



15 October 2026
Dunelm Group plc

Q1 Trading Update

Continued sales growth with stronger performance exiting the quarter

Dunelm Group plc (“Dunelm” or “the Group”), the UK’s leading homewares retailer, updates on trading for the 13-week period ended 26 September 2026.

	Q1 FY27	YoY
Total sales	£433m	+1.1%
Store-enabled LFL sales¹	n/a	-0.8%
Digital % total sales²	41%	+1ppt

¹ Sales for all stores trading in comparable periods in the reported year and the preceding year. Includes completed in-store transactions, sales transacted through in-store tablets and Click & Collect orders

² Includes home delivery, Click & Collect orders, and tablet-based sales in store

Highlights

- Q1 sales up 1.1% to £433m, with stronger trading in the second half of the quarter, following a soft start impacted by hot weather
- Strong gross margin, up 10bps year-on-year
- Progress against our strategic plans, including our renewals programme, the rollout of RFID and category trials
- Further improvement in total customer satisfaction (‘CSAT’)³, up 0.5ppts year-on-year
- Expectations for FY27 adjusted PBT⁴ unchanged and broadly in line with FY26

³ Of the UK customers who complete our survey, the percentage who rate their experience with us as 5/5, weighted based on transaction volumes by fulfilment channel (Stores, Home Delivery and Click & Collect)

⁴ 52-week statutory PBT excluding adjusting items

Sales and gross margin

Total sales increased by 1.1% year-on-year to £433m in Q1, against a strong prior year comparative. Trading performance strengthened as the quarter progressed, with sales down c.3% year-on-year in the first six weeks during a period of exceptionally warm weather, before returning to growth of c.4% in the final seven weeks. Despite the challenging trading backdrop, we believe we continued to outperform an overall soft market.

Most of our categories during the quarter saw a similar trading pattern; however Made to Measure delivered double digit growth, supported by excellent execution from our specialist store colleagues. Cook and Dine also performed well, particularly in the second half of the quarter, reflecting the success of recent range reviews and product refreshes.

Gross margin increased by 10bps year-on-year in the first quarter, benefiting from an FX tailwind.

Strategic and operational update

We are making good progress with Winning Hearts & Homes, our three-year growth plan to build a bigger, better and bolder Dunelm. Our strategy is focused on three growth engines to:

1. Become *the* homewares specialist

Building on the encouraging results from work undertaken on specific product ranges, we now have further trials live in plain-dye bedding, focused on range rationalisation, and in Egyptian Cotton towels, focused on improving value perception. We have also launched our autumn brand marketing campaign, supporting our ambition to build deeper customer connection and strengthen Dunelm's broad appeal.

2. Deliver seamless omnichannel experiences

Our new store expansion plans are progressing well, with two openings expected in the first half of our financial year. We have completed five store renewals, including one since the quarter end, with encouraging sales uplifts seen in early weeks of trading. We are also carrying out a larger refit of our Doncaster store. This will reflect the latest proposition and build in learnings and improvements from St. Albans, which is delivering strong sales growth following its refit earlier this year.

3. Transform our capabilities

As previously disclosed, we have begun implementing our organisational design and cost removal plans. These savings create capacity to invest in future growth opportunities, including establishing a dedicated change team and strengthening the use of data and analytics across the business.

Operationally, we continue to make good progress in simplifying processes and improving productivity. Following successful early trials, RFID is now live in a small number of stores, with coverage extended across the majority of key categories in those locations, supporting improved product availability and store efficiency. In our contact centre, we have also deployed AI-enabled tools to efficiently enhance the customer experience.

Summary and outlook

Whilst the consumer backdrop remains uncertain, we are encouraged by the improvement in trading through the latter part of the quarter as we enter our peak trading period. We are also pleased with the progress being made against our strategic priorities, including further range trials, an improving and expanding store estate, and initiatives to transform the way we work.

Our differentiated and trusted proposition, disciplined execution and the progress we are making through our Winning Hearts & Homes strategy reinforce our confidence in Dunelm's future prospects, and in our ability to deliver sustainable long-term growth.

At this early stage in the year, our expectations for FY27 adjusted PBT⁵ remain unchanged and broadly in line with FY26. As our plans gather momentum, and with benefits weighted towards the second half of the year, we currently expect adjusted PBT⁵ to be lower than the prior year for the first half.

⁵ 52-week statutory PBT excluding adjusting items

Clo Moriarty, Chief Executive Officer, commented:

"I'm encouraged by the momentum we built as the quarter progressed, following the impact of the exceptionally warm weather.

"We are making good progress with Winning Hearts & Homes, our plan to create a bigger, better and bolder Dunelm. We're taking clear actions to build a stronger customer proposition and create the capabilities needed to support our long-term growth. The early signs are encouraging and reinforce our confidence in the opportunity ahead.

"As customers turn to cosy evenings, seasonal celebrations and spending more time at home, we're looking forward to helping them enjoy those moments through our peak trading period."

For further information please contact:

Dunelm Group plc

Clo Moriarty, Chief Executive Officer

Karen Witts, Chief Financial Officer

investorrelations@dunelm.com

Media enquiries: MHP

Oliver Hughes / Rachel Farrington / Charles Hirst

07801 894 577

dunelm@mhpgroup.com

Next scheduled event:

Dunelm will release its second quarter trading update on 14 January 2027.

Quarterly analysis:

	53 weeks to 3 July 2027						
	Q1	Q2	H1	Q3	Q4	H2	FY
Total sales	£432.7m						
Total sales growth	+1.1%						
Store-enabled LFL sales growth	(0.8%)						
Digital % total sales	41%						

	52 weeks to 27 June 2026						
	Q1	Q2	H1	Q3	Q4	H2	FY
Total sales	£428.1m	£498.2m	£926.3m	£471.7m	£427.5m	£899.2m	£1,825.5m
Total sales growth	+6.2%	+1.6%	+3.6%	+2.1%	+2.9%	+2.5%	+3.1%
Store-enabled LFL sales growth	+2.2%	(0.1%)	+0.9%	+0.1%	+1.4%	+0.7%	+0.8%
Digital % total sales	40%	42%	41%	43%	45%	44%	42%

Notes to Editors:

Dunelm is the UK's leading homewares retailer, with a purpose of helping to create the joy of truly feeling at home, now and for generations to come.

Serving millions of customers each year, Dunelm offers a specialist homewares proposition built on value, quality, choice and style. Its extensive range of predominantly own-brand products spans furniture, bedding, curtains, blinds, kitchenware, dining, lighting, outdoor living, decoration and DIY, alongside specialist services including Made-to-Measure window treatments.

Founded in 1979 as a market stall in Leicester, Dunelm has grown into a FTSE-listed business with 204 stores across the UK and Ireland. Customers can shop seamlessly through its omnichannel offer, which includes stores, home delivery, Click & Collect and the Dunelm App.

Today, Dunelm's ambition is to build a deeper connection with customers through its long-term growth strategy, Winning Hearts & Homes, building on its strengths as a homewares specialist while creating seamless customer experiences and investing in the capabilities needed to support sustainable long-term growth.

The business is headquartered in Leicester and employs approximately 12,000 colleagues. It has been listed on the London Stock Exchange since 2006 (DNLM.L).