OCADO GROUP PLC
Full year results for the 52 weeks ended 1 December 2024

27 February 2025

Strong FY24 results in line with guidance; revenues, profits and cash flows all improving significantly

Financial progress[1]

- **Total Group*[1] revenue £3.2bn, +14.1%;** Technology Solutions +18.1%, Ocado Logistics +7.6%, Ocado Retail ("ORL") +13.9%, Statutory revenue £1.2bn, (FY23: 53wks £1.1bn)
- **Total Group*[1] adjusted EBITDA*[2] £153.3m (FY23 £51.6m);** Technology Solutions EBITDA £80.9m (margin growth to 16%), (FY23 £15.4m); Ocado Logistics £31.1m, (FY23: £30.1m); ORL £44.6m, (FY23: £10.4m)
- **Statutory loss for the period £(374.3)m (FY23 £(387.0)m);** after adjusting items of £4.8m (FY23 £23.9m)
- **Underlying cash outflow*[3] of £(223.7)m, £248.8m improvement vs FY23 £(472.5)m;** higher revenues, increasing EBITDA margins, lower capex and targeted cost control
- **Strong liquidity at £1,072m (FY23: £1,185m)** with cash and cash equivalents of £771.5m (FY23: £884.8m)
- **Refinanced £700m of debt** in FY24 to proactively manage our liabilities and extend our maturity profile

Operational and strategic progress

- **Solid growth in modules:** 12 modules added during the year, now at 123 live modules (FY23: 111); 116 average live modules[4] (FY23: 105): +10.5%; go-live of 3 CFCs and module drawdowns on live CFCs
- **Supporting our partners**: enabling our partners' long-term growth and profitability with specialist resources embedded with our partners; first international CFCs approaching capacity
- **Re:Imagined technology rollout:** On Grid Robotic Pick ("OGRP") and Automated Frameload ("AFL") contracts signed with vast majority of partners; installations underway and rolling out at scale in FY25
- **Ocado Logistics:** OSP overall CFC productivity +9.1%; >30% Luton volumes picked robotically at YE
- **Ocado Retail:** market-leading and volume-driven sales growth +13.9%; expansion to 2.9% adjusted EBITDA margin* (excluding Hatfield fees), Q4 +17.5% sales growth, fastest growing grocer in the UK[11]
- **Appointment of new Chair**: Adam Warby joined the Ocado Group Board on 1 November 2024

FY25 and mid term outlook

- **Technology Solutions c.10% revenue growth in FY25; EBITDA* margin 20-25%**
- **At least 7 CFCs going-live over the next 3 years;** Warsaw (FY25) Charlotte & Phoenix (now expected to go live early FY26 following new Auto Freezer order), Hachioji & Busan (FY26) and Kuki & Gyeonggi (FY27)
- **Module growth**; c.5 additional modules expected in FY25, c.20-25 across FY26/27, c. 150 live modules expected by end FY27; underpinned by the 7 CFC openings; prospect for more CFC openings in FY27
- **Ocado Logistics high mid-single digit % revenue growth for FY25; EBITDA* of c.£30m**
- **Ocado Retail above 10% revenue growth in FY25; underlying EBITDA* margins c.4%**
- **Underlying cash outflow* around £200m in FY25**
- **Rigorous cost & capital discipline**; reducing Technology and Support costs through to FY27, following a significant R&D cycle; capital allocation to Technology R&D to be c.20% of recurring revenues by FY27
- **On target to turn cash flow positive during FY26**; underpinned by strong FY24 performance, further progress on direct operating costs[9], cost reductions and lower capital expenditure
- **Strong liquidity throughout**; continuing to proactively manage our debt maturities
- **Intention to deconsolidate Ocado Retail** and to equity account for the joint venture from early April 2025 There is no change or intention to change our economic interest in Ocado Retail, noting our **Statutory accounts are required to present ORL as a 'disposal group'**. A fuller explanation is shown on page 11.

Unless otherwise stated, the financial extracts on page 1 are shown on a fully consolidated basis, inclusive of Ocado Retail and consistent with our APM measure of Total Group. Ocado Group expects to deconsolidate Ocado Retail and to 'equity account' for the joint venture from early April 2025. Our Statutory accounts are required to present Ocado Retail as a 'disposal group' and as such Ocado Retail is entirely excluded on a Continuing basis. A fuller explanation is shown on page 11.

Adam Warby, Chair of Ocado Group, said:
"My first months as Chair of Ocado Group have been busy and hugely engaging. I have spent time with shareholders, partners and teams across our business to understand how the Board can support and work with them best during the continued evolution of Ocado.

The business has made good financial progress this year. We have reached important milestones with the deployment of our Re:Imagined technologies and deepened our relationships with global partners. But there remains much for us to do.

In FY25, Ocado's board and management team are focussed on supporting our partners to drive further efficiencies and accelerate growth, continually improving our existing offering and expanding to new potential partners"

Tim Steiner, CEO of Ocado Group, said:
"In 2024, we delivered a shift in the potential of robotics and automation to improve retail supply chains. Our latest technologies have begun to roll out at scale to Ocado's global partners. This marked a milestone for our technology, with the already market-leading productivity of an Ocado CFC almost doubling over the course of a decade.

At the same time, online continues to drive the greatest share of organic growth in the global grocery market. Our partners are well set-up to take advantage of this growth with Ocado's technology, and we have a strong prospect pipeline across grocery, non-grocery and logistics. Ocado Retail in the UK continues to lead the way as consistently the fastest growing grocer in the market and reaching 1 million active shoppers for the first time.

We have learned valuable lessons from our early global deployments. Over the past year we've significantly increased the number of Ocado experts embedded across our global partners, helping them to hone logistics operations and build new online strategies alongside the Ocado Smart Platform. These teams, combined with exciting new enhancements we are set to deliver in 2025, will drive faster growth, more efficient operations, and an even better quality of experience online for shoppers across 11 of the world's biggest grocery markets."

Summary Income Statement on a Continuing[1] and Total Group*[1] basis

	FY24 (52 weeks)		FY23 (52 weeks)			
£m	Continuing[1]	Total Group*[1]	Continuing[1]	Total Group*[1]	Continuing change	Total change
Revenue[5]	**1,214.5**	**3,155.9**	**1,088.0**	**2,765.6**	**11.6%**	**14.1%**
Operating costs	(1,102.8)	(3,002.9)	(1,041.6)	(2,713.1)	(5.9)%	(10.7)%
Share of results from joint ventures and associates	0.3	0.3	(0.9)	(0.9)	133.3%	133.3%
Adjusted EBITDA*[2]	-	**153.3**	-	**51.6**	-	**£101.7m**
Depreciation, amortisation and impairment[6]	(413.9)	(460.3)	(338.5)	(395.9)	(22.3)%	(16.3)%
Finance income[7]	30.4	34.1	39.2	40.0	(22.4)%	(14.8)%
Finance costs	(98.6)	(116.4)	(82.0)	(95.1)	(20.2)%	(22.4)%
Other finance gains and losses	10.0	10.0	(18.1)	(18.1)	155.2%	155.2%
Adjusted loss before tax	**(360.1)**	**(379.3)**	**(353.9)**	**(417.5)**	**£(6.2)m**	**£38.2m**
Adjusting items*[8]	20.3	4.8	83.9	23.9	£(63.6)m	£(19.1)m
Loss before tax	**(339.8)**	**(374.5)**	**(270.0)**	**(393.6)**	**£(69.8)m**	**£19.1m**

Summary Income Statement on a Total Group*[1] & segmental basis

£m	FY24 52 weeks	FY23 52 weeks	Total Change £	Total Change (%)
Revenue[5]				
Technology Solutions	496.5	420.5	76.0	18.1%
Logistics	718.0	667.5	50.5	7.6%
Retail	2,685.8	2,357.5	328.3	13.9%
Eliminations	(744.4)	(679.9)	(64.5)	(9.5)%
Total Group*[1]	**3,155.9**	**2,765.6**	**390.3**	**14.1%**
Adjusted EBITDA*[2]				
Technology Solutions	80.9	15.4	65.5	425.3%
Logistics	31.1	30.1	1.0	3.3%
Retail	44.6	10.4	34.2	328.8%
Eliminations	(3.3)	(4.3)	1.0	23.3%
Total Group*[1]	**153.3**	**51.6**	**101.7**	**197.1%**
Depreciation and Amortisation[6]	(460.3)	(395.9)	(64.4)	(16.3)%
Finance income[7]	34.1	40.0	(5.9)	(14.8)%
Finance costs	(116.4)	(95.1)	(21.3)	(22.4)%
Other finance gains and losses	10.0	(18.1)	28.1	155.2%
Adjusted loss before tax	**(379.3)**	**(417.5)**	**38.2**	**9.1%**
Adjusting items[8]	4.8	23.9	(19.1)	(79.9)%
Loss before tax	**(374.5)**	**(393.6)**	**19.1**	**4.9%**

* These measures are alternative performance measures. Please refer to Section 6 of the Consolidated Financial Statements

Notes:

1. Unless otherwise stated, the financial extracts on page 1 are shown on a fully consolidated basis, inclusive of Ocado Retail and consistent with our APM measure of Total Group. Ocado Group expects to deconsolidate Ocado Retail and to 'equity account' for the joint venture from early April 2025. Our Statutory accounts are required to present Ocado Retail as a 'disposal group' and as such Ocado Retail is entirely excluded on a Continuing basis. A fuller explanation is shown on page 11.
2. Adjusted EBITDA* is defined as earnings before net finance cost, taxation, depreciation, amortisation, impairment and adjusting items[8].
3. Underlying cash flow* is the movement in cash and cash equivalents excluding adjusting items*, proceeds from the disposal of assets held for sale, cash received in respect of contingent consideration, costs of financing, purchase of/investment in unlisted equity investments and FX movements.
4. Average live modules measures the weighted average number of modules of capacity installed and ready for use by OSP clients during the year, which drives Technology Solutions recurring revenue.
5. Revenue is a. Retail - online sales (net of returns) including delivery charges to the customer b. Technology Solutions - the fees charged to Solutions partners and OIA clients and c. Logistics - the recharge of costs and associated fees from Ocado Logistics to our UK clients. Recharges from Technology Solutions and from Ocado Logistics to Ocado Retail are eliminated on consolidation.
6.Total Group*[1] depreciation, amortisation and impairment of £460.3m (FY23: £395.9m) excludes £5.2m (FY23: £47.5m) recognised in adjusting items[8]. Continuing depreciation, amortisation and impairment of £413.9m (FY23: £338.5m) excludes £1.6m (FY23: £5.9m) recognised in adjusting items*.
7. Total Group*[1] finance income of £34.1m (FY23: £40.0m) excludes £11.4m (FY23: £6.1m) recognised in adjusting items*. Continuing operations finance income of £30.4m (FY23: £39.2m) excludes £11.4m (FY23: £6.1m) recognised in adjusting items*.
8. Adjusting items* of £4.8m income (FY23: £23.9m income) comprise largely 1. gain on early partial redemption of borrowings of £43.6m (FY23: £nil), 2. profit on the disposal of Dagenham and Coventry spoke sites of £12.4m, 3. the unwinding of the discount recognised from the agreement reached with AutoStore of £11.4m, 4. decrease in the fair value of contingent consideration receivable of £29.1m and 5. finance, IT and HR systems transformation costs of £23.0m.
9. Direct operating costs include engineering, cloud and other technology direct costs.
10. DP8 represents the customer deliveries per standardised eight-hour shift for Ocado Retail only.
11. NIQ Total Till and NIQ Homescan from Nielsen Consumer LLC.
12. Active customers are classified as active if they have shopped at Ocado.com within the previous 12 weeks.
13. A reconciliation between the 52 weeks and 53 weeks Income Statement is shown in Section 6 of the Consolidated Financial Statements.

FY24 Operational and Strategic Review

The following commentary is predominantly on a pre-adjusting items* basis to aid understanding of the performance of the business.

Technology Solutions

Strong Growth in FY24 revenue and contribution

Our Technology Solutions business delivered another year of strong growth with revenues increasing by 18.1%. This growth was driven by three CFCs going live in the year, the incremental drawdown of capacity at a number of CFCs and the annualisation of three CFCs that went live in FY23.

During the year we were pleased to go live with new CFCs in Sydney, Melbourne and Madrid. The Ocado Smart Platform also went live for the first time in Poland, with the launch of our In-Store Fulfilment (ISF) solution for Auchan Polska. Our CFCs in Australia delivered an exceptional start, with our partner Coles completing their planned transfer of in-store orders into the Melbourne and Sydney CFCs ahead of schedule. This contributed to an uplift in online customer metrics, including "perfect order' rate. In Madrid, Alcampo has also started well. Alcampo's CFC go live also marked the first use of a third party logistics (3PL) provider by an international partner to manage CFC and delivery operations. This is a similar approach to that taken in the UK, with Ocado Logistics managing the CFC and delivery operations for our partners.

FY24 also saw a significant increase in orders for our latest automation to partners, with the majority of our international partners committing to retrofit Re:Imagined automation into existing CFCs, or planning for them in future sites. We expect these technologies to deliver significant improvements to the economics of our partners' online operations, as well as incremental fees to Ocado.

The Luton CFC, Ocado Retail's newest CFC, continues to be at the forefront of our Re:Imagined rollout, with over one-third of eaches now picked robotically. At target, we expect c.70% SKUs to be picked robotically, with the combination of On Grid Robotic Pick ("OGRP") and Automated Frameload ("AFL") ultimately able to reduce labour costs by well over 100bps of retail sales. We expect the total labour productivity of CFCs to be above 300 units per labour hour ("UPH") at target, with the Luton CFC exiting the reported period with a UPH of 269

With the shift from the development to operational rollout of Ocado Re:Imagined, FY24 also marked the last stages of a significant R&D cycle for Ocado. As we realise the benefits of these products we are moving into a less intensive R&D cycle focussed on targeted enhancements to our platform, and expect to progressively reduce our level of technology investment. We remain committed to ongoing innovation, IP creation and technological advancements across our platform.

Technology Solutions exited the financial year with 123 live modules, with an additional 12 modules going live over the course of the FY24. Average live modules[4] increased by 10.5% to 116, with the division's revenue growth continuing to benefit from an increasing mix of newer OSP modules and an annual inflation indexation.

Optimising operations with grocery partners

Our account teams remain focussed on supporting our partners to grow and optimise their use of the Ocado Smart Platform. In FY24 we significantly increased the number of Ocado experts embedded locally with our partners. Multiple partners now benefit from the support of experienced CFC operators, as well as marketing and ecommerce experts, as they grow their online businesses with Ocado.

These teams also work with our partners to ensure they are dynamic in developing their fulfilment and delivery networks; growing in the right ways in the right markets at the right time. In 2024, we announced initiatives with some partners to help them reconfigure their growth and delivery strategies to serve customer demand in more efficient ways. These included new spoke planning to expand the range of Kroger CFCs, as well as the closure of spoke sites where we identified options for serving geographies more efficiently. A similar decision was taken to reconfigure Morrison's network strategy, and open up opportunities for extra capacity at Ocado Retail. We also decided to pause the go-live planning of a CFC for Sobeys in Vancouver to enable a greater focus on growth within their existing network.

In FY25, we expect to sign new partners and see current partners ordering further capacity. Online has returned to being the fastest growing channel in almost all large grocery markets, and digital sales remain a significant driver of new market share and growth for major retailers worldwide. Moreover, as cost pressures continue to weigh on retail and logistics supply chains, Ocado's partners are in a prime position to scale their operations sustainably with the Ocado Smart Platform.

However, we recognise that the pace of growth in some markets remains slower than anticipated at the height of the pandemic and we expect the rate of average drawdown for new modules by existing partners to reflect this. While in the main, we see steady growth across international CFCs, the pace of that growth varies across a range of market environments and strategic approaches by partners. Our global network of 25 CFCs fall into three categories, with some partners operating sites in multiple categories.

1. **Growing well:** The largest category comprises CFCs operating with sustained and healthy growth in volumes. These sites now require less support from our partner success teams and are benefitting from robust management by our partners. We will continue to invest with our partners in these and similar future sites to capitalise on this approach. We have CFCs operating in this category across our regions in North America, Europe, and APAC.

2. **Growing, but with improvements needed:** This is the second largest category, comprising a number of sites generally growing at a steady rate, but requiring either better operational efficiency or extra support to mature online marketing capabilities. These sites are a key focus for our partner success teams. Many of these CFCs remain relatively early in their evolution and partners have required more support to grow either their operational or ecommerce 'muscle' than originally anticipated. For many the online channel is a new format, and establishing the necessary logistics processes, ecommerce skills, and organisational enhancements are important building blocks to long term success.

   We are confident of bringing these sites into the 'growing well' category, with a combination of new technology features due to be delivered in FY25, and continuing efforts from both us and our partners to embed sound operational practices and ecommerce best practice.

3. **Requiring a different strategic approach:** A small number of sites are not growing as we would like, although the technology is operating at a consistently high level. The strategic changes to our approach are driven by market specific factors (e.g. Lower levels of customer acquisition in some geographies or wider structural changes in their business). We are supporting partners to fill underutilised assets and enabling them to expand their use cases for these sites. Examples of this include enabling integrations with marketplace providers, which will allow Ocado CFCs to fulfil baskets ordered from a wider range of e-commerce environments. As well as home deliveries, we are also enabling our CFCs to replenish stock in stores and fulfil Business 2 Business (B2B) deliveries.

Rigorous cost and capital discipline

We are moving into a less intensive R&D cycle following a busy development period where we have brought to the market a range of new innovations that we are now rolling out to our customers. Alongside a period of slower module growth, we are now moving into a new R&D cycle that will focus on a smaller number of targeted enhancements to our platform.

In FY25, we expect our total Technology spend to be no more than £250m (FY24 £289m). Around £165m of this spend will be in R&D to be capitalised on the Balance Sheet. The balance of around £85m represents Technology costs which ensure platform stability, system security and scalability; that are expensed through the P&L. In FY27, we expect Technology costs to be around £60m and Technology R&D capex to be around 20% of recurring revenues.

These plans will enable us to focus our world-leading technology teams on making our platform more efficient and delivering innovations that generate outsized benefits to our partners, while reducing our exposure to R&D projects with a higher risk profile or longer term return-on-investment. We also expect to take advantage of new AI tools to drive greater productivity from our technology development teams.

Combined with the continued progress we are making on increasing module draw down and reducing operating and Support costs (FY27 £150m), these changes reinforce our expectation to be cash flow positive during FY26.

Key future milestones

In FY25 we expect to reach new milestones with our partners. The Ocado Smart Platform will go live with our partners Lotte in South Korea and Panda in the Kingdom of Saudi Arabia. Kroger signed an order in January 2025 for Ocado's new proprietary Auto-Freezer to be installed in upcoming CFCs in Charlotte, NC, and Phoenix, AZ. This will bring our world-renowned ASRS robotics to sub-zero temperatures for the first time. Following the completion of these installations, we expect the CFCs to go live early in FY26.

We will also continue to upgrade our CFCs worldwide with our latest automation. Alongside the continued rollout of our Re:Imagined technology, we are excited to deliver new enhancements to our platform and support our partners to drive more growth and improved performance, at a lower cost:

- **Short lead-time orders from CFCs**: For current live partners we are now rolling out functionality to deliver much greater short-lead time orders, with OSP Swift Router enabling a much greater proportion of CFC orders to be delivered on a same day basis. Early trials show this product is already driving improvements in operating efficiency and customer acquisition

- **Automated planning for Logistics Operators**: We are deploying more AI to our operations this year, enabling our partners to run the logistics around the CFCs and delivery with much greater efficiency.

- **Greater Capital Efficiency**: We are enabling future CFCs to be built with much greater capital efficiency; more modularity, and greater software improvements.

We remain on track to handover our first OIA site to McKesson in summer 2025. OIA continues to build its market proposition, with a strengthening pipeline of potential clients via marketing and organic interest.

Outlook for Technology Solutions

- c.10% Technology Solutions revenue growth for FY25
- FY25 adjusted EBITDA margin* 20-25%
- c.5 modules to be added in FY25 (from FY24 with 123 modules), including the Warsaw CFC go live
- Total technology spend of £250m in FY25; being c.£85m Technology costs (P&L) and c.£165m Technology R&D capex
- We continue to target new deals, with multiple ‘live’ discussions across grocery, non-grocery retail and logistics
- c.150 live modules by end FY27 underpinned by 7 CFC openings
- FY27 Technology costs c.£60m (P&L) and Technology R&D capex of around 20% of recurring revenues

Ocado Logistics

Our third-party logistics ("3PL") business services Ocado Retail and Wm Morrison Supermarkets Limited ("Morrisons"), operating our CFCs and delivery services for our UK partners.

Ocado Logistics remains an excellent example of a highly efficient third party logistics (3PL) model. Overall CFC labour productivity ("UPH") within our OSP warehouses improved by 9.1% to 227 from 208; driven by higher volume utilisation and the roll out of our Re:Imagined innovations, particularly On-Grid Robotic Pick (OGRP).

DP8[10], our measure of delivery efficiency decreased by 2.3% to an average of 21.0 drops per standardised 8-hour shift for Ocado Retail (FY23: 21.5 drops). In part this resulted from a network reorganisation following the closure of Hatfield, alongside a decision to increase slot availability to drive further growth. We have commenced a range of initiatives to optimise delivery operations and anticipate further improvements with the completion of the OSP in the UK this year

Ocado Logistics increased its total number of eaches picked by 12.0% and its orders delivered by 10.6% in the full year period. Reflecting significant efficiency gains, as well as lower utility and fuel costs, total fulfilment and delivery costs increased by 8.0%, markedly below the growth of orders and eaches. These gains more than offset a higher delivery cost per order, driven by some the of the changes set out above, and an investment in customer service at the doorstep

Ocado Logistics again reaffirmed its credentials as a consistent generator of adjusted EBITDA*, delivering FY24 adjusted EBITDA* of £31.1m (FY23: £30.1m).

FY25 Outlook for Ocado Logistics

- Continued improvement in productivity for our UK partners
- High mid single digit % revenue growth
- Adjusted EBITDA* of c.£30m

Ocado Retail

Continued strong growth as active base and frequency increase

FY24 was another year of strong growth with revenues increasing by 13.9%, driven by order growth of 12.5% on Ocado.com as we passed the milestones of 1m active customers in Q1 and 500,000 orders per week during Q4.

This success was driven by our "Perfect Execution" strategy, providing unbeatable choice, unrivalled service, and reassuringly good value, which resonated strongly with customers. Our share of the online grocery market increased by 1.8ppt to 12.9% and our industry-leading NPS gained by a further 4.9ppts[11].

Customer acquisition and value also improved, with a 12.1% increase in active customers[12], underpinned by strong growth in mature customers (those with 5 or more orders), which grew by 11.8%. Growth in both value and numbers of new customers was driven by an enhanced customer proposition, improved targeting, new items in our range (including M&S products), and effective marketing, with a reduced cost of acquisition over the year.

Widened delivery slot availability and strong growth in paid Smart Pass members, also drove a greater share of wallet, with more customers shopping with us more of the time

The average Ocado.com basket value increased by 1.0%, driven by basket size growth of 0.2% and an increase in average selling price of 0.4%, which remained well below UK grocery inflation of 3.0%[9] as we continued to invest in price for our customers.

Our customer offer continues to resonate

Ocado Retail continues to offer unbeatable choice to customers with c.45,000 products across M&S favourites, household brands, Ocado Own Range, and many offerings from small suppliers, as we take advantage of our unique operating model.

We have achieved significant improvements to offer "unrivalled service". Our already high Perfect Orders (on time and in full, with no substitutions) increased by around 6ppts year-over-year, with 99% of items delivered as promised. We also improved product availability, increased delivery slots available to customers, and extended the shelf life of produce by adding on average another half day of freshness for customers through the Fresh+ initiative.

We have made significant investments to deliver "reassuringly good value", lowering the prices of hundreds of products in six Big Price Drops over the last 18 months. The Ocado Price Promise, which compares over 10,000 like-for-like goods between Ocado.com and Tesco, has reinforced our price credentials to shoppers, with our value satisfaction score increasing by 4.3ppts in the year. We continue to focus on providing a competitive Ocado Own Range, we now have over 740 products, and will be launching additional lines in due course.

The sales performance and proposition improvements delivered an increase in gross profit to £914.3m, 14.7% up year on year supported by enhancements in range and stock management, reduced wastage, and higher delivery income.

Network utilisation and operations transformation supporting further improvements to profitability

The year has seen significant transformation in the operations of the business and overall utilisation of the network we operate. We have made good progress on Fulfilment costs, benefiting from an increase in our network utilisation to 89% at the year end, versus 75% in FY23 and 60% in FY22. As we approach our full design capacity in our existing CFC network and continue to grow robustly, we are identifying opportunities to meet our future capacity requirements. These include the availability of capacity within London's M25 orbital at the Erith CFC, in addition to driving greater capacity from each of our existing UK CFCs.

We have also seen a combination of improvements underpinned by OSP logic and functionality and the deployment of new automation - such as On-Grid Robotic Pick - driving up our overall CFC labour productivity to a "UPH" of 220, from 191 last year. Profitability improved throughout the year, with Ocado Retail achieving a positive adjusted EBITDA∗ of £44.6m (£77.8m excluding Hatfield fees), compared to £10.4m in FY23. This represents an EBITDA∗ margin of 1.7% (2.9% excluding Hatfield fees), versus 0.4% in FY23.

Strategy and looking ahead for Ocado Retail

In the year ahead we will continue to deliver our leading customer proposition and will focus on smart growth through increasing our customer lifetime value, improving our cost to serve, and maximising our network capacity. This will all be underpinned by building out our platforms for the future including migrating to the full Ocado Smart Platform (OSP) in FY25 across e-commerce, last-mile, supply chain, customer hub, and trading systems and delivering our leading Retail Media offering.

FY25 outlook for Ocado Retail

- We expect to grow sales volumes well ahead of the market with continued active customer growth
- Above 10% revenue growth in FY25
- FY25 adjusted EBITDA margin* c.4% excluding Hatfield fees, continuing on our journey towards a high mid-single digit adjusted EBITDA margin* in the mid-term
- In a year of transformation, we expect exceptional costs of around £15-20m

Ocado Group

Group cash flow
Underlying cash outflow* improved by £248.8m to an outflow of £223.7m (FY23: £472.5m outflow) largely reflecting improved cash generated from operations due to growing revenues and profits and a year-on-year reduction in capital expenditure.

The underlying cash outflow* of the Group improved significantly in the second half of the year, this was due to several items, £11m higher adjusted EBITDA∗ supported by incremental module fees from the go-live of Sydney, Melbourne, and Madrid CFCs. Additional upfront partner fees included design and setup fees for new automated warehouses, final instalments for previously announced CFC projects and fees related to Re:Imagined upgrades.

We remain on track to turn cash flow positive during FY26, with an expectation for an underlying cash outflow* of around £200m for FY25.

The Group maintains a strong liquidity profile with cash and cash equivalents at the end of the year of £771.5m (FY23: £884.8m) and liquidity of £1,072m (FY23:£1,185m).

Group capital expenditure
Capital expenditure primarily comprises new site construction costs and technology development costs to enhance the OSP. Capital expenditure was £392.1m in the period (FY23: £520.3m), a reduction of £128.2m, driven by a decrease in the capital expenditure of CFC sites to £162.6m (FY23: £253.1m) reflecting a moderating level of CFC openings in FY25.

We expect Group capital expenditure to be around £300m for FY25 with CFCs in Warsaw, Tokyo and Busan under construction and the CFCs in Phoenix and Charlotte substantially complete.

Sustainability Update
We have refreshed our sustainability framework, reaffirming our commitment to addressing global challenges and delivering long-term value for our stakeholders. Organized under four pillars – Climate, Circularity, Conduct, and Community – this framework integrates sustainability into every aspect of our operations and partnerships. It reflects material issues identified through engagement with our stakeholders via a double materiality assessment process. To drive meaningful impact, we have also set 2030 sustainability targets within each pillar, ensuring clear, measurable progress toward our vision for a more sustainable future.

Summary Financial Guidance for FY25

Revenue:
- **Technology Solutions:** c.10% revenue growth for FY25
- **Ocado Logistics:** high mid single digit % revenue growth
- **Ocado Retail:** Above 10% revenue growth

Adjusted EBITDA∗:
- **Technology Solutions:** adjusted EBITDA margin* 20-25%
- **Ocado Logistics**: adjusted EBITDA∗ of c.£30m
- **Ocado Retail:** adjusted EBITDA margin* c.4% excluding Hatfield fees

Capital expenditure: around £300m

Underlying cash out flow*: around £200m

Results Presentation
A results presentation will be available for investors and analysts at 9.30 am on 27 February 2025. This can be accessed online here. Following the presentations there will be Q&A, also accessible via the webcast.

