



QUARTERLY STATEMENT

Q3 2019

HELLOFRESH AT A GLANCE

Key Figures	3 months ended 30-Sep-19	3 months ended 30-Sep-18	YoY Growth	9 months ended 30-Sep-19	9 months ended 30-Sep-18	YoY growth
Key Performance Indicators						
Group						
Active customers (in millions)	2.61	1.84	42.1%			
Number of orders (in millions)	9.11	6.34	43.7%	26.92	19.65	36.9%
Orders per customer	3.5	3.5	-			
Meals (in millions)	68.9	46.5	48.1%	201.5	143.7	40.2%
Average order value (EUR) (excl. retail)	48.3	47.5	1.6%	48.1	46.6	3.2%
Average order value constant currency (EUR) (excl. retail)	47.2	47.5	(0.6%)	46.2	46.6	(0.8%)
USA						
Active customers (in millions)	1.48	1.05	40.3%			
Number of orders (in millions)	4.98	3.42	45.7%	14.77	11.11	33.0%
Orders per customer	3.4	3.2	3.8%			
Meals (in millions)	33.3	22.4	48.9%	97.7	73.9	32.1%
Average order value (excl. retail)	49.4	49.4	-	49.3	48.3	2.2%
Average order value constant currency (EUR) (excl. retail)	47.2	49.4	(4.6%)	46.4	48.3	(3.9%)
International						
Active customers (in millions)	1.13	0.78	44.5%			
Number of orders (in millions)	4.13	2.93	40.8%	12.15	8.55	42.1%
Orders per customer	3.6	3.7	(2.5%)			
Meals (in millions)	35.6	24.1	47.4%	103.8	69.8	48.7%
Average order value (EUR) (excl. retail)	47.0	45.2	3.9%	46.5	44.3	4.9%
Average order value constant currency (EUR) (excl. retail)	47.3	45.2	4.7%	46.0	44.3	3.7%

Key Figures	3 months ended 30-Sep-19	3 months ended 30-Sep-18	YoY Growth	9 months ended 30-Sep-19	9 months ended 30-Sep-18	YoY growth
Results of operations						
Group						
Revenue (in MEUR)	440.6	302.2	45.8%	1,297.3	917.5	41.4%
Revenue constant currency (in MEUR)	429.8	302.2	42.2%	1,240.3	917.5	35.2%
Contribution margin (in MEUR)*	121.1	78.1	55.0%	369.8	244.3	51.4%
Contribution margin (in % of Revenue)*	27.5%	25.9%	1.6 pp	28.5%	26.6%	1.9 pp
AEBITDA (in MEUR)	15.5	(26.0)	159.6%	7.7	(51.6)	114.9%
AEBITDA (in % of Revenue)	3.5%	(8.6%)	12.1 pp	0.6%	(5.6%)	6.2 pp
USA						
Revenue (in MEUR)	246.5	170.1	44.9%	731.6	538.4	35.9%
Revenue constant currency (in MEUR)	235.4	170.1	38.4%	687.8	538.4	27.7%
Contribution margin (in MEUR)*	67.8	43.9	54.4%	216.8	146.2	48.3%
Contribution margin (in % of Revenue)*	27.5%	25.8%	1.7 pp	29.6%	27.2%	2.5 pp
AEBITDA (in MEUR)	6.4	(18.2)	135.2%	(9.1)	(32.2)	71.7%
AEBITDA (in % of Revenue)	2.6%	(10.7%)	13.3 pp	(1.3%)	(6.0%)	4.7 pp
International						
Revenue (in MEUR)	194.2	132.3	46.8%	566.2	379.4	49.2%
Revenue constant currency (in MEUR)	194.4	132.3	47.1%	552.4	379.4	45.7%
Contribution margin (in MEUR)*	53.8	35.1	53.3%	154.9	100.0	54.9%
Contribution margin (in % of Revenue)*	27.7%	26.5%	1.2 pp	27.4%	26.4%	0.9 pp
AEBITDA (in MEUR)	20.8	1.6	nm	50.8	5.5	nm
AEBITDA (in % of Revenue)	10.7%	1.2%	9.6 pp	9.0%	1.4%	7.6 pp
Group Financial Position						
Net working capital (in MEUR)	(112.9)	(92.1)		(112.9)	(92.1)	
Cash flow used in operating activities (in MEUR)	36.1	(14.8)		33.1	(23.9)	
Cash and cash equivalents (in MEUR)	186.7	256.6		186.7	256.6	
*Net of share-based compensation expenses						

HELLOFRESH DELIVERS STRONG PERFORMANCE

IN Q3 ACROSS BOTH SEGMENTS:

