

city chic collective

---

LEADING A WORLD OF CURVES

MACQUARIE AUSTRALIA CONFERENCE

May 2021





**CCX**

*'Serious Street Style'*



**city chic**

*'Fiercely Fashionable'*



*Hips & Curves*  
**FOX&ROYAL**  
*'Lustful Lingerie'*

LEADING A  
WORLD OF  
CURVES:  
OUR  
BRANDS



**EVANS**

*'Modern Fashionability'*



**cloudwalkers**

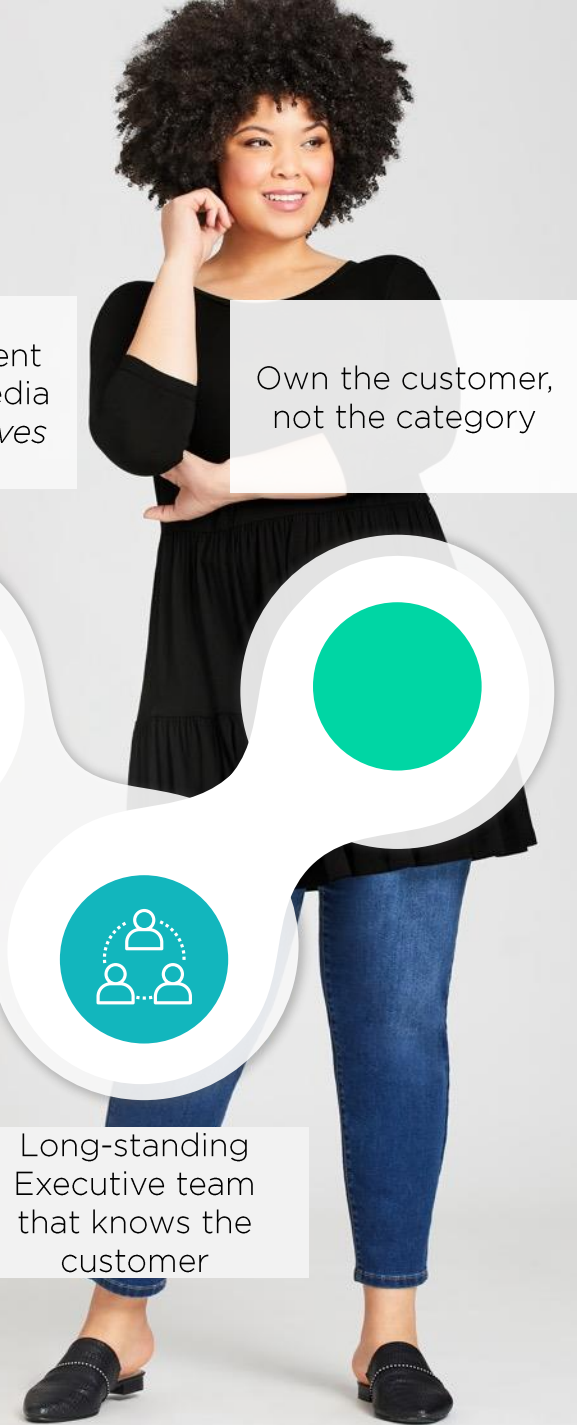
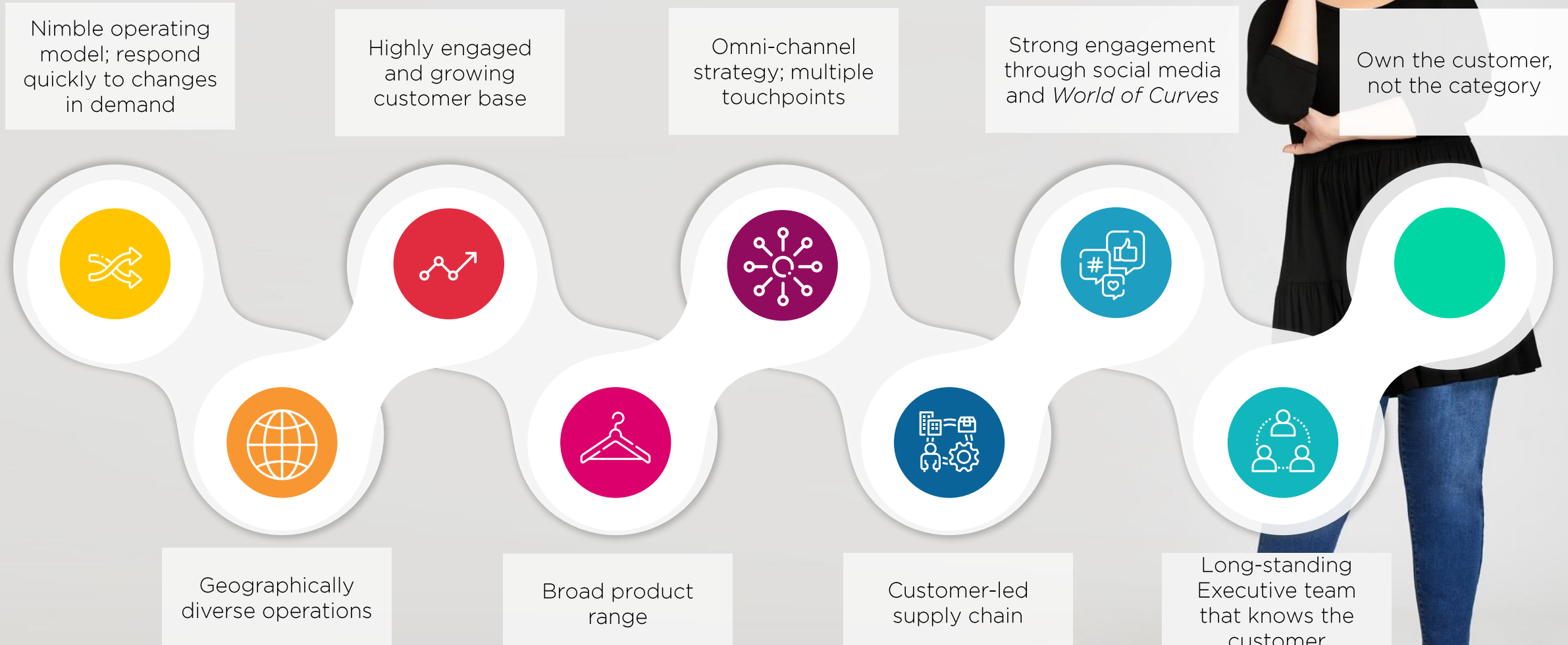
*'Just like walking on air'*



