

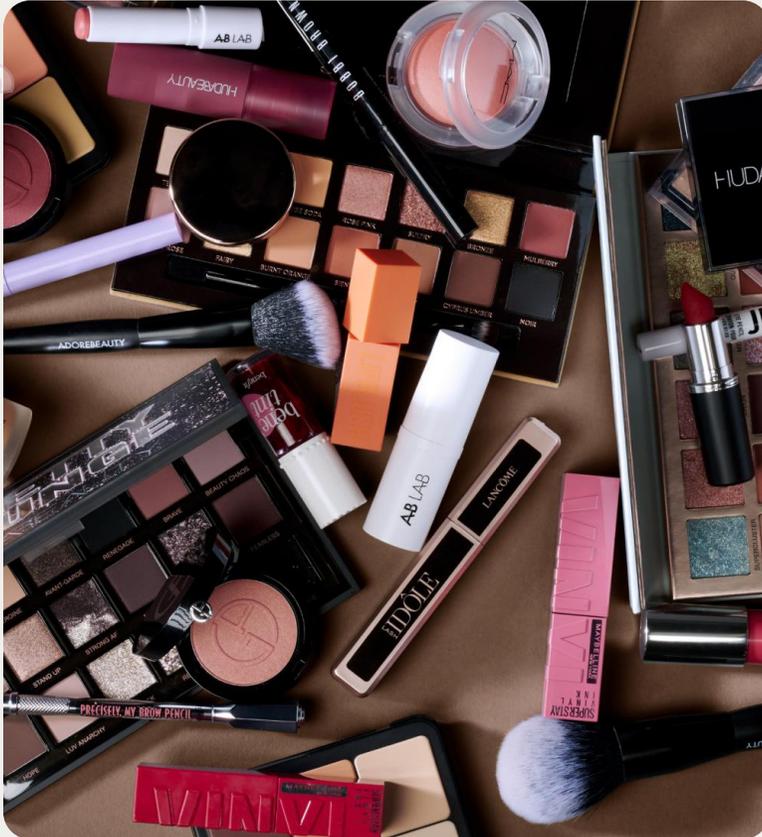
FY24 Results Presentation

26 August 2024

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Adore Beauty maintains growth trajectory – delivers higher sales and improved profitability

FY24 FINANCIAL SUMMARY



\$195.7M

Revenue¹
+7.4% on prior
corresponding period
(PCP)

33.4%

Gross profit margin
+0.8 ppts on PCP

\$4.8M

Reported EBITDA²
+661% on PCP
EBITDA margin 2.5%

814K

Active customers³
+1.6% on PCP

519K

Returning customers⁴
+5.8% on PCP

\$32.9M

Cash⁵
+18.3% on PCP

1. Marketing revenue and its associated costs were not reflected as revenue and cost of sales in comparative financial statements, but rather as an offset to advertising and marketing expenses. The impact is not material from a financial report perspective, but comparative financial information presented has been amended for comparability and to align with the revenue recognition policy for marketing revenue. This reclassification has no impact to net profit.
2. Reported EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortisation.
3. Active customers refer to customers who have ordered in the last 12 months; PCP is the 12-month period to 30 Jun 2023.
4. Returning customers are customers who have placed an order in any period prior to FY24 and re-purchased in the period.
5. Balance as 30 Jun 2024 compared to 30 Jun 2023.

Record customer metrics – demonstrating success of strategy

FY24 OPERATIONAL HIGHLIGHTS



Customer centricity

64.7%

Record customer retention¹
+8.5 pts on PCP

28.4%

App revenue contribution²
+4.6 pts on PCP

\$235

Record annual revenue
per active customer
+4.4% on PCP

Further building the brand

71%

Record brand awareness³
+9 pts on PCP

300+

Brand portfolio today;
38 new brands in FY24

61

Private label products
23 new products in FY24

Operational optimisation

13.3%

Marketing as a
percentage of sales
-1.4 pts on PCP

\$4M

Retail media revenue
+112% on PCP

620M

Content driven impressions⁴
+46% on PCP

1. Aggregate active customer retention rate = (Active customers as at the end of the relevant year – Active Customers acquired during the relevant year) divided by Active Customers as at the commencement of the relevant year.

