

Pre-close Trading Update

Trading update

Since January, trading has remained strong. Group Electricals sales growth continued the positive performance seen over the Peak trading period, despite the extended closure of most stores in UK&I and increased restrictions on trading in the Nordics.

Like-for-like revenue growth	25 weeks to 24 April	51 Weeks to 24 April
UK & Ireland Electricals	+11%	+13%
International	+14%	+16%
- Nordics	+15%	+17%
- Greece	+7%	+9%
Group Electricals	+12%	+14%

Very strong online growth has continued in all markets with Group Electricals online sales more than doubling to over £4.5bn for the year.

Given the strong financial position, the Group has reimbursed all government support for the £73m of furlough paid to UK&I colleagues during the year.

After the cost of repaying government support, we expect full year adjusted PBT to be broadly in line with current consensus of £151m¹.

Business update

- **Dixons Travel** – We do not expect passenger numbers to recover sufficiently to compensate for the removal of airside tax-free shopping by the UK Government from 1 January. This has led to the difficult decision to close this business, which historically made an annual profit contribution of over £20m.
- **Carphone Warehouse Ireland** – As announced earlier this month, and as part of our Mobile transformation, the Carphone Warehouse stores in Republic of Ireland have closed.

Balance sheet update

- **Network debtor receivable** – EE has paid the outstanding network receivable of £189m. The majority of this payment was previously expected over the course of 2021/22 and 2022/23.
- **UK deferred VAT payment** – The Group has paid all of the £144m of VAT deferred by the UK Government.
- **New debt facilities** – Existing Group debt has been refinanced with new Revolving Credit Facilities; total facilities are £550m and expire in April 2025. All other facilities have been cancelled.
- **Year-end net cash** – Expected to be around £150m.

Outlook

All medium-term guidance remains as previously announced, the Group is on track to deliver its cumulative free cash flow target of more than £1bn over 2019/20 to 2023/24.

In 2021/22 the Group expects the following:

- To end the year in a net cash position
- Capital expenditure of around £190m

¹ Including IFRS16. 2019/20 PBT inc IFRS16 of £116m. Full consensus can be found at <https://www.dixonscarphone.com/investors/analyst-coverage/analyst-estimates>

- Exceptional cash costs of around £130m including the business closures outlined above
- Reduction in profit of £30m from items that would previously have been capitalised. These comprise revenue recognition in our MVNO, iD Mobile, due to new contractual terms and the expensing of certain IT expenditures. This will have no impact on cashflow.

Next scheduled announcement

Dixons Carphone is scheduled to publish its Full Year results on Wednesday 30 June 2021.

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Information on Dixons Carphone plc is available at www.dixonscarphone.com

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About Dixons Carphone

Dixons Carphone plc is a leading omnichannel retailer of technology products and services, operating through 864 stores and 16 websites in eight countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

We are the market leader in the UK & Ireland, throughout the Nordics and in Greece, employing over 22,000 capable and committed colleagues in the UK & Ireland and approximately 32,500 globally across the Group. 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 core operations are supported by an extensive distribution network, enabling delivery to stores and homes, a sourcing office in Hong Kong and a state-of-the-art repair facility in Newark, UK.

Our brands include Currys PC World in the UK & Ireland as well as Carphone Warehouse and iD Mobile in the UK, where our services are provided through Team Knowhow; Elkjøp, Elgiganten and Gigantti in the Nordics; and Kotsovolos in Greece.

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 Dixons Carphone plc website or the Twitter feed does not form part of this announcement and should not be relied on as such.