Unaudited Results for the Half Year Ended 30 October 2021

Strong trading and cash generation as strategic progress continues

We Help Everyone Enjoy Amazing Technology

Key Highlights

- Strong UK market share gains, mitigating industry-wide supply chain challenges
- Maintaining previous profit expectations despite a softer market in the Christmas run-up
- Strong colleague engagement and customer satisfaction continues
- Now under one market-leading brand in each country with successful move to single 'Currys' brand in UK & Ireland
- One of only two UK retailers to receive 'A' score from CDP for our work to combat climate change

Financial Performance

- Group LFL (1)% (Yo2Y +15%)
- Group total Revenue (2)% (Yo2Y +2%)
- Group adjusted Profit before tax £48m (H1 2020/21: £40m, H1 2019/20: £2m)
- Group Profit before tax £48m (H1 2020/21: £45m, H1 2019/20: £(86)m)
- Free cash flow £185m (H1 2020/21: £499m, H1 2019/20: £77m)
- Period end net cash £250m (H1 2020/21: £269m, FY 2020/21: £169m)
- £75m share buyback commencing in January, interim dividend of 1.00p declared

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 as well as information on the restatement of the comparative interim results announced on 8 October 2021.

Alex Baldock, Group Chief Executive

"We've had a strong first half of the year. We grew colleague engagement and customer satisfaction, gained market share and stabilised gross margins in the UK, grew profits and generated strong cash flow.

Technology is now more important than ever to people's lives, and we're best-placed to make the most of that. More and more, we are doing so.

We have strategic clarity, aligned behind a common purpose: "We Help Everyone Enjoy Amazing Technology". We're a simpler, more focused business, and have completed the hardest yards of our transformation, with big legacy issues now behind us, and the pandemic so far successfully navigated. Our big international business has continued to shine, and we can now put our weight behind a single, market leading brand in every country.

Above all, we're showing that in technology retail omnichannel wins. Yes, more customers are shopping online, and our hard work to build a strong online business has seen us thrive here. But most customers buy tech through both online and stores, our sweet spot, where we've worked hard to build on our strengths. That's paying off.

Our market has been softer over recent weeks, and we may face into further headwinds from omicron and associated restrictions, but the stronger business we've built can ride out both the industry-wide disruption to supply chains and bumpy demand. After the strong first half, we remain on track to meet the expectations we set out a month ago for full year adjusted PBT of around £160m.

We owe all this to our tens of thousands of capable and committed colleagues, 16,000 of whom will receive £1,000 of free shares in February, as we continue to make all colleagues shareholders. It's their skill and will that's keeping us on track for another successful year, and that's transforming Currys into a business to be proud of. I'm proud to be their colleague."

Divisional Highlights

- **UK&I Revenue (4)%, LFL (3)% (Yo2Y Revenue (9)%, LFL +11%). Adjusted EBIT £23m, +£13m YoY (EBIT £33m)**
  - Electricals LFL (1)%, Yo2Y LFL +21%
  - Adjusted EBIT growth of +130% driven by +110bps gross margin improvement and cost reductions
- **Nordics Revenue +3%, LFL (1)% (Yo2Y Revenue +20%, LFL +19%). Adjusted EBIT £57m, £(17)m YoY (EBIT £51m)**
  - Online sales +9% (ccy neutral), contributing 24% of sales, +2ppts year-on-year
  - Adjusted EBIT +10% Yo2Y but down (23)% YoY due to gross margin decline and planned transformation costs
- **Greece Revenue +15%, LFL +8% (Yo2Y Revenue +28%, LFL +19%). Adjusted EBIT £11m, +£4m YoY (EBIT £11m)**
  - Adjusted EBIT +£4m YoY due to strong sales growth and improved gross margin

Performance Summary

Group sales were flat YoY on a currency neutral basis, as +4% growth in our international business was offset by the decline in UK&I sales and the Carphone Warehouse Ireland closures.

			Year-on-year			Year-on-2-year		
Revenue	**H1 2021/22 £m**	H1 2020/21 £m	**Reported % change**	**Currency neutral % change**	**Like-for-Like % change**	**Reported % change**	**Currency neutral % change**	**Like-for-Like % change**
UK & Ireland	**2,546**	2,650	(4)%	(4)%	(3)%	(9)%	(9)%	11%
International	**2,239**	2,209	1%	4%	-%	18%	21%	19%
- Nordics	**1,959**	1,952	-%	3%	(1)%	17%	20%	19%
- Greece	**280**	257	9%	15%	8%	23%	28%	19%
Group	**4,785**	4,859	**(2)%**	**-%**	(1)%	2%	3%	15%

Group adjusted EBIT was flat YoY. UK&I EBIT margins increased due to higher mix of store sales and continuing cost reductions. This was offset by lower Nordic profits due to a decline in gross margin after the strong performance last year, planned transformation cost and additional costs to mitigate supply chain headwinds.

Operating cash flow was in-line with last year. Capital expenditure and exceptional cash costs were lower than last year but as expected, working capital inflow was substantially lower for the half, resulting in lower free cash flow.

Profit and Cash Flow Summary	**H1 2021/22 £m**	H1 2020/21 £m	**H1 2021/22 Adjusted £m**	H1 2020/21 Adjusted £m	Reported % change	Currency neutral % change
Segmental EBIT						
UK & Ireland	**33**	25	**23**	10	130%	140%
International	**62**	75	**68**	81	(16)%	(16)%
- Nordics	**51**	68	**57**	74	(23)%	(24)%
- Greece	**11**	7	**11**	7	57%	83%
EBIT	**95**	100	**91**	91	-%	-%
EBIT Margin	**2.0%**	2.1%	**1.9%**	1.9%	- bps	- bps
Net finance costs	**(47)**	(55)	**(43)**	(51)		
Profit before tax	**48**	45	**48**	40	20%	20%
Tax	**(6)**	(28)	**(16)**	(12)		
Profit after tax	**42**	17	**32**	28		
EPS – continuing operations	**3.7p**	1.5p	**2.8p**	2.4p		
Operating cash flow			**134**	133	1%	2%
Operating cash flow margin			**2.8%**	2.7%	10 bps	
Free cash flow			**185**	499	(63)%	(63)%
Net cash			**250**	269		

Current Trading & Outlook

During the last few months, well-publicised global supply chain challenges have affected the industry. We have coped with these challenges well, mitigating the impact for our customers by making the most of the strength of our supplier relationships to maintain market leading product availability. Nevertheless, there are costs associated with some of these mitigations, and there has been some impact on our product availability and on sales of some in-demand products.

After a strong sales performance in the first half of the year, market demand has softened in the run-up to Christmas. Against this backdrop, we have taken market share in the UK, margins have remained stable and customer satisfaction has further improved.

The immediate outlook has become more uncertain, with the omicron Covid-19 variant and associated government restrictions potentially further dampening market demand. Nevertheless, the strong first half performance from a stronger business means we remain on track to meet expectations outlined at our Capital Markets Day last month for full year adjusted PBT of around £160m.

Guidance

Current year guidance – as previously guided:

- Capital expenditure of around £170m
- Net exceptional cash costs of around £70m
- To finish the year with at least £100m of net cash
- £75m annual buyback to commence when close period ends in January 2022

Medium term guidance – as previously guided:

- Group to generate cumulative free cash flow of more than £1bn over 2019/20 to 2023/24
- Group expects at least 4.0% adjusted EBIT margin by 2023/24

Capital structure and allocation – as previously guided:

As announced at our Capital Markets Day on 4 November, reviewed our capital allocation framework, with a particular focus on the appropriate balance sheet leverage, our ongoing pension commitments, our dividend policy and on our ability to return surplus cash to shareholders.

We intend to maintain a strong balance sheet. We'll therefore assess our financial strength on a total indebtedness basis and will target the following metrics[1];

- Fixed charge cover of greater than 1.5x
- Indebtedness leverage of less than 2.5x

After maintaining a prudent balance sheet and paying the agreed pension contributions[2], our refreshed capital allocation priorities are:

1. **Invest to grow the business, profits, cash flow**
2. **Pay and grow the ordinary dividend**
3. **Return surplus cash to shareholders[3]**

[1] Fixed charge cover is calculated as annual operating cash flow plus cash lease costs divided by total annual cash lease costs, interest and pension contributions

Indebtedness leverage is defined as total indebtedness divided by operating cash flow plus cash lease costs

[2] Monthly pension contributions of £6.5m are due to continue until 31 December 2028

[3] Annual cash returns including ordinary dividend in excess of £78m per year to be matched by additional pension contributions

Results call

There will be a live Q&A call for investors and analysts at 9:00am.
Dial-in: +44 (0)330 336 9434, Confirmation code: 7960441

Next scheduled announcement

The Group is scheduled to publish its Peak trading update covering the 10 weeks to 8 January 2022 on Friday 14 January 2022.

For further information

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

About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 832 stores in 8 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

In the UK&I 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 33,000 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 are supported by a sourcing office in Hong Kong, state-of-the-art repair facilities 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 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.

We Help Everyone Enjoy Amazing Technology

Chief Executive's Review

Amazing technology now plays a more vital role in our customers' lives. Market demand will have its short-term ups and downs, but the big picture is of a technology market sustainably larger post-pandemic. Hybrid working will become normal, and in-home entertainment will continue to grow. More time at home means more usage, and more customers' eyes have been opened to what new technology can do, both of which point to faster replacement. A larger installed base means more upgrades, repairs and recycling and means more opportunity to sell complementary products and services. We have seen these trends during the first six months of the year, and we expect some of this increased demand to be permanent. The UK electricals market was down (1)% compared to last year but fully +21% larger than two years ago, and +20% larger than two years ago in the Nordics.

Against this backdrop, we are continuing to grow our leadership position. In the UK, our Electricals market share increased by +0.7ppts during the period. Even more tellingly, our omnichannel model has proven itself capable of thriving in any circumstances as our market share is up by over +3ppts in stores and online compared to two years ago. This equates to an overall share loss of just (0.3)ppts over two years as the market has moved more online. In the Nordics our market share was down (1.4)ppts against the backdrop of +1.5ppts gain during the same period last year; again, we have gained share in both channels compared to two years ago.

This period has also seen challenging conditions in our supply chain. Since the start of the Covid pandemic in early 2020 there has been a shortage of high demand tech products or products where manufacturing has been limited due to pandemic restrictions. In the last few months, these problems have been exacerbated by well documented issues such as oceanic freight inflation, a shortage of HGV drivers, 7.5tonne van drivers and warehouse operatives as well as Brexit-related teething problems with getting stock into our Irish business.

We have maintained market leading stock availability by working closely with our suppliers, making the most of the strength of our relationships with them, and increasing our stock holding. Our customer promises have been kept by recruiting and retaining colleagues through increasing base pay, adding sign-on and retention bonuses and moving retail colleagues into our supply chain, as well as through the broader ongoing transformation of our supply chain.

Despite these challenges, our customer satisfaction ratings have improved again. Our Nordic businesses have continued to see "happy or not" scores climb from already high bases while in the UK we have seen Currys NPS improve by almost +5 compared to two years ago. Pleasingly, satisfaction measured at almost all parts of the customer journey was up materially compared to last year. However, there is still a lot of work to go in this area and a lot of our energy will continue to go into fixing customer pain points.

In October we made a change that will significantly improve all areas of our UK&I business by moving to a single brand, Currys. Currys has been providing vital technology to enrich customers' lives since 1884. As a single, trusted brand, more customers will see Currys as their natural choice for electricals, mobile, products and services. This move doesn't just help customers, it makes it very clear to our almost 19,000 UK&I colleagues that we are part of a single joined up business, aligned behind one vision, one strategy and one set of values.

At the same time as delivering robust in-year results, we've continued to make strong progress on the important areas of our strategy.

Omnichannel
Omnichannel is our way of bringing the strengths of all our channels - stores and online - to all our customers, however they choose to shop. Omnichannel is the way customers want to shop for their technology, with over 60% of UK customers preferring to use both channels.

First, our online business continues to thrive. During the half our online sales were +54% higher than two years ago, although as expected, online sales have declined versus last year as customers have taken advantage of our reopened stores.

In the UK, three-quarters of Currys.co.uk traffic came from free or direct sources with traffic through pay-per-click falling by 23% year-on-year, illustrating our ability to drive online traffic at low cost, something that will be enhanced by the move to one "Currys" brand. More broadly, our strong two-year growth online has been driven by an expanded range, on-the-money pricing, and an easier customer experience, all supported by a significantly stronger platform and digital capabilities.

Alongside our online growth, 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 +59% 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 it accounted for almost 18% of online sales, with over 50% of these orders for same day collection, showing that customers value the immediacy that we can deliver. In the Nordics, 34% of online sales were through Order & Collect.

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. This innovation has grown rapidly in the UK, with higher customer satisfaction, stronger conversion, and larger average order values than unassisted online.

