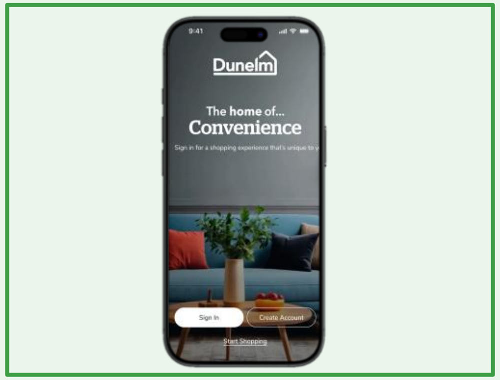
Interim Results FY26

10 February 2026

Dunelm

The Home of Homes

First impressions of a special business



Product-centric with something for everyone...

...partnering with long-standing, committed suppliers...

...harnessing the power of bricks and mortar...

...with an expanding digital platform...

...and amazing colleagues who really care

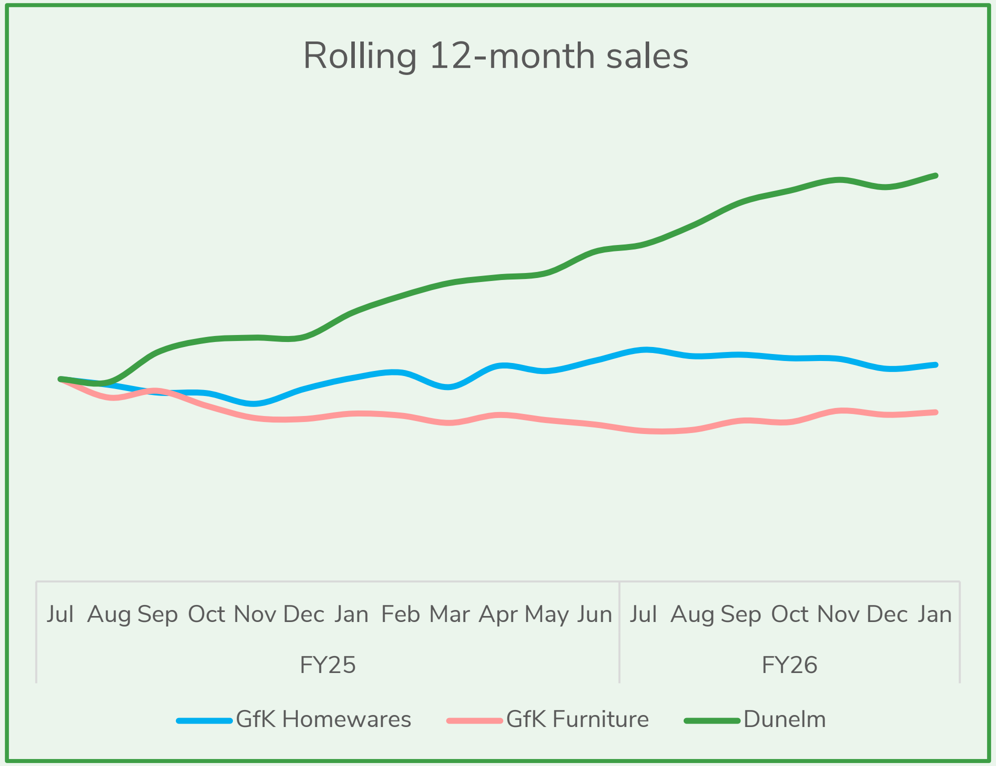
Interim Results FY26

H1 FY26 Performance

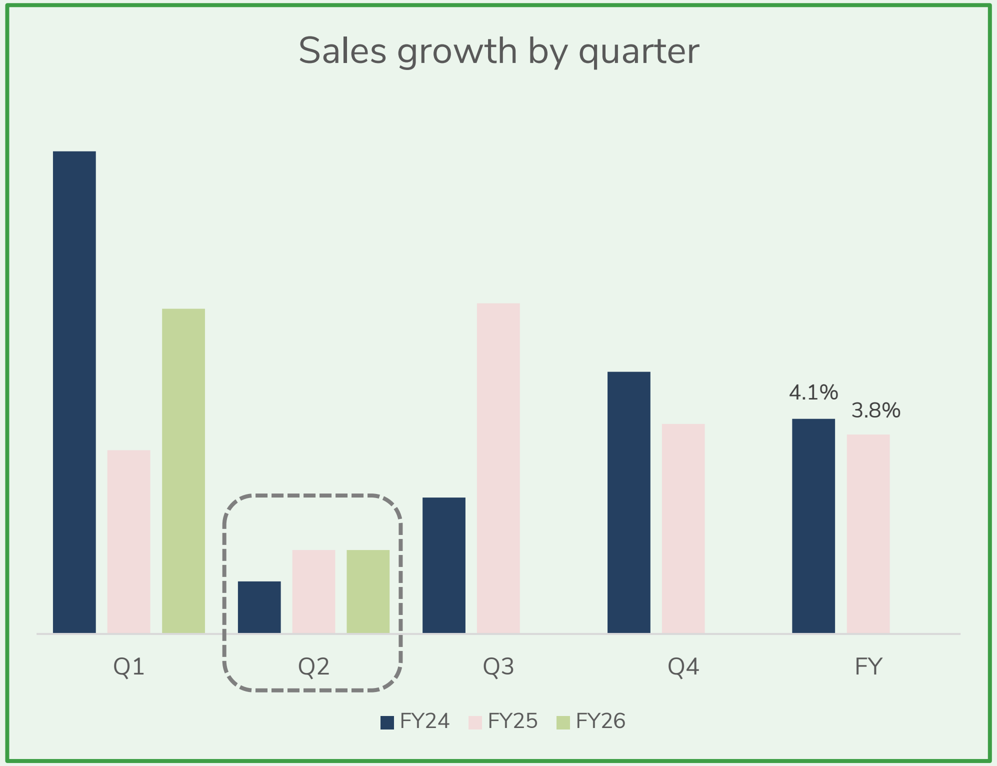
+3.6%	+60bps	7.9% FY25 H1: 7.7%	+2.6%pts
Total Sales Growth	Gross Margin Growth	Market Share[1]	Customer Satisfaction[2]
£114m FY25 H1: £123m	£171m FY25 H1: £169m	17.0p FY25 H1: 16.5p	25.0p FY25 H1: 35.0p
Profit Before Tax	Free Cash Flow[3]	Interim Div. per Share	Special Div. per Share

[1] Market share of the combined UK homewares and furniture markets (excluding kitchen cabinetry, bathroom furniture and decorative DIY) as reported by GlobalData UK for the period January to December 2025. Market share for 2024 was 7.7% (restated from 7.8%)
[2] Of the customers who complete our survey, the percentage who rate their experience with us as 5/5. Overall Customer Satisfaction ("CSAT") is weighted based on transaction volumes by channel (Stores, Home Delivery and Click & Collect)
[3] Net cash generated from operating activities less capex (net of disposals), net interest paid (including leases) and loan transaction costs, and repayment of principal element of lease liabilities. A reconciliation of operating profit to free cash flow is included on slide 14. Free cash flow in the half included a timing benefit of £93m due to a payment in transit which cleared on the second working day of H2 (FY25 H1: £88m)

