ocado
GROUP

FY22 Results

28th February 2023

The Chairman’s Overview

Rick Haythornthwaite

FY22 Highlights

Tim Steiner, CEO

Strong growth in Solutions in a challenging year for Ocado Retail

- **Strong customer growth at Ocado Retail offset by volume drag of Covid unwind and cost-of-living pressures**
- **Step up in roll-out of OSP; 19 CFCs (Customer Fulfilment Centers) now live, including 12 internationally** (FY21: 10 and 4, respectively) driving an **increase in live modules to 99 from 61**
- **Proactive steps with customers;** partner success teams helping partners to get the best out of OSP with encouraging early results
- **2 new partners added to the OSP 'club'** bringing total to 12 partners across 10 countries
- **Delivery of Ocado Re:Imagined on track for FY23;** to bring huge cost and flexibility benefits for Group and partners in grocery and beyond
- **Strong balance sheet sufficient to deliver growth ambitions** with no additional Group financing in excess of refinancing of existing debt facilities that expire over this time frame
- **Total addressable market continues to grow**
  - **Team in place to lead our capital-light expansion** in wider ASRS market
  - **Encouraging early discussions** progressing well

Clear reasons to support conviction in future growth

Financial Review

Stephen Daintith, CFO

Financial Review - Agenda

- **FY22 - Results**
  - **The numbers:**
    - *current* reported segments
    - *proforma* new segments
  - **New segments:**
    - Ocado Retail
    - UK Logistics
    - Technology Solutions
- **FY23 - Guidance**

Results

£m	**FY22**	**FY21**	Change
Revenue[1]	2,513.8	2,498.8	0.6%
EBITDA	(74.1)	61.0	(135.1)
Loss before tax[2]	(500.8)	(176.9)	(323.9)
Cash & cash equivalents	1,328.0	1,468.6	(140.6)

- **Revenue broadly flat at £2.5bn, reflecting offsetting impact of:**
  - **Ocado Retail (-4%)**; strong customer growth offset by the unwind of large basket shopping experienced during the pandemic, accelerated by the cost-of-living crisis
  - **Strong growth in Solutions revenue, reflecting ongoing roll out of OSP for partners;**
    - **International Solutions (+122%):** 12 CFCs live by year end, up from 4 in FY21
    - **UK Solutions & Logistics (+13%):** growing Solutions fee revenue reflecting continued capacity roll out for UK partners, with cost recharges in Logistics up (12.5%), despite volume declines, due to inflationary pressures
- **EBITDA loss of £(74)m** reflects Ocado Retail decline of £(154)m, a result of cost pressures and capacity investments made to support future growth; UK Solutions & Logistics and International Solutions broadly flat or improving
- **Loss before tax £(501)m** principally reflects Ocado Retail EBITDA performance and increased depreciation and amortisation (+£108m to £349m) resulting from ramp-up in global OSP roll out and acceleration of development of OSP
- **Healthy liquidity of £1.6bn**, following June equity raise and RCF, supporting ambitious growth plans

Mapping *current* reporting to proforma *new segment*[1] reporting

Per reporting basis at the May 2022 modelling seminar (available on the Group Website)

		FY22 Actual		FY22 pro forma May seminar basis	
Revenue	Retail	2,203	Retail	2,203	
	UK Solutions & Logistics	803	**UK Logistics**	**660**	>90% recharges; remainder mgmt and capital recharge fees
	International Solutions	148	**Technology Solutions**	**291**	largely fees received from global retail partners
	Group and other	1	Group and other	1	
	Inter-segment eliminations	(641)	Inter-segment eliminations	(641)	elimination of Retail-related logistics and fee revenue
	Group	**2,514**	**Group**	**2,514**	
EBITDA	Retail	(4)	Retail	(4)	
	UK Solutions & Logistics	67	**UK Logistics**	**26**	reflects pass through nature of cost recharges
	International Solutions	(113)	**Technology Solutions**	**(72)**	attractive **positive contribution** offset by full allocation of upfront **investment in technology and head office** costs to support future scale and growth
	Group and other	(22)	Group and other	(22)	
	Inter-segment eliminations	(2)	Inter-segment eliminations	(2)	
	Group	**(74)**	**Group**	**(74)**	

Commentary on the FY22 results is based on the underlying business models under the proforma new segment reporting

Ocado Retail

Summary: navigating near-term pressures

£m	FY22	FY21	Change
Revenue[1]	2,203.0	2,289.9	(3.8)%
EBITDA	(4.0)	150.4	(154.4)

- **Revenue declined by (3.8)%:**
  - **Strong customer growth offset by unwind of Covid shopping behaviours**, accelerated by the cost-of-living crisis
  - **Steadily improving trend:** growth of 1.4% in 2H22 compared with revenue down 8.3% yoy in 1H22, as volumes started to trend towards a more normal basket size, we improved customer acquisition and through price inflation
  - **Outperformance vs. market in bigger online channel** with share of online improving to 12.3% from 11.7% in FY21 (Nielsen). Online share in UK stabilising around 11%, up from around 6% pre pandemic (IGD)
- **EBITDA of £(4)m reflects** current cost pressures (inflation, marketing) and capacity investments made to support growth

Revenue: customer growth offset by unwind of pandemic behaviours

£m	FY22	FY21	Change	
Revenue[1]	**2,203.0**	**2,289.9**	**(3.8)%**	**Strong customer growth, driving orders, offset by unwind of pandemic shopping behaviours**. Some impact of higher vouchering vs. pandemic lows
avg. orders per week (000s)	377	357	5.6%	Growth in active customers partly offset by reduced shopping frequency post pandemic, exacerbated by cost-of living crisis
active customers[2] (000s)	940	832	+13.0%	Strong growth with confidence in outlook; 4Q22 exit showing stronger conversion to maturity
avg. basket value[3] (£)	118	129	(8.5)%	Decline in basket volumes only partly offset by impact of inflation on average item price
avg. eaches per basket (individual items)	46	52	(11.5)%	Return to pre-pandemic basket sizes accelerated by the cost-of-living crisis
avg. selling price[4] (£)	2.55	2.44	+4.5%	Market-wide inflationary pressures; growth below market with reinvestments in price to deliver value to customers

As pandemic comparables end and inflationary pressures recede, benefits of strong customer growth will come through

EBITDA reflects capacity investments and current cost pressures

3 key drivers of FY22 margin pressure

% revenue	FY22	FY21	Change (ppts)	Operating leverage	Marketing	Inflation (energy)	Detail
Gross profit (incl. media)[1]	**33.6 %**	**35.9 %**	**(2.3)**		c.40%		increased vouchering
Trunking and delivery costs	(11.9)%	(11.0)%	(0.9)	c.60%		c.40%	capacity investment, fuel cost
CFC costs	(9.7)%	(7.9)%	(1.8)	c.50%		c.50%	capacity investment, utilities cost
Marketing costs[2]	(2.6)%	(1.8)%	(0.9)		100%		investing for customer growth
Fees[3]	(5.5)%	(4.6)%	(0.9)	100%			capacity investment
Operating contribution	**3.9 %**	**10.7 %**	**(6.8)**				
Admin costs	(4.1)%	(4.1)%	0.1				
EBITDA	**(0.2)%**	**6.6 %**	**(6.7)**				
		% total yoy margin pressure		**c.35%**	**c.25%**	**c.20%**	

Path to improvement:

- continued customer growth; increased volumes recovers fixed costs of capacity
- marketing flat with growth
- energy prices already easing

Confidence in recovery to high-mid single digit EBITDA margins as pressures ease

UK Logistics

Summary: results reflect cost-plus business model

Re-allocation of capital recharges drives noise at P&L level but no change to overall economics

£m	FY22 pro forma	FY21 pro forma	Change
Revenue	**660**	**595**	10.8 %
Capital recharges (shared sites)	5	16	(67.5)%
Cost recharges	631	561	12.5 %
Eaches	1,196	1,273	(6.0)%
EBITDA	**26**	**31**	(16.2)%

