14 December 2023

Unaudited Results for the Half Year Ended 28 October 2023

Solid performance and progress in a tough environment

We Help Everyone Enjoy Amazing Technology

Summary

- Group adjusted EBIT +7% YoY
- Further progress in UK&I, with strong momentum in Services: Credit adoption +330bps to 20.3%, Care & Repair adoption +340bps, iD Mobile subscriptions > 1.5m, +24% YoY
- Nordics profitability improved despite difficult consumer environment, with gross margins back up to the levels of two years ago
- First-half free cash outflow limited to £(10)m (H1 2022/23: £(86)m)
- After period closed, agreed sale of Greece for an enterprise value of £175m and net proceeds of £156m, representing an attractive return for shareholders. Greece will be included in continuing operations until transaction completes

Financial performance

- Group LFL revenue (4)%; Currency neutral revenue (4)%; Reported revenue (7)%
- Group adjusted loss before tax £(16)m, in line with last year
- UK&I LFL revenue (3)%, adjusted EBIT £15m, (40)% YoY – profit decline as anticipated as improved gross margin and costs savings of £53m were more than offset by inflationary pressures and non-repeat of £11m of mobile revaluations
- Nordics LFL revenue (6)%, adjusted EBIT £12m, +300% YoY – significant gross margin recovery of +190bps and cost actions offset continued market driven sales decline
- Greece LFL revenue (4)%, adjusted EBIT £4m, +300% YoY – delivering another period of robust profits
- Group statutory loss before tax of £(46)m, from £(548)m in prior year
- Period end net debt of £(129)m – first-half cash outflow of £(32)m, compared to £(149)m outflow in prior year
- Period end IAS 19 pension deficit £(190)m, from £(249)m at year end

Outlook

- Trading since the period end has been consistent with the Board's expectations
- No change to previous guidance
- Greece disposal expected to receive final approvals and to complete in first quarter of 2024
- Group expected to finish year in net cash position if disposal completes before year end

Alex Baldock, Group Chief Executive

"Our priorities this year are simple: to get the Nordics back on track, to keep up the UK&I's encouraging momentum, while strengthening our balance sheet and liquidity. We're making good progress on all these in a still challenging economic environment.

In the Nordics, our trusted brands have delivered substantial gross margin gains, which combined with strong cost discipline have resulted in significantly improved profits. There's still a long way back to healthy Nordics performance, but we're on the way.

In the UK&I, profits are in line with expectations, as we focus on more profitable sales and growing the services that drive margins and customer lifetime value. Credit, Care & Repair and iD Mobile are all performing strongly, while colleague engagement and customer satisfaction continue to rise.

We've already substantially strengthened our balance sheet and liquidity this year. The proceeds of the planned sale of Kotsovolos, at a price that represents a very good outcome for shareholders, will strengthen us further. We're confident we're building a business that's resilient today and fit to prosper long term."

Performance Summary

Group sales decreased (4)% on a like-for-like basis with a decline in all markets as consumer spending remained under pressure from persistent inflation and rising interest rates, coupled with our increased focus on more profitable sales to maximise operating cashflow.

Revenue	H1 2023/24 £m	H1 2022/23 £m	Reported % change	Currency neutral % change	Like-for-Like % change
UK & Ireland	**2,215**	2,292	(3)%	(3)%	**(3)%**
International	**1,944**	2,181	(11)%	(5)%	**(6)%**
- Nordics	**1,653**	1,886	(12)%	(6)%	**(6)%**
- Greece	**291**	295	(1)%	(2)%	**(4)%**
Group	**4,159**	4,473	**(7)%**	(4)%	**(4)%**

In the UK&I, adjusted EBIT decreased (40)% YoY. Underlying improvements to gross margin were largely offset by the non-repeat of c.£11m of benefits in our mobile category last year, while operating costs fell in absolute terms as savings in property, marketing and IT more than offset inflationary cost pressures.

In the Nordics, adjusted EBIT increased to £12m despite the market driven sales decline. Gross margin recovered by +190bps and achieved a level only (20)bps lower than two years ago. Costs were tightly controlled in an inflationary environment resulting in a small increase in costs in absolute terms.

In Greece, adjusted EBIT increased to £4m. After a strong start to the period, sales declined, particularly in August and September due to the impact of wildfires on customer footfall, but gross margin recovered strongly and costs were well controlled.

As a result, Group adjusted EBIT increased slightly to £31m which was reflected in operating cashflow that also increased slightly to £62m. Free cash outflow of £(10)m for the period was a £76m improvement on last year due to deliberate actions to lower capital expenditure, tighter working capital control and lower tax payments. Alongside no dividend payment and previously negotiated reduction in pension contributions, this resulted in cash outflow for the period of (£32)m, a £117m improvement compared to the same period last year.

Profit and Cash Flow Summary	H1 2023/24 £m	H1 2022/23 £m	H1 2023/24 Adjusted £m	H1 2022/23 Adjusted £m	Reported % change	Currency neutral % change
Segmental EBIT						
UK & Ireland	**(2)**	(495)	**15**	25	(40)%	(40)%
International	**10**	(3)	**16**	4	300%	375%
- Nordics	**7**	(4)	**12**	3	300%	400%
- Greece	**3**	1	**4**	1	300%	300%
EBIT	**8**	**(498)**	**31**	**29**	**7%**	**17%**
EBIT Margin	**0.2%**	(11.1)%	**0.7%**	0.6%	10 bps	20 bps
Net finance costs	**(54)**	(50)	**(47)**	(46)	(2)%	
(Loss) / profit before tax	**(46)**	(548)	**(16)**	(17)	6%	6%
Tax	**7**	(12)	**4**	3		
(Loss) / profit after tax	**(39)**	(560)	**(12)**	(14)		
(Loss) / earnings per share	**(3.5)p**	(50.8)p	**(1.1)p**	(1.3)p	15%	
Operating cash flow			**62**	60	3%	11%
Operating cash flow margin			**1.5%**	1.3%	20 bps	20 bps
Cash generated from operations	**172**	145				
Free cash flow			**(10)**	(86)	88%	
Net (debt) / cash			**(129)**	(105)	(23)%	

Current year guidance

Trading during the six weeks since the period end has remained in line with the Board's expectations and the Group is maintaining all guidance given at the Full Year results on 6 July 2023.

Guidance has not been revised to reflect the expected disposal of Greece and is based on Greece remaining in the Group for the rest of the financial year.

- Capital expenditure of around £80m
- Net exceptional cash costs around £50m
- Pension contributions of £36m
- Depreciation & amortisation of £320-330m
- Cash payments of leasing costs, debt & interest of £280-290m
- Cash interest of around £40m
- Group to finish the year with net debt better than £(97)m

The Group expects to receive the necessary final clearances and for the Greece disposal to complete in the first quarter of 2024, and following the disposal, the Group is expected to finish the financial year in a net cash position.

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
- 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

Greece disposal and use of proceeds

On completion of the disposal of Kotsovolos, the Currys Group expects to receive Net Cash Proceeds of approximately £156 million. It is the Board's intention to use the Net Cash Proceeds to reduce the Currys Group's total indebtedness (defined as the sum of net debt, pension deficit and lease liabilities). This will initially involve using proceeds to reduce net debt, and then, at the appropriate time following the completion of the Group's peak trading period, entering into discussions with the pension trustees regarding the funding for the Pension Scheme.

Reducing total indebtedness will provide greater flexibility to enable the Currys Group to invest to grow profits and cashflow.

The Group will also explore the potential to return any surplus capital to Shareholders, based on a number of factors including the underlying financial strength of the business, prevailing market conditions, the balance of shareholder preference, and the scale of proceeds to be returned.

This planned use of proceeds is consistent with Currys' stated capital allocation policy, and the Board intends to provide an update on use of proceeds to shareholders before the end of the financial year.

We Help Everyone Enjoy Amazing Technology

Chief Executive's Review

Our priorities this year are simple: to get the Nordics back on track, to keep the UK&I's encouraging momentum going, while maintaining a strong balance sheet and liquidity in a still-turbulent environment. We are only part way through the year with important trading periods still ahead of us, but so far we have made good progress in all three areas.

In the Nordics, consumer demand has remained weak as headwinds of inflation and interest rate rises have impacted consumer confidence and driven another year of market declines. Against this backdrop, our competitors are realising how expensive it is to take market share away from our well established and trusted brands as we saw from improving trends in our market share (1Q: (130)bps, 2Q (50)bps) in the period. Crucially, gross margin has recovered most of the deterioration we experienced last year as we have anniversaried last year's overstocked market issues with a balanced trading stance. Meanwhile, our cost saving initiatives have helped keep cost under control in an inflationary environment. All this drove a significant improvement in profits compared to last year.

In the UK&I, sales declined (3)% driven by a market decline and a (100)bps share loss. Over half of the share loss was a result of deliberate actions to prioritise profits over sales. We are very pleased with the continued momentum on gross margin and customer lifetime value accretive services, with Credit adoption rising +330bps to 20.3%, Care and Repair adoption rising +340bps and iD Mobile subscriptions now exceeding 1.5m, +24% YoY, having added 200,000 net new subscriptions in the last six months. These are all sources of recurring, sustainable cashflow which provide increased confidence in future financial performance. Combined with strong cost control and further progress on our £300m cumulative saving target, this resulted in profits above our expectations for the period.

We have also built on our efforts to deliver Group synergies across IT, offshoring and goods-not-for-resale (GNFR) procurement. In the period, we have combined our UK&I and Nordics Technology functions under our Group CIO Andy Gamble, which will enable us to use our Group scale to get ever better terms with our large outsource partners and software providers. We have continued to strengthen our offshoring relationship with Infosys and now have over 1,000 Infosys colleagues. We have also started aligning our GNFR procurement across the Group which we believe will make a significant impact to some of our operating costs in time.

We remain passionate about our ability to give tech a longer life. We are uniquely placed in this area as the only UK retailer that has its own repair operations, and those repair operations being of materially greater scale and sophistication than anything else available in our markets. This was clearly expressed by the Prime Minister when he visited the facilities in October.

"What's great about what you do, is that is has so much impact on the country. You are saving millions of people a fortune. When you extend the lifetime of their laptop, their TV, or allow them to buy something refurbished – all of that is just putting cash in their pockets.

And at the same time, you are doing something wonderful for the environment because you are able to find every little bit of these big electronic devices and re-use them and put them back into circulation – great for the environment, great for people's wallets."

As well as maximising our operating cashflow, we have been prudent in deploying cash. We have limited the usual first half free cash outflow to £(10)m, from £(86)m last year, as we have kept tight control over capital expenditure and working capital. Tight stock control meant we finished the period with Group inventory down (11)% compared to last year. Our liquidity is strong, and during the period, we have agreed an extension of our “top-up” revolving credit facility. As a result, we have facilities of £498m until April 2026 and a further £134m until October 2024, providing us with significant headroom.

On 3 November, we announced the proposed disposal of Kotsovolos, a transaction that has subsequently been approved by our shareholders. Kotsovolos is a fine business that we’ve been proud to own, but a disposal at this time is in the best interest of shareholders. Firstly, it recognises Kotsovolos’s value and accelerates its realisation. Secondly, it further strengthens the balance sheet and the foundations on which to improve the much larger UK&I and Nordics businesses. Finally, it creates a valuation precedent for what we can achieve if we continue to execute on our strategy.

When this transaction completes, we expect the Group to finish the year in a net cash position. This is a strong position compared to the £(374)m net debt and working capital facilities the Group was utilising five years ago (27 October 2018). Alongside this, the pension deficit that has also continued to fall and is now £(190)m on an IAS19 basis, from £(516)m on 27 October 2018. Maintaining a solid balance sheet will remain a key objective for the Group.

