



**HELLO
FRESH**

Quarterly Statement Q3 2021

HelloFresh at a Glance

Key Figures	3 months ended 30-Sep-21	3 months ended 30-Sep-20	YoY growth	9 months ended 30-Sep-21	9 months ended 30-Sep-20	YoY growth
Key Performance Indicators						
Group						
Active customers (in millions)	6.94	5.00	38.8%			
Number of orders (in millions)	27.59	19.49	41.6%	87.85	52.33	67.9%
Orders per customer	4.0	3.9	2.6%			
Meals (in millions)	227.3	162.0	40.3%	720.4	422.2	70.6%
Average order value (EUR)	51.3	49.7	3.2%			
Average order value constant currency (EUR)	50.9	49.7	2.4%			
USA						
Active customers (in millions)	3.48	2.49	39.8%			
Number of orders (in millions)	14.12	9.97	41.6%	44.80	27.78	61.3%
Orders per customer	4.1	4.0	2.5%			
Meals (in millions)	108.1	72.7	48.7%	340.4	197.9	72.0%
Average order value (EUR)	55.9	52.7	6.1%			
Average order value constant currency (EUR)	56.3	52.7	6.8%			
International						
Active customers (in millions)	3.46	2.51	37.8%			
Number of orders (in millions)	13.47	9.52	41.5%	43.05	24.55	75.4%
Orders per customer	3.9	3.8	2.6%			
Meals (in millions)	119.2	89.3	33.5%	379.9	224.3	69.4%
Average order value (EUR)	46.5	46.6	(0.2 %)			
Average order value constant currency (EUR)	45.4	46.6	(2.6 %)			

Key Figures	3 months ended 30-Sep-21	3 months ended 30-Sep-20	YoY growth	9 months ended 30-Sep-21	9 months ended 30-Sep-20	YoY growth
Results of operations						
Group						
Revenue (in MEUR)	1,415.5	970.2	45.9%	4,413.4	2,641.4	67.1%
Revenue constant currency (in MEUR)	1,405.6	970.2	44.9%	4,534.9	2,641.4	71.7%
Contribution Margin (in MEUR)*	318.0	259.3	22.6%	1,128.0	715.4	57.7%
Contribution Margin (in % of Revenue)*	22.5%	26.7%	(4.2 pp)	25.6%	27.1%	(1.5 pp)
AEBITDA (in MEUR)	79.8	114.7	(30.4 %)	396.8	331.4	19.7%
AEBITDA (in % of Revenue)	5.6%	11.8%	(6.2 pp)	9.0%	12.5%	(3.5 pp)
USA						
Revenue (in MEUR)	789.3	526.3	50.0%	2,438.7	1,488.9	63.8%
Revenue constant currency (in MEUR)	794.5	526.3	51.0%	2,599.8	1,488.9	74.6%
Contribution Margin (in MEUR)*	178.9	127.9	39.9%	639.1	387.2	65.1%
Contribution Margin (in % of Revenue)*	22.6%	24.2%	(1.6 pp)	26.1%	25.9%	0.2 pp
AEBITDA (in MEUR)	48.7	57.6	(15.5 %)	232.4	189.1	22.9 %
AEBITDA (in % of Revenue)	6.2%	10.9%	(4.7 pp)	9.5%	12.7 %	(3.2 pp)
International						
Revenue (in MEUR)	626.1	443.8	41.1%	1,974.3	1,152.3	71.3%
Revenue constant currency (in MEUR)	611.1	443.8	37.7%	1,935.1	1,152.3	67.9%
Contribution Margin (in MEUR)*	144.0	134.5	7.1%	503.4	337.1	49.3%
Contribution Margin (in % of Revenue)*	22.9%	30.2%	(7.3 pp)	25.4%	29.2%	(3.8 pp)
AEBITDA (in MEUR)	52.3	69.9	(25.2 %)	223.3	180.2	23.9%
AEBITDA (in % of Revenue)	8.3%	15.7%	(7.4 pp)	11.3%	15.6%	(4.3 pp)
Group Financial Position						
Net working capital (in MEUR)	(319.3)	(183.8)		(319.3)	(183.8)	
Cash flow from operating activities (in MEUR)	85.2	134.8		396.3	416.1	
Cash and cash equivalents (in MEUR)	955.1	722.5		955.1	722.5	
Free cash flow (in MEUR)	17.7	118.5		250.2	361.3	

*Net of share-based compensation expenses

HelloFresh delivers strong performance in Q3 across both segments:

- Active customers of 6.94m, a 38.8% growth compared to the third quarter 2020.
- Continued strong customer engagement, with a year-on-year increase in average orders per customer in Q3 2021, despite a more normal seasonality this year.
- Average order value up year-on-year to EUR 51.3, driven by the US segment.
- Q3 revenue of MEUR 1,415.5, a year-on-year growth of 45.9% on a euro basis; and 44.9% on a constant currency basis.
- Both segments show a meaningful growth compared to the same period in the previous year - based on constant currency. The International segment shows a growth of 37.7%; and US a growth of 51.0%.
- AEBITDA for Q3 of MEUR 79.8 vs. MEUR 114.7 in the prior year period, reflecting primarily the near term impact on contribution margin of a continued rapid expansion of our fulfilment capacity, a more normal seasonality, certain inflation in wages and logistic costs and a normalization in marketing expenses.
- Both segments delivered a strong quarter of positive AEBITDA margin: International with 8.3% and US with 6.2% of revenue.
- Continued Free Cash Flow generation with MEUR 17.7 in Q3 2021 alone.
- Cash on balance sheet of MEUR 955.1 at end of Q3 2021.

