



AO World plc

Capital Markets Day

Bolton Head Office and Crewe National Distribution Centre

21st September 2015



Today's Programme

Introduction

Interactive update

Vision and category update

Trading update

Brand

Germany

Q&A

Lunch

Travel to Crewe

Logistics

Warehouse tour

Q&A

Depart 16:00

John Roberts

Split in to groups

John Roberts

Mark Higgins

Andrew Kirkcaldy

Kevin Monk

Group executive team

Dave Ashwell

Split in to groups



Strategy at IPO

1. Continue to grow UK MDA business
2. Develop UK SDA
3. Launch new category AV
4. Roll UK categories to Germany and surrounding countries.



Key messages today

Long term strategy



Brand





Interactive update



Today's Speakers



John Roberts
CEO



Mark Higgins
CFO



Kevin Monk
Group International
Director



Andrew Kirkcaldy
Group Brand Director



Dave Ashwell
Group Logistics
Director



Vision and category update



What?

BIG HAIRY AUDACIOUS GOAL:
We will become the best electrical retailer in Europe



How?

CORE PURPOSE:
Being exceptional in the moments that matter

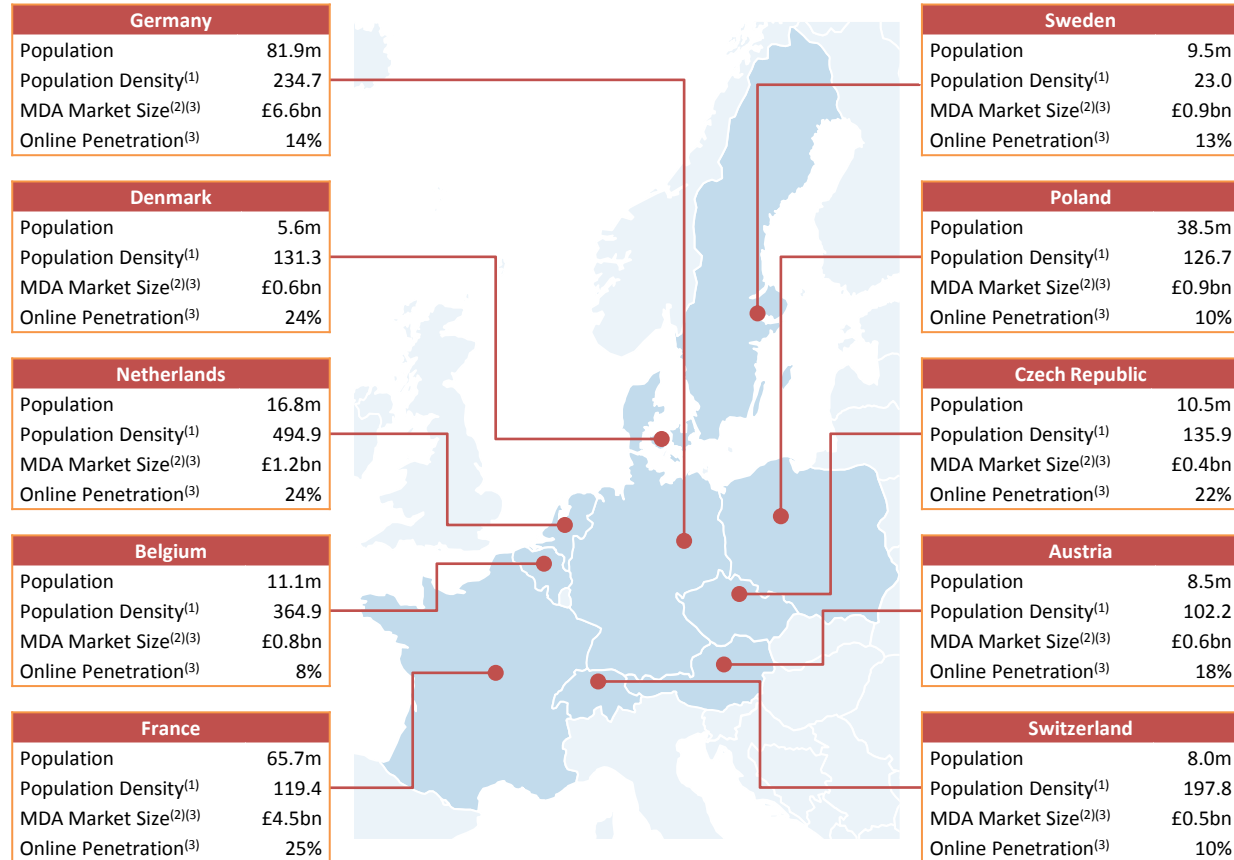


Why?

Core Values:
We care more



MDA Market in countries surrounding Germany



Source: The World Bank other than where indicated.

Note: Population Density as of 2011, Population and MDA Market Size as of 2012 and Online Penetration rates for 2013E. Market size data includes VAT.

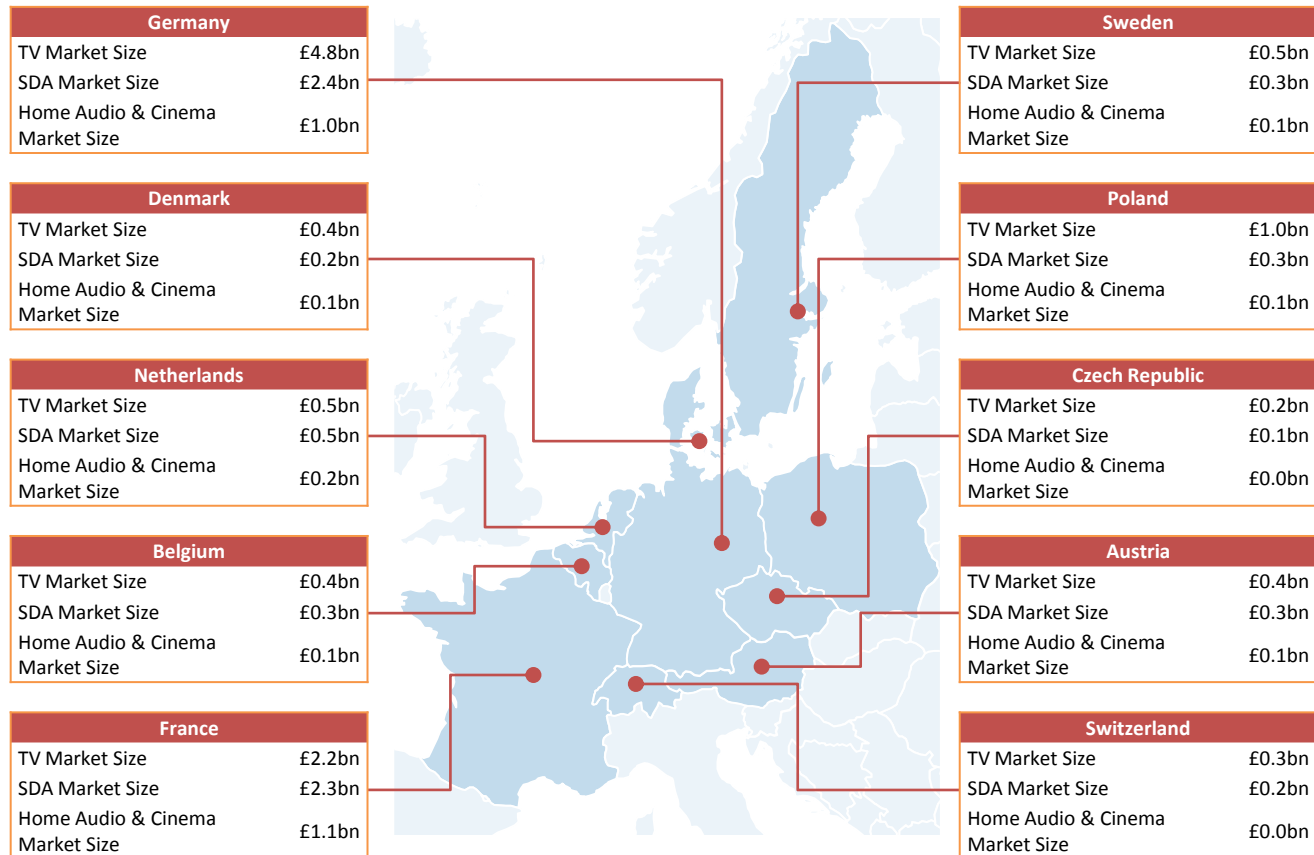
(1) Population density defined as people per sq. km of land area.