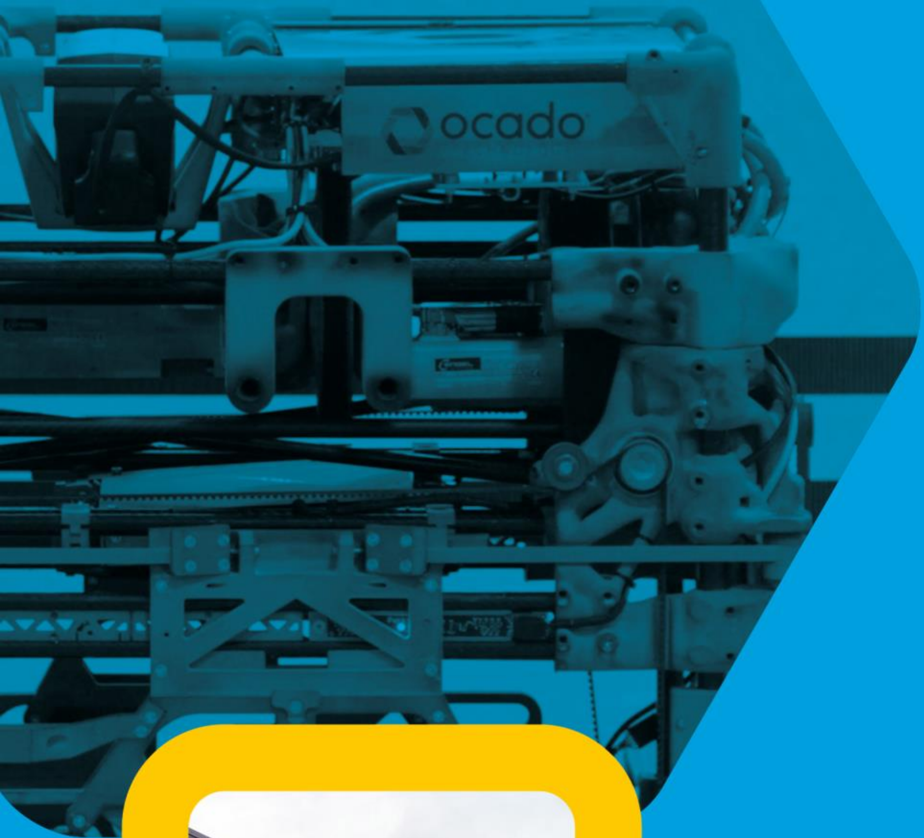
Revenue reflects combination of:

re-allocation of capital recharge fees for Andover and Bristol (sole use sites) from EBITDA to finance income (per IFRS 16)

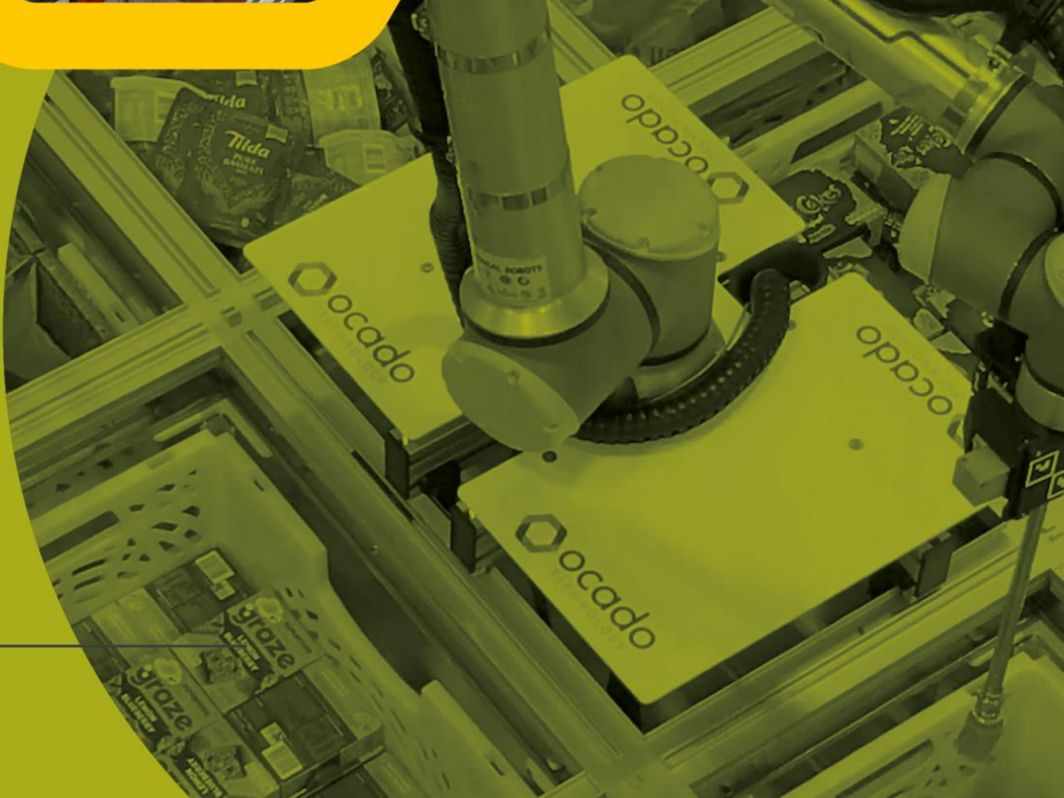
growth in cost recharges ahead of volumes (-6%), with cost inflation only partly offset by improving efficiencies

EBITDA reflects impact of capital recharges re-allocation, partly offset by increased cost recharge driven revenue growth; **reallocation drive no change to overall economics as net capital recharge same yoy**

Continue to target EBITDA c.£35m and cash flow c.£40m in mid-term



Technology Solutions



Summary: step up in OSP roll-out drives higher revenue and investment

£m	FY22	FY21	Change
Revenue[1]	291	183	59.0 %
Contribution	182	103	76.6 %
EBITDA	(72)	(81)	11.2 %

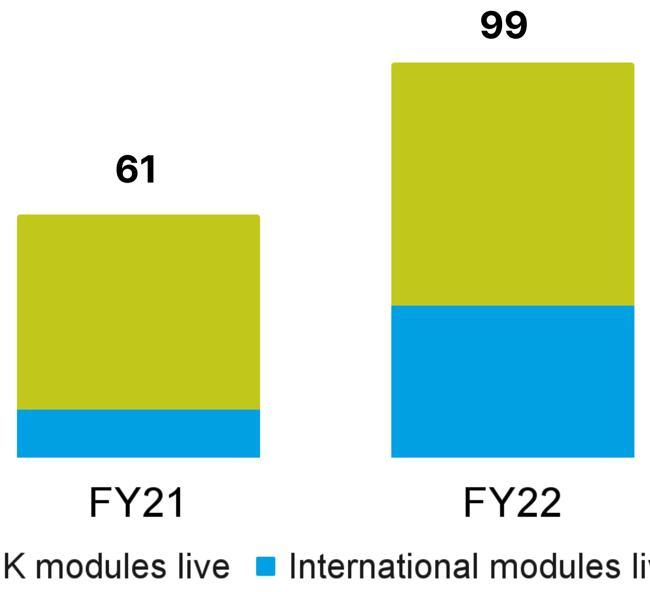
- **Revenue of £291m, +59% growth vs. FY21:**
  - **£264m recurring fees[2] (+65% vs. FY21)** from operational partners, including Ocado Retail, Groupe Casino, Sobeys, Kroger and ICA with **23 sites now live** (+12 vs. FY21), driving **+62% increase in modules live[3,4]** (99 vs. 61 in FY21).
  - c. 8% of revenue is release of prior cash receipts relating to design and upfront fees from operational partners

- **EBITDA of £(72)m, £9m better than in FY21:**
  - **Attractive and improving contribution margin of 63% (56% FY21);** direct operating costs of £109m (+36% vs. FY21) with improvements in engineering and cloud costs progressing ahead of plan
  - **Technology and Group support costs £252m (+36% vs. FY21);** investments to support future scale and growth

Strong revenue growth with ramp up in roll-out of OSP

62% increase in modules live globally;
>3x increase in modules live for international partners

