

The Currys logo, consisting of the word "currys" in a white, lowercase, sans-serif font, is centered within a solid purple circle. The background of the entire slide is a photograph of a woman in a dark blue Currys polo shirt smiling and talking to another woman in a grey blazer. They are in a retail store with shelves of products and signs in the background.

currys

# Currys plc 2024/25 Peak Trading update

15 January 2025

# Summary: a successful Peak, from an ever-stronger business



## Nordics

Outperforming in weak market

Controlling the controllables

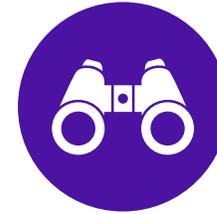
Showing the business's strength



## UK&I

Strong Peak

Continuing the encouraging momentum



## Outlook

Balance sheet strong

Current year profits robust

Path to improving free cashflow

Dividends resuming

# H1 2024/25: Performance continues to strengthen

Growth in revenue, profits, free cashflow and net cash

Revenue

**£3,918m**

+1% YoY

Adjusted EBIT

**£41m**

+52% YoY

Adjusted EPS

**0.6p**

+1.7p YoY

Free cash flow

**£50m**

+£46m YoY

Closing net cash

**£107m**

+£236m YoY

Pension deficit (IAS19)

**£(143)m**

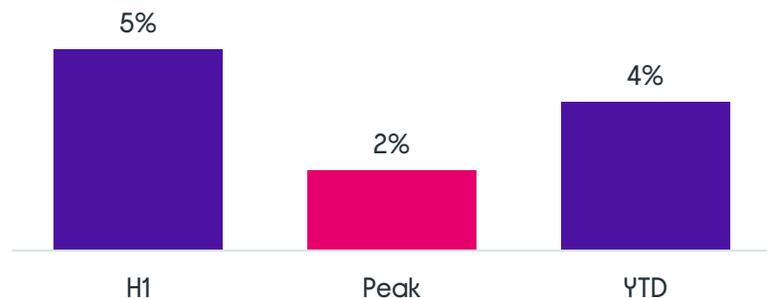
+£45m YoY

# Peak Like-for-Like Sales

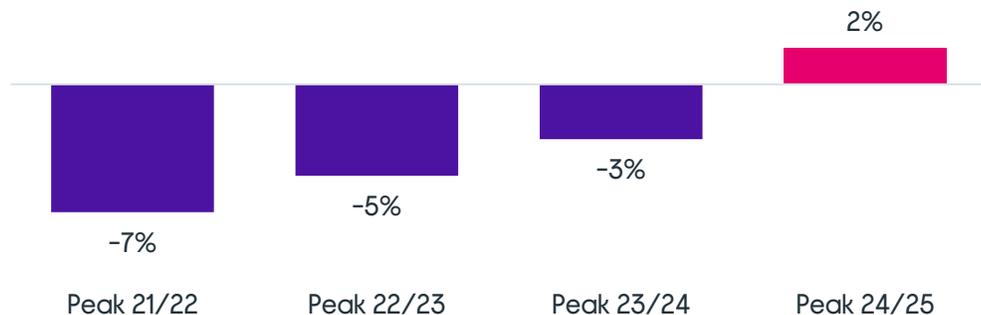
Positive growth in both segments

## UK&I

24/25 LFL performance

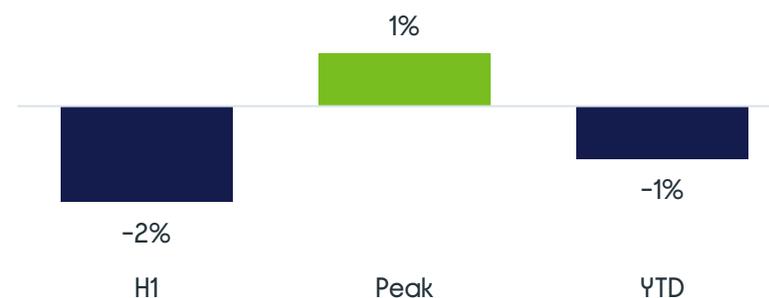


Historical Peak LFL performance

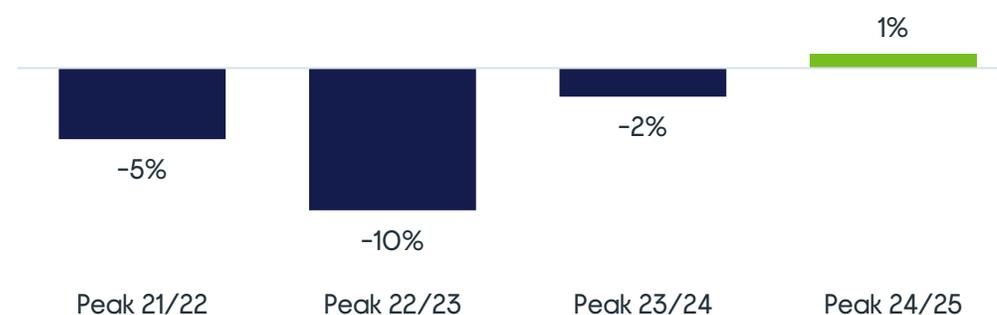


## Nordics

24/25 LFL performance



Historical Peak LFL performance



Sources: Currys Internal information

# Current year outlook & guidance

Group adjusted PBT expected to be in range of £145–£155m

## Current year outlook

- Expect adjusted PBT of £145–155m, +23–31% YoY
- Includes the in-year impact of the UK Government budget measures
- 2024/25 is a 53-week year. This will have a small impact on sales but immaterial impact on profits and cashflows.



## Shareholder returns

- Board expects to declare a final dividend of around 1.3p at full year results in July
- Represents 2/3rds of full year dividend at around 5x adjusted EPS cover
- Surplus cash over the medium-term to be returned to shareholders in line with capital allocation policy

# Peak tech trends

Drones



Action Cams



Tablets



AI Laptops



PC Gaming



Premium Mobile



Health & Beauty



Coffee Machines



Super-Size TV's



Toys



# Nordics

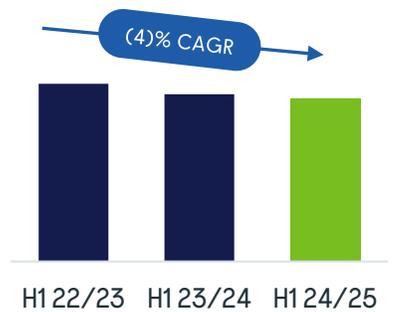
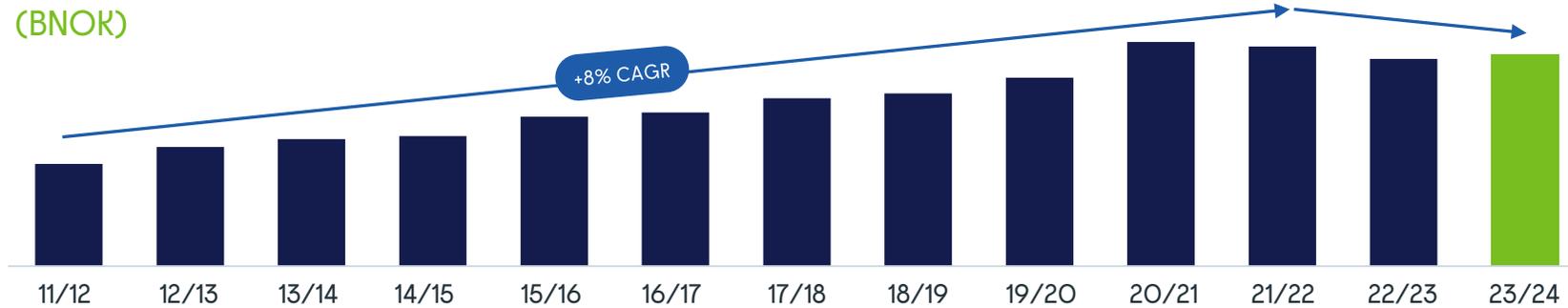


# Strong track record of revenue and profit growth

Interrupted in last two years but now recovering

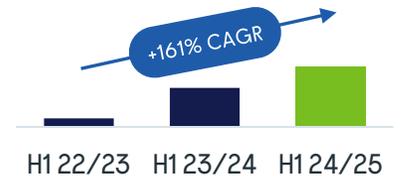
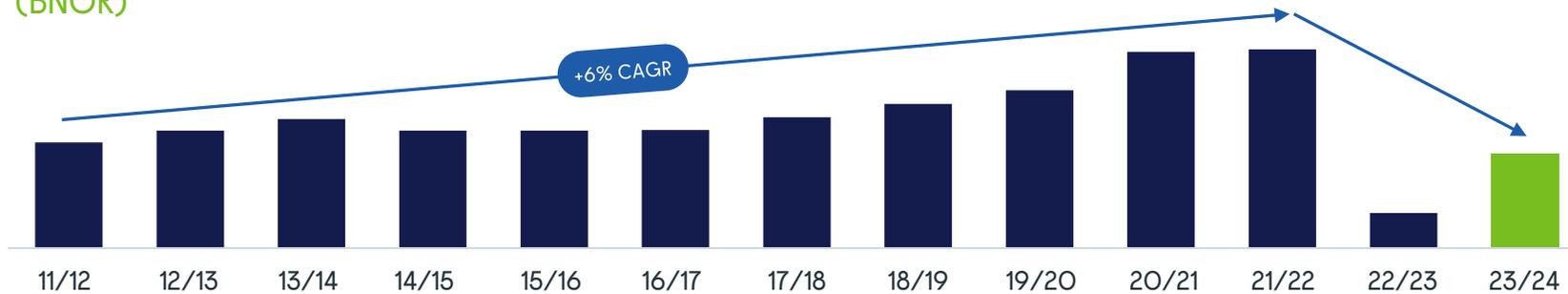
8% revenue growth p.a. from 2011/12 to 2023/24

(BNOK)



Adjusted EBIT showed steady growth and remains resilient

(BNOK)

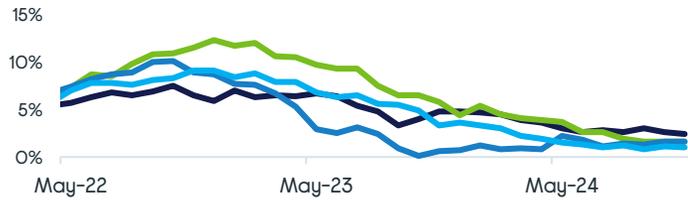


Source: Currys internal information - Data shown in BNOK and excluding IFRS16

# Market environment remains weak

Demand remains tough, even as other pressures have reduced

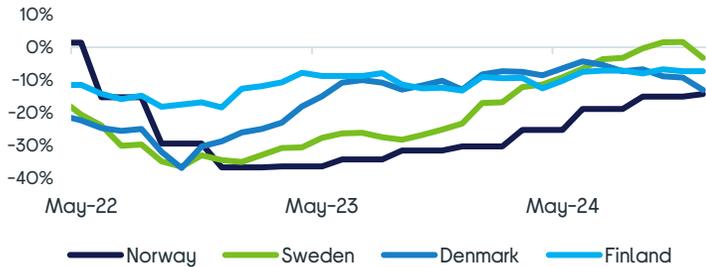
### Consumer price index<sup>1</sup>



### Interest rates<sup>1</sup>



### Consumer confidence<sup>1</sup>



### Nordic B2C market<sup>2</sup> monthly revenue growth YoY

(May 2021 to Nov 2024)



