Interim Results

RNS Number : 3395E
AO World plc
24 November 2026

This announcement may contain inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

24 November 2026

AO WORLD PLC

INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2026

REVENUE UP 6% YoY, PROFIT BEFORE TAX UP 20% YoY

AO World PLC ("the Group" or "AO"), the UK's most trusted electrical retailer, today announces its unaudited financial results for the six months ended 30 September 2026 ("HY27").

The period saw continued revenue and profit growth, alongside strong underlying cash generation.

£m	HY27	HY26	Mvmt
Total revenue	617.5	585.6	6%
B2C Retail revenue[1]	436.0	423.0	3%
Operating profit	20.6	17.5	18%
Profit before tax	21.5	17.9	20%
Basic earnings per share (EPS) (p)	2.79	2.22	26%
Free cashflow[2]	31.5	57.1	(44%)
Total net funds [4]	20.8	15.0	39%

Financial highlights

- Total revenue up 6% to £617.5m (HY26: £585.6m).
- Continued profit progress, with PBT up 20% to £21.5m (HY26: £17.9m) achieved despite inflationary headwinds and a tough economic backdrop.
- Free cashflow of £31.5m driven by a strong operating performance and the normalisation of prior-year working capital timing benefits; period-end cash was £93.9m and the £120m RCF remained undrawn.
- £20m capital return programme: £9.8m[5] special dividend paid in June, and £5.3m of the £10m share buyback completed by the period end, with the remainder expected to complete by December 2026.

Operational highlights

- AO Mobile launched: one simple 500GB SIM-only tariff with pricing for AO members of £12 a month, further extending our membership proposition.
- Completed the acquisition of Jessops, a leading UK specialist photography retailer, supporting our strategy of expanding into adjacent categories; funded from existing cash.
- AO membership momentum continues with improved uptake and share of wallet continuing to grow; members now account for over half of total product sales
- Market share[3] gained or maintained across all categories, with Major Domestic Appliance ("MDA") market share maintained at 18.0% (HY26: 17.9%).
- Continued to invest in our logistics operation with over 200 new vans, tractors and trailers added in H1 and on track to bring this total to over 350 in FY27 in line with our fleet refresh plan.

Outlook

We enter our peak trading period with our business positioned well; a resilient model and disciplined approach to cost and investment, whilst being mindful of challenging market uncertainty. As planned, the second half will carry a step-up in investment, including around £5m in technology and people, most of it in our ERP warehouse management system and AI investment. Trading conditions are challenging: the consumer is cautious, the market is highly competitive, and we continue to monitor the impact of inflation and interest rate rises. Against this backdrop and in light of our continued policy to expense as we go, our expectations for FY27 are as follows:

- PBT to be between £48m and £54m
- FCF to be between £50m and £60m

We remain confident in progress towards our medium-term objective of a 5% PBT margin.

AO Founder and Chief Executive, John Roberts, said:

"We've delivered a good first half, with group revenue up 5.5% and profit up 20% to £21.5m. That comes down to two things: our model working well even with sales a little softer than we'd have liked. Our execution of turnaround delivery continues; Mobile is now profitable and musicMagpie expected to make a profit for the full year.

"The wider market is tough so we expect softer trading to continue into the second half against a harder backdrop, while we step up investment in our ERP programme.

"There is real strength in the group eco-system with the parts of the business complementing each other and compounding value. AO membership now accounts for over half of total product sales. Combining that loyalty with the essential nature of what we sell delivers a level of quality and resilience few retailers can match.

"Cash generation remains strong with over £200m of available liquidity after June's £10m dividend, as well as half of our £10m buyback having been delivered by the period end. This financial discipline is what lets us continue investing in new initiatives irrespective of market conditions.

"Our fantastic people are central to our culture and our capability, so as always I want to thank each and every AOer

for their contribution. "

Enquiries	
AO World PLC	Tel: +44(0)1204 672 400
John Roberts, Founder & CEO **Mark Higgins, Group CFO & COO**	ir@ao.com
Sodali & Co	Tel: +44(0) 20 7250 1446
Rob Greening	ao@sodali.com

Webcast details

An in-person results presentation and Q&A will be held for analysts and investors at 09:00 GMT with registration opening at 08:30 GMT today, 24 November 2026 at Peel Hunt 100 Liverpool St, London, EC2M 2AT. Advance registration, prior to arrival, is required by emailing ao@sodali.com. A playback of the presentation will be available on AO World's corporate website at www.ao-world.com later in the afternoon.

About AO

AO World plc, headquartered in Bolton and listed on the London Stock Exchange, is the UK's most trusted electrical retailer. Our strategy is to create value by providing brilliant customer service and making AO the destination for everything they need, in the simplest and easiest way, when buying electricals.

We offer a wide range of products including major and small domestic appliances, AV, consumer electricals, laptops and mobile phones as well as our own network, AO Mobile. Trusted photography retailer, Jessops, is also part of AO offering photography and optical products and services.

