



Lovisa Holdings Limited
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Lovisa Holdings Limited
Appendix 4D
Half Yearly Report
For the half-year ended 29 December 2024

The following sets out the requirements of Appendix 4D with the stipulated information either provided here or cross referenced to the HY2025 Interim Financial Report which is attached.

1. Company details

Company Name	Lovisa Holdings Limited
ACN	602 304 503
Reporting Period	26 weeks ended 29 December 2024
Prior Half Year Reporting Period	26 weeks ended 31 December 2023
Prior Financial Year Ended	30 June 2024

2. Results for announcement to the market

Comparison to the prior period (Appendix 4D items 2.1 to 2.3)	Increase/ Decrease	Change %	To A\$'000s
Revenue from ordinary activities	Increase	8.8%	405,926
Profit before tax	Increase	10.8%	80,564
Profit after tax attributable to the members	Increase	6.5%	56,932

Dividends / distributions (Appendix 4D item 2.4)	Amount per security	Franked amount per security
Interim dividend for the 26 week period ended 29 December 2024 to be paid on 10 th April 2025	50.0 cents	0.0 cents

Record date for determining entitlement to the dividend (Appendix 4D item 2.5)	7 th March 2025
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Brief explanation of the figures reported above necessary to enable the figures to be understood (Appendix 4D item 2.6)

For the half-year ended 29 December 2024 the Company reported net profit after tax of \$56.9m with total sales up 8.8% and same store sales up 0.1% on the first half of the prior year and an additional 43 net new stores across the globe. Gross profit increased 11.1% to \$334.7m and gross margin for the half was 82.4% compared to 80.7% for the first half of the prior year.

This result reflects an increase of 6.5% on the Company's prior half-year statutory net profit after tax.

3. Dividends

Please refer to note 3 of the attached interim financial report for details of dividends paid in the reporting period and prior period.

4. Dividend reinvestment plans

Not applicable.

5. Net tangible asset per security

	Current period	Previous period
Net tangible asset backing per ordinary share	\$0.90	\$0.69

6. Entities over which control has been gained during the period

Not applicable.

7. Details of associates and joint ventures

Not applicable.

8. For foreign entities, which set of accounting standards has been used in compiling the report

The results of all foreign entities have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

9. Dispute or qualification arising from auditor's review

Not applicable.

Signed on behalf of Lovisa Holdings Limited, on the 21st February 2025



Chris Lauder
Chief Financial Officer and Company Secretary

LOVISA

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LOVISA HOLDINGS LIMITED

INTERIM FINANCIAL REPORT

FOR THE 26 WEEKS ENDED
29 DECEMBER 2024

ACN 602 304 503



For persons

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DIRECTORS' REPORT



DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Lovisa Holdings Limited and the entities it controlled ('the Group') at the end of, or during, the half year ended 29 December 2024.

1. OPERATING AND FINANCIAL REVIEW

Lovisa's revenue for 1H FY2025 was \$405.9m, an increase of 8.8% on 1H FY2024, reflecting growth in the store network with comparable store sales up 0.1% compared to 1H FY2024.

Lovisa closed the half with 943 stores, with the global rollout of stores continuing with 57 new stores opened for the period, offset by 14 closures including 2 relocations. Pleasingly the store rollout was able to be delivered across all regions, with 8 new stores in Australia/NZ, 2 in Asia, 8 in Africa/Middle East, 25 in Europe and 14 in the Americas. The growth in the store network included 3 new franchise market openings in the period, with our first stores opened in Ivory Coast, Republic of Congo and Panama. The growth in the store network has continued to set a solid foundation for ongoing growth.

Gross profit for the half was \$334.7m, an increase of 11.1% on the prior half year. Gross margin for the half was again a standout at 82.4% compared to 80.7% for the first half of the prior year, an increase of 170 basis points, benefitting from ongoing focus on price points and tight management of product cost and inventory.

