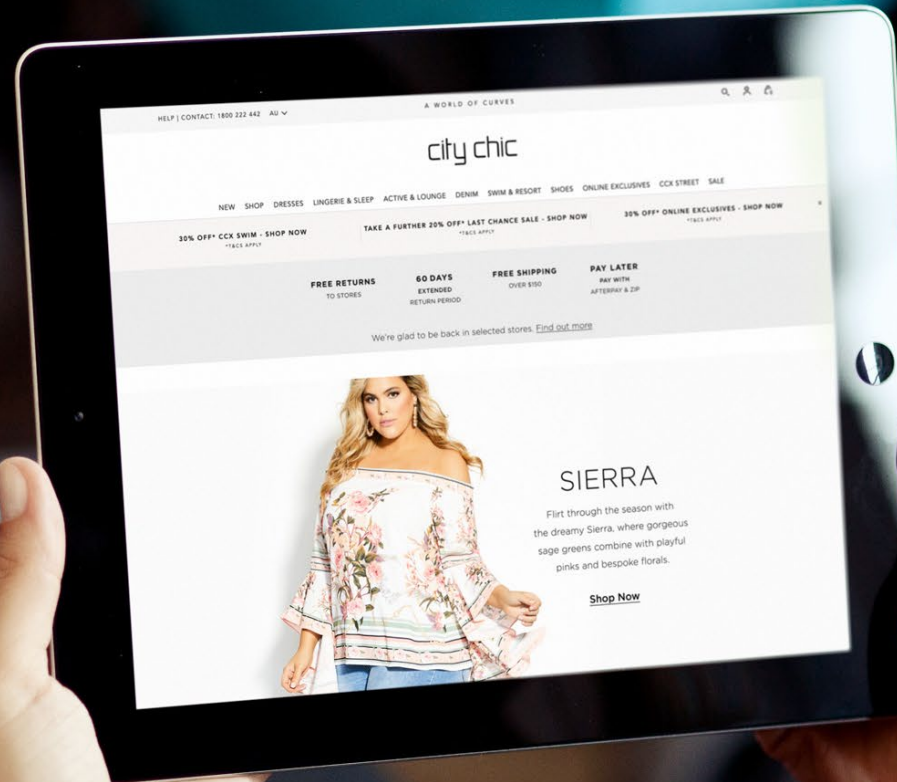


LEADING A WORLD  
OF CURVES



city chic collective

ANNUAL GENERAL MEETING

20 November 2020

# YOUR BOARD OF DIRECTORS



**MICHAEL KAY**  
Chairman  
Non-Executive Director



**MICHAEL HARDWICK**  
Non-Executive Director



**MEGAN QUINN**  
Non-Executive Director



**PHIL RYAN**  
Managing Director, CEO



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**CHAIRMAN'S ADDRESS**

Michael Kay

city chic collective

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# FY20 RECAP

## OPERATIONAL HIGHLIGHTS

- Acquisition and integration of Avenue
- Expanded online offering, which included the launch of Fox & Royal in ANZ (Hips & Curves extension)
- Launched new global eCommerce platform
- Consolidated US warehouse and logistics solution
- Traded profitably through COVID with strong balance sheet to pursue future growth

city chic collective

## FINANCIAL HIGHLIGHTS

**\$194m**

Global Sales

**0.4%**

Comp Sales<sup>1</sup>  
Growth

**31.0%**

Top Line Sales  
Growth

**\$26.5m**

Underlying  
EBITDA<sup>2</sup>

**6.6%**

Underlying EBITDA  
Growth

**13.6%**

Underlying EBITDA  
Margin

**65%**

Online Sales  
Penetration

**42%**

Sales in  
Northern Hemisphere

**663K**

Active Customers<sup>3</sup>  
(72% YoY Growth)

1. Represents no adjustment for store closures due to COVID-19. Under City Chic's Comparable Sales Policy, the period stores were closed or partially closed due to COVID-19 restrictions (April and May 2020) are excluded, resulting in comparable sales growth of 6.4% for FY20. In both calculations, comparable sales exclude Wholesale and Online Marketplaces and exclude recent acquisitions of Avenue and Hips & Curves
2. Underlying EBITDA excludes transaction and transition costs and US logistics consolidation costs and adjusts for accounting changes relating to AASB16 Leases which were effective from 1 July 2019, in order to present Underlying EBITDA on a like-for-like basis to the prior period. Underlying EBITDA includes the non-cash long term incentive share-based expense of \$2.8m in FY20 (\$1.1m in FY19)
3. Defined as transacted in last 12 months. Includes Avenue and Hips & Curves customers who have transacted since acquisition. Online represents websites and online marketplace sales; only includes part year sales from Avenue since acquisition in October 2019

