

# PREMIER INVESTMENTS LIMITED

ABN 64 006 727 966

## Appendix 4D – Half Year Report

The information is given under ASX Listing Rule 4.2A.3

### Reporting periods

Current Reporting Period: 31 July 2022 to 28 January 2023 (1H23) (26 weeks)  
Previous Corresponding Period: 1 August 2021 to 29 January 2022 (1H22) (26 weeks)

### Results for announcement to the market

		Percentage Change %	Amount  A\$'000
Total Revenue from Ordinary Activities	up	18.92%	to 916,044
Profit from ordinary activities after tax attributable to members	up	6.54%	to 174,344
Net profit for the period attributable to members	up	6.54%	to 174,344
Dividends		Amount per security	Franked amount per security
<i>Current Period</i>			
Interim Dividend		54.0 cents	54.0 cents
Special Dividend		16.0 cents	16.0 cents
<i>Previous Corresponding Period</i>			
Interim Dividend		46.0 cents	46.0 cents
Record date for determining entitlements to the interim dividend:			21 June 2023
Brief explanation of the figures reported above necessary to enable the figures to be understood:			
The information presented above is based upon the accompanying consolidated half-year financial report for the 26 weeks ended 28 January 2023. The table below provides further comparative information on a 26 week-basis to better understand the 1H23 result:			
	1H23 \$'000	Growth on 1H22 %	Growth on 1H20 (‘Pre-COVID’) %
Total Revenue from Ordinary Activities	\$916,044	+18.92%	+24.89%
Net profit for the period	\$174,344	+6.54%	+75.02%
Refer to the attached consolidated half-year financial report and accompanying investor presentation for further information. This consolidated half-year financial report is to be read in conjunction with the most recent consolidated Annual Financial Report for the 52 weeks ended 30 July 2022.			

## Other information

This report is based on the attached consolidated half-year financial report. Refer to the attached consolidated half-year financial report for a copy of the Independent Auditor's Review Report.

## Net tangible assets

	Current Reporting Period	Previous Corresponding Period
Net tangible assets per ordinary security <sup>1</sup>	\$6.08	\$4.99

## Dividends

Date the dividends are payable	26 July 2023
Record date to determine entitlements to the dividends	21 June 2023

### (a) Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim Dividend</b>			
Current period ( <i>interim and special</i> )	70.0 cents	70.0 cents	Nil
Previous corresponding period	46.0 cents	46.0 cents	Nil

### (b) Interim dividends on all securities

	Current Reporting Period \$A'000	Previous Corresponding Period \$A'000
Ordinary securities	111,457	73,137
<b>Total</b>	<b>111,457</b>	<b>73,137</b>

### (c) Dividend reinvestment plans in operation

The dividend reinvestment plan does not apply to the current period dividends.

## Associates and joint venture entities

Name of Associate Entity	Current Reporting Period		Previous Corresponding Period	
	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000
Breville Group Limited	25.56%	\$20,121	26.19%	\$20,349

<sup>1</sup> Calculated as net assets, less intangible assets as per the accompanying balance sheet, divided by ordinary securities on issue at the end of the half-year. Includes right-of-use assets and lease liabilities resulting from the transition to AASB 16, as disclosed in the accompanying consolidated half-year financial report.

PREMIER INVESTMENTS LIMITED  
ABN 64 006 727 966  
AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT  
FOR THE 26 WEEKS 31 JULY 2022 TO  
28 JANUARY 2023

This half-year report should be read in  
conjunction with the Annual Report  
for the 52 weeks ended 30 July 2022

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT  
FOR THE 26 WEEKS ENDED  
28 JANUARY 2023

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## DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of Premier Investments Limited and its controlled entities (the "Group") for the 26 weeks 31 July 2022 to 28 January 2023 ("half-year"), together with the auditor's independent review report thereon.

### DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Solomon Lew	Chairman and Non-executive Director
David Crean	Deputy Chairman and Non-executive Director
Richard Murray	Executive Director
Timothy Antonie	Non-executive Director and Lead Independent Director
Sylvia Falzon	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	Non-executive Director
Michael McLeod	Non-executive Director

### COMPANY SECRETARY

Marinda Meyer

### EARNINGS PER SHARE

	26 WEEKS ENDED 28 JANUARY 2023	26 WEEKS ENDED 29 JANUARY 2022
	CENTS	CENTS
Basic earnings per share	109.58	102.97
Diluted earnings per share	108.57	102.41

### DIVIDENDS

During the half-year the following fully franked dividends were approved and paid:

2022 Final Dividend:	54 cents per share paid on 25 January 2023.
2022 Special Dividend:	25 cents per share paid on 25 January 2023.

