



FY24 Interim Results

John Roberts, Founder and CEO
Mark Higgins, Group CFO

21st November 2023

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*Certain financial data have been rounded. As a result of this rounding, the total of data presented may vary slightly from the arithmetic totals of such data.



Welcome

John Roberts
Founder and CEO



Financial Performance

Mark Higgins
Group CFO

HY24 Financial Summary

- Increase in liquidity - £99m (FY23: £89m)
- Increase profitability - PBT £13m (2.7% of revenue)
- EPS at 1.64p (HY23: 2.14p loss)
- Revenue £482m - impacted by the Pivot



Revenue Highlights



£m	FY24 H1	FY23 H1	YoY Change
Product revenue	370	433	-14%
Services revenue	30	23	31%
Commission revenue	57	66	-14%
Logistics revenue	13	13	3%
Recycling revenue	11	12	-5%
	482	546	-12%

- Pivot to cash and profit produced expected impact on revenue
- Annualisation of delivery charges
- Contract Handset Acquisition Market 13% down in the last 6 months
- Strong online MDA penetration at 29.6%

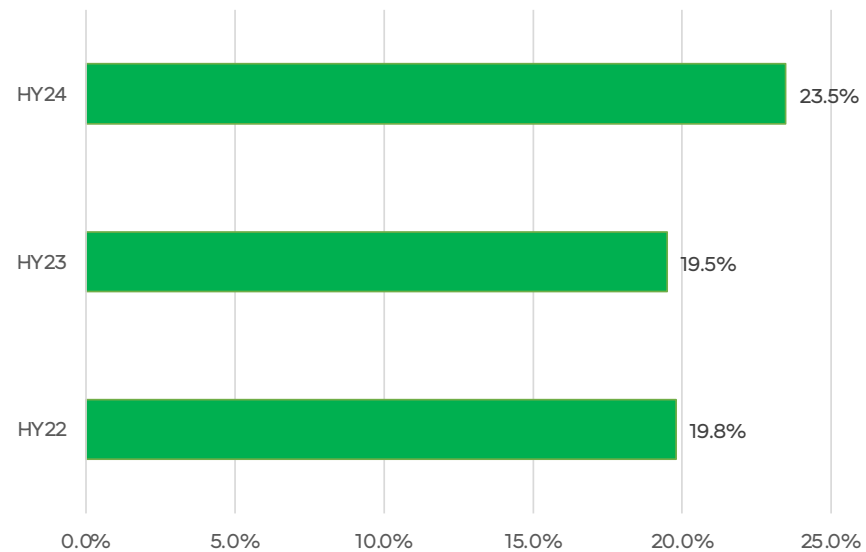
¹ GfK MDA data

UK Gross margin

- Against the same period in the previous two years we see the compounding benefits of:
 - Range rationalisation
 - Removal of discount codes
 - Delivery charging
- Continued uptake in our extensive service offering for customers
- Inflationary pressures in delivery offset with efficiency savings



