H1 FY22 Results

5 building blocks for momentum

21st July 2022
Forward-looking statements

DISCLAIMER

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The Chairman’s Overview
Rick Haythornthwaite
Financial Review

CFO, Stephen Daintith
Financial Review - agenda

- Update on key financial priorities
- H1 2022 results
- Outlook & guidance
## Update on key financial priorities

### Priorities to support sustained growth

<table>
<thead>
<tr>
<th>Function</th>
<th>Progress in 1H 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSP economics</td>
<td>✓ Modelling seminar held 25 May outlining roadmap for growth</td>
</tr>
<tr>
<td></td>
<td>✓ Update of operating economics and ROCE at latest UK site</td>
</tr>
<tr>
<td></td>
<td>✓ H2 FY22: Cash flow modelling seminar to be held</td>
</tr>
<tr>
<td>Capital allocation</td>
<td>✓ Ocado Re:Imagined delivery on track for H2 FY23 delivery, set to drive step change in economics for partners and Group</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>✓ £878m in gross liquidity raised following the end of the period</td>
</tr>
<tr>
<td></td>
<td>✓ Strong liquidity position today of c.£2bn to support growth through to cash flow positive, removing the need for further financing</td>
</tr>
<tr>
<td>Evolution of Group Operations</td>
<td>✓ Embedding new financial &amp; reporting systems</td>
</tr>
<tr>
<td>functions to support growth</td>
<td>✓ Further strengthening the senior finance leadership team</td>
</tr>
</tbody>
</table>

We are in a strong position to deliver on known and expected growth commitments, regardless of the prevailing market environment.

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Financial summary

<table>
<thead>
<tr>
<th>£ million</th>
<th>H1 2022</th>
<th>H1 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue¹</td>
<td>1,262.4</td>
<td>1,319.9</td>
<td>(4.4)%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(13.6)</td>
<td>61.0</td>
<td>(74.6)m</td>
</tr>
<tr>
<td>Loss before tax²</td>
<td>(204.3)</td>
<td>(80.9)</td>
<td>(123.4)m</td>
</tr>
</tbody>
</table>

- Revenue decline of 4.4% driven by the challenging trading environment for Ocado Retail (-8.3%); reduced basket sizes/value post-pandemic, compounded by cost-of-living crisis. Partially offset by strong growth in International Solutions (+119.9%); growing global roll out of OSP, now at 16 live sites
- EBITDA reduction of £74.6m driven by Ocado Retail; lower sales and and cost inflation, partly offset by release of management long-term incentive provisions. In International Solutions, increased OSP fees with new capacity, as well as ongoing investment in our technology capabilities
- Underlying loss before tax increased by £123.4m; £53.1m increase in depreciation and amortisation costs relating to our investment in and rollout of OSP hardware and software at a fast-growing number of live CFC locations
Retail: customer & order growth in a challenging trading environment

<table>
<thead>
<tr>
<th>£ million</th>
<th>H1 2022</th>
<th>H1 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue¹</td>
<td>1,122.2</td>
<td>1,224.1</td>
<td>(8.3)%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>31.3</td>
<td>104.1</td>
<td>(72.8)m</td>
</tr>
</tbody>
</table>

- **Continued positive customer acquisition** (+11.6% to 867,000 active customers), growing share in a challenging market (now at around 12% of total grocery) but which remains almost **double that of pre-pandemic levels**

- **Revenue decline of 8.3%;** normalising trend in customer behaviour towards **smaller baskets** (7 fewer items, down 13%) compounded by the rising cost of living crisis in the UK, peak lockdown restriction comparatives, **average orders per week at 381,000, up 7.0%**

- **Gross margin lower at 34.3% (prior year 36.0%) but resilient** in the face of volume and cost pressures

- **Distribution costs up 11.4%, ahead of order growth;** low volumes relative to the fixed costs of capacity, market-wide inflationary pressures (labour, fuel, electricity)

- **Marketing costs up £10.5m** to drive customer acquisition and strengthen the brand proposition