The directors have approved the following fully franked dividends:

2023 Interim Dividend:	54 cents per share payable on 26 July 2023.
2023 Special Dividend:	16 cents per share payable on 26 July 2023.

### OPERATING AND FINANCIAL REVIEW

The Group recorded a net profit after income tax for the 26 weeks ended 28 January 2023 of \$174.3 million (26 weeks ended 29 January 2022 of \$163.6 million) – an increase of 6.54% on the previous period. Total revenue for the Group amounted to \$916.0 million – an increase of 18.92% on the previous period. Total revenue and other income amounted to \$916.2 million, an increase of 18.92% on the previous period.

A review of the operations and results of the Group for the half-year are set out in the half-year announcement and investor presentation for the 26 weeks ended 28 January 2023.

### ROUNDING

The company is a company of the kind specified in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016. In accordance with that ASIC instrument, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

## DIRECTORS' REPORT (CONTINUED)

### AUDITOR'S INDEPENDENCE DECLARATION

The Directors received a copy of the Auditor's Independence Declaration in relation to the review of the half year financial report for the 26 weeks ended 28 January 2023, which is included on page 20.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'S. Lew.', is positioned above the printed name of the Chairman.

Solomon Lew

Chairman

24 March 2023

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS 31 JULY 2022 TO 28 JANUARY 2023

	NOTES	CONSOLIDATED	
		26 WEEKS ENDED 28 JANUARY 2023	26 WEEKS ENDED 29 JANUARY 2022
		\$'000	\$'000
Revenue from contracts with customers	4	905,233	769,924
Other revenue	4	10,811	405
<b>Total revenue</b>		<b>916,044</b>	<b>770,329</b>
Other income	4	130	61
<b>Total revenue and other income</b>		<b>916,174</b>	<b>770,390</b>
Changes in inventories		(329,050)	(262,734)
Employee expenses		(203,538)	(169,302)
Lease rental expenses	5	(26,864)	(272)
Depreciation and impairment of non-current assets	5	(80,261)	(83,287)
Advertising and direct marketing		(12,769)	(11,724)
Finance costs	5	(6,905)	(4,583)
Other expenses		(34,017)	(29,508)
<b>Total expenses</b>		<b>(693,404)</b>	<b>(561,410)</b>
Share of profit of associate	15	20,121	20,349
Profit from continuing operations before income tax		242,891	229,329
Income tax expense	6	(68,547)	(65,685)
<b>Net profit for the period attributable to owners</b>		<b>174,344</b>	<b>163,644</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net loss on cash flow hedges		(894)	(3,594)
Foreign currency translation		1,754	1,023
Net movement in other comprehensive income of associates		962	3,274
Income tax on items of other comprehensive loss	5	268	1,078
Other comprehensive income which may be reclassified to profit or loss in subsequent periods, net of tax		2,090	1,781
<b>Items not to be reclassified subsequently to profit or loss:</b>			
Net fair value gain (loss) on listed equity investment		91,139	(10,021)
Income tax on items of other comprehensive (income) loss	5	(27,342)	3,007
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of tax		63,797	(7,014)
<b>Total other comprehensive income (loss), net of tax</b>		<b>65,887</b>	<b>(5,233)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO OWNERS</b>		<b>240,231</b>	<b>158,411</b>

### Earnings per share for profit attributable to ordinary equity holders of the parent:

Basic, profit for the year (cents per share)	9	109.58	102.97
Diluted, profit for the year (cents per share)	9	108.57	102.41

