



# QUARTERLY STATEMENT

Q1 2019

## HELLOFRESH AT A GLANCE

<i>Key Figures</i>	3 months ended 31-Mar-19	3 months ended 31-Mar-18	YoY growth
<b>Key Performance Indicators</b>			
<b>Group</b>			
Active customers (in millions)	2.48	1.88	32.2%
Number of orders (in millions)	8.9	6.6	34.5%
Orders per customer	3.6	3.5	1.7%
Meals (in millions)	65.6	48.3	35.8%
Average order value (EUR)	47.1	44.7	5.3%
Average order value constant currency (EUR)	44.8	44.7	0.1%
<b>USA</b>			
Active customers (in millions)	1.40	1.21	15.9%
Number of orders (in millions)	4.9	3.9	26.0%
Orders per customer	3.5	3.2	8.7%
Meals (in millions)	32.2	26.5	21.4%
Average order value (EUR)	48.6	46.0	5.6%
Average order value constant currency (EUR)	44.9	46.0	(2.5%)
<b>International</b>			
Active customers (in millions)	1.08	0.67	61.7%
Number of orders (in millions)	4.0	2.7	46.8%
Orders per customer	3.7	4.0	(9.2%)
Meals (in millions)	33.4	21.8	53.2%
Average order value (EUR)	45.3	42.9	5.7%
Average order value constant currency (EUR)	44.7	42.9	4.1%

<i>Key Figures</i>	<b>3 months ended 31-Mar-19</b>	3 months ended 31-Mar-18	YoY growth
<b>Results of operations</b>			
<b>Group</b>			
Revenue (in MEUR)	420.1	295.6	42.1%
Revenue constant currency (in MEUR)			35.0%
Contribution margin (in MEUR)*	121.6	77.1	57.7%
Contribution margin (in % of Revenue)*	29.0%	26.1%	2.9 pp
AEBITDA (in MEUR)	(26.1)	(21.7)	(20.2%)
AEBITDA (in % of Revenue)	(6.2%)	(7.3%)	1.1 pp
<b>USA</b>			
Revenue (in MEUR)	239.6	179.5	33.6%
Revenue constant currency (in MEUR)			23.3%
Contribution margin (in MEUR)*	74.6	48.1	55.2%
Contribution margin (in % of Revenue)*	31.2%	26.8%	4.4 pp
AEBITDA (in MEUR)	(22.7)	(13.7)	(66.4%)
AEBITDA (in % of Revenue)	(9.5%)	(7.6%)	(1.9 pp)
<b>International</b>			
Revenue (in MEUR)	180.6	116.1	55.4%
Revenue constant currency (in MEUR)			53.1%
Contribution margin (in MEUR)*	47.8	29.5	62.0%
Contribution margin (in % of Revenue)*	26.5%	25.4%	1.1 pp
AEBITDA (in MEUR)	8.0	(1.1)	716.6%
AEBITDA (in % of Revenue)	4.4%	(1.0%)	5.4 pp
<b>Group Financial Position</b>			
Net working capital (in MEUR)	(122.2)	(87.2)	
Cash flow from operating activities (in MEUR)	4.4	6.6	
Cash and cash equivalents (in MEUR)	189.1	330.9	
*Net of share-based compensation expenses			

## HELLOFRESH DELIVERS A STRONG START TO THE YEAR WITH VERY HEALTHY GROWTH IN ACTIVE CUSTOMERS AND REVENUE ACROSS BOTH SEGMENTS:

- 32.2% active customers growth to 2.48m
- Q1 revenue of EUR 420.1m, a year-on-year revenue growth on a euro basis of 42.1% and 35.0% on a constant currency basis
- Both segments contributing strongly to this revenue growth, Intl. with a constant currency growth of 53.1% and US with 23.3%
- Especially the US segment saw a meaningful sequential increase in customers and revenue, growing by 28.4% and 22.6% from Q4 2018 to Q1 2019
- Sustained year-on-year margin expansion: contribution margin up by 2.9pp to 29.0% and AEBITDA margin up year-on-year by 1.1 pp to (6.2%);
- Intl segment delivered 4th consecutive quarter of positive AEBITDA margin with 4.4% in Q1 2019
- Cash flow from operating activities positive with MEUR 4.4. Liquidity position remains very solid with EUR189.1m cash on balance sheet and a revolving credit facility of which EUR 76.5m is undrawn and available.

