



HELLOFRESH SE  
Q2 2020 RESULTS  
August 11<sup>th</sup>, 2020



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## Second Quarter 2020 Highlights



**Very strong revenue growth throughout the whole quarter despite ease of lockdown restrictions**



**Validating customer trust by fulfilling higher order rates and larger box sizes despite currently challenging operating environment**



**Record Group AEBITDA of EUR 153.6m with a margin of 15.8%**



**€ 131.8m Free Cash Flow in Q2 alone**



**Strengthening our commitment to sustainability by becoming carbon neutral globally**



**Continued TAM expansion remains a key pillar of our long-term growth strategy:**

- **Successful Q2 launch in Denmark**
- **Start of EveryPlate internationalization in Australia**



**We are proud to have served our customers with 149m meals in these challenging times**

**Massive thanks to our frontline workers in the DCs**

Delivered 149m meals of high-quality food safely to our customers

Increased number of donations to support local foodbanks

Comprehensive additional Covid-related safety measures implemented early on

Produced close to max capacity across markets, while consistently implementing additional tactical and structural capacity expansion measures





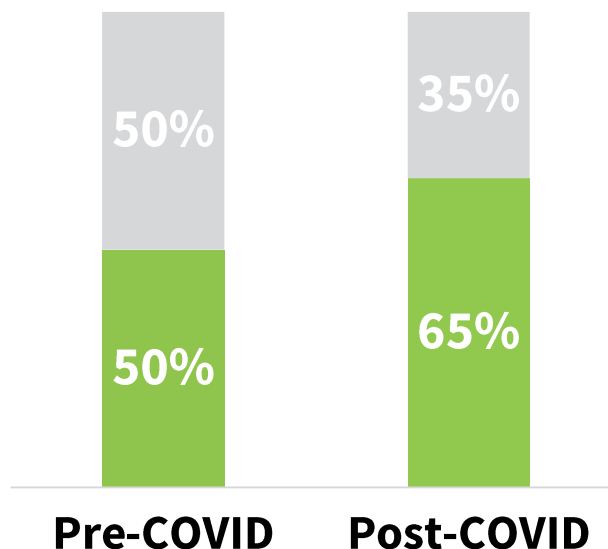
# The Covid situation has structurally expanded our TAM - also post lifting of lock-downs

Whereas a typical family cooked at home 4x per week pre-COVID, under Working from home

- cooking at home 7 dinners per week + lunches
- post-COVID significantly more often than 4 times

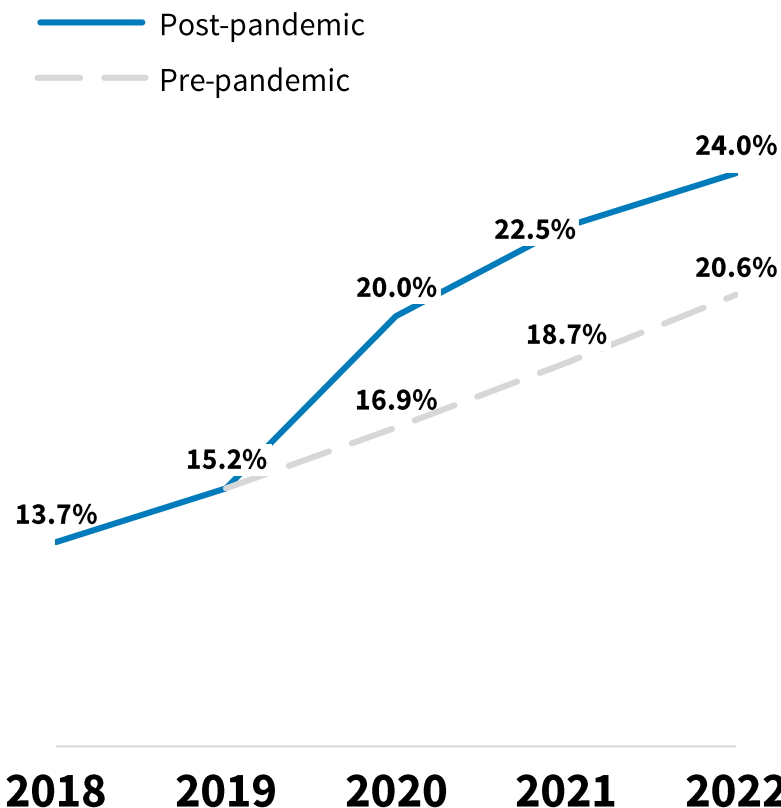
## Food Wallet Spending<sup>1</sup>

■ Food at Home  
■ Food away from Home



## E-Commerce adoption pulled forward (US)<sup>2</sup>

% of Total Retail Sales



1. Paper Sandler 2H Consumer Outlook Survey  
 2. U.S. Census Bureau, Euromonitor, Prologis Research forecast



# New sites in two of our best performing markets where we were facing capacity constraints



## **Newnan, Georgia**

**Our 4<sup>th</sup> HelloFresh Production Facility  
in the US**

**209,903 sq ft**

**Approx. 750 new jobs**

**Opening Sept. 2020**



## **Nuneaton, UK**

**The 2<sup>nd</sup> HelloFresh Production Facility  
in the UK**

**230,000 sq ft**

**Approx. 600 new jobs**

**Opening Dec. 2020**



# While dealing with record volumes in our existing markets, we continued our TAM expansion strategy via geographic and brand expansion

## EveryPlate Launch in Australia



First step to internationalize our US specialist Brands

Increase of TAM in Australia

Leverage existing production setup

Utilizing existing supplier network

**EveryPlate**

## HelloFresh Launch in Denmark



Like Sweden, Denmark exhibits all of the right traits for a successful market entry

Incremental TAM expansion

Attractive customer demographics

High product awareness and consumer adoption





# Group customer base up 74% YoY and stable vs. Q1 (despite capacity constraints)

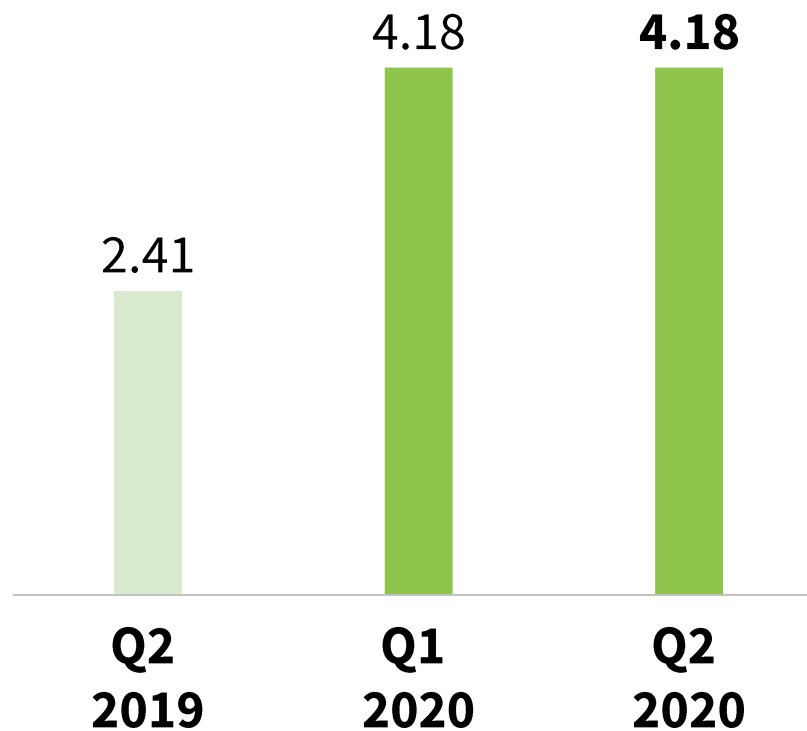
2019  
2020

## 4.2 M active customers in Q2 2020

- INTL customer base sequentially expanded
- In US, conscious decision to focus on high-value customers as we faced capacity constraints