- 42.1% active customer growth to 2.61m compared to the third quarter 2018
- Q3 revenue of EUR 440.6m, a year-on-year revenue growth on a euro basis of 45.8% and 42.2% on a constant currency basis
- On a segment level the revenue growth for International based on constant currency shows a growth of 47.1% and for US of 38.4%
- Especially the US segment shows meaningful reacceleration of growth compared to the same period in the previous year
- Sustained year-on-year margin expansion: contribution margin up by 1.6 pp to 27.5% and AEBITDA margin up year-on-year by 12.1 pp to 3.5%, despite Q3 being typically a seasonally weaker quarter
- Both segments delivered a strong quarter of positive AEBITDA margin: International with 10.7% and US with 2.6% of revenue
- Cash flow from operating activities positive with MEUR 36.1. Liquidity position remains very solid with MEUR 186.7 cash on balance sheet and a revolving credit facility of which EUR 71.5m is undrawn and available.

FINANCIAL PERFORMANCE OF THE GROUP

Consolidated income statement for the third quarter 2019 ended 30 September

In MEUR*	3 months ended			9 months ended		
	30-Sep-19	30-Sep-18	YoY growth	30-Sep-19	30-Sep-18	YoY growth
Revenue	440.6	302.2	45.8%	1,297.3	917.5	41.4%
Procurement Expenses	(156.4)	(111.4)	(40.4%)	(462.3)	(345.4)	(33.8%)
% of revenue	(35.5%)	(36.9%)	1.4 pp	(35.6%)	(37.6%)	2.0 pp
Fulfilment expenses	(163.5)	(112.8)	(44.9%)	(466.6)	(328.5)	(42.0%)
% of revenue	(37.1%)	(37.3%)	0.2 pp	(36.0%)	(35.8%)	(0.2 pp)
Contribution margin	120.6	78.1	54.4%	368.4	243.6	(51.2%)
Contribution margin (excl. SBC)	121.1	78.1	55.1%	369.8	244.3	(51.4%)
% of revenue	27.5%	25.9%	1.6 pp	28.5%	26.6%	1.9 pp
Marketing expenses	(88.6)	(85.1)	(4.1%)	(313.2)	(243.5)	(28.6%)
% of revenue	(20.1%)	(28.2%)	8.1 pp	(24.1%)	(26.5%)	2.4 pp
Marketing expenses (excl. SBC)	(88.2)	(85.0)	(3.8%)	(312.4)	(242.8)	(28.7%)
% of revenue	(20.0%)	(28.1%)	8.1 pp	(24.1%)	(26.5%)	2.4 pp
General and administrative expenses, other income and expenses	(31.2)	(24.1)	(29.5%)	(93.4)	(72.7)	(28.5%)
% of revenue	(7.1%)	(8.0%)	0.9 pp	(7.2%)	(7.9%)	0.7 pp
General and administrative expenses, other income and expenses (excl. SBC)	(27.0)	(22.8)	(18.4%)	(81.4)	(64.0)	(27.2%)
% of revenue	(6.1%)	(7.6%)	1.4 pp	(6.3%)	(7.0%)	0.7 pp
Operating Profit/ (Loss)	0.9	(31.1)	102.9%	(38.2)	(72.6)	47.4%

% of revenue	0.2%	(10.3%)	10.5 pp	(2.9%)	(7.9%)	5.0 pp
Depreciation and amortization	9.3	3.3	(181.8%)	29.9	9.4	(218.1%)
EBITDA	10.2	(27.8)	136.7%	(8.3)	(63.2)	86.9%
% of revenue	2.3%	(9.2%)	11.5 pp	(0.6%)	(6.9%)	6.2 pp
Special items	0.2	0.3	33.3%	1.8	1.5	(20.0%)
Share-Based Compensation Expenses	5.1	1.5	(240.0%)	14.2	10.1	(40.6%)
AEBITDA	15.5	(26.0)	159.6%	7.7	(51.6)	114.9%
% of revenue	3.5%	(8.6%)	12.1 pp	0.6%	(5.6%)	6.2 pp
AEBIT	6.1	(30.1)	120.3%	(22.2)	(62.6)	64.5%
% of revenue	1.4%	(10.0%)	11.4 pp	(1.7%)	(6.8%)	5.0 pp

*Net of share-based compensation expenses

HelloFresh delivered strong growth in revenue in the third quarter 2019 compared to the third quarter 2018 with 45.8% revenue growth on a euro basis and 42.2% on a constant currency basis. As a result, the Group revenue increased from MEUR 302.2 in the third quarter 2018 to MEUR 440.6 in this quarter. Revenue growth has primarily been driven by an increase in active customers by 42.1%, which increased to 2.61m compared to 1.84m in the same period last year. Both segments of HelloFresh have equally contributed to this growth in the active customers, as active customers in USA increased by 40.3% to 1.48m and International segment increased by 44.5% to 1.13m.