The economic outlook remains challenging to forecast, but as we have shown this year, our business is well positioned to weather any storm and well set to prosper when conditions improve. We have market leading, trusted brands, growing margins, controlled costs, improving cashflows and a robust balance sheet.

The remainder of the year will see us continue our focus on three priorities: to get the Nordics back on track, to keep the UK&I’s encouraging momentum going and to maintain a strong balance sheet.

Grow Profits

Our improvements for the colleague and customer experience must now translate into improved profits and cash generation. We believe we can now build on our progress on gross margins and costs while being confident in maintaining our top-line market leadership.

- Gross margin increased by +10bps in the UK&I. This included a c.(50)bps negative impact from the non-repeat of last year's positive impact from the revaluation of mobile at the end of one specific MNO contract. Gross margin has improved +280bps compared to three years ago as we have focused on measures to improve the profitability of our sales, especially: higher adoption of credit and services, better monetisation of the improved customer experience, not chasing less profitable sales and supply chain and service operation cost savings.
- 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 over £240m on a cumulative basis as at the end of October 2023. We are on track to save over £300m by the end of this financial year.
- In the UK&I, our programmes drove £53m of savings with the largest areas of cost saving including supply chain efficiencies of £21m, store payroll of £9m and central, IT, procurement and other savings of £23m.
- In the Nordics, we have taken actions that will generate over £25m of permanent cost savings. These actions cover several areas including marketing, store and head office payroll, IT expenditure and consultant fees.
- During the period, we have combined our UK&I and Nordics Technology functions under our Group CIO Andy Gamble. This integration is already allowing more efficient sharing of best practice across the regions as well as synergy savings and, over time, will enable us to use our Group scale to get ever better terms with our large outsource partners and software providers.
- We continued to build our partnership with Infosys, which delivers a large range of services across our business functions, including IT, Data & Analytics, E-Commerce, Finance and Commercial, for our UK&I and Nordics businesses. The engagement has grown to around 1000 Infosys colleagues across centres in India and Czech Republic with significant potential to extend the partnership in the future.
- We have made progress aligning our Goods-Not-For-Resale (GNFR) procurement across the Group, renegotiating contracts with our top 20 suppliers in the Nordics, aligning our IT procurement across the Group and developing approaches which we believe will make a significant impact on the efficiency of our spend across marketing and logistics.
- Lease costs continue to fall. In the UK&I we have negotiated an average effective net rent reduction of more than 30% on the 20 leases renewed during the period.

Capable and Committed Colleagues

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

- Our Group eSat ("how happy you are to work at Currys") increased to 79 (+2pts YoY) and puts Currys in the top 25% of all businesses surveyed by Glint.
- In the UK&I, eSat has increased to 82 (+3pts YoY) with our engagement scores trending upwards when the peer set is in decline, putting the UK business in the top 5% of all businesses surveyed by Glint.
- Our focus on engaging our sales colleagues has reduced attrition rates of our UK&I sales colleagues by more than 10%pts since pre-covid.

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.

- Our focus on removing pain points for our customers is continuing to deliver results. In the UK&I, we saw improvements in customer satisfaction at every measurable stage of the customer journey, resulting in NPS climbing a further +5pts. In the Nordics, our "Happy or Not" measure improved slightly on its already very high levels, with a notable improvement in the online experience because of the improvement in our websites.
- The strength of our brands continues to resonate with consumers, and has allowed us to reduce more expensive "pay per click" online marketing in the UK. Two-thirds of the traffic generated by our website is direct.
- Order and collect sales have grown +35% YoY in the UK and +22% in the Nordics, showing how much consumers value the ability to collect goods quickly at locations that are convenient for them.
- We have continued to improve our 'sold with' solution selling in the UK&I. Customers are happier with the complete solution of products, accessories and services that is right for them; and our margins are improved. In the period we've improved ranging, stock availability and bundle proposition across both stores and online. Over the first half of the year, we saw our overall adoption rate of these product climb >6%pts.
- We maintain a flexible store portfolio and have average lease lengths of 4 years in the UK&I and the Nordics, and less than 5 years in Greece.

Customers For Life

We offer customers more than helping them choose a product: we help them afford and enjoy their technology, for life. Credit and other Services help us build longer lasting and more valuable relationships with customers.

<u>We help customers afford amazing technology:</u>

- UK credit adoption increased +330bps to 20.3%, well ahead of the 16% adoption we had previously targeted for 2023/24, as active credit accounts rose +19.4% to 2.1m. Online credit adoption increased +660bps to 24.5% and store credit adoption increased +70bps to 17.0%. 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 direct risk on credit, as a reminder. We do benefit from credit customers' higher average order value, and greater likelihood to return to shop at Currys, as well as direct profit benefit from our partner bank. The implementation of the FCA's Consumer Duty framework helps ensure all credit is issued responsibly.

<u>We help customers get tech started:</u>

- Our installation services are becoming ever more valued by customers, and our installation rate on UK big box deliveries rose +2.1%pts.

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

- In the UK, our Care & Repair adoption climbed +340bps compared to last year, with improvements in-store and online as customers look to benefit from our improved propositions. This resulted in 9.4m active plans at the end of the period, +6% higher than the previous year.
- In the Nordics, our Priority insurance, where customers pay monthly, grew +17% YoY with particularly strong growth online. This was in part aided by offers of three months free insurance, which will have some impact on near term profits but generates longer term, recurring revenue.
- In the UK, we collected over 750,000 items for recycling driven by our "Cash for Trash" initiative. As customers become more aware of the environmental consequences of their actions, we are there to help them as no competitor can.

<u>We help customers make the most out of their tech with connectivity and subscriptions</u>:

- iD Mobile, our award winning MVNO, grew to 1.5m subscribers, +24% YoY, demonstrating the great value, flexibility and control it offers to our customers. iD Mobile is a growing source of recurring, predictable revenue and cashflow.

<u>We will collect, protect, and use data to build more valuable customer relationships:</u>

- Currys Perks members represented well over half of UK sales. Perks customers are happier, shop more frequently, have higher average order values and greater adoption rate of credit and Care & Repair than non-Perks customers.
- The Nordics customer club grew +13% YoY to over 8m members. 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 and audio webcast followed by Q&A call for investors and analysts at 9:00am. The presentation slides will be available via the following link: https://brrmedia.news/CURY_IR23

To participate in the live audio Q&A session, please use the following participant access details:
UK: +44 (0) 33 0551 0200, please quote 'Currys Investor Call' when prompted by the operator

Next scheduled announcement

The Group is scheduled to publish its Peak trading update covering the 10 weeks to 6 January 2024 on Thursday 18 January 2024.

For further information

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Information on Currys plc is available at www.currysplc.com
Follow us on LinkedIn: @currysplc
Follow us on X (formerly Twitter): @currysplc

About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 815 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 almost 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, LinkedIn or the X (formerly Twitter) feed does not form part of this announcement and should not be relied on as such.

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 explanations following under each of the individual segments.

Subsequent to the balance sheet date, the Board and shareholders have approved the proposed disposal of Greece. The Group expects to receive the necessary final clearances and for the Greece disposal to complete in the first quarter of 2024. The below performance review includes Greece as part of the ongoing operations, pending completion.

Income Statement	**H1 2023/24 £m**	H1 2022/23 £m	Reported % change	Currency neutral % change
Revenue	**4,159**	4,473	(7)%	(4)%
Adjusted EBITDA	**184**	183	1%	5%
Adjusted EBITDA margin	**4.4%**	4.1%	30 bps	40 bps
Depreciation on right-of-use assets	**(96)**	(95)		
Depreciation on other assets	**(24)**	(28)		
Amortisation	**(33)**	(31)		
Adjusted EBIT	**31**	29	7%	17%
Adjusted EBIT margin	**0.7%**	0.6%	10 bps	20 bps
Interest on lease liabilities	**(33)**	(34)		
Finance income	**2**	1		
Adjusted finance costs	**(16)**	(13)		
Adjusted PBT	**(16)**	(17)	6%	6%
Adjusted PBT margin	**(0.4)%**	(0.4)%	0 bps	0 bps
Adjusted tax	**4**	3		
Adjusted Profit after tax	**(12)**	(14)		
Adjusted EPS	**(1.1)p**	(1.3)p		
Statutory Reconciliation				
Adjusting items to EBITDA	**(11)**	(515)		
EBITDA	**173**	(332)	152%	155%
Adjusting items to depreciation and amortisation	**(12)**	(12)		
EBIT	**8**	(498)	102%	102%
EBIT Margin	**0.2%**	(11.1)%	1,130 bps	1130 bps
Adjusting items to finance costs	**(7)**	(4)		
PBT	**(46)**	(548)	92%	n/a
Adjusting items to tax	**3**	(15)		
Profit after tax	**(39)**	(560)		
EPS – total	**(3.5)p**	(50.8)p		

Cash flow	**H1 2023/24 £m**	H1 2022/23 £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	**190**	188	1%	5%
Adjusted EBITDAR margin	**4.6%**	4.2%	40 bps	40 bps
Cash payments of leasing costs, debt & interest[1]	**(136)**	(136)		
Other non-cash items in EBIT	**8**	8		
Operating cash flow[1]	**62**	60	3%	11%
Operating cash flow margin	**1.5%**	1.3%	20 bps	20 bps
Capital expenditure	**(28)**	(56)		
Adjusting items to cash flow[1]	**(23)**	(25)		
Free cash flow before working capital	**11**	(21)	152%	171%
Working capital	**(3)**	(28)		
Segmental free cash flow	**8**	(49)	116%	136%
Cash tax paid	**(4)**	(24)		
Cash interest paid	**(14)**	(13)		
Free cash flow	**(10)**	(86)	88%	98%
Dividend	**-**	(24)		
Purchase of own shares – share buyback	**-**	-		
Purchase of own shares – employee benefit trust	**(2)**	(4)		
Pension	**(18)**	(39)		
Other	**(2)**	4		
Movement in net cash / (debt)	**(32)**	(149)		
Net cash / (debt)	**(129)**	(105)		

[1] APM defined in Glossary

UK & Ireland

	28 October 2023	29 October 2022
Number of stores		
UK	**284**	289
Ireland	**16**	16
Total UK&I	**300**	305
Selling space ‘000 sq. ft		
UK	**5,235**	5,288
Ireland	**207**	207
Total UK&I	**5,442**	5,495

	H1 2023/24 £m	H1 2022/23 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**2,215**	2,292	(3)%	(3)%
Online share of revenue	**43%**	43%	-	
Adjusted EBITDA	**92**	103	(11)%	(11)%
Adjusted EBITDA margin	**4.2%**	4.5%	(30) bps	(30) bps
Depreciation on right-of-use assets	**(48)**	(49)		
Depreciation on other assets	**(9)**	(12)		
Amortisation	**(20)**	(17)		
Adjusted EBIT	**15**	25	(40)%	(40)%
Adjusted EBIT margin	**0.7%**	1.1%	(40) bps	(40) bps
Adjusting items to EBIT	**(17)**	(520)		
EBIT	**(2)**	(495)	100%	100%
EBIT margin	**(0.1)%**	(21.6)%	2,150 bps	2,150 bps
Cash flow				
Adjusted EBITDAR	**96**	105	(9)%	(9)%
Adjusted EBITDAR margin	**4.3%**	4.6%	(30) bps	(30) bps
Cash payments of leasing costs, debt & interest[1]	**(76)**	(78)		
Other non-cash items in EBIT	**8**	6		
Operating cash flow[1]	**28**	33	(15)%	(15)%
Operating cash flow margin	**1.3%**	1.4%	(10) bps	(10) bps
Capital expenditure	**(12)**	(28)		
Adjusting items to cash flow[1]	**(17)**	(24)		
Free cash flow before working capital	**(1)**	(19)	95%	95%
Working capital	**(15)**	1		
Segmental free cash flow	**(16)**	(18)	11%	6%

[1] APM defined in Glossary

Total UK&I sales declined (3)%, driven by like-for-like sales decline of (3)%. The online share of business was stable at 43%.

