

**HELLOFRESH**  
GROUP

**Q4 & FY 2022 Results**  
*March 7<sup>th</sup>, 2023*

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## Our Mission

We change the way  
people eat forever

## Our Vision

The world's leading,  
fully integrated foods  
solution group



## Extraordinary 3-year growth period behind us

### Group Net Revenue (in € millions)



### Meals Shipped (in millions)



### Orders per Customer



### Recipe Choice<sup>1</sup> (in # of meals offered)

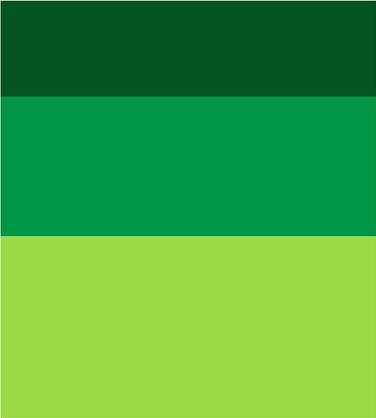


# We generated strong cash flow from operations... and re-invested the bulk of it back into the business

## Cash Flow from Operations

(2020-2022)

1.37bn

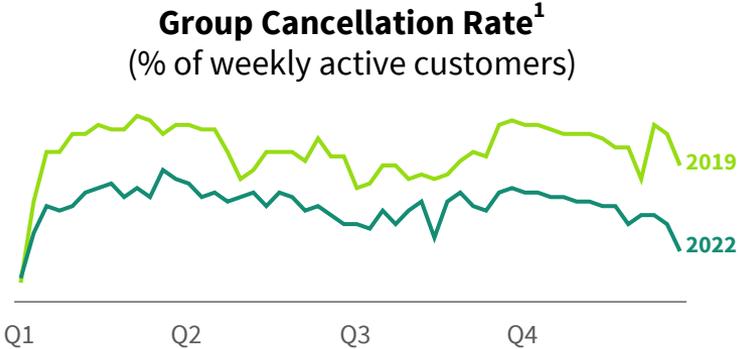
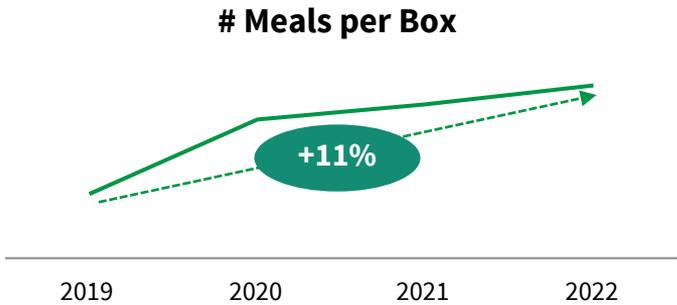


2020 2021 2022

<b>Meal kit TAM expansion</b>	<b>RTE launch</b>
	<b>F A C T O R _</b>
	<b>F A C T O R _</b>
<b>Fulfilment network expansion</b>	<b>Share buyback</b>

**Strong balance sheet and capital discipline preserved**

# Our customers are happier than ever...



... translating into strong market share gains<sup>2</sup>

US Meal kits	11%+
Intl Meal kits	9%+
US RTE	52%+

<sup>1</sup>Source: Company Data (Group excl. Youfoodz and GoodChop)  
<sup>2</sup>Source: Credit Card Data of respective countries (Q1 2020 vs Q4 2022)

**We have built a unique D2C operator in the largest consumer category with impenetrable competitive moats**

**Brand  
Awareness**

**Customer Base**

**D2C Growth  
Engine**

**Global Reach**

**Supplier  
Network**

**Fulfilment  
Network**

**Last Mile  
Logistics**

**Technology**

## 2022 Highlights

Strong constant currency revenue growth of 18% for the full year 2022 to €7.6bn

Continued expansion of AOV by 9.8% for the full year and 11.6% in Q4 (on a cc basis)

Consistently high customer engagement with high average order rates

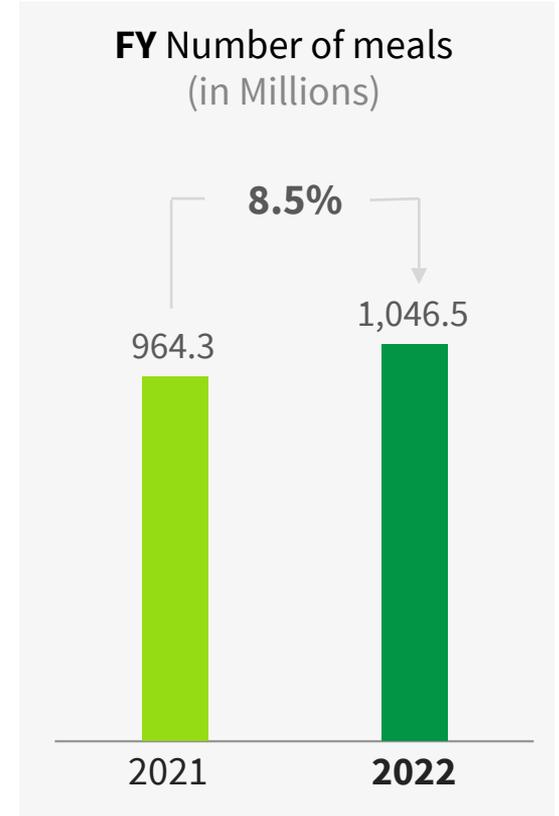
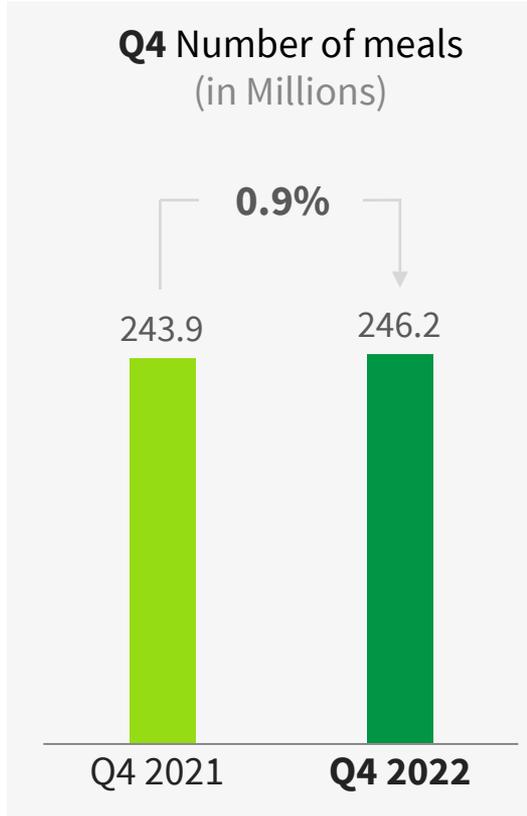
Expansion of contribution margin for the full year to 25.5%, and more forcefully in Q4, despite record inflation in ingredients and labor

AEBITDA of 477.4m for the full year, a margin of 6.3%. YoY expansion of AEBITDA in absolute and relative terms in Q4 2022 to €160.1m (8.5% margin)

