

**8 February 2018**

**For immediate release**

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

**Half Year Trading Update**

**PERFORMANCE ON TRACK**

- On-plan trading performance despite continued challenging market conditions
- Strategic development continues with strong online channel performance and five new DFS showrooms opened
- Expectations for full-year financial performance remain unchanged

**Solid trading performance**

The Group delivered gross sales growth of 4.0%, in the 26 weeks to 27 January 2018, measured against the comparable 26-week period in the prior financial year (including the benefit of the acquisition of Sofology).

Gross sales for the Group, excluding the sales of Sofology, over the first half of the current financial year were 3.5% lower than the prior year, but 3.3% higher when measured over two years. Our online channels, together with our developing Dwell business have once again grown strongly within this overall performance.

We opened four new UK DFS showrooms and one DFS showroom in the Netherlands during the half year, and converted existing leased space within DFS showrooms to accommodate five new Dwell stores and five new Sofa Workshop showrooms.

With the like-for-like trading momentum for the Group strengthening during the first half of the financial year, we continue to expect the second half of the financial year to demonstrate a stronger year-on-year gross sales trend than the first half.

**Acquisitions**

The acquisition of Sofology, part of our strategy of broadening the Group’s appeal, completed on the 30 November 2017, and we have started the process of synergy release through the sharing of purchasing benefits. Over the 2017 calendar year, Sofology gross sales were c.13% higher than in 2016.

We also completed the acquisition of eight showrooms, the brand and the intellectual property of Multiyork and we expect the acquired stores, of which six will trade as Sofa Workshop, to open before Easter 2018.

## **Outlook**

We recognise that the living room furniture retail market is likely to remain challenging in 2018, given current consumer confidence levels. However, with the benefits of strategic investments feeding through, our expectations for the full year are unchanged. We continue to expect modest growth in EBITDA in the 2018 financial year (excluding the impact of acquisitions), driven by the annualisation of product margin and operating cost efficiencies over the second half of the financial year.

The Group will announce its interim results on 28 March 2018.

## **Enquiries:**

### **DFS (enquiries via FTI)**

Ian Filby (CEO)

Nicola Bancroft (CFO)

Mike Schmidt (Director of Corporate Finance)

### **FTI Consulting**

Jonathon Brill

Georgina Goodhew

Eleanor Purdon

+44 (0) 20 3727 1000

[dfsurniture@fticonsulting.com](mailto:dfsurniture@fticonsulting.com)