6 July 2023

Audited Results for the Year Ended 29 April 2023

Strengthening UK&I offset by poor Nordics performance

We Help Everyone Enjoy Amazing Technology

Summary

- Group full year profits at top end of guided range
- Transformation in UK&I delivering improved colleague and customer experience, and better profits
- Very challenging year for Nordics business, but decisive action on margins and cost underway from new leadership
- Growing recurring revenue generated from credit, services and iD Mobile
- Prudent and proactive actions taken to improve cash flow and further strengthen balance sheet

Financial performance

- Group LFL (7)%; Revenue (6)%
- Group adjusted profit before tax £119m, at top end of guidance, down £(73)m YoY due to lower Nordic profits
- UK&I adjusted EBIT £170m, +45% YoY – gross margin improvement and costs savings offset sales decline
- Nordic adjusted EBIT £26m, (82)% YoY – impacted by market challenges; taking action to improve performance
- Greece adjusted EBIT £18m, (14)% YoY – delivering another year of robust profits
- Statutory loss before tax of £(450)m, driven by previously announced non-cash goodwill impairment of £(511)m
- Year-end net debt of £(97)m, from £44m net cash in prior year

Outlook

- Trading at the start of the year has been consistent with the Board's expectations
- Nevertheless, the economic outlook remains uncertain in our main markets
- Accordingly, the business has been prudent in its planning, and has taken actions to maximise operating cashflow through continuous margin improvement, delivering cost savings and reducing capital expenditure
- Further actions to mitigate risk include agreeing the previously announced temporary covenant relaxation, and lowering cash contributions to the pension scheme
- Consistent with this cautious approach, the Board has decided not to declare a final dividend
- We expect these measures to strengthen our balance sheet and leave us well positioned if our market forecasts prove to be too prudent

Alex Baldock, Group Chief Executive

"We've had a very mixed year. Our strengthening UK&I performance shows our strategy is working well. But our long track record of success in the Nordics was brought to an abrupt halt.

Our market has been tough everywhere, with depressed demand, high inflation and unforgiving competition. I'm proud of how our colleagues rose to this challenge, continuing to bring the benefits of technology within easy reach of millions of customers - to you all, thank you.

Our UK&I colleagues' great work shone through in world class engagement scores; in another year of record customer satisfaction; in maintaining number one market share; and in more customers for life as we grew services. All this was reflected in another year of growing UK&I profits, with improving gross margins and continued cost discipline.

Looking ahead, we're wary of optimism about consumer spending power. Accordingly, we're being prudent in our planning, and in further strengthening our balance sheet. Our focus is on continuing a very encouraging trajectory in the UK&I while we get the Nordics back on track, and being attentive to mitigating any downside risk. We may be cautious in our promises for the short-term, but our confidence is undimmed as we build a stronger and more resilient business that is fit to prosper in the longer term."

Performance Summary

Group sales decreased (7)% on a like-for-like basis with a decline in all markets except Greece driven by a fall in consumer spending due to persistent inflation and rising interest rates, as well as a normalisation of spend on technology after strong growth during the pandemic.

Revenue	2022/23 £m	2021/22 £m	Year-on-year Reported % change	Year-on-year Currency neutral % change	Year-on-year Like-for-Like % change
UK & Ireland	**5,067**	5,485	(8)%	(8)%	**(7)%**
International	**4,444**	4,659	(5)%	(4)%	**(7)%**
- Nordics	**3,807**	4,105	(7)%	(6)%	**(10)%**
- Greece	**637**	554	**15%**	12%	**12%**
Group	**9,511**	10,144	**(6)%**	(6)%	**(7)%**

In UK&I adjusted EBIT increased +45% YoY. Improvements to gross margin were driven through higher adoption of credit and other services, better monetisation of our improved proposition, focus on more profitable sales through improved use of data and analytics to drive better marketing returns and cost savings in supply chain and service operations. Operating costs fell in absolute terms as savings more than offset inflationary cost pressures and increased business rates tax.

As previously announced, we have recorded a £(511)m non-cash impairment of UK&I goodwill arising out of the Dixons Carphone merger in 2014. This impairment was primarily driven by increased discount rates as a result of the sharp increases in UK bond yields, as well as more prudent economic assumptions within our internal valuation models.

In International, adjusted EBIT declined a disappointing (73)% YoY. In our Nordic markets, the consumer spending environment has deteriorated rapidly over the past 12 months, with falling consumer demand exacerbated by a general overstocking in the market. This has meant several competitors have heavily discounted products, preventing the pass-through of inflated cost of goods, resulting in lower profits.

Due to lower International profitability, Group operating cash flow declined (29)% YoY, while free cash flow was an outflow of £(74)m, reflecting the lower operating profitability, continued investment and a working capital outflow as a result of the sales decline.

Profit and Cash Flow Summary	2022/23 £m	2021/22 £m	2022/23 Adjusted £m	2021/22 Adjusted (restated)[1] £m	Reported % change	Currency neutral % change
Segmental EBIT						
UK & Ireland	**(353)**	71	**170**	117	45%	44%
International	**7**	151	**44**	163	(73)%	(73)%
- Nordics	**(11)**	130	**26**	142	(82)%	(81)%
- Greece	**18**	21	**18**	21	(14)%	(18)%
EBIT	**(346)**	**222**	**214**	**280**	**(24)%**	**(24)%**
EBIT Margin	**(3.6%)**	2.2%	**2.3%**	2.8%	(50) bps	(60) bps
Net interest expense on leases	**(68)**	(70)	**(68)**	(70)	n/a	
Other net finance costs	**(36)**	(26)	**(27)**	(18)	n/a	
(Loss) / profit before tax	**(450)**	126	**119**	192	(38)%	(39)%
Tax	**(31)**	(55)	**(27)**	(52)		
(Loss) / profit after tax	**(481)**	71	**92**	140		
(Loss) / earnings per share	**(43.6)p**	6.3p	**8.3p**	12.4p	(33)%	
Operating cash flow			**268**	375	(29)%	(29)%
Operating cash flow margin			**2.8%**	3.7%	(90) bps	(90) bps
Cash generated from operations	**386**	524				
Free cash flow			**(74)**	72	n/a	
Net (debt) / cash			**(97)**	44	n/a	

Balance sheet and capital allocation

In November 2021, the Group laid out its capital allocation framework and priorities:

1. Maintain prudent balance sheet (defined as meeting banking covenants and meeting our own targets for indebtedness fixed charge cover of >1.5x and indebtedness leverage <2.5x)
2. Pay required pension cash contributions
3. Invest to grow business/profits/cashflow
4. Pay and grow ordinary dividend
5. Surplus capital available to return to shareholders

Since we set these priorities, trading conditions have deteriorated, particularly in the Nordics. At this year-end, net indebtedness leverage was 2.91x and total indebtedness fixed charge cover was 1.42x, outside of our targets. We are focussed on rebuilding these metrics over the next year and have accordingly taken actions to reduce costs and capital expenditure. We have agreed a covenant relaxation for the period to up to October 2024 and a reduction in contributions to the pension scheme over the next two years. Consistent with these actions and cognisant of the uncertain economic outlook, the Board has decided not to declare a final dividend for the 2022/23 financial year. Our capital allocation priorities remain unchanged.

Current year guidance

- Trading at the start of the year has been consistent with the Board's expectations
- Capital expenditure of around £80m, down more than 25% YoY due to tighter control and lower transformation spend
- Net exceptional cash costs around £50m, up YoY due to additional property costs and restructuring
- Pension contributions of £36m, reduced from £78m in 2022/23

Other technical cashflow items:

- Depreciation & amortisation of £320-330m
- Cash payments of leasing costs, debt & interest of £280-290m
- Cash interest of around £40m

Longer term guidance

- Group continuing to target at least 3.0% adjusted EBIT margin
- Exceptional cash costs expected to fall significantly from 2024/25 onwards
- Pension contributions will rise to £50m in 2024/25 and to £78m for the following three years before a final payment of £43m in 2028/29

[1]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') and are consistent with those used internally by the Group's Chief Operating Decision Maker to evaluate trends, monitor performance, and forecast results.

We consider these additional measures to provide additional information on the performance of the business and trends to shareholders. Adjusted results and adjusting items for the comparative period ended 30 April 2022 have been restated to reflect the updated adjusting items policy that reflects management's belief that the revised classification provides greater clarity on the current and future performance of the Group's ongoing omnichannel retail operations. There has been no impact on statutory results as a result of the restatements.

The below, and supplementary notes to the APMs, provides further information on the definitions, purpose, prior period restatements and reconciliations to IFRS measures of those APMs that are used internally 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.

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

We Help Everyone Enjoy Amazing Technology

Chief Executive's Review

The year has been mixed. We've shown, through our strengthening UK&I results, that our long-term strategy is working and is now delivering improved financial results as well as happier colleagues and customers. In the Nordics, our long track record of sales and profit growth was brought to an abrupt halt, but, as previously announced, we have taken decisive action and expect to see profits start to recover. Meanwhile Greece has delivered another solid year of performance in a prospering economy.

The UK&I's performance strengthened again, in the face of challenging circumstances. We maintained our #1 market share position and profits were up again despite like-for-like sales falling (7)%. Gross margins improved significantly as services growth, our increasing ability to charge for an improving customer experience, improved promotional understanding and discipline, and strong cost efficiency in our supply chain and service operations, have all contributed to improvements. Overall, we reduced costs by £120m during the year, more than offsetting inflationary and tax headwinds.

We've been able to achieve this because our long-term strategy in the UK&I is working. We have supported colleagues with tools, training and rewards and now have world class colleague engagement scores to show for it. Customers tell us they're happier with another year of increased customer satisfaction scores. This reflects a strong year of progress in systematically taking pain out of the customer's experience, in purchase, delivery, installation, collection and returns, online and in-store. I'm proud of the team's work here. Years of necessary improvements in customer experience are increasingly allowing us to solve for improved profit and cash as well as customer satisfaction: the right range, at better availability, at the right price, for us as well as the customer; and an easier customer experience, increasingly right first time, is lower cost to us and more satisfactory to the customer.

Our ambition is to turn all these more satisfied customers into customers for life. This year has seen increases in services adoption, and healthy growth in our Perks and iD Mobile customer bases.

Credit has never been more important for customers than during a cost of living crisis, as they've shown by adopting our credit in record numbers. Growing our credit customer base by +12%, and credit sales to up to 17.7% of total sales, as we did last year, has been important for society, as well as for our economics. Credit sales are partly incremental, tend towards higher priced products, attract higher levels of supplier support, carry a higher adoption rate of other services, and build stickier customers with a +52% higher likelihood to return to shop with us.

Likewise, Care & Repair is good for customers, society and for the business. In the current environment, customers can't afford for their (sometimes expensive) technology to go wrong, and value the peace of mind our protection offers. With 14 million protection plans, Europe's largest technology repair centre, and performing over 600,000 repairs last year, we can offer this protection better than any competitor. In giving longer life to customers' technology, we're a force for sustainability as well as affordability. These are powerful reasons for the customers to prefer shopping with us, as well as making a substantial economic contribution in their own right - purpose and profit going hand-in-hand, as we believe they must. So our success last year in returning our care and repair book to growth was important all round.

And iD, our own Mobile Virtual Network Operator, grew again to 1.3m subscribers. This is up +13% year-on-year, and up +24% year on three years. This growth reflects a mobile category back into profitable growth for us, and shows the competitive advantage iD Mobile enjoys from our much-improved deal with Three. This faster growth has continued into the current financial year and has clear value; mobile subscriptions produce more predictable, recurring revenues, reflected in £221 million of mobile receivables on the balance sheet.

So, between our large and growing books of credit customers, Care & Repair customers, and iD Mobile subscribers, we're building millions of stickier and more valuable customer relationships.

