Lovisa Holdings Limited
FY24 HALF 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.

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FY24 HALF YEAR OVERVIEW

- Total sales up 18.2% on prior half year reflecting continued growth in the store network
- Global comparable store sales for the period down 4.4% compared to HY23
- Gross Margin again strong, up 40bps
- Continued investment into growing the business
- EBIT up 16.3% to $81.6m, NPAT of $53.5m, up 12%
- 854 stores at the end of the period
- 74 new stores opened for the period, with 3 new markets and presence in over 40 markets
- Store network growth across all regions, including significant new growth opportunity markets in mainland China and Vietnam
- Clean Inventory position at period end
- Cash flow from operations $150m, up 29.1% on prior half year, reflecting tight working capital management
- Interim dividend of 50 cents, 30% franked, reflecting continued strong cash generation and balance sheet position

FINANCIAL OVERVIEW

($000) (Statutory)	HY24	HY23	Variance
Revenue	373,024	315,483	18.2%
Gross profit	301,148	253,196	18.9%
EBITDA	128,364	103,940	23.5%
EBIT	81,550	70,098	16.3%
NPAT	53,473	47,723	12.0%
EPS (cents)	49.1	44.3	4.8
Dividend (cents)	50.0	38.0	+ 12.0 cents

Profit growth continues

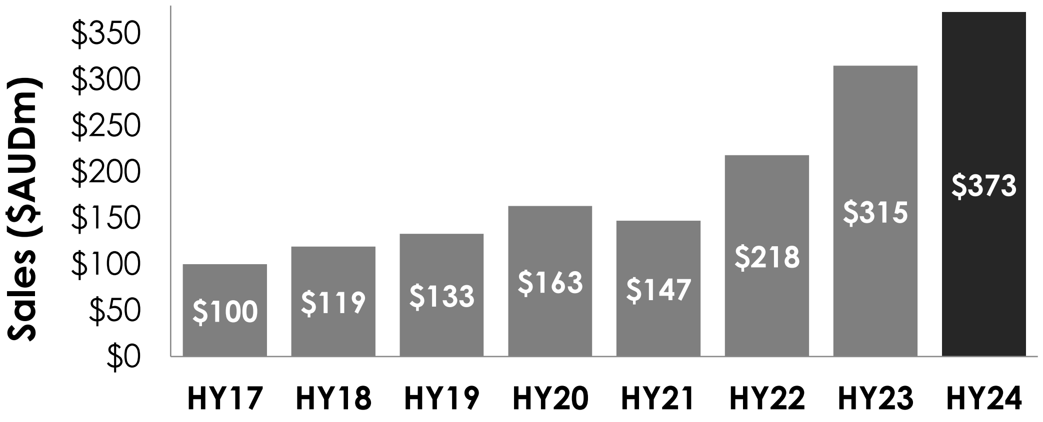
- Revenue up 18.2% on HY23 with comparable store sales down 4.4%
- Gross Margin % again strong at 80.7%
- Net Interest higher from increased lease liabilities as a result of network growth, increased debt level and higher interest rates
- EBITDA up 23.5% on the prior period
- NPAT up 12.0% on prior period
- Strong balance sheet and cashflow generation resulting in an interim dividend of 50 cents per share

TRADING PERFORMANCE - SALES

Sales growth continues

- Global Sales Revenue up 18.2% to $373m, with continued strong store network growth offsetting impact of negative comparable store sales in the period
- Improving sales trend in Q2 compared to Q1
- Europe sales reflects continued new store growth with 26 new stores opened in the period
- Americas region saw continued store rollout, with 22 new company owned stores including 18 in the US and focus on growth in the Canadian market with 3 new stores in the period
- Strong store network platform in place to drive growth into the future with stores now in over 40 markets

Total Sales (A$M)