2. Mobile app represented 28.4% of all product sales in H2 FY24. Product sales revenue excludes 'Other Revenue'.

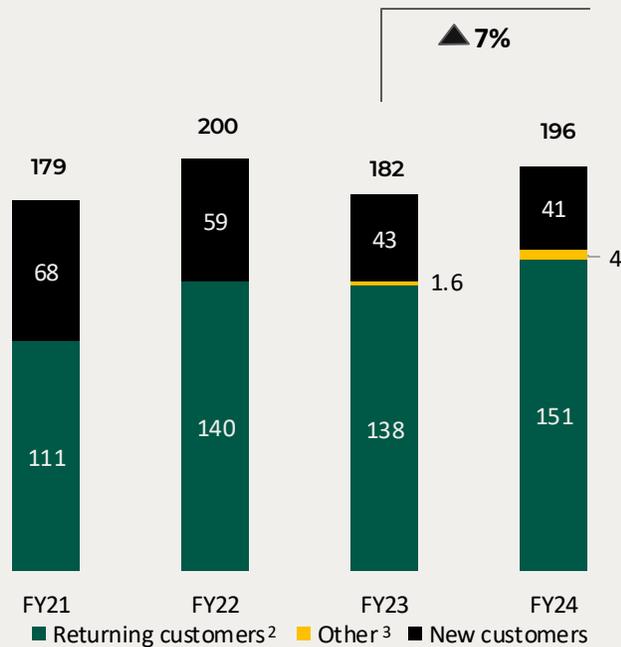
3. Pureprofile results August 2024, Prompted Awareness AU female 25-45, Adore Beauty 71%. Sample taken by third-party brand tracker. Pureprofile, a randomised consumer research panel made up of minimum 2500 Australian females aged 18-65, providing representation of the Australian public.

4. Content-driven impressions measures total consumption of podcast episodes, social content views (Instagram, Facebook, YouTube and TikTok) including videos, posts, articles, tutorials and educational longer form videos.

Loyal returning customers underpin strong performance

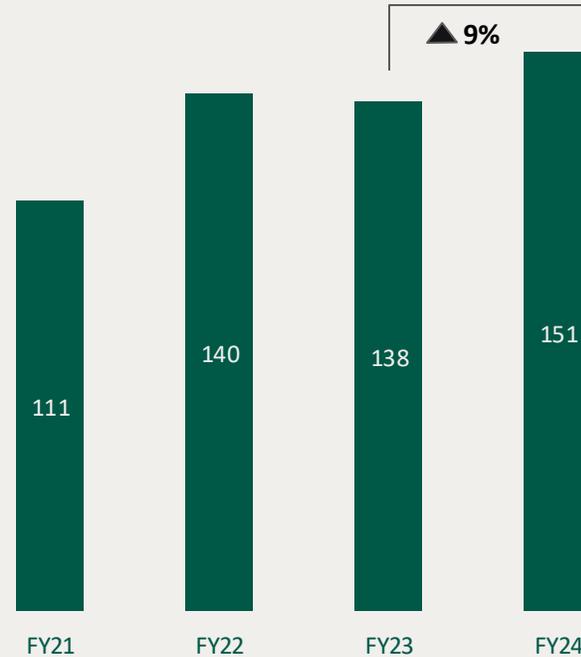
FY24 REVENUE INSIGHTS

Revenue¹
(\$A Million)



Returning customers remain the primary driver of revenue, representing 79%⁴ of all product sales in FY24, up 17 percentage points from FY21.

Returning customer revenue
(\$A Million)



Driven by growing returning customer base and strong proposition that continues to resonate with value-conscious consumers.



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2. Returning customers are customers who have placed an order in any period prior to FY24 and re-purchased in the period.

3. 'Other revenue' represents marketing revenue comprised of retail media and advertising revenue contribution.

4. Returning customers % share of revenue is calculated using product sales revenue (excludes 'Other Revenue').

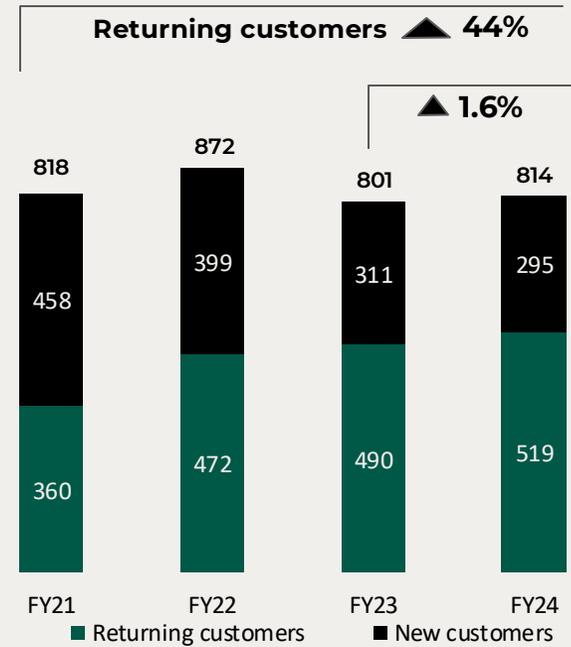
Returning customers up 44% in three years

FY24 CUSTOMER INSIGHTS

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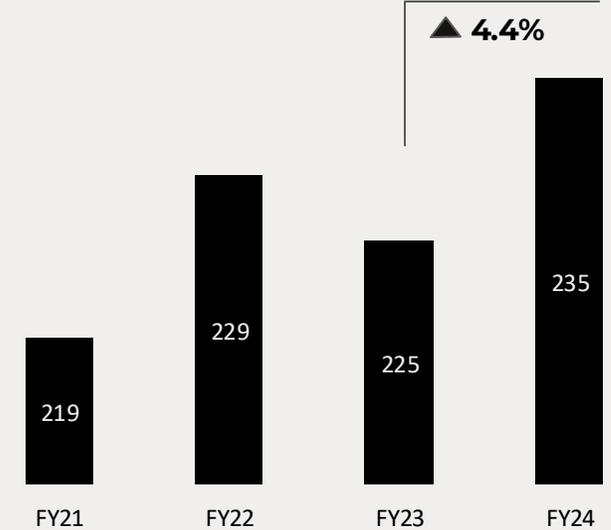


Active customers¹ (‘000)



Continued growth in returning customers. Strategic focus on cost-effectively growing active customer base, prioritising returning, lapsing and lapsed customers.

