



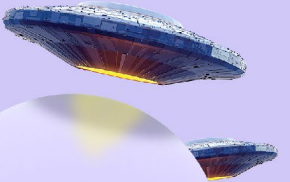
currys



Currys plc
2023/24 Peak Trading update

18 January 2024

We help everyone enjoy
amazing technology.



Summary: a successful Peak



International

Nordics rebounding after a difficult year, through margin recovery and cost discipline

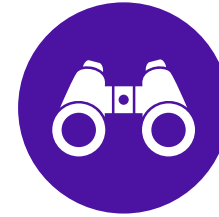
Greece disposal close to completion



UK&I

Near term profits on track through gross margin improvements and cost savings

Strong growth in Services, driving in-year margin and long-term value



Outlook

Cautious on market

Expect profits ahead of consensus

Balance sheet strong

Group H1 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

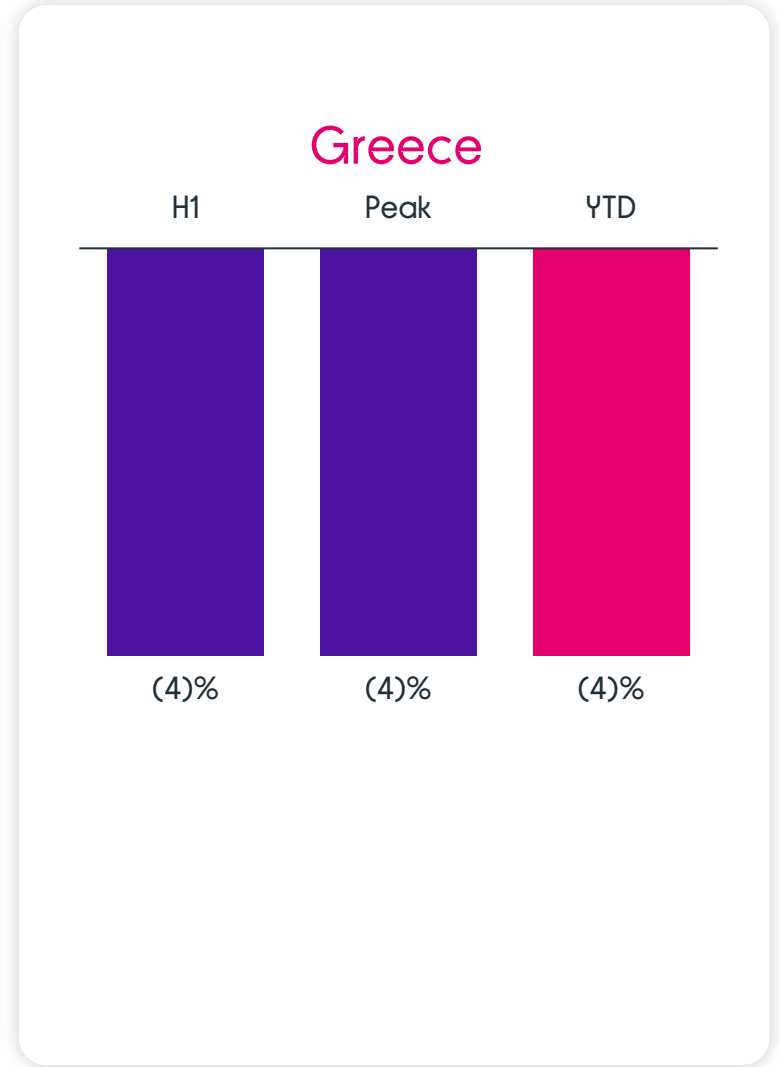
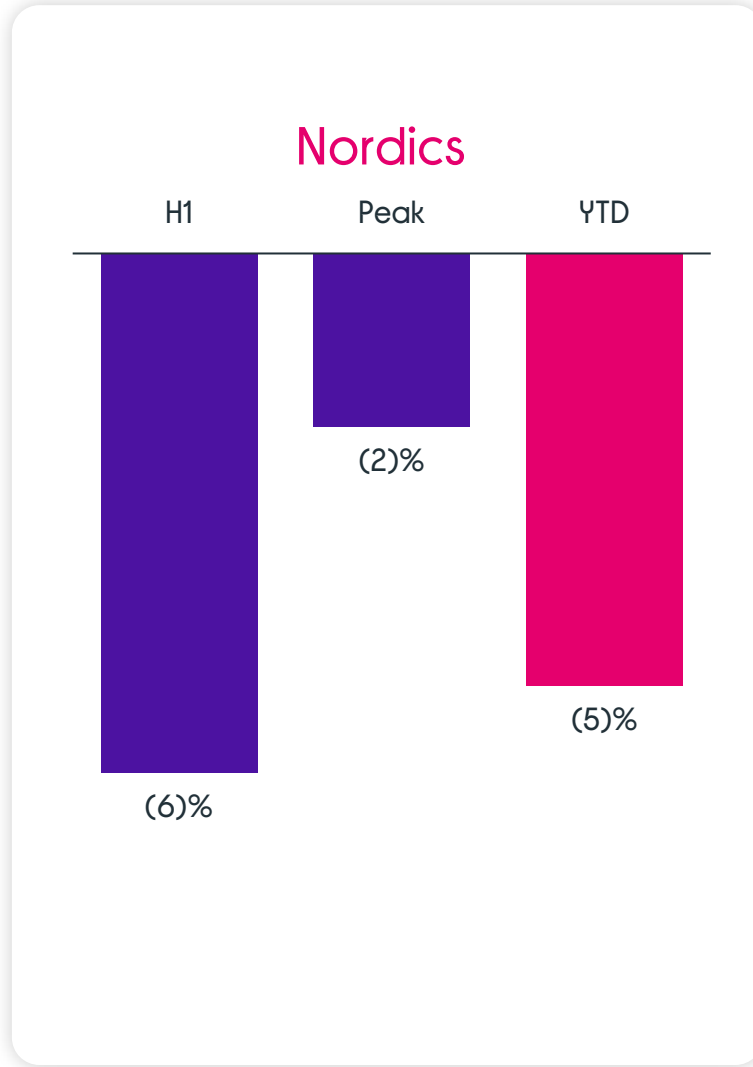
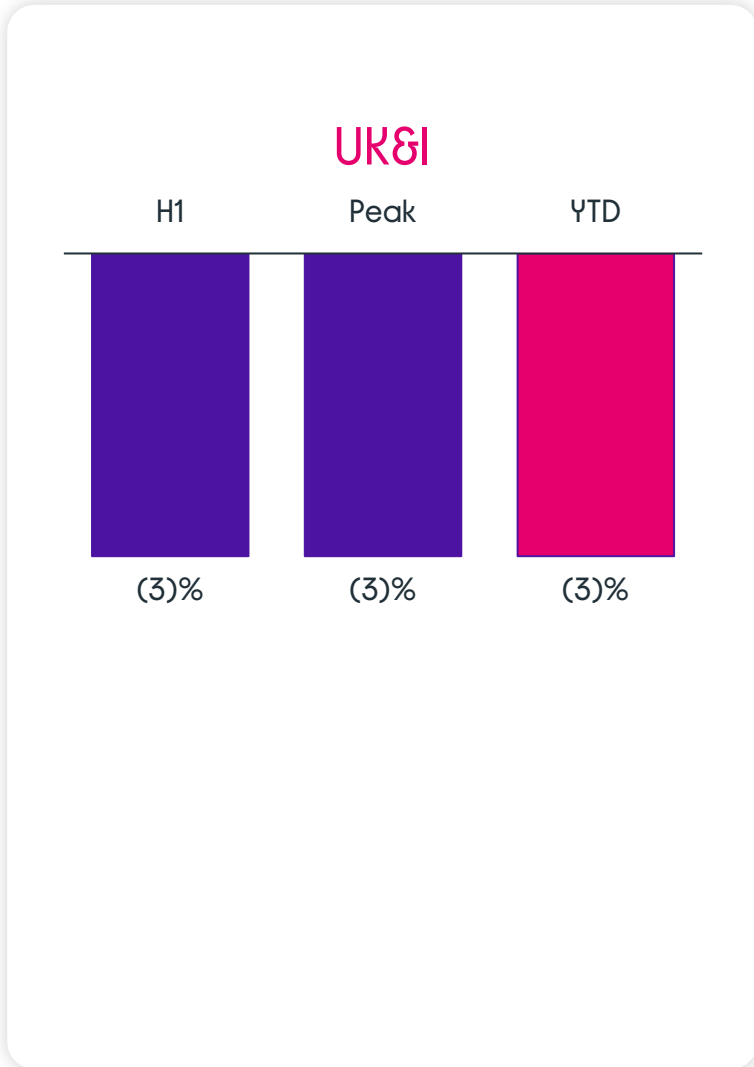
+£117m YoY

