

LOVISA

Lovisa Holdings Limited
2015 AGM

Paul Cave
Chairman



BOARD OF DIRECTORS

Paul Cave, Chairman

Tracey Blundy, Non-executive Director

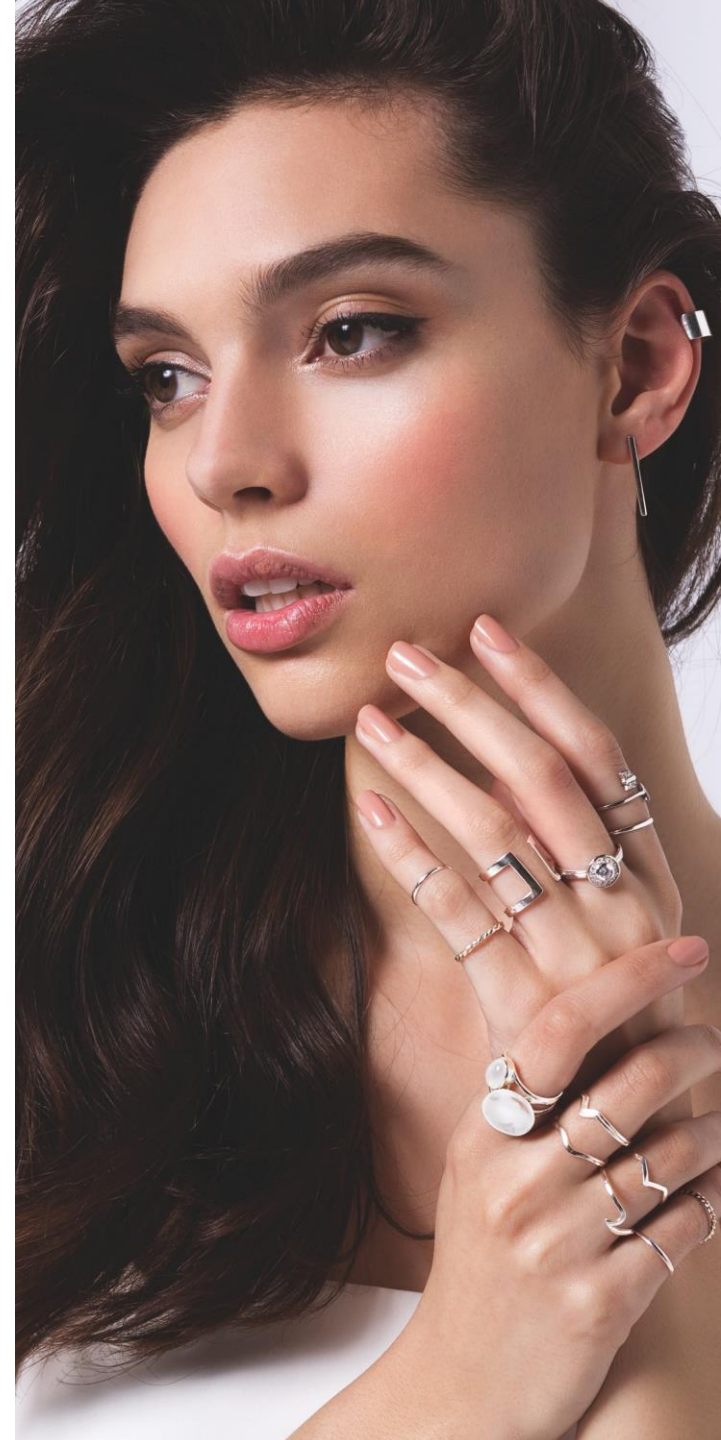
Shane Fallscheer, CEO and Executive Director



