

The Currys logo, consisting of the word "currys" in white lowercase letters inside a purple circle.

currys

A woman in a blue Currys uniform shirt with a green logo on the chest is smiling and looking at a laptop. She is standing in a retail store with shelves of products in the background. Another person is partially visible in the foreground, looking at the laptop.

Currys plc 2024/25 Peak Trading update

15 January 2025

Summary: a successful Peak, from an ever-stronger business



Nordics

Outperforming in weak market

Controlling the controllables

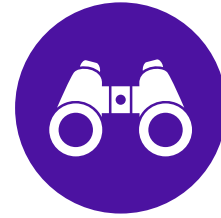
Showing the business's strength



UK&I

Strong Peak

Continuing the encouraging momentum



Outlook

Balance sheet strong

Current year profits robust

Path to improving free cashflow

Dividends resuming

H1 2024/25: Performance continues to strengthen

Growth in revenue, profits, free cashflow and net cash

Revenue
£3,918m
+1% YoY

Adjusted EBIT
£41m
+52% YoY

Adjusted EPS
0.6p
+1.7p YoY

Free cash flow
£50m
+£46m YoY

Closing net cash
£107m
+£236m YoY

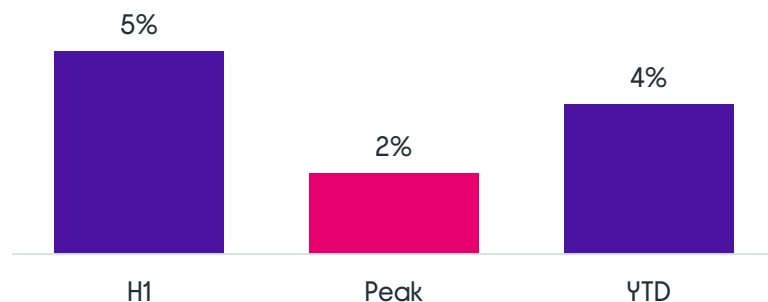
Pension deficit (IAS19)
£(143)m
+£45m YoY

Peak Like-for-Like Sales

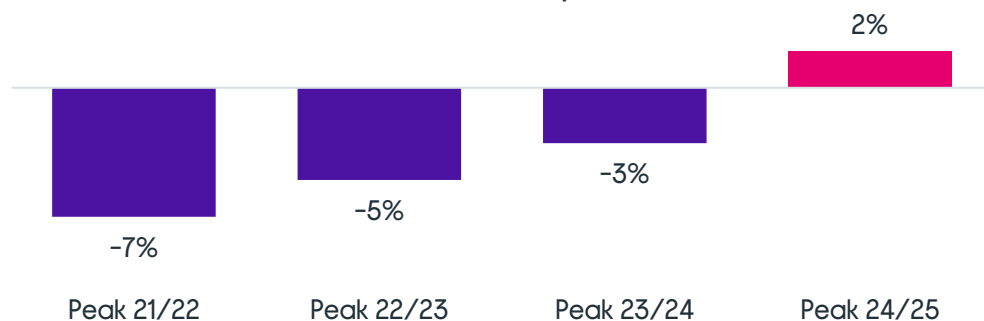
Positive growth in both segments

UK&I

24/25 LFL performance

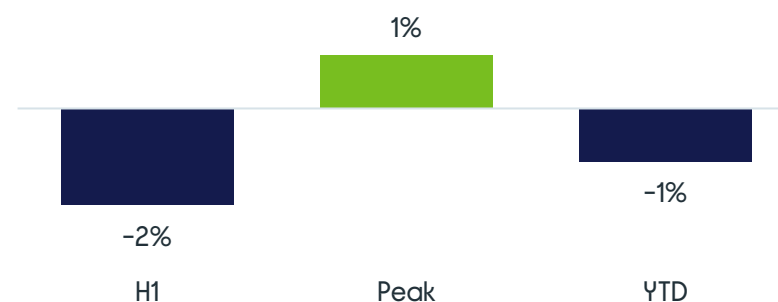


Historical Peak LFL performance

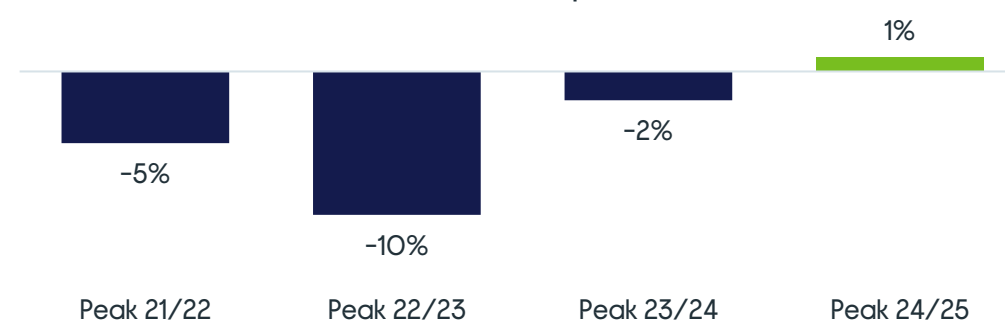


Nordics

24/25 LFL performance



Historical Peak LFL performance



Current year outlook & guidance

Group adjusted PBT expected to be in range of £145–£155m

Current year outlook



- Expect adjusted PBT of £145–155m, +23–31% YoY
- Includes the in-year impact of the UK Government budget measures
- 2024/25 is a 53-week year. This will have a small impact on sales but immaterial impact on profits and cashflows.

Shareholder returns

- Board expects to declare a final dividend of around 1.3p at full year results in July
- Represents 2/3rds of full year dividend at around 5x adjusted EPS cover
- Surplus cash over the medium-term to be returned to shareholders in line with capital allocation policy

Peak tech trends

Drones



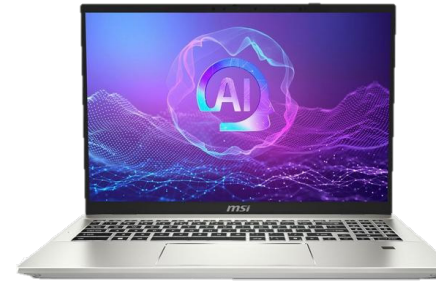
Action Cams



Tablets



AI Laptops



PC Gaming



Premium Mobile



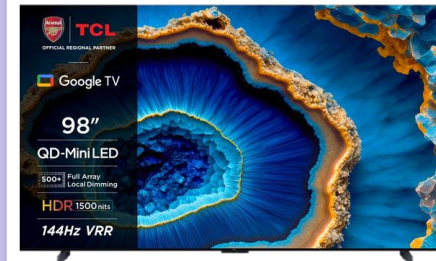
Health & Beauty



Coffee Machines



Super-Size TV's



Toys



Nordics

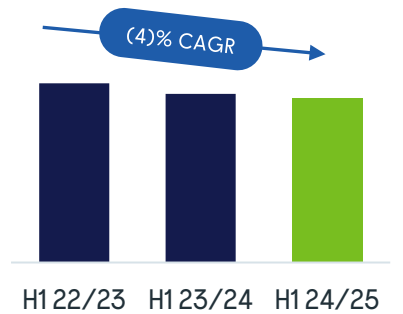
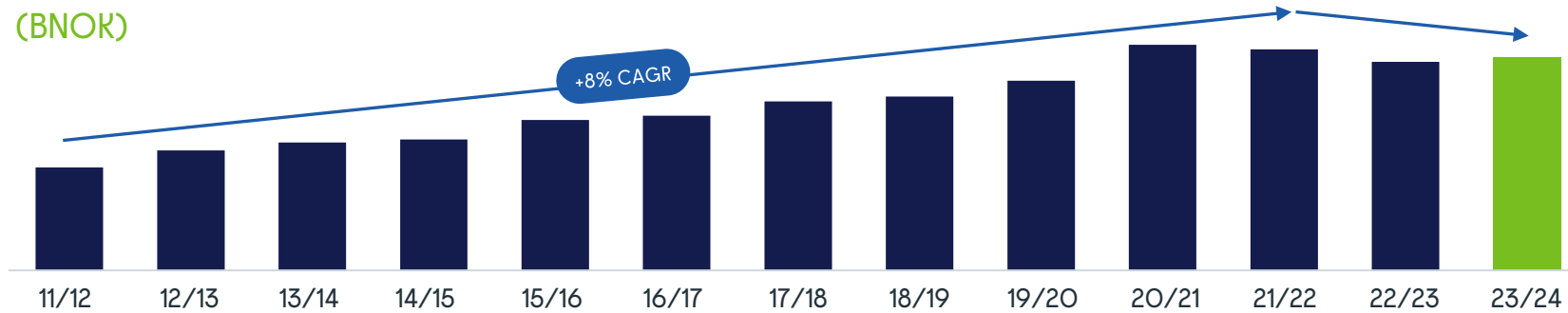


Strong track record of revenue and profit growth

Interrupted in last two years but now recovering

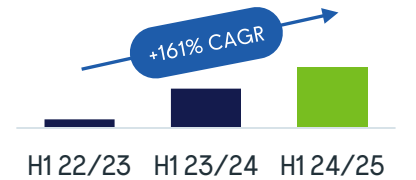
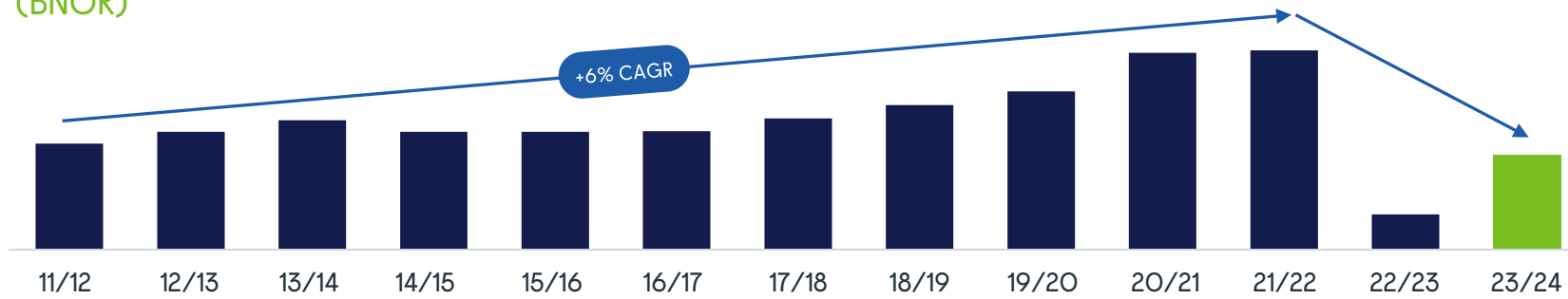
8% revenue growth p.a. from 2011/12 to 2023/24

(BNOK)



Adjusted EBIT showed steady growth and remains resilient

(BNOK)

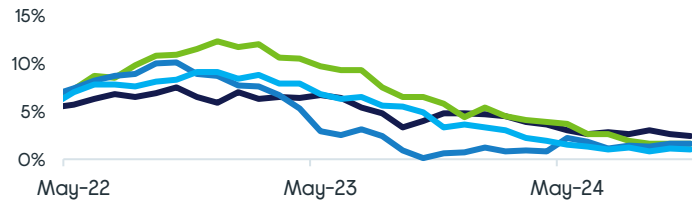


Source: Currys internal information - Data shown in BNOK and excluding IFRS16

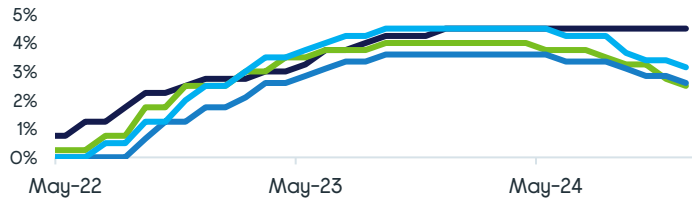
Market environment remains weak

Demand remains tough, even as other pressures have reduced

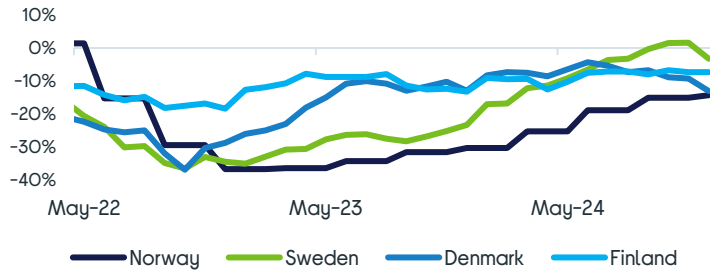
Consumer price index¹



Interest rates¹



Consumer confidence¹



Nordic B2C market² monthly revenue growth YoY

(May 2021 to Nov 2024)