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 JANUARY 2023

AS AT 28 JANUARY 2023

		CONSOLIDATED	
	NOTES	28 JANUARY 2023 \$'000	30 JULY 2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	470,352	471,273
Trade and other receivables		12,517	11,026
Inventories		254,550	224,392
Other financial instruments	12	-	87
Other current assets		9,704	10,299
Total current assets		747,123	717,077
Non-current assets			
Property, plant and equipment		125,199	125,313
Right-of-use assets	13	200,249	195,558
Intangible assets		827,291	827,227
Deferred tax assets		36,309	51,426
Listed equity investment at fair value	12, 14	179,344	75,932
Investment in associate	15	327,105	312,201
Total non-current assets		1,695,497	1,587,657
TOTAL ASSETS		2,442,620	2,304,734
LIABILITIES			
Current liabilities			
Trade and other payables		168,634	143,454
Income tax payable		4,566	31,974
Lease liabilities	16	153,005	158,290
Provisions		42,098	44,505
Other financial instruments	12	807	-
Other current liabilities		16,374	16,129
Total current liabilities		385,484	394,352
Non-current liabilities			
Interest-bearing liabilities		69,000	69,000
Deferred tax liabilities		88,275	71,908
Lease liabilities	16	91,187	80,991
Provisions		13,167	10,964
Total non-current liabilities		261,629	232,863
TOTAL LIABILITIES		647,113	627,215
NET ASSETS		1,795,507	1,677,519
EQUITY			
Contributed equity	17	608,615	608,615
Reserves		65,144	(4,287)
Retained earnings		1,121,748	1,073,191
TOTAL EQUITY		1,795,507	1,677,519

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 26 WEEKS 31 JULY 2022 TO 28 JANUARY 2023

	NOTES	CONSOLIDATED	
		26 WEEKS ENDED 28 JANUARY 2023	26 WEEKS ENDED 29 JANUARY 2022
		\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		1,004,576	851,351
Payment to suppliers and employees (inclusive of GST)		(698,309)	(585,746)
Income taxes paid		(91,570)	(88,672)
Interest received		4,432	289
Borrowing costs paid		(2,449)	(2,070)
Interest on lease liabilities		(4,460)	(2,500)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>212,220</b>	<b>172,652</b>
<b>CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES</b>			
Dividends received from listed equity investment		4,695	-
Dividends received from investment in associate		5,475	4,927
Payment for property, plant and equipment		(7,020)	(3,614)
Payment for trademarks		(64)	(80)
Purchase of investments		(12,275)	(799)
<b>NET CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(9,189)</b>	<b>434</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Equity dividends paid		(125,787)	(73,137)
Payment of lease liabilities		(79,415)	(77,182)
Proceeds from borrowings		94,278	-
Repayment of borrowings		(94,278)	(78,000)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(205,202)</b>	<b>(228,319)</b>
<b>NET DECREASE IN CASH HELD</b>		<b>(2,171)</b>	<b>(55,233)</b>
Cash at the beginning of the financial period		471,273	523,356
Net foreign exchange difference		1,250	511
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	11	<b>470,352</b>	<b>468,634</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS 31 JULY 2022 TO 28 JANUARY 2023

	CONSOLIDATED							
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 July 2022</b>	<b>608,615</b>	<b>464</b>	<b>27,313</b>	<b>61</b>	<b>8,604</b>	<b>(40,729)</b>	<b>1,073,191</b>	<b>1,677,519</b>
Net profit for the period	-	-	-	-	-	-	174,344	174,344
Other comprehensive income (loss)	-	-	-	(626)	2,716	63,797	-	65,887
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	(626)	2,716	63,797	174,344	240,231
<b>Transactions with owners in their capacity as owners</b>								
Performance rights issued	-	-	3,544	-	-	-	-	3,544
Dividends paid	-	-	-	-	-	-	(125,787)	(125,787)
<b>Balance as at 28 January 2023</b>	<b>608,615</b>	<b>464</b>	<b>30,857</b>	<b>(565)</b>	<b>11,320</b>	<b>23,068</b>	<b>1,121,748</b>	<b>1,795,507</b>
<b>At 01 August 2021</b>	<b>608,615</b>	<b>464</b>	<b>21,215</b>	<b>4,377</b>	<b>2,801</b>	<b>(38,858)</b>	<b>934,291</b>	<b>1,532,905</b>
Net profit for the period	-	-	-	-	-	-	163,644	163,644
Other comprehensive income (loss)	-	-	-	(2,516)	4,297	(7,014)	-	(5,233)
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	(2,516)	4,297	(7,014)	163,644	158,411
<b>Transactions with owners in their capacity as owners</b>								
Performance rights issued	-	-	2,253	-	-	-	-	2,253
Dividends paid	-	-	-	-	-	-	(73,137)	(73,137)
<b>Balance as at 29 January 2022</b>	<b>608,615</b>	<b>464</b>	<b>23,468</b>	<b>1,861</b>	<b>7,098</b>	<b>(45,872)</b>	<b>1,024,798</b>	<b>1,620,432</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE 26 WEEKS ENDED 28 JANUARY 2023**

#### **1 CORPORATE INFORMATION**

The condensed consolidated half-year financial report of Premier Investments Limited for the half-year ended 28 January 2023 was authorised for issue in accordance with a resolution of the directors on 24 March 2023. Premier Investments Limited is a for profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX).

