

We help everyone enjoy amazing technology.











UK&I strengthening but International challenging

Revenue

£4,473m

(8)% LFL vs. 21/22 +7% LFL vs. 19/20 Adjusted PBT

£(17)m

£(62)m vs. 21/22* £(19)m vs. 19/20 Free cash flow

£(86)m

£(271)m vs. 21/22* £(163)m vs. 19/20

Total indebtedness

£(1,617)m

£(195)m vs. 21/22 £605m vs. 19/20 Adjusted EPS

(1.3)p

(3.8)p vs. 21/22* (1.4)p vs. 19/20 Shareholder return

£24m

£(10)m vs. 21/22 £(28)m vs. 19/20

^{*} Adjusted results have been restated for updated exceptional items policy



UK&I Profits strengthening but International challenging

	Revenue	Currency neutral % change	Like-for-like YoY	Like-for-like Yo3Y	Adjusted EBIT	Currency neutral % change	Adjusted EBIT Margin
UK & Ireland	£2,292m	(10)%	(10)%	+2%	£25m	+25%	1.1%
International	£2,181m	(2)%	(6)%	+12%	£4m	(94)%	0.2%
- Nordics	£1,886m	(3)%	(7)%	+10%	£3m	(95)%	0.2%
- Greece	£295m	+5%	+4%	+25%	£1m	(91)%	0.3%
Group	£4,473m	(6)%	(8)%	+7%	£29m	(67)%	0.6%



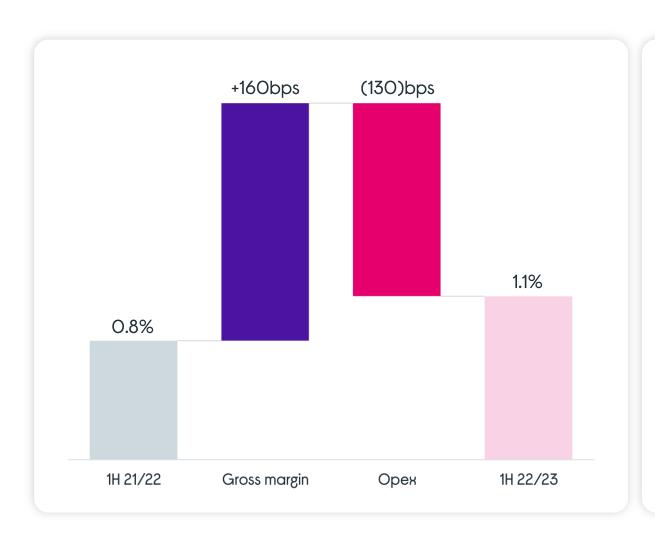
UK & Ireland - performance summary

	1H 22/23	1H 21/22*	1H 19/2O	YoY	Yo3Y
Revenue	£2,292m	£2,546m	£2,835m	(10)% LFL	+2% LFL
Online share of business	43%	43%	26%	-	+17 ppts
Adjusted EBIT	£25m	£2Om	£(13)m	+25%	+£38m
Adjusted EBIT margin	1.1%	0.8%	(O.5)%	+30bps	+160bps
Operating cash flow	£33m	£38m	£2m	(13)%	1,550%
Operating cash flow margin	1.4%	1.5%	0.1%	(10)bps	+130bps
Working Capital	£1m	£134m	£115m	£(133)m	£(114)m
Segmental free cash flow	£(18)m	£164m	£36m	£(182)m	£(54)m

^{*} Adjusted results have been restated for updated exceptional items policy



UK & Ireland – adjusted EBIT margin bridge



Gross margin +160bps

- Higher adoption rate of credit and other services especially online
- Monetising improved customer experience delivery charging
- Better data and analytics
- Cost savings in supply chain and service operations

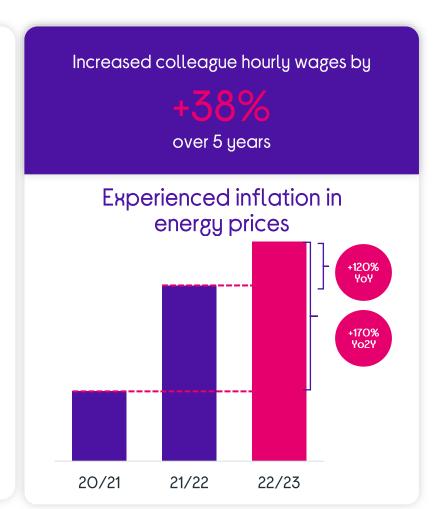
Operating expense to sales (130)bps

- Costs down in absolute terms
- Headwinds from business rates tax, inflation and reclassification of IT spend
- More than offset by cost savings of £44m
- Operating deleverage



UK & Ireland – cost inflation and headwinds

	Gross margin	Operating expense	Total
Wages	£(3)m	£(4)m	£(7)m
Energy	£(1)m	£(10)m	£(11)m
Other	£(3)m	£(1)m	£(4)m
Business rates tax	-	£(14)m	£(14)m
Total Inflation	£(7)m	£(29)m	£(36)m



