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AO World plc
25 November 2025

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AO WORLD PLC

INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2025

STRONG REVENUE GROWTH DELIVERS ANOTHER PROFIT UPGRADE

AO LAUNCHES SWITCH 24 - IPHONE 17 FROM ONLY £17 A MONTH UPGRADED EVERY TWO YEARS

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 2025 ("HY26").

The period saw continued delivery of strong revenue, profit and cash generation growth.

£m	HY26	HY25	Mvmt
Total revenue	586	512	14%
B2C Retail revenue[1]	423	377	12%
Operating profit	18	16	7%
Profit before tax	18	16	10%
Basic earnings per share (EPS) (p)	2.22	1.94	15%
Free cashflow[2]	57	14	306%
Net funds [3]	65	38	70%

Financial highlights

- B2C Retail revenue up 12%, underpinned by market share[4] gains across all key categories, with total Group revenue growth of 14%.
- Continued profit progress, with PBT up 10% to £18m (HY25: £16m) achieved despite inflationary headwinds of c£4m from National Minimum Wage (NMW) and National Insurance (NI) cost increases.
- £200m of total liquidity at the period end. Profit converting to cash, with free cashflow of £57m (HY25: £14m) driven by a strong operating performance and a temporary improvement in working capital.
- Ongoing £10m share buyback programme continues, with c£1m purchased by the period end and expected to complete by March 2026.

Operational highlights

- Switch24 launched. A first-to-market proposition on the latest Apple handsets exclusively for Five Star members; an iPhone 17 from only £17 a month, upgraded every two years to the latest model.
- Continued investment in our Five Star membership proposition through compelling discounts across all categories. All metrics across renewal rates, member spend and share of wallet improved in the period.
- Globally leading Trustpilot rating of 4.9 out of 5 on over 850,000 reviews - further cementing AO as the UK's most trusted electrical retailer.
- Post pay mobile business now run-rate profitable and improved commercial terms agreed in principle with the networks.
- Significant progress made in integrating, streamlining and simplifying musicMagpie has seen a significant reduction in the losses made by the business YoY, from c£6m at acquisition to a forecast of c£2m for FY26 and an exit run-rate of breakeven. There remains significant untapped opportunity to further optimise and scale.

Outlook

We are pleased with the Group's progress in the first half, with trading slightly ahead of our previous expectations, despite the inflationary headwinds. In our pre-close trading statement on 15 September 2025, we updated our profit expectation to be between £45m and £50m. Given continued positive trading since then, we now upgrade our FY26 PBT guidance to be around the top of that recently narrowed range.

AO's Founder and Chief Executive, John Roberts, said:

"These numbers speak for themselves, and it's been another positive six months of operational and financial progress.

"I am incredibly excited to have launched Switch24, a new proposition which enables our Five Star members to buy the latest Apple handsets from as little as £17 for an iPhone 17. This is a first in the UK market, and also allows our members to have the latest iPhone every two years.

"It's a great example of AO continuing to disrupt and innovate on behalf of our members to bring them the latest products at the lowest prices.

"It's this kind of value and service that is cementing our position as the UK's most trusted electricals retailer with our world class 4.9 / 5 Trustpilot score on over 850,000 reviews.

"Our strategy is working and we're as confident as ever about AO's upwards trajectory. As always, I'd like to thank every single one of our awesome AOers for their continued focus and dedication to giving our customers the best possible value."

Enquiries

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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, 25 November 2025 at our Hatton Garden office. 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 shortly afterwards.

About AO

AO World PLC, headquartered in Bolton and listed on the London Stock Exchange, is the UK's most trusted online electricals retailer, with a mission to be the destination for electricals. Our strategy is to create value by offering our customers brilliant customer service and making AO the destination for everything they need, in the simplest and easiest way, when buying electricals. We also own an in-house logistics business to manage the delivery process and ensure the highest possible service standards are met.

AO World offers major and small domestic appliances and a growing range of mobile phones, AV, consumer electricals and laptops. We also provide ancillary services such as the installation of new and collection of old products and offer product protection plans and customer finance. musicMagpie operates a leading UK re-commerce platform enabling consumers to buy and sell pre-owned consumer technology and media products. AO Business serves the B2B market in the UK, providing electricals and installation services at scale. AO also has a WEEE processing facility, ensuring customers' electronic waste is dealt with responsibly.

