



Adairs 2022 AGM report

ASX code	ADH
Meeting date	21 October 2022
Type of meeting	Choose one: Physical /webcast
Monitor	Mike Robey attending
Pre AGM-meeting	no

Meeting Statistics

Number of holdings represented by ASA	39
Number of shares represented by ASA	254,653
Value of shares represented by ASA	\$509k
Total number attending meeting	Ca. 30 attendees
Market capitalisation	\$330m
ASA open proxies voted	on a poll. ASA voted in favour of all the resolutions

The speeches from the chair and CEO are given [here](#). A short but comprehensive report on the prior year performance was given and is available [here](#), along with guidance for the coming year.

The Chair spent time prior to the meeting discussing a few matters with your monitor and took on board some of the observations we made about the business. He was, in his address, apologetic about the share price halving in the year (in common with all other retailers which share the Adairs' categories) and also apologetic about some errors in the newly acquired online furniture business Mocka, explaining what had been done about them.

The ASA raised issues about:

- a) The dependence of Adairs businesses on China (up to 90% for one business) in an increasingly tense geo-political environment: They are actively seeking to diversify, and have a team visiting Malaysia next week, but China is a top tier supplier which performs faultlessly and will be difficult to replace.
- b) The lack of TSR (Shareholder return) in a newly reworked remuneration structure: The industry standard for the retail sector is **not** to have TSR, due to the volatility of the share prices of the businesses. In addition, the debate over TSR and rTSR (relative to a comparator group) creates more disagreement!
- c) The first ever sustainability report (a good start) and whether there was a link to executive variable pay: No, not yet, as there is some scepticism in their industry about the potential for trivialising sustainability.

All motions passed with high 90%+s except that of the long-standing Director who received 88%, with one proxy collector voting against. Results [here](#).

Regarding the outlook for the coming year, they reaffirmed their August guidance and gave an update on trading to date. See [here](#). In summary, tracking well against guidance and back to pre-Covid rates.

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