

# MARLEY SPOON

## Investor Newsletter - June 2022



### Message from the CEO

Dear Shareholders,

It's been a difficult year so far for many in the capital markets and certainly for Marley Spoon shareholders. While today our shares are down by 85% compared to a year ago, I'm confident our business is in a stronger position now than it's ever been.

In Q1 2022 we served more than 291,000 active subscribers (+15% YOY). On average they purchased 6.8 times in the quarter with a higher average order value, up 17% (YOY). Our net revenue grew 32% (YOY) to €103m. Despite cost pressures we held contribution margins stable. Overall, we kicked off 2022 with good momentum with a strong Q1 enabling us to affirm 2022 guidance.



In Q2 we were excited to release our latest Sustainability Report 2021. We are committed to reducing food waste and progressing towards best practice ESG standards. We also hit a proud milestone, surpassing €1 billion in lifetime net revenue and delivering 150 million meals to our customers since we started our business in 2014.

So, if the company is better positioned today than it was a year ago, why is the stock price so much lower than it was a year ago? As the famed investor Benjamin Graham said “In the short term, the stock market is a voting machine; in the long term, it’s a weighing machine.” We are a company that wants to be weighed and over time we will be - over the long term, all companies are.

In the meantime our strategy remains clear and focused: we keep our heads down improving operational execution and building global direct-to-consumer brands to delight our customers and solve their day-to-day problems in a personalized and sustainable way.

- Fabian Siegel

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## Q1 2022 Re-cap & Highlights



- €103m in net revenue - the first time we ever achieved over €100m in a single quarter, +32% vs. PY
- Basket size increase of 17% vs PY
- Global Contribution Margin of 27.3%
- Launch of 'Market', our newest marketplace offering and part of our growth strategy to increase ARPU. Market allows customers to add on premium ingredients, everyday grocery items, ready-to-heat meals and more.
- €9.7m Operating EBITDA loss and Operating Cash Flow at €(4.1m), in line with our plan. We also had a quarter end cash balance of €20m providing balance sheet capacity to continue executing our 2022 plans

Read the full report [here](#).

# Sustainability

## Finding the Right Recipe for a Sustainable Future

Our business was built on a mission to help people cook better and reduce food waste globally.

We're proud to have just released our Sustainability Report 2021 which outlines our commitments, projects and goals to deliver our vision of **Building a better everyday, just for you, just right.**

Find the full report [here](#).

### Sydney Fulfillment Centre receives 6-Star Green Star Energy Rating

We're proud to share that our Sydney Fulfillment Centre at Wetherill Park in Australia has received a 6-Star Green Star Rating in Building Design and Construction - the highest possible rating awarded by the Green Building Council of Australia.



Boasting leading sustainable design, the Sydney FC features a rooftop 600kw solar system (where we use 500kw), LED warehouse lighting, rainwater harvesting and drought-resistant planting.

The Fulfillment Centre's 1,000 solar panels have already generated enough electricity to power 47 homes in their first six months.

*Photo credit: Sydney Fulfillment Centre, Mike Chorley*

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## Industry Deep Dive

### Food Prices Across the Globe - AUS & US Focus

It's no surprise that the cost of living and food prices globally have been impacted due to a number of factors. Our team discusses the challenges affecting their regions and how we are addressing these issues:

#### ***Evan Murphy, Head of Procurement, Australia***

"Australian floods, labour shortages due to COVID, travel restrictions plus transport and fuel cost increases have been some of the major factors impacting our region.



To combat these headwinds, we've placed great importance on strengthening our relationships with suppliers and industry governing bodies. This can be as simple as planning 'dry run' deliveries with new suppliers, working with their innovation or R&D teams to continuously improve and question what else is possible, or challenging the standard process or ways of working."

While Australia has had some good harvest seasons and favorable farming conditions, Evan highlights that "as inflation and incremental changes continue, there is a great opportunity to showcase more local produce and products."



#### ***Dale Trigger, Head of Operations Planning and Project Management, US***

Looking at the US, we've faced many challenges including "COVID-related

labor shortages, freight logistics issues and food cost inflation due to rising import tariffs and the Avian Flu," says Dale.

"Partnering with our vendors to negotiate lower food costs while increasing volume and maintaining quality has been a key priority," Dale continues.

"From an operational perspective, we've increased line hauls to add another delivery day, increasing customer convenience as well as enabling us to add new ingredients to the pantry such as pre-diced, shredded and ready-to-heat and eat items.