### Q2 Active Customers

(in Millions)





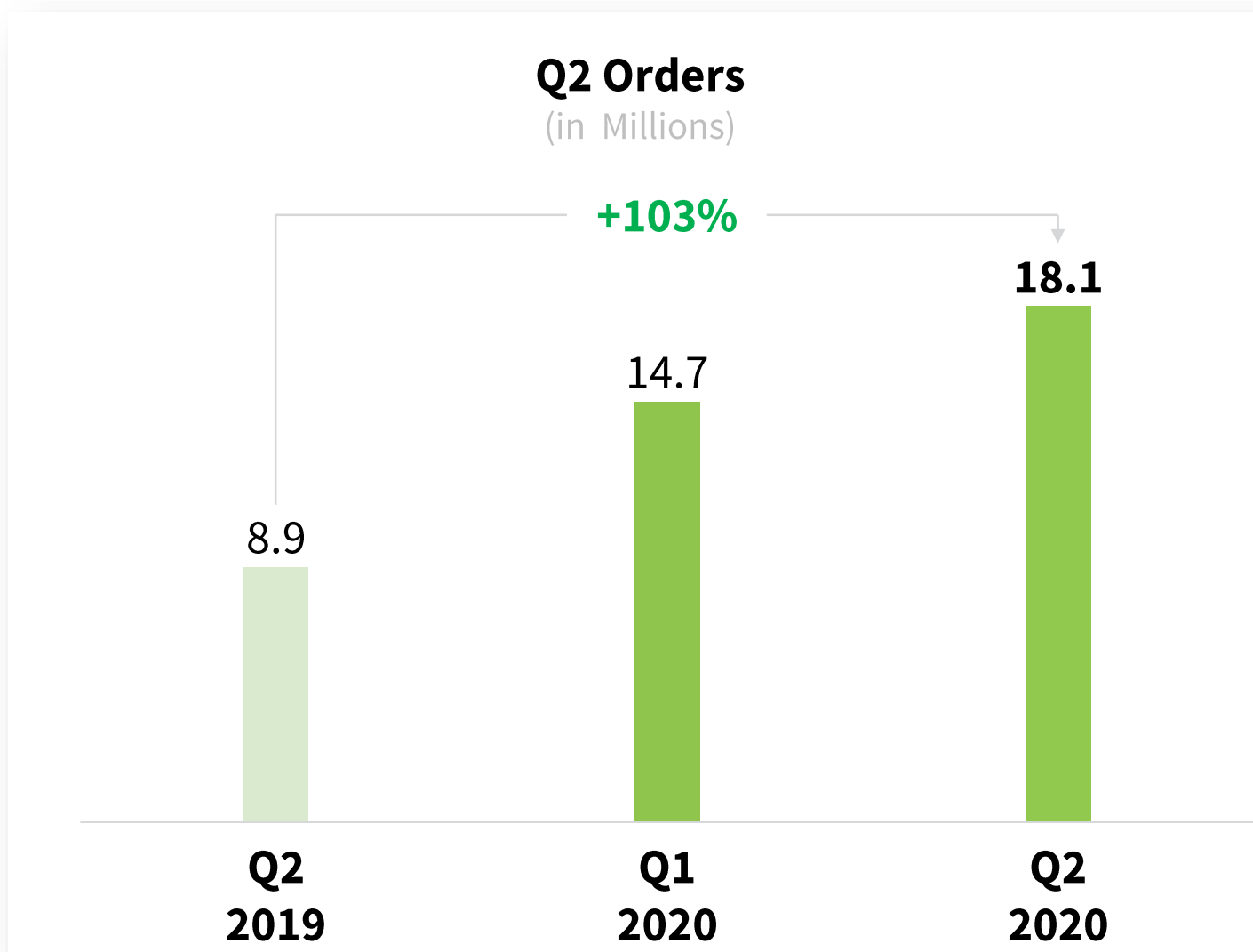


# Increased customer engagement is further boosting order growth

2019  
2020

Order growth aided by significant increase in average order rate from 3.7 in Q2 2019 to 4.3 in Q2 2020

- 24% higher order frequency in US, from 3.6 orders to 4.5 orders per quarter
- 10% higher order frequency in INTL from 3.8 to 4.2



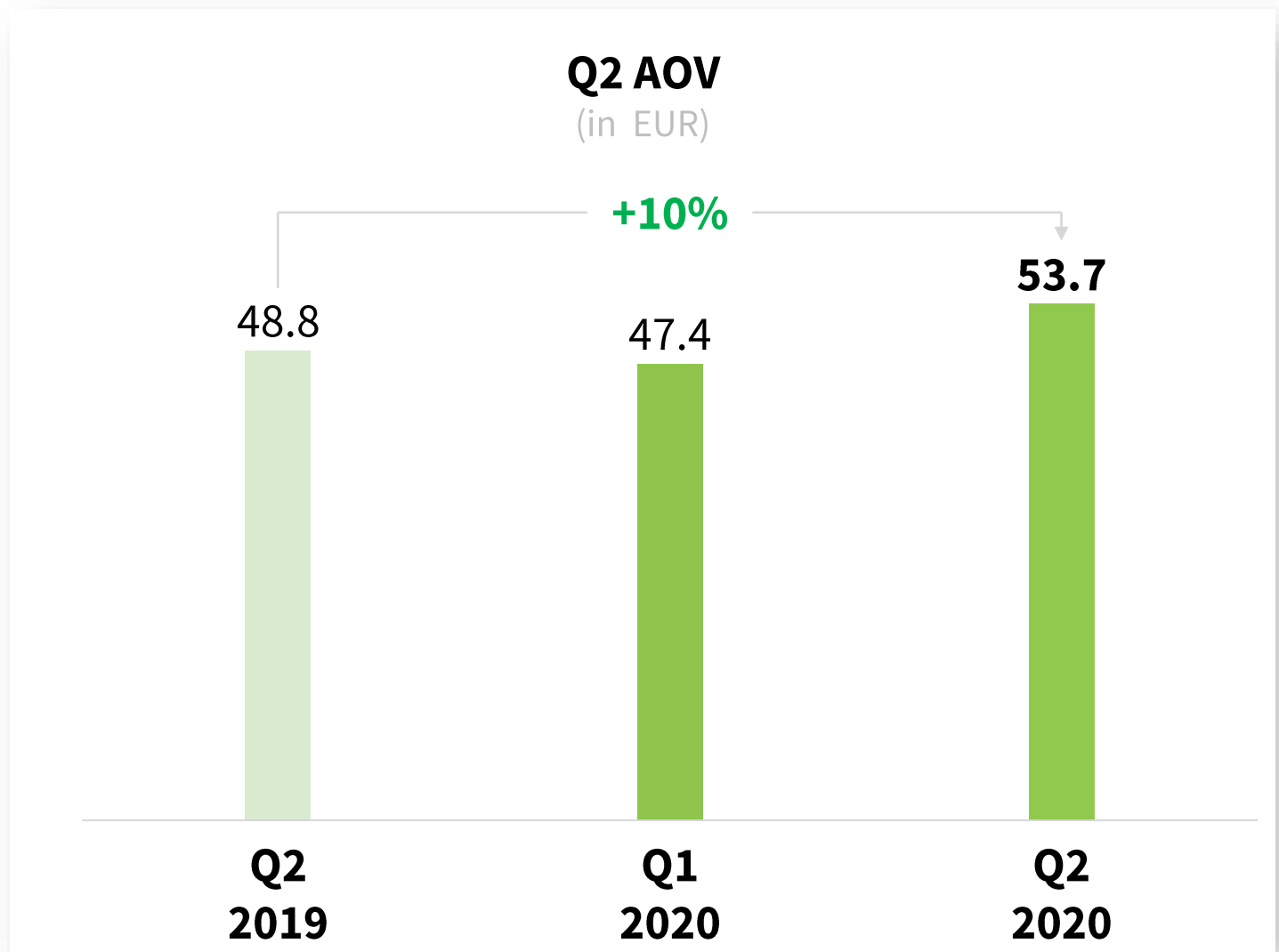


## Average order value also meaningfully up by c. 10%

2019  
2020

### AOV increase driven by several factors

- Less price incentives to new customers
- Customers ordering more meals per box and more add-ons