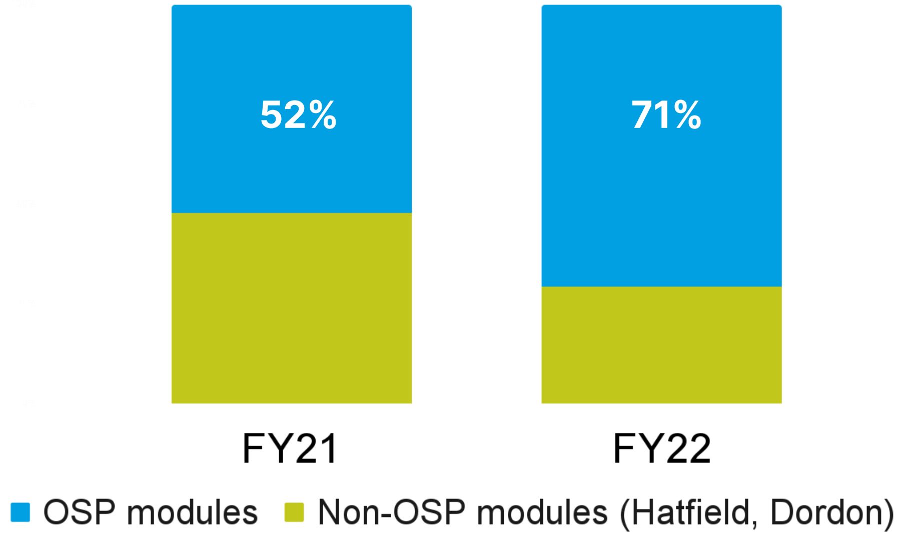
Now live with 23 sites, more than half international incl. first CFC in Sweden, second in Canada, and CFCs 3-8 in US



99 live modules deliver >£7bn in proforma sales capacity; firm orders[1] for 232 total (133 to go), >£16bn in proforma sales

Increasing share of OSP modules in the mix drives increased average fee rate

>70% of live modules now OSP; revenue growth reflecting higher efficiency, so higher fee rate, in the mix



Legacy sites in UK (Hatfield and Dordon) to represent a declining part of the mix over time

Secure and visible recurring revenue base building rapidly

Contribution margin improving with progress on direct operating costs

Site level contribution margin continues to improve

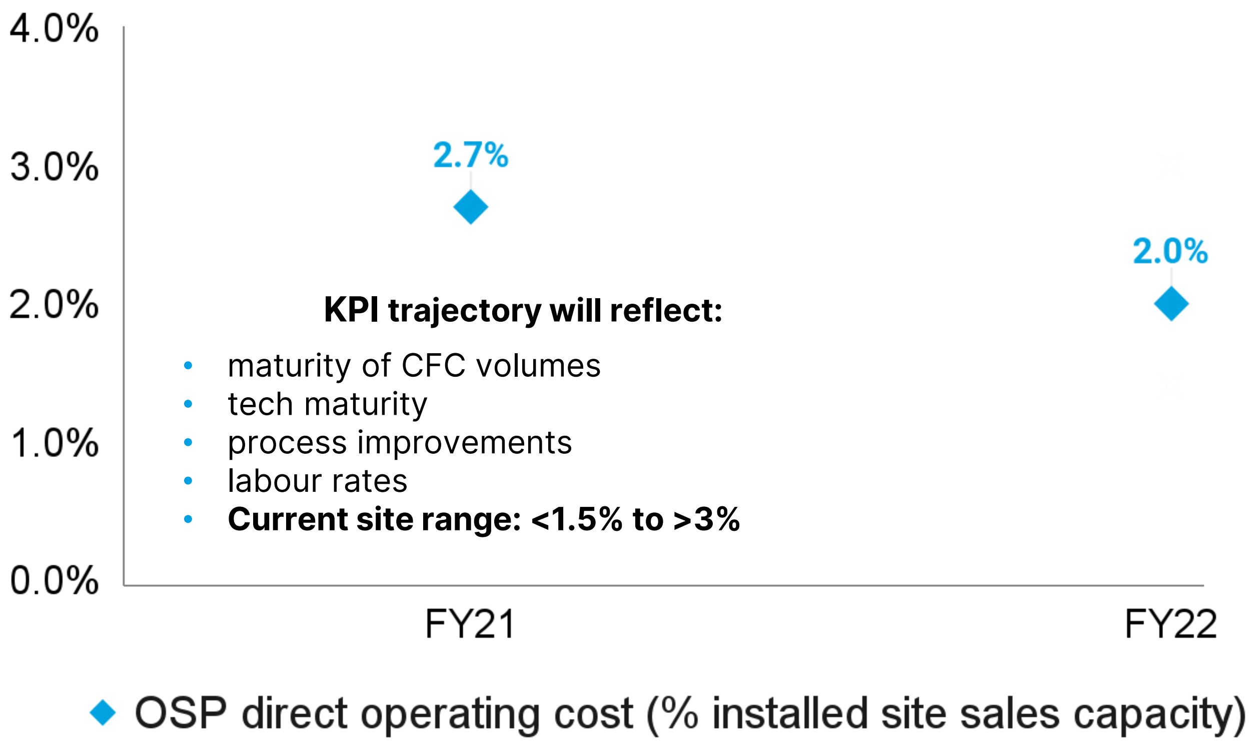
£m	FY22	FY21	Change
Revenue	291	183	59 %
Contribution	182	103	77 %
Contribution %	***63 %***	***56 %***	***7 ppts***

Key drivers:

- progress on direct operating costs at OSP sites, ahead of plan
- improving fee rate (OSP mix)

OSP direct operating costs[1] improving ahead of plan; on track towards 1.5% mid-term target

>25% improvement in FY22; lowest sites already achieving <1.5%

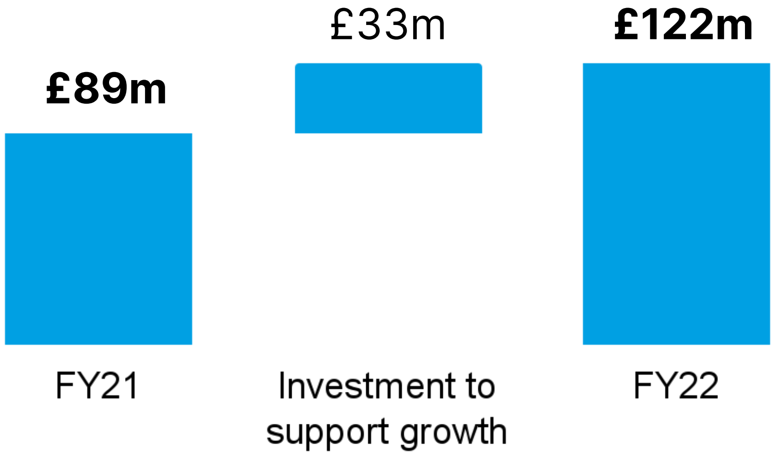


On track towards >70% contribution margin target for mid-term

Group support costs: managing to the right size and mix

Development in line with FY22 guidance; investments to support early stage roll out

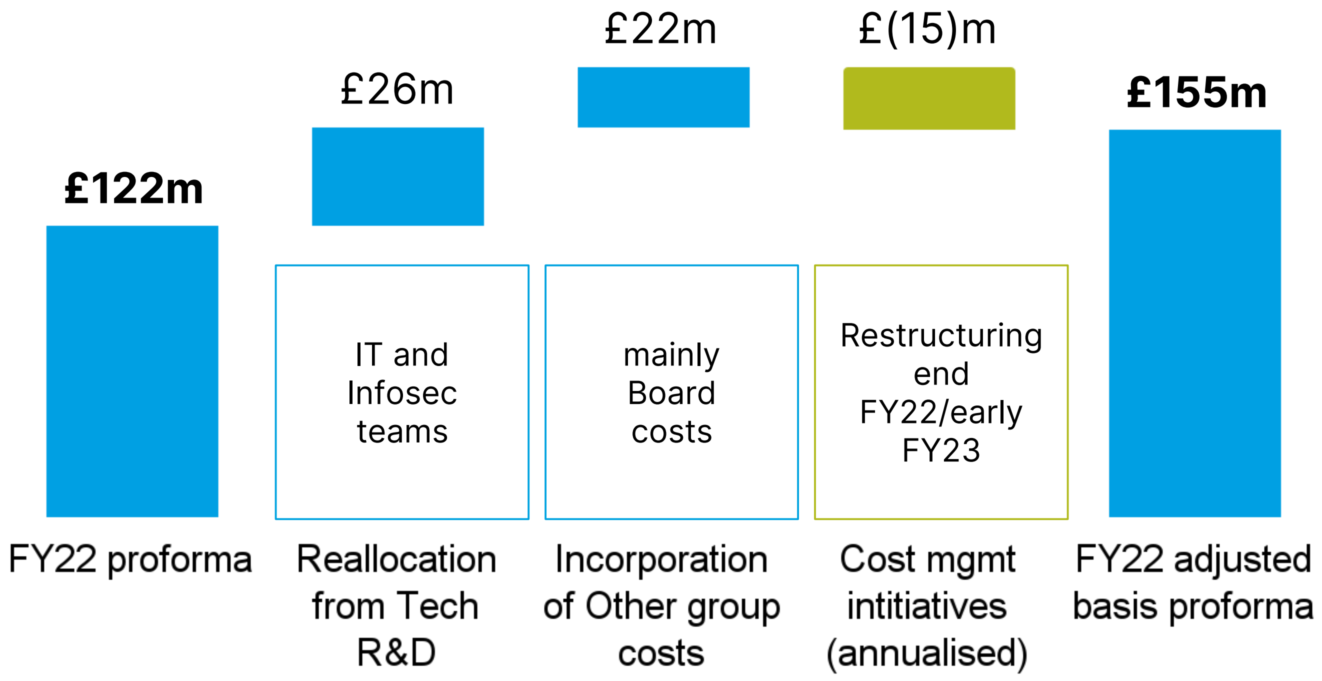
Investments made in Solutions partner success teams and central functions to support growth