We also provide ancillary services such as the installation of new and collection of old electricals alongside product protection plans and customer finance. We also serve the B2B market in the UK, providing electricals and installation services at scale.

AO also ensures customers' electronic waste is dealt with responsibly through its WEEE processing facility alongside tech refurbishment and recommerce via musicMagpie and Camera Jungle.

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[1] B2C (business-to-consumer) Retail revenue relates to products and services purchased by B2C customers through the retail websites (including membership fees and revenue attributable to protection plans sold with the products) but excluding the re-commerce platforms for musicMagpie and Elekdirect. B2B (business to business) Retail revenue relates to products and services purchased by B2B customers and also includes funding for marketing services provided to suppliers.

[2] Free cashflow is defined as the movement in cash and cash equivalents in the period excluding the cost of acquiring subsidiaries, the cost of purchasing own shares via the share buyback programme, the payment of any dividends and funding the EBT to acquire shares in the company.

[3] Total electricals market data from GfK, for the 6 months to 30 September 2026. AO's value is from company data, net value.

[4] Total net funds is defined as cash and cash equivalents less borrowings, owned asset lease liabilities and right of use liabilities.

[5] A £10m special dividend was announced in June 2026. Actual cash payment was £9.8m with the EBT waiving its entitlement of £0.2m.

Cautionary statement

This announcement may contain certain forward-looking statements (including beliefs or opinions) with respect to the operations, performance and financial condition of the Group. These statements are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. By their nature, future events and circumstances can cause results and developments to differ materially from those anticipated. Except as is required by the Listing Rules, Disclosure Guidance and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise. Nothing in this document should be construed as a profit forecast or an invitation to deal in the securities of the Company. This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to AO World PLC and its subsidiary undertakings when viewed as a whole.

Strategic update

Our strategy is unchanged. We are using the structural advantages we have built in trust, membership, operations and brand relationships to give customers the simplest way to shop and the best prices, delivered brilliantly. Our flywheel is now a capability at scale, and we are using it to take AO into new categories. Each step is small, expensed and gated, so it must earn the next.

Building and buying capability in the half. In Mobile, we launched AO Mobile, our own mobile network, and are now rolling it out to the wider market. Through musicMagpie, our partnership with Timpson now covers more than 1,300 stores, increasing our supply of refurbished phones. In September we completed the acquisition of Jessops, the UK's leading specialist photography retailer. Cameras and optics are a natural fit for AO customers. We will continue to run Jessops as a standalone specialist, using AO's scale, traffic and logistics to grow it and take out cost, and we expect it to contribute to the Group in FY28

New growth engines. Over the next 12 months we will launch solar, bringing our trusted in-home delivery, installation and finance to a large and growing market, with EV chargers and air conditioning to follow. Solar is being built, not bought, with the costs expensed as we go.

Technology, AI and robotics. We continue to invest in the technology that underpins our model. In the second half we will invest further in our new warehouse management system and in AI across the business to improve efficiency and service. After a successful trial, the next phase of warehouse robotics will see around £2m of capital expenditure, as we test robotics at scale in a live operational setting. In the longer term, we believe physical AI, including humanoid robots in the home, will become a significant consumer market. We already have most of what it takes to win there, including in-home delivery and installation, after-sales service, finance, trust and end-of-life recommerce and recycling.

FINANCIAL REVIEW

Revenue

£m	6 months ended 30 September 2026	6 months ended 30 September 2025	% change
B2C Retail revenue	436.0	423.0	*3.1%*
B2B Retail revenue	49.8	46.3	*7.6%*

Mobile revenue	37.5	32.9	*13.8%*
Recommerce revenue	65.7	56.0	*17.3%*
Third-party logistics revenue	15.6	16.3	*(4.6%)*
Recycling revenue	12.9	11.1	*16.6%*
	617.5	**585.6**	***5.5%***

For the six months ended 30 September 2026, Group revenue increased by 5.5% to £617.5m (HY26: £585.6m).

B2C Retail revenue

B2C Retail revenue comprises products and services purchased by consumers through our retail websites, including membership fees and revenue from protection plans sold alongside products. B2C Retail revenue grew 3.1% year on year to £436.0m, driven by the continued growth of our membership model, a broader product range and targeted investment in customer acquisition. Membership uptake continues to grow, and customers continue to give us more share of wallet. We maintained share in a flat MDA market, reaching 18.0% (HY26: 17.9%) and saw significant growth ahead of the market across Small Domestic Appliances (SDA) and Audio Visual (AV) categories. With over 700 products added to our range in the period, customers have even more reasons to shop with us, and our membership and finance offerings add to the value we provide.

B2B Retail revenue

B2B Retail revenue comprises product and service revenue from business customers. Revenue grew 7.6% year on year to £49.8m, driven by volume growth across a number of customers. This growth was achieved alongside our continued discipline of only pursuing contracts that meet our minimum profit hurdles, which ensures the revenue we add is profitable.