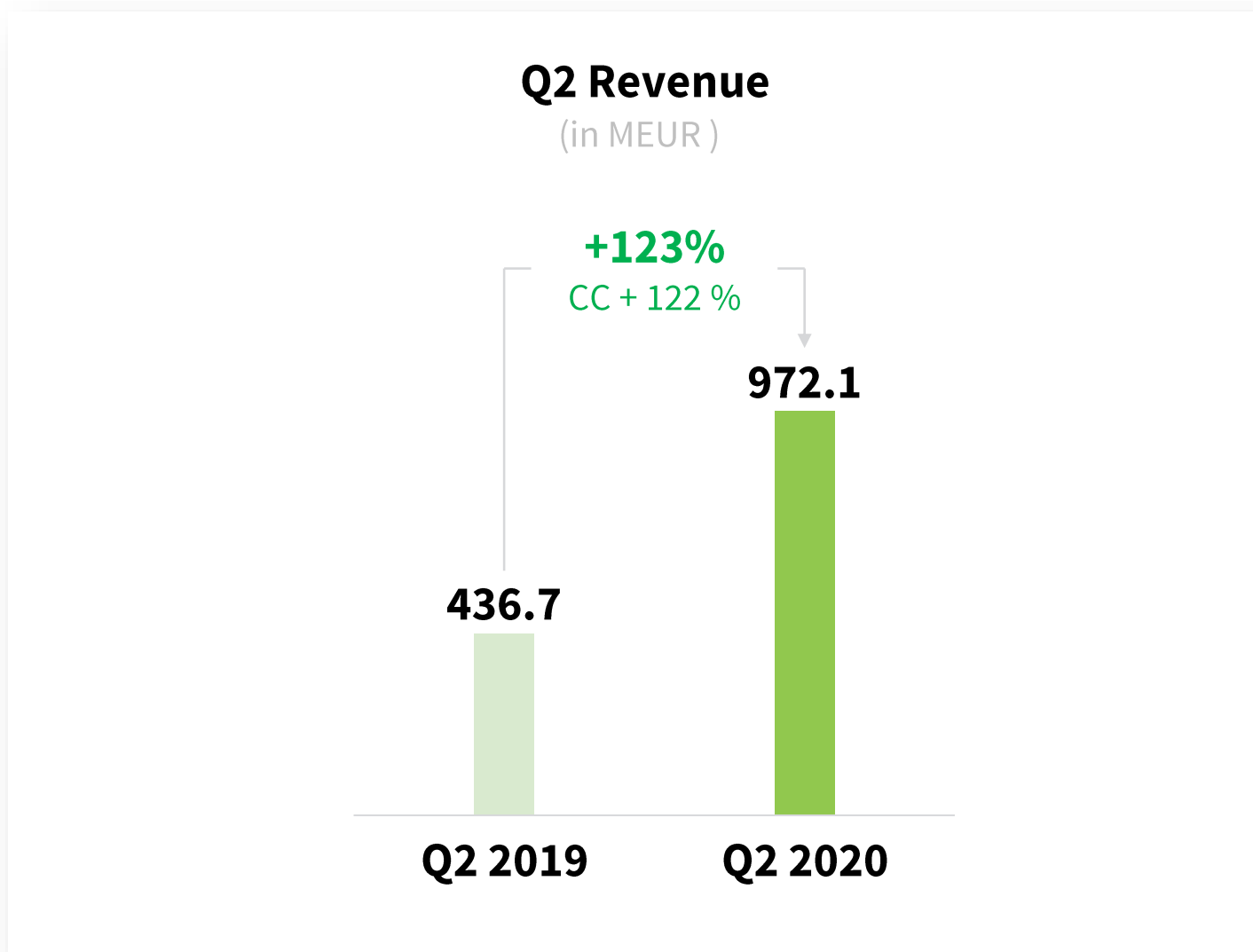


# 122% revenue growth (in constant currency)

2019  
2020

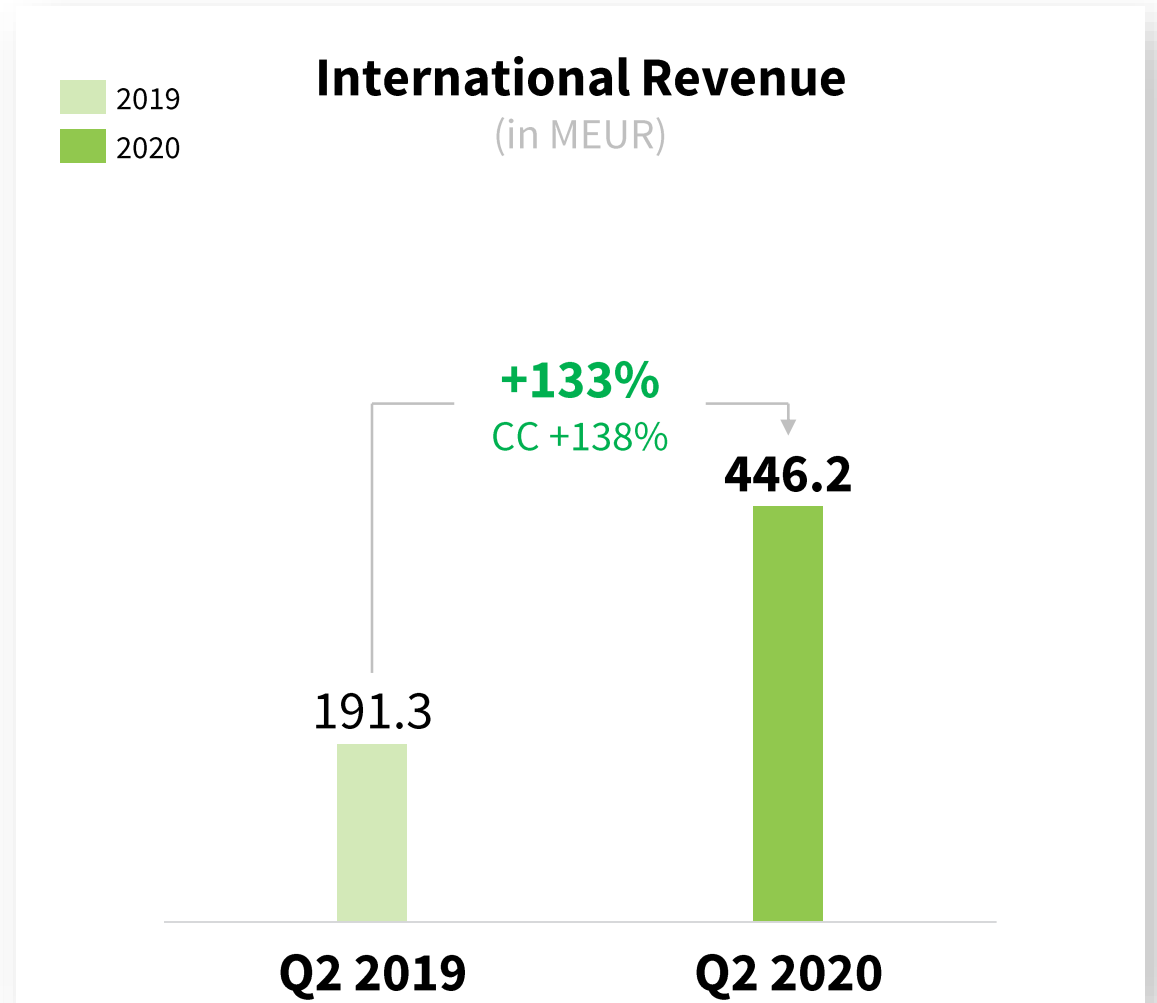
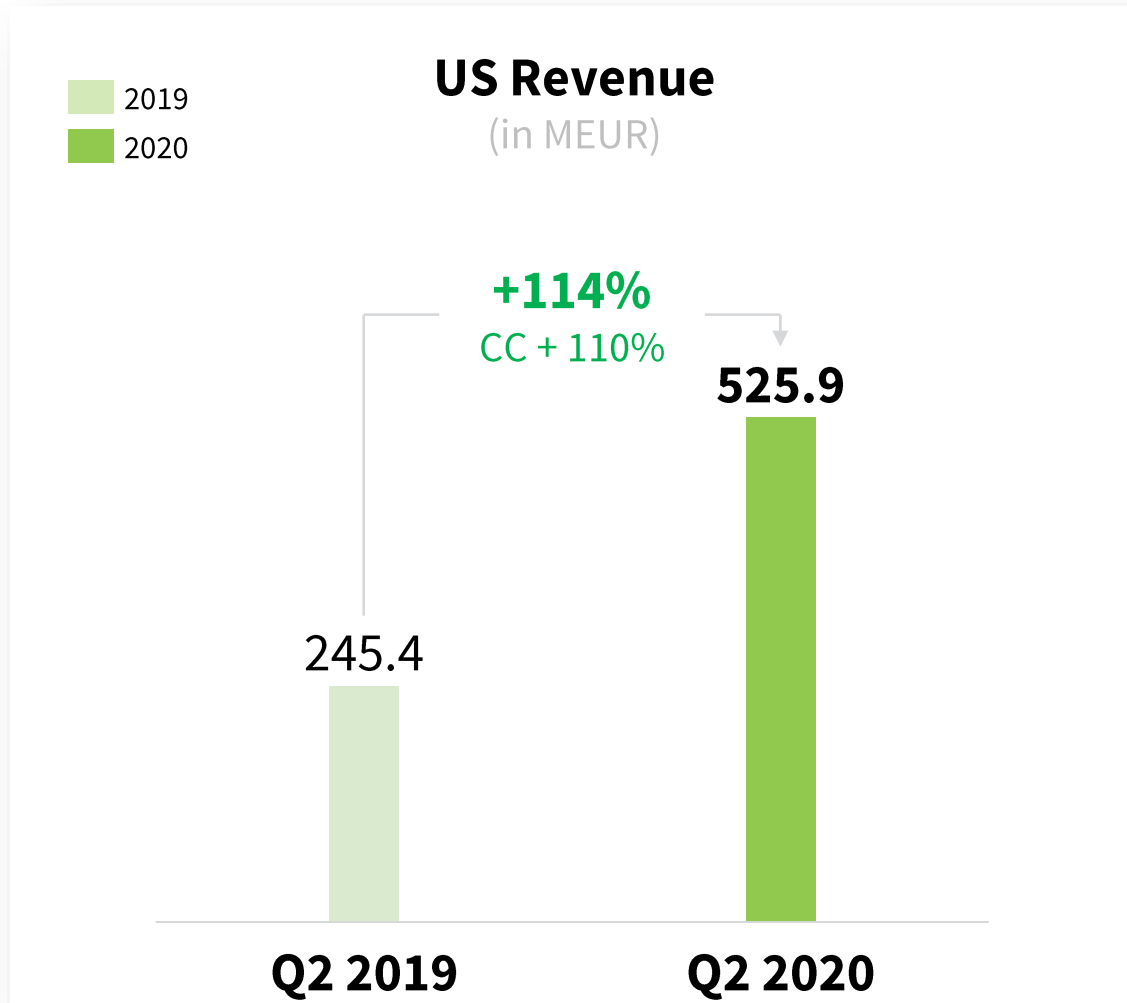
Triple digit revenue growth, driven by all 3 factors:

- Strong YoY Customer growth
- Higher order rates
- Higher AOV





# Both segments have delivered triple digit growth rates





# Contribution margin impacted by extra Covid-related effects

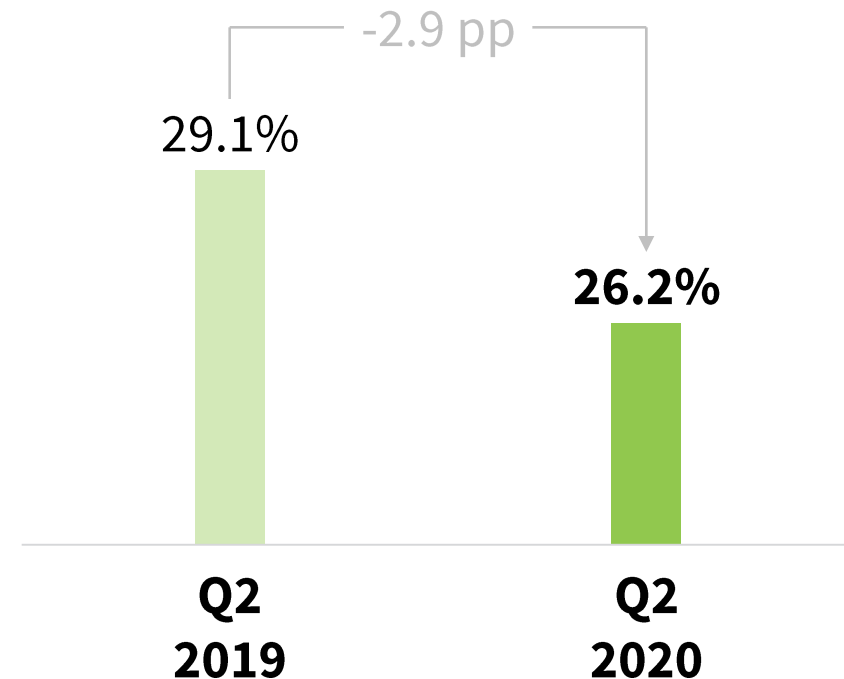
