

Dunelm special dividend part of the furniture as it posts record profits

Dunelm, the homewares and furniture retailer, has announced its second special dividend in six months after shrugging off concerns over a consumer spending squeeze to post record half-year profits.

The company said on Wednesday that trading in 2022 had been “encouraging” as it reported a 10.6% rise in sales to £795.6m for the last six months of 2021 on the same period in the previous year.

It posted pre-tax profits of £140.8m – up by 25.3%.

The company credited a margin of almost 53% which it said was lifted by the impact of COVID restrictions on stores during the second half of 2020 and higher full-price sales as it benefited from strong demand online and in store.

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‘People are really being squeezed – it’s bonkers’, says Nick Hoyer

Dunelm, which has 170 sites, reported on its progress as fears grow across the retail sector that demand will be hit as a surge in the cost of living gathers pace.

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The Bank of England predicted last week that [inflation would top 7%](#) in April – from its current 30-year high level of 5.4% – when the energy price cap is adjusted to reflect unprecedented increases in wholesale gas costs.

The cost of an average dual fuel bill is to [rise by almost £700](#) on an annual basis.

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However, a report this week by the British Retail Consortium suggested that families were yet to tighten the purse strings completely as sales of items such as furniture drove a [leap in sales during January](#).

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Bank governor explains 'very big shock' from inflation

Dunelm said the outlook "remained uncertain" but insisted that it was well-positioned to navigate its own inflationary pressures as most of its products were own brand.

Shares jumped by 3% at the open.

Nick Wilkinson, the chief executive, said: "When we announced our interim results in 2020, we were weeks away from the world being turned upside down.

"Two years later, we are moving forwards as a bigger, better business, with more capability, more resilience, more ambition, and delivering accelerated growth."