Mobile was the strongest performing category, growing significantly compared to last year, helped by the strength of our iD Mobile proposition. Domestic appliance sales were robust but consumer electronics and computing were weaker, with both categories almost 25% smaller than two years ago.

The UK market (excluding mobile) shrank (4)% during H1 with the online market reducing by (3)% and the store channel declining by (5)%. Our market share is down (100)bps compared to last year as we grew share in the store channel by +80bps while our online market share reduced by (190)bps. Over half of the market share loss was due to continued, deliberate actions taken to prioritise profits over sales.

Gross margins increased +10bps compared to last year as a result of all the actions taken to improve gross margin, largely offset by £11m from the non-repeat of mobile revaluation arising from a specific contract expiring last year. The gross margins are up +280bps compared to three years ago as the business has focussed on improving performance in this area. The operating expense to sales ratio worsened by (50)bps as costs reduced in absolute terms, but not enough to offset the decline in sales. A £(16)m headwind from wage and other inflation was more than offset by £53m of cost savings across supply chain, store operations and central costs as well as lower depreciation.

Adjusted EBIT decreased to £15m at 0.7% margin, down (40)bps YoY.

In the period, adjusting items to EBIT totalled £(17)m due to £(10)m of strategic change programmes and a net £(7)m of other items. The cash costs in the period mainly related to ongoing strategic change and cost saving initiatives.

	H1 2023/24, £m		H1 2022/23, £m	
	P&L	**Cash**	P&L	Cash
Acquisition / disposal related items	**(6)**	**-**	(6)	-
Strategic change programmes	**(10)**	**(15)**	(3)	(24)
Impairment losses and onerous contracts	**-**	**-**	(511)	-
Regulatory	**1**	**(2)**	-	-
Other	**(2)**	**-**	-	-
Total	**(17)**	**(17)**	(520)	(24)

Operating cash flow was down (15)% YoY as the decline in profits was offset by lower rent costs and higher non-cash items. Capital expenditure was less than half of last year's level, with expenditure spread across small projects. Adjusting items are described above. Working capital cash outflow of £(15)m was due to the sales decline. In combination, this resulted in segmental free cash outflow of £(16)m, £2m better than last year.

Nordics

	28 October 2023			29 October 2022		
Number of stores	**Own stores**	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
Norway	**83**	**61**	**144**	88	66	154
Sweden	**98**	**75**	**173**	100	77	177
Denmark	**45**	**-**	**45**	41	-	41
Finland	**20**	**22**	**42**	21	21	42
Other Nordics	**-**	**16**	**16**	-	14	14
Nordics	**246**	**174**	**420**	250	178	428

Selling space '000 sq ft	**Own stores**	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
Norway	**1,098**	**611**	**1,709**	1,118	644	1,762
Sweden	**1,180**	**389**	**1,569**	1,175	390	1,565
Denmark	**753**	**-**	**753**	694	-	694
Finland	**508**	**196**	**704**	520	184	704
Other Nordics	**-**	**106**	**106**	-	97	97
Nordics	**3,539**	**1,302**	**4,841**	3,507	1,315	4,822

	H1 2023/24 £m	H1 2022/23 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**1,653**	1,886	(12)%	(6)%
Online share of revenue	25%	23%	+2 ppts	
Adjusted EBITDA	**75**	67	12%	22%
Adjusted EBITDA margin	**4.5%**	3.6%	90 bps	100 bps
Depreciation on right-of-use assets	**(40)**	(39)		
Depreciation on other assets	**(12)**	(13)		
Amortisation	**(11)**	(12)		
Adjusted EBIT	**12**	3	300%	400%
Adjusted EBIT margin	**0.7%**	0.2%	50 bps	60 bps
Adjusting items to EBIT	**(5)**	(7)		
EBIT	**7**	(4)	275%	433%
EBIT margin	**0.4%**	(0.2)%	60 bps	80 bps
Cash flow				
Adjusted EBITDAR	**76**	69	10%	20%
Adjusted EBITDAR margin	**4.6%**	3.7%	90 bps	100 bps
Cash payments of leasing costs, debt & interest[1]	**(49)**	(48)		
Other non-cash items in EBIT	**-**	2		
Operating cash flow	**27**	23	17%	38%
Operating cash flow margin	**1.6%**	1.2%	40 bps	50 bps
Capital expenditure	**(9)**	(24)		
Adjusting items to cash flow	**(5)**	(1)		
Free cash flow before working capital	**13**	(2)	750%	950%
Working capital	**24**	(47)		
Segmental free cash flow	**37**	(49)	176%	187%

[1] APM defined in Glossary

Revenue declined by (6)% on a currency neutral basis, with a like-for-like sales decline of (6)%. Online share of business increase slightly to 25%.

In a market that continued to trade poorly, all product categories except small domestic appliances experienced a sales decline. Computing and consumer electronics were again the worst performing categories, while major domestic appliances and mobile proved more resilient.

Compared to last year, the Nordic market declined around (4)%. Our market share was 27.1% during the half, down (90)bps compared to last year and stable compared to the market share we held before the pandemic.

Gross margin increased +190bps and is only (20)bps below the level of two years ago. Operating expenses increased slightly in local currency terms as inflationary cost increases and new stores were largely offset by savings across marketing, head office, stores and consultant fees. However, the operating expense to sales ratio worsened by (140)bps due to operating deleverage.

As a result, adjusted EBIT increased by £9m to £12m.

In the period, adjusting items to EBIT totalled £(5)m, this was largely due to the amortisation of acquisition intangibles which had no cash impact. The cash costs of £(5)m related to the strategic cost saving initiatives that were announced and expensed in the previous financial year. EBIT increased to £7m.

	H1 2023/24, £m		H1 2022/23, £m	
	P&L	**Cash**	P&L	Cash
Acquisition / disposal related items	**(6)**	**-**	(6)	-
Strategic change programmes	**1**	**(5)**	(1)	(1)
Impairment losses and onerous contracts	**-**	**-**	-	-
Total	**(5)**	**(5)**	(7)	(1)

The operating cash flow increased by +17% to £27m, driven by the higher profit outturn. Capital expenditure was £(9)m, with areas of expenditure including our Next Generation Retail omnichannel platform and store refits. Working capital inflow of £24m was due to an increase in creditors.

Greece

	28 October 2023			29 October 2022		
Number of stores	**Own stores**	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
Greece	**78**	**14**	**92**	74	17	91
Cyprus	**3**	**-**	**3**	2	-	2
Greece	**81**	**14**	**95**	76	17	93

Selling space '000 sq ft	**Own stores**	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
Greece	**1,022**	**53**	**1,075**	977	64	1,041
Cyprus	**57**	**-**	**57**	43	-	43
Greece	**1,079**	**53**	**1,132**	1,020	64	1,084

	H1 2023/24 £m	H1 2022/23 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	**291**	295	(1)%	(2)%
Online share of revenue	**5%**	7%	(2) ppts	
Adjusted EBITDA	**17**	13	31%	21%
Adjusted EBITDA margin	**5.8%**	4.4%	140 bps	110 bps
Depreciation on right-of-use assets	**(8)**	(7)		
Depreciation on other assets	**(3)**	(3)		
Amortisation	**(2)**	(2)		
Adjusted EBIT	**4**	1	300%	300%
Adjusted EBIT margin	**1.4%**	0.3%	110 bps	110 bps
Adjusting items to EBIT	**(1)**	-		
EBIT	**3**	1	200%	200%
EBIT margin	**1.0%**	0.3%	70 bps	70 bps
Cash flow				
Adjusted EBITDAR	**18**	14	29%	29%
Adjusted EBITDAR margin	**6.2%**	4.7%	150 bps	140 bps
Cash payments of leasing costs, debt & interest[1]	**(11)**	(10)		
Other non-cash items in EBIT	**-**	-		
Operating cash flow	**7**	4	75%	75%
Operating cash flow margin	**2.4%**	1.4%	100 bps	110 bps
Capital expenditure	**(7)**	(4)		
Adjusting items to cash flow	**(1)**	-		
Free cash flow before working capital	**(1)**	-	n/a	n/a
Working capital	**(12)**	18		
Segmental free cash flow	**(13)**	18	(172)%	(168)%

[1] APM defined in Glossary

Revenue decreased (2)% on a currency neutral basis, with a like-for-like sales decline of (4)%. During the period we opened four new stores in Greece and one new store in Cyprus. Stores performed better than online, with store share of business growing +2pts YoY.

Mobile performed strongly mainly due to Apple phone launches. Computing sales fell compared to the strong sales last year when sales benefited from government subsidies for students and teachers. Consumer electronics sales were down due to a softer market for TVs. Cooling and air conditioning sales were aided by the government subsidy programme.

Gross margin improved by +110bps, recovering a lot of the (210)bps decline in the first half of last year, mainly due to product mix and lower costs. The operating expense ratio was broadly flat YoY. As a result, adjusted EBIT increased to £4m. There were no adjusting items to EBIT.

The operating cash flow was £7m, up £3m from the prior year due to the higher operating profit. Capital expenditure was £7m, with significant areas of expenditure including stores, IT and distribution. Working Capital was an £(12)m outflow driven by decreased creditors.

Finance Costs

Interest on lease liabilities was £(33)m, broadly in-line with last year; 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 due to higher interest rates. The net cash impact of these costs was £(14)m, from £(13)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.

	H1 2023/24 £m	H1 2022/23 £m
Interest on lease liabilities	**(33)**	(34)
Finance income	**2**	1
Finance costs	**(16)**	(13)
Adjusted net finance costs	**(47)**	(46)
Finance costs on defined benefit pension schemes	**(5)**	(4)
Other finance costs	**(2)**	-
Net finance costs	**(54)**	(50)

Tax

A tax rate of 24% has been applied to the adjusted half year results. This is higher than the prior half year adjusted rate of 20% due to a lower proportion of International losses. The cash tax paid in the half year period was £4m, down from £24m in the prior year which is primarily due to lower profit levels in the Nordics.

The expected full year adjusted effective tax rate at 25% is slightly higher than the prior full year rate of 23% due to a lower proportion of International losses, which are taxed at a slightly lower rate than the UK.

The half year adjusting items tax credit of £3m includes the tax impact of non-headline items in the Nordics. The adjusting items tax charge of £15m for the half year which ended 29 October 2022, included the derecognition of UK deferred tax assets relating to tax losses.

Cash flow

	H1 2023/24 £m	H1 2022/23 £m	Reported % change	Currency neutral % change
Operating cash flow	**62**	60	3%	11%
Capital expenditure	**(28)**	(56)		
Adjusting items to cash flow	**(23)**	(25)		
Free cash flow before working capital	**11**	(21)	152%	171%
Working capital and network commissions	**(3)**	(28)		
Segmental free cash flow	**8**	(49)	116%	136%
Cash tax paid	**(4)**	(24)		
Cash interest paid	**(14)**	(13)		
Free cash flow	**(10)**	(86)	88%	98%
Dividend	**-**	(24)		
Purchase of own shares	**(2)**	(4)		
Pension	**(18)**	(39)		
Other	**(2)**	4		
Movement in net cash	**(32)**	(149)		
Opening net cash / (debt)	**(97)**	44		
Closing net cash / (debt)	**(129)**	(105)		

Segmental free cash flow was £8m (H1 2022/23: outflow of £(49)m) and interest and tax outflows totalled £(18)m as described above, resulting in a free cash outflow of £(10)m (H1 2022/23: outflow of £(86)m).

