



26 March 2024

## 1H24 PREMIER NET PROFIT AFTER TAX OF \$177.2 MILLION

PREMIER RETAIL EBIT OF \$209.8 million<sup>1</sup>

RECORD INTERIM FULLY FRANKED ORDINARY DIVIDEND UP 16.7% TO 63 CPS

### 1H24 Highlights

- ▶ Premier Investments Limited (“Premier”, or “the Group”) statutory 1H24 NPAT of \$177.2 million. Premier adjusted NPAT (non-IFRS) of \$155.6 million<sup>2</sup>
- ▶ Record interim fully franked ordinary dividend of 63 cps, up 16.7% or 9 cents per share on 1H23 ordinary dividend
- ▶ Record Boxing Day contributing to Premier Retail 1H24 EBIT of \$209.8 million, exceeding originally anticipated 1H24 EBIT of circa \$200 million by 4.9%<sup>3</sup>
- ▶ Premier Retail global sales of \$879.5 million, down 2.8% on record 1H23; and up 20.1% on ‘pre-COVID’ 1H20
- ▶ Closing inventory of \$221.6 million a reduction of \$33 million (13.0%) on January 2023 with a clean inventory position to start 2H24
- ▶ Premier Retail global sales for the first 8 weeks of 2H24 are showing improving momentum from 1H24, back up in line with the prior comparable period
- ▶ Agreement reached with a key wholesale partner to open freestanding Smiggle stores in Indonesia in addition to their current ‘store-in-store’ arrangements
- ▶ Peter Alexander planned to launch in United Kingdom with first stores to open before Christmas 2024
- ▶ Strategic Review Update:
  - Working towards a demerger of Smiggle by the end of January 2025
  - Exploring a demerger of Peter Alexander during calendar year 2025
- ▶ At the end of 1H24, Premier’s investment in Breville Group Limited had a market value of \$970.5 million (balance sheet value of \$343.5 million). The investment in Myer Holdings Limited had a market value of \$154.9 million (balance sheet value of \$151.4 million)
- ▶ 1H24 closing cash on hand of \$478.1 million

### Commentary

Premier’s Chairman, Mr Solomon Lew, said:

*“In a challenging general discretionary retail environment, Premier Retail delivered its second highest sales and EBIT performance in the Group’s history. The 1H24 EBIT of \$209.8 million was 4.9% above the ‘circa \$200 million’ expectation that we provided to the market on 1 December 2023 which in itself was an upgrade to the approximate \$180 million consensus at that time.*

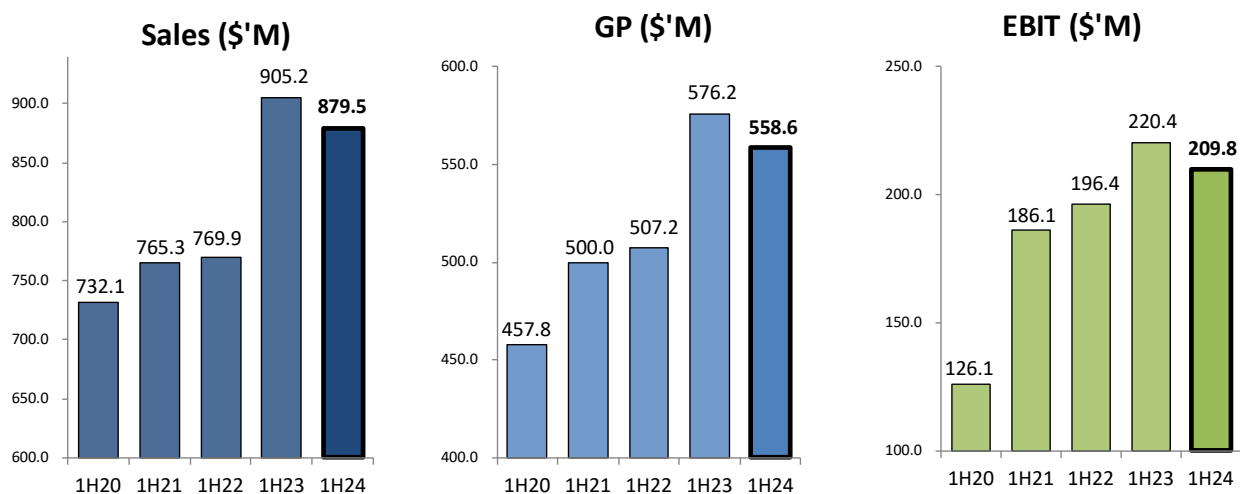
*“The ongoing strategic review has identified that the potential demerger of Smiggle and Peter Alexander is likely to maximise and accelerate the growth opportunities for these two brands over time. We are therefore working towards a demerger of Smiggle by the end of January 2025 and exploring a demerger of Peter Alexander in calendar year 2025.”*