Multi-year investment program well progressed with peak of capex cycle now behind us. Funded from internal cash flows and maintained strong balance sheet

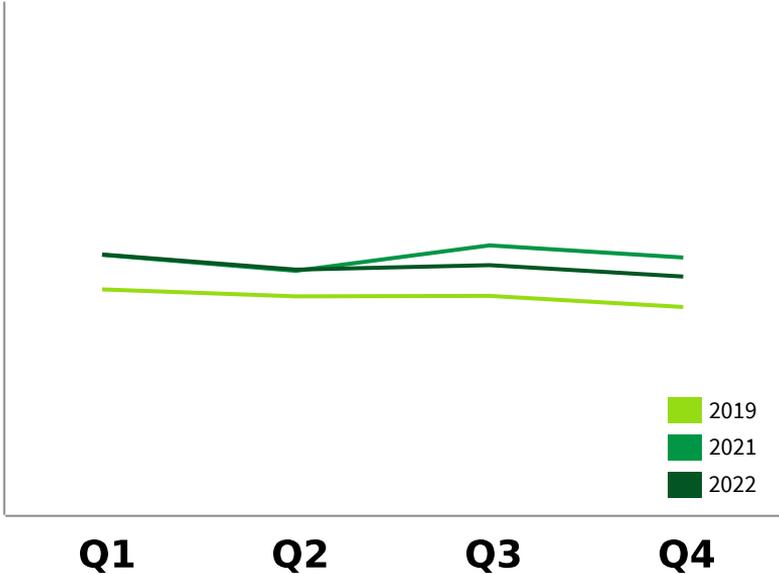
# We delivered 1bn meals in 2022

- Increase in number of meals driven by higher AOR YoY and resilient customer ordering behavior
- Order rates stabilized ahead of pre-Covid levels at 4.12 in Q4
- Q4 customers at 7.1m, a 1.5% decrease YoY versus Covid impacted period
  - Intl +1.1% (incl. YouFoodz)
  - US -4.3%, driven by spillover effects from previous quarter and optimization of marketing spend



# Existing customer behavior remained relatively isolated from macro environment

**Lifetime in # Orders of 10-wk Cohorts<sup>1</sup>**  
(by acquisition week)

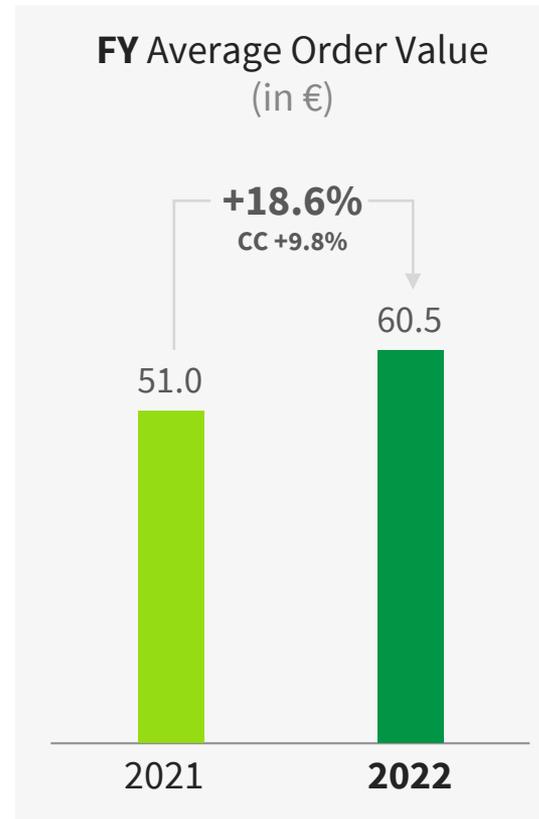
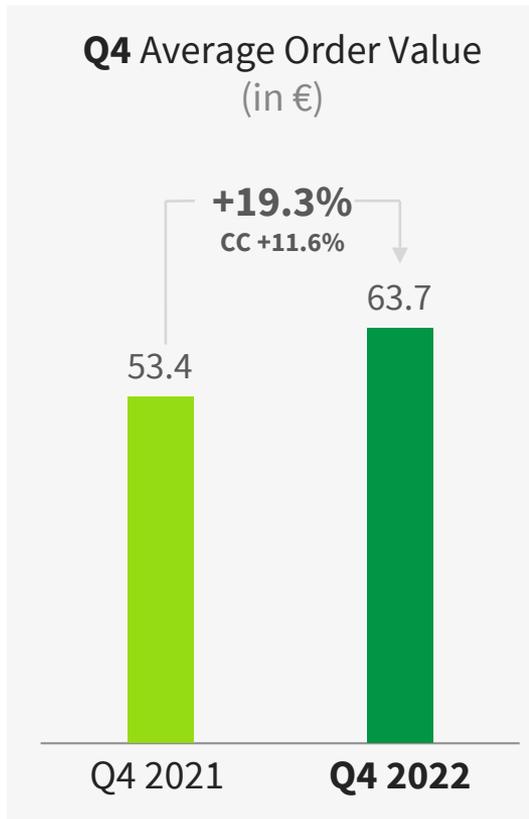


**Group Cancellation Rate**  
(% of weekly active customers)



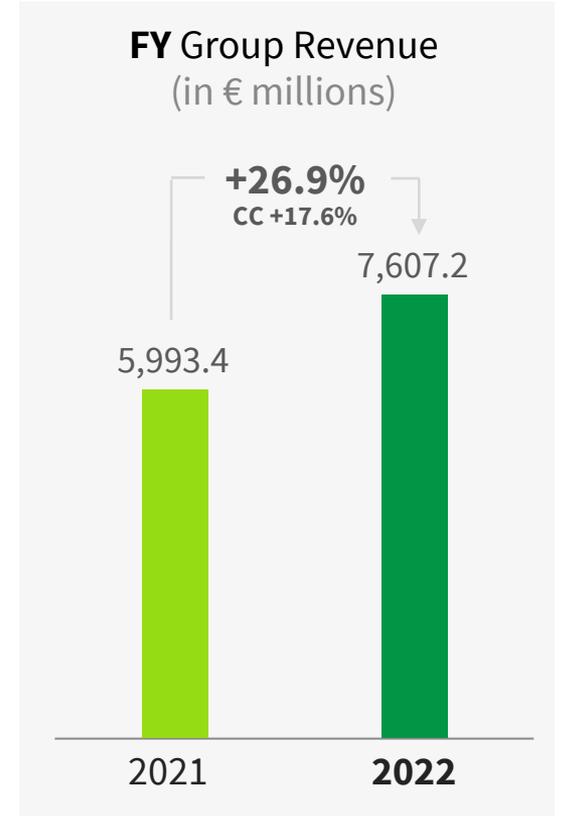
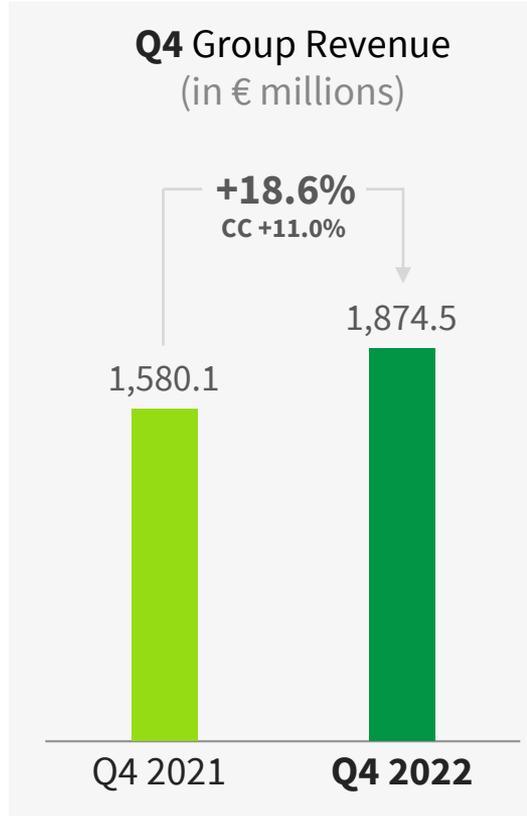
# We continued to successfully expand AOV throughout the year

