

6 April 2018

AO World plc

FY2018 POST CLOSE STATEMENT

Overall expectations unchanged

AO World plc (“the Company” or “AO”), a leading online electrical retailer, announces the following post-close trading update for its full financial year; the twelve months to 31 March 2018 (“FY2018”).

Full year trading for FY2018 is expected to fall within the range of current market forecasts.¹ Group revenue is expected to be c. £796m, slightly above the mid-point of analysts’ expectations, and up c.14% year on year. Group Adjusted EBITDA loss is expected to be around the middle of the range.

UK performance

Overall UK revenue for the year to 31 March 2018 is expected to be c. £680m, up 8% year on year with revenue from AO.com of c. £606m up c.9% year on year. Growth in Q4 was achieved in what remains a competitive market with limited advertising spend. When compared to this period in the previous year we have undertaken relatively less promotional activity which has supported gross margin.

Europe performance

We achieved revenue growth of c.55% for the year in local currency and our European operations are on trajectory to achieve our targets in these existing territories in FY21. As a result of our strong momentum we have now reached an inflection point in the financial performance in these existing Europe operations and expect to see further progress as we move forward.

Our next update to the market will be our preliminary statement on 5 June 2018.

All figures reported herein are preliminary and unaudited.

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¹ Company compiled revenue consensus of £794.7m, with a range of £773.5m to £809.5m and EBITDA consensus of -£4.2m, with a range of -£9.7m to -£1.4m.

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About AO

AO World plc, headquartered in Bolton and listed on the London Stock Exchange, is an online electrical retailer, with a simple mission: to be the best electrical retailer in Europe, by making things easy for our customers because we care more. We create value by providing electrical products and related services to our customers, offering a huge range, a price-match promise and market-leading customer service.

We sell major and small domestic appliances and consumer electronics in the UK, Germany and the Netherlands and deliver them via our in-house logistics business and carefully selected third parties. We also provide ancillary services such as the installation of new and collection of old products and offer product protection plans and customer finance.

In the UK, AO operates in four main categories (Major Domestic Appliances "MDA", Small Domestic Appliances "SDA", Audio Visual "AV" and computing) and more recently added Gaming, Mobile, Smart Home and Photographic devices and equipment to its ranges.

AO launched in Germany in October 2014 with MDA and now sells Floorcare, AV and SDA categories. AO's international expansion strategy took a step further in February 2016 with the launch of MDA in the Netherlands, which has also expanded to include SDA and AV.

AO also has a majority equity stake in AO Recycling, a WEEE processing facility, allowing AO to ensure its customers' waste is dealt with responsibly in the UK.

Cautionary statement

This announcement contains certain forward-looking statements (including beliefs or opinions) with respect to the operations, performance and financial condition of the Group. These statements are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. By their nature, future events and circumstances can cause results and developments to differ materially from those anticipated. Except as is required by the Listing Rules, Disclosure Guidance and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise. Nothing in this document should be construed as a profit forecast or an invitation to deal in the securities of the Company. This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to AO World plc and its subsidiary undertakings when viewed as a whole.