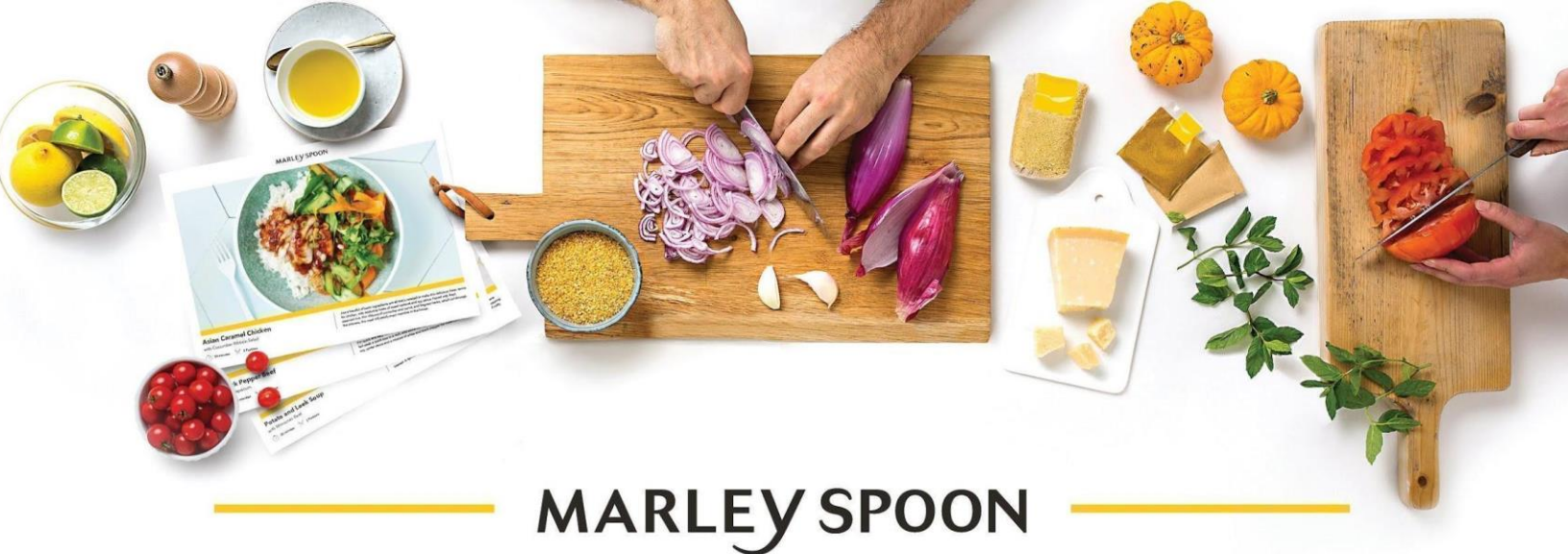




MARLEY SPOON GROUP REPORTS ANOTHER POSITIVE OPERATING EBITDA QUARTER IN Q3 2024; DELIVERS 8.3% NET REVENUE GROWTH YOY

Luxembourg, 4 November 2024: Marley Spoon Group SE (“Marley Spoon” or the “Company”), a leading global subscription-based meal kit provider, reported its results for the quarter ending 30 September 2024 (“Q3 2024”).

Highlights:

- Net revenue of €84.0m, up 8.3% year-over-year (YoY);
- Strong margin expansion to 34.5%, up 3.1 percentage points YoY;
- Operating EBITDA of €2.0m, up €3.7m YoY;
- Operating Cash Flow of €(1.1)m in Q3 2024 and quarter-end cash balance of €9.5m;
- The Company reaffirms full year 2024 net revenue and Operating EBITDA guidance, upgrades FY 2024 contribution margin guidance.

Marley Spoon’s CEO Daniel Raab, commented: *“We have delivered another quarter of accelerated year-over-year net revenue growth, with the positive topline development being driven by an increase in order average value, the addition of Bistro to our portfolio and our marketing investment strategy that continues to prioritize quality over quantity. We remain encouraged by increased engagement by our base customers, demonstrated by an increase in year-over-year order frequency.”*

Operationally, we also saw another quarter of contribution margin improvement vs. the previous year such that we have upgraded our guidance on this KPI. The margin improvement, combined with continued cost discipline, has led to our fourth consecutive positive Operating EBITDA quarter. I would like to thank everyone at Marley Spoon for their continued focus and dedication in delivering consistently against our plans.”

Q3 2024 Business Update

Marley Spoon's Q3 2024 net revenue landed at €84.0, 8.3% growth year-over-year, an improvement over Q2 2024's net revenue growth of 0.9%. Average order value was up 13% vs. Q3 2023 driven in part by the Company's Market offering, premium recipes and an increase of family portions in the plan size mix. The acquisition of bistroMD in February 2024 also contributed to the net revenue performance. Order frequency increased 11% as customer quality continued to positively evolve, owing to the Company's previously announced adjustments to its investment strategy that reduced reliance on deep discounting to drive customer acquisitions.