<sup>1</sup> Premier Retail EBIT as presented in Appendix B of the accompanying 1H24 Investor Presentation. 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 for a reconciliation.

<sup>2</sup> ‘Adjusted NPAT’ adjusts statutory NPAT for accounting entries in relation to equity accounting (i.e. Non-IFRS). Refer to Appendix B of the accompanying 1H24 Investor Presentation for a reconciliation.

<sup>3</sup> On 1 December 2023, following a record ‘Black Friday’ Premier advised the market that it expected Premier Retail 1H24 EBIT (pre-AASB 16) to be ‘circa \$200 million’.

## Premier Retail



Premier Retail delivered global sales for the half of \$879.5 million and EBIT (pre-AASB 16) of \$209.8 million.

Premier Retail Interim CEO John Bryce, said:

*“With customers facing increased cost of living pressures, Premier Retail’s strategy is anchored on delivering value for customers in our products and shopping experience, whilst also maintaining a relentless focus on inventory productivity and operational efficiencies.*

*“We opened the second half with inventory down \$33 million or 13% on last year. Sales for the first 8 weeks of 2H24 are showing improving momentum from 1H24, back up in line with the prior comparable period.”*

Peter Alexander delivered another record sales result for the half of \$279.3 million, up 6.7% on 1H23 and up 92.8% on ‘pre-COVID’ 1H20. Peter Alexander traded from ten less stores than in January 2020. The brand opened six stores in 1H24 and expanded/relocated four stores. Three new stores are confirmed to open in 2H24.

Peter Alexander is delighted to announce that it intends to launch the brand into the United Kingdom with the first two stores and dedicated UK website planned to open before Christmas 2024. Peter Alexander has identified up to ten new UK store opportunities in the short term as part of the initial launch plans.

Smiggle delivered global sales of \$183.9 million for 1H24 during a challenging discretionary retail environment, with the Smiggle customer particularly exposed to increased cost of living pressures in all global markets. Smiggle’s 1H24 sales result is down 3.6% on 1H23 - the brand’s second best sales result following a surge in spending as customers returned post COVID. 1H24 Global sales are down 5.1% on a record ‘pre-COVID’ 1H20, whilst currently trading as a more efficient business with 51 fewer stores than in January 2020.

Pleasingly, Smiggle’s Middle Eastern wholesale partner successfully opened their first standalone Smiggle stores during 1H24, with seven stores opened before Christmas. Smiggle expects to have over 17 standalone stores trading by July 2024, showing encouraging progress under the Middle Eastern wholesale agreement to open 60 freestanding stores within the next 10 years. Following the successful launch of the Middle East wholesale agreement, Smiggle is pleased to report that it has reached agreement with an existing wholesale partner to open standalone stores in Indonesia. These freestanding stores will be in addition to the partner’s successful ‘store-in-store’ arrangements, and provides for the opening of over 100 Smiggle stores in Indonesia over the next 10 years.

For personal use only

The Group's five Apparel Brands comprise Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E across 715 stores in Australia and New Zealand. Collectively the Apparel Brands delivered sales for the half of \$416.3 million, a decrease of 8.1% on a record 1H23 and up 5.8% on 'pre-COVID' 1H20 sales. The Apparel Brands traded from 37 less stores than in January 2020. Each of the Apparel Brands has a distinct and competitive market position that is well positioned to deliver future growth.

Premier Retail's strategy is focused on providing exceptional customer service, regardless of the customer's preferred method of engaging or shopping, whether it be in-store or online. Premier Retail delivered online sales of \$171.2 million in 1H24, up 0.2% on 1H23, and accounting for 19.5% of total sales. The Group's extensive network of 1,153 physical stores across six countries remains highly valued by customers. With the appropriate support from landlords, there are opportunities to establish new stores and to enhance, upgrade or expand existing stores across all brands over the next three years.

