



HELLOFRESH

GROUP

8th March, 2024

Disclaimer

This document has been prepared by HelloFresh SE (the “Company“ and, together with its subsidiaries, the “Group”). All material contained in this document and information presented is for information purposes only and must not be relied upon for any purpose, and does not purport to be a full or complete description of the Company or the Group. This document does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement or recommendation to enter into any contract or commitment or investment decision or other transaction whatsoever. This document is not directed at, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

No representation, warranty or undertaking, express or implied, is made by the Company or any other Group company as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. No responsibility, obligation or liability is or will be accepted by the Company, any other Group company or any of their officers, directors, employees, affiliates, agents or advisers in relation to any written or oral information provided in this document or in connection with the document. All information in this document is subject to verification, correction, completion, updating and change without notice. Neither the Company, nor any other Group company undertake any obligation to provide the recipient with access to any additional information or to update this document or any information or to correct any inaccuracies in any such information.

A significant portion of the information contained in this document, including market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company or any other person as being accurate. All statements in this document attributable to third party industry experts represent the Company's interpretation of data, research opinion or viewpoints published by such industry experts, and have not been reviewed by them. Each publication of such industry experts speaks as of its original publication date and not as of the date of this document.

This document contains forward-looking statements relating to the business, financial performance and results of the Company, the Group or the industry in which the Group operates. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target" or "forecast" and similar expressions, or by their context. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; growth for products and services in new markets; industry trends; and the impact of regulatory initiatives. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions. No obligation is assumed to update any forward-looking statements.

This document includes certain financial measures not presented in accordance with IFRS, including, but not limited to, AEBITDA. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to result for the period or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See the appendix for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

2023 Year in Review

Fifth consecutive year of profitable, self-funded growth, in which we delivered over 1bn meals to our customers, up ~4x since 2019

Revenue of €7.6bn, a constant currency growth of 3%

Rapidly growing and profitable global RTE business with revenue of €1.4bn

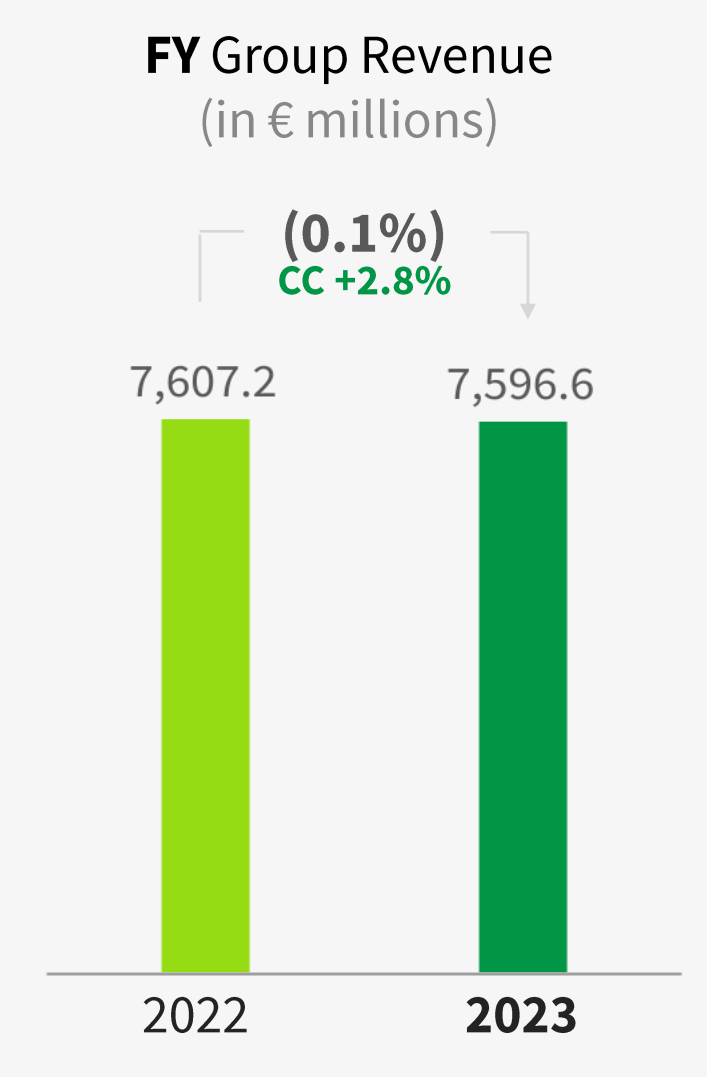
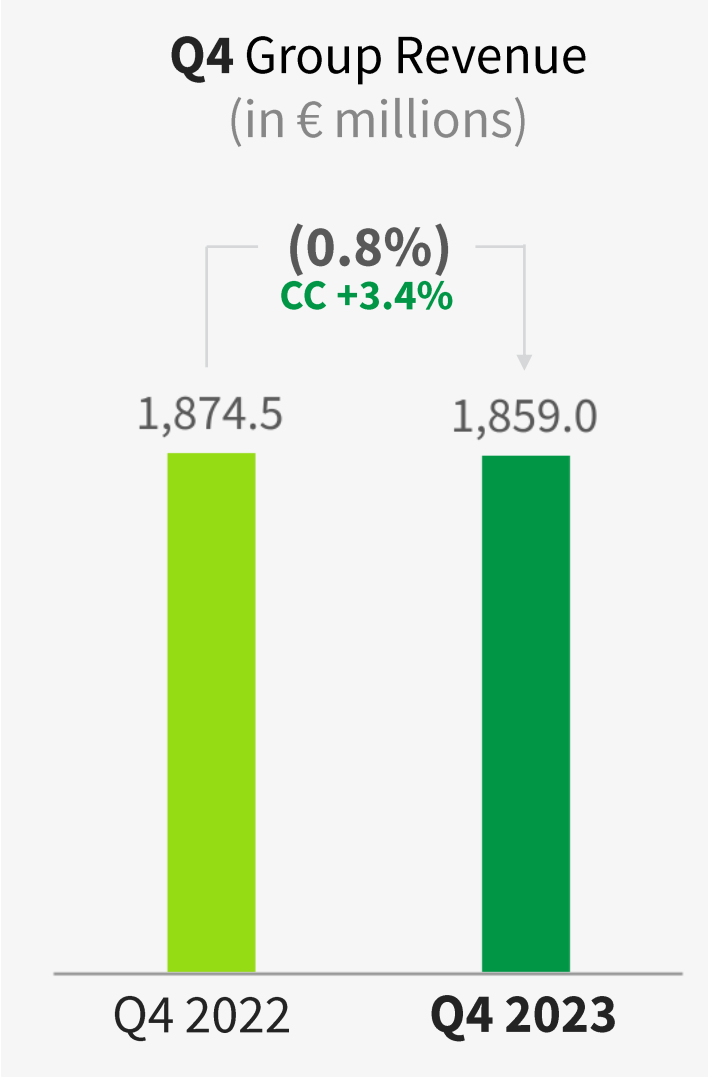
Contribution margin expansion by 1.3 pp to 27%

