Dunelm

The Home of Homes

Annual results FY25

9 September 2025

Annual results FY25

Introduction

Nick Wilkinson
CEO

Highlights

+3.8%		Total sales growth
40%	FY24: 37%	Digital sales participation[1]
7.9%	FY24: 7.7%	Market share[2]
+80bps		Active customers growth[3]
52.4%	FY24: 51.8%	Gross margin
£211m	FY24: £205m	Profit before tax
£127m	FY24: £132m	Free cash flow[4]
44.5p	FY24: 43.5p	Ordinary dividend per share

1. Digital includes home delivery, Click & Collect and tablet-based sales in store
2. Based on GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture for the 12 months to June 2025
3. Year-on-year growth in UK unique active customers who have transacted at least once in the 12 months to June 2025. Management estimates using Barclays data
4. 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

Developing our business model: ‘firsts’ in FY25

1st store in inner London

Opening of Westfield White City store in November 2024 brings more of our offer to Zone 1 & 2 Londoners

1st sales beyond the UK

Acquisition of 13 small stores in Ireland builds new capabilities and tests the appeal of Dunelm product in a new market

1st own manufacturing of M2M venetians & shutters

Investment in Cannock factory adds new capabilities and market beating lead-times

Growing sustainably

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

Our home the Planet

- **54%** reduction in Scope 1 intensity emissions from FY19 baseline
- **84%** of tier 1 suppliers providing environmental (Higg FEM) data
- **>30%** recycled content present in primary plastic packaging for own-brand products
- **52%** own-brand products now meet our 'Conscious Choice' criteria[1]

Our home in Communities

- **>£1m** in fundraising for our charity partner AgeUK and other causes in FY25
- **1.4m** customers in our community Facebook groups
- **c.270k** gifts donated to local causes in our biggest ever Delivering Joy winter campaign
- **48** outdoor community spaces transformed by Dunelm colleagues in summer campaign

A home for our People

- **7pts** improvement in our colleague engagement score [2]
- **70bps increase** in our 'role-model leaders' from ethnic minority backgrounds, now at 6.5%[3]
- **c.90** colleagues participated in 'Reach' development programme[4]
- **90%** colleague retention, which has continued to strengthen [2]

[1] Products which meet our 'Conscious Choice' criteria, made using more sustainable materials
[2] Excluding Republic of Ireland
[3] 'Role-model leaders' are defined as 'Heads of' and above and include regional and store coaches, but at present do not include Republic of Ireland
[4] Leadership development programme for colleagues from under-represented ethnic groups

Financial review

Karen Witts
CFO

Financial summary

	FY25	FY24	YoY
Sales	**£1,771.0m**	**£1,706.5m**	**+3.8%**
Gross margin	52.4%	51.8%	+60bps
Net operating cost % sales[1]	39.9%	39.3%	+60bps
Profit before tax	**£211.0m**	**£205.4m**	**+2.7%**
PBT margin %	11.9%	12.0%	(10bps)
Diluted earnings per share	76.8p	74.4p	+3.2%

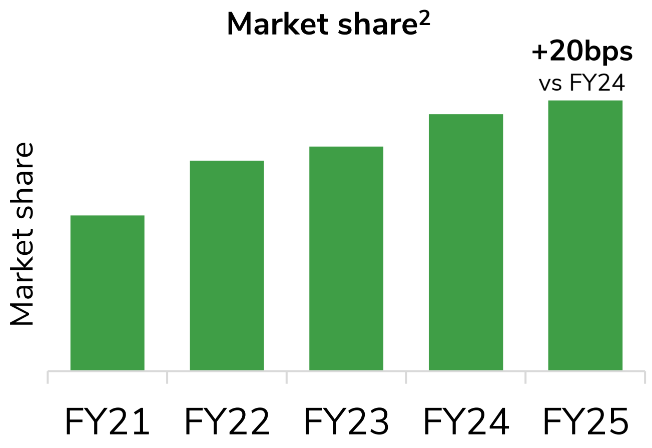
	FY25	FY24	YoY
Free cash flow[2]	£127.4m	£132.2m	(£4.8m)
Net debt[3]	£102.0m	£55.6m	+£46.4m
Net debt : EBITDA[4]	0.3x	0.2x	*n/a*
Ordinary dividend	44.5p	43.5p	+2.3%
Special dividend	35.0p	35.0p	*n/a*