- 2019
- 2020

## Increased fulfilment expenses because of COVID:

- Lower productivity due to rollout of social distancing and safety measures
- Temporarily higher direct labor expenses
- US segment primarily impacted

### Q2 Contribution Margin

(in % of Revenue)





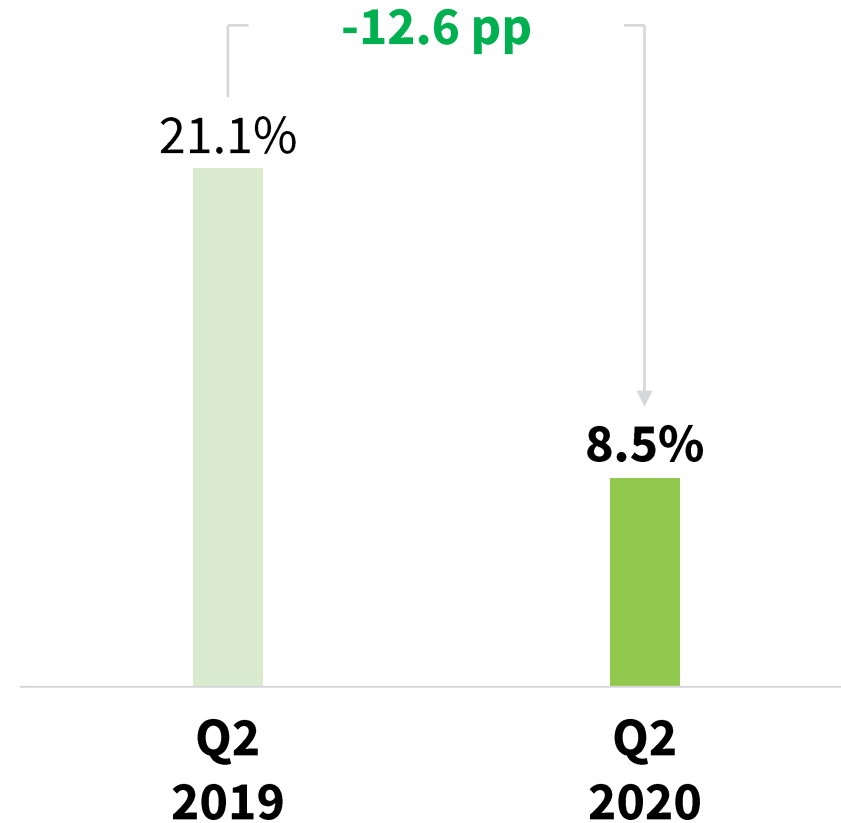
# Very meaningful reduction in relative Marketing expenses

