



# More Argos, more often

Unleash and transform Argos around the three things that have always made it brilliant – curated range, famously convenient experience and great value – so more customers buy more complete baskets more often

- Famous for **convenience**
- Inspiring **choice**, always great **value**
- **Supercharged digital** capabilities
- **Accessible and relevant credit**, care and services
- **Smarter, simpler** service and stock flow

# The General Merchandise market continues to evolve

## Strong brands...



## Great platforms...



## Seamless multi-channel experience



# Argos is strong in all three of these areas

## Strong owned brands



## Platform for others



## Leader in multi-channel



**#1**

Click & Collect Retailer<sup>1</sup>

**#2**

General Merchandise Retailer<sup>2</sup>

**#3**

Most visited UK retail website<sup>3</sup>

1. Largest network of owned click & collect locations (including standalone stores, stores inside Sainsbury's and collection points)

2. Kantar Worldpanel+, General Merchandise Value Market Share, 52 weeks to 24 December 2023

3. SimilarWeb traffic share, 12 weeks to 6 January 2024

# Digital first delivering for customers

Transformed from catalogue retailer to digital first

**74%**

online sales participation  
+11%pts vs 19/20<sup>1</sup>

**16m**

Digital customers

**6m**

Linked Nectar accounts

Convenience is the cornerstone of our customer proposition

**c.70%**

Sales collected in store

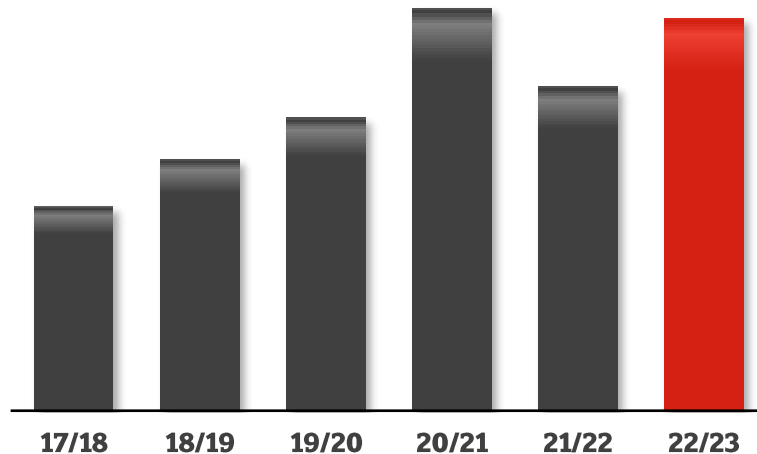
**c.70%**

Click & Collect orders available immediately

**93%**

UK households benefit from market leading same day delivery coverage

Strong customer satisfaction<sup>2</sup>

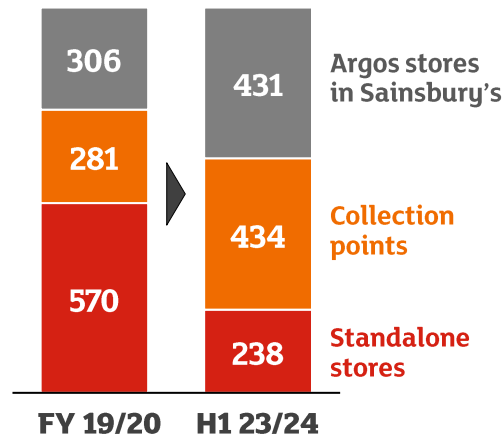


1. 44 weeks: 6 January 2024 vs 11 January 2020

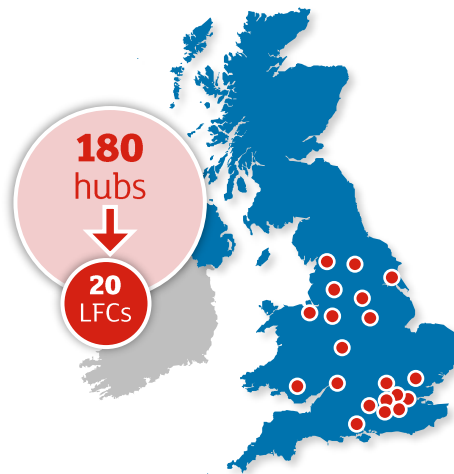
2. YouGov – General Merchandise Net Satisfied Customers