Total indebtedness

£(1,482)m

+£135m YoY

Peak summary: Like-for-Like Sales



Sources: Currys Internal information

Peak Tech Trends

Mobile



Super-Size TV



Gaming



Headphones



Energy Efficient



Refurbished





Current year guidance

- Group adjusted PBT expected to be **£105-115m** (vs consensus¹ £104m)
- Capital expenditure of around **£70m** (from £80m)
- Net exceptional cash costs of around **£50m**
- Annual pension contribution of **£36m**
- Expect year end debt position to improve from **£(97)m** position at 2022/23 year end

1. Consensus forecasts FY 2023/24 adjusted PBT of £104m. Company compiled consensus for FY 2023/24 is available here: <https://www.curraysplc.com/investors/analyst-coverage-and-consensus/>

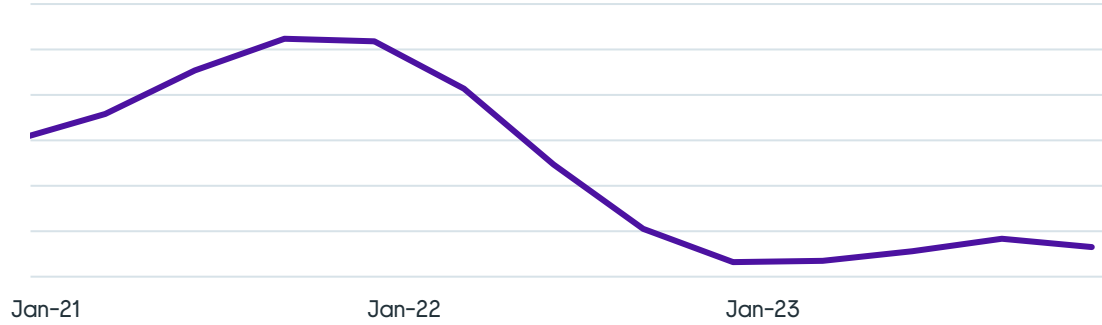
Nordics



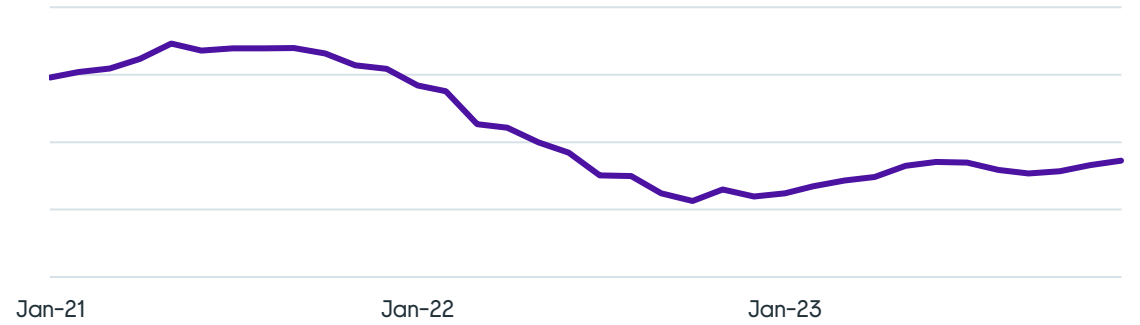
Consumer confidence has yet to materially recover

Consumer confidence

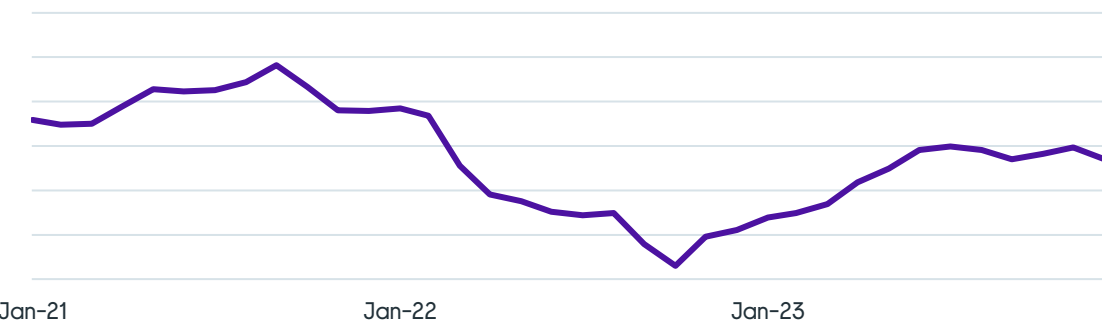
Norway



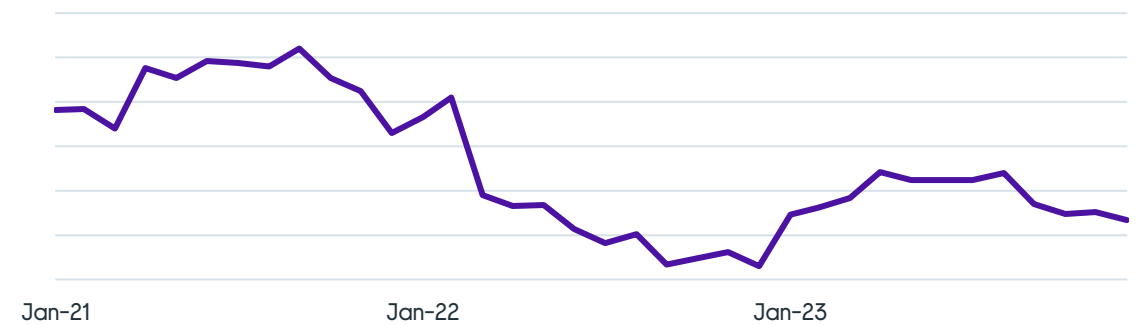
Sweden



Denmark



Finland



Source: Bloomberg

New leadership team, improved colleague and customer satisfaction

Leadership team



Fredrik Tønnesen
CEO



Lill Beate Pedersen
CFO



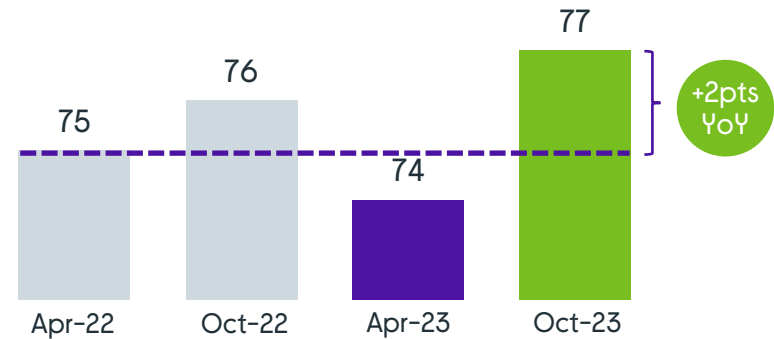
Hans Trolläng
CCO



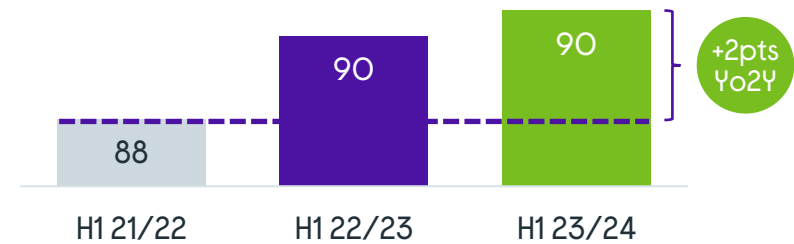
Thomas Hegerlund
COO

Colleague and customer satisfaction improving

Nordics Colleague engagement



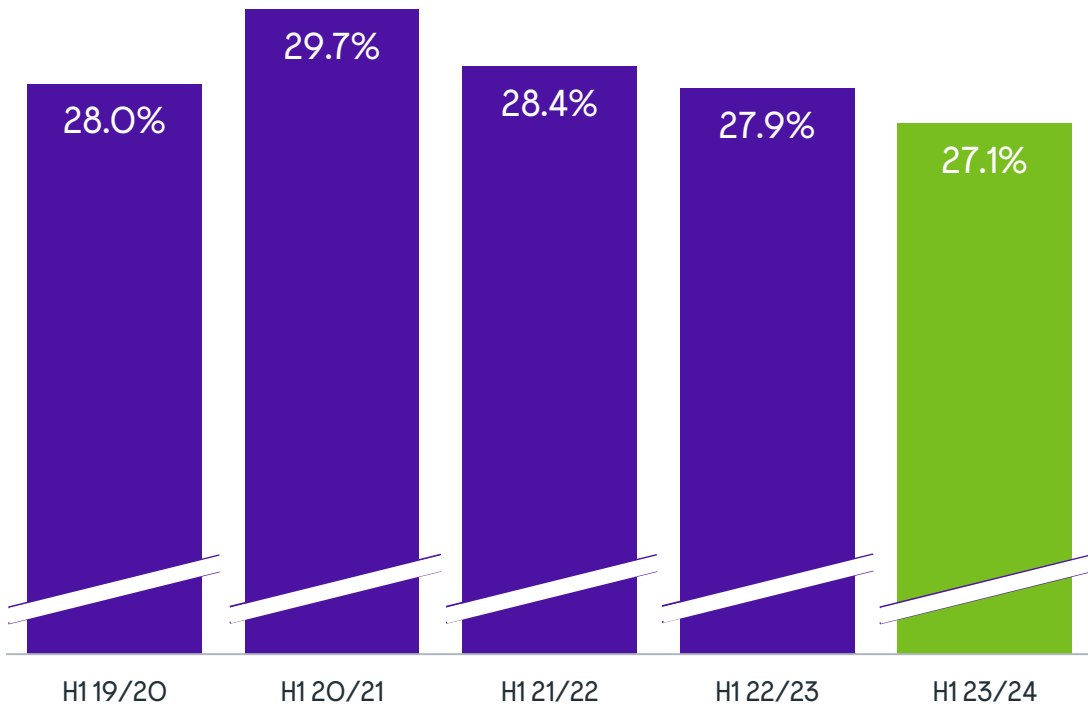
Nordics Happy or Not customer satisfaction



