

ALANTRA FOOD & BEVERAGE FAST 50

Fast 50 Voices

Huel


Huel[®]

In a series of interviews, we speak with businesses that feature in the 2020 Alantra Food & Beverage Fast 50 about their progress since the report was released and their response to Covid-19.

Charles Lanceley, Co-head of UK Food & Beverage, speaks to James McMaster, CEO of Huel, the leading business in the 2020 Alantra Food & Beverage Fast 50.



ALANTRA FOOD & BEVERAGE FAST 50 REPORT 2020



JAMES MCMASTER
CEO, HUEL

HUEL IN NUMBERS

SALES IN LAST 12 MONTHS

£39.8m

TWO-YEAR CAGR

161.2%

FOOD & BEVERAGE FAST 50 RANKING

1

Sector: Nutritionally complete food

Charles: What impact has the Covid-19 pandemic had on your business over the past six months?

James: We have continued to grow, to build sales and to launch new products despite the crisis.

Our drinkable and nutritionally-complete meals – everything you need from a serving in one quick hit, and with no need for food preparation – have in some regards been exactly the right product for Covid. With people stuck at home, worried about their health and often unable to get what they needed from the supermarkets, our online business model came into its own, and our simple nutrition solutions were exactly what many of us needed. Many people found themselves juggling childcare, work and other caring responsibilities, so the convenience of our products was highly attractive.

Against that, other people had more time on their hands, particularly where they had been furloughed, and spent it doing more cooking, which meant they were less likely to buy our products. The other problem we

faced, particularly early on in the pandemic, was significant supply chain disruption, with ingredients difficult to come by and warehousing space at a premium.

Charles: How did you cope with this disruption?

James: For us, the biggest impacts have been on our people, rather than our financials. We focused on being as agile as possible because the situation was so fluid: in March and April, we were doing daily trading meetings and senior management meetings three times a week. Overall, our sales growth has held steady over the past six months – and we think that the pandemic has resulted in some permanent changes of consumer behaviour.

We're seeing people buy more food online and we're seeing people buy less often, which means they need more shelf-safe products to avoid food waste. We're also seeing a real focus on sustainability; that was building even before the pandemic, but it has accelerated dramatically – investors and consumers alike are looking for purpose-led, sustainable businesses such as Huel.

Charles: How will you capitalise on these changes?

James: The opportunity is too valuable to miss so we have continued to think about expansion and product development even amid the operational challenges of the pandemic. For example, we have made more than 30 hires in recent months, taking total headcount to around 120, even though this has required our HR teams to be imaginative about recruitment – they've used video interviews, for example.

We have also just unveiled a significant new product launch, our first hot meal range, Hot & Savoury. The product offers the same nutritionally complete package as our existing range of drinkable meals, but customers add hot water to a mix of rice, quinoa, vegetables, herbs and spices to get a warm meal. All our existing products were sweet, so this adds something for people looking for a savoury, warm meal they can eat with a spoon.

Charles: It must have been difficult to bring a new product to market in the current environment?

James: Yes, but we felt it was important to continue innovating. This is the biggest launch we've ever done; a lot of brands chose to step back from product development during the pandemic, but we think this will really work. We launched a pop-up shop in London's Covent Garden to promote the launch, with queues of people – socially distanced and wearing masks, of course – keen to try Hot & Savoury.

We're lucky to have some very loyal customers: our 'Hueligans' help us build the company's brand. One customer came all the way from Denmark to sample the new Hot & Savoury products, while another cycled from Cambridge.

Charles: What's next for Huel?

James: The focus now is on getting the business back to normal. Agility and collaboration are everything for our business.

We have come through the crisis stronger – and that we are in the right place to exploit the changes in consumer behaviour that we think will stay with us long after the pandemic has gone.



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JAMES MCMASTER



ALANTRA



SIMON PEACOCK 
Co-Head of UK
Food & Beverage
simon.peacock@alantra.com



CHARLES LANCELEY 
Co-Head of UK
Food & Beverage
charles.lanceley@alantra.com



JEFFREY ROBARDS 
Global Head of Food
jeffrey.robards@alantra.com



ASHLEY ROUNTREE 
Global Head of Beverage
ashley.rountree@alantra.com

Possibility is in the ascent