Mobile revenue

Mobile revenue, which comprises commissions from network connections, grew 13.8% to £37.5m (HY26: £32.9m). This reflects the annualisation of the reset of our partnerships with the Mobile Network Operators alongside a disciplined approach to customer acquisition, which moved the business away from volume-driven growth and towards stronger unit economics. Alongside the launch of AO Mobile, we will look to leverage our past investment in the Phones4u brand, acquired in the prior financial year, to further strengthen our position in mobile.

Re-commerce revenue

Recommerce revenue is generated from product sales through Elekdirect and musicMagpie, as well as reworked and recycled products through AO Recycling. Recommerce revenue grew 17.3% year on year to £65.7m driven by musicMagpie as we continue to develop the business. Our partnership with Timpson, which launched nationally in January 2026 enables customers to trade in their smartphones for instant payment in over 1,300 Timpson stores and as such has contributed significantly to supply of devices, in-turn driving recommerce sales.

Third-Party logistics revenue

Our expertise in complex two-person delivery is highly valued in our industry, and we undertake a number of deliveries on behalf of third-party clients in the UK. Revenue in this area was £15.6m (HY26: £16.3m), a modest decrease of 4.6% that reflects lower volumes from existing clients rather than the loss of any contract. This revenue continues to deliver incremental profitability, and we will keep optimising the opportunity to make full use of our operational gearing, without distracting from our core business.

Recycling revenue

Recycling revenue increased by 16.6% year on year to £12.9m (HY26: £11.1m). This was driven by higher volumes of products processed, including a record month for fridge processing in August, and by higher prices for recovered materials, notably copper, aluminium and compressors, reflecting strength in global metals markets.

Gross margin

£m	6 months ended 30 September 2026	6 months ended 30 September 2025	% change
Gross profit	157.1	147.9	*6.2%*
Gross margin	25.4%	25.3%	*+ 0.1 ppts*

Gross profit, including product margins, services and delivery costs up YoY at 25.4% (HY26: 25.3%).

Product margins remain strong, supported by selective pricing and strategic purchasing, which enabled us to reinvest margin in our customers through our promise that members always pay less. In the period we have given over £29m of discounts to our members through product discount and free delivery, recycling and unpack. Inflationary pressures continue to drive up the cost to deliver, which we continue to look to offset with operational efficiency wins. Following the changes we made to our mobile business in the prior year, Mobile delivered higher margins and sales volumes. musicMagpie's contribution improved, driven by higher tech product sales. Higher volumes processed and stronger commodity prices in the Recycling business saw further margin upside.

Selling, General & Administrative Expenses ("SG&A")

£m	6 months ended 30 September 2026	6 months ended 30 September 2025	% change
Advertising and marketing	27.3	24.4	*11.7%*
% of revenue	*4.4%*	4.2%	
Warehousing	39.8	37.1	*7.3%*
% of revenue	*6.4%*	6.3%	
Other admin	69.4	68.9	*0.7%*
% of revenue	*11.2%*	11.8%	
Administrative expenses	**136.5**	**130.4**	***4.7%***
% of revenue	*22.1%*	22.3%	

SG&A costs for the period have decreased as a percentage of revenue to 22.1% (HY26: 22.3%).

Advertising and marketing costs increased by £2.9m to £27.3m (HY26: £24.4m),and rose as a percentage of revenue to 4.4% (HY26: 4.2%) with the majority of this increase in B2C Retail. The highly competitive electricals marketplace, combined with subdued market growth and an inflationary cost environment have led to increased spend in direct customer acquisition channels including PPC.

Warehousing costs increased by £2.7m (7.3%) to £39.8m (HY26: £37.1m), and were broadly stable as a percentage of revenue at 6.4% (HY26: 6.3%). The increase reflects inflation in rent and business rates, and our decision to expand our warehousing footprint with the addition of the Alsager warehouse in April 2026, taking our total warehouse footprint to over 1.7 million sq ft.

Other admin, which includes staff and office costs, was broadly flat at £69.4m (HY26: £68.9m) and fell as a percentage of revenue to 11.2% (HY26: 11.8%). The annualisation of offshoring has delivered further savings in the period, acting to partly offset inflationary pressures of people and tech costs. We continue to invest in our technology platforms, including £3.6m in our ERP warehouse management system (HY26: £1.6m).

Operating Profit

Operating profit for the period was £20.6m (HY26: £17.5m), for the reasons explained above.

Taxation

The tax charge is recognised based on management's best estimate of the weighted-average annual corporation tax rate expected for the full financial year multiplied by the pre-tax results of the interim reporting period. The Group's tax charge for the period is £5.9m (HY26: £5.3m) as a result of the expected effective tax rate for the year of 27.4% (FY26 – 28.9%)

Retained profit and earnings per share

Retained profit for the period was £15.6m (HY26: £12.6m).

