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Lovisa Holdings Limited
2023 FULL YEAR RESULTS

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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.

The financial information contained in this document is extracted from the unaudited financial statements of the company.

CONTENTS

STRATEGY RECAP

Our strategic plans remain in place

OUR PAST

13 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 800 stores across 39 countries in that time

Sales CAGR of 30% in that time

OUR PRESENT

We are well on the way in establishing a 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 in our digital platform and strategy to drive continued global growth

We have a strong balance sheet and we continue to control our costs

OUR FUTURE

Continued expansion both in existing and new 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 as well as expanding our brand presence through online marketplaces

Continued focus on identifying new markets to grow our Lovisa brand

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

FULL YEAR OVERVIEW[1]

- Strong sales performance with global comparable store sales for the period up 6.3% compared to FY22
- Total sales up 30.0% on FY22 reflecting strong comparable store sales and growth in the store network, up 33.1% on 52-week basis
- Gross Margin up 100bps
- CODB well controlled while continuing to make significant investment into growing the business
- NPAT of $68.2m for the period, up 16.7% on prior year, up 20.1% on a 52-week basis
- 801 stores at the end of the financial year
- 172 net new stores opened for the period, with 12 new markets and presence in 39 countries
- US market up to 190 stores at year end, and Europe now 224 stores trading
- Cash flow from operations $188m, up 24.8% on prior year, reflecting solid working capital management
- Debt facilities increased to $120m and extended for 3 years
- Final dividend of 31 cents, 70% franked, reflecting continued strong balance sheet position

[1] Financial metrics used throughout this document represent the financial performance of the company including the impact of lease accounting standard AASB 16. Some measures are quoted as being on a 52-week basis, removing the impact of the 53rd week in FY22. A reconciliation between the pre and post AASB 16 numbers and 52 vs 53-week numbers is included at Appendix 2 for reference purposes only.

FINANCIAL OVERVIEW[1]

($000) (Statutory)	FY23 52 weeks	FY22 53 weeks	Variance	FY22 52 weeks	Variance
Revenue	**596,456**	**458,712**	**30.0%**	448,245	33.1%
Gross profit	**476,714**	**361,828**	**31.8%**	353,702	34.8%
EBITDA	**179,945**	**143,368**	**25.5%**	139,982	28.5%
EBIT	**105,742**	**82,684**	**27.9%**	80,425	31.5%
NPAT	**68,164**	**58,387**	**16.7%**	56,766	20.1%
EPS (cents)	**63.3**	**54.3**	**9.0**	52.8	10.5
Dividend (cents)	**69.0**	**74.0**	**-5.0 cents**		

Continued strong profit growth

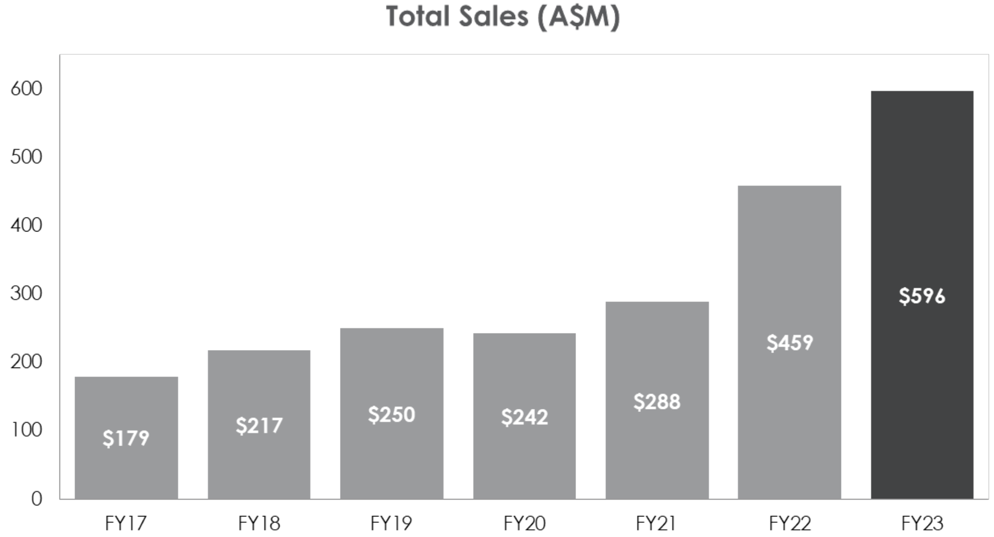
- Revenue up 33.1% on FY22 (52 weeks) with comparable store sales up 6.3%
- CODB well managed with focus on investment to support continued growth
- Net Interest higher from increased lease liabilities as a result of network growth, increased debt level and higher interest rates
- NPAT up 20.1% on prior year on a 52-week basis
- Strong balance sheet and cashflow generation resulting in final dividend of 31 cents, taking full year dividends to 69 cents

