



14 January 2020

For immediate release

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

### Interim Trading Update

#### **Full year profit before tax expected to be broadly in line with market expectations despite a challenging trading environment**

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 period to 29 December 2019.

- Gross sales 6% down on the strong comparative period and reflecting a challenging consumer environment, particularly in August and September.
- Order intake momentum has strengthened more recently, and the key Winter Sale trading period has started satisfactorily.
- Based on low single digit revenue growth assumed in the second half we expect full year profit before tax and brand amortisation will be broadly in line with market expectations\*.

#### **Trading overview**

Gross sales declined by 6% measured against the comparable twenty-six week period ending 30 December 2018. This performance reflects the challenging market environment impacting footfall and the performance in the strong prior year period that was driven by latent demand and a higher opening order bank. Following a subdued August and September, order intake momentum has strengthened and the key Winter Sale trading period has started satisfactorily.

#### **Outlook**

We expect that full-year profit before tax and brand amortisation will be broadly in line with market expectations\*, subject to achieving the low single digit revenue growth that we assume in our plan. Our expected revenue growth is supported by recent trading momentum and the benefit of opening a number of new Group showrooms during the first half.

We are mindful of the broader political and economic uncertainty that still exists. However, we have made good progress on our strategic initiatives, driving showroom conversion and online growth. Furthermore, we have appropriate cost saving actions in place to help mitigate continued market weakness.

It is worth reiterating that the Group has historically capitalised on 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 29 December 2019 on 10 March 2020.

*\*Consensus Profit Before Tax and Brand Amortisation forecast for the 52 weeks to 28 June 2020 of £51.2m on a pre IFRS 16 adjusted basis with a range of £50.0m to £53.6m. This is comparable to the £50.2m underlying pro forma result as reported for the 52 weeks to 30 June 2019.*



**Enquiries:**

**DFS (enquiries via Tulchan)**

Tim Stacey (CEO)

Mike Schmidt (CFO)

Phil Hutchinson (Investor Relations)

Liz McDonald (Group Company Secretary)

**Tulchan**

James Macey-White

Jessica Reid

Amber Ahluwalia

+44 (0)20 7353 4200

[dfs@tulchangroup.com](mailto:dfs@tulchangroup.com)

**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.