Audited Results for the Year Ended 30 April 2022

A stronger Currys, doing more to help customers

We Help Everyone Enjoy Amazing Technology

Alex Baldock, Group Chief Executive

"These strong results show the vital role that technology plays in millions of lives, and that more and more customers are turning to Currys to help them enjoy that technology to the full.

We owe this performance to our thousands of capable and committed colleagues, who've built a stronger Currys. They've loved seeing customers returning to our stores in droves, and helping them with face-to-face expert advice and the full range of our services that ensure customers stick with us. Stores, in tandem with online, give our customers the omnichannel best of both worlds they clearly prefer.

A stronger business allows us to help customers through the cost of living crisis. Our well-established price promise means customers "won't get it cheaper. Full stop" on all products and today we're going even further with "2021 Price Lock", our new price freeze on dozens of great products. We're investing in our energy-efficient "Go Greener" range. We're doing more to help customers spread the cost, announcing "12 month Pay Delay" on every purchase over £99. And we're doubling down on giving longer life to the technology customers already have; as leaders in protection, repair, trade-in and recycling, we're uniquely placed to do so.

Our scale as an international market leader, our grip on costs and our strong relationships with suppliers will allow us to manage inflationary headwinds and keep amazing technology within reach of everyone, even now. That's what Currys exists to do, and it's never mattered more."

Key Highlights

- Strong operational and financial performance; adjusted EBIT margins improved to 2.7% (2020/21: 2.5%)
- Record highs in colleague engagement and customer satisfaction
- Group store sales up +24% (UK&I +61%), higher than expected as customers rediscovered the benefits of stores
- International: Generated 46% of sales and 59% of adjusted profits; entered new market with two stores in Cyprus
- UK&I: Returned to market share growth; sustainable in-year cost savings of £69m
- Repaired over 1.7m pieces of tech during the year
- Ended year with good availability and prudent stock levels

Financial Performance

- Group LFL (3)% (Yo2Y +10%); Revenue (2)% (Yo2Y flat)
- Group adjusted PBT £186m included a level of unexpected network debtor revaluations and settlements (2020/21: £156m)
- Group Profit before tax £126m (2020/21: £33m)
- Free cash flow £72m inc £(88)m working capital outflow (2020/21: £438m inc £454m working capital inflow)
- Year-end net cash £44m (2020/21: £169m) with average net cash £290m, compared to average borrowings of over £350m two years ago
- IAS 19 Pension liability reduced to £(257)m (2020/21: £(482)m)
- £78m returned to shareholders in dividends and buybacks, proposed final dividend of 2.15p to take full year dividend to 3.15p, +5% YoY and remainder of buyback to be executed

All figures are year-on-year unless stated. There are a number of non-GAAP measures and alternative profit measures "APMs" discussed within this announcement. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. Refer to the glossary and definitions section set out at the end of this report for further details on definition, purpose, and reconciliation to nearest statutory measure.

Performance Summary

Our financial results are encouraging, particularly as they were achieved during a year of significant change, uncertainty, and disruption. Group sales were flat YoY on a currency neutral basis, as growth in our International business was offset by the decline in UK & Ireland. This is on the back of a very strong 2020/21 and compared to two years ago Group sales excluding the mobile product category were up +14%.

Revenue	2021/22 £m	2020/21 £m	Year-on-year: Reported % change	Year-on-year: Currency neutral % change	Year-on-year: Like-for-Like % change	Year-on-2-year: Reported% change	Year-on-2-year: Currency neutral % change	Year-on-2-year: Like-for-Like % change
UK & Ireland	**5,485**	5,642	**(3)%**	**(3)%**	**(4)%**	(10)%	(10)%	6%
International	**4,659**	4,702	**(1)%**	**3%**	**(1)%**	15%	17%	15%
- Nordics	**4,105**	4,186	**(2)%**	**2%**	**(2)%**	15%	17%	15%
- Greece	**554**	516	**7%**	**13%**	**4%**	18%	22%	14%
Group	**10,144**	10,344	**(2)%**	**-%**	**(3)%**	-%	1%	10%

Group adjusted EBIT increased +5% YoY, +6% on a currency neutral basis. UK & Ireland adjusted EBIT grew +£19m as headwinds from increased business rates taxes, changes to reflect IT cloud expenditure and cost inflation were more than offset by considerable improvements in gross margin, £69m savings from cost reduction programmes and a positive impact of movement of the network debtor. The in-period movement was £22m higher than we budgeted and is not expected to repeat at this level next year, which explains approximately two-thirds of the beat against our previously announced guidance for adjusted Group PBT of £155m.

At the end of the year we made the decision to discontinue our new credit-based mobile offer and impaired the asset. We will continue selling our now smaller, but profitable, post-pay connectivity proposition. The decision, whilst having no impact on adjusted in-year performance, is likely to reduce future working capital inflows from the network debtor.

The UK&I performance was partially offset by the lower Nordic profits compared to record profits during the first year of Covid. The overall strong performance was delivered alongside a large IT transformation, changing the front-end systems for all colleagues and customers. Gross margin was flat as increased logistics costs were offset by the benefit of stores sales increasing. Operating expenses were higher due to lower government support and additional expenditure on new stores and IT software, offset by cost efficiencies and operating leverage.

Adjusting items to EBIT of £(52)m were mainly impairment losses and onerous contracts related to right-of-use assets, intangible assets and IT contracts.

Profit and Cash Flow Summary	2021/22 £m	2020/21 £m	2021/22 Adjusted £m	2020/21 Adjusted £m	% change	Currency neutral % change
Segmental EBIT						
UK & Ireland	**71**	(11)	**111**	92	21%	22%
International	**151**	158	**163**	170	(4)%	(2)%
- Nordics	**130**	139	**142**	151	(6)%	(5)%
- Greece	**21**	19	**21**	19	11%	22%
EBIT	**222**	147	**274**	262	5%	6%
EBIT Margin	**2.2%**	1.4%	**2.7%**	2.5%	20 bps	20 bps
Net interest expense on leases	**(70)**	(77)	**(70)**	(77)		
Other net finance costs	**(26)**	(37)	**(18)**	(29)		
Profit before tax	**126**	33	**186**	156	19%	21%
Tax	**(55)**	(33)	**(51)**	(33)		
Profit after tax	**71**	-	**135**	123		
EPS – continuing operations	**6.3p**	-p	**11.9p**	10.7p		
Operating cash flow			**361**	338	7%	8%
Operating cash flow margin			**3.6%**	3.3%	30 bps	30 bps
Free cash flow			**72**	438	(84)%	(83)%
Year-end net cash			**44**	169		

Operating cash flow increased +7% as reductions in exceptional cash costs more than offset increased capital expenditure. Towards the end of the year the business invested in working capital to secure supply of stock and lock in good prices, resulting in a temporary working capital outflow and a year-end net cash position of £44m, below previous guidance of greater than £100m. On reported measures, cash generated from operations decreased (43)% to £524m, a +7% improvement excluding working capital. Total average indebtedness was £(1,260)m for the year, almost half of the level of two years ago.

The robust cash flow and balance sheet allowed the business to return £78m to shareholders during the year in dividends and share buybacks. We are proposing a full year dividend of 2.15p, taking the total dividend for 2021/22 to 3.15p and will complete the remainder of the previously announced £75m buyback.

Outlook

Clearly, the outlook for consumer spending is uncertain and although the tech market is still larger than pre-pandemic we are taking a prudent view of our market. Operating an efficient business is a core strength of Currys and we will continue to offset cost inflation with our ongoing saving programmes and vigilant day-to-day cost control. While we are not alone in facing these headwinds we can ride out these issues in ways many competitors can't because of the strength and scale of our business; we are well diversified by geography, retailing products and services that are increasingly essential, across a true omnichannel platform and have balance sheet strength.

Consequently, we will use the expected market weakness as an opportunity to gain share and build long term value. This we will do through building on our strategic priorities and continuing to help customers choose, afford and enjoy amazing technology in what we expect will be a challenging environment.

Against this backdrop and at this early stage in the year, forecasting 2022/23 is difficult. However, based on current trends, and allowing for flexibility to continue investing in our customer propositions, we currently expect adjusted PBT to be in range of £130-150m[1] and for the business to continue to be free cash flow generative during the year.

Looking further ahead, we remain well placed and continue to see opportunities to improve profitability over the medium term. However, given the shift to online and the delays to transformation caused by the Covid-19 pandemic, coupled with the current economic outlook and inflationary headwinds, we are now targeting a 3.0% adjusted EBIT margin by 2023/24 although we would aim to continue to improve it thereafter.

Current year guidance

- Adjusted PBT of £130-150m
- Capital expenditure of £140-160m
- Net exceptional cash costs of around £40m
- Annual pension contribution of £78m

Medium term guidance

- Group targeting 3.0% adjusted EBIT margin by 2023/24 (from 4.0%)
- Remaining £43m of £75m buyback to be completed

Results presentation

There will be a live presentation followed by Q&A call for investors and analysts at 9:30am.
It will be webcast here: https://webcasting.emperor.works/broadcast/629f218fc954c05a392bfa25

Next scheduled announcement

The Group is scheduled to publish its Interim results statement covering the 26 weeks to 29 October 2022 on Thursday 15 December 2022.

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Information on Currys plc is available at www.currysplc.com
Follow us on Twitter: @currysplc

[1] Consensus available here: https://www.currysplc.com/investors/analyst-coverage-and-consensus/. 2022/23 consensus PBT of £145m covers a range of £127-167m.

About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 830 stores in 8 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

In the UK & Ireland we trade as Currys; in the Nordics under the Elkjøp brand and as Kotsovolos in Greece. In each of these markets we are the market leader, employing 32,000 capable and committed colleagues. Our full range of services and support makes it easy for our customers to discover, choose, afford and enjoy the right technology for them, throughout their lives. The Group's operations include state-of-the-art repair facilities and 1,300 engineers in Newark, UK, a sourcing office in Hong Kong and an extensive distribution network, enabling fast and efficient delivery to stores and homes.

Our vision, we help everyone enjoy amazing technology, has a powerful social purpose at its heart. We believe in the power of technology to improve lives, help people stay connected, productive, healthy, and entertained. We're here to help everyone enjoy those benefits and with our scale and expertise, we are uniquely placed to do so.

We're a leader in giving technology a longer life through repair, recycling and reuse. We're reducing our impact on the environment in our operations and our wider value chain and we will achieve net zero[2] emissions by 2040. We offer customers products that help them save energy, reduce waste and save water, and we partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded.

Certain statements made in this announcement are forward-looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable laws, regulations or accounting standards, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Information contained on the Currys plc website or the Twitter feed does not form part of this announcement and should not be relied on as such.

[2] Refer to the glossary and definitions section set out at the end of this report for further details on definition

We Help Everyone Enjoy Amazing Technology

Chief Executive's Review

This year saw Currys emerge from the restrictions of Covid-19 lockdowns. It is now clearer than ever that amazing technology plays a vital role in our customers' lives. It keeps them connected to loved ones, fed and clean, fit and healthy, as well as productive and entertained. As evidence of this, during the year the UK tech market was +14% larger than pre-pandemic while Nordics was +19% larger.

The year saw stores bounce back strongly, with a +24% rise in store sales across the Group (UK&I +61%). Our stores are profitable and on flexible lease lengths, but most importantly, they are truly valued by customers as a destination to see and interact with technology while accessing trusted and expert face-to-face advice. We know that our customers find technology exciting, but they also find it confusing and expensive, and we see it as our role to give them the help they need to choose the latest tech, afford it, get it started, give it longer life, and get the most out of it. As the cost of living rises, we expect the role of stores to become more important as customers will want to make more considered shopping journeys for essential purchases.

After two years of constraints and bottlenecks on supply we are now securing good stock and availability across most categories. Component shortages and manufacturing bottlenecks are still causing stock to be short in a small number of products, but the headwinds from shipping constraints have largely dissipated. We have also made some modest investment in stock to secure supply ahead of expected price rises but overall our stock levels are healthy with good sell-through.

The coming year will also see the full effect of current inflationary headwinds. This touches on our business in three major areas.

- First, the cost of goods rises. On most products we pay in local currency when the goods arrive in our markets, the price increases we are seeing at the moment will be felt by all of our competitors as well. These costs are passed on to consumers, but we seek to proactively mitigate through providing similar, different specification products at alternative price points.
- Second, we see cost inflation in our operating costs. Energy and fuel costs have risen dramatically, and we have continued to invest in tools, training and reward for our colleagues. We planned for cost inflation and have cost saving and efficiency programmes underway to offset much of the headwind but the speed and size of inflation is higher than we expected. We are seeing the benefit of deflation in one of our larger cost areas, with rent falling 41% on UK&I store lease renewals in the last year.
- Finally, inflation is very likely to create a headwind to consumer spending and impact sales, particularly in some of our more discretionary categories. Here we are doubling down on our customer offer and will do all we can to help customers. We won't be beaten on price, we will use our extended ranges to offer products at lower price points and we can help customers spread the cost of technology through responsible credit. We do much more than this; we help customers lower fuel bills with our "Go Greener" range and through Protection, Repairs, Refurbish and Reuse to give tech a longer life and help customers get the best value out of their existing tech. We can do this because we have unique capabilities and scale in this area and our diversification will continue to help us to outperform the market.

These activities are a core part of our business and our social purpose, where we have three strategic priorities:

- Circular economy – we will improve use of our resources and create circular business models
- Climate change – we will achieve net zero[3] by 2040
- Communities – we will help eradicate digital poverty

In all of these areas we have strong credentials and have made significant progress against our objectives in the year. Our scope 1 and 2 carbon emissions fell 40% to 21.3k tonnes during the year[4], marking an 88% reduction over the last 7 years. These credentials and progress have increasingly been recognised externally with the CDP rating our climate change disclosure as A, and high scores from other external agencies.

In the sections below I have outlined the progress made and intended next steps under the three major pillars of our strategy as well as cost inflation and savings programmes.

Capable and Committed Colleagues

Our Capable and Committed Colleagues provide the magic ingredient in helping our customers discover, choose and enjoy amazing technology. Expert face-to-face help is at the heart of why customers shop with us, and that takes skilled and dedicated colleagues.