Annual revenue per active customer (\$)



Record annual revenue per active customer supported by growing average order values, to a record \$114.20².

1. Active customers refer to customers who have ordered in the last 12 months. New customers refer to customers who have ordered for the first time in FY24.

2. AOV is calculated using product sales revenue (excludes 'Other Revenue').

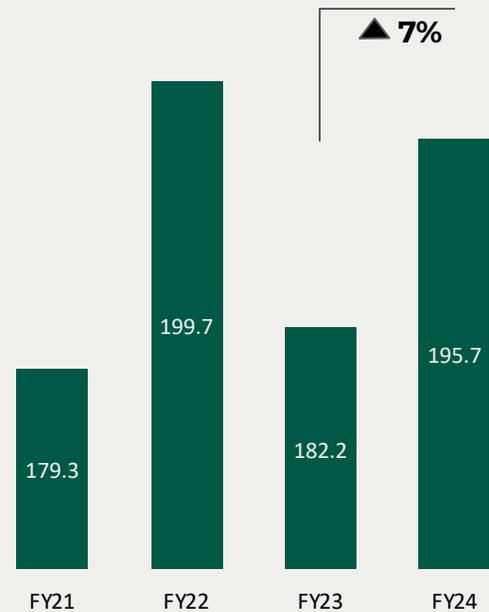
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FY24 Financial Results

Strategic initiatives drive revenue and margin growth

COST MANAGEMENT & OPERATIONAL EFFICIENCIES IMPROVE PROFITABILITY

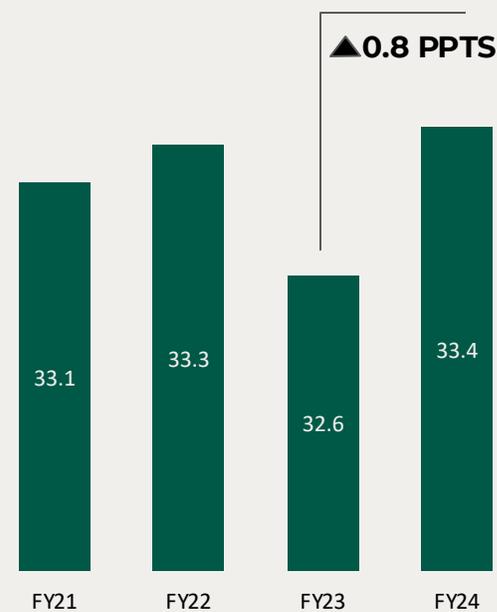
Revenue¹
(\$A Million)



Growth in Revenue

More valuable customer base comprising 64% returning customers who have higher and more frequent average orders.

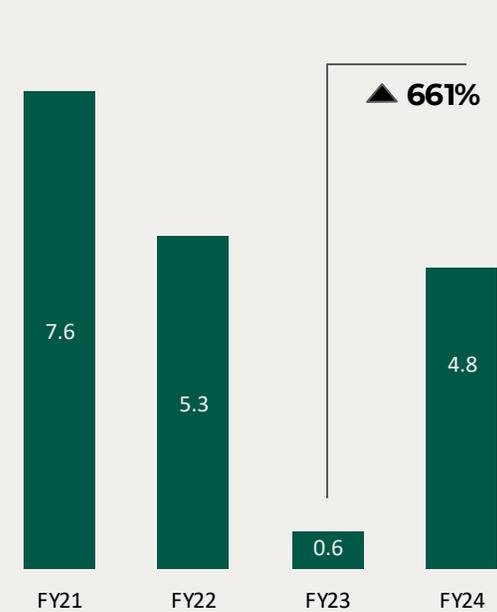
Gross profit margin
(%)



Strategic initiatives lift margins

Gross margin improvement driven by cost optimisation programs, freight, and growing retail media contribution.

EBITDA
(\$A Million)



Operating leverage improves profitability

Reported EBITDA margin of 2.5%, in line with expectations, reflecting revenue growth and enhanced operational efficiency.