In the Nordics, the markets we operate across have been experiencing a painful period with softer demand coupled with cost of goods sold inflation, exacerbated by excess stock and some competitors pursuing strategies focussed on growth at the expense of profit or cashflow. This combination has eroded the market profit pool. We maintained our leading market share, but have not been immune from these pressures. We don't see anything structural or permanent in these pressures, intense though they are. The Nordics remain healthy, wealthy markets. Consumer confidence and disposable income will recover from current multi-decade lows, just as inflation and market stock levels will normalise. Competitors will need to generate cashflow, just as we do. However, we're too cautious to put a time on this market recovery, and cannot merely wait for it. We have taken decisive actions on gross margin and costs, including making operational changes that will deliver at least £25m of annual saving and we have installed new local leadership who are bringing new clarity, grip and energy to this strategic plan.

In Greece, the combination of a strong economy and government subsidies has seen sales grow strongly, but the market has not been immune from inflation in cost of goods and operating costs, which have not been fully offset by the increased sales.

Altogether, this has delivered a financial performance that we are not happy with. The improvement in the UK&I have not offset the hole created by the Nordics profit decline. Furthermore, the fall in sales has driven a working capital outflow and our balance sheet has moved from net cash to net debt during the year.

Looking forward, our job is clear. We need to keep the UK&I on its current upwards trajectory and get the Nordics business back on track. We are doing this against an unfriendly and uncertain economic backdrop in our principal markets. So we are planning cautiously, expecting sales to decline, whilst setting the business to be resilient in the case of a downturn but ready to capitalise if the macro picture improves.

Our liquidity is strong, as the relaxed fixed charge covenant with our supportive lending group gives us plenty of headroom on our revolving credit facilities. Our balance sheet is robust, and certainly much stronger than three years ago, but we are planning to strengthen it further, even if trading stays weak, to make sure that we are prepared for a worst case scenario. This starts with maximising our operating cashflow even in a difficult environment. We are cutting costs in UK&I and Nordics and while this doesn't come for free, we target fast payback periods on any exceptional cash spend. We are also lowering capital expenditure significantly, and can do so without jeopardising the business because the majority of the transformation spend is now behind us and we are better at controlling the expenditure we do have. As well as operational actions, we have lowered our pension contributions, with most of the benefit in the next two years. As a final sign of prudency, the Board has decided not to recommend a full-year dividend.

We believe that these actions will set us up for long-term success, achieving at least a 3.0% adjusted EBIT margin with a solid balance sheet that enables healthy returns to shareholders.

Grow Profits

We've recently added "Grow Profits" to turn our "big three" into the "big four" priorities internally. This is more than merely symbolic. We know that our improvements for the colleague and customer experience, substantial and essential though they have been, have yet to translate into improved cash generation. They must, and such has been their progress, that they now can. We believe we can now build on our progress on gross margins and cost while being confident in maintaining our top-line market leadership.

- Gross margin increased by +160bps in the UK&I as we saw improvement across all levers of gross margin (higher adoption of credit and services, better monetisation of improved proposition, not chasing less profitable sales and supply chain and service operation cost savings), alongside some benefit from mobile revaluation.
- In November 2021, we announced a plan to save £300m of annual costs in the UK&I by the end of 2023/24. We are progressing well with those initiatives and have saved almost £190m on a cumulative basis as at the end of 2022/23. We are on track to save over £300m by the end of 2023/24.
- In UK&I, our programmes drove £120m of savings with the largest areas of saving including supply chain efficiencies of £42m, store payroll of £36m, and central, IT and procurement savings of £26m.
- In Nordics, savings were spread across several areas including marketing, store and head office payroll, IT expenditure and consultant fees. These actions will see around £25m of costs permanently removed from the business.
- Infosys is a global leader in next-generation digital services and consulting. Our partnership with them commenced in July 2022, since then we have engaged Infosys to deliver a large range of activities across our business functions including IT, Data & Analytics, E-Commerce, Finance and Commercial, for our UK&I and Nordics businesses. This has involved moving 800 roles to Infosys so far, with significant potential to extend the partnership in the future. In time, we expect these actions to result in an annualised cost saving of over £15m, with £5m saving realised in 2022/23.

Capable and Committed Colleagues

Expert face-to-face help is at the heart of why customers shop with us, and that takes skilled and dedicated colleagues. We know that happy colleagues make for happy customers, so we go above and beyond in making sure that our colleagues are rewarded for their hard work.

- Our colleagues are our strongest advantage. Our Group eSat (how happy you are to work at Currys) increased +1 to 78 and puts Currys in the top 25% of all businesses. In the UK&I eSat has increased to 81, putting the UK business in the top 10% of all businesses.
- All UK store colleagues moved on to a single contract, driving greater efficiency in store while allowing colleagues to retain expertise in chosen areas. This has enabled a +10% increase in customer facing hours while reducing store payroll costs by (14)%. At the same time we saw a +3ppt improvement in store colleague engagement and a +2ppt improvement in store customer satisfaction.
- In the UK&I our frontline colleague pay has increased by +14% in the last year and +37% over the past five years with 12,000 colleagues benefitting from these increases.

Easy To Shop

Omnichannel is the preferred model for customers in technology retail: two-thirds of customers prefer to shop using stores, underlined by the slight increase in our store share of business. We're continuing to build on this advantaged business model.

Online Share of Business	2022/23	2021/22	2019/20	Year-on-Year	Year-on-3-Year
UK & Ireland	**45%**	45%	32%	**-pt**	13pt
International	**22%**	23%	18%	**(1)pt**	4pt
- Nordics	**25%**	25%	19%	**-pt**	6pt
- Greece	**7%**	9%	8%	**(2)pt**	(1)pt
Group	**34%**	35%	27%	**(1)pt**	7pt

- We have reinvigorated our 'sold with' solution selling offer in the UK&I, which provides customers great value bundles when buying tech. It helps customers get more out of tech and provides additional revenue at good margins. Over the second half of the year we saw in-store adoption on relevant products increase +1180bps YoY driven by simplifying the bundles, colleague training and better in-store displays.
- We are continuously trying to find ways to reduce tasks in stores so we can spend more time selling and serving our customers to further improve NPS and Colleague engagement scores. A key change this year has been the introduction of digital pricing across laptops and TVs.
- Lease costs continue to fall, as we have closed another eight UK&I stores at the lease expiry, bringing net closures to 24 over three years, and also negotiated an average effective net rent reduction of more than 25% on the 23 leases renewed during the year.
- We maintain a flexible store portfolio and have average lease lengths of 4 years in the UK&I, less than 3.5 years in the Nordics and less than 2.5 years in Greece.
- During the year we have made significant improvements to our UK&I website, Colleague Hub, ShopLive and Store Mode, which means that we now have a website that is fast, future proof, and provides a richer, seamless, more personalised experience. It also enables better upsell, cross-sell credit and other service adoption online, all of which increase gross margins and "level up" profitability between channels. By introducing the new Colleague Hub, and improving Store Mode and ShopLive, we're arming our colleagues in store with the tools, technology and information they need to have more meaningful conversations with customers.
- We started work on a new 870,000 sq ft warehouse in Jönköping, Sweden, increasing the total capacity at the Nordic Distribution Centre to 1,940,000 sq ft. This will facilitate the move of our Nordic kitchen distribution from Brno to Jönköping, as well as providing increased flexibility, faster deliveries and improved logistics. It is due to be operational during 2024/25.

Customers For Life

We help customers afford amazing technology:

- UK credit adoption increased +440bps to 17.7%, well ahead of the 16% adoption we have targeted for 2023/24 as active credit accounts rose +12.5% to 1.93m. Online credit adoption increased +700bps to 19.7% and store credit adoption +220bps to 15.9%. The largest increases in adoption were from repeat customers, particularly online, as our easier to access accounts and targeted marketing have stimulated repeat spend. We take no risk on credit.
- Nordics launched integrated financing services in the online channel together with our consumer financing bank partners in Norway, Sweden and Finland. This has been a successful change, contributing to +17% growth in financed sales. We are aiming to increase financing sales even further by optimising the sales processes in stores.

Our Services help customers get tech started:

- During the year, we introduced charging for all two-person deliveries in the UK. The average delivery, installation and recycling revenue on the 3m big box deliveries we do each year is now more than £10 higher than before we introduced this charge. We have been pleased to see that it has not had a detrimental impact on sales, customer satisfaction or adoption rate of our services.
- Our installation services are becoming ever more valued by customers, and one-quarter of UK big box deliveries now include installation. Our in-home customer satisfaction is amongst the highest of all activities we carry out, highlighting how much customers value the service we provide.

We help give tech a longer life through protection, repair, trade-in and recycling services:

- Protection products performed well across the Group and we have 14m Protection (warranty and insurance) agreements in the Group.
- In the UK, our Care & Repair adoption climbed +310bps compared to last year, with improvements in-store and online as customers look to benefit from our improved propositions, which we are doing a better job of highlighting.
- In Nordics, we launched insurance for devices with monthly payment in all our markets, initially on phones and tablets. Customers have welcomed this, and a high share choose this option over up-front payment. The recurring revenue this generates is growing month by month.
- In Greece, customers adopt care & repair on over one-third of eligible products.
- In Nordics, our trade-in business is still nascent, but growing rapidly, having more than doubled during the year, and quadrupling in Norway.
- In the UK, we collected over 1.6m items for recycling, up +51% YoY driven by our well-received “Cash for Trash” initiative. As customers become more aware of the environmental consequences of their actions, we are there to help them.

We help customers make the most out of their tech with connectivity and subscriptions:

- iD Mobile, our award winning MVNO, grew to 1.3m subscribers, +13% YoY and +24% Yo3Y, demonstrating the great value, flexibility and control it offers to our customers. iD Mobile is a growing source of recurring, predictable revenue and cashflow, so although accelerated growth in subscribers does negatively impact near term margins and cashflows, we will continue to drive growth.

We will collect, protect, and use data to build more valuable customer relationships:

- Our 11m Currys Perks members represented over half of UK sales, Perks customers are happier, shop more frequently, have higher average order values and greater adoption rate of credit and other services than non-Perks customers.
- Nordic customer club grew +13% YoY to 7.6m customers. Club members spend more with us at better margins as increased shopping frequency outweighs lower average order values.

Results call

There will be a live presentation followed by Q&A call for investors and analysts at 9:30am today.
It will be webcast here: https://brrmedia.news/CURY_FYR

Next scheduled announcement

The Group is scheduled to publish a trading update at its AGM on 7 September 2023.

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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 823 stores in 8 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

In the UK & Ireland we trade as Currys; in the Nordics under the Elkjøp brand and as Kotsovolos in Greece. In each of these markets we are the market leader, employing 28,000 capable and committed colleagues. Our full range of services and support makes it easy for our customers to discover, choose, afford and enjoy the right technology for them, throughout their lives. The Group's operations include state-of-the-art repair facilities in Newark, UK, a sourcing office in Hong Kong and an extensive distribution network, enabling fast and efficient delivery to stores and homes.

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

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

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

This announcement contains inside information for the purposes of UK MAR.

Performance Review

The business is managed and evaluated across three reporting segments; UK & Ireland, Nordics and Greece. The table below shows the combined Group results, with fuller explanation following under each of the individual segments.

