



27 March 2023

## PREMIER INVESTMENTS 1H23 NPAT OF \$174.3 MILLION

RECORD PREMIER RETAIL 1H23 SALES OF \$905.2 MILLION

RECORD PREMIER RETAIL EBIT (excl significant items) OF \$220.4 MILLION<sup>1</sup>

RECORD INTERIM DIVIDENDS OF 70 CPS, UP 52.2%

### 1H23 Highlights

- ▶ Premier Investments Limited (“Premier”, or “the Group”) statutory 1H23 NPAT of \$174.3 million, up 6.5% on 1H22 and up 75.0% on ‘pre-COVID’ 1H20
- ▶ Interim fully franked ordinary dividend of 54 cps, and special fully franked dividend of 16 cps, taking total fully franked interim dividends to 70 cps, up 52.2% on 1H22 and up 105.9% on 1H20

#### ▶ Premier Retail Results:

	1H23 <sup>2</sup>	Growth on 1H22 <sup>2</sup>	Growth on ‘pre-COVID’ 1H20 <sup>2</sup>
Premier Retail sales	\$905.2 m	+17.6%	+23.7%
Online sales (18.9% of total Premier Retail sales)	\$170.9 m	-12.5%	+75.8%
Premier Retail EBIT <sup>1</sup>	\$221.8 m	+4.6%	+75.9%
Premier Retail EBIT (excl significant items)	\$220.4 m	+12.2%	+74.8%

- ▶ Record first half Premier Retail global sales of \$905.2 million:
  - Sales up 17.6% on 1H22 and up 23.7% on ‘pre-COVID’ 1H20
  - Online sales of \$170.9 million, down 12.5% on 1H22, up 75.8% on ‘pre-COVID’ 1H20
  - Record Peter Alexander sales of \$261.7 million, up 15.1% on 1H22 and up 80.7% on ‘pre-COVID’ 1H20
  - Smiggle rebounds with global sales of \$190.7 million, up 30.3% on 1H22 and back in line with Smiggle’s ‘pre-COVID’ record 1H20 sales whilst trading as a more efficient business from 51 fewer stores
  - The Apparel Brands collectively delivered record sales of \$452.8 million up 14.3% on 1H22 and up 15.1% on ‘pre-COVID’ 1H20 (with 26 less stores than in 1H20)
- ▶ Premier Retail is uniquely positioned to continue to deliver with the brands identifying key growth paths for the future, whilst leveraging synergies within the Group’s global operations
- ▶ Premier’s investment in Breville Group Limited had a market value of \$809.9 million (balance sheet value of \$327.1 million) and investment in Myer Holdings Limited had a market value of \$179.3 million (as at 28 January 2023)
- ▶ 1H23 closing cash on hand of \$470.4 million after having distributed \$125.8 million in fully franked dividends to shareholders over the past 6 months
- ▶ 2H23 has opened strongly with total global sales for the first 6 weeks up 7.7% on 2H22

<sup>1</sup> Premier Retail EBIT of \$221.8 million includes significant items, as presented in Appendix B of the accompanying 1H23 Investor Presentation. Premier Retail 1H23 EBIT, excluding significant items, amounted to \$220.4 million.

<sup>2</sup> Except for Statutory NPAT, results are stated on a comparable 26-week period, pre-AASB16 and excluding significant items unless otherwise stated. Refer to Appendix B of the accompanying 1H23 Investor presentation for a reconciliation of Statutory and Pre-AASB 16 results, including and excluding significant items.

## Commentary

Premier's Chairman, Mr Solomon Lew, said:

