



Currys Peak Trading

14 January 2022



We help everyone enjoy amazing technology.



currys



Key cash flow drivers



Steady **revenue growth** driven by wide range of complementary initiatives



Stable gross margin and operating cost **reduction** to deliver **4% EBIT** margins



Controlled capital expenditure



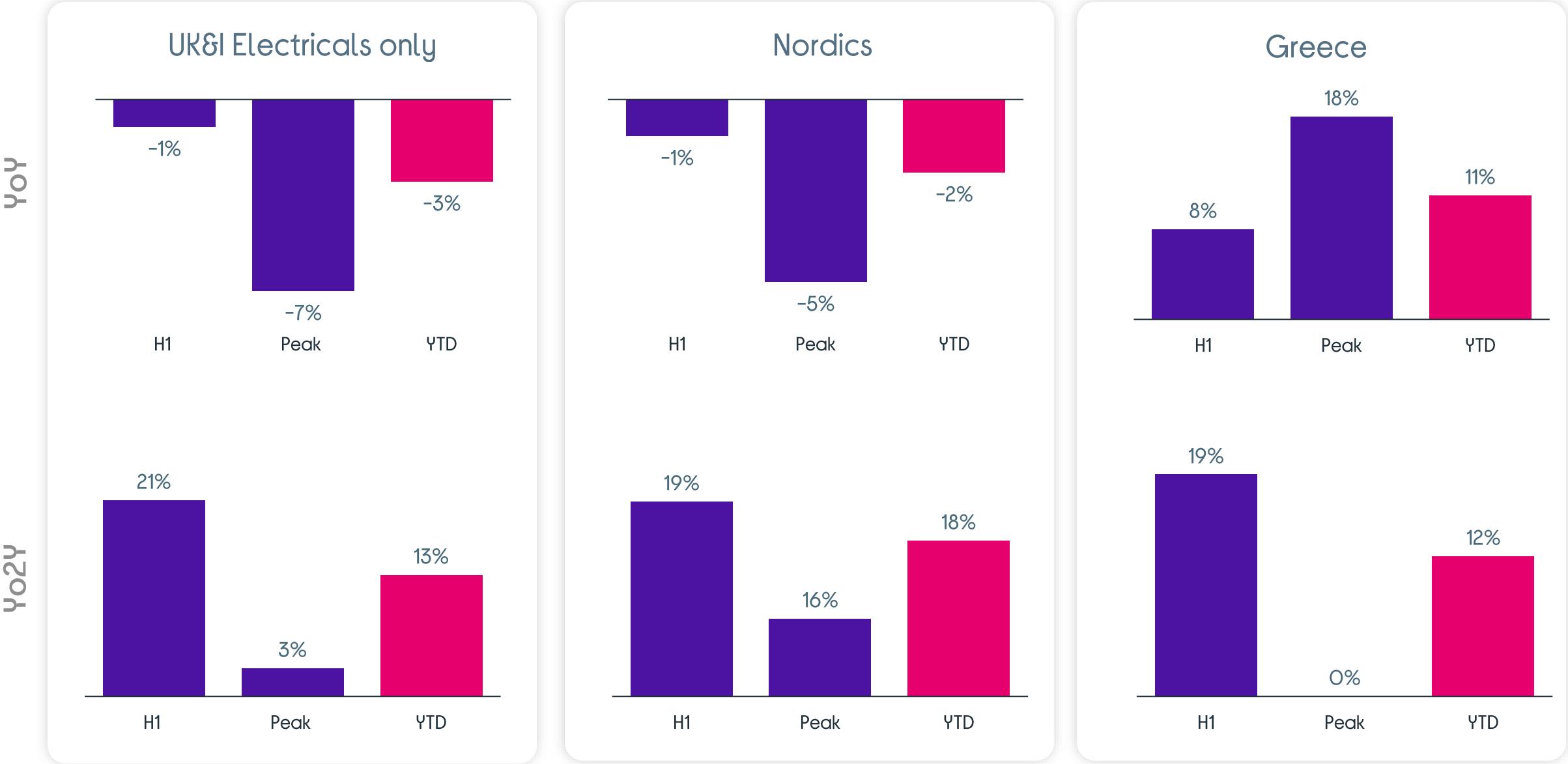
Exceptional **cash** costs from transformation to be **minimised**

First half summary



- Group Yo2Y like-for-like: **+15%**
 - UK&I Electricals: **+21%**
 - International **+19%**
- Adjusted EBIT **£91m** (H1 2020/21: **£91m**)
- Free cash flow **£185m** (H1 2020/21: **£499m**)
- Net cash **£250m** (1 May 2021: **£169m**, 31 October 2020: **£269m**)
- Total indebtedness **£1.43bn** (1 May 2021: **£1.67bn**, 31 October 2020: **£1.75bn**)

Peak summary: Like-for-Like Sales



Outlook & guidance



Full year outlook

- Adjusted PBT of **around £155m**
- Capital expenditure of around **£170m**
- Net exceptional cash costs of around **£50m** (previously: around **£70m**)
- To finish the year with at least **£100m** of net cash
- **£75m** annual buyback to commence