Contacts
Tim Steiner, Chief Executive Officer on +44 20 3805 4822 today or +44 1707 228 000
Stephen Daintith, Chief Financial Officer on +44 20 3805 4822 today or +44 1707 228 000
Nick Coulter, Capital Markets and FP&A Director on +44 20 3805 4822 today or +44 1707 228 000
Jamie Kerr, Head of Communications on +44 20 3805 4822 today or +44 1707 228 000
Lucy Legh, Headland Consultancy - ocadogroup@headlandconsultancy.com on +44 (0) 20 3805 4822

Financial Calendar
Ocado Group 1H25 Results will be reported on 15 July 2025.

Cautionary statement
Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Ocado does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Financial Review

Headlines

FY24 results are presented for the 52 weeks ended 1 December 2024. FY23 was a 53-week period to 3 December 2023. To aid comparability, the FY23 results are presented on an unaudited 52-week basis, other than year-end Balance Sheet and cash flow data, unless otherwise stated.

In August 2019, the Group sold 50% of the shares it held in Ocado Retail Limited ("Ocado Retail" or "Retail") to Marks & Spencer Group plc ("M&S"). Under the terms of the shareholder agreement, the Group remained the controlling shareholder via certain tie-breaking rights until at least August 2024. As previously stated, the Group intends to relinquish these rights to M&S in early April 2025. At this point, the Group will cease to fully consolidate Ocado Retail's results and will instead account for its investment in Ocado Retail as an "investment in associate" using the equity method. There will be no change in the economic interest of both shareholders in Ocado Retail or any consideration paid by M&S.

In light of the expected deconsolidation and in accordance with the relevant accounting standards, Ocado Retail and relevant inter-segment eliminations are reported as a discontinued operation at the year end. Ocado Retail's income and expenses are presented as discontinued operations in the current and prior period's Income Statement and its assets and liabilities are reported as held for sale on the Balance Sheet. To aid year-on-year comparability of financial performance the current and prior period's income and expenses below are shown on a continuing operations and Total Group basis, where Total Group* includes Ocado Retail and relevant inter-segment eliminations. Cash flows attributable to continuing operations and to the consolidated Group are detailed separately in the cash flow section. The cash flows attributable to discontinued operations are shown separately in Note 2.6 to the Consolidated Financial Statements. Continuing operations comprise the Technology Solutions and Logistics businesses, which continue to be presented gross of inter-segment eliminations with Ocado Retail.*

- **The Group** delivered revenue of £1,214.5m, an increase of 11.6% year-on-year (FY23: £1,088.0m). Including discontinued operations (i.e. Ocado Retail net of inter-segment eliminations), Total Group* revenue increased by 14.1% to £3,155.9m (FY23: £2,765.6m). Adjusted EBITDA∗ excluding Ocado Retail and inter-segment eliminations increased by £66.5m to £112.0m (FY23: £45.5m). Total Group* adjusted EBITDA∗ increased by £101.7m to £153.3m (FY23: £51.6m).

  The Group maintains good liquidity to support our growth plans. Group underlying cash flow* improved by £248.8m to £223.7m outflow (FY23: £472.5m outflow on a 53-week basis) largely reflecting a year-on-year reduction in capital expenditure and improved cash generated from operations. The Group excluding Ocado Retail held cash and cash equivalents at the end of the period of £732.5m (FY23: £808.8m) and liquidity of £1.03bn (FY23: £1.11bn). The Group including Ocado Retail held cash and cash equivalents at the end of the period of £771.5m (FY23: £884.8m) and liquidity of £1.07bn (FY23: £1.18bn).

  During the period, the Group issued £700.0m of senior unsecured debt comprising £450.0m of senior unsecured notes and £250.0m of senior unsecured convertible bonds. The Group simultaneously used £654.3m to partially redeem £703.5m of senior unsecured debt, at a £49.2m (7%) discount to par value.

- **Technology Solutions** delivered strong revenue growth, up 18.1% to £496.5m (FY23: £420.5m) with 116 average live modules during the period (FY23: 105), up by 10.5%. During the period, we opened three CFCs: two CFCs for Coles in Sydney and Melbourne, and one for Alcampo in Madrid. At the end of the period, we had 29 live sites (FY23: 26 sites) and 123 live modules (FY23: 111 live modules). Adjusted EBITDA∗ for the period was £80.9m (FY23: £15.4m), an improvement of £65.5m. The improvement was driven by the strong profit flow-through from the £76.0m growth in revenue and continued optimisation of our cost base.

- **Logistics** revenue grew by 7.6% to £718.0m (FY23: £667.5m) and primarily represents cost recharges to Ocado Retail and Morrisons of £681.6m (FY23: £633.9m). Orders per week increased by 10.6% to 564,000 (FY23: 510,000); eaches (individual items in the shopping basket) increased by 12.0%. Adjusted EBITDA* for the period was £31.1m, an increase of £1.0m (FY23: £30.1m) reflecting higher management fees associated with increased volumes, partially offset by the expiry of asset rental agreements during the period and higher technology and support costs.

- **Retail** revenue increased by 13.9% in the period to £2,685.8m (FY23: £2,357.5m) driven by strong growth in orders per week, up 12.5% to 442,000 (FY23: 393,000). Growth in orders per week reflects an increase in active customers, up 12.1% to 1,119,000 at the end of the period (FY23: 998,000) and an increase in frequency of orders. Average basket value increased by 1.0% to £122.09 (FY23: £120.94) as average item prices increased by 0.4% to £2.75 (FY23: £2.74) as Ocado Retail continued to invest in price. The 0.4% increase in average selling price ("ASP") was well below UK grocery inflation of 3.0% (Nielsen). Basket sizes remained stable at an average of 44.3 individual items (FY23: 44.2 items) driven by continued investment in value and service improvements. Adjusted EBITDA* for the period was £44.6m (FY23: £10.4m). The £34.2m improvement in adjusted EBITDA* reflects the strong trading performance, partly offset by higher fees paid to Technology Solutions from indexation, the annualisation of the opening of the Luton CFC in FY23 and higher service delivery costs.

Group summary

£m	FY24 (52 weeks) Continuing operations[1]	FY24 (52 weeks) Total Group*	FY23 (52 weeks) Continuing operations[1]	FY23 (52 weeks) Total Group*	Change Continuing operations[1]	Change Total Group*
Revenue	**1,214.5**	**3,155.9**	**1,088.0**	**2,765.6**	**11.6%**	**14.1%**
Operating costs	(1,102.8)	(3,002.9)	(1,041.6)	(2,713.1)	(5.9)%	(10.7)%
Share of results from joint ventures and associates	0.3	0.3	(0.9)	(0.9)	133.3%	133.3%
Adjusted EBITDA*		**153.3**		**51.6**		**£101.7m**
Depreciation, amortisation and impairment[2]	(413.9)	(460.3)	(338.5)	(395.9)	(22.3)%	(16.3)%
Finance income[3]	30.4	34.1	39.2	40.0	(22.4)%	(14.8)%
Finance costs	(98.6)	(116.4)	(82.0)	(95.1)	(20.2)%	(22.4)%
Other finance gains and losses	10.0	10.0	(18.1)	(18.1)	155.2%	155.2%
Adjusted loss before tax	**(360.1)**	**(379.3)**	**(353.9)**	**(417.5)**	**£(6.2)m**	**£38.2m**
Adjusting items*	20.3	4.8	83.9	23.9	£(63.6)m	£(19.1)m
Loss before tax	**(339.8)**	**(374.5)**	**(270.0)**	**(393.6)**	**£(69.8)m**	**£19.1m**
Tax credit	0.2	0.2	16.9	16.2	(98.8)%	(98.8)%
Loss for the period	**(339.6)**	**(374.3)**	**(253.1)**	**(377.4)**	**£(86.5)m**	**£3.1m**

* These measures are alternative performance measures. Please refer to Section 6 of the Consolidated Financial Statements.

1. Continuing operations reflects the results of the Group excluding Ocado Retail and relevant inter-segment eliminations
2. Depreciation, amortisation and impairment of £413.9m (FY23: £338.5m) excludes £1.6m (FY23: £5.9m) recognised in adjusting items*. Total Group* depreciation, amortisation and impairment of £460.3m (FY23: £395.9m) excludes £5.2m (FY23: £47.5m) recognised in adjusting items*.
3. Finance income of £30.4m (FY23: £39.2m) excludes £11.4m (FY23: £6.1m) recognised in adjusting items*. Total Group* finance income of £34.1m (FY23: £40.0m) excludes £11.4m (FY23: £6.1m) recognised in adjusting items*.

This commentary is on a pre-adjusting item* basis to aid understanding of the performance of the business on a comparable basis. Adjusting items* are detailed in Note 2.3 to the Consolidated Financial Statements. Adjusted loss before tax similarly excludes the impact of adjusting items*.

Revenue for the period increased by 11.6%, an increase of £126.5m to £1,214.5m (FY23: £1,088.0m). Total Group* revenue increased by 14.1%, an increase of £390.3m to £3,155.9m (FY23: £2,765.6m).

Technology Solutions revenue increased by 18.1% from £420.5m to £496.5m mainly driven by 1. the annualisation of the three sites opened during FY23, 2. the go-live of three sites in the second half of FY24 (two CFCs for Coles in Australia and one for Alcampo in Spain), and 3. the annualisation of revenue from 6 River Systems LLC ("6RS"), acquired in the second half of FY23. The average number of live modules is the key revenue driver for Technology Solutions and average live modules increased by 10.5% to 116 (FY23: 105).

Logistics revenue increased by 7.6% to £718.0m (FY23: £667.5m) and comprises cost recharges and management fees to its two UK partners, Ocado Retail and Morrisons. Whilst the volume of eaches increased by 12.0% to 1,324.8m (FY23: 1,182.4m), revenue growth was proportionately lower, at 7.6%, reflecting productivity improvements from the continued roll-out of our Re:Imagined technology, closure of the Hatfield CFC in FY23, and a year-on-year reduction in wholesale utilities rates, namely lower electricity unit costs (FY24: 21.0p per kilowatt hour; FY23: 27.1p per kilowatt hour).

Retail revenue increased by 13.9%, up £328.3m from £2,357.5m to £2,685.8m, reflecting strong growth in orders per week of 12.5% to 442,000 (FY23: 393,000). Growth in orders per week was driven by an increase in active customers, up by 12.1% to 1,119,000 at the end of the period (FY23: 998,000) as we optimised our marketing activities. Order frequency increased, reflecting our strengthened customer proposition and focus on value. Our basket size increased by 0.2% to 44.3 items (FY23: 44.2), supported by investment in price which led to continued lower-than-market price inflation. The strong revenue performance reflects the significant progress the business is making with its "Perfect Execution" strategy.

Net cumulative invoiced fees to our partners on our Balance Sheet and not yet recognised as revenue increased by £59.9m to £506.6m (FY23: £446.7m). Net cumulative invoiced fees are recognised as contract liabilities on the Balance Sheet and are an indicator of future revenues as the balances will be released to the Income Statement as the performance obligations are satisfied. The net movement of £59.9m during the period is mainly driven by 1. amounts invoiced of £103.9m, 2. revenue recognised in the Income Statement of £34.7m, and 3. £9.6m received by 6RS previously recognised as contract liabilities that was reclassified as deferred income. The amounts invoiced of £103.9m were driven by 1. incremental staged payments following the go-live of three CFCs during the period, and 2. new orders from existing OSP Partners. The release to the Income Statement of £34.7m was driven by revenue recognised on operational sites in line with IFRS 15.

Operating costs increased by 5.9% to £1,102.8m (FY23: £1,041.6m). Total Group* operating costs increased by 10.7% to £3,002.9m (FY23: £2,713.1m). Technology Solutions operating costs increased by 2.6% to £415.6m (FY23: £405.1m). This comprises 1. direct operating costs of £149.1m (FY23: £124.5m), up 19.8% reflecting the increase in average live modules, annualisation of 6RS and Jones Food operating costs, and higher Solutions pass-through costs from equipment sales, 2. Technology costs of £92.9m (FY23: £89.5m), up 3.8% and 3. Support costs of £173.6m (FY23: £191.1m), down 9.2% reflecting cost-saving initiatives that were partially re-invested into our OIA and Solutions Sales and Partner Success programmes. The current period includes £5.1m litigation income received, net of costs, following the settlement reached with MasterCard and Visa in relation to bank interchange fees. The prior period included the one-off profit of £5.0m from the sale of the Dartford spoke. Logistics operating costs increased by 7.8% to £686.9m (FY23: £637.4m) due to a 10.6% growth in orders that was offset by improved productivity across our OSP sites. Retail operating costs increased by 12.5% to £2,641.2m (FY23: £2,347.1m) largely driven by the growth in orders, continued inflation and incremental OSP fees year-on-year. Operating costs for Retail increased at a lower rate than revenue due to 1. improved gross profit margin, 2. efficiencies in order fulfilment across all sites and 3. a year-on-year decrease in wholesale electricity prices.

Share of results from joint ventures and associates was £0.3m profit (FY23: £0.9m loss).

The Group has two joint ventures (Ocado Retail and MHE JVCo) and one associate (Karakuri, a robotics business involved in the development of automation for quick-service restaurants). Per IFRS 5, Ocado Retail is reported as a discontinued operation in the Consolidated Financial Statements.

- **MHE JVCo** is a 50:50 joint venture with Morrisons and holds the Dordon CFC MHE assets which Ocado Retail and Morrisons use to service their online businesses. The Group's share of the MHE JVCo profit after tax in the period amounted to £0.3m (FY23: £0.1m loss); and
- **Karakuri Limited** is an associate and the Group's 26.3% interest in Karakuri contributed £nil in the period (FY23: £0.8m loss). Karakuri appointed administrators in June 2023 and the remaining investment in Karakuri was written down to £nil in the prior period.

Adjusted EBITDA∗ excluding Ocado Retail and inter-segment eliminations was £112.0m (FY23: £45.5m). Total Group* adjusted EBITDA∗ was £153.3m (FY23: £51.6m) with all segments delivering a positive adjusted EBITDA∗. The £101.7m year-on-year increase was driven by a £65.5m improvement in Technology Solutions to £80.9m (FY23: £15.4m), a £34.2m improvement in Retail to £44.6m (FY23: £10.4m) and a £1.0m improvement in Logistics to £31.1m (FY23: £30.1m). The improvement in Technology Solutions adjusted EBITDA∗ was mainly driven by the strong flow-through of incremental revenue to adjusted EBITDA∗. Logistics delivered positive adjusted EBITDA∗ from its resilient cost-plus model, with adjusted EBITDA∗ increasing year-on-year driven by higher management fees and lower non-recharged technology and support costs. The improvement in Retail adjusted EBITDA∗ was driven by strong growth in active customers, resulting in a 12.5% increase in orders per week, improved gross profit margin and an improvement in operational efficiency across the network. This was partly offset by higher OSP fees reflecting the opening of the Luton CFC in the second half of FY23.

Depreciation, amortisation and impairment increased by 22.3% to a charge of £413.9m (FY23: £338.5m). Total Group* depreciation, amortisation and impairments increased by 16.3% to a charge of £460.3m (FY23: £395.9m). This comprises 1. depreciation of PP&E of £215.8m (FY23: £182.8m), 2. depreciation of right-of-use assets of £53.5m (FY23: £69.1m), 3. amortisation expense of £147.3m (FY23: £122.1m) and 4. impairment charge of £43.7m (FY23: £21.9m).

The increase was mainly driven by £58.2m additional depreciation and amortisation, due to the go-live of three sites within the previous 12 months, the annualisation of the 3 sites that went live during FY23 and technology projects going live in the last 12 months. This was partly offset by a £15.6m reduction in the depreciation of right-of-use assets, as leases on plant and machinery in respect of our Dordon shared site expired in the prior period. Impairments of £43.7m (FY23: £21.9m) were recognised during the period. These comprise largely assets related to our contract with Groupe Casino, certain intellectual property assets, bots that have been upgraded, and technology projects the Group has decided not to pursue further.

Net finance costs decreased by £2.7m to £58.2m (FY23: £60.9m). This comprises 1. finance costs relating to interest expense on borrowings and lease liabilities of £98.6m (FY23: £82.0m), 2. finance income on deposits of £30.4m (FY23: £39.2m) and 3. other finance gains of £10.0m (FY23: loss of £18.1m).

Total Group* net finance costs decreased by £0.9m from £73.2m to £72.3m. This comprises 1. finance costs of £116.4m (FY23: £95.1m), 2. finance income of £34.1m (FY23: £40.0m) and 3. other finance gains of £10.0m (FY23: loss of £18.1m).

Total Group* finance costs of £116.4m (FY23: £95.1m) mainly comprise the interest expense of £89.9m (FY23: £68.4m) on borrowings. The increase of £21.5m was primarily due to a higher interest expense on the unsecured loan notes issued during the period.

Total Group* finance income of £34.1m (FY23: £40.0m) is primarily interest income on cash balances principally derived from investments in money market funds and term deposits.

Other finance gains of £10.0m (FY23: loss of £18.1m) comprise:

- Gain on revaluation of financial assets of £10.1m (FY23: £6.5m loss) mainly reflecting an increase in the fair value of warrants in Wayve Technologies Limited ("Wayve") of £9.7m to £10.0m (FY23: £0.3m). The warrants in Wayve were exercised during the period increasing the Group's equity interest in Wayve to 2.9% (FY23: 2.5%). Further details of this can be found in Note 3.5 to the Consolidated Financial Statements; and
- Net foreign exchange losses of £0.1m (FY23: £11.6m loss), largely in respect of US dollar balances held.

Total borrowings at the end of the period were £1,386.7m (FY23: £1,462.1m). The decrease of £75.4m was mainly driven by the shareholder loan held by Ocado Retail, which has been presented as a liability held for sale in accordance with IFRS 5.

The increase in borrowings attributable to continuing operations was £15.8m and comprises 1. £647.8m recognised on issue of the senior unsecured convertible bonds and senior unsecured notes due in 2029, 2. £681.4m derecognised on partial redemption of the senior unsecured convertible bonds and senior unsecured notes due in December 2025 and October 2026 respectively, 3. £76.2m accrued interest on loans and borrowings held at amortised cost and 4. £26.8m interest repayments.

Lease liabilities at the end of the period were £311.7m (FY23: £497.8m). Total Group* borrowings at the end of the period were £1,484.8m and Total Group* lease liabilities were £486.9m.

Adjusted loss before tax was £360.1m (FY23: £353.9m). Total Group* adjusted loss before tax of £379.3m (FY23: £417.5m) reflects an adjusted EBITDA* profit of £153.3m (FY23: £51.6m), depreciation, amortisation and impairment of £460.3m (FY23: 395.9m) and net finance costs of £72.3m (FY23: £73.2m).

Adjusting items* were £20.3m income (FY23: £83.9m income). Total Group* adjusting items* of £4.8m income comprise largely 1. gain on early partial redemption of borrowings of £43.6m, 2. profit on the disposal of Dagenham and Coventry spoke sites of £12.4m, 3. the unwinding of the discount recognised from the agreement reached with AutoStore to settle IP patent legal cases of £11.4m, 4. decrease in the fair value of contingent consideration receivable of £29.1m and 5. finance, IT and HR systems transformation costs of £23.0m.

During the period, the Group raised gross proceeds of £700.0m through the issue of £450.0m senior unsecured notes and £250.0m senior unsecured convertible bonds, which mature in 2029. Part of the proceeds were used to fund the early partial redemption of some of its debt at a 7% discount to par. The early partial redemption of the notes at a 7% discount resulted in a gain of £43.6m. See Note 4.1 to the Consolidated Financial Statements for details. Further details of all adjusting items* can be found in Note 2.3 to the Consolidated Financial Statements.

Loss before tax was £339.8m (FY23: £270.0m). Total Group* loss before tax was £374.5m (FY23: £393.6m).

The **total tax credit** in the Income Statement was £0.2m (FY23: £16.9m). The Total Group* tax credit for the period was £0.2m (FY23: £16.2m), which comprises a corporation tax charge of £6.1m (FY23: £5.4m) and deferred tax credit of £6.3m (FY23: £21.6m) recognised in the period.

Deferred tax assets increased due mainly to the availability of future R&D tax relief and future utilisation of losses. Deferred tax liabilities increased due to the difference in the tax base and accounting base of the tangible fixed assets in 6RS.

At the end of the period, the Group's continuing operations had £1,441.0m (FY23: £1,382.5m) of unutilised carried-forward tax losses.

During the period, the Group did not declare a **dividend** (FY23: £nil).

Loss per share

Pence	**FY24 52 weeks**	**FY23 52 weeks**	**FY23 53 weeks**
Basic and diluted loss per share from continuing operations	**40.69**	30.56	31.76
Total Group* basic and diluted loss per share	**41.00**	37.27	38.44
Total Group* adjusted loss per share	**42.54**	43.89	45.07

The Group continues to maintain strong liquidity to support its growth plans, with cash and cash equivalents of £732.5m at the end of the period (FY23: £808.8m) and gross liquidity of £1.03bn (FY23: £1.11bn) (after excluding discontinued operations and including the Group undrawn revolving credit facility ("RCF") of £300.0m). Total Group* gross liquidity at the end of the period was £1.07bn (FY23: £1.18bn).

Total Group* net debt* was £(1,200.2)m (FY23: £(1,075.1)m) at the end of the period. Net debt* excluding discontinued operations was £(965.9)m.

Segmental summary

£m	FY24 52 weeks	FY23 52 weeks	Change
Revenue			
Technology Solutions	496.5	420.5	18.1%
Logistics	718.0	667.5	7.6%
Continuing operations	**1,214.5**	**1,088.0**	**11.6%**
Retail	2,685.8	2,357.5	13.9%
Inter-segment eliminations	(744.4)	(679.9)	(9.5)%
Total Group*	**3,155.9**	**2,765.6**	**14.1%**
Adjusted EBITDA*			
Technology Solutions	80.9	15.4	65.5
Logistics	31.1	30.1	1.0
Retail	44.6	10.4	34.2
Inter-segment eliminations	(3.3)	(4.3)	1.0
Total Group*	**153.3**	**51.6**	**101.7**

Technology Solutions is the global technology platform business providing OSP as a managed service to 13 grocery retail partners. This business segment also includes the following:

- The revenue and costs associated with the Group's non-grocery business, Ocado Intelligent Automation ("OIA"), including Kindred and 6RS; and
- The revenue and costs of our fully consolidated vertical farming business, Jones Food.

Technology Solutions comprises 1. the revenue and direct operating costs of the OSP, OIA (which includes 6RS) and Jones Food businesses, 2. the commercial and technology costs to sustain and grow these businesses and 3. the support costs for these businesses, including Technology Operations, Solutions Sales and Partner Success, OIA Sales, Finance, Legal, HR, Information Technology and the Board.

Ocado Logistics is our third-party logistics business providing services to partners in the UK (Ocado Retail and Morrisons). The Logistics business operates automated warehouses and provides the associated supply chain and delivery services to our UK partners, and recharges these costs in full, together with an additional management fee of circa 4%. The business also generates revenue from capital recharges relating to certain historical Material Handling Equipment ("MHE") assets used to provide logistics services. The segment includes 1. revenue from cost recharges (primarily CFC and delivery costs incurred), capital recharges and the management fee for operating all UK sites, 2. the related CFC fulfilment and delivery costs, 3. technology costs directly related to sites and any non-OSP customer platform technology costs and 4. costs relating to central functions to support the provision of the Logistics business.

Ocado Retail is the UK online grocery retail business serving a broad range of shopper missions, from large weekly shops to "dinner-for-tonight" top-up shops. Ocado Retail is a 50% owned joint venture with Marks & Spencer Group plc ("M&S"). The results of Ocado Retail (and relevant inter-segment eliminations) have been reported as discontinued operations and a disposal group (as "assets and liabilities held for sale") per the relevant accounting standards. Other than the transfer of control between the two shareholders, there is no other change to the economic interest held in Ocado Retail or the shareholder agreement.

Inter-segment eliminations represent the elimination of inter-segmental revenue and costs. These relate to transactions between Ocado Retail and the Technology Solutions and Logistics businesses. Technology Solutions and Logistics each generate revenue from services provided to Ocado Retail, which are included as costs within the Ocado Retail segment. For FY24, inter-segmental revenue eliminations were £744.4m (FY23: £679.9m). The increase of £64.5m is driven by 1. incremental OSP fees charged to Ocado Retail by the Technology Solutions segment, due to an increase in the number of average live modules, and 2. incremental costs recharged to Ocado Retail from the Logistics business, driven by volume growth. Inter-segment adjusted EBITDA∗ eliminations relate to amortised upfront fees and CFC pre-go-live services paid for by Ocado Retail to Technology Solutions, which are included within revenue in Technology Solutions. Ocado Retail capitalises these charges within fixed assets relating to the CFC assets; the associated depreciation is reported outside adjusted EBITDA∗. For FY24, inter-segment adjusted EBITDA∗ eliminations were £3.3m (FY23: £4.3m). The £1.0m movement is mainly driven by the annualisation of upfront fees and CFC pre-go-live services following the opening of the Luton CFC in the second half of FY23.

Technology Solutions

£m	FY24 52 weeks	FY23 52 weeks	Change
Recurring capacity fees	415.8	363.4	14.4%
Upfront fees amortised	38.4	34.8	10.3%
OIA	35.6	21.2	67.9%
Other	6.7	1.1	509.1%
Revenue	**496.5**	**420.5**	**18.1%**
Direct operating costs	(149.1)	(124.5)	(19.8)%
Contribution	**347.4**	**296.0**	**17.4%**
Contribution %	*70%*	*70%*	-
Technology costs	(92.9)	(89.5)	(3.8)%
Support costs	(173.6)	(191.1)	9.2%
Adjusted EBITDA*	**80.9**	**15.4**	**£65.5m**
*Adjusted EBITDA %**	*16%*	*4%*	*12ppts*

Key performance indicators

The following table sets out a summary of selected operating information in the period:

	FY24 52 weeks	FY23 52 weeks	Change
No. of live modules[1,3]	**123**	111	10.8%
Average live modules	**116**	105	10.5%
Cumulative no. of modules ordered[2,3]	**239**	232	3.0%
Direct operating cost (% of live sales capacity)[4]	**1.60%**	1.65%	0.05ppts

1. A module is considered live when it has been fully installed and is available for use by our partner or where fees are being received for the module. This includes 14 modules for the Hatfield CFC and Leeds Zoom, which were not actively trading during the period, but for which fees are being received in full.
2. Ordered modules represent the maximum capacity of sites for which a contractual agreement has been signed with a partner and an invoice has been issued for the associated site fees.
3. A module of capacity is assumed as 5,000 eaches picked per hour and c.£75m (FY23: c.£73m) per annum of partner live sales capacity.
4. Direct operating costs as a percentage of live sales capacity reflects the P12 exit rate position for all OSP CFCs live at the period end. Direct operating costs include engineering, cloud and other technology direct costs.

Technology Solutions is the global technology platform business providing OSP as a managed service to 13 grocery retail partners.

During the period, the scale of our international operations grew by three sites with the go-live of our first two CFCs for Coles in Sydney and Melbourne and our first CFC for Alcampo in Madrid. In July 2024, we announced the further expansion of our exclusive partnership with Aeon, which placed an order for a third CFC in the Saitama prefecture of Japan.

We continued our focus on supporting our partners to increase volume growth to improve capacity utilisation in their CFCs, investing in our Partner Success programme and scaling the OIA business. Our Partner Success teams have been working closely with our partners to support sales growth, drive operational efficiency and improve profitability.

At the end of the period, we had 29 live sites, comprising 25 CFCs and four Zooms, with a total of 123 live modules (FY23: 26 live sites, comprising 22 CFCs and four Zooms, with a total of 111 live modules).

The 123 modules include 14 modules of capacity on sites where Ocado Retail has decided to cease operations. The Technology Solutions business continues to charge Ocado Retail capacity fees in full for these modules. This follows Ocado Retail carrying out a network capacity review for its CFCs and a strategy and capacity review for its Zoom sites. At the end of the period, Technology Solutions had 27 sites, with 109 modules, in which partners were actively trading (24 CFCs and three Zooms).

Our OIA business continues to perform well and contributed a positive adjusted EBITDA∗ during the period. We remain focused on building a strong pipeline of Ocado Storage and Retrieval Systems ("OSRS") and 6RS customers.

Fees and revenue

Fees invoiced* increased by 27.5% to £557.9m (FY23: £437.7m). These fees primarily comprise 1. the design and access fees invoiced across clients relating to existing and future CFC and ISF commitments of £76.7m (FY23: £50.2m), 2. the recurring capacity fees associated with the live operations, primarily Ocado Retail, Kroger, Sobeys, Morrisons and Aeon, of £418.3m (FY23: £360.3m) and 3. fees invoiced by the OIA business of £59.6m (FY23: £27.2m).

