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Release to the Australian Securities Exchange

Adairs Limited Trading Update and 1H FY26 Guidance

22 October 2025

Adairs Limited (ASX: ADH)

Ahead of its Annual General Meeting to be held at 11:00am this morning, Adairs Limited is providing sales and gross margin guidance for the first half of FY26.

Year-to-date trading across the first half of FY26 has been largely in line with what was foreshadowed in the commentary provided with the FY25 results in August 2025.

- Adairs' sales growth has moderated as the company pulled back on the frequency and intensity of its promotional activity.
- After an encouraging start, sales at Focus on Furniture have slowed despite ongoing promotional activity leading to lower than planned gross profit margin.
- Mocka's strong sales momentum has been maintained with customers continuing to respond well to new product.

Looking ahead, the next 10 weeks is the most important trading period for the half, delivering approximately 55% of sales for the half with key events like Adairs' next Linen Lover Sale Event (which commences this evening), Black Friday, Christmas, and Boxing Day sales to come. The H1 result is heavily dependent on performance during these peak periods.

The individual business unit and group guidance for the first half is set out below.

Business		H1 FY25 Actual	H1 FY26 Updated Guidance	H1 FY26 Prior Guidance ⁽¹⁾
Adairs	Sales	\$220.5m	\$225m - \$232m	\$229m – \$236m
	Gross Margin %	62.4%	61.4% - 61.9%	60.9% - 61.9%
Focus on Furniture	Sales	\$61.9m	\$60m - \$63m	\$62m - \$64m
	Gross Margin %	51.2%	50.2% - 50.7%	51.2% (flat)
Mocka	Sales	\$28.1m	\$34.5m – \$36.5m	\$33.5m – \$36.5m
	Gross Margin %	59.6%	58.6% - 59.1%	58.1% - 59.1%
GROUP	Sales	\$310.5m	\$319.5m - \$331.5m	\$324.5m - \$336.5m
	Gross Margin %	59.9%	59.0% - 59.5%	58.8% - 59.6%

Note 1: H1 FY26 Guidance provided in August 2025 has been restated based on the implied percentage changes previously published for ease of comparison.

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We remain cautiously optimistic about the trading outlook for the rest of the half. All three businesses are well stocked, and our team are well prepared for the peak trading period ahead.

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

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About Adairs Limited

Adairs Limited (ASX: ADH) is a leading omnichannel specialty retailer operating across Australia and New Zealand. The Group offers a diverse range of home furnishings, furniture, and home décor through three distinct brands: Adairs, Focus on Furniture, and Mocka. Each brand is design-led, sources and procures its own products, and retails through owned or controlled channels. All businesses are customer-focused and service-oriented, operating as wholly owned subsidiaries of the Company and functioning independently in all material respects. Adairs head office is in Melbourne, Australia.

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