(2) Includes VAT and excludes MDA ancillaries.

(3) OC&C Strategy Consultants, Strategic Review October 2013, commissioned by AO, referencing Euromonitor International.



Further addressable markets – in total a £40bn+ opportunity

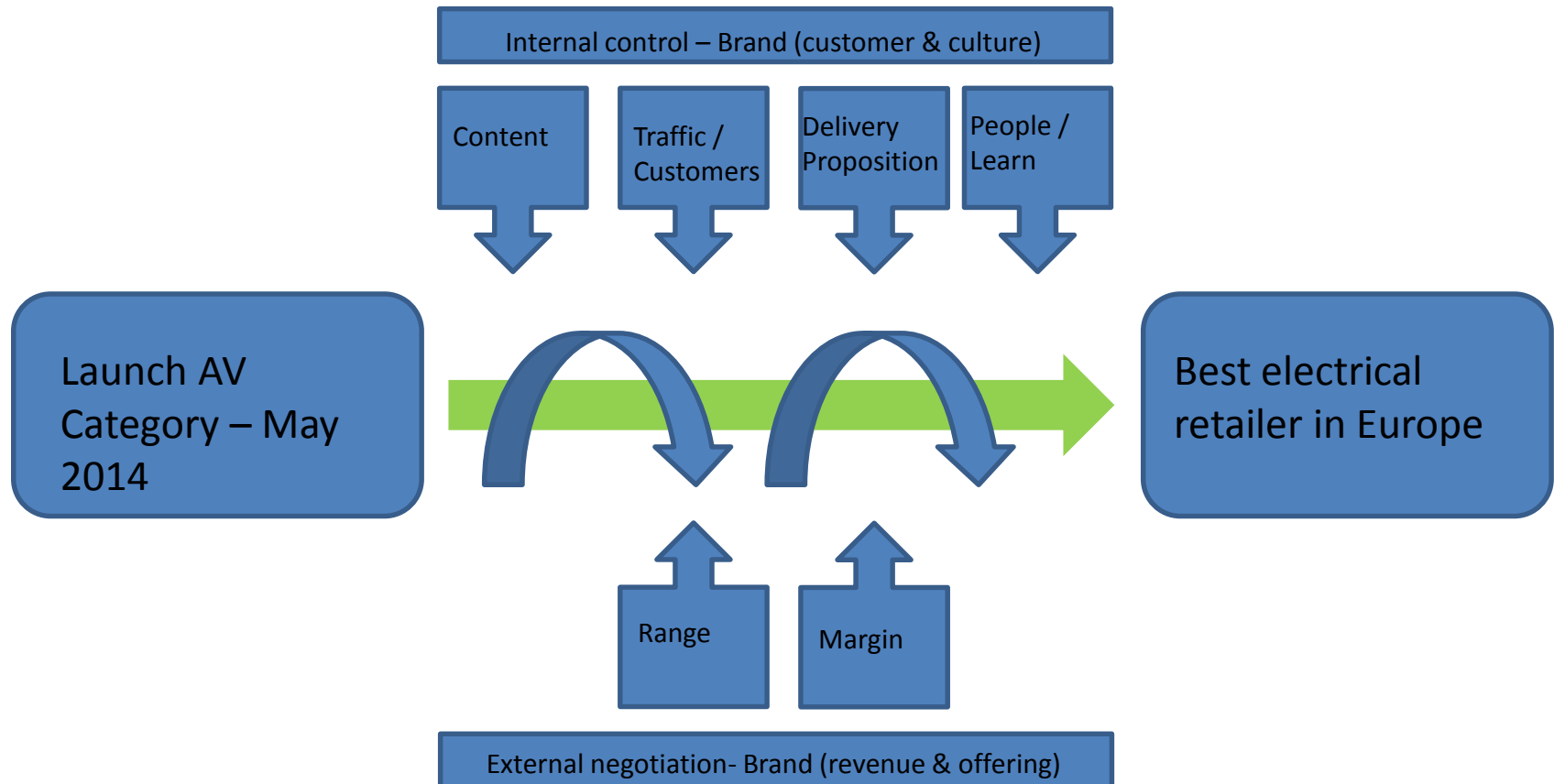


Source: OC&C Strategy Consultants, Strategic Review October 2013, commissioned by AO, referencing Euromonitor International.

Note: TV, AV and SDA data reflects 2012 actual market size, including VAT.