- 11.6% YoY increase in Q4 AOV in constant currency
- Positive contribution from all AOV drivers:
  - more meals per order
  - higher take-up of HF Market and surcharge offerings
  - higher price points
- Especially strong contribution by US segment, further supported by Factor strength



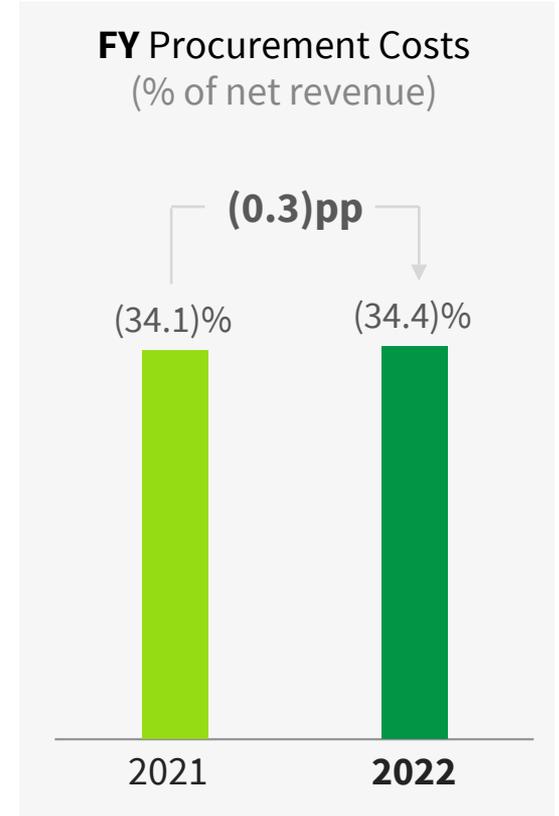
# We delivered strong constant revenue growth of 18% for the full year to €7.6bn

- Continued healthy revenue growth across both segments in Q4
- Q4 US CC growth of +15.1%, including Factor contribution
- Q4 Intl CC growth of +6.1%



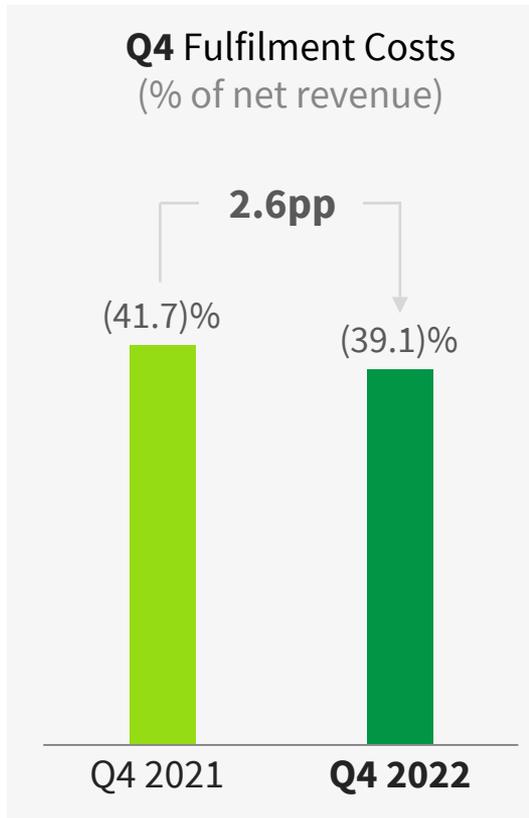
# We managed to keep procurement expenses as % of revenue broadly stable for the year, despite record ingredient inflation

- Successfully mitigated meaningful ingredient price inflation without impacting product quality
- In addition, absorbed rapid roll-out of Factor, HF Market and more surcharge offerings, which typically have higher COGS (and lower relative fulfilment expenses)



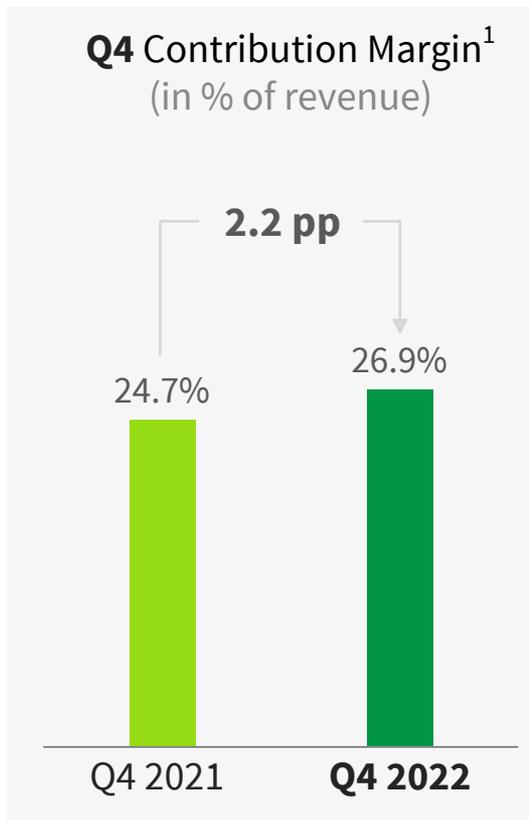
# We improved fulfilment expenses as % of revenue, despite inflation in labor costs and last-mile

- Against meaningful inflationary headwind and continued capacity ramp-up, efficiency savings realized, especially in production
- Increasing momentum throughout the year
- US segment strongly contributing to performance



