8 September 2026
Dunelm Group plc

Preliminary Results for the 52 weeks ended 27 June 2026

Solid FY26 performance; update on new strategic plans to accelerate growth

Dunelm Group plc ("Dunelm" or "the Group"), the UK's leading homewares retailer, today announces its Preliminary Results for the 52 weeks to 27 June 2026.

	FY26	FY25	YoY
Total sales	£1,825.5m	£1,771.0m	+3.1%
Store-enabled LFL sales growth[1]	+0.8%	+0.6%	+0.2ppts
Digital % total sales[2]	42%	40%	+2ppts
Gross margin	52.5%	52.4%	+10bps
Net operating costs:sales[3]	40.2%	39.9%	+30bps
Profit before tax ("PBT")	£211.0m	£211.0m	-
Diluted earnings per share	76.8p	76.8p	-
Free cash flow[4]	£154.8m	£127.4m	+£27.4m
Net debt[5]	£94.6m	£102.0m	(£7.4m)
Ordinary dividend per share	45.5p	44.5p	+2.2%
Special dividend per share	25.0p	35.0p	n/a

Resilient trading in a challenging year

- Sales of £1,825m up 3.1% on FY25; digital participation up 2ppts to 42%
- Gross margin up 10bps to 52.5%
- Profit before tax £211m, in line with the prior year
- Strong cash generation: free cash flow of £155m (FY25: £127m) representing 69% of operating profit (FY25: 57%)
- Opened two new stores during the year; a smaller store in Wandsworth, and a superstore in Kingston-upon-Thames. We also reopened our Yeovil store following its closure due to a serious fire
- Dunelm App launched, with beta AI-powered shopping assistant added in July
- Completed a comprehensive assessment of the business and the opportunities to accelerate growth in its next phase

- Final ordinary dividend per share of 28.5 pence (FY25: 28.0 pence), bringing total ordinary dividend per share to 45.5 pence (FY25: 44.5 pence). Total dividends declared of 70.5 pence per share (FY25: 79.5 pence), including special dividend paid in April

Outlook

- We remain very confident in our fundamental strengths and growth opportunity
- As a result of the extended period of unusually hot weather, however, we saw significantly softer trading in first six weeks of FY27
- Strong online conversion and increasing store footfall give confidence in our current proposition, and we have seen better trading following cooler weather
- In a separate announcement today, we update on our strategic plans, including medium term targets and FY27 guidance

Clo Moriarty, Chief Executive Officer, commented:

"We delivered a solid performance for the year, growing sales, maintaining profits and generating strong cash returns for shareholders. My sincere thanks go to our loyal customers, our valued suppliers for their ongoing partnership and of course our tremendous colleagues who make all of this happen.

"Over the last year, we have taken a deep and honest look at our business and the opportunities ahead to better serve our customers and drive the Group's performance. This work has given us confidence that the opportunity in front of Dunelm is larger than we previously understood, but also that we need to evolve. The strength of our business and balance sheet means we are well placed to invest for the future and accelerate our growth trajectory.

"To capture our opportunity, we are launching 'Winning Hearts & Homes', a customer-led, self-funded plan to strengthen our market leadership position. By building on the proven strengths that have made Dunelm so successful and by developing the capabilities that will support the next phase of growth, we believe we can create a bigger, better and bolder Dunelm for all our stakeholders."

[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] Other operating income less operating costs. Other income includes rental income and insurance income
[4] 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 in the CFO review
[5] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities

Results Presentation

A pre-recorded presentation on the Preliminary Results for the financial year ended 27 June 2026 was published at 07:00 this morning on the Company's corporate website. Please access this recording at corporate.dunelm.com.

Strategy Update

Dunelm will also host an in-person Strategy Update at Somerset House for analysts and institutional investors this morning at 09:30. A copy and recording of the presentation will be made available at *corporate.dunelm.com*.

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Next scheduled event:

Dunelm will release its first quarter trading update on 15 October 2026.

Quarterly analysis:

	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[1]	+2.2%	(0.1%)	+0.9%	+0.1%	+1.4%	+0.7%	+0.8%
Digital % total sales[2]	40%	42%	41%	43%	45%	44%	42%

	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%
Store-enabled LFL sales growth[1]	+1.0%	(1.4%)	(0.3%)	+3.6%	(0.6%)	+1.6%	+0.6%
Digital % total sales[2]	37%	40%	39%	41%	42%	42%	40%

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).

CHIEF EXECUTIVE OFFICER'S REVIEW

Having joined Dunelm in October 2025, I have spent much of my first year immersing myself in our stores and sites and spending time meeting with colleagues, suppliers and customers. What I have seen and heard has reinforced my conviction both in the strength of this business and also in the significant opportunities ahead.

FY26 itself was a solid year, in a retail environment which continues to present challenges, but I know this business is capable of delivering much more. Dunelm has a compelling combination of strengths: universal appeal, deeply loyal customers, outstanding products, physical and digital reach, great colleagues and platforms and strong customer satisfaction.

Separately today, we are setting out how we will build on these strengths, accelerate growth and win the hearts and homes of even more customers.

FY26 Review

During the year we grew our sales by 3.1% to £1,825m, gained 10bps of market share to 7.9%[6], and improved overall customer satisfaction by 2.4ppts[7], against an often unpredictable macroeconomic backdrop. Profit before tax remained flat at £211m as higher sales and an expanded gross margin were offset by inflationary pressures and volume-related costs, alongside continued investment in the business. Our cash performance was strong; we converted nearly 70% of operating profit into free cash flow, up from 57% in the prior year. Reflecting both our full year performance, and confidence in the future, the Board has recommended a final dividend of 28.5 pence that brings the full-year ordinary dividend to 45.5 pence per share, up 2.2% year-on-year. We also paid a 25 pence per share special dividend in April.

Our solid performance was delivered against a challenging backdrop. Geopolitical uncertainty, elevated interest rates and inflation, and a changing UK political landscape continued to weigh on consumer confidence, with customers shopping more selectively and increasingly seeking value through promotions, particularly in discretionary categories such as homewares. Unseasonably hot weather towards the end of the year also affected customers' shopping patterns. Against this context, our continued focus on our customers, products and the development of our omnichannel proposition remained central to our performance.