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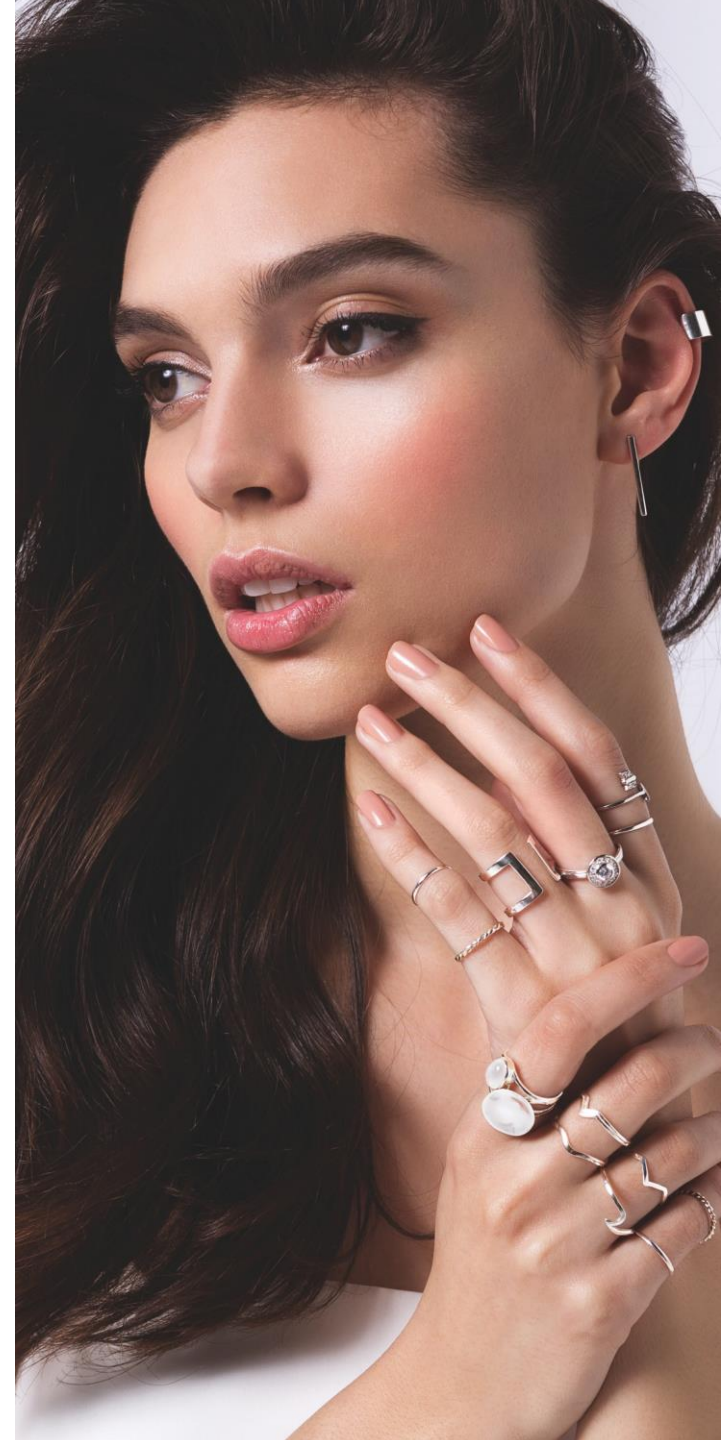
FY15 HIGHLIGHTS

- *55 new stores in five countries, closing the year with 239 stores*
- *Sales of \$134.3m, an increase of 27.1% over prior year*
- *Earnings of \$17.6m, compared to \$7.7m in the prior year, and \$1.2m ahead of prospectus forecast*
- *A successful listing on the ASX in December 2014.*



DIVIDENDS & MARKET CAPITALISATION

- *Shareholders received fully franked dividends of 10.7c per share, a yield of 5.4% on the IPO list price*
- *This was in line with prospectus forecast*
- *Share price yesterday closed at \$3.21, a 61% increase on listing price.*
- *With the share price closing yesterday at \$3.21 the market capitalisation of the company is \$337m, compared to \$210m at listing.*



CORPORATE GOVERNANCE

The Board has adopted a Corporate Governance Charter, Code of Conduct and a comprehensive set of Board policies regarding;

- independence and conflicts of interest*
- risk management*
- continuous disclosure*
- securities trading*
- an audit committee charter to assist in the discharge of Corporate Governance responsibilities.*



CORPORATE GOVERNANCE

Matters reserved for the Board

- *appointment of a Chair*
- *appointment and removal of the CEO*
- *appointment of directors to fill a vacancy or as additional Director*
- *establishment of Board committees, their membership and delegated authorities*
- *approval of dividends*
- *approval of major capital expenditure acquisitions and divestitures in excess of authority levels delegated to management*
- *calling of meetings of shareholders; and*
- *any other specific matters nominated by the Board from time to time.*



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Shane Fallscheer
Chief Executive Officer



FY15 HIGHLIGHTS

- *Revenue increased by 27.1% to \$134.3m*
- *GM increased from 76.0% to 77.1%*
- *Gross profit increased by 28.7% to \$103.5m, and was in line with prospectus*
- *EBIT (adjusted for exceptionals related to the IPO) of \$24.8m was ahead of prospectus forecast by \$1.3m.*
- *NPAT of \$17.6m was \$1.2m ahead of prospectus forecast*



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FY15 HIGHLIGHTS

Cost of doing business reduced from 62% to 54% due to;