Sources: Currys Internal information, Glint survey

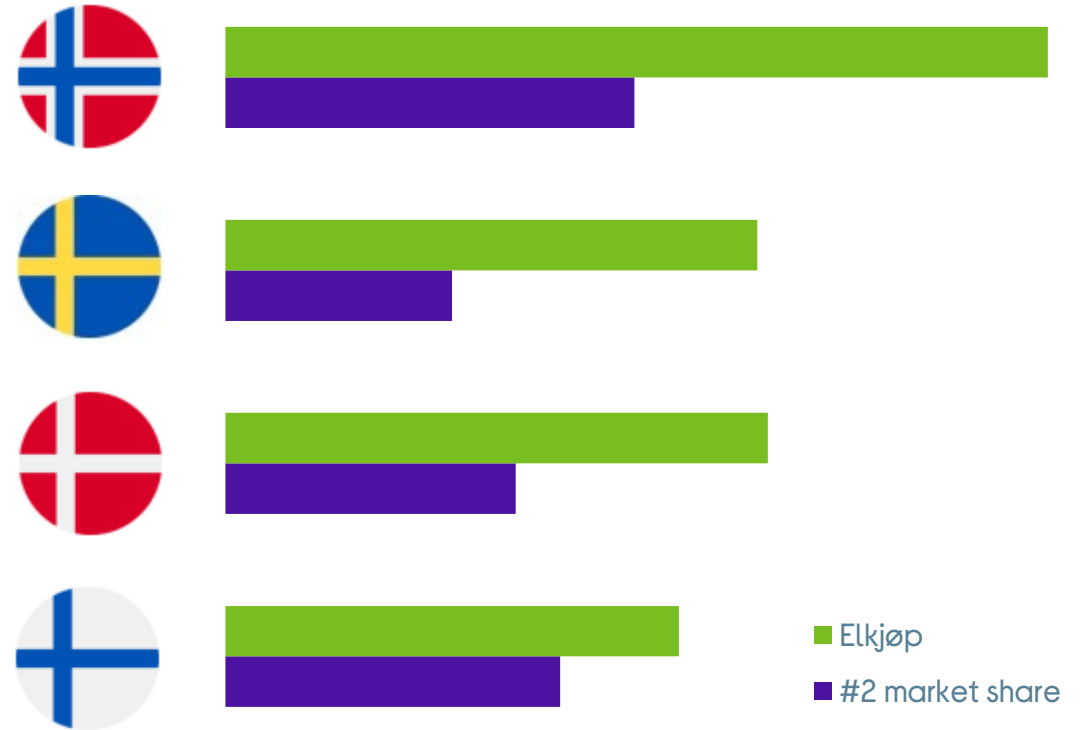
Remain clear #1 in every market

Nordic market share



Source: GfK

#1 market share in all countries



Source: GfK and company reports, Data for FY 2022/23

Decisive actions taken.... on gross margin improvement

1

Grow services adoption

- Increased adoption of services online
- Improved credit terms
- New subscription initiatives (e.g. insurance)

2

Grow accessories adoption

- Increased visibility in stores
- Improved availability

3

Not chasing less profitable sales

- Lower promotional activity
- Optimising discounts
- Better balance of stock
- Reduce free shipping

