



28 September 2023

RECORD PREMIER RETAIL FY23 SALES UP 9.7% TO \$1.64 BILLION

RECORD PREMIER RETAIL EBIT (excl significant items) UP 6.4% TO \$356.5 MILLION¹

RECORD FULL YEAR FULLY FRANKED DIVIDENDS UP 4.0% TO 130 CPS

FY23 Highlights

- ▶ Premier Investments Limited (“Premier”, or “the Group”) statutory FY23 NPAT of \$271.1 million. Premier Investments adjusted NPAT (non-IFRS) of \$278.6 million up 6.4% on FY22²
- ▶ Final fully franked ordinary dividend of 60 cps, up 11.1% on FY22 final ordinary dividend. Taking total fully franked dividends for the year to 130 cps, up 4.0% on FY22
- ▶ Premier Retail Results:

	FY23 ¹	Growth on FY22 ¹	Growth on ‘pre-COVID’ FY19 ¹
Premier Retail sales	\$1,643.5 m	+9.7%	+29.3%
Premier Retail EBIT ¹	\$357.9 m	+1.5%	+153.1%
Premier Retail EBIT (excl significant items)	\$356.5 m	+6.4%	+113.0%

- ▶ Record Premier Retail global sales of \$1,643.5 million:
 - Record Peter Alexander sales of \$478.9 million, up 11.8% on FY22 and up 93.3% on ‘pre-COVID’ FY19 (with 10 less stores than end of FY19)
 - Record Smiggle global sales of \$319.8 million, up 22.4% on FY22 and up 4.3% on ‘pre-COVID’ FY19 (with 51 less stores than end of FY19)
 - Record Apparel Brands sales of \$844.8 million, up 4.6% on FY22 and up 17.9% on ‘pre-COVID’ FY19 (with 37 less stores than end of FY19)
- ▶ Agreement reached with a key wholesale partner to open freestanding Smiggle stores in UAE, Qatar, Kuwait, Oman and Bahrain, in addition to the current ‘store-in-store’ arrangements
- ▶ Strategic review underway that will assist in assessing the optimal future structure for the Group to ensure it is best positioned to maximise growth opportunities for the Group’s portfolio of iconic brands
- ▶ At year end, Premier’s investment in Breville Group Limited had a market value of \$829.3 million (balance sheet value of \$333.7 million). At year end, the investment in Myer Holdings Limited had a market value of \$137.7 million (balance sheet value of \$125.1 million). Premier commenced equity accounting for the Myer investment during FY23 and acquired an additional 3% of Myer post year end
- ▶ FY23 closing cash on hand of \$417.6 million after distributing \$237.2 million in fully franked dividends to shareholders during FY23

¹ Premier Retail EBIT of \$357.9 million includes significant items, as presented in Appendix B of the accompanying FY23 Investor Presentation. Premier Retail FY23 EBIT, excluding significant items, amounted to \$356.5 million. Except for Statutory NPAT, results are stated on a comparable 52-week period, pre-AASB16 and excluding significant items unless otherwise stated. Refer to Appendix B for a reconciliation.

² ‘Adjusted NPAT’ adjusts statutory NPAT for accounting entries in relation to equity accounting and certain non-cash items (i.e. Non-IFRS). Refer to Appendix B of the accompanying FY23 Investor Presentation for a reconciliation.

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Commentary

Premier’s Chairman, Mr Solomon Lew, said:

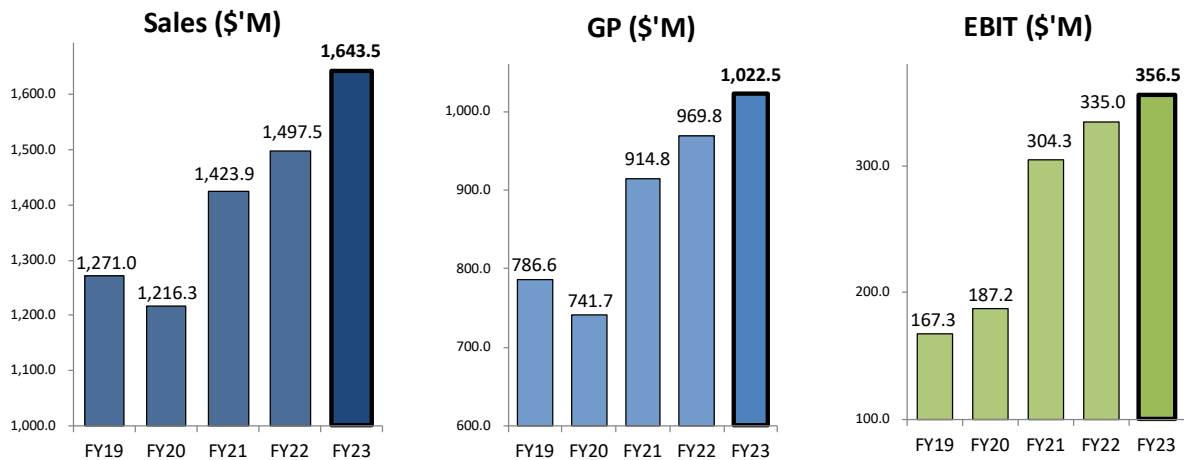
“Premier has once again delivered for shareholders. Premier Retail delivered record results for the year. The operating results and continued strength of our balance sheet have allowed the Directors to approve a record final dividend of 60 cps taking full year dividends to 130 cps, up 4.0%, underscoring our confidence in the strength of the business and its future prospects.

Over the past three years, Premier is proud to have returned over \$0.5 billion in fully franked dividends to shareholders.

“Our wholly owned and operated retail brands under the banner of Premier Retail have again outperformed the market, delivering both record sales and record EBIT results. The team remains focused on delivering quality products, enhancing our digital offering and optimising the store portfolio. Under the stewardship of the Premier Board, the Group has also commenced work on the strategic review, designed to assess the opportunities and the growth pathways available. This work will support the Board in assessing the optimal future structure for the Group to maximise the long-term potential of our iconic brands.”

Premier Retail – Record sales and Record EBIT

Premier Retail delivered global sales for the year of \$1,643.5 million, up 9.7% on FY22 and up 29.3% on FY19. Premier Retail delivered record EBIT of \$357.9 million (including significant items). Premier Retail EBIT excluding significant items was \$356.5 million, up 6.4% on FY22 and up 113.0% on FY19.



Premier Retail interim CEO John Bryce, said:

“Peter Alexander, Smiggle and our Apparel Brands have all delivered record sales, through the commitment of our global teams and culture of excellence. Notwithstanding the challenging macro-economic environment and the cost-of-living pressures faced by the community, our brands are focused on delivering wanted products and value for our customers.

We maintain a relentless focus on product and channel optimisation whilst working with the Board to maximise growth opportunities for each of our brands.”

Peter Alexander – Powerful designer brand delivering record results

Peter Alexander delivered another record sales result for the year of \$478.9 million, up 11.8% on FY22 and up 93.3% on FY19. Peter Alexander traded from 10 less stores than in July 2019.

The record sales result was driven by exceptional performance across all product categories and across all channels. The brand delivered a record sales week in the lead up to Christmas, as well as a record Mother's Day in the second half.

All six new stores that opened during FY23 have traded significantly ahead of expectations.

Peter Alexander has identified key growth avenues:

- ▶ Six new stores and four relocations/expansions into larger formats have already been confirmed to open in 1H24
- ▶ Further 20 - 30 opportunities have been identified for both new and/or larger format stores in Australia/New Zealand to open in the near term to better showcase the wider product offering that has been developed in recent years
- ▶ Further progress with the development of business cases into future offshore market opportunities
- ▶ As part of these offshore expansion plans, in November 2023 the brand is set to launch with a global cross border ecommerce platform provider to grow the brand across 35 countries. Supported by digital marketing programs in select countries, this platform will allow international customers a simpler and faster online shopping experience

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 for the entire family. Premier's strategic review will assist in assessing the optimal future structure to maximise the growth opportunities for this much loved heritage brand.