Financial Performance of the Group

Consolidated income statement for the third quarter 2021 ended 30 September

In MEUR	3 months ended			9 months ended		
	30-Sep-21	30-Sep-20	YoY	30-Sep-21	30-Sep-20	YoY
Revenue	1,415.5	970.2	45.9%	4,413.4	2,641.4	67.1%
Procurement Expenses	(489.8)	(332.4)	(47.3 %)	(1,509.8)	(915.3)	(65.0%)
% of revenue	(34.6 %)	(34.3 %)	(0.3 pp)	(34.2 %)	(34.7 %)	0.4 pp
Fulfilment Expenses	(613.8)	(379.8)	(61.6 %)	(1,790.4)	(1,014.5)	(76.5 %)
% of revenue	(43.4 %)	(39.1 %)	(4.2 pp)	(40.6 %)	(38.4 %)	(2.2 pp)
Contribution margin	311.9	258.0	20.9%	1,113.3	711.6	56.4 %
Contribution margin (excl. SBC)	318.0	259.3	22.6%	1,128.0	715.4	57.7 %
% of revenue	22.5%	26.7%	(4.3 pp)	25.6%	27.1 %	(1.5 pp)
Marketing Expenses	(209.5)	(124.3)	(68.5 %)	(640.9)	(326.6)	(96.2 %)
% of revenue	(14.8 %)	(12.8 %)	(2.0 pp)	(14.5 %)	(12.4 %)	(2.2 pp)
Marketing Expenses (excl. SBC)	(209.1)	(123.5)	(69.3 %)	(640.6)	(324.4)	(97.5 %)
% of revenue	(14.8 %)	(12.7 %)	(2.0 pp)	(14.5 %)	(12.3 %)	(2.2 pp)
General and Administrative Expenses, other income and expenses	(61.0)	(41.6)	(46.7%)	(165.9)	(112.2)	(47.9 %)
% of revenue	(4.3 %)	(4.3 %)	— pp	(3.8 %)	(4.2 %)	0.5 pp
General and Administrative Expenses, other income and expenses (excl. SBC)	(58.5)	(37.5)	(56.0%)	(164.4)	(100.0)	(64.4 %)
% of revenue	(4.1 %)	(3.9 %)	(0.3 pp)	(3.7 %)	(3.8 %)	0.1 pp
EBIT	41.4	92.1	(55.0%)	306.4	272.8	12.3 %
% of revenue	2.9%	9.5%	(6.6 pp)	6.9%	10.3%	(3.4 pp)
Depreciation and Amortization	25.5	11.6	(119.7%)	65.9	33.7	(95.4%)
EBITDA	67.0	103.7	(35.4%)	372.3	306.5	21.5%
% of revenue	4.7%	10.7%	(6.0 pp)	8.4%	11.6%	(3.2 pp)
Special items*	4.0	4.7	15.3%	7.8	6.7	(15.9 %)
Share-based compensation expenses	8.9	6.3	(40.4%)	16.6	18.2	8.6 %
AEBITDA	79.8	114.7	(30.4%)	396.8	331.4	19.7%
% of revenue	5.6%	11.8%	(6.2 pp)	9.0%	12.5%	(3.6 pp)
AEBIT	54.3	103.1	(47.3%)	330.9	297.7	11.2%
% of revenue	3.8%	10.6%	(6.8 pp)	7.5%	11.3 %	(3.8 pp)

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

During the third quarter 2021, HelloFresh continued to deliver strong revenue growth compared with the third quarter 2020 with 45.9% growth on a euro basis, and 44.9% on a constant currency basis. As a result, the Group revenue increased from MEUR 970.2 in the third quarter 2020 to MEUR 1,415.5 in this quarter. The revenue growth was driven by a year-on-year increase in active customers by 38.8%, which reached 6.94m, compared to 5.00m in the same period last year, together with a corresponding increase in number of orders. Average order value has further increased to EUR 51.3 against an already ambitious benchmark from last year, primarily driven by an AOV expansion in our US segment. Average order rate per customer has also increased slightly to 4.0, despite a return towards more normal seasonality in the third quarter 2021 compared to the previous year. This has been driven by continued strong customer engagement and retention.

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue in the third quarter 2021 has decreased to 22.5% compared to 26.7% in the third quarter 2020. Procurement expenses have slightly increased across the Group at 34.6% of revenue in Q3 2021 due to certain underlying inflationary trends in ingredient pricing. Fulfilment expenses increased more meaningfully by (4.2 pp) of revenue during the third quarter 2021. This is primarily driven by (i) a continued rapid expansion of our fulfilment capacity and associated launch and ramp-up costs, (ii) a more normal seasonality which means lower fixed cost utilization and higher packaging expenses in the peak summer month July and August, (iii) certain increases in production-related wages, and (iv) rising of logistic costs. Our

International segment, which had on a relative basis benefited more from rising capacity utilization in 2020, and was less affected by Covid-headwinds, saw a steeper relative increase in fulfilment expenses compared to our US segment. In Q3 2021, we also had to absorb certain exceptional events, relating to storm-related damages impacting US ready-to-eat production volume for two weeks and Covid-related quarantine measures for some of our production colleagues in Australia and New Zealand impacting production volume over several weeks.