We continue to make significant investments in developing and rewarding our colleagues. In October we raised all our UK & Ireland colleagues' pay to at least the level of the Real Living Wage and in August 2022 will raise again so that every colleague is earning an hourly rate of at least £10. We are committed to building skills for life. In the UK & Ireland, our colleagues consumed over three million training modules between May 2021 and the end of April 2022 and we provided over 572,000 hours of combined learning. In Elkjøp Nordics, over 22,000 training hours were completed by our colleagues from e-learnings alone. This continued investment in our colleagues is yielding great results. Our most recent employee engagement survey results show that we're becoming a world leader in engagement as at +77, our score is above the external global retail benchmarks for employee engagement.

Our investment in colleagues is rewarded through increased customer satisfaction, leading to market share gains and higher sales. This in turn supports margin growth as colleagues become ever-better at helping customers enjoy the benefits of all the amazing technology and amazing services that we offer.

Omnichannel

Omnichannel is our strategy to create a seamless shopping journey across all channels. Whether it is online, in our 830 stores or using a combination of both channels, we will provide customers with an easy and connected shopping experience across our full range of products and services. The last 12 months have shown us just how important it is to have stores and online working seamlessly together to provide customers a full experience.

Omnichannel starts with a great online experience. Looking at online alone, we are big. Our websites generated 715m visits, the majority of which is free traffic based on the history and high awareness of our brands. As a standalone business our online operations are comfortably larger than our competitors in any market.

In the year we fully rolled out our Nordics "Next Generation Retail" omnichannel platform. This has already yielded pleasing results in both online and store performance. In the UK&I, our e-commerce platform started the transition to Salesforce. The riskiest part of the process has been completed and the anticipated drop in SEO traffic that is associated with any major replatform was both lower and faster to recover than expected. The more exciting upgrades that will give users more personalised content, recommendations and online promotion, and driver greater benefits for us, will come later this year.

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[3] Refer to the glossary and definitions section set out at the end of this report for further details on definition

[4] 2021/22 data not yet assured

Our Group online sales are +31% larger than two-years ago but as expected did decline (29)% in the year with store sales rising +24% (UK&I +61%) year on year as customers returned to our 830 own and franchise stores. It is evidence of customers rediscovering the attraction to the store shopping experience that we saw such strong recovery in sales. Our stores are on average lease lengths of less than five years and almost all are contribution positive. In the UK & Ireland we negotiated leases on 40 stores in the year, with an average rent reduction of 41%, we also closed 5 stores where long term economics did not meet our targets.

More than ever, we're focused on three big customer benefits enabled by our omnichannel strategy: we're "never out of stock", customers can get hold of their tech when they want it, and customers can always access expert face-to-face advice.

- First, for our customers in-store, we're "never out of stock". Our 'Order Online In-Store' sales, where our in-store colleagues sell customers products from the online range, are +118% higher than two years ago in the UK.
- Second, customers can get hold of their technology right now through our Order & Collect service. In the UK order & collect grew +18%, with one-fifth of online orders collected in our stores. Over half these were for same day collection, showing that customers value the immediacy that we can deliver. In the Nordics, 39% of online sales were through Order & Collect, with total sales through this channel growing +49% compared to two years ago.
- Third, customers can now always get the expert face-to-face advice they value, not just in store, but anywhere, 24/7, through ShopLive video shopping. Since stores opened, we continue to see higher customer satisfaction, stronger conversion, and larger average order values than unassisted online.

We created a stronger partnership with GXO this year, simplifying our UK logistics operations by partnering with them for both warehouse and transport logistics – this gives us a faster logistics operation, with more integrated data and reporting as well as GXO's expertise in this field. Looking forward, we have approved investment into warehousing and the next year will see us move into new warehouse space in the UK and break ground on a new distribution centre in Jönköping, Sweden.

Customers For Life

As the leading technology retailer in all our markets, with the ability to serve customers across both channels, we have a significant opportunity to increase our share of customers' tech spend.

This starts by using data to fuel CRM and personalisation. Our Nordic customer club members grew +26% YoY to 6.8m members. We continue to see strong loyalty from these customers as they shop 72% more frequently than non-club members delivering +58% higher revenue and +76% higher gross profit. In total, identified club members represented 46% of Nordics revenue, up +13ppts year-on-year. There is plenty of opportunity to keep growing our club members and our new omnichannel platform has helped us identify more transactions. We have set up a new team to start monetising the data we are collecting. In the UK, Perks, our upgraded and rebranded CRM tool, was launched in the year, which has helped us grow our UK customer base to 11.1m, +16% year-on-year and during the year we added SMS marketing and have 3m permissions already. Our new website will allow us to link Perks to identifiable individual customers, creating opportunities for enhanced personalisation.

We are uniquely positioned to help customers enjoy technology for life – no other retailer or service provider can help customers choose, afford and enjoy technology as we can.

Responsible credit helps customers afford the tech they need when they need it. UK credit customers increased +22% to 1.7m, and credit sales were +21% higher, driven by growth from both new and existing customers. The adoption rate of credit climbed +2.5%pts to 13.3% with online adoption nearly matching that of stores. Credit is now making a meaningful contribution to profits and we're confident that we will reach our 16% targeted adoption rate by 2023/24, particularly as we have seen adoption rate of over 18% in recent weeks.

In Nordics the credit adoption rate climbed to 9.5% (2020/21: 8.3%) of sales while Greece continues to lead credit adoption with over 25% of sales on credit.

We all love new technology and want to feel good about buying a new piece of kit. But we also know that electronic waste is the world's fastest growing waste stream and is expected to grow to nearly 75 million tonnes by 2030. At Currys, we intend to be as famous for helping give customers' tech longer life as we are for helping them choose new tech. Longer life through protection, repair, trade-in and recycling is more important now than ever, when customers are facing into spending headwinds.

We help customers protect products from day one. Across the Group there were 13m protection plans active at the end of the year. We sell these because customers want the peace of mind of protection, and we are able to offer plans at better value than competitors as we run our own repair practices. We can also do standalone repair and our repair centre and in-home teams fixed 1.7m pieces of tech last year. If customers want to replace existing tech, we offer trade-in as a bridge between old and new tech. During the year, our UK business trade-in volumes grew +90%. This is a small area of the business that we intend to focus more of our efforts on. At the end of life we can collect products for recycling, and over 100,000 tonnes of WEEE was collected during the year.

Finally, connectivity is important for helping customers get the most out of tech and driving lifetime relationships. Our UK & Ireland mobile category has been through a significant transformation over the last three years. We have ended legacy volume contracts and closed our standalone Carphone Warehouse stores in UK & Ireland. We offer a wide range of handsets and connectivity through our agreement with Vodafone and on our own MVNO, ID Mobile, which is backed by Three. Our mobile category is now a lot smaller than it was, but it is profitable and all material restructuring costs are behind us. In January we launched our new credit-based mobile offer. Unfortunately, this didn't hit the mark with consumers and fell below the hurdle rates we required for continued investment. We have made the sensible decision to cease the credit-based offer. At the same time, the post-pay market has stabilised and we have proven it can be run profitably as part of our overall tech offer. We will therefore continue putting our weight behind post-pay and look to build market share, which has stabilised over the last six months.

Cost inflation and saving initiatives

During the year, inflation in UK&I alone raised non-product costs by more than £50m. This was driven by about £22m each for wages and shipping with a further £8m in energy costs.

Against this inflationary headwind we have a target of saving a cumulative £300m of annual costs in the UK&I in the three years of 2021/22 to 2023/24. In the first year of this programme we delivered sustainable in-year savings of £69m, which was slightly ahead of our plans. This included £12m of supply chain savings due to focus on driving improved and more efficient processes across a full range of initiatives. We made £30m savings in IT and central costs from reorganisation and removal of duplication and reductions in GNFR totalling £19m. Finally, savings in stores were £8m as we continue to make improvements to our operating model.

In the year ahead we will realise the full year benefit of savings already made and deliver further savings across goods-not-for-resale, supply chain and store operations, and IT costs.

Performance Review

All figures are year-on-year unless stated. There are a number of non-GAAP measures and alternative profit measures "APMs" discussed within this announcement. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. Discussion of statutory performance is shown within each segment and for the overall Group. Refer to the glossary and definitions section set out at the end of this report for further details on definition, purpose, and reconciliation to nearest statutory measure.

Group sales were in-line with last year on a currency neutral basis, as +3% growth in our International business was offset by a (3)% decline in UK & Ireland due to the anticipated reduction in mobile revenue. Adjusted EBIT increased 5% to £274m with growth in UK & Ireland and Greece offset by declines in the Nordics against the very strong performance last year.

Income Statement	**2021/22 £m**	2020/21 £m	% change	Currency neutral % change
Adjusted revenue	**10,122**	10,330		
Revenue	**10,144**	10,344	(2)%	-%
Adjusted EBITDA	**588**	598	(2)%	-%
Adjusted EBITDA margin	**5.8%**	5.8%	- bps	- bps
Depreciation on right-of-use assets	**(190)**	(200)		
Depreciation on other assets	**(62)**	(79)		
Amortisation	**(62)**	(57)		
Adjusted EBIT	**274**	262	5%	6%
Adjusted EBIT margin	**2.7%**	2.5%	20 bps	20 bps
Interest on right-of-use assets	**(70)**	(77)		
Finance income	**2**	6		
Adjusted finance costs	**(20)**	(35)		
Adjusted PBT	**186**	156	19%	21%
Adjusted PBT margin	**1.8%**	1.5%	30 bps	30 bps
Adjusted tax	**(51)**	(33)		
Adjusted Profit after tax	**135**	123		
Adjusted EPS	**11.9p**	10.7p		
Statutory Reconciliation				
Adjusting items to EBITDA	**(28)**	(89)		
EBITDA	**560**	509		
Adjusting items to depreciation and amortisation	**(24)**	(26)		
EBIT	**222**	147	51%	55 %
EBIT Margin	**2.2%**	1.4%	80 bps	80 bps
Adjusting items to finance costs	**(8)**	(8)		
PBT	**126**	33		
Adjusting items to tax	**(4)**	-		
Discontinued operations	**-**	12		
Profit after tax	**71**	12		
EPS – total	**6.3p**	1.0p		

Operating cash flow increased +7% to £361m for the year, largely driven by a reduction in cash payments for leases. Net adjusting items to cash flow reduced from £(173)m to £(33)m as restructuring outflows reduced significantly and cash payments for closed stores were partially offset by £53m one-off cash inflows for historic settlements. Capital expenditure increased to £133m following the resumption of a number of projects that were paused during the prior year's lockdown periods. Free cash flow excluding working capital totalled £160m, after two years of outflow. Working capital outflow was £(88)m (2020/21: inflow of £454m), as the business made moderate investments in stock to secure stock as good prices. The prior year benefited from a large capital inflow due to early repayment of network debtor by EE.

Total free cash flow generated was £72m which after pension contributions, returns to shareholders and other payments resulted in cash outflows of £(125)m, leading to a year-end net cash position of £44m.

Cash flow	**2021/22 £m**	2020/21 £m	% change	Currency neutral % change
Adjusted EBITDAR	**602**	611	(1)%	-%
Adjusted EBITDAR margin	**5.9%**	5.9%	- bps	- bps
Cash payments of leasing costs, debt & interest[1]	**(263)**	(288)		
Other non-cash items in EBIT	**22**	15		
Operating cash flow[1]	**361**	338	7%	8%
Operating cash flow margin	**3.6%**	3.3%	30 bps	30 bps
Capital expenditure	**(133)**	(122)	(9)%	
Adjusting items to cash flow[1]	**(33)**	(173)	81%	
Segmental free cash flow before working capital	**195**	43		
Working capital	**(88)**	454		
Segmental free cash flow	**107**	497	(78)%	(77) %
Cash tax paid	**(18)**	(35)		
Cash interest paid	**(17)**	(24)		
Free cash flow	**72**	438	(84)%	(83)%
Shareholder returns[2]	**(78)**	-		
Purchase of own shares by EBT	**(41)**	(13)		
Pension	**(78)**	(47)		
Other	**-**	(5)		
Movement in net cash	**(125)**	373		
Net cash	**44**	169		

[1] Cash payments of leasing cost, debt and interest exclude non-trading stores.
[2] Comprise £46m of dividends and £32m share buyback.

Online Share of Business	**2021/22**	2020/21	2019/20	**Year-on-Year (%pts)**	Year-on-2-Year (%ppts)
UK & Ireland	**45%**	65%	32%	**(20)%**	13%
International	**23%**	28%	18%	**(5)%**	5%
- Nordics	**25%**	29%	19%	**(4)%**	6%
- Greece	**9%**	21%	8%	**(12)%**	1%
Group	**35%**	48%	27%	**(13)%**	8%

UK & Ireland

	2021/22	2020/21		Currency neutral
	£m	£m	% change	% change
Income Statement				
Adjusted revenue	**5,463**	5,628	(3)%	(3)%
Revenue	**5,485**	5,642	(3)%	(3)%
Adjusted EBITDA	**280**	291	(4)%	(3)%
Adjusted EBITDA margin	**5.1%**	5.2%	(10) bps	(10) bps
Depreciation on right-of-use assets	**(100)**	(110)		
Depreciation on other assets	**(29)**	(46)		
Amortisation	**(40)**	(43)		
Adjusted EBIT	**111**	92	21%	22%
Adjusted EBIT margin	**2.0%**	1.6%	40 bps	40 bps
Adjusting items to EBIT	**(40)**	(103)		
EBIT	**71**	(11)	n/a	n/a
EBIT margin	**1.3%**	(0.2)%	150 bps	150 bps
Cash flow				
Adjusted EBITDAR	**289**	298	(3)%	(2)%
Adjusted EBITDAR margin	**5.3%**	5.3%	- bps	10 bps
Cash payments of leasing costs, debt & interest[1]	**(155)**	(168)		
Other non-cash items in EBIT	**18**	8		
Operating cash flow[1]	**152**	138	10%	10%
Operating cash flow margin	**2.8%**	2.5%	30 bps	30 bps
Capital expenditure	**(65)**	(60)	(8)%	
Adjusting items to cash flow[1]	**(33)**	(173)	81%	
Segmental free cash flow before working capital	**54**	(95)		
Network Debtor	**71**	391		
Working capital	**(16)**	(26)		
Segmental free cash flow	**109**	270	(60)%	(60)%

[1] Cash payments of leasing cost, debt and interest exclude non-trading stores.

