



Q3 2017 RESULTS | November 2017



HELLO FRESH

LA MOM
and Thyme Gravy

Lamb Ragù Spaghetti
with Zucchini and Italian Seasonings

HELLO PARMESAN
Share the love on a daily basis that's easy and delicious!

- Onion
- Red Pepper
- Lamb Mince
- Chopped Tomatoes with Basil
- Chicken Stock Pot
- Pepperonata
- Garlic
- Parmesan Cheese

20 mins
11 of your 5 a day

Here at Hello Fresh we're all about bringing variety to dinner time and helping you to climb out of culinary ruts. It's so easy to get stuck in habits. Our automatically recharging for the best mince when making a pasta sauce. Why not ring the changes and try lamb instead? In tonight's dinner it makes a richly flavoured ragu for wide ribbons of pappardelle. Enjoy!

23:00
@hellofresh.com

HELLO FRESH

6

Toss spaghetti with ragu in pan to combine. Divide between plates and sprinkle with Parmesan. Drizzle with pepperonata (to taste—it's spicy. We recommend using 1 tsp).



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Solid Q3 performance



Continued **strong revenue growth on group level**: 48% in €-reported currency, 53% based on constant currency



US **76% €-reported revenue growth**; 86% constant currency growth



Re-accelerating revenue growth in International: 18% in €-reported; 20% constant currency growth



Contribution margin expansion to 23% vs. 17% in Q3 2016 and 22% in Q2 2017



AEBITDA margin of (8)%, c.6 percentage points margin **improvement vs. Q3 2016** and only 0.6 percentage points below Q2 2017, despite Q3 being a seasonally softer quarter



Cash consumption consistently below AEBITDA due to favorable working capital dynamics: €(3)m cash flow from operations vs. €(17)m AEBITDA in Q3 2017



Reconfirmation of **robust outlook for remainder of the year**



Manufacturing build out successfully completed



- Last production site onboarded in Australia in Q2 and fully ramped-up in Q3
- Production site build out successfully completed: on time, on budget
- 6 new sites scouted, identified, negotiated, built & fitted out in less than 2 years

Capacity utilization:

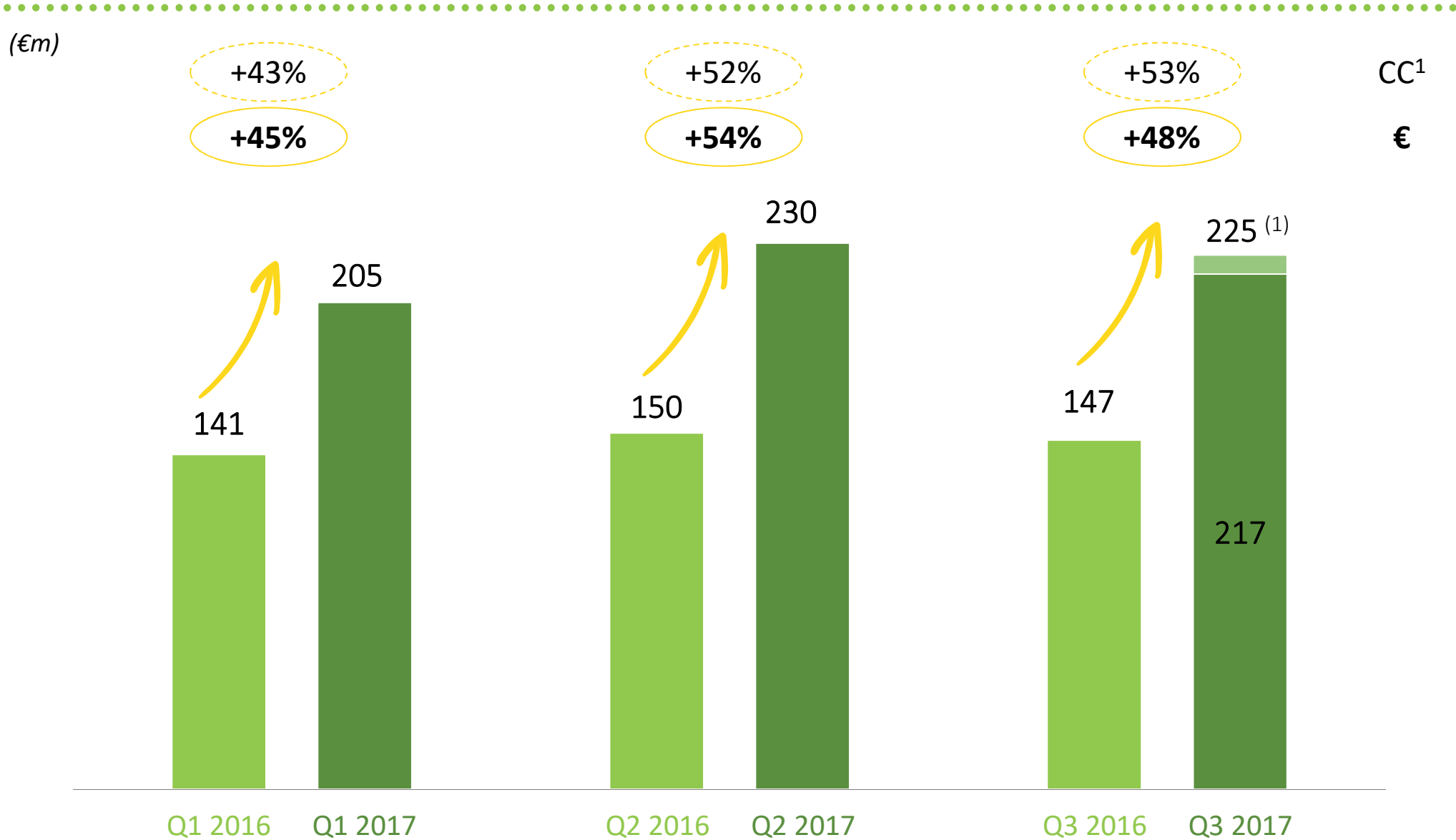
~30%

NEXT: modular step-by-step automation of production processes

1. Percentage of maximum theoretical capacity (theoretical capacity assumes distribution centers are running 20h / 7 days on full utilization)