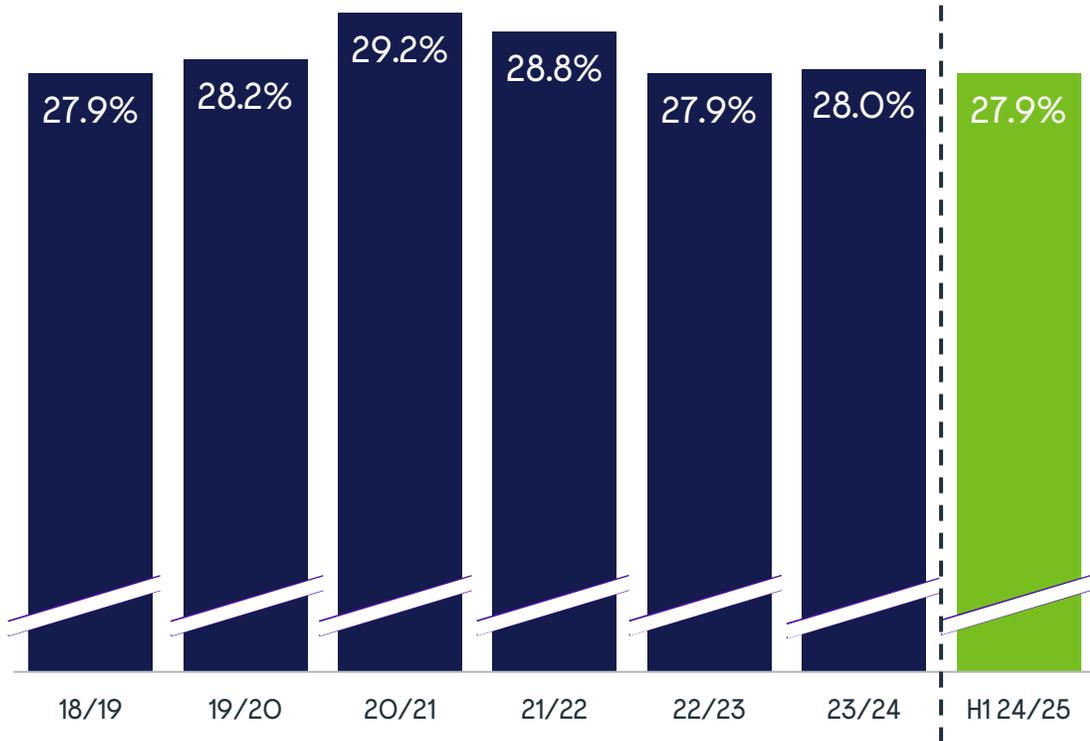
1) Source - Bloomberg

2) Source - GfK

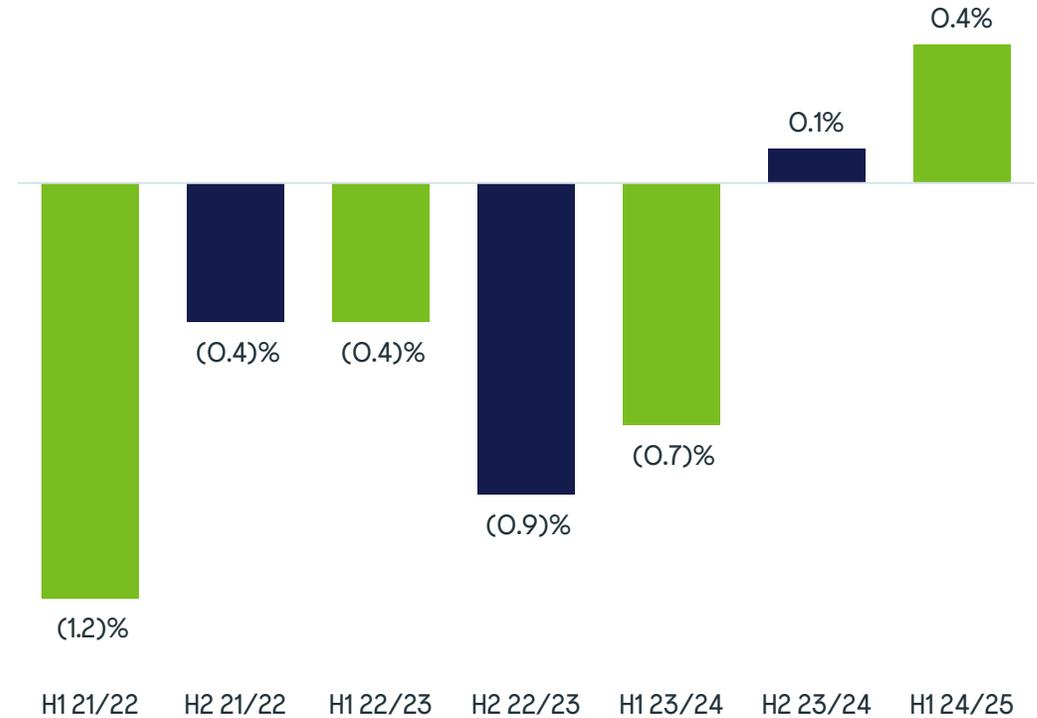
# Clear market leadership, now building again

Market share stable relative to pre-pandemic and starting to improve

Nordic market share



Improving trajectory



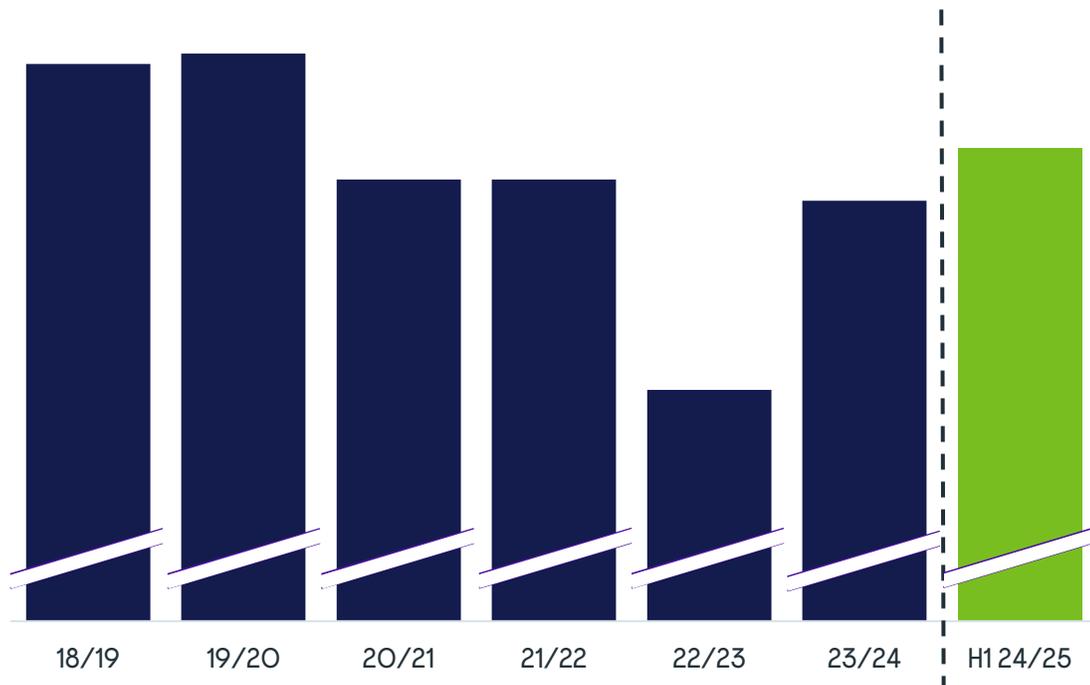
Sources: Currys internal information, GfK

# Gross margin back to historic levels

Focus on balancing profits and market share

## Gross margin at historic levels

Nordics gross margin %



Source: Currys internal information

## Opportunity for further improvement

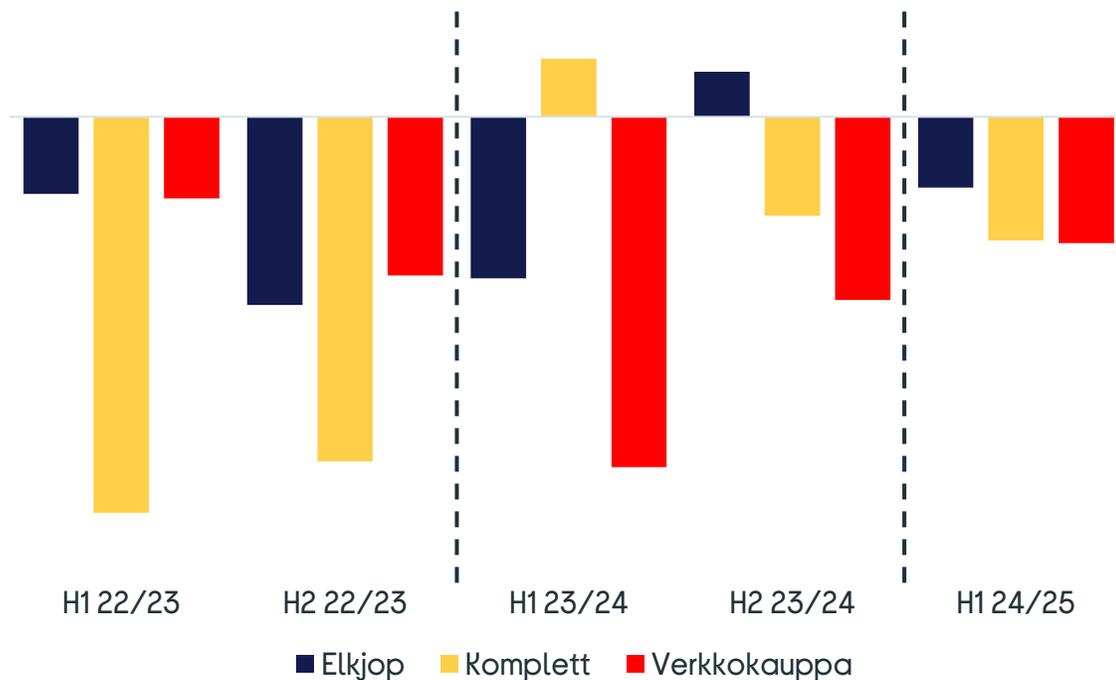
- Solution selling
- Higher Services adoption
- Not chasing less profitable sales
- Reduced supply chain and service operation costs

# Elkjøp's peers struggled during market downturn

Elkjøp's revenue and profits were more resilient and have recovered faster

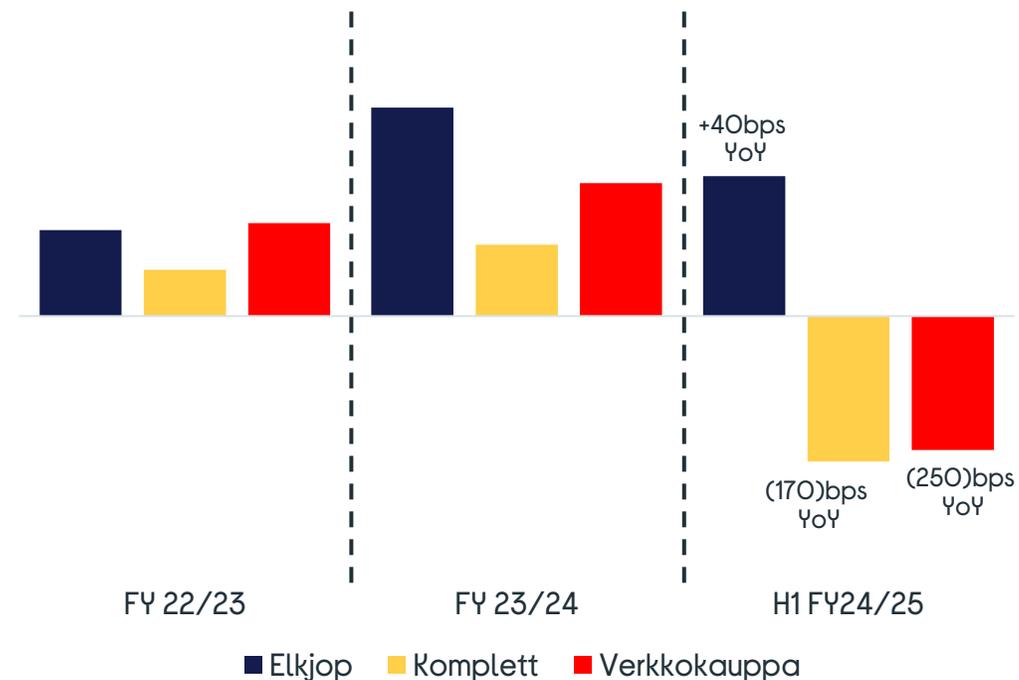
## Revenues recovering ahead of competitors...

