

The Currys logo, consisting of the word "currys" in white lowercase letters inside a purple circle.A photograph of two Currys technicians in a kitchen. One technician is standing and leaning over a built-in oven, while the other is kneeling on the floor, working on the base of the oven. Both are wearing purple shirts and high-visibility yellow safety vests with the Currys logo. The kitchen has dark blue cabinets and a white countertop with various items like a vase of flowers and a bowl of fruit.

Currys plc 2023/24 Interim Results

14 December 2023

Group performance summary

Revenue

£4,159m

(7)% YoY

Adjusted EBIT

£31m

+7% YoY

Adjusted EPS

Improved

+15% YoY

Free cash flow

£(10)m

+£76m YoY

H1 movement in Net Debt

£(32)m

+£117m YoY

Total indebtedness

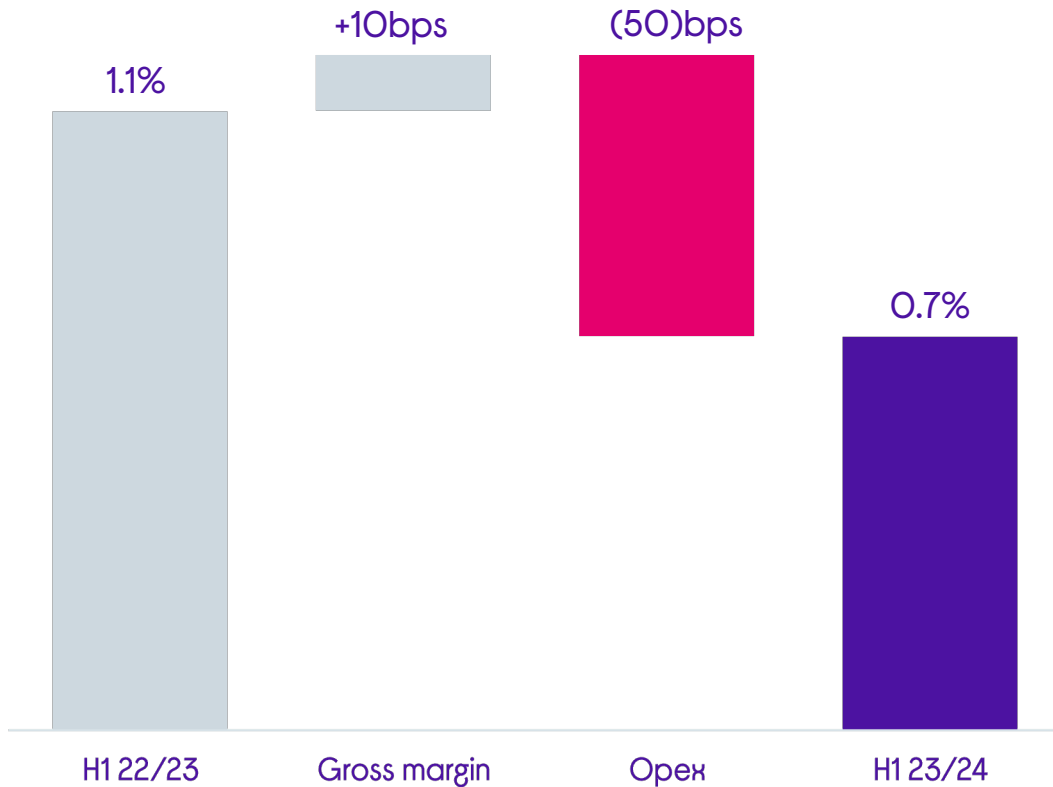
£(1,482)m

+£135m YoY

UK & Ireland – performance summary

	H1 2023/24	H1 2022/23	Like-for-like	Currency neutral change YoY	Reported change YoY
Revenue	£2,215m	£2,292m	(3)%	(3)%	(3)%
Online share of business	43.3%	43.4%	-	-	(10)bps
Adjusted EBIT	£15m	£25m	-	(40)%	(40)%
Adjusted EBIT margin	0.7%	1.1%	-	(40)bps	(40)bps
Operating cash flow	£28m	£33m	-	(15)%	(15)%
Operating cash flow margin	1.3%	1.4%	-	(10)bps	(10)bps
Segmental free cash flow	£(16)m	£(18)m	-	6%	11%