4

Reduced supply chain and service operation costs

- Optimise linehaul strategy

Decisive actions taken.... on costs



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



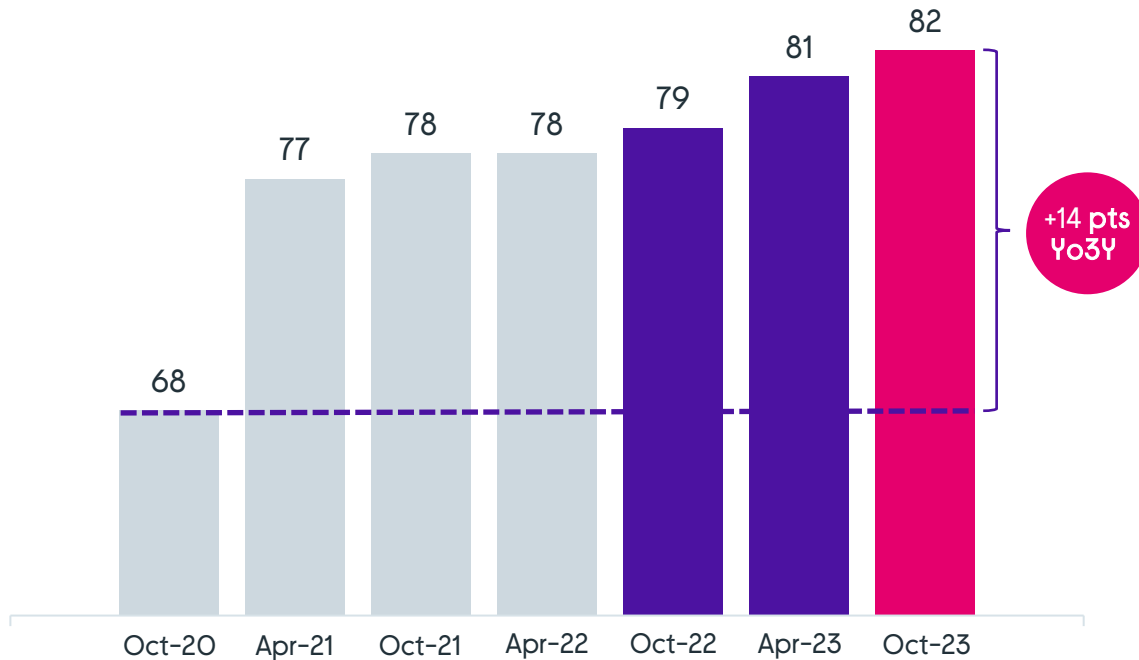
Permanent
£25m pa
cost savings

UK&I



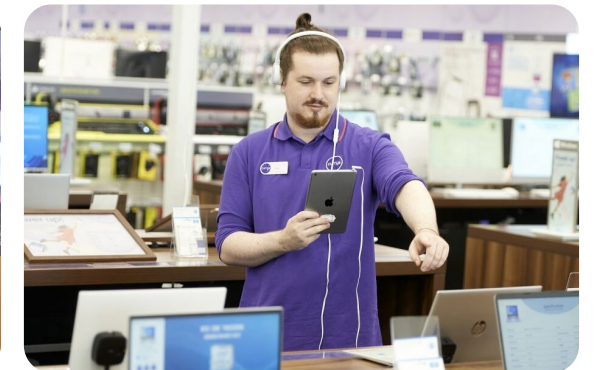
Our colleagues are more engaged

UK&I Colleague Engagement



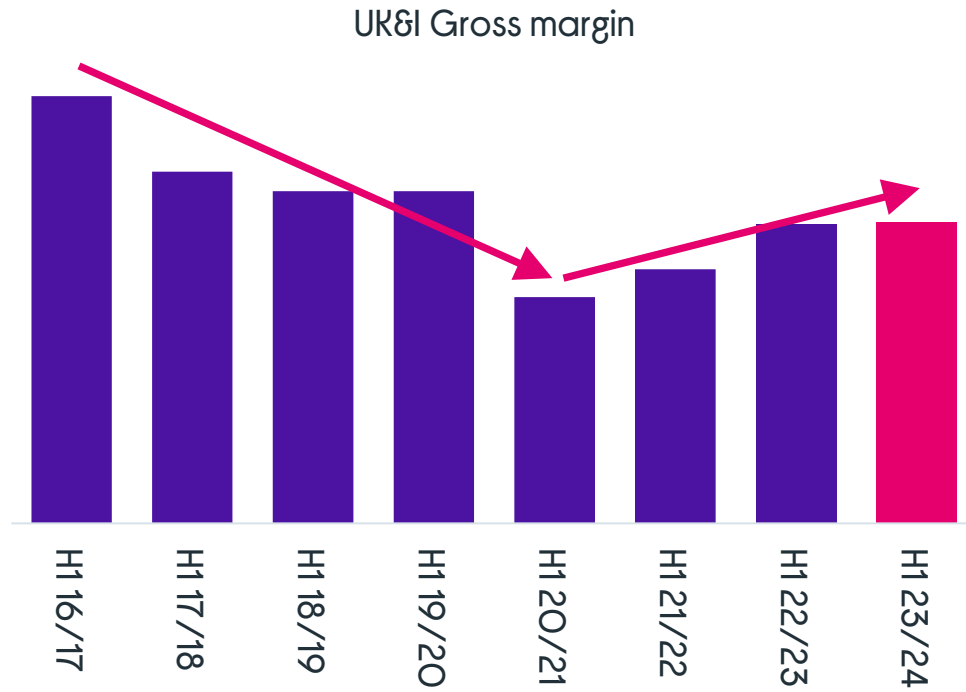
Source: Glint survey

Currys is now ranked
Top 5%
of Global Businesses for
colleague engagement

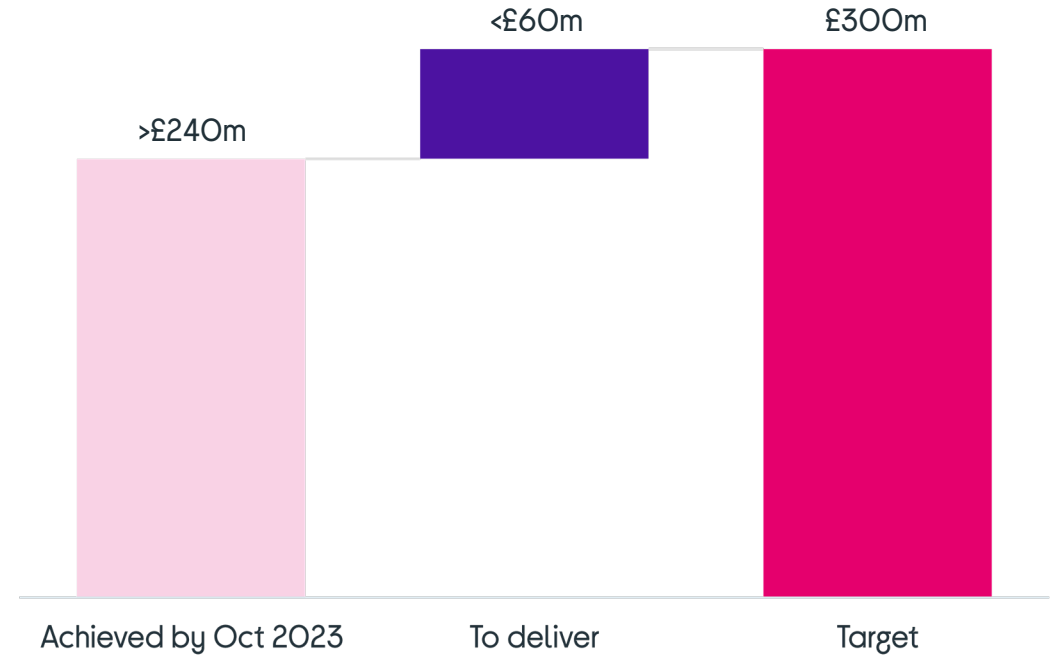


UK&I delivering robust gross margins and significant cost savings

Gross margin showing continued improvements



Significant cost savings



Source: Currys internal information

Drivers of stable UK&I gross margin

1 Not chasing less profitable sales

Monetising improved data & analytics:

- End-to-end profitability model
- Improved marketing and promotional efficiency
- Improved pricing discipline

2 Solution selling

Total 'Sold With' adoption

Period	Adoption Rate
Peak 22/23	~11%
Peak 23/24	~22%

+11pts YoY

3 Higher Services adoption

Credit adoption (%)

Period	Credit Adoption (%)
Peak 21/22	13.9%
Peak 22/23	18.2%
Peak 23/24	20.6%

+670bps YoY

Care & Repair adoption (%)

Period	Care & Repair Adoption (%)
Peak 21/22	~10%
Peak 22/23	~15%
Peak 23/24	~20%

+410bps YoY

4 Monetising the improved customer experience

Installation CSAT

Period	CSAT Score
Peak 21/22	~3.5
Peak 22/23	~4.5
Peak 23/24	~4.4

+9pts YoY

D&I&R Revenue per Order

Period	Revenue per Order
Peak 21/22	~1.0
Peak 22/23	~2.0
Peak 23/24	~3.0

+234% YoY

5 Reduced supply chain and service operation costs

Repeat Visit Rate

Period	Repeat Visit Rate
21/22	~15%
22/23	~12%
YTD 23/24	~10%
Long Term Target	~5%

Source: Currys internal information

Source: Currys internal information

Growing sales and margin through 'Sold With' solutions

Across every major category

Computing



TVs



Appliances



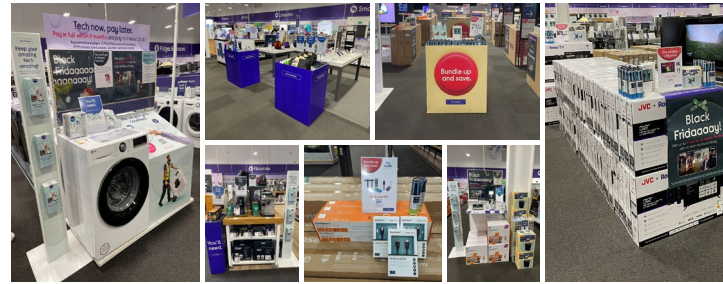
Mobile



With improved execution

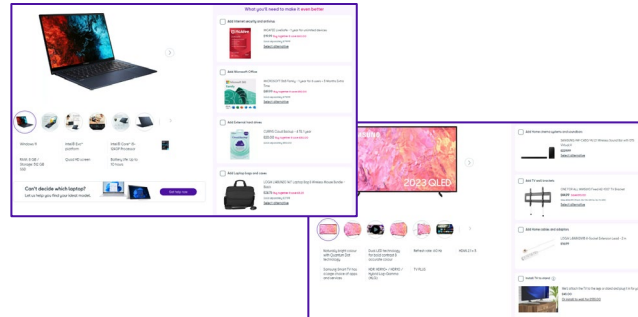
Instore: Accessories adjacent to products