[1] Financial metrics used throughout this document represent the financial performance of the company including the impact of lease accounting standard AASB 16. Some measures are quoted as being on a 52-week basis, removing the impact of the 53rd week in FY22. A reconciliation between the pre and post AASB 16 numbers and 52 vs 53-week numbers is included at Appendix 2 for reference purposes only.

TRADING PERFORMANCE - SALES

Sales growth continues

- Global Sales Revenue up 30.3% to $596m, both from comparable stores and network growth
- Strong first half benefited most markets, second half growth slower as we cycled strong prior year performance
- Europe sales reflects continued new store growth with a net increase of 55 stores in the period including 4 new markets compared to the prior year
- Americas region continued store rollout momentum, with 72 net new stores in the USA combined with our new markets in Mexico and Canada adding a net 10
- Africa benefited from 10 net new stores in the period including new markets Namibia, Botswana and the UAE
- Strong store network platform in place to drive growth into the future with stores now in 39 countries



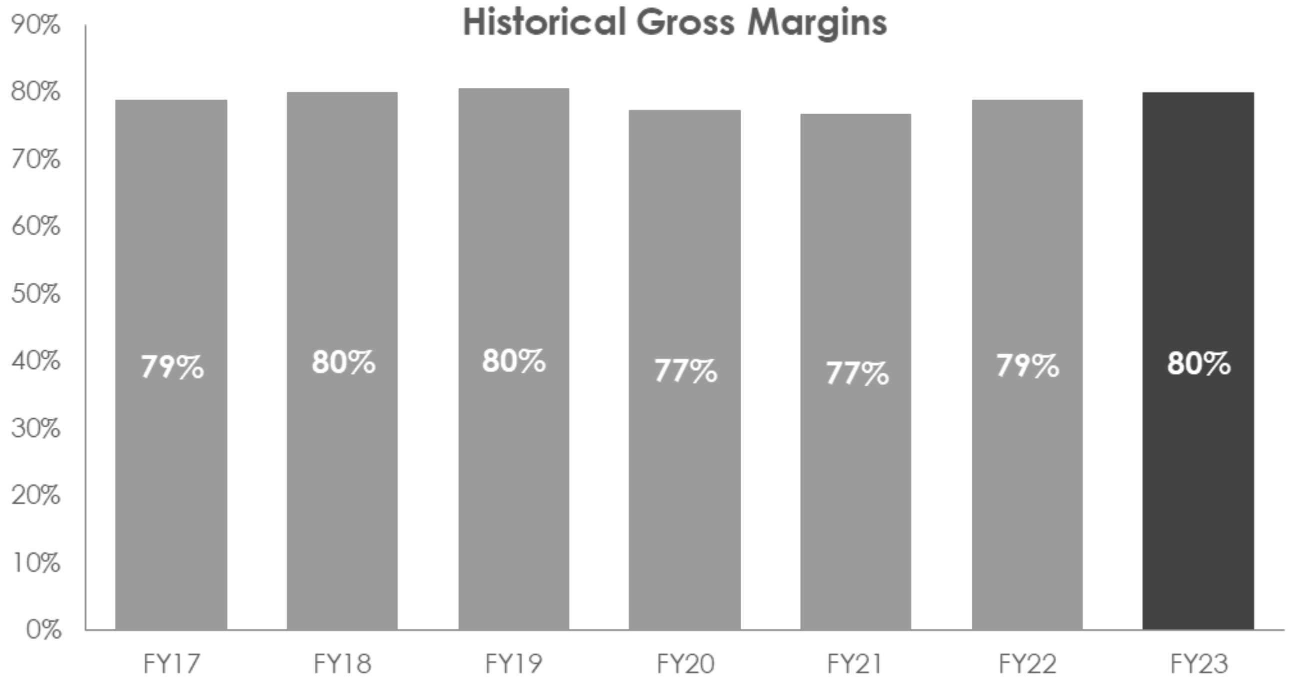
Region ($AUD '000)*	FY23 52 weeks	FY22 53 weeks	Variance
Australia / NZ	198,646	174,255	14.0%
Asia	37,311	24,364	53.1%
Africa	48,800	45,768	6.6%
Europe	181,639	140,121	29.6%
USA	128,183	71,960	78.1%
Total	594,579	456,468	30.3%