AEBITDA of €448mn, down 6% yoy

Improving cash flow from operations and positive FCF for the full year

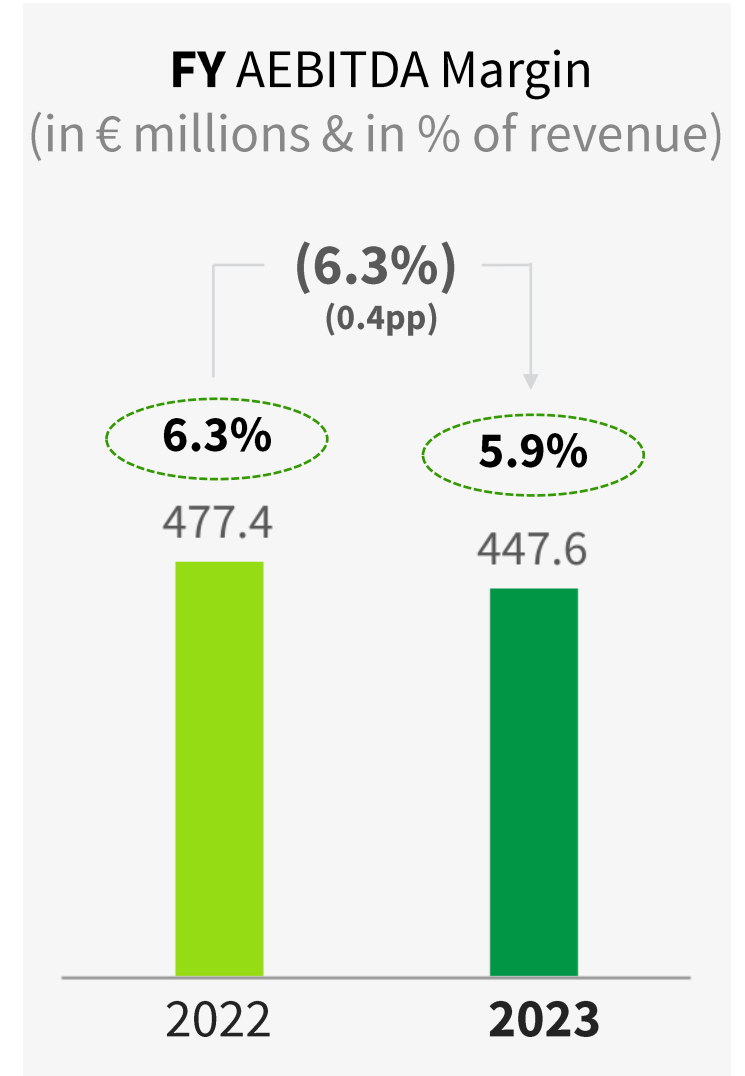
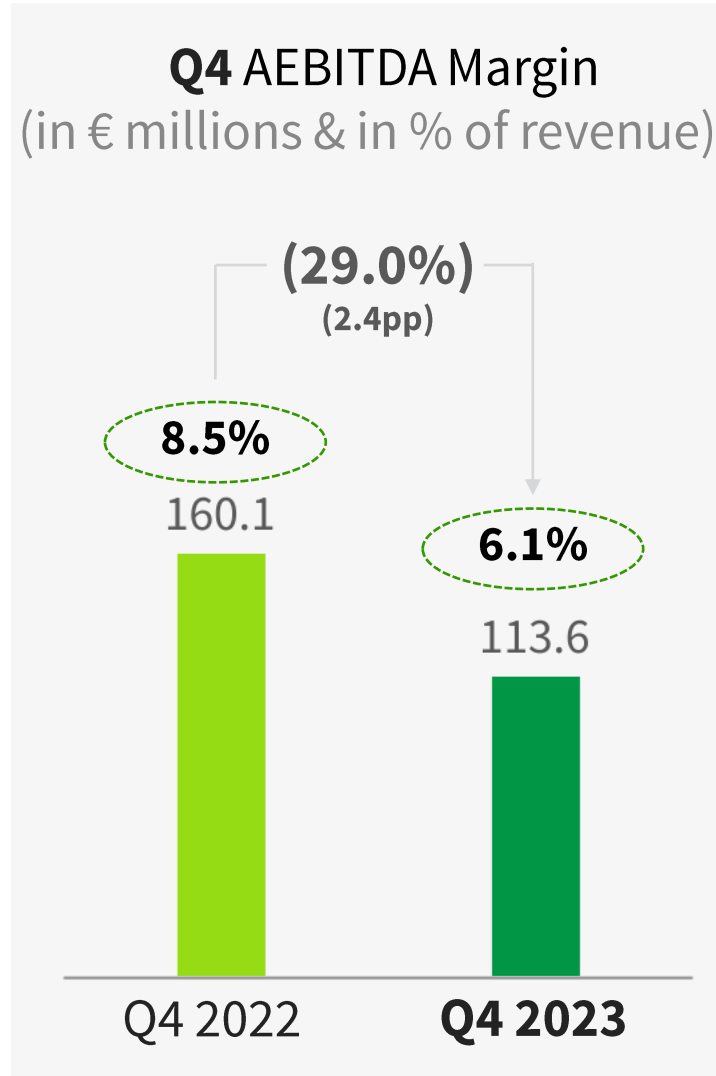
Constant currency Q4 revenue growth of 3.4%, and 2.8% for the full year

- Positive CC revenue growth across both segments, with re-acceleration over the last 2 quarters
 - NA +4.4%
 - Intl +1.6%
- RTE growing strongly to €1.4bn revenue in 2023, at positive AEBITDA. Well-positioned for continued strong growth in 2024
- In meal kits, softer trading environment due to lower new customer acquisition activity, as previously flagged



