

city chic collective

27 April 2022

City Chic Collective Limited

Investor Presentation and Trading Update

City Chic Collective Limited (ASX: CCX) ("City Chic", or the "Group") today announces a trading update for 2H FY22 to date (the 17 trading weeks from 27 December 2021 to 24 April 2022), ahead of presenting at the Goldman Sachs Emerging Leaders Conference today, and at the Macquarie Australia Conference on 3 May 2022.

The trading update is included in the investor presentation that is attached to this announcement, which will be presented at both conferences.

Trading Update Conference Call

Phil Ryan, Managing Director and CEO, and Peter McClelland, CFO, will host a market conference call for investors and analysts today at 9.30-10.00am AEST to discuss the trading update.

To listen to the conference call, please pre-register via the link below:

<https://s1.c-conf.com/diamondpass/10021770-4cSf66.html>

The release of this announcement was authorised by the Board.

About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. It is a collective of customer-led brands including City Chic, Avenue, Evans, CCX, Hips & Curves and Fox & Royal. City Chic and CCX appeal to fashion forward women and its omni-channel model comprises; of a network of 94 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the US, the UK and Europe. Avenue (US based) and Evans (UK based) target a broad customer base across conservative and fashion segments, both with a long history and significant online customer following. Hips & Curves in the US, and Fox & Royal in ANZ, the UK and Europe, are online intimates brands. City Chic Collective owns recently acquired European-based online marketplace Navabi and also sells its collective of brands through third-party marketplace and wholesale partners in the US, Canada, UK, Europe and the Middle East.

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**LEADING A
WORLD OF CURVES**

INVESTOR CONFERENCE PRESENTATION

27 APRIL 2022

Phil Ryan, CEO

Peter McClelland, CFO



PRESENTATION HIGHLIGHTS

- Execution of strategic plan on track for global growth
- Product range that resonates globally
- Strong 1H performance (Sales \$178m representing 46% growth and \$23.5m underlying EBITDA²)
- 2H to date¹ - strong total sales growth at 25% on pcp:
 - USA total sales growth of 47%
 - Evans performing at pre-acquisition levels
 - AU sales performing above last year, with online up 13%
 - Global partner sales growth of 465%, extending our omni channel presence in key markets
- Inventory in all markets globally, ready to support continued growth despite increasing global supply chain volatility
- 2H EBITDA to exceed 1H, subject to ongoing consumer demand in key trading months of May and June

1. 17 trading weeks from 27 Dec to 24 April

2. Underlying earnings adjusted for net expenses of \$1.7m, which include costs associated with the acquisition of Navabi and its integration into the business, as well as costs associated with the impact of additional on-costs incurred on the vesting of performance rights in 1HFY22 and the outstanding performance rights and loan funded shares at the end of 1H FY22 (net of a favorable impact from the forfeiture of long-term performance incentives in 1H FY22). No adjustment for the non-cash long term incentive share-based payments expense of \$0.7m in 1H FY22 (\$1.5m in 1H FY21). Presented pre-AASB16



1.