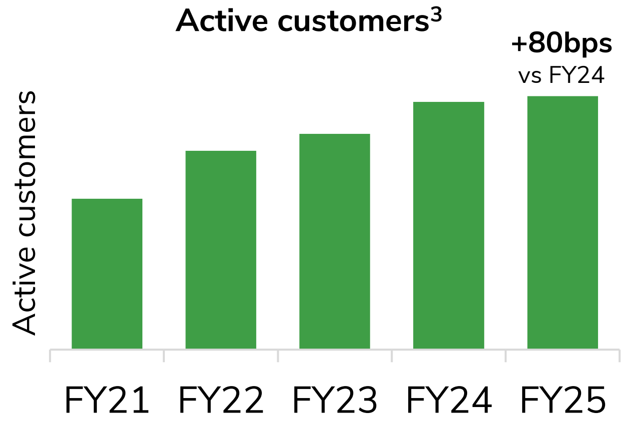
[1] Net operating cost is defined as other operating income less operating costs. Other income includes rental income and insurance income
[2] Free cash flow is defined as net cash generated from operating activities less capex (net of disposals), net interest paid (including leases) and loan transaction 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. Excludes IFRS 16 lease liabilities
[4] 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 of right-of-use assets

Sales, customers and market share growth

	FY25	FY24	YoY
Total sales	£1,771.0m	£1,706.5m	+3.8%
Digital % total sales[1]	40%	37%	+3ppts

- Quality and balanced sales growth:
  - Higher volumes combined with increased average item value driven by product and category mix
  - Growth in 12-month active customers and frequency
- Digital participation up +3ppts, reflecting our ongoing focus on enhancing customers' digital experiences
- Strongest customer growth in London and 16-24 age cohort
- Market share of 7.9%, as we move towards medium-term 10% milestone



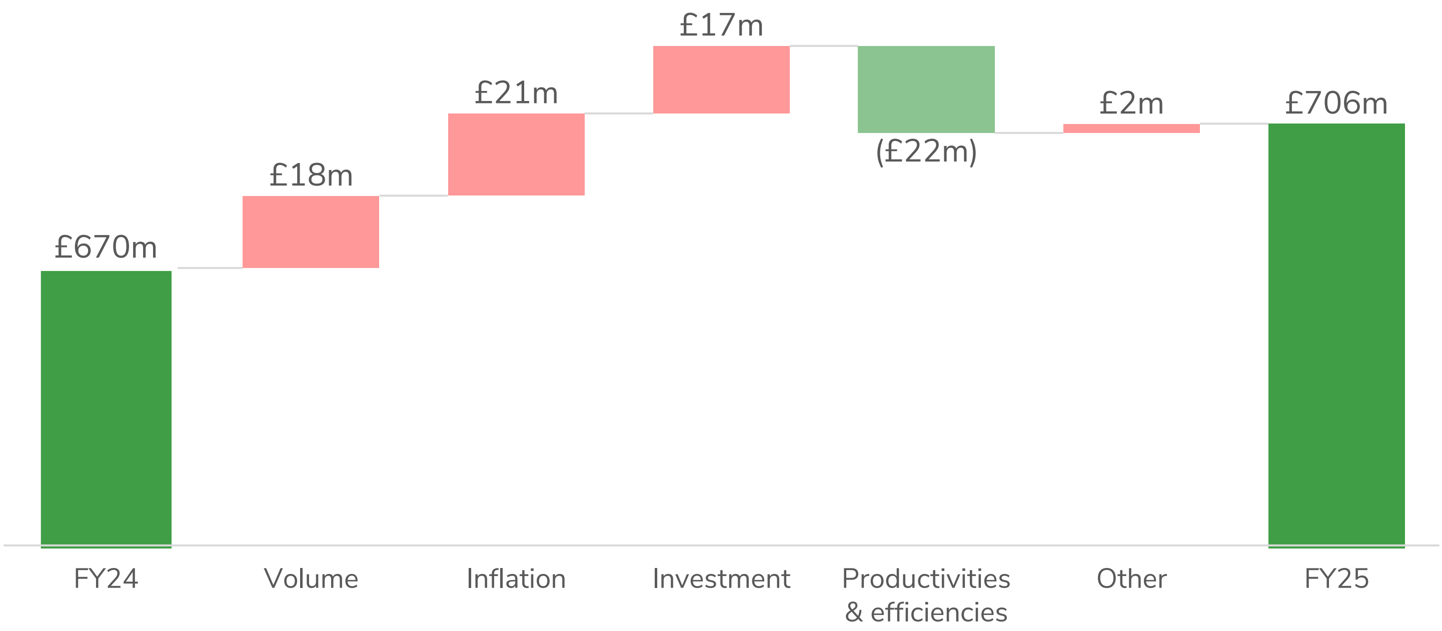


[1] Digital includes home delivery, Click & Collect and tablet-based sales in store
[2] Based on GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture, for the 12 months to June 2025
[3] Year-on-year growth in UK unique active customers who have transacted at least once in the 12 months to June 2025. Management estimates using Barclays data

