



# Supply Chain and Service Operations

Newark

19 September 2023





## Summary *More and better for less*

Supply chain has significant **scale**, **capability** and **agility** and proven itself **resilient** through Covid

Repairs & returns **unique capability** powered by **colleague entrepreneurs**

**Customers:** Delivering **choice**, **value** and **improving** end-to-end experience

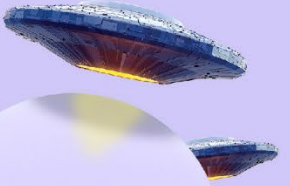
**Colleagues:** **Empowered**, **engaged**, **expert colleagues**

**Shareholders:** **Recurring high margin revenues** & efficiency offsetting headwinds

**Our Communities:** Supporting **Net Zero**, **circular economy** and **digital poverty**

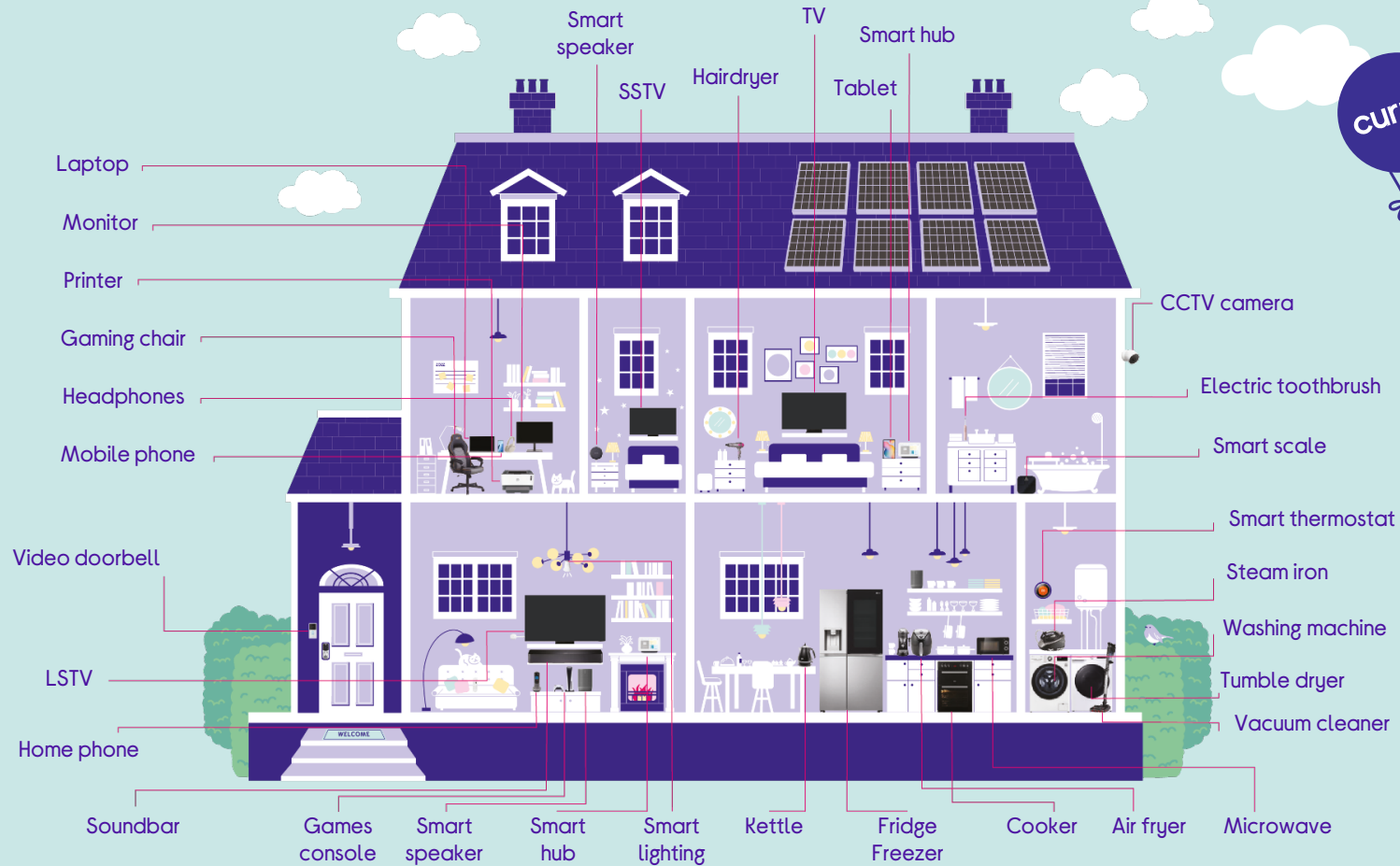


We help everyone enjoy  
amazing technology.



# Technology plays an important role in our lives

## Connected, productive, fit, clean, healthy & entertained



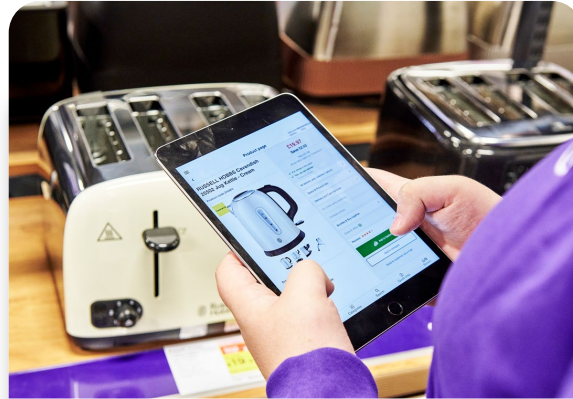


# Supply chain and service operations are central to delivering our strategic priorities



## Capable and committed colleagues

- 1000s of highly skilled colleagues
- Empowered, continuous improvement culture
- Highly engaged – Glint top 10% global



## Easy to shop

- National footprint & reach
- Delivering the best of omnichannel
- Improving customer satisfaction



## Customers for life

- Help get customers started
- Giving customers' tech a longer life
- The RepairLive WOW!



## Grow Profits

- Offsetting significant cost headwinds
- Generating recurring, high margin revenue

# Customers for life are built through our range of services





# Services provide high margin, recurring revenue

Helping get customers started and helping them enjoy tech for life are some of our biggest revenue streams



# Our Services are designed to help customers at every stage

Greater breadth, depth and range of delivery, installation & protection than any other retailer

	currys	go	ME Marks Electrical	Argos	JOHN LEWIS & PARTNERS	amazon
Expert advice	✓	✗	✗	✗	✓	✗
Product demonstrations	✓	✗	✗	✗	✓	✗
Delivery	✓	✓	✓	✓	✓	✓
Same day collection	✓	✗	✗	✓	✗	✗
Installation: Domestic appliance	✓	✓	✓	✓	✓	✗
Installation: TV	✓	✓	✓	✗	✓	✓/✗
Computer set up	✓	✗	✗	✗	✓	✓/✗
Recycling: Collection	✓	✓	✓	✓	✓	✗
Recycling: In-store drop off	✓	✗	✗	✓	✗	✗
Repairs: Domestic Appliances	✓	✓	✗	✗	✗	✗
Repairs: TV / Computing	✓	✗	✗	✗	✗	✗
Computer software treatments	✓	✗	✗	✗	✓	✗



# We help get you started

Our supply chain is large, reliable and flexible – but we don't just **deliver** products

## Serving an omnichannel customer journey

### Store benefits

- Face to face service
- Expert advice
- Product demo's
- Credit
- Range of services

### Online benefits

- 24x7
- Engaging content
- Full range of products
- Convenient
- Next day delivery
- Credit

## Omnichannel: Best of both

### Customer in-store

Customers can shop our full range, via tablets in store

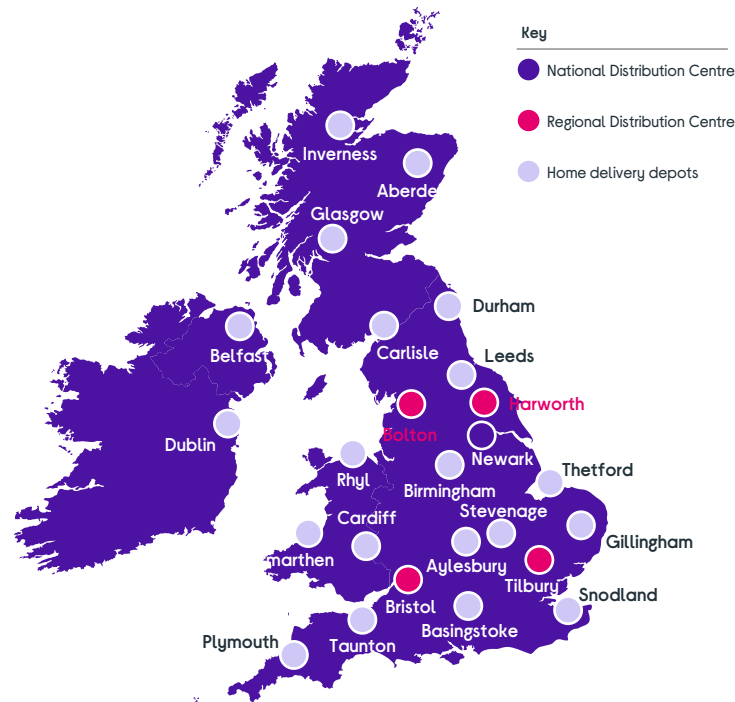
### Customer online

Stores give customers easy and quick access to our full range

### Shop live

Access to the same expert advice online as in store, via video chat

## Nationwide logistics network



## To help get customers started



**>3m**  
big box deliveries



**800k**  
in-home installations

# We help give your tech a longer life

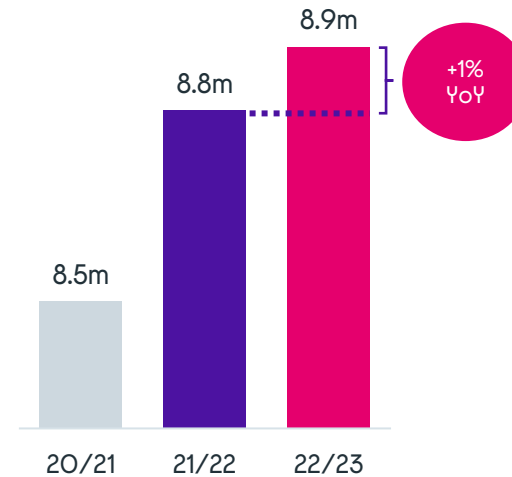
Our unique repair infrastructure allows us to provide a great breadth of services that customers value

Unique repair capability

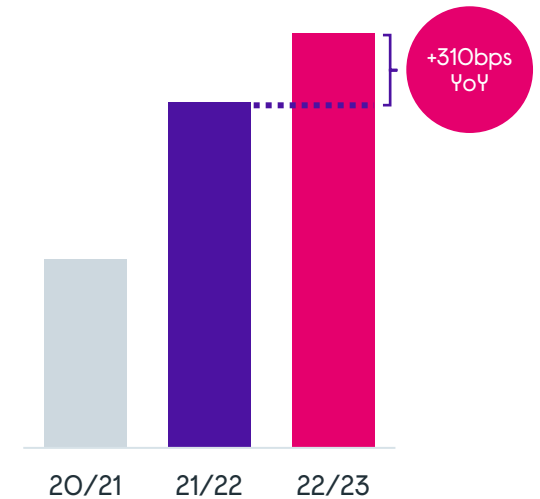


## Delivering services that customers truly value

UK&I Total active Care & Repair plans



UK&I Care & Repair adoption rate



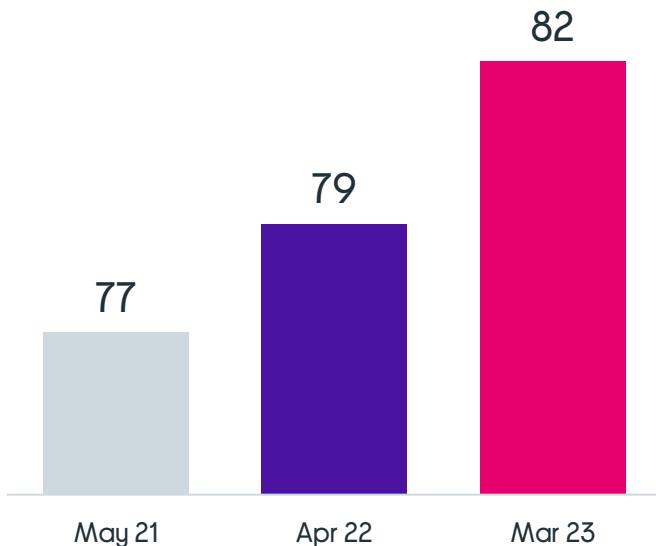


# Supply Chain & Services operations have seen significant improvement

To deliver better outcomes for colleagues, customers and shareholders

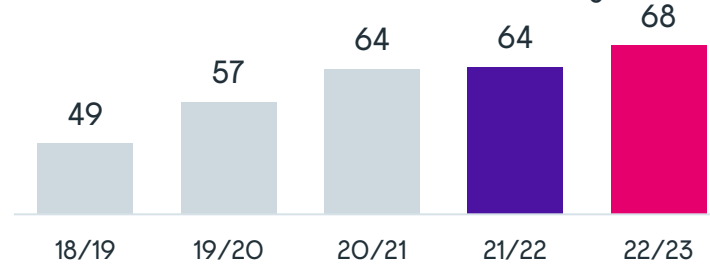
## Colleagues

Home delivery and logistics  
colleague engagement scores

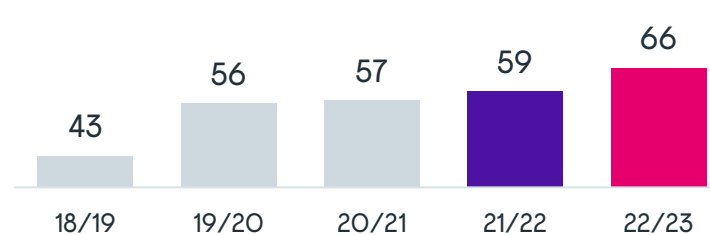


## Customers

Customer satisfaction for delivery



Customer satisfaction with installation



## Shareholders

	2021/22	2022/23	Total
Wages	£(17)m	£(9)m	£(26)m
Energy	£(2)m	£(3)m	£(5)m
Shipping	£(22)m	+£7m	£(15)m
Other	£(1)m	£(7)m	£(8)m
<b>Total Inflation</b>	<b>£(42)m</b>	<b>£(12)m</b>	<b>£(54)m</b>
Supply chain	£12m	£42m	£54m
GNFR	£3m	£3m	£6m
<b>Total cost savings</b>	<b>£15m</b>	<b>£45m</b>	<b>£60m</b>

Delivering our sustainability ambition & targets

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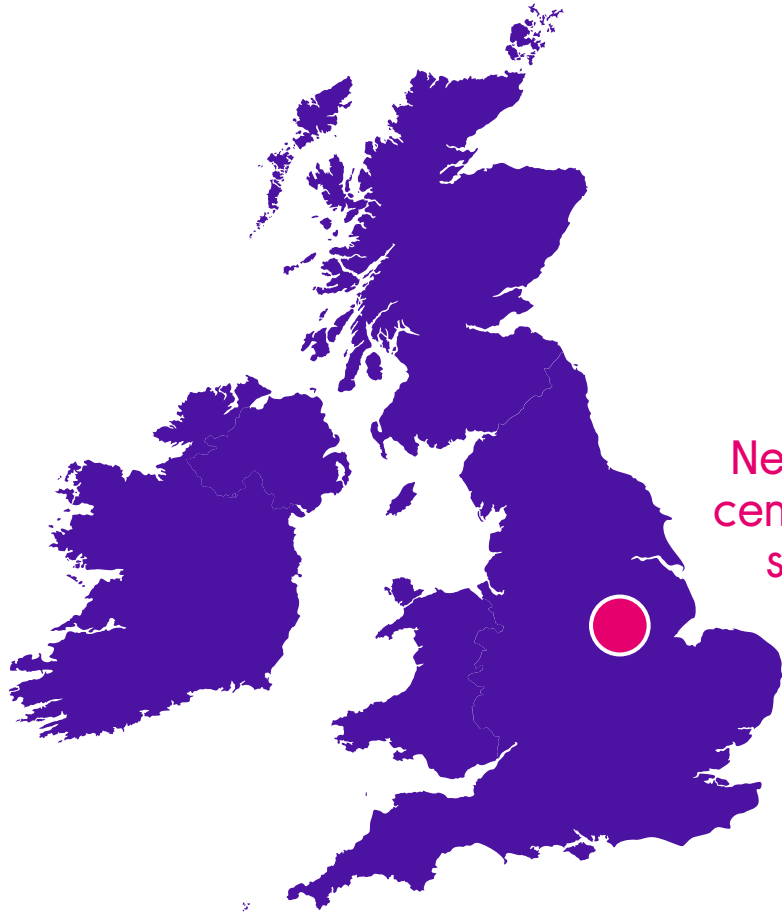




# Supply chain

# Newark is the centre of our UK supply chain

Central stock-holding, branch fulfilment, home fulfilment & repair operations



Newark is at the centre of our UK&I supply chain



**1,500,000**  
sq ft

**2,400**  
colleagues



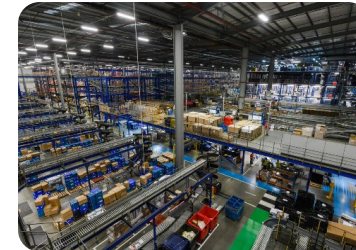
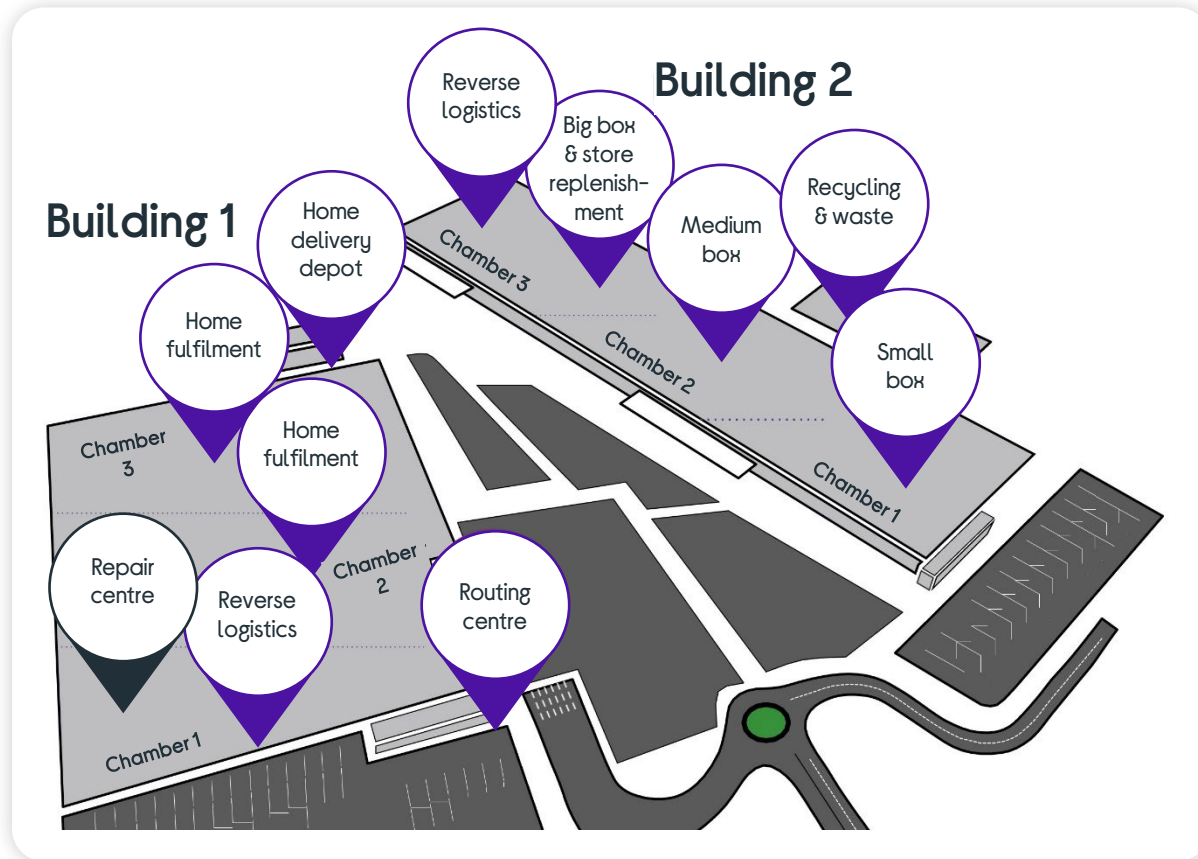
Supply chain