Total UK & Ireland like-for-like sales declined (4)% due to the expected decline in mobile revenue and lower in-year revenue in iD Mobile. UK & Ireland like-for-like electrical category sales were down (4)% compared to last year but up +13% compared to two years ago. Total revenue was down (3)% due to the like-for-like decline and closure of the Carphone Warehouse Ireland business at the end of the prior period offset by an increase in non-product revenue which is excluded from like-for-like. During the year, five UK stores were permanently closed.

During the period, the online share of business was +45%, down (20)ppts on last year as store sales grew +61% having been closed for significant periods of the prior year. Compared to two years ago online share of business was up +13ppts as customers have benefited from the improvement to our omnichannel propositions.

Domestic appliance sales benefited from the reopening of our stores and were the strongest performing category across the year, with strong growth in almost all areas of white goods and sales up slightly on two years ago. Consumer electronics were down during the year with particular weakness in smaller screen TVs where there was heightened promotional activity in the market. As a category, consumer electronics has seen the least uplift in sales during the pandemic. In computing, sales were below last year as strength in gaming and accessories was offset by declines in laptops and tablets. Compared to two years ago, overall computing sales were up almost one-quarter and the shorter replacement cycle we are seeing points to a sustainably larger market.

Currys UK market share[5] was 25.6%, up +90bps compared to last year as customers returned to stores. Compared to two years ago, our overall share is down (90)bps due to the market shift to online but we have gained +2ppts share in both stores and online. Simply holding share in both channels would have resulted in our sales being 7% lower.

Our performance in Republic of Ireland was weaker as stocking issues related to Brexit impacted both sales and margin during the year.

Adjusted UK&I EBIT increased +£19m to £111m, which included isolated impacts to profit of £(39)m for business rates tax, £(20)m as changes in iD contract terms drove lower in-year revenue (without impacting the underlying economics of iD Mobile) and £(15)m for changes to reflect IT cloud expenditure. Against this, there was a £22m year-on-year benefit from the network debtor revaluation and settlements.

Excluding the offsetting isolated impacts, gross margins improved by +110bps including a headwind of (70)bps from inflationary increases in wages and shipping, offset by +30bps of cost savings and +40bps positive impact from network debtor revaluation. The strong positive remaining change was driven by the benefit of stores reopening and increased adoption rates in strategic focus areas of credit and services.

Excluding the (100)bps impact of isolated profit impacts, the operating expense to sales ratio improved by +30bps as a (30)bps headwind from inflation was more than offset by store payroll, goods-not-for-resale, IT and central cost savings as well as lower depreciation charges.

In the period, adjusting items to EBIT totalled £(40)m. Strategic change costs of £6m including restructuring and rebranding that were partially offset by the release of property provisions no longer required following the early exit from previously closed stores. Impairment losses and onerous contracts of £62m related to right-of-use, intangible assets and IT contracts. Amortisation of acquisition intangibles totalled £(13)m. These costs have been partially offset by £22m of positive out of period network debtor revaluations and credits relating to the one-off settlements from third parties. The total gross cash outflow was £86m, offset by £53m of settlements received.

EBIT for the period increased by £82m to £71m.

	2021/22 £m		2020/21 £m	
	P&L	**Cash**	P&L	Cash
Mobile network debtor revaluations	**22**	**-**	14	-
Acquisition / disposal related items	**(13)**	**(1)**	(14)	(2)
Strategic change programmes	**(6)**	**(63)**	(41)	(153)
Impairment losses and onerous contracts	**(62)**	**(20)**	(100)	(16)
Regulatory	**1**	**(1)**	7	(4)
Other	**18**	**52**	31	2
Total	**(40)**	**(33)**	(103)	(173)

EBITDAR was broadly in line with last year, while cash leasing costs declined due to an average net effective rent reduction of (41)% obtained on the 40 stores renewed during the year, the closure of the Carphone Warehouse Ireland business at the end of the prior period and a small benefit from timing of rent payments. Non-cash items increased, as prior year included £6m profit on disposal of assets. This resulted in operating cash flow increasing +10% to £152m.

Capital expenditure was £65m, with significant areas of expenditure including supply chain, new websites and branding investments. Adjusting items to cashflow are described above. Network Debtor cash flow was £71m from £391m last year, as the mobile revenue decline decelerated, and the prior year benefited from the early network debtor repayment by EE. Working capital outflow of £(16)m is largely a result of timing of cash receipts and payments. In combination, this resulted in segmental free cash flow of £109m, £(161)m lower than last year.

[5] Source: GfK

Nordics

	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Income Statement				
Revenue	**4,105**	4,186	(2)%	2%
Adjusted EBITDA	**264**	267	(1)%	1%
Adjusted EBITDA margin	**6.4%**	6.4%	- bps	(10) bps
Depreciation on right-of-use assets	**(76)**	(77)		
Depreciation on other assets	**(27)**	(27)		
Amortisation	**(19)**	(12)		
Adjusted EBIT	**142**	151	(6)%	(5)%
Adjusted EBIT margin	**3.5%**	3.6%	(10) bps	(20) bps
Adjusting items to EBIT	**(12)**	(12)		
EBIT	**130**	139	(6)%	(5)%
EBIT margin	**3.2%**	3.3%	(10) bps	(20) bps
Cash flow				
Adjusted EBITDAR	**267**	271	(1)%	1%
Adjusted EBITDAR margin	**6.5%**	6.5%	- bps	- bps
Cash payments of leasing costs, debt & interest	**(90)**	(100)		
Other non-cash items in EBIT	**4**	5		
Operating cash flow	**181**	176	3%	5%
Operating cash flow margin	**4.4%**	4.2%	20 bps	10 bps
Capital expenditure	**(56)**	(52)	(8)%	
Adjusting items to cash flow:	**-**	-	-%	
Segmental free cash flow before working capital	**125**	124		
Working capital	**(113)**	64		
Segmental free cash flow	**12**	188	(94)%	(91)%

Revenue grew by +2% on a currency neutral basis, with a like-for-like sales decline of (2)%. During the year, we opened a net total of seven stores including four in Sweden and three franchise stores. Against two years ago, currency neutral sales grew +17%, driven by +15% like-for-like growth.

Online sales declined (14)% but remained +50% larger than two years ago, with online now contributing to 25% of sales, down (3)ppts on last year but up +6ppts compared to two years ago.

The overall market share was 25.9%, a decline of (90)bps (1H: (140)bps, 2H: (40)bps) compared to last year but broadly flat over the last two years as we have taken share online and in-store to overcome the market shift towards online.

Sale of domestic appliances saw continued growth with customers moving towards higher specification and energy saving products, this category has seen largest improvement since the start of the pandemic. Computing sales were in line with last year as VR gaming proved a very popular area. Against strong trading during the pandemic, consumer electronics decreased across most areas with only the smart home segment in growth during the year. TVs declined overall but demand for home cinema experiences was evidenced through strong growth of 70”+ TVs, while noise cancelling headphone proved popular for people returning to busy environments.

Gross margin was flat as increased logistics costs were offset by positive impact of stores increased share of business. The operating expense to sales ratio was down (10)bps year-on-year as lower government support, extra costs of new stores and temporarily running dual IT systems was offset by operating leverage and ongoing cost efficiencies.

As a result, adjusted EBIT decreased by £(9)m to £142m, from £151m in 2020/21. Compared to two years ago, EBIT has increased by +£16m.

In the period, adjusting items to EBIT totalled £(12)m, this was entirely due to the amortisation of acquisition intangibles and had no cash impact. EBIT decreased £(9)m to £130m.

The operating cash flow increased by 3% to £181m, driven by lower cash leasing costs as payment profiles normalised with the prior year impacted by timing of 2019/20 payments deferred due to Covid-19, and foreign exchange, as EBITDAR was broadly inline year on year. Capital expenditure was £56m, with significant areas of expenditure including our Next Generation Retail platform and store refits. Working capital was an outflow of £(113)m as the business made strategic decision to invest in stock to secure good prices and availability for our customers.

Greece

	2021/22 **£m**	2020/21 £m	% change	Currency neutral % change
Income Statement				
Revenue	**554**	516	7%	13%
Adjusted EBITDA	**44**	40	10%	18%
Adjusted EBITDA margin	**7.9%**	7.8%	10 bps	40 bps
Depreciation on right-of-use assets	**(14)**	(13)		
Depreciation on other assets	**(6)**	(6)		
Amortisation	**(3)**	(2)		
Adjusted EBIT	**21**	19	11%	22%
Adjusted EBIT margin	**3.8%**	3.7%	10 bps	20 bps
Adjusting items to EBIT	**-**	-		
EBIT	**21**	19	11%	22%
EBIT margin	**3.8%**	3.7%	10 bps	20 bps
Cash flow				
Adjusted EBITDAR	**46**	42	10%	15%
Adjusted EBITDAR margin	**8.3%**	8.1%	20 bps	10 bps
Cash payments of leasing costs, debt & interest	**(18)**	(20)		
Other non-cash items in EBIT	**-**	2		
Operating cash flow	**28**	24	17%	26%
Operating cash flow margin	**5.1%**	4.7%	40 bps	60 bps
Capital expenditure	**(12)**	(10)	(20)%	
Adjusting items to cash flow	**-**	-	-%	
Segmental free cash flow before working capital	**16**	14		
Working capital	**(30)**	25		
Segmental free cash flow	**(14)**	39	n/a	n/a

Revenue increased +13% on a currency neutral basis, with like-for-like sales growth of +4%. Against two years ago, like-for-like revenue grew +14%.

Online sales declined (51)% during the year but remained 40% larger than two years ago. The decline was more than offset by in-store sales which increased +47% as stores remained open for the full period, with prior year impacted by Government enforced store closures.

We opened two stores in Cyprus which have performed well, we will open more in the future.

Sales were up in almost all categories with particularly strong growth in Air Conditioning sales due to the hot summer. The Government's Digital Care initiative continued to drive growth in Telecoms and Tablet sales while Computing sales were down marginally although remained +29% higher than two years ago.

Gross margin was up +200bps over prior year as a result of higher product margin driven by the shift back to in-store sales and strong performance of new insurance products. Operating costs increased to meet sales demand and energy costs increased while government support declined following the end to furlough schemes and Government backed rent reductions.

As a result, adjusted EBIT increased +11% to £21m, from £19m in 2020/21. There were no adjusting items to EBIT, resulting in EBIT of £21m.

The operating cash flow was £28m, up from £24m in the prior year due to improved EBITDAR and reduced cash payments for leases. Capital expenditure was £12m, with significant areas of expenditure including digital transformation and property. Working Capital outflow of £(30)m was driven by increased stock balances at the end of the period having secured supply of cooling products for the upcoming Government subsidy programme, and laptops for the Government's Digital Care expansion with teachers also to be granted a €200 coupon to spend.

Finance Costs

Interest on lease liabilities was £(70)m, a slight decrease on prior year due to lower lease liabilities, the cash impact of this interest is included within segmental free cash flow.

The adjusted net finance costs were lower than last year, due to the Group's improved average cash position and the prior year including a write-off of arrangement and extension fees on legacy facilities that were replaced during refinancing in April 2021. The net cash impact of these costs was £(17)m, from £(24)m in the prior year due to the higher average cash position, right sizing of available facilities to reflect lower debt levels at the end of the prior year and reduced costs of hedging.

The finance costs on the defined benefit pension scheme is an adjusting item and is flat year-on-year in line with the assumptions used in the valuation of the pension obligations.

	2021/22	2020/21
	£m	£m
Interest on lease liabilities	**(70)**	(77)
Finance income	**2**	6
Finance costs	**(20)**	(35)
Adjusted net finance costs	**(88)**	(106)
Finance costs on defined benefit pension schemes	**(8)**	(8)
Net finance costs	**(96)**	(114)

Reported Profits

Profit before tax has increased +282% to £126m. This is driven by the +51% increase in EBIT to £222m and a (16)% reduction in finance costs to £(96)m. The increase in EBIT is explained within the segmental analysis, while the finance costs are described above.

The overall reduction in impact of adjusting items is primarily as a result of lower impairment losses and decreased restructuring costs in the UK&I segment.

Tax

The full year adjusted effective tax rate of 27% was higher than the previous year rate of 21% due to the movement in unprovided deferred tax and prior year adjustments. Taxation payments of £18m (2020/21: £35m) were lower due to deferral of Norwegian payments following an internal reorganisation.

Cash flow

	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Adjusted EBITDAR	**602**	611	(1)%	-%
Cash payments of leasing costs, debt & interest	**(263)**	(288)		
Other non-cash items in EBIT	**22**	15		
Operating cash flow	**361**	338	7%	8%
Capital expenditure	**(133)**	(122)	(9)%	
Adjusting items to cash flow	**(33)**	(173)	81%	
Segmental free cash flow before working capital	**195**	43		
Working capital and network commissions	**(88)**	454		
Segmental free cash flow	**107**	497	(78)%	(77)%
Cash tax paid	**(18)**	(35)		
Cash interest paid	**(17)**	(24)		
Free cash flow	**72**	438	(84)%	(83)%
Shareholder returns[2]	**(78)**	-		
Net purchase of shares by EBT	**(41)**	(13)		
Pension	**(78)**	(47)		
Other	**-**	(5)		
Movement in net debt	**(125)**	373		
Opening net cash / (debt)	**169**	(204)		
Closing net cash / (debt)	**44**	169		

Segmental free cash flow was an inflow of £107m (2020/21: £497m), and after cash and interest outflows of £(35)m which are described above, resulted in free cash flow of £72m (2020/21: £438m).

During the year £78m was returned to shareholders, comprising £32m of shares repurchased and cancelled as part of the previously announced share buyback and £46m of dividends paid. The employee benefit trust also acquired £41m of shares to satisfy colleague share awards that vested in year or are expected to vest in future periods.

Pension contributions of £78m (2020/21: £47m) were higher than prior year as we ended the reduced contribution agreed with the pension Trustees during Covid-19.

The closing net cash position was £44m compared to a net cash position of £169m at 1 May 2021. This included £30m of restricted cash (2020/21: £35m). The average net cash for the year was £290m (2020/21: £280m).

The Board has proposed a final dividend of 2.15p per ordinary share for the year ended 30 April 2022. The dividend will be paid on 16 September 2022 to shareholders registered at the close of business on 5 August 2022. The ex-dividend date will be 4 August.