A focus on our customers is absolutely key to what we stand for at Dunelm, and we were pleased to see customer satisfaction improve by 2.4ppts year-on-year, from an already strong base. This was driven by particularly strong results across stores and Click & Collect, following a renewed focus on customer service. Developments include the rollout of self-checkouts, improved promotional walkways and better processes to make Click & Collect orders quicker and easier to fulfil. Home delivery remains an area of focus: satisfaction with our own two-person furniture delivery service improved, however performance across third-party courier services declined during the year. Strengthening the operating model across our supply chain is therefore an important priority going forward, as we continue to make shopping with Dunelm easier and more enjoyable for customers.

Our brilliant products are a significant driver of customer loyalty and we saw growth across our categories during the year. Made-to-Measure, lighting and storage stood out particularly strongly, and we demonstrated our seasonal relevance with outperformance from our Summer Living ranges. Alongside relevance, our specialist perspective on design remains critical: our Yinka Ilori collaboration progressed from initial concept to products in stores and online within 18 months, demonstrating the pace and precision of our execution, with the rug ranges selling out within a month of launch. Campaigns have also continued to play an important role in engaging customers, with strong Sale events and a particularly successful student campaign, the learnings from which have informed our approach into FY27.

We continued to strengthen our omnichannel proposition during the year, investing across both our physical and digital channels to make shopping with Dunelm easier and more enjoyable. We opened two new stores in London and the South-East, reopened a further store following its closure after fire damage, and continued our programme of store refits. Together, these investments enabled us to bring the latest iteration of our proposition, flow and format to more customers, while applying the learnings to our future plans.

We also made good progress in developing our digital proposition. The Dunelm App has attracted 740k downloads to date and is driving encouraging engagement. Since launching fully in February 2026, customers shopping through the App already spend c.40% more per transaction, with conversion more than one percentage point higher. We also increased our activity across social channels, particularly TikTok and YouTube, where we see further scope to grow customer discovery and engagement.

During the year, we bolstered our Executive team with two new hires to support the next phase of growth. Laura Harricks joined as Chief Customer Officer, bringing a wealth of experience from major UK retailers including Ocado Retail, Monsoon Accessorize, and Currys. Laura's remit extends across Customer and Digital, as we seek to drive even deeper relationships with customers. Caroline Angell also joined as Chief People Officer, following leadership roles at Kingfisher, Currys and Sainsbury's, and brings expertise in driving organisational development to support growth ambitions.

Our Good & Circular approach to sustainability continues to drive progress across our three pillars of Planet, Communities and People. During the year, we made further progress in responsible sourcing, particularly with key raw materials such as cotton, polyester, timber and steel. In cotton, for example, we continued to increase the proportion of more responsibly sourced cotton in our products. We also hit a significant milestone in our national charity partnership with Age UK, raising £2m to help build communities that feel like home for older people.

[6] 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%)
[7] 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

Outlook

Since I joined Dunelm, we've undertaken a deep analysis of our customers and business. What we've found has given us real confidence that the opportunities ahead of us are bigger than we previously understood. This has informed our future plans, and we start FY27 with confidence in the road ahead.

These plans are underpinned by a mindset of customer obsession, which we are beginning to embed in the business. As customer behaviours and shopping habits continue to evolve at pace, we want to ensure that the customer continues to be at the very heart of our decision-making.

While the recent extended period of hot weather drove significantly softer sales in the first six weeks of FY27, we have seen better trading in recent weeks, and are encouraged by strong online conversion and store footfall. Our focus is on executing our strategy, investing with discipline and unlocking the growth we know we can capture to deliver sustainable growth for all our stakeholders.

Update on Strategic Plans

Alongside today's results, we have updated on our strategic plans for the next phase of Dunelm's growth. Building on the themes introduced at our interim results, we have developed a clear three-year strategic plan, summarised by our ambition to *win hearts and homes*.

The strategy is focused on three priority growth engines to:

1. **Become *the* homewares specialist** with something for everyone;
2. **Deliver seamless omnichannel experiences** that customers love; and
3. **Transform our capabilities** to drive sustainable growth

We are energised by the opportunities ahead and have confidence in the detailed investment and delivery plans which we have developed to capture them. We have provided further details, including medium-term targets and FY27 guidance, in a separate announcement today.

I'd like to thank all of our colleagues for their tremendous efforts and commitment over the course of the year. There is a lot to do - we know this - but our business is mobilised and motivated to deliver. We see a clear path to a bigger, better and bolder Dunelm and I'm excited by what comes next.

Clo Moriarty
Chief Executive Officer
8 September 2026

CHIEF FINANCIAL OFFICER'S REVIEW

Income Statement

	FY26	FY25	YoY
Revenue	£1,825.5m	£1,771.0m	+£54.5m
Gross profit	**£959.0m**	**£928.3m**	**+£30.7m**
Gross margin %	*52.5%*	*52.4%*	+10bps
Net operating costs[8]	(£734.1m)	(£706.3m)	(£27.8m)
Operating profit	**£224.9m**	**£222.0m**	**+£2.9m**
Net finance costs	(£13.9m)	(£11.0m)	(£2.9m)
Profit before tax	**£211.0m**	**£211.0m**	**-**
PBT margin %	*11.6%*	*11.9%*	(30bps)
Taxation	(£55.5m)	(£54.7m)	(£0.8m)
Profit after tax	**£155.5m**	**£156.3m**	**(£0.8m)**
Effective tax rate	*26.3%*	*25.9%*	+40bps

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

Revenue

	FY26	FY25	YoY
Digital % total sales[9]	42%	40%	+2ppts
Store-enabled LFL sales growth[10]	+0.8%	+0.6%	+0.2ppts
Market share[11]	7.9%	7.8%	+10bps

We delivered a solid performance in FY26, with total sales up 3.1% to £1,825m (FY25: £1,771m). Digital participation increased by a further 2ppts to 42%, leveraging the benefits of investment in digital capabilities over time. Alongside this, we further expanded and enhanced the store estate, opening two new stores during the year, plus one reopening, with new space contributing c.100bps to sales growth, including the full-year impact of our Ireland acquisition.

Though customer numbers remained broadly stable across the year, we saw more customers shopping multiple channels[12], demonstrating the strength and opportunity of our omnichannel model. The launch of the Dunelm App has further strengthened our omnichannel proposition, helping customers move more easily between our stores and digital channels. This joined-up model is reflected in our performance: while sales through store checkouts alone declined, store-enabled like-for-like sales, which also include in-store tablet and Click & Collect orders, grew by +0.8%[10]. Together with home delivery, digital sales participation increased by 2ppts to 42%.

We saw broad-based growth across our categories. Made-to-Measure window treatments again grew strongly, demonstrating the value of our specialist expertise and the benefits of targeted investment in high-growth categories. Our heritage categories, where we have well-established authority, also continue to underpin sales momentum.