UK & Ireland adjusted EBIT margin bridge



Gross margin +10bps

- Continued focus on drivers of gross margin:
 - Services adoption
 - Monetising improved experience
 - Not chasing less profitable sales
 - Supply chain cost savings
- Offset by lower Mobile revaluation

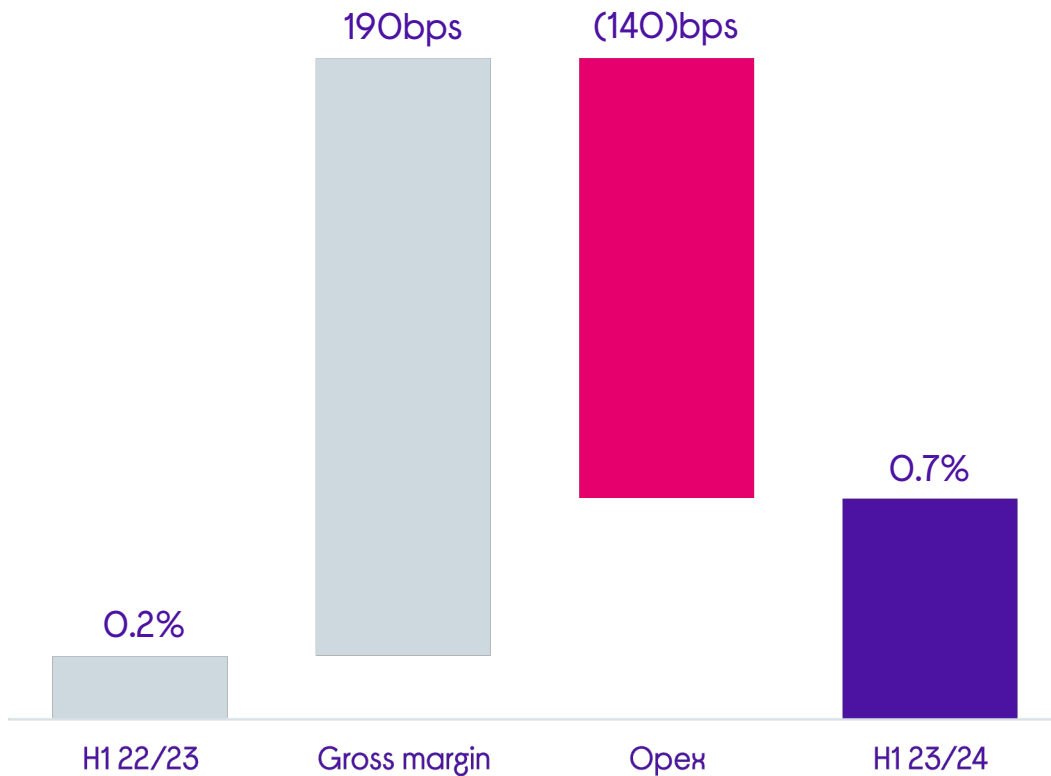
Operating expense to sales (50)bps

- Costs down in absolute terms
- Cost savings of £32m, offset by inflation of £8m and various IT investments

Nordics – performance summary

	H1 2023/24	H1 2022/23	Like-for-like	Currency neutral change YoY	Reported change YoY
Revenue	£1,653m	£1,886m	(6)%	(6)%	(12)%
Online share of business	24.8%	22.9%	-	-	190bps
Adjusted EBIT	£12m	£3m	-	400%	300%
Adjusted EBIT margin	0.7%	0.2%	-	60bps	50bps
Operating cash flow	£27m	£23m	-	38%	17%
Operating cash flow margin	1.6%	1.2%	-	50bps	40bps
Segmental free cash flow	£37m	£(49)m	-	187%	176%

Nordics adjusted EBIT margin bridge



Gross margin +190bps

- Recovering almost all of gross margin downside in same period last year
- Better balance of trading

Operating expense to sales (140)bps

- Cost broadly stable in absolute terms
- Increases due to inflationary headwinds and new store openings
- Offset by savings across marketing, stores, head office, IT and consultant fees