Further growth in market share



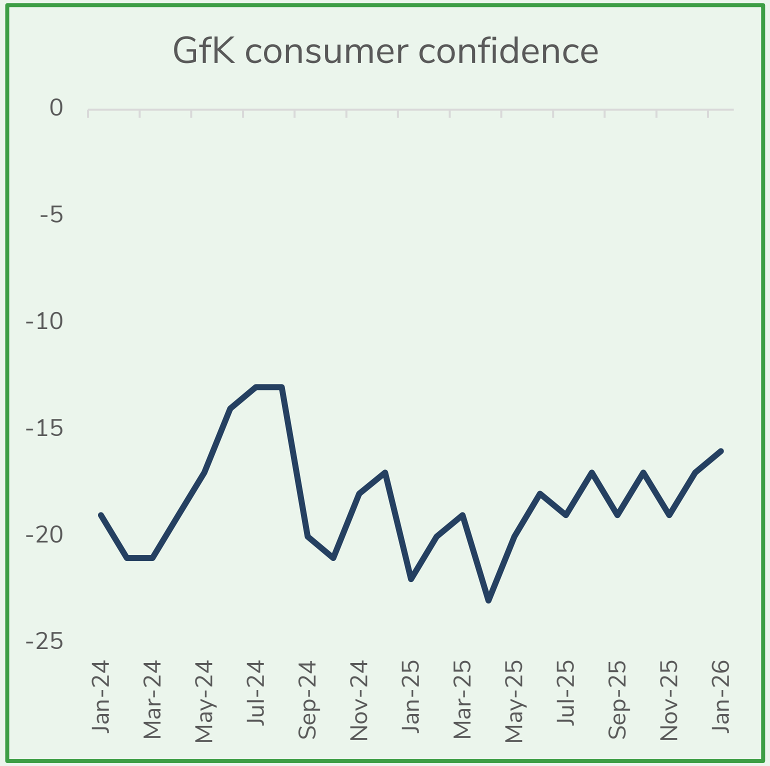
Continued sales growth ahead of the market[1]



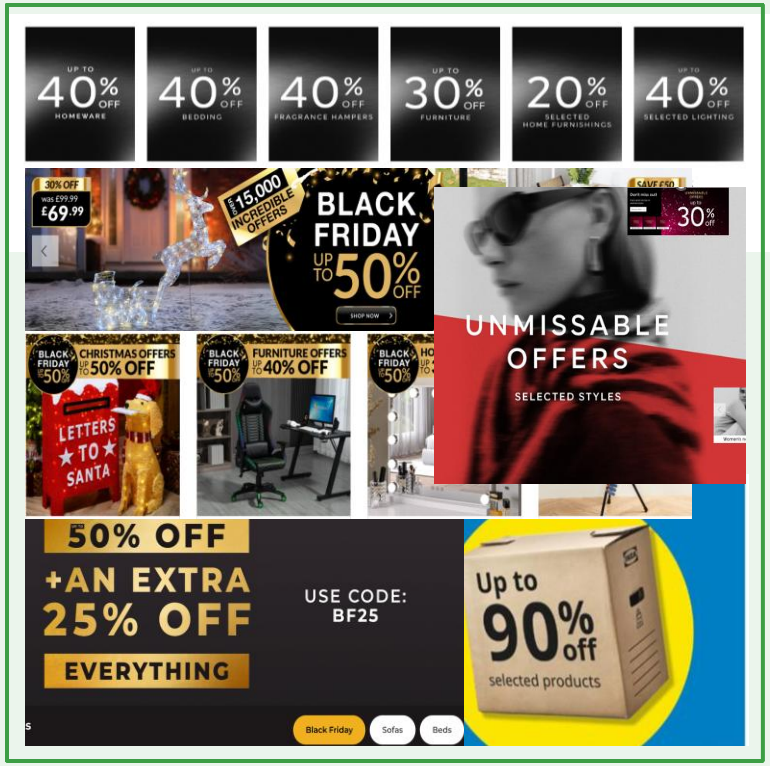
...but with typically lower levels of growth in Q2

[1] GfK Market Share: UK Homewares and Furniture market panel sales data

Softer than anticipated Q2 trading



Consumer confidence remains subdued[1]



Highly competitive performance marketing and discounting during Black Friday and beyond

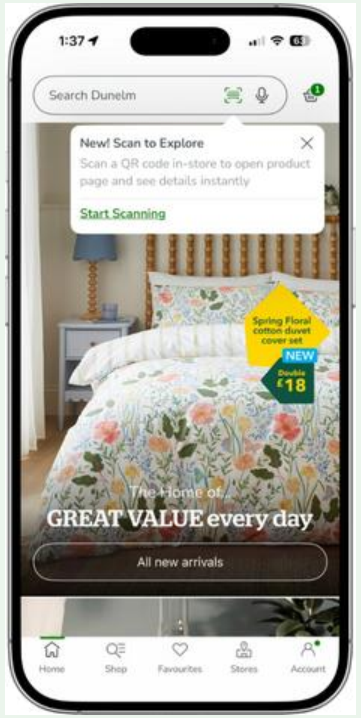
Softer trading in furniture, impacted by market factors as well as low availability of key lines

[1] GfK Consumer Confidence Barometer (UK) monthly survey published by GfK & NIM

Confidence in our H2 trading plans

Q3 trading to date more in line with H1 as a whole

Positive response to new SS26 ranges



Full customer launch of Dunelm app in February 2026

Financial Review

Karen Witts

CFO

The Home of Homes

Financial Summary

	H1 FY26	H1 FY25	YoY
Sales	**£926.3m**	**£893.7m**	**+3.6%**
Gross margin	53.4%	52.8%	+60 bps
Net operating cost % sales[1]	40.5%	38.4%	+210 bps
Profit before tax	**£114.0m**	**£123.2m**	**(7.5%)**
PBT margin %	12.3%	13.8%	(150 bps)
Diluted earnings per share	41.7p	45.0p	(7.3%)

	H1 FY26	H1 FY25	YoY
Free cash flow[2]	£171.4m	£168.5m	+£2.9m
Net cash[3]	£13.3m	£57.1m	(£43.8m)
Interim dividend	17.0p	16.5p	+0.5p
Special dividend	25.0p	35.0p	n/a

[1] Net operating costs are defined as operating costs net of other operating income. Other operating income includes rental and insurance income
[2] Free cash flow is defined as net cash generated from operating activities less capex (net of disposals), net interest paid (including leases) and loan transaction costs, and repayment of principal element of lease liabilities. A reconciliation of operating profit to free cash flow is included on slide 14
[3] Cash and cash equivalents less total borrowings, excluding transaction costs. Excludes IFRS 16 lease liabilities