Marketing expenses (excluding share-based compensation expenses) as percentage of revenue have increased by 2.0 pp to 14.8% in this period compared to 12.7% in the previous year's period. The increase is driven by a normalization in customer demand and customer acquisition costs in comparison with the same period last year, which was still meaningfully impacted by Covid effects.

General and Administrative expenses and Other Operating income and expenses (including share-based compensation expense) as percentage of revenue have remained stable at 4.3 % from Q3 2020 to Q3 2021. In absolute terms these expenses increased from MEUR 41.6 in the third quarter 2020 to MEUR 61.0 in the third quarter 2021. General and Administrative expenses and Other Operating income and expenses (excluding share-based compensation expense) as percentage of revenue have increased slightly to (4.1 %) from Q3 2020 to Q3 2021.

Reported EBIT amounts to MEUR 41.4 in Q3 2021, a positive margin of 2.9% compared to a positive margin in Q3 2020 of 9.5%. This is a result of the factors described above.

AEBITDA amounts to MEUR 79.8, a positive margin of 5.6%, compared to a positive margin in Q3 2020 of 11.8%.

AEBIT amounts to MEUR 54.3, a positive margin of 3.8%, compared to a positive margin in Q3 2020 of 10.6%.

Financial Performance of US Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-21	30-Sep-20	YoY	30-Sep-21	30-Sep-20	YoY
Revenue (total)	791.4	527.9	49.9 %	2,444.3	1,494.2	63.6%
Revenue (external)	789.3	526.3	50.0 %	2,438.7	1,488.9	63.8%
Procurement Expenses	(241.6)	(156.6)	(54.2 %)	(728.7)	(448.7)	(62.4%)
% of revenue	(30.5 %)	(29.7 %)	(0.9 pp)	(29.8 %)	(30.0 %)	0.2 pp
Fulfilment Expenses	(374.7)	(244.3)	(53.4 %)	(1,085.6)	(660.7)	(64.3%)
% of revenue	(47.3 %)	(46.3 %)	(1.1 pp)	(44.4 %)	(44.2 %)	(0.2 pp)
Contribution margin	175.1	127.0	37.9 %	630.0	384.8	63.7%
Contribution margin (excl. SBC)	178.9	127.9	39.9 %	639.1	387.2	65.1%
% of revenue	22.6%	24.2%	(1.6 pp)	26.1%	25.9%	0.2 pp
Marketing Expenses	(122.2)	(64.5)	(89.5 %)	(377.0)	(181.7)	(107.5 %)
% of revenue	(15.4 %)	(12.2 %)	(3.2 pp)	(15.4 %)	(12.2 %)	(3.3 pp)
Marketing Expenses (excl. SBC)	(122.0)	(64.0)	(90.6 %)	(376.7)	(180.5)	(108.7 %)
% of revenue	(15.4 %)	(12.1 %)	(3.3 pp)	(15.4 %)	(12.1 %)	(3.3 pp)
General and administrative expenses, other income and expenses	(47.0)	(20.5)	(129.0 %)	(190.1)	(43.7)	(335.1%)
% of revenue	(5.9%)	(3.9 %)	(2.1 pp)	(7.8 %)	(2.9 %)	(4.9 pp)
Thereof Holding fee	(22.3)	(4.4)	(408.0 %)	(120.8)	(4.4)	nm
General and administrative expenses, other income and expenses (excl. SBC and holding fee)	(24.2)	(14.8)	(62.7 %)	(68.6)	(35.6)	(92.5%)
% of revenue	(3.1 %)	(2.8 %)	(0.2 pp)	(2.8 %)	(2.4 %)	(0.4 pp)
EBIT	5.9	42.0	(85.9 %)	62.9	159.4	(60.5%)
% of revenue	0.7 %	8.0%	(7.2 pp)	2.6%	10.7 %	(8.1 pp)
EBIT (excluding holding fee)	28.2	46.3	(39.0 %)	183.7	163.8	12.1%
% of revenue	3.6 %	8.8%	(5.2 pp)	7.5 %	11.0 %	(3.5 pp)
Depreciation and Amortization	13.0	4.3	(200.4 %)	33.0	12.7	(159.5%)
EBITDA (excluding holding fee)	41.2	50.7	(18.7 %)	216.7	176.5	22.8%
% of revenue	5.2 %	9.6 %	(4.4 pp)	8.9 %	11.8 %	(2.9 pp)
Special items*	2.9	4.2	30.7 %	5.6	5.3	(5.8%)
Share-based compensation expenses	4.6	2.7	(70.6 %)	10.1	7.3	(37.5%)
AEBITDA	48.7	57.6	(15.6 %)	232.4	189.1	22.9%
% of revenue	6.2%	10.9%	(4.8 pp)	9.5%	12.7 %	(3.1 pp)
AEBIT	35.7	53.3	(33.1 %)	199.4	176.4	13.1%
% of revenue	4.5%	10.1%	(5.6 pp)	8.2%	11.8%	(3.6 pp)

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

External revenue of our US Segment increased by 50.0 % from MEUR 526.3 in the third quarter 2020 to MEUR 789.3 in the third quarter 2021. On a constant currency basis, this represents a 51.0% growth rate, driven by (i) an increase in active customers by 39.8% from 2.49m in the third quarter 2020 to 3.48m in the third quarter 2021, (ii) an increase in average order rate of 2.5%, and (iii) an increase in average order value in constant currency by 6.8%, all compared to the third quarter 2020. Total meals delivered by HelloFresh increased by 48.7%, from 72.7m in the third quarter of 2020 to 108.1m in the third quarter of 2021. In addition, Factor 75 contributed to our revenue during the third quarter 2021 in comparison to the third quarter 2020.