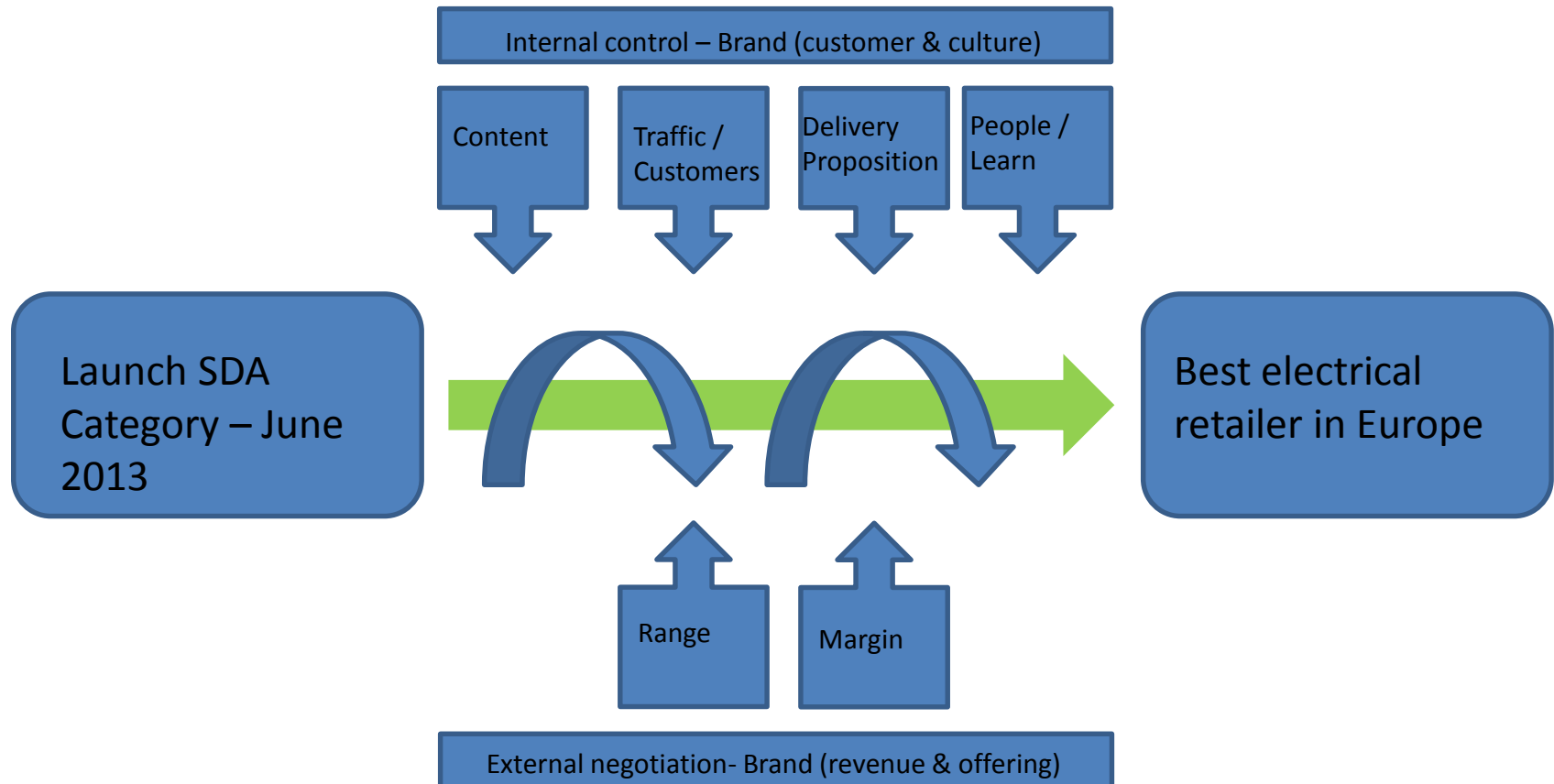


AV Category





SDA Category





Mark – UK revenue growth & brand

Andrew – Our brand journey

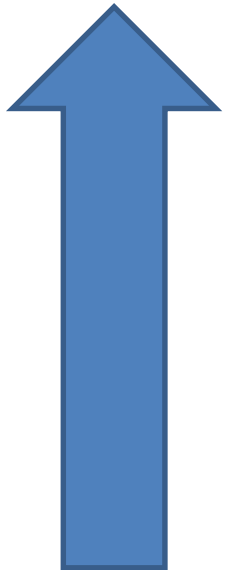
Kevin – German progress leveraging internal brand



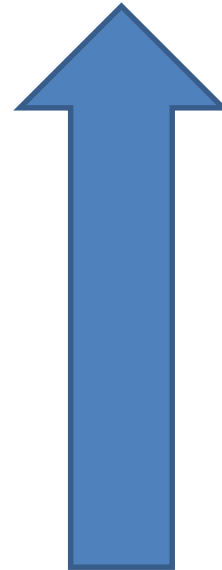
Mark Higgins
CFO



Expected Q2 Revenue Growth



UK revenue growth
20% - 21% year on
year



UK ao.com revenue
growth +30% year
on year



Other progress



Accelerated UK brand investment



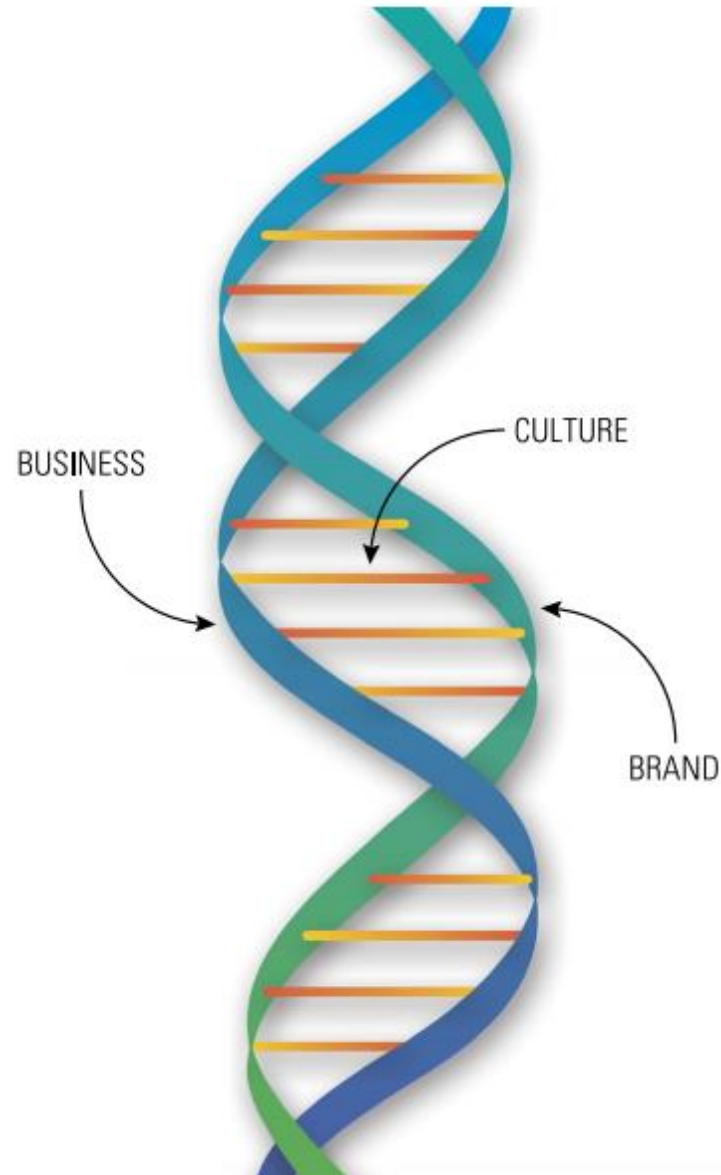
Encouraged by development of
German business



Andrew Kirkcaldy
Group Brand Director

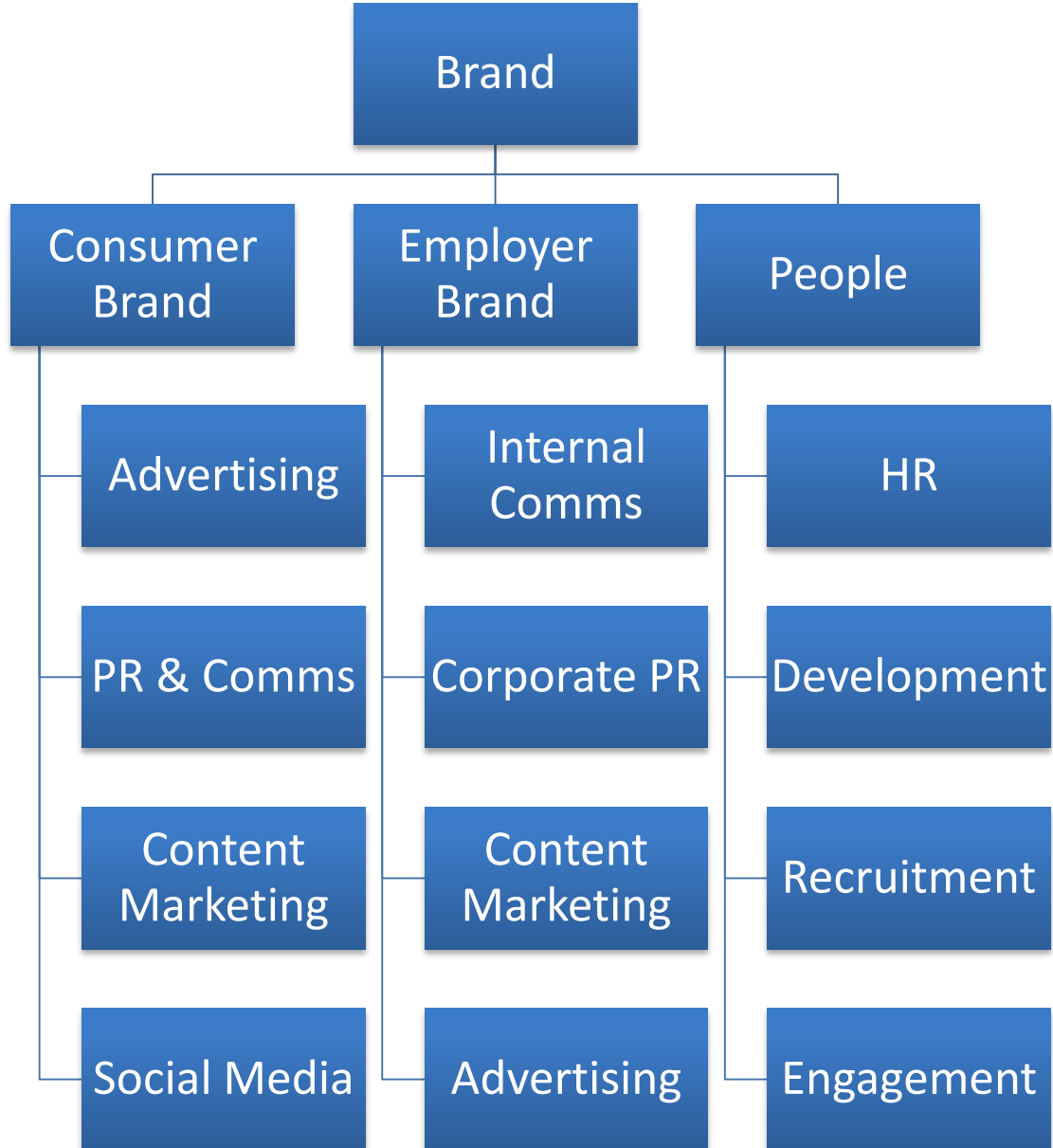


The AO perspective of a brand





Team structure





I WAS PROUD TO BE PART OF





Caring – Genuine people make the difference

You can't pay people to care.