Balance sheet

	30 April 2022 £m	1 May 2021 £m
Goodwill	**2,814**	2,851
Other fixed assets	**1,554**	1,661
Network commission receivables and contract assets	**190**	239
Working capital	**(532)**	(684)
Net cash / (debt)	**44**	169
Net lease liabilities	**(1,263)**	(1,322)
Pension	**(257)**	(482)
Deferred tax	**74**	100
Provisions	**(59)**	(85)
Other	**(64)**	(66)
Net assets	**2,501**	2,381

Goodwill decreased £37m in the period to £2,814m due to currency revaluation of Nordics goodwill.

Other fixed assets decreased by £(107)m since 1 May 2021 as additions of £320m were more than offset by amortisation and depreciation of £(338)m and impairments of £(65)m, primarily over right-of-use and intangible assets in UK & Ireland. These impairments primarily related to non-trading right-of-use assets no longer occupied and software development costs that related to our credit-based mobile offer which we discontinued after it fell below the hurdle rates we required for continued investment.

Network commission receivables and contract assets decreased by £(49)m as the amount of new revenue capitalised was lower than payments received.

At year-end, total working capital was £(532)m. Group inventory was £1,286m, higher than prior year as the Group invested to lock in price and secure the supply of scarce stock to mitigate potential supply chain and inflationary headwinds next year while trade payables increased by +£194m to £(1,614)m (2020/21: £(1,420)m) for the same reasons. Over the year stock turn decreased from 6.8 to 6.4 as more sales were in store (that has naturally slower stock turn) and availability improved. Trade payable days increased from 73 to 77 since 1 May 2021 while trade receivable days decreased from 32 to 22.

Other receivables increased by +£101m (2020/21: £192m) since 1 May 2021 due to additional accrued income driven by a change in contractual terms for iD Mobile and prepayments for project license fees. Other payables fell by £60m predominantly due to lower payroll accruals and a reduced UK&I right-to-return liability due to lower online sales.

	30 April 2022 £m	1 May 2021 £m
Inventory	**1,286**	1,178
Trade Receivables	**336**	294
Trade Payables	**(1,614)**	(1,420)
Trade working capital	**8**	52
Other Receivables	**293**	192
Other Payables	**(850)**	(910)
Derivatives	**17**	(18)
Working capital	**(532)**	(684)

The Group closing cash position reduced by £125m to £44m for reasons explained within the cash flow analysis above.

Lease liabilities reduced mainly due to the early exit of our closed standalone Carphone Warehouse stores in both the UK and Ireland while lease cash payments exceeded the present value of leases renewed on improved terms. Of the 69 Carphone Ireland stores closed in April 2021, 65 leases were exited in the year.

The IAS 19 accounting deficit of the defined benefit section of the UK pension scheme amounted to £257m (2020/21: £482m). The deficit decrease was largely driven by an increase in the discount rate applied to future liabilities and contributions of £78m (2020/21: £47m). This has been partly offset by increases in inflation rate assumptions and a reduction in the value of the underlying assets.

A full actuarial valuation is currently being carried out on the defined benefit section of the UK pension scheme as at 31 March 2022.

As at 30 April 2022 the Group had net cash of £44m (2020/21: £169m) and held on average £290m net cash throughout the year (2020/21: £280m). The Group also had access to £543m across two revolving credit facilities; both facilities were extended by an additional year and now expire in April 2026. The covenants on our debt facilities are fixed charge cover > 1.5x (2021/22: 2.23x) and net debt leverage <2.5x (2021/22: (0.04)x).

The Group assesses its financial strength on a total indebtedness basis, including the pension and lease liabilities as debt. The closing total indebtedness[6] position was £1,506m, decreasing £164m since 1 May 2021 and £770m since 2 May 2020. We target a total indebtedness fixed charge cover >1.5x (2021/22: 1.74x) and net indebtedness leverage <2.5x (2021/22: 2.41x).

	30 April 2022 £m	1 May 2021 £m	2 May 2020 £m
Net cash / (debt)	**44**	169	(204)
Restricted cash	**(30)**	(35)	(32)
Net lease liabilities	**(1,263)**	(1,322)	(1,439)
Pension liability	**(257)**	(482)	(550)
Working capital facilities	**-**	-	(51)
Total closing indebtedness	**(1,506)**	(1,670)	(2,276)
Less: year-end net cash / (debt)	**(44)**	(169)	204
Add: average net cash / (debt)	**290**	280	(355)
Total average indebtedness	**(1,260)**	(1,559)	(2,427)

	30 April 2022 £m	1 May 2021 £m	2 May 2020 £m
Operating cashflow	**361**	338	299
Cash payments of leasing costs, debt & interest	**263**	288	324
Operating cash flow plus cash payments of leasing	**624**	626	623
Net debt ratios			
Fixed charges (cash lease costs + cash interest)	**280**	312	350
Fixed charge cover	**2.23x**	2.01x	1.78x
Net cash excluding restricted funds	**14**	134	(236)
Net debt leverage	**(0.04)x**	(0.40)x	0.79x
Net indebtedness ratios			
Fixed charges (cash lease costs + cash interest + pension contributions)	**358**	359	396
Total indebtedness fixed charge cover	**1.74x**	1.74x	1.57x
Total closing indebtedness	**(1,506)**	(1,670)	(2,276)
Total indebtedness leverage	**2.41x**	2.67x	3.65x

The net deferred tax position decreased £(26)m since 1 May 2021 to reflect what is probable in the Group's financial planning period, partly offset by an increase in the UK tax rate to 25%.

[6] Total indebtedness is defined and reconciled to nearest IFRS measure within note A10.

Provisions primarily relate to property, reorganisation and sales provisions. The balance reduced by £(26)m due to utilisation of provisions, mainly related to the Carphone Warehouse Ireland business and store closure, and release of excess property provisions that were no longer required following successful early exit negotiations. These were partially offset by additions due to announced reorganisation programmes within UK & Ireland and onerous IT contracts.

Comprehensive income / Changes in equity

Total equity for the Group increased from £2,381m to £2,501m in the period, driven by the profit of £71m, the gain (net of taxation) on the defined benefit pension deficit of £167m, movements in relation to share schemes of £23m and hedging gains of £11m. This was largely offset by shareholder returns of £(78)m, purchase of own shares by EBT of £(41)m and a loss on retranslation of overseas operations of £(33)m.

Share count

The weighted average number of shares in issue fell 1m following the cancellation of 33m treasury shares that were purchased offset by dilution from colleague share schemes. The average number held by the Group EBT and treasury shares also increased to 35m from 14m. This led to the weighted average number of shares used for basic earnings to reduce by 22m to 1,130m

The dilutive effect of share options and other incentive schemes increased as several schemes improved performance against vesting conditions.

	30 April 2022 Million	1 May 2021 Million	2 May 2020 Million
Weighted average number of shares			
Average shares in issue	**1,165**	1,166	1,162
Less average holding by Group EBT and treasury shares held by Company	**(35)**	(14)	(5)
For basic earnings / (loss) per share	**1,130**	1,152	1,157
Dilutive effect of share options and other incentive schemes	**45**	42	25
For diluted earnings per share	**1,175**	1,194	1,182

Consolidated income statement

	Note	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Continuing operations			
Revenue	2	**10,144**	10,344
Profit before interest and tax	2	**222**	147
Finance income		**2**	6
Finance costs		**(98)**	(120)
Net finance costs	3	**(96)**	(114)
Profit before tax		**126**	33
Income tax expense		**(55)**	(33)
Profit after tax – continuing operations		**71**	—
Profit after tax – discontinued operations	7	—	12
Profit after tax for the period		**71**	12
Earnings per share (pence)	4		
Basic – continuing operations		**6.3p**	—p
Diluted – continuing operations		**6.0p**	—p
Basic – total		**6.3p**	1.0p
Diluted – total		**6.0p**	1.0p

Consolidated statement of comprehensive income

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit after tax for the period	**71**	12
Items that may be reclassified to the income statement in subsequent years:		
Cash flow hedges		
Fair value movements recognised in other comprehensive income	**14**	(51)
Reclassified and reported in income statement	**(28)**	11
Tax on movements on cash flow hedges	**(3)**	—
Exchange (loss) / gain arising on translation of foreign operations	**(33)**	46
	(50)	6
Items that will not be reclassified to the income statement in subsequent years:		
Actuarial gains on defined benefit pension schemes – UK	**156**	30
– Overseas	**3**	—
Tax on movements on defined benefit pension schemes	**8**	13
Gains on financial assets measured at fair value through other comprehensive income	**—**	8
	167	51
Other comprehensive income for the period (taken to equity)	**117**	57
Total comprehensive income for the period	**188**	69

Consolidated balance sheet

	30 April 2022 £m	1 May 2021 £m
Non-current assets		
Goodwill	**2,814**	2,851
Intangible assets	**385**	426
Property, plant & equipment	**162**	184
Right-of-use assets	**1,007**	1,051
Lease receivables	**3**	3
Trade and other receivables	**123**	138
Deferred tax assets	**282**	262
	4,776	4,915
Current assets		
Inventory	**1,286**	1,178
Lease receivables	**1**	1
Trade and other receivables	**696**	587
Derivative assets	**28**	24
Cash and cash equivalents	**126**	175
	2,137	1,965
Total assets	**6,913**	6,880
Current liabilities		
Trade and other payables	**(2,368)**	(2,233)
Derivative liabilities	**(11)**	(42)
Contingent consideration	**—**	(2)
Income tax payable	**(64)**	(64)
Loans and other borrowings	**(2)**	(6)
Lease liabilities	**(210)**	(216)
Provisions	**(48)**	(58)
	(2,703)	(2,621)
Non-current liabilities		
Trade and other payables	**(96)**	(97)
Loans and other borrowings	**(80)**	—
Lease liabilities	**(1,057)**	(1,110)
Retirement benefit obligations	**(257)**	(482)
Deferred tax liabilities	**(208)**	(162)
Provisions	**(11)**	(27)
	(1,709)	(1,878)
Total liabilities	**(4,412)**	(4,499)
Net assets	**2,501**	2,381
Capital and reserves		
Share capital	**1**	1
Share premium reserve	**2,263**	2,263
Other reserves	**(803)**	(764)
Accumulated profits	**1,040**	881
Equity attributable to equity holders of the parent company	**2,501**	2,381

Consolidated statement of changes in equity

	Share capital £m	Share premium reserve £m	Other reserves £m	Accumulated profits £m	Total equity £m
At 2 May 2020	1	2,263	(775)	791	2,280
Profit for the period	—	—	—	12	12
Other comprehensive income recognised directly in equity	—	—	14	43	57
Total comprehensive expense for the period	—	—	14	55	69
Amounts transferred to the carrying value of inventory purchased during the year	—	—	24	—	24
Net movement in relation to share schemes	—	—	4	17	21
Amounts transferred from investments revaluation reserve	—	—	(18)	18	—
Purchase of own shares – employee benefit trust	—	—	(13)	—	(13)
At 1 May 2021	1	2,263	(764)	881	2,381
Profit for the period	**—**	**—**	**—**	**71**	**71**
Other comprehensive (expense) / income recognised directly in equity	**—**	**—**	**(50)**	**167**	**117**
Total comprehensive (expense) / income for the period	**—**	**—**	**(50)**	**238**	**188**
Amounts transferred to the carrying value of inventory purchased during the year	**—**	**—**	**28**	**—**	**28**
Net movement in relation to share schemes	**—**	**—**	**24**	**(1)**	**23**
Purchase of own shares – employee benefit trust	**—**	**—**	**(41)**	**—**	**(41)**
Purchase of own shares – share buyback	**—**	**—**	**(32)**	**—**	**(32)**
Cancellation of treasury shares	**—**	**—**	**32**	**(32)**	**-**
Equity dividend	**—**	**—**	**—**	**(46)**	**(46)**
At 30 April 2022	**1**	**2,263**	**(803)**	**1,040**	**2,501**

Consolidated cash flow statement

	Note	**Year ended 30 April 2022 £m**	Year ended 1 May 2021 £m
Operating activities			
Cash generated from operations	6	**524**	926
Contributions to defined benefit pension scheme		**(78)**	(47)
Income tax paid		**(18)**	(35)
Net cash flows from operating activities		**428**	844
Investing activities			
Net cash outflow arising from acquisitions		**(2)**	(1)
Proceeds from sale of financial assets at FVTOCI		**—**	18
Proceeds on sale of business		**1**	2
Acquisition of property, plant & equipment and other intangibles		**(133)**	(122)
Net cash flows from investing activities		**(134)**	(103)
Financing activities			
Interest paid		**(87)**	(101)
Capital repayment of lease liabilities		**(208)**	(232)
Purchase of own shares – employee benefit trust		**(41)**	(13)
Purchase of own shares – share buyback		**(32)**	—
Equity dividends paid		**(46)**	—
Drawdown / (repayment) of borrowings		**80**	(326)
Facility arrangement fees paid		**(6)**	—
Net cash flows from financing activities		**(340)**	(672)
(Decrease) / increase in cash and cash equivalents and bank overdrafts		**(46)**	69
Cash and cash equivalents and bank overdrafts at the beginning of the period		**169**	120
Currency translation differences		**1**	(20)
Cash and cash equivalents and bank overdrafts at the end of the period	6	**124**	169

Notes to the Financial Information

1 Basis of preparation

The Financial Information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and extracts from the notes to the accounts for the year ended 30 April 2022 and 1 May 2021, has been prepared in accordance with the accounting policies set out in the full financial statements and on a going concern basis.

Alternative performance measures ('APMs')

In addition to IFRS measures, the Group uses certain APMs that are considered to be additional informative measures of ongoing trading performance of the Group and are consistent with how performance is measured internally. The APMs used by the Group in addition to IFRS measures are included within the Glossary and definitions section. This includes further information on the definitions, purpose, and reconciliation to IFRS measures of those APMs that are used for internal reporting and presented to the Group's Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Board.

Going concern

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements.

In their consideration of going concern, the Directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. The Directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance, including the potentially prolonged impact of Covid-19 and the impact from inflation exacerbated by the conflict in Eastern Europe, show that the Group is able to operate within its current facilities and comply with its banking covenants for the foreseeable future. In arriving at their conclusion that the Group has adequate financial resources, the Directors considered the level of borrowings and facilities and that the Group has a robust policy towards liquidity and cash flow management.

As a result of the uncertainties surrounding the forecasts due to the current macroeconomic environment, the Group has also modelled a reverse stress test scenario. The reverse stress test models the decline in sales that the Group would be able to absorb before requiring additional sources of financing in excess of those that are committed. Such a scenario, and the sequence of events which could lead to it, is considered to be remote.

