Annual Results FY26

8 September 2026

FY26 Review

Clo Moriarty

CEO

HIGHLIGHTS: A SOLID YEAR

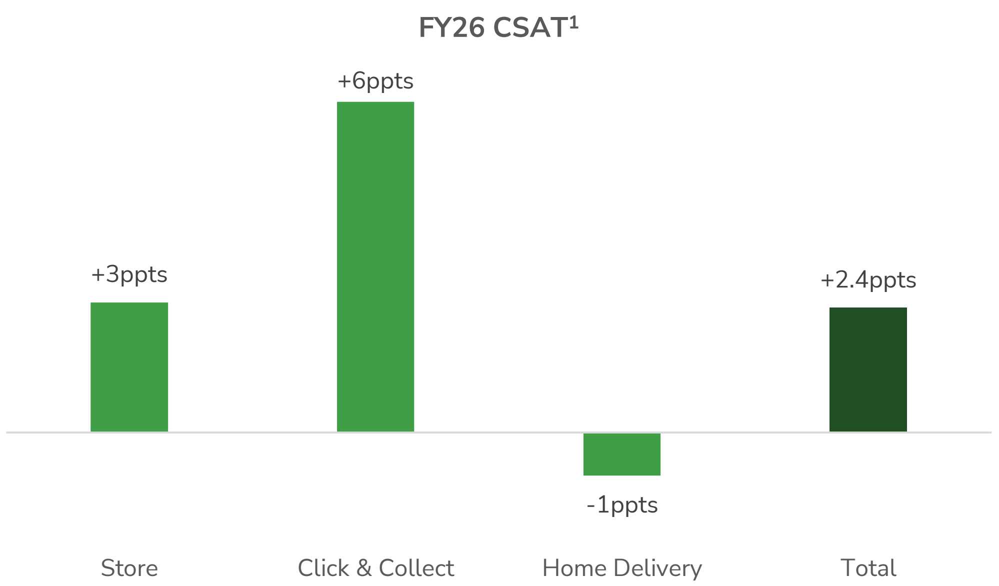
Total Sales Growth	+3.1%	
Gross Margin	52.5%	FY25: 52.4%
Market Share[1]	7.9%	FY25: 7.8%
Customer Satisfaction[2]	+2.4ppts	
Profit Before Tax	£211m	FY25: £211m
Diluted EPS	76.8p	FY25: 76.8p
Free Cash Flow[3]	£155m	FY25: £127m
Ordinary Div. per Share	45.5p	FY25: 44.5p

[1] GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture, for the 12 months to June 2026. Market share for the 12 months to June 2025 was 7.8% (restated by GlobalData UK from 7.9%)
[2] 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). Reported as a year-on-year movement
[3] 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

WE CONTINUED TO PUT OUR CUSTOMERS FIRST…AND THEY NOTICED

CSAT up 2.4ppts improvement from an already high base

- **Stores:**
  - Revitalised operating model
  - Self-checkout rollout
  - Improved walkways
- **Click & Collect:**
  - Strong improvement, from lower base
  - Orders made quicker and easier to fulfil
- **Home Delivery**
  - Strong performance seen in Dunelm 2-person fulfilment
  - Third party courier service scores declined
  - Initiatives now in place to improve service across supply chain



[1] 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). Reported as a year-on-year movement

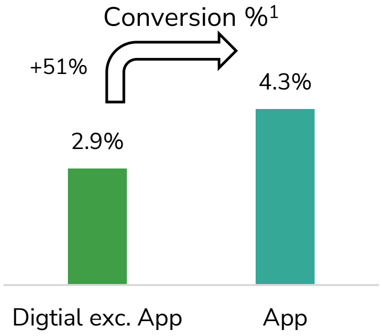
A YEAR OF AMAZING PRODUCTS

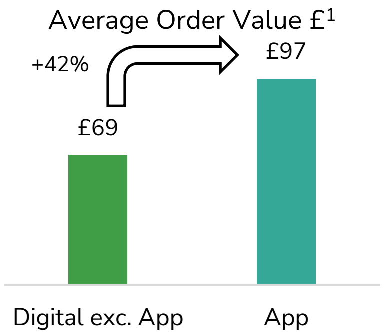
GREATER REACH AND A BETTER EXPERIENCE

Store rollout and refreshes

- New openings in Wandsworth and Kingston-upon-Thames
- Positive results from refits
- Plans in place for significant programme of renewals

