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Immediate release

DFS Furniture plc (“DFS” and the “Group”)

Interim Trading Update

**Good start to the winter sale trading period
Profit guidance reiterated**

DFS Furniture plc, the market leading retailer of living room and upholstered furniture in the United Kingdom, today announces a trading update for the twenty six week financial reporting period to 25 December 2022, together with an update on recent trading.

Summary:

- +10.6% order intake growth* relative to the FY19 pre pandemic period
- Strong second quarter performance supported by further market share gains
- Good start to the important winter sale trading period
- Reiterate our mid case profit guidance of £36m profit before tax and brand amortisation (range £30m-£40m)

Trading overview

Group order intake for the period* was +10.6% compared to the pre pandemic FY19 period (-4.8% Vs FY22).

Following low market wide demand levels at the start of the financial year, trading improved in the second quarter* with order intake growth relative to FY19 increasing to +16.3%, (+18.8% Vs FY22). We continue to observe further market share gains based on our proprietary Barclaycard data set.

Group gross sales, which are recognised on delivery of orders to customers, are up +9.6% on the FY19 comparator period (-1.1% Vs FY22).

Outlook

Current order intake performance remains strong, with the important winter sale trading period starting well. Whilst the macroeconomic and consumer outlook remains hard to predict, our mid case FY23 guidance remains unchanged at £36m profit before tax and brand amortisation, with the range narrowing to £30m-£40m.

This assumes the improved momentum we have seen in order intake continues through the second half, alongside delivery of planned margin improvements and normalisation of the order bank which remains elevated at the end of the first half due to the weighting of order intake. Profit delivery will be second half weighted with first half profits expected to be in mid-single digit £ millions.

We remain committed to our strategy to lead furniture retailing in the digital age. Our scale, trusted brands, innovation, final mile two-man logistics platform, digital capabilities and integrated retail strategy give us significant advantages in our market and will allow us to maintain our track record of market share gains whilst driving attractive returns for our shareholders.

The Group will announce its interim results for the period ending 25 December 2022 on 16 March 2023.

Comment from Tim Stacey, Group Chief Executive

“The Group has traded well through the second quarter and the start of the important winter sale trading period. Whilst the macroeconomic environment remains challenging and hard to predict, we reiterate our full year profit guidance supported by the positive current trading momentum.

As always, we continue to invest for the long term success of the business, to further strengthen our market leading position and with our established platforms, scale and expertise we believe we are well set up for growth over the medium term”

*Order intake growth for the period calculated using weeks 1-25 of the financial period (and for the second quarter using weeks 14-25) to remove the impact of the different number of days in each financial year falling into the post Christmas sale trading period. International and Sofa Workshop have been excluded from the order intake and gross sales growth calculations given the closure of these operations.

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About DFS Furniture plc

The Group is the clear market-leading retailer of living room furniture in the United Kingdom. Our Group purpose is to bring great design and comfort into every living room, in an affordable, responsible and sustainable manner. We operate an integrated physical and digital retail network of living room furniture showrooms and web sites in the United Kingdom, Republic of Ireland, trading through our leading brands, DFS, Sofology and Dwell. We attract customers through our targeted and national marketing activities and our reputation for high quality products and service, breadth of product offer and favourable consumer financing options. We fulfil orders for our exclusive product ranges through our own three UK finished goods factories, and through manufacturing partners located in the UK, Europe and Far East, and delivered with care through our expert final-mile delivery service "The Sofa Delivery Company Limited"