- **Administrative costs down £15.1m** reflecting release of management long-term incentive provisions given current trading
Retail: key drivers show encouraging underlying progress

**Robust customer acquisition underpins steady orders growth**

- **+12%**
- **+7%**

867k active customers¹ 1H22: steady growth and retention is key to ramp into oncoming capacity and recovery of fixed costs

<table>
<thead>
<tr>
<th>Active customers</th>
<th>Orders per week</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+12%</strong></td>
<td><strong>+7%</strong></td>
</tr>
</tbody>
</table>

**Normalising trend in basket volume behind fall in basket value**

- **48 eaches² per basket 1H22; almost back to pre-pandemic levels**
- **+3%**

<table>
<thead>
<tr>
<th>Eaches per basket sales price</th>
<th>Average basket sales price</th>
<th>Average basket value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-15%</strong></td>
<td><strong>-13%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Fall in average basket³ value more than offset progress on orders in 1H22**

- **+7%**
- **-8%**

Revenue reflects customer shopping behaviour compared with exceptional prior period; progress growing customer base is encouraging

<table>
<thead>
<tr>
<th>Orders per week</th>
<th>Average basket value</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-13%</strong></td>
<td></td>
<td><strong>-8%</strong></td>
</tr>
</tbody>
</table>
## Retail: near-term margin impact of cost of living crisis and inflation

<table>
<thead>
<tr>
<th>Lower volumes relative to fixed costs drive near term margin pressure</th>
<th>Compounded by well publicised increases in utility prices</th>
<th>And market-wide increases in customer acquisition costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost deleverage underpins rise in cost per each (CPE) for fulfilment and delivery costs: c50% of increase in CPE reflects impact of lower volumes in CFCs and last mile</td>
<td>Utilities impact driven by rising electricity prices in particular +300% increase in electricity price per kilowatthour (kWh) vs 1H21 with fuel and dry ice +40-50%</td>
<td>Rising marketing costs; competition in softer market and customer sensitivity to discounts +20-100% increase in traditional method costs (PPC, print, TV ratings) with increased vouchering market wide</td>
</tr>
<tr>
<td>As sites ramp up and recover fixed costs, underlying EBITDA margin to come through 6%+ expect EBITDA margin in mid-term (4-6 yrs)</td>
<td>Underlying progress on site productivity to drive sustainable cost savings long term &gt;200 UPH in latest sites Andover and Purfleet, with Andover achieving 220</td>
<td>Ocado Retail competing in this market but outperforming peers 10ppts+ customers retained to 12wks vs. UK peers in online¹</td>
</tr>
<tr>
<td>Before the potential benefits of Re: Imagined</td>
<td>300+ UPH target with Re: Imagined</td>
<td>At 870k active customers, the business is serving more than ever before</td>
</tr>
</tbody>
</table>

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### Retail: a closer look at operating performance

<table>
<thead>
<tr>
<th>% Revenue</th>
<th>1H22</th>
<th>1H21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross margin (incl. media)</strong></td>
<td>34.3%</td>
<td>36.0%</td>
</tr>
<tr>
<td><strong>Trunking and delivery costs</strong></td>
<td>(11.8)%</td>
<td>(10.0)%</td>
</tr>
<tr>
<td><strong>CFC costs</strong></td>
<td>(9.6)%</td>
<td>(7.9)%</td>
</tr>
<tr>
<td><strong>Marketing costs</strong></td>
<td>(2.3)%</td>
<td>(1.2)%</td>
</tr>
<tr>
<td><strong>Fees(^1)</strong></td>
<td>(4.7)%</td>
<td>(4.2)%</td>
</tr>
<tr>
<td><strong>Operating contribution</strong></td>
<td>6.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td><strong>Corporate overheads</strong></td>
<td>(3.3)%</td>
<td>(4.2)%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2.8%</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