Full year AEBITDA of €448m for the Group

- AEBITDA development yoy driven by:
 - Softer EUR-FX rates
 - Continued contribution margin expansion
 - Somewhat higher relative marketing expenses
- Previously discussed Q4 effects: US RTE production extra ramp up related expenses and softer meal kit trading environment



2024 will be a relatively complex transition year for HFG

Key Trends

RTE

- Robust secular demand driving attractive revenue growth

- Ongoing production volume ramp-up expenses, starting to ease in H2
- Elevated marketing expenses due to strong customer growth
- Ongoing RTE internationalization

Meal Kits

- Relatively soft consumer demand
- Negative volume growth, but with easing trend in H2

- Fixed cost impact from volume deleveraging
- Ramp-up of modern fulfilment centres with higher target efficiency but with initial extra costs
- Further CX improvements



2024 Group Outlook

Constant Currency Revenue Growth

2% - 8%

AEBITDA

€350m - €400m

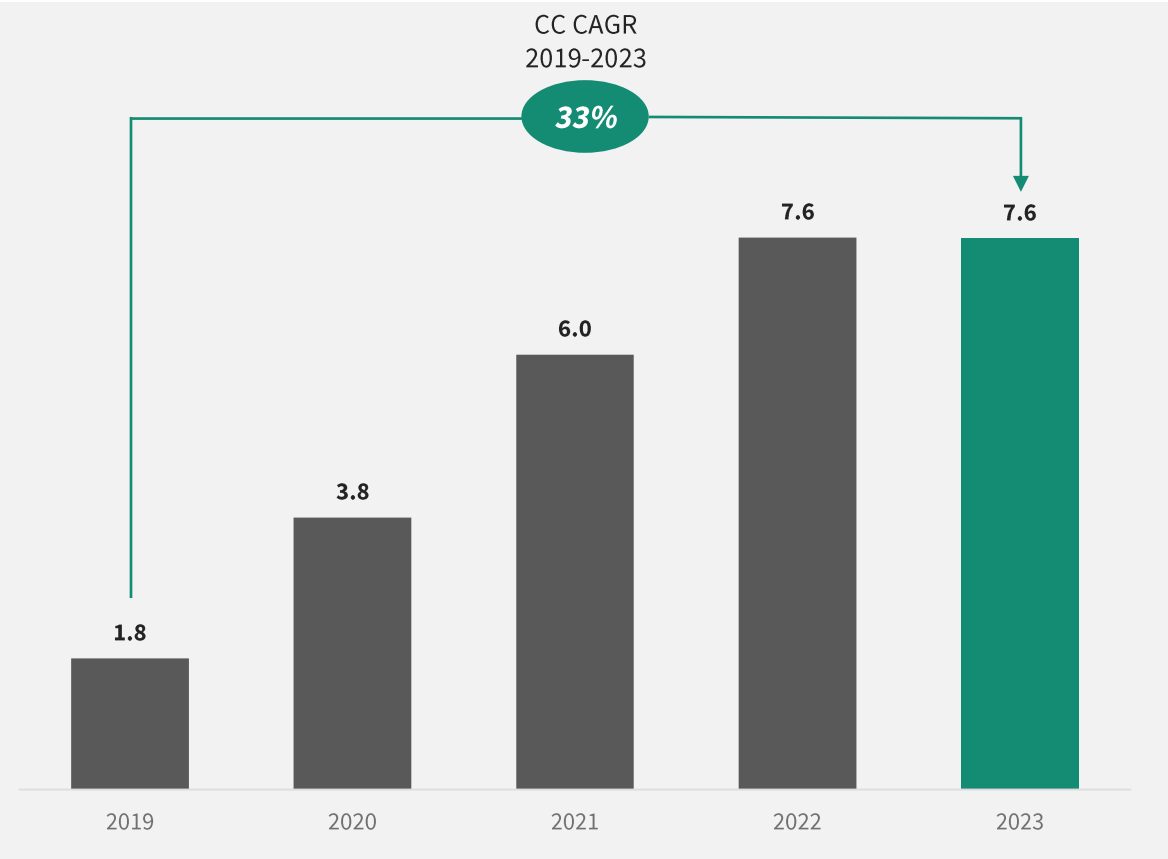


Business Strategy Update

2023 marked the 5th consecutive year of self-funded, AEBITDA profitable growth

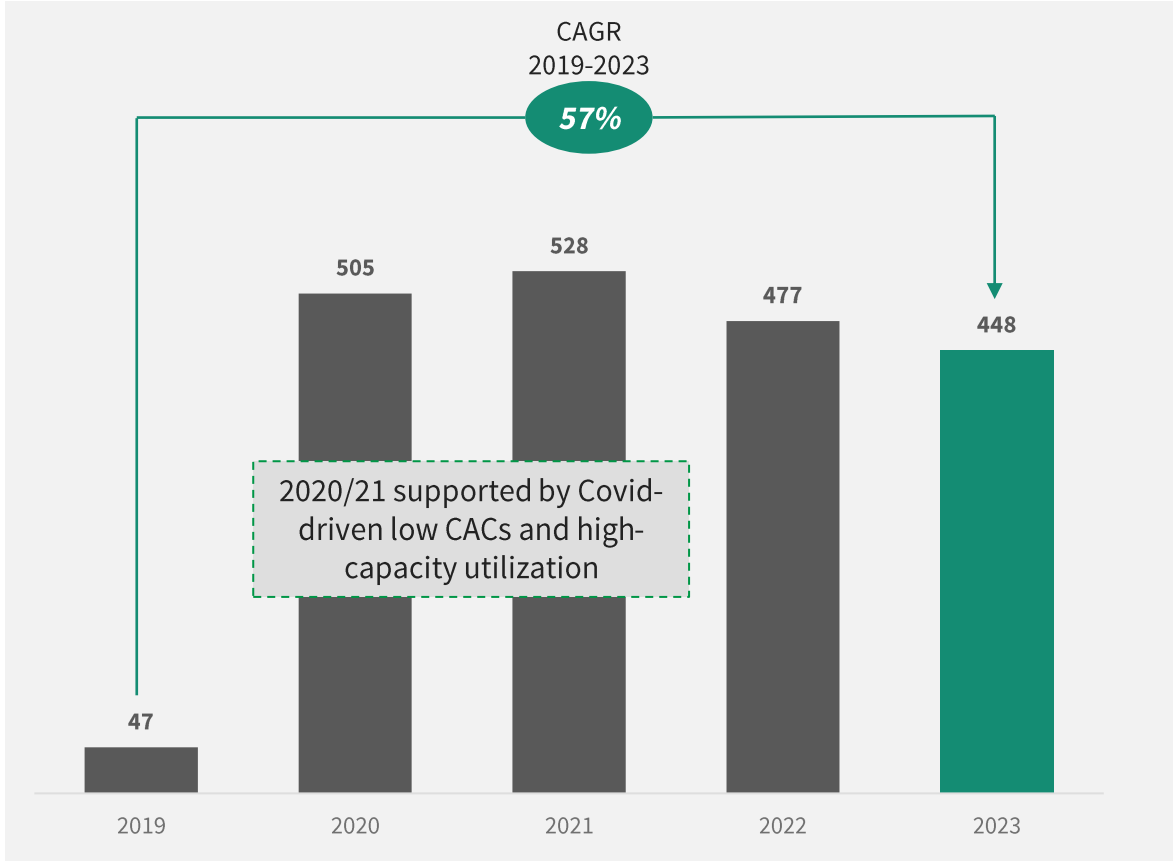
Group Revenue

(in € billions)



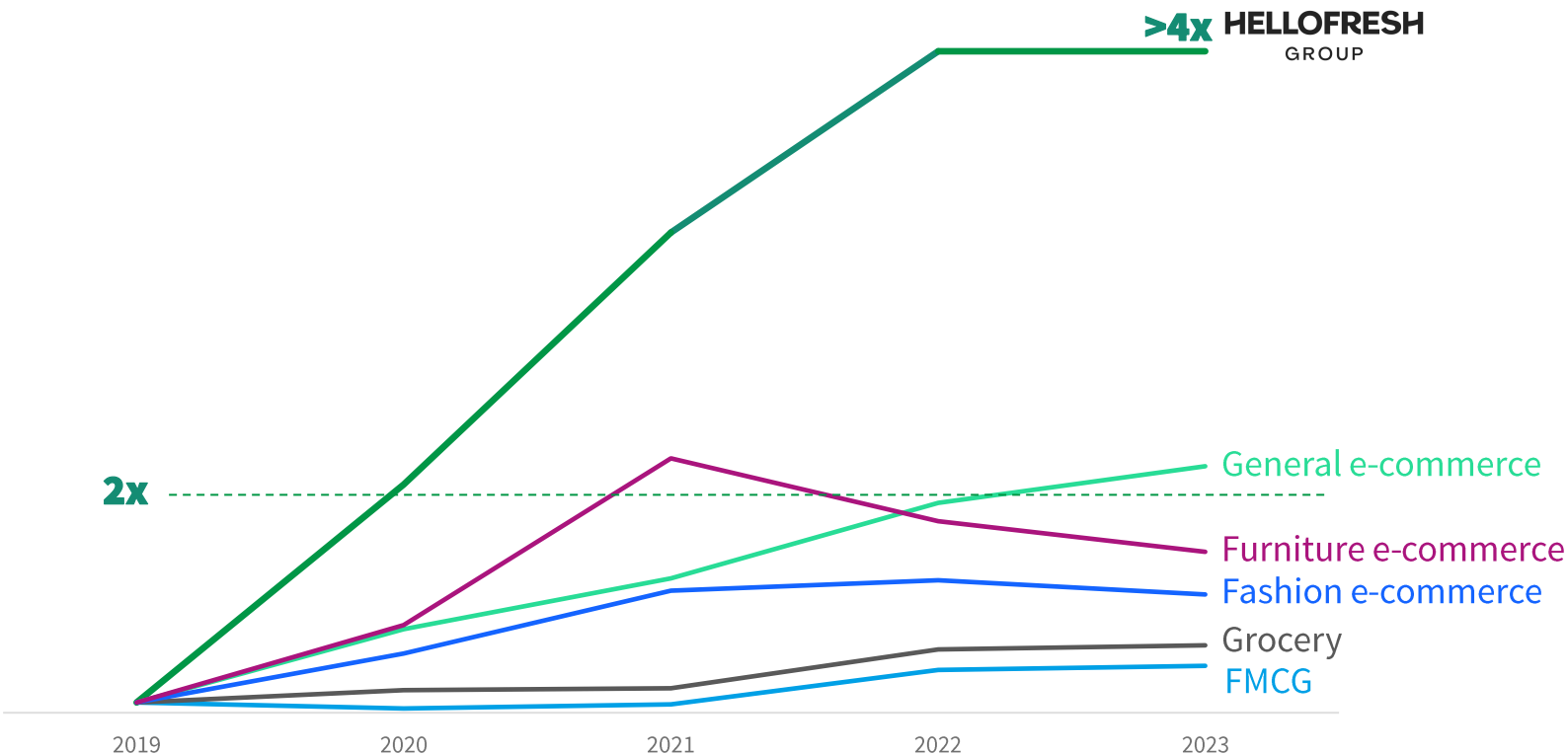
Group AEBITDA

(in € millions)



Despite the temporary slowdown, we have held onto the Covid-supported growth better than comparable categories

Higher growth rate relative to peers
 (Growth vs peers¹, indexed to 2019)