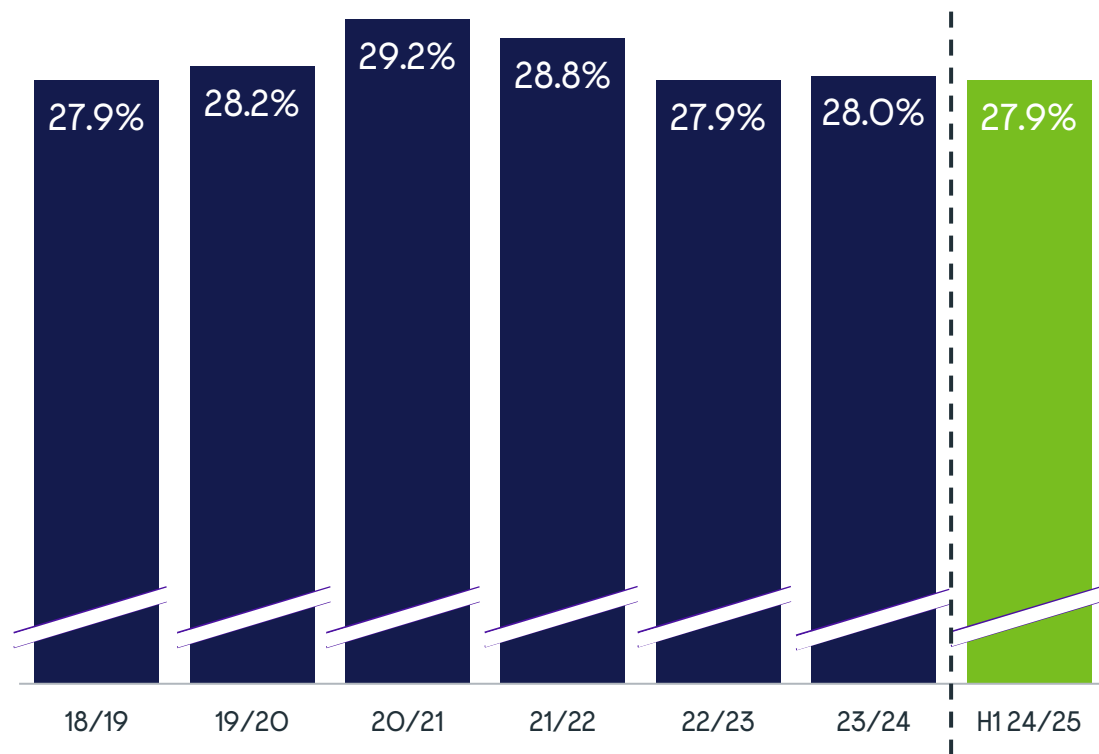
1) Source - Bloomberg

2) Source - GfK

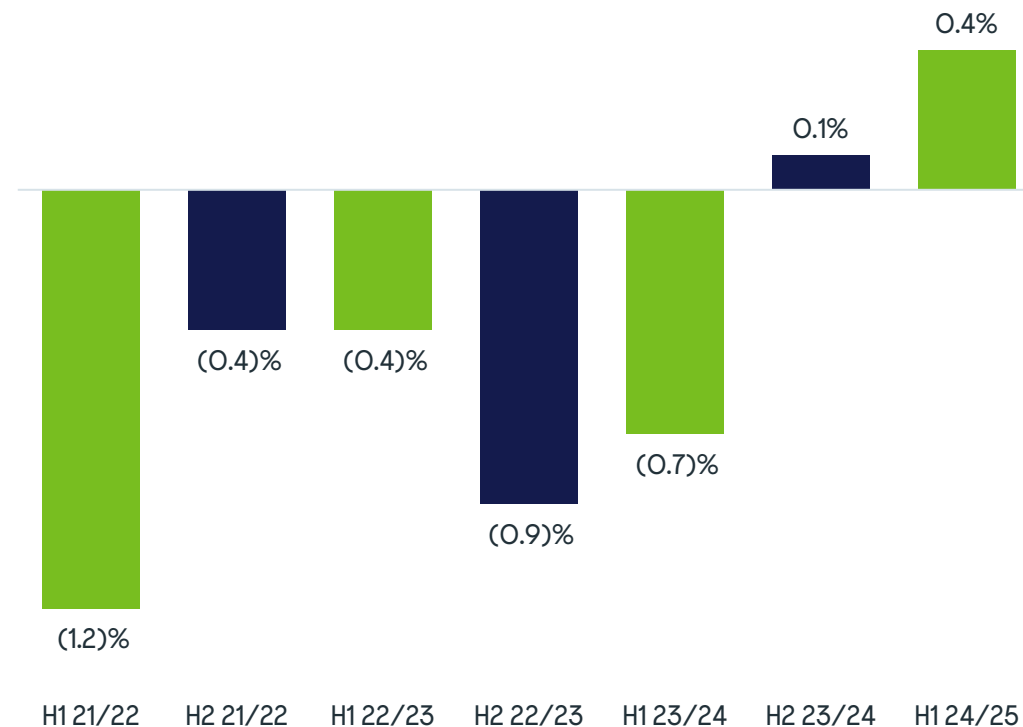
Clear market leadership, now building again

Market share stable relative to pre-pandemic and starting to improve

Nordic market share



Improving trajectory

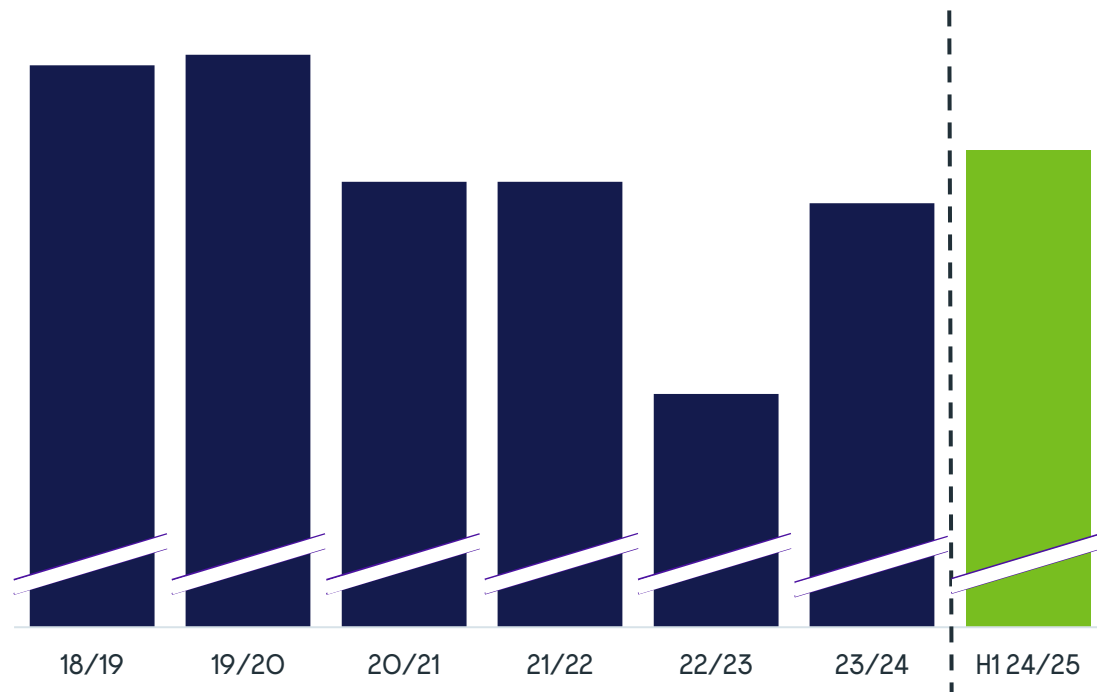


Gross margin back to historic levels

Focus on balancing profits and market share

Gross margin at historic levels

Nordics gross margin %



Source: Currys internal information

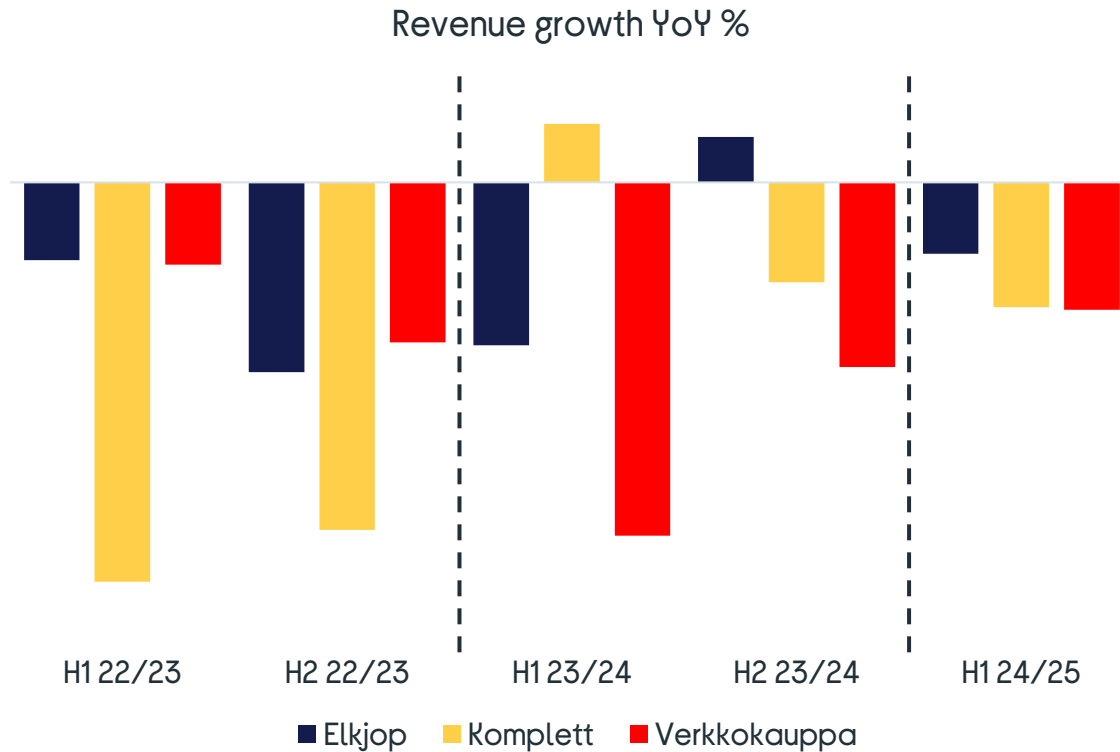
Opportunity for further improvement

-  Solution selling
-  Higher Services adoption
-  Not chasing less profitable sales
-  Reduced supply chain and service operation costs

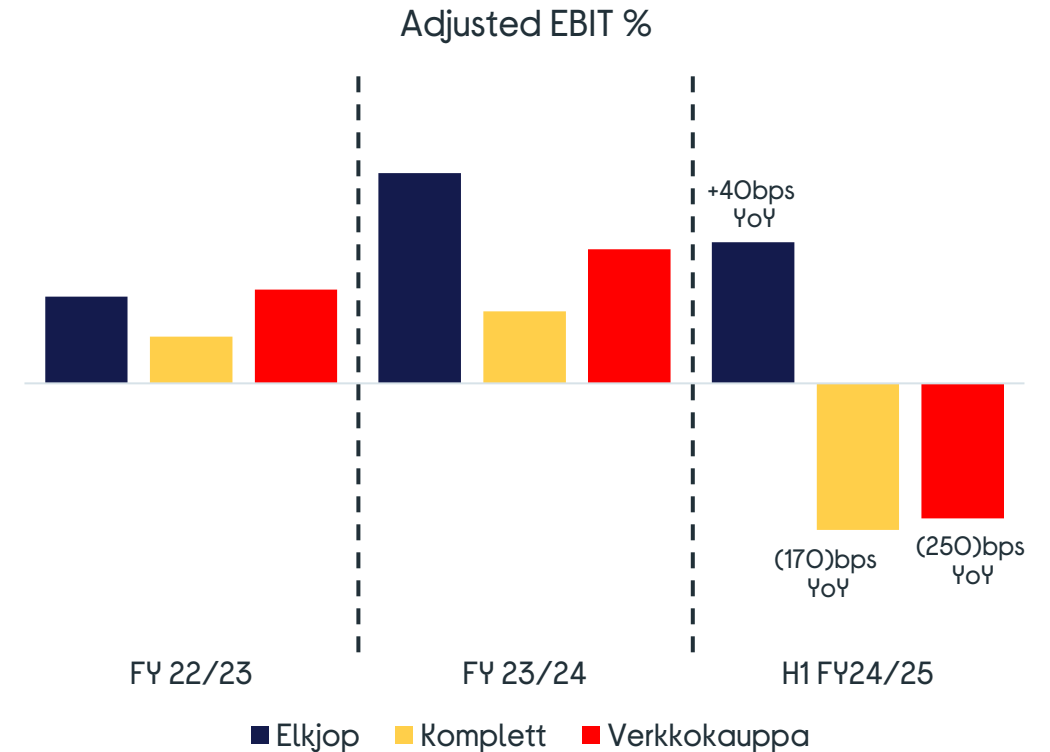
Elkjøp's peers struggled during market downturn

Elkjøp's revenue and profits were more resilient and have recovered faster

Revenues recovering ahead of competitors...



... and profits significantly outperforming



Sources: Currys internal information, https://investors.verkkokauppa.com/en/investors/reports_and_presentations, <https://komplettgroup.allegrokommunikasjon.no/investor-relations/financial-information/quarterly-reports>.