- **Resilient despite impact of** lower volumes, supplier cost inflation and cost-of-living down-trading down.
- **Underlying drop efficiency** +10% per shift, offset by labour and fuel costs, shape of week, smaller baskets.
- **Units per hour (UPH) up to 174**, with newer sites >200 UPH, offset by higher utility, dry ice and labour costs.
- **Investing to drive customer acquisition** returning to more normal levels; reduced activity during pandemic.
- **Investments in capacity** at Bristol, Andover and Purfleet in 2021, with sites still ramping up towards capacity.
- Non-repeat of prior year investment spend and releases of management long-term incentive provisions given current trading.
UK Solutions & Logistics: cost inflation increased cost per unit

- Fee revenue (+8.9%) reflects:
  - strong growth in capacity fees (c. 80% of total fees); 54 live modules\(^3\), up from 44 live modules at end H1 FY21
  - management fee growth in line with costs incurred to run logistics services for clients

- Cost recharges (+11.2%) in line with growth in distribution costs (+9.5%), ahead of volume growth (-8.8%); high inflation (utility, fuel, dry ice, labour) and relatively higher costs of newest sites as volumes ramp up towards capacity

- EBITDA down by £1.5m;
  - distribution costs (up £27.3m, +9.5%) are largely passed on to clients, engineering costs (for which OSP fee paid) up on a cost per each basis at new sites (low early volumes), in line with Erith CPE (itself down 11% year-over-year)
  - administrative costs (up £12.1, +28.5%) driven by increased investment in OSP technology capabilities

### Financial Summary

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<tr>
<th>£ million</th>
<th>H1 2022</th>
<th>H1 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue(^1)</td>
<td>79.7</td>
<td>73.2</td>
<td>8.9%</td>
</tr>
<tr>
<td>Cost recharges(^2)</td>
<td>315.9</td>
<td>284.1</td>
<td>11.2%</td>
</tr>
<tr>
<td>Revenue</td>
<td>395.6</td>
<td>357.3</td>
<td>10.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>28.6</td>
<td>30.1</td>
<td>(1.5)m</td>
</tr>
<tr>
<td><strong>Eaches</strong></td>
<td>611.9</td>
<td>670.6</td>
<td>(8.8%)</td>
</tr>
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UK Solutions & Logistics: explaining revenue growth v volume decline

Disconnect between volume (-8.8%) and cost recharges (+11.2); cost inflation pressure and immature volumes

Headline fee growth not reflective of underlying growth in Technology Solutions capacity fees

17% increase in underlying cost per each (CPE) related to fulfilment and delivery services for UK clients

Driving cost recharges growth of +11% compared with volumes declining -9%

Growth in OSP capacity fees broadly in line with >20% growth in live modules

Capital recharge accounting treatment for Ocado Retail exclusive sites drives overall +8% fee revenue growth

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UK Solutions & Logistics: driving underlying operational efficiencies

**Strong progress on productivity within our CFCs**

Overall productivity improving, with newest robotic sites consistently achieving above current target of 200 UPH\(^1\)

<table>
<thead>
<tr>
<th>1H21</th>
<th>1H22</th>
</tr>
</thead>
<tbody>
<tr>
<td>172</td>
<td>174</td>
</tr>
</tbody>
</table>

Peak achieved 1H22

Before the impact of Re: Imagined, which will take targeted UPH in the CFC 50% higher, to >300

At Andover; Purfleet also >200 UPH

**Underlying improvements in drop efficiency per van per shift not reflected in reported DPV KPI**

Notable improvement in per shift van efficiency obscured by decision to hold surplus vans to mitigate supply uncertainty

- +10% drops per shift
- +15% van fleet
- -3% DPV (drops per van per week)

Impact of surplus drives DPV result of 177 vs 183 in 1H21

\(^1\) Ongoing operational improvements following Re: Imagined deployment

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International Solutions: starting to recognise material revenue

- Fees invoiced of £61.1m (up 21.7%); (design and capacity fees) for CFC and ISF commitments; growth reflects healthy pipeline of partner commitments

- Revenue of £58.5m (up 119.9%) driven by £52m of OSP fee revenue recognised from partners;
  - primarily ongoing capacity fees, also includes revenue release of prior cash receipts (c.10% of total revenue) relating to design and upfront fees across our current operational partners, Group Casino, Sobeys, Kroger and ICA
  - 10 sites now live for international partners (4 at H1 FY21), all sites opened on time and on budget