Growth at scale is not linear

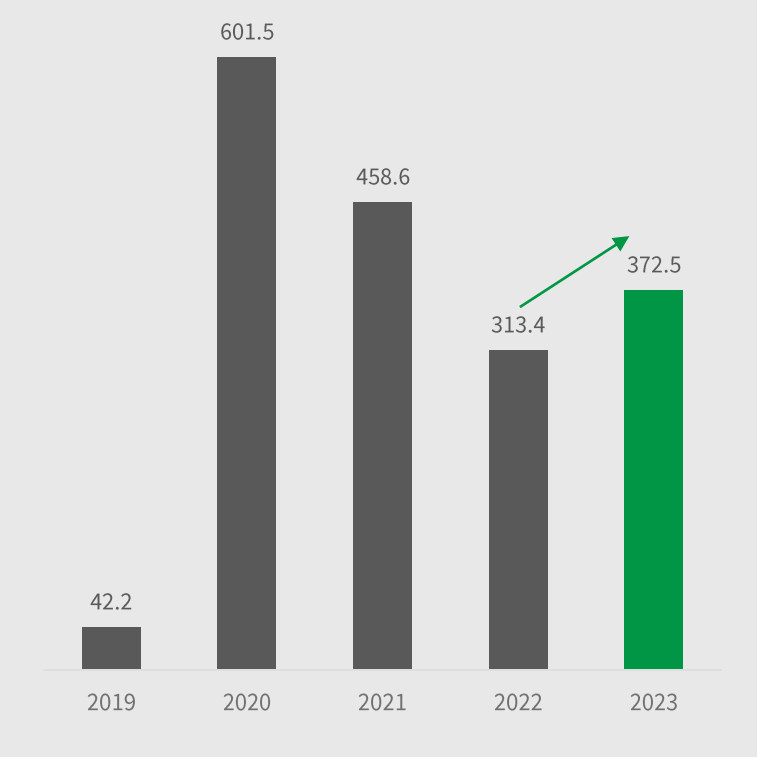
Normalization seen in the context of pandemic-driven growth

Lag in trend given high repeat rates for our business

⁽¹⁾ Revenue weighted peer growth yoy by sectors, indexed to 2019 (FMCG: Nestle, Unilever, Danone, Mondelez, General Mills, Kraft Heinz; Grocery: Ahold Delhaize, Walmart, Target, Tesco, Kroger, Carrefour, Albertsons, Sainsbury; General E-Commerce: Amazon, Chewy, Etsy, Shopify, Allegro; Fashion E-Commerce: Zalando, Asos, Boohoo, Stitch Fix; Furniture E-Commerce: Wayfair, Westwing)

Strong cash flow from operations has allowed us to invest into the business, while returning to FCF generation

Cash Flow from Operations
(in € millions)



**2023
CFO**



Modernizing and automating our fulfilment footprint

HelloFresh SE announces up to EUR 150 million buy-bonds
 Wed, 25 Oct 2023 18:22:52
 EQS-Ad-hoc
 HelloFresh SE / Key word(s): Share Buyback
 HelloFresh SE announces up to EUR 150 million buy-back in shares and certain convertible bonds
 25-Oct-2023 / 18:22 CET/CEST
 Disclosure of an inside information acc. to Article 17 MAR of the Regulation (EU) No 596/2014, transmi
 The issuer is solely responsible for the content of this announcement.

Initiating a share and convertible bond buy back program in Q4

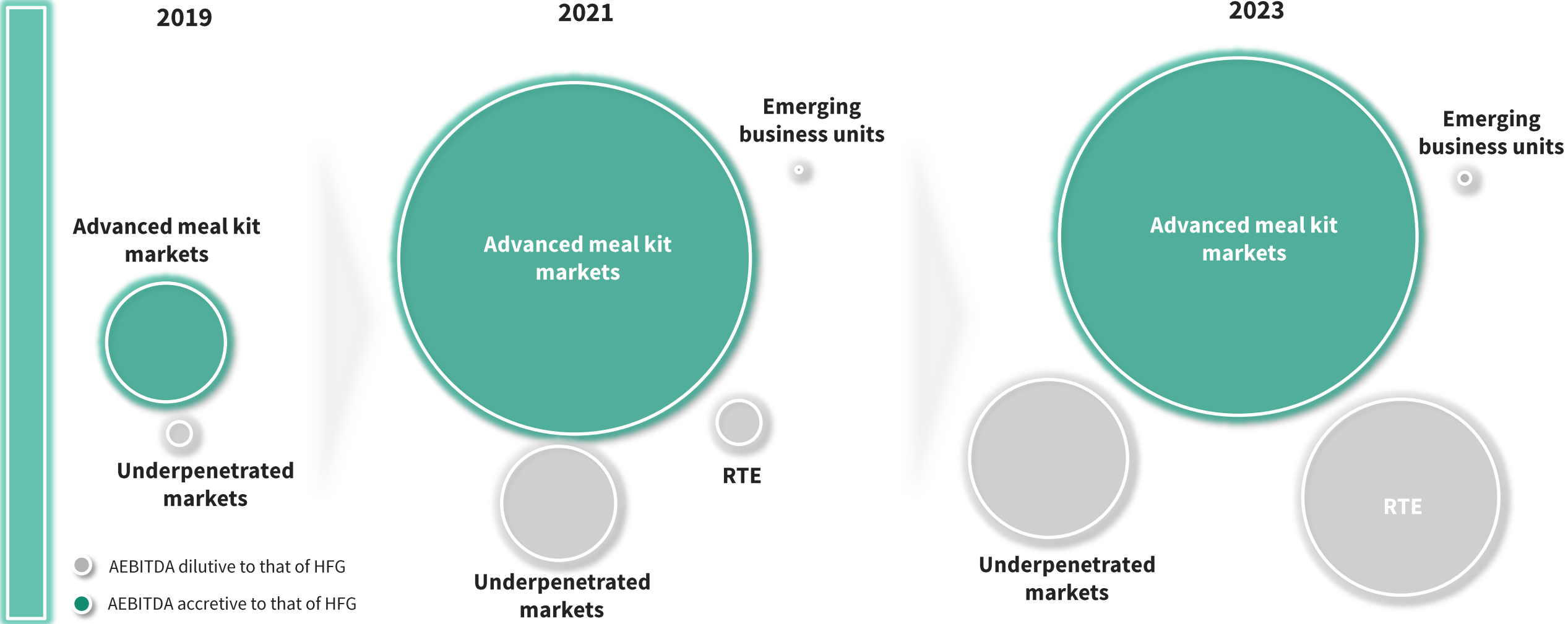


Paying the earn-out for the acquisition of Factor75



Launching new verticals that will allow us to further diversify our revenue streams

The past 5 years saw revenue mix diversification driven by new verticals, with a resulting impact on AEBITDA as new businesses ramp up



Meal kits (in mature markets in particular) are coming off a period of artificially high growth and profitability, driven by customer and operational tailwinds