Gross margin strength

- Very strong gross margin of 52.4%, +60bps year-on-year
- Ongoing execution of commercial and operational grip, prioritising our value proposition whilst maintaining tight cost control and optimising sourcing
- Headline retail prices held broadly stable year-on-year
- Particularly strong Q4, due to seasonal sell through and strong full price sales throughout the Summer Sale period
- In FY26 we expect a moderate net tailwind from freight and FX. We will maintain optionality over pricing to deliver the right combination of value, growth and profitability for stakeholders

Cost grip in an inflationary environment



	FY25	FY24	YoY
Sales, marketing & distribution costs	(£560.5m)	(£528.6m)	+6.0%
Tech and support costs	(£150.5m)	(£141.4m)	+6.5%
Other operating income	£4.7m	-	-
Net operating costs	**(£706.3m)**	**(£670.0m)**	**+5.4%**
Total sales	**£1,771.0m**	**£1,706.5m**	**+3.8%**
Net operating costs % sales	*39.9%*	*39.3%*	*+60bps*

- Volume-driven costs +£18m
  - Click & Collect expansion
  - 2-person delivery driven by furniture
- Inflation c.3% of the cost base, predominantly due to wage inflation
- Ongoing investment to support strategic priorities:
  - New stores
  - Made-to-measure capabilities
  - Costs associated with acquisitions
- Productivity accelerated from prior years:
  - Performance marketing optimisation
  - Store operating model efficiency
  - Supply chain continuous improvement

Driving profitable growth

- Strong track record of delivering sustainable profit growth
- The drivers of our costs vary in nature, impacted by growth and external factors
- Over time, costs may impact either gross profit or operating expenses
- We have flexibility to make choices throughout the P&L to manage overall profitability
- Our operational grip and the strength of our business model give us confidence in delivering a broadly stable PBT margin over time

Broadly stable PBT margin over time

	P&L driver	FY25	FY26
External factors	FX	Broadly stable	Moderate tailwind
	Freight	Broadly stable	Small headwind
	Raw materials	Broadly stable	Broadly stable
	Inflation	c.3%, driven by NLW inflation	Expect 3-4%, driven by NIC & NLW
Volume costs	Variable / semi-variable costs	Continue to grow with sales, balancing efficiency with customer experience	
P&L levers	Pricing and sourcing	Maintaining value; balancing sourcing costs and benefits with pricing and promotions	
	Investment decisions	Ongoing investment to drive future growth and efficiencies	
	Base running costs	Leveraging sales growth	

PBT, interest, tax and EPS

	FY25	FY24
Financial income and expenses	(£11.0m)	(£7.9m)
Profit before tax	**£211.0m**	**£205.4m**
PBT margin %	11.9%	12.0%
Tax	(£54.7m)	(£54.2m)
Effective tax rate	25.9%	26.4%
Profit after tax	**£156.3m**	**£151.2m**
Basic earnings per share	77.2p	74.7p
Diluted earnings per share	76.8p	74.4p

- PBT up 2.7% year-on-year to £211m, with broadly stable margin of 11.9%
- Effective tax rate of 25.9%, 50bps lower than FY24
  - In line with historic range of 50-100bps ahead of headline rate
  - FY24 rate impacted by one-off deferred tax adjustment
- Diluted EPS 76.8p, up 3.2% on FY24, driven predominantly by PBT growth

Strong cash generation

	FY25	FY24
Operating profit	£222.0m	£213.3m
Depreciation & amortisation[1]	£83.4m	£82.0m
Net movement in working capital	(£0.5m)	(£17.7m)
Share-based payments expense	£5.5m	£4.3m
Tax paid	(£54.5m)	(£49.6m)
Net cash generated from operating activities	**£255.9m**	**£232.3m**
Capex & business combination	(£67.3m)	(£39.9m)
Net interest and loan transaction costs[2]	(£10.6m)	(£9.4m)
Repayment of principal element of lease liabilities	(£50.6m)	(£50.8m)
Free cash flow	**£127.4m**	**£132.2m**
Net debt at the end of the period[3]	**£102.0m**	**£55.6m**
Memo: dividends paid	(£159.4m)	(£157.6m)