Cost increases exclude any planned cost investments



UK & Ireland - cost saving programme well on track

	Gross margin	Operating expense	Total
Supply chain	£11m	_	£11m
Stores	_	£18m	£18m
GNFR	<£1m	<£1m	£1m
IT & Central	-	£14m	£14m
Total cost savings	£11m	£33m	£44m

Transformed our in-store-labour model



Removing non-value added tasks Developing multi-skilled colleagues

We have partnered with

Infosys

to launch Global Business Service



Goodwill impairment of £(511)m

- Non-cash
- Exceptional
- Goodwill relates to 2014 Dixons and Carphone Warehouse merger
- Predominantly driven by discount rates, now 13.0% from 10.6%
- Sharp increase in UK government yields increased the impairment
 - Risk free rate moved to 4.4% from 1.9%
- Remainder of impairment driven by more prudent assumptions in valuation model

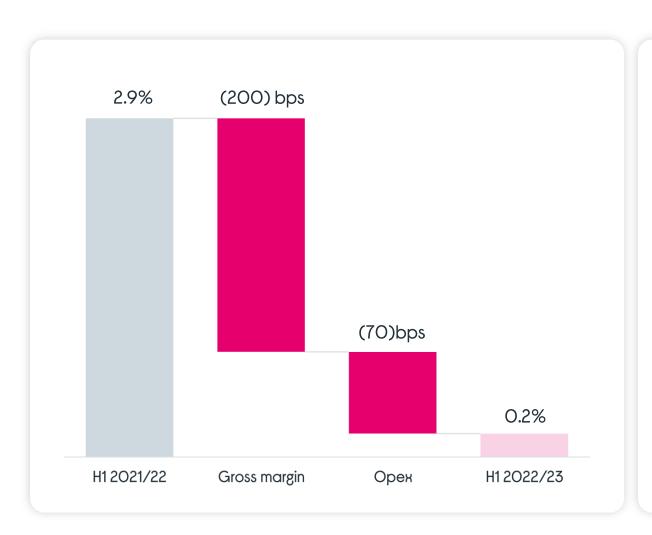


Elkjøp - performance summary

	1H 22/23	1H 21/22	1H 19/2O	Currency neutral YoY	YoY	Yo3Y
Revenue	£1,886m	£1,959m	£1,677m	(3)%	(7)% LFL	+10% LFL
Online share of business	23%	24%	17%	n/a	(1) ppts	+6 ppts
Adjusted EBIT	£3m	£57m	£52m	(95)%	(95)%	(94)%
Adjusted EBIT margin	0.2%	2.9%	3.1%	(270)bps	(270)bps	(290)bps
Operating cash flow	£23m	£78m	£68m	(70)%	(71)%	(66)%
Operating cash flow margin	1.2%	4.0%	4.1%	(270)bps	(280)bps	(290)bps
Working Capital	£(47)m	£(31)m	£21m	n/a	£(16)m	£(68)m
Segmental free cash flow	£(49)m	£27m	£54m	n/a	£(76)m	£(103)m



Nordics adjusted EBIT margin bridge



Gross margin down (200)bps

- COGS inflation not fully passed to consumer
- Weak demand
- Excess of stock in market
- Aggressive discounting from competitors

Operating expense to sales (70)bps

- Costs up slightly
- Increase in wages and energy costs
- Mitigated via lower IT and central costs
- Operating deleverage

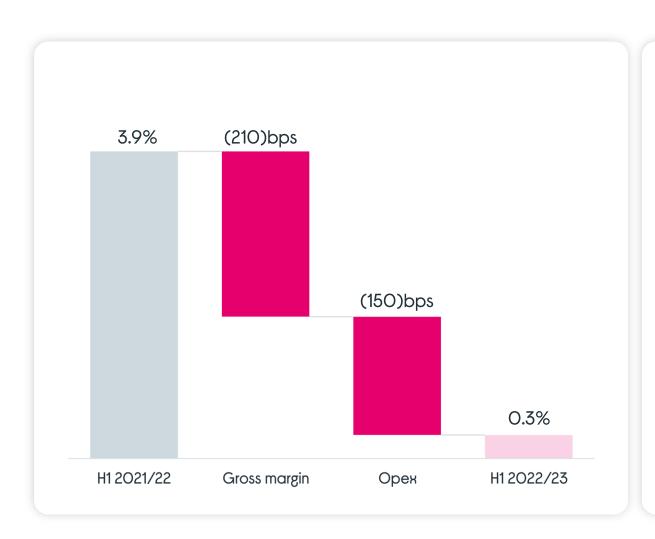


Kotsovolos - performance summary

	1H 22/23	1H 21/22	1H 19/2O	Currency neutral YoY	YoY	Ү о3Ү
Revenue	£295m	£280m	£227m	+5%	+4% LFL	+25% LFL
Online share of business	7%	8%	5%	n/a	(1) ppts	+2 ppts
Adjusted EBIT	£1m	£11m	£9m	(91)%	(91)%	(89)%
Adjusted EBIT margin	0.3%	3.9%	4.0%	(350)bps	(360)bps	(370)bps
Operating cash flow	£4m	£15m	£11m	(73)%	(73)%	(64)%
Operating cash flow margin	1.4%	5.4%	4.8%	(390)bps	(400)bps	(340)bps
Working Capital	£18m	£(1)m	£1m	n/a	£19m	£17m
Segmental free cash flow	£18m	£7m	£4m	+171%	+157%	+350%



