Adore Beauty Group Limited
ABN 78 636 138 988

ASX ANNOUNCEMENT

19 November 2026

2026 Annual General Meeting – Presentation and Addresses

In accordance with ASX Listing Rule 3.13.3, Adore Beauty Group Limited (**ASX: ABY**) (**Adore Beauty**) attaches a copy of the presentation and addresses to be made at today's Adore Beauty Annual General Meeting. Also attached is the proxy position as at proxy close.

Ends

This announcement was authorised by the Board of Directors.

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About Adore Beauty
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.

For further information please visit www.adorebeautygroup.com.au

ADOREBEAUTY GROUP

2026 ANNUAL GENERAL MEETING

Year ended 30 June 2026

FY26 IN REVIEW

Sacha Laing • Chief Executive Officer

$207.3m
Group revenue
+4.3% on FY25

$3.8m
Underlying EBITDA[1]
(39.3%) on FY25

34.8%
Gross margin[2]
52 bps below FY25, 134 bps above FY24

20
Stores at 30 June
13 opened during FY26

418.6k
New Group customers
+14.4% on FY25

858.8k
Active Group customers
+2.6% on FY25

[1] Pre-AASB 16, after rental costs. [2] As reported in the FY26 results announcement.

CAPITAL POSITION AT 30 JUNE 2026

A$m	30 June 2025	30 June 2026
Cash	12.7	0.7
Borrowings	0.0	9.3
Inventory	20.3	23.2
Net assets	40.3	36.0
Operating cash flow for the year	7.9	(2.0)

Year-end balances. Operating cash flow is the statutory measure in the audited cash flow statement.

A transformative year of investment

Store expansion and infrastructure increased demands on the balance sheet.

THE NATIONAL STORE NETWORK

14
Adore Beauty stores

6
iKOU stores

$18.6m
Group in-store revenue in FY26

→ More than 114,000 new Group customers introduced through stores

→ 13 stores opened during the year

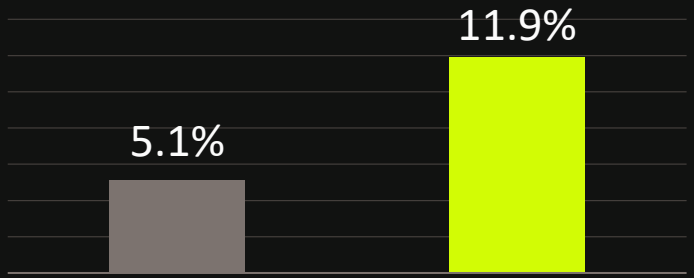
→ Adore Beauty retail underlying EBITDA: $(1.1)m



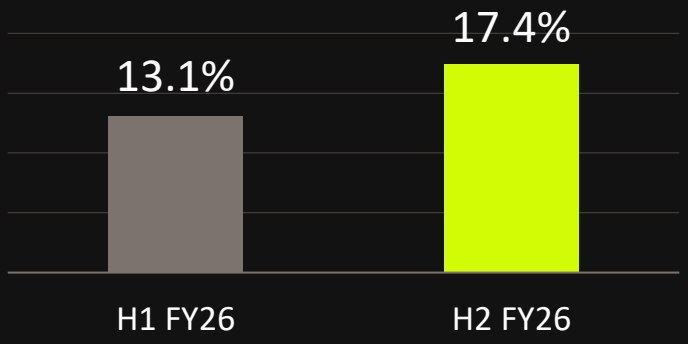
More than half the network was less than a year old (as at June 30th 2026)

OMNICHANNEL CUSTOMERS ARE OUR MOST VALUABLE

Omnichannel share of Group revenue



Adore Beauty store conversion



2.5×

LTV for omnichannel customers versus online-only customers

3.4×

LTV for store-first omni customers versus online-only customers

→ More than 114,000 new Group customers introduced through stores

→ Group customer acquisition costs declined 37.4% as stores substituted new customer acquisition pipeline