Overall, we continued to outperform the combined homewares and furniture market, increasing market share by 10bps year-on-year to 7.9%[11]. Looking forward we see clear opportunities, set out in our three-year strategic plans, to accelerate this growth.

[9] Includes home delivery, Click & Collect and tablet-based sales in store
[10] 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
[11] 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%)
[12] Management estimates using Barclays UK data

Gross margin

Gross margin remained strong at 52.5% (FY25: 52.4%), up 10bps year-on-year. This performance reflects the resilience of our business model, even during a period of global uncertainty, and was supported by our embedded sourcing strengths and long-term, committed supplier relationships. The year-on-year expansion reflected an FX tailwind, partly offset by increased customer participation in promotional events, particularly during the second half of the year.

Net operating costs

	FY26	**FY25**	**YoY**
Operating costs	(£741.4m)	(£711.0m)	(£30.4m)
Other operating income	£7.3m	£4.7m	+£2.6m
Net operating costs	**(£734.1m)**	**(£706.3m)**	**(£27.8m)**
Net operating costs:sales %	40.2%	39.9%	+30bps

Net operating costs were £734m (FY25: £706m), up 3.9% year-on-year. This represented 40.2% of sales, up 30bps year-on-year, reflecting the balance of volume-driven cost growth, ongoing inflation, and continued investment for growth, partially offset by delivery of productivity gains and other cost reductions.

Volume-driven costs, primarily variable logistics and performance marketing expenses associated with growth in digital channels, added £19m year-on-year. Inflationary pressures continued, driving £23m of incremental cost. Wage inflation remained the most significant headwind, although it began to moderate in the final quarter of the year. We also experienced cost pressure in our supply chain, including higher fuel costs, driven by geopolitical events, and increases in distribution property expenses.

We invested an incremental £10m during the year, primarily in our store estate. This included investment in new stores and refits, together with the annualised impact of prior year activity, specifically from store openings and the acquisition of our business in Ireland.

Productivity gains delivered £15m over the year. Savings were driven by operational improvements across the business, particularly labour optimisation in stores, supported by the further rollout of self-serve checkouts, alongside efficiencies in carriage and logistics processes across the supply chain.

Other items drove a full year net cost benefit of £10m. This included a £3m increase in net operating income, related to insurance receipts in respect of two store fires, compensating for the associated loss of trade and store rebuild. Performance-related remuneration costs were also lower than in the prior year.

Profit before tax

Operating profit of £225m (FY25: £222m) was up 1.3% year-on-year, with higher gross profit partly offset by increased operating costs. Net financing costs grew to £14m (FY25: £11m), driven by a higher IFRS 16 lease interest charge of £10m (FY25: £7m). Underlying interest costs remained broadly stable. Profit before tax was £211m (FY25: £211m), reflecting a PBT margin of 11.6% (FY25: 11.9%).

Earnings

Profit after tax of £155m (FY25: £156m) reflects an effective tax rate of 26.3% (FY25: 25.9%). This is higher than our guided range and historical average of around 50-100bps above the headline rate, largely due to a prior-year adjustment in respect of non-qualifying depreciation.

As a result, basic earnings per share was 77.0 pence (FY25: 77.2 pence) and diluted earnings per share was flat year-on-year, at 76.8 pence (FY25: 76.8 pence).

Cash generation and net debt

	FY26	**FY25**	**YoY**
Operating profit	£224.9m	£222.0m	+£2.9m
Depreciation and amortisation[13]	£88.5m	£83.4m	+£5.1m
Net movement in working capital	£9.1m	(£0.5m)	+£9.6m
Share-based payments	£5.9m	£5.5m	+£0.4m
Tax paid	(£58.0m)	(£54.5m)	(£3.5m)
Net cash generated from operating activities	**£270.4m**	**£255.9m**	**+£14.5m**
Capex & business combination	(£42.7m)	(£67.3m)	+£24.6m
Net interest and loan transaction costs[14]	(£13.9m)	(£10.6m)	(£3.3m)
Repayment of principal element of lease liabilities	(£59.0m)	(£50.6m)	(£8.4m)
Free cash flow	**£154.8m**	**£127.4m**	**+£27.4m**
Net debt[15]	**£94.6m**	**£102.0m**	**(£7.4m)**

Operating cash flow increased by 5.7% to £270m (FY25: £256m), benefiting from a £9m working capital inflow (FY25: £0.5m outflow) and slightly higher operating profit. The working capital inflow was largely driven by lower inventory, partially offset by a corresponding reduction in stock-related payables. Lease liability repayments were £8m higher year-on-year, primarily reflecting the expansion of the lease portfolio and the renewal of lease agreements.

Capital expenditure of £43m (FY25: £67m) for the year was in line with our guidance and lower than the prior year, which had included investment in freehold property purchases and two small acquisitions. During the year we invested £27m in the store estate, including the opening of two new stores, the reopening of our Yeovil store, seven refits and the rollout of self-service checkouts and a refreshed front-of-store experience.

Cash tax paid in the year was £58m (FY25: £55m).

Total dividend payments in the period were £141m (FY25: £159m). The Group also periodically makes share repurchases to hold in treasury to satisfy obligations under employee share schemes and in the year repurchased £16m of shares (FY25: £15m). The Group held 1.9m of shares in treasury as at 27 June 2026 (FY25: 2.1m).

Overall strong cash generation drove free cash flow of £155m (FY25: £127m), with operating profit conversion improving to 69% (FY25: 57%), supporting a reduction in year-end net debt to £95m[15] (FY25: £102m).

[13] Including impairment and loss on disposal
[14] Including interest on lease liabilities
[15] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities

Banking agreements

At the year end, the Group had in place a £250m unsecured revolving credit facility ("RCF") with a maturity date of September 2029. The terms of the RCF included covenants in respect of leverage (net debt[16] to be no greater than 2.5x adjusted EBITDA[17]) and fixed charge cover (EBITDAR[18] to be no less than 1.75x fixed charges[19]), both of which were met comfortably as at 27 June 2026. The Group also maintains £10m of uncommitted overdraft facilities.

[16] Cash and cash equivalents less total borrowings. Excludes IFRS 16 lease liabilities
[17] EBITDA less depreciation of right-of-use assets
[18] EBITDA plus rent
[19] Net interest costs plus right-of-use asset depreciation plus rent

Going Concern

At the time of approving the financial statements, the Board of Directors is required to formally assess that the business has adequate resources to continue in operation and as such can continue to adopt the "going concern" basis of accounting. To support this assessment, the Board is required to consider the Group's current financial position, its strategy, the market outlook and its principal risks.