Total cash cost of £144m, incl. capitalised costs

FY23 cost base will reflect new segmental cost allocations and actions taken to support next phase of growth

FY22 P&L cost proforma for cost allocation changes:

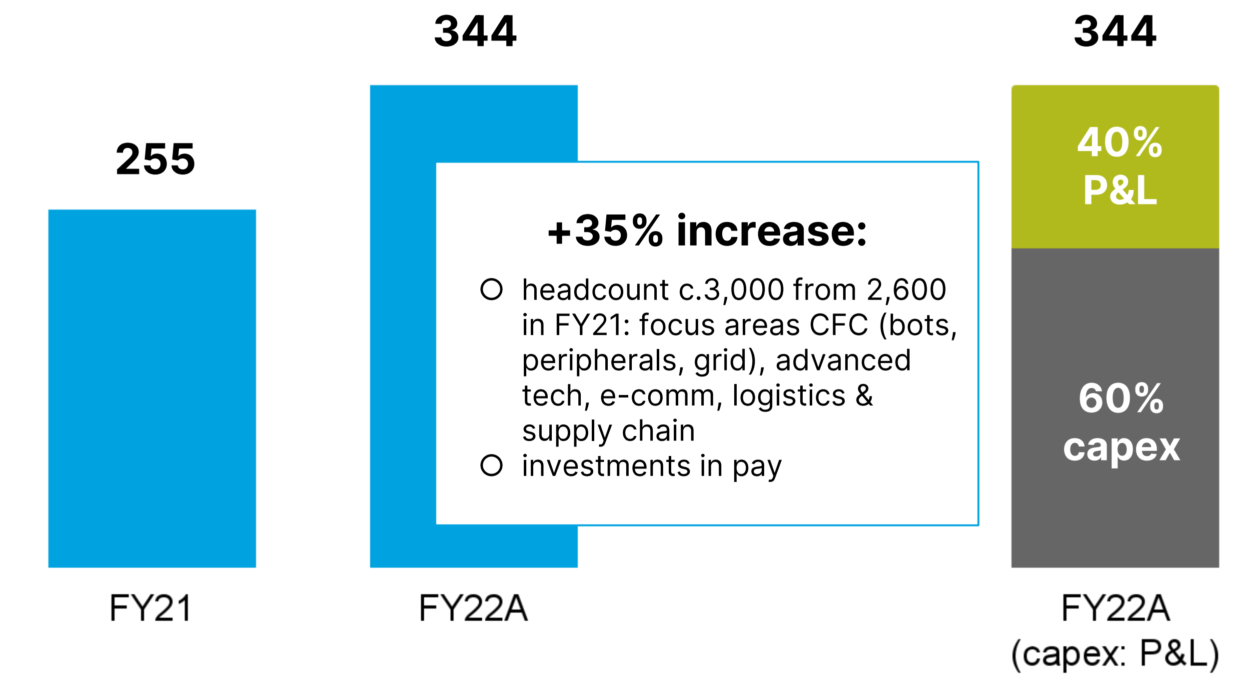


£185[1]m FY22 proforma total cash costs, incl. capitalised costs

Further efficiency opportunities mean we continue to target the combination of fully-costed Group costs c.£130m, down £25m, by the mid-term

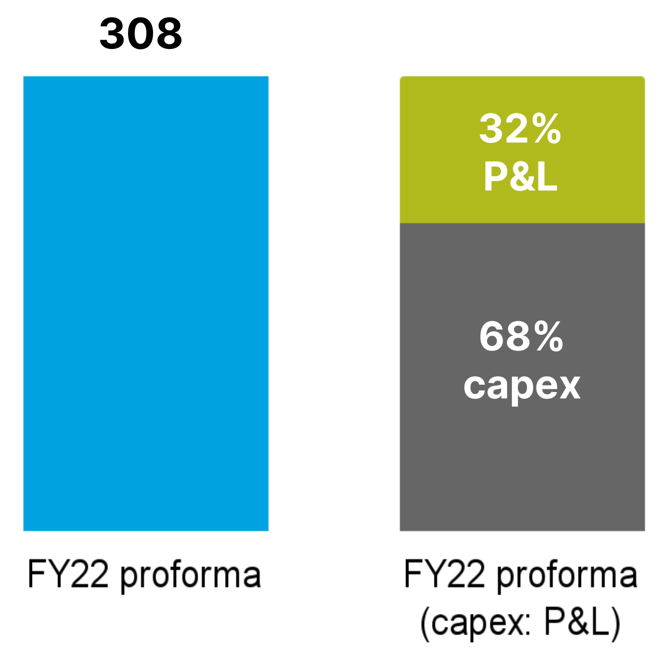
Technology R&D: investment nearing peak levels

Continued investment in FY22, in line with guidance; investment driven by Re:Imagined with headcount set to stabilise in FY23



FY23 cost base will reflect new segmental cost allocations

£36m total cash reallocation of IT and Infosec team to Group support costs



Continue to target £200m Technology cash spend to run OSP in mid-term

Review: new segments P&L on fully-costed basis

FY22 pro forma segmental results adjusting for inclusion of Group and other; reallocation of IT and Infosec costs between Technology R&D and Group Support costs does not change segmental result

	FY22 pro forma May seminar		FY22 pro forma new segments	Mid-term guidance
	Technology Solutions	**Group and other**	**Technology Solutions**	**Technology Solutions**
Revenue	291	1	292	>1,100
Contribution	182	n/a	182	>750
Central costs	(252)[1]	(22)	(274)	c.200
EBITDA	(72)	(22)	(94)	c.50% margin

stable, in real terms, on FY21 costs of £89m Group support, £38m Other and inc. c.£70m of targeted P&L share of £200m Technology cash costs in mid-term

The following capex commentary is presented consistent with this fully costed basis (inc. Group and other), aligned with the November 2022 Cash flow seminar

Enabling view of Technology Solutions performance on fully-costed basis
alongside improved visibility of standalone performance of Ocado Retail and UK Logistics

Capex: CFC capex and Technology investment drive spend

Upfront investment in OSP roll out continues to drive majority of segment capex

	FY22 pro forma	FY21 pro forma	
CFCs MHE (Mechanical Handling Equipment)	449	438	**c. 65%:** reflecting ramp up in roll-out of OSP
Technology, fulfilment development and innovation	228	157	**c. 30%:** half in CFC (grid, bots, peripherals), remainder [mainly] advanced tech, e-comm and logistics and supply chain
Other	22	27	**c. 5%:** broadly stable, primarily reflecting business transformation projects such as IT upgrades, new cloud based systems
Technology Solutions	**699**	**622**	Accounting capex