We're fuelling further profitable growth through the rollout of our new omnichannel platforms. In the UK, we delivered the first performance upgrade programme in October, visible in a new currys.co.uk site. The launch included the new Currys branding, a new intuitive design, enhanced personalisation, and cleaner, easier navigation, making it easier for our customers to shop with us. Further improvements to the website will be made in early Spring.

In the Nordics, we have completed the rollout of our Next Generation Retail platform to all stores. This is an update to many of our online and store systems and an overhaul of our processes to provide a seamless omnichannel experience for our customers, which in turn will further fuel growth and margin improvements. The customer-facing website has been successfully rolled out in Denmark, and other markets will follow after peak trading.

We have successfully transitioned operation of our Newark, Bolton, and London Gateway distribution centres to GXO logistics and we are already benefiting from GXO's expertise and experience. This partnership has been important in the successful navigation of the supply chain challenges over the last few months.

Customers For Life
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. We have strong foundations, with 80% of UK households as existing customers. Our opportunity is that only 30% of their annual tech spend is currently with us. We can use data, credit and other services to drive long lasting relationships with our customers and grow our share of wallet from this large customer base.

Our Customer Club in the Nordics has continued to grow and had 6.3m customers at the end of October, +47% higher than a year ago and encompassing almost half of all households in the region. Club customers contributed 45% of Nordics revenue in the period (H1 2020/21: 38%). The success of the Customer Club inspired the launch of Currys Perks in the UK in October and we have enrolled the third of UK households for which we already had marketing permissions into the loyalty programme.

UK credit sales grew +8% in the period and were +35% higher than two years ago, with total active customers up +39% over two years. The adoption rate of credit was 12.4%, +0.9ppts higher than last year and we're on track for our 16% targeted adoption rate by 2023/24. We will use the new credit platform ('Strategic Credit'), which is on track for launch in 2022, to offer customers more flexible and tailored credit propositions. We'll also use our better CRM capabilities to stimulate repeat spend from our base of 1.5m active UK credit customers, as well as acquire new credit customers through the introduction of a second lender, risk based pricing and better credit customer experience online.

In other services, we can help customers get started through trade-in, delivery, installation and set-up; we help give tech longer life through protection, repair and recycling; and help get the most out of tech through connectivity and subscriptions. In the UK, over one-third of sales included a service, up on last year as customers benefitted from our ability to carry out services in store.

At Currys, we intend to be as famous for helping give customers' tech longer life as we are for helping them choose new tech. And longer life through trade-in, protection, repair and recycling is core to our strategy and entirely aligned to commercial interests: for Currys, purpose and profit go hand in hand, as they must if both are to be sustained. During the half, our UK trade-in value of Electricals was +40% higher than two years ago, we repaired over 200,000 pieces of Electricals equipment and across the Group we collected 53,000 tonnes of Waste Electrical and Electronic Equipment, including 642,000 items from customers' homes. Our progress here has been recognised in an 'A' score from CDP for our work to combat climate change. CDP assessed over 13,000 companies globally and only 200 received this score with only 14 companies in UK achieving the standard.

Helping customers get the most out of tech and driving lifetime relationships is aided by connectivity. Our iD Mobile customer base has grown +6% compared to last year and now has over 1.1m subscribers. We have soft-launched our new mobile proposition online; and will ramp it up during 2022.

Capable and Committed Colleagues

Sustainable success depends on satisfied customers. And, in our space, it's very hard for the experience of customers to exceed that of colleagues. All our progress therefore rests on ever-more Capable and Committed Colleagues. We continue to invest in the training, tools, incentives, and wellbeing of our colleagues. Our new selling journey training has resulted in improvements in sales, margin and customer satisfaction, and our new colleague hub puts many of the tools in one place, at our colleagues' fingertips.

The move to one customer facing brand has also meant our Currys career website, our internal intranet and our payroll have moved to a single and simple platform. Recruitment, onboarding and pay processes will all be clearer, simpler, and faster because of these changes.

In February, 16,000 colleagues will become full shareholders as the first tranche of colleague shareholder awards will vest.

Combined, these initiatives have seen our Colleague engagement score sustained at 77, which is +2pts ahead of our global benchmarks and +4pts ahead of our retail benchmarks.

Creating long-term, sustainable value for all stakeholders

We are confident in the strength of the business we are creating and our ability to generate sustainable free cash flow and value for all stakeholders both today and in the long-term.

Our medium-term guidance for 4% EBIT margin and over £1bn cumulative free cash flow by 2023/24 remains unchanged. By that year we expect the Group to be generating over £250m of annual sustainable free cash flow. We will achieve this through:

- **Revenue growth** – We're confident in continuing steady top-line growth and market share gains through a wide range of complementary initiatives.
- **Gross margins stabilisation and operating costs reductions to deliver 4% EBIT margin** – We have already stabilised gross margin in UK&I and will remove a further c.£300m of gross operating costs through programmes covering all aspects of the cost base.
- **Controlled capital expenditure** – The current year will be the peak year for transformation expenditure, which will normalise to around 1.5% of sales.
- **Minimal exceptional cash costs** – After several years of high exceptional costs as we transformed the business our plan does not assume material cash exceptional items related to our transformation.

We have delivered this financial profile during the period, with group like-for-like revenue down (1)% compared to last year but up +15% compared to two years ago. Gross margin is up and group Adjusted PBT of £48m is an £8m improvement on last year and £46m improvement on two years ago.

Our balance sheet is in robust health with a closing net cash balance of £250m and total indebtedness of £1.4bn, a reduction of more than £0.3bn compared to last year and over £1bn versus 2018/19 when we set out on our transformation. Given this strength and our confidence in future cash flow we announced the commencement of a £75m buyback in addition to a commitment to grow our ordinary dividend.

Performance Review

Group sales were in-line with last year on a currency neutral basis, as +4% growth in our International business was offset by a (4)% decline in UK&I as the prior year lockdowns drove particularly strong performance. Adjusted EBIT was flat YoY with growth in UK&I and Greece offset by Nordics.

Segmental free cash flow for the period was £198m (H1 2020/21: £527m) with the prior year benefitting from particularly strong pre-peak working capital performance as purchases increased to meet demand, combined with Government support on furlough and VAT deferral that was repaid in H2. Total free cash flow was £185m which after pension and other payments generated cash flow of £81m, leading to a H1 net cash position of £250m.

Income Statement	**H1 2021/22 £m**	H1 2020/21 £m	Reported % change	Currency neutral % change
Adjusted revenue	**4,783**	4,859		
Revenue	**4,785**	4,859	(2)%	-%
Adjusted EBITDA	**247**	256	(4)%	(2)%
Adjusted EBITDA margin	**5.2%**	5.3%	(10) bps	(10) bps
Depreciation on right-of-use assets	**(95)**	(101)		
Depreciation on other assets	**(33)**	(39)		
Amortisation	**(28)**	(25)		
Adjusted EBIT	**91**	91	-%	-%
Adjusted EBIT margin	**1.9%**	1.9%	- bps	- bps
Interest on right-of-use assets	**(36)**	(39)		
Finance income	**1**	4		
Adjusted finance costs	**(8)**	(16)		
Adjusted PBT	**48**	40	20%	20%
Adjusted PBT margin	**1.0%**	0.8%	20 bps	20 bps
Adjusted tax	**(16)**	(12)		
Adjusted Profit after tax	**32**	28		
Adjusted EPS	**2.8p**	2.4p		
Statutory Reconciliation				
Adjusting items to EBITDA	**16**	22		
EBITDA	**263**	278		
Adjusting items to depreciation and amortisation	**(12)**	(13)		
EBIT	**95**	100	(5)%	(4)%
EBIT Margin	**2.0%**	2.1%	(10) bps	(10) bps
Adjusting items to finance costs	**(4)**	(4)		
PBT	**48**	45		
Adjusting items to tax	**10**	(16)		
Profit after tax	**42**	17		
EPS – total	**3.7p**	1.5p		

Cash flow	H1 2021/22 £m	H1 2020/21 £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	**255**	260	(2)%	(1)%
Adjusted EBITDAR margin	**5.3%**	5.4%	(10) bps	(10) bps
Cash payments of leasing costs, debt & interest[1]	**(134)**	(137)		
Other non-cash items in EBIT	**13**	10		
Operating cash flow[1]	**134**	133	1%	2%
Operating cash flow margin	**2.8%**	2.7%	10 bps	- bps
Capital expenditure	**(51)**	(58)	12%	
Adjusting items to cash flow[1]	**10**	(57)	n/a	
Free cash flow before working capital	**93**	18		
Working capital	**105**	509		
Segmental free cash flow	**198**	527	(62)%	(62)%
Cash tax paid	**(6)**	(16)		
Cash interest paid	**(7)**	(12)		
Free cash flow	**185**	499	(63)%	(63)%
Dividend	**(34)**	-		
Purchase of own shares by EBT	**(28)**	(3)		
Pension	**(39)**	(23)		
Other	**(3)**	-		
Movement in net cash / (debt)	**81**	473		
Net cash / (debt)	**250**	269		

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

Online Share of Business	H1 2021/22	H1 2020/21	H1 2019/20	Year-on-Year	Year-on-2-Year
UK & Ireland	**43%**	55%	26%	**(12)%**	17%
International	**22%**	21%	15%	**1%**	7%
- Nordics	24%	22%	17%	**2%**	7%
- Greece	8%	8%	5%	**-%**	3%
Group	**33%**	40%	22%	**(7)%**	11%

UK & Ireland

	H1 2021/22 £m	H1 2020/21 £m	Reported % change	Currency neutral % change
Income Statement				
Adjusted revenue	**2,544**	2,650		
Revenue	**2,546**	2,650	(4)%	(4)%
Adjusted EBITDA	**108**	108	-%	2%
Adjusted EBITDA margin	**4.2%**	4.1%	10 bps	30 bps
Depreciation on right-of-use assets	**(50)**	(57)		
Depreciation on other assets	**(17)**	(23)		
Amortisation	**(18)**	(18)		
Adjusted EBIT	**23**	10	130%	140%
Adjusted EBIT margin	**0.9%**	0.4%	50 bps	50 bps
Adjusting items to EBIT	**10**	15		
EBIT	**33**	25	32%	31%
EBIT margin	**1.3%**	0.9%	40 bps	30 bps
Cash flow				
Adjusted EBITDAR	**113**	109	5%	5%
Adjusted EBITDAR margin	**4.4%**	4.1%	30 bps	40 bps
Cash payments of leasing costs, debt & interest[1]	**(83)**	(80)		
Other non-cash items in EBIT	**11**	6		
Operating cash flow[1]	**41**	35	21%	17%
Operating cash flow margin	**1.6%**	1.3%	30 bps	30 bps
Capital expenditure	**(24)**	(28)	14%	
Adjusting items to cash flow[1]	**10**	(55)	n/a	
Free cash flow before working capital	**27**	(48)		
Network Debtor	**8**	83		
Working capital	**129**	331		
Segmental free cash flow	**164**	366	(55)%	(55)%

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

Total UK&I like-for-like sales declined (3)%, mainly due to the expected decline in Mobile revenue. Total revenue was down (4)% due to the like-for-decline and the Carphone Warehouse Ireland store closures. UK&I like-for-like electricals sales were down (1)% compared to last year but up +21% compared to two years ago. During the period, three UK stores were permanently closed.

During the period, the online share of business was 43%. This was down (12)ppts on last year as store sales grew +28% having been closed for significant periods of last year. Compared to two years ago online share of business was up +17ppts as customers have benefited from the improvement to our online-only and omnichannel propositions.

Across the period, domestic appliances were the strongest performing category as customers benefitted from the reopening of our stores, and we saw strong growth in all white goods areas and in health & beauty. Consumer Electronics were broadly flat compared to last year with large screen TVs the standout performer. In Computing, sales were marginally below last year as strength in Gaming and accessories was offset by declines in laptops and tablets. Compared to two years ago, every major category performed well.

The UK market shrank (1)% during H1 against the strong period last year with the online market reducing by (13)% and the store channel increasing +29%. We gained +0.7% of share as customers returned to stores and our market share grew +5% in that channel. This was partially offset by a reduction in online business where share decreased (3)ppts. Compared to two years ago, we have gained over 3ppts of share in both stores and online, but our overall share is down (0.3)ppts due to the market shift to online.

Gross margins increased +110bps, as the shift of sales back to our higher gross margin store estate along with continuing efficiencies in our supply chain and service operations more than offset additional costs of mitigating supply chain constraints. The operating expense to sales ratio worsened by (50)bps, as additional marketing spend behind the new brand and headwinds from the lowering UK & Ireland business rates tax reliefs to £14m (H1 2020/21: £30m) were partially offset by store payroll savings and lower depreciation charges.

Adjusted EBIT increased to £23m, from £10m in H1 2020/21.