2021 – H1 2022



H2 2022 - 2023

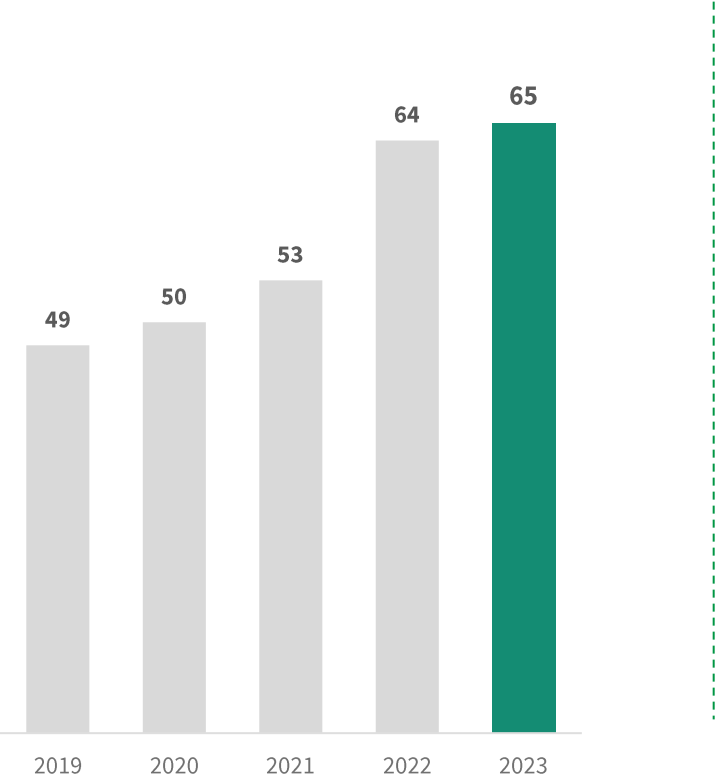
Requires proactive management and trade offs

- Product innovation for a mature customer base
- Modernization of fulfilment infrastructure
- Passed through only part of observed inflation

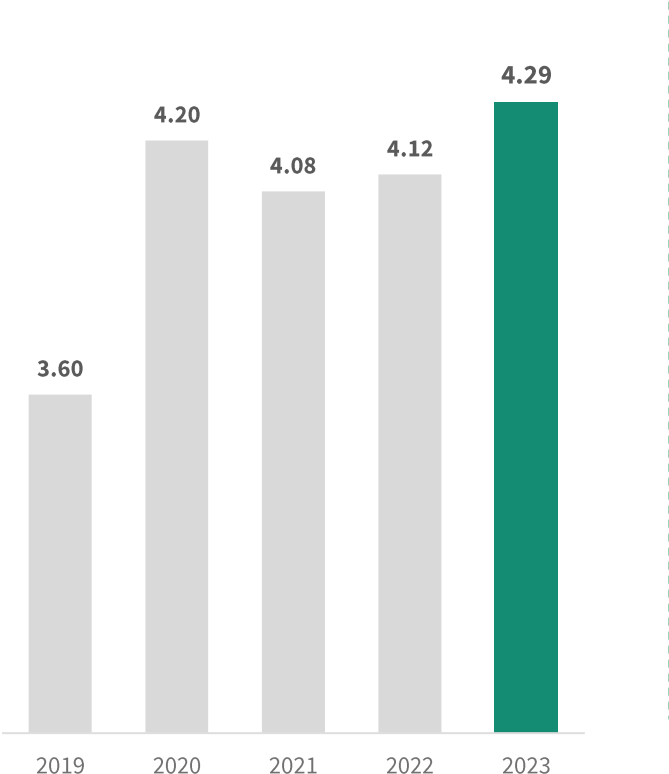
AEBITDA expansion in meal kits temporarily halted

The attractiveness of our customer base continues to increase

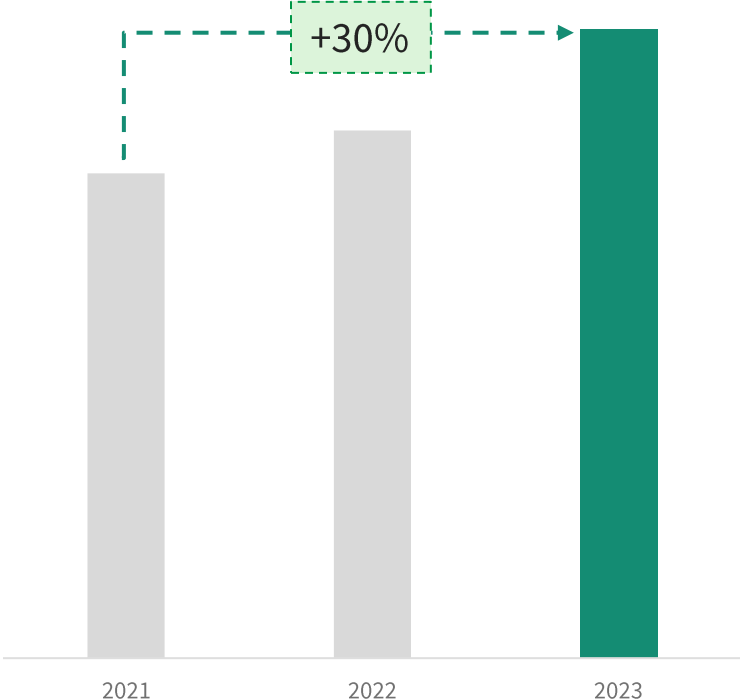
Customers order more items...
(AOV⁽¹⁾, in €)



... at higher frequencies...
(in orders per customer)⁽²⁾



... leading to higher Customer Lifetime Values
(cum. net revenue per activation 10 weeks after conversion, US brands only)



⁽¹⁾ Average order value in Q4 of the respective year
⁽²⁾ Average order rate in Q4 of the respective year
⁽³⁾ Average cumulative net revenue for 10 weeks after conversion for customers acquired in Q4 of the respective year

We are shifting focus in our meal kit business towards existing customers and stabilization of growth, as we build the muscles required for the next leg of growth



