Adairs Limited
1H FY23 Results Presentation

20 February 2023

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Group result – 1H FY23

Record Group sales with consumer shift back to stores highlighting benefits of the omni-channel strategy. Focus on Furniture ('Focus') had a very strong half while higher supply chain costs impacted contributions from Adairs and Mocka.

1H FY23	v 1H FY22	v 1H FY21	v 1H FY20
Sales $324.2 million	+34.1%	+33.4%	+79.9%
Gross Margin 58.0%	-350bps	-820bps	-270bps
Underlying EBIT $35.5 million	+7.9%	-41.0%	+56.9%
Statutory EPS 12.7 cps	+22.2%	-51.0%	+60.2%
Interim dividend 8.0 cps	Unchanged	-38.5%	Not applicable

Note: Refer to Appendix 5 for detailed breakdown of Group results and Appendix 6 for reconciliation of underlying results to statutory results.

Sales

- Store sales +65% and online sales -10% reflecting:
  - COVID-related store closures in 1H FY22 and shift back to shopping in stores in 1H FY23
  - full contribution from Focus in 1H FY23 (4 weeks in 1H FY22)

Gross Margin

- Gross margins adversely impacted by:
  - elevated import costs and domestic store distribution rates (which are now declining)
  - greater contribution from Focus at lower gross margins

EBIT

- Strong EBIT contribution from Focus +27% on prior year (inc. period prior to acquisition)
- Adairs impacted by higher supply chain costs associated with its National Distribution Centre
- Mocka underperformed however inventory cleaner and CODB being addressed

Capital

- Interim dividend of 8.0cps fully franked in line with 1H FY22
- Covenant headroom is substantial and Net Debt of $81 million is c. 1.25x LTM Underlying EBITDA

Update on strategic priorities

Highlights for the half include a strong performance from Focus on Furniture, a new Adairs website, and continued store growth

Focus on Furniture

- First calendar year of ownership (12 months) contributed underlying EBIT of $30.8 million
- By providing high levels of product availability, short lead times, great range and outstanding service Focus delivered a strong result and is well positioned to navigate a more challenging environment

Omni-channel strategy

- New Adairs brand website launched in November
- Provides an improved customer experience (simpler navigation, better product showcasing, faster page speeds) and the foundations and capability for future online business initiatives, with a number of these in development

Store growth

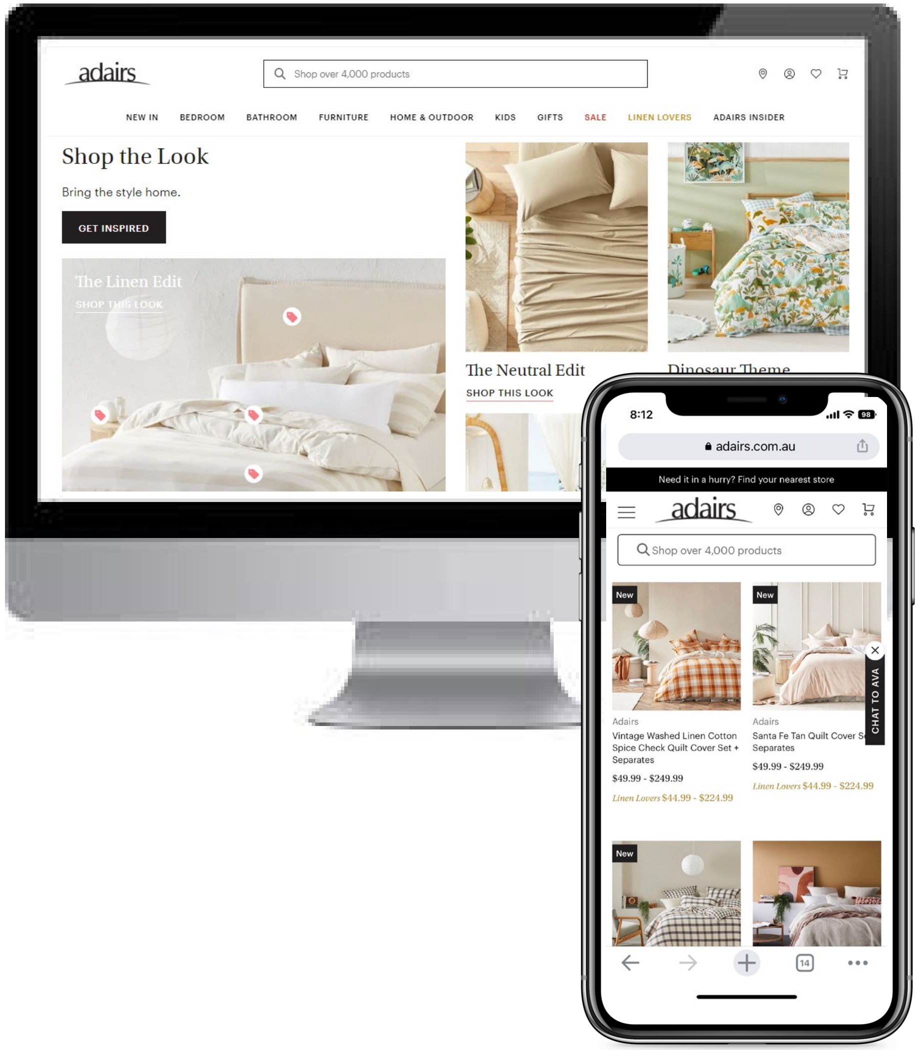
- Adairs brand store floorspace +2.4% in 1H FY23 with 2 new stores, 4 stores upsized and 2 stores closed
- Homemaker space has been tightly held. We remain disciplined and are building a pipeline for future years for Adairs and Focus store growth

