



QUARTERLY STATEMENT

Q1 2018

HELLOFRESH AT A GLANCE

<i>Key Figures</i>	3 months ended 31-Mar-18	3 months ended 31-Mar-17	YoY growth
Key Performance Indicators			
Group			
Active customers (in millions)	1.88	1.16	61.7%
Number of orders (in millions)	6.6	4.2	56.9%
Orders per customer	3.52	3.62	(2.8%)
Meals (in millions)	48.3	30.6	58.0%
Average order value (EUR)	44.7	48.8	(8.4%)
Average order value constant currency (EUR)	49.7	48.8	1.7%
USA			
Active customers (in millions)	1.21	0.71	68.9%
Number of orders (in millions)	3.9	2.2	73.7%
Orders per customer	3.23	3.14	2.9%
Meals (in millions)	26.5	15.4	72.4%
Average order value (EUR)	46.0	53.5	(14.0%)
Average order value constant currency (EUR)	53.1	53.5	(0.7%)
International			
Active customers (in millions)	0.67	0.45	50.3%
Number of orders (in millions)	2.7	2.0	38.2%
Orders per customer	4.04	4.39	(8.0%)
Meals (in millions)	21.8	15.2	43.5%
Average order value (EUR)	42.9	43.5	(1.3%)
Average order value constant currency (EUR)	44.7	43.5	2.8%

Key Figures	3 months ended 31-Mar-18	3 months ended 31-Mar-17	YoY growth
Results of operations			
Group			
Revenue (in MEUR)	295.6	205.3	44.0%
Revenue constant currency (in MEUR)	328.1	205.3	59.8%
Contribution margin (in MEUR)*	77.1	41.6	85.1%
Contribution margin (in % of Revenue)*	26.1%	20.3%	5.8 pp
AEBITDA (in MEUR)	(21.7)	(29.6)	(26.7%)
AEBITDA (in % of Revenue)	(7.3%)	(14.4%)	7.1 pp
USA			
Revenue (in MEUR)	179.5	120.1	49.4%
Revenue constant currency (in MEUR)	207.1	120.1	72.5%
Contribution margin (in MEUR)*	48.1	22.3	115.3%
Contribution margin (in % of Revenue)*	26.8%	18.6%	8.2 pp
AEBITDA (in MEUR)	(13.7)	(22.8)	40.1%
AEBITDA (in % of Revenue)	(7.6%)	(19.0%)	11.4 pp
International			
Revenue (in MEUR)	116.1	85.2	36.3%
Revenue constant currency (in MEUR)	121.0	85.2	42.0%
Contribution margin (in MEUR)*	29.5	20.3	45.2%
Contribution margin (in % of Revenue)*	25.4%	23.8%	1.6 pp
AEBITDA (in MEUR)	(1.1)	(3.9)	71.3%
AEBITDA (in % of Revenue)	(1.0%)	(4.6%)	3.6 pp
Group Financial Position			
Net working capital (in MEUR)	(87.2)	(57.2)	
Cash flow used in operating activities (in MEUR)	6.6	(3.2)	
Cash and cash equivalents (in MEUR)	330.9	135.5	

*Net of share-based compensation expenses;
all KPIs, except "Group Financial Position", are excluding Green Chef

HELLOFRESH MAINTAINS ITS ROBUST GROWTH TRAJECTORY AND CONTINUES ITS CONSISTENT MARGIN AND CASH FLOW EXPANSION IN THE FIRST QUARTER 2018:

- 44.0% year-on-year revenue growth on a euro basis and 59.8% on a constant currency basis;
- continued active customer growth by 61.7% year-on-year and by 29.8% up to 1.88m in the first quarter 2018 as compared sequentially to 1.45m in Q4 2017;
- sustained year-on-year margin expansion: contribution margin up by 5.8pp to 26.1% and AEBITDA margin up by 7.1pp to (7.3%);
- First quarter of positive cash flow from operating activities of MEUR 6.6 in HelloFresh's history;
- End of March 2018 HelloFresh acquired a US based company Green Chef Corporation offering organic meal-kit plans;
- Based on robust start of the year, HelloFresh increases its outlook for revenue growth on a constant currency basis from previously reported 25% - 30% on a constant currency basis to approximately 30% - 35% on a constant currency basis (excluding Green Chef). In addition, we expect Green Chef to contribute ca. MUSD 15 per quarter starting from the second quarter 2018.

