

Nestlé USA acquires Freshly, a pioneer in healthy prepared meals



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BY NESTLÉ

Nestlé announced today that it has acquired Freshly, one of the leading fresh-prepared meal delivery services in the U.S. The deal values Freshly at USD 950 million, with potential earnouts up to USD 550 million contingent to the successful growth of the business. This transaction was signed and closed on October 30, 2020.

Founded in 2015, Freshly delivers a menu of fresh, chef-cooked meals to customers across the country, breaking down the barriers to healthy eating by delivering nutrition and convenience at scale.

This move brings together Nestlé's deep understanding of what and how people eat at home, and world class research and development capabilities with Freshly's highly specialized consumer analytics platform and distribution network to fuel growth opportunities within the Freshly business and across Nestlé's portfolio.

"We are excited to welcome Freshly to the Nestlé family," said Nestlé USA Chairman and CEO, Steve Presley. "Consumers are embracing ecommerce and eating at home like never before. It's an evolution brought on by the pandemic but taking hold for the long term. Freshly is an innovative, fast-growing, food-tech startup, and adding them to the portfolio accelerates our ability to capitalize on the new realities in the U.S. food market and further positions Nestlé to win in the future."

As the largest food and beverage company in the U.S., Nestlé is committed to driving the evolution of the food industry through innovation across all aspects of its business, be it through in-house capabilities or strategic acquisitions. Nestlé purchased an approximately 16% stake in Freshly in 2017 as a strategic move to evaluate and test the burgeoning market. Freshly pioneered the direct-to-consumer prepared meal delivery channel and is known for its use of standard-setting technology and analytics, which will build upon Nestlé's strong base of innovation. Growing year-over-year since launching in 2015, Freshly is now shipping more than one million

meals per week to customers in 48 states. Its 2020 forecasted sales are USD 430 million.

"We are extremely excited to expand our relationship with Nestlé," said Freshly CEO Michael Wystrach. "Our mission is to make eating healthy easy by bringing nutritious, high quality meals directly to customers' homes. Convenience and nutrition are driving forces in the future of food, and our becoming a part of the world's largest food company confirms that. With Nestlé, we will have access to resources, research and development, and years of experience that we can tap into to catapult our growth plans and move closer to our goal of being in every household in America."

Laurent Freixe, Nestlé CEO Zone Americas added, "At Nestlé we know the at-home food market and we know how to win there. With the acquisition of Freshly we are strengthening our position in the U.S. and expanding our ability to deliver a wide variety of delicious food to our consumers when and where they want. Whether purchasing our products from the comfort of their homes, in retail stores or through social commerce, we will continue to provide them with unbeatable convenience, choice and ease of purchase."

Freshly Inc. is a weekly subscription service delivering fresh, chef-cooked meals that can be heated and served in 3 minutes directly to customers' doors. All that is needed is a microwave, fork and plate to get a satisfying lunch or dinner on the table. With a corporate mission to break down the barriers to healthy eating, Freshly believes that taste and health don't need to be compromised for convenience. Freshly's food philosophy is centered on less sugar, less processed, and more nutrients. All meals are gluten-free and single-serve for effortless portion control. Developed by chefs and nutritionists, the menu features better-for-you versions of classic comfort foods with smart ingredient swaps. Freshly makes eating better easier than ever, one box at a time. To learn more about Freshly, visit www.freshly.com.

Nestlé USA is committed to unlocking the power of food to enhance quality of life for everyone, today and for generations to come. The company's food and beverage portfolio includes some of the most recognizable brands in the United States including Coffee mate, DiGiorno and Nestlé Toll House as well as category disruptors such as Sweet Earth, and are in nearly every home in the country. Nestlé USA also boasts the largest coffee portfolio in the U.S. with Nescafé,

Nestlé Starbucks Coffee and Chameleon Cold Brew. With 2019 sales of USD 11 billion, Nestlé USA is part of Nestlé S.A. in Vevey, Switzerland — the world's largest food and beverage company, which has been named among "The World's Most Admired Food Companies" by Fortune magazine for twenty-three consecutive years. For product news and information, visit Nestleusa.com or Facebook.com/NestleUSA.

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