Adairs - National Distribution Centre ('NDC')

- Operational outcomes across the half were significantly below expectations
- Adairs and DHL management are working collaboratively to resolve these issues with early signs that this is delivering improving operational outcomes
- New lower cost model agreed with DHL effective from January 2023

Mocka

- Mocka's operational platform has been restored delivering an improved customer experience

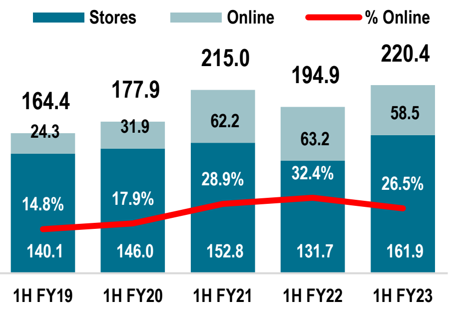


Adairs – 1H FY23

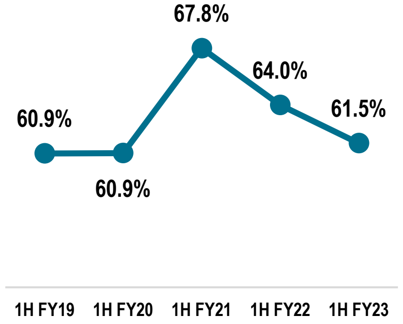
Record sales in 1H FY23 despite supply chain challenges

- Adairs sales +13.1% to a record $220.4 million
  - store sales up +22.9% with no COVID-related closures (31% of trading days were lost in 1H FY22)
  - online sales down -7.4% to $58.5 million (26.5% of total sales) as customers returned to stores
- As anticipated, gross profit margin softened in 1H FY23 against 1H FY22 (-330 bps) as a result of higher inbound container rates and industry-wide increases in delivery charges by local carriers
- The DHL-operated NDC has not delivered the anticipated outcomes which have adversely impacted customer experiences and resulted in significantly higher cost of operations, including additional temporary warehousing. Management estimates that the CODB impact to be c.+$5 million in 1H FY22. A new pricing arrangement became effective in January 2023 which will reduce the average variable cost per unit despatched from the NDC by c.20% over 1H FY23 levels.
- CODB as a % of sales increased by 110bps in 1H FY23 reflecting the return to a fully operating store network combined with the higher supply chain costs associated with the NDC
- Adairs underlying EBIT down -23.4% to $18.7 million

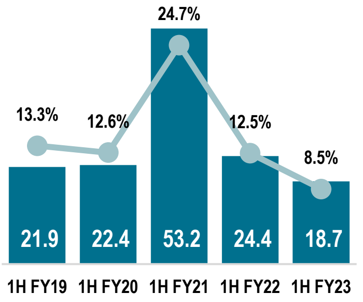
Historic performance



Sales



Gross margin



EBIT and EBIT margin

($ million)	Adairs Underlying HY23	Adairs Underlying HY22	Adairs Change v HY22 (%)
Store sales	161.9	131.7	+22.9%
Online sales	58.5	63.2	-(7.4%)
Total sales	220.4	194.9	+13.1%
Online % of total sales	*26.5%*	*32.4%*	
Gross margin	135.6	124.8	+8.7%
Customer delivery costs	(8.8)	(6.2)	+41.4%
Gross profit	126.8	118.6	+6.9%
Costs of doing business	(104.4)	(90.2)	+15.8%
EBITDA	22.4	28.4	-(21.2%)
Depreciation	(3.7)	(4.1)	-(8.4%)
EBIT	18.7	24.4	-(23.4%)
% sales ratios			
Gross margin %	61.5%	64.0%	*-(250 bps)*
Gross profit %	57.5%	60.8%	*-(330 bps)*
Costs of doing business %	47.4%	46.3%	*+110 bps*
EBITDA %	10.2%	14.6%	*-(440 bps)*
EBIT %	8.5%	12.5%	*-(400 bps)*

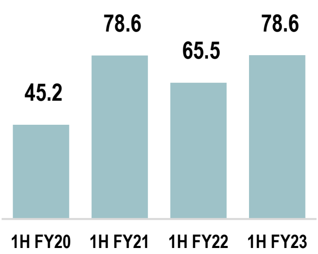
Note: Refer to Appendix 6 for reconciliation of underlying results to statutory results.

