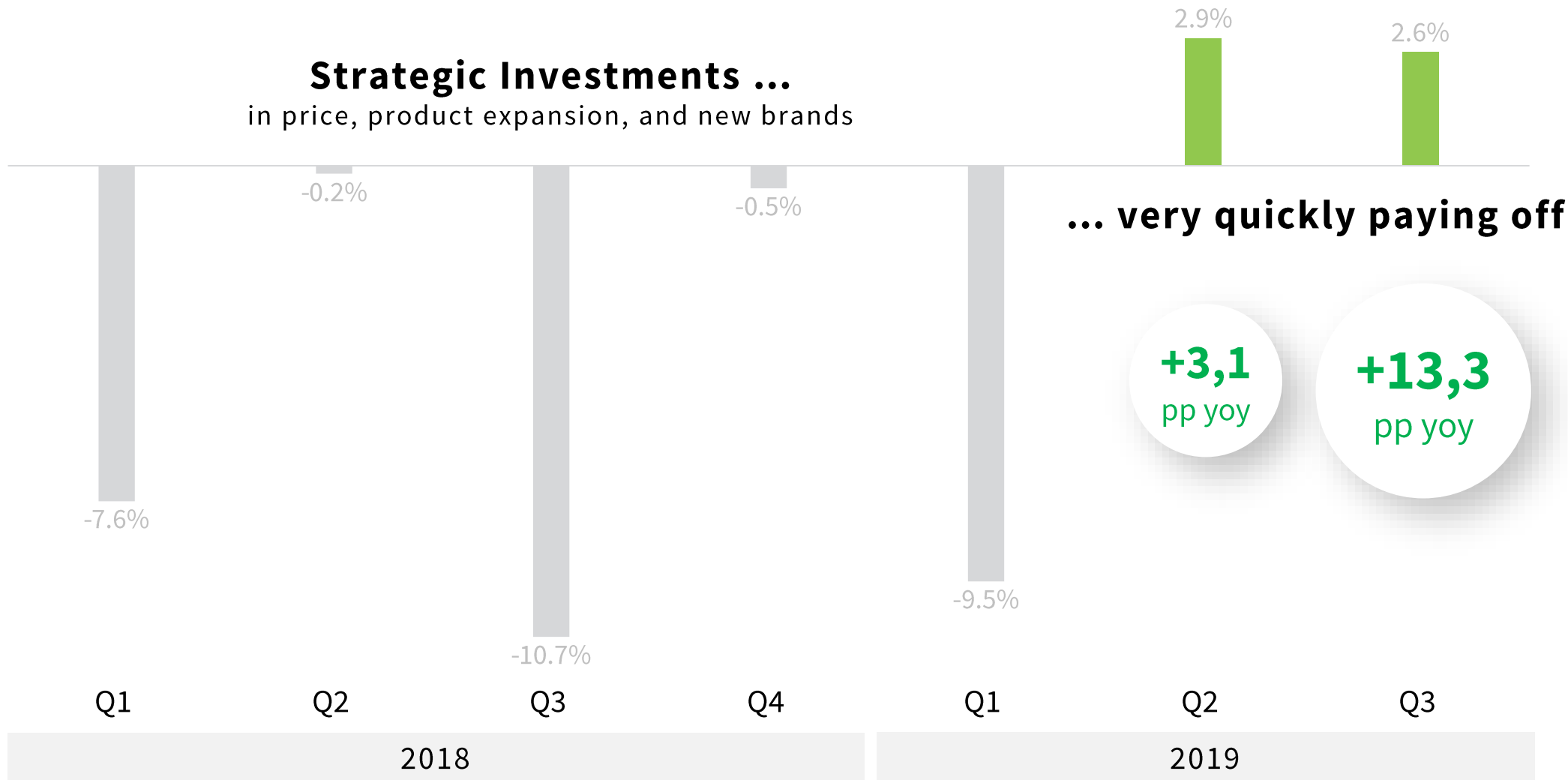
AMERICA'S BEST CUSTOMER SERVICE 2020





On track for first year of AEBITDA break-even for the full US segment

Strategic Investments ... in price, product expansion, and new brands





Our product enhancements are driven by significant investments in automation technology

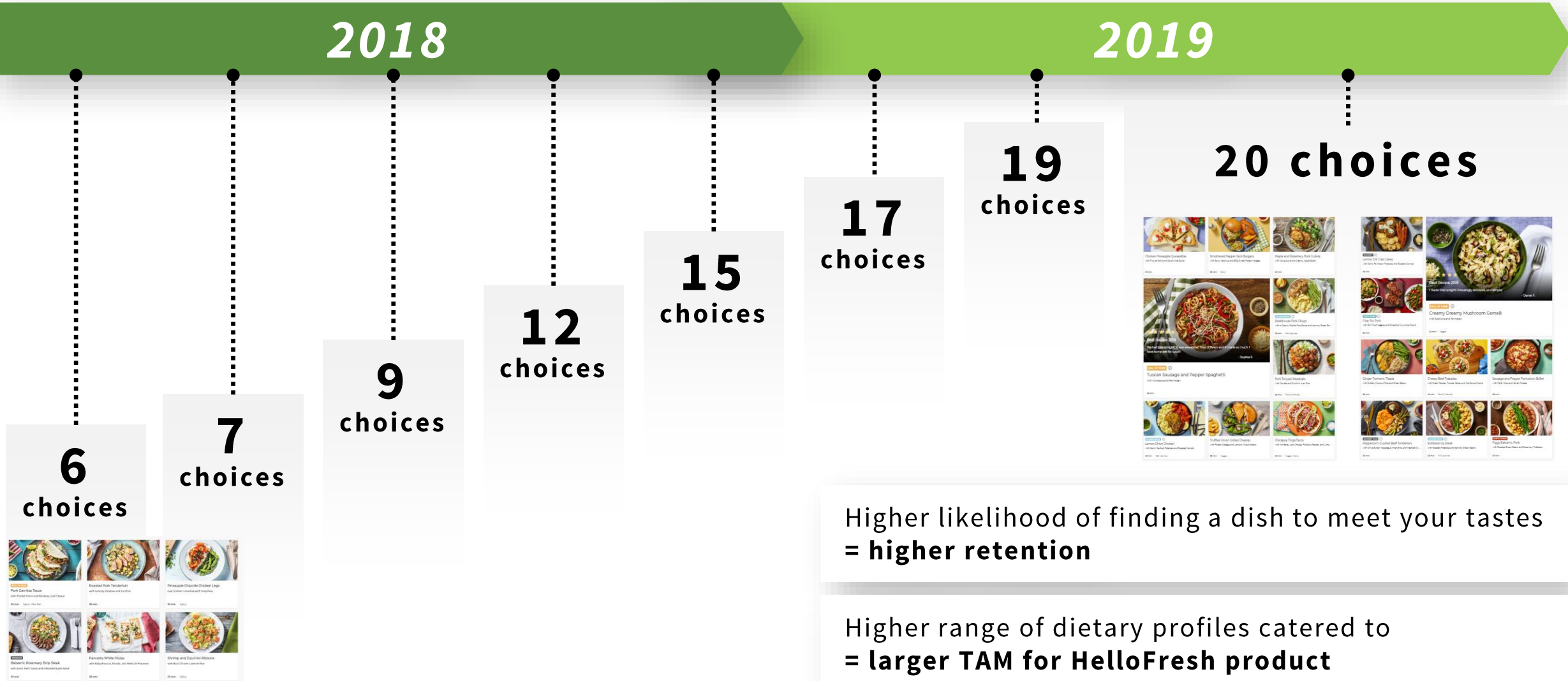
PRODUCTION TECHNOLOGY

Investments in production technology successfully rolled out and have enabled step change in customer flexibility





Resulting in more choice for our customers and improving customer retention



Higher likelihood of finding a dish to meet your tastes = **higher retention**

Higher range of dietary profiles catered to = **larger TAM for HelloFresh product**

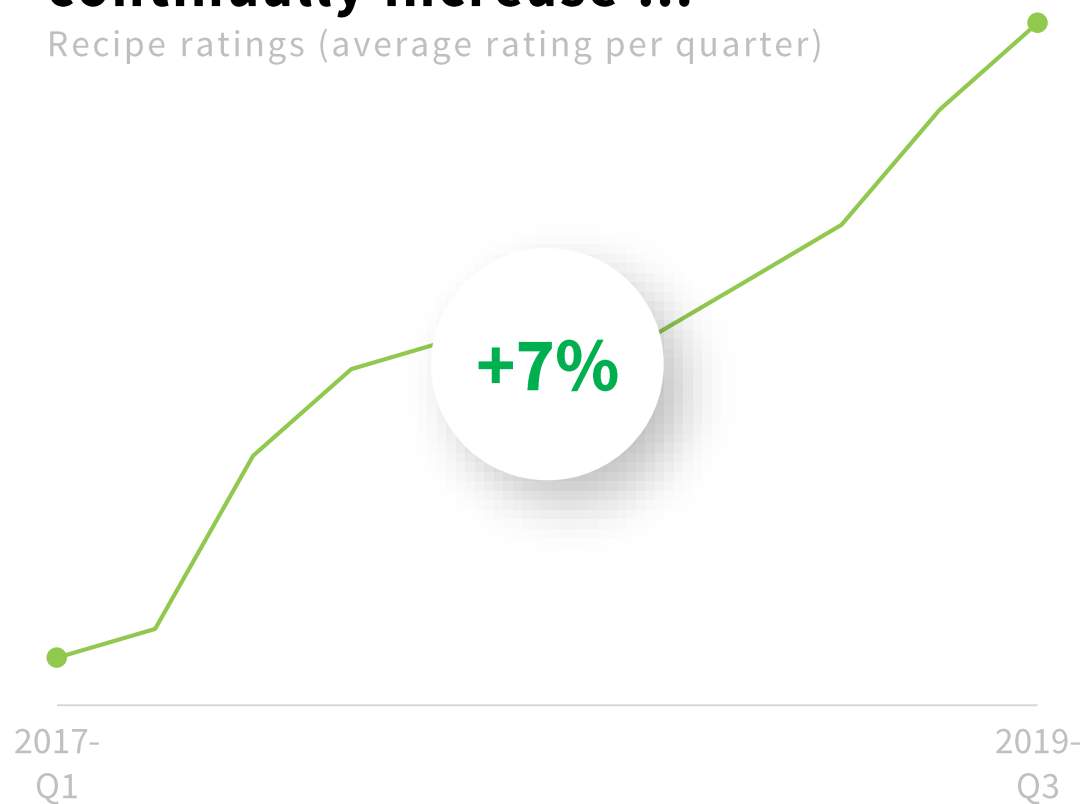


We continuously improve the quality of our product based on customer feedback

HelloFresh brand only

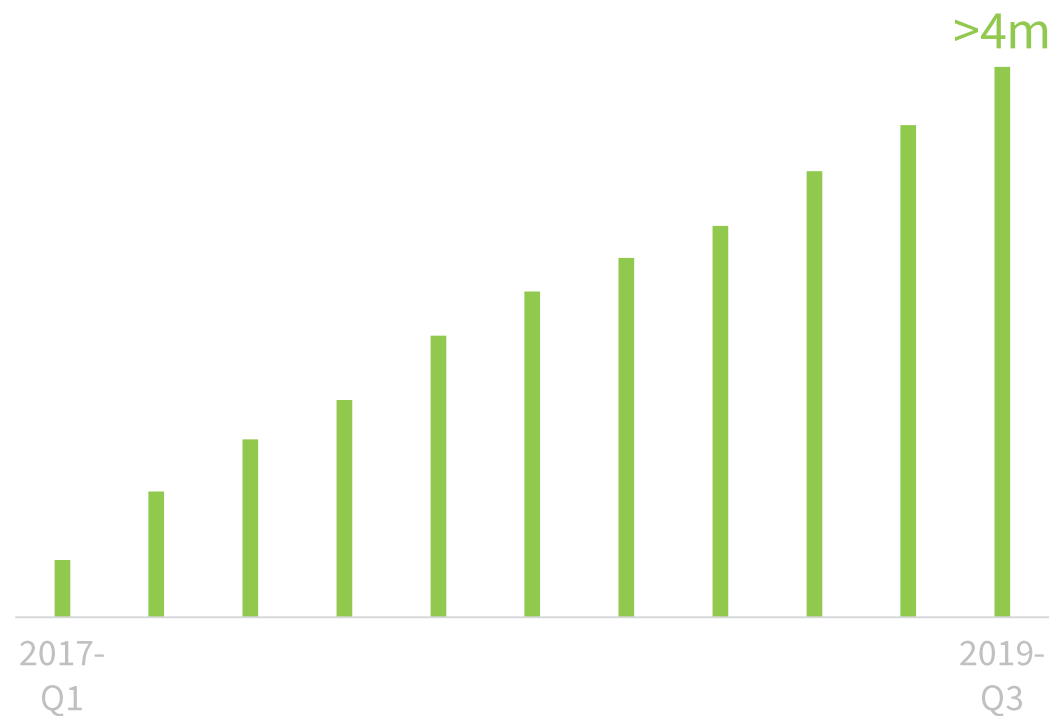
Customer recipe ratings continually increase ...