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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 funding the EBT to acquire shares in the company and the cost of purchasing its own shares via the share buyback programme.

3 Net funds is defined as cash less borrowings less owned asset lease liabilities but excluding right of use lease liabilities.

4 Total electricals market data from GfK, for the 6 months to 30 September 2025. AO's value is from company data, net value.

5 Trustpilot score sourced from their website October 2025.

FINANCIAL REVIEW

Revenue

£m	6 months ended 30 September 2025	6 months ended 30 September 2024 (represented - see note 2)	% change
B2C Retail revenue	423.0	377.2	*12.2%*
B2B Retail revenue	46.3	59.9	*(22.8%)*
Network commission revenue	32.9	44.5	*(26.0%)*
Re-commerce revenue	56.0	5.8	863.6%
Third-party logistics revenue	16.3	14.1	*15.9%*
Recycling revenue	11.1	10.6	*4.7%*
	585.6	**512.1**	***14.4%***

For the six months ended 30 September 2025, Group revenue increased by 14.4% to £585.6m (HY25: £512.1m).

B2C Retail revenue

B2C Retail revenue comprises products and services, purchased by B2C customers through our retail websites, including membership fees and revenue attributable to protection plans sold with the product. The continued uptake and development of our membership model, our expanding range and an increase in advertising expenditure have resulted in revenue growth of 12.2% YoY, with all our key categories contributing to this growth. With over 900 products added to our category range in the period we are giving our customers more reasons to buy with us, especially our membership and finance offerings.

B2B Retail revenue

B2B Retail revenue comprises product and service revenue purchased by a business customer. The decline YoY relates to the decision made in the prior financial year to move away from contracts where minimum profit hurdles are not met. There was also a decrease YoY of B2B transactions in mobile phones that are used to manage stock levels.

Network commission revenue

Network commission revenue, which comprises all commissions from network connections, declined by 26% YoY following a strategic reengineering of our partnerships with Mobile Network Operators (MNOs). This initiative aimed to address dysfunctionality in existing agreements and restore profitability to the category. While the changes led to a significant reduction in revenue, they delivered notable improvements in unit gross margin and customer acquisition costs, as we shifted away from volume-driven growth. We have agreed commercial terms in principle with the networks and expect to sign binding agreements in due course and on this basis our post-pay business will continue.

Re-commerce revenue

Re-commerce revenue is generated from product sales through Elekdirect and musicMagpie as well as reworked and recycled products through AO Recycling. The growth in re-commerce revenue of £50.2m YoY largely results from the acquisition of musicMagpie on 12 December 2024.

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 grew by 15.9% and delivers incremental profitability. We will continue to optimise this revenue opportunity to leverage our operational gearing, without it distracting from our core business.

Recycling revenue

Recycling revenue increased to £11.1m, driven by higher volumes of products processed in the period and a YoY reduction in plastic stock volumes, following the commission of the extruder in October 2024. This growth has been partially offset by declines in raw material revenue, specifically steel, reflecting broader downward trends in global commodity markets.

Gross margin

£m	6 months ended 30 September 2025	6 months ended 30 September 2024	% change
Gross profit	147.9	125.0	18.3%
Gross margin	25.3%	24.4%	+ 0.9 ppts

Gross profit, including product margins, services and delivery costs, and margins associated with the trading of musicMagpie increased by 0.9ppts to £147.9m (HY25: £125.0m) delivering an increase in gross margin to 25.3%.

Gross margin improvement has been driven by strong product margins, supported by selective pricing and strategic purchasing actions that have helped mitigate inflationary cost pressures. Additionally, our continued focus on operational efficiency has further contributed to the positive gross margin performance.

Inflationary pressures continue to impact the Group including the indirect pressure on driver costs, as market rates adjust to reflect the rising cost of labour which has been impacted by the changes in NI and NMW. We have also seen a reduction in the average selling price (ASP) which has acted to further compound the pressure on gross margin. This reduction in ASP is driven by competition in the market as well as market share gains from Chinese manufacturers with lower costs.

As previously noted, our recycling business has been impacted by the decline in commodity prices, specifically steel, which have also acted as a drag to gross margin in the period.