Contribution margin, excluding share-based compensation expenses, improved further in the third quarter 2019 to 27.5% of revenue compared to 25.9% in the third quarter 2018. This margin expansion is primarily driven by efficiencies in our procurement planning and operations, especially in our US segment.

As a continuation of the trend already noticeable in the second quarter of 2019, HelloFresh has been able to reduce its marketing expenses as percentage of revenue by 8.1pp to 20.0% in this period compared to 28.1% in the previous year's period, and 9.4pp for the US segment. This beneficial marketing leverage is primarily a function of (i) attractive customer acquisition costs achieved across most of our marketing channels, (ii) strong customer gains in marketing channels, which require comparatively less paid marketing expenditure, such as our referral program and reactivations of former customers as well as (iii) a certain shift from paid marketing expenditure to discounts, where the latter represent a direct deduction to revenue.

General and administrative expenses (including share-based compensation and other operating income & expenses) have grown less than revenue and therefore shrunk from 8.0% in terms of revenue in Q3 2018 to 7.1% in the third quarter 2019. Year to date General and administrative expenses (including share-based compensation and other operating income & expenses) with 7.2% of revenue have reduced slightly compared to last year at 7.9%. In absolute terms it increased from MEUR 24.1 in third quarter 2018 to MEUR 31.2 in the current period.

There is a growth in the EBIT margin of 10.5 pp, compared to the EBIT of the third quarter 2018 of (10.3) % and third quarter 2019 of 0.2%. This is a result of the factors described above.

SEGMENT INFORMATION

The condensed segment results for the three months ended 30 September 2019 outline strong growth in both segments.

<i>In MEUR</i>	3 months ended 30-Sep-19	3 months ended 30-Sep-18	YoY Growth	9 months ended 30-Sep-19	9 months ended 30-Sep-18	YoY growth
External revenue						
USA	246.5	170.1	44.9%	731.6	538.4	35.9%
International	194.2	132.3	46.8%	566.2	379.4	49.2%
Holding*	24.3	14.4	68.8%	75.7	36.8	105.7%
Consolidation*	(24.4)	(14.6)	(67.1%)	(76.2)	(37.1)	(105.4%)
Total	440.6	302.2	45.8%	1,297.3	917.5	41.4%
Contribution margin**						
USA	67.8	43.9	54.4%	216.8	146.2	48.3%
International	53.8	35.1	53.3%	154.9	100.0	54.9%
Holding	23.3	12.7	83.5%	72.1	32.5	121.8%
Consolidation	(23.8)	(13.6)	(75.0%)	(74.0)	(34.4)	(115.1%)
Total	121.1	78.1	55.0%	369.8	244.3	51.4%
AEBITDA						
USA	6.4	(18.2)	135.2%	(9.1)	(32.2)	71.7%
International	20.8	1.6	nm	50.8	5.5	nm
Holding	(11.7)	(9.4)	(24.5%)	(34.0)	(24.9)	(35.7%)
Consolidation	-	-		-	-	
Total	15.5	(26.0)	159.6%	7.7	(51.6)	114.9%
AEBIT						
USA	2.9	(19.8)	114.6%	(20.7)	(36.6)	43.4%
International	16.1	0.9	nm	36.8	3.0	nm
Holding	(12.9)	(11.2)	(16.2%)	(38.3)	(29.0)	(32.4%)
Consolidation	-	-		-	-	
Total	6.1	(30.1)	120.3%	(22.2)	(62.6)	64.5%