Source: Currys internal information

Greece – performance summary

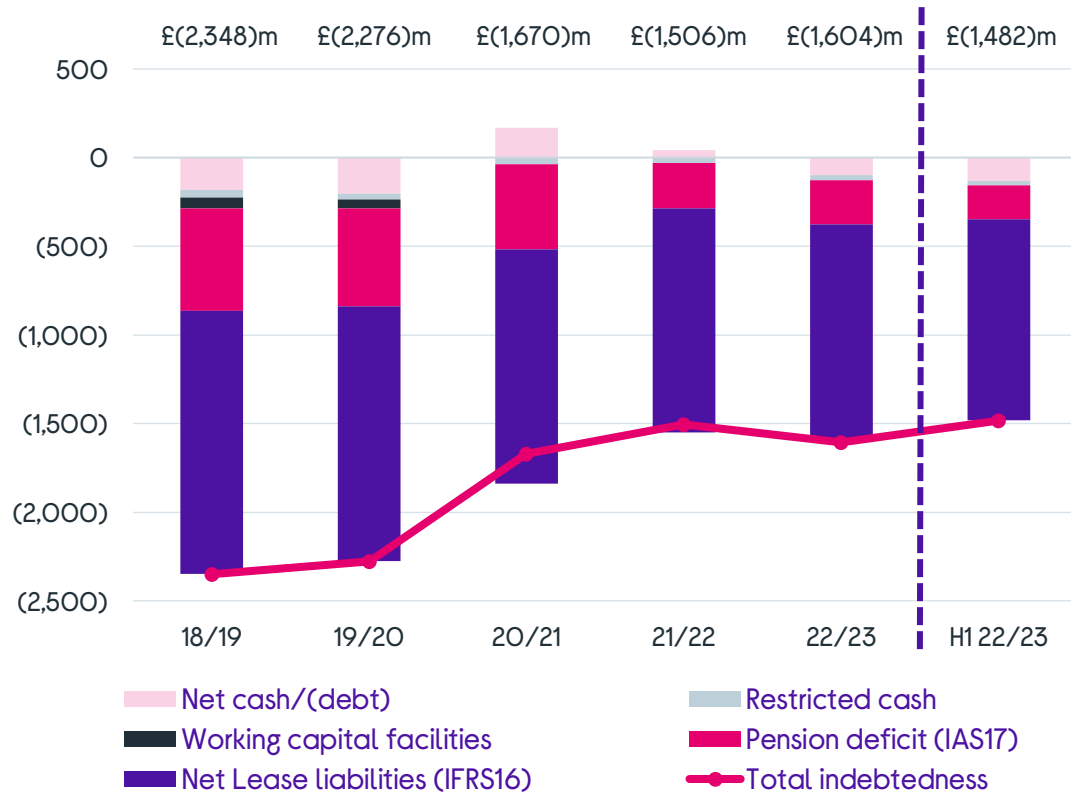
	H1 2023/24	H1 2022/23	Like-for-like	Currency neutral change YoY	Reported change YoY
Revenue	£291m	£295m	(4)%	(2)%	(1)%
Online share of business	5.0%	6.8%	-	-	(180)bps
Adjusted EBIT	£4m	£1m	-	300%	300%
Adjusted EBIT margin	1.4%	0.3%	-	110bps	110bps
Operating cash flow	£7m	£4m	-	75%	75%
Operating cash flow margin	2.4%	1.4%	-	110bps	100bps
Segmental free cash flow	£(13)m	£18m	-	(168)%	(172)%

Cash generation improved

	H1 2023/24	H1 2022/23	Reported change	
Operating cash flow	£62m	£60m	£2m	Group profits in line with prior year
Capital expenditure	£(28)m	£(56)m	£28m	Reduced due to tight cost control and lower transformation spend
Adjusting items	£(23)m	£(25)m	£2m	Property and restructuring
Cash tax paid	£(4)m	£(24)m	£20m	Lower profits last year
Cash interest paid	£(14)m	£(13)m	£(1)m	Increased interest rates
Sustainable free cash flow	£(7)m	£(58)m	£51m	
Working capital	£(3)m	£(28)m	£25m	Tight control of working capital outflow despite decrease in sales
Free cash flow	£(10)m	£(86)m	£76m	