The contribution margin (excluding share-based compensation expenses) as a percentage of revenue decreased by 1.6 pp, which is driven mainly by the trends described earlier for the Group. For the first 9 months of 2021, our contribution margin has increased slightly by 0.2pp to 26.1% of revenue, compared to 25.9% in the same period 2020.

In line with the trend on Group level, US Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue have increased from 12.1 % in third quarter in 2020 to 15.4 % in this quarter, reflecting an increase of 3.3 pp. In 2020, our marketing activities in the US were limited during the height of the pandemic in order to

limit incremental demand for our services from new customers due to capacity constraints. Since Covid-related restrictions have eased across the country, and we are well on track to expand our production capacity, we increased our marketing activities back to a normal level. In addition, customer acquisition costs have, since the end of last year, normalized at a higher level than in Q3 2020.

General and Administrative expenses and Other Operating income and expenses (excluding share-based compensation expenses and holding fee) expressed in terms of revenue slightly increased by (0.2 pp) to 3.1 % compared to 2.8 % in the third quarter 2020.

Reported EBIT, excluding holding fee, decreased from MEUR 46.3 to MEUR 28.2 in Q3 2021, a positive margin of 3.6 %, compared to a positive margin of 8.8% in the third quarter of 2020. This is a result of the factors described above.

AEBITDA for the third quarter 2021 amounts to MEUR 48.7, reflecting a positive margin of 6.2%, compared to a margin of 10.9% in the third quarter of 2020.

AEBIT for the third quarter 2021 amounts to MEUR 35.7, reflecting a positive margin of 4.5%, compared to a margin of 10.1% in the third quarter of 2020.

Financial Performance of International Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-21	30-Sep-20	YoY	30-Sep-21	30-Sep-20	YoY
Revenue (total)	629.1	445.3	41.3 %	1,983.0	1,155.6	71.6 %
Revenue (external)	626.1	443.8	41.1 %	1,974.3	1,152.3	71.3 %
Procurement Expenses	(248.1)	(175.7)	(41.2 %)	(780.7)	(466.3)	(67.4 %)
% of revenue	(39.4 %)	(39.5 %)	— pp	(39.4 %)	(40.4 %)	1.0 pp
Fulfilment expenses	(237.7)	(135.5)	(75.5 %)	(700.6)	(353.2)	(98.4 %)
% of revenue	(37.8 %)	(30.4 %)	(7.4 pp)	(35.3 %)	(30.6 %)	(4.8 pp)
Contribution margin	143.3	134.1	6.8 %	501.8	336.1	49.3 %
Contribution margin (excl. SBC)	144.0	134.5	7.0 %	503.4	337.1	49.4 %
% of revenue	22.9%	30.2%	(7.3 pp)	25.4%	29.2%	(3.8 pp)
Marketing expenses	(84.2)	(58.4)	(44.1 %)	(257.6)	(140.6)	(83.2 %)
% of revenue	(13.4 %)	(13.1 %)	(0.3 pp)	(13.0 %)	(12.2 %)	(0.8 pp)
Marketing expenses (excl. SBC)	(84.1)	(58.3)	(44.3 %)	(257.7)	(140.2)	(83.8 %)
% of revenue	(13.4 %)	(13.1 %)	(0.3 pp)	(13.0 %)	(12.1 %)	(0.9 pp)
General and administrative expenses, other income and expenses	(46.7)	(70.4)	33.6 %	(167.6)	(134.9)	(24.3 %)
% of revenue	(7.4 %)	(15.8 %)	8.4 pp	(8.5 %)	(11.7 %)	3.2 pp
Thereof Holding fee	(27.7)	(57.3)	51.6 %	(114.8)	(98.9)	(16.1 %)
General and administrative expenses, other income and expenses (excl. SBC and holding fee)	(18.7)	(12.8)	(45.8 %)	(52.1)	(35.1)	(48.5 %)
% of revenue	(3.0 %)	(2.9 %)	(0.1 pp)	(2.6 %)	(3.0 %)	0.4 pp
EBIT	12.4	5.3	134.6%	76.6	60.6	26.5 %
% of revenue	2.0%	1.2%	0.8 pp	3.9%	5.2%	(1.4 pp)
EBIT (excluding holding fee)	40.1	62.6	(35.9 %)	191.4	159.5	20.0%
% of revenue	6.4%	14.1%	(7.7 pp)	9.7%	13.8%	(4.2 pp)
Depreciation and amortization	10.4	6.1	(71.3%)	28.0	17.2	(62.7%)
EBITDA (excluding holding fee)	50.5	68.7	(26.5 %)	219.4	176.7	24.1%
% of revenue	8.0%	15.4%	(7.4 pp)	11.1%	15.3%	(4.2 pp)
Special items*	0.7	0.4	(61.1 %)	1.7	1.2	(38.8 %)
Share-based compensation expenses	1.1	0.8	(40.1 %)	2.2	2.3	1.1 %
AEBITDA	52.3	69.9	(25.1 %)	223.3	180.2	23.9%
% of revenue	8.3%	15.7%	(7.4 pp)	11.3%	15.6%	(4.3 pp)
AEBIT	41.9	63.8	(34.3 %)	195.3	163.0	19.8%
% of revenue	6.7%	14.3%	(7.7 pp)	9.8%	14.1%	(4.3 pp)