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Disciplined cost management and operating leverage

FY24 PROFIT & LOSS

A\$M	FY23	FY24	CHANGE
Revenue	182.2	195.7	▲ 7.4%
Cost of sales	(122.8)	(130.3)	▲ 6.1%
Gross profit	59.4	65.5	▲ 10.2%
Gross profit margin	32.6%	33.4%	▲ 0.8 pts
Employee costs	(19.1)	(20.6)	▲ 7.5%
Marketing and advertising costs	(26.9)	(26.0)	▼ 3.0%
Other costs ³	(13.3)	(13.4)	▲ 0.6%
Operating EBITDA	0.1	5.4	▲ 5915.4%
	0.0%	2.8%	▲ 2.7 pts
Share Based Payments	0.5	(0.6)	▲ 211.4%
Reported EBITDA	0.6	4.8	▲ 660.6%
	0.4%	2.5%	▲ 2.1 pts
Depreciation and amortisation	(2.1)	(2.5)	▲ 17.3%
EBIT	(1.5)	2.3	▲ 251.1%
Interest	0.1	0.5	▲ 715.8%
Profit/(loss) before tax	(1.5)	2.9	▲ 294.1%
Income tax expense	0.9	(0.7)	▼ 172.9%
Profit/(loss) after tax (NPAT)	(0.6)	2.2	▲ 487.7%

Returning customers contribute 79% of sales

- Revenue¹ up 7.4% on the PCP, driven by repeat customer loyalty
- Average Order Value (AOV) for all customers increased 2.4% on the PCP to \$114.20²
- Average Order Frequency (AOF) slightly up, at 2.1²
- Highly successful promotional events including Cyber, Click Frenzy, and Afterpay

Cost optimisation improves margins

- Gross profit margin improved 0.8 percentage points over PCP to 33.4%, benefitting from cost management, marketing efficiency and retail media initiatives

Operating leverage & targeted re-investment

- Revenue growth delivering operating leverage
- Operating EBITDA improved over 5900% to \$5.4 million, at a margin of 2.8%, supported by managing costs across the business
- Marketing as a % of sales decreased to 13.3%, down 1.4 percentage points over PCP
- Disciplined re-investment in key strategic initiatives

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2. Average Order Value and Average Order Frequency refers to number of orders in the 12 months to 30 June 2024. These metrics are calculated using product sales revenue.

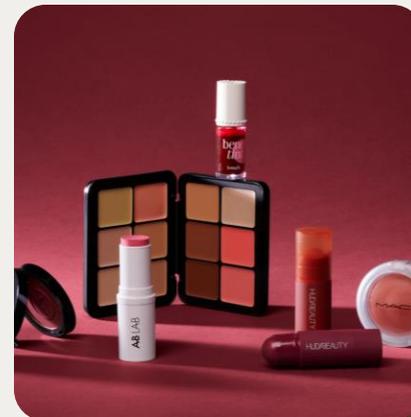
3. Other costs include IT expenses, bank and merchant fees, professional expenses.

Generating cash

BALANCE SHEET

A\$M as at	30 Jun 23	30 Jun 24
Cash and cash equivalents	27.8	32.9
Inventory	21.1	21.6
Other current assets	6.5	4.0
Other assets (non-current)	7.0	9.2
Total assets	62.4	67.7
Trade and other payables	20.7	20.9
Other current liabilities	5.1	5.6
Other liabilities (non-current)	0.4	1.5
Total liabilities	26.2	28.0
Net assets	36.2	39.6

- Strong closing cash balance of \$32.9 million, up 18.3% on the PCP, funded \$20 million up-front consideration for iKOU
- Debt-free
- Capital efficient business model
- Adore Beauty and iKOU both generating positive cash
- Disciplined investment in higher-turnover inventory, enhanced availability improving sales and customer satisfaction
- Flexibility to support strategic initiatives



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AB LAB

Strategy

Beauty Done Better

AB LAB

AB LAB

Amplifying strategy to drive growth and profitability

INCREASING BRAND AWARENESS, CUSTOMER FOCUS AND OPERATIONAL EFFICIENCY
PROVIDE THE PLATFORM FOR CONTINUED GROWTH

1. CUSTOMER CENTRICITY

- Utilising data insights
- Optimising customer experience – subscriptions
- Accelerating mobile app adoption
- Leveraging beauty technology
- Enhancing loyalty program



2. FURTHER BUILDING THE BRAND

- Growing Adore Beauty brand awareness in core customer category
- Leveraging brand campaigns
- Retail concept stores in development
- Range and adjacency expansion
- Increasing private label offering, including iKOU

3. OPERATIONAL OPTIMISATION

- Growing retail media revenue
- Improving marketing efficiency and effectiveness
- Scaling owned channels
- Optimising supplier terms
- Leveraging AI

Customer retention now at record high

NEW INITIATIVES TO DELIGHT CUSTOMERS AND INCREASE LOYALTY



- Customer retention¹ improved 8.5 pts on prior year to 64.7% - a financial year record
- Adore Society loyalty members increased 8.6% on PCP
- New features supporting customer experience, including price drop and wishlist
- Expanded use of AI
- Enhanced loyalty offering with new optimised loyalty rewards driving significant revenue uplift
 - 'Society Season' exclusive member-only offers, gifts, competitions in December 2023
 - Comprehensive calendar of loyalty-exclusive financial and experiential rewards
- Subscribe & Save launched
- Awarded Most Loved Retailer Ages 34+ by Power Retail with NPS score of 73

¹ Aggregate active customer retention rate = (Active customers as at the end of the relevant year – Active Customers acquired during the relevant year) divided by Active Customers as at the commencement of the relevant year.