LOYALTY AND ONLINE ENGAGEMENT

538k

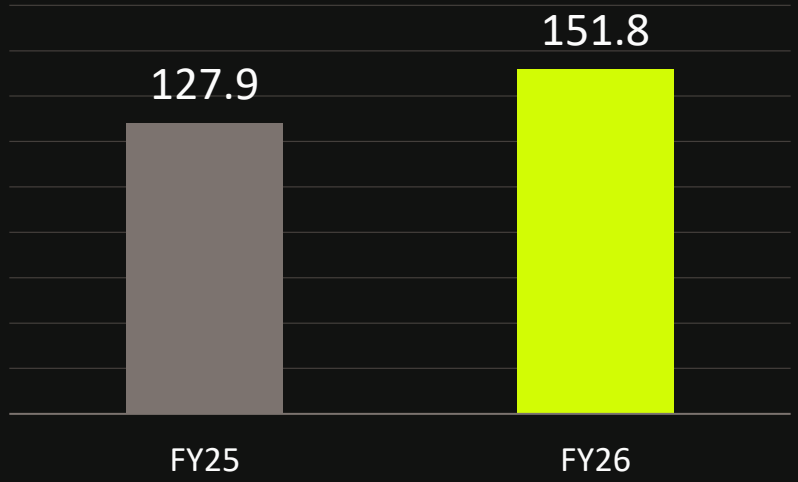
→ Active Adore Rewards members
+22.1% on FY25

→ Adore Rewards revenue +18.7% on FY25

36%

Share of online sales through the app
App revenue +21% on FY25

Loyalty revenue (A$m)



16 new brands added. AI supported product discovery and customer service.

IKOU AND OWNED BRANDS

Double-digit IKOU revenue growth

→ Growth across stores, online and wholesale

→ Six stores at year end, with Berry and Sorrento opened in FY26

5.8%

Owned brands share of Group product revenue



FY26 INFRASTRUCTURE INVESTMENT

ERP

Rollout completed in June 2026

National Distribution Centre

6,300 square metre facility
Construction and commissioned Q4
7+ years operational capacity, 4 year payback

Data and AI

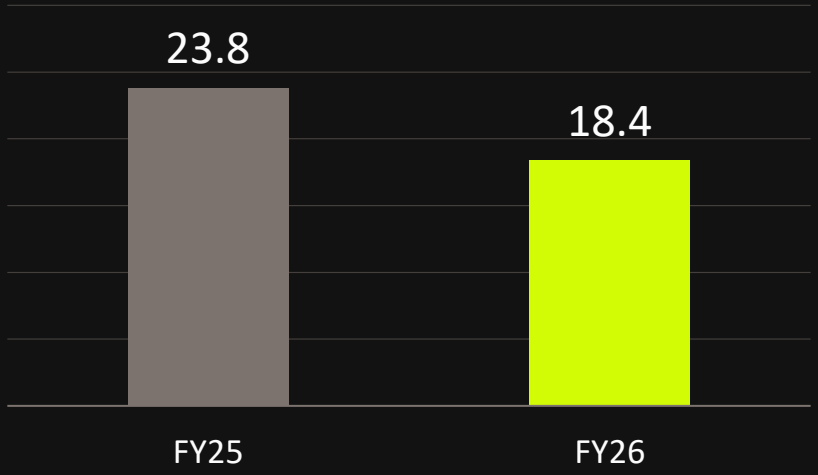
Internal analytics and reporting capability



NDC operations began in July 2026, after the FY26 year end.

COST DISCIPLINE IN FY26

Advertising and marketing expense (A$m)



22.8%

Lower advertising and marketing expense

→ Head office restructure completed

→ New freight partnership and revised shipping thresholds

Cost actions did not fully offset higher fixed costs and challenging trading conditions.

FY26 IN SUMMARY

Operating foundations

→ Record Group revenue and growth in new customers

→ National network of 20 stores

→ Major investment in systems and operating infrastructure

Financial outcome

→ Underlying EBITDA of $3.8m

→ Statutory loss after tax of $(4.4)m

→ Greater demands on the balance sheet

FY27 TRADING UPDATE

Revenue change versus prior corresponding period (PCP)

(14.1%)
First 12 weeks
Group revenue

+3.0%
Last 8 weeks
Group revenue

(8.0%)
First 20 weeks
Group revenue

Q1 trading disruption

Inventory induction, picking and dispatch delays led to material out-of-stocks, service disruption and trading campaign changes.

NDC ready for peak trade

NDC is now commissioned and operational, with the Group focused on realising its targeted efficiency benefits.

Unaudited trading for the 20 weeks ended 15 November 2026.

FY27 GUIDANCE AND PRIORITIES

Revised underlying EBITDA

$4.0–6.5m

Previous guidance: $9–13m, prior year $3.8m

- → Reflects Q1 trading impact and a cautious market outlook
- → Gross margins anticipated broadly in line with PCP
- → No revenue guidance given market uncertainty

Earnings and cash flow

- → Realise benefits from the maturing store network, NDC and operating efficiencies
- → A number of working capital initiatives deployed across the Group
- → Four stores opened. Karrinyup planned for late November, taking Group network to 25 stores

Chair Address

Adore Beauty Group 2026 Annual General Meeting

Jason Murray Chair

Good morning, everyone. I am Jason Murray, Chair of Adore Beauty Group. On behalf of the Board, welcome to our 2026 Annual General Meeting, and thank you for joining us.

