

# Update on Morrisons partnership

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Ocado Group PLC  
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## **Ocado Group Plc Update on Morrisons partnership**

Ocado Group plc ("Ocado") announces that it has reached agreement with Wm Morrison Plc ("Morrisons") for a temporary suspension of the Morrisons.com capacity at Ocado's newest Customer Fulfilment Centre ("CFC") in Erith, South-East London.

Following the fire in CFC3 in Andover in February, Ocado has been seeking additional capacity within its existing network of CFCs to maintain the quality of the customer experience and to allow the business to continue to grow, while at the same time investigating the longer term steps to replace the lost capacity from CFC3.

Morrison's agreement to temporarily suspend using Morrisons.com's share of the capacity in CFC4 at Erith gives Ocado additional capacity to grow and thereby mitigate the impact of the Andover fire. At the same time the parties will enable Morrison.com to continue to grow by fulfilling orders from Morrisons stores using Ocado's store pick solution. Morrison.com currently accounts for over 10,000 orders per week at Erith and has the right to 30% of CFC4's future order capacity. Morrisons.com will return to using its share of capacity in Erith in February 2021. During this period of suspension, Morrisons will not incur any of the costs associated with the use of CFC4 and will pay lower store pick fees.

In addition, both parties have agreed to a mutual relaxation of certain exclusivity provisions bringing Morrisons more in line with the terms agreed with our existing international Ocado Solutions clients.

Tim Steiner, Chief Executive Officer of Ocado, said:

"Morrisons is a valued partner of Ocado and we are glad that we have been able to come to an equitable and pragmatic agreement that is in the interests of both parties. We look forward to welcoming Morrisons back to Erith in February 2021".

David Potts, Chief Executive Officer of Morrisons, said:

"We are pleased to be helping our partner in times of need after the recent fire. We will keep growing Morrisons.com for our customers and save some cost, returning to the Erith CFC when it is more mature.

"Our new agreement allows us to have more than one digital partner, and opens the way for significant potential opportunities and partnerships in this important growth area for Morrisons."

#### **Contacts**

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#### **Notes to editors**

#### **About Ocado**

Ocado is a UK based company admitted to trading on the London Stock Exchange (Ticker OCDO). It comprises one of the world's largest dedicated online grocery retailers, operating its own grocery and general merchandise retail businesses under Ocado.com and other specialist shop banners, together with its Solutions division. In February 2019, Ocado Group announced the creation of an online grocery retail joint venture with Marks & Spencer plc, one of the UK's leading food and clothing retailers.

#### **About Ocado Solutions**

Ocado Solutions is responsible for 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.

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