

OCADO GROUP PLC

28 March 2023

Ocado Retail Q1 Trading Statement

On track to restore sales momentum

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 26th February 2023

Highlights

- Q1 Retail revenue of £584m, up 3.4% vs the same quarter last year
- Average orders per week (Ocado.com) of 381,000, up 3.6% year-on-year
- Active customers reached 951,000 at the end of Q1, up 13.8% year-on-year; continued growth in new customers alongside improving conversion to maturity (beyond fifth shop)
- Perfect Execution programme driving improved service levels, with on time delivery and order accuracy back to pre-pandemic levels and deliveries now back to the kitchen table; increasing our range of M&S products and further investment in value through the launch of the Ocado Price Promise
- Average basket value (Ocado.com) flat, with a (7.5)% fall in basket size, to 45 items, offset by a 8.3% increase in ASP; order frequency returned to pre-Covid levels
- Guidance remains unchanged

Key financial drivers

	13 weeks Q1 2023	13 weeks Q1 2022	Change
Retail revenue (£ million) ¹	£583.7m	£564.7m	3.4%
Average orders per week (000s) ²	381	367	3.6%
Active customers (000s) ³	951	835	13.8%
Average basket value (£) ⁴	124	124	0.2%
Average selling price (£) ⁵	2.75	2.54	8.3%
Average basket size	45	49	-7.5%

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

“We continue to attract more and more customers to Ocado, by investing in great value for customers including our new Ocado Price Promise and providing unbeatable choice and service. This means more perfect orders that are on time and in full, with deliveries back to the kitchen table. We are also championing smaller suppliers and creating more of the M&S magic for customers by offering more of the products they love. While the trading environment remains challenging, we expect to build momentum through the second half of the year, as we improve our proposition, grow our customer base, and no longer lap Covid shopping behaviours. This solid 2023 performance will enable us to return to sales growth and profitability.”

Guidance

No change to guidance issued on 28 February with the Ocado Group FY22 results.

Revenue: 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.

EBITDA: 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.

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 Retail – Analyst call. A replay facility will be available through an on demand link for 90 days following the announcement.

Contacts

- Stephen Daintith, Chief Financial Officer, Ocado Group plc, on 01707 228 000
- David Shriver, Chief Reputation Officer, Ocado Group plc, on 01707 228 000
- Fraser Ramzan, Head of Investor Relations, Marks and Spencer Group plc, on 020 3884 7080
- Martin Robinson at Teneo on 020 7353 4200

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 74% 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 over 50,000 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 Ocado Zoom and excludes revenues from Fetch in current and prior periods
2. Average orders per week refers to results of Ocado.com
3. Active customers are classified as active if they have shopped at Ocado.com within the previous 12 weeks
4. Average basket value refers to results of Ocado.com
5. Average selling price refers to Ocado.com and is defined as gross sales divided by total eaches
6. Growth percentage calculated on a rounded basis
7. 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.