The key judgement that the Directors have considered in forming their conclusion is a 'downside' scenario that assumes a lower rate of sales growth than reflected in the Group's strategic plans, extending the more subdued trading momentum experienced in recent years. Lower sales growth is assumed throughout the assessment period, together with a higher cost-to-sales ratio than planned.

The Directors have also considered a 'severe but plausible' downside scenario that assumes a more pronounced deterioration in overall UK consumer demand, resulting in a sustained period of weaker trading conditions. This leads to lower sales growth and a more significant increase in the cost-to-sales ratio throughout the assessment period.

In both these downside scenarios Dunelm has sufficient liquidity to continue trading, continue to pay dividends in line with its policy, and to comfortably meet financial covenants.

Reverse stress modelling has demonstrated that a scenario of prolonged sales reduction of 26% in both FY27 and FY28 would be required to breach covenants by the end of FY28; and a 39% sales reduction in each year would be required to breach the RCF limit by the end of FY28, assuming reasonable mitigating actions have been implemented.

Additionally, the Directors have reviewed the potential impact of material disruption to trading in our digital channel (including home delivery, tablet-based sales in store, and Click & Collect sales), in FY27 reflecting the continued cyber security risk to retailers. The Directors are satisfied the Group maintains appropriate access to short-term cash in the event of such a circumstance.

Currently, climate change is not expected to have a significant impact on the Group's going concern assessment.

As a result, the Board believes that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities and meet its liabilities as they fall due, for at least the next twelve months from the reporting date. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Capital and dividend policies

The Board policy on capital structure targets an average net debt level (excluding lease obligations and short-term fluctuations in working capital) of between 0.2× and 0.6× the last 12 months' EBITDA[20].

The Group's dividend policy targets ordinary dividend cover[21] of between 1.75× and 2.25× earnings per share during the financial year to which the dividend relates, and expects to maintain or progress, the absolute amount of each dividend payment in line with the growth of the business. The Board may allow a temporary fall in dividend cover requirements to maintain the dividend.

The Board will continue to consider returning any surplus cash to shareholders, subject to known and anticipated investment and expenditure plans at the time.

The Group's full capital and dividend policies are available on our website at corporate.dunelm.com.

[20] 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
[21] Earnings per share divided by the total ordinary dividend relating to the financial year

Dividends

The Board has recommended a final ordinary dividend of 28.5 pence per share (FY25: 28.0 pence), bringing the full year ordinary dividend to 45.5 pence per share, an increase of 2.2% on the prior year. Dividend cover of 1.69x is moderately below the Group's targeted minimum of 1.75x. Having considered the Group's capital allocation framework and with confidence in the significant long-term growth opportunities available to the business, as outlined in our strategic update, the Board believes this level of distribution is appropriate.

The final dividend will be paid on 17 November 2026. The ex-dividend date is 22 October 2026 and the record date is 23 October 2026. Including a special dividend of 25 pence per share announced at our interim results, we declared total dividends of 70.5 pence per share during the year.

Principal risks and uncertainties

The Board regularly reviews and monitors the risks and uncertainties which could have a material effect on the Group's results.

A summary of the principal risks has been provided below:

Risk	**Description**
Geopolitical uncertainty	The geopolitical landscape is complex and unpredictable. Global tensions, trade disputes and regional conflicts continue to disrupt supply chains, driving up costs and creating uncertainty across key markets. These pressures are compounded by shifting domestic regulations, economic weakness and expectations around ethical sourcing and social responsibility. Our ability to anticipate and respond to these pressures is essential to protecting operations, supporting our colleagues, and sustaining growth.
Customer offer	Ongoing macroeconomic uncertainty and inflationary pressure on consumers has led to significant change in consumer behaviour. Failure to respond to changing consumer needs and to maintain a competitive offer will undermine our ambition to increase market share and drive profitable and sustainable growth.
Product reputation and trust	Our stakeholders expect us to deliver products that are safe, compliant with legal and regulatory requirements, and fit for purpose. Our customers are increasingly aware of the environmental and social impact of their purchases and want to know that our products have been responsibly sourced and that their environmental impact is minimised. Failure by our suppliers to uphold our approach to business ethics, regulatory compliance, human rights (including safety and modern slavery) and the environment may undermine or damage our reputation as a responsible retailer and result in a loss of confidence in Dunelm.
Business change	Dunelm recognises that there is significant opportunity in the continued improvement of systems, processes and people capabilities to drive growth and efficiency. Failing to successfully introduce, and leverage new technology, processes, and organisational capability could result in reduced operational efficiency, competitiveness, relevance and growth. Furthermore, failure to effectively prioritise, execute and realise the benefits of business change could impede delivery of planned growth and strategic objectives.
People and culture	Our business could be adversely impacted if we fail to attract, retain, and develop diverse colleagues with the appropriate skills and capabilities. Failing to embed and live our values could impact business performance, the delivery of our purpose and the long-term sustainability of our business.
IT systems, data and cyber security	Our IT systems and infrastructure are critical to managing our operations, interacting with customers, and trading successfully. A key system being unavailable or suffering a security breach could lead to operational difficulties, loss of sales and productivity, legal and regulatory penalties due to loss of personal data, reputational damage, and loss of stakeholder trust.
Regulatory and compliance	We operate in an increasingly regulated environment and must comply with a wide range of laws, regulations, and standards. Failure to comply with or take appropriate steps to prevent a breach of these requirements could result in formal investigations, legal and financial penalties, reputational damage and loss of business.

Supply chain resilience	We are dependent on complex global supply chains and fulfilment solutions to deliver products to our customers. Instability in the global supply chain or failure of a key supplier may impact our ability to effectively manage stock and satisfy customer demand.
Finance and treasury	Progress against business objectives may be constrained by a lack of short-term funding or access to long-term capital.
Climate change and environment	Failure to positively change our impact on the environment would fall short of the expectations of our customers, colleagues, shareholders, and other stakeholders which could lead to reputational damage and financial loss. In addition, an inability to anticipate and mitigate climate change and other environmental risks could cause disruption in the availability and quality of raw materials such as cotton and timber, affecting production capacity, product quality, and overall supply chain resilience. This, and potential transition risks related to environmental taxation, could result in higher costs, delays, and potential loss of customers.