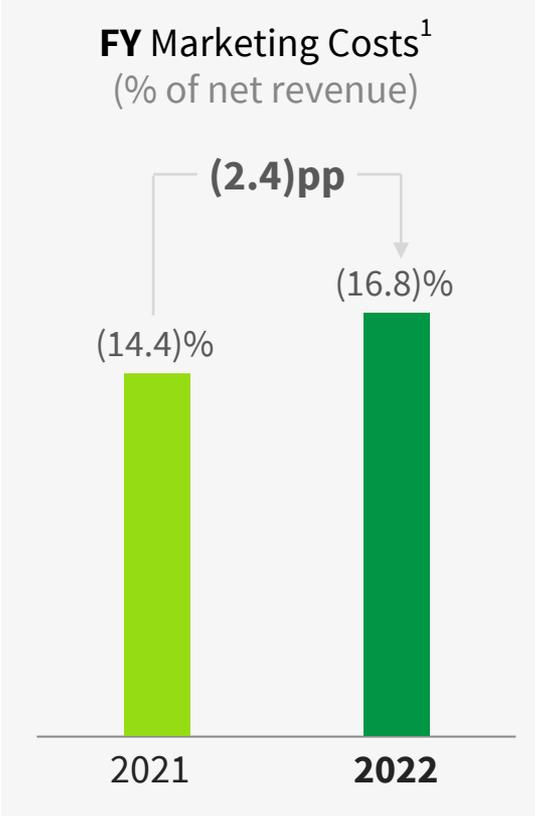
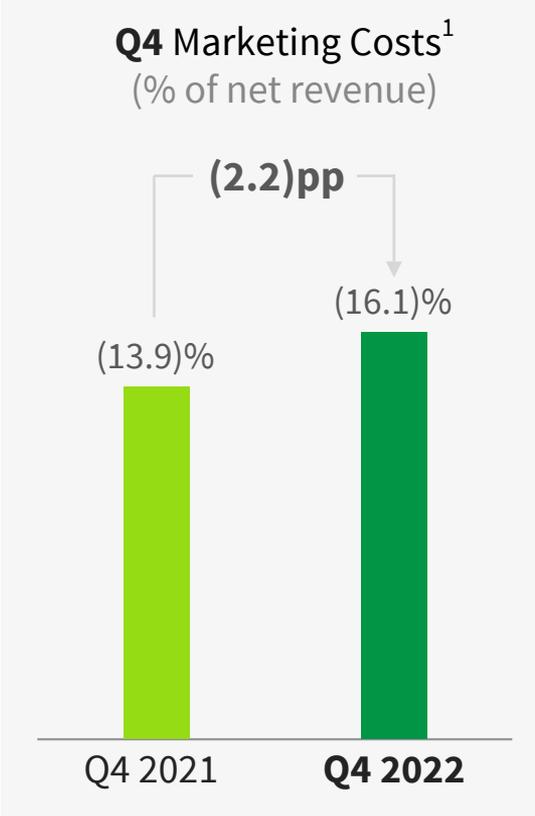
# We expanded contribution margin for the year to 25.5%<sup>1</sup> and more forcefully in Q4

- Improvement in Q4 contribution margin primarily driven by fulfilment efficiencies
- Further efficiencies targeted for 2023, primarily driven by additional production productivity gains



# Marketing spend remains above prior year at 16.8%<sup>1</sup> of revenue

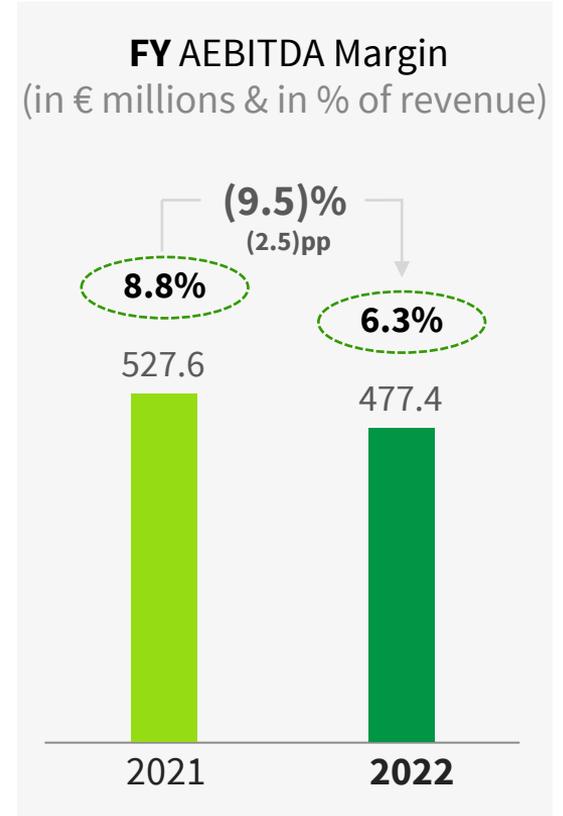
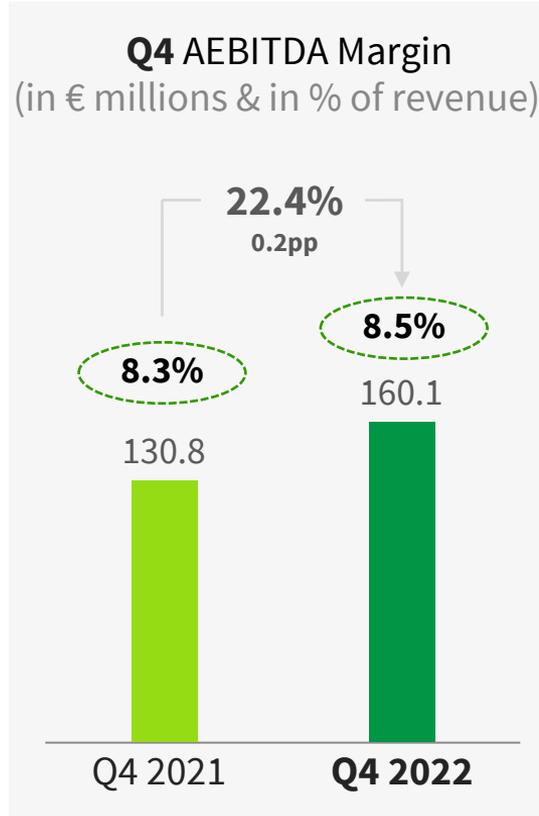
- Marketing spend grew in Q4 on a relative basis, particularly in the US
- Given successful expansion in AOV and contribution margin, we continue to deliver a strong ROI on our growth marketing spend



1. Excl. SBC

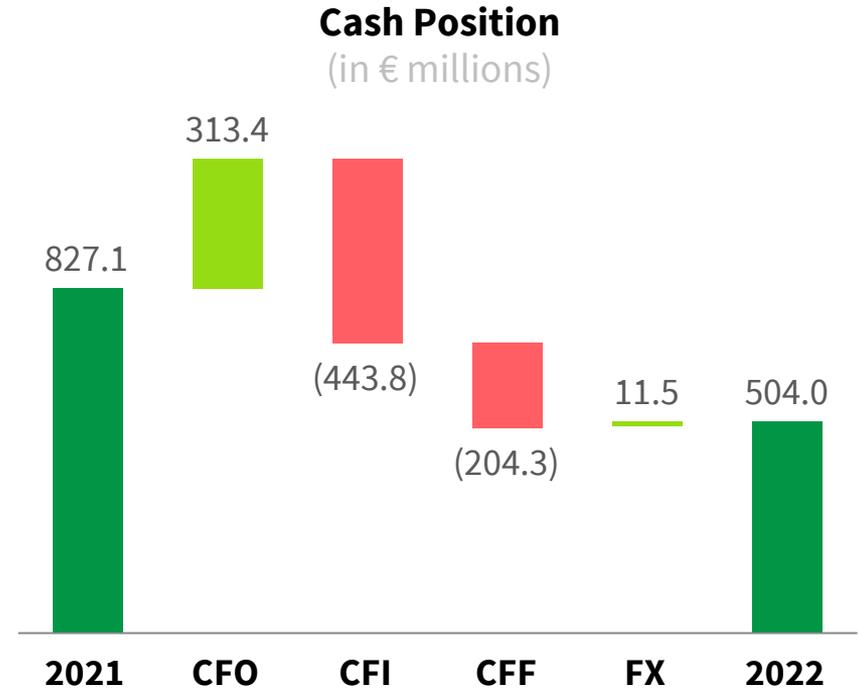
# We delivered Q4 AEBITDA of €160.1m for a full year AEBITDA of €477.4m