The £120.2m and 27.5% year-on-year growth in fees invoiced was higher than the 18.1% year-on-year growth in revenue mainly due to higher design and access fees invoiced following the go-live of three sites in the period. The 16.1% increase in ongoing capacity fees invoiced of £418.3m (FY23: £360.3m) was higher than the 14.4% increase in ongoing capacity fee revenue of £415.8m (FY23: £363.4m) due to the timing of invoices raised. Fees invoiced by OIA increased year-on-year mainly driven by the partnership announced in the prior period with McKesson Canada and the annualisation of the acquisition of 6RS in the second half of FY23.

Under revenue recognition rules, design and access fees are not recognised as revenue until a working solution is delivered to the partner, i.e. the site goes 'live'. At the end of the period, cumulative fees not yet recognised as revenue, but instead recorded on the Balance Sheet within contract liabilities, were £506.6m (FY23: £446.7m).

Revenue in the period of £496.5m (FY23: £420.5m) comprises ongoing capacity fees of £415.8m (FY23: £363.4m) and £38.4m (FY23: £34.8m) relating to the release to the Income Statement of the design and upfront fees received from our operational partners, which were included within the contract liability amount on the Balance Sheet; these primarily relate to Kroger, Morrisons, Sobeys, ICA, Aeon and Ocado Retail (which is eliminated on the Consolidated Balance Sheet). Ongoing capacity fee revenue in Technology Solutions is driven by the average number of live modules in the period. During the period, these grew by 10.5% to 116 average live modules (FY23: 105). Ongoing capacity fee revenue grew at a faster rate than the average live modules (+14.4% compared with +10.5%) due to the increased number and proportion of live OSP modules, which generate a higher fee per module of sales capacity than non-OSP sites.

There are 30 legacy non-OSP modules within the 123 modules at the end of the period. These primarily relate to the Hatfield and Dordon CFCs which generate a lower fee per module than an OSP module. While the Hatfield CFC ceased trading during the prior period, the Technology Solutions business is entitled to continued capacity fees at Hatfield, which in FY24 were £33.2m, and continues to charge them in full to Ocado Retail.

Revenue also includes 1. £35.6m (FY23: £21.2m) relating to OIA, 2. equipment sales to retail partners of £5.3m (FY23: £0.9m) recognised as revenue under IFRS 15 (the cost of this equipment is recognised within direct operating costs) and 3. £1.4m (FY23: £0.2m) of revenue in Jones Food.

Direct costs

Direct operating costs largely relate to the day-to-day costs of operating our CFC and Zoom sites, primarily engineering support, maintenance and spares, and the costs of hosting the technology services for partners. Costs increased by £24.6m (19.8%) to £149.1m (FY23: £124.5m) mainly driven by the 10.5% growth in average live modules, annualisation of OIA direct costs following the acquisition of 6RS in the prior period and Jones Food operational costs, following the opening of its second vertical farm in FY23.

The exit rate of direct operating costs as a percentage of live sales capacity, a key measure of operational efficiency across OSP sites, decreased from 1.65% in FY23 to 1.60%. The decrease was mainly driven by a reduction in cloud costs as we continued to rationalise our cloud environments and simplify data collection to reduce cloud storage utilisation.

Technology and support costs

Technology costs mainly comprise the non-capitalised management time spent on early-stage research projects and maintaining OSP through ongoing client support. Other technology costs within this spend category include direct legal and professional fees and non-capitalised software costs. Technology costs in FY24 were £92.9m (FY23: £89.5m), an increase of £3.4m primarily due to increased cloud costs in development and non-capitalised software and services costs.

Support costs are costs incurred in supporting the global operations of the business. They include Solutions Sales and Partner Success, OIA Sales, Technology Operations, Finance, HR, IT and Legal. Costs decreased by £17.5m to £173.6m during the period (FY23: £191.1m). Cost reductions, including headcount reductions and reduced IT costs were offset by an increase in investment in OIA, Solutions Sales and Partner Success, and annualisation of 6RS support costs following its acquisition in the second half of FY23. Support costs also include the one-off benefit of a settlement reached with MasterCard and Visa in relation to interchange fees, which generated a net income of £5.1m. FY23 included the one-off benefit of the sale of the Dartford spoke site, which generated a profit on disposal of £5.0m.

Board costs of £19.3m (FY23: £22.1m) are included within Technology Solutions support costs. The year-on-year decrease of £2.8m was mainly driven by a decrease in share-based payment charges of £3.0m to £7.7m (FY23: £10.7m) following the cessation of the Value Creation Plan during the period.

We continued to invest in developing the OIA, Solutions Sales and Partner Success teams, supported by an experienced leadership team, which is dedicated to driving growth for new and existing partners. OIA central costs increased during the period as we continued to scale the business following the first OIA deal to provide automated fulfilment solutions to McKesson Canada and the acquisition of 6RS in the second half of FY23.

Adjusted EBITDA*

Adjusted EBITDA* for the period was £80.9m (FY23: £15.4m), an improvement of £65.5m. The strong profit flow-through from the £76.0m growth in revenue was driven by 1. the benefits of scale from more modules going live in our new and existing CFC sites, 2. the ongoing optimisation of direct CFC operating costs (including maintenance and data costs) which have reduced as a percentage of live sales capacity and 3. the benefit of cost reductions in support costs.

Ocado Logistics

£m	FY24 52 weeks	FY23 52 weeks	Change
Cost recharges	681.6	633.9	7.5%
Fee revenue	36.4	33.6	8.3%
Revenue	**718.0**	**667.5**	**7.6%**
Other income	4.0	6.8	(41.2)%
Fulfilment and delivery costs	(625.4)	(579.3)	(8.0)%
Technology and support costs	(65.5)	(64.9)	(0.9)%
Adjusted EBITDA*	**31.1**	**30.1**	**£1.0m**

Key performance indicators

The following table sets out a summary of selected operating information in the period:

	FY24 52 weeks	FY23 52 weeks	Change
Total eaches (million)	**1,324.8**	1,182.4	12.0%
Orders per week (000s)	**564**	510	10.6%
OSP CFC UPH[1,2]	**227**	208	9.1%
DP8[3]	**21.0**	21.5	(2.3)%

1. Measured as units picked from the CFC per variable hour worked by operational personnel.
2. OSP CFCs are all CFCs excluding Hatfield and Dordon.
3. DP8 represents the drops per standardised eight-hour shift for Ocado Retail only.

Ocado Logistics operates under a cost-plus business model. Client volumes in the sites we operate are a key driver of our revenue and costs. During the period, average orders per week across our two partners increased by 10.6% to 564,000 (FY23: 510,000) while the volume of eaches processed increased by 12.0% to 1,324.8m (FY23: 1,182.4m).

Revenue

This comprises 1. cost recharges, which are the recharge of variable and fixed costs incurred to provide fulfilment and delivery services, which are recharged to Ocado Retail and Morrisons, 2. a circa 4% management fee charged on rechargeable costs and 3. capital recharges to Ocado Retail for the use of certain fixtures and fittings, and plant and machinery that were not transferred to Ocado Retail on its formation as a separate business.

Cost recharges increased by £47.7m to £681.6m (FY23: £633.9m). These costs represent the operational costs that are recharged to Ocado Retail and Morrisons for the provision of third-party logistics services. The key cost recharge driver is the volume processed through the CFC sites. While total eaches increased by 12.0%, cost recharges increased at a slower rate increasing by 7.5% with fulfilment efficiencies driven by 1. the continued roll-out of our Re:Imagined technology, 2. increased volumes, 3. year-on-year reductions to fuel price and utilities unit costs and 4. cost savings associated with the closure of the Hatfield CFC in the prior period. Improved efficiency from the higher average number of Units Picked per labour Hour ("UPH") in our OSP CFCs is demonstrated as UPH increased by 9.1% to 227 (FY23: 208). Cost recharges are greater than rechargeable costs of £667.0m (FY23: £618.8m) as cost recharges include lease income for lease costs in shared sites, where we are providing a service, for which the cost is included below adjusted EBITDA*.

Fee revenue of £36.4m (FY23: £33.6m) increased by 8.3% mainly due to an increase in management fees of 9.2% to £24.9m (FY23: £22.8m). Management fees are circa 4% of rechargeable costs.

Fee revenue also includes £11.5m of capital recharges (FY23: £10.8m). Capital recharges relate to charges to Ocado Retail for the use of certain assets that are owned by the Group and utilised by Ocado Retail. For partner-shared sites (primarily Dordon and Erith), capital recharges are accounted for as revenue as we are considered to be providing a service (per IFRS 16). For sites that are used exclusively by Ocado Retail (primarily Purfleet, Bristol and Andover), this income is accounted for (per IFRS 16) as finance income (below adjusted EBITDA∗) as we are considered to be providing a finance lease. The £0.7m year-on-year increase was mainly driven by the renewal of LGV leases during the period.

Recharges and fees to Ocado Retail of £567.3m (FY23: £524.1m) included within the £718.0m revenue (FY23: £667.5m) are eliminated on consolidation and presented as discontinued operations.

Other income

Other income of £4.0m (FY23: £6.8m) relates to MHE JVCo asset rental income. The year-on-year decrease of £2.8m was mainly driven by the expiry of asset rental agreements in the period. Other income is presented within operating costs in the Consolidated Income Statement.

Fulfilment and delivery costs

These costs comprise the costs of fulfilment and delivery operations which are recharged to Ocado Retail and Morrisons.

Total fulfilment and delivery costs increased by 8.0% to £625.4m (FY23: £579.3m) with eaches increasing by 12.0% to 1,324.8m (FY23: 1,182.4m). Costs increased by less than the growth in eaches due to improvements to productivity and benefit from 1. the year-on-year reduction in electricity unit costs and fuel costs, and 2. fixed cost savings associated with the closure of the Hatfield CFC, which more than offset the higher costs of delivery in the period.

Productivity improvements are demonstrated by the improvement in UPH in OSP CFCs (Erith, Andover, Purfleet, Bristol, Bicester and Luton), which improved year-on-year to an average UPH of 227 in the period (FY23: 208). With the introduction of the Re:Imagined technologies including On-Grid Robotic Pick ("OGRP") and Auto Frame Load ("AFL"), our new target is an average of over 250 UPH, which has been demonstrated with our Luton CFC having exceeded an average of 250 UPH during 4Q24.

A higher UPH results in lower labour intensity and therefore lower costs for the same volume. The improvement in UPH and resulting productivity improvements reduced the labour cost required per each and partially offset the additional hours required by increased volumes.

The effectiveness of our delivery operations is measured by DP8. This reduced by 2.3% to an average of 21.0 drops per standardised 8-hour shift for Ocado Retail (FY23: 21.5 drops). The decrease was mainly driven by 1. investment in our customer service through the re-introduction of delivery into homes and increased slot availability and same-day offering, and 2. the expected increase in distance to our customers following the closure of Ocado Retail's Hatfield CFC and opening of the Luton CFC. This was partly offset by the year-on-year increase in volumes and improved density of our drops.

Technology and support costs

Technology and support costs increased by £0.6m to £65.5m (FY23: £64.9m) and comprise 1. head office and related costs to operate the Logistics business, 2. technology costs related to the operating of our pre-OSP grocery fulfilment platform and 3. the non-capitalised element of the programme costs to transition our UK partners from the pre-OSP technology platform to OSP. This programme is expected to be completed in FY25.

Technology and support costs increased primarily due to higher recruitment and training costs. Head office costs and a portion of technology costs are recharged to our partners as part of our contractual agreements. The cost of operating the pre-OSP platform, the transition to OSP, and ongoing Logistics systems costs, totalling £17.1m (FY23: £19.1m) are not recharged to partners.

Adjusted EBITDA*

Adjusted EBITDA* for the period was £31.1m, an increase of £1.0m (FY23: £30.1m); increased cost recoveries and management fees were partly offset by lower MHE JVCo asset rental income and higher technology and support costs, each of which is described above.

Ocado Retail

£m	FY24 52 weeks	FY23 52 weeks	Change
Revenue	**2,685.8**	**2,357.5**	**13.9%**
Gross profit	**914.3**	**797.2**	**14.7%**
Gross profit %	*34.0%*	*33.8%*	*0.2ppts*
Fulfilment and delivery costs	(513.6)	(467.1)	(10.0)%
Marketing costs	(43.7)	(43.0)	(1.6)%
Support costs	(116.0)	(101.6)	(14.2)%
Fees	(196.4)	(175.1)	(12.2)%
Adjusted EBITDA*	**44.6**	**10.4**	**£34.2m**

The results of Ocado Retail and relevant intra-group eliminations have been reported as discontinued operations in the Income Statement to present the Income Statement on a basis consistent with the future state of the Group.

Other than the transfer of control between the two shareholders, there is no other change to the economic interest held in Ocado Retail or the shareholder agreement.

Key performance indicators

The following table sets out a summary of selected Ocado.com operating information in the period:

Ocado.com[1]	FY24 52 weeks	FY23 52 weeks	Change
Active customers (000s)[2]	**1,119**	998	12.1%
Average orders per week (000s)	**442**	393	12.5%
Average basket value (£)[3]	**122.09**	120.94	1.0%
Average selling price (£)[4]	**2.75**	2.74	0.4%
Average basket size (eaches)	**44.3**	44.2	0.2%

1. Ocado.com excludes Zoom by Ocado as Ocado.com represents the core business of Ocado Retail.
2. Active customers are classified as active if they have shopped at Ocado.com within the previous 12 weeks. FY23 relates to the previous 12 weeks from the period end date of 3 December 2023.
3. Average basket value (£) is defined as product sales divided by total orders.
4. Average selling price ("ASP") (£) is defined as product sales divided by total eaches.

Revenue

Revenue increased by 13.9% to £2,685.8m (FY23: £2,357.5m) driven by growth in Ocado.com, with a 12.5% order growth to 442,000 orders per week (FY23: 393,000 orders per week) and a 1.0% growth in basket value to £122.09 (FY23: £120.94).

Our continued focus on our "Perfect Execution" strategy, prioritising unbeatable choice, unrivalled service and reassuringly good value, enabled us to attract new customers, improve retention and frequency, and grow market share. Our active customer base increased by 12.1% to 1,119,000 (FY23: 998,000) as we achieved good customer acquisition results through improvements in marketing activity, driven by channel efficiency activities. Ocado.com grew its share of the online grocery market to 12.9% (FY23: 11.1%, Nielsen revised methodology**; FY24 as at 30 November 2024; FY23 as at 2 December 2023).

** Under the previous methodology market share for FY23 was 12.7%.

We continue to focus on consistent and strong operational performance and customer service in key areas such as delivering on time and in full, alongside improving product availability, all of which improved in the period.

The increase in average orders per week of 12.5% was higher than the growth in active customers of 12.1% due to the higher frequency of orders.

The average basket value grew by 1.0% to £122.09 (FY23: £120.94) driven by a modest increase in average basket size and average selling price to 44.3 items (FY23: 44.2 items) and £2.75 (FY23: £2.74), respectively.

We remain committed to offering reassuringly good value to customers and did not pass through the full impact of food price inflation to our customers; the average selling price on Ocado.com has increased by 0.4%, well below UK grocery inflation of 3.0% (Nielsen). Our “Big Price Drop” campaign, which delivered multiple rounds of price reductions in the period, together with our “Ocado Price Promise” ensured that we continue to combine unbeatable range and unrivalled service with reassuringly good value for our customers.

Gross profit

Gross profit increased by 14.7% to £914.3m (FY23: £797.2m). Growth was higher than the 13.9% revenue growth due to improvements in the gross profit margin from 33.8% in FY23 to 34.0% in FY24. This was mainly driven by improvements in promotional effectiveness and investment alongside optimising our product mix and improvements in waste.

Gross profit includes the net benefit of supplier-funded media income of £89.7m (FY23: £81.6m) and the cost of vouchers of £27.5m (FY23: £24.7m).

Fulfilment and delivery costs

£m	**FY24 52 weeks**	**FY23 52 weeks**	Change
CFC	(183.6)	(182.1)	(0.8)%
Service delivery	(314.2)	(260.9)	(20.4)%
Utilities	(15.8)	(24.1)	34.4%
Fulfilment and delivery costs	**(513.6)**	**(467.1)**	**(10.0)%**

CFC costs primarily comprise labour costs in CFCs and these increased by 0.8% to £183.6m (FY23: £182.1m). Costs increased at a slower rate than the 12.5% growth in average orders per week due to improved productivity in our CFC sites and the closure of the low-productivity Hatfield CFC in the prior period.

The OSP CFCs (Erith, Andover, Purfleet, Bristol, Bicester and Luton) showed robust improvements in productivity reaching an average of 227 UPH (FY23: 208 UPH), an improvement of 9.1% partially driven by the introduction of OGRP during the period. The average UPH for Ocado.com improved by 15.2% from 191 to 220.

Service delivery costs comprise labour, fleet, fuel and related costs to enable the delivery of orders to customers. Costs increased by 20.4% to £314.2m (FY23: £260.9m), driven by the growth in the number of orders (+12.5%), inflation and the impact of the network reorganisation following the closure of Hatfield. Service delivery costs are driven by the productivity of the delivery last mile operations. This productivity is measured in ‘eaches per van’, which reduced by 1.4% to 974 eaches (FY23: 988 eaches). The reduction was mainly due to longer stem times as a result of the Hatfield CFC closure and an investment in both time on the doorstep and the training of newly hired Customer Service Team Members.

Utilities costs across CFCs and service delivery decreased by 34.4% to £15.8m (FY23: £24.1m) due to significantly lower electricity unit costs (FY24: 21.0p per kilowatt hour; FY23: 27.1p per kilowatt hour) and the closure of the Hatfield CFC in FY23.

Marketing and support costs

Marketing costs comprise the cost of marketing activities to customers and exclude vouchering costs, which are included within revenue. Activities focused on driving increased awareness of the Ocado value proposition through our "Ocado Price Promise" and "Big Price Drop" campaigns. Marketing spend as a percentage of revenue decreased to 1.6% (FY23: 1.8%) as we continued to optimise the marketing channel mix.

Support costs of £116.0m (FY23: £101.6m) comprise head office, customer support and other overhead costs for Ocado Retail. The £14.4m, 14.2%, increase year-on-year, whilst lower than revenue growth, was higher driven by 1. cost inflation, 2. performance-linked incentive schemes, and 3. increased headcount including the annualisation of senior, strategic vacancies in the prior period.

Fees

Fees comprise 1. OSP fees paid to Technology Solutions for the operation of OSP, 2. logistics management fees and 3. capital recharges paid to Ocado Logistics. Fees of £196.4m (FY23: £175.1m) increased by £21.3m, mainly driven by the index-linked OSP fees due to Technology Solutions and the annualisation of the Luton CFC opening in FY23. Fees include the ongoing fees for the closed Hatfield CFC.

Adjusted EBITDA∗

Adjusted EBITDA∗ for the Retail business was £44.6m (FY23: £10.4m). The primary drivers for the £34.2m year-on-year increase were growth in active customers and orders driving trading performance, partly offset by higher fees paid to Technology Solutions from the annualisation of the opening of the Luton CFC in FY23, indexation and higher service delivery costs.

Excluding the £33.2m (FY23: £31.7m) capacity fees payable for the Hatfield CFC, the adjusted EBITDA∗ for the Retail business would have been £77.8m (FY23: £42.1m) at a margin* of 2.9% (FY23: 1.8%).

Capital expenditure

Capital expenditure largely comprises new site construction costs and technology development costs to enhance OSP. Total Group* capital expenditure for the period was £392.1m (FY23: £520.3m), a reduction of £128.2m, primarily driven by a reduced level of activity of CFC sites under construction (see below for further details).

An analysis of capital expenditure by key categories is presented below:

£m	FY24 52 weeks	FY23 53 weeks	Change
CFC sites	162.6	253.1	35.8%
Technology	196.6	202.8	3.1%
Group support and other	13.0	34.3	62.1%
Technology Solutions	**372.2**	**490.2**	**24.1%**
Logistics	14.2	14.4	1.4%
Continuing operations	**386.4**	**504.6**	**23.4%**
Retail	7.1	25.2	71.8%
Eliminations[1]	(1.4)	(9.5)	(85.3)%
Total Group*	**392.1**	**520.3**	**24.6%**

1. The elimination of capital expenditure comprises the design and set up fees charged to Ocado Retail by Technology Solutions (those fees charged to Ocado Retail are eliminated on consolidation of the Group).

Technology Solutions

CFC sites capital expenditure relates to the construction of new sites and costs associated with upgrading our live sites, and totalled £162.6m in the period, a decrease of £90.5m (FY23: £253.1m). The investment during the period of £162.6m primarily relates to the construction of the Phoenix and Charlotte sites for Kroger, the three sites that went live in FY24 (in Sydney and Melbourne for Coles, and in Madrid for Alcampo) and the capital expenditure related to Ocado Retail's Luton CFC, which went live in the second half of FY23. The year-on-year reduction is primarily due to the lower level of activity in FY24 compared with that in FY23, which incurred capital expenditure for the six sites (Calgary, Chiba, Luton, Sydney, Melbourne and Madrid) that went live across FY23 and FY24. The lower CFC sites capital expenditure in FY24 also benefited from a drawdown of £36.9m on existing inventory held on hand for new sites and upgrades at live sites.

Technology development spend decreased to £196.6m (FY23: £202.8m). During the period, we continued to invest in OSP and our key Re:Imagined product innovations. We successfully launched OGRP and AFL for market readiness, began to successfully pilot the 600 Series bot, and construct the 600 Series compatible Grid during the period. We continue to invest in the other key Re:Imagined innovation projects including Auto-Freezer, Ocado Orbit, Ocado Swift Router and Ocado Flex. In addition, we commenced our investment in two new products: a case-picking Autonomous Mobile Robot ("AMR") and a de-palletiser that will benefit our OIA business segment.

£m	FY24 52 weeks	FY23 53 weeks	Change
CFC technologies	104.9	119.1	11.9%
Ecommerce	30.2	28.6	(5.6)%
Logistics and supply chain	21.7	22.1	1.8%
Other	39.8	33.0	(20.6)%
Technology	**196.6**	**202.8**	**3.1%**

We continue to enhance our customer proposition through OSP, delivering world-class end-to-end grocery and non-grocery ecommerce and fulfilment solutions. OSP includes ecommerce, order management, forecasting, routing and delivery, Automated Storage and Retrieval Systems ("ASRS"), dexterous robotics and other material handling elements.

- **CFC technologies** are at the core of our OSP proposition. This capital expenditure encompasses the ongoing development of our grid and bots (our ASRS and the robots on the grid), its peripheral MHE and the enhancement of these propositions. This element of our capital expenditure is focused on reducing both the capital cost and the ongoing running costs of the CFC for the partner and Ocado Group.

  We invested £104.9m in CFC technologies during the period (FY23: £119.1m). In line with our commitment to innovation and continued investment in our Re:Imagined products, we have leveraged the strategic acquisitions of 6RS and Kindred, alongside advancements in OGRP. These initiatives have enabled the development of two promising new products at a small incremental cost; a case-picking and pallet-moving AMR and a de-palletiser capable of moving cases directly from inbound pallets to storage bins, which can go into the ASRS automation.

  During the period, we began successfully piloting the first of our 600 Series bots in Ocado Retail's Bicester CFC and construction of the first 600 Series compatible Grid began in Canada for McKesson. Significant progress was also made toward the launch of the first Auto-Freezer grid.

  AFL reduces partner labour hours and allows higher productivity per employee by removing the challenging process of manually loading ready-for-customer orders onto delivery frames. AFL was deployed into the Luton CFC in 1H24 and is currently operational in four sites.

  OGRP reduces partner labour costs and enables a more optimised site design with reduced mezzanine floor space, as less space is needed for the manual packing of groceries.

- **Ecommerce:** We invested £30.2m (FY23: £28.6m) in developing our ecommerce platform to enhance every aspect of the shopper journey. This included improvements to the search and browse experience, and specific developments to bolster the range of products our partners can sell. During the period, we continued to invest in driving customer conversion, customisable homepages, marketing reporting and frictionless payments. We also successfully launched the webshop for Auchan Poland and fully migrated Morrisons from our legacy platform to OSP in the year.

- One of the core benefits of OSP is our expertise in **Logistics and supply chain** as part of our end-to-end solution. We invested £21.7m in these propositions in FY24 (FY23: £22.1m), with the focus of our investment on the optimisation of the grocery supply chain and efficiency of the last mile delivery. During the period, we successfully launched dynamic pricing to better reflect changes in customer demand for delivery slots. Our last mile solution aims to deliver excellent slot availability to end customers, including short lead-time orders ("SLTO") with delivery slots offered within six hours. During the period, we conducted successful trials of SLTO and its logistics component, Ocado Swift Router. Within supply chain, we continued to focus on driving strong product availability whilst maintaining low waste and stockholding days in our partners' CFCs.

- The balance of the spend predominantly relates to our teams creating tooling and development systems necessary to deliver for the wider Technology function, where we invested £39.8m (FY23: £33.0m).

Group support and other capital expenditure comprise projects relating to support costs systems and infrastructure. Other capital expenditure of £13.0m is £21.3m lower year-on-year (FY23: £34.3m) following completion of Jones Food's second vertical farm in Lydney, Gloucestershire, which opened in FY23.

Logistics

Capital expenditure of £14.2m (FY23: £14.4m) largely relates to technology system development of £12.8m (FY23: £13.3m) to transition our UK partners from our legacy platforms onto OSP.

Cash flow

£m	FY24 52 weeks Continuing operations	FY24 52 weeks Total Group*	FY23 53 weeks Continuing operations	FY23 53 weeks Total Group*
Adjusted EBITDA*	**112.0**	**153.3**	**46.4**	**54.2**
Movement in contract liabilities	97.8	97.8	47.9	47.9
Other working capital movements	17.6	6.3	5.6	19.4
Finance costs paid	(34.0)	(55.9)	(29.9)	(56.3)
Taxation (paid)/received	(7.7)	(7.7)	(1.7)	9.9
Adjusting items*	83.1	70.8	8.7	(1.7)
Other non-cash items	(4.1)	4.3	-	8.8
Operating cash flow	**264.7**	**268.9**	**77.0**	**82.2**
Capital expenditure	(393.4)	(399.4)	(514.6)	(536.4)
Acquisition of subsidiaries, net of cash acquired	-	-	(11.4)	(11.4)
Dividend from joint venture	2.8	2.8	5.1	5.1
Net proceeds from interest-bearing loans and borrowings	26.8	26.8	(55.9)	54.1
Repayment of lease liabilities	(17.2)	(55.7)	(24.4)	(66.8)
Net proceeds from share issues	4.6	4.6	2.6	2.6
Other investing and financing activities	39.6	42.9	41.8	42.6
Movement in cash and cash equivalents (excl. FX changes)	**(72.1)**	**(109.1)**	**(479.8)**	**(428.0)**
Effect of changes in FX rates	(4.2)	(4.2)	(15.2)	(15.2)
Movement in cash and cash equivalents (incl. FX changes)	**(76.3)**	**(113.3)**	**(495.0)**	**(443.2)**
Cash and cash equivalents at beginning of period	**808.8**	**884.8**	**1,303.8**	**1,328.0**
Movement in cash and cash equivalents (incl. FX changes)	(76.3)	(113.3)	(495.0)	(443.2)
Cash and cash equivalents at end of period	**732.5**	**771.5**	**808.8**	**884.8**

Cash and cash equivalents (including FX changes) reduced by £113.3m (FY23: reduction of £443.2m) to £771.5m (FY23: £884.8m). There was a decrease in cash outflow of £329.9m year-on-year.

Operating cash flow improved by £186.7m to an inflow of £268.9m (FY23: inflow of £82.2m). Operating cash flow from continuing operations improved by £187.7m to £264.7m. Key movements in the Total Group* cash flow during the period can be analysed as follows:

- **Adjusted EBITDA*** improved by £99.1m to £153.3m (FY23: £54.2m on a 53-week basis) as detailed above;
- **Contract liabilities: cash inflow of £97.8m** (FY23: £47.9m inflow). The year-on-year increase is driven by upfront design and access fees paid by our grocery retail partners typically in instalments during the CFC construction process of £71.2m (FY23: £47.9m) and advances received by our OIA business of £26.6m (FY23: £nil).
- **Taxation: cash outflow of £7.7m** (FY23: inflow of £9.9m) reflects taxation payments by foreign subsidiaries within continuing operations. No UK tax was paid in the period.

- **Adjusting items*: cash inflow of £70.8m** (FY23: outflow of £1.7m) relates to cash-settled adjusting items* and primarily comprises the following:
    - £100.0m (FY23: £41.7m) proceeds from the settlement of AutoStore patent litigation and cross-licence pre-2020 patents;
    - £(22.9)m (FY23: £(12.2)m) Finance, HR and Retail IT system transformation costs;
    - £(5.0)m (FY23: £(15.5)m) organisational restructuring costs; and
    - £(1.3)m (FY23: £(0.7)m) costs relating to contingent consideration negotiations with M&S.