Revenue growth YoY %



## ... and profits significantly outperforming

Adjusted EBIT %



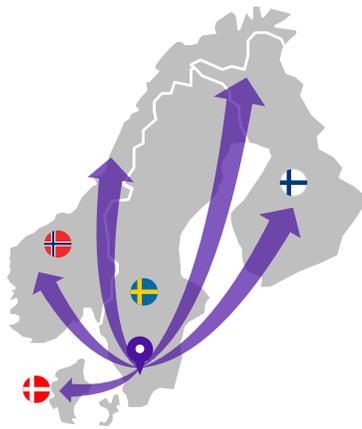
Sources: Currys internal information, [https://investors.verkkokauppa.com/en/investors/reports\\_and\\_presentations](https://investors.verkkokauppa.com/en/investors/reports_and_presentations), <https://komplettgroup.allegrokommunikasjon.no/investor-relations/financial-information/quarterly-reports>.  
 Definitions: Elkjøp revenue shown on a currency neutral basis. Verkkokauppa and Komplett: H1 calculated from 1 April – 30 September, H2 calculated from 1 October – 31 March.

# Well-invested logistics, IT and store infrastructure

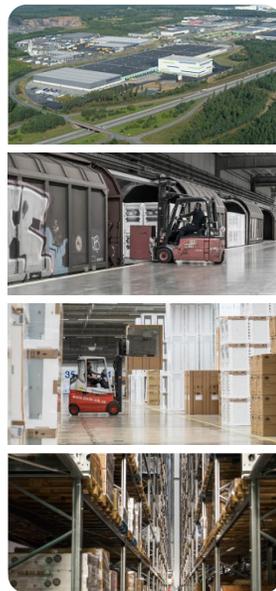
No need for further significant investment

## New distribution centre now open

Operational efficiencies expected to build over time

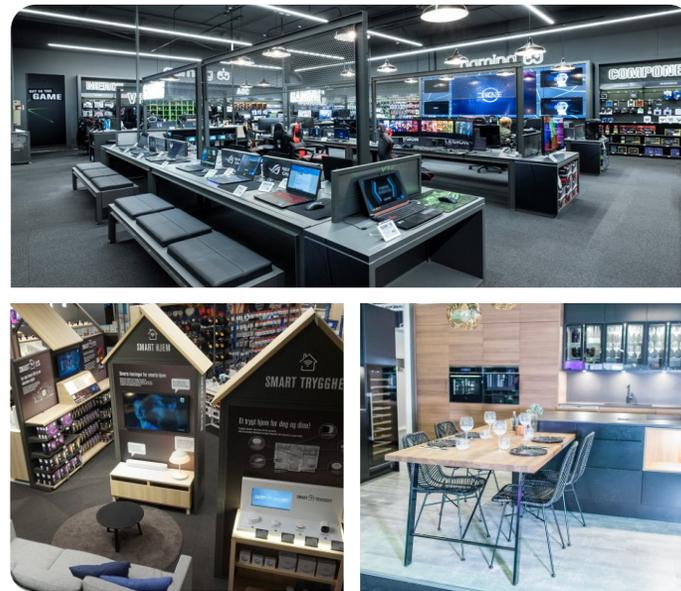


Nordic Distribution Centre (NDC) in Jönköping, Sweden



## Store portfolio mature

Limited investment needed

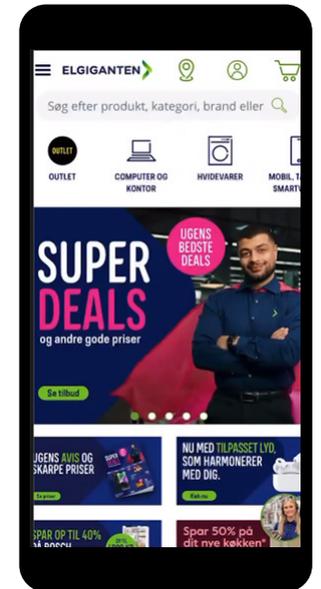


## IT improvement implemented

Now driving better efficiency

NXT improvements delivering:

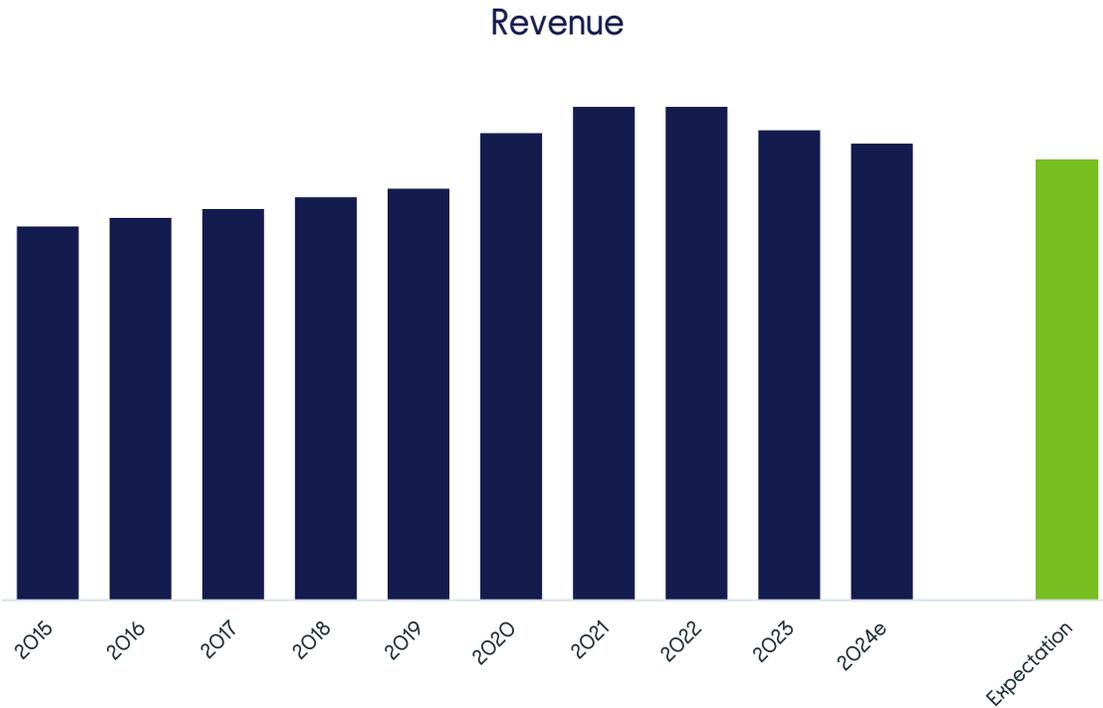
- ✓ Faster site speed
- ✓ Improved customer experience
- ✓ Faster tech deployment
- ✓ Lower cost to operate



# Market recovery expected in the long term

But prudently planning for limited market growth in near term

## Nordic market expected to decline in the short term



## Economic headwinds expected to subside over time



### Now

Economic headwinds across Nordics

Interest rates remain high

Consumer confidence still at a low level



### Long term

Fundamental wealthy markets

Inflation easing with interest rates expected to reduce

Normal consumer confidence levels

Source: GfK June 2024: Strategy considerations on macro drivers

# Elkjøp summary

**Clear #1** in fundamentally attractive market

**Well invested** across store portfolio, logistics and IT

**Faster recovery** in challenging market environment

**Cashflow** has been resilient and will **improve further**

Elkjøp has many qualities that **customers value** and **competitors cannot match**

**Upside** if consumer environment recovers **more than our prudent expectations**



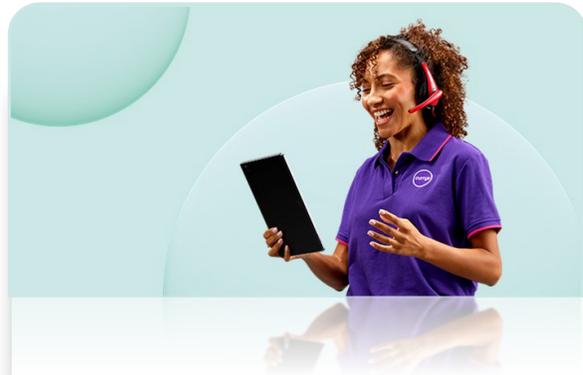
# Strategy



We help everyone enjoy  
amazing technology.



