Lovisa Holdings Limited
2024 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 audited financial statements of the company.

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FY24 FULL YEAR OVERVIEW

- Total sales up 17.1% on prior year reflecting continued growth in the store network
- Global comparable store sales for the period down 2.0% compared to FY23, an improvement on 1H24 of -4.4% with the second half positive
- Gross Margin again strong, up 110bps
- Continued investment into growing the business
- EBIT up 21.2% to $128.2m, NPAT of $82.4m, up 20.9%
- 900 stores at the end of the period
- 128 new stores opened for the period with 29 closures/relocations
- 7 new markets for the financial year and presence now in 46 markets
- Store network growth across all regions, including significant new growth opportunity markets in mainland China, Vietnam and Ireland.
- Clean inventory position at year end
- Cash flow from operations $240m, up 28% on prior year, reflecting focus on working capital management
- Final dividend of 37 cents, unfranked, reflecting continued strong cash generation and balance sheet position

FINANCIAL OVERVIEW

($000) (Statutory)	FY24	FY23	Variance
Revenue	698,664	596,456	17.1%
Gross profit	565,790	476,714	18.7%
EBITDA	223,519	179,947	24.2%
EBIT	128,177	105,742	21.2%
NPAT	82,411	68,164	20.9%
EPS (cents)	75.4	63.3	+ 12.1 cents
Dividend (cents)	87.0	69.0	+ 18.0 cents

Profit growth continues

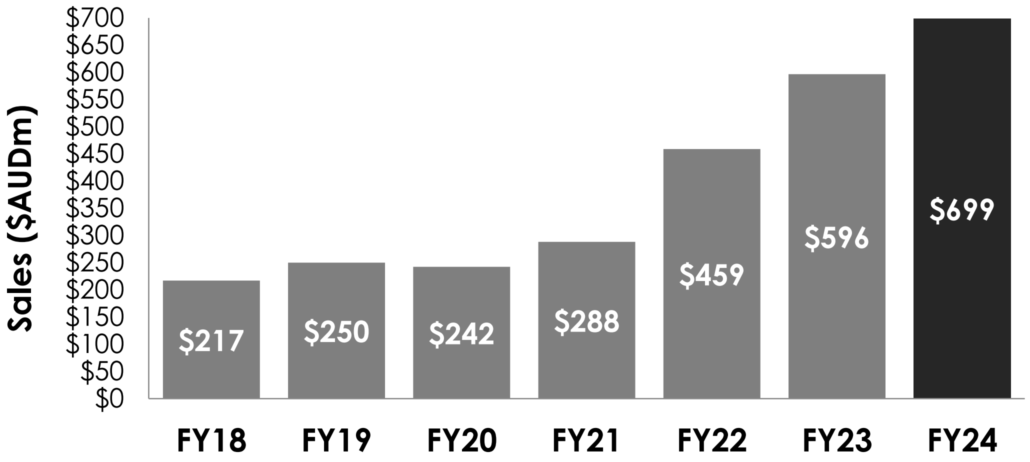
- Revenue up 17.1% on FY23 with comparable store sales down 2.0% for the financial year
- Gross Margin % again strong at 81.0%, up 110bps
- Net Interest higher from increased lease liabilities as a result of network growth, increased debt level and higher interest rates
- EBITDA up 24.2% on the prior year
- NPAT up 20.9% on prior year
- Strong balance sheet and cashflow generation resulting in a final dividend of 37 cents per share, taking full year dividends to 87 cents, 18 cents up on FY23

TRADING PERFORMANCE – SALES

Sales growth continues

- Global Sales Revenue up 17.1% to $699m, with continued strong store network growth offsetting impact of negative comparable store sales in the period
- Improved global comparable store sales in the 2nd half of the financial year delivering positive comparable sales for the half
- Europe sales reflects continued strong performance and new store growth with 50 new stores opened for the period
- Americas region saw continued store rollout, with 27 new company owned stores opened including 19 in the US and focus on growth in the Canadian market with 7 new stores in the period
- Strong store network platform in place to drive growth into the future with stores now in 46 markets

