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# Marley Spoon (ASX.MMM) Market update July 29, 2020



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Marley Spoon changes the way people cook...

MARLEY SPOON

# MARLEY SPOON

is bringing delightful, market-fresh and easy cooking back to the people.



13.2 million meals in Q2 2020



>90% revenue from repeat customers



Active in 8 countries



FY guidance upgraded to at least 70% revenue growth in 2020, from ~30%



1st positive global operating EBITDA in Q2 2020



>26,000 recipes developed

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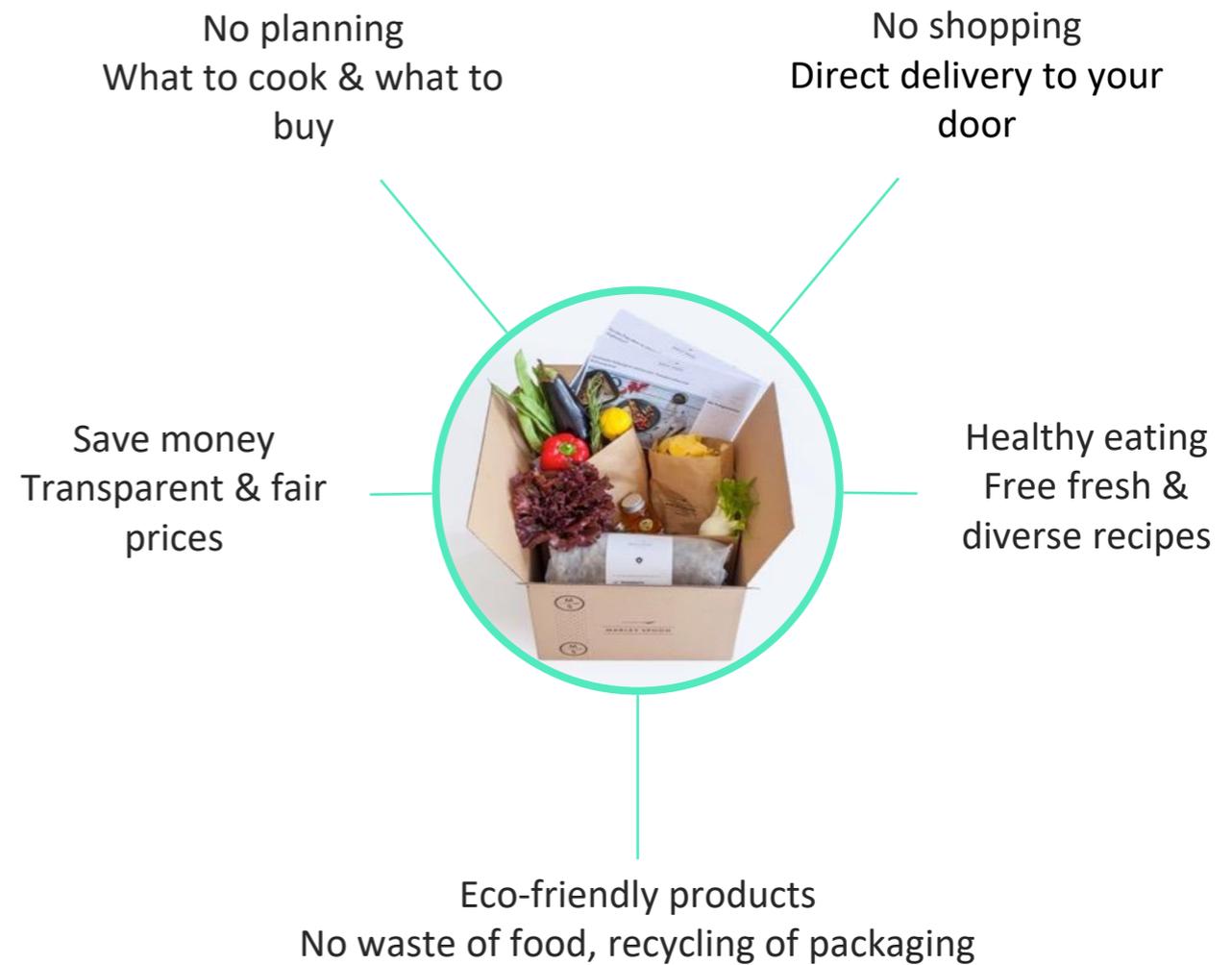


Vertically integrated, direct-to-consumer brand solving an everyday problem for you:

“What are we going to cook tonight?”