Income Statement	**2022/23 £m**	2021/22 (restated) £m	Reported % change	Currency neutral % change
Revenue	**9,511**	10,144	(6)%	(6)%
Adjusted EBITDA	**524**	594	(12)%	(12)%
Adjusted EBITDA margin	**5.5%**	5.9%	(40) bps	(40) bps
Depreciation on right-of-use assets	**(194)**	(190)		
Depreciation on other assets	**(52)**	(62)		
Amortisation	**(64)**	(62)		
Adjusted EBIT	**214**	280	(24)%	(24)%
Adjusted EBIT margin	**2.3%**	2.8%	(50) bps	(60) bps
Interest on lease liabilities	**(68)**	(70)		
Finance income	**2**	2		
Adjusted finance costs	**(29)**	(20)		
Adjusted PBT	**119**	192	(38)%	(39)%
Adjusted PBT margin	**1.3%**	1.9%	(60) bps	(70) bps
Adjusted tax	**(27)**	(52)		
Adjusted Profit after tax	**92**	140		
Adjusted EPS	**8.3p**	12.4p		
Statutory Reconciliation				
Adjusting items to EBITDA	**(537)**	(34)		
EBITDA	**(13)**	560	n/a	n/a
Adjusting items to depreciation and amortisation	**(23)**	(24)		
EBIT	**(346)**	222	n/a	n/a
EBIT Margin	**(3.6%)**	2.2%	(580) bps	(580) bps
Adjusting items to finance costs	**(9)**	(8)		
PBT	**(450)**	126	n/a	n/a
Adjusting items to tax	**(4)**	(3)		
Profit after tax	**(481)**	71		
EPS – total	**(43.6)p**	6.3p		

Cash flow	**2022/23** **£m**	2021/22 (restated) £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	**536**	608	(12)%	(11)%
Adjusted EBITDAR margin	**5.6%**	6.0%	(40) bps	(40) bps
Cash payments of leasing costs, debt & interest[1]	**(283)**	(263)		
Other non-cash items in EBIT	**15**	30		
Operating cash flow[1]	**268**	375	(29)%	(29)%
Operating cash flow margin	**2.8%**	3.7%	(90) bps	(90) bps
Capital expenditure	**(111)**	(133)		
Adjusting items to cash flow[1]	**(40)**	(23)		
Free cash flow before working capital	**117**	219	(47)%	(47)%
Working capital	**(127)**	(112)		
Segmental free cash flow	**(10)**	107	n/a	n/a
Cash tax paid	**(38)**	(18)		
Cash interest paid	**(26)**	(17)		
Free cash flow	**(74)**	72	n/a	n/a
Dividend	**(35)**	(46)		
Purchase of own shares – share buyback	**-**	(32)		
Purchase of own shares – employee benefit trust	**(4)**	(41)		
Pension	**(78)**	(78)		
Other	**50**	-		
Movement in net cash / (debt)	**(141)**	(125)	n/a	n/a
Net cash / (debt)	**(97)**	44	n/a	n/a

[1] APM defined in Glossary

UK & Ireland

	2022/23 £m	2021/22 (restated) £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**5,067**	5,485	(8)%	(8)%
Adjusted EBITDA	**325**	286	14%	14%
Adjusted EBITDA margin	**6.4%**	5.2%	120 bps	120 bps
Depreciation on right-of-use assets	**(98)**	(100)		
Depreciation on other assets	**(21)**	(29)		
Amortisation	**(36)**	(40)		
Adjusted EBIT	**170**	117	45%	44%
Adjusted EBIT margin	**3.4%**	2.1%	130 bps	130 bps
Adjusting items to EBIT	**(523)**	(46)		
EBIT	**(353)**	71	n/a	n/a
EBIT margin	**(7.0%)**	1.3%	(830) bps	(830) bps
Cash flow				
Adjusted EBITDAR	**332**	295	13%	13%
Adjusted EBITDAR margin	**6.6%**	5.4%	120 bps	120 bps
Cash payments of leasing costs, debt & interest[1]	**(161)**	(155)		
Other non-cash items in EBIT	**10**	26		
Operating cash flow[1]	**181**	166	9%	9%
Operating cash flow margin	**3.6%**	3.0%	60 bps	60 bps
Capital expenditure	**(58)**	(65)		
Adjusting items to cash flow[1]	**(36)**	(23)		
Free cash flow before working capital	**87**	78	12%	12%
Working capital	**(71)**	31		
Segmental free cash flow	**16**	109	(85)%	(85)%

[1] APM defined in Glossary

Total UK&I sales declined (8)%, driven by like-for-like sales decline of (7)% and the online share of business was 45%, flat YoY.

Domestic appliances and mobile were the strongest performing categories due to our investment in these areas and improved availability, but only grew marginally compared to last year. We are enjoying a higher mix of iD Mobile which is good over the long-term, but due to accounting for the ownership this will likely cause a short-term impact to profit and cash. Computing saw sales decline and was around the level of pre-pandemic. Consumer electronic sales also declined and are now lower than pre-pandemic.

The UK market shrank (6)% during the year with the online market reducing by (8)% and the store channel declining around (2)%. Our market share is down (100)bps compared to last year as we lost share in consumer electronics and computing but gained share in major domestic appliances.

Gross margins increased +160bps (1H: +160bps, 2H: +160bps), as the investment in long-term transformation activities has yielded higher adoption rate of credit and other services and allowed us to better monetise the improvements in customer proposition. Alongside this, improved understanding and analysis of the end-to-end P&L has allowed for more selective promotional activity and we have driven £42m of cost savings within supply chain. The operating expense to sales ratio worsened by (30)bps as costs reduced in absolute terms, but not enough to offset the decline in sales. A £(15)m headwind from the lowering of UK & Ireland business rates tax reliefs, energy cost inflation of £(12)m and wage inflation of £(12)m were more than offset by £75m of cost savings across supply chain, store operations and central costs.

Adjusted EBIT increased to £170m at 3.4% margin, up +130bps YoY.

In the period, adjusting items to EBIT totalled £(523)m due to £(511)m impairment of goodwill, predominantly due to increased discount rates as a result of the increases in UK gilt yields and more prudent assumptions within our valuation models due to the increased macroeconomic uncertainty. The cash costs in the period related to leases on previously closed stores and the cash impact of ongoing strategic change and cost saving initiatives.

	2022/23 £m		2021/22 (restated) £m	
	P&L	**Cash**	P&L	Cash
Acquisition / disposal related items	**(11)**	**-**	(12)	-
Strategic change programmes	**(8)**	**(36)**	1	(56)
Impairment losses and onerous contracts	**(511)**	**-**	(54)	(20)
Regulatory	**7**	**-**	-	-
Other	**-**	**-**	19	53
Total	**(523)**	**(36)**	(46)	(23)

Operating cash flow was up +9% to £181m due to the higher operating profit offset by higher cash lease payments and lower non-cash expenses. Capital expenditure was down slightly compared to last year at £58m, with significant expenditure focussed on IT and upgrading our omnichannel platform. Adjusting items are described above. Working capital cashflow as the sales decline drove a natural outflow of working capital. In combination, this resulted in segmental free cash inflow of £16m, £(93)m lower than last year.

Nordics

	2022/23 £m	2021/22 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**3,807**	4,105	(7)%	(6)%
Adjusted EBITDA	**156**	264	(41)%	(40)%
Adjusted EBITDA margin	**4.1%**	6.4%	(230) bps	(230) bps
Depreciation on right-of-use assets	**(81)**	(76)		
Depreciation on other assets	**(25)**	(27)		
Amortisation	**(24)**	(19)		
Adjusted EBIT	**26**	142	(82)%	(81)%
Adjusted EBIT margin	**0.7%**	3.5%	(280) bps	(280) bps
Adjusting items to EBIT	**(37)**	(12)		
EBIT	**(11)**	130	n/a	n/a
EBIT margin	**(0.3%)**	3.2%	(350) bps	(350) bps
Cash flow				
Adjusted EBITDAR	**159**	267	(40)%	(39)%
Adjusted EBITDAR margin	**4.2%**	6.5%	(230) bps	(230) bps
Cash payments of leasing costs, debt & interest[1]	**(100)**	(90)		
Other non-cash items in EBIT	**4**	4		
Operating cash flow	**63**	181	(65)%	(65)%
Operating cash flow margin	**1.7%**	4.4%	(270) bps	(270) bps
Capital expenditure	**(45)**	(56)		
Adjusting items to cash flow	**(4)**	-		
Free cash flow before working capital	**14**	125	(89)%	(88)%
Working capital	**(56)**	(113)		
Segmental free cash flow	**(42)**	12	n/a	n/a

[1] APM defined in Glossary

Revenue declined by (6)% on a currency neutral basis, with like-for-like sales decline of (10)%. Online share of business was broadly stable compared to last year.

Except for mobile, all product categories saw sales decline, with computing and consumer electronics declining the most.

Compared to last year, the Nordic market declined around (4)%. Our market share was 27.6%, down (100)bps compared to last year.

Cost of goods inflation was high and not fully passed on to customers due to an excess of stock in a market that declined more than was expected. Aggressive competition meant there was a lot of heavy discount and clearance activity which drove a gross margin decline of (200)bps (1H: (200)bps, 2H (210)bps). The operating expense to sales ratio worsened by (80)bps as a small decrease in absolute costs was not enough to offset operating deleverage. Our strong cost control has allowed us to offset inflationary increases of £(28)m and a further £(16)m of costs related to new stores. Cost savings were generated across many areas including marketing, store and head office payroll, IT expenditure and consultant fees.

As a result, adjusted EBIT declined (82)% to £26m.

In the period, adjusting items to EBIT totalled £(37)m, with £(12)m due to the amortisation of acquisition intangibles and £(7)m of asset impairments which have no cash impact, and £(18)m restructuring costs. The cash cost of restructuring was £(4)m in the year with the balance expected to be incurred in 2023/24.

	2022/23 £m		2021/22 £m	
	P&L	**Cash**	P&L	Cash
Acquisition / disposal related items	**(12)**	**-**	(12)	-
Strategic change programmes	**(18)**	**(4)**	-	-
Impairment losses and onerous contracts	**(7)**	**-**	-	-
Total	**(37)**	**(4)**	(12)	-

The operating cash flow decreased by (65)% to £63m, driven by the lower profit outturn and higher cash lease costs. Capital expenditure was £45m, with significant areas of expenditure including our Next Generation Retail omnichannel platform and store refits. We have also started work on our Nordic Distribution Centre expansion in Jönköping. The total spend was down on last year as spend on some strategic projects was paused. Working capital outflow of £(56)m was due to changes in timing of stock buy-in and the associated timing of VAT payments.

Greece

	2022/23 £m	2021/22 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**637**	554	15%	12%
Adjusted EBITDA	**43**	44	(2)%	(4)%
Adjusted EBITDA margin	**6.8%**	7.9%	(110) bps	(120) bps
Depreciation on right-of-use assets	**(15)**	(14)		
Depreciation on other assets	**(6)**	(6)		
Amortisation	**(4)**	(3)		
Adjusted EBIT	**18**	21	(14)%	(18)%
Adjusted EBIT margin	**2.8%**	3.8%	(100) bps	(100) bps
Adjusting items to EBIT	**-**	-		
EBIT	**18**	21	(14)%	(18)%
EBIT margin	**2.8%**	3.8%	(100) bps	(100) bps
Cash flow				
Adjusted EBITDAR	**45**	46	(2)%	(2)%
Adjusted EBITDAR margin	**7.1%**	8.3%	(120) bps	(100) bps
Cash payments of leasing costs, debt & interest[1]	**(22)**	(18)		
Other non-cash items in EBIT	**1**	-		
Operating cash flow	**24**	28	(14)%	(17)%
Operating cash flow margin	**3.8%**	5.1%	(130) bps	(140) bps
Capital expenditure	**(8)**	(12)		
Adjusting items to cash flow	**-**	-		
Free cash flow before working capital	**16**	16	0%	(6)%
Working capital	**-**	(30)		
Segmental free cash flow	**16**	(14)	n/a	n/a

[1] APM defined in Glossary

Revenue increased +12% on a currency neutral basis, with like-for-like sales growth of +12%. During the year we opened one outlet store and relocated two stores. Online (including call centre) share of sales fell slightly compared to last year.