The movements above result in a Total Group* operating cash inflow of £268.9m (FY23: cash inflow of £82.2m). The following movements explain the overall movement in cash and cash equivalents outflow of £113.3m (FY23: outflow of £443.2m):

- **Capital expenditure of £399.4m** (FY23: £536.4m) primarily relates to the continued investment in OSP and new CFCs in the UK and internationally. Capital expenditure also includes investment in Group support activities. Cash capital expenditure of £399.4m is higher than accounting capital expenditure of £392.1m mainly due to the timing of cash spend on capital items. This difference is reflected in accruals and prepayments on the Balance Sheet.
- **Net proceeds from interest-bearing loans and borrowings of £26.8m** (FY23: £54.1m) comprises the following:
    - Gross proceeds from the issue of senior unsecured convertible bonds and senior unsecured notes of £700.0m. £654.3m of the gross proceeds was used to fund the early partial redemption of existing senior unsecured convertible bonds and senior unsecured notes, at a 7% discount to par. This reflected a net cash inflow of £45.7m; and
    - Transaction costs of £18.9m.
- **Other investing and financing activities of £42.9m** (FY23: £42.6m) comprise:
    - £30.5m (FY23: £41.7m) of interest received on treasury deposits;
    - £18.5m (FY23: £9.4m) proceeds from the disposal of assets held for sale;
    - £10.0m (FY23: £10.0m) exercise of warrants in respect of Wayve during the period;
    - £2.3m (FY23: £nil) repayment of loans held by Infinite Acres Holding B.V.; and
    - £1.6m (FY23: £1.5m) cash contingent consideration received in respect of the sale of Marie Claire Beauty Limited ("Fabled") to Next plc.

£m	FY24 52 weeks	FY23 53 weeks
Movement in cash and cash equivalents	**(113.3)**	**(443.2)**
Adjusting items*	(70.8)	1.7
Proceeds from disposal of assets held for sale	(18.5)	(9.4)
Purchase of unlisted equity investments and loans to investee companies	7.7	10.0
Cash received in respect of contingent consideration	(1.6)	(1.5)
Financing[1]	(31.4)	(56.7)
Acquisition of subsidiaries, net of cash acquired	-	11.4
Effect of changes in FX rates	4.2	15.2
Underlying cash outflow*	**(223.7)**	**(472.5)**

1. Financing of £31.4m (FY23: £56.7m) includes net proceeds from interest-bearing loans and borrowings of £26.8m (FY23: £54.1m) and net proceeds from share issues of £4.6m (FY23: £2.6m).

Underlying cash outflow* for the Group is £223.7m (FY23: £472.5m) and improved by £248.8m year-on-year. The improvement was primarily driven by 1. £99.1m improvement in adjusted EBITDA*, 2. £137.0m reduction in capital expenditure, primarily in relation to the construction of new sites and upgrading our live sites, and 3.

£49.9m increase in cash received from partners for the build and design of MHE, mainly following the initial order and go-live of sites; with additional modules and three new sites live in the second half of the period. These are partially offset by 1. a £17.6m increase in taxation paid, following a rebate in FY23 and 2. £13.1m lower other working capital movements.

Underlying cash flow* is the movement in cash and cash equivalents excluding the impact of adjusting items*, proceeds from the disposal of assets held for sale, investment in unlisted equity investments and loans to investee companies, cash received in respect of contingent consideration, costs of new financing activity, acquisition of subsidiaries and FX movements. We focus on underlying cash flow because it measures the cash inflows and outflows that relate to the recurring operations of the Group and excludes key one-offs listed above.

Liquidity management

£m	Maturity	1 December 2024	3 December 2023	Movement
Total Group* cash and cash equivalents		**771.5**	**884.8**	**(113.3)**
£600m senior unsecured convertible bonds	December 2025	(167.2)	(560.2)	393.0
£350m senior unsecured convertible bonds	January 2027	(320.8)	(307.8)	(13.0)
£500m senior unsecured notes	October 2026	(223.6)	(498.2)	274.6
£250m senior unsecured convertible bonds	August 2029	(215.1)	-	(215.1)
£450m senior unsecured notes	August 2029	(455.2)	-	(455.2)
Other borrowings		(102.9)	(95.9)	(7.0)
Borrowings		**(1,484.8)**	**(1,462.1)**	**(22.7)**
Lease liabilities		(486.9)	(497.8)	11.0
Gross debt		**(1,971.7)**	**(1,959.9)**	**(11.7)**
Net debt*		**(1,200.2)**	**(1,075.1)**	**(125.0)**

During the period, the Group raised gross proceeds of £700.0m through the issuance of £450.0m senior unsecured notes and £250.0m senior unsecured convertible bonds, both maturing in 2029. Part of the proceeds was used to fund the early partial redemption of existing debt at a 7% discount to par.

The £450.0m senior unsecured notes ("2029 SUNs") raised £439.8m net of transaction costs. The £250.0m convertible bonds ("2029 CB") raised £245.7m, net of transaction costs, with a conversion price of £6.105 per share.

The Group redeemed portions of its £600.0m convertible bonds due in 2025 and £500.0m notes due in 2026 for tender consideration of £397.3m and £257.0m, respectively. It also extended the maturity of its £300.0m undrawn RCF from July 2025 to August 2027, subject to certain conditions.

Net debt* at the period end of £(1,200.2)m includes cash and cash equivalents of £39.0m, borrowings of £98.1m and lease liabilities of £175.2m relating to discontinued operations. Net debt* excluding discontinued operations was £(965.9)m.

The Group excluding discontinued operations held cash and cash equivalents at the end of the period of £732.5m (FY23: £808.8m) and gross liquidity of £1.03bn (FY23: £1.11bn), including the RCF. The Total Group* held cash and cash equivalents of £771.5m (FY23: £884.8m) and gross liquidity of £1.07bn (FY23: £1.18bn), including the RCF.

Balance Sheet

£m	1 December 2024	3 December 2023	Movement attributable to disposal group[1]	Continuing operations as at 3 December 2023	Movement attributable to continuing operations
Assets					
Goodwill	158.2	158.6	-	158.6	(0.4)
Other intangible assets	496.5	461.3	(10.7)	450.6	45.9
Property, plant and equipment	1,555.4	1,794.9	(167.2)	1,627.7	(72.3)
Right-of-use assets	264.8	428.1	(143.5)	284.6	(19.8)
Investment in joint venture and associates	7.0	9.5	-	9.5	(2.5)
Trade and other receivables	193.9	427.8	(149.1)	278.7	(84.8)
Cash and cash equivalents	732.5	884.8	(76.0)	808.8	(76.3)
Other financial assets	113.7	127.7	-	127.7	(14.0)
Inventories	39.8	127.1	(84.1)	43.0	(3.2)
Other assets	8.2	4.3	-	4.3	3.9
Assets held for sale	586.5	4.9	586.5	4.9	(4.9)
Total assets	**4,156.5**	**4,429.0**	**(44.1)**	**3,798.4**	**(228.4)**
Liabilities					
Contract liabilities	(506.6)	(446.7)	-	(446.7)	(59.9)
Trade and other payables	(249.1)	(470.4)	225.0	(245.4)	(3.7)
Borrowings	(1,386.7)	(1,462.1)	91.2	(1,370.9)	(15.8)
Lease liabilities	(311.7)	(497.8)	171.9	(325.9)	14.2
Other liabilities	(24.8)	(41.0)	15.7	(25.3)	0.5
Liabilities held for sale	(506.4)	-	(506.4)	-	-
Total liabilities	**(2,985.3)**	**(2,918.0)**	**(2.6)**	**(2,414.2)**	**(64.7)**
Net assets	**1,171.2**	**1,511.0**	**(46.7)**	**1,384.2**	**(293.1)**
Total equity	**(1,171.2)**	**(1,511.0)**	**46.7**	**(1,384.2)**	**293.1**

1. The balances attributable to the disposal group excludes Ocado Retail's opening Balance Sheet and inter-segment eliminations as at 3 December 2023, and assets and liabilities held for sale in relation to the disposal group Balance Sheet as at 1 December 2024.

The key drivers for the underlying movement attributable to continuing operations are detailed below.

Assets

Other intangible assets net book value of £496.5m increased by £35.2m (FY23: £461.3m). The movement attributable to continuing operations of £45.9m was driven by:

- £177.8m (FY23: £167.8m) internal development costs capitalised during the period that related to the development of our technology capabilities for our partners, across our CFC, Zoom and ISF solutions;
- £23.4m (FY23: £38.2m) of intangible assets acquired primarily relating to software and patents;
- amortisation charge for the period of £145.9m (FY23: £125.0m on a 53-week basis); and
- other smaller movements of £(9.4)m.

Other intangible assets are typically depreciated over five years.

Property, plant and equipment net book value decreased by £239.5m to £1,555.4m (FY23: £1,794.9m). The movement attributable to continuing operations of £72.3m was mainly driven by:

- capital additions in the period of £161.5m (FY23: £281.6m) primarily relating to client sites under construction;
- internal development costs capitalised during the period of £23.6m (FY23: £32.7m) relating to OSP technology development and deployment;
- depreciation in the period of £204.5m (FY23: £187.9m on a 53-week basis);
- impairment charge of £38.4m (FY23: £41.2m on a 53-week basis) primarily on assets relating to 1. the Group's contract with Groupe Casino, 2. legacy Technology Solutions bots that have been replaced with upgraded models and 3. Technology projects the Group has decided not to pursue further; and
- other smaller movements of £(14.5)m.

Tangible assets are typically depreciated over 8 to 10 years.

Right-of-use assets net book value decreased by £163.3m to £264.8m (FY23: £428.1m). This comprises land and buildings of £234.6m (FY23: £359.9m), motor vehicles of £15.5m (FY23: £50.5m) and fixtures, fittings, plant and machinery of £14.7m (FY23: £17.7m). The decrease attributable to continuing operations of £19.8m was mainly driven by:

- new leases for assets of £9.2m comprising largely motor vehicles;
- depreciation charge of £35.4m (FY23: £70.4m on a 53-week basis);
- remeasurements of £10.3m; and
- other smaller movements of £(3.9)m.

Trade and other receivables decreased by £233.9m to £193.9m (FY23: £427.8m). The decrease attributable to continuing operations was £84.8m. Trade and other receivables comprises the following:

- Trade receivables of £58.9m (FY23: £126.8m, net of expected credit loss allowance) primarily comprise receivable balances due from Technology Solutions retail partners.
- Other receivables of £73.1m (FY23: 190.4m). Other receivables largely comprise amounts receivable from AutoStore following the settlement of patent litigation and tax refunds due. The decrease of £117.3m is mainly driven by cash receipts from AutoStore.
- Prepayments of £53.3m (FY23: £55.8m) include software maintenance payments, CFC components, and site support and maintenance costs (including business rates and utilities payments).
- Accrued income of £8.6m (FY23: £54.8m) largely relates to Technology Solutions partner fees and accrued interest on MMF and term deposits.

Other financial assets of £113.7m (FY23: £127.7m) comprise:

- £100.1m (FY23: £82.7m) unlisted equity investments held by the Group primarily in Wayve, Oxa Autonomy and 80 Acres. The movement of £17.4m is mainly driven by:
    - an increase in the Group investment in Wayve of £31.6m to £41.7m (FY23: £10.1m). During the period, the Group exercised £10.0m of warrants held in Wayve to acquire 168,038 B-1 shares for cash consideration of £10.0m. Further, the Group recorded an increase in the fair value of its investment in Wayve of £11.6m. At the period end, the Group holds a 2.9% interest in Wayve (FY23: 2.5%); and
    - a net decrease in the fair value of the Group's other unlisted equity investments of £14.2m due to changes in the commercial outlook of the companies in which the Group is invested, and primarily to Oxa Autonomy, Paneltex Limited ("Paneltex") and Inkbit Corporation ("Inkbit"). This is detailed in Note 3.5 to the Consolidated Financial Statements
- £12.9m (FY23: £14.4m) loans receivable held at amortised cost; and
- £0.7m (FY23: £30.6m) other items.

Inventories of £39.8m (FY23: £127.1m) largely comprise Technology Solutions grid and bot spares, OIA construction costs in progress for third-party sale and 6RS Chuck robots. Inventories attributable to continuing operations decreased by £3.2m during the period.

Assets held for sale of £586.5m (FY23: £4.9m) relate to Ocado Retail, which is presented as a disposal group and discontinued operation at the period end. Assets held for sale comprise largely property, plant and equipment and right-of-use assets relating to its operating CFCs and Zoom sites, media and commercial income receivable and goods for resale.

The Group remains the controlling shareholder of Ocado Retail, via certain tie-breaking rights, until early April 2025 when it intends to relinquish these rights to M&S. There will be no change in the economic interest of both shareholders in Ocado Retail, or any consideration paid by M&S. At this point, the Group will cease to fully consolidate Ocado Retail's results and will instead account for its investment in Ocado Retail as an investment in associate using the equity method. See Note 2.6 to the Consolidated Financial Statements for further detail.

Liabilities

Contract liabilities of £506.6m (FY23: £446.7m) primarily relate to the consideration received in advance from Solutions and OIA customers. Revenue is recognised when the performance obligation is satisfied, typically when a site goes live or OIA products and services are provided. The £59.9m increase in the period is driven by:

- £103.9m (FY23: £47.6m) invoiced to partners for their contracted contribution towards the initial MHE investment made in a site, or build and design of MHE;
- £34.7m (FY23: £33.0m) in respect of prior receipts recognised as revenue in the period;
- £9.6m received by 6RS previously recognised as contract liabilities that was reclassified as deferred income during the period; and
- £(0.3)m FX revaluation.

The current liabilities portion of the contract liabilities balance of £38.1m (FY23: £38.6m) represents amounts due to be recognised as revenue within 12 months of the period end. Long-term liabilities of £468.5m (FY23: £408.1m) make up the balance.

Trade and other payables of £249.1m (FY23: £470.4m) reduced by £221.3m. The increase attributable to continuing operations was £3.7m. Trade and other payables comprise:

- Trade payables of £58.4m (FY23: £181.0m).
- Tax and social security payables of £54.1m (FY23: £61.1m). Tax and social security payables at the end of the period predominantly relate to amounts due to HM Revenue and Customs in respect of VAT and Pay As You Earn, and overseas taxes arising on lease arrangements and property.
- Accrued expenses £119.1m (FY23: £213.3m). Accrued expenses at the end of the period largely relate to 1. accrued payroll expenses, 2. CFC site support and maintenance costs, and 3. accrued capital expenditure.
- Deferred income of £17.5m (FY23: £15.0m). Deferred income primarily relates to advance receipts of R&D tax credits in Technology Solutions, 6RS Chuck fees, and ongoing capacity fees.

Borrowings of £1,386.7m (FY23: £1,462.1m) primarily comprise the liability element of the three unsecured convertible bonds and the two senior unsecured bonds. The increase attributable to continuing operations of £15.8m is due to:

- £647.8m recognised on issue of the senior unsecured convertible bonds and senior unsecured notes due in 2029;
- £681.4m derecognised on partial redemption of the senior unsecured convertible bonds and senior unsecured notes due in December 2025 and October 2026 respectively;
- £76.2m accrued interest on loans and borrowings held at amortised cost; and
- £26.8m interest repayments.

Lease liabilities of £311.7m (FY23: £497.8m) comprise land and buildings of £281.1m (FY23: £426.9m), motor vehicles of £15.7m (FY23: £51.6m) and fixtures, fittings, plant and machinery of £14.9m (FY23: £19.3m). The decrease attributable to continuing operations of £14.2m was driven by:

- payments made of £49.7m (FY23: £92.5m);
- new leases for assets of £9.0m;
- accrued interest of £16.7m (FY23: £25.7m);
- remeasurements of £(10.2)m; and
- other smaller movements of £0.4m.

Lease liabilities of £311.7m (FY23: £497.8m) include £12.4m (FY23: £16.5m) payable to MHE JVCo, a company in which the Group holds a 50% interest.

Other liabilities of £24.8m (FY23: £41.0m) comprise:

- £23.5m (FY23: £40.8m) of provisions largely in respect of 1. dilapidation of properties and vehicles 2. employers NIC on taxable equity-settled schemes and cash-settled employee long-term incentive schemes, and 3. onerous contracts in relation to unavoidable costs expected to be incurred in exiting manufacturing contracts as a result of changes to design and production;
- £0.7m (FY23: £0.2m) derivative financial liabilities primarily related to diesel hedges; and
- £0.6m (FY23: £nil) of deferred tax liabilities. The £0.6m increase is due to the deferred tax liability arising in 6RS from the difference in the tax base and accounting base of tangible fixed assets.

Liabilities held for sale of £506.4m (FY23: £nil) relate to Ocado Retail, which is presented as a disposal group and discontinued operation at the period end. Liabilities held for sale largely comprise amounts payable to suppliers, external lease liabilities and borrowings payable to the joint ventures' shareholders.

Consolidated Financial Statements

Consolidated Income Statement

for the 52 weeks ended 1 December 2024

	Notes	52 weeks ended 1 December 2024 Results before adjusting items £m	Adjusting items (Note 2.3) £m	Total £m	53 weeks ended 3 December 2023 (restated[1]) Results before adjusting items £m	Adjusting items (Note 2.3) £m	Total £m
Continuing operations							
Revenue	2.2	**1,214.5**	**0.1**	**1,214.6**	1,109.7	12.4	1,122.1
Insurance and legal settlement proceeds	2.3	**-**	**-**	**-**	-	180.4	180.4
Operating costs		**(1,516.7)**	**(34.8)**	**(1,551.5)**	(1,408.9)	(115.0)	(1,523.9)
Operating (loss)/profit before results of joint ventures and associate		**(302.2)**	**(34.7)**	**(336.9)**	(299.2)	77.8	(221.4)
Share of results of joint venture and associate		**0.3**	**-**	**0.3**	(0.9)	-	(0.9)
Operating (loss)/profit		**(301.9)**	**(34.7)**	**(336.6)**	(300.1)	77.8	(222.3)
Finance income	2.4	**30.4**	**11.4**	**41.8**	39.9	6.1	46.0
Finance costs	2.4	**(98.6)**	**-**	**(98.6)**	(83.6)	-	(83.6)
Other finance gains and losses	2.4	**10.0**	**43.6**	**53.6**	(19.8)	-	(19.8)
(Loss)/profit before tax from continuing operations		**(360.1)**	**20.3**	**(339.8)**	(363.6)	83.9	(279.7)
Income tax credit		**0.2**	**-**	**0.2**	16.9	-	16.9
(Loss)/profit for the period from continuing operations		**(359.9)**	**20.3**	**(339.6)**	(346.7)	83.9	(262.8)
Discontinued operations[2]							
(Loss)/profit after tax from discontinued operations	2.6	**(19.2)**	**(15.5)**	**(34.7)**	(64.2)	(60.0)	(124.2)
(Loss)/profit for the period		**(379.1)**	**4.8**	**(374.3)**	(410.9)	23.9	(387.0)
Attributable to:							
Owners of Ocado Group plc				**(336.2)**			(314.0)
Non-controlling interests				**(38.1)**			(73.0)
				(374.3)			(387.0)

[1]Comparatives have been restated to reflect the presentation of the Retail segment and inter-segment eliminations as discontinued operations.

[2]As previously disclosed, it is the Group's intention to transfer control of Ocado Retail Limited ("ORL") to Marks & Spencer plc ("M&S") in 2025 under the terms of the Shareholder Agreement. Since this change of control will result in the Group no longer consolidating ORL, the results of ORL (and relevant inter-segment eliminations) have been reported as discontinued operations in the Income Statement in order to present the Income Statement on a basis consistent with the future state of the Group. Other than the proposed transfer of control between the two shareholders, there has been no other change to the economic interest held in ORL or the shareholder agreement.

Loss per share		**pence**	pence
From continuing operations:			
Basic and diluted loss per share	2.5	**(40.69)**	(31.76)
From continuing and discontinued operations:			
Basic and diluted loss per share	2.5	**(41.00)**	(38.44)

See Section 6 - Alternative Performance Measures for a reconciliation of operating loss to adjusted earnings before interest, taxation, depreciation, amortisation, impairment and adjusting items (Adjusted EBITDA).

Consolidated Statement of Comprehensive Income

for the 52 weeks ended 1 December 2024

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 £m
Loss for the period	**(374.3)**	(387.0)
Other comprehensive income		
Items that may be reclassified to continuing operations profit or loss in subsequent periods:		
Fair value movements in cash flow hedges	**(0.6)**	(0.4)
Items reclassified from cash flow hedge reserve	**0.1**	1.1
Foreign exchange loss on translation of foreign subsidiaries	**(20.6)**	(53.0)
Net other comprehensive expense that may be reclassified to profit or loss in subsequent periods	**(21.1)**	(52.3)
Items that will not be reclassified to continuing operations profit or loss in subsequent periods:		
Loss on equity investments designated as at fair value through other comprehensive income	**(3.1)**	(16.5)
Income tax relating to items that will not be reclassified subsequently to profit or loss	**(3.1)**	(4.6)
Net other comprehensive expense that will not be reclassified to profit and loss in subsequent periods	**(6.2)**	(21.1)
Other comprehensive expense for the period from continuing operations, net of income tax	**(27.3)**	(73.4)
Total comprehensive expense for the period	**(401.6)**	(460.4)
Attributable to:		
Owners of Ocado Group plc	**(363.5)**	(387.4)
Non-controlling interests	**(38.1)**	(73.0)
	(401.6)	(460.4)

Consolidated Balance Sheet

as at 1 December 2024

	Notes	1 December 2024 £m	3 December 2023 £m
Non-current assets			
Goodwill	3.1	**158.2**	158.6
Other intangible assets	3.2	**496.5**	461.3
Property, plant and equipment	3.3	**1,555.4**	1,794.9
Right-of-use assets	3.4	**264.8**	428.1
Investment in joint venture and associate		**7.0**	9.5
Other financial assets	3.5	**100.8**	84.0
Trade and other receivables		**-**	50.9
Deferred tax assets		**4.7**	0.9
Derivative financial assets		**3.4**	3.3
		2,590.8	2,991.5
Current assets			
Other financial assets	3.5	**12.9**	43.7
Inventories		**39.8**	127.1
Trade and other receivables		**186.4**	375.4
Current tax assets		**7.5**	1.5
Cash and cash equivalents		**732.5**	884.8
Derivative financial assets		**0.1**	0.1
		979.2	1,432.6
Assets classified as held for sale	2.6	**586.5**	4.9
		1,565.7	1,437.5
Total assets		**4,156.5**	4,429.0
Current liabilities			
Contract liabilities	2.2	**(38.1)**	(38.6)
Trade and other payables		**(246.6)**	(468.4)
Current tax liabilities		**(1.4)**	(0.9)
Borrowings	4.1	**(0.2)**	(2.6)
Provisions		**(7.6)**	(13.2)
Lease liabilities	3.4	**(30.3)**	(52.9)
Derivative financial liabilities		**(0.7)**	(0.2)
		(324.9)	(576.8)
Net current assets		**1,240.8**	860.7
Non-current liabilities			
Contract liabilities	2.2	**(468.5)**	(408.1)
Provisions		**(15.9)**	(27.6)
Borrowings	4.1	**(1,386.5)**	(1,459.5)
Lease liabilities	3.4	**(281.4)**	(444.9)
Trade and other payables		**(1.1)**	(1.1)
Deferred tax liabilities		**(0.6)**	-
		(2,154.0)	(2,341.2)
Liabilities directly associated with assets classified as held for sale	2.6	**(506.4)**	-
		(2,660.4)	(2,341.2)
Net assets		**1,171.2**	1,511.0
Equity			
Share capital	4.4	**16.7**	16.6
Share premium	4.4	**1,947.5**	1,942.9
Treasury shares reserve	4.4	**(112.9)**	(112.9)
Other reserves	4.4	**83.2**	90.6
Retained earnings		**(748.8)**	(449.8)
Equity attributable to owners of Ocado Group plc		**1,185.7**	1,487.4
Non-controlling interests		**(14.5)**	23.6
Total equity		**1,171.2**	1,511.0

Consolidated Statement of Changes in Equity

for the 52 weeks ended 1 December 2024

		Equity attributable to owners of Ocado Group plc							
	Notes	Share capital £m	Share premium £m	Treasury shares reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 27 November 2022		16.5	1,939.3	(112.9)	164.0	(169.0)	1,837.9	96.4	1,934.3
Loss for the period		-	-	-	-	(314.0)	(314.0)	(73.0)	(387.0)
Other comprehensive expense		-	-	-	(73.4)	-	(73.4)	-	(73.4)
Total comprehensive expense for the period		-	-	-	(73.4)	(314.0)	(387.4)	(73.0)	(460.4)
Transactions with owners									
– Issue of ordinary shares	4.4	0.1	2.1	-	-	-	2.2	-	2.2
– Allotted in respect of share option schemes	4.4	-	1.5	-	-	-	1.5	-	1.5
– Share-based payments charge		-	-	-	-	33.3	33.3	-	33.3
– Tax on share-based payments charge		-	-	-	-	0.1	0.1	-	0.1
– Additional investment in Jones Food Company Limited		-	-	-	-	(0.2)	(0.2)	0.2	-
Total transactions with owners		0.1	3.6	-	-	33.2	36.9	0.2	37.1
Balance at 3 December 2023		16.6	1,942.9	(112.9)	90.6	(449.8)	1,487.4	23.6	1,511.0
Loss for the period		**-**	**-**	**-**	**-**	**(336.2)**	**(336.2)**	**(38.1)**	**(374.3)**
Other comprehensive expense		**-**	**-**	**-**	**(27.3)**	**-**	**(27.3)**	**-**	**(27.3)**
Total comprehensive expense for the period		**-**	**-**	**-**	**(27.3)**	**(336.2)**	**(363.5)**	**(38.1)**	**(401.6)**
Transactions with owners									
– Issue of ordinary shares	4.4	**0.1**	**1.7**	**-**	**-**	**-**	**1.8**	**-**	**1.8**
– Allotted in respect of share option schemes	4.4	**-**	**2.9**	**-**	**-**	**-**	**2.9**	**-**	**2.9**
– Share-based payments charge		**-**	**-**	**-**	**-**	**37.2**	**37.2**	**-**	**37.2**
– Issue of convertible bonds	4.1	**-**	**-**	**-**	**37.6**	**-**	**37.6**	**-**	**37.6**
– Redemption of convertible bonds	4.1	**-**	**-**	**-**	**(17.7)**	**-**	**(17.7)**	**-**	**(17.7)**
Total transactions with owners		**0.1**	**4.6**	**-**	**19.9**	**37.2**	**61.8**	**-**	**61.8**
Balance at 1 December 2024		**16.7**	**1,947.5**	**(112.9)**	**83.2**	**(748.8)**	**1,185.7**	**(14.5)**	**1,171.2**

Consolidated Statement of Cash Flows

for the 52 weeks ended 1 December 2024

	Notes	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 £m
Cash generated from operations	4.5	**232.5**	86.9
Cash received from the AutoStore settlement	2.3	**100.0**	41.7
Corporation tax (paid)/received		**(7.7)**	9.9
Interest paid		**(55.9)**	(56.3)
Net cash flow from operating activities		**268.9**	82.2
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**-**	(11.4)
Purchase of intangible assets		**(202.6)**	(205.1)
Purchase of property, plant and equipment		**(196.8)**	(331.3)
Dividend received from joint venture		**2.8**	5.1
Purchase of unlisted equity investments	3.5	**(10.0)**	(10.0)
Proceeds from loans to joint ventures, associates and investee companies		**2.3**	-
Proceeds from disposal of asset held for sale		**18.5**	9.4
Cash received in respect of contingent consideration receivable		**1.6**	1.5
Interest received		**30.5**	41.7
Net cash flow used in investing activities		**(353.7)**	(500.1)
Cash flows from/(used in) financing activities			
Proceeds from issue of ordinary share capital		**4.4**	2.1
Proceeds from allotment of share options		**0.2**	0.5
Proceeds from borrowings	4.2	**720.0**	64.4
Transaction costs on issue of borrowings		**(18.9)**	-
Repayment of borrowings	4.2	**(674.3)**	(10.3)
Repayment of principal element of lease liabilities	4.2	**(55.7)**	(66.8)
Net cash flow (used in) from financing activities		**(24.3)**	(10.1)
Net decrease in cash and cash equivalents		**(109.1)**	(428.0)
Cash and cash equivalents at beginning of period		**884.8**	1,328.0
Effect of changes in foreign exchange rates		**(4.2)**	(15.2)
Cash and cash equivalents at end of period		**771.5**	884.8

The cash flow statement above includes the entire Group. Cash flows from discontinued operations are disclosed in Note 2.6.