# We help everyone enjoy amazing technology



Capable and  
committed  
**colleagues**



Easy to  
**Shop**



Customers  
**for Life**

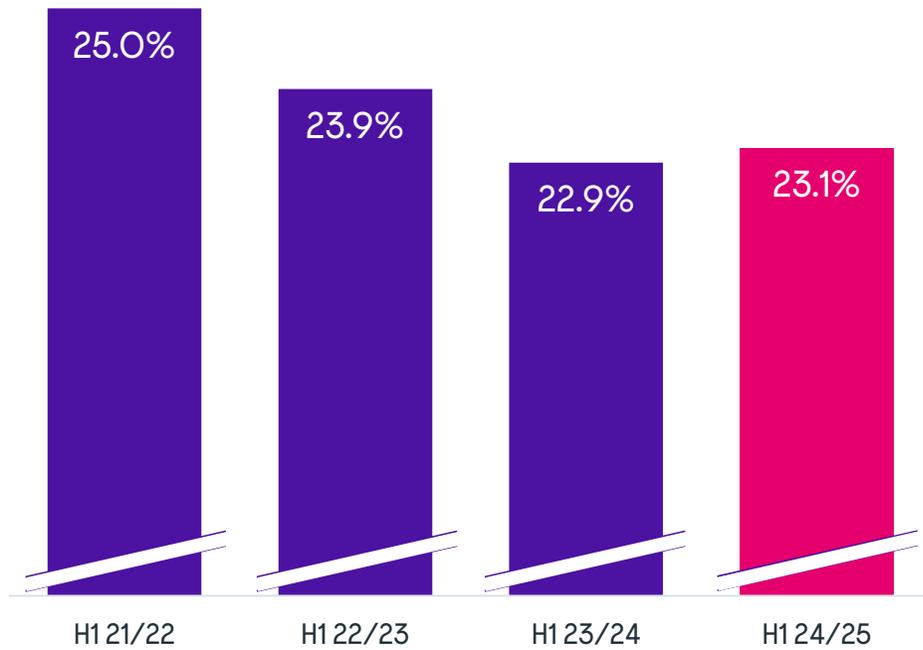


Grow  
**Profits**

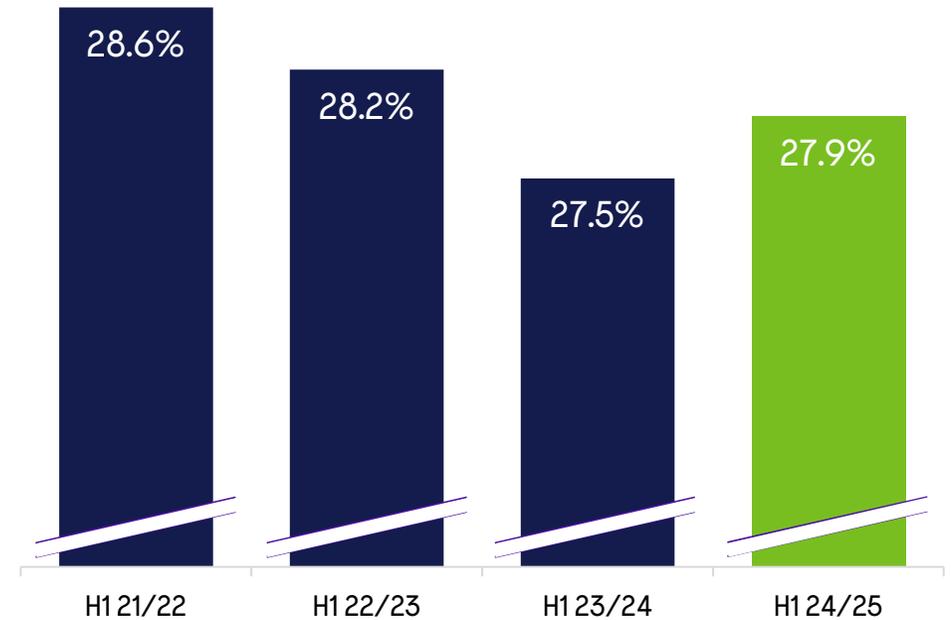
# Clear #1 in every market

Scale that competitors cannot match

## UK Electricals market share



## Nordic market share

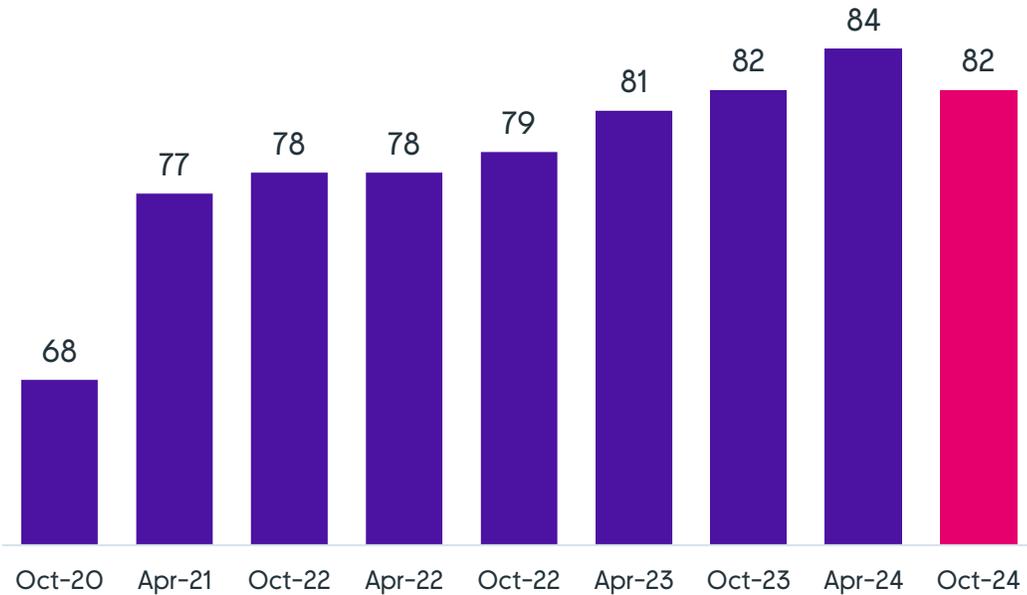


Sources: Currys internal information, GfK

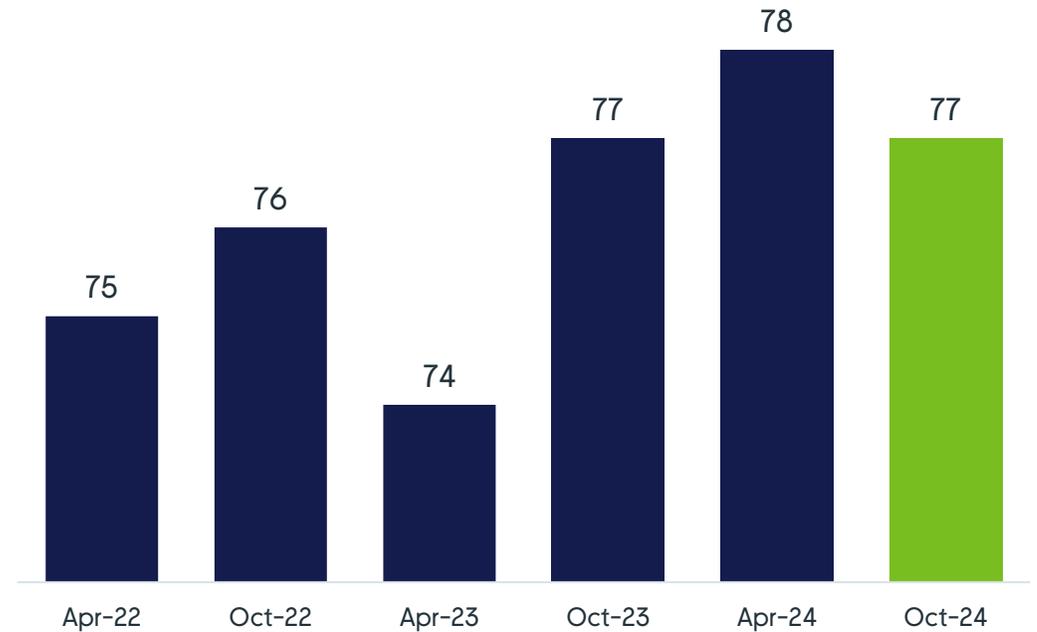
# Colleague engagement remains high

UK&I score amongst top 5% of businesses

UK&I colleague engagement



Nordic colleague engagement



Source: Viva – Glint

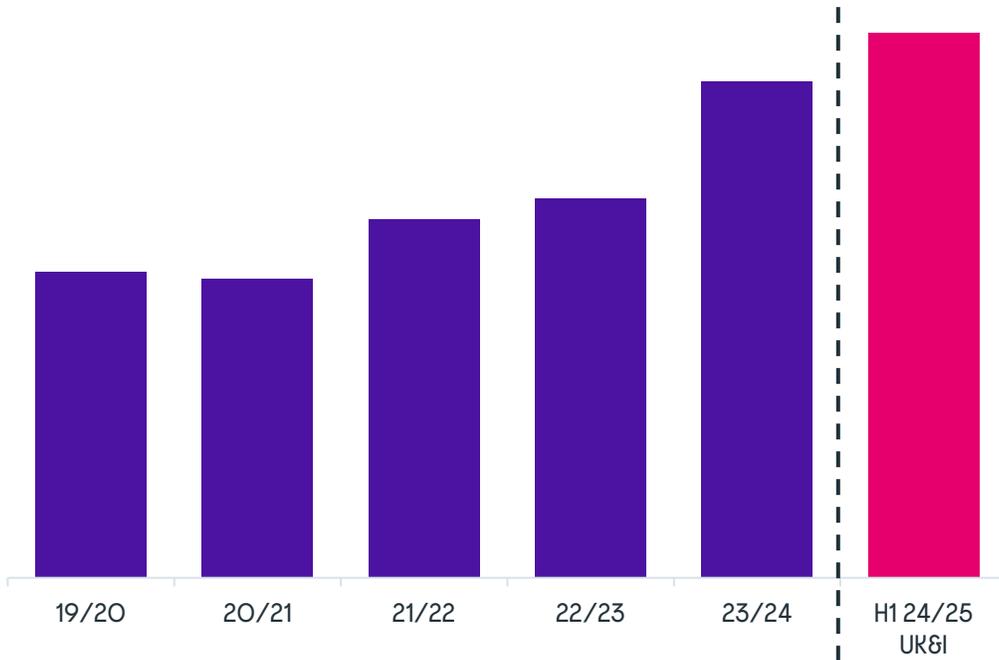
# Customer satisfaction continues to grow

Nordics have moved to NPS measurement, providing some healthy competition

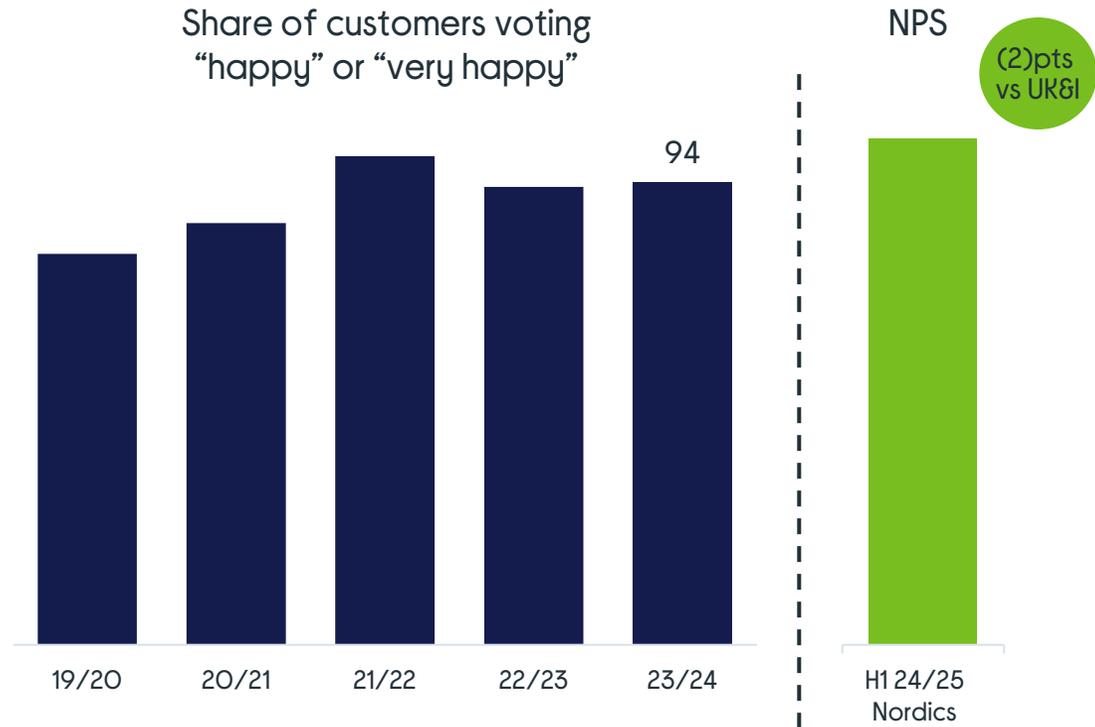
## UK&I Customer satisfaction NPS<sup>1</sup>



**Currys**  
Reviews 251,694 • Excellent  
★★★★★ 4.3 ⓘ  
VERIFIED COMPANY



## Nordics customer satisfaction NPS<sup>1</sup> and Happy or Not<sup>2</sup>

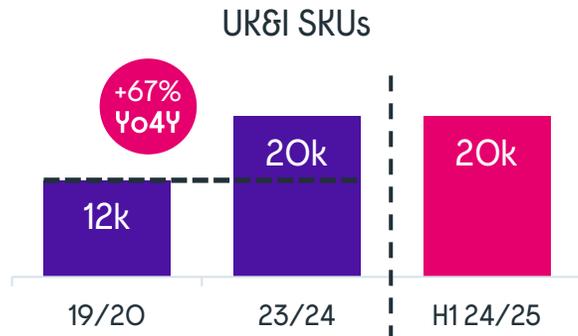


1) Voice of customer 7 Day Survey  
2) DataWarehouse: Happy or Not cube and customer satisfaction cube, CCC analytics, NetiGate system

# Our retail fundamentals are better

Continue to focus on the right products, at the right price, available when customers want