[1] Including impairment and loss on disposal
[2] Including interest on lease liabilities
[3] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities

- Operating cash flow of £256m up 10% year-on-year, reflecting trading performance and neutral working capital
- Inventory well controlled following forecasting & replenishment system implementation
- Increased capex year-on-year, largely due to strategic investments
- Free cash flow conversion of 57% (FY24: 62%)

Capital investment

- Capital investment of £67m in FY25, higher than long-term historic average

- Increase due to £38m of strategic investments:
  - Primarily driven by two London / South East properties, to be converted to Dunelm stores
  - Also includes Designers Guild brand and design archive and Home Focus acquisition

- £22m investment in new store openings and refits

- FY26 capex expected to be around £50m
  - 5 – 10 new superstores
  - At least one London smaller format
  - c.10 planned refits

Designers Guild

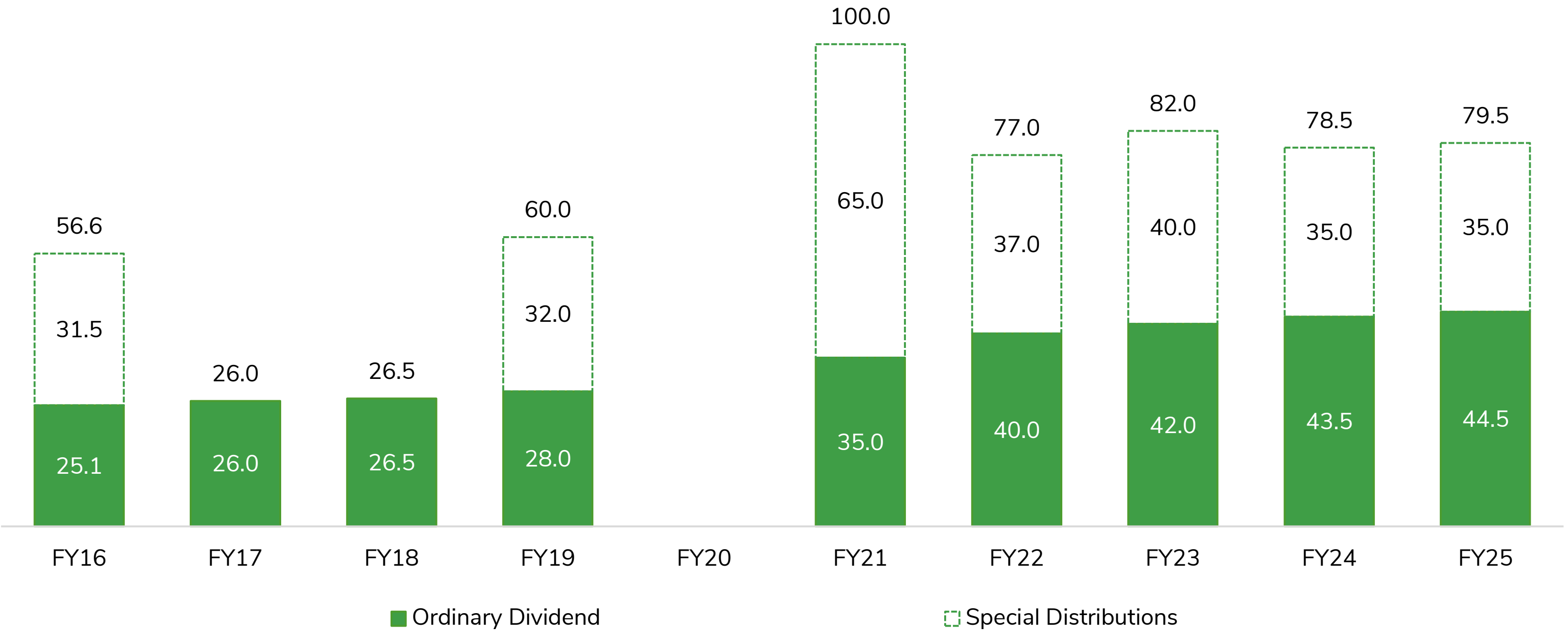
Acquisition of brand and design archive

Peterborough superstore

c.30k sq ft, relocation of existing store

Track record of shareholder returns

Dividend history (pence per share)



