

Trading Statement

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Ocado Group PLC
19 March 2019

OCADO GROUP PLC

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Q1 Trading Statement

Strong underlying growth, headline impacted by Andover fire

Ocado Group plc ("Ocado") today announces its trading statement for the 13 weeks to 3 March 2019.

Highlights

- Growth in Revenue (Retail) of 11.2% which was impacted by the fire at CFC3 in Andover in February, equivalent to 1.2% of sales in the quarter
- Strong underlying growth in average orders per week, with average order size slightly lower
- Continued progress ramping Erith (CFC4), which is now processing nearly 37,000 orders per week
- 50/50 joint venture with M&S announced to transform online grocery shopping in the UK

Key financials

	13 weeks to 3 March 2019	13 weeks to 4 March 2018	Growth ⁴
Revenue (Retail) ¹	£404.0m	£363.4m	11.2%
Average orders per week ²	314,000	282,000	11.3%
Average order size ³	£110.24	£110.45	(0.2%)

As at 3 March 2019 the Group had cash and cash equivalents of £390.7 million and external borrowings⁵ of £288.5 million.

Tim Steiner, Ocado's Chief Executive Officer, said:

"Our first quarter was characterised by continued strong underlying growth in Ocado Retail but also the initial impact of the fire at our CFC in Andover on our headline numbers.

The fire has been a setback, but it will be only a temporary one. Over the last few weeks, our teams have been working hard to minimise any disruption to our customers and we will build a state-of-the-art replacement facility that reflects all the innovations and improvements we have made since Andover opened in November 2016.

At the same time we all remain focused on delivering customers the very best service, quality, choice and value. Our commitment to these objectives underpinned the underlying progress we made in the quarter.

With the Joint Venture signed with M&S at the end of February, Ocado Retail has never been in a stronger position to lead channel shift while constantly setting the bar for excellence in online grocery in the UK. We are looking forward to the future with excitement and determination".

Update on Andover fire

Following the fire at CFC3 in Andover, which began in the early hours of February 5th, a thorough examination of the causes is currently being undertaken. Our initial assessment of the reasons for the fire gives us confidence that, going forward, there are no significant implications for the risk profile of the assets or the viability of our model and therefore for either Ocado Retail or Ocado Group. We will update the market after the conclusion of these investigations.

All efforts are being made currently to minimise the disruption to consumers including setting up a temporary spoke in Andover. We have plans that we are working on to provide more CFC capacity which include growing our capacity in Erith faster than envisaged.

An analysis of the optimum solutions for rebuilding has begun and we will inform the market in due course on our plans to replace this capacity in both the short and medium term and the impact that these will have on our target for 10-15% Retail Revenue growth in 2019.

Ocado will be hosting an analyst conference call at 7.30am today.

Please dial 0800 358 9473, Participant pin code: 67220200#. A replay facility can be accessed on: 0800 358 2049 with the following conference pin required: 301282423# for 90 days following the announcement.

Contacts

- Duncan Tatton-Brown, Chief Financial Officer, on 01707 228 000
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- Martin Robinson at Tulchan Communications on 020 7353 4200

Notes

1. Revenue (Retail) comprises revenues from Ocado.com, Fetch, Fabled and our wholesale partnerships.
2. Average orders per week refers to results of Ocado.com, Fetch and Fabled.
3. Average order size refers to results of Ocado.com.
4. Growth percentage calculated on a rounded basis.
5. Gross debt excluding the finance lease payable to MHE JVCo.
6. The figures used in this announcement are unaudited.
7. 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.

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