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

£m	6 months ended 30 September 2025	6 months ended 30 September 2024	% change
Advertising and marketing	24.4	19.7	(23.9%)
% of revenue	4.2%	3.8%	
Warehousing	37.1	28.6	(29.7%)
% of revenue	6.3%	5.6%	
Other admin	68.9	59.5	(15.7%)
% of revenue	11.8%	11.6%	
Adjusting items	-	0.9	100.0%
% of revenue	-	0.2%	
Administrative expenses	**130.4**	**108.6**	**(20.0%)**
% of revenue	22.3%	21.2%	

SG&A costs for the period have increased as a percentage of revenue to 22.3% (HY25: 21.2%). This increase is primarily driven by increased investment in acquisition spend, inflationary pressures in wages as a result of increases to NI and NMW and continued investment in our ERP system.

The majority of advertising and marketing costs occur within the B2C Retail and Mobile businesses. Mobile customer acquisition cost has reduced in cash terms as we look to deliver on our revised approach to our business model, focusing on the customer proposition with traditional network contract connections for our network partners. In the B2C retail business we have invested more in acquisition spend to continue to drive growth in newer categories which are performing well.

Warehousing as a percentage of sales has increased to 6.3% (HY25: 5.6%) with an increase of £8.5m to £37.1m (HY25: £28.6m). The inclusion of musicMagpie accounts for the majority of the pound value increase, with the increase in the percentage cost primarily attributed to inflationary pressures of NI and the NMW on the cost of labour within our warehouses across the logistics, recycling and musicMagpie businesses.

Other admin, which includes staff and office costs, has increased slightly YoY to 11.8% of revenue and increased on a cost basis by £9.4m to £68.9m (HY25: £59.5m). The inclusion of musicMagpie accounts for the majority of the pound value increase. We continue to look to develop our technology platforms including £2m invested in ERP development.

Inflationary pressures, mainly as a result of people costs but also of a number of IT tech costs have contributed to an increase in other admin costs. We have mitigated some of the increase through offshoring which we will look to continue where appropriate.

Operating Profit and Adjusted Profit before tax

Operating profit for the period was £17.5m (HY25: £16.4m), for the reasons explained above.

Alternative Performance Measures

The Group tracks a number of alternative performance measures in managing its business. These are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS. The Group believes that these alternative performance measures, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these alternative performance measures are also used for the purpose of setting remuneration targets. These alternative performance measures should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial statements relating to the Group, which are prepared in accordance with IFRS. The Group believes that these alternative performance measures are useful indicators of its performance.

Adjusted profit before tax

Adjusted profit before tax is calculated by adding back or deducting Adjusting Items to Profit Before Tax. Adjusting Items are those items which the Group excludes in order to present a further measure of the Group's performance. Each of these items, costs or incomes, is considered to be significant in nature and/or quantum or are consistent with items treated as adjusting in prior periods.

Excluding these items from profit metrics provides readers with helpful additional information on the performance of the business across periods because it is consistent with how the business performance is planned by, and reported to, the Board and the Chief Operating Decision Maker.

The reconciliation of statutory Profit Before Tax to Adjusted profit before tax is as follows:

£m	6 months ended 30 September 2025	6 months ended 30 September 2024	% change
Profit before tax	17.9	16.2	10.4%
Adjusting items	-	0.9	100.0%
Adjusted profit before tax	**17.9**	**17.1**	**4.9%**
% of revenue	3.1%	3.3%	

Adjusting items

There are no adjusting items in the six months ended 30 September 2025.

In the prior period, the Group incurred £0.9m in costs relating to advisor fees for purchase of musicMagpie plc which completed in the second half of the year.

Due to their size and one-off nature, these costs have been treated as adjusting items and are added back in arriving at Adjusted profit before tax.

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 £5.3m (2024: £5.1m) as a result of the expected effective tax rate for the year of 29.5%.

Retained profit and earnings per share

Retained profit for the period was £12.6m (2024: £11.2m).

Basic earnings per share was 2.22p (2024: 1.94p) and diluted earnings per share was 2.13p (2024: 1.86p).