As a result, the Board believes that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements. The long-term impact of macroeconomic factors is uncertain and should the impacts of the pandemic on trading conditions be more prolonged or severe than what the Directors consider to be reasonably possible, the Group would need to implement additional operational or financial measures

Further information

The Financial Information set out in this announcement does not constitute statutory accounts within the meaning of Sections 434 to 436 of the Companies Act 2006 and is an abridged version of the Group's financial statements for the year ended 30 April 2022 which were approved by the directors on 6 July 2022. Statutory accounts for the year ended 1 May 2021 have been delivered to the Registrar of Companies, the auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006. Statutory accounts for the year ended 30 April 2022 will be delivered in due course. The auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the year ended 30 April 2022.

Notes to the Financial Information (continued)

2 Segmental analysis

The Group's operating segments reflect the segments routinely reviewed by the CODM and which are used to manage performance and allocate resources. This information is predominantly based on geographical areas which are either managed separately or have similar trading characteristics such that they can be aggregated together into one segment.

Changes to operating segments

During the period the operating and reporting segments of the Group have changed and reflect the updated segments reported to the Board, who are considered the CODM under IFRS 8: 'Operating Segments'. Following the closure of the Carphone Warehouse standalone store estate within the UK in April 2020, Carphone Warehouse Ireland business in April 2021, the final legacy network contract with volume commitments ending in June 2021, along with the rebrand in the UK to Currys and mobile becoming a category within the Currys business, the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments have been combined into a single UK & Ireland segment.

It was subsequently determined that by including mobile as a category within Currys and the removal of the legacy network volume commitments, that the previously disclosed UK & Ireland Mobile segment incurs expenses in the same manner and sells similar products to that of the UK & Ireland Electricals segment. The Group has therefore consolidated the information presented to the Board to provide greater clarity over the relative performance of the UK & Ireland business and to support decisions related to the allocation of the Group's resources. The restatement of comparative information for these segments has been set out below.

The Group's operating and reportable segments have therefore been identified as follows:

– UK & Ireland comprises the operations of Currys, Carphone Warehouse, iD Mobile and B2B operations.

– Nordics operates in Norway, Sweden, Finland, Denmark with franchise operations in Iceland, Greenland and the Faroe Islands.

– Greece, consisting of our ongoing operations in Greece and Cyprus.

UK & Ireland, Nordics and Greece are involved in the sale of consumer electronics and mobile technology products and services, primarily through stores or online channels.

Transactions between segments are on an arm's length basis.

In accordance with IFRS 5, discontinued operations are disclosed separately as a single amount within the Group's consolidated income statement after profit after tax for continuing operations. Discontinued operations are therefore excluded from the segmental analysis. Further information on the Group's operations classified as discontinued is outlined in note 7.

Segmental results

					Year ended 30 April 2022
	UK & Ireland	Nordics	Greece	Eliminations	Total
	£m	£m	£m	£m	£m
External revenue	**5,485**	**4,105**	**554**	**–**	**10,144**
Inter-segmental revenue	**67**	**–**	**–**	**(67)**	**–**
Total revenue	**5,552**	**4,105**	**554**	**(67)**	**10,144**
Profit before interest and tax	**71**	**130**	**21**	**–**	**222**

Notes to the Financial Information (continued)

2 Segmental analysis (continued)

	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
	Year ended 1 May 2021 (restated)*				
External revenue	5,642	4,186	516	–	10,344
Inter-segmental revenue	56	–	–	(56)	–
Total revenue	5,698	4,186	516	(56)	10,344
Profit / (loss) before interest and tax	(11)	139	19	–	147

* As discussed above, during the period the Group's reportable segments have been changed to reflect the updated segments reported to the Board. As a result, inter-segmental revenue has been restated from £194m to £56m for the year ended 1 May 2021. This is to remove inter-segmental revenue transactions between the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile CGUs. A full restatement of segmental information from what was disclosed in prior periods is presented below.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 (restated)* £m
UK & Ireland	**71**	(11)
Nordics	**130**	139
Greece	**21**	19
Profit before interest and tax	**222**	147
Finance income	**2**	6
Finance costs	**(98)**	(120)
Profit before tax	**126**	33

Restatement of segmental information

As discussed above, during the period the Group's reportable segments have been changed, and comparatives have been restated accordingly. The below tables provide reconciliations for external revenue and profit / (loss) before interest and tax for the year ended 1 May 2021. The relevant adjustment is a reconciliation of the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments to the UK & Ireland segment.

External revenue

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	4,921	721	5,642
UK & Ireland Electricals (as previously reported)	4,921	(4,921)	–	–
UK & Mobile (as previously reported)	721	–	(721)	–
Nordics	4,186	–	–	4,186
Greece	516	–	–	516
Total external revenue	10,344	–	–	10,344

Notes to the Financial Information (continued)

2 Segmental analysis (continued)

Profit / (loss) before interest and tax

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	78	(89)	(11)
UK & Ireland Electricals (as previously reported)	78	(78)	–	–
UK & Mobile (as previously reported)	(89)	–	89	–
Nordics	139	–	–	139
Greece	19	–	–	19
Profit before interest and tax	147	–	–	147

Disaggregation of revenues

The Group's disaggregated revenue recognised under 'Revenue from Contracts with Customers' in accordance with IFRS 15 relates to the following operating segments and revenue streams:

	Year ended 30 April 2022			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sale of goods	**4,698**	**3,756**	**511**	**8,965**
Commission revenue	**423**	**220**	**18**	**661**
Support services revenue	**239**	**57**	**17**	**313**
Other services revenue	**124**	**72**	**8**	**204**
Other revenue	**1**	**—**	**—**	**1**
Total revenue	**5,485**	**4,105**	**554**	**10,144**

	Year ended 1 May 2021			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sale of goods	4,751	3,797	491	9,039
Commission revenue	469	252	1	722
Support services revenue	260	60	17	337
Other services revenue	157	77	7	241
Other revenue	5	—	—	5
Total revenue	5,642	4,186	516	10,344

Revenue from commissions relates predominantly to network and insurance commissions and support services revenue relates predominantly to customer support agreements, while other services revenue comprises delivery and installation, product repairs and product support.

Notes to the Financial Information (continued)

3 Net finance costs

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Unwind of discounts on trade receivables	**2**	6
Finance income	**2**	6
Interest on bank overdrafts, loans and borrowings	**(6)**	(8)
Interest expense on lease liabilities	**(70)**	(77)
Net interest on defined benefit pension obligations	**(8)**	(8)
Amortisation of facility fees*	**(2)**	(11)
Other interest expense	**(12)**	(16)
Finance costs	**(98)**	(120)
Total net finance costs	**(96)**	(114)

* In April 2021, the Group refinanced its existing debt with two new Revolving Credit Facilities. As such, all other facilities were cancelled as part of the refinancing and the fees relating to these facilities were subsequently written off.

All finance costs in the above table represent interest costs of financial liabilities and assets, other than amortisation of facility fees which represent non-financial assets and net interest on defined benefit pension obligations.

4 Earnings per share

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Total profit		
Continuing operations	**71**	—
Discontinued operations	**—**	12
Total	**71**	12

	Million	Million
Weighted average number of shares		
Average shares in issue	**1,165**	1,166
Less average holding by Group EBT and Treasury shares held by Company	**(35)**	(14)
For basic earnings per share	**1,130**	1,152
Dilutive effect of share options and other incentive schemes	**45**	42
For diluted earnings per share	**1,175**	1,194

	Pence	Pence
Basic earnings per share		
Total (continuing and discontinued operations)	**6.3**	1.0
Adjustment in respect of discontinued operations	**—**	(1.0)
Continuing operations	**6.3**	—
Diluted earnings per share		
Total (continuing and discontinued operations)	**6.0**	1.0
Adjustment in respect of discontinued operations	**—**	(1.0)
Continuing operations	**6.0**	—

Basic and diluted earnings per share are based on the profit for the period attributable to equity shareholders.

Notes to the Financial Information (continued)

5 Equity dividends

	30 April 2022 £m	1 May 2021 £m
Final dividend for the year ended 2 May 2020 of nil per ordinary share	**—**	—
Interim dividend for the year ended 1 May 2021 of nil per ordinary share	**—**	—
Final dividend for the year ended 1 May 2021 of 3.00p per ordinary share	**34**	—
Interim dividend for the year ended 30 April 2022 of 1.00p per ordinary share	**12**	—
Amounts recognised as distributions to equity shareholders in the period – on ordinary shares of 0.1p each	**46**	—

The following distribution is proposed but has not been effected at 30 April 2022 and is subject to shareholders' approval at the forthcoming Annual General Meeting:

	£m
Final dividend for the year ended 30 April 2022 of 2.15p per ordinary share	**24**

The payment of this dividend will not have any tax consequences for the Group.

6 Notes to the cash flow statement

a) Reconciliation of cash and cash equivalents and back overdrafts at the end of the period

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Cash at bank and on deposit	**126**	175
Bank overdrafts	**(2)**	(6)
Cash and cash equivalents and bank overdrafts at the end of the period	**124**	169

b) Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit before interest and tax – continuing operations	**222**	147
Profit before interest and tax – discontinued operations	**—**	7
Depreciation and amortisation	**338**	362
Share-based payment charge	**23**	21
Profit on disposal of fixed assets	**(1)**	(6)
Impairments and other non-cash items	**65**	76
Operating cash flows before movements in working capital	**647**	607
Movements in working capital:		
Increase in inventory	**(130)**	(174)
(Increase) / decrease in receivables	**(92)**	404
Increase in payables	**143**	182
Decrease in provisions	**(44)**	(93)
	(123)	319
Cash generated from operations	**524**	926

Notes to the Financial Information (continued)

6 Notes to the cash flow statement (continued)

c) Changes in liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	2 May 2021 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	30 April 2022 £m
Loans and other borrowings(i)	**—**	**(74)**	**—**	**—**	**(6)**	**(80)**
Lease liabilities(ii)	**(1,326)**	**278**	**(165)**	**16**	**(70)**	**(1,267)**
Total liabilities from financing activities(iii)	**(1,326)**	**204**	**(165)**	**16**	**(76)**	**(1,347)**

	3 May 2020 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	1 May 2021 £m
Loans and other borrowings(i)	(324)	348	—	—	(24)	—
Lease liabilities(ii)	(1,444)	310	(96)	(19)	(77)	(1,326)
Total liabilities from financing activities(iii)	(1,768)	658	(96)	(19)	(101)	(1,326)

(i) The Group used interest rate swaps and foreign exchange forward contracts to hedge borrowings. The fair value of these derivatives rounded to £nil (2020/21: £nil). There were no material cash flows or changes in fair value on these instruments during the year.
(ii) Lease liabilities are secured over the Group's right-of-use assets.
(iii) In addition to the amounts shown above, facility arrangement fees of £6m (2020/21: £nil) are included within cash flows from financing activities in the consolidated cash flow statement.

The consolidated cash flow statement presents the drawdown and repayment of loans and other borrowings on a net basis as these loans and other borrowings are used as a key part of the Group's daily cash management, with daily deposits and repayments, and the entire balance revolving within a matter of days.

7 Discontinued operations and assets held for sale

There have been no additional operations classified as discontinued during the year ended 30 April 2022. The following were classified as discontinued in previous years and have continued to incur costs and cash flows in the current financial year:

honeybee
No profit or loss has been recognised in relation to the disposal of the honeybee operation in the current or comparative period. During the year the Group received the final cash payment of £1m for the disposal of trade and assets in relation to the honeybee operations (2020/21: £2m).

Spain
On 29 September 2017, the Group completed the disposal of The Phone House Spain S.L.U., Connected World Services Europe S.L. and Smarthouse Spain S.A., which together represented the trading operations in Spain. For the year ended 1 May 2021, a £2m credit was recognised in relation to the reversal of previously held provisions no longer required. No further costs in relation to the disposal have been recognised during the period.

Other
No profit or loss or cash flows have been recognised in relation to other previously disposed operations during the period. In prior periods the Group had deemed it probable that it would need to pay amounts covered by warranties provided under the sale agreement for the previously disposed Phonehouse Germany business. The claim was subsequently settled in the second half of the year ended 1 May 2021. The Group subsequently recorded a cash outflow of £3m, released excess amounts provided, thereby recognising a credit of £5m in the income statement as the provision was reduced to £nil.

As a result of the settlement as set out above the Group does not expect any further warranty claims in respect of tax risks in territories within which the legacy Carphone group used to operate. As such, a further £5m was released during the year ended 1 May 2021.

Notes to the Financial Information (continued)

7 Discontinued operations and assets held for sale (continued)

a) Profit after tax from discontinued operations

	Year ended 30 April 2022				Year ended 1 May 2021			
	honeybee £m	Spain £m	Other £m	Total £m	honeybee £m	Spain £m	Other £m	Total £m
Revenue	—	—	—	—	—	—	—	—
Expenses	—	—	—	—	—	2	5	7
Profit before tax	—	—	—	—	—	2	5	7
Income tax	—	—	—	—	—	—	5	5
	—	—	—	—	—	2	10	12

b) Cash flows from discontinued operations

	Year ended 30 April 2022				Year ended 1 May 2021			
	honeybee £m	Spain £m	Other £m	Total £m	honeybee £m	Spain £m	Other £m	Total £m
Operating activities	—	—	—	—	—	—	(3)	(3)
Investing activities	1	—	—	1	2	—	—	2
	1	—	—	1	2	—	(3)	(1)

8 Related party transactions

Transactions between the Group’s subsidiary undertakings, which are related parties, have been eliminated on consolidation and accordingly are not disclosed.

The Group had the following transactions and balances with its associates:

	30 April 2022 £m	1 May 2021 £m
Revenue from sale of goods and services	15	16
Amounts owed to the Group	—	—

All transactions entered into with related parties were completed on an arm’s length basis.

Risks to Achieving the Group's Objectives

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on its results. The updated risks and uncertainties are listed below. Risks 2 to 12, and the factors which mitigate them, are set out in more detail in the 2020/21 Annual Report and Accounts on pages 47 to 52 and remain relevant in the current period.

Covid-19 has been removed as a standalone risk and subsumed within the existing Group Health and Safety risk (risk 7) following a reduction in the threat during the year.