We were able to continue to invest in the expansion of the store network as well as the structures required to manage them effectively on an ongoing basis, including support teams, logistics and technology to drive a more efficient operating model. This combined with an increase in the mix of stores in higher cost markets and overall inflationary pressures resulted in continued higher cost of doing business in the period, which 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 expense, including impairment expense, for the period was up 8.3% on the prior half year, impacted by the continued growth in the store network over the past year and investment in technology and supply chain infrastructure. Net finance costs were up 9.3%, reflecting the interest charge associated with higher lease liabilities, combined with higher borrowings and interest rates during the period.

Net profit before tax was \$80.6m, up 10.8% compared to the prior half year, with net profit after tax of \$56.9m, up 6.5%.

The Group's balance sheet remains strong with net cash of \$6.7m on hand at balance date. Inventory remains well managed, up 14% on December 2023, slightly higher than the growth in the store network over that period. The Group's cash generated from operating activities before interest and tax was \$141.1m compared to \$149.5m for the prior half year. Capital expenditure predominantly from new stores and existing store refurbishments was \$19.8m.

2. DIVIDENDS

Since the end of the half year, the Directors have resolved to pay an interim dividend of 50.0 cents per share unfranked.

The interim dividend will be paid on 10 April 2025.

3. SUBSEQUENT EVENTS

Subsequent to the end of the half year, a Group company was named as the respondent in a class action commenced by a former store manager and others (the applicants) in the Federal Court of Australia on 23 January 2025 on behalf of retail store team employed by the Group in Australia between 23 January 2019 to 23 January 2025. The applicants are represented by Adero Law.

The premise of the proceeding is that the Lovisa Enterprise Agreement 2014 and the Lovisa Enterprise Agreement 2022 applied to the applicants and that there were alleged underpayments under those agreements together with alleged associated contraventions of the Fair Work Act 2009 (Cth). The Group intends to defend the proceeding, which remains in its early stages.

It is not possible to determine the ultimate impact of this claim, if any, on the Group. No provision has been recognised in respect of the half year ended 29 December 2024.

4. DIRECTORS

The following persons were Directors of Lovisa Holdings Limited during the half year and up to the date of the report:

Brett Blundy	Non-Executive Director and Chairman
Victor Herrero	Chief Executive Officer
Tracey Blundy	Non-Executive Director
Sei Jin Alt	Non-Executive Director
John Charlton	Non-Executive Director
Bruce Carter AO	Non-Executive Director
Nico van der Merwe	Alternate Director to Brett Blundy

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

DIRECTORS' REPORT

6. ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

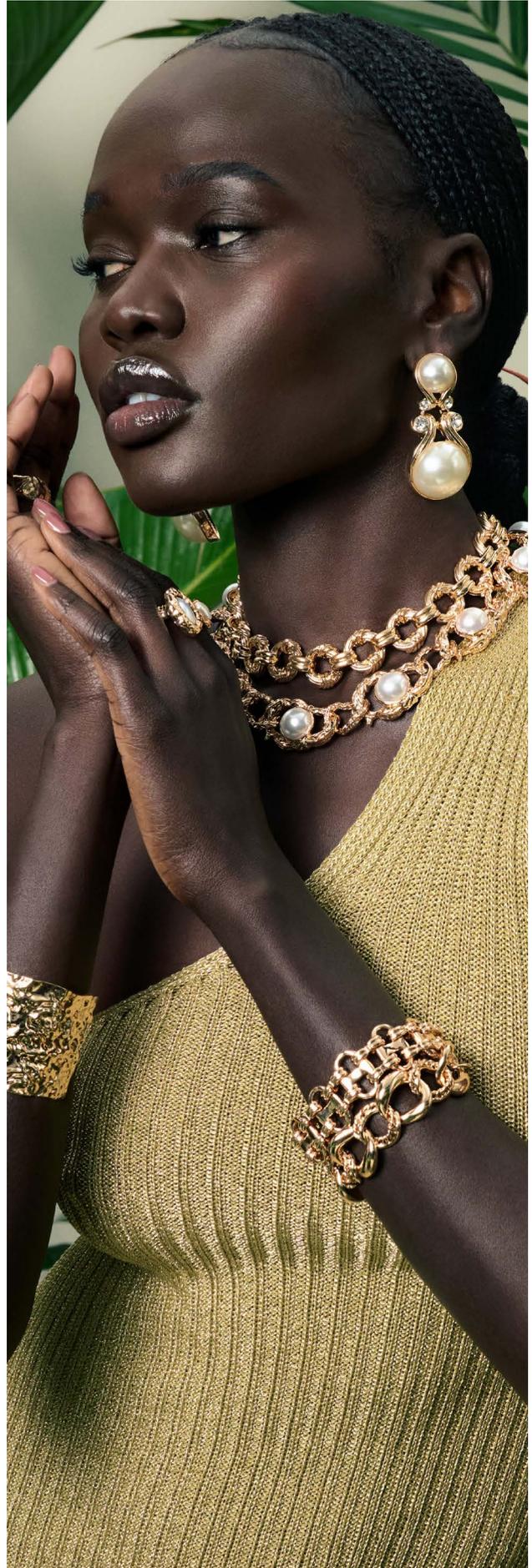
Signed in accordance with a resolution of Directors