Medium term targets

Steady growth

EBIT margin
4%

Capital expenditure
1.5% of sales

New cash exceptionals
£minimal

Annual sustainable free cash flow
>£250m



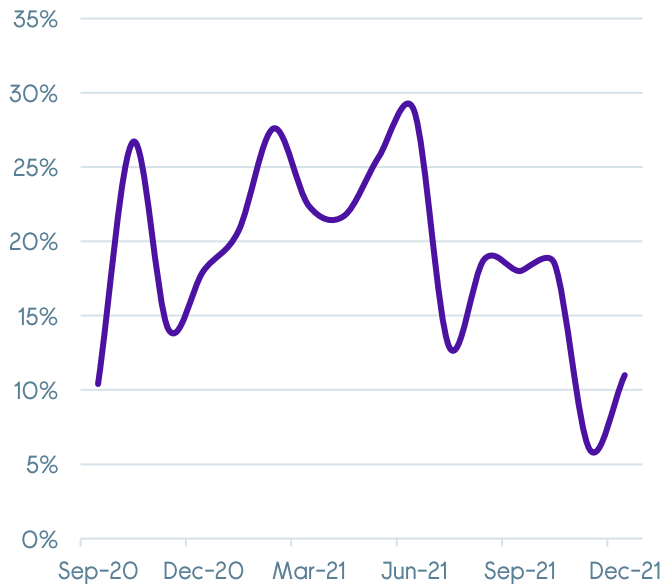
Growing shareholder returns

Peak trading 2021/22



The Technology market is still larger than before the pandemic

UK Electricals Market – Yo2Y Growth



Source: GfK

Continuing growth drivers Trends

- Hybrid working
- Home entertainment

Faster replacement

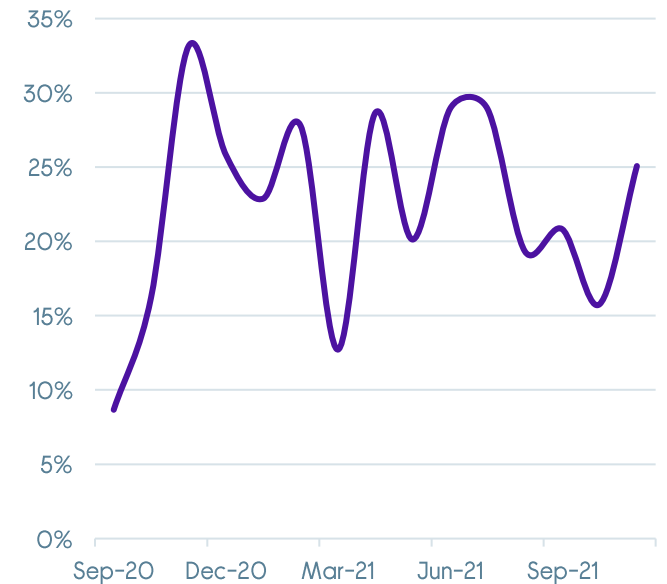
- Greater usage
- Greater familiarity with benefits of new tech

Larger installed base

- Complementary products and services opportunities

Supplier innovation

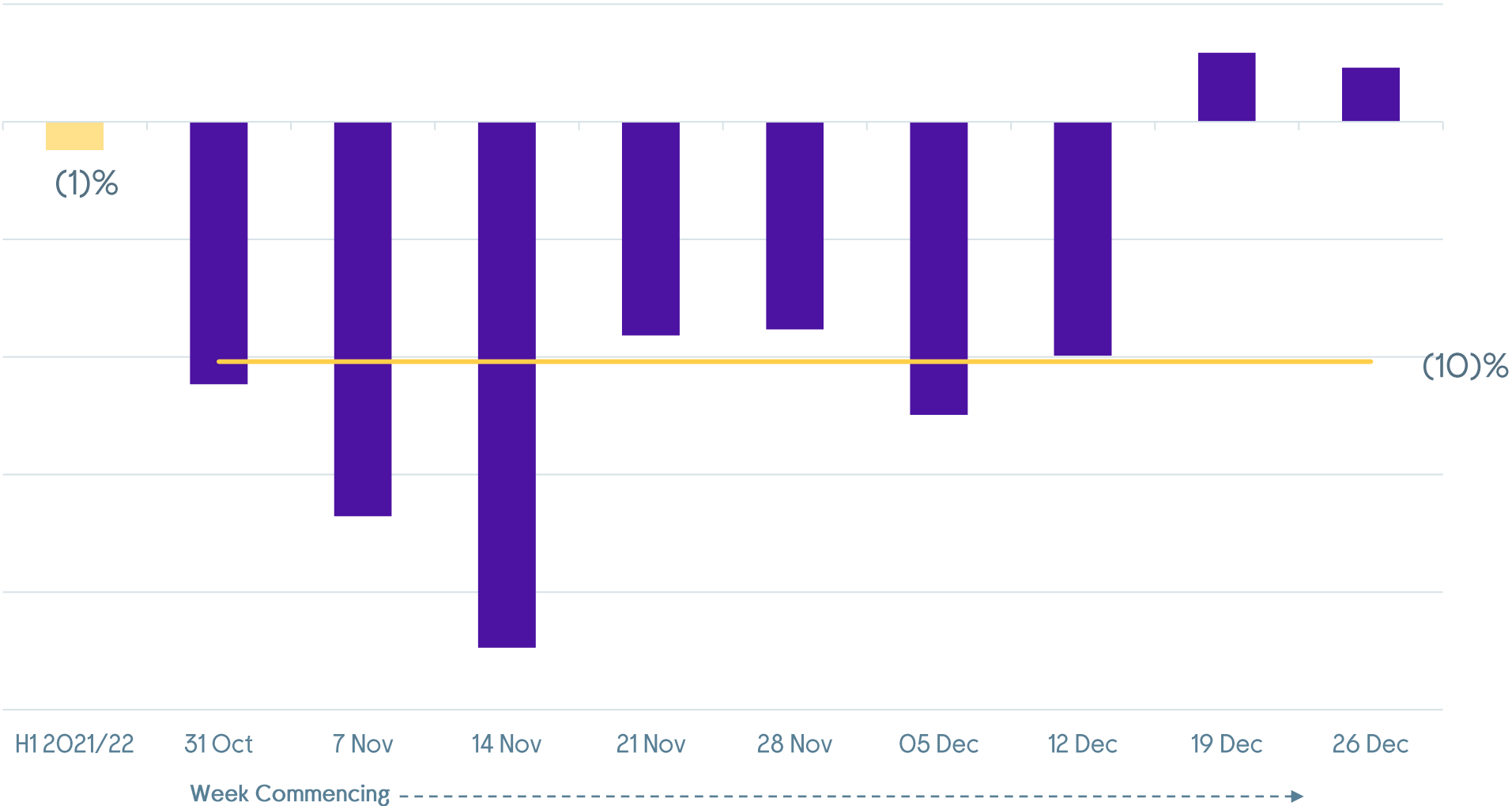
Nordics Electricals Market – Yo2Y Growth