Repair centre

# Newark is the central hub in our supply chain

The site serves a number of complementary roles



Small box



Medium box



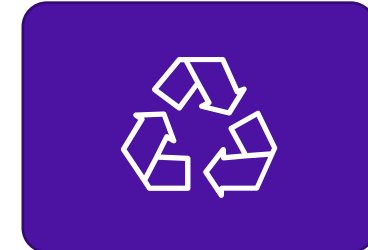
Big box



Store replenishment



Reverse Logistics



Recycling & waste



## Newark receives significant volumes of stock

Covering a vast range of products from a large number of suppliers

### Inbound logistics:

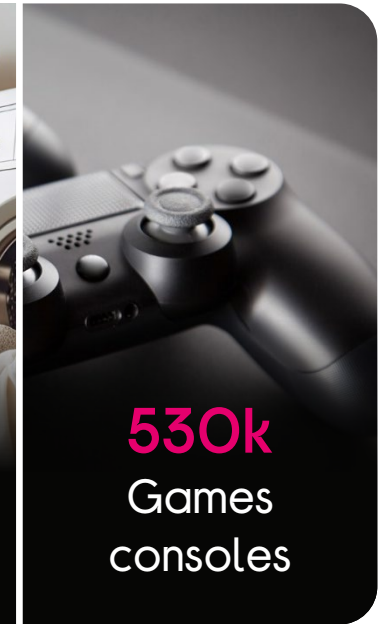
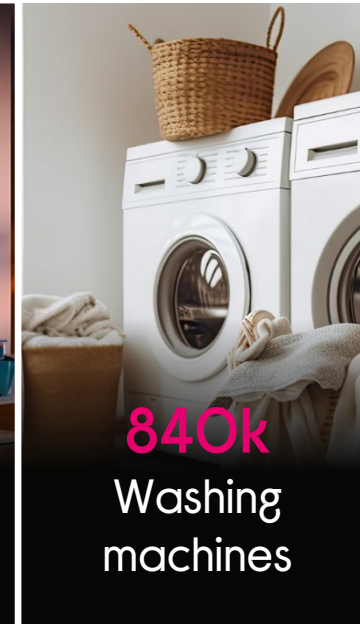
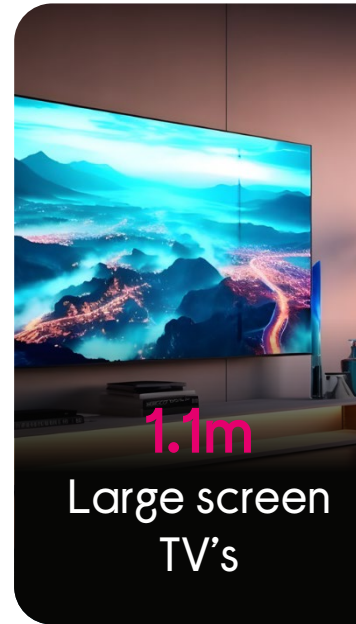


**276**  
different suppliers

**36,000**  
Deliveries each year

**Almost 26m**  
units<sup>1</sup> each year

### Examples of stock received each year:



Source: Currys internal information

1. Sources: Currys Internal information

# Newark distributes stock all over the UK&I

Product goes directly to customers and to stores



2.4m units in stock  
→ 3.3m during Peak

Operates at between 60-70% capacity – enabling flex during busy periods and Peak



## Medium & big box

715,000 units in stock → 925,000 during peak

55,000 units picked and dispatched each week



## Small products

1.7m units in stock → 2.5m during peak

100,000 units picked and dispatched each week → 255,000 during peak



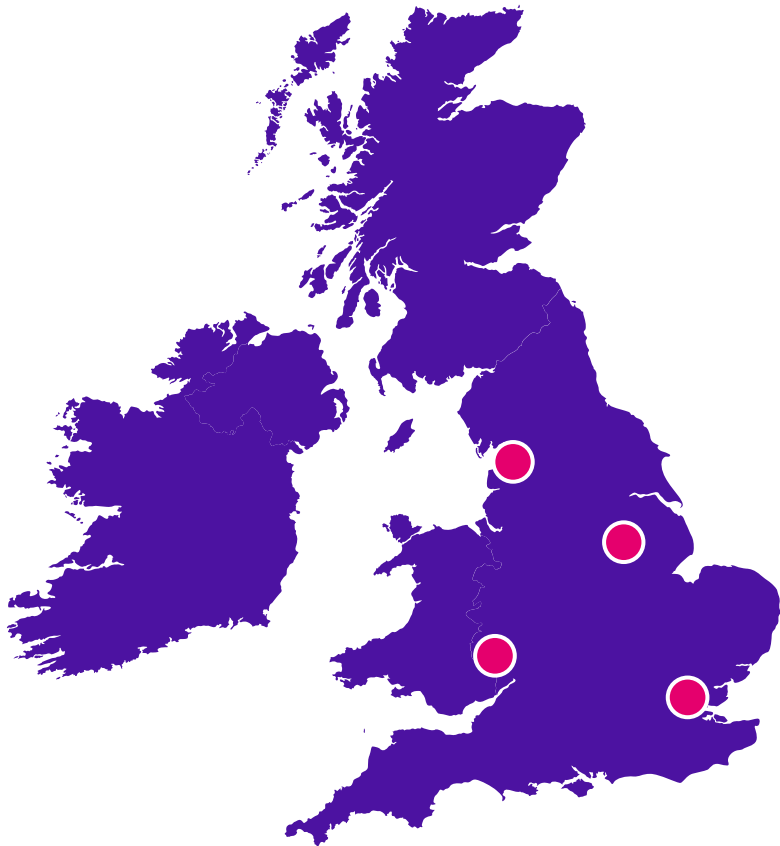
## Store replenishment

291,000 units delivered to stores each week

→ 494,000 units during peak

## Newark is supported by regional distribution centres...

Quick distribution of key big box products for store replenishment and customer orders



### Regional distribution centres:

- Bolton: 376k sq ft
- Tilbury: 317k sq ft
- Bristol: 270k sq ft
- Harworth Home Delivery Depot, operates as a satellite to Newark at peak, adding 200k sq ft of capacity



### Support our home delivery depots

- Holds big box items for delivery
- Holding c.600 fastest moving products
- Each site picks and dispatches around 15% big box home deliveries
- Each RDC houses a Home Delivery Depot and supports 5 additional Home Delivery Depots

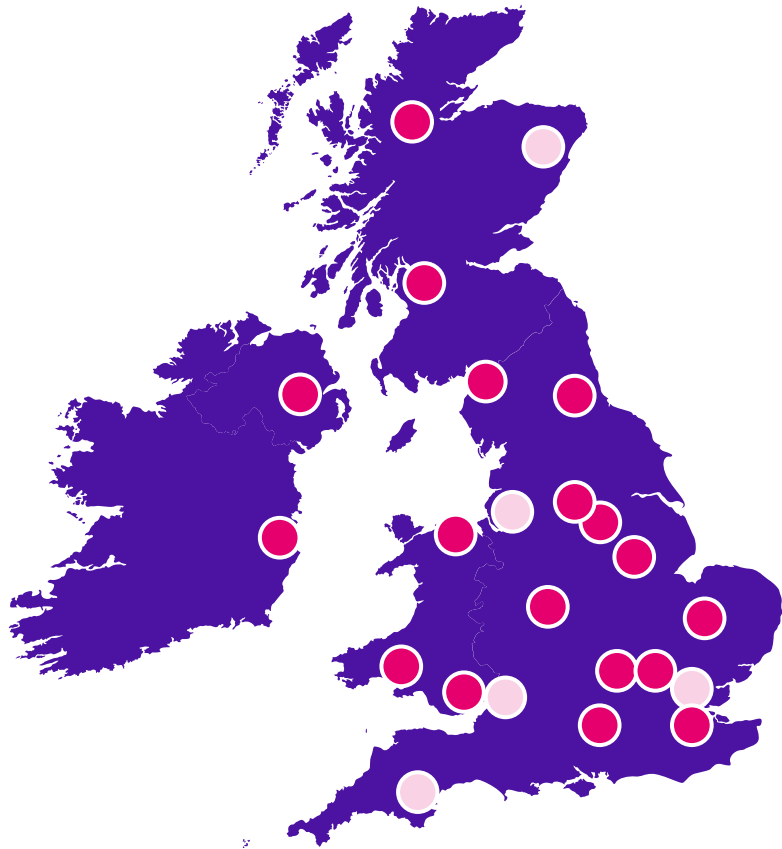
Suppliers deliver key lines directly to our RDCs = reduced costs and improves efficiency

Provide flexibility to increase capacity and distribute higher volumes



## ...and 18 home delivery depots that are closer to customers

Store replenishment, delivery & collections for customers, repair operations, installations and waste recycling



**18** Home delivery depots supported by **5** out-bases across the UK&I:

- >500,000 sq ft capacity
- c.3000 colleagues across our Home Delivery Depot network



Delivering to our customers and supporting our stores

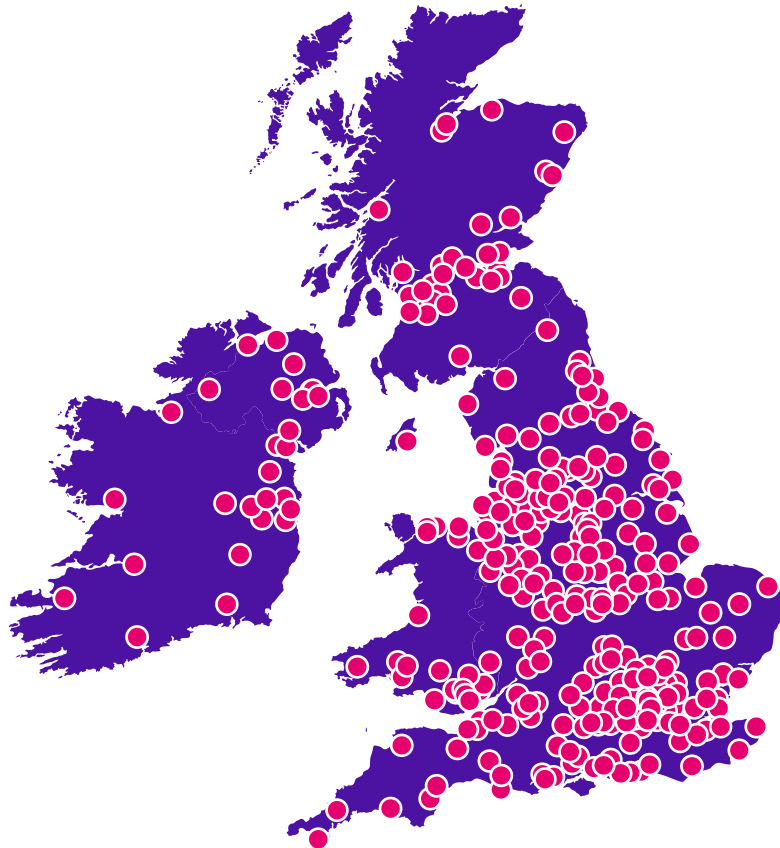
- **3m** big box units delivered to **customer homes**
- **>1,000** deliveries to **stores** each week
- **800,000 installations** in customers homes

Home delivery, installation and repair colleagues are close to customers

Enables **99.9% coverage** of UK&I customers

# And we have a network of stores that are very close to customers

Store stock, order & collect, returns and recycling in close proximity



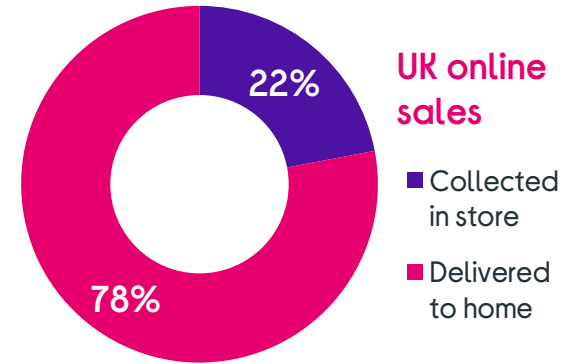
301 stores  
across UK&I

5.5m sq ft

10,000  
colleagues

3.8m units  
of stock held

17.6m units  
delivered to  
stores each year



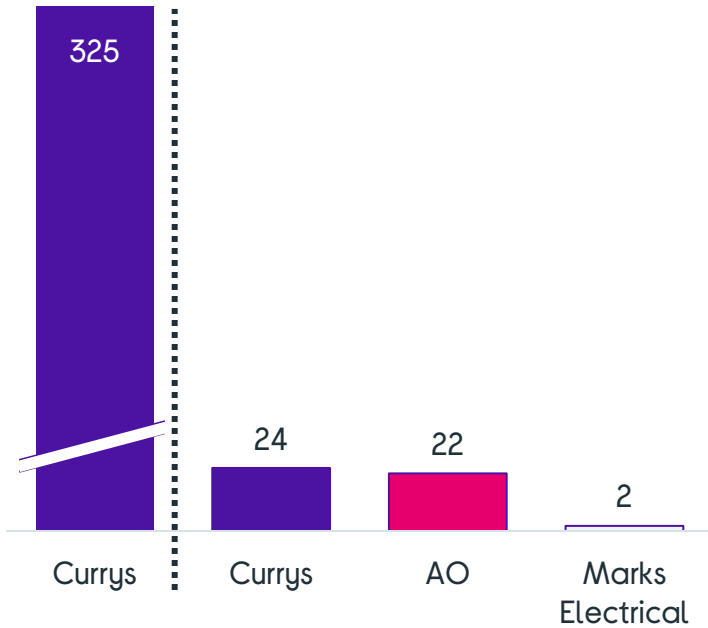
Quickest route for customers – 75% of UK population within 15 minutes of a Currys store and 96% within 30 minutes

Most cost effective fulfilment route for Currys

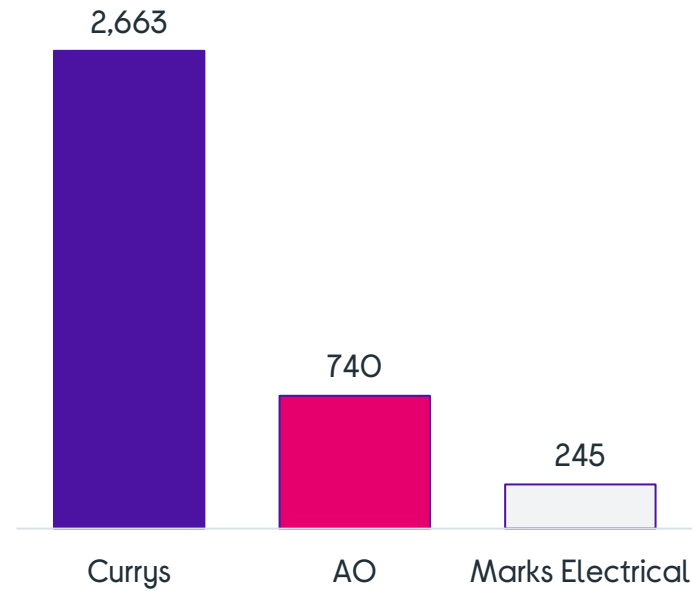
# Our Supply chain has industry leading scale

Even excluding stores, we are >2.5x larger than UK competitors

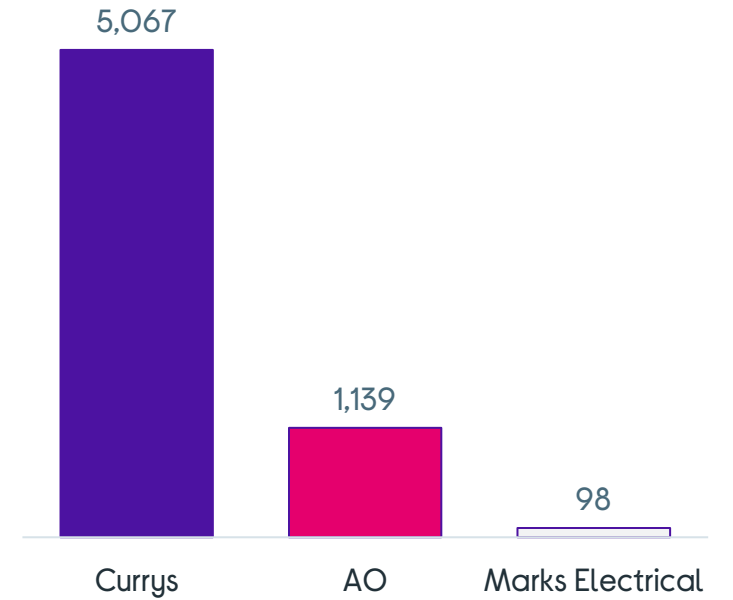
Total number of distribution facilities



Warehouse capacity, 000's sq ft



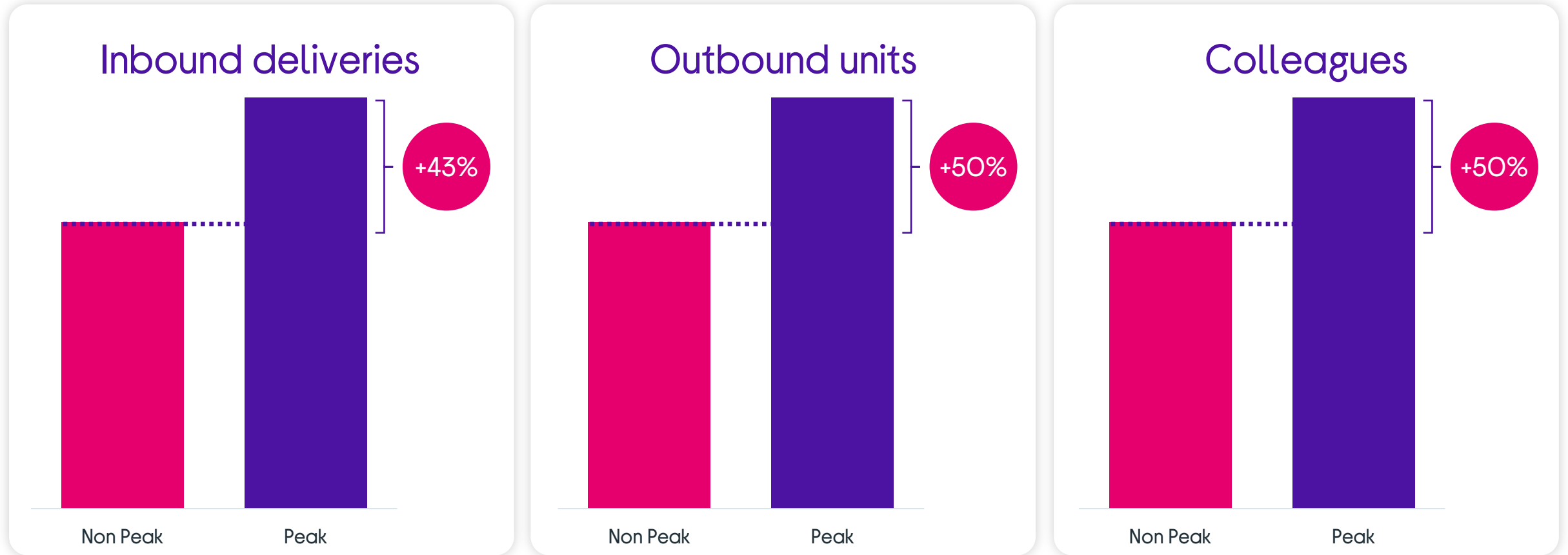
UK&I revenue, £m





# Supply chain has flexibility to increase capacity when we need it

Agile approach allows us to move quickly in response to changing customer needs and consumer trends