Digital connectivity





- App launched driving conversion and basket size
- Ambition increasing with social channels
- Conversational commerce launched in beta through ‘Ask Dunelm’

Better, more efficient service

- Self checkout rollout continues
- Measures taken to increase safety and reduce shrinkage
- Tech-supported growth drivers implemented in Made-to-Measure

[1] Sales since the full launch of our App in February 2026

Financial Review

Karen Witts

CFO

FINANCIAL SUMMARY

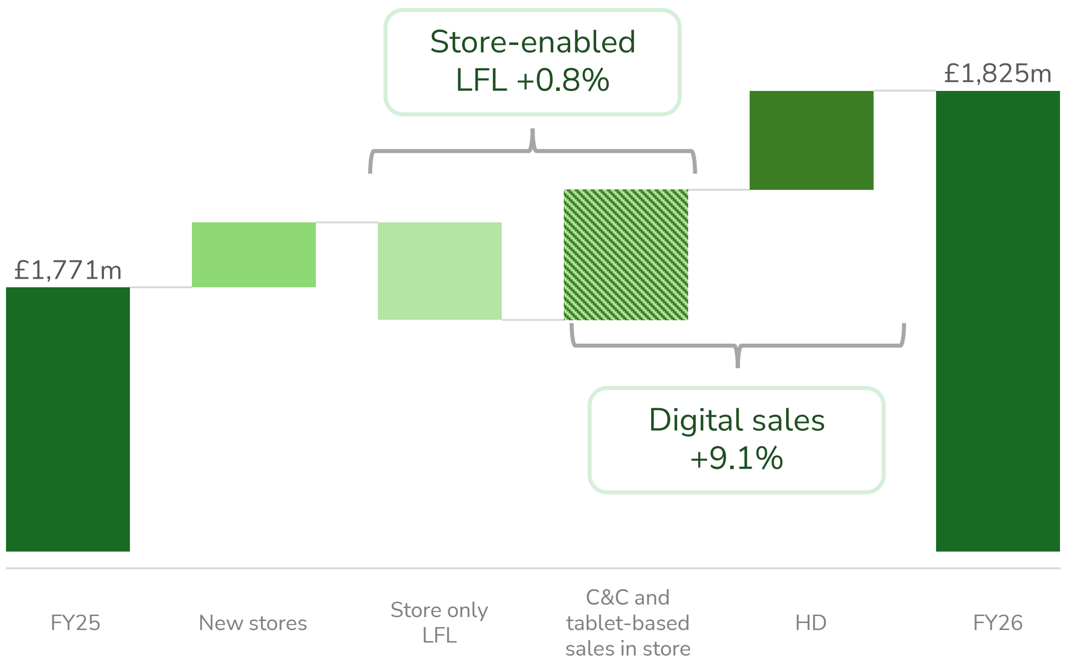
	FY26	FY25	YoY
Sales	**£1,825.5m**	**£1,771.0m**	**+3.1%**
Gross margin	52.5%	52.4%	+10 bps
Net operating cost % sales[1]	40.2%	39.9%	+30 bps
Profit before tax	**£211.0m**	**£211.0m**	**-**
PBT margin %	11.6%	11.9%	(30 bps)
Diluted earnings per share	76.8p	76.8p	-

	FY26	FY25	YoY
Free cash flow[2]	£154.8m	£127.4m	*+£27.4m*
Net debt[3]	£94.6m	£102.0m	*(£7.4m)*
Net debt : EBITDA[4]	0.3x	0.3x	*n/a*
Ordinary dividend	45.5p	44.5p	*+2.2%*
Special dividend	25.0p	35.0p	*n/a*

[1] Other operating income less operating costs. Other income includes rental income and insurance income
[2] 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 [15]
[3] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities
[4] 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