Sales & Gross Margin

- Overall solid first half sales growth of +3.6%, in a challenging environment

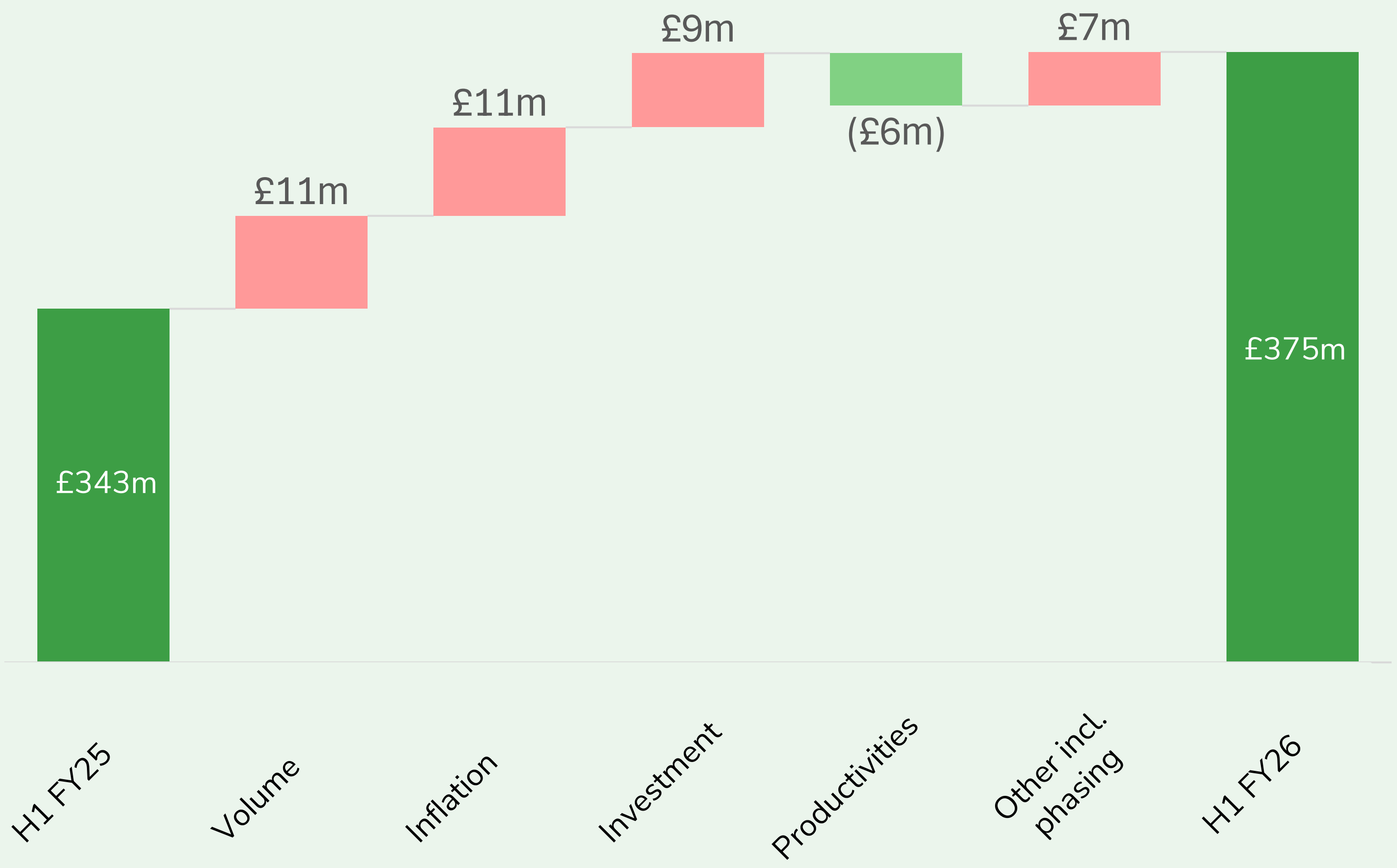
- Digital participation up 2ppts to 41%

- Growth again driven by core categories; from our heritage in soft textiles to newer areas of specialism such as lighting

- Volumes broadly stable, with growth in average item values driven by SKU and category mix, rather than retail prices

- Strong gross margin, up 60bps to 53.4%:
    - Primarily driven by net FX tailwind
    - Maintained our promotional discipline
    - Managed input costs tightly

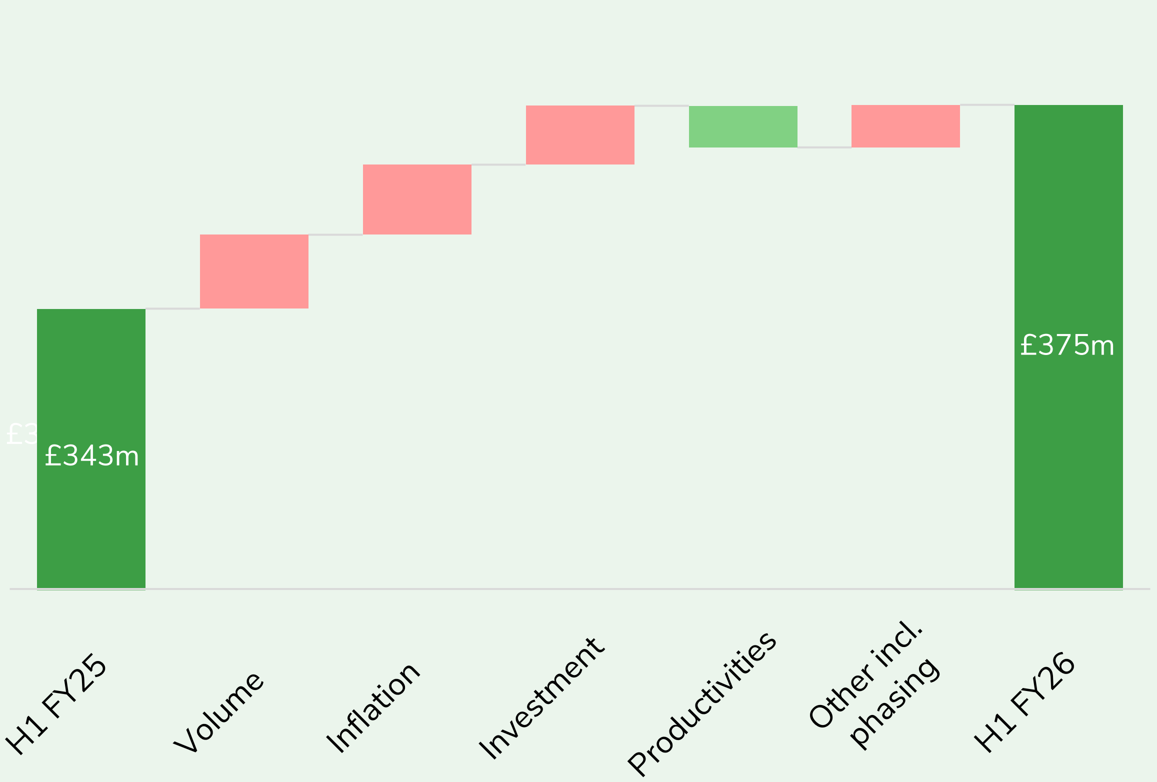
Net Operating Costs



- Volume costs linked to channel sales added £11m; principally distribution and performance marketing
- Inflation >3% of total cost base, driven by NLW and NIC increases
- Investment in prior year new stores (including Ireland)
- Productivity gains through store labour and performance marketing
- Phasing of costs impacting H1, including brand marketing brought forward from H2