Mobile performed strongly mainly due to Apple phone launches. Cooling and air conditioning sales were partially aided by the start of a government subsidy programme, but this also saw high promotions and mix shift towards lower end products. Computing sales fell compared to the strong sales last year when sales benefited from government subsidies for students.

Gross margin declined (80)bps over prior year as increases in cost of goods were not fully passed on to customers due to high stock positions and competitive intensity in the market, the increased mix of mobile which has a lower gross margin, and promotions on delivery and installation. Operating expense ratio worsened by (20)bps, mainly due to increased energy costs, increased colleague reward and removal of government rent subsidies. As a result, adjusted EBIT decreased to £18m. There were no adjusting items to EBIT.

The operating cash flow was £24m, down £(4)m from the prior year due to lower operating profit. Capital expenditure was £8m, with significant areas of expenditure including stores, IT and distribution. Working Capital was broadly neutral.

Finance Costs

Interest on lease liabilities was £(68)m, a slight decrease on prior year due to timing of amortisation on the lease portfolio; the cash impact of this interest is included within "Cash payments of leasing costs, debt & interest" in segmental free cash flow.

The adjusted net finance costs were higher than last year as the Group moved into an average net debt position. The net cash impact of these costs was £(26)m, from £(17)m in the prior year.

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

	2022/23 **£m**	2021/22 £m
Interest on lease liabilities	**(68)**	(70)
Finance income	**2**	2
Finance costs	**(29)**	(20)
Adjusted net finance costs	**(95)**	(88)
Finance costs on defined benefit pension schemes	**(7)**	(8)
Other finance costs	**(2)**	-
Net finance costs	**(104)**	(96)

Tax

The full year adjusted effective tax rate of 23% was lower than the previous year rate of 27% due to a lower proportion of overseas profits, which are taxed at higher tax rates, and because the prior period included the deferred tax impact of the change in the UK tax rate to 25% from 19%. Taxation payments of £38m (2021/22: £18m) were higher due to the reversal of the Norwegian payments that were deferred in the prior period following an internal reorganisation.

Cash flow

	2022/23 £m	2021/22 (restated) £m	Reported % change	Currency neutral % change
Operating cash flow	**268**	375	(29)%	(29)%
Capital expenditure	**(111)**	(133)		
Adjusting items to cash flow	**(40)**	(23)		
Free cash flow before working capital	**117**	219	(47)%	(47)%
Working capital and network commissions	**(127)**	(112)		
Segmental free cash flow	**(10)**	107	n/a	n/a
Cash tax paid	**(38)**	(18)		
Cash interest paid	**(26)**	(17)		
Free cash flow	**(74)**	72	n/a	n/a
Dividend	**(35)**	(46)		
Purchase of own shares – share buyback	**-**	(32)		
Purchase of own shares – employee benefit trust	**(4)**	(41)		
Pension	**(78)**	(78)		
Other	**50**	-		
Movement in net cash	**(141)**	(125)	n/a	n/a
Opening net cash / (debt)	**44**	169	(74)%	
Closing net cash / (debt)	**(97)**	44	n/a	n/a

Segmental free cash flow was an outflow of £(10)m (2021/22: inflow of £107m) and interest and tax outflows totalled £(64)m as described above, resulting in a free cash outflow of £(74)m (2021/22: inflow of £72m).

A £24m (2.15p per share) final dividend for the 2021/22 financial year and £11m (1.0p per share) interim dividend for 2022/23 was approved by shareholders and paid during the period. The employee benefit trust acquired £4m worth of shares to satisfy colleague share awards.

Pension contributions of £78m (2021/22: £78m) were flat with prior year and in line with the contribution plan agreed with the pension fund Trustees.

Other movements predominantly relate to currency translation differences. The NOK has significantly weakened against sterling particularly in the final quarter of the financial year, which has caused a positive reported translation difference.

The closing net debt position was £(97)m, compared to a net cash position of £44m at 30 April 2022. This included £30m of restricted cash (30 April 2022: £30m). The average net debt for the year was £(96)m, compared to an average net cash position of £290m in 2021/22.

Balance sheet

	29 April 2023 £m	30 April 2022 £m
Goodwill	**2,270**	2,814
Other fixed assets	**1,500**	1,554
Working capital	**(230)**	(342)
Net cash / (debt)	**(97)**	44
Net lease liabilities	**(1,228)**	(1,263)
Pension	**(249)**	(257)
Deferred tax	**8**	74
Provisions	**(48)**	(59)
Income tax payable	**(34)**	(64)
Net assets	**1,892**	2,501

Goodwill declined £(544)m during the year ended 30 April 2023, of which £(511)m related to an impairment over goodwill allocated to UK & Ireland, primarily driven by a material increase in the discount rate used as explained in the UK&I performance review. Currency revaluations of £(35)m impacted goodwill allocated to Nordics.

Other fixed assets decreased by £(54)m since 30 April 2022 as capital expenditure and the increases in present value of leases due to lease renewals were more than offset by depreciation and amortisation of £(310)m.

	29 April 2023 £m	30 April 2022 £m
Inventory	**1,151**	1,286
Trade Receivables	**299**	336
Trade Payables	**(1,439)**	(1,614)
Trade working capital	**11**	8
Network commission receivables and contract assets	**116**	190
Network accrued income	**105**	40
Network receivables	**221**	230
Other Receivables	**259**	253
Other Payables	**(731)**	(850)
Derivatives	**10**	17
Working capital	**(230)**	(342)

At year-end, total working capital was £(230)m (30 April 2022: £(342)m). Group inventory was £1,151m, (10)% lower than last year as inventory across markets has been lowered in response to lower sales. The lower sales resulted in stock days increasing from 57 to 63 compared to 30 April 2022. Trade payable days remained broadly flat at 76 since 30 April 2022 as trade payables decreased significantly by £(175)m to £(1,439)m (30 April 2022: £(1,614)m) due to the reduced stock purchases compared to the prior year.

Total network receivables are down £(9)m compared to last year as reduced volume has been offset by positive revaluations. Due to changes in customer ownership at iD mobile, debtors associated with iD Mobile are now recorded as accrued income.

Other receivables was broadly flat year-on-year. Other payables fell by £68m due to lower VAT payable, lower accrued expenses, and lower amounts from sale of goods not yet delivered to customers.

Lease liabilities are broadly unchanged against 30 April 2022 as the store portfolio has now normalised following the closure of Carphone Warehouse stores in previous periods, with all Ireland stores now exited and only 14 remaining within the UK.

The IAS 19 accounting deficit of the defined benefit section of the pension scheme amounted to £249m (30 April 2022: £257m). The deficit is broadly flat to 30 April 2022 as the declining market value of the underlying assets was offset by a decrease in liability due to higher discount rates linked to long-term bond yield returns.

During the period, the liability-driven investments held by pension scheme functioned as intended, but in order to provide additional collateral in the event of a further sudden spike in gilt yields, the Group put in place an arrangement that allowed short-term lending to the scheme. This facility was not utilised and has now terminated.

The triennial valuation as of 30 March 2022 has now been completed and shows a deficit of £(402)m, a substantial improvement on the £(645)m deficit at 31 March 2019. The improvement has been driven by company contributions of £164m, and investment outperformance, offset by changes in inflation and other assumptions. At end April 2023, the actuarial deficit was around £(300)m due to further company contributions and favourable movement of scheme assets and liabilities.

As the scheme is ahead of funding targets, the trustee has agreed a reduction in company contributions to £36m and £50m in 2023/24 and 2024/25 respectively. Contributions will then resume at £78m per annum until December April 2028 with a final payment of £43m in 2028/29, when deficit is scheduled to be closed.

As part of the triennial valuation, the Group has agreed to matching on shareholder distributions such that distributions above £nil for 2023/24, above £12m for 2024/25 and above £60m for 2025/26 onwards will be matched be equal additional contributions to the pension scheme.

	29 April 2023	30 April 2022	1 May 2021
	£m	£m	£m
Net cash / (debt)	**(97)**	44	169
Restricted cash	**(30)**	(30)	(35)
Net lease liabilities	**(1,228)**	(1,263)	(1,322)
Pension liability	**(249)**	(257)	(482)
Total closing indebtedness	**(1,604)**	(1,506)	(1,670)
Less: year-end net cash / (debt)	**97**	(44)	(169)
Add: average net cash / (debt)	**(96)**	290	280
Total average indebtedness	**(1,603)**	(1,260)	(1,559)

	29 April 2023	30 April 2022 (restated)	1 May 2021
	£m	£m	£m
Operating cashflow	**268**	375	338
Cash payments of leasing costs, debt & interest	**283**	263	288
Operating cash flow plus cash payments of leasing	**551**	638	626
Bank covenant ratios			
Fixed charges (cash lease costs + cash interest)	**309**	280	312
Fixed charge cover	**1.78x**	2.28x	2.01x
Net cash excluding restricted funds	**(127)**	14	134
Net debt leverage	**0.47x**	(0.04)x	(0.40)x
Net indebtedness ratios			
Fixed charges (cash lease costs + cash interest + pension contributions)	**387**	358	359
Total indebtedness fixed charge cover	**1.42x**	1.78x	1.74x
Total closing indebtedness	**(1,604)**	(1,506)	(1,670)
Total indebtedness leverage	**2.91x**	2.36x	2.67x

At 29 April 2023 the Group had net debt of £(97)m (2021/22: net cash £44m) and average net debt for the year of £(96)m (2021/22: net cash £290m). The Group also has access to £501m across two longer term revolving credit facilities that expire in October 2026, and two additional short-term credit facilities totalling £135m that expire in October 2023, taking total available credit from revolving credit facilities to £636m. The covenants on the debt

facilities are net debt leverage <2.5x (2022/23: 0.47x) and fixed charge cover >1.75x (2022/23: 1.78x). In April 2023 the Group's supportive lending syndicate agreed to relax the fixed charge cover covenant to >1.5x until April 2025.

The deferred tax asset reduced by £(66)m in the period, largely as a result of the derecognition of the UK deferred tax asset, which has been prudently assessed during the period based on the current macroeconomic uncertainty.

Provisions primarily relate to property, reorganisation and sales provisions. The balance reduced by £(11)m during the year as the utilisation of reorganisation provisions for central and retail operations, sales provisions and property related onerous contract costs for closed stores more than offset additions. Onerous property contract costs of £5m were released during the period following the completion of negotiations to exit stores closed as part of previously announced property rationalisation projects.

Comprehensive income / Changes in equity

Total equity for the Group decreased from £2,501m to £1,892m in the period, driven by a loss of £(481)m, the actuarial loss (net of taxation) on the defined benefit pension deficit for the UK pensions scheme of £(96)m, dividends paid of £(35)m, hedging losses of £(5)m, £(5)m for the translation of legacy overseas operations now disposed of and purchase of own shares by the EBT of £(4)m. This was marginally offset by movements in relation to share schemes of £17m.

Share count

The weighted average number of shares used for basic earnings reduced by 26m to 1,104m as the weighted average number of shares in issue fell 32m following the repurchase of shares in 2021/22, offset by a small decrease in the average number of shares held by the Group EBT to satisfy colleague shareholder schemes.

The dilutive effect of share options and other incentive schemes decreased as several schemes' performance underperformed against vesting conditions.

	29 April 2023 Million	30 April 2022 Million
Weighted average number of shares		
Average shares in issue	**1,133**	1,165
Less average holding by Group EBT and treasury shares held by Company	**(29)**	(35)
For basic earnings / (loss) per share	**1,104**	1,130
Dilutive effect of share options and other incentive schemes	**20**	45
For diluted earnings / (loss) per share	**1,124**	1,175

Prior period restatement

As disclosed in the Performance Review the adjusted results and adjusting items for the comparative period ended 30 April 2022 has been restated to reflect the updated adjusting items policy which is used to determine whether an item is to be classified as adjusting.