Today, I will reflect on the year ended 30 June 2026 and the financial position of the Group. Sacha will then take you through our financial and operating performance and the FY27 trading and guidance update released earlier this week.

FY26 was a disappointing year financially. We made substantial progress in building Adore Beauty's omnichannel business, but revenue growth did not yet translate into stronger earnings or cash flow.

Group revenue increased 4.3 percent to $207.3 million, with our store network, owned brands and retail media contributing to growth. Underlying EBITDA, measured before the impact of AASB 16 and after rental costs, declined 39.3 percent to $3.8 million. The Group recorded a statutory loss after tax of $4.4 million, compared with a profit of $0.8 million in FY25.

The costs of the expanding store network and substantial operational change weighed on earnings. Challenging retail conditions, including pressure on discretionary spending, also affected performance. Our priority is to improve the financial performance of the business.

The Board continues to support the strategic rationale for extending Adore Beauty's online business into physical retail. Stores allow customers to discover products, seek advice and experience our brands in person. They also introduce new customers to the online channel. As the network matures, it needs to generate sustainable returns in its own right.

During the year, we opened 13 stores across Adore Beauty and IKOU, taking the Group network to 20 at 30 June. The network contributed $18.6 million in revenue and introduced more than 114,000 new customers to the Group. More than half of the stores were less than a year old at year end, and the Adore Beauty retail channel recorded an underlying EBITDA loss of $1.1 million.

Alongside the store rollout, the business completed its new ERP rollout in June and progressed construction and commissioning of the new semi-automated National Distribution Centre. The distribution centre began operating after year end. These projects have established important operating capability, and the focus is now on realising the targeted customer service and efficiency benefits.

IKOU delivered double-digit revenue growth during the year, supported by its stores, online and wholesale channels. Investment in its systems and customer experience strengthened its operating capability. Owned brands represented 5.8 percent of Group product revenue in FY26.

The investment in stores and infrastructure, following the acquisition of IKOU, placed significant pressure on the Group's balance sheet. At 30 June, borrowings were $9.3 million and cash was $0.7 million. Operating cash flow for FY26 was an outflow of $2.0 million. No dividend was declared for FY26.

As outlined in Monday's trading update the start of FY27 has also been below expectations, with the NDC ramp-up disruption being more severe and lasting longer than expected coupled with challenging external market conditions. Group product revenue for the first 20 weeks declined 8.0 percent compared with the prior corresponding period. Growth of 3.0 percent in the last eight weeks is encouraging, but the first-quarter impact and cautious market outlook have led us to revise FY27 underlying EBITDA guidance to $4.0 million to $6.5 million, from $9 million to $13 million. Sacha will cover the trading update in more detail.

The Board and Management have instigated a number of working capital initiatives to ensure the Group can operate successfully within its current facilities. Discussions with our banking partner in respect of covenant compliance are ongoing. Cash management and capital discipline remain priorities for the Board and management.

I would like to thank Sacha and the team for their work through a demanding year. Opening stores while implementing major systems and infrastructure changes required considerable effort across the organisation. I also thank my fellow Directors, our brand and commercial partners, and our customers.

Finally, thank you to our shareholders for your continued support and engagement. We recognise the disappointment in the financial results. The Group has made substantial progress in its transformation, and the Board's focus is on converting that progress into improved revenue, earnings and cash flow.

I will now invite our Chief Executive Officer, Sacha Laing, to take you through the FY26 results and our FY27 trading update. Thank you.

CEO Address

Adore Beauty Group 2026 Annual General Meeting

Sacha Laing Chief Executive Officer

Slide 2 FY26 in review

Thank you, Jason, and good morning, everyone. FY26 was a year of considerable change for Adore Beauty Group. We expanded our retail network and delivered major operational projects while continuing to enhance our customer proposition through loyalty and AI capability.

Group revenue reached a record $207.3 million, up 4.3 percent. We also grew new customers and increased the contribution from stores, owned brands and retail media. However, underlying EBITDA declined to $3.8 million. The investment in our store network and operating capability, together with challenging trading conditions, weighed on earnings.

I want to take you through both the progress we made and the financial outcome. I will focus on FY26, then finish with our trading update and revised FY27 guidance.

FY26 financial performance

Revenue increased from $198.8 million to $207.3 million. The reported operating gross margin was 34.8 percent, compared with 35.3 percent in FY25. Gross margins were 134 basis points above FY24. Promotional activity affected the first half, with margin performance stabilising in the second half.