Smiggle – Growth momentum delivers record results

Smiggle delivered record global sales of \$319.8 million for the year, up 22.4% on FY22.

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 COVID-19 pandemic. Smiggle has now reset with record sales for the year, up 4.3% on its previous record in FY19 (pre-COVID) whilst trading as a more efficient business with 51 (or 14%) fewer stores than in July 2019.

Smiggle performed well 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, Disney's Mickey and Minnie, AFL and Matildas ranges delighting customers as did the highly successful 20th birthday range launched in 2H23. 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).

Premier is delighted to announce that Smiggle has signed an agreement with an existing wholesale partner to open freestanding stores in United Arab Emirates, Qatar, Kuwait, Oman and Bahrain. These freestanding stores will be in addition to the partner's current successful 'store-in-store' arrangements. The new agreement reached provides for the opening of 60 freestanding stores within the next ten years in the above-mentioned markets, subject to certain key performance indicators and other requirements being met by the partner.

Seven freestanding stores are planned by the partner to open before Christmas 2023 (3 stores in UAE and 4 stores in Qatar) with an additional 13 freestanding stores planned to open during calendar year 2024.

Under the new agreement, the wholesale partner will continue to procure products from Smiggle under its wholesale arrangements and will be responsible for all costs and store fit-outs associated with operating the freestanding stores.

Smiggle is primed for future global expansion as Premier assesses the optimal future structure to maximise growth as part of its strategic review:

- ▶ Pursuing the opportunity to grow the proprietary business across existing regions by a further 30+ stores (increasing store count by more than 10%) in the near term leveraging the existing team and infrastructure. Eight new stores confirmed to open in 1H24.
- ▶ Wholesale model is evolving after a record performance for the year with further door growth opportunities in the near term to gain more market share in existing markets
- ▶ 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 under a capital light strategy with proven, best-in-class long term partners
- ▶ Continuing to explore compelling opportunities in both existing and potential new markets

Smiggle has opened 1H24 strongly particularly in 'key back to school' Northern Hemisphere markets in Europe, and via the wholesale channel in the Middle East.

Apparel Brands – Record sales in FY23

The Group's five Apparel Brands comprise Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E across 717 stores as well as trading online in Australia and New Zealand. Collectively the 'Apparel Brands' delivered record sales for the year of \$844.8 million, an increase of 4.6% on FY22 and up 17.9% on 'pre-COVID' FY19 combined sales. The 'Apparel Brands' traded from 37 (or 5%) less stores than in July 2019.

The five Apparel Brands are each well positioned to deliver future growth. Premier's Strategic Review will review both the optimal operating structure and enhance identified key growth drivers such as:

- ▶ 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

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 \$324.7 million in FY23, up \$176.5 million or 119.2% on 'pre-COVID' FY19 sales, contributing 19.8% of FY23 sales (FY19: 11.7%). Pleasingly, 2H23 online sales were up 6.3% on 2H22, delivering normalised growth on the comparative period no longer impacted by COVID lockdowns.

The online channel continues to deliver significantly higher EBIT margin than the retail store channel. For each of the seven brands, the most viewed store window and the largest store is the brand's online channel.

Customers continue to value the Group's more than 1,100 bricks and mortar stores across six countries. Landlords recognise the strength of Premier's seven iconic brands and continue to reach mutual agreement with the Group. 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 well positioned to maximise future EBIT growth with the brands identifying key growth paths for the future:

- ▶ FY23 sales of \$1,643.5 million, up 29.3% on 'pre-COVID' FY19
- ▶ FY23 EBIT (excluding significant items) of \$356.5 million, up 113.0% on 'pre-COVID' FY19 EBIT
- ▶ Portfolio of seven iconic brands each with a strong, distinctive and competitive market position
- ▶ Omni-channel – driving seamless customer experience across all channels
- ▶ Leveraging centralised support functions
- ▶ Supported by Premier Investments' Board and capital

The Strategic Review currently underway will assist in assessing the optimal future structure for the Group to ensure it is best positioned to continue to maximise growth opportunities for Premier Retail's portfolio of iconic brands.