1H 2022

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1H FY22 RESULT HIGHLIGHTS

\$178m

Global Sales

Australia, New Zealand, USA, Canada, UK, Europe, Middle East

\$178.3m

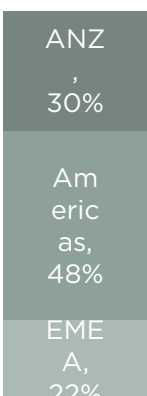
Global Sales⁶

1.32m

Active Customers^{3,6}
64% YoY Growth

71.7m

Global Traffic^{5,6}
71% YoY Growth



77%

Online Sales
Penetration (LTM)²

49.8%

Top-line Sales
Growth

44.0%

Comp Sales
Growth¹

\$23.5m

Underlying EBITDA⁴

1% YoY Growth
13.2% Margin

\$20.4m

Underlying EBIT⁴

0.8% YoY Growth
11.4% Margin

\$14.0m

Underlying NPAT⁴

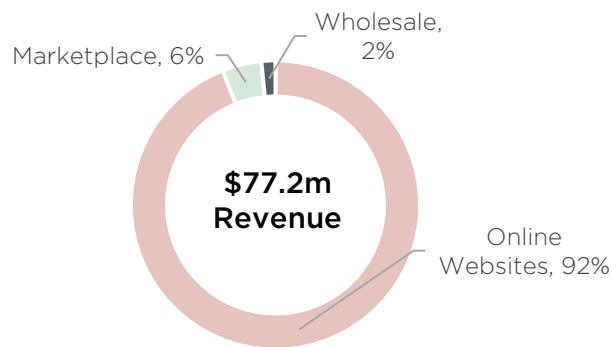
7.9% Margin

1. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Evans and Navabi; excludes period of extended store closures due to Government-directed lockdowns. On constant currency basis (prior year restated at current year FX rate)
2. Online represents websites and online marketplace sales; based on last 12 months revenue to remove seasonality impacts
3. Active customers include customers who have shopped online, in stores and omni-channel in the last 12 months; excludes wholesale and marketplace customers
4. Underlying earnings adjusted for net expenses of \$1.7m, which include costs associated with the acquisition of Navabi

- and its integration into the business, as well as costs associated with the impact of additional on-costs incurred on the vesting of performance rights in 1HFY22 and the outstanding performance rights and loan funded shares at the end of 1H FY22 (net of a favourable impact from the forfeiture of long-term performance incentives in 1H FY22). No adjustment for the non-cash long term incentive share-based payments expense of \$0.7m in 1H FY22 (\$1.5m in 1H FY21). Presented pre-AASB16
5. Traffic to Online excludes traffic to Online Marketplaces
 6. ANZ refers to Australia and New Zealand, Americas includes USA and Canada, EMEA region refers to UK, Europe, Middle East and Africa

GLOBAL BUSINESS OVERVIEW

AMERICAS

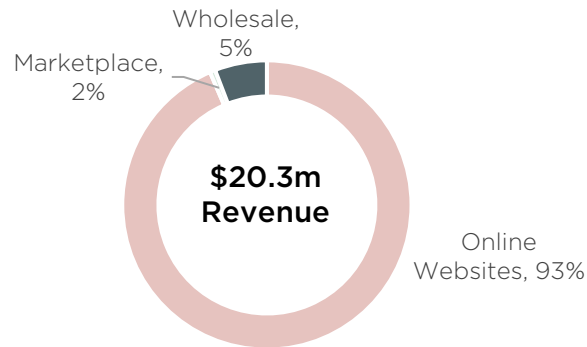


- 582k Active Customers¹ (42% YoY Growth)
- 34.3m Annual Traffic² (31% YoY Growth)
- A\$207 avg Annual Spend³ (In line with pcp)
(note: average USD FX rate of 0.74 in 1H FY22)

avenue city chic CCX
cloudwalkers Hips & Curves EVANS

USA fulfilment site in Dallas
Canada fulfilment site in Ontario
Office in New Jersey

EMEA

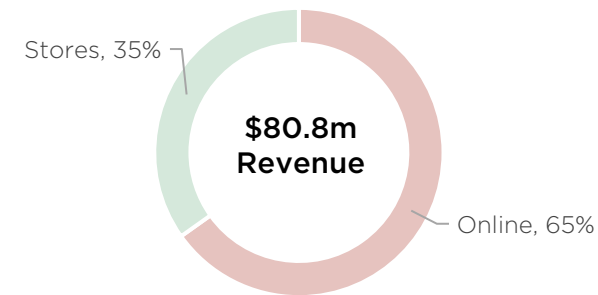


- 251k Active Customers^{1,4}
- 15.9m Annual Traffic^{2,4}
(includes 5 months since Navabi acquisition)
- A\$122 avg Annual Spend^{3,4}

EVANS city chic avenue
CCX FOX&ROYAL navabi

UK fulfilment site in Gateshead
European fulfilment site in NW Germany
Office in London

AUSTRALIA & NEW ZEALAND



- 482k Active Customers¹ (24% YoY Growth)
- 21.5m Annual Traffic² (34.4% YoY Growth)
- A\$319 avg Annual Spend (8.1% YoY Growth)

city chic CCX FOX&ROYAL
EVANS avenue

ANZ fulfilment site in Sydney
94 stores at end of Dec 2021
Head office in Sydney

2.