- Solid growth of 3.1%, despite a challenging macroeconomic backdrop
- Store-enabled like-for-like[1] sales up 0.8%
    - Down c.2% when C&C and in-store tablet sales excluded
- Digital participation[2] up +2ppts to 42%, reflecting the continued benefits of investment in our digital ecosystem
- Continued to grow ahead of the market, increasing our share by 10bps in the year to 7.9%[3]

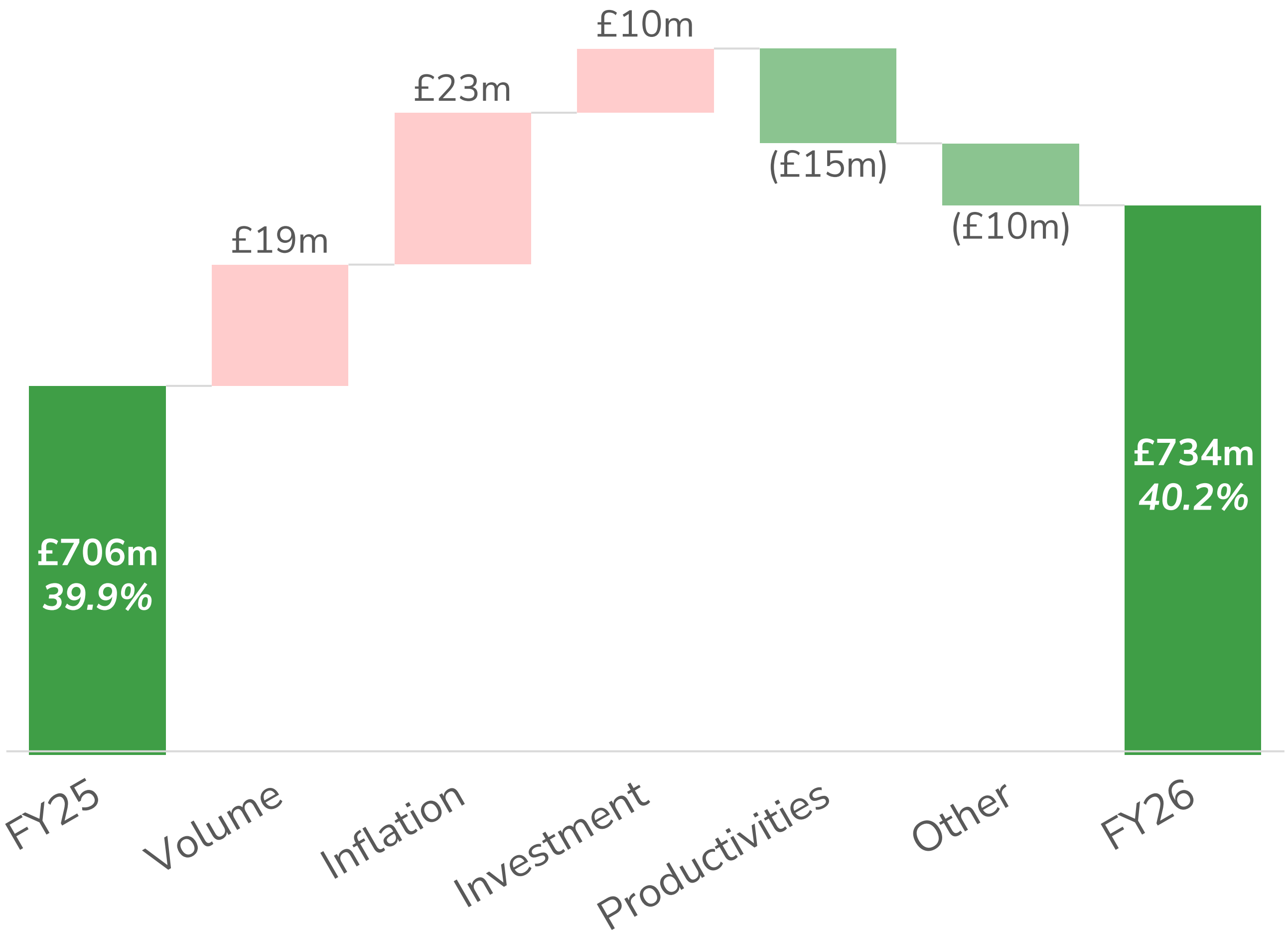


[1] Year-on-year sales for all stores trading in comparable periods in the reported year and the preceding year. Includes completed in-store transactions, sales transacted through in-store tablets and Click & Collect orders
[2] Includes home delivery, Click & Collect and tablet-based sales in store
[3] GlobalData UK combined homewares and furniture markets, excluding kitchen cabinetry and bathroom furniture, for the 12 months to June 2026. Market share for the 12 months to June 2025 was 7.8% (restated by GlobalData UK from 7.9%)