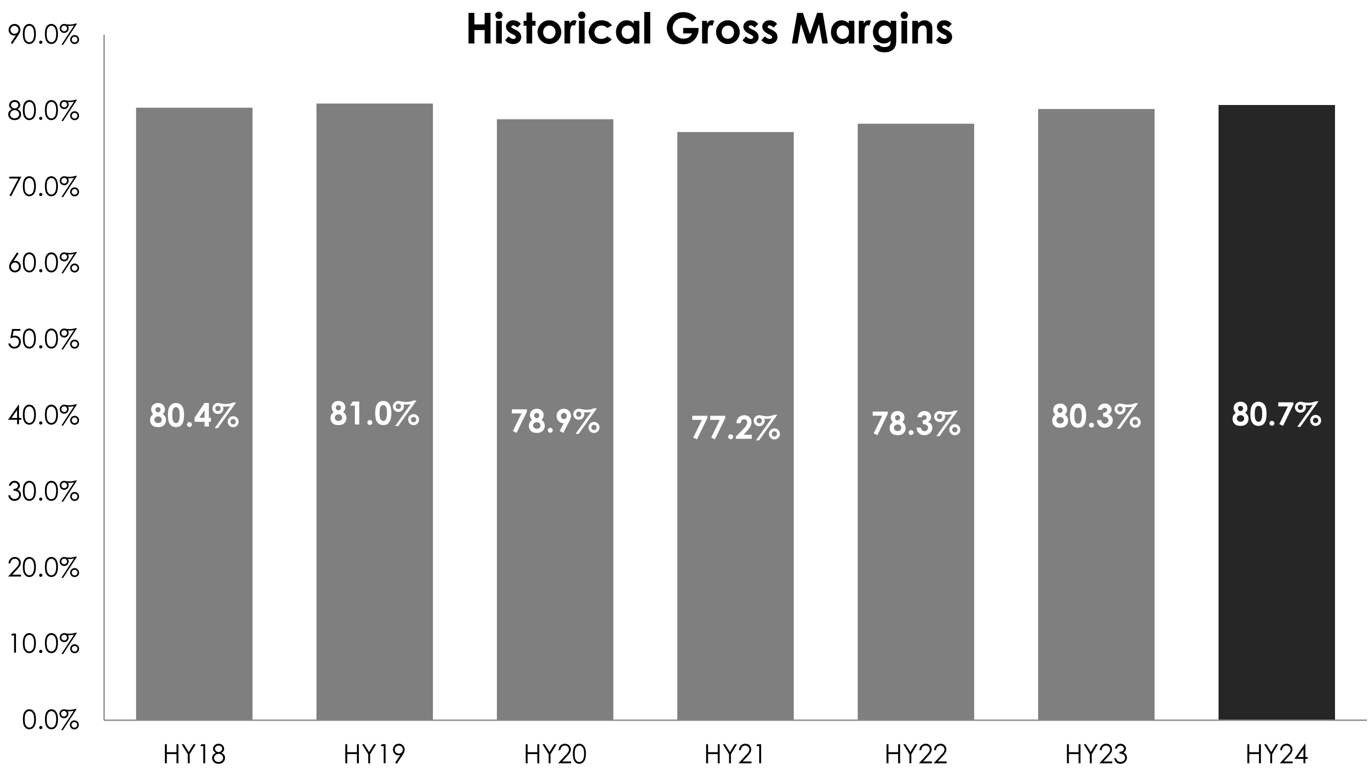
Region ($AUD '000)*	HY24	HY23	Variance
Australia / NZ	111,748	113,869	-1.9%
Asia	19,763	19,002	4.0%
Africa / Middle East	28,859	28,178	2.4%
Europe	120,297	91,052	32.1%
Americas	91,425	62,493	46.3%
Total	372,091	314,594	18.3%