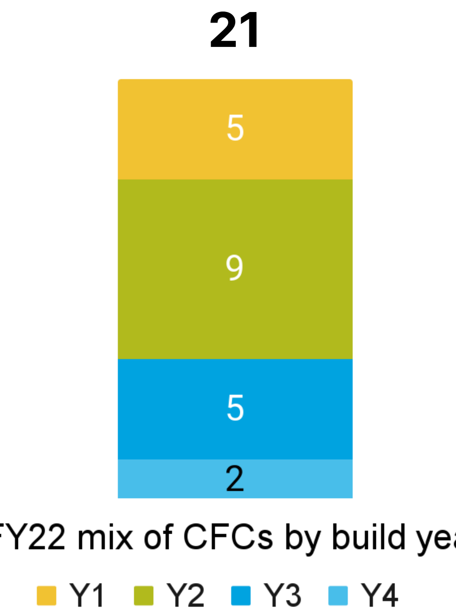
We expect attractive returns from these assets with the benefits of Re:Imagined targeting >40% ROCE

Capex: CFC investment reflects phasing and step up of OSP roll out

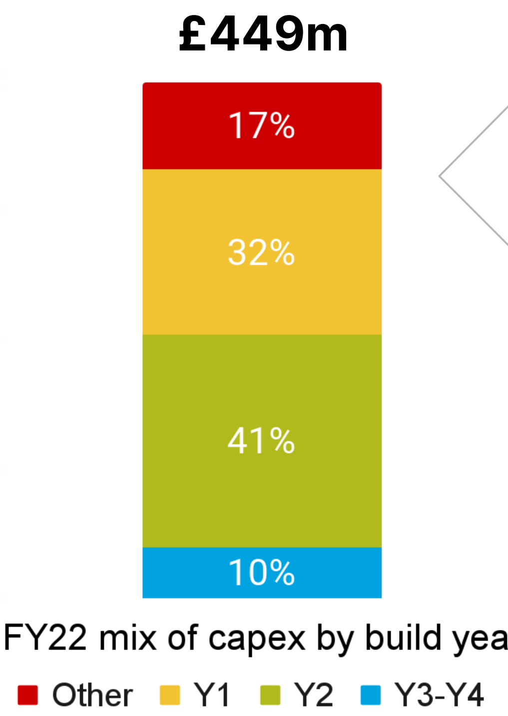
CFC capex in FY22 reflects (1) phasing of module draw-down and (2) total number of CFCs

FY22 CFC capex reflects heavier upfront spend; this will in turn feed into reducing capex in coming years

CFC go-lives drives majority of spend (in addition to Zoom sites)



FY22 mix of CFCs by build year



FY22 mix of capex by build year

More capex spend in Y1 vs. prior guidance reflects:

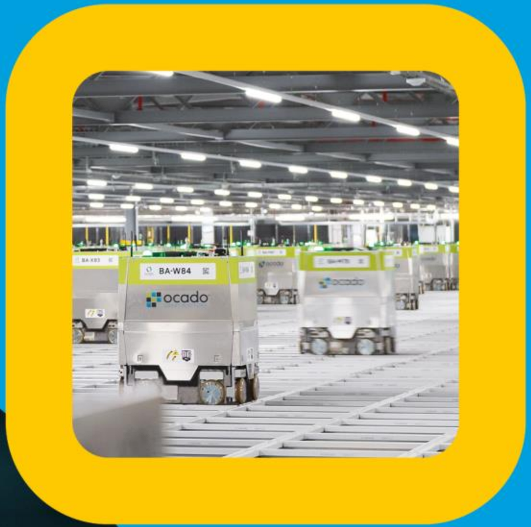
- mitigation of supply chain challenges
- [maturity of purchasing programmes]
- c.50% of 'Other' spend includes upfront purchases of MHE to be deployed to future sites

Expect to progress towards guided phasing[1] in coming years:

	Annual capex phasing		
capacity at go-live (Y2)	Y1	Y2	Y3-4
2 modules	5%	60%	35%

opportunity to further reduce upfront spend with Re:Imagined optimised site design

Combination of phasing and lower number of sites going live will see CFC capex reduce in near-term



FY23 Guidance

FY22 recap: summary for FY23 new segments basis

(FY22 seminar basis plus inclusion of Group and other in Technology Solutions segments)

FY22 pro forma new segments	Revenue	EBITDA	Capex
Ocado Retail	2,203	(4)	134
UK Logistics	660	26	-
Tech Solutions (inc. Group & other)	292	(94)	699
Eliminations	(641)	(2)	(36)
Group	**2,514**	**(74)**	**797**

FY23 guidance to build off of this basis for FY22

FY23 Guidance

Revenue

- **Technology Solutions: around 40% OSP fee revenue growth,** ahead of expected growth in live modules, reflecting the full year benefit of sites that went live in FY22 and an increasing share of higher fee OSP modules in the mix.
- **Ocado Retail**: **mid-single digit growth,** with an improving trajectory during the year, reflecting a return to volume growth as the challenging comparison to larger volume basket shopping behaviours that remained in early 2022 fades
- **UK Logistics: broadly stable:** with growth in eaches (individual items) processed for UK clients offset by improvements in cost per each, which are passed on to clients.

EBITDA

- **Technology Solutions:**
  - **positive EBITDA (pre Group and other),** while continuing to invest in R&D and client success; further ramp up in recurring OSP revenues combined with incremental progress on direct operating costs and effective management of Group Support costs
  - **Group and other costs stable at around £(25)m** *(to be allocated to Technology Solutions)*
- **Ocado Retail**: **marginally positive EBITDA,** with the shape of the year expected to reflect trends in volume and revenue growth; it is likely that EBITDA will be negative in the first half and positive in the second half, as a return to volume growth supports improved capacity utilisation and reduced costs relative to sales.
- **UK Logistics: stable at around £25m**, reflecting expected revenue growth and cost-plus model

FY23 Guidance

Cash flow

- **Underlying Group (inc. Retail) cash outflow to improve by around £200m, with cash outflows reducing in both Ocado Retail and Technology Solutions segments;**
  - **Increasing fees inflows in Technology Solutions and guided EBITDA improvements**
  - **Outflows reducing;** guided reduction in UK & International capital expenditure reflecting lower investment in MHE for new sites

Capital Expenditure

- **Total of at most £550m, a reduction of at least £250m vs FY22:**
  - **90% in Technology Solutions, of which:**
    - **c.50% CFCs MHE**, reflecting a moderated pace of site go-lives. We expect to bring live 6 automated sites for partners in FY23 (5 CFCs)
    - **c.40% Tech R&D;** at peak, with growth vs. FY22 driven by annualisation of year-end headcount
    - **c.10% on Other;** business and systems transformation projects to support future growth and resilience
  - **10% to support Ocado Retail, of which:**
    - **c.75% development capex;** Luton CFC and one Zoom site, due to go live in FY23
    - **c.25% maintenance capex**; to support the running of the UK network (primarily mature CFCs, IT, spokes) including amounts recharged from Ocado Logistics

FY23: key messages

- Technology Solutions set to record its first ever EBITDA profit
- Retail expected to return to volume and revenue growth as the year progresses
- Logistics productivity improves further
- Cost management a key focus
- Cash flow improving by at least £200m; growing cash inflows/reducing capex
- Trend expected to continue
- Strong liquidity maintained throughout

ocado GROUP

Tim Steiner

CEO Ocado Group

Stephen Daintith

CFO Ocado Group

Hannah Gibson

CEO Ocado Retail

James Matthews

CEO Ocado Technology

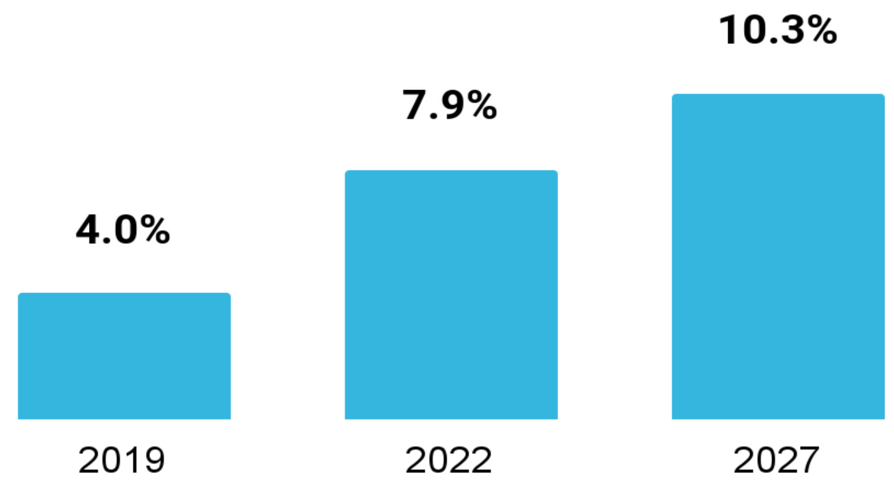
Mark Richardson

CEO of Ocado's new Automated Storage & Retrieval Systems (ASRS)