We offer an unrivaled value proposition to our customers

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# Marley Spoon is a Source-to-order Supply Chain

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Customer acquisition  
Strong number of referrals and marketing strategy



Customer data insight  
Enabling customer-centric menu creations



Preference for direct sourcing  
Ingredients from producers with others from trusted suppliers



Efficient in-house "source-to-order" manufacturing  
Focused on excellence using standardised processes



Outsourced logistics  
For fast 'long haul' and 'last mile' delivery to customers



Happy customers  
From quality meal kits and care supporting customer retention

Data driven marketing and product development

Simple supply chain ... in-house manufacturing ... outsourced logistics

Customer satisfaction

Flexibility, choice and variety

2-6

portions per recipe

7

Average portions per order

2-5

meals per week

16-32

recipes per week

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US Market Size  
2019

Supermarkets

Perishable food sales amount to approximately US\$216.69bn<sup>1</sup>

Meal kits

Weeknight cooking

Weekend / holidays

Takeout/  
delivery

US\$26.5m<sup>2</sup>

**Marley Spoon is serving the market for weeknight cooking**

<sup>1</sup> Statista, "Supermarket sales share of perishable food in the United States in 2018", 2019.

<sup>2</sup> Statista, "Food delivery industry", 2019.

### COVID-19 accelerates adoption of online grocery shopping

- COVID-19 pandemic contributed strong growth of Marley Spoon's global business
- Retention of new customers remained strong, customer acquisition costs significantly reduced
- Q2 2020 revenue at €73.3m, +129% versus the prior corresponding period (PCP)
- Global Contribution Margin (CM) in Q2 at record 30.5%, up 6 pts year over year (YOY)
- Positive Operating EBTIDA of €4.5m
- 2020 full year guidance upgraded – at least 70% revenue growth expected in 2020 (from 30%)

80%+ growth in all segments

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Net revenue (€ millions)