Capital and dividend policies

- Target average net debt[1] between 0.2× and 0.6× the last 12 months' EBITDA[2]
- Ordinary dividend cover[3] of between 1.75× and 2.25× 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 0.2× EBITDA

- Final dividend declared of 28p
- Total ordinary dividend of 44.5p, up 2.3% year-on-year
- Ordinary dividend cover 1.73x
- Including special dividend of 35p paid in April 2025, 79.5p total dividends declared
- >£1.5bn distributed to shareholders since IPO
- Business model supports continued investment alongside cash returns

[1] Cash and cash equivalents less total borrowings. 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 of right-of-use assets
[3] Dividend cover is calculated as earnings per share divided by the total ordinary dividend relating to the financial year

Guidance and outlook

Financial guidance

- Total capex currently expected to be c.£50m, with 5 – 10 new superstores, at least one inner London store, c.10 refits
- Working capital broadly neutral over the year, with timing benefit of c.£90m expected at the end of H1
- Effective tax rate 50 – 100bps above 25% headline rate

Outlook

- Pleased with early trading in FY26, although yet to see sustained consumer recovery
- Continuing to raise the bar on our customer offer; positive response to new Autumn / Winter ranges
- Excited about our future plans: App available to customers in the autumn; more new stores; further investment for growth and productivity
- Confident of gaining further market share as we progress towards 10% medium-term milestone
- Well-placed to deliver sustainable, profitable growth

Building The Home of Homes

Nick Wilkinson
CEO

Building The Home of Homes

- Our ambition is to build the most trusted and valued brand for UK consumers in homewares & furniture
- Focus areas bring compounding benefits, evolve our business model and bring a breadth of opportunity
- Embracing consumer landscape and volatility, while raising the bar on customer relevance and trust
- Accelerating and evolving initiatives that increase our advantage as a multi-category and multi-channel specialist
- 10% market share milestone in the medium term

Building scale in Furniture

- Furniture has been a strong contributor to growth over recent years, with significant further headroom
- Upholstered chairs & sofas are a good example of progress, driven by improved product development and sourcing
- An increasingly advantaged supply chain supports fast-turning inventory on quick delivery ranges, and a carefully curated made-to-order offer of >14,000 combinations
- We are improving our digital offer whilst evolving the store experience as we optimise the selection of categories on display and the type of service offered

Elsie Bobble Chenille Cocktail Chair £99

Beatrice II Woven Pinstripe Snuggle Chair £399

Leveraging our specialism in Textiles

- Our textiles heritage and scale give us the ability to innovate both ‘in’ and ‘across’ many home categories
- Investing in raising the bar on product value across all of our key ranges, e.g.
  - Egyptian Cotton towels
  - Fogarty quilts
  - Hanging pack curtains
- Evolving the customer experience across channels to balance ease of shopping, breadth of choice and inspiration
- Autumn’s *Home of Colour* campaign will showcase breadth and depth of options, and cross-category co-ordination

Enhancing our digital customer experience

The runway of growth from digital optimisation continues…

	FY19 - FY22 **Catching up** FY22 digital sales[1]: c£540m	FY23 – FY25 **Scaling up** FY25 digital sales[1]: c£700m	FY26 and beyond **Joining up** Growth runway continues
Data & tooling	• New cloud-based digital platform • Basic search tools • Enhanced marketing tools • Limited customer data	• Single payment service • New customer data tools • Experimentation capacity • AI-driven browse, search & recommendations	• Expanded data attributes • Personalised offers capability • App build (Autumn launch) • App features development
	Continuous improvement of digital customer experience →		
Customer experience	• Fast and reliable site • Better digital content • More product choice • Store stock Click & Collect	+ • Better shopping experience • Meaningful personalisation • More product choice • DC & supplier stock Click & Collect	+ • Better mobile experience • Meaningful inspiration • More product choice • Better cross-channel shopping experience

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

Serving more communities; improving experience

1 2 3

More London / South East stores

- London presence growing, with lots of opportunity
- 75% of Westfield store customers new to Dunelm
- New store openings in London and the South East

