



MARLEY SPOON

Investor Newsletter - June 2019



Message from the CEO

At Marley Spoon we challenge ourselves every day to make cooking easier and better for our customers. We are proud that a growing number of households and families worldwide trust our brands in helping them with weeknight cooking.

We announced last week that Woolworths Group, operator of Australia's largest supermarket network, has entered into a five year strategic partnership with Marley Spoon, which includes a \$30.05 million funding deal – consisting of debt and equity. This is a great validation of our business, and reinforces our view that home-delivered meal kits presents a major, mass-market opportunity.

Since the start of the year we have been working behind the scenes towards expanding and improving our infrastructure, which especially in the US yielded measurable success already in Q1. These infrastructure improvements are ongoing.

At the same time we prepared service enhancements for our customers and were able to extend our Dinnerly menu in Australia from 8 to 14 weekly changing options this month.

Going forward our focus continues to be on improving our infrastructure and operational efficiency, while at the same time continuously enhancing our value proposition to our customers, making their lives a little easier and a little richer.

Thank you for your continued trust and support in bringing delightful, market-fresh and easy cooking back to the people.

Fabian Siegel

Marley Spoon and Woolworths establish partnership - as grocery spending shifts online

As the shift to online shopping in groceries continues, home-delivered meal kits will play an increasingly large role in

helping consumers create healthy weeknight meals and save time.

Personalized meal kits are hard to manufacture and not the type of business that a supermarket would build from the ground-up. Marley Spoon has demonstrated it has the infrastructure, innovative culture and highest quality standards to manufacture and deliver on the weekly personalized needs of its customers.

At the same time, supermarkets have extensive experience on procuring fresh ingredients, building strong relationships with farmers and other food producers, and operating reliable and efficient logistics networks.

Those complementary strengths are one reason why Marley Spoon and Woolworths, Australia's largest supermarket network, decided to enter into a strategic partnership.

The partnership will give Woolworths exposure to the high-growth ready-to-cook meal kits segment, whilst providing Marley Spoon with the funding and opportunity to explore synergies as well as additional growth potential by tapping into Woolworths vast existing customer base.

The five-year strategic partnership will focus on growing the Marley Spoon and Dinnerly brands in Australia, and includes a AU\$30.05 million investment in structured debt and equity funding by Woolworths.

For all terms and information on the partnership, read the full ASX [announcement](#).

Manufacturing and Infrastructure

Q1 was a quarter where the Marley Spoon team was successfully delivering important improvements to the Marley Spoon infrastructure across all regions.

United States:

While Q1 growth was exceptional, with 107 y-o-y in the United States, Marley Spoon delivered a strong improvement in contribution margin over the Q1 period. Contribution margin for Q1 2019 increased 9 pts to 21% (versus 12% in CY2018).

This was achieved as a result of productivity gains in the company's US East Coast manufacturing centre, the successful transition into Marley Spoon's new, much larger manufacturing centre in Texas (US) during Q1 as well as continued scale benefits in purchasing.

Europe:

In order to further increase margins and manage cost, Marley Spoon consolidated its manufacturing centres in Europe, closing down the German site and transferring that volume to its Netherlands facility. Additionally, Marley Spoon set up a new global shared service facility in Portugal, to centralise its global customer communication and sales team. In addition to getting access to a different employee talent pool, this new site will also allow Marley Spoon to reduce cost.

Australia:

In order to support future growth, Marley Spoon extended its manufacturing footprint in its Sydney facility. The buildout is ongoing and will provide additional space to support the rollout of the company's new proprietary manufacturing technology to be installed later this year.

Marketing Update

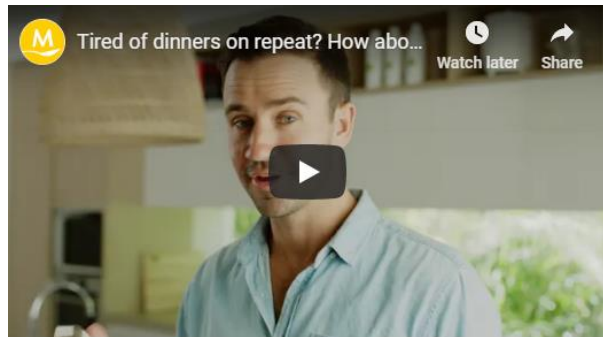
Marley Spoon helps Aussies find dinner inspiration

To bring in the new year, Marley Spoon released a new TV commercial to help families find fresh inspiration for dinner.

