

HelloFresh SE reports €7.6bn consolidated revenue for the FY 2023 and returns to positive free cash flow

Expanded AOV and strongly growing Ready-to-Eat business contribute meaningfully

- **Constant currency growth of approx. 3% to approx. €7.6 bn consolidated revenue**
- **In its fifth consecutive year of profitable growth, the HelloFresh Group delivered over 1bn meals to customers worldwide**
- **Expanded average order value of €65.0 in Q4 2023 (Q4 2022: €63.7; +6.4% constant currency growth), driven by broadened choice, personalization and add-on options**
- **Adjusted EBITDA of €448 m on Group level, with a margin of 5.9% (FY 2022: €477m; 6.3% margin)**
- **Company returned to a positive free cash flow of €78 m**

Berlin, 15 March 2024 – Today, HelloFresh SE (“HelloFresh” or “Company”) released its results for the FY 2023 and the fourth quarter of 2023. In 2023 the HelloFresh Group delivered over 1bn meals to its customers in 18 countries. In its fifth consecutive year of profitable growth, the HelloFresh Group managed to deliver around four times as many meals as in 2019. In terms of consolidated revenue HelloFresh reached approx. €7.6 bn, a y-o-y constant currency growth of approx. 3% (FY 2022: €7.6 bn). Revenue expansion was driven on the one hand by a strongly growing and profitable Ready-to-Eat (RTE) business, reaching €1.4 bn of revenue for FY 2023. On the other hand, the Company expanded its average order value (AOV) in Q4 2023 to €65.0 (Q4 2022: €63.7; +6.4% constant currency growth). Primarily due to productivity gains across the Company’s fulfillment operations, the contribution margin expanded by c. 130 bps to 26.9% for the full year 2023 (FY 2022: 25.5%), despite previously flagged RTE ramp-up, and other costs in Q4 2023. The AEBITDA of the HelloFresh Group in 2023 amounted to €448 million, in the middle of the revised outlook range provided in November 2023. A strong cash flow from operations allowed the Company to invest further into the business in 2023, e.g. the build out of its RTE production sites, modernization and automation of fulfillment operations and launching new verticals, such as the human-grade pet food brand The Pets Table, that will allow HelloFresh to diversify its revenue streams. Given the Company is already well advanced through its multi-year investment program, capital expenditure in 2023 has decreased by €112 million compared to FY 2022. As a consequence, the Company returned to a positive free cash flow (FCF) of €78 million with Q4 2023 contributing meaningfully with €33 million.

“In 2023 we successfully laid the supply chain foundations to significantly scale our RTE vertical over the next several years. We expect continued strong growth for our RTE brand Factor in 2024 and we are preparing to launch Factor in further European countries this year, starting with the Nordics. In our meal kit business we have seen strong improvements in key customer KPIs, driving Customer Lifetime Revenue to the highest levels we ever achieved. We will continue to strengthen our customer

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proposition in order to return to sustainable growth for our meal kit vertical in the mid-term”, Dominik Richter, co-founder and CEO of HelloFresh said.

With the goal of offering a more desirable product and customer experience to meal kit and RTE customers, HelloFresh will continue to improve service levels, launch more flexible delivery options and an assortment with more breadth, both within the menu and in the HelloFresh Marketplace. A loyalty rewards program will be rolled out in certain geographies later this year.

2024 outlook

The Company is targeting for 2024 a constant currency revenue growth of the HelloFresh Group between two and eight percent, driven by a broadly stable number of orders at the midpoint of the revenue growth guidance combined with modestly expanding AOV, driven by a higher share of RTE in the revenue mix. HelloFresh expects its North America (NA) segment revenue to grow at a higher rate than its International segment, driven by the higher share of RTE of total NA revenue. Within RTE HelloFresh expects to continue capitalizing on strong demand, as the Company continues to ramp-up production capacity. For meal kits, the Company expects to increasingly close the volume and revenue gap compared to the corresponding period in 2023, as it progresses through the year. HelloFresh expects its ongoing investment into its physical and digital product to contribute to this trend, as well as increasingly easier prior year comparative figures.

From a profitability perspective the Company expects an AEBITDA for 2024 below the level reached in 2023, i.e. between €350 million and €400 million on Group level. This is primarily driven by: on the RTE side the continued ramp up of the Company’s production capacity and elevated marketing expenses, given the strong growth in number of orders; on the meal kit side: (i) some fixed cost deleveraging impact due to lower volume, (ii) the ramp-up of two key new fulfillment centers in the Company’s two largest markets within the International segment (United Kingdom and Germany/Austria), which from the fiscal year 2025 onwards are expected to deliver attractive efficiencies and (iii) further product investments.