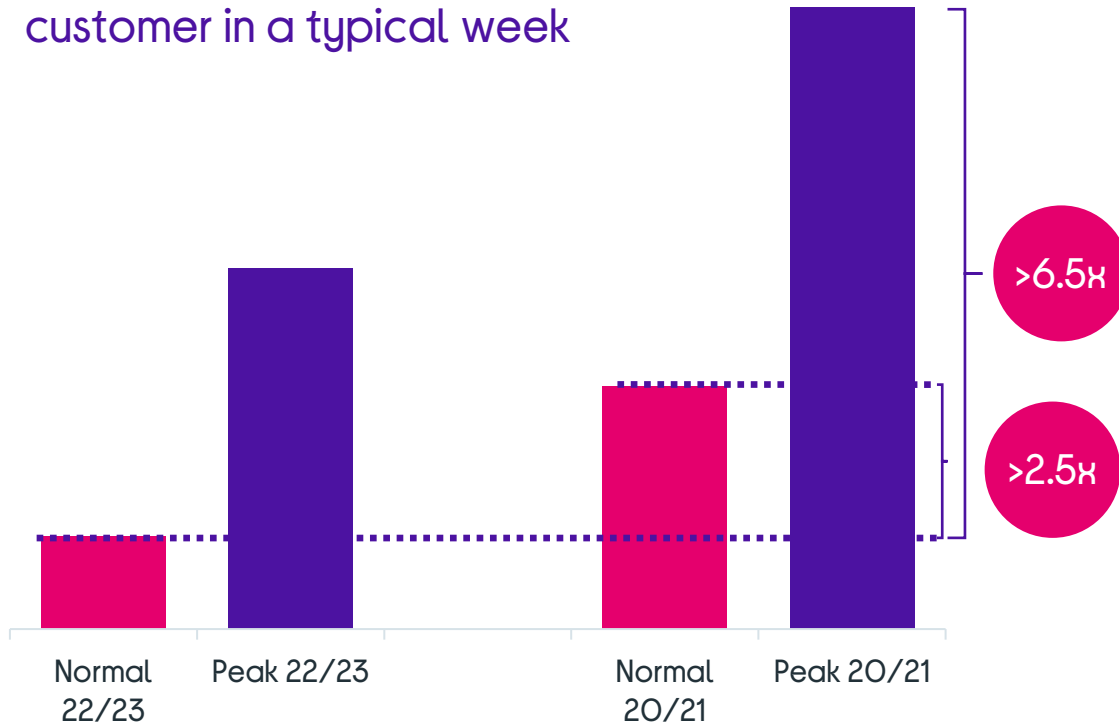


Source: Currys internal information, based on big box units and colleagues working in home fulfilment

## Flexibility and resilience was proven during Covid

As stores were shut and tech market increased, we were able to react




Number of units shipped to customer in a typical week



- Stores closed and business moved 100% online with elevated volumes
- Increased capacity by +60-70% to maintain the proposition – through redeployment of labour from store logistics
- 28 colleagues from local stores were redeployed in Newark to support the operation
- Increased packing benches across RDCs
- Recalled stock from stores to maintain the sales until the lockdown was released

# Currys offers great choice and flexibility to customers

Our delivery and installation offer is more comprehensive than any competitor

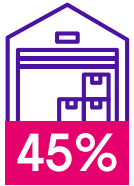
						
Deliver to home	✓	✓	✓	✓	✓	✓
Deliver to set location	✓	✓	✓	✓	✓	✓
Same day collection	✓	✗	✗	✓	✗	✗
Delivery to store	✓	✗	✗	✓	✓	✗
Expert advice	✓	✗	✗	✗	✓	✗
In store returns / exchanges	✓	✗	✗	✓	✓	✗
Installation	✓	✓	✓	✓	✓	✗
Recycling – collection	✓	✓	✓	✓	✓	✗
Recycling – drop off	✓	✗	✗	✓	✗	✗



# We offer great choice of small box delivery

## Catering for all customer demands

### Premium delivery



Despatched same-day from the warehouse if ordered by 9pm.

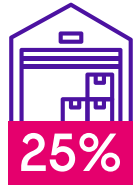


Delivered on a next-day label by DPD  
AM or PM timeslots available



Customer can choose nominated day and timed delivery slots

### Standard delivery



Despatched within 1-3 days by the warehouse.



Delivered via DPD (high value) on a next-day label, or Royal Mail on a 48 hour label



Customers are sold a 3-5 day proposition, which moves out to 5-7 at peak

### Collections



Orders placed before 9pm are despatched the next day by the warehouse



Deliveries to 85% of our stores are serviced via our Home Delivery Depots

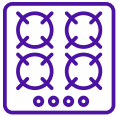


Collection advertised as from 5pm, but customer notified within 1 hour of arrival at store

# It is in big box delivery & installation that we excel

Offer a wide range of services across all product categories

## Products



Gas and electric cooking



Washing machines and tumble dryers



Dishwashers



Built-in appliances



Refrigeration and freezers



Large screen TV's

## Services

Delivery to room of choice

Installations (washing machines through to gas installations)






Next day delivery and Time to Suit options

Responsible & sustainable WEEE recycling



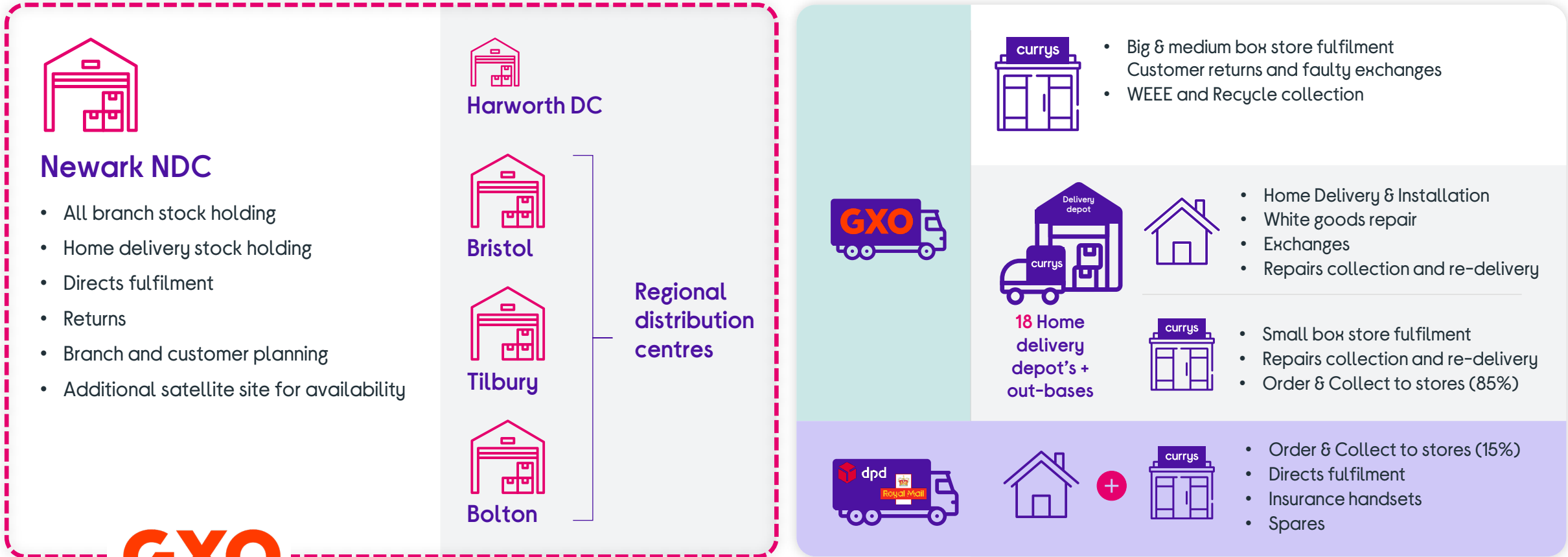
## We help customers get started

We install a wider range of products than any of our peers

						
<b>Installation services</b>						
Electric cooker	✓	✓	✓	✓	✓	✗
Gas cooker	✓	✓	✓	✓	✗	✗
Washing machines	✓	✓	✓	✓	✓	✗
Dishwashers	✓	✓	✓	✓	✓	✗
Built in appliances	✓	✓	✓	✓	✓	✗
Refrigerator plug-in	✗	✓	✓	✗	✗	✗
Refrigerator door swap	✓	✗	✗	✗	✓	✗
TV install to stand	✓	✗	✓	✗	✓	✓ / ✗
TV wall mount	✓	✓	✓	✗	✓	✓ / ✗
TV premium wall mounting	✓	✗	✗	✗	✗	✗

# Improvements made including using GXO to operate warehouses

GXO operate our main supply chain centres and transport, but we control customer facing elements





## GXO partnership brings many benefits

Reduces costs, increases flexibility and lower risks



### Key initiatives delivered:

Implemented continuous improvement program

Multiskilled colleagues

Optimised colleague shift patterns

Reviewed space utilisation and layout to increase stock holding

Created safer ways of working



### What's next:

Automated packing system for small box orders

Conveyor loading big box and pallets onto trailer

Installation of Pro-glove scanners

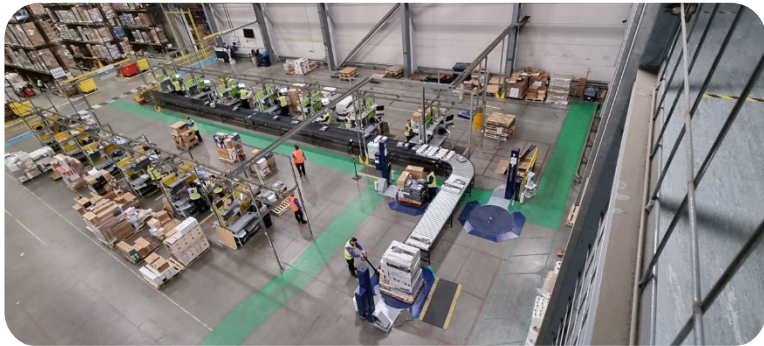
Automated packing and labelling of our medium box products.

19 way sorter for Pay & Collect parcels that we deliver on our own network

# Improving productivity through automation

Adding automation is driving significant productivity gains, with further opportunities to improve

RDC outbound conveyor



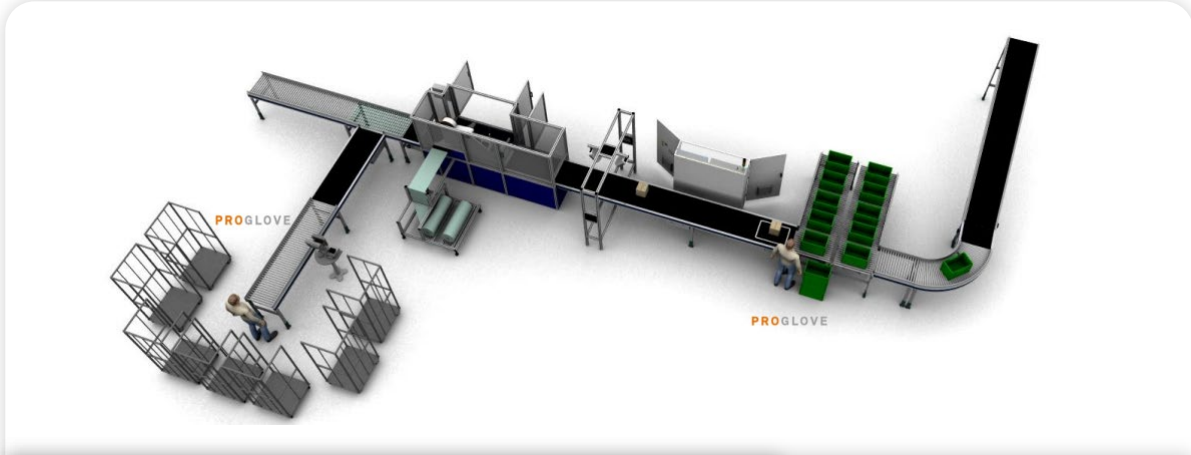
Exoskelton



Garwonski loading conveyor



In cab technology



**Small product - Auto-bagger**  
Automates the packing and labelling of our smallest parcels.

Increases productivity per person from c60 units to >300 units packed per hour.

**Go-live:**  
October 2023

**Capex:** £600k, funded by GXO as part of the contract

**ROI:** Circa 12 months

# We have made improvements for colleagues

Delivering a great customer experience requires a great colleague experience

## We have taken action...



Improved onboarding experience for new colleagues



Launched in-house training facilities and delivered 55,000 hours training



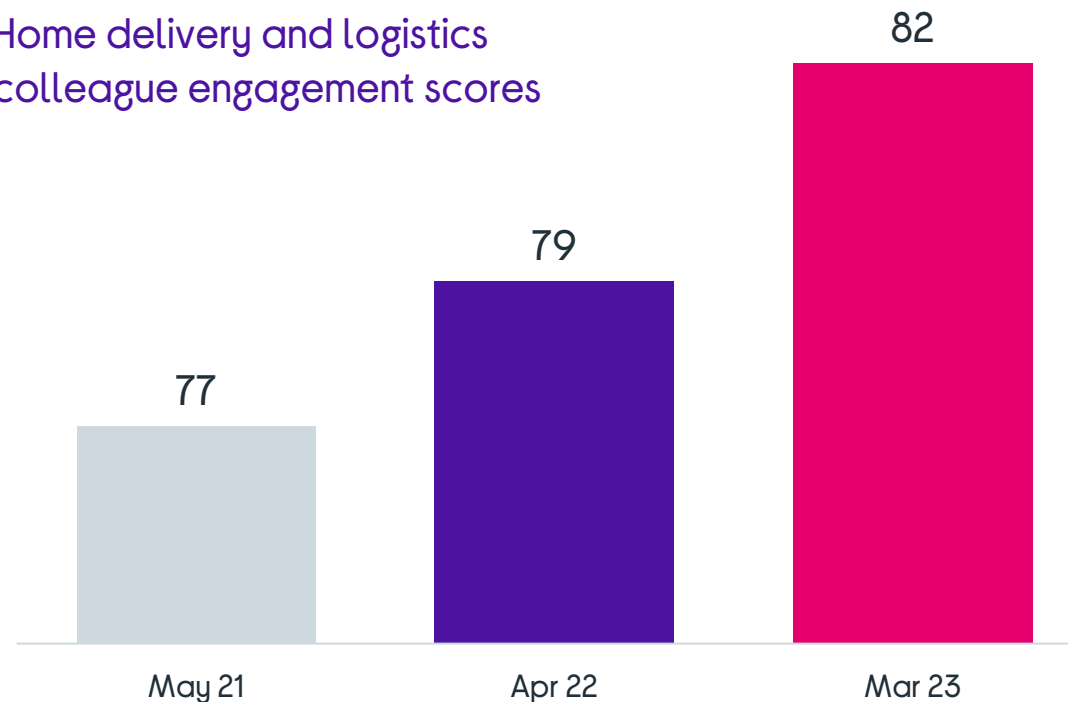
Implemented career and development pathways that add skill flexibility



New bonus scheme rewarding colleagues for customer service

## ...and our colleagues are happier

Home delivery and logistics colleague engagement scores



## ...and improvements for our customers

We have improved on our execution and are getting it **Right First Time** more often

### Focus on key areas of failure



Customer availability



Product damage



Incorrect product



Technical failures



### Repeat visit rate

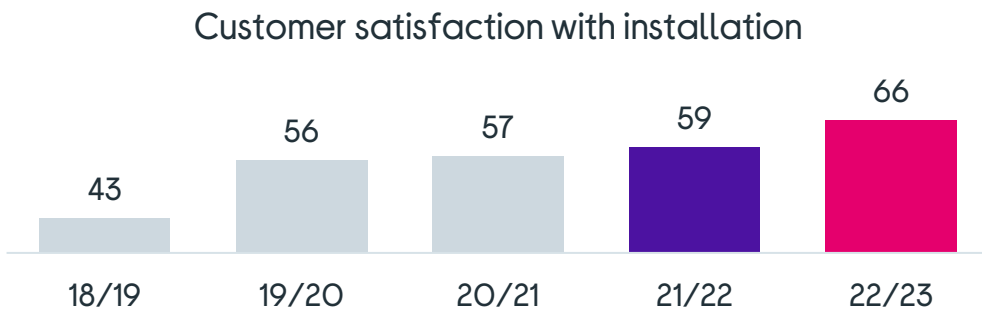
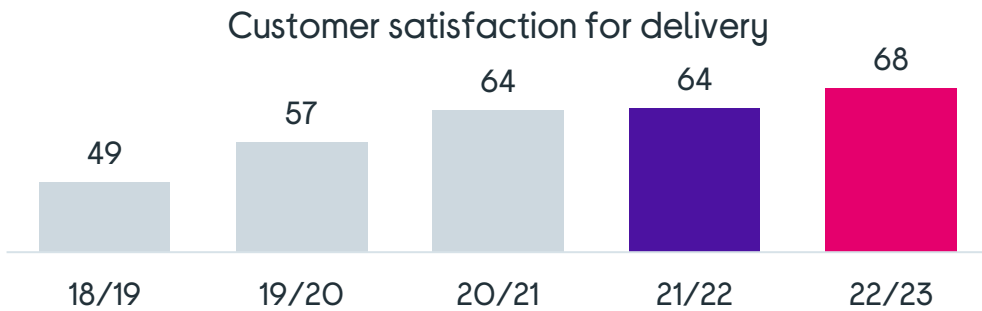




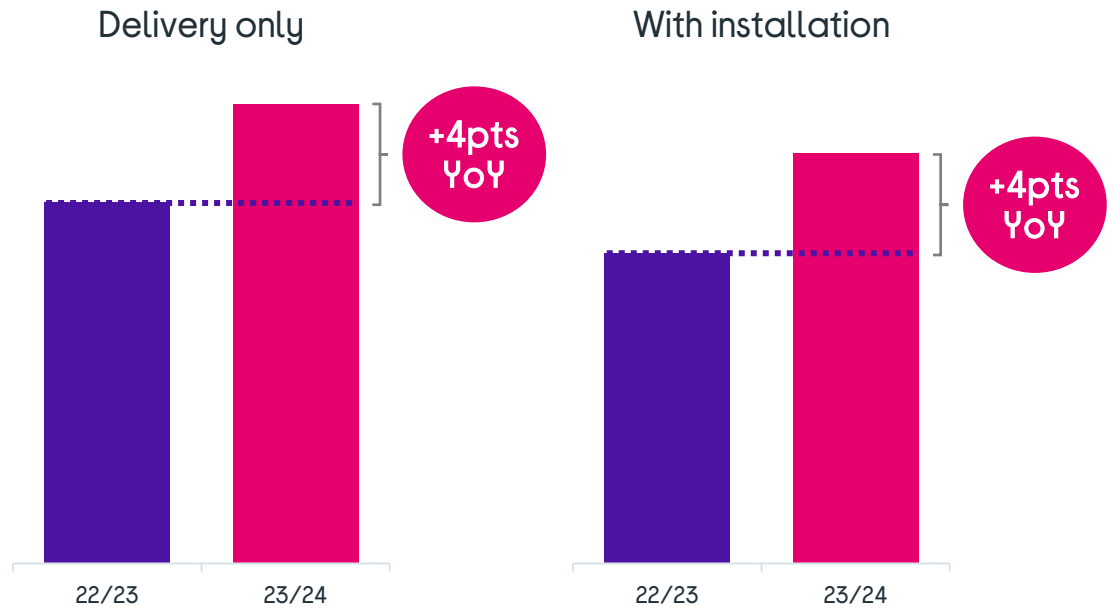
# Resulting in happier customers

Our D&I customers are becoming happier as we make improvements

Customer satisfaction has grown over the past 5 years...