*internal revenue

**excluding share-based compensation expenses

Financial Position of US Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-19	30-Sep-18	YoY growth	30-Sep-19	30-Sep-18	YoY growth
Revenue	246.5	170.1	44.9%	731.6	538.4	35.9%
Procurement Expenses	(77.6)	(56.6)	(37.1%)	(229.2)	(186.4)	(23.0%)
% of revenue	(31.5%)	(33.3%)	1.8 pp	(31.3%)	(34.6%)	3.3 pp
Fulfilment expenses	(101.4)	(69.5)	(45.9%)	(286.2)	(206.0)	(38.9%)
% of revenue	(41.1%)	(40.9%)	(0.3 pp)	(39.1%)	(38.3%)	(0.9 pp)
Contribution margin	67.5	43.9	53.8%	216.1	146.0	48.0%
Contribution margin (excl. SBC)*	67.8	43.9	54.4%	216.8	146.2	48.3%
% of revenue	27.5%	25.8%	1.7 pp	29.6%	27.2%	2.5 pp
Marketing expenses	(57.1)	(55.5)	(2.9%)	(214.1)	(159.9)	(33.9%)
% of revenue	(23.2%)	(32.6%)	9.4 pp	(29.3%)	(29.7%)	0.4 pp
Marketing expenses (excl. SBC)*	(57.0)	(55.4)	(2.9%)	(213.8)	(159.5)	(34.0%)
% of revenue	(23.1%)	(32.6%)	9.5 pp	(29.2%)	(29.6%)	0.4 pp
General and administrative expenses, other income and expenses	(8.7)	(8.5)	(2.4%)	(26.2)	(24.3)	(7.8%)
% of revenue	(3.5%)	(5.0%)	1.5 pp	(3.6%)	(4.5%)	0.9 pp
General and administrative expenses, other income and expenses (excl. SBC)*	(8.1)	(8.4)	3.6%	(24.7)	(23.7)	(4.2%)
% of revenue	(3.3%)	(5.0%)	1.7 pp	(3.4%)	(4.4%)	1.0 pp
Operating Profit (Loss)	1.7	(20.0)	108.5%	(24.2)	(38.1)	36.5%
% of revenue	0.7%	(11.8%)	12.5 pp	(3.3%)	(7.1%)	3.8 pp
Depreciation and amortization	3.4	1.7	(100.0%)	11.5	4.4	(161.4%)
EBITDA	5.1	(18.3)	127.9%	(12.7)	(33.7)	62.3%
% of revenue	2.1%	(10.8%)	12.9 pp	(1.7%)	(6.3%)	4.5 pp
Special items	0.2	0.1	(100.0%)	1.0	0.3	(233.3%)
Share-Based Compensation Expenses	1.0	0.1	nm	2.5	1.1	(127.3%)
AEBITDA	6.4	(18.2)	135.2%	(9.1)	(32.2)	71.7%
% of revenue	2.6%	(10.7%)	13.3 pp	(1.3%)	(6.0%)	4.7 pp
AEBIT	2.9	(19.8)	114.6%	(20.7)	(36.6)	43.4%
% of revenue	1.2%	(11.7%)	12.8 pp	(2.8%)	(6.8%)	4.0 pp

*Net of share-based compensation expenses

Revenue of our US Segment increased by 44.9% from MEUR 170.1 in the third quarter 2018 to MEUR 246.5 in the third quarter 2019. On a constant currency basis, this represents a 38.4% growth rate, mainly driven by growth in active customers by 40.3% from 1.05m in the third quarter 2018 to 1.48m in the third quarter 2019. Total meals delivered by HelloFresh in USA in 9 months of 2019 has reached 97.7m, resulting in growth by 32.1% as compared to the same period in 2018. Meals delivered alone increased by 48.9%, from 22.4m in third quarter of 2018 to 33.3m in third quarter of 2019. There has been a slight increase in the orders per customer in this quarter also by 3.8% as compared to the third quarter of 2018.

Contribution margin as a percentage of revenue, excluding share-based compensation expenses, increased by 1.7 pp which is driven mainly by reduction in procurement expenses which was a result of efficient procurement planning and operations. This has also resulted in achieving an overall contribution margin of 29.6% of revenue for the 9 months of 2019, increasing by 2.5 pp as compared to 27.2% in the same period 2018.

HelloFresh has been able to achieve such growth in revenue without meaningfully increasing the marketing expenses in this quarter. Marketing expenses as a percentage of revenue, excluding share-based compensation expenses, has decreased from (32.6)% in third quarter in 2018 to (23.1)% in this quarter, resulting in an improvement of 9.5 pp. General and administrative expenses, excluding share-based compensation expenses, expressed in terms of revenue also decreased by 1.7 pp to compared to (5.0)% in third quarter 2018. These improvements ensured that both AEBITDA and AEBIT expressed in terms of revenue increased in this quarter to positive 2.6% and 1.2% respectively, compared to the profitability in the third quarter of 2018, which had (10.7) % of AEBITDA and (11.7) % of AEBIT. For the 9 months ended on 30th September 2019, the US segment has increased AEBITDA by 4.7pp and AEBIT by 4.0 pp, both expressed in terms of revenue.

Financial Position of International Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-19	30-Sep-18	YoY growth	30-Sep-19	30-Sep-18	YoY growth
Revenue	194.2	132.3	46.8%	566.2	379.4	49.2%
Procurement Expenses	(78.7)	(54.6)	(44.1%)	(232.7)	(158.3)	(47.0%)
% of revenue	(40.5%)	(41.3%)	0.8 pp	(41.1%)	(41.7%)	0.6 pp
Fulfilment expenses	(61.8)	(42.7)	(44.7%)	(179.1)	(121.6)	(47.3%)
% of revenue	(31.8%)	(32.3%)	0.4 pp	(31.6%)	(32.1%)	0.5 pp
Contribution margin	53.7	35.0	53.4%	154.4	99.5	55.2%
Contribution margin (excl. SBC)*	53.8	35.1	53.3%	154.9	100.0	54.9%
% of revenue	27.7%	26.5%	1.2 pp	27.4%	26.4%	0.9 pp
Marketing expenses	(29.9)	(28.3)	(5.7%)	(95.0)	(79.9)	(18.9%)
% of revenue	(15.4%)	(21.4%)	5.9 pp	(16.8%)	(21.1%)	4.3 pp
Marketing expenses (excl. SBC)*	(29.8)	(28.3)	(5.3%)	(94.8)	(79.8)	(18.8%)
% of revenue	(15.4%)	(21.4%)	6.1 pp	(16.7%)	(21.0%)	4.2 pp
General and administrative expenses, other income and expenses	(18.6)	(6.8)	(173.5%)	(54.1)	(20.0)	(170.5%)
% of revenue	(9.6%)	(5.1%)	(4.4 pp)	(9.6%)	(5.3%)	(4.2 pp)
Thereof Platform fee	(10.4)	(0.4)	nm	(28.7)	(1.2)	nm

