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ADAIRS LIMITED | ASX: ADH

24 August 2026

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Manager

Adairs Limited — FY26 Full Year Results Presentation

Please find attached for immediate release to the market the FY26 Full Year Results Presentation for Adairs Limited.

Adairs will host an analyst and investor call today at which the presentation will be discussed:

ANALYST AND INVESTOR CALL
Monday 24 August 2026, 11:00am (AEST)
Speakers: Elle Roseby (Managing Director & Group CEO) and Matt Edmonds (Group CFO)
Dial-in and webcast details: www.investors.adairs.com.au

The presentation should be read together with the Appendix 4E and the 2026 Annual Report, each given to ASX today, and with the disclaimer set out at the back of the presentation.

This announcement is authorised for release to the market by the Board of Adairs Limited.

Yours faithfully,

Matt Edmonds
Group Chief Financial Officer & Joint Company Secretary

FOR MORE INFORMATION

Investors
Matt Edmonds
Group Chief Financial Officer
E: investor.relations@adairs.com.au

Company Secretariat
Eryl Baron
Joint Company Secretary
ASX communications contact (LR 12.6)

Adairs: Bondi Junction, NSW

Adairs Limited
FY26 Results Presentation

24 August 2026

Elle Roseby

Group Chief Executive Officer & Managing Director

Matt Edmonds

Group Chief Financial Officer

Presentation Contents

SECTION 01

Group Overview

FY26 Group Performance

A resilient result: Sales increased +3.8%, underlying earnings held, net debt reduced by $20m, full year dividends increased +9.5% to 11.5cps

Group sales performance
- Sales: Group $641.7m (up +3.8% on FY25), FY24-26 CAGR Adairs +5.4%; Mocka +17.7%.
- Sales channel split: in-store sales +0.1%, online +12.6%.
- Online sales now comprise 32.6% of total Group sales (FY25: 30.1%).

Group earnings performance
- Underlying EBITDA $68.7m (+1.0%), Underlying EBIT $55.0m (-0.4%).
- Cash realisation ratio of ~120%.
- Underlying NPAT $34.6m (+1.7%), Statutory NPAT loss of -$39.4m.
- Statutory to underlying adjustments are primarily non-cash.

Adairs: **(Sales +3.9% , U/L EBIT +14.9%)**
- Elevating product, improving margins, growing earnings and simplifying operations.
- Vision 2030 strategy gaining traction, with customers responding well to range elevation.
- NZ market exited and ERP upgrade advancing well.

Mocka: **(Sales +22.9% , U/L EBIT +32.1%)**
- Another strong year of double-digit growth.
- Customers responding to new ranges and category expansion, with the refined pricing strategy supporting margins.
- Standalone physical retail trial commenced in June.

Focus on Furniture: **(Sales -5.6% , U/L EBIT -67.6%)**
- Leadership transition implemented and turnaround underway.
- Q4 execution issues exacerbated challenges in a softer market for larger-ticket goods, with a clear plan established to remediate these issues and improve execution and customer offering.

Balance sheet and dividends
- Net debt of $47.6m, down $20m on FY25.
- Final dividend of 6.0 cps fully franked, bringing total FY26 dividends to 11.5 cps (+9.5%).

Group Overview and Performance

Three brands at three different stages — Adairs growing profitably, Mocka scaling fast, Focus on Furniture in turnaround

adairs

HOME FURNISHINGS & DÉCOR

Leading omnichannel specialty retailer of home furnishings and décor. Core ranges: bedroom, bathroom, homewares, kids, furniture and gifting.

SALES	$459.2m	+3.9% vs FY25
U/L EBIT	$41.1m	+14.9% vs FY25
ONLINE SALES (%)	28.8 %	+140bps vs FY25
GROSS MARGIN	60.9%	−10bps vs FY25

Mocka.

HOME & LIVING

Design-led home and living retailer, online-led with an emerging physical store presence as a deliberate test-and-learn.

SALES	$71.2m	+22.9% vs FY25
U/L EBIT	$10.1m	+32.1% vs FY25
ONLINE SALES (%)	97.5 %	−120bps vs FY25 (first store)
GROSS MARGIN	60.2%	+80bps vs FY25

focus on furniture & bedding

FURNITURE & BEDDING

Affordable quality furniture and bedding retailer.

SALES	$111.3m	-5.6% vs FY25
U/L EBIT	$3.8m	-67.6% vs FY25
ONLINE SALES (%)	6.7 %	+10bps vs FY25
GROSS MARGIN	50.4%	−40bps vs FY25

Focus on Furniture: What happened in H2, and specifically in Q4

FY26 was a year of two phases: delivered sales broadly flat through Q1–Q3 (+0.2%), then a sharp Q4 decline (-25.5%) driven by two distinct but controllable issues management are actively correcting.

TWO PROBLEMS DROVE THE H2 DECLINE...	...AND THE SHORT-TERM RESPONSE — COMPLETE OR LANDING BY OCTOBER 2026
1. A difficult leadership transition in Q3 • Previous executive team departed the business by Q3. • This significant management transition occurred with limited handover, leaving the incoming team with reduced visibility of inventory planning, operating processes and management information. • Decisions taken in Q3 interrupted inventory ordering — reducing product availability and extending delivery lead times. Over-tightened discounting discretion and blunt promotional execution disrupted written and delivered sales through Q4.	**A sustainable management structure — in place** • New divisional CEO commenced November 2025; operating visibility and commercial disciplines rebuilt under Group standards, with Group executive oversight and a strengthened Business Unit Advisory Committee (including NED participation). **Ordering re-established. Availability rebuilding - in place** • Ordering cadence reinstated through April–May 2026 with improved demand forecasting; inbound stock restoring availability and lead times to normal through Q2 FY27. **Discounting discretion restored — in place** • Returned to store teams under clear governance, with sharp promotional price points reinstated across the major trading events.
2. A stale range and under-investment in store presentation • A multi-year trend of gradual market-share decline reflected insufficient evolution of product range, marketing and in-store presentation — correcting this is the primary lever in the long-term turnaround plan. • The value for money, availability and quality for which Focus on Furniture is known will remain genuine strengths; however, the range has fallen behind customer expectations on design, fashionability and variety.	**First new ranges land across Q2** • New collections in stores from October 2026 — the first of regular monthly injections through FY27 — with clear category price architecture and a broader supplier base. **Store presentation reset — underway** • Standardised visual merchandising in progress across the majority of stores; the upgraded Frankston format outperformed the network and is the refurbishment template. **Selling capability rebuilding — underway** • Structured selling program and re-vitalized incentives with coaching in rollout.