## FINANCIAL PERFORMANCE OF THE GROUP

### Condensed consolidated income statement for the first quarter 2019 ended 31 March

<i>In MEUR*</i>	3 months ended 31-Mar-19	in % of Revenue	3 months ended 31-Mar-18	in % of Revenue	YoY growth
Revenue	420.1	100.0%	295.6	100.0%	42.1%
Cost of goods sold	(152.1)	(36.2%)	(116.1)	(39.3%)	(31.0%)
<b>Gross profit</b>	<b>268.0</b>	<b>63.8%</b>	<b>179.5</b>	<b>60.7%</b>	<b>49.3%</b>
Fulfilment expenses	(146.8)	(35.0%)	(102.7)	(34.8%)	(42.9%)
<b>Contribution margin</b>	<b>121.2</b>	<b>28.9%</b>	<b>76.8</b>	<b>26.0%</b>	<b>58.0%</b>
<b>Contribution margin (excl. SBC)</b>	<b>121.6</b>	<b>29.0%</b>	<b>77.1</b>	<b>26.1%</b>	<b>57.7%</b>
Marketing expenses	(132.0)	(31.4%)	(84.0)	(28.4%)	(57.2%)
General and administrative expenses	(29.6)	(7.0%)	(18.9)	(6.4%)	(57.4%)
Other operating income	1.8	0.4%	0.4	0.1%	346.8%
Other operating expenses	(1.7)	(0.4%)	(2.2)	(0.7%)	(20.9%)
<b>EBIT</b>	<b>(40.3)</b>	<b>(9.6%)</b>	<b>(27.9)</b>	<b>(9.4%)</b>	<b>(44.7%)</b>

\*Figures include share-based compensation expenses.

HelloFresh delivered very healthy growth in revenue in the first quarter 2019 with a 42.1% revenue growth on a euro basis and 35.0% on a constant currency basis. As a result, the Group revenue increased from MEUR 295.6 in the first quarter 2018 to MEUR 420.1. Revenue growth has been driven primarily by an increase in active customers of 32.2% up to 2.48m compared with 1.88m in the prior

year period. In addition, average quarterly order rate increased slightly from 3.5 to 3.6 and average order value in constant currency remained broadly stable.

Contribution margin, excluding share-based compensation expenses, improved further in the first quarter 2019 to 29.0% of revenue compared to 26.1% in the first quarter 2018. This margin expansion is primarily driven by efficiencies in our COGS planning and procurement operations, especially in our US segment.

Similar to the same period last year, HelloFresh capitalized on beneficial seasonal trends by acquiring a substantial amount of new customers in the first quarter of the year. Especially in our US segment, we realized a meaningful step-up in our customer number, not just year-on-year, but also sequentially: our US active customer number increased to 1.40 million from 1.21 million in Q1 2019 and 1.1 million in Q4 2018. Also, we successfully continue to ramp up our new US brand EveryPlate and Green Chef, both of which require higher marketing spend compared to the rest of the group, due to their more early stage nature. As a consequence, the Group marketing expenses in the first quarter 2019 of 31.4% represent a relatively higher share of revenue than expected for the full year.

General and administrative expenses increased year-on-year from MEUR (18.9) or 6.4% of revenue in the first quarter 2018 to MEUR (29.6) or 7.0% of revenue in the first quarter 2019. Excluding share-based compensation expenses, general and administrative expenses increased from MEUR (15.8) to MEUR (26.0) respectively. Within general and administrative expenses, the scaling of our Tech team and Tech infrastructure represent the fastest growing area year-on-year. Vs. the fourth quarter 2018, G&A expenses have remained broadly stable.

EBIT margin of (9.6)% remained broadly stable in Q1 2019 vs. (9.4)% in Q1 2018, as contribution margin expansion was offset by (i) relatively higher marketing expenses, partly driven by the ramp-up of the more recent businesses EveryPlate and Green Chef in the US and (ii) slightly higher relative G&A expenses, including higher share-based compensation expenses. Given first time application of IFRS16, depreciation and amortization expenses increased by MEUR 5.0 and rental expenses decreased by a similar amount.

AEBITDA, which excludes the impact of share-based compensation expenses, and special effects, saw an improvement as percentage of revenue from (7.3)% in Q1 2018 to (6.2)% in Q1 2019; in absolute terms AEBITDA decreased from MEUR (21.7) in Q1 2018 to MEUR (26.1) in Q1 2019.

## SEGMENT INFORMATION

The condensed segment results for the three months ended 31 March 2019 outline strong growth in both segments.