You'll need: **tech essentials**



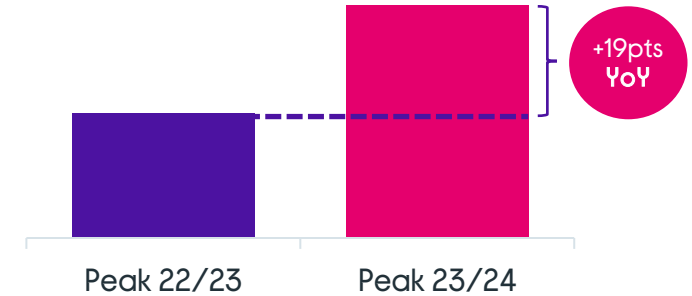
Online: Accessory recommendations added

What you'll need to make it **even better**

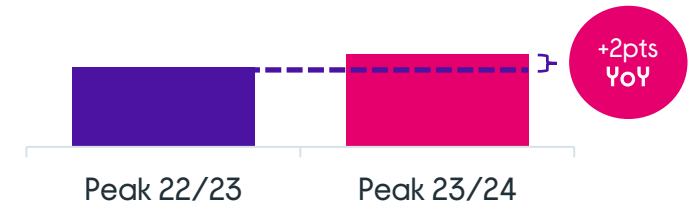


Adoption is growing

Instore adoption rate



Online adoption rate



Getting it Right First Time more often

We have improved on our execution on Delivery & Installation

Focus on key areas of failure



Customer availability



Product damage



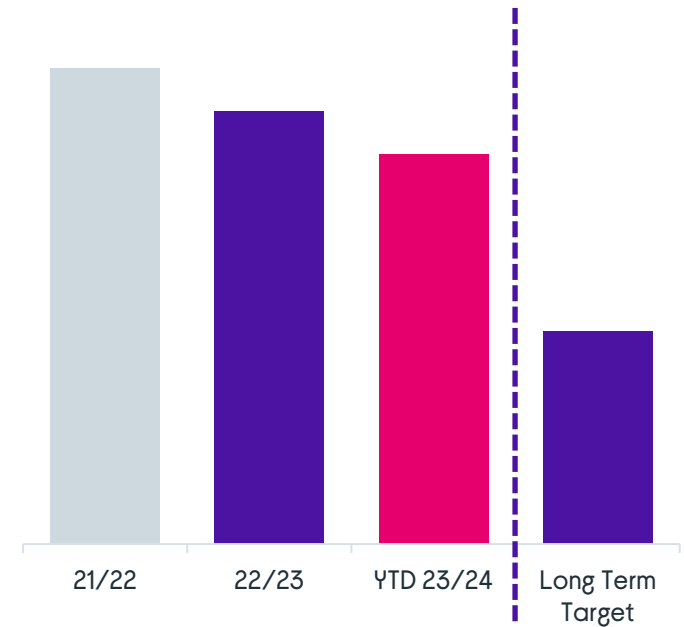
Incorrect product



Technical failures



Repeat visit rate



Source: Currys internal information

Right First Time drives profits

Better proposition and execution drive increased direct and indirect profits

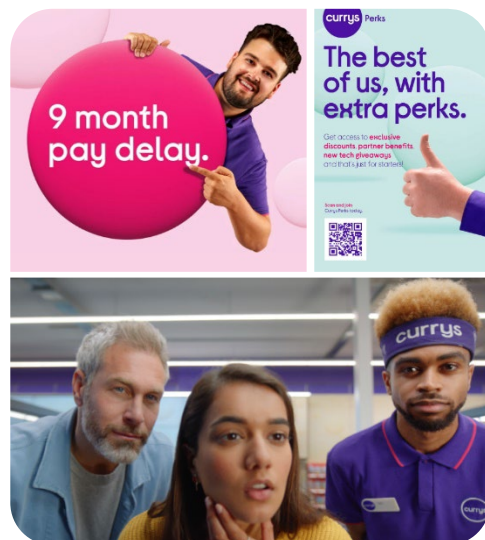
Direct cost savings

Right First Time reduces repeat visits and costs



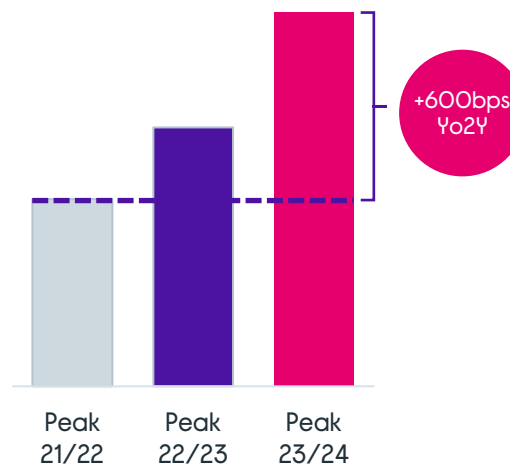
Lower customer acquisition costs

Reduced advertising spend



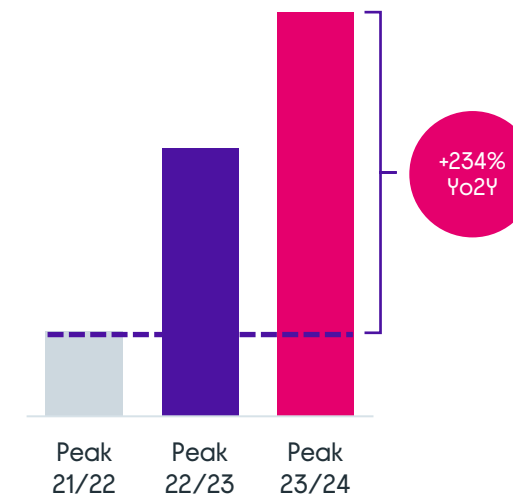
Increased adoption

Installation adoption rate



Enables delivery charging

D&I&R revenue per order



Source: Currys internal information

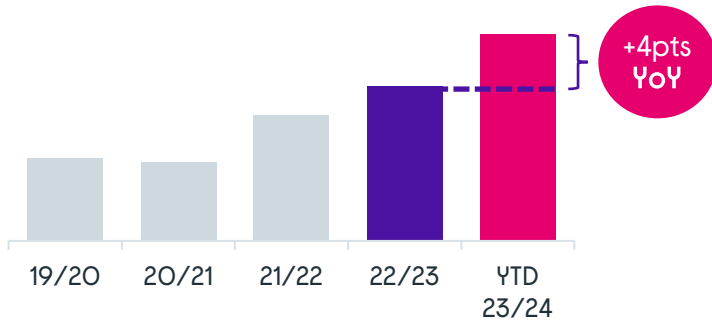
Source: Currys internal information

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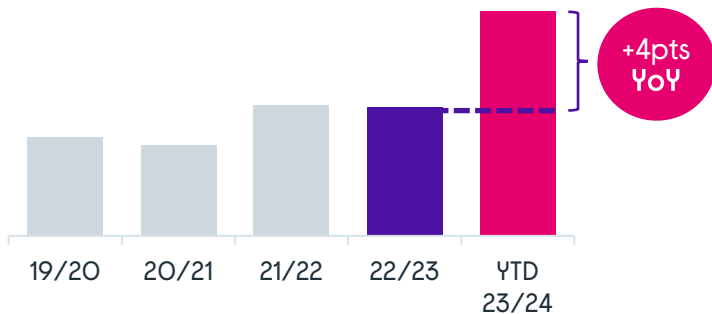
Improvements are across every area of the shopping experience

Customers are happier...