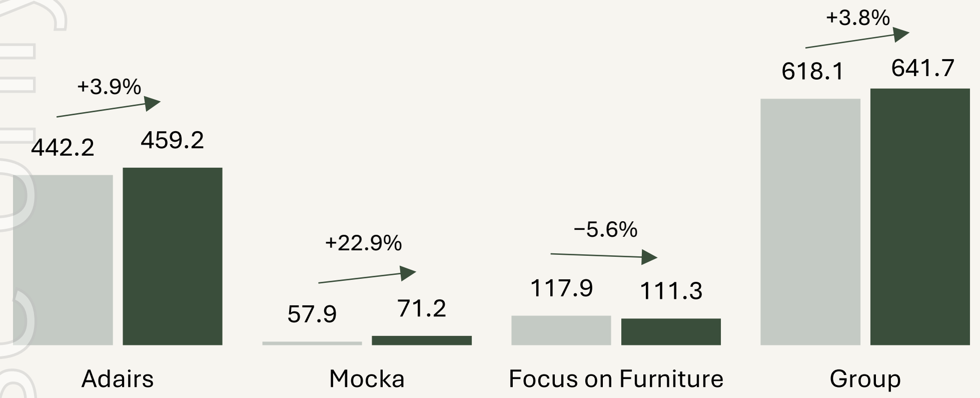
SECTION 02

FY26 Financials

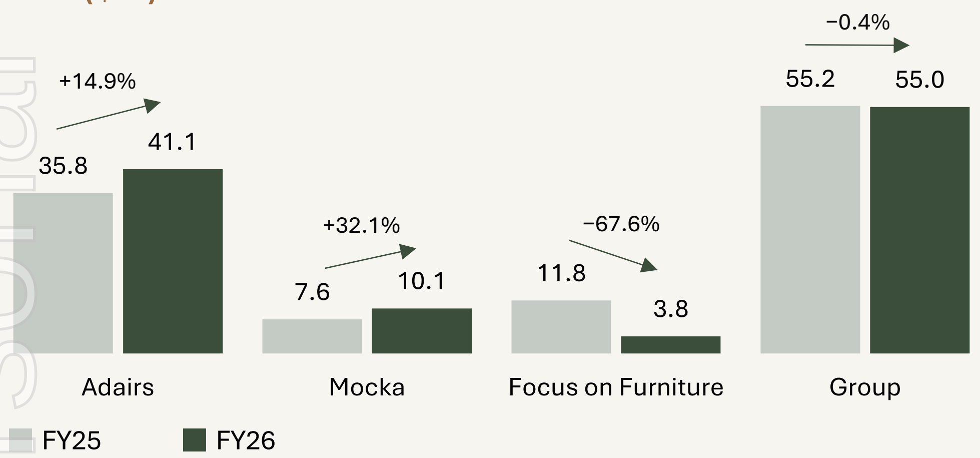
Group Performance

Adairs and Mocka now generate over 90% of Group earnings — and both showing strong growth

REVENUE ($m)



EBIT ($m)



($m)	FY26 52 weeks	FY25 52 weeks	Change ($m)	Change (%)
Total Sales				
Adairs	459.2	442.2	+17.0	+3.9%
Mocka	71.2	57.9	+13.3	+22.9%
Focus on Furniture	111.3	117.9	-6.6	-5.6%
Group	**641.7**	**618.1**	**+23.6**	**+3.8%**
Underlying EBIT				
Adairs	41.1	35.8	+5.3	+14.9%
Mocka	10.1	7.6	+2.4	+32.1%
Focus on Furniture	3.8	11.8	-8.0	-67.6%
Group	55.0	55.2	-0.2	-0.4%
Underlying EBIT Margin				
Adairs	9.0%	8.1%		+90bps
Mocka	14.1%	13.1%		+100bps
Focus on Furniture	3.4%	10.0%		-660bps
Group	8.6%	8.9%		-30bps

Group Income Statement

Gross margin strengthened through the second half as pricing discipline took hold at Adairs and Mocka

Commentary

- **Net closure of 6 stores** (194 to 188; refer Appendix 6) – disciplined portfolio management (includes 8 closed in Adairs NZ).
- **Total sales** up +3.8% to $641.7m, online +12.6% (+$23.3m) with store sales broadly flat – online is now 32.6% of Group sales (FY25: 30.1%).
- **Gross margin** of 59.0%, up +10bps – pricing discipline and reduced promotional depth at Adairs and Mocka offset Focus clearance activity and a weaker AUD.
- **Total CODB** up +4.7% (% of sales: +40bps) – rent indexation, the annualised cost of the new Adairs & Focus support offices and capability investment, partly offset by warehouse productivity (warehouse costs −0.5% against +3.8% sales growth).
- **Underlying EBITDA** of $68.7m (+1.0%); depreciation +7.0% on DC and store investment took **Underlying EBIT** to $55.0m (−0.4%).
- **Statutory EPS (loss)** of -22.2 cents reflects $73.9m of post-tax significant items – predominantly the non-cash Focus on Furniture impairment (Appendix 1).

(1) Total CODB calculated as Other CODB + Warehouse and Delivery Costs

($m) Underlying	FY26 52 weeks	FY25 52 weeks	Change ($'m)	Change (%)
Store sales	432.5	432.2	+0.3	+0.1%
Online sales	209.2	185.9	+23.3	+12.6%
Total sales	**641.7**	**618.1**	**+23.6**	**+3.8%**
Gross margin	**378.8**	**364.1**	**+14.7**	**+4.0%**
% to sales	*59.0%*	*58.9%*		*+10bps*
Warehouse costs	(37.2)	(37.3)	+0.1	-0.5%
Delivery costs	(39.5)	(37.5)	-2.0	+5.4%
Gross profit	**302.2**	**289.3**	**+12.9**	**+4.4%**
% to sales	*47.1%*	*46.8%*		*+30bps*
Other CODB	(233.5)	(221.3)	+12.2	+5.5%
% to sales	*36.4%*	*35.8%*		*+60bps*
Total CODB [1]	*(310.2)*	*(296.1)*	*-14.1*	*+4.7%*
% to sales	*48.3%*	*47.9%*		*+40bps*
EBITDA	**68.7**	**68.0**	**+0.7**	**+1.0%**
Depreciation	(13.7)	(12.8)	-0.9	+7.0%
Underlying EBIT	**55.0**	**55.2**	**-0.2**	**-0.4%**
% to sales	*8.6%*	*8.9%*		*-30bps*
Interest	(5.9)	(6.9)	+1.0	-14.7%
Tax	(14.6)	(14.3)	-0.2	+1.7%
Underlying NPAT	**34.6**	**34.0**	**+0.6**	**+1.7%**
Statutory EPS (cents)	(22.2)	14.6	n.m.	n.m.
Underlying EPS (cents)	19.5	19.3	+0.2	+1.0%
Dividends per share (cents)	11.5	10.5	+1.0	+9.5%

Group Balance Sheet

Net debt at its lowest level in four years, at 0.7x underlying EBITDA

Commentary

Inventories

- Closing inventory of $91.2m, down -5.0%; clean position entering FY27 after the Adairs Q1 clearance reset and Focus on Furniture H2 aged-stock clearance.
- Net investment in inventory[1] reduced by $10.3m.

Capital and Project Expenditure

- Capex of $15.6m plus $15.7m of expensed SaaS / ERP project spend – $31.3m total cash investment, weighted to the ERP build.

Net Debt and Facilities

- Net debt $47.6m (Jun-25: $67.6m); 0.7x Underlying EBITDA. Facilities of $135m; $59.0m drawn.

Dividend and Dividend Reinvestment Plan

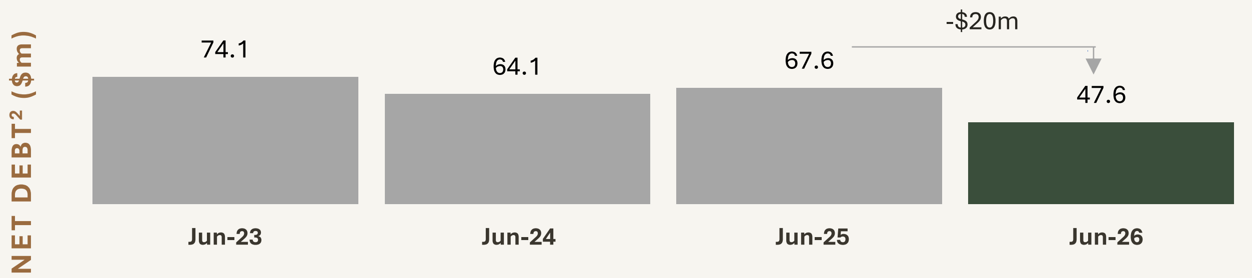
- FY26 dividends of 11.5cps fully franked (Final Dividend 6.0 cps) – 59% of Underlying NPAT. DRP available.

Cash Flow and Capital Discipline

- Underlying operating cash flow of $65.0m; $17.0m of debt repaid, $13.4m of dividends paid.