#### **2 BASIS OF PREPARATION AND ACCOUNTING POLICIES**

##### **i. BASIS OF PREPARATION**

The general purpose consolidated half-year financial report for the half-year ended 28 January 2023 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the Annual Report for the 52 weeks ended 30 July 2022 and considered together with any public announcements made by Premier Investments Limited during the half-year ended 28 January 2023 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for other financial instruments and listed equity investments at fair value through other comprehensive income, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated, as the company is a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

##### **ii. BASIS OF CONSOLIDATION**

The consolidated half-year financial report comprise the financial statements of Premier Investments Limited and its subsidiaries as at 28 January 2023.

##### **iii. COMPARATIVES**

The current reporting period of 31 July 2022 to 28 January 2023, as well as the comparative period of 1 August 2021 to 29 January 2022 each represents 26 weeks.

When necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

##### **iv. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the Group's Annual Report for the 52 weeks ended 30 July 2022, except for the impact of the adoption of new and revised accounting policies, as discussed below.

##### **v. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**

###### *Changes in accounting policies, disclosures, standards and interpretations*

The accounting policies applied by the Group in the half-year consolidated financial report are the same as those applied by the Group in its Annual Financial Report as at, and for, the 52 weeks ended 30 July 2022. Several amendments and interpretations apply for the first time effective 31 July 2022, but have no impact on the half-year consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

### 3 SEASONALITY OF OPERATIONS

The financial performance of the Group is exposed to seasonality in the volume of sales, such that the Group's financial performance is historically weighted in favour of the period to 28 January 2023. This seasonality reflects the additional retail sales generated during the Christmas and Boxing Day trading periods each year.

CONSOLIDATED	
26 WEEKS ENDED 28 JANUARY 2023 \$'000	26 WEEKS ENDED 29 JANUARY 2022 \$'000

### 4 REVENUE AND OTHER INCOME

#### REVENUE

Revenue from contracts with customers	905,233	769,924
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Revenue from contracts with customers are disaggregated as follows:

Australian market revenue being \$708,388,000; and International market revenue being \$196,845,000.

#### OTHER REVENUE

Dividends received from listed equity investment	4,695	-
Membership program fees	81	76
Sundry revenue	2	30
Interest received	6,033	299
<b>TOTAL OTHER REVENUE</b>	<b>10,811</b>	<b>405</b>
<b>TOTAL REVENUE</b>	<b>916,044</b>	<b>770,329</b>

#### OTHER INCOME

Royalty and licence fees	60	19
Other	70	42
<b>TOTAL OTHER INCOME</b>	<b>130</b>	<b>61</b>
<b>TOTAL REVENUE AND OTHER INCOME</b>	<b>916,174</b>	<b>770,390</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

CONSOLIDATED	
26 WEEKS ENDED 28 JANUARY 2023 \$'000	26 WEEKS ENDED 29 JANUARY 2022 \$'000

### 5 EXPENSES

#### LEASE RENTAL EXPENSES

Variable lease expenses	9,629	5,382
Other lease expenses	18,667	7,491
COVID-19 related rent concessions	(1,432)	(9,136)
Other Australia and New Zealand holdover rent concessions	-	(3,465)
<b>NET LEASE RENTAL EXPENSES</b>	<b>26,864</b>	<b>272</b>

#### DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS

Depreciation of property, plant and equipment	9,202	9,772
Depreciation of right-of-use assets	71,059	73,515
<b>TOTAL DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS</b>	<b>80,261</b>	<b>83,287</b>

#### FINANCE COSTS

Interest on lease liabilities	4,460	2,500
Interest on bank loans and overdraft	2,445	2,083
<b>TOTAL FINANCE COSTS</b>	<b>6,905</b>	<b>4,583</b>

