



**HELLO
FRESH**

Quarterly Statement

Q3 2020

HelloFresh SE

HelloFresh at a Glance

Key Figures	3 months ended 30-Sep-20	3 months ended 30-Sep-19	YoY	9 months ended 30-Sep-20	9 months ended 30-Sep-19	YoY
Key Performance Indicators						
Group						
Active customers (in millions)	5.00	2.61	91.5%			
Number of orders (in millions)	19.49	9.11	114.0%	52.33	26.92	94.4%
Orders per customer	3.9	3.5	11.8%			
Meals (in millions)	162.0	68.9	135.1%	422.2	201.5	109.5%
Average order value (EUR) (Exc. Retail)	49.7	48.3	3.0%			
Average order value constant currency (EUR) (Exc. Retail)	51.4	48.3	6.6%			
USA						
Active customers (in millions)	2.49	1.48	68.7%			
Number of orders (in millions)	9.97	4.98	100.2%	27.78	14.77	88.1%
Orders per customer	4.0	3.4	18.7%			
Meals (in millions)	72.7	33.3	118.3%	197.9	97.7	102.6%
Average order value (EUR) (Exc. Retail)	52.7	49.4	6.8%			
Average order value constant currency (EUR) (Exc. Retail)	55.5	49.4	12.4%			
International						
Active customers (in millions)	2.51	1.13	122.0%			
Number of orders (in millions)	9.52	4.13	130.7%	24.55	12.15	102.1%
Orders per customer	3.8	3.6	4.3%			
Meals (in millions)	89.3	35.6	150.8%	224.3	103.8	116.1%
Average order value (EUR) (Exc. Retail)	46.6	47.0	(0.7%)			
Average order value constant currency (EUR) (Exc. Retail)	47.2	47.0	0.6%			

Key Figures	3 months ended 30-Sep-20	3 months ended 30-Sep-19	YoY	9 months ended 30-Sep-20	9 months ended 30-Sep-19	YoY
Results of operations						
Group						
Revenue (in MEUR)	970.2	440.6	120.2%	2,641.4	1,297.3	103.6%
Revenue constant currency (in MEUR)	1,003.4	440.6	127.7%	2,663.8	1,297.3	105.3%
Contribution margin (in MEUR)*	259.3	121.1	114.1%	715.4	369.8	93.5%
Contribution margin (in % of Revenue)*	26.7%	27.5%	(0.8 pp)	27.1%	28.5%	(1.4 pp)
AEBITDA (in MEUR)	114.7	15.5	640.0%	331.4	7.7	nm
AEBITDA (in % of Revenue)	11.8%	3.5%	8.3 pp	12.5%	0.6%	11.9 pp
USA						
Revenue (in MEUR)	526.3	246.5	113.5%	1,488.9	731.6	103.5%
Revenue constant currency (in MEUR)	553.8	246.5	124.7%	1,492.7	731.6	104.0%
Contribution margin (in MEUR)*	127.9	67.8	88.6%	387.2	216.8	78.6%
Contribution margin (in % of Revenue)*	24.2%	27.5%	(3.3 pp)	25.9%	29.6%	(3.7 pp)
AEBITDA (in MEUR)	57.6	6.4	800.0%	189.1	(9.1)	nm
AEBITDA (in % of Revenue)	10.9%	2.6%	8.3 pp	12.7%	(1.3%)	14.0 pp
International						
Revenue (in MEUR)	443.8	194.2	128.5%	1,152.3	566.2	103.5%
Revenue constant currency (in MEUR)	449.6	194.2	131.5%	1,171.1	566.2	106.8%
Contribution margin (in MEUR)*	134.5	53.8	150.0%	337.1	154.9	117.6%
Contribution margin (in % of Revenue)*	30.2%	27.7%	2.5 pp	29.2%	27.4%	1.8 pp
AEBITDA (in MEUR)	69.9	20.8	237.7%	180.2	50.8	254.7%
AEBITDA (in % of Revenue)	15.7%	10.7%	5.0 pp	15.6%	9.0%	6.6 pp
Group Financial Position						
Net working capital (in MEUR)	(183.8)	(112.9)		(183.8)	(112.9)	
Cash flow from operating activities (in MEUR)	134.8	36.1		416.1	33.1	
Cash and cash equivalents (in MEUR)	722.5	186.7		722.5	186.7	
Free cash flow (in MEUR)	118.5	21.2		361.3	(6.5)	

*Net of share-based compensation expenses

HelloFresh delivers strong Performance in Q3 across over both segments:

- HelloFresh reaches 5.00m active customer for the first time, a 91.5% growth compared to the third quarter 2019
- Record number of orders (19.49m, up 114.0% from the third quarter 2019) and meals (162.0m, up 135.1% from the third quarter 2019)
- Q3 revenue of EUR 970.2m, a year-on-year revenue growth on a euro basis of 120.2% and 127.7% on a constant currency basis
- Both segments show a meaningful growth compared to the same period in the previous year - for International based on constant currency shows a growth of 131.5% and for US of 124.7%
- AEBITDA margin up year-on-year by 8.3 pp to 11.8%
- Both segments delivered a strong quarter of positive AEBITDA margin: International with 15.7% and US with 10.9% of revenue
- Continued strong Free Cash Flow generation with EUR 118.5m in Q3 2020 alone
- Cash on balance sheet of EUR 722.5m at quarter end

Financial Performance of the Group

Consolidated income statement for the third quarter 2020 ended 30 September

In MEUR	3 months ended			9 months ended		
	30-Sep-20	30-Sep-19	YoY	30-Sep-20	30-Sep-19	YoY
Revenue	970.2	440.6	120.2%	2,641.4	1,297.3	103.6%
Procurement Expenses	(332.4)	(156.4)	(112.5%)	(915.3)	(462.3)	(98.0%)
% of revenue	(34.3%)	(35.5%)	1.2 pp	(34.7%)	(35.6%)	1.1 pp
Fulfilment expenses	(379.8)	(163.5)	(132.3%)	(1,014.5)	(466.6)	(117.4%)
% of revenue	(39.1%)	(37.1%)	(2.0 pp)	(38.4%)	(36.0%)	(2.4 pp)
Contribution margin	258.0	120.6	113.9%	711.6	368.4	93.2%
Contribution margin (excl. SBC)	259.3	121.1	114.1%	715.4	369.8	93.5%
% of revenue	26.7%	27.5%	(0.8 pp)	27.1%	28.5%	(1.4 pp)
Marketing expenses	(124.3)	(88.6)	(40.3%)	(326.6)	(313.2)	(4.3%)
% of revenue	(12.8%)	(20.1%)	7.3 pp	(12.4%)	(24.1%)	11.7 pp
Marketing expenses (excl. SBC)	(123.5)	(88.2)	(40.0%)	(324.4)	(312.4)	(3.8%)
% of revenue	(12.7%)	(20.0%)	7.3 pp	(12.3%)	(24.1%)	11.8 pp
General and administrative expenses, other income and expenses	(41.6)	(31.2)	(33.3%)	(112.2)	(93.4)	(20.1%)
% of revenue	(4.3%)	(7.1%)	2.8 pp	(4.2%)	(7.2%)	3.0 pp
General and administrative expenses, other income and expenses (excl. SBC)	(37.5)	(27.0)	(38.9%)	(100.0)	(81.4)	(22.9%)
% of revenue	(3.9%)	(6.1%)	2.2 pp	(3.8%)	(6.3%)	2.5 pp
EBIT	92.1	0.9	nm	272.8	(38.2)	814.1%
% of revenue	9.5%	0.2%	9.3 pp	10.3%	(2.9%)	13.4 pp

Depreciation and amortization	11.6	9.3	24.7%	33.7	29.9	12.7%
EBITDA	103.7	10.2	916.7%	306.5	(8.3)	nm
% of revenue	10.7%	2.3%	8.4 pp	11.6%	(0.6%)	12.2 pp
Special items	4.7	0.2	nm	6.7	1.8	(272.2%)
Share-based compensation expenses	6.3	5.1	(23.5%)	18.2	14.2	(28.2%)
AEBITDA*	114.7	15.5	640.0%	331.4	7.7	nm
% of revenue	11.8%	3.5%	8.3 pp	12.5%	0.6%	11.9 pp
AEBIT*	103.1	6.1	nm	297.7	(22.2)	nm
% of revenue	10.6%	1.4%	9.2 pp	11.3%	(1.7%)	13.0 pp

*excluding holding fees

Special items consist of share-based compensation expenses and other special items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganisations and restructurings and prior period related effects.

HelloFresh continued to deliver strong growth in revenue in the third quarter 2020 compared to the third quarter 2019 with 120.2% revenue growth on a euro basis and 127.7% on a constant currency basis. As a result, the Group revenue increased from MEUR 440.6 in the third quarter 2019 to MEUR 970.2 in this quarter. Revenue growth has been driven by (i) a year-on-year increase in active customers by 91.5%, which reached 5.00m for the first time, compared to 2.61m in the same period last year and 4.18m in the second quarter 2020, (ii) an increase in average order value due to customers ordering bigger boxes and (iii) a meaningful increase in average orders per customer, especially in our US-Segment. Overall, we saw meaningfully less seasonality in the 3rd quarter 2020 compared to previous years. This is to a meaningfully extend due to customers, because of the ongoing COVID-19 pandemic, taking less holidays away from home and therefore ordering more during the usually quieter summer months.