1. Dependence on key suppliers has been expanded and renamed Supply Chain Resilience this year. This now also includes external supply chain related challenges which drive profitability, cash flow and market share;

2. Failure to deliver an effective business transformation programme in response to a changing consumer environment could result in a loss of competitive advantage impacting financial performance;

3. Failure to comply with Financial Services regulation could result in reputational damage, customer compensation, financial penalties and a resultant deterioration in financial performance;

4. Failure in appropriately safeguarding sensitive information and failure to comply with legislation could result in reputational damage, financial penalties and a resultant deterioration in financial performance;

5. Failure to adequately invest in and integrate the Group's IT systems and infrastructure could result in restricted growth and reputational damage impacting financial performance;

6. Failure to appropriately safeguard against cyber risks and associated attacks could result in reputational damage, customer compensation, financial penalties and a resultant deterioration in financial performance;

7. Failure to action appropriate Health and Safety measures resulting in injury could give rise to reputational damage and financial penalties;

8. Business continuity plans are not effective and major incident response is inadequate resulting in reputational damage and a loss of competitive advantage;

9. Crystallisation of potential tax exposures resulting from legacy corporate transactions, employee and sales taxes arising from periodic tax audits and investigations across various jurisdictions in which the Group operates may impact cash flows for the Group;

10. Failure to employ adequate procedures and due diligence regarding product quality and safety could result in the provision of products which pose a risk to customer health, resulting in fines, prosecution and significant reputational damage;

11. Failure to either deliver or adequately communicate our commitment to sustainability and being a good corporate citizen could result in reduced cash flow, reputational damage and loss of competitive advantage; and

12. Not having the right workforce capacity, capability and colleague commitment necessary to deliver on our strategy could result in reduced revenue and profitability and failure to achieve strategic objectives.

The directors have prepared the preliminary Financial Information on a going concern basis. In considering the going concern basis, the directors have considered the above mentioned principal risks and uncertainties, especially in the context of a highly competitive consumer and retail environment as well as the wider macro-economic environment and how these factors might influence the Group's objectives and strategy.

The directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience, including seasonal borrowing requirements and available facilities on a monthly basis. The directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance, show that the Group is able to operate within its current facilities and comply with its banking covenants for the foreseeable future. In arriving at their conclusion that the Group has adequate financial resources, the directors were mindful of the level of borrowings and facilities and that the Group has a robust policy towards liquidity and cash flow management.

Accordingly, the directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and consequently the directors continue to apply the going concern basis in the preparation of the financial statements.

Glossary and definitions

Alternative performance measures ('APMs')

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ('ESMA'). These measures are consistent with those used internally by the Group's Chief Operating Decision Maker ('CODM') in order to evaluate trends, monitor performance and forecast results.

These APMs may not be directly comparable with other similarly titled measures of 'adjusted' or 'underlying' revenue or profit measures used by other companies, including those within our industry, and are not intended to be a substitute for, or superior to, IFRS measures.

We consider these additional measures to provide additional information on the performance of the business and trends to shareholders. The below, and supplementary notes to the APMs, provides further information on the definitions, purpose and reconciliations to IFRS measures of those APMs that are used internally in order to provide parity and transparency between the users of this financial information and the CODM in assessing the core results of the business in conjunction with IFRS measures.

Adjusted results

Included within our APMs the Group reports a number of adjusted revenues, profit, and other earnings measures, all of which are described throughout this section. The Group subsequently refers to adjusted results as those which reflect the in-period trading performance of the ongoing omnichannel retail operations (referred to below as underlying operations and trade) and excludes from IFRS measures certain items that are significant in size or volatility or by nature are non-trading or highly infrequent. Those items that the Group consider to be adjusting, as well as the threshold used to determine the departure from IFRS measures is defined below.

Adjusting items

When determining whether an item is to be classified as adjusting, and the departure from IFRS measures is deemed more appropriate than the additional disclosure requirements for material items under IAS 1, it must meet at least one of the following criteria:

- it is non-operating in nature;
- it is one-off in nature, such as material non-cash impairments;
- significant strategic implementation programmes that may span multiple reporting periods, where the classification as adjusting removes volatility and aids comparability between periods; or
- causes significant change to the underlying business operations as a result of acquisition, divestiture or closure of operations.

Management will classify items as adjusting where an item meets one of the above criteria and it is considered more appropriate to depart from IFRS measures.

Items excluded from adjusted results can evolve from one financial year to the next depending on the nature of exceptional items or one-off type activities. Where appropriate, for example where a business is classified as exited / to be exited, comparative information is restated accordingly.

Below highlights the grouping in which management allocate adjusting items and provides further detail on how management consider such items to meet the criteria set out above. Further information on the adjusting items recognised in the current and comparative period can be found in note A5.

Out of period network debtor revaluations

Adjusting items includes the impact of out of period network debtor revaluations due to changes in the initial underlying assumptions, primarily driven by the introduction of new regulations or other external factors that drive significant changes in consumer behaviours, where the original transaction was recorded in periods prior to the current financial reporting year. They do not include the incremental amounts that form part of the constraint as these elements are not recognised initially when the performance obligation is satisfied. Although they can recur each period management consider these out of period network revaluations to be non-operating in nature, and thereby distorting the underlying trading performance within the period.

The inclusion of such items is considered to be additional useful information for users to aid the understanding of current year trading.

Acquisition and disposal related items

Includes costs incurred in relation to the acquisition, and income for the disposal of business operations, as the related costs and income reflect significant changes to the Group's underlying business operations and trading performance. Adjusted results do not exclude the related revenues that have been earned in relation to previous acquisitions but continue to exclude the amortisation of intangibles, such as brands, that would not have been recognised prior to their acquisition. Where practically possible amounts are restated in comparative periods to reflect where a business operation has subsequently been disposed.

Glossary and definitions (continued)

Strategic change programmes

Primarily relate to costs incurred for the execution and delivery of a change in strategic direction, such as; severance and other direct employee costs incurred following the announcement of detailed formal restructuring plans as they are considered one-off; property rationalisation programmes where a business decision is made to rebase the store estate as this is considered both one-off in nature and to cause a significant change to the underlying business operations; and implementation costs for strategic change delivery projects that are considered one-off in nature. Such costs incurred do not reflect the Group's underlying trading performance. Results are therefore adjusted to exclude such items in order to aid comparability between periods.

Regulatory costs

While ongoing compliance costs are considered to be operating in nature, and included within adjusted results, in certain instances costs are to be incurred following significant one-off events that lead to the Group incurring material one-off charges. As such, these are considered to be included within adjusting items.

Impairment losses and onerous contracts

In order to aid comparability, costs incurred for material non-cash impairments and onerous contracts are included within adjusting items where they are considered so material that they distort the underlying performance of the Group. While the recognition of such is considered to be one-off in nature, the unavoidable costs for those contracts considered onerous is continuously reviewed and therefore based on readily available information at the reporting date as well as managements historical experience of similar transactions. As a result, future cash outflows and total charges to the income statement may fluctuate in future periods.

Other items

Other items include those items that are non-operating and one-off in nature that are material enough to distort the underlying results of the business but do not fall into the categories disclosed above. Such items include the settlement of legal cases and other contractual disputes where the corresponding income, or costs, would be considered to distort users understanding of trading performance during the period.

Net interest income / (costs)

Included within adjusting interest income / (costs) are the finance income / (costs) of businesses to be exited, previously disposed operations, net pension interest costs on the defined benefit pension scheme within the UK and other exceptional items considered so one-off or material that they distort underlying finance costs of the Group. As disclosed above, the disposal of businesses represents a significant change to the underlying business operations, as such, the related interest income / (costs) are removed from adjusted results to assist users' understanding of the trading business.

The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial year to the net defined benefit obligation. As a non-cash remeasurement cost which is unrepresentative of the actual investment gains or losses made or the liabilities paid and payable, and given the defined benefit section of the scheme having closed to future accrual on 30 April 2010, the accounting effect of this is excluded from adjusted results.

Tax

Included within taxation is the tax impact on those items defined above as adjusting. The exclusion from adjusted results ensures that users, and management, can assess the overall performance of the Groups underlying operations.

Where the Group is cooperating with tax authorities in relation to tax treatments arising from changes in underlying business operations as a result of acquisition, divestiture or closure of operations, the respective costs will also be included within adjusting items. Management considers it appropriate to divert from IFRS measures in such circumstance as the one-off charges related to prior periods could distort users understanding of the Group's ongoing operational performance.

The Group also includes the movement of deferred tax recognised in relation to the carry forward of unused tax losses within adjusting items. Management considers that the exclusion from adjusted results aids users in the determination of current period performance as the recognition and derecognition of deferred tax is impacted by management's forecast of future performance and the ability to utilise unused tax losses.

Glossary and definitions (continued)

Definitions, purpose and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by ESMA we have provided additional information on the APMs used by the Group below, including full reconciliations back to the closest equivalent statutory measure.

EBIT / EBITDA

In the key highlights and Performance review we reference financial metrics such as EBIT and EBITDA. We would like to draw to the user's attention that these are shown to aid comparison of our adjusted measures to the closest IFRS measure. We acknowledge that the terminology of EBIT and EBITDA are not IFRS defined labels but are compiled directly from the IFRS measures of profit without making any adjustments for adjusting items explained above. These measures are: profit for the year before deducting interest and tax, termed as EBIT; and profit for the year before deducting interest, tax, depreciation and amortisation, termed as for EBITDA. These metrics are further explained and reconciled within notes A2 and A3 below.

Currency neutral

Some comparative performance measures are translated at constant exchange rates, called 'currency neutral' measures. This restates the prior period results at a common exchange rate to the current year in order to provide appropriate year-on-year movement measures without the impact of foreign exchange movements.

Like-for-like ('LFL') % change

LFL revenue is calculated based on adjusted store and online revenue (including order & collect, online in-store and ShopLive UK) using constant exchange rates consistent with the currency neutral percentage change measure detailed above. New stores are included where they have been open for a full financial year both at the beginning and end of the financial period. Revenue from franchise stores are excluded and closed stores (where closed by the Group's decision and not where closed due to government restrictions related to the Covid-19 pandemic) are excluded for any period of closure during either period. Customer support agreement, insurance and wholesale revenues along with revenue from other non-retail businesses are excluded from LFL calculations. We consider that LFL revenue represents a useful measure of the trading performance of our underlying and ongoing store and online portfolio.

Year-on-two-year ('Yo2Y')

Within the key highlights and performance review we present Yo2Y results for certain metrics in order to aid users in making meaningful comparisons of the Group's performance following the influence that government enforced store closures had on the Group in the year ended 1 May 2021.

A1 Reconciliation from revenue to adjusted revenue

Adjusted revenues are adjusted to remove out of period mobile network debtor revaluations and the revenues of those operations in which the Group classifies as exited or to be exited but do not meet the definition of discontinued in accordance with IFRS 5: 'Non-Current Assets Held for Sale and Discontinued Operations'.

The exclusion of such revenues helps management and users with the comparability of results, based on the underlying trading performance of continuing operations within the relevant reporting period.

The below reconciles revenue, which is considered to be the closes equivalent IFRS measure, to adjusted revenue.

					Year ended 30 April 2022
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
Statutory external revenue	**5,485**	**4,105**	**554**	**—**	**10,144**
Out of period mobile network debtor revaluations	**(22)**	**—**	**—**	**—**	**(22)**
Adjusted external revenue	**5,463**	**4,105**	**554**	**—**	**10,122**
Inter-segmental revenue	**67**	**—**	**—**	**(67)**	**—**
Total adjusted revenue	**5,530**	**4,105**	**554**	**(67)**	**10,122**

					Year ended 1 May 2021
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
Statutory external revenue	5,642	4,186	516	—	10,344
Out of period mobile network debtor revaluations	(14)	—	—	—	(14)
Adjusted external revenue	5,628	4,186	516	—	10,330
Inter-segmental revenue*	56	—	—	(56)	—
Total adjusted revenue	5,684	4,186	516	(56)	10,330

* As discussed in note 2, during the period the Group's reportable segments have been changed to reflect the updated segments reported to the Board. As a result, intersegmental revenue has been restated from £194m to £56m for the year ended 1 May 2021. This is to remove inter-segmental revenue transactions between the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile CGUs.

Glossary and definitions (continued)

A2 Reconciliation from statutory profit before interest and tax to adjusted EBIT and adjusted PBT

Adjusted EBIT and adjusted PBT are measures of profitability that are adjusted from total IFRS measures to remove adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A5.

As discussed above, the Group uses adjusted profit measures in order to provide a useful measure of the ongoing performance of the Group.

The below reconciles profit before tax and profit before interest and tax, which are considered to be the closest equivalent IFRS measures, to adjusted EBIT and adjusted PBT.

Year ended 30 April 2022

	Total profit £m	Mobile network debtor revaluations £m	Acquisition / disposal related items £m	Strategic change programmes £m	Regulatory costs £m	Impairment losses and onerous contracts £m	Other £m	Pension scheme interest £m	Adjusted profit £m
UK & Ireland	**71**	**(22)**	**13**	**6**	**(1)**	**62**	**(18)**	**—**	**111**
Nordics	**130**	**—**	**12**	**—**	**—**	**—**	**—**	**—**	**142**
Greece	**21**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21**
EBIT	**222**	**(22)**	**25**	**6**	**(1)**	**62**	**(18)**	**—**	**274**
Finance income	**2**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2**
Finance costs	**(98)**	**—**	**—**	**—**	**—**	**—**	**—**	**8**	**(90)**
Profit before tax	**126**	**(22)**	**25**	**6**	**(1)**	**62**	**(18)**	**8**	**186**

Year ended 1 May 2021

	Total profit / (loss) £m	Mobile network debtor revaluations £m	Acquisition / disposal related items £m	Strategic change programmes £m	Regulatory costs £m	Impairment losses and onerous contracts £m	Other £m	Pension scheme interest £m	Adjusted profit / (loss) £m
UK & Ireland	(11)	(14)	14	41	(7)	100	(31)	—	92
Nordics	139	—	12	—	—	—	—	—	151
Greece	19	—	—	—	—	—	—	—	19
EBIT	147	(14)	26	41	(7)	100	(31)	—	262
Finance income	6	—	—	—	—	—	—	—	6
Finance costs	(120)	—	—	—	—	—	—	8	(112)
Profit before tax	33	(14)	26	41	(7)	100	(31)	8	156

A3 Reconciliation from statutory profit before interest and tax to EBITDA

EBITDA represents earnings before interest, tax, depreciation and amortisation. It provides a useful measure of profitability for users by adjusting for the volatility of depreciation and amortisation expense which, due to variable useful lives and timing of capital investment, could distort the underlying profit generated from the Group in relative periods.