* Sales revenue excluding franchise revenue

TRADING PERFORMANCE – GROSS MARGIN

Further gross margin improvement

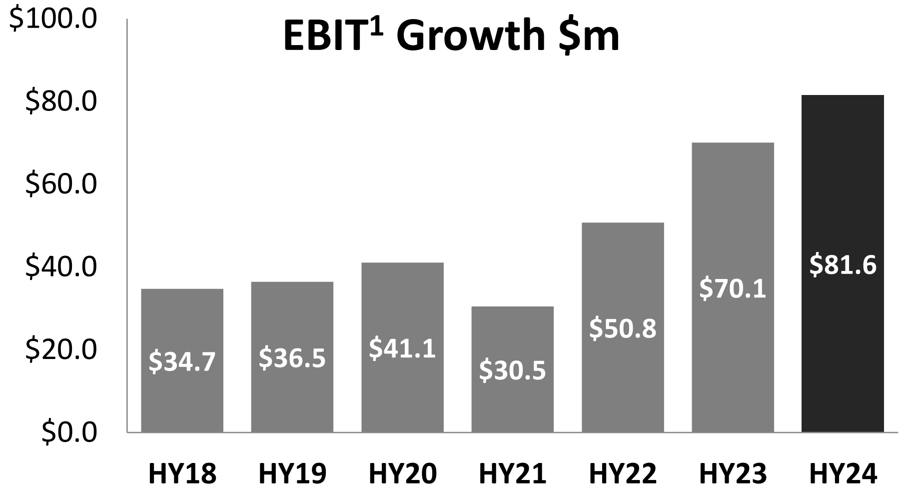
- Gross profit increased 18.9% to $301.1m
- Gross Margin was again strong up 40 basis points to 80.7%
- Ongoing management of pricing structures has allowed continued gross margin expansion
- Clean inventory position

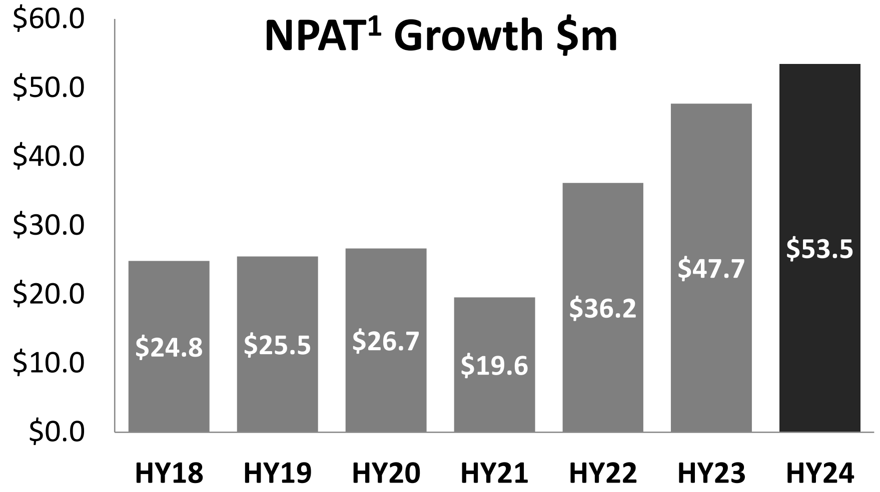


EARNINGS

Earnings growth maintained

- EBIT up 16.3% to $81.6m, NPAT up 12% to $53.5m
- CODB higher due to growth in the store network and inflationary pressures, however offset by CEO LTI expense lower at $6m compared to $15m in the prior half year
- Investment has continued to be made into structures to drive operational performance and maintain the focus on execution of global rollout and new markets
- NPAT impacted by increased interest expense as part of deliberate focus on introducing higher debt levels on the balance sheet





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[1] All results shown are based on statutory profit applicable to each period, results for HY18 and 19 do not include any impact from AASB 16.