Contribution margin, excluding share-based compensation expenses, has decreased as a percentage of revenue in the third quarter 2020 to 26.7% compared to 27.5% in the third quarter 2019. On the positive side we have achieved further efficiencies in reducing procurement expenses across the Group, from 35.5% of revenue to 34.3% in Q3 2020. This positive effect is more than offset by a temporary reduction of productivity in our fulfilment centers resulting from the COVID-19 situation in our US segment.

HelloFresh has been able to reduce its marketing expenses as percentage of revenue by 7.3pp to 12.8% in this period compared to 20.1% in the previous year's period. This development is the result of continued attractive customer acquisition costs achieved across most of our marketing channels and the fact that our US operations are still somewhat capacity constrained, resulting in lower than otherwise planned marketing activities.

General and administrative expenses (including share-based compensation and other operating income & expenses) have grown less than revenue and therefore shrunk from 7.1% in terms of revenue in Q3 2019 to 4.3% in the third quarter 2020 as well as on a year to date basis to 4.2% of revenue compared to last year at 7.2%. In absolute terms it increased from MEUR 31.2 in third quarter 2019 to MEUR 41.6 in the third quarter 2020. Q3 2020 general and administrative expenses include an increase in legal and other provisions of MEUR 4.1 in our US segment, which is adjusted for the purpose of calculating AEBITDA.

Reported EBIT increased to MEUR 92.1 in Q3 2020, a positive margin of 9.5% compared to a positive margin in Q3 2019 of 0.2%. This is a result of the factors described above.

AEBIT increased to MEUR 103.1, a positive margin of 10.6%, compared to a positive margin in the third quarter of 2019 of 1.4%.

AEBITDA increased to MEUR 114.7, a positive margin of 11.8%, compared to a positive margin in the third quarter of 2019 of 3.5%.

Financial Performance of US Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-20	30-Sep-19	YoY	30-Sep-20	30-Sep-19	YoY
Revenue (total)	527.9	246.5	114.2%	1,494.2	731.6	104.2%
Revenue (external)	526.3	246.5	113.5%	1,488.9	731.6	103.5%
Procurement Expenses	(156.6)	(77.6)	(101.8%)	(448.7)	(229.2)	(95.8%)
% of revenue	(29.7%)	(31.5%)	1.8 pp	(30.0%)	(31.3%)	1.3 pp
Fulfilment expenses	(244.3)	(101.4)	(140.9%)	(660.7)	(286.2)	(130.9%)
% of revenue	(46.3%)	(41.1%)	(5.2 pp)	(44.2%)	(39.1%)	(5.1 pp)
Contribution margin	127.0	67.5	88.1%	384.8	216.1	78.1%
% of revenue	24.1%	27.4%	(3.3 pp)	25.8%	29.5%	(3.7 pp)
Contribution margin (excl. SBC)	127.9	67.8	88.6%	387.2	216.8	78.6%
% of revenue	24.2%	27.5%	(3.3 pp)	25.9%	29.6%	(3.7 pp)
Marketing expenses	(64.5)	(57.1)	(13.0%)	(181.7)	(214.1)	15.1%
% of revenue	(12.2%)	(23.2%)	11.0 pp	(12.2%)	(29.3%)	17.1 pp
Marketing expenses (excl. SBC)	(64.0)	(57.0)	(12.3%)	(180.5)	(213.8)	15.6%
% of revenue	(12.1%)	(23.1%)	11.0 pp	(12.1%)	(29.2%)	17.1 pp
General and administrative expenses, other income and expenses	(20.5)	(8.7)	(135.6%)	(43.7)	(26.2)	(66.8%)
% of revenue	(3.9%)	(3.5%)	(0.4 pp)	(2.9%)	(3.6%)	0.7 pp
Thereof Holding fee	(4.4)	-	-	(4.4)	-	-
General and administrative expenses, other income and expenses (excl. SBC and holding fee)	(14.8)	(8.1)	(82.7%)	(35.6)	(24.7)	(44.1%)
% of revenue	(2.8%)	(3.3%)	(0.5 pp)	(2.4%)	(3.4%)	1.0 pp
EBIT	42.0	1.7	nm	159.4	(24.2)	758.7%
% of revenue	8.0%	0.7%	7.3 pp	10.7%	(3.3%)	14.0 pp
EBIT (excluding holding fee)	46.3	1.5	nm	163.8	(24.3)	774.1%
Depreciation and amortization	4.3	3.4	26.5%	12.7	11.5	10.4%
EBITDA (excluding holding fee)	50.7	5.1	(894.1%)	176.5	(12.7)	nm
% of revenue	9.6%	2.1%	7.5 pp	11.8%	(1.7%)	13.5 pp
Special items	4.2	0.2	nm	5.3	1.0	(430.0%)
Share-based compensation expenses	2.7	1.0	(170.0%)	7.3	2.5	(192.0%)
AEBITDA*	57.6	6.4	800.0%	189.1	(9.1)	nm

