



# goodfood

## Q3'19 INVESTOR FACT SHEET

THIRD QUARTER ENDED  
MAY 31, 2019

**GOODFOOD** is a leading home meal solutions company in Canada, delivering fresh ingredients that make it easy for subscribers to prepare delicious meals at home every week. Goodfood's objective is to take the hassle out of cooking, leaving subscribers with the fun part – cooking, sharing with family and eating. Subscribers select their favorite recipes from a variety of original dishes online. The Company prepares a personalized box of fresh ingredients and delivers it to the subscriber's doorstep with easy step-by-step instructions. The Company has its main production facility and administrative offices based in Montreal, Quebec, and a second production facility in Calgary, Alberta. Goodfood had 189,000 active subscribers as of May 31, 2019. [www.makegoodfood.ca](http://www.makegoodfood.ca)

### STOCK INFORMATION (TSX: FOOD)

Price as of July 11, 2019: **\$3.00**

High/Low: **\$3.74 – \$2.42**  
(52 weeks ended July 11, 2019)

Number of Shares Outstanding: **58,143,521**  
(July 11, 2019)

## THIRD QUARTER HIGHLIGHTS

- Revenue and gross merchandise sales<sup>(1)</sup> for Q3 2019 were respectively \$49.9 million and \$61.2 million
- Gross margin increased to a record 28.3% and adjusted gross margin<sup>(1)</sup> rose to an all-time high of 41.6% for the third quarter, compared to 23.3% and 34.9%, respectively, for the same period of 2018
- Positive cash from operations of \$2.4 million and \$3.9 million for the three-month and nine-month periods ending on May 31, 2019, respectively
- Solid financial position with a cash position of \$49.7 million
- Launched Yumm.ca, a value meal-kit option
- Launched our breakfast meal solutions, premiering a smoothie line nationwide, surpassing \$10 million in annualized gross merchandise sales<sup>(1)</sup> in less than 6 months
- Signed a lease for an 84,000 square-foot production facility located in Vancouver and a 20,000 square-foot breakfast production facility located in Montreal
- Active subscribers increased to 189,000 as at May 31, 2019, a net increase of 100,000 since the beginning of Fiscal Year 2019, more than doubling the subscriber base in only nine months

## A WORD FROM MANAGEMENT

We are very pleased with our third quarter results which demonstrated robust growth in terms of net subscriber additions, revenues and margins. Gross merchandise sale<sup>(1)</sup> are now on a run-rate of more than \$250 million and the quarterly adjusted gross margins surpassed the 40% mark for the first time, while we continued to invest and launch new meal solutions such as smoothies and extended our market reach with Yumm.ca. As we continue to invest in the expansion of our offerings, additional product launches should continue to accelerate and gain momentum in the upcoming quarters. As strategically planned, our marketing spending started to slow down in the third quarter and we expect the pace of growth to average out as we enter the summer period, reflecting normal seasonality patterns, as we wrap up the fiscal year.

We are thrilled with our third quarter results as our investments in automation, additional operational efficiencies and increased buying power have resulted in significant margin expansion, improving our adjusted gross margin by 6.7 percentage points year over year. As we continue to execute on our ambitious growth strategy, we have leased a new facility in Montreal to pursue the expansion of our breakfast offerings and a new facility in Vancouver to unlock operational savings and continue to meet demand from the growing Western Canadian market.

**Jonathan Ferrari**  
CEO  
July 11, 2019

**Neil Cuggy**  
President and COO  
July 11, 2019

## FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except margins)

	Quarters ended May 31, (unaudited)		Nine months ended May 31, (unaudited)	
	2019	2018	2019	2018
Gross Merchandise Sales ("GMS") <sup>(1)</sup>	61,212	26,167	144,853	58,281
Adjusted Gross Profit <sup>(1)</sup>	25,437	9,127	57,012	19,217
Adjusted Gross Profit Margin % <sup>(1)</sup>	41.6%	34.9%	39.4%	33.0%
Revenue	49,864	22,223	116,074	49,131
Gross Profit	14,089	5,183	28,233	10,067
Gross Profit Margin %	28.3%	23.3%	24.3%	20.5%
Net loss	(3,639)	(1,564)	(15,050)	(6,478)
Cash provided by (used in) operating activities	2,444	1,785	3,851	(714)

<sup>(1)</sup> This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS financial measures section in the Management's Discussion and Analysis.

