

Currys PLC - Performance continues to strengthen

6/27/2024

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Currys PLC

27 June 2024

Audited Results for the Year Ended 27 April 2024

Performance continues to strengthen **We Help Everyone Enjoy Amazing Technology**

Summary

- Group adjusted profit before tax £118m, +10% YoY
- Group net funds +£193m YoY
- Trading momentum improving throughout the year
- UK credit adoption +240bps to 20.1%, and +17% growth in active accounts to 2.3m
- iD Mobile growing strongly to 1.8m subscribers, +34% YoY
- Colleague engagement score +3 to 81, amongst top 10% of global companies¹
- Customer satisfaction rising with UK NPS +4pts YoY and Nordics "Happy or Not" climbing again
- Successful disposal of Greece business for a significant valuation premium

Financial performance

- UK&I like-for-like revenue (2)% and adjusted EBIT £142m, (16)% YoY
 - Underlying gross margin improvement and cost savings offset sales decline
 - Adjusted EBIT up +£2m excluding non-repeat of c.£30m of one-off mobile revaluations in the prior year
- Nordics like-for-like revenue (3)% and adjusted EBIT £61m, +135% YoY
 - Gaining share in a market that declined, with H2 market share +100bps YoY
 - Gross margin returning close to level of two years ago
- Continuing operations statutory profit before tax of £28m, +£490m YoY
- Free cash flow of £82m, +£174m improvement YoY
- Year-end net cash of £96m, +£193m YoY
- Period end IAS 19 pension deficit £(171)m, +£78m improvement YoY

Outlook

- Group trading in early part of the new financial year has been in line with expectations
- Group planning confidently for year ahead, expect profit and free cash flow growth
- Targeting continued growth in high margin, recurring revenue services, including reaching at least 2m iD Mobile subscribers before year end

Alex Baldock, Group Chief Executive

"Our performance continues to strengthen. We've kept up our encouraging momentum in the UK&I, our Nordics business is getting back on track, and we're stronger financially.

We can see our progress in ever-more engaged colleagues, more satisfied customers and better financial performance. Continued growth in sales of solutions and services were particular highlights: they're good for customers, margins and recurring revenues, and they lean on Currys' competitive strengths. We're planning prudently but confidently for the year ahead, on course to grow both profits and cashflow while carefully stepping back up to more normal investment levels.

Encouraged as we are by our progress, we know we can go further. For one thing, we expect AI-powered technology to be the most exciting new product cycle since the tablet in 2010. With our partnerships, scale and expert colleagues to demystify AI, we're best-placed to benefit.

As ever, I'm thankful to our thousands of capable and committed colleagues, whose skill and will is an inspiration to me. With them we can go so much further, and they will benefit alongside customers, shareholders and society."

Performance Summary

Group like-for-like sales decreased (2)% with a decline in both segments as high inflation and rising interest rates caused weak consumer confidence and depressed demand.

Revenue	2023/24 £m	2022/23 £m	Reported % change	Year-on-year	
				Currency neutral % change	Like-for- Like % change
- UK & Ireland	4,970	5,067	(2)%	(2)%	(2)%
- Nordics	3,506	3,807	(8)%	(2)%	(3)%
Continuing operations	8,476	8,874	(4)%	(2)%	(2)%

UK&I adjusted EBIT decreased (16)% YoY. This reflects a positive underlying performance, offset by the non-repeat of c.£30m of mobile revaluations in the prior year. Underlying improvements to gross margin were driven through higher adoption of services and solutions, better monetisation of our improved customer experience, a focus on more profitable sales, and cost savings. Operating costs fell in absolute terms as savings across property, marketing, central and IT costs more than offset inflationary cost pressures.

Nordics adjusted EBIT increased +135% YoY. Despite a challenging consumer spending environment, our disciplined focus on margins and costs is getting this business back on track. A year-on-year gross margin increase of +190bps has returned margins to the level of two years ago while cost savings have largely offset the impact of inflation.

Group operating cash flow was broadly flat YoY as the small improvement in adjusted EBIT was offset by lower depreciation. Free cash flow was an inflow of £82m, a +£174m improvement YoY, largely reflecting lower capital expenditure and a much-improved working capital outflow. Total cash inflow of £193m was £334m better YoY due to the higher free cash flow, lower dividend, reduced pension payments and the proceeds from the disposal of Kotsovolos.

Profit and Cash Flow Summary	2023/24 £m	2022/23 £m	2023/24 Adjusted £m	2022/23 Adjusted (restated) £m	Reported % change	Currency neutral % change
Segmental EBIT						
- UK & Ireland	88	(353)	142	170	(16)%	(16)%
- Nordics	29	(11)	61	26	+135%	+163%
EBIT on continuing operations	117	(364)	203	196	+4%	+8%
EBIT Margin	1.4%	(4.1)%	2.4%	2.2%	+20 bps	+20 bps
Net interest expense on leases	(59)	(63)	(59)	(63)	n/a	
Other net finance costs	(30)	(35)	(26)	(26)	n/a	
Profit / (loss) before tax on continuing operations	28	(462)	118	107	+10%	+16%
Tax on continuing operations	(1)	(30)	(31)	(25)		
Profit / (loss) after tax on continuing operations	27	(492)	87	82		
Profit after tax on discontinued operations	138	11				
Profit after tax	165	(481)				
Earnings / (loss) per share on continuing operations	2.4p	(44.6)p	7.9p	7.4p	+7%	
Operating cash flow			246	244	+1%	+5%
Operating cash flow margin			2.9%	2.7%	+20 bps	+20 bps
Cash generated from continuing operations	419	342				
Free cash flow			82	(92)	n/a	n/a
Net (cash) / debt			96	(97)	n/a	n/a

Balance sheet and capital allocation

The Group has a clear capital allocation framework:

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

Trading over the last year, combined with the successful disposal of the Greece business, means that the Group has finished the year with £96m net cash and a pension deficit of £171m, a net position of £(75)m. This is a more than £700m improvement compared to before the pandemic and represents a healthy position from which the company can pay required pension contributions, invest in future success and return cash to shareholders.

Currently, the Group continues to benefit from the relaxed bank covenants and lower pension contributions that were negotiated in spring 2023, although pension contributions will increase to £50m this year, and capital expenditure will rise back towards normalised levels. In this context, the Board has taken a prudent decision not to declare a dividend at this year-end. Providing trading is in line with expectations, it is the Board's intention to announce a recommencement of shareholder returns during the next twelve months.

Current year guidance

The Group expects to see growth in profits and free cash flow

- Capital expenditure of around £90m, doubling YoY and returning to normalised levels
- Net exceptional cash costs around £30m, due to lower restructuring costs
- Pension contributions of £50m, in line with scheduled increase from £36m in 2023/24

Other technical cashflow items:

- Depreciation & amortisation around £290m
- Cash payments of leasing costs, debt & interest around £260m
- Cash tax around £10m
- Cash interest of around £20m

2024/25 is a 53-week year. This will have a small impact on sales but immaterial impact on profits and cashflows.

Longer term guidance

The Group is continuing to target at least 3% adjusted EBIT margin. This, combined with maintained leading market share, tight discipline on capital expenditure, controllable exceptional cash costs and working capital, is expected to deliver improving free cash flow.

The Group pension contributions are scheduled to rise to £78m in 2025/26 and for the following two years, before a final payment of £43m in 2028/29. Pension contributions will cease ahead of schedule if the deficit falls to zero on a defined basis agreed between the Group and the scheme trustees. The next triennial valuation date is March 2025 and the Group will work proactively with the scheme trustees through this process to maximise value for all stakeholders.

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

Unless otherwise stated, 2022/23 figures have been restated throughout this report to exclude discontinued operations.

1Viva-Glint, December 2023.

We Help Everyone Enjoy Amazing Technology

Chief Executive's Review

Our priorities last year were simple: to get the Nordics back on track, to keep the UK&I's encouraging momentum going, and to strengthen our balance sheet and liquidity in a turbulent environment. I am pleased to say that we made good progress in all three areas, and we can plan confidently for the future.

In the Nordics, consumer demand remained weak. Headwinds of inflation and interest rate rises impacted consumer confidence and drove a market decline of (3)% YoY. Against this backdrop, we grew market share (1H: (90)bps, 2H: +100bps), recovered our gross margin (+190bps) back to the level of two years ago, and saw our profits more than double, despite a headwind from currency translation.

In the UK&I, the market was similarly soft, declining (3)% YoY. We maintained our #1 position but lost (70)bps of share, as we continued to focus on more profitable sales. This focus saw UK&I gross margin improve +120bps Yo2Y, and, alongside significant net cost savings, this resulted in adjusted profits climbing +£25m compared to two years ago, despite a (9)% drop in revenue over the same period.

These achievements have been built on our long-term strategy.

Our strategy starts with colleagues, as it is difficult in a business like ours for the customer experience to exceed that of the colleague. We have supported colleagues with better tools, training and reward, and now have world class colleague engagement scores to show for it, with Group eSat climbing +3 to 81, putting Currys plc in the top 10% of global companies. I am lucky enough to see my colleagues in action every day, and the calibre of people in our business, from my immediate leadership team through to colleagues on the front line, has never been higher.

Second, we are making our customer proposition ever easier to shop. We look to constantly improve on the retail fundamentals of range, price, and availability. To this we add solution selling whereby we seek to sell the customer everything they need (products, accessories and services) rather than just a product on its own. We have seen a +10pts YoY improvement in UK&I solutions adoption rates to nearly 30% of eligible products sold now have ancillary products alongside, helping customers enjoy the technology to the full while growing our profits. We are also doing more to get it 'Right First Time' for customers. This big business-wide effort improves customer satisfaction (they like it when the right washing machine arrives undamaged at the appointed time, and can be installed there and then), and so indirectly reduces customer acquisition costs. It also reduces the cost of repeat work (by £8m last year), while boosting margins: customers will pay more for a better service.