Focus on Furniture ('Focus') – 1H FY23

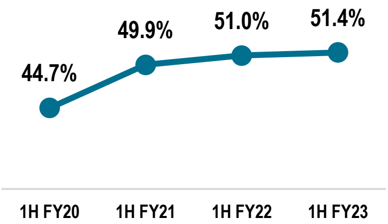
Strong 1H FY23 performance, well ahead of business case expectations

- Focus delivered a strong 1H FY23 performance with sales +20.1% to $78.6 million
- Store sales increased +28.8% to $73.7 million with a fully operating store network, which also led to a reduction in online sales to $5.0 million (6.3% of total sales)
- High levels of product availability, short lead times, great product ranges and disciplined pricing strategy delivered GM% gains in 1H FY23 (+40bps) despite industry-wide supply chain headwinds
- The strong sales and margin growth delivered EBIT growth of +27.2% to $16.6 million
- New store openings remain a priority with a pipeline of opportunities being built despite the tight Homemaker market. One new store is expected to open in 2H FY23
- Focus continues to exceed business case expectations and will be a material contributor to our Group growth strategy over the next five years

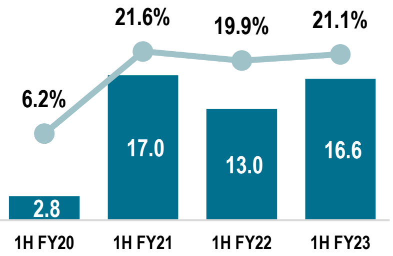
Historic performance



Sales



Gross margin



EBIT and EBIT margin

($ million)	Focus on Furniture Underlying HY23	Underlying HY22 (26 wks)	Reported Underlying HY22 (4 wks)	Change v HY22 (26 wks)
Store sales	73.7	57.2	11.3	+28.8%
Online sales	5.0	8.3	1.2	-(39.9%)
Total sales	78.6	65.5	12.5	+20.1%
Online % of total sales	*6.3%*	*12.7%*	*9.3%*	
Gross margin	40.4	33.4	6.2	+21.0%
Customer delivery costs	(3.4)	(2.9)	(0.6)	+17.3%
Gross profit	37.0	30.5	5.6	+21.3%
Costs of doing business	(20.1)	(17.0)	(2.7)	+17.9%
EBITDA	16.9	13.5	2.9	+25.6%
Depreciation	(0.3)	(0.4)	(0.1)	-(21.4%)
EBIT	16.6	13.0	2.9	+27.2%

% sales ratios	Underlying HY23	Underlying HY22 (26 wks)	Change v HY22 (26 wks)
Gross margin %	51.4%	51.0%	*+40 bps*
Gross profit %	47.0%	46.5%	*+50 bps*
Costs of doing business %	25.5%	26.0%	*-(50 bps)*
EBITDA %	21.5%	20.5%	*+90 bps*
EBIT %	21.1%	19.9%	*+120 bps*

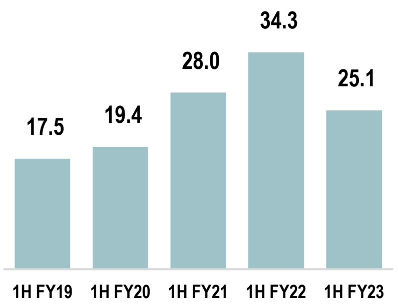
Note: Refer to Appendix 6 for reconciliation of underlying results to statutory results. Results for HY22 (26 weeks) include the period prior to Adairs ownership from 1 Dec 21.

Mocka – 1H FY23

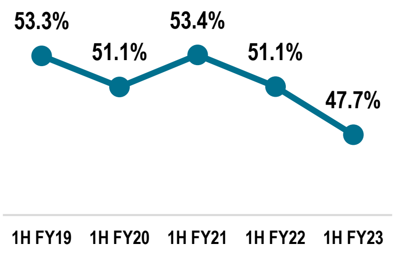
Operational platform restored delivering improved customer experience

- Mocka sales fell -26.8% to $25.1 million as the brand resolved the operational issues of 2H FY22 and cleared excess inventory. The impact of customers returning to stores has been felt by most pure play online businesses with the impact on Mocka amplified by its operational issues.
- Website traffic and search activity across Mocka's sites remains more than 10% higher than pre-COVID levels
- Gross profit was impacted by extensive clearance activities of discontinued ranges in Q1, higher delivery costs as a result of a change in Australian domestic delivery partner and higher inbound shipping costs. Margin performance in Q2 and into early 2H FY23 has significantly improved and reflects an improving product mix.
- Mocka finished 1H FY23 with an underlying EBIT of $0.3 million
- Management's focus on stabilizing the operating platform, restoring customer confidence, growing GM% and reducing the range width and depth is progressing. The work done to date combined with materially lower inbound shipping costs is improving delivered gross margin which will assist future profitability.