FINANCIAL PERFORMANCE OF THE GROUP

Condensed consolidated income statement for the first quarter 2018 ended 31 March

<i>In MEUR*</i>	3 months ended 31-Mar-18	in % of Revenue	3 months ended 31-Mar-17	in % of Revenue	YoY growth
Revenue	295.6	100.0%	205.3	100.0%	44.0%
Cost of goods sold	(116.1)	(39.3%)	(87.1)	(42.4%)	(33.3%)
Gross profit	179.5	60.7%	118.2	57.6%	51.8%
Fulfilment expenses	(102.7)	(34.8%)	(76.9)	(37.4%)	(33.6%)
Contribution margin	76.8	26.0%	41.3	20.1%	85.6%
Contribution margin (excl. SBC)	77.1	26.1%	41.6	20.3%	85.1%
Marketing expenses	(84.0)	(28.4%)	(64.6)	(31.5%)	(30.0%)
General and administrative expenses	(18.9)	(6.4%)	(9.3)	(4.5%)	(102.2%)
Other operating income	0.4	0.1%	0.5	0.2%	(17.3%)
Other operating expenses	(2.2)	(0.7%)	(0.6)	(0.3%)	(285.3%)
EBIT	(27.9)	(9.4%)	(32.7)	(15.9%)	14.7%

*Figures include share-based compensation expenses.

HelloFresh maintains its growth trajectory and continues its consistent margin and cash flow expansion in the first quarter 2018 with a 44.0% revenue growth on a euro basis and 59.8% on a constant currency basis. As a result, the Group revenue increased from MEUR 205.3 in the first quarter 2017 to MEUR 295.6 in the first quarter 2018. Revenue growth is primarily driven by an increase in active customers of 61.7% up to 1.88m compared with 1.16m in the prior year period. The robust growth trend is broadly based across both segments.

Contribution margin, excluding share-based compensation expenses, improved significantly in the first quarter 2018 to 26.1% of revenue compared to 20.3% in the first quarter 2017. This margin expansion is driven by (i) efficiencies in our procurement operations yielding c. 3.1pp gross margin improvement, and (ii) further efficiencies across our production, packaging, logistics and other fulfilment activities, yielding c. 2.7pp margin expansion in total, supported by better fixed cost utilization due to increased volume.

Similar to the trend in the same period last year, HelloFresh capitalized on beneficial seasonal trends by acquiring a substantial amount of new customers in the first quarter of the year. As a consequence, the marketing expenses in the first quarter 2018 represent a relatively higher share of revenue as compared to the remaining quarters of the year. Nevertheless, as a percentage of revenue, marketing expenses decreased from 31.5% in the first quarter 2017 to 28.4% in the first quarter 2018.

General and administrative expenses increased from MEUR (9.3) in the first quarter 2017 to MEUR (18.9) in the first quarter 2018. Excluding share-based compensation expenses, general and administrative expenses increased from MEUR (8.8) to MEUR (15.8) respectively; this represents a development from (4.3%) of revenues in the first quarter 2017 to (5.4%) in the same period of 2018. Within general and administrative expenses, the scaling of our Tech team and Tech infrastructure represent the fastest growing areas.

Operating loss for the first quarter 2018 was MEUR (27.9) compared with MEUR (32.7) for the first quarter 2017, representing an improvement of 6.5pp to (9.4%) as percentage of revenues.