#### OTHER EXPENSES

Foreign exchange losses (gains)	317	(22)
Loss on investment in associate resulting from share issue	703	815
Net loss on disposal of property, plant and equipment	45	180

#### DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

Net deferred tax movement on cash flow hedges	(268)	(1,078)
Net deferred tax movement on listed equity investment at fair value	27,342	(3,007)
<b>TOTAL INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>27,074</b>	<b>(4,085)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

CONSOLIDATED	
26 WEEKS ENDED 28 JANUARY 2023 \$'000	26 WEEKS ENDED 29 JANUARY 2022 \$'000

### 6 INCOME TAX EXPENSE

*A reconciliation between income tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:*

Accounting profit before income tax	242,891	229,329
At the Parent Entity's statutory income tax rate of 30% (2022: 30%)	72,867	68,799
Adjustments in respect of current income tax of previous years	(563)	-
Expenditure not allowable for income tax purposes	1,103	677
Effect of different rates of tax on overseas income	(2,277)	(3,244)
Income not assessable for income tax purposes	(2,762)	(496)
Other	179	(51)
<b>INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME</b>	<b>68,547</b>	<b>65,685</b>

### 7 OPERATING SEGMENTS

#### REPORTABLE SEGMENTS

##### Retail

The retail segment represents the financial performance of a number of speciality retail fashion chains.

##### Investment

The investments segment represents investments in securities for both long-term and short-term gains, dividend income and interest.

#### ACCOUNTING POLICIES

The accounting policies used by the Group in reporting segments internally is the same as those contained in note 3 of the most recent Annual Report and in the prior periods.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to the segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

### 7 OPERATING SEGMENTS (CONTINUED)

RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
28 JANUARY 2023 \$'000	29 JANUARY 2022 \$'000	28 JANUARY 2023 \$'000	29 JANUARY 2022 \$'000	28 JANUARY 2023 \$'000	29 JANUARY 2022 \$'000	28 JANUARY 2023 \$'000	29 JANUARY 2022 \$'000

#### REVENUE AND OTHER INCOME

Revenue	905,233	769,924	-	-	-	-	905,233	769,924
Other revenue	1,964	197	94,847	73,208	(86,000)	(73,000)	10,811	405
Other income	130	61	-	-	-	-	130	61
Total revenue and other income	907,327	770,182	94,847	73,208	(86,000)	(73,000)	916,174	770,390

Total revenue and other income per the statement of comprehensive income							916,174	770,390
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#### Profit before income

tax expense	219,644	212,598	109,216	89,689	(85,969)	(72,958)	242,891	229,329
Income tax expense							(68,547)	(65,685)

Net profit after tax per the statement of comprehensive income							174,344	163,644
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RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
28 JANUARY 2023 \$'000	30 JULY 2022 \$'000	28 JANUARY 2023 \$'000	30 JULY 2022 \$'000	28 JANUARY 2023 \$'000	30 JULY 2022 \$'000	28 JANUARY 2023 \$'000	30 JULY 2022 \$'000

#### ASSETS AND LIABILITIES

Segment assets	919,991	841,300	1,619,292	1,583,413	(96,663)	(119,979)	2,442,620	2,304,734
Segment liabilities	505,295	500,476	155,676	163,881	(13,858)	(37,142)	647,113	627,215
Capital expenditure	9,018	8,797	-	-	-	-	9,018	8,797

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

CONSOLIDATED	
26 WEEKS ENDED 28 JANUARY 2023 \$'000	26 WEEKS ENDED 29 JANUARY 2022 \$'000

### 8 DIVIDENDS PAID

#### **DIVIDEND APPROVED AND PAID DURING THE PERIOD:**

Final fully franked dividend for the financial year ended 30 July 2022: 54 cents per share (2021: 46 cents per share)	85,981	73,137
Special fully franked dividend for the financial year ended 30 July 2022: 25 cents per share (2021: nil)	39,806	-

#### **DIVIDEND APPROVED AND NOT RECOGNISED AS A LIABILITY:**

Interim fully franked dividend for the period ended 28 January 2023: 54 cents per share (2022: 46 cents per share)	85,981	73,137
Special fully franked dividend for the period ended 28 January 2023: 16 cents per share (2022: nil)	25,476	-

### 9 EARNINGS PER SHARE

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculations of earnings per share are:

Net profit after tax	174,344	163,644
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NUMBER OF SHARES '000	NUMBER OF SHARES '000
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Weighted average number of ordinary shares used in calculating:

- basic earnings per share	159,108	158,922
- diluted earnings per share	160,585	159,794

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this half-year financial report.