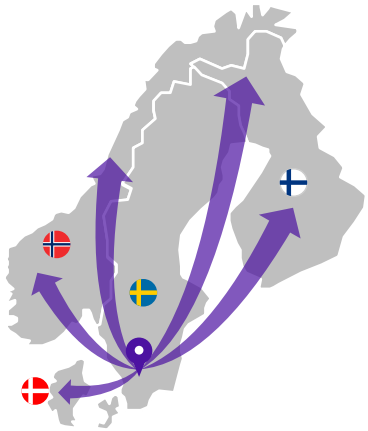
Definitions: Elkjøp revenue shown on a currency neutral basis. Verkkokauppa and Komplett: H1 calculated from 1 April – 30 September, H2 calculated from 1 October – 31 March.

Well-invested logistics, IT and store infrastructure

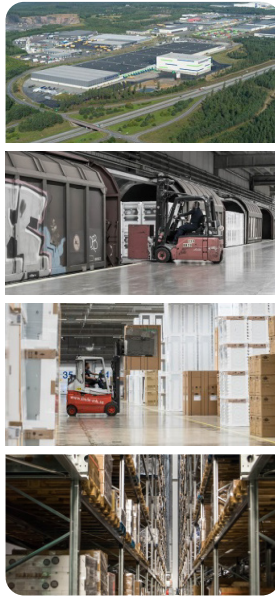
No need for further significant investment

New distribution centre now open

Operational efficiencies
expected to build over time



Nordic Distribution Centre
(NDC) in Jönköping, Sweden



Store portfolio mature

Limited investment needed

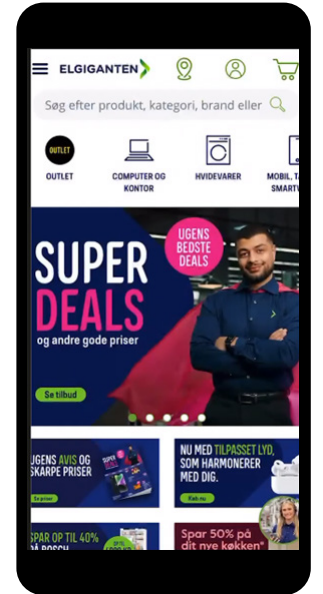


IT improvement implemented

Now driving better
efficiency

NXT improvements delivering:

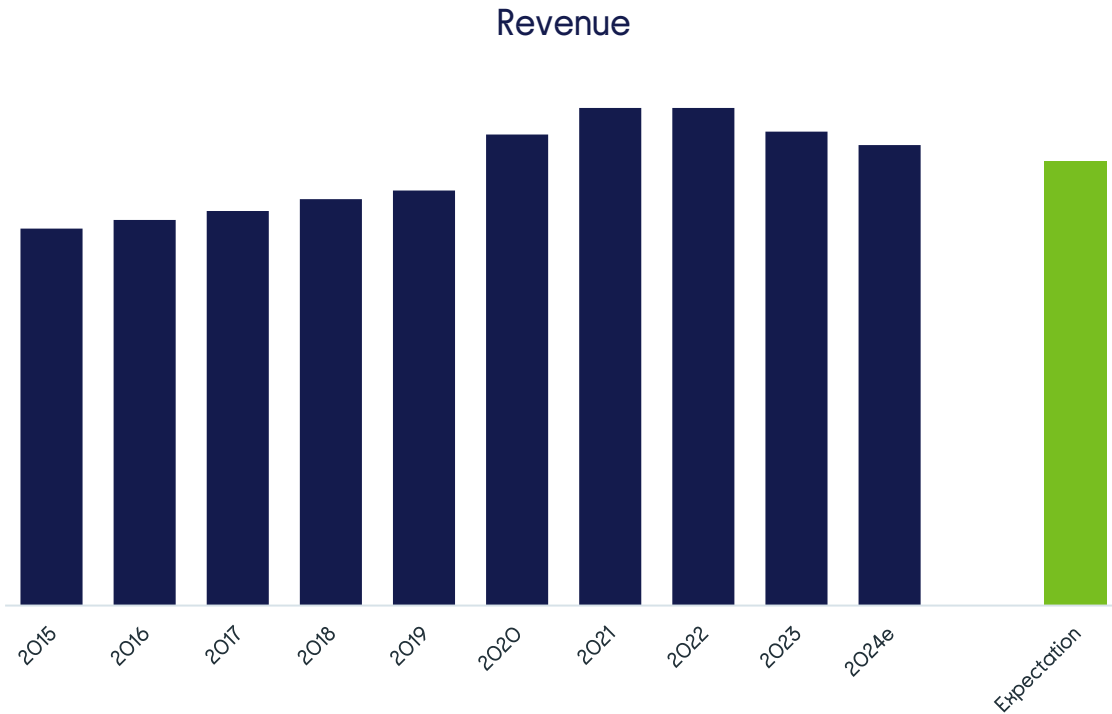
- ✓ Faster site speed
- ✓ Improved customer experience
- ✓ Faster tech deployment
- ✓ Lower cost to operate



Market recovery expected in the long term

But prudently planning for limited market growth in near term

Nordic market expected to decline in the short term



Source: GfK June 2024: Strategy considerations on macro drivers

Economic headwinds expected to subside over time



Now

Economic headwinds across Nordics

Interest rates remain high

Consumer confidence still at a low level



Long term

Fundamental wealthy markets

Inflation easing with interest rates expected to reduce

Normal consumer confidence levels

Elkjøp summary

Clear #1 in fundamentally attractive market

Well invested across store portfolio, logistics and IT

Faster recovery in challenging market environment

Cashflow has been resilient and will **improve further**

Elkjøp has many qualities that **customers value** and **competitors cannot match**

Upside if consumer environment recovers **more than our prudent expectations**



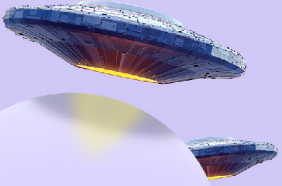
Strategy



We help everyone enjoy amazing technology.