% of revenue	10.9%	2.6%	8.3 pp	12.7%	(1.3%)	14.0 pp
AEBIT*	53.3	2.9	nm	176.4	(20.7)	952.2%
% of revenue	10.1%	1.2%	8.9 pp	11.8%	(2.8%)	14.6 pp

*excluding holding fees

Revenue of our US Segment increased by 113.5% from MEUR 246.5 in the third quarter 2019 to MEUR 526.3 in the third quarter 2020. On a constant currency basis, this represents a 124.7% growth rate, driven by growth in active customers by 68.7% from 1.48m in the third quarter 2019 to 2.49m in the third quarter 2020, an increase in average order rate of 18.7% and an increase in average order value in constant currency by 12.4%, all compared to the third quarter 2019. Total meals delivered by HelloFresh in third quarter of 2020 increased by 118.3%, from 33.3m in third quarter of 2019 to 72.7m.

Contribution margin as a percentage of revenue, excluding share-based compensation expenses, decreased by 3.3 pp which is driven mainly by the trends described earlier for Group. This has also resulted in a reduction of contribution margin to 25.9% of revenue for the 9 months of 2020, decreasing by 3.7 pp as compared to 29.6% in the same period 2019.

Marketing expenses as a percentage of revenue, excluding share-based compensation expenses, have decreased from 23.1% in third quarter in 2019 to 12.1% in this quarter, resulting in a reduction of 11.0 pp. General and administrative expenses, including the provision increase described earlier under Group but excluding share-based compensation expenses and holding fee, expressed in terms of revenue slightly decreased by 0.5 pp to compared to 3.3% in third quarter 2019.

Reported EBIT after deduction of a MEUR 4.4 holding fee paid to Holding increased to MEUR 42.0 in Q3 2020, a positive margin of 8.0%, compared to a positive margin in the third quarter of 2019 of 0.7%. This is a result of the factors described above.

AEBIT increased to MEUR 53.3 a positive margin of 10.1%, compared to a margin in the third quarter of 2019 1.2%.

AEBITDA increased to MEUR 57.6 a positive margin of 10.9%, compared to a margin in the third quarter of 2019 2.6%.

Financial Performance of International Segment

In MEUR	3 months ended			9 months ended		
	30-Sep-20	30-Sep-19	YoY	30-Sep-20	30-Sep-19	YoY
Revenue (total)	445.3	194.2	129.3%	1,155.6	566.2	104.1%
Revenue (external)	443.8	194.2	128.5%	1,152.3	566.2	103.5%
Procurement Expenses	(175.7)	(78.7)	(123.3%)	(466.3)	(232.7)	(100.4%)
% of revenue	(39.5%)	(40.5%)	1.0 pp	(40.4%)	(41.1%)	0.7 pp
Fulfilment expenses	(135.5)	(61.8)	(119.3%)	(353.2)	(179.1)	(97.2%)
% of revenue	(30.4%)	(31.8%)	1.6 pp	(30.6%)	(31.6%)	1.0 pp
Contribution margin	134.1	53.7	149.7%	336.1	154.4	117.7%
% of revenue	30.1%	27.7%	2.4 pp	29.1%	27.3%	1.8 pp
Contribution margin (excl. SBC)	134.5	53.8	150.0%	337.1	154.9	117.6%
% of revenue	30.2%	27.7%	2.5 pp	29.2%	27.4%	1.8 pp
Marketing expenses	(58.4)	(29.9)	(95.3%)	(140.6)	(95.0)	(48.0%)
% of revenue	(13.1%)	(15.4%)	2.3 pp	(12.2%)	(16.8%)	4.6 pp

Marketing expenses (excl. SBC)	(58.3)	(29.8)	(95.6%)	(140.2)	(94.8)	(47.9%)
% of revenue	(13.1%)	(15.4%)	2.3 pp	(12.1%)	(16.7%)	4.6 pp
General and administrative expenses, other income and expenses	(70.4)	(18.6)	(278.5%)	(134.9)	(54.1)	(149.4%)
% of revenue	(15.8%)	(9.6%)	(6.2 pp)	(11.7%)	(9.6%)	(2.1 pp)
Thereof Holding fee	(57.3)	(10.4)	(451.0%)	(98.9)	(28.7)	(244.6%)
General and administrative expenses, other income and expenses (excl. SBC and holding fee)	(12.8)	(7.8)	(64.1%)	(35.1)	(24.3)	(44.4%)
% of revenue	(2.9%)	(4.0%)	1.1 pp	(3.0%)	(4.3%)	1.3 pp
EBIT	5.3	5.3	-	60.6	5.3	nm
% of revenue	1.2%	2.7%	(1.5 pp)	5.2%	0.9%	4.3 pp
EBIT (excluding holding fee)	62.6	15.5	303.9%	159.5	34.0	369.1%
Depreciation and amortization	6.1	4.7	29.8%	17.2	14.0	22.9%
EBITDA (excluding holding fee)	68.7	20.4	238.4%	176.7	48.0	268.1%
% of revenue	15.4%	10.5%	4.9 pp	15.3%	8.5%	6.8 pp
Special items	0.4	(0.2)	(300.0%)	1.2	0.5	(140.0%)
Share-based compensation expenses	0.8	0.5	(60.0%)	2.3	1.8	(27.8%)
AEBITDA*	69.9	20.8	237.7%	180.2	50.8	254.7%
% of revenue	15.7%	10.7%	5.0 pp	15.6%	9.0%	6.6 pp
AEBIT*	63.8	16.1	296.3%	163.0	36.8	342.9%
% of revenue	14.3%	8.3%	6.0 pp	14.1%	6.5%	7.6 pp