**avenue**

*'Everyday Essentials'*

# CUSTOMER-CENTRIC OPERATING MODEL



# GLOBAL BUSINESS OVERVIEW

Established footprint in Australia, New Zealand and United States;  
recently entered United Kingdom with acquisition of Evans

**\$209m**

Global Sales  
(12 months to Dec 20)

**73%**

Online Penetration<sup>1</sup>  
(12 months to Dec 20)

**801k**

Active Customers<sup>2</sup>  
(Dec 2020)

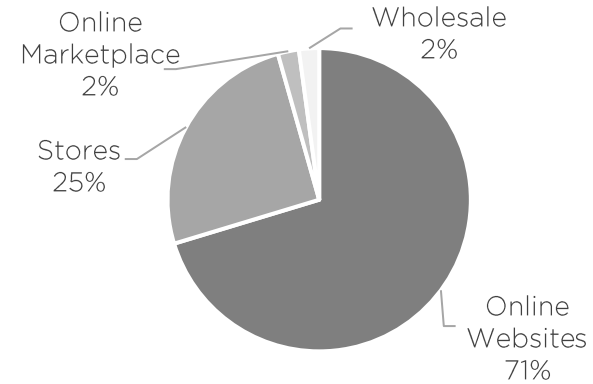
**42m**

Global Online Traffic<sup>3</sup>  
(12 months to Dec 20)

