



Lovisa Holdings Limited

2021 FULL YEAR

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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.

FULL YEAR OVERVIEW¹



- Improving sales performance for the period with positive global comparable store sales for the year of +8.1% compared to FY20
- Total sales up 18.9% on FY20 reflecting growth in the store network offset by significant number of trading days lost due to temporary store closures and disruption caused by COVID-19 across all markets
- CODB at 56% to sales, well managed in the face of continuing challenges from ongoing COVID disruption and one-off costs of beeline acquisition
- Delivered EBIT of \$42.7m for the year
- Global rollout strategy remains a key focus with 109 net new stores opened for the year including 87 acquired and converted to Lovisa as part of the beeline acquisition during Q4
- US market up to 63 stores at year end
- Cash flow from operations \$66.4m with operating cash conversion at 110% reflecting deferred rent payments, tight inventory control and strong cash flow management
- \$35.6m of cash at year end with no debt
- Final dividend of 18.0 cents, 50% franked, bringing total Dividends for the year to 38.0 cents

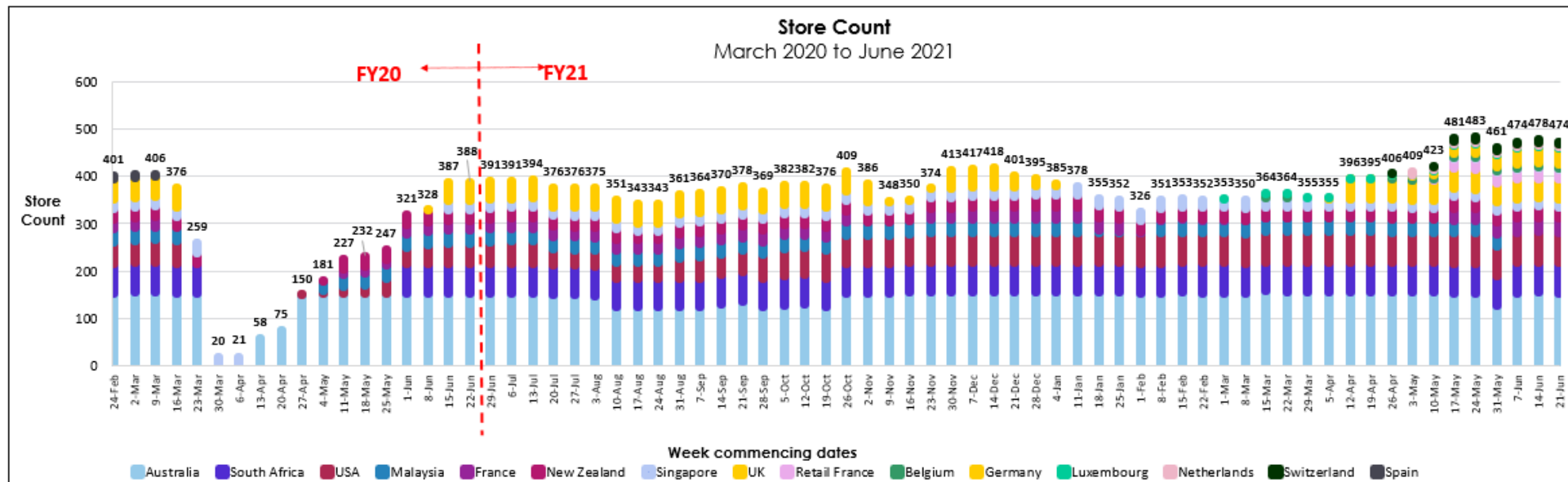


¹ Financial metrics used throughout this document represent the financial performance of the company excluding the impact of lease accounting standard AASB 16 to ensure easier comparability with prior comparatives. A reconciliation between the pre and post AASB 16 numbers is included at Appendix 2. Comparable store sales excludes periods where stores were temporarily closed during the current or prior financial year due to COVID related lockdowns.

IMPACT OF COVID ON STORE NETWORK



- Store network continued to be impacted by temporary closures across multiple markets due to government response to COVID outbreaks
- Performance was strongest in Australia and New Zealand as the markets that traded with the least restrictions in place throughout the year
- Continuing store closures since year end, with Malaysian stores temporarily closed since early June and now re-opening from last week, ongoing lockdowns in a number Australian states since late June and still ongoing with 82 Australian stores currently closed, and 24 stores in New Zealand closed due to lockdown since last week