In the period, adjusting items to EBIT totalled £10m with amortisation of acquisition intangibles and other charges offset by one-off settlements from third parties. Alongside previously provided amounts these had a cash impact of £10m in the period. EBIT for the half year increased by +£8m to £33m.

	H1 2021/22, £m		H1 2020/21, £m	
	P&L	**Cash**	P&L	Cash
Mobile network debtor revaluations	**2**	**-**	-	-
Acquisition / disposal related items	**(6)**	**(1)**	(7)	(2)
Strategic change programmes	**(3)**	**(38)**	(30)	(101)
Impairment losses and onerous contracts	**-**	**(3)**	-	-
Regulatory	**-**	**-**	-	(3)
Government support	**-**	**-**	49	49
Other	**17**	**52**	3	2
Total	**10**	**10**	15	(55)

Operating cash flow was broadly flat with profits remaining stable year-on-year. Capital expenditure was £24m, with significant areas of expenditure including supply chain, IT and branding investments. Expenditure was down slightly compared to last year but is expected to increase in the second half as some of the largest in-flight projects near completion. Adjusting items are described above. Network Debtor cash flow was £8m from £83m last year, as the mobile revenue decline decelerated. Working capital inflow was lower at £129m from £331m last year, due to particularly strong prior year trading following store re-openings, as well as a Covid-19 VAT deferral and Coronavirus Job Retention Scheme, which was repaid in the second half of last year. In combination, this resulted in segmental free cash flow of £164m, £(202)m lower than last year.

Nordics

	H1 2021/22 £m	H1 2020/21 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**1,959**	1,952	-%	3%
Adjusted EBITDA	**117**	131	(11)%	(11)%
Adjusted EBITDA margin	**6.0%**	6.7%	(70) bps	(100) bps
Depreciation on right-of-use assets	**(38)**	(38)		
Depreciation on other assets	**(13)**	(13)		
Amortisation	**(9)**	(6)		
Adjusted EBIT	**57**	74	(23)%	(24)%
Adjusted EBIT margin	**2.9%**	3.8%	(90) bps	(100) bps
Adjusting items to EBIT	**(6)**	(6)		
EBIT	**51**	68	(25)%	(25)%
EBIT margin	**2.6%**	3.5%	(90) bps	(100) bps
Cash flow				
Adjusted EBITDAR	**119**	133	(11)%	(10)%
Adjusted EBITDAR margin	**6.1%**	6.8%	(70) bps	(90) bps
Cash payments of leasing costs, debt & interest	**(43)**	(49)		
Other non-cash items in EBIT	**2**	3		
Operating cash flow	**78**	87	(10)%	(9)%
Operating cash flow margin	**4.0%**	4.5%	(50) bps	(60) bps
Capital expenditure	**(20)**	(26)	23%	
Adjusting items to cash flow:	**-**	(2)	N/A	
Free cash flow before working capital	**58**	59		
Working capital	**(31)**	59		
Segmental free cash flow	**27**	118	(77)%	(75)%

Revenue grew by +3% on a currency neutral basis, with like-for-like sales decline of (1)%. Against two years ago, currency neutral sales grew +20%, driven by +19% like-for-like growth.

Online sales grew +9% (ccy neutral) and contributed 24% of sales, up 2ppts compared to last year and 7ppts compared to two years ago. During the half year, we opened a net total of four stores, two in Sweden and one in Norway and Finland.

The Nordics business had 25.8% share across the period, a decline of (1.4)ppts compared to last year, which was an extraordinary year with very strong gains. Compared to two years ago, we have gained market share both in stores and online, but overall share has only grown +10bps due to market shift to online.

Sales of domestic appliances saw good growth due to successful marketing and digital campaigns and better availability of stock. In particular, more time spent at home has provided opportunities for kitchen refurbishments. Gaming continues to grow share of business as social media campaigns have increased awareness and customers are relying on home entertainment more than they have in the past.

Gross margin declined (40)bps, predominantly driven by the shift of sales towards the lower gross margin online channel and additional logistics costs to ensure we secured enough stock. The operating expense to sales ratio worsened by (50)bps due to a number of factors including lower government support, extra costs of new stores and IT, additional amortisation and temporarily running dual IT systems as our Next Generation retail platform is rolled out before legacy systems are retired. These dual running costs will finish by the year end.

As a result, adjusted EBIT decreased by £(17)m to £57m, from £74m in H1 2020/21. Compared to two years ago, EBIT has increased by +£5m.

In the period, adjusting items to EBIT totalled £(6)m, this was entirely due to the amortisation of acquisition intangibles and had no cash impact. EBIT decreased £(17)m to £51m.

The operating cash flow decreased by (10)% to £78m, driven by the lower profit outturn. Capital expenditure was £20m, with significant areas of expenditure including our Next Generation Retail platform and store refits. The total spend was down on last year due to timing of payments. Working capital outflow of £(31)m was due to holding additional stock to mitigate supply chain risk ahead of peak trading.

Greece

	H1 2021/22 £m	H1 2020/21 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**280**	257	9%	15%
Adjusted EBITDA	**22**	17	29%	44%
Adjusted EBITDA margin	**7.9%**	6.6%	130 bps	160 bps
Depreciation on right-of-use assets	**(7)**	(6)		
Depreciation on other assets	**(3)**	(3)		
Amortisation	**(1)**	(1)		
Adjusted EBIT	**11**	7	57%	83%
Adjusted EBIT margin	**3.9%**	2.7%	120 bps	140 bps
Adjusting items to EBIT	**-**	-		
EBIT	**11**	7	57%	83%
EBIT margin	**3.9%**	2.7%	120 bps	140 bps
Cash flow				
Adjusted EBITDAR	**23**	18	28%	35%
Adjusted EBITDAR margin	**8.2%**	7.0%	120 bps	120 bps
Cash payments of leasing costs, debt & interest	**(8)**	(8)		
Other non-cash items in EBIT	**-**	1		
Operating cash flow	**15**	11	36%	50%
Operating cash flow margin	**5.4%**	4.3%	110 bps	120 bps
Capital expenditure	**(7)**	(4)	(75)%	
Adjusting items to cash flow	**-**	-	-%	
Free cash flow before working capital	**8**	7		
Working capital	**(1)**	36		
Segmental free cash flow	**7**	43	(84)%	(83)%

Revenue increased +15% on a currency neutral basis, with like-for-like sales growth of +8%. Against two years ago, like-for-like revenue grew +19%.

Online sales grew +11% and contributed 8% of sales, flat year-on-year. We opened two stores in Cyprus which have performed well, and plan to open a further two Cypriot stores in the coming years.

Sales were up in all categories with particularly strong Air Conditioning sales due to the hot summer, in addition to the Government's Digital Care initiative driving Computing and Telecoms growth. Under this scheme low-income students were granted a €200 coupon.

Gross margin was up +80bps over prior year in part due to strong performance of new insurance products. Operating costs increased to meet the sales demand and increased spend on IT.

As a result, adjusted EBIT increased +57% to £11m, from £7m in H1 2020/21. There were no adjusting items to EBIT, resulting in EBIT of £11m.

The operating cash flow was £15m, up from £11m in the prior year. Capital expenditure was £7m, with significant areas of expenditure including digital transformation and property. Working Capital remained flat compared to the year end.

Finance Costs

Interest on lease liabilities was £(36)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 improving cash position and the cancellation of legacy facilities that were refinanced in April 2021. The net cash impact of these costs was £(7)m, from £(12)m in the prior year. 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.

	H1 2021/22 **£m**	H1 2020/21 £m
Interest on lease liabilities	**(36)**	(39)
Finance income	**1**	4
Finance costs	**(8)**	(16)
Adjusted net finance costs	**(43)**	(51)
Finance costs on defined benefit pension schemes	**(4)**	(4)
Net finance costs	**(47)**	(55)

Tax

The expected full year adjusted effective tax rate at 28% is higher than the prior full year rate of 21% due to a higher proportion of international profits and provision releases in the prior year, together with the impact of the future increase in the UK tax rate. A rate of 33% has been applied to the adjusted half year results, which is higher than the prior year adjusted half year rate of 28% due to the weighting of profit in different jurisdictions and the impact of the future increase of the UK tax rate. The cash tax paid in the half year period was £6m.

The half year adjusting items tax credit of £10m includes the benefit of rebasing deferred tax assets relating to tax losses to the future UK tax rate of 25%. The adjusting items tax charge of £16m for the half year ended 31 October 2020 included a significant derecognition of deferred tax assets relating to tax losses.

Cash flow

	H1 2021/22 £m	H1 2020/21 £m	Reported % change	Currency neutral % change
Operating cash flow	**134**	133	1%	2%
Capital expenditure	**(51)**	(58)	12%	
Adjusting items to cash flow	**10**	(57)	n/a	
Free cash flow before working capital	**93**	18		
Working capital and network commissions	**105**	509		
Segmental free cash flow	**198**	527	(62)%	(62)%
Cash tax paid	**(6)**	(16)		
Cash interest paid	**(7)**	(12)		
Free cash flow	**185**	499	(63)%	(63)%
Dividend	**(34)**	-		
Net purchase of shares by EBT	**(28)**	(3)		
Pension	**(39)**	(23)		
Other	**(3)**	-		
Movement in net debt	**81**	473		
Opening net cash / (debt)	**169**	(204)		
Closing net cash / (debt)	**250**	269		

Segmental free cash flow was an inflow of £198m (H1 2020/21: £527m) and interest and tax totalled £(13)m as described above, resulting in free cash flow of £185m (H1 2020/21: £499m).

The Board decided to pay a £34m (3p per share) dividend during the year relating to 2020/21. The employee benefit trust acquired £28m of shares to satisfy share awards to colleagues.

Pension contributions of £39m (2020/21: £23m) were higher than prior year as we ended the reduced contribution agreed with the fund Trustees during Covid-19. Annual contribution for 2021/22 will be £78m, as agreed with the fund Trustees.

Other movements predominantly relate to currency translation differences.

The closing net cash position was £250m, compared to a net cash position of £269m at 31 October 2020. This included £33m of restricted cash (31 October 2020: £36m). The average net cash for the half-year period was £290m, compared to an average net debt position of £(194)m in H1 2020/21.

The Board has declared an Interim dividend of 1.00p per ordinary share for the half year to 30 October 2021. The dividend will be paid on 21 January 2022 to shareholders registered at the close of business on 31 December 2021. The ex-dividend date will be 30 December.

Balance sheet

	30 October 2021	31 October 2020	1 May 2021
	£m	£m	£m
Goodwill	**2,836**	2,845	2,851
Other fixed assets	**1,555**	1,803	1,661
Network commission receivables and contract assets	**233**	533	239
Working capital	**(820)**	(1,102)	(684)
Net cash / (debt)	**250**	269	169
Lease liabilities	**(1,227)**	(1,398)	(1,326)
Pension	**(416)**	(585)	(482)
Deferred tax	**97**	81	100
Provisions	**(62)**	(99)	(85)
Other	**(64)**	(48)	(62)
Net assets	**2,382**	2,299	2,381

Goodwill decreased in the period due to currency revaluation of Nordics goodwill.

Other fixed assets decreased by £(106)m since 1 May 2021 with £(84)m relating to right-of-use assets in particular the UK where savings are being made through lease renegotiations and renewals.

Network commission receivables and contract assets decreased by £(300)m since 31 October 2020 as the scale of our mobile business reduced and the amount of new revenue capitalised was lower than the payments received. This decrease was accelerated by EE paying all its outstanding network receivable at the end of 2020/21.

At half year-end, total working capital was £(820)m (H1 2020/21: £(1,102)m). Group inventory was £1,580m, higher than 31 October 2020 due to unusually strong sell-through of stock in the UK&I and Nordics in the prior year due to Covid-19, as well as preparing for potential supply chain risks this year. Stock days increased from 53 to 56, and Trade payable days decreased from 76 to 73 since 31 October 2020. Trade payables increased by +£187m to £(2,134)m (H1 2020/21: £(1,947)m) due to additional purchases of stock to mitigate potential supply chain risk.

Other receivables increased by +£57m (H1 2020/21: £190m) since 31 October 2020 due to additional accrued income and prepayments for project license fees. Other payables fell by £102m as the business has paid back the UK&I VAT deferred at 31 October 2020 under Covid-19 relief mechanisms.

	30 October 2021	31 October 2020	1 May 2021
	£m	£m	£m
Inventory	**1,580**	1,306	1,178
Trade Receivables	**342**	303	294
Trade Payables	**(2,134)**	(1,947)	(1,420)
Trade working capital	**(212)**	(338)	52
Other Receivables	**247**	190	192
Other Payables	**(843)**	(945)	(910)
Derivatives	**(12)**	(9)	(18)
Working capital	**(820)**	(1,102)	(684)

Lease liabilities reduced since 31 October 2020 mainly because of the closure of our Carphone Warehouse standalone UK stores in March 2020, as well as CPW Ireland stores in April 2021. These non-trading leases continue to expire throughout the period.