The Board prudently decided not to declare a dividend for the full year 2022/23 and therefore no dividend was paid in the period, compared to a £24m (2.15p per share) payment in the prior year. The employee benefit trust acquired £2m worth of shares to satisfy colleague share awards.

Pension contributions of £18m (H1 2022/23: £39m) were below last year and in line with the contribution plan agreed with the pension fund Trustees.

Other movements predominantly relate to currency translation differences. NOK and SEK have weakened against sterling in the period which has caused a negative reported translation difference.

The closing net debt position was £(129)m, compared to a net debt position of £(97)m at 29 April 2023. This included £27m of restricted cash (29 October 2022: £30m). The average net debt for the period was £(150)m, compared to an average position of £(114)m in H1 2022/23.

Balance sheet

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Goodwill	**2,252**	2,296	2,270
Other fixed assets	**1,366**	1,520	1,500
Working capital	**(220)**	(319)	(230)
Net cash / (debt)	**(129)**	(105)	(97)
Net lease liabilities	**(1,136)**	(1,231)	(1,228)
Pension	**(190)**	(251)	(249)
Deferred tax	**14**	23	8
Provisions	**(39)**	(44)	(48)
Other	**(32)**	(42)	(34)
Net assets	**1,886**	1,847	1,892

Goodwill declined £(18)m during the half-year ended 28 October 2023 due to currency revaluation of the Nordics goodwill.

Other fixed assets decreased by £(134)m since 29 April 2023 as capital expenditure and the increases in present value of leases due to lease renewals were more than offset by depreciation and amortisation of £(165)m.

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Inventory	**1,564**	1,750	1,151
Trade Receivables	**225**	361	299
Trade Payables	**(1,927)**	(2,181)	(1,439)
Trade working capital	**(138)**	(70)	11
Network commission receivables & contract assets	**97**	161	116
Network accrued income	**140**	70	105
Network receivables	**237**	231	221
Other Receivables	**372**	290	259
Other Payables	**(700)**	(775)	(731)
Derivatives	**9**	5	10
Working capital	**(220)**	(319)	(230)

At period end, total working capital was £(220)m (29 October 2022: £(319)m). Group inventory was £1,564m, (11)% 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 63 to 64 compared to 29 October 2022. Trade payable decreased by £254m to £(1,927)m (29 October 2022: £(2,181)m) as stock purchases were lower and trade payables days were broadly stable.

Total network receivables are up by £16m compared to year end with a sharp increase in iD Mobile, driven by higher volume of sales, offset by a decrease in Vodafone. Other receivables are up by £82m year-on-year due to higher accrued income with an offsetting decrease in trade receivables. Trade receivables also benefitted from faster cash collection from suppliers and franchisees. Other payables fell by £75m due to lower VAT payable and lower accrued expenses.

Lease liabilities are £95m lower than 29 October 2022 due to store exits and the renewal of leases at lower average rent.

The IAS 19 accounting deficit of the defined benefit pension scheme amounted to £190m (30 April 2023: £249m). The reduction of £61m during the period was primarily driven by £18m of contributions and £42m due to updated assumptions on longevity and commutation, where recent experience has moved in favour of a lower liability. The application of a higher discount rate was favourable for the deficit, but this was entirely offset by a lower return on assets and recent experience as the hedging structure of the scheme worked as intended.

	28 October 2023	29 October 2022	29 April 2023
	£m	£m	£m
Net cash / (debt)	**(129)**	(105)	(97)
Restricted cash	**(27)**	(30)	(30)
Net lease liabilities	**(1,136)**	(1,231)	(1,228)
Pension liability	**(190)**	(251)	(249)
Total closing indebtedness	**(1,482)**	(1,617)	(1,604)
Less: year-end net cash / (debt)	**129**	105	97
Add: average net cash / (debt)	**(150)**	(114)	(96)
Total average indebtedness	**(1,503)**	(1,626)	(1,603)

	28 October 2023	29 October 2022	29 April 2023
	£m	£m	£m
Operating cashflow (last 12 months)	**270**	304	268
Cash payments of leasing costs, debt & interest	**285**	265	283
Operating cash flow plus cash payments of leasing	**555**	569	551
Bank covenant ratios			
Fixed charges (cash lease costs + cash interest)	**312**	288	309
Fixed charge cover	**1.78x**	1.98x	1.78x
Net (debt)/cash excluding restricted funds	**(156)**	(135)	(127)
Net debt leverage	**0.58x**	0.44x	0.47x
Net indebtedness ratios			
Fixed charges (cash lease costs + cash interest + pension contributions)	**369**	364	387
Total indebtedness fixed charge cover	**1.50x**[1]	1.56x	1.42x
Total closing indebtedness	**(1,482)**	(1,617)	(1,604)
Total indebtedness leverage	**2.67x**	2.85x	2.91x

1. Fixed charges based on actual pension contributions. If based on the £78m pa, indebtedness fixed charges would have been £390m and cover would fall to 1.42x

At 28 October 2023 the Group had net debt of £(129)m (29 October 2022: net debt of £(105m) and average net debt for the period of £(150)m (H1 2022/23: £(114)m). The Group has access to £498m across two longer term revolving credit facilities that expire in April 2026, and two additional short-term credit facilities totalling £134m that have been extended and now expire in October 2024, taking total available credit from revolving credit facilities to £632m. The covenants on the debt facilities are net debt leverage <2.5x (H1 2023/24: 0.58x) and fixed charge cover >1.5x (H1 2023/24: 1.78x). The fixed charge cover covenant is due to increase to >1.75x following the October 2024 measurement date.

Provisions primarily relate to property, reorganisation and sales provisions. The balance reduced by £(9)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 £2m were released during the period following the completion of negotiations to exit previously closed stores.

Comprehensive income / Changes in equity

Total equity for the Group decreased from £1,892m to £1,886m in the period, driven by a loss of £(39)m, £(20)m loss from the translation of overseas operations and purchase of own shares by the EBT of £(2)m. This was mostly offset by the actuarial gain (net of taxation) on the defined benefit pension deficit for the UK pensions scheme of £44m, hedging gains of £2m and movements in relation to share schemes of £9m.

Share count

The weighted average number of shares used for basic earnings increased by 4m to 1,108m since the previous year end due to 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 has not changed as the schemes' performance against vesting conditions has not changed.

	28 October 2023 Million	29 October 2022 Million	29 April 2023 Million
Weighted average number of shares			
Average shares in issue	**1,133**	1,133	1,133
Less average holding by Group EBT and treasury shares held by Company	**(25)**	(31)	(29)
For basic earnings / (loss) per share	**1,108**	1,102	1,104
Dilutive effect of share options and other incentive schemes	**18**	18	20
Number of shares for diluted earnings per share	**1,126**	1,120	1,124

Greece disposal

Subsequent to the balance sheet date, the Board and shareholders have approved the proposed disposal of Greece. The Group expects to receive the necessary final clearances and for the Greece disposal to complete in the first calendar quarter of 2024. Providing the transaction completes, or is highly probable to go ahead, the Group will report Full Year 2023/24 Income statement and cashflows on a continuing operations basis, with the Greece segment shown as a single line under "discontinued operations". To provide further relevant information to investors a more detailed breakdown of the income statement and cashflow of Greece is included below.

Kotsovolos	**H1 2023/24 £m**	H1 2022/23 £m	FY 2022/23 £m
Income Statement			
Revenue	**291**	295	637
Adjusted EBITDA	**17**	13	43
Adjusted EBITDA margin	**5.8%**	4.4%	6.8%
Depreciation on right-of-use assets	**(8)**	(7)	(15)
Depreciation on other assets	**(3)**	(3)	(6)
Amortisation	**(2)**	(2)	(4)
Adjusted EBIT	**4**	1	18
Adjusted EBIT margin	**1.4%**	0.3%	2.8%
Interest on lease liabilities	**(3)**	(3)	(5)
Finance income	**2**	1	2
Adjusted finance costs	**(2)**	(1)	(3)
Adjusted PBT	**1**	(2)	12
Adjusted PBT margin	**0.3%**	(0.7)%	1.9%
Adjusted tax	**-**	-	(2)
Adjusted Profit after tax	**1**	(2)	10
Cash flow			
Adjusted EBITDAR	**18**	14	45
Adjusted EBITDAR margin	**6.2%**	4.7%	7.1%
Cash payments of leasing costs, debt & interest[1]	**(11)**	(10)	(22)
Other non-cash items in EBIT	**-**	-	1
Operating cash flow	**7**	4	24
Operating cash flow margin	**2.4%**	1.4%	3.8%
Capital expenditure	**(7)**	(4)	(8)
Adjusting items to cash flow[1]	**(1)**	-	-
Free cash flow before working capital	**(1)**	-	16
Working capital	**(12)**	18	-
Segmental free cash flow	**(13)**	18	16
Cash tax paid	**-**	-	2
Cash interest paid	**-**	-	(1)
Free cash flow	**(13)**	18	17

[1] APM defined in Glossary

Consolidated income statement

	Note	**26 weeks ended 28 October 2023 Unaudited £m**	26 weeks ended 29 October 2022 Unaudited £m	52 weeks ended 29 April 2023 Audited £m
Revenue	2	**4,159**	4,473	9,511
Profit before impairment of goodwill, interest and tax		**8**	13	165
Impairment of goodwill	8	**-**	(511)	(511)
Profit / (loss) before interest and tax	2	**8**	(498)	(346)
Finance income		**2**	1	2
Finance costs		**(56)**	(51)	(106)
Net finance costs		**(54)**	(50)	(104)
Loss before tax		**(46)**	(548)	(450)
Income tax credit / (expense)		**7**	(12)	(31)
Loss after tax for the period		**(39)**	(560)	(481)
Loss per share (pence)	3			
Basic		**(3.5)p**	(50.8)p	(43.6)p
Diluted		**(3.5)p**	(50.8)p	(43.6)p

Consolidated statement of comprehensive income

	26 weeks ended 28 October 2023 Unaudited £m	26 weeks ended 29 October 2022 Unaudited £m	52 weeks ended 29 April 2023 Audited £m
(Loss) after tax for the period	**(39)**	(560)	(481)
Items that may be reclassified to the income statement in subsequent periods:			
Cash flow hedges			
Fair value movements recognised in other comprehensive income	**5**	14	11
Reclassified and reported in income statement	**1**	(5)	3
Exchange loss arising on translation of foreign operations	**(20)**	–	(5)
	(14)	9	9
Items that will not be reclassified to the income statement in subsequent periods:			
Actuarial gain / (loss) on defined benefit pension schemes:	**47**	(29)	(61)
Tax on movements on defined benefit pension schemes	**(3)**	(42)	(35)
	44	(71)	(96)
Other comprehensive income / (expense) for the period (taken to equity)	**30**	(62)	(87)
Total comprehensive (expense) for the period	**(9)**	(622)	(568)