AEBITDA, which excludes the impact of share-based compensation expenses and special effects, saw an increase by 26.7% from MEUR (29.6) in the first quarter 2017 to MEUR (21.7) for the first quarter 2018, representing (14.4%) and (7.3%) of revenue respectively.

SEGMENT INFORMATION

The condensed segment results for the three months ended 31 March 2018 outline strong improvement, particularly in the USA.

<i>In MEUR</i>	3 months ended 31-Mar-18	3 months ended 31-Mar-17	YoY
Revenue			
USA	179.5	120.1	49.4%
International	116.1	85.2	36.3%
Holding	10.7	14.0	(23.2%)
Consolidation	(10.7)	(14.0)	(23.2%)
Total	295.6	205.3	44.0%
Contribution margin*			
USA	48.1	22.3	115.3%
International	29.5	20.3	45.2%
Holding	9.5	12.8	(25.3%)
Consolidation	(10.0)	(13.8)	(27.0%)
Total	77.1	41.6	(85.1%)
AEBITDA			
USA	(13.7)	(22.8)	40.1%
International	(1.1)	(3.9)	71.3%
Holding	(6.9)	(2.9)	(141.9%)
Consolidation	0.0	0.0	0.0%
Total	(21.7)	(29.6)	(26.7%)

*excluding share-based compensation expenses

US Segment

Revenue of our US Segment increased by 49.4% from MEUR 120.1 in the first quarter 2017 to MEUR 179.5 in the first quarter 2018. On a constant currency basis, this represents a 72.5% growth rate, driven by growth in active customers of 68.9% from 0.71m in the first quarter 2017 to 1.21m in the first quarter 2018, an increasing average order rate per customer by 2.9% from 3.14 to 3.23 respectively and a slightly decreased average order value (on a constant currency basis) by 0.7%; in EUR average order value was down by 14.0%, due to a meaningfully weaker USD compared to the same period last year.

Contribution margin of our US Segment, excluding share-based compensation expenses, increased in the first quarter 2018 as percentage of revenue to 26.8% from 18.6% in the first quarter 2017, driven by efficiencies in our procurement operations, economies of scale realized across our fulfilment operations, including the production function.

AEBITDA improved from MEUR (22.8) in the first quarter 2017 to MEUR (13.7) in the first quarter 2018, resulting in AEBITDA margin of (7.6%), 11.4pp better than in the same period in 2017.

International

Revenue of our International segment grew by 36.3% from MEUR 85.2 in the first quarter 2017 to MEUR 116.1 in the first quarter 2018 on a euro basis and by 42.0% on a constant currency basis. The expansion of an active customer base by 50.3% was the key driver of our growth, partially offset by a lower average order rates per customer from 4.39 in the first quarter 2017 to 4.04 in the first quarter 2018. The lower average order rate is primarily due to the re-acceleration of customer growth in the first quarter, where a lot of new customers have been acquired during the quarter and therefore could not make use of the whole period to place their orders. Average order value on a constant currency basis increased by 2.8%, while decreasing by 1.3% in EUR, due to the strengthening of the EUR against most currencies.

Contribution margin of our International segment, excluding share-based compensation expenses, increased in the first quarter 2018 by 45.2% to MEUR 29.5 from MEUR 20.3 in the first quarter 2017. On a relative basis, as a percentage of revenue, contribution margin increased from 23.8% in the first quarter 2017 to 25.4% in the first quarter 2018.

AEBITDA improved from MEUR (3.9) in the first quarter 2017 to MEUR (1.1) in the first quarter 2018, resulting in AEBITDA margin improved by 3.6pp from (4.6%) to (1.0%) respectively, primarily due to an expansion in contribution margin.

Holding

AEBITDA decreased from MEUR (2.9) in the first quarter 2017 to MEUR (6.9) in the first quarter 2018, primarily due to meaningful continued investments and build-up of our Tech, data science and business intelligence teams and related infrastructure; in addition we ramped up the scope of trials of new product categories.