The IAS 19 accounting deficit of the defined benefit section of the UK pension scheme amounted to £416m (FY 2020/21: £482m, H1 2020/21: £585m). Contributions during the period under the terms of the deficit reduction plan amounted to £39m (H1 2020/21: £23m).

The deficit decreased largely because of increases in the value of the underlying assets and the contributions in the period, partly offset by increases in inflation rate assumptions reflecting changes in long term RPI expectation and a decrease in the discount rate applied to future liabilities in line with long term bond yield returns. Pension contributions are tax deductible and there is a £51m deferred tax asset associated with the pension liabilities (H1 2020/21: £59m).

The deferred tax asset increased by +£16m since 31 October 2020 largely as a result of the increase in the projected UK tax rate offset by a remeasuring of the deferred tax asset on a three-year outlook, in line with the Group's financial planning period.

Provisions primarily relate to reorganisation and property provisions. The balance reduced by £(37)m due to utilisation of provisions, mainly related to Mobile restructuring, partially offset by increases in provisions due to the announced closure of Carphone Warehouse Ireland and Dixons Travel businesses at the end of 2020/21.

The closing total indebtedness[4] position was £1,426m, compared to £1,674m at 1 May 2021 and £1,750m at 31 October 2020.

Comprehensive income / Changes in equity

Total equity for the Group increased from £2,381m to £2,382m in the period, driven by the profit of £42m, the actuarial gain (net of taxation) on the defined benefit pension deficit for the UK pensions scheme of £23m, movements in relation to share schemes of £14m and hedging gains of £3m. This was largely offset by dividends paid of £(34)m, purchase of own shares by EBT of £(28)m and a loss on retranslation of overseas operations of £(19)m.

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

Consolidated income statement

	Note	**26 weeks ended 30 October 2021 Unaudited £m**	26 weeks ended 31 October 2020 Unaudited £m	Year ended 1 May 2021 Audited £m
Continuing operations				
Revenue	2	**4,785**	4,859	10,344
Profit before interest and tax	2	**95**	100	147
Finance income		**1**	4	6
Finance costs		**(48)**	(59)	(120)
Net finance costs		**(47)**	(55)	(114)
Profit before tax		**48**	45	33
Income tax expense		**(6)**	(28)	(33)
Profit after tax – continuing operations		**42**	17	–
Profit after tax – discontinued operations	8	**–**	–	12
Profit after tax for the period		**42**	17	12
Earnings per share (pence)	3			
Basic – continuing operations		**3.7p**	1.5p	–p
Diluted – continuing operations		**3.5p**	1.4p	–p
Basic – total		**3.7p**	1.5p	1.0p
Diluted – total		**3.5p**	1.4p	1.0p

Consolidated statement of comprehensive income

	26 weeks ended 30 October 2021	26 weeks ended 31 October 2020	Year ended 1 May 2021
	Unaudited £m	Unaudited £m	Audited £m
Profit after tax for the period	**42**	17	12
Items that may be reclassified to the income statement in subsequent periods:			
Cash flow hedges			
Fair value movements recognised in other comprehensive income	**(9)**	(15)	(51)
Reclassified and reported in income statement	**11**	15	11
Exchange (losses) / gains arising on translation of foreign operations	**(19)**	53	46
	(17)	53	6
Items that will not be reclassified to the income statement in subsequent periods:			
Actuarial gains / (losses) on defined benefit pension schemes: – UK	**32**	(54)	30
Tax on movements on defined benefit pension schemes	**(9)**	9	13
Fair value through other comprehensive income financial assets			
Gains arising during the period	**–**	3	8
	23	(42)	51
Other comprehensive income for the period (taken to equity)	**6**	11	57
Total comprehensive income for the period	**48**	28	69

Consolidated balance sheet

	Note	**30 October 2021 Unaudited £m**	31 October 2020 Unaudited £m	1 May 2021 Audited £m
Non-current assets				
Goodwill		**2,836**	2,845	2,851
Intangible assets		**430**	471	426
Property, plant & equipment		**158**	226	184
Right-of-use assets		**967**	1,106	1,051
Lease receivable		**3**	4	3
Investments	6	**–**	13	–
Trade and other receivables		**136**	245	138
Deferred tax assets		**263**	239	262
		4,793	5,149	4,915
Current assets				
Inventory		**1,580**	1,306	1,178
Lease receivable		**1**	1	1
Trade and other receivables		**686**	781	587
Derivative assets	6	**28**	38	24
Cash and cash equivalents		**255**	340	175
		2,550	2,466	1,965
Total assets		**7,343**	7,615	6,880
Current liabilities				
Trade and other payables		**(2,871)**	(2,780)	(2,233)
Derivative liabilities	6	**(40)**	(47)	(42)
Contingent consideration	6	–	(2)	(2)
Income tax payable		**(68)**	(64)	(64)
Loans and other borrowings		**(5)**	(1)	(6)
Lease liabilities		**(209)**	(225)	(216)
Provisions		**(52)**	(81)	(58)
		(3,245)	(3,200)	(2,621)
Non-current liabilities				
Trade and other payables		**(106)**	(112)	(97)
Loans and other borrowings		–	(70)	–
Lease liabilities		**(1,018)**	(1,173)	(1,110)
Retirement benefit obligations	5	**(416)**	(585)	(482)
Deferred tax liabilities		**(166)**	(158)	(162)
Provisions		**(10)**	(18)	(27)
		(1,716)	(2,116)	(1,878)
Total liabilities		**(4,961)**	(5,316)	(4,499)
Net assets		**2,382**	2,299	2,381
Capital and reserves				
Share capital		**1**	1	1
Share premium account		**2,263**	2,263	2,263
Other reserves		**(800)**	(735)	(764)
Accumulated profits		**918**	770	881
Equity attributable to equity holders of the parent company		**2,382**	2,299	2,381

Consolidated statement of changes in equity

	Note	Share capital £m	Share premium account £m	Other reserves £m	Accumulated profits £m	Total equity £m
At 1 May 2021		1	2,263	(764)	881	2,381
Profit for the period		**–**	**–**	**–**	**42**	**42**
Other comprehensive income / (expense) recognised directly in equity		**–**	**–**	**(17)**	**23**	**6**
Total comprehensive income / (expense) for the period		**–**	**–**	**(17)**	**65**	**48**
Cash flow hedge amounts transferred to the carrying value of inventory		**–**	**–**	**1**	**–**	**1**
Equity dividends	4	**–**	**–**	**–**	**(34)**	**(34)**
Net movement in relation to share schemes		**–**	**–**	**8**	**6**	**14**
Purchase of own shares by EBT		**–**	**–**	**(28)**	**–**	**(28)**
At 30 October 2021		**1**	**2,263**	**(800)**	**918**	**2,382**

	Share capital £m	Share premium account £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	–	–	–	17	17
Other comprehensive income / (expense) recognised directly in equity	–	–	56	(45)	11
Total comprehensive income / (expense) for the period	–	–	56	(28)	28
Cash flow hedge amounts transferred to the carrying value of inventory	–	–	(16)	–	(16)
Net movement in relation to share schemes	–	–	3	7	10
Purchase of own shares by EBT	–	–	(3)	–	(3)
At 31 October 2020	1	2,263	(735)	770	2,299

Consolidated statement of changes in equity

	Share capital £m	Share premium account £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 income for the period	–	–	14	55	69
Cash flow hedge amounts transferred to the carrying value of inventory	–	–	24	–	24
Net movement in relation to share schemes	–	–	4	17	21
Amounts transferred from investments revaluation reserve	–	–	(18)	18	–
Purchase of own shares by EBT	–	–	(13)	–	(13)
At 1 May 2021	1	2,263	(764)	881	2,381

Consolidated cash flow statement

	Note	**26 weeks ended 30 October 2021 Unaudited £m**	26 weeks ended 31 October 2020 Unaudited £m	Year ended 1 May 2021 Audited £m
Operating activities				
Cash generated from operations	7	**389**	745	926
Special contributions to defined benefit pension scheme		**(39)**	(23)	(47)
Income tax paid		**(6)**	(16)	(35)
Net cash flows from operating activities		**344**	706	844
Investing activities				
Net cash outflow arising from acquisitions		**(2)**	(1)	(1)
Proceeds from sale of financial assets at FVTOCI		–	–	18
Proceeds on sale of business		**1**	2	2
Acquisition of property, plant & equipment and other intangibles		**(51)**	(58)	(122)
Net cash flows from investing activities		**(52)**	(57)	(103)
Financing activities				
Interest paid		**(43)**	(52)	(101)
Capital repayment of lease liabilities		**(98)**	(119)	(232)
Purchase of ordinary shares by EBT		**(28)**	(3)	(13)
Equity dividends paid	4	**(34)**	–	–
Repayment of borrowings		–	(249)	(326)
Facility arrangement fees paid		**(6)**	–	–
Net cash flows from financing activities		**(209)**	(423)	(672)
Increase in cash and cash equivalents and bank overdrafts		**83**	226	69
Cash and cash equivalents and bank overdrafts at beginning of the period		**169**	120	120
Currency translation differences		**(2)**	(7)	(20)
Cash and cash equivalents and bank overdrafts at end of the period		**250**	339	169

Notes to the financial information

1 Accounting policies

a) Basis of preparation

The interim financial information for the 26 weeks ended 30 October 2021 was approved by the directors on 14 December 2021. The interim financial information, which is a condensed set of financial statements, has been prepared in accordance with the Listing Rules of the Financial Conduct Authority and International Accounting Standard 34 "*Interim Financial Reporting*" (IAS 34) as adopted by the UK and has been prepared on the going concern basis as described further below and in the section on risks to achieving the Group's objectives.

The accounting policies adopted are those set out in the Group's Annual Report and Accounts for the year ended 1 May 2021 which were prepared in accordance with IFRS as adopted by the UK. New accounting standards, amendments to standards and IFRIC interpretations which became applicable during the period were either not relevant or had no impact on the Group's net results or net assets.

Critical accounting judgements and estimates used in the preparation of the financial statements are continually reviewed and revised as necessary. Whilst every effort is made to ensure that such judgements and statements are reasonable, by their nature they are uncertain and as such changes may have a material impact. In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty include the deferred tax recognition in relation to carried forward losses within the UK, as disclosed below, as well as those applied to the consolidated financial statements for the year ended 1 May 2021.

Deferred tax asset – UK losses carried forward

The Group recognised, and regularly remeasures, deferred tax assets for the carry forward of unused tax losses within the UK to the extent that future taxable profit will be available against which the unused tax losses can be utilised. The calculated asset is therefore based on a number of management's projections over the next 3 years based on the Board approved strategic plan, including sales and costs growth rates and any potential impact of the risks to achieving the Group's objectives, which can be found on page 40. All of which may give rise to a difference between the value ascribed and the actual outcome.

It is reasonably possible that a change in assumption could result in a material change in the forecast taxable profit that will be available against which the unused tax losses can be utilised, and a subsequent change in the deferred tax asset that is recognised, within the next year. If the taxable profit generated in the UK increases / decreases by a reasonably possible 20% across the lookout period, this would result in further change in the deferred tax assets recognised of £12m.

The interim financial information uses definitions that are set out on page 44 of this document.

The interim financial information is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006, but has been reviewed by the auditor. The financial information for the year ended 1 May 2021 does not constitute the company's statutory accounts for that period but has been extracted from those accounts which have been filed with the Registrar of Companies and are also available on the Group's corporate website www.currysplc.com. The auditor has reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain statements under Sections 498 (2) or (3) of the Companies Act 2006.

In addition to IFRS measures, the Group uses certain alternative performance measures 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 alternative performance measures used by the Group are included within the glossary and definitions section on page 44. This includes further information on the definitions, purpose and reconciliations to IFRS measures of those alternative performance measures 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

The directors have prepared the interim financial information on a going concern basis. In considering the going concern basis, the directors have considered the principal risks and uncertainties as detailed on page 40, especially in the context of the health and safety of both our colleagues and customers as a consequence of Covid-19, supply-chain resilience and the wider macro-economic environment and how these factors might influence future revenue, earnings and the Groups objectives and strategy.

In their consideration of going concern, the directors have reviewed the Group's cash forecasts and profit projections, which are based on market data and past experience. The directors are of the opinion that the projections, taking into account reasonably possible changes in trading performance, the potentially prolonged impact and recovery of Covid-19 and exposure to possible global supply chain disruption, show that the Group is able to operate within its current facilities and comply with its banking covenants for the foreseeable future.