Consolidated balance sheet

	Note	**28 October 2023 Unaudited £m**	29 October 2022 Unaudited £m	29 April 2023 Audited £m
Non-current assets				
Goodwill	8	**2,252**	2,296	2,270
Intangible assets		**317**	374	350
Property, plant & equipment		**138**	160	155
Right-of-use assets		**911**	986	995
Lease receivable		**4**	5	4
Trade and other receivables		**114**	97	148
Deferred tax assets		**25**	228	23
		3,761	4,146	3,945
Current assets				
Inventory		**1,564**	1,750	1,151
Lease receivable		**1**	1	1
Trade and other receivables		**720**	785	631
Income tax receivable		**4**	-	1
Derivative assets	6	**21**	16	23
Cash and cash equivalents		**94**	138	97
		2,404	2,690	1,904
Total assets		**6,165**	6,836	5,849
Current liabilities				
Trade and other payables		**(2,524)**	(2,856)	(2,067)
Derivative liabilities	6	**(12)**	(11)	(13)
Income tax payable		**(36)**	(42)	(35)
Loans and other borrowings		**(5)**	(1)	(16)
Lease liabilities		**(173)**	(213)	(213)
Provisions		**(36)**	(36)	(43)
		(2,786)	(3,159)	(2,387)
Non-current liabilities				
Trade and other payables		**(103)**	(100)	(103)
Loans and other borrowings	7	**(218)**	(242)	(178)
Lease liabilities		**(968)**	(1,024)	(1,020)
Retirement benefit obligations	5	**(190)**	(251)	(249)
Deferred tax liabilities		**(11)**	(205)	(15)
Provisions		**(3)**	(8)	(5)
		(1,493)	(1,830)	(1,570)
Total liabilities		**(4,279)**	(4,989)	(3,957)
Net assets		**1,886**	1,847	1,892
Capital and reserves				
Share capital		**1**	1	1
Share premium account		**2,263**	2,263	2,263
Other reserves		**(815)**	(800)	(804)
Accumulated profits		**437**	383	432
Equity attributable to equity holders of the parent company		**1,886**	1,847	1,892

Consolidated statement of changes in equity

	Note	Share capital £m	Share premium account £m	Other reserves £m	Accumulated profits £m	Total equity £m
At 29 April 2023		**1**	**2,263**	**(804)**	**432**	**1,892**
Loss for the period		**–**	**–**	**–**	**(39)**	**(39)**
Other comprehensive income / (expense) recognised directly in equity		**–**	**–**	**(14)**	**44**	**30**
Total comprehensive income / (expense) for the period		**–**	**–**	**(14)**	**5**	**(9)**
Amounts transferred to the carrying value of inventory purchased during the year		**–**	**–**	**(4)**	**–**	**(4)**
Net movement in relation to share schemes		**–**	**–**	**9**	**–**	**9**
Purchase of own shares – employee benefit trust		**–**	**–**	**(2)**	**–**	**(2)**
Equity dividends	4	**–**	**–**	**–**	**–**	**–**
At 28 October 2023		**1**	**2,263**	**(815)**	**437**	**1,886**

	Note	Share capital £m	Share premium account £m	Other reserves £m	Accumulated profits £m	Total equity £m
At 30 April 2022		1	2,263	(803)	1,040	2,501
Profit for the period		–	–	–	(560)	(560)
Other comprehensive (expense) / income recognised directly in equity		–	–	9	(71)	(62)
Total comprehensive (expense) / income for the period		–	–	9	(631)	(622)
Amounts transferred to the carrying value of inventory purchased during the year		–	–	(11)	–	(11)
Amounts transferred to the income statement during the year		–	–	(2)	–	(2)
Net movement in relation to share schemes		–	–	11	(2)	9
Purchase of own shares – employee benefit trust		–	–	(4)	–	(4)
Equity dividends	4	–	–	–	(24)	(24)
At 29 October 2022		1	2,263	(800)	383	1,847

Consolidated statement of changes in equity

		Share capital £m	Share premium account £m	Other reserves £m	Accumulated profits £m	Total equity £m
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 year		–	–	(19)	–	(19)
Net movement in relation to share schemes		–	–	13	4	17
Purchase of own shares – employee benefit trust		–	–	(4)	–	(4)
Equity dividend	4	–	–	–	(35)	(35)
At 29 April 2023		1	2,263	(804)	432	1,892

Consolidated cash flow statement

	Note	**26 weeks ended 28 October 2023 Unaudited £m**	26 weeks ended 29 October 2022 Unaudited £m	52 weeks ended 29 April 2023 Audited £m
Operating activities				
Cash generated from operations	7	**172**	145	386
Special contributions to defined benefit pension scheme		**(18)**	(39)	(78)
Income tax paid		**(4)**	(24)	(38)
Net cash flows from operating activities		**150**	82	270
Investing activities				
Acquisition of property, plant & equipment and other intangibles		**(28)**	(56)	(111)
Net cash flows from investing activities		**(28)**	(56)	(111)
Financing activities				
Interest paid		**(46)**	(47)	(94)
Capital repayment of lease liabilities		**(103)**	(103)	(216)
Purchase of own shares – employee benefit trust		**(2)**	(4)	(4)
Equity dividends paid	4	**–**	(24)	(35)
Drawdown of borrowings		**38**	157	110
Cash inflows from derivative financial instruments		**3**	-	43
Facility arrangement fees paid		**–**	(1)	(1)
Net cash flows from financing activities		**(110)**	(22)	(197)
Increase/(decrease) in cash and cash equivalents and bank overdrafts		**12**	4	(38)
Cash and cash equivalents and bank overdrafts at beginning of the period		**81**	124	124
Currency translation differences		**(4)**	9	(5)
Cash and cash equivalents and bank overdrafts at end of the period		**89**	137	81

Notes to the financial information

1 Accounting policies

(a) Basis of preparation

The interim financial information for the 26 weeks ended 28 October 2023 was approved by the directors on 13 December 2023. The interim financial information, which is a condensed set of financial statements, has been prepared in accordance with the Listing Rules of the Financial Conduct Authority and International Accounting Standard 34 "*Interim Financial Reporting*" (IAS 34) as adopted by the UK and has been prepared on the going concern basis as described further below and in the section on risks to achieving the Group's objectives.

The accounting policies adopted are those set out in the Group's Annual Report and Accounts 2022/23 which were prepared in accordance with IFRS as adopted by the UK. New accounting standards, amendments to standards and IFRIC interpretations which became applicable during the period were either not relevant or had no impact on the Group's net results or net assets.

The UK Endorsement Board has adopted 'International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)' which was issued by the International Accounting Standards Board in May 2023. The Amendments introduce a temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules. The Group confirms that this mandatory exception has been applied.

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 condensed 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 £632m of which £134m are due for renewal in October 2024.

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 2026/27. 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 £134m of debt facilities due for renewal in October 2024 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.

Notes to the financial information

1 Accounting policies (continued)

(a) Basis of preparation (continued)

Alternative performance measures

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

Further information

The interim financial information uses definitions that are set out within the glossary and definitions section of this document.

The interim financial information is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 but has been reviewed by the auditor. The financial information for the year ended 29 April 2023 does not constitute the company's statutory accounts for that period but has been extracted from those accounts which have been filed with the Registrar of Companies and are also available on the Group's corporate website www.currysplc.com.

(b) Key sources of estimation uncertainty and critical accounting judgements

Critical accounting judgements and estimates used in the preparation of the financial statements are continually reviewed and revised as necessary. Whilst every effort is made to ensure that such judgements and statements are reasonable, by their nature they are uncertain and as such changes may have a material impact.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty include the impairment of goodwill and the proposed disposal of Kotsovolos as disclosed below. In addition, key sources of estimation uncertainty regarding UK defined benefit pension scheme assumptions and critical accounting judgements related to taxation detailed in the Group's Annual Report and Accounts 2022/23 remain relevant.

Impairment of non-financial assets – Goodwill

As required by IAS 36, goodwill is subject to an impairment review on an annual basis, or more frequently where indicators of impairment exist. The Group has considered if indicators of impairment exist with regard to a number of factors, including the recent increases in the long-term risk-free investment rates, uncertainty in the wider macroeconomic environment and comparison of market capitalisation of the Group to the carrying value of assets. Management concluded that some of these factors are indicators of impairment and consequently, a full impairment review was undertaken per IAS 36 using the value in use ('VIU') method as detailed in the Group's Annual Report and Accounts 2022/23.

As a result of the impairment review for the both the UK & Ireland segment, where £1,329m of goodwill is allocated, and the Nordics segment, where £923m of goodwill is allocated, no impairments have been recognised in the 26 weeks ended 28 October 2023. The review shows material headroom above the carrying amount of both segments. Further details on the sensitivities and key assumptions are included in note 8.

Notes to the financial information

1 Accounting policies (continued)

(b) Key sources of estimation uncertainty and critical accounting judgements (continued)

Proposed disposal of Greek segment Kotsovolos

In October 2023 Currys began a bidding process for the disposal of its Greek segment Kotsovolos. On 3 November 2023 the market was informed that Currys had entered into an agreement to sell its Greek business to Public Power Corporation (PPC). Shareholder approval was obtained on 21 November 2023. There are further conditions to completion including merger clearance approval from the Hellenic Competition Commission, Foreign Subsidies Regulation clearance, acquiring consent to the disposal from involved counterparties, and completing separation activities such as signing license and commercial agreements.

IFRS 5.6-8 requires a judgement to determine the classification of a disposal group as held for sale and is based on six criteria. The Group has assessed that, as at the balance sheet date 28 October 2023, one of these criteria was not met as the sale was not deemed highly probable within 12 months. The key considerations in this decision were that the bid from PPC had not yet been accepted, investor approval had not been obtained, and the regulatory and competition clearance was outstanding (and remains so at the reporting date). As a result, the Group determined that the sale was not highly probable and therefore the Greek segment was not classified as held for sale.

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 therefore been identified as follows:

- UK & Ireland; comprising 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 Faroe Islands;
- Greece; consisting of our 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.