Outlook for online grocery strong; Ocado Retail taking share

Online share stabilised at materially higher levels with continued outlook for growth

>50% increase in median online penetration in top 20 markets globally since before the pandemic

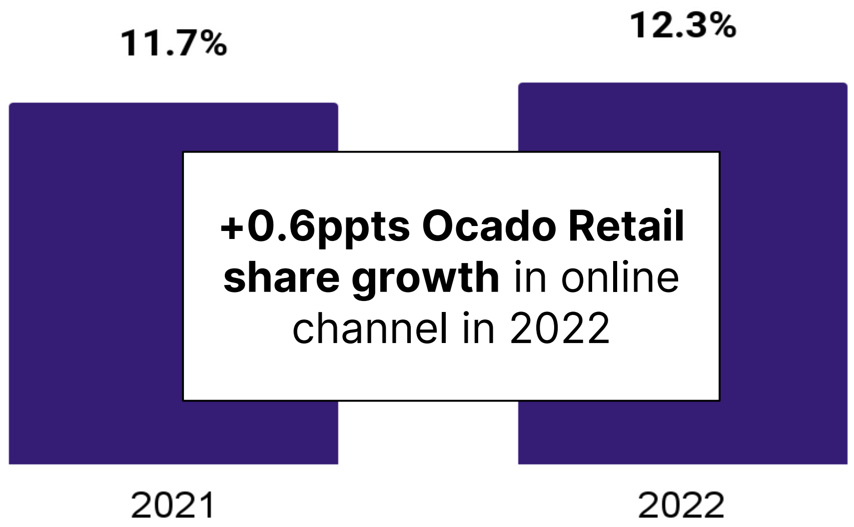


Median online share of grocery in 20 top markets[1]

With **industry data forecasting continued growth**

Ocado Retail is taking share of the bigger online channel in the UK

UK online share has stabilised at around 11% (6% pre pandemic, IGD), and >70% of households have shopped online



Ocado Retail share of online grocery in UK (Nielsen)

Trend to continue; **building on leading NPS and service levels with Re:Imagined and other innovation**

As pandemic unwind eases, structural growth in online and for partners to resume

Ocado Group: continued strong delivery on OSP roll out in 2022

Executing well for partners and delivering cost improvements ahead of plan

Delivering on client commitments

+12 sites live to 23 total

- 9 CFCs, 3 Zooms
- More than double FY21
- >50% now International
- Delivered on time and
  - on budget

+62% modules live to 99 total

- Go-lives and sites ramping
- Performing in line or ahead of Service Level Agreements
- OSP modules a growing share of the mix

Optimising OSP economics

2.0% OSP direct operating cost

- 25% improvement in exit rate year-on-year (FY21 2.7%)
- Progressing towards 1.5ppts target
- Some sites already beyond target level

Building on our long track record of execution in the UK

Supporting partners through learning curve to next phase of growth

Successful go-lives

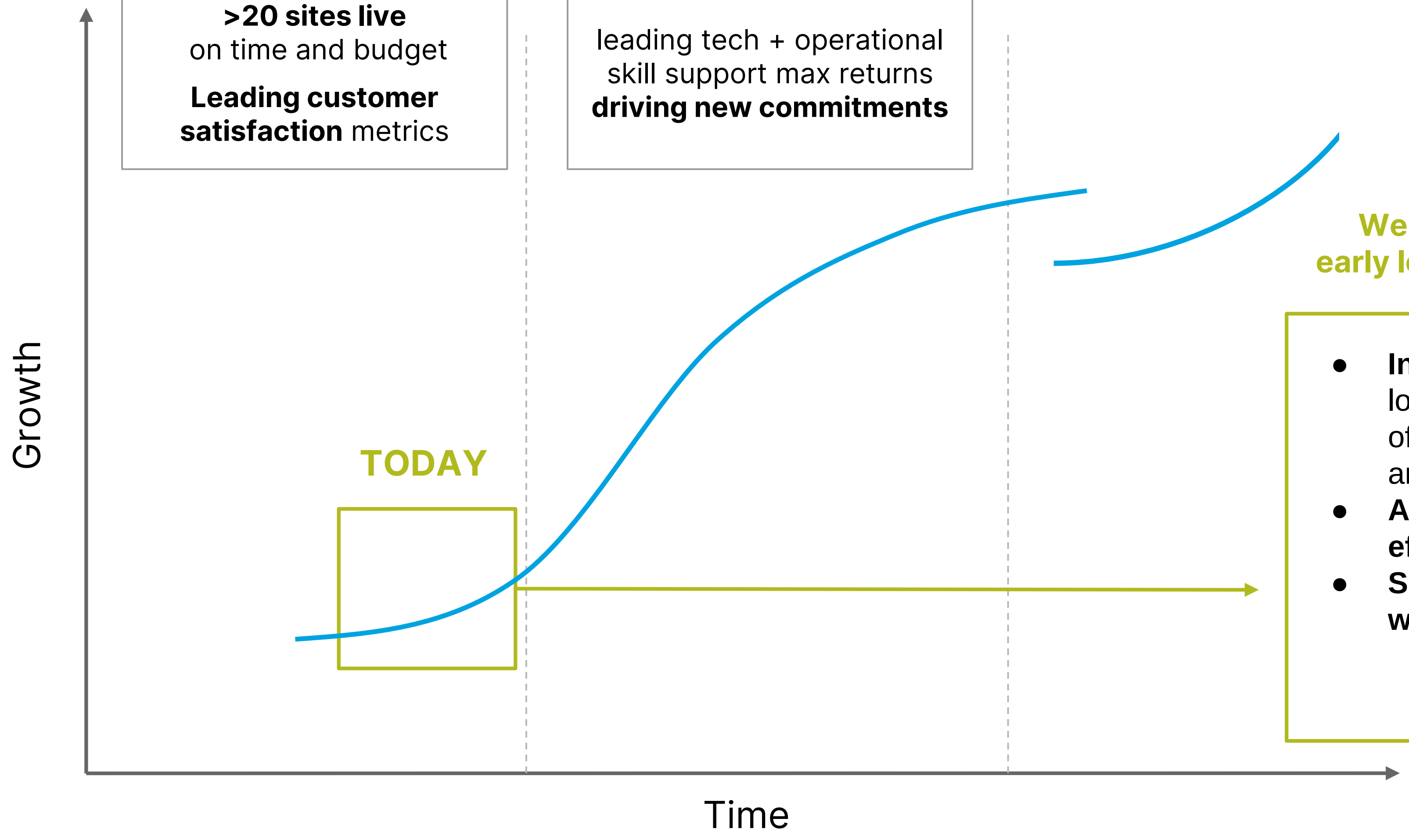
>20 sites live
on time and budget

Leading customer satisfaction metrics

Outlook for accelerated growth

leading tech + operational skill support max returns **driving new commitments**

Optimising today and innovating for tomorrow



We are supporting partners to deploy early learnings and get the most out of OSP

- **Investing in Client Success teams:** local and remote support across key areas of fulfilment, e-comm, network planning, analytics, construction
- **All CFCs achieving targeted MHE efficiency**
- **Support focused outside of the CFC with encouraging early results**
  - improving delivery efficiency at certain client sites by 15%

Ocado Re:Imagined on the horizon: reinforcing momentum

On track to deliver step change in OSP economics, and platform flexibility from end of FY23

7 tech innovations[1]	**On-Grid Robotic Pick** (OGRP)	**Automated Frameload** (AFL)	**600 series bot**	**Optimised grid & site design**	**Orbit** (virtual distribution centre)	**Swift Router** (immediacy and longer lead-time orders from same van)	**Ocado Flex** (more flexible integration of front and back end)
Driving big operational benefits	**30-40% lower** CFC labour cost **UPH 300+**	**20% smaller** CFC footprint	**c. 80% lighter** robot	**Lighter grid,** new site design	**Half the time** to install and test MHE	**>5x increase** % of orders delivered in <4hrs from placing	**More flexible** front end
And better economics for partners and Group	**1ppt+** operating margin benefit	**c.20% lower** construction and lease costs	**Serving more missions** at lower cost	**5 months to install MHE;** partner build also reduces	**15%+ lower** MHE capital cost	**fee increase to c5.5%** from c.5.0%	**50% lower** peak cumulative net cash outflow per CFC