More new Superstores

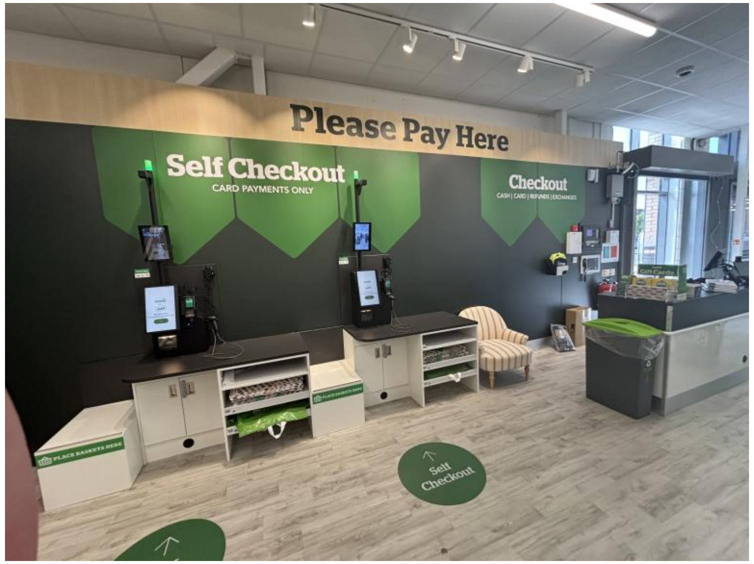
- 6 superstores opened including smaller infill (c.15k sq ft) and larger stores (c.30k sq ft)
- Continue to see strong paybacks
- 5 – 10 new openings planned per annum

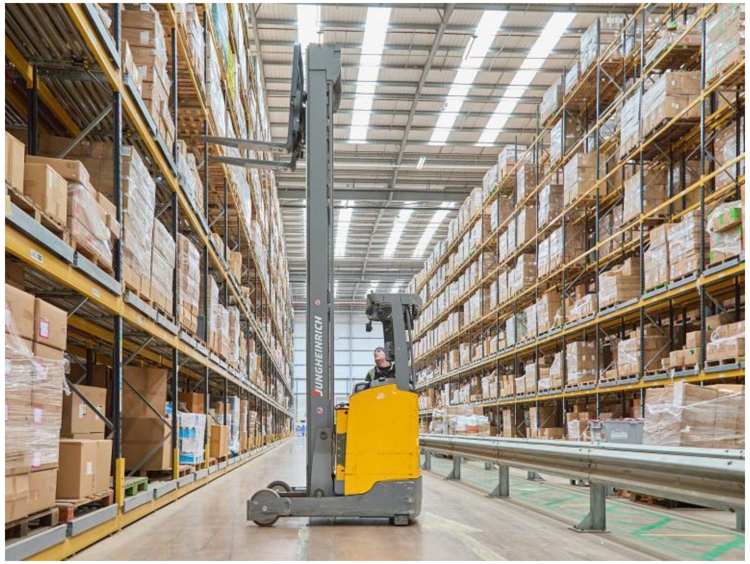
Refits improve customer experience

- Improved Click & Collect customer journey
- Roll-out of enhanced welcome, walkway and checkouts to 100 stores by end of FY26
- Ongoing refits programme will include Pausa, and evolution of furniture and window treatments

Disciplined approach to operational efficiencies

- Focus on productivities alongside growth, with a strong track record of delivery
- Ongoing focus on continuous improvement:
  - Leveraging performance marketing costs
  - Supply Chain initiatives including optimisation of customer returns
  - Driving efficiency through store operating model
- Utilising technology and capabilities to drive efficiencies, whilst improving customer experiences
- Increasing impact from systems and technology, with many new initiatives in discovery and proof of concept phase

