

HELLOFRESH

GROUP

Press release

HelloFresh Group announces significant product improvements and cost savings of c. €300m annually by 2026

Company reveals strategic vision for 2025 and 2026 at Capital Markets Day

- **Significant investments of approx. €100 million in product improvements in meal kits and ready-to-eat**
- **Twice as many menu choices in both product categories in 2025, introduction of HelloFresh Rewards loyalty program and faster delivery times**
- **Efficiency measures of c. €300 million annually by 2026, with 70% of the measures coming into effect by EOY 2025**

Berlin, 20 March 2025 – Today, HelloFresh SE (“HelloFresh”) held its 2025 Capital Markets Day at the company’s headquarters in Berlin. HelloFresh’s management showcased their plans to return to high-margin growth and strong cash flow in 2027 and beyond. As part of these plans, the company plans to double down on two key objectives in 2025 and 2026:

- Delivering on an efficiency program, which was already initiated in H2 2024, targeting measures of c. €300 million annually by 2026, with most of these savings boosting the bottom line
- Significantly improving the customer proposition across meal kit and ready-to-eat offerings, aiming to attract new customers, retaining existing ones and monetizing them better

Full focus on enhancing the product experience

“Our product will change more in the next twelve months than it has in the last ten years,” said Dominik Richter, CEO and Co-Founder of HelloFresh. “To provide an even more satisfying experience to our potential customer base, we are investing into the value we provide with each plate of food. We are going to double the size of our menu, increase portion sizes, introduce a larger share of healthy options and many new cuisines. The next two years are all about noticeably levelling up quality and deliciousness and creating that ‘wow factor’ for our customers.”

The company plans to roll out faster delivery times after its successful pilot of next-day delivery in the UK to more customers and more geographies. Similarly, the HelloFresh Rewards loyalty program has seen promising results in its pilot phase, such as high customer satisfaction levels which translate into larger baskets and improved customer retention. The company plans to progressively roll out the program to more and more customers in the next twelve months.

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For the company's ready-to-eat product category, the focus for 2025 is on doubling the menu size, expanding its Factor-branded ranges (e.g. high-protein desserts, protein shakes, healthy snacks and juices) and offering additional delivery days. In the US market, the company's brand Factor introduced meals catering to GLP-1 users, one of the most exciting trends in the broader food market. In Europe, Factor has been introduced to five countries so far, where it has seen a strong initial product market fit. Orders are expected to double in 2025 – further market launches and the launch of its first EU cooking facility will allow for significant menu expansion and drive future growth.

Efficiency program targets savings of c. €300 million annually by 2026

The efficiency reset started in H2 2024 is well underway. It has been deemed critical to both short and long-term success. Ultimately it will enable self-financed profitable growth, driven by a strong product portfolio that attracts and retains a large share of high value customers. The company targets efficiency measures of c. €300 million annually by 2026, with 70% of the measures coming into effect by EOY 2025. These measures include labour productivity increases, capex reduction and indirect procurement savings. The rationalization of meal kit production capacity includes the closure of older distribution sites and a focus on more technically advanced, partly automated distribution centers. In marketing, HelloFresh has changed its strategy to deliberately focus on high value customers, for example, through the introduction of its HelloFresh Rewards Loyalty program. Tenured customers make up the majority of orders already today, with c. ⅔ of orders coming from customers who have ordered more than 20 times with HelloFresh in the past. This strategy shift will result in a temporary order decline for meal kits, while significantly reducing marketing expenses.

HelloFresh has guided to €200-250 million AEBIT in 2025, a 65% AEBIT increase at the midpoint of the guidance, and more than doubling its FCF per share. The successful implementation of the company's €300 million efficiency program will not only boost AEBIT and FCF in 2025 and 2026, but also provide significant funding to be reinvested into the customer proposition of its product groups.

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About HelloFresh

The HelloFresh Group is a global food solutions group and the world's leading meal kit provider. The HelloFresh Group consists of eight brands that provide customers with high quality food and recipes for different meal occasions. The Company was founded in Berlin in November 2011 and operates in the USA, the UK, Germany, the Netherlands, Belgium, Luxembourg, Australia, Austria, Switzerland, Canada, New Zealand, Sweden, France, Denmark, Norway, Italy, Ireland and Spain. In 2024 the HelloFresh Group delivered close to 1 billion meals globally. HelloFresh SE went public on the Frankfurt Stock Exchange in November 2017 and is currently traded on the MDAX (Mid-Cap German Stock Market Index). The HelloFresh Group has offices in Berlin, Saarbrücken, New York, Chicago, Boulder, London, Amsterdam, Sydney, Toronto, Auckland, Paris, Copenhagen, Milan, Dublin and Barcelona.

Press contact

Martin Becker
Senior Manager Corporate Communications
HelloFresh Group

+49 (0) 176 1568 1127
mbec@hellofresh.com
www.hellofreshgroup.com