Notes to the consolidated financial statements

Section 1 - Basis of preparation

1.1 General information

Ocado Group plc (hereafter the "Company") is a listed company, limited by shares, incorporated in England and Wales under the Companies Act 2006 (company number: 07098618). The Company is the parent and the ultimate parent of the Group. The address of its registered office is Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, United Kingdom, AL10 9UL. The financial statements comprise the results of the Company and its subsidiaries (hereafter the "Group").

The financial period represents the 52 weeks ended 1 December 2024. The prior financial period represents the 53 weeks ended 3 December 2023.

1.2 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority (where applicable), International Accounting Standards ("IASs") in conformity with the requirements of the Companies Act 2006 and UK-adopted International Financial Reporting Standards ("IFRSs"), including the interpretations issued by IFRS Interpretations Committee ("IFRIC"). Unless otherwise stated, the accounting policies have been applied consistently to all periods presented in these Consolidated Financial Statements.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the 52 weeks ended 1 December 2024 or the 53 weeks ended 3 December 2023 within the meaning of Section 435 of the Companies Act 2006 (the "Act"). The financial information for the period ended 3 December 2023 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the period ended 1 December 2024 will be delivered to the Registrar of Companies in advance of the Group's annual general meeting.

The Consolidated Financial Statements are presented in pounds sterling, rounded to the nearest hundred thousand unless otherwise stated, and have been prepared under the historical cost convention, as modified by the revaluation of financial asset investments and certain other financial assets and liabilities, which are held at fair value.

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements of the Group.

New standards, amendments and interpretations adopted by the Group
The Group has considered the following new standards, interpretations and amendments to published standards that are effective for the Group for the period beginning 4 December 2023 and concluded either that they are not relevant to the Group nor would they have a significant effect on the Group's Consolidated Financial Statements other than on disclosures:

		Effective date
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 1	Disclosure of Accounting Policies (amendments)	1 January 2023
IAS 8	Disclosure of Accounting Estimates (amendments)	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments)	1 January 2023
IAS 12	Income taxes - International Tax Reform - Pillar Two Model Rules (amendments)	1 January 2023

New standards, amendments and interpretations not yet adopted by the Group
The following new standards, interpretations and amendments to published standards and interpretations that are relevant to the Group have been issued but are not effective for the period beginning 4 December 2023 and have not been adopted early:

		Effective date
IAS 1	Non-current Liabilities with Covenants	1 January 2024
IAS 7	Statement of Cash Flows (amendments)	1 January 2027
IFRS 7	Amendments regarding classification of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures (amendments)	1 January 2027
IAS 28	Investments in Associates and Joint Ventures (amendments)	Deferred
IFRS 10	Consolidated Financial Statements (amendments)	Deferred

With the exception of IFRS 18, the adoption of the above standards, interpretations and amendments is not expected to have a material effect on the Group's Consolidated Financial Statements. The impact of IFRS 18 on the Group is currently being assessed and it is not yet practicable to quantify the effect on the Group's Consolidated Financial Statements.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities in relation to the IAS 12 amendment.

Discontinued operations

It is the Group's intention to transfer control of ORL to M&S in 2025 under the terms of the Shareholder Agreement. As such, the net results of ORL are presented as a discontinued operation in the Group Income Statement, for which the comparatives have been restated. The assets and liabilities of the disposal group are presented separately in the Group Balance Sheet as held for sale. For further details, refer to Note 2.6.

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's Consolidated Financial Statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are evaluated regularly, and represent management's best estimates based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, events or actions may mean that actual results ultimately differ from those estimates, and the differences may be material.

Critical accounting judgements

Critical accounting judgements are those that the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Area	Judgement	Notes
Consolidation of Ocado Retail Limited ("Ocado Retail")	Management has applied judgement in considering whether the Group continues to have control over Ocado Retail at the balance sheet date in accordance with IFRS 10. Management has concluded that the Group controls Ocado Retail, since it holds 50.0% of the voting rights of the company, and an agreement signed by the shareholders grants the Group determinative rights, after agreed dispute-resolution procedures, in relation to the approval of Ocado Retail's business plan and budget, and the appointment and removal of Ocado Retail's Chief Executive Officer, who is responsible for directing the relevant activities of the business. As the transfer of the determinative rights from the Group to M&S is highly probable within 12 months, management has concluded that ORL meets the requirements of being a disposal group held for sale and a discontinued operation. For further details, refer to Note 2.6.	2.6
Revenue from contracts with customers	The Group's Technology Solutions' contracts are complex and contain a number of critical contractual milestones and components. Management considers each contract on a case by case basis and applies judgement in the application of IFRS 15 to the contracts when: - identifying distinct performance obligations that the customer can benefit from independently; and - assessing the period over which to recognise revenue, given contracts typically have no end date. This requires management to determine the expected customer life. Alternative judgements in relation to either the identification of distinct performance obligations or the expected customer life would result in a different revenue recognition profile.	2.2
Capitalisation of internal development costs	The Group capitalises internal costs directly attributable to the development of both intangible and tangible assets. Management judgement is exercised in determining whether the projects meet the criteria for capitalisation in accordance with IAS 16 and IAS 38. During the period, the Group has capitalised internal development costs amounting to £177.8m (FY23: £167.8m) and £23.6m (FY23: £32.7m) on intangible and tangible assets respectively.	3.2 3.3
Adjusting items	Management believes that separate presentation of the adjusting items provides useful information in the understanding of the financial performance of the Group and its businesses. Management exercises judgement in determining the classification of certain transactions as adjusting items by considering the nature, occurrence and materiality of the amounts involved in those transactions. Note 2.3 provides information on amounts disclosed as adjusting items in the current and comparative financial periods together with the Group's definition of adjusting items. These definitions have been applied consistently over the periods.	2.3

Key estimation uncertainties

Key areas of estimation uncertainty are the key assumptions concerning the future and other data points at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period.

Area	Estimation uncertainty	Notes
Impairment assessment - customer level CGUs	The performance of the Group's impairment assessments requires management to make judgements in determining whether an asset or cash-generating unit ("CGU") shows any indicators of impairment that would require an impairment test to be carried out, as well as identifying the relevant CGUs to be assessed. The Group has determined that assets directly associated with individual Solutions contracts (i.e. Partner by Partner) represent the lowest-level group of assets at which impairment can be assessed, i.e. the CGU. The performance of impairment testing requires management to make a number of estimates and assumptions in determining the recoverable amount of the CGUs. These include forecast future cash flows estimated based on management-approved financial budgets and plans, long-term growth rates and post-tax discount rates, as well as an assessment of the expected growth profile of the respective CGU. Key estimates used in the impairment test and sensitivities are disclosed in Note 3.3.	3.3

Climate-related risks

The Group has considered the impact of climate change, particularly in the context of the climate-related risks identified in the TCFD disclosures, on its financial performance and position. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Group considered the impact of climate change in respect of going concern and viability of the Group over the next three years, forecast cash flows for the purposes of impairment assessments of non-current assets and the useful lives of certain assets. Whilst there is currently little short to medium-term impact expected from climate change, the Directors are aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Consolidated Financial Statements.

1.4 Going concern basis

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude on whether or not it is appropriate to prepare financial statements on the going concern basis. The Directors have assessed the Group's prospects as a going concern covering a period to the end of May 2026.

In assessing going concern, the Directors take into account the financial position of the Group, its cash flows, liquidity position and borrowing facilities, which are set out in the Financial Review. In addition, the Directors consider the Group's business activities, together with factors that are likely to affect its future development and position, and the Group's principal risks and the likely effectiveness of any mitigating actions and controls available to the Directors.

At the reporting date, the Group had cash and cash equivalents of £732.5m (FY23: £884.8m), external gross debt* of £1,959.3m (FY23: £1,943.4m) (excluding lease liabilities payable to MHE JVCo Limited of £12.4m (FY23: £16.5m)) and net current assets of £1,240.8m (FY23: £860.7m). The Group has a mixture of financing arrangements, including £172.8m of senior unsecured convertible bonds due in 2025, £223.7m of senior unsecured notes due in 2026, £350.0m of senior unsecured convertible bonds due in 2027, £250.0m of senior unsecured convertible bonds due in 2029 and £450.0m of senior unsecured notes due in 2029. The Group forecasts its liquidity and working capital requirements, and ensures it maintains sufficient headroom so as not to breach any financial covenants in its borrowing facilities, as well as maintaining sufficient liquidity over the forecast period.

Having had consideration for these areas, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Section 2 - Results for the period

2.1 Segmental reporting

In accordance with IFRS 8 "Operating Segments", an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision maker ("CODM"), for which discrete information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Board assesses the performance of all operating segments on the basis of Adjusted EBITDA*.

The Group reports its operating segments to align with the three underlying business models: Technology Solutions, Logistics and Retail:

- The Technology Solutions segment provides end-to-end online retail and automated storage and retrieval solutions for general merchandise to corporate customers both in and outside of the United Kingdom.
- The Logistics segment provides the CFCs and logistics services for customers in the United Kingdom (Wm Morrison Supermarkets Limited and Ocado Retail Limited).
- The Retail segment (discontinued operation) provides online grocery and general merchandise offerings to customers within the United Kingdom, and relates entirely to the Ocado Retail joint venture.

It is the Group's intention to transfer control of ORL to M&S in 2025 under the terms of the Shareholder Agreement. As such, the Retail segment has been classified as a discontinued operation. The remaining Technology Solutions and Logistics segments are included within continuing operations.

Group eliminations relate to revenues and costs arising from inter-segment transactions, and are required to reconcile segmental results to the consolidated Group results. Group eliminations have been reported within discontinued operations.

Any transactions between the segments are subject to normal commercial terms and market conditions. Segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's continuing operations are reliant on three major customers which individually contribute more than 10% of revenue. This includes £313.0m (FY23: £289.8m) in the Technology Solutions segment and £718.0m (FY23: £680.7m) in the Logistics segment.

The following table presents revenue and Adjusted EBITDA* for each of the operating segments.

	Technology Solutions £m	Logistics £m	**Continuing operations £m**	Retail £m	Group eliminations £m	**Total Group* £m**
52 weeks ended 1 December 2024						
Revenue	**496.5**	**718.0**	**1,214.5**	**2,685.8**	**(744.4)**	**3,155.9**
Adjusted EBITDA*	**80.9**	**31.1**	**112.0**	**44.6**	**(3.3)**	**153.3**
53 weeks ended 3 December 2023 (restated[1])						
Revenue	429.0	680.7	1,109.7	2,408.8	(693.5)	2,825.0
Adjusted EBITDA*	15.6	30.8	46.4	12.1	(4.3)	54.2

[1]Comparatives have been restated to reflect the presentation of the Retail segment and inter-segment eliminations as discontinued operations.

*See Section 6 - Alternative Performance Measures.

Non-current assets split by geographical area:

Continuing operations	**1 December 2024 £m**	3 December 2023 £m
UK	**1,386.9**	1,781.9
Europe (excluding UK)	**109.2**	104.0
North America	**598.6**	591.1
Asia Pacific	**222.0**	207.3
	2,316.7	2,684.3

Non-current assets exclude financial instruments, deferred tax assets and goodwill.

No measure of total assets and total liabilities is reported for each reportable segment, as such amounts are not provided to the CODM.

2.2 Revenue

Below is a summary of timing of revenue recognition:

Continuing operations	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 (restated[1]) £m
At a point in time	**5.3**	1.6
Over time	**1,209.2**	1,108.1
	1,214.5	1,109.7

[1]Comparatives have been restated to reflect the presentation of the Retail segment and inter-segment eliminations as discontinued operations.

Revenue split by geographical area:

Continuing operations	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 (restated) £m
UK	**943.4**	870.6
Europe (excluding UK)	**32.9**	38.1
North America	**214.1**	191.1
Asia Pacific	**24.1**	9.9
	1,214.5	1,109.7

Revenue from the UK region accounted for 77.7% of total revenue (FY23: 78.5%), while the North American region contributed 17.6% (FY23: 17.2%).

Contract balances

	1 December 2024 £m	3 December 2023 £m
Trade receivables	**47.9**	62.7
Accrued income	**6.4**	4.4
Contract liabilities - current	**(38.1)**	(38.6)
Contract liabilities - non-current	**(468.5)**	(408.1)

Contract liabilities

The contract liabilities relate primarily to consideration received from Solutions customers in advance, for which revenue is recognised as the performance obligation is satisfied. The movement in contract liabilities during the current and prior periods is:

	Note	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 £m[1]
Balance at beginning of period		**(446.7)**	(422.9)
Recognised on acquisition of subsidiaries		**-**	(9.2)
Amount reclassified as deferred income		**9.6**	-
Amount invoiced		**(103.9)**	(47.6)
Amount recognised as revenue		**34.7**	33.0
Effects of changes in foreign exchange rates		**(0.3)**	-
Balance at end of period		**(506.6)**	(446.7)

1. In the prior period, amounts of £9.6m were included in contract liabilities. These amounts have been reclassified to deferred income in the current year.

£34.7m (FY23: £28.6m) of revenue recognised during the period was included in contract liabilities at the beginning of the period and £nil relates to revenue recognised from an acquisition (FY23: £4.4m).

Future transaction price
As well as the amounts currently held as contract liabilities, the Group anticipates receiving £122.8m (FY23: £172.2m) over the next four years in respect of upfront fees that are contracted but not yet due. These amounts represent the aggregate amount of contracted transaction price allocated to the committed performance obligations that are unsatisfied or partially satisfied as at the period end. The amounts received and to be received in respect of these performance obligations will be recognised in revenue from the go-live date over the estimated customer life. The total transaction price that the Group will earn over the estimated customer life also includes ongoing fees. These fees have been excluded from the disclosure as the Group has taken the practical expedient under IFRS 15.121(b) for revenues recognised in line with the invoicing.

2.3 Adjusting items*

Adjusting items, as disclosed on the face of the Consolidated Income Statement, are items that are considered to be significant due to their size/nature, not in the normal course of business or are consistent with items that were treated as adjusting in the prior periods or that may span multiple financial periods. They have been classified separately in order to draw them to the attention of the readers of the Financial Statements and facilitate comparison with prior periods to assess trends in the financial performance more readily. The Group applies judgement in identifying the items of income and expense that are recognised as adjusting.

	Ref.	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 £m
Litigation costs net of recoveries	A	**-**	(5.0)
Litigation settlement income and unwind of discount	A	**11.4**	186.5
Ocado Group Finance transformation	B	**(2.5)**	(7.6)
Ocado Retail IT and Finance systems transformation	C	**(11.9)**	(2.6)
Change of fair value of contingent consideration receivable and related costs	D	**(29.1)**	(68.1)
Organisational restructure	E	**(5.0)**	(15.5)
UK network capacity review	F	**(3.6)**	(32.2)
Zoom by Ocado network capacity and strategy review	G	**(1.9)**	(27.4)
Ocado Group HR system transformation	H	**(8.5)**	(2.0)
Acquisition costs of 6 River Systems LLC ("6RS")	I	**-**	(2.2)
Gain on disposal of asset held for sale	J	**12.4**	-
Gain on partial redemption of bonds	K	**43.6**	-
Total adjusting items		**4.8**	23.9
Exclude net adjusting expense relating to discontinued operations (Note 2.6)		**(15.5)**	(60.0)
Net adjusting income from continuing operations		**20.3**	83.9

*Adjusting items are alternative performance measures. See Section 6 - Alternative Performance Measures.

A. Litigation costs and litigation settlement
Litigation costs are costs incurred on patent infringement litigation between the Group and AutoStore Technology AS ("AutoStore"). The gross costs incurred in the prior period amounted to £11.7m and were offset by £6.7m received in relation to cost recovery as a result of favourable court judgements.

On 22 July 2023, the Group reached an agreement with AutoStore to settle all patent litigation and cross-licence pre-2020 patents, for which AutoStore undertook to pay the Group a total of £200m in 24 monthly instalments, beginning in July 2023. The settlement was recorded as a receivable measured initially at fair value and subsequently at amortised cost. The settlement receivable initially recognised was £180.4m. The unwinding of the discount over the life of the receivable is recorded as finance income, with £11.4m recorded in the current period (FY23: £6.1m). During the period, payments totalling £100.0m (FY23: £41.7m) have been received. All amounts are classified as adjusting items, in line with the Group's adjusting items policy, as the amounts are material and represent income unrelated to operating activities of the Group.

B. Ocado Group Finance transformation
Subsequent to the Group's implementation of various Software as a Service ("SaaS") solutions in FY21, the Group undertook a multi-year programme which focused on optimising and enhancing the existing SaaS solutions and related finance processes to improve efficiency across the business. This programme completed in FY24. The total cumulative finance transformation costs expensed were £12.2m and included £2.6m in FY24 (FY23: £7.6m) which largely related to spend on external consultants and contractors. These amounts have been disclosed as adjusting items because the total costs associated with this programme are significant and arise from a strategic project that is not considered by the Group to be part of the normal operating costs of the business.

C. Ocado Retail IT and Finance systems transformation
In FY21, Ocado Retail initiated its IT Roadmap programme, which focuses on delivering IT systems and services that will enable Ocado Retail to meet its obligation to transition away from Ocado Group IT services, tools and support. This includes ORL's transition to the Ocado Solutions Platform ("OSP") to provide an end-to-end solution for operating online in the grocery market. The IT Roadmap programme, which is expected to run until FY26, includes the development of both on-premises and SaaS solutions. The costs incurred during the current period amount to £10.1m (FY23: £1.5m) and cumulative costs expensed to date total to £11.6m.

Ocado Retail is undergoing a wide-scale Finance Transformation project. In FY23, this included replacement of the Enterprise Resource Planning ("ERP") system with Oracle Fusion. In FY24, costs relate to the wider obligations of Ocado Retail in light of the expected change to the controlling shareholder. The costs incurred during the current period amount to £1.8m (FY23: £1.1m) and cumulative costs expensed to date total to £2.9m.

These costs have been classified as adjusting because they are expected to be significant and result from a transformational activity which is considered only incremental to the core activities of the Group.

D. Change in fair value of contingent consideration receivable and related costs
In 2019, the Group sold Marie Claire Beauty Limited ("Fabled") to Next plc and 50% of Ocado Retail to Marks & Spencer Holdings Limited ("M&S"). Part of the consideration for these transactions was contingent on future events. The Group holds contingent consideration at fair value through profit or loss ("FVTPL") and revalues it at each reporting date.

During the period, the consideration for the sale of Fabled has been settled in full, with the Group recognising a £0.2m increase in fair value (FY23: £0.4m) and receiving cash consideration of £1.6m (FY23: £1.6m). The value of the contingent consideration receivable from M&S was written down to nil and a loss of £28.0m (FY23: £67.0m loss) is reported through adjusting items.

The Group has engaged specialists in order to support the identification and quantification of proposed adjustments to the contingent consideration Target, incurring costs during the period of £1.3m (FY23: £0.7m). As these costs have been incurred in the process of securing an adjusting income, these costs have been classified as adjusting.

E. Organisational restructure
During the period, the Group undertook a final partial reorganisation of its head office and support functions resulting in redundancy and related costs of £1.6m. This followed an initial reorganisation in 2H22 which incurred costs of £3.0m, and a further partial reorganisation of its head office and support functions in the prior period resulting in redundancies and related costs of £15.5m, with net cumulative costs to date of £20.1m.

The Group initiated the restructure of its product and engineering functions in 2H24 and recognised £3.4m in redundancy and related costs.

These costs have been classified as adjusting on the basis that the aggregate costs are considered to be significant and resulted from a strategic restructuring which is not part of the normal operating activities of the Group.

F. UK network capacity review
On 25 April 2023, the Group announced the plan to cease operations at its CFC in Hatfield as part of a wider review of UK network capacity.

As a result, in the prior period the Group recorded impairment charges of £20.3m, of which £7.0m related to property, plant and equipment, £13.2m to right-of-use assets and £0.1m to other intangible assets. Total costs recorded also included restructuring costs of £6.8m and other related costs of closure of £5.1m which were provided for. During the period a further impairment charge of £3.6m to right-of-use assets was recognised for a one year rent free period expected on sublease of the site.

These costs have been classified as adjusting on the basis that they are material and relate primarily to a site where no ongoing trading activities will take place.

G. Zoom by Ocado network capacity and strategy review
During 2023, Ocado Retail undertook a strategy and capacity review for the Zoom network, which resulted in the Group recording impairment charges totalling £27.4m, of which £12.5m relates to property, plant and equipment, £14.5m to right-of-use assets and £0.2m to other intangible assets, and other costs of £0.2m.

In the current period the Group has recognised an additional impairment of £1.6m relating to property, plant and equipment and other costs of £0.3m.

These costs have been classified as adjusting on the basis that they are material and part of a significant strategic review.

H. Ocado Group HR system transformation
Following a review of the Group's Human Capital Management ("HCM") and payroll systems in FY23 the Group has commenced a plan to implement new HCM and payroll systems for its Logistics business and to optimise and enhance its existing payroll solutions for the Technology Solutions business.

This programme is expected to complete in 1H25. The cumulative HR systems transformation costs expensed to date amount to £10.5m and includes £8.5m in the period (FY23: £2.0m), which largely relate to spend on external consultants and contractors. These amounts have been disclosed as adjusting items because the total costs associated with this programme are expected to be in the region of £15.0m and arise from a strategic project that is not considered by the Group to be part of the normal operating costs of the business.

I. Acquisition costs of 6 River Systems LLC
On 4 May 2023, the Group announced that it has reached an agreement with Shopify Inc. to acquire 6RS, a collaborative autonomous mobile robot ("AMR") fulfilment solutions provider to the logistics and non-grocery retail sectors, based in the USA. The acquisition was completed on 30 June 2023 for consideration of US$12.7m (£10.0m).

A total of £2.2m acquisition-related costs were incurred and treated as adjusting as they are significant and resulted from a strategic investment that is not part of the normal operating costs of the business. The costs were recognised within operating costs in the Consolidated Income Statement during FY23.

J. Gain on disposal of assets held for sale
During the period the Group disposed of two spoke sites for net proceeds of £18.6m which resulted in a gain on disposal of £12.4m. One of the sites was held for sale as at FY23 and had a carrying value of £4.9m. The gain on disposal has been treated as an adjusting item because it is material and has arisen on a transaction that is considered to be outside the normal operations of the business.

K. Gain on partial redemption of bonds
Following the issue of £700.0m bonds, Ocado completed a tender process which resulted in an early partial redemption of some of its debt with a gain of £43.6m. Refer to Note 4.1 for further details.

Tax impacts on adjusting items
The change in fair value of contingent consideration is not subject to tax. The accounting gain on disposal of assets held for sale is not subject to tax, however the disposal will give rise to a chargeable gain for corporation tax purposes, resulting in a tax charge of £3.1m. The remaining continuing operations adjusting items are either taxable or tax deductible and give rise to a net tax charge of £9.3m. The total tax charge on continuing operations of £12.4m will be reduced to £nil when current period losses are considered. In the prior period, the adjusting items gave rise to a tax charge of £35.4m on continuing operations, of which £nil was recognised.

2.4 Finance income and costs

Continuing operations	Notes	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 (restated[1]) £m
Interest income on cash balances		**29.5**	38.8
Interest income on loans receivable		**0.9**	1.0
Unwind of discount on AutoStore receivable	2.3, 3.5	**11.4**	6.1
Other finance income		**-**	0.1
Finance income		**41.8**	46.0
Interest expense on borrowings		**(76.2)**	(61.4)
Interest expense on lease liabilities		**(16.7)**	(17.0)
Interest expense on provisions		**(0.8)**	(0.7)
Other finance costs		**(4.9)**	(4.5)
Finance costs		**(98.6)**	(83.6)
Gain/(loss) on revaluation of financial instruments designated at FVTPL		**10.1**	(6.5)
Loss on foreign exchange		**(0.1)**	(13.3)
Gain on redemption of borrowings	2.3, 4.1	**43.6**	-
Other finance gains and losses		**53.6**	(19.8)
Net finance cost		**(3.2)**	(57.4)

[1]Comparatives have been restated to reflect the presentation of the Retail segment and inter-segment eliminations as discontinued operations.

2.5 Loss per share

The basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares held pursuant to the Group's Joint Share Ownership Scheme ("JSOS") and linked jointly owned equity ("JOE") awards under the Ocado Group Value Creation Plan ("Group VCP"), which are accounted for as treasury shares.

The diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion or vesting of all potentially dilutive shares. The Company has five classes of instruments that are potentially dilutive: share options; share interests held pursuant to the Group's JSOS; linked JOE awards under the Group VCP; shares under the Group's staff incentive plans; and convertible bonds.

There was no difference in the weighted average number of shares used for the calculation of the basic and diluted loss per share since the effect of all potentially dilutive shares outstanding was anti-dilutive.

The total number of shares in issue at the period end, as used in the calculation of the basic weighted average number of ordinary shares, were 820.1m (FY23: 816.5m).

The adjusted basic loss per share for continuing and discontinued operations has been calculated as follows:

	52 weeks ended 1 December 2024	53 weeks ended 3 December 2023
Loss attributable to owners of the Company (£m)		
Continuing operations[1]	**(333.7)**	(259.3)
Discontinuing operations (Note 2.6)[2]	**(2.5)**	(54.7)
Total	**(336.2)**	(314.0)
Basic and diluted weighted average number of shares (millions)	**820.1**	816.5
Losses per share (pence)		
Continuing operations	**(40.69)**	(31.76)
Discontinuing operations	**(0.31)**	(6.68)
Total	**(41.00)**	(38.44)

[1]Excludes losses attributable to non-controlling interests (Jones Food Company) of £6.0m (FY23: £3.5m).
[2]Excludes losses attributable to non-controlling interests (Ocado Retail) of £32.2m (FY23: £69.5m).

Adjusted loss per share

Total Group*	**52 weeks ended 1 December 2024**	53 weeks ended 3 December 2023
Loss after tax attributable to owners of the Company(£m)	**(336.2)**	(314.0)
Exclude: Adjusting items attributable to owners of the Company(£m)	**(12.7)**	(54.0)
Adjusted loss after tax attributable to the owners of the Company (£m)	**(348.9)**	(368.0)
Basic and diluted weighted average number of shares (millions)	**820.1**	816.5
Adjusted loss per share (pence)	**(42.54)**	(45.07)

Reconciliation of Adjusted EPS to basic EPS

Total Group*	**52 weeks ended 1 December 2024**	53 weeks ended 3 December 2023
Adjusted loss per share (pence)	**(42.54)**	(45.07)
Add: Adjusting items attributable to owners of the Company	**1.54**	6.63
Basic and diluted loss per share (pence)	**(41.00)**	(38.44)

2.6 Discontinued operations

Accounting policies

The Group classifies non-current assets and assets and liabilities within disposal groups as held for sale if the assets are available immediately for sale in their present condition, management is committed to a plan to sell the assets under usual terms, it is highly probable that their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and the sale is expected to be completed within one year from the date of the initial classification.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position and are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Where operations constitute a separately reportable segment and are classified as held for sale, the Group classifies such operations as discontinued.

Transactions between the Group's continuing and discontinued operations are eliminated in full in the Consolidated Income Statement. To the extent that the Group considers that the commercial relationships with discontinued operations will continue post-disposal, transactions are reflected within continuing operations with an opposite charge or credit reflected within the results of discontinued operations resulting in a net nil impact on the Group’s Profit for the financial year for the years presented.

Transfer of control of Ocado Retail

At present, the results of Ocado Retail are consolidated into the results of Ocado Group plc as Ocado Group plc is deemed to be the controlling shareholder via certain determinative tie-breaking rights, after agreed dispute-resolution procedures, in relation to the approval of Ocado Retail’s business plan and budget and the appointment and removal of Ocado Retail’s Chief Executive Officer who is responsible for directing the relevant activities of the business.

The Group’s current intention is to give up its tie-breaking rights to M&S in early April 2025, and would have to give up its tie-breaking rights in August 2025 under the terms of the shareholder agreement, in any event. As the transfer of the determinative rights from the Group to M&S is highly probable within 12 months, management has concluded that Ocado Retail meets the requirements of being reported as a disposal group held for sale and a discontinued operation.

There will be no change in economic interest of both shareholders in Ocado Retail Limited, or any consideration paid by M&S, as a result of this proposed change. After giving up the tie-breaking rights the results of Ocado Retail Limited will cease to be consolidated into the results of Ocado Group plc and will instead be equity accounted for as an investment from the date control is lost.

