

Lovisa

**Lovisa Holdings Limited
Macquarie Conference
May 2022**

**CHRIS LAUDER
CHIEF FINANCIAL OFFICER**



ersonal use only



Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect the current intentions, plans, expectations, assumptions and beliefs about future events of Lovisa Holdings Limited (LOV) and are subject to risks, uncertainties and other factors, many of which are outside the control of LOV.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks.

Because actual results could differ materially from LOV’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

STRATEGY RECAP



Our strategic plans remain in place

OUR PAST

12 years ago we set out to develop a fast fashion jewellery concept to meet customers needs

We were determined to focus on fashion jewellery maintaining a high margin and small store footprint model

With plans to globalise the brand we set about building a model that can be centrally managed and rolled out globally

We have opened over 600 stores across 22 markets in that time

Sales CAGR of 30% in that time

OUR PRESENT

Although we have had short-term challenges with COVID over the past 2 years we are well on the way in establishing a truly global brand

We continue to develop over 100 new lines every week for our customers

We continue to build and invest in our structures to support our future growth

We are investing strongly in our digital platform and strategy to drive continued global growth

We have a strong balance sheet, no debt and we continue to control our costs

OUR FUTURE

Continued expansion in our current markets with the same successful disciplines and criteria used to date

Continued investment in our team investing ahead of our growth curve and building global capability

Continued focus on our Digital platforms globally

Continued focus on identifying new markets to pilot our Lovisa brand

We remain excited about the future and we believe the present situation will provide future opportunities

STRATEGY RECAP



Lovisa Store Disciplines

Target store size
between 50 - 80 sqm

Stores are designed
for high intensity
merchandising to
maximise sales
potential

Standardised fit-outs
maintain customer
experience and
facilitate efficient roll-
out programs

Centralised sales and
inventory
management
systems



High pedestrian
traffic locations

Majority of stores
in desirable malls
and locations

Typical store is run
by a store
manager and
flexible support
team base

Simplistic design to
facilitate easy store
management so
team can be sales
focussed

Personal use only



STRATEGY RECAP



Vertically Integrated Business Model

VERTICALLY INTEGRATED RETAIL MODEL

- Owned product and brand
- In house, product-led business
- Significant cost advantage via direct sourcing from factories, with product manufactured in cost optimal locations (China, Thailand and India)
- Strong focus on data analytics for inventory management
- Business model underpins consistently high gross margins (>75%)

SPEED TO MARKET AND RESPONSIVE TO TRENDS

- 8-10 weeks from concept to shop floor, with strong selling lines able to be repeated within 4-6 weeks
- New ranges in store regularly (>100 new styles weekly) providing freshness to customer offer
- Central Buying team, highly responsive to fashion and sales trends with proven success in bringing on-trend new products to market
- Focus on adapting new lines to meet customer demand
- Bulk of ranges non-seasonal and global
- Strategically located logistics hubs in Melbourne, China and Poland, and dedicated e-commerce warehouses in the UK, USA and South Africa