* Sales revenue excluding franchise revenue

TRADING PERFORMANCE – GROSS MARGIN

Gross margin improvement delivered

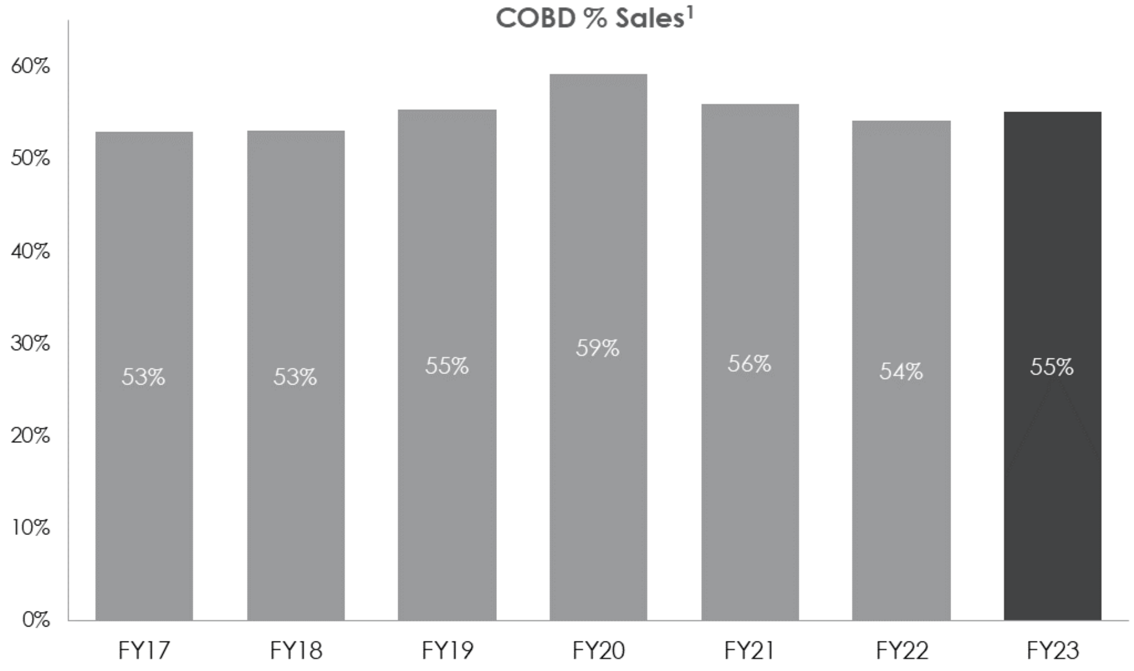
- Gross profit increased 34.8% to $476.7m (52 week basis)
- Gross Margin was 79.9%
- Clean inventory position
- Currency impacts on gross margin becoming less pronounced with significant cash flows now generated in USD and Euro



COST OF DOING BUSINESS

Cost pressures well managed

- CODB well managed with continued investment made into growing the business
- Total CODB up 36% on the prior full year, including $27m Long Term Incentive expense associated with the CEO LTI package
- Excluding this item and on a pre-AASB16 basis CODB % to sales was 55.1%, slightly above previous period
- Investment continues to be made into structures to drive global rollout and opening of new markets
- Controllable costs well managed in line with store network growth



[1] FY23, FY22, FY21 and FY20 results represent performance excluding the impact of AASB 16 and the impact of the CEO LTI Expense. A reconciliation between pre and post AASB 16 numbers is included at Appendix 2.