The below reconciles profit before interest and tax, which are considered to be the closest equivalent IFRS measures, to EBITDA.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit before interest and tax	**222**	147
Depreciation	**252**	279
Amortisation	**86**	83
EBITDA	**560**	509

A4 Reconciliation from adjusted EBIT to adjusted EBITDA and adjusted EBITDAR

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation. This measure also excludes adjusting items, the nature of which are disclosed above and with further detail in note A5. It provides a useful measure of profitability for users by adjusting for the items noted in A2 above as well as the volatility of depreciation and amortisation expense which, due to variable useful lives and timing of capital investment, could distort the underlying profit generated from the Group in relative periods.

The depreciation adjusted within adjusted EBITDA includes right-of-use asset depreciation on leased assets under IFRS 16. As some lease expenses fall outside the scope of IFRS 16 due to being short-term, low value or variable, a similar measure of adjusted EBITDAR is provided. Adjusted EBITDAR provides a measure of profitability based on the above adjusted EBITDA definition as well as deducting rental expenses outside the scope of IFRS 16. The purpose of this measure is aligned to the adjusted EBITDA purpose above, with the addition of excluding the full cost base of leases which can vary from year to year of being in scope or out of scope of IFRS 16, for example due to when leases are short term whilst negotiations are in place regarding lease renewals.

The below reconciles adjusted EBIT to adjusted EBITDA and adjusted EBITDAR. The closest equivalent IFRS measures are considered to be profit before interest and tax, the reconciliation of such from adjusted EBIT can be found in note A2.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted EBIT	**274**	262
Depreciation	**252**	279
Amortisation	**62**	57
Adjusted EBITDA	**588**	598
Leasing costs in EBITDA	**14**	13
Adjusted EBITDAR	**602**	611

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above

	Note	**Year ended 30 April 2022 £m**	Year ended 1 May 2021 £m
Included in revenue:			
Mobile network debtor revaluation	(i)	**(22)**	(14)
		(22)	(14)
Included in profit before interest and tax:			
Mobile network debtor revaluation	(i)	**(22)**	(14)
Acquisition / disposal related items	(ii)	**25**	26
Strategic change programmes	(iii)	**6**	41
Regulatory costs	(iv)	**(1)**	(7)
Impairment losses and onerous leases	(v)	**62**	100
Other	(vi)	**(18)**	(31)
		52	115
Included in net finance costs:			
Net non-cash finance costs on defined benefit pension schemes	(vii)	**8**	8
Total impact on profit before tax – continuing operations		**60**	123
Tax on regulatory matters	(viii)	**1**	1
Tax on other adjusting items	(ix)	**3**	(1)
Total impact on profit after tax – continuing operations		**64**	123
Discontinued operations	7	**—**	(12)
Total impact on profit after tax		**64**	111

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above (continued)

(i) Mobile network debtor revaluations
In the current period changes in consumer behaviour on previously recognised transactions have led to positive revaluations of network receivables of £22m (2020/21: £14m).

(ii) Acquisition / disposal related items
A charge of £25m (2020/21: £26m) relates primarily to amortisation of acquisition intangibles arising on the Dixons Retail Merger

(iii) Strategic change programmes
During the period, further costs of £28m have been incurred as the Group continues to deliver the long-term strategic plan set back in 2018; becoming clearer, simpler and faster, improving the overall customer experience with an omnichannel offering and building customers for life. The Group have included such items within adjusting items as, at the balance sheet date, the projects remain ongoing, with further significant costs and corresponding cash outflows to be recognised. There is expected to be no significant timing difference between the recognition of charges to the income statement and cash outflows. The costs incurred relate to the following strategic change programmes:

- £10m one off implementation costs of the Currys rebrand which was announced and completed within the current period;
- £12m (2020/21: £41m) of restructuring costs for central operations and UK & Ireland retail operations; and
- £6m in relation to costs of implementing the cloud-based omnichannel strategy. The significant one-off costs of the front end omnichannel implementation were initiated and substantially completed in the period

For the year ended 1 May 2021, £13m of restructuring costs were incurred relating to Carphone Warehouse UK standalone store closures and the strategic decision to close the Carphone Warehouse Ireland business.

Property rationalisation
Included within strategic change programmes is a credit of £22m (2020/21: £19m) that primarily relates to the release of excess property provisions following successful early exit negotiations on stores included within previously announced rationalisation and closure programmes.

For the year ended 1 May 2021, the group has also incurred £9m of property costs following the announcement to close the Carphone Warehouse Ireland business, £3m of which relates to non-cash impairments over right-of-use assets and £6m for dilapidation and closure related costs.

(iv) Regulatory costs
In periods prior, the Group provided for redress related to the mis-selling of Geek Squad mobile phone insurance policies following the FCA investigation for periods preceding June 2015. All customer claims are carefully considered by the Group on a case by case basis with the majority of claims received being invalid. As a result, the Group reduced the provision in relation to redress by a further £1m during the year ended 30 April 2022 (2020/21: £8m) as, although the outstanding claims remain uncertain, no new claims were received.

For the year ended 1 May 2021, costs of £1m were also recognised in relation to past service costs for the Group's defined benefit pension scheme following an additional judgement on GMP equalisation.

(v) Impairment losses and onerous contracts
Management continues to closely monitor the trading performance of the omnichannel business as we emerge from the pandemic and acknowledged a change in consumer shopping habits between our store-mix during the year ended 30 April 2022. This led to the identification and recognition of a non-cash impairment charge of £16m (2020/21: £14m) over store assets within the UK. Also in the current period a non-cash impairment reversal (credit) of £16m was recognised on store assets which had been impaired in a prior period but where indicators of impairment no longer exist.

In March 2022 as part of its hybrid-working policy the Group announced it would close its Acton Campus and relocate to facilities operated by WeWork. As a result of this announcement, an impairment of £31m was recognised, £25m over right-of-use assets and £6m on other fixed assets. The lease contains a lessor-only break option which, if exercised, could result in a material lease remeasurement and reversal of impairment in a future period. In addition, during the period the Group negotiated an early termination settlement on a non-trading lease premises which resulted in an impairment to right-of-use assets of £2m.

Further, during the year ended 30 April 2022 management took the decision to stop selling its credit-based mobile offer which resulted in a £24m impairment of fixed assets and recognition of a £4m provision for onerous contracts relating to the unavoidable costs the Group is obligated to pay for services which are not applicable to the ongoing post-pay mobile offer.

Glossary and definitions (continued)

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above (continued)

The Group continues the operational roll out of its long term strategic plan in moving towards a full omnichannel offering, bringing stores and online together, giving customers the best of both worlds at scale. This change, accelerated by the pandemic, has resulted in the identification of a material non-cash impairment charge over intangible assets of £8m (2020/21: £46m), primarily related to software development costs as the Group moves towards best-in-class cloud-based solutions to achieve operational efficiencies and improve the customer journey. In the year ended 1 May 2021, these strategic changes also resulted in the recognition of a one-off £16m contract termination fee.

A credit of £7m has also been recognised within the UK & Ireland operating segment following a release of previously recognised onerous contracts related to the closure of the Dixons Travel business following successful exit negotiations and lower than expected closure costs.

During the year ended 1 May 2021, the Group recognised an £8m impairment over acquisition intangibles and £16m for onerous contracts and store related asset impairments following the announcement to close the Dixons Travel business.

(vi) Other
Credits of £18m primarily relate to compensation received following the settlement of a legal case in relation to anti-competitive behaviour engaged by the counterparty.

For the year ended 1 May 2021 the Group recognised a credit of £28m following the settlement of a contractual dispute with the counterparty that caused damage to the Group. A further £5m was also recognised following the settlement of a separate legal case, similar to that of the settlement in the current year but with a different counterparty, in relation to anti-competitive practices engaged. This was marginally offset by £2m of fees incurred.

(vii) Net non-cash financing costs on defined benefit pension schemes
The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial year to the net defined benefit obligation.

(viii) Tax regulatory matters:
As previously disclosed, the Group has been co-operating with HMRC in relation to the tax treatment arising due to pre-merger legacy corporate transactions. The Group maintains the tax treatment was appropriate, however, the likelihood of litigation, and therefore risk associated with this matter is such that the Group holds a provision for the probably economic outflow. There have been no significant developments in the year, as such the principal has been retained, while further interest of £1m has accumulated throughout the year.

(ix) Tax on other adjusting items
The effective tax rate on adjusting items is (7)%. The rate is lower than the UK statutory rate of 19% predominantly due to movements in unrecognised deferred tax assets in the UK where it is not considered there are sufficient future taxable profits to recognise all of the deferred tax asset in respect of losses, pensions and other timing differences.

A6 Reconciliation from statutory net finance costs to adjusted net finance costs

Adjusted net finance costs exclude certain adjusting finance cost items from total finance costs. The adjusting items include the finance charges of businesses to be exited, net pension interest costs, finance income from previously disposed operations not classified as discontinued, and other exceptional items considered so one-off or material that they distort underlying finance costs of the Group. Further information on these items being removed from our adjusted earnings measures is included within the definitions above.

The below provides a reconciliation from net finance costs, which is considered to be the closest IFRS measure, to adjusted net finance costs.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Total net finance costs	**(96)**	(114)
Net interest on defined benefit pension obligations	**8**	8
Adjusted total net finance costs	**(88)**	(106)

A7 Adjusted tax expense

a) Tax expense
The corporation tax charge comprises:

	Year ended 30 April 2022			Year ended 1 May 2021		
	Adjusted £m	**Adjusting items £m**	**Statutory £m**	Adjusted £m	Adjusting items £m	Statutory £m
Current tax						
UK corporation tax at 19% (2020/21: 19%)	**21**	**(7)**	**14**	5	2	7
Overseas tax	**21**	**—**	**21**	36	—	36
	42	**(7)**	**35**	41	2	43
Adjustments made in respect of prior years:						
UK corporation tax	**1**	**—**	**1**	(12)	—	(12)
Overseas tax	**1**	**—**	**1**	(1)	—	(1)
	2	**—**	**2**	(13)	—	(13)
Total current tax	**44**	**(7)**	**37**	28	2	30
Deferred tax						
UK corporation tax	**(4)**	**14**	**10**	4	1	5
Overseas tax	**8**	**(3)**	**5**	(3)	(3)	(6)
	4	**11**	**15**	1	(2)	(1)
Adjustments made in respect of prior years:						
UK corporation tax	**5**	**—**	**5**	5	—	5
Overseas tax	**(2)**	**—**	**(2)**	(1)	—	(1)
	3	**—**	**3**	4	—	4
Total deferred tax	**7**	**11**	**18**	5	(2)	3
Total tax charge	**51**	**4**	**55**	33	—	33

Tax related to discontinued operations is included in the figures set out in note 7.

Glossary and definitions (continued)

A7 Adjusted tax expense (continued)

b) Reconciliation of standard to actual (effective) tax rate
The principal differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to profit / (loss) before taxation are as follows:

	Year ended 30 April 2022			Year ended 1 May 2021		
	Adjusted £m	**Adjusting items £m**	**Statutory £m**	Adjusted £m	Adjusting items £m	Statutory £m
Profit / (loss) before taxation	**186**	**(60)**	**126**	156	(123)	33
Tax at UK statutory rate of 19% (2020/21: 19%)	**35**	**(11)**	**24**	30	(24)	6
Items attracting no tax relief or liability(i)	**2**	**(6)**	**(4)**	4	8	12
Movement in unprovided deferred tax(iv)	**4**	**24**	**28**	1	15	16
Effect of change in statutory tax rate	**3**	**(4)**	**(1)**	1	—	1
Differences in effective overseas tax rates	**2**	**—**	**2**	6	—	6
Increase in provisions	**1**	**—**	**1**	1	—	1
Adjustments in respect of prior years – provision(ii)	**—**	**1**	**1**	(14)	1	(13)
Adjustments in respect of prior years - other(iii)	**4**	**—**	**4**	4	—	4
Total tax charge	**51**	**4**	**55**	33	—	33

The effective tax rate on adjusted earnings for the year ended 30 April 2022 is 27% (2020/21: 21%). The effective tax rate on adjusting items is (7)% (2020/21: nil). The future effective tax rate is likely to be impacted by the geographical mix of profits and the Group's ability to take advantage of currently unrecognised deferred tax assets.

(i) Items attracting no tax relief or liability relate mainly to non-deductible depreciation, share-based payments and reversals of previously non-deductible store closure provisions.
(ii) Provision releases are predominantly where the window for recovery has now closed in relation to pre-merger uncertain tax positions.
(iii) Other adjustments in respect of prior years are mainly due to lower tax relief on fixed assets through capital allowances in submitted tax returns than originally estimated.
(iv) Deferred tax assets relating principally to tax losses in the UK business have not been recognised due to uncertainty over the Group's ability to utilise the losses in the future.

Glossary and definitions (continued)

A8 Adjusted earnings / (loss) per share

Earnings per share ('EPS') measures are adjusted in order to show an adjusted EPS figure, which reflects the adjusted earnings per share of the Group. We consider the adjusted EPS to provide a useful measure of the ongoing earnings of the underlying Group.

The below table shows a reconciliation of statutory basic and diluted EPS to adjusted basic and diluted EPS on both a continuing and total basis as this is considered to be the closest IFRS equivalent.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted profit		
Continuing operations	**135**	123
Total profit		
Continuing operations	**71**	—
Discontinued operations	**—**	12
Total profit	**71**	12
	Million	Million
Weighted average number of shares		
Average shares in issue	**1,165**	1,166
Less average holding by Group EBT and Treasury shares held by Company	**(35)**	(14)
For basic earnings per share	**1,130**	1,152
Dilutive effect of share options and other incentive schemes	**45**	42
For diluted earnings per share	**1,175**	1,194
	Pence	Pence
Basic earnings per share		
Total (continuing and discontinued operations)	**6.3**	1.0
Adjustment in respect of discontinued operations	**—**	(1.0)
Continuing operations	**6.3**	—
Adjustments – continuing operations (net of taxation)	**5.6**	10.7
Adjusted basic earnings per share	**11.9**	10.7
Diluted earnings per share		
Total (continuing and discontinued operations)	**6.0**	1.0
Adjustment in respect of discontinued operations	**—**	(1.0)
Continuing operations	**6.0**	—
Adjustments – continuing operations (net of taxation)	**5.5**	10.3
Adjusted diluted earnings per share	**11.5**	10.3

Basic and diluted earnings per share are based on the profit for the period attributable to equity shareholders. Adjusted earnings per share is presented in order to show the underlying performance of the Group. Adjustments used to determine adjusted earnings are described further in note A5.