- EBITDA broadly flat:
  - distribution costs of £22.2m (+72.1%); engineering and cloud costs to support clients in CFC go-live and early ramp
  - administrative costs of £92.5m (+38.9%); increased investment in technology capabilities

<table>
<thead>
<tr>
<th>£ million</th>
<th>H1 2022</th>
<th>H1 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees invoiced¹</td>
<td>61.1</td>
<td>50.2</td>
<td>21.7%</td>
</tr>
<tr>
<td>Revenue²</td>
<td>58.5</td>
<td>26.6</td>
<td>119.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(57.2)</td>
<td>(56.6)</td>
<td>(0.6)m</td>
</tr>
</tbody>
</table>
International Solutions: a growing installed revenue base

>3x increase in modules live with international partners

Now live with 10 international sites, including our first CFC in Sweden, second in Canada, and CFCs 3-6 in US

With robust growth in build pipeline

+38 more modules ordered since H1 FY21, adding >£2.5bn in proforma sales capacity

32 live modules deliver >£2bn in proforma sales capacity; opened on time/on budget, ave. ramp in line with expectations

Growth driven by two new clients, Alcampo and Auchan Polska, and additional orders from existing partners

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Increase in capex driven by continued investment in Technology Solutions

**Ocado Retail & Logistics**
-+c.90% CFC land & buildings, remainder largely logistics investment

**Technology Solutions**
- Other: projects to support Group operations
- **Tech development**: primarily Re:Imagined, also includes investment in areas such as autonomous vehicles
- **CFCs (MHE)**: 6 sites went live during H1 FY22, 14 sites currently under construction

1H22 capex

- +£48m vs. £319m in 1H21

Ocado Retail & Logistics

- 367
- 53

Technology Solutions

- 314
- 26
- 103
- 185

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Technology Solutions: scaling up and improving economics

Successfully building into secure and visible recurring revenue base

>£750m in proforma revenue capacity ordered so far (221 modules)
>
£900m mid-term target in sight; c.£6bn in sales capacity already live

A revenue base that we expect to deliver attractive returns

Strong progress on operating cost across live robotic CFCs on path to 1.5%

<table>
<thead>
<tr>
<th>Modules ordered¹</th>
<th>Modules live²</th>
<th>Direct operating cost³</th>
</tr>
</thead>
<tbody>
<tr>
<td>177</td>
<td>8 sites live</td>
<td>3.5%</td>
</tr>
<tr>
<td>221</td>
<td>16 sites live</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
| +8 since end FY21| +25 since end FY21| (% site sales, exit rate)
Technology costs at close to peak levels

Approaching peak technology investment run-rate expected through the mid-term

- Headcount >2,700 at 1H22, c.300 higher than prior year

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H21</td>
<td>122</td>
</tr>
<tr>
<td>1H22</td>
<td>161</td>
</tr>
</tbody>
</table>

Total technology cash investment £m

- Expect to reach peak headcount for technology by end of FY22

Developing as expected in near term to mid-term

- Costs to run OSP expected to reduce from FY23 to c.£200m annual run-rate in the mid-term (4-6 years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Costs to Run OSP (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H22</td>
<td>161</td>
</tr>
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</table>

- P&L (c40%)
- Capitalised (c60%)

P&L costs currently allocated on a 30:70 split across UK Solutions & Logistics and International Solutions segments

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Group support costs developing as expected

H1 FY22 costs of £56m; investments to support early stage roll out; costs expected to remain flat in real terms in mid-term

- Inclusive of total Group (P&L) costs for:
  - Group Operations
  - Platform Implementation (PI)
  - Client Services (CS)
  - Solutions sales
  - Other (Kindred, Ventures)

- H1 FY22 costs of £56m reflect investments in Group Ops and Solutions, offset by benefits achieved in PI and CS teams

- Group support costs expected to be flat in real terms in mid-term

Group support costs by proforma segment in 1H22 (£m)
Strong cash position supports our significant growth plans

Current liquidity position of c.£2bn; no further Group financing required through the mid-term, by which time we expect to be cash flow positive.