CASH FLOW

(A$000s) (Statutory)	HY24	HY23
Cash from operating activities	149,543	115,837
Net interest paid	(8,859)	(4,999)
Tax paid	(13,384)	(12,753)
Net cash from operations	**127,300**	**98,085**
Property Plant & Equipment	(14,153)	(31,821)
Key Money	(148)	(71)
Net cash used in investing activities	**(14,301)**	**(31,892)**
Capital contributions	715	260
Proceeds of/(repayment of) borrowings	(22,000)	16,000
Payment of lease liabilities	(30,221)	(27,063)
Dividends paid	(34,005)	(39,898)
Net cash used in financing activities	**(85,511)**	**(50,701)**
Opening cash	31,650	34,153
Effect in movement in exchange rates	(622)	393
Closing cash	**58,516**	**50,038**
Net movement in cash	**27,488**	**15,492**

Continued investment in store rollout

- Cash flow from operating activities $150m, up 29.1%
- Capital expenditure of $14.3m includes 68 new company owned stores built for the period as the store rollout continued in 1H24
- Increase in lease payments and interest paid reflect growth in the store network, higher debt levels and interest rates

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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 continued store network growth
- Net cash position at period end of $15.5 million reflects strong cash flow management while funding investment in the business with available cash facilities of $120 million to support ongoing growth
- Interim dividend of 50c determined to be paid in April 2024, 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)	HY24	FY23	HY23
Cash	58,516	31,650	50,038
Receivables	20,670	23,412	22,803
Inventories	63,713	60,098	58,314
Derivatives	0	915	256
Total current assets	**142,899**	**116,075**	**131,411**
Property Plant & Equipment	124,167	121,389	94,416
Lease Right of Use Assets	252,065	255,741	215,510
Intangibles	4,397	4,274	4,206
Deferred tax asset	15,889	20,924	18,475
Total assets	**539,417**	**518,403**	**464,018**
Payables	57,692	39,678	53,210
Lease Liabilities	60,529	57,606	54,322
Derivatives	1,132	0	0
Provisions	15,781	17,950	28,100
Total current liabilities	**135,134**	**115,233**	**161,632**
Lease Liabilities	248,651	249,981	207,594
Loans and borrowings	43,000	65,000	26,000
Provisions	8,678	8,200	6,811
Total liabilities	**435,463**	**438,414**	**376,037**
Net assets	**103,954**	**79,989**	**87,981**

STORE GROWTH

Global expansion continued with 74 new stores opened

	Store number growth							
Country	**HY24**	**FY23**	**HY23**	**Var 6 mths**	***New Stores***	***Relocations***	***Closures***	**Var YOY**
Australia	175	168	163	7	*9*	*(1)*	*(1)*	12
New Zealand	27	27	26	0	*0*	*0*	*0*	1
Singapore	15	16	15	(1)	*1*	*0*	*(2)*	0
Malaysia	43	41	39	2	*2*	*0*	*0*	4
Hong Kong	8	8	3	0	*0*	*0*	*0*	5
Taiwan	1	1	0	0	*0*	*0*	*0*	1
China	1	0	0	1	*1*	*0*	*0*	1
Vietnam	1	0	0	1	*1*	*0*	*0*	1
South Africa	77	75	73	2	*3*	*0*	*(1)*	4
Namibia	3	2	2	1	*1*	*0*	*0*	1
Botswana	1	1	0	0	*0*	*0*	*0*	1
United Kingdom	47	44	42	3	*3*	*0*	*0*	5
Spain	1	1	0	0	*0*	*0*	*0*	1
France	80	68	62	12	*12*	*0*	*0*	18
Germany	51	47	47	4	*5*	*0*	*(1)*	4
Belgium	13	11	10	2	*2*	*0*	*0*	3
Netherlands	7	7	5	0	*0*	*0*	*0*	2
Austria	9	7	4	2	*2*	*0*	*0*	5
Luxembourg	2	2	2	0	*0*	*0*	*0*	0
Switzerland	9	9	8	0	*0*	*0*	*0*	1
Poland	19	18	8	1	*1*	*0*	*0*	11
Italy	8	7	4	1	*1*	*0*	*0*	4
Hungary	2	2	1	0	*0*	*0*	*0*	1
Romania	1	1	1	0	*0*	*0*	*0*	0
United Arab Emirates	3	1	0	2	*2*	*0*	*0*	3
USA	207	190	155	17	*18*	*0*	*(1)*	52
Canada	10	7	1	3	*3*	*0*	*0*	9
Mexico	4	4	2	0	*1*	*0*	*(1)*	2
Middle East/Africa Franchise	17	30	41	(13)	*0*	*0*	*(13)*	(24)
South America Franchise	12	6	1	6	*6*	*0*	*0*	11
Total	854	801	715	53	*74*	*(1)*	*(20)*	139