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

The external revenue of the International segment increased by 41.1 % from MEUR 443.8 in the third quarter 2020 to MEUR 626.1 in the third quarter 2021. On a constant currency basis, this represents a 37.7% growth rate. This increase was mainly driven by growth in active customers by 37.8% from 2.51m in the third quarter 2020 to 3.46m in the third quarter 2021, an increase in average orders per customer of 2.6% and stable average order value in EUR terms, all compared to the third quarter 2020. Total meals delivered by HelloFresh increased by 33.5%, from 89.3m in the third quarter of 2020 to 119.2m in the third quarter of 2021.

Contribution margin (excluding share-based compensation expenses) of the International segment as a percentage of revenue decreased by 7.3pp in the third quarter 2021 to 22.9% from 30.2% in the third quarter 2020. This was primarily driven by the trends described earlier for the Group and certain geographic mix effects within the segment.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue have slightly increased from 13.1 % in the third quarter of 2020 to 13.4 % in the third quarter 2021, driven by the factors described on Group level. The increase of marketing expenses in the International segment was less pronounced than in the US segment, because the decrease in marketing activities during Q3 2020 was lower in the International Segment. This segment was

less capacity constrained in the prior year, and already operated on a lower relative marketing spend prior to the outbreak of COVID-19 pandemic.

General and Administrative expenses and Other Operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue have remained stable and are now at 3.0 % of revenue during Q3 2021 in comparison with Q3 2020.

Reported EBIT, excluding holding fee, amounts to MEUR 40.1 in Q3 2021, reflecting a positive margin of 6.4% compared to 14.1% in Q3 2020. This is a result of the factors described above.

AEBITDA amounts to MEUR 52.3, reflecting a margin of 8.3%, compared to a margin of 15.7% in the third quarter of 2020.

AEBIT amounts to MEUR 41.9, reflecting a positive margin of 6.7%, compared to a margin of 14.3% in Q3 2020

Share-Based Compensation Expenses

The Group operates share-based compensation plans, under which Group companies receive services from directors and employees as consideration for equity instruments of the Company or one of its subsidiaries. In Q3 2021, no new stock option programs were launched. The Segment expense is summarized below:

In MEUR	3 months ended		9 months ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
USA	4.6	2.7	10.1	7.3
International	1.1	0.8	2.2	2.3
Holding	3.2	2.8	4.3	8.6
Total	8.9	6.3	16.6	18.2

Share-based compensation expenses have increased year-on-year in comparison to the third quarter 2020. The increase is driven by both an increased number of participants under the programs as well as overall higher grants.

A breakdown of the vested and unvested share awards is shown in the table below:

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	5.6	0.1	5.7
WAEP (in EUR) - vested shares	10.60	—	10.40
Unvested (in mn)	2.5	0.3	2.9
WAEP (in EUR) - unvested shares	27.00	—	23.90
Outstanding (in mn)	8.1	0.4	8.5
WAEP (in EUR)	15.80	0.01	15.00

EBIT to AEBITDA

In MEUR	3 months ended 30-Sep-21	3 months ended 30-Sep-20	YoY growth	9 months ended 30-Sep-21	9 months ended 30-Sep-20	YoY growth
EBIT	41.4	92.1	(55.0%)	306.4	272.8	12.3%
Depreciation and amortization	25.5	11.6		65.9	33.7	
EBITDA	67.0	103.7	(35.4%)	372.3	306.5	21.5%
Special items*	4.0	4.7		7.8	6.7	
Share-based compensation	8.9	6.3		16.6	18.2	
AEBITDA	79.8	114.7	(30.4%)	396.8	331.4	19.7%
AEBITDA margin	5.6%	11.8%	(6.2 pp)	9.0%	12.5%	(3.6 pp)
AEBIT	54.3	103.1	(47.3%)	330.9	297.7	11.2%
AEBIT Margin	3.8%	10.6%	(6.8 pp)	7.5%	11.3%	(3.8 pp)

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

Cash Flow

In MEUR	3 months ended 30-Sep-21	3 months ended 30-Sep-20	9 months ended 30-Sep-21	9 months ended 30-Sep-20
Cash and cash equivalents at the beginning of the period	933.4	611.5	729.0	193.6
Net Cash flows from operating activities	85.2	134.8	396.3	416.1
Net Cash flows from investing activities	(57.5)	(14.2)	(124.5)	(44.0)
Net Cash flows from financing activities	(8.5)	0.9	(59.2)	170.7
Effects of exchange rate changes and other changes on cash and cash equivalents	2.5	(10.5)	13.5	(13.9)
Cash and cash equivalents at the end of the period	955.1	722.5	955.1	722.5

Cash flow from operating activities in the third quarter 2021 amounts to MEUR 85.2 as compared to MEUR 134.8 in the third quarter 2020. This is mainly driven by (i) the profit for the period, which amounts to MEUR 23.1 in the third quarter 2021 as compared to MEUR 74.6 in the third quarter 2020, and (ii) positive inflow from change in the working capital amounting to MEUR 27.5.