App adoption and revenue contribution continues to grow

NEARING 30% SALES TARGET

- App accounted for 28.4% of all sales² in H2 FY24, up 4.6 pts on PCP and 14.2 pts on FY22
- User base steadily increasing, up ~50% on PCP
- App delivering larger basket sizes and higher order frequency
- Cost-effective owned marketing channel improving engagement, conversion and customer retention
- Ongoing app enhancements to improve personalisation

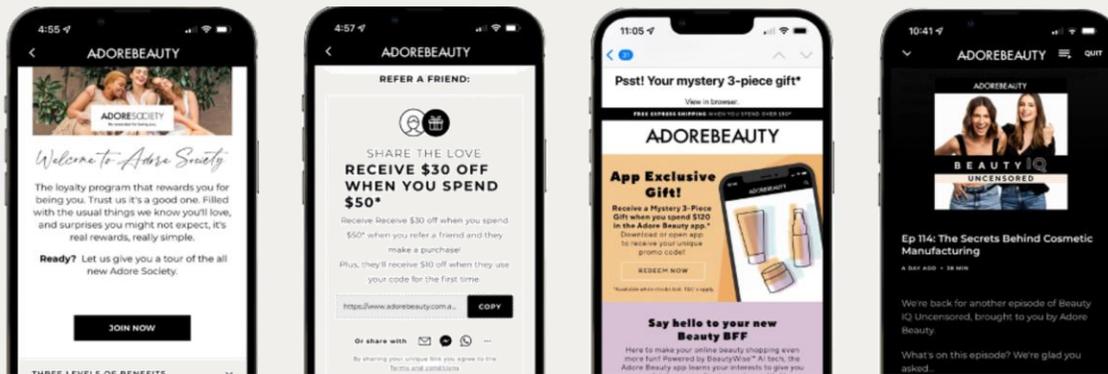
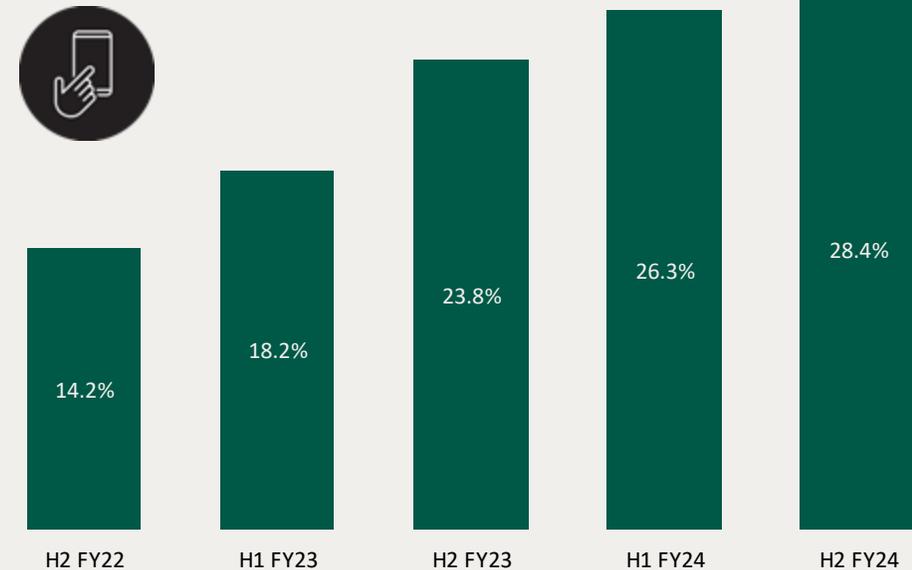
496k

APP downloads

4.8/5

APP rating¹

Mobile app sales share of revenue



1. iOS app store rating, sourced 16 July 2024, rating based on 18k reviews.
 2. Product sales revenue excludes 'Other Revenue'.

Brand awareness in core demographic now at record 71%

LAUNCHING NEW BRAND CAMPAIGN AND TWO RETAIL CONCEPT STORES IN FY25

- Brand awareness in core demographic improves to a record 71%¹ in August 2024, up from 62% for the same period last year
 - Benefitting from investment in targeted brand campaigns
 - New brand campaign launching today
- Partnering with complementary brands/businesses
- Store leases signed at Southland and Watergardens shopping centres, Victoria
 - 150-160 sqm footprint
 - Physical presence to support brand awareness, new customer acquisition
 - Concept stores expected to be profitable



1. Pureprofile results August 2024, Prompted Awareness AU female 25-45, Adore Beauty 71%. Sample taken by third-party brand tracker. Pureprofile, a randomised consumer research panel made up of minimum 2500 Australian females aged 18-65, providing representation of the Australian public.

