16 April 2026
Dunelm Group plc

Third quarter trading update

Sales growth and continued strong gross margin despite uncertain environment

Dunelm Group plc ("Dunelm" or "the Group"), the UK's leading homewares retailer, updates on trading for the 13-week period ended 28 March 2026.

	Q3		Year-to-date	
	FY26	**YoY**	**FY26**	**YoY**
Total sales	£472m	+2.1%	£1,398m	+3.1%
Digital % total sales[1]	43%	+2ppts	42%	+2ppts

[1] Digital includes home delivery, Click & Collect orders, and tablet-based sales in store

Performance

- Sales growth of 2.1% to £472m in Q3, with digital participation up 2ppts to 43%
- Total sales up 3.1% to £1,398m in the year-to-date
- Gross margin increased by 30bps year-on-year for Q3
- FY26 PBT currently expected to be towards the lower end of consensus expectations[2]

[2] Company compiled consensus average of analysts' expectations for FY26 PBT is £213m, with a range of £210m to £217m

Sales and gross margin

Total sales for the third quarter increased by 2.1% year-on-year to £472m. As previously reported, the third quarter started well, with growth in line with our first half performance, following a good Winter Sale and a positive response to new Spring ranges. The universal appeal of our offer continued to resonate with customers, however more recently, and particularly in March, we experienced a period of broad-based softening.

Gross margin increased by 30bps year-on-year in the quarter. Whilst we continue to benefit from the FX tailwind seen in the first half, we also saw customers seeking value, buying into more discounted products compared to full price lines.

Summary and outlook

In Q3 we delivered further sales and gross margin growth in an uncertain consumer environment. The cost plans set out at our Interim Results for H2 remain on track. Through our ongoing delivery of productivities and a disciplined approach to investments, we are navigating the impact of instability in the Middle East, which is expected to only have a small direct cost impact in this financial year.

We have a strong calendar of events planned for Q4, and confidence in our ability to continue to deliver a compelling proposition to our customers. However, global events have resulted in a more uncertain external environment, and we are not assuming any immediate improvement to consumer confidence. We therefore currently expect PBT for FY26 to be towards the lower end of consensus expectations [3].

We remain very confident in our ability to control the controllables, and in our long-term growth prospects; we have a strong set of assets, all of which present further opportunities. The full launch of our mobile app in Q3 gives us a new digital platform, with the opportunity to drive greater customer engagement, loyalty and enhanced experiences. Total downloads are now above 300k and we are encouraged by early performance on conversion and spend per transaction. We are also capitalising on the opportunity we see to accelerate growth through our store footprint, with a significantly stronger pipeline of new openings expected in our next financial year, including our Kingston-upon-Thames store which we are planning to open in the summer.

[3] Company compiled consensus average of analysts' expectations for FY26 PBT is £213m, with a range of £210m to £217m

Clo Moriarty, Chief Executive Officer, commented:

"We saw further sales growth in Q3, against an uncertain backdrop for both customers and businesses.

"Although the external environment is not helpful in the short term, we continue to focus on the areas within our control - strengthening our proposition while operating efficiently and effectively. Alongside this, we are making good progress building our long-term growth plans with some exciting developments beginning to emerge, including a much stronger store opening pipeline and some encouraging early results from our recently launched app.

"Our final quarter provides multiple opportunities for Dunelm to stay front of mind for customers, including our popular Summer Sale. We remain confident that our comprehensive offer will continue to resonate with homelovers."

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Next scheduled event:

Dunelm will make its fourth quarter trading update on 16 July 2026.

Quarterly analysis:

	52 weeks to 27 June 2026						
	Q1	**Q2**	**H1**	**Q3**	**Q4**	**H2**	**FY**
Total sales	£428.1m	£498.2m	£926.3m	£471.6m			
Total sales growth	+6.2%	+1.6%	+3.6%	+2.1%			
Digital % total sales	40%	42%	41%	43%			

	52 weeks to 28 June 2025						
	Q1	**Q2**	**H1**	**Q3**	**Q4**	**H2**	**FY**
Total sales	£403.2m	£490.5m	£893.7m	£461.9m	£415.4m	£877.3m	£1,771.0m
Total sales growth	+3.5%	+1.6%	+2.4%	+6.3%	+4.0%	+5.2%	+3.8%
Digital % total sales	37%	40%	39%	41%	42%	42%	40%

Notes to Editors:

Dunelm is the UK's market leader in homewares with a purpose 'to help create the joy of truly feeling at home, now and for generations to come'. Its specialist customer proposition offers value, quality, choice and style across an extensive range of more than 100,000 SKUs, spanning multiple homewares and furniture categories and including services such as Made-to-Measure window treatments.

The business was founded in 1979 by the Adderley family, beginning as a curtains stall on Leicester market before expanding its store footprint. The business has grown to 203 stores across the UK and Ireland and has developed a successful online offer through dunelm.com which includes home delivery and Click & Collect options. 160 UK stores now include *Pausa* coffee shops, where customers can enjoy a range of hot and cold food and drinks.

From its textiles heritage in areas such as bedding, curtains, cushions, quilts and pillows, Dunelm has built a comprehensive offer as The Home of Homes including furniture, kitchenware, dining, lighting, outdoor, decoration and DIY. The business predominantly sells specialist own-brand products sourced from long-term, committed suppliers.

Dunelm is headquartered in Leicester and employs c.12,500 colleagues. It has been listed on the London Stock Exchange since October 2006 (DNLM.L) and the business has returned more than £1.5bn in distributions to shareholders since IPO[4].

[4] Ordinary dividends plus special distributions