<i>In MEUR</i>	3 months ended 31-Mar-19	3 months ended 31-Mar-18	YoY
<b>Revenue</b>			
USA	239.6	179.5	33.6%
International	180.6	116.1	55.4%
Holding	26.1	10.7	142.6%
Consolidation	(26.2)	(10.7)	(142.7%)
<b>Total</b>	<b>420.1</b>	<b>295.6</b>	<b>42.1%</b>
<b>Contribution margin*</b>			
USA	74.6	48.1	55.2%
International	47.8	29.5	62.0%
Holding	24.4	9.5	156.3%
Consolidation	(25.2)	(10.0)	(150.9%)
<b>Total</b>	<b>121.6</b>	<b>77.1</b>	<b>57.7%</b>
<b>AEBITDA</b>			
USA	(22.7)	(13.7)	(66.4%)
International	8.0	(1.1)	716.6%
Holding	(11.4)	(6.9)	(67.6%)
<b>Total</b>	<b>(26.1)</b>	<b>(21.7)</b>	<b>(20.2%)</b>

\*excluding share-based compensation expenses

## US Segment

Revenue of our US Segment increased by 33.6% from MEUR 179.5 in the first quarter 2018 to MEUR 239.6 in the first quarter 2019. On a constant currency basis, this represents a 23.3% growth rate, mainly driven by growth in active customers of 15.9% from 1.21m in the first quarter 2018 to 1.40m in the first quarter 2019; also sequentially, vs. 1.09m in Q4 2018, active customers increased meaningfully by 28%; this sequential growth was broad based across all our three US brands (HelloFresh, Green Chef, EveryPlate). Average order rate per customer increased by 8.7% from 3.2 to 3.5 respectively and average order value (on a constant currency basis) slightly decreased by 2.5% primarily due to the headline price reduction in our HelloFresh brand in the US in Q4 2018, partly offset by further take-up of add on and premium offerings and shipping fees; in EUR average order value increased by 5.6%, due to a stronger USD compared to the same period last year.

Contribution margin of our US Segment, excluding share-based compensation expenses, increased in the first quarter 2019 as percentage of revenue to 31.2% from 26.8% in the first quarter 2018, primarily driven by efficiencies in our procurement planning and procurement operations.

AEBITDA for the US segment decreased from MEUR (13.7) in the first quarter 2018 to MEUR (22.7) in the first quarter 2019, resulting in AEBITDA margin of (9.5%) - 1.9pp worse than in the same period in 2018. The increase in contribution margin was more than offset by an increase in marketing expenses as percentage of revenue. These seasonally high marketing activities have successfully driven a meaningful sequential active customer growth across all three US brands described above and lay the foundation for solid growth of the US segment in 2019.

## International

Revenue of our International segment grew by 55.4% from MEUR 116.1 in the first quarter 2018 to MEUR 180.6 in the first quarter 2019 on a euro basis and by 53.1% on a constant currency basis. The expansion of our active customer base by 61.7% was the key driver of our growth, partially offset by a lower average order rates per customer from 4.0 in the first quarter 2018 to 3.7 in the first quarter 2019. The lower average order rate is partly due to the re-acceleration of customer growth in the first quarter, where a lot of new customers have been acquired during the quarter and therefore could not make use of the whole period to place their orders. Average order value increased by 4.1% on a constant currency basis, primarily driven by the successful roll out of upcharge offerings across our international markets and by some geographic revenue mix effects, and by 5.7% in EUR.

Contribution margin of our International segment, excluding share-based compensation expenses, increased in the first quarter 2019 by 62.0% to MEUR 47.8 from MEUR 29.5 in the first quarter 2018. On a relative basis, as a percentage of revenue, contribution margin expanded from 25.4% in the first quarter 2018 to 26.5% in the first quarter 2019.

AEBITDA improved from MEUR (1.1) in the first quarter 2018 to MEUR 8.0 in the first quarter 2019, resulting in AEBITDA margin improved by 5.4pp from (1.0%) to 4.4% respectively; this represents the fourth quarter in a row for our International segment delivering a positive AEBITDA. The positive result is primarily due to an expansion in contribution margin and a reduction of our relative marketing expense as percentage of revenue by c. 2.7% pp.

## Holding

AEBITDA decreased from MEUR (6.9) in the first quarter 2018 to MEUR (11.4) in the first quarter 2019, primarily due to meaningful continued investments and build-up of our Tech, data science and business intelligence teams and related infrastructure.

