

ADOREBEAUTY

GROUP

Adore Beauty Group Limited
ABN 78 636 138 988

ASX ANNOUNCEMENT

25TH May 2026

ADORE BEAUTY UPDATE

Adore Beauty Group Limited (**ASX: ABY**) (**Adore Beauty** or **Group**) provides an update on its business and unaudited year-to-date financial performance.

Trading Update:

- FY26 revenue for the first 47 weeks ending 24th May up 7.4% over prior corresponding period (PCP) to \$193.4 million
- Year to date new customer acquisition up 13.9% over PCP
- H2-FY26 gross margin expected in line with prior year at 34.5%
- FY26 full year underlying EBITDA¹ is expected to be approximately \$4.0 million (~2.0% to revenue)
- Three new Adore Beauty stores opened in H2-FY26 in Kotara (NSW), Parramatta (NSW) and Robina (QLD); total network now at 20 stores (14) Adore Beauty and (6) iKOU

Commenting on Adore Beauty's year-to-date performance, CEO Sacha Laing said:

"More pronounced cost-of-living pressures have seen an increase in promotional activity in the market through April and May resulting in a tempered slowdown in trading in Q4. Pleasingly the Group is expecting to achieve gross margins for H2 in line with the prior year, achieved through our higher margin own brands and store network. While we are benefiting from new growth levers, including our loyalty program, higher-margin retail network and iKOU brand, we will not see the full benefit of these initiatives until next financial year. Store performance is in line with expectations with our retail network continuing to cost-effectively introduce new customers to the Adore Beauty brand, increase revenues, and support our online channel through new customer acquisition. New customer acquisition is almost 14% higher than in the same period last year, noting that we are cycling a return to growth in H2."

¹ Underlying EBITDA is normalised on a pre-AASB 16 basis, excluding one-off store rollout pre-opening expenses, restructuring costs, non-cash impacts of AASB 2 Share Based Payments, and other non-core income and expenses.

Capital Management:

Despite the more challenging trading conditions the Group has executed successfully the most capital-intensive investment cycle in its 26-year history. This investment in omni-channel capability, including (14) Adore Beauty and (3) iKOU stores, the acquisition and integration of the iKOU business, the replacement of its core ERP platform and investment in AI capability all provide a strong platform for meaningful profit growth.

Adore Beauty continues to work well alongside its banking partner CBA, who have supported the current investment in the National Distribution Centre (“NDC”) via an asset backed facility, and are currently finalising a refresh of its existing working capital facilities appropriate for future needs as the business continues to scale.

FY27 Targets:

As the Group benefits from its completed capital investments to date, omni-channel operating model, cost efficiency from the NDC, as well as material cost out efficiencies from a recent reshaping of its Head Office team, the business is well positioned to provide the following targets for FY27;

- FY27 revenue growth of at least 10%
- FY27 underlying EBITDA² guidance of \$9-13 million

Commenting on Adore Beauty’s FY27 targets, Laing said:

“Our large infrastructure projects remain on budget and on schedule with the ERP transition expected to be completed in the coming weeks and commissioning of our new National Distribution Centre (NDC) on track for the first quarter of FY27. Both will support a material step-up in efficiency and customer experience, with the NDC saving approximately \$2 million in annualised labour costs. In addition, we have recently reshaped our Head Office team delivering over \$2.5 million in cost efficiencies on an annualised basis.

“The Group will open a further four Adore Beauty stores and one iKOU store during H1-FY27, bringing the total network to 25 locations nationally. While the macro environment remains challenging and the ongoing impact to trading conditions is somewhat uncertain, the Group is well-positioned to benefit from a number of growth and efficiency initiatives, including the recent deployment of market leading AI capability. We believe, whilst there is uncertainty in external market conditions, our FY27 targets appropriately consider the external economic conditions at this time.”

² Underlying EBITDA is normalised on a pre-AASB 16 basis, excluding one-off store rollout pre-opening expenses, restructuring costs, non-cash impacts of AASB 2 Share Based Payments, and other non-core income and expenses.

This release has been authorised by the CEO of Adore Beauty Group.

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About Adore Beauty Group

Founded in 2000, Adore Beauty Group is a leading multi-banner beauty, lifestyle and wellness retailer. The Group includes Adore Beauty, Australia's first beauty-focused e-commerce destination, and iKOU a leading wellness and beauty brand born in the Blue Mountains of NSW.

Adore Beauty was established with a vision to help customers feel more confident every day by delivering an empowering and engaging beauty shopping experience personalised to their needs. Over time, the business has evolved into an integrated omni-channel retailer, combining a market-leading online platform with a national network of retail stores.

Adore Beauty Group offers a broad and diverse range of more than 300 brands and 15,000 products across beauty, wellness and lifestyle categories, and operates in Australia and New Zealand.

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