### 10 IMPAIRMENT TESTING

#### **INTANGIBLE ASSETS – GOODWILL AND BRAND NAMES**

After initial recognition, goodwill and indefinite-life brand names acquired in a business combination are measured at cost less any accumulated impairment losses. Goodwill and brand names are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill and brand names were subject to a full annual impairment test as at 30 July 2022. A review of indicators of impairment relating to goodwill and brand names was performed as at 28 January 2023. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 28 January 2023.

The Annual Report for the 52 weeks ended 30 July 2022 detail the most recent annual impairment tests undertaken for both brand names and goodwill. The Group's impairment tests for goodwill and brand names are based on value-in-use calculations. The key assumptions used to determine the recoverable amounts for the cash-generating units to which brand names and goodwill relate, are disclosed in the 30 July 2022 Annual Report.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

### 10 IMPAIRMENT TESTING (CONTINUED)

#### *PROPERTY, PLANT AND EQUIPMENT*

Property, plant and equipment items are subject to impairment testing at each reporting period. As at 28 January 2023, no impairment expense has been recognised for the period (2022: \$nil). The financial statements for the 52 weeks ended 30 July 2022 detail the key assumptions used to determine the recoverable amounts of property, plant and equipment.

CONSOLIDATED	
28 JANUARY 2023 \$'000	30 JULY 2022 \$'000

### 11 CASH AND CASH EQUIVALENTS

*Reconciliation of cash and cash equivalents:*

Cash at bank and in hand	256,373	204,005
Short-term deposits	213,979	267,268
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>470,352</b>	<b>471,273</b>

### 12 FINANCIAL INSTRUMENTS

#### *FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES*

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in either the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability, which is accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Fair value is calculated using quoted prices in active markets for identical assets or liabilities.
- Level 2 Fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as process) or indirectly (derived from prices).
- Level 3 Fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

### 12 FINANCIAL INSTRUMENTS (CONTINUED)

#### FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

	CONSOLIDATED			
	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<b>28 January 2023</b>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	179,344	-	-	179,344
	<b>179,344</b>	<b>-</b>	<b>-</b>	<b>179,344</b>
<i>FINANCIAL LIABILITIES</i>				
Foreign exchange contracts	-	807	-	807
	<b>-</b>	<b>807</b>	<b>-</b>	<b>807</b>
<b>30 July 2022</b>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	75,932	-	-	75,932
Foreign exchange contracts	-	87	-	87
	<b>75,932</b>	<b>87</b>	<b>-</b>	<b>76,019</b>

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and interest rates, in accordance with the Group's financial risk management policies. The majority of the Group's inventory purchases are denominated in US Dollars, and in order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase US Dollars.

The fair value of the listed equity investment at the reporting date is determined by reference to quoted market bid prices in active markets.

Foreign exchange contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spread between the respective currencies.

Interest rate swaps are measured based on forward interest rates from observable yield curves at the end of the respective reporting period, and contract interest rates, which have been discounted at a rate that incorporates the credit risk of the counterparties.

At the reporting date, the fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying values. The carrying value of interest-bearing liabilities approximates the fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

CONSOLIDATED	
28 JANUARY 2023 \$'000	30 JULY 2022 \$'000

### 13 RIGHT-OF-USE ASSETS

Opening balance	195,558	167,087
Additions / Remeasurements	75,163	176,314
Depreciation expense	(71,059)	(145,240)
Exchange rate differences	587	(2,603)
<b>TOTAL RIGHT-OF-USE ASSETS</b>	<b>200,249</b>	<b>195,558</b>

### 14 LISTED EQUITY INVESTMENT AT FAIR VALUE

The listed equity investment comprises a non-derivative equity instrument not held for trading and relates to an equity investment in Myer Holdings Limited. The Group has previously made the irrevocable election to designate the listed equity investment as 'fair value through other comprehensive income', as it is not held for trading, with only dividends recognised in profit or loss. Accordingly, the investment is accounted for at fair value through other comprehensive income, without subsequent reclassification of gains or losses nor impairment to profit or loss.