Management believes the revised classification policy, with the main change being the removal of mobile network debtor revaluations, provides greater clarity on the current and future performance of the Group's ongoing omnichannel retail operations.

The impact of the restatement on the Group's adjusted results for the respective comparative periods is outlined below with additional reconciliations and information on the revised policy included within the glossary and definitions section of this report. There is no impact on statutory results as a result of the restatements.

Year ended 30 April 2022

	2021/22 as previously reported £m	Policy adjustment £m	2021/22 restated £m
Income Statement			
Adjusted revenue	10,122	22	10,144
Adjusting items to revenue	22	(22)	-
Revenue	10,144	-	10,144
Adjusted EBITDA	588	6	594
Adjusted EBITDA margin	5.8%	+10 bps	5.9%
Depreciation on right-of-use assets	(190)	-	(190)
Depreciation on other assets	(62)	-	(62)
Amortisation	(62)	-	(62)
Adjusted EBIT	274	6	280
Adjusted EBIT margin	2.7%	+10 bps	2.8%
Interest on lease liabilities	(70)	-	(70)
Finance income	2	-	2
Adjusted finance costs	(20)	-	(20)
Adjusted PBT	186	6	192
Adjusted PBT margin	1.8%	+10 bps	1.9%
Adjusted tax	(51)	(1)	(52)
Adjusted Profit after tax	135	5	140
Adjusted EPS	11.9p	0.5p	12.4p
Cash flow			
Adjusted EBITDAR	602	6	608
Adjusted EBITDAR margin	5.9%	+10 bps	6.0%
Cash payments of leasing costs, debt & interest[1]	(263)	-	(263)
Other non-cash items in EBIT	22	8	30
Operating cash flow[1]	361	14	375
Operating cash flow margin	3.6%	+10 bps	3.7%
Capital expenditure	(133)	-	(133)
Adjusting items to cash flow[1]	(33)	10	(23)
Free cash flow before working capital	195	24	219
Working capital	(88)	(24)	(112)
Segmental free cash flow	107	-	107
Cash tax paid	(18)	-	(18)
Cash interest paid	(17)	-	(17)
Free cash flow	72	-	72
Dividend	(46)	-	(46)
Purchase of own shares - share buyback	(32)	-	(32)
Purchase of own shares – employee benefit trust	(41)	-	(41)
Pension	(78)	-	(78)
Other	-	-	
Movement in net cash	(125)	-	(125)
Net cash	44	-	44

Store numbers

Number of stores			29 April 2023			30 April 2022
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**285**	**-**	**285**	293	-	293
Ireland	**16**	**-**	**16**	16	-	16
UK & Ireland	**301**	**-**	**301**	309	-	309
Norway	**87**	**63**	**150**	86	67	153
Sweden	**99**	**76**	**175**	102	77	179
Denmark	**44**	**-**	**44**	40	-	40
Finland	**21**	**21**	**42**	21	20	41
Other Nordics	**-**	**15**	**15**	-	14	14
Nordics	**251**	**175**	**426**	249	178	427
Greece	**81**	**15**	**96**	75	19	94
Total	**633**	**190**	**823**	633	197	830

Selling space '000 sq ft			29 April 2023			30 April 2022
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**5,262**	**-**	**5,262**	5,326	-	5,326
Ireland	**207**	**-**	**207**	207	-	207
UK & Ireland	**5,469**	**-**	**5,469**	5,533	-	5,533
Norway	**1,100**	**616**	**1,716**	1,107	654	1,761
Sweden	**1,182**	**389**	**1,571**	1,203	390	1,593
Denmark	**734**	**-**	**734**	678	-	678
Finland	**520**	**184**	**704**	517	176	693
Other Nordics	**-**	**105**	**105**	-	97	97
Nordics	**3,536**	**1,294**	**4,830**	3,505	1,317	4,822
Greece	**1,093**	**56**	**1,149**	998	71	1,069
Total	**10,098**	**1,350**	**11,448**	10,036	1,388	11,424

Financial Information

Consolidated Income Statement

	Note	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
Revenue	2	**9,511**	10,144
Profit before impairment of goodwill, interest and tax	2	**165**	222
Impairment of goodwill		**(511)**	–
(Loss) / profit before interest and tax		**(346)**	222
Finance income		**2**	2
Finance costs		**(106)**	(98)
Net finance costs	3	**(104)**	(96)
(Loss) / profit before tax		**(450)**	126
Income tax expense		**(31)**	(55)
(Loss) / profit after tax for the period		**(481)**	71
Earnings per share (pence)	4		
Basic – total		**(43.6)p**	6.3p
Diluted – total		**(43.6)p**	6.0p

Financial Information

Consolidated Statement of Comprehensive Income

		Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
(Loss)/Profit after tax for the period		**(481)**	71
Items that may be reclassified to the income statement in subsequent periods:			
Cash flow hedges			
Fair value movements recognised in other comprehensive income		**11**	14
Reclassified and reported in income statement		**3**	(28)
Tax on movements on cash flow hedges		**–**	(3)
Exchange (loss) arising on translation of foreign operations		**(5)**	(33)
		9	(50)
Items that will not be reclassified to the income statement in subsequent periods:			
Actuarial (loss)/gain on defined benefit pension schemes	– UK	**(61)**	156
	– Overseas	**–**	3
Tax on movements on defined benefit pension schemes		**(35)**	8
		(96)	167
Other comprehensive (expense)/income for the period (taken to equity)		**(87)**	117
Total comprehensive (expense)/income for the period		**(568)**	188

Financial Information

Consolidated Balance Sheet

	29 April 2023 £m	30 April 2022 £m
Non-current assets		
Goodwill	**2,270**	2,814
Intangible assets	**350**	385
Property, plant & equipment	**155**	162
Right-of-use assets	**995**	1,007
Lease receivables	**4**	3
Trade and other receivables	**148**	123
Deferred tax assets	**23**	282
	3,945	4,776
Current assets		
Inventory	**1,151**	1,286
Lease receivables	**1**	1
Trade and other receivables	**631**	696
Income tax receivable	**1**	–
Derivative assets	**23**	28
Cash and cash equivalents	**97**	126
	1,904	2,137
Total assets	**5,849**	6,913
Current liabilities		
Trade and other payables	**(2,067)**	(2,368)
Derivative liabilities	**(13)**	(11)
Income tax payable	**(35)**	(64)
Loans and other borrowings	**(16)**	(2)
Lease liabilities	**(213)**	(210)
Provisions	**(43)**	(48)
	(2,387)	(2,703)
Non-current liabilities		
Trade and other payables	**(103)**	(96)
Loans and other borrowings	**(178)**	(80)
Lease liabilities	**(1,020)**	(1,057)
Retirement benefit obligations	**(249)**	(257)
Deferred tax liabilities	**(15)**	(208)
Provisions	**(5)**	(11)
	(1,570)	(1,709)
Total liabilities	**(3,957)**	(4,412)
Net assets	**1,892**	2,501
Capital and reserves		
Share capital	**1**	1
Share premium reserve	**2,263**	2,263
Other reserves	**(804)**	(803)
Accumulated profits	**432**	1,040
Equity attributable to equity holders of the parent company	**1,892**	2,501

Financial Information

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium reserve £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	–	–	–	71	71
Other comprehensive (expense)/income recognised directly in equity	–	–	(50)	167	117
Total comprehensive (expense)/income for the period	–	–	(50)	238	188
Amounts transferred to the carrying value of inventory purchased during the period	–	–	28	–	28
Net movement in relation to share schemes	–	–	24	(1)	23
Purchase of own shares – employee benefit trust	–	–	(41)	–	(41)
Purchase of own shares – share buyback	–	–	(32)	–	(32)
Cancellation of treasury shares	–	–	32	(32)	–
Equity dividend	–	–	–	(46)	(46)
At 30 April 2022	1	2,263	(803)	1,040	2,501
Profit for the period	**–**	**–**	**–**	**(481)**	**(481)**
Other comprehensive (expense)/income recognised directly in equity	**–**	**–**	**9**	**(96)**	**(87)**
Total comprehensive (expense)/income for the period	**–**	**–**	**9**	**(577)**	**(568)**
Amounts transferred to the carrying value of inventory purchased during the period	**–**	**–**	**(19)**	**–**	**(19)**
Net movement in relation to share schemes	**–**	**–**	**13**	**4**	**17**
Purchase of own shares – employee benefit trust	**–**	**–**	**(4)**	**–**	**(4)**
Equity dividend	**–**	**–**	**–**	**(35)**	**(35)**
At 29 April 2023	**1**	**2,263**	**(804)**	**432**	**1,892**

Financial Information

Consolidated Cash Flow Statement

	Note	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
Operating activities			
Cash generated from operations	6	**386**	524
Contributions to defined benefit pension scheme		**(78)**	(78)
Income tax paid		**(38)**	(18)
Net cash flows from operating activities		**270**	428
Investing activities			
Net cash outflow arising from acquisitions		**–**	(2)
Proceeds on sale of business		**–**	1
Acquisition of property, plant & equipment and other intangibles		**(111)**	(133)
Net cash flows from investing activities		**(111)**	(134)
Financing activities			
Interest paid		**(94)**	(87)
Capital repayment of lease liabilities		**(216)**	(208)
Purchase of own shares – employee benefit trust		**(4)**	(41)
Purchase of own shares – share buyback		**–**	(32)
Equity dividends paid		**(35)**	(46)
Drawdown of borrowings		**110**	80
Cash inflows from derivative financial instruments		**43**	–
Facility arrangement fees paid		**(1)**	(6)
Net cash flows from financing activities		**(197)**	(340)
(Decrease) in cash and cash equivalents and bank overdrafts		**(38)**	(46)
Cash and cash equivalents and bank overdrafts at the beginning of the period		**124**	169
Currency translation differences		**(5)**	1
Cash and cash equivalents and bank overdrafts at the end of the period	6	**81**	124

Notes to the Financial Information

1 Basis of preparation

The Financial Information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and extracts from the notes to the accounts for the period ended 29 April 2023 and 30 April 2022, has been prepared in accordance with the accounting policies set out in the full financial statements and on a going concern basis.

Alternative performance measures ('APMs')

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

Going concern

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

In their consideration of going concern, the directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. Given the short to medium term macroeconomic uncertainty, Currys has obtained a fixed charge cover covenant relaxation from its banking syndicate covering the October 2023, April 2024, and October 2024 test periods. The debt facilities modelled in the base case total £636m of which £135m are due for renewal in October 2023.

As a result of the uncertainties surrounding the forecasts due to the current macroeconomic environment, the Group has also modelled a severe but plausible downside scenario by applying a sales risk of 5% in 2023/24 declining to 2% by 2025/26. This sales risk can be offset with controllable mitigations across various operating expense line items and hence in this severe but plausible downside scenario, the Group does not breach any of the Group's facilities or banking covenants. Further, this scenario cautiously assumes that £135m of debt facilities due for renewal in October 2023 will not be extended. Finally, the Group has numerous other mitigations available (in addition to those applied to the severe but plausible downside scenario) which are considered controllable should sales drop below the severe but plausible downside, before requiring additional sources of financing in excess of those that are committed. Such a scenario, and the sequence of events which could lead to it, is considered to be remote.

The directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance including the impact of increased uncertainty and inflation in the wider economic environment, show that the Group is able to operate within its current facilities and comply with its banking covenants for at least 12 months from the date of approval of these financial statements. In arriving at their conclusion that the Group has adequate financial resources, the directors considered the level of borrowings and facilities and that the Group has a robust policy towards liquidity and cash flow management.