## Share Based Compensation Expenses

The group operates equity-settled 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. The Segment expense is summarized below:

<i>in MEUR</i>	<b>3 months ended 31-Mar-19</b>	3 months ended 31-Mar-18
<b>USA</b>	0.7	0.4
<b>International</b>	0.6	0.5
<b>Holding</b>	2.9	2.6
<b>Total</b>	4.2	3.5

## EBIT to AEBITDA

<i>In MEUR</i>	3 months ended 31-Mar-19	3 months ended 31-Mar-18	YoY
<b>EBIT</b>	(40.3)	(27.9)	(44.7%)
Depreciation and amortisation	10.0	2.5	
<b>EBITDA</b>	(30.3)	(25.4)	(19.6%)
Special items	-	0.2	
Share based compensation	4.2	3.5	
<b>AEBITDA</b>	(26.1)	(21.7)	(20.2%)
<b>AEBITDA margin</b>	(6.2%)	(7.3%)	

## CASH FLOW

<i>In MEUR</i>	3 months ended 31-Mar-19	3 months ended 31-Mar-18
Net cash flow from operating activities	4.4	6.6
Net cash flow from investing activities	(4.8)	(14.1)
Net cash flow from financing activities	(5.7)	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>193.9</b>	<b>339.9</b>
Effects of exchange rate changes and other changes on cash and cash equivalents	1.3	(1.5)
<b>Cash and cash equivalents at the end of the period</b>	<b>189.1</b>	<b>330.9</b>

Cash flow from operating activities in the first quarter 2019 of MEUR 4.4 was slightly lower than MEUR 6.6 in the first quarter 2018 and significantly better compared to MEUR (26.3) in the last quarter of 2018. This development comprises a net loss for the quarter of MEUR (46.2), partly offset by non-cash expenses, such as depreciation and amortization, non-cash equity compensation related expenses, beneficial cash inflow of MEUR 34.3 from movements in net-working capital as well as by the first-time application of IFRS 16 lease accounting and the associated classification of part of the lease expenses as repayment of rental and lease payments in cash flow from financing activities.

Cash flow from investing activities represents a cash outflow of MEUR (4.8) in the first quarter 2019 including a cash inflow of MEUR 2.5 for the sale of equipment relating to certain US trials in the prepared meal space, which were wound down during Q1 2019, this compares to MEUR (14.1) in the first quarter 2018, which included a MEUR 10.9 payment for the acquisition of Green Chef Corporation.

The negative cash outflow from financing activities is primarily driven by rental and lease repayments (in accordance with IFRS 16) amounting to MEUR 5.5 in the first quarter 2019.

All together HelloFresh maintained a solid cash level of MEUR 189.1 and a revolving credit facility of which MEUR 76.5 is undrawn and available at the end of the first quarter of 2019.



## OUTLOOK

There are no changes compared to the guidance provided for 2019 in the 2018 annual report.

HelloFresh confirms its full year guidance of revenue growth of 25% to 30% on a constant currency basis, a contribution margin of more than 27.0% and an AEBITDA margin of negative (2)% to positive 1%.

## EVENTS AFTER THE REPORTING PERIOD

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

Berlin, 06 May 2019

**Dominik Richter**  
Chief Executive Officer

**Thomas Griesel**  
Chief Operating Officer  
and Chief Executive  
Officer International

**Christian Gaertner**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	31 Mar 2019	31 Dec 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	149.8	62.4
Intangible assets	12.7	12.3
Goodwill	48.3	46.9
Other financial assets	22.3	19.5
Other non-financial assets	1.0	0.9
Deferred income tax assets	1.6	1.7
<b>Total non-current assets</b>	<b>235.7</b>	<b>143.7</b>
<b>Current assets</b>		
Inventories	30.2	22.5
Trade receivables	14.2	8.6
Other financial assets	6.6	5.3
Other non-financial assets	22.0	22.1
Cash and cash equivalents	189.1	193.9
<b>Total current assets</b>	<b>262.1</b>	<b>252.4</b>
<b>Total assets</b>	<b>497.8</b>	<b>396.1</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In MEUR</i>	31 Mar 2019	31 Dec 2018
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	164.6	164.4
Treasury shares	(7.8)	(7.9)
Capital reserves	448.1	448.4
Other reserves	57.8	53.6
Accumulated losses	(462.4)	(411.6)
Other comprehensive income/loss	0.4	(9.7)
<b>Equity attributable to the Company's shareholders</b>	<b>200.7</b>	<b>237.2</b>
Non-controlling interests	(0.6)	(0.5)
<b>Total equity</b>	<b>200.1</b>	<b>236.7</b>
<b>Non-current liabilities</b>		
Other financial liabilities	85.0	0.0
Deferred income tax liability	1.5	1.5
Long-term debt	0.4	0.5
Provisions	0.8	0.8
Other non-financial liabilities	0.7	11.7
<b>Total non-current liabilities</b>	<b>88.4</b>	<b>14.5</b>
<b>Current liabilities</b>		
Trade payables	142.7	105.2
Other financial liabilities	15.8	1.0
Provisions	2.9	2.7
Income tax liabilities	1.8	0.1
Other non-financial liabilities	46.1	35.9
<b>Total current liabilities</b>	<b>209.3</b>	<b>144.9</b>
<b>Total equity and liabilities</b>	<b>497.8</b>	<b>396.1</b>

