

17 July 2025

Immediate release

**DFS Furniture plc ("DFS" and the "Group")**

**2025 FULL YEAR TRADING UPDATE**

**Strong trading and good cost control resulting in PBT(A) slightly above the top end of guidance**

DFS Furniture plc, the market leading retailer of upholstered furniture in the United Kingdom, today issues the following trading update for the 52 week year ending 29 June 2025 ("FY25").

**Summary:**

- Full year PBT(A)<sup>1</sup> is expected to be slightly above the top end of guidance (£25-29m) and up around £20m year on year
- Profit performance driven by strong trading, gross margin rate progression and continued cost discipline
- Strong H1 trading performance continued in the second half. H2 Group order intake +10% year on year<sup>2</sup> (in line with the growth achieved in H1), demonstrating significant outperformance of the market that remains subdued
- Financial position has further strengthened. Net bank debt reduced to around £107m (FY24 year end £165m) and leverage<sup>3</sup> further reduced to around 1.4x (FY24 year end 2.5x)

**Trading overview:**

The Group traded consistently through the period, with order intake up +10% year on year<sup>2</sup> in both H1 and H2, supported by volume and average order value growth. Both of our retail brands performed well, with DFS up +8.7% and Sofology up +16.2% year on year<sup>2</sup> due to successful implementation of our growth initiatives. Our proprietary data shows the Group has grown market share in the specialist upholstery sector<sup>4</sup> in a period where the market remained subdued.

Gross sales, which are recognised on delivery of orders to customers, were up +5.8% year on year. This is lower than the level of order intake growth (which is measured on a 52 week vs 52 week basis) due to a shift in customer orders to ranges with longer lead times and the impact of the prior year being a 53 week financial reporting period. Consequently, the Group enters FY26 with a resilient order bank.

We have maintained our focus on disciplined cost management and continued to improve our gross margins. This approach, in combination with the increase in gross sales, has resulted in expected year on year PBT(A)<sup>1</sup> growth slightly above the top end of our guidance (£25m-£29m), up from £10.5m (FY24).

The Group's financial position has improved with net bank debt (excluding capitalised leases) reducing in the period to around £107m (FY24 year end £165m) and leverage<sup>3</sup> reducing to around 1.4x (FY24 year end 2.5x) as we target a return to our 0.5x-1.0x target range.

The Group will announce its full year results for the period ending 29 June 2025 on 25 September 2025.

**Comment from Tim Stacey, Group Chief Executive**

"We are pleased to report that we expect profit for the full year to be slightly above the top end of our guidance. Our excellent first half performance set the foundation for our success, with strong trading through the rest of the year with both our DFS and Sofology brands outperforming the market. We have continued to maintain a strong focus on disciplined cost management and improved our gross margins, leading to significant year on year profit growth. In addition, cash flow was healthy and our balance sheet is strengthening as we progress towards our target leverage range.

Whilst the macro environment remains challenging our business is in great shape and I would like to thank our amazing colleagues for their support and commitment as we relentlessly focus on delivering against our strategy together. Looking forward, we are confident that the Group is well positioned to drive attractive returns for shareholders as the market recovers and we remain focused on delivering our medium term ambition of £1.4bn revenue and 8% PBT margins."

<sup>1</sup> PBT(A): Underlying profit before tax and brand amortisation

<sup>2</sup> Full year order intake growth measured on a 52 week vs 52 week basis was 10.2%.

To avoid the distorting impact caused by a different number of winter sale trading days in each trading period H1 YoY order intake growth (+10.1%) has been measured using weeks 1-25 of each trading period. H2 YoY (+10.3%) has been measured using the most comparable 27 weeks.

FY24 was a 53 week reporting period, order intake growth measured on a 52 vs 53 week basis is 8.7% year on year.

<sup>3</sup> Banking covenant IAS17 definition

<sup>4</sup> Proprietary banking data covering 13 specialist upholstery retailers

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#### **About DFS Furniture plc**

The Group is the clear market-leading retailer of upholstered 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 and Republic of Ireland, trading through our leading brands, DFS and Sofology. We attract customers through our targeted and national marketing activities and our reputation for high quality innovative products and services, breadth of product offer and favourable consumer financing options. We fulfil orders for our exclusive product ranges through our own 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".

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