Adore Beauty Group Limited
ABN 78 636 138 988

ASX ANNOUNCEMENT

16th November 2026

FY27 TRADING AND GUIDANCE UPDATE

Adore Beauty Group Limited (ASX: ABY) (Adore Beauty or Group) provides an update on its unaudited trading performance for the first 20 weeks of FY27 ending 15th November 2026 and revised earnings guidance for FY27.

Key points:

- Group product revenue for the first 20 weeks of FY27 declined 8.0% compared with the prior corresponding period (PCP), with Group product revenue for the first 12 weeks down 14.1% (PCP), improving to +3.0% (PCP) for the last 8 weeks to 15th November.
- FY27 underlying EBITDA[1] guidance revised to $4.0–$6.5 million, compared with previous guidance of $9–$13 million.
- The Group is not providing revenue guidance given the uncertainty in current market conditions.
- The Group opened 4 new stores in the period including the national flagship Adore Beauty store at Melbourne Central, Miranda (NSW), Hurstville (NSW) and IKOU in Hobart's Salamanca Bay. With Adore Beauty Karrinyup (WA) to open late November bringing the Group to 25 stores nationally (18 Adore Beauty and 7 IKOU).

Trading performance

Trading performance in the first 12 weeks was impacted by the go-live and ramp-up of the new National Distribution Centre (NDC). Specifically, less inventory than planned was able to be inducted and outbound picking and delivery performance were also impacted through the transitional period. Sales were consequently affected by significant out-of-stocks, a challenged service proposition and a need to adjust trading campaigns during this period. While some disruption had been planned for, the severity and duration was unexpected. Importantly, the Group remains focused on realising the targeted efficiency benefits from this investment and the site is now fully commissioned, operational and ready for peak trade.

[1] Underlying EBITDA is normalised on a pre-AASB 16 basis, excluding store rollout pre-opening expenses, one-off infrastructure related expenses, restructuring costs, non-cash impacts of AASB 2 Share Based Payments, other non-core income and expenses recorded in profit and loss during the period.

More generally, market conditions remain challenging, with cost-of-living pressures and elevated promotional activity across the sector. Gross margins are anticipated to be broadly in line with PCP, however lower revenue and the higher fixed cost base associated with the expanded store network have weighed on earnings.

Commenting on the update, CEO Sacha Laing said:

"Trading has been below expectations due to the impact of the NDC ramp up during Q1 and challenging market conditions. We have seen a significant step up in the last 8 weeks trading +3.0% (PCP). Whilst the last 8 weeks have seen positive sales growth, we have revised our earnings guidance to include the impact to underlying EBITDA of trading to-date, especially in Q1, and to reflect a cautious outlook given market conditions".

"We have instigated a number of cashflow-related initiatives to ensure the Group can operate successfully within its current facilities. Discussions with our banking partner in respect of covenant compliance are ongoing".

"Our focus is on improving revenue, earnings and cash flow and realising the benefits of our investments, including the maturing store network and NDC, alongside growth in owned brands and retail media."

This release has been authorised by the Board 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.