... and has continued to grow year to date



# Profitability is improving as a result of the improvements

Better proposition and execution drive increased direct and indirect profits

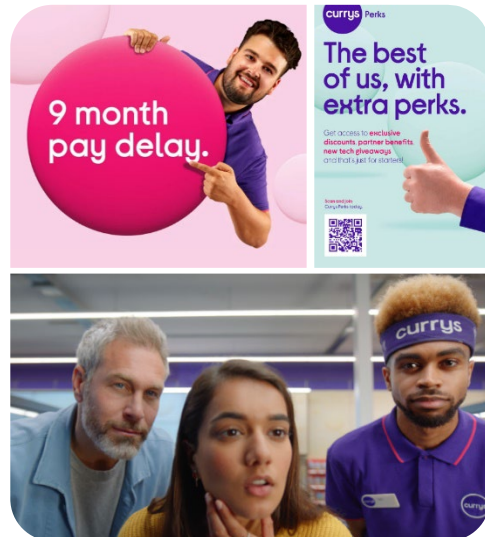
## Direct cost savings

Right First Time reduces repeat visits and costs



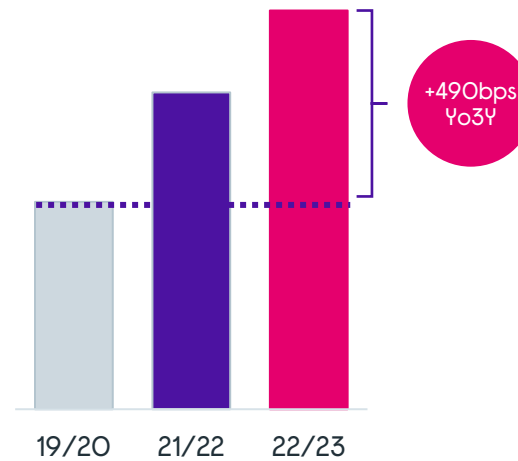
## Lower customer acquisition costs

Reduced advertising spend



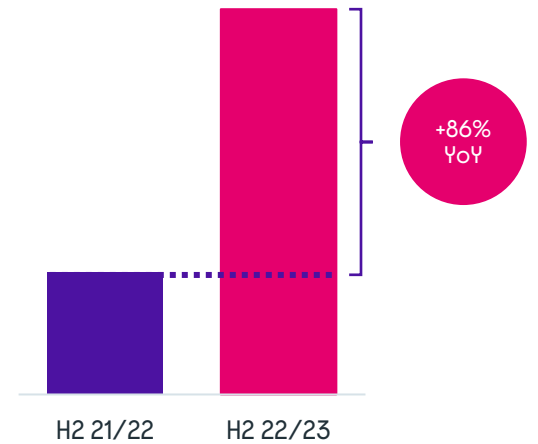
## Increased adoption

Installation adoption rate



## Enables delivery charging

D&I&R revenue per order +increased >£10



## Summary

Supply chain is the backbone of our operations

Complex **supply chain** that caters for our **omnichannel** proposition

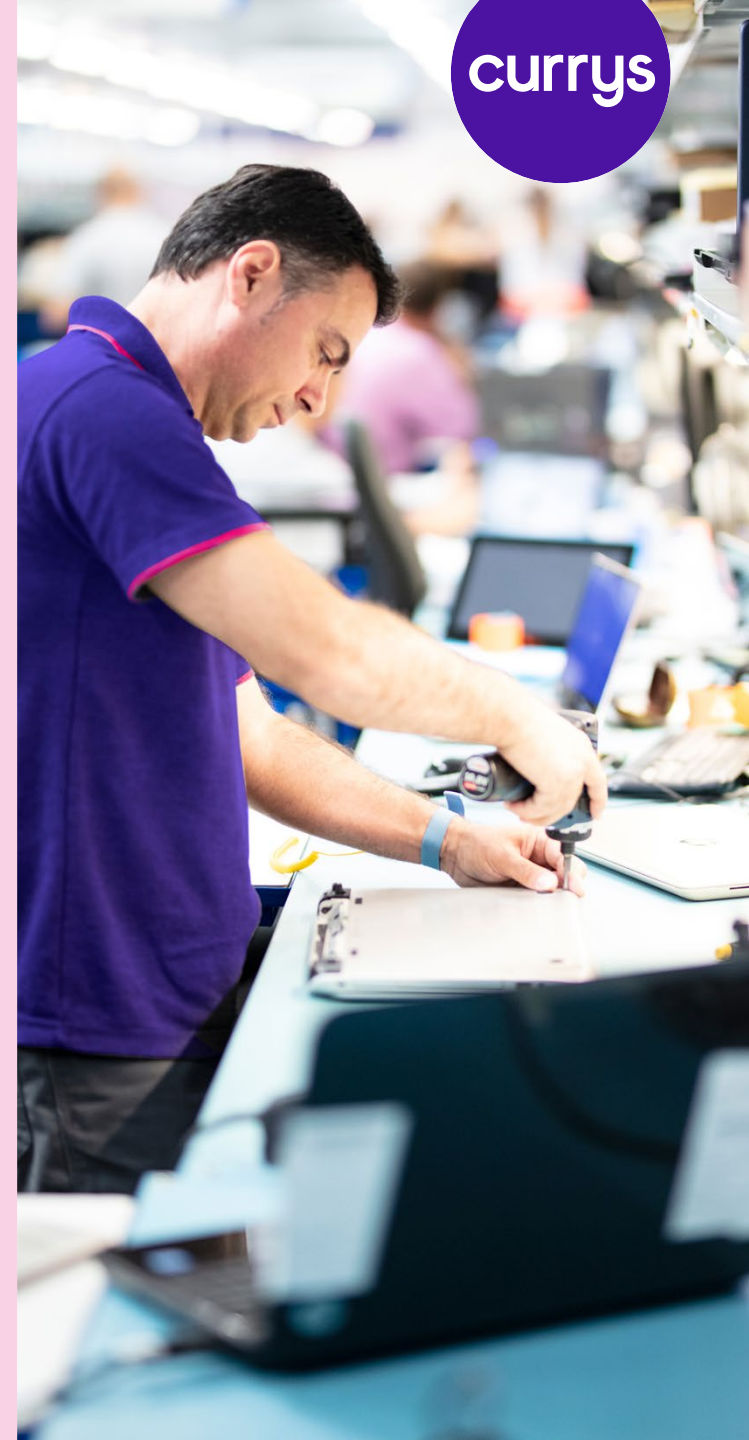
Providing delivery & installation services that **customers value**

Fully invested for **nationwide** coverage at significant **scale**

**Making continuous** improvements to benefit colleagues and customers

Proven to be **robust** and **reliable** through challenges of covid and channel shift

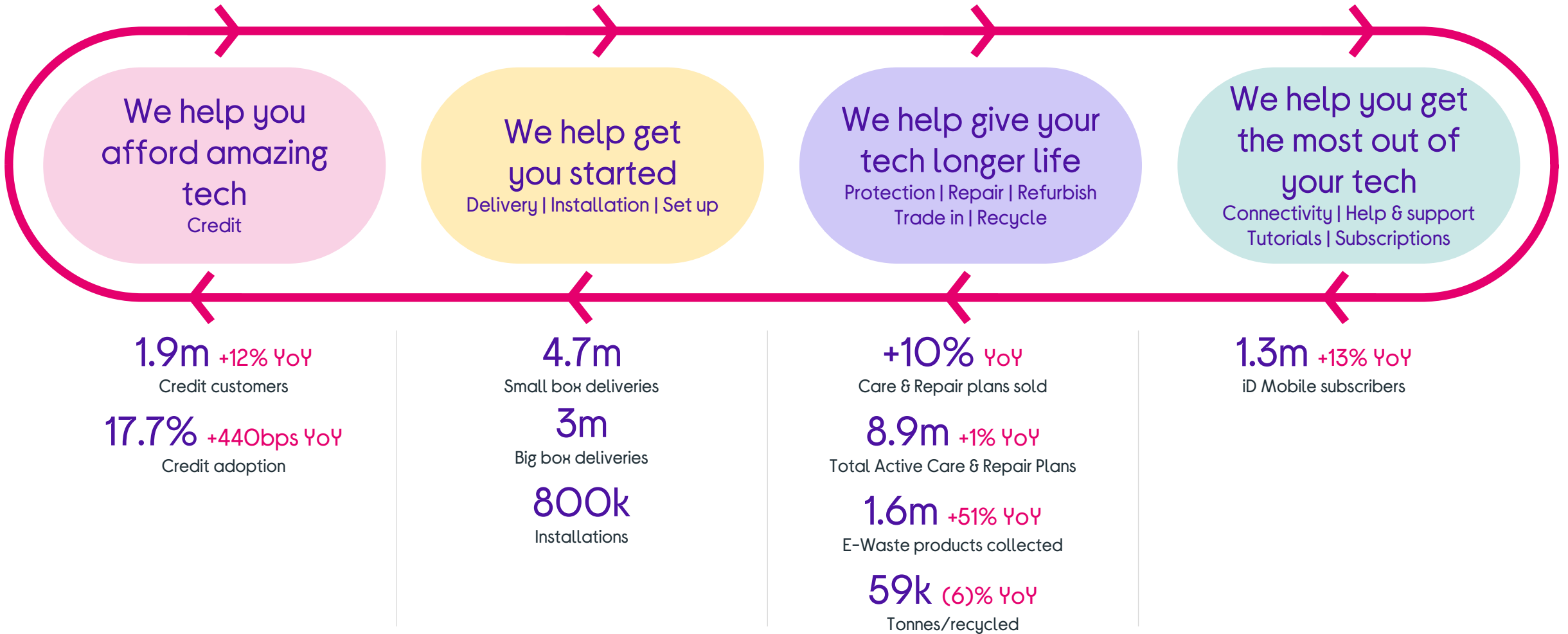
Resulting in a **better experience** which benefits **profits**



# Services



# Customers for life are built through our range of services



# We use customer insight to develop and deliver services that customers need

Customers want simplicity, flexibility and transparency



## Give me peace of mind

Currys protect my tech with appropriate cover, no hidden charges or fees.



## Straight forward pricing that is easy to understand

I'm clear how much it costs and how long I am covered, a range of payment options that suit me



## No hassle when I need to use this service

It gets delivered as I expect, Currys do the leg work and I don't need to chase



## Currys work around me to resolve the issue

Provide time slots that fit with me, replace the product if it becomes unreliable



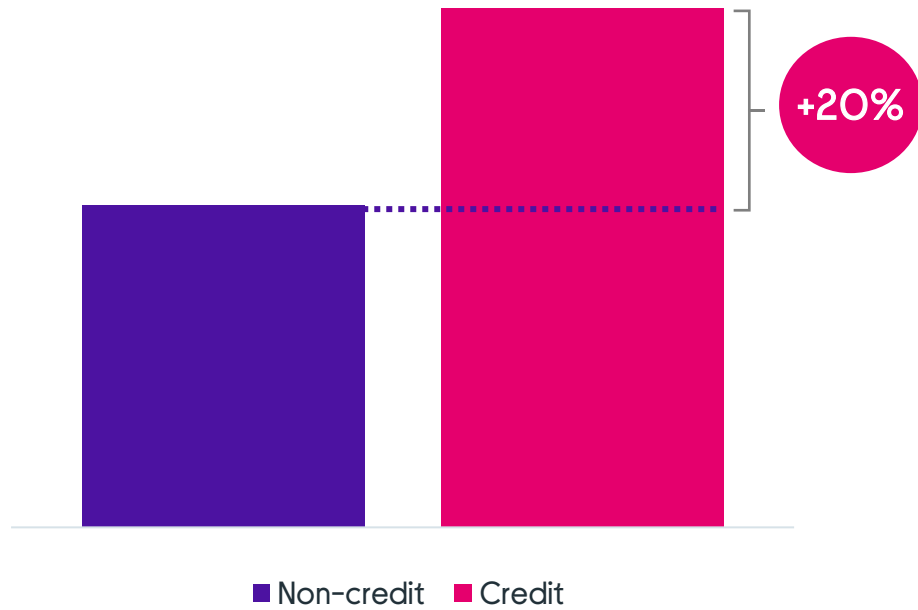
## Meet the promises you make

Repair quickly or replace quickly if it can't be repaired

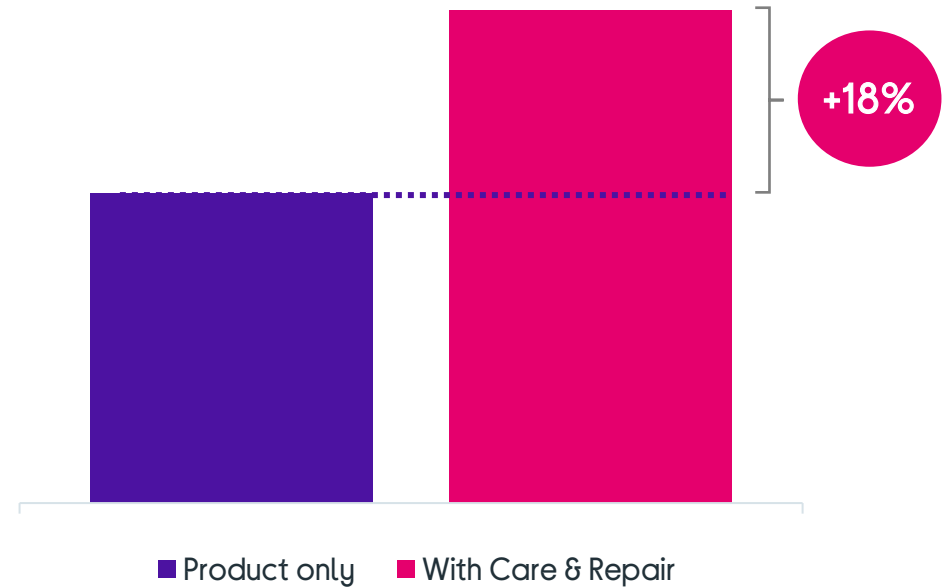
# Customers value the services that we provide

Customers who use services are happier and return to Currys more often

Credit customers and non-credit customers  
– 2022/23 NPS

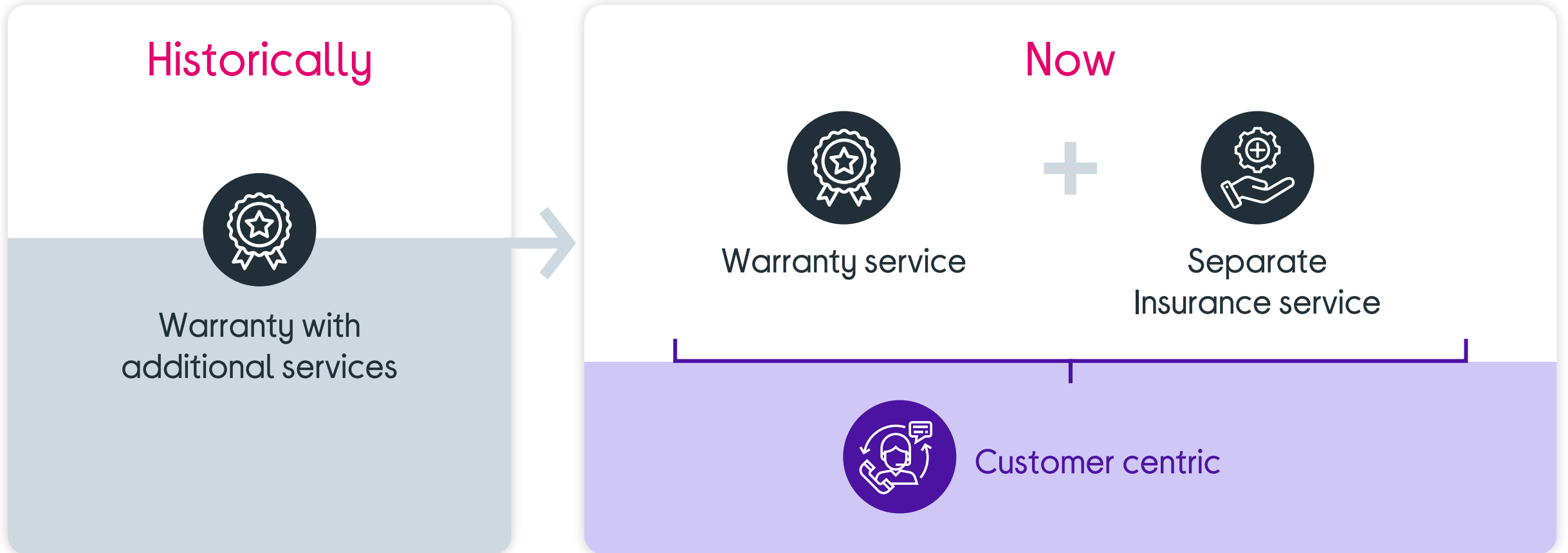


Care & Repair customers and non Care & Repair customers  
– 2022/23 NPS



# Our protection services are a complete solution

We have evolved the offer to make it ever more customer centric





# Care & Repair upgraded and complemented by new insurance products

We offer protection services that customers want

## Why Care & Repair?

Breakdown support when you need it.

Beyond repair? Get a Currys gift card for a new one.

7 day fix promise.

Don't pay a penny more for parts, labour and call outs.

Ask for a new one after your second repair.



## Why tablet insurance? (Launched Sep 2022)

A simple and easy claims process.

Replacement tablet delivered the next working day.

Expert support 24/7, 365 days a year.



# Our Care & Repair service is comprehensive and competitive

Customers are not paying for solutions they don't use

<b>Care &amp; Repair - MDA</b>						
Manages own plan	✓	✗	✗	-	✗	-
Managed by	Currys	D&G	UK warranty ltd	D&G	D&G	-
Full breakdown support	✓	✓	✓	✓	✓	-
Accidental damage	✗	✓	✗	✓	✓	-
<b>What happens</b>						
Includes valet service	✓	✗	✗	-	✗	-
Parts, labour & call outs	✓	✓	✓	✓	✓	-
Repair guarantee	7 Days	✗	✗	-	✗	-
Includes delivery	✓	✗	✓	✓	✓	-
Includes installation	✓	✗	✗	Up to £50	✓	-
Includes recycling	✓	✗	✗	-	✗	-
<b>Cost of protection: £299-£300 washing machine</b>	£5.00 monthly £120 for 3 years £150 for 5 years	£6.49 monthly - -	- - £139 for 5 years	£4.79 monthly £89.99 for 3 years -	- - £115 for 5 years	- - -

Sources as of 11 September 2023: <https://www.currys.co.uk/products/hotpoint-nswr-845c-wk-uk-n-8-kg-1400-spin-washing-machine-white-10239758.html>, <https://ao.com/product/nswa845cwwukn-hotpoint-washing-machine-white-94465-1.aspx>, [https://markselectrical.co.uk/869991654340\\_indesit-washing-machine](https://markselectrical.co.uk/869991654340_indesit-washing-machine), <https://markselectrical.co.uk/warranty>, <https://www.argos.co.uk/product/1175532?clickPR=plp:25:179>, <https://www.johnlewis.com/hotpoint-nswm-845c-w-uk-n-freestanding-washing-machine-8kg-load-1400rpm-spin-white/p109586079>, [https://www.amazon.co.uk/Hotpoint-NSWF743UGGUKN-Washing-Machine-Graphite/dp/BO9GYQP2G/ref=sr\\_1\\_2?keywords=washing+machine&qid=1694600787&refinements=p\\_36%3A29900-31000&rnid=3889970118s=kitchen-appliances&sr=1-2&ufe=app\\_do%3Aamzn1.fos.42a483c5-1df2-46ee-a728-92d018483bf9](https://www.amazon.co.uk/Hotpoint-NSWF743UGGUKN-Washing-Machine-Graphite/dp/BO9GYQP2G/ref=sr_1_2?keywords=washing+machine&qid=1694600787&refinements=p_36%3A29900-31000&rnid=3889970118s=kitchen-appliances&sr=1-2&ufe=app_do%3Aamzn1.fos.42a483c5-1df2-46ee-a728-92d018483bf9)

# Our Care & Repair service is comprehensive and competitive

Customers are not paying for solutions they don't use

<b>Care &amp; Repair - LSTV</b>						
Manages own plan	✓	✗	✗	✗	✗	✗
Managed by	Currys	D&G	UK warranty ltd	D&G	D&G	Cover Genius Ltd
Full breakdown support	✓	✓	✓	✓	✓	✓
Accidental damage	✗	✓	✗	✓	✓	✓
<b>What happens</b>						
24/7 technical support	✓	✗	✗	✗	✗	✗
Parts, labour & call outs	✓	✓	✓	✓	✓	✓
Repair guarantee	7 Days	✗	✗	✗	✗	✗
Includes delivery	✓	✗	✓	✓	✓	✓
Includes installation	✓	✗	✗	✗	✓	Up to £50
Includes recycling	✓	✗	✗	✗	✗	✗
<b>Cost of protection: £399-£400 50" LSTV</b>	£4.50 monthly £100 for 3 years £130 for 5 years	£6.49 monthly - -	- - £89 for 5 years	£6.69 monthly £109.99 for 2 years -	- - £75 for 5 years	- £61.29 for 3 years <sup>1</sup> -