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CASH FLOW

Continued investment in store rollout

(A$000s) (Statutory)	FY23	FY22
Cash from operating activities	188,377	150,622
Net interest paid	(12,844)	(6,027)
Tax paid	(34,369)	(14,036)
Net cash from operations	**141,164**	**130,559**
Property Plant & Equipment	(60,530)	(34,451)
Cash acquired from beeline acquisition	0	(153)
Key Money	(191)	0
Net cash provided by/(used in) investing activities	**(60,721)**	**(34,604)**
Capital contributions	260	0
Proceeds from borrowings	55,000	10,000
Payment of lease liabilities	(57,997)	(48,366)
Dividends paid	(80,874)	(59,103)
Net cash used in financing activities	**(83,611)**	**(97,469)**
Opening cash	34,153	35,552
Effect in movement in exchange rates	665	115
Closing cash	**31,650**	**34,153**
Net movement in cash	**(2,503)**	**(1,399)**

- Cash flow from operating activities $188m, up 24.8%
- Capital expenditure of $60.7m includes 201 new company owned stores built for the period as the store rollout accelerated in FY23
- Tax paid for the period reflects tax instalments returning to more normal levels following lower payments in recent years
- Increase in cash dividends for the period with focus on returning surplus cash to shareholders and allowing for increased debt in capital structure of the business
- Increase in lease payments and interest paid reflect growth in the store network

BALANCE SHEET

Balance Sheet remains strong

- Inventory holdings increased at a slower rate than sales and store network growth, with clean stock position at the end of the period
- Increase in lease liabilities reflects acceleration of store rollout
- Net debt of $33.4m reflects focus on introducing debt into the capital structure while funding investment in the business
- Extension of our cash debt facilities for a further 3 years completed during 2H with increase in available cash facilities to $120 million to support ongoing growth
- Final dividend of 31c determined to be paid in October 2023, reflecting cash flow generation for the period and continued strong balance sheet position
- We will continue to review dividend levels based on cash and facilities available and capital requirements of store network expansion

(A$000s) (Statutory)	FY23	FY22
Cash	31,650	34,153
Receivables	23,412	22,383
Inventories	60,098	50,215
Derivatives	915	1,682
Total current assets	**116,075**	**108,433**
Property Plant & Equipment	121,389	67,255
Lease Right of Use Assets	255,741	172,037
Intangibles	4,274	4,234
Deferred tax asset	20,924	17,326
Total assets	**518,403**	**369,284**
Payables	39,677	47,397
Lease Liabilities	57,606	50,403
Loans and borrowings	0	10,000
Derivatives	0	0
Provisions	17,950	24,085
Total current liabilities	**115,233**	**131,884**
Lease Liabilities	249,981	167,969
Loans and borrowings	65,000	0
Provisions	8,200	5,108
Total liabilities	**438,414**	**304,961**
Net assets	**79,989**	**64,323**

STORE GROWTH

Global expansion continued with 210 new stores opened

Store number growth						
Country	**FY23**	**FY22**	**New Stores**	**Relocations**	**Closures**	**Var YOY**
Australia	168	154	17	(2)	(1)	14
New Zealand	27	25	2	0	0	2
Singapore	16	17	2	0	(3)	(1)
Malaysia	41	32	9	0	0	9
Hong Kong	8	0	8	0	0	8
Taiwan	1	0	1	0	0	1
South Africa	75	69	10	(3)	(1)	6
Namibia	2	0	2	0	0	2
Botswana	1	0	1	0	0	1
United Kingdom	44	42	3	(1)	0	2
Spain	1	0	1	0	0	1
France	68	59	10	0	(1)	9
Germany	47	40	9	0	(2)	7
Belgium	11	11	1	0	(1)	0
Netherlands	7	5	2	0	0	2
Austria	7	3	4	0	0	4
Luxembourg	2	2	0	0	0	0
Switzerland	9	6	3	0	0	3
Poland	18	1	17	0	0	17
Italy	7	0	7	0	0	7
Hungary	2	0	2	0	0	2
Romania	1	0	1	0	0	1
United Arab Emirates	1	0	1	0	0	1
USA	190	118	78	(1)	(5)	72
Canada	7	1	6	0	0	6
Mexico	4	0	4	0	0	4
Middle East/Africa Franchise	30	44	3	0	(17)	(14)
South America Franchise	6	0	6	0	0	6
Total	801	629	210	(7)	(31)	172