Cash flow from investing activities represents a cash outflow of MEUR (57.5) in the third quarter 2021. The outflow increased due to capex of MEUR (52.9) due to an ongoing capacity expansion and productivity increases. Key target geographies for these investments in Q3 2021 were the US and Canada.

The cash outflow from financing activities amounting to MEUR (8.5) mainly consists of lease payments (in accordance with IFRS 16) amounting to MEUR (8.8) in the third quarter 2021.

The Group's free cash flow position is presented below:

In MEUR	3 months ended 30-Sep-21	3 months ended 30-Sep-20	9 months ended 30-Sep-21	9 months ended 30-Sep-20
Cash Flow from operating activities	85.2	134.8	396.3	416.1
Net Capital expenditure	(58.7)	(11.3)	(129.2)	(40.4)
Repayment of lease liability excluding interest	(8.8)	(5.0)	(16.9)	(14.4)
Free Cash Flow for the period	17.7	118.5	250.2	361.3

HelloFresh meaningfully increased its cash level to MEUR 955.1. In addition, the company has a MEUR 300.0 revolving credit facility in place of which MEUR 282.9 is not utilized and available at the end of the third quarter of 2021.

Outlook

Based on the HelloFresh Group's strong revenue growth year-to-date through October, driven by strong year-on-year customer growth and, continued high order rates, and high average order value, the management board decided to increase the Company's full year 2021 revenue growth outlook for the HelloFresh Group on a constant currency basis from previously between 45% and 55% to now between 57% and 62%. The increased growth outlook includes an approx. 0.4% growth contribution from the acquisition of Youfoodz, which closed on 27 October 2021 and will be consolidated for the months November and December 2021 in HelloFresh Group's revenue.

The Company does not change its adjusted EBITDA ("AEBITDA") margin outlook as it still expects a full year 2021 AEBITDA margin for the HelloFresh Group between 8.25% and 10.25%.

Events after the reporting period

On 27 October 2021, HelloFresh closed the previously announced acquisition of Youfoodz Holdings Limited ("Youfoodz") and paid the purchase price of MAUD 125.

On 14 October 2021, HelloFresh officially launched its operations in Italy, representing the second market launch in 2021 after the launch of Norway in July 2021.

Berlin, 1 November 2021

Dominik Richter
Chief Executive
Officer

Thomas Griesel
Chief Operating
Officer

Christian Gärtner
Chief Financial
Officer

Edward Boyes
Chief Commercial
Officer

Consolidated Statement of Financial Position

In MEUR	As at 30-Sep-21	As at 31-Dec-20
Assets		
Non-current Assets		
Property, plant and equipment	480.4	263.1
Intangible assets	59.1	58.3
Goodwill	218.7	206.6
Investments in associates accounted at equity	6.1	9.0
Other financial assets	23.8	20.8
Other non-financial assets	0.5	0.6
Deferred income tax assets	51.7	45.2
Total Non-current Assets	840.3	603.6
Current Assets		
Inventories	187.6	113.7
Trade receivables	37.5	28.8
Other financial assets	10.3	6.5
Other non-financial assets	68.8	44.0
Cash and cash equivalents	955.1	729.0
Total Current Assets	1,259.3	922.0
Total Assets	2,099.6	1,525.6

Consolidated Statement of Financial Position

In MEUR	As at 30-Sep-21	As at 31-Dec-20
Equity and Liabilities		
Equity		
Share capital	173.9	173.9
Treasury shares	(2.0)	(2.8)
Capital reserves	469.4	471.7
Other reserves	73.2	95.9
Accumulated gains (losses)	151.0	(57.0)
Other comprehensive loss	(30.4)	(25.3)
Equity attributable to the Company's shareholders	835.1	656.4
Non-controlling interests	(0.3)	(0.4)
Total Equity	834.8	656.0
Non-current Liabilities		
Other financial liabilities	282.1	182.4
Deferred income tax liability	6.2	6.2
Long-term debt	153.9	151.4
Provisions	0.8	0.7
Other non-financial liabilities	9.7	9.1
Total Non-current Liabilities	452.7	349.8
Current Liabilities		
Trade payables	456.5	291.7
Other financial liabilities	84.4	34.0
Provisions	25.1	17.2
Deferred revenue	102.7	73.3
Income tax liabilities	91.1	55.1
Other non-financial liabilities	52.3	48.5
Total Current Liabilities	812.1	519.8
Total Equity and Liabilities	2,099.6	1,525.6