- Meaningful YoY increase of both absolute AEBITDA and AEBITDA margin in Q4 as contribution margin expansion more than offsets relative increase in marketing expenses
- Strong US segment margin of 11.7% in Q4, as RTE turns profitable and we deliver fulfilment efficiencies
- Intl 8.6% margin in Q4, with younger businesses growing their contribution to the mix



# Even in our peak capex year, we maintained a strong liquidity position while additionally returning €125m to shareholders

- Strong cash flow from operations of €313.4m
- Capex in 2022 represents peak, as it includes:
  - substantial investments in RTE capacity build out in the US, Australia and Canada
  - necessary investments within existing meal kit markets to catch-up with prior years' strong growth and to increase efficiency and automation
  - build out of capacity in newer markets (E.g. France, Nordics)
- FCF (cash flow from operations minus capex) at €(104.0)m. Expected to be positive from H2 2023 again, as cash flow from operations increases and capex reduces YoY
- €125m returned to shareholders
- Cash maintained above €500m at year end without tapping into external financing sources
- In addition access to €400m RCF, which remains substantially unutilized



## For the FY 2023 we are targeting continued revenue and AEBITDA growth

Constant Currency  
Revenue Growth

2% - 10%

- Reasonably tough growth benchmark still in Q1 through Covid effects in prior period
- Current weak macro/consumer environment expected to persist throughout 2023
- Revenue growth primarily from YoY increase in AOV

AEBITDA

€460m - €540m

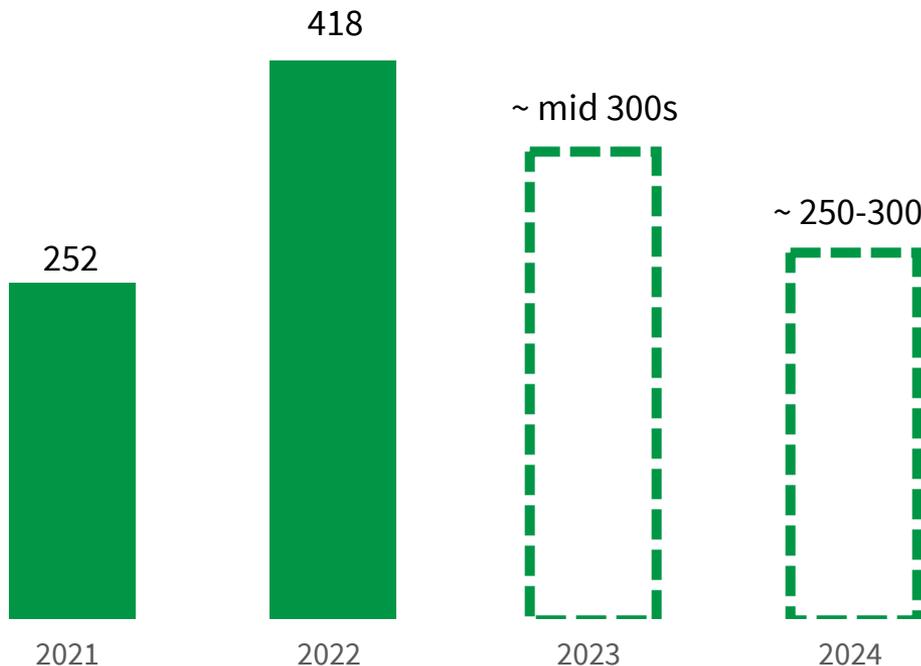
- Continuation of contribution margin expansion
- Partly offset by higher relative marketing expenses

# For H2, we are targeting a step-up in revenue growth, a year-on-year expansion in AEBITDA margin and a return to positive FCF

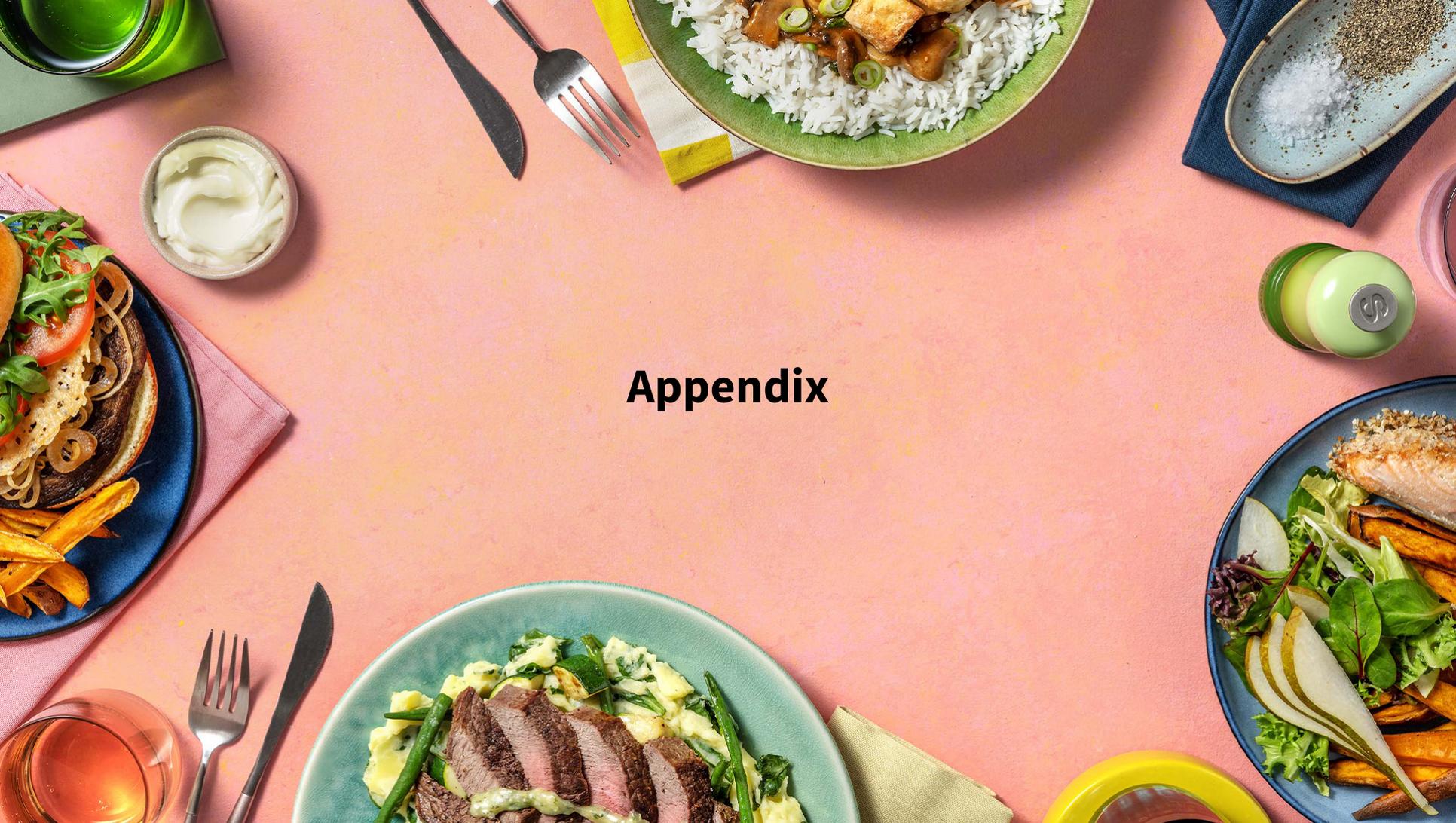
	FY 23	H2 23	H2 Effects
Constant Currency Revenue Growth			<ul style="list-style-type: none"> <li>No Covid effect in comparative period</li> <li>US RTE capacity de-bottlenecked through launch of AZ facility</li> </ul>
AEBITDA margin	~ Stable		<ul style="list-style-type: none"> <li>Continued progress on fulfilment efficiencies</li> <li>Further AOV expansion at stable CACs</li> </ul>
FCF/share	~ Breakeven	Positive	<ul style="list-style-type: none"> <li>Majority of capex projects done or well progressed by mid-year 2023</li> </ul>