(1) Inventories less trade creditors and other payables; (2) Net debt excludes lease liabilities

($m)	Jun-26	Jun-25	Jun-24
Inventories	91.2	96.0	83.7
Trade and other payables	(63.4)	(57.9)	(52.4)
Deferred revenue	(20.8)	(21.3)	(21.5)
Property, plant and equipment	39.0	39.1	38.3
Intangibles	215.1	281.7	282.6
Right-of-use assets	199.8	209.6	175.5
Lease liabilities	(230.9)	(236.4)	(198.9)
Deferred tax liabilities	(1.7)	(14.2)	(17.7)
Net other assets and liabilities	(9.3)	(3.8)	(2.0)
Total funds employed	**219.0**	**292.7**	**287.6**
Borrowings	(59.0)	(76.0)	(77.0)
Cash	11.4	8.4	12.9
Net debt	**(47.6)**	**(67.6)**	**(64.1)**
Equity	**171.4**	**225.2**	**223.4**



Significant Items

Non-cash write-downs drove the statutory loss — the operating business remained solidly profitable and cash generation was strong

Commentary

Focus on Furniture impairment

- Underperformance accelerated through H2 FY26, and the business turnaround is now expected to be a two-year programme.
- $63.5m (pre-tax) impairment charge recorded against goodwill and brand intangible assets. No impact on cash flow or banking covenants.

Adairs New Zealand Exit

- In March 2026, Adairs decided to exit its New Zealand operations, including closing all stores and ceasing online deliveries.
- In FY26, Adairs New Zealand contributed revenue of $12.8m and an Underlying EBIT loss of -$0.8m (prior to exit costs).

Technology upgrade

- Non-recurring development costs for the Adairs data and technology (ERP) upgrade – SaaS related project costs expensed as incurred (consistent with prior periods).
- Total costs of $18.6m (pre-tax) in FY26 include $15.7m of development expenditure and $2.8m of legacy asset write-offs.

Underlying to statutory NPAT bridge

($m)	*Pre-tax*	FY26
Underlying NPAT		**34.6**
Focus on Furniture impairment	*(63.5)*	(56.7)
Adairs NZ exit costs	*(2.5)*	(1.8)
Technology upgrade (SaaS project costs)	*(18.6)*	(13.0)
AASB 16 *Leases* impact	*(3.4)*	(2.4)
Statutory NPAT		**(39.4)**
Statutory EPS (cents)		**(22.2)**
Underlying EPS (cents)		**19.5**


Mocka: Maroochydore, QLD

SECTION 03

FY26 Brand Performance

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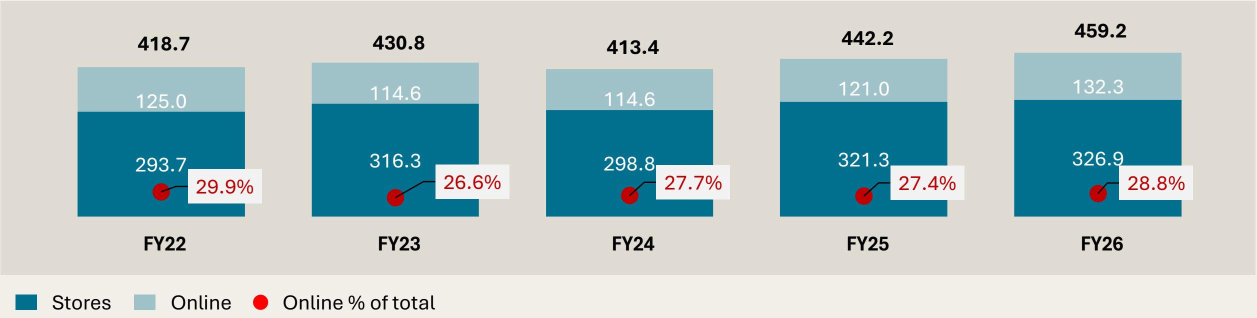
Adairs: FY26 Financial Performance

Second-half gross margin up +150bps on last year — the Q1 clearance impact fully recovered.

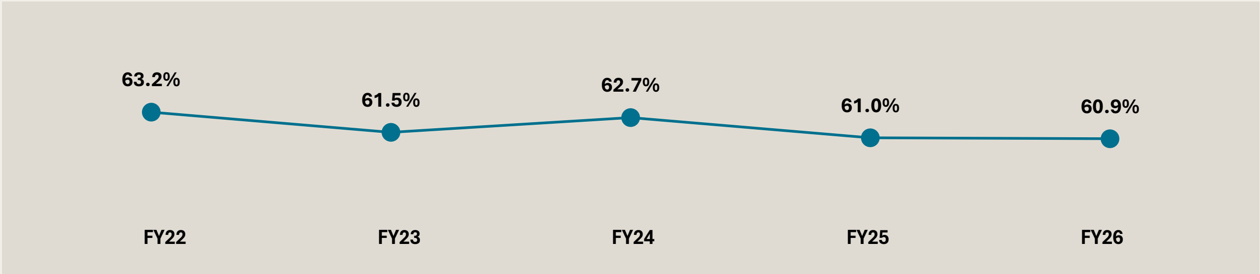
Commentary

- **Total sales of $459.2m, up +3.9**% (H1: +4.0%; H2: +3.6%). Online 28.8% of total sales.
- **Contemporary product transformation** and big moments driving growth in core product categories.
- **Gross margin of 60.9%**, −10bps on FY25. Q1 declined -300bps from heavy clearance activity, recovering each quarter thereafter (H2: +150 bps).
- **Total CODB% −100bps**, warehouse (cost per unit down -11%) and store productivity offset higher rents, customer delivery costs.
- **Underlying EBIT of $41.1m (+14.9%).** Underlying EBIT margin of 9.0%, up +90bps – more than recovering the Q1 clearance impact (**2H EBIT grew +48.9% on FY25**).
- Linen Lovers steady at ~1m paying members contributing >80% of sales.
- **Store of the Future performing strongly** and providing blue-print for application to new and refurbished stores.

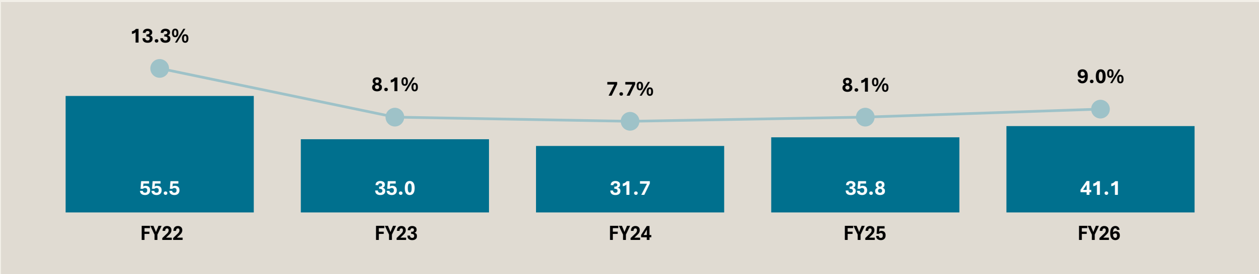
Sales ($m)



Gross margin



EBIT and EBIT margin



adairs

Adairs: Profit and Loss Statement

($m)	FY26	FY25	Change ($m)	Change (%)
Store sales	326.9	321.3	+5.6	+1.8%
Online sales	132.3	121.0	+11.3	+9.4%
Total sales[1]	**459.2**	**442.2**	**+17.0**	**+3.9%**
% Online sales	*28.8%*	*27.4%*		*+140bps*
Gross margin	**279.8**	**269.9**	**+10.0**	**+3.7%**
% to sales	*60.9%*	*61.0%*		*-10bps*
Warehouse costs	(24.3)	(26.3)	-2.0	-7.8%
Delivery costs	(22.4)	(22.3)	+0.1	+0.6%
Gross profit	**233.2**	**221.3**	**+11.9**	**+5.4%**
% to sales	*50.8%*	*50.0%*		*+80bps*
Other CODB	(180.3)	(174.3)	+6.0	+3.4%
% to sales	*39.3%*	*39.4%*		*-10bps*
Total CODB	*(226.9)*	*(222.9)*	*+4.0*	*+1.8%*
% to sales	*49.4%*	*50.4%*		*-100bps*
Underlying EBITDA	**52.9**	**46.9**	**+6.0**	**+12.7%**
Depreciation	(11.8)	(11.1)	+0.6	+5.8%
Underlying EBIT	**41.1**	**35.8**	**+5.3**	**+14.9%**
% to sales	*9.0%*	*8.1%*		*+90bps*
Inventories	66.4	66.1	+0.3	+0.4%

(1) Includes Adairs New Zealand which contributed $12.8m of sales in FY26. Refer to Appendix 4.