Private label growth – new products, categories and channels

FIRST COSMETICS RANGE AND INCREASED DISTRIBUTION



- Adore’s private label offering has grown to 61 products across its ‘Adore Beauty’, ‘AB LAB’ and ‘Viviology’ brands, up from 38 last year
 - Gross margins substantially higher than third party brands
 - Range expansion to continue in FY25
- Launched first cosmetics range under AB LAB brand
 - New products include skin primer, hydrating lip oil, and lip and cheek multi-stick
 - Range receiving positive customer feedback
- Increased distribution of private label - trial clinic distribution agreement for Viviology
 - Viviology range being rolled out in partnership with Advanced Cosmeceuticals to clinics
 - Supports brand awareness, engagement and consumer trial

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Comprehensive brand and product portfolio

38 NEW BRANDS ADDED IN FY24; GROWING ADJACENT CATEGORIES

- Total range portfolio now consists of over 300 brands
- 23 brands onboarded in H2 FY24
- Acquired iKOU in July 2024
- Skincare, fragrance and haircare represented majority of new brands
- Building adjacent product categories to enhance customer proposition
 - Fragrance sales increased 30% on PCP; cosmetics also recording double-digit annual growth
 - Three new teen brands launched, including allkinds and tbh
 - Strategy supports convenience, caters to demographic buying for the household



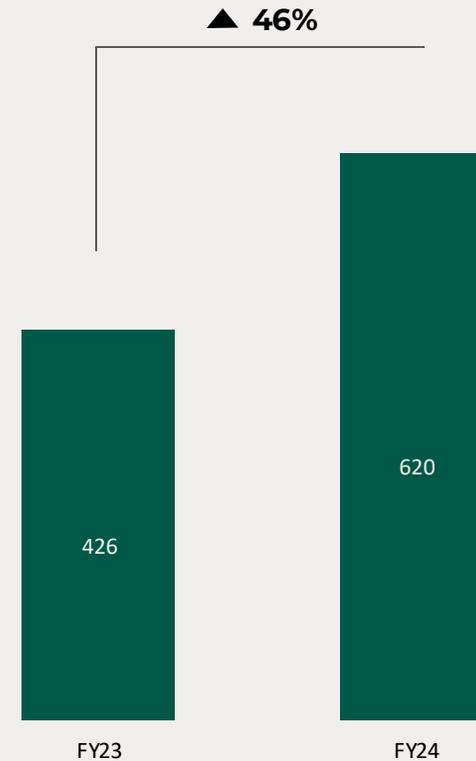
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Retail media revenue doubles to \$4 million

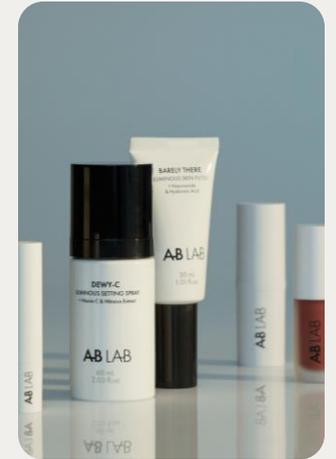
SUPPORTS MARGIN EXPANSION

- Content-driven impressions¹ increased 46% on the PCP, driving growth in retail trade media and brand advertising
 - 7 million downloads² across nine podcasts
 - Beauty IQ Uncensored revamped with additional episodes and guest hosts
 - The Adore Podcast won best branded podcast in the Australian Podcast Awards in November 2023
 - Growing TikTok, Instagram, YouTube and Facebook communities
- Dedicated team to grow retail media revenue, leveraging existing marketing assets and customer base
- High margin retail media supports Group profitability

Content driven impressions¹ (million)



ADOREBEAUTY
GROUP



¹ Content-driven impressions measures total consumption of podcast episodes, social content views (Instagram, Facebook, YouTube and TikTok) including videos, posts, articles, tutorials and educational longer form videos.
² Downloads since launch to 30 June 2024. Source Omny podcast platform.

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Operational improvements drive efficiency

MORE EFFECTIVE MARKETING, COST OPTIMISATION, AI & TECH UPGRADES

- More efficient marketing, focused on cost-effective re-targeting of existing, lapsing and lapsed customers plus profitable new customer acquisition
 - Leveraging growing owned marketing channels – SEO, email, direct
 - Increased effectiveness of owned channels, scaling SMS and MMS
 - New framework to measure performance across channels
- Growth in app adoption improving customer loyalty, and increasing direct traffic
- Implemented new AI technology to automate processes and identify largest growth opportunities
 - Personalised customer communications and offers
 - Launched ABi chatbot to improve efficiency
- Technology upgrades improving site speed and supporting conversion
- Changes to customer fulfilment centre shift structure and renegotiated supplier and freight terms also delivering cost savings