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

£m	6 months ended 30 September 2025	6 months ended 30 September 2024	Year ended 31 March 2025
Earnings attributable to owners of the parent company from continuing operations	12.6	11.1	9.7
Earnings attributable to owners of the parent company from discontinued operations	-	0.1	0.8

Earnings attributable to owners of the parent company	**12.6**	**11.2**	**10.5**
Number of shares			
Basic weighted average number of ordinary shares	568,123,261	574,835,160	571,918,807
Potentially dilutive shares options	23,992,604	23,167,283	21,413,462
Diluted weighted average number of ordinary shares	**592,115,865**	**598,002,443**	**593,332,269**
Earnings per share (in pence) from continuing operations			
Basic earnings per share	2.22	1.94	1.70
Diluted earnings per share	2.13	1.86	1.63
Earnings per share (in pence) from continuing and discontinued operations			
Basic earnings per share	2.22	1.95	1.83
Diluted earnings per share	2.13	1.88	1.76

Cash resources, cash flow and Total net debt

At 30 September 2025, the Group's available liquidity, being Cash and cash equivalents plus £120m undrawn on its Revolving Credit Facility, was £199.6m (31 March 2025: £147.3m).

During the period, the Group generated a cash inflow of £52.2m (six months to 30 September 2024: £3.0m) as set out in the table below:

£m	6 months ended 30 September 2025	6 months ended 30 September 2024
Cashflow from operating activities	70.4	33.8
Cashflow from investing activities	(1.0)	(6.3)
Cashflow from financing activities (excluding purchase of shares by EBT and purchase of own shares)	(12.3)	(13.4)
Free cashflow	**57.1**	**14.1**
Purchase of shares by EBT	(4.2)	(11.1)
Purchase of own shares	(0.7)	-
Cash movement in the period	**52.2**	**3.0**

Cashflow from operating activities £70.4m inflow (30 September 2024: £33.8m)

This cash inflow is principally as a result of the improved operating performance in the period and an improvement in working capital.

The Group's working capital is set out in the table below:

£m	30 September 2025	31 March 2025
Inventories	86.3	88.5
Trade and other receivables	193.6	191.0
Trade and other payables	(252.4)	(212.9)
Net working capital	**27.5**	**66.6**

Inventories reduced slightly in the period with an increase in the core Retail business as we continue to expand our range and availability offset by a significant reduction in Mobile reflecting a continued weak post-pay market and hence lower connections in addition to a reduction in older stock-lines. Inventory days were 37 days at 30 September 2025 (31 March 2025: 47 days).

Trade and other receivables increased by £3m in the period with the usual build of supplier income and an increase in the protection plan contract asset resulting from price increases in the period offset by the reduction in the Mobile contract asset due to lower connection volumes as we reset that business unit.

Trade and other payables is the principal driver of the working capital outperformance in the period, increasing by £40m since year end. Whilst part of the increase resulted from the increase in Retail stock noted above, timing of stock receipts and retail sales in August and September have reduced the stockturn period and hence benefitted the working capital cycle. It is anticipated that a significant part of this will reverse during H2. The movement has also been impacted by an increase in deferred income due to the timing of deliveries and the increase in our membership base. Creditor days at 30 September 2025 were 49 (31 March 2025: 52 days).

Cashflow from investing activities £1.0m outflow (2024: £6.3m)

Cash capital expenditure in the period of £1.6m principally related to the continued investment in our Recycling activities to drive further efficiencies and routes to market in addition to normal IT replacement.

Cashflow from financing activities (excluding purchase of shares) £12.3m outflow (2024: £13.4m)

This cash outflow principally related to lease repayments of £10.0m (2024: £10.8m) and interest paid of £2.3m (2024: £2.5m).

Other cashflows - included in cashflow from financing activities

During the period, the Company's EBT purchased further shares in the market amounting to £4.2m including fees (2024: £11.1m). These shares will be used to satisfy options under the Group's share schemes.

In addition, on 17 September 2025, 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 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 thereby increase Earnings Per Share. The Company will cancel the shares purchased under the programme. At 30 September 2025, the Company had purchased c690k shares at a cost of £0.7m. The share buyback programme is expected to be completed before the end of the financial year.