- 74 new stores opened in the period offset by 21 closures/relocations, with constant focus on keeping the network strong
- USA rollout continued with 18 new stores opened in the period, now trading from 41 USA states and our largest individual market
- 3 new markets opened in the period, adding China and Vietnam and new franchise market Ecuador, following 12 new markets opened during FY23
- UAE market being converted to company owned from franchise, with existing partner continuing to service other existing middle eastern markets, resulting in 13 franchise store closures in the period in that market
- Now trading from over 40 markets, 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

CHINA *Po Park Guangzhou*

VIETNAM *Saigon Centre*

STRATEGY RECAP

Our strategic plans remain in place

OUR PAST

14 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 850 stores across more than 40 markets in that time

Sales and EBIT CAGR of approx. 20% over the past decade

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 globally to support our future growth

We are investing in our digital platform and strategy to drive continued global growth as an omni-channel retailer

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

TRADING UPDATE

- Trading for the first 7 weeks of 2H24 saw comparable store sales for this period up 0.3% on 2H23. Total sales for this period are up 19.6% on the same period in 2H23.
- Since the end of the half year, we have opened 9 new stores, with the store network currently at 860 including our first store recently opened in Dublin, Ireland, adding another new market to the network
- 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 solid for the half year, with growth from new store rollout offsetting weaker comparable store sales
- Improving sales trend in Q2
- Global expansion continued with 74 new stores opened during the period, and a total network of 854 stores at period end
- 3 new markets opened during the period including significant growth opportunities in Asia in mainland China and Vietnam, plus Ireland market opened since half year end
- Comparable store sales down 4.4% for the period on 1H23
- 40bp improvement in Gross Margin driven by price and promotion management and strong execution on product and inventory control
- EBIT up 16.3% to $81.6m
- NPAT of $53.5m, up 12.0% on prior year
- Interim Dividend of 50 cents per share to be paid in April

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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 period end 31 December 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, Amortisation and Impairments
- 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
- 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)	**HY24 Statutory**	HY23 Statutory	Variance
Revenue	**373,024**	**315,483**	18.2%
Cost of sales	**(71,876)**	**(62,287)**	15.4%
Gross profit	**301,148**	**253,196**	**18.9%**
Employee expenses	**(102,972)**	**(89,146)**	15.5%
Property expenses	**(20,343)**	**(12,189)**	66.9%
Distribution expenses	**(14,638)**	**(16,718)**	(12.4%)
(Loss)/profit on disposal of PPE	**(472)**	**(548)**	(14.0%)
Other expenses	**(34,536)**	**(30,953)**	11.6%
Other income	**177**	**298**	(40.7%)
EBITDA	**128,364**	**103,940**	23.5%
Depreciation, Amortisation and Impairments	**(46,814)**	**(33,842)**	38.3%
EBIT	**81,550**	**70,098**	16.3%
Finance income	**89**	**51**	74.5%
Finance cost	**(8,948)**	**(5,050)**	77.2%
Profit before tax	**72,692**	**65,099**	**11.7%**
Income tax expense	**(19,218)**	**(17,376)**	10.6%
Net profit after tax	**53,473**	**47,723**	**12.0%**
EPS (cents)	**49.1**	**44.3**	4.8

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THANK YOU