We are doing all this with the benefit of the omnichannel shopping model. Customers clearly prefer to use stores as an integral part of their shopping journey, and we have invested to continually improve that experience online and in-store. This year will see prudent increases to those investments.

The third leg of our strategy is to create customers for life. At the heart of this is our unique range of services that help customers afford and enjoy amazing technology to the full.

We help customers afford tech through credit, and we have seen UK&I adoption climb +240bps to 20.1%, and active customer accounts grow +17% to almost 2.3m.

We help customers get tech started, through installation and set-up. Our installation services are becoming ever more valued by customers, and 28% of UK big box deliveries now include installation, a rise of +290bps YoY. Our in-home customer satisfaction is amongst the highest of all activities we carry out.

Once they have the tech, customers want to keep it working. We are uniquely well placed to keep tech working as we operate repair services in Norway, Sweden and the UK, where we have Europe's largest technology repair centre. We are the only tech retailer that operates our own repair facilities, allowing us to offer customers the protection they want at good value. The result of this can be seen in the 12m protection plans in place across the Group. During the year, our team of over 1,400 engineers successfully completed 1.4 million product repairs, both at our repair centres and in customers' homes.

When tech has reached the end of its life, we want everyone to bring their old or unwanted tech into our stores to be reused or recycled for free - whether they bought it from us or not. If we can't reuse it, then we can harvest the parts which can be put to good use by our amazing repair colleagues in our labs. Or we can recycle it.

Currys has worked on responsible recycling for many years. We provide free in-store drop off and collect our customers' unwanted electrical equipment and small electrical appliances for recycling when we deliver their new technology. In 2023/24, 8.1 million e-waste products were collected for reuse and recycling across the Group.

The circularity of trade-in, protection, repair, refurbishment, reuse and recycling is not just a PR exercise for Currys, it's our business model. Colleagues increasingly want to work for organisations with powerful societal benefit, and customers want to shop there. Customers value the economic benefit of pre-loved and repaired products. Currys' well-invested capabilities in this area are barriers to competitors, while our unmatched scale makes offering the complete set of activities more profitable for us.

Finally, we help customers get the most out of their tech, with connectivity being the greatest enabler of this.

Our mobile business is growing, profitable and cash generative. iD Mobile, our MVNO (Mobile Virtual Network Operator) in the UK, has been the standout performer this year. It has grown +34% to 1.8m subscribers, as customers have realised the value in the deals we offer. iD is an increasingly valuable asset in the business, one that we intend to keep growing, targeting at least 2m subscribers before year end.

Credit, protection plans and connectivity are all sources of higher margin, recurring revenue. Our aim is to continue growing these, so that over time our business mixes away from single product purchases to the more predictable, recurring and higher margin revenue streams of solution sales.

All of this rests on important progress in collecting, protecting and using data, evidenced by our Nordics Customer Club growing to 8.6m members, and 8.9m Currys Perks members. These memberships generate over £4bn of customer revenue per year.

Delivering on our strategy drives improved customer satisfaction, which has climbed to record levels this year. It also drives improved profits.

Our UK&I gross margin is now +240bps higher than three years ago and our Nordics gross margin has rebounded strongly, up +190bps YoY. The drivers of gross margin are the same across the Group:

- **Better bundling of products - Selling customers a complete solution enhances customer satisfaction and our margins**
- **Higher adoption of services - Our services are higher margin than our product sales, and produce recurring revenues**
- **Monetising the improved experience - As our strategy has improved the customer experience we have been able to charge more for it**
- **Focus on higher margin sales - Our enhanced data and analytics have provided a better understanding of end-to-end profitability, which we have used not to chase sales that fall below internal margin thresholds**
- **Cost savings - We have delivered significant cost savings in our supply chain and service operations through outsourcing and efficiencies**

Cost savings have also reduced our operating costs, and in the UK&I we have delivered £268m of total cost reductions over the last three years as a result of actions in supply chain and service operations, stores, central operations and IT. Cost saving processes and culture are now embedded across the Group. There is more cost to go after, with more we can do on Group synergies, and through process improvement enhanced by Artificial Intelligence (AI) technology. We are in the early phases of exploring Generative AI and, having identified over 60 potential use cases, we are focussing, with our partners Accenture and Microsoft, on opportunities in aftersales returns and repairs.

Alongside improved profitability, we have been prudent in deploying cash. Last year, our capital expenditure was deliberately reduced and working capital was tightly controlled. In April, we completed the disposal of our Greece business for net proceeds of £156m, allowing us to focus on our larger businesses in the UK&I and Nordics and further strengthening our balance sheet. We finished the year with £96m net cash and a pension deficit of £(171)m. This £(75)m net position is £700m better than it was four years ago at the start of the pandemic.

We are the clear #1 brand in all our markets, with a diversified revenue base and a strategy that is working. After a volatile five years that have been impacted by the legacy issues in UK Mobile, the pandemic disruption, and a challenging situation in the Nordics, we have delivered a year without any surprises and with material progress in all three priorities of Nordics recovery, UK&I momentum and financial strength. Our priority for the year ahead is simple: to continue doing the same. We are planning prudently but confidently on this basis.

After three years of revenue declines, there are also reasons to be more cheerful about the outlook for topline growth. First, when we look at what we sell, the coming wave of AI led technology offers arguably the most exciting tech cycle since the Apple iPad in 2010. We are uniquely placed to help consumers understand the power of this technology and are working closely with suppliers on recent and upcoming product launches. For example, we were the first retailer globally to launch Microsoft Copilot+PC. We also see opportunities in product categories and services where we're growing but are still underweight. Second, in terms of who we sell to, we are starting to see consumers in all our markets recover, with confidence and spending indicators increasing. We also have an opportunity in B2B, where we are well placed to serve small and medium sized enterprises, a market almost as large as B2C which currently represents only 6% of our sales. Finally, on how we sell product, we will continue making improvements to our websites, and further judicious investments in our stores.

We remain focussed on generating improved free cash flow through improved operating performance, tight working capital management and increasing capital expenditure back to normalised levels to support profitable growth and the long-term success of this business.

Combined with our proactive actions to strengthen the balance sheet, this will enable resumption and growth of shareholder returns. We will then see a business that's increasingly valuable for shareholders as well as colleagues, customers and society.

Results call

There will be a live presentation followed by Q&A call for investors and analysts at 9:30am today. It will be webcast here: https://brrmedia.news/CURY_FY24

Next scheduled announcement

The Group is scheduled to publish a trading update at its AGM on 5 September 2024.

For further information

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

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About Currys plc

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 719 stores in 6 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

In the UK & Ireland we trade as Currys and in the UK we operate our own mobile virtual network, iD Mobile. In the Nordics we trade under the Elkjøp brand. We're the market leader in all markets, able to serve all households and employing 24,000 capable and committed colleagues.

We help everyone enjoy amazing technology. We believe in the power of technology to improve lives, helping people stay connected, productive, fit, 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.

Our full range of services and support makes it easy for our customers to discover, choose, afford and enjoy the right technology to the full. The Group's operations include Europe's largest technology repair facility, a sourcing office in Hong Kong and an extensive distribution network, centred on Newark in the UK and Jönköping in Sweden, enabling fast and efficient delivery to stores and homes.

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 aim to achieve net zero emissions by 2040. We offer customers products that help them save energy, reduce waste and save water, and we partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded.

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

Performance Review

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

Following the disposal of Kotsovolos on 10 April 2024, the Greece reporting segment has been removed from current and prior year results.

Income Statement	2023/24 £m	2022/23 (restated) £m	Reported % change	Currency neutral % change
Revenue	8,476	8,874	(4)%	(2)%
Adjusted EBITDA	479	481	-%	+3%
Adjusted EBITDA margin	5.7%	5.4%	+30 bps	+30 bps
Depreciation on right-of-use assets	(178)	(179)		
Depreciation on other assets	(41)	(46)		
Amortisation	(57)	(60)		
Adjusted EBIT	203	196	+4%	+8%
Adjusted EBIT margin	2.4%	2.2%	+20 bps	+20 bps
Interest on lease liabilities	(59)	(63)		
Finance income	4	2		
Adjusted finance costs	(30)	(28)		
Adjusted PBT	118	107	+10%	+16%
Adjusted PBT margin	1.4%	1.2%	+20 bps	+20 bps
Adjusted tax	(31)	(25)		
Adjusted Profit after tax on continuing operations	87	82		
Adjusted EPS	7.9p	7.4p		
Statutory Reconciliation				
Adjusting items to EBITDA	(63)	(537)		
EBITDA	416	(56)	n/a	n/a
Adjusting items to depreciation and amortisation	(23)	(23)		
EBIT	117	(364)	n/a	n/a
EBIT Margin	1.4%	(4.1%)	+550 bps	+550 bps
Adjusting items to finance costs	(4)	(9)		
PBT	28	(462)	n/a	n/a
Adjusting items to tax	30	(5)		
Profit after tax on continuing operations	27	(492)		
EPS - total	14.9p	(43.6)p		