Underlying EBITDA declined 39.3 percent, from $6.2 million to $3.8 million. The principal pressures were the higher fixed costs of our growing store network and a more challenging retail environment, particularly in the final quarter.

We report underlying EBITDA on a pre-AASB 16 basis, which includes rental costs. It also excludes specified one-off and non-cash items, so it should be considered alongside the statutory result.

The statutory loss after tax was $4.4 million, compared with a profit of $0.8 million in FY25. The year included $4.4 million of one-off expenses, principally store pre-opening costs, restructuring, ERP implementation and the National Distribution Centre. Those expenses contributed to the statutory result, alongside depreciation and finance costs.

Slide 3 Capital position at 30 June 2026

FY26 represented the largest investment period in the company's 26 year history as we built the foundations of our omnichannel business. This period involved a substantial commitment of capital to the store network and operating infrastructure. At 30 June, the Group had cash of $0.7 million and borrowings of $9.3 million. Net assets were $36.0 million.

Inventory closed at $23.2 million, compared with $20.3 million in the prior year, alongside the expansion of our physical footprint. On a like for like basis inventory levels declined 11.3% as the Group drove inventory efficiencies through its enhanced operating capability (ERP) and AI analytics.

Operating cash flow was an outflow of $2.0 million. This, together with the capital investment programme, meant FY26 placed greater demands on the balance sheet.

Capital discipline remained central to the management of the business throughout this period of transformation.

Slide 4 The national store network

We opened 13 stores during FY26, comprising 11 Adore Beauty stores and two IKOU stores bringing the Group network to 20 stores at year end, made up of 14 Adore Beauty stores and six IKOU stores.

Group in-store revenue was $18.6 million. Within Adore Beauty, store revenue increased from $6.2 million in the first half to $8.8 million in the second half, a 41.9 percent increase. This reflects the expanding network and its development through the year.

The network was still young. More than half the stores were less than a year old, and only five Adore Beauty stores traded for the full 12 months. The Adore Beauty retail channel recorded an underlying EBITDA loss of $1.1 million.

Stores have created both a meaningful new revenue stream and new customer acquisition channel with an impact to Group earnings in the initial maturation period.

Slide 5 Omnichannel customers

Across the Group, new customers increased 14.4 percent to 418,600, and active customers increased 2.6 percent to 858,800. Stores introduced more than 114,000 new customers during the year. Group customer acquisition costs declined 37.4 percent.

This was an important change in how we acquired customers. We expanded our reach through physical retail while becoming more selective about paid acquisition and the customers we sought to re-engage.

In Adore Beauty stores, transaction conversion increased from 13.1 percent in the first half to 17.4 percent in the second half. Customers who shopped both online and in store spent 52 percent more during FY26 than online-only customers. Omnichannel customers represented 5.1 percent of Group revenue in the first half, increasing to 11.9 percent in the second half.

Omnichannel customers have a lifetime value 2.5 times that of online-only customers. This increases to 3.4 times for omnichannel customers whose first purchase was made in store.

Slide 6 Loyalty and online engagement

Our online business remained central to the customer experience. Adore Rewards active membership increased 22.1 percent to 538,000. Loyalty revenue increased 18.7 percent to $151.8 million.

The mobile app also became a more important part of how customers shopped with us. App revenue increased 21 percent and represented 36 percent of Adore Beauty online sales.

We continued to refine the product range, adding 16 brands during the year while removing ranges that no longer met our requirements. This included further expansion of our Korean beauty offer to over 20 brands.

We also expanded our use of AI in the customer experience. Ask Aura supported product discovery and recommendations, while Abi supported customer service. Together with loyalty and the app, these initiatives were part of the work undertaken in FY26 to make shopping with Adore Beauty more relevant and engaging at every touchpoint, strengthening the trusted relationship nurtured over 25 years with our customers.

Slide 7 IKOU and owned brands

IKOU delivered double-digit revenue growth in FY26, with stores, online and wholesale all contributing. Across the Group, owned brands represented 5.8 percent of product revenue.

We opened IKOU stores in Berry and Sorrento, taking its network to six stores at year end. Berry also introduced the brand's first in-house day spa. Stores accounted for 45.5 percent of IKOU's new customers, compared with 20.8 percent in FY25.

During the year, we completed new e-commerce and point-of-sale systems, strengthened the IKOU leadership team and established a formal customer service capability. We also integrated IKOU into Adore Beauty's data and analytics infrastructure and completed the packaging refresh design.