Greece adjusted EBIT margin bridge



Gross margin (210)bps

- COGS inflation not fully passed to consumer
- High discounting from competitors
- Promotions on delivery & installation
- Adverse product mix

Operating expense to sales (150)bps

- Costs up slightly
- Lower government support
- Increased energy & payroll costs



Cash generation impacted by lower profits

	1H 22/23	1H 21/22*	1H 19/2O	
Operating cash flow	£60m	£131m	£76m	Lower profit in International business
Сарех	£(56)m	£(51)m	£(98)m	In line with last year, majority of investment in IT
Adjusting items	£(25)m	£16m	£(21)m	Costs of restructuring and leases on closed premises
Cash tax paid	£(24)m	£(6)m	£(5)m	Nordic payment deferred in prior year
Cash interest paid	£(13)m	£(7)m	£(12)m	Higher net debt position and increased interest rates
Sustainable free cash flow	£(58)m	£83m	£(60)m	
Working capital	£(28)m	£102m	£137m	Lower sales and higher availability has reduced stock turn
Free cash flow	£(86)m	£185m	£77m	

^{*} Adjusted results have been restated for updated exceptional items policy

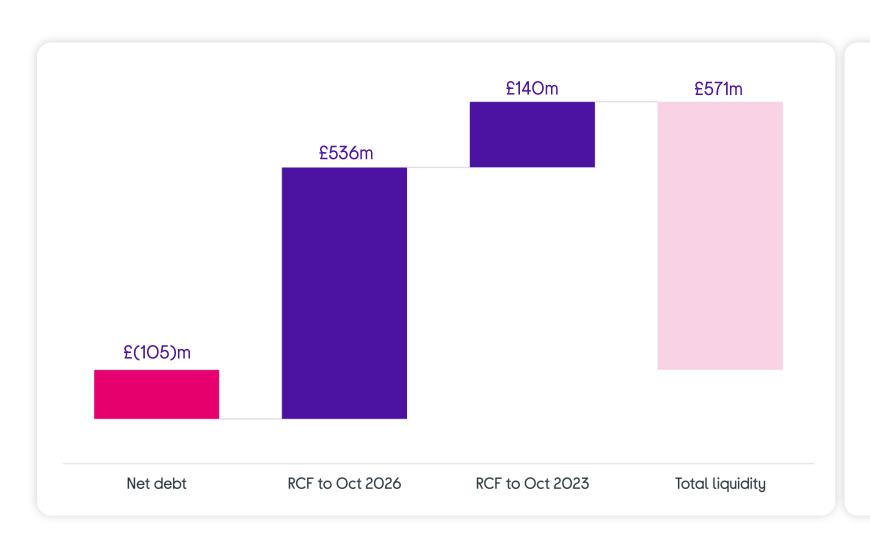


Uses of free cash flow

	1H 22/23	1H 21/22	Change	
Free cash flow	£(86)m	£185m	£(271)m	
Shareholder returns	£(24)m	£(34)m	£(10)m	Final dividend of 2.15p per share paid in September
Pension	£(39)m	£(39)m	-	Pension contribution flat with prior year
Share repurchase and other items	£(4)m	£(28)m	£(24)m	Purchase of own shares for colleague share awards
Movement in net cash	£(149)m	£81m		
Net cash at the beginning of the period	£44m	£169m	£(125)m	
Net cash at the end of the period	£(105)m	£250m	£(355)m	



Strong liquidity position



Bank covenants

- Fixed charge cover >1.75x
 (1H 2O22/23: 1.98x)
- Net debt leverage <2.5x
 (1H 2O22/23: O.44x)



Outlook & guidance

Second half outlook

- UK&I to deliver robust profitability in weak market with profit stable YoY
- International profitability to improve compared to first half
- Group to generate cash

Full year guidance

- Adjusted PBT to be between £100-125m (vs £125-145m on like-for-like basis)
- Capital expenditure of around £120m (vs £135-155m on like-for-like basis)
- Net exceptional cash costs of around £40m (unchanged)
- Year-end net debt to be better than half year



currys

Summary



UK&I

Strengthening results, in challenging circumstances



International

Facing significant market disruption, which we expect to be temporary, and actions underway to rebuild profitability