UK Gross Margin

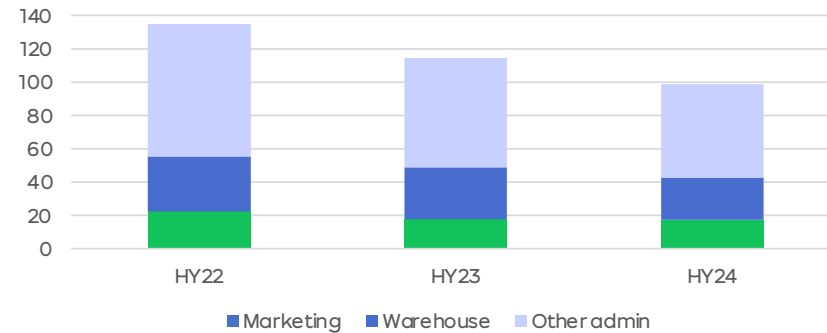


UK SG&A costs

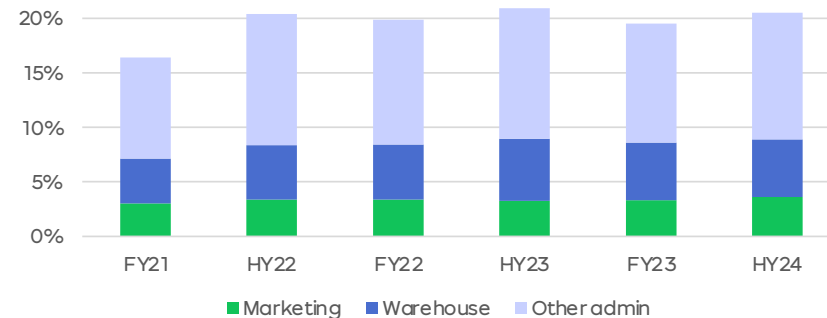
- Annualisation of cost base reset and relentless control of costs
- HY Cost savings of £19m (YoYoY saving of £36m)
- Change in marketing spend strategy:-
 - increased investment in direct marketing including TV advertising
 - Reduction in acquisition spend - move away from PPC and affiliate spend
- Warehousing costs have fallen £6m YoY - third party leasing and continued efficiency improvements
- Annualisation of strategic review of headcount in FY23 and property rationalisation

For the 6 months ending 30 September 2023
 Certain financial data have been rounded. As a result of this rounding, the total of data presented may vary slightly from the arithmetic totals of such data
 *Excludes impact of adjusting items

UK SG&A Costs (£m)



