



Currys steps up action in Nordics by appointing new leadership

We Help Everyone Enjoy Amazing Technology

Fredrik Tønnesen appointed as Chief Executive Officer for Nordics

Currys plc announces the appointment of Fredrik Tønnesen as Nordics Chief Executive Officer, to replace Erik Sønsterud, who is stepping down with immediate effect. Fredrik steps up from Nordics Chief Operating Officer and joins the Currys Group Executive committee, reporting to Group Chief Executive, Alex Baldock. Fredrik joined the Group in 2006 and has built a strong track record in Commercial, Operations and as the Managing Director for Norway where he delivered four years of growth in sales, profits, colleague engagement and customer satisfaction.

Decisive action underway in Nordics

The Nordics performance remains very challenging as the Group faces into a tough consumer environment, high cost inflation and unrelenting competitive intensity. Leadership change adds to several actions the Group is taking to restore the Nordics business to its previously healthy levels of profit and cash generation.

Since the start of the calendar year the Nordics business has:

- Driven margin improvements through working closely with suppliers, growing Services adoption and increasing delivery charging
- Reduced head office and back-office headcount by 10-15%
- Reduced marketing spend and promotional intensity
- Removed spend on contractors and external consultants

There are further cost savings actions planned. The total cash exceptional restructuring costs associated with these actions is expected to be £15-20m and will predominantly be incurred in FY 2023/24.

Current Year Guidance

The continued strengthening of the UK&I business offset by weaker Nordics performance means the Group expects to deliver 2022/23 adjusted PBT broadly in-line with consensus of £104m1, which is at the lower end of the previously guided range of £100-125m.

Alex Baldock, Group Chief Executive

"Our Nordics performance is not where we want or expect it to be. The intensity of competition may be unrelenting, but we're no stranger to tough markets and aggressive competitors wanting to knock us off our #1 position as the go-to destination for all things tech. We now need to go further and faster to improve our performance.

I'm excited to appoint Fredrik. He's an exceptional leader, with an outstanding track record, including as Managing Director of Norway for four years of profitable growth and recently as Nordics Chief Operating Officer, where he's driven big improvements in cost efficiency and customer experience in a short time. As we move on, I'd like to take this opportunity to thank Erik Sønsterud for his dedicated leadership in challenging circumstances, as well as for his pivotal role in laying many foundations on which we can now build. I wish Erik every future success."

Current year guidance

- Full year adjusted PBT is expected to be broadly in-line with consensus of £104m¹ which is at lower end of previously guided range of £100-125m
- Capital expenditure of around £120m (unchanged)
- Net exceptional cash costs of around £40m (unchanged)
- To finish year with £100-150m net debt compared to previous guidance of less than £100m due to working capital headwinds driven by weaker Nordics performance

Medium term guidance unchanged

- Group targeting at least 3.0% adjusted EBIT margin by 2024/25. We aim to continue to improve it thereafter

1. Consensus available here: <https://www.currysplc.com/investors/analyst-coverage-and-consensus/>

Next scheduled announcement

The Group is scheduled to publish a pre-close full year trading update on Monday 15 May 2023.

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About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through over 800 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 30,000 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.