



First Quarter 2021 Results

Earnings Call

# Disclaimer: Forward Looking Statements and Use of Non-GAAP Information



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This presentation also includes adjusted EBITDA, which is a non-GAAP financial measure that is not prepared in accordance with, nor an alternative to, financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, this non-GAAP financial measure is not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similarly-titled measures presented by other companies. A reconciliation of this measure to the most directly comparable GAAP measure is included in the Appendix to this presentation.

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# First Quarter 2021

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## Business Highlights





**Linda Findley Kozlowski**  
President and Chief Executive Officer





# First Quarter 2021

## Business Highlights

- Net revenue for the first quarter of 2021 increased 27% year over year to \$129.7 million driven, in part, by the continued execution of the company's growth strategy, including through product innovation
- Key customer metrics' year-over-year growth continued in the first quarter as Average Order Value grew 7% to \$62, the highest reported level since prior to 2015; Orders per Customer rose 15% to 5.4 and Average Revenue per Customer increased 22% to \$331 <sup>(1), (2), (3)</sup>
- Net loss improved \$4.4 million, or 22%, year over year in the first quarter to \$(15.7) million; adjusted EBITDA decreased 5% year over year to \$(6.1) million <sup>(4)</sup>

1 We define Average Revenue per Customer as our net revenue from our meal, wine and market products sold on our e-commerce platforms in a given reporting period divided by the number of Customers in that period.

2 We define Orders Per Customer as the number of Orders in a given reporting period divided by the number of Customers in that period. Orders is defined as the number of paid orders by our Customers across our meal, wine and market products sold on our e-commerce platforms in any reporting period, inclusive of orders that may have eventually been refunded or credited to customers. We determine our number of Customers by counting the total number of individual customers who have paid for at least one Order from Blue Apron across our meal, wine or market products sold on our e-commerce platforms in a given reporting period.

3 We define Average Order Value as our net revenue from our meal, wine and market products sold on our e-commerce platforms in a given reporting period divided by the number of Orders in that period.

4 Adjusted EBITDA is defined as net income (loss) before interest income (expense), net, other operating expense, benefit (provision) for income taxes, depreciation and amortization and share-based compensation expense. See appendix for reconciliation of net income (loss) to Adjusted EBITDA.

# Business Highlights Over the Last Two Years



## Product

- Offered more choices and flexibility, with the ability to order more Blue Apron each week
- Have more variety, with 35 weekly options compared to 17 weekly options in January 2019
- Launched new products (including Meal Prep, Premium and Wellness recipes) and new customization options
- Announced Add-ons, which allows customers to add an appetizer, side dish, and dessert to a box each week



## Operations

- Further reduced food waste at our fulfillment centers with improved planning and forecasting processes, all while enhancing the variety and quality of ingredients
- Lowered our packaging costs while making Blue Apron boxes more sustainable
- Continued to optimize fulfillment center operations by better leveraging labor, packing, and equipment