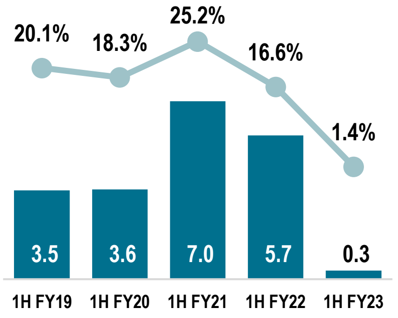
Historic performance



Sales



Gross margin



EBIT and EBIT margin

($ million)	Mocka Underlying HY23	Underlying HY22	Change v HY22 (%)
Store sales	-	-	
Online sales	25.1	34.3	-(26.8%)
Total sales	**25.1**	**34.3**	**-(26.8%)**
Online % of total sales	*100.0%*	*100.0%*	
Gross margin	**12.0**	**17.6**	**-(31.7%)**
Customer delivery costs	(4.1)	(4.4)	-(6.3%)
Gross profit	**7.9**	**13.2**	**-(40.1%)**
Costs of doing business	(7.5)	(7.3)	+2.3%
EBITDA	**0.4**	**5.8**	**-(93.3%)**
Depreciation	(0.1)	(0.2)	-(20.7%)
EBIT	**0.3**	**5.7**	**-(95.3%)**

% sales ratios

Gross margin %	47.7%	51.1%	*-(340 bps)*
Gross profit %	31.3%	38.3%	*-(700 bps)*
Costs of doing business %	29.8%	21.3%	*+850 bps*
EBITDA %	1.6%	17.0%	*-(1540 bps)*
EBIT %	1.1%	16.6%	*-(1550 bps)*

Note: Refer to Appendix 6 for reconciliation of underlying results to statutory results.

Capital management and dividend

Inventories

- Inventory across all three brands closed in line with business expectations
- Mocka reduced its previously elevated inventory holdings by c.20% over 1H FY23 with excess and underperforming inventory being cleared
- Supply chain volatility has reduced however the Group has retained inventory buffers to manage the risk of unforeseen interruptions
- The majority of inventory across all brands is in core category lines with lower fashion/seasonal risk
- Group inventory levels are expected to reduce through 2H FY23

Cash flow / Net debt

- Cash flow improved through the half with stronger sales and offshore supply chains stabilising leading to improved stock turns
- Group net debt finished 1H FY23 at $81.0 million, $12.2 million lower than June 2022 and c. 1.25x LTM underlying EBITDA with substantial covenant headroom
- Existing finance facilities of $135 million secured until January 2025 ($45 million) and January 2026 ($90 million)

Capex

- $6.7m of capex in 1H FY23;
  - 2 new stores and 4 store refurbishments / upsizes / merges for Adairs
  - Continued investment in IT and digital initiatives across the Group

Dividend and DRP

- A fully franked interim dividend of 8.0 cents per share has been declared
  - Record date: 21 March 2023 and Payment date: 6 April 2023
- DRP remains active (Election Forms due 22 March 2023) with participants receiving shares at a 1.5% discount to a 5-day volume weighted average share price (VWAP)

Trading update and FY23 guidance

Trading results for the first 7 weeks of 2H FY23 remain in line with plan.

Trading update and outlook

Unaudited Sales (first 7 weeks of 2H FY23)	v 2H FY22
Group	**+1.8%**
Adairs	+3.1%
Focus	+14.4%
Mocka	-(31.7%)

Note 1: First seven weeks is comparable with the previous corresponding period with all stores open and trading.

- The first week of 2H FY23 saw record Boxing Day sales for both the Adairs and Focus brands
- Mocka sales for the first seven weeks were in line with expectations with trading gross margins +570bps above the prior corresponding period and +280bps above 1H FY23
- Cost-out programs have been initiated across the Group to manage the potential impact of a weaker economic environment
- Inbound freight costs are reducing and the Group's hedging strategy has mitigated AUD weakness with USD purchases in 2H FY23 fully hedged at 72.5c
- Productivity at the NDC has improved over the last 5 weeks delivering better cost and customer outcomes. The new pricing agreement with DHL which applies from January 2023 will see average variable costs per unit despatched reduce by approximately 20% over 1H FY23 levels.

FY23 guidance

- Current trading conditions are broadly in line with plan and as a result the existing FY23 sales guidance is retained
- Elevated supply chain costs in 1H FY23, some of which will continue into 2H FY23, mean that EBIT guidance has been updated as follows:

	FY23 Guidance	Previous
Group Sales ($m)	625 – 665	625 – 665
Group EBIT[1] ($m)	70 – 80	75 – 85
Capital investment ($m)	12 – 15	12 – 15

Note 1: Pre AASB-16 and any one-off costs

QUESTIONS?

APPENDICES

1. Who are we
2. Positioning of our Group
3. Store footprint - Adairs
4. Store footprint – Focus
5. Group profit and loss
6. Profit and loss reconciliation
7. Group cashflow
8. Glossary

Appendix 1 – Who we are

Adairs Limited (ASX: ADH) is Australasia's largest omni channel retailer of homewares and home furnishing products

- Own three growing and highly profitable brands
- Vertical retail model
  - in-house design
  - exclusive and differentiated products
  - innovation
  - supply chain control
  - value for money and superior margins
- Omni-channel
  - larger TAM than pure-play
  - integrated channels, cross-channel synergies
  - efficient customer acquisition costs / better retention
  - data and loyalty focused
  - fast approaching $200m p.a. in online sales
- High service, customer focused
  - Our customers expect and enjoy service to help them discover, coordinate, execute and manage their purchases

adairs

- Specialty retailer of home furnishings with a large and growing online channel and a national footprint of 172 stores
- Sells on-trend fashion products, quality staples, strong value and superior customer service

focus on furniture & bedding

- Focus on Furniture ('Focus') is a vertically integrated omni-channel furniture and bedding retailer operating in Australia
- Sells well designed, functional and on-trend products at great value for money through its 23-store network and online channel.