# We've transformed our operating efficiency

## Rebalanced our store estate

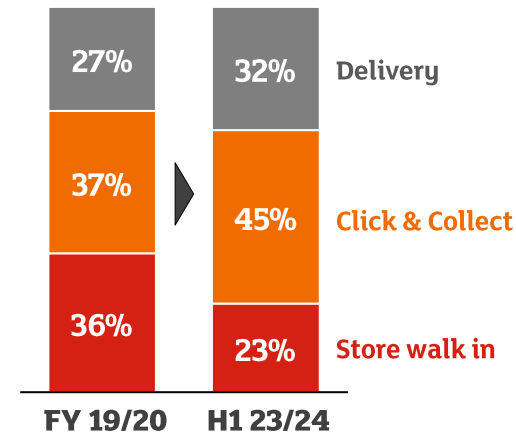


## Better availability, more efficiently



**Hubs replaced by Local Fulfilment Centres**

## Increased Click & Collect participation

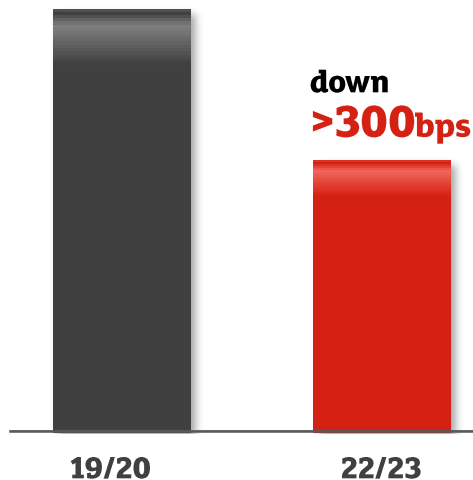


**Argos fulfilment channels mix**

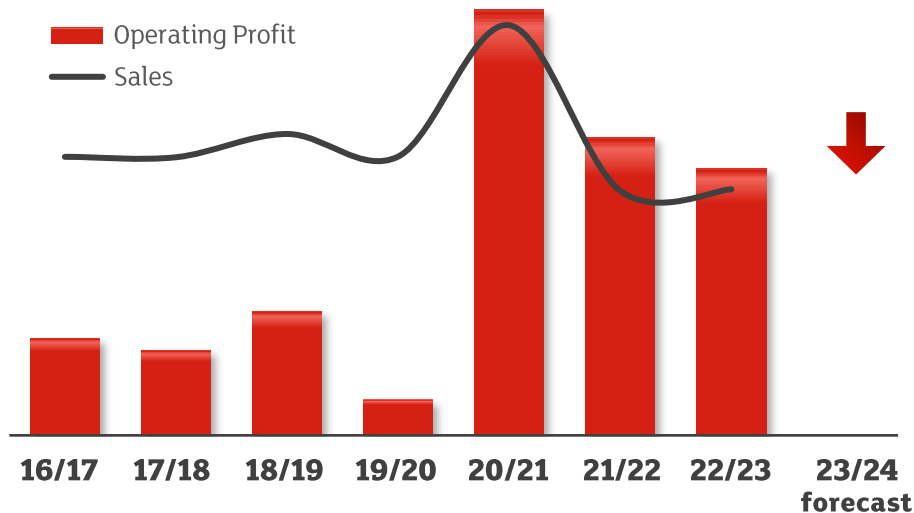
# A more resilient business in cyclical markets