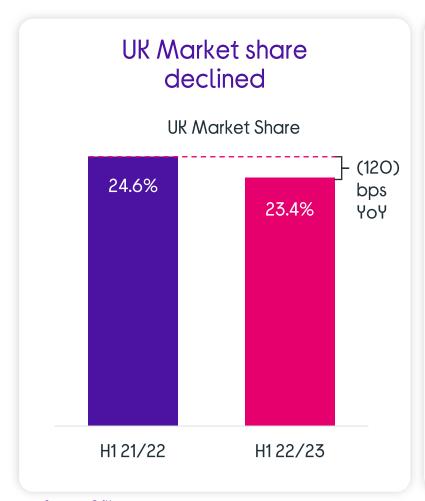


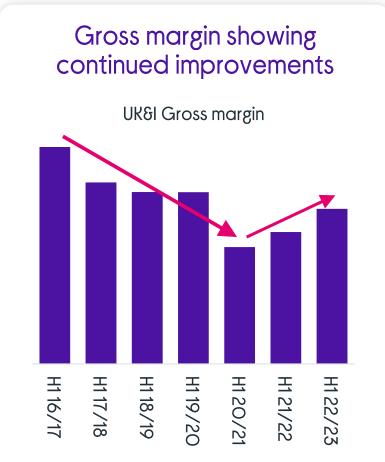
Outlook

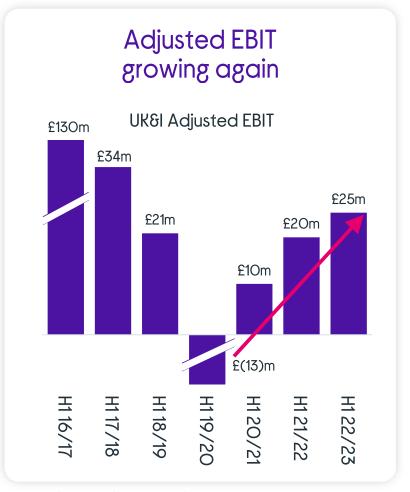
Well set for long term success, despite challenging environment



Strengthening UK profits from continuing gross margin improvements and cost efficiency







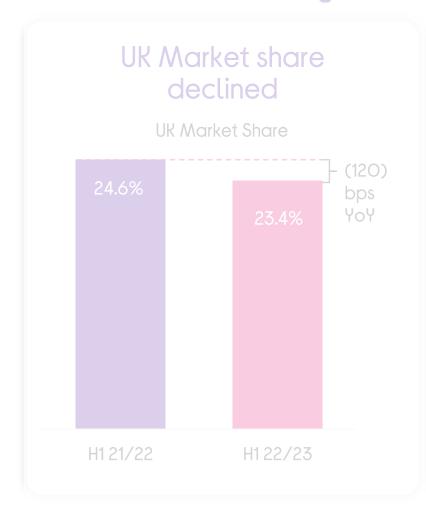
Source: GfK

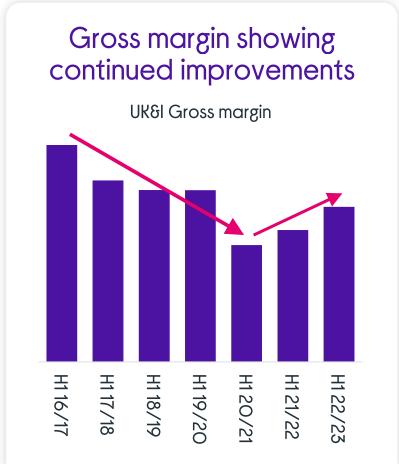
H1 17, H1 18 and H1 19 are pre IFRS16 numbers

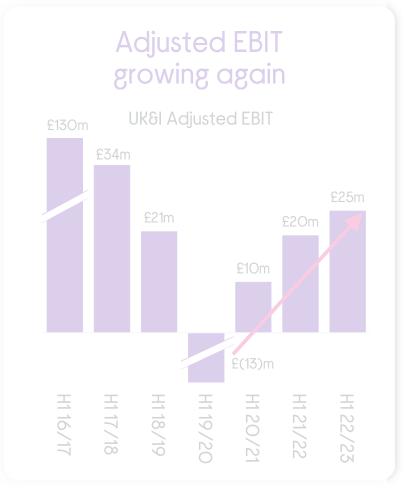




Strengthening UK profits from continuing gross margin improvements and cost efficiency







H1 17, H1 18 and H1 19 are pre IFRS16 number



We're confident in sustaining our UK gross margin improvement

Higher Services adoption

Credit adoption (%)

17.0

12.4

H1 21/22

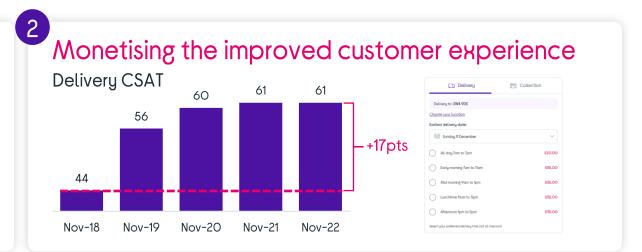
H1 22/23

Care & Repair adoption (%)

Care & Repair adoption (%)

H1 21/22

H1 22/23



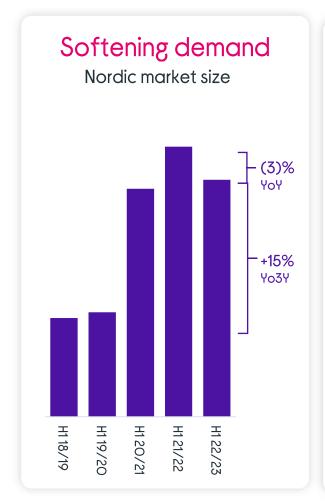
Not chasing less profitable sales

- Monetising improved data & analytics:
 - End-to-end profitability model
 - Improved marketing and promotional efficiency
 - Much more potential here