2019  
2020

## Key drivers:

- Low marketing activity, especially in the US, as limited capacity was primarily focused on fulfilling orders from existing customers
- Meaningfully lower customers acquisition costs across the group

### Q2 Marketing expenses<sup>1</sup> (in % of Revenue)

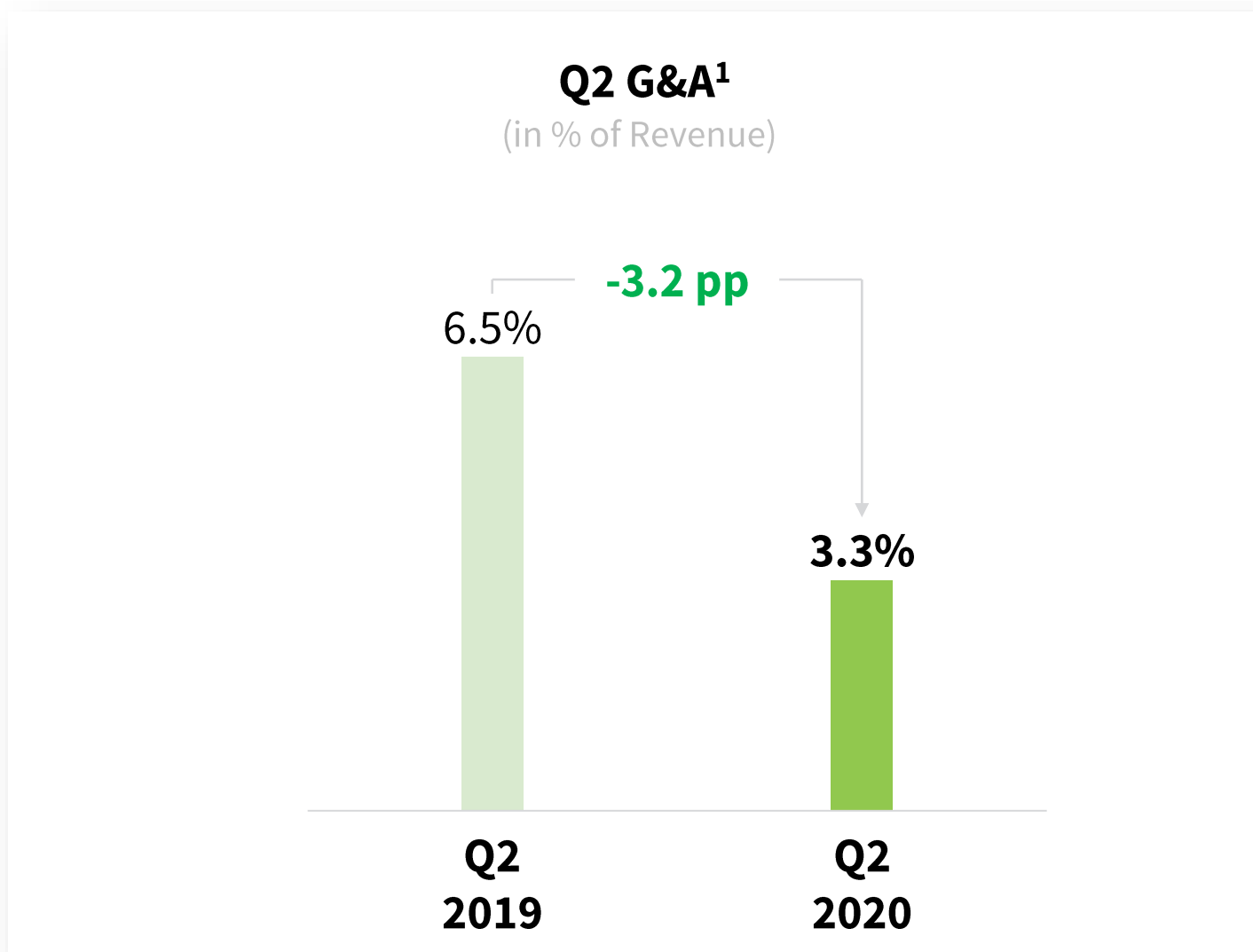




# Significant G&A leverage due to strong topline growth

2019  
2020

Modest YoY growth in absolute G&A of only 11%, while revenue grew 123%