Share Based Compensation Expenses

The group operates equity-settled 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. The Segment expense is summarized below:

<i>in MEUR</i>	3 months ended 31-Mar-18	3 months ended 31-Mar-17
USA	0.4	(0.1)
International	0.5	0.3
Holding	2.6	0.9
Total	3.5	1.1

EBIT to AEBITDA

<i>In MEUR</i>	3 months ended 31-Mar-18	3 months ended 31-Mar-17	YoY
EBIT	(27.9)	(32.7)	14.7%
Depreciation and amortisation	2.5	1.9	
EBITDA	(25.4)	(30.8)	17.4%
Special items	0.2	0.1	
Share based compensation	3.5	1.1	
AEBITDA	(21.7)	(29.6)	26.7%
AEBITDA margin	(7.3%)	(14.4%)	7.1 pp

CASH FLOW

<i>In MEUR</i>	3 months ended 31-Mar-18	3 months ended 31-Mar-17
Net cash flow from operating activities	6.6	(3.2)
Net cash flow from investing activities	(14.1)	(2.6)
Net cash flow from financing activities	-	84.0
Cash and cash equivalents at the beginning of the period	339.9	57.5
Effects of exchange rate changes and other changes on cash and cash equivalents	(1.5)	(0.2)
Cash and cash equivalents at the end of the period	330.9	135.5

For the first time in HelloFresh's history the company achieved a positive cash flow from operating activities of MEUR 6.6 in the first quarter 2018 compared to MEUR (3.2) in the first quarter 2017. The main contributor is an improvement in AEBITDA and negative net working capital, typically contributing positive cash flow during periods of growth, such as in the first quarter 2018.

Cash flow from investing activities caused a cash outflow of MEUR (14.1) in the first quarter 2018 compared to MEUR (2.6) in the first quarter 2017, mainly triggered by the acquisition of Green Chef at the end of March 2018.

Altogether HelloFresh maintained a healthy cash level of MEUR 330.9, including payments for the acquisition of Green Chef.

OUTLOOK

Based on robust start of the year, HelloFresh increases its outlook for revenue growth from previously 25% - 30% on a constant currency basis to approximately 30% - 35% on a constant currency basis (excluding Green Chef). In addition, we expect Green Chef to contribute c. MUSD 15 per quarter starting from Q2 2018.

Our 2018 expectations for contribution margin and AEBITDA margin remain unchanged to what we outlined in the annual report 2017. We expect to further improve our margins on the group level in both segments, primarily driven by the expansion of contribution margin. We target AEBITDA breakeven in Q4 2018 for that quarter, on the group level and in both segments (excluding Green Chef).

EVENTS AFTER THE REPORTING PERIOD

No events of special significance occurred after the end of the reporting period.

Berlin, May 14 2018

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Operating Officer

Christian Gaertner
Chief Financial Officer

Tobias Hartmann
Chief Strategy Officer and
President of North America

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	31 Mar 2018	31 Dec 2017
Assets		
Non-current assets		
Property, plant and equipment	43.9	37.2
Intangible assets	5.6	4.6
Goodwill	9.2	4.6
Other financial assets	14.6	14.2
Other non-financial assets	0.8	0.9
Deferred income tax assets	3.7	4.6
Total non-current assets	77.8	66.1
Current assets		
Inventories	17.7	13.8
Trade receivables	13.6	14.2
Other financial assets	3.2	4.9
Other non-financial assets	14.3	14.0
Cash and cash equivalents	330.9	339.9
Total current assets	379.7	386.8
Total assets	457.5	452.9