Basic earnings per share was 2.79p (HY26: 2.22p) and diluted earnings per share was 2.67p (HY26: 2.13p).

The calculations for earnings per share are shown in the table below:

£m	6 months ended 30 September 2026	6 months ended 30 September 2025	Year ended 31 March 2026
Earnings attributable to owners of the parent company	**15.6**	**12.6**	**35.9**
Number of shares			
Basic weighted average number of ordinary shares	558,966,116	568,123,261	564,430,910
Potentially dilutive shares options	23,682,156	23,992,604	22,737,153
Diluted weighted average number of ordinary shares	**582,648,272**	**592,115,865**	**587,168,063**
Earnings per share (in pence)			
Basic earnings per share	2.79	2.22	6.36
Diluted earnings per share	2.67	2.13	6.11

Dividend

In line with the Group's capital allocation policy, a special dividend of £9.8m was paid during the period. No interim dividend has been declared in respect of HY27 (HY26 – nil).

Cash resources, cash flow, net funds and total net funds

At 30 September 2026, the Group's available liquidity, being Cash and cash equivalents plus £120m undrawn on its Revolving Credit Facility, was £213.9m (31 March 2026: £201.3m).

During the period, the Group generated a cash inflow of £12.6m (HY26: £52.2m) as set out in the table below:

£m	6 months ended 30 September 2026	6 months ended 30 September 2025
Cashflow from operating activities	46.2	70.4
Adjusted Cashflow from investing activities *(excluding acquisition of subsidiary)*	(0.7)	(1.0)
Adjusted Cashflow from financing activities *(excluding dividends paid, purchase of shares by EBT, and purchase of own shares*	(14.0)	(12.3)
Free cashflow	**31.5**	**57.1**
Acquisition of subsidiary	(3.8)	-
Dividends paid	(9.8)	-
Purchase of shares by EBT	-	(4.2)
Purchase of own shares	(5.3)	(0.7)
Cash movement in the period	**12.6**	**52.2**

Cash inflow from operating activities was £46.2m (HY26: £70.4m)

Operating cash flows before working capital movements improved by £3.8m to £39.4m (HY26: £35.6m), reflecting the increase in profit in the period. The reduction is therefore due to working capital, which generated an inflow of £12.1m (HY26: £39.7m). The £27.6m swing comprises a smaller increase in payables (£27.1m v £39.4m), with the prior period having benefitted from the timing of stock receipts and retail sales around the half year; a larger receivables outflow (£10.1m v £0.5m), reflecting prepaid costs and supplier income timing and a change in the mix of Mobile network connections, which increased the relevant contract asset and is largely offset by the associated contract liability within payables; and an inventory outflow of £4.9m (HY26: £0.8m inflow), mainly reflecting an early stock build in musicMagpie ahead of peak. £19.1m of the HY26 working capital inflow reversed as expected in the second half of FY26.

Cash flow from investing activities, excluding the acquisition of a subsidiary, was a £0.7m outflow (HY26: £1.0m outflow).

Interest received increased year on year driven by higher balances and interest rates. This was offset by continued cash capital expenditure of £2.2m principally related to improvements at our Fridge and Plastic recycling sites, across our logistics properties and ongoing IT expenditure.

Cash flow from financing activities, excluding dividends and purchases of shares, was a £14.0m outflow (HY26: £12.3m outflow).

This cash outflow principally related to lease repayments of £10.4m (HY26: £10.0m) and interest paid of £3.0m (HY26: £2.3m) with both increases primarily as a result of the continued investment in the fleet refresh in logistics.

Other cashflows – included in cashflow from investing activities and financing activities

Acquisition of subsidiary

On 23 September 2026, the Group acquired the whole of the issued share capital of Jessops (Group) Limited. Further details are included in note 8.

Payment of dividend and purchase of own shares

During the period, the Group paid a £9.8m special dividend and purchased £5.3m of its own shares under the £10m share buyback programme. These capital returns reflect the Group's capital allocation policy, balancing continued investment in the business and growth opportunities with the return of surplus capital to shareholders, while maintaining a strong balance sheet and appropriate liquidity.

As a result of the above movements, net funds and total net funds were as follows:

	30 September 2026 £m	31 March 2026 £m
Cash and cash equivalents	93.9	81.3
Borrowings – Repayable within one year	(0.2)	(0.2)
Borrowings – Repayable after one year	(1.4)	(1.5)
Owned assets lease liabilities – Repayable within one year	(5.1)	(3.2)
Owned assets lease liabilities – Repayable after one year end	(18.2)	(11.5)
Net funds	69.0	64.9
Right of use lease liabilities – Repayable within one year	(12.8)	(13.5)
Right of use lease liabilities – Repayable after one year	(35.4)	(34.9)
Total net funds	**20.8**	**16.4**

Borrowings of £1.5m (31 March 2026: £1.7m) relate to a mortgage which was used to partly fund the acquisition of one of the Group's recycling sites.