Source: GfK

The market this peak was softer and more volatile

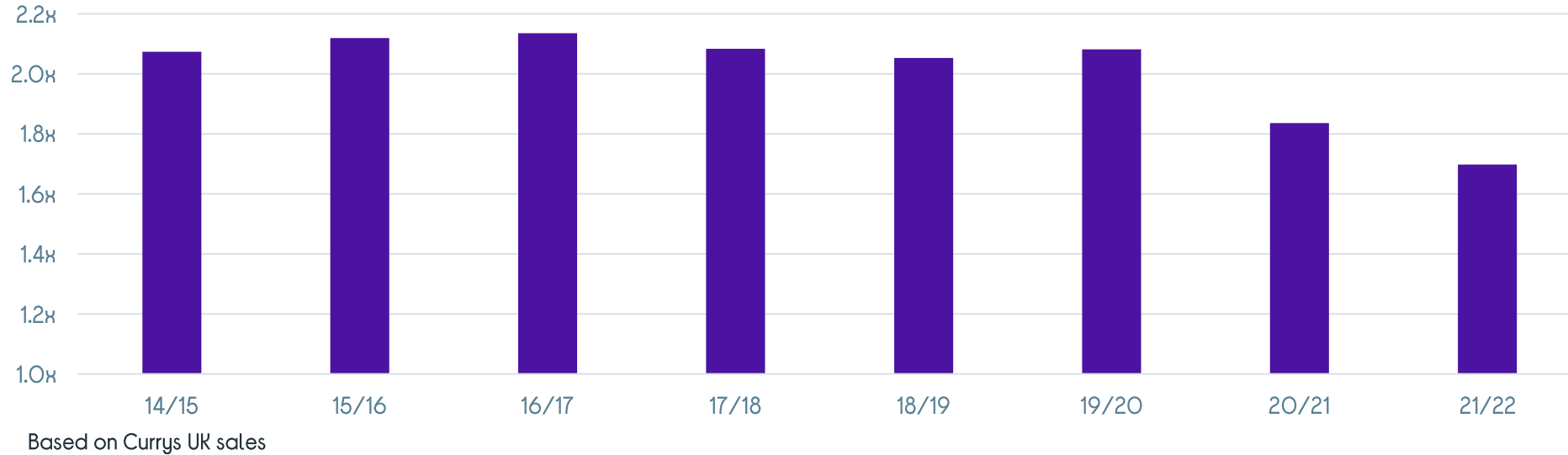
UK Electricals Market growth, YoY



Source: GfK
 Market data for week commencing 2 Jan 2022 not yet available

Peak may be declining in its importance to the year

Average weekly sales during Peak compared to rest of year



Possible explanations:

1. Constrained availability of in-demand products

2. Pull forward of demand

3. Tech less discretionary



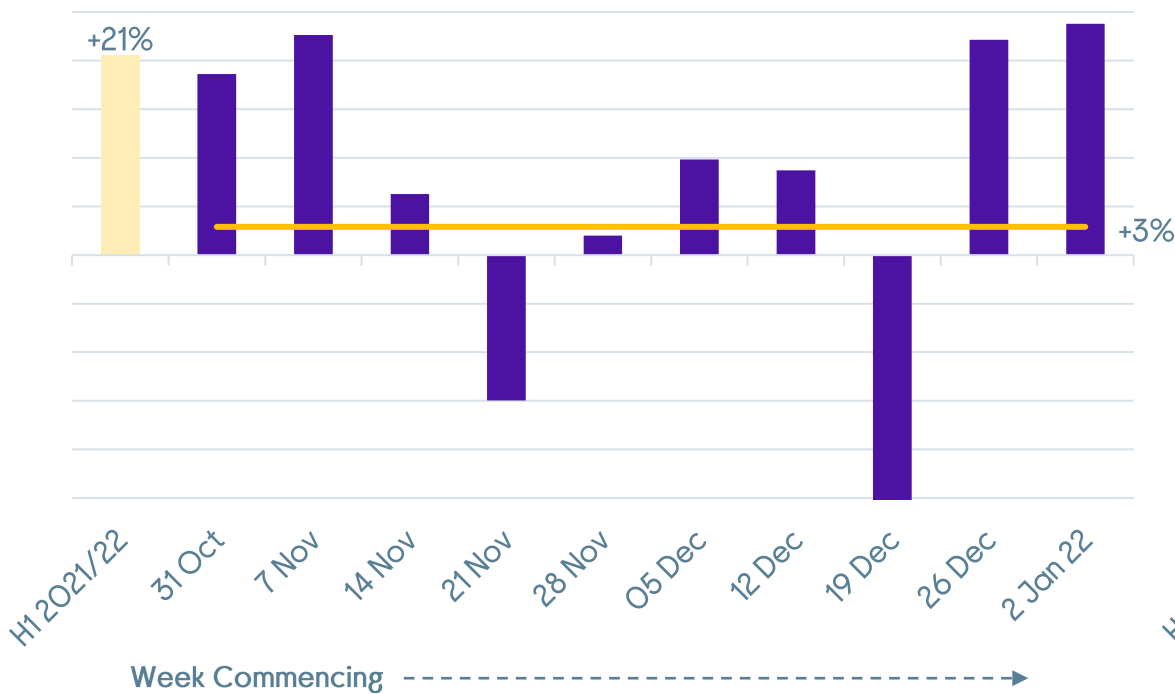
Pandemic-specific



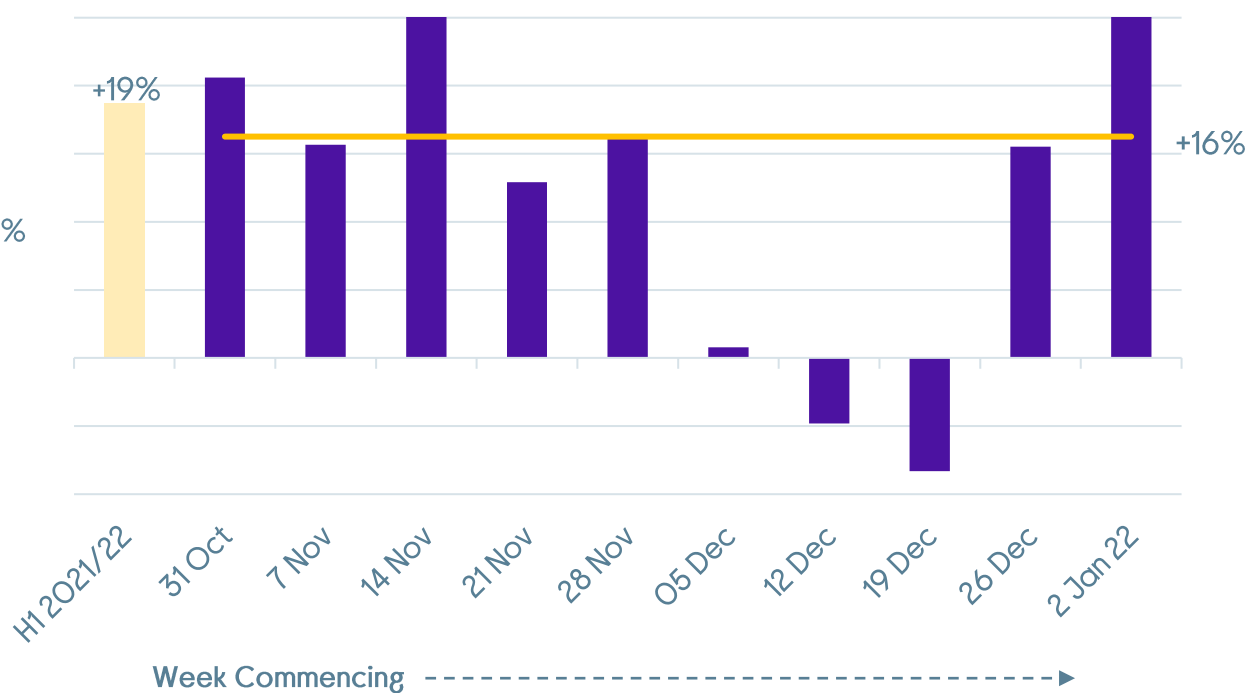
Enduring trend

Currys sales this peak were similarly softer and more volatile

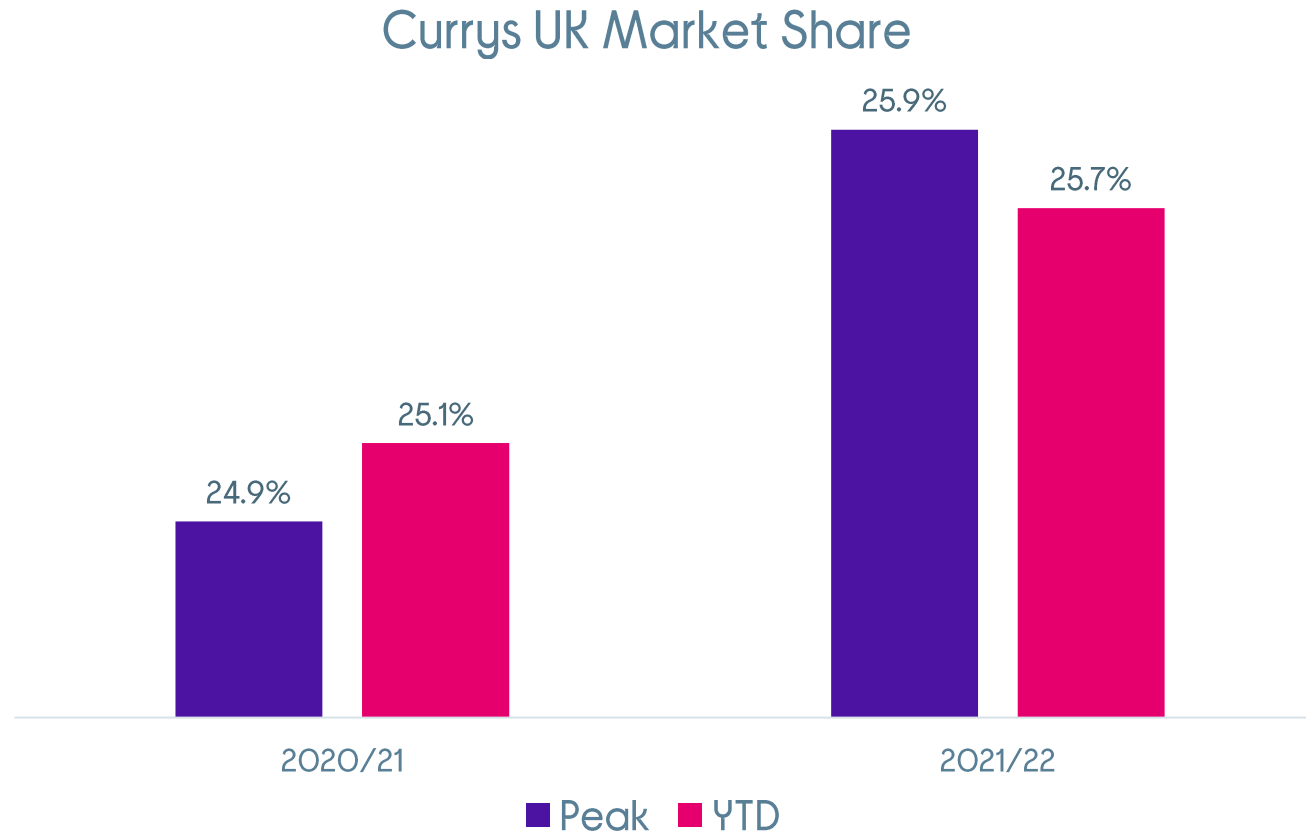
UK&I Electricals like-for-like sales, Yo2Y