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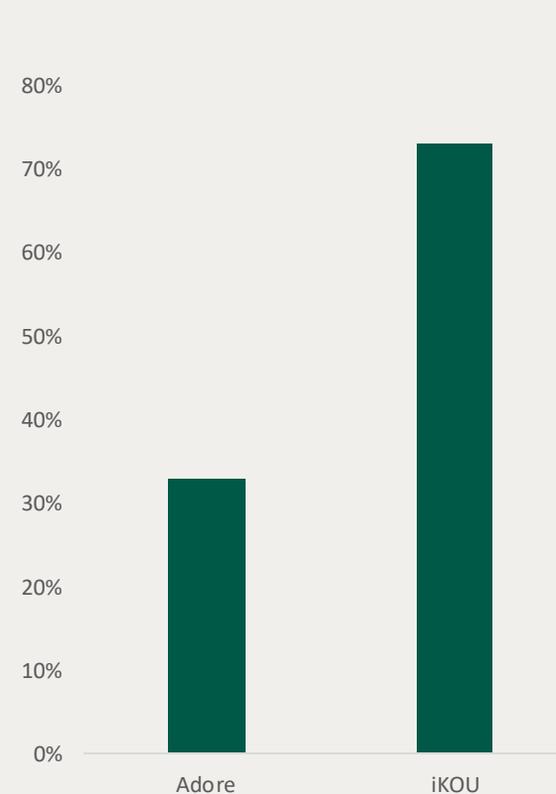
iKOU acquisition

iKOU to deliver sales growth and margin expansion

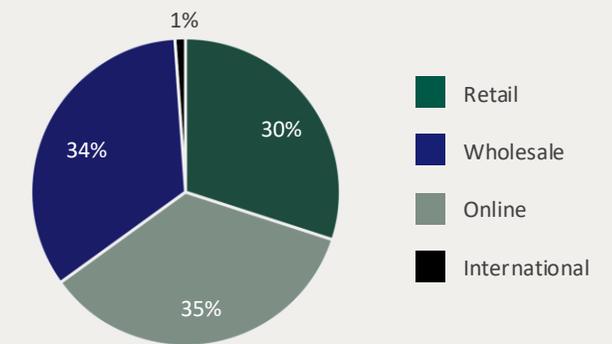
PREMIUM BEAUTY AND WELLNESS BRAND WITH SIGNIFICANT UNREALISED GROWTH POTENTIAL

- Completed acquisition of iKOU on 31 July 2024
- Established Australian beauty and wellness brand with premium, clean beauty positioning
- FY24 sales \$8.1m¹, EBITDA \$2m¹, EBITDA margin c.25%¹
- Strong strategic fit, accelerating private label & revenue growth, supporting longer term stated EBITDA targets and profitability
 - Attractive iKOU gross profit margin of 73%² versus Adore Beauty 33%
- Broad range >300 SKUs, primarily in high-margin categories
 - High average order values (\$130+)³ from loyal, repeat customer base
- Revenue diversified across channels and products
- Shared core customer profile with Adore Beauty – female 25-50 years old
- Constrained growth in recent years due to founder health issues

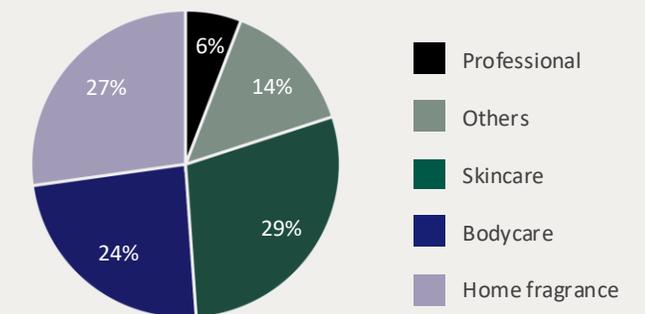
GP Margin %



Revenue by channel LTM24



Revenue by category LTM24

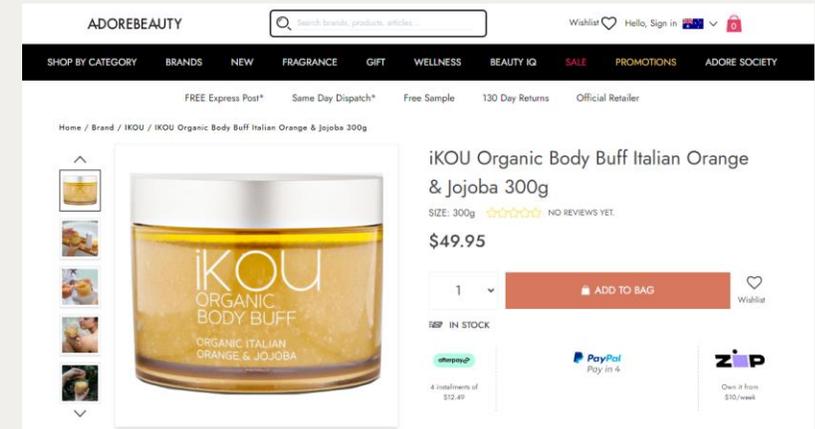


1. Provided by iKOU management through their legal representatives (PwC) on 12 July 2024
 2. Financial due diligence report dated 19 June 2024, iKOU gross margin percent of adjusted sales LTM24 (ended Feb 24)
 3. Financial due diligence report dated 19 June 2024, Average order value for the historical period FY22 to YTD Feb 2024
 4. Pie charts source: Financial due diligence report dated 19 June 2024, LTM24 (ended Feb 24)