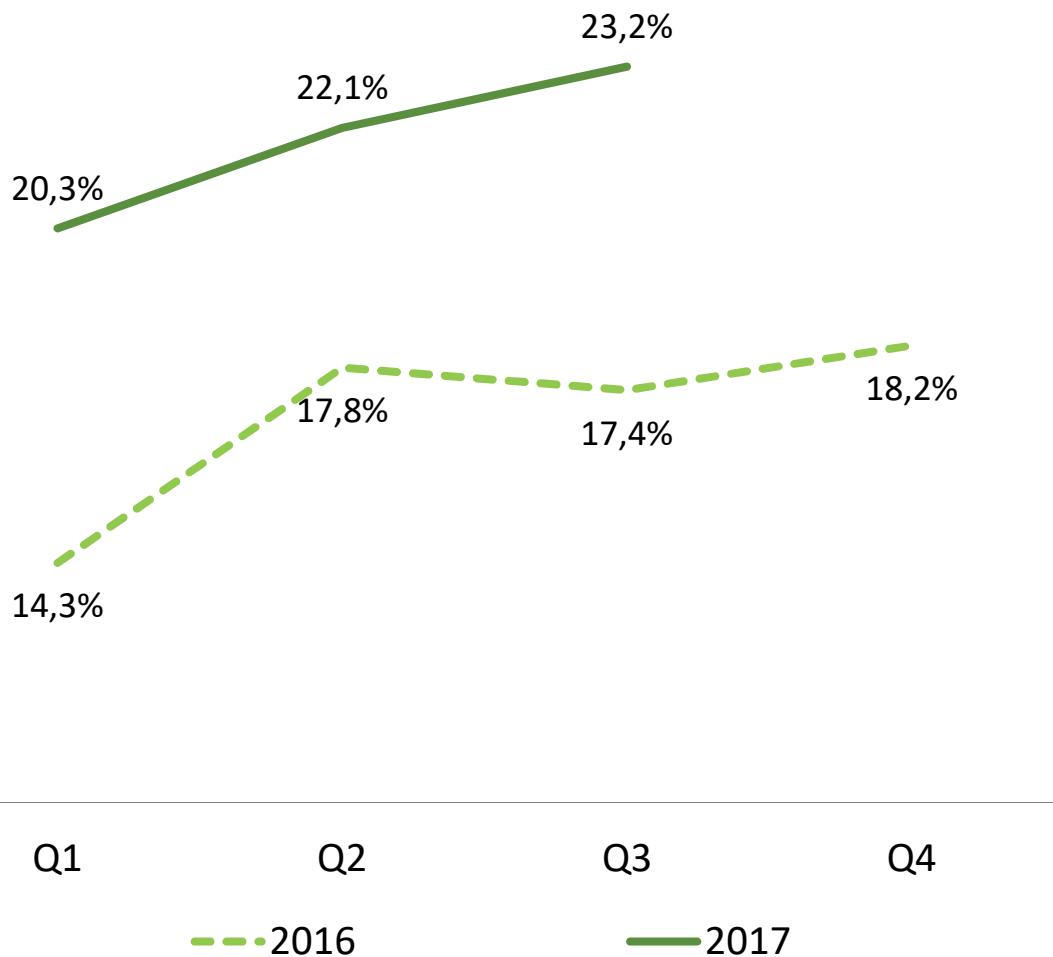
Continuation of strong revenue growth



1. Based on constant currency



Consistent contribution margin expansion



- c.6 percentage points contribution margin¹ expansion year on year
- 1 percentage point sequential improvement vs. Q2, despite lower fixed cost leverage in seasonally softer Q3
- Well on track for targeted margin savings until Q4 2018

1. Contribution margin is defined as revenue less cost of goods sold and fulfilment expenses, excluding share-based compensation expenses; contribution margin is shown as % of revenue