As anticipated, owned asset lease liabilities increased in the period as our Logistics business continued its significant fleet refresh including trailers, tractor units and delivery vehicles, utilising hire purchase facilities.

Right of use lease liabilities were broadly flat at £48.2m with capital repayments in the period offset by additions in our warehouse portfolio. As noted previously, other significant warehouse leases, are scheduled for renewal over the next 12 months and is therefore likely to see these liabilities increase by £40m-£50m in 2027.

John Roberts
Founder and Chief Executive Officer

Mark Higgins
Group Chief Financial Officer and Chief Operating Officer

CONDENSED CONSOLIDATED INCOME STATEMENT
For the 6 months ended 30 September 2026

£m	Note	6 months ended 30 September 2026	6 months ended 30 September 2025	Year ended 31 March 2026
Revenue	2	**617.5**	**585.6**	**1,266.6**
Cost of sales		(460.4)	(437.7)	(950.5)
Gross profit		**157.1**	**147.9**	**316.1**
Administrative expenses		(136.5)	(130.4)	(266.7)
Operating profit		**20.6**	**17.5**	**49.4**
Finance income		3.7	2.9	6.6
Finance costs		(2.8)	(2.5)	(5.5)
Profit before tax		**21.5**	**17.9**	**50.5**
Taxation		(5.9)	(5.3)	(14.6)
Profit for the period		**15.6**	**12.6**	**35.9**

Earnings per share (pence)			
Basic earnings per share	2.79	2.22	6.36
Diluted earnings per share	2.67	2.13	6.11

The Group has no items of other comprehensive income for the period ended 30 September 2026 or any prior periods. As a result, the total comprehensive income for the period is the same as the profit for the period and therefore no separate Statement of Comprehensive Income has been presented.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2026

£m	Note	30 September 2026	30 September 2025	31 March 2026
Non-current assets				
Goodwill		28.2	25.5	25.5
Other intangible assets		13.6	11.9	11.4
Property, plant and equipment		48.9	36.1	39.5
Right of use assets		42.4	43.5	42.4
Trade and other receivables	4	90.0	87.4	92.2
Deferred tax asset		-	0.7	-
		223.1	**205.1**	**211.0**
Current assets				
Inventories		90.3	86.3	87.4
Trade and other receivables	4	120.7	106.2	105.5
Corporation tax receivable		1.4	0.7	0.2
Cash and cash equivalents		93.9	79.6	81.3
		306.3	**272.8**	**274.4**
Total assets		**529.4**	**477.9**	**485.4**
Current liabilities				
Trade and other payables	5	(263.0)	(248.0)	(232.5)
Borrowings	6	(0.2)	(0.2)	(0.2)
Lease liabilities	6	(17.8)	(17.8)	(16.7)
Provisions		(0.8)	(0.2)	(1.4)
		(281.9)	**(266.2)**	**(250.9)**
Net current assets		**24.4**	**6.6**	**23.5**
Non-current liabilities				
Trade and other payables	5	(6.1)	(4.4)	(5.7)
Borrowings	6	(1.4)	(1.6)	(1.5)
Lease liabilities	6	(53.6)	(45.0)	(46.4)
Deferred tax liability		(3.1)	-	(1.3)
Provisions		(4.2)	(4.6)	(4.1)
		(68.4)	**(55.6)**	**(59.0)**
Total liabilities		**(350.3)**	**(321.8)**	**(309.9)**
Net assets		**179.1**	**156.1**	**175.5**
Equity attributable to owners of the parent				
Share capital	7	1.4	1.5	1.4
Share premium account	7	108.5	108.5	108.5
Investment in own shares	7	(9.9)	(14.6)	(11.0)
Other reserves		74.3	71.1	72.0
Retained earnings/ (losses)		4.8	(10.4)	4.6
Total equity		**179.1**	**156.1**	**175.5**

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

At 30 September 2026

				Other reserves						
	Share capital	Share premium account	Investment in own shares	Merger reserve	Capital redemption reserve	Share-based payment reserve	Translation reserve	Other reserves	Retained earnings/ (losses)	**Total**
	£m	£m	£m	£m	£m	£m	£m	£m	£m	**£m**
Balance at 1 April 2026	**1.4**	**108.5**	**(11.0)**	**59.2**	**0.5**	**28.0**	**(9.4)**	**(6.3)**	**4.6**	**175.5**
Profit for the period	–	–	–	–	–	–	–	–	15.6	**15.6**
Dividends paid	-	-	-	-	-	-	-	-	(9.8)	**(9.8)**
Share-based payments charge (net of tax)	–	–	–	–	–	3.6	–	–	–	**3.6**
Share options exercised	–	–	1.1	–	–	–	–	–	(1.6)	**(0.5)**
Purchase of own shares	–	–	–	–	–	–	–	–	(5.3)	**(5.3)**
Cancellation of shares	-	–	–	–	-	–	–	–	–	**–**
Movement between reserves	–	–	–	–	–	(1.3)	–	–	1.3	**–**
Balance at 30 September 2026	**1.4**	**108.5**	**(9.9)**	**59.2**	**0.5**	**30.3**	**(9.4)**	**(6.3)**	**4.8**	**179.1**