Note: All figures above and in charts exclude Evans given acquisition completed in Dec 2020

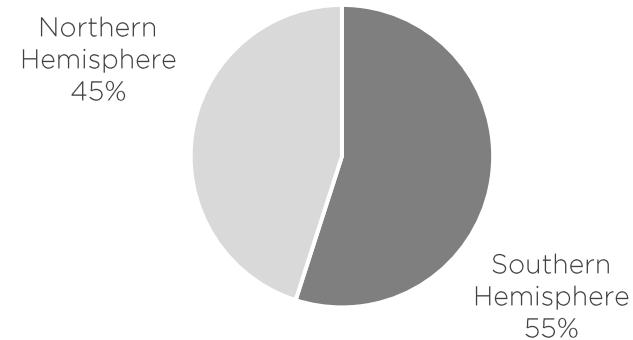
1. Online represents websites and online marketplace sales
2. Active customers include customers who have shopped online, in stores and omni-channel in the last 12 months; excludes wholesale and marketplace customers
3. Traffic to our own global sites City Chic ANZ and USA, Avenue and Hips & Curves in the 12 months to Dec 2020; excludes stores and partner marketplace websites
4. Based on 12 months to 27 December 2020

## GLOBAL CHANNEL CONTRIBUTION<sup>4</sup>



Online penetration<sup>1</sup> has increased **from 36%** in FY18 **to 73%** in 12 months to Dec 2020

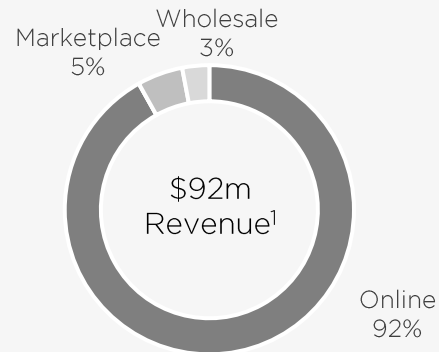
## GLOBAL REGION CONTRIBUTION<sup>4</sup>



Northern Hemisphere contribution has increased **from 16%** of sales in FY18 **to 45%** in 12 months to Dec 2020

# GLOBAL BUSINESS OVERVIEW

## UNITED STATES OF AMERICA

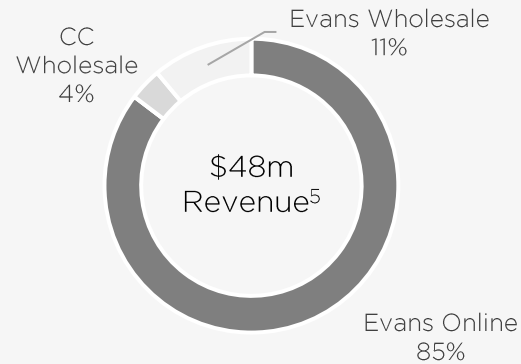


- 411k Active Customers<sup>2</sup>
- 26m Annual Traffic<sup>3</sup>
- A\$206 avg annual spend<sup>4</sup>