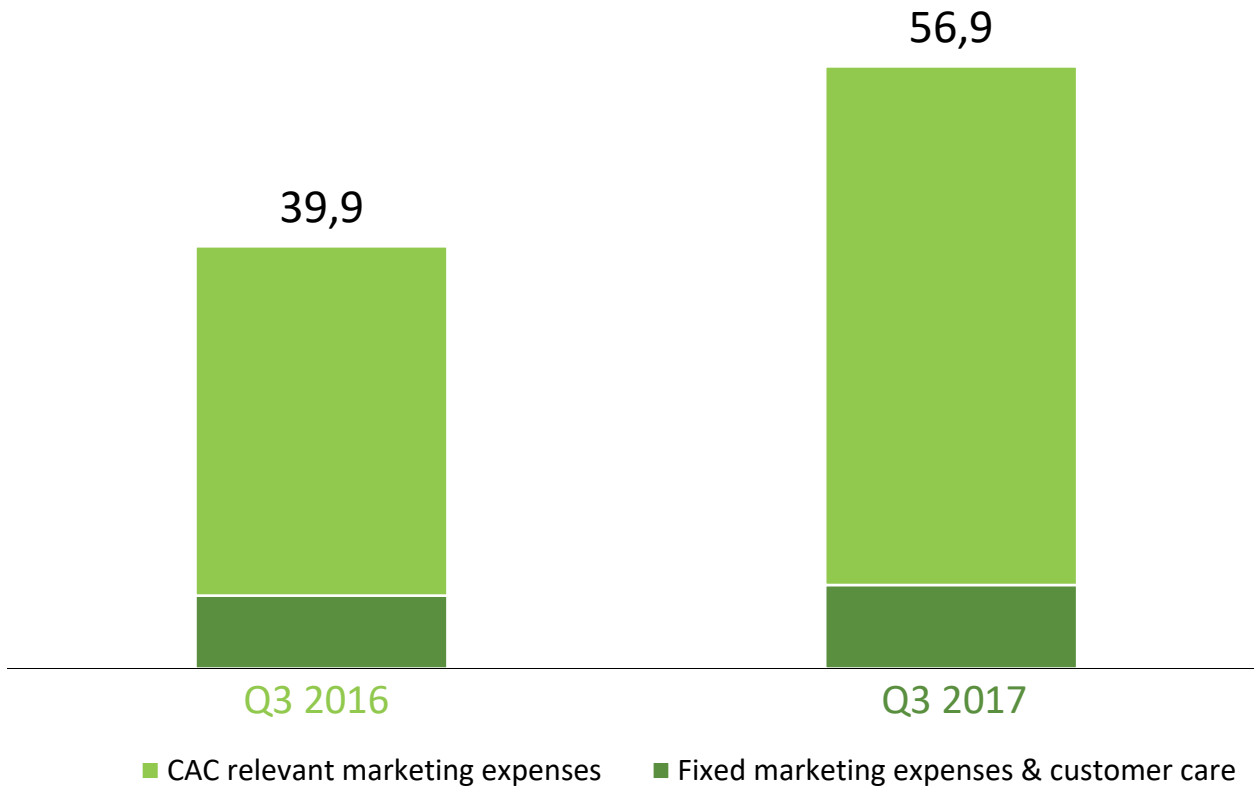


Marketing expenses as % of revenue down vs 2016¹



(€m)