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**CEO'S ADDRESS**

Phil Ryan

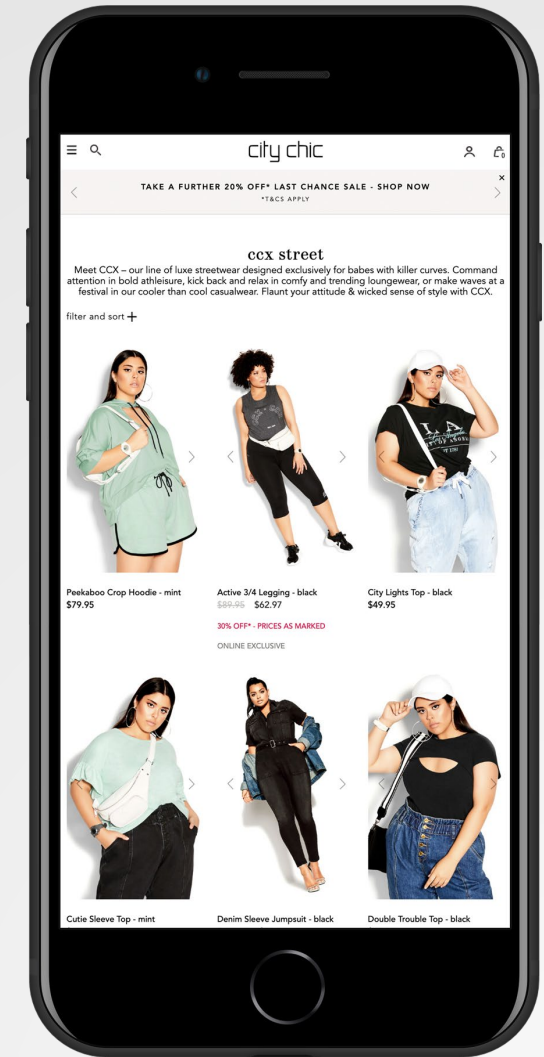


# LEADING A WORLD OF CURVES

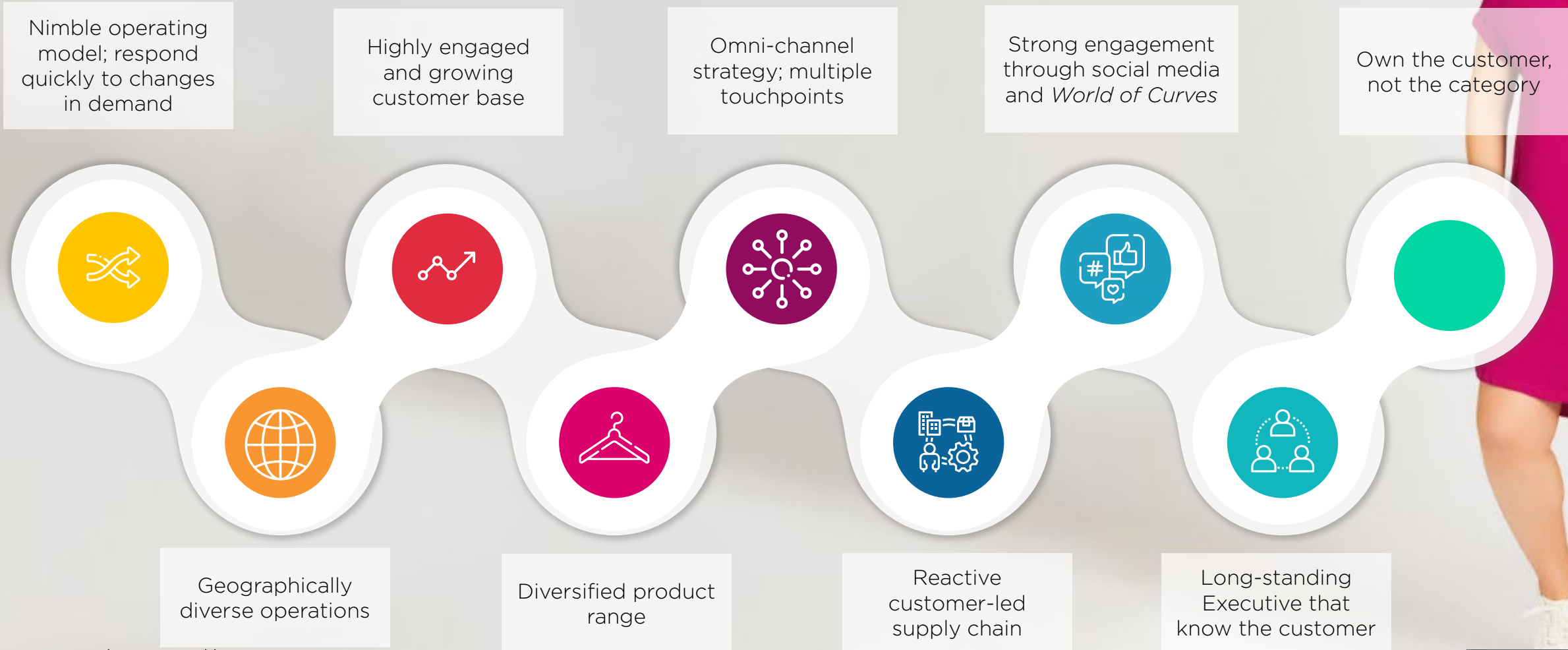


# RESILIENCE THROUGH COVID-19

- Diversified omni-channel offering with online channel trading mostly undisrupted through COVID; offset period of temporary store closures
- Strong digital presence and the supporting customer delivery capability has facilitated online growth; two-thirds of business is now online
- Traded profitably during height of COVID-19 restrictions
- Customer-led operating model and nimble supply chain allowed early response to change in customer demands (away from party and occasion apparel towards casual, sleep and intimates)
- Relatively low fixed cost base, early action to realise cost efficiencies including rental reductions; enhanced working capital management
- Global network allowed redeployment of stock across channels and regions, resulting in a clean inventory position
- Strong team quick to adapt to changing requirements. Head office redeployed to work from home. Store teams supported throughout, including period of store closures, with additional available services including mental health workshop and skills training and development
- Strong financial position and cash flow generation, further strengthened by recent equity raising, enabled business to continue to pursue strategy and growth opportunities



# CUSTOMER-CENTRIC OPERATING MODEL





# A YEAR OF **avenue**<sup>®</sup>

- Earnings accretive and trading profitably; exceeding sales and earnings expectations
- Store customer re-engagement underway through direct mail and digital retargeting, with pleasing early signs
