



16 July 2026
Dunelm Group plc

Q4 and full year trading update

Continued sales growth and cost delivery; full year profit in line with expectations

Dunelm Group plc ("Dunelm" or "the Group"), the UK's leading homewares retailer, updates on trading for the 13-week period ended 27 June 2026 and for the full year.

	Q4		Full year	
	FY26	YoY	FY26	YoY
Total sales	£428m	+2.9%	£1,825m	+3.1%
Digital % total sales¹	45%	+3ppts	42%	+2ppts

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

Highlights

- Q4 sales growth of 2.9% to £428m, with digital participation up 3ppts to 45%
- Total FY26 sales up 3.1%, to £1,825m
- FY gross margin of 52.5%, up 10bps year-on-year
- Net operating cost plans delivered for the full year
- FY26 PBT expected to be in line with previous guidance and consensus²
- Strong cash generation, with c.70% of operating profit converted to free cash³
- Progress with our growth plans including a new superstore in Kingston-upon-Thames and an innovative AI shopping assistant for our app
- Further strategic update to be provided alongside September's Full Year results

² Company compiled consensus average of analysts' expectations for FY26 PBT is £210m

³ 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

Sales

Q4 FY26

Total sales for the fourth quarter were solid, up 2.9% year-on-year to £428m. Our Summer Living category traded particularly strongly, both at full price and on promotion, with good sell-through across the range.

Growth in the quarter was achieved despite trading being impacted by two separate weeks of exceptionally warm weather, during which we saw lower levels of store footfall. The first of these also coincided with the opening week of our usual Summer Sale, which disproportionately impacted trading.

FY26 full year

Total sales of £1,825m grew by 3.1% on the prior year, with digital participation up to 42%, an increase of 2ppts on FY25. This reflects the continued benefits of investment in our digital ecosystem, including the launch of our app, further enhancing customer experience and supporting growth across our channels.

Gross margin, operating costs and PBT

Gross margin is expected to end the year at 52.5%, up 10bps year-on-year. This reflects our ongoing discipline and the continued benefit from an FX tailwind, partly offset by customers increasingly participating in our promotional events, especially in the second half of the financial year.

We delivered the net operating cost plans set out in our Interim Results. As previously guided, year-on-year costs benefited from phasing impacts including the timing of our brand marketing campaign and the reduction in business rates, alongside productivity initiatives. Also as expected, full-year net operating costs include approximately £7m of insurance income, reflecting compensation received in relation to the temporary closure of two stores following serious fires.

We expect full-year PBT to be in line with our previous guidance and current consensus⁴ expectations.

⁴ Company compiled consensus average of analysts' expectations for FY26 PBT is £210m

Cash and net debt

Our cash generation was again strong in FY26, with c.70% of operating profit converted to free cash. There was a small inflow for the year from working capital, with inventory in particular lower year-on-year. Capex for the year is expected to be in line with previous guidance at around £40m. After dividend payments of £141m, overall there was a small net cash inflow for the year.

Operational and strategic update

We have made good progress in the quarter, moving forward with immediate opportunities to underpin growth, whilst also developing our future plans. We have continued our relentless focus on delighting our customers and are pleased to have seen our customer satisfaction score increase across the year, from an already high base.

In the final week of the year, we opened our new 34,000 sq ft superstore in Kingston-upon-Thames. This store showcases the latest iteration of our format, demonstrating an evolution towards a more inspirational Dunelm store experience, and aligning more closely to the best of Dunelm online. As previously reported, we have a stronger pipeline of store openings planned for FY27, and expect the number of new stores opened to be towards the upper end of our medium-term guidance to open between five and ten new superstores per year.

Alongside new space growth, we are also investing in our existing estate to enhance the customer proposition and last week relaunched our St Albans superstore. We see scope to strengthen the estate over time through targeted refurbishment and renewal programmes, reflecting the important role stores continue to play in serving our customers.

Continued investment in our digital ecosystem is supporting sustained growth of our digital channels. Shortly after the year end we launched a 'beta' trial of an AI-powered shopping assistant within our app. This new functionality uses conversational commerce to help customers discover products more intuitively and engage more effectively with our product offer.

Summary and outlook

FY26 has been a solid year overall. In a fast changing macroeconomic and consumer environment, we have maintained a disciplined focus on controlling the controllables, and despite some setbacks, delivered total sales growth of 3.1%, gross margin progression, PBT in line with current consensus⁵, and further strong cash generation.

⁵ Company compiled consensus average of analysts' expectations for FY26 PBT is £210m

Clo Moriarty, Chief Executive Officer, commented:

"We have delivered a solid performance both in the quarter and across the year. There is, however, much more we must do to build on our core strengths and realise our untapped potential."

"From expanding and improving our store estate to continuing to innovate digitally, we're beginning to demonstrate what a bigger, better and bolder Dunelm can look like. As the market leader in a large and highly fragmented market, we believe our best growth opportunities are still in front of us."

"There's hard work ahead but I'm confident in the plans that we have been developing over the past nine months and excited by what comes next. We look forward to sharing more in September."

For further information please contact:

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Next scheduled event:

We will provide a strategic update alongside our Preliminary Results for the financial year ended 27 June 2026 on 8 September 2026.

A pre-recorded presentation covering the Preliminary Results will be made available on the day of the announcement. An extended in-person strategy update for analysts and institutional investors is expected to commence at 9.30am. Further details, including webcast registration and conference call arrangements, will be communicated closer to the date.

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	£427.5m	£899.4m	£1,825.5m
Total sales growth	+6.2%	+1.6%	+3.6%	+2.1%	+2.9%	+2.5%	+3.1%
Digital % total sales	40%	42%	41%	43%	45%	44%	42%

	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 204 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.12,000 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 IPO⁶.

⁶ Ordinary dividends plus special distributions