**avenue** city chic CCX  
cloudwalkers *Hips & Curves*

USA fulfilment site in Dallas  
Office in New Jersey

## UNITED KINGDOM (Pro-forma Evans<sup>5</sup>)



- 19m Evans Annual Traffic<sup>5</sup>

EVANS city chic  
**avenue** CCX FOX&ROYAL

UK fulfilment site in Gateshead  
Office in London

## AUSTRALIA & NEW ZEALAND



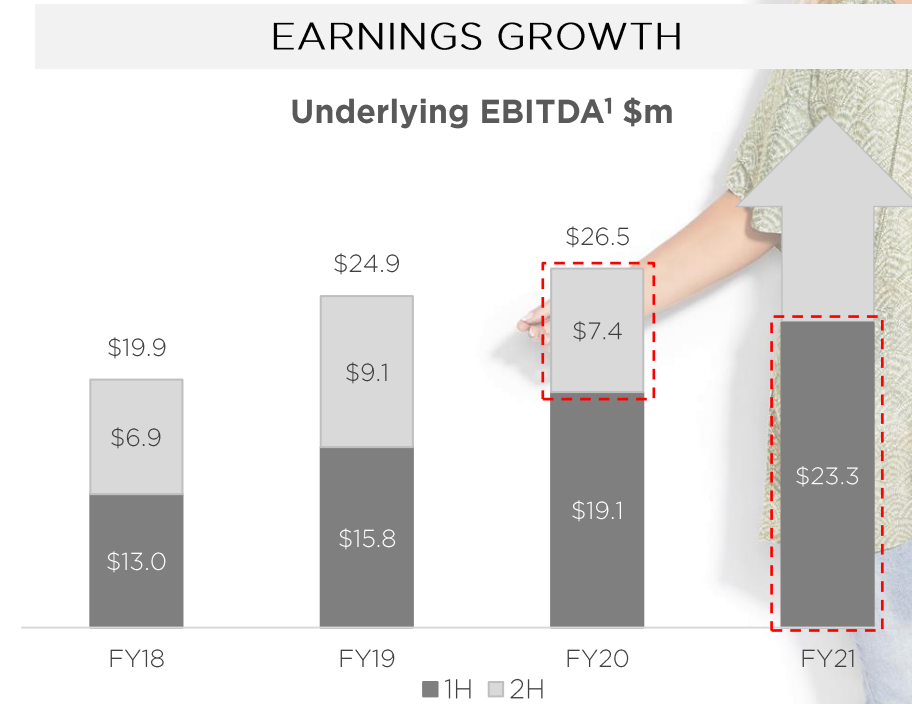
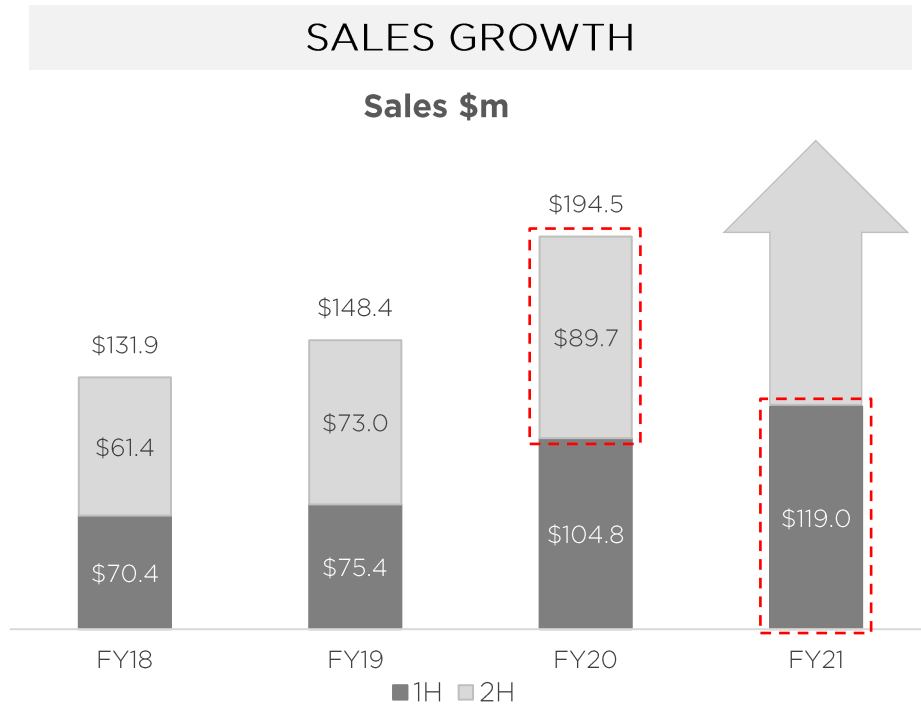
- 390k Active Customers<sup>2</sup>
- 16m Annual Traffic<sup>3</sup>
- A\$295 avg annual spend

city chic CCX  
FOX&ROYAL

Head office in Sydney  
ANZ fulfilment site in Sydney  
96 stores at end of December