# Capex has peaked in 2022 and is expected to gradually decrease towards c.2.5% of revenue by 2025

## Capex (incl. Intangibles) (in € millions)



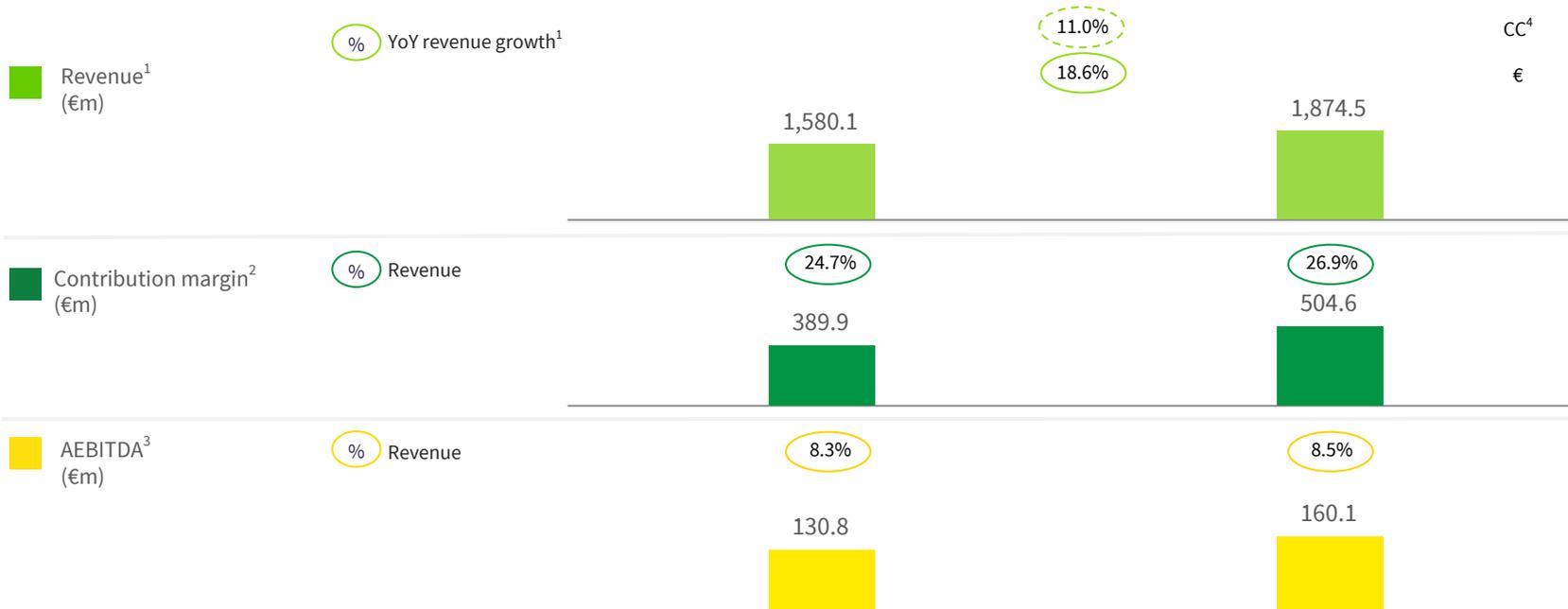
- 2022 peak capex year
  - However, below initial guidance, as we reviewed certain projects in light of current macro environment
- 2023 below 2022 level, primarily finalization of key ongoing projects
  - Will allow further ramp of RTE in H2
  - Will allow further network optimization in meal kits by retiring less efficient sites
  - Cash outflow weighted towards H1
- 2024 onwards
  - Selected optimization projects, automation, RTE Europe

A top-down view of a dining table with a light pink background. The table is set with several dishes and items. In the top center, a green plate holds white rice topped with a brown sauce, mushrooms, and green onions. To its right is a blue plate with a light-colored sauce and a dark speckled garnish. In the top left, a glass of green liquid sits on a green napkin. Below it is a small white bowl containing a white substance. In the center, a blue plate features a burger with arugula, tomato, and onions, served with golden fries. To the right of the burger is a green salt and pepper shaker. In the bottom center, a light blue plate contains sliced steak, green beans, and a yellow sauce. To its right is a blue plate with a piece of salmon, a green salad, and fries. In the bottom left, a glass of orange liquid sits on a pink napkin. To its right is a yellow plate. Silverware, including forks and knives, is placed around the plates.