(a) Segmental results

				26 weeks ended 28 October 2023
	UK & Ireland £m	**Nordics £m**	**Greece £m**	**Total £m**
Revenue	**2,215**	**1,653**	**291**	**4,159**
(Loss)/profit before interest, tax and impairment of goodwill	**(2)**	**7**	**3**	**8**
Impairment of goodwill	**–**	**–**	**–**	**–**
(Loss)/profit before interest and tax	**(2)**	**7**	**3**	**8**
Finance income				**2**
Finance costs				**(56)**
(Loss) before tax				**(46)**
Depreciation and amortisation	**(83)**	**(69)**	**(13)**	**(165)**

Notes to the financial information

2 Segmental analysis (continued)

(a) Segmental results (continued)

26 weeks ended 29 October 2022

	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Revenue	2,292	1,886	295	4,473
Profit/(loss) before interest, tax and impairment of goodwill	16	(4)	1	13
Impairment of goodwill	(511)	–	–	(511)
(Loss)/profit before interest and tax	(495)	(4)	1	(498)
Finance income				1
Finance costs				(51)
(Loss) before tax				(548)
Depreciation and amortisation	(84)	(70)	(12)	(166)

52 weeks ended 29 April 2023

	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Revenue	5,067	3,807	637	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)

Segmental profit	Note	**26 weeks ended 28 October 2023 £m**	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
UK & Ireland (loss) / profit before interest, tax and impairment of goodwill		**(2)**	16	158
Impairment of UK & Ireland goodwill	8	–	(511)	(511)
UK & Ireland (loss) before interest and tax		**(2)**	(495)	(353)
Nordics		**7**	(4)	(11)
Greece		**3**	1	18
Profit / (loss) before interest and tax		**8**	(498)	(346)
Finance income		**2**	1	2
Finance costs		**(56)**	(51)	(106)
(Loss) before tax		**(46)**	(548)	(450)

(b) Seasonality

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

Notes to the financial information

2 Segmental analysis (continued)

(c) Geographical information

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

	26 weeks ended 28 October 2023					26 weeks ended 29 October 2022				
	UK £m	**Norway £m**	**Sweden £m**	**Other £m**	**Total £m**	UK £m	Norway £m	Sweden £m	Other £m	Total £m
Revenue	**2,140**	**488**	**528**	**1,003**	**4,159**	2,219	598	652	1,004	4,473
Non-current assets at period end	**2,059**	**491**	**403**	**706**	**3,659**	2,163	569	436	706	3,874

	52 weeks ended 29 April 2023				
	UK £m	Norway £m	Sweden £m	Other £m	Total £m
Revenue	4,897	1,157	1,289	2,168	9,511
Non-current assets at period end	2,112	520	437	733	3,802

(d) 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:

	26 weeks ended 28 October 2023				26 weeks ended 29 October 2022			
	UK & Ireland £m	**Nordics £m**	**Greece £m**	**Total £m**	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sales of goods	**1,901**	**1,512**	**272**	**3,685**	1,982	1,724	268	3,974
Commission revenue	**79**	**80**	**10**	**169**	114	100	12	226
Support services revenue	**114**	**18**	**4**	**136**	117	26	6	149
Other services revenue	**119**	**43**	**5**	**167**	78	36	9	123
Other revenue	**2**	**–**	**–**	**2**	1	–	–	1
Total revenue	**2,215**	**1,653**	**291**	**4,159**	2,292	1,886	295	4,473

	52 weeks ended 29 April 2023			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sales 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

Notes to the financial information

3 (Loss) / earnings per share

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Total (loss) / earnings after tax for the period	**(39)**	(560)	(481)

	Million	Million	Million
Weighted average number of shares			
Average shares in issue	**1,133**	1,133	1,133
Less average holding by Group EBT and Treasury shares held by Company	**(25)**	(31)	(29)
For basic (loss) / earnings per share	**1,108**	1,102	1,104
Dilutive effect of share options and other incentive schemes	**18**	18	20
For diluted (loss) / earnings per share	**1,126**	1,120	1,124

	Pence	Pence	Pence
Basic (loss) / earnings per share	**(3.5)**	(50.8)	(43.6)
Diluted (loss) / earnings per share	**(3.5)**	(50.8)	(43.6)

Basic and diluted (loss) / earnings per share are based on the (loss) / profit after tax for the period attributable to equity shareholders.

4 Dividends

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Final dividend for the period ended 30 April 2022 of 2.15p	**-**	24	24
Interim dividend for the period ended 29 April 2023 of 1.00p per ordinary share	-	-	11
Amounts recognised as distributions to equity shareholders on ordinary shares of 0.1p each	-	24	35

There is currently no proposed interim dividend for the period ending 28 October 2023.

5 Retirement benefit obligations

		28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Retirement benefit obligations	– UK	**(187)**	(250)	(247)
	– Nordics	**(1)**	(1)	(1)
	– Greece	**(2)**	-	(1)
Net obligation		**(190)**	(251)	(249)

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

UK scheme	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Fair value of plan assets	**869**	987	975
Present value of defined benefit obligations	**(1,056)**	(1,237)	(1,222)
Net obligation	**(187)**	(250)	(247)

The value of obligations is particularly sensitive to the discount rate applied to liabilities at the assessment date as well as mortality rates. The defined benefit obligation has declined by £166m since 29 April 2023 primarily as a result of market conditions impacting the discount rate assumption. The value of the plan assets is also sensitive to market conditions and has declined by £106m due to a drop in the value of liability-driven investments (LDI), which are designed to broadly offset movements in the defined benefit obligation. The scheme's investment strategy and its investment objectives remain consistent with those adopted as at 29 April 2023.

The assumptions used in the valuation of obligations are listed below:

UK scheme		28 October 2023	29 October 2022	29 April 2023
Rates per annum:				
Discount rate		**5.70%**	4.60%	4.85%
Rate of increase in pensions in payment / deferred pensions	– pre April 2006	**3.05%**	3.05%	3.05%
	– post April 2006	**2.15%**	2.15%	2.15%
Inflation		**3.15%**	3.10%	3.10%

Mortality rates are based on historical experience and standard actuarial tables and include an allowance for future improvements in longevity. Sensitivity testing over life expectancy is not performed at the half year as it is not considered as variable as discount rates and inflation.

If the discount rate assumption increased by 1.0% the defined benefit obligation would decrease by approximately £136m. If the assumption decreased by 1.0% the defined benefit obligation would increase by approximately £157m.

If the inflation assumption increased by 1.0% the defined benefit obligation would increase by approximately £119m. If the assumption decreased by 1.0% the defined benefit obligation would decrease by approximately £107m.

6 Financial instruments, loans and other borrowings

The Group holds the following financial instruments at fair value:

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Derivative financial assets	**21**	16	23
Derivative financial liabilities	**(12)**	(11)	(13)

The significant inputs required to fair value the Group's net derivatives are observable and are classified as 'Level 2' in the fair value hierarchy. Fair values have been arrived at by revaluing forward currency contracts to period end market rates as appropriate to the instrument. There have been no transfers of assets or liabilities between levels of the fair value hierarchy. For all other financial assets and liabilities, the carrying amount approximates their fair value.

Committed facilities

In April 2021, the Group refinanced its existing debt with two revolving credit facilities which are due to expire in April 2026. In October 2022, the group signed an additional two short-term revolving credit facilities which are due to expire in October 2024. As at 28 October 2023 available facilities totalled £632m (29 October 2022: £676m, 29 April 2023: £636m) and the Group had drawn down on these facilities by £216m (29 October 2022: £242m, 29 April 2023: £177m). An additional £2m (29 October 2022: £nil, 29 April 2023: £1m) was drawn in Greece from the EU-supported Recovery and Resilience Facility (RFF) scheme. The Group's available facilities are detailed below.

In April 2021, the Group signed a £200m revolving credit facility with a number of relationship banks which was initially due to expire in April 2025. In April 2022, this facility was extended by one year to expire in April 2026. The interest rate payable for drawings under this facility is at a margin over risk free rates (or other applicable interest basis) for the relevant currency and for the appropriate period. The actual margin applicable to any drawing depends on the fixed charges cover ratio calculated in respect of the most recent accounting period. As a result of 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. A non-utilisation fee is payable in respect of amounts available but undrawn under this facility and a utilisation fee is payable when aggregate drawings exceed certain levels. At 28 October 2023, the Group had drawn down on this facility by £105m (29 October 2022: £90m, 29 April 2023: £70m).

In April 2021, the Group signed a NOK 4,036m (£298m) (29 October 2022: £336m, 29 April 2023: £301m) revolving credit facility with a number of relationship banks which was initially due to expire in April 2025. In April 2022, this facility was extended by one year to expire in April 2026. This is on broadly similar terms to the £200m facility. At 28 October 2023, the Group had drawn down on this facility by NOK 1,500m (£111m) (29 October 2022: £152m, 29 April 2023: £107m).

In October 2022, the Group signed a £90m revolving credit facility and a NOK 600m (£44m) revolving credit facility with a number of relationship banks to mitigate against any potential short-to-medium term macroeconomic uncertainty. These facilities were originally for one year and were extended in October 2023 to October 2024. They are on broadly similar terms to the £200m facility signed in April 2021. The facilities have not been drawn on since inception.

Uncommitted facilities

The Group also has overdrafts and short-term money market lines from UK and European banks denominated in various currencies, all of which are repayable on demand. Interest is charged at the market rates applicable in the countries concerned and these facilities are used to assist in short term liquidity management. Total available facilities are £93m (29 October 2022: £71m, 29 April 2023: £70m). At 28 October 2023 the Group had drawn down on the uncommitted facilities by £5m (29 October 2022: £1m, 29 April 2023: £16m).

Notes to the financial information

7 Note to the cash flow statement

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Profit / (loss) before interest and tax	**8**	(498)	(346)
Depreciation and amortisation	**165**	166	333
Share-based payment charge	**9**	9	15
Impairments and other non-cash items	**1**	509	520
Operating cash flows before movements in working capital	**183**	186	522
Movements in working capital:			
Increase in inventory	**(423)**	(469)	109
Increase in receivables	**(55)**	(67)	20
Increase in payables	**477**	512	(249)
Decrease in provisions	**(10)**	(17)	(16)
	(11)	(41)	(136)
Cash generated from operations	**172**	145	386

Restricted funds, which predominantly comprise funds held by the Group's insurance business for regulatory reserve requirements, were £27m (29 October 2022: £30m; 29 April 2023: £30m). These restricted funds are included within cash and cash equivalents on the face of the consolidated balance sheet.

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.

	29 April 2023 £m	**Financing cash flows £m**	**Lease additions, modifications and disposals £m**	**Foreign Exchange £m**	**Interest £m**	**28 October 2023 £m**
Loans and other borrowings	**(178)**	**(26)**	**–**	**(1)**	**(13)**	**(218)**
Lease liabilities	**(1,233)**	**136**	**(21)**	**10**	**(33)**	**(1,141)**
Total liabilities arising from financing activities	**(1,411)**	**110**	**(21)**	**9**	**(46)**	**(1,359)**

	30 April 2022 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign Exchange £m	Interest £m	29 October 2022 £m
Loans and other borrowings	(80)	(150)	–	(5)	(7)	(242)
Lease liabilities	(1,267)	138	(76)	2	(34)	(1,237)
Total liabilities arising from financing activities	(1,347)	(12)	(76)	(3)	(41)	(1,479)

Notes to the financial information

7 Note to the cash flow statement (continued)

	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	(1,267)	285	(198)	15	(68)	(1,233)
Total liabilities arising from financing activities	(1,347)	193	(198)	26	(85)	(1,411)

Lease liabilities are secured over the Group's right-of-use assets.

8 Goodwill

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Cost			
Opening balance	**3,006**	3,039	3,039
Additions	**-**	-	2
Foreign exchange	**(18)**	(7)	(35)
Closing balance	**2,988**	3,032	3,006
Accumulated impairment			
Opening balance	**(736)**	(225)	(225)
Impairment charge	**-**	(511)	(511)
Closing balance	**(736)**	(736)	(736)
Carrying value	**2,252**	2,296	2,270

(a) Carrying value of goodwill

The components of goodwill comprise the following businesses:

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
UK & Ireland	**1,329**	1,329	1,329
Nordics	**923**	967	941
	2,252	2,296	2,270

Notes to the financial information

8 Goodwill (continued)

(b) Goodwill impairment testing

As required by IAS 36, goodwill is subject to an impairment review on an annual basis, or more frequently where indicators of impairment exist. The Group has considered if indicators of impairment exist with regard to a number of factors, including the recent increases in the long-term risk-free investment rates, uncertainty in the wider macroeconomic environment and comparison of market capitalisation of the Group to the carrying value of assets. Management concluded that some of these factors are indicators of impairment and consequently, a full impairment review was undertaken per IAS 36 using the value in use ('VIU') method as detailed in the Group's Annual Report and Accounts 2022/23.

As a result of the impairment review for the both the UK & Ireland segment, where £1,329m of goodwill is allocated, and the Nordics segment, where £923m of goodwill is allocated, no impairments have been recognised in the 26 weeks ended 28 October 2023 as the review shows material headroom above the carrying amount of both segments.

