



15 January 2026
Dunelm Group plc

Second quarter and first half trading update

Solid first half performance in a challenging environment

Dunelm Group plc ("Dunelm" or "the Group"), the UK's leading homewares retailer, updates on trading for the 13-week period ended 27 December 2025 and for the first half.

	Q2	Q2 YoY	H1	H1 YoY
Total sales	£498m	+1.6%	£926m	+3.6%
Digital % total sales¹	42%	+2ppts	41%	+2ppts

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

Performance

- Sales growth of 1.6% in Q2 to £498m, with digital participation up 2ppts to 42%
- Total sales for the first half up 3.6% to £926m
- Gross margin up 60bps year-on-year for H1, primarily driven by FX tailwinds
- H1 PBT expected to be approximately £112m - £114m
- FY26 PBT now expected to be at the lower end of consensus expectations²

² Company compiled consensus average of analysts' expectations for FY26 PBT is £222m, with a range of £214m to £227m

Sales and gross margin

We are reporting a solid performance for the first half, with total sales of £926m up +3.6%. Following a strong Q1, trading was more challenging in the second quarter, particularly around Black Friday and continuing into December, highlighting the ongoing challenging macroeconomic environment.

As in recent years, we also continued to be disciplined in our promotions during this period, but this year we saw an especially high level of competitive activity in both digital marketing and discounting. As a result, Q2 sales were softer than anticipated at +1.6% year-on-year.

Our growth in the second quarter continued to be driven by our core categories, notably bedding, towels and lighting, and Made-to-Measure again grew strongly. However, we saw softer trading in furniture, driven in part by availability challenges, against which recovery plans are in place. Since the

end of the quarter we have seen customers respond well to our offers in the Winter Sale, with overall growth higher than we saw in Q2.

Gross margin remained strong, increasing by 60bps year-on-year in the first half, which continued to be primarily driven by FX tailwinds.

Summary and outlook

Overall we are reporting a solid performance for the first half, with strong sales in Q1 followed by a softer Q2, reflecting consumer behaviour.

At the same time, we have continued to improve our customer proposition, including opening our second inner London store in Wandsworth in Q2 and reopening our Yeovil store following a fire last year, with plans to open up to two further Superstores in the second half. Our new Dunelm App is also now live on both Apple and Android platforms, with a full customer launch planned for February.

We previously guided that profits would be more heavily weighted towards the second half than the prior year; H1 PBT has also been impacted by the second quarter trading performance. As such, we now expect PBT for the first half to be approximately £112m - £114m. We expect PBT for the full-year to be at the lower end of consensus expectations³.

³ Company compiled consensus average of analysts' expectations for FY26 PBT is £222m, with a range of £214m to £227m

Clo Moriarty, Chief Executive Officer, commented:

"We delivered a solid first half, and I'm really proud of all our colleagues for their efforts over this busy period. The performance reflected a strong first quarter followed by a more challenging close to the half.

"Whilst the UK retail environment remains variable, we have acted on some clear lessons from the first half, including targeted steps to improve availability, ensuring customers can access our fantastic ranges seamlessly, however they are shopping with us.

"I see multiple opportunities to extend Dunelm's market-leading position – there is much more in the tank. As such, we are now moving forwards with energy and discipline, actively building new plans whilst executing existing ones to ensure we are the first choice for all home lovers."

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Next scheduled event:

Dunelm will make its interim results announcement on 10 February 2026. There will be an in-person presentation for analysts and institutional investors in the morning at 9.30am, hosted at Peel Hunt LLP, 100 Liverpool Street, London, EC2M 2AT, as well as a webcast and conference call with a facility for Q&A. Please register for the webcast via https://brrmedia.news/DNLM_IR_26. For conference

call details please contact dunelm@mhpgroup.com. A copy of the presentation will be made available at <https://corporate.dunelm.com>.

Quarterly analysis:

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

	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 IPO⁴.

⁴ Ordinary dividends plus special distributions