## The right products...

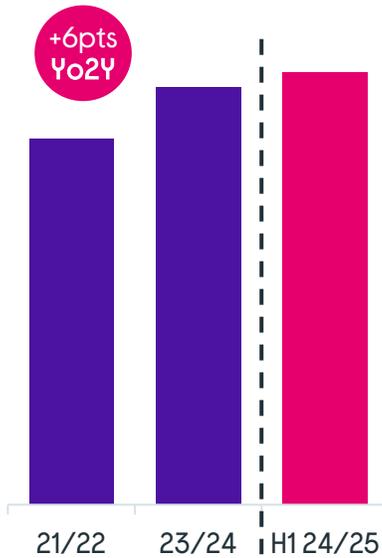


## ... at the right price

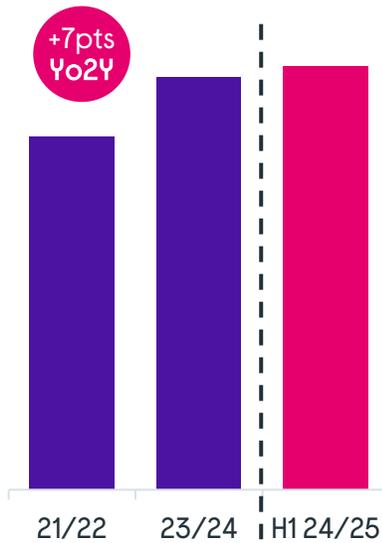


## With improved availability

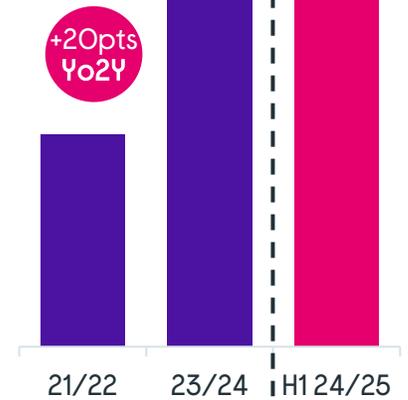
### In-store availability



### Online availability



### UK&I Big Box availability



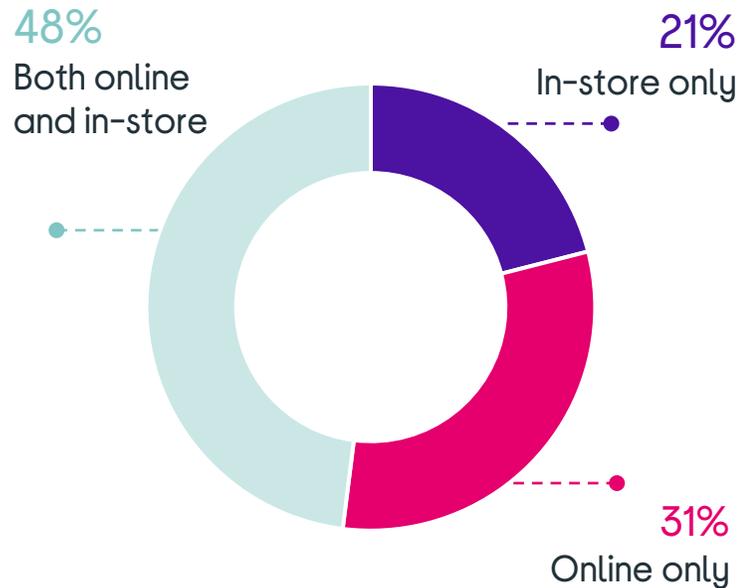
Source: Currys internal information

1) EAE. Question: Are competitively priced: Brand traits - Strongly agree 6 + 7 by Wave (Quarters) Base: All those aware of each brand. n varies (smallest n=7,865)

# Customers prefer omnichannel

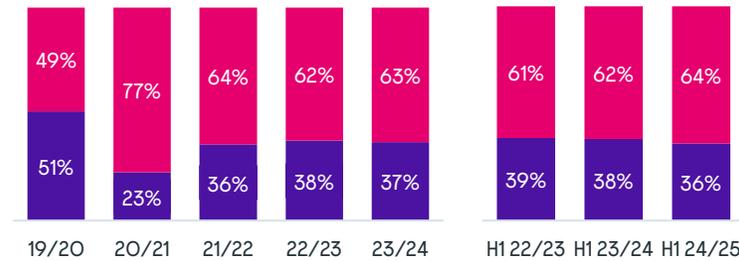
Customer surveys and actual shopping habits point to benefits of omnichannel

## Customers channel usage<sup>1</sup>

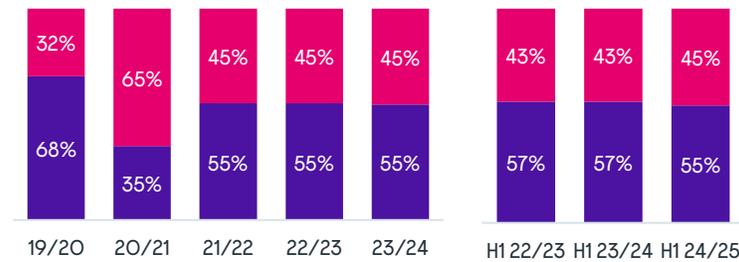


## UK&I sales by channel<sup>2</sup>

### Total Market



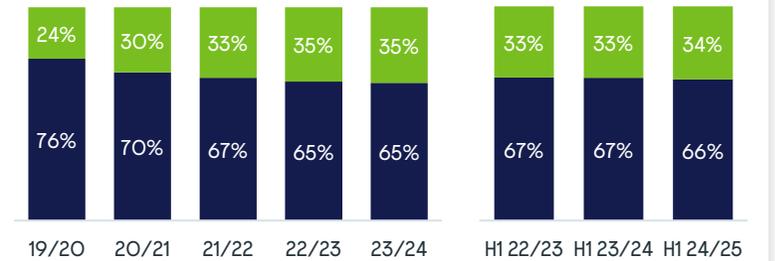
### Currys



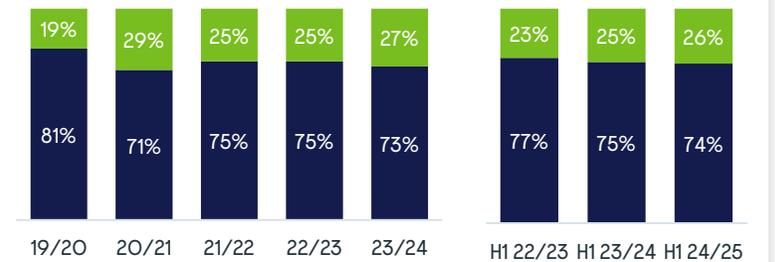
■ Store ■ Online

## Nordics sales by channel<sup>2</sup>

### Total Market



### Elkj p



■ Store ■ Online

1) Currys internal information – Customer survey of 5,003 UK&I customers in October 2024. Q: Which of the following best describes how you have browsed/shopped for electricals in the last 12 months?

2) Currys internal information, GfK

# We're investing to improve both channels

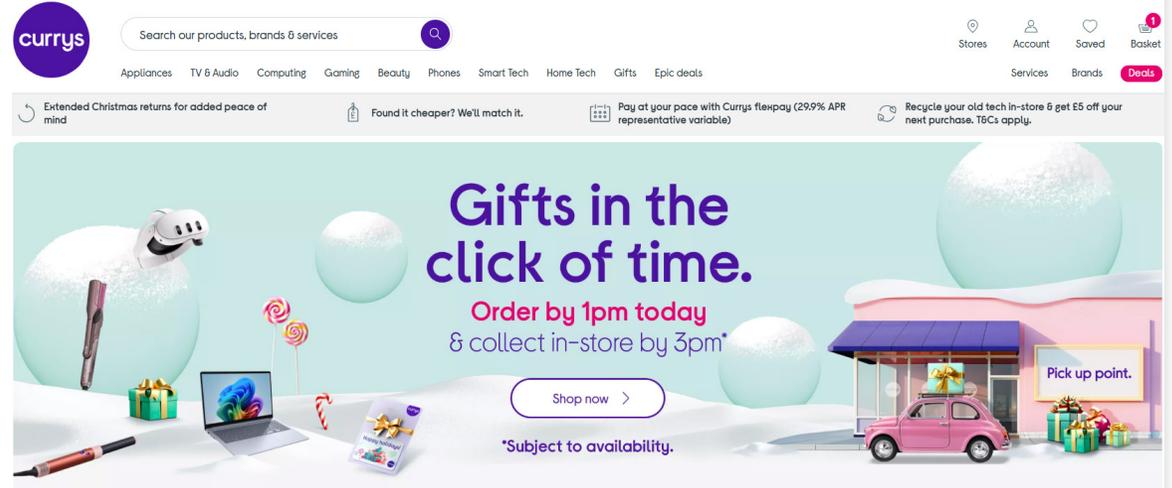
Stores are being remodelled and ESEL added, website is undergoing continuous improvement

## Stores

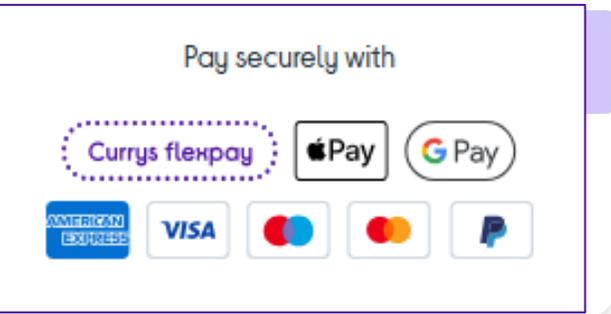


Definition: ESEL – Electronic Shelf Edge Labels

## Online



Can't decide on the perfect gift?  
Give the gift of tech with a Currys gift card.

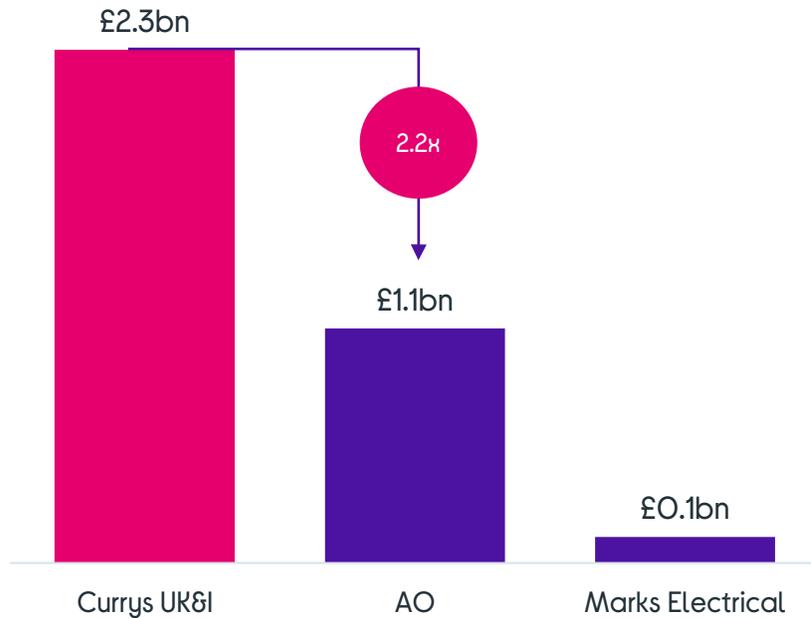


# We are big online

Online, we are larger than specialist competitors

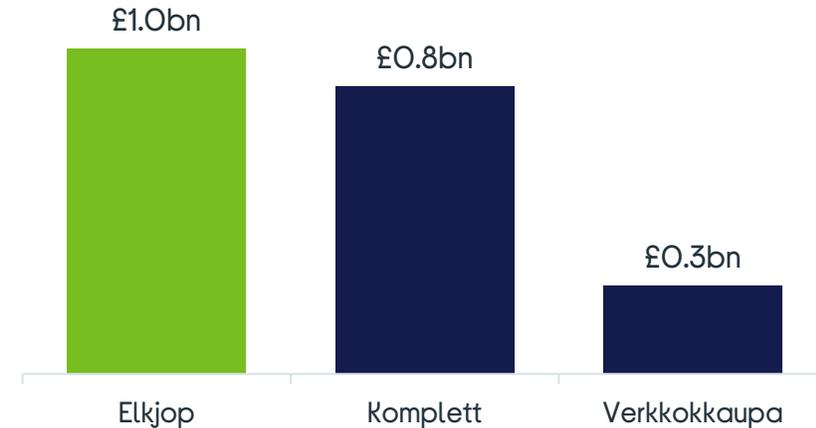
## We are big online in the UK...