Recipe ratings (average rating per quarter)



...because of vast volume of customer feedback & data

Cumulated number of recipe ratings since Q1 2017

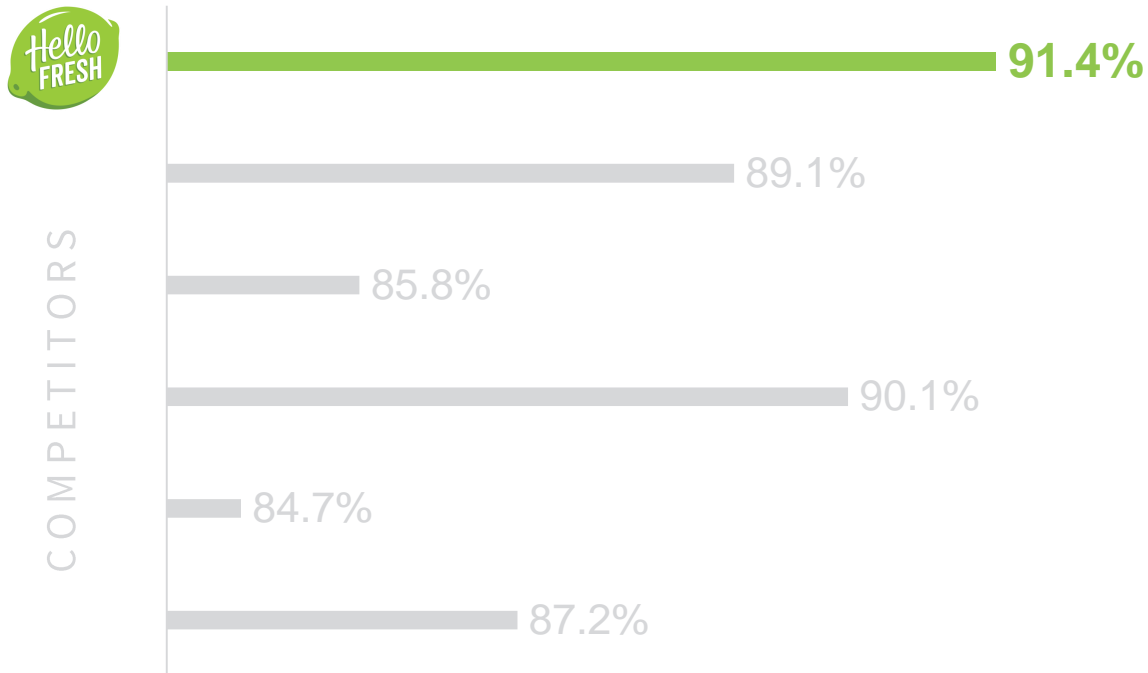




Best-in-class product and customer satisfaction drives industry leading customer retention

HF customers significantly less likely to switch to a competitor brand

Customers who **don't switch** by First Brand Purchased



Trustpilot

HelloFresh US

Reviews 16,688 • Excellent

★★★★★

Veronika
1 review

★★★★★ Oct 11, 2019

Verified order

A decision you won't regret
This has been one of the greatest inventions of all and one of my greatest decisions. It is so eqsy to follow. Fast. And every meal has been absolutely delicious. I know i am getting healthy wholesome meals with real clean and organic produce. I cant say enough good things. Truly satisfied.

Elaine
1 review

★★★★★ Oct 11, 2019

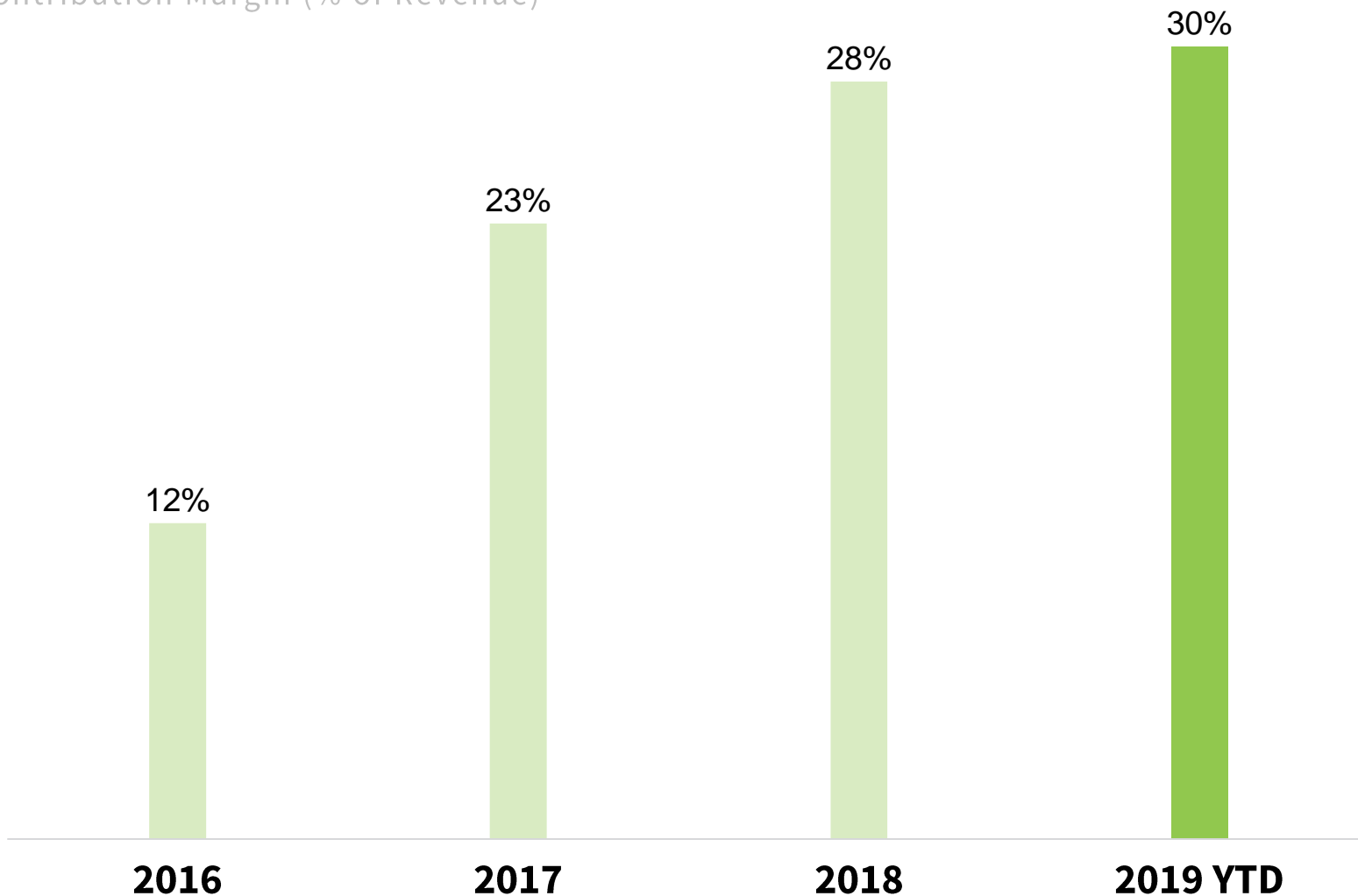
Verified order

I have tried others- Hello Fresh is the...
I have tried others- Hello Fresh is the best-
Love the packaging & overall food quality is excellent.



At the same time as investing in a best-in-class product, we have continued to consistently improve Contribution Margins

Contribution Margin (% of Revenue)



KEY LEVERS

Scale and market leadership

Driving improved prices and production efficiency

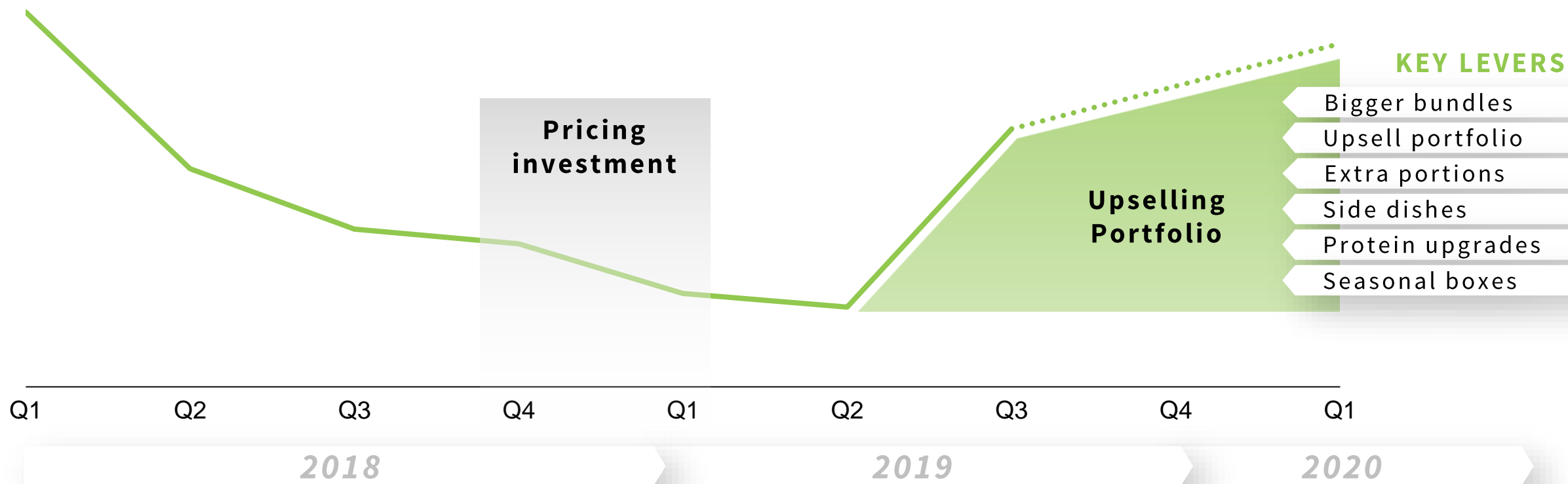
Successful implementation of direct-to-grower sourcing strategies

Value engineered menus, leveraging customer feedback / data



Despite investments in headline price in H2 2018, we are growing Average Order Value

Average order value HelloFresh Brand ex VAT, before discounts

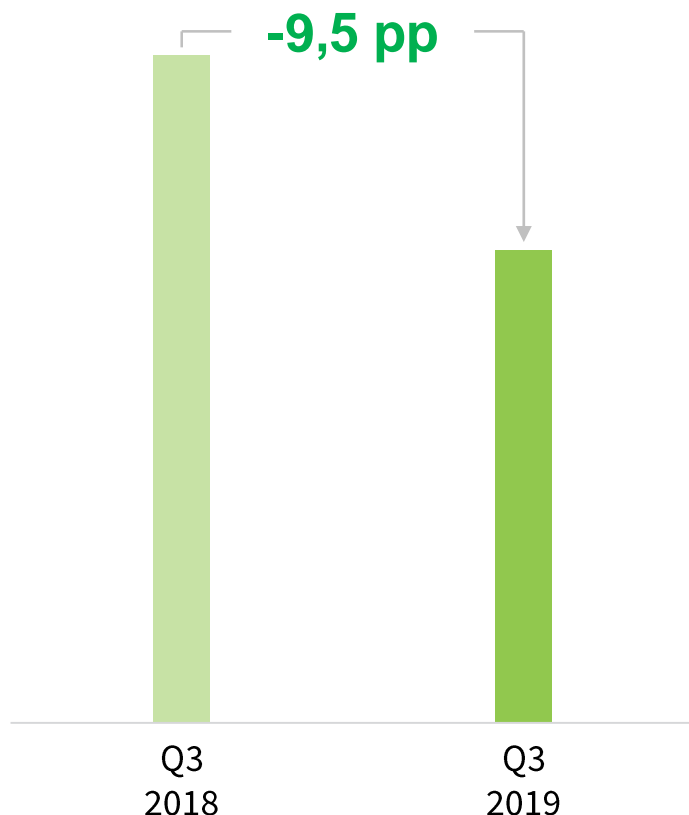




We are seeing strong leverage in our Marketing Spend, as we reap the benefits of scale and category leadership

Marketing Spend

% of Revenue



Our drivers

Multi-brand strategy

Growing brand awareness

Data-driven optimization and segmentation

Higher number of reactivations



We recently vastly expand our US TAM by offering distinct meal kit solutions ...