Breakeven operating cash flow

- Impact of growth in OSP partner design fees, reduction in inventory held across Ocado Retail and increase in trade payables offset by challenging trading in Ocado Retail and costs associated with £500m new debt.

Investing in future cash flows

- Reflecting investments made in global CFC roll out.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY21 cash position</th>
<th>EBITDA</th>
<th>Move in contract liabilities</th>
<th>Other working capital</th>
<th>Finance costs paid</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£1,469</td>
<td>(14)</td>
<td>43</td>
<td>23</td>
<td>(27)</td>
<td>(20)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>1,961</th>
<th>1,842</th>
<th>759</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>(388)</td>
<td>(23)</td>
<td>8</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>12</td>
<td>1,083</td>
<td></td>
</tr>
<tr>
<td>Other changes in FX</td>
<td>1H22 cash position</td>
<td>1H22 gross debt</td>
<td></td>
</tr>
<tr>
<td>1H22 net debt</td>
<td>759</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Accounting update

- Under IFRS16, lease costs of CFCs used exclusively by Ocado Retail have been determined as finance leases (exclusive use = full right-of-use accounting treatment)
  - accounted for as finance income in UK Solutions & Logistics, finance costs in Retail
  - excluded from EBITDA in both businesses
  - applicable for Bristol and Andover CFCs
- No impact on Group Revenue or Group EBITDA as revenues and costs are eliminated on consolidation
- No change on shared sites - Dordon and Erith - continue to be accounted for as service arrangements
- Impact to FY22:
  - Capital recharge fees of c.£9m for Bristol and Andover will be reported outside of EBITDA
  - Retail = right-of-use asset, finance cost, depreciation, UK Solutions & Logistics = finance income
  - Finance income (UK Solutions & Logistics) and finance costs (Retail) eliminated on consolidation
Revenue

- **Ocado Retail**: low single digit growth reflecting the impact of the cost of living crisis in the UK on consumer behaviour
- **UK Solutions & Logistics**:  
  - Fee growth over 30% reflecting the accelerated capacity build out in UK¹  
  - Cost recharges to grow at least in line with Retail revenue growth as we support our clients to build into the growing capacity
- **International Solutions**:  
  - OSP fee revenue to more than double with increase of live international CFCs from 4 to 12, and continued ramp in ISF volumes  
  - Double digit growth in Kindred revenues from £10m in FY21

EBITDA

- **Ocado Retail**: low single digit margin: a result of slower sales growth, coupled with the impact of higher utility and fuel costs
- **UK Solutions & Logistics**: EBITDA to increase by around 50%¹, reflecting increased fees due to the increasing live capacity for clients and engineering costs growing slower relative to this new capacity
- **International Solutions**: flat versus 2021; rising margin contribution as revenues grow, offset by increased investments in platform development and a minimum level of engineering cost required to support new CFCs in the early stages of ramp

Total capital expenditure for the Group is expected to be around £800m driven by accelerating roll out of OSP worldwide

- 30% UK, of which 60% dedicated to the continued roll out of CFC and Zoom sites, inclusive of land, build and MHE cost, given consolidation of the Ocado Retail joint venture
- 50% International, reflecting 8 CFCs to go-live during the year; 13 CFCs under construction at the end of 2021
- 20% Technology investment to support OSP platform development and other initiatives such as autonomous vehicles

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5 building blocks for momentum
CEO, Tim Steiner
CFO, Stephen Daintith
1. Strong execution: ramp up of CFCs

Significant ramp in partners and robotic fulfilment sites live in the last 3 years

With leading service levels and improving efficiencies

Partner commentary is consistently positive

- **Sobeys**: Ocado’s central fulfilment and home delivery model is proving to be the most efficient on the market while delivering the best customer experience.
- **Kroger**: NPS scores continue to be outstanding. The retention rate and repeat purchase rate on the sheds is very strong.
- **ICA**: Together with the new e-commerce platform – both from Ocado – our offering is faster, more seamless, more local and more personal.