Mocka: FY26 Financial Performance

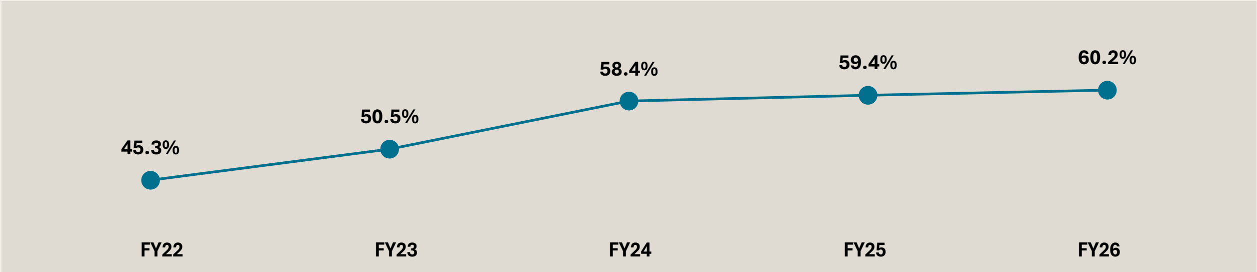
A standout year led by Australia — strong double-digit growth with expanding margin, with New Zealand stabilised.

Commentary

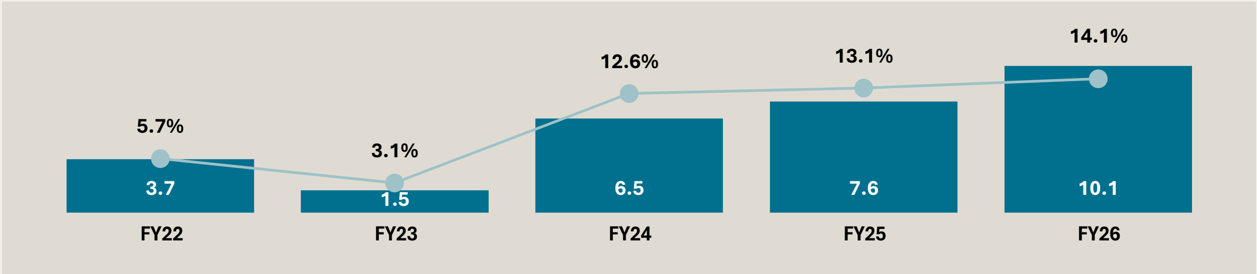
- **Record sales of $71.2m, up +22.9%** (H1: +29.8%; H2: +16.4%) – Australia-led (AU: +38.0%; NZ: +0.4%).
- **New categories** such as outdoor, sofas, youth and lighting are scaling well.
- **Click & Collect live** at Brisbane and Christchurch DCs.
- **98% of orders dispatched in ≤2 days** (FY25: 93%).
- **Gross margin of 60.2% (+80 bps)** – product innovation at higher initial margins and reduced promotional depth and frequency.
- **Total CODB% down -10bps** – warehouse productivity and freight efficiencies funded marketing investment to support growth.
- **Underlying EBIT of $10.1m (+32.1%)**; EBIT margin of 14.1%.
- **First standalone stores opened** – Maroochydore, QLD (June 2026) – Tower Junction, NZ (July 2026).
- **Increased distribution capacity** leveraging Adairs' Truganina DC.

Sales ($m)

Gross margin



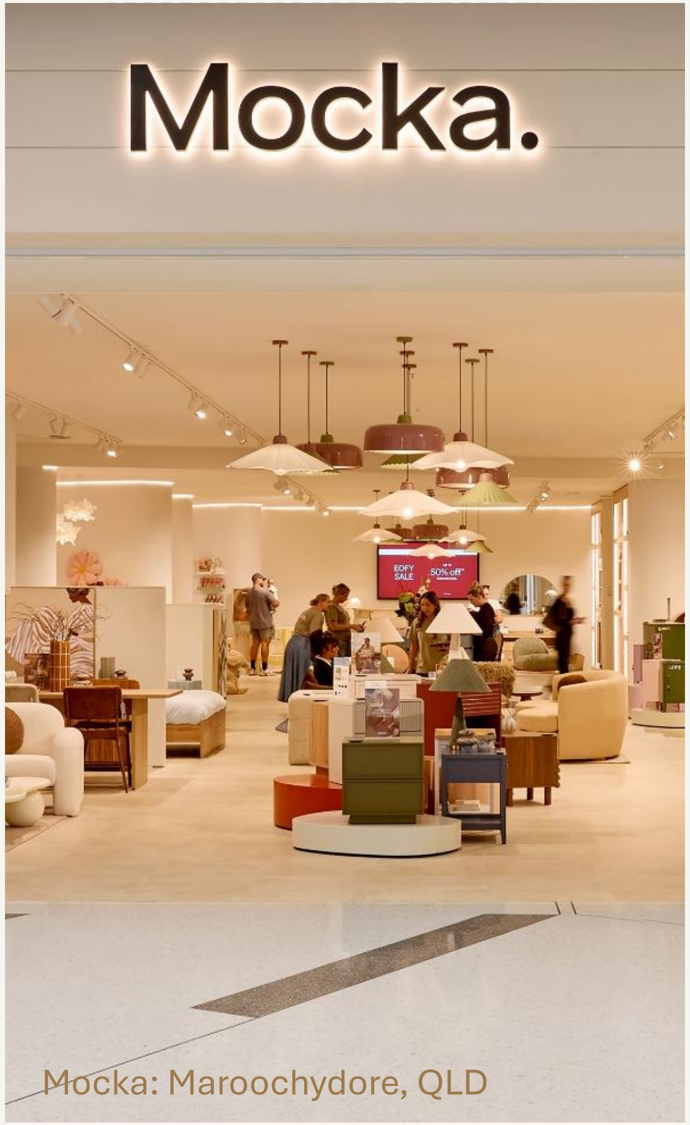
EBIT and EBIT margin



Mocka.

Mocka: Profit and Loss Statement

($m)	FY26	FY25	Change ($m)	Change (%)
Store sales	1.8	0.7	+1.1	+134.4%
Online sales	69.4	57.2	+12.2	+21.4%
Total sales	**71.2**	**57.9**	**+13.3**	**+22.9%**
% Online sales	*97.5%*	*98.7%*		*-120bps*
Gross margin	**42.8**	**34.4**	**+8.4**	**+24.6%**
% to sales	*60.2%*	*59.4%*		*+80bps*
Warehouse costs	(4.8)	(4.3)	+0.5	+9.9%
Delivery costs	(11.4)	(9.3)	+2.1	+22.5%
Gross profit	**26.7**	**20.7**	**+6.0**	**+28.6%**
% to sales	*37.5%*	*35.8%*		*+170bps*
Other CODB	(16.5)	(13.0)	+3.5	+26.8%
% to sales	*23.2%*	*22.5%*		*+70bps*
Total CODB	*(32.7)*	*(26.6)*	*+6.1*	*+22.6%*
% to sales	*45.9%*	*46.0%*		*-10bps*
Underlying EBITDA	**10.2**	**7.7**	**+2.5**	**31.6%**
Depreciation	(0.1)	(0.1)	+0.0	2.0%
Underlying EBIT	**10.1**	**7.6**	**+2.4**	**32.1%**
% to sales	*14.1%*	*13.1%*		*+100bps*
Inventories	11.4	13.4	-2.0	-14.7%



Mocka: Maroochydore, QLD

Focus on Furniture: The Two-Year Turnaround

The same product-led playbook completed at Adairs and Mocka: three pillars, product first, but sustained recovery will take time.