	\$\$\$	\$9.99 to \$12.99 per Meal	<ul style="list-style-type: none"> Organic, premium ingredients Catering to long-tail of specific dietary niches Leverage scale from HF core
	\$\$	\$7.49 to \$10.99 per Meal	<ul style="list-style-type: none"> Investment in Selection, choice and personalization Clear Price Leadership
EveryPlate	\$	\$4.99 per Meal	<ul style="list-style-type: none"> Establish the leading value meal kit brand targeting median US household incomes Leverage scale from Ops Platform

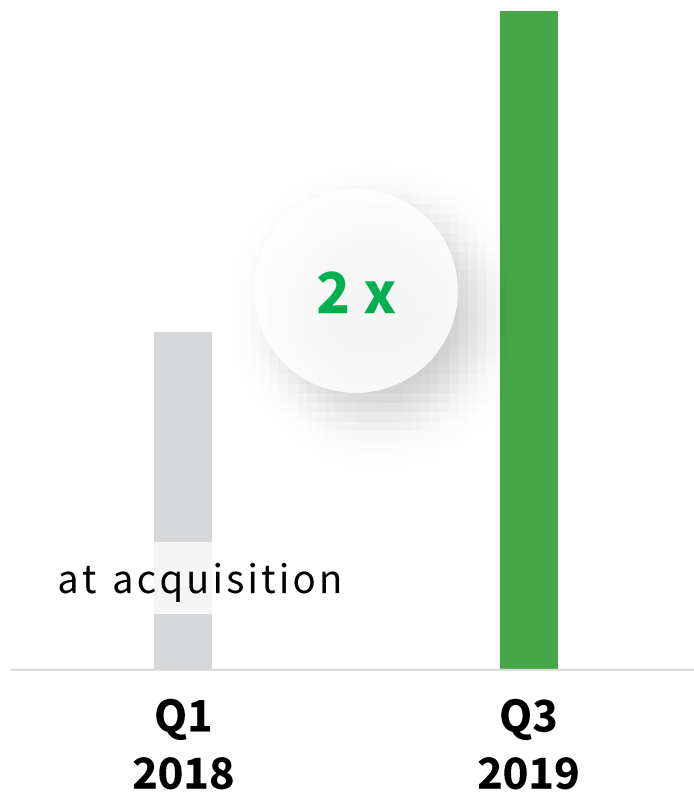
▶ Price differentiation to capture the demand of different customer groups ◀



Green Chef has now been successfully integrated, leveraging the HelloFresh playbook and scale in the specialized diet space

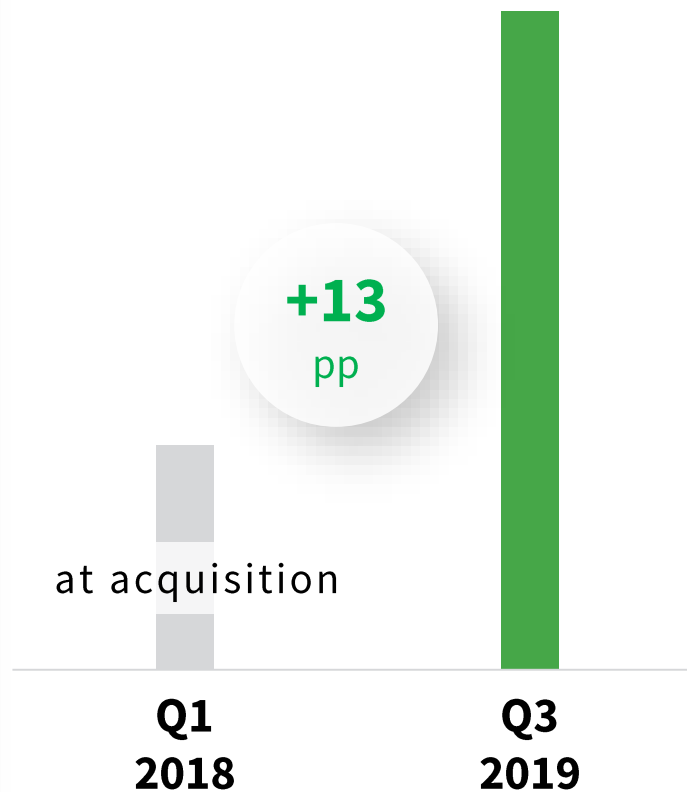
Active Customers

Green Chef



Contribution Margin

Green Chef
% of Revenue



KEY INITIATIVES

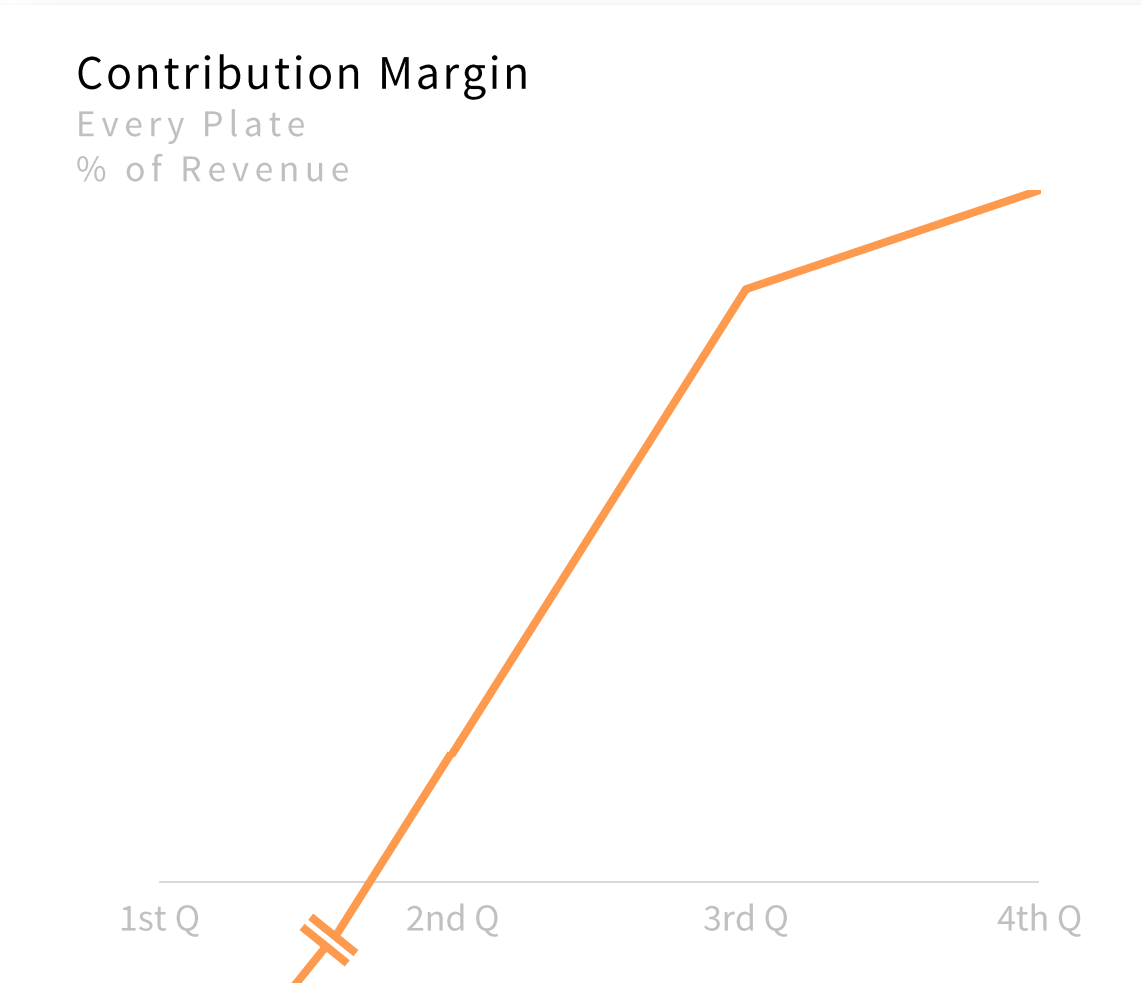
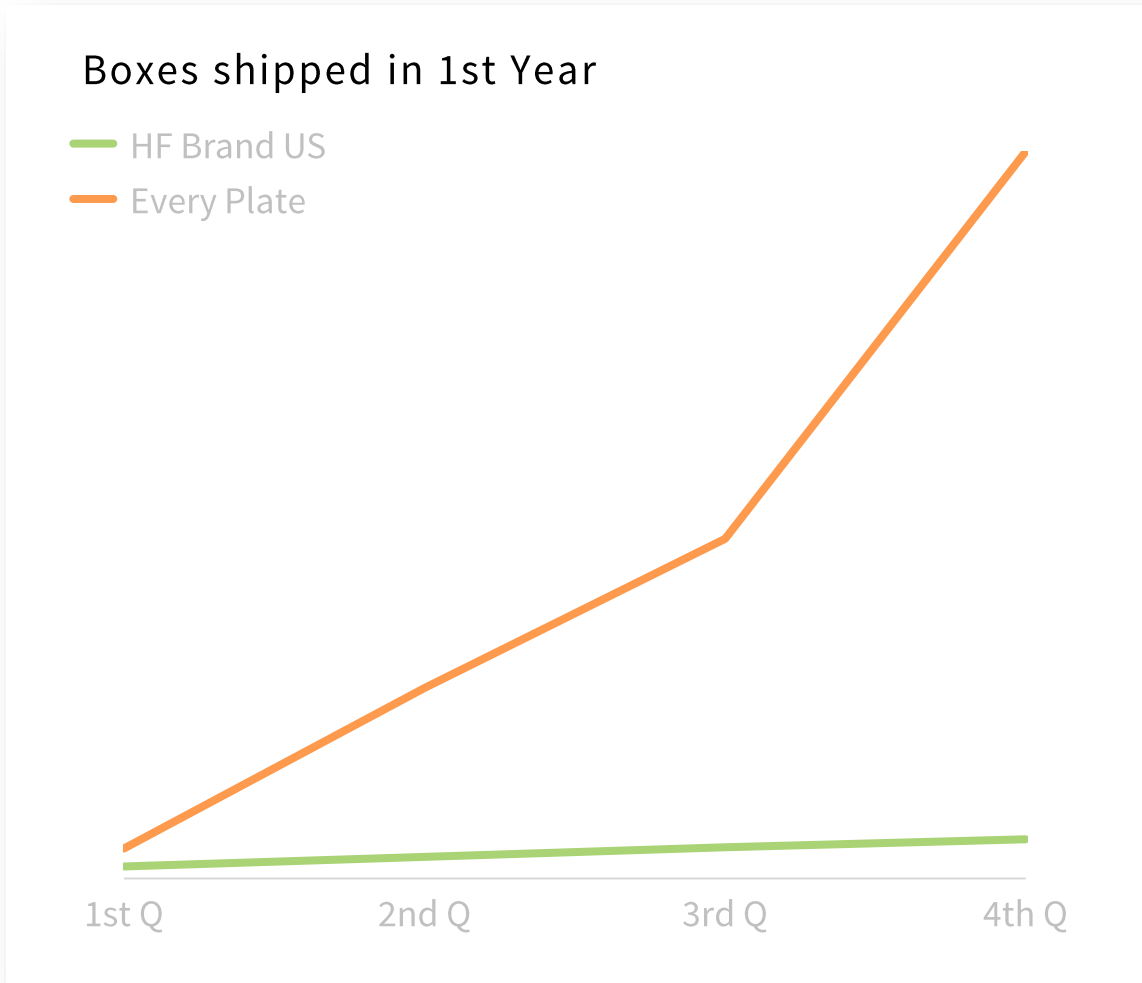
Expansion of meal choice

Price leadership in the premium segment

Applying HelloFresh best practices in customer acquisition and supply chain

Streamlined teams and processes

EveryPlate has continued to outpace growth of HelloFresh's early quarters, and significantly improved unit economics with scale



EveryPlate Despite the lower price point, EveryPlate provides very attractive ROI

Average Order Value
lower than HelloFresh brand

Significantly lower
Customer Acquisition costs
given EP price point

**Overall Return on Marketing Investment
is now approaching our HelloFresh brand**

Not only does our multi-brand strategy expand TAM, it will also provide synergies across the value chain to further grow overall margin levels

Synergies

- More tailored brands
- Use of shared media impressions
- Retargeting customers with more than one brand

Customer acquisition

Customer Retention

Synergies

- More tailored product to customer needs
- Reactivate customers between brands
- Shared learnings on product development

Key drivers of
Growth & Profitability

Contribution Margin

Synergies

- Fulfilment center utilization
- Leverage scale in supplier networks
- Ingredient yield optimization