## Marketing

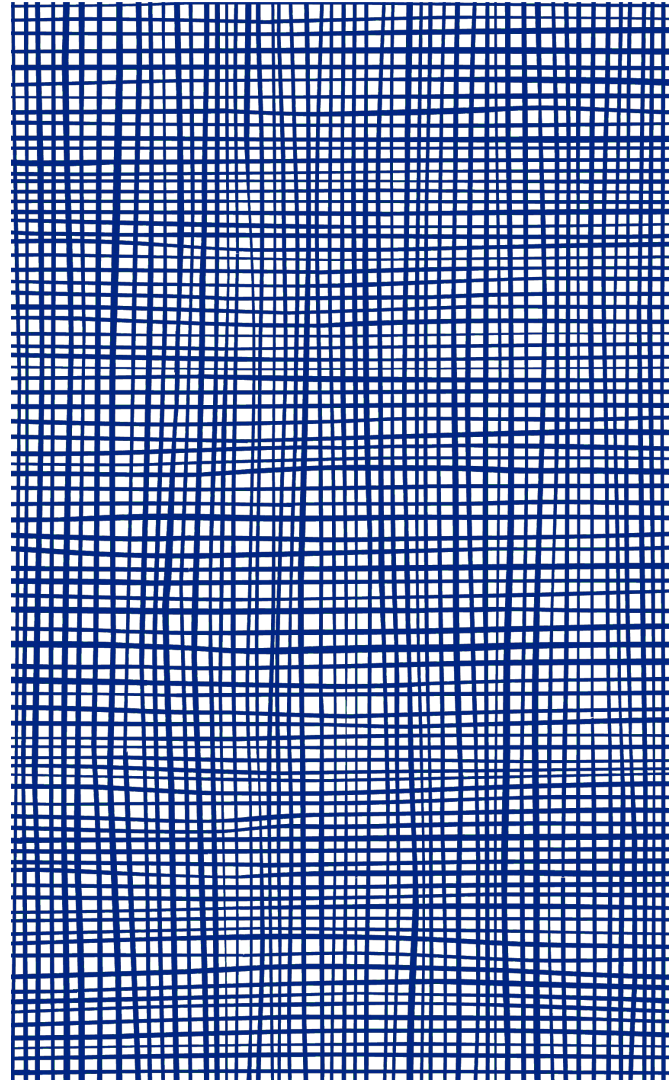
- Rebuilding the full marketing function with significant opportunity ahead
- Continued to lean into partnerships to help attract new customers and retain current ones



# First Quarter 2021

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Financial Results





**Randy Greben**  
Chief Financial Officer

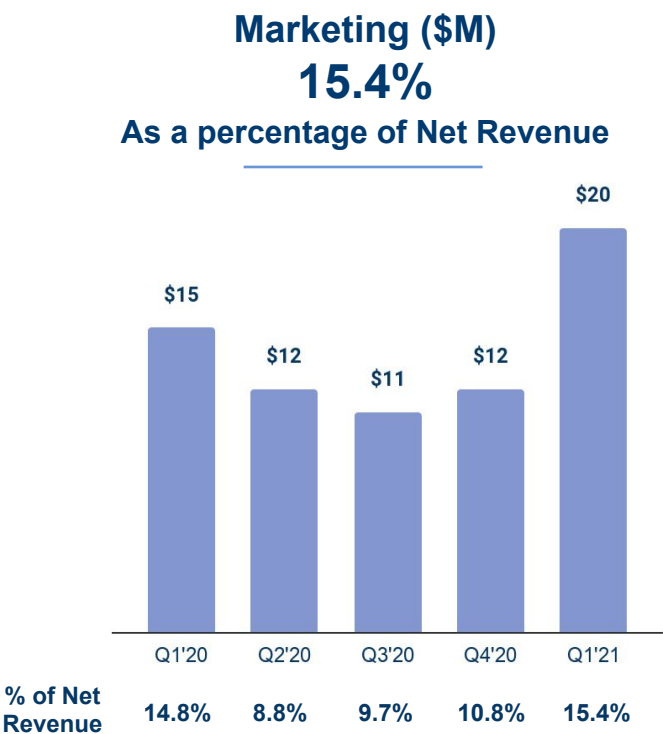
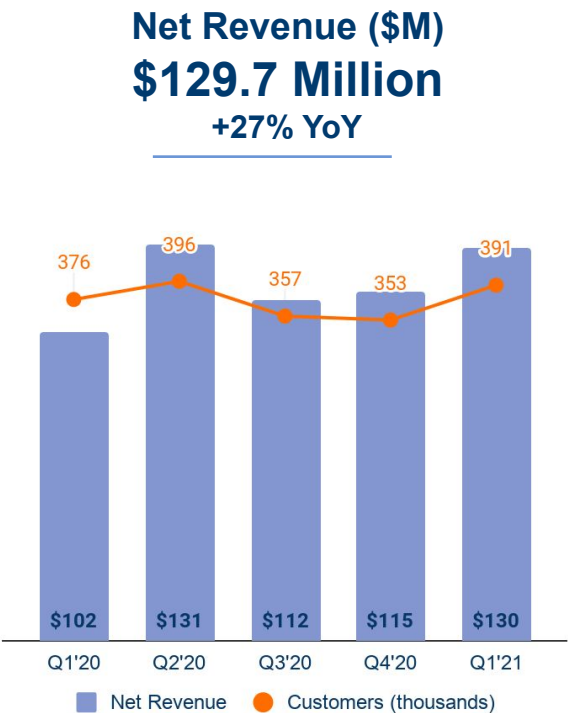