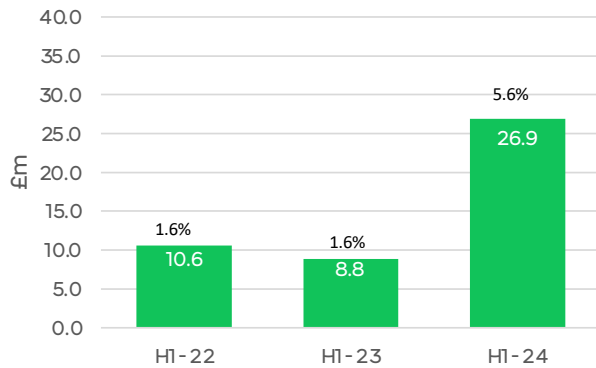
UK SG&A Costs %



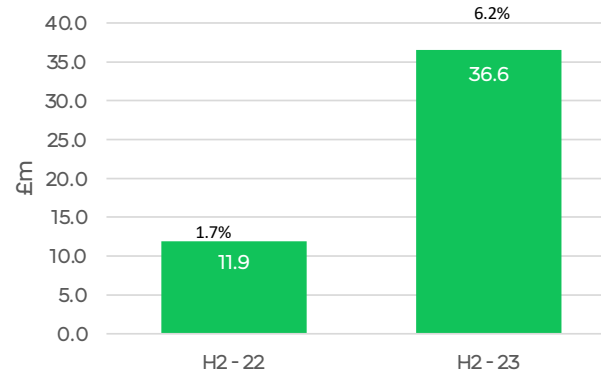
UK Adjusted EBITDA and PBT progression



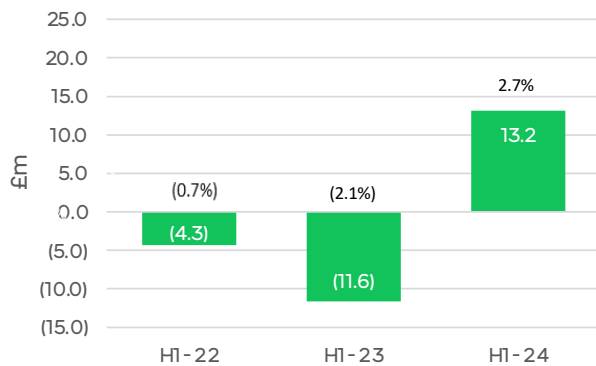
H1 adjusted EBITDA



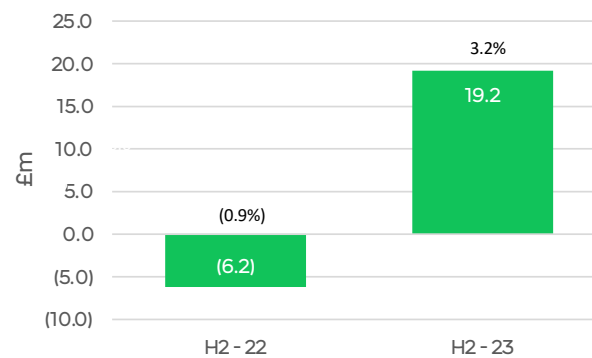
H2 adjusted EBITDA



H1 Profit / (Loss) Before Tax



H2 Profit / (Loss) Before Tax

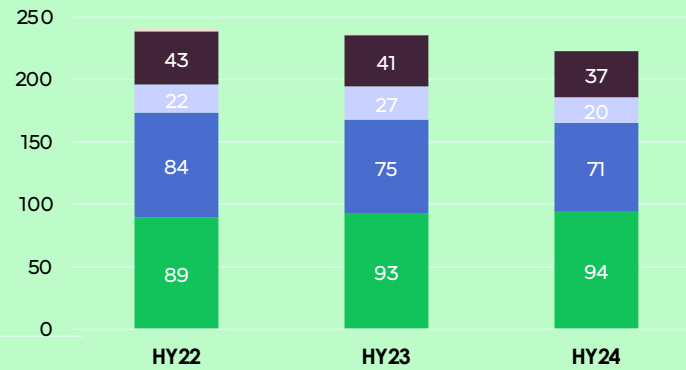


- Strategy is delivering profitability
- Cost structure appropriate for ongoing business
- Still opportunities for further efficiencies
- Operationally geared for growth with little further overhead anticipated

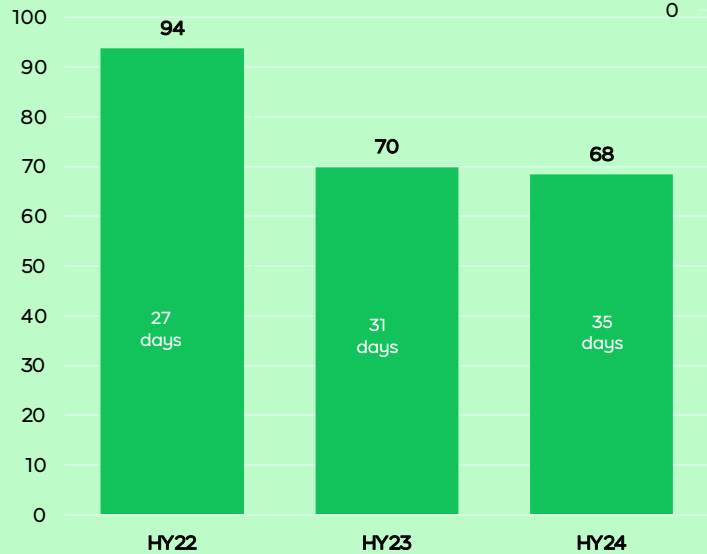
UK Working Capital



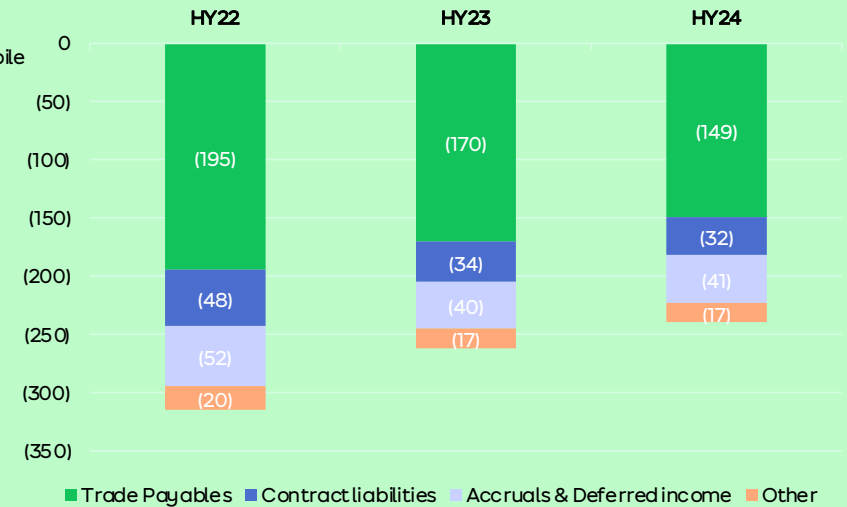
Debtors and contract assets (GBPm)