mocka

- Pure-play online home and living products designer and retailer
- Sells its own exclusive, well designed, functional and stylish products in the Home Furniture & Décor, Kids and Baby categories

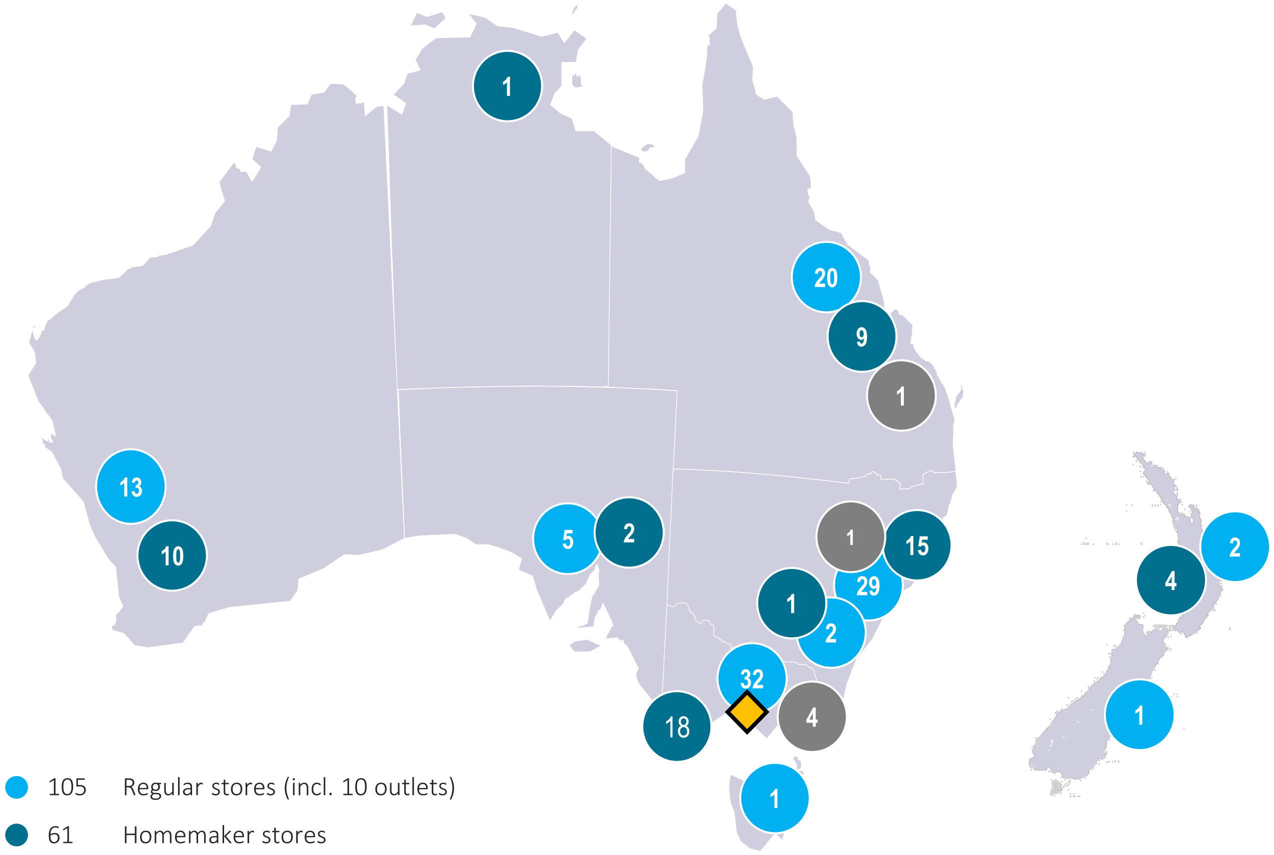
Appendix 2 – Positioning of our Group

Our three brands remain well placed to navigate the near term macro economic headwinds with the strength of the portfolio becoming more apparent as consumers become more value-focused

Defensive attribute	adairs	focus on furniture & bedding	mocka
Share of Group revenue	68%	24%	8%
Strong value proposition	✓	✓	✓
Lower average selling price (per item) (ex. GST)	✓ $45 / item	✓ $1,650 / item	✓ $120 / item
Strong physical and online channels (% sales)	✓ 73% stores 27% online	✓ 94% stores 6% online	
Large total addressable market / broad customer set	✓	✓	✓
Exclusive and differentiated products / Pricing control / Higher initial margins	✓ Vertically integrated	✓ Vertically integrated	✓ Vertically integrated
Large, loyal and engaged customer base	✓ >1m Linen Lovers > 1m email subscribers	✓ >350k customer email subscribers	✓ >560k customer email subscribers

Appendix 3 – Adairs store footprint

Total Stores: 172



- 105 Regular stores (incl. 10 outlets)
- 61 Homemaker stores
- 6 Kids stores
- DC and Head Office

Store Activity (1H FY23)

New stores (2)	GLA (m2)
Homemaker – Butler (WA)	750
Regular – Bayside (VIC)	239
Total GLA increase	**989**

Closed stores (2)	GLA (m2)
Kids - Werribee (VIC)	191
Kids – Chadstone (VIC)	152
Total GLA decrease	**343**