*excluding holding fees

Revenue of our International Segment increased by 128.5% from MEUR 194.2 in the third quarter 2019 to MEUR 443.8 in the third quarter 2020. On a constant currency basis, this represents a 131.5% growth rate, driven by growth in active customers by 122.0% from 1.13m in the third quarter 2019 to 2.51m in the third quarter 2020, an increase in average order rate of 4.3% and an increase in average order value in constant currency by 0.6%, all compared to the third quarter 2019. Total meals delivered by HelloFresh in third quarter of 2020 increased by 150.8%, from 35.6m in third quarter of 2019 to 89.3m.

Contribution margin of our International segment, excluding share-based compensation expenses, increased in the third quarter 2020 by 150.0% to MEUR 134.5 from MEUR 53.8 in the third quarter 2019, primarily driven by revenue growth, efficiencies in our procurement operations and efficiencies in our fulfilment operations due to higher fixed-cost leverage. On a relative basis, as a percentage of revenue, contribution margin expanded from 27.7% in the third quarter 2019 to 30.2% in the third quarter 2020.

Marketing expenses as a percentage of revenue, excluding share-based compensation expenses, have decreased from 15.4% in the third quarter of 2019 to 13.1% in the third quarter 2020. The extent of the relative marketing reduction in International was less pronounced than in the US, as (i) the International segment already operated lower relative marketing spend basis and (ii) because International business continued to ramp-up its early stage Nordics and French business in Q3 2020, which required higher than Group average expenses. General and administrative expenses and other operating income & expenses, excluding share-based compensation expenses and holding fee, expressed in terms of revenue also decreased to 2.9% compared to 4.0% in the third quarter 2019.

Reported EBIT after deduction of a MEUR 57.3 holding fee paid to Holding in Q3 2020 (Q3 2019: MEUR 10.4) remained stable at MEUR 5.3 in Q3 2020. Holding fees primarily represent a profit share that Holding is entitled to in the profits of our subsidiaries, based on our transfer pricing system.

AEBIT increased to MEUR 63.8, a positive margin of 14.3%, compared to a margin in Q3 2019 of 8.3%.

AEBITDA increased to MEUR 69.9, a margin of 15.7%, compared to a margin in the third quarter of 2019 of 10.7%. This is driven by the trends described above.

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 2020, 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-20	30-Sep-19	30-Sep-20	30-Sep-19
USA	2.7	1.0	7.3	2.5
International	0.8	0.5	2.3	1.8
Holding	2.8	3.5	8.6	9.9
Total	6.3	5.0	18.2	14.2

Share-based compensation expenses have increased year-on-year vs. the third quarter 2020. The increase is driven by both an increased number of participants under the programs as well as overall higher grants.

A breakdown of the vested and unvested share awards is shown in the table below:

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	3.70	0.18	3.88
Unvested (in mn)	4.06	0.58	4.64
Outstanding (in mn)	7.77	0.75	8.52
WAEP (in EUR)	11.53	0.00	10.51

EBIT to AEBITDA

<i>In MEUR</i>	3 months ended 30-Sep-20	3 months ended 30-Sep-19	YoY	9 months ended 30-Sep-20	9 months ended 30-Sep-19	YoY
EBIT	92.1	0.9	nm	272.8	(38.2)	814.1%
Depreciation and amortisation	11.6	9.3		33.7	29.9	
EBITDA	103.7	10.2	916.7%	306.5	(8.3)	nm
Special items	4.7	0.2		6.7	1.8	
Share-based compensation	6.3	5.1		18.2	14.2	
AEBITDA*	114.7	15.5	640.0%	331.4	7.7	nm
AEBITDA margin	11.8%	3.5%	8.3 pp	12.5%	0.6%	12.0 pp
AEBIT*	103.1	6.1	nm	297.7	(22.2)	nm
AEBIT Margin	10.6%	1.4%	9.2 pp	11.3%	(1.7%)	13.0 pp