# First Quarter Performance

Fourth consecutive quarter of double-digit year-over-year net revenue growth driven by product innovation and marketing investments, as well as the continued impact on consumer behaviors as a result of the COVID-19 pandemic





# First Quarter Performance

Continued progress on our growth strategy, combined with shifting consumer behaviors, contributed to the highest reported Average Order Value in the first quarter of 2021 since prior to 2015

## Average Revenue Per Customer <sup>1</sup>



## Orders Per Customer <sup>2</sup>



## Average Order Value <sup>3</sup>



<sup>1</sup> We define Average Revenue per Customer as our net revenue from our meal, wine and market products sold on our e-commerce platforms in a given reporting period divided by the number of Customers in that period.

<sup>2</sup> We define Orders Per Customer as the number of Orders in a given reporting period divided by the number of Customers in that period. Orders is defined as the number of paid orders by our Customers across our meal, wine and market products sold on our e-commerce platforms in any reporting period, inclusive of orders that may have eventually been refunded or credited to customers. We determine our number of Customers by counting the total number of individual customers who have paid for at least one Order from Blue Apron across our meal, wine or market products sold on our e-commerce platforms in a given reporting period.

<sup>3</sup> We define Average Order Value as our net revenue from our meal, wine and market products sold on our e-commerce platforms in a given reporting period divided by the number of Orders in that period.



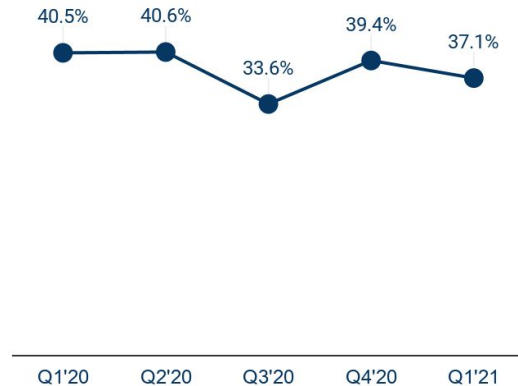
# First Quarter Performance

Food and labor investments to increase fulfillment center capacity and COVID-19 safety expenditures resulted in decreased Net Revenue less COGS margin and higher PTG&A compared to the prior year

## Net Revenue Less COGS Margin <sup>1</sup>

**37.1%**

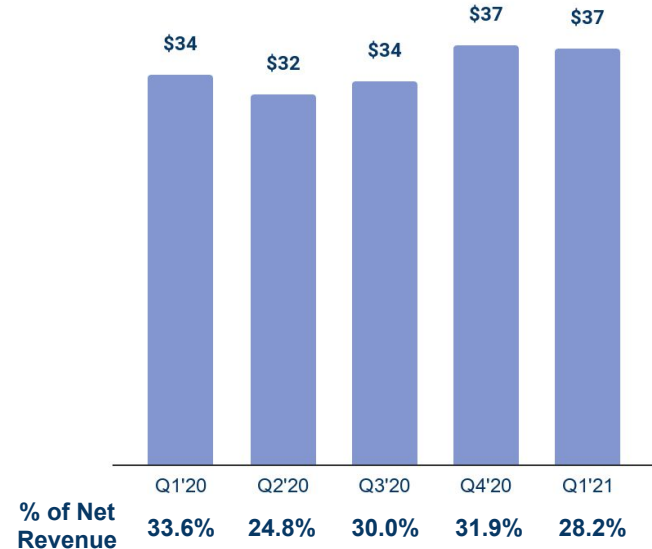
**-340 bps YoY**



## PTG&A (\$M)

**\$36.6 Million**

**+6.8% YoY**



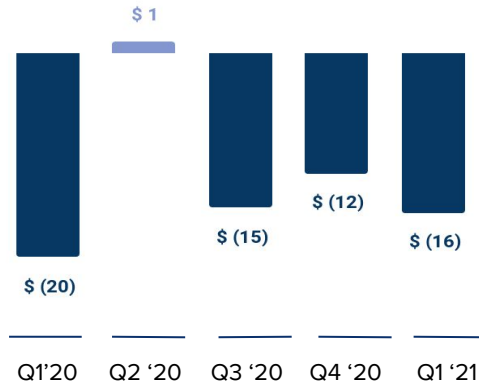
<sup>1</sup> Represents net revenue less cost of goods sold, excluding depreciation and amortization, as a percentage of net revenue.