With ongoing efficiency improvements in latest UK sites a strong indicator of the [operating potential for partners]

>200 UPH consistent operating performance at Purfleet and Andover CFCs; Andover having achieved 220

Before the impact of Ocado Re: Imagined
1. Strong execution: driving return on capital

Latest UK site on track for 22% ROCE, clear line of sight to 30% with further improvements on the roadmap.

**22% ROCE**

Latest UK site, Purfleet, on track to achieve this <1yr after opening.

**30% ROCE**

Including expected 15% improvement in capex costs from Re: Imagined.

**Beyond**

Opportunities for further improvement:
- sharing benefit of Re:Imagined operating efficiencies with partners
- potential pathway towards 1ppt direct operating cost in long term.

Today  Medium-term  Future
2. Ocado Re: Imagined: transforming the economics of OSP

Recapping the headlines: targeting further step changes in capital and operating costs, and platform flexibility, for partners and Group

30-40% reduction in labour cost in a CFC
300+ UPH (mature site productivity) from 200
15%+ reduction in total cost of MHE
50% reduction in time to install and test MHE to 5 months
>5x increase in share of orders delivered in <4hrs from placing

Clients ordering a CFC today for delivery from 2H23 will have the following features enabled: 600 Series bots; 600 grid and Optimised Site Design; Automated Frameload; On-grid Robotic Pick; Ocado Swift Router; and Ocado Flex

Orders made before the launch of Ocado Re:Imagined can be retrofitted to include many of these enhancements.
2. Ocado Re: Imagined: delivery on track, strong partner response

<table>
<thead>
<tr>
<th>Progress in 1H22</th>
<th>600s bot</th>
<th>600s grid, optimised site design</th>
<th>On-Grid Robotic Pick (OGRP)</th>
<th>Automated Frameload (AFL)</th>
<th>Orbit (virtual DC)</th>
<th>Swift Router</th>
<th>Ocado Flex</th>
</tr>
</thead>
<tbody>
<tr>
<td>testing performance in real environment</td>
<td>first build workshop a success</td>
<td>can pick 30% of ambient range, chill on similar trajectory</td>
<td>Myrmex acquisition announced</td>
<td>Canning town MFC: successful replenishment of smaller site by larger CFC</td>
<td>version 1 live</td>
<td>demo live</td>
<td></td>
</tr>
<tr>
<td>starting to test builds</td>
<td>targeting 15% smaller footprint for standard site</td>
<td>first installation</td>
<td>first installation 2H22 in Purfleet</td>
<td>successful replenishment of smaller site by larger CFC</td>
<td>planning to test with live partners by year end</td>
<td>core shopping journey expected to be live by year end</td>
<td></td>
</tr>
<tr>
<td>chosen print supplier</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In active discussions with all live partners and prospects about implications of Re Imagined for future growth
3. Expanding and evolving the OSP ‘club’

Building momentum with current partners and prospects

<table>
<thead>
<tr>
<th>Growing and evolving with current partners</th>
<th>Building on the unique value of the OSP ‘club’</th>
<th>Adding new partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Groupe Casino:</strong></td>
<td><strong>Ocado Beyond 2022:</strong></td>
<td><strong>Auchan Polska:</strong></td>
</tr>
<tr>
<td>- OSP: can work with new partners in France</td>
<td>- Bringing prospects and partners together for first time</td>
<td>- first CFC in Warsaw in 2024</td>
</tr>
<tr>
<td>- Logistics JV: facilitates multi-tenant CFCs</td>
<td>- Enthusiastic response to Re: Imagined</td>
<td>- enabled by Re: Imagined</td>
</tr>
<tr>
<td>- Octopia: adding marketplace capability to OSP</td>
<td>- Expert panels, partner site visits, prototype reveals</td>
<td>- evidences appeal of OSP in wider markets than historically guided</td>
</tr>
</tbody>
</table>

**Active discussions with more partners than ever before:**
15 prospects visited sites in the period.
4. Ample liquidity to deliver on our ambitious growth plans

