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Ocado Group plc ("Ocado")

Ocado and Kroger to roll out new technology enhancements across CFCs

Ocado Group ("Ocado") has announced a significant development of its partnership with Kroger, a leading US grocery retailer. Kroger has placed an order for a wide range of new automated technologies to roll out in Customer Fulfilment Centres (CFCs) across its network.

Kroger will implement Ocado's latest 'Re:imagined' technologies across multiple CFCs in its live network, as well as future CFCs. The technologies include proprietary Ocado innovations such as On-Grid Robotic Pick (OGRP) and Automated Frameload (AFL), which will bring new levels of efficiency and labour productivity to the Kroger Delivery network. These innovations will enable Kroger to further drive down their cost to serve from CFCs, and enhance an already market-leading customer proposition.

Ocado's global partners are upgrading their distribution networks with Ocado's latest technologies, with AEON in Japan recently announcing it will also retrofit Ocado's On-Grid Robotic Pick technology into its existing operations. This technology is already rolling out in UK CFCs, where it is picking an increasingly wide range of items. At full capacity, OGRP is expected to pick more than 70% of an extensive online grocery range.

Tim Steiner, CEO of Ocado Group, said:

"We are delivering a step-change in warehouse automation and new levels of efficiency to our partners as global supply chains are under significant pressure to manage higher volumes and greater complexity, as well as challenges in labour cost and availability.

Today marks another exciting milestone in our partnership with Kroger. Our current CFCs are already helping to deliver a game-changing quality of service to their customers across the USA. We are excited for these latest technologies to further enhance that proposition, as well as the efficiency of Kroger's operations in live and future CFCs."

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Notes to Editors

About On-Grid Robotic Pick

On-Grid Robotic Pick (OGRP) is a robotic arm that is installed directly on the grid. The bots operating on the grid deposit stock next to the robot arms to be packed into customer bags. Ocado's retail partners can stock up to 50,000 different products each. Robot arms need to be able to deal with a huge amount of variety of weight, size, shape, surface, fragility and packaging.

Advanced machine vision, deep reinforcement learning, and sensing capabilities enable OGRP to pick tens of thousands of products and pack them densely into bags with precision and accuracy.

About Automated Frameload

Automated Frameload (AFL) automates the most physically demanding job in the warehouse - the loading of prepared customer orders onto delivery frames ready for dispatch. AFL enables the efficient and accurate loading of delivery totes without human touch.

Computer vision examines the tote and the frame, forms an understanding of the dimensions and shape of the tote and enables alignment with the frame, making direction adjustments in real time to push the tote in.

About Ocado Group

Ocado Group is a UK based technology company trading on the London Stock Exchange (Ticker OCDO). It provides end-to-end online grocery fulfilment solutions to thirteen of the world's largest grocery retailers and holds a 50% share of Ocado Retail Ltd in the UK in a Joint Venture with Marks & Spencer. Ocado has spent two decades innovating for grocery online, investing in a wide technology estate that includes robotics, AI & machine learning, simulation, forecasting, and edge intelligence.

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