GROSS MARGIN

- Overall strong gross margin of 52.5%, up 10bps year-on-year
- Margin expansion reflects the continued resilience of our business model and sourcing strength
- Full-year benefitted from a consistent FX tailwind throughout the year
- Higher promotional participation was a headwind, particularly in the second half

NET OPERATING COSTS



- Volume-driven costs increased in proportion to digital sales; primarily performance marketing and distribution
- Inflation c.3% of the cost base; wage inflation persisted, moderating in Q4
- Investment in space growth, includes new stores and annualisation of prior year activity
- Accelerated productivities in H2, driven by store labour and logistics
- Other cost benefits from £3m higher YoY insurance income and lower performance-related remuneration

PBT, INTEREST, TAX AND EPS

	FY26	FY25
Financial income and expenses	(£13.9m)	(£11.0m)
Profit before tax	**£211.0m**	**£211.0m**
Tax	(£55.5m)	(£54.7m)
Effective tax rate	26.3%	25.9%
Profit after tax	**£155.5m**	**£156.3m**
PBT margin %	*11.6%*	*11.9%*
Basic earnings per share	77.0p	77.2p
Diluted earnings per share	76.8p	76.8p

- PBT of £211m flat year-on-year, representing a margin of 11.6%
  - Operating profit growth offset by increased financing costs
- Higher financing costs driven by lease costs; underlying interest stable
- Effective tax rate of 26.3%, up 40bps year-on-year and ahead of historical range due to prior year adjustment
- Diluted earnings per share of 76.8p, in line with prior year