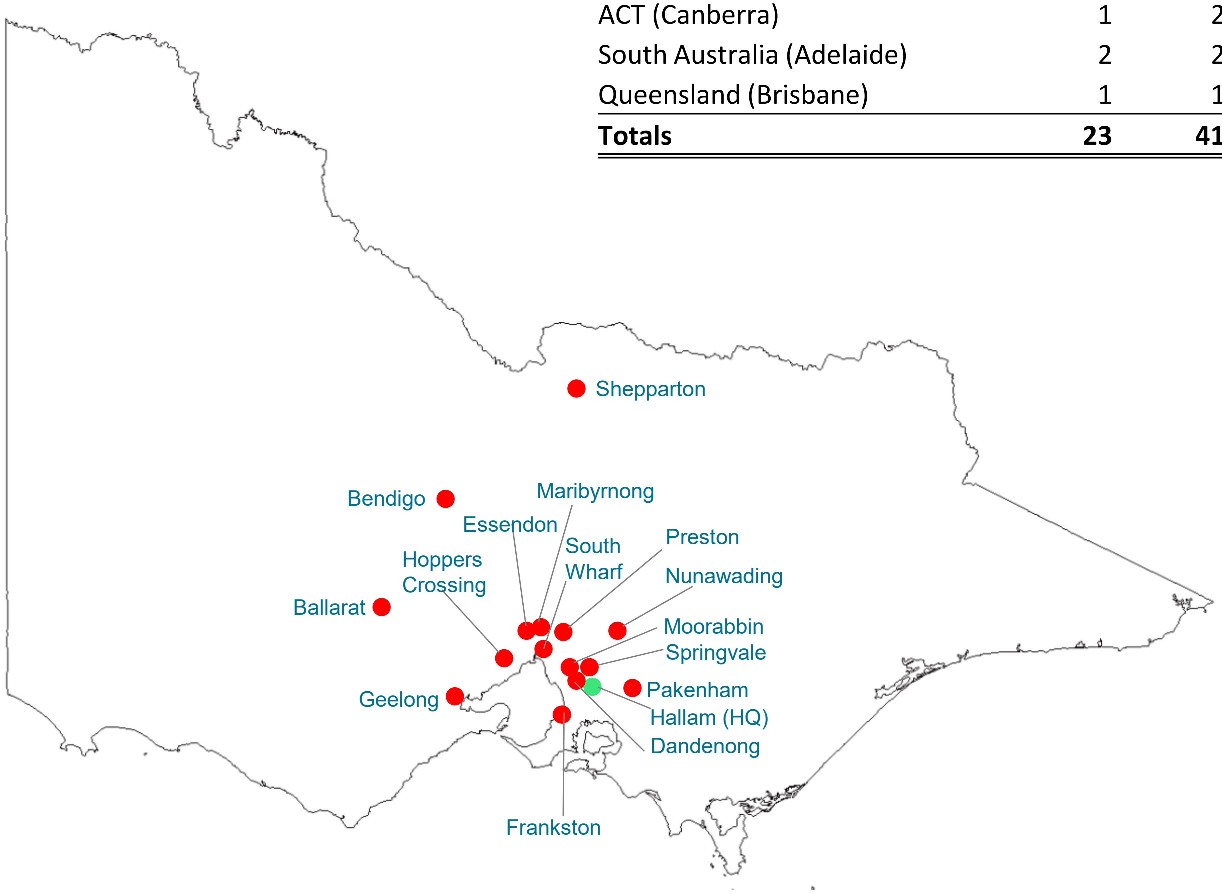
Upsized stores (4)	GLA (m2) Previous	GLA (m2) Current
Regular – Watergardens (VIC)	170	330
Regular – Marion (SA)	120	583
Regular – Chadstone (VIC)	315	515
Regular – Macquarie (NSW)	160	422
Total GLA increase		**1,085**

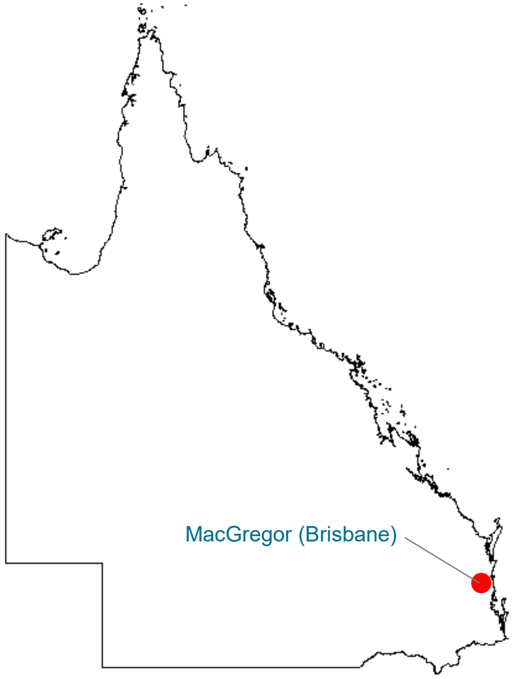
Total GLA (26 Jun 2022)	**71,522**
Total GLA (26 Dec 2022)	**73,253**
Net increase in GLA (m2)	**1,731**
Net increase in GLA (%)	**+2.4%**