2019

Focus on scale-up of new brands

2020

Focus on exploiting further synergies from our multi-brand strategy



US Update

International Update

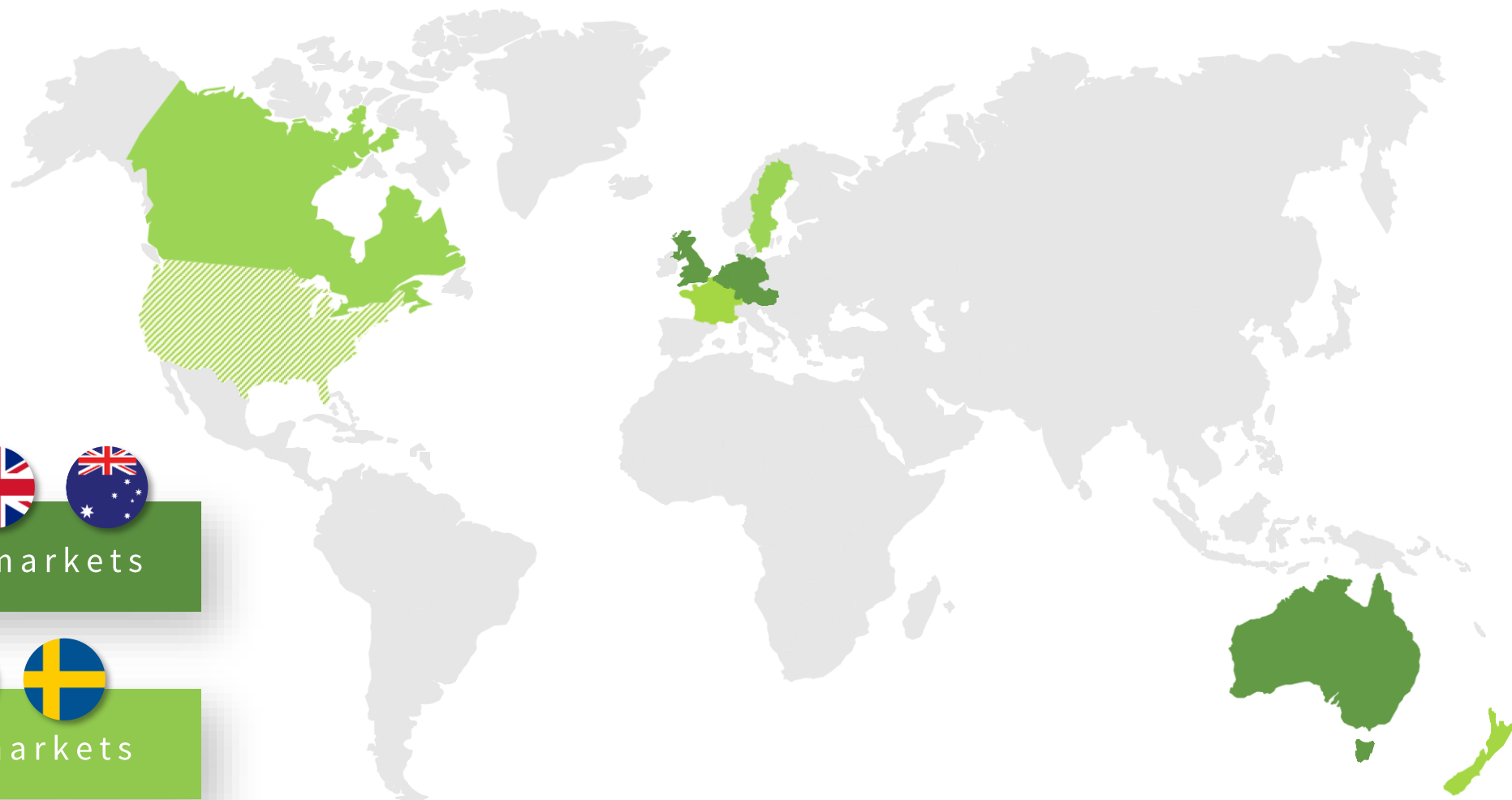


International Update

- **Overview**
- Marketing
- Manufacturing
- Future growth levers



Our International cluster comprises our most mature - and our youngest markets



Mature international markets



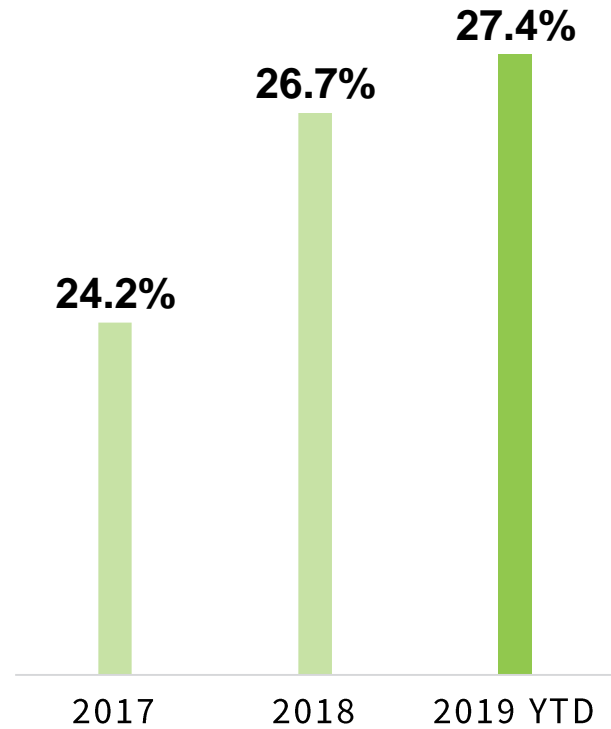
Young international markets



In the international segment our KPIs improve massively along all dimensions

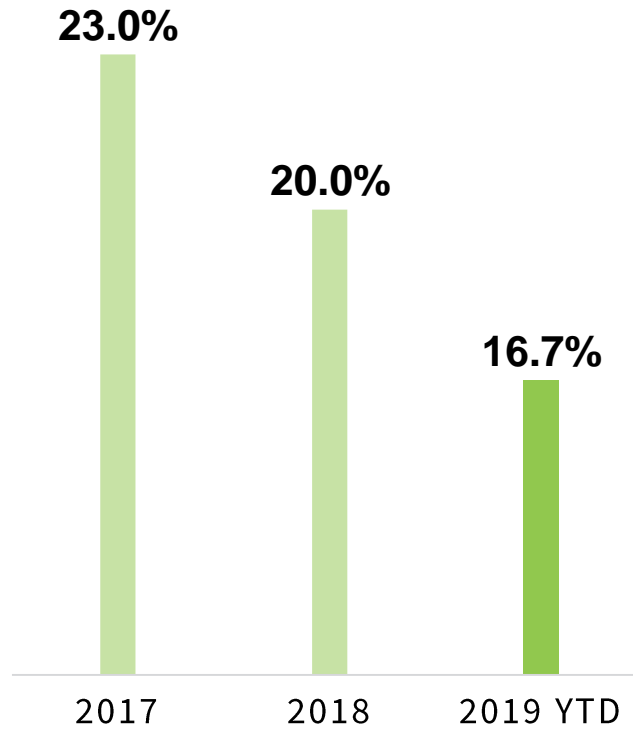
Contribution margin

% of Revenue



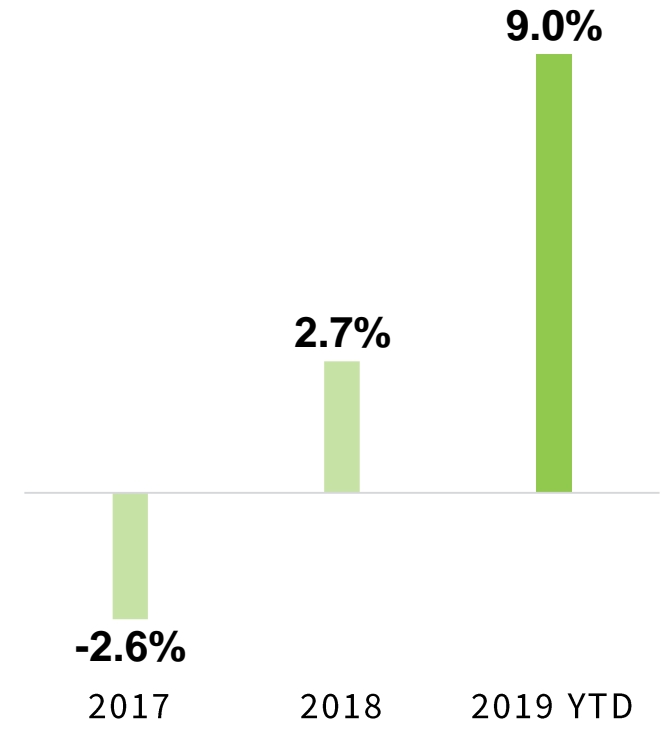
Marketing spend

% of Revenue



AEBITDA margin

% of Revenue

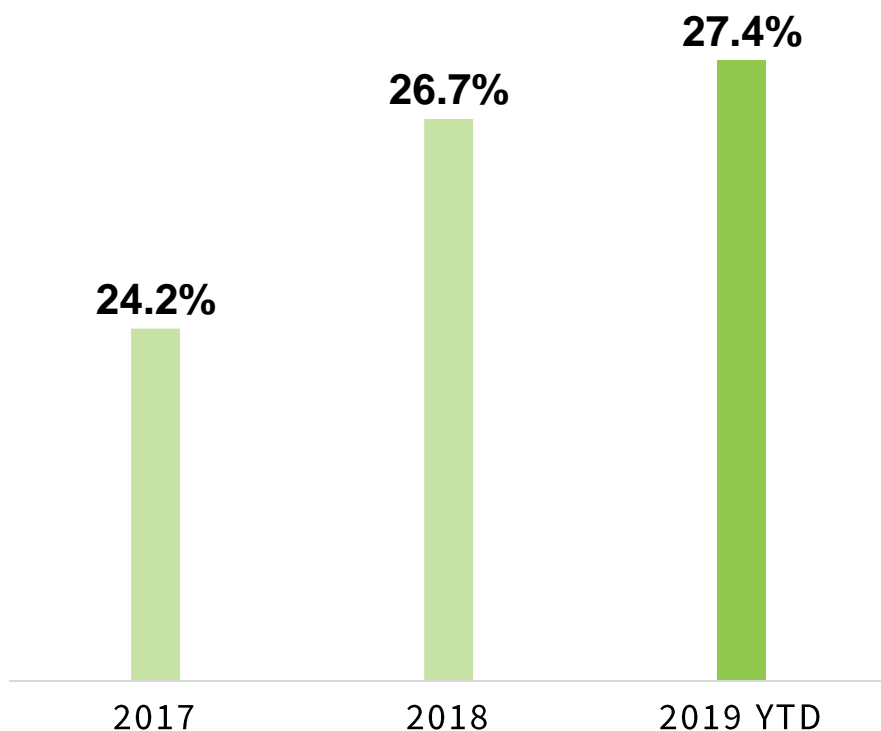




Scale and vertical integration lead to higher Contribution Margins

Contribution margin

% of Revenue



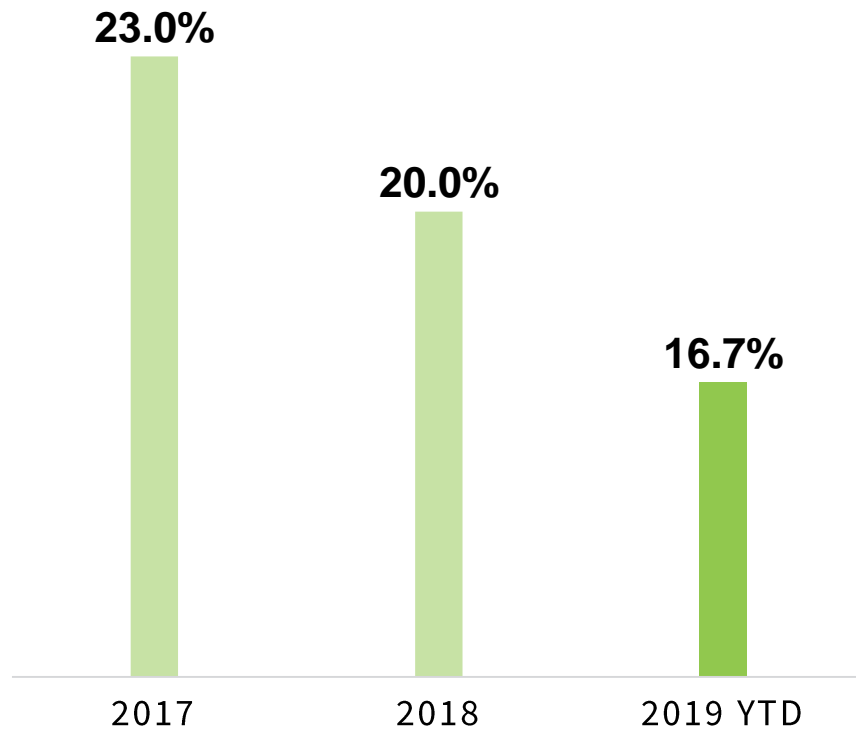
- **Contribution Margin** is largely driven by “Time on the market” and “Local Scale”
- **COGS** improve over time, as we build out our local supplier network, benefit from improved terms and use data for more accurate demand forecasting
- **Fulfilment Costs** improve over time as scale drives efficiencies in manufacturing, increased utilization of our sites and better terms with carriers



Increased brand awareness and market penetration lead to lower CACs

Marketing spend

% of Revenue



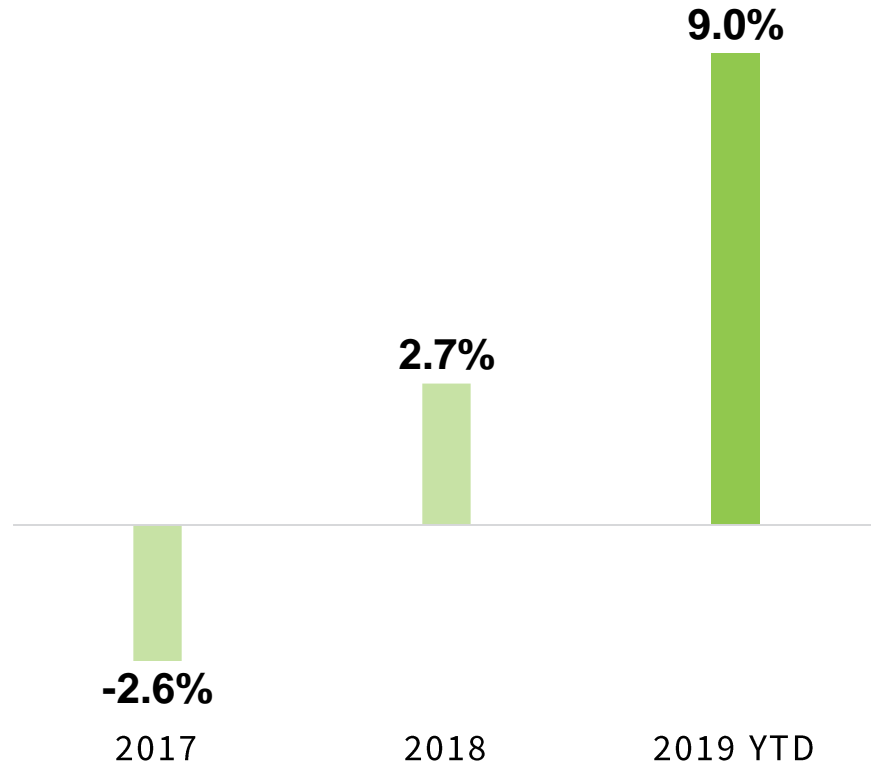
- **Higher category and brand awareness** allows us to run marketing more efficiently
- **Better customer segmentation** drives down acquisition costs
- An increasing share of orders comes from **existing customers**