Recognising that most Australian dinner menus have become predictable, the company showcased its increased menu choice of 20 dishes every week via the new campaign. Focusing on Marley Spoon's delivered meal kits that come with pre-portioned ingredients and simple recipe cards, the innovative commercial is making dinner "Easily Delicious". The creative ad highlights how a box of Marley Spoon can shake up home cooking by poking fun at the old Australian dinner standby: Spag Bol.

Dave Malcolm, Marley Spoon Australia Marketing MD and co-founder, said "We wanted to create something that makes audiences think about the variety of their own home cooking.

"Marley Spoon isn't just a food delivery service; we offer the best and most convenient service to spice up your home cooking. And with 20 meals on our menu for customers to choose from we can offer more choice for everyday convenient home cooking than anyone else."



Marley Spoon launches new out of home campaign

Continuing its successful start to 2019, Marley Spoon launched a new national, out of home campaign. The eye-catching campaign was on display across buses, billboards, train stations and bus stops from mid-January.

Utilising images of dishes from Marley Spoon's extensive offering, the delivery service is helping Australians easily find new meals to cook for dinner. Some of the Marley Spoon meals on display include Sticky Ginger Beef with Stir-fried Vegetables, and Rosemary and Balsamic Chicken.

Dave Malcolm said: "Last year our team of chefs and recipe writers created 427 new recipes, and in November we expanded our weekly offering to 20 unique recipes a week. This campaign is a celebration of their tireless efforts to make home cooking more convenient and delicious.

"We're getting ready for 2019 to be our biggest year yet in Australia, with more recipes and more delicious home cooked meals."

Globe-trotting with Marley Spoon

During March, CEO Fabian Siegel and CFO Julian Lange travelled down-under to meet with existing and potential institutional and retail investors.

Fabian and Julian spoke with investors in Sydney and Melbourne about the company's 2018 full year financial results and plans for the future.

View the full roadshow presentation [here](#)

Investor Social Channels

During Q1, Marley Spoon announced the launch of two dedicated social media channels for investors to stay in touch.

Follow our new investor relations accounts of LinkedIn and Twitter to keep up to date with news updates, media coverage, event/conference appearances, and relevant meal-kit and grocery industry news.

Follow Marley Spoon AG (ASX: MMM) Investors on [LinkedIn](#)

Follow @MarleySpoon_IR on [Twitter](#)

Marley Spoon Investor Email Alerts

Sign up to Marley Spoon Investor Email Alerts to stay up to date with all announcements, presentations, newsletters and media coverage.

Sign up [here](#)

Recent Media Coverage

Marley Spoon received media coverage from a range of publications during CY19Q1 – outlined below are a selection of stories:

THE AUSTRALIAN 

Woolies-Marley Spoon deliver a meal tie-up

In an Australian first, Woolworths has joined forces with Marley Spoon in a strategic partnership set to shake up the food service market. CEO Fabian Siegel spoke with Eli Greenblat at *The Australian* about why the company chose to partner with the supermarket giant.

Read the full announcement [here](#)


THE AGE

'Very exciting': Marley Spoon shares soar after Woolies buys in

After the company announced its strategic partnership with Woolworths Group, CEO Fabian Siegel spoke with Emma Koehn at *The Age* about what the exciting development means for the future of Marley Spoon.

Read the full article [here](#)

CommSec 

CommSec Executive Series

Marley Spoon CEO, Fabian Siegel spoke with Tom Piotrowski about the company's growth since listing on the ASX in July last year and the forecast to reach profitability in 2020.

Watch the full interview [here](#)

 **morgans**

Morgans Startup Series: Fabian Siegel, Founder of Marley Spoon

While in Australia, Fabian Siegel spoke with Morgans Adviser Chris Tittley for the *Morgans Startup Series*. They discussed the Marley Spoon business and why so many people are choosing meal kits to make weeknight cooking easy.

Listen to the podcast [here](#)



A Current Affair puts meal delivery kits to the test

Meal box delivery services continue to be a big hit with time poor consumers, with Australians choosing to have a week's worth of food delivered to their doorstep.