Net Operating Costs: H1 → H2

H1: net operating costs +9% YoY



H2: YoY growth moderating due to inflation & timing

Volume
Growing with channel sales

Inflation
Again driven by wages; lower NLW increase in April 2026

Investments
Moderates following annualisation of Ireland and new store openings

Productivities
Accelerating into the second half, largely in store labour

Other & phasing
Includes YoY impact of brand marketing spend & business rates

PBT, Interest, EPS, Tax

	H1 FY26	H1 FY25
Financial income and expenses	(£5.9m)	(£5.4m)
Profit before tax	**£114.0m**	**£123.2m**
PBT margin %	*12.3%*	*13.8%*
Tax	(£29.2m)	(£31.6m)
Effective tax rate	25.6%	25.6%
Profit after tax	**£84.8m**	**£91.6m**
Basic earnings per share	42.0p	45.2p
Diluted earnings per share	41.7p	45.0p

- PBT of £114m (FY25 H1: £123m), down YoY reflecting the softer trading in Q2 and the timing of certain costs
- Effective tax rate stable at 25.6%
- Diluted EPS 41.7p, down from 45.0p driven by PBT

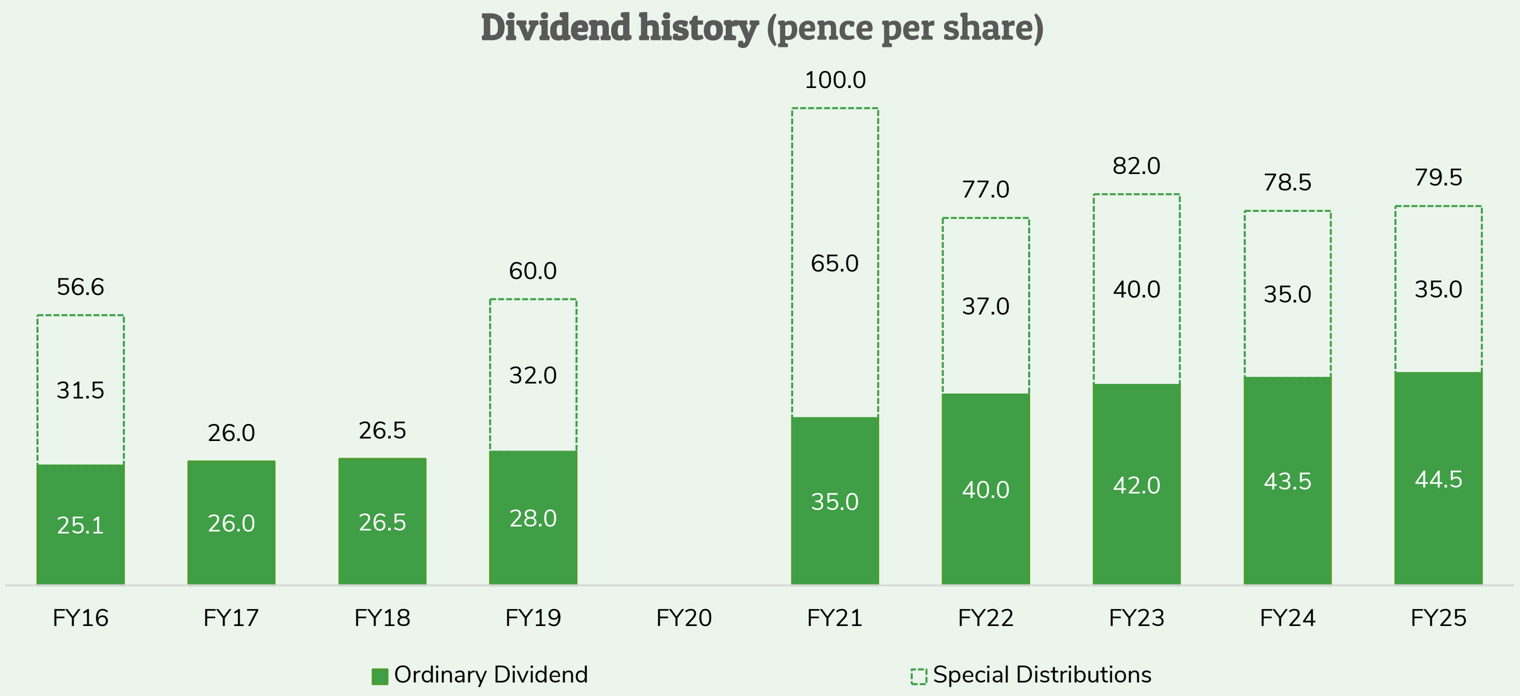
Cash and Net Debt

	H1 FY26	H1 FY25
Operating profit	£119.9m	£128.6m
Depreciation & amortisation[1]	£40.2m	£40.9m
Working capital inflow	£91.0m	£93.6m
Share-based payments expense	£4.8m	£1.5m
Tax paid	(£28.9m)	(£25.5m)
Net cash generated from operating activities	**£227.0m**	**£239.1m**
Capex	(£23.2m)	(£39.0m)
Net interest and loan transaction costs[2]	(£6.0m)	(£5.2m)
Repayment of principal element of lease liabilities	(£26.4m)	(£26.4m)
Free cash flow[3]	**£171.4m**	**£168.5m**
Net cash at the end of the period[4]	**£13.3m**	**£57.1m**
Memo: net debt[4] excluding timing adjustment	**(£79.6m)**	**(£31.0m)**
Memo: dividends paid	(£56.4m)	(£55.7m)

- Free cash flow £171m (FY25 H1 £169m)
- £93m timing benefit (FY25 H1 £88m) reversed on second working day of H2, also impacting working capital
- Underlying working capital neutral; inventory levels consistent YoY
- £23m capex largely driven by investment in store estate
  - Lower year-on-year due to FY25 freehold acquisitions
- Underlying free cash flow[3] conversion of 65% (FY25 H1: 63%)

[1] Including impairment and loss on disposal
[2] Including interest on lease liabilities
[3] Free cash flow in the half included a timing benefit of £93m due to a payment in transit which cleared on the second working day of H2 (FY25 H1: £88m)
[4] Cash and cash equivalents less total borrowings, excluding transaction costs. Excludes IFRS 16 lease liabilities