1: Amazon act as an introducer and offer an K Cover product. The customer can make a maximum of 3 claims or claim up to the original purchase price only  
 Sources as of 11 September 2023: <https://www.currys.co.uk/products/samsung-ue50cu7100knhu-50-smart-4k-ultra-hd-hdr-led-tv-with-bixby-and-alexa-10249286.html>, <https://ao.com/product/ue50cu7100-samsung-series-7-cu7100-tv-black-96405-108.aspx>, [https://markselectrical.co.uk/4t-c55fn2kl2ab\\_sharp-55-led-4k-ultra-hd-smart-android-tv](https://markselectrical.co.uk/4t-c55fn2kl2ab_sharp-55-led-4k-ultra-hd-smart-android-tv), <https://markselectrical.co.uk/warranty>, <https://www.argos.co.uk/product/2072658?clickPR=plp:1:46>, <https://www.johnlewis.com/samsung-ue50cu7100-2023-led-hdr-4k-ultra-hd-smart-tv-50-inch-with-typlus-black/p110271016>, [https://www.amazon.co.uk/gp/product/BOC69W9DJ3/ref=ox\\_sc\\_act\\_image\\_1?smid=A1V2LM1T3KAQY2&psc=1](https://www.amazon.co.uk/gp/product/BOC69W9DJ3/ref=ox_sc_act_image_1?smid=A1V2LM1T3KAQY2&psc=1)

# Our Care & Repair service is comprehensive and competitive

Customers are not paying for solutions they don't use

<b>Care &amp; Repair - Laptop</b>						
Manages own plan	✓	✗	-	✗	✗	✗
Managed by	Currys	D&G	-	D&G	D&G	Cover Genius Ltd
Full breakdown support	✓	✓	-	✓	✓	✓
Covers accidental damage	✗	✓	-	✓	✓	✓
<b>What happens</b>						
24/7 technical support	✓	✗	-	✗	✗	✗
Parts, labour & call outs	✓	✓	-	✓	✓	✓
Repair guarantee	7 Days	✗	-	✗	✗	✗
Drop off / collect from store	✓	✗	-	✗	✗	✗
Includes setup	✓	✗	-	✗	✗	✗
Includes data install	✓	✗	-	✗	✗	✗
<b>Cost of protection: £399-£400 laptop</b>	£7.50 monthly £130 for 2 years £170 for 3 years	£7.49 monthly - -	N/A	£6.99 monthly £96.99 for 2 years -	- £80 for 2 years -	- £62.75 for 2 years <sup>1</sup> -

1: Amazon act as an introducer and offer an X Cover product. The customer can make a maximum of 3 claims or claim up to the original purchase price only



# Our tablet insurance is based around customer needs

Customers are very clear that they want next day replacement



## Tablet insurance

	currys	ao	Marks Electrical	Argos	JOHN LEWIS & PARTNERS	amazon
<b>Manages plan</b>	Aviva	D&G	-	D&G	D&G	Cover Genius Ltd
<b>Full breakdown support</b>	✓	✓	-	✓	✓	✓
<b>Accidental damage</b>	✓	✓	-	✓	✓	✓
<b>Theft / loss cover</b>	✓	✗	-	✗	✗	Theft Only
<b>Worldwide cover</b>	✓	✗	-	✓	✓	✓
<b>24/7 technical support</b>	✓	✗	-	✓	✓	✗
<b>Parts, labour &amp; call outs</b>	-	✓	-	✓	✓	✓
<b>Guarantee repair timescale</b>	Next day replacement	✗	-	✗	✗	✗
<b>Accessory cover</b>	Up to £300	✗	-	✗	✗	✗
<b>Cost of protection: £219 tablet</b>	£4.50 monthly £50 for 1 year -	£5.49 monthly - -	N/A	£6.09 monthly - £84.99 for 2 years	- - £60 for 2 years	- - £29.75 for 2 years <sup>1</sup>

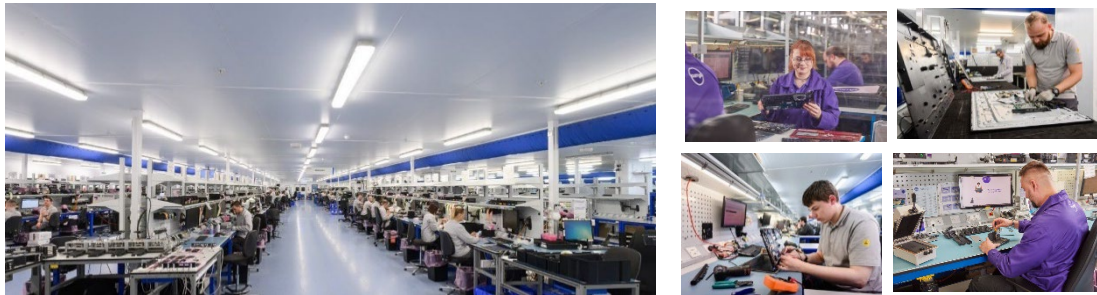
1: Amazon act as an introducer and offer an X Cover product. The customer can make a maximum of 3 claims or claim up to the original purchase price only

Sources as of 11 September 2023: <https://www.currys.co.uk/products/lenovo-tab-m10-plus-3rd-gen-10.6-tablet-128-gb-grey-10252504.html>, <https://ao.com/product/smx200nzaeua-samsung-galaxy-tab-a8-tablet-silver-91640-252.aspx>, Marks Electrical offers 1 tablet on its website for £64.99 and does not offer any additional insurance, <https://www.argos.co.uk/product/1244999?clickPR=plp:45:65>, <https://www.johnlewis.com/samsung-galaxy-tab-a8-tablet-android-3gb-ram-32gb-wi-fi-10-5-inch/silver/p5971743>, [https://www.amazon.co.uk/Samsung-Android-Version-Manufacturer-Warranty/dp/BOBD4YCWSD/ref=sr\\_1\\_1?keywords=samsung%2Btablet&qid=1694601720&refinements=p\\_36%3A21900-8mid=4284320318sr=8-18ufe=app\\_do%3Aamzn1.fos.42a483c5-1df2-46ee-a728-92d018483bf9&th=1](https://www.amazon.co.uk/Samsung-Android-Version-Manufacturer-Warranty/dp/BOBD4YCWSD/ref=sr_1_1?keywords=samsung%2Btablet&qid=1694601720&refinements=p_36%3A21900-8mid=4284320318sr=8-18ufe=app_do%3Aamzn1.fos.42a483c5-1df2-46ee-a728-92d018483bf9&th=1)

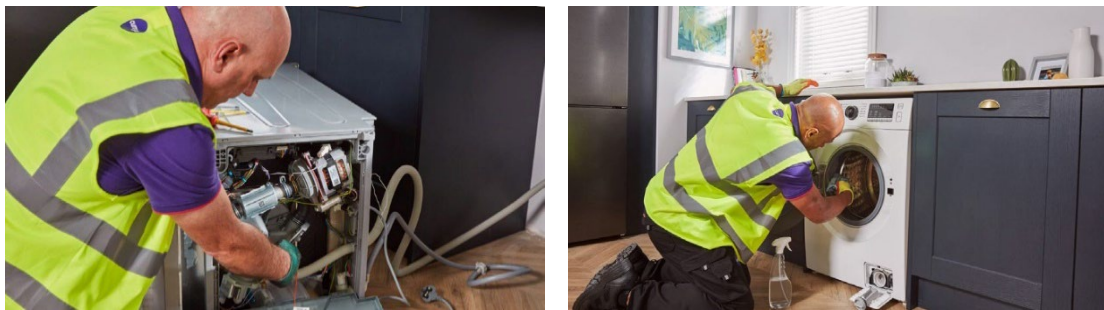
# We make repair convenient for the customer

We repair products centrally in Newark, in customer's homes, in stores and remotely using RepairLive

## Newark



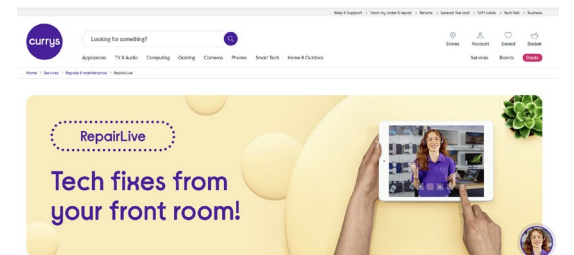
## In home



## In store



## Repair live

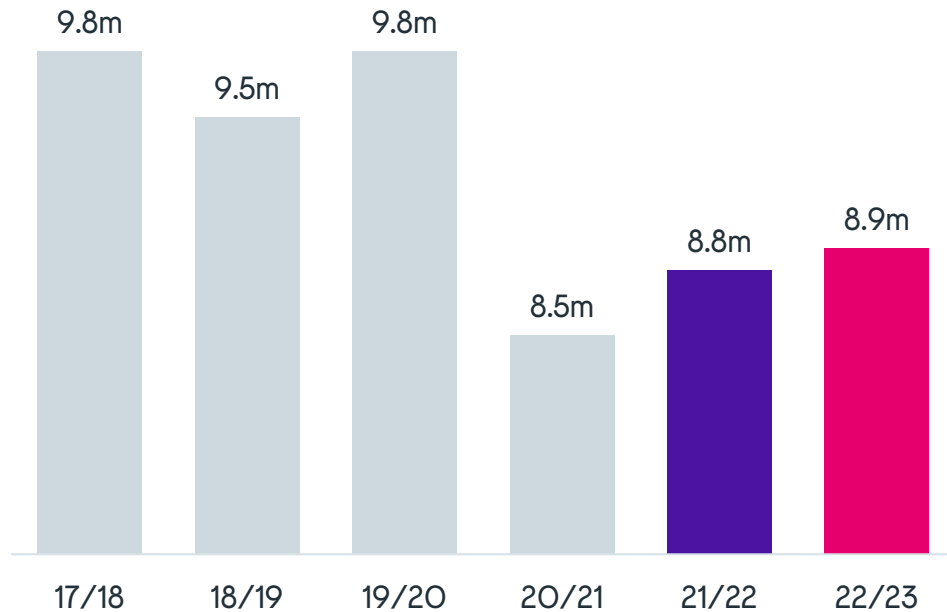


# More customers are using these services

Improvements to proposition are attracting more customers

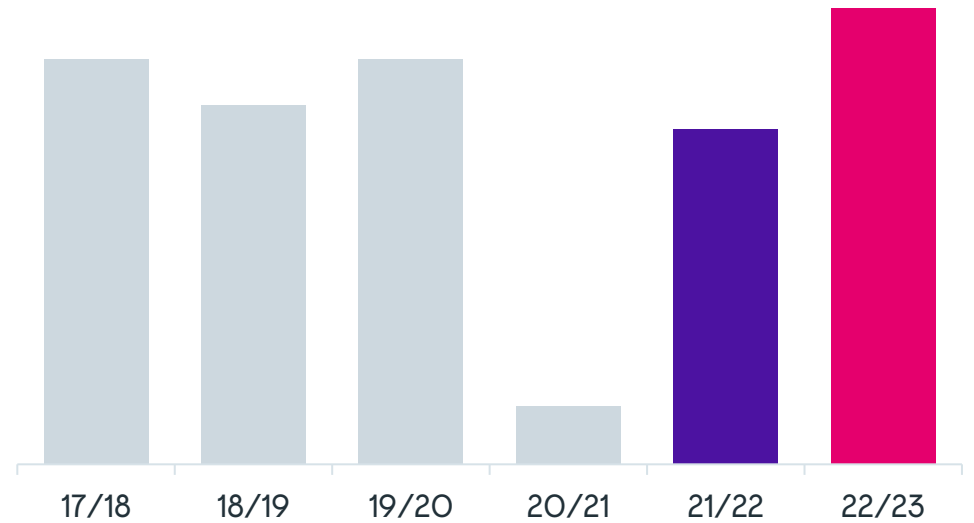
## Care & Repair numbers are growing...

UK&I Total active Care & Repair plans



## ... with record levels of adoption

UK&I Care & Repair adoption rate



## We also offer standalone repairs

For customers who need repair but don't have protection

### Why repair with Currys?



All repairs are guaranteed for 12 months.



Available 7 days a week for computers/TVs and 6 days a week for household appliances.



Appointment times to suit you



Fully trained and accredited repair experts



### What makes us different?



It doesn't matter where you bought your appliance or device.



If we can't fix it, or it's beyond economical repair, we'll give you a full refund.



Appliance and mobile phone repairs include parts and labour. Computer and TV repair costs do not include parts. We'll call you to discuss the cost of parts before proceeding with your repair.



For appliance repairs, appointments are available from Monday to Saturday - so you can choose a day that suits you.



For appliance repairs, we'll always call to let you know 30 minutes before we arrive.



## Repairs on large kitchen appliances...

Mainly conducted in customer's homes and not offered by our main competitors




### Repairs completed by

Repairs completed by	Currys	D&G
Washing machine	£119	£150
Tumble dryer	£109	£150
Dishwasher	£119	£150
1 door Fridge or freezer	£109	£150
2 door fridge freezer	£119	£150
American style fridge freezer	£179	£150
Electric oven/cooker	£119	£150
Electric range-style	£149	✗
Gas oven/cooker	£129	£150
Gas range-style	£169	✗
Hob (induction hobs are not included)	£99	✗





## ... and on TV's and computers

Hardware fixes are done in Newark, with software fixes in stores



### TVs from £95

includes transport and inspection.

Customer contacted with cost for parts

If customer agrees, repair completed

We also offer screen repair at a fixed price



### Computing Laptop, MacBook or Desktop from £60

includes transport and inspection

Customer contacted with cost for parts

If customer agrees, repair completed

We offer screen replacement for fixed price in stores

### Tech treatments

Virus removal

Data transfer

Parental control set-up

System reset

Software install

Software fix

Data back-up

Operating system upgrade

In-store tutorials

Computer healthcheck

Hardware install

1 service  
**£45**

2 services  
**£60**

3 services  
**£75**

4 services  
**£90**



# Opportunity to do more in repairs

Growing customer demand in area where we have capability



## Attractive market

**A £400m market that is likely to grow**

- Squeezed financials have led people to repair rather than replace faulty appliances
- High volume of products purchased during covid
- Government “Right to Repair” scheme



## Currys well positioned

- Uses existing capacity and expertise including Europe’s largest repair centre
- Highly credible, supplier approved repair
- Option to acquire customers and present alternative options



## What we will do next

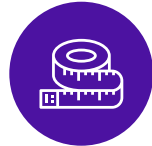
- Colleague awareness
- Customer awareness
- Website visibility
- In-store POS capability
- Tech improvements - to optimise journey, payment types, accessibility
- Leverage existing propositions -Trade-in, Giftcard

# Our Repair services are good for customers and good for us

We can provide valued services reliably and sustainably because we own the operations



**For customers**



Tailored propositions valued by customers



Competitive prices



Help to make sustainable choices



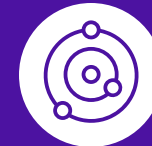
Delivered reliably



**For Currys**



Repair services are profitable



Leverage Currys ecosystem



Improvements made, but more to come

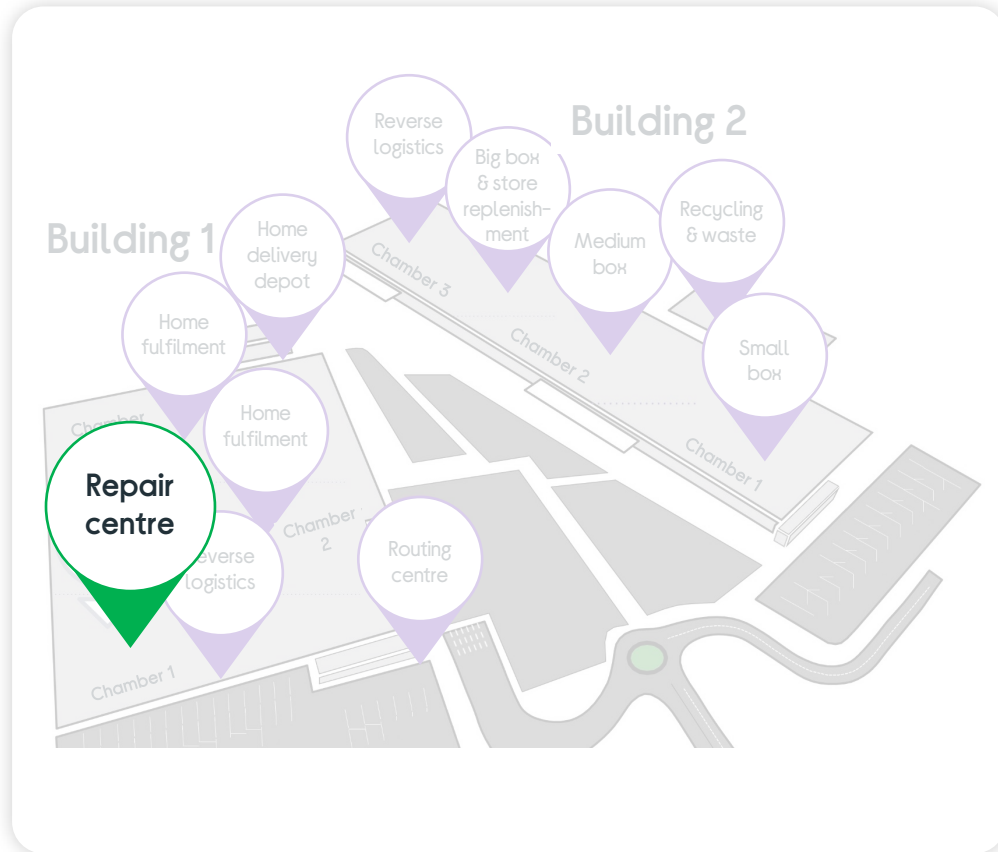
# Service operations

## Returns and repairs



# We have built Europe's largest tech repair centre in Newark

Significant operation filled with expert colleagues



500,000 sq ft of space

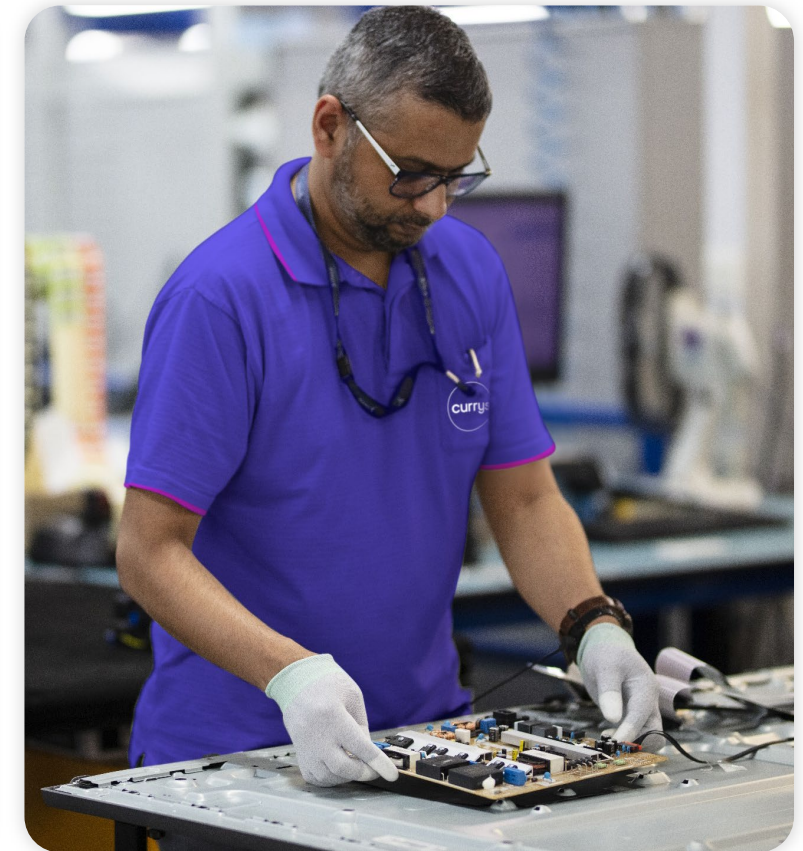
1,000 expert colleagues

Average tenure of 9 years

Here to help 7 days a week, 363 days a year

2.9m products processed

>40 suppliers supported





# Currys is differentiated because no other retailer carries out its own repairs

We repair all product categories and work closely with our major suppliers



## Major Categories



## Major Vendor Brands

SAMSUNG



dyson

Google



# The breadth and scale of our repair operations is also unique

Only two other types of repair organisations in market...