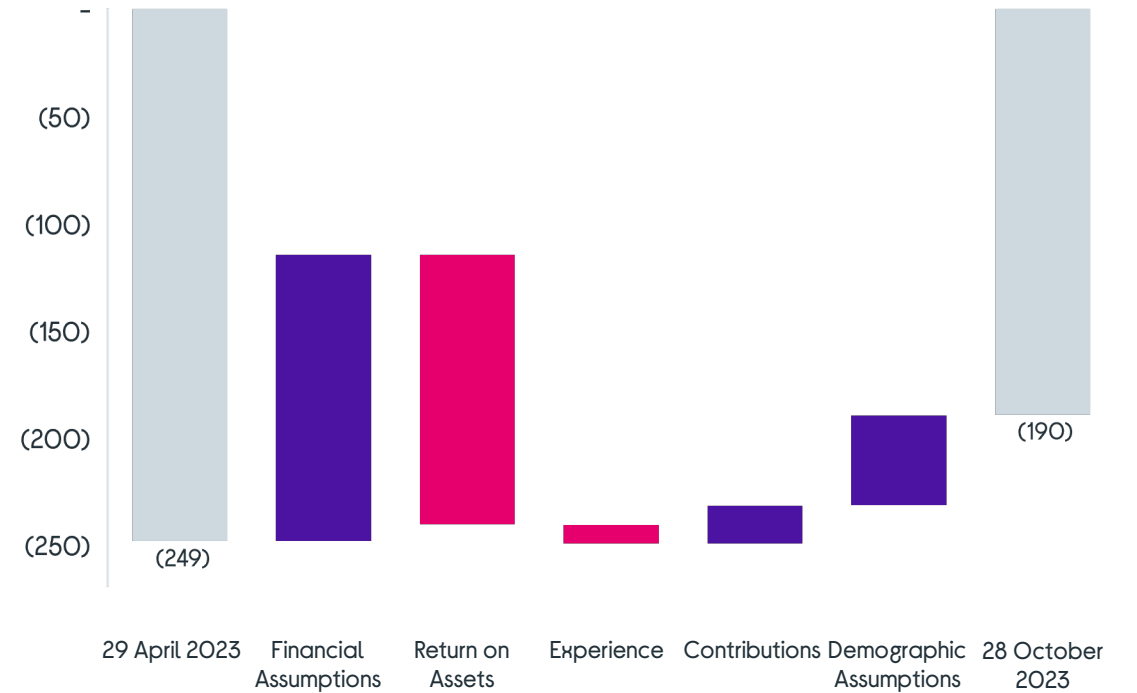
Balance Sheet remains robust

Total Indebtedness



Source: Currys internal information

Pension deficit improving



Source: Currys internal information

Outlook & guidance

Current year outlook (including Greece)

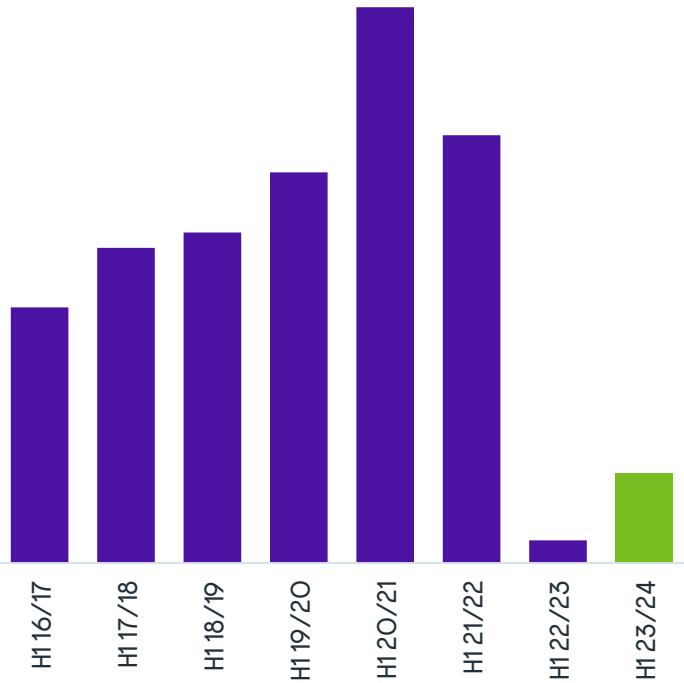
- Trading since the end of the period has been consistent with the Board's expectations
- Capital expenditure of around £80m
- Net exceptional cash costs of around £50m
- Annual pension contribution of £36m
- Group to finish the year with net debt better than £(97)m

Greece Disposal

- Expect to receive final clearances and disposal to complete in 1Q 2024
- Following disposal, expect to finish the year in a net cash position

Getting Nordics back on track

Nordics adjusted EBIT



Source: Currys internal information
H1 16/17, H1 17/18 and H1 18/19 are pre IFRS16 numbers