Results and financial position of discontinued operations for the period:

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 £m
Revenue	**1,941.4**	1,702.9
Operating costs	**(1,962.0)**	(1,813.8)
Operating loss	**(20.6)**	(110.9)
Finance costs	**(14.1)**	(12.6)
Loss before tax	**(34.7)**	(123.5)
Income tax charge	**-**	(0.7)
Loss for the period	**(34.7)**	(124.2)

Adjusting items charge of £15.5m in the current year comprises £11.9m IT and finance systems transformation cost and £3.6m impairment in respect of the existing leases to the CFC right-of-use asset in Hatfield following its closure. Adjusting items of £60.0m charge in the prior period primarily relates to the Zoom and UK network capacity review. Refer to Note 2.3 for further details.

Cash flows from discontinued operations

	52 weeks ended 1 December 2024 £m
Cash flows from/(used in) discontinued operations	
Net cash flows from operating activities	4.2
Net cash flows used in investing activities	(2.7)
Net cash flows used in financing activities	(38.5)
Net cash flows for the period	**(37.0)**

Balance Sheet

	1 December 2024 £m
Net assets of discontinued operations	**80.1**
Other intangible assets (Note 3.2)	12.9
Property, plant and equipment (Note 3.3)	156.7
Right-of-use assets (Note 3.4)	150.5
Inventories	87.6
Trade and other receivables	139.8
Cash and cash equivalents	39.0
Assets classified as held for sale	**586.5**
Trade and other payables	(212.9)
Borrowings	(98.1)
Provisions	(20.2)
Lease liabilities (Note 3.4)	(175.2)
Liabilities directly associated with assets classified as held for sale	**(506.4)**

Section 3 - Assets and liabilities

3.1 Goodwill

Goodwill arises on the acquisition of a business when the fair value of the consideration exceeds the fair value attributed to the net assets acquired (including contingent liabilities). Goodwill is not amortised but subject to annual impairment reviews. Goodwill generated from an acquisition is allocated to and monitored at an operating segment level.

Carrying amount of goodwill as at 1 December 2024 is as follows:

	Goodwill £m
Cost	
At 27 November 2022	164.7
Additions	0.8
Effect of changes in foreign exchange rates	(6.9)
At 3 December 2023	158.6
Effect of changes in foreign exchange rates	**(0.4)**
At 1 December 2024	**158.2**

Goodwill - Impairment testing
Goodwill generated from an acquisition is allocated to an operating segment level as this represents the lowest level at which goodwill is monitored by management. Management considers each segment to represent a group of CGUs. All goodwill is currently allocated to a single segment, Technology Solutions.

The recoverable amounts of the group of CGUs is the higher of fair value less costs of disposal ("FVLCD") and value in use. Management concluded that FVLCD was more appropriate for determining the recoverable amount of the group of CGUs because the Group's cash flows are based on future growth from CFC and module orders, capital investments and technology developments and the expansion of our Ocado Intelligent Automation business.

FVLCD has been estimated using present value techniques using a discounted cash flow method. The fair value method relies on unobservable inputs where there is little market activity for the asset and are therefore categorised at level 3 in the fair value hierarchy. However, those unobservable inputs are determined using market participants' view.

The key assumptions used by management in estimating FVLCD were:

Discount rates - based on the Weighted Average Cost of Capital ("WACC") of a typical market participant. The post-tax discount rate used was 12.8% (FY23: 11.7%). The discount rate has increased reflecting market volatility in risk-free rate and equity risk premium inputs.

Forecast cash flows - based on past experiences and adjusted for assumptions from the budget and 5-year plan, with projections extending to 10 years. Cash flows beyond the 5-year plan have been extrapolated to maintain growth but at a rate that trends towards the long-term terminal growth rate of 2%. Our growth assumptions for the OIA business are based on our experience of partner acquisition to date, our assessment of the market opportunity to leverage our technology outside the grocery sector, evaluation of our proposition compared to our competitors, and appropriate adjustments to reflect uncertainty. The projections incorporate the Directors' best estimates of future cash flows, taking into account future growth and price increases, and the Directors believe the estimates are appropriate.

Long-term growth rates - A long-term growth rate of 2.0% (FY23: 2.0%) was used for cash flows outside the plan projections.

The impairment assessment resulted in headroom in the group of CGUs that comprise the Technology Solutions segment and no impairment has been recognised. The Group has carried out sensitivity analyses on the reasonably possible changes in key assumptions for the CGUs that comprise the Technology Solutions segment for an increase in discount rate of 1ppt, a decrease in long-term growth rate of 1ppt and a 50% reduction in future cash flows relating to our OIA business, none of which would erode the headroom.

While there is no significant risk of an impairment over the next 12 months and assuming no change to assumptions for the Solutions business, an increase in discount rate of 1.7ppt would erode headroom in the group of CGUs that comprise the Technology Solutions segment.

3.2 Other intangible assets

Carrying amount of other intangible assets as at 1 December 2024 is as follows:

	Internally generated intangible assets £m	Other intangible assets £m	Total £m
Cost			
At 27 November 2022	590.9	91.5	682.4
Additions	16.4	21.8	38.2
Internal development costs capitalised	166.4	1.4	167.8
On acquisition of subsidiaries	2.0	-	2.0
Effect of changes in foreign exchange rates	0.1	0.6	0.7
At 3 December 2023	775.8	115.3	891.1
Additions	**14.5**	**12.1**	**26.6**
Internal development costs capitalised	**176.6**	**1.2**	**177.8**
Transfer to disposal group classified as held for sale (Note 2.6)	**(16.5)**	**(0.8)**	**(17.3)**
Reclassification	**(3.4)**	**-**	**(3.4)**
Effect of changes in foreign exchange rates	**0.9**	**(1.2)**	**(0.3)**
At 1 December 2024	**947.9**	**126.6**	**1,074.5**
Accumulated amortisation			
At 27 November 2022	(257.0)	(48.2)	(305.2)
Charge for the period	(109.9)	(15.1)	(125.0)
Impairment charge	(0.3)	(0.2)	(0.5)
Effects of changes in foreign exchange rates	0.1	0.8	0.9
At 3 December 2023	(367.1)	(62.7)	(429.8)
Charge for the period	**(129.1)**	**(18.2)**	**(147.3)**
Impairment charge	**(0.7)**	**(5.2)**	**(5.9)**
Transfer to disposal group classified as held for sale (Note 2.6)	**3.5**	**0.9**	**4.4**
Effect of changes in foreign exchange rates	**0.1**	**0.5**	**0.6**
At 1 December 2024	**(493.3)**	**(84.7)**	**(578.0)**
Net book value			
At 3 December 2023	408.7	52.6	461.3
At 1 December 2024	**454.6**	**41.9**	**496.5**

At the end of the period, included within intangible assets is capital work-in-progress for internally generated intangible assets of £240.7m (FY23: £153.3m) and £5.8m (FY23: £6.5m) for other intangible assets.

3.3 Property, plant and equipment

Carrying amount of property, plant and equipment as at 1 December 2024 is as follows:

	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Motor vehicles £m	Total £m
Cost				
At 27 November 2022	212.8	2,022.8	11.3	2,246.9
Additions	19.1	261.3	1.2	281.6
Internal development costs capitalised	-	32.7	-	32.7
Recognised on acquisition of subsidiaries	-	5.2	-	5.2
Reclassification	-	(12.5)	-	(12.5)
Disposals	(2.4)	(6.3)	-	(8.7)
Reclassified to assets held for sale	(5.7)	-	-	(5.7)
Effect of changes in foreign exchange rates	-	(53.1)	-	(53.1)
At 3 December 2023	223.8	2,250.1	12.5	2,486.4
Additions	**3.2**	**160.5**	**0.3**	**164.0**
Internal development costs capitalised	**-**	**23.6**	**-**	**23.6**
Reclassification	**(1.9)**	**5.3**	**-**	**3.4**
Disposals	**(2.5)**	**(3.2)**	**-**	**(5.7)**
Transfer to disposal group classified as held for sale (Note 2.6)	**(122.1)**	**(86.9)**	**(2.5)**	**(211.5)**
Effect of changes in foreign exchange rates	**(0.1)**	**(19.4)**	**-**	**(19.5)**
At 1 December 2024	**100.4**	**2,330.0**	**10.3**	**2,440.7**

Accumulated depreciation				
At 27 November 2022	(15.3)	(445.6)	(8.2)	(469.1)
Charge for the period	(3.3)	(182.9)	(1.7)	(187.9)
Impairment charge	-	(41.2)	-	(41.2)
Disposals	0.8	-	-	0.8
Effects of changes in foreign exchange rates	-	5.9	-	5.9
At 3 December 2023	(17.8)	(663.8)	(9.9)	(691.5)
Charge for the period	**(7.5)**	**(207.8)**	**(0.5)**	**(215.8)**
Impairment charge	**-**	**(38.4)**	**-**	**(38.4)**
Transfer to disposal group classified as held for sale (Note 2.6)	**21.3**	**32.3**	**1.2**	**54.8**
Disposals	**0.7**	**1.1**	**-**	**1.8**
Effect of changes in foreign exchange rates	**0.1**	**3.7**	**-**	**3.8**
At 1 December 2024	**(3.2)**	**(872.9)**	**(9.2)**	**(885.3)**
Net book value				
At 3 December 2023	206.0	1,586.3	2.6	1,794.9
At 1 December 2024	**97.2**	**1,457.1**	**1.1**	**1,555.4**

At the end of the period, included within property, plant and equipment is capital work-in-progress for land and buildings of £37.0m (FY23: £36.3m), fixtures, fittings, plant and machinery of £214.7m (FY23: £347.7m) and motor vehicles of £0.9m (FY23: £1.4m).

The impairment charges during the prior period include amounts relating to the fixed assets held in the CFC in Hatfield of £7.0m and certain Ocado Retail Zoom sites of £12.5m. Refer to Note 2.3 for further details.

Impairment assessment - customer-level CGU

The Group has determined that assets directly associated with individual Technology Solutions contracts (i.e. partner by partner) represent the lowest-level group of assets at which impairment can be assessed, i.e. the CGU. The Group has undertaken a review for indicators of impairment for each Technology Solutions contract and, where indicators of impairment exist, a full asset impairment review was carried out comparing carrying value to fair value less cost to dispose (“FVLCD”). FVLCD has been estimated using present value techniques using a discounted cash flow method. The fair value method relies on unobservable inputs where there is little market activity for the asset and are therefore categorised at Level-3 in the fair value hierarchy. However, those unobservable inputs are determined using market participants’ view.

The key inputs and assumptions in arriving at the FVLCD are:

- a probability-weighted approach of possible scenarios using the expected future cash flows from the contract based on management forecasts for a 10-year period, including an assessment of ramp-up of capacity, ongoing operating costs and associated increase in fees and capital expenditure;
- discount rate that specifically takes into account the risk pertaining to the customer specific cash flows - 11.2% to 12.2% (FY23: 10.7% to 11.5%); and
- long-term growth rate to reflect growth outside of the forecast period - 2.0% (FY23: 2.0%).

Based on the outcome of the assessment, an impairment of £9.8m (FY23: £15.2m) has been recognised for Groupe Casino CGU (“Casino”), which prior to this impairment had a carrying value of £26.0m as at the end of FY24 (FY23: £43.0m). An increase in discount rate of 1 percentage point (“ppt”) or a decrease in long-term growth rate of 1 ppt will result in a further impairment of £0.6m and £0.1m, respectively.

Over recent years Casino has not invested in the marketing resources required to fulfil the full potential of their online grocery retail business, which has led to a slow module ramp in their CFC and so impacted our estimate of the fair value of the contract (the FVLCD). This has required the Group to record a partial impairment of the related assets as described above. Casino has undertaken a corporate restructuring, and there is a new majority owner of Casino. We continue to work with Casino management to determine how to best move forward together with their online grocery retail business.

For another CGU (a single partner contract with two live CFCs), whilst there are a number of factors that could impact the fair value assessment going forward, the impairment assessment resulted in no impairment being recognised. A 1.4 ppt increase in discount rate or a 3.7 ppt decrease in long-term growth rate would result in the headroom of £14.3m being fully eroded. The CGU currently has a carrying value of £110.6m (FY23: £121.6m).

3.4 Right-of-use assets and Lease liabilities

An analysis of the Group's right-of-use assets and lease liabilities is as follows:

Right-of-use assets	**Land and buildings £m**	**Fixtures, fittings, plant and machinery £m**	**Motor vehicles £m**	**Total £m**
At 27 November 2022	415.0	15.8	63.1	493.9
Additions	8.9	13.4	10.4	32.7
Recognised on acquisition of subsidiaries	0.3	-	-	0.3
Disposals	(0.1)	(0.1)	(0.3)	(0.5)
Impairment charge	(27.7)	-	-	(27.7)
Depreciation charge	(36.8)	(10.9)	(22.7)	(70.4)
Asset reclassification	0.5	(0.5)	-	-
Effect of changes in foreign exchange rates	(0.2)	-	-	(0.2)
At 3 December 2023	359.9	17.7	50.5	428.1
Additions	**2.0**	**2.5**	**25.0**	**29.5**
Disposals	**-**	**-**	**(0.4)**	**(0.4)**
Remeasurements	**11.3**	**(0.5)**	**5.7**	**16.5**
Impairment charge	**(4.6)**	**-**	**-**	**(4.6)**
Depreciation charge	**(31.6)**	**(5.0)**	**(16.9)**	**(53.5)**
Transfer to disposal group classified as held for sale (Note 2.6)	**(102.1)**	**-**	**(48.4)**	**(150.5)**
Effect of changes in foreign exchange rates	**(0.3)**	**-**	**-**	**(0.3)**
At 1 December 2024	**234.6**	**14.7**	**15.5**	**264.8**

During the period, the Group recognised impairment charges in respect of the existing leases held in the CFC in Hatfield following its closure and certain Ocado Retail zoom sites on the basis of the strategic review of the Zoom network. Refer to Note 2.3 further details.

Lease liabilities	**Land and buildings £m**	**Fixtures, fittings, plant and machinery £m**	**Motor vehicles £m**	**Total £m**
At 27 November 2022	447.3	19.5	65.5	532.3
Additions	9.3	13.2	10.4	32.9
Recognised on acquisition of subsidiaries	0.3	-	-	0.3
Terminations	(0.1)	-	(0.6)	(0.7)
Interest	22.9	0.7	2.1	25.7
Payments	(52.6)	(14.1)	(25.8)	(92.5)
Effects of changes in foreign exchange rates	(0.2)	-	-	(0.2)
At 3 December 2023	426.9	19.3	51.6	497.8
Additions	**1.8**	**2.6**	**25.0**	**29.4**
Terminations	**-**	**-**	**(0.7)**	**(0.7)**
Remeasurements	**11.2**	**(0.5)**	**5.7**	**16.4**
Interest	**21.5**	**1.1**	**2.4**	**25.0**
Payments	**(51.3)**	**(7.5)**	**(21.8)**	**(80.6)**
Transfer to disposal group classified as held for sale (Note 2.6)	**(128.7)**	**-**	**(46.5)**	**(175.2)**
Effects of changes in foreign exchange rates	**(0.3)**	**(0.1)**	**-**	**(0.4)**
At 1 December 2024	**281.1**	**14.9**	**15.7**	**311.7**

	1 December 2024 £m	3 December 2023 £m
Disclosed as:		
Current	**30.3**	52.9
Non-current	**281.4**	444.9
	311.7	497.8

External obligations under lease liabilities are £299.3m (FY23: £481.3m), excluding £12.4m (FY23: £16.5m) payable to MHE JVCo Limited, a company incorporated in England and Wales in which the Group holds a 50% interest.

The existing lease arrangements entered into by the Group contain no restrictions concerning dividends, additional debt and further leasing. Furthermore, no material leasing arrangements exist relating to contingent rent payable, renewal or purchase options and escalation clauses.

The expenses relating to short-term leases and leases of low-value items not included in the measurement of the lease liability are as follows:

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 (restated[1]) £m
Short-term leases	**2.2**	2.4
Leases of low-value items	**0.2**	0.4
	2.4	2.8

[1]Comparatives have been restated to reflect the presentation of the Retail segment and inter-segment eliminations as discontinued operations

3.5 Other financial assets

An analysis of the Group's other financial assets is as follows:

	1 December 2024 £m	3 December 2023 £m
Contingent consideration receivable	**-**	29.4
Unlisted equity investments held at FVTOCI	**100.1**	82.7
Loans receivable held at FVTPL	**-**	0.5
Loan receivable held at amortised cost	**12.9**	14.4
Contributions towards dilapidations costs receivable	**0.7**	0.7
Other financial assets	**113.7**	127.7
Disclosed as:		
Current	**12.9**	43.7
Non-current	**100.8**	84.0
	113.7	127.7

Contingent consideration receivable
Total contingent consideration receivable at the Balance Sheet date is £nil (FY23: £29.4m), and comprises £nil (FY23: £28.0m) due from Marks and Spencer Holdings Limited ("M&S") relating to the part-disposal of Ocado Retail Limited ("Ocado Retail") in August 2019; and £nil (FY23: £1.4m) due from Next Holdings Limited ("Next") relating to the disposal of Marie Claire Beauty Limited ("Fabled") in July 2019. Refer to Note 1.3 for details on the estimation uncertainty in relation to the fair value measurement of contingent consideration receivable and Note 4.3 for changes in the fair value during the period.

Contingent consideration due from M&S
Background
Under the terms of the disposal of 50% of Ocado Retail to M&S that took place during 2019, a final payment may become due from M&S to Ocado Group of £156.3m plus interest, dependent on certain contractually defined Ocado Retail performance measures (the "Target") being achieved for the FY23 financial year (the "Contingent Consideration").

The contractual outcome is binary, meaning if the Target is achieved, it will trigger the payment in full of the £156.3m plus interest accrued to the date of payment. Conversely, should the Target not be achieved, no consideration would be payable by M&S. There is no formal arrangement for a payment between zero and £156.3m plus interest.

The contractual arrangement with M&S expressly provides for the Target to be adjusted for certain decisions or actions taken by Ocado Retail management that differ from the assumptions used in the discounted cash flow model which underpinned the 2019 sale transaction.

While the Target for FY23 was not reached, we continue to believe that there were a number of significant decisions and actions taken by Ocado Retail management that require adjustment to the Target under the terms of the contractual agreement with M&S. The adoption of these adjustments, if established, would result in Ocado Retail achieving the Target (as adjusted) and the full payment of £156.3m plus interest.

Accounting treatment
While the contractual outcome is a binary one, the Group is required to apply the principles of *IFRS 9 Financial Instruments* and *IFRS 13 Fair Value Measurement* in determining the fair value of the Contingent Consideration financial instrument recorded in the Group's financial statements at each reporting date. IFRS 13 requires that the characteristics of the contract be valued from the perspective of a 'market participant' who would not consider any

broader facts, circumstances and commercial arrangements pertaining to the relationship with M&S at the measurement date.

The Group & M&S remain engaged in constructive discussions on a number of broad commercial issues, including discussions on the Contingent Consideration contractual adjustments.

In respect of the contractual asset, management undertook a valuation exercise which resulted in a range of values based on multiple different outcomes. Having considered the current facts and circumstances, and the inherent uncertainty around any of the potential outcomes, management has applied the maximum conservatism in its valuation and concluded to record a valuation of £nil at the balance sheet date (FY23: £28.0m).

Notwithstanding this valuation, management is committed to maximising the amount due, and believes we have a strong negotiating position in achieving some form of satisfactory settlement including both the Contingent Consideration and those other commercial issues.

Should a resolution of the Contingent Consideration not be reached as part of a settlement encompassing other matters, management would continue to look to use all contractual or legal means available to us in order to maximise the Contingent Consideration due to the Group.

Contingent consideration due from Next
The consideration due from Next under the earn out arrangement, based on a percentage of the sales of Fabled for the period to July 2024 has been received in full. During the period, cash received totalled £1.6m (FY23: £1.5m).

Unlisted equity investments held at FVTOCI

			% of share capital held		Carrying amount	
Company	**Principal activity**	**Country of incorporation**	**1 December 2024**	3 December 2023	**1 December 2024 £m**	3 December 2023 £m
80 Acres Urban Agriculture Inc.	Vertical farming	United States of America	**2.1%**	2.0%	**11.3**	11.8
Inkbit Corporation	3D printing	United States of America	**4.5%**	5.0%	**2.5**	0.1
Oxa Autonomy Ltd	Autonomous vehicle technology	England and Wales	**12.2%**	12.2%	**37.4**	56.4
Paneltex Limited	Manufacturing refrigerated vehicles	England and Wales	**25.0%**	25.0%	**3.7**	2.5
Sanctuary Cognitive Systems Corporation	Artificial intelligence	Canada	**1.5%**	1.5%	**3.5**	1.8
Wayve Technologies Limited	Autonomous vehicle technology	England and Wales	**2.9%**	2.5%	**41.7**	10.1
Unlisted equity investments held at FVTOCI					**100.1**	82.7

During the period, the Group exercised warrants in Wayve Technologies Limited ("Wayve") to acquire 168,038 B-1 shares for £10.0m. The fair value of the warrants prior to the transaction was £10.0m, which together with the exercise cost of £10.0m resulted in a £20.0m increase in the Group's equity investment in Wayve. Following the exercise of warrants the Group now holds a 2.9% equity interest in Wayve.

During the period, Inkbit Corporation ("Inkbit") completed a qualifying fundraising that resulted in the conversion of the Group's convertible loan note into equity. Following the fundraise and conversion of the loan note the Group holds a 4.5% equity interest in Inkbit.

The investment in Paneltex Limited ("Paneltex") has not been treated as an associate since the Group does not have significant influence over the company. In arriving at this decision, the Board has reviewed the conditions set out in IAS 28 "Investments in Associates and Joint Ventures" and concluded that, despite the size of the Group's holding, it is unable to participate in the financial and operating policy decisions of Paneltex due to the position of the majority shareholder as Executive Managing Director. The relationship between the Group and the company is at arm's length.

Loans receivable held at FVTPL

				Carrying amount	
Borrower	**Principal amount**	**Coupon rate**	**Repayment due**	**1 December 2024 £m**	3 December 2023 £m
Inkbit Corporation	US$0.6m	6%	November 2024	**-**	**0.5**

Loans receivable held at FVTPL	-	0.5

Loan receivable held at amortised cost
The loan receivable held at amortised cost is a US$15.0m loan to Infinite Acres Holding B.V. In October 2021, following the Group's divestment in Infinite Acres, 80 Acres Urban Agriculture, Inc. ("80 Acres") became a guarantor to the loan. Interest is chargeable on the US$15.0m principal at 5% per annum to December 2021, and 7% to September 2024. The original loan was due to mature in September 2024 but the Group has agreed to a repayment plan of US$1.0m per month with interest being charged on outstanding principal amounts at 12.5% per annum.

Contributions towards dilapidations costs receivable
Contributions towards dilapidation costs are due from the former tenant of two properties whose leases the Group took over in 2017, and will be paid when the dilapidations costs are incurred on expiry of the leases.

Section 4 - Capital structure and financing costs

4.1 Borrowings

	1 December 2024 £m	3 December 2023 £m
Senior unsecured convertible bonds	**703.1**	868.0
Senior unsecured notes	**678.8**	498.2
Other borrowings	**4.8**	95.9
Borrowings	**1,386.7**	1,462.1
Disclosed as:		
Current	**0.2**	2.6
Non-current	**1,386.5**	1,459.5
	1,386.7	1,462.1

Senior unsecured convertible bonds and senior unsecured notes

				Carrying amount	
Facility	**Inception**	**Coupon rate**	**Maturity**	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 £m
£600m senior unsecured convertible bonds	December 2019	0.875%	December 2025	**167.2**	560.2
£350m senior unsecured convertible bonds	June 2020	0.750%	January 2027	**320.8**	307.8
£500m senior unsecured notes	October 2021	3.875%	October 2026	**223.6**	498.2
£250m senior unsecured convertible bonds	August 2024	6.250%	August 2029	**215.1**	-
£450m senior unsecured notes	August 2024	10.500%	August 2029	**455.2**	-

The £600.0m of senior unsecured convertible bonds (the "2025 Bonds") were issued in December 2019, raising £592.1m, net of transaction fees. At the date of issue, the liability component was valued at £485.0m, with the remaining £107.1m recognised in the convertible bonds reserve. The bonds are convertible into ordinary shares of the Company at a conversion price of £17.93. The bonds are convertible at the option of the bondholders on any day up until 10 calendar days prior to maturity.

The £350.0m of senior unsecured convertible bonds (the "2027 Bonds") were issued in June 2020, raising £343.4m, net of transaction fees. At the date of issue, the liability component was valued at £266.0m, with the remaining £77.4m recognised in the convertible bonds reserve. The bonds are convertible into ordinary shares of the Company at a conversion price of £26.46. The bonds are convertible at the option of the bondholders on any day up until 10 calendar days prior to maturity.

The £500.0m of senior unsecured notes were issued in October 2021, raising £491.6m, net of transaction fees.

Refinancing

In August 2024, the Group raised gross proceeds of £700.0m through the issue of £250.0m senior unsecured convertible bonds and £450.0m senior unsecured notes, which mature in 2029. Part of the proceeds were used to fund the early redemption of existing debt facilities.

The £250.0m convertible bonds (the "2029 CB") raised £245.7m, net of transaction costs of £4.3m. The bonds are convertible into ordinary shares of the Company at a conversion price of £6.105. The bonds are convertible at the option of the bondholders on any day up until 10 calendar days prior to maturity. At the issuance date, the Group recognised both a financial liability and equity component at £211.7m and £38.3m respectively.

The £450.0m senior unsecured notes (the "2029 SUNs") raised £439.8m, net of transaction costs of £10.2m.

Early partial redemption of convertible bonds and senior unsecured notes

Following the issue of the new £700.0m bonds, Ocado completed a tender process which resulted in an early partial redemption of some of its debt at a 7% discount to par (i.e. at 93% of par), as set out in the table below:

Face value of debt and tender consideration	**Prior to tender £m**	**Tender principal amounts £m**	**Remaining principal £m**	**Tender consideration £m**
Convertible bonds (maturing 2025)	600.0	427.2	172.8	397.3
Senior unsecured notes (maturing 2026)	500.0	276.3	223.7	257.0
Total	**1,100.0**	**703.5**	**396.5**	**654.3**

The redemption of the notes meets the requirements of derecognition of the related financial liabilities. A gain on redemption of £43.6m has been recorded within the Consolidated Income Statement and a reduction of £17.7m has been recorded within the convertible bond reserve in the Consolidated Statement of Changes in Equity. Transaction costs incurred on the redemption amounted to £1.2m.

Revolving credit facility

In June 2022, the Group entered into a three-year multi-currency Revolving Credit Facility ("RCF'') of £300m with a syndicate of international banks. During the current period, the Group extended the maturity of the RCF to August 2027 (subject to addressing upcoming bond maturities). If the £500m October 2026 and £350m January 2027 maturities are not appropriately refinanced, the RCF maturity reduces to July 2026. As at 1 December 2024, the facility remains undrawn, consistent with its status in the prior year. Interest is payable on amounts drawn at a margin of 2.25% over the applicable reference rate (dependent on the currency of the amounts drawn). The Group is subject to a springing covenant under this facility which is required to be met when drawing down and subsequent quarters if a loan is outstanding.

Transaction costs of £3.2m relating to the extension of the RCF were capitalised in the period and are being amortised in the Consolidated Income Statement on a straight-line basis over the term of the RCF.

Other borrowings

Other borrowings include a shareholder loan of £nil (FY23: £90.0m) provided to Ocado Retail from the non-controlling interest. The loan has a termination date of August 2039 and incurs interest at SONIA + 4% per annum.

In the current year, Ocado Retail has been classified as a discontinued operation. As a result, the shareholder loan, previously included in the Group's borrowings, is now excluded from the borrowings of continuing operations and is instead reported under liabilities of discontinued operations (refer to Note 2.6).

1 December 2024	**Due in less than one year £m**	**Due in between one and two years £m**	**Due in between two and five years £m**	**Due in more than five years £m**	**Total £m**
Senior unsecured convertible bonds	**-**	**167.2**	**535.9**	**-**	**703.1**
Senior unsecured notes	**-**	**-**	**678.8**	**-**	**678.8**
Revolving credit facility	**-**	**-**	**-**	**-**	**-**
Other borrowings	**0.2**	**1.1**	**0.2**	**3.3**	**4.8**
Borrowings	**0.2**	**168.3**	**1,214.9**	**3.3**	**1,386.7**

3 December 2023	Due in less than one year £m	Due in between one and two years £m	Due in between two and five years £m	Due in more than five years £m	Total £m
Senior unsecured convertible bonds	-	-	868.0	-	868.0
Senior unsecured notes	-	-	498.2	-	498.2
Revolving credit facility	-	-	-	-	-
Other borrowings	2.6	0.4	0.3	92.6	95.9
Borrowings	2.6	0.4	1,366.5	92.6	1,462.1

The Group reviews its financing arrangements regularly. The senior unsecured notes and senior unsecured convertible bonds contain typical restrictions concerning dividend payments and additional debt and leases.