At 30 September 2025

				Other reserves						
	Share capital	Share premium account	Investment in own shares	Merger reserve	Capital redemption reserve	Share-based payment reserve	Translation reserve	Other reserves	Retained losses	**Total**
	£m	£m	£m	£m	£m	£m	£m	£m	£m	**£m**

Balance at 1 April 2025	**1.5**	**108.5**	**(10.9)**	**59.2**	**0.5**	**24.3**	**(9.4)**	**(6.3)**	**(22.8)**	**144.5**
Profit for the period	–	–	–	–	–	–	–	–	12.6	**12.6**
Share-based payments charge (net of tax)	–	–	–	–	–	3.8	–	–	–	**3.8**
Purchase of shares by EBT	–	–	(4.2)	–	–	–	–	–	–	**(4.2)**
Share options exercised	-	-	0.5	-	-	-	-	-	(0.4)	**0.1**
Purchase of own shares	-	-	-	-	-	-	-	-	(0.7)	**(0.7)**
Cancellation of shares	-	-	-	-	-	-	-	-	-	**-**
Movement between reserves	–	–	–	–	–	(0.9)	–	–	0.9	**–**
Balance at 30 September 2025	**1.5**	**108.5**	**(14.6)**	**59.2**	**0.5**	**27.2**	**(9.4)**	**(6.3)**	**(10.4)**	**156.1**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the 6 months ended 30 September 2026

£m	Note	6 months ended 30 September 2026	6 months ended 30 September 2025	Year Ended 31 March 2026
Cash flows from operating activities				
Cash generated from operations	6	51.5	75.3	107.8
Taxation paid		(5.3)	(4.9)	(12.1)
Net cash generated from operating activities		**46.2**	**70.4**	**95.7**
Cash flows from investing activities				
Interest received		1.5	0.6	2.1
Acquisition of property, plant and equipment		(1.7)	(1.6)	(5.2)
Acquisition of intangible assets		(0.5)	-	(0.8)
Acquisition of subsidiary (net of cash acquired)	8	(3.8)	-	-
Cash used in investing activities		**(4.5)**	**(1.0)**	**(3.9)**
Cash flows from financing activities				
Purchase of shares by EBT (including transaction costs)		-	(4.2)	(4.2)
Purchase of own shares by entity		(5.3)	(0.7)	(10.1)
Exercise of share options by employees:				
- Employee contributions		0.2	0.1	1.8
- Cost of net settlement to the Group		(0.7)	-	-
Dividends paid		(9.8)	-	-
Repayment of borrowings		(0.1)	(0.1)	(0.2)
Repayment of lease liabilities		(10.4)	(10.0)	(20.2)
Interest paid on lease liabilities		(2.0)	(1.8)	(3.6)
Other interest paid (including interest on borrowings)		(1.0)	(0.5)	(1.3)
Net cash used in financing activities		**(29.1)**	**(17.2)**	**(37.9)**
Net increase in cash		**12.6**	**52.2**	**53.9**
Cash and cash equivalents at beginning of period		**81.3**	**27.4**	**27.4**
Cash and cash equivalents at end of period		**93.9**	**79.6**	**81.3**

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The interim financial information was approved by the Board on 24 November 2026. The financial information for the 6 months ended 30 September 2026 has been reviewed by the Group's external auditor. Their report is included within this announcement. The financial information for the year ended 31 March 2026 is based on information in the audited financial statements for that period which are available online at https://www.ao-world.com/investor-centre/.

The comparative figures for the year ended 31 March 2026 are an abridged version of the Group's full financial statements and, together with other financial information contained in these interim results, do not constitute statutory financial statements of the Group as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2026 has been delivered to the Registrar of Companies. The auditors have reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006.

This condensed set of financial statements has been prepared in accordance with *IAS 34 Interim Financial Reporting* under UK-adopted international accounting standards. The annual financial statements of the Group for the year ending 31 March 2027 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies, judgements and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 March 2026.

Certain financial data has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Group meets its day-to-day working capital requirements from its cash balances and the availability of its £120m revolving credit facility.

The Directors have prepared base and sensitised cashflow forecasts for the Group for a period of 12 months from the expected approval of the condensed interim financial statements ("the going concern period") which indicate that the Group would remain compliant with its covenants and would have sufficient funds through its existing cash balances and availability of funds from its revolving credit facility to meet its liabilities as they fall due for that period. The forecasts take account of current trading, management's view on future performance and their assessment of the impact of market uncertainty and volatility as well as applying sensitivity analysis for a severe but plausible downside to the base case.

Under the severe but plausible downside scenario the Group continues to demonstrate headroom against its banking facilities and remains compliant with its covenant requirements. Consequently, the Directors are confident that the Group and Company will continue to have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these condensed interim financial statements and therefore have prepared the condensed interim financial statements on a going concern basis.