For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing the financial information. The long-term effect of macroeconomic factors is uncertain and should the impact on trading conditions be more prolonged or severe than what the directors consider to be reasonably possible, the Group would need to implement additional operational or financial measures.

Further information

The Financial Information set out in this announcement does not constitute statutory accounts within the meaning of Sections 434 to 436 of the Companies Act 2006 and is an abridged version of the Group's financial statements for the period ended 29 April 2023 which were approved by the directors on 6 July 2023. Statutory accounts for the period ended 30 April 2022 have been delivered to the Registrar of Companies, the auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006. Statutory accounts for the period ended 29 April 2023 will be delivered in due course. The auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the period ended 29 April 2023.

Notes to the Financial Information continued

2 Segmental analysis

The Group's operating segments reflect the segments routinely reviewed by the CODM 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.

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

- UK & Ireland; comprises the operations of Currys, iD Mobile and B2B operations.
- Nordics; operates both franchise and own stores in Norway, Sweden, Finland and Denmark with further franchise operations in Iceland, Greenland and the Faroe Islands.
- Greece; consisting of our ongoing operations in Greece and Cyprus.

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

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

Segmental results

					Period ended 29 April 2023
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
External revenue	5,067	3,807	637	–	9,511
Inter-segmental revenue	59	–	–	(59)	–
Total revenue	5,126	3,807	637	(59)	9,511
Profit/(loss) before interest, tax and impairment of goodwill	158	(11)	18	–	165
Impairment of goodwill	(511)	–	–	–	(511)
(Loss)/profit before interest and tax	(353)	(11)	18	–	(346)
Finance income					2
Finance costs					(106)
(Loss) before tax					(450)
Depreciation and amortisation	(166)	(142)	(25)	–	(333)

					Period ended 30 April 2022
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
External revenue	5,485	4,105	554	–	10,144
Inter-segmental revenue	67	–	–	(67)	–
Total revenue	5,552	4,105	554	(67)	10,144
Profit before interest and tax	71	130	21	–	222
Finance income					2
Finance costs					(98)
Profit before tax					126
Depreciation and amortisation	(181)	(134)	(23)	–	(338)

No individual customer represented more than 10% of the Group's revenue within the current or preceding period.

2 Segmental analysis continued

Disaggregation of revenues

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

	Period ended 29 April 2023			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sale of goods	**4,391**	**3,480**	**588**	**8,459**
Commission revenue	**260**	**195**	**23**	**478**
Support services revenue	**242**	**53**	**12**	**307**
Other services revenue	**174**	**79**	**14**	**267**
Other revenue	**–**	**–**	**–**	**–**
Total revenue	**5,067**	**3,807**	**637**	**9,511**

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

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

Notes to the Financial Information continued

3 Net finance costs

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
Unwind of discounts on trade and other receivables	**2**	2
Finance income	**2**	2
Interest on bank overdrafts, loans and borrowings	**(17)**	(6)
Interest expense on lease liabilities	**(68)**	(70)
Net interest on defined benefit pension obligations	**(7)**	(8)
Amortisation of facility fees	**(2)**	(2)
Other interest expense	**(12)**	(12)
Finance costs	**(106)**	(98)
Total net finance costs	**(104)**	(96)

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

4 Earnings per share

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
(Loss)/profit for the period attributable to equity shareholders	**(481)**	71

	Million	Million
Weighted average number of shares		
Average shares in issue	**1,133**	1,165
Less average holding by Group EBT and Treasury shares held by Company	**(29)**	(35)
For basic earnings per share	**1,104**	1,130
Dilutive effect of share options and other incentive schemes	**20**	45
For diluted earnings per share	**1,124**	1,175

	Pence	Pence
Earnings per share		
Basic earnings per share	**(43.6)**	6.3
Diluted earnings per share	**(43.6)**	6.0

Notes to the Financial Information continued

5 Equity dividends

	29 April 2023 £m	30 April 2022 £m
Final dividend for the period ended 1 May 2021 of 3.00p per ordinary share	–	34
Interim dividend for the period ended 30 April 2022 of 1.00p per ordinary share	–	12
Final dividend for the period ended 30 April 2022 of 2.15p per ordinary share	24	–
Interim dividend for the period ended 29 April 2023 of 1.00p per ordinary share	11	–
Amounts recognised as distributions to equity shareholders in the period - on ordinary shares of 0.1p each	**35**	46

The final dividend proposed for the period ended 29 April 2023 is nil:

	£m
Final dividend for the period ended 29 April 2023 of nil per ordinary share	–

6 Notes to the cash flow statement

a. Reconciliation of cash and cash equivalents and bank overdrafts at the end of the period

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
Cash at bank and on deposit	97	126
Bank overdrafts	(16)	(2)
Cash and cash equivalents and bank overdrafts at end of the period	81	124

b. Reconciliation of operating profit to cash generated from operations

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
(Loss)/profit before interest and tax	(346)	222
Depreciation and amortisation	333	338
Share-based payment charge	15	23
Profit on disposal of fixed assets	–	(1)
Impairments and other non-cash items	520	65
Operating cash flows before movements in working capital	522	647
Movements in working capital:		
Decrease/(Increase) in inventory	109	(130)
Decrease /(Increase) in receivables	20	(92)
(Decrease)/Increase in payables	(249)	143
(Decrease) in provisions	(16)	(44)
	(136)	(123)
Cash generated from operations	**386**	524

6 Notes to the cash flow statement continued

c. Changes in liabilities arising from financing activities

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

	30 April 2022 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	29 April 2023 £m
Loans and other borrowings	**(80)**	**(92)**	**–**	**11**	**(17)**	**(178)**
Lease liabilities(i)	**(1,267)**	**285**	**(198)**	**15**	**(68)**	**(1,233)**
Total liabilities from financing activities (ii)	**(1,347)**	**193**	**(198)**	**26**	**(85)**	**(1,411)**

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

i. Lease liabilities are secured over the Group's right-of-use assets.
ii. In addition to the amounts shown above, facility arrangement fees of £1m (2021/22: £6m) are included within cash flows from financing activities in the consolidated cash flow statement.

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

7 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:

	29 April 2023 £m	30 April 2022 £m
Revenue from sale of goods and services	**13**	15
Amounts owed to the Group	**1**	–

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

Risks to Achieving the Group's Objectives

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on the Group's results. The Group's risks, and the factors which mitigate them, are set out in more detail on pages 60 to 64 in the Annual Report and Accounts 2021/22 and remain relevant, but have evolved, in the current period.

The updated risks and uncertainties are listed below:

1. Supply Chain Resilience risk covers broad external supply chain related challenges for sourcing and logistics which, if not managed adequately, could result in a deterioration of financial performance;
2. Failure to deliver an effective business transformation programme in response to a changing consumer environment could result in a loss of competitive advantage impacting financial performance;
3. Failure to comply with Financial Services regulation could result in reputational damage, customer compensation, financial penalties and a resultant deterioration in financial performance;
4. Failure in appropriately safeguarding sensitive information and failure to comply with legislation could result in reputational damage, financial penalties and a resultant deterioration in financial performance;
5. Failure to adequately invest in and integrate the Group's IT systems and infrastructure could result in restricted growth and reputational damage impacting financial performance;
6. Failure to appropriately safeguard against cyber risks and associated attacks could result in reputational damage, customer compensation, financial penalties and a resultant deterioration in financial performance;
7. Failure to action appropriate Health and Safety measures resulting in injury could give rise to reputational damage and financial penalties;
8. Business continuity plans are not effective and major incident response is inadequate resulting in reputational damage and a loss of competitive advantage;
9. Crystallisation of potential tax exposures resulting from legacy corporate transactions, employee and sales taxes arising from periodic tax audits and investigations across various jurisdictions in which the Group operates may impact cash flows for the Group;
10. Failure to employ adequate procedures and due diligence regarding product quality and safety could result in the provision of products which pose a risk to customer health, resulting in fines, prosecution and significant reputational damage;
11. Failure to either deliver or adequately communicate our commitment to sustainability and being a good corporate citizen could result in reduced cash flow, reputational damage and loss of competitive advantage;
12. Failure to successfully navigate an increasingly pervasive set of externally driven factors, inflation and cost of living pressures could result in a deterioration in financial performance; and
13. Failure to manage Currys' access to sufficient liquidity at any given time may impact the Group's ability to meet its financial obligations and support business growth plans.

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

In their consideration of going concern, the directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. The directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance including the impact of increased uncertainty and inflation in the wider economic environment, show that the Group is able to operate within its current facilities and comply with its banking covenants for at least 12 months from the date of approval of these condensed financial statements. In arriving at their conclusion that the Group has adequate financial resources, the directors considered the level of borrowings and facilities and that the Group has a robust policy towards liquidity and cash flow management.

As a result, the Board believes that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities for at least 12 months from the date of approval of these condensed financial statements. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing the financial information.

Glossary and Definitions

Alternative performance measures ('APMs')

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

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

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

Adjusted results

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

Restatement of comparative periods as a result of a change in Group adjusting items policy

During the current period the Group adopted a new policy to determine whether an item is to be classified as adjusting. The policy reduces the scope of items that could be classified as adjusting by assessing the significance of income or costs on a project-by-project or one-off item basis. This ensures that the impact is material and therefore the departure from IFRS measures is useful for the users of the financial statements.

Management believes the revised classification policy provides greater clarity on the current and future performance of the Group's ongoing omnichannel retail operations.

The updated criteria for income or costs to be recognised within adjusting items is explained below. The change in policy has been applied retrospectively with the Group's adjusted results presented within the Performance review being restated for the comparative periods. The reconciliations to the closest equivalent statutory measures within notes A1 to A11 have also been restated, and a reconciliation of the prior period Performance review is provided within note A12.

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:

- be one-off in nature and have a significant impact on amounts presented in either the statutory income statement or statutory cash flow statement in any set of annual Group financial statements; or
- recur for a finite number of years and do not reflect the underlying trading performance of the business.

Management will classify items as adjusting where these criteria are met and it is considered more useful for the users of the financial statements to depart from IFRS measures.

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

Below highlights the grouping in which management allocate adjusting items and provides further detail on how management consider such items to meet the criteria set out above. Further information on the adjusting items recognised in the current and comparative period can be found in note A4.

Alternative performance measures ('APMs') continued

Adjusting items continued

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 or costs that have been earned in relation to previous acquisitions, with the exception of 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

The Group includes material costs related to data incidents and regulatory challenge within adjusting items so far as on the basis of internal or external legal advice, it has been determined that it is more than possible that a material outflow will be required to settle the obligation (legal or constructive) and subsequently recognised a provision in accordance with IAS 37.

Impairment losses and onerous contracts

In order to aid comparability, costs incurred for material non-cash impairments (or reversals of previously recognised impairments) and onerous contracts are included within adjusting items where they have a significant impact on amounts presented in either the statutory income statement or statutory cash flow statement in any set of annual Group financial statements. When considering the threshold, management will consider whether the gross impairment charge and gross reversal of previously recognised impairment in any one reportable operating segment is above the material threshold for that financial period.

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. If these changes are material they will be recognised in adjusting items.

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 (including legacy tax cases). 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 period 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.

Glossary and Definitions continued

Alternative performance measures ('APMs') continued

Adjusting items continued

Tax

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

Where the Group is cooperating with tax authorities in relation to legacy tax cases and is applying tax treatments to 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 un-recognised deferred tax assets relating to unused tax losses and other deductible temporary differences 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 and other deductible temporary differences.

