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Half Year 2025 Results Announcement
Sales and Profit Growth Continues

- Revenue up 8.8% to $405.9m
- 1H FY25 comparable store sales up 0.1%
- Gross Margin 82.4%, up 170bps
- 57 new stores opened during the period, 943 at half-year end
- EBIT $90.2m up 10.7%
- Net Profit After Tax up 6.5% to $56.9m
- Operating cash flow of $141.1m, net cash at half-year end
- Interim Dividend of 50.0 cents per share, unfranked

Results Highlights

(A$'m)	HY25	HY24	Variance
Revenue	405.9	373.0	8.8%
Gross profit	334.7	301.1	11.1%
EBIT	90.2	81.6	10.7%
NPBT	80.6	72.7	10.8%
NPAT	56.9	53.5	6.5%
EPS (cents)	51.6c	49.1c	2.5c
Interim dividend (cps)	50.0c	50.0c	-

Chief Executive Officer Victor Herrero said, "Lovisa has once again been able to deliver solid sales and profit growth, with the highlight another outstanding Gross Margin performance, and the store rollout accelerating in Q2. I want to again share my appreciation to the global Lovisa team for their hard work to be able to achieve these solid results."

Results

Revenue was $405.9m, up 8.8% on 1H FY24 with growth primarily coming from the continued growth in the store network, with comparable store sales 0.1% up on the prior half year.

We have continued to focus on pricing and promotion management, again driving gross margin expansion. Gross Profit was up 11.1% on 1H FY24, with Gross Margin again a highlight up 170 basis points to 82.4% on top of the 40 basis point improvement delivered in 1H FY24 and now 410 basis points higher than 1H FY22.

Investment has continued to be made into team structures and technology to support the growing global business and our focus on operational execution. This combined with increased spend on our digital marketing and events execution, inflationary pressures and increased mix of stores in higher cost markets, has resulted in higher cost of doing business for the period.

This impact was offset by a reduction in CEO Long-Term Incentive expense from $6m in the prior half year to $1.3m in the current period.

Depreciation and interest expense both reflect the growth in the store network, with depreciation of store fit outs and lease right of use assets increasing in line with store numbers, and interest expense increasing due to the associated increase in lease liabilities.

The Group's effective tax rate was up on prior year at 29.3% vs 26.4% in the prior half year, with both periods impacted by the timing of recognition of tax losses in relation to emerging markets.

Cash flow was again strong, with cash from operations before interest and tax of $141.1m, and Net Cash of $6.7m at period end. Capital expenditure for the period was $17.1m, predominantly from new store fit outs, up from $14.3m in prior half year.

Our continued strong balance sheet and cash flow position has enabled the Board to announce an unfranked interim dividend of 50.0 cents.

The Board will continue to assess dividend levels each half year and determine the appropriate level of dividend based on profitability, cash flows, and future growth capex requirements. The Board do not currently have a specific dividend payout ratio and will continue to base dividends on the cash flow needs of the company and the structure of the balance sheet.

Store Growth

A key driver of growth for Lovisa is the continued global store roll out. The company opened 57 new stores during the period, taking the store network to 943 stores globally across 49 markets. This included the opening of our first franchise stores in Ivory Coast, Republic of Congo and Panama during the period.

Store number growth								
Country	**HY25**	**FY24**	**HY24**	**Var 6 mths**	***New Stores***	***Reloc-ations***	***Closures***	**Var YOY**
Australia	180	178	175	2	*4*	*(1)*	*(1)*	5
New Zealand	32	28	27	4	*4*	*0*	*0*	5
Singapore	17	16	15	1	*1*	*0*	*0*	2
Malaysia	43	44	43	(1)	*0*	*0*	*(1)*	0
Hong Kong	10	9	8	1	*1*	*0*	*0*	2
Taiwan	1	1	1	0	*0*	*0*	*0*	0
China	1	1	1	0	*0*	*0*	*0*	0
Vietnam	1	1	1	0	*0*	*0*	*0*	0
South Africa	83	81	77	2	*3*	*0*	*(1)*	6
Namibia	4	3	3	1	*1*	*0*	*0*	1
Botswana	3	3	1	0	*0*	*0*	*0*	2
United Kingdom	53	50	47	3	*4*	*(1)*	*0*	6
Ireland	8	3	0	5	*5*	*0*	*0*	8
Spain	3	2	1	1	*1*	*0*	*0*	2
France	88	86	80	2	*5*	*0*	*(3)*	8
Germany	57	53	51	4	*5*	*0*	*(1)*	6
Belgium	17	17	13	0	*1*	*0*	*(1)*	4
Netherlands	9	9	7	0	*0*	*0*	*0*	2
Austria	8	9	9	(1)	*0*	*0*	*(1)*	(1)
Luxembourg	3	2	2	1	*1*	*0*	*0*	1
Switzerland	8	8	9	0	*0*	*0*	*0*	(1)
Poland	20	19	19	1	*1*	*0*	*0*	1
Italy	11	9	8	2	*2*	*0*	*0*	3
Hungary	2	2	2	0	*0*	*0*	*0*	0
Romania	1	1	1	0	*0*	*0*	*0*	0
United Arab Emirates	5	5	3	0	*0*	*0*	*0*	2
USA	209	207	207	2	*2*	*0*	*0*	2
Canada	23	14	10	9	*9*	*0*	*0*	13
Mexico	4	4	4	0	*0*	*0*	*0*	0
Middle East/Africa Franchise	22	20	17	2	*4*	*0*	*(2)*	5
South America Franchise	17	15	12	2	*3*	*0*	*(1)*	5
Total	943	900	854	43	*57*	*(2)*	*(12)*	89

The strong base we have built in Europe allowed that region to deliver the largest share of new store growth for the period with 25 new stores opened, including 5 in Ireland, 4 in the UK and 5 each in France and Germany. Canada was the standout market in the Americas with 9 new stores opened in the period and now 23 trading in that market.

Our ongoing focus on the quality of the store network resulted in 12 stores being closed during the period. We will continue to focus on store profitability and action stores not delivering to required levels of return on investment. With a footprint now in 49 markets and increased support structures in place we are well positioned to continue our global rollout across both existing and new markets.

Trading Update and Outlook

Trading for the first 7 weeks of the second half of FY25 saw comparable store sales for this period up 3.7%. Total sales for this period are up 12.9% on the same period in FY24. Since the end of the half, we have opened 16 new stores with 2 closures and 1 relocation, with total store count at 956. We also expect to open our 50th market globally in the coming week with our first store in Zambia set to open. 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 momentum to continue. Our balance sheet remains strong with available cash and debt facilities supporting continued investment in growth.

For further enquiries please contact:

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Authorised for release by Lovisa Holdings Limited's Board of Directors