Combination of improvements in Operations, Marketing and G&A leads to strong increase in AEBTIDA

AEBITDA margin

% of Revenue



- **G&A** positively impacted from operating leverage (4% of Revenue YTD vs. 5% in 2018)

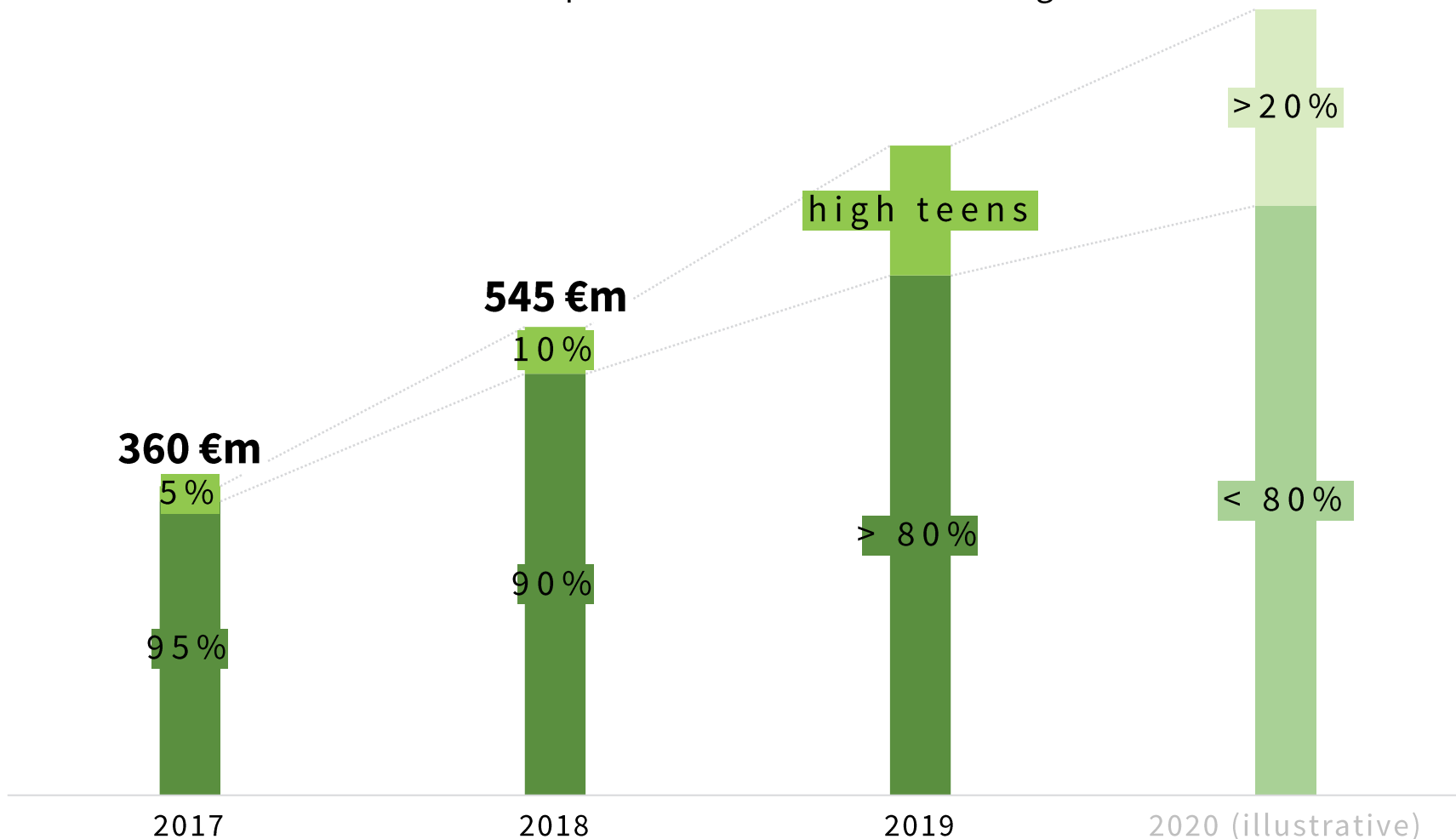
- **AEBITDA margin** benefits from improvements of all three drivers (Contribution Margin, Marketing, G&A)



Selectively launching new geographies helps balancing long-term growth and short-term profitability in International segment at very attractive levels

Revenue Composition in International segment

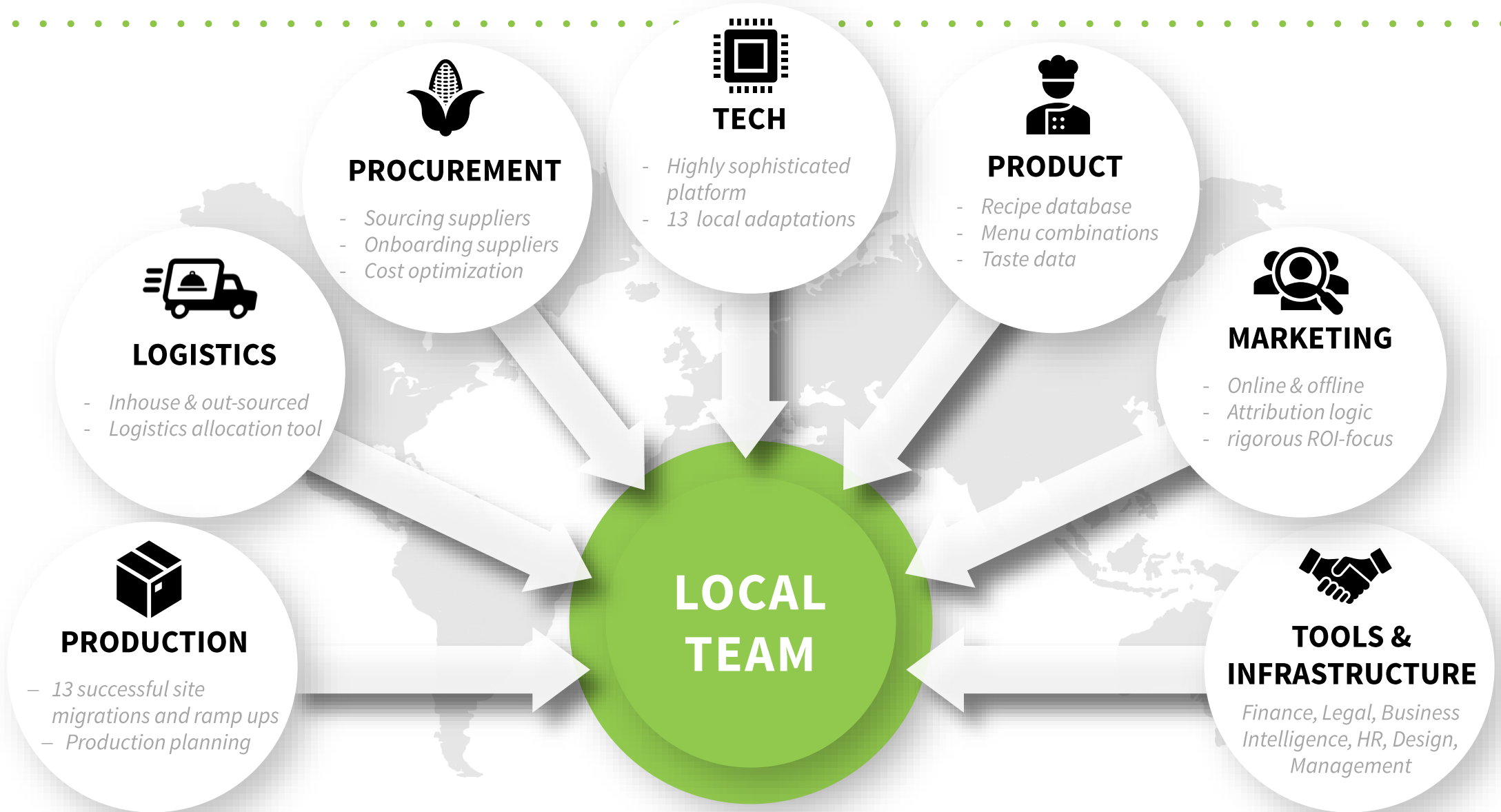
Young
Mature



Source: Company data
Mature markets: Belgium, Luxembourg, Netherlands, Austria, Germany, United Kingdom, Australia
Young markets: Canada, Switzerland, New Zealand, France, Sweden



We have a great and proven playbook to support the launch of new geographies





Sweden

Sweden is the latest example for how we apply this playbook

The Nordics exhibit all of the right ingredients to enter the market

High penetration levels
of meal kits

Growing population
2019 population ~20m (**Sweden ~10m**)