Dividends



Capital and dividend policies

- Target average net debt[1] between 0.2x and 0.6x last 12 months' EBITDA[2]
- Ordinary dividend cover[3] of between 1.75x and 2.25x earnings per share during the financial year to which the dividend relates
- Return surplus cash if net debt consistently falls below the minimum target of 0.2x EBITDA

- Capital allocation prioritises investment in the business, with excess cash returned to shareholders
- Interim dividend of 17.0p, up 3.0% year-on-year
- Net debt : EBITDA mostly below 0.2x throughout H1; underlying 0.3x at period end[4]
- Special dividend of 25.0p, reflecting strength of the business and commitment to delivering cash returns
- Buyback commencing to satisfy employee share scheme obligations

[1] Cash and cash equivalents less total borrowings, excluding transaction costs. Excludes IFRS 16 lease liabilities
[2] EBITDA defined as operating profit plus depreciation and amortisation of property, plant and equipment and intangible assets plus loss on disposal and impairment of property, plant and equipment and intangible assets plus depreciation on right-of-use assets
[3] Dividend cover is calculated as earnings per share divided by the total ordinary dividend relating to the financial year
[4] Net cash in the half included a timing benefit of £93m due to a payment in transit which cleared on the second working day of H2

Outlook and Guidance

- Confident in our plans for H2
- FY26 PBT expected to be in line with current consensus expectations[1]
- Full-year effective tax rate 50 – 100bps above the headline rate
- Working capital broadly neutral for the year
- Capex for the year now expected to be c.£40m
    - Below previous guidance of c.£50m, reflecting lower level of new store openings
    - Two new openings now expected to open early in FY27

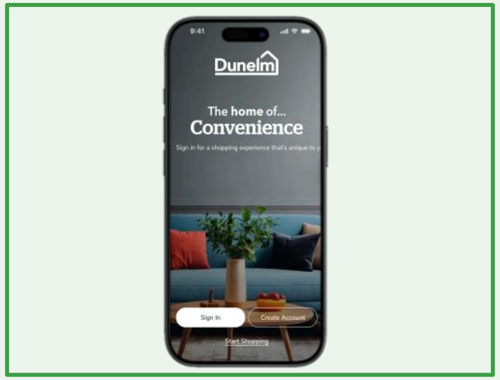
[1] Company compiled average of analysts' expectations for FY26 PBT is £214m, with a range of £210m to £221m

Building on our strengths

Clo Moriarty
CEO

Dunelm
The Home of Homes

First impressions of a special business



Product-centric with something for everyone...

...partnering with long-standing, committed suppliers...

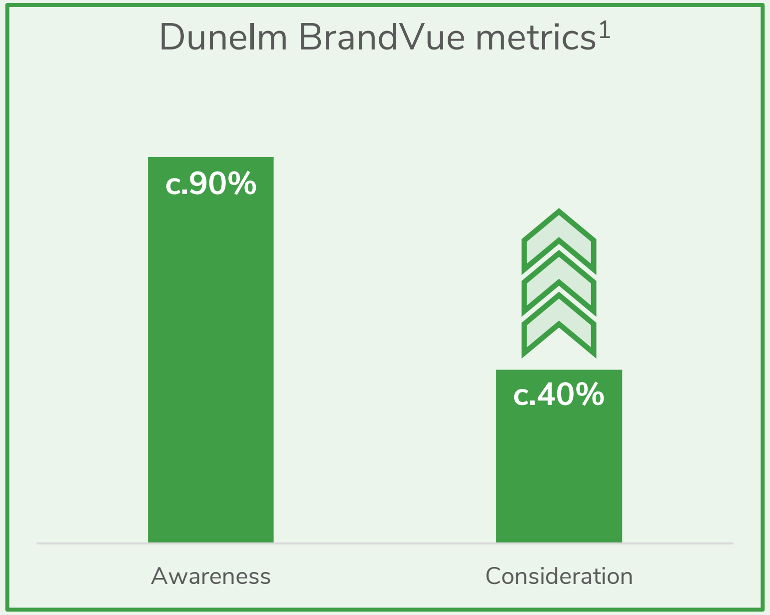
...harnessing the power of bricks and mortar...

...with an expanding digital platform...

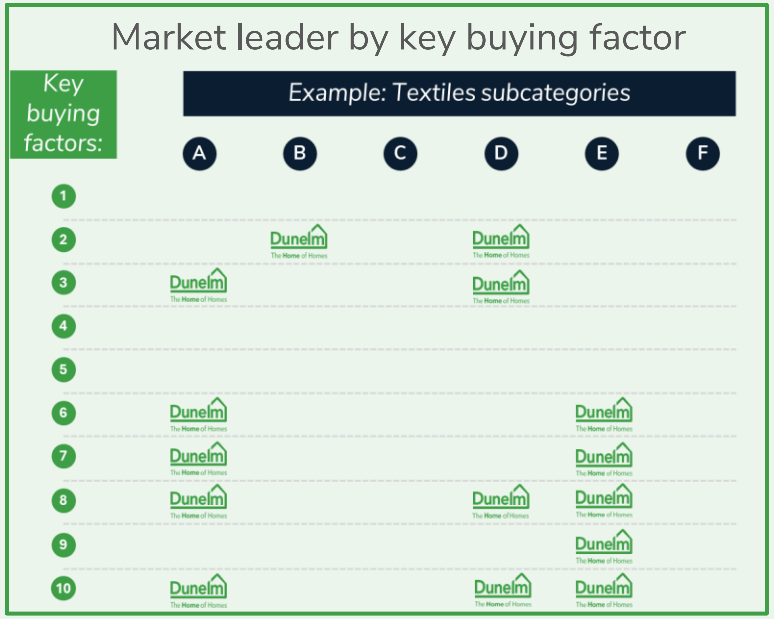
...and amazing colleagues who really care

We have universal appeal

Our customers represent the UK population



We have high awareness with headroom to improve consideration



#1 across many key buying criteria but mixed by criteria / categories[2]

Opportunity

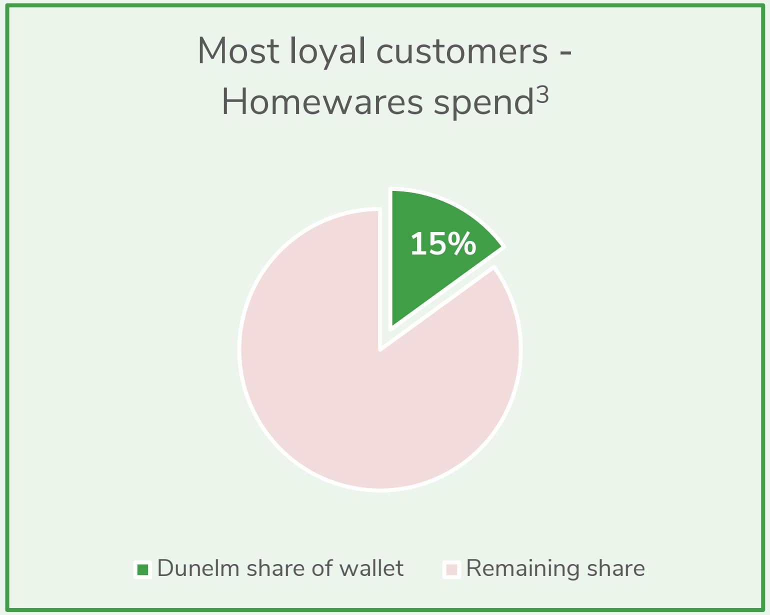
Maximising our appeal through a clearer brand proposition