TOTAL SALES (A$M)



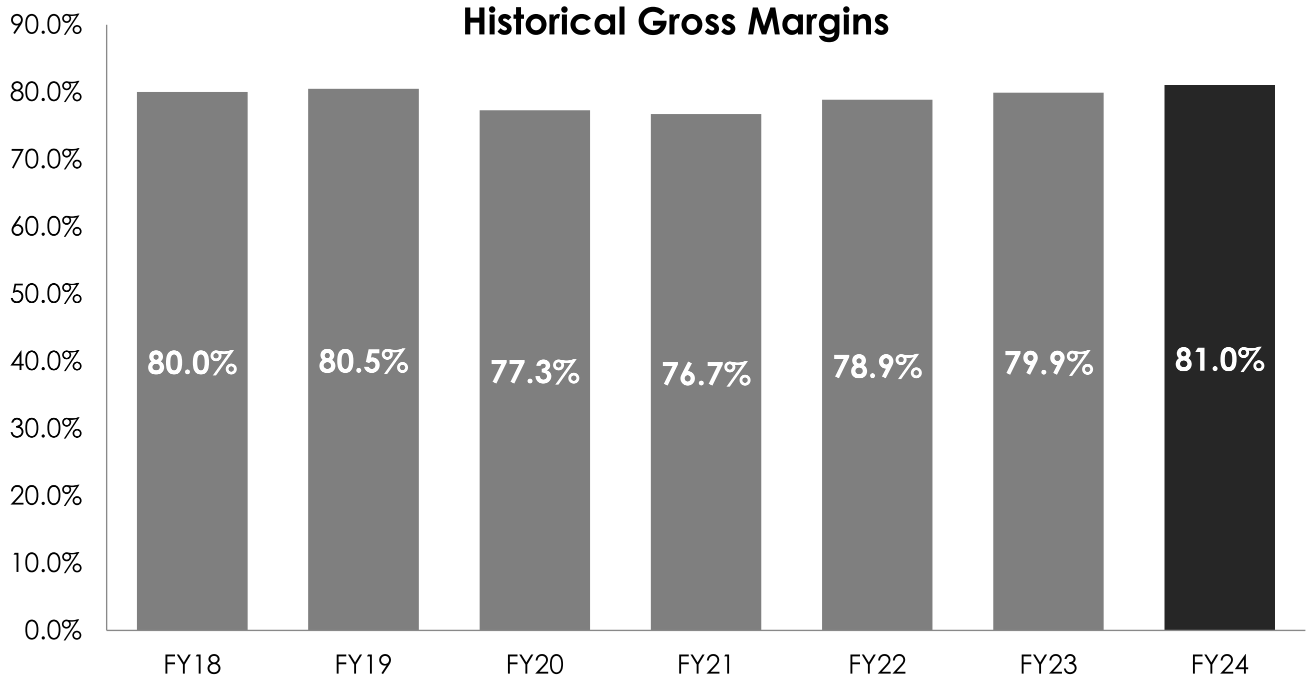
Region ($AUD '000)*	FY24	FY23	Variance
Australia / NZ	200,075	198,646	0.7%
Asia	36,976	37,311	-0.9%
Africa/Middle East	52,195	48,800	7.0%
Europe	230,413	181,639	26.9%
USA	177,498	128,183	38.5%
Total	697,157	594,579	17.3%

* Sales revenue excluding franchise revenue

TRADING PERFORMANCE – GROSS MARGIN

Further gross margin improvement

- Gross profit increased 18.7% to $565.8m
- Gross Margin was again strong up 110 basis points to 81.0%
- Gross Margin growth delivered on top of the 100 basis points increase in FY23
- Ongoing management of pricing structures has allowed continued gross margin expansion, with supplier cost prices well managed
- Clean inventory position