1 The two-year program

Three pillars, sequenced through FY27 and FY28 — product first.

1. **Product and range renewal.**
   - Exclusive, design-led collections from October FY27 with regular monthly newness.
   - Clear category price architecture in place of ad hoc discounting; a broader supplier base.
2. **Brand and customer.**
   - Positioning around stock availability and shorter delivery times, refreshed and updated product, and clearer value and affordability.
   - Refreshed brand messaging and aesthetics, disciplined trade calendar, rebuilt website and upgraded CRM.
3. **Retail execution.** Structured selling skills, a new store incentive scheme, rosters matched to demand, and progressive refurbishment and VM standards to the Frankston-validated format.

2 The expected trajectory

- **H1 FY27 will remain difficult** as the weaker fourth-quarter order book carries into the new financial year and stock availability recovers through H1.
- **Benefits emerge through H2 FY27** and build into FY28 as monthly range newness is implemented and new operating model is bedded down.
- **Store reset and progressive refurbishment** funded within limited business capital expenditure.
- **National roll-out re-initiated post turnaround**. Targeting 40–50 stores over approximately five years, sequenced behind the product reset (27 showrooms today).
- **Website and CRM replatform implemented** with lower cost and proven technologies.

H1 FY27 Stabilise | inventory availability improves, order book rebuilds, first new collections land → H2 FY27 benefits begin to emerge → FY28 Grow

focuson furniture & bedding

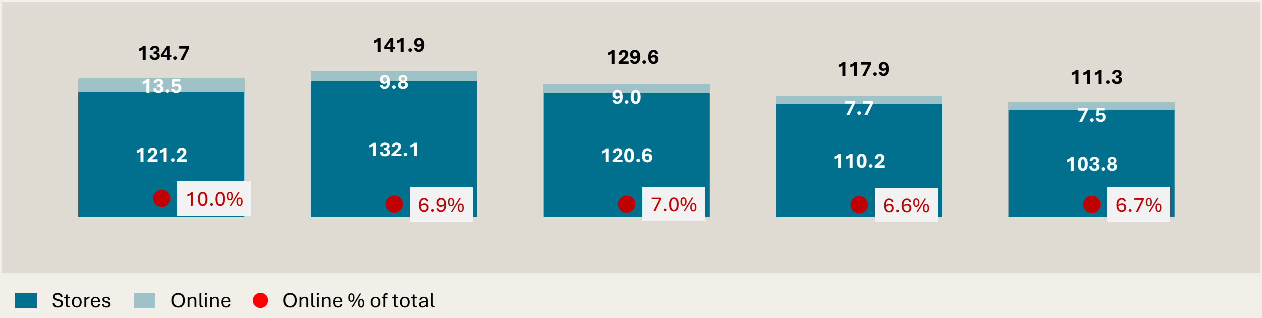
Focus on Furniture: FY26 Financial Performance

A challenging year; difficult leadership transition and under investment in range and stores resulted in sharp Q4 decline

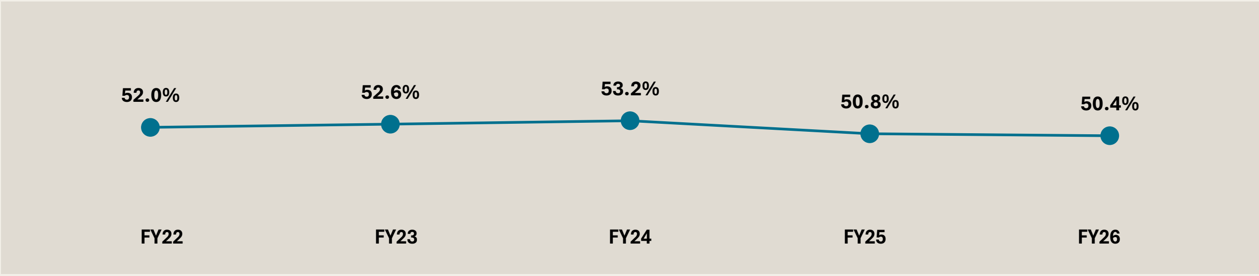
Commentary

- **Total sales of $111.3m (–5.6%)** – promotional periods performed, trade between events remained soft; order book $11.2m at year-end.
- **Refurbished stores** continued to outperform the balance of the portfolio; 1 new store opened (Tuggerah, NSW – March 2026).
- **Gross margin of 50.4% (–40bps)** – supplier cost reductions and Made-to-Order mix largely offset promotional depth and the weaker AUD.
- **Total CODB%** +590bps – deleverage on soft LFL sales plus annualised costs of the new Victorian DC and customer support office.
- **Underlying EBIT of $3.8m (–67.6%).**
- Q4 performance alone accounted for approximately ~$7m of sales decline , ~$4m of earnings decline compared to FY25
- **Non-cash impairment of $63.5m** pre-tax ($56.7m post-tax) recognised at 28 June 2026, writing Focus on Furniture goodwill down to nil.

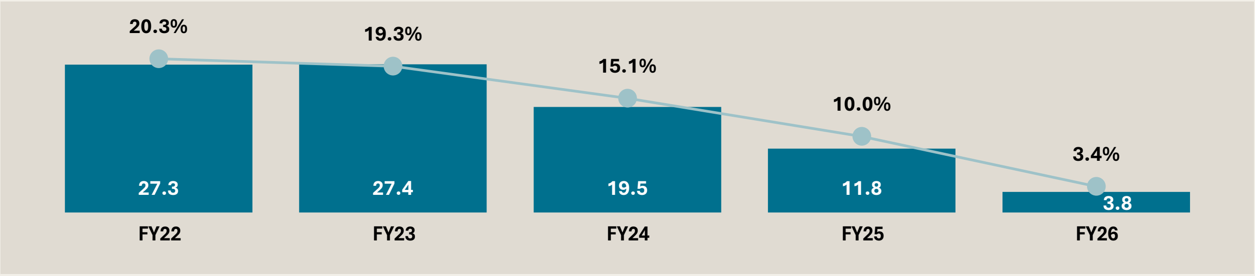
Sales ($m)



Gross margin



EBIT and EBIT margin



Focus on Furniture: Profit and Loss Statement

($m)	FY26	FY25	Change ($m)	Change (%)
Store sales	103.8	110.2	-6.4	-5.8%
Online sales	7.5	7.7	-0.2	-2.9%
Total sales	**111.3**	**117.9**	**-6.6**	**-5.6%**
% Online sales	*6.7%*	*6.6%*		*+10bps*
Gross margin	**56.1**	**59.9**	**-3.8**	**-6.3%**
% to sales	*50.4%*	*50.8%*		*-40bps*
Warehouse costs	(8.2)	(6.7)	+1.5	+21.8%
Delivery costs	(5.7)	(5.9)	-0.2	-3.7%
Gross profit	**42.3**	**47.3**	**-5.0**	**-10.6%**
% to sales	*38.0%*	*40.1%*		*-210bps*
Other CODB	(36.7)	(34.0)	+2.7	+7.9%
% to sales	*32.9%*	*28.8%*		*+410bps*
Total CODB	*(50.5)*	*(46.6)*	*+3.9*	*+8.4%*
% to sales	*45.4%*	*39.5%*		*+590bps*
Underlying EBITDA	**5.6**	**13.3**	**-7.7**	**-57.9%**
Depreciation	(1.8)	(1.5)	-0.3	+19.3%
Underlying EBIT	**3.8**	**11.8**	**-8.0**	**-67.6%**
% to sales	*3.4%*	*10.0%*		*-660bps*
Inventories	13.5	16.6	-3.1	-18.7%

Focus on Furniture: Frankston, VIC

SECTION 04

FY27 Strategy Update

VISION 2030: One framework applied to each business

To be a leading Australasian home furnishing retail group - scaling distinctive, high-performing brands through a disciplined portfolio model that allocates capital, shared capability and expertise where future returns are most compelling

VISION 2030

Inspiring customers through thoughtfully curated collections, delivered seamlessly across physical and digital channels.