Nordics like-for-like sales, Yo2Y

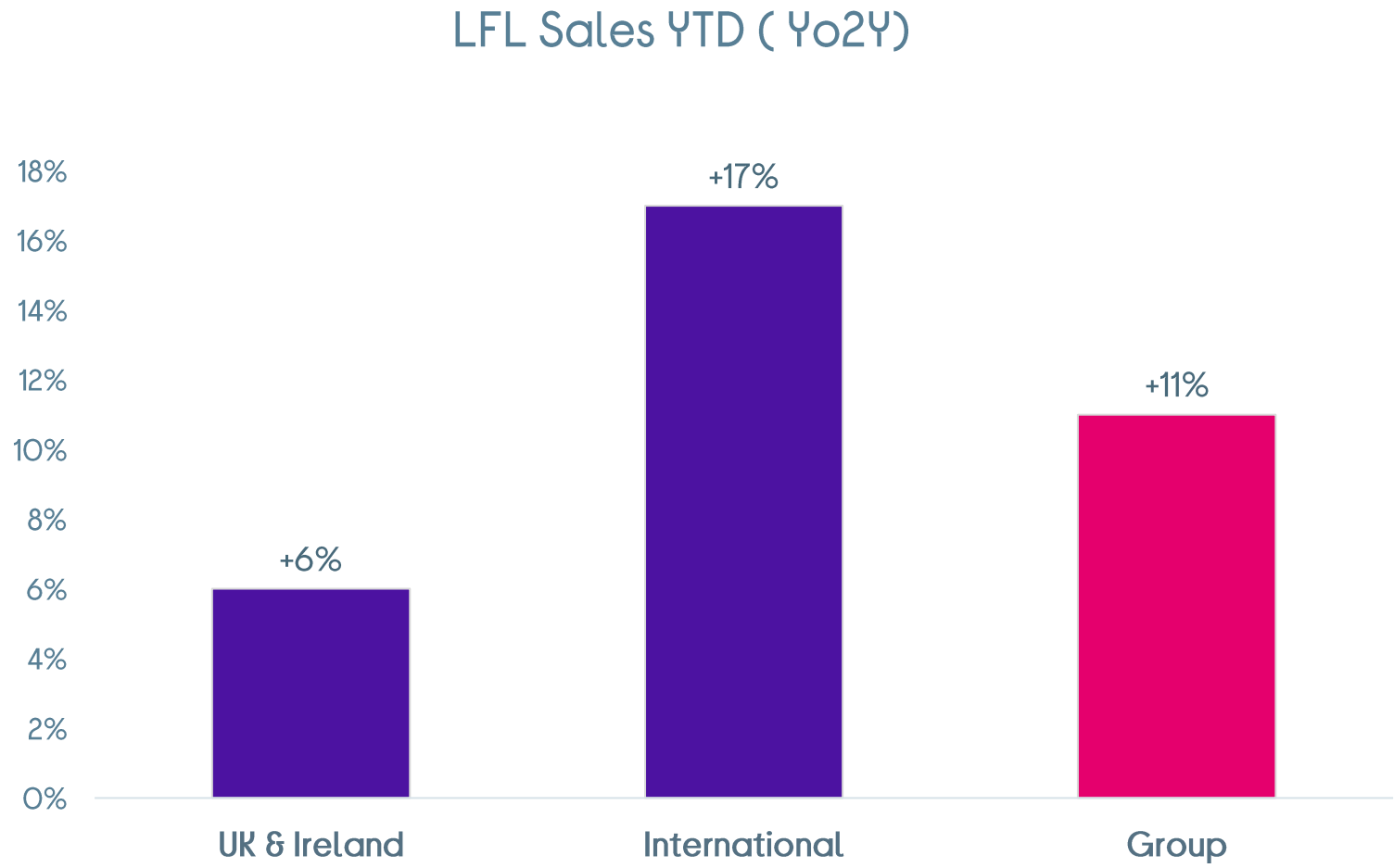


...though we mitigated the downside from a softer market by gaining market share



Source: GfK

And our year-to-date sales show steady growth



Some categories and products performed strongly

Computing and Gaming

✓ Gaming volumes **+16% YoY**

PlayStation 5



Xbox Series X



Oculus Quest 128GB



Nintendo Switch Neon



Appliances

Range Cookers



+40% YoY

Bean to Cup
Coffee Machines



+60% YoY

Dyson haircare



+Top 5 Sales

Health Fryers



+27% YoY

Some categories strong, others softer

Vision

OLED screen technology



+40% YoY (volume)

Streaming and smart apps



+61% YoY (volume)

Mobile

iPhone 13 family



Google 6 & 6 Pro



Fold and Flip devices



Samsung A-Series mid range



100Gb/Unlimited data Sim Card



Softer performing categories

Small Screen TV



Health & Beauty



Microwaves



Smart Tech



Tablets



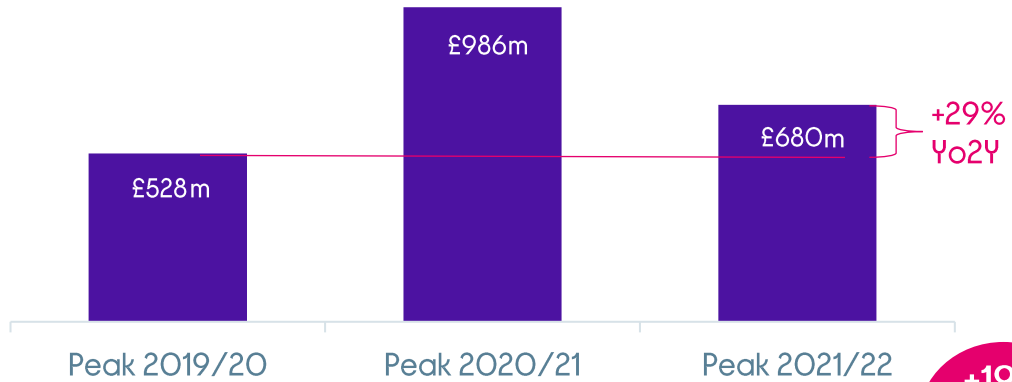
Monitors



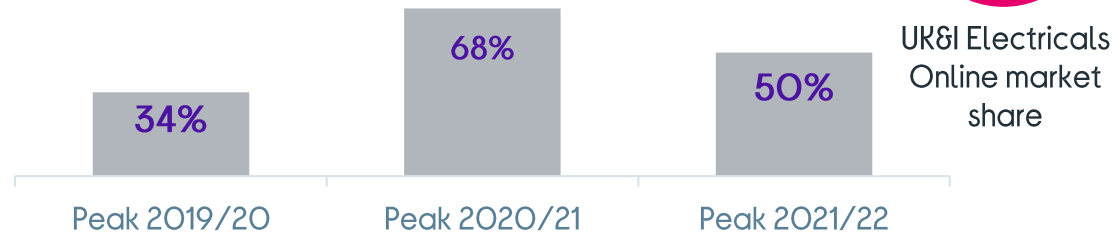
We're continuing to deliver our Omnichannel strategy, growing fast and winning online. Stores reopened well