Gross margin improvement

- 1 Grow services adoption
- 2 Grow accessories adoption
- 3 Not chasing less profitable sales
- 4 Reduce supply chain and service operation costs

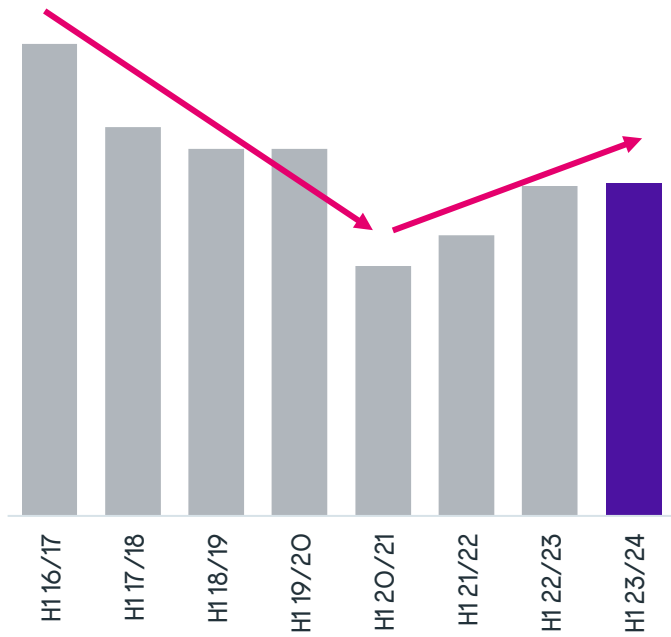
Cost reduction

- ✓ **Central:** Headcount reduction, offshoring and contractor removal
- ✓ **IT:** Group CIO – procurement and synergies
- ✓ **GNFR:** Consolidation and renegotiation with suppliers
- ✓ **Stores:** Multiskilling colleagues for efficiency, lease renewals, store closures
- ✓ **Marketing:** Reduction and optimisation