Brett Blundy
Non-Executive Chairman



Victor Herrero
Chief Executive Officer
Melbourne, 21 February 2025



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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 29 DECEMBER 2024

Consolidated (\$'000s)	Note	29 December 2024	30 June 2024	31 December 2023
Assets				
Cash and cash equivalents		54,709	30,520	58,516
Trade and other receivables		20,060	19,445	20,464
Current tax receivables		14,451	11,521	206
Inventories		72,670	68,622	63,713
Derivatives		795	-	-
Total current assets		162,685	130,108	142,899
Deferred tax assets		17,419	23,285	15,889
Property, plant and equipment	4	130,666	123,588	124,167
Right-of-use assets	6	283,876	251,399	252,065
Intangible assets and goodwill	5	4,840	4,419	4,397
Total non-current assets		436,801	402,691	396,518
Total assets		599,486	532,799	539,417
Liabilities				
Trade and other payables		67,535	61,140	57,692
Employee benefits - current		10,606	9,180	8,582
Provisions - current	7	2,901	2,522	2,879
Lease liability - current	9	70,292	58,406	60,529
Derivatives		-	318	1,132
Current tax liabilities		9,485	8,271	4,320
Total current liabilities		160,819	139,837	135,134
Employee benefits - non current		532	432	359
Provisions - non current	7	10,003	8,832	8,319
Loans and borrowings - non current	8	48,000	54,000	43,000
Lease liability - non current	9	273,281	246,661	248,651
Deferred tax liabilities		2,396	2,751	-
Total non-current liabilities		334,212	312,676	300,329
Total liabilities		495,031	452,513	435,463
Net assets		104,455	80,286	103,954
Equity				
Issued capital		215,714	214,852	214,852
Common control reserve		(208,906)	(208,906)	(208,906)
Other reserves		4,253	20,240	18,000
Retained earnings		93,394	54,100	80,008
Total equity		104,455	80,286	103,954

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

Consolidated (\$'000s)	Note	29 December 2024	31 December 2023
Revenue	2	405,926	373,024
Cost of goods sold		(71,257)	(71,876)
Gross profit		334,669	301,148
Salaries and employee benefits expense		(115,124)	(102,972)
Property expenses		(24,740)	(20,343)
Distribution costs		(11,816)	(14,638)
Depreciation		(50,078)	(45,080)
Loss on disposal of property, plant and equipment		(78)	(472)
Impairment expense		(618)	(1,734)
Other income		-	177
Other expenses		(41,971)	(34,536)
Operating profit		90,244	81,550
Finance income		260	89
Finance expense		(9,940)	(8,948)
Net finance costs		(9,680)	(8,859)
Profit before tax		80,564	72,691
Income tax expense		(23,632)	(19,218)
Profit after tax		56,932	53,473
Other comprehensive income			
Items that may be reclassified to profit or loss:			
OCI - Cash flow hedges		310	(1,935)
OCI - Foreign operations - foreign currency translation differences		1,586	(4,957)
		1,896	(6,892)
Other comprehensive income, net of tax		1,896	(6,892)
Total comprehensive income		58,828	46,581
Profit attributable to:			
Owners of the Company		56,932	53,473
		56,932	53,473
Total comprehensive income attributable to:			
Owners of the Company		58,828	46,581
		58,828	46,581
Earnings per share			
Basic earnings per share (cents)		51.61	49.08
Diluted earnings per share (cents)		51.59	48.49