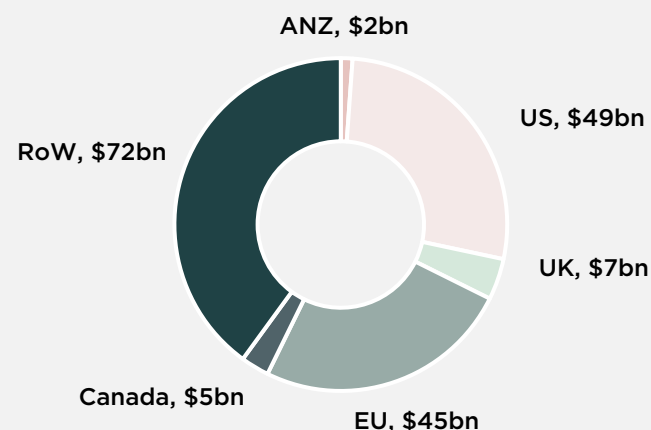
**BUSINESS
OVERVIEW AND
STRATEGY**

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GLOBAL PLUS-SIZE LANDSCAPE

Currently address US\$100bn+ of the US\$180bn¹ total global plus size market
Entry into US\$45bn European market in FY22 with Navabi acquisition²



City Chic's current penetration by product stream and region

	Fashion / Youth	Conservative	Intimates
ANZ	Established	Early Stage	Established
USA	Early Stage	Established	Early Stage
UK	Early Stage	Established	Early Stage
EU	Entry in July 2021 with Navabi acquisition ²		
Canada	Entry in April 2021 with minimal current share ³		

GROWTH

- Plus-size market forecast to grow c.7%¹ annually
- Average annual spend in plus-size is currently materially less than the rest of the women's apparel market
- Curvy women increasingly gaining confidence
- Increasing rates of plus-size women globally

ONLINE

- Plus-size women have embraced shopping online
- Current online sales represent one-quarter¹ of total plus-size sales globally
- Strong forecast growth in online channels in the global plus-size market

UNDERSERVED

- Traditionally, plus-sized women's clothing has been serviced by department stores or select retailers with extended sizing
- Limited number of independent plus-sized brands

World of Curves

THE DESTINATION FOR HER EVERY LIFESTYLE NEED

EXECUTING OUR STRATEGY

Deliver the Collective's significant product range to the global plus-size market through our global digital and physical storefronts

GLOBAL
PRODUCT RANGE

8k+

STYLES

15+

BRANDS²

GLOBAL DIGITAL
STORE FRONTS

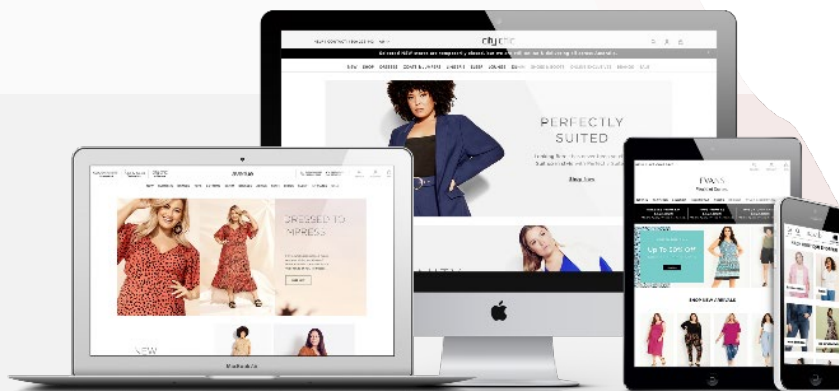
city chic · avenue
EVANS navabi

& Partners + Stores

GLOBAL
PLUS-SIZE MARKET

Global Plus-size
Customer across various
lifestyles: fashion, youth,
conservative, intimates