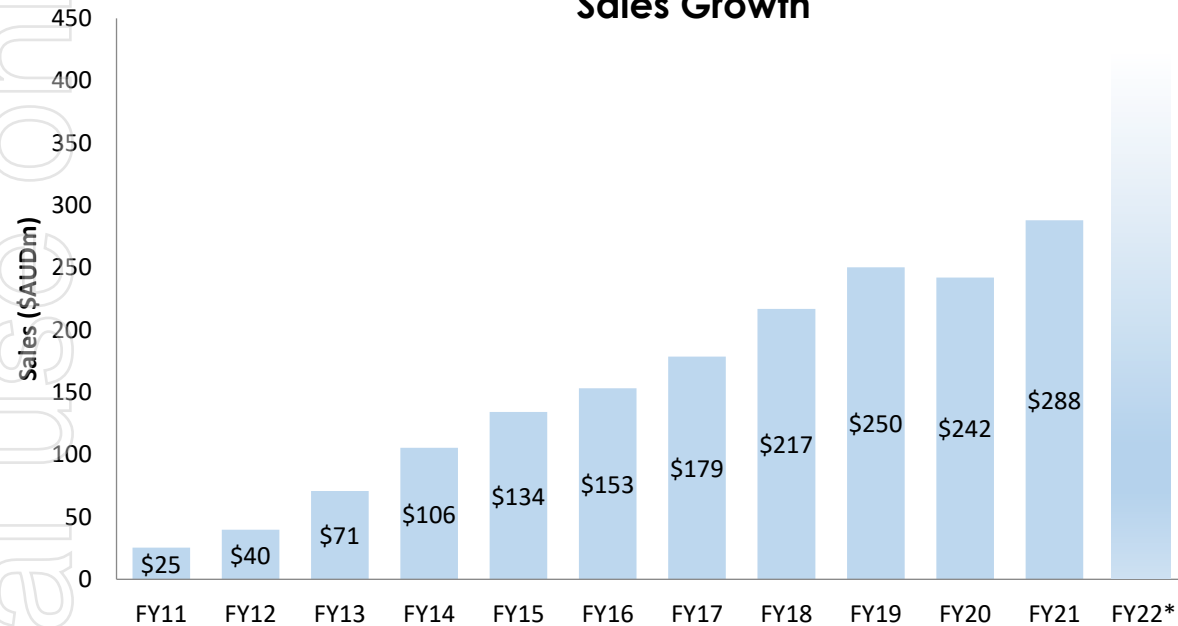
Personal use only



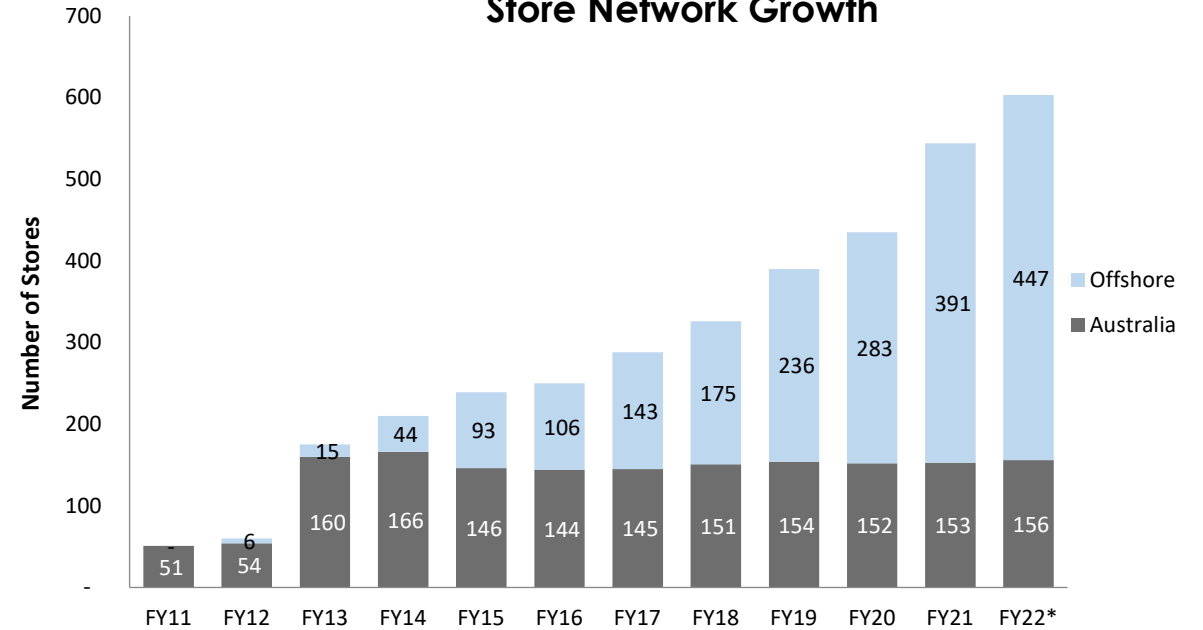
HISTORY OF CONSISTENT GROWTH



Sales Growth



Store Network Growth



* Number of Stores FY22 represents position as at end of April month. FY22 sales illustrative only subject to completion of the financial year.