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Key figures

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	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Active customers (in millions)	6.64	7.11	(6.5%)			
Number of orders (in millions)	28.47	29.28	(2.8%)	119.27	125.13	(4.7%)
Meals delivered (in millions)	240.0	246.2	(2.5%)	1,008.7	1,046.5	(3.6%)

North America ¹

	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Active customers (in millions)	3.63	3.84	(5.5%)			
Number of orders (in millions)	15.74	16.13	(2.4%)	67.78	70.90	(4.4%)
Meals delivered (in millions)	125.0	127.1	(1.7%)	542.5	557.7	(2.7%)

International

	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Active customers (in millions)	3.01	3.26	(7.8%)			
Number of orders (in millions)	12.72	13.15	(3.2%)	51.49	54.23	(5.1%)
Meals delivered (in millions)	115.0	119.0	(3.4%)	466.2	488.8	(4.6%)

¹ The North America segment comprises our businesses in Canada (until 31 December 2022 included in the International Segment) and the United States of America. Comparatives have been adjusted accordingly to reflect the new segment structure.

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Results of Operations

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	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Revenue (in MEUR)	1,859.0	1,874.5	(0.8%)	7,596.6	7,607.2	(0.1%)
Revenue constant currency (in MEUR)	1,938.6	1,874.5	3.4%	7,816.9	7,607.2	2.8%
Contribution Margin ¹ (in MEUR)	503.2	504.6	(0.3%)	2,040.6	1,942.5	5.1%
Contribution Margin ¹ (in % of revenue)	27.1%	26.9%	0.2pp	26.9%	25.5%	1.3pp
AEBITDA (in MEUR)	113.6	160.1	(29.0%)	447.6	477.4	(6.3%)
AEBITDA (in % of revenue)	6.1%	8.5%	(2.4pp)	5.9%	6.3%	(0.4pp)

North America ²

	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Revenue ³ (in MEUR)	1,201.0	1,215.9	(1.2%)	5,002.8	4,963.1	0.8%
Revenue constant currency (in MEUR)	1,269.4	1,215.9	4.4%	5,153.8	4,963.1	3.8%
Contribution Margin ¹ (in MEUR)	344.8	364.1	(5.3%)	1,460.2	1,364.1	7.0%
Contribution Margin ¹ (in % of revenue)	28.5%	29.8%	(1.3pp)	29.0%	27.3%	1.6pp
AEBITDA (in MEUR)	87.9	143.9	(38.9%)	417.4	437.2	(4.5%)
AEBITDA (in % of revenue)	7.3%	11.8%	(4.5pp)	8.3%	8.8%	(0.5pp)

International

	Q4 2023	Q4 2022	Y-o-Y	FY 2023	FY 2022	Y-o-Y
Revenue ³ (in MEUR)	658.0	658.6	(0.1%)	2,593.8	2,643.9	(1.9%)
Revenue constant currency (in MEUR)	669.2	658.6	1.6%	2,663.1	2,643.9	0.7%
Contribution Margin ¹ (in MEUR)	173.4	152.5	13.6%	638.0	617.9	3.2%
Contribution Margin ¹ (in % of revenue)	26.0%	23.0%	3.0pp	24.3%	23.2%	1.1pp
AEBITDA (in MEUR)	59.2	52.8	12.0%	175.3	172.4	1.7%
AEBITDA (in % of revenue)	8.9%	8.0%	0.9pp	6.7%	6.5%	0.2pp

1 Excluding share-based compensation (SBC) expenses.

2 The North America segment comprises our businesses in Canada (until 31 December 2022 included in the International Segment) and the United States of America. Comparatives have been adjusted accordingly to reflect the new segment structure.

3 External revenue from contracts with customers.

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Group Financial Position

	Q4 2023	Q4 2022		FY 2023	FY 2022
Operating working capital ¹ (in MEUR)	(401.6)	(356.0)		(401.6)	(356.0)
Cash flow from operating activities (in MEUR)	92.1	48.0		383.8	313.4
Free cash flows (excl. repayment of leases liabilities) (in MEUR)	33.0	(57.5)		78.0	(104.0)
Free cash flow per diluted share (in EUR)	0.19	(0.32)		0.44	(0.58)
Cash and cash equivalents (in MEUR)	433.1	504.0		433.1	504.0

¹ During the year 2023 the Group has changed its indicator relating to working capital from net working capital to operating working capital. Comparative information was not adjusted due to the immaterial effect of the change.

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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 2023 HelloFresh Group delivered over one 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.

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