UK&I online revenue for the past 12 months<sup>1</sup>



## ... and the Nordics

Nordics online revenue for the past 12 months<sup>1</sup>



Sources: Currys internal information, <https://www.ao-world.com/investor-centre/reports-and-presentations/>, <https://group.markselectrical.co.uk/results>, <https://www.komplettgroup.com/investor-relations/financial-information/>, [https://investors.verkkokauppa.com/en/investors/reports\\_and\\_presentations](https://investors.verkkokauppa.com/en/investors/reports_and_presentations)

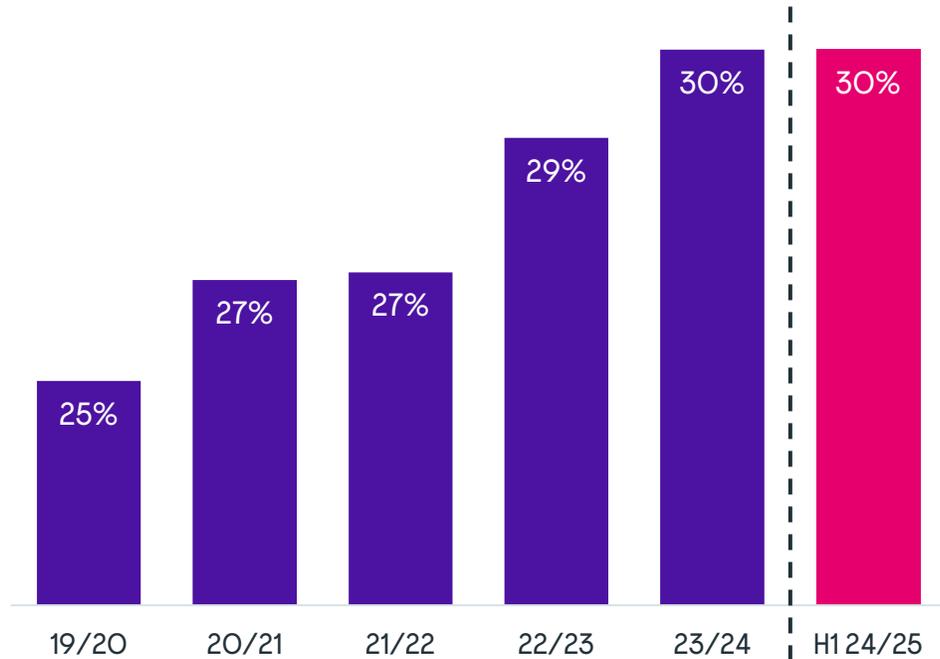
1) 12 months revenue to end of September or October 2024. Currys and AO includes H1 2024/25 and H2 2023/24. Komplet and Verkkokauppa include Q4 2023 and Q1, Q2 & Q3 of FY24.

# Omnichannel sales seeing the strongest growth

Customers are increasingly taking advantage of the flexibility omnichannel offers

## Omnichannel sales<sup>1</sup> are growing in mix

Omnichannel as proportion of total UK product sales



## With more customers choosing collect at store

UK&I Order & Collect revenue

Nordics Collect @ Store revenue



Source: Currys internal information

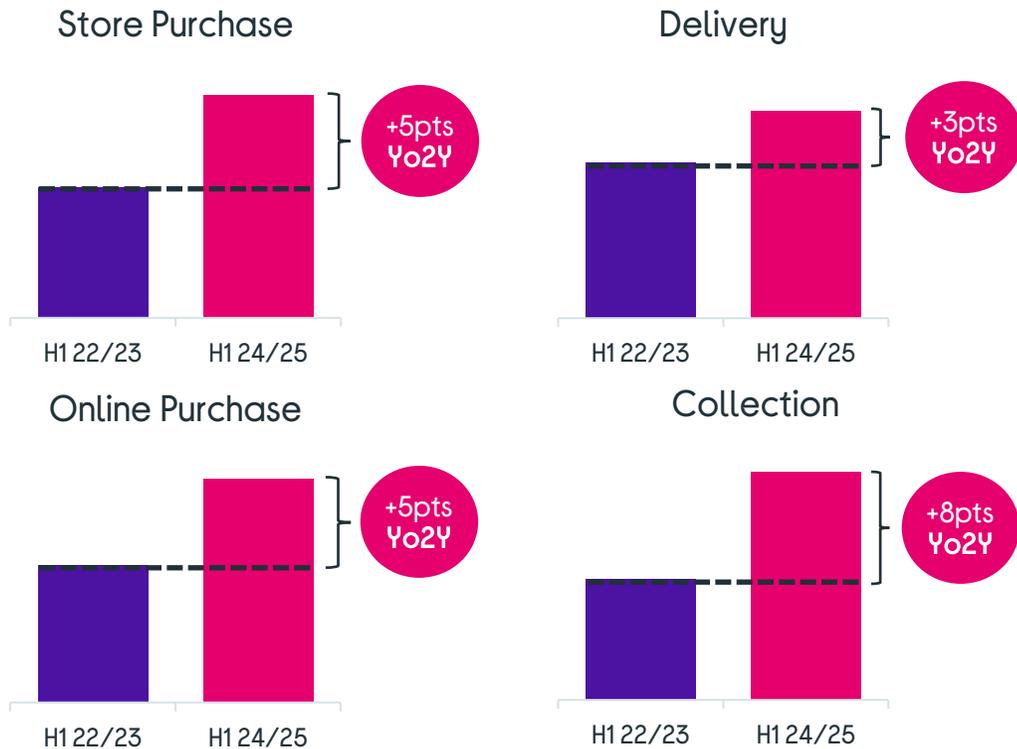
1) Omnichannel sales are defined as any sale that involves two or more channels in the customer purchase journey, predominantly comprising products ordered in-store and delivered to customer, and products ordered online and collected in store

# “Right First Time” is improving customer satisfaction

Delivering significant financial benefits

## 1 Improved customer satisfaction

UK&I CSAT<sup>1</sup>



## 2 Direct cost savings



Reduces repeat visits and costs

## 3 Lower customer acquisition costs



## 4 Increased colleague engagement



Source: Currys internal information  
 1) Voice of customer 7 Day Survey

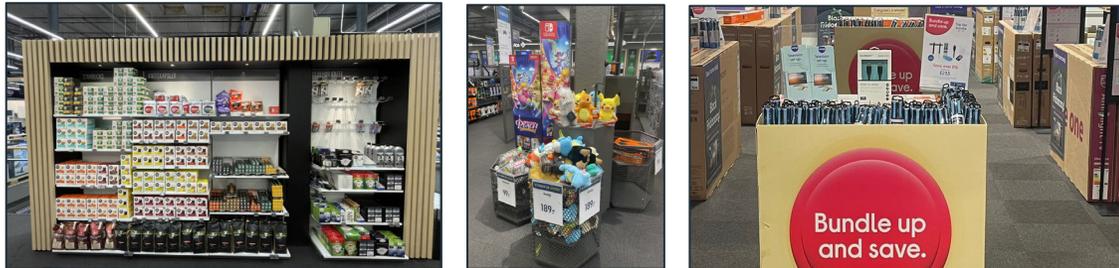
# We're increasingly selling solutions, and not just products alone

Adoption rate of “sold with” has more than doubled in two years

## Improved execution

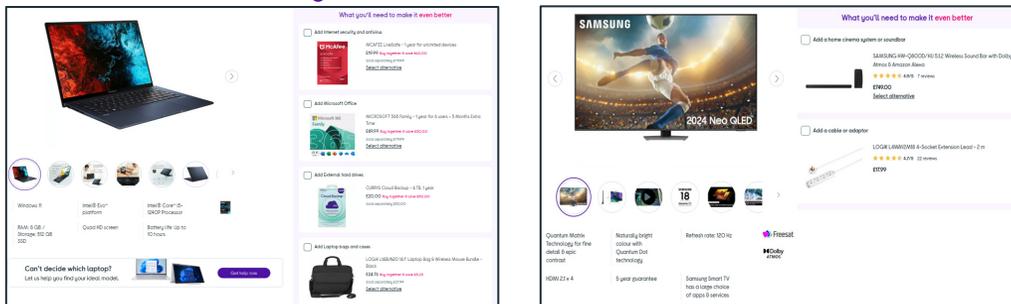
**Instore:** Accessories adjacent to products

**You'll need: tech essentials**



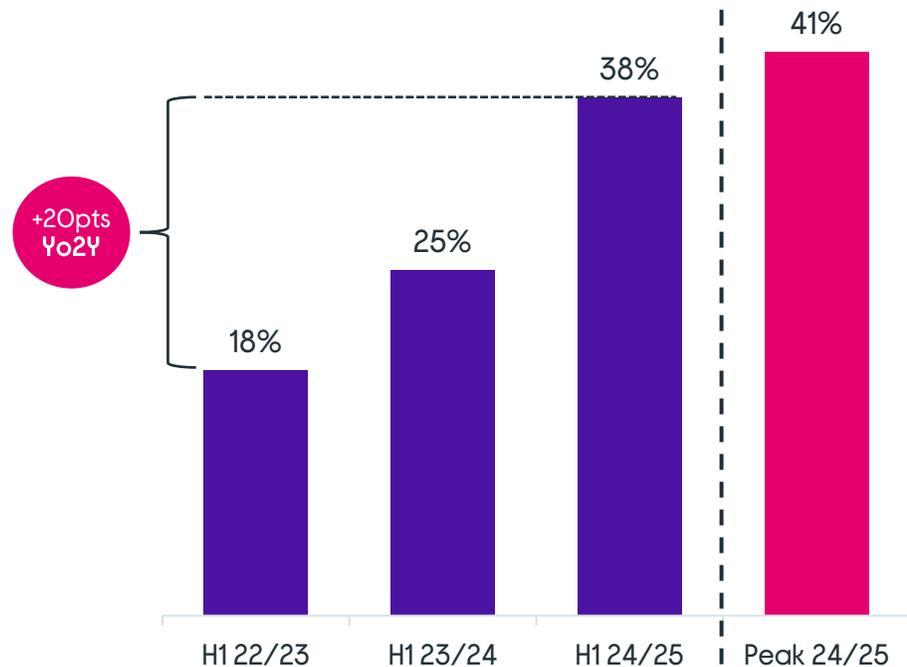
**Online:** Accessory recommendations added

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



## Growing adoption

UK&I “Sold with” adoption rate



Source: Currys internal information

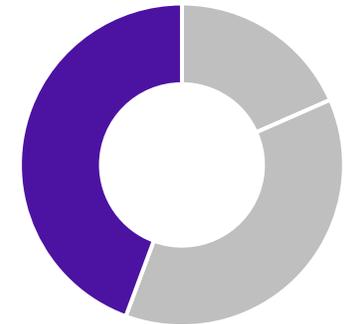
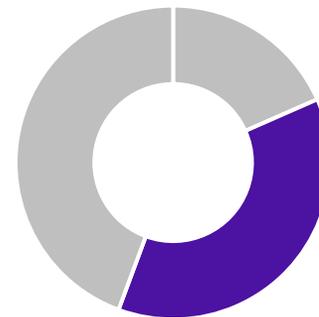
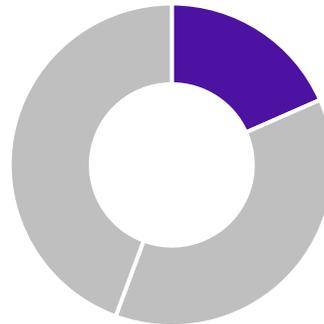
# Services are big, growing, and valuable to customers and to Currys

Source of recurring, higher margin revenue



Services: £674m revenue

>£940m of product sales on Credit  
+63% YoY



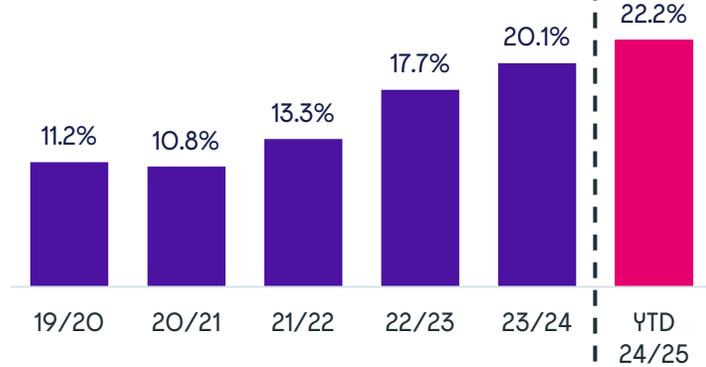
# Credit growth continues, driven by existing customers

