

OCADO GROUP PLC

14 January 2025

Ocado Retail Q4 Trading Statement

Strong performance throughout 2024; accelerated sales growth in Q4, remaining the fastest growing grocer in the UK

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 1st December 2024

Q4 Highlights

- Q4 Retail revenue grew by 17.5% to £715.8m as we continued to deliver on our strategy of unbeatable choice, unrivalled service and reassuringly good value; enabled by Ocado's technology and automated Customer Fulfilment Centres
- Volumes (total items) on Ocado.com grew 17.0% year-on-year and average orders per week grew by 16.9% to 476k
- Performance was driven by active customer base growth of 12.1%, now at 1.1m active customers, and greater frequency as more customers shopped with us more of the time
- Growth was driven by order volumes; average basket sizes were stable and average selling prices were flat as we continued to invest in price and value ahead of the market

Key financial drivers

	13 weeks Q4 2024	13 weeks Q4 2023 ⁷	Year-on-year change (%) ⁸
Retail revenue (£ million) ¹	715.8	609.4	+17.5
Volumes - total items (million) ²	271.6	232.2	+17.0
Average orders per week (000s) ³	476	407	+16.9
Active customers (000s) ⁴	1,119	998	+12.1
Average basket value (£) ⁵	120.85	120.62	+0.2
Average selling price (£) ⁶	2.75	2.75	+0.1
Average basket size (items)	43.9	43.8	+0.1

FY 2024 (52 weeks to 1st December 2024)

- Full year Retail revenue grew by 13.9% to £2,685.8m
- Volumes (total items) on Ocado.com grew by 12.9% and average orders per week grew by 12.5%, driven by growth in active customer base of 12.1% to 1.1m active customers, and increased frequency
- Average basket value increased by 1.0% to £122.09, with basket size up 0.3% to 44.3 items and a 0.6% increase in ASP, well below UK grocery inflation⁹ of 3.0%

- Our topline growth, as well as continued focus on cost and efficiency, has resulted in strong EBITDA growth

Progress implementing our strategy

- We have offered even better choice, including almost all of the M&S addressable range live on site and more joint launches than prior years. We know M&S products continue to bring new customers to Ocado.com. Alongside our strong range of bigger brands and Ocado Own Brand, we also offered more innovation and newness to customers through our challenger brands
- Our already high Perfect Orders (on time and in full, with no substitutions) increased by +7ppt across the year, and 99% of items were delivered as promised. Product availability and delivery slot availability both improved whilst we also added an additional half a day of freshness to the shelf life of our produce
- We have continued to invest meaningfully in price with price perceptions continuing to improve as a result, with value satisfaction increasing +4.3ppt in the year. We lowered more prices through our 'Big Price Drops' and continued with our Ocado Price Promise, basket matching on 10,000 like-for-like products with Tesco

Christmas Trading

- Ocado delivered another record-breaking Christmas, with our highest ever level of sales over the peak Christmas trading period
- We offered an extensive seasonal range across M&S and many other suppliers, with customer favourites including the M&S party food selection from hot honey halloumi to pigs in blankets to the showstopper entertaining range; cheeses from a wide range of suppliers including Paxton and Whitfield; and a continuing popularity of low and no alcohol drinks for the festive season
- Our CFC efficiency improved throughout the year with average units per hour, "UPH" rising to 220, up 15% versus last year, with our newest CFC in Luton reaching 269 UPH in the year as we further rolled out On-Grid Robotic Pick. Over the Christmas period our network exceeded design capacity demonstrating the further growth potential of our CFCs.

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

"2024 was a year of strong growth. In the fourth quarter, we accelerated sales again - reaching 500,000 orders per week for the first time, at the end of November.

We've achieved this growth by being laser focused on customer service and delivering unbeatable choice, unrivalled service and reassuringly good value to the households and families that we serve. We've made a series of significant improvements - including making sure customers can buy all their favourite M&S products, ensuring our service is near perfect, shifting our value perceptions as customers realise how much we've moved on price and helping new customers discover Ocado.

"As we enter the next phase of our strategy, we are excited about the future of online grocery and our role in shaping it. Priorities for this year are raising the bar again in our leading customer proposition, making further progress on improving profitability and transitioning the business onto new technology platforms."

FY25 Guidance

We have confidence that the business will continue to show market-leading sales growth and volume momentum in FY25. Moreover, we expect to make further progress on driving operational efficiency and scale leverage, continuing on our journey towards a high mid-single digit adjusted EBITDA margin in the mid-term.

Our expectations for further growth will be reflected in our guidance for FY25 for Ocado Retail at the Ocado Group Full Year Results on 27 February 2025.

Alongside this release, a short video is available on the Ocado Group website [here](#) in which Ocado Retail CEO, Hannah Gibson, discusses recent performance, strategy, and the outlook for Ocado Retail.

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: Ocado Q4 - 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

Ocado.com (operated by Ocado Retail) is the world's largest dedicated online supermarket and is a 50:50 joint venture between Marks & Spencer Group and Ocado Group.

Reaching over 80% of the UK population, more than 1 million active customers benefit from an unbeatable range of around 45,000 products (including M&S, Ocado Own-Range, big-name brands and challenger brands), unbeatable service with next-to-no substitutions. Every order is carefully packed in one of seven distribution centres using world-leading software and technology. Shopping is then delivered directly to customers using a network of regional spokes and fleet of brightly-coloured delivery vans.

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 complemented by award-winning customer service on email, phone and social media.

Ocado Retail is also responsible for Zoom by Ocado, its rapid grocery delivery service.

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. FY23 was a 53 week year and Q4 2023 was 14 weeks. To provide a like-for-like comparative the Q4 2023 trading update was based on the 13 weeks ending 26th November (with the exception of active customers which is based on the 53rd week year exit number)
8. Growth percentage calculated on an unrounded basis
9. NIQ Total Till and NIQ Homescan from Nielsen Consumer LLC

A copy of this trading update is available on www.ocadogroup.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.