In the 52 weeks ended 29 April 2023, a non-cash impairment charge of £511m was recognised in relation to the UK & Ireland segment (26 weeks ended October 29 2022: £511m). In accordance with IAS 36 this will not be reversed in subsequent periods and therefore no reversal has been recognised in the 26 weeks ended October 28 2023, despite the impairment review showing material headroom for this segment.

Key assumptions

The key assumptions used in calculating VIU are:

- management' sales and costs projections;
- the long-term growth rate; and
- the pre-tax discount rate.

For the annual impairment test conducted in the year ended 29 April 2023 the strategic plan covered a five-year period. Management considered the five-year outlook to April 2028 to be the most accurate representation of the steady-state level of return expected in the longer-term and therefore a more appropriate basis on which to calculate the VIU. For the impairment test conducted in the period ended 28 October 2023 the updated strategic plan continues to cover the period to April 2028 which now constitutes a four-year outlook as the final year of the plan is still considered to be the steady-state level of return.

The long-term sales and cost projections are based on the Board approved extended plan. The projections consider the outlook for addressable markets and the relative performance of competitors, together with management's views on the future achievable growth in market share and impact of the committed initiatives, including the Group's commitment to long-term sustainability targets. The likely impact of climate change on discounted cashflows has been assessed as immaterial. In forming these projections, management draws on past experience to forecast future performance. The cash flows include ongoing capital expenditure required to maintain the store network and e-commerce channels in order to operate the omnichannel businesses and to compete in their respective markets.

8 Goodwill (continued)

(b) Goodwill impairment testing (continued)

A key component in determining the expected cash flows is the forecast operating profit in 2027/28, which drives the terminal value in the value in use calculation. Long-term growth rates and pre-tax discount rates have been calculated as explained in the Group's Annual Report and Accounts 2022/23. The values attributed to these assumptions are as follows:

	28 October 2023				29 April 2023			
	Compound annual growth in sales	Compound annual growth in costs	Long term growth rate	Pre-tax discount rate	Compound annual growth in sales	Compound annual growth in costs	Long term growth rate	Pre-tax discount rate
UK & Ireland	1.7%	1.5%	1.6%	12.5%	1.4%	1.3%	1.6%	12.2%
Nordics	4.6%	4.1%	1.6%	11.0%	4.4%	3.6%	1.5%	10.8%

Sensitivity analysis

In accordance with IAS 36, the Group performed sensitivity analysis on the estimates of recoverable amount and a summary of the sensitivities applied to these key assumptions and the resulting headroom / (impairment) is as follows:

		UK & Ireland CGU		**Nordics CGU**	
Key assumption	**Sensitivity applied**	**Headroom / (Impairment) £m**	**Movement £m**	**Headroom / (Impairment) £m**	**Movement £m**
Base case	–	257	–	230	–
Operating profit in final year	Increase of 20%	514	257	472	242
	Decrease of 20%	–	(257)	(12)	(242)
Long-term growth rate	Increase of 0.2%	285	28	255	25
	Decrease of 0.2%	229	(28)	205	(25)
Pre-tax discount rate	Increase of 2%	(34)	(291)	(52)	(282)
	Decrease of 2%	683	426	663	433

9 Contingent liabilities

The Group continues to cooperate with HMRC in relation to open tax cases arising from pre-merger legacy corporate transactions in the former Carphone Warehouse Group. It is possible that a future economic outflow will arise from one of these matters, and therefore a contingent liability has been disclosed. This determination is based on the strength of third-party legal advice on the matter and therefore the Group considers it 'more likely than not' that these enquiries will not result in an economic outflow. The potential range of tax exposures relating to this enquiry is estimated to be approximately £nil – £211m excluding interest and penalties. Interest is £76m up to 28 October 2023. Penalties could range from nil to 30% of the principal amount of any tax. Any potential cash outflow would occur in greater than one year and less than five years.

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

Notes to the financial information

10 Related party transactions

Transactions between the Group's subsidiary undertakings, which are related parties, have been eliminated on consolidation and accordingly are not disclosed.

The Group had the following transactions and balances with its associates:

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Revenue from sale of goods and services	**6**	7	13
Amounts owed to the Group	**1**	1	1

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

11 Events after the balance sheet date

As described in note 1b the disposal process for the Greek segment Kotsovolos has progressed after the balance sheet date. This includes announcement to the market on 3 November 2023 confirming the proposed buyer Public Power Corporation (PPC). Shareholders also approved the proposal on 21 November 2023. Further key steps are required to complete the disposal including merger clearance approval from the Hellenic Competition Commission, Foreign Subsidies Regulation clearance, acquiring consent to the disposal from involved counterparties, and completing separation activities such as signing license and commercial agreements. The judgement not to classify the segment as held for sale at the half year has been described in note 1b and follows the assessment that the sale was not deemed highly probable as at the balance sheet date, given the steps required to complete.

Risks to achieving the Group's objectives

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on the Group's results. The Group's risks, and the factors which mitigate them, are set out in more detail in the Principal risks and uncertainties section of the Annual Report and Accounts 2022/23 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 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; and
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.
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.

Risks to achieving the Group's objectives

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.

Statement of directors' responsibilities

The directors confirm that to the best of their knowledge:

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

At the date of this statement, the directors are those listed in the Group's Annual Report and Accounts 2022/23.

By order of the Board

Alex Baldock	**Bruce Marsh**
Group Chief Executive	Group Chief Financial Officer
13 December 2023	13 December 2023

Independent review report

To Currys plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 28 October 2023 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 28 October 2023 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern, and the above conclusions are not a guarantee that the group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Mark Flanagan

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London, E14 5GL

13 December 2023

Retail store data (unaudited)

Number of stores

	At 28 October 2023			At 29 April 2023		
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**284**	**–**	**284**	285	–	285
Ireland	**16**	**–**	**16**	16	–	16
Total UK & Ireland	**300**	**–**	**300**	301	–	301
Norway	**83**	**61**	**144**	87	63	150
Sweden	**98**	**75**	**173**	99	76	175
Denmark	**45**	**–**	**45**	44	–	44
Finland	**21**	**22**	**43**	21	21	42
Other Nordics	**–**	**16**	**16**	–	15	15
Nordics	**247**	**174**	**421**	251	175	426
Greece	**78**	**14**	**92**	81	15	96
Cyprus	**3**	**–**	**3**	–	–	–
Greece	**81**	**14**	**95**	81	15	96
Total	**628**	**188**	**816**	633	190	823

Selling space ‘000 sq ft

	At 28 October 2023			At 29 April 2023		
	Own stores	**Franchise stores**	**Total**	Own stores	Franchise stores	Total
UK	**5,235**	**–**	**5,235**	5,262	–	5,262
Ireland	**207**	**–**	**207**	207	–	207
Total UK & Ireland	**5,442**	**–**	**5,442**	5,469	–	5,469
Norway	**1,098**	**611**	**1,709**	1,100	616	1,716
Sweden	**1,180**	**389**	**1,569**	1,182	389	1,571
Denmark	**753**	**–**	**753**	734	–	734
Finland	**508**	**196**	**704**	520	184	704
Other Nordics	**–**	**106**	**106**	–	105	105
Nordics	**3,539**	**1,302**	**4,841**	3,536	1,294	4,830
Greece	**1,022**	**53**	**1,075**	1,093	56	1,149
Cyprus	**57**	**–**	**57**	–	–	–
Greece	**1,079**	**53**	**1,132**	1,093	56	1,149
Total	**10,060**	**1,355**	**11,415**	10,098	1,350	11,448

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.

Adjusting items

When determining whether an item is to be classified as adjusting, and the departure from IFRS measures is more useful for the users of the financial statements than the additional disclosure requirements for material items under IAS 1, the project or item must:

- 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 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 year to the next depending on the nature of exceptional items or one-off type activities.

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 periods can be found in note A4.

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.

Alternative performance measures ('APMs') (continued)

Strategic change programmes

Primarily relate to material one-off 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 one-off in nature and to cause a significant change in 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 year.

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 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 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).

The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial year to the net defined benefit obligation. As a non-cash remeasurement cost which is unrepresentative of the actual investment gains or losses made or the liabilities paid and payable, and given the defined benefit section of the scheme having closed to future accrual on 30 April 2010, the accounting effect of this is excluded from adjusted results.

Tax

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

Alternative performance measures ('APMs') (continued)

Tax (continued)

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 / (loss) for the year before deducting interest and tax, termed as EBIT; and profit / (loss) for the year before deducting interest, tax, depreciation, and amortisation, termed as EBITDA. These metrics are further explained and reconciled within notes A2 and A3 below.

Currency neutral

Some comparative performance measures are translated at constant exchange rates, called 'currency neutral' measures. This restates the prior period results at a common exchange rate to the current year in order to provide appropriate year-on-year movement measures without the impact of foreign exchange movements.

Like-for-like (LFL) % change

Like-for-like revenue is calculated based on adjusted store and online revenue (including Order & Collect, Online In-Store and ShopLive) using constant exchange rates consistent with the currency neutral % change measure detailed above. New stores are included where they have been open for a full financial year both at the beginning and end of the financial period. Revenue from franchise stores is 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 like-for-like calculations. We consider that LFL revenue represents a useful measure of the trading performance of our underlying and ongoing store and online portfolio.

A1 Reconciliation from (loss) / profit before interest and tax to adjusted EBIT and adjusted PBT

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

								26 weeks ended 28 October 2023
	Total (loss) / profit £m	**Acquisition / disposal related items £m**	**Strategic change programmes £m**	**Impairment losses and onerous contracts £m**	**Other £m**	**Regulatory Income £m**	**Interest £m**	**Adjusted profit / (loss) £m**
UK & Ireland	**(2)**	**6**	**10**	**–**	**2**	**(1)**	**–**	**15**
Nordics	**7**	**6**	**(1)**	**–**	**–**	**–**	**–**	**12**
Greece	**3**	**–**	**1**	**–**	**–**	**–**	**–**	**4**
EBIT	**8**	**12**	**10**	**–**	**2**	**(1)**	**–**	**31**
Finance income	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**2**
Finance costs	**(56)**	**–**	**–**	**–**	**–**	**–**	**7**	**(49)**
Loss before tax	**(46)**	**12**	**10**	**–**	**2**	**(1)**	**7**	**(16)**

								26 weeks ended 29 October 2022
	Total (loss) / profit £m	Acquisition / disposal related items £m	Strategic change programmes £m	Impairment losses and onerous contracts £m	Other £m	Regulatory Income £m	Interest £m	Adjusted profit / (loss) £m
UK & Ireland	(495)	6	3	511	–	–	–	25
Nordics	(4)	6	1	–	–	–	–	3
Greece	1	–	–	–	–	–	–	1
EBIT	(498)	12	4	511	–	–	–	29
Finance income	1	–	–	–	–	–	–	1
Finance costs	(51)	–	–	–	–	–	4	(47)
Loss before tax	(548)	12	4	511	–	–	4	(17)

A1 Reconciliation from (loss) / profit before interest and tax to adjusted EBIT and adjusted PBT (continued)

	52 weeks ended 29 April 2023							
	Total (loss) / profit £m	Acquisition / disposal related items £m	Strategic change programmes £m	Impairment losses and onerous contracts £m	Other £m	Regulatory income £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)
Profit before tax	(450)	23	26	518	–	(7)	9	119

A2 Reconciliation from statutory profit / (loss) before interest and tax to EBITDA

EBITDA represents earnings before interest, tax, depreciation and amortisation. It provides a useful measure of profitability for users as it is a commonly used metric to compare profitability between businesses that have differing capital asset structures.

