

OCADO GROUP PLC

26 March 2024

Ocado Retail Q1 Trading Statement

Strong volume growth and market share gains

Ocado Retail Ltd (“Ocado”), a joint venture between Ocado Group plc (“Ocado Group”) and Marks & Spencer Group plc (“M&S”), today announces its trading statement for the 13 weeks to 3rd March 2024

Highlights

Q1 2024

- Volumes (total items) grew 8.1% year-on-year, driving Q1 Retail revenue growth of 10.6%, to £645.3m.
- Ocado Retail online market share (Nielsen) rose to 13.5% at the end of February, up 0.7% over the year.
- Average orders per week of 414,000 grew 8.4% compared with Q1 2023, reflecting strong growth in active customers, up 6.4% to 1.02 million at the end of the quarter.
- Average basket value was up 2.1% while basket size (number of items) was stable year-on-year.
- Continued focus on pricing strategy resulted in ASP growth of just 2.2%, significantly below the market - this has translated to improvements in customer value perception

Key financial drivers

| | 13 weeks Q1 2024 | 13 weeks Q1 2023 | Year on year change (%) ⁷ |
|--|---------------------|---------------------|---|
| Retail revenue (£ million) ¹ | £645.3m | £583.7m | 10.6 |
| Volumes - total items (million) ² | 242.1 | 223.9 | 8.1 |
| Average orders per week (000s) ³ | 414 | 382 | 8.4 |
| Active customers (000s) ⁴ | 1,018 | 957 | 6.4 |
| Average basket value (£) ⁵ | 125.47 | 122.94 | 2.1 |
| Average selling price (£) ⁶ | 2.79 | 2.73 | 2.2 |
| Average basket size (items) | 45.0 | 45.1 | (0.2) |

Hannah Gibson, Ocado Retail’s Chief Executive Officer, said:

‘We have made a strong start to the year, building on the momentum we established in 2023 through the progress of our Perfect Execution programme.

We are delivering improvements in our proposition for customers, across unbeatable choice, unrivalled service and reassuringly good value. During the first quarter, we stepped up our efforts: enriching our product range with the strong growth of core M&S grocery lines and the debut of Makers Market, using our unique model to showcase incredible small brands; further enhancing slot and product availability; and lowering the price of 1,700 more products in our latest Big Price Drop promotion alongside further expanding the Ocado Own Range.

Our strategy is resonating with customers and volume growth is building well. There’s still so much more we can do and I’m looking forward to raising the bar even further in 2024.’

Guidance

There is no change to the guidance issued on 29 February with the Ocado Group FY23 results. This guidance is summarised below:

Revenue: mid-high single digits % growth

EBITDA: underlying EBITDA margin of c.2.5% (underlying excludes Hatfield fees of £33m p/a)

Ocado Group, on behalf of the joint-venture, will be hosting an analyst conference call at 8.00am today.

Please use participant number: +44 (0) 33 0551 0200 and confirmation code: Analyst Call. A replay facility will be available through an on demand link for 90 days following the announcement.

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About Ocado Retail

Online supermarket Ocado.com was established in 2000 and is one of Britain's leading online retailers, now a 50:50 joint venture between Ocado Group plc and Marks & Spencer Group plc. Covering geographies comprising over 82% of UK households, every shopping bag is carefully packed in one of seven distribution centres using market leading software and technology. Shopping is then delivered directly to customers using a network of regional spokes in brightly-coloured vans. With award-winning mobile apps, Ocado Retail delivers a wide range of products, including big-name brands, a range of quality M&S and Ocado own brand products and a non-food selection. Thoughtful service features such as colour-coded bags, digital receipts provided in date order, reminder texts with your driver's name, along with convenient hourly delivery slots complementing award-winning customer service on email, phone and social media.

Notes

1. Retail revenue comprises revenues from Ocado.com and Zoom by Ocado
2. Volumes - total items refers to results of Ocado.com
3. Average orders per week refers to results of Ocado.com
4. Active customers are classified as active if they have shopped at Ocado.com within the previous 12 weeks
5. Average basket value refers to results of Ocado.com
6. Average selling price refers to Ocado.com and is defined as product sales divided by total eaches
7. Growth percentage calculated on a rounded basis
8. The figures used in this announcement are unaudited

A copy of this trading update is available on www.ocadogroup.com and www.corporate.marksandspencer.com

Cautionary statement

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Ocado does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.