4.2 Movements in net debt*

	Notes	3 December 2023 £m	Cash movements: Cash flows excluding interest £m	Cash movements: Interest received £m	Cash movements: Interest paid £m	Non-cash movements: Interest income/ (charge) £m	Non-cash movements: Net new lease liabilities £m	Other £m	1 December 2024 £m
Cash and cash equivalents	3.10	**884.8**	**(139.6)**	**30.5**	**-**	**-**	**-**	**(4.2)**	**771.5**
Liabilities from financing activities:									
Borrowings	4.1	**(1,462.1)**	**(26.8)**	**-**	**30.9**	**(84.9)**	**-**	**58.1**	**(1,484.8)**
Lease liabilities	3.4	**(497.8)**	**55.7**	**-**	**25.0**	**(25.0)**	**(45.0)**	**0.2**	**(486.9)**
Gross debt*		**(1,959.9)**	**28.9**	**-**	**55.9**	**(109.9)**	**(45.0)**	**58.3**	**(1,971.7)**
Net debt*		**(1,075.1)**	**(110.7)**	**30.5**	**55.9**	**(109.9)**	**(45.0)**	**54.1**	**(1,200.2)**

Net debt includes cash and cash equivalents of £39.0m, Borrowings of £98.1m and Lease Liabilities of £175.2m relating to the disposal group. Net debt excluding the disposal group is £965.9m. Balances and movements in respect of the Total Group are presented to allow reconciliation to the Group cash flow statement.

	Notes	27 November 2022 £m	Cash movements: Cash flows excluding interest £m	Cash movements: Interest received £m	Cash movements: Interest paid £m	Non-cash movements: Interest income/ (charge) £m	Non-cash movements: Net new lease liabilities £m	Other £m	3 December 2023 £m
Cash and cash equivalents	3.10	1,328.0	(469.7)	41.7	-	-	-	(15.2)	884.8
Liabilities from financing activities:									
Borrowings	4.1	(1,372.8)	(54.1)	-	30.6	(65.8)	-	-	(1,462.1)
Lease liabilities	3.4	(532.3)	66.8	-	25.7	(25.7)	(32.5)	0.2	(497.8)
Gross debt*		(1,905.1)	12.7	-	56.3	(91.5)	(32.5)	0.2	(1,959.9)
Net debt*		(577.1)	(457.0)	41.7	56.3	(91.5)	(32.5)	(15.0)	(1,075.1)

*Gross debt and net debt are alternative performance measures. See Section 6 - Alternative Performance Measures.

Other non-cash movements include foreign exchange on cash and cash equivalents and lease liabilities of £(4.2)m (FY23: £(15.2)m) and £0.2m (FY23: £0.2m) respectively, and for borrowings include the gain on early redemption of bonds of £43.6m and amounts recognised in equity in relation to the early redemption and new issuance of convertible bonds of £(17.7)m and £37.6m respectively.

4.3 Financial instruments

Financial assets and liabilities at fair value

Financial instruments carried at fair value on the Consolidated Balance Sheet comprise unlisted equity investments and derivative assets/(liabilities).

The Group uses the following hierarchy for determining and disclosing the fair value of its financial instruments:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (level 3).

The Group's derivative financial assets and liabilities in relation to commodity swaps are classified as level 2. The Group' warrants and unlisted equity investments are classified as level 3.

Financial assets and liabilities held at fair value have been valued as follows:

		1 December 2024 £m	3 December 2023 £m
Financial assets held at fair value			
- Contingent consideration receivable	Level 3	-	29.4
- Loans receivable held at FVTPL	Level 3	-	0.5
- Unlisted equity investments	Level 3	100.1	82.7
- Derivative assets: warrants	Level 3	3.4	3.3
- Derivative assets: commodity swaps	Level 2	0.1	0.1
Total financial assets held at fair value		**103.6**	**116.0**
Financial liabilities held at fair value			
- Derivative financial liabilities: commodity swaps	Level 2	(0.7)	(0.2)
Total financial liabilities held at fair value		**(0.7)**	**(0.2)**

The following table provides information about how the significant fair values of financial instruments categorised in level 3 are determined:

Description	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity of the fair value measurement to input
Unlisted equity investments - Oxa Autonomy	Probability weighted expected return method Forecast revenue, revenue multiples, exit date, discount rate and probabilities	-Discount rate 25% -Exit date -Probabilities of expected revenue in five different scenarios	-An increase/decrease in the discount rate by 5% decreases/increases the fair value by £6.7m and £8.5m respectively. -An increase/decrease in the exit date by one year decreases/increases the fair value by £7.5m and £9.4m respectively. -An increase in probability weighting towards the higher case scenarios would increase the fair value. In turn, an increase in weighting towards the lower case scenarios would decrease the fair value.
Unlisted equity investments - Wayve Technologies	Option pricing model Volatility, risk free interest rate and exit date.	-Volatility 45% -Exit date	-An increase/decrease in the volatility of 10% increases/decreases the fair value by £1.1m. -An increase/decrease in the exit date by one year increases/decreases the fair value by £1.1m and £1.4m respectively.

4.4 Share capital and reserves

Share capital and share premium

At the reporting date, the number of ordinary shares available for issue under the Block Listing Facilities was 9,713,238 (FY23: 9,588,329). These ordinary shares will only be issued and allotted when the shares under the relevant share plan have vested, or the share options have been exercised. They are, therefore, not included in the total number of ordinary shares outstanding below.

The movements in called-up share capital and share premium are set out below:

	Ordinary shares million	Share capital £m	Share premium £m
Balance at 27 November 2022	825.9	16.5	1,939.3
Issue of ordinary shares	2.1	0.1	2.1
Allotted in respect of share option schemes	0.4	-	1.5
Balance at 3 December 2023	828.4	16.6	1,942.9
Issue of ordinary shares	**4.0**	**0.1**	**1.7**
Allotted in respect of share option schemes	**0.9**	**-**	**2.9**
Balance at 1 December 2024	**833.3**	**16.7**	**1,947.5**

Included in the total number of ordinary shares outstanding above are 10,511,575 (FY23: 10,480,773) ordinary shares held by the Group's Employee Benefit Trust. The ordinary shares held by the Trustee of the Group's Employee Benefit Trust pursuant to the Joint Share Ownership Scheme ("JSOS"), and the linked jointly owned equity ("JOE") awards under the Ocado Group Value Creation Plan ("Group VCP") are treated as treasury shares on the Consolidated Balance Sheet. These ordinary shares have voting rights but these have been waived by the Trustee (although the Trustee may vote in respect of shares that have vested and remain in the Trust). The number of allotted, called-up and fully paid shares, excluding treasury shares, at the end of each period differs from that used in the basic loss per share calculation in Note 2.5, since the basic loss per share is calculated using the weighted average number of ordinary shares in issue during the period, excluding treasury shares.

Treasury shares reserve

The treasury shares reserve arose when the Group issued equity share capital under its JSOS. In 2019, the Group issued share capital relating to the linked JOE awards under the Group VCP. The shares under both plans are held in trust by the Trustee of the Group's Employee Benefit Trust. Treasury shares cease to be accounted for as such when they are sold outside the Group or the interest is transferred in full to the participant pursuant to the terms of the JSOS and Group VCP. Participants' interests in unexercised shares held by participants are not included in the calculation of treasury shares.

Other reserves

The movements in other reserves are set out below:

	Other reserves						
	Reverse acquisition reserve £m	**Convertible bonds reserve £m**	**Merger reserve £m**	**Translation reserve £m**	**Fair value reserve £m**	**Hedging reserve £m**	**Total £m**
Balance at 27 November 2022	(116.2)	184.5	6.2	58.1	32.2	(0.8)	164.0
Net gain arising on cash flow hedges	-	-	-	-	-	0.7	0.7
Foreign exchange loss on translation of foreign subsidiaries	–	-	-	(53.0)	-	-	(53.0)
Loss on equity investments designated as at fair value through other comprehensive income	-	-	-	-	(16.5)	-	(16.5)
Tax on loss on equity investments	-	-	-	-	(4.6)	-	(4.6)
Balance at 3 December 2023	(116.2)	184.5	6.2	5.1	11.1	(0.1)	90.6
Net loss arising on cash flow hedges	**-**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Foreign exchange gain/(loss) on translation of foreign subsidiaries	**-**	**-**	**-**	**(20.6)**	**-**	**-**	**(20.6)**
Loss on equity investments designated as at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(3.1)**	**-**	**(3.1)**
Tax on loss on equity investments	**-**	**-**	**-**	**-**	**(3.1)**	**-**	**(3.1)**
Issue of convertible bonds	**-**	**37.6**	**-**	**-**	**-**	**-**	**37.6**
Partial redemption of convertible bonds	**-**	**(17.7)**	**-**	**-**	**-**	**-**	**(17.7)**
Balance at 1 December 2024	**(116.2)**	**204.4**	**6.2**	**(15.5)**	**4.9**	**(0.6)**	**83.2**

Reverse acquisition reserve

The acquisition by the Company of the entire issued share capital in 2010 of Ocado Holdings Limited was accounted for as a reverse acquisition under IFRS 3 "Business Combinations". Consequently, the previously recognised book values and assets and liabilities have been retained, and the consolidated financial information for the period to 1 December 2024 has been presented as if the Company had always been the parent company of the Group.

Convertible bonds reserve

The convertible bonds reserve contains the equity components of convertible bonds issued by the Group, net of apportioned transaction costs. The carrying amounts of the equity components will not change until the liability components are redeemed through repayment or conversion into ordinary shares.

Refer to Note 4.1 for further details on the senior unsecured convertible bonds issued by the Group.

Merger reserve

The merger reserve comprises shares issued as consideration for Haddington Dynamics Inc.

Translation reserve

The translation reserve comprises cumulative foreign exchange differences on the translation of foreign subsidiaries.

Fair value reserve

The fair value reserve comprises cumulative changes in the fair value of assets and liabilities recognised through other comprehensive income.

Hedging reserve

The hedging reserve comprises cumulative gains and losses on movements in the Group's hedging arrangements.

4.5 Cash generated from operations

A reconciliation from loss before tax to cash generated from operations is as follows:

	Notes	**52 weeks ended 1 December 2024 £m**	53 weeks ended 3 December 2023 £m
Cash flows from operating activities			
Loss before tax		**(374.5)**	(403.2)
Adjustments for:			
– Revenue recognised from long-term contracts	2.2	**(34.7)**	(33.0)
– Depreciation, amortisation and impairment losses[1]		**465.5**	452.7
– Property, plant and equipment write-off		**0.2**	2.9
– Gain/(loss) on disposal of property, plant & equipment and asset held for sale		**1.0**	(5.0)
– Litigation settlement income and interest unwind	2.3	**(11.4)**	(186.5)
– Other non-cash adjusting items	2.3	**15.4**	67.4
– Share of results of joint ventures and associate		**(0.3)**	0.9
– Movement of provisions		**1.3**	13.5
– Net finance cost[2]	2.4	**28.7**	76.1
– Share-based payments charge		**37.2**	33.3
Changes in working capital			
– Cash received from contract liabilities (upfront fees)		**97.8**	47.9
– Movement of inventories		**0.3**	3.1
– Movement of trade and other receivables		**16.5**	36.6
– Movement of trade and other payables		**(10.5)**	(19.8)
Cash generated from operations		**232.5**	86.9

[1] Included within depreciation, amortisation and impairment losses for FY23 are impairment charges of £20.3m and £27.2m, relating to the UK network capacity review and Zoom by Ocado network capacity and strategy review, respectively, which are included in the adjusting items. Refer to Note 2.3 for further details.
[2] Excludes £11.4m (FY23: £6.1m) interest unwind on AutoStore litigation settlement, which is included within litigation settlement income and interest unwind.

Section 5 - Other notes

5.1 Commitments

Capital commitments
Contracts placed for future capital expenditure but not provided for in the Consolidated Financial Statements are as follows:

	1 December 2024 £m	3 December 2023 £m
Land and buildings	-	0.1
Property, plant and equipment	179.3	104.9
Capital commitments	179.3	105.0

Of the total capital expenditure committed at the end of the period, £158.4m relates to new CFCs (FY23: £66.5m), £0.7m to existing CFCs (FY23: £2.3m), £nil to fleet costs (FY23: £nil) and £19.5m to technology projects (FY23: £34.7m).

5.2 Related party transactions

Key management personnel
Only members of the Board (the Executive and Non-Executive Directors) are recognised as being key management personnel. It is the Board that has responsibility for planning, directing and controlling the activities of the Group. The aggregate emoluments of key management personnel are as follows:

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 £m
Salaries and other short-term employee benefits	3.8	5.9
Post-employment benefits	0.1	0.2
Share-based payments	3.2	4.9
Aggregate emoluments	7.1	11.0

Related party transactions with key management personnel made during the period amount to £nil (FY23: £nil). All transactions were on an arm's length basis. At the reporting date, no amounts were owed by key management personnel to the Group (FY23: £nil). During the period, there were no other material transactions or balances between the Group and its key management personnel or members of their close family.

Joint venture
MHE JVCo Limited
The following transactions were carried out with MHE JVCo:

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 £m
Dividend received from MHE JVCo	2.8	5.1
Reimbursement of supplier invoices paid on behalf of MHE JVCo	1.4	4.1
Lease liability additions of assets from MHE JVCo	1.2	11.4
Capital element of lease liability instalments paid to MHE JVCo	5.6	12.0
Capital element of lease liability instalments due to MHE JVCo	0.2	0.5
Interest element of lease liability instalments accrued or paid to MHE JVCo	1.0	0.5

During the period, the Group incurred lease instalments (including interest) of £6.8m (FY23: £13.0m) to MHE JVCo. Of the lease instalments incurred, £3.4m was recovered directly from Wm Morrison Supermarkets Limited in the form of other income (FY23: £6.8m).

Included within trade and other receivables is a balance of £0.8m due from MHE JVCo (FY23: £0.7m), which primarily relates to capital recharges.

Included within trade and other payables is a balance of £0.3m due to MHE JVCo (FY23: £0.7m).

Included within lease liabilities is a balance of £12.4m due to MHE JVCo (FY23: £16.5m).

No other transactions that require disclosure under IAS 24 "Related Party Disclosures" have occurred during the period.

5.3 Post-Balance Sheet events

There have been no post balance sheet events requiring disclosure in these Consolidated Financial Statements.

Section 6 - Alternative performance measures

Alternative Performance Measures

The Group assesses its performance using a variety of alternative performance measures ("APMs"), which are not defined under IFRS and are, therefore, termed "non-GAAP" measures. These measures provide additional useful information on the underlying trends, performance and position of the Group. The APMs used are:

- Adjusting items;
- Adjusted EBITDA;
- Adjusted EBITDA margin;
- Adjusted EPS;
- Gross debt and external gross debt;
- Net debt;
- Technology Solutions fees invoiced;
- Total Group;
- Underlying cash flow; and
- 52-week income statement

Definitions of these APMs, together with reconciliations of these APMs with the nearest measures prepared in accordance with IFRS are presented below. The APMs used may not be directly comparable with similarly titled measures used by other companies.

Adjusting items

The Consolidated Income Statement separately identifies trading results before adjusting items. Adjusting items are items that are considered to be significant due to their size/nature, not in the normal course of business or are consistent with items that were treated as adjusting in the prior periods or that may span multiple financial periods. They have been classified separately in order to draw them to the attention of the readers of the Financial Statements, and facilitate comparison with prior periods to assess trends in the financial performance more readily.

The Directors believe that presentation of the Group's results in this way is important for understanding the Group's financial performance. This presentation is consistent with the way that financial performance is measured by management and reported to the Board.

The Group applies judgement in identifying items of income and expense that are recognised as adjusting to help provide an indication of the Group's underlying business. In determining whether an event or transaction is adjusting in nature, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

Examples of items that the Group considers adjusting include corporate reorganisations, material litigation, and any other material costs outside of the normal course of business as determined by management.

The Group has adopted a three-columned approach to the Consolidated Income Statement to aid clarity and allow users of the Financial Statements to understand more easily the performance of the underlying business and the effect of adjusting items.

Adjusting items are disclosed in Note 2.3 to the Consolidated Financial Statements.

Adjusted EBITDA

In addition to measuring its financial performance based on operating profit, the Group measures performance based on Adjusted EBITDA. Adjusted EBITDA is defined as the Group's earnings before depreciation, amortisation, impairment, net finance cost, taxation and adjusting items. EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies.

The Group considers Adjusted EBITDA to be a useful measure of its operating performance because it approximates the underlying operating cash flow by eliminating depreciation and amortisation. Adjusted EBITDA is not a direct measure of liquidity, which is shown by the Consolidated Statement of Cash Flows, and needs to be considered in the context of the Group's financial commitments.

Adjusted EBITDA reconciliation

£m	Notes	FY24 52 weeks Total Group	FY23 53 weeks Total Group	Exclude week 53 Total Group	APM FY23 52 week basis Total Group
Operating loss		**(357.2)**	(333.2)	(6.7)	(326.5)
Adjustments for:					
Adjusting items[1]	2.3	**50.2**	(17.8)	-	(17.8)
Amortisation of intangible assets	3.2	**147.3**	125.0	2.9	122.1
Impairment of intangible assets	3.2	**5.9**	0.2	-	0.2
Depreciation of property, plant and equipment	3.3	**215.8**	187.9	5.1	182.8
Impairment of property, plant and equipment	3.3	**36.8**	21.7	-	21.7
Depreciation of right-of-use assets	3.4	**53.5**	70.4	1.3	69.1
Impairment of right-of-use assets	3.4	**1.0**	-	-	-
Adjusted EBITDA		**153.3**	54.2	2.6	51.6

[1]Adjusting items include Impairment charges in respect of other intangible assets of £nil (FY23: £0.3m), property, plant and equipment of £1.6m (FY23: £19.5m) and right-of-use assets of £3.6m (FY23: £27.7m).

The financial performance of the Group's segments is measured based on Adjusted EBITDA, as reported internally. A reconciliation of the Adjusted EBITDA of the Group with the Adjusted EBITDA by segment is disclosed in Note 2.1 of the Consolidated Financial Statements.

Adjusted EBITDA margin

Adjusted EBITDA margin is calculated as the adjusted EBITDA divided by revenues.

Adjusted EPS

Adjusted EPS is calculated as profit after tax attributable to owners of the Group before adjusting items divided by the weighted average number of shares on issue for the relevant financial period. This measure is reported as it is one of the metrics contained within the Group's Performance Share Plan ("PSP").

Gross debt and external gross debt

Gross debt is calculated as borrowings and lease liabilities as disclosed in Note 4.2 of the Consolidated Financial Statements. External gross debt is calculated as gross debt less lease liabilities payable to joint ventures of the Group. External gross debt is a measure of the Group's indebtedness to third parties which are not considered related parties of the Group.

A reconciliation of gross debt with external gross debt is set out below:

	Note	1 December 2024 £m	3 December 2023 £m
Gross debt	4.2	**1,971.7**	1,959.9
Lease liabilities payable to joint ventures	3.4	**(12.4)**	(16.5)
External gross debt		**1,959.3**	1,943.4

Net debt

Net debt is calculated as cash and cash equivalents of the Total Group, less gross debt.

Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall strength of the Consolidated Balance Sheet. It is also a single measure that can be used to assess the combined effect of the Group's cash position and its indebtedness.

The most directly comparable IFRS measure is the aggregate of borrowings and lease liabilities (current and non-current) and cash and cash equivalents. A reconciliation of these measures with net debt can be found in Note 4.2.

Technology Solutions fees invoiced

Technology Solutions fees invoiced is used as a key measure of performance of the Technology Solutions business as an alternative to revenue and represents design and capacity fees invoiced during the period for existing and future CFC and In-Store Fulfilment commitments.

Total Group

Total Group metrics present the results of the Group including discontinued operations and are presented in order to provide a comparison of current and historical performance on a consistent basis. A reconciliation of Total Group to the Consolidated Income Statement is provided in the Financial Review: FY24.

	FY24 52 weeks ended 1 December 2024			FY23 52 weeks ended 26 November 2023		
£m	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group
Revenue	**1,214.5**	**1,941.4**	**3,155.9**	1,088.0	1,677.6	2,765.6
Operating costs	**(1,102.8)**	**(1,900.1)**	**(3,002.9)**	(1,041.6)	(1,671.5)	(2,713.1)
Share of results from joint ventures and associates	**0.3**	**-**	**0.3**	(0.9)	-	(0.9)
Adjusted EBITDA	**112.0**	**41.3**	**153.3**	45.5	6.1	51.6
Depreciation, amortisation and impairment	**(413.9)**	**(46.4)**	**(460.3)**	(338.5)	(57.4)	(395.9)
Finance income	**30.4**	**3.7**	**34.1**	39.2	0.8	40.0
Finance costs	**(98.6)**	**(17.8)**	**(116.4)**	(82.0)	(13.1)	(95.1)
Other finance gains and losses	**10.0**	**-**	**10.0**	(18.1)	-	(18.1)
Adjusted loss before tax	**(360.1)**	**(19.2)**	**(379.3)**	(353.9)	(63.6)	(417.5)
Adjusting items	**20.3**	**(15.5)**	**4.8**	83.9	(60.0)	23.9
Loss before tax	**(339.8)**	**(34.7)**	**(374.5)**	(270.0)	(123.6)	(393.6)
Tax (charge)/credit	**0.2**	**-**	**0.2**	16.9	(0.7)	16.2
Loss for the year	**(339.6)**	**(34.7)**	**(374.3)**	(253.1)	(124.3)	(377.4)

Underlying cash flow

Underlying cash flow is the movement in cash and cash equivalents excluding the impact of adjusting items, costs of financing, proceeds from the disposal of assets held for sale, cash received in respect of contingent consideration, acquisition of subsidiaries, purchase of unlisted equity investments and foreign exchange movements. A reconciliation of the movement in cash and cash equivalents to underlying cash outflow is detailed within the Financial Review: FY24.

52-week income statement

In order to provide comparability with the current year results for the 52 weeks ended 1 December 2024 the Group has adjusted the prior year results for the 53 weeks ended 3 December 2023 to remove the results of week 53 and present results for an equivalent 52 week period to 26 November 2023. In determining the week 53 adjustment, revenue was based on the actual trading performance in that week, with operating costs allocated on a reasonable basis to reflect an estimate of costs for that week, unless a split was not deemed to sufficiently represent the actual costs incurred during week 53. A reconciliation for Total Group was provided in FY23 annual report and accounts.

Consolidated Income Statement

	Notes	2023 as reported on a 53-week basis £m	Exclude week 53 £m	APM 2023 52-week basis £m
Revenue	2.1	1,122.1	21.7	1,100.4
Insurance and legal settlement proceeds	2.5	180.4	-	180.4
Operating costs		(1,523.9)	(28.8)	(1,495.1)
Operating loss before results of joint ventures and associate		**(221.4)**	**(7.1)**	**(214.3)**
Share of results of joint ventures and associate		(0.9)	-	(0.9)
Operating loss		**(222.3)**	**(7.1)**	**(215.2)**
Finance income	2.6	46.0	0.7	45.3
Finance costs	2.6	(83.6)	(1.6)	(82.0)
Other finance gains and losses	2.6	(19.8)	(1.7)	(18.1)
Loss before tax from continuing operations		**(279.7)**	**(9.7)**	**(270.0)**
Income tax credit		16.9	-	16.9
Loss for the period from continuing operations		**(262.8)**	**(9.7)**	**(253.1)**
Loss after tax from discontinued operations		(124.2)	0.1	(124.3)
Loss for the period		**(387.0)**	**(9.6)**	**(377.4)**

Five-Year Summary

The table below set out the five year summary of key financial and non-financial data for the Group

	52 weeks ended 1 December 2024 £m	53 weeks ended 3 December 2023 £m	52 weeks ended 27 November 2022 £m	52 weeks ended 28 November 2021 £m	52 weeks ended 29 November 2020 £m
Financial data - Total Group*					
Revenue	**3,155.9**	2,825.0	2,516.8	2,498.8	2,331.8
Adjusted EBITDA*	**153.3**	54.2	(74.1)	61.0	73.1
Loss before tax	**(374.5)**	(403.2)	(500.8)	(176.9)	(52.3)
Financial data - Continuing operations[1]					
Revenue	**1,214.5**	1,122.1	-	-	-
Adjusted EBITDA*	**112.0**	46.4	-	-	-
Financial data - Discontinued operations[1]					
Revenue	**1,941.4**	1,702.9	-	-	-
Adjusted EBITDA*	**41.3**	7.8	-	-	-
Non-financial data - Total Group*					
Scope 1 emissions (tCO_2e)[2]	**103,947**	93,293	96,386	94,912	87,038
Scope 2 emissions (market based) (tCO2e)[2]	**850**	887	815	1,385	729
Total employees (#)[3]	**20,261**	18,869	19,744	19,347	18,618

[1]Continuing operations represents Technology Solutions and Logistics. Discontinued operations represents the Retail business and related inter-segment eliminations.
[2]Ocado has adopted the operational control approach to define our reporting boundary. Where Ocado Group does not have operational control over ORL's activities, emissions are excluded from our Scope 1 and 2 reporting.
[3]Excludes ORL employees.

Principal risks and uncertainties

The Board reviews and monitors the principal risks and uncertainties which could have a material effect on the Group's results. The updated principal risks and uncertainties for FY24 are listed below. A fuller disclosure of the risks will be set out in the Strategic Report of the FY24 Annual Report and Accounts.

Market proposition (OSP & OIA)	**Partner success (OSP)**
What is the risk? Our OSP and OIA product offer, features, implementation schedule, pricing or terms may not be sufficiently attractive to potential partners or may not be commercially attractive to them at a level that delivers adequate and sustainable returns for us.	**What is the risk?** We invest in robots and MHE alongside our partners in the CFCs that we develop for them and we rely on the growth of our partners' online businesses to generate appropriate economic returns from this investment. If our partners do not achieve sustainable returns from their investment then they may not expand their utilisation of the capacity that we have jointly invested in, in which case, we may fail to generate our planned returns. It is also possible that if our partners are unable to generate acceptable returns themselves, they may close existing CFC facilities.
Key risks ● Commercial viability both for us and our partners ● Our pricing is not competitive ● The functionality of our products is not sufficiently attractive ● We fail to market our products professionally ● Competitive environment	**Key risks** ● Partners may be unable to generate sufficient demand to fill the capacity of the CFCs in which they have invested ● Partners may be unable to operate their online grocery businesses efficiently enough to generate the planned returns, including the ability to generate density in last mile operations ● The strategies that our partners adopt may compromise their ability to generate viable ecommerce businesses
Risk owner John Martin, Mark Richardson	**Risk owner** John Martin
Movement - no change	**Movement** - no change
Link to strategy - Grow our revenue; Optimise OSP Economics; Embed a responsible business approach	**Link to strategy** - Grow our revenue; Optimise OSP economics; Deliver transformational technology; Drive success for our partners
Sustainability Framework Advancing net zero & innovating for energy efficiency, by design, saving resources and reducing waste, Acting with integrity & respecting human rights; Environment and natural resources; Platform resilience and innovation	**Sustainability Framework** -Acting with integrity & respecting human rights

How we manage this risk	How we manage this risk
• Our regional and commercial teams undertake quarterly pricing reviews, review market pricing and seek price disclosure from prospective partners to ensure that we remain competitive. • We analyse prospective partner profitability to ensure that our products can deliver benefits to both ourselves and our partners. Ocado is in the position of running a large-scale operation of our own using the same products that we are selling to our clients, which provides us with a unique and valuable perspective of the value that our products bring. • We constantly develop our products to reduce their costs in order to maximise market appeal and commercial viability. • We review the features and functionality that our solutions provide, and discuss this with potential clients and partners to understand how well our solutions fulfil their needs and determine whether it is appropriate to develop specific features that our prospective partners require. • We invest substantially in product teams to develop our technology roadmaps to ensure that our products are as relevant as possible and cost effective to our current and prospective partners. • We invest significant sums in the development of our products to ensure that they remain leading-edge. • We assess the potential for new business in each of our three international regions. • In 2023, we launched OIA to deploy our product to a new market segment. • Our Board approves all material new deals.	• We have established and expanded our Partner Success teams with the sole aim of supporting our partners in the profitable growth of their online businesses. The Partner Success teams include specialists in ecommerce, marketing, retail media, retention, operations, last mile and solutions. • We review and benchmark partner performance at least monthly to identify areas for improvement, which we discuss with our partners. • We review our technology roadmap with our partners to identify specific, relevant features that we can develop to support their growth and profitability. • We develop training and development materials and best-practice information which we share with our partners. • We have dedicated account management and development teams to support professional account management and partner success. These teams are encouraged to locate either on or close to partner sites. • Joint partner and Ocado Partner Success programmes in place, with projects targeting resources on specific areas such as last mile, CFC fulfilment, store fulfilment, ecommerce optimisation and others. • Regular engagement with regions and individual partners to jointly review success, backed up by a framework of other regular meetings. • Governance is provided by the Risk Committee.