General and administrative expenses, other income and expenses (excl. SBC and platform fee)	(7.8)	(6.0)	(30.0%)	(24.3)	(16.7)	(45.5%)
% of revenue	(4.0%)	(4.6%)	0.5 pp	(4.3%)	(4.4%)	0.1 pp
Operating Profit (Loss)	5.3	(0.1)	nm	5.3	(0.4)	nm
% of revenue	2.7%	(0.1%)	2.8 pp	0.9%	(0.1%)	1.1 pp
Depreciation and amortization	4.7	0.7	nm	14.0	2.5	nm
Platform fee	10.4	0.4	nm	28.7	1.2	nm
EBITDA (excluding platform fee & holding mark-up)	20.4	0.7	nm	48.0	2.0	nm
% of revenue	10.5%	0.5%	10.0 pp	8.5%	0.5%	7.9 pp
Special items	(0.2)	-	-	0.5	0.2	(150.0%)
Share-Based Compensation Expenses	0.5	0.4	(25.0%)	1.8	1.7	(5.9%)
AEBITDA	20.8	1.6	nm	50.8	5.5	nm
% of revenue	10.7%	1.2%	9.6 pp	9.0%	1.4%	7.6 pp
AEBIT	16.1	0.9	nm	36.8	3.0	nm
% of revenue	8.3%	0.7%	7.6 pp	6.5%	0.8%	5.7 pp

*Net of share-based compensation expenses

Revenue of our International segment grew by 46.8% from MEUR 132.3 in the third quarter 2018 to MEUR 194.2 in the third quarter 2019 on a euro basis. HelloFresh delivered 35.6m meals in the third quarter of 2019, which is 47.4% higher than the period of the previous year. Furthermore, the results for Q3 2019 are showing a growth of active customers by 44.5% as well as an increase of the average order value by 3.9%.

Contribution margin of our International segment, excluding share-based compensation expenses, increased in the third quarter 2019 by 53.3% to MEUR 53.8 from MEUR 35.1 in the third quarter 2018, primarily driven by efficiencies in our procurement operations. On a relative basis, as a percentage of revenue, contribution margin expanded from 26.5% in the third quarter 2018 to 27.7% in the third quarter 2019.

AEBITDA improved from MEUR 1.6 in the third quarter 2018 to MEUR 20.8 in the third quarter 2019, resulting in an AEBITDA margin improvement by 9.6 pp from 1.2% to 10.7% respectively; AEBIT margin improved by 7.6 pp from 0.7% to 8.3%. Also for the full 9 months ended on 30th September 2019, the International segment further increased its positive margin profit, with an AEBITDA margin of 9.0% and an AEBIT margin of 6.5%.

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 2019, no new stock option programs were launched. The Segment expense is summarized below:

<i>In MEUR</i>	3 months ended			9 months ended		
	30-Sep-19	30-Sep-18	YoY growth	30-Sep-19	30-Sep-18	YoY growth
USA	1.0	0.1	906.0%	2.5	1.1	126.8%
International	0.5	0.4	37.0%	1.8	1.7	7.5%
Holding	3.5	1.0	250.7%	9.9	7.3	35.1%
Total	5.0	1.5	237.4%	14.2	10.1	40.4%

Share based compensation expenses have increased year-on-year vs. the third quarter 2018. The increase is driven by both an increased number of participants under the programs as well as overall higher grants.