Consolidated Statement of Comprehensive Income

In MEUR	3 months ended		9 months ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
Revenue	1,415.5	970.2	4,413.4	2,641.4
Procurement Expenses	(489.8)	(332.4)	(1,509.8)	(915.3)
Fulfilment Expenses	(613.8)	(379.8)	(1,790.4)	(1,014.5)
Marketing Expenses	(209.5)	(124.3)	(640.9)	(326.6)
General and Administrative Expenses	(56.2)	(39.1)	(148.8)	(106.3)
Other Operating Income	2.3	0.9	7.1	4.4
Other Operating Expenses	(7.1)	(3.4)	(24.2)	(10.3)
Operating Profit	41.4	92.1	306.4	272.8
Results from Investment in Associates	(1.1)	(0.8)	(2.9)	(2.5)
Interest Income	0.2	0.1	0.4	0.6
Interest Expense	(5.1)	(3.1)	(14.2)	(6.6)
Other Finance Income	3.9	0.4	14.5	5.6
Other Finance Expense	(3.3)	(8.1)	(6.4)	(17.1)
Profit before income tax expense	36.0	80.6	297.8	252.8
Income tax expense	(12.9)	(6.0)	(89.2)	(22.4)
Profit for the period	23.1	74.6	208.6	230.4
attributable to:				
Owners of the Company	23.1	74.4	208.5	230.2
Non-controlling interests	0.0	0.2	0.1	0.2
Other comprehensive income (loss) :				
Items that may be subsequently reclassified to profit and loss				
Exchange differences on translation to presentation currency	(0.2)	1.3	(3.5)	(2.3)
Exchange differences on net investments in foreign operations	2.6	(1.7)	9.5	(0.2)
Revaluation of non-controlling interests put options	(4.3)	2.8	(11.7)	(7.9)
Other comprehensive income (loss) for the period	(1.9)	2.4	(5.7)	(10.4)
Total comprehensive income (loss) for the period	21.3	77.0	202.9	220.0
Total comprehensive income (loss) attributable to:				
Owners of the Company	21.3	76.8	202.7	219.8
Non-controlling interests	0.0	0.2	0.2	0.2
Basic earning per share (in EUR)	0.13	0.44	1.20	1.38
Diluted earning per share (in EUR)	0.13	N/A	1.15	N/A

Consolidated Statement of Cash Flows

In MEUR	3 months ended		9 months ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
Cash flow from operating activities				
Profit for the period	23.1	74.6	208.6	230.4
Adjustments for:				
Results from investment in associates	1.1	0.8	2.9	2.5
Interest expense	5.1	3.1	14.2	6.6
Interest income	(0.2)	0.1	(0.4)	(0.6)
Other finance income	(3.9)	(0.4)	(14.5)	(5.6)
Other finance expense	3.3	8.1	6.4	17.1
Income Tax	12.9	6.0	89.2	22.4
Income tax paid	(10.8)	(3.9)	(58.4)	(10.1)
Depreciation of property, plant and equipment	10.6	4.6	26.1	13.1
Depreciation of right-of-use assets	10.7	6.1	27.1	17.9
Amortization of intangible assets	4.2	0.9	12.6	2.8
Loss on disposal of fixed assets	(1.3)	—	(1.4)	(0.2)
Share-based payment expense (equity-settled)	8.9	6.3	16.6	18.2
Other non-cash transactions	2.3	4.3	(1.1)	4.8
Increase / (decrease) in provisions	4.5	3.1	6.8	3.4
Changes in working capital related to operating activities				
(Increase) / decrease in trade receivables	(11.1)	0.3	(7.9)	(18.2)
(Increase) / decrease in inventories	(17.7)	(9.1)	(66.1)	(36.6)
Increase / (decrease) in trade and other payables	29.1	30.4	149.7	115.7
Increase / (decrease) in deferred revenue	34.6	0.2	25.7	31.8
Net change in VAT receivables/payables and similar taxes	(7.2)	1.2	(3.3)	2.1
(Increase) / decrease in other financial assets	(4.9)	1.9	(10.5)	(0.3)
(Increase) / decrease in other non-financial assets	(9.1)	(1.4)	(17.4)	(5.4)
Increase / (decrease) in other financial liabilities	0.8	(2.4)	8.4	(2.6)
Increase / (decrease) in other non-financial liabilities	5.2	3.2	(4.7)	13.1
Interest received	0.1	—	0.2	0.3
Interest paid	(3.4)	(2.0)	(8.1)	(3.2)
Interest paid – IFRS 16	(1.7)	(1.2)	(4.4)	(3.3)
Net cash from (used in) operating activities	85.2	134.8	396.3	416.1

In MEUR	3 months ended		9 months ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	—	(3.3)	—	(4.3)
Purchase of property, plant and equipment	(52.9)	(8.2)	(117.5)	(33.2)
Software development expenditure	(5.4)	(3.0)	(11.0)	(7.1)
Purchase of intangible assets	(0.4)	(0.1)	(0.7)	(0.1)
Interest received (IFRS 16)	0.1	0.1	0.2	0.3
Lease payments received from finance leases (IFRS 16)	0.3	0.3	0.9	0.8
(Transfer) Withdrawal of cash into / from restricted cash accounts & deposits	0.8	—	3.6	(0.4)
Net cash from (used in) investing activities	(57.5)	(14.2)	(124.5)	(44.0)
Cash flow from financing activities				
Repurchase of equity instruments due to share-based compensation	—	—	(39.3)	—
Proceeds from the issuance of share capital	0.2	6.0	0.4	13.2
Repurchase of shares in subsidiaries	—	—	(2.0)	—
Associate Company Loan	0.1	0.1	0.1	0.2
Proceeds from Convertible Bond	—	—	—	172.4
Repayment of long-term debt	—	(0.2)	(1.5)	(0.7)
Repayment of principal under IFRS 16	(8.8)	(5.0)	(16.9)	(14.4)
Net cash from (used in) financing activities	(8.5)	0.9	(59.2)	170.7
Effects of exchange rate changes and other changes on cash and cash equivalents	2.5	(10.5)	13.5	(13.9)
Cash and cash equivalents at the beginning of the period	933.4	611.5	729.0	193.6
Cash and cash equivalents at the end of the period	955.1	722.5	955.1	722.5

