



## Adore Beauty 2021 AGM Report

ASX Code	ABY
Meeting Time/Date	1pm, Friday 12 November 2021
Type of Meeting	Hybrid, Link with voice questioning
Monitor	Mike Robey, Proxy collecting
Pre-AGM Meeting?	No, first year of listing.

## A door opens for women

### What the Company Does

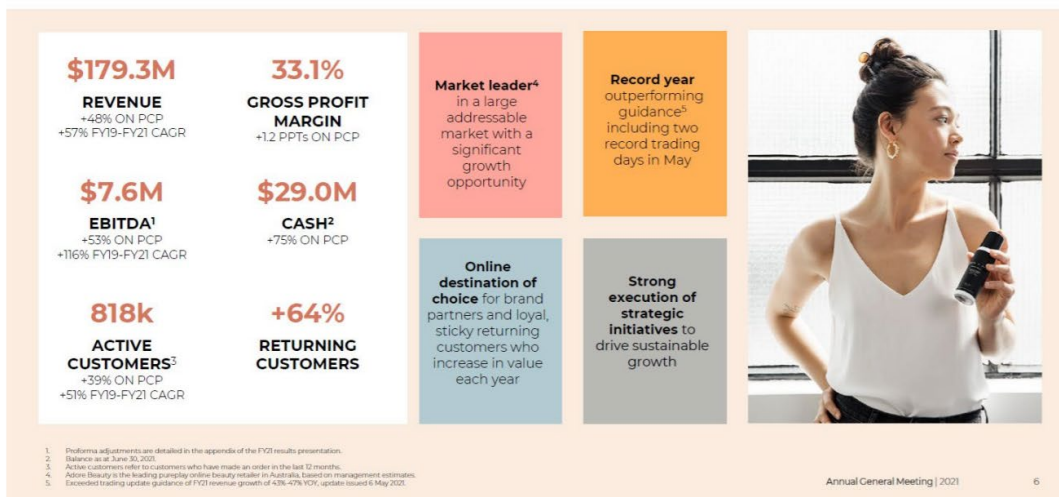
Adore is a recently listed online beauty products company, with a speciality in skin care. It markets its third party branded in Australia and NZ and is launching own brand in the coming year.

### Developments in the Financial Year

This is the first full year of Adore after its IPO in September 2020. The company founders sit on a board comprising mainly women, with a female Chair, appointed just days before the AGM. With a female CEO, the majority of the executive and 80% of the managers being female, Adore is a rarity of the ASX. Summary of the results for the year below:

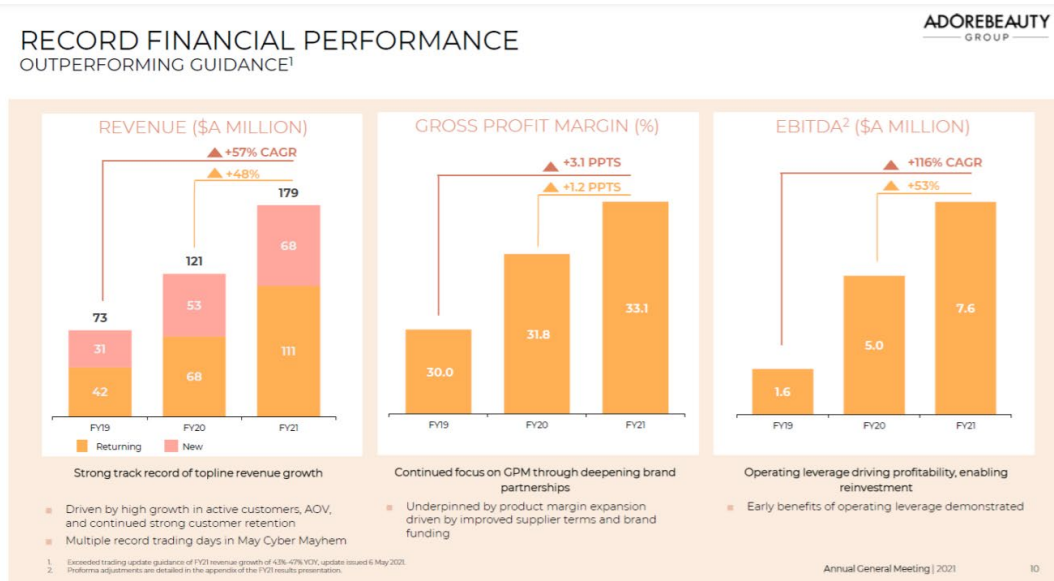
### RECORD FY21 FULL YEAR RESULTS OUTPERFORMING GUIDANCE

ADOREBEAUTY  
GROUP



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They have substantially outperformed their prospectus guidance as illustrated below:



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## Debate and Voting at the AGM

The new Chair, Ms Go, and the CEO Ms O’Shannessy’s presentations may be found [here](#).

The ASA congratulated the company on its female leadership position but raised the issue of overboarding of the new Chair, Ms Go, who responded that she was reviewing her commitments (two not-for-profit Chair positions and 6 other boards!) and will announce retirements from these in the near future. She also called on a colleague for an endorsement of her Adore commitment, which was understandably supportive. We also asked why the share price was languishing, given the significant outperformance of the IPO guidance and asked if this might be due to the Covid-induced move online of their bricks-and-mortar competitors. This was answered with a restatement of their key competitive advantages, but without specifically addressing the changed online competitive environment. On two occasions the Chair stated that their share price did not reflect their strength in the market. Mr Mayne asked the bulk of the remaining questions (11 in total) ranging from the usual boiler plate, to a repeat of the overboarding, vaccination status of staff and contractors, JobKeeper receipts and remittances, proxy advisor voting recommendations etc which were politely batted back with increasingly shorter responses.



Both resolutions (remuneration report and founder Director James Height re-election) passed with over 95% in favour. We voted for both resolutions.

## Outlook Statements from the Company

While no specific guidance was given, the first quarter performance was presented (see below) with a note of cautious optimism for the full year performance.

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- Adore Beauty continues to benefit from the structural shift to online and ongoing retention of new customers added during COVID.
- FY22 has started strongly with Q1 revenue up 25% on PCP to \$63.8m<sup>1</sup>
  - Active customers up 24% on PCP to 874k<sup>2</sup>
  - Strong customer retention with returning customer growth of 63% on PCP<sup>3</sup>
- Adore Beauty is executing a clear and robust growth strategy to cement its online market leadership position, and it is well positioned to capture market share in a large and growing market benefiting from structural tailwinds.
- Adore Beauty expects to maintain a 2-4% EBITDA margin in the short to medium term while reinvesting to drive above market growth. Longer term, scale benefits are expected to increase operating leverage and deliver further EBITDA margin expansion.

<sup>1</sup> Prior corresponding period refers to Q1 FY21 Revenue based on unaudited management accounts.  
<sup>2</sup> Active customers refer to customers who have ordered in the last 12 months to 30 September 2021; Prior corresponding period comparison of the 12 month period to 30 September 2021 to the 12 month period to 30 September 2020.  
<sup>3</sup> Returning customers are customers who have previously placed an order on the Adore Beauty website; Prior corresponding period is the 12 month period to 30 September 2020.

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### Meeting Statistics

Number of Holdings Represented by ASA	2
Number of Shares represented by ASA	12,925
Value of Shares represented by ASA	\$62.4k
Number Attending Meeting	Awaiting advice
Market capitalisation	\$452m
Were proxies voted?	Yes, on a poll