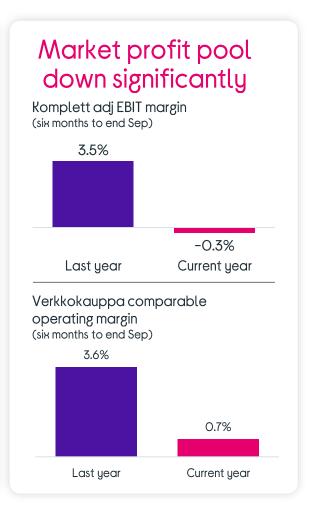
Significant (but temporary) disruption in International markets



Overstocked market Aggressive competitors Topchef: Power har for mange varer på lager "Chief executive: Power has too much stock" Store kjeder har overfylte lagre i forkant av Black Friday: - Kan bli mange gode tilbud "Large chains have overflowing warehouses ahead of Black Fridau" Fulle lagre – men hvor er kundene? Nye innkjøpsstrategier, lageroppbygging og resesjon er en dårlig cocktail. "Full warehouses - but where are

the customers?"



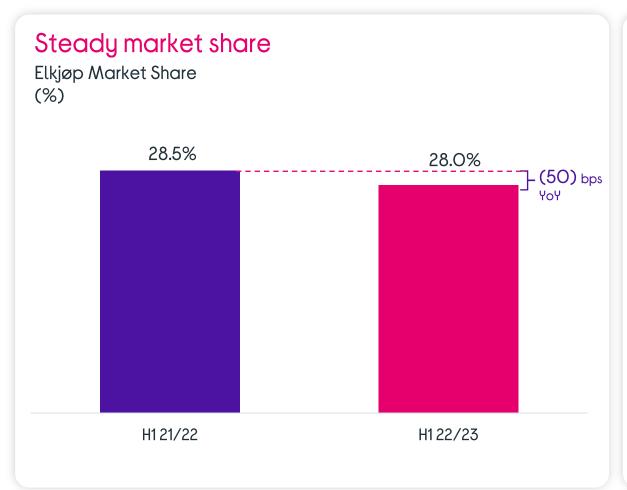


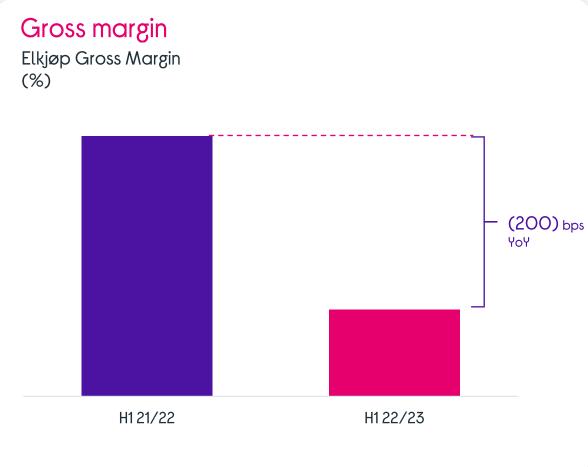
Source: GFK

Source:



We've had to invest substantial margin to maintain our market leadership

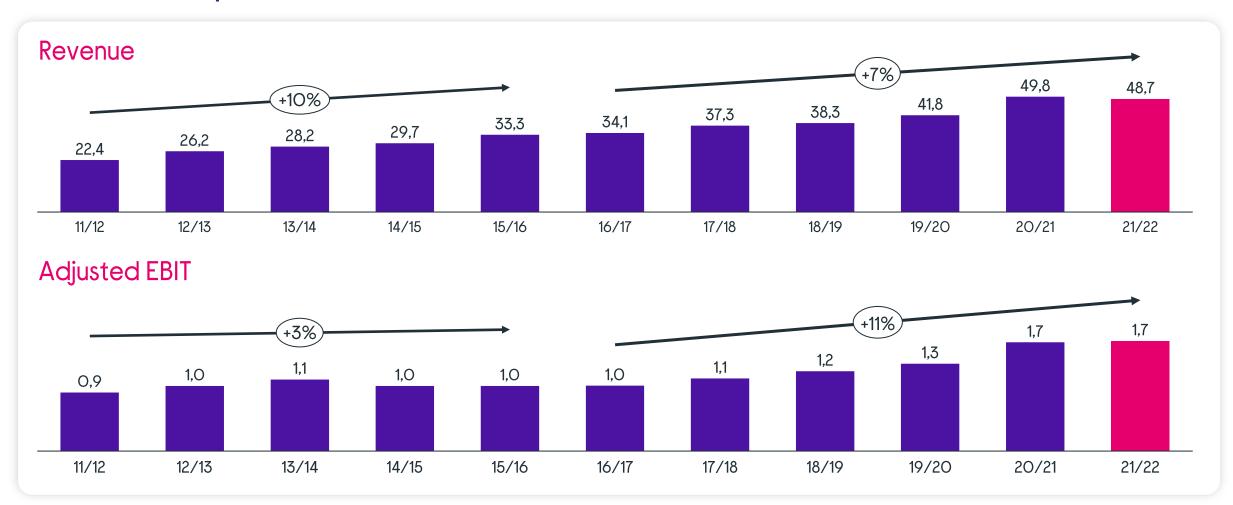




Source: GFK



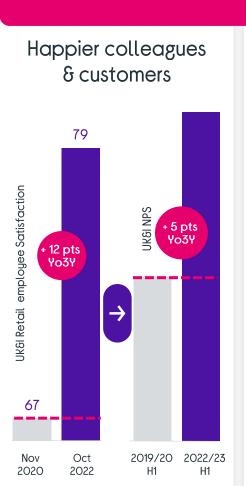
We're confident in resuming Nordics long term trajectory of growth in sales and profits