As a result of the above movements, net funds/ (debt) were as follows:

	30 September 2025 £m	31 March 2025 £m
Cash and cash equivalents	79.6	27.4
Borrowings - Repayable within one year	(0.2)	(0.2)
Borrowings - Repayable after one year	(1.6)	(1.7)
Owned assets lease liabilities - Repayable within one year	(2.4)	(0.7)
Owned assets lease liabilities - Repayable after one year end	(10.3)	(1.4)
Net funds (excluding leases relating to right of use assets)	65.1	23.4
Right of use lease liabilities - Repayable within one year	(15.4)	(17.7)
Right of use lease liabilities - Repayable after one year	(34.7)	(41.5)
Net funds/ (debt)	**15.0**	**(35.9)**

Borrowings of £1.8m (March 2025: £1.9m) relate to a mortgage which was used to partly fund the acquisition of one of the Group's recycling sites.

Owned asset lease liabilities increased in the period as our Logistics business commenced a significant fleet refresh including trailers, tractor units and delivery vehicles utilising hire purchase facilities.

Right of use lease liabilities decreased by £9.1m to £50.1m (March 2025: £59.2m) as a result of capital repayments in the period. Certain property leases, particularly in our warehousing portfolio, are scheduled for renewal over the next 12-24 months and is therefore likely to see these liabilities increase in FY27.

Free cashflow and liquidity outlook

As noted above, the favourable working capital movement seen in H1 is anticipated to significantly reverse during H2, resulting in free cashflow for the full year being c£50m. It is expected that the revolving credit facility of £120m will remain undrawn.

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 2025

£m	Note	6 months ended 30 September 2025	6 months ended 30 September 2024	Year ended 31 March 2025
Revenue	2	**585.6**	**512.1**	**1,137.5**
Cost of sales		(437.7)	(387.2)	(861.5)
Gross profit		**147.9**	**125.0**	**276.0**
Administrative expenses - Impairment of goodwill and intangible fixed assets		-	-	(19.6)
Other administrative expense		(130.4)	(108.6)	(235.4)
Total administrative expenses		(130.4)	(108.6)	(255.0)
Other operating income		-	-	0.1
Operating profit		**17.5**	**16.4**	**21.1**
Finance income		2.9	2.4	4.8
Finance costs		(2.5)	(2.5)	(5.3)
Profit before tax		**17.9**	**16.2**	**20.6**
Taxation		(5.3)	(5.1)	(10.9)
Profit after tax for the period from continuing operations		**12.6**	**11. 1**	**9.7**
Result for the period from discontinued operations		-	0.1	0.8
Profit for the period		**12.6**	**11.2**	**10.5**

Total comprehensive profit attributable to owners of the parent arising from:

Continuing operations	12.6	11.1	9.7

Continuing operations	12.6	11.1	9.7
Discontinued operations	-	0.1	0.8
	12.6	**11.2**	**10.5**

Earnings per share (pence) from continuing operations			
Basic earnings per share	2.22	1.94	1.70
Diluted earnings per share	2.13	1.86	1.63

Earnings per share (pence) from continuing and discontinued operations			
Basic earnings per share	2.22	1.95	1.83
Diluted earnings per share	2.13	1.88	1.76

The Group has no items of other comprehensive income for the period ended 30 September 2025 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 2025

£m	**Note**	**30 September 2025**	**30 September 2024**	**31 March 2025 Restated (see note 4)**
Non-current assets				
Goodwill	4	25.5	28.2	25.5
Other intangible assets		11.9	8.5	13.2
Property, plant and equipment		36.1	23.7	27.1
Right of use assets		43.5	48.8	51.6
Trade and other receivables	5	87.4	92.8	88.5
Deferred tax asset		0.7	2.5	2.2
		205.1	**204.5**	**208.1**
Current assets				
Inventories		86.3	92.6	88.5
Trade and other receivables	5	106.2	115.7	102.5
Corporation tax receivable		0.7	-	-
Cash and cash equivalents		79.6	43.1	27.4
		272.8	**251.5**	**218.4**
Total assets		**477.9**	**456.0**	**426.5**
Current liabilities				
Trade and other payables	6	(248.0)	(245.8)	(207.7)
Borrowings	7	(0.2)	(0.2)	(0.2)
Lease liabilities	7	(17.8)	(16.9)	(18.5)
Corporation tax payable		-	(0.8)	(0.6)
Provisions		(0.2)	(0.8)	(0.5)
		(266.2)	**(264.6)**	**(227.5)**
Net current assets/ (liabilities)		**6.6**	**(13.1)**	**(9.1)**
Non-current liabilities				
Trade and other payables	6	(4.4)	(2.1)	(5.2)
Borrowings	7	(1.6)	(1.8)	(1.7)
Lease liabilities	7	(45.0)	(42.1)	(42.9)
Provisions		(4.6)	(3.6)	(4.7)
		(55.6)	**(49.6)**	**(54.5)**
Total liabilities		**(321.8)**	**(314.3)**	**(282.0)**
Net assets		**156.1**	**141.7**	**144.5**
Equity attributable to owners of the parent				
Share capital	8	1.5	1.5	1.5
Share premium account	8	108.5	108.5	108.5
Investment in own shares	8	(14.6)	(11.1)	(10.9)
Other reserves		71.1	66.7	68.2
Retained losses		(10.4)	(23.8)	(22.8)
Total equity		**156.1**	**141.7**	**144.5**