27.2% → 26.3%

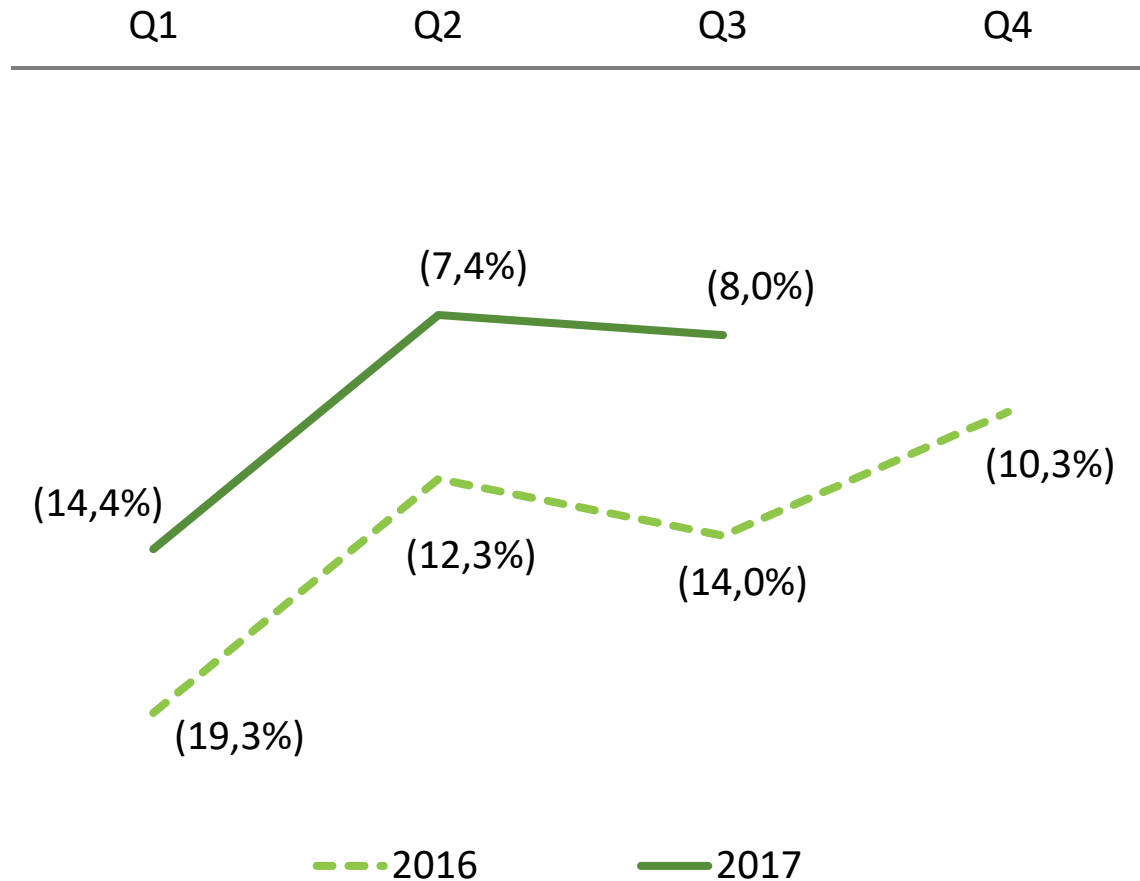


- Marketing expenses as % of revenue down by c.1 percentage point
- CAC in Q3 stable to previous periods

1. Excluding marketing-related share-based compensation expenses



Continued AEBITDA¹ margin expansion and on track to breakeven by Q4 2018



- (8%) AEBITDA margin, c.6 percentage points better than in Q3 2016
- Healthy year-on-year expansion across both segments
- Given softer Q3 seasonality, less G&A overhead absorption vs. Q2

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



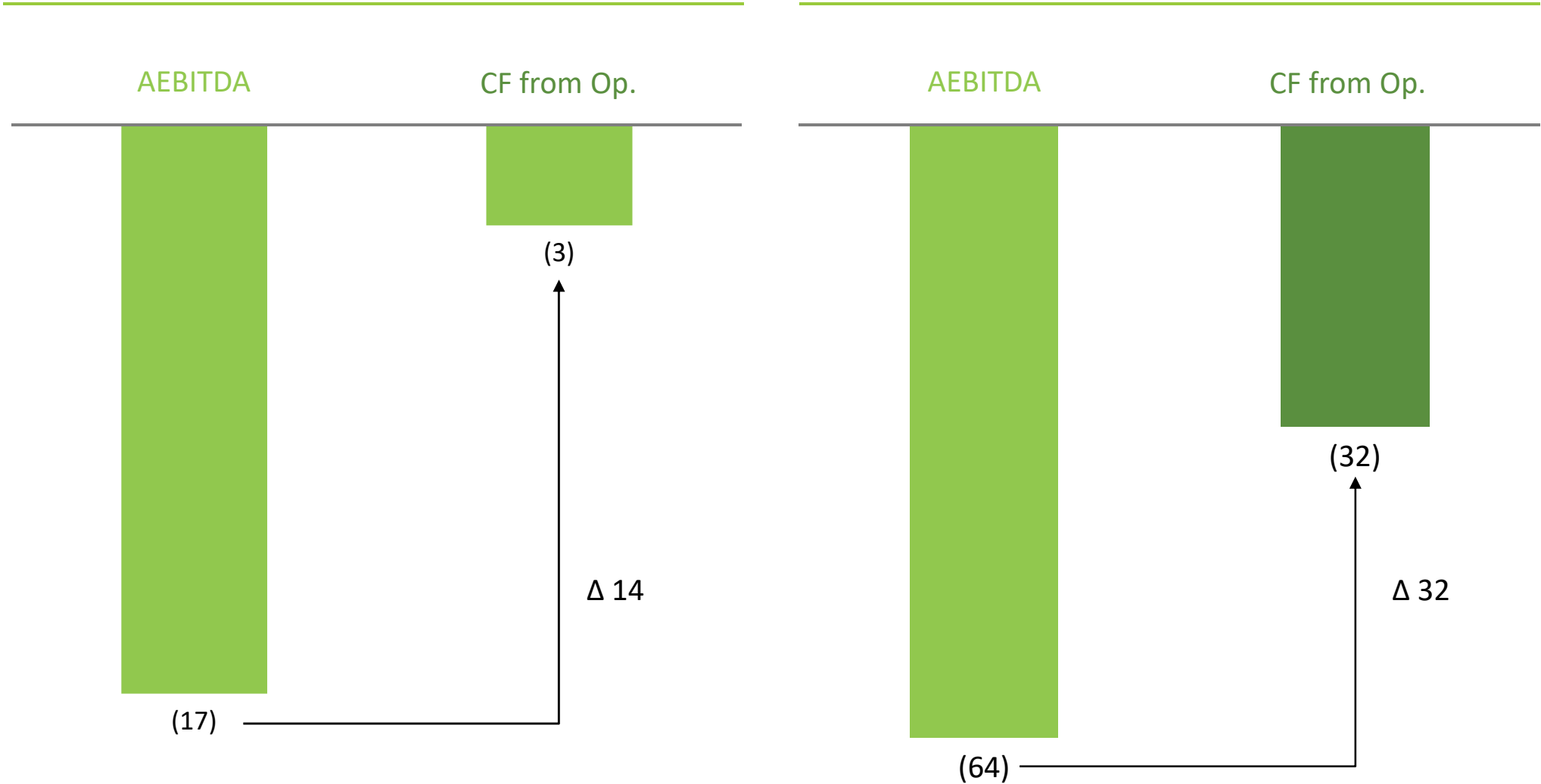
Our cash flow continues to benefit from negative working capital dynamics