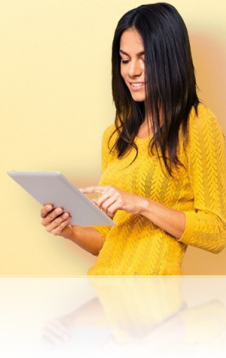
currys



We help everyone enjoy amazing technology



Capable and
committed
colleagues



Easy to
Shop



Customers
for Life

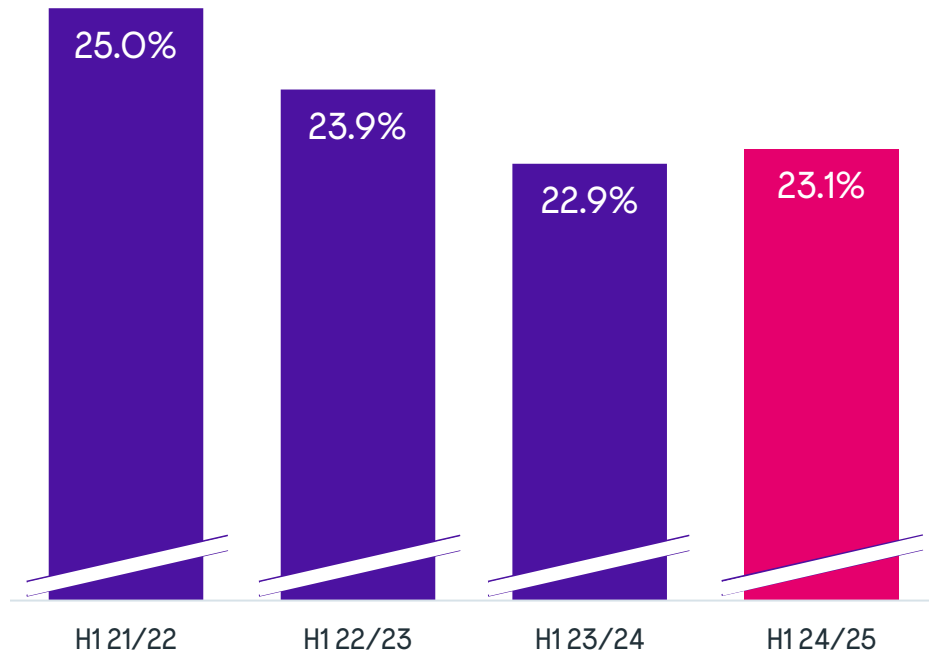


Grow
Profits

Clear #1 in every market

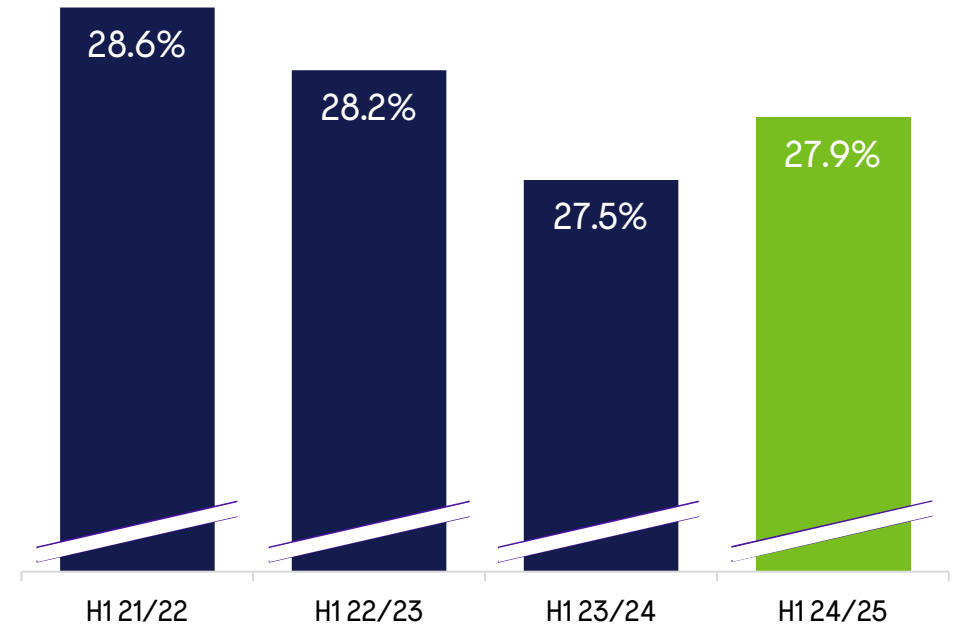
Scale that competitors cannot match

UK Electricals market share



Nordic market share

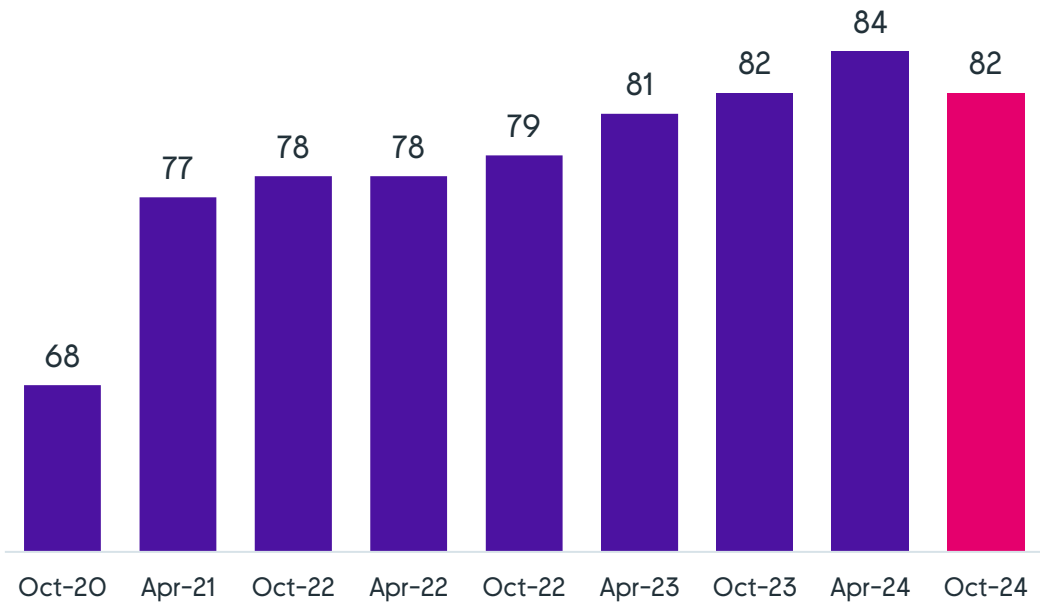
ELKJOP



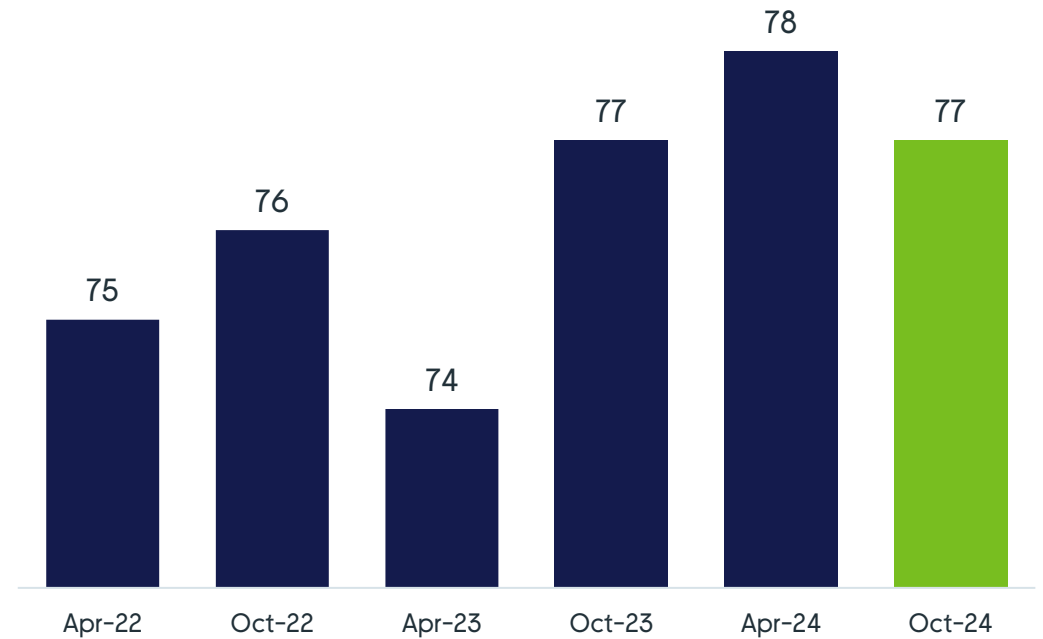
Colleague engagement remains high

UK&I score amongst top 5% of businesses

UK&I colleague engagement



Nordic colleague engagement



Customer satisfaction continues to grow

Nordics have moved to NPS measurement, providing some healthy competition

UK&I Customer satisfaction

NPS¹

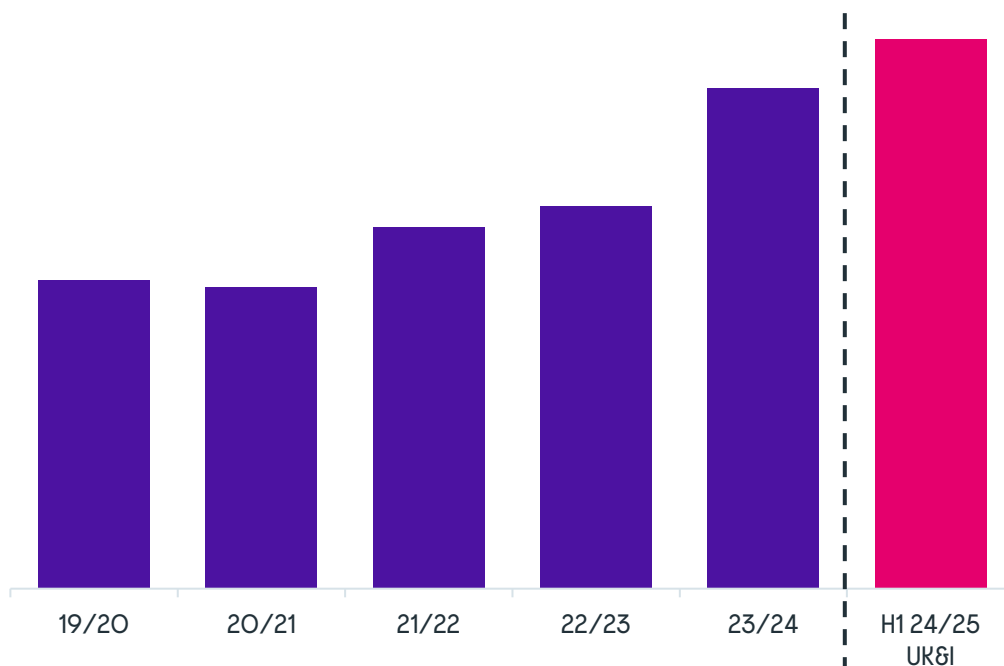


Currys

Reviews 251,694 • Excellent



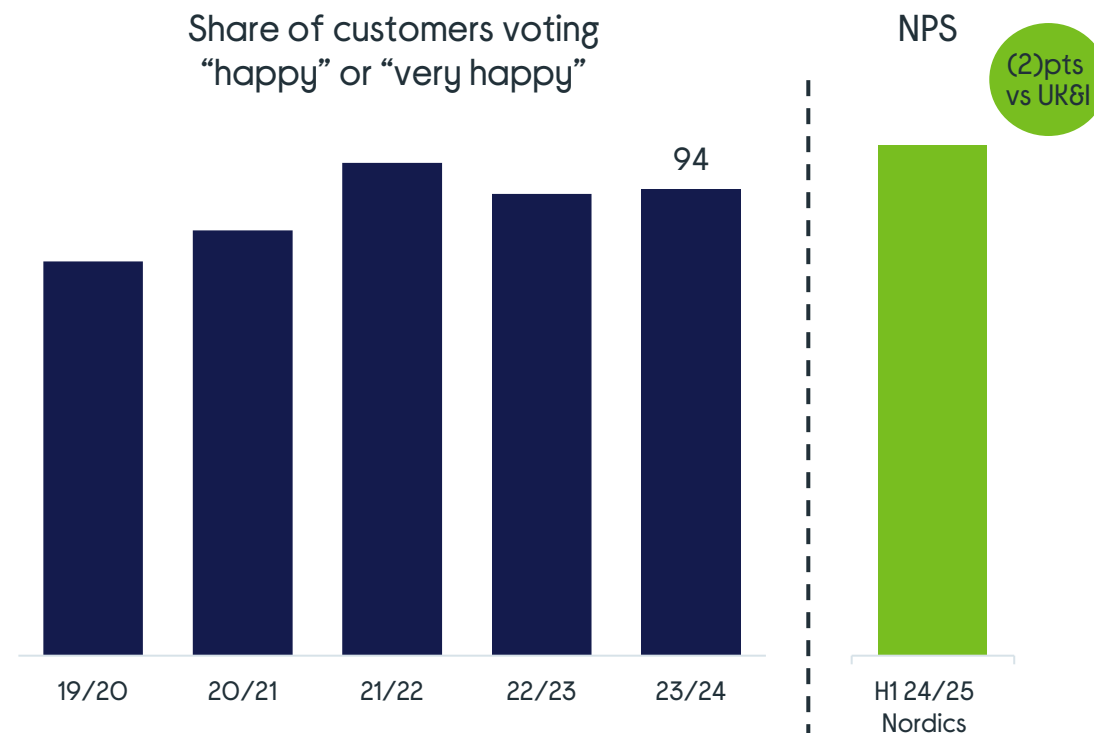
VERIFIED COMPANY



Nordics customer satisfaction

NPS¹ and Happy or Not²

Share of customers voting
“happy” or “very happy”



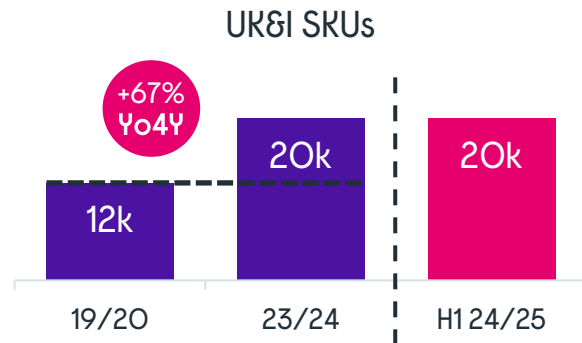
1) Voice of customer 7 Day Survey

2) DataWarehouse: Happy or Not cube and customer satisfaction cube, CCC analytics, NetiGate system

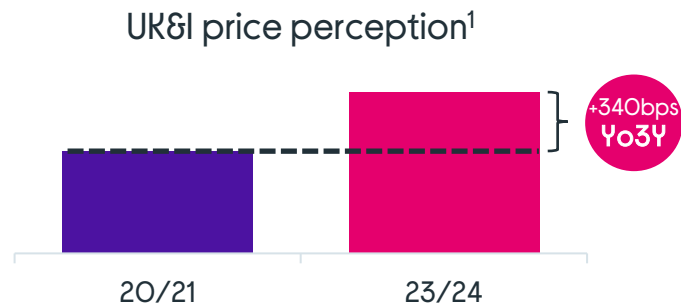
Our retail fundamentals are better

Continue to focus on the right products, at the right price, available when customers want

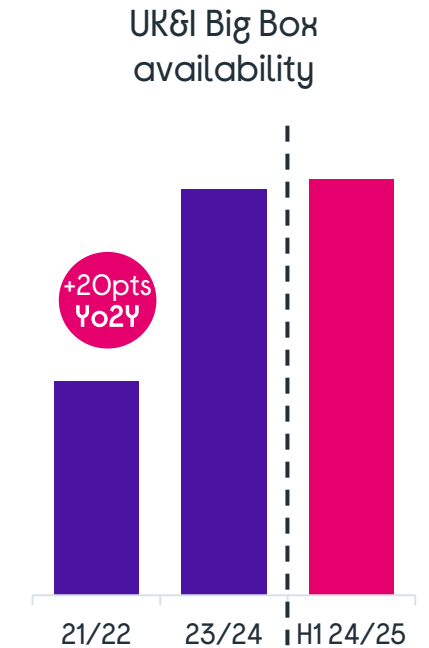
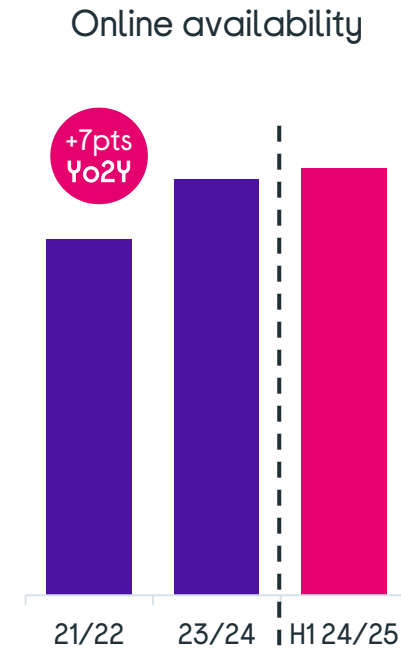
The right products...



... at the right price



With improved availability



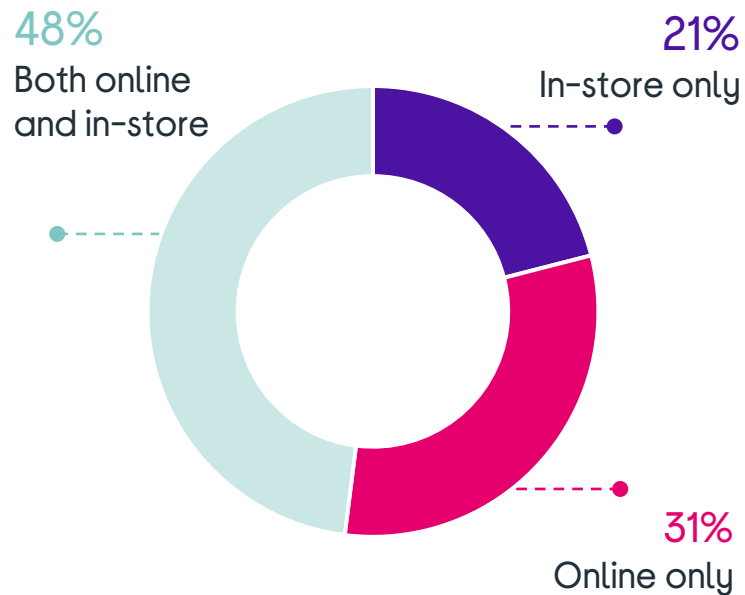
Source: Currys internal information

1) EAE. Question: Are competitively priced: Brand traits - Strongly agree 6 + 7 by Wave (Quarters) Base: All those aware of each brand. n varies (smallest n=7,865)

Customers prefer omnichannel

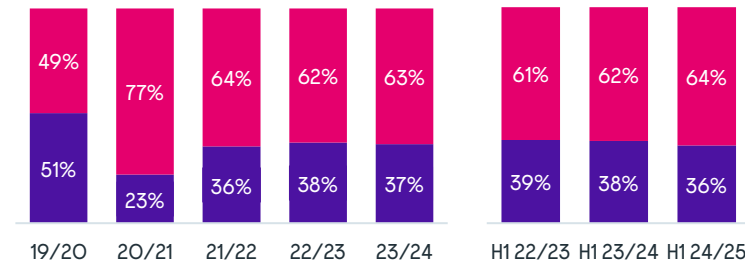
Customer surveys and actual shopping habits point to benefits of omnichannel

Customers channel usage¹

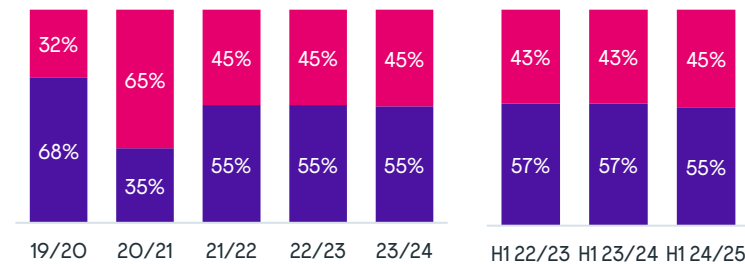


UK&I sales by channel²

Total Market



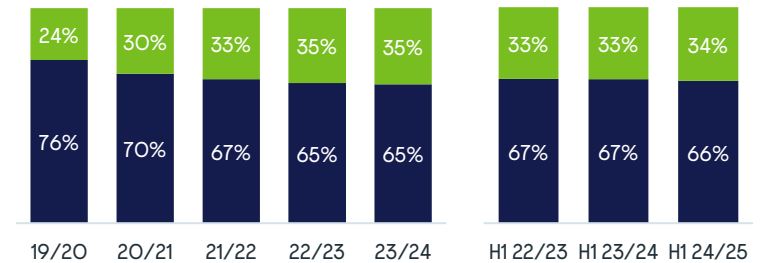
Currys



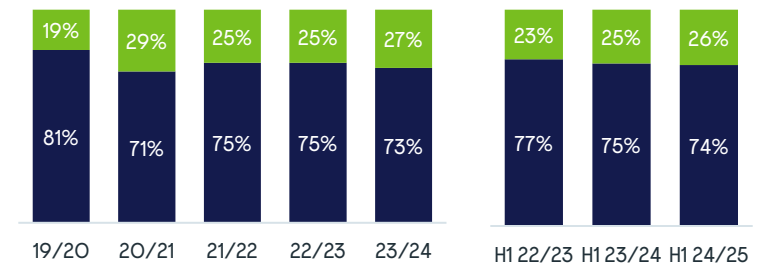
■ Store ■ Online

Nordics sales by channel²

Total Market



Elkj p



■ Store ■ Online

1) Currys internal information – Customer survey of 5,003 UK&I customers in October 2024. Q: Which of the following best describes how you have browsed/shopped for electricals in the last 12 months?