- New eCommerce experience with new website and improved customer service
- Integrated supply chain and logistics to support cross selling across brands
- City Chic product received well by the Avenue customer
- Introducing consistency in extended lifestyles including sleep and intimates
- Cloudwalker shoe brand has been pleasing with supply and design capabilities established
- Built inventory to drive growth, aligned to elevated marketing campaign

## Acquisition Highlights



Acquired US-based Avenue e-commerce business based in October 2019 for US\$16.5m



Independent US website delivering everyday fashion with mid-market price point



Met key strategic objectives of US customer acquisition and plus-size product offering expansion



**Avenue** ranked one of the best 2021 Women's Fashion (single brands) by [Newsweek](#)





# BRAND PORTFOLIO & STRATEGIC OPPORTUNITY

	FASHION / YOUTH	CONSERVATIVE	INTIMATES
<b>Australia and NZ</b> <ul style="list-style-type: none"><li>• Online Website</li><li>• 97 Stores</li></ul>	city chic CCX <i>Greater Share of Wallet</i>	<i>Market Entry Opportunity</i>	city chic CCX FOX&ROYAL <i>Market Share Expansion and Greater Share of Wallet</i>
<b>North America</b> <ul style="list-style-type: none"><li>• Online Websites</li><li>• Online Marketplaces</li><li>• Wholesale</li></ul>	city chic CCX <i>Market Share Expansion / Customer Acquisition</i>	avenue® CLOUDWALKER <i>Market Share Expansion / Customer Acquisition</i>	avenue® city chic CCX <i>Hips &amp; Curves</i> <i>Market Share Expansion and Greater Share of Wallet</i>
<b>EU / UK</b> <ul style="list-style-type: none"><li>• Wholesale</li></ul>	city chic <i>Market Entry Opportunity</i>	<i>Market Entry Opportunity</i>	city chic CCX <i>Market Entry Opportunity</i>

