

Ocado hails 'exciting moment' after launching Australian warehouses



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Online grocer Ocado has cheered another milestone for its global robotic warehouse arm after confirming the opening of its first Australian sites with retail giant [Coles](#).

Ocado said the warehouses went live last month for customer Coles – one of Australia's biggest retailers – covering the [Melbourne](#) and Sydney areas.

It will help Coles ramp up customer service across the two areas while it will also shift next day home delivery orders in and around the city centres from stores to the new Ocado-powered warehouses by the end of December, according to Ocado.

Ocado chief executive Tim Steiner said it was an "exciting moment" for the firm, taking its total number of operational robotic warehouses worldwide to 25.

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Tim Steiner, Ocado chief executive

Its technology solutions business is a burgeoning part of the group, which sits alongside its Ocado [Retail](#) online grocery business in the UK – run as a joint venture with Marks & Spencer.

He said: “The start of operations in our two Australian customer fulfilment centres (CFCs) is an exciting moment for teams at Ocado.

“Australia is one of the fastest developing markets in the world for grocery ecommerce and Coles is already a market leader in the online channel.

“As these CFCs ramp up, we are excited to help Coles bring a step-change in customer experience online to households across Sydney and Melbourne.”

The new sites in Australia are helping Coles boost its service for online shoppers, helping improve freshness, while also allowing it to perfect order rates and range and trial new products, according to Ocado.

Through its technology solutions business, which powers online grocery businesses and automated warehouses for other supermarkets, Ocado now provides an end-to-end service to 13 of the world’s biggest retailers.

Ocado recently raised the annual earnings outlook for its robotic warehouse business as it halved first-half losses.

The firm said in July it was on track for annual underlying earnings margins in its technology solutions business to be in the “mid-teens”, having previously guided for at least 10%.

This comes in spite of some major customers – such as US grocer Kroger Co, Sobeys in [Canada](#) and Coles in Australia – slowing the rollout of further automated warehouses.

Its July half-year figures showed the company nearly halved pre-tax losses to £154 million for the six months to June 2 against losses of £290 million a year earlier.