WHAT ?

1 Product & brand

- Design-led, exclusive product with contemporary category leadership.
- Winning in the categories we are famous for, and in seasonal Big Moments.
- Pricing discipline over promotional intensity drives profitable, attractive growth.

2 Customer obsession

- Superior sensory instore experience and service.
- Deeper insight, personalisation and social engagement drives customer retention.
- A connected omnichannel experience across stores, online and Click & Collect.

3 Ways of doing business

- Co-ordination: productivity across stores, supply chain and support functions.
- Portfolio discipline: exit what does not earn its place, driving return on capital.
- Leverage: Group expertise across the three brands.

WHY ?

HIGHER & MORE PREDICTABLE MARGINS

Product authority drives greater pricing power and less reliance on discounting, reducing margin volatility.

HIGHER LIFETIME VALUE

Loyalty and data grow transaction value and frequency at lower acquisition cost. This creates a stronger moat and higher margins.

OPERATING LEVERAGE

A decentralised operating model with shared expertise and a co-ordinated approach to common tasks and problems drives margin expansion and supports scaling efficiently.

Enabled by Winning Together through our people, suppliers and communities , by data and technology, and through disciplined financial and capital management

VISION 2030: Business Priorities for FY27–FY28

One framework, tailored by business – prioritising what matters most for each and it's customers

	adairs ELEVATE AND SIMPLIFY	Mocka. GROW AND BUILD CAPABILITY	focus on furniture & bedding RESET AND REJUVENATE
PRODUCT & BRAND	**Elevate**: design authority and quality • Product transformation, revitalising categories • Pricing discipline over promotional intensity • Drive Big Moments trade	**Extend:** design-led omnichannel offering • Expansion: outdoor, sofas, youth, lighting • Brand investment tuned to AU and NZ customers	**Rejuvenate:** a product-led revival of the offer • Accelerate product renewal focused on "on trend" product • Broadening our supplier partnerships to provide greater optionality on pricing and range
CUSTOMER OBSESSION	**Deepen**: loyalty, frequency and lifetime value • Linen Lovers scale; Qantas FF acquisition engine • Store of the Future – expand to Homemaker and large format • Further develop Omni-channel experience	**Broaden:** from digitally-acquired to omni-channel • Prove the store format before scaling it • Service quality held through growth	**Reset:** clarify who we serve and where we win • Reset and differentiate the customer proposition across customer service, store presentation, merchandising, website and targeted marketing
WAYS OF DOING BUSINESS	**Simplify**: cost, complexity and time to decision • Exit what does not earn its place • Store, supply chain and office productivity • Successfully launch Technology Upgrade	**Build to scale:** capability and growth • Leverage Group infrastructure (incl. warehouse) • Range architecture, systems and team	**Restore discipline:** get the operating basics right • Inventory flow and demand forecasting • Store execution and process standards

ENABLED BY

A shared purpose Customer-centric, data-led teams across each brand.	**Vertical omni-channel models** Customers shop when and how it suits them, immersively.	**Our people** Shared expertise, capability and leadership standards.	**Group disciplines** One planning and governance cycle + capital and cost discipline.

SECTION 05

FY27 Trading Update and Outlook

FY27 Trading Update and Outlook

Trading update

First eight weeks	vs FY26
Adairs (Australia)[1]	+0.4%
Mocka[2]	+15.3%
Focus[3]	-27.6%
Group (ex. Adairs NZ)	**-4.5%**

- **Adairs:** There are material timing differences in the first 8 weeks of FY27 with Linen Lover events and cycling last year clearance effects. Internal analysis of the past eight weeks indicates Australian sales are currently tracking at ~2% vs pcp.
- Gross margin is also ahead of prior year given heavy clearance activity in pcp.
- **Mocka:** up +15.3%, momentum continued in Australia. Maroochydore and Tower Junction stores trading in line with expectations. Gross margin moderately above H2 FY26.
- **Focus on Furniture:** down -27.6% on written sales; Order book $11.8m. Inventory and availability issues continue from Q4, expected to recover through Q2 FY27. Gross margin in line with LY.

1) Adairs – real time sales. Last year comparison excludes sales from New Zealand operations, 2) Mocka – real time sales 3) Focus on Furniture – written sales

Outlook

- FY27 focused on improved earnings quality and consistency – moderate gross margin expansion, cost productivity and disciplined capital allocation.
- The new Adairs ERP system goes live in early FY27; implementation risk is being actively managed.
- Mocka has two stores trading and opens a third standalone store by Q3 FY27.
- A difficult H1 FY27 is expected at Focus, with turnaround benefits emerging in H2 FY27.

Property pipeline

- Adairs: 7-10 new stores, 4-6 upsizes/refurbs and 2-5 closures.
- Mocka: 1 new store – Mornington (VIC); further stores contingent on pilot success.
- Focus on Furniture: no new stores, 2 relocations and 5-10 light refreshes.

Capital & FX

- FY27 Group capex up to $25m (FY26: $15.6m); ~50% uncommitted.
- Adairs technology upgrade ~$5m remaining; new ERP run-costs of ~$1.1m p.a. will add to CODB.
- FX: ~75% of FY27 USD hedged at 67.4c (FY26: 66.4c).

SECTION 06

Questions

SECTION 07

Appendices

Reconciliation of underlying to statutory results

FY25 comparatives as published. Underlying measures are non-IFRS and have not been audited or reviewed

	FY26 RECONCILIATION (52 WEEKS)						FY25 RECONCILIATION (52 WEEKS)						
($m)	Underlying FY26	FoF[2] impairment	Adairs NZ exit[3]	ERP / SaaS projects[4]	AASB 16 impact[1]	Statutory FY26	Underlying FY25	WMS transition[5]	ERP / SaaS projects[5]	Leadership transition[5]	Office / DC transition[5]	AASB 16 impact[1]	Statutory FY25
Total sales	**641.7**	**-**	**-**	**-**	**-**	**641.7**	**618.1**	**-**	**-**	**-**	**-**	**-**	**618.1**
Gross profit	**302.2**	**-**	**-**	**-**	**-**	**302.2**	**289.3**	**-**	**-**	**-**	**-**	**-**	**289.3**
Other CODB	(233.5)	-	(2.5)	(18.6)	59.3	(195.3)	(221.3)	(0.8)	(4.4)	(1.6)	(2.1)	55.5	(174.8)
EBITDA	**68.7**	**-**	**(2.5)**	**(18.6)**	**59.3**	**106.9**	**68.0**	**(0.8)**	**(4.4)**	**(1.6)**	**(2.1)**	**55.5**	**114.5**
Depreciation	(13.7)	-	-	-	(48.5)	(62.2)	(12.8)	-	-	-	-	(47.1)	(60.0)
Impairment	-	(63.5)	-	-	-	(63.5)	-	-	-	-	-	-	-
EBIT	**55.0**	**(63.5)**	**(2.5)**	**(18.6)**	**10.8**	**(18.8)**	**55.2**	**(0.8)**	**(4.4)**	**(1.6)**	**(2.1)**	**8.4**	**54.5**
Interest	(5.9)	-	-	-	(14.2)	(20.1)	(6.9)	-	-	-	-	(11.4)	(18.1)
Tax	(14.6)	6.8	0.8	5.6	1.0	(0.4)	(14.3)	0.2	1.3	0.5	0.6	0.9	(10.8)
NPAT	**34.6**	**(56.7)**	**(1.8)**	**(13.0)**	**(2.4)**	**(39.4)**	**34.0**	**(0.6)**	**(3.1)**	**(1.1)**	**(1.5)**	**(2.1)**	**25.7**
EPS (cents)	**19.5**					**(22.2)**	**19.3**						**14.6**
Gross profit %	*47.1%*					*47.1%*	*46.8%*						*46.8%*
EBITDA %	*10.7%*					*16.7%*	*11.0%*						*18.5%*
EBIT %	*8.6%*					*(2.9%)*	*8.9%*						*8.8%*