Stock (GBPm)



UK payables



Values and number of days is at 30 September

Cashflow and liquidity

	HY24 £'m	HY23 £'m
Adjusted EBITDA - continuing	27	9
Change in working capital	1	(10)
Share placing	0	39
Capex	(4)	(1)
Financing activities	(21)	(6)
Other	2	3
Cashflows from discontinued operations	(1)	(11)
Opening cash	19	20
Closing cash	22	43
Available liquidity = cash plus available facility	99	68

- Efficient management of working capital
- Capex spend of £4m including £3.5m on the purchase of recycling site – further c£3m expected in H2
- Revolving Credit Facility undrawn at the period end



FY24 financial outlook

- Consumer markets continue to be affected by cost of living challenges and volatility
- Continued focus on profit and cash generation with growth in medium term
- Updated Guidance FY24:
 - Group Adj. PBT £28m to £33m
 - Revenues c.- 10%
 - Capex of £7m
- Medium term operating ambitions:
 - Scale leverage PBT margins
 - Convert profits to cash
 - Revenue growth 10 - 20%



*Image generated by AI





**Strategic
Progress**

HY24 continued progress



- Actions delivering what we expected
- Pivot to profit materially complete
- Solid increase in PBT
- Resilient model underpinned by distress market
- Operational gearing with growth delivers margin opportunity



*Image generated by using an old one

How we will grow

- Compounding effect of scale and operational excellence
- Continued brand investment – spontaneous awareness at an all time high
- 11.6m customers transacted to date
- Our difference is how we do it, not what we do



*Image generated by using genuine drivers and Dan's mum (she only got to look at the washer)

Who do customers trust?

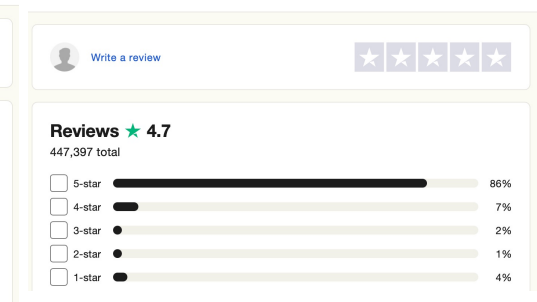
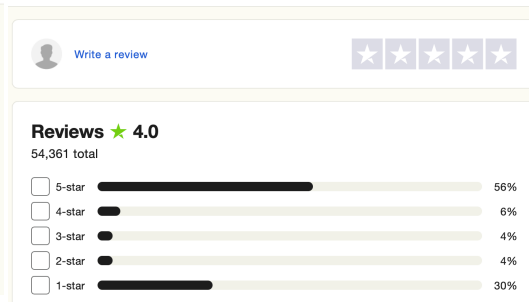


currys
 Reviews 155,309 • Average
 ★★☆☆☆ 3.7 ⓘ
 VERIFIED COMPANY

JOHN LEWIS
 Reviews 54,361 • Great
 ★★★★★ 4.0 ⓘ
 VERIFIED COMPANY

Argos
 Reviews 211,914 • Great
 ★★★★★ 4.0 ⓘ
 VERIFIED COMPANY

ao.com
 Reviews 447,397 • Excellent
 ★★★★★ 4.7 ⓘ
 VERIFIED COMPANY



Data taken Mon 13/11/23

The UK's
most trusted
 electrical retailer



How we will grow

- c500k AO Finance customers are around 10% of retail sales. £700m available to spend
- B2B has doubled over the last three years
- Continued, disciplined innovation for customers
- Artificial Intelligence offers medium term productivity gains through our vertically integrated model
- High quality foundations and brilliant retail basics



*Image generated by reusing another old one

The background is a light green color with several thick, dark green curved lines scattered across it, creating a dynamic, abstract pattern. The word "Summary" is centered in a bold, dark green font.

Summary



Questions