Definitions, purpose and reconciliations

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

EBIT/EBITDA

In the key highlights and Performance review we reference financial metrics such as EBIT and EBITDA. We would like to draw to the user's attention that these are shown to aid comparison of our adjusted measures to the closest IFRS measure. We acknowledge that the terminology of EBIT and EBITDA are not IFRS defined labels but are compiled directly from the IFRS measures of profit without making any adjustments for adjusting items explained above. These measures are: profit for the period before deducting interest and tax, termed as EBIT; and profit for the period before deducting interest, tax, depreciation and amortisation, termed as EBITDA. These metrics are further explained and reconciled within notes A1 and A2 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 period in order to provide appropriate period-on-period movement measures without the impact of foreign exchange movements.

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

LFL revenue is calculated based on adjusted store and online revenue (including order & collect, online in-store and ShopLive UK) using constant exchange rates consistent with the currency neutral percentage change measure detailed above. New stores are included where they have been open for a full financial period both at the beginning and end of the financial period. Revenue from franchise stores are excluded and closed stores are excluded for any period of closure during either period. Customer support agreement, insurance and wholesale revenues along with revenue from other non-retail businesses are excluded from LFL calculations. We consider that LFL revenue represents a useful measure of the trading performance of our underlying and ongoing store and online portfolio.

Glossary and Definitions continued

A1 Reconciliation from statutory profit before interest and tax to adjusted EBIT and adjusted PBT

Adjusted EBIT and adjusted PBT are measures of profitability that are adjusted from total IFRS measures to remove adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A4.

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

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

	Period ended 29 April 2023							
	Total profit £m	Acquisition / disposal related items £m	Strategic change programmes £m	Impairment losses and onerous contracts £m	Regulatory income £m	Other £m	Interest £m	Adjusted profit £m
UK & Ireland	(353)	11	8	511	(7)	–	–	170
Nordics	(11)	12	18	7	–	–	–	26
Greece	18	–	–	–	–	–	–	18
EBIT	(346)	23	26	518	(7)	–	–	214
Finance income	2	–	–	–	–	–	–	2
Finance costs	(106)	–	–	–	–	–	9	(97)
(Loss)/profit before tax	(450)	23	26	518	(7)	–	9	119

	Period ended 30 April 2022							
	Total profit/ (loss) £m	Acquisition / disposal related items £m	Strategic change programmes £m	Impairment losses and onerous contracts £m	Regulatory income £m	Other £m	Interest £m	Adjusted profit (restated)* £m
UK & Ireland	71	12	(1)	54	–	(19)	–	117
Nordics	130	12	–	–	–	–	–	142
Greece	21	–	–	–	–	–	–	21
EBIT	222	24	(1)	54	–	(19)	–	280
Finance income	2	–	–	–	–	–	–	2
Finance costs	(98)	–	–	–	–	–	8	(90)
Profit/(loss) before tax	126	24	(1)	54	–	(19)	8	192

* Adjusted EBIT in the comparative period has been restated as explained in note A12 to the Glossary and definitions.

A2 Reconciliation from statutory profit before interest and tax to EBITDA

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

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

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
(Loss)/profit before interest and tax	(346)	222
Depreciation	246	252
Amortisation	87	86
EBITDA	(13)	560

A3 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 A4. It provides a useful measure of profitability for users by adjusting for the items noted in A1 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 rental expenses are not depreciation linked to right-of-use assets 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 not linked to right-of-use assets. The purpose of this measure is aligned to the adjusted EBITDA purpose above, with the addition of excluding the full cost base of leases which can vary from period to period, for example when leases are short-term whilst negotiations are ongoing regarding lease renewals.

The below reconciles adjusted EBIT to adjusted EBITDA and adjusted EBITDAR. The closest equivalent IFRS measures are considered to be profit before interest and tax, the reconciliation of such from adjusted EBIT can be found in note A1.

	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Adjusted EBIT	**214**	280
Depreciation	**246**	252
Amortisation	**64**	62
Adjusted EBITDA	**524**	594
Leasing costs in EBITDA	**12**	14
Adjusted EBITDAR	**536**	608

* Adjusted EBIT in the comparative period has been restated as explained in note A12 to the Glossary and definitions.

A4 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above

	Note	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Included in profit before interest and tax:			
Acquisition / disposal related items	(i)	**23**	24
Strategic change programmes	(ii)	**26**	(1)
Impairment losses and onerous contracts	(iii)	**518**	54
Regulatory income	(iv)	**(7)**	–
Other	(v)	**–**	(19)
		560	58
Included in net finance costs			
Net non-cash finance costs on defined benefit pension schemes	(vi)	**7**	8
Other interest	(vii)	**2**	–
Total impact on profit before tax		**569**	66
Tax on other adjusting items	(viii)	**4**	3
Total impact on profit after tax		**573**	69

* Adjusted EBIT and Tax in the comparative period has been restated as explained in note A12 to the Glossary and definitions.

(i) Acquisition/disposal related items

A charge of £23m (2021/22: £24m) relates primarily to amortisation of acquisition intangibles arising on the Dixons Retail Merger.

Glossary and Definitions continued

A4 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above continued

(ii) Strategic change programmes

During the period, further costs of £13m 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 the projects are one-off in nature and have a significant impact on the statutory income statement or statutory cash flow statement in the current period. The costs incurred relate to the following strategic change programmes:

- £3m (2021/22: £11m) of restructuring costs for central operations and UK & Ireland retail operations; and
- £10m of one-off implementation costs related to transferring service centre operations to a third party.

An additional £17m of restructuring costs have been recognised in the period in relation to strategic decision to restructure the Nordics central operations and retail business in response to the recent Nordic trading conditions. This was announced during the current period and costs are expected to continue in 2023/24.

For the period ended 30 April 2022, the Group also incurred £10m of one-off implementation costs of the Currys rebrand.

Property rationalisation

Included within strategic change programmes is a credit of £4m (2021/22: £22m credit) that primarily relates to the release of lease liabilities and excess property provisions following successful early exit negotiations on stores included within previously announced rationalisation and closure programmes. Included in the £4m credit is a £2m impairment charge against right-of-use assets for non-trading properties in the UK. The number of periods impacted by the property programme is determined by the remaining lease duration for closed stores where they cannot be exited early.

(iii) Impairment losses and onerous contracts

During the period a non-cash impairment charge of £511m was recognised over the goodwill recognised in the UK & Ireland operating segment. No impairment charge over goodwill was recognised in the period ending 30 April 2022.

Additionally, following the announcement in the period of the strategic decision to restructure elements of the Nordics segment, fixed asset impairment charges of £7m were recognised over assets held in the Nordics component of the Group. This includes £3m recognised over right-of-use assets to reflect the reduced value-in-use of the assets for closed or downsized stores, and £4m recognised over intangible software assets to reflect the reduced value-in-use of asset components that won't be fully integrated due to termination of contractors and other resource restriction.

In the period ended 30 April 2022 impairment losses and onerous contracts of £54m were recognised as follows:

- £31m impairment (£25m over right-of-use assets and £6m on other fixed assets) was recognised after the Group announced it would close its Acton Campus and relocate to facilities operated by WeWork;
- £24m impairment of fixed assets and recognition of a £4m provision for onerous contracts relating to the unavoidable costs after management took the decision to stop selling its credit-based mobile offer;
- £2m impairment of right-of-use assets after the Group negotiated an early termination settlement on non-trading lease premises;
- £7m credit following the release of previously recognised onerous contracts related to the closure of the Dixons Travel business following successful early exit negotiations and lower than expected closure costs; and
- £16m non-cash impairment charge and a non-cash impairment reversal of £16m over store assets within the UK as a result of changes in consumer shopping habits between our store mix.

(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. During the period ended 29 April 2023, the Group received confirmation that no further action would be taken for a large proportion of claims and as a result, the Group reduced the provision in relation to redress by a further £7m.

(v) Other

In the prior period ended 30 April 2022, credits of £19m primarily related to compensation received following the settlement of a legal case in relation to anti-competitive behaviour engaged by the counterparty. No charges or credits have been recognised in the current period.

A4 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above continued

(vi) 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 period to the net defined benefit obligation.

(vii) Other interest

The Group continues to cooperate with HMRC in relation to open tax cases arising from pre-merger legacy transactions in the Carphone Warehouse Group. The Group has risk assessed that certain of the cases have a probable chance of resulting in cash outflows to HMRC that are measured at £59m as at 29 April 2023 (comprising the amount of tax payable and interest up to 29 April 2023) (2021/22: £66m). During the period, interest of £2m accrued in relation to these cases which is based upon HMRC's prevailing interest rates.

(viii) Tax on other adjusting items

The effective tax rate on adjusting items is (1)%. The rate is lower than the UK statutory rate of 19.5% predominantly due to the goodwill impairment at (iii) above not being tax deductible.

A5 Reconciliation from statutory net finance costs to adjusted net finance costs

Adjusted net finance costs exclude certain adjusting finance cost items from total finance costs. The adjusting items include net pension interest costs and interest charged on Uncertain Tax Positions (UTP). Further information on these items being removed from our adjusted earnings measures is included within the definitions above.

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

	Period ended 29 April 2023 £m	Period ended 30 April 2022 £m
Total net finance costs	**(104)**	(96)
Net interest on defined benefit pension obligations	**7**	8
Other interest	**2**	–
Adjusted total net finance costs	**(95)**	(88)

A6 Adjusted tax expense

a) Tax expense

The corporation tax charge comprises:

	Period ended 29 April 2023			Period ended 30 April 2022		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Current tax						
UK corporation tax at 19.5% (2021/22: 19%)	14	–	14	21	(7)	14
Overseas tax	9	(1)	8	21	–	21
	23	(1)	22	42	(7)	35
Adjustments made in respect of prior periods:						
UK corporation tax	–	(9)	(9)	1	–	1
Overseas tax	1	2	3	1	–	1
	1	(7)	(6)	2	–	2
Total current tax	24	(8)	16	44	(7)	37
Deferred tax						
UK corporation tax	17	9	26	(3)	13	10
Overseas tax	(13)	(1)	(14)	8	(3)	5
	4	8	12	5	10	15
Adjustments made in respect of prior periods:						
UK corporation tax	–	(14)	(14)	5	–	5
Overseas tax	(1)	18	17	(2)	–	(2)
	(1)	4	3	3	–	3
Total deferred tax	3	12	15	8	10	18
Total tax charge	27	4	31	52	3	55

b) Reconciliation of standard to actual (effective) tax rate

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

	Period ended 29 April 2023			Period ended 30 April 2022		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Profit/(loss) before taxation	119	(569)	(450)	192	(66)	126
Tax at UK statutory rate of 19.5% (2021/22: 19%)	23	(111)	(88)	36	(12)	24
Items attracting no tax relief or liability[(i)]	5	100	105	2	(6)	(4)
Movement in unprovided deferred tax[(ii)]	(2)	19	17	4	24	28
Effect of change in statutory tax rate	4	(1)	3	3	(4)	(1)
Differences in effective overseas tax rates	(1)	–	(1)	2	–	2
Increase in provisions	–	–	–	1	–	1
Other tax adjustments	(2)	–	(2)	–	–	–
Adjustments in respect of prior periods[(iii)]	–	(3)	(3)	4	1	5
Total tax charge	27	4	31	52	3	55

The effective tax rate on adjusted earnings for the period ended 29 April 2023 is 23% (2021/22: 27%). The effective tax rate on adjusting items is (1)% (2021/22: (5)%). The future effective tax rate is likely to be impacted by the geographical mix of profits and the Group's ability to take advantage of currently un-recognised deferred tax assets.

(i) Items attracting no tax relief or liability relate mainly to non-deductible expenditure, including the goodwill impairment recorded in the period and share-based payments
(ii) Deferred tax assets relating to tax losses and other short-term temporary differences in the UK business were de-recognised during the period
(iii) Prior period adjustments were made to current and deferred tax balances following a review by management

Glossary and Definitions continued

A7 Adjusted earnings per share

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

The below table shows a reconciliation of statutory basic and diluted EPS to adjusted basic and diluted EPS as these are considered to be the closest IFRS equivalents.

