

11 January 2018

AO WORLD PLC

Q3 TRADING UPDATE

AO on track as it delivers continued revenue growth

AO World plc (“the Group” or “AO”), a leading European online electrical retailer, today gives a trading update for its third quarter; the three months to 31 December 2017.

- Our UK business continued to grow: overall UK revenue increased by 11.4% and ao.com revenue increased by 11.2% year on year.¹
- Revenue in our Europe business has continued to grow strongly - up 58.4% year on year, on a constant currency basis (up 62.0% in GBP).
- Overall Group Revenue was up 16.6% for the quarter, year on year.
- We expect the Group’s performance for the full year to fall within the range of analysts’ expectations but remain cautious given the uncertain UK economic outlook.

Steve Counce, CEO, said:

“We have performed well over our peak period delivering further sales growth across all our territories and are on track with our long-term strategy.

We are particularly pleased with the double digit sales growth in our UK business, which has been achieved against a fiercely competitive environment and normalised marketing expenditure. Our customers in the UK benefitted from our Black Friday deals this year over a two week period enabling us to manage demand more effectively and deliver an even better experience for customers. We are encouraged by the sales growth in our newer categories and we have continued to deliver excellent customer service throughout the period across the business.²

Our Europe operations are progressing in line with our plans and we are pleased with the strong growth achieved, given the limited above the line marketing expenditure. Our brand is attracting both new and repeat customers in mainland Europe and customer satisfaction remains high.²

Looking ahead, although we need to be mindful of the uncertain economic outlook (particularly in the UK), as long as we are relentless in our focus on making things easy for our customers, we can be confident that they will continue to choose the AO Way.”

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¹ UK Revenue has grown across all revenue segments, with a £0.7m increase in “Third party sales” and a more significant £1.7m increase in “other sales” predominantly being recycling income.

² As demonstrated by our Net Promoter Scores, an industry measure of customer loyalty and satisfaction.

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.