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 29 DECEMBER 2024

Attributable to Equity Holders of the Company

<i>Consolidated (\$'000s)</i>	Note	Share Capital	Common Control Reserve	Retained Earnings	Share Based Payments Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Total Equity
Balance at 3 July 2023		214,137	(208,906)	31,234	32,244	666	10,614	79,989
Total comprehensive income								
Profit		-	-	53,473	-	-	-	53,473
Cash flow hedges		-	-	-	-	(1,935)	-	(1,935)
Foreign operations - foreign currency translation differences		-	-	-	-	-	(4,957)	(4,957)
Total comprehensive income for the period		-	-	53,473	-	(1,935)	(4,957)	46,581
Transactions with owners of the Company								
Employee share schemes		-	-	-	10,674	-	-	10,674
Share options exercised		715	-	-	-	-	-	715
Transfers from reserves		-	-	29,306	(29,306)	-	-	-
Dividends	3	-	-	(34,005)	-	-	-	(34,005)
Total transactions with owners of the Company		715	-	(4,699)	(18,632)	-	-	(22,616)
Balance at 31 December 2023		214,852	(208,906)	80,008	13,612	(1,269)	5,657	103,954
Balance at 1 July 2024		214,852	(208,906)	54,100	18,228	10	2,002	80,286
Total comprehensive income								
Profit		-	-	56,932	-	-	-	56,932
Cash flow hedges		-	-	-	-	310	-	310
Foreign operations - foreign currency translation differences		-	-	-	-	-	1,586	1,586
Total comprehensive income for the period		-	-	56,932	-	310	1,586	58,828
Transactions with owners of the Company								
Employee share schemes		-	-	-	5,444	-	-	5,444
Share options exercised		862	-	-	-	-	-	862
Transfers from reserves		-	-	23,327	(23,327)	-	-	-
Dividends	3	-	-	(40,965)	-	-	-	(40,965)
Total transactions with owners of the Company		862	-	(17,638)	(17,883)	-	-	(34,659)
Balance at 29 December 2024		215,714	(208,906)	93,394	345	320	3,588	104,455

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

<i>Consolidated (\$'000s)</i>	Note	29 December 2024	31 December 2023
Cash flows from operating activities			
Cash receipts from customers		457,046	419,301
Cash paid to suppliers and employees		(315,962)	(269,758)
Cash generated from operating activities		141,084	149,543
Interest received		260	89
Interest paid		(9,940)	(8,948)
Income taxes paid		(14,403)	(13,384)
Net cash from operating activities		117,001	127,300
Cash flows from investing activities			
Acquisition of fixed assets		(19,840)	(23,391)
Acquisition of key money intangibles	5	(256)	(148)
Proceeds from fit-out contribution		3,013	9,238
Net cash (used in) investing activities		(17,083)	(14,301)
Cash flows from financing activities			
Share options exercised		862	715
Repayment of borrowings		(6,000)	(22,000)
Payment of lease liabilities	9	(31,589)	(30,221)
Dividends paid	3	(40,965)	(34,005)
Net cash (used in) financing activities		(77,692)	(85,511)
Net increase in cash and cash equivalents		22,226	27,488
Cash and cash equivalents at the beginning of the period		30,520	31,650
Effect of movement in exchange rates on cash held		1,963	(622)
Cash and cash equivalents at the end of the period		54,709	58,516

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

1 Summary of material accounting policies

Lovisa Holdings Limited (the "Company") is a for-profit company incorporated and domiciled in Australia with its registered office at Level 1, 818 Glenferrie Road, Hawthorn, Victoria 3122. The consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies"). The Group is primarily involved in the retail sale of fashion jewellery and accessories.