*excluding holding fees

Cash Flow

<i>In MEUR</i>	3 months ended 30-Sep-20	3 months ended 30-Sep-19	9 months ended 30-Sep-20	9 months ended 30-Sep-19
Cash and cash equivalents at the beginning of the period	611.5	164.4	193.6	193.9
Net Cash flows from operating activities	134.8	36.1	416.1	33.1
Net Cash flows from investing activities	(14.2)	(11.0)	(44.0)	(26.1)
Net Cash flows from financing activities	0.9	(4.9)	170.7	(16.6)
Effects of exchange rate changes and other changes on cash and cash equivalents	(10.5)	2.1	(13.9)	2.4
Cash and cash equivalents at the end of the period	722.5	186.7	722.5	186.7

Cash flow from operating activities in the third quarter 2020 increased to MEUR 134.8 as compared to MEUR 36.1 in the third quarter 2019. Mainly driven by (i) the growth in profit for the period, which increased to MEUR 74.6 in third quarter 2020 as compared to MEUR 23.7 in third quarter 2019 and (ii) positive inflow from change in the working capital amounting to MEUR 23.0.

Cash flow from investing activities represents a cash outflow of MEUR (14.2) in the third quarter 2020. The outflow increased due to pay out for put options exercised of MEUR (3.3) and the capex broadly remained stable compared to the third quarter 2019 of MEUR (11.0), due to an ongoing capacity expansion and productivity increases. Key target geographies for these investments in Q3 2020 were the US and UK.

The cash inflow from financing activities amounting MEUR 0.9 includes MEUR 6.0 resulting from exercise of call options partly off-set by lease payments (in accordance with IFRS 16) amounting to MEUR (5.0) in the third quarter 2020.

The Group's free cash flow position is below:

<i>In MEUR</i>	3 months ended 30-Sep-20	3 months ended 30-Sep-19	9 months ended 30-Sep-20	9 months ended 30-Sep-19
Cash Flow from operating activities	134.8	36.1	416.1	33.1
Net Capital expenditure	(11.3)	(9.6)	(40.4)	(22.6)
Repayment of lease liability excluding interest	(5.0)	(5.3)	(14.4)	(17.0)
Free Cash Flow at the end of the period	118.5	21.2	361.3	(6.5)

HelloFresh meaningfully increased its cash level to MEUR 722.5. In addition, the company has a MEUR 100.0 revolving credit facility in place of which MEUR 87.2 is not utilized and available at the end of the third quarter of 2020.

Outlook

Due to a strong Q3 2020 performance and ongoing robust trading in the early parts of Q4 2020, HelloFresh SE announced on October 16, 2020 an increased outlook for revenue growth and adjusted EBITDA ("AEBITDA") margin for the full year 2020:

Due to better than expected performance in the third quarter 2020, HelloFresh expects to achieve Group revenue growth on a constant currency basis of approx. 95% to 105% (previous guidance: 75% to 95%) and a positive AEBITDA margin (AEBITDA as a percentage of revenue) on the group level of approx. 11.25% to 12.75% (previous guidance: 9% to 11%) for the full fiscal year 2020.

Events after the reporting period

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

Berlin, 02 November 2020

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Operating Officer
and Chief Executive
Officer International

Christian Gärtner
Chief Financial Officer

Edward Boyes
Chief Commercial
Officer

Consolidated Statement of Financial Position

<i>In MEUR</i>	As at 30-Sep-20	As at 31-Dec-19
Assets		
Non-current assets		
Property, plant and equipment	199.1	179.6
Intangible assets	19.4	15.2
Goodwill	46.6	49.6
Investments in associates accounted at equity	19.6	22.1
Other financial assets	20.2	19.9
Other non-financial assets	0.7	0.5
Deferred income tax assets	2.0	1.8
Total non-current assets	307.6	288.7
Current assets		
Inventories	77.6	44.1
Trade receivables	26.4	8.6
Other financial assets	7.3	8.9
Other non-financial assets	31.1	26.3
Cash and cash equivalents	722.5	193.6
Total current assets	864.9	281.5
Total assets	1,172.5	570.2

Consolidated Statement of Financial Position

<i>In MEUR</i>	As at 30-Sep-20	As at 31-Dec-19
Equity and Liabilities		
Equity		
Share capital	173.9	164.6
Treasury shares	(3.8)	(2.7)
Capital reserves	472.1	445.3
Other reserves	90.1	71.9
Accumulated losses	(195.7)	(426.0)
Other comprehensive loss	(17.3)	(7.0)
Equity attributable to the Company's shareholders	519.3	246.1
Non-controlling interests	(0.8)	(0.8)
Total equity	518.5	245.3
Non-current liabilities		
Other financial liabilities	113.8	105.9
Deferred income tax liability	0.7	0.8
Long-term debt	150.4	2.9
Provisions	0.8	0.8
Other non-financial liabilities	6.4	0.7
Total non-current liabilities	272.1	111.1
Current liabilities		
Trade payables	244.7	135.9
Other financial liabilities	27.4	21.8
Provisions	16.6	13.7
Income tax liabilities	16.4	3.8
Other non-financial liabilities	76.8	38.6
Total current liabilities	381.9	213.8
Total equity and liabilities	1,172.5	570.2