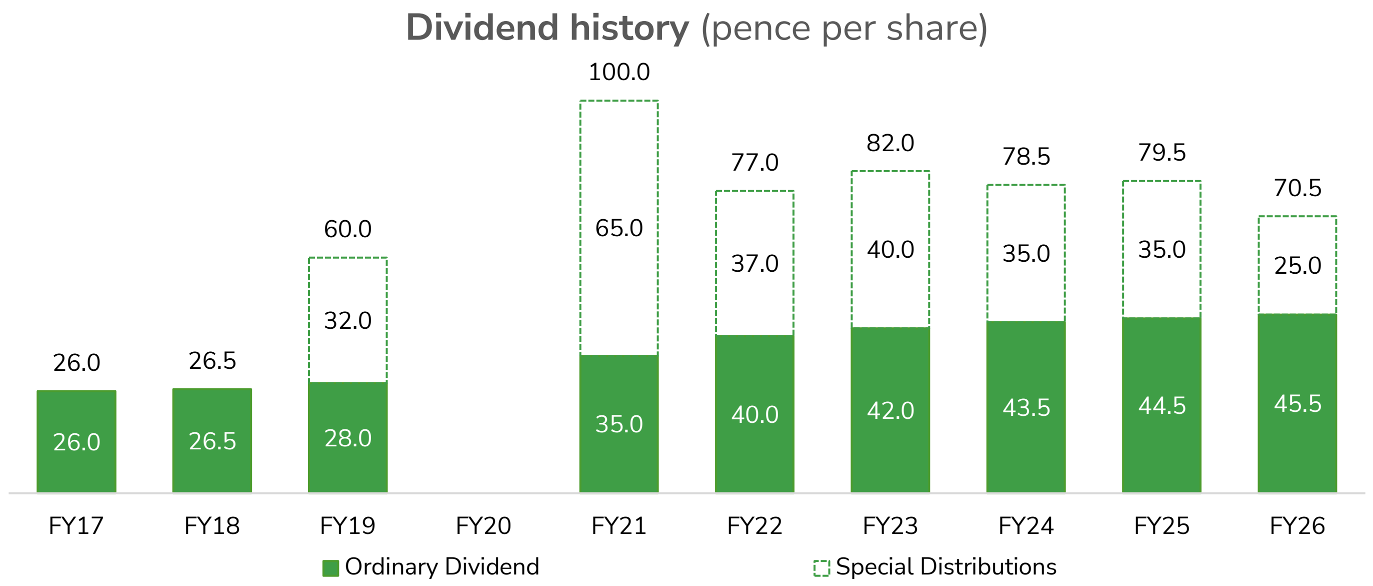
CASH

	FY26	FY25
Operating profit	£224.9m	£222.0m
Depreciation & amortisation[1]	£88.5m	£83.4m
Working capital inflow / (outflow)	£9.1m	(£0.5m)
Share-based payments expense	£5.9m	£5.5m
Tax paid	(£58.0m)	(£54.5m)
Net cash generated from operating activities	**£270.4m**	**£255.9m**
Capex	(£42.7m)	(£67.3m)
Net interest and loan transaction costs[2]	(£13.9m)	(£10.6m)
Repayment of principal element of lease liabilities	(£59.0m)	(£50.6m)
Free cash flow	**£154.8m**	**£127.4m**
Net debt at the end of the period[3]	**£94.6m**	**£102.0m**
Memo: dividends paid	(£141.0m)	(£159.4m)

[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

- Free cash flow of £155m, up from £127m in the prior year
- Working capital inflow of £9m, driven by inventory reduction
- Capex of £43m in line with recent average, including £27m related to new stores and existing estate
    - Lower YoY due to FY25 acquisitions
- £8m increase in lease repayments, reflecting portfolio expansion and lease renewals
- Strong operating profit to free cash flow conversion of 69%, up from 57% in the prior year

DIVIDENDS



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

[1] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities
[2] 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] Earnings per share divided by the total ordinary dividend relating to the financial year

- Continued application of our capital allocation policy
- Final dividend of 28.5p declared, taking total ordinary dividend for the year to 45.5p, up 2.2%
- Ordinary dividend cover 1.7x, moderately below targeted range
- Special dividend of 25p paid in April takes total dividends declared to 70.5p
- Net debt 0.3x EBITDA, within targeted range

SUMMARY

- Delivered a solid performance, with further sales growth and increase in market share
- Profit before tax flat year-on-year at £211m
- Strong cash generation, with free cash flow conversion of 69%
- Ordinary dividend increased to 45.5p per share, alongside a 25p special dividend paid in April
- Significantly softer trading in the first six weeks of FY27 during extended hot weather; better trading in recent weeks
- Today, we also announce an update to our strategic plans to build a bigger, better and bolder Dunelm, including FY27 guidance

‘Winning Hearts & Homes’

Become *the* homeware specialist with something for everyone

Deliver seamless omnichannel experiences that customers love

Transform our capabilities to drive sustainable growth

Customer Obsession

Dunelm
The **Home** of Homes

Appendix

INCOME STATEMENT

	FY26	FY25	YoY
Revenue	£1,825.5m	£1,771.0m	£54.5m
Cost of sales	(£866.5m)	(£842.7m)	(£23.8m)
Gross profit	**£959.0m**	**£928.3m**	**£30.7m**
Gross margin %	*52.5%*	*52.4%*	*+10 bps*
Net operating costs[1]	(£734.1m)	(£706.3m)	(£27.8m)
Operating profit	**£224.9m**	**£222.0m**	**£2.9m**
Net financial expenses	(£13.9m)	(£11.0m)	(£2.9m)
Profit before tax	**£211.0m**	**£211.0m**	**-**
PBT margin %	*11.6%*	*11.9%*	*(30 bps)*
Taxation	(£55.5m)	(£54.7m)	(£0.8m)
Profit after tax	**£155.5m**	**£156.3m**	**(£0.8m)**
Effective tax rate	*26.3%*	*25.9%*	*+40 bps*

Basic earnings per share	77.0p	77.2p	(0.2p)
Diluted earnings per share	76.8p	76.8p	-

