

HelloFresh SE achieves its highest ever adjusted EBITDA of €192 million in second quarter of 2023

- HelloFresh SE increased its adjusted EBITDA to €191.9 million (Q2 2022: €145.9 million)
- This is driven by a significant expansion of Contribution Margin to 28.4%, strong average order rates of 4.1 (Q2 2022: 4.0), increased average order value of €63.6 (Q2 2022: €60.4; +8.4% on constant currency basis) and disciplined marketing spend
- Revenue for the second quarter of 2023 reached approx. €1.92 billion (Q2 2022: +1% y-o-y on a constant currency basis, Q2 2022: €1.96 billion)
- FY 2023 outlook adjustment as published on July 19th confirmed: Narrowed revenue growth outlook from previously between 2% and 10% to now between 2% and 8% on a constant currency basis and a narrowed adjusted EBITDA from previously €460 million to €540 million to €470 million and €540 million

Berlin, 10 August 2023 – Today, HelloFresh SE (“HelloFresh” or the “Company”) published its quarterly statement for the second quarter of 2023. The Company achieved its highest ever adjusted EBITDA of €191.9 million (Q2 2022: €145.9 million), which was predominantly driven by continued strong Contribution Margin expansion. Operational efficiencies on both procurement and fulfillment expenses drove a very substantial Contribution Margin uplift by c. three percentage points year-on-year to 28.4% for Q2 2023 (Q2 2022: 25.6%) as percentage of revenue. The Company’s Contribution Margin has expanded year-on-year for the last four quarters in a row. A disciplined approach to marketing spend, where some budget has been reallocated to the seasonally important autumn period, has further supported adjusted EBITDA growth.

In terms of revenue growth, HelloFresh reached approx. €1.92 billion in the second quarter of 2023, marking a c. 1% y-o-y increase on a constant currency basis. Strong average order rates (AOR) of 4.1 (Q2 2022: 4.0) and increased average order value (AOV) of €63.6 (Q2 2022: €60.4; +8.4% on a constant currency basis) more than offset a decline in quarterly active customers. The Company expects growth to re-accelerate in the second half of 2023, which will be supported by the production capacity expansion for its ready-to-eat brand Factor and the roll out of a number of product enhancements, as well as comparatively easier benchmarks.

“While being faced with an overall soft consumer environment in the second quarter of 2023, we remain laser focused on providing our customers with a superior product. We have made continuous progress with regards to the level of convenience, choice and flexibility and I am proud of our teams for going the extra mile”, says Dominik Richter, CEO and co-founder of HelloFresh. “Profitable growth remains our top priority going into 2024 and we expect to take advantage of opportunities as they arise. We are excited to de-bottleneck the capacity constraints in our ready-to-eat business, which we

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believe will drive further significant growth to our business. Given our diversified portfolio of brands in the world's most desirable food markets, our unique physical and technological infrastructure and our globally leading direct-to-consumer capabilities, we are well positioned to become the world's leading integrated food solutions group.”

Positive Free Cash Flow and recognition of financial strength by rating agency

Free Cash Flow was positive in Q2 as well as in the first half of the fiscal year 2023, amounting to €38.0 million in the first six months of 2023 and €0.21 per diluted share (H1 2022: €(9.6) million and €(0.05) respectively).

HelloFresh was recently assigned an investment grade “BBB-” rating by S&P, illustrating its strong financial profile.

Adjusted outlook for the FY 2023

Based on its solid performance in the first half of the fiscal year 2023, as announced on July 19th, the Company narrows its revenue growth outlook for the fiscal year 2023 for the HelloFresh Group on a constant currency basis from previously between 2% and 10% to now between 2% and 8%. Based on the strong Contribution Margin expansion above expectations, the Company also narrows its outlook regarding the adjusted EBITDA for the HelloFresh Group for the fiscal year 2023 from previously between €460 million and €540 million to now between €470 million and €540 million.

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Key Performance Indicators

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	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Active customers (in millions)	7.30	8.00	(8.7 %)			
Number of orders (in millions)	30.00	32.26	(7.0 %)	62.82	66.83	(6.0 %)
Meals delivered (in millions)	253.6	269.8	(6.0 %)	532.1	557.1	(4.5 %)

North America¹

	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Active customers (in millions)	4.12	4.55	(9.6 %)			
Number of orders (in millions)	17.09	18.50	(7.6 %)	36.00	38.13	(5.6 %)
Meals delivered (in millions)	136.6	145.6	(6.2 %)	289.2	299.5	(3.4 %)

International

	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Active customers (in millions)	3.18	3.44	(7.5 %)			
Number of orders (in millions)	12.91	13.76	(6.2 %)	26.81	28.70	(6.6 %)
Meals delivered (in millions)	117.0	124.2	(5.8 %)	242.9	257.7	(5.8 %)

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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	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Revenue (in mEUR)	1,917.5	1,957.1	(2.0 %)	3,933.6	3,872.5	1.6 %
Revenue constant currency (in mEUR)	1,973.5	1,957.1	0.8 %	3,952.3	3,872.5	2.1 %
Contribution Margin ¹ (in mEUR)	545.5	500.2	9.1 %	1076.4	982.9	9.5 %
Contribution Margin ¹ (in % of revenue)	28.4%	25.6%	2.9pp	27.4%	25.4%	2.0pp
AEBITDA (mEUR)	191.9	145.9	31.5 %	258.0	245.2	5.3 %
AEBITDA (in % of revenue)	10.0%	7.5%	2.5pp	6.6%	6.3%	0.2pp

North America²

	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Revenue ³ (in mEUR)	1,264.6	1,282.0	(1.4 %)	2,600.0	2,499.6	4.0 %
Revenue constant currency (in mEUR)	1,298.6	1,282.0	1.3 %	2,583.1	2,499.6	3.3 %
Contribution Margin ¹ (in mEUR)	399.4	349.2	14.4 %	784.6	679.1	15.5 %
Contribution Margin ¹ (in % of revenue)	31.4%	27.1%	4.2pp	30.0%	27.1%	2.9pp
AEBITDA (mEUR)	167.2	126.9	31.7 %	243.2	212.5	14.4 %
AEBITDA (in % of revenue)	13.1%	9.9%	3.3pp	9.3%	8.5%	0.8pp

International

	Q2 2023	Q2 2022	Y-o-Y	HY 2023	HY 2022	Y-o-Y
Revenue ³ (in mEUR)	652.9	675.1	(3.3 %)	1333.6	1372.7	(2.9 %)
Revenue constant currency (in mEUR)	674.9	675.1	0.0%	1369.2	1372.7	(0.3 %)
Contribution Margin ¹ (in mEUR)	161.0	159.3	1.1%	319.8	319.7	0.0%
Contribution Margin ¹ (in % of revenue)	24.4%	23.5%	0.9pp	23.8%	23.2%	0.6pp
AEBITDA (mEUR)	59.7	50.1	19.2%	87.7	92.8	(5.5 %)
AEBITDA (in % of revenue)	9.1%	7.4%	1.7pp	6.5%	6.7%	(0.2)pp

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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About HelloFresh

HelloFresh SE is a global food solutions group and the world's leading meal kit company. The HelloFresh Group consists of six 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 Q2 2023 HelloFresh delivered over 253 million meals and reached 7.3 million active customers. 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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