Consolidated Statement of Comprehensive Income

In MEUR	3 months ended		9 months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Revenue	970.2	440.6	2,641.4	1,297.3
Procurement Expenses	(332.4)	(156.4)	(915.3)	(462.3)
Fulfilment expenses	(379.8)	(163.5)	(1,014.5)	(466.6)
Marketing expenses	(124.3)	(88.6)	(326.6)	(313.2)
General and administrative expenses	(39.1)	(30.2)	(106.3)	(91.2)
Other operating income	0.9	0.5	4.4	3.0
Other operating expenses	(3.4)	(1.5)	(10.3)	(5.2)
Operating Profit (Loss)	92.1	0.9	272.8	(38.2)
Results from Investment in associates	(0.8)	-	(2.5)	-
Interest income	0.1	0.1	0.6	0.4
Interest expense	(3.1)	(2.2)	(6.6)	(5.5)
Other finance income	0.4	26.5	5.6	29.7
Other finance expense	(8.1)	1.0	(17.1)	(8.2)
Profit (Loss) before income tax benefit (expense)	80.6	26.3	252.8	(21.8)
Income tax expense	(6.0)	(2.6)	(22.4)	(5.5)
Profit (Loss) for the period	74.6	23.7	230.4	(27.3)
attributable to:				
Owners of the Company	74.4	22.8	230.2	(28.1)
Non-controlling interests	0.2	0.9	0.2	0.9
Other comprehensive income (loss) :				
Items that may be subsequently reclassified to profit and loss				
Exchange differences on net investments in foreign operations	1.3	(11.2)	(2.3)	(11.0)
Exchange differences on translation to presentation currency	(1.7)	7.4	(0.2)	19.4
Others	2.8	-	(7.9)	-
Other comprehensive income (loss) for the period	2.4	(3.9)	(10.4)	8.4
Total comprehensive income (loss) for the period	77.0	19.8	220.0	(18.9)
Total comprehensive income (loss) attributable to:				
Owners of the Company	76.8	18.9	219.8	(19.7)
Non-controlling interests	0.2	0.9	0.2	0.8

Consolidated Statement of Cash Flows

<i>In MEUR</i>	3 months ended		9 months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Cash flow from operating activities				
Profit / (Loss) for the period	74.6	23.7	230.4	(27.3)
Adjustments for:				
Results from investment in associates	0.8	-	2.5	-
Interest expense	3.1	1.8	6.6	5.1
Interest income	0.1	(0.1)	(0.6)	(0.4)
Other finance income	(0.4)	(26.5)	(5.6)	(29.7)
Other finance expense	8.1	(0.6)	17.1	8.6
Income Tax	6.0	2.6	22.4	5.4
Income tax paid (refunds)	(3.9)	-	(10.1)	(0.6)
Depreciation of property, plant and equipment	4.6	3.3	13.1	10.0
Depreciation of right-of-use assets	6.1	5.1	17.9	15.3
Amortization of intangible assets	0.9	0.9	2.8	3.6
Loss on disposal of fixed assets	-	-	(0.2)	0.9
Share-based payment expense (equity-settled)	6.3	5.1	18.2	14.2
Other non-cash transactions	4.3	0.8	4.8	0.7
Increase / (decrease) in provisions	3.1	(0.5)	3.4	1.0
Changes in working capital related to operating activities				
(Increase) / decrease in trade receivables	0.3	0.3	(18.2)	(4.1)
(Increase) / decrease in inventories	(9.1)	(2.2)	(36.6)	(9.2)
Increase / (decrease) in trade and other payables	30.4	13.7	115.7	23.2
Increase / (decrease) in deferred revenue	0.2	0.8	31.8	8.6
Net change in VAT receivables/payables and similar taxes	1.2	3.5	2.1	6.2
(Increase) / decrease in other financial assets	1.9	(0.8)	(0.3)	(2.6)
(Increase) / decrease in other non-financial assets	(1.4)	(1.7)	(5.4)	(0.9)
Increase / (decrease) in other financial liabilities	(2.4)	3.6	(2.6)	3.4
Increase / (decrease) in other non-financial liabilities	3.2	3.9	13.1	2.4
Interest received	-	0.1	0.3	0.4
Interest paid	(2.0)	(0.7)	(3.2)	(1.1)
Interest paid – IFRS 16	(1.2)	-	(3.3)	-
Net cash from (used in) operating activities	134.8	36.1	416.1	33.1