## Repair portable products centrally



## National Repair network with no or limited central capability



Logisticians  
UTL, GXO

Logistics with repair integrated

Distributors  
Exertis, Ingram

Support refurb and Service plans

Insurers  
Assurant, Likewise

Pure players  
SBE, CTDI

Support vendors and direct-to-consumer repair services

Suppliers  
Samsung etc

Support 1<sup>st</sup> year warranty

Distributors  
Connect,...

Sell spare parts and offer repair as a service by leveraging their clients like small repairers

Pure players:  
Pacifica, local repairers

Support suppliers, insurance companies and direct-to-consumer repair services

# Capabilities built over 30 years

We have built capabilities over key areas that are difficult to replicate



## Colleagues

- Highly skilled engineers & technicians with long tenures
- Low attrition rate (less than 6%) as we protect our unique skillset
- Invested in colleagues through tools, training & reward



## Scale

- Scale and efficiencies
  - 500,000 spare parts
  - 500,000 sq ft operations
  - 363 days
- All in one place – operations, R&D, training, spare parts



## Technology investment

- Spare parts solutions and system
- Parts recovery
- Testing equipment
- 3D printing
- Automation



## Culture

- Continuous improvement within our operations
- Engaged entrepreneurs looking for the next initiative or improvement
- Develop IP products (like our packaging)
- Develop patents (within our R&D operations)

# Repair strategy is simple

We aim to understand the problem, fix it fast and optimise margin

## Diagnostics

Understand the problem and assess options



Keep product sold and avoid returns

Keep tech with customer with Repair Live

Reduces costs and waste

## Repair

Repair fast and at optimized cost



Focus on quality & right first time

Repair is better than exchange

Reduce cost to serve

## Exit management

Optimise margin through systematic decision tools and transformation



Higher recovery from suppliers

Increase margin recovery through repair /refurbishment or use for parts

Resell through optimised channel

# The repair centre deals with all returns as well as repairs

Products get returned for many reasons over their life cycle

## Customer returns

First 30 days after sale

- Faulty
- Change of mind
- Damaged-in-transit stock

1.9m  
items  
per year



## Under Warranty Repairs

Up to 12 months after sale

- Items repaired under manufacturer warranty and returned to the customer

0.1m  
items  
per year



## Trade-in

Any time after sale

- Products collected from trade ins /cash for trash

0.1m  
items  
per year



## Service Plan Repairs

Any time after sale (but after 12 month manufacturer warranty)

- Care & Repair products repaired under service plan
- Chargeable repairs

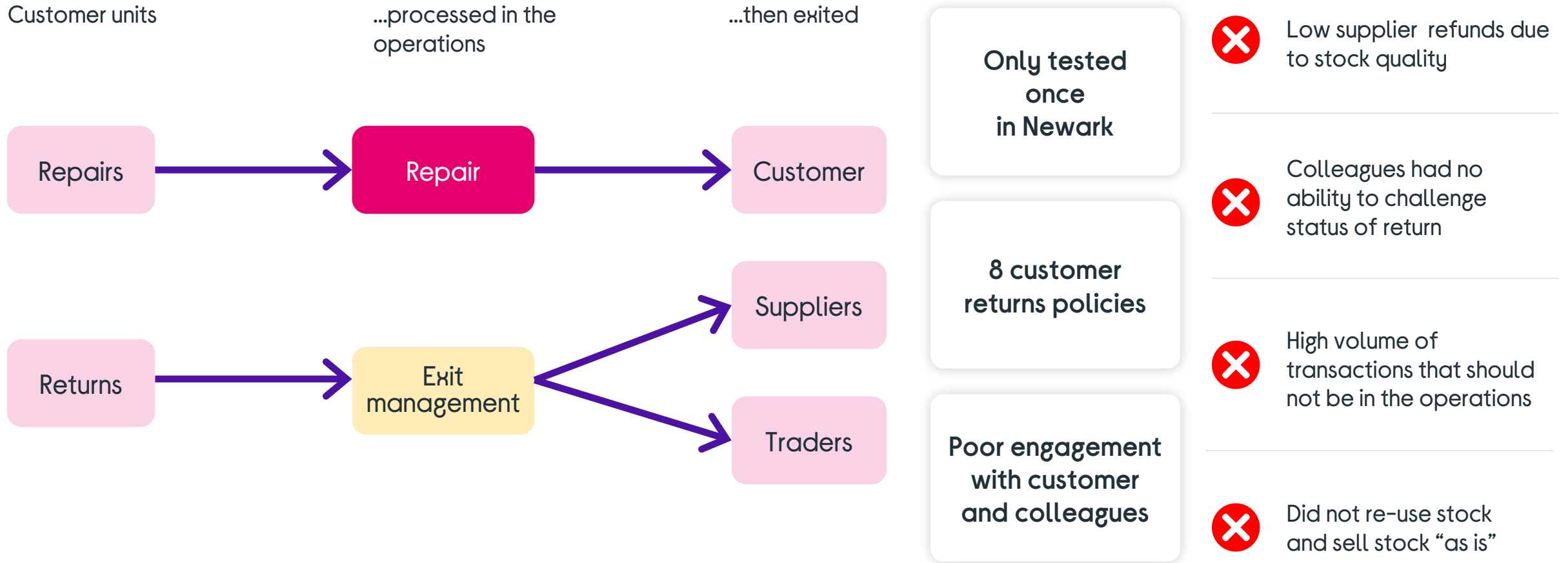
0.8m  
items  
per year





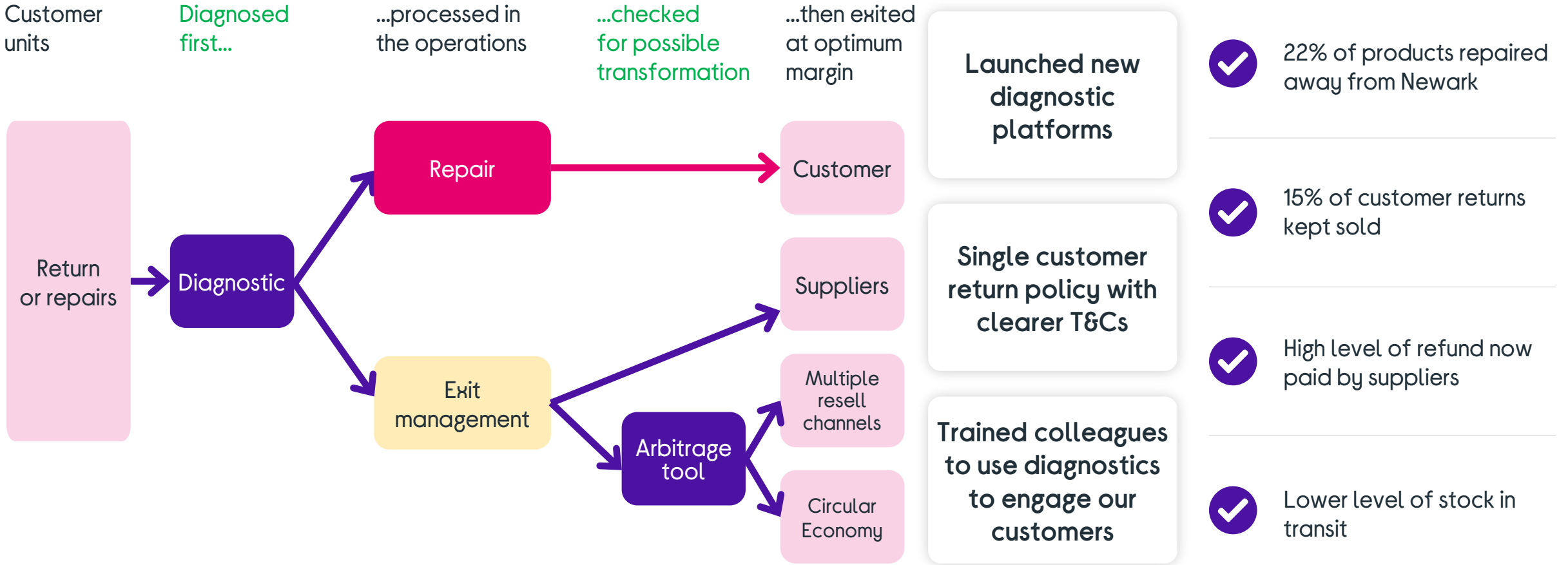
# Our repairs & returns strategy has evolved significantly over the last three years

Previously there was limited activity before products landed in Newark



# Our repairs & returns strategy has evolved significantly over the last three years

Now a much more rigorous data led approach to diagnosis and exit management





# Diagnostics helps the customers to keep their tech

We have designed and built a unique diagnostic solution using our repair experience and colleagues' expertise

## Across channels

Across categories



Newark

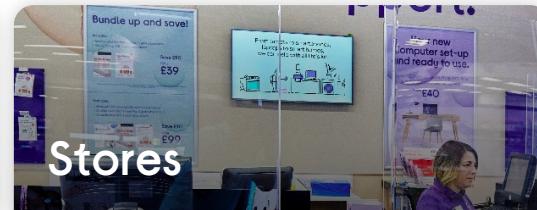


Repair

Returns



96% right first time from 88%



Stores



Repair

Return



Fix repairs with customer (Laptops -21% ; TVs -11%)



Online

2022 Retail Week Award "SAS Customer experience Game changer award"

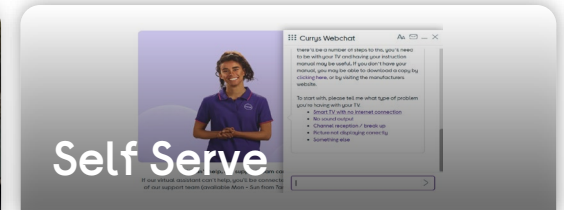


Repair

Returns



RepairLive with customer (Laptops -54% ; TVs -28%)



Self Serve

Coming in 2024...



# Repair operations focuses on quality, productivity and minimising costs

## Developing processes and innovating to deliver better outcomes

### Process improvement

- Streamline processes to drive productivity
- 100% quality controls on all units
- Best practice, training & levelling up programs



### Introduced Parts harvesting

- Re-use parts as a priority saving £6m on cost of spare parts:

-32%



-17%



- Repair parts that typically are not repaired

Electronic mother boards



Motors repair

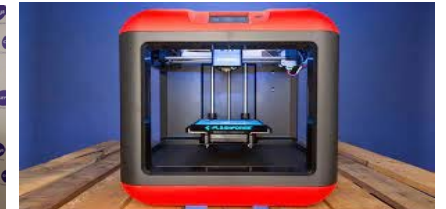


Hard drives



### Stimulate innovation

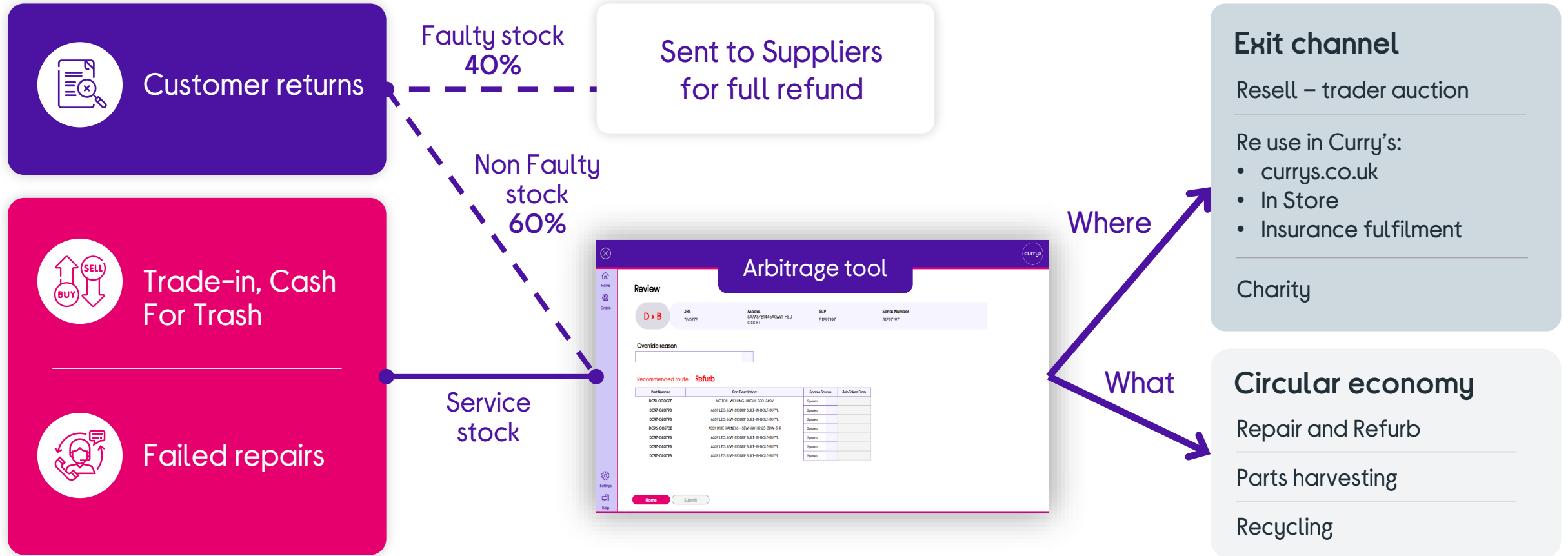
- 3D printing, automation...
- Colleagues' ideas in our CI Hub
- Develop Repair IP: develop new solutions, processes and activities





# Arbitrage tool used to route products to the highest margin channel

Aided by developing our circular economy options and exit channels

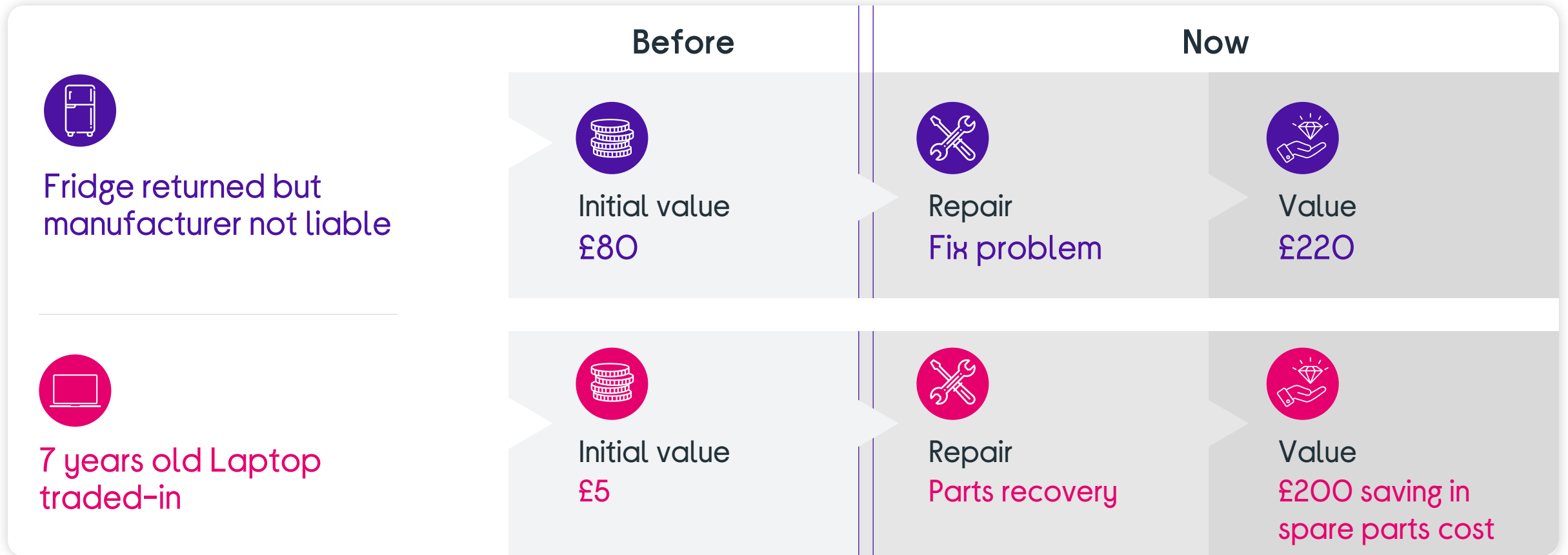






# Exit management leverage capabilities to drive additional value

Our repair capabilities allow us to drive value out of products that don't belong to customers



# Changes to operations are driving better results

Customers are benefitting from the changes we have made, and it is making us more profitable

## Returns



Better diagnostic means more product staying with customers

- Avoided 15% of product returns



Higher proportion of returned stock gets full refund

- 80% gets full refund from suppliers (from less than 50%)



Reduce damage in transit

- Less journeys for stock = £3m saving

Retain full value on 45% of returns (from 30%)

## Repairs



Getting the Repair Right Frist Time more often

- Now 96% from 88%



Using spare parts harvested

£6m saved in reusing parts



Products fixed with customer

- Laptops 21%
- TVs 11%



Products Repaired Live with customer

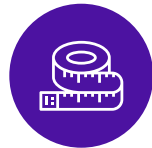
- Laptops 54%
- TVs 28%

# Our Repair services are good for customers and good for us

We can provide valued services reliably and sustainably because we own the operations



**For customers**



Tailored propositions valued by customers



Competitive prices



Help to make sustainable choices



Delivered reliably



**For Currys**



Repair services are profitable



Leverage Currys ecosystem



Improvements made, but more to come

# Sustainability in operations

# Our priorities





# We're proud of our sustainability credentials

We rose to **8th place** in the Financial Times (‘FT’) annual ‘Climate Leaders Rankings 2023’



FTSE4Good

Repeated inclusion<sup>1</sup>



A- rating Climate Change questionnaire<sup>2</sup>



Scored in the **top decile** in ISS ESG Environment<sup>3</sup>



BBB rating<sup>4</sup> – improved from BB achieved in May 2021



Rated ‘**Low risk**’ with ‘Low risk exposure’ too, and ‘Strong Management’ of material ESG issues<sup>5</sup>



Scored **43** out of 100<sup>6</sup> – improved from 32 achieved in March 2022

Sources:

1. Score of 3.8 as of September 2023

2. Achieved in December 2022

3. Achieved a ‘1’ score in July 2023

4. As of March 2023

5. Score of 12.6 as of May 2023

6. As of March 2023

# We are committed to Net Zero by 2040

We have stretching 2030 and 2040 targets



Near-term target  
**by 2029/30**  
measured against 2019/20



## Reduce 50% **Scope 1 and 2** emissions

Absolute reduction for our **Scope 1 and 2** market-based GHG emissions



## Reduce 50% **Scope 3** emissions

Absolute reduction for our **Scope 3** GHG emissions from purchased goods and services and use of sold products