Alternative performance measures (APMs)

APM	Definition, purpose and reconciliation to statutory measure
Total sales	Equivalent to revenue (from all channels). This is net of customer returns.
Digital sales	Digital sales include home delivery, Click & Collect and tablet-based sales in store.
Store-enabled like-for-like sales growth %	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.
Digital % total sales	Digital sales (as defined above) expressed as a percentage of revenue. This is not a measure that we seek to maximise in itself, but we measure it to track our adaptability to changing customer behaviours.
Ordinary dividend cover	Ordinary dividend cover is calculated as earnings per share divided by the total ordinary dividend relating to the financial year. This measure is used in our capital and dividend policy.
Gross margin %	Gross profit expressed as a percentage of revenue. Measures the profitability of product sales prior to operating costs.
Net operating costs	Other operating income less operating costs. Measures the total cost base net of operating income, which comprises rent from investment property and insurance payments.
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment. Operating profit plus depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets plus loss on disposal and impairment of property, plant and equipment and intangible assets. Used in our capital and dividend policy.
Adjusted EBITDA	EBITDA less depreciation on right-of-use assets. To measure compliance with bank covenants.
EBITDAR	EBITDAR is calculated as EBITDA plus rent. To measure compliance with bank covenants.
Effective tax rate	Taxation expressed as a percentage of profit before taxation. To measure how close we are to the UK corporation tax rate and understand the reasons for any differences.
Return on capital employed	Return on Capital Employed refers to net operating profit after tax as a proportion of total assets excluding non-current liabilities and current lease liabilities
Capex (net of disposals)	Acquisition of intangible assets, property, plant and equipment and investment properties, less proceeds on disposal of intangible assets, property, plant and equipment and investment properties.
Free cash flow	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. Measures the cash generated that is available for disbursement to shareholders.
Net cash / (debt)	Cash and cash equivalents less total borrowings, excluding transaction costs (as shown in note 16). Excludes IFRS 16 lease liabilities
Cash conversion	Free cash flow expressed as a percentage of operating profit.

Karen Witts
Chief Financial Officer
8 September 2026

Consolidated Income Statement

For the 52 weeks ended 27 June 2026

	Note	2026 52 weeks £'m	2025 52 weeks £'m
Revenue	1	**1,825.5**	**1,771.0**
Cost of sales		(866.5)	(842.7)
Gross profit		**959.0**	**928.3**
Other operating income		7.3	4.7
Operating costs	2	(741.4)	(711.0)
Operating profit	3	**224.9**	**222.0**
Finance income	5	1.0	1.4
Finance costs	5	(14.9)	(12.4)
Profit before taxation		**211.0**	**211.0**
Taxation	6	(55.5)	(54.7)
Profit for the period		**155.5**	**156.3**
Earnings per Ordinary Share - basic	8	77.0p	77.2p
Earnings per Ordinary Share - diluted	8	76.8p	76.8p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 27 June 2026

	Note	2026 52 weeks £'m	2025 52 weeks £'m
Profit for the period		**155.5**	**156.3**
Other comprehensive income/(expense):			
Items that may be subsequently reclassified to profit or loss:			
Movement in fair value of cash flow hedges		9.7	(21.5)
Deferred tax on hedging movements		(4.7)	3.0
Other comprehensive income/(expense) for the period, net of tax		**5.0**	**(18.5)**
Total comprehensive income for the period		**160.5**	**137.8**

Consolidated Statement of Financial Position

As at 27 June 2026

	Note	27 June 2026 £'m	28 June 2025 £'m
Non-current assets			
Intangible assets	9	18.1	10.8
Property, plant and equipment	10	181.6	178.7
Right-of-use assets	11	246.1	221.1
Investment property	12	29.2	29.5
Deferred tax assets		0.2	3.2
Derivative financial instruments		0.7	-
Total non-current assets		**475.9**	**443.3**
Current assets			
Inventories	13	212.1	226.3
Trade and other receivables	14	39.2	40.1
Derivative financial instruments		3.1	-
Current tax asset		4.1	1.8
Cash and cash equivalents		22.4	30.0
Total current assets		**280.9**	**298.2**
Total assets		**756.8**	**741.5**
Current liabilities			
Trade and other payables	15	(217.5)	(220.0)
Lease liabilities	11	(57.1)	(53.1)
Derivative financial instruments		(2.0)	(13.3)
Total current liabilities		**(276.6)**	**(286.4)**
Non-current liabilities			
Borrowings	16	(115.4)	(130.2)
Lease liabilities	11	(211.4)	(194.4)
Provisions		(4.9)	(7.7)
Derivative financial instruments		-	(4.0)
Total non-current liabilities		**(331.7)**	**(336.3)**
Total liabilities		**(608.3)**	**(622.7)**
Net assets		**148.5**	**118.8**
Equity			
Issued share capital		2.0	2.0
Share premium account		1.7	1.7
Capital redemption reserve		43.2	43.2
Hedging reserve		1.3	(13.0)
Retained earnings		100.3	84.9
Total equity attributable to equity holders of the Parent		**148.5**	**118.8**

Consolidated Statement of Cash Flows

For the 52 weeks ended 27 June 2026

	Note	2026 52 weeks £'m	2025 52 weeks £'m
Cash flows from operating activities			
Profit before taxation		**211.0**	**211.0**
Net financial expense	5	13.9	11.0
Operating profit		**224.9**	**222.0**
Depreciation and amortisation of investment property, property, plant and equipment, and intangible assets	9,10,12	33.0	31.3
Depreciation of right-of-use assets	11	54.4	50.9
Loss on disposal and impairment of property, plant and equipment and intangible assets	9,10	1.2	0.5
(Gain)/ Loss on disposal and impairment of right-of-use assets	11	(0.1)	0.7
Share-based payments expense		5.9	5.5
Operating cash flows before movements in working capital		**319.3**	**310.9**
Decrease/ (Increase) in inventories		14.2	(1.4)
Decrease/ (Increase) in trade and other receivables		0.9	(13.5)
(Decrease)/ Increase in trade and other payables		(6.0)	14.4
Net movement in working capital		**9.1**	**(0.5)**
Tax paid		(58.0)	(54.5)
Net cash generated from operating activities		**270.4**	**255.9**
Cash flows from investing activities			
Acquisition of intangible assets		(11.0)	(9.3)
Acquisition of property, plant and equipment		(31.7)	(35.2)
Acquisition of Investment Property		-	(22.3)
Acquisition of subsidiary, net of cash		-	(0.5)
Interest received		1.0	1.4
Net cash used in investing activities		**(41.7)**	**(65.9)**
Cash flows from financing activities			
Proceeds from issue of treasury shares and Ordinary Shares		9.2	0.7
Purchase of treasury shares		(15.6)	(14.7)
Drawdowns on Revolving Credit Facility		147.0	152.0
Repayments of Revolving Credit Facility		(162.0)	(99.0)
Interest paid and loan transaction costs		(4.8)	(4.7)
Interest paid on lease liabilities	11	(10.1)	(7.3)
Repayment of principal element of lease liabilities		(59.0)	(50.6)
Dividends paid	7	(141.0)	(159.4)
Net cash used in financing activities		**(236.3)**	**(183.0)**
Net (decrease)/ increase in cash and cash equivalents		(7.6)	7.0
Foreign exchange revaluations		-	(0.4)
Cash and cash equivalents at the beginning of the period		**30.0**	**23.4**
Cash and cash equivalents at the end of the period		**22.4**	**30.0**