2) Currys internal information, GfK

We're investing to improve both channels

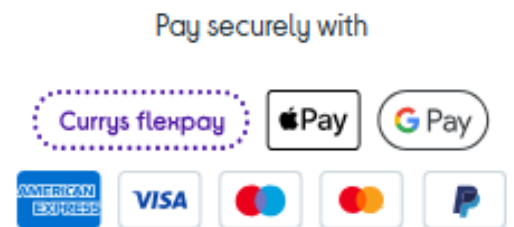
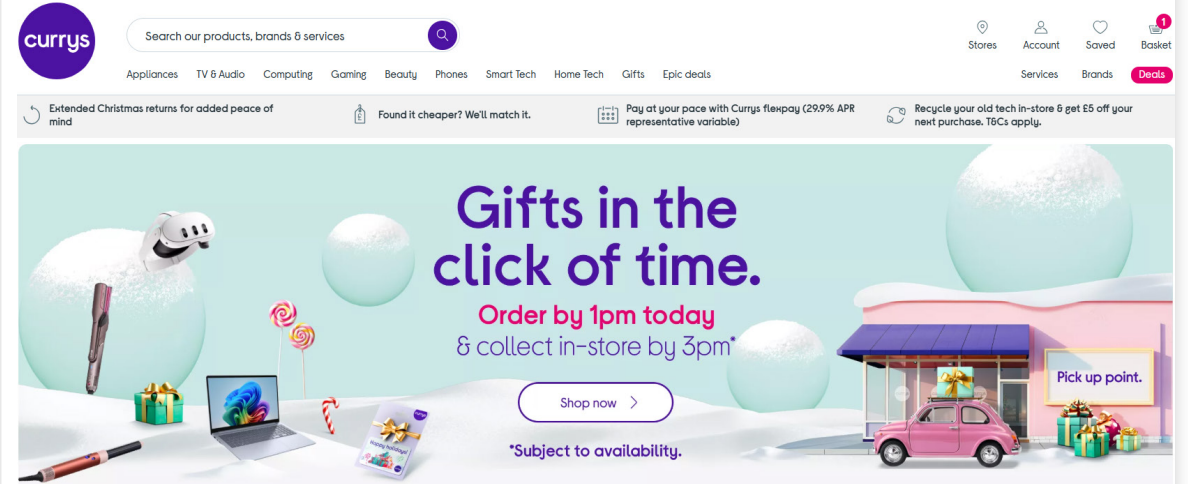
Stores are being remodelled and ESEL added, website is undergoing continuous improvement

Stores



Definition: ESEL – Electronic Shelf Edge Labels

Online

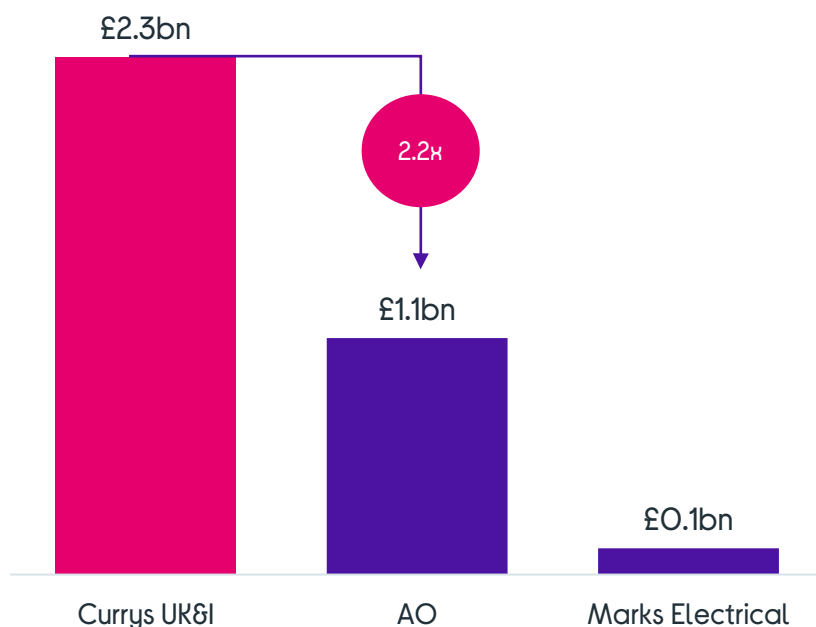


We are big online

Online, we are larger than specialist competitors

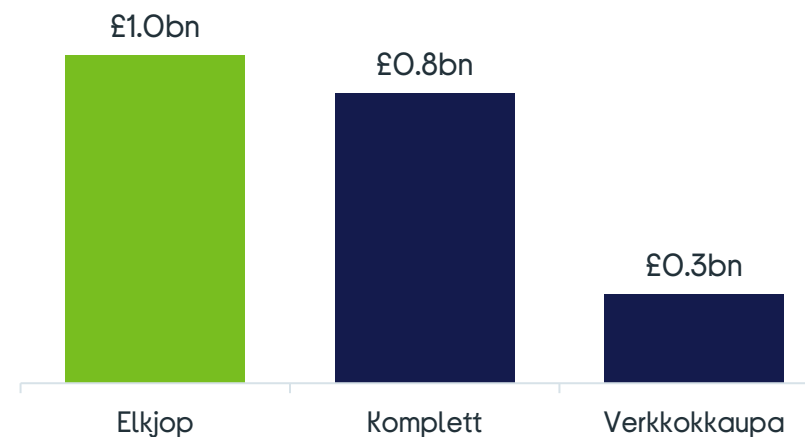
We are big online in the UK...

UK&I online revenue for the past 12 months¹



... and the Nordics

Nordics online revenue for the past 12 months¹



Sources: Currys internal information, <https://www.ao-world.com/investor-centre/reports-and-presentations/>, <https://group.markselectrical.co.uk/results>, <https://www.komplettgroup.com/investor-relations/financial-information/>, https://investors.verkkokauppa.com/en/investors/reports_and_presentations

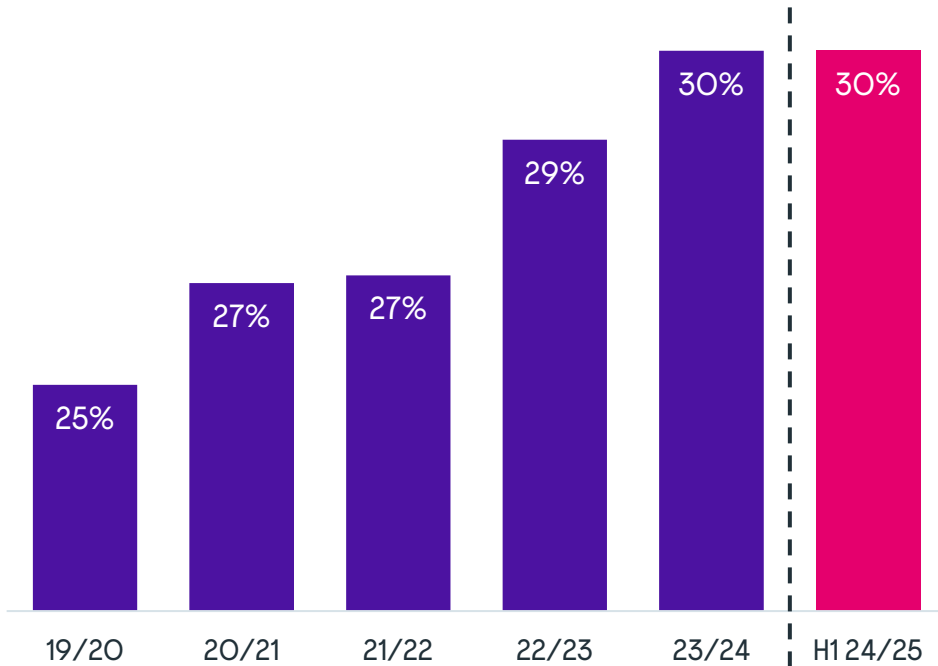
¹⁾ 12 months revenue to end of September or October 2024. Currys and AO includes H1 2024/25 and H2 2023/24. Komplet and Verkkokauppa include Q4 2023 and Q1, Q2 & Q3 of FY24.

Omnichannel sales seeing the strongest growth

Customers are increasingly taking advantage of the flexibility omnichannel offers

Omnichannel sales¹ are growing in mix

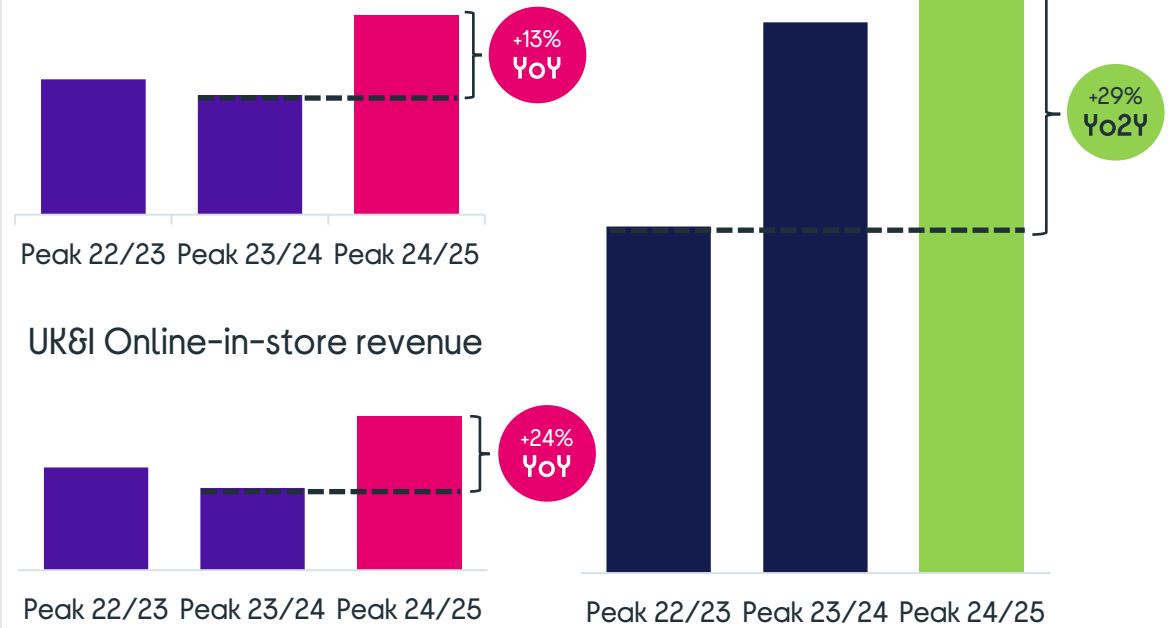
Omnichannel as proportion of total UK product sales