Long-term target  
**by 2040**  
measured against 2019/20



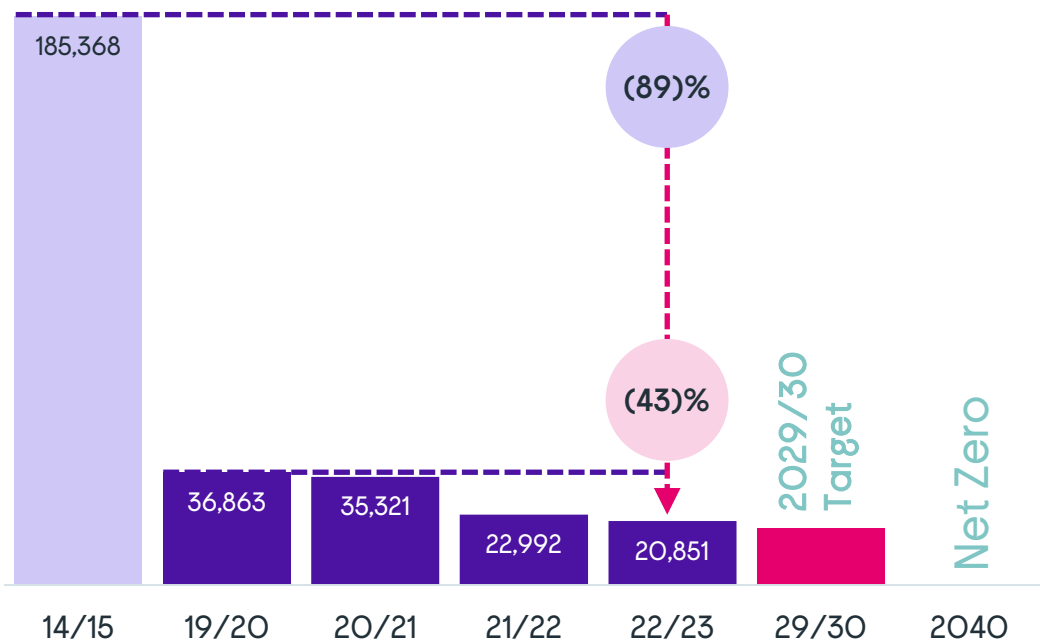
## Committed to Net Zero for total **Scope 1, 2 and 3** emissions

Absolute reduction for our total **Scope 1, 2 and 3** GHG emissions

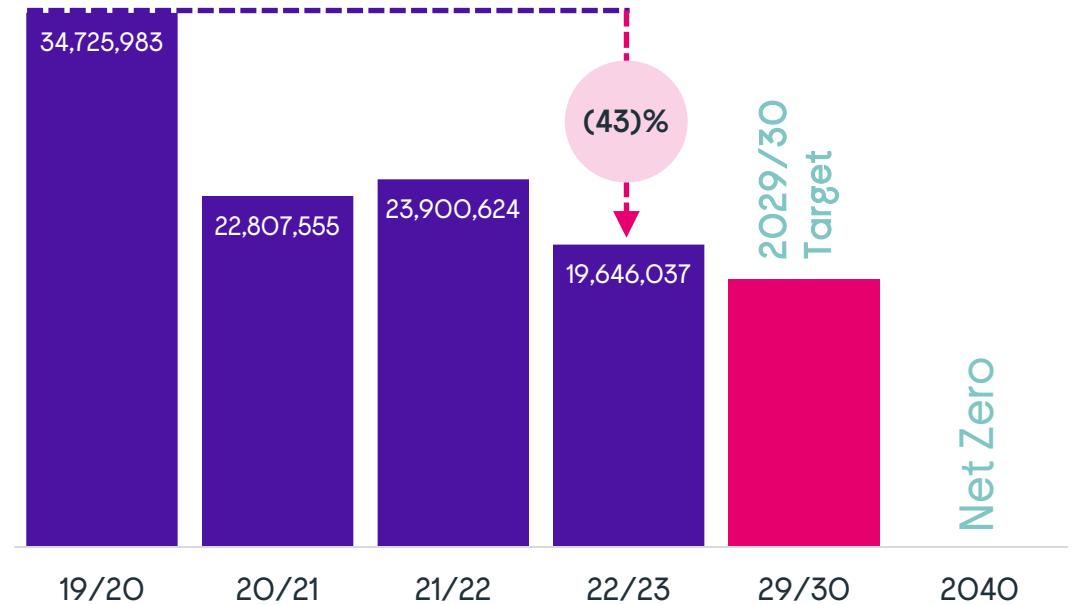
# Significant progress towards our targets

>40% reduction in GHG emissions against a 2019/20 baseline

Emissions by year (scope 1 & 2 tonnes CO<sub>2</sub>e)<sup>1</sup>



Emissions by year (scope 3 tonnes CO<sub>2</sub>e)<sup>2</sup>



Source: Currys internal information

1 Market-based emissions

2 From purchased goods and services and use of sold products

# How we are reducing GHG emissions

## Our initiatives and progress for Scope 1 & 2

### Reducing energy consumption

- Rollout of LED lighting and trialling lower lighting levels
- Optimisation of HVAC system
- Improved reporting and monitoring with automatic meter readings

**85%**  
of portfolio uses  
LED lighting

**>3m kWh**  
of electricity  
saved

**89%**  
of sites have  
'AMR' technology



### Using lower-emission sources of energy

- Use of renewable electricity
- Replacing gas heating with heat pumps

**100%**  
of properties  
powered with  
renewable energy

**4**  
UK sites with  
Solar PV installed  
**>2m MWp**

✓  
started replacing  
gas heating with  
heat pumps



### Reducing carbon intensive modes of transport

- Signatory to the Climate Group's EV100 initiative
- Using electric and alternative fuel vehicles
- Initiatives such as efficient routing and improved driver training

✓  
started trials of  
5 electric or CNG  
powered vans

**209**  
7.2 tonne vans  
have solar panels

**126**  
tonnes of  
CO<sub>2</sub> emissions  
avoided



# Electronic waste is the world's fastest growing waste stream

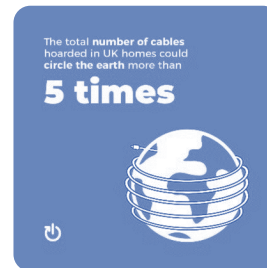
Reusing technology reduces the need to mine for new sources of materials

Global e-waste expected to grow to nearly **75m tonnes by 2030**<sup>1</sup>

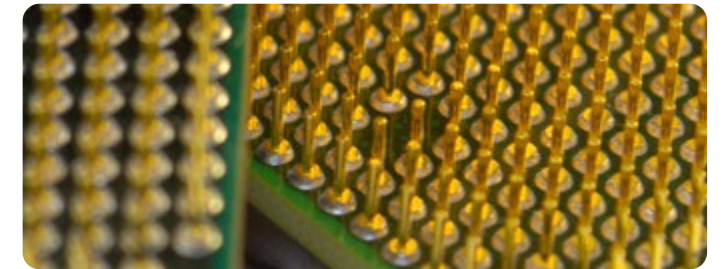
UK is one of the world's largest producers of e-waste (**23.9kg per person**)<sup>1</sup>

UK households currently hoarding around **527 million** small, old, unused electronic items<sup>1</sup>

**50%** of Brits bin their redundant tech products when they buy upgraded devices<sup>2</sup>



**96** elements can be found in electronic products including **magnesium, cobalt, tungsten and rare minerals**<sup>1</sup>



Source:

1) Global e-waste monitor 2020

2) Research undertaken by Currys



# Our supply chain and services are central to our move to a more circular business model

Through giving tech longer life and retaining full value for as long as possible

Keep products complete and closer to customer maximises value to ecosystem



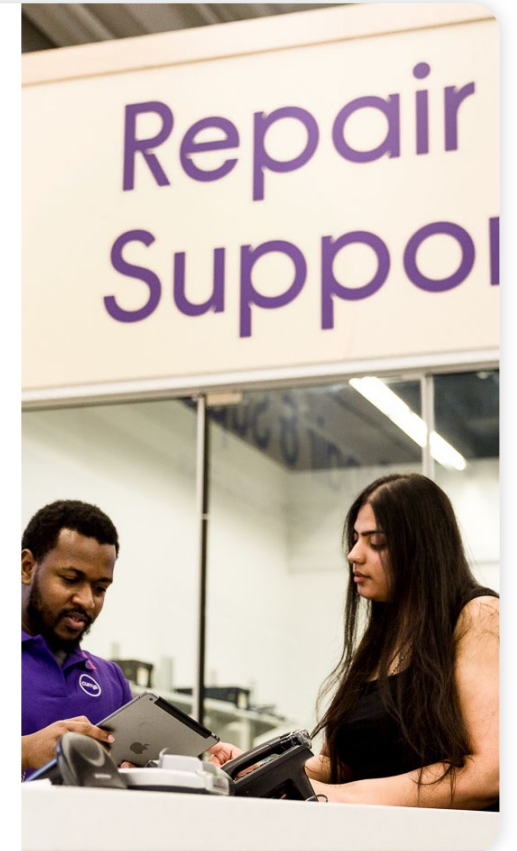
800,000 repairs for customers<sup>1</sup>

>4,700 pre-owned mobiles, laptops and Chromebooks sold online<sup>1</sup>

24,000 parts repaired rather than replaced<sup>1</sup>

138,000 spare parts harvested<sup>1</sup>

> 1m tonnes recycled since 2010<sup>2</sup>



# We are #1 WEEE retail recycler in UK

We raise awareness and offer convenient options for customers to recycle their e-waste

## Encourage recycling of e-waste

- ✓ Free e-waste drop off in our stores
- ✓ Trade-in promotions
- ✓ Small fee to collect large white goods / LSTV e-waste upon delivery of new products
- ✓ Initiatives to raise awareness
  - ‘Cash for Trash’
  - ‘Currys Collect’



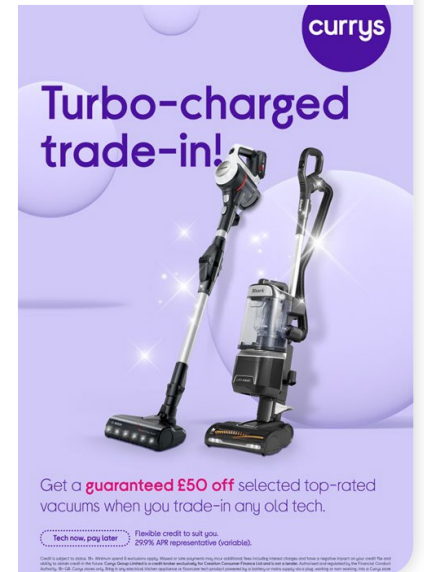
44% of retail WEEE is handled by Currys<sup>1</sup>

59,000 tonnes e-waste collected for re-use / recycling<sup>2</sup>

1.6m items collected for recycling and reuse last year<sup>2</sup>

108,000 products traded-in<sup>1</sup>

“Cash for Trash” initiative is now a permanent feature and has been expanded to online



# We are working hard to reduce and recycle packaging

E-waste is not the only thing we focus on

## Reducing packaging



All own label and licensed brand packaging reusable or recyclable by 2023



Encourage suppliers to eliminate unnecessary plastics and packaging



Redesigned the packaging for repaired white goods to reduce the cardboard and plastic used

Removed **3.6m** items of plastic packaging (>120 Tns) from own label and licensed brand products

> **99%** of own label and licensed brand packaging is recyclable

**28%** reduction on average weight of plastic packaging per product



## Recycling packaging



In-store takeback for TV packaging, including expanded polystyrene (EPS)



Free packaging recycling service when we deliver and unbox large household appliances



Process and re-use or recycle packaging in Newark

**1,370 tonnes** EPS recycled into housing insulation

Recycle polythene to make Currys carrier bags



# Tech has become essential for everyone

But many in the UK are still living in Digital Poverty



of people consider using digital devices important to accessing essential services<sup>1</sup>



of young people in the UK cannot do everything that they want to online because of limits to their family's data allowance<sup>2</sup>



**26%**

of young people do not have access to a laptop or similar device<sup>2</sup>



**2.6m**

People are still offline<sup>3</sup>



Sources:

1) Currys & the Digital Poverty Alliance, 2022

2) Nominet Digital Youth Index, 2022

3) Lloyds Bank Consumer Digital Index, 2021

# We're helping eradicate digital poverty

We support causes that help those who might otherwise be excluded

## Tech4Families

“The laptop has had a huge impact not only on me, but my whole family. Before I got this laptop it was very challenging to access online learning. It has opened up new opportunities for me”

11 year old Tech4Families beneficiary

- ✓ We provide life changing access to digital technology to families who cannot afford it
- ✓ Raised **>£300,000** through Pennies donations to fund donation of **>1,000** laptops
- ✓ Expanding scheme into Northern Ireland and the Lincolnshire Coast. Northern Ireland being the UK's most digitally deprived area

## Founded Digital Poverty Alliance<sup>1</sup> in 2021

Advocating for action

Bringing community together to create the social change to end digital poverty by 2030

Taking forward proof of concept projects



Source: DPA and Currys internal information  
1 alongside the Learning Foundation and The Institution of Engineering and Technology.



# Appliance poverty can have a negative impact on people's lives

Through our partners, we get appliances to those who need it most



>1.2m<sup>1</sup>

people are living without a freezer in the UK



Appliances such as freezers, can help household **grocery bill to be reduced by almost (25)%<sup>2</sup>**



Appliances can help people **organise their time better** and can **enhance healthy habits**

We support low-income households



>50,000<sup>3</sup>

Appliances taken for reuse

30% → to UK Charities

70% → To circular economy



Sources:

1) Currys Annual Report 2022/23

2) Manchester Metropolitan University

3) Currys internal information

## Summary

### Our three priorities are:

- Net Zero by 2040
- Create circular business models
- Help eradicate digital poverty

8th place in the FT annual 'Climate Leaders Rankings 2023'

Delivered >40% reduction in GHG emissions over last three years

Our supply chain and services are the cornerstone of our move to more circular business model

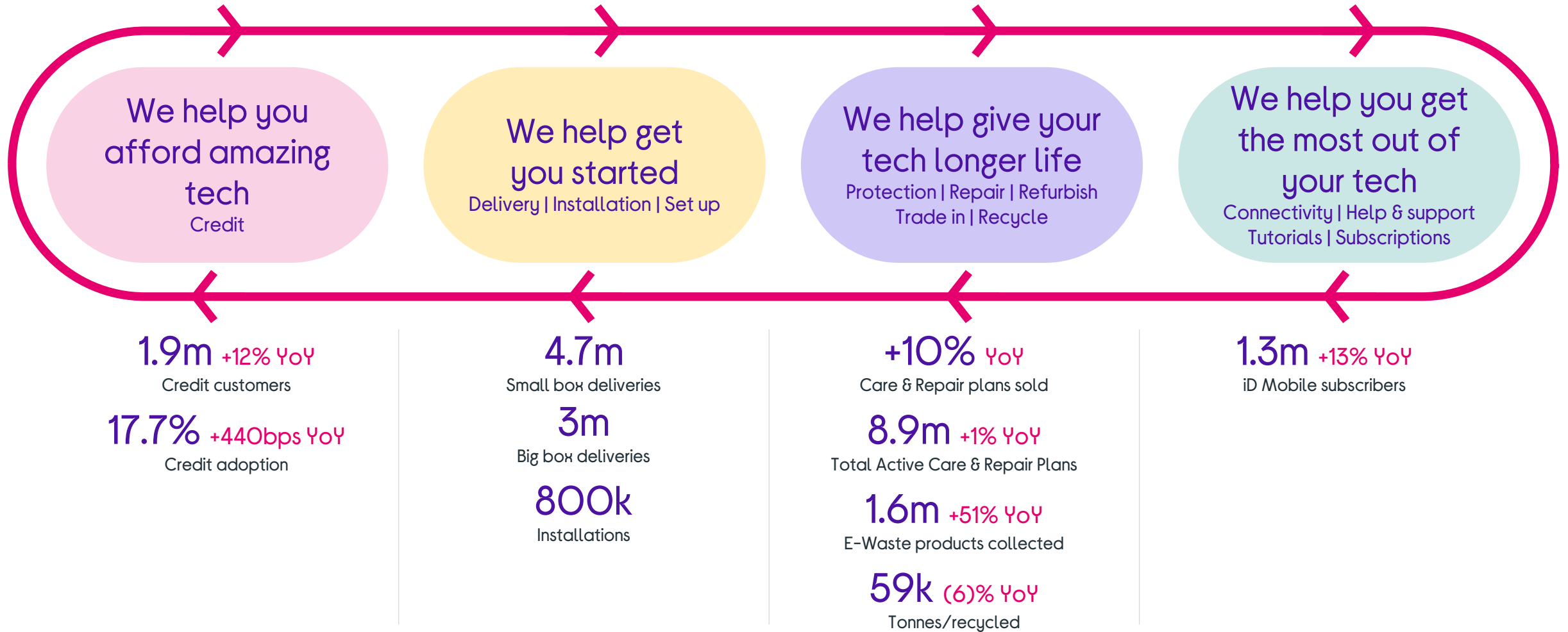
We give tech a longer life through our repair services, and are #1 retail WEEE recycler in UK

Support low-income families and UK major charities with essential tech products



# Finance update

# Customers for life are built through our range of services

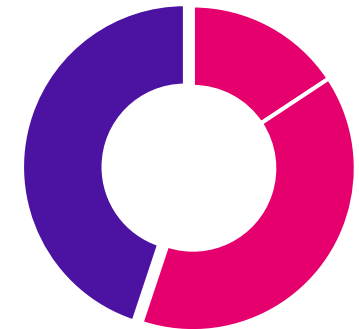
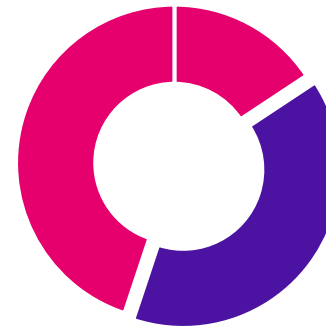
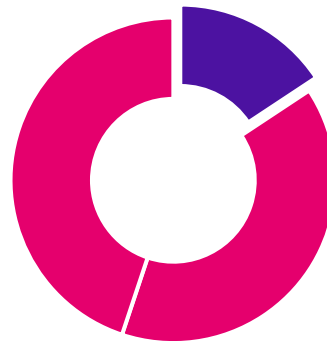


# Services are a significant revenue stream in their own right



Services: £676m revenue

>£700m of product sales on Credit





# Credit is valuable and growing

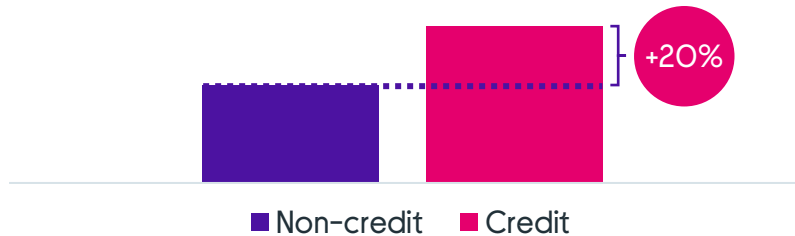
Credit customers have a lifetime value +65% greater than non-credit customers