Cash flow	2023/24 £m	2022/23 (restated) £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	483	491	(2)%	+2%
Adjusted EBITDAR margin	5.7%	5.5%	+20 bps	+20 bps
Cash payments of leasing costs, debt & interest ¹	(247)	(261)		
Other non-cash items in EBIT	10	14		
Operating cash flow	246	244	+1%	+5%
Operating cash flow margin	2.9%	2.7%	+20 bps	+20 bps
Capital expenditure	(48)	(103)		
Adjusting items to cash flow	(48)	(40)		
Free cash flow before working capital	150	101	+49%	+55%
Working capital	(34)	(127)		
Segmental free cash flow	116	(26)	n/a	n/a
Cash tax paid	(7)	(40)		
Cash interest paid	(27)	(26)		
Free cash flow	82	(92)	n/a	n/a
Dividend	-	(35)		
Purchase of own shares - share buyback	-	-		
Purchase of own shares - employee benefit trust	(12)	(4)		
Pension	(36)	(78)		
Disposals including discontinued operations	162	22		
Other	(3)	46		
Movement in net cash / (debt)	193	(141)	n/a	n/a
Net cash / (debt)	96	(97)	n/a	n/a

UK & Ireland

	2023/24	2022/23
Number of stores		
UK	282	285
Ireland	16	16
Total UK&I	298	301
Selling space '000 sq. ft		
UK	5,223	5,262
Ireland	207	207
Total UK&I	5,430	5,469

	2023/24 £m	2022/23 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	4,970	5,067	(2)%	(2)%
Adjusted EBITDA	294	325	(10)%	(10)%
Adjusted EBITDA margin	5.9%	6.4%	(50) bps	(50) bps
Depreciation on right-of-use assets	(97)	(98)		
Depreciation on other assets	(18)	(21)		
Amortisation	(37)	(36)		
Adjusted EBIT	142	170	(16)%	(16)%
Adjusted EBIT margin	2.9%	3.4%	(50) bps	(50) bps
Adjusting items to EBIT	(54)	(523)		
EBIT	88	(353)	n/a	n/a
EBIT margin	1.8%	(7.0)%	+880 bps	+880 bps
Cash flow				
Adjusted EBITDAR	298	332	(10)%	(10)%
Adjusted EBITDAR margin	6.0%	6.6%	(60) bps	(60) bps
Cash payments of leasing costs, debt & interest	(150)	(161)		
Other non-cash items in EBIT	8	10		
Operating cash flow	156	181	(14)%	(14)%
Operating cash flow margin	3.1%	3.6%	(50) bps	(50) bps
Capital expenditure	(22)	(58)		
Adjusting items to cash flow	(32)	(36)		
Free cash flow before working capital	102	87	+17%	+17%
Working capital	(19)	(71)		
Segmental free cash flow	83	16	+419%	+419%

Total reported and like-for-like UK&I sales declined (2)% and the online share of business was 45%, flat YoY.

The UK market shrank (3)% during the year with the store channel reducing by around (6)% and the online market reducing by (3)%. Our market share was down (70)bps compared to the previous year, in line with our focus on profitable sales. In higher

margin areas, our market share is stable. Mobile and services were the strongest performing categories, in line with our plans to grow our mix of recurring revenue. Sales of major domestic appliances fell slightly, while consumer electronic and computing sales declined more steeply.

Gross margins decreased (40)bps (1H: +10bps, 2H: +(80) bps). The non-repeat of £30 million mobile revaluations impacted margins by (60)bps. The underlying improvement of +20bps reflects the investment in long-term transformation activities which has yielded higher adoption rate of credit and other services and allowed us to better monetise the improvements in our customer proposition. Alongside this, improved understanding and analysis of the end-to-end profitability has allowed for more selective promotional activity and we have driven £35m of cost savings within supply chain. Operating costs fell in absolute terms as wage and other inflation was offset by savings in stores, IT, central and marketing costs. The operating expense to sales ratio worsened by (10)bps due to operating deleverage.

Adjusted EBIT decreased to £142m at 2.9% EBIT margin, down (50)bps YoY.

In the period, adjusting items to EBIT totalled £(54)m mainly due to £(11)m of restructuring charges, £(17)m of impairment losses and new provisions related to historical regulatory matters. The cash costs in the period primarily relate to ongoing strategic change and leases on closed properties.

	2023/24 £m		2022/23 £m	
	P&L	Cash	P&L	Cash
Acquisition / disposal related items	(11)	-	(11)	-
Strategic change programmes	(11)	(26)	(8)	(36)
Impairment losses and onerous contracts	(17)	(2)	(511)	-
Regulatory	(13)	(3)	7	-
Other	(2)	(1)	-	-
Total	(54)	(32)	(523)	(36)

Operating cash flow was down (14)% to £156m due to lower operating profit, slightly offset by lower lease costs. Capital expenditure was down significantly compared to last year due to deliberate decision to reduce spend during the year, with £22m spent on a variety of small-scale IT and systems upgrades. Adjusting items are described above. Working capital cash outflow was driven by iD Mobile, offset by small inflows in the rest of the business because of internal efficiencies and sales growth in the final few months of the year. In combination, this resulted in segmental free cash inflow of £83m, £67m higher than last year.

Nordics

2023/24				2022/23		
Number of stores	Own stores	Franchise stores	Total	Own stores	Franchise stores	Total
Norway	80	64	144	87	63	150
Sweden	96	76	172	99	76	175
Denmark	47	-	47	44	-	44
Finland	20	22	42	21	21	42
Other Nordics	-	16	16	-	15	15
Nordics	243	178	421	251	175	426

Selling space '000 sq ft	Own stores	Franchise stores	Total	Own stores	Franchise stores	Total
Norway	1,062	654	1,716	1,100	616	1,716
Sweden	1,150	389	1,539	1,182	389	1,571
Denmark	788	-	788	734	-	734
Finland	508	196	704	520	184	704
Other Nordics	-	106	106	-	105	105
Nordics	3,508	1,345	4,853	3,536	1,294	4,830

	2023/24 £m	2022/23 £m	Reported % change	Currency neutral % change
Income Statement				
Revenue	3,506	3,807	(8)%	(2)%
Adjusted EBITDA	185	156	+19%	+29%
Adjusted EBITDA margin	5.3%	4.1%	+120 bps	+130 bps
Depreciation on right-of-use assets	(81)	(81)		
Depreciation on other assets	(23)	(25)		
Amortisation	(20)	(24)		
Adjusted EBIT	61	26	+135%	+163%
Adjusted EBIT margin	1.7%	0.7%	+100 bps	+120 bps
Adjusting items to EBIT	(32)	(37)		
EBIT	29	(11)	n/a	n/a
EBIT margin	0.8%	(0.3%)	+110 bps	+120 bps
Cash flow				
Adjusted EBITDAR	185	159	+16%	+26%
Adjusted EBITDAR margin	5.3%	4.2%	+110 bps	+120 bps
Cash payments of leasing costs, debt & interest	(97)	(100)		
Other non-cash items in EBIT	2	4		
Operating cash flow	90	63	+43%	+58%
Operating cash flow margin	2.6%	1.7%	+90 bps	+100 bps
Capital expenditure	(26)	(45)		
Adjusting items to cash flow	(16)	(4)		
Free cash flow before working capital	48	14	+243%	+273%

Working capital	(15)	(56)		
Segmental free cash flow	33	(42)	n/a	n/a

Revenue declined by (2)% on a currency neutral basis, due to a like-for-like sales decline of (3)%.

Compared to last year, the Nordic market declined around (3)%. Our market share was 27.7%, +10bps higher than last year, with improving trajectory throughout the year (1H: (80)bps, 2H: +100bps). Mobile and service revenues saw growth, with all other product categories experiencing a sales decline, particularly computing and consumer electronics.

Gross margin recovered strongly, growing +190bps YoY, almost back to level of two years ago. This was driven through a better balance of trading in a market where the inventory position and competitive intensity have normalised, but consumer spending remains subdued. The operating expense to sales ratio worsened by (90)bps as cost inflation meant that costs increased slightly, despite the impact of cost savings delivered across marketing, procurement, and IT expenditure.

As a result, adjusted EBIT increased +135% to £61m.

In the period, adjusting items to EBIT totalled £(32)m, with £(12)m due to the amortisation of acquisition intangibles and £(15)m of asset impairments which have no cash impact, as well as £(5)m of restructuring costs. The cash cost of restructuring was £(16)m in the year.

	2023/24 £m		2022/23 £m	
	P&L	Cash	P&L	Cash
Acquisition / disposal related items	(12)	-	(12)	-
Strategic change programmes	(5)	(16)	(18)	(4)
Impairment losses and onerous contracts	(15)	-	(7)	-
Total	(32)	(16)	(37)	(4)

Operating cash flow increased by +43% to £90m, driven by the higher profit outturn. Capital expenditure was £26m, a (42)% reduction YoY as investment was reduced in line with group policy. Significant areas of expenditure included store refits, IT transformation and the upgrades to our Nordic Distribution Centre expansion in Jönköping. Working capital outflow was £(15)m, driven mainly by the lower sales volumes.

Finance Costs

Interest on lease liabilities was £(59)m, lower than last year and in line with our overall lease commitment. 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 lower than last year due to lower interest on lease liabilities. The net cash impact of these costs was £(27)m from £(26)m in the prior year.

The finance cost on the defined benefit pension scheme is an adjusting item and increased by £4m compared to the prior year due to higher average interest rates.