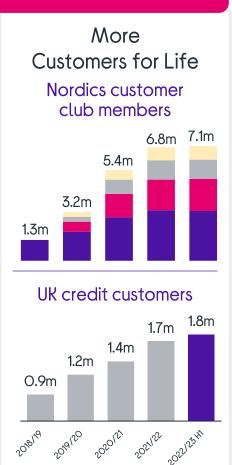


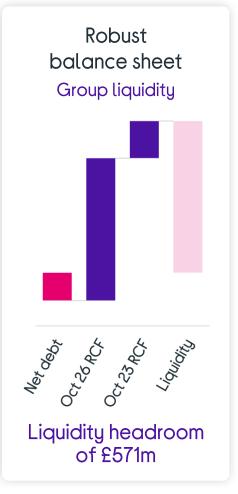
A stronger business that can weather challenging environments





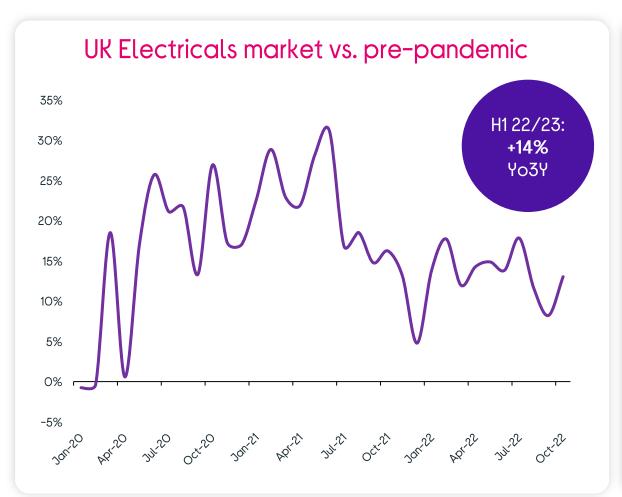


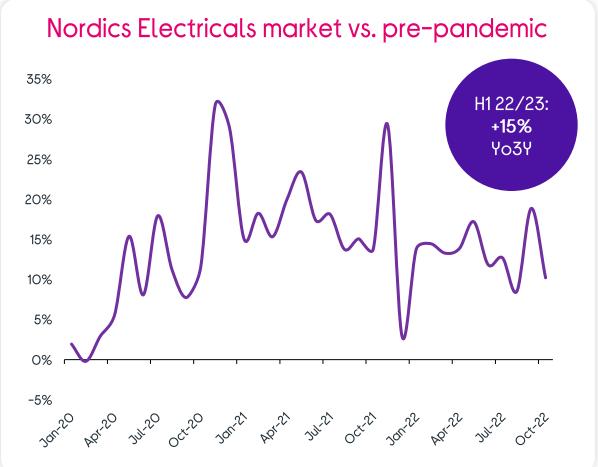






Technology market is still larger than before the pandemic



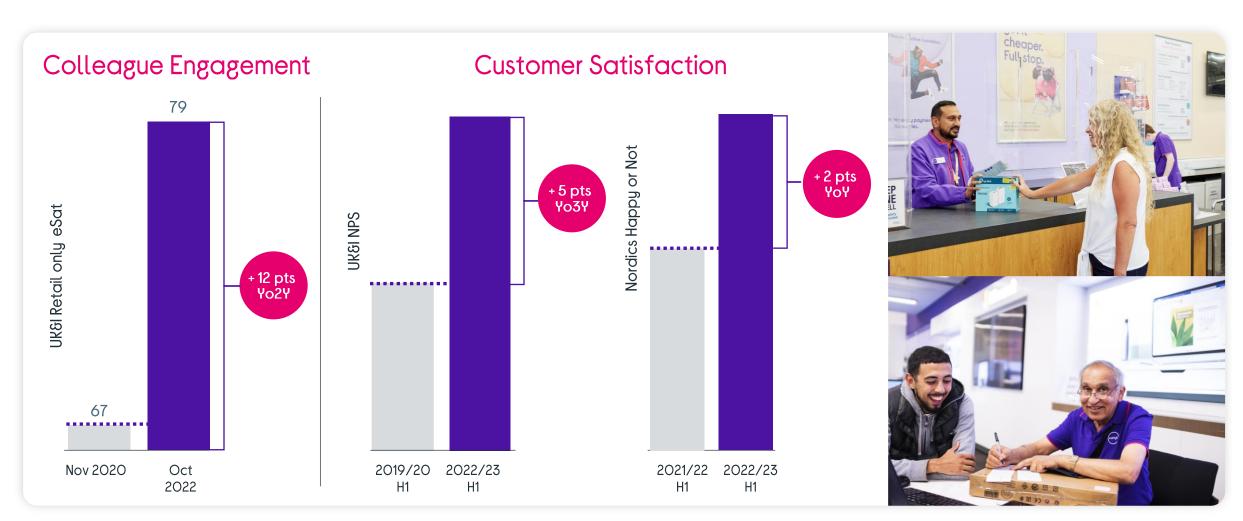


Source: GFK

3 month rolling average

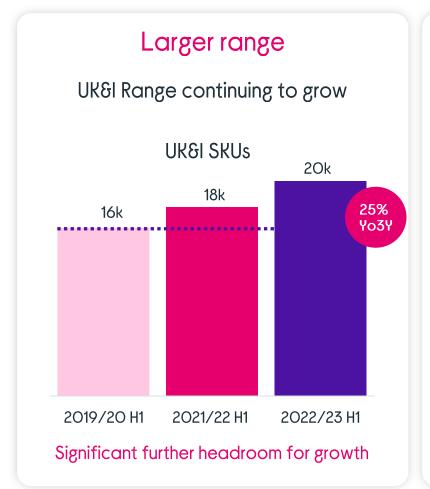


More engaged colleagues mean more satisfied customers...





Continued progress on retail fundamentals

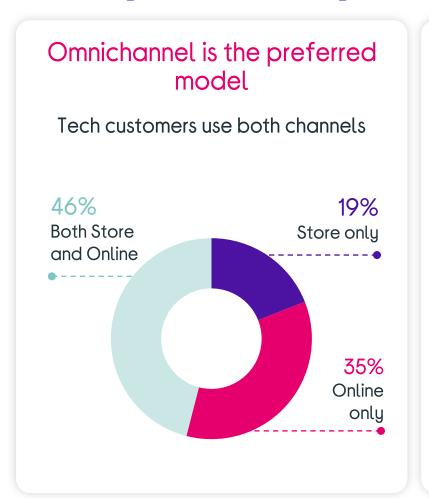


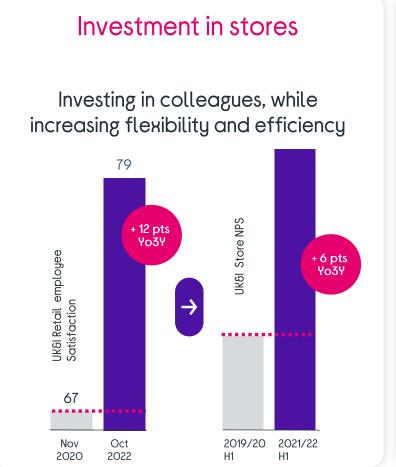






Omnichannel is the preferred model for customers and we're building on our strengths





New online platforms

Invested in new platforms which are more stable, scalable, and faster...