# FINANCIAL PERFORMANCE

Track record of strong consistent sales and earnings growth



- Strong growth in topline sales driven by ANZ online and the expansion of the US digital business
- 1H FY21 revenue growth of 13.5%
  - USA growth of 38% driven by Avenue website
  - ANZ top-line growth was flat due to temporary and permanent store closures; comp growth was 19.4%

- Consistent YoY growth in earnings of above 20%, with the exception of 2H FY20 which was impacted heavily by COVID-19
- 1H FY21 Underlying EBITDA of \$23.3m represents YoY growth of 21.8% and 19.6% margin

*Impacted by COVID-19: store closures in ANZ, significant drop in consumer demand for key categories, pause to wholesale and marketplace business*

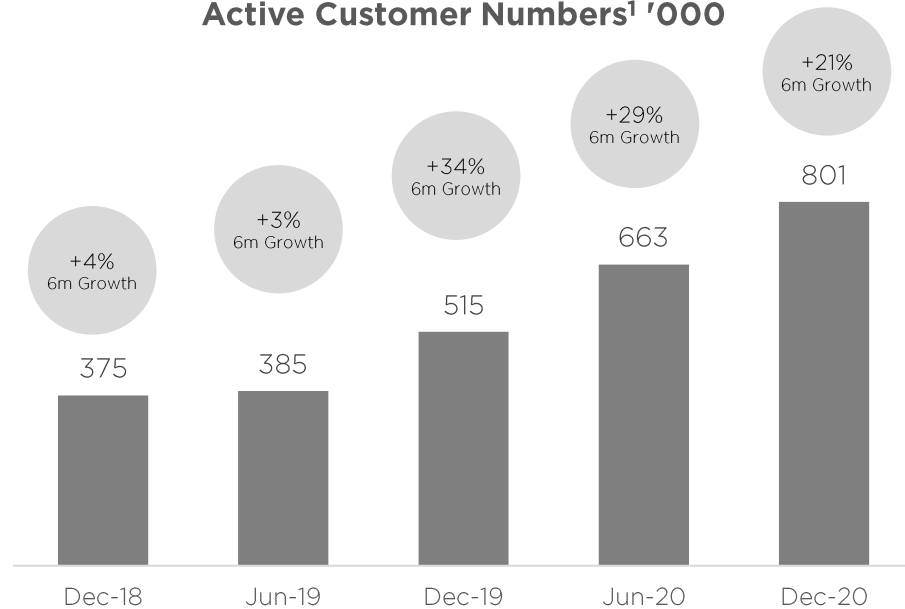
1. Underlying EBITDA excludes non-recurring costs (e.g. relating to acquisitions and equity raise) and is presented on a pre-AASB16 basis

# CUSTOMER-FOCUSED GROWTH STRATEGY

Plus-size focus, global customer base growth, digital

## GLOBAL CUSTOMER BASE GROWTH

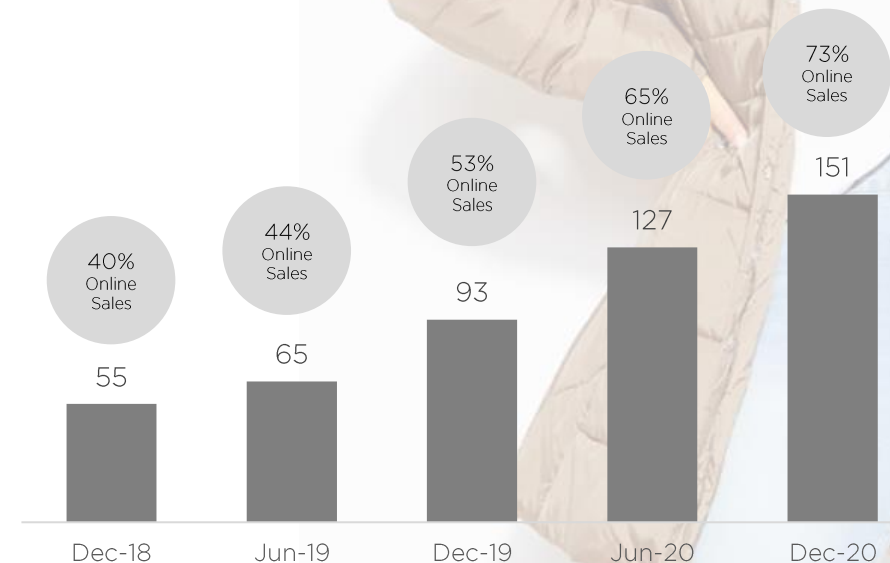
### Active Customer Numbers<sup>1</sup> '000