- Sales and store network growth trajectory back on track after COVID impacts through FY20, FY21 and FY22

STORE NETWORK



International Rollout continued with 59 net new stores opened for the Year to Date

Country	Store number growth				
	April FY22	FY21	FY20	Var FY22 YTD (10 mths)	Var FY20
Australia	156	153	152	3	4
New Zealand	24	24	23	0	1
Singapore	17	18	19	(1)	(2)
Malaysia	30	28	27	2	3
South Africa	67	64	62	3	5
United Kingdom	40	41	42	(1)	(2)
France	58	52	21	6	37
Germany	38	38	0	0	38
Belgium	11	8	0	3	11
Switzerland	6	8	0	(2)	6
Netherlands	5	6	0	(1)	5
Austria	3	3	0	0	3
Luxembourg	2	2	0	0	2
USA	101	63	48	38	53
Middle East	45	36	34	9	11
Vietnam	0	0	7	0	(7)
Total	603	544	435	59	168

- Number of international stores continued to grow with offshore territories now 74% of the store network
- 73 new stores opened in the period offset by 14 closures
- Increase of 168 stores since June 2020, including 87 acquired in Europe as a result of the beeline acquisition in FY21 and 163 stores now trading in Europe
- US rollout continued with 38 new stores opened YTD, we are now trading from 31 US states
- Pace of organic rollout increased during the first half however has been constrained by labour shortages and logistics challenges, in particular in the USA, which has also impacted store build costs
- Logistics challenges have continued in the second half in particular impacted by recent lockdowns in China
- Global leasing team in place to drive growth from existing and new markets

FIRST HALF FINANCIAL OVERVIEW AND TRADING UPDATE¹



(\$000)	HY22 (Statutory)	HY22 (pre AASB 16)	HY21 (pre AASB 16)	Variance (pre AASB 16)
Revenue	217,822	217,822	146,871	48.3%
Gross profit	170,657	170,657	113,414	50.5%
EBITDA	81,755	57,870	39,581	46.2%
EBIT	50,750	49,078	30,872	59.0%
NPAT	36,178	36,705	21,549	70.3%
EPS (cents)	33.7	34.2	20.1	70.3%
Dividend (cents)	37.0	37.0	20.0	+17.0 cents

- Improved financial performance as key markets traded well as economic activity improved across most markets
- First Half Revenue up 48.3% on 1H21 with comparable store sales up 21.5%
- Strong focus on CODB management and efficiency while building structure to support next stage of growth
- Continued store rollout with 49 new stores opened for the first half offset by 7 closures
- Continued strong balance sheet and cashflow generation with \$52.7m of net cash at half-year end and no debt resulting in increased interim dividend of 37 cents

Trading Update

- As previously announced, trading for the first 8 weeks of the second half saw comparable store sales for that period of +12.1% on FY21, and total sales +61.7% on the same period in FY21
- This sales momentum has continued through the second half to date to the end of April

STRATEGY RECAP



Our strategic plans remain in place

OUR PAST

12 years ago we set out to develop a fast fashion jewellery concept to meet customers needs

We were determined to focus on fashion jewellery maintaining a high margin and small store footprint model

With plans to globalise the brand we set about building a model that can be centrally managed and rolled out globally

We have opened over 600 stores across 22 markets in that time

Sales CAGR of 30% in that time

OUR PRESENT

Although we have had short-term challenges with COVID over the past 2 years we are well on the way in establishing a truly global brand

We continue to develop over 100 new lines every week for our customers

We continue to build and invest in our structures to support our future growth

We are investing strongly in our digital platform and strategy to drive continued global growth

We have a strong balance sheet, no debt and we continue to control our costs

OUR FUTURE

Continued expansion in our current markets with the same successful disciplines and criteria used to date

Continued investment in our team investing ahead of our growth curve and building global capability

Continued focus on our Digital platforms globally

Continued focus on identifying new markets to pilot our Lovisa brand

We remain excited about the future and we believe the present situation will provide future opportunities

Personal use only



ersonal use only



QUESTIONS