Lovisa Holdings Limited operates within a retail financial period. The current financial period was a 26 week period ending on 29 December 2024 (2023: 26 week period ending 31 December 2023).

The principal accounting policies adopted in the preparation of this consolidated financial report are set out below. These policies have been consistently applied to all the periods presented except as described below.

Basis of accounting

This condensed consolidated interim financial report for the half year reporting period ended 29 December 2024 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of other new standards are effective from 1 July 2024 but they do not have a material effect on the Group's financial statements.

This condensed consolidated interim financial report has been prepared on a going concern basis of accounting. The Group continues to manage its liquidity risks (as described in the annual report for the year ended 30 June 2024) and the Group's undrawn credit facilities are detailed in Note 8. The Group continues to be able to meet its financial obligations as and when they fall due and remains a going concern.

Assumptions and estimation uncertainties

In making estimates of future performance, key assumptions and judgements have been stress tested for the impacts of prevailing economic conditions.

Global economic conditions have remained soft during the period and with a number of our markets continuing to experience above average levels of inflation and associated rising interest rates, this may slow demand and consumer spending across the broader global economy.

In respect of these financial statements, the impact of the uncertainties arising from these economic conditions is primarily relevant to estimates of future performance, which is in turn relevant to the areas of impairment of non-financial assets.

The following assumptions and judgements have been applied by the Group:

- Sales forecasts have been estimated based on current trading performance adjusted for expectations of economic conditions on demand.
- Gross margin and cost assumptions are based on known information.

Impairment of property, plant and equipment, right-of-use assets and intangible assets and goodwill

The carrying amounts of the Group's goodwill and indefinite life intangibles are tested for impairment at each reporting period. Property, plant and equipment and right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in line with the calculation methodology listed below.

Cash-generating units

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit (CGU) is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Goodwill is tested at the level at which it is monitored, identified by the Group as the country level. Key money is tested at the store level. Property, plant and equipment and right-of-use assets are tested at the store level when there is an indication of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

1 Summary of material accounting policies (continued)

Impairment (continued)

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Sensitivity analysis is performed on this modelling by using a range of discount rates reflecting the potential risk of variability in the underlying forecasts or regional or market specific risks.

Cash flow forecasts

Cash flow forecasts are based on the Group's most recent plans and are based on expectations of future outcomes having regard to market demand and past experience, incorporating individual trading environment and risks specific to the CGU. For store level tests, cash flow forecasts are modelled for the length of the lease, identified as the essential asset for store CGUs. No terminal value is reflected in store level tests.

Discount rates

The Group applies a post-tax discount rate to post-tax cash flows. The post-tax discount rates incorporate a risk-adjustment relative to the risks associated with the specific CGU (geographic position or otherwise), with a high and low range used to apply sensitivity analysis to the cash flow modelling.

Key assumptions for the impairment testing carried out at 29 December 2024

Stores with indicators of impairment at 29 December 2024 were identified in certain of the Group's markets, requiring more detailed testing for certain stores. The following key assumptions were utilised for this impairment testing:

- Discount rate by country applied based on a high and low range to provide sensitivity analysis. The discount rates applied to store tests in these countries were in the range of 10% to 15% pre-tax.
- Growth rate based on expected impact of short-term considerations, and subsequent sales profile by market as detailed under Assumptions and estimation uncertainties above, with a longer term growth rate assumption of 3% in relation to sales and costs to allow for inflationary impacts until the end of the lease term which is considered to be the essential asset. No terminal value is included in discounted cash flow modelling at store level.