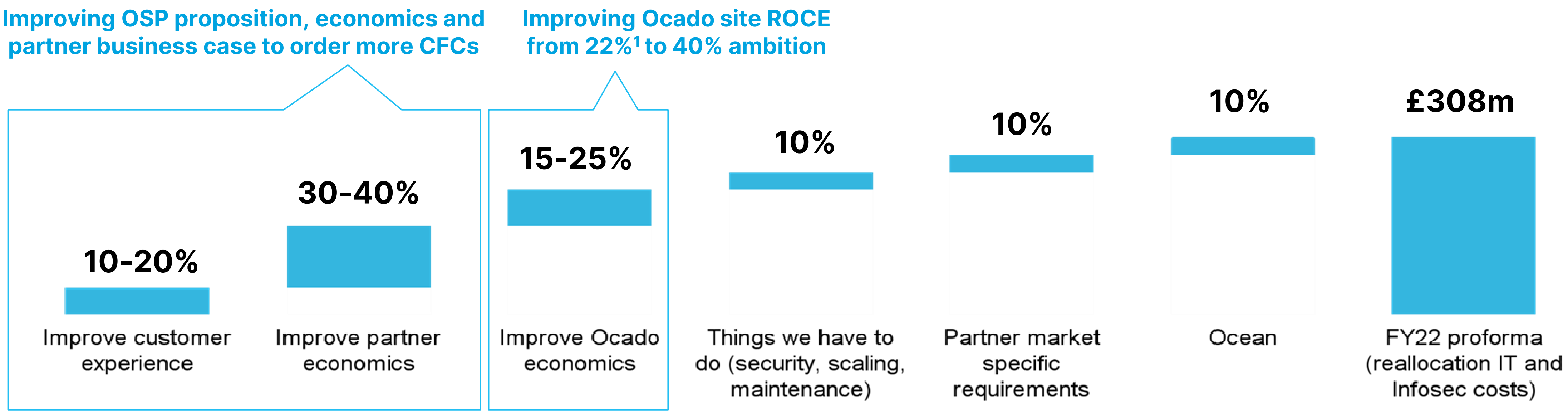
Partner gets majority of benefit, driving growth

Ocado gets better margin on faster growth

Available for all new orders and almost all changes retrofittable to live sites; key driver of new signings in FY22

Tech R&D investments are focused on driving return on capital

Around 70% of tech R&D invested to deliver improvements for client and Group



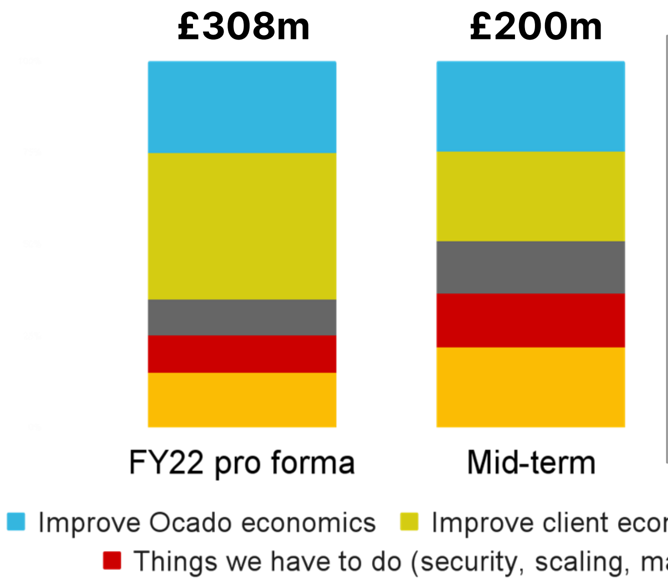
Investment category	Key initiatives
Improving user experience	Flexible Delivery, General Merchandise, Content Management, Personalisation
Improving partner economics	OGRP, Auto Freezer, Web-shop monetisation, Last Mile efficiency, In-Store Fulfilment (ISF), ORBIT, AFL
Improving Ocado economics	Cloud Optimisation, UI Flexibility, 500 efficiency, 600 Bot and Grid
Things we have to do (security, scaling, maintenance)	Security, Scalability, Reliability, Tooling, responding to incidents/patching
Things we have to do for partners	Language requirements, bespoke ISF work, supporting launches, customer acquisition
Ocean	Moving Ocado Retail onto OSP from legacy systems

We expect R&D to drive faster growth and higher returns in and outside of grocery

Investment level to reduce with maturity and as business scales

Targeting £200m annual R&D investment to run OSP platform in mid-term

As the OSP platform matures, mix of spend likely to evolve;



Ocean spend removed (project completed)

Stability in absolute investment drives higher mix of:

- things we have to do for partners
- things we have to do (security, lights on)

c.50% of total investment remains on improving partners and Ocado economics

We will remain agile on mix but expect £200m is enough to maintain best-in-class OSP platform

With lower costs amortised over larger sales base

At c.£70m annual sales per module, in grocery, modules worth client sales of:

>£6.5bn live

>£16bn ordered

>£22bn planned

We believe c.70% of tech developed is applicable outside grocery and **incremental investment required to succeed in ASRS low single digit %**

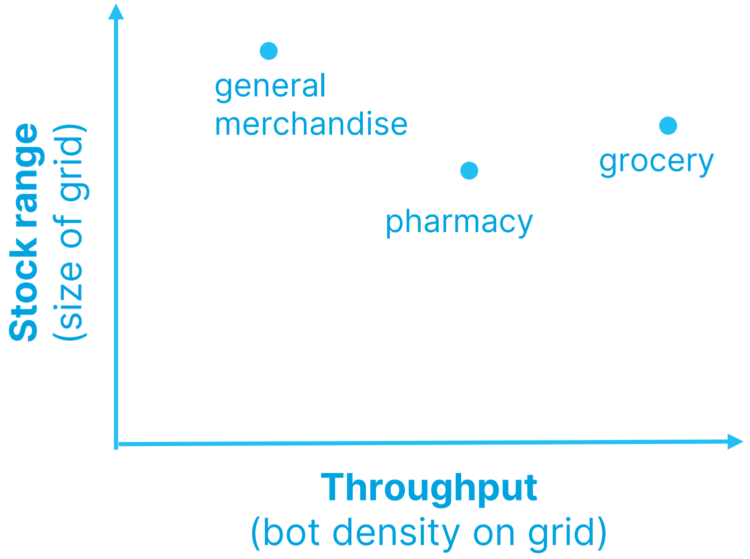
Supporting path to c.50% EBITDA margin for Tech Solutions segment in mid-term

Our versatile OSP technology is applicable well beyond grocery

We believe we can serve the needs of any company looking to store,
sort and ship products of any type (that fit in a tote, in the first instance)

Meeting full scope of **range, throughput and temperature** needs in the wider ASRS (automated storage and retrieval solutions) market

Example industry requirements



Driving a **huge opportunity set across various industries and scales** of installation

Key features of the model

- capital light; upfront sale with immediate financial returns realised on go-live
- to leverage OSP R&D investments
- Flexibility; (1) Ocado and integrator implementation options (2) as-a-service optionality for some elements

Broadly cash flow neutral with payback expected on go-live

Range evidenced by strong interest from potential clients so far; across market cap sizes, varying industries, sizes of installations

Conclusion

- Channel shift from bricks and mortar to e commerce in grocery is now resuming from a higher base, post-COVID
- Ocado is helping a growing number of partners, globally, to lead this process in their markets. We now have more CFCs internationally than in the UK, for the first time ever
- Our ability to innovate at pace is creating an ever more attractive solution, improving economics for both us and our partners, and showing the link between tech R&D and higher returns
- We have important opportunities to take our technology beyond grocery
- As we deepen our relationships with our partners, we have learnt a lot about how to help them make the most of our world-leading technology. We are confident that we will see the benefits of these learnings in the next few years as we progress our mission to change the way the world shops, for good