(€m)

Q3 2017

YTD 2017



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



We re-confirm robust outlook for remainder of 2017

- Favorable competitive environment and robust category growth in key markets create constructive trading environment

- For 2017, in constant currency similar revenue growth in absolute €-terms as in 2016
 - Appreciating € had c. €8m negative revenue translation effect in Q3 and is expected to have a similar effect in Q4

- Continued progress in contribution margin expansion vs 2016

- Continued AEBITDA margin expansion vs. 2016



Roasted Cauliflower & Squash Tacos
3.64 / 4.00 Stars

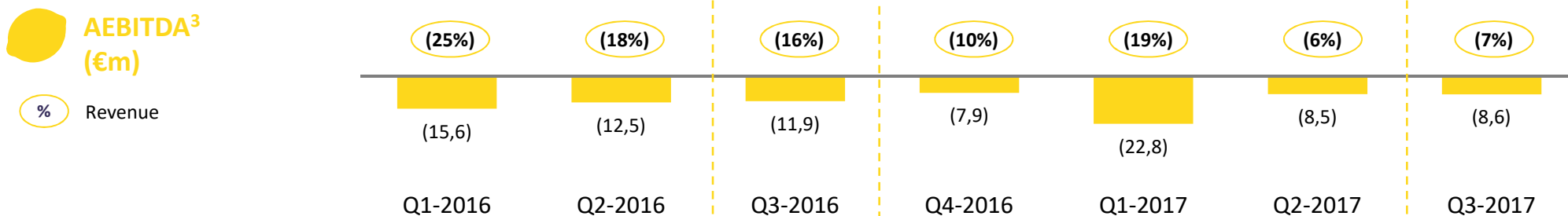
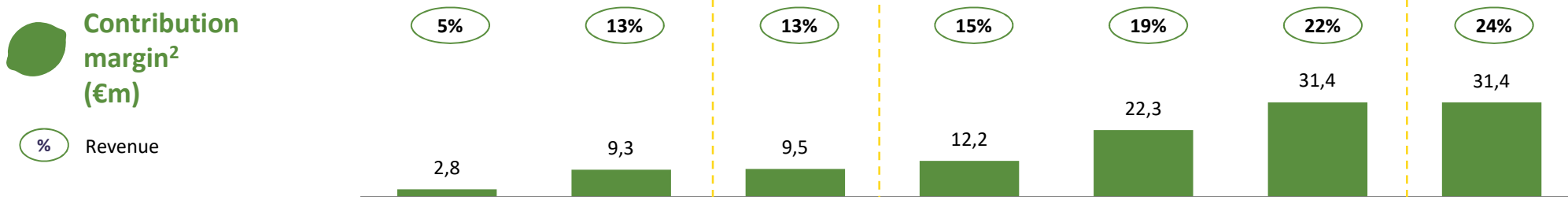
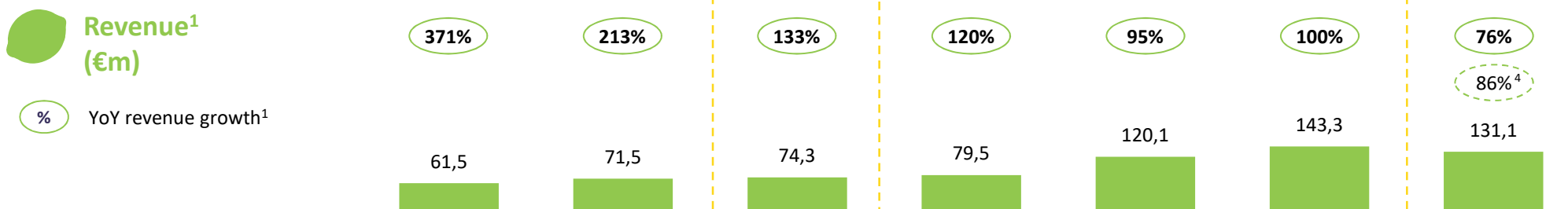
Appendix