- 210 new stores opened in the period offset by 38 closures including 7 relocations, with constant focus on keeping the network strong
- USA rollout continued with 78 new stores opened in the period, now trading from 41 USA states and now our largest individual market
- 12 new markets opened in the period, adding Hong Kong, Taiwan, Namibia, Botswana, Mexico, Italy, Romania, Hungary, Spain and new franchise markets Colombia, Peru and Morocco, following Poland and Canada opened at the end of FY22
- UAE market being converted to company owned from franchise, with existing partner continuing to service other existing middle eastern markets, resulting in 14 store closures in the financial year
- Now trading from 39 countries, with a strong base for continuation of store network growth
- Global leasing team in place to drive growth from existing and new markets

NEW MARKETS

POLAND *Korona Kielce*

ITALY *Il Centro Arese*

BOTSWANA *Galo Mall*

NEW MARKETS

SPAIN *NEVADA GRANADA*

TAIWAN *ZHONGXIAO EAST ROAD*

MOROCCO *SOCCO ALTO TANGER*

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NEW MARKETS

NORTHERN IRELAND *Belfast*

HONG KONG *Telford Plaza*

PERU *Plaza Trujillo*

OPERATIONAL HIGHLIGHTS

LOGISTICS

- New 5000m^2 company operated warehouse opened in Wroclaw, Poland to replace our existing European third party logistics warehouse servicing the European region
- This facility provides us with improved flexibility and improved service levels for our stores than the existing arrangement

FRANCHISE

- Middle Eastern franchise partner contract amended during the financial year allowing for conversion of the UAE market to company operated. They continue to operate other Middle Eastern markets under the new agreement
- This resulted in the closure of 14 UAE franchise stores during the financial year, and a further 6 since then. To date we have converted 1 store to company owned during the financial year and a further 2 since then

DIGITAL

- Continued focus on enhancement of website performance, user experience and fulfilment capability. Progress made however still a lot of opportunity for improved execution and performance

TRADING UPDATE AND OUTLOOK

- Trading for the first 7 weeks of FY24 saw comparable store sales for this period down 5.8% on FY23. Total sales for this period are up 13.1% on the same period in FY23.
- Since the end of the financial year, we have opened 21 new stores, with 8 closures including 6 UAE franchise stores closed as part of the exit of our previous franchise contract, with the store network currently at 814
- We continue to focus on opportunities for expanding both our physical and digital store network, with structures in place to drive this growth in existing and new markets and expect store rollout to continue
- Our balance sheet remains strong with available cash and debt facilities supporting continued investment in growth

SUMMARY

- Sales performance strong for the financial year, both in comparable stores and from new store rollout, however slower in the second half
- Global expansion accelerated with net 172 new stores opened during the year, and a total network of 801 stores at year end
- 12 new markets opened during the period across Europe, Africa, Asia and the Americas
- Comparable store sales up 6.3% for the year on FY22
- 100bp improvement in Gross Margin driven by price and promotion management and strong execution on product and inventory control
- NPAT of $68.2m, up 20.1% on prior year (on a 52-week basis)
- Final Dividend of 31 cents per share to be paid in October

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APPENDICES

APPENDIX 1

ASIC Regulatory Guide 230 Disclosing non-IFRS financial information

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Lovisa Holdings Limited is required to make a clear statement about the non-IFRS information included in the Profit announcement and presentation for the financial year ended 2 July 2023.

In addition to statutory report amounts, the following non-IFRS measures are used by management and the directors as the primary measures of assessing financial performance of the Group and Individual Segments:

Non-IFRS measures used in describing the Business Performance include:

- Earnings before interest tax (EBIT), both Reported and Underlying
- Earnings before interest, tax, depreciation, amortisation (EBITDA) both Reported and Underlying
- Underlying Net Profit Before and After Tax
- Comparable Store Growth
- Cost of Doing Business (CODB)

In addition to the above the following non-IFRS measures are used by management and the directors to assess the underlying performance of the Group for the period.

- Constant Currency Margin

The directors consider that these performance measures are appropriate for their purposes and present meaningful information on the underlying drivers of the continuing business.

Many of the measures used are common practice in the industry within which Lovisa operates. The Profit Announcement and presentation has not been audited or reviewed in accordance with Australian Auditing Standards.