...and more upside to come

Sources: Currys "On the Pulse" internal engagement survey for November 2020 and October 2022



Growing Services to help build customers for life

We help you afford the amazing tech

We help get you started

We help give your tech longer life

We help you get the most out of your tech

17.0% UK&I Credit adoption, +460bps YoY

11.0% Nordics Credit adoption, +250bps YoY

Installation adoption increased in all markets

Now installing one quarter (24.9%) of UK items delivered

UK Care & Repair base +2.5% YoY

UK Care & Repair adoption +350bps YoY

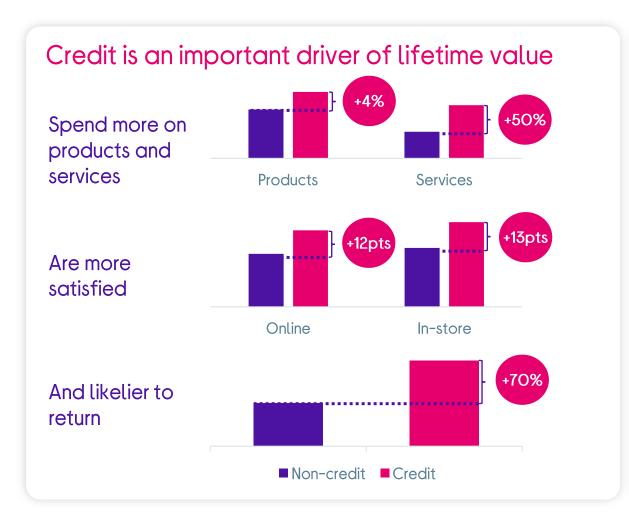
Nordics Trade-in up c.10x YoY

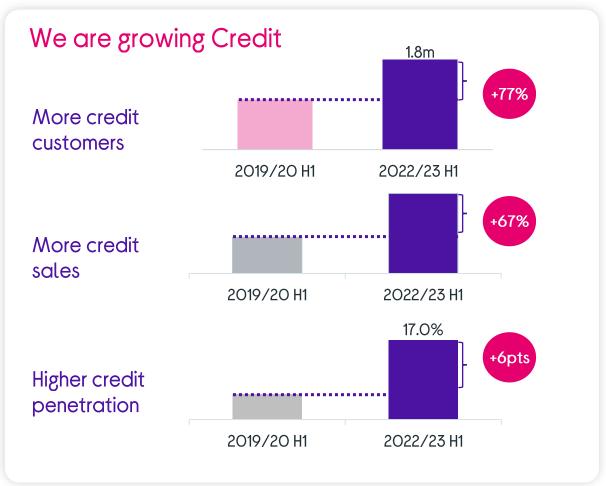
UK recycling from customers' homes +34% YoY