US: industry leading growth and consistent margin expansion

OPERATIONAL AND FINANCIAL KPIs

| | Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|
| Active Customers (m) | 0.3 | 0.4 | 0.4 | 0.4 | 0.7 | 0.8 | 0.8 |
| Average Order Rate | 3.3 | 3.4 | 3.2 | 3.2 | 3.1 | 3.4 | 3.3 |
| Average Order Value (€) | 56.1 | 55.7 | 56.0 | 57.1 | 53.5 | 53.0 | 49.7 |



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; holding fees are eliminated on group level

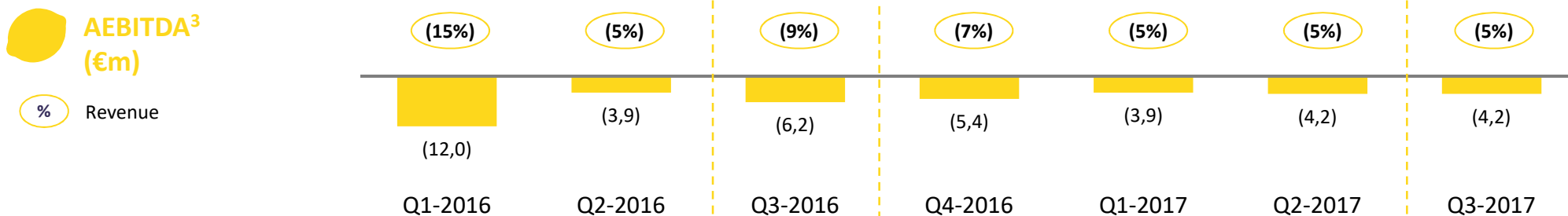
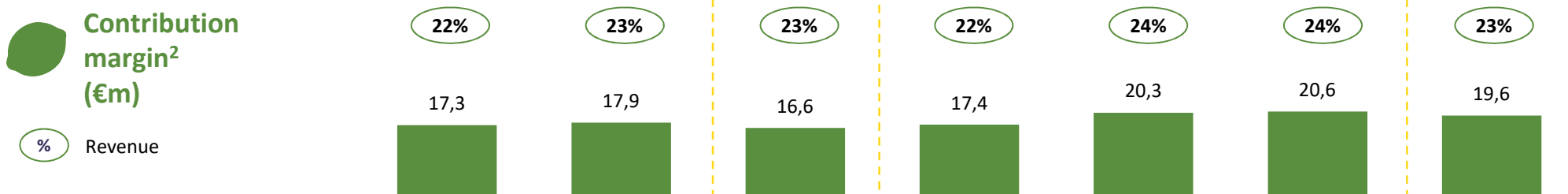
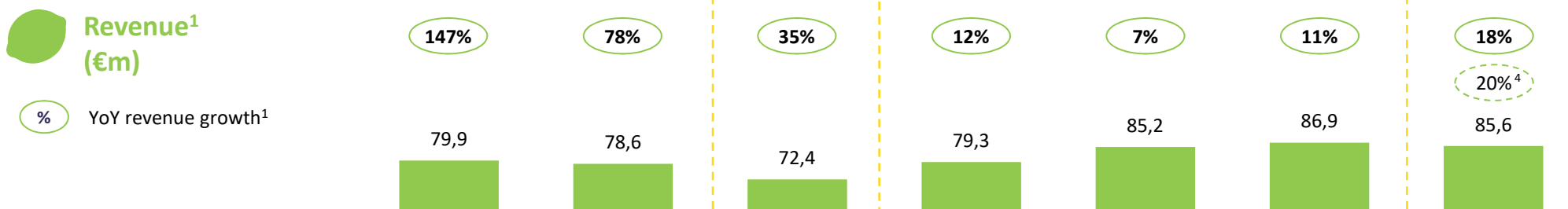
4. Based on constant currency