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

At 30 September 2025

Other reserves

Investment

	Share capital	Share premium account	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**

At 30 September 2024

				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 2024	**1.4**	**108.5**	**-**	**59.2**	**0.5**	**20.4**	**(9.4)**	**(6.3)**	**(36.5)**	**137.8**
Profit for the period	-	-	-	-	-	-	-	-	11.2	**11.2**
Issue of share capital	0.1	-	-	-	-	-	-	-	-	**0.1**
Share-based payments charge (net of tax)	-	-	-	-	-	3.7	-	-	-	**3.7**
Purchase of shares by EBT	-	-	(11.1)	-	-	-	-	-	-	**(11.1)**
Movement between reserves	-	-	-	-	-	(1.4)	-	-	1.4	**-**
Balance at 30 September 2024	**1.5**	**108.5**	**(11.1)**	**59.2**	**0.5**	**22.7**	**(9.4)**	**(6.3)**	**(23.8)**	**141.7**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 September 2025

£m	**6 months ended 30 September 2025**	**6 months ended 30 September 2024**	**Year Ended 31 March 2025**
Cash flows from operating activities			
Profit for the period in continuing operations	12.6	11.1	9.7
Net cash (used in)/ generated from operating activities in discontinued operations	-	(0.1)	1.2
Adjustments for:			
Depreciation and amortisation	14.4	12.5	27.1
Non-cash impairment of goodwill and intangible fixed assets	-	-	19.6
Loss/ (Profit) on disposal of property, plant and equipment	0.3	(0.1)	(0.1)
Finance income	(2.9)	(2.4)	(4.8)
Finance costs	2.5	2.5	5.3
Taxation	5.3	5.1	10.9
Share-based payment charge	3.8	3.5	7.3
(Decrease)/ Increase in provisions	(0.4)	-	0.4
Operating cash flows before movement	**35.6**	**32.2**	**76.6**

£m	6 months ended 30 September 2025	6 months ended 30 September 2024	Year Ended 31 March 2025
in working capital	**35.6**	**32.2**	**76.6**
Decrease/ (Increase) in inventories	0.8	(13.1)	(4.2)
(Increase)/ Decrease in trade and other receivables	(0.5)	(2.0)	18.3
Increase/ (Decrease) in trade and other payables	39.4	20.1	(23.5)
Net movement in working capital	**39.7**	**5.0**	**(9.4)**
Taxation paid	(4.9)	(3.4)	(9.3)
Cash generated from operating activities	**70.4**	**33.8**	**58.0**
Cash flows from investing activities			
Interest received	0.6	0.4	1.0
Proceeds from sale of property, plant and equipment	-	-	0.1
Acquisition of property, plant and equipment	(1.6)	(6.8)	(8.8)
Acquisition of intangible assets	-	-	(0.1)
Acquisition of subsidiary (net of cash acquired)	-	-	(5.7)
Cash used in investing activities	**(1.0)**	**(6.3)**	**(13.5)**
Cash flows from financing activities			
Proceeds received on exercise of share options	0.1	-	0.1
Purchase of shares by EBT (including transaction costs)	(4.2)	(11.1)	(11.1)
Purchase of own shares	(0.7)	-	-
Repayment of borrowings	(0.1)	(0.1)	(19.4)
Repayment of lease liabilities	(10.0)	(10.8)	(21.2)
Interest paid on lease liabilities	(1.8)	(1.7)	(3.4)
Other interest paid (including interest on borrowings)	(0.5)	(0.8)	(2.3)
Net cash used in financing activities of discontinued operations	-	-	(0.1)
Net cash used in financing activities	**(17.2)**	**(24.5)**	**(57.2)**
Net increase/ (decrease) in cash	**52.2**	**3.0**	**(12.7)**
Cash and cash equivalents at beginning of period	**27.4**	**40.1**	**40.1**
Cash and cash equivalents at end of period	**79.6**	**43.1**	**27.4**