## Significant cost base reduction

Argos SG&A to sales



## Lower fixed costs protecting profitability



# Argos transformation: the next phase

Clear opportunity

## Half

of UK households  
shop at Argos<sup>1</sup>

Customer satisfaction ranking  
versus General Merchandise market<sup>2</sup>

Value

2

Convenience

2

Ease

2

## 3 times

per year

Consideration

3

## 1-2 items

in their basket

Quality

6

Inspiration

7

1. Kantar Worldpanel. UK households vs ONS Total UK households 2022

2. YouGov BrandIndex - brand health metrics ranking. December 2023

# More Argos, more often

**Famous for  
convenience**

**Inspiring choice,  
always great value**

**Supercharged  
digital capabilities**

**Accessible and relevant credit,  
care and services**

**Next level service, efficiency and stock flow**



# Committed to delivering market-leading convenience



Famous for convenience

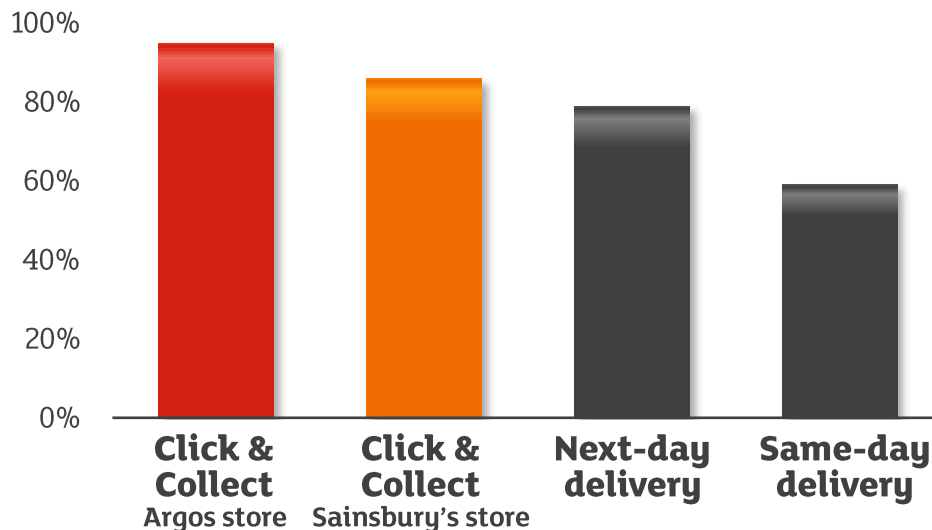
Reset collection point operating model

Invest in new Browse & Pay in-store experience

Leverage LFC investment to improve availability

Continue to raise the bar on delivery speed and service

## Improve awareness of industry-leading same/next day proposition<sup>1</sup>



1. Conjoint Analysis – Argos Fulfilment Study - Customer awareness of Argos offering. March 2023

# Improving ranges and delivering value

Argos

Inspiring choice,  
always great  
value

## Desirable brands



- Expanding our range of branded products
- Improving our tiering
- Inspiring digital content
- Increasing awareness

## Design-led Own Label



- Sharper curation of our own-brand ranges
- Improving design, aesthetic and everyday appeal

## Completing basket



- Increasing attachment rates
- Higher Argos Care penetration
- Better services offer

## Always great value



- Targeted promotional moments, aligned with key events
- Integrated with increasing loyalty

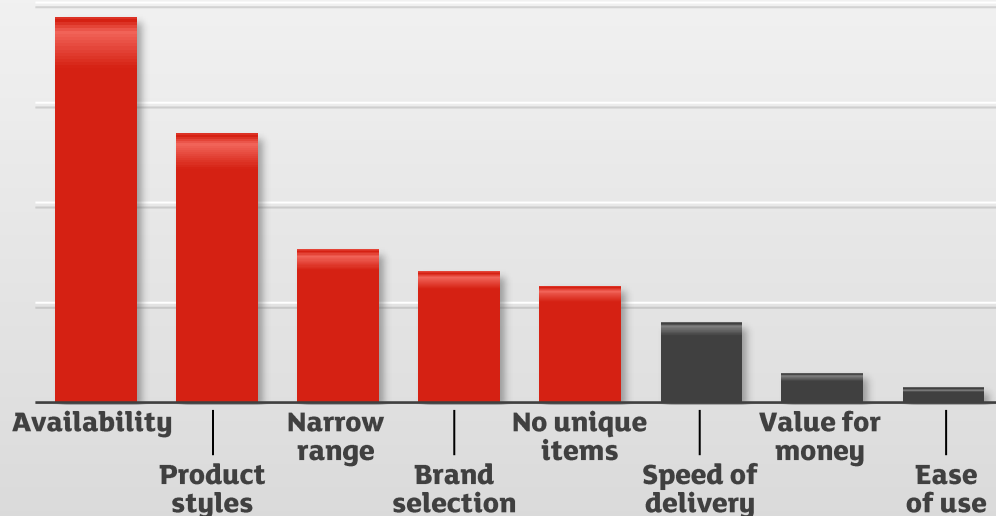
# Driving growth through selective range extension