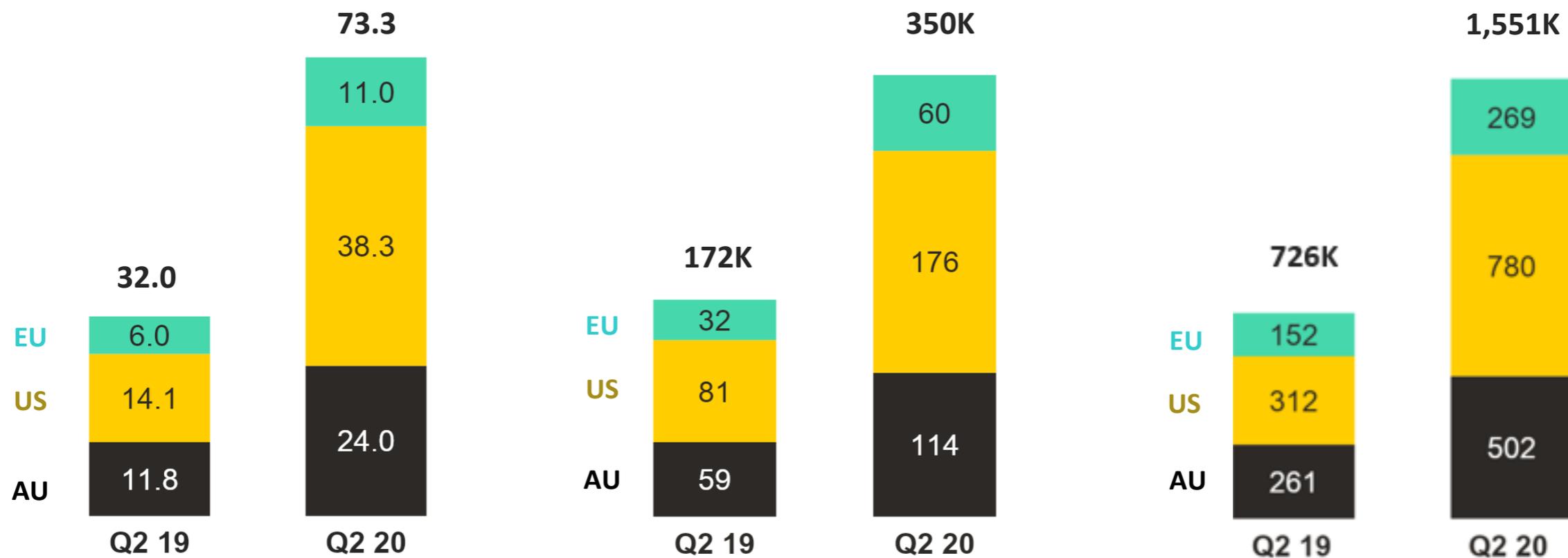
Active customers

Total orders

+129%

+104%

114%



Very strong performance across all topline metrics in Q2 2020

Numbers preliminary & unaudited

# Q2 2020 regional performance



Australia

REVENUE €24m ↑ 103%

CONTRIBUTION MARGIN 37% ↑ 4pts

## Key developments

- Operating EBITDA 15% of revenue
- CM increased 4 pts vs Q2-19 despite supply chain challenges due to COVID-19 pandemic
- Signed pre-lease for a 14,200sqm purpose-built facility in Sydney



United States

REVENUE €38m ↑ 171%

CONTRIBUTION MARGIN 28% ↑ 8 pts

## Key developments

- Strongest growing region
- Positive operating EBITDA for the first time in Q2
- Doubled manufacturing capacity in Q2 ... exited the quarter with spare capacity (same as the AU and EU)



Europe

REVENUE €11m ↑ 83%

CONTRIBUTION MARGIN 25% ↑ 10 pts

## Key developments

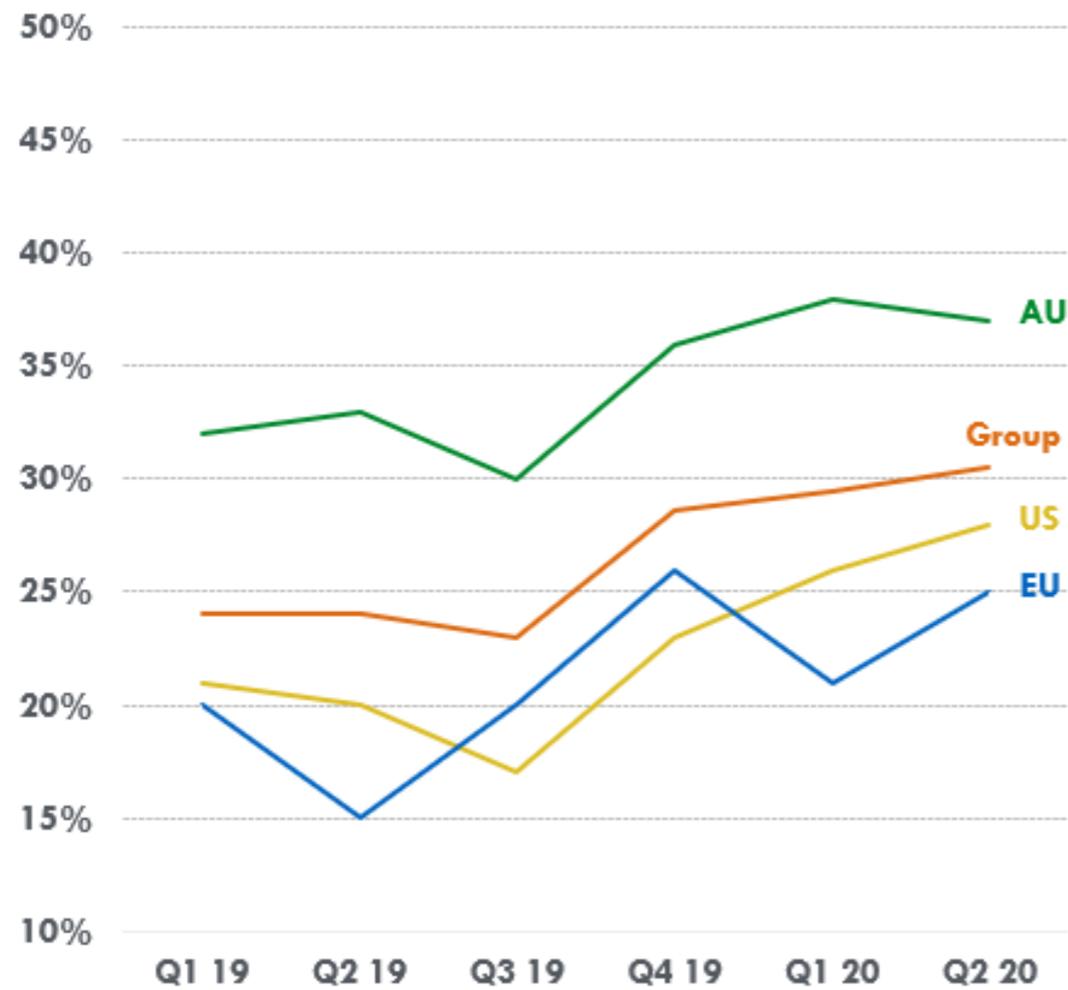
- Reignited growth ... sequential growth over the last three quarters: 20%, 19%, and now 44% respectively
- Dinnerly brand launched in Germany
- Strongest CM improvement vs Q1 among the three regions (+4 pts)

