



## Press Release

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### **HelloFresh SE is preparing for its Initial Public Offering**

- **The leading global meal kit service prepares for a listing on the regulated market (Prime Standard) of the Frankfurt Stock Exchange**
- **With about 1.3 million active customers, HelloFresh is the largest player worldwide with #1 positions in all of its major markets outside the US**
- **The company is one of the fastest growing players in the global EUR 7.5 trillion food market – the single largest area of consumer spending**
- **Following continuous margin improvements, HelloFresh’s strategic goal is to reach breakeven within the next 15 months**
- **Targeted IPO proceeds of c. 250 - 300 million euros from a capital increase to fund continued investment in long-term growth**

**Berlin, October 10, 2017 – HelloFresh SE, the leading global meal kit delivery brand, is preparing a listing on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The planned public offering will consist of a capital increase of c. 250 - 300 million euros, which are primarily earmarked to fund continued investment in the growth of the business including strategic flexibility for new business lines.**

“The public listing marks the next logical step to further expand our business, to secure our position as the leading global player and to pursue our long-term growth strategy,” says Dominik Richter, co-founder and CEO of HelloFresh. “In 2011, we started with the mission to change the way people eat. Since then, we have built a dynamic, data-driven organization with scalable production processes across ten international markets. We have established a brand loved by millions of loyal customers. We have experienced fast growth and have the strategic goal to reach breakeven across our group within 15 months. Now, the time has come to propel HelloFresh to the next level.”

#### **HelloFresh – the largest and only global player of scale**

Founded in 2011 by Dominik Richter and Thomas Griesel, HelloFresh is the only meal kit service of scale with an intercontinental footprint. It operates in ten countries – the USA, the United Kingdom, Germany, the Netherlands, Belgium, Luxembourg, Australia, Austria, Switzerland and Canada. HelloFresh offers millions of households the opportunity to enjoy well-balanced home-cooked meals without the associated



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hassle. With more than 2,000 employees, HelloFresh delivered a total of 33.7 million meals to its about 1.3 million active customers<sup>1</sup> in the second quarter of 2017.

### **Established business model tailored for growth**

HelloFresh has established itself as a disruptive direct-to-consumer food company, based on a data-driven business model, a strong brand and an innovative supply chain set-up. With a market size of 7.5 trillion euros<sup>2</sup>, food is the largest area of consumer spending, yet one with low online penetration.

“We have pioneered an entirely new category,” says Thomas Griesel, co-founder and COO of HelloFresh. “Today, we are in an ideal position to seize the growing potential of our global market by capitalizing on our customer-centric product innovation expertise, our technology platform, our vertically integrated supply chain and our scalable state-of-the-art fulfilment capabilities.”

HelloFresh’s unique procurement set-up creates further competitive moat. More than 50% of the food is directly sourced from local producers<sup>3</sup>, which means fewer intermediaries, fresher food due to less time in storage and transit compared to traditional supermarkets, and lower costs for sourcing and storing the ingredients.

As an integrated food manufacturer, HelloFresh has built up a sizeable infrastructure, optimized to produce meal kits at scale, while accommodating increased choice and flexibility for its customers. Seven fulfilment centers around the globe can accommodate continued strong future growth in all key markets.

### **One of the fastest growing European companies<sup>4</sup>**

With revenues of more than 230 million euros in Q2 2017 (H1 2017: 435.4 million euros) the quarterly revenue has grown by 26 times since Q1 2014 – making HelloFresh the largest global meal kit service.

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<sup>1</sup> Active customers refers to the number of uniquely identified customers who received at least one box within the last 13 weeks, as of June 2017 (including first-time customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with HelloFresh before period end).

<sup>2</sup> Euromonitor International, Economies and Consumers, food represents consumer expenditure on food and catering, value at fixed 2016 exchange rates

<sup>3</sup> Based on HelloFresh’s expenditure for produce in the second quarter of 2017

<sup>4</sup> According to Financial Times, FT 1000: Europe’s Fastest Growing Companies, April 6, 2017



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Apart from strong customer growth, HelloFresh's development is driven by a favorable plan-based model, which combines very stable order rates at about 3.7 orders per active customer and quarter<sup>5</sup> with increasing order value of currently about 49 euros per the second quarter of 2017.

### **Strategic goal to reach adjusted EBITDA breakeven within 15 months**

HelloFresh shows a strong track record of margin expansion. Following ~14% points of contribution margin expansion over the last seven quarters, the contribution margin reached 22.1% in Q2 2017. The adjusted EBITDA margin has significantly improved over the same period by 25% points to minus 7.4%. HelloFresh's strategic goal is to reach adjusted EBITDA breakeven across its group within the next 15 months and a mid-term adjusted EBITDA margin of 12-15%.

### **Primary capital raise to fund continued investment in growth**

"We have a very dynamic market development in our category, which we want to fully capitalize on by raising about 250 to 300 million euros of primary capital through an IPO," says Christian Gärtner, HelloFresh's CFO.

The Offering, if pursued, will consist of newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase.

The Offering, if pursued, will include a primary greenshoe option.

The free float will depend on the number of new shares issued by the Company.

HelloFresh intends to list its shares on the regulated market segment of the Frankfurt Stock Exchange with simultaneous admission to the Prime Standard.

The proposed Offering would consist of initial public offerings in Germany and Luxembourg, as well as private placements in certain other jurisdictions outside Germany and Luxembourg.

Berenberg, BNP Paribas, Deutsche Bank, J.P. Morgan and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners. Rabobank has been mandated as Co-Lead Manager.

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<sup>5</sup> The average quarterly order rate per active customer varies in the range of 3.5 to 3.8 since Q1 2015 at an average of 3.69



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HelloFresh SE

[www.hellofreshgroup.com](http://www.hellofreshgroup.com)

### **About HelloFresh**

HelloFresh is the world's leading meal kit company, operating in the U.S., the United Kingdom, Germany, the Netherlands, Belgium, Luxembourg, Australia, Austria, Switzerland and Canada. HelloFresh delivered 33.7 million meals in the 3-month period from 1 April 2017 to 30 June 2017 to 1.3 million active customers. HelloFresh was founded in November 2011 in Germany and pioneered the global phenomenon of meal kits. The company has offices in New York, Berlin, London, Amsterdam, Zurich, Sydney and Toronto.

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*The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) from the date when trading in the shares of the Company is commenced on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and must be terminated no later than 30 calendar days after this date (the “Stabilization Period”). Stabilization transactions aim at supporting the market price of the Company’s shares during the Stabilization Period. These measures may result in the market price of the Company’s shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.*