Multiple opportunities to cost-effectively grow iKOU

COMPLEMENTARY EXPERTISE ENHANCES ADORE BEAUTY'S GROWTH AVENUES

- Multiple growth opportunities for iKOU with benefits in FY25 and beyond:
 - Geographical expansion - NSW-centric business with immediate opportunity to replicate this success across Australia
 - Leverage Adore Beauty's platform - 814k active customer base, and marketing capabilities to quickly and cost-effectively grow brand awareness and sales
 - Retail footprint
 - Range expansion - new products in de-stress and haircare
 - International - planned growth in New Zealand and Japan, exploring other markets
- Shared growth opportunities across the combined business:
 - Group learnings and synergies
 - Leverage iKOU's:
 - Wholesale network to increase availability of Adore Beauty's private label brands
 - Retail expertise / footprint
 - NPD capability to support Adore Beauty's private label portfolio
 - Leverage Adore Beauty's:
 - Scale, capacity to partner and grow brands, reach, marketing and digital strength
 - Operational capabilities and infrastructure / systems



iKOU growth plan

PLAN TO SIGNIFICANTLY SCALE THE BUSINESS ALREADY UNDERWAY, TARGETING \$10 MILLION IN REVENUE IN THE FIRST YEAR OF OWNERSHIP AND TO MORE THAN DOUBLE REVENUE BY FY27

	ONLINE	WHOLESALE & INTERNATIONAL	RETAIL
PRESENT	Direct-to-consumer (D2C) Australian website, customer database, and social media presence	More than 200 wholesale customers ¹ across retail stores, luxury hotels and spas (e.g. selected Langham, Park Hyatt and Pullman hotels)	Three NSW stores (Sydney QVB, Byron Bay, Leura, Blue Mountains); stores are profitable and capital light
GROWTH OPPORTUNITIES	<ul style="list-style-type: none"> ▪ iKOU on Adore Beauty platform (previously not ranged), top 40 SKUs already launched ▪ Leverage Adore Beauty’s audience reach and scale through platform, retail media, customer database and owned channels ▪ Increase traffic to iKOU D2C site ▪ Expand into New Zealand - minimal presence currently 	<ul style="list-style-type: none"> ▪ Shared wholesale opportunities for Adore Beauty and iKOU ▪ Drive wholesale opportunities outside of NSW ▪ Grow international opportunities, new markets including Japan 	<ul style="list-style-type: none"> ▪ Grow LFL sales in existing stores ▪ Create iKOU brand presence in Adore Beauty stores, launching H2 FY25 ▪ Trial iKOU services in treatment room within Adore Beauty store concept ▪ iKOU store rollout, initially focused on VIC and QLD (FY26)

1. Financial due diligence report dated 19 June 2024, LTM24 (ended Feb 24)

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iKOU integration strategy and synergies

EARLY OPPORTUNITIES IDENTIFIED

- iKOU integration aligned to Adore Beauty's three-pillar growth strategy – customer centricity, further building the brand, and operational optimisation
- Full operational and integration plan underway - efficiency and effectiveness opportunities, led internally and supported by KPMG
- Significant scope for synergies – operational, product, marketing, distribution
- Integration execution managed by experienced iKOU General Manager, who has run the business for several years, in conjunction with Adore Beauty's Chief Operating Officer
- Founder Naomi Whitfeld retained in a consultancy capacity
- Successful integration a key KPI for the business

Confidence in plan and leadership

- ✓ Adore Beauty has proven track record building third-party and owned brands
- ✓ Adore Beauty has strong retail media and marketing capabilities to drive iKOU brand awareness, sales
- ✓ iKOU's existing capability in retail and wholesale accelerates Adore Beauty's strategy
- ✓ iKOU leadership fully supported by Adore Beauty



Key drivers of EBITDA margin expansion

AREAS OF FOCUS

Revenue growth



Increased brand awareness and scale



Retail stores



Range expansion



Initiatives to target higher AOV and AOF



Retail media

Improve gross profit margin



Owned brands with higher margins



Pricing and promotional review



Partner support



Attractive adjacency expansion

Business optimisation



Cost optimisation program



Improved marketing effectiveness, growing owned media channels

Well-positioned for further growth

OUTLOOK

- Positive sales trajectory continues; total revenue in the first seven weeks of FY25¹ up 7.0% on PCP
- IKOU integration to drive sales growth and margin expansion
- Operational efficiencies and disciplined cost management initiatives to continue in FY25
- Large addressable market, operating within Australia's resilient \$13.9 billion beauty and personal care category
- Whilst trading has been resilient, challenging conditions expected to remain amid cost-of-living pressures and subdued consumer sentiment
- Targeting EBITDA margin of 4-5% in FY25



1. Based on unaudited management accounts. Comparison period is 1 Jul – 18 Aug 2024 against PCP.

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Questions

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