Numbers preliminary & unaudited

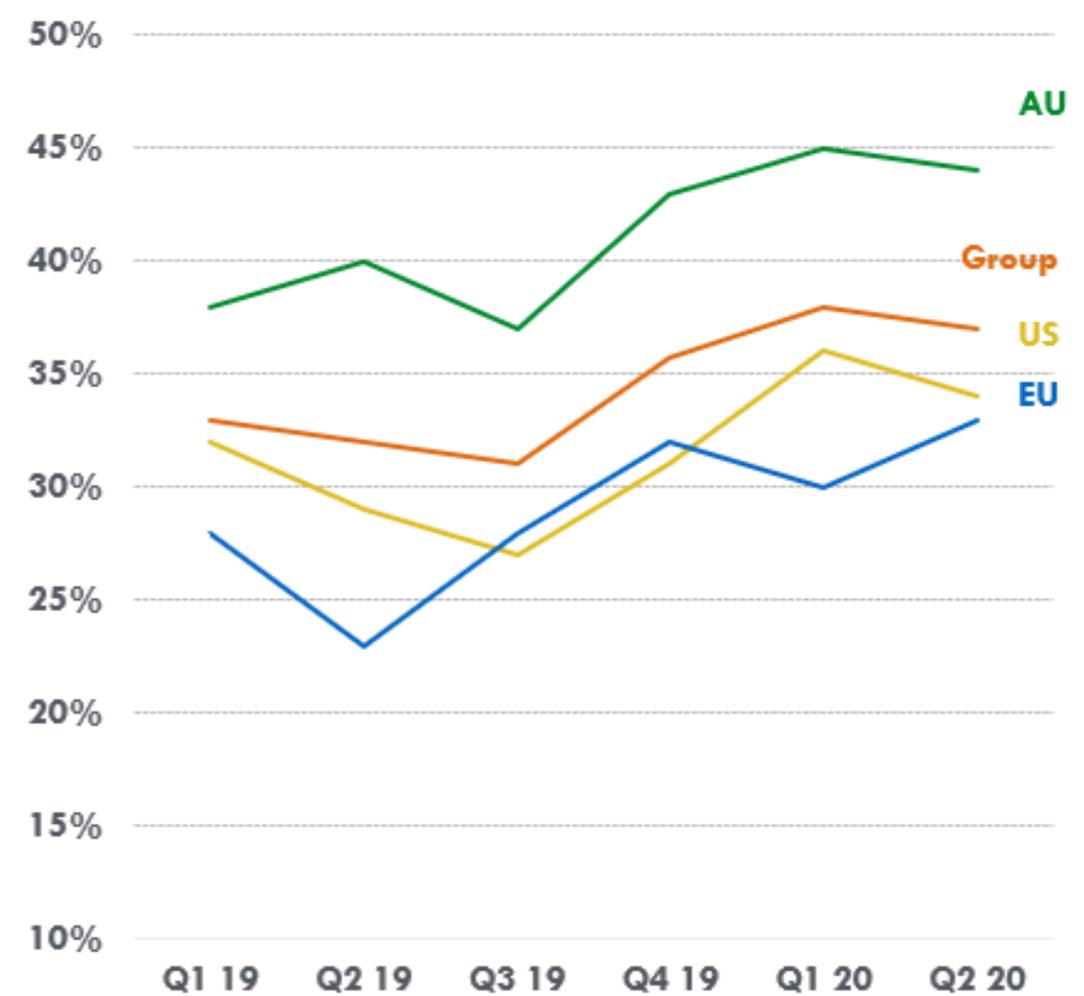
# Contribution Margin continues to trend up