1H24 commenced against a backdrop of a challenging general discretionary retail environment, as consumers in Premier Retail's global markets face increasing cost of living pressures. In this environment, the Group's global sales for the first 6 weeks of 1H24 (August and into September) are down 2.0% on a record 1H23 and up 18.1% on 'pre-COVID' 1H20. The Group is focused on the key Christmas trading quarter ahead, noting that results for the first half are always driven by this critical period.

Premier Balance Sheet

Premier maintains a strong balance sheet:

- ▶ An investment in Breville Group Limited with a market value of \$829.3 million at the end of the year (balance sheet reflects an equity accounted value of \$333.7 million) having received \$11 million in fully franked dividends during the year
- ▶ An investment in Myer Holdings Limited with a market value of \$137.7 million at the end of the year (balance sheet reflects an equity accounted value of \$125.1 million) having received \$21.6 million in fully franked dividends during the year. Premier started equity accounting for its investment in Myer during FY23. After the conclusion of the year, Premier increased its stake in Myer by 3.0% to 28.8%
- ▶ Cash on hand of \$417.6 million at end of the year and property related debt of \$69.0 million having paid shareholders fully franked dividends of \$237.2 million during the past 12 months
- ▶ 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 \$71.2 million (not reflective of the current market values)

Premier Dividends

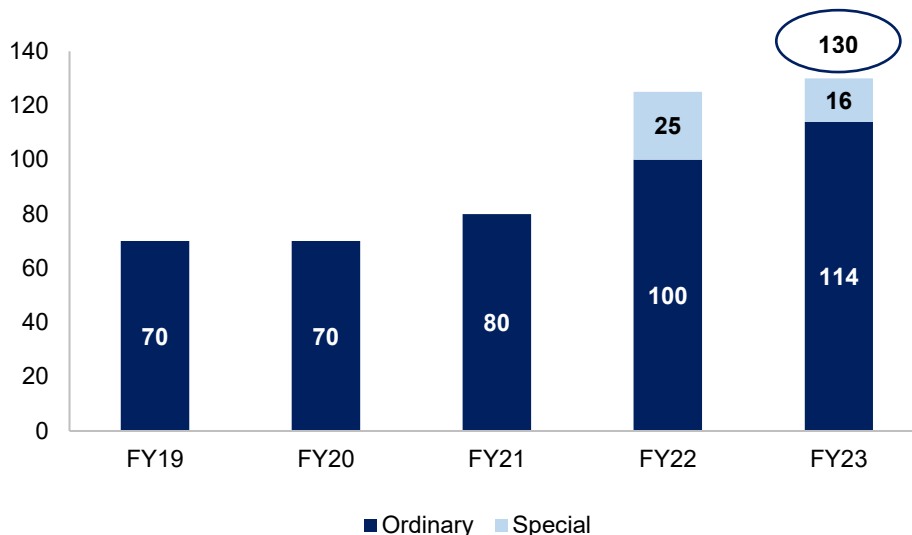
The Premier Board remains optimistic about the Group’s ability to continue to deliver for shareholders while also recognising that the Group is operating in a challenging retail environment. The Board notes that the environment may present new opportunities for the Group given the strength of its balance sheet. The Strategic Review is also currently underway which will assist in assessing the optimal future structure for the Group to maximise growth opportunities.

In balancing these considerations and to reward shareholders, the Board has approved a final fully franked ordinary dividend of 60 cps, up 11.1% on FY22 final ordinary dividend.

The final dividend will take total full year dividends to 130 cps, up 4.0% on FY22. Over the past three years and including the FY23 final dividends, Premier has rewarded shareholders with over \$0.5 billion in fully franked dividends.

The approved final ordinary dividend will be payable on 24 January 2024, with a record date of 10 January 2024.

**Full year ordinary and special dividends
cents per share (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: Adjusted net profit after tax, 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. 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.

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