A Current Affair put home delivery meal kits to the test, with Marley Spoon scoring an A, and Dinnerly an A+ for variety, taste and quality.

Watch the full segment [here](#)

Q&A with Dave Malcolm

Marley Spoon Marketing MD and Co-founder

Q. Can you tell us about your background and experience prior to Marley Spoon?

My career has always been rooted in some form of marketing. After a few stints in small media agencies, I began working for Rockstar games as the Head of Marketing and PR. I was working with an international team and covering every facet of Marketing and PR with a focus on strategic, tactical marketing and business planning. In this role I oversaw all retail marketing for the launches of AAA blockbuster games for renowned franchises like Grand Theft Auto and Red Dead Redemption.



Following this I began working with a number of small start-ups that didn't really take off, however they provided a wealth of knowledge and experience, as well as giving me a chance to meet some interesting people who later went on to help establish Marley Spoon in Australia, including Fabian and Rolf.

Q. What does your day-to-day role with the company look like?

As the MD of Marketing, I oversee all of our efforts to attract new customers to Marley Spoon and keep our existing customers coming back. This extends to everything from setting strategies for new advertising campaigns to examining the customer's box experience. The biggest challenge of this is around ensuring that we can live up to our promises. It's easy to get carried away and make big audacious promises, so managing expectations while delivering the best possible product is my focus.

As one of the co-founders, I wear a lot of different hats, namely helping build our team and managing projects across departments. Luckily I have Rolf to help with these, but ensuring that all of our teams are moving towards the same goal together is paramount.

Q. What was the attraction to getting involved with a business in the meal kit sector?

There's not just one thing that made me want to get involved with Marley Spoon, which is also one of the major benefits of Marley Spoon: it doesn't just solve one problem.

One thing that stood was the opportunity to build something from the ground up. We were confident in what we were doing and knew the way we were doing things would lead to success, but it also have fallen apart before we really got started. We had the proof of concept from other countries but it's still exciting building teams, working with amazing people and going from 3 people to 300 people in 4 years. The excitement continues to grow especially towards our staff; 'how can we invest in and develop high performing teams?'

The remarkable aspect about Marley Spoon is that we are doing something with purpose. The whole premise of the business is about redefining the way people engage with food; it's all about building a sustainable supply chain for a waste-free world.

We only deal with things that are sustainable and scalable and we work with Australian farmers. We also work with purpose, trying to find something that hasn't potentially been done before or has been done and try to do it a lot better.

Q. In your opinion, how has the sector evolved?

When Marley Spoon first launched in Australia there were more than a few doubters; now we're at the point where the big supermarkets are following our lead. Finding solutions to everyday problems is the heart of what we do and that is something that speaks to almost every Australian.

As the meal-kit market has grown and the general public has gained a greater understanding of what meal-kits provide, they're also becoming more discerning of what they want. Everyone has different tastes, which is why we've made choice, customisation and flexibility a priority. Customers are the lifeblood of Marley Spoon, so giving them more of the meals they want to cook is a huge part of why new customers sign up and old customers keep coming back.

People are more comfortable than ever with the idea of food delivery. Almost everyone has used an instant delivery service like Uber Eats or Deliveroo, so the level of trust we have in technology, supply chain and quality working together seamlessly is at a tipping point. With those barriers breaking down, Marley Spoon meets peoples other desires to cook at home while removing the traditional pain points, like meal-planning and shopping.

As the market becomes more consolidated, awareness grows and meal-kits become a larger part of the everyday discussion, Marley Spoon is already well positioned to be the market leader.

FOR MORE INFORMATION CONTACT:

Company information

Fabian Siegel, Marley Spoon CEO
fabian@marleyspoon.com

Media and Investors queries

Kyahn Williamson
marleyspoon@we-buchan.com
+61 3 8866 1214 / +61 (0) 401 018 828

ABOUT MARLEY SPOON

Founded in 2014, Marley Spoon is a subscription-based weekly meal kit service that services customers in three primary regions: Australia, United States and Europe (servicing Austria, Belgium, Germany and the Netherlands). As of 31 March 2019, Marley Spoon had over 190,000 active customers across both the Marley Spoon and Dinnerly brands.