

ADOREBEAUTY

GROUP

Adore Beauty Group Limited
ABN 78 636 138 988

ASX ANNOUNCEMENT

30 October 2023

Trading Update

Adore Beauty Group Limited (**ASX: ABY**) (**Adore Beauty** or **Company**), Australia's number one pureplay online beauty retailer¹, provides the following trading update for the three months to 30 September 2023.

Highlights:

- Revenue of \$47.5 million², up 4.7% on the prior corresponding period (PCP)³
- Active customer⁴ numbers return to growth, up 1.5% on PCP to 803k
- Record 497k returning customers⁵, up 4.7% on PCP
- Executing on refined strategy with newly launched subscription service; mobile app now representing more than 26% of all revenue; new partner brands added; private label continues to grow
- On track to achieve EBITDA margin of 2-4% in FY24

Adore Beauty delivered revenue of \$47.5 million for the first three months of FY24 - a 4.7% increase on PCP, despite trading conditions remaining challenging. Revenue was supported by growth in active customers, highly successful loyalty and promotional activity, and a record 497k returning customers. Adore Beauty's mobile app contributed 26.5% of all sales for the period, up 1.9 percentage points from June 2023.

The Company continues to execute its refined growth strategy, launching a subscription service and onboarding in-demand consumer brands such as Nyx, Davines, Ralph Lauren, Viktor & Rolf,

¹ Adore Beauty is the leading pureplay online beauty retailer in Australia, based on management estimates.

² Unaudited revenue.

³ Revenue based on unaudited management accounts. Comparison of 1 July – 30 September 2023 against PCP.

⁴ Active customers refer to customers who have ordered in the last 12 months, PCP is the prior 12-month period.

⁵ Returning customers refer to customers who have previously ordered from Adore Beauty and re-ordered in the last 12 months to 30 September 2023; Prior corresponding period is the 12-month period to 30 September 2022.

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and Mugler. Adore Beauty's 'Subscribe and Save' service is now available across 18 brands, including SkinCeuticals, Alpha H, Lancome, AB Lab, ELEVEN, Viviology and Ultra Violette, with automated six-to-12-week replenishment. Additional partner brands will be added over time.

Commenting on Adore Beauty's year-to-date performance, CEO Tamalin Morton said, *"While trading conditions remain challenging, Adore Beauty has had a solid start to FY24, with both revenue and active customers up on the same period last year. Encouragingly, active customer numbers have now returned to growth, and we continue to see positive momentum with a comprehensive offering that provides real value-added benefits.*

"We continue to prioritise customer experience and convenience, augmenting our offering to now include a subscription service across popular brands. Our 'Subscribe and Save' offer ensures customers receive their frequently used products at the right time and best price. The offer has been designed to reduce friction for customers, support loyalty and retention, and improve average order frequency."

The coming quarter represents a key trading period for the business. Despite ongoing cost of living pressures and weaker consumer sentiment, Adore Beauty remains on track to achieve an EBITDA margin of 2-4% in FY24.

--Ends--

This announcement was authorised by the Board of Directors.

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About Adore Beauty

Launched in 2000 as Australia's first beauty focused e-commerce website with a vision to help customers feel more confident and fabulous every day by delivering an empowering and engaging beauty shopping experience personalised to their needs. Adore Beauty has evolved to an integrated content, marketing and e-commerce retail platform that partners with a broad and diverse portfolio of more than 270 brands and over 12,000 products.

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Forward Looking Statements

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Adore Beauty's current expectations, estimates and projections about the industry in which Adore Beauty operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Adore Beauty, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward -looking statements. Adore Beauty cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Adore Beauty only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Adore Beauty has no obligation to release publicly any revisions or updates to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

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