US\$180bn annually¹



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1. Source Credence Research, Inc.
2. Includes recently launched lifestyle brands and owned brands acquired through Navabi

KEY INITIATIVES TO LEAD A WORLD OF CURVES

MARKET SHARE EXPANSION IN THE AMERICAS

- Significant market share opportunity in the US\$49bn¹ market
- Cross selling of City Chic and Evans product to the Avenue customer is tracking well
- Expand marketing campaigns to grow customer base and to re-engage customers
- Expand existing and enter new marketplace partnerships

EXPAND FASHION / YOUTH
OFFERING GLOBALLY

MARKET SHARE EXPANSION IN THE UK

- Significant market share opportunity in the US\$7bn¹ market
- Evans acquisition has accelerated entry into the UK; providing platform to drive customer base growth
- Supply chain issues have materially impacted the range delivery in the UK and EU business and these are a key focus to get right for the northern hemisphere summer
- Expand existing and enter new marketplace partnerships

NEW MARKET PARTNERSHIPS IN
CANADA AND THE MIDDLE EAST

MARKET ENTRY FOR 'CONSERVATIVE VALUE' IN ANZ

- Significant market share opportunity in the US\$2bn market¹
- Adopted the learnings from the US market entry experience – leverage the strong existing traffic streams of Citychic.com.au and launched the conservative value product stream across 7 David Jones concession stores and David Jones marketplace with strong positive early reads
- Launched Avenue/Evans on Citychic.com.au with assortment including over 1,500 styles; very pleasing customer reaction to date

WORLD OF CURVES
SOCIAL COMMUNITY

MARKET ENTRY IN EUROPE

- Significant market share opportunity in the US\$45bn¹ market
- Acquisition of Navabi provides a foothold into European market
- Range build was stopped by supply chain issues and the range build will commence in summer 2022
- Introduce all the collective's brands and further develop the current product and lifestyle offering
- Launch marketplace partnerships in Europe to drive brand awareness

REVIEW INORGANIC
OPPORTUNITIES

CUSTOMER-CENTRIC OPERATING MODEL



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GLOBAL MARKETPLACE PARTNERSHIPS¹

Partnerships in new and existing regions form a part of our customer acquisition strategy; leveraging infrastructure to profitably bring awareness to our global brands as trends continue online

	Established	1H FY22	New in 2H FY22
ANZ		DAVID JONES	THE ICONIC ebay
AMERICA	★macy's NORDSTROM HUDSON'S BAY	Walmart TARGET	amazon Dia
EMEA	next Curvisza SIZES 14-32 freemans	very ALSHAYA GROUP SECRET SALES	zalando Debenhams (UK + Middle East) amazon

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1. Marketplace/dropship partners only; excludes wholesale partners

THE FUTURE OF DIGITAL PRIVACY

Data protection has experienced a paradigm shift over the last few years with GDPR in Europe, CCPA in California & PIPEDA in Canada. As a global digital retailer, we are looking to adapt to these changes by moving from client-side to server-side tracking. We are removing the power of tracking from the browser to our encrypted servers, providing us enhanced control over our data while adding additional protection to our consumer's data.



CURRENT TRACKING - CLIENT-SIDE

We currently operate “Client-Side”, tracking through browser data, third-party cookies and pixels.

WHY MOVE FROM CLIENT-SIDE TRACKING

- Outdated model and degradation of data due to ad-blockers, Intelligent Tracking Protection (ITP), misattribution.
- Google looking to block third-party cookies in 2023
- IOS updates have led to complications for Facebook and Google Advertising tracking. While server side is not a complete solution and is evolving, it allows us to enhance our conversion tracking and pass it back to Facebook and Google for improved accuracy.

