

Questions sent to The Australian Financial Review:

On 1 February 2022, Mr Aston wrote:

*Indeed, the orgy of gendered PR attached to this float was the most risible part of the entire shakedown. You'd be forgiven for mistaking Adore's founder, **Kate Morris**, for the first woman ever to launch a venture in her garage.*

<https://www.afr.com/rear-window/adore-beauty-bane-of-womankind-20220201-p59sza>

When it comes to PR-style promotion of Adore Beauty, Media Watch has found quite a number of AFR stories promoting the success of Adore Beauty, before its IPO and in the years preceding.

Here's some of the ones we've found, in the months before the October float:

28 Sept 2020... **No flies on sexy Adore Beauty, rapid IPO planned**

<https://www.afr.com/street-talk/no-flies-on-sexy-adore-beauty-rapid-ipo-planned-20200928-p55ztf>

28 Sept 2020...**Why the Adore Beauty co-founder brought in a helping hand**

<https://www.afr.com/companies/retail/why-the-adore-beauty-co-founder-brought-in-a-helping-hand-20200921-p55xmh>

26 August 2020...**Adore Beauty busier in lockdown 2.0**

<https://www.afr.com/companies/retail/adore-beauty-going-faster-in-lockdown-2-0-20200819-p55nad>

31 July 2020... **Adore Beauty irons out last mile wrinkles**

<https://www.afr.com/companies/retail/adore-beauty-irons-out-last-mile-wrinkles-20200729-p55gm3>

23 July 2020...**Pandemic winner Adore Beauty calls for IPO pitches**

<https://www.afr.com/street-talk/pandemic-winner-adore-beauty-calls-for-ipo-pitches-20200723-p55eom>

10 June 2020...**Beauty queen Kate Morris on her \$100m year**

<https://www.afr.com/life-and-luxury/fashion-and-style/beauty-queen-kate-morris-on-her-100m-year-20200603-p54z1g>

On the other hand, with the exception of this analysis by Tom Richardson on 12 October 2020, [Adore Beauty's valuation raises eyebrows ahead of IPO](#), we haven't been able to find much coverage in the AFR that took a focussed and detailed approach in scrutinising the financials of the Adore Beauty offer for potential investors

Was the AFR coverage part of the “orgy of gendered PR” around Adore Beauty?

Do you think the AFR provided its readers with enough critical analysis of its financials before the October 2020 float, especially in relation to the price tag of more than \$600 million that was put on the company?

Response from Michael Stutchbury, Editor-in-Chief, The Australian Financial Review:

1. The Financial Review's coverage that you outline was not part of any orgy of gendered PR around Adore Beauty. The Rear Window column you cite did not refer to this coverage.
2. The articles you refer to were mostly items from the Financial Review's market deals column, Street Talk, reporting on the strong institutional investor demand for the Adore IPO, or were a part of a monthly “Frontline Fallout” series about how 13 different companies, from construction company John Holland to a small bar and cafe owner in Brisbane, were coping amid the pandemic. These stories were not “promoting the success” of Adore Beauty, as you put it, in the leadup to its IPO in October 2020.
3. Tom Richardson's story is not some exception but was in fact the definitive analytical article on the questions around the Adore Beauty float. As Richardson explained, Adore Beauty was set to be one of 2020's hottest initial public offers, thanks to its sitting in the middle of an e-commerce and retail sweet-spot juiced up by fiscal stimulus and soaring demand for home deliveries. Already in 2020, Richardson's story continued, the price of shares in online-only retail peers such as Kogan, Temple&Webster and Redbubble had increased 200 per cent, 421 per cent and 191 per cent, respectively. *“Potential Adore IPO investors will ask themselves whether this is a clue to good times ahead, or a red flag that the public offer is being timed to maximise value for insiders selling down \$229.5 million of stock,”* Richardson continued. The Financial Review's definitive analysis of the Adore Beauty IPO turned out to be prescient, as could be said for the timing of the Adore Beauty float. Its share price has slumped since not because it's business has underperformed since the float: in fact, it has met or beaten its prospectus forecasts for revenue, gross profit and EBITDA. Its share price has fallen in line with the market re-rating of e-commerce stocks since October 2020, including Adore (down 64 per cent), Kogan (down 72 per cent), Temple&Webster (down 30 per cent) and Redbubble (down 65 per cent). So, while time will tell how Adore Beauty's business model holds up, its post-IPO share price decline has been related more to macro issues to do with the pandemic and e-commerce and related

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technology stocks. And of course the Financial Review has written extensively on this issue.