With more customers choosing collect at store

UK&I Order & Collect revenue

Nordics Collect @ Store revenue



Source: Currys internal information

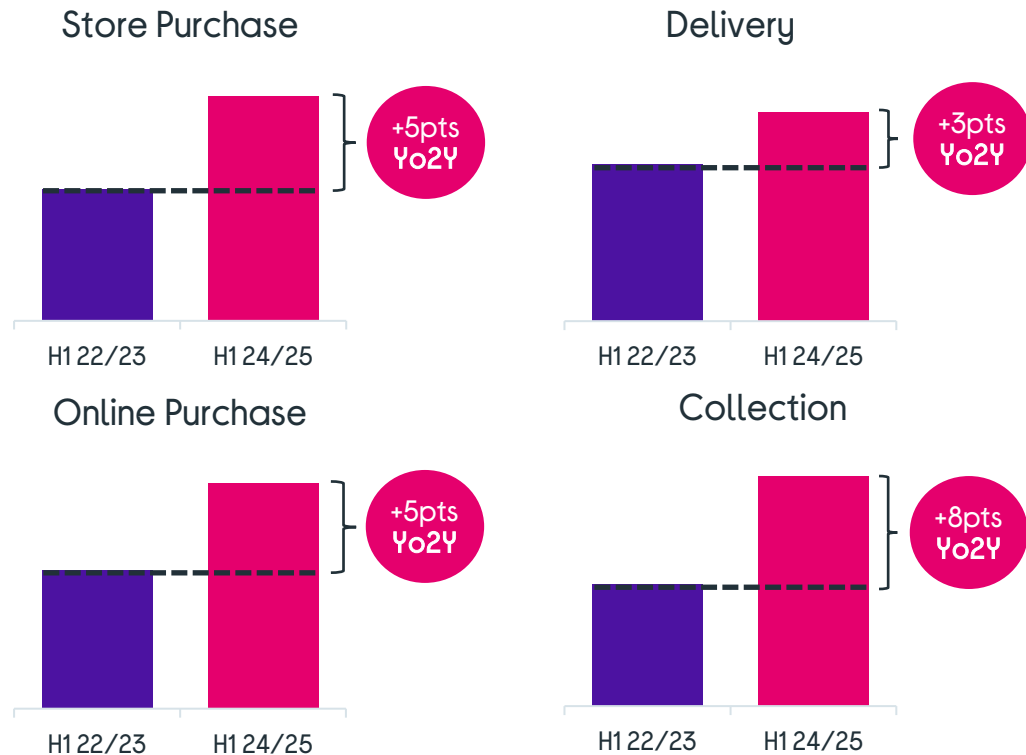
1) Omnichannel sales are defined as any sale that involves two or more channels in the customer purchase journey, predominantly comprising products ordered in-store and delivered to customer, and products ordered online and collected in store

“Right First Time” is improving customer satisfaction

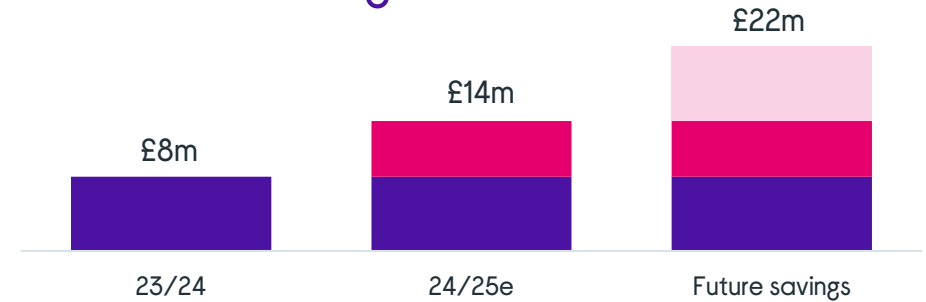
Delivering significant financial benefits

1 Improved customer satisfaction

UK&I CSAT¹



2 Direct cost savings



Reduces repeat visits and costs

3 Lower customer acquisition costs



4 Increased colleague engagement



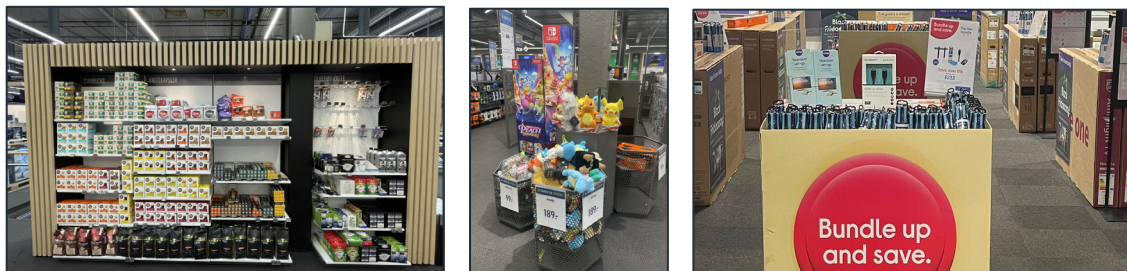
We're increasingly selling solutions, and not just products alone

Adoption rate of “sold with” has more than doubled in two years

Improved execution

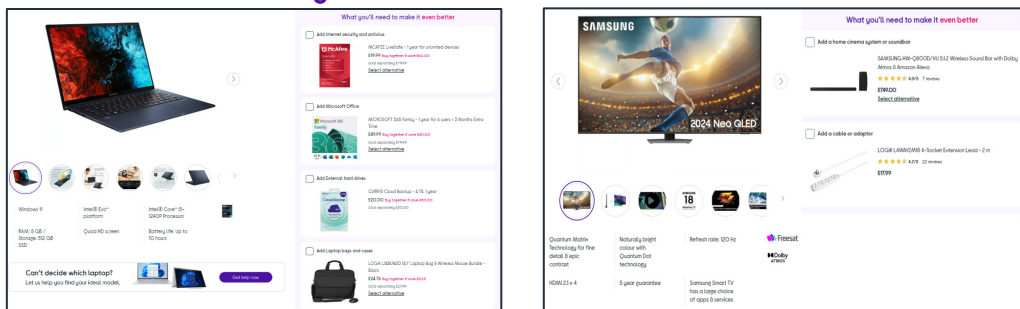
Instore: Accessories adjacent to products

You'll need: tech essentials



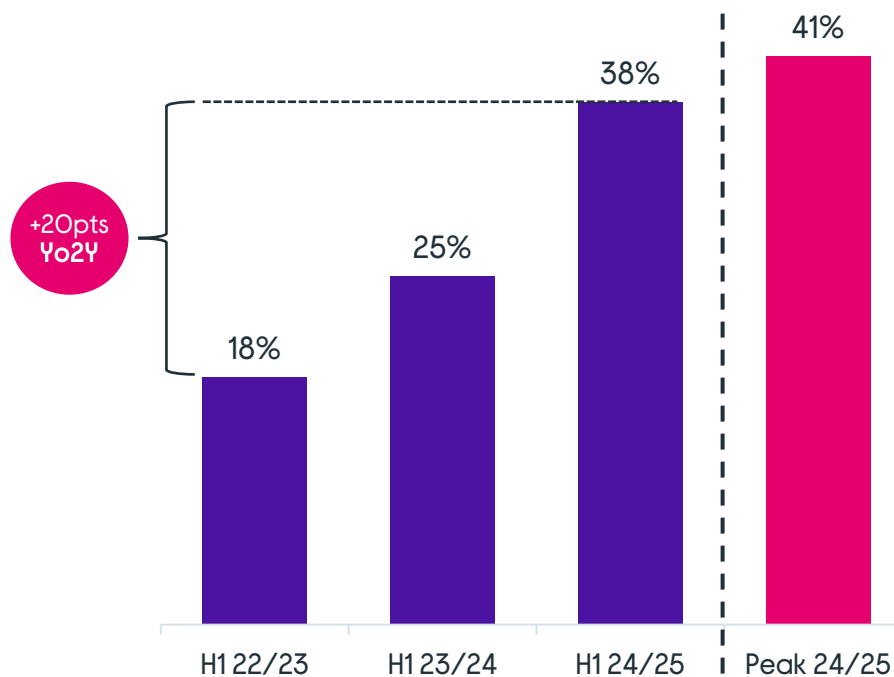
Online: Accessory recommendations added

What you'll need to make it even better



Growing adoption

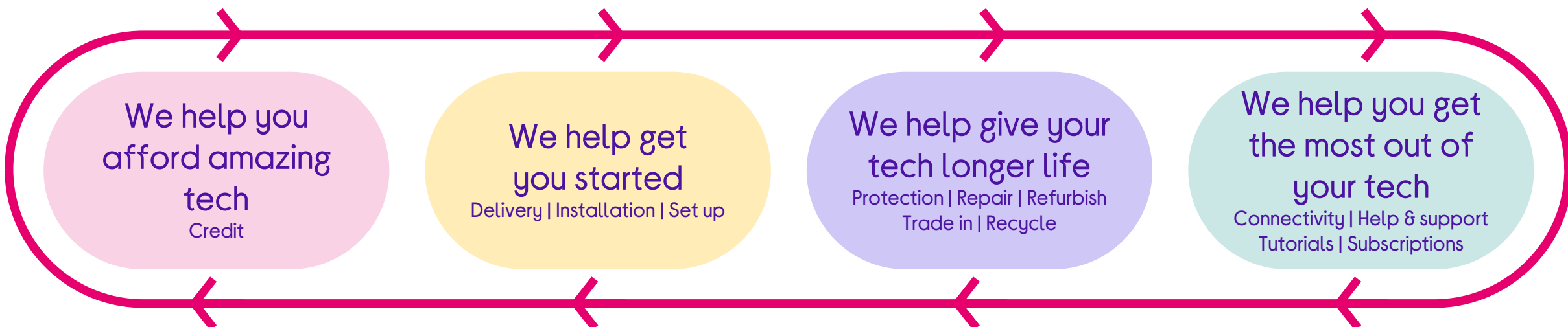
UK&I “Sold with” adoption rate



Source: Currys internal information

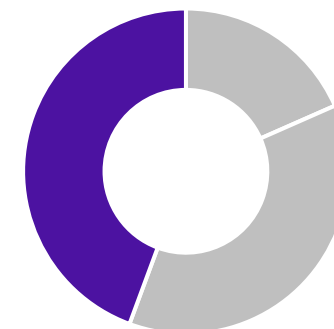
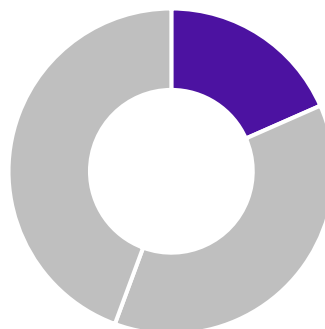
Services are big, growing, and valuable to customers and to Currys

Source of recurring, higher margin revenue



Services: £674m revenue

>£940m of
product sales on
Credit
+63% Yo3Y



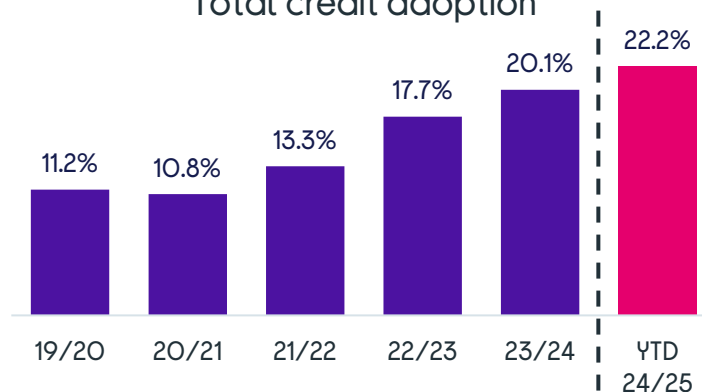
Credit growth continues, driven by existing customers