UK&I online sales during Peak trading

UK&I Online Sales (£m)

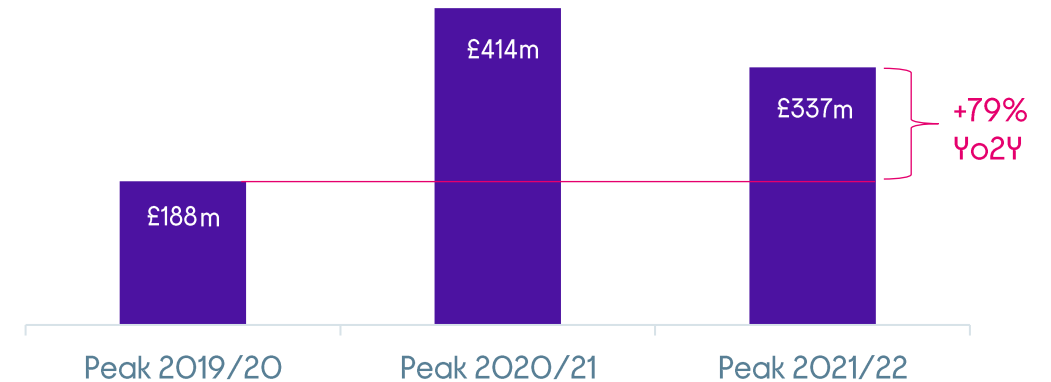


UK&I Online SOB

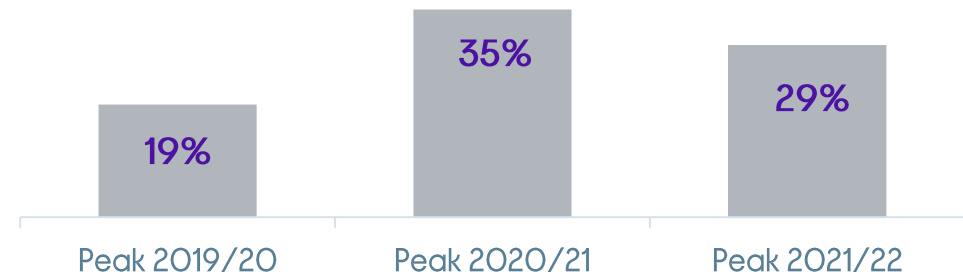


International online sales during Peak trading

International Online Sales (£m)



International Online SOB



Omnichannel: Bringing stores and online together means customers get the best of both worlds