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The interim financial information was approved by the Board on 25 November 2025. The financial information for the 6 months ended 30 September 2025 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 2025 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 2025 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 2025 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 2026 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 2025.

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 interim financial statements ("the going concern period") which indicated 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 interim financial statements and therefore have prepared the 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.

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 2025 and remain relevant:

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

With regard to revenue recognition in respect of commission for product protection plans and network connections, the Directors have applied the variable consideration guidance in IFRS 15 and as a result of revenue restrictions do not believe there is a significant risk of a material downward adjustment. Revenue has been restricted to ensure that it is only recognised when it is highly probable and therefore subsequently, there could be a material reversal of restrictions.

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 2025.

2. Revenue

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

£m	6 months ended 30 September 2025	6 months ended 30 September 2024 - Represented	Year ended 31 March 2025
B2C Retail revenue	423.0	377.2	831.9
B2B Retail revenue	46.3	59.9	116.9
Network commission revenue	32.9	44.5	94.4
Re-commerce revenue	56.0	5.8	42.6
Third-party logistics revenue	16.3	14.1	30.5
Recycling revenue	11.1	10.6	21.3
	585.6	**512.1**	**1,137.5**

To align with the revenue disaggregation adopted in the financial statements for the year ended 31 March 2025, revenue for the six months ended 30 September 2024 has been represented to move £5.8m from B2C revenue to re-commerce revenue. This did not have an impact on total revenue nor does it impact any other numbers in these financial statements.

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. Goodwill

	£m
Cost	
At 30 September 2024	28.2
Additions	12.1
At 31 March 2025 (as reported)	**40.3**
Measurement adjustment	(0.1)
At 31 March 2025 (restated)	**40.2**
At 30 September 2025	**40.2**
Impairment	
At 30 September 2024	-
Impairment in the period	14.7
At 31 March 2025	**14.7**
At 30 September 2025	**14.7**
Carrying amount	
At 30 September 2025	**25.5**
At 31 March 2025 (restated)	**25.5**
At 30 September 2024	28.2

The carrying value of goodwill relates to the purchase of Expert Logistics Limited, the purchase by DRL Holdings Limited (now AO World PLC) of DRL Limited (now AO Retail Limited), the acquisition of AO Recycling Limited (formerly The Recycling Group Limited) and the acquisition of musicMagpie by AO Limited ("UK CGU"). The previous year balance also included goodwill from the acquisition of Mobile Phones Direct Limited (now AO Mobile Limited) by AO Limited ("Mobile Phones Direct Limited") which was fully impaired at 31 March 2025.

The addition in the prior year represents the residual goodwill on the acquisition of musicMagpie by AO Limited. During the six months to 30 September 2025, the purchase price allocation exercise has been completed resulting in an adjustment of £0.1m to goodwill.

As noted in note 1, there are no indications of impairment in the period and hence an impairment review has not been undertaken.

5. Trade and other receivables

£m	30 September 2025	30 September 2024	31 March 2025
Trade receivables	14.0	18.2	15.1
Contract assets	142.5	153.8	144.8
Prepayments and accrued income	36.8	36.5	31.0
Other receivables	0.3	-	0.2
	193.6	**208.5**	**191.0**

The trade and other receivables are classified as:

£m	30 September 2025	30 September 2024	31 March 2025
Non-current assets	87.4	92.8	88.5
Current assets	106.2	115.7	102.5
	193.6	**208.5**	**191.0**

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 2025	30 September 2024	31 March 2025
Balance brought forward	144.8	159.6	159.6
Revenue recognised	42.7	54.6	115.4
Cash received	(48.7)	(62.3)	(134.1)
Revisions to estimates	1.4	(0.1)	0.1
Unwind of discounting	2.3	2.0	3.8
Balance carried forward	**142.5**	**153.8**	**144.8**

In the six month period to 30 September 2025, the assumptions, estimates and methodology for valuing product protection plans have not changed from those at 31 March 2025 and hence disclosures in note 22 of those financial statements remain relevant. An immaterial £0.1m increase in previously unrecognised revenue has been recorded in the period as the model is trued up for actual data.