Store NPS

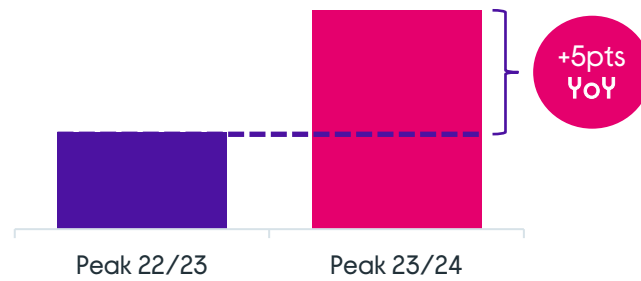


Online NPS

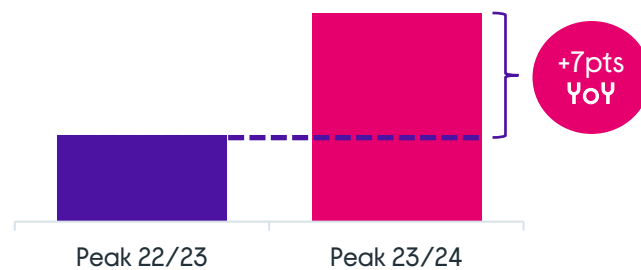


... across all areas of the customer journey

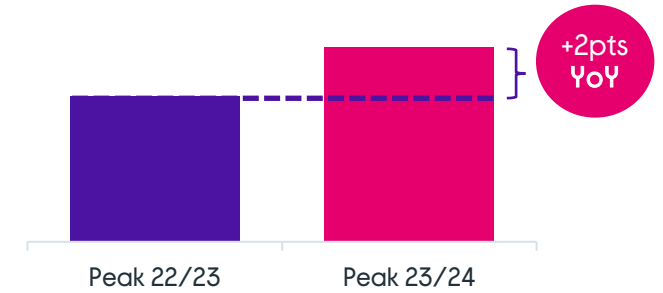
Store Purchase CSAT



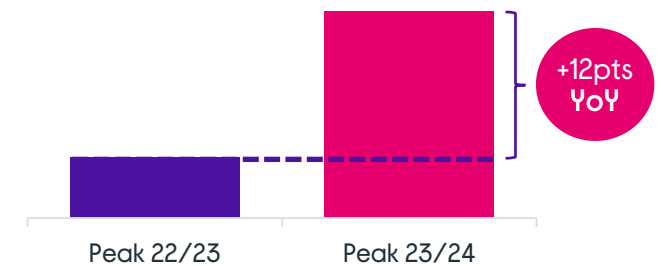
Online Purchase CSAT



Delivery CSAT



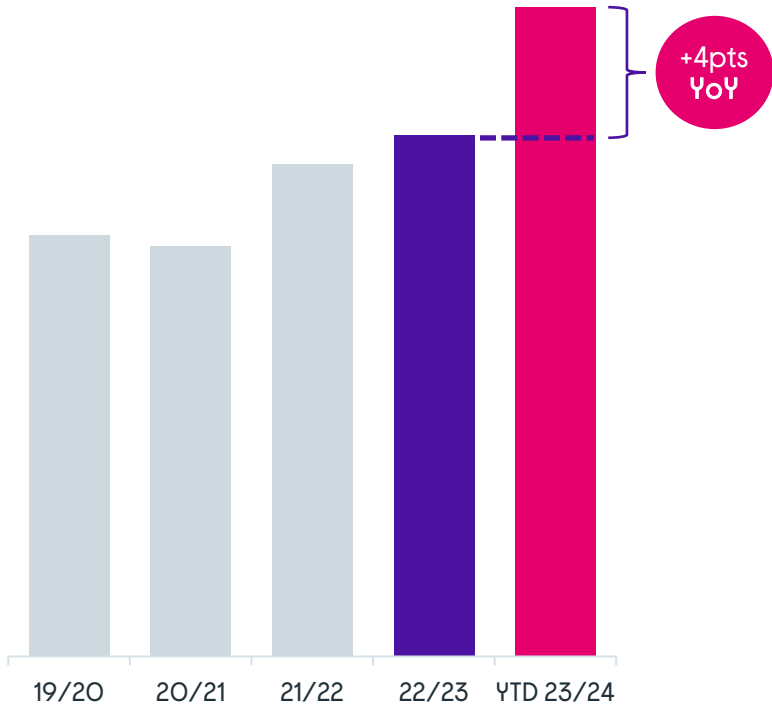
Collection CSAT



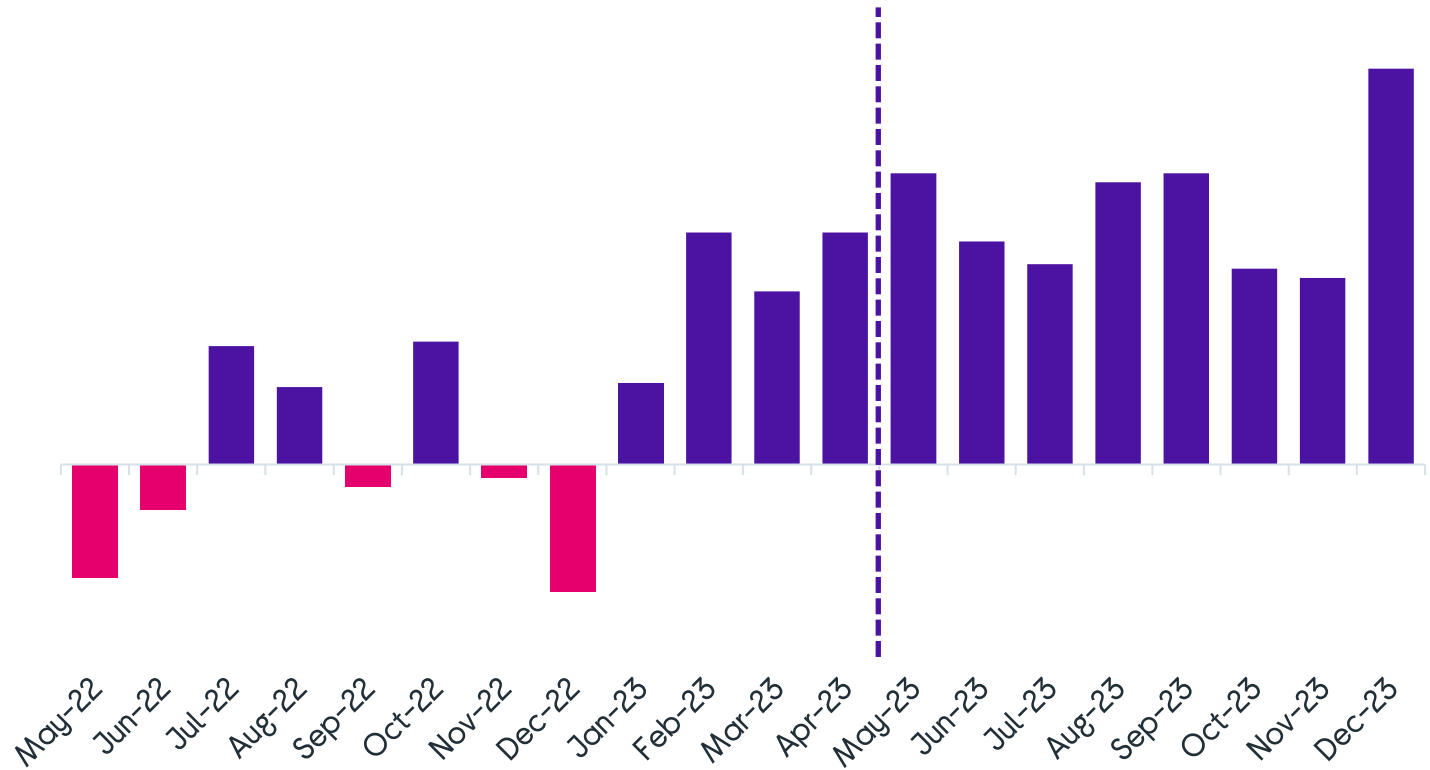
Sources: Company information – Voice of the customer NPS survey sent to all customers 7 days post purchase. Total sample size of 503,595 customers year to date, 2023/24

Customers are noticing the improvements

UK&I NPS

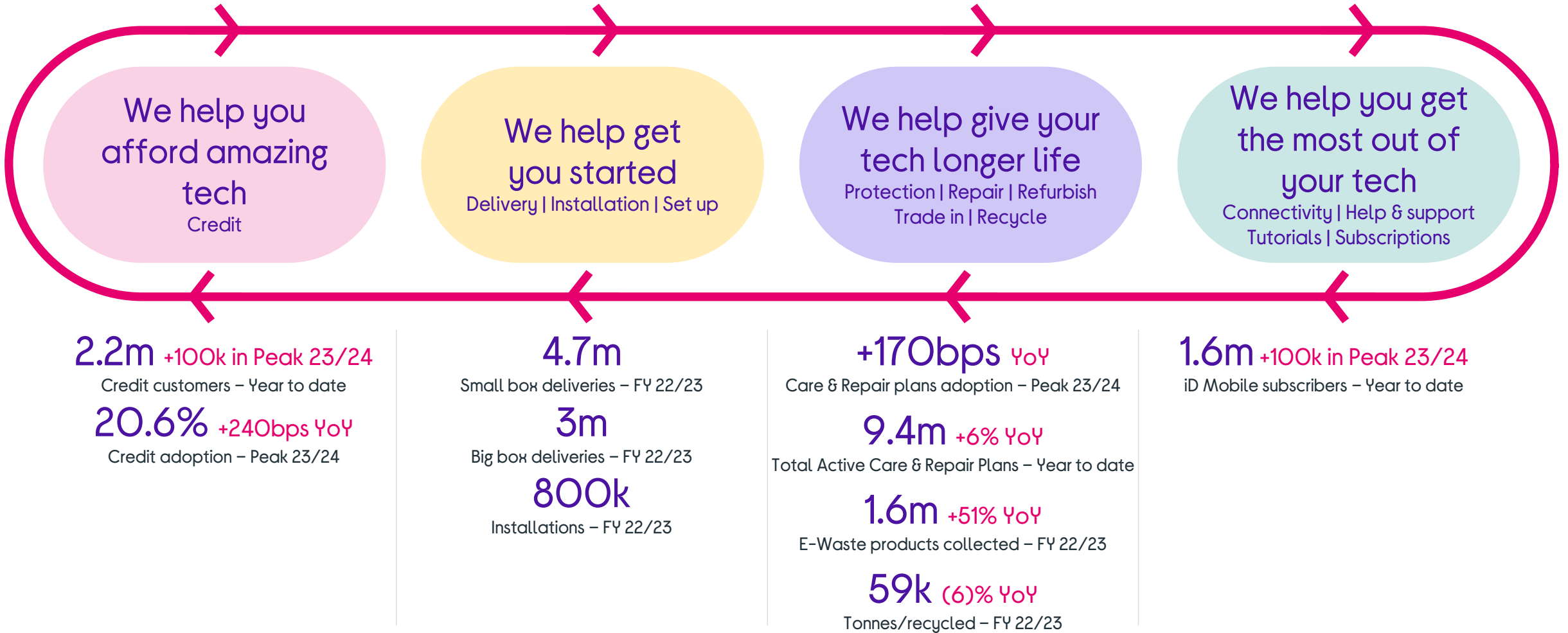


UK&I NPS YoY



Sources: Company information – Voice of the customer NPS survey sent to all customers 7 days post purchase. Total sample size of 503,595 customers year to date, 2023/24

Customers for life are built through our range of services

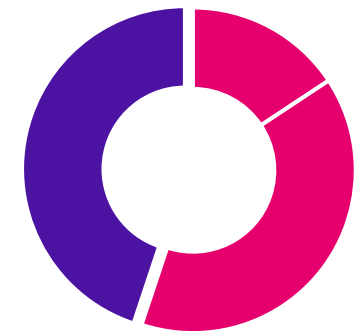
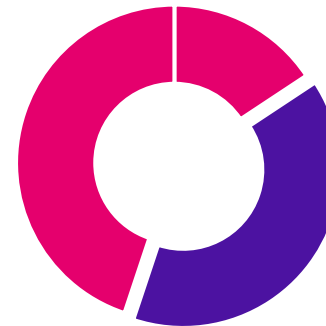
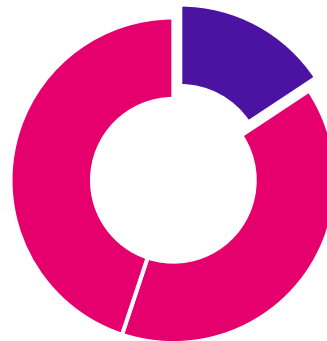


