

Dunelm seeks to shrug off challenging market conditions with sales rise



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Furnishings and homeware retailer [Dunelm](#) is set to reveal improved sales despite a challenging backdrop for shoppers over the past year.

The Leicester-based company is set to unveil its annual results for the year to the end of June in an update on Wednesday September 11.

It has been trading in a challenging market over the period, as shoppers have restricted their spending on non-essential items amid higher mortgage and rental costs.

[British Retail Consortium](#) data for August showed that demand for items such as furniture, household appliances and other homeware declined again.



Dunelm saw sales grow 5% in the three months to June (Dunelm/PA)

However, Dunelm has reported growth ahead of a number of key market competitors, with its value proposition and smaller proportion of big-ticket items potentially helping with trading.

As a result, the company is expected to reveal that sales have grown by around 4% to £1.71 billion for the year to June, according to analysts at Peel Hunt.

The brokerage has also forecast that adjusted pre-tax profits are due to come in at around £202 million for the year, up from £193 million a year earlier.

It comes after Dunelm upgraded its profit guidance in its previous trading update in July, indicating that faster sales growth and easing freight costs have improved profitability.

The group said it saw a good summer sale season in June as

fourth quarter sales grew by 5%.

However, bosses at the business also noted that outdoor furniture sales were a weak spot due to the unseasonably cold early summer weather.

[Investors](#) will be hoping that relatively damp and subdued weather conditions over the summer will not have dragged on the firm's strong sales momentum, which caused sales growth to accelerate over the past three quarters.

Susannah Streeter, head of money and markets at [Hargreaves Lansdown](#), said: "Investors will want to find out how Dunelm is faring in a challenging market.

"The company has already warned this year about volatile trading patterns, and it looks likely there may be more ups and downs to come.

"Dunelm is one of the strongest names in the sector, and the nimblest, but this corner of retail is still facing an uphill battle for now."