Permanent £25m pa cost savings

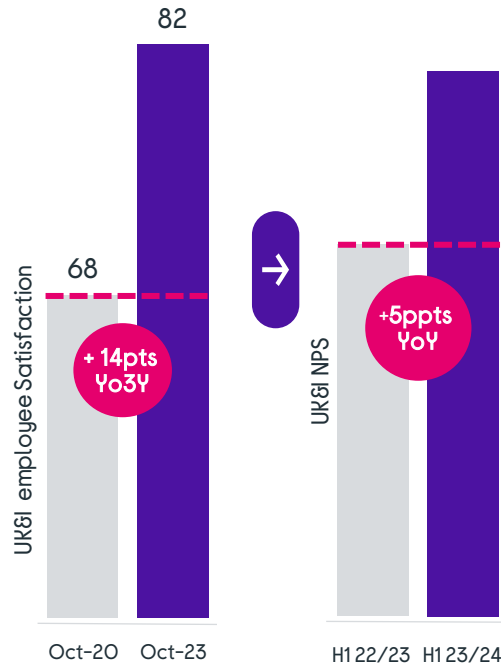
Continuing UK&I trajectory

UK&I Gross margin improvements



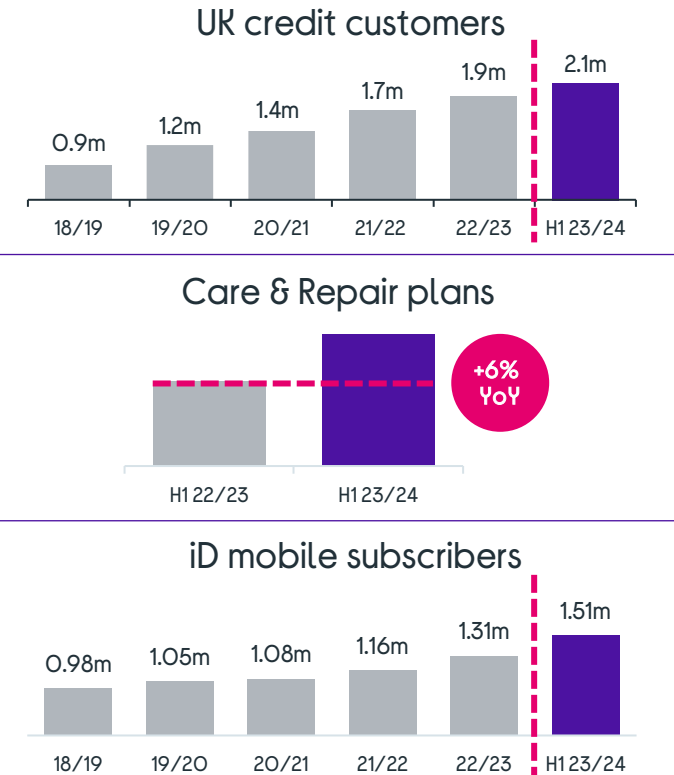
Source: Currys internal information

Happier colleagues and customers



Source: Glint survey October 2020 & October 2023, Currys internal information

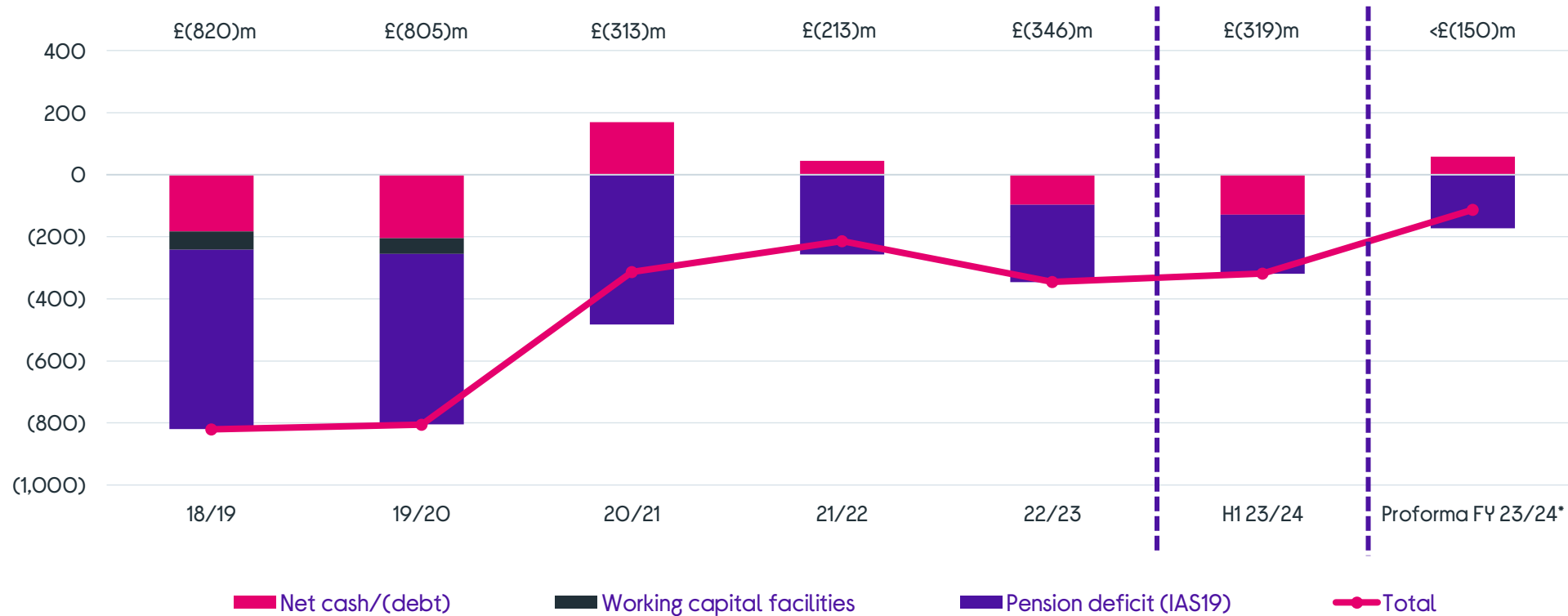
Customers for life



Source: Currys internal information

Maintaining strong liquidity & balance sheet

Net debt & pension deficit



Source: Currys internal information

* Proforma for FY 2023/24 assumes that net debt excluding disposal would be same as last year, and for pension deficit to reduce in-line with contributions in the second half.

Summary

- **Solid results**, and progress, in a tough environment
- **Nordics now recovering**, driven by gross margin improvement
- No loss of **momentum in UK&I** – gross margin growing again and cost savings on track
- **Services growth driving improvements** in gross margins and customer lifetime value
- **Strong balance sheet and liquidity**, even before Kotsovolos disposal
- **Currys: resilient** today, and well set to **prosper** long term



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