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	31 Mar 2018	31 Dec 2017
Equity and Liabilities		
Equity		
Share capital	161.0	161.0
Treasury shares	(10.0)	(10.0)
Capital reserves	442.2	442.2
Other reserves	43.7	40.2
Accumulated losses	(357.7)	(328.0)
Other comprehensive loss	(2.3)	(1.9)
Equity attributable to the Company's shareholders	276.9	303.5
Non-controlling interests	(0.2)	(0.2)
Total equity	276.7	303.3
Non-current liabilities		
Other financial liabilities	0.1	0.1
Long-term debt	29.9	29.3
Provisions	1.0	0.7
Other non-financial liabilities	10.8	11.5
Total non-current liabilities	41.8	41.6
Current liabilities		
Trade payables	99.4	77.1
Other financial liabilities	5.4	3.2
Provisions	3.7	3.4
Income tax liabilities	0.5	0.6
Other non-financial liabilities	30.0	23.7
Total current liabilities	139.0	108.0
Total equity and liabilities	457.5	452.9

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In MEUR</i>	31 Mar 2018	31 Mar 2017
Revenue	295.6	205.3
Cost of goods sold	(116.1)	(87.1)
Gross profit	179.5	118.2
Fulfilment expenses	(102.7)	(76.9)
Marketing expenses	(84.0)	(64.6)
General and administrative expenses	(18.9)	(9.3)
Other operating income	0.4	0.5
Other operating expenses	(2.2)	(0.6)
Operating loss	(27.9)	(32.7)
Finance income	0.4	0.3
Finance expense	(1.5)	(1.6)
Loss before income tax benefit (expense)	(29.0)	(34.0)
Income tax benefit (expense)	(0.8)	
Loss for the period	(29.8)	(34.0)
thereof attributable to:		
Owners of the Company	(29.8)	(34.0)
Non-controlling interests		
Other comprehensive (loss) / income:		
Items that may be subsequently reclassified to profit and loss		
Exchange differences on translation to presentation currency	(4.2)	(1.4)
Exchange differences on net investments in foreign operations	3.9	1.1
Other comprehensive (loss) income for the period	(0.3)	(0.3)
Total comprehensive loss for the period	(30.1)	(34.3)
Total comprehensive loss attributable to:		
Owners of the Company	(30.1)	(34.3)
Non-controlling interests		-

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In MEUR</i>	31 Mar 2018	31 Mar 2017
Cash flow from operating activities		
Loss for the period	(29.8)	(34.0)
Adjustments for:		
Finance income	(0.4)	(0.3)
Finance expense	1.6	1.6
Income tax (benefit)	0.8	-
Depreciation of property, plant and equipment	1.8	1.5
Amortization of intangible assets	0.7	0.4
Share-based payment expense (equity-settled)	3.5	0.7
Other non-cash transactions	(1.1)	0.2
Increase / (decrease) in provisions	0.4	(0.7)
Changes in working capital related to operating activities		
(Increase) / decrease in trade receivables	0.4	(1.5)
(Increase) / decrease in inventories	(2.0)	1.9
Increase / (decrease) in trade and other payables	22.3	21.1
Increase / (decrease) in deferred Revenue	4.7	3.0
Net change in VAT receivables/payables and similar taxes	0.8	2.2
(Increase) / decrease in other financial assets	1.9	(2.9)
(Increase) / decrease in other non-financial assets	(0.2)	0.1
Increase / (decrease) in other financial liabilities	1.6	0.1
Increase / (decrease) in other non-financial liabilities	-	3.4
Increase/ (decrease) in share-based compensation liabilities	-	0.4
Interest paid	(0.4)	(0.4)
Net cash flows from operating activities	6.6	(3.2)
Cash flow from investing activities		
Acquisition of subsidiary, net of cash acquired	(10.9)	-
Purchase of property, plant and equipment	(2.5)	(2.1)
Software development expenditure	(0.7)	(0.7)
Transfer of cash into restricted cash accounts and long-term deposits	-	0.2
Net cash flows from investing activities	(14.1)	(2.6)

Cash flow from financing activities		
Proceeds from the issuance of share capital	-	84.0
Net cash flows from financing activities	-	84.0
Cash and cash equivalents at the beginning of the period		
	339.9	57.5
Effects of exchange rate changes and other changes on cash and cash equivalents	(1.5)	(0.2)
Cash and cash equivalents at the end of the period	330.9	135.5

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