Driven – We are relentless

We deliver what others can't. We don't give up and do whatever it takes.

Smart – We find the best way

We are smart through understanding and innovation.

Bold – We have the courage to try

We think in an unconstrained way to go beyond conventional limits.

Fun – If you enjoy what you do, you do it better

Work is serious and we do it with a smile on our face.



Embedding our values in **'everything we do'**

Recruitment

Induction

Performance | Development

Engagement

Office Environment

Internal Communication



What?

BIG HAIRY AUDACIOUS GOAL:
We will become the best electrical retailer in Europe



How?

CORE PURPOSE:
Being exceptional in the moments that matter



Why?

Core Values:
We care more



Consumer Brand



- In February 2015 AO.com had **higher** market share **than** brand awareness
- We are **simplifying** the message and how we communicate to consumers
- We are creating **consistency** across all customer touch points & channels
- We need more consumers to be **aware** of us



KARMARAMA

Good Works





Let customers tell the story



Denise
real customer





Social Media engagement





Fueling customer recommendations

Recommend
a friend



Enjoy £20 for you and your friends when you recommend ao.com

Your discount code - [Shop now >](#)

[View online version](#)



[Washing Machines](#)

[Dishwashers](#)

[Fridges and Freezers](#)

[Cooking](#)

[Sound & Vision](#)

Your friend likes you so much
they've bagged you...

£20 off
any appliance over £299

Your unique code:

00143B56B7

[Start shopping >](#)

Dear andrew,

Your friend Andrew enjoyed shopping with us recently and thought you might like to check us out.

As they're pretty awesome they thought you'd like a discount, **so we're giving you £20 off any appliance over £299!**

To redeem your offer all you have to do is enter your unique discount code when you reach the basket.

Thanks,
ao.com



Customer centric content

Upgrade your kit for the rugby world cup

Save up to £400

on selected sound & vision

Shop now >



Cutting-edge tech ...coming soon!

Out of control kitchens, laundry blunders, we've all been there. Luckily, help is on the horizon thanks to brand new, cutting edge technology from Hoover. Chores are about to get a whole lot simpler, so follow our story. All will be revealed very soon.

Watch the teaser >

Exceptional cleaning, whisper quiet

Whisper quiet operation meets exceptional cleaning power. This Miele vacuum offers high suction power, low energy consumption and an XL capacity. Check out our video, and see the benefits for yourself!

Check out the video >



Free baking goodies with Bosch

Get creative in the kitchen and prepare to ready, steady, bake with Bosch food mixers. Get a free baking set worth £70 when you invest in a new food mixer. Make homemade bread or whip up some fluffy cupcakes using your new food mixer!

Shop all Bosch food mixers >

Great British Baking

With the right appliance, a delicious recipe and a dash of enthusiasm, you've got the perfect star baker formula. From retro food mixers and professional Neff Slide&Hide ovens, to scrumptious sweet treat recipes, we've got all the inspiration you need to get you heading straight to the kitchen!

Get inspired >



Save up to £400 on selected sound and vision

Upgrade your TV or home entertainment system and watch your favourite cooking programme in style. From the latest Samsung Smart TVs to LG sound systems that will be the envy of all your friends and family. Don't miss out on this offer!

Shop now >



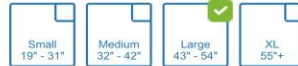


Destination for content & advice

TVs

Select the options that are important to you

Screen Size



Picture Quality



Smart TV



Popular Brands



09

Products available

Shop now >



Watch our guide
Everything you need to know
about buying a TV

The Clearest View

Enjoy the best in clarity and colour

With the latest UHD 4K TVs you can experience the stunning detail of over 8 million pixels. That's 4 times the resolution of Full HD. This higher resolution gives you a sharper and clearer image. So by choosing this technology you'll be getting incredible detail and vivid, lifelike colours.

Shop 4K TVs > Learn more >

Feeling Smart?

Access great entertainment

With a Smart TV you can experience a world of apps and services right on your screen. Different brands offer access to a range of catch up TV options such as BBC iPlayer, All 4 and Netflix. You can even enjoy content from your smartphone and tablet on the big screen.





Destination for content & advice

Enjoy Fresh Ice and Water



A water and ice dispenser allows you to have fresh, chilled water at any time. Many models also offer crushed or cubed ice, so you can serve your favourite drink, just the way you like.

Which one is right for you?



Plumbed

- ✓ Connects to your water supply
- ✓ Fresh water is always available

[Shop plumbed >](#)



Non-Plumbed

- ✓ Can be placed anywhere
- ✓ Easy to refill water tank

[Shop non-plumbed >](#)

Huge Capacity

The best thing about an American Fridge Freezer is the capacity. You're getting almost double the space of a standard fridge freezer, so you can store around 3 shopping trolleys worth of groceries.

To make the most of this huge capacity, there are plenty of options when it comes to the layout. Traditional side by side models have the fridge next to the freezer, and often feature adjustable shelves, door storage and salad boxes. Multi-door models have a wider fridge at the top with the freezer at the bottom, usually with drawer type storage, and sometimes offering a flexible temperature zone.

Size Guide

There are 3 things to consider when it comes to fitting your American fridge freezer in to your kitchen. Watch this 30 second size guide for all the key information.



Making Delivery Easy

It's worth thinking about how we're going to get it into your home. Consider restrictions including your entrance door, stairs and awkwardly angled halls.