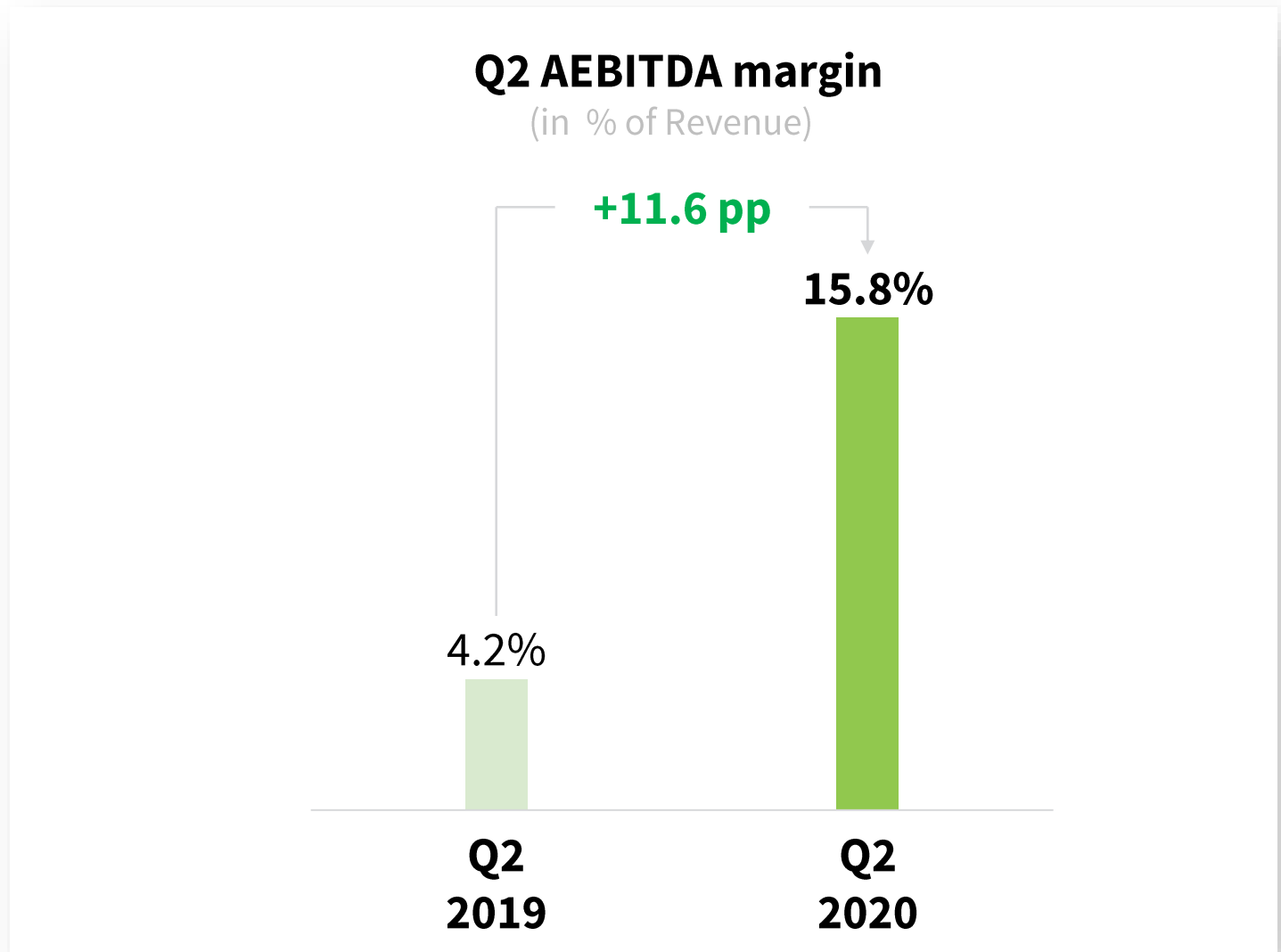


Whilst growing revenue by 122 %, we have expanded AEBITDA margin to 15.8%

- 2019
- 2020

### 154 MEUR AEBITDA in Q2 alone

- Margin expansion primarily driven by marketing savings and G&A efficiencies







# AEBITDA margin >15% in both operating segments

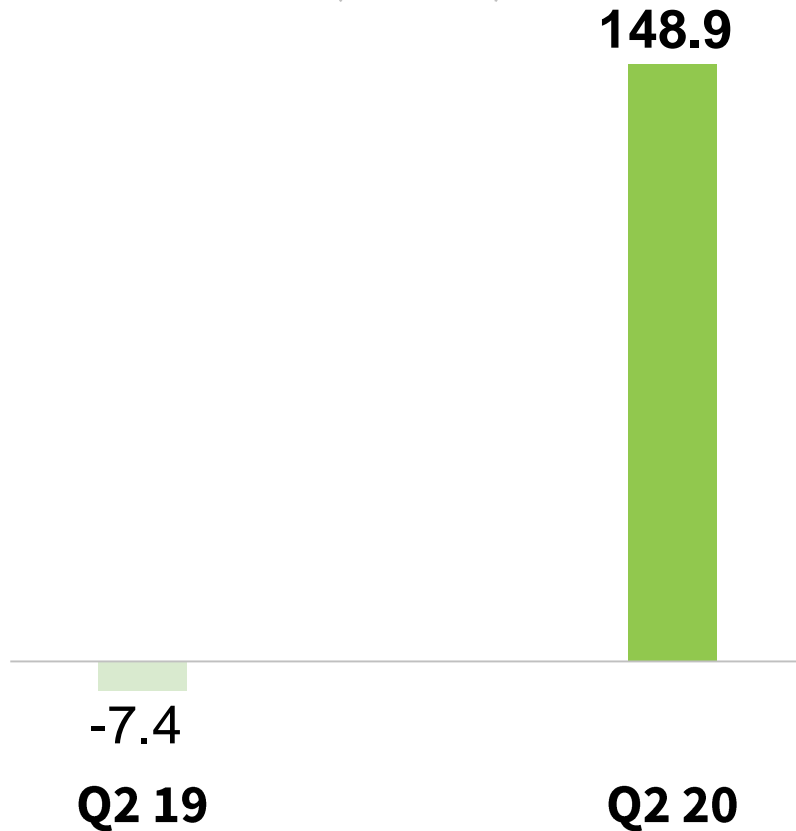




# Continued strong cash flow generation in Q2

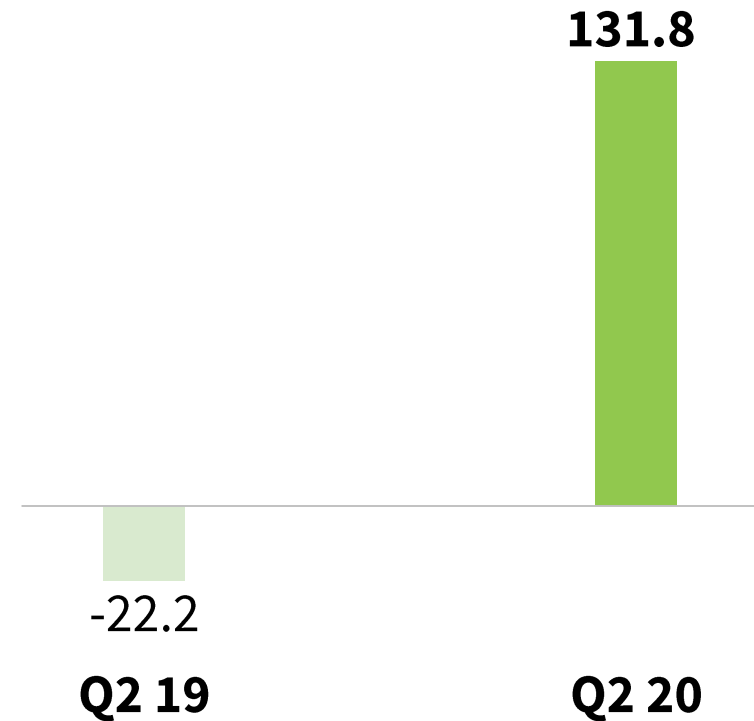
## Q2 Operating Cash Flow

(in MEUR)