The result was a larger business with stronger operating foundations and a broader customer reach. The FY26 contribution from IKOU was an important part of the Group's revenue growth and owned-brand mix.

Slide 8 FY26 infrastructure investment

A substantial part of the work in FY26 took place behind the scenes. We completed the rollout of our new ERP platform in June, replacing core systems used to plan and manage the business.

We also undertook the construction and commissioning programme for our new 6,300 square metre National Distribution Centre. Its operational start in July 2026 fell after year end. The FY26 result therefore did not include the benefits of operating from the new facility.

Alongside these projects, we expanded the use of our internal AI platform, Dora, to support analysis and reporting, and connected IKOU to the Group's data infrastructure.

These were major changes in capability. They required investment and considerable attention from our teams.

Slide 9 Cost discipline in FY26

While we invested in the business, we also took action on costs. Advertising and marketing expense fell from $23.8 million in FY25 to $18.4 million in FY26, a reduction of 22.8 percent. We achieved that reduction alongside growth in the Group's new customer base.

The business completed a head office restructure during the year. We also introduced a new freight partnership and revised shipping thresholds, while using the ERP programme and AI to support changes in how teams worked.

These actions reflect the need to manage the cost base as our business model changes. They helped offset some of the additional costs of the growing store network, but they were not sufficient to prevent the decline in Group earnings within a single year.

The FY26 result therefore shows progress in marketing efficiency, operating costs and the infrastructure needed to support long-term profitable growth.

Slide 10 FY26 in summary

To close the FY26 review, the Group finished the year with record revenue, a national network of 20 stores and a larger customer base. We also completed or substantially progressed major changes to our systems and operating infrastructure.

The earnings result makes clear that, despite significant gains with customers, this year of transformation and investment in a challenging economic environment has not yet translated into the financial performance we need.

That concludes my review of FY26. I will now turn to our trading update and revised guidance for FY27.

Slide 11 FY27 trading update

Our unaudited trading update covers the first 20 weeks of FY27, ended 15 November 2026.

Group product revenue for the period declined 8.0 percent compared with the prior corresponding period. Group product revenue was down 14.1 percent in the first 12 weeks, improving to growth of 3.0 percent in the last eight weeks to 15 November.

Trading in the first 12 weeks was affected by the go-live and ramp-up of our new National Distribution Centre. We were unable to induct as much inventory as planned, and outbound picking and delivery performance were also affected. This resulted in significant out-of-stocks, a challenged service proposition and changes to our trading campaigns. While we had planned for some disruption, its severity and duration were unexpected.

The NDC is now commissioned and operational, and ready for peak trade. Our focus moving forward is on realising the efficiency benefits we targeted from that investment.

The return to positive sales growth in the last eight weeks is encouraging, but it does not offset the impact of the first quarter. Market conditions remain challenging, with cost-of-living pressures and elevated promotional activity across the sector.

Slide 12 FY27 guidance and priorities

We have revised our FY27 underlying EBITDA guidance to between $4.0 million and $6.5 million, compared with our previous guidance of $9 million to $13 million. FY26 underlying EBITDA was $3.8 million.

That revision reflects the impact of trading to date, particularly in the first quarter, and a cautious outlook given current market conditions. Gross margins are anticipated to be broadly in line with the prior corresponding period. Lower revenue and the higher fixed cost base associated with our expanded store network have weighed on earnings.

We are not providing revenue guidance given the uncertainty in current market conditions.

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

During the period, we opened four stores: the national Adore Beauty flagship at Melbourne Central, Miranda and Hurstville in New South Wales, and an IKOU store in Hobart. Adore Beauty Karrinyup is due to open in late November. This will take the Group to 25 stores nationally, comprising 18 Adore Beauty stores and seven IKOU stores.

The team and I are now fully focused on peak trading, the NDC is performing effectively, stock availability is on target our marketing plans across both brands and channels are robust and we look forward to maintaining the positive trend in revenue.

I would like to thank our teams across stores, the national distribution centre, customer service and head office for their work through what has been the most significant period of change and transformation in the company's 26 year history. I also thank our customers, brand partners and shareholders for their ongoing support.

Thank you. I will now hand back to Jason.

Proxy position as at proxy close:

Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	**Resolution type**	**For**	**Against**	**Open**	**Abstain**
1. Re-election of Lisa Hennessy as a Director	Ordinary	54,393,966 (94.26%)	119,899 (0.21%)	3,194,142 (5.54%)	1,289
2. Remuneration Report	Ordinary	33,175,218 (90.54%)	272,090 (0.74%)	3,194,142 (8.72%)	12,892