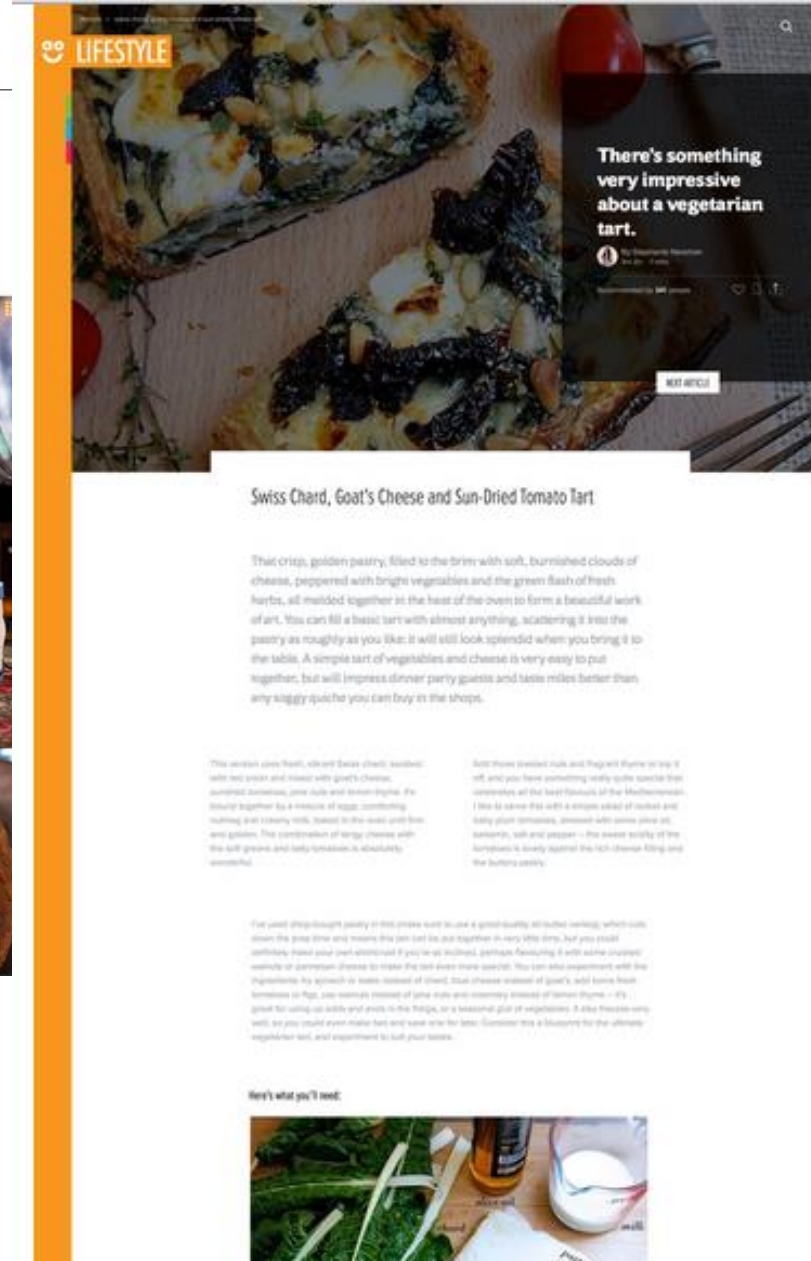
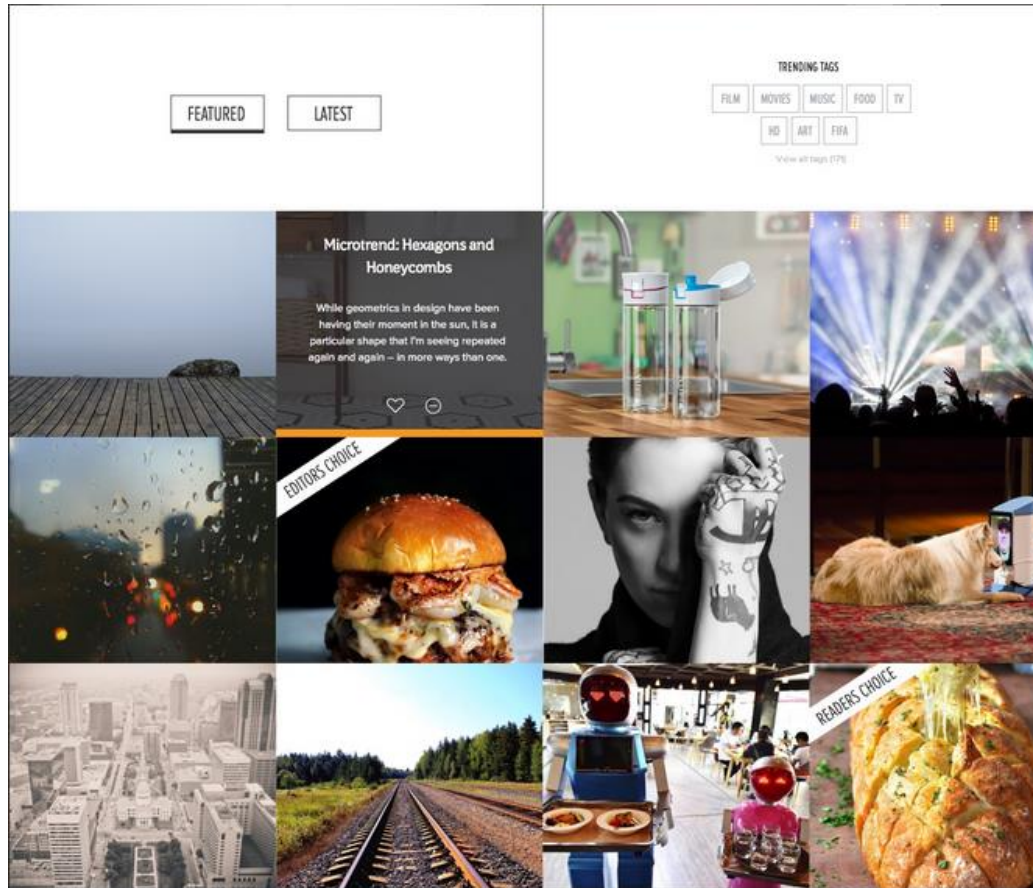




“Focus on the user and all else will follow.”
Google



PR / Content Marketing – Grow brand awareness & recover SEO





PR / Content Marketing – Grow brand awareness & recover SEO

The 15 most wasted foods in the country - and how to avoid wasting them!

f p t e + 252 shares ★★★★★ (2 ratings) 2 Comments

1/16



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Monday, Jun 22nd 2015 1PM 15°C 4PM 19°C 5-Day Forecast

MailOnline

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Could YOU feed your family for just £40 a week? We challenge two households to halve the cost of their supermarket shop... but the results may surprise you



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MailOnline

Teaming up with money website AC families of four for five days on just the first of two budget weekly shop

119 comments 1 video

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Shop late in the day, don't overfill your fridge and make lists: Experts reveal how YOU could save £700 a year by making your groceries go further

- Wasteful households binning up to £700 worth of food on a weekly basis
- The equivalent of throwing away one fridge load of food every month
- Infographic reveals best ways to store food and cut down on waste

By ANUCYIA VICTOR FOR MAILONLINE

PUBLISHED: 07:41, 4 June 2015 | UPDATED: 18:38, 4 June 2015

Can you freeze it?

Cheese

- Can you freeze it? Yes, but hard cheeses are better.
- How to freeze: Grate or slice into small portions with clingfilm and wrap in an airtight bag for up to three months. Best used in cooking.
- How to use: Transfer to the fridge and allow to defrost thoroughly.

Milk

- Can you freeze it? Yes, so long as it's whole milk.
- How to freeze: Don't keep it in a glass bottle because it will expand, use a container with plenty of room.
- How to use: Allow to defrost in the fridge, stir with a couple of days in the fridge won't spoil it, it's fine for use in cooking.

Mushrooms

- Can you freeze it? Yes, either cooked or raw. Cooked mushrooms bring better results.
- How to freeze: If raw, wash first, freeze on a baking sheet to keep them separate, then transfer into a bag or container. Raw cooked mushrooms is a better freezing.
- How to use: Can be thrown straight into cooked meals, otherwise remove and defrost thoroughly.

Bananas

- Can you freeze it? Yes, ripe bananas are perfect for smoothies or banana bread.
- How to freeze: If you want them to keep for a long time, cut into small pieces and freeze on a baking sheet to keep the pieces separate.
- How to use: These frozen pieces are great in a smoothie or as a topping for baking.

MONTH OF MESS

30 days, 30 fun activities. Get messy for a month with the kids and earn your gold badge. Ready, set, mess!

01. Amy Animals

02. Rounders

03. Chemistry Lab Explosion

MESSY MONSTERS

Head Body Legs

Eyes

Nose

Mouth

Horns

Drag and drop to transform your little monster!