No additional Group financing expected as the business becomes cash flow positive

**Today**
- £2bn
  - proforma liquidity position following £875m capital raise

**Mid-term (4-6 years)**
- Cash flow positive
  - Increased funding optionality, if required, at the Group, subsidiary and asset level

**Annual capex of c.£700m:**
- c.60%+ allocated to build out of 10 sites (50 modules)
- capital efficiency improving with Re: Imagined from FY23

**Growth to >£750m annual EBITDA;**
- underpinned by growth in Solutions
- M&S contingent consideration:
  - £190m cash payment expected in FY24
5. Ocado Retail: a resilient model for challenging times

New geographies, new customer pools; North-West/East

Zoom roll out: expansion of immediacy offer in London, Leeds and Bristol through 1Q23

Profitable model at all sizes

Latest sites Purfleet and Andover consistently operating above 200 UPH

Ocado Re: Imagined: path to 300+ UPH, and improved throughput

Leadership customer satisfaction

Sustainable, diversifying customer offer

Best in class and improving productivity

NPS 25ppts above other grocery peers online

Retention rates materially above peers: 10ppts+ (per Kantar 12 weeks)
Conclusion

• The Ocado Smart Platform is now powering the online grocery activities of 8 of the world’s leading food retailers. We will add another 3 partners to OSP next year
• We have now opened 16 CFCs internationally, of 58 contractually committed so far. Each of these CFCs will generate strong, recurring cash flows and attractive returns on capital
• Ocado Re:Imagined is redefining both the customer experience, and the economics, of online grocery shopping. We expect enhanced economics to lead to faster growth from existing, and new, OSP partners
• The new partner pipeline is strong and we anticipate signing new deals in H2
• We now have ample liquidity to fund the requirements of our existing and expected customer commitments into the mid-term. No additional Group financing will be needed as the business becomes cash flow positive
• The building blocks for momentum are in place. We look forward to the future with confidence

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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. Pre-exceptional

SLIDE 8
1. Retail segment includes results from Speciality Stores Limited ("Fetch") until its disposal on 31 January 2021. Revenue decline excluding Fetch in 2021 was (7.8)%

2. EBITDA* does not include the impact of exceptional items

SLIDE 9
1. Active customers are classified as active if they have shopped at ocado.com within the previous 12 weeks

2. Average basket value refers to results of ocado.com

3. An each is a individual pick of a stock keep units (SKUs)

SLIDE 10
1. Kantar

SLIDE 11
1. Fees include OSP fee and capital recharges

SLIDE 12
1. Fee revenue includes fees charged to Ocado Retail of £63.4 million which eliminate on consolidation

2. Cost recharges include cost recharges to Ocado Retail of £250.4 million which eliminate on consolidation

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.

SLIDE 14
1. Mature site UPH Measured as units dispatched from the CFC per variable hour worked by Hatfield CFC, Dordon CFC and Erith CFC operational personnel.

SLIDE 15
1. Fees Invoiced represents design and capacity fees invoiced during the period for existing and future CFC and in-store fulfilment commitments. These are recognised in the Income Statement according to IFRS15 once a working solution is provided to the customer

2. Revenue includes £4.5 million contribution from Kindred Systems, and £1.9 million of equipment sales to retail partners recognised as revenue under IFRS 15. The cost of this equipment is recognised in Cost of sales, with the resulting impact on EBITDA of nil

SLIDE 18
1. A module is classified as ordered when a contractual agreement has been signed with a partner and an invoice has been issued for the associated capacity and design fees. This excludes modules which are required to be ordered in order to maintain exclusivity agreements, but which have not yet been agreed and invoiced

2. A module is considered live when it has been fully installed and is available for use by our partner

3. Direct operating costs as a % of site sales capacity reflects the exit rate position at the period end. Direct operating costs include engineering, cloud, and other technology support costs

SLIDE 23
1. Revenue and EBITDA guidance for UK Solutions & Logistics adjusts for the accounting treatment, under IFRS 16, of lease costs for Ocado Retail exclusive CFCs. No impact on Group revenue or EBITDA as revenues and costs are eliminated on consolidation
Appendix: proforma view of 1H 2022 for new segments

On 25th May 2022, Ocado Group hosted a seminar ‘Modelling & Roadmap for growth’, accessible on the Group website. As part of this seminar, the Group presented a view of business performance mapping reporting operating segments to underlying business models, described below. It is expected that the Group will report along these lines following the deconsolidation of Ocado Retail.