### Strategic Review Update

Premier Retail is well positioned to maximise future EBIT growth with the brands identifying key growth paths for the future.

- ▶ Peter Alexander:
  - Identified 20+ additional opportunities for new and larger format stores in existing markets
  - Exploring future offshore market opportunities including the opening of Peter Alexander UK before Christmas 2024
- ▶ Smiggle:
  - Identified 30+ opportunities for new stores in existing markets
  - Continues to explore future offshore markets both as future 'owned stores' and the evolving 'wholesale' channel (both store-in-store and stand alone stores)
- ▶ Apparel Brands:
  - Optimising the store portfolio and exploring new store formats
  - Continuous improvement in product and sourcing
  - New loyalty program planned to launch by Christmas 2024 enhancing the customer experience, building brand engagement and awareness

The Group's strategic review, announced by Premier to the ASX on 21 August 2023 and led by the Board, has continued to progress. The assessment performed to date has identified a range of opportunities, including future growth opportunities for each of Smiggle, Peter Alexander and the Apparel Brands. As a result of the detailed review performed to date, the Board has agreed to:

- work towards demerging Smiggle into a separate listed entity by the end of January 2025; and
- explore a demerger of Peter Alexander into a separate listed entity in calendar year 2025.

Any demergers will be subject to further review and final Board approval as well as regulatory and shareholder approvals. Further information will be released when appropriate.

## Premier maintains a strong Balance Sheet

- ▶ An investment in Breville Group Limited with a market value of \$970.5 million at the end of the half (balance sheet reflects an equity accounted value of \$343.5 million) having received \$5.7 million in fully franked dividends during the half
- ▶ An investment in Myer Holdings Limited with a market value of \$154.9 million at the end of the half (balance sheet reflects an equity accounted value of \$151.4 million) having received \$2.4 million in fully franked dividends during the half
- ▶ Cash on hand of \$478.1 million at end of the half and property related debt of \$69.0 million
- ▶ 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 \$70.4 million (not reflective of the current market values)

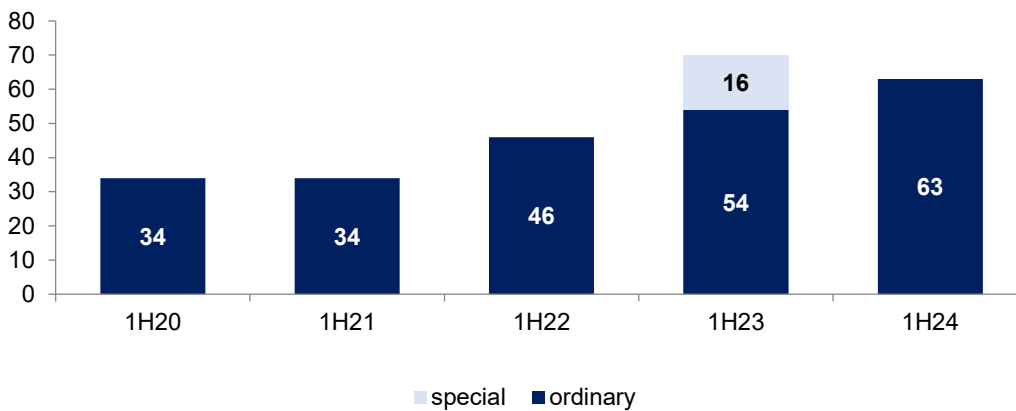
## Premier Dividends

Premier’s Chairman, Mr Solomon Lew, said:

*“Premier is pleased to have delivered yet again for its shareholders. The Board is optimistic about what the future holds for the Group, as it continues to explore ways to maximise shareholder value. The Board has decided to reward shareholders with a record interim fully franked ordinary dividend of 63 cents per share, up 16.7% on the 1H23 ordinary interim dividend.”*

The approved interim ordinary dividend will be payable on 24 July 2024, with a record date of 19 June 2024.

**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

For enquiries:

### Investors and analysts

Mark Middeldorf  
Premier Investments Limited  
Tel: +61 3 9650 6500

### Media

Lauren Thompson: +61 438 954 729  
Jon Snowball: +61 477 946 068

## 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.

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.

For personal use only