FUTURE TRACKING - SERVER-SIDE

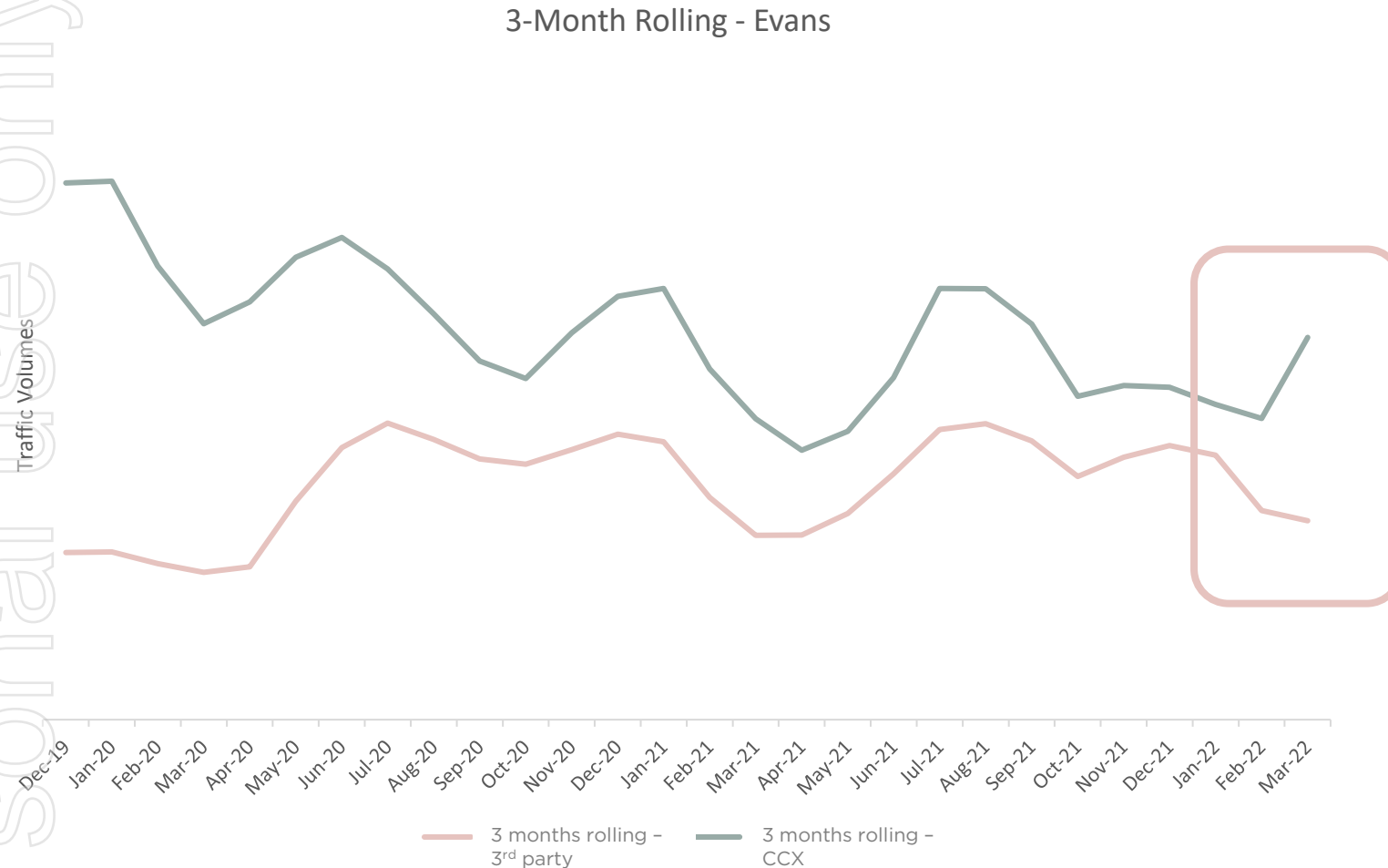
We will be moving to Server-Side, tracking directly through customers interactions within our server.