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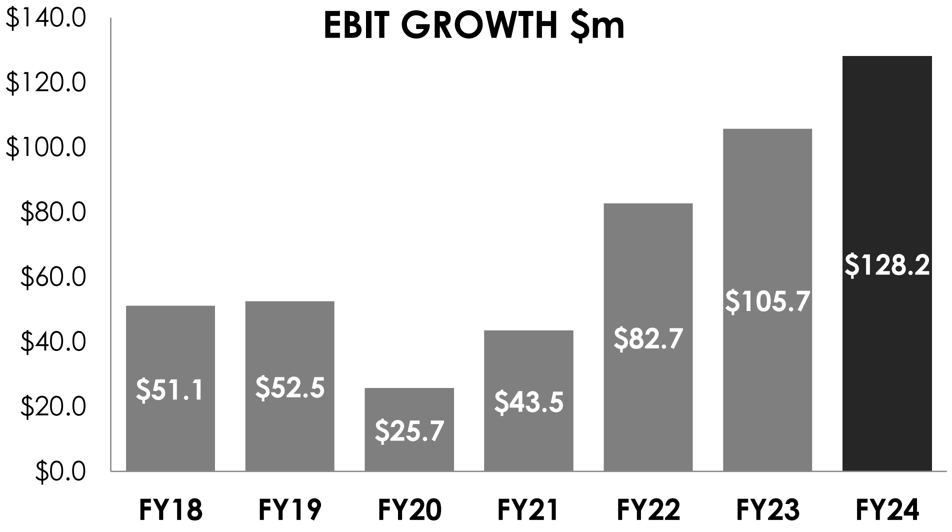
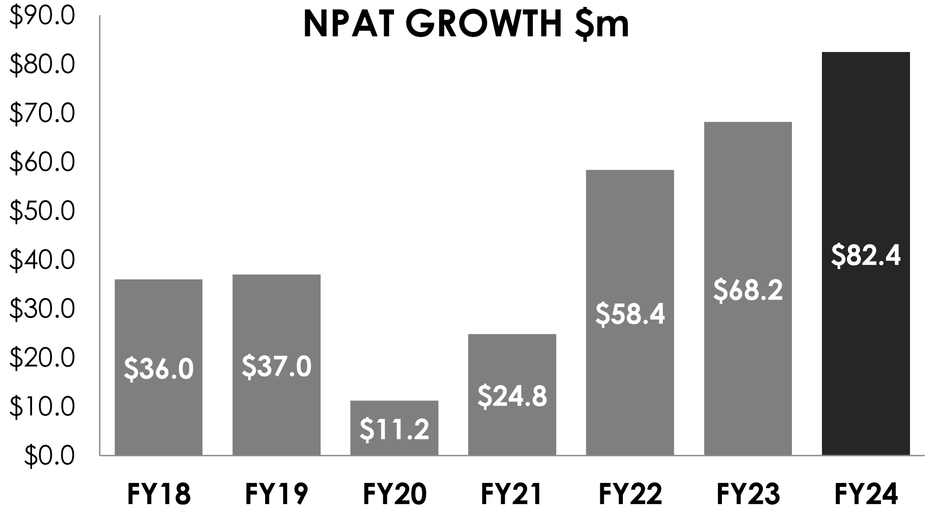
EARNINGS

Earnings growth maintained

- EBIT up 21.2% to $128.2m, NPAT up 20.9% to $82.4m
- CODB higher due to growth in the store network and inflationary pressures, however offset by CEO LTI expense lower at $12m compared to $27m in the prior 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