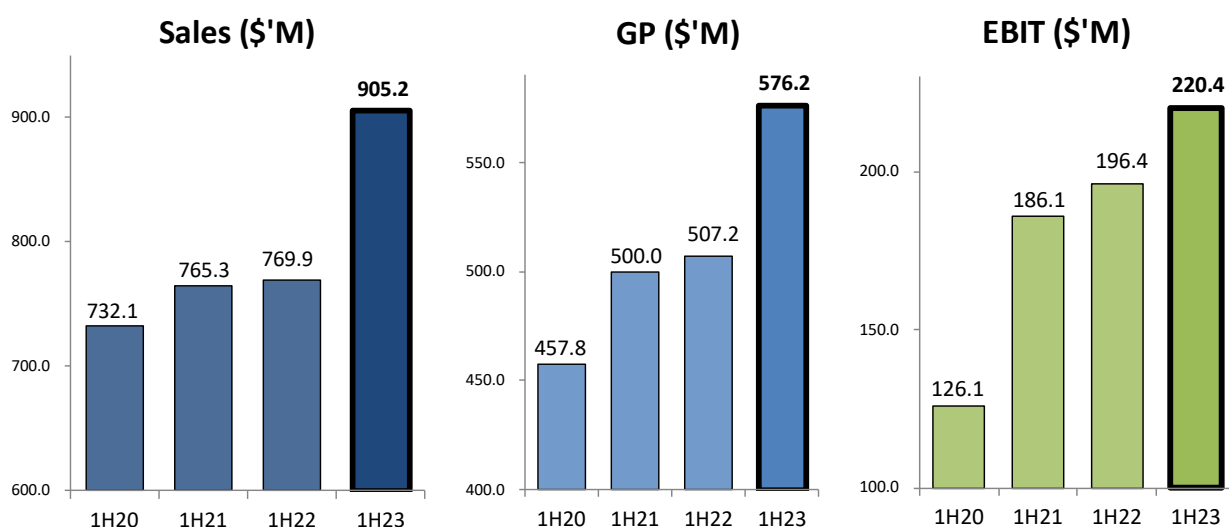
*"Our teams have executed strongly to support the delivery of record results in an uncertain economic environment. Pleasingly, Premier's statutory NPAT of \$174.3 million is up 75.0% on pre-pandemic 1H20. We are delighted to continue our track record of strong returns for our shareholders, approving record interim ordinary and special dividends for the half of 70 cents per share. Over the past three years and including the 1H23 dividends, Premier shareholders have been rewarded with a total of half a billion dollars in fully franked dividends."*

*Premier Retail EBIT is up 74.8% on 1H20. Today, Premier Retail is uniquely positioned to continue to deliver with our brands identifying key growth paths for the future, whilst leveraging synergies within the Group's global operations."*

### Premier Retail – Record sales and Record EBIT

Premier Retail delivered global sales for the half of \$905.2 million, up 17.6% on 1H22 and up 23.7% on 1H20.

Premier Retail's gross profit for the half was \$576.2 million, an increase of 13.6% on 1H22 and up 25.8% on 1H20. Premier Retail delivered record EBIT of \$221.8 million (including significant items). Premier Retail EBIT excluding significant items was \$220.4 million, up 12.2% on 1H22 and up 74.8% on 1H20.



Premier Retail CEO Mr Richard Murray, said:

*"We have opened the second half strongly and are well-positioned to drive growth from our powerful retail model. We remain focused on continuing to deliver relevant and quality products, enhancing our digital offering, optimising our store portfolio and identifying new store opportunities to support growth. We are also focused on identifying and executing new offshore market opportunities for Smiggle and Peter Alexander."*

### **Peter Alexander – Powerful designer brand delivering record results**

Peter Alexander delivered another record sales result for the half of \$261.7 million, up 15.1% on 1H22 and up 80.7% on 1H20.

The record sales result was driven by exceptional performance across all product categories. The brand delivered a record sales week in the lead up to Christmas 2022, firmly cementing the brand as a leading destination for gifting.

The four new stores opened during 1H23 all traded significantly ahead of expectations. Two new stores have been confirmed to open in 2H23.

Peter Alexander has a runway for further growth:

- ▶ Peter Alexander has identified 20 - 30 opportunities for both new and/or larger format stores in the near term to better showcase the wider product offering that has been developed in recent years
- ▶ The brand is currently planning for future offshore market opportunities
- ▶ As part of these offshore expansion plans, Premier Retail is finalising a partnership agreement with a global cross border e-Commerce platform provider to grow Peter Alexander internationally across 35 countries. The platform will allow international customers a simpler and faster online shopping experience. The launch in 1H24 will be supported by digital marketing programs in select countries

Peter Alexander has more than doubled its sales over the past four years. The brand's design-led product continues to excite customers. Peter Alexander is one of the leading lifestyle and gifting brands in Australia and New Zealand.

### **Smiggle – Primed for future global expansion to maximise full growth potential**

Smiggle delivered global sales of \$190.7 million in 1H23, up 30.3% on 1H22.

Smiggle is the ultimate children's destination for school essentials. From backpacks, water bottles and lunchboxes to pens and pencil cases, Smiggle is the original creator of all things fun, colourful and on-trend. The key to Smiggle's success is children attending school, and the brand was materially impacted by school closures in all markets during the height of the pandemic.

Smiggle has reset from the pandemic with sales for 1H23 back in line with Smiggle's global record sales pre-pandemic, whilst trading as a more efficient business with 51 (or 14%) fewer stores.

Strong sales growth for the half has been delivered in all existing proprietary markets (Australia, New Zealand, Europe and Asia). The international wholesale channel delivered a record sales result with continued strong demand from existing and new partners. Smiggle is now represented in over 350 wholesales doors, flexing up to over 800 doors for the respective 'back to school' peak trading periods.