(1) AASB 16 impact: lease expenses are removed from occupancy expenses (CODB) and replaced with depreciation of lease assets and interest on lease liabilities over the lease term; (2) Focus on Furniture impairment: non-cash impairment of Focus on Furniture goodwill ($41.0m) and brand intangibles ($22.5m); (3) Adairs NZ exit: costs of exiting the New Zealand store network (lease surrender, make-good and asset write-offs). Adairs NZ operating loss remains within underlying earnings; (4) ERP / SaaS costs: SaaS / cloud computing project costs not eligible for capitalisation, including decommissioned software write-offs; (5) FY25 significant items as defined in the FY25 results presentation.

Detailed Profit and Loss Statement

	Adairs	Mocka	Focus	Group			
($m) Underlying[1]	**FY26 52 weeks**	**FY26 52 weeks**	**FY26 52 weeks**	**FY26 52 weeks**	**FY25 52 weeks**	**Change ($m)**	**Change (%)**
Store sales	326.9	1.8	103.8	432.5	432.2	+0.3	+0.1%
Online sales	132.3	69.4	7.5	209.2	185.9	+23.3	+12.6%
Total sales	**459.2**	**71.2**	**111.3**	**641.7**	**618.1**	**+23.6**	**+3.8%**
% Online sales	*28.8%*	*97.5%*	*6.7%*	*32.6%*	*30.1%*		*+250bps*
Gross margin	**279.8**	**42.8**	**56.1**	**378.8**	**364.1**	**+14.7**	**+4.0%**
% to sales	*60.9%*	*60.2%*	*50.4%*	*59.0%*	*58.9%*		*+10bps*
Warehouse costs	(24.3)	(4.8)	(8.2)	(37.2)	(37.3)	+0.1	-0.5%
Delivery costs	(22.4)	(11.4)	(5.7)	(39.5)	(37.5)	-2.0	+5.4%
Gross profit	**233.2**	**26.7**	**42.3**	**302.2**	**289.3**	**+12.9**	**+4.4%**
% to sales	*50.8%*	*37.5%*	*38.0%*	*47.1%*	*46.8%*		*+30bps*
Other CODB	(180.3)	(16.5)	(36.7)	(233.5)	(221.3)	+12.2	+5.5%
% to sales	*39.3%*	*23.2%*	*32.9%*	*36.4%*	*35.8%*		*+60bps*
Total CODB	*(226.9)*	*(32.7)*	*(50.5)*	*(310.2)*	*(296.1)*	*-14.1*	*+4.8%*
% to sales	*49.4%*	*45.9%*	*45.4%*	*48.3%*	*47.9%*		*+40bps*
EBITDA	**52.9**	**10.2**	**5.6**	**68.7**	**68.0**	**+0.7**	**+1.0%**
Depreciation	(11.8)	(0.1)	(1.8)	(13.7)	(12.8)	+0.9	+7.0%
EBIT	**41.1**	**10.1**	**3.8**	**55.0**	**55.2**	**-0.2**	**-0.4%**
% to sales	*9.0%*	*14.1%*	*3.4%*	*8.6%*	*8.9%*		*-30bps*
Interest	-	-	-	(5.9)	(6.9)	+1.0	-14.7%
Tax	-	-	-	(14.6)	(14.3)	-0.2	+1.7%
NPAT	**-**	**-**	**-**	**34.6**	**34.0**	**+0.6**	**+1.7%**
Underlying EPS (cents)	**-**	**-**	**-**	**19.5**	**19.3**		**+1.0%**
Dividends per share (cents)	**-**	**-**	**-**	**11.5**	**10.5**	**+1.0**	**+9.5%**
Inventories	**66.4**	**11.4**	**13.5**	**91.2**	**96.0**	**-4.8**	**-5.0%**

(1) Statutory results adjusted to exclude the Focus on Furniture impairment charge, Adairs NZ exit costs, expensed ERP / SaaS project costs, and the impact of AASB 16

Underlying Cash Flow Statement

Commentary

- Underlying operating cash flow of $65.0m (FY25: $30.4m) – cash realisation of ~120% (Underlying EBITDA).
- Working capital released $14.0m, led by a $4.8m inventory reduction and trade and other payables management across H2.
- Investing cash outflows include $15.7m of expensed SaaS / ERP project spend (a significant item) alongside $15.6m of BAU capital expenditure.
- $17.0m of net borrowings repaid and $13.4m of dividends paid; closing cash of $11.4m and net debt of $47.6m (vs $67.6m in pcp).

Reconciliation from underlying to statutory cash flow

($ million)	Underlying FY26	SaaS impact	AASB 16 impact	Statutory FY26
Opening cash	**8.4**	**-**	**-**	**8.4**
Operating cash flow	65.0	(15.7)	49.0	98.2
Investing cash flow	(31.3)	15.7	-	(15.6)
Financing cash flow	(30.5)		(49.0)	(79.5)
Net cash flow	**3.1**	**-**	**-**	**3.1**
Foreign exchange differences	(0.1)	-	-	(0.1)
Closing cash	**11.4**	**-**	**-**	**11.4**

($ million) underlying	FY26	FY25
Underlying EBITDA	68.7	68.0
Significant items (cash)	(1.1)	(9.0)
Net working capital movement	14.0	(8.7)
Net operating cash flow before income tax and interest	*81.6*	*50.3*
Income tax paid	(10.6)	(13.5)
Net bank interest paid	(6.1)	(6.5)
Net operating cash flow	**65.0**	**30.4**
Capital expenditure	(15.6)	(13.5)
SaaS / ERP project spend (expensed)	(15.7)	–
Net investing cash flow	**(31.3)**	**(13.5)**
Net repayment of borrowings	(17.0)	(1.0)
Dividends paid	(13.4)	(19.7)
Other	(0.1)	(0.6)
Net financing cash flow	**(30.5)**	**(21.3)**
Underlying Net cash flow	**3.1**	**(4.4)**
Foreign exchange differences	(0.1)	0.0
Opening cash	8.4	12.9
Closing cash	**11.4**	**8.4**
Net debt (ex. leases) change	**-20.0**	**+3.5**

Adairs New Zealand exit financial impact and continuing basis view

Adairs NZ contribution ($m)	FY25	Apr-26 LTM	FY26
Gross sales	10.7	10.6	12.8
Gross profit	3.7	3.6	4.4
Gross profit %	34.8%	33.5%	34.6%
Operating result (EBITDA)	(1.0)	(1.2)	(0.3)
Operating result (EBIT)	(1.3)	(1.6)	(0.8)

Closure and exit costs ($m)	FY26 recognised
Net lease modification and surrender costs	0.7
Property, plant and equipment write-off	1.4
Make-good	0.3
Other admin costs	0.1
Total	**2.5**