Alfie Our little Monster

Download Save to Gallery View Gallery

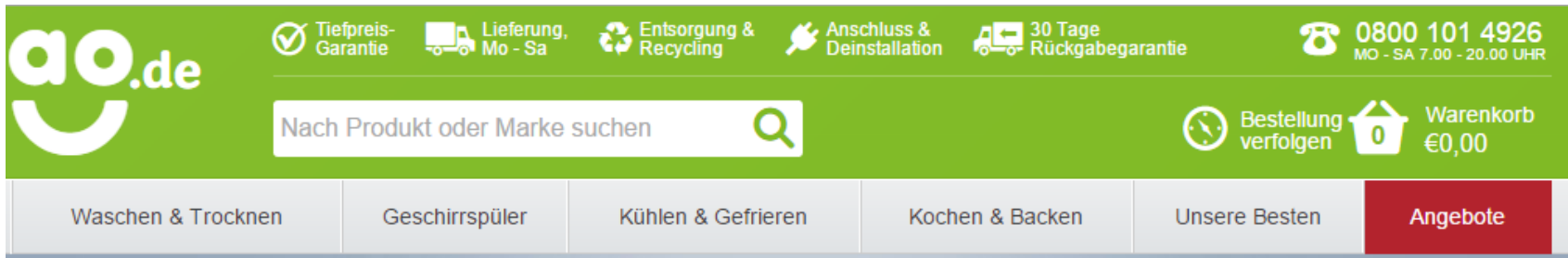


- Making good progress
- Current activity working well for UK and Germany
- Accelerating investment in
 - TV advertising
 - PR & Content Marketing
 - Other above the line activity
- Investing for the medium / long term brand build



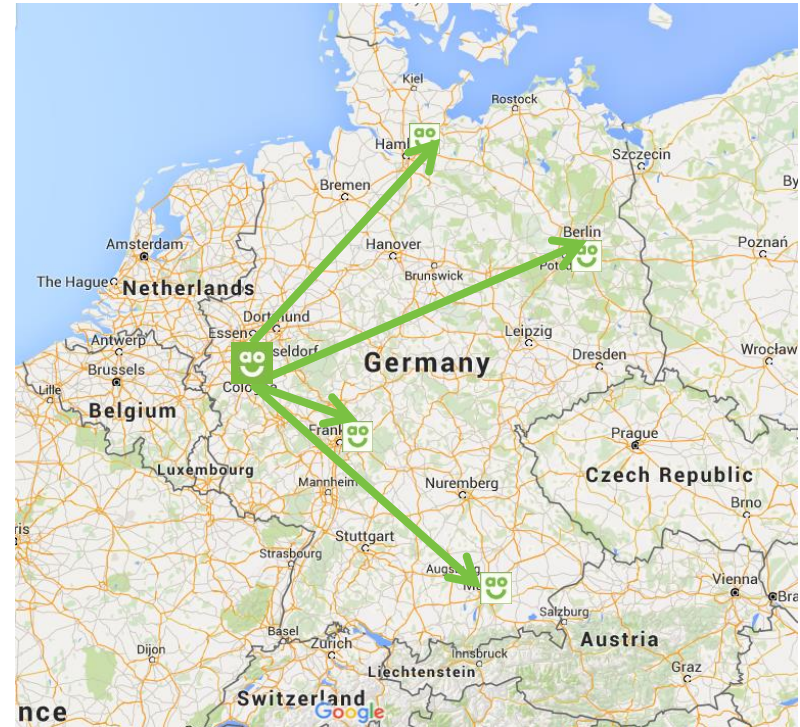
Kevin Monk
Group International Director

- Introduction
- Ao.de Business
- Ao.de Structure
- Highlights from our first year
- Bergheim
- Leveraging our assets across Europe

The header of the Ao.de website. It features a green background with the Ao.de logo on the left. To the right of the logo are several service icons and text: a checkmark for 'Tiefpreis-Garantie', a truck for 'Lieferung, Mo - Sa', a recycling symbol for 'Entsorgung & Recycling', a plug for 'Anschluss & Deinstallation', and a truck for '30 Tage Rückgabegarantie'. On the far right is a phone icon and the number '0800 101 4926' with the hours 'MO - SA 7.00 - 20.00 UHR'. Below these is a search bar with the text 'Nach Produkt oder Marke suchen' and a magnifying glass icon. To the right of the search bar are icons for 'Bestellung verfolgen' (a clock) and 'Warenkorb' (a shopping bag) with the text '€0,00'. At the bottom is a navigation bar with six buttons: 'Waschen & Trocknen', 'Geschirrspüler', 'Kühlen & Gefrieren', 'Kochen & Backen', 'Unsere Besten', and 'Angebote' (which is highlighted in red).



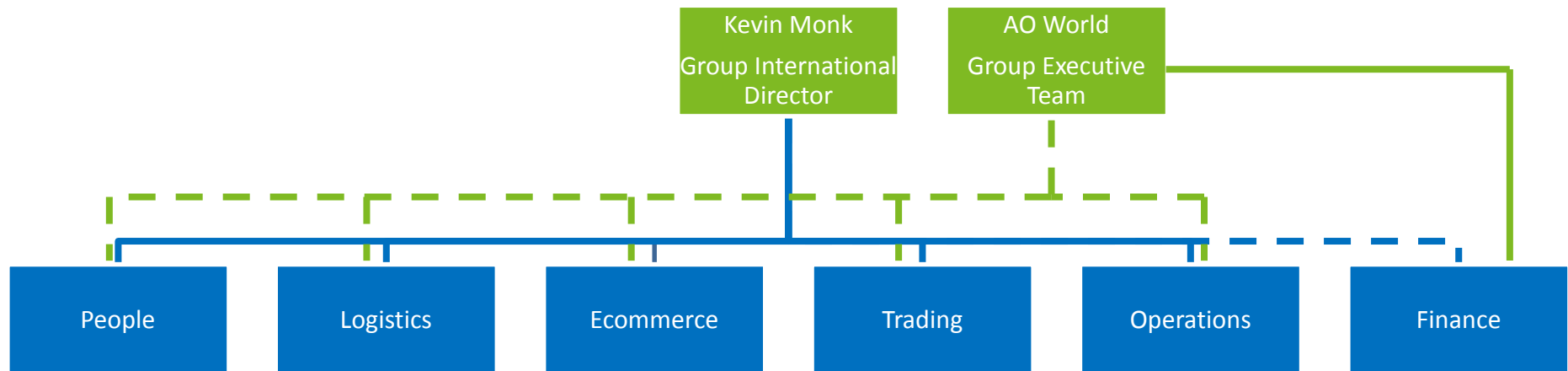
- Started Trading 1st October 2014
- Located in Heppendorf & Bedberg
- One Hub – 4 outbases
- Delivering 6 days a week
- Currently 365 employees