Highly successful collaborations continued to deliver results, with Harry Potter, Minecraft and Disney's Mickey and Minnie delighting customers. Excellent results were delivered across all categories including range expansions into bath and body as well as categories designed for younger children (3-7 years of age).

Smiggle is primed for future global growth expansion:

- ▶ Pursuing the opportunity to grow the proprietary business across existing regions by a further 30+ stores (increasing store count by 10% to 15%) in the near term leveraging the existing team and infrastructure
- ▶ Pursuing further wholesale door opportunities in existing markets with existing wholesale partners
- ▶ In addition, key wholesale partners have the ability to evolve the current model to include their own Smiggle freestanding stores providing material growth in key markets in the medium term
- ▶ Continuing to explore compelling opportunities in both existing and potential new markets

Smiggle has opened 2H23 strongly, underpinning confidence in the outlook to maximise its EBIT growth potential by reaching more customers through global expansion and aspiring to be a world leader in children's stationery and lifestyle products.

### **Apparel Brands – All brands delivering growth**

The Group's five iconic Apparel Brands collectively delivered record sales for the half of \$452.8 million, an increase of 14.3% on 1H22 and up 15.1% on 1H20. The Apparel Brands traded from 26 less stores in 1H23 when compared to 1H20.

Just Jeans, Portmans and Dotti all delivered record first half results. Jacqui E delivered its highest first half sales result in over a decade, and Jay Jays delivered its second best first half sales result in the past decade.

Pleasingly, customers responded positively to the Group's spring/summer ranges. The expanded categories and collaborations captured new customers and delivered unique offers during the all-important Christmas trading period.

The five Apparel Brands are well positioned to deliver future growth by:

- ▶ Continuous improvement in product and sourcing
- ▶ Enhancing the customer experience and building engagement and brand awareness
- ▶ Optimising the property portfolio with the opportunity to explore new formats
- ▶ Maintaining a strong focus on operational efficiency and excellence

A disciplined focus on inventory management has resulted in a clean inventory position for all brands to commence 2H23.

### **Premier Retail Omni Channel – Delighting customers however they choose to shop**

Premier Retail's strategy is to delight customers however they choose to engage and shop, whether this is in-store or online.

Premier Retail delivered online sales of \$170.9 million in 1H23, down 12.5% on 1H22 as the customer shopping channel mix continued to normalise after extended COVID lockdowns during 1H21 and 1H22.

Online sales for 1H23 were up 75.8% on 1H20 (CAGR of 25%), contributing 18.9% of total Group sales for the half. In 1H20, online sales contributed 13.3% of total sales. The online channel continues to deliver significantly higher EBIT margin than the retail store channel.

In March 2023 the Group launched an Australian multi-brand online platform, providing customers with one seamless online shopping experience. Customers can now shop across all of the Group's brands through any of the existing seven Australian websites, with one checkout and one delivery.

Premier Retail will continue to invest in people, technology, and marketing to drive continuous improvement in our world class platforms and customer experience. Significantly, for each of the seven brands the most viewed window and the largest store is the brand's online channel.

Customers also value the Group's more than 1,100 bricks and mortar stores across six countries. With the appropriate landlord support, opportunities exist for new stores and to refresh, upgrade and/or expand existing stores across all brands over the next three years.

### **Premier Retail – Well positioned to maximise future EBIT growth**

Premier Retail is uniquely positioned to maximise future EBIT growth with the brands identifying key growth paths for the future, whilst leveraging synergies within the Group's global operations:

- ▶ 1H23 sales of \$905.2 million, up 23.7% on 'pre-COVID' 1H20
- ▶ 1H23 EBIT of \$220.4 million, up 74.8% on 'pre-COVID' 1H20
- ▶ Portfolio of seven iconic brands each with a strong, distinctive and competitive market position
- ▶ Omni-channel – driving seamless customer experience across all channels
- ▶ Leveraging synergies from centralised support functions
- ▶ Supported by Premier Investments' Board and capital

2H23 trading has opened strongly with total sales for the first 6 weeks through February and into March up 7.7% on 2H22. Premier Retail's solid start to 2H23 and its clean inventory position has given the Group confidence that it is well positioned to maximise sales through the trading period ahead.