For network commissions, management have reassessed their assumptions with regard to average customer tenure based on latest data and have revised estimates based on this updated information. This has resulted in the recognition £1.3m of previously restricted revenue. All other assumptions and estimates used at 31 March 2025 remain relevant.

6. Trade and other payables

£m	30 September 2025	30 September 2024	31 March 2025
Trade payables	168.7	159.3	128.2
Accruals	26.9	28.8	24.6
Advanced payments on account	19.4	23.7	22.8
Deferred income	24.2	22.2	20.9
Other payables	13.2	13.9	16.3
	252.4	**247.9**	**212.9**

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 2025	30 September 2024	31 March 2025
Current liabilities	248.0	245.8	207.7

Long-term liabilities	4.4	2.1	5.2
	252.4	**247.9**	**212.9**

7. Net funds/ (debt) and movement in financial liabilities

£m	30 September 2025	30 September 2024	31 March 2025
Cash and cash equivalents	79.6	43.1	27.4
Borrowings - Repayable within one year	(0.2)	(0.2)	(0.2)
Borrowings - Repayable after one year	(1.6)	(1.8)	(1.7)
Owned asset lease liabilities - Repayable within one year	(2.4)	(0.9)	(0.7)
Owned asset lease liabilities - Repayable after one year	(10.3)	(1.7)	(1.4)
Net funds excluding right of use lease liabilities (excluding leases relating to right of use assets)	**65.1**	**38.4**	**23.4**
Right of use lease liabilities - Repayable within one year	(15.4)	(15.9)	(17.7)
Right of use lease liabilities - Repayable after one year	(34.7)	(40.4)	(41.5)
Net funds/ (debt)	**15.0**	**(17.9)**	**(35.9)**

Whilst not required by IAS 1 Presentation of Financial Statements, the Group has elected to disclose its lease liabilities split by those 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.

8. Share capital, share premium, Investment in own shares and Capital Redemption Reserve

	Number of shares m	Share capital £m	Share premium £m	Investment in own shares £m	Capital Redemption Reserve £m
At 1 April 2025	580.3	1.5	108.5	(10.9)	0.5
Purchase of shares by EBT (Including transaction costs)	-	-	-	(4.2)	-
Transfer of own shares on exercise of options	-	-	-	0.5	-
Cancellation of shares	(0.3)	-	-	-	-
At 30 September 2025	**580.0**	**1.5**	**108.5**	**(14.6)**	**0.5**

During the period, the Company's EBT purchased 4,399,472 of the Company's ordinary shares at market value. Consideration including transactions costs was £4.2m. Shares held by the EBT will be used to satisfy options under the Group's share schemes.

As at 30 September 2025, the number of shares held by the EBT was 14,956,107 (31 March 2025: 11,161,642).

On 17 September 2025, 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 2025, 690,189 shares had been purchased for £0.7m. On 21 November 2025, this had increased to 4,711,236 shares for £4.9m.

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 2025.

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 22-26 inclusive of the Annual Report and Accounts 2025 which can be found at www.ao-world.com:

- Risks relating to the UK electricals market encompassing a challenging macro-economic environment and competitive conditions.
- Risk relating to IT systems resilience, cyber security and agility.
- Risks relating to compliance failures or to changes in laws and regulations, in particular Data protection and privacy legislation, the basis upon which the Group offers and sells product protection plans and driver employment status.
- Risks relating to our culture and people.

- Risks of business interruption.

- Risks relating to our key commercial relationships and supply chain.

- Risks in relation to significant accounting matters including revenue recognition and contract asset recoverability in relation to product protection plans and revenue recognition and contract asset recoverability in relation to network commissions.

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 Chief Executive Officer	Group Chief Financial Officer and Chief Operating Officer
24 November 2025	24 November 2025

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 2025 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 2025 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.

Roger Nixon
for and on behalf of KPMG LLP
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE
24 November 2025