Flexpay is now leading way to pay for our customers

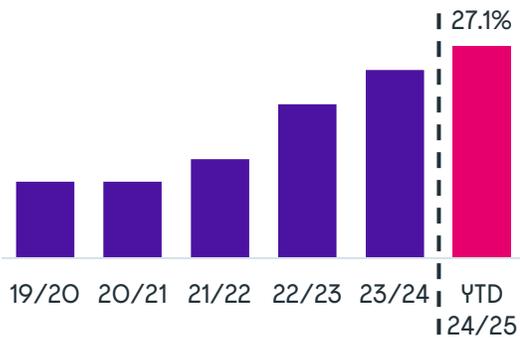


## Credit adoption rising, with online at the forefront

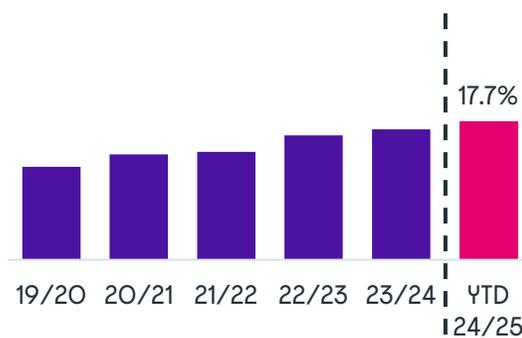
Total credit adoption



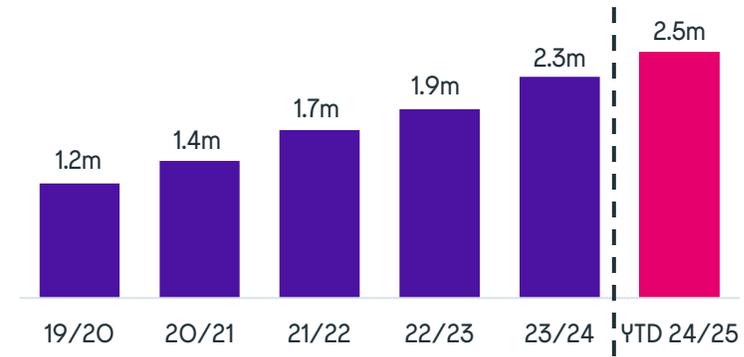
Online credit adoption



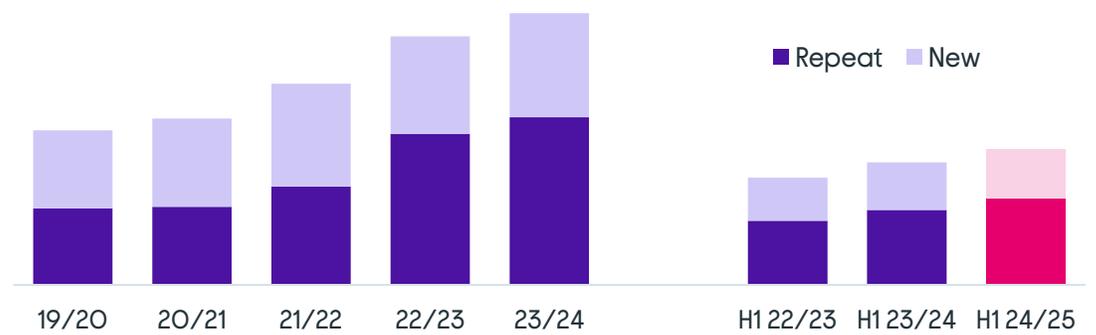
Store credit adoption



## Credit customers steadily increasing



## Credit sales shifting toward repeat spend

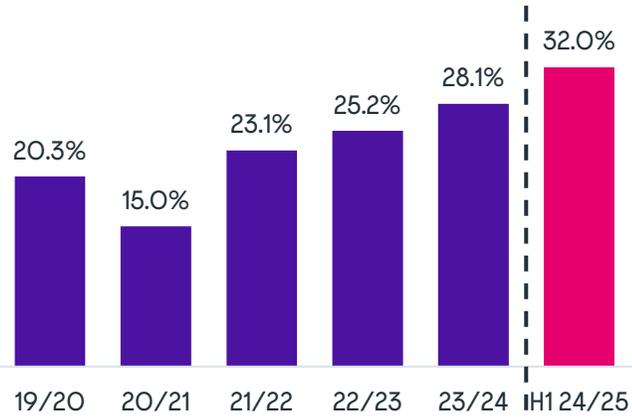


Source: Currys internal information

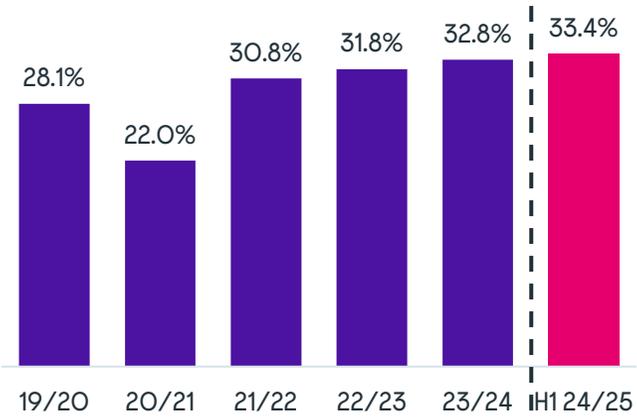
# Services to “get customers started” are becoming ever more valued

Currys is trusted in customers' homes

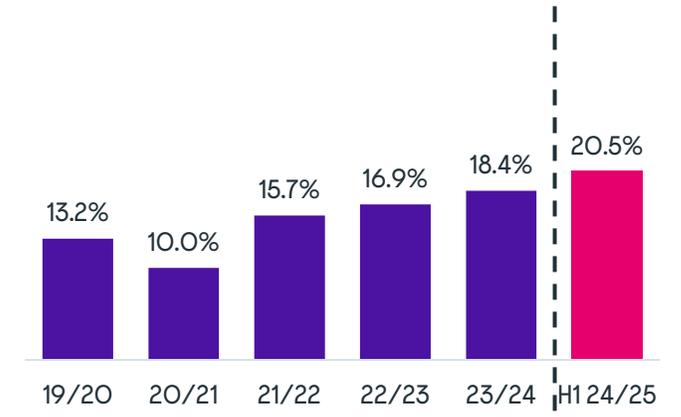
UK Big Box Installation rate



UK Big Box Recycling rate



UK Installation and Recycling rate



Source: Currys internal information

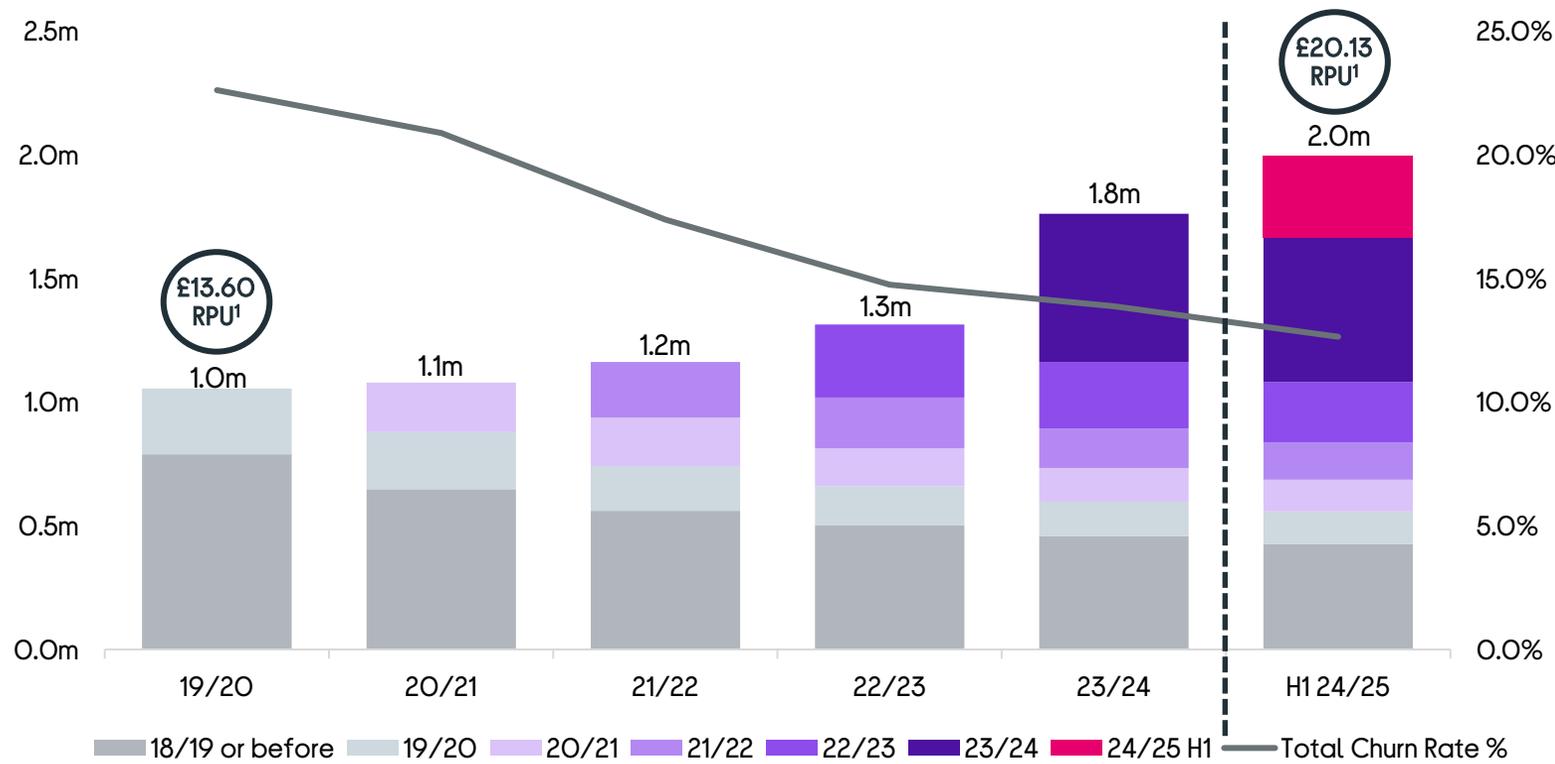


# iD Mobile reached 2.1m subscribers

Source of long-term profit and cashflow



## iD Mobile subscribers by acquisition year



## Vodafone-Three merger

CMA ruling provides additional confidence:

- Secured terms
- Extended contract
- Enhanced network coverage

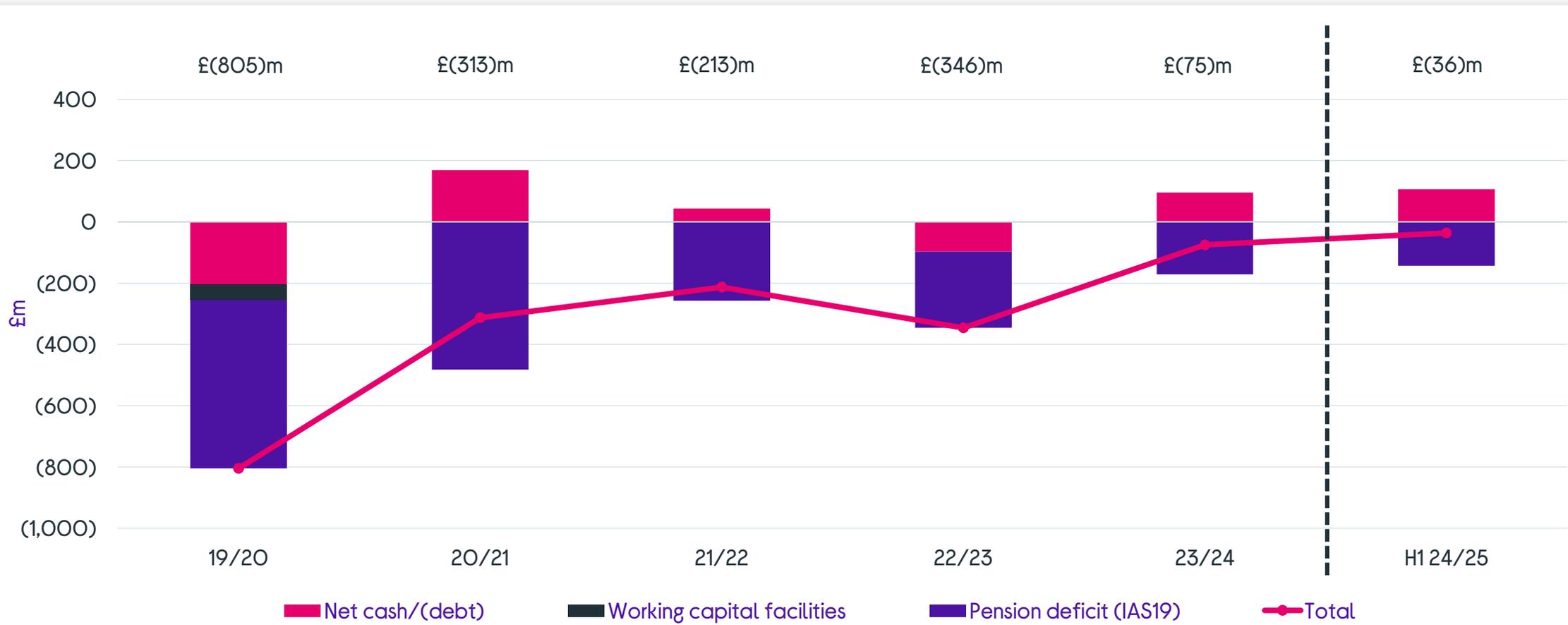
Source: Currys internal information  
 1) Definition: RPU – Revenue per user.

