

**12 May 2020**

## **AO WORLD PLC**

### **TRADING UPDATE AND CONFIRMATION OF TIMING FOR PRELIMINARY RESULTS AND AGM**

AO World plc (the “Company”), a leading European online electrical retailer, provides an update on trading and confirms the revised date for publication of its preliminary results for the 12 months ended 31 March 2020 (the “Preliminary Results”).

#### **Our people and our customers**

During this operationally challenging period, the safety of our people and our customers has continued to be our top priority. As such, we have adapted the services we offer, invested to ensure social distancing and enhanced safety measures to protect our people in front line operational roles, whether in our warehouses or making deliveries. We have also equipped everyone who can work from home with what they need to do so and supported our people in front line operational roles. We continue to prioritise services to the most vulnerable members of society and donate essential products to those in need.

We would like to thank our teams across the business for the culture they live and breathe every day; its value has shone through in the current extraordinary times. This is certainly a time when we are pleased to realise the value of our strong culture.

#### **Confirmation of timing of preliminary results and AGM**

Following FCA, FRC and PRA guidance on the timing and content of company reporting, the Company confirms that it expects to release its Preliminary Results on 14 July 2020 with the date of the Annual General Meeting expected to be 20 August 2020. The revised timing will allow a greater amount of clarity on the outlook for the current financial year at the time of the Preliminary Results, as well as permitting our team and auditors some extra flexibility as we adapt to new working practices.

#### **Financial Year ended March 2020<sup>1</sup>**

The Company expects its headline financial results excluding operations in the Netherlands (which do not continue into FY21) for Revenue and Adjusted EBITDA (pre IFRS16) to fall within the range of analyst expectations<sup>1</sup>.

Shortly following the year end we re-financed our £60m Revolving Credit Facility and £20m Term Loan which were due to run until June 2021. These facilities have been consolidated into a new £80m RCF which matures in April 2023.

During the year, we made substantial progress against our four immediate strategic priorities: UK MDA growth of +10%; accelerating the journey to profitability in Germany; being cash generative<sup>2</sup>; and leveraging our eco-system. We will update fully on our progress in the Preliminary Results.

#### **Post period end and Covid-19**

The lockdown measures implemented by Governments in both the UK and Germany created a unique set of circumstances with customers forced to stay at home and relying on their electrical and electronic products like never before. Shopping online has become an unavoidable way of life

during lockdown and we are proud of the part that AO has been able to play supporting our customers through this unprecedented time.

Historically, a large proportion of sales of electricals have been made through bricks and mortar stores. With the implementation of lockdown measures, overnight 100% of the market moved online. As we move towards a new normal, we would expect the online market in electricals to maintain a higher share than prior to Covid-19.

Despite a decline in the overall market of the categories in which we operate, AO has grown market share and seen increased demand and sales across all categories since the lockdown measures came into force.

We will update more fully on trading at the full year results on 14 July 2020 by which time we expect to have a clearer view on outlook.

**John Roberts, AO Founder and Chief Executive Officer, said:**

“I want to thank the amazing team of AOers for their dedication, sacrifice and professionalism through the very recent period in particular but also throughout the last 12 months. They have delivered in spades against the key priorities we set and we entered our new financial year in good shape.”

“Our team in Germany has embraced our One AO approach and is benefiting on all key metrics as a result. We are more certain than ever of the potential of that business and the platform it provides for growth.”

“For the last 20 years I believe we have been a driving force of change, making things better, easier and cheaper than ever before for customers with outstanding levels of service. Never before has that service been more necessary or relevant and so I am very proud of the record customer satisfaction scores we are achieving through this period. “

“In terms of online shopping behaviour, I believe we have seen five years accelerate into only five weeks and we will plan to cement that change as we impress more new customers than ever with the AO Way.”

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**Notes**

<sup>1</sup> Current range of analyst expectations is between £1.02bn and £1.09bn for revenue and for Adjusted EBITDA £5.0m and £11.6m.

<sup>2</sup> Cash generative on an Adjusted EBITDA less debt repayment, interest, taxes and monthly share of annualised capex by the end of the March 2020 financial year and on a run rate basis going forward.

## **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 have the happiest customers by relentlessly striving for a better way. 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 and Germany 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. Following the acquisition of Mobile Phones Direct Limited in December 2018, AO has significantly broadened its mobile phone offering.

AO launched in Germany in October 2014 with MDA and now sells Floorcare, AV and SDA categories. In December 2018, AO acquired Mobile Phones Direct making AO the UK's largest pureplay mobile phone retailer.

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.