As a result, the directors are of the opinion that at the time of approving the financial statements, and having considered the Group's cash flow forecast, projections, financial resources and available facilities as set out in note 6, that the Group is well placed to operate within its current facilities, comply with its banking covenants and manage the significant risks satisfactorily for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial information

2 Segmental analysis

The Group's operating segments reflect the segments routinely reviewed by the Board and 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 Chief Operating Decision Maker 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 therefore been combined into UK & Ireland.

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 in part (b) of this note.

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

- UK & Ireland comprises operations of Currys, Carphone Warehouse, iD Mobile and B2B operations.
- Nordics operates in Norway, Sweden, Finland, Denmark with franchise operations in Iceland, Greenland and 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 8.

Notes to the financial information

2 Segmental analysis (continued)

(a) Segmental results

	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
					26 weeks ended 30 October 2021
External revenue	**2,546**	**1,959**	**280**	**–**	**4,785**
Inter-segmental revenue	**32**	–	–	**(32)**	–
Total revenue	**2,578**	**1,959**	**280**	**(32)**	**4,785**
Profit before interest and tax	**33**	**51**	**11**	–	**95**

	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
					26 weeks ended 31 October 2020 (restated)*
External revenue	2,650	1,952	257	–	4,859
Inter-segmental revenue	31	–	–	(31)	–
Total revenue	2,681	1,952	257	(31)	4,859
Profit before interest and tax	25	68	7	–	100

	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 £87m to £31m for the 26 weeks ended 31 October 2020 and 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 in note 2b.

Notes to the financial information

2 Segmental analysis (continued)

(a) Segmental results (continued)

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
UK & Ireland	**33**	25	(11)
Nordics	**51**	68	139
Greece	**11**	7	19
Profit before interest and tax	**95**	100	147
Finance income	**1**	4	6
Finance costs	**(48)**	(59)	(120)
Profit before tax	**48**	45	33

(b) 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 26 weeks ended 31 October 2020 and 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.

26 weeks ended 31 October 2020

External revenue

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	2,266	384	2,650
UK & Ireland Electricals (as previously reported)	2,266	(2,266)	–	–
UK & Mobile (as previously reported)	384	–	(384)	–
Nordics	1,952	–	–	1,952
Greece	257	–	–	257
Total external revenue	4,859	–	–	4,859

Profit / (loss) before interest and tax

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	69	(44)	25
UK & Ireland Electricals (as previously reported)	69	(69)	–	–
UK & Mobile (as previously reported)	(44)	–	44	–
Nordics	68	–	–	68
Greece	7	–	–	7
Profit before interest and tax	100	–	–	100

Notes to the financial information

2 Segmental analysis (continued)

(b) Restatement of segmental information (continued)

Year ended 1 May 2021

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

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

(c) Seasonality

The Group's business is highly seasonal, with a substantial proportion of its revenue and profit / (loss) before interest and tax generated during its third quarter, which includes Black Friday and the Christmas and New Year season.

(d) Geographical information

Revenues are allocated to countries according to the entity's country of domicile. Revenue by destination is not materially different to that shown by domicile. Non-current assets exclude financial instruments and deferred tax assets.

	26 weeks ended 30 October 2021					26 weeks ended 31 October 2020				
	UK £m	**Norway £m**	**Sweden £m**	**Other £m**	**Total £m**	UK £m	Norway £m	Sweden £m	Other £m	Total £m
Revenue	**2,464**	**612**	**658**	**1,051**	**4,785**	2,522	592	641	1,104	4,859
Non-current assets at period end	**2,819**	**571**	**442**	**656**	**4,488**	3,131	535	414	783	4,863
Capital expenditure	**24**	**14**	**3**	**10**	**51**	27	18	3	10	58

Notes to the financial information

2 Segmental analysis (continued)

(d) Geographical information (continued)

	Year ended 1 May 2021				
	UK £m	Norway £m	Sweden £m	Other £m	Total £m
Revenue	5,352	1,269	1,375	2,348	10,344
Non-current assets at period end	2,886	581	461	684	4,612
Capital expenditure	60	36	7	19	122

(e) Disaggregation of revenues

26 weeks ended 30 October 2021

	UK & Ireland £m	**Nordics £m**	**Greece £m**	**Total £m**
Sales of goods	**2,163**	**1,788**	**259**	**4,210**
Commission revenue	**203**	**108**	**9**	**320**
Support services revenue	**130**	**28**	**8**	**166**
Other services revenue	**48**	**35**	**4**	**87**
Other revenue	**2**	**–**	**–**	**2**
Total revenue	**2,546**	**1,959**	**280**	**4,785**

26 weeks ended 31 October 2020

	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sales of goods	2,182	1,771	244	4,197
Commission revenue	252	132	1	385
Support services revenue	132	18	8	158
Other services revenue	81	31	4	116
Other revenue	3	–	–	3
Total revenue	2,650	1,952	257	4,859

Year ended 1 May 2021

	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sales 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

Notes to the financial information

3 Earnings per share

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
Total profit			
Continuing operations	**42**	17	–
Discontinued operations	**–**	–	12
Total	**42**	17	12

	Million	Million	Million
Weighted average number of shares			
Average shares in issue	**1,166**	1,165	1,166
Less average holding by Group EBT	**(25)**	(10)	(14)
For basic earnings per share	**1,141**	1,155	1,152
Dilutive effect of share options and other incentive schemes	**49**	22	42
For diluted earnings per share	**1,190**	1,177	1,194

	Pence	Pence	Pence
Basic earnings per share			
Total (continuing and discontinued operations)	**3.7**	1.5	1.0
Adjustment in respect of discontinued operations	**–**	–	(1.0)
Continuing operations	**3.7**	1.5	–
Diluted earnings per share			
Total (continuing and discontinued operations)	**3.5**	1.4	1.0
Adjustment in respect of discontinued operations	**–**	–	(1.0)
Continuing operations	**3.5**	1.4	–

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

Notes to the financial information

4 Dividends

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
Amounts recognised as distributions to equity shareholders in the period – on ordinary shares of 0.1p each			
Final dividend for the year ended 2 May 2020 of nil	**–**	–	–
Interim dividend for the year ended 1 May 2021 of nil	**–**	–	–
Final dividend for the year ended 1 May 2021 of 3.00p	**34**	–	–
	34	–	–

The proposed interim dividend for the year ending 30 April 2022 is 1.00p per share. The expected cost of this dividend is £12m and incorporates the agreement with the Group's Employee Benefit Trust to waive its rights to receive dividends.

5 Retirement benefit obligations

		30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Retirement benefit obligations	– UK	**416**	585	482
Net obligation		**416**	585	482

The Group operates a number of defined contribution and defined benefit pension schemes. The principal scheme operates in the UK and includes a funded defined benefit section, the assets of which are held in a separate trustee administered fund. The defined benefit section of the scheme was closed to future accrual on 30 April 2010. The net obligations of this scheme, calculated in accordance with IAS 19 "Employee Benefits", are analysed as follows:

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Fair value of plan assets	**1,586**	1,359	1,403
Present value of defined benefit obligations	**(2,002)**	(1,944)	(1,885)
Net obligation	**(416)**	(585)	(482)

The value of obligations is particularly sensitive to the discount rate applied to liabilities at the assessment date as well as mortality rates. The value of the plan assets is sensitive to market conditions, particularly equity values. The assumptions used in the valuation of obligations are listed below:

		30 October 2021	31 October 2020	1 May 2021
Rates per annum:				
Discount rate		**1.80%**	1.65%	1.90%
Rate of increase in pensions in payment / deferred pensions	– pre April 2006	**3.25%**	2.95%	3.20%
	– post April 2006	**2.25%**	2.10%	2.20%
Inflation		**3.35%**	3.00%	3.20%

Mortality rates are based on historical experience and standard actuarial tables and include an allowance for future improvements in longevity.

On 20 November 2020, the High Court issued a judgement in relation to historical transfer values impacted by Guaranteed Minimum Pensions (GMPs) equalisation in the Lloyds Banking Group's defined benefits pension schemes. This judgement is in addition to an earlier judgement on unequal GMPs in October 2018. We estimate that this will increase the liability by £1m, and therefore recorded this as a past service cost within the year ended 1 May 2021.

Notes to the financial information

6 Financial instruments, loans and other borrowings

The Group holds the following financial instruments at fair value:

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Investments	**–**	13	–
Derivative financial assets	**28**	38	24
Derivative financial liabilities	**(40)**	(47)	(42)
Deferred and contingent consideration	**–**	(2)	(2)

The fair value of short-term investments has values determined by 'Level 1' inputs as defined by the fair value hierarchy of IFRS 13 *'Fair Value Measurement'* and are valued based on quoted prices in an active market. The previously held investments comprised shares indirectly held in Unieuro S.p.A., an omnichannel distributor of consumer electronics and household appliances, listed on the Borsa Italiana. The investments were subsequently disposed of during the year ended 1 May 2021.

The significant inputs required to fair value the Group's net derivatives are observable and are classified as 'Level 2' in the fair value hierarchy.

Deferred and contingent consideration is categorised as 'Level 3' in the fair value hierarchy as the valuation requires the use of significant unobservable inputs. The fair value of contingent consideration arrangements had been estimated by applying the income approach and have been settled in full during the 26 weeks ended 30 October 2021 with no further obligations on the Group.

Fair values have been arrived at by discounting future cash flows (where the impact of discounting is material), assuming no early redemption, or by revaluing forward currency contracts and interest rate swaps to period end market rates as appropriate to the instrument.

The Group has assessed network commission receivables to be accounted for at amortised cost under IFRS 9 "Financial Instruments: Recognition and Measurement". The carrying value of such ongoing network commission receivables and contract assets (net of commission received at the point of connection) is £233m (31 October 2020: £533m, 1 May 2021: £239m). If network receivables were alternatively classified at fair value through profit or loss these receivables would be categorised as level 3 in the fair value hierarchy as the valuation requires the use of significant unobservable inputs. Under this alternative measurement basis their fair value is approximately equal to their current carrying value.

There have been no transfers of assets or liabilities between levels of the fair value hierarchy. For all other financial assets and liabilities, the carrying amount approximates their fair value.

Committed facilities as at 30 October 2021 and 1 May 2021

In April 2021, the Group refinanced its existing debt with two new Revolving Credit Facilities which expire in April 2025. All other facilities were cancelled as part of the refinancing. The Group's facilities available throughout the current and prior year are detailed below:

In April 2021, the Group signed a £200m Revolving Credit Facility ('RCF') with a number of relationship banks which expires in April 2025. The interest rate payable for drawings under this facility is at a margin over risk free rates (or other applicable interest basis) for the relevant currency and for the appropriate period. The actual margin applicable to any drawing depends on the fixed charges cover ratio calculated in respect of the most recent accounting period. A non-utilisation fee is payable in respect of amounts available but undrawn under this facility and a utilisation fee is payable when aggregate drawings exceed certain levels. This facility was undrawn as at 30 October 2021 and 1 May 2021.

In April 2021, the Group signed a NOK 4,036m (£349m) RCF with a number of relationship banks which expires in April 2025. This is on broadly similar terms to the £200m facility. This facility was undrawn as at 30 October 2021 and 1 May 2021.

Facilities previously available that have now lapsed or been cancelled

In October 2015, the Group signed a five-year £800m Revolving Credit Facility ('RCF') with a number of relationship banks; this facility was extended in October 2016 and December 2017 by an additional year and the facility was due to expire in October 2022. The interest rate payable for drawings under this facility was at a margin over LIBOR (or other applicable interest basis) for the relevant currency and for the appropriate period. The actual margin applicable to any drawing depends on the fixed charges cover ratio calculated in respect of the most recent accounting period. A non-utilisation fee was payable in respect of amounts available but undrawn under this facility and a utilisation fee was payable when aggregate drawings exceeded certain levels. At 31 October 2020 the Group had drawn down on this facility by £70m and subsequently repaid and cancelled the facility in April 2021.

In October 2016, the Group signed a four year £250m RCF with a group of relationship banks; this facility was on broadly similar terms to the £800m RCF; this facility was extended in February 2019 by an additional two years and the facility was due to expire in October 2022. This facility was undrawn at 31 October 2020 and subsequently cancelled in April 2021.

Notes to the financial information

6 Financial instruments, loans and other borrowings (continued)

In April 2020, the Group signed a one-year £266m RCF to mitigate any potential impact of the Covid-19 crisis with a group of relationship banks; this facility was on broadly similar terms to the £800m and £250m RCF. This facility was due to expire in April 2021 and was cancelled in February 2021 with no amounts having been drawn down.

Uncommitted facilities

The Group also has overdrafts and short-term money market lines from UK and European banks denominated in various currencies, all of which are repayable on demand. Interest is charged at the market rates applicable in the countries concerned and these facilities are used to assist in short term liquidity management. Total available facilities are £69m (31 October 2020: £50m, 1 May 2021: £70m). At 30 October 2021 the Group had drawn down on the uncommitted facilities by £5m (31 October 2020: £1m, 1 May 2021: £6m).