Services are a significant revenue stream in their own right



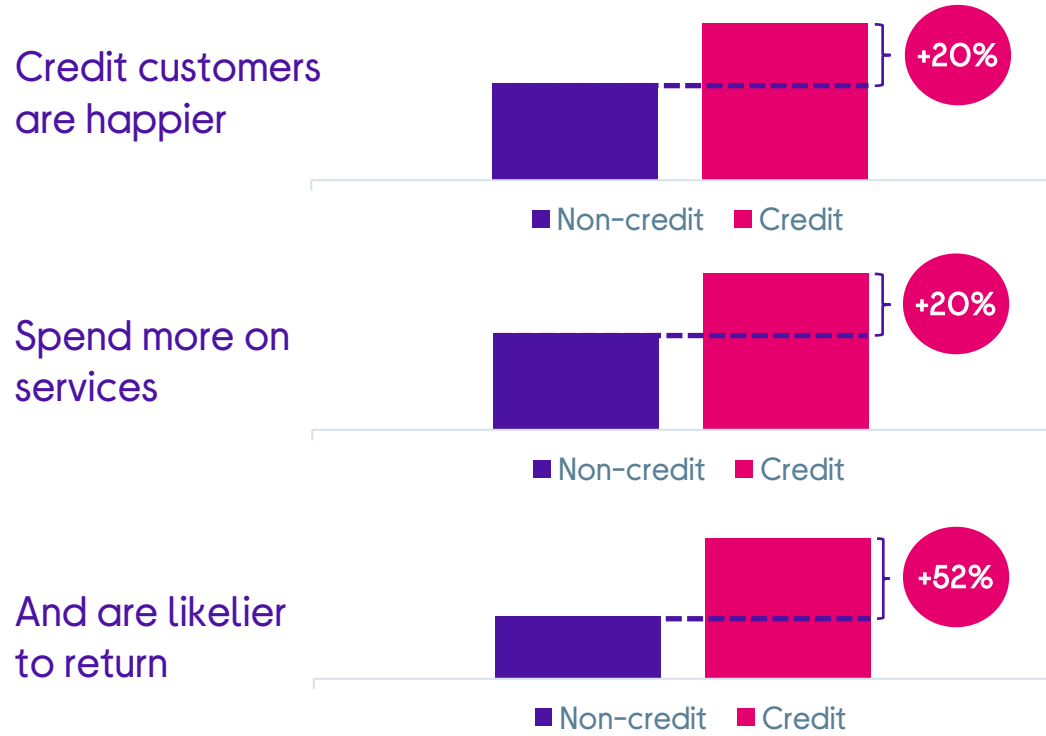
Services: £676m revenue

>£700m of product sales on Credit



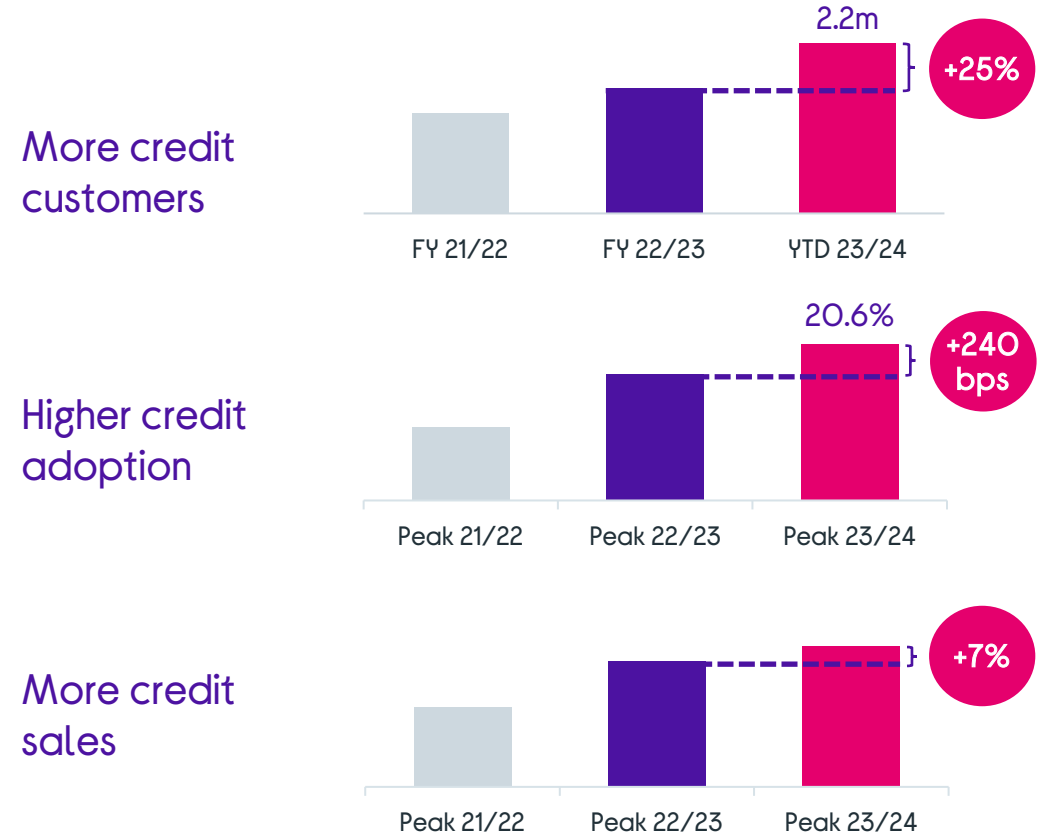
Credit is valuable and growing

Credit is an important driver of lifetime value



Source: Currys internal information

We are growing Credit

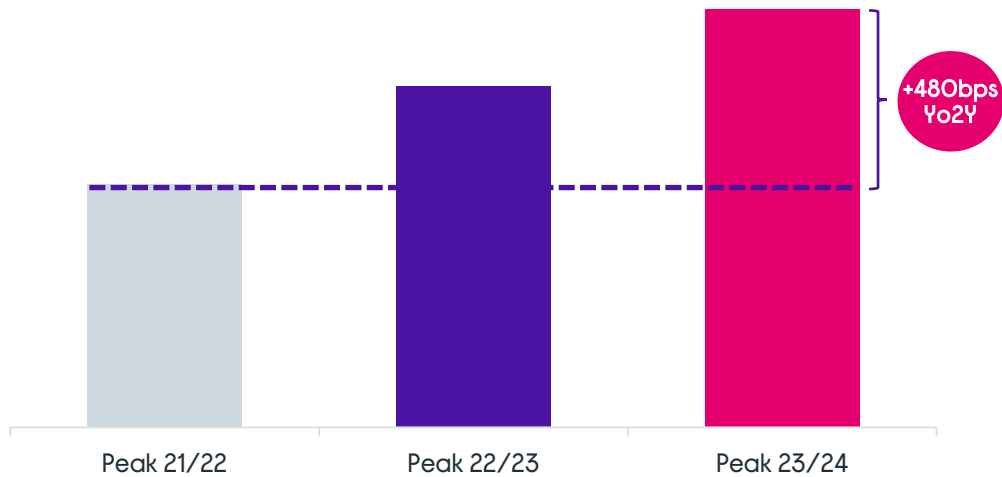


Source: Currys internal information

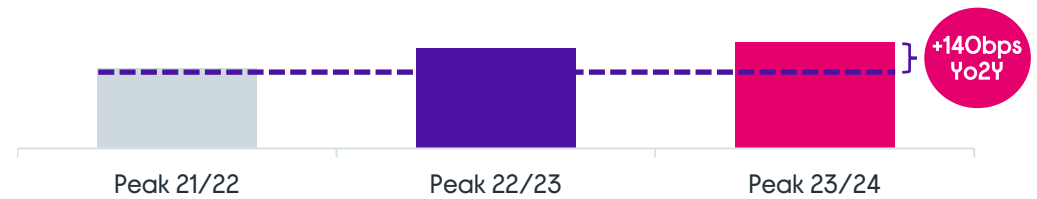
Care & Repair adoption growing in both channels