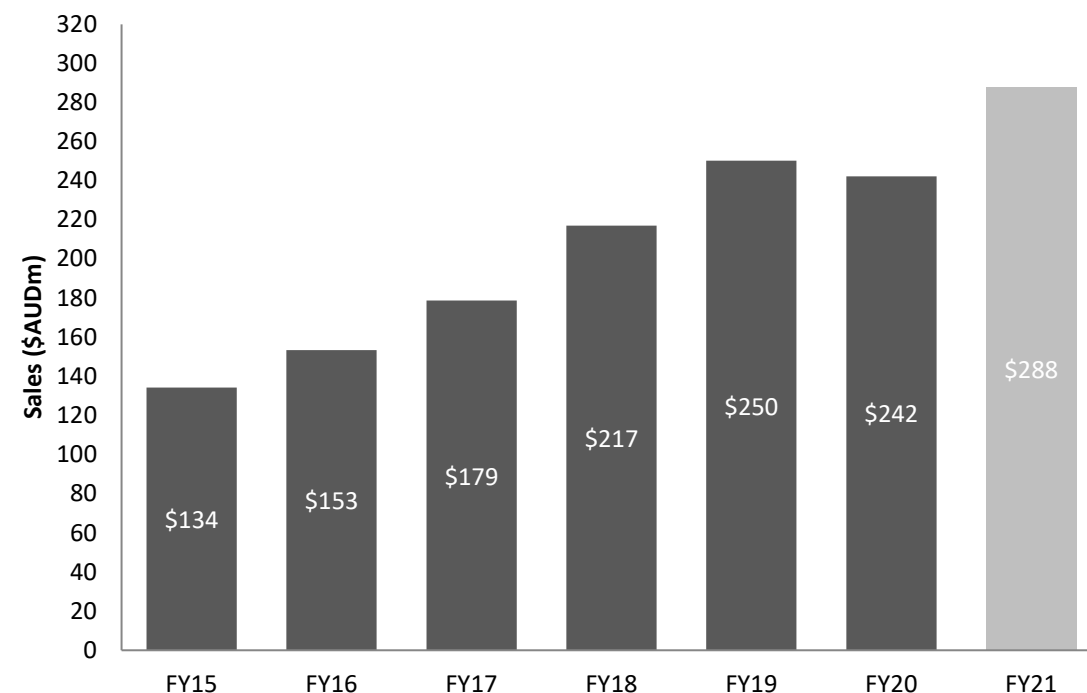


TRADING PERFORMANCE - SALES



Sales recovery continues to be on track subject to lockdowns

- Total Global Sales Revenue up 18.9% to \$288.0m, returning to previous sales growth trajectory
- Benefits of increasing store network offset by impacts from COVID-19 lockdowns and disruptions across all markets, with the UK and France markets closed for close to half of the available trading days
- Comp sales up 8.1% on FY20, with much stronger second half offsetting -4.5% first half comp sales
- Markets with low restrictions and/or low COVID cases demonstrated strong performance when able to trade
- Growth in e-commerce channel helped to offset some sales shortfall as we improve our execution and expand our digital coverage, with growth in online sales of 178% for the period
- Strong store network platform in place to drive growth into the future



STORE GROWTH



International Rollout continued with 109 net new stores opened

Store number growth			
Country	FY21	FY20	Var
Australia	153	152	1
New Zealand	24	23	1
Singapore	18	19	(1)
Malaysia	28	27	1
South Africa	64	62	2
United Kingdom	41	42	(1)
Spain	0	0	0
France	52	21	31
Germany	38	0	38
Belgium	8	0	8
Switzerland	8	0	8
Netherlands	6	0	6
Austria	3	0	3
Luxembourg	2	0	2
USA	63	48	15
Middle East	36	34	2
Vietnam	0	7	(7)
Total	544	435	109

- Number of international stores continued to grow with offshore territories now 72% of the store network
- Net 22 new stores plus 87 SIX and I AM stores in Europe converted to Lovisa as a result of the beeline acquisition
- beeline acquisition has added 6 new European markets providing strong base for further growth in the region on top of existing UK and French markets
- US rollout continued with 15 new stores opened, we are now trading from 15 US states
- French rollout accelerated despite COVID disruption with 9 new stores for the period in addition to the 22 acquired under the beeline acquisition
- Vietnam franchise partner terminated during the period, however we will continue to seek opportunities in this market
- Pace of organic rollout was slower, with landlords focus on abatement negotiations however attention has now returned to leasing opportunities

BEELINE EUROPE ACQUISITION



- Acquisition of beeline retail business in Europe completed from March through to May 2021
- Allowed Lovisa to enter 6 new markets in Europe (Germany, Switzerland, Netherlands, Belgium, Austria, Luxembourg) as well as accelerated our French store rollout
- Purchase price of €70 (70 Euros) for the shares, with €11.8m of cash in the acquired business at handover
- Of beeline's 114 stores at the date of the acquisition we have converted 87 to Lovisa, with the remainder exited at or around the time of handover
- Support team in place across our new EU support office in Cologne, Germany and our global support office to manage the larger European business



TRADING UPDATE AND OUTLOOK



- Trading for the first 8 weeks of FY22 has seen continued strong performance of markets where COVID related restrictions are low and stores are able to trade, with comparable store sales for this period of +37.8% on FY21. Total sales for this period are 56% up on the same period in FY21
- This period has however seen the impact of a number of markets again being subject to temporary lockdowns, with 106 stores currently closed including 82 in Australia, 24 in New Zealand, and the Malaysian market only recently re-opening after a 10 week lockdown
- Cost pressures in global logistics as a result of worldwide shipping capacity constraints have continued
- We continue to focus on opportunities for expanding both our physical and digital store network however physical store opening progress may be slowed in the remainder of calendar 2021 due to logistics capacity challenges in the movement of new store fitouts into our global growth markets
- The store network is currently at 551
- Our balance sheet remains strong with available cash and debt facilities supporting continued investment in growth
- As a result of the current uncertainty in the global economic environment we are not in a position to provide any further information in relation to outlook for the business