



## Trading Statement

Released : 30/03/2017 07:00

RNS Number : 9522A  
AO World plc  
30 March 2017

### AO World plc

#### PRE-CLOSE STATEMENT

30 March 2017

AO World plc ("the Company" or "AO"), a leading online retailer of electricals in the UK, today gives a pre-close trading update for its full financial year; the 12 months to 31 March 2017 ("FY2017").

Full year trading for FY2017 is expected to be in line with our range of expectations, with Group revenue expected to be c.£700m, up c.17% year-on-year. Our existing Adjusted EBITDA guidance range is tightened to £-2.4 to £0m and Group cash as at 31 March 2017 is expected to be at least £27m.

#### UK

In our UK business, revenue is expected to be c.£629m, with expected own-brand revenue growth of c.16% year on year, with own-brand revenue growth of 10% in Q3 and expected growth of c.13% in Q4 (as against the same quarter in the prior year). Brand awareness has continued to improve, and we believe this will be further underpinned by becoming headline sponsor to ITV's "Britain's Got Talent" 2017. We also launched into a new category, computing, which has started to trade well. We have also successfully started recycling Waste Electrical and Electronic Equipment (WEEE) through our facility in Telford.

#### Europe

In our Europe business, revenue is expected to be c.£71m, with expected Q4 growth of c.58% in local currency. During H1, we consolidated our operations in Bergheim which has given us a solid base for the business to grow, and allowed the anticipated acceleration of growth during H2. During the period, we have successfully launched the audio visual category in Germany and in March 2016, we started trading in the Netherlands.

## Outlook

The Board broadly expects the patterns of trading seen in the second half of FY2017 to continue into the year ahead, with UK business profits largely being reinvested in our European operations.

The UK business will continue to benefit from positive operational leverage as we scale and grow, increase brand awareness and deliver our 4C's strategy. The Board continues to be cautious given the uncertain UK economic outlook, currency impacts on supplier pricing and the possible effect on consumer demand.

In our Europe business, we are on track to achieve a positive Adjusted EBITDA run-rate\* and revenue run-rate\* of c.€250m by FY2021 (in existing territories of Germany and Netherlands) with operational leverage, which is expected to be generated largely from warehousing and delivery, weighted largely to the latter period. We expect limited further capex to realise plans in existing territories.

AO has today separately announced a placing of up to 9.99% of its share capital.

Our next update to the market will be our preliminary statement on 6 June 2017.

\* Adjusted EBITDA is defined by the Group as profit/(loss) before tax, depreciation, amortisation, net finance income and "adjustments"

- Adjustments is defined by the Group as set up costs relating to overseas expansion and share-based payment charges / credits attributable to exceptional LTIP awards which the Board consider one-off in nature

- Run-rate means one month's figures annualised

### For further information, please contact:

AO World plc  
(0)1204 672400  
Mark Higgins  
ir@ao.com  
Chief Financial Officer

+44

Tulchan Communications  
+44(0) 20 7353 4200  
Susanna Voyle  
ao@tulchangroup.com  
Michelle Clarke

This information is provided by RNS  
The company news service from the London Stock Exchange

END

TSSTEAEADNAEDXEAF