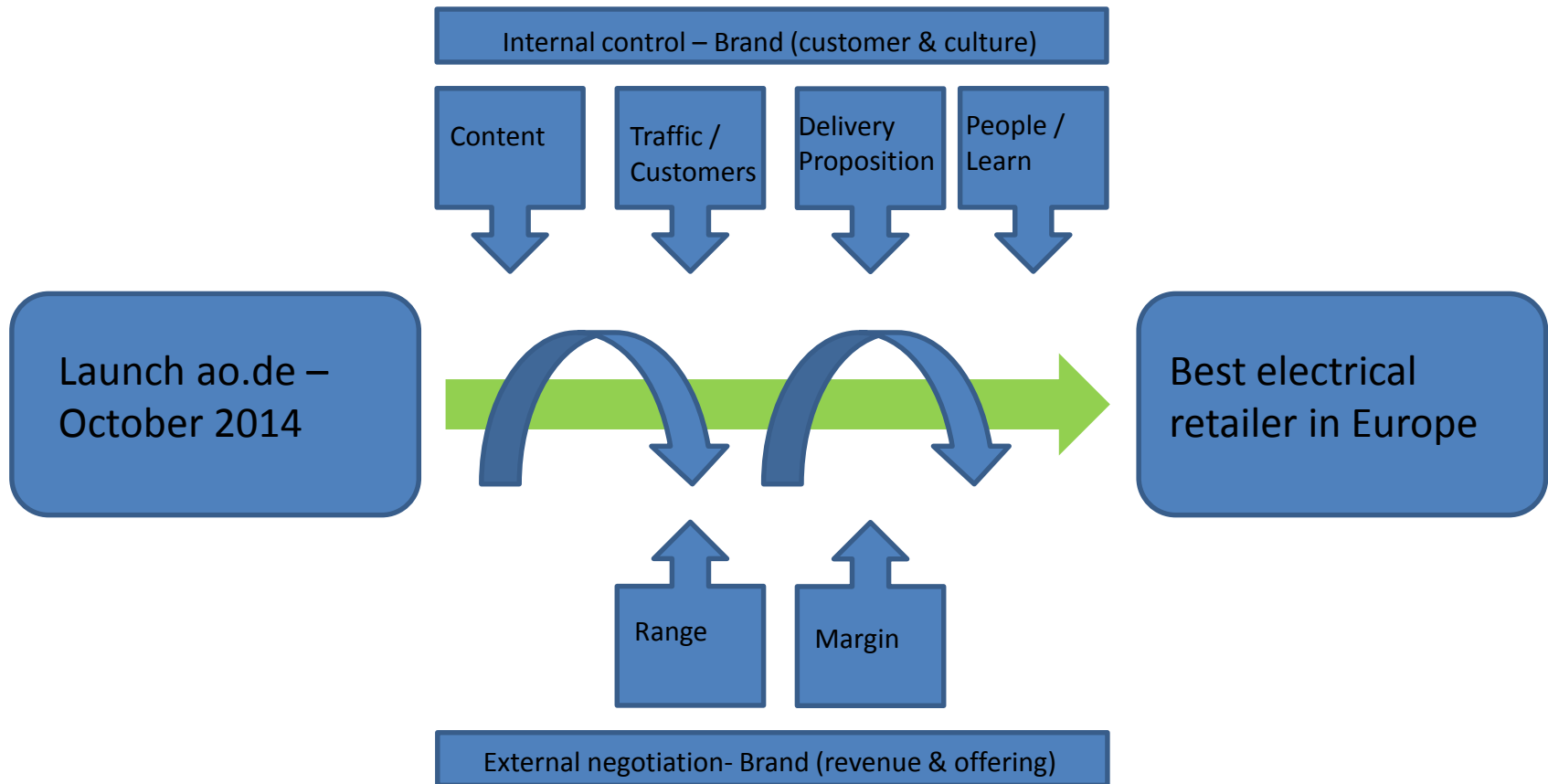
Ao.de Management Structure

- Dual Horizontal and Vertical Structure
- Local day to day operational and tactical control to react fast
- Best practice and strategic direction run through group
- Matrix management structure works through strength of culture across Group Executive Team





Gaining Manufacturer Support



Top-Marken bei ao.de

AEG

Bauknecht

beko

BOSCH

SAMSUNG

SIEMENS

LG

Miele

Whirlpool

NEFF

ZANUSSI

Amica

gorenje

exquisit



Market Leading Service

- Reference Trusted shops and Trust pilot and idealo


 **Billy Moore** ▶ **AO (DE)** ✓
11 September at 07:34 · Woringen, Germany · 🌐

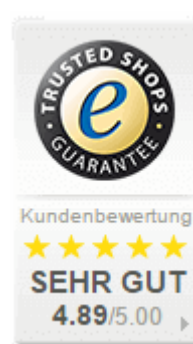
Es stimmt. Gestern haben wir einen neuen Kühlschrank bestellt, und heute Morgen ist es geliefert worden. Mit Aufbauen in der Küche. Und der Preis ist unschlagbar günstig gewesen. Wer mich kennt, dem ist klar, das ich da immer etwas Skeptisch bin, wenn es um Werbung geht. Aber in diesem Fall, passt alles. Sehr freundliche Leute, und super Service.

... It is true. Yesterday, we have a new fridge ordered, and it is this morning had been delivered. With Build in the kitchen. And the price is unbeatable low priced. Who knows me, knows the is clear, as always, I am a little sceptical when it comes to advertising. But in this case, matches everything. Very friendly people, and super service.

Automatically translated

Like Comment Share

 **AO** ✓ Lieber Billy, es freut uns sehr, dass Du zufrieden bist und uns so eine schöne Bewertung hier schreibst 😊 Ich wünsche Dir schon einmal ein schönes Wochenende und noch viel Spaß mit Deinem neuen Familienmitglied, herzliche Grüße aus Heppendorf, Christina, ao,de
See Translation
Like · Reply · Commented on by Christina Kozocsa [?] · 11 September at 12:36



 **Sabrina Röttger** ▶ **AO (DE)** ✓
29 August at 10:49 · 🌐

Liebes AO Team,
Gestern bestellt, heute früh geliefert!
Bis in die Küche getragen, ausgepackt und den Müll mitgenommen! - Mit einer Selbstverständlichkeit, die ich lange nicht erlebt habe!
Super freundliche Mitarbeiter, rundum ein absolut perfekter Service !!
Würde ich jedem empfehlen! Macht weiter so!

... Dear ao team,
... Yesterday, ordered and delivered this morning!
... Up in the kitchen, unpacked and took the trash! - with a matter of course, which I have not seen for a long time!
... Super friendly staff, all-round an absolutely perfect service!!
... I would recommend to anyone! Keep it up!