As a result of this testing, \$1.1m of impairment expense (\$1.1m after tax) (31 December 2023: \$2.3m) was recognised for store fit-out and lease right-of-use assets for the half year ended 29 December 2024 and is included in the consolidated statement of profit or loss and other comprehensive income. Refer to note 4 and note 6 respectively for further detail.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in previous years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

During the half year ended 29 December 2024, impairment reversals of \$0.5m (\$0.5m after tax) (31 December 2023: \$0.6m) were included within the consolidated statement of profit or loss and other comprehensive income.

2 Operating segments

(a) Basis for segmentation

The Chief Operating Decision Maker (CODM) for Lovisa Holdings Limited and its controlled entities, is the Chief Executive Officer (CEO). For management purposes, the Group is organised into geographic segments to review sales by territory as the CODM relies primarily on revenue to assess the performance of the segment and make decisions about resources to be allocated.

All territories offer similar products and services and are managed by sales teams in each territory reporting to regional management, however overall company performance is managed on a global level by the CEO and the Group's management team. Store performance is typically assessed at an individual store level. The individual stores are operating segments but meet the aggregation criteria to form a reportable segment.

The Group's stores exhibit similar long-term financial performance and economic characteristics within each geography, which include:

- Consistent product offerings;
- All stock sold utilises common design processes and products are sourced from the same supplier base; and
- Customer base is similar.

(b) Geographic information

The segments have been disclosed on a regional basis consisting of Australia and New Zealand, Asia (Singapore, Malaysia, Hong Kong, Taiwan, China and Vietnam), Africa (South Africa, Botswana, Namibia, and United Arab Emirates), Americas (United States of America, Canada, and Mexico), and Europe (United Kingdom, Spain, France, Luxembourg, Belgium, Germany, Netherlands, Austria, Switzerland, Poland, Italy, Hungary, Romania and Ireland) and the Group's franchise stores in the Middle East, Africa, and South America.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

2 Operating segments (continued)**(c) Revenue by nature and geography**

In presenting the following information, segment revenue has been based on the geographic location of customers.

(\$000s)	29 December 2024	31 December 2023
External revenues		
Australia / New Zealand	115,152	111,748
Asia	19,266	19,763
Africa / Middle East	31,181	28,859
Europe	137,020	120,297
Americas	102,155	91,425
Total external revenue	404,774	372,092
Franchise revenue		
South America	198	279
Africa / Middle East	954	653
Total franchise revenue	1,152	932
Total revenue	405,926	373,024

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

3 Dividends**(a) Ordinary shares**

(\$000s)	29 December 2024	31 December 2023
Dividends provided for or paid during the half year unfranked (2024: 70% franked)	40,965	34,005

(b) Dividends not recognised at the end of the half year

After the reporting date, the following dividends were proposed by the Board of Directors. The dividends have not been recognised as liabilities and there are no tax consequences.

(\$000s)	29 December 2024	31 December 2023
50.0 cents per qualifying ordinary share, unfranked (2024: 50.0 cents, 30% franked)	55,358	54,846

4 Property, plant and equipment

Consolidated (\$000s)	Leasehold improvements	Hardware and software	Fixtures and fittings	Total
Cost				
Balance at 1 July 2024	235,048	13,586	3,013	251,647
Additions	18,388	1,483	148	20,019
Disposals	(1,675)	(75)	-	(1,750)
Effect of movements in exchange rates	11,997	416	41	12,454
Balance at 29 December 2024	263,758	15,410	3,202	282,370
Accumulated depreciation				
Balance at 1 July 2024	(113,628)	(11,703)	(2,728)	(128,059)
Depreciation	(15,523)	(1,140)	(110)	(16,773)
Impairment recognised	(1,010)	-	-	(1,010)
Impairment reversed	446	-	-	446
Disposals	1,212	69	-	1,281
Effect of movements in exchange rates	(7,244)	(324)	(21)	(7,589)
Balance at 29 December 2024	(135,747)	(13,098)	(2,859)	(151,704)
Carrying amounts				
At 30 June 2024	121,420	1,883	285	123,588
At 29 December 2024	128,011	2,312	343	130,666