iD mobile subscribers +10% to 1.2m



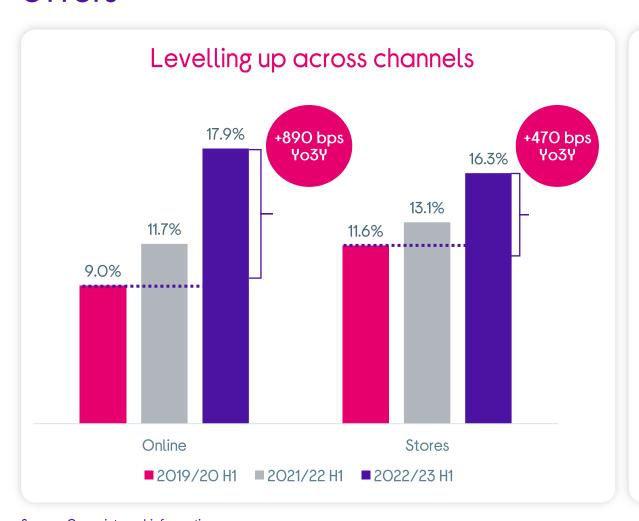
Credit is valuable and growing

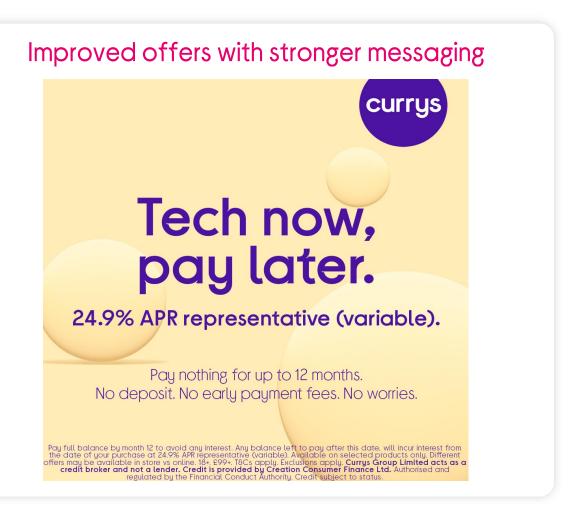






We've grown Credit by "levelling up" across channels and better offers



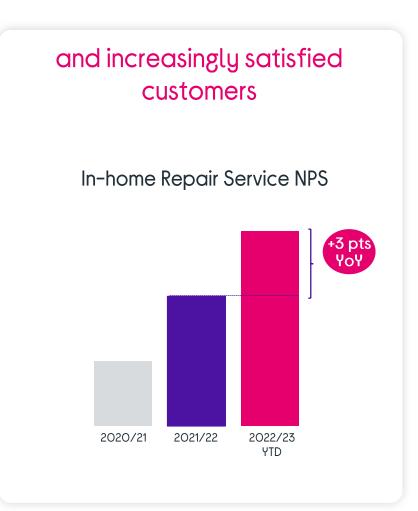




We're leaders in protecting and repairing products







Source: Currys internal information

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Outlook & guidance

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Full year guidance

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- Capital expenditure of around £120m (vs £135–155m on like-for-like basis)
- Net exceptional cash costs of around £40m (unchanged)



Medium term targets

Steady growth

EBIT margin

≥3%

Capital expenditure

<1.5% of sales

New cash exceptionals

£minimal

Annual sustainable free cash flow

>£150m



Growing shareholder returns

Currys Summary

Challenging market backdrop

UK&I profits strengthening as transformation benefits show

International profits hit by (temporary) market disruption

Record colleague engagement and customer satisfaction

Making more of proven Omnichannel model

Building more customers for life through Services

Balance sheet strong with ample liquidity

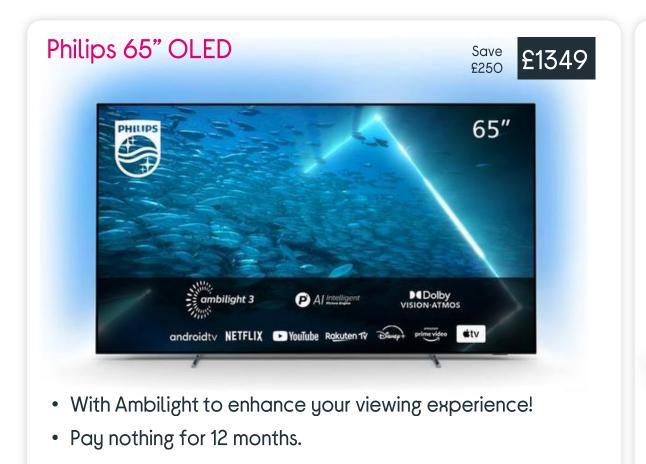
Confident of emerging as even stronger business







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- Lowest ever price on Sony 55" OLED
- Pay no interest when you pay your full balance within 9 months.







And incredible offers on our energy efficient tech, mobile & laptops

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Air Fryer exclusively at Currys

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Save £100



Heat Pump Tumbles from just £349...

save up to £300 a year on energy bills







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Large 9kg capacity washing machine

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£29 Upfront Cost with 100GB data on iD Mobile



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SIM Free

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