CASH FLOW

(A$000s) (Statutory)	FY24	FY23
Cash from operating activities	240,405	188,377
Net interest paid	(17,585)	(12,844)
Tax paid	(35,306)	(34,369)
Net cash from operations	**187,514**	**141,164**
Property Plant & Equipment	(23,121)	(60,530)
Key Money	(147)	(191)
Net cash used in investing activities	**(23,268)**	**(60,721)**
Capital contributions	715	260
Proceeds from/(repayment of) borrowings	(11,000)	55,000
Payment of lease liabilities	(66,020)	(57,997)
Dividends paid	(88,851)	(80,874)
Net cash used in financing activities	**(165,156)**	**(83,611)**
Opening cash	31,650	34,153
Effect in movement in exchange rates	(220)	665
Closing cash	**30,520**	**31,650**
Net movement in cash	**(1,130)**	**(2,503)**

Continued investment in store rollout

- Cash flow from operating activities $240m, up 27.6%, reflecting improved supplier payment terms and strong working capital management
- Capital expenditure of $23m includes 128 new company owned stores built for the period as the store rollout continued in FY24
- 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 in line with store network growth, with clean stock position at the end of the year
- Increase in lease liabilities reflects continued store network growth
- Net debt at year end of $23.5 million, down $10 million on FY23, reflects strong cash flow management while funding investment in the business with available cash facilities of $120 million to support ongoing growth
- Final dividend of 37c determined to be paid in October 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)	FY24	FY23
Cash	30,520	31,650
Receivables	19,445	23,202
Current Tax Receivables	11,521	210
Inventories	68,622	60,098
Derivatives	-	915
Total current assets	**130,108**	**116,075**
Property Plant & Equipment	123,588	121,389
Lease Right of Use Assets	251,399	255,741
Intangibles	4,419	4,274
Deferred Tax Asset	23,285	20,924
Total assets	**532,799**	**518,403**
Payables	61,140	39,677
Lease Liabilities	58,406	57,606
Derivatives	318	-
Provisions	19,973	17,950
Total current liabilities	**139,837**	**115,233**
Lease Liabilities	246,661	249,981
Loans and borrowings	54,000	65,000
Deferred Tax Liability	2,751	-
Provisions	9,264	8,200
Total liabilities	**452,513**	**438,414**
Net assets	**80,286**	**79,989**

STORE GROWTH

Global expansion continued with 128 new stores opened

Store number growth						
Country	**FY24**	**FY23**	**New Stores**	**Relocations**	**Closures**	**Var YOY**
Australia	178	168	13	(1)	(2)	10
New Zealand	28	27	1	0	0	1
Singapore	16	16	2	0	(2)	0
Malaysia	44	41	3	0	0	3
Hong Kong	9	8	1	0	0	1
Taiwan	1	1	0	0	0	0
China	1	0	1	0	0	1
Vietnam	1	0	1	0	0	1
South Africa	81	75	8	0	(2)	6
Namibia	3	2	1	0	0	1
Botswana	3	1	2	0	0	2
United Kingdom	50	44	6	0	0	6
Ireland	3	0	3	0	0	3
Spain	2	1	1	0	0	1
France	86	68	18	0	0	18
Germany	53	47	8	0	(2)	6
Belgium	17	11	6	0	0	6
Netherlands	9	7	3	0	(1)	2
Austria	9	7	2	0	0	2
Luxembourg	2	2	0	0	0	0
Switzerland	8	9	0	0	(1)	(1)
Poland	19	18	1	0	0	1
Italy	9	7	2	0	0	2
Hungary	2	2	0	0	0	0
Romania	1	1	0	0	0	0
United Arab Emirates	5	1	4	0	0	4
USA	207	190	19	0	(2)	17
Canada	14	7	7	0	0	7
Mexico	4	4	1	0	(1)	0
Middle East/Africa Franchise	20	30	4	0	(14)	(10)
South America Franchise	15	6	10	0	(1)	9
Total	900	801	128	(1)	(28)	99