	2023/24	2022/23 (Restated)
	£m	£m
Interest on lease liabilities	(59)	(63)
Finance income	4	2
Finance costs	(30)	(28)
Adjusted net finance costs	(85)	(89)
Finance costs on defined benefit pension schemes	(11)	(7)
Other finance costs	7	(2)
Net finance costs on continuing operations	(89)	(98)

Tax

The full year adjusted effective tax rate of 27% was higher than the previous year rate of 23% due to the impact of the increase of the UK tax rate from 19% to 25% in April 2023 on current year profits. Taxation payments of £7m (2022/23: £40m) were lower due to the settlement of previously deferred payments in the Nordics in the prior year. The cash tax rate of 6% is

lower than the adjusted effective rate of 27% primarily due to the tax impact of adjusting items, which reduce taxes payable.

Cash flow

	2023/24 £m	2022/23 (restated) £m	Reported % change	Currency neutral % change
Operating cash flow	246	244	+1%	+5%
Capital expenditure	(48)	(103)		
Adjusting items to cash flow	(48)	(40)		
Free cash flow before working capital	150	101	+49%	+55%
Working capital and network receivables	(34)	(127)		
Segmental free cash flow	116	(26)	n/a	n/a
Cash tax paid	(7)	(40)		
Cash interest paid	(27)	(26)		
Free cash flow	82	(92)	n/a	n/a
Dividend	-	(35)		
Purchase of own shares - share buyback	-	-		
Purchase of own shares - employee benefit trust	(12)	(4)		
Pension	(36)	(78)		
Disposals including discontinued operations	162	22		
Other	(3)	46		
Movement in net cash	193	(141)	n/a	n/a
Opening net cash / (debt)	(97)	44	n/a	
Closing net cash / (debt)	96	(97)	n/a	n/a

Segmental free cash flow was an inflow of £116m (2022/23: outflow of £(26)m) mainly due to improvements in working capital and lower capital expenditure as described in segmental performance above. Interest and tax outflows totalled £(34)m as described above, resulting in free cash flow of £82m (2022/23: outflow of £(92)m).

During this period, the Group disposed of its Greece business, Kotsovolos, generating cash proceeds of £162 million, with funds received upon completion in the final month of the year. Fees associated with the transaction were paid after the year end.

The employee benefit trust acquired £12m worth of shares to satisfy colleague share awards.

Pension contributions of £36m (2022/23: £78m) were in line with the contribution plan agreed with the pension fund trustees at the previous triennial review.

Other movements relate to currency translation differences due to movements on foreign net debt across multiple currencies.

The closing net cash position was £96m, compared to a net debt position of £(97)m at 29 April 2023.

Balance sheet

The prior year balance sheet is shown including and excluding Greece. The commentary below refers to the balance sheet movements excluding any impact from the disposal of Greece.

	27 April 2024 Group	29 April 2023 Group Excluding Greece	29 April 2023 Group
	£m	£m	£m
Goodwill	2,237	2,270	2,270
Other fixed assets	1,156	1,385	1,500
Working capital	(163)	(220)	(230)
Net cash / (debt)	96	(170)	(97)
Net lease liabilities	(999)	(1,143)	(1,228)
Pension	(171)	(248)	(249)
Deferred tax	8	4	8
Provisions	(72)	(48)	(48)
Income tax payable	(20)	(33)	(34)
Net assets	2,072	1,797	1,892

Goodwill decreased £(33)m as currency revaluations impacted goodwill allocated to Nordics.

Other fixed assets decreased by £(229)m, as reduced capital expenditure and lease additions were more than offset by impairments, depreciation and amortisation.

	27 April 2024 Group	29 April 2023 Group Excluding Greece	29 April 2023 Group
	£m	£m	£m
Inventory	1,034	1,004	1,151
Trade Receivables	195	261	299
Trade Payables	(1,180)	(1,248)	(1,439)
Trade working capital	49	17	11
Network commission receivables and contract assets	66	116	116
Network accrued income	187	105	105
Network receivables	253	221	221
Other Receivables	269	207	259
Other Payables	(743)	(675)	(731)
Derivatives	9	10	10
Working capital	(163)	(220)	(230)

At year-end, total working capital was £(163)m (29 April 2023: £(220)m). Group inventory was £1,034m, +3% higher than last year, due primarily to an increase in mobile stock to support strong demand. Stock days remained flat year-on-year at 61. Trade payable days slightly improved to 74 (2022/23: 73) since 29 April 2023, trade payables decreased by £68m to £(1,180)m (29 April 2023: £(1,248)m).

Total network receivables increased £32m due to growth of iD Mobile.

The majority of the movement in other receivables and other payables is due to a reclassification between the two balances, with the net payable increase of £(6)m driven by lower contract assets and an increase in accruals.

Lease liabilities have reduced by £(144)m against 29 April 2023 due to the closure of stores and reduction in rents at lease renewals.

The IAS 19 accounting deficit of the defined benefit pension scheme amounted to £171m (30 April 2023: £248m). The reduction of £77m during the period was primarily driven by £36m of contributions and £46m due to updated assumptions on longevity and commutation. The application of a higher discount rate was favourable for the deficit, but this was entirely offset by a lower return on assets as the asset portfolio is structured to materially hedge the scheme's funding position against movements in the discount rate.

As agreed during the last triennial valuation, pension contributions will rise to £50m in 2024/25 and to £78m per annum for the following three years, with a final payment of £43m in 2028/29, when deficit is scheduled to be closed.

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

	27 April 2024	29 April 2023*	30 April 2022*
	£m	£m	£m
Net cash / (debt)	96	(97)	44
Restricted cash	(36)	(30)	(30)
Net lease liabilities	(999)	(1,228)	(1,263)
Pension liability	(171)	(249)	(257)
Total closing indebtedness	(1,110)	(1,604)	(1,506)
Less: year-end net cash / (debt)	(96)	97	(44)
Add: average net cash / (debt)	(69)	(96)	290
Total average indebtedness	(1,275)	(1,603)	(1,260)

	27 April 2024	29 April 2023*	30 April 2022*
	£m	£m	£m
Operating cashflow	246	268	375
Cash payments of leasing costs, debt & interest	247	283	263
Operating cash flow plus cash payments of leasing	493	551	638
Bank covenant ratios			
Fixed charges (cash lease costs + cash interest)	274	309	280
Fixed charge cover	1.80x	1.78x	2.28x
Net cash excluding restricted funds	60	(127)	14
Net debt leverage	(0.24)x	0.47x	(0.04)x
Net indebtedness ratios			
Fixed charges (cash lease costs + cash interest + pension contributions)	310	387	358
Total indebtedness fixed charge cover	1.59x	1.42x	1.78x
Total closing indebtedness	(1,110)	(1,604)	(1,506)
Total indebtedness leverage	2.25x	2.91x	2.36x

*The prior year figures have not been restated for the disposal of Kotsovolos as these calculations are consistent with the covenants in place at the time

At 27 April 2024 the Group had a net cash position of £96m (2022/23: net debt £(97)m) and average net debt for the year of £(69)m (2022/23: average net debt £(96)m). The Group has access to £493m across two longer term revolving credit facilities that expire in April 2026, and two additional short-term credit facilities totalling £134m that expire in October 2024, taking total available credit from revolving credit facilities to £627m. The covenants on the debt facilities are net debt leverage <2.5x and fixed charge cover >1.75x. In April 2023 the Group's supportive lending syndicate agreed to relax the fixed charge cover covenant to >1.5x until after the October 2024 measurement date.

The deferred tax asset remained at £8m in the year and related primarily to the Nordics business. The potential UK deferred tax asset remained de-recognised in the year, which has been prudently assessed based on the current macroeconomic uncertainty.

Provisions primarily relate to property, reorganisation and sales provisions. The balance increased by £24m during the year due to additions for new provisions related to historical regulatory matters, and reclassification of balances related to insurance claim liabilities and commercial clawbacks.

Comprehensive income / Changes in equity

Total equity for the Group increased from £1,892m to £2,072m in the period, driven by profit after tax of £165m, the actuarial gain (net of taxation) on the defined benefit pension deficit for the UK pensions scheme of £57m, hedging gains of £4m and movements in relation to share schemes of £8m. This was partially offset by £(42)m for the translation of overseas operations and purchase of own shares by the EBT of £(12)m.

Share count

The weighted average number of shares used for basic earnings increased by 2m to 1,106m 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 increased as some schemes improved performance against vesting conditions.

	27 April 2024 Million	29 April 2023 Million
Weighted average number of shares		
Average shares in issue	1,133	1,133
Less average holding by Group EBT and treasury shares held by Company	(27)	(29)
For basic earnings / (loss) per share	1,106	1,104
Dilutive effect of share options and other incentive schemes	22	20
For diluted earnings / (loss) per share	1,128	1,124

Financial Information

Consolidated Income Statement

	Note	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Continuing Operations			
Revenue	2	8,476	8,874
Profit before impairment of goodwill, interest and tax	2	117	147
Impairment of goodwill		-	(511)
Profit / (loss) before interest and tax		117	(364)
Finance income		4	2
Finance costs		(93)	(100)
Net finance costs	3	(89)	(98)
Profit / (loss) before tax		28	(462)
Income tax expense		(1)	(30)
Profit / (loss) after tax for the period from continuing operations		27	(492)
Profit after tax for the period from discontinued operations		138	11
Profit / (loss) after tax for the period		165	(481)
Earnings per share (pence)	4		
Basic - continuing operations		2.4p	(44.6)p
Diluted - continuing operations		2.4p	(44.6)p
Basic - total		14.9p	(43.6)p
Diluted - total		14.6p	(43.6)p