Flexpay is now leading way to pay for our customers

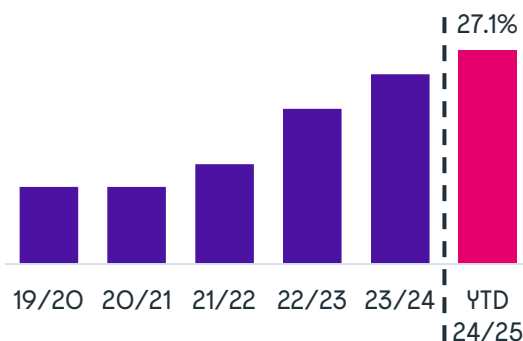


Credit adoption rising, with online at the forefront

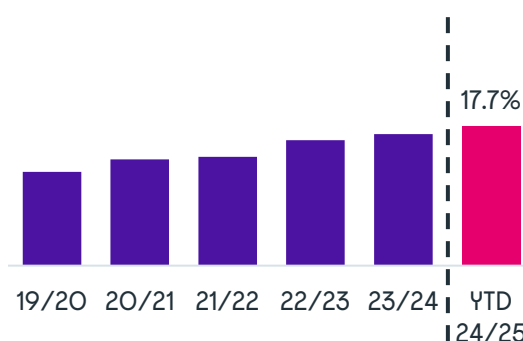
Total credit adoption



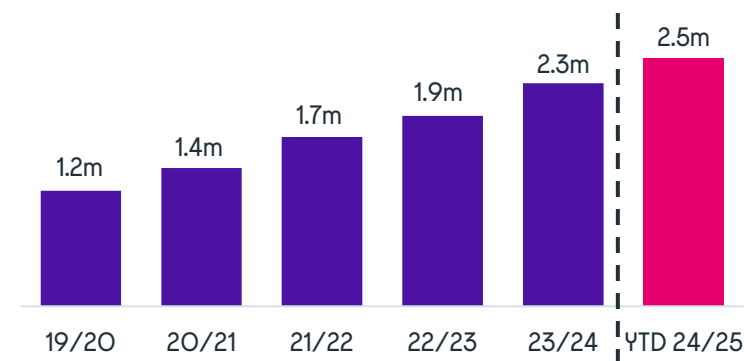
Online credit adoption



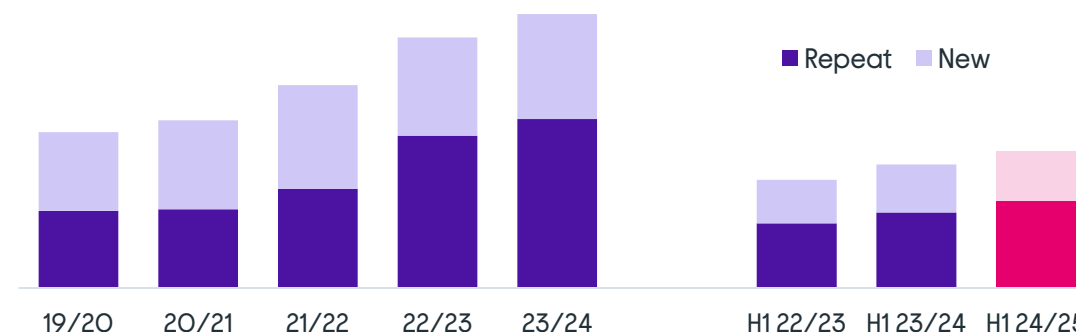
Store credit adoption



Credit customers steadily increasing



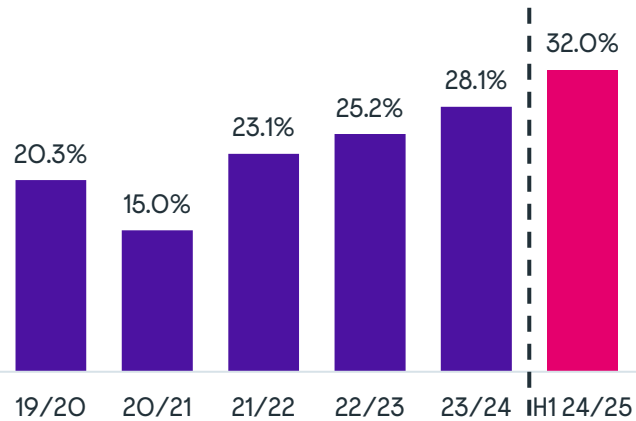
Credit sales shifting toward repeat spend



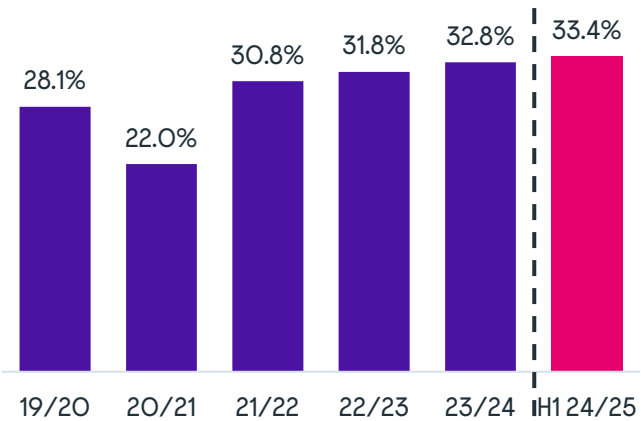
Services to “get customers started” are becoming ever more valued

Currys is trusted in customers' homes

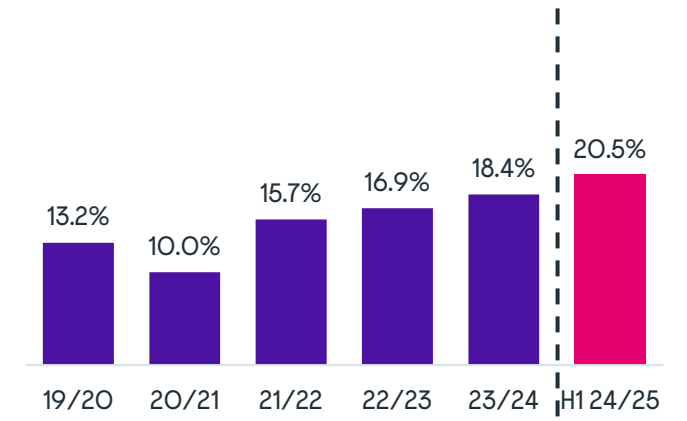
UK Big Box Installation rate



UK Big Box Recycling rate



UK Installation and Recycling rate



Source: Currys internal information

Unique capabilities make us well positioned to help all stakeholders

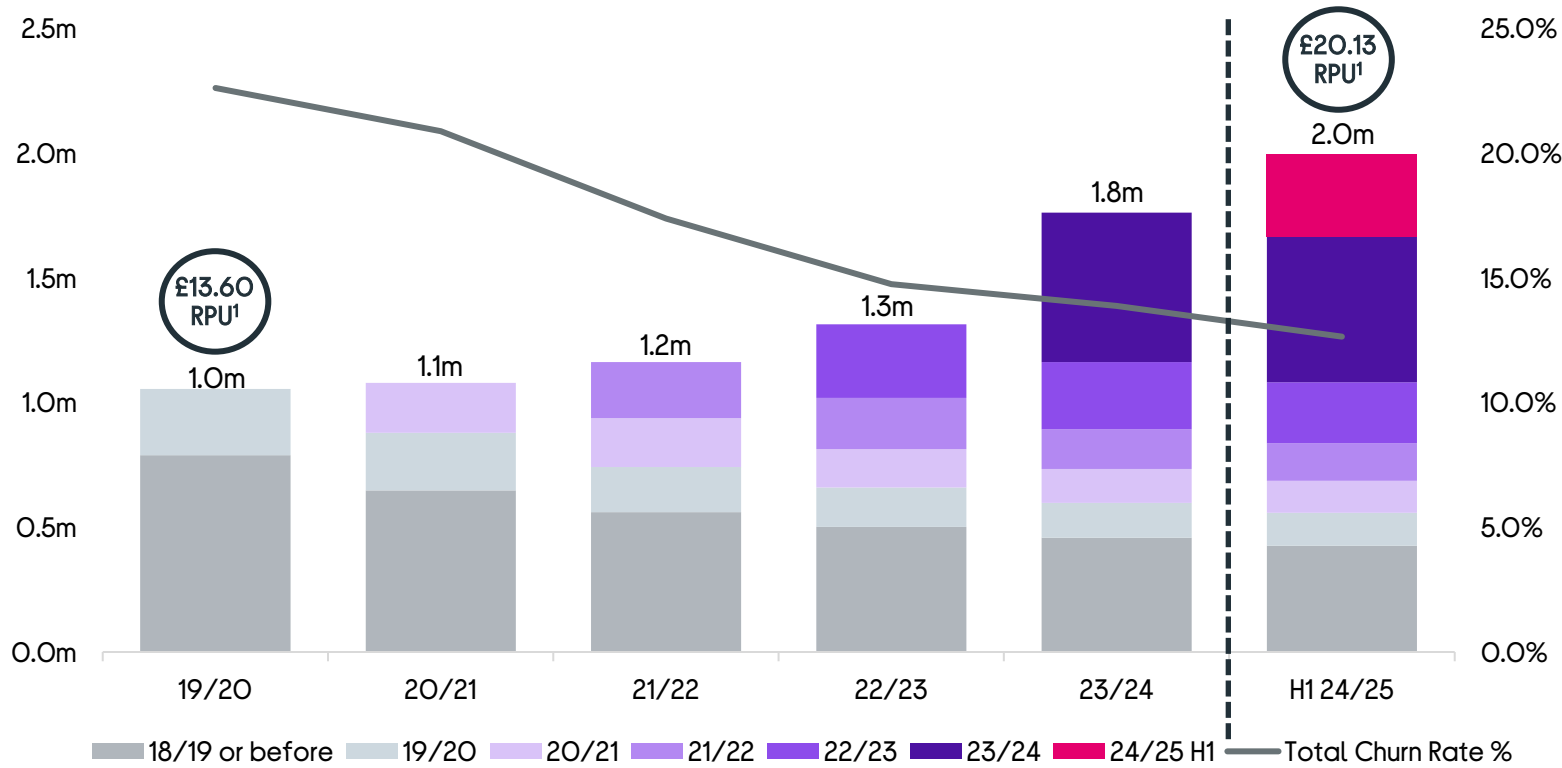


iD Mobile reached 2.1m subscribers

Source of long-term profit and cashflow



iD Mobile subscribers by acquisition year



Source: Currys internal information
1) Definition: RPU – Revenue per user.

Vodafone-Three merger

CMA ruling provides additional confidence:

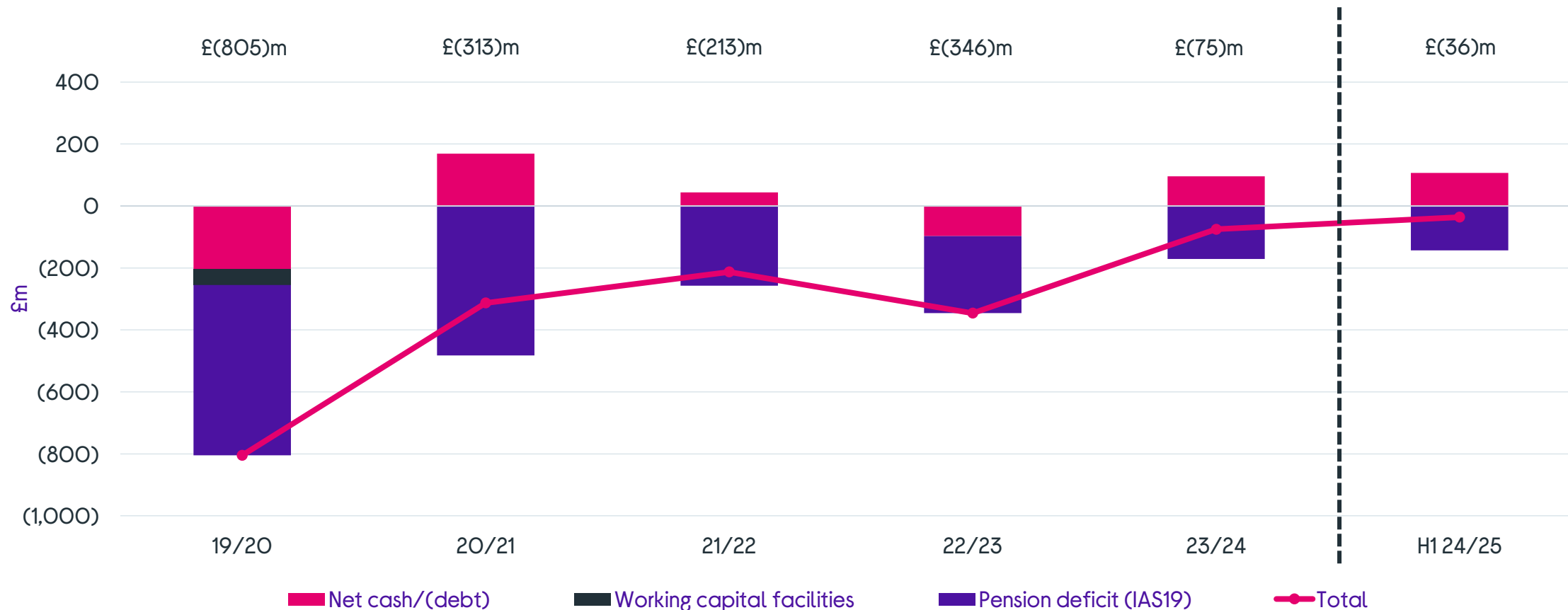
- + Secured terms
- + Extended contract
- + Enhanced network coverage

