

HELLOFRESH

GROUP

Press release

Q3 2024: HelloFresh Group achieved a year-on-year constant currency revenue growth of 1.9% and an adjusted EBITDA (“AEBITDA”) of €72 million

- **Group euro-reported revenue reached approximately €1.83 billion in Q3 2024 (Q3 2023: €1.80 billion)**
- **Group AEBITDA reached €72 million in Q3 2024 (Q3 2023: €69 million), meaningfully above market expectations, driven by improved marketing efficiency**
- **Meal kit product category generates AEBITDA of €109 million in Q3 2024, a margin of 8.5% which is better than in the same period of last year**
- **Ready-to-Eat (“RTE”) continues to grow revenue strongly (up year-on-year by 39.9% on a constant currency basis) while generating a slightly positive AEBITDA margin of 1.3% in Q3 2024**

Berlin, 29 October 2024 – Today, HelloFresh SE (“HelloFresh” or “Company”) released its financial results for the third quarter of 2024. The HelloFresh Group delivered a quarterly euro-reported revenue of around €1.83 billion, corresponding to a 1.9% constant currency year-on-year growth (Q3 2023: €1.80 billion). Revenue growth was driven by continued year-on-year average order value (“AOV”) expansion by 3.8% on a constant currency basis, more than offsetting a slight expected decrease in Group orders.

By product category, meal kit revenue decreased in constant currency year-on-year by (9.3)% to €1.28 billion (Q3 2023: €1.41 billion). This temporary decline in revenue represents a continuation of the trends from previous quarters, driven by a normalization in the size of new customer cohorts and by the Company’s disciplined focus on achieving a strong return on investment on its marketing spend. Existing customers continue to demonstrate robust behavior, illustrated by strong order rates and retention. The RTE product category continues to grow strongly, delivering revenue growth on a constant currency basis year-on-year of 39.9% to €529 million (Q3 2023: €378 million), and rapidly develops into a sizable and profitable business.

The contribution margin for the HelloFresh Group in the third quarter of 2024 was 24.3%¹ of Group revenue compared to 25.6% in the same period of last year. The Company is sequentially narrowing the contribution margin gap to last year, by gradually improving the productivity of its RTE sites and of existing meal kit sites, somewhat offset by ramp-up expenses of new production sites in Germany and the UK, as previously described.

¹ Excluding share based compensation expenses and impairment

HELLOFRESH

GROUP

Press release

Efficiency focus in marketing

The HelloFresh Group achieved an AEBITDA of €72 million in the third quarter of 2024 (Q3 2023: €69 million), a margin of 3.9% (Q3 2023: 3.8%) for the Group. This is driven primarily by the Company's disciplined focus on achieving a strong return on investment on its marketing spend. Marketing expenses for the Group decreased in the third quarter of 2024 year-on-year in relative and also slightly in absolute terms.

AEBITDA for the meal kit product category increased year-on-year in the third quarter of 2024 in absolute terms, mainly thanks to marketing efficiency measures, to €109 million, a margin of 8.5% (Q3 2023: 5.8%). RTE reached a margin of 1.3% in the third quarter of 2024 (Q3 2023: 8.0%). In the coming quarters, RTE margin expansion will be driven by continued improvements in fulfillment and labor productivity.

“In meal kits, our focus for the next couple of quarters will be on improving further on an already excellent proposition to our customers, through more meal choice, better value for money and higher service levels. We also aim to meaningfully expand free cash flows and profitability for the Group, and have taken first decisive steps, such as being more selective in attracting new customers to our meal kit brands and adjusting our production footprint. We see these steps starting to reflect in the numbers,” Dominik Richter, co-founder and CEO of HelloFresh said.

“The biggest growth driver for the Group over the next three years, for both revenues and profits, will be our RTE product category. Today, we are already the RTE market leader in the US and have developed the product, technology and food manufacturing capabilities to reach many more people around the world with our RTE products,” Dominik Richter continues.

Updates to FY'24 outlook

The Company plans to maintain its strong focus on disciplined marketing investments also in future quarters. As a consequence, the Company is targeting to acquire fewer, but on average more profitable customers. This means that for the fourth quarter of 2024 the Company intends to spend less on marketing than in the same quarter of last year, especially in the latter half of the quarter, when the customer acquisition environment is typically seasonally less benign.

As a consequence, the Company reduces its revenue growth outlook for the fiscal year 2024 for the HelloFresh Group on a constant currency basis from previously between 2 % and 8 % to now between 1.0 % and 1.7 %. Given its strong AEBITDA in the third quarter of 2024 and its continuous focus on marketing efficiency, the Company raises the lower end of its AEBITDA outlook by €10 million. The AEBITDA outlook for the HelloFresh Group for the fiscal year 2024 therefore changes from previously between €350 million and €400 million to now between €360 million and €400 million.