- Active customers increased from 515k to 801k in the 12 months to Dec 2020 representing an increase of 56%
- Active customer growth driven primarily by the USA; growth in southern hemisphere driven primarily by average annual spend

## INCREASED ONLINE PENETRATION

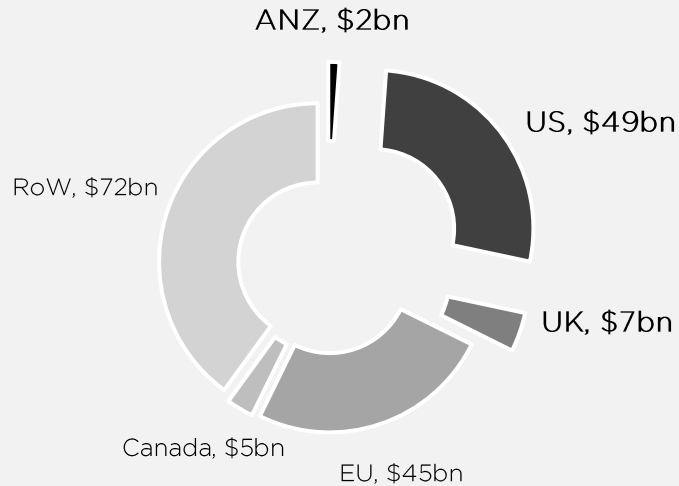
### Rolling 12-month Global Online Sales<sup>2</sup> \$m



- Online penetration has increased from 53% to 73% in the 12 months to December 2020
- Strong online growth in both ANZ and the USA; 62% online revenue growth YoY for the 12 months to December 2020 and 71% growth YoY for the 12 months to December 2019

# GLOBAL PLUS-SIZE LANDSCAPE

Currently address US\$58bn of the US\$180bn<sup>1</sup> total global plus size market



City Chic's current penetration by product stream and region

	Fashion / Youth	Conservative Value	Intimates
ANZ	Established	No Current Share	Established
USA	Early Stage	Established	Early Stage
UK	No Current Share	Established	Early Stage

## GROWTH

Plus-size market forecast to grow c.7%<sup>1</sup> annually

- Average annual spend in plus-size is currently materially less than the rest of the women's apparel market
- Curvy women increasingly gaining confidence
- Increasing rates of plus-size women globally

## ONLINE

- Plus-size women have embraced shopping online
- Current online sales represent one quarter<sup>1</sup> of total plus-size sales globally
- Strong forecast growth in online channels in the global plus-size market

## UNDERSERVED

- Traditionally, plus-sized women's clothing has been serviced by department stores or select retailers with extended sizing
- Limited number of independent plus-sized brands

1. Source Credence Research, Inc.



# CURRENT BRAND PORTFOLIO & STRATEGIC OPPORTUNITY

Current global brand footprint. Opportunity to address global market with our portfolio of brands