[1] Other operating income less operating costs. Other income includes rental income and insurance income

BALANCE SHEET

	FY26 27 June 2026	FY25 28 June 2025
Right-of-use assets	£246.1m	£221.1m
Other non-current assets	£229.8m	£222.2m
Inventories	£212.1m	£226.3m
Cash	£22.4m	£30.0m
Other current assets	£46.4m	£41.9m
Total assets	**£756.8m**	**£741.5m**
Lease liabilities	(£268.5m)	(£247.5m)
Bank loans	(£115.4m)	(£130.2m)
Other current liabilities	(£219.5m)	(£233.3m)
Other non-current liabilities	(£4.9m)	(£11.7m)
Total liabilities	**(£608.3m)**	**(£622.7m)**
Net assets	**£148.5m**	**£118.8m**

Hedging reserve	£1.3m	(£13.0m)
Share capital/share premium/other reserves	£46.9m	£46.9m
Retained earnings	£100.3m	£84.9m
Total equity	**£148.5m**	**£118.8m**

5-YEAR FINANCIAL SUMMARY

	FY22	FY23	FY24	FY25	FY26
	(53 weeks)	(52 weeks)	(52 weeks)	(52 weeks)	(52 weeks)
Total sales	£1,581.4m	£1,638.8m	£1,706.5m	£1,771.0m	£1,825.5m
Total sales growth	18.4%	3.6%	4.1%	3.8%	3.1%
Gross margin %	51.2%	50.1%	51.8%	52.4%	52.5%
Profit before tax	£212.8m	£192.7m	£205.4m	£211.0m	£211.0m
Free cash flow[1]	£153.0m	£160.4m	£132.2m	£127.4m	£154.8m
Net cash / (debt)	(£23.8m)	(£30.7m)	(£55.6m)	(£102.0m)	(£94.6m)
Diluted EPS	83.6p	75.0p	74.4p	76.8p	76.8p
Dividends paid	£282.1m	£163.3m	£157.6m	£159.4m	£141.0m

[1] 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 13.

10-YEAR DIVIDEND HISTORY

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Ordinary dividend per share										
Interim	6.5p	7.0p	7.5p	-	12.0p	14.0p	15.0p	16.0p	16.5p	17.0p
Final	19.5p	19.5p	20.5p	-	23.0p	26.0p	27.0p	27.5p	28.0p	28.5p
Total	**26.0p**	**26.5p**	**28.0p**	**-**	**35.0p**	**40.0p**	**42.0p**	**43.5p**	**44.5p**	**45.5p**
Special Dividends per share	-	-	32.0p	-	65.0p	37.0p	40.0p	35.0p	35.0p	25.0p
Total per share	**26.0p**	**26.5p**	**60.0p**	**-**	**100.0p**	**77.0p**	**82.0p**	**78.5p**	**79.5p**	**70.5p**
Ordinary dividend cover[1]	*1.4x*	*1.4x*	*1.8x*	-	*1.8x*	*2.1x*	*1.8x*	*1.7x*	*1.7x*	*1.7x*

[1] Earnings per share divided by the total ordinary dividend relating to the financial year

BEING GOOD & CIRCULAR

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

Our home the **Planet**

- **58% reduction** in Scope 1 intensity emissions from FY19 baseline
- **20% reduction** in Scope 3 emissions intensity compared with FY19 baseline
- **78%** own brand Cotton now More Responsibly sourced (targeting 100% by FY30)

Our home in **Communities**

- **£2m milestone reached** in fundraising for our charity partner Age UK
- **c.200k gifts** donated to local causes in our Delivering Joy winter campaign
- **£1m raised for British Heart Foundation** through giving furniture, mattresses and other bulky household items a second life

A home for our **People**

- **90bps increase** in our 'role-model leaders' from ethnic minority backgrounds, now at 7.4%[1]
- **1000 days** pledged by colleagues in our store support initiative over our peak trading period
- **'Connect with Clo'** initiative launched to submit questions, ideas and feedback direct to our CEO

[1] 'Role-model leaders' are defined as 'Heads of' and above and include regional and store coaches, but at present do not include the Republic of Ireland

Dunelm
The **Home** of Homes