# Appendix

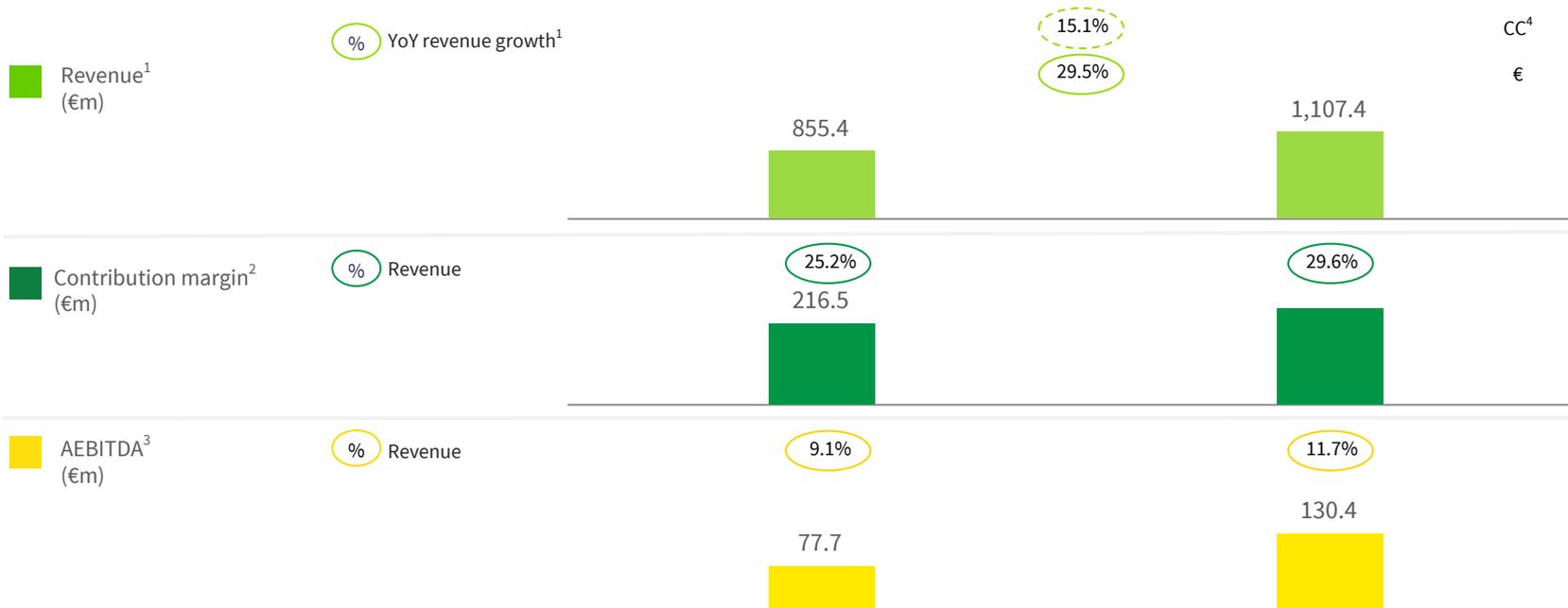
# Group: Operational and Financial KPIs

	Q4 21	Q4 22
Active Customers (m)	7.22	7.11
Average Order Rate	4.08	4.12
Average Order Value (€)	53.4	63.7
Average Order Value constant currency (€)	53.4	59.6



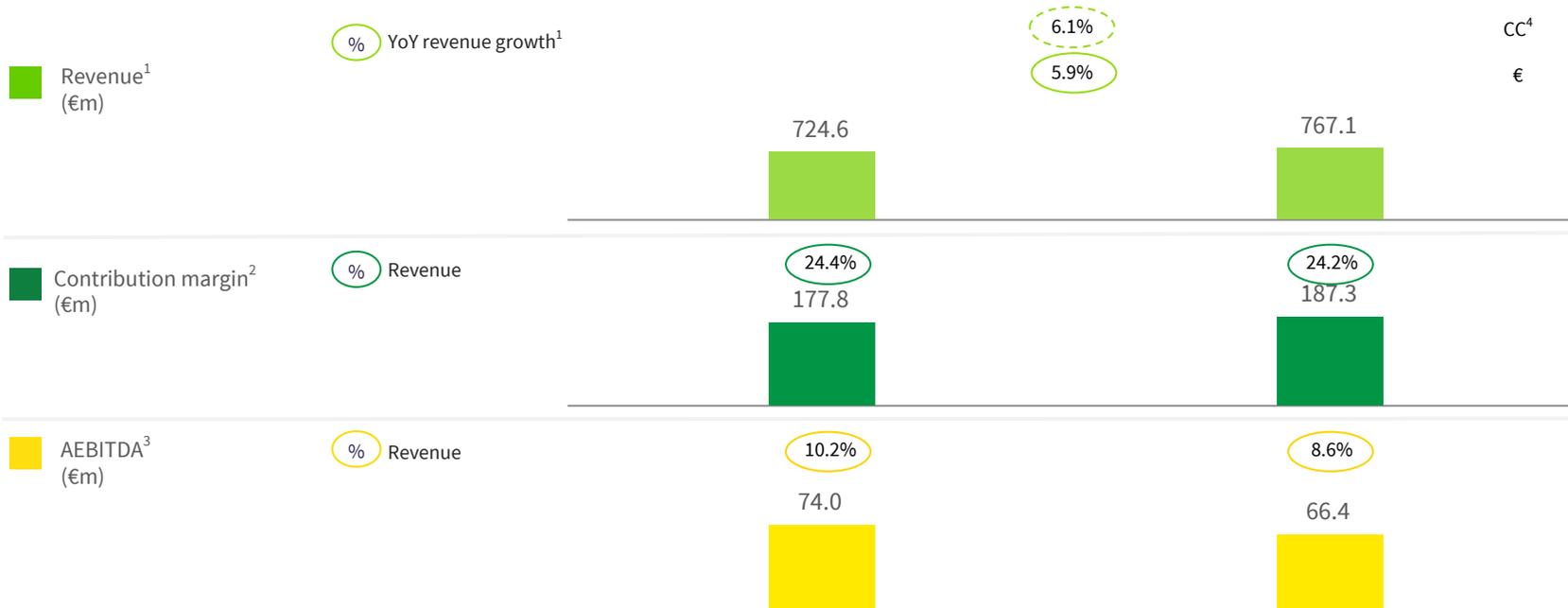
# USA: Operational and Financial KPIs

	Q4 21	Q4 22
Active Customers (m)	3.52	3.37
Average Order Rate	4.11	4.28
Average Order Value (€)	59.2	76.8
Average Order Value constant currency (€)	59.2	68.3



# International: Operational and Financial KPIs

	Q4 21	Q4 22
Active Customers (m)	3.70	3.74
Average Order Rate	4.06	3.97
Average Order Value (€)	47.8	51.0
Average Order Value constant currency (€)	47.8	51.1



# Profit and Loss Statement

	3 months ended		Change %	12 months ended		Change %
	31-Dec-22	31-Dec-21	YoY	31-Dec-22	31-Dec-21	YoY
Revenue	1,874.5	1,580.1	18.6%	7,607.2	5,993.4	26.9%
Procurement Expense	(642.1)	(536.7)	19.6%	(2,620.3)	(2,046.4)	28.0%
Fulfilment Expense	(733.2)	(658.3)	11.4%	(3,070.7)	(2,448.7)	25.4%
Contribution Margin	499.2	385.2	29.6%	1,916.2	1,498.3	27.9%
<i>% of Revenue</i>	26.9%	24.7%	2.2pp	25.5%	25.3%	0.2pp
Marketing Expense	(303.6)	(220.7)	37.6%	(1,284.2)	(861.6)	49.0%
G&A	(93.6)	(71.5)	30.9%	(366.5)	(233.6)	56.9%
Other Operating Income (Expenses)	(16.4)	(7.4)	121.3%	(48.1)	(24.6)	95.3%
EBIT	85.6	85.5	0.1%	217.4	378.5	(42.6)%
<i>% of Revenue</i>	4.6%	5.4%	(0.8)pp	2.9%	6.3%	(3.4)pp
Financial Result	(47.1)	0.8	(5990.7)%	(17.3)	(7.8)	122.3%
EBT	38.5	86.3	(55.4)%	200.0	370.7	(46.0)%
Income Tax (Expense) / Benefit	(5.0)	(38.5)	(87.1)%	(74.9)	(127.7)	(41.4)%
Net Income / (Loss)	33.5	47.8	(29.9)%	125.1	243.0	(48.5)%
<hr/>						
<b>Reconciliation starting at EBIT</b>						
EBIT	85.6	85.5	0.2%	217.4	378.5	(42.6)%
D&A	52.7	30.9	70.6%	165.8	96.8	71.3%
EBITDA	138.3	116.3	18.9%	383.2	475.3	(19.4)%
<i>% of Revenue</i>	7.4%	7.4%	0.0pp	5.0%	7.9%	(2.9)pp
SBC	(1.2)	8.9	(113.5)%	55.5	38.9	42.7%
Special Items	23.0	5.6	310.7%	38.7	13.4	188.8%
AEBITDA	160.1	130.8	22.4%	477.4	527.6	(9.5)%
<i>% of Revenue</i>	8.5%	8.3%	0.2pp	6.3%	8.8%	(2.5)pp