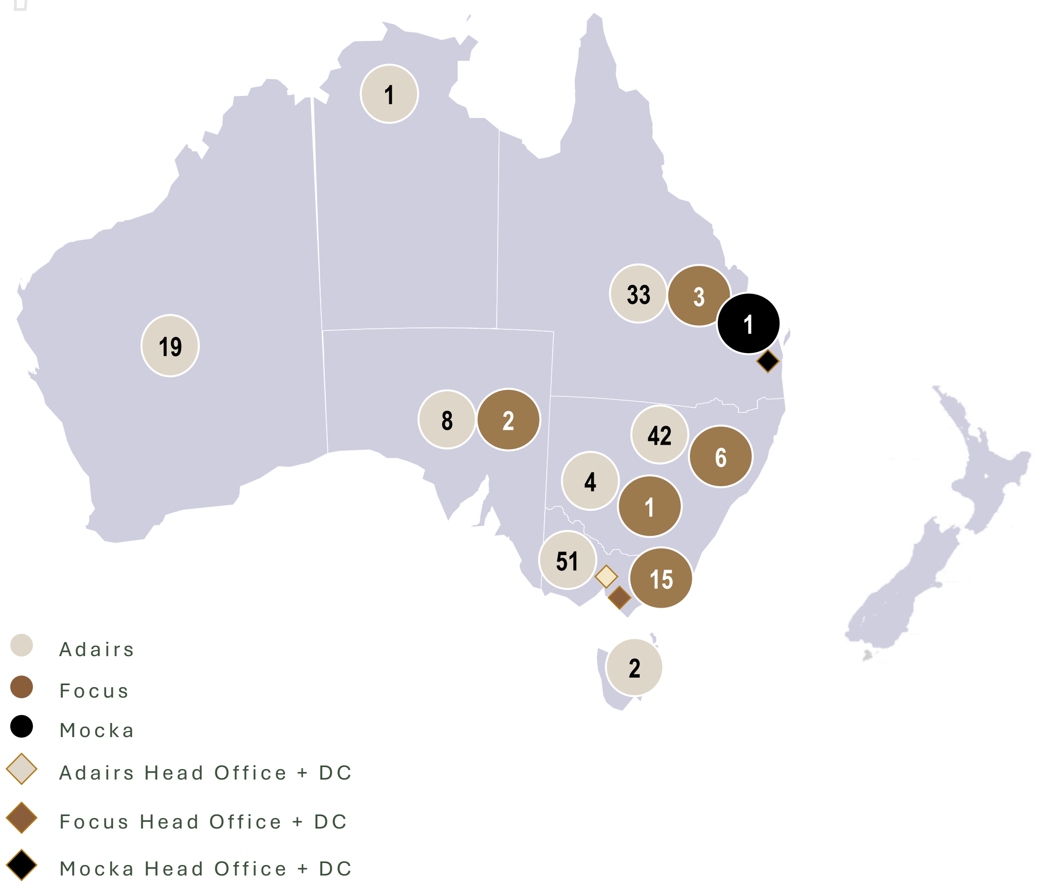
Continuing-basis (ex-Adairs NZ)

- FY26 Group sales ex-Adairs NZ of $629m and FY26 Adairs brand sales ex-Adairs NZ of $446m form the appropriate FY27 comparison base. Reported growth in FY27 will optically soften as c.3% of sales exit the Adairs base as a result of NZ operations closure in FY26.
- The NZ exit announcement triggered a rush of final purchases from Adairs customers and clearance activity to sell-through remaining stock. Adairs NZ was consequently profitable across May-June 2026.
- The Adairs NZ operating result (EBIT) for the 12 months to Apr-26 was a $1.6m loss. The exit is expected to be EBIT accretive to the Group from FY27.
- Net FY26 impact: NZ trading loss plus closure costs recognised in FY26 of $3.3m pre-tax (statutory).
- There is no material tail of further closure cost expected in FY27.

APPENDIX 5

Footprint

EXTENSIVE ANZ PRESENCE



ADAIRS

		FY26 ACTIVITY				
Store count	**Jun 2025**	**New**	**Closed**	**Upsize**	**Refurb**	**Jun 2026**
VIC	50	1	-	-	1	51
NSW	42	2	(2)	2	-	42
QLD	33	-	-	-	-	33
WA	21	1	(3)	-	-	19
SA	8	-	-	-	-	8
ACT	4	-	-	-	-	4
TAS	2	-	-	-	-	2
NT	1	-	-	-	-	1
NZ	7	1	(8)	-	-	-
Total	**168**	**5**	**(13)**	**2**	**1**	**160**
GLA (m^2)	**77,738**					**74,502**
Change (%)						-4.2%

FOCUS ON FURNITURE

		FY26 ACTIVITY				
Store count	**Jun 2025**	**New**	**Closed**	**Upsize**	**Refurb**	**Jun 2026**
VIC	15	-	-	-	1	15
NSW	5	1	-	-	-	6
ACT	1	-	-	-	-	1
SA	2	-	-	-	-	2
QLD	3	-	-	-	-	3
Total	**26**	**1**	**-**	**-**	**1**	**27**
GLA (m^2)	**46,140**					**46,883**
Change (%)						+1.6%

MOCKA

		FY26 ACTIVITY				
Store count[1]	**Jun 2025**	**New**	**Closed**	**Upsize**	**Refurb**	**Jun 2026**
QLD	-	1	-	-	-	1
Total	**-**	**1**	**-**	**-**	**-**	**1**
GLA (m^2)	**-**					**492**
Change (%)						n/m

(1) Tower Junction (NZ) opened in July having previously operated as an Adairs store in FY26.

APPENDIX 6

Glossary and basis of preparation

Term	Definition
Underlying EBITDA / EBIT / NPAT	Statutory results adjusted to exclude the Focus on Furniture impairment charge, Adairs NZ exit costs, expensed ERP / SaaS project costs, and the impact of AASB 16 (as set out in Appendix 1). Non-IFRS measures; not audited or reviewed.
Significant items	Items excluded from underlying results as they do not reflect ongoing operating performance (see Appendix 1).
EPS (statutory / underlying)	Earnings per share on the statutory or underlying basis indicated.
LFL sales	Like-for-like sales: stores open and trading in comparable periods, adjusted for closures and refurbishments.
CODB	Cost of doing business.
Gross margin landed vs delivered	Focus management bases: landed margin is before delivery / last-mile costs; delivered margin is after. Adairs product-margin measures differ from the statutory gross-margin definition.
Order book	Focus on Furniture customer orders written but not yet delivered at period end.
Big Moments	Seasonal event program (e.g. Christmas, Easter, Mother’s Day, Spring / Summer, Black Friday, Adairs Linen Lover Events).
Linen Lovers	Adairs’ paid loyalty program.
Store of the Future (SOF)	Adairs’ new-concept store format, piloted at Bondi Junction.
AASB 16 / AASB 136	Australian Accounting Standards: leases; impairment of assets.
ATV	Average transaction value.
GLA	Gross lettable area.
CAGR	Compound annual growth rate.
bps	Basis points (1 bp = 0.01%).
pcp	Prior corresponding period.
LTM	Last 12 months
Cash Realisation Ratio	Calculated as net cash flow from operating activities before interest and tax, divided by underlying EBITDA.

Important notice and disclaimer

Important Information

FY26 and FY25 were both 52-week periods for statutory purposes.

In this presentation, references to “Company”, “Group” or “Adairs Limited” refer to the Company (Adairs Limited) as a whole. References to “Adairs”, “Mocka” or “Focus on Furniture / Focus” are references to the relevant business unit.

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Basis of preparation. The financial information in this presentation is extracted or derived from Adairs’ audited FY26 financial report. FY25 comparatives are presented as previously published unless otherwise stated. The exit of the Adairs New Zealand business is not classified as a discontinued operation; where results are presented on a continuing basis, this is stated on the relevant page.

Currency and rounding. All amounts are in Australian dollars unless otherwise stated. Figures are subject to rounding and totals may not sum precisely. Percentage movements are calculated on unrounded figures.

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