

Dunelm Group plc

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Dunelm raises profit expectations after strong end to the year

Dunelm PLC (LON:DNLM) raised its profit expectations for the year after a strong final quarter of trading.

Ahead of its fourth-quarter results on July 10, the homewares retailer said in a trading update that it has seen "very good" like-for-like sales growth since it published its third-quarter statement in April.

READ: Dunelm shares rise as it predicts full-year profits will be "slightly ahead" of forecasts

Trading was particularly robust in May and June but this was flattered by last year's weak performance and "unseasonably favourable" weather conditions this year.

"What do consumers spend on if they're not eating out or jetting off on holiday? Curtains, bedding and other household accoutrements, according to homewares retailer Dunelm," said Emma-Lou Montgomery, associate director from Fidelity Personal Investing's share dealing service.

"The dismal summer weather so far has also encouraged stay-at-homes to beautify their nests and given Dunelm, the self-styled 'the home of homes', good like-for-like growth, in May and June in particular."

Around the same time last year Dunelm had struggled to sell its discounted product lines during the summer period, resulting in a £3mIn dent to its full-year earnings.

For the year ending June 29, the company expects pre-tax profit of £124mIn to £126mIn, compared to £102mIn in 2018.

In its April update, the group had said it sees pre-tax profits being "slightly ahead" of the top range of analysts' forecasts of £115.6mIn to £118.5mIn.

Shares rose 4.2% to 942p in morning trading.

"No numbers have been quoted, but we assume double-digit like-for-like sales and strong online, still at circa 30%+." Peel Hunt said.

The broker expects pre-tax profit of £125mIn for 2019 and £132mIn for 2020.

Price: 1012

Market Cap: £2.04 billion

1 Year Share Price Graph



Share Information

Code: DNLM

Listing: LSE

52 week High Low
1016 482.8

Sector: Retail

Website: www.dunelm-mill.com

Company Synopsis:

Dunelm Group plc is a specialist out-of-town homewares retailer providing a range of products to a customer base, under the brand name Dunelm Mill.

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