# Outlook



# Balance sheet strengthening

Net cash of £107m and pension deficit of £(143)m

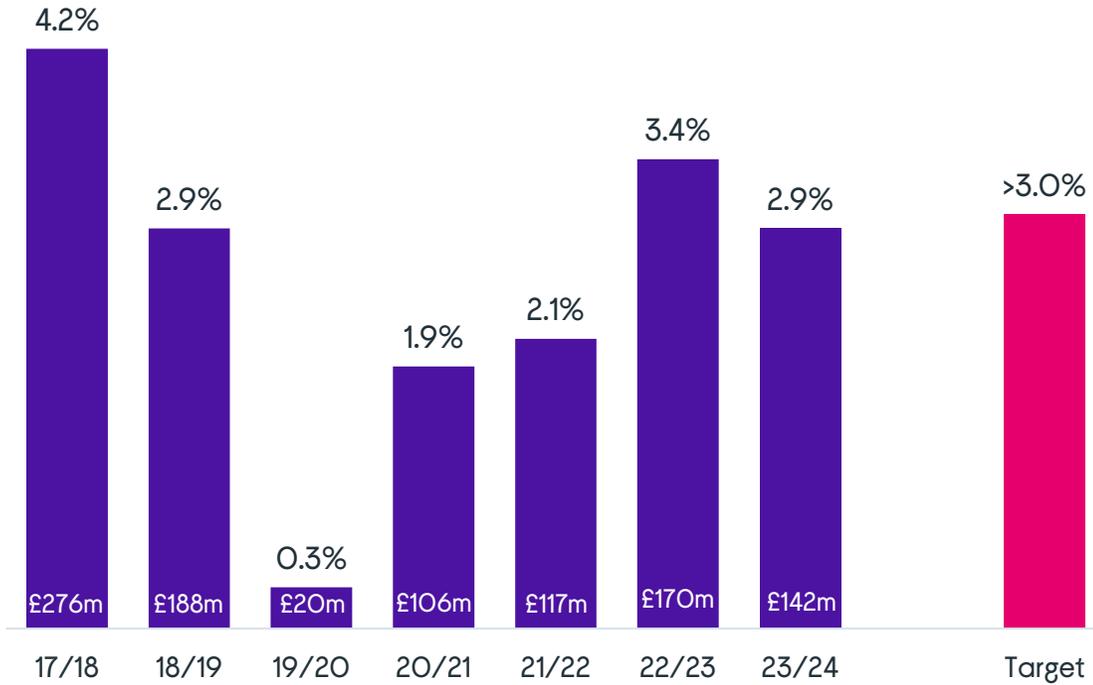


Source: Currays internal information

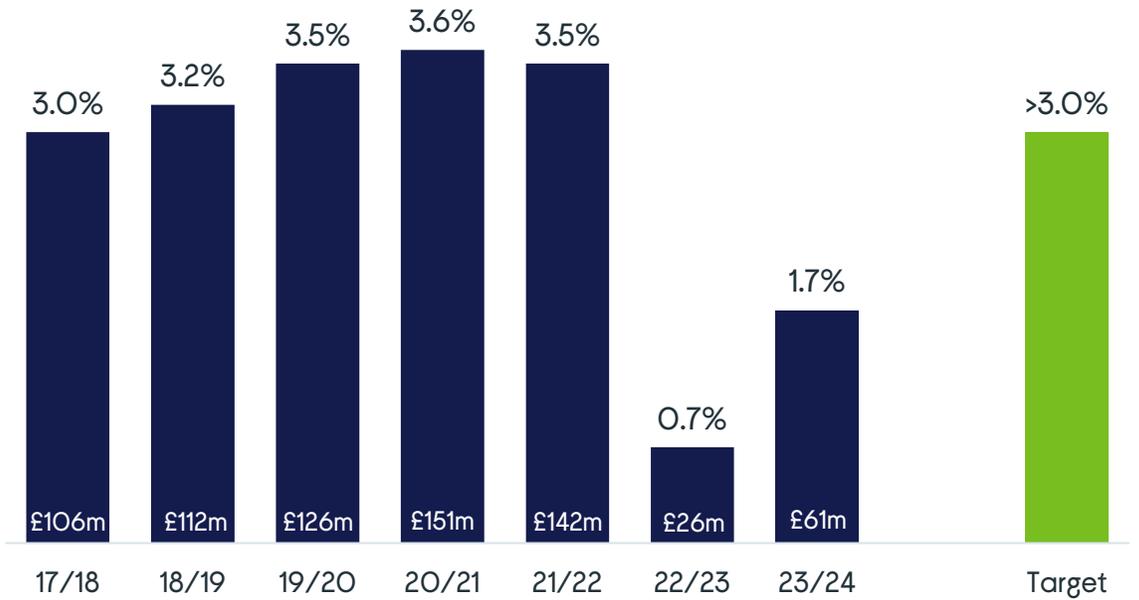
# Clear medium term margin ambitions

Returning to 3% margins is achievable based on historic performance

UK&I adjusted EBIT margin %



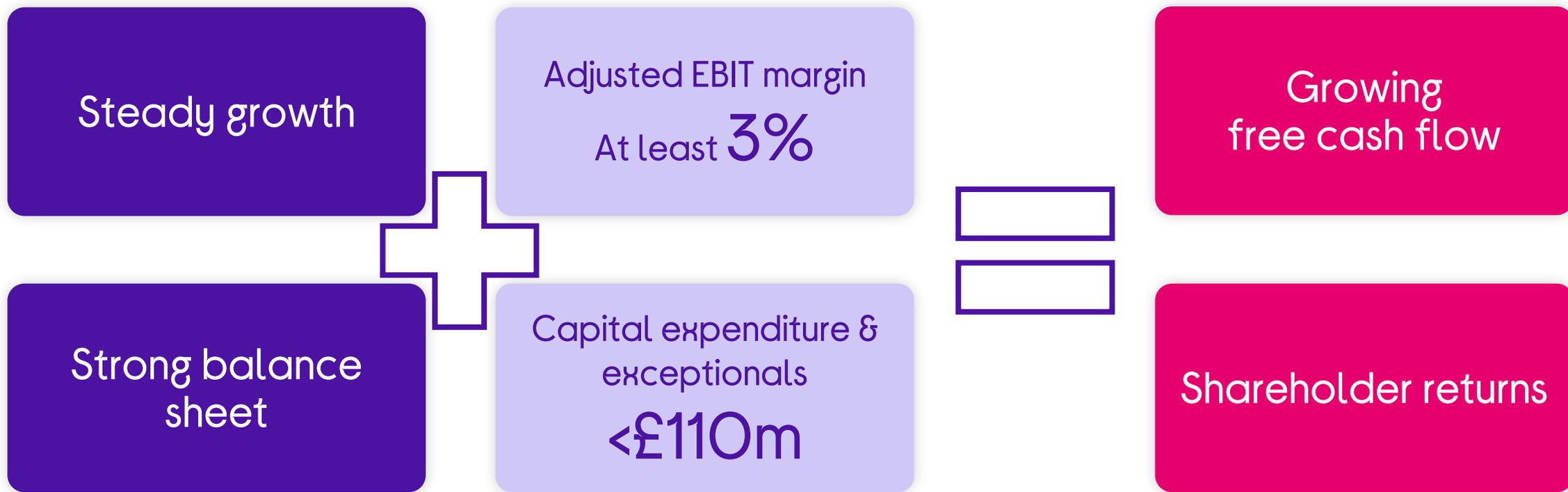
Nordics adjusted EBIT margin %



Source: Currays internal information - 17/18 and 18/19 are pre IFRS16 numbers

# Confident in delivering improved cash flow

Margin improvement alongside tight discipline on capital expenditure, exceptional cash and working capital



Annual free cash flow is defined as operating cash flow less capital expenditure, exceptional cash flow, working capital, cash tax and interest.

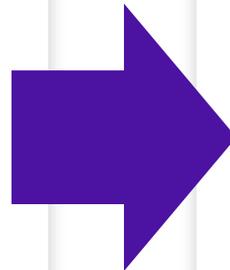
# Clear capital allocation priorities

Resuming dividends for full year 2024/2025

Maintain prudent balance sheet

---

Pay required pension contributions



Invest to grow business/profits/  
cash flow

---

Pay and grow  
ordinary dividend

---

Surplus capital available to return  
to shareholders

# Summary

Performance continuing to strengthen

Strong trading and robust profit outlook in current year

Nordics controlling all the controllables and outperforming in tough environment

Strong balance sheet and clear path to growing free cash flow

UK&I momentum as retail fundamentals and strategic initiatives continue to deliver

Growing shareholder returns: dividends to resume at year end



We help everyone enjoy  
amazing technology.



# A leading omnichannel retailer of tech products and services

Clear focus on generating increasing shareholder returns

International market leader

Clear #1 in every market

Sources: Currys internal information  
1) Latest reported data

### Strategic priorities

#### Capable and Committed Colleagues

UK&I Employee Satisfaction: +14pts (Oct-20 to Oct-24)

UK&I Customer Satisfaction (NPS): +9pts (20/21 to H1 24/25)

#### Easy to Shop

UK&I product sales

- In-store only: 40%
- Both online and in-store: 30%
- Online only: 30%

#### Customers for Life

UK&I customers<sup>1</sup>

- Currys Perks: 8.2m
- Care & Repair: 10.1m
- iD mobile: 2.1m
- Your Plan credit: 2.5m
- Carphone Warehouse: 1.0m

#### Nordics Employee Satisfaction

+2pts (Apr-22 to Oct-24)

+2pts Yo2Y (21/22 to 23/24)

#### Nordics product sales

- In-store only: 70%
- Both online and in-store: 13%
- Online only: 17%

#### Nordic club members

3.0m (19/20) to 9.1m (H1 24/25)

↓

Operating leverage to grow profits and free cash flow

### Significantly improved balance sheet

| Period   | Net cash / (debt) | Working capital facilities | Pension deficit (IAS17) |
|----------|-------------------|----------------------------|-------------------------|
| 19/20    | £(805)m           |                            |                         |
| 22/23    | £(346)m           |                            |                         |
| 23/24    | £(75)m            |                            |                         |
| H1 24/25 | £(36)m            |                            |                         |

Allows for growing shareholder returns

Visit our corporate website

[www.currysplc.com](http://www.currysplc.com)