A9 Reconciliation of cash inflow from operations to free cash flow

Operating cash flow comprises cash generated from / (utilised by) operations, but before cash generated from / (utilised by) discontinued operations, adjusting items (the nature of which are disclosed above), and after repayments of lease liabilities (excluding non-trading stores) and movements in working capital presented within the Performance review. The measure aims to provide users a clear understanding of cash generated from the continuing operations of the Group.

Sustainable free cash flow comprises cash generated from / (utilised by) operations, but before cash generated from / (utilised by) discontinued operations and movements in adjusted working capital, and after capital expenditure, capital repayments of lease liabilities, net cash interest paid, and income tax paid. Free cash flow comprises all items contained within sustainable free cash flow but after movements in adjusted working capital. Sustainable free cash flow and free cash flow are considered to be useful for users as they represent available cash resources after operational cash outflows and capital investment to generate future economic inflows. We consider it useful to present both measures to draw users' attention to the impact of movements in adjusted working capital on free cash flow.

The below provides a reconciliation of cash generated from operations, which is considered the closest equivalent IFRS measure, to both operating cash flow and free cash flow.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Cash generated from operations	**524**	926
Operating cash flows from discontinued operations*	**—**	3
Capital repayment of leases cost and interest	**(278)**	(310)
Less adjusting items to cash flow	**33**	173
Less movements in working capital presented within the Performance review (note A11)	**88**	(454)
Facility arrangement fees	**(6)**	—
Operating cash flow	**361**	338
Capital expenditure	**(133)**	(122)
Add back adjusting items to cash flow	**(33)**	(172)
Taxation	**(18)**	(35)
Cash interest paid	**(17)**	(24)
Sustainable free cash flow	**160**	(16)
Add back movements in working capital presented within the Performance review (note A11)	**(88)**	454
Free cash flow	**72**	438

* Operating cash flows from discontinued operations are removed in the above reconciliation as free cash flow is presented on a continuing basis.

Reconciliation of adjusted EBIT to free cash flow and sustainable free cash flow

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted EBIT (note A2)	**274**	262
Depreciation and amortisation (note A4)	**314**	336
Working capital presented within the Performance review (note A11)	**(88)**	454
Share-based payments*	**23**	21
Capital expenditure	**(133)**	(122)
Taxation	**(18)**	(35)
Interest	**(17)**	(24)
Repayment of leases	**(249)**	(275)
Profit on disposal of fixed assets*	**(1)**	(6)
Free cash flow before adjusting items to cash flow	**105**	611
Adjusting items to cash flow	**(33)**	(173)
Free cash flow	**72**	438
Add back working capital presented within the Performance review (note A11)	**88**	(454)
Sustainable free cash flow	**160**	(16)

* Other non-cash items in EBIT, as disclosed within the Performance Review, comprise share-based payments and other items in the above reconciliation to free cash flow.

A10 Reconciliation from liabilities arising from financing activities to total indebtedness and net cash

Total indebtedness is a new measure used for the first time this reporting period and represents period end net cash, pension deficit, lease liabilities and lease receivables, less any restricted cash. The purpose of this is to evaluate the liquidity of the Group with the inclusion of all interest-bearing liabilities.

Net cash comprises cash and cash equivalents and short-term deposits, less loans and other borrowings. Lease liabilities are not included within net cash. We consider that this provides a useful alternative measure of the indebtedness of the Group and is used within our banking covenants as part of the leverage ratio.

The below provides a reconciliation of total liabilities from financing activities, which is considered the closest equivalent IFRS measure, to total indebtedness and net cash.

	30 April 2022 £m	1 May 2021 £m
Loans and other borrowings	**(80)**	—
Lease liabilities*	**(1,267)**	(1,326)
Total liabilities from financing activities (note 6c)	**(1,347)**	(1,326)
Cash and cash equivalents less restricted cash	**96**	140
Overdrafts	**(2)**	(6)
Lease receivables*	**4**	4
Pension liability	**(257)**	(482)
Total indebtedness	**(1,506)**	(1,670)
Restricted cash	**30**	35
Add back pension liability	**257**	482
Add back lease liabilities	**1,267**	1,326
Less lease receivables	**(4)**	(4)
Net cash	**44**	169

* Net lease liabilities within the Performance review relates to lease liabilities less lease receivables.

Within the Performance review, management also refer to average net cash / (debt) and total average indebtedness. Average net cash / (debt) and total average indebtedness comprises the same items as included in net cash and total indebtedness as defined above, however with the net cash element calculated as the arithmetic mean average between April – April for the full year to align to the Group's Remuneration Committee calculation and as reported internally.

Glossary and definitions (continued)

A11 Reconciliation of statutory working capital to working capital presented within the Performance review

Within the Performance review, a reconciliation of the adjusted EBIT to free cash flow is provided. Within this, the working capital balance of £(88)m (2020/21: £454m) differs to the statutory working capital balance of £(123)m (2020/21: £319m) as cash flows on adjusting items are separately disclosed.

Working capital presented within the Performance review is a measure of working capital that is adjusted from total IFRS measures to remove the working capital on adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A5.

As discussed above, the Group uses adjusted profit measures in order to provide a useful measure of the ongoing performance of the Group. A reconciliation of the disclosed working capital balance is as follows:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Working capital (outflow) / inflow (note 6b)	**(123)**	319
Adjusting items provisions	**53**	93
Network debtor out of period revaluation	**22**	14
Exceptional receivable – legal settlement (note A5(vi))	**(34)**	28
Facility arrangement fees	**(6)**	—
Working capital (outflow) / inflow presented within the Performance review	**(88)**	454

A12 Summary of working capital presented within the Performance review

Within the Performance review, a summary balance sheet is provided which includes a working capital balance of £(532)m (2020/21: £(684)m). The below table provides a breakdown of how the summary working capital balance ties through to the statutory balance sheet. Network commission receivables are excluded from the breakdown as they are presented separately in order to provide users additional information and visibility on a receivable balance that is subject to a key source of estimation uncertainty.

	30 April 2022 £m	1 May 2021 £m
Non-current assets		
Trade and other receivables*	**39**	38
Current assets		
Inventory	**1,286**	1,178
Trade and other receivables*	**590**	448
Derivative assets	**28**	24
Current liabilities		
Trade and other payables	**(2,368)**	(2,233)
Derivative liabilities	**(11)**	(42)
Non-current liabilities		
Trade and other payables	**(96)**	(97)
Working capital presented within the Performance review	**(532)**	(684)

* Trade and other receivables excludes network commission receivables and contract assets of £190m (2020/21: £239m) as these are presented separately within the condensed balance sheet in the Performance review.

Glossary and definitions (continued)

A13 Restatement of segmental information within the Performance review

As discussed above, during the period the Group's reportable segments have been changed, and comparatives have been restated accordingly. The below table provides a reconciliation of results as presented within the Performance review for the year ended 1 May 2021. The relevant adjustment is a reconciliation of the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments to the UK & Ireland segment.

	Year ended 1 May 2021		
	UK & Ireland Electricals as previously reported £m	UK & Ireland Mobile as previously reported £m	UK & Ireland £m
Income statement			
Adjusted revenue	4,921	707	5,628
Revenue	4,921	721	5,642
Adjusted EBITDA	393	(102)	291
Adjusted EBITDA margin	8.0%	(14.4)%	5.2%
Depreciation on right-of-use assets	(104)	(6)	(110)
Depreciation on other assets	(42)	(4)	(46)
Amortisation	(38)	(5)	(43)
Adjusted EBIT	209	(117)	92
Adjusted EBIT margin	4.2%	(16.5)%	1.6%
Adjusting items to EBIT	(131)	28	(103)
EBIT	78	(89)	(11)
EBIT margin	1.6%	(12.3)%	(0.2)%
Cash flow			
Adjusted EBITDAR	401	(103)	298
Adjusted EBITDAR margin	8.1%	(14.6)%	5.3%
Cash payments of leasing costs, debt and interest	(155)	(13)	(168)
Other non-cash items in EBIT	–	8	8
Operating cash flow	246	(108)	138
Operating cash flow margin	5.0%	(15.3)%	2.5%
Capital expenditure	(59)	(1)	(60)
Adjusting items to cash flow	(63)	(110)	(173)
Segmental free cash flow before working capital	124	(219)	(95)
Network debtor	–	391	391
Working capital	3	(29)	(26)
Segmental free cash flow	127	143	270

Other definitions

The following definitions apply throughout this statement unless the context otherwise requires:

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill.
B2B	Business to business
Board	The Board of Directors of the Company
Carphone, Carphone Warehouse or Carphone Group	The Company or Group prior to the Merger on 6 August 2014
CGU	Cash-generating Unit
CODM	Chief Operating Decision Maker
Company or the Company	Currys plc (incorporated in England & Wales under the Act, with registered number 07105905), whose registered office is at 1 Portal Way, London W3 6RS
Credit adoption	Sales on Credit as a proportion of total sales
CRM	Customer Relationship Management
Currys plc or Group	The Company, its subsidiaries, interests in joint ventures and other investments
Dixons Retail Merger or Merger	The all share merger of Dixons Retail plc and Carphone Warehouse plc which occurred on 6 August 2014
EBT	Employee benefit trust
ESG	Environmental, social and governance
FVTOCI	Financial assets measured at fair value through other comprehensive income
GfK	Growth from Knowledge
HMRC	Her Majesty's Revenue and Customs
honeybee	honeybee was our proprietary IT software operation for which an asset sale was completed on 31 May 2018
IFRS	International Financial Reporting Standards as adopted by the UK
Market position	Ranking against competitors in the electrical and mobile retail market, measured by market share. Market share is measured for each of the Group's markets by comparing data for revenue or volume of units sold relative to similar metrics for competitors in the same market
MNO	Mobile network operator
Net zero	Net zero emissions includes our Scope 1, 2 and 3 emissions. In 2020, we collaborated with The British Retail Consortium and other major retailers on the development of a Climate Action Roadmap to decarbonise the retail industry and its supply chains. The plan aims to bring the retail industry and its supply chains to Net Zero by 2040. Our commitment to net zero meets a number of the criteria of the SBTi Corporate Net-Zero Standard but is not fully aligned or validated against this standard. We will develop and publish a robust net zero emissions roadmap for the Group which will provide detail on carbon abatement for key emissions sources and neutralisation plans of any source of residual emissions that remain unfeasible to remove.

Glossary and definitions (continued)

NPS	Net promoter score, a rating used by the Group to measure customers' likelihood to recommend its operations
Online	Online sales and Online market share relate to all sales where the journey is completed via the website or app. This includes online home delivered, order & collect, Online in-store and ShopLive UK
Online in-store	Sales that are generated through in-store tablets for products that are not stocked in the store
Order & collect	Sales where the sale is made via the website or app and collected in store
Peak / post-Peak	Peak refers to the ten-week trading period ended on 8 January 2022 as reported in the Group's Christmas Trading statement on 14 January 2022. Post-Peak refers to the trading period from 9 January 2022 to the Group's year end on 30 April 2022
RCF	Revolving credit facility
Sharesave or SAYE	Save as you earn share scheme
ShopLive UK	The Group's own video shopping service where store colleagues can assist, advise and demonstrate the use of products to customers online face-to-face
Store	Store sales, Store market share, and Store share of business relate to all sales where the journey is completed in store. This excludes online home delivered, order & collect, Online in-store and ShopLive UK
TSR	Total shareholder return
WAEP	Weighted average exercise price

Responsibility Statement

The 2021/22 Annual Report and Accounts which will be issued in July 2022 contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules, which sets out that as at the date of approval of the Annual Report and Accounts on 6 July 2022, the directors confirm to the best of their knowledge:

- the Group and unconsolidated Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company, respectively; and
- the Performance review contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that they face.

At the date of this statement, the directors are those listed in the Group's 2020/21 Annual Report and Accounts with the exception of Jonny Mason, who stepped down as a director on 9 July 2021; and Bruce Marsh, who was appointed as an executive director and the Group Chief Financial Officer with effect from 12 July 2021.

The financial statements were approved by the directors on 6 July 2022 and signed on their behalf by:

Alex Baldock

Group Chief Executive

Bruce Marsh

Group Chief Financial Officer

Number of stores (unaudited)

	30 April 2022			1 May 2021		
	Own stores	Franchise stores	Total	Own stores	Franchise stores	Total
UK	**293**	**—**	**293**	298	—	298
Ireland	**16**	**—**	**16**	16	—	16
UK & Ireland	**309**	**—**	**309**	314	—	314
Norway	**86**	**67**	**153**	86	69	155
Sweden	**102**	**77**	**179**	102	73	175
Denmark	**40**	**—**	**40**	38	—	38
Finland	**21**	**20**	**41**	21	20	41
Other Nordics	**—**	**14**	**14**	—	13	13
Nordics	**249**	**178**	**427**	247	175	422
Greece	**75**	**19**	**94**	74	19	93
Total	**633**	**197**	**830**	635	194	829

Selling space ‘000 sq ft (unaudited)

	30 April 2022			1 May 2021		
	Own stores	Franchise stores	Total	Own stores	Franchise stores	Total
UK	**5,326**	**—**	**5,326**	5,422	—	5,422
Ireland	**207**	**—**	**207**	207	—	207
UK & Ireland	**5,533**	**—**	**5,533**	5,629	—	5,629
Norway	**1,107**	**654**	**1,761**	1,089	675	1,764
Sweden	**1,203**	**390**	**1,593**	1,217	375	1,592
Denmark	**678**	**—**	**678**	667	—	667
Finland	**517**	**176**	**693**	506	176	682
Other Nordics	**—**	**97**	**97**	—	86	86
Nordics	**3,505**	**1,317**	**4,822**	3,479	1,312	4,791
Greece	**998**	**71**	**1,069**	954	71	1,025
Total	**10,036**	**1,388**	**11,424**	10,062	1,383	11,445