[1] BrandVue Retail Tracker (Savanta), Dec 2025 data
[2] Dunelm analysis of Category Entry Points research, conducted in July 2025

We have deeply loyal customers

We have a large and growing customer base[1]

Our most loyal customers contribute significantly to our total sales



We only capture 15% of our most loyal customers' spend

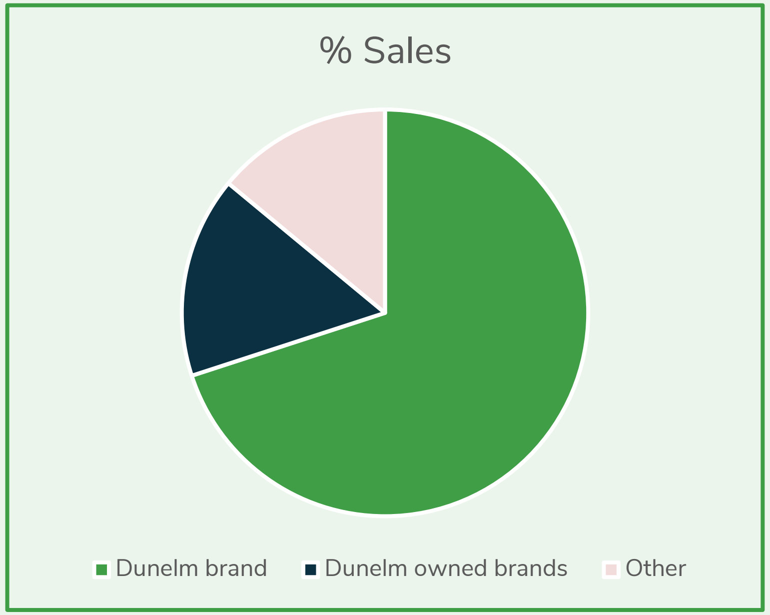
Opportunity

Engaging and delighting our customers to drive loyalty and share of wallet

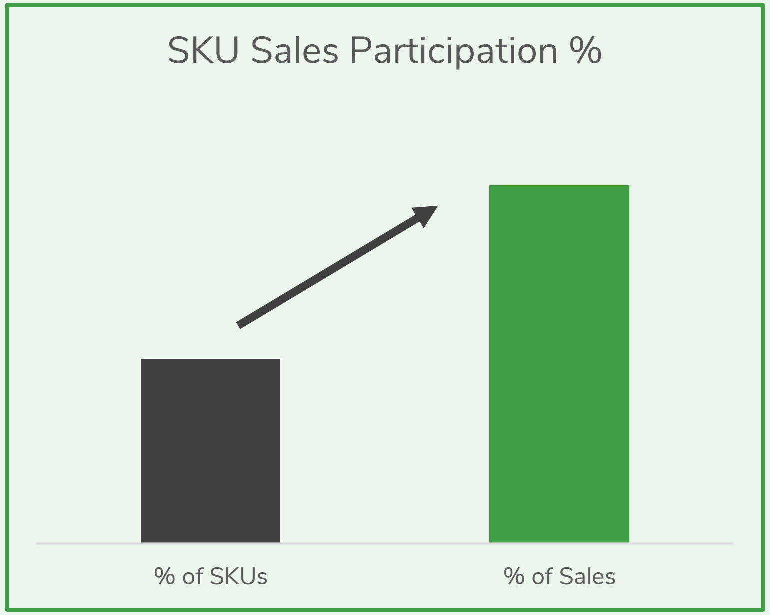
[1] UK unique active customers who have transacted at least once in the 12 months to December 2025. Management estimates using Barclays data
[2] Management estimates using Barclays data
[3] Management estimates using Barclays and Kantar data

We have outstanding product choice

We have a broad offer, expanded to more than 100k SKUs



The Dunelm product brand plays a major role in customer decisions



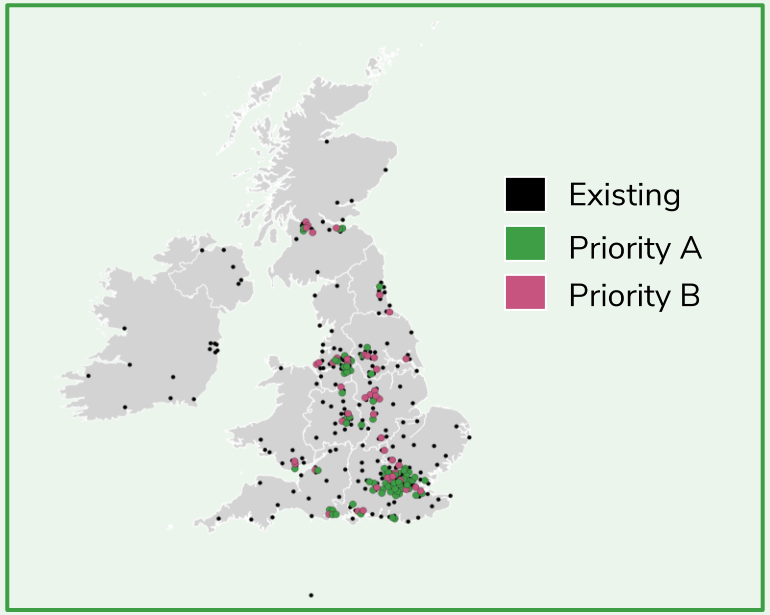
The vast majority of our sales are driven by around half of our products

Opportunity

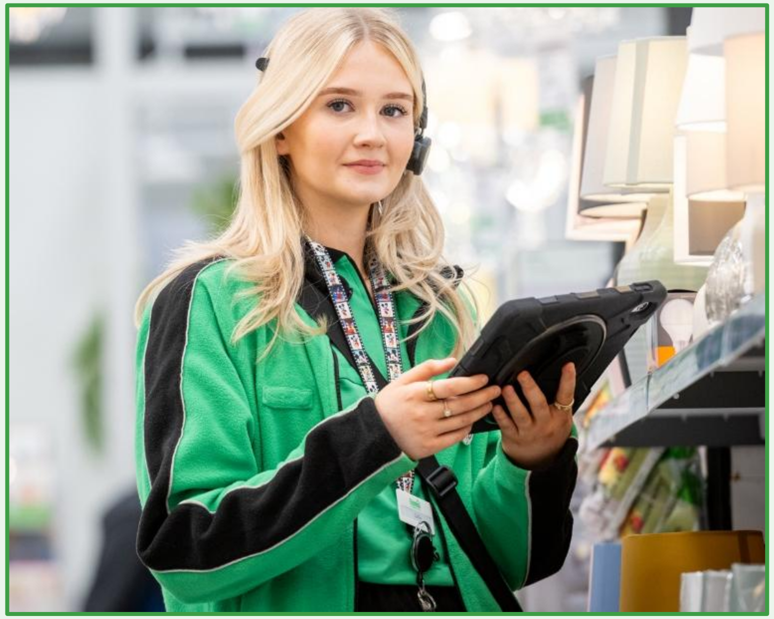
Harnessing our master brand and making our ranges more shoppable