Consolidated Statement of Changes in Equity

For the 52 weeks ended 27 June 2026

	Note	Issued share capital £'m	Share premium account £'m	Capital redemption reserve £'m	Hedging reserve £'m	Retained earnings £'m	Total equity attributable to equity holders of the Parent £'m
As at 29 June 2024		**2.0**	**1.7**	**43.2**	**(3.8)**	**94.8**	**137.9**
Profit for the period		-	-	-	-	156.3	156.3
Movement in fair value of cash flow hedges		-	-	-	(21.5)	-	(21.5)
Deferred tax on hedging movements		-	-	-	3.0	-	3.0
Total comprehensive income for the period		-	-	-	(18.5)	156.3	137.8
Proceeds from issue of treasury shares		-	-	-	-	0.7	0.7
Purchase of treasury shares		-	-	-	-	(14.7)	(14.7)
Share-based payments		-	-	-	-	5.5	5.5
Deferred tax on share-based payments		-	-	-	-	1.0	1.0
Current tax on share options exercised		-	-	-	-	0.7	0.7
Movement on cash flow hedges transferred to inventory		-	-	-	9.3	-	9.3
Dividends paid	7	-	-	-	-	(159.4)	(159.4)
Total transactions with owners, recorded directly in equity		-	-	-	9.3	(166.2)	(156.9)
As at 28 June 2025		**2.0**	**1.7**	**43.2**	**(13.0)**	**84.9**	**118.8**
Profit for the period		-	-	-	-	155.5	155.5
Movement in fair value of cash flow hedges		-	-	-	9.7	-	9.7
Deferred tax on hedging movements		-	-	-	(4.7)	-	(4.7)
Total comprehensive income for the period		-	-	-	5.0	155.5	160.5
Proceeds from issue of treasury shares		-	-	-	-	9.2	9.2
Purchase of treasury shares		-	-	-	-	(15.6)	(15.6)
Share-based payments		-	-	-	-	5.9	5.9
Deferred tax on share-based payments		-	-	-	-	1.5	1.5
Current tax on share options exercised		-	-	-	-	(0.1)	(0.1)
Movement on cash flow hedges transferred to inventory		-	-	-	9.3	-	9.3
Dividends paid	7	-	-	-	-	(141.0)	(141.0)
Total transactions with owners, recorded directly in equity		-	-	-	9.3	(140.1)	(130.8)
As at 27 June 2026		**2.0**	**1.7**	**43.2**	**1.3**	**100.3**	**148.5**

Consolidated Accounting Policies

For the 52 weeks ended 27 June 2026

Basis of preparation

The financial statements presented cover a 52-week trading period for the financial period ended 27 June 2026 (2025: 52-week period ended 28 June 2025).

The annual report and financial statements for the period ended 27 June 2026 were approved by the board of directors on 8 September 2026 along with this preliminary announcement but have not yet been delivered to the Registrar of Companies.

The financial information contained in this preliminary announcement does not constitute the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. The auditor's report on the statutory accounts for the period ended 27 June 2026 was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The statutory accounts of Dunelm Group plc for the period ended 28 June 2025 have been delivered to the Registrar of Companies. The auditor's report on the statutory accounts for the period ended 28 June 2025 was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

1. Revenue

The Group has one reportable segment, which is the operations to enable the retail of homewares in the UK and Ireland.

The Group operates a unified retail business model, offering homewares and furniture products through an integrated omnichannel platform. Customers engage with the Group across various touchpoints including physical stores, the website, the mobile app, and customer service channels and their journeys can span multiple channels before completing a purchase. Given this interconnected customer experience, the Group does not distinguish between the different operations. Instead, performance is monitored and reported at the Group level, reflecting the holistic nature of the retail proposition.

This approach aligns with how strategic decisions are made, resources are allocated, and performance is evaluated by the Chief Operating Decision-maker. All activities—whether in-store, online, or via support functions—contribute to a single, cohesive retail offering aimed at delivering value and convenience to customers.

The Chief Operating Decision-maker is the Executive Board of Dunelm Group plc. The Executive Board reviews internal management reports on a monthly basis and performance is assessed based on a number of financial and non-financial KPIs as well as on profit before taxation.

Management believes that these measures are the most relevant in evaluating the performance of the Group and for making resource allocation decisions.

The Group's revenue is driven by the consolidation of individual small value transactions and as a result, Group revenue is not reliant on a major customer or group of customers.

At the period end the Group had £15.3m (2025: £15.8m) of sales orders placed that will be recognised in the Consolidated Income Statement when the goods are despatched in the following financial period.

2. Operating costs

	2026 52 weeks £'m	2025 52 weeks £'m
Selling and distribution costs	594.8	560.5
Tech and Support expenses	146.6	150.5
	741.4	711.0

3. Operating profit

Operating profit is stated after charging the following items:

	2026 52 weeks £'m	2025 52 weeks £'m
Cost of inventories included in cost of sales	842.9	831.6
Amortisation of intangible assets	3.7	2.3
Depreciation of owned property, plant and equipment	29.0	28.7
Depreciation of Investment Property	0.3	0.3
Depreciation of right-of-use assets	54.4	50.9
Loss on disposal and impairment of property, plant and equipment and intangible assets	1.2	0.5
(Gain) / Loss on disposal and Impairment of right-of-use assets	(0.1)	0.7
Expense related to short-term leases	2.9	4.7

The cost of inventories included in cost of sales includes the impact of a net increase in the provision for obsolete inventory of £0.1m (2025: £6.0m decrease).