Contribution margin (CM) expanded once again in Q3 2024, improving 310 basis points (bps) vs. Q3 2023. The Company's lower level of marketing discounts given was a large contributor, as was the average order value increase. Operating Contribution Margin (Operating CM), defined as CM excluding the impacts of marketing vouchers and fixed costs such as expenses relating to site leases, contracted just 40 bps to 40.0% in Q3 2024. In the US, the Company started to see the benefits of lower food and packaging costs from FreshRealm, though this was offset by higher picking costs in the US due to fulfillment changes (fulfillment center rationalization) and Australia (temporary staffing inefficiencies). In Europe, Operating CM improved 160 bps YoY driven by improved waste management and logistics utilization.

Marketing spend increased modestly by 3.4% YoY with efficient steering of seasonal investments focused on back-to-school campaigns, while marketing voucher costs were down nearly 30% in the quarter. Marley Spoon continues to see improved order frequency (+11% YoY) from its base customers, an outcome of the continued focus on cohort quality.

G&A decreased 2.3% in Q3 2024 YoY, despite consolidating Bistro's fixed costs, as a result of the Company's financial discipline and the continued benefits of last year's cost reduction programs. Excluding the addition of Bistro, G&A is down 15.0% YoY, or approximately €2.5m.

Overall, the margin improvement and G&A savings offset the increased marketing investments to deliver positive Operating EBITDA in the quarter of €2.0m, an improvement of €3.7m vs. Q3 2023.

MARLEY SPOON GROUP SE CONSOLIDATED INCOME STATEMENT (UNAUDITED)

€ in millions	Q3 2024	Q3 2023	% vs. PY	YTD 2024	YTD 2023	% vs. PY
Revenue	84.0	77.6	8%	251.4	255.0	(1)%
Cost of goods sold	43.2	41.5	4%	128.8	135.3	(5)%
% of revenue	51.4%	53.5%	(2)pp	51.2%	53.0%	(2)pp
Gross Profit	40.8	36.1	13%	122.7	119.7	2%
% of revenue	48.6%	46.5%	2pp	48.8%	47.0%	2pp
Fulfillment expenses	11.9	11.8	1%	36.0	39.7	(9)%
% of revenue	14.2%	15.2%	(1)pp	14.3%	15.6%	(1)pp
Contribution margin (CM)	28.9	24.3	19%	86.7	80.1	8%
% of revenue	34.5%	31.4%	3pp	34.5%	31.4%	3pp
Operating CM %	40.0%	40.3%	<(1)pp	40.4%	42.1%	(2)pp
Marketing expenses	14.1	13.6	3%	42.5	46.6	(9)%
% of revenue	16.8%	17.5%	(1)pp	16.9%	18.3%	(1)pp
G&A expenses	16.5	16.8	(2)%	56.1	57.2	(2)%
% of revenue	19.6%	21.7%	(2)pp	22.3%	22.4%	-
EBIT	(1.6)	(6.1)	€4.5	(3.6)	(23.7)	€20.1
Operating EBITDA*	2.0	(1.7)	€3.7	3.9	(5.6)	€9.6
% of revenue	2.4%	(2.2)%	5pp	1.6%	(2.2)%	4pp

*Figures exclude:

2023: (i) severance payments/restructuring costs in the amount of €(0.1)m in Q3 and €5.0m YTD; (ii) one-time sales tax charge in the US in the amount of €0.2m in Q3 and €0.6m YTD

2024: (i) severance payments/restructuring costs in the amount of €0.3m in Q3 and €1.3m YTD; (ii) M&A transaction fees of €(0.3)m in Q3 and €3.1m YTD

For a more detailed review of Marley Spoon's operating segments, please refer to the Company's Q3 2024 investor presentation.

KEY OPERATING METRICS*

In Q3 2024 Active Subscribers declined (14)% compared to the prior year to 181k though this was expected in light of the Company's change at the end of Q3 2023 to its previous discount-heavy acquisition strategy. In addition, the summer season traditionally results in lower consumer engagement for new acquisitions, though Marley Spoon did observe increased engagement from its existing customer base, highlighting improvements in quality acquisition and reactivations since the implementation of the new marketing strategy. This resulted in improved YoY order frequency, with orders per subscriber up 11% vs. Q3 2023.

Also improving vs. Q3 2023 were average order value, which increased 13%, and meals per order, which were up nearly 2% YoY, suggesting customers are adding more to their boxes.