International: re-acceleration of topline growth

OPERATIONAL AND FINANCIAL KPIs

| | Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|
| Active Customers (m) | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 |
| Average Order Rate | 4.2 | 4.2 | 3.9 | 4.3 | 4.4 | 4.3 | 4.1 |
| Average Order Value (€) | 41.5 | 43.0 | 42.7 | 43.1 | 43.5 | 43.9 | 42.7 |



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; holding fees are eliminated on group level

4. Based on constant currency



Profit & loss statement

| (€m) | Q3 2016 | Q3 2017 | YTD 2016 | YTD 2017 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Revenue | 146.8 | 216.7 | 438.3 | 652.1 |
| <i>% YoY growth</i> | 72% | 48% | 121% | 49% |
| Cost of goods sold ¹ | (62.6) | (86.5) | (189.6) | (266.9) |
| Gross profit | 84.2 | 130.2 | 248.7 | 385.2 |
| <i>Margin (% of revenue)</i> | 57% | 60% | 57% | 59% |
| Fulfilment expenses ¹ | (59.1) | (80.2) | (176.6) | (243.0) |
| Marketing expenses ¹ | (39.9) | (57.1) | (120.4) | (180.3) |
| G&A ¹ | (8.2) | (15.0) | (23.2) | (35.5) |
| Other operating income & expenses | (0.2) | (0.9) | (2.6) | (2.3) |
| EBIT | (23.2) | (23.0) | (74.1) | (75.9) |
| <i>Margin (% of revenue)</i> | (16%) | (11%) | (17%) | (12%) |
| Financial result | (1.1) | (1.7) | (3.1) | (6.0) |
| EBT | (24.3) | (24.8) | (77.2) | (81.9) |
| Income tax (expense) benefit | - | 0.1 | - | 0.5 |
| Net income / (loss) | (24.3) | (24.7) | (77.2) | (81.4) |
| <i>Margin (% of revenue)</i> | (17%) | (11%) | (18%) | (12%) |

Reconciliation starting at EBIT

| | | | | |
|------------------------------|---------------|---------------|---------------|---------------|
| EBIT | (23.2) | (23.0) | (74.1) | (75.9) |
| <i>D&A</i> | 1.1 | 2.0 | 2.8 | 5.8 |
| EBITDA | (22.1) | (21.0) | (71.3) | (70.2) |
| <i>SBC</i> | 1.4 | 2.0 | 4.0 | 3.8 |
| <i>Special Items</i> | 0.2 | 1.6 | 1.0 | 2.3 |
| AEBITDA² | (20.5) | (17.4) | (66.3) | (64.0) |
| <i>Margin (% of revenue)</i> | (14.0%) | (8.0%) | (15.1%) | (9.8%) |

1. Including share-based compensation expenses

2. AEBITDA is calculated by adjusting EBITDA for special items and share-based compensation expenses; AEBITDA margin is defined as % of revenue; holding fees are eliminated on group level