**Reported operating segments**

- **Ocado Retail (100% consolidated, 50% owned)**
- **UK Solutions & Logistics**
- **International Solutions**

**Better reflected as 3 underlying business models**

- **Ocado Retail**
  Online grocery retail business serving big basket and immediacy missions to customers in the UK

- **Ocado Logistics**
  Industry leading business, operating in the UK for Ocado Retail and Morrisons

- **Ocado Technology Solutions**
  Technology platform business providing the Ocado Smart Platform (‘OSP’) as a managed service to our (currently) 11 partners around the world

Solutions (revenues and costs) from reported UK segment naturally fits within global Technology Solutions umbrella

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Appendix: proforma view of 1H 2022 for new segments

On 25th May 2022, Ocado Group hosted a seminar ‘Modelling & Roadmap for growth’, accessible on the Group website. As part of this seminar, the Group presented a view of business performance mapping reporting operating segments to underlying business models, described in further detail below.

### Ocado Retail
*(100% consolidated, 50% owned)*

**Revenues:**
pure play online grocery business to >800k UK customers

**Costs:**
cost of sales, distribution & fulfilment costs, marketing and HO costs incurred to execute online business

Includes recharges of logistics costs and fees paid to both Ocado Technology Solutions and Ocado Logistics for provision of services to run online grocery platform

### Ocado Logistics

**Revenues:**
recharge of costs incurred to execute logistics services for UK retail partners (Ocado Retail and Morrisons)\(^1\) and fees for provision of logistics services

**Costs:**
incurred to execute logistics services for UK partners (and recharged) and an allocated share (c.30%) of total Group Operations costs

### Ocado Technology Solutions

**Revenues\(^2\):**
primarily fees from global retail partners for the provision of OSP reflecting two key components:
- upfront fees recognised as revenue after CFCs go live
- recurring capacity fees

**Costs:**
incurred to provide and maintain OSP as well as a full allocation of Group Technology costs and (c.70%) of Group Operations costs

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Note: (1) Cost recharges and fees from Ocado Logistics to Ocado Retail are eliminated on consolidation (2) also includes revenue from Kindred

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Appendix: proforma view of 1H 2022 for new segments

On 25th May 2022, Ocado Group hosted a seminar ‘Modelling & Roadmap for growth’, accessible on the Group website. As part of this seminar, the Group presented a view of business performance mapping reporting operating segments to underlying business models/ 1H 2022 results are represented according to this pro forma view, below.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Proforma for new segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ million</td>
<td>H1 2022</td>
<td>H1 2022¹</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>1,122</td>
<td>1,122</td>
</tr>
<tr>
<td>UK Logistics</td>
<td>396</td>
<td>329</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>59</td>
<td>125</td>
</tr>
<tr>
<td>Inter-segment and other</td>
<td>-314</td>
<td>-314</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>1,262</td>
<td>1,262</td>
</tr>
<tr>
<td><strong>EBITDA</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>UK Logistics</td>
<td>29</td>
<td>7</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>-57</td>
<td>-36</td>
</tr>
<tr>
<td>Group &amp; Other</td>
<td>-16</td>
<td>-16</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>-14</td>
<td>-14</td>
</tr>
</tbody>
</table>

>90% recharges; remainder mgmt and capital recharge fees¹
fees received from global retail partners
elimination of Ocado Retail related logistics and fee revenue

reflected pass through nature of cost recharges
Includes an attractive **positive contribution** offset by full allocation of upfront **investment in technology and head office** costs to support future scale and growth

Note: (1) indicative, unaudited (2) Recharges to ORL for capital assets (Hatfield, Dordon and Erith in particular)