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

5 Intangible assets and goodwill

<i>Consolidated (\$'000s)</i>	Key Money	Goodwill	Total
Balance at 1 July 2024	2,379	2,040	4,419
Additions	256	-	256
Amortisation	(10)	-	(10)
Disposals	-	-	-
Effect of movements in exchange rates	104	71	175
Balance at 29 December 2024	2,729	2,111	4,840

6 Right-of-use assets

<i>Consolidated (\$'000s)</i>	Right-of-use assets - property
Cost	
Balance at 1 July 2024	482,082
Additions	34,094
Re-measurement of lease liabilities	19,144
Effect of movements in exchange rates	23,199
Balance at 29 December 2024	558,519
Accumulated depreciation	
Balance at 1 July 2024	(230,683)
Depreciation and impairment charges	(33,295)
Impairments	(54)
Effect of movements in exchange rates	(10,611)
Balance at 29 December 2024	(274,643)
Carrying amounts	
At 30 June 2024	251,399
At 29 December 2024	283,876

7 Provisions

<i>Consolidated (\$'000s)</i>	Site restoration	Refund liability	Total
Balance at 1 July 2024	10,716	638	11,354
Provisions made during the period	669	423	1,092
Provisions used during the period	(118)	(18)	(136)
Effect of movement in exchange rates	558	36	594
Balance at 29 December 2024	11,825	1,079	12,904
Current	1,822	1,079	2,901
Non-current	10,003	-	10,003
	11,825	1,079	12,904

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

8 Loans and borrowings

Consolidated (\$'000s)	Lender	Currency	Nominal interest rate	Year of maturity	29 December 2024		30 June 2024	
					Facility Limit	Amount Drawn	Facility Limit	Amount Drawn
Cash advance facility	CBA	AUD	0.85% - 1.10% + AUD BBSY Bid	2026	80,000	28,000	80,000	34,000
Multi-option facility - Overdraft and Trade Finance	CBA	AUD	0.60% + AUD BBSY Bid	2026	20,000	-	20,000	-
Revolving loan facility	HSBC	AUD	1.75% - 2.10% + AUD BBSY Bid	2026	20,000	20,000	20,000	20,000
Total interest-bearing liabilities					120,000	48,000	120,000	54,000

The Group holds the following lines of credit with the Commonwealth Bank of Australia (CBA):

- \$80 million revolving cash advance facility (30 June 2024: \$80 million)
- \$20 million multi-option facility available for overdraft, trade finance and a contingent liability facility for global letters of credit and bank guarantees (30 June 2024: \$20 million).

The bank loans are secured by security interests granted by Lovisa Holdings Limited and a number of its subsidiaries over all of their assets in favour of the CBA. Under the facility the Group has financial covenants and has been in compliance with these through the half year ended 29 December 2024 (30 June 2024: compliant).

The Group holds the following lines of credit with the HSBC Bank Australia Limited (HSBC):

- \$20 million revolving facility (30 June 2024: \$20 million)
- \$20 million bank guarantee facility for global letters of credit and bank guarantees (30 June 2024: \$20 million).

The HSBC facilities have been incorporated into the security deed for the CBA lending facilities. The financial covenants for the CBA facilities also apply to these facilities.

In addition to the above facilities with CBA and HSBC, the Group holds lines of credit in certain of its overseas markets which are solely for the purpose of providing bank guarantees as security for store lease agreements.

Credit facilities for bank guarantees with ING Belgium (Euro 600,000) and Credit Suisse Switzerland (CHF 550,000) are subject to annual credit reviews. Facilities with other banks are secured either by standby letters of credit or restricted savings accounts, that is they are cash collateralised.

Refer to note 11(a) for guarantees outstanding at 29 December 2024.