* The prior period has been restated to exclude discontinued operations

Financial Information

Consolidated Statement of Comprehensive Income

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Profit/(loss) after tax for the period	165	(481)
<i>Items that may be reclassified to the income statement in subsequent periods:</i>		
Cash flow hedges		
Fair value movements recognised in other comprehensive income	4	11
Reclassified and reported in income statement	6	3
Tax on movements on cash flow hedges	(1)	-
Loss arising on translation of foreign operations	(41)	(5)
Reclassification of foreign currency translation differences due to disposal of foreign operations	(1)	-
	(33)	9
<i>Items that will not be reclassified to the income statement in subsequent periods:</i>		
Actuarial gain/(loss) on defined benefit pension schemes	- UK	52
	- Overseas	-
Tax on movements on defined benefit pension schemes	5	(35)
	57	(96)
Other comprehensive income/(expense) for the period (taken to equity)	24	(87)
Total comprehensive income/(expense) for the period - continuing operations	52	(579)
Total comprehensive income for the period - discontinued operations	137	11
Total comprehensive income/(expense) for the period	189	(568)

* The prior period has been restated to exclude discontinued operations

Financial Information

Consolidated Balance Sheet

	27 April 2024 £m	29 April 2023 £m
Non-current assets		
Goodwill	2,237	2,270
Intangible assets	246	350
Property, plant & equipment	111	155
Right-of-use assets	799	995
Lease receivables	3	4
Trade and other receivables	101	148
Deferred tax assets	20	23
	3,517	3,945
Current assets		
Inventory	1,034	1,151
Lease receivables	1	1
Trade and other receivables	616	631
Income tax receivable	3	1
Derivative assets	13	23
Cash and cash equivalents	125	97
	1,792	1,904

Total assets	5,309	5,849
Current liabilities		
Trade and other payables	(1,809)	(2,067)
Derivative liabilities	(4)	(13)
Income tax payable	(23)	(35)
Loans and other borrowings	(29)	(16)
Lease liabilities	(202)	(213)
Provisions	(64)	(43)
	(2,131)	(2,387)
Non-current liabilities		
Trade and other payables	(114)	(103)
Loans and other borrowings	-	(178)
Lease liabilities	(801)	(1,020)
Retirement benefit obligations	(171)	(249)
Deferred tax liabilities	(12)	(15)
Provisions	(8)	(5)
	(1,106)	(1,570)
Total liabilities	(3,237)	(3,957)
Net assets	2,072	1,892
Capital and reserves		
Share capital	1	1
Share premium reserve	2,263	2,263
Other reserves	(844)	(804)
Accumulated profits	652	432
Equity attributable to equity holders of the parent company	2,072	1,892

Financial Information

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium reserve £m	Other reserves £m	Accumulated profits £m	Total equity £m
At 1 May 2022	1	2,263	(803)	1,040	2,501
Profit for the period	-	-	-	(481)	(481)
Other comprehensive income/(expense) recognised directly in equity	-	-	9	(96)	(87)
Total comprehensive income/(expense) for the period	-	-	9	(577)	(568)
Amounts transferred to the carrying value of inventory purchased during the period	-	-	(19)	-	(19)
Net movement in relation to share schemes	-	-	13	4	17
Purchase of own shares - employee benefit trust	-	-	(4)	-	(4)
Equity dividend	-	-	-	(35)	(35)
At 29 April 2023	1	2,263	(804)	432	1,892
Profit for the period	-	-	-	165	165
Other comprehensive (expense)/income recognised directly in equity	-	-	(32)	56	24
Total comprehensive (expense)/income for the period	-	-	(32)	221	189
Amounts transferred to the carrying value of inventory	-	-	(32)	221	189

purchased during the period	-	-	(5)	-	(5)
Amounts transferred to accumulated profits	-	-	(1)	1	-
Net movement in relation to share schemes	-	-	10	(2)	8
Purchase of own shares - employee benefit trust	-	-	(12)	-	(12)
Equity dividend	-	-	-	-	-
At 27 April 2024	1	2,263	(844)	652	2,072

Financial Information

Consolidated Cash Flow Statement

	Note	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Operating activities			
Cash generated from operations	6	419	342
Contributions to defined benefit pension scheme		(36)	(78)
Income tax paid		(7)	(40)
Net cash flows from operating activities - continuing operations		376	224
Net cash flows from operating activities - discontinued operations		(10)	46
Net cash flows from operating activities		366	270
Investing activities			
Acquisition of property, plant & equipment and other intangibles		(48)	(103)
Net cash flows from investing activities - continuing operations		(48)	(103)
Net cash flows from investing activities - discontinued operations		(11)	(8)
Net cash flows from investing activities - discontinued operations: proceeds on sale of business		202	-
Net cash flows from investing activities		143	(111)
Financing activities			
Interest paid		(87)	(88)
Capital repayment of lease liabilities		(195)	(202)
Purchase of own shares - employee benefit trust		(12)	(4)
Equity dividends paid		-	(35)
(Repayment) / Drawdown of borrowings		(178)	109
Cash (outflows) / inflows from derivative financial instruments		(3)	43
Facility arrangement fees paid		(1)	(1)
Net cash flows from financing activities - continuing operations		(476)	(178)
Net cash flows from financing activities - discontinued operations		(17)	(19)
Net cash flows from financing activities		(493)	(197)
Increase / (decrease) in cash and cash equivalents and bank overdrafts		16	(38)
Cash and cash equivalents and bank overdrafts at the beginning of the period		81	124
Currency translation differences		(1)	(5)
Cash and cash equivalents and bank overdrafts at the end of the period	6	96	81

* The prior period has been restated to exclude discontinued operations

Financial Information

Notes to the Financial Information

1 Basis of preparation

The Financial Information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and extracts from the notes to the accounts for the period ended 27 April 2024 and 29 April 2023, has been prepared in accordance with the accounting policies set out in the full financial statements and on a going concern basis.

Alternative performance measures ('APMs')

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

Going concern

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

In their consideration of going concern, the directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. Given the short to medium term macroeconomic uncertainty, Currys 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 £627m for May to October 2024 and reduce to £492m from November 2024 onwards as the two short-term facilities the Group arranged in October 2022 to mitigate any potential short-medium term macroeconomic uncertainty come to an end 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 2024/25 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, the Group has numerous other mitigations available (in addition to those applied to the severe but plausible downside scenario) which are considered controllable should sales drop below the severe but plausible downside, before requiring additional sources of financing in excess of those that are committed. Such a scenario, and the sequence of events which could lead to it, is considered to be remote.

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

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

Further information

The Financial Information set out in this announcement does not constitute statutory accounts within the meaning of Sections 434 to 436 of the Companies Act 2006 and is an abridged version of the Group's financial statements for the period ended 27 April 2024 which were approved by the directors on 27 June 2024. Statutory accounts for the period ended 29 April 2023 have been delivered to the Registrar of Companies, the auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006. Statutory accounts for the period ended 27 April 2024 will be delivered in due course. The auditor has reported on those accounts, their report was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the period ended 27 April 2024.

Financial Information

Notes to the Financial Information continued

2 Segmental analysis

The Group's operating segments reflect the segments routinely reviewed by the CODM used to manage performance and allocate resources. This information is predominantly based on geographical areas which are either managed separately or have similar trading characteristics.

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

- UK & Ireland; comprises the operations of Currys, iD Mobile and B2B operations.

- Nordics; operates both franchise and own stores in Norway, Sweden, Finland and Denmark with further franchise operations in Iceland, Greenland and the Faroe Islands.

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

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

Segmental results

	Period ended 27 April 2024			
	UK & Ireland £m	Nordics £m	Eliminations £m	Total £m
External revenue	4,970	3,506	-	8,476
Inter-segmental revenue	53	-	(53)	-
Total revenue	5,023	3,506	(53)	8,476
Profit before interest and tax	88	29	-	117
Finance income				4
Finance costs				(93)
Profit before tax				28
Depreciation and amortisation	(163)	(136)	-	(299)

	(Restated)* Period ended 29 April 2023			
	UK & Ireland £m	Nordics £m	Eliminations £m	Total £m
External revenue	5,067	3,807	-	8,874
Inter-segmental revenue	59	-	(59)	-
Total revenue	5,126	3,807	(59)	8,874
Profit/(loss) before interest, tax and impairment of goodwill	158	(11)	-	147
Impairment of goodwill	(511)	-	-	(511)
(Loss) before interest and tax	(353)	(11)	-	(364)
Finance income				2
Finance costs				(100)
(Loss) before tax				(462)
Depreciation and amortisation	(166)	(142)	-	(308)

* The prior period has been restated to exclude discontinued operations

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

Financial Information

Notes to the Financial Information continued

2 Segmental analysis continued

Disaggregation of revenues

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

	Period ended 27 April 2024		
	UK & Ireland £m	Nordics £m	Total £m
Sale of goods	4,296	3,208	7,504
Commission revenue	178	165	343
Support services revenue	229	43	272
Other services revenue	267	90	357
Total revenue from continuing operations	4,970	3,506	8,476

	(Restated)* Period ended 29 April 2023		
	UK & Ireland £m	Nordics £m	Total £m
Sale of goods	4,391	3,480	7,871
Commission revenue	260	195	455
Support services revenue	242	53	295
Other services revenue	174	79	253
Total revenue from continuing operations	5,067	3,807	8,874

* The prior period has been restated to exclude discontinued operations

Revenue from commissions relates predominantly to network and insurance commissions.

