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Immediate release

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

Trading Update

Strategic execution driving strong profit growth and cash flow

Full year profit expected to be ahead of current market consensus

DFS Furniture plc, the market leading retailer of upholstered furniture in the United Kingdom, today announces a trading update for the 26 week financial reporting period ended 28 December 2025, together with an update on recent trading.

Summary:

- Strong financial performance reflects our market leading customer proposition, strong gross margin progression, continued cost discipline and the benefits of operating leverage.
- H1 Group PBT_u(A)¹ expected to be £30-31m, up +£13 to +£14m year on year.
- Group order intake during the period was up +2.3% year on year, with both DFS and Sofology brands achieving growth, against strong comparatives and in a broadly flat market.
- Gross sales recognised on delivery of orders to customers, are expected to be up +c8.7% year on year driven by the conversion to delivered orders of the elevated opening order bank as previously guided and the continued positive order intake performance.
- Strong free cash flow generation during the period resulted in net bank debt reducing from £107m at full year 2025 to c£60-61m at 28 December, with leverage² improving from 1.4x to 0.8x on a reported basis (1.0x adjusting for phasing of working capital) within our target range of 0.5x-1.0x.

Recent trading and outlook:

- The important Winter sale trading period has started in line with our expectations.
- Whilst the macroeconomic and consumer outlook remains hard to predict, as a result of the strong first half performance and our trading performance through the second half to date we now expect full year PBT_u(A) to be between £43-50m, ahead of current consensus of £41m.

The Group will announce its interim results for the period ended 28 December 2025 on 19 March 2026.

New Chief Financial Officer appointed:

We are pleased to announce that Dominique Highfield will be joining the Group in May 2026 as our permanent CFO. Dominique is currently CFO at Bloom and Wild, and previously held senior finance and operational roles at Purplebricks, Pentland and Amazon. She has an excellent pedigree both in working with successful consumer brands and in supporting sustainable growth. We look forward to welcoming and working with Dominique.

We would like to thank Marie Wall for her incredible support, contribution and impact throughout her time with the Group as interim CFO. She leaves DFS really well placed to capitalise on the opportunities we have ahead. The Board will work on a transition plan in the coming months to ensure a smooth and effective handover. We wish Marie every success in her future endeavours.

Comment from Tim Stacey, Group Chief Executive

"Our three key enablers of scale and vertical integration, utilising data and harnessing our unique culture are strengthening our market leading proposition and driving order intake across both DFS and Sofology in a broadly flat market. We have continued to make good progress growing our gross margins and managing our cost base effectively. As a result, I am pleased to report an upgrade to our full year profit expectations following a strong first half performance.

I am confident that the business is well positioned to continue delivering against our strategy and we remain committed to achieving our medium term targets of £1.4bn revenue and 8% PBT margin and delivering attractive returns for our shareholders as the market recovers"

¹ PBT_u(A): Underlying profit before tax and brand amortisation

² Banking covenant IAS17 leverage definition

Enquiries:

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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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