7 Note to the cash flow statement

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
Profit before interest and tax – continuing operations	**95**	100	147
Profit before interest and tax – discontinued operations	**–**	–	7
Depreciation and amortisation	**168**	178	362
Share-based payment charge	**14**	12	21
Profit on disposal of fixed assets	**(1)**	(2)	(6)
Impairments and other non-cash items	**3**	–	76
Operating cash flows before movements in working capital	**279**	288	607
Movements in working capital:			
Increase in inventory	**(408)**	(318)	(174)
(Increase) / decrease in receivables	**(95)**	106	404
Increase in payables	**646**	721	182
Decrease in provisions	**(33)**	(52)	(93)
	110	457	319
Cash inflow from operations	**389**	745	926

Restricted funds, which predominantly comprise funds held by the Group's insurance business for regulatory reserve requirements, were £33m (31 October 2020: £36m; 1 May 2021: £35m). These restricted funds are included within cash and cash equivalents on the face of the consolidated balance sheet.

7 Note to the cash flow statement (continued)

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 October 2021 £m
Loans and other borrowings[i]	**–**	**7**	**–**	**–**	**(7)**	**–**
Lease liabilities[ii]	**(1,326)**	**134**	**(7)**	**8**	**(36)**	**(1,227)**
Total liabilities arising from financing activities	**(1,326)**	**141**	**(7)**	**8**	**(43)**	**(1,227)**

	3 May 2020 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign Exchange £m	Interest £m	31 October 2020 £m
Loans and other borrowings[i]	(324)	262	–	–	(8)	(70)
Lease liabilities[ii]	(1,444)	160	(55)	(20)	(39)	(1,398)
Total liabilities arising from financing activities	(1,768)	422	(55)	(20)	(47)	(1,468)

	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 arising from financing activities	(1,768)	658	(96)	(19)	(101)	(1,326)

[i] The Group used interest rate swaps and FX forward contracts to hedge borrowings. The fair value of these derivatives rounded to £nil (26 weeks ended 31 October 2021 £nil, 1 May 2021 £nil). There were no material cash flows or changes in fair value of these instruments during the 26 weeks ended 31 October 2021.
[ii] Lease liabilities are secured over the Group's right-of-use assets.

8 Discontinued operations

honeybee

No profit or loss has been recognised in relation to the disposal of the honeybee operation in the 26 weeks ended 30 October 2021 nor in either comparative reporting period.

For the 26 weeks ended 30 October 2021 the Group received £1m (26 weeks ended 31 October 2020: £2m, year ended 1 May 2021: £2m) fixed payments in relation to the disposal with the £1m received in the current period being the final payment.

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 26 weeks ended 31 October 2020 and year ended 1 May 2021, a credit of £2m was recognised in relation to the reversal of previously held provisions. No further costs in relation to the disposal have been recognised during the period while further information on the contingent liability that the Group has recognised in relation to the disposal can be found in note 9.

Notes to the financial information

8 Discontinued operations (continued)

Other

No profit or loss or cash flows have been recognised in relation to other previously disposed operations during the period.

For the 26 weeks ended 31 October 2020 the Group recorded a £2m charge as it was deemed probable that the Group would need to pay amounts covered by warranties provided under the sale agreement for the previously disposed Phonehouse Germany business. This was subsequently settled in the second half of the year ended 1 May 2021, resulting in the release of £5m, reducing the provision to £nil and a cash outflow of £3m being recorded.

(a) Loss after tax - discontinued operations

		26 weeks ended 30 October 2021		
	honeybee £m	**Spain £m**	**Other £m**	**Total £m**
Revenue	–	–	–	–
Expenses	–	–	–	–
Loss before tax	–	–	–	–
Income tax	–	–	–	–
	–	–	–	–

		26 weeks ended 31 October 2020		
	honeybee £m	Spain £m	Other £m	Total £m
Revenue	–	–	–	–
Expenses	–	2	(2)	–
Loss before tax	–	2	(2)	–
Income tax	–	–	–	–
	–	2	(2)	–

		Year ended 1 May 2021		
	honeybee £m	Spain £m	Other £m	Total £m
Revenue	–	–	–	–
Expenses	–	2	5	7
Loss before tax	–	2	5	7
Income tax	–	–	5	5
	–	2	10	12

Notes to the financial information

8 Discontinued operations (continued)

(b) Cash flows from discontinued operations

	26 weeks ended 30 October 2021			
	honeybee £m	**Spain £m**	**Other £m**	**Total £m**
Operating activities	**–**	**–**	**–**	**–**
Investing activities	**1**	**–**	**–**	**1**
	1	**–**	**–**	**1**

	26 weeks ended 31 October 2020			
	honeybee £m	Spain £m	Other £m	Total £m
Operating activities	–	–	–	–
Investing activities	2	–	–	2
	2	–	–	2

	Year ended 1 May 2021			
	honeybee £m	Spain £m	Other £m	Total £m
Operating activities	–	–	(3)	(3)
Investing activities	2	–	–	2
	2	–	(3)	(1)

9 Contingent liabilities

The Group continues to cooperate with HMRC in relation to open tax enquiries arising from pre-merger legacy corporate transactions in the former Carphone Warehouse group. It is possible that a future economic outflow will arise from one of these matters, and therefore a contingent liability has been disclosed. This determination is based on the strength of third-party legal advice on the matter and therefore the Group considers it ‘more likely than not’ that these enquiries will not result in an economic outflow. The potential range of tax exposures relating to this enquiry is estimated to be approximately £nil – £214m excluding interest and penalties. Interest on the upper end of the range is approximately £59m up to 31 October 2021. Penalties could range from nil to 30% of the principal amount of any tax.

The Group received a Spanish tax assessment connected to a business that was disposed of by the legacy Carphone Warehouse Group in 2014. This issue will enter litigation and is likely to take a minimum of three years to reach resolution. The Group considers that it is not probable the claim will result in an economic outflow based on third party legal advice. The maximum potential exposure as a result of the claim is £10m.

10 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:

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
Revenue for services provided	**7**	7	16
Amounts owed to the Group	**1**	1	–

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

Notes to the financial information

11 Government support

During the 26 weeks ended 30 October 2021, the Group has received further government support designed to mitigate the impact of Covid-19 in several countries in which the Group operates.

In the United Kingdom, the Group received further benefit in the form of business rates relief under the 'Retail Discount' for the 26 weeks ended 30 October 2021. Under the scheme the business benefited from 100% relief from business rate bills for the first 2 months of the period and 66% off the remaining bills up to a total of £2m. This has led to a reduction in operating costs totalling £14m (26 weeks ended 31 October 2020: £30m, year ended 1 May 2021: £62m).

The Group also benefited from government backed Covid-19 related rent concessions for closed stores in Greece. The Group elected to take the practical expedient related to rent concessions under IFRS 16, subsequently recognising a £2m credit (1 May 2021: £6m) against rental expense to reflect the variable element of the reduction and a corresponding adjustment to the lease liability.

In addition, the Group has made use of government-backed tax and social security payment deferral schemes. At the reporting date, £2m of social security payments for the Group's Danish operations had been deferred under government backed schemes (26 weeks ended 31 October 2020: £151m deferred for corporation tax, VAT and social security costs across the Group, 1 May 2021: £2m).

During the prior period the Group also received government grants to cover the salaries for those employees who had been 'furloughed' through the Coronavirus Job Retention Scheme. All colleagues furloughed under this scheme were paid at 80% of their salary, with the Group making up any difference beyond the subsidy limit of £2,500. A total of £47m had been received in the UK and a further £2m for similar Irish employment cost subsidy schemes during the 26 weeks ended 31 October 2020. These were subsequently repaid to the respective governments during the second half of the year ended 1 May 2021 while no further benefit has been taken in relation to such schemes in the 26 weeks ended 30 October 2021.

The Group also received amounts of £2m and £6m for the 26 weeks ended 31 October 2020 and year ended 1 May 2021 in relation to similar employment cost subsidy schemes in the Nordics.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. There are no unfulfilled conditions or contingencies attached to these grants.

Risks to achieving the Group’s objectives

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on the Group’s results. The Group’s risks, 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, with the following changes:

- Covid-19 remains a threat to the wellbeing of our colleagues and customers. Furthermore, government action or changes in consumer behaviour could affect the number of customers coming into our stores which may impact the overall financial performance of the business. Over the past year, the business has integrated the risk response to the threat of Covid into its management routines. Consequently, the component parts of this risk are now integrated into other of the Principal Risks, listed below.
- The risk of dependence on key suppliers has been broadened to include other risk factors affecting wider supply chain resilience and the definition of the risk has been amended.

The updated risks and uncertainties, which with the exception of the changes noted above are consistent with those detailed in the 2020-21 Annual Report and Accounts, are listed below:

1. 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;
2. Exposure to disruption to our supply chain that could impede our ability to provide Amazing Technology to our customers that would impact our customer satisfaction, profitability, cash flow and market share;
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 to protect colleagues and customers from the threat of Covid-19 or accidents that could result in injury could give rise to reputational damage and financial penalties. Furthermore, Covid’s impact on consumer confidence and possible future government restrictions on our business operations to combat Covid-19 could result in reduced number of customers coming into our stores impacting the overall financial performance of the business;
8. Business continuity plans are not effective and major incident response is inadequate resulting in reputational damage and a loss of competitive advantage;
9. 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;
10. Our commitment to sustainability and being a good corporate citizen is either not delivered or not adequately communicated to or recognised by customers and investors resulting in reputational damage and loss of competitive advantage;
11. 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; and
12. Not having the right workforce capacity, capability, and colleague commitment necessary to deliver on our strategy resulting in reduced revenue and profitability.

The directors have continued to prepare the interim 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 the health and safety of both our colleagues and customers as a consequence of Covid-19, supply-chain resilience and the wider macro-economic environment and how these factors might influence future revenue, earnings and the Group’s objectives and strategy.

The assessment approach for going concern is outlined within the accounting policy disclosure in note 1 of the consolidated financial statements. In their assessment, the directors have reviewed the Group’s future cash flow forecasts and profit projections which are based on market data and past experience, along with the financial position of the Group, liquidity position and borrowing facilities as presented in the balance sheet. 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 current cash position and available 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 operations for the foreseeable future and consequently the directors continue to apply the going concern basis in the preparation of the financial statements.

The directors confirm that to the best of their knowledge:

- the interim financial information has been prepared in accordance with IAS 34 as adopted by the UK;
- the financial highlights, performance review and interim financial information include a fair review of the information required by DTR 4.2.7R (indication of important events during the first 26 weeks and description of principal risks and uncertainties for the remaining 26 weeks of the year); and
- the financial highlights and performance review includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

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 resigned on 9 July 2021, and Bruce Marsh who was appointed as Group Chief Financial Officer on 12 July 2021.

By order of the Board

Alex Baldock	**Bruce Marsh**
Group Chief Executive	Group Chief Financial Officer
14 December 2021	14 December 2021

Independent review report

To Currys plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 October 2021 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "*Interim Financial Reporting*".

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 October 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report
This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, UK
14 December 2021

Retail store data (unaudited)

Number of stores

	At 30 October 2021			At 1 May 2021		
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**295**	**–**	**295**	298	–	298
Ireland	**16**	**–**	**16**	16	–	16
Total UK & Ireland	**311**	**–**	**311**	314	–	314
Norway	**89**	**67**	**156**	86	69	155
Sweden	**102**	**75**	**177**	102	73	175
Denmark	**38**	**–**	**38**	38	–	38
Finland	**22**	**20**	**42**	21	20	41
Other Nordics	**–**	**13**	**13**	–	13	13
Nordics	**251**	**175**	**426**	247	175	422
Greece	**74**	**19**	**93**	74	19	93
Cyprus	**2**	**–**	**2**	–	–	–
Greece	**76**	**19**	**95**	74	19	93
Total	**638**	**194**	**832**	635	194	829

Selling space '000 sq ft

	At 30 October 2021			At 1 May 2021		
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**5,362**	**–**	**5,362**	5,422	–	5,422
Ireland	**207**	**–**	**207**	207	–	207
Total UK & Ireland	**5,569**	**–**	**5,569**	5,629	–	5,629
Norway	**1,110**	**654**	**1,764**	1,089	675	1,764
Sweden	**1,200**	**377**	**1,577**	1,217	375	1,592
Denmark	**667**	**–**	**667**	667	–	667
Finland	**518**	**176**	**694**	506	176	682
Other Nordics	**–**	**86**	**86**	–	86	86
Nordics	**3,495**	**1,293**	**4,788**	3,479	1,312	4,791
Greece	**949**	**71**	**1,020**	954	71	1,025
Cyprus	**48**	**–**	**48**	–	–	–
Greece	**997**	**71**	**1,068**	954	71	1,025
Total	**10,061**	**1,364**	**11,425**	10,062	1,383	11,445

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 alternative performance measures 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 (commonly referred to as 'alternative performance measures') 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 revenue, profit, and other earnings measures, all of which are described throughout the glossary and definitions section of this report. 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.