The analysis of the auditor's remuneration is as follows:

	2026 52 weeks £'000	2025 52 weeks £'000
Fees payable to the Group's auditors for the audit of the Parent and consolidated annual financial statements	42	43
Fees payable to the Group's auditors and its associates for other services to the Group		
- Audit of the Company's subsidiaries pursuant to legislation	336	352
- Other assurance services	65	67

4. Employee numbers and costs

The average monthly number of people employed by the Group (including Directors) was:

	2026 52 weeks Number of heads	2026 52 weeks Full time equivalents	2025 52 weeks Number of heads	2025 52 weeks Full time equivalents
Selling	9,955	5,507	9,973	5,420
Distribution	1,130	1,091	1,139	1,105
Administration	1,196	1,176	1,196	1,178
	12,281	7,774	12,308	7,703

The aggregate remuneration of all employees (including Directors) comprises:

	2026 52 weeks £'m	2025 52 weeks £'m
Wages and salaries	279.7	275.4
Social security costs	28.2	21.2
Share-based payment expense	5.9	5.5
Other pension costs	7.9	7.3
	321.7	309.4

5. Finance income and costs

	2026 52 weeks £'m	2025 52 weeks £'m
Finance income		
Interest on bank deposits	1.0	1.4
	1.0	1.4
Finance costs		
Interest on bank borrowings	(4.1)	(4.1)
Net foreign exchange losses	(0.1)	(0.4)
Amortisation of issue costs of bank loans	(0.6)	(0.6)
Interest on lease liabilities	(10.1)	(7.3)
	(14.9)	(12.4)
Net finance expense	(13.9)	(11.0)

6. Taxation

	2026 52 weeks £'m	2025 52 weeks £'m
Current taxation		
UK corporation tax charge for the period	53.6	53.2
Adjustments in respect of prior periods	2.1	(1.4)
	55.7	51.8
Deferred taxation		
Origination of temporary differences	1.0	2.9
Adjustments in respect of prior periods	(0.9)	-
Recognition of deferred tax Asset	(0.3)	-
	(0.2)	2.9
Total tax expense	55.5	54.7

The tax expense is reconciled with the standard rate of UK corporation tax as follows:

	2026 52 weeks £'m	2025 52 weeks £'m
Profit before taxation	211.0	211.0
UK corporation tax at standard rate of 25.0% (2025: 25.0%)	52.8	52.8
Factors affecting the charge in the period:		
Non-deductible expenses	1.8	3.3
Adjustments in respect of prior periods	1.2	(1.4)
Recognition of deferred tax Asset	(0.3)	-
Profit on disposal of ineligible assets	-	-
Tax expense	55.5	54.7

The taxation expense for the period as a percentage of profit before tax is 26.3% (2025: 25.9%).

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 30 June 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed the Group meets the requirements for safe harbour provisions for Ireland in which the tax rate is currently 12.5% and as such no top up tax is due here. All other jurisdictions in which the Group operates are above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential tax liability in relation to Pillar Two top up taxes. The Group applies the exception to recognising the and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS12 issued in May 2023.

7. Dividends

The dividends set out in the table below relate to the 1 pence Ordinary Shares:

Dividend type	In respect of period ended	Pence per share	2026 52 weeks £'m	2025 52 weeks £'m
Final	29 June 2024	27.5	-	55.6
Interim	28 June 2025	16.5	-	33.4
Special	28 June 2025	35.0	-	70.4
Final	28 June 2025	28.0	56.5	-
Interim	27 June 2026	17.0	34.2	-
Special	27 June 2026	25.0	50.3	-
			141.0	159.4

The Board is proposing a final dividend of 28.5 pence per Ordinary Share for the period ended 27 June 2026 which equates to £57.4m (2025: 28 pence per Ordinary Share which equated to £56.5m). Subject to shareholder approval at the AGM this will be paid on 17 November 2026 to shareholders on the register at the close of business on 23 October 2026. The Ordinary Shares will be quoted ex dividend on 22 October 2026. The proposed dividend is not recognised as a liability at year end.

8. Earnings per Ordinary Share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period, excluding Ordinary Shares purchased by the Company and held as treasury shares.

For diluted earnings per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all dilutive potential Ordinary Shares. These represent share options granted to employees where the exercise price is less than the average market price of the Group's Ordinary Shares during the period.

	2026 52 weeks £'m	2025 52 weeks £'m
Profit for the period	155.5	156.3

	2026 52 weeks '000	2025 52 weeks '000
Weighted average number of shares in issue during the period	201,820	202,366
Impact of number of share options	596	1,019
Number of shares for diluted earnings per share	202,416	203,385

Earnings per Ordinary Share	2026 52 weeks p	2025 52 weeks p
Basic (pence)	77.0	77.2
Diluted (pence)	76.8	76.8

9. Intangible assets

	Software development and licences	Rights to brands and customer lists	Total
	£'m	£'m	£'m
Cost			
At 29 June 2024	54.4	11.5	65.9
Additions	2.3	7.0	9.3
At 28 June 2025	56.7	18.5	75.2
Additions	11.0	-	11.0
Disposals	(51.0)	(9.7)	(60.7)
At 27 June 2026	**16.7**	**8.8**	**25.5**
Accumulated amortisation			
At 29 June 2024	50.9	11.2	62.1
Charge for the financial period	2.1	0.2	2.3
At 28 June 2025	53.0	11.4	64.4
Charge for the financial period	3.0	0.7	3.7
Disposals	(51.0)	(9.7)	(60.7)
At 27 June 2026	**5.0**	**2.4**	**7.4**
Net book value			
At 29 June 2024	3.5	0.3	3.8
At 28 June 2025	3.7	7.1	10.8
At 27 June 2026	**11.7**	**6.4**	**18.1**

All amortisation is included within operating costs in consolidated income statement.

Management's review of indicators of impairment did not result in the recognition of any impairment in the period (2025: £nil).

Within software development and licences there were £8.7m additions (2025: £2.2m additions) relating to internally generated assets.

Within rights to brands and customers lists there were £nil additions (2025: £7.0m additions) relating to acquired intellectual property and brands.

During the year, the Group undertook a review of the Intangible Asset Register which identified £60.7m of fully amortised assets that were no longer in use. Their removal had no impact on the net book value. Excluding the impact of this review, disposals for the financial year amounted to £nil at cost.