EBIT TO AEBITDA

<i>In MEUR</i>	3 months ended 30-Sep-19	3 months ended 30-Sep-18	YoY Growth	9 months ended 30-Sep-19	9 months ended 30-Sep-18	YoY growth
EBIT	0.9	(31.1)	102.7%	(38.2)	(72.6)	47.4%
Depreciation and amortisation	9.3	3.3		29.9	9.4	
EBITDA	10.2	(27.8)	136.8%	(8.3)	(63.2)	86.8%
Special items	0.2	0.3		1.8	1.5	
Share based compensation	5.1	1.5		14.2	10.1	
AEBITDA	15.5	(26.0)	159.6%	7.7	(51.6)	114.9%
AEBITDA margin	3.5%	(8.6%)	12.1 pp	0.6%	(5.6%)	6.2 pp
AEBIT	6.1	(30.1)	120.3%	(22.2)	(62.6)	64.5%
AEBIT Margin	1.4%	(10.0%)	11.4 pp	(1.7%)	(6.8%)	5.0 pp

CASH FLOW

<i>In MEUR</i>	3 months ended 30-Sep-19	3 months ended 30-Sep-18	9 months ended 30-Sep-19	9 months ended 30-Sep-18
Cash and cash equivalents at the beginning of the period	164.4	307.6	193.9	339.9
Net Cash flows from operating activities	36.1	(14.8)	33.1	(23.9)
Net Cash flows from investing activities	(11.0)	(6.7)	(26.1)	(31.1)
Net Cash flows from financing activities	(4.9)	(29.5)	(16.6)	(28.9)
Effects of exchange rate changes and other changes on cash and cash equivalents	2.1	-	2.4	0.6
Cash and cash equivalents at the end of the period	186.7	256.6	186.7	256.6

Cash flow from operating activities in the third quarter 2019 increased to MEUR 36.1 as compared to MEUR (14.8) in the third quarter 2018. Mainly driven by (i) the growth in profit for the period, which increased to MEUR 23.7 in third quarter 2019 as compared to MEUR (33.5) in third quarter 2018 and (ii) positive inflow from change in the working capital amounting to MEUR 16.1.

Cash flow from investing activities represents a cash outflow of MEUR (11.0) in the third quarter 2019 which includes MEUR (7.4) for the purchase of PPE. The increase in outflow compared to the third quarter 2018 of MEUR (6.7) is mainly due to expenditure on intangible assets for software development of MEUR (2.2). Total cash outflow for the year 2019 until end of September amounts to MEUR (26.1), which mainly includes purchase of PPE of MEUR (18.8).

The cash outflow from financing activities is primarily driven by lease payments (in accordance with IFRS 16) amounting to MEUR (5.3) in the third quarter 2019.

All together HelloFresh maintained a solid cash level of MEUR 186.7 and in addition has a revolving credit facility in place of which MEUR 71.5 is undrawn and available at the end of the third quarter of 2019.

OUTLOOK

Due to a strong Q3 HelloFresh SE announced on October 14, 2019 an increased outlook for revenue growth and adjusted EBITDA (“AEBITDA”) margin for the full year 2019:

Due to better than expected performance in the third quarter 2019, in particular during the month of September, HelloFresh expects to achieve Group revenue growth on a constant currency basis of approx. 31% to 33% (previous guidance: 28% to 30%) and a positive AEBITDA margin (AEBITDA as a percentage of revenue) on the group level of approx. 0.50% to 1.75% (previous guidance: negative 1% to positive 1%) for the full fiscal year 2019.

EVENTS AFTER THE REPORTING PERIOD

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

Berlin, 01 November 2019

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Operating Officer
and Chief Executive
Officer International