	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Profit after tax for the period		
Total	**(481)**	71
Adjustments	**573**	69
Adjusted profit after tax	**92**	140
	Million	Million
Weighted average number of shares		
Average shares in issue	**1,133**	1,165
Less average holding by Group EBT and Treasury shares held by Company	**(29)**	(35)
For basic earnings per share	**1,104**	1,130
Dilutive effect of share options and other incentive schemes	**20**	45
For diluted earnings per share	**1,124**	1,175
	Pence	Pence
Basic earnings per share		
Total	**(43.6)**	6.3
Adjustments	**51.9**	6.1
Adjusted basic earnings per share	8.3	12.4
Diluted earnings per share		
Total	**(43.6)**	6.0
Adjustments	**51.8**	5.9
Adjusted diluted earnings per share	**8.2**	11.9

* Adjusted EBIT and Tax in the comparative period has been restated as explained in note A12 to the Glossary and definitions.

Basic and diluted EPS are based on the profit for the period attributable to equity shareholders. Adjusted EPS is presented in order to show the underlying performance of the Group. Adjustments used to determine adjusted earnings are described further in note A4.

A8 Reconciliations of cash generated from operations to free cash flow

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

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

Glossary and Definitions continued

A8 Reconciliations of cash generated from operations to free cash flow continued

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

Reconciliation of cash inflow from operations to free cash flow

	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Cash generated from operations	**386**	524
Capital repayment of leases cost and interest	**(284)**	(278)
Less adjusting items to cash flow	**40**	23
Less movements in working capital presented within the Performance review (note A10)	**127**	112
Facility arrangement fees	**(1)**	(6)
Operating cash flow	**268**	375
Capital expenditure	**(111)**	(133)
Add back adjusting items to cash flow	**(40)**	(23)
Taxation	**(38)**	(18)
Cash interest paid	**(26)**	(17)
Sustainable free cash flow	**53**	184
Add back movements in working capital presented within the Performance review (note A10)	**(127)**	(112)
Free cash flow	**(74)**	72

*Adjusting items to cash flow and working capital cash flow in the comparative period has been restated as explained in note A12 to the Glossary and definitions

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

	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Adjusted EBIT (note A1)	**214**	280
Depreciation and amortisation (note A3)	**310**	314
Working capital presented within the Performance review (note A10)	**(127)**	(112)
Capital expenditure	**(111)**	(133)
Taxation	**(38)**	(18)
Interest	**(26)**	(17)
Repayment of leases**	**(271)**	(249)
Other non-cash items in EBIT***	**15**	30
Free cash flow before adjusting items to cash flow	**(34)**	95
Adjusting items to cash flow	**(40)**	(23)
Free cash flow	**(74)**	72
Less working capital presented within the Performance review (note A10)	**127**	112
Sustainable free cash flow	**53**	184

* Adjusted EBIT in the comparative period has been restated as explained in note A12 to the Glossary and definitions

** Repayment of leases excludes the impact of non-trading leases which are presented within adjusting items to cash flow.

*** Other non-cash items in EBIT, as disclosed within the Performance review, comprise share-based payments, profit / loss on disposal of fixed assets, impairments and other non-cash items.

A9 Reconciliation from liabilities arising from financing activities to total indebtedness and net cash

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

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

Glossary and Definitions continued

A9 Reconciliation from liabilities arising from financing activities to total indebtedness and net cash continued

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.

	29 April 2023 £m	30 April 2022 £m
Loans and other borrowings	**(178)**	(80)
Lease liabilities*	**(1,233)**	(1,267)
Total liabilities from financing activities (note 6c)	**(1,411)**	(1,347)
Cash and cash equivalents less restricted cash	**67**	96
Overdrafts	**(16)**	(2)
Lease receivables*	**5**	4
Pension liability	**(249)**	(257)
Total indebtedness	**(1,604)**	(1,506)
Restricted cash	**30**	30
Add back pension liability	**249**	257
Add back lease liabilities	**1,233**	1,267
Less lease receivables	**(5)**	(4)
Net cash	**(97)**	44

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

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

A10 Reconciliation of statutory working capital to working capital presented within the Performance review

Within the Performance review a reconciliation of the adjusted EBIT to free cash flow is provided. Within this, the working capital balance of £(127)m (2021/22: £(112)m) differs to the statutory working capital balance of £(136)m (2021/22: £(123)m) as cash flows on adjusting items are separately disclosed.

Working capital presented within the Performance review is a measure of working capital that is adjusted from total IFRS measures to remove the working capital on adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A4.

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

	Period ended 29 April 2023 £m	Period ended 30 April 2022 (restated)* £m
Movements in working capital (note 6b)	**(136)**	(123)
Adjusting items provisions	**10**	51
Exceptional receivable – legal settlement	**–**	(34)
Facility arrangement fees	**(1)**	(6)
Working capital presented within the Performance review	**(127)**	(112)

* Adjusted Working capital in the comparative period has been restated as explained in note A12 to the Glossary and definitions.

In the prior period the Group received £28m following the settlement of a contractual dispute with the counterparty that caused damage to the Group. A further £6m was received following the settlement of a separate legal case related to anti-competitive practices with a different counterparty.

A11 Summary of working capital presented within the Performance review

Within the Performance review a summary balance sheet is provided which includes a working capital balance of £(230)m (2021/22: £(342)m). The below table provides a breakdown of how the summary working capital balance ties through to the statutory balance sheet.

	29 April 2023 £m	30 April 2022 £m
Non-current assets		
Trade and other receivables	**148**	123
Current assets		
Inventory	**1,151**	1,286
Trade and other receivables	**631**	696
Derivative assets	**23**	28
Current liabilities		
Trade and other payables	**(2,067)**	(2,368)
Derivative liabilities	**(13)**	(11)
Non-current liabilities		
Trade and other payables	**(103)**	(96)
Working capital presented within the Performance review	**(230)**	(342)

Glossary and Definitions continued

A12 Restatement of the Group's Performance review

The adjusted results and adjusting items for the prior period ended 30 April 2022 have been restated to reflect the updated adjusting items policy which is used to determine whether an item is to be classified as adjusting. Management believes the revised classification policy, with the main change being the removal of mobile network debtor revaluations, provides greater clarity on the current and future performance of the Group's ongoing omnichannel retail operations.

The impact of the restatement on the Group's adjusted results for the respective comparative periods is outlined below. There is no impact on statutory results as a result of the restatements.

Period ended 30 April 2022	2021/22 as previously reported £m	Policy adjustment £m	2021/22 restated £m
Income Statement			
Adjusted revenue	10,122	22	10,144
Adjusting items to revenue	22	(22)	–
Revenue	10,144	–	10,144
Adjusted EBITDA	588	6	594
Adjusted EBITDA margin	5.8%	+10 bps	5.9%
Depreciation on right-of-use assets	(190)	–	(190)
Depreciation on other assets	(62)	–	(62)
Amortisation	(62)	–	(62)
Adjusted EBIT	274	6	280
Adjusted EBIT margin	2.7%	+10 bps	2.8%
Interest on lease liabilities	(70)	–	(70)
Finance income	2	–	2
Adjusted finance costs	(20)	–	(20)
Adjusted PBT	186	6	192
Adjusted PBT margin	1.8%	+10 bps	1.9%
Adjusted tax	(51)	(1)	(52)
Adjusted profit after tax	135	5	140
Adjusted EPS	11.9p	0.5p	12.4p
Cash flow			
Adjusted EBITDAR	602	6	608
Adjusted EBITDAR margin	5.9%	+10 bps	6.0%
Cash payments of leasing costs, debt & interest	(263)	–	(263)
Other non-cash items in EBIT	22	8	30
Operating cash flow	361	14	375
Operating cash flow margin	3.6%	+10 bps	3.7%
Capital expenditure	(133)	–	(133)
Adjusting items to cash flow	(33)	10	(23)
Free cash flow before working capital	195	24	219
Working capital	(88)	(24)	(112)
Segmental free cash flow	107	–	107
Cash tax paid	(18)	–	(18)
Cash interest paid	(17)	–	(17)
Free cash flow	72	–	72
Dividend	(46)	–	(46)
Purchase of own shares – share buyback	(32)	–	(32)
Purchase of own shares – employee benefit trust	(41)	–	(41)
Pension	(78)	–	(78)
Other	–	–	–
Movement in net cash	(125)	–	(125)
Net cash	44	–	44

Other definitions

The following definitions apply throughout this Annual Report and Accounts unless the context otherwise requires:

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill.
B2B	Business to business
Board	The Board of Directors of the Company
Carphone, Carphone Warehouse or Carphone Group	The Company or Group prior to the Merger on 6 August 2014
CGU	Cash-generating unit
CODM	Chief Operating Decision Maker
Company or the Company	Currys plc (incorporated in England & Wales under the Act, with registered number 07105905), whose registered office is at 1 Portal Way, London W3 6RS
Credit adoption	Sales on Credit as a proportion of total sales
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
GfK	Growth from Knowledge
HMRC	Her Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards as adopted by the UK
Market share	Market share is measured for each of the Group's markets by comparing data for revenue or volume of units sold relative to similar metrics for competitors in the same market
MNO	Mobile network operator
Net zero	Net zero emissions includes our Scope 1, 2 and 3 emissions as reported in the Sustainable business section of the Strategic Report. In 2020, we collaborated with The British Retail Consortium and other major retailers on the development of a Climate Action Roadmap to decarbonise the retail industry and its supply chains. The plan aims to bring the retail industry and its supply chains to net zero by 2040. Our commitment to net zero meets a number of the criteria of the SBTi Corporate Net-Zero Standard but is not fully aligned or validated against this standard. We will develop and publish a robust net zero emissions roadmap for the Group which will provide detail on carbon abatement for key emissions sources and neutralisation plans of any source of residual emissions that remain unfeasible to remove.
NPS	Net Promoter Score, a rating used by the Group to measure customers' likelihood to recommend its operations
Online	Online sales, Online market share, and Online share of business relate to all sales where the journey is completed via the website or app. This includes online home delivered, order & collect, Online in-store and ShopLive UK
Online in-store	Sales that are generated through in-store tablets for product that is not stocked in the store
Order & collect	Sales where the sale is made via the website or app and collected in store
Peak/post-Peak	Peak refers to the ten-week trading period ended on 7 January 2023 as reported in the Group's Christmas Trading statement on 18 January 2023. Post-Peak refers to the trading period from 8 January 2023 to the Group's period end on 29 April 2023.
RCF	Revolving credit facility
Sharesave or SAYE	Save as you earn share scheme
ShopLive UK	The Group's own video shopping service where store colleagues can assist, advise and demonstrate the use of products to customers online face-to-face
Store	Store sales, Store market share, and Store share of business relate to all sales where the journey is completed in store. This excludes online home delivered, order & collect, Online in-store and ShopLive UK
TSR	Total shareholder return
WAEP	Weighted average exercise price

Responsibility Statement

The 2022/23 Annual Report and Accounts which will be issued in August 2023 contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules, which sets out that as at the date of approval of the Annual Report and Accounts on 6 July 2023, the directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy.

At the date of this statement, the directors are those listed in the Group's 2021/22 Annual Report and Accounts with the exception of Lord Livingston, who stepped down as Chair of the Board on 8 September 2022; and Ian Dyson, who was appointed as Chair of the Board and Nominations Committee with effect from 8 September 2022. Following the end of the financial year Magdalena Gerger was appointed on 1 May 2023 and Adam Walker was appointed on 8 June 2023.

The financial statements were approved by the directors on 6 July 2023 and signed on their behalf by:

Alex Baldock

Group Chief Executive

Bruce Marsh

Group Chief Financial Officer