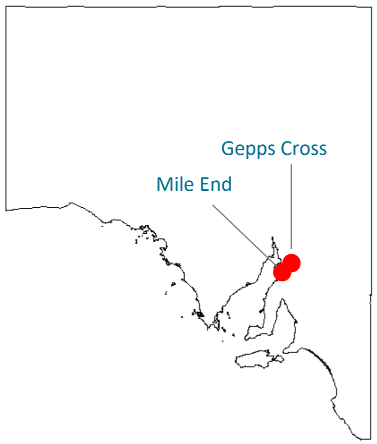
Appendix 4 – Focus store network

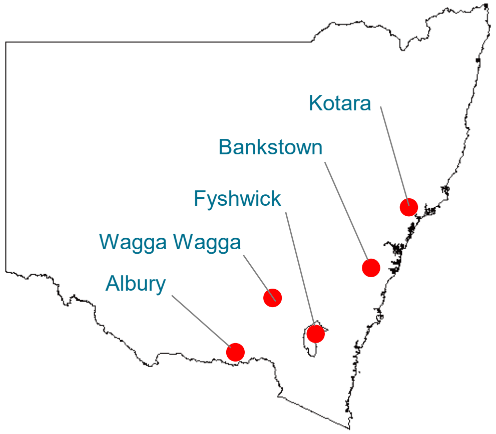
Network of 23 stores, predominantly in Victoria. Typical store size is 1,500-2,000 square metres.

State / Territory	Stores	GLA m2
Victoria (Greater Melbourne)	11	17,647
Victoria (Regional)	4	8,079
NSW (Greater Sydney)	1	3,365
NSW (Regional)	3	5,376
ACT (Canberra)	1	2,125
South Australia (Adelaide)	2	2,714
Queensland (Brisbane)	1	1,712
Totals	**23**	**41,018**









Appendix 5 – Underlying Group profit and loss

($ million)	Adairs Underlying HY23	Mocka Underlying HY23	Focus Underlying HY23	Group Underlying HY23	Group Underlying HY22	Group Change v HY22 (%)
Store sales	161.9	-	73.7	235.6	143.0	+64.7%
Online sales	58.5	25.1	5.0	88.6	98.7	-(10.2%)
Total sales	**220.4**	**25.1**	**78.6**	**324.2**	**241.8**	**+34.1%**
Online % of total sales	*26.5%*	*100.0%*	*6.3%*	*27.3%*	*40.8%*	
Gross margin	**135.6**	**12.0**	**40.4**	**188.0**	**148.6**	**+26.6%**
Customer delivery costs	(8.8)	(4.1)	(3.4)	(16.4)	(11.2)	+46.4%
Gross profit	**126.8**	**7.9**	**37.0**	**171.7**	**137.4**	**+25.0%**
Costs of doing business	(104.4)	(7.5)	(20.1)	(132.0)	(100.2)	+31.7%
EBITDA	**22.4**	**0.4**	**16.9**	**39.7**	**37.2**	**+6.7%**
Depreciation	(3.7)	(0.1)	(0.3)	(4.2)	(4.3)	-(2.1%)
EBIT	**18.7**	**0.3**	**16.6**	**35.5**	**32.9**	**+7.9%**
Interest				(3.1)	(1.0)	+212.0%
Tax				(9.4)	(9.7)	-(3.5%)
NPAT				**23.0**	**22.2**	**+3.9%**
Statutory earnings per share (cents)				12.7	10.4	+22.2%
Dividends per share (cents)				8.0	8.0	-

Ratios

	Adairs Underlying HY23	Mocka Underlying HY23	Focus Underlying HY23	Group Underlying HY23	Group Underlying HY22	Group Change v HY22 (%)
Gross margin %	61.5%	47.7%	51.4%	58.0%	61.4%	*-(350 bps)*
Gross profit %	57.5%	31.3%	47.0%	52.9%	56.8%	*-(390 bps)*
Costs of doing business %	47.4%	29.5%	25.5%	40.7%	41.4%	*-(70 bps)*
EBITDA %	10.1%	1.8%	21.5%	12.2%	15.4%	*-(310 bps)*
EBIT %	8.4%	1.4%	21.1%	10.9%	13.6%	*-(270 bps)*
NPAT %				7.1%	9.2%	*-(210 bps)*
Dividend payout ratio of statutory EPS %				63.0%	77.7%	*-(1470 bps)*

Underlying results exclude the impact of AASB16, costs associated with the transition to the Adairs NDC and transaction costs associated with the acquisition of Focus on Furniture and Mocka. Refer Appendix 6.