Key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis.

Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

Accounting standards require the Directors to disclose those areas of critical accounting judgement and key sources of estimation uncertainty that carry a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next 12 months.

The key sources of estimation and judgements, used in the below areas, are detailed in the Group's Annual Report and Accounts for the year ended 31 March 2026 and remain relevant:

- Revenue recognition from product protection plans.
- Revenue recognition in relation to network commissions.

In recognising commission revenue from product protection plans and network connections, the Directors have applied the variable consideration constraint in IFRS 15. Revenue is recognised only to the extent that it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved. On this basis, the Directors do not believe there is a significant risk of a material downward adjustment to revenue recognised. However, amounts currently constrained may be recognised as additional revenue in future periods if the recognition criteria are subsequently met; any such release of constraints could be material.

Impairment of Goodwill

Goodwill is subject to an impairment review on an annual basis, or more frequently where indicators of impairment exist. The Group has considered if any indicators of impairment exist. No indicators were observed therefore an impairment review has not been undertaken in the period ended 30 September 2026.

2. Revenue

The table below shows the Group's revenue by each major revenue stream.

£m	6 months ended 30 September 2026	6 months ended 30 September 2025	Year ended 31 March 2026
B2C Retail revenue	436.0	423.0	911.0
B2B Retail revenue	49.8	46.3	103.0
Mobile revenue	37.5	32.9	77.0
Recommerce revenue	65.7	56.0	119.5
Third-party logistics revenue	15.6	16.3	33.3
Recycling revenue	12.9	11.1	22.7
	617.5	**585.6**	**1,266.6**

3. Segmental analysis

Operating segments are determined by the internal reporting regularly provided to the Group's Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors.

The Group's Chief Operating Decision Maker reviews the Group's performance as a whole and makes decisions for allocating resources based on the Group as a whole, as such, there is only one operating segment in the Group.

4. Trade and other receivables

£m	30 September 2026	30 September 2025	31 March 2026
Trade receivables	16.1	14.0	15.6
Contract assets	149.7	142.5	149.8
Prepayments and accrued income	44.2	36.8	31.9
Other receivables	0.6	0.3	0.4
	210.7	**193.6**	**197.7**

The trade and other receivables are classified as:

£m	30 September 2026	30 September 2025	31 March 2026
Non-current assets	90.0	87.4	92.2
Current assets	120.7	106.2	105.5
	210.7	**193.6**	**197.7**

All of the amounts classified as non-current assets relate to contract assets.

Contract assets

Contract assets represent the expected future commissions receivable in respect of product protection plans and mobile phone connections. The Group recognises revenue in relation to these plans and connections when it obtains the right to consideration as a result of performance of its contractual obligations (acting as an agent for a third party). Revenue in any one year therefore represents the estimate of the commission due on the plans sold or connections made.

Product protection plans and Network commissions

As set out in note 1, a key source of estimation uncertainty relates to revenue recognition from product protection plans and network commissions. Management continually review those estimates in the preparation of the financial statements to ensure that revenue is recognised in line with the requirements of IFRS15 for variable consideration.

The reconciliation of opening and closing balances for contract assets is shown below:

£m	30 September 2026	30 September 2025	31 March 2026
Balance brought forward	149.8	144.8	144.8
Revenue recognised	43.1	42.7	98.4
Cash received	(45.3)	(48.7)	(98.8)
Revisions to estimates	-	1.4	0.9
Unwind of discounting	2.1	2.3	4.5
Balance carried forward	**149.7**	**142.5**	**149.8**

In the six month period to 30 September 2026, the assumptions, estimates and methodology for valuing product protection plans and network commissions have not changed from those at 31 March 2026 and hence disclosures in note 22 of those financial statements remain relevant. As a result, no previously unrecognised revenue has been recognised during the period.

5. Trade and other payables

£m	30 September 2026	30 September 2025	31 March 2026
Trade payables	170.1	168.7	150.3
Accruals	33.5	26.9	27.7
Advanced payments on account	25.9	19.4	23.4
Deferred income	25.9	24.2	24.5
Other payables	13.7	13.2	12.3
	269.1	**252.4**	**238.3**

Advanced payments on account includes payments on account from Mobile Network Operators and our product protection plan provider where there is no right of set off with the contract asset.