Inspiring choice,  
always great  
value

## Availability and assortment are the key barriers to shopping at Argos

Customer feedback: barriers to shopping at Argos



## Opportunity to expand range and choice

### Supplier-direct fulfilment model

- Extending core (e.g. toys)
- Building new categories (e.g. DIY/Garden)
- New buying models (e.g. move bikes from stocked to SDF)

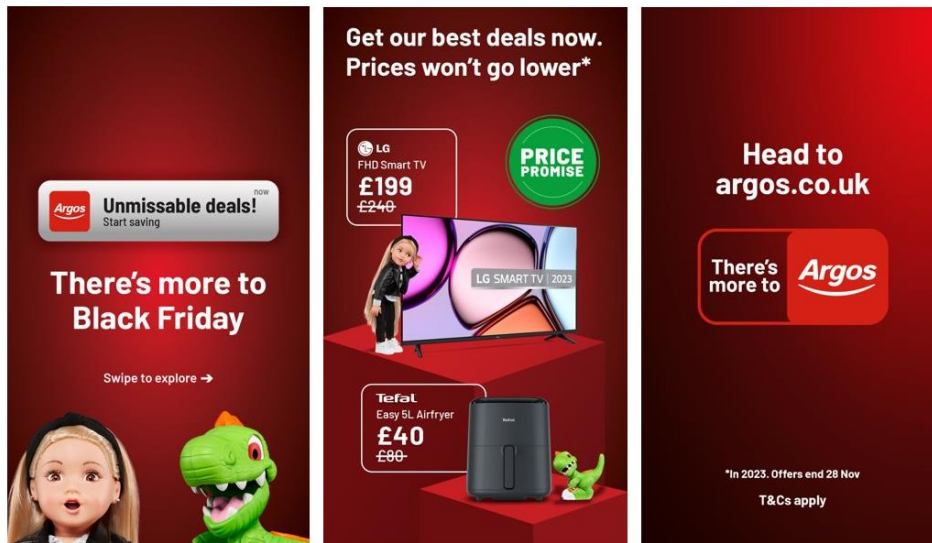


# Supercharging our digital capabilities



Supercharged  
digital  
capabilities

## Driving 'top of mind' awareness



## Ambition: double Argos app participation

**Conversion**  
**c.20%**  
higher than website

**Spend**  
**c.35%**  
more per order

## More tailored customer experience

- Contextualised by location
- Segmented by browsing signals
- Personalised by profile and purchase patterns
- Powered by improved Nectar loyalty capabilities

# Modernising our credit proposition



Accessible and  
relevant credit,  
care and services

## Where we are today

**21%**

Storecard  
sales penetration



**2m customers**

High loyalty, low growth

Not **digitally**  
Optimised

## Future state

Wider range of modern  
finance products

Higher sales penetration

Digital first solutions

Lower cost to serve

# Next level service, efficiency and stock flow

Continued relocation of stand-alone stores into Sainsbury's

Tailored range and services aligned to store clusters and customer needs

Simplified operating model driving improved customer service

E2E supply chain, availability and working capital opportunities

**Rightsizing stores to drive operational value and deliver a better customer experience**

Example: **Argos - Croydon Church Street**



 **Sales**
 **CSAT**
 **Time to serve**
 **Cost to serve**
 **Working capital**

# Great value in 'One Platform' for Argos, Habitat and Tu

Deepening supplier partnerships

Faster, more efficient processes  
and technology

More automated end-to-end  
product flow

Digital, marketing and  
loyalty capabilities







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