HELLOFRESH GROUP

Press release

Key figures

Group

	Q3 2024	Q3 2023	YoY
Number of orders (in millions)	27.46	27.99	(1.9 %)
Meals delivered (in millions)	231.2	236.6	(2.3 %)
Average order value (EUR) (excl. retail)	66.2	64.2	3.2 %
Average order value constant currency (EUR) (excl. retail)	66.6	64.2	3.8 %

North America

	Q3 2024	Q3 2023	YoY
Number of orders (in millions)	15.69	16.04	(2.2 %)
Meals delivered (in millions)	124.2	128.3	(3.1 %)
Average order value (EUR) (excl. retail)	77.2	74.9	3.1 %
Average order value constant currency (EUR) (excl. retail)	78.1	74.9	4.3 %

International

	Q3 2024	Q3 2023	YoY
Number of orders (in millions)	11.77	11.95	(1.5 %)
Meals delivered (in millions)	107.0	108.4	(1.3 %)
Average order value (EUR) (excl. retail)	51.6	49.7	3.7 %
Average order value constant currency (EUR) (excl. retail)	51.2	49.7	3.0 %

HELLOFRESH GROUP

Press release

Results of Operations

Group

	Q3 2024	Q3 2023	YoY
Revenue (in mEUR)	1,828.4	1,804.0	1.4 %
Revenue constant currency (in mEUR)	1,838.2	1,804.0	1.9 %
Contribution margin ¹ (in mEUR)	440.8	461.0	(4.4 %)
Contribution margin ¹ (in % of revenue)	24.1 %	25.6 %	(1.4 pp)
Contribution margin ¹ (excl. impairment) (in mEUR)	444.0	461.0	(3.7 %)
Contribution margin ¹ (excl. impairment) (in % of revenue)	24.3 %	25.6 %	(1.3 pp)
AEBITDA (in mEUR)	72.1	69.2	4.2 %
AEBITDA (in % of revenue)	3.9 %	3.8 %	0.1 pp
AEBIT (excl. impairment) (in mEUR)	6.7	14.1	(52.3 %)
AEBIT (excl. impairment) (in % of revenue)	0.4 %	0.8 %	(0.4 pp)

North America

	Q3 2024	Q3 2023	YoY
Revenue ² (in mEUR)	1,212.0	1,201.7	0.9 %
Revenue ² constant currency (in mEUR)	1,226.0	1,201.7	2.0 %
Contribution margin ¹ (in mEUR)	319.5	330.8	(3.4 %)
Contribution margin ¹ (in % of revenue)	26.1 %	27.3 %	(1.2 pp)
Contribution margin ¹ (excl. impairment) (in mEUR)	319.5	330.8	(3.4 %)
Contribution margin ¹ (excl. impairment) (in % of revenue)	26.1 %	27.3 %	(1.2 pp)
AEBITDA (in mEUR)	74.0	83.3	(11.2 %)
AEBITDA (in % of revenue)	6.1 %	6.9 %	(0.8 pp)
AEBIT (excl. impairment) (in mEUR)	44.5	57.3	(22.3 %)
AEBIT (excl. impairment) (in % of revenue)	3.7 %	4.7 %	(1.1 pp)

International

	Q3 2024	Q3 2023	YoY
Revenue ² (in mEUR)	616.5	602.3	2.4 %
Revenue ² constant currency (in mEUR)	612.3	602.3	1.7 %
Contribution margin ¹ (in mEUR)	137.3	144.9	(5.2 %)
Contribution margin ¹ (in % of revenue)	21.9 %	23.8 %	(1.8 pp)
Contribution margin ¹ (excl. impairment) (in mEUR)	134.1	144.9	(7.4 %)
Contribution margin ¹ (excl. impairment) (in % of revenue)	21.4 %	23.8 %	(2.4 pp)
AEBITDA (in mEUR)	34.7	23.7	46.5 %
AEBITDA (in % of revenue)	5.5 %	3.9 %	1.7 pp
AEBIT (excl. impairment) (in mEUR)	11.1	5.0	122.6 %
AEBIT (excl. impairment) (in % of revenue)	1.8 %	0.8 %	1.0 pp

¹ Excluding share-based compensation (SBC) expenses.

² External revenue from contracts with customers.

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Press release

Product category

	Q3 2024	Q3 2023	YoY
Revenue¹ (in mEUR)			
Meal kits	1,277.9	1,413.9	(9.6 %)
RTE ²	524.5	378.2	38.7 %
Others	26.1	11.9	118.7 %
Revenue¹ constant currency (in mEUR)			
Meal kits	1,282.5	1,413.9	(9.3 %)
RTE ²	529.3	378.2	39.9 %
Others	26.3	11.9	120.9 %
AEBITDA (in mEUR)			
Meal kits	108.6	81.7	33.0 %
RTE ²	6.7	30.1	(77.9 %)
Others	(6.6)	(4.8)	37.7 %
Holding	(36.6)	(37.8)	(3.1 %)
AEBITDA (in % of revenue)			
Meal kits	8.5 %	5.8 %	2.7 pp
RTE ²	1.3 %	8.0 %	(6.7 pp)
Others	(25.4 %)	(40.3 %)	14.9 pp

¹ External revenue from contracts with customers.

² Ready-to-eat.

HELLOFRESH

GROUP

Press release

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 Q3 2024 the HelloFresh Group delivered over 231 million 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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