



Lovisa Holdings Limited
ACN 602 304 503
41-45 Camberwell Road
Hawthorn East VIC 3123

t 03 9831 1800
f 03 9804 0060
e info@lovisa.com.au

lovisa.com.au

ASX RELEASE

Lovisa continues to generate growing revenues and earnings, and maintains dividend level

Melbourne, 18 February 2016: Leading fashion jewellery retailer, Lovisa Holdings Limited (ASX: LOV) today announced its results for the six months ended 27 December 2015 (1H FY2016) that saw continued growth in revenues and earnings.

Commenting on the result, Lovisa's CEO, Mr Shane Fallscheer said: "The first half of the 2016 financial year was a challenging period for the business given the impact of the depreciating Australian dollar and the clearance of excess and under-performing lines prior to Christmas trade. Pleasingly, the company was still able to grow revenues and earnings, with growing store numbers and positive like-for-like store sales growth of 4.1% on a constant currency basis underpinning that growth."

1H FY2016 results overview

- Revenue up 13% to \$82.6 million (1H FY2015: \$73.0 million)
 - Store numbers up by 12 to 251
 - Like-for-like sales growth of 4.1% on a constant currency basis
- Gross profit up 8% to \$62.0 million (1H FY2015: \$57.2 million)
- Gross margin of 75.0% reflects impact of depreciating Australian dollar and the clearance of excess and under-performing lines
- EBIT up 3% to \$17.9 million (1H FY2015* : \$17.3 million)
- NPAT up 8% to \$13.5 million (1H FY2015* : \$12.5 million)
- Interim dividend maintained at 6.67 cents per share, 75% franked given increasing offshore earnings

* 1H FY2015 excludes items associated with IPO in that period

Growing revenues and earnings

Further commenting on the 1H FY2016 result, Mr Fallscheer said:

"Over the past six months, we have continued to focus on opening stores, realigning Lovisa's store footprint and maintaining positive like-for-like sales growth. With a net increase of 12 stores over the half, and like-for-like sales growth of 4.1% on a constant currency basis, Lovisa was able to grow revenues by 13% to \$82.6 million.

“The exit of a competitor in Australia and New Zealand gave Lovisa the opportunity to increase our store footprint in those markets. While opening new stores, we were also focused on maximising store returns and closed eight low contribution stores in Australia.

“In South Africa, we completed the rationalisation of stores acquired in April 2015, and opened in 4 new centres to now have 33 stores. At 27 December 2015 we had 82 company owned stores outside Australia, and these stores generated 34% of revenue for the half, up from 26% in the prior corresponding half.”

Lovisa generated gross profit of \$62.0 million in 1H FY2016, up 8.4%. Gross margin fell from 78.3% to 75.0% as a result of the increase in cost of goods arising from the depreciation in the Australian dollar, and a higher level of mark downs than in the prior year due to the clearance of excess and under-performing lines.

1H FY2016 net profit after tax was up 8% to \$13.5 million. This included a once-off credit of \$0.6 million as a result of forming a tax consolidation group.

Dividend maintained at prior level

Reflecting the company’s 1H FY2016 results, strong balance sheet, solid cash flow and attractive growth opportunities, the Directors declared an interim FY2016 dividend of 6.67 cents per share, 75% franked. The record and payment dates for this dividend are 15 March 2016 and 29 April 2016 respectively.

Positive outlook

Commenting on Lovisa’s positive outlook for the remainder of FY2016, Mr Fallscheer said:

“With a growing global footprint across a number of markets and a strong business in Australia, Lovisa is well placed to continue growing. Our business model allows us to replicate our proven store layout and products in multiple markets where we can find suitable sites for our stores.

“Lovisa’s first store in the UK opened in Leeds on 4 December 2015. Since opening, the store’s trading performance is meeting our expectations, and having appointed a UK Leasing Manager there are several potential new store locations currently under negotiation. We anticipate completing the UK pilot phase by the end of this financial year.

“While the UK is exciting in terms of long term growth, Lovisa has 250 stores across Australia, New Zealand, Singapore, Malaysia, South Africa, and the Arabian Gulf. We will continue to look for new store sites and rationalise poorer performing stores, along with continuing to review our pricing, and deliver new designs to our customers each week. All of these initiatives will drive growth in our existing markets.

“With trading for the first seven weeks of the second half in line with expectations, and a number of growth strategies in place to underpin the company’s second half performance, Lovisa continues to expect to generate full year 2016 Earnings Before Interest and Tax in the range between \$23.5 million and \$25.5 million.”

- ENDS -

For further information please contact:

Shane Fallscheer
Chief Executive Officer
P: 03 9831 1827

Iain Sadler
Chief Financial Officer & Company Secretary
P: 03 9831 1814

About us

Lovisa Holdings Limited (ASX: LOV) is listed on ASX.

After launching its first fashion jewellery and hair accessories retail store in April 2010, Lovisa can now be found in 10 countries throughout the world with 250 stores.

Lovisa was created out of a need for current fashion jewellery at an accessible price point. The company's trend spotting department in London takes inspiration from high fashion couture runways and current street style. The keen-eyed design team at Lovisa Australia then uses a wide range of materials and expert finishing techniques to deliver fashion forward designer jewellery and hair accessories.

Further information can be found at www.lovisa.com.au