Never out of stock

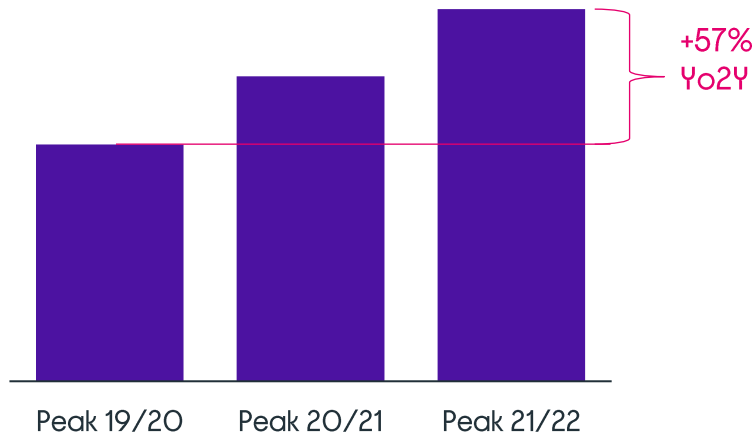


Get your product right now

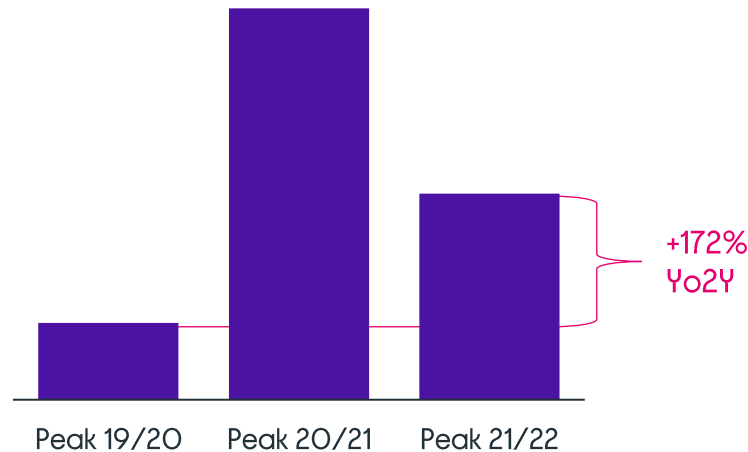


Help 24/7

UK&I Online-in-store sales



UK&I Order & Collect sales



Peak 2021/22

- 4.4/5 Customer rating

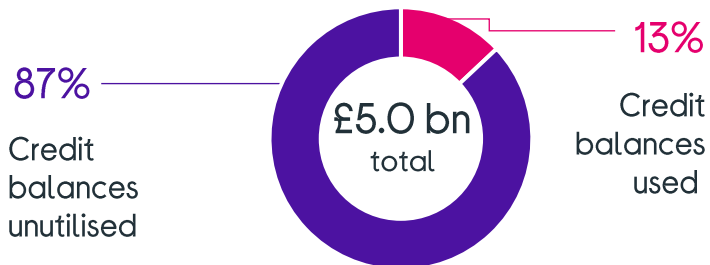
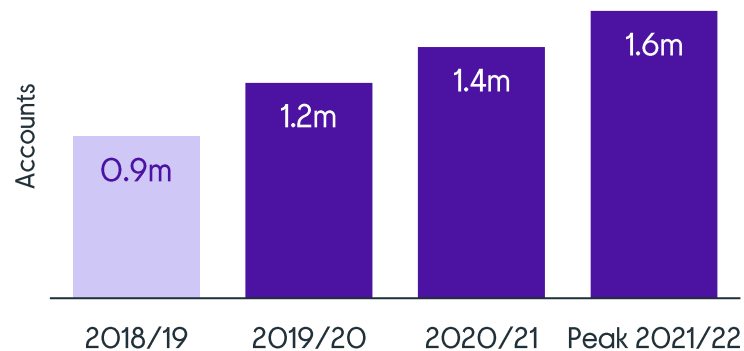
Vs Unassisted online

- Conversion >4x
- AOV >60%

Credit & Other Services: Helping everyone enjoy technology for life

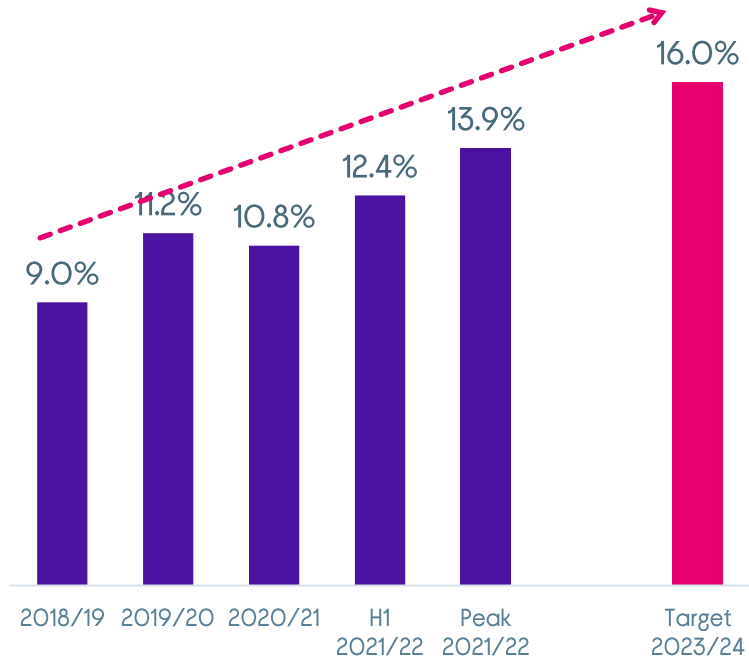
We have strong foundations

Active credit accounts in UK



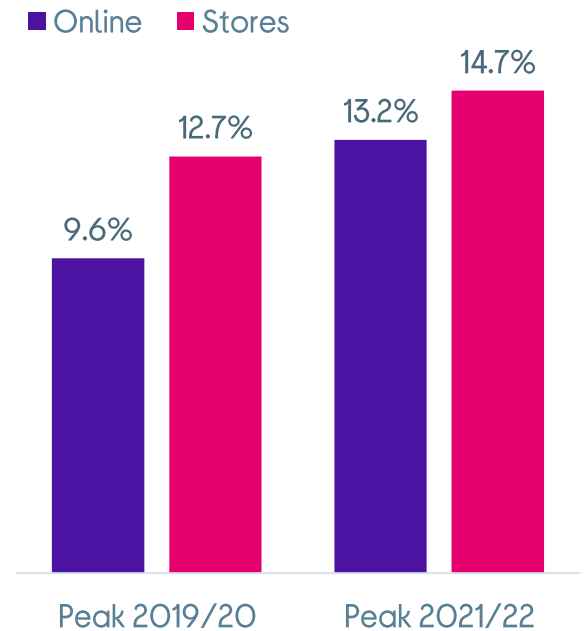
We are making good progress...

UK Credit Adoption Rate



...and closing gap between channels

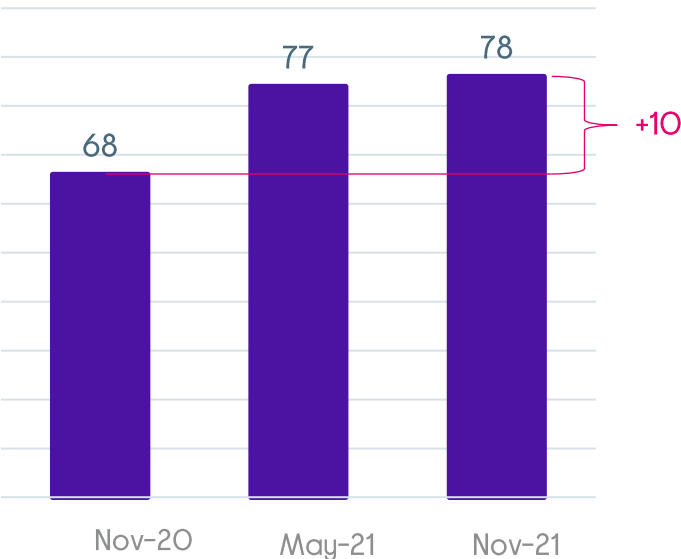
UK Credit Adoption by Channel



Colleague engagement up, customer satisfaction up

Happy colleagues...