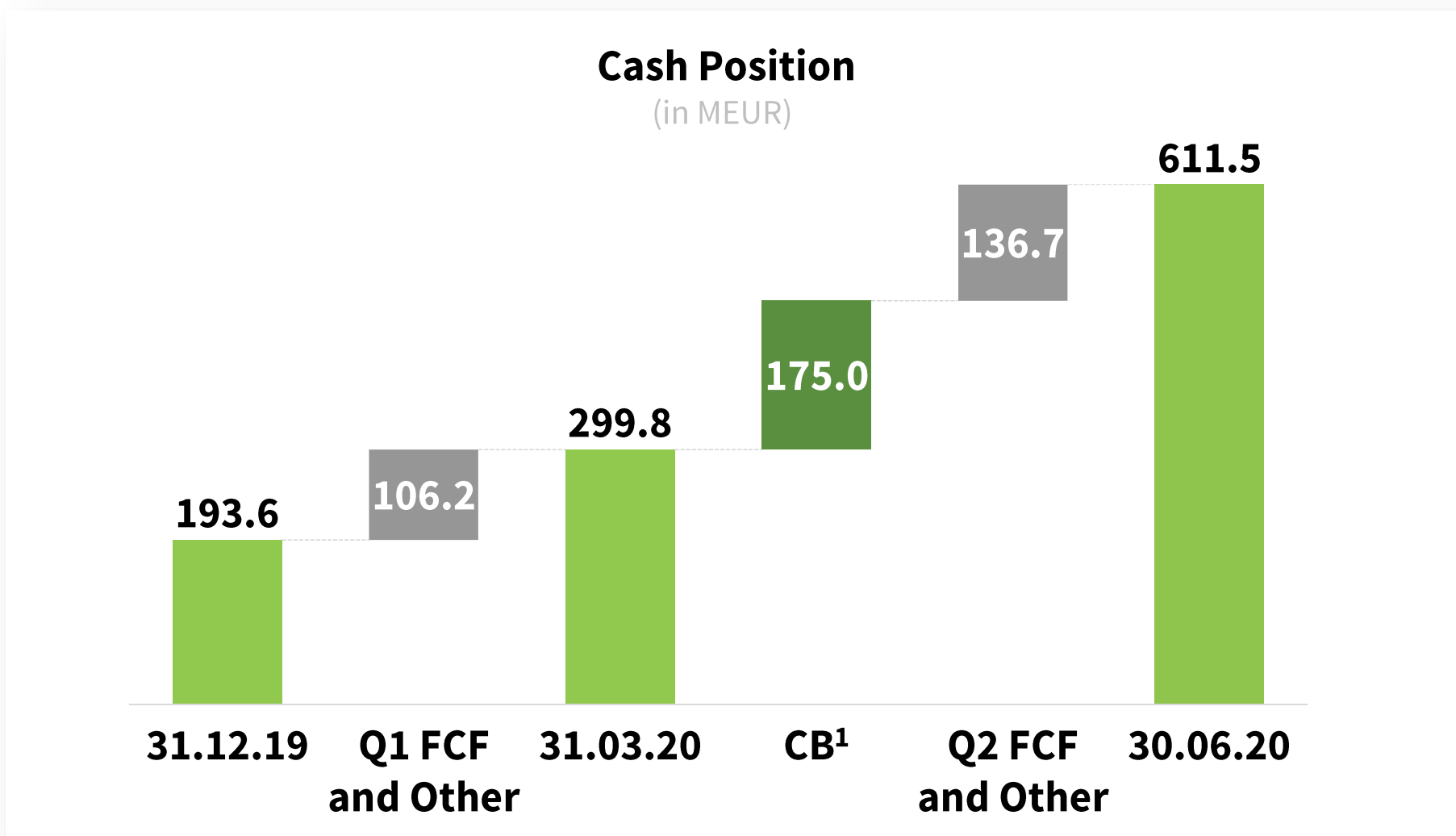
## Q2 FCF<sup>1</sup>

(in MEUR)





# We have further meaningfully expanded our strong Balance Sheet and Liquidity position through organic cash flow and the issuance of a convertible bond



1. Cash from the issue of convertible bonds with a value of 175 MEUR in May 2020, with a term of 5 years and a coupon of 0.75%



# Updated FY 2020 outlook

## Guidance Update

(Aug 2020)

Const. Currency  
Rev. growth

**75% - 95%**

AEBITDA  
margin

**9% - 11%**

### Key drivers for raising outlook:

- More favorable summer seasonality
- Worsening again of Covid situation in certain markets
- Strong customer engagement, including customers acquired during Q2



# APPENDIX



# What is the opportunity that we are after?

## USA



Target Audience

Across our three brands we target about **63 million households<sup>1</sup>** in the US Segment

## International

With our HelloFresh Brand we target about **58 million households<sup>1</sup>** in our Intl. Segment

## Cooked and consumed at home

## Away from home



Weekly Customer Consideration

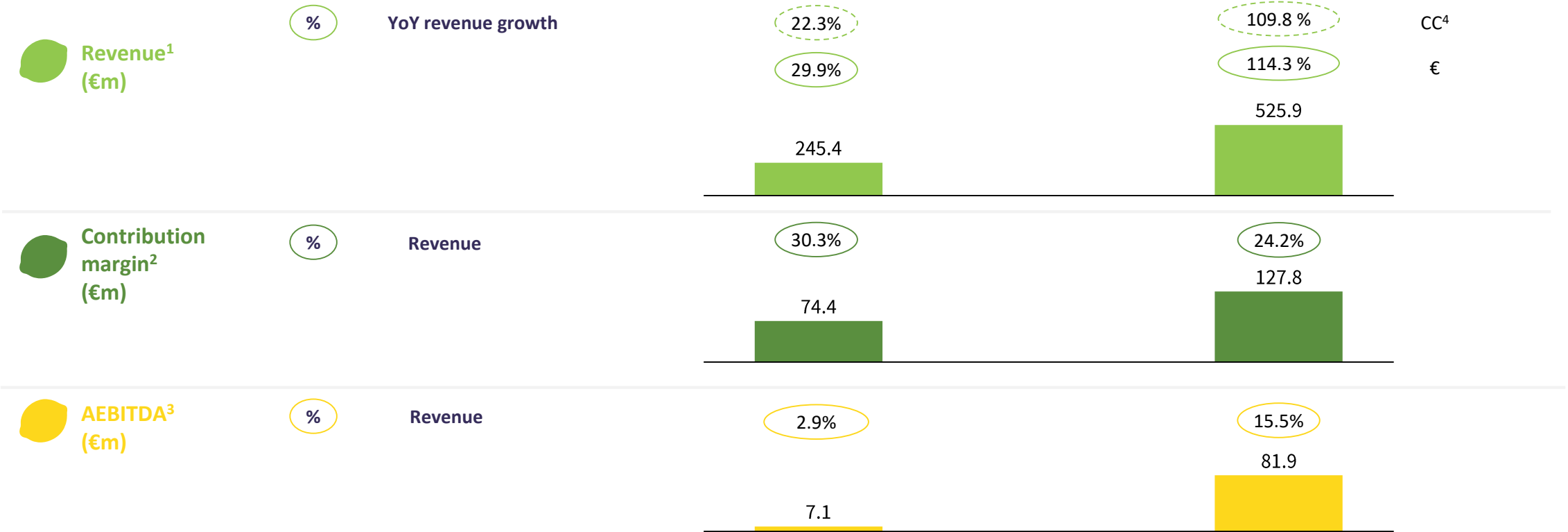


1. Based on household income. Top 40% income households ; US: Top 50% income households



# US: Operational and Financial KPIs

	Q2 19	Q2 20
Active Customers (m)	1.35	1.98
Average Order Rate	3.6	4.5
Average Order Value (€)	50.1	59.2
Average Order Value constant currency (€)	50.1	58.0



1. Revenue post promotional discounts, customer credits, refunds and excluding VAT; YoY stands for year on year and compares the respective quarter with the same quarter of the previous year

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

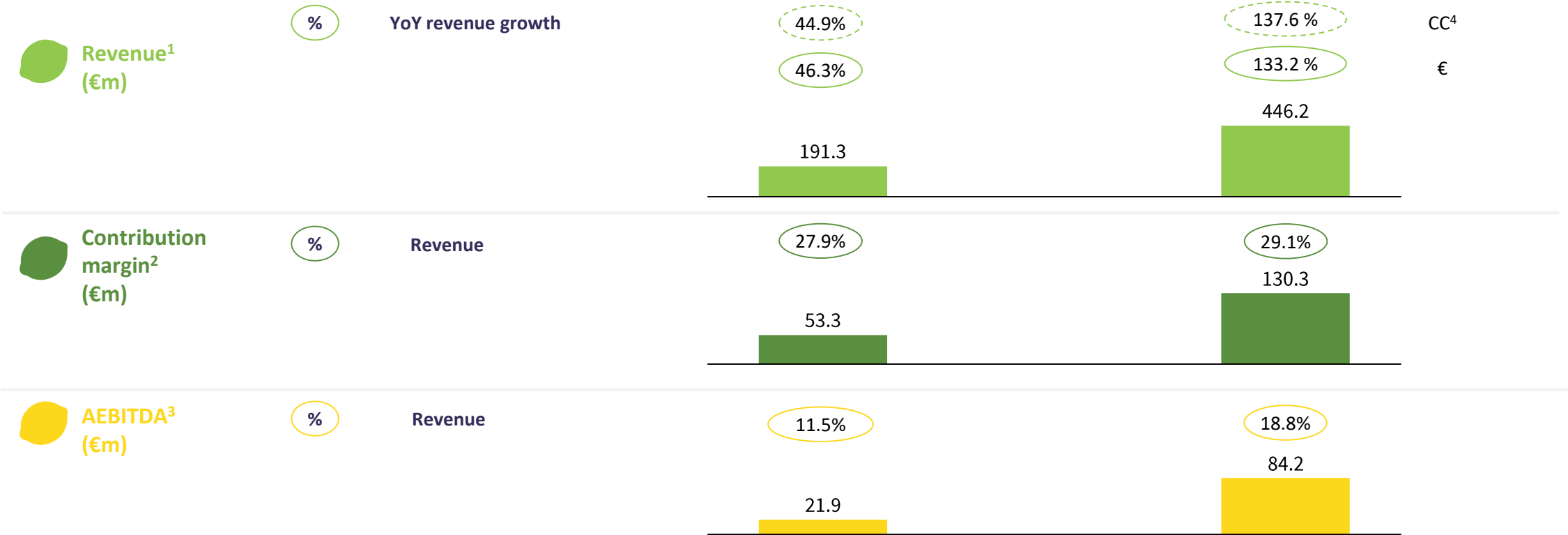
3. AEBITDA is calculated by adjusting EBITDA for special items and share-based compensation expenses; AEBITDA margin is defined as % of revenue

