



Completion of Kotsovolos disposal

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Currys plc (Currys) is pleased to announce that it has completed the sale of Dixons South East Europe A.E.V.E., the holding company of Currys' entire Greece and Cyprus retail business, trading as Kotsovolos, to Public Power Corporation S.A. for an enterprise value of €200 million (£175 million). As anticipated, the cash proceeds received by Currys were £156 million (€179 million) after taking into account transaction and separation costs, intercompany balances and cash in the business.

With the disposal of Kotsovolos, the Group's structure has been simplified and Currys will continue to focus on its larger markets of the UK & Ireland and the Nordics, whilst the strengthened balance sheet will increase flexibility to invest in and grow the business, as well as improve shareholder returns.

As previously announced, in the near term, it is the Board's intention to use the net cash proceeds to reduce net debt and the Group expects to finish the year in a net cash position.

Current year guidance

Group expectations for adjusted profit before tax is unchanged and is expected to be at least £115m if Kotsovolos was fully consolidated for the year.

Following the disposal, the Group will present full year adjusted results on a continuing operations basis. On this basis, adjusted profit before tax is expected to be at least £105m. Please see below for full cashflow guidance on a continuing operations basis.

Alex Baldock, Group Chief Executive

"The sale of Kotsovolos is an excellent outcome for Currys' shareholders. It further strengthens the Group, while we continue to get the Nordics back on track and keep up the UK&I's encouraging momentum. We continue to progress well on both.

Kotsovolos is a fine business that we've been proud to own. I'd like to thank every one of our Greek colleagues for everything they've done, and wish them every future success."

Current year guidance

Guidance below is based on Greece being fully consolidated for the year. This basis is consistent with previous guidance and excludes the cash proceeds from the disposal of Kotsovolos.

- Group adjusted profit before tax is expected to be at least £115m (unchanged)
- Capital expenditure of around £65m (previously £70m)
- Net exceptional cash costs around £50m (unchanged)
- Pension contributions of £36m (unchanged)
- Depreciation & amortisation of around £310m (unchanged)
- Cash payments of leasing costs, debt & interest of around £270m (unchanged)
- Cash interest of around £25m (previously £30m)
- Cash tax payments of around £10m (unchanged)
- Group to finish the year with net debt slightly worse than last year's closing position of £(97)m (previously better than last year's closing position). The reduction from previous guidance is due to the continued growth of iD Mobile, which creates a short term drag on net cash, but is a growing source of recurring, predictable revenue and cashflow

Following the disposal of Kotsovolos, the Group will report full year adjusted results on a continuing operations basis (excluding Kotsovolos), the guidance below is presented on this basis. Note this is not pro-forma guidance as certain cashflow items, notably interest, will be impacted by the receipt of proceeds.

- Group adjusted profit before tax is expected to be at least £105m
- Capital expenditure of around £50m
- Net exceptional cash costs of around £50m
- Pension contributions of £36m
- Depreciation & amortisation of around £280m
- Cash payments of leasing costs, debt & interest of around £250m
- Cash interest of around £20m
- Cash tax payments of around £10m
- Group to finish the year in a net cash position

Longer term guidance

- Group continuing to target at least 3.0% adjusted EBIT margin with focus on sustainable free cash flow generation
- Exceptional cash costs expected to fall significantly from 2024/25 onwards
- Scheduled 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 within the current agreement. Pension contributions will cease when the actuarial deficit reaches zero

Next scheduled announcement

The Group is scheduled to publish a pre-close full year trading update on Tuesday 14 May 2024.

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Further Information

Information on Currys plc is available at www.currysplc.com

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About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 720 stores in 6 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us. In the UK & Ireland we trade as Currys and operate our own mobile virtual network, iD Mobile. In the Nordics we trade under the Elkjøp brand. We are the market leader in these markets, employing almost 25,000 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 X, formerly known as Twitter, feed does not form part of this announcement and should not be relied on as such.