

# Dunelm sales leap as it navigates ‘challenging’ economic environment

Value homeware and furnishings retailer Dunelm has recorded bumper annual profits and sales but said it is prepared for the “challenging environment” of cost of living challenges and inflationary pressures ahead.

Pre-tax profit at the group hit £209 million across the year a boost of 34.9% and sales leapt by almost a fifth to £1.55 billion in the year to July.


As the Office for National Statistics (ONS) unveiled this morning that that consumer inflation was still running at 9.9%, [Nick Wilkinson boss of Dunelm told the Evening Standard that “waves of inflation” had been flowing through the business world since the start of the pandemic, but that this year at his group had “begun in robust fashion”.](#)

However, looking ahead the boss of the group that operates more than 170 stores across the UK said price changes could not be ruled out due to the current economic conditions.

“If we have to, we [will reluctantly increase prices, but only if we think we’re offering customers still outstanding value for money,](#)” he said.

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But he added: “We’re not seeing this trading down effect that other retailers have talked about. Different customers will make different choices, some will trade up, some will trade down and we don’t judge.”

He said that the Leicester-based chain, which markets an exclusive homeware range from [‘This Morning’](#) presenter [Holly Willoughby](#), was already working “really hard” to mitigate the inflation it has encountered by working with its suppliers, redesigning products, developing new factory opportunities.

The [business reported that costs had risen during the year adding £17 million to its operating base, citing inflation and payroll as contributing factors.](#)

The group increased wages by more than 7% on average earlier this year for its 11,000 workers to confront the cost-of-living crisis and Wilkinson said that “financial wellbeing” was an “open topic of conversation” within the business.

He also added that Dunelm welcomed the upcoming government support on energy bills for businesses and customers alike, but that his company had always strived to be energy efficient.

“What businesses like is certainty and our customers really appreciate that too, so I think the fact there is a package of support and it will be explained and then households and businesses can then adapt is the most important thing, probably even more important than what the [package] is, so everyone can adapt accordingly,” he said.

In July, [Dunelm appointed outgoing Whitbread boss Alison](#)

Brittain to succeed Andy Harrison as chair of the home furnishings retailer.