Looking ahead, Dale notes "we'll continue to focus on quality at every stage and stay close to market conditions, forward planning to better manage prices and volatility."

## Our Team

### Get to know Michael Hester, our new CEO - US



**You've been at Marley Spoon for the last year acting as COO - US. What have been some of your highlights?**

Refocusing the team to be highly customer-centric, even in the face of a wealth of operational and weather challenges. Also seeing the team dramatically improve all facets of

customer-facing measurements including CSAT, NPS and Willingness to Repurchase has been great.

**In your new role as CEO - US what are some of your key areas of focus for the year ahead?**

Aside from cultivating and empowering a high performance team from Coast to Coast, some new areas of focus will be around product expansion, both in the digital and physical experience, and, it goes without saying in today's environment, working towards off-setting the costs of our inflationary environment and winning the war for talent will continue to be a priority.

**How would you describe your leadership style?**

An open, collaborative style driving towards developing radically transparent cultures with structured goals. I have often been described as a professional nudger and see being the Chief Integrator as key to my role and success of the team.

**What are you hoping to bring to the team?**

Years of insight from leading customer-facing DTC and retail companies combined with an innovative background in supply chain, manufacturing, food and strategy. Having spent most of my career scaling companies and operational capabilities, I expect to help the team lengthen its time horizons in forecasting, planning and execution.

**What's a fun fact most of the team wouldn't know about you?**

My mother is a genealogist and found out some cool things about our family heritage such as our family has been in the U.S since the landing of the Mayflower and I'm a descendent of Roger Williams - the founder of Rhode Island and Religious Freedom in America.

## What's your current favourite MS recipe?

Brown Butter Salmon - The taste of salmon with the rich, earthy, decadent taste of brown butter is perfectly paired with the saltiness of capers and acidity of lemon juice. Match this with any side, especially cauliflower rice and it's a fantastic dinner.

## Marley Spooner Awarded Future Leader in Supply Chain Industry

Chethan Jain, our logistics Manager in Melbourne, Australia has received the ASCLA 60th Anniversary Future Leaders Award, the industry's oldest and most prestigious award, by the Supply Chain and Logistics Association of Australia.



Up against a talented line-up of five other finalists, Chethan took the top accolade for his achievements in integrated systems thinking and agile processes driving logistics improvements for meal kit production.

“Honoured, overwhelmed and utterly grateful for this award,” Chethan states he’s only getting started where he’s “striving to make this world a better place to live - today, tomorrow and for our future generations.”

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## In Other News

- Marley Spoon won ‘**Germany’s best online portal 2022**’ in the meal kit category, awarded by ntv Nachrichten and DISQ Deutsches Institut für Service-Qualität GmbH & Co. KG. A panel of 43,000 consumers were surveyed on areas including customer service, website usability, quality, variety and willingness to recommend the service - an award we’re very proud to receive!
- Our 2022 AGM was held on 31 May, announcing, inter alia, the approval of the resolution to go from an AG to an SE corporation.
- Aussies can now purchase [Chefgood](#) ready-to-heat meals through the ‘Market’ in single portions, signs so far revealing a clear customer appetite with almost 50% of orders containing a Chefgood meal.

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## Stay Up To Date

Sign up to Marley Spoon investor email alerts for our latest announcements, financial results, presentations and newsletters [here](#)

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*Would you like an update on something more specific? Please get in touch with any areas of the business or topics you would like us to update you on in future issues via [ir@marleyspoon.com](mailto:ir@marleyspoon.com).*

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### About Marley Spoon

Marley Spoon (MMM:ASX, GICS: Internet & Direct Marketing Retail) is a global direct-to-consumer brand company that is solving everyday recurring problems in delightful and sustainable ways.

Founded in 2014, Marley Spoon currently operates in three primary regions: Australia, United States and Europe (Austria, Belgium, Germany, Denmark, Sweden and the Netherlands). With Marley Spoon's meal-kits, you decide what to eat, when to eat, and leave behind the hassle of grocery shopping. To help make weeknights easier and dinners more delicious, our meal kits contain step-by-step recipes and pre-portioned seasonal ingredients to cook better, healthy meals for your loved ones.

As consumer behaviour moves towards valuing the convenience aspect of online ordering, Marley Spoon's global mission through its various brands, such as Marley Spoon, Martha Stewart & Marley Spoon, Dinnerly, and Chefgood is to help millions of people to enjoy easier, smarter and more sustainable lives.

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