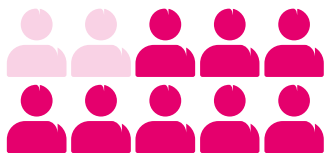
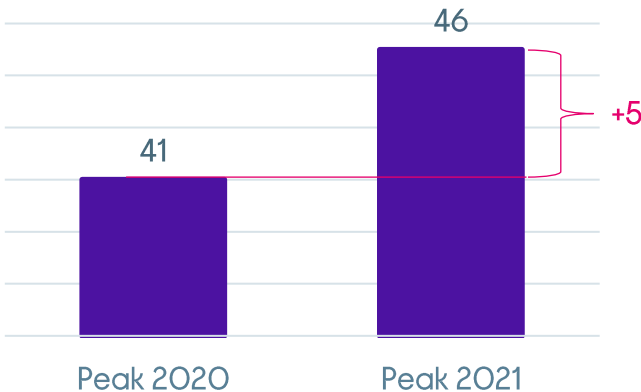
Currys UK&I Employee Satisfaction



Source: Glint survey of over 22,000 UK&I colleagues

...create happy customers

Total NPS



80%
say our colleagues are
the main reason for a
great experience*

Source: NPS based on Qualtrix VOC reporting
*8/10 NPS promoters cite Colleague Behaviours as the main reason for a great experience

Operationally a great Peak



Great progress on net zero targets

Targets



50% reduction

in scope 1, 2 and 3 emissions by 2029/30 against 2019/20.

Net zero by 2040

for scope 1, 2 and 3 emissions

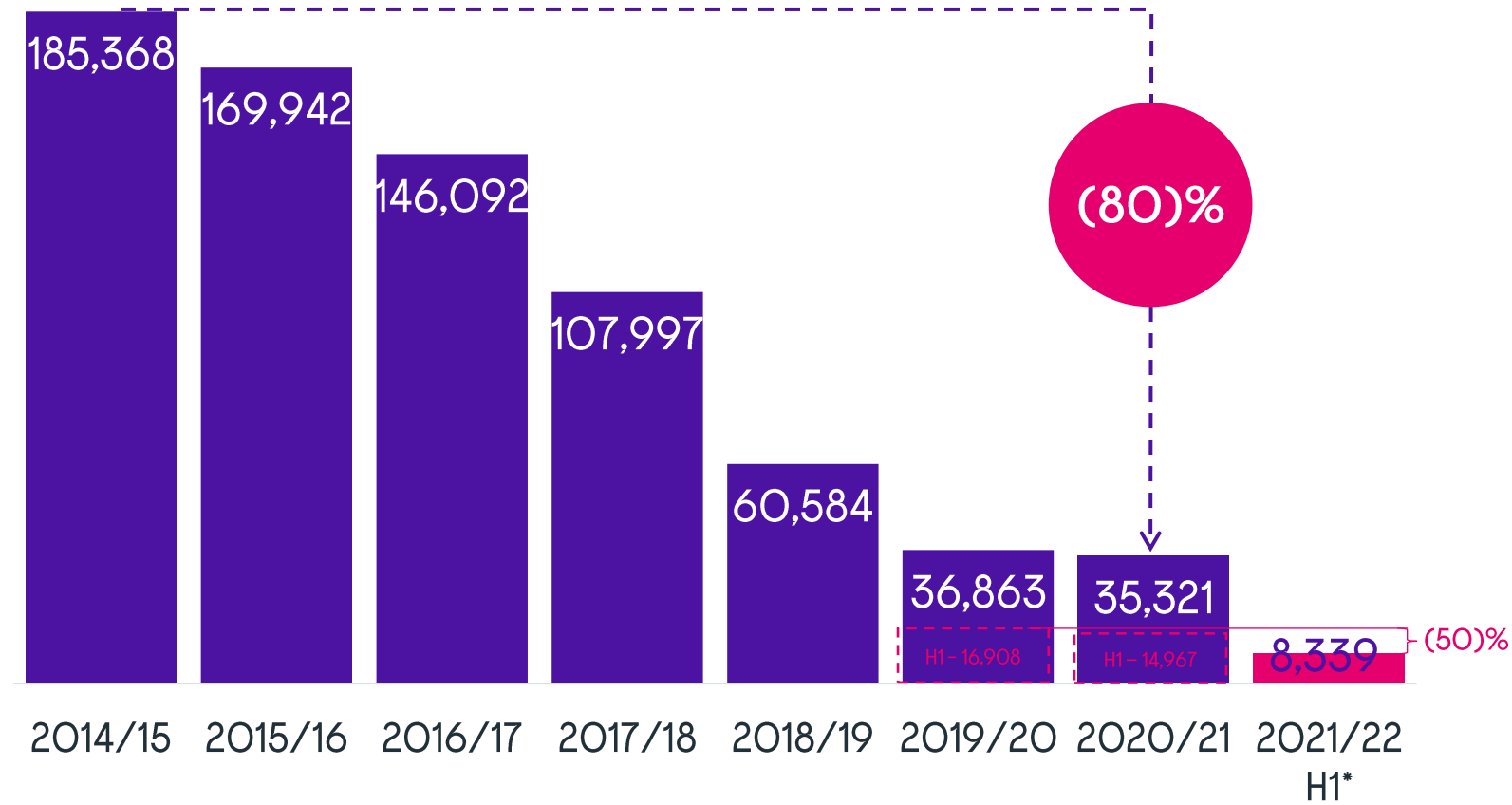
Progress in H1:

Switching to **renewable tariffs** in Greece

Reducing **fleet emissions** by switching to EVs / Maxus e-Deliver 3

Energy Management System to monitor and control energy usage

Emissions by year (scope 1 & 2 tonnes CO₂e)



We help everyone enjoy amazing technology.



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Peak Summary

Market: softer peak, but still sustainably larger

Peak changing: Is tech increasingly an essential year-round category?

Currys: Softer peak sales, but year-to-date sales robust, and share gains continue

Operationally our strongest peak

Cash generation and strong balance sheet underpin confidence in medium term ambitions

Transformation continues strong progress:

- **Omnichannel:** Strong online, good progress on online & stores together
- **Credit & other services** growing
- **Colleague engagement and customer satisfaction** up again
- **Sustainable business:** strong progress towards net zero



Currys Summary

International business with
growing #1 position in all
markets

Tech market is **sustainably larger**
as a result of the pandemic

Proven Omnichannel proposition
to best meet customer needs

Wide and valued **range of**
Services to help everyone
enjoy technology

Our strategy to build on
these **strengths** and create
customers for life is working

The hardest parts of
transformation are done

Strong cash generation has
transformed the **balance sheet**

The **full benefits** of
transformation are
yet to come



Visit our new corporate website

www.currysplc.com