Financial Information

Notes to the Financial Information continued

3 Net finance costs

	27 April 2024 £m	29 April 2023 £m
Unwind of discounts on trade and other receivables	4	2
Finance income	4	2
Interest on bank overdrafts, loans and borrowings	(21)	(18)
Interest expense on lease liabilities	(59)	(63)
Net interest on defined benefit pension obligations	(11)	(7)
Amortisation of facility fees	(2)	(2)
Intercompany interest	(3)	(2)
Other interest expense	3	(8)
Finance costs	(93)	(100)
Total net finance costs	(89)	(98)

* The prior period has been restated to exclude discontinued operations

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

4 Earnings per share

	Period ended 27 April 2024 £m	Period ended 29 April 2023 £m
Profit / (loss) for the period attributable to equity shareholders - continued operations	27	(492)
Profit for the period attributable to equity shareholders - discontinued operations	138	11
Profit / (loss) for the period - Total	165	(481)

	Million	Million
Weighted average number of shares		
Average shares in issue	1,133	1,133
Less average holding by Group EBT and Treasury shares held by Company	(27)	(29)
For basic earnings per share	1,106	1,104
Dilutive effect of share options and other incentive schemes	22	20
For diluted earnings per share	1,128	1,124

	Pence	Pence
Earnings per share		
Basic earnings per share - continuing operations	2.4	(44.6)
Diluted earnings per share - continuing operations	2.4	(44.6)
Basic earnings per share - discontinued operations	12.5	1.0
Diluted earnings per share - discontinued operations	12.2	1.0

Basic earnings per share - total	14.9	(43.6)
Diluted earnings per share - total	14.6	(43.6)

Financial Information

Notes to the Financial Information continued

5 Equity dividends

	27 April 2024 £m	29 April 2023 £m
Final dividend for the period ended 30 April 2022 of 2.15p per ordinary share	-	24
Interim dividend for the period ended 29 April 2023 of 1.00p per ordinary share	-	11
Amounts recognised as distributions to equity shareholders in the period - on ordinary shares of 0.1p each	-	35

The final dividend proposed for the period ended 27 April 2024 is nil:

	£m
Final dividend for the period ended 27 April 2024 of nil per ordinary share	-

6 Notes to the cash flow statement

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

	Period ended 27 April 2024 £m	Period ended 29 April 2023 £m
Cash at bank and on deposit	125	97
Bank overdrafts	(29)	(16)
Cash and cash equivalents and bank overdrafts at end of the period	96	81

b. Reconciliation of operating profit to cash generated from continuing operations

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Profit / (loss) before interest and tax	117	(364)
Depreciation and amortisation	299	308
Share-based payment charge	8	14
Profit on disposal of fixed assets	-	-
Impairments and other non-cash items	28	520
Operating cash flows before movements in working capital	452	478
Movements in working capital:		
(Increase) / Decrease in inventory	(43)	126
(Increase) / Decrease in receivables	(36)	40
Increase / (Decrease) in payables	21	(286)
Increase / (Decrease) in provisions	25	(16)
	(33)	(136)
Cash generated from continuing operations	419	342

* The prior period has been restated to exclude discontinued operations

Financial Information

Notes to the Financial Information continued

6 Notes to the cash flow statement continued

c. Changes in liabilities arising from financing activities

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

	29 April 2023 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	27 April 2024 £m
Loans and other borrowings	(178)	197	4	(1)	(22)	-
Lease liabilities(i)	(1,233)	275	1(iii)	18	(64)	(1,003)
Total liabilities from financing activities (ii)	(1,411)	472	5	17	(86)	(1,003)

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

- i. Lease liabilities are secured over the Group's right-of-use assets.
ii. In addition to the amounts shown above, facility arrangement fees of £1m (2022/23: £1m) are included within cash flows from financing activities in the consolidated cash flow statement.
iii. This figure includes the disposal of lease liabilities related to Greece of £81m

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

d. Proceeds on sale of business

On 10 April 2024, the Group announced that it has completed the sale of Dixons South East Europe A.E.V.E., the holding company of Currys' entire Greece and Cyprus retail business, trading as Kotsovolos, to Public Power Corporation S.A. Total consideration received was £237m and £32m of cash was held in Dixons South East Europe A.E.V.E. at the disposal date, resulting in a net cash inflow on disposal of £205m. A further £3m of transaction fees associated with the sale were paid during FY24, resulting in net proceeds on disposal of £202m.

7 Related party transactions

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

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

	27 April 2024 £m	29 April 2023 £m
Revenue from sale of goods and services	14	13
Amounts owed to the Group	1	1

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

Risks to Achieving the Group's Objectives

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on the Group's results. The Group's risks, and the factors which mitigate them, are set out in more detail on pages 64 to 72 in 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. Failure to actively understand, manage and deepen key supplier and brand relationships who contribute materially to our business could weaken our ability to respond to external shocks and, could result in a deterioration in 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 to appropriately safeguarding sensitive information and failure to comply with legislation could result in reputational damage, financial penalties and a resultant deterioration in financial performance;
5. Failure to adequately invest in and integrate the Group's IT systems and infrastructure could result in restricted growth and reputational damage impacting financial performance;

6. Failure to appropriately safeguard against cyber risks and associated attacks could result in reputational damage, customer compensation, financial penalties and a resultant deterioration in financial performance;
7. Failure to action appropriate Health and Safety measures resulting in injury could give rise to reputational damage and financial penalties;
8. Business continuity plans are not effective and major incident response is inadequate resulting in reputational damage and a loss of competitive advantage;
9. Crystallisation of potential tax exposures resulting from legacy corporate transactions, employee and sales taxes arising from periodic tax audits and investigations across various jurisdictions in which the Group operates may impact cash flows for the Group;
10. Failure to employ adequate procedures and due diligence regarding product quality and safety could result in the provision of products which pose a risk to customer health, resulting in fines, prosecution and significant reputational damage;
11. Failure to either deliver or adequately communicate our commitment to sustainability and being a good corporate citizen could result in reduced cash flow, reputational damage and loss of competitive advantage;
12. Failure to successfully navigate an increasingly pervasive set of externally driven factors, inflation and cost of living pressures could result in a deterioration in financial performance; and
13. Failure to manage Currys' access to sufficient liquidity at any given time may impact the Group's ability to meet its financial obligations and support business growth plans.

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

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

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

Glossary and Definitions

Alternative performance measures ('APMs')

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

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

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

Adjusted results

Included within our APMs the Group reports a number of adjusted profit, and earnings measures, all of which are described throughout this section. The Group subsequently refers to adjusted results as those which reflect the in-period trading performance of the ongoing omnichannel retail operations (referred to below as underlying operations and trade) and excludes from IFRS measures discontinued operations and 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 deemed more appropriate than the additional disclosure requirements for material items under IAS 1, it must meet at least one of the following criteria:

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

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

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

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

Acquisition and disposal related items

Includes costs incurred in relation to the acquisition, and income for the disposal of business operations, as the related costs and income reflect significant changes to the Group's underlying business operations and trading performance. Adjusted results do not exclude the related revenues or costs that have been earned in relation to previous acquisitions, with the exception of the amortisation of intangibles, such as brands, that would not have been recognised prior to their acquisition. Where practically possible amounts are restated in comparative periods to reflect where a business operation has subsequently been disposed.

Strategic change programmes

Primarily relate to costs incurred for the execution and delivery of a change in strategic direction, such as; severance and other direct employee costs incurred following the announcement of detailed formal restructuring plans as they are considered one-off; property rationalisation programmes where a business decision is made to rebase the store estate as this is considered both one-off in nature and to cause a significant change to the underlying business operations; and implementation costs for strategic change delivery projects that are considered one-off in nature. Such costs incurred do not reflect the Group's underlying trading performance. Results are therefore adjusted to exclude such items in order to aid comparability between periods.

Regulatory costs

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

Glossary and Definitions continued

Alternative performance measures ('APMs') continued

Adjusting items continued

Impairment losses and onerous contracts

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

While the recognition of such is considered to be one-off in nature, the unavoidable costs for those contracts considered onerous is continuously reviewed and therefore based on readily available information at the reporting date as well as managements historical experience of similar transactions. As a result, future cash outflows and total charges to the income statement may fluctuate in future periods. If these changes are material they will be recognised in adjusting items.

Other items

Other items include those items that are non-operating and one-off in nature that are material enough to distort the underlying results of the business but do not fall into the categories disclosed above. Such items include the settlement of legal cases and other contractual disputes where the corresponding income, or costs, would be considered to distort users understanding of trading performance during the period.

Net interest income/(costs)

Included within adjusting interest income/(costs) are the finance income/(costs) of businesses to be exited, previously disposed operations, net pension interest costs on the defined benefit pension scheme within the UK and other exceptional items considered so one-off or material that they distort underlying finance costs of the Group (including legacy tax cases). As disclosed above, the disposal of businesses represents a significant change to the underlying business operations, as such, the related interest income/(costs) are removed from adjusted results to assist users' understanding of the trading business.

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

Tax

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

Where the Group is cooperating with tax authorities in relation to legacy tax cases and is applying tax treatments to changes in underlying business operations as a result of acquisition, divestiture or closure of operations, the respective costs will also be included within adjusting items. Management considers it appropriate to divert from IFRS measures in such circumstance as the one-off charges related to prior periods could distort users understanding of the Group's ongoing operational performance.

The Group also includes the movement of un-recognised deferred tax assets relating to unused tax losses and other deductible temporary differences within adjusting items. Management considers that the exclusion from adjusted results aids users in the determination of current period performance as the recognition and derecognition of deferred tax is impacted by management's forecast of future performance and the ability to utilise unused tax losses and other deductible temporary differences.

Definitions, purpose and reconciliations

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

Glossary and Definitions continued

Alternative performance measures ('APMs') continued

Adjusting items continued

EBIT/EBITDA

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

Currency neutral

Some comparative performance measures are translated at constant exchange rates, called 'currency neutral' measures.

