

# Announcement of partnership with Alcampo

RNS Number : 2420E  
Ocado Group PLC  
06 July 2021

## **This Announcement contains Inside Information**

**6th July 2021**

### **Ocado Group plc/Auchan Retail**

#### **Announcement of partnership between Ocado Solutions and Alcampo**

We are pleased to announce the signing of an agreement between Ocado Group plc ("Ocado") and Auchan Retail to partner with Ocado Solutions Limited to develop Alcampo's online business in Spain using the Ocado Smart Platform ("OSP").

Auchan Retail is one of the world's largest and best known grocery retailers, with 180,000 employees, €32bn revenue, and operations across 13 countries. In Spain, they operate the Alcampo brand via a network of 310 stores (62 hypermarkets, and 248 supermarkets and convenience stores, of which 135 are franchises), with revenue totalling €4.5bn in 2020.

In Spain, as in all major markets, there has been a significant acceleration in grocery ecommerce, with demand surging over the past 18 months as more consumers have turned to the online channel to deliver vital services during periods of rolling lockdowns and restrictions.

As Spanish customers continue to shift more of their spend online, the demand for competitively priced, high quality grocery ecommerce will continue to grow. This partnership will enable Alcampo to deliver a world-leading experience online to grocery customers across Spain.

Under this agreement, Ocado and Alcampo will initially build a Customer Fulfilment Centre (CFC) to serve the Madrid region from 2024, with additional CFCs to be announced at future dates. Alcampo will also leverage Ocado's In-Store Fulfilment (ISF) software across its hypermarkets nationwide to enable more efficient picking from stores. The agreement will cover both Alcampo's food and non-food business.

Alongside physical fulfilment solutions, Ocado will also provide Alcampo with OSP's end-to-end software platform and a comprehensive suite of engineering and support services to ensure the smooth launch and ongoing development of its ecommerce operations.

The structure of fees agreed with Alcampo are similar to those agreed with other international Ocado Solutions partners. Alcampo will pay Ocado certain fees upfront and during the development phase, then ongoing fees linked to both sales achieved and installed capacity within the CFC and service criteria.

Ocado and Auchan Retail will also explore the potential to extend this partnership into other geographies.

Tim Steiner, CEO of Ocado Group, said:

"I'm delighted to welcome Auchan Retail to the innovative and forward-looking group of food retailers around the world who will be powering their ecommerce operations with the Ocado Smart Platform.

The appetite for our unique end-to-end platform remains strong as retailers look to take advantage of the channel shift which is now redrawing the landscape of the global grocery market.

Our partnership with Alcampo will bring the very best online grocery experience to customers in another major retail market, with proven and sustainable economics. We look forward to helping Alcampo change the way customers shop in Spain, for good".

Luke Jensen, CEO of Ocado Solutions, said:

"Auchan Retail is one of the world's leading grocery retailers, with strong brands and deep connections to customers across multiple global markets.

Spain is primed for significant growth in online grocery sales in the coming years, and as we are proving with partners across international markets who we have successfully helped go-live, Ocado's technology enables a genuinely world-leading customer proposition online at a time when more shoppers are coming to the channel than ever. We can't wait to bring this offer to Alcampo, and enable them to become a market leader online in Spain"

Edgard Bonte, President of Auchan Retail, said:

"Food e-commerce and the acceleration towards an omnichannel offer are a priority for all our brands. This partnership in Spain with Ocado illustrates our desire to be the leader in phygital food retail in this country in the near future. I am confident in our ability to make it happen, with the help of Ocado's technology"

Américo Ribeiro, CEO of Alcampo, said:

"This partnership aims to accelerate the company project that is committed to the good, the healthy and the local. This objective is

based on the strength of the people who are part of the company and on the potential of the stores in each of the territories in which we are present. The alliance with Ocado, a technological leader, marks a turning point in the development of our phygital commerce, also contributing to continuous learning and innovation, cornerstones for the creation of sustainable value".

#### *Expected financial impact for Ocado*

Ocado expects this deal to create significant long term value to the business. The impact of this transaction should be negligible on earnings in the current financial year as no cash fees will be recognised in revenue until operations commence. Ocado expects minimal additional capex in FY21 with the majority of additional capex in the 18 months prior to the opening of the CFC.

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#### *Notes to editors*

##### *About Ocado Group*

Ocado Group is a UK based technology company admitted to trading on the London Stock Exchange (Ticker OCDO). It provides end-to-end online grocery fulfilment solutions to some of the world's largest grocery retailers and holds a 50% share of Ocado Retail Ltd in the UK in a Joint Venture with Marks & Spencer. Ocado has spent two decades innovating for grocery online, investing in a wide technology estate that includes robotics, AI & machine learning, simulation, forecasting, and edge intelligence.

##### *About Ocado Solutions*

Ocado Solutions is responsible for Ocado's corporate partnerships, providing the Ocado Smart Platform as a service to retailers around the world. OSP comprises access to Ocado's physical infrastructure

solutions, running highly efficient warehouse operations for the single pick of products, together with the entire end-to-end proprietary software applications required to operate a world class online grocery business. It is underpinned by Ocado's proven expertise and experience as a dedicated online grocer in the UK.

Ocado Solutions is partnered with leading grocery retailers worldwide. These include Aeon, Kroger, Sobeys, Morrisons, Groupe Casino, Coles Supermarkets, ICA Group, Bon Preu Group, and Ocado Retail.

#### *About Auchan Retail*

Present in 13 countries, Auchan Retail operates all food retail formats (hypermarket, supermarket, convenience, drive, digital) with 1985 points of sale. Auchan Retail puts its customers at the heart of all its operations by offering them a phygital shopping experience, which combines physical stores with the digital ecosystem, and exclusive, quality products at the best price. New generation merchants, players in the good, healthy and local; the 179,590 employees of Auchan Retail contribute, through a responsible approach with customers, farmers and suppliers, to enable everyone to live better by eating better.

#### *About Alcampo*

Alcampo belongs to the international group Auchan Retail, and brings together the formats of hypermarkets, supermarkets and convenience stores. It currently has 310 stores (62 hypermarkets and 248 supermarkets, 135 of which are franchises), an online commerce service and over 20,000 employees. In 2020, Alcampo reported sales of 4,497 million euros. Alcampo holds a Top Employer seal, awarded by the Top Employers Institute, which recognises the company's Human Resources policy, as well as its work environment and promotion of well-being.

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