Consolidated Segment Statement

In MEUR	9-months ended 30-Sep 21					
	USA	Int'l	Total segments	Holding	Conso	Group
Total Revenue	2,444.3	1,983.0	4,427.3	378.1	(391.9)	4,413.4
Internal Revenue	5.6	8.7	14.3	377.6	(391.9)	—
External Revenue	2,438.7	1,974.3	4,413.0	0.4	—	4,413.4
Contribution Margin (excl. SBC)	639.1	503.4	1,142.6	369.7	(384.3)	1,128.0
Adjusted EBITDA	232.4	223.3	455.7	(59.0)	—	396.8
Special Items*	(5.6)	(1.7)	(7.3)	(0.5)	—	(7.8)
Share-based compensation expenses	(10.1)	(2.2)	(12.3)	(4.3)	—	(16.6)
EBITDA**	216.7	219.4	436.1	(63.8)	—	372.3
Depreciation and Amortization	(33.0)	(28.0)	(61.0)	(4.9)	—	(65.9)
EBIT**	183.7	191.4	375.1	(68.7)	—	306.4
Holding fee	(120.8)	(114.8)	(235.6)	235.6	—	—
EBIT	62.9	76.6	139.5	166.9	—	306.4
Results from Investment in associates	—	—	—	(2.9)	—	(2.9)
Interest Income	0.2	0.1	0.3	0.1	—	0.4
Interest Expense	(5.4)	(2.1)	(7.4)	(6.8)	—	(14.2)
Other Finance Income***	3.1	3.3	6.4	10.7	(2.6)	14.5
Other finance expense	(3.2)	(2.7)	(5.9)	(3.1)	2.6	(6.4)
Income tax expenses	(12.6)	(14.7)	(27.3)	(61.9)	—	(89.2)
Profit for the period	45.0	60.5	105.5	103.1	—	208.6

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

**excluding holding fees.

***excluding intercompany dividends.

In MEUR	9-months ended 30-Sep 20					
	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	1,494.2	1,155.6	2,649.8	181.4	(189.8)	2,641.4
Internal revenue	5.4	3.3	8.7	181.1	(189.8)	—
External revenue	1,488.9	1,152.3	2,641.2	0.2	—	2,641.4
Contribution Margin (excl. SBC)	387.2	337.1	724.3	175.4	(184.3)	715.4
Adjusted EBITDA	189.1	180.2	369.3	(37.9)	—	331.4
Special items*	(5.3)	(1.2)	(6.5)	(0.2)	—	(6.7)
Share-based compensation	(7.3)	(2.3)	(9.6)	(8.6)	—	(18.2)
EBITDA**	176.5	176.7	353.2	(46.7)	—	306.5
Depreciation and amortization	(12.7)	(17.2)	(29.9)	(3.8)	—	(33.7)
EBIT**	163.8	159.5	323.3	(50.5)	—	272.8
Holding fee	(4.4)	(98.9)	(103.3)	103.3	—	—
EBIT	159.4	60.6	220.0	52.8	—	272.8
Results from Investments in associates	—	—	—	(2.5)	—	(2.5)
Interest income	0.5	0.1	0.6	—	—	0.6
Interest expense	(2.0)	(1.5)	(3.5)	(3.1)	—	(6.6)
Other finance income***	3.0	2.6	5.6	5.7	(5.7)	5.6
Other Finance expense	(4.8)	(9.3)	(14.1)	(8.7)	5.7	(17.1)
Income Tax Expenses	(3.3)	(13.5)	(16.8)	(5.6)	—	(22.4)
Profit for the period	152.8	39.0	191.8	38.6	—	230.4

*Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects. Special items do not adjust for any potential impact that the COVID-19 pandemic might have had on the result of the Group. These remain within normal operation result.

**excluding holding fees.

***excluding intercompany dividends.

Earnings per share

Basic earnings per share is calculated as follows:

	3 months ended 30-Sep-21	3 months ended 30-Sep-20	9 months ended 30-Sep 21	9 months ended 30-Sep-20
Net income for the period attributable to the shareholders of HelloFresh SE (in MEUR)	23.2	74.7	208.6	230.3
Weighted average number of ordinary shares (in millions)	173.6	171.3	173.6	166.7
Basic earning per share in EUR	0.13	0.44	1.20	1.38

Diluted earnings per share is calculated as follows:

	3 months ended 30-Sep-21	3 months ended 30-Sep-20	9 months ended 30-Sep 21	9 months ended 30-Sep-20
Net income after dilution for the period attributable to the shareholders of HelloFresh SE (in MEUR)	24.3	N/A	212.1	N/A
Weighted average number of diluted shares (in millions)	183.9	N/A	184.0	N/A
Diluted earning per share in EUR	0.13	N/A	1.15	N/A

The basic earnings per share are determined by dividing the net income for the period attributable to the shareholders of HelloFresh SE by the basic weighted average number of shares.

The diluted earnings per share are determined by adding the post-tax interest component on convertible bonds to the net income for the period attributable to the shareholders and dividing them by diluted weighted average number of shares. The dilutive effect stems from outstanding stock options attributable to VSOP and RSU programs, call options and the group's convertible bond.



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