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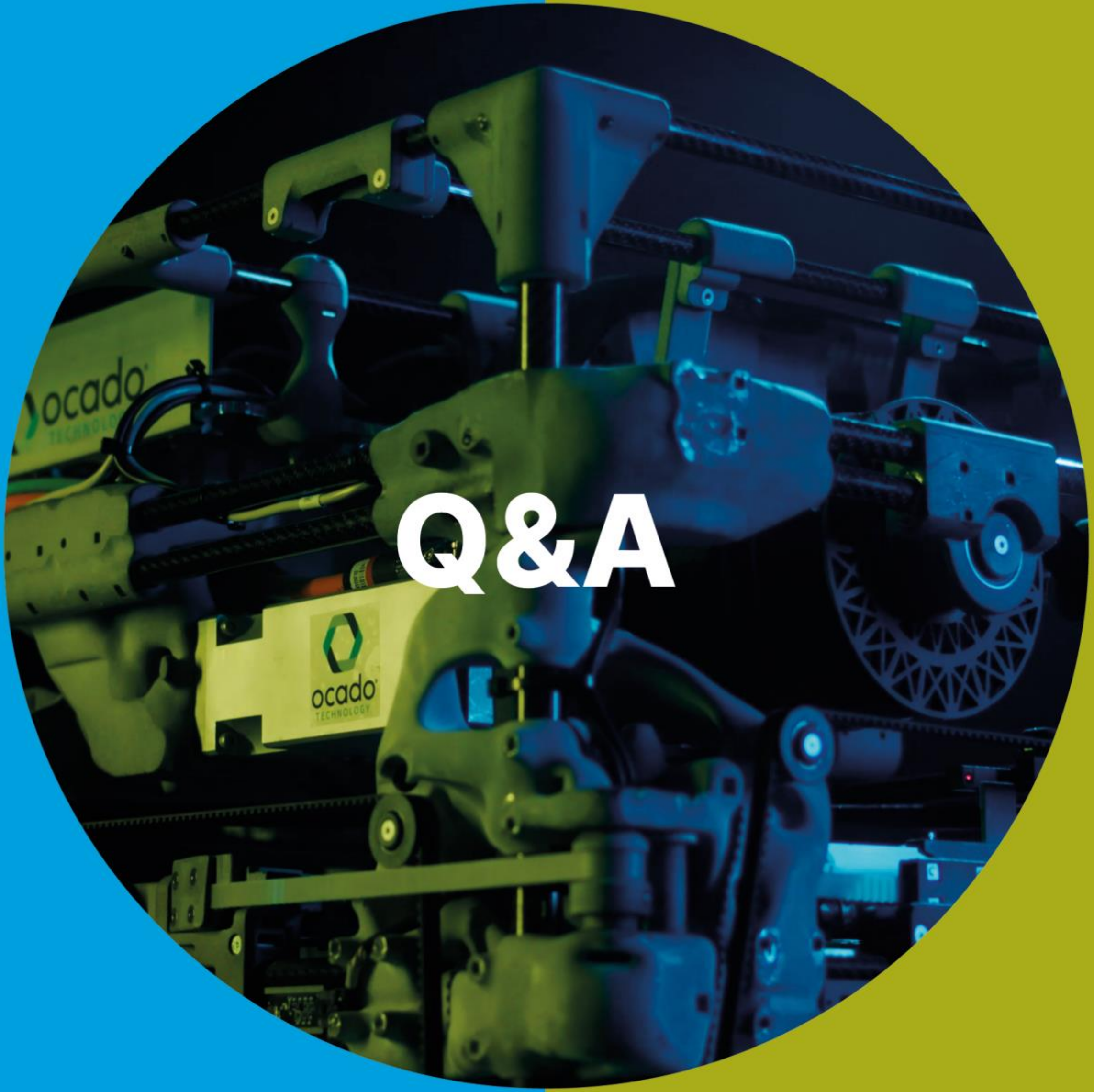
GROUP



Q&A

Appendix: footnotes to slides

SLIDE 7
1. Revenue is a. Retail - online sales (net of returns) including charges for delivery but excluding relevant vouchers/offers and value added tax, b. International Solutions - the fees charged to international clients and c. the recharge of costs and associated fees from UK Solutions & Logistics to our UK clients with the exception of recharges from UK Solutions & Logistics to Ocado Retail which are eliminated on consolidation
2. Post-exceptional

SLIDE 8
1. Proforma segmental reporting on same basis as that used in May 25th 2022 Modelling seminar, available on Ocado Group website Reports and Presentations page

SLIDE 10
1. Revenue is online sales (net of returns) including charges for delivery but excluding relevant vouchers/offers and value added tax

SLIDE 11
1. Revenue is online sales (net of returns) including charges for delivery but excluding relevant vouchers/offers and value added tax
2. Active customers are classified as active if they have shopped at ocado.com within the previous 12 weeks
3. Average basket value refers to results of ocado.com
4. Average selling price is defined as gross sales divided by total eaches

SLIDE 12
1. FY21 other income includes £4.4m from the Transitional Services Agreement relating to the sale of Fetch in FY21
2. Marketing costs exclude the costs of vouchers given to customers; these are included in cost of sales
3. Fees include OSP and capital recharge fees

SLIDE 14
1. Revenue includes a. management fee and capital recharge related fee revenue and b. cost recharges received from UK partners Ocado Retail and Morrisons

SLIDE 17
1. Revenue includes £11.5m revenue (FY21: £9.6m) from Kindred Systems and £4.6m data centre fees and equipment sales (FY21: £8.1m) to retail partners recognised as revenue under IFRS 15. The cost of this equipment is recognised in cost of sales.
2. Recurring Revenue includes capacity fees, annual licence fees, in-store fulfillment (ISF) fees, item fees, R&D fees, test environment fees and revenue relating to Kindred and Ocado Ventures.
3. A module of capacity is assumed as approximately 5,000 eaches per hour (dependent on the specific metrics of a partner) and c. £70m pa of sales capacity.
4. A module is considered live when it has been fully installed and is available for use by our partner

SLIDE 17
1. A module is classified as ordered when a contractual agreement has been signed with a partner and an invoice has been sent for the associated fees. This excludes modules which are required to be ordered in order to maintain exclusivity agreements, but which have not yet been agreed upon and invoiced

SLIDE 18
1. Direct operating costs as a % of site sales capacity reflects the exit rate position for CFCs live for at least six months at the period end. Direct operating costs include engineering, cloud, and other technology related support costs

SLIDE 19
1. Includes capitalised costs of £8m from re-allocation of £36m total cash cost from Technology to Group support; remaining £2m to be allocated to Ocado logistics

SLIDE 21
1. Central costs and EBITDA include £2m of eliminations

SLIDE 23
1. Based on guidance for typical 5 module site; c.£350m sales capacity and c.£50m gross capex, with two modules installed on go-live

SLIDE 30
1. Edge Ascential: Total Grocery, gross sales where 'Total Grocery' assumes Edible Grocery, Household & Pet Care and Health & Beauty. It excludes Wholesale and Food Service. The term 'Gross Sales' assumes data based on total reported Retailer Gross Sales.

SLIDE 33
1. Detailed explanation of Ocado Re:Imagined innovations available on Group website: https://ocadogroup.com/about-us/our-stories/ocado-reimagined/

SLIDE 34
1. Purfleet CFC on track from 22% site level ROCE, where ROCE = Run rate EBIT based on mid-term cost targets divided by capex net of up front fees

Forward-looking statements

DISCLAIMER

This presentation contains oral and written statements that are or may be “forward-looking statements” with respect to certain of Ocado’s plans and its current goals and expectations relating to its future financial condition, performance and results. These forward-looking statements are usually identified by words such as ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’ or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they are based on current expectations and assumptions but relate to future events and circumstances which may be beyond Ocado’s control. There are important factors that could cause Ocado’s actual financial condition, performance and results to differ materially from those expressed or implied by these forward-looking statements, including, among other things, UK domestic and global political, social, economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, the possible effects of inflation or deflation, variations in commodity prices and other costs, the ability of Ocado to manage supply chain sources and its offering to customers, the effect of any acquisitions by Ocado, combinations within relevant industries and the impact of changes to tax and other legislation in the jurisdictions in which Ocado and its affiliates operate. Further details of certain risks and uncertainties are set out in our Annual Report for 2022 which can be found at www.ocadogroup.com. Ocado expressly disclaims any undertaking or obligation to update the forward-looking statements made in this presentation or any other forward-looking statements we may make except as required by law. Persons receiving this presentation should not place undue reliance on forward-looking statements which are current only as of the date on which such statements are made.