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. Further information on this is included within the Annual Report and Accounts within the Network commission contract assets and receivables section of Note 15.

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.

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.

Government support

During the 26 weeks ended 31 October 2020, the Group received a number of Government Grants designed to mitigate the impact of the Covid-19 pandemic. In the second half of the year ended 1 May 2021 the Group subsequently reimbursed, in full, the United Kingdom and Irish governments for the support that was received to cover the salaries of those employees who had been 'furloughed' through the Coronavirus Job Retention Scheme in the United Kingdom and similar cost subsidy schemes in Ireland. As a result, the results for the 26 weeks ended 31 October 2020 have been restated to exclude the government support income of £49m from adjusted results to allow for greater comparability for users of the financial statements for the proceeding periods. Due to the fact this is a change in accounting estimate for the purpose of IFRS statutory reporting, the IFRS figures have not been restated however our alternative performance measures have. This repaid government support income is therefore shown as an adjusting item. There are no other adjustments made to exclude or include the impact of Covid-19.

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 co-operating 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.

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.

Glossary and definitions

Definitions, purpose and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by the 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

Like-for-like revenue is calculated based on adjusted store and online revenue (including Order & Collect, Online In-Store and ShopLive) using constant exchange rates consistent with the currency neutral % 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 company's decision and not where closed due to government imposed restrictions related to the global 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 like-for-like 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 year-on-two-year (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 prior year.

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.

					26 weeks ended 30 October 2021
	UK & Ireland £m	**Nordics £m**	**Greece £m**	**Eliminations £m**	**Total £m**
Statutory external revenue	**2,546**	**1,959**	**280**	**–**	**4,785**
Out of period mobile network debtor revaluation	**(2)**	**–**	**–**	**–**	**(2)**
Adjusted external revenue	**2,544**	**1,959**	**280**	**–**	**4,783**
Inter-segmental revenue*	**32**	**–**	**–**	**(32)**	**–**
Total adjusted revenue	**2,576**	**1,959**	**280**	**(32)**	**4,783**

					26 weeks ended 31 October 2020
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
Statutory and adjusted external revenue	2,650	1,952	257	–	4,859
Inter-segmental revenue*	31	–	–	(31)	–
Total statutory and adjusted external revenue	2,681	1,952	257	(31)	4,859

					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 revaluation	(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 1, 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 £87m to £31m for the 26 weeks ended 31 October 2020 and 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.

A2 Reconciliation from profit / (loss) 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 / (loss) before interest and tax, which are considered to be the closest equivalent IFRS measures, to adjusted EBIT and adjusted PBT.

							26 weeks ended 30 October 2021
	Total profit £m	**Mobile network debtor revaluations £m**	**Acquisition / disposal related items £m**	**Strategic change programmes £m**	**Other £m**	**Pension scheme interest £m**	**Adjusted profit £m**
UK & Ireland	**33**	**(2)**	**6**	**3**	**(17)**	**–**	**23**
Nordics	**51**	**–**	**6**	**–**	**–**	**–**	**57**
Greece	**11**	**–**	**–**	**–**	**–**	**–**	**11**
EBIT	**95**	**(2)**	**12**	**3**	**(17)**	**–**	**91**
Finance income	**1**	**–**	**–**	**–**	**–**	**–**	**1**
Finance costs	**(48)**	**–**	**–**	**–**	**–**	**4**	**(44)**
Profit before tax	**48**	**(2)**	**12**	**3**	**(17)**	**4**	**48**

Glossary and definitions

A2 Reconciliation from profit / (loss) before interest and tax to adjusted EBIT and adjusted PBT (continued)

	26 weeks ended 31 October 2020						
	Total profit £m	Acquisition / disposal related items £m	Strategic change programmes £m	Government Support £m	Other £m	Pension scheme interest £m	Adjusted profit (restated)* £m
UK & Ireland	25	7	30	(49)	(3)	–	10
Nordics	68	6	–	–	–	–	74
Greece	7	–	–	–	–	–	7
EBIT	100	13	30	(49)	(3)	–	91
Finance income	4	–	–	–	–	–	4
Finance costs	(59)	–	–	–	–	4	(55)
Profit before tax	45	13	30	(49)	(3)	4	40

* As disclosed above, adjusted results for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland.

	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 £m	Other £m	Pension scheme interest £m	Adjusted profit £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 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.

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Profit before interest and tax	**95**	100	147
Depreciation	**128**	140	279
Amortisation	**40**	38	83
EBITDA	**263**	278	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 however 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 closes equivalent IFRS measures are considered to be profit / (loss) before interest and tax, the reconciliation of such from adjusted EBIT can be found in note A2.

	30 October 2021 £m	31 October 2020 (restated)* £m	1 May 2021 £m
Adjusted EBIT	**91**	91	262
Depreciation	**128**	140	279
Amortisation	**28**	25	57
Adjusted EBITDA	**247**	256	598
Leasing costs in EBITDA	**8**	4	13
Adjusted EBITDAR	**255**	260	611

* As disclosed above, adjusted results for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland.

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

	Note	**26 weeks ended 30 October 2021 £m**	26 weeks ended 31 October 2020 (restated)* £m	Year ended 1 May 2021 £m
Included in revenue:				
Mobile network debtor revaluation	(i)	**(2)**	–	(14)
		(2)	–	(14)
Included in profit / (loss) before interest and tax:				
Mobile network debtor revaluation	(i)	**(2)**	–	(14)
Acquisition / disposal related items	(ii)	**12**	13	26
Strategic change programmes	(iii)	**3**	30	41
Regulatory costs	(iv)	**–**	–	(7)
Impairment losses and onerous contracts	(v)	**–**	–	100
Government support	(vi)	**–**	(49)	–
Other	(vii)	**(17)**	(3)	(31)
		(4)	(9)	115
Included in net finance costs:				
Net non-cash finance costs on defined benefit pension schemes	(viii)	**4**	4	8
Total impact on profit before tax – continuing operations		**–**	(5)	123
Tax regulatory matters	(ix)	–	–	1
Tax on other adjusting items	(x)	**(10)**	16	(1)
Total impact on profit after tax – continuing operations		**(10)**	11	123
Discontinued operations	8	**–**	–	(12)
Total impact on profit after tax		**(10)**	11	111

* As disclosed above, adjusted results for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland.

(i) Mobile network debtor revaluations

In the 26 weeks ended 30 October 2021, changes in consumer behaviour on previously recognised transactions have led to positive revaluations of network receivables of £2m (26 weeks ended 31 October 2020: £nil, year ended 1 May 2021: £14m positive).

(ii) Acquisition / disposal related items

A charge of £12m (26 weeks ended 31 October 2020: £13m, year ended 1 May 2021: £26m) relates primarily to amortisation of acquisition intangibles arising on the Dixons Retail Merger.

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

(iii) Strategic change programmes:

During the period, a further £16m of costs 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 on going, with further significant costs and corresponding cash outflows to be recognised in the second half of the year. 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:

- £9m one off implementation costs of the Currys rebrand within the UK & Ireland. The rebrand was announced and initiated within the current period and is expected to be completed by the year end;
- £4m of restructuring and closure costs for central operations, Dixons Travel colleagues and Carphone Warehouse Ireland (31 October 2020: £13m, 1 May 2021: £30m); and
- £3m in relation to costs of implementing the cloud-based omnichannel strategy. The significant one-off costs of the front end omnichannel implementation were initiated in the period and expected to be completed by the year end.

For the 26 weeks ended 31 October 2020 the Group also incurred £22m for restructuring and redundancy costs across the UK & Ireland for the store management restructure (1 May 2021: £24m).

Property rationalisation:

Included within strategic change programmes is a net credit of £13m (26 weeks ended 31 October 2020: £10m credit, year ended 1 May 2021: £19m credit) 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 also incurred additional costs of £9m related to the closure of the Carphone Warehouse Ireland business.

(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 £8m during the year ended 1 May 2021 as, although the outstanding claims remain uncertain, no new claims were received.

The Group has paid no further amounts in respect of customer compensation in the period.

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. This is further disclosed in note 5, with the cumulative adjustment recognised within adjusting items in relation to the judgement totalling £16m to date.

(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 26 weeks ended 30 October 2021. This led to the identification and recognition of a non-cash net impairment charge of £3m over store assets within the UK.

A credit of £3m 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. All Travel units within the UK are expected to be exited by the year end reporting date.

For the year ended 1 May 2021, following the unprecedented effects of the Covid-19 pandemic and the enforced store closures through the year, the Group accelerated the operational roll out of its long-term strategic plan in moving towards a full omnichannel offering. The change, quickened by the pandemic, resulted in a one-off £16m contract termination fee and the recognition of a non-cash impairment charge of £60m over fixed assets, £14m of which was over right-of-use and store assets across the UK store portfolio.

In addition to this, as at 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.

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

(vi) Government support:

As disclosed above, in order to aid comparability with the proceeding reporting periods, the Group has included government grant income for those employees who had been 'furloughed' in accordance with the Coronavirus Job Retention scheme in the United Kingdom and similar cost subsidy schemes in Ireland for the 26 weeks ended 31 October 2020 as the full amounts of £49m were repaid in the second half of the year.

At the point in time the results were issued for the 26 weeks to 31 October 2020, the Group had met the relevant criteria per IAS 20 to recognise this income and subsequently recorded as a reduction in employee costs. As the uncertainty of the Covid-19 crisis subsided and due to the performance of the Group, it was subsequently decided that the amounts of £47m and £2m would be repaid to the government of the United Kingdom and government of Ireland respectively.

(vii) Other:

Credits of £17m 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 and a further £5m (26 weeks ended 31 October 2020: £5m) for a further legal settlement, similar to that settled in the current 26 weeks but with a different counterparty. This was marginally offset by £2m (26 weeks ended 31 October 2020: £2m) of fees incurred.

(viii) 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. As a non-cash remeasurement cost which is unrepresentative of the actual investment gains or losses made or the liabilities paid and payable the accounting effect of this is excluded from adjusted earnings.

(ix) 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 probable economic outflow. There have been no significant developments in the year, as such the principal has been retained, while a further £1m of interest accumulated throughout the 12 months ended 1 May 2021.

(x) Tax on other adjusting items:

For the 26 weeks ended 30 October 2021, a credit of £10m was recognised primarily in relation to the rebasing of deferred tax assets to the future UK tax rate of 25%.

Tax on other adjusting items for the 26 weeks ended 31 October 2020 has been restated to include a tax credit of £18m following the inclusion of government support income within adjusting items as disclosed above.

A6 Adjusted effective tax rate

Tax charged on adjusted profits within the 26 weeks ended 30 October 2021 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the period ending 30 April 2022 using rates substantively enacted by 30 October 2021 as required by IAS 34 'Interim Financial Reporting'.

The Group's adjusted effective rate of taxation for the full year has been estimated at 28% (2020/21: 24%). A rate of 33% has been applied to the adjusted half year results due to the weighting of profit in different jurisdictions and the impact of the future increase of the UK tax rate. As a result of the adjustment noted in note A5 (x) to exclude the government support from our adjusted results, a restated rate of 28% has been applied to the adjusted half year results ended 31 October 2020 due to the weighting of profit in different jurisdictions.

The effective tax rate measures provide a useful indication of the tax rate of the Group. Adjusted effective tax is the rate of tax recognised on adjusting earnings, and total effective tax is the rate of tax recognised on total earnings.

A7 Reconciliation from 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. Under IAS 19 'Employee Benefits', the net interest charge on defined benefit pension schemes is calculated based on corporate bond yield rates at a specific date, which, as can vary over time, creates volatility in the income statement and is unrepresentative of the actual investment gains or losses made on the liabilities. Therefore, this item has been removed from our adjusted earnings measure in order to remove this non-cash volatility.

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

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Total net finance costs	**(47)**	(55)	(114)
Net interest on defined benefit pension	**4**	4	8
Adjusted total net finance costs	**(43)**	(51)	(106)

A8 Reconciliation from earnings per share to adjusted 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 provides a useful measure of the ongoing earnings of the underlying Group.

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

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 (restated)* £m	Year ended 1 May 2021 £m
Adjusted earnings			
Continuing operations	**32**	28	123
Total earnings			
Continuing operations	**42**	17	–
Discontinued operations	**–**	–	12
Total	**42**	17	12
	Million	Million	Million
Weighted average number of shares			
Average shares in issue	**1,166**	1,165	1,166
Less average holding by Group EBT	**(25)**	(10)	(14)
For basic earnings per share	**1,141**	1,155	1,152
	Pence	Pence	Pence
Basic earnings per share			
Total (continuing and discontinued operations)	**3.7**	1.5	1.0
Adjustment in respect of discontinued operations	**–**	–	(1.0)
Continuing operations	**3.7**	1.5	–
Adjustments – continuing operations (net of taxation)	**(0.9)**	0.9	10.7
Adjusted basic earnings per share	**2.8**	2.4	10.7

* As disclosed above, adjusted results for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland.