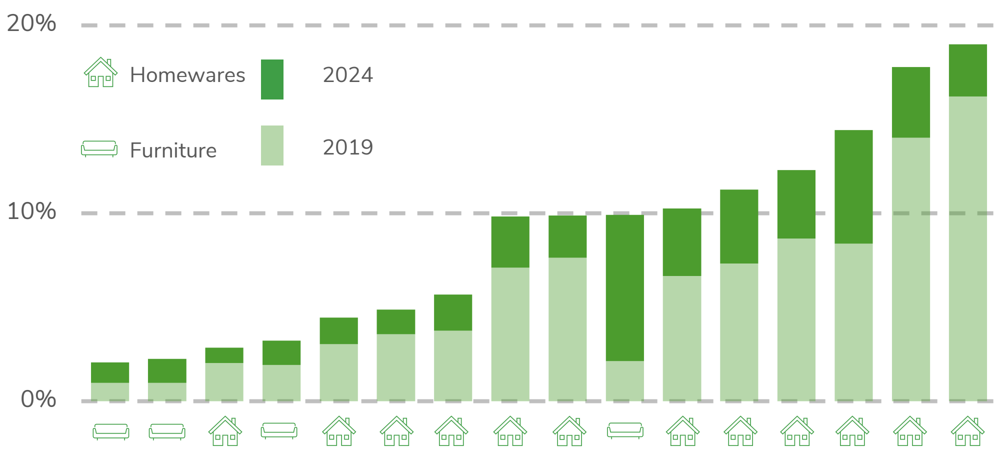




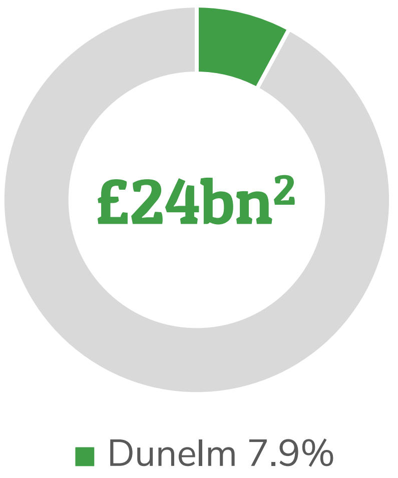
Delivery and ambition

- Across my tenure, the strengths of the Dunelm business model have been a constant
- Allowing us to invest in our offer and model, always adding quality as well as quantity
- We now have a digital offer that is thriving alongside our stores, and broader appeal across more product categories
- Dunelm is also differentiated through the role it has in the lives of customers, communities and committed suppliers
- Ambitious and restless, **our 10% market share milestone is firmly in our sights**, and there is much more beyond
- With customers at our heart, and an ingrained focus on long-term, sustainable growth, Dunelm is still *just getting started*

Market share gains across our categories[1]



Significant market share opportunity



[1]Each bar represents a Dunelm homewares or furniture category, mapped to GlobalData UK market sizes for the calendar year 2024 against 2019. See full definition on slide 30
[2]GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture, for the 12 months to June 2025, including VAT