## CONSOLIDATED INCOME STATEMENT

<i>In MEUR</i>	31 Mar 2019	31 Mar 2018
Revenue	420.1	295.6
Cost of goods sold	(152.1)	(116.1)
<b>Gross profit</b>	<b>268.0</b>	<b>179.5</b>
Fulfilment expenses	(146.8)	(102.7)
Marketing expenses	(132.0)	(84.0)
General and administrative expenses	(29.6)	(18.9)
Other operating income	1.8	0.4
Other operating expenses	(1.7)	(2.2)
<b>Operating loss</b>	<b>(40.3)</b>	<b>(27.9)</b>
Finance income	3.1	0.4
Finance expense	(7.6)	(1.5)
<b>Loss before income tax benefit (expense)</b>	<b>(44.8)</b>	<b>(29.0)</b>
Income tax benefit (expense)	(1.4)	(0.8)
<b>Loss for the period</b>	<b>(46.2)</b>	<b>(29.8)</b>
thereof attributable to:		
Owners of the Company	(46.1)	(29.8)
Non-controlling interests	(0.1)	-
<b>Other comprehensive (loss) / income:</b>		
<b>Items that may be subsequently reclassified to profit and loss</b>		
Exchange differences on translation to presentation currency	(4.7)	3.9
Exchange differences on net investments in foreign operations	14.8	(4.2)
<b>Other comprehensive (loss) income for the period</b>	<b>10.1</b>	<b>(0.3)</b>
<b>Total comprehensive loss for the period</b>	<b>(36.1)</b>	<b>(30.1)</b>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	(36.0)	(30.1)
Non-controlling interests	(0.1)	-

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In MEUR</i>	31 Mar 2019	31 Mar 2018
<b>Cash flow from operating activities</b>		
Loss for the period	(46.2)	(29.8)
Adjustments for:		
Finance income	(3.2)	(0.4)
Finance expense	7.6	1.6
Income tax (benefit)	1.4	0.8
Depreciation of property, plant and equipment	3.3	1.8
Depreciation of right-of-use assets	5.0	-
Amortization of intangible assets	0.8	0.7
Loss on disposal of fixed assets	0.9	-
Share-based payment expense (equity-settled)	4.3	3.5
Other non-cash transactions	(0.1)	(1.1)
Increase / (decrease) in provisions	0.2	0.4
Changes in working capital related to operating activities		
(Increase) / decrease in trade receivables	(4.9)	0.4
(Increase) / decrease in inventories	(7.1)	(2.0)
Increase / (decrease) in trade and other payables	33.8	22.3
Increase / (decrease) in deferred Revenue	10.4	4.7
Net change in VAT receivables/payables and similar taxes	2.1	0.8
(Increase) / decrease in other financial assets	(1.5)	1.9
(Increase) / decrease in other non-financial assets	(1.0)	(0.2)
Increase / (decrease) in other financial liabilities	(0.6)	1.6
Increase / (decrease) in other non-financial liabilities	(0.7)	-
Interest received	0.1	
Interest paid	(0.2)	(0.4)
<b>Net cash from operating activities</b>	<b>4.4</b>	<b>6.6</b>

<b>Cash flow used in investing activities</b>		
Acquisition of subsidiary, net of cash acquired	0.2	(10.9)
Purchase of property, plant and equipment	(3.9)	(2.5)
Software development expenditure	(1.0)	(0.7)
Purchase of intangible assets	(0.1)	-
Proceeds from disposal of PPE & intangibles	2.5	-
Transfer of cash into restricted cash accounts and long-term deposits	(2.5)	-
<b>Net cash from investing activities</b>	<b>(4.8)</b>	<b>(14.1)</b>
<b>Cash flow from financing activities</b>		
Proceeds from the issuance of share capital	(0.2)	-
Redemption of leasing liabilities	(5.5)	-
<b>Net cash from financing activities</b>	<b>(5.7)</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>193.9</b>	<b>339.9</b>
Effects of exchange rate changes and other changes on cash and cash equivalents	1.3	(1.5)
<b>Cash and cash equivalents at the end of the period</b>	<b>189.1</b>	<b>330.9</b>

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