Affluent population*
Annual average disposable household income of **47€k**

Large estimated TAM
Sweden est. >150 €m



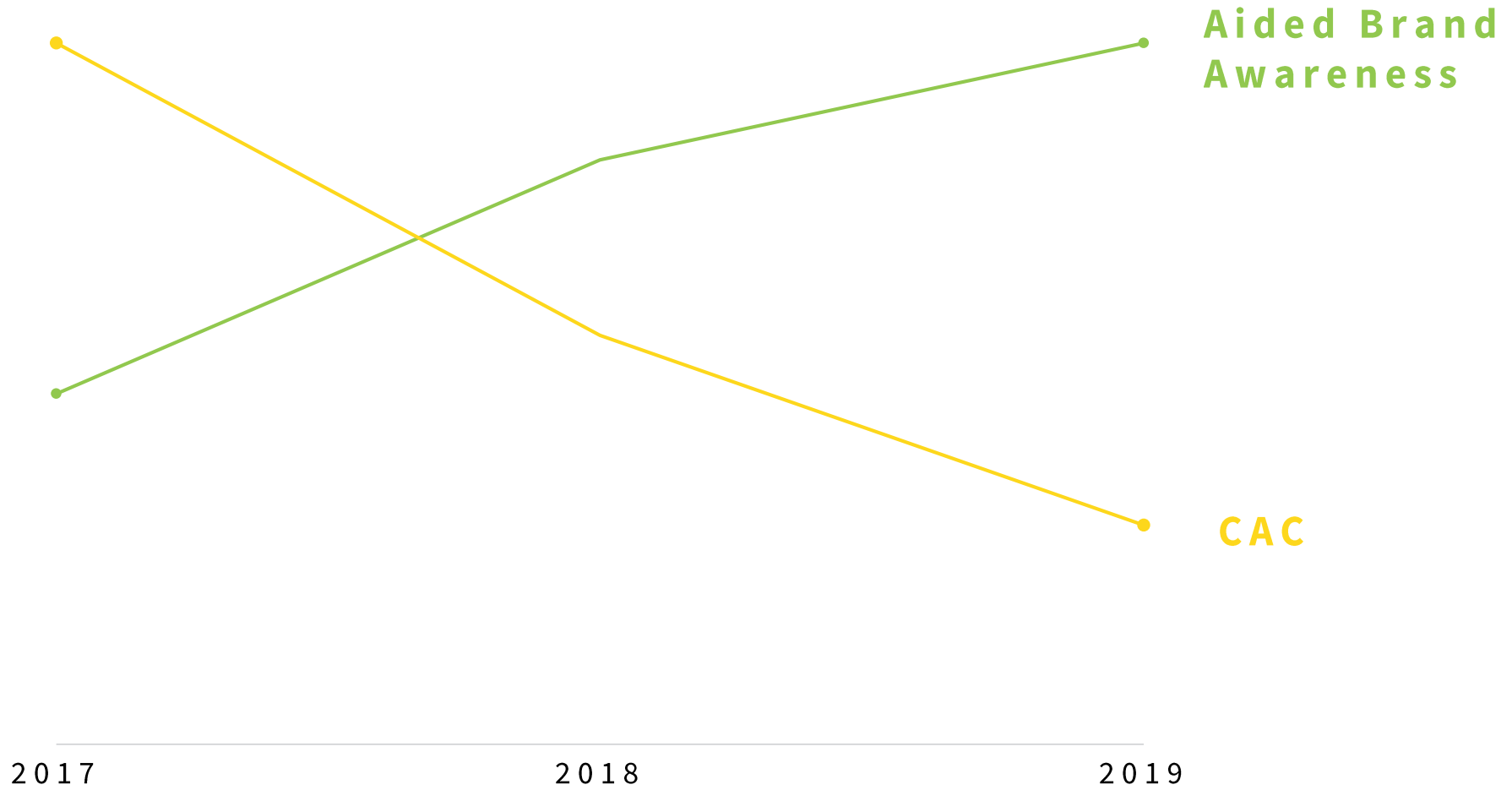


International Update

- Overview
- **Marketing**
- Manufacturing
- Future growth levers



In all markets, increasing brand awareness helps us drive down CAC over time





Australia

Scale and superior brand awareness allow us to expand into content rich channels

Provides assets that are used through the line

HERO

Focus

Build awareness and consideration

Content

Feature well-known, entertaining Australians with large social following

Approach

Maximize reach and time spent watching

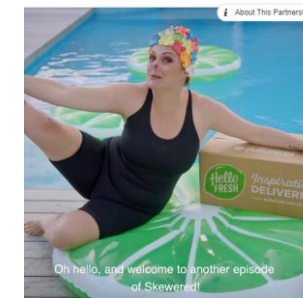
EPISODE 1



EPISODE 3



EPISODE 6



CONSIDERATIONS SHORTS



30 sec



15 sec



30 sec



15 sec



30 sec

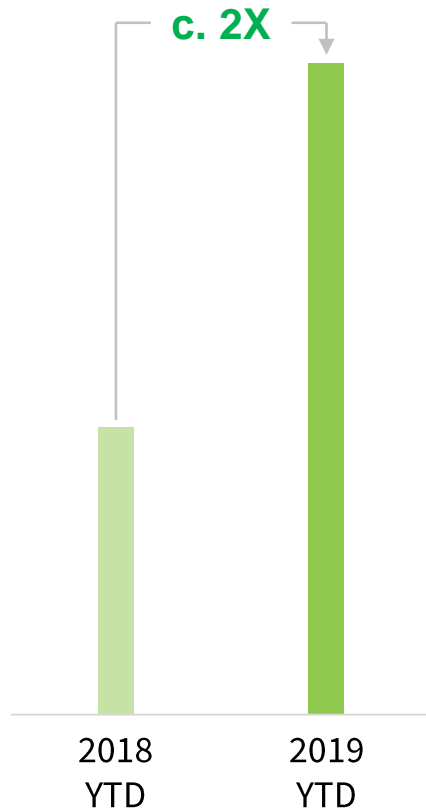


15 sec

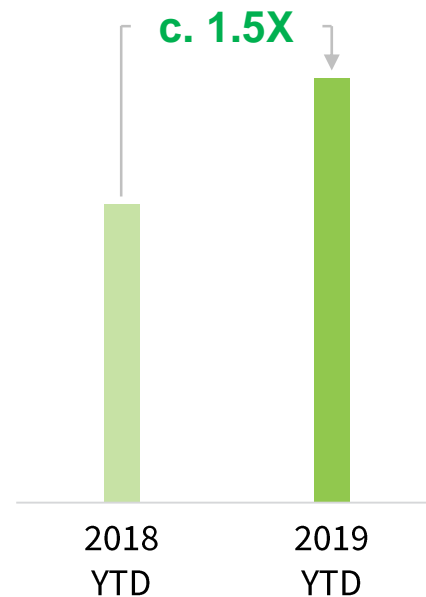


Given our huge customer base, proactive and sophisticated CRM is delivering great results

Reactivations by CRM



Activations by CRM



Our drivers

Focus on profitability and growth

Increased retention

Brand awareness

Tech excellence

Optimized discount-strategy



In 2020, we will continue to be at the fore-front of marketing



Opening up new platforms

Investing in brand equity

Investing in AdTech and automation

International Update

- Overview
- Marketing
- **Manufacturing**
- Future growth levers



We develop highly complex manufacturing infrastructure projects in rapid succession – all on time and on budget

13

new

International
Sites

2016 Verden **Germany**

2016 Banbury **UK**

2016 Moehlin **Switzerland**

2017 Sydney 1 **Australia**

2018 Auckland **New Zealand**

2018 Vancouver 1 **Canada**

2018 Vancouver 2 **Canada**

2018 Bleiswijk **Netherlands**

2019 Helsingborg **Sweden**

2019 Edmonton **Canada**

2019 Toronto **Canada**

2019 Perth **Australia**

2019 Sydney 2 **Australia**



Our portfolio of new and upcoming manufacturing facilities spans the entire globe

2018



BLEISWIJK

- Production and distribution site
- Custom built

20,000 m²
Opened June 2018



EDMONTON

- Production site
- Refurbishment and capacity expansion

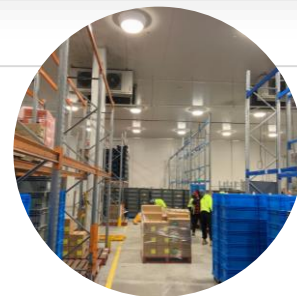
4,200 m²
Opened Jan. 2019



HELSINGBORG

- Production site
- Refurbished in 2019 to launch Sweden

2,500 m²
Opened Sept. 2019



PERTH

- Production site
- Expansion program completed in 2019

2,700 m²
Completed Oct. 2019



TORONTO

- Production site
- Consolidation and expansion moving from 3 sites to 2 sites

8,000 m²
Completed Oct. 2019



SYDNEY 2

- Automated distribution hub
- Linked to Sidney 1, allowing capacity expansion

5,000 m²
Opened Oct. 2019



AUCKLAND

- Production site
- Replacing the original third-party site with our own development

6,200 m²
Opening Q1 2020

2019

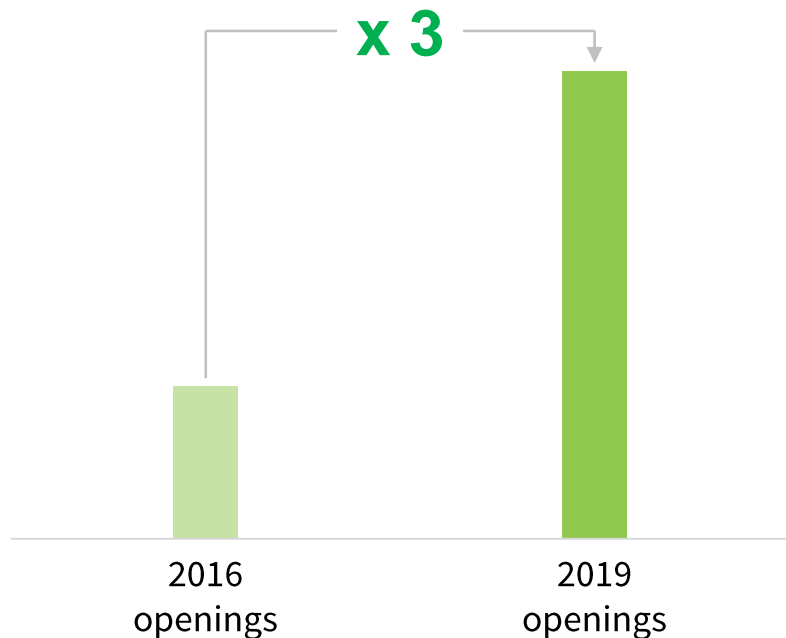
2020



Our manufacturing footprint sets us up for future growth

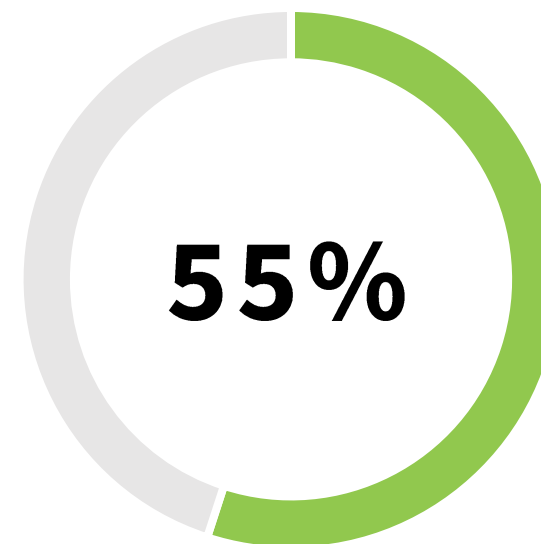
We continuously increase the efficiency of our sites

Weekly max. output per m² at year of inception



The utilization ratio of our sites is still moderate

2019 utilization rate
Q3 2019 production volume / max capacity





International Update

- Overview
- Marketing
- Manufacturing
- **Future growth levers**



We have a full range of growth levers to deliver the right combination of growth and profitability



Core product expansion: providing customers with a more flexible and inspiring offering



Refine upselling portfolio in mature markets



Launch upselling portfolio in younger markets



Launch **Every Plate** and/or **Green Chef** in selected International markets



Additional geographic expansion

1

Mission

2

The HelloFresh Business Model:
Scale Wins!

3

Financials

4

Segment Update

US Update
International Update

5

Sustainability



HelloFresh business model provides huge advantages in terms of sustainability and we are improving further



Less food waste



Lower carbon emissions



Decreasing packaging waste



Sourcing from carefully selected suppliers

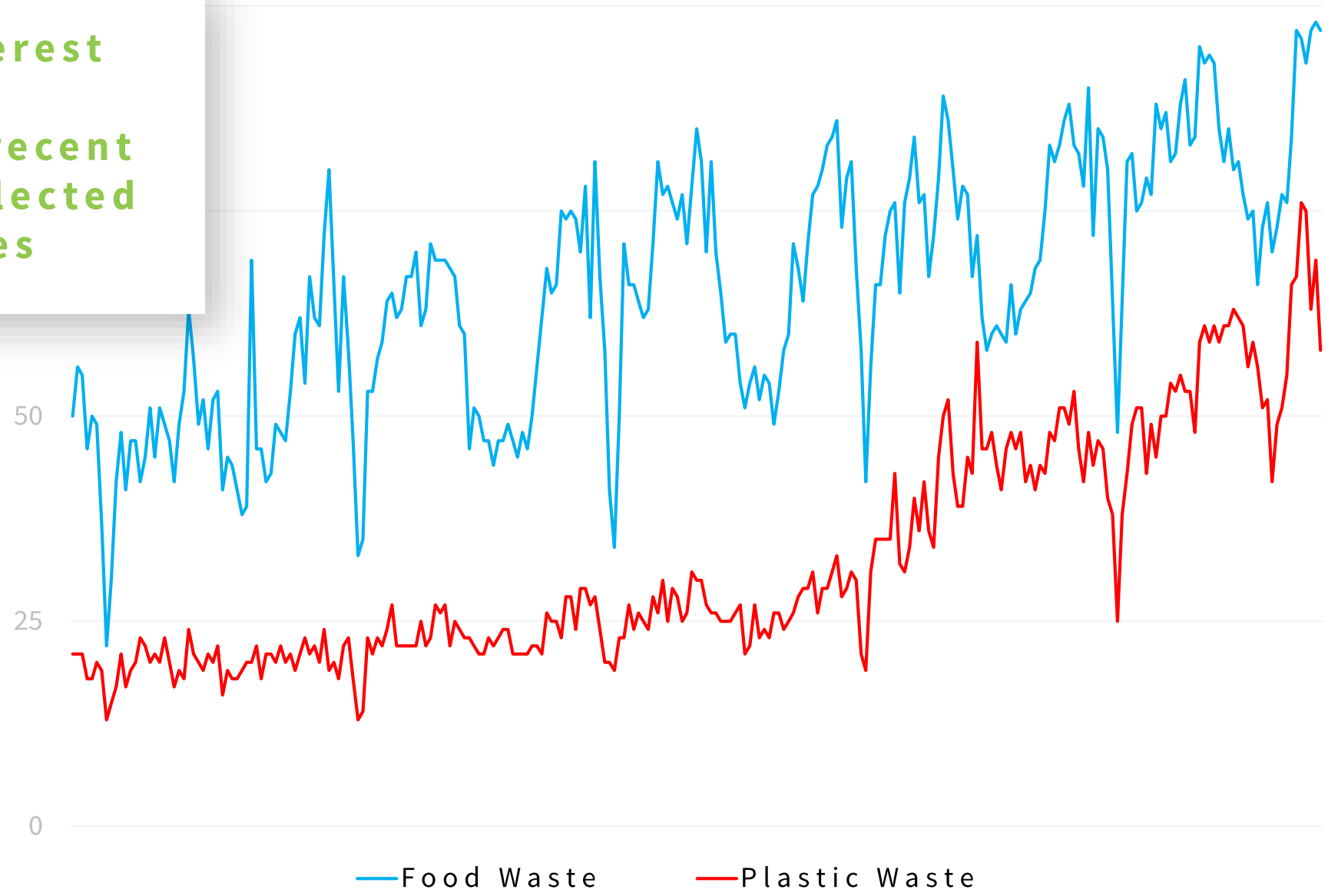


Sustainability is becoming an increasingly relevant topic for consumers.