Q&A

Appendix

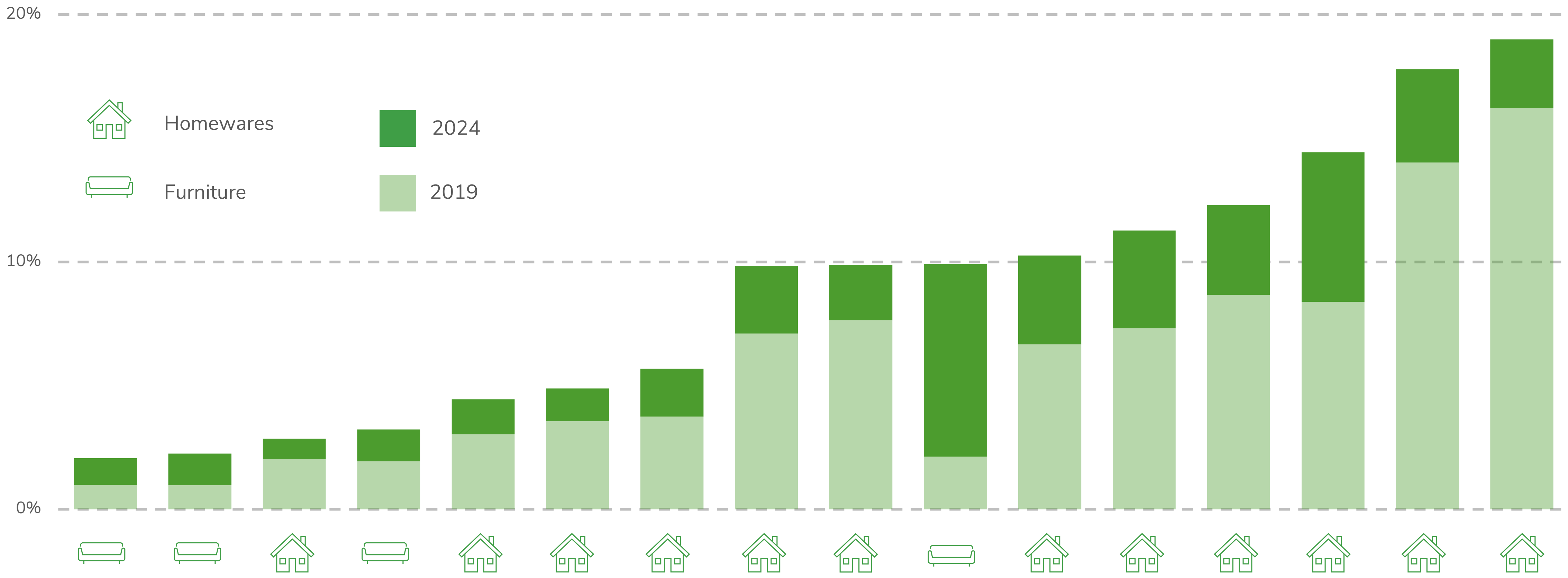
Income statement

	FY25	FY24	YoY
Revenue	£1,771.0m	£1,706.5m	£64.5m
Cost of sales	(£842.7m)	(£823.2m)	(£19.5m)
Gross profit	**£928.3m**	**£883.3m**	**£45.0m**
Gross margin %	52.4%	51.8%	+60bps
Net operating costs	(£706.3m)	(£670.0m)	(£36.3m)
Operating profit	**£222.0m**	**£213.3m**	**£8.7m**
Net financial expenses	(£11.0m)	(£7.9m)	(£3.1m)
Profit before tax	**£211.0m**	**£205.4m**	**£5.6m**
PBT margin %	*11.9%*	*12.0%*	*(10bps)*
Taxation	(£54.7m)	(£54.2m)	(£0.5m)
Profit after tax	**£156.3m**	**£151.2m**	**£5.1m**
Effective tax rate	25.9%	26.4%	(50bps)
Basic earnings per share	77.2p	74.7p	2.5p
Diluted earnings per share	76.8p	74.4p	2.4p

Balance sheet

	FY25 28 June 2025	FY24 29 June 2024
Right-of-use assets	£221.1m	£222.9m
Other non-current assets	£222.2m	£186.2m
Inventories	£226.3m	£223.0m
Cash	£30.0m	£23.4m
Other current assets	£41.9m	£26.5m
Total assets	**£741.5m**	**£682.0m**
Lease liabilities	(£247.5m)	(£249.6m)
Bank loans	(£130.2m)	(£77.0m)
Other current liabilities	(£233.3m)	(£211.4m)
Other non-current liabilities	(£11.7m)	(£6.1m)
Total liabilities	**(£622.7m)**	**(£544.1m)**
Net assets	**£118.8m**	**£137.9m**
Hedging reserve	(£13.0m)	(£3.8m)
Share capital/share premium/other reserves	£46.9m	£46.9m
Retained earnings	£84.9m	£94.8m
Total equity	**£118.8m**	**£137.9m**

Market share growth by category



[1] Each bar represents a Dunelm homewares or furniture category which in total represent c.80% of total sales, mapped to GlobalData UK market sizes for the calendar year 2024 against 2019. Excludes certain Dunelm categories which are not part of the GlobalData UK homewares and furniture markets e.g. rugs, bathroom furniture and kitchen cabinetry. Prior years restated, 13 of 16 categories above grew share between 2023 and 2024

5-year financial summary

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

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10-year dividend history

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Ordinary dividend per share										
Interim	6.0p	6.5p	7.0p	7.5p	-	12.0p	14.0p	15.0p	16.0p	16.5p
Final	19.1p	19.5p	19.5p	20.5p	-	23.0p	26.0p	27.0p	27.5p	28.0p
Total	**25.1p**	**26.0p**	**26.5p**	**28.0p**	**-**	**35.0p**	**40.0p**	**42.0p**	**43.5p**	**44.5p**
Special Dividends per share	31.5p	-	-	32.0p	-	65.0p	37.0p	40.0p	35.0p	35.0p
Total per share	**56.6p**	**26.0p**	**26.5p**	**60.0p**	**-**	**100.0p**	**77.0p**	**82.0p**	**78.5p**	**79.5p**
Ordinary dividend cover[1]	*2.0x*	*1.4x*	*1.4x*	*1.8x*	-	*1.8x*	*2.1x*	*1.8x*	*1.7x*	*1.7x*

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

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

Total retail system
Thriving store and digital 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] GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture, for the 12 months to June 2025, including VAT

Dunelm

The Home of Homes

Thank you