10. Property, plant and equipment

	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Fixtures, fittings and equipment	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
At 29 June 2024	107.1	-	174.0	151.8	432.9
Transfer	-	-	0.2	(0.2)	-
Additions	8.9	0.2	10.7	15.1	34.9
Disposals	(0.1)	-	(1.2)	(1.3)	(2.6)
At 28 June 2025	115.9	0.2	183.7	165.4	465.2
Additions	0.1	-	13.5	18.1	31.7
Disposals	-	-	(46.2)	(112.9)	(159.1)
At 27 June 2026	116.0	0.2	151.0	70.6	337.8
Accumulated depreciation					
At 29 June 2024	23.6	-	112.3	124.0	259.9
Charge for the financial period	2.7	-	13.9	12.1	28.7
Disposals	(0.1)	-	(0.2)	(0.4)	(0.7)
Impairment	-	-	(0.6)	(0.8)	(1.4)
At 28 June 2025	26.2	-	125.4	134.9	286.5
Charge for the financial period	0.8	-	13.6	14.6	29.0
Disposals	-	-	(46.1)	(112.5)	(158.6)
Impairment	-	-	(0.6)	(0.1)	(0.7)
At 27 June 2026	27.0	-	92.3	36.9	156.2
Net book value					
At 29 June 2024	83.5	-	61.7	27.8	173.0
At 28 June 2025	89.7	0.2	58.3	30.5	178.7
At 27 June 2026	89.0	0.2	58.7	33.7	181.6

All depreciation charges have been included within operating costs in the Consolidated Income Statement.

An impairment charge of £(0.7)m was recognised in the period (2025: £(1.4)m).

During the year, the Group undertook a review of the Tangible Fixed Asset Register which identified £158.1m of fully depreciated assets that were no longer in use. Their removal had no impact on the net book value. Excluding the impact of this review, disposals for the financial year amounted to £1m at cost.

11. Leases

Right-of-use assets included in the Consolidated Statement of Financial Position at 27 June 2026 were as follows:

	2026 Land and buildings £'m	2026 Motor vehicles, plant and equipment £'m	2026 Total £'m	2025 Total £'m
At the beginning of the period	196.3	24.8	221.1	222.9
Additions	69.8	12.6	82.4	49.9
Disposals	(2.9)	-	(2.9)	(0.1)
Impairment	(0.1)	-	(0.1)	(0.7)
Depreciation	(47.3)	(7.1)	(54.4)	(50.9)
At the end of the period	215.8	30.3	246.1	221.1

Additions to right-of-use assets include new leases for new stores, extensions and rent changes to existing leases, and renewals to leases on existing stores.

Lease liabilities included in the Consolidated Statement of Financial Position at 27 June 2026 were as follows:

	2026 Land and buildings £'m	2026 Motor vehicles, plant and equipment £'m	2026 Total £'m	2025 Total £'m
At the beginning of the period	(221.9)	(25.6)	(247.5)	(249.6)
Additions	(70.2)	(12.9)	(83.1)	(51.9)
Disposals	3.1	-	3.1	0.1
Interest	(8.5)	(1.6)	(10.1)	(7.3)
Repayment of lease liabilities	60.1	9.0	69.1	61.2
At the end of the period	(237.4)	(31.1)	(268.5)	(247.5)

The discount rate applied across all lease liabilities ranged between 0.90% and 6.76% (2025: 0.90% and 6.76%). The discount rate is determined at the inception of the lease and the rate reflects our incremental borrowing rate which we assess by considering the marginal rate on the Group's Revolving Credit Facility ('RCF'), the Bank of England base rate, the yield on Government bonds and the term of the lease.

12. Investment Property

	Investment Properties £'m
Cost	
At 29 June 2024	7.5
Additions	22.3
At 28 June 2025	29.8
Additions	-
At 27 June 2026	**29.8**
Accumulated amortisation / depreciation	
At 29 June 2024	-
Charge for the financial period	0.3
At 28 June 2025	0.3
Charge for the financial period	0.3
At 27 June 2026	**0.6**
Net book value	
At 29 June 2024	7.5
At 28 June 2025	29.5
At 27 June 2026	**29.2**

Investment properties are stated at cost less accumulated depreciation. All amortisation and depreciation charges have been included within operating costs in the Consolidated Income Statement.

An external valuation for the properties was performed by a professionally qualified, independent valuer. The valuation conforms to International Valuation Standards and UK national supplement (the 'Red Book'). The valuation was arrived at by reference to market evidence of the transaction prices paid for similar properties. In estimating the fair value of the properties, the valuers consider the highest and best use of the properties.

The fair value of each property has been assessed as being materially in line with the historical costs.

At 27 June 2026 investment properties rental income was £0.9m (2025: £1.5m) included within other operating income in the Consolidated Income Statement.

13. Inventories

	2026 £'m	2025 £'m
Raw materials	1.4	0.9
Work in progress	0.2	0.1
Goods for resale	210.5	225.3
	212.1	226.3

Goods for resale includes a net realisable value provision of £15.4m (2025: £15.3m). Write-downs of inventories to net realisable value amounted to £28.2m (2025: £20.9m). These were recognised as an expense during the period and were included in cost of sales in the Consolidated Income Statement.

14. Trade and other receivables

	2026 £'m	2025 £'m
Trade receivables	5.9	9.6
Other receivables	0.8	3.6
Prepayments	17.6	13.8
Accrued income	14.9	13.1
	39.2	40.1

All trade receivables are due within one year from the end of the reporting period.

No impairment was incurred on trade and other receivables during the period and the expected credit loss provision held at period end is £0.4m (2025: £nil). No material amounts are overdue (2025: £nil).

15. Trade and other payables

	2026 £'m	2025 £'m
Trade payables	92.5	93.7
Accruals	79.6	79.6
Deferred income	15.3	15.8
Taxation and social security	29.7	30.8
Other payables	0.4	0.1
	217.5	220.0

16. Borrowings

Borrowings are classified as current and non-current based on their schedule repayment date, and not their maturity date. Repayments of principal amounts are classified as current if the repayment is scheduled to be made within one year of the balance sheet date.

	52 weeks ended 27 June 2026			52 weeks ended 28 June 2025		
	Current	Non-current	Total	Current	Non-current	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Revolving Credit Facility	-	117.0	117.0	-	132.0	132.0
	-	117.0	117.0	-	132.0	132.0
Transaction costs	-	(1.6)	(1.6)	-	(1.8)	(1.8)
Total borrowings	-	115.4	115.4	-	130.2	130.2

17. Commitments & Contingent liabilities

As at the period end date, the Group had entered into capital contracts for technology, new stores and refits amounting to £1.3m (2025: £5.9m).

The Group had no contingent liabilities at the period end date (2025: £nil)