Appendix 6 – Profit and loss reconciliation

($ million)	1H FY23 reconciliation				1H FY22 reconciliation				
	Underlying 1H FY23	AASB 16 impact	NDC transition costs	Statutory 1H FY23	Underlying 1H FY22	AASB 16 impact	Focus transaction costs	NDC transition costs	Statutory 1H FY22
Sales	324.2	-	-	324.2	241.8	-	-	-	241.8
Gross profit	171.7	-	-	171.7	137.4	-	-	-	137.4
Gross profit %	*52.9%*	-	-	*52.9%*	*56.8%*	-	-	-	*56.8%*
CODB	(132.0)	26.6	(0.2)	(105.5)	(100.2)	19.7	(0.9)	(3.0)	(85.4)
CODB %	*40.7%*			*32.0%*	*41.4%*	-	-	-	*35.3%*
EBITDA	39.7	26.6	(0.2)	66.1	37.2	19.7	(0.9)	(3.0)	51.9
EBITDA %	*12.2%*			*20.4%*	*15.4%*	-	-	-	*21.5%*
Depreciation	(4.2)	(24.6)	-	(28.8)	(4.3)	(18.4)	-	-	(22.7)
EBIT	35.5	2.0	(0.2)	37.3	32.9	1.3	(0.9)	(3.0)	29.3
EBIT %	*10.9%*			*11.5%*	*13.6%*				*12.1%*
Interest	(3.1)	(3.6)	-	(6.7)	(1.0)	(2.1)	-	-	(3.1)
Tax	(9.4)	0.5	0.0	(8.9)	(9.7)	0.2	-	0.9	(8.6)
NPAT	23.0	(1.1)	(0.1)	21.8	22.2	(0.5)	(0.9)	(2.1)	17.6
EPS (cents)	13.4			12.7	13.1				10.4

Notes:

1. AASB 16 impact: Under AASB 16 lease expenses are removed from occupancy expenses (CODB) and replaced with depreciation of lease assets and interest on lease liabilities over the relevant lease term.
2. NDC transition costs: Costs associated with the transition to the new National Distribution Centre, including onerous lease provisions.
3. Focus transaction costs: Acquisition related due diligence costs (FY22) associated with the acquisition of Focus on Furniture.
4. Tax related to Focus for the period post-acquisition was excluded from Underlying NPAT in the reconciliation presented in the 1H FY22 investor presentation. This has been realigned in the reconciliation above to ensure the current period 1H FY23 presented is comparable, impacting the previously reported Underlying EPS for 1H FY22.

Appendix 7 – Group cashflow

($ million)	Underlying 1H FY23	Underlying 1H FY22
Underlying EBITDA	**39.7**	**37.2**
Significant items (cash impact)	(0.2)	(3.9)
Share-based payments	(0.0)	0.9
Changes in working capital		
- Inventories	(7.3)	(14.1)
- Trade and other receivables	1.5	(0.5)
- Trade and other payables	15.2	(1.5)
- Other liabilities (deferred revenue)	(8.5)	2.7
- Other	3.2	4.2
Net changes in working capital	**4.0**	**(9.2)**
Income tax paid	(6.4)	(11.0)
Interest paid	(2.8)	(0.6)
Net operating cash inflows	**34.3**	**13.3**
Capital expenditure	(6.7)	(5.3)
Mocka earn-out payment	-	(45.7)
Focus on Furniture acquisition payment (net of cash acquired)	-	(61.5)
Net investing cash outflows	**(6.7)**	**(112.6)**
Net (repayment) / drawings of borrowings	(10.0)	120.0
Dividends paid	(15.4)	(16.9)
Other transactions	(0.4)	(0.6)
Net financing cash (outflows) / inflows	**(25.8)**	**102.5**
Net cash flows for the period	**1.7**	**3.2**
Foreign exchange differences	0.4	(0.1)
Cash and cash equivalents at beginning of the period	26.1	26.0
Cash and cash equivalents at end of the period	**28.2**	**29.1**

Underlying to statutory reconciliation

($ million)	1H FY23 reconciliation			
	Underlying FY23	AASB 16 impact	Statutory 1H FY23	Underlying 1H FY22
Opening cash	**26.1**	**-**	**26.1**	**26.0**
Operating cash flow	34.3	24.1	58.4	13.3
Investing cash flow	(6.7)	-	(6.7)	(112.6)
Financing cash flow	(25.8)	(24.1)	(50.0)	102.5
Net cash flow	**1.7**	**-**	**1.7**	**3.2**
Foreign exchange differences	0.4	-	0.4	(0.1)
Closing cash	**28.2**	**-**	**28.2**	**29.1**

Appendix 8 – Glossary

Term	Meaning
ASP	Average selling price
ATV	Average transaction value
CAC	Customer acquisition cost
CODB	Costs of doing business
CPS	Cents per share
DC	Distribution centre
DPS	Dividend per share
EBIT	Earnings before interest and tax
EPS	Earnings per share
GLA	Gross lettable area (floor space in square metres) - excludes any offsite storage a store may have
Gross margin	Sales less cost of sales (excluding customer delivery costs)
Gross profit	Sales less cost of sales (including customer delivery costs)
IPS	Items per sale
LFL	Like for like
LTM	Last twelve months

Term	Meaning
NPAT	Net profit after tax
NDC	National Distribution Centre
Online contribution	Online gross profit (including all online distribution costs) less customer support wages/rent and all marketing costs (other than in-store marketing)
PCP	Previous corresponding period
PPP	People, Product and Planet
ROIC	Return on invested capital
SIT	Stock in transit
Stores contribution	Stores gross profit less store labour costs, store rents and in-store marketing costs
TAM	Total addressable market
Unallocated overheads	Executive team and other head office labour costs, product design & development and warehousing

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