We have physical & digital reach

Customers love our stores but sales are not growing fast enough



60% of the population is within a 15-minute drive of our stores[1]; headroom for many more



Digital journeys benchmark well but opportunities exist in social commerce and GEO

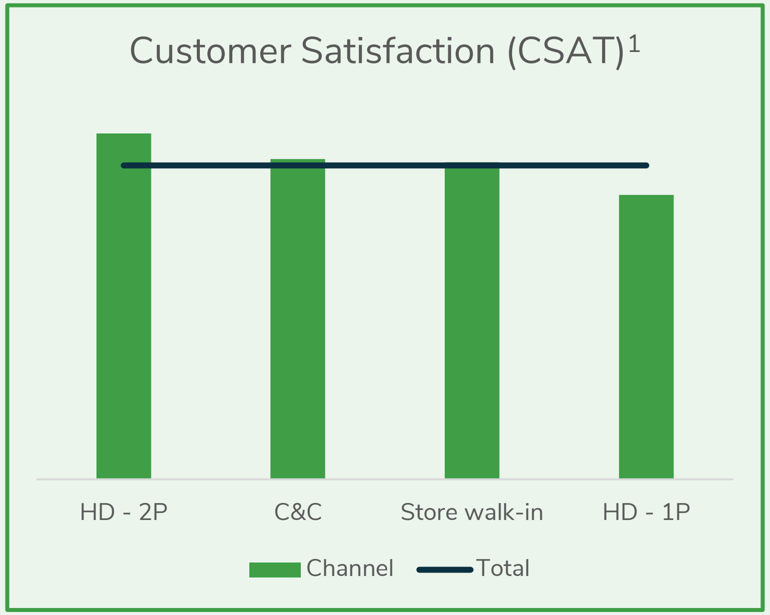
Opportunity

Accelerating growth through existing and white space across our channels

[1] UK population only

We have strong customer satisfaction

Our CSAT is strong and growing



Variability by fulfilment channel offers headroom for improvement

Clear areas of focus to improve end-to-end customer experience

Opportunity

Driving repeat purchases through better customer experiences and reduced costs of failure

[1] Of the customers who complete our survey, the percentage who rate their experience with us as 5/5. Overall Customer Satisfaction ("CSAT") is weighted based on transaction volumes by channel (Stores, Home Delivery and Click & Collect)

We have great colleagues and solid platforms

We have 12,500 dedicated and passionate colleagues

salesforce
SAP
RELEX
aws
snowflake

We have invested in our data and technology platforms

But the job is not done yet, on either

Opportunity

Building capabilities to be future fit: people, process and systems

Each of our strengths presents an even bigger opportunity

We will…

Drive repeat purchases through better customer experiences

Maximise our appeal through a **clearer brand proposition**

Build capabilities to be future fit: people, processes and systems

Engage & delight our customers to **drive loyalty and share of wallet**

Accelerate growth through existing and white space across channels

Harness our master brand and **make our ranges more shoppable**

The core UK opportunity remains compelling

We have strong foundations…

We are the market leader	…but with only 7.9% market share[1]
We have so many assets: customer, brand, product and channel	…each of which presents further headroom to capture growth
We have a proven track record of financial discipline and strong cash generation	…with efficiency and productivity opportunities across our value chain

…we will evolve with relentless customer focus, product excellence and retail rigour, all underpinned by a future fit mindset

[1] Market share of the combined UK homewares and furniture markets (excluding kitchen cabinetry, bathroom furniture and decorative DIY) as reported by GlobalData UK for the period January to December 2025

Q&A

Dunelm
The Home of Homes

Appendix

Income statement

	H1 FY26	H1 FY25	YoY
Revenue	£926.3m	£893.7m	£32.6m
Cost of sales	(£431.6m)	(£421.8m)	(£9.8m)
Gross profit	**£494.7m**	**£471.9m**	**£22.8m**
Gross margin %	*53.4%*	*52.8%*	*+60 bps*
Net operating costs[1]	(£374.8m)	(£343.3m)	(£31.5m)
Operating profit	**£119.9m**	**£128.6m**	**(£8.7m)**
Net financial expenses	(£5.9m)	(£5.4m)	(£0.5m)
Profit before tax	**£114.0m**	**£123.2m**	**(£9.2m)**
PBT margin %	*12.3%*	*13.8%*	*(150) bps*
Taxation	(£29.2m)	(£31.6m)	£2.4m
Profit after tax	**£84.8m**	**£91.6m**	**(£6.8m)**
Effective tax rate	*25.6%*	*25.6%*	*+0 bps*

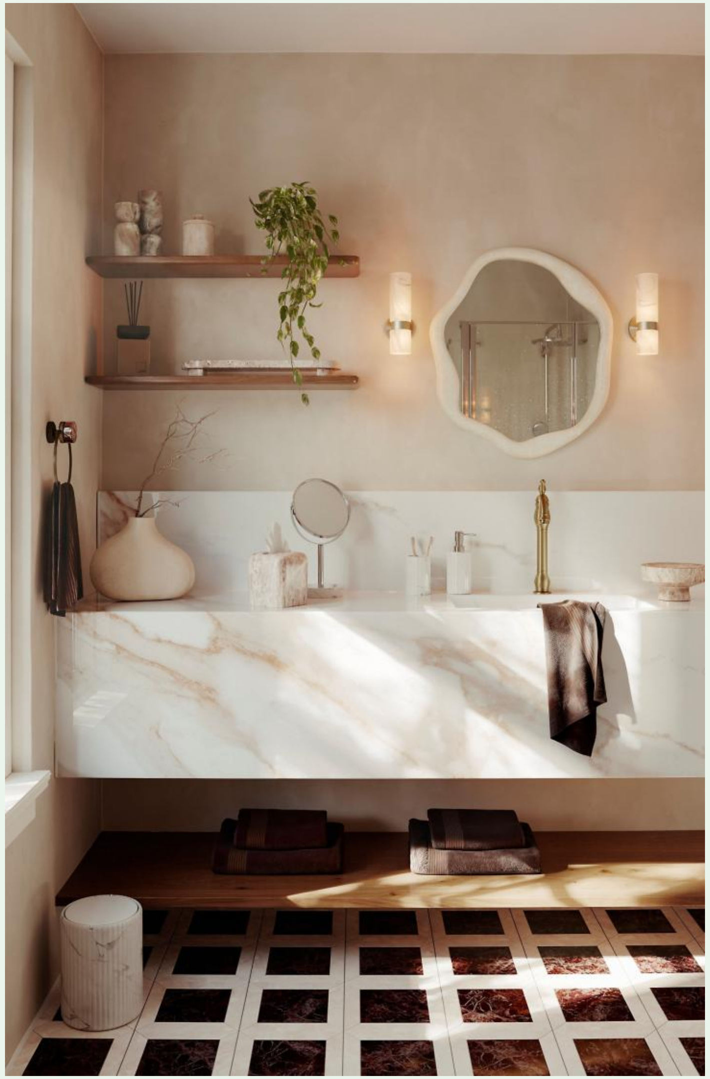
Basic earnings per share	42.0p	45.2p	(3.2p)
Diluted earnings per share	41.7p	45.0p	(3.3p)