	FASHION / YOUTH	CONSERVATIVE VALUE	INTIMATES
AUSTRALIA & NEW ZEALAND	city chic CCX <i>Greater Share of Wallet</i>	3* <i>Market Entry Opportunity</i>	city chic CCX FOX&ROYAL <i>Market Share Expansion and Greater Share of Wallet</i>
UNITED STATES OF AMERICA 1*	city chic CCX <i>Market Share Expansion / Customer Acquisition</i>	avenue cloudwalkers <i>Market Share Expansion / Customer Acquisition</i>	avenue city chic CCX Hips & Curves <i>Market Share Expansion and Greater Share of Wallet</i>
UNITED KINGDOM 2*	city chic CCX <i>Market Entry Opportunity</i>	EVANS avenue <i>Market Share Expansion / Customer Acquisition</i>	city chic CCX FOX&ROYAL <i>Market Entry Opportunity</i>

city chic collective

\*Corresponds to Key Initiatives outlined on next slide



# KEY INITIATIVES TO LEAD A WORLD OF CURVES

1

MARKET SHARE  
EXPANSION IN THE USA

- Significant market share opportunity in the US\$49bn<sup>1</sup> market
- Cross selling of City Chic product to the Avenue customer is tracking very well
- Expand marketing campaigns to grow customer base and to re-engage customers
- Expand existing and enter new marketplace partnerships

2

MARKET SHARE  
EXPANSION IN THE UK

- Significant market share opportunity in the US\$7bn<sup>1</sup> market
- Evans acquisition accelerates entry into the UK
- Key priorities outlined on slide 12

3

MARKET ENTRY FOR  
'CONSERVATIVE VALUE'  
IN ANZ

- Website development underway; targeting 1H FY22 launch
- Leverage product stream already designed for Avenue/Evans
- Leverage existing infrastructure in ANZ; significant reach in current market

4

MARKET ENTRY  
IN EUROPE

- Significant market share opportunity in the US\$45bn<sup>1</sup> market
- Currently trialing in Europe through wholesale channel
- Partner marketplace strategy in Europe well-progressed with launch expected 1H FY22

WORLD OF CURVES SOCIAL COMMUNITY

EXPAND FASHION / YOUTH OFFERING GLOBALLY

ENHANCED STORE FOOTPRINT IN ANZ



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



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



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



US website delivering everyday fashion with mid-market price point



Leveraging longstanding customer base to deliver broader range of product

# EVANS

## ACQUISITION HIGHLIGHTS

Completed acquisition of UK-based Evans eCommerce and wholesale business on 23 December 2020 for £23.1m (A\$41.0m)

- Evans is a well-recognised specialty retailer of plus-size apparel and footwear; established in 1930 in the UK
- Targeting a broad customer base across the conservative and fashion segments in the curvy market, the website sells the Evans brand as well as other plus-size brands

Strong position in underpenetrated UK plus-size market of US\$7bn<sup>1</sup> annually, with high online penetration

Provides scale and profitability in new market and platform to expand further in the region

Aligned to existing City Chic Collective product

Leverage existing traffic and customer base to introduce wider range of product and lifestyles

Opportunity to improve profitability by overlaying lean, customer-centric operating model