Outlook



Balance sheet strengthening

Net cash of £107m and pension deficit of £(143)m

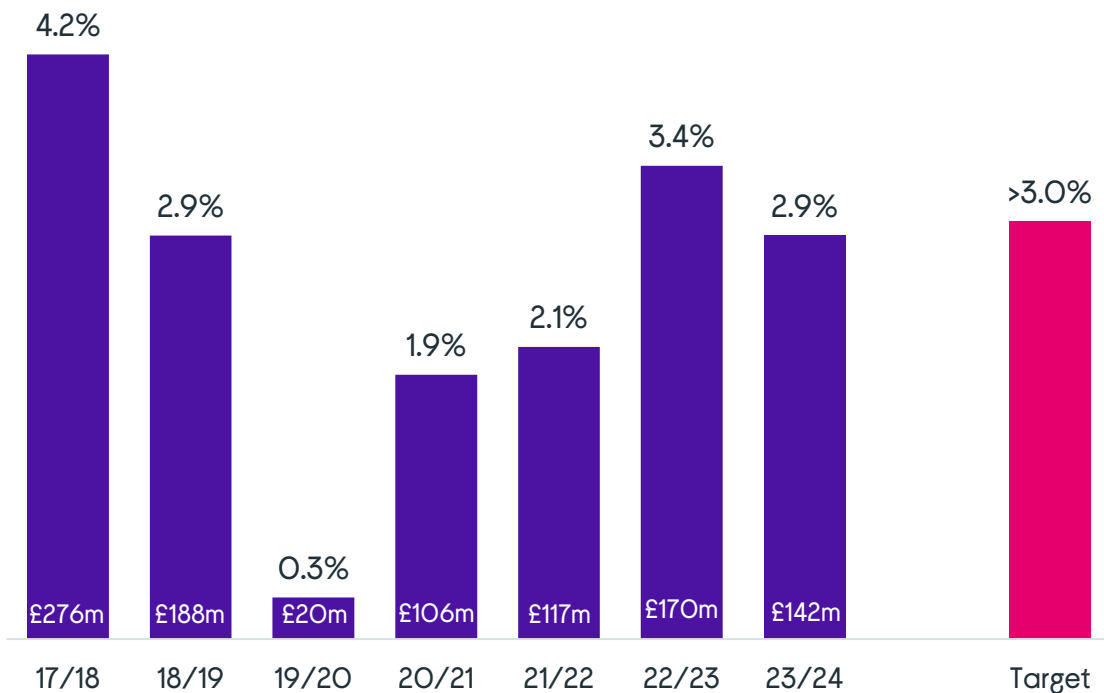


Source: Currys internal information

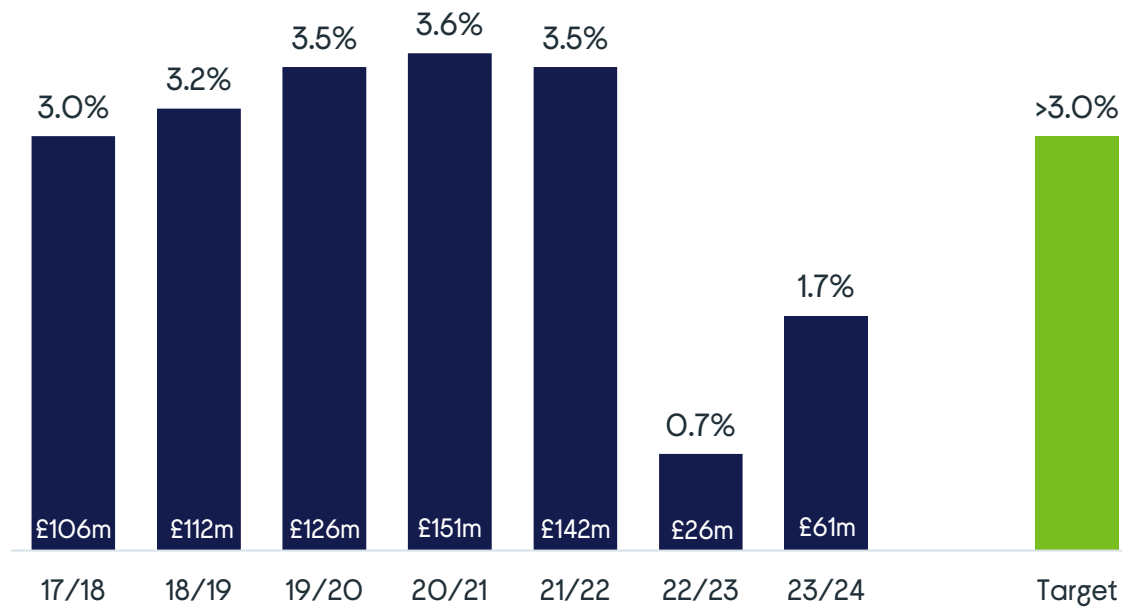
Clear medium term margin ambitions

Returning to 3% margins is achievable based on historic performance

UK&I adjusted EBIT margin %



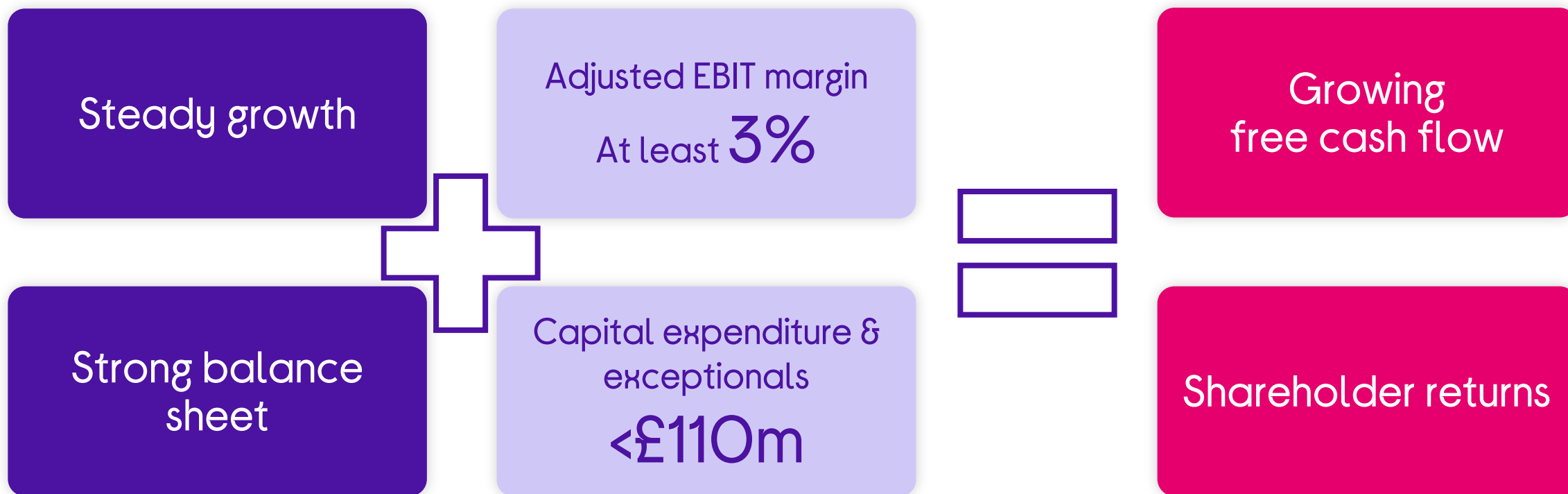
Nordics adjusted EBIT margin %



Source: Currys internal information - 17/18 and 18/19 are pre IFRS16 numbers

Confident in delivering improved cash flow

Margin improvement alongside tight discipline on capital expenditure, exceptional cash and working capital



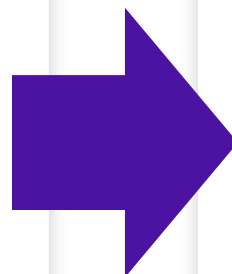
Annual free cash flow is defined as operating cash flow less capital expenditure, exceptional cash flow, working capital, cash tax and interest.

Clear capital allocation priorities

Resuming dividends for full year 2024/2025

Maintain prudent balance sheet

Pay required pension contributions



Invest to grow business/profits/
cash flow

Pay and grow
ordinary dividend

Surplus capital available to return
to shareholders

Summary

Performance continuing to strengthen

Strong trading and robust profit outlook in current year

Nordics controlling all the controllables and outperforming in tough environment

Strong balance sheet and clear path to growing free cash flow

UK&I momentum as retail fundamentals and strategic initiatives continue to deliver

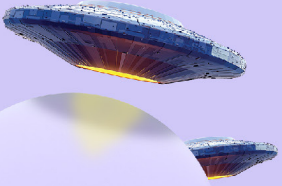
Growing shareholder returns: dividends to resume at year end



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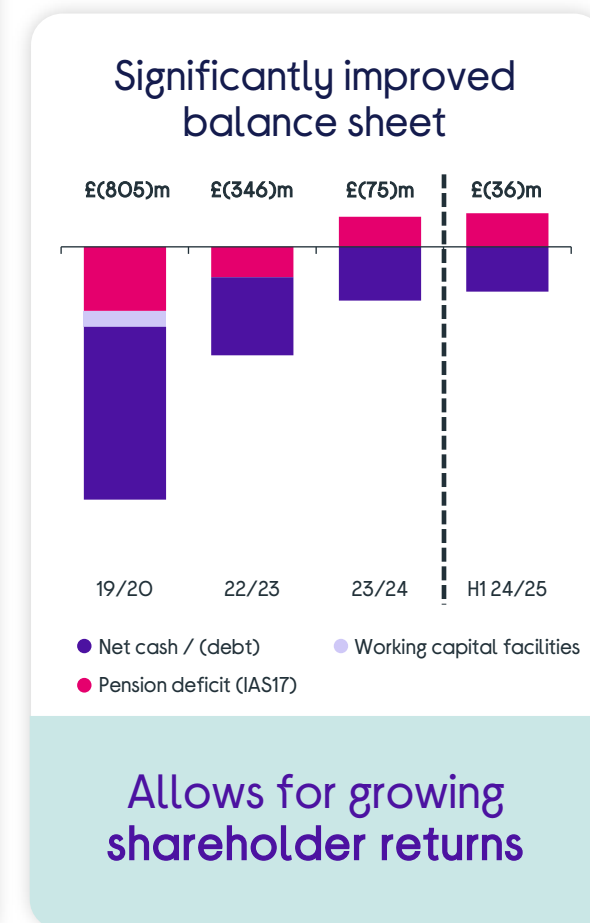
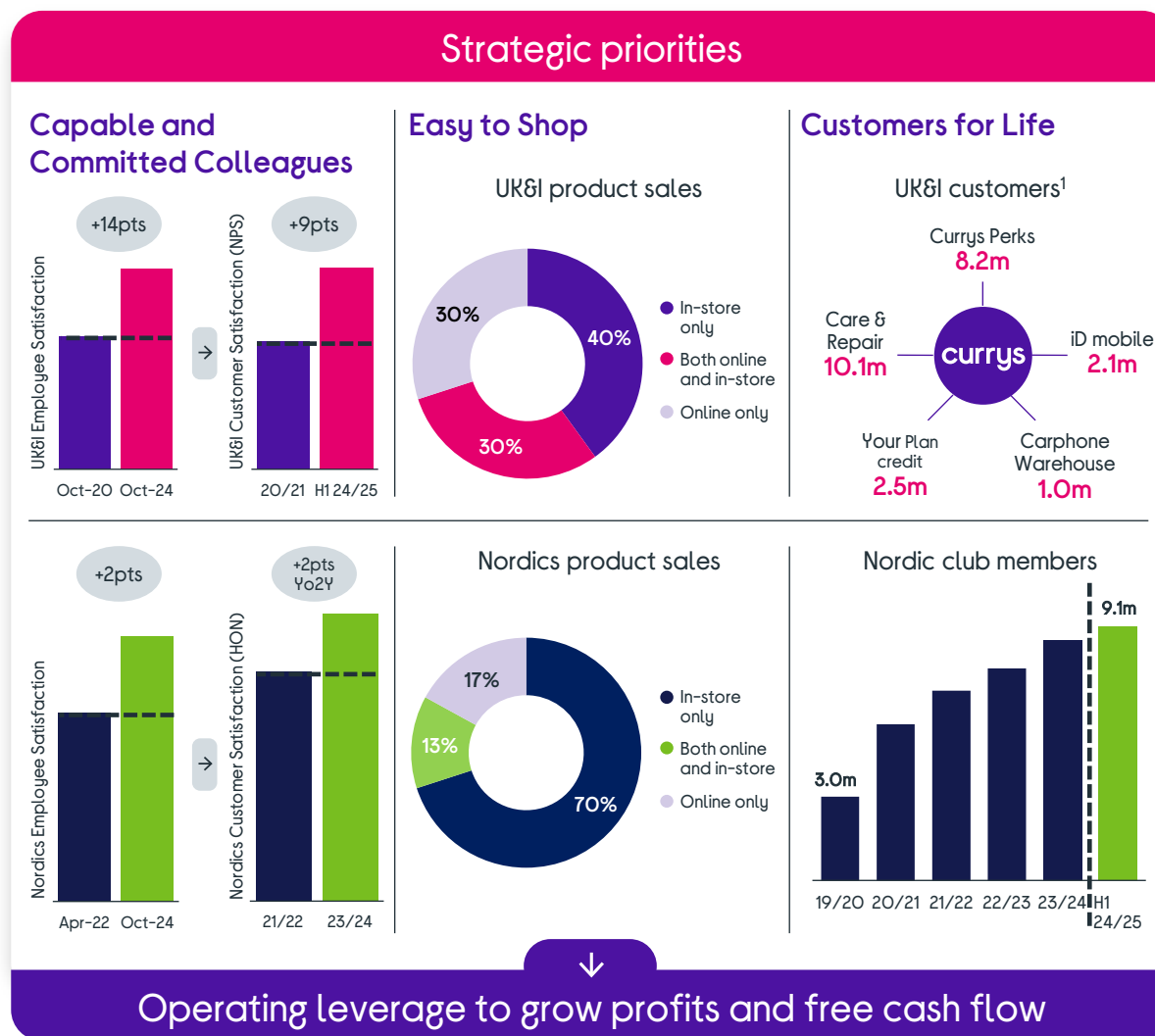


A leading omnichannel retailer of tech products and services

Clear focus on generating increasing shareholder returns



Sources: Currys internal information
1) Latest reported data



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