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### Contribution Margin (CM)



### Operating CM<sup>1</sup>



**On group level, CM reached a record of 30.5% and Operating CM ended at 37% in Q2, close to the Q1 all-time high**

*Numbers preliminary & unaudited*

<sup>1</sup> Operating CM = CM excluding the impacts of marketing vouchers and fixed costs such as manufacturing centre rent

in € millions	Q2 2020	Q1 2020
Operating EBITDA	4.5	(6.4)
Change in working capital	3.5	7.2
Interest & taxes paid, other	(0.3)	(0.3)
<b>Net cash flows from operating activities</b>	<b>7.6</b>	<b>0.5</b>
<b>Net cash flows from investing activities</b>	<b>(2.7)</b>	<b>(1.3)</b>
Net change in equity	9.2	-
Proceeds from convertible notes	-	2.3
Net change in borrowings	(0.3)	0.2
IFRS 16 lease payments	(1.2)	(1.1)
<b>Net cash flows from financing activities</b>	<b>7.7</b>	<b>1.4</b>
Net increase in cash & cash equivalents	12.5	0.4
<b>Cash and cash equivalents</b>	<b>18.4</b>	<b>5.9</b>

**2nd consecutive quarter with positive operating cash flow ...  
cash balance up €12 million vs Q1**

*Numbers preliminary & unaudited*

- Given the acceleration in online adoption, Marley Spoon is expecting stronger **revenue growth** than its previously guided ~30% year-on-year growth and is therefore upgrading its guidance to at least 70% year-on-year revenue growth for CY2020.
- **Contribution Margin** has already exceeded the previously guided level for the year with 29.5% in Q1 and 30.5% in Q2. At this point, the Company is not updating its CM guidance given the continued high uncertainty with regards to the global COVID-19 pandemic.

- ✓ Strong Q2 2020 topline growth ... guidance exceeded
  - Increased +129% YOY to EUR 73.3m, accelerating growth during the COVID19 pandemic
  - Growth led by US with >170% compared to PCP ... AU & EU also with over 80% growth vs PCP
- ✓ Continuous operational improvements ... platform to support significant scale
  - Contribution margin up 6 pts to record 30.5%
  - Marketing expenses represented 13% of revenue in Q2 2020, compared to 18% in PCP
- ✓ Posted first positive operating EBITDA on group level
  - €4.5 million for Q2 2020 compared to a loss of €5.1 million in PCP
  - AU remains operating EBITDA positive since Q2 2019
- ✓ Meal-kits are an early industry in a vast market ... multi-year growth runway
  - Groceries remains one of the largest untapped opportunities as consumer purchasing shifts to online
  - Marley Spoon is well positioned to capture future growth with its brands and geographic reach
  - Continue to focus on innovation through technology investments in manufacturing, software as well as data & personalisation platforms

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