



10 January 2019

For immediate release

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

Interim Trading Update and Directorate Change

A good five month period with underlying sales growth of 10%

DFS Furniture plc, the market leading retailer of living room and upholstered furniture in the United Kingdom today announces a trading update for the five month trading period to 30 December 2018.

- Good underlying gross sales growth of 10% in a challenging consumer environment
- Like for like growth across all brands and strong 22% growth in online gross sales
- Our profit expectations for the full-year remain unchanged. We are however mindful of the risk of near-term political and economic uncertainty

Good trading performance

Reported gross sales growth of 29% measured against the comparable trading period in the prior financial year. On an underlying basis (adjusted to include the acquisition of Sofology on a pro forma basis) gross sales grew by 10%.

This performance reflects positive like-for-like (“LFL”) order intake growth achieved in each of our DFS, Dwell and Sofa Workshop retail operations and the strength of our online channels which are benefiting from sustained investment and development. Sofology has maintained its solid underlying trading progress with good like-for-like growth and benefits from five successful new store openings since the start of the prior financial year. We believe our trading in this period has seen some benefits from orders placed by consumers who deferred their purchase decisions from the fourth quarter of the prior financial year, given the hot weather at that time.

Outlook

While we have achieved a good sales performance, helped by latent demand, we remain cautious around our full-year outlook, and as such our profit expectations for the full year remain unchanged.

We are mindful of the broader political and economic uncertainty and the further risk this may pose to consumer confidence and lead times for the proportion of our made-to-order products that we source overseas. However, we do expect benefits of previous and ongoing investments in our online activities, our final-mile two-man logistics and the continued integration of Sofology, together with progress being made at Dwell and Sofa Workshop, to help mitigate this challenging market environment.

It is worth reiterating that the Group has historically capitalised on any adverse trading conditions to build our market position and we continue to believe that our cash generation and long-term growth prospects will drive attractive returns for our shareholders.

The Group will announce its interim results for the period ending 30 December 2018 on 14 March 2019.



CFO Succession

After six years with DFS and over thirty years in retailing, Nicola Bancroft, Chief Financial Officer, has indicated to the Board of Directors her desire to retire from full-time executive roles.

While a succession process is conducted by the Board, Mike Schmidt, currently Chief Development Officer, will become Interim Chief Financial Officer from 1 April 2019. Mike has worked with Nicola at DFS in a senior finance and investor relations role for five years and will complete a smooth handover of responsibilities through to the end of the financial year.

Commenting on Nicola Bancroft's departure, Tim Stacey, Group Chief Executive Officer, said:

"On behalf of the Board, I want to thank Nicola for her dedication and service during her time with us. Nicola has been instrumental in our continued growth as the largest sofa retailer in the UK and Ireland. Without her support and contribution, we wouldn't be the strong and successful business that we are today."

Nicola Bancroft, Chief Financial Officer, added:

"I feel very privileged to have been part of the DFS growth journey over the last six years and to have worked with so many special people.

I am extremely proud of what we have achieved as a team. The Group is in a very strong position and I am confident it will thrive in the years ahead."

Enquiries:

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About DFS Furniture plc

The Group is the clear market leading retailer of living room furniture in the United Kingdom. We design, manufacture, sell and deliver to our customers an extensive range of furniture products. The business operates a retail network of living room furniture stores in the United Kingdom and Europe, together with an online channel, trading through four leading brands. The Group has been established and developed gradually over nearly 50 years of operating history. We attract customers to our stores and website through our substantial and continued investment in nationwide marketing activities and our reputation for high quality products and service, breadth of product ranges and price points and favourable consumer financing options.