Basic earnings per share is 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 segmental working capital. The measure aims to provide users a clear understanding of cash generated from the continuing operations of the Group.

Free cash flow comprises cash generated from / (utilised by) operations, but before cash generated from / (utilised by) discontinued operations and after capital expenditure, capital repayments of lease liabilities, net cash interest paid, and income tax paid. Free cash flow is considered to be useful for users as it represents available cash resources after operational cash outflows and capital investment to generate future economic inflows.

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.

	26 weeks ended 30 October 2021 £m	26 weeks ended 31 October 2020 £m	Year ended 1 May 2021 £m
Cash generated from operations	**389**	745	926
Operating cash flows from discontinued operations	**–**	–	3
Capital repayment of leases cost and interest	**(134)**	(160)	(310)
Less adjusting items to cash flow	**(10)**	57	173
Less movement of segmental working capital (note A11)	**(105)**	(509)	(454)
Facility arrangement fees	**(6)**	–	–
Operating cash flow	**134**	133	338
Capital expenditure	**(51)**	(58)	(122)
Add back adjusting items to cash flow	**10**	(57)	(173)
Add back movements in segmental working capital (note A11)	**105**	509	454
Taxation	**(6)**	(16)	(35)
Cash interest paid	**(7)**	(12)	(24)
Free cash flow	**185**	499	438

A9 Reconciliation of cash inflow from operations to free cash flow (continued)

Reconciliation of adjusted EBIT to free cash flow

	30 October 2021 £m	31 October 2020 (restated)* £m	1 May 2021 £m
Adjusted EBIT (note A2)	**91**	91	262
Depreciation and amortisation (note A4)	**156**	165	336
Segmental working capital (note A11)	**105**	509	454
Share based payments**	**14**	12	21
Capital expenditure	**(51)**	(58)	(122)
Taxation	**(6)**	(16)	(35)
Interest	**(7)**	(12)	(24)
Repayment of leases	**(126)**	(133)	(275)
Profit on disposal of fixed assets**	**(1)**	(2)	(6)
Free cash flow before exceptional items	**175**	556	611
Exceptional costs	**10**	(57)	(173)
Free cash flow	**185**	499	438

* As disclosed above, adjusted EBIT for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland. Repayment of leases have also been restated for the 26 weeks ended 31 October 2020 to exclude non-trading stores which is now included within exceptional costs. The impact of such is that repayment of leases has decreased from £(159)m to £(133)m while exceptional costs have decreased from £(80m) to £(57)m. The non-trading stores relate to the remaining closed stores under the Currys PC World 3-in-1 and Carphone Warehouse programme announced in 2015/16 and closed standalone UK Carphone Warehouse stores as announced on 17th March 2020.

** Other non-cash items in EBIT, as disclosed within the Summary of Performance section, comprise share-based payments and profit on disposal of fixed assets 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 and lease liabilities, 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 borrowings. 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 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Loans and other borrowings	**–**	(70)	–
Lease liabilities	**(1,227)**	(1,398)	(1,326)
Total liabilities from financing activities	**(1,227)**	(1,468)	(1,326)
Cash and cash equivalents less restricted cash	**222**	304	140
Overdrafts	**(5)**	(1)	(6)
Pension liability	**(416)**	(585)	(482)
Total indebtedness	**(1,426)**	(1,750)	(1,674)
Restricted cash	**33**	36	35
Add back pension liability	**416**	585	482
Add back lease liabilities	**1,227**	1,398	1,326
Net cash	**250**	269	169

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

A11 Reconciliation of statutory working capital cash inflow to segmental working capital cash inflow

Segmental working capital comprises movements in inventory, trade receivables, trade payables and provisions and is adjusted to remove movements arising from adjusting items, the nature of which are disclosed above. The purpose of this measure is aligned to the purpose in note A2 for excluding the adjusting items from our earnings measures, to remove adjusting items within working capital to present adjusted cash flows generated from underlying operations.

The below provides a reconciliation of movements in working capital from the statutory notes to the cash flow statement, which is considered the closest equivalent IFRS measure, to segmental working capital.

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Movements in working capital	**110**	457	319
Exceptional provision	**33**	52	93
Exceptional receivable – legal settlement	**(34)**	–	28
Network debtor out of period revaluation	**2**	–	14
Facility arrangement fee	**(6)**	–	–
Segmental working capital	**105**	509	454

A12 Summary of working capital presented within the performance review

	30 October 2021 £m	31 October 2020 £m	1 May 2021 £m
Non-current assets			
Trade and other receivables*	**40**	30	38
Current assets			
Inventory	**1,580**	1,306	1,178
Trade and other receivables*	**549**	463	448
Derivative assets	**28**	38	24
Current liabilities			
Trade and other payables	**(2,871)**	(2,780)	(2,233)
Derivative liabilities	**(40)**	(47)	(42)
Non-current liabilities			
Trade and other payables	**(106)**	(112)	(97)
Working capital presented within the performance review	**(820)**	(1,102)	(684)

* Trade and other receivables excludes network commission receivables and contract assets of £233m (31 October 2020: £533m, 1 May 2021: £239m) as these are presented separately within the condensed balance sheet in the performance review.

A13 Restatement of the Group's performance review for the 26 weeks ended 31 October 2020

As previously disclosed, adjusted results for the 26 weeks ended 31 October 2020 have been restated from those previously announced to exclude the impact of government support scheme income that was subsequently repaid within the UK and Ireland in order to aid comparability with proceeding periods.

The Group has also revised, in line with the change in definition as at 1 May 2021, cash payments of leasing cost, debt and interest to exclude non-trading stores, which is now included within adjusting items to cash flow. For the 26 weeks ended 31 October 2020 the non-trading stores relate to the remaining closed stores under the Currys PCWorld 3-in-1 programme and Carphone Warehouse programme announced in 2015/16 and closed standalone UK Carphone Warehouse stores as announced on 17th March 2020.

The below tables aim to provide a reconciliation of the Group performance review previously announced to the restated position, reflecting the adjustments detailed above.

Profit and EPS	As previously reported 1H 2020/21 £m	Reclassification of non-trading leases £m	Government support repayment £m	Restated 1H 2020/21 £m
Revenue	4,859	–	–	4,859
Adjusted EBITDA	305	–	(49)	256
Adjusted EBITDA margin	6.3%			5.3%
Depreciation on right-of-use assets	(101)	–	–	(101)
Depreciation on other assets	(39)	–	–	(39)
Amortisation	(25)	–	–	(25)
Adjusted EBIT	140	–	(49)	91
Adjusted EBIT margin	2.9%			1.9%
Interest on right-of-use assets	(39)	–	–	(39)
Finance income	4	–	–	4
Finance costs	(16)	–	–	(16)
Adjusted PBT	89	–	(49)	40
Adjusted PBT margin	1.9%			0.8%
Adjusted Tax	(20)	–	8	(12)
Adjusted Profit after tax	69	–	(41)	28
Adjusted EPS	6.0p	–	(3.6)p	2.4p
Statutory reconciliation				
Adjusting items to EBITDA	(27)	–	49	22
EBITDA	278	–	–	278
Adjusting items to depreciation and amortisation	(13)	–	–	(13)
EBIT	100	–	–	100
EBIT Margin	2.1%			2.1%
Adjusting items to finance costs	(4)	–	–	(4)
Profit before tax	45	–	–	45
Adjusting items to Tax	(8)	–	(8)	(16)
Discontinued operations	–	–	–	–
Profit after tax	17	–	–	17
EPS - total	1.5p	–	–	1.5p

A13 Restatement of the Group's performance review for the 26 weeks ended 31 October 2020 (continued)

Cash flow	As previously reported 1H 2020/21 £m	Reclass of non-trading leases £m	Government support repayment £m	Restated 1H 2020/21 £m
Adjusted EBITDAR	309	–	(49)	260
Adjusted EBITDAR margin	6.4%			5.4%
Cash payments of leasing costs, debt and interest	(163)	26	–	(137)
Other non-cash items in EBIT	10	–	–	10
Operating cash flow	156	26	(49)	133
Operating cash flow margin	3.2%			2.7%
Capital expenditure	(58)	–	–	(58)
Adjusting items to cash flow	(80)	(26)	49	(57)
Free cash flow before working capital	18	–	–	18
Segmental working capital	509	–	–	509
Segmental free cash flow	527	–	–	527
Cash tax paid	(16)	–	–	(16)
Cash interest paid	(12)	–	–	(12)
Free cash flow	499	–	–	499
Dividend	–	–	–	–
Net purchase of own shares by EBT	(3)	–	–	(3)
Pension	(23)	–	–	(23)
Movement in net cash	473	–	–	473
Net cash	269	–	–	269

A14 Restatement of the 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 tables provide reconciliations of results as presented within the performance review for the 26 weeks ended 31 October 2020 and 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.

26 weeks ended 31 October 2020

	UK & Ireland Electricals as previously reported £m	UK & Ireland Mobile as previously reported £m	Reclass of non-trading leases £m	Government support repayment £m	UK & Ireland £m
Income Statement					
Adjusted revenue	2,266	384	–	–	2,650
Revenue	2,266	384	–	–	2,650
Adjusted EBITDA	184	(27)	–	(49)	108
Adjusted EBITDA margin	8.1%	(7.0)%			4.1%
Depreciation on right-of-use assets	(54)	(3)	–	–	(57)
Depreciation on other assets	(20)	(3)	–	–	(23)
Amortisation	(15)	(3)	–	–	(18)
Adjusted EBIT	95	(36)	–	(49)	10
Adjusted EBIT margin	4.2%	(9.4)%			0.4%
Adjusting items to EBIT	(26)	(8)	–	49	15
EBIT	69	(44)	–	–	25
Margin	3.0%	(11.5)%			0.9%
Cash flow					
Adjusted EBITDAR	184	(26)	–	(49)	109
Adjusted EBITDAR margin	8.1%	(6.8)%			4.1%
Cash payments of leasing costs, debt and interest	(77)	(29)	26	–	(80)
Other non-cash items in EBIT	3	3	–	–	6
Operating cash flow	110	(52)	26	(49)	35
Operating cash flow margin	4.9%	(13.5)%			1.3%
Capital expenditure	(27)	(1)	–	–	(28)
Adjusting items to cash flow	(28)	(50)	(26)	49	(55)
Free cash flow before working capital	55	(103)	–	–	(48)
Network debtor	–	83	–	–	83
Segmental working capital	309	22	–	–	331
Segmental free cash flow	364	2	–	–	366

A14 Restatement of segmental information within the performance review (continued)

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)
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)
Free cash flow before working capital	124	(219)	(95)
Network debtor	–	391	391
Segmental working capital	3	(29)	(26)
Segmental free cash flow	127	143	270

Glossary and definitions

Other definitions

The following definitions may apply throughout this interim statement and the Annual Report and Accounts 2020/21 previously published:

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill. Where businesses have grown organically rather than through acquisition, there is no amortisation of acquired intangibles and therefore the non-cash amortisation charge is removed from our headline earnings measures in order to increase comparability between segments
Active credit customers	Customers with an open "Your Plan" account
ARPU	Average revenue per user
B2B	Business to business
Board	The Board of directors of the company
Businesses to be exited	Businesses exited or to be exited are those which the Group has exited or committed to or commenced to exit through disposal or closure but do not meet the definition of discontinued operations as stipulated by IFRS and are material to the results or operations of the Group. Comparative results in the statement of comprehensive income and the notes are restated accordingly for the impact of businesses exited or to be exited.
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
Colleague engagement	Measured using 'On the Pulse' survey in UK & Ireland, 'Make a Difference' survey in Greece and a colleague engagement survey in the Nordics
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
CPW	The continuing business of the Carphone Group
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

Glossary and definitions

GfK	Growth from Knowledge
HMRC	Her Majesty's Revenue and Customs
honeybee	honeybee was our proprietary IT software 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
MVNO	Mobile virtual network operator
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 and collect, Online In-Store and ShopLive
Online In-Store	Online-in-store is the term used for sales that are generated through in-store tablets for product that is not stocked in the store
Order & Collect	Order & Collect is the term used for sales where the sale is made via the website or app and collected in store
Peak / post peak	Peak refers to the 10-week trading period ending on 8 January 2022 as to be announced in the Group's Christmas Trading statement in 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	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
SIMO	Sales of SIM-only contracts, without attached handset
TSR	Total shareholder return
UK GAAP	Generally Accepted Accounting Practice in the UK is the body of accounting standards published by the UK's Financial Reporting Council
WAEP	Weighted average exercise price