The fair value of equity investments in listed securities is determined by reference to quoted market bid prices at the close of business on the reporting date. At the end of the reporting period the fair value of this listed equity investment is reflected as \$179.3 million (30 July 2022: \$75.9 million).

During the reporting period, the Group acquired a further 2.99% investment in Myer Holdings Limited, taking the total investment from 19.88% to 22.87% as at 28 January 2023. Additionally, on 10 November 2022, Mr Terrence McCartney, a Non-Executive Director of Premier Investments Limited, was appointed to the Board of Myer Holdings Limited.

Subsequent to 28 January 2023, the Group acquired a further 2.92% investment in Myer Holdings Limited, taking the total investment to 25.79%.

### 15 INVESTMENT IN ASSOCIATE

As at 28 January 2023, Premier Investments Limited holds 25.56% (30 July 2022: 25.62%) of Breville Group Limited, a company incorporated in Australia whose shares are quoted on the ASX. Premier accounts for its investment in Breville Group Limited using the equity method of accounting.

Premier's share of profit after tax of its associate for the period was \$20,121,000 (29 January 2022: \$20,349,000). Dividends received from the investment in associate for the half-year amounted to \$5,475,000 (29 January 2022: \$4,927,000).

As at 28 January 2023, the fair value of the Group's interest in Breville Group Limited as determined based on the quoted market price was \$809,925,000 (30 July 2022: \$760,285,000).

During the period, a loss of \$703,000 (29 January 2022: loss of \$815,000) was recorded in other expenses resulting from an issue of shares by the associate, and the corresponding impact on the Group's method of equity accounting.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2023

CONSOLIDATED	
28 JANUARY 2023 \$'000	30 JULY 2022 \$'000

### 16 LEASE LIABILITIES

Opening balance	239,281	237,485
Additions / Remeasurements	80,403	182,869
Interest expense	4,460	5,605
Payments	(79,415)	(169,573)
COVID-19 related rent concessions	(1,432)	(10,538)
Other Australia and New Zealand holdover rent concessions	-	(3,465)
Exchange rate differences	895	(3,102)
<b>TOTAL LEASE LIABILITIES</b>	<b>244,192</b>	<b>239,281</b>

*Comprising of:*

Current lease liability	153,005	158,290
Non-current lease liability	91,187	80,991
<b>TOTAL LEASE LIABILITIES</b>	<b>244,192</b>	<b>239,281</b>

### 17 CONTRIBUTED EQUITY

Ordinary share capital	608,615	608,615
<b>TOTAL CONTRIBUTED EQUITY</b>	<b>608,615</b>	<b>608,615</b>

NUMBER OF SHARES '000	NUMBER OF SHARES '000
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*Movements in issued shares during the period:*

Balance at start of the period	158,993	158,864
Shares issued during the period (i)	232	129
<b>Balance at end of the period</b>	<b>159,225</b>	<b>158,993</b>

(i) 231,603 shares (30 July 2022: 129,077) were issued in relation to the performance rights plan.

### 18 COMMITMENTS AND CONTINGENCIES

As at 28 January 2023, Just Group Limited has bank guarantees and outstanding letters of credit totalling \$4,844,819 (30 July 2022: \$4,413,392).

Just Group Limited has a \$50 million term debt facility of which \$nil (30 July 2022: \$nil) was drawn as at 28 January 2023.

### 19 EVENTS AFTER THE REPORTING DATE

On 24 March 2023, the Directors approved an interim ordinary dividend of 54 cents per share fully franked. In addition, the Directors approved a special dividend of 16 cents per share fully franked. The dividends have not been provided for in the half-year financial statements.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Premier Investments Limited we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group for the half-year ended 28 January 2023 are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the financial position as at 28 January 2023 and the performance for the period ending on that date of the Group;
  - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board,

A handwritten signature in blue ink, appearing to read 'S Lew'.

Solomon Lew

Chairman

24 March 2023

## Auditor's independence declaration to the directors of Premier Investments Limited

As lead auditor for the review of the half-year financial report of Premier Investments Limited for the half-year ended 28 January 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Premier Investments Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young



Glenn Carmody  
Partner  
24 March 2023

## Independent auditor's review report to the members of Premier Investments Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Premier Investments Limited and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 28 January 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 28 January 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 half-year financial report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 January 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year 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.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Glenn Carmody', is written over a faint, circular stamp.

Glenn Carmody  
Partner  
Melbourne  
24 March 2023