4. Based on constant currency



# International: Operational and Financial KPIs

	Q2 19	Q2 20
Active Customers (m)	1.06	2.20
Average Order Rate	3.8	4.2
Average Order Value (€)	47.2	48.3
Average Order Value constant currency (€)	47.2	49.2



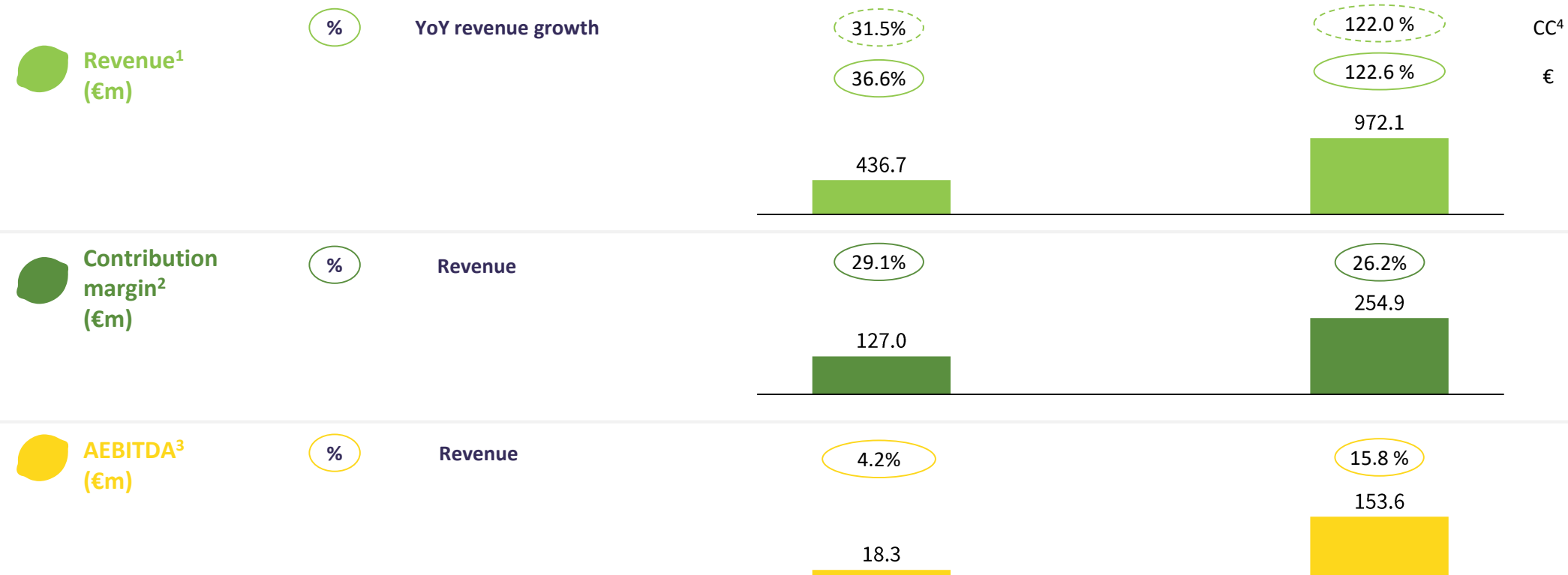
1. Revenue post promotional discounts, customer credits, refunds and excluding VAT; YoY stands for year on year and compares the respective quarter with the same quarter of the previous year  
 2. Contribution margin is defined as revenue less cost of goods sold and fulfilment expenses, excluding share-based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





# Group: Operational and Financial KPIs

	Q2 19	Q2 20
Active Customers (m)	2.41	4.18
Average Order Rate	3.7	4.3
Average Order Value (€)	48.8	53.7
Average Order Value constant currency (€)	48.8	53.5



1. Revenue post promotional discounts, customer credits, refunds and excluding VAT; YoY stands for year on year and compares the respective quarter with the same quarter of the previous year

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

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

4. Based on constant currency



# Profit and Loss Statement

	Q2 2019	Q2 2020
Revenue	436.7	972.1
% YoY growth	36.6%	122.6%
Procurement Expenses <sup>1</sup>	(153.9)	(342.2)
Gross profit	282.8	629.9
Margin (% of revenue)	64.8%	64.8%
Fulfilment expenses <sup>1</sup>	(156.2)	(376.3)
Marketing expenses <sup>1</sup>	(92.6)	(83.7)
G&A <sup>1</sup>	(31.4)	(35.2)
Other operating income & expenses	(1.3)	(0.6)
EBIT	1.3	134.1
Margin (% of revenue)	0.3%	13.8%
Financial result	(4.6)	(3.5)
EBT	(3.3)	130.6
Income tax (expense) benefit	(1.5)	(14.6)
Net income / (loss)	(4.8)	116.0

EBIT	1.3	134.1
D&A	10.4	11.5
EBITDA	11.8	145.6
SBC	4.9	6.3
Special Items	1.6	1.7
AEBITDA <sup>2</sup>	18.3	153.6
Margin (% of revenue)	4.2%	15.8%

1. Including share-based compensation expenses

2. AEBITDA is calculated by adjusting EBITDA for special items and share-based compensation expenses



# Balance sheet and cash-flow statements

	FY 2019	Q2 2020
<b>Assets</b>		
Non - current Assets	288.7	295.8
Current Assets*	281.5	748.7
*of which cash	193.6	611.5
<b>Total assets</b>	<b>570.2</b>	<b>1,044.5</b>
<b>Equity and liabilities</b>		
Equity	245.3	432.4
Non - current liabilities	111.1	259.7
Current liabilities	213.8	352.4
<b>Total equity and liabilities</b>	<b>570.2</b>	<b>1,044.5</b>

	FY 2019	Q2 2020
Cash flow used in operating activities	42.2	148.9
Cash flow used in investing activities	(29.0)	(10.6)
*of which M&A	-	-
Cash flow from financing activities	(14.8)	173.5



# Share Count

As of June 30st, 2020

Types of share

Stock exchange

Market Segment

Number of shares issued

Number of shares outstanding

Ordinary shares

Frankfurt Stock Exchange

Regulated Market (Prime Standard)

165,995,372

165,686,321

Employee incentive plan	Options	RSU	Total
Vested (m)	11.0	0.16	11.2
Unvested (m)	4.5	0.68	5.2
Outstanding (m)	15.5	0.85	16.6
WAEP (€) Vested	3.64	-	-
WAEP (€) Unvested	13.07	-	-
WAEP <sup>1</sup> (€)	6.4	-	-

1. Weighted average exercise price



# Financial calendar

Month	Day	Event
August	3	
	4	
	5	
	6	
	7	
August	10	
	11	
	12	
	13	
	14	
August	17	17.08 Bankhaus Lampe Conference
	18	
	19	
	20	
	21	
August	24	
	25	
	26	
	27	
	28	
August	31	31.08 Barclays Roadshow New York
	1	01.09-02.09 Berenberg Roadshow (Chicago, Boston)
	2	
	3	
	4	
September	7	07.09 Deutsche Bank Roadshow London
	8	
	9	
	10	
	11	
September	14	
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	17	
	18	
September	21	21.09 Berenberg and GS Conference
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September	28	
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Oktober	5	
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Oktober	12	
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Oktober	26	
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November	2	
	3	03.11. Publication of Q3 Financial Statements and Earnings Call
	4	
	5	
	6	
November	9	
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November	16	
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November	23	
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