



Release to the Australian Securities Exchange

Adairs Limited Trading Update and FY25 Guidance

23 June 2025

Adairs Limited (ASX: ADH)

Adairs Limited today provides a trading update and guidance for the year ending 29 June 2025 (FY25).

Trading update and FY25 Guidance

We provide the following guidance for FY25 for each of our business units and the Group.

	H1 FY25 Actual ⁴	var H1 FY24	H2 FY25 Guidance ^{1, 2, 4}	var H2 FY24	FY25 Guidance ^{1, 2, 4}	var FY24
<u>Sales</u>						
Adairs	\$220.5m	+9.3%	\$219.5m – \$221.5m	+9.2%	\$440.0m – \$442.0m	+9.2%
Focus on Furniture	\$61.9m	-4.1%	\$55.0m – \$56.0m	-9.8%	\$117.0m – \$118.0m	-7.0%
Mocka	\$28.1m	+12.4%	\$29.0m – \$30.0m	+15.8%	\$57.0m – \$58.0m	+14.1%
Group	\$310.5m	+6.6%	\$303.5m – \$307.5m	+5.7%	\$614.0m – \$618.0m	+6.1%
<u>Underlying EBIT³</u>						
Adairs	\$20.6m	+32.5%	\$14.4m – \$15.9m	+8.4%	\$35.0m – \$36.5m	+21.0%
Focus on Furniture	\$8.5m	-22.5%	\$3.0m – \$4.0m	-54.7%	\$11.5m – \$12.5m	-35.9%
Mocka	\$3.8m	+12.3%	\$3.2m – \$4.2m	+26.6%	\$7.0m – \$8.0m	+18.5%
Group	\$33.0m	+10.0%	\$20.5m – \$24.0m	-9.2%	\$53.5m – \$57.0m	+1.2%

Notes:

1. Guidance is based on unaudited accounts.
2. Variance % provided above for H2 FY25 and FY25 are based on mid-range outcomes.
3. Underlying EBIT excludes the impact of (a) the impact of AASB 16; (b) SaaS cloud computing project implementation costs (FY25: ~\$3-4m); (c) Adairs' warehouse management system transition costs (FY25: \$0.6m); (d) Adairs and Focus on Furniture's office/warehouse relocation costs (FY25: ~\$1.3m); and (e) non-recurring senior leadership transition costs (FY25: ~\$1.3m).
4. Growth on FY24 is based on comparison against 26 and 52-week periods to enable LFL comparisons. FY24 was a 53-week statutory period.

Adairs has maintained strong sales momentum throughout the second half of FY25 and is on track to deliver a record sales year, with growth of approximately 9% over FY24. However, this performance has been supported by elevated promotional activity aimed at driving sales and managing inventory, which — alongside a weaker effective AUD (net of hedging) compared to the prior year — is adversely impacting gross margins. Service and cost metrics at the Adairs NDC continue to improve.

Under Adairs' new leadership, significant changes are being implemented across the business, designed to reset the foundations for long-term growth.

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Focus on Furniture sales remain challenging. The business has continued to implement higher levels of promotional activity to stimulate sales, which has also adversely impacted gross margins. New and refurbished stores continue to outperform others in the portfolio. Management is evolving the positioning and execution capability of the business alongside the national store roll-out program, which is expected to accelerate in FY26.

Mocka is on track to deliver double-digit sales growth across FY25 and another year of strong earnings growth. Mocka Australia is on track to deliver sales growth of c.25% in FY25. In New Zealand, the re-platforming of the website and a renewed focus on enhancing the product range have contributed to a return to positive sales growth in Q4. The ongoing trials of Mocka in physical retail stores have continued, with the opening of a large “shop-in-shop” Mocka concept space in the new Adairs store at Tower Junction in Christchurch. The lessons from these trials are guiding the basis of how we will trial the first Mocka store in FY26.

While Adairs and Mocka are expected to deliver significant growth in Underlying EBIT on the prior year, this will be offset by a material decline in Underlying EBIT from Focus on Furniture. Collectively, the Group is expected to deliver total sales of \$614 - \$618 million, and Underlying EBIT of \$53.5 - \$57.0 million in FY25.

Adairs Limited will release its full year results on Wednesday 27 August 2025.

This announcement has been approved by the Board of Adairs Limited.

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About Adairs Limited

Adairs Limited is Australia's largest omni channel specialty retailer of home furnishings, home furniture and home decoration products. It owns and operates three vertically integrated brands in the Home category – Adairs, Focus on Furniture and Mocka. All brands are design-led, customer focused, and sell quality in-house designed product direct to customers in Australia and New Zealand.

Adairs head office is in Melbourne, Australia.

For further information visit our investor relations website www.investors.adairs.com.au