Operating KPIs*

	Q3 2024	Q3 2023	% vs. PY	Sept YTD 2024	Sept YTD 2023	% vs. PY
Group						
Active customers ¹ (k)	245	307	(20)%	382	541	(30)%
Active subscribers ² (k)	181	210	(14)%	194	243	(20)%
Number of orders (k)	1,254	1,309	(4)%	3,801	4,373	(13)%
Orders per customer	5.1	4.3	20%	10.0	8.1	23%
Orders per subscriber	6.9	6.2	11%	19.6	18.0	8%
Meals (m)	11.6	11.9	(2)%	34.9	39.9	(13)%
Average order value (€, net)	67.0	59.2	13%	66.1	58.3	13%
Average order value (€ constant currency, net)	67.1	59.2	13%	66.6	58.3	14%
Australia						
Active customers ¹ (k)	110	135	(19)%	157	227	(30)%
Active subscribers ² (k)	66	80	(18)%	69	89	(22)%
Number of orders (k)	565	618	(9)%	1,633	1,967	(17)%
Meals (m)	5.6	6.0	(8)%	16.0	19.3	(17)%
USA						
Active customers ¹ (k)	105	131	(20)%	178	232	(23)%
Active subscribers ² (k)	88	94	(7)%	95	108	(12)%
Number of orders (k)	556	545	2%	1,743	1,840	(5)%
Meals (m)	5.0	4.7	6%	15.6	16.2	(4)%
Europe						
Active customers ¹ (k)	31	41	(25)%	46	83	(45)%
Active subscribers ² (k)	28	36	(23)%	30	46	(35)%
Number of orders (k)	133	146	(9)%	424	566	(25)%
Meals (m)	1.1	1.2	(9)%	3.4	4.5	(25)%

*All metrics include the full Marley Spoon portfolio (Marley Spoon and Dinnerly meal kits, Chefgood, Bistro, Market and Bezzie), except Meals, which exclude Bezzie

¹Active Customers are customers who have made a purchase at least once over the past 3 months.

²Active Subscribers are customers who have ordered or skipped a Marley Spoon or Dinnerly meal kit, on an average weekly basis, during the quarter.

CASH FLOW

The Q3 2024 ending cash balance for the combined Marley Spoon Group (including bistroMD) and Marley Spoon SE was €9.5m. Cash from operations in Q3 2024 was €(1.1)m, with improvements in inventory offset by lower AP balances, mostly driven by certain one-off transaction fees settled in the beginning of the quarter.

Cash from investing activities amounted to €(2.3)m, with €(1.7)m of the total driven by investment in the Company's digital platforms. The remaining investment comes from €(0.2)m in expenditure against property, plant and equipment in the Company's Chefgood production facility and €(0.3)m toward the final earn-out payment for the 2022 acquisition of Chefgood.

Finally, cash from financing activities was €(3.8)m comprised almost equally of payments toward the Company's leases and loan obligations, offset partially by a drawdown of €0.5m against Bistro's revolver loan facility.

RECONFIRMING 2024 GUIDANCE

Marley Spoon CFO, Jennifer Bernstein, commented, “Q3 2024 was another quarter of consistent delivery of our plans. Revenue KPIs are stabilizing, margin has expanded and our cost savings initiatives are bearing fruit with lower YoY G&A. As a result, for the fourth consecutive quarter we delivered positive Operating EBITDA.”

2024 Guidance:

- Narrowing net revenue growth vs. FY 2023 to flat-to-low single digit growth in constant currency;
- Upgrading Contribution Margin to expand 280-310 basis points vs. the prior year;
- Re-affirming full-year positive Operating EBITDA, with an expected landing in the mid-single digits.

Conference Call

Management will present a business update to investors on a conference call at 10:00 am CET on 4 November 2024, the details of which have been released separately.

To pre-register for the call, please follow this link:

<https://montegaconnect.de/event/mutv0ew5h2lgif04vu10yn2e6e8h34y4>

About Marley Spoon

Marley Spoon Group SE, is a global direct-to-consumer (DTC) meal-kit company. Our Vision is to “Build a better everyday, just for you, just right”. We started Marley Spoon in 2014 to help our customers to cook for their families and deal with their busy lives. We also felt there should be a more sustainable way to cook at home, reducing food waste that traditional supermarket supply chains generate. Marley Spoon currently operates various brands in three regions: Australia, the United States, and Europe (Austria, Belgium, Germany, and the Netherlands). Our meal-kit brands, Marley Spoon, Martha Stewart & Marley Spoon, and Dinnerly, bring pre-portioned fresh ingredients with tasty and simple recipes and other eating solutions reliably to our customers every week. Our customers just decide what to eat, when to eat, and leave behind the hassle of grocery shopping. Chefgood and bistroMD are our direct-to-consumer ready-to-heat (RTH) services that offer tasty, high-quality, healthy, and nutritious RTH meals and eating solutions for our wellness and health-focused customers.

Disclaimer

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