city chic collective

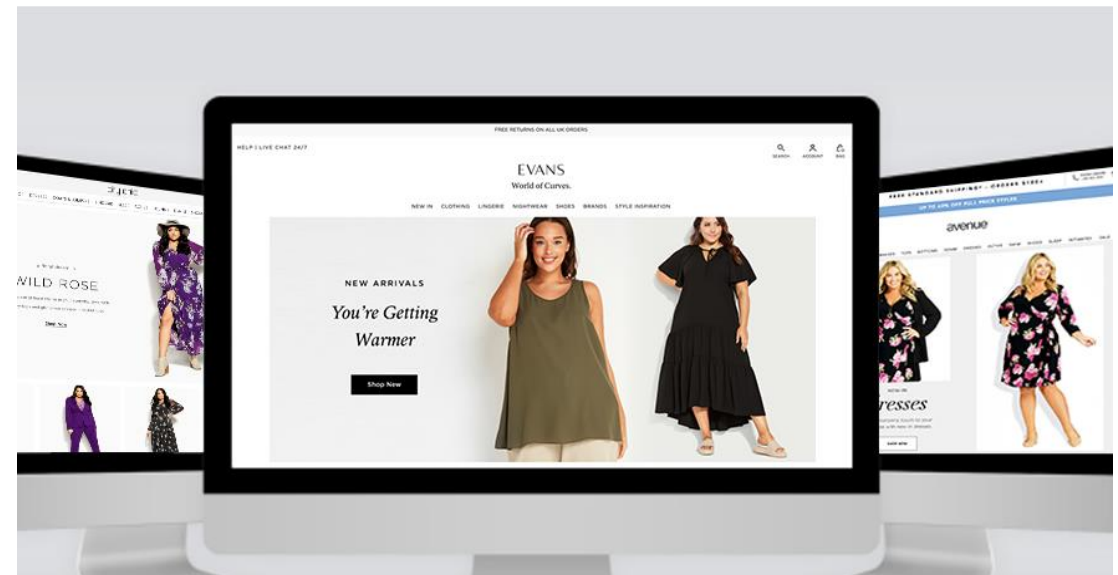
1. Source Credence Research, Inc

## ACQUISITION UPDATE

- Successfully transitioned to a new E-commerce platform and our operating systems in March 2021
- Commenced integration of supply chain
- Secured third party logistics provider based in the UK
- Exited transitional services agreement in March 2021, ahead of schedule
- Introduced City Chic, CCX, Avenue and Fox & Royal brands to Evans.co.uk

## POST ACQUISITION PRIORITIES

- Wider range of product and lifestyles
- Optimise as a digitally led business
- Expand wholesale and marketplace relationships
- Implement customer-centric operating model for UK operations
- Integrate supply chain and rebuild stock



# TRADING UPDATE

Strong positive comparable sales growth and strong customer base growth in 2H FY21 to date, however two large trading months of May and June ahead

Gross margin % for all channels has now fully recovered since the higher levels of discounting in early-mid 2020 due to COVID-19

Shipping and logistics costs have reduced since Q2 FY21, but remain elevated vs pre-COVID levels

Continue to invest in inventory to drive online growth globally as well as our partner business; stock in stores is below levels in prior year (on comparable store basis)

ANZ	Strong trade in ANZ has continued into the 2H FY21, driven by expanded lifestyles and increase in digital marketing initiatives to deliver customer growth
CC US Website	Now back to growth (relative to corresponding period in FY20 & FY19), driven by strong rebound in dress category from March 2021
Avenue.com	Trading well with strong growth versus the prior year and ahead of pre-acquisition levels, driven by expanded product range (including City Chic branded product) and positive response to increased marketing initiatives
Partner	Sales through US partner channels are still down on pre-COVID levels due to the ongoing impact of the pandemic on partners into 2021. However, over the past two months partner sales have been ramping up with Nordstrom live end-February 2021, Co-edition growing and Macys to go-live expected this month
Evans	Evans fully integrated ahead of schedule and under budget; stock still not at commercial levels and in the process of rebuilding. The lockdowns and restrictions in the UK due to the pandemic started to ease from April 2021





## Q & A

Phil Ryan, CEO | Munraj Dhaliwal, CFO

# IMPORTANT NOTICE & DISCLAIMER

This presentation has been prepared by City Chic Collective Limited (the “Company”). It contains general background information about the Company’s activities and does not purport to be complete. It should be read in conjunction with the Company’s other periodic and continuous disclosure announcements.

The Company has prepared this presentation based on information available to it, including information derived from publicly available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed.

This presentation contains forward-looking statements. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “project”, “should”, “could”, “would”, “target”, “aim”, “forecast”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance. Forward-looking statements are not guarantees or predictions of future performance. They are prepared in good faith and are based on the Company’s best estimates and information at the time of preparing the presentation. They are nonetheless subject to significant uncertainties and contingencies many of which are understandably beyond the Company’s control. Unanticipated events will occur, and actual future events may differ materially from current expectations for many reasons including new business opportunities, as well as many other internal and external factors. Any of these factors may materially affect the Company’s future business activities and financial results. This presentation should not be relied upon as a recommendation or forecast by the Company.

To the maximum extent permitted by law, none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