- 128 new stores opened in the period offset by 29 closures/relocations, with constant focus on keeping the network strong
- USA rollout continued with 19 new stores opened in the period, now trading from 41 USA states and our largest individual market
- Strong base in Europe delivered the largest share of new store growth for the year with 50 new stores opened
- 7 new markets opened in the period, adding company owned markets China, Vietnam and Ireland, and new franchise markets Ecuador, Senegal, Guadeloupe and Gabon
- Now trading from 46 markets, with a strong base for continuation of store network growth
- Global leasing team in place to drive growth from existing and new markets

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NEW MARKETS

CHINA *Po Park Guangzhou*

VIETNAM *Saigon Centre*

IRELAND *William Street Galway*

NEW FRANCHISE MARKETS

ECUADOR *Quicentro*

SENEGAL *Sea Plaza*

GUADELOUPE *Frebault*

OPERATIONAL UPDATE

DIGITAL AND E-COMMERCE

- We continue to focus on our execution of e-commerce and our journey towards being an omni-channel retailer
- Ongoing investment in customer experience and support systems including a new product information management system
- Presence on a number of e-commerce marketplaces globally, including Zalando in Europe, ASOS in the UK, and The Iconic in Australia
- Now live on key Chinese online marketplaces Tmall, Douyin, Little Red Book, WeChat and JD.com as part of our strategy to build our presence in the market
- Dedicated fulfilment centres operating in the UK, Malaysia and China

LOGISTICS

- New company-operated 5,000m^2 warehouse opened in August 2024 in Columbus, Ohio to service our growing Americas region, which to date has been serviced from our Chinese 3PL warehouse
- Currently servicing over 200 stores it provides capacity to support significant future growth across the region
- This new facility adds to our existing company operated EU warehouse in Wroclaw, Poland, ANZ warehouse in Melbourne, Australia and our 3PL warehouse in Qingdao, China

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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 900 stores across 46 markets in that time

Sales and EBIT CAGR of over 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 8 weeks of FY25 saw comparable store sales for this period up 2.0%. Total sales for this period are up 12.7% on the same period in FY24.
- Since the end of the year, we have opened 10 new stores with 2 closures, with total store count at 908 including our first franchise stores recently opened in Ivory Coast and Republic of Congo, adding another 2 new franchise markets 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 year, with growth from new store rollout offsetting weaker comparable store sales to deliver 17.1% growth
- Improving comparable sales trend, positive in the 2nd half of the year
- Global expansion continued with 128 new stores opened during the period, and a total network of 900 stores at year end
- 7 new markets opened during the period including significant growth opportunities in Ireland and Asia in mainland China and Vietnam
- 110bp improvement in Gross Margin driven by price and promotion management and strong execution on product and inventory control
- EBIT up 21.2% to $128.2m
- NPAT of $82.4m, up 20.9% on prior year
- Final Dividend of 37 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 year ended 30 June 2024.

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.
- 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

APPENDIX 2 – PROFIT & LOSS STATEMENT

($'000)	**FY24 Statutory**	FY23 Statutory	Variance
Revenue	698,664	596,456	17.1%
Cost of sales	(132,874)	(119,742)	11.0%
Gross profit	565,790	476,714	18.7%
Employee expenses	(206,281)	(182,377)	13.1%
Property expenses	(41,487)	(25,313)	63.9%
Distribution expenses	(25,398)	(28,403)	-10.6%
(Loss)/profit on disposal of PPE	(108)	(1,181)	-90.9%
Other expenses	(69,532)	(60,107)	15.7%
Other income	535	614	-12.9%
EBITDA	223,518	179,947	24.2%
Depreciation	(95,342)	(74,205)	28.5%
EBIT	128,176	105,742	21.2%
Finance income	248	224	10.7%
Finance cost	(17,833)	(13,068)	36.5%
Profit before tax	110,592	92,898	19.0%
Income tax expense	(28,181)	(24,734)	13.9%
Net profit after tax	82,411	68,164	20.9%
EPS (cents)	75.4	63.3	12.1

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THANK YOU