THE IMPACT OF SERVER-SIDE TRACKING

- Enhanced data security for consumers and IP anonymization
- Enhanced data tracking capabilities - removes complications from ad-blockers and Intelligent Tracking Protection
- Data ownership - removing third-party data from cookies and tracking pixels
- Enhanced data to be passed to and from our advertising channels leading to improve efficiencies in our spend and behavioral tracking

TRAFFIC ANALYSIS

EVANS COMPARISON TO PREDICTIVE TRAFFIC ALGORITHMS



- There has been a lot of focus and commentary about traffic and performance reported through third party predictive traffic algorithms, especially in relation to the Evans website
- We have graphed Evans.co.uk 3 month rolling third-party predicted traffic numbers against actual traffic from our analytics program from Dec 19 to March 22
- In Jan to March 22 there was a major move in the actual data compared to the prediction. At this time, we commenced driving traffic to the Evans site as product availability improved

3.

TRADING UPDATE 2H FY22 TO DATE¹

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1. 17 trading weeks
from 27 Dec to 24
April



TRADING UPDATE BY CHANNEL AND REGION - 2H FY22 TO DATE³

REVENUE BY CHANNEL

1H FY22	Sales Revenue (A\$m)	Sales Growth % (Reporting)
Online	142.1	72.2%
Stores	28.1	(16.8%)
Marketplace	5.1	257.5%
Wholesale	3.0	132.6%
Total	178.3	49.8%

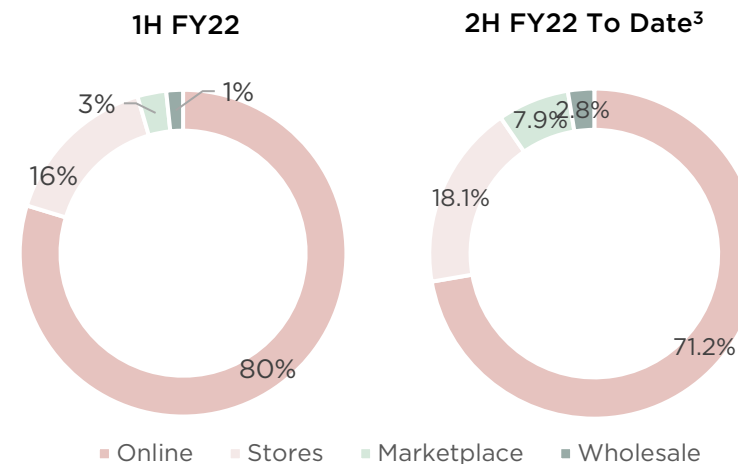
2H FY22 To Date ³	Sales Revenue (A\$m)	Sales Growth % (Reporting)
Online	77.8	22.7%
Stores	19.8	(8.0)%
Marketplace	8.6	342.8%
Wholesale	3.0	2415.4%
Total	109.2	25.4%

REVENUE BY REGION

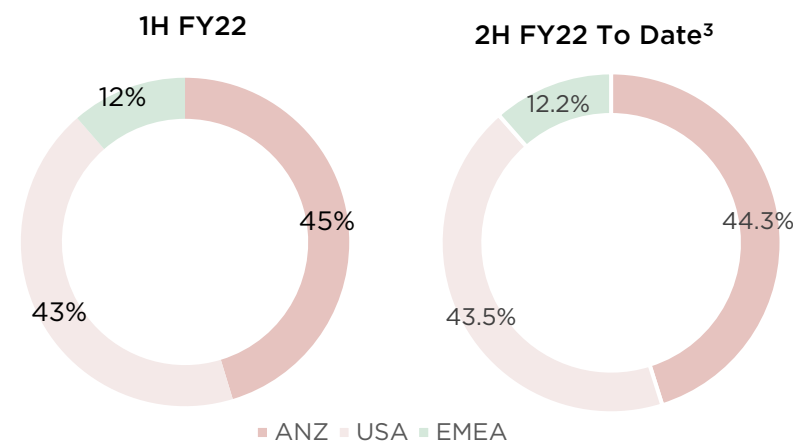
1H FY22	Sales Revenue (A\$m)	Sales Growth % (Reporting)
ANZ	80.8	14.0%
Americas	77.2	62.2%
EMEA	20.3	N/A
Total	178.3	49.8%

2H FY22 To Date ³	Sales Revenue (A\$m)	Sales Growth % (Reporting)
ANZ	48.3	3.0%
Americas	47.5	47.2%
EMEA	13.4	68.9%
Total	109.2	25.4%

CONTRIBUTION BY CHANNEL



CONTRIBUTION BY REGION



TRADING UPDATE - 2H FY22 TO DATE¹

City Chic has delivered strong sales growth of 25% in 2H FY22 to date¹, underpinned by the Group's strong instock inventory position, despite ongoing volatility in global supply and demand. Trading margins at a regional and channel level have remained consistent on pcp.