- Closure of low turnover stores in AUS*
- Addition of stores overseas that generally enjoy a lower cost of doing business*
- Operational leverage of the Support Centre team in Melbourne*



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FY15 HIGHLIGHTS

*FY 15 commenced with
210 stores*

*- Acquisition of 21 stores in
SAF*

*- Recently opened in our
ninth country with a store
in Oman*



FY15 HIGHLIGHTS

- Middle East has ongoing growth opportunities

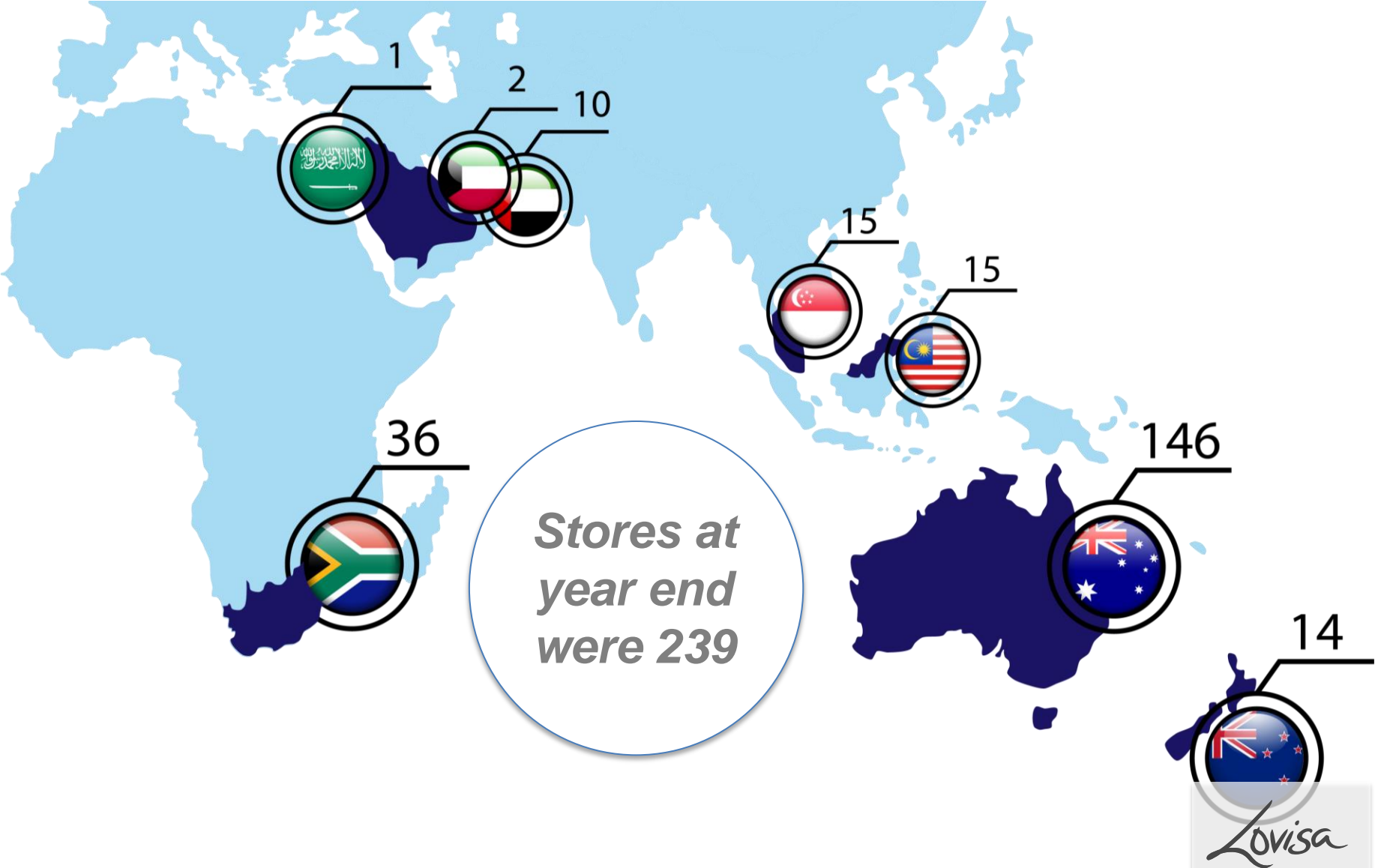
- Claires – 145 stores
- Accessorize – 115 stores