[1] Net operating costs are defined as operating costs net of other operating income. Other operating income includes rental and insurance income

Balance sheet

	H1 FY26 27 December 2025	H1 FY25 28 December 2024	FY25 28 June 2025
Right-of-use assets	£231.6m	£218.8m	£221.1m
Other non-current assets	£231.4m	£211.2m	£222.2m
Inventories	£228.3m	£228.5m	£226.3m
Cash	£46.3m	£57.1m	£30.0m
Other current assets	£41.6m	£38.7m	£41.9m
Total assets	**£779.2m**	**£754.3m**	**£741.5m**
Lease liabilities	(£256.5m)	(£244.4m)	(£247.5m)
Borrowings	(£31.1m)	-	(£130.2m)
Other current liabilities	(£322.1m)	(£320.7m)	(£233.3m)
Other non-current liabilities	(£5.9m)	(£5.5m)	(£11.7m)
Total liabilities	**(£615.6m)**	**(£570.6m)**	**(£622.7m)**
Net assets	**£163.6m**	**£183.7m**	**£118.8m**

Hedging reserve	(£4.6m)	£1.3m	(£13.0m)
Share capital/share premium/other reserves	£46.9m	£46.9m	£46.9m
Retained earnings	£121.3m	£135.5m	£84.9m
Total equity	**£163.6m**	**£183.7m**	**£118.8m**



5-year financial summary

	FY21	FY22	FY23	FY24	FY25	H1 FY25	H1 FY26
	(52 weeks)	(53 weeks)	(52 weeks)	(52 weeks)	(52 weeks)		
Total sales	£1,336.2m	£1,581.4m	£1,638.8m	£1,706.5m	£1,771.0m	£893.7m	£926.3m
Total sales growth	26.3%	18.4%	3.6%	4.1%	3.8%	2.4%	3.6%
Gross margin %	51.6%	51.2%	50.1%	51.8%	52.4%	52.8%	53.4%
Profit before tax	£157.8m	£212.8m	£192.7m	£205.4m	£211.0m	£123.2m	£114.0m
Free cash flow[1]	£108.5m	£153.0m	£160.4m	£132.2m	£127.4m	£168.5m	£171.4m
Net cash / (debt)[2]	£128.6m	(£23.8m)	(£30.7m)	(£55.6m)	(£102.0m)	£57.1m	£13.3m
Diluted EPS	62.9p	83.6p	75.0p	74.4p	76.8p	45.0p	41.7p
Dividends paid	£24.3m	£282.1m	£163.3m	£157.6m	£159.4m	£55.7m	£56.4m

[1] Free cash flow is defined as net cash generated from operating activities less capex (net of disposals), net interest paid (including leases) and loan transaction costs, and repayment of principal element of lease liabilities. A reconciliation of operating profit to free cash flow is included on slide 14

[2] Cash and cash equivalents less total borrowings, excluding transaction costs. Excludes IFRS 16 lease liabilities

10-year dividend history

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Ordinary dividend per share										
Interim	6.5p	7.0p	7.5p	-	12.0p	14.0p	15.0p	16.0p	16.5p	17.0p
Final	19.5p	19.5p	20.5p	-	23.0p	26.0p	27.0p	27.5p	28.0p	n/a
Total	**26.0p**	**26.5p**	**28.0p**	**-**	**35.0p**	**40.0p**	**42.0p**	**43.5p**	**44.5p**	**n/a**
Special Dividends per share	-	-	32.0p	-	65.0p	37.0p	40.0p	35.0p	35.0p	25.0p
Total per share	**26.0p**	**26.5p**	**60.0p**	**-**	**100.0p**	**77.0p**	**82.0p**	**78.5p**	**79.5p**	**n/a**
Ordinary dividend cover[1]	*1.4x*	*1.4x*	*1.8x*	-	*1.8x*	*2.1x*	*1.8x*	*1.7x*	*1.7x*	*n/a*

[1] Dividend cover is calculated as earnings per share divided by the total ordinary dividend relating to the financial year

Committed to being Good & Circular

Reducing our impact on the Planet, engaging in our Communities, and ensuring our People feel at home

Our home the Planet

- **54%** own-brand products now meeting our 'Conscious Choice' criteria[1]
- **14** new Bio-CNG vehicles and 5 five new electric Made to Measure vans added to our fleet
- **100%** of our commercial team now trained in circular design principles

Our home in Communities

- **£2m** reached in fundraising for our national charity partner, AgeUK
- **c.200k** gifts donated to local causes in our recent Delivering Joy winter campaign
- **50** homewares starter packs provided to help students in need settle into Loughborough university

A home for our People

- **c.£10m** saved by c.1,700 colleagues, benefiting from our most recent Sharesave scheme
- **2nd** annual 'Women in Tech' week completed in the Autumn
- **25** colleagues completed our Senior Reach programme[2], for colleagues from under-represented ethnic groups

[1] Products which meet our 'Conscious Choice' criteria are made using lower impact materials
[2] Leadership development programme for colleagues from under-represented ethnic groups

Investment proposition

A winning and advantaged business model:

Market leading brand
Low share of a c.£24bn[1] highly fragmented market

Specialist product proposition
Broad appeal across income and age groups

Physical and digital reach
Thriving store and online channels

Unique operating model
Own-brand product design and committed supplier partners

Well-established values
Growth mindset, frontline focus and long-term decisions

Financial strength
Strong balance sheet and
capital-light growth model

Good & Circular approach to sustainable growth

Growth	**Compelling runway** to grow share of a large, fragmented addressable market **Consistent track record** of share gains over recent and long-term history
Sustainable profits	**Continued investment** for sustainable growth, maintaining stable operating margin **Resilient track record** of performing through all economic cycles
Cash returns	**High cash conversion** **Well-established framework** for returning cash to shareholders

[1] Market share of the combined UK homewares and furniture markets (excluding kitchen cabinetry, bathroom furniture and decorative DIY) as reported by GlobalData UK for the period January to December 2025, inc VAT