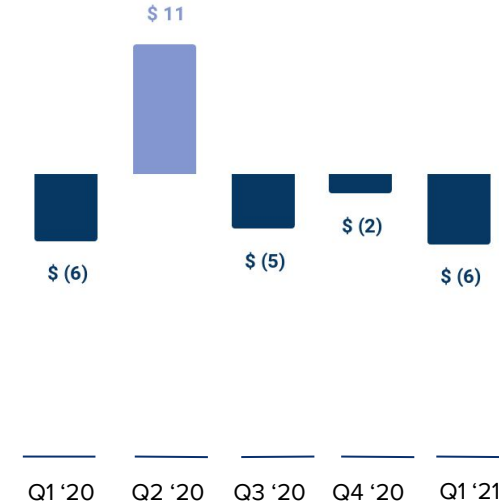
# First Quarter Performance

Higher net revenue drove year-over-year Net Loss improvement, offset by increased operational and marketing spend, leading to flat year-over-year Adjusted EBITDA

## Net Loss (\$M) \$(15.7) Million



## Adjusted EBITDA (\$M)<sup>1</sup> \$(6.1) Million



<sup>1</sup> Adjusted EBITDA is defined as net income (loss) before interest income (expense), net, other operating expense, benefit (provision) for income taxes, depreciation and amortization and share-based compensation expense. See appendix for reconciliation of net income (loss) to Adjusted EBITDA.

## Financial Outlook

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## Second Quarter 2021<sup>1</sup>

### Outlook

- Net revenue expected to decrease by approximately 4% to 7% year over year in the second quarter of 2021 to approximately \$122 million to \$126 million
- Net loss projected to be no more than \$(17.0) million and Adjusted EBITDA<sup>2</sup> loss projected to be no more than \$(7.0) million in the second quarter of 2021
- For the full year 2021, the company expects to generate high single-digit to low double-digit net revenue growth

<sup>1</sup> This guidance assumes both the consistent benefit to our business from the execution of our strategic growth initiatives and ongoing operational improvements. It also assumes planned investments in marketing initiatives, as well as our ability to manage liquidity in compliance with our debt covenants. Further, this guidance assumes that seasonal fluctuations will return to the historical patterns we experienced pre-pandemic, reflecting that there may be a decrease in the impact COVID-19 has had on consumer behaviors relating to cooking at home as restrictions continue to be lifted and more people are vaccinated. Lastly, the guidance assumes that we will not experience any unforeseen significant disruptions in our fulfillment center operations or supply chain.

<sup>2</sup> Adjusted EBITDA is defined as net income (loss) before interest income (expense), net, other operating expense, benefit (provision) for income taxes, depreciation and amortization and share-based compensation expense. See appendix for reconciliation of net income (loss) to Adjusted EBITDA.



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Q&A

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## Appendix: Adjusted EBITDA Reconciliation

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# Reconciliation of Quarterly Net Income (Loss) to Adjusted EBITDA

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021 Guidance
	(in millions)					
Net income (loss)	\$(20)	\$1	\$(15)	\$(12)	\$(16)	\$(17)
Share-based compensation	2	2	2	2	2	2
Depreciation and amortization	7	6	6	6	6	6
Other operating expense	3	0	1	0	0	0
Interest (income) expense, net	2	2	2	2	2	2
Provision (benefit) for income taxes	0	0	0	0	0	0
<b>Adjusted EBITDA</b>	<b>\$(6)</b>	<b>\$11</b>	<b>\$(5)</b>	<b>\$(2)</b>	<b>\$(6)</b>	<b>\$(7)</b>

