

Extract from Dunelm Group plc Annual Report and Accounts 2021

2021 performance summary

ACTIVE CUSTOMER GROWTH¹

+8.5% 2020
+1.3%

TOTAL SALES

+26.3% 2020
-3.9%

PROFIT BEFORE TAX

£157.8m 2020
£109.1m

FREE CASH FLOW²

£108.5m 2020
£174.7m

FY21 highlights

- **Very strong sales growth of 26%** (21% vs FY19), despite stores being closed to customers for more than a third of the financial year, reflecting the strength of our total retail system
- **Significant market share gain**, with FY21 UK homewares market share up 1.6%pts to 9.1%³
- **Active customer growth of 8.5%**, driven by strong growth across digital channels
- **Digital sales grew by 115%**, with successful scaling of technology and operations to respond to the increase in demand, including significant expansion of our Click & Collect offer
- **Gross margin +130bps**, benefiting from a smaller Winter Sale due to store closures, sourcing gains and the delayed timing of our Summer Sale (into FY22)
- **PBT of £157.8m, +45% (FY20: £109.1m, FY19 £125.9m)** reflecting ongoing focus on operational grip, despite the impact of store closures
- **Free cash flow of £108.5m**, including working capital outflow of £35.0m (FY20 working capital inflow £80.1m), with net cash at period end of £128.8m (FY20: £45.4m)
- **Commitment to a Net Zero Pathway**, targeting a 50% reduction in greenhouse gas emissions by 2030
- **Final dividend of 23.0p**, taking the full year ordinary dividend to 35.0p, reflecting our strong performance and confidence in future growth
- In addition, and noting that no dividends were paid to shareholders in respect of FY20, **the Board has declared a special dividend of 65.0p** in line with our published capital policy, maintaining a prudent approach to leverage given the uncertain macroeconomic outlook.

1. Unique active customers who have shopped in the 12 months to June 2021, based on management estimates using Barclays data.

2. Free cash flow is defined as net cash generated from operating activities less capex (net of disposals), net interest paid, interest on lease liabilities and repayment of lease liabilities.

3. GlobalData UK homewares market, July 2020 to June 2021.