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

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Profit / (loss) before interest and tax	**8**	(498)	(346)
Depreciation	**120**	123	246
Amortisation	**45**	43	87
EBITDA	**173**	(332)	(13)

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 as well as depreciation and amortisation expense noted in A2.

The depreciation adjusted within adjusted EBITDA includes right-of-use asset depreciation on leased assets in accordance with IFRS 16. Some leasing costs, including those on short-term or low value leases, or variable lease payments not included in the measurement of the lease liability, are also included within EBITDA. A similar measure, EBITDAR, provides a measure of profitability based on the above EBITDA definition as well as deducting for leasing costs in EBITDA.

A3 Reconciliation from adjusted EBIT to adjusted EBITDA and adjusted EBITDAR (continued)

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

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Adjusted EBIT	**31**	29	214
Depreciation	**120**	123	246
Amortisation	**33**	31	64
Adjusted EBITDA	**184**	183	524
Leasing costs in EBITDA	**6**	5	12
Adjusted EBITDAR	**190**	188	536

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

	Note	**26 weeks ended 28 October 2023 £m**	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Included in (loss) / profit before interest and tax:				
Acquisition / disposal related items	(i)	**12**	12	23
Strategic change programmes	(ii)	**10**	4	26
Impairment losses and onerous contracts	(iii)	**–**	511	518
Regulatory income	(iv)	**(1)**	–	(7)
Other	(v)	**2**	–	–
		23	527	560
Included in net finance costs:				
Net non-cash finance costs on defined benefit pension schemes	(vi)	**5**	4	7
Other interest	(vii)	**2**	–	2
Total impact on (loss) / profit before tax		**30**	531	569
Tax on other adjusting items	(viii)	**(3)**	15	4
Total impact on (loss) /profit after tax		**27**	546	573

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

(i) Acquisition / disposal related items:

A charge of £12m (26 weeks ended 29 October 2022: £12m, 52 weeks ended 29 April 2023: £23m) relates to amortisation of acquisition intangibles arising on the Dixons Retail Merger.

(ii) Strategic change programmes:

During the period a further £10m of costs have been incurred as the Group continues to deliver the long-term strategic plan. This relates to the following programmes:

- £10m one off implementation costs of transferring service centre operations to a third-party (26 weeks ended 29 October 2022: £7m, 52 weeks ended 29 April 2023: £10m).
- £2m of costs related to the proposed sale of Kotsovolos.
- £1m credit from a provision release related to the restructuring of Nordics central operations and retail business due to successful contract negotiations (26 weeks ended 29 October 2022: £nil, 52 weeks ended 29 April 2023: £17m cost).
- £1m credit that primarily relates to the release of property provisions (26 weeks ended 29 October 2022: £5m credit, 52 weeks ended 29 April 2023: £4m credit) following successful early exit negotiations on stores included within previously announced rationalisation and closure programmes.

(iii) Impairment losses and onerous contracts:

No impairment charges have been recognised during the 26 weeks ended 28 October 2023.

During the 52 weeks ended 29 April 2023 a non-cash impairment charge of £511m was recognised over the goodwill recognised in the UK & Ireland operating segment (26 weeks ended 29 October 2022: £511m). Further explanation is provided within note 8 to the financial information.

In the 52 weeks ended 29 April 2023 fixed asset impairment charges of £7m were recognised over assets held in the Nordics component of the group (26 weeks ended October 30 2022: £nil), following the announcement of the restructuring of the Nordics central operations and retail business.

(iv) Regulatory income:

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 52 weeks ended 29 April 2023, the Group received confirmation that further action was highly unlikely and as a result, the Group reduced the provision in relation to redress by £7m (26 weeks ended 29 October 2022: £nil). During the 26 weeks ended 28 October 2023, a further £1m was released.

(v) Other:

During the 26 weeks ended 28 October 2023, £2m of foreign exchange losses were recognised in relation to the translation of a historic non-operating intercompany balance which was capitalised in the period.

(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 year to the net defined benefit obligation.

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

(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 as detailed in the 2022/23 Annual Report. The Group has risk assessed that certain cases have a probable chance of resulting in cash outflows to HMRC that are measured at £60m as at 28 October 2023 (comprising the amount of tax payable and interest up to 28 October 2023) (52 weeks ended 29 April 2023: £59m). During the period, interest of £2m accrued in relation to these cases which is based upon HMRC's prevailing interest rates (26 weeks ended 29 October 2022: £nil, 52 weeks ended 29 April 2023: £2m).

(viii) Tax on other adjusting items:

The effective tax rate on adjusting items is 11%. Included within tax on other adjusting items is a £5m charge relating to the movement in relation to un-recognised deferred tax assets in the UK, which were reassessed during 2022/23 given the current elevated macroeconomic uncertainty and a £8m credit reflecting the tax effect on adjusting items explained above.

A5 Adjusted effective tax rate

Tax charged on adjusted profits within the 26 weeks ended 28 October 2023 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 27 April 2024 using rates substantively enacted at the reporting date as required by IAS 34 'Interim Financial Reporting'.

The Group's adjusted effective rate of taxation for the full year has been estimated at 25% (2022/23: 23%). A rate of 24% has been applied to the adjusted half year results due to the weighting of profit in different jurisdictions.

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

A6 Reconciliation from statutory (loss) / earnings per share to adjusted (loss) / 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 provides a useful measure of the ongoing earnings of the underlying Group.

The below table shows a reconciliation of statutory basic EPS to adjusted basic EPS as this is considered to be the closest IFRS equivalent.

	26 weeks ended 28 October 2023 £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Adjusted (loss) / profit after tax	**(12)**	(14)	92
Total loss after tax	**(39)**	(560)	(481)
	Million	Million	Million
Average shares in issue	**1,133**	1,133	1,133
Less average holding by Group EBT	**(25)**	(31)	(29)
Weighted average number of shares	**1,108**	1,102	1,104
	Pence	Pence	Pence
Basic loss per share	**(3.5)**	(50.8)	(43.6)
Adjustments (net of taxation)	**2.4**	49.5	51.9
Adjusted basic (loss) / earnings per share	**(1.1)**	(1.3)	8.3

Basic (loss) / earnings per share is based on the (loss) / profit for the period attributable to equity shareholders. Adjusted (loss) / earnings per share is presented in order to show the underlying performance of the Group. Adjustments used to determine adjusted (loss) / profit are described further in note A4.

A7 Reconciliation of cash generated from operations to free cash flow

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

Reconciliation of cash inflow from operations to free cash flow	**26 weeks ended 28 October 2023 £m**	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Cash generated from operations	**172**	145	386
Capital repayment of leases cost and interest	**(135)**	(137)	(284)
Less adjusting items to cash flow	**23**	25	40
Less movements in working capital presented within the performance review (note A9)	**3**	28	127
Facility arrangement fees	**–**	(1)	(1)
Other	**(1)**	–	–
Operating cash flow	**62**	60	268
Capital expenditure	**(28)**	(56)	(111)
Add back adjusting items to cash flow	**(23)**	(25)	(40)
Taxation	**(4)**	(24)	(38)
Cash interest paid	**(14)**	(13)	(26)
Add back movements in working capital presented within the performance review (note A9)	**(3)**	(28)	(127)
Free cash flow	**(10)**	(86)	(74)

Reconciliation of adjusted EBIT to free cash flow	**26 weeks ended 28 October 2023** £m	26 weeks ended 29 October 2022 £m	52 weeks ended 29 April 2023 £m
Adjusted EBIT (note A1)	**31**	29	214
Depreciation and amortisation (note A3)	**153**	154	310
Working capital presented within the performance review (note A9)	**(3)**	(28)	(127)
Capital expenditure	**(28)**	(56)	(111)
Taxation	**(4)**	(24)	(38)
Interest	**(14)**	(13)	(26)
Repayment of leases*	**(130)**	(131)	(271)
Other non-cash items in EBIT**	**8**	8	15
Free cash flow before adjusting items to cash flow	**13**	(61)	(34)
Adjusting items to cash flow	**(23)**	(25)	(40)
Free cash flow	**(10)**	(86)	(74)

* 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 Summary of Performance section, comprise share-based payments, profit/loss on disposal of fixed assets, impairments and other non-cash items.

A8 Reconciliation from liabilities arising from financing activities to total indebtedness and net (debt)/ cash

Total indebtedness is a measure which represents period end net (debt) / cash, pension deficit and lease liabilities, less any restricted cash. The purpose of this is to evaluate the liquidity of the Group with the inclusion of all interest-bearing liabilities.

Net (debt) / cash comprises cash and cash equivalents and short-term deposits, less loans and other borrowings. We consider that this provides a useful alternative measure of the indebtedness of the Group and is used within our banking covenants as part of the leverage ratio.

The below provides a reconciliation of total liabilities from financing activities, which is considered the closest equivalent IFRS measure, to total indebtedness and net (debt) / cash.

	28 October 2023 £m	29 October 2022 £m	29 April 2023 £m
Loans and other borrowings	**(218)**	(242)	(178)
Lease liabilities*	**(1,141)**	(1,237)	(1,233)
Total liabilities from financing activities (note 7)	**(1,359)**	(1,479)	(1,411)
Cash and cash equivalents less restricted cash	**67**	108	67
Overdrafts	**(5)**	(1)	(16)
Lease receivables*	**5**	6	5
Pension liability	**(190)**	(251)	(249)
Total indebtedness	**(1,482)**	(1,617)	(1,604)
Restricted cash	**27**	30	30
Add back pension liability	**190**	251	249
Add back lease liabilities*	**1,141**	1,237	1,233
Less lease receivables*	**(5)**	(6)	(5)
Net (debt) / cash	**(129)**	(105)	(97)

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

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

A9 Reconciliation of movements in 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 £(3)m (26 weeks ended 29 October 2022 £(28)m, year ended 29 April 2023 £(127)m) differs to the statutory working capital balance 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. 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:

	26 weeks ended 28 October 2023	26 weeks ended 29 October 2022	52 weeks ended 29 April 2023
	£m	£m	£m
Movements in working capital (note 7)	**(11)**	(41)	(136)
Adjusting items provisions	**8**	14	10
Exceptional receivable – legal settlement	**–**	–	-
Facility arrangement fees	**–**	(1)	(1)
Working capital presented within the performance review	**(3)**	(28)	(127)

Other definitions

The following definitions may apply throughout this interim statement and the Annual Report and Accounts 2022/23 previously published:

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill.
B2B	Business to business.
Board	The Board of Directors of the Company.
Carphone Warehouse Group	The Carphone Warehouse 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 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.
HMRC	His Majesty's Revenue and Customs.
IFRS	International Financial Reporting Standards as adopted by the UK.
Market position	Ranking against competitors in the electrical and mobile retail market, measured by market share. Market share is measured for each of the Group's markets by comparing data for revenue or volume of units sold relative to similar metrics for competitors in the same market.
MVNO	Mobile Virtual Network Operator.
Net zero	Net zero emissions includes our Scope 1, 2 and 3 emissions. 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.

Glossary and Definitions

NPS	Net promoter score, a rating used by the Group to measure customers' likelihood to recommend its operations.
Online	Online sales and Online market share relate to all sales where the journey is completed via the website or app. This includes online home delivered, order & collect, Online In-Store and ShopLive UK.
Online in-store	Sales that are generated through in-store tablets for products that are not stocked in the store.
Order & collect	Sales where the sale is made via the website or app and collected in store.
Peak	Peak refers to the 10-week trading period ending on 6 January 2024 as to be announced in the Group's Christmas Trading statement in January 2024.
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.