### **Premier Balance Sheet**

Premier maintains a strong balance sheet with:

- ▶ An investment in Breville Group Limited with a market value of \$809.9 million at the end of the half (balance sheet reflects an equity accounted value of \$327.1 million)
- ▶ Cash on hand of \$470.4 million at end of the half and property related debt of \$69.0 million having paid shareholders fully franked dividends of \$125.8 million during the past 6 months
- ▶ Premier's strategic ownership of properties at St Kilda Road (the global Premier Retail head office) and Premier Retail's Australian Distribution Centre valued at a combined historical cost less depreciation of \$71.9 million (not reflective of the current market values)
- ▶ A \$179.3 million investment in Myer Holdings Limited (22.9%) at the end of the half. After the conclusion of the half, Premier increased its stake in Myer by 2.9% to 25.8%

## Premier Dividends

The Premier Board remains optimistic about the Group's ability to continue to deliver for shareholders while also recognising that the Group is operating in a highly uncertain macroeconomic environment. The Board notes that the environment, whilst challenging for many businesses, may present new opportunities for the Group given the strength of its balance sheet.

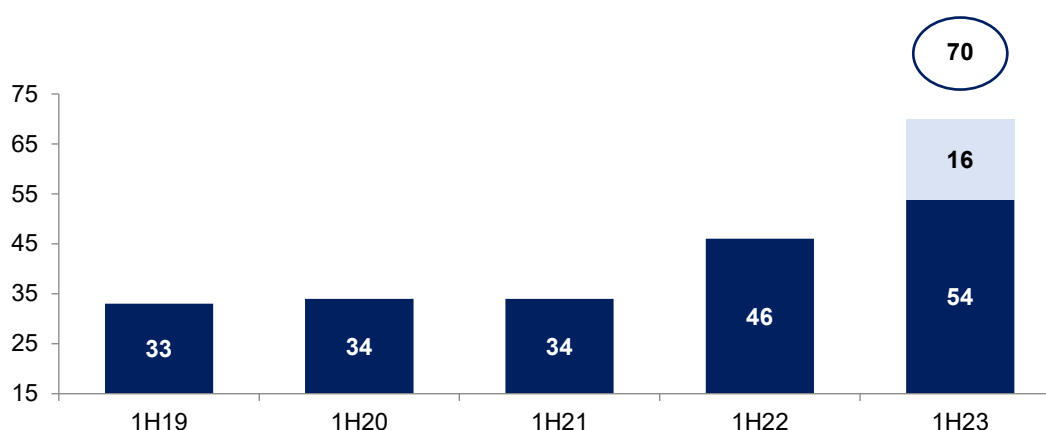
In balancing these considerations and to reward shareholders, the Board has:

- ▶ Approved an interim fully franked ordinary dividend of 54 cps, up 17.4% on 1H22
- ▶ Approved a special fully franked dividend of 16 cps

The ordinary and special dividends for the half total 70 cps, fully franked, up 24 cps or 52.2% on 1H22 dividends. Over the past three years and including the 1H23 interim and special dividends, Premier has rewarded shareholders with a total of \$0.5 billion in fully franked dividends.

The approved interim and special dividend will be payable together on 26 July 2023, with a record date of 21 June 2023.

**Interim ordinary and special dividends per share (cents)  
Fully Franked**



This announcement, together with the accompanying investor presentation, has been approved for release by the Board of Premier Investments Limited.

ENDS

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## APPENDIX

### Overview of Premier's non-IFRS financial information

IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.

Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example: Pre AASB 16, significant, one-off items, non-recurring costs, like for like (LFL) sales and Earnings Before Interest and Tax (EBIT).

Any non-IFRS financial information is clearly labelled to differentiate it from reported/IFRS financial information. Premier provides reconciliations in the footnotes and appendix in order to allow the reader to clearly reconcile between the IFRS and non-IFRS financial information.

Premier management believes that the presentation of additional non-IFRS information in its results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial condition or Premier's overall performance.

Like for like sales growth is calculated on a store by store daily basis in each market, including online stores. Only stores open on the same day in each corresponding period have been included in the LFL percentage growth calculation.

The Australian Securities and Investments Commission (ASIC) acknowledges the relevance of non-IFRS financial information in providing "meaningful insight" as long as it does not mislead the reader.

### Forward looking statements

Any forward looking statements contained in this document have been based on expectations at the date of preparation. The forward looking statements included in this document may generally be identified by use of forward looking words such as believe, target, aim, expect, planned or other similar words. Similarly, statements that describe Premier's objectives, plans, goals or expectations are, or may be, forward looking statements. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results to differ materially from the expectations. In particular the dynamic nature and continuing uncertainty surrounding COVID-19 means it is impossible to predict or forecast the COVID-19 impact on future global consumption, supply chains and therefore Premier's business. Nothing contained in this document is, or may be relied on as, a promise or representation as to the accuracy or likelihood of fulfilment of any forward looking statements, except to the extent required by law. You are therefore cautioned not to place undue reliance on any such forward looking statements.

Subject to any obligations under the Corporations Act or the ASX Listing Rules, Premier does not give any undertaking to update or revise any forward looking statements after the date of this document to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.