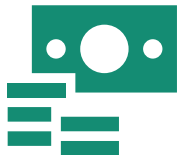
Expansion of physical product offering

focus on variety and convenience



Loyalty rewards program launch

and its accompanying digital infrastructure



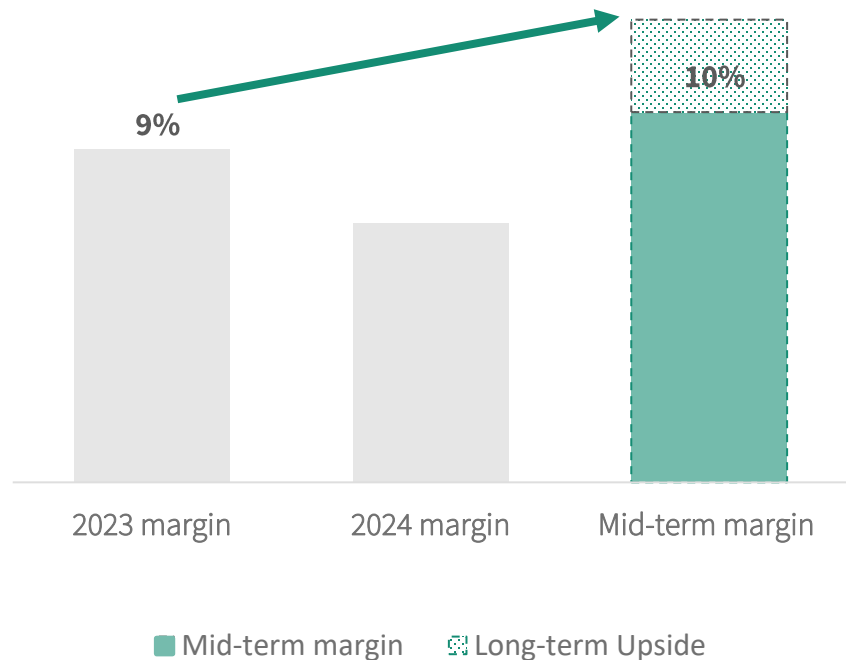
Evolution of pricing and incentives strategy

to improve the efficiency and effectiveness of our marketing mix

Roll-outs happening gradually over the next 12 months

With more moderate growth expectations, we will target faster expansion of meal kit earnings than top-line in the coming years

Long-term AEBITDA margin profile⁽¹⁾



Measures to improve the margin mid to long term:



Right size the cost base and optimize production infrastructure



Bring new automated fulfilment centers quickly **to target productivity levels**



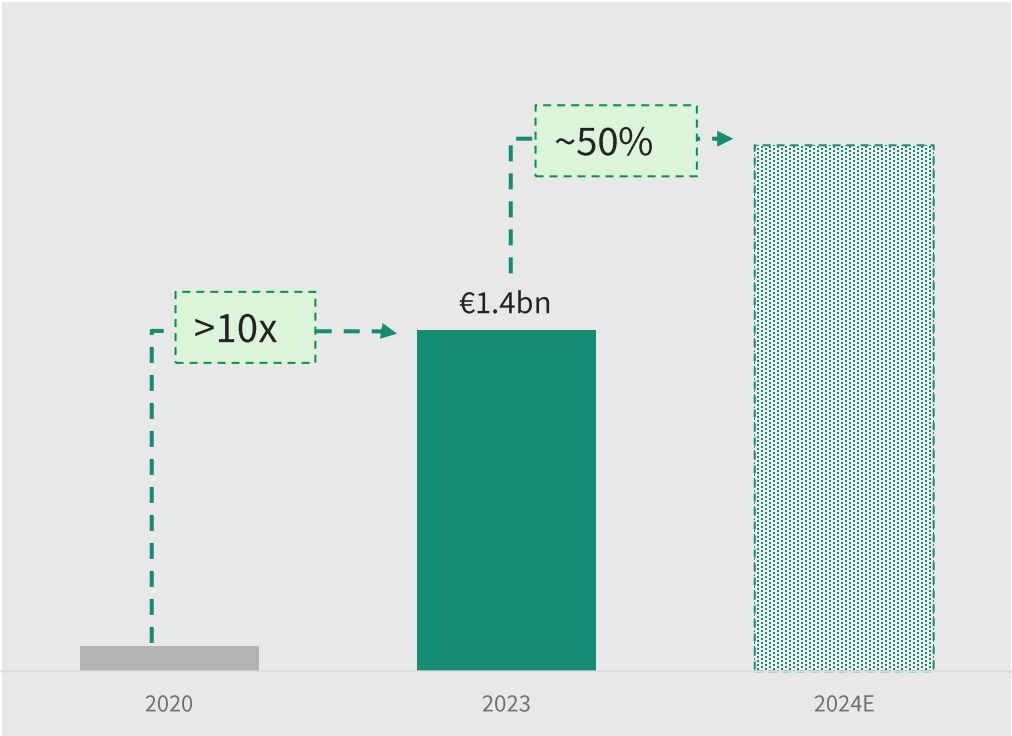
Continue investments in **technology, machine learning** and **GenAI**



Lower marketing costs by moving from financial toward product incentives

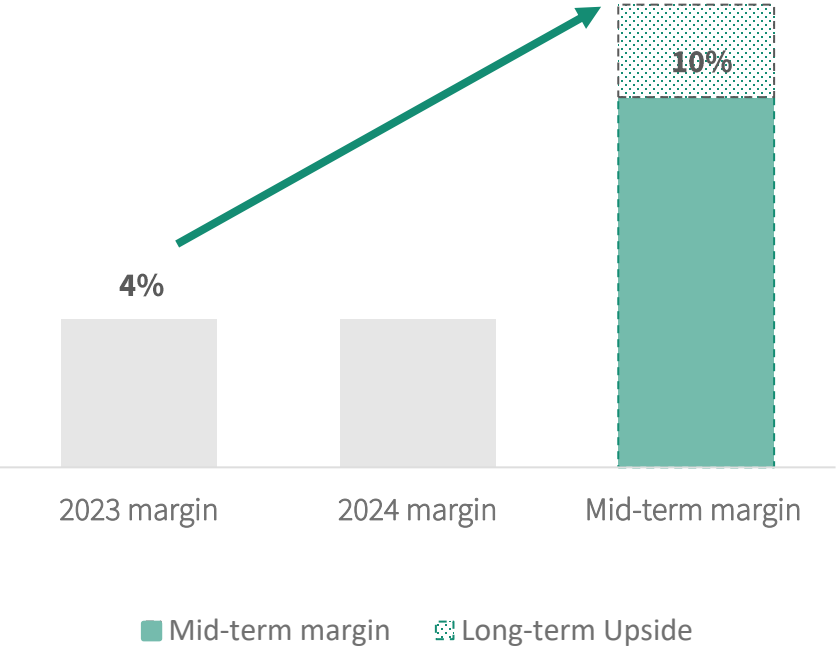
Growth in 2024 will be driven by RTE, which still operates at a relatively low TAM penetration and has just commenced internationalization