The trade and other payables are classified as:

£m	30 September 2026	30 September 2025	31 March 2026
Current liabilities	263.0	248.0	232.5
Long-term liabilities	6.1	4.4	5.7
	269.1	**252.4**	**238.3**

6. Notes to the cash flow statement

a. Reconciliation of operating profit to cash generated from operations

£m	30 September 2026	30 September 2025	31 March 2026
Profit for the period	15.6	12.6	35.9
Adjustments for:			
- Depreciation and amortisation	15.5	14.4	29.4
- Loss on disposal of property, plant and equipment	0.2	0.3	0.3
- Finance income	(3.7)	(2.9)	(6.6)
- Finance costs	2.8	2.5	5.5
- Taxation	5.9	5.3	14.6
- Share-based payment charge	3.6	3.8	7.7
- (Decrease)/ Increase in provisions	(0.5)	(0.4)	0.3
Operating cash flows before movement in working capital	**39.4**	**35.6**	**87.1**
(Increase)/ Decrease in inventories	(4.9)	0.8	(2.2)
(Increase) in trade and other receivables	(10.1)	(0.5)	(2.0)
Increase in trade and other payables	27.1	39.4	24.8
Net movement in working capital	**12.1**	**39.7**	**20.6**
Cash generated from operating activities before tax	**51.5**	**75.3**	**107.8**

b. Analysis of net funds and total net funds

£m	30 September 2026	31 March 2026
Cash and cash equivalents	93.9	81.3
Borrowings – Repayable within one year	(0.2)	(0.2)
Borrowings – Repayable after one year	(1.4)	(1.5)

Owned assets lease liabilities – Repayable within one year	(5.1)	(3.2)
Owned assets lease liabilities – Repayable after one year end	(18.2)	(11.5)
Net funds	69.0	64.9
Right of use lease liabilities – Repayable within one year	(12.8)	(13.5)
Right of use lease liabilities – Repayable after one year	(35.4)	(34.9)
Total net funds	**20.8**	**16.4**

Whilst not required by IAS 1 Presentation of Financial Statements, the Group has elected to disclose its lease liabilities split by those in which ownership transfers to the Group at the end of the lease ("Owned asset lease liabilities") and are disclosed within the Property Plant and Equipment table in note 18 of the Group financial statements, and those leases which are rental agreements and where ownership does not transfer to the Group at the end of the lease as Right of use asset lease liabilities which are disclosed within the Right of use assets table in the Group financial statements. This is to give additional information that the Directors feel will be useful to the understanding of the business.

7. Share capital, Investment in own shares and share premium

	Number of shares m	Share capital £m	Share premium £m	Investment in own shares £m	Capital Redemption Reserve £m
At 1 April 2026	570.6	1.4	108.5	(11.0)	0.5
Cancellation of shares	(5.1)	–	–	-	-
Transfer of own shares on exercise of options	–	–	–	1.1	-
At 30 September 2026	**565.5**	**1.4**	**108.5**	**(9.9)**	**0.5**

Shares held by the Group's Employee Benefit Trust ("EBT") are used to satisfy options under the Group's share schemes. As at 30 September 2026, the number of shares held by the EBT was 9,784,214 (31 March 2026: 11,039,469).

On 17 June 2026, the Company commenced a share buyback programme with the aggregate purchase price of ordinary shares being up to £10m (excluding expenses). The purpose of the programme is to reduce the share capital of the Company and therefore it intends to cancel the shares purchased under the programme.

At 30 September 2026, 5,064,946 shares had been purchased for £5.3m. On 20 November 2026, this had increased to 9,957,597 shares for £9.4m.

8. Acquisition of subsidiary

On 23 September 2026, the Group acquired 100% of the issued share capital of Jessops (Group) Limited ("Jessops"), a specialist photographic retailer, for cash consideration of £3.8m on a debt free/cash free basis. The acquisition has been accounted for as a business combination in accordance with IFRS 3.

Identifiable intangible assets of £3.2m were recognised. The fair value of the net identifiable assets acquired was £1.2m, giving rise to goodwill of £2.7m which reflects expected synergies and the assembled workforce. Acquisition related costs of £0.2m were recognised in administrative expenses.

The acquisition did not have a material impact on the Group's revenue or profit for the period.

The acquisition accounting is provisional at the reporting date and will be finalised within the measurement period permitted by IFRS 3.

9. Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected or historical results. The Directors do not consider that the principal risks and uncertainties have changed materially since the publication of the Annual Report for the year ended 31 March 2026.

The principal risks as set out in the Annual Report are summarised below and further information on these together with information as to how the Group seeks to mitigate these risks is set out on pages 27-31 inclusive of the Annual Report and Accounts 2026 which can be found at www.ao-world.com:

- Risks relating to the UK electricals market
- Risk relating to IT systems resilience, cyber security and agility
- Risks relating to our culture and people.
- Risks of business interruption.
- Risks relating to our key commercial partnerships
- Risks relating to changes to/ compliance with laws and regulations

Responsibility statement

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- The interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

John Roberts **Mark Higgins**

Founder and CEO

23 November 2026

Group Chief Financial Officer and Chief Operating Officer

23 November 2026

INDEPENDENT REVIEW REPORT TO AO WORLD PLC

Conclusion

We have been engaged by AO World Plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Andrew Bradshaw
for and on behalf of KPMG LLP
Chartered Accountants
One St. Peter's Square
Manchester
M2 3AE
23 November 2026

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