



ASX RELEASE

24 June 2024

PROPOSAL FROM MYER HOLDINGS LIMITED

Premier Investments Limited (“Premier” or “the Group”) advises that it has received a proposal from Myer Holdings Limited (“Myer”) to explore a potential combination of Myer and Premier’s Apparel Brands business comprising Just Jeans, Jay Jays, Portmans, Jacqui E and Dotti. The proposal is non-binding, indicative and conditional.

The Potential Combination

Key elements include:

- The combination of Myer with Premier’s Apparel Brands business via an all-scrip merger – in effect, Myer would acquire Premier’s Apparel Brands business in exchange for the issue of new shares in Myer to Premier. The businesses would be contributed in proportion to their maintainable EBIT (pre-AASB16) and on the same EV/EBIT (pre-AASB16) multiple.
- The Apparel Brands business would be contributed together with sufficient cash to ensure a consistent capital structure for each of the two businesses and to provide Myer with capital to invest in growth initiatives.
- The separation of Myer from Premier – Premier would distribute all of its shares in Myer to Premier shareholders. As a result, Premier would cease to own shares in Myer. After the proposed transaction, Premier shareholders would become Myer shareholders directly, whilst also retaining their existing Premier shareholding.
- The transaction would be implemented with reference to Myer’s share price prior to the date of this announcement.
- Shared services and transitional services arrangements would apply for a period of time following completion of the proposed transaction.

The proposed transaction would require approval by Myer’s Board and shareholders, Premier’s Board and shareholders, and be subject to ASX, ACCC and ATO engagement.

Myer has indicated that it expects Century Plaza Investments Pty Ltd and its Associates (“Century Plaza”) would be represented on the Board of Myer if the proposal proceeds. Century Plaza has advised Premier that it will propose that Mr Solomon Lew join the Board of Myer as a non-executive director in that case.

In his role as Chairman of Premier, Mr Lew has taken an active role driving significant value for Premier shareholders.

Mr Lew has indicated that he would also be prepared to take an active role as a non-executive director of Myer if the transaction proceeds given his extensive retail experience, that Century Plaza would become Myer's largest shareholder (albeit with a holding less than Premier's today) and that Century Plaza's interests would be aligned with other Myer shareholders.

Strategic Rationale for the Proposal

Myer has indicated that it sees significant opportunity from a combination of the businesses and that it wishes to explore whether that opportunity can be realised as part of a current review of Myer's operations.

Premier also believes that there may be meaningful opportunity for both businesses from the proposal. The proposed combination has the potential to deliver a step change in Myer's scale and market position, deliver synergies and drive sustainable earnings growth. Premier shareholders would benefit given Premier's existing shareholding in Myer and because Premier shareholders would become shareholders in Myer.

Next Steps

The Board of Premier has determined that the proposal warrants further consideration. The Board's focus in relation to the proposed transaction will be assessing the potential benefits for Premier shareholders, whilst maintaining the integrity and growth initiatives of its Apparel Brands business. Accordingly, Premier and Myer have agreed to conduct reciprocal due diligence and discuss potential transaction terms.

There is no certainty that the proposal will result in a binding offer or transaction, and any agreement to pursue the proposal would be subject to Premier Board approval.

Premier continues to work towards the proposed demerger of Smiggle, and to explore the demerger of Peter Alexander, whilst conducting the reciprocal due diligence with Myer.

Premier has appointed UBS Securities Australia Limited to act as financial adviser and Arnold Bloch Leibler as legal adviser, to assist in assessing the proposal.

This announcement has been approved for release by the Board of Premier Investments Limited¹.

ENDS

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¹ Excluding Mr Terry McCartney who has been excluded due to a declared interest