RTE Revenue (In € billions)



RTE ramp-up will switch from being a margin headwind to a margin tailwind as we reach greater maturity

Long-term AEBITDA margin profile⁽¹⁾



Capitalizing on HFG’s growth playbook and platform to improve the margin



Higher AOV through broadening our assortment and add-ons store offerings



Productivity improvements with increasing maturity of production network

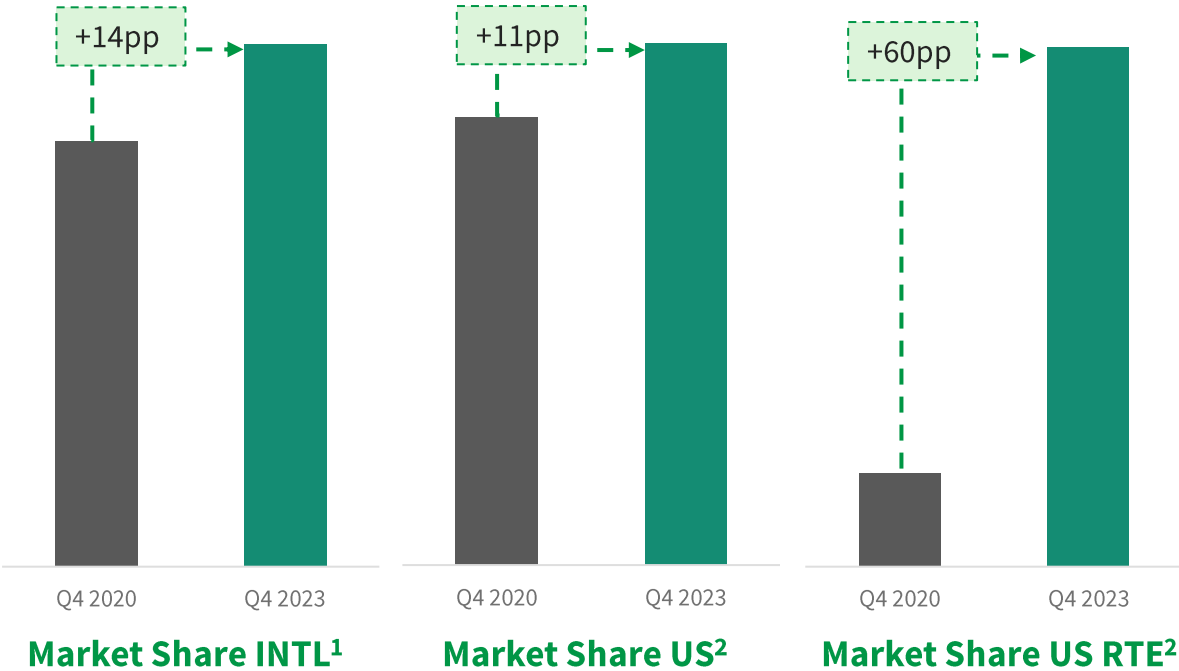


Marketing as a % of revenue will decline as **customer base matures**

⁽¹⁾AEBITDA excluding holding costs, in line with segment reporting

With two multi-billion dollar divisions, HFG is the leading digital-first FMCG company globally, with long-term potential to replicate this success in other verticals

Category leader in 18/18 countries



Home Cooking	RTE	Pet / Others
		Other?

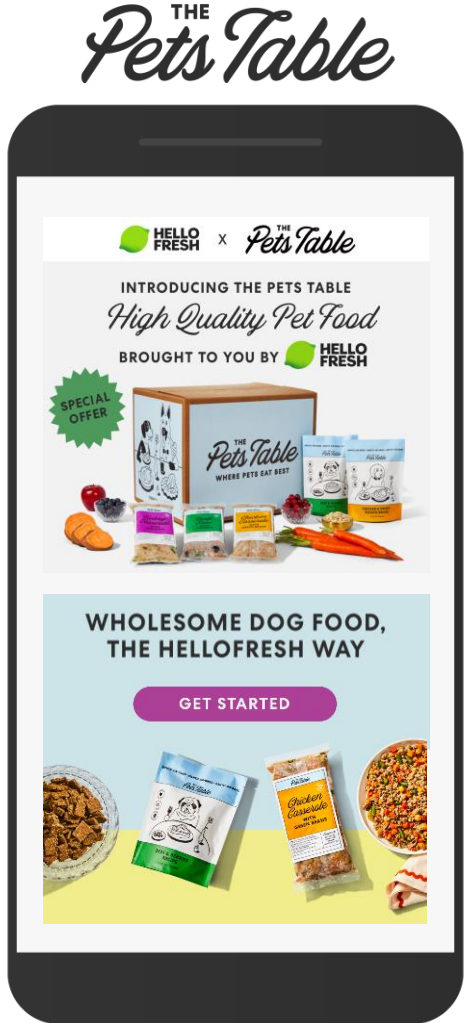
- Unique assets and capabilities on D2C
- Large synergies across business units
- Investments in infra, tech and talent
- Biggest private dataset of taste preferences

⁽¹⁾ Meal-kit brands only, Company Estimation using data from Credit Card providers in our Intl markets (excl. new markets). Averaged across Q4 (Sep – Dec)
⁽²⁾ Company Estimation using TXN data. Averaged across Q4 (Sep – Dec)

We plan to replicate the success we have had into new verticals and brands over the coming years

D2C pet food subscription: a highly attractive vertical

- Strong long-term retention with high growth margins
- ‘Humanization of pets’ driving shift towards premium food options
- Huge market opportunity with the US market alone in the \$bns of revenue already



Strong competitive advantage as part of the HFG platform

- Cross selling to high penetration HFG audience
- HF brand and subscription platform strengths driving positive results
- Improved margins by leveraging HFG supply chain

CACs ~50% better than largest private peers

Summary


Meal kits in consolidation phase in 2023 and 2024: return to sustainable growth will be a function of further improving customer experience

Accelerating Group revenue growth expected in 2024: driven by RTE through deploying our proven hyper scale-up playbook

Meal kit cost base to be right-sized to match growth path

Long term AEBITDA margins should trend toward > 10% for every business unit: mix shifts and different maturity stages hide underlying profitability currently

We are actively working on identifying and scaling the next \$bn business line



Q&A