<i>In MEUR</i>	3 months ended		9 months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	(3.3)	(0.3)	(4.3)	-
Purchase of property, plant and equipment	(8.2)	(7.4)	(33.2)	(18.8)
Software development expenditure	(3.0)	(2.1)	(7.1)	(5.1)
Purchase of intangible assets	(0.1)	(0.1)	(0.1)	(1.2)
Proceeds from disposal of PPE & intangibles	-	-	-	2.5
Interest received (IFRS 16)	0.1	-	0.3	-
Lease payments received from finance leases (IFRS 16)	0.3	-	0.8	-
(Transfer) Withdrawal of cash into / from restricted cash accounts & deposits	-	(1.1)	(0.4)	(3.5)
Net cash from (used in) investing activities	(14.2)	(11.0)	(44.0)	(26.1)
Cash flow from financing activities				
Proceeds from the issuance of share capital	6.0	-	13.2	-
Associate Company Loan	0.1	0.4	0.2	0.4
Proceeds from Convertible Bond	-	-	172.4	-
Repayment of long-term debt	(0.2)	-	(0.7)	-
Repayment of principal under IFRS 16	(5.0)	(5.3)	(14.4)	(17.0)
Net cash from (used in) financing activities	0.9	(4.9)	170.7	(16.6)
Effects of exchange rate changes and other changes on cash and cash equivalents	(10.5)	2.1	(13.9)	2.4
Cash and cash equivalents at the beginning of the period	611.5	164.4	193.6	193.9
Cash and cash equivalents at the end of the period	722.5	186.7	722.5	186.7

Consolidated Segment Statement

In MEUR	9-months ended 30 Sep 2020					
	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	1,494.2	1,155.6	2,649.8	181.4	(189.8)	2,641.4
Internal revenue	5.4	3.3	8.7	181.1	(189.8)	-
External revenue	1,488.9	1,152.3	2,641.2	0.2	-	2,641.4
Contribution Margin (excl. SBC)	387.2	337.1	724.3	175.4	(184.3)	715.4
Adjusted EBITDA	189.1	180.2	369.3	(37.9)	-	331.4
Special items	(5.3)	(1.2)	(6.5)	(0.2)	-	(6.7)
Share-based compensation	(7.3)	(2.3)	(9.6)	(8.6)	-	(18.2)
EBITDA*	176.5	176.7	353.2	(46.7)	-	306.5
Depreciation and amortization	(12.7)	(17.2)	(29.9)	(3.8)	-	(33.7)
EBIT*	163.8	159.5	323.3	(50.5)	-	272.8
Holding fee	(4.4)	(98.9)	(103.3)	103.3	-	-
EBIT	159.4	60.6	220.0	52.8	-	272.8
Results from Investment in associates	-	-	-	(2.5)	-	(2.5)
Interest income	0.5	0.1	0.6	-	-	0.6
Interest expense	(2.0)	(1.5)	(3.5)	(3.1)	-	(6.6)
Other finance income**	3.0	2.6	5.6	5.7	(5.7)	5.6
Other finance expense	(4.8)	(9.3)	(14.1)	(8.7)	5.7	(17.1)
Income tax expenses	(3.3)	(13.5)	(16.8)	(5.6)	-	(22.4)
Profit (Loss) for the period	152.8	39.0	191.8	38.6	-	230.4

*excluding holding fees
**excluding intercompany dividends

<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 (excl. SBC)	216.8	154.9	371.7	72.1	(74.0)	369.8
Adjusted EBITDA	(9.1)	50.8	41.7	(33.8)	(0.2)	7.7
Special items	(1.0)	(0.5)	(1.5)	(0.3)	-	(1.8)
Share-based compensation	(2.5)	(1.8)	(4.3)	(9.9)	-	(14.2)
EBITDA*	(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*	(24.1)	34.5	10.4	(48.6)	-	(38.2)
Holding fee	-	(28.7)	(28.7)	28.7	-	-
EBIT	(24.1)	5.2	(18.9)	(19.3)	-	(38.2)
Interest income	0.3	-	0.3	0.1	-	0.4
Interest expense	(2.2)	(2.2)	(4.4)	(0.6)	-	(5.0)
Other finance income	5.2	2.7	7.9	28.5	(6.7)	29.7
Other finance expense	(9.6)	(4.0)	(13.6)	(1.8)	6.7	(8.7)
Income tax expenses	-	(5.4)	(5.4)	(0.1)	-	(5.5)
Profit (Loss) for the period	(30.5)	(3.6)	(34.1)	6.8	-	(27.3)

*excluding holding fees



**HELLO
FRESH**

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