# Balance Sheet & Cash Flow Statement

In MEUR	As at 31-Dec-22	As at 31-Dec-21
<b>Assets</b>		
Non-current assets	1,623.0	1,054.4
Cash and cash equivalents	504.0	827.1
Other current assets	408.2	326.0
<b>Total assets</b>	<b>2,535.2</b>	<b>2,207.5</b>
<b>Equity and liabilities</b>		
Equity	959.6	899.7
Non-current liabilities	605.1	482.5
Current liabilities	970.5	825.3
<b>Total equity and liabilities</b>	<b>2,535.2</b>	<b>2,207.5</b>

In MEUR	2022	2021
<b>Cash and cash equivalents at the beginning of the period</b>	<b>827.1</b>	<b>729.0</b>
Net Cash flows from operating activities	313.4	458.6
Net Cash flows from investing activities	(443.8)	(321.6)
of which M&A	(25.6)	(73.6)
Net Cash flows from financing activities	(204.3)	(62.7)
Effects of exchange rate changes and other changes on cash and cash equivalents	11.5	23.8
<b>Cash and cash equivalents at the end of the period</b>	<b>504.0</b>	<b>827.1</b>

# Share Count

As of December 31, 2022

**Types of share**

**Stock exchange**

**Market Segment**

**Number of shares issued**

**Number of shares outstanding**

Ordinary shares

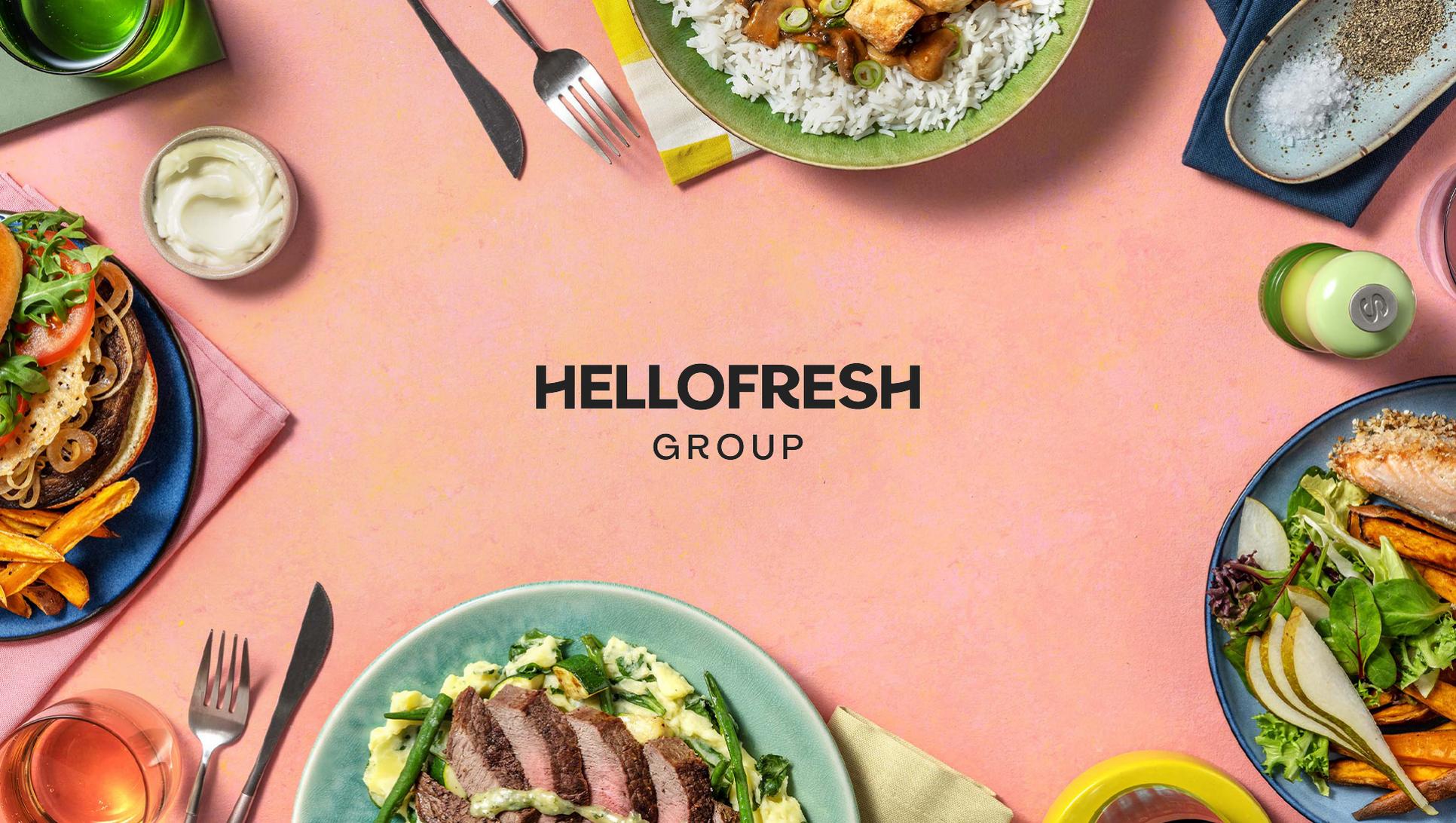
Frankfurt Stock Exchange

Regulated Market (Prime Standard)

171,928,379

171,694,425

<b>Employee incentive plan</b>	<b>Options</b>	<b>RSU</b>	<b>Total</b>
Vested (in mn)	7.95	0.09	8.04
Unvested (in mn)	2.64	1.30	3.94
<b>Total (in mn)</b>	<b>10.59</b>	<b>1.39</b>	<b>11.98</b>
WAEP <sup>1</sup> (in EUR) Vested	15.12	0.00	14.94
WAEP <sup>1</sup> (in EUR) Unvested	46.51	0.00	31.19
<b>WAEP<sup>1</sup> (in EUR)</b>	<b>22.94</b>	<b>0.00</b>	<b>20.28</b>



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