This restates the prior period results at a common exchange rate to the current period in order to provide appropriate period-on-period movement measures without the impact of foreign exchange movements.

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

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

Glossary and Definitions continued

A1 Reconciliation from statutory profit before interest and tax to adjusted EBIT and adjusted PBT (continuing operations)

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

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

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

Period ended 27 April 2024

	Total profit £m	/ disposal related items £m	Strategic change programmes £m	losses and onerous contracts £m	Regulatory income £m	Other £m	Interest £m	Adjusted profit £m
UK & Ireland	88	11	11	17	13	2	-	142
Nordics	29	12	5	15	-	-	-	61
EBIT from continuing operations	117	23	16	32	13	2	-	203
Finance income	4	-	-	-	-	-	-	4
Finance costs	(93)	-	-	-	-	-	4	(89)
Profit before tax from continuing operations	28	23	16	32	13	2	4	118

(Restated)* Period ended 29 April 2023

	Total profit/ (loss) £m	Acquisition / disposal related items £m	Strategic change programmes £m	Impairment losses and onerous contracts £m	Regulatory income £m	Other £m	Interest £m	Adjusted profit (restated)* £m
UK & Ireland	(353)	11	8	511	(7)	-	-	170
Nordics	(11)	12	18	7	-	-	-	26
EBIT from continuing operations	(364)	23	26	518	(7)	-	-	196
Finance income	2	-	-	-	-	-	-	2
Finance costs	(100)	-	-	-	-	-	9	(91)
(Loss)/profit before tax from continuing operations	(462)	23	26	518	(7)	-	9	107

* The prior period has been restated to exclude discontinued operations

A2 Reconciliation from statutory profit before interest and tax to EBITDA (continuing operations)

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

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Profit/(loss) before interest and tax from continuing operations	117	(364)
Depreciation	219	225
Amortisation	80	83
EBITDA	416	(56)

* The prior period has been restated to exclude discontinued operations

Glossary and Definitions continued

A3 Reconciliation from adjusted EBIT to adjusted EBITDA and adjusted EBITDAR (continuing operations)

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation. This measure also excludes adjusting items, the nature of which are disclosed above and with further detail in note A4. It provides a useful measure of profitability for users by adjusting for the items noted in A1 above as well as the volatility of depreciation and amortisation expense which, due to variable useful lives and timing of capital investment, could distort the underlying profit generated from the Group in relative periods.

The depreciation adjusted within adjusted EBITDA includes right-of-use asset depreciation on leased assets under IFRS 16. As some lease rental expenses are not depreciation linked to right-of-use assets due to being short-term, low value or variable, a similar measure of adjusted EBITDAR is provided. Adjusted EBITDAR provides a measure of profitability based on the above adjusted EBITDA definition as well as deducting rental expenses not linked to right-of-use assets. The purpose of this measure is aligned to the adjusted EBITDA purpose above, with the addition of excluding the full cost base of leases which can vary from period to period, for example when leases are short-term whilst negotiations are ongoing regarding lease renewals.

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Adjusted EBIT	203	196
Depreciation	219	225
Amortisation	57	60
Adjusted EBITDA	479	481
Leasing costs in EBITDA	4	10
Adjusted EBITDAR	483	491

* The prior period has been restated to exclude discontinued operations

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

	Note	Period ended 27 April 2024 £m	Period ended 29 April 2023 (restated)* £m
Included in profit before interest and tax (continuing operations):			
Acquisition / disposal related items	(i)	23	23
Strategic change programmes	(ii)	16	26
Impairment losses and onerous contracts	(iii)	32	518
Regulatory income	(iv)	13	(7)
Other	(v)	2	-
		86	560
Included in net finance costs (continuing operations):			
Net non-cash finance costs on defined benefit pension schemes	(vi)	11	7

Other interest	(vii)	(7)	2
Total impact on profit before tax (continuing operations)		90	569
Tax on other adjusting items	(viii)	(30)	5
Total impact on profit after tax		60	574

* The prior period has been restated to exclude discontinued operations

(i) Acquisition/disposal related items

A charge of £23m (2022/23: £23m) relates primarily to amortisation of acquisition intangibles arising on the Dixons Retail Merger.

Glossary and Definitions continued

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

(ii) Strategic change programmes

During the period, costs of £16m have been incurred as the Group continues to deliver the long-term strategic plan. The costs incurred relate to the following strategic change programmes:

- £12m (2022/23: £10m) of one-off implementation costs related to transferring service centre operations to a third party;
- £4m (2022/23: £17m) of additional restructuring costs in relation to the restructure of the Nordics central operations and retail business as announced in the prior period.

In addition, in the period ended 29 April 2023 restructuring costs of £3m were recognised related to central operations and UK & Ireland retail operations.

Property rationalisation

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

(iii) Impairment losses and onerous contracts

Following the announcement in the period of the strategic decision to restructure elements of the Nordics segment in the prior period, fixed asset impairment charges of £15m (2022/23: £7m) were recognised over assets held in the Nordics component of the Group. This includes £16m of impairments of inefficient intangible software assets with a view to achieving long-term efficiencies with alternative assets. This is partially offset by a £1m net credit from reversals of right-of-use asset impairments following some additional store closures and some planned closures from the prior period not executed.

During the period the Group also recognised £10m of impairments over intangible software assets in the UK & Ireland segment that became obsolete due to system replacements that took place in the year. In addition, during the period the Group undertook a strategic review of the IT licensing portfolio which resulted in £1m of intangible impairments and a provision for onerous contracts of £6m in relation to unavoidable future costs of licensing agreements.

During the period ended 29 April 2023, a non-cash impairment charge of £511m was recognised over the goodwill recognised in the UK & Ireland operating segment. No impairment charge over goodwill has been recognised in the period ending 27 April 2024, as described in note 8 to the consolidated statements.

(iv) Regulatory costs

During the current period the Group has provided for £13m of costs related to historic regulatory matters.

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

(v) Other

In the current period the group has recognised £2m of FX impact upon translation of an exceptional underlying intra-group balance that has since been capitalised. A further £2m has been recognised for professional fees incurred in relation to open tax cases and other non-operating matters. These costs are offset by £2m of income from intra-group balance adjustments, which is offset in total statutory profit by a corresponding cost in discontinued operations.

Glossary and Definitions continued

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

(vi) Net non-cash financing costs on defined benefit pension schemes

The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial period to the net defined benefit obligation.

(vii) Other interest

The Group continues to cooperate with HMRC in relation to open tax cases arising from pre-merger legacy transactions in the Carphone Warehouse Group. The Group has risk assessed that certain of the cases have a probable chance of resulting in cash outflows to HMRC that are measured at £50m as at 27 April 2024 (comprising the amount of tax payable and interest up to 27 April 2024) (2022/23: £59m). During the period, interest of £7m was recorded in relation to these cases which arose from the downward remeasurement of the risks based on their most recent based on their recent weighted average probability of occurring.

(viii) Tax on other adjusting items

The effective tax rate on adjusting items is 34%. The rate is higher than the UK statutory rate of 25% predominantly due to the downward remeasurement of the provisions for uncertain tax positions relating to the legacy Carphone Warehouse Group tax cases referred to at (vii) above.

A5 Reconciliation from statutory net finance costs to adjusted net finance costs (continuing operations)

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

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Total net finance costs	(89)	(98)
Net interest on defined benefit pension obligations	11	7
Other interest	(7)	2
Adjusted total net finance costs	(85)	(89)

* The prior period has been restated to exclude discontinued operations

Glossary and Definitions continued

A6 Adjusted tax expense (continuing operations)

a) Tax expense

The corporation tax charge comprises:

	Period ended 27 April 2024			(Restated)* Period ended 29 April 2023		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Current tax						
UK corporation tax at 25% (2022/23: 19.5%)	16	(9)	7	14	-	14
Overseas tax	6	(1)	5	7	(1)	6

	22	(10)	12	21	(1)	20
Adjustments made in respect of prior periods:						
UK corporation tax	-	(4)	(4)	-	(9)	(9)
Overseas tax	(1)	-	(1)	1	2	3
	(1)	(4)	(5)	1	(7)	(6)
Total current tax	21	(14)	7	22	(8)	14
Deferred tax						
UK corporation tax	10	(12)	(2)	18	9	27
Overseas tax	-	(4)	(4)	(14)	(2)	(16)
	10	(16)	(6)	4	7	11
Adjustments made in respect of prior periods:						
UK corporation tax	-	-	-	-	(14)	(14)
Overseas tax	-	-	-	(1)	20	19
	-	-	-	(1)	6	5
Total deferred tax	10	(16)	(6)	3	13	16
Total tax charge	31	(30)	1	25	5	30

* The prior period has been restated to exclude discontinued operations

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

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

	Period ended 27 April 2024			Period ended 29 April 2023		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Profit/(loss) before taxation	118	(90)	28	107	(569)	(462)
Tax at UK statutory rate of 25% (2022/23: 19.5%)	30	(23)	7	21	(111)	(90)
Items attracting no tax relief or liability(i)	2	-	2	5	100	105
Movement in unprovided deferred tax(ii)	-	(4)	(4)	(2)	19	17
Effect of change in statutory tax rate	-	-	-	4	(1)	3
Differences in effective overseas tax rates	(1)	1	-	(1)	(1)	(2)
Increase in provisions	-	-	-	-	-	-
Other tax adjustments	1	-	1	(2)	-	(2)
Adjustments in respect of prior periods(iii)	(1)	(4)	(5)	-	(1)	(1)
Total tax charge	31	(30)	1	25	5	30

* The prior period has been restated to exclude discontinued operations

The effective tax rate on adjusted earnings for the period ended 27 April 2024 is 27% (2022/23: 23%). The effective tax rate on adjusting items is 34% (2022/23: 1%). The future effective tax rate is likely to be impacted by the geographical mix of profits and the Group's ability to take advantage of currently un-recognised deferred tax assets.