- Lovisa currently trades from 14 locations

- Population of 45 million across our franchised territories



FY15 HIGHLIGHTS



UK EXPANSION

- *Over the last year Lovisa has conducted due diligence on a number of larger northern hemisphere markets*
- *The board has now agreed to run a pilot program of 3-5 stores in the UK*
- *We have been active in the market looking for the right opportunities*
- *Our goal is to open these 3-5 stores by end of 3rd quarter FY16*

UK EXPANSION

- *This pilot is to not just understand the sales potential but all other elements;*
 - *Range suitability*
 - *Price architecture*
 - *Wage costs*
 - *Build out costs*
- *Our two main competitors have*
 - *Claire's – 390 stores*
 - *Accessorize – 274 stores*



UK EXPANSION

- *Our first lease has been agreed in the “Trinity Centre” Leeds*
- *This store will open week 1 December*
- *We have chosen to run the pilot outside of London*



UK EXPANSION

- *Some peoples perception of the UK high street*



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UK EXPANSION

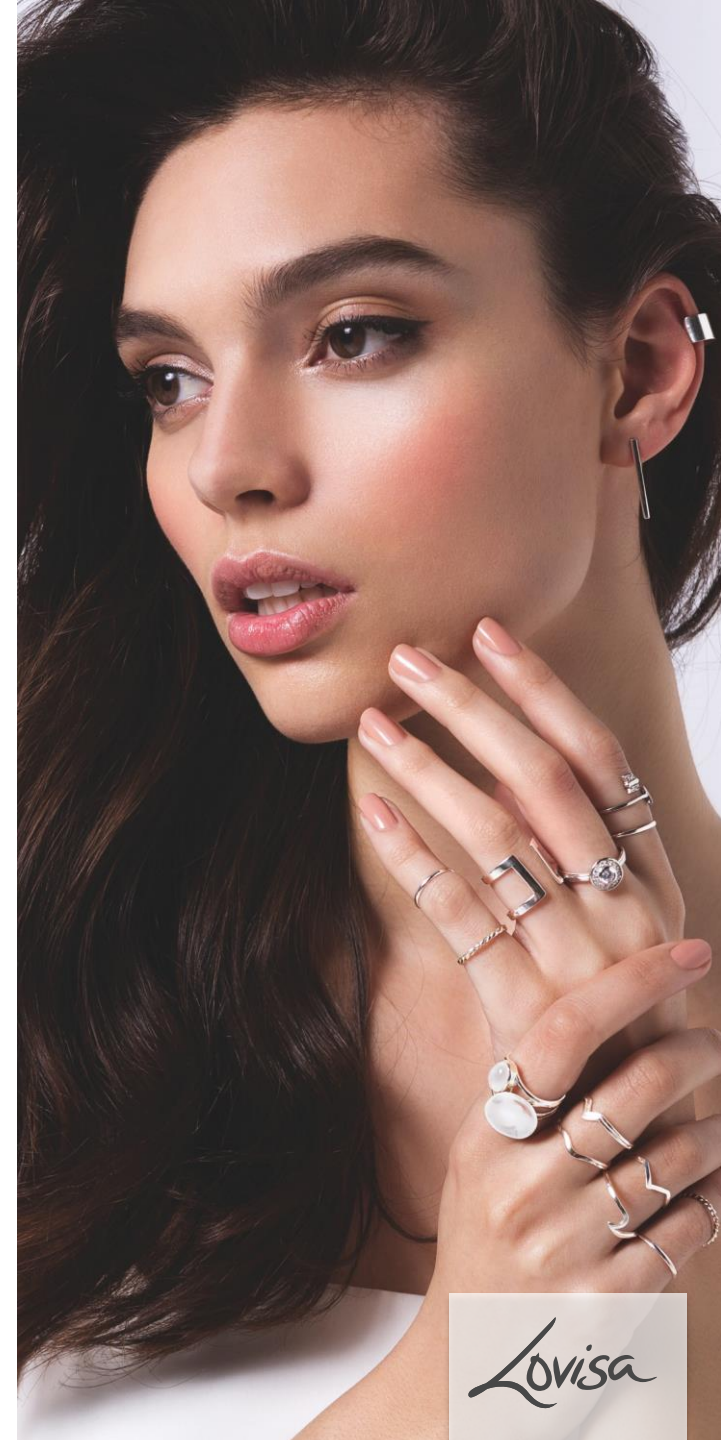
*Population of
Leeds is
750,000, this
is 2x Canberra*



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UK EXPANSION

- *Negotiations are well advanced to open another 2 to 4 stores in the UK by end Q3 FY16*
- *Capex for the pilot program in FY16 of around \$1m and OPEX of 500k*
- *We will update you on our progress in the half year roadshow*



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