73% of consumers around the globe “would definitely or probably change a behavior to reduce their impact on the planet”

Source: Nielsen, The database: the business of sustainability, episode 22, 2019

The growing interest in sustainability topics over the recent years is also reflected in search volumes



Global Google Keyword Search (past 5 years)



Our Planet – We have 4 main priorities to tackle





Our Planet – We have 4 main priorities to tackle





1

Fighting Food Waste

Our disruptive food supply chain allows us to significantly reduce food waste

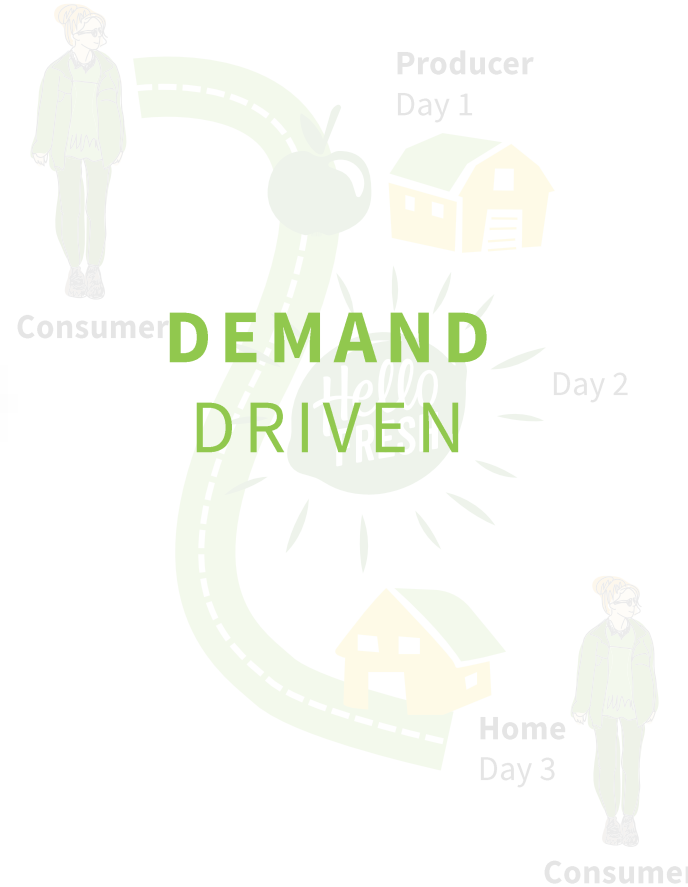
TYPICAL FOOD SUPPLY CHAIN

10 days and 5 parties



OUR SUPPLY CHAIN REVOLUTION

3 days and 3 parties



Drivers

Starting with Consumer

Faster and Fresher

Fewer steps

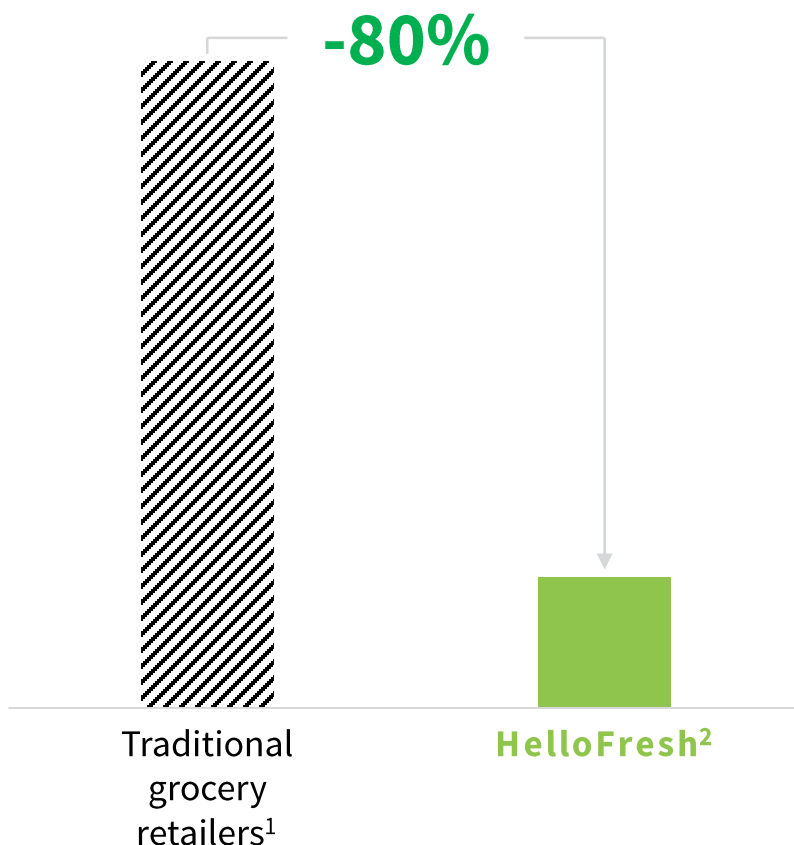


1

Fighting Food Waste

Our business model comes with lower food waste

Food waste in distribution centers and stores
Grams per € of Revenue



By joining forces with Spoiler Alert, we were able to find the best hunger relief organizations for the surplus food coming out of our three US distribution centers.

1. Internal study : Average base on two international retailers
2. HelloFresh International



1

Fighting Food Waste

Less than 1% of the food delivered is wasted at our production sites

For 1 box delivered to our customer



c. 4,7kg

Food delivered

1,0%
of food
delivered



46 grams are **donated**



22 grams go to **waste**

0,5%
of food
delivered



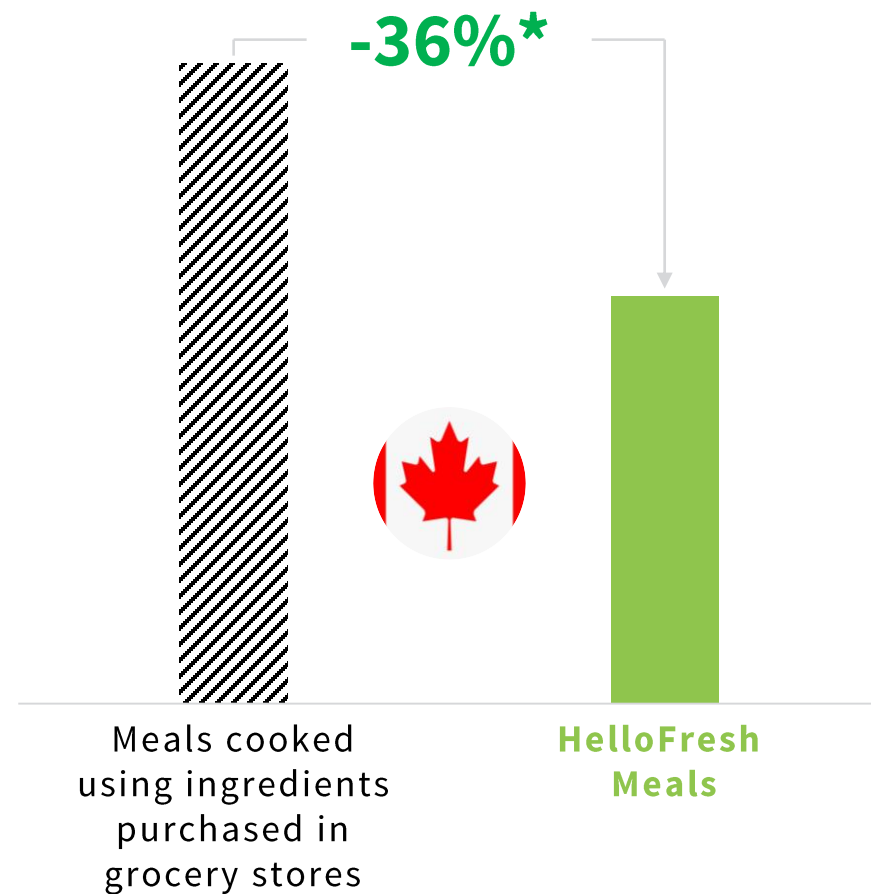
1

Fighting Food Waste

Our meal kits are made of carefully pre-portioned ingredients, helping to reduce the household food waste



Household food waste



Meals cooked using ingredients purchased in grocery stores

HelloFresh Meals



Our Planet – We have 4 main priorities to tackle



OUR PLANET

1

Fighting
Food Waste

2

Monitoring
Carbon
Emissions

3

Packaging
reduction

4

Responsible
ingredient
sourcing



2 Our business model is superior when it comes to **Carbon Emissions**

“

On average, grocery meal greenhouse gas emissions are **33% higher than meal kits.**

”

University of Michigan Study

The Telegraph

UK, April 24th, 2019.

Meal kits better for the environment than meals cooked from supermarket ingredients, study finds

Source : From University of Michigan: Brent R. Heard, Mayur Bandekar, Benjamin Vassar, Shelie A. Miller, April 2019, Comparison of life cycle environmental impacts from meal kits and grocery store meals



2 Our Carbon Emissions fall in two main categories

Carbon Emissions from
delivery

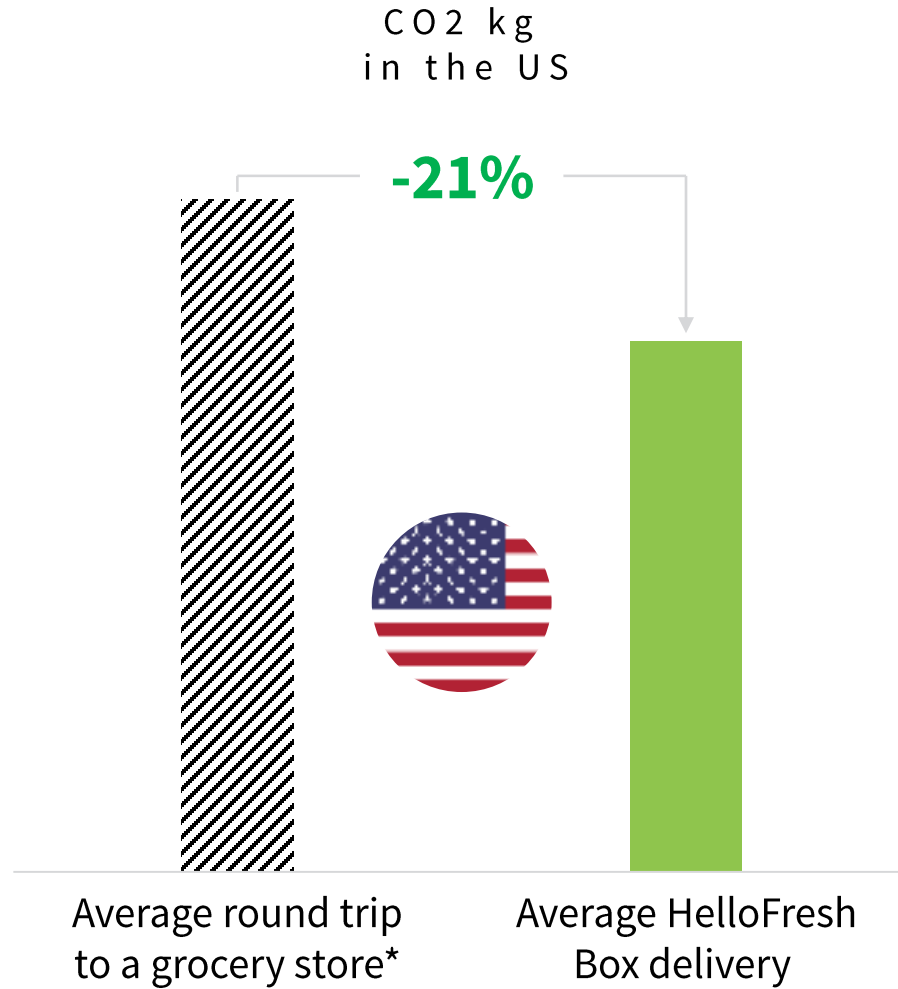
Carbon emissions from
electricity consumption
in our production sites



2

Carbon Emissions from delivery

In the US, receiving a HelloFresh meal kit produces less CO2 than going to the grocery store