Television Adverts





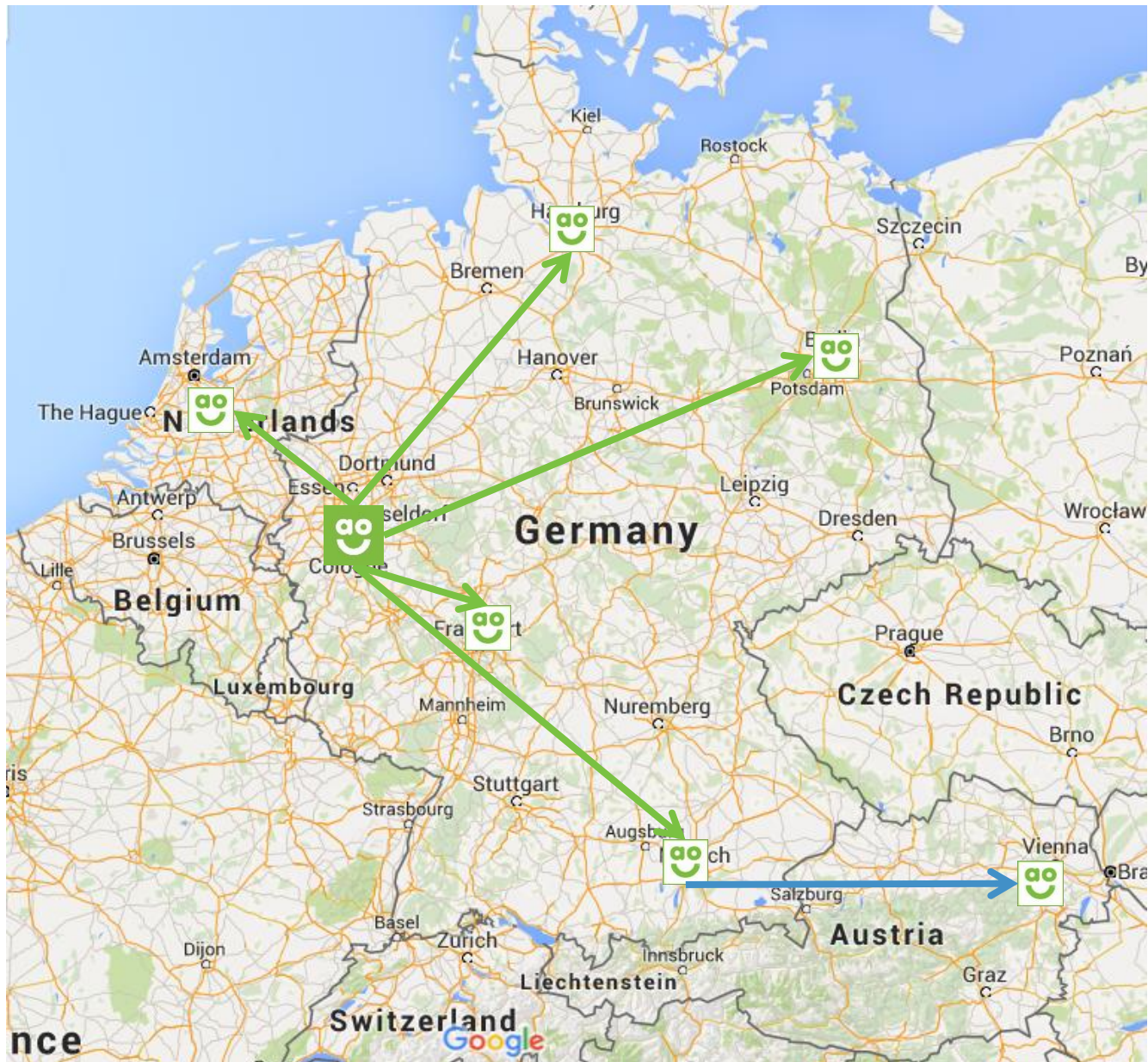
Bergheim Ground-Breaking







Leveraging Bergheim





Introducing the rest of the Executive Team



Steve Caunce
COO



Danny Emmett
Group Retail
Operations Director



Dave Lawson
Group Ecommerce
Director



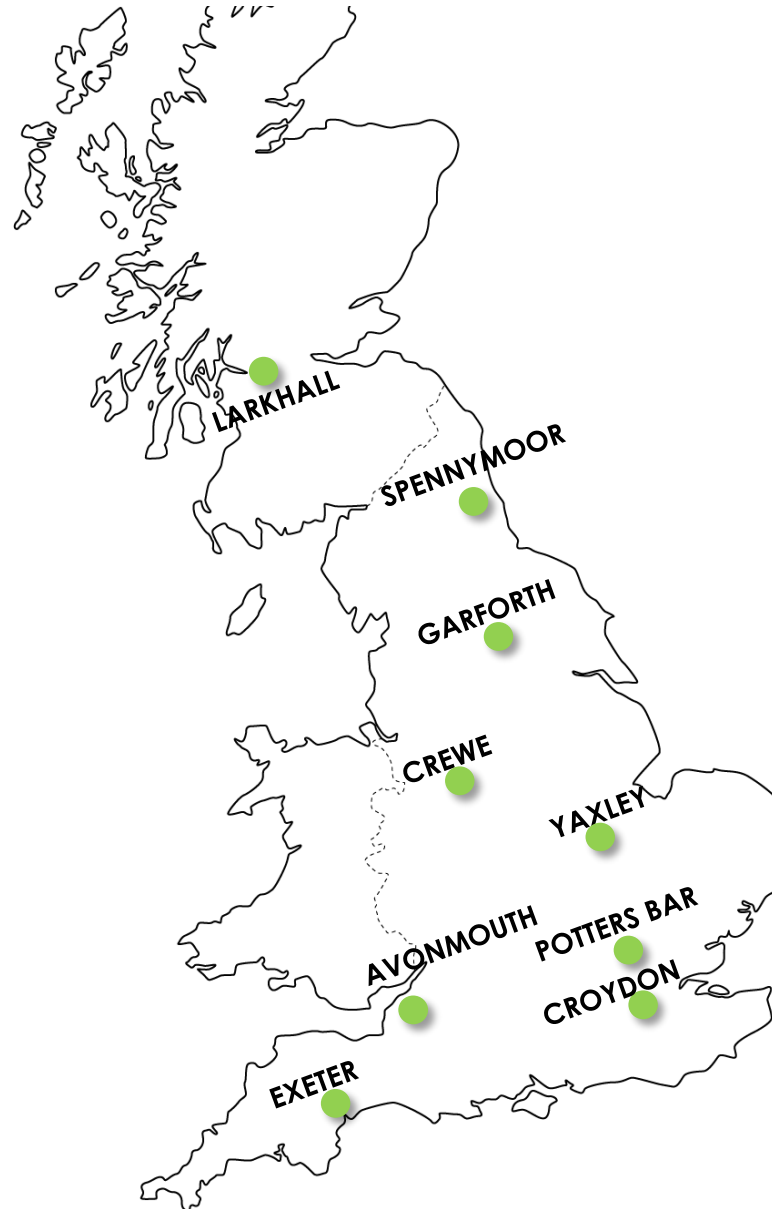
John Coulter
Group Trading
Director



Dave Ashwell
Group Logistics Director

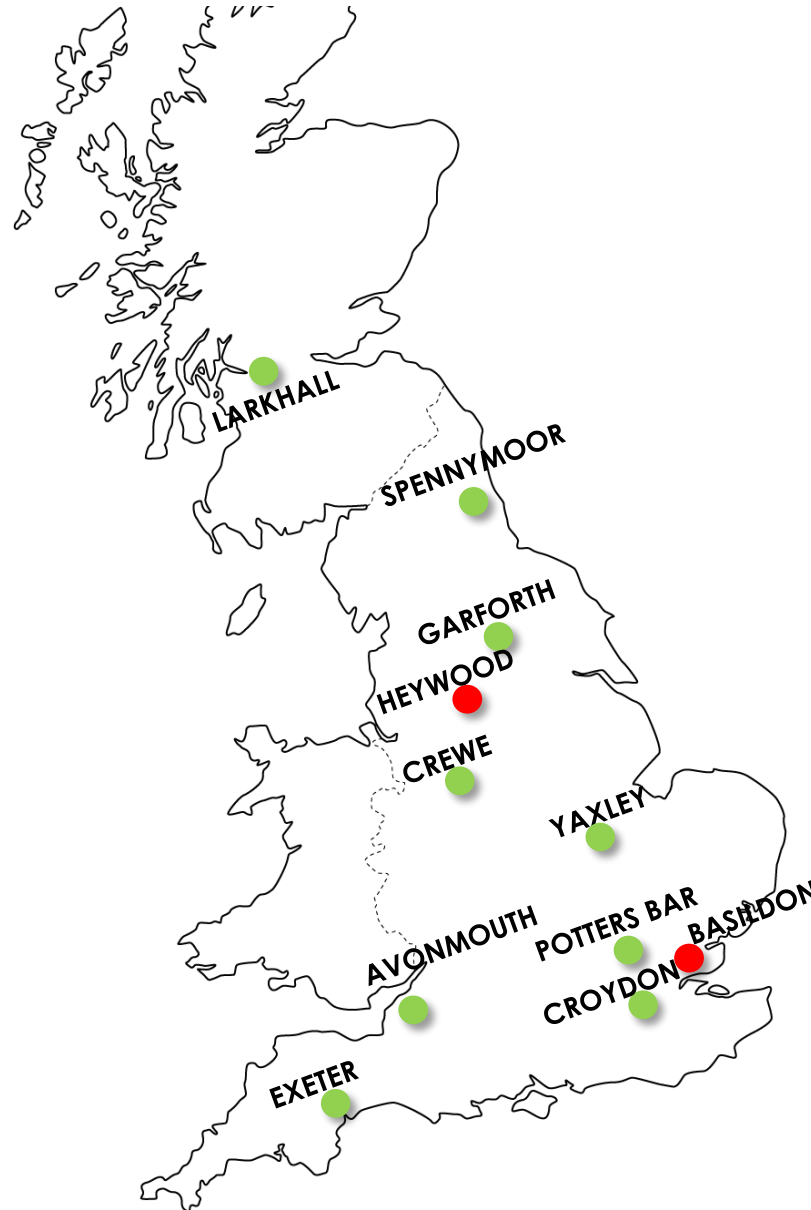


Outbases 2014





Outbases 2015





Additional Warehousing





Additional Warehousing





- Challenges
 - Ageing
 - New legislation
- Solutions
 - Driver academy





- The fleets we now run
 - 7.5t
 - Core
 - ao
 - 3.5t
 - Driver academy
 - Double run
 - Premium install
 - Same day





The past 18 months.....

- Pick and pack
- Changing client mix
- Changing product mix
- System enhancements
- New trailers