Northern Hemisphere has grown to be 55.7% of group sales and has continued its growth at a rate of 52% in 2H FY22 to date¹, highlighting the global appeal of our product assortment.

USA growth continues to be strong, up 47% in 2H FY22¹ to date

- Our websites have shown continued strong growth, up 26%
- The integration of CoEdition to the City Chic websites is delivering excellent results
- City Chic lifestyle segments in the better dressing area are driving growth across all channels, reinforcing our Collective's ability to introduce product range to an existing customer base and using partners to drive growth globally
- Avenue is trading above pre-acquisition levels and showing good growth, as a result of the execution of supply chain initiatives and strong inventory

EMEA sales growth of 69%

- Proactive management of logistics, with the launch of summer stock, has resulted in Evans growing 140% on pcp in the 8 weeks to 24 April, which is above pre-acquisition levels
- Evans trading demonstrates our ability to integrate acquisitions into our infrastructure and deliver growth
- Navabi sales are growing weekly with a continually improving stock position
- Performance of City Chic branded product in the UK, EU and with partners has been very pleasing, reinforcing the global appeal of our assortment



GLOBAL PARTNERSHIPS RAPIDLY GROWING; SALES GROWTH UP 465% IN 2H FY22 TO DATE¹

Partner growth extends our omni-channel presence in key growth markets.

Being adaptive to the partner, to maximise the revenue opportunity, has been a key learning and execution priority during 2H.

Existing partnerships

- **Hudson's Bay** - launched product in to 20 stores, CCX is their biggest apparel marketplace vendor, greatly expediting our trial into the Canadian market
- **Macy's and Nordstrom** - trading above pre-COVID levels
- **Target** - performed above expectations in Q3
- **Very** - launched concession marketplace arrangement
- **Alshaya** - franchise arrangement for 23 stores and digital presence in the Middle East for all CCX brands



HUDSON'S BAY



NORDSTROM



TRADING UPDATE – 2H FY22 TO DATE¹

ANZ has continued to grow sales in 2H FY22¹ at 3%, against a strong pcp and in a challenging market due to the continued impact of the COVID-19 Omicron variant in the first few months of the second half.