Adoption growing with big opportunity online

Store Adoption Rate



Online Adoption Rate



Source: Currys internal information

Care & Repair is based on unique capabilities

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



Major Categories



Major Vendor Brands

SAMSUNG



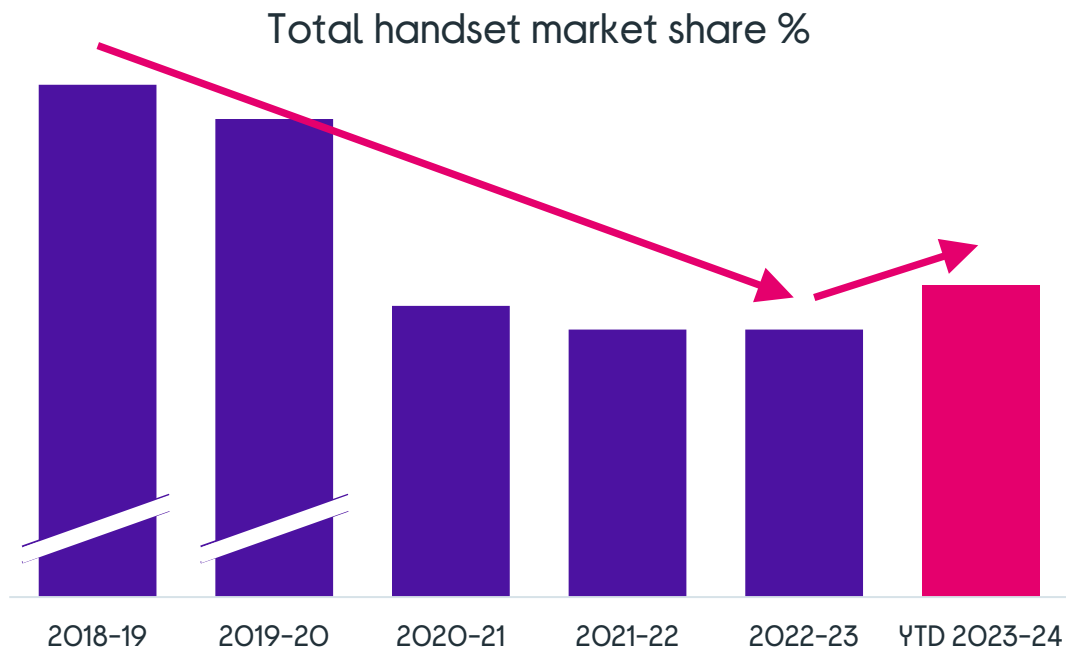
dyson

Google



Mobile is back into profit and now gaining share

Currys mobile market share is growing



Source: GfK

Driven by premium devices and iD

- ⊕ Strong in premium (>£900)
- ⊕ Strong in foldable
- ⊕ Currys ARP +15% YoY
- ⊕ iD Mobile – Our award winning MVNO

Source: Currys internal information

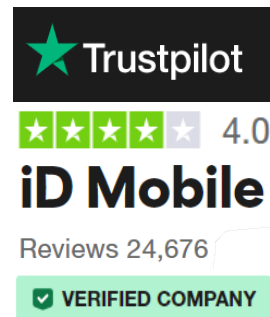
iD Mobile growth has accelerated

iD – our award winning MVNO

Customer first approach. Great network and customer service, award winning value.

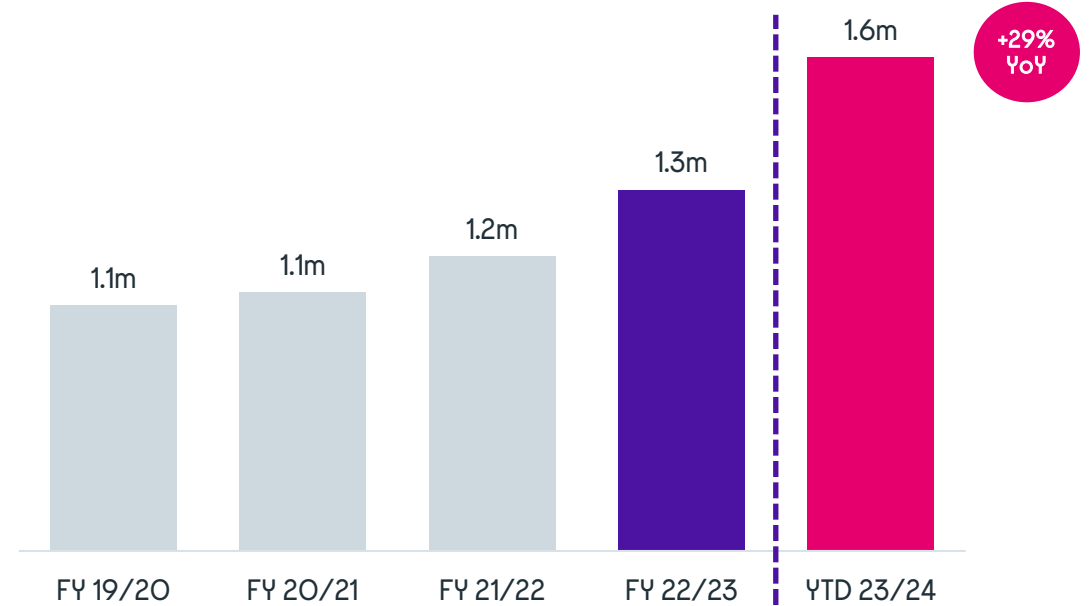
Benefits as standard:

- Data rollover
- Inclusive roaming in 50 destinations
- UK's fastest 5G



Active subscribers

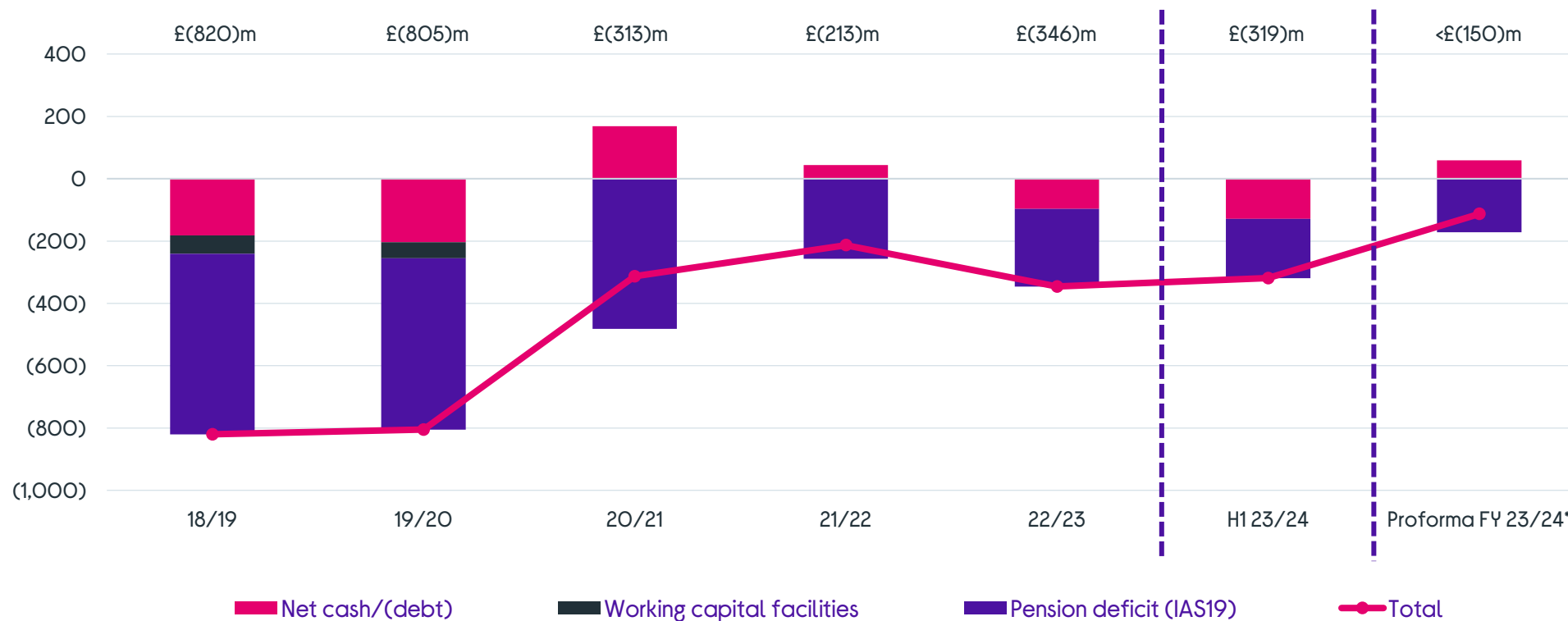
<15% churn rate



Source: Currys internal information

Maintaining strong liquidity & balance sheet

Net debt & pension deficit



Source: Currys internal information

* Proforma for FY 2023/24 including disposal of Greece. This assumes that net debt excluding disposal would be same as last year, and for pension deficit to reduce in-line with contributions in 2H 2023/24.

Summary

- **Solid results**, and progress, in a tough environment
- **Nordics now recovering**, driven by gross margin improvement
- Continued **momentum in UK&I** – gross margin stable 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



We help everyone enjoy
amazing technology.



Visit our corporate website

www.currysplc.com