## RECENT EVENTS

- On June 10, 2019, the Company announces successful launch of smoothie line, surpassing \$10 million in annualized gross merchandise sales.
- On May 16, 2019, the Company launched Yumm.ca, a value meal kit option targeting cost conscious Canadians.
- On May 13, 2019, the Company announces addition of Terry Yanofsky to its Board of Directors.

## 4-YEAR FINANCIAL REVIEW

(in thousands of Canadian dollars, except margins)	Trailing 12 months	2018	2017	2016
Gross Merchandise Sales ("GMS") <sup>(1)</sup>	170,664	84,092	23,081	3,244
Adjusted Gross Profit <sup>(1)</sup>	66,044	28,250	6,875	710
Adjusted Gross Profit Margin % <sup>(1)</sup>	38.7%	33.6%	29.8%	21.9%
Revenue	137,445	70,502	19,796	2,802
Gross Profit	32,825	14,660	3,590	267
Gross Profit Margin %	23.9%	20.8%	18.1%	9.5%
Net loss	(18,007)	(9,434)	(9,866)	(1,239)
Cash provided by (used in) operating activities	4,842	278	(1,885)	(592)

<sup>(1)</sup> This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS financial measures section in the Management's Discussion and Analysis.

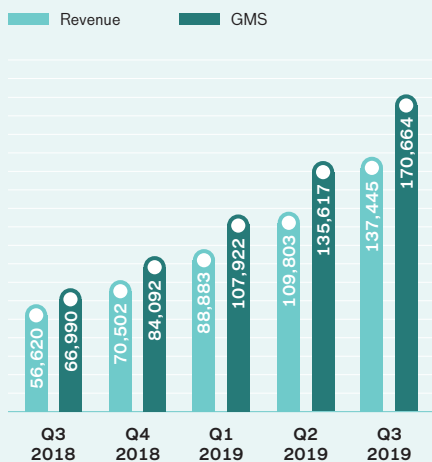
## STRATEGY

Goodfood's strategy is to manage short term profitability in order to invest in long term shareholder value creation. Growing Goodfood's market share and scale will allow the Company to deliver greater value to its customers while attaining high returns on invested capital. As the Company grows its subscriber base, we are confident that Goodfood will achieve economies of scale and additional efficiencies which will lead to improvements in profitability and an unrivalled experience for subscribers.

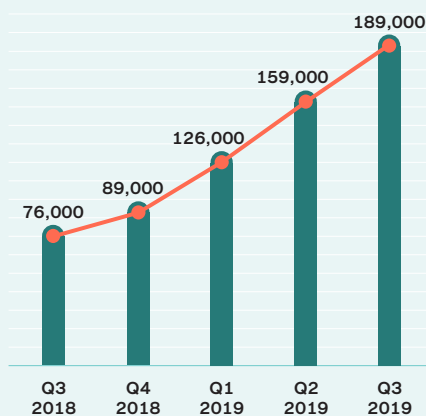
### GMS<sup>(1)</sup> RUN RATE REACHED \$257 MILLION

#### REVENUE AND GMS<sup>(1)</sup> TRAILING 12 MONTHS

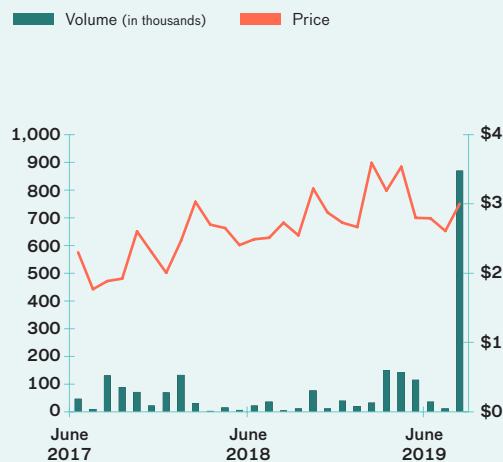
(in thousands of Canadian dollars)



#### ACTIVE SUBSCRIBERS



#### STOCK PERFORMANCE



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**goodfood**

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[www.makegoodfood.ca](http://www.makegoodfood.ca)

#### INVESTOR RELATIONS

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#### ANALYST COVERAGE

Ryan Li..... National Bank Financial  
Frederic Tremblay ..... Desjardins Securities  
Jim Byrne.....Acumen Capital  
Raveel Afzaal ..... Canaccord Genuity  
Suspended ..... GMP Securities