Product innovation, protection & performance (OSP & OIA)	Supply chain
What is the risk? Our innovation and development processes may not meet partner needs, or we may fail to provide protected, reliable and commercially viable products. This could undermine our ability to attract and retain partners.	**What is the risk?** Disruption in our extended and complex supply chain may adversely affect product availability and responsible sourcing. This could result in increased costs and fines, delays to contractual commitments and loss of revenue.
Key risks • Product strategy and roadmap • Disruptive technologies are not adopted and invested in early enough, e.g. AI • IP infringement and lack of protection • Insufficiently sustainable design • Insufficient product quality and performance	**Key risks** • Contract performance • Regulation and responsible sourcing • Critical Components supplier fails • Supplier decides Ocado business is not attractive • High volume of product engineering changes
Risk owner James Matthews, Neill Abrams	**Risk owner** James Matthews
Movement - no change	**Movement** - decreasing

Link to Strategy - Optimise OSP economics; Deliver transformational technology; Embed a responsible business approach	**Link to Strategy** - Grow our revenue; Optimise OSP economics; Deliver transformational technology; Drive success for our partners; Embed a responsible business approach
Sustainability Framework Advancing net zero & innovating for energy efficiency, by design, saving resources and reducing waste, Acting with integrity & respecting human rights, Fostering a diverse & inclusive workforce and building skill for the future	**Sustainability Framework** Advancing net zero & innovating for energy efficiency, by design, saving resources and reducing waste, Acting with integrity & respecting human rights
How we manage this risk ● The Technology Solutions Committee and Risk Committee provide overarching governance. ● Our technology development teams undertake biannual product governance across OSP product areas where allocation of R&D investment is discussed and planned development outcomes are presented to the Executive Committee for oversight and approval. ● Our product teams continually monitor the market, while we actively participate in funded research with academic institutions, and we are currently involved in three parallel Horizon projects where Ocado Technology is funded to undertake state-of-the-art-research. ● Software delivery lifecycle provides tools and processes for the reliable development, testing and deployment of software. ● IP framework to protect our inventions, supported by Non-Disclosure Agreements with all third parties. ● Our specialist patent attorneys work with product developer teams to ensure we protect not just the systems we build but also the other ideas and concepts that are generated during the innovation and development lifecycle. ● Innovation development lifecycle including: ideation sessions with IP; mergers and acquisitions strategy; integration of AI into our systems; and partner conferences to demonstrate our latest technology innovations. ● Our "Build Right, Run Right" initiative embeds product industrialisation within the development lifecycle for our hardware products to meet the needs of our client base. ● Confidential information and trade secret protection, supported by IT policies to prevent data and information leakage.	**How we manage this risk** ● Governance is provided by the Risk Committee ● The Sales and Operations Planning ("S&OP") process is embedded and helps align supply and demand ● Supplier Relationship Management framework is in place for the higher-tier suppliers, supported by regular supplier review meetings. ● Supplier performance indicators monitor the effectiveness of the suppliers, with standardised action plans in place where indicators deviate from performance standards. ● A responsible business framework is in place to ensure that our ethical standards are supported with the supply chain, and is reinforced through the Supplier Code of Conduct and the Supplier Performance Indicators. ● Governance is provided by the S&OP executive review meetings. ● Supplier assessments, due diligence and site audits are undertaken during the product development process. ● We are deploying materials resource planning across new categories, which helps manage the areas of higher global supply chain volatility. ● The Responsible Sourcing Working Group monitors multiple work streams and reports to the Sustainability Committee. ● Combining the above capability, we are now better able to review our supply chain suitability, developing deeper strategic relationships and systematically aligning scale of supply with demand to maintain confidence in our delivery. In addition, our enhancements in our people capability, systems, data and root cause analysis allow us to provide greater insight to the business to underpin strategic decision-making.

Talent & capability	**Cybersecurity & data**
What is the risk? Failure to retain, develop and engage critical talent during periods of significant change, which could jeopardise operational stability and growth ambitions is a risk for the Group. Ensuring employees understand and align with the Company's changing strategic priorities is vital to successful organisational transformation. Additionally, fostering diversity - particularly diversity of thought and cultural diversity - is important for driving innovation and achieving the next phase of strategic execution for the Group. Without a strong emphasis on executing plans effectively and cultivating a high	**What is the risk?** Disruption or loss of critical assets and sensitive information as a result of a cyber attack, insider threat, a data breach or the misuse of AI (both malicious and accidental) within our Group network or our supply chain could result in business disruption, reputational damage and regulatory impacts for both Ocado and our partners.

performance culture, the organisation risks falling short of its objectives.	
Key risks ● Retention and rewards ● Attraction ● Training and development ● Diversity and inclusion ● Succession planning ● Culture and wellbeing (employee engagement & relations) ● Organisational structure and change	**Key risks** ● Deliberate destruction of systems ● Confidential information leakage and/or inappropriate use ● Third-party compromise ● Infrastructure outage ● Personal data loss ● Confidential information leakage
Risk owner Claire Ainscough	**Risk owner** James Matthews
Movement - no change	**Movement** - no change
Link to Strategy - Deliver transformational technology; Drive success for our partners; Embed a responsible business approach	**Link to Strategy** - Deliver transformational technology; Embed a responsible business approach
Sustainability Framework Acting with integrity & respecting human rights, Fostering a diverse & inclusive workforce and building skill for the future	**Sustainability Framework** Acting with integrity & respecting human rights
How we manage this risk ● We monitor Technology Solutions values and measured these in our regular employee survey. ● We also have very transparent communication processes (e.g. open Q&A tools and Slack) and we prioritise our goals process to ensure it is highly aligned between our commercial and technical teams. ● We continue to work with our employees to create lifestyle policies to support our culture and launched Fertility and Menopause community groups. ● Governance is provided by the Risk Committee and People Committee. ● We conduct periodic reviews of remuneration and incentive plans to align with market trends and internal and external fairness. ● The employee Net Promoter Score ("eNPS"), is monitored through regular engagement surveys, with action frameworks in place across all business units to act on the insight given. ● We continue to undertake employee surveys to analyse opinions and engagement levels. ● We use a talent and performance framework to help us differentiate, develop and deploy the talent we have, supporting future business growth and high performance. ● Diversity Policies are in place, supported by diversity metrics and indicators. ● We deliver DE&I and wellbeing learning programmes to build awareness of unconscious bias and how to create an inclusive culture, with practical tools, guidance and resources.	**How we manage this risk** ● Our security strategy defines priorities and is agreed with the Ocado Board. ● Regular governance and oversight of our security programme is provided by the Information Security Committee. ● Our Information Security function is led by our Chief Information Security Officer who is responsible for the management of our security strategy, the security programme and security risks. ● Our dedicated Security Operations team, supported by a 24/7 specialist security partner, detects and responds to security incidents. ● We regularly test our cyber incident response plan, including annual cyber simulations for the Executive Committee. ● We have developed secure build standards for our core IT assets. ● Security patching is in place for our core IT assets and is measured each month. ● Regular penetration testing is carried out for the Ocado Platform. ● Our zero trust solution provides employees with secure access to Ocado's systems. ● Representation from the Intellectual Property team ● at relevant committees. ● Each year, the security controls environment for the Ocado Platform is externally audited as part of our SOC2 certification. ● The Ocado Platform is PCI compliant and is externally audited every year. No payment card data is processed directly by the Ocado Platform. ● Cyber insurance is in place to reduce the cost impact of a major cyber incident.

	● Immutable back-ups have been set up to help protect the Ocado Platform from deliberate destruction. ● Our Data Protection Officer oversees the Group's privacy compliance programme.

Fire & safety	**Regulatory & compliance**
What is the risk? Fire, or injury to a worker or customer, caused by product design or operating failures could result in business disruption, loss of assets and reputational loss.	**What is the risk?** Failure to comply with local and international regulations could lead to loss of trust, penalties and personal liability for our employees, and undermine our ability to operate.
Key risks ● Fire safety ● Product safety ● Food safety ● People safety (construction, operation and logistics)	**Key risks** ● Statutory compliance across jurisdictions of operation ● Regulatory Compliance ● New geographies ● Emerging regulations ● Governance
Risk owner James Matthews	**Risk owner** Neill Abrams
Movement - no change	**Movement** - no change
Link to Strategy - Drive success for our partners; Embed a responsible business approach	**Link to Strategy** - Embed a responsible business approach
Sustainability Framework Acting with integrity & respecting human rights	**Sustainability Framework** Acting with integrity & respecting human rights
How we manage this risk ● The Global Health, Safety & Environment Committee provides strategic oversight, while the Fire Safety Governance Committee ensures compliance with fire safety standards. ● Our technical experts monitor compliance with food, product, occupational health, fire and construction safety regulations. ● We track regulatory changes and leverage third-party expertise to stay ahead of emerging requirements. ● Internal inspections are conducted across HSFE, with external fire risk assessments carried out by an independentUKAS-accredited body. ● A structured risk-based audit schedule is in place, aligned with the BRC standard, to ensure food safety compliance. ● In 2024, five of our Technology Development Centres achieved ISO 45001 certification for occupational health and safety. ● Implementation of fire-retardant metal totes in UK CFCs to mitigate fire risks in high-density storage areas. ● Our premises undergo independent annual risk engineering assessments conducted by our insurer. ● Four open days were conducted at our CFCs with our Primary Authority for fire, our insurers and the London Fire Brigade to share best practices on fire risk management. ● A multilingual online HSFE training programme is in development for all employees, with roll-out planned for 2025.	**How we manage this risk** ● Governance is provided by the Risk Committee. ● The cross-departmental Regulatory Expert Group ("REG") was established during the year, which provides oversight on related risks and mitigations. ● The business tracks global regulatory changes, leveraging third-party advice as needed to inform our actions and respond to new requirements. The Regulatory & Compliance team undertook a significant project this year to refine its ways of working in terms of regulatory horizon scanning / tracking and dissemination of information at both REG and Audit Committee meetings, enhancing visibility and understanding of upcoming legislation across the Group. ● Various teams with subject specific expertise conduct extensive research and engage specialist advice to understand local market regulatory issues when exploring new territories and new partners to ensure we understand and fully cost the potential risks. ● We have deployed and continue to develop a compliance framework of policies and procedures underpinned by employee training, guidance and tailored awareness campaigns, refreshing policies where needed to reflect evolving standards, including updating our Human Rights and Whistleblowing Policies and launching a Sanctions and Export Control Policy during the year, and launching refreshed Ocado Code training. ● Work is underway to assess the requirements of a number of emerging regulations, including the EU AI

• Emergency response plans were stress-tested at our Erith CFC with a third-party consultant, with plans for expansion across other sites.	Act, where work is underway to create a compliance framework to align to the Act's requirements. • We conduct periodic risk assessments on core compliance topics to ensure that we identify and close gaps arising from organisational change and evolving standards. This year we refreshed our fraud risk assessment to account for new legislation on this topic.

Climate & environment	**Liquidity & cash management**
What is the risk? Transition and physical risks from changes in the climate and environment could disrupt our operations, supply chains and the demand for our products, increase costs and threaten our reputation.	**What is the risk?** Insufficient liquidity (cash balances plus undrawn facilities) to deliver our business goals and/or settle our liabilities.
Key risks • Extreme weather • Energy usage • ICE vehicle ban • Net zero challenge • Low-carbon products • Waste management • Microplastic pollution • Vehicle air pollution • Biodiversity • For further information please see our TCFD report , pages [70-77]	**Key risks** • Inability to access debt or equity capital markets to refinance maturing debt as it approaches maturity • Inability to extend or access our RCF including due to failure to comply with its financial covenants • Deterioration in financial performance (including reduced profitability and cash flow generation) that may hinder the ability to refinance existing debt • Inadequate cash management forecasting processes leading to unexpected liquidity shortfalls potentially compromising our ability to meet our financial commitments
Risk owner Neill Abrams	**Risk owner** Stephen Daintith
Movement - no change	**Movement** - no change
Link to Strategy - Grow our revenue; Optimise OSP economics; Deliver transformational technology; Drive success for our partners; Embed a responsible business approach	**Link to Strategy** - Embed a responsible business approach
Sustainability Framework Advancing net zero & innovating for energy efficiency, by design, saving resources and reducing waste, Acting with integrity & respecting human rights	**Sustainability Framework** Acting with integrity & respecting human rights

How we manage this risk	How we manage this risk
● Leadership oversight of climate- and environmental-related risks and opportunities is provided through the Board and the Audit and Sustainability Committees. Our net zero roadmap was established during 2023 and progress is reviewed twice a year by the Board. ● Flood mitigation measures are taken when installing equipment at UK CFCs in flood risk zones. ● BCP plans are in place for UK sites and international development centres, including activities to address the impact of extreme weather events. ● We have an Electricity Procurement Risk Management Policy which is approved by the Audit Committee. ● We are beginning to diversify our energy supply through anaerobic digestion and solar PV at our CFCs and continue to reduce energy use through efficiency measures. ● We have a costed fleet transition plan aligned with our GHG emissions reduction targets that prioritises sites for vehicle electrification based on site characteristics, route lengths and available EV technology. ● We map increasing regulations on carbon taxation of raw materials to our product designs and demand forecasts, and minimise costs through our supply chain management programme. ● We support our partners to minimise food waste, through embedding forecasting features in OSP that match supply to our CFCs to customer demand and inventory management features to direct our bots to pick items on a first in, first out basis. ● This year, we have added “Circularity” to our sustainability pillars and set public targets to promote recycling and reduce waste to landfill. ● We operate a recycling scheme for the plastic bags in which we deliver groceries in the UK, taking them back from customers and turning them into new Ocado bags. We also offer alternative delivery solutions that use paper bags or no bags where our international partners request them. ● We only use delivery vans that meet the most recent (“EURO6”) tailpipe emissions standards ● We perform air quality testing at sites with indoor parking and take action, such as improving air flow, if measurements are outside of specified limits. ● We are starting to evaluate our biodiversity risks using the TNFD framework in 2025.	● We ensure that we carry out our refinancing activities well in advance of our maturity dates, reflecting a forward-looking approach. ● We regularly and rigorously monitor capital markets, in collaboration with advisors, to ensure market accessibility is assessed at least monthly. Insights and strategic refinancing opportunities are reviewed by the Board on a regular basis to determine the optimal timing for action. ● We engage regularly with rating agencies, ensuring clear and consistent messaging to safeguard Ocado’s credit rating and market reputation. ● We engage regularly with our relationship banking group to keep them informed about liquidity and cash flow positions, reinforcing strong partnerships and support. ● We maintain a diversified debt portfolio, in line with the Treasury Policy, which enables Ocado to leverage opportunities in both traditional and alternative financing options, such as leasing, to maximise value. ● Treasury operations have been optimised through cash pooling, reducing administrative overhead and increasing flexibility, centralised cash repatriation ensures idle funds are efficiently invested and managed. ● We prepare robust five-year cash flow forecasts (which are updated at least annually and are tested on a regular basis for their integrity, and identify variances to enable agile and timely responses to any unforeseen changes). ● We have also prepared a five-year cash flow forecast that includes various downside scenarios and used this to determine future cash requirements, liquidity levels and covenant compliance metrics under these scenarios. ● The five-year cash flow forecasts include all investment plans. These are reviewed by the Board (subject to materiality tests) and approved only after meeting strict return requirements. ● Over the course of the year, we have enhanced our cash flow forecasts to include quarterly compliance with financial covenants. This helps us assess our ability to access the RCF on a quarter-by-quarter basis. This gives us further comfort in our testing of sufficient liquidity headroom.

Geopolitical & macroeconomics
What is the risk? With a global footprint encompassing operations, clients and supply chains, we are exposed to macroeconomic and geopolitical events (such as tariffs, trade restrictions and sanctions) that could adversely affect our business. These factors could jeopardise the safety and security of our people, premises and assets, impact our operational costs or continuity, delay partner growth and hinder the delivery of new capacity. Macroeconomic factors may impact consumer behaviour or the growth of our partners or could affect the Group’s ability to secure financing.

Key risks • War and conflict • Civil unrest • Economic downturn • Sanctions and tariffs • Health crisis
Risk owner Stephen Daintith
Movement - N/A
Link to Strategy - Optimise OSP economics; Embed a responsible business approach
Sustainability Framework Acting with integrity & respecting human rights
How we manage this risk • We have a Sanctions and Export Controls Policy in place. • We carry our regulatory investigation of and practical compliance with sanctions regimes applicable to us. • We ensure a diversified supply chain so as to reduce reliance on a small number of suppliers and locations. • We have a geographically diverse client base for OSP. • We have a geographically diverse technology team. • We have policies and practical experience of operating in circumstances of health pandemics.

Glossary

2024 Directors' Remuneration Policy or 2024 Policy – the Directors' Remuneration Policy which was approved by shareholders at the 2024 Annual General Meeting.

Active customer – a customer who has shopped with Ocado Retail Limited at Ocado.com within the previous 12 weeks.

Adjusting items – items considered significant due to their size/nature, not in the normal course of business or are consistent with items treated as adjusting in the prior periods or that may span multiple financial periods. These have been classified separately to draw them to the attention of the reader of the financial statements.

AEON – AEON Co., Ltd., a company incorporated in Japan, whose registered office is at 1–5–1 Nakase, Mihama-ku, Chiba-shi, Chiba, 261–8515.

AGM – the Annual General Meeting of the Company, which will be held on 29 April 2025 at 10 am at Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9UL.

AI – Artificial Intelligence.

AIP – the Annual Incentive Plan for the Executive Directors and selected senior managers.

Alcampo – Alcampo S.A., a company incorporated in Spain under registered company number C.I.F. A-28581882 whose registered office is at Madrid, c/ Santiago Compostela Sur, s/n (Edificio de Oficinas la Vaguada) CP.28029 Madrid.

American Depositary Receipts – securities that have been created to permit United States investors to hold shares in non-United States companies and, in a Level 1 programme, to trade them on the over-the-counter market in the United States of America.

AMR – Autonomous Mobile Robot.

Articles – the Articles of Association of the Company.

ASRS –automated storage retrieval systems.

Auchan Polska – Auchan Polska Sp. z.o.o., a company incorporated in Poland, whose registered office is at ul. Puławska 46, 05-500 Piaseczno.

AutoStore – AutoStore Technology AS, a company incorporated in Norway, whose registered office is at Stokkastrandvegen 85, 5578, Nedre Vats, Rogaland, Norway.

Automated Frame Load or AFL – the part of the MHE that transfers delivery totes which have been filled with products ordered by a customer from the picking operation into delivery frames.

Average basket value – the average amount shoppers spend in one transaction.

Average live modules – the weighted average number of modules that were fully installed and available for use by our client partners during the period.

Average orders per week – the average number of orders per week processed within CFCs for Ocado Retail Limited.

Average selling price or ASP – product sales divided by total eaches.

Board – the Board of Directors of the Company or its subsidiaries from time to time as the context may require.

Bon Preu – Bon Preu SA, a company incorporated in Spain, whose registered office is at Carrer C, 17, 08040 Barcelona.

BRC – British Retail Consortium.

CAP – Corrective Action Plan.

CBAM – Carbon Border Adjustment Mechanism.

Client - a client of Ocado Group that has purchased warehouse automation products and services offered to non-grocery customers.

CO_2e or tCO_2e – the amount of the different greenhouse gases, expressed in terms of the equivalent global warming potential as carbon dioxide (usually expressed as a weight in tonnes).

Code – the UK Corporate Governance Code published by the FRC in 2018, or the 2024 Code.

Coles – Coles Supermarkets Australia Pty Ltd, a company incorporated in Australia, whose registered office is at 800 Toorak Road, Hawthorn East, VIC 3123.

Companies Act – the Companies Act 2006.

Company – Ocado Group plc, a company incorporated in England and Wales with company number 07098618, whose registered office is at Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, United Kingdom, AL10 9UL.

Contribution – Technology Solutions revenue less Technology Solutions direct operating costs.

Contribution margin – Technology Solutions contribution divided by Technology Solutions revenue.

Corporate website – www.ocadogroup.com.

CSRD - the EU Corporate Sustainability Reporting Directive.

Customer Fulfilment Centre or CFC – a dedicated, highly automated warehouse used for the operation of the business.

DE&I – Diversity, Equity and Inclusion.

Deloitte – Deloitte LLP, the Group's statutory auditor and advisor in respect of non-audit services.

Direct operating costs (% of live sales capacity) – the direct costs of running our OSP CFC estate within Technology Solutions. Direct operating costs include engineering, cloud and other technology direct costs.

Directors – the Directors of the Company, whose names and biographies are set out on pages [118] to [121], or the Directors of the Company's subsidiaries from time to time as the context may require.

Disclosure Guidance and Transparency Rules or DTR – the disclosure guidance and transparency rules made under Part VI of the Financial Services and Markets Act 2000 (as amended).

DNED – the Designated Non-Executive Director for Workforce Engagement.

DMA – double materiality assessment.

DP8 – customer deliveries per standardised eight-hour shift.

EBT – Employee Benefit Trust.

EBT Trustee – the Trustee from time to time of the Employee Benefit Trust, currently Ocorian Limited.

eNPS – employee Net Promoter Score.

EPS – earnings per share.

ERM – enterprise risk management.

ESG – Environmental, Social, and Governance.

ESRS – European Sustainability Reporting Standards.

ETI – the Ethical Trade Initiative.

Executive Directors – Tim Steiner and Stephen Daintith. Neill Abrams and Mark Richardson resigned from their positions as Executive Directors with effect from 2 February 2024.

FCA – Financial Conduct Authority.

Financial period – the 52-week period, or 53-week period where relevant, ending on the Sunday closest to 30 November.

Financial year or FY – see financial period.

FMCG – Fast-Moving Consumer Goods.

FRC – Financial Reporting Council.

GAAP – generally accepted accounting principles.

GDPR – General Data Protection Regulation.

Gross liquidity – cash and cash equivalents plus unused availability of revolving credit facility.

Group – Ocado Group plc, its subsidiaries, significant undertakings and affiliated companies under its control or common control.

Groupe Casino or Casino – Casino Guichard Perrachon SA, a company incorporated in France, whose registered office is at 24 Rue de la Montat, Saint-Etienne.

HACCP – Hazard Analysis & Critical Control Point.

HMRC – His Majesty's Revenue and Customs.

HSFE – means Health, Safety, Fire and Environment.

IAS – International Accounting Standards.

ICA – ICA Gruppen AB, a company incorporated in Sweden, whose registered office is at Svetsarvägen 16, Solna.

ICE – internal combustion engine.

IFRIC – International Financial Reporting Standards Interpretations Committee.

IFRS – International Financial Reporting Standards.

ILO – the International Labour organisation.

IROs – impacts, risks and opportunities.

ISA (UK & Ireland) – International Standard on Auditing in the United Kingdom and Ireland.

ISF – in-store fulfilment.

Jones Food Company, Jones Food or JFC – Jones Food Company Limited, a company incorporated in England and Wales with company number 10504047, whose registered office is at Old Forge Place, Lydney GL15 5SA.

KPI – key performance indicator.

Kroger – The Kroger Co., a company incorporated in the United States of America, whose registered office is at 1014 Vine Street, Cincinnati, Ohio.

LGV – large goods vehicle.

Listing Rules – the UK Listing Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended).

Lotte Shopping or Lotte – Lotte Shopping Co., Ltd, a company incorporated and registered in the Republic of Korea with registered number 5298500774 whose registered office is at Lotte World Tower, 26th floor, 300, Olympic Street, Songpagu, Seoul, Republic of Korea.

Marks & Spencer or M&S – Marks & Spencer Group plc, a company incorporated in England and Wales with company number 04256886, whose registered office is at Waterside House, 35 North Wharf Road, London, W2 1NW, or one of its subsidiaries.

McKesson or McKesson Canada –McKesson Canada Corporation, a company incorporated in Canada and whose registered office is at 4705 Dobrin Street, Montreal, Quebec, H4R 2P7.

MHE – material handling equipment.

MHE JVCo – MHE JVCo Limited, a company incorporated in England and Wales with company number 08576462, jointly owned by Ocado Holdings and Morrisons, whose registered office is at Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, United Kingdom, AL10 9UL.

Morrisons – Wm Morrison Supermarkets Limited, a company incorporated in England and Wales with company number 00353949, whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire, BD3 7DL.

Morrisons.com – Morrisons' online retail business.

MWh – megawatt-hour.

Net finance cost –finance costs less finance income. Finance costs are composed primarily of interest on borrowings and lease liabilities. Finance income is composed principally of bank interest.

Net zero - a target to completely negate greenhouse gases produced by an organisation, predominantly through the actual reduction of the emissions, but with a small amount covered by other methods such as offsetting.

Net zero roadmap or Net zero programme - the key programmes of work needed for the business to achieve net zero GHG emissions.

Non–Executive Directors – the Non–Executive Directors of the Company whose names and biographies are set out on pages [XX] to [XX].

Notice of Meeting – the Notice of the Company's AGM.

NOx – nitrous oxide.

NPS – net promoter score.

Number of modules live – modules that are fully installed and available for use by our partners.

Modules ordered – the maximum capacity of sites for which a contractual agreement has been signed with a partner and an invoice has been issued for the associated site fees.

Ocado.com – the Group's online retail business serviced from the Ocado.com website and excludes the Zoom by Ocado business.

OGRP – On-Grid Robotic Pick.

Ocado Re:Imagined or Re:Imagined – a series of innovations and changes to the technology powering our Ocado Smart Platform (OSP).

Ocado Retail Limited, Ocado Retail or ORL – Ocado Retail Limited, a joint venture between Ocado Holdings Limited and Marks and Spencer Holdings Limited, which is incorporated in England and Wales, and whose registered office is at Apollo Court, 2 Bishop Square, Hatfield Business Park, Hatfield, Hertfordshire, United Kingdom, AL10 9NE.

Ocado Smart Platform or OSP – the end-to-end solution for operating online in the grocery market, which has been developed by the Group.

OECD – the Organisation for Economic Co-operation and Development.

Operating costs – all costs incurred in the continuing operations of the group.

Panda - Panda Retail Company, a company incorporated in Saudi Arabia, whose registered office is at Ash Shati Dist, Taha Khusaifan Street, Jeddah.

Participants – eligible staff who participate in one of the Groups' employee share schemes.

Partner - a client of Ocado Group that has purchased the Ocado Smart Platform Solution or part of the OSP Solution to deliver their operations.

PM – particulate matter.

PSP – Performance Share Plan.

PwC – PricewaterhouseCoopers LLP, the Group's external advisor on remuneration.

QBRs – Quarterly Business Reviews.

RBA –the Responsible Business Alliance.

RCF – revolving credit facility.

RECs – renewable energy certificates.

REDI – Religious Equity, Diversity and Inclusion.

ROI – return on investment.

RSP – Restricted Share Plan.

SBTi – Science Based Targets initiative.

Senior unsecured notes or notes – the Company's offerings of £500m senior secured notes due 2026, and of £450m senior secured notes due 2029.

Senior unsecured convertible bonds or convertible bonds – the Company's offerings of £600m senior unsecured convertible bonds due 2025 at a coupon of 0.875% and an issue price of 100.0%, of £350m senior unsecured convertible bonds due 2027 at a coupon of 0.750% and an issue price of 100.0%, and of £250m senior unsecured convertible bonds due 2029 at a coupon of 6.500% and an issue price of 100%.

Shareholder – a holder of ordinary shares of the Company.

SID – Senior Independent Director.

SIP – Share Incentive Plan.

SPP – Employee Share Purchase Plan.

SKU – stock-keeping unit; that is, a line of stock.

SOC – System and Organisation Controls, as defined under the Association of International Certified Professional Accountants Trust Services Principles and Criteria.

Sobeys – Sobeys Inc., a wholly-owned subsidiary of Empire Company Limited incorporated in Canada, whose registered office is at 115 King Street, Stellarton, Nova Scotia.

Spoke – the trans-shipment sites used for the intermediate handling of customers' orders.

STEM – Science, Technology, Engineering and Maths.

Stem time - the time from when a driver leaves the CFC/spoke until the driver makes the first delivery

Substitution – an alternative product provided in place of the original product ordered by a customer.

TCFD – the Task Force on Climate-related Financial Disclosures.

TSR – Total Shareholder Return, the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of the stock.

UNGP – the UN Guiding Principles on Business and Human Rights.

UPH –average units picked per labour hour.

USDAW – the Union of Shop, Distributive and Allied Workers.

VCP – Value Creation Plan.

Webshop – the customer-facing internet-based virtual shop accessible via the website www.ocado.com.

WRAP – the Waste & Resources Action Programme.

ZEVs – zero-emission vehicles.

Zoom by Ocado or Zoom – Zoom by Ocado, the Group's immediacy delivery offering.