Christian Gaertner
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	As at 30-Sep-19	As at 31-Dec-18
Assets		
Non-current assets		
Property, plant and equipment	157.9	62.4
Intangible assets	14.7	12.3
Goodwill	48.6	46.9
Other financial assets	46.9	19.5
Other non-financial assets	1.1	0.9
Deferred income tax assets	1.8	1.7
Total non-current assets	271.0	143.7
Current assets		
Inventories	32.6	22.5
Trade receivables	13.9	8.6
Other financial assets	7.9	5.3
Other non-financial assets	17.7	22.1
Cash and cash equivalents	186.7	193.9
Total current assets	258.8	252.4
Total assets	529.8	396.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	As at 30-Sep-19	As at 31-Dec-18
Equity and Liabilities		
Equity		
Share capital	164.6	164.4
Treasury shares	(5.3)	(7.9)
Capital reserves	446.4	448.4
Other reserves	67.3	53.6
Accumulated losses	(444.4)	(411.6)
Other comprehensive income/loss	(1.3)	(9.7)
Equity attributable to the Company's shareholders	227.3	237.2
Non-controlling interests	0.3	(0.5)
Total equity	227.6	236.7
Non-current liabilities		
Other financial liabilities	94.4	-
Deferred income tax liability	1.5	1.5
Long-term debt	3.2	0.5
Provisions	0.8	0.8
Other non-financial liabilities	0.7	11.7
Total non-current liabilities	100.6	14.5
Current liabilities		
Trade payables	132.8	105.2
Other financial liabilities	11.4	1.0
Provisions	3.8	2.7
Income tax liabilities	5.1	0.1
Other non-financial liabilities	48.5	35.9
Total current liabilities	201.6	144.9
Total equity and liabilities	529.8	396.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In MEUR	3 months ended		9 months ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Revenue	440.6	302.2	1,297.3	917.5
Procurement Expenses	(156.4)	(111.4)	(462.3)	(345.4)
Fulfilment expenses	(163.5)	(112.7)	(466.6)	(328.5)
Marketing expenses	(88.6)	(85.1)	(313.2)	(243.5)
General and administrative expenses	(30.2)	(22.6)	(91.2)	(67.4)
Other operating income	0.5	0.9	3.0	1.6
Other operating expenses	(1.5)	(2.4)	(5.2)	(6.9)
Operating Profit (Loss)	0.9	(31.1)	(38.2)	(72.6)
Finance income	26.6	0.2	30.1	1.6
Finance expense	(1.2)	(0.4)	(13.7)	(2.4)
Profit (Loss) before income tax benefit (expense)	26.3	(31.3)	(21.8)	(73.4)
Income tax benefit (expense)	(2.6)	(2.2)	(5.5)	(5.2)
Profit (Loss) for the period	23.7	(33.5)	(27.3)	(78.6)
attributable to:				
Owners of the Company	22.8	(33.5)	(28.1)	(78.4)
Non-controlling interests	0.9	-	0.9	(0.2)
Other comprehensive income (loss) :				
Items that may be subsequently reclassified to profit and loss				
Exchange differences on net investments in foreign operations	(11.2)	(1.5)	(11.0)	(6.1)
Exchange differences on translation to presentation currency	7.4	1.1	19.4	5.7
Other comprehensive income (loss) for the period	(3.9)	(0.4)	8.4	(0.4)
Total comprehensive income (loss) for the period	19.8	(33.9)	(18.9)	(79.0)
Total comprehensive income (loss) attributable to:				
Owners of the Company	18.9	(33.8)	(19.7)	(78.8)
Non-controlling interests	0.9	(0.1)	0.8	(0.2)

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In MEUR</i>	3 months ended		9 months ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Cash flow from operating activities				
Loss for the period	23.7	(33.5)	(27.3)	(78.6)
Adjustments for:				
Finance income	(26.6)	(0.2)	(30.1)	(1.6)
Finance expense	1.2	0.4	13.7	2.4
Income Tax	2.6	2.0	5.4	4.9
Income tax paid (refunds)	-	-	(0.6)	-
Depreciation of property, plant and equipment	3.3	2.5	10.0	6.9
Depreciation of right-of-use assets	5.1	-	15.3	-
Amortization of intangible assets	0.9	0.8	3.6	2.2
Loss on disposal of fixed assets	-	-	0.9	0.4
Share-based payment expense (equity-settled)	5.1	1.5	14.2	10.1
Other non-cash transactions	0.8	0.1	0.7	(1.1)
Increase / (decrease) in provisions	(0.5)	(0.7)	1.0	(2.5)
Changes in working capital related to operating activities				
(Increase) / decrease in trade receivables	0.3	(3.6)	(4.1)	2.4
(Increase) / decrease in inventories	(2.2)	(2.8)	(9.2)	(5.8)
Increase / (decrease) in trade and other payables	13.7	19.2	23.2	25.3
Increase / (decrease) in deferred Revenue	0.8	3.1	8.6	6.3
Net change in VAT receivables/payables and similar taxes	3.5	0.2	6.2	(1.4)
(Increase) / decrease in other financial assets	(0.8)	(0.7)	(2.6)	1.3
(Increase) / decrease in other non-financial assets	(1.7)	(2.3)	(0.9)	0.3
Increase / (decrease) in other financial liabilities	3.6	-	3.4	(3.2)
Increase / (decrease) in other non-financial liabilities	3.9	(0.7)	2.4	8.6
Interest received	0.1	0.1	0.4	0.2
Interest paid	(0.7)	(0.2)	(1.1)	(1.0)
Net cash from (used in) operating activities	36.1	(14.8)	33.1	(23.9)

<i>In MEUR</i>	3 months ended		9 months ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	(0.3)	0.1	-	(10.8)
Purchase of property, plant and equipment	(7.4)	(7.3)	(18.8)	(14.5)
Software development expenditure	(2.1)	(0.7)	(5.1)	(2.2)
Purchase of intangible assets	(0.1)	(0.1)	(1.2)	(0.2)
Proceeds from disposal of PPE & intangibles	-	-	2.5	-
(Transfer) Withdrawal of cash into / from restricted cash accounts & deposits	(1.1)	1.3	(3.5)	(3.4)
Net cash from (used in) investing activities	(11.0)	(6.7)	(26.1)	(31.1)
Cash flow from financing activities				
Proceeds from the issuance of share capital	-	0.5	-	0.1
Repurchase of shares into treasury	-	-	-	1.0
Associate Company Loan	0.4	-	0.4	-
Repayment of long-term debt	-	(30.0)	-	(30.0)
IFRS 16	(5.3)	-	(17.0)	-
Net cash from (used in) financing activities	(4.9)	(29.5)	(16.6)	(28.9)
Cash and cash equivalents at the beginning of the period	164.4	307.6	193.9	339.9
Effects of exchange rate changes and other changes on cash and cash equivalents	2.1	-	2.4	0.6
Cash and cash equivalents at the end of the period	186.7	256.6	186.7	256.6