## Credit is an important driver of lifetime value

Credit customers are happier



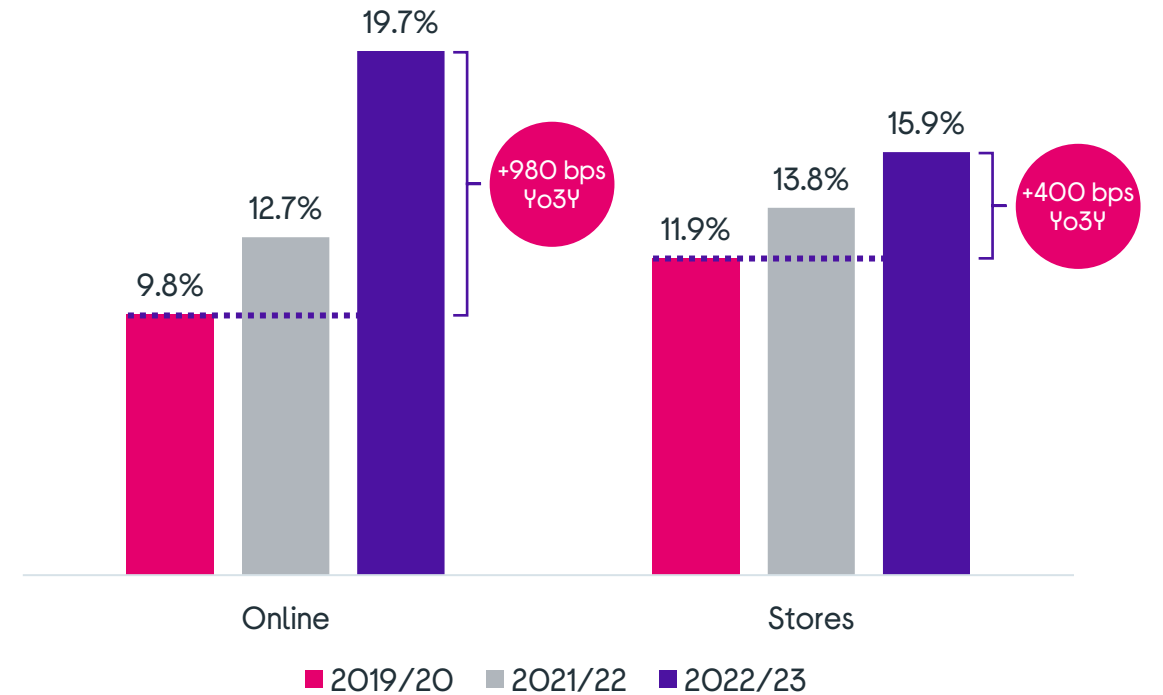
Spend more on services



And are likelier to return



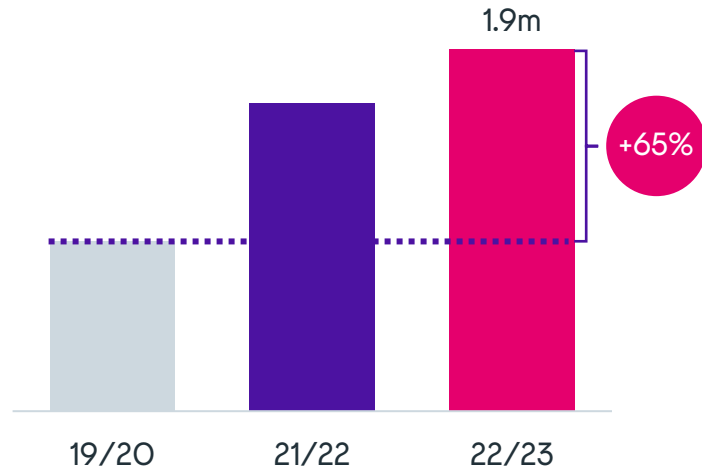
## Which is growing adoption across both channels



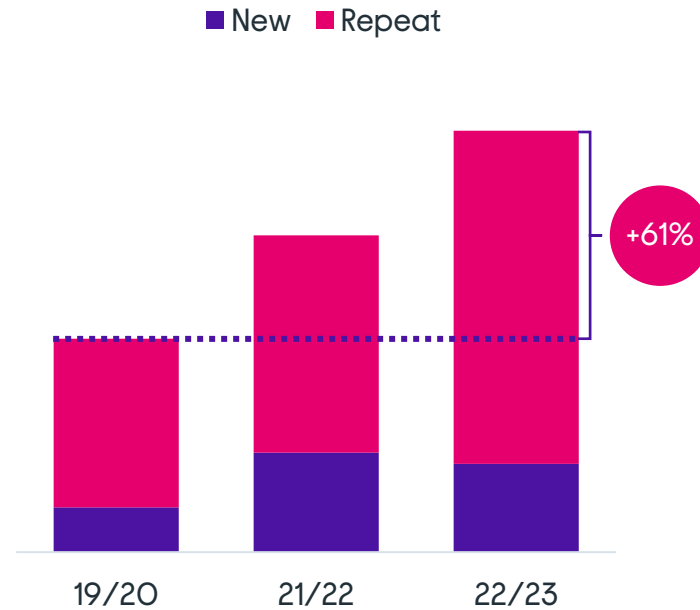
# Credit is growing and becoming material part of sales

Our credit business has grown >60% in three years and is generating direct profit contribution

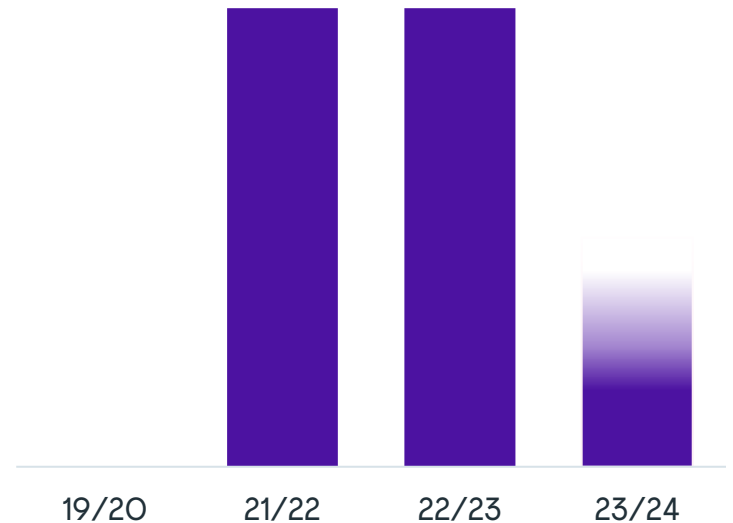
### More credit customers



### More credit sales



### Credit profits impacted by interest rates



# We have plans to grow credit further

Driven by developments across the proposition

## From

## To



### Offer

We provide a great credit product

- Generic credit – single price, credit line & promotion

- Personalised credit – tailored for customer



### Attract

Our credit shows up when you need it

- Credit present in some channels
- Credit available when shopping
- Untargeted promos; blanket customer comms

- Credit present in every channel where we sell
- Credit intuitive and prominent when shopping
- Targeted promos; personalised communications



### Convert

We make it fast and simple to apply

- High funnel drop out
- Turn away good customers

- Low funnel drop out
- Say yes to every good customer



### Repeat

We win the second sale, to drive re-use

- Available balance hidden
- 'Mini app' required to re-use
- Limited communications over customer lifecycle

- Available balance transparent, and visible
- QR code or virtual card to re-use
- Comprehensive, tailored ECM campaigns



# Increased profitability through delivery & installation

Better proposition and execution drive increased direct and indirect profits

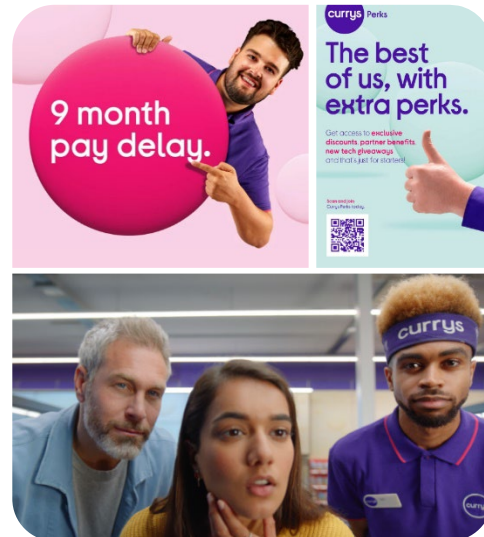
## Direct cost savings

Right First Time reduces repeat visits and costs



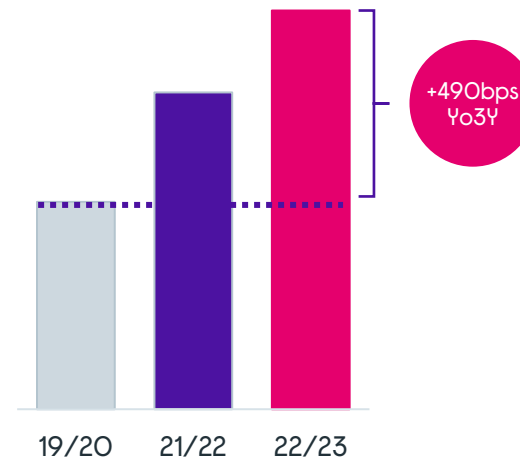
## Lower customer acquisition costs

Reduced advertising spend



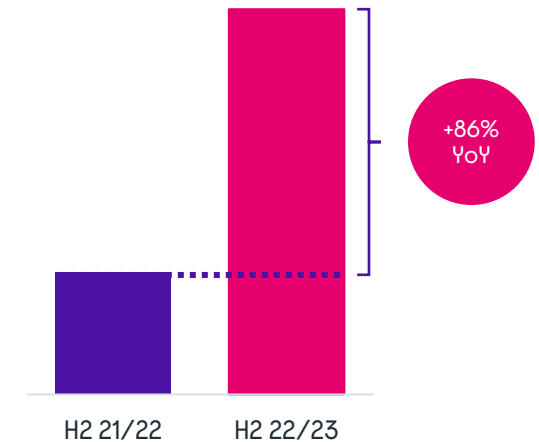
## Increased adoption

Installation adoption rate



## Enables delivery charging

D&I&R revenue per order +increased >£10

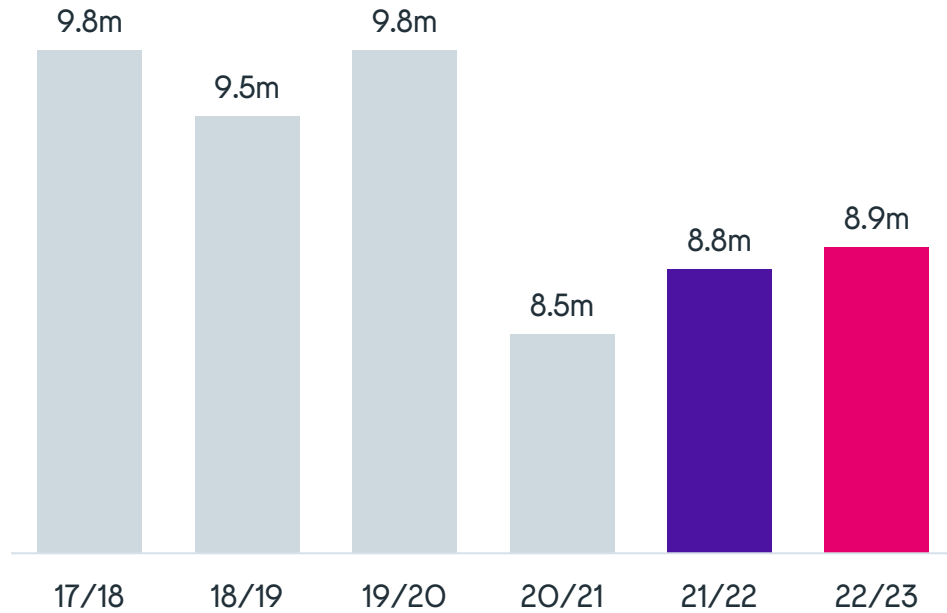


## Care & Repair is back in growth after a period of decline

Care & Repair represents a large source of recurring, higher margin revenue

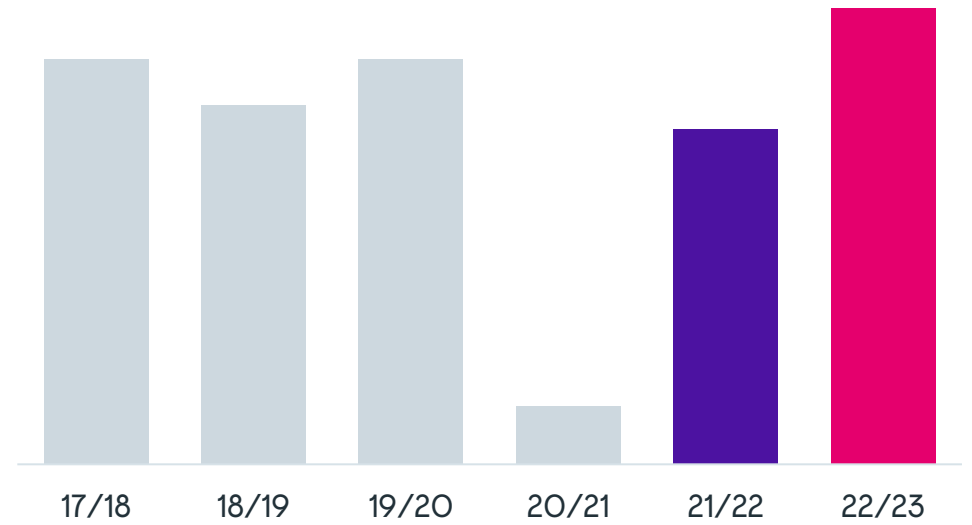
### Care & Repair numbers are growing...

UK&I Total active Care & Repair plans



### ... with record levels of adoption

UK&I Care & Repair adoption rate





# iD Mobile growth is accelerating and valuable

However, does create drag to near term profits and cashflow

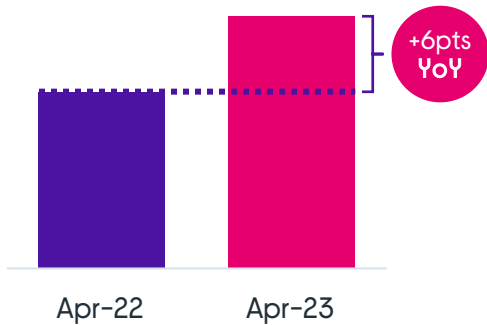
## iD – our award winning MVNO



### Rounded proposition

- Customer principles: Value, Flexibility and Control
- Data rollover, inclusive roaming in 50 destinations, 30-day SIMs
- 5G at no extra cost

### iD Mobile NPS



**iD Mobile**  
Reviews 20,013  
4.0  
VERIFIED COMPANY

**WINNER**  
Best Network for Roaming  
iD Mobile

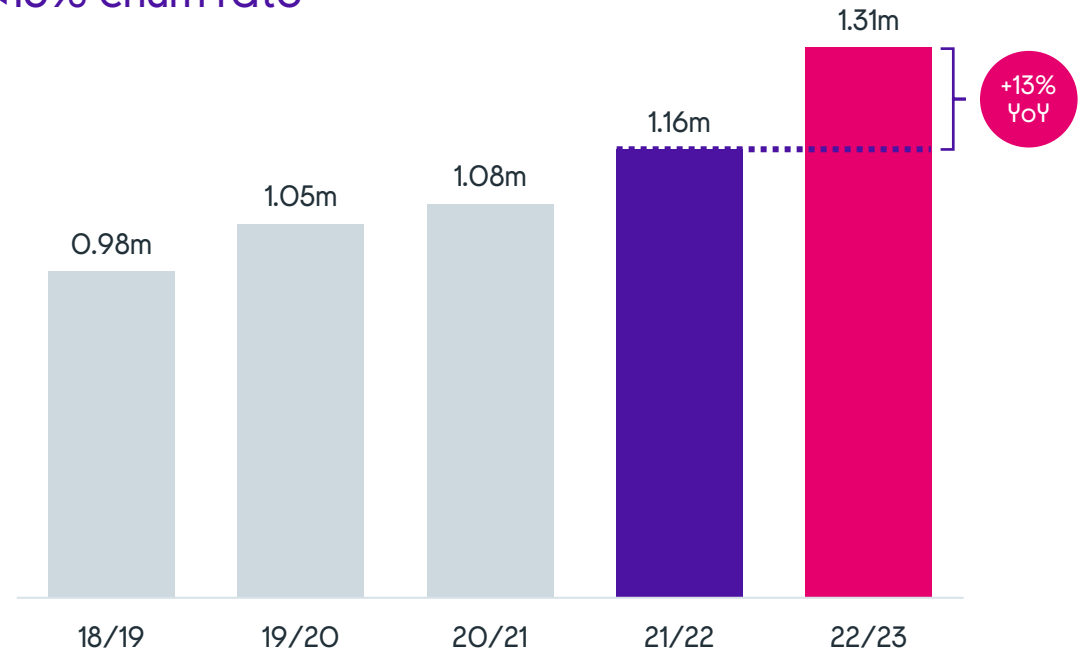
**WINNER**  
Best Value Network  
iD Mobile

Extended contract

**Which? Great Value**  
APRIL 2023  
MOBILE NETWORK PROVIDER

## Active subscribers

<15% churn rate



# Services are good for sustainable cashflows

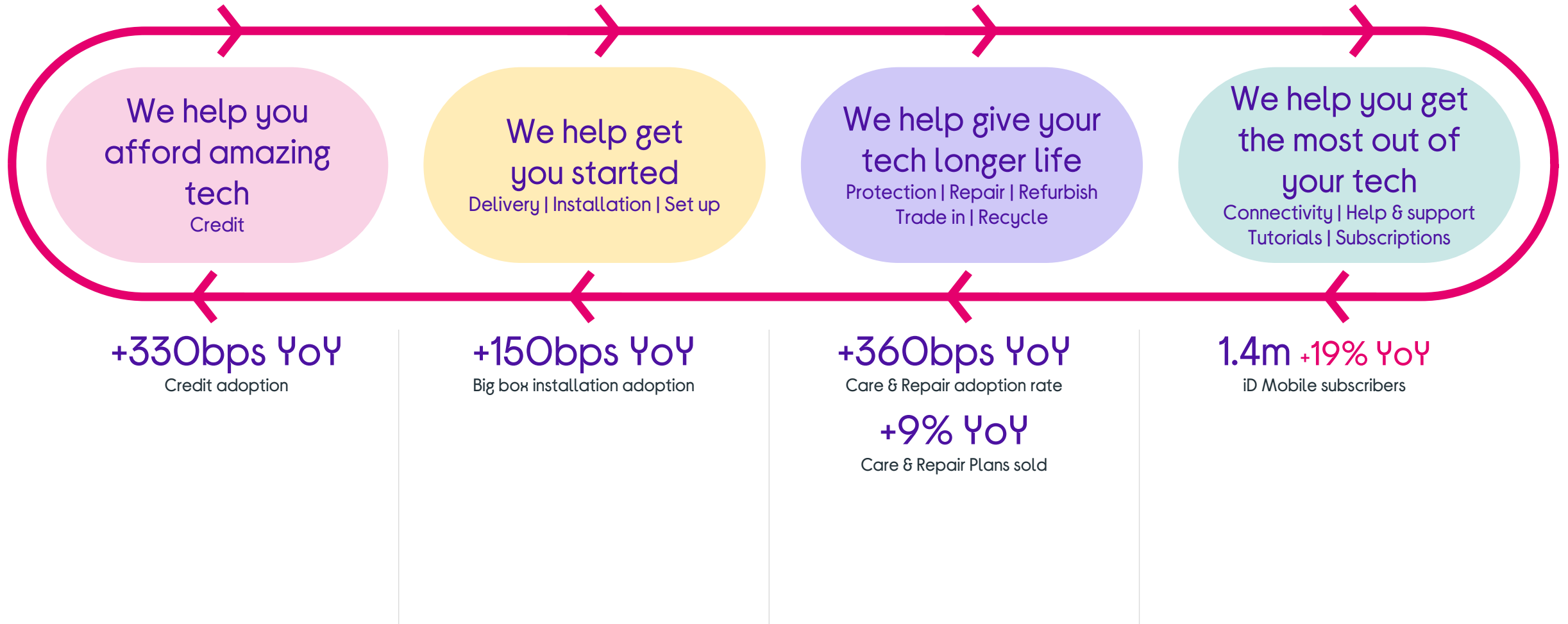
Services are usually higher margin, recurring or both

	Higher margin?	Recurring?
Credit	✗	✓
Delivery	✗	✗
Set-up and installation	✓	✗
Care & Repair	✓	✓
Other protection	✓	✓
Connectivity	✓	✓

**Superfast 5G.**  
Powered by Three,  
**the UK's fastest 5G network.<sup>2</sup>**

**Tech now, pay later.**  
Flexible credit to suit you. 29.9% APR representative (variable). T&Cs apply.\*

# We have grown Services so far this year



## Summary

Services are a **material part** of UK&I **revenues**

Credit, Care & Repair and ID Mobile are our **big three sources** of **recurring, predictable revenue**

Revenue from services is **higher margin** and **recurring**

Now **growing** many aspects of our **Services**

Significant **opportunity** to **improve** further





## Summary *More and better for less*

Supply chain has significant **scale**, **capability** and **agility** and proven itself **resilient** through Covid

Repairs & returns **unique capability** powered by **colleague entrepreneurs**

**Customers:** Delivering **choice**, **value** and **improving** end-to-end experience

**Colleagues:** **Empowered**, **engaged**, **expert colleagues**

**Shareholders:** **Recurring high margin revenues** & efficiency offsetting headwinds

**Our Communities:** Supporting **Net Zero**, **circular economy** and **digital poverty**





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amazing technology.