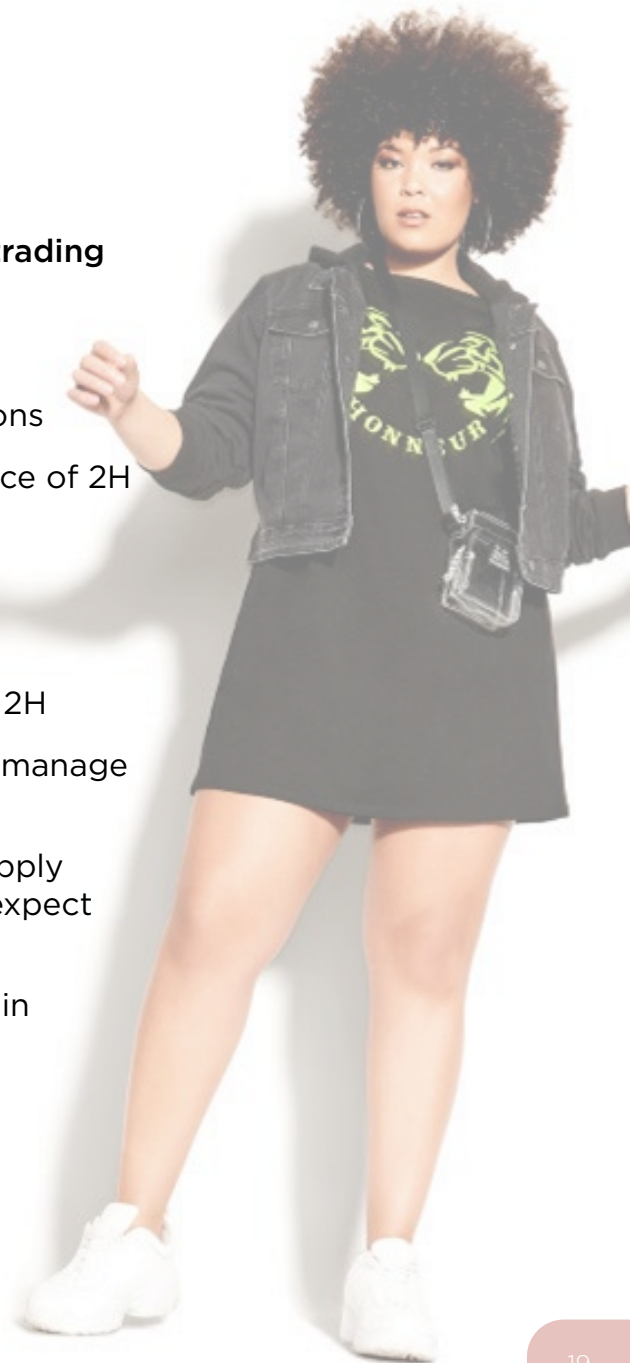
- Online has continued to grow at 13%, against a strong FY21 base number
 - Our assortment has continued to increase, with the introduction of a broader range of Avenue and Evans product hitting the website
 - The footwear assortment from Evans and Cloudwalkers has been the most pleasing performer, as it captures a new share of wallet from our Australian customer
- Stores in Australia are recovering after a slow start to 2H due to COVID-19:
 - Jan and Feb were impacted by lower foot traffic in store, primarily due to COVID-19
 - Since that time we have seen week on week improvements:
 - Easter week this year was bigger than Easter week in store last year
 - Our dress business in March and April has driven a recovery, as events such as weddings return
 - Growth expected for the balance of the financial year compared to pcp



2H FY22 OUTLOOK

City Chic expects 2H FY22 EBITDA to exceed 1H FY22 EBITDA, subject to ongoing consumer demand in the key trading months of May and June.

- Our proactive management of inventory has countered the ongoing and increasing global supply chain disruptions
 - We have the inventory ready, and in market, to drive growth in all regions, protecting demand in the balance of 2H and into Q1 FY23
 - Many ports in China are closed due to the COVID Zero policy, and shipping delays have increased this half
- Consistent with comments made at the 1H result, our inventory position will continue to build in 2H, driven by:
 - Typical seasonal investment in inventory to support the peak sales period in the Northern Hemisphere in 2H
 - The continued strategic investment in inventory to support future growth and to continue to proactively manage the ongoing supply chain challenges being experienced across the globe
- Net debt position, as at financial year end, is expected to be in the range of \$6-12m, subject to demand and supply chain volatility. Post the Northern Hemisphere peak sales period, and as the supply chain challenges ease, we expect to release inventory and deliver strong positive cash flows in FY23
- We are reviewing retail prices globally, with a view to increasing prices in categories that we see opportunities in



Q&A

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This presentation contains forward-looking statements. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “project”, “should”, “could”, “would”, “target”, “aim”, “forecast”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance. Forward-looking statements are not guarantees or predictions of future performance. They are prepared in good faith and are based on the Company’s best estimates and information at the time of preparing the presentation. They are nonetheless subject to significant uncertainties and contingencies many of which are understandably beyond the Company’s control. Unanticipated events will occur, and actual future events may differ materially from current expectations for many reasons including new business opportunities, as well as many other internal and external factors. Any of these factors may materially affect the Company’s future business activities and financial results. This presentation should not be relied upon as a recommendation or forecast by the Company.

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The release of this presentation has been approved by the Board.