CONSOLIDATED SEGMENT STATEMENT

<i>In MEUR</i>	9-months ended 30 Sep 2019					
	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	731.6	566.2	1,297.8	75.7	(76.3)	1,297.2
Internal revenue	0.1	0.6	0.7	75.7	(76.3)	0.1
External revenue	731.5	565.6	1,297.1	-	-	1,297.1
Contribution Margin	216.8	154.9	371.7	72.1	(74.0)	369.8
Adjusted EBITDA (w/o holding mark up)	(9.1)	50.8	41.7	(33.8)	(0.2)	7.7
Special items	(1.0)	(0.5)	(1.5)	(0.3)	-	(1.8)
SBC	(2.5)	(1.8)	(4.3)	(9.9)	-	(14.2)
EBITDA w/o holding fees	(12.6)	48.5	35.9	(44.0)	(0.2)	(8.3)
Depreciation and amortization	(11.5)	(14.0)	(25.5)	(4.6)	0.2	(29.9)
EBIT w/o holding fees	(24.1)	34.5	10.4	(48.6)	-	(38.2)
Platform fee	-	(28.7)	(28.7)	28.7	-	-
Holding mark up	-	(0.6)	(0.6)	0.6	-	-
EBIT	(24.1)	5.2	(18.9)	(19.3)	-	(38.2)
Finance income	5.5	2.7	8.2	28.6	(6.7)	30.1
Finance expense	(11.8)	(6.2)	(18.0)	(2.4)	6.7	(13.7)
Income tax benefit	-	(5.4)	(5.4)	(0.1)	-	(5.5)
Profit (Loss) for the period	(30.5)	(3.6)	(34.1)	6.8	-	(27.3)

In MEUR	9-months ended 30 Sep 2018					
	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	538.4	378.5	916.9	37.3	(36.7)	917.5
Internal revenue	-	0.3	0.3	36.4	(36.7)	-
External revenue	538.4	378.2	916.6	0.9	-	917.5
Contribution Margin	146.2	100.4	246.6	31.7	(34.0)	244.3
Adjusted EBITDA (w/o holding mark up)	(32.2)	7.0	(25.1)	(26.5)	-	(51.6)
Special items	(0.3)	(0.2)	(0.6)	(0.9)	-	(1.5)
SBC	(1.1)	(1.7)	(2.8)	(7.3)	-	(10.1)
EBITDA w/o holding fees	(33.6)	5.1	(28.5)	(34.7)	-	(63.2)
Depreciation and amortization	(4.5)	(2.4)	(6.9)	(2.5)	-	(9.4)
EBIT w/o holding fees	(38.1)	2.7	(35.4)	(37.3)	-	(72.7)
Platform fee	-	(1.2)	(1.2)	1.2	-	-
Holding mark up	-	(0.5)	(0.5)	0.5	-	-
EBIT	(38.1)	1.0	(37.1)	(35.5)	-	(72.6)
Finance income	0.1	-	0.1	5.5	(4.0)	1.6
Finance expense	(2.4)	(1.6)	(4.0)	(2.4)	4.0	(2.4)
Income tax benefit	-	(5.1)	(5.1)	(0.1)	-	(5.2)
Profit (Loss) for the period	(40.4)	(5.7)	(46.1)	(32.5)	-	(78.6)

The main activity of the Group is the delivery of meal kits to customers in various geographical regions. The business is managed based on two major geographical regions: The United States of America (“USA”) and International (“International” or “Int'l”). International comprises Australia, Austria, Belgium, Canada, France, Germany, Luxembourg, the Netherlands, New Zealand, Switzerland and the United Kingdom (“UK”). In Q3 2019 HelloFresh also launched in Sweden, which will be part of the International segment.

In July 2019, HelloFresh has executed a cash capital increase at its then subsidiary HelloFreshGO GmbH with three external investors. As a consequence, HelloFresh’s economic ownership of HelloFreshGO GmbH was reduced to 65,80 % and HelloFresh Group has no control over HelloFreshGO GmbH anymore. Therefore, the entity is not fully consolidated anymore but only recognized using the equity method. The transaction triggered a one-off non-cash accounting gain of MEUR 23. Group EBIT, EBITDA and AEBITDA have not been affected by this one-off accounting gain.

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