9 Lease liability

Consolidated (\$'000s)	
Balance at 1 July 2024	305,067
Liability recognised during the period	34,741
Re-measurement of lease liabilities	19,590
Lease payments	(38,825)
Interest	7,236
Effect of movement in exchange rates	15,764
Balance at 29 December 2024	343,573
Current	70,292
Non-current	273,281
	343,573

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 DECEMBER 2024

10 Related parties

Consolidated (\$000s)	Transaction values for the 26 weeks ended		Balance outstanding as at	
	29 December 2024	31 December 2023	29 December 2024	31 December 2023
Expenses	243	120	-	-

Included in expenses in the period is \$120,000 relating to Directors fees for Brett Blundy in his capacity as Non-Executive Director and Chairman of the Company (31 December 2023: \$120,000). Transactions between the Lovisa Group and BB Retail Capital and its related parties have been disclosed above due to BB Retail Capital continuing to be in a position of holding significant influence in relation to the Group, with representation on the Board of Directors. Lovisa has, and will continue to benefit from the relationships that its management team and BB Retail Capital have developed over many years of retail operating experience. During the period, BBRC has recharged expenses relating to travel and conferences attended by Lovisa executives and professional fees (31 December 2023: Nil). Expense recharges are priced on an arm's length basis. The Group will continue to utilise BBRC Retail Capital's retail operating experience on an arm's length basis.

All outstanding balances with other related parties are priced on an arm's length basis and are to be settled in cash within two months post the end of the reporting period. None of the balances are secured. No expense has been recognised in the current period or prior period for bad or doubtful debts in respect of amounts owed by related parties.

11 Capital commitments and contingencies

(a) Guarantees

The Group has guarantees outstanding to landlords and other parties to the value of \$18,830,000 at 29 December 2024 (30 June 2024: \$15,741,000). These are drawn against the bank guarantee facilities described in note 8.

(b) Capital commitments and contingent liabilities

The Group is committed to incur capital expenditure of \$924,000 (30 June 2024: \$641,000). There are no contingent liabilities that exist at 29 December 2024 (30 June 2024: none) other than the item described in note 12.

12 Events occurring after the reporting period

Refer to note 3 for dividends recommended since the end of the reporting period.

Subsequent to the end of the half year, a Group company was named as the respondent in a class action commenced by a former store manager and others (the applicants) in the Federal Court of Australia on 23 January 2025 on behalf of retail store team employed by the Group in Australia between 23 January 2019 to 23 January 2025. The applicants are represented by Adero Law.

The premise of the proceeding is that the Lovisa Enterprise Agreement 2014 and the Lovisa Enterprise Agreement 2022 applied to the applicants and that there were alleged underpayments under those agreements together with alleged associated contraventions of the Fair Work Act 2009 (Cth). The Group intends to defend the proceeding, which remains in its early stages.

It is not possible to determine the ultimate impact of this claim, if any, on the Group. No provision has been recognised in respect of the half year ended 29 December 2024.

There are no other matters or circumstances that have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial years.

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SIGNED REPORTS

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Lovisa Holdings Limited ('the Company'):
 - (a) the consolidated financial statements and notes that are set out on pages 8 to 18 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 29 December 2024 and of its performance, for the 26 week period ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) there are reasonable grounds to believe that Lovisa Holdings Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Victor Herrero
Chief Executive Officer
Melbourne
21 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LOVISA HOLDINGS LIMITED



Independent Auditor's Review Report

To the shareholders of Lovisa Holdings Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Lovisa Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Lovisa Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 29 December 2024 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated Statement of Financial Position as at 29 December 2024
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the Interim Period ended on that date
- Notes 1 to 12 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Lovisa Holdings Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 26 weeks ended on 29 December 2024.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF LOVISA HOLDINGS LIMITED (CONTINUED)



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 29 December 2024 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Trent Duvall

Partner

Melbourne

21 February 2025

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LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001



Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001

To the Directors of Lovisa Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Lovisa Holdings Limited for the half-year ended 29 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trent Duvall

Partner

Melbourne

21 February 2025

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CORPORATE DIRECTORY

Company Secretary

Chris Lauder

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Stock Exchange Listing

Lovisa Holdings Limited (LOV)
shares are listed on the ASX.

Auditors

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