- (i) Items attracting no tax relief or liability relate mainly to non-deductible expenditure, including non-qualifying depreciation and share based payments.
(ii) Deferred tax assets relating to tax losses and other short-term temporary differences in the UK business remain recognised due to the macroeconomic uncertainty built into the Group's business plans.
(iii) The provisions for uncertain tax positions relating to the legacy Carphone Warehouse tax cases were remeasured during the period.

A7 Adjusted earnings per share (continuing operations)

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

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Profit after tax for the period (continuing operations)		
Total	27	(492)
Adjustments	60	574
Adjusted profit after tax (continuing operations)	87	82
	Million	Million
Weighted average number of shares		
Average shares in issue	1,133	1,133
Less average holding by Group EBT and Treasury shares held by Company	(27)	(29)
For basic earnings per share	1,106	1,104
Dilutive effect of share options and other incentive schemes	22	20
For diluted earnings per share	1,128	1,124
	Pence	Pence
Basic earnings per share		
Total	2.4	(44.6)
Adjustments	5.5	52.0
Adjusted basic earnings per share (continuing operations)	7.9	7.4
Diluted earnings per share		
Total	2.4	(44.6)
Adjustments	5.3	51.9
Adjusted diluted earnings per share (continuing operations)	7.7	7.3

* The prior period has been restated to exclude discontinued operations

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

A8 Reconciliations of cash generated from operations to free cash flow (continuing operations)

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

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

Glossary and Definitions continued

A8 Reconciliations of cash generated from operations to free cash flow (continuing operations) continued

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

Reconciliation of cash inflow from operations to free cash flow

(Restated)* Period
ended
29 April
2023

	27 April 2024 £m	↔ 29 April 2023 £m
Cash generated from continuing operations	419	342
Capital repayment of leases cost and interest	(255)	(264)
Less adjusting items to cash flow	48	40
Less movements in working capital presented within the Performance review (note A10)	34	127
Other	-	(1)
Operating cash flow	246	244
Capital expenditure	(48)	(103)
Add back adjusting items to cash flow	(48)	(40)
Taxation	(7)	(40)
Cash interest paid	(27)	(26)
Sustainable free cash flow	116	35
Add back movements in working capital presented within the Performance review (note A10)	(34)	(127)
Free cash flow	82	(92)

* The prior period has been restated to exclude discontinued operations

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Adjusted EBIT (note A1)	203	196
Depreciation and amortisation (note A3)	276	285
Working capital presented within the Performance review (note A10)	(34)	(127)
Capital expenditure	(48)	(103)
Taxation	(7)	(40)
Interest	(27)	(26)
Repayment of leases**	(243)	(251)
Other non-cash items in EBIT***	10	14
Free cash flow before adjusting items to cash flow	130	(52)
Adjusting items to cash flow	(48)	(40)
Free cash flow	82	(92)
Less working capital presented within the Performance review (note A10)	34	127
Sustainable free cash flow	116	35

* The prior period has been restated to exclude discontinued operations

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

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

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

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

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

Glossary and Definitions continued

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

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

	27 April 2024 £m	29 April 2023 £m
Loans and other borrowings	-	(178)
Lease liabilities*	(1,003)	(1,233)
Total liabilities from financing activities (note 6c)	(1,003)	(1,411)
Cash and cash equivalents less restricted cash	89	67
Overdrafts	(29)	(16)
Lease receivables*	4	5
Pension liability	(171)	(249)
Total indebtedness	(1,110)	(1,604)
Restricted cash	36	30
Add back pension liability	171	249
Add back lease liabilities	1,003	1,233
Less lease receivables	(4)	(5)
Net cash	96	(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 cash/(debt) and total average indebtedness. Average net cash/(debt) and total average indebtedness comprises the same items as included in net cash and total indebtedness as defined above, however the net cash element is calculated as the average between April - April for the full period to align to the Group's Remuneration Committee calculation and as reported internally.

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

Within the Performance review a reconciliation of the adjusted EBIT to free cash flow is provided. Within this, the working capital balance of £(34)m (2022/23: £(127)m) differs to the statutory working capital balance of £(29)m (2022/23: £(136)m) as cash flows on adjusting items are separately disclosed.

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

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

	Period ended 27 April 2024 £m	(Restated)* Period ended 29 April 2023 £m
Movements in working capital (note 6b)	(33)	(136)
Adjusting items provisions	(1)	10
Facility arrangement fees	-	(1)
Working capital presented within the Performance review	(34)	(127)

*The prior period has been restated to exclude discontinued operations

Glossary and Definitions continued

A11 Summary of working capital presented within the Performance review

Within the Performance review a summary balance sheet is provided which includes a working capital balance of £(163)m (2022/23: £(230)m). The below table provides a breakdown of how the summary working capital balance ties through to the statutory balance sheet.

	27 April 2024 £m	29 April 2023 £m
Non-current assets		
Trade and other receivables	101	148
Current assets		
Inventory	1,034	1,151
Trade and other receivables	616	631
Derivative assets	13	23
Current liabilities		
Trade and other payables	(1,809)	(2,067)
Derivative liabilities	(4)	(13)
Non-current liabilities		
Trade and other payables	(114)	(103)
Working capital presented within the Performance review	(163)	(230)

A12 Restatement of the Group's Performance review

Within the Performance review a summary Group balance sheet is provided which includes a comparative column for April 2023 that excludes balances as at this date that were held by Dixons South East Europe A.E.V.E. Whilst under IFRS requirements the prior period balance sheet is not restated for discontinued operations, this additional comparator has been included to aid comparability between periods.

Glossary and Definitions continued

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

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill.
B2B	Business to business
Board	The Board of Directors of the Company
Carphone, Carphone Warehouse or Carphone Group	The Company or Group prior to the Merger on 6 August 2014
CGU	Cash-generating unit
CODM	Chief Operating Decision Maker
Company or the Company	Currys plc (incorporated in England & Wales under the Act, with registered number 07105905), whose registered office is at 1 Portal Way, London W3 6RS
Credit adoption	Sales on Credit as a proportion of total sales
Currys plc or Group	The Company, its subsidiaries, interests in joint ventures and other investments
Dixons Retail Merger or Merger	The all-share merger of Dixons Retail plc and Carphone Warehouse plc which occurred on 6 August 2014
EBT	Employee benefit trust
ESG	Environmental, social and governance
GfK	Growth from Knowledge
HMRC	His Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards as adopted by the UK
Market share	Market share is measured for each of the Group's markets by comparing data for revenue or volume of units sold relative to similar metrics for competitors in the same market

MNO	Mobile network operator
Net zero	Net zero emissions includes our Scope 1, 2 and 3 emissions as reported in the Sustainable business section of the Strategic Report. In 2020, we collaborated with The British Retail Consortium and other major retailers on the development of a Climate Action Roadmap to decarbonise the retail industry and its supply chains. The plan aims to bring the retail industry and its supply chains to net zero by 2040. Our commitment to net zero meets a number of the criteria of the SBTi Corporate Net-Zero Standard but is not fully aligned or validated against this standard. We will develop and publish a robust net zero emissions roadmap for the Group which will provide detail on carbon abatement for key emissions sources and neutralisation plans of any source of residual emissions that remain unfeasible to remove.
NPS	Net Promoter Score, a rating used by the Group to measure customers' likelihood to recommend its operations
Online	Online sales, Online market share, and Online share of business relate to all sales where the journey is completed via the website or app. This includes online home delivered, order & collect, Online in-store and ShopLive UK
Online in-store	Sales that are generated through in-store tablets for product that is not stocked in the store
Order & collect	Sales where the sale is made via the website or app and collected in store
Peak/post-Peak	Peak refers to the ten-week trading period ended on 6 January 2024 as reported in the Group's Christmas Trading statement on 18 January 2024. Post-Peak refers to the trading period from 7 January 2024 to the Group's period end on 27 April 2024.
RCF	Revolving credit facility
Sharesave or SAYE	Save as you earn share scheme
ShopLive UK	The Group's own video shopping service where store colleagues can assist, advise and demonstrate the use of products to customers online face-to-face
Store	Store sales, Store market share, and Store share of business relate to all sales where the journey is completed in store. This excludes online home delivered, order & collect, Online in-store and ShopLive UK
TSR	Total shareholder return
WAEP	Weighted average exercise price

Responsibility Statement

The 2023/24 Annual Report and Accounts which will be issued in July 2024 contains a responsibility statement in compliance with DTR 4.1.12 of the Listing, Prospectus and Disclosure Rules, which sets out that as at the date of approval of the Annual Report and Accounts on 26 June 2024, the directors confirm to the best of their knowledge:

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

At the date of this statement, the directors are:

Alex Baldock, Group Chief Executive

Bruce Marsh, Group Chief Financial Officer

Ian Dyson, Chair of the Board

Octavia Morley, Senior Independent Director

Eileen Burbidge, Magdalena Gerger, Fiona McBain, Steve Johnson, Gerry Murphy, Adam Walker each an independent non-executive director.

The financial statements were approved by the directors on 26 June 2024 and signed on their behalf by:

Alex Baldock

Group Chief Executive

Bruce Marsh

Group Chief Financial Officer

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