Definitions

- EBITDA - Result from operating activities before Depreciation and Amortisation
- EBIT - Result from operating activities
- Comparable Store Growth - Sales performance compared to last periods for stores trading in the retail network greater than one year before foreign currency movements. This measure excludes stores for the periods in the current and prior year that they were temporarily closed due to COVID related government lockdowns.
- CODB – Cost of Doing Business, represents the difference between Gross Profit and EBITDA, excluding Other Income, and measured excluding or including the impact of AASB 16 (as noted) to allow more meaningful comparison to prior periods
- Net Cash - Cash on hand less overdraft and borrowings
- Constant Currency Margin - Stock purchases in USD held constant from prior year

APPENDIX 2 – PROFIT & LOSS STATEMENT

($'000)	**FY23 Statutory** 52 Weeks	Impact of application of AASB 16	**FY23 (pre AASB 16)** 52 Weeks	FY22 Statutory 53 Weeks	53rd Week	FY22 Statutory 52 Weeks	FY22 (pre AASB 16) 53 Weeks	FY22 (pre AASB 16) 52 weeks	Variance (Statutory) 53 v 52 Weeks	Variance (Statutory) 52 Weeks	Variance (pre AASB 16) 52 weeks
Revenue	**596,456**		**596,456**	**458,712**	**10,467**	**448,245**	**458,712**	**448,245**	30.0%	33.1%	33.1%
Cost of sales	**(119,742)**		**(119,742)**	**(96,884)**	**(2,341)**	**(94,543)**	**(96,884)**	**(94,543)**	23.6%	26.7%	26.7%
Gross profit	**476,714**		**476,714**	**361,828**	**8,126**	**353,702**	**361,828**	**353,702**	**31.8%**	**34.8%**	**34.8%**
Employee expenses	**(182,377)**		**(182,377)**	**(133,825)**	**(2,705)**	**(131,120)**	**(133,825)**	**(131,120)**	36.3%	39.1%	39.1%
Property expenses	**(25,313)**	**58,652**	**(83,965)**	**(23,018)**	**(721)**	**(22,296)**	**(69,148)**	**(67,556)**	10.0%	13.5%	24.3%
Distribution expenses	**(28,403)**		**(28,403)**	**(21,291)**	**(598)**	**(20,693)**	**(21,291)**	**(20,693)**	33.4%	37.3%	37.3%
(Loss)/profit on disposal of PPE	**(1,181)**		**(1,181)**	**(1,169)**	**0**	**(1,169)**	**(1,169)**	**(1,169)**	1.1%	1.1%	1.1%
Other expenses	**(60,107)**		**(60,107)**	**(41,524)**	**(714)**	**(40,809)**	**(41,523)**	**(40,809)**	44.8%	47.3%	47.3%
Other income	**614**	**614**	**0**	**2,367**	**0**	**2,367**	**2,367**	**2,367**	(74.1%)	(74.1%)	(100.0%)
EBITDA	**179,947**	**59,266**	**120,681**	**143,368**	**3,387**	**139,981**	**97,238**	**94,722**	25.5%	28.5%	27.4%
Depreciation	**(74,205)**	**(55,277)**	**(18,928)**	**(60,684)**	**(1,128)**	**(59,557)**	**(17,572)**	**(17,258)**	22.3%	24.6%	9.7%
EBIT	**105,742**	**3,989**	**101,753**	**82,684**	**2,259**	**80,424**	**79,666**	**77,464**	27.9%	31.5%	31.4%
Finance income	**224**		**224**	**268**	**0**	**268**	**268**	**268**	(16.3%)	(16.3%)	(16.3%)
Finance cost	**(13,068)**	**(10,577)**	**(2,491)**	**(6,295)**	**(125)**	**(6,169)**	**(744)**	**(733)**	107.6%	111.8%	240.0%
Profit before tax	**92,898**	**(6,588)**	**99,486**	**76,657**	**2,134**	**74,523**	**79,190**	**76,999**	**21.2%**	**24.7%**	**29.2%**
Income tax expense	**(24,734)**	**1,724**	**(26,458)**	**(18,270)**	**(512)**	**(17,758)**	**(19,293)**	**(18,767)**	35.4%	39.3%	41.0%
Net profit after tax	**68,164**	**(4,864)**	**73,028**	**58,387**	**1,622**	**56,765**	**59,897**	**58,232**	**16.7%**	**20.1%**	**25.4%**
EPS (cents)	**63.3**		**67.8**	**54.3**		**52.8**	**55.7**	**54.1**	9.0	10.5	13.7

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THANK YOU