# KEY INITIATIVES TO LEAD A WORLD OF CURVES



## **Market Share Expansion in North America**

- Significant market share opportunity in the addressable plus size market in North America
- US logistics consolidation complete to enable cross selling opportunities
- Leveraging Avenue customer base to sell City Chic product; early indications positive
- Improve digital customer experience for Avenue; re-engage store customer to online channel
- New marketing initiatives including first direct mail campaign in October 2020; positive initial indications
- Continue to enter into new marketplace and wholesale partnerships

## **Market Entry for 'Conservative' segment in ANZ**

- Website build underway; targeting mid-2021 launch
- Leverage product stream already produced in Conservative stream currently available in the US only
- Leverage existing infrastructure in ANZ; significant reach in current market

## **Market Entry into Europe / United Kingdom**

- New market entry for City Chic Collective with modest wholesale trial to date
- Partner led strategy in first stage, with website launch. Targeting mid to end of 2021
- 3PL partners shortlisted; discussions with partners progressing well

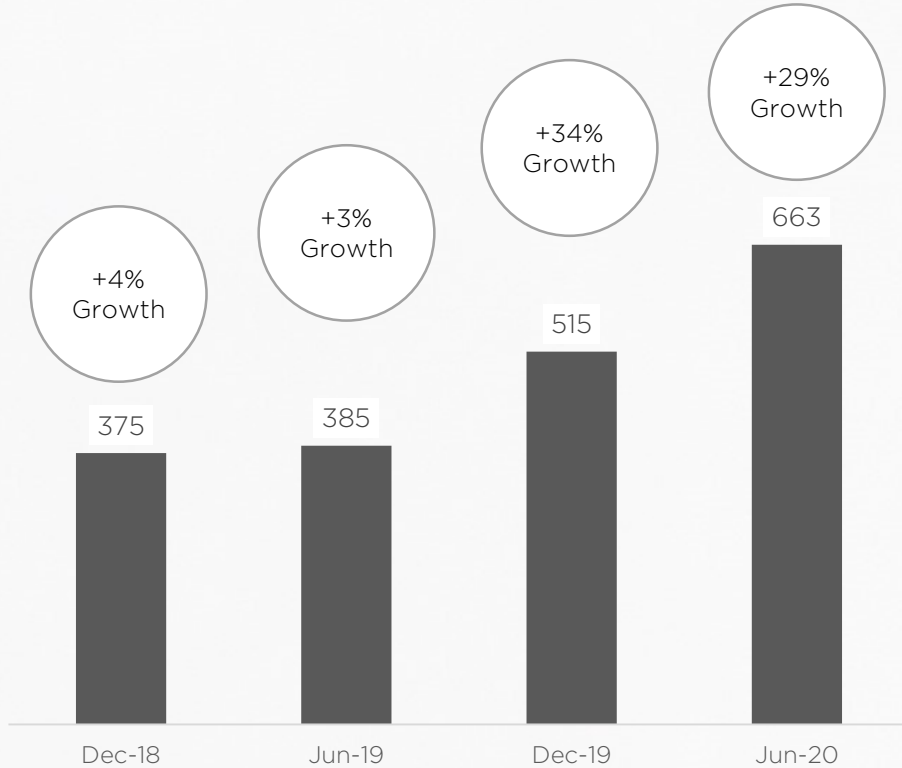
Launched World of Curves community

Expand fashion / youth offering globally

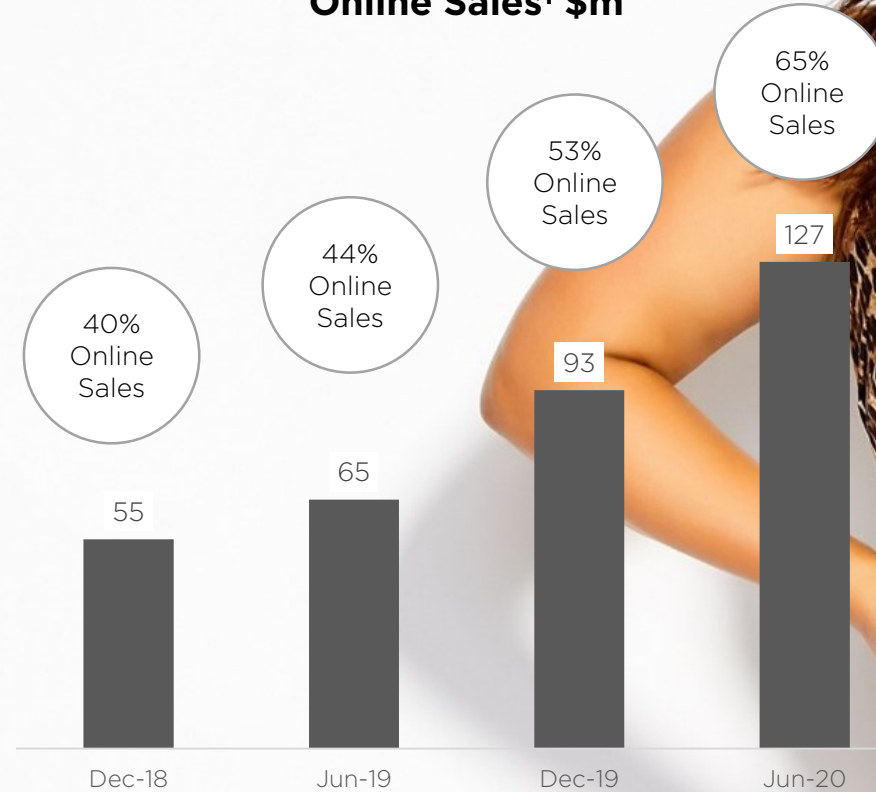
Expanded store footprint in ANZ

# CUSTOMER-FOCUSED GROWTH STRATEGY

### Customer Numbers<sup>1</sup> '000



### Online Sales<sup>1</sup> \$m

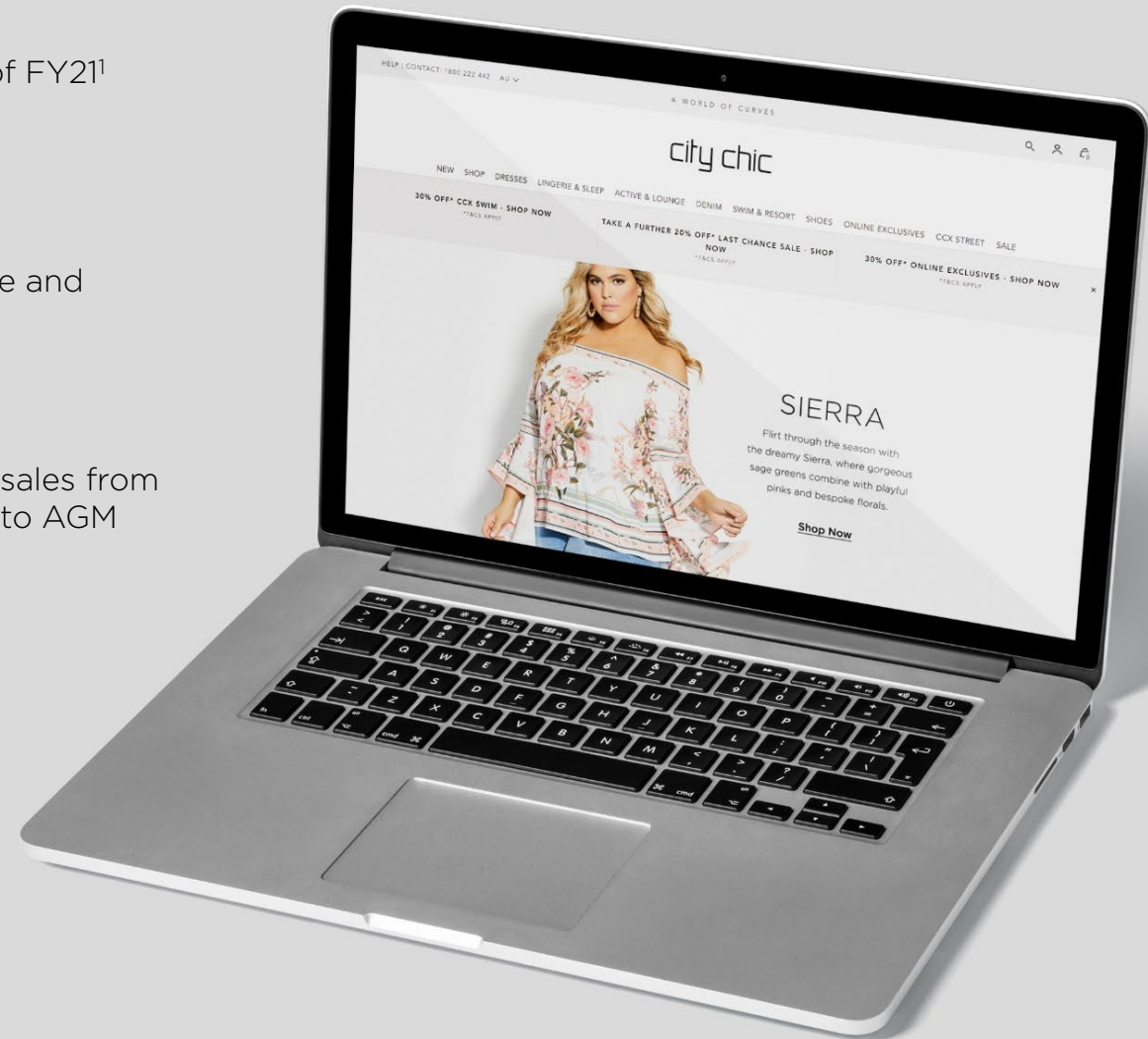


1. Defined as transacted and sales in last 12 months. Online represents websites and online marketplace sales



# FY21 TRADING UPDATE

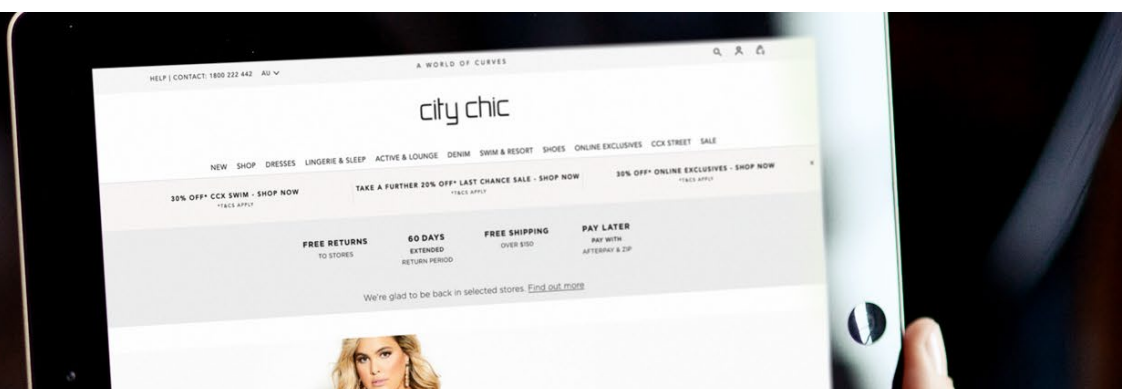
- Positive comparable sales growth in the first 20 weeks of FY21<sup>1</sup>
  - 18.7% excluding temporary Victorian store closures
  - 7.9% including temporary Victorian store closures
- Positive like-for-like stores sales growth (excluding online and Victorian stores)
- Strong momentum for ANZ online continued into FY21
- Avenue continues to trade well. Included in comparable sales from mid-October 2020, with positive comps for 4 weeks up to AGM
- City Chic website in the US continues to improve but still down versus last year. City Chic product sales on the Avenue website is delivering growth for the City Chic brand in the US
- Marketplace and wholesale partner sales in the US have been significantly impacted due to COVID-19; plan to reinstate key partners by second half of FY21
- Gross margins have improved significantly since the peak of COVID disruption (April to June), but still slightly lower than the corresponding period last year



1. In accordance with City Chic's Comparable Sales Policy, Avenue has been included in comparable sales from the time the website has been operating under City Chic ownership for 12 months, being from mid October 2020 (four weeks comparable sales contribution up to the AGM and included in the above comparable sales figures)

## 2020 AGM proxy summary as at proxy close

Resolution	For	Open	Against	Abstain
1. Adoption of the Remuneration Report	148,175,977 98.40%	900,693 0.60%	1,503,597 1.00%	1,003,955
2. Re-election of Director - Ms Megan Quinn	150,117,784 99.28%	909,891 0.60%	180,103 0.12%	376,444
3. Ratification of Prior Issue of Shares	83,018,179 97.31%	908,491 1.06%	1,387,686 1.63%	57,016,514



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