

Business model

How we create value...

Our enablers

Customer ethos

'Think Customer' is our first value. By treating customers as we would our own family, we aim to deliver great service.

Unparalleled scale

We have a UK Group market share of c.34%, over three times that of our nearest competitor.

Complementary brands

Our complementary brands appeal to different customer segments.

Well-invested platform

Modern, well-located showrooms and innovative apps and websites give customers the convenience to shop exactly how they want. Our own warehouses and delivery fleet use state-of-the-art software to help us operate efficiently.

Made-to-order products

The majority of the products we sell are made-to-order enabling us to operate with negative working capital.

Vertically integrated model

We have end-to-end control of the customer journey from design all the way through to after-sales servicing.

Exceptional people

We have over 50 years of expertise and recruit, train and retain what we believe are the highest calibre people in the industry.

What we do

Design and inspire

Our design teams and experienced buyers curate attractive and distinct propositions across our unique brands that appeal to most tastes. Our marketing aims to reach our target markets across all broadcast and digital media, inspiring customers to consider a purchase.

Retail

Our websites and showrooms nationwide combine to create an increasingly seamless customer experience, allowing customers the opportunity to visualise, sit on and feel the product, while researching and then transacting in store, at home or on the move.

Manufacture

We manufacture around a quarter of the Group's sofa orders in our own British factories, resulting in shorter lead times and superior quality control.

Deliver and install

Our delivery network operates from customer distribution centres spread across the UK and Ireland using custom-built route-mapping technology to reduce lead times and optimise efficiency.

Service

Sometimes things go wrong and, if they do, we have our own teams of upholsterers that are on hand to visit customers in their homes and address any after-sales issues.

Purpose

To bring great design and comfort into every living room, in an affordable, responsible and sustainable manner. For over 50 years, we have provided millions of sofas into homes across the UK, the Republic of Ireland, Spain and the Netherlands.

See page 1 for more information

DFSA Furniture plc

Annual Report & Accounts 2020

Values

Our customers and our people are at the heart of everything we do, reflected in our three core values:

- 'Think Customer'
- 'Be Real'
- 'Aim High'

See page 2 for more information

How we deliver value...

Outcomes

Sustain sector-leading operating margins

Scale advantages across the value chain, from sourcing and shipping rates to maximising delivery and service fleet utilisation.

Grow our market share

We have a history of growing our market share over the long-term in all economic climates. Our exclusive brands enable us to target the majority of the market and we have a clear opportunity to grow further.

Maintain strong cash generation

We aim to deliver consistent free cash flow generation enabling us to both invest for growth and return funds to shareholders.

Continue to invest in business

We reward our staff fairly, maintain and enhance our existing assets and selectively invest in growth opportunities to optimise the returns for our shareholders.

Value for stakeholders

Customers

85.7%

post purchase NPS

Employees

39%

employees > five years' service

Suppliers

40%

customer orders from British factories¹

Shareholders

£135m

cash distributed since flotation

Community

£28m

raised for charitable causes through partnerships with the British Heart Foundation and Children in Need customer donations and fundraising initiatives

1. Includes third party manufacturing and internal manufacturing

Strategy

Leading sofa retailing in the digital age through three inter-related strategic pillars:

1. Drive DFS core
2. Build the platforms
3. Unlock new growth

See pages 24-31 for more information

Governance

Robust corporate governance framework, practices and policies to manage and deliver long-term success for the Company.

See pages 64-110 for more information