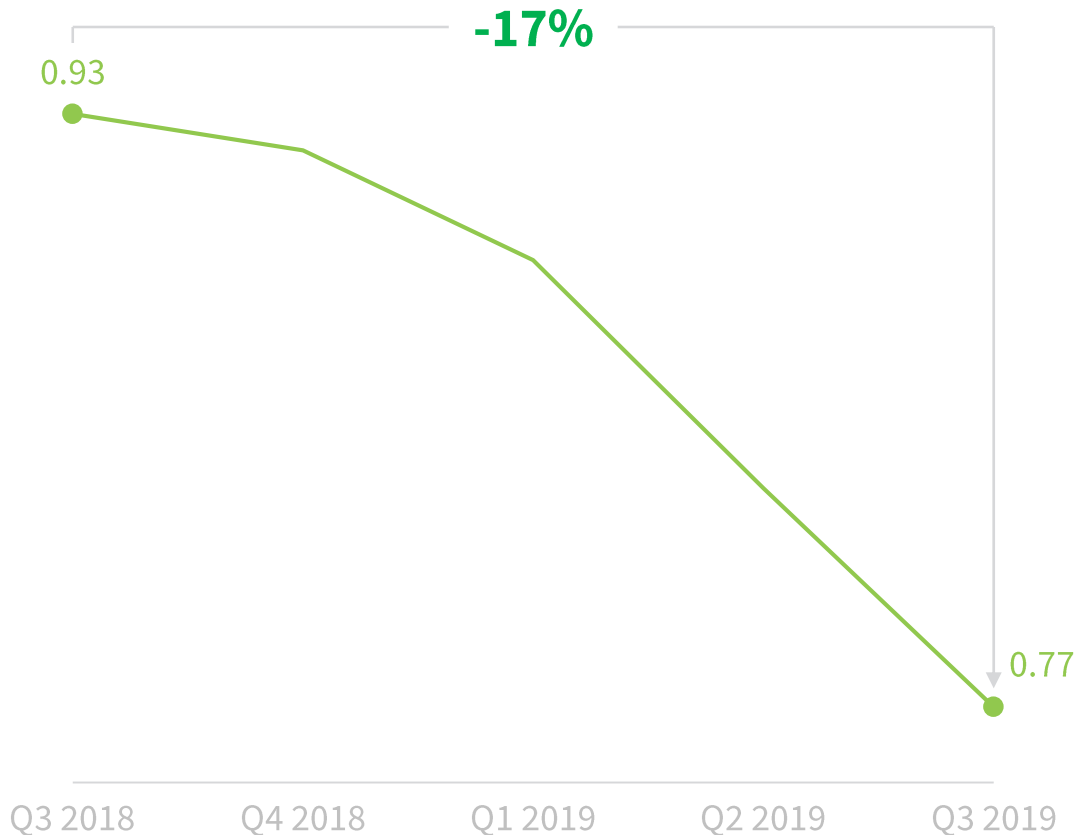




Carbon Emissions from delivery

2 Over the past year, in the Netherlands, we have already made great strides towards CO2 reductions

CO2 kg/box from last mile delivery in BENELUX



Driving this results

Increased volumes

Route optimization

Opening of 2 new logistics hubs in Belgium

Implementation of electric vans

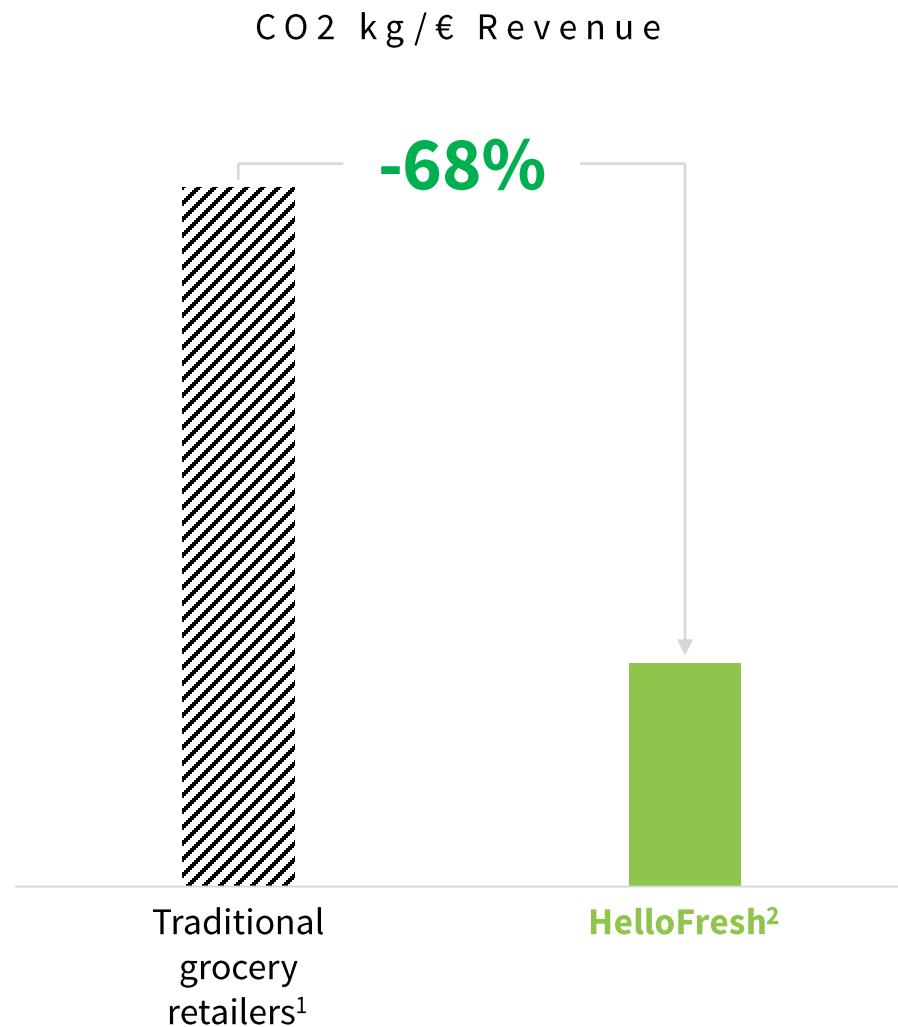
Delivering ~80% of Amsterdam, going to 100% early 2020



2

Carbon Emissions from electricity consumption

Our electricity consumption is drastically lower than that of a traditional grocery retailer



1. Internal study : Average base on two international retailers
2. HelloFresh distribution centers Germany, UK, NL, AU, US for H1 2019

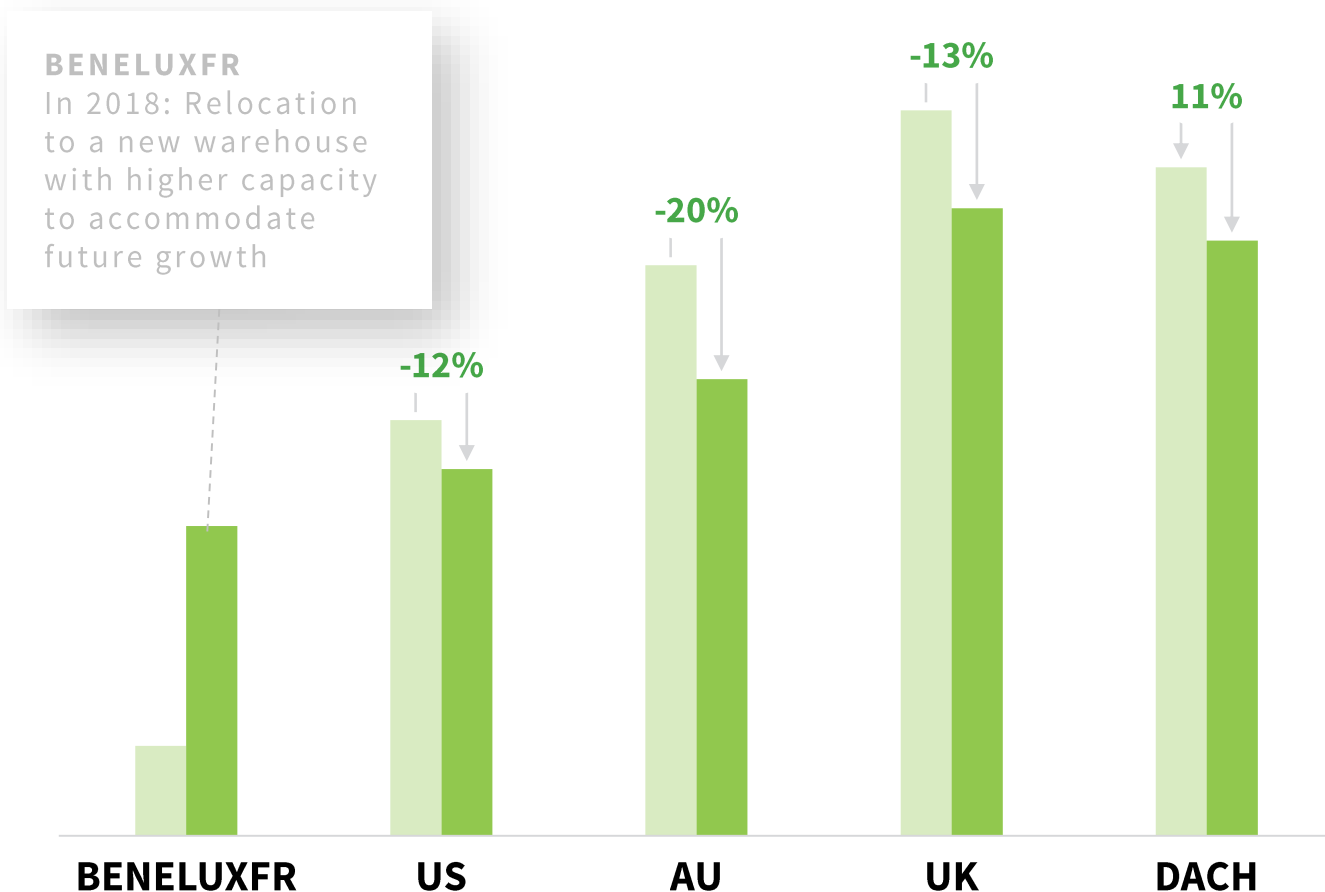


2 Carbon Emissions from electricity consumption

We are continuously improving electricity consumption in our production sites

2018 H1 CO2 kg/box from electricity consumption

2019 H1



Drivers

Installation of solar panels

Optimization of our supply chain

Optimization of our cooling installations



1.200 m² of solar panels
on the roofs of our production sites
in Australia

Our CO₂ emission
will be reduced by

181 TONS

ANNUALLY

from installing solar
panels at our Australian
production sites

The logo for Green Chef, featuring the words "GREEN CHEF" in a white, rounded rectangular box with a green vertical bar to the left, all set against a green circular background.

GREEN
CHEF

Green Chef has offset the carbon footprint of every box ever sold!

using green-e REC's
and project-based offsets

A close-up photograph of a vibrant green broccoli salad in a white bowl. The salad is topped with sliced cherry tomatoes, white cheese, and almonds. A silver fork is visible in the upper right corner. The background is a textured green surface.

Tracking Carbon Emissions since 2016

**From facilities, corporate travel, and
outbound logistics to boxes delivery**



Our Planet – We have 4 main priorities to tackle



OUR PLANET

1

Responsible
ingredient
sourcing

2

Fighting
Food Waste

3

Packaging
reduction

4

Monitoring
Carbon
Emissions



3

Packaging improvements

Our supply chain gives the customer full visibility on the actual amount of packaging, the traditional food supply chain does not





3 Packaging improvements

Sustainable packaging has always been a priority for our teams around the world



In the US we joined the Sustainable Packaging Coalition



**Australian
Packaging
Covenant
Organisation**

This year we signed onto the Australian Packaging Covenant.



In the UK we are a member of the Waste and Resources Action Program



In Germany we are a member of the Gruener Punkt



3 Packaging improvements

In 2019, we continue our efforts with major initiatives

Examples



From our Packaging Test Labs

We have packaging laboratories for US and INTL, where we use cutting-edge technology to develop effective packaging solutions with minimal waste.



Water-filled icepacks

We have started producing water-filled icepacks in-house, eliminating icepack transit and microplastics in gel filling.

Countries: DACH, CA, UK+ AU/NZ by EOY



Recycled paper cooler pouch

Cool bags made of recycled paper and paper- recyclable. Reduces in-box plastic by 58%.

Countries: DACH



Our Planet – We have 4 main priorities to tackle

OUR PLANET

1

Fighting
Food Waste

2

Monitoring
Carbon
Emissions

3

Packaging
reduction

4

Responsible
ingredient
sourcing



HelloFresh has an extremely diligent supplier assessment and onboarding process



Initial contact

Ordering of samples

Onsite visit

Ongoing monitoring

Capability audit

Sample assessment and test cooking

FSQA vetting

Quality and sustainability are primary criteria for supplier selection at HelloFresh



4 Responsible ingredient sourcing

Since 2018, we are a member of Global GAP, following their standards and encouraging a safe and sustainable agricultural production

2018



GLOBALG.A.P.

The Worldwide Standard for Good Agricultural Practice

2019

Now, over 80% of fresh products come from Global GAP* certified farms

Scope : HF International, number of SKUS

*Global GAP or Global GAP- equivalent



Responsible ingredient sourcing

4 We carry strong beliefs through a strict selection protocol and work with partners on setting new standards for tomorrow

MEAT & DAIRY



FISH



We respect the **5 freedoms of Animal Welfare**

We are working on a roadmap to further animal welfare improvement



Already **c. 80%** of our fish products are ASC/MSC or equivalent compliant

Global GAP standards



4 Responsible ingredient sourcing

Many stories to tell about our best-in-class suppliers

FRUIT & VEGETABLES



Our Australian carrots grower that gets 100% of their energy from their own wind farm and maintains a zero-waste operation by turning excess carrots into juice and feed.



SUSTAINITECH

Our Canadian team works with Sustainitech, which grow salads and herbs in indoor vertical farms.

FISH



Our Dutch team started working with Icelandic fishermen, who line-catch MSC certified cod and haddock.

HelloFresh business model provides huge advantages in terms of sustainability and we are improving further



Less food waste



Lower carbon emissions



Decreasing packaging waste



Sourcing from carefully selected suppliers



Sustainability Report
2019

Next step

Our sustainability report 2019
will be published in March 2020



Hello Fresh
 CAPITAL MARKETS DAY
 London, 5th November 2019

