



## PREMIER INVESTMENTS LIMITED

2019 Half Year Results Overview

22 March 2019

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Smiggle

# Agenda

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# PREMIER INVESTMENTS LIMITED

## 1H19 OVERVIEW



# 1

## Premier Investments 1H19 overview

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- Group profit
  - Net profit after tax \$88.8 million, up 13.0% on 1H18<sup>1</sup>
  - Record Premier Retail EBIT of \$113.9 million, up 11.1% on 1H18<sup>1</sup>
  - Record 1H19 Sales of \$680.2 million up 8.0% on 1H18
    - LFL sales up 4.6% on 1H18 on a constant currency basis
    - Apparel Brands sales up 7.5%
    - Record Online sales of \$75.7 million growing to 12.9% of respective markets' sales
    - Record Peter Alexander sales of \$130.4 million
    - Record Smiggle sales of \$178.8 million
- Premier consolidated balance sheet remains strong
  - Cash on hand of \$183.2 million at end of 1H19
  - Balance sheet at end of 1H19 shows investment in associate (Breville Group Limited) as \$238.9 million. The current market value of this investment is \$602.6 million<sup>2</sup>
  - Investment in Myer Holdings Limited of \$34.9 million. The current market value of this investment is \$50.4 million<sup>2</sup>
  - Franking credit pool of \$217.8 million

**Increased record ordinary interim dividend of 33 cps fully franked, up 4 cps (13.8%) on 1H18 (1H18: 29 cps)**

Note:

1. Refer Appendix B for details regarding one-off items excluded from 1H18 underlying results.
2. Based on a BRG share price of \$16.51 and a MYR share price of \$0.57 on 20 March 2019.



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## 2

## Premier Investments summarised consolidated income statement

\$m	1H19	1H18
Premier Retail EBIT – underlying	113.9	102.5
Premier Investments income from associate (BRG)	12.2	10.0
Premier Investments other revenue (Interest, Dividends, Rent & Other)	3.8	3.9
Premier Investments expenses (ex Premier Retail)	(4.1)	(3.2)
Underlying finance costs	(4.0)	(2.7)
<b>Underlying net profit before tax<sup>1</sup></b>	<b>121.8</b>	<b>110.5</b>
Expenses incurred before occupying new head office property		
– Depreciation, relocation and other	-	(1.0)
– Finance costs	-	(1.0)
Expenses incurred in relation to investment in Myer Holdings Limited including preparation for legal action	-	(0.9)
One-off Smiggle Europe expansion	-	(0.3)
<b>Reported net profit before tax</b>	<b>121.8</b>	<b>107.3</b>
Income tax expense	(33.0)	(28.7)
<b>Reported net profit after tax</b>	<b>88.8</b>	<b>78.6</b>

Note:

1. Refer Appendix B for details regarding one-off items excluded from 1H18 underlying results



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## 2

## Premier Investments summarised consolidated balance sheet

\$m	26 Jan 2019	28 Jul 2018
<b>Assets</b>		
Cash and cash equivalents	183.2	178.6
Inventories	166.5	159.3
Property, plant and equipment	230.1	238.2
Other assets	48.8	48.9
Deferred tax assets	40.7	36.6
Listed equity investment at fair value	34.9	40.7
Investment in associate	238.9	223.2
Intangible assets	826.4	825.9
<b>Total assets</b>	<b>1,769.5</b>	<b>1,751.4</b>
<b>Liabilities</b>		
Interest bearing loans and borrowings	137.8	175.7
Deferred tax liabilities	64.8	63.9
Trade payables, provisions and other liabilities	189.3	166.9
<b>Total liabilities</b>	<b>391.9</b>	<b>406.5</b>
<b>Equity</b>		
Contributed equity	608.6	608.6
Reserves	(16.8)	(16.0)
Retained earnings	785.8	752.3
<b>Total equity</b>	<b>1,377.6</b>	<b>1,344.9</b>



**PREMIER RETAIL**

# 3

## Premier Retail delivers record sales and EBIT

- Record 1H19 sales of \$680.2 million up 8.0% on 1H18, with like-for-like (LFL) sales up 4.6% on 1H18 on a constant currency basis
- Record 1H19 EBIT of \$113.9 million, up 11.1% on 1H18<sup>1</sup>
- Record 1H19 EBIT % to sales of 16.7%, up 47 bps on 1H18<sup>1</sup>
- Record profit before tax of \$111.3 million, up 11.1% on 1H18<sup>1</sup>
- Apparel Brands delivering strong sales growth momentum
  - 1H19 sales up 7.5% to \$370.8 million, improving momentum on 2H18 sales growth of 5.5%
  - 1H19 LFL sales growth of 8.8% was stronger than overall growth, with 16 stores closed during the last 12 months
- Record 1H19 Online sales of \$75.7 million, up 35.2% on a previous record 1H18
- Record 1H19 Peter Alexander sales of \$130.4 million, up 14.1% on a previous record 1H18
- Record 1H19 Smiggle sales of \$178.8 million, and today announces new partnerships with leading iconic retailers via wholesale and online channels with significant new exposure of the brand to a combined population of over 775 million in ten additional countries

Note:

1. Refer Appendix B for details regarding one-off items excluded from 1H18 underlying results



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### 3 Premier Retail performance

\$000	26 weeks to 26 Jan 2019	26 Weeks to 27 Jan 2018	Var LY
Sales	680,201	630,073	+8.0%
<i>LFL sales (constant currency)</i>	<b>+4.6%</b>	+2.4%	
Gross Profit	428,662	397,925	+7.7%
<i>Gross margin (%)</i>	<b>63.0%</b>	63.2%	-14 bps
Employee Expenses <sup>1</sup>	(157,102)	(143,360)	+9.6%
<i>% sales</i>	<b>23.1%</b>	22.8%	+34 bps
Rent <sup>1</sup>	(116,640)	(113,838)	+2.5%
<i>% sales</i>	<b>17.1%</b>	18.1%	-92 bps
Advertising & Direct Marketing <sup>1</sup>	(9,206)	(8,546)	+7.7%
<i>% sales</i>	<b>1.4%</b>	1.4%	-0 bps
Depreciation, Amortisation & Impairment <sup>1</sup>	(14,887)	(13,054)	+14.0%
<i>% sales</i>	<b>2.2%</b>	2.1%	+12 bps
Other Costs of Doing Business <sup>1</sup>	(17,255)	(17,384)	-0.7%
<i>% sales</i>	<b>2.5%</b>	2.8%	-22 bps
Other income	323	781	
<b>Underlying EBIT<sup>2</sup></b>	<b>113,895</b>	102,524	+11.1%
<i>% sales</i>	<b>16.7%</b>	16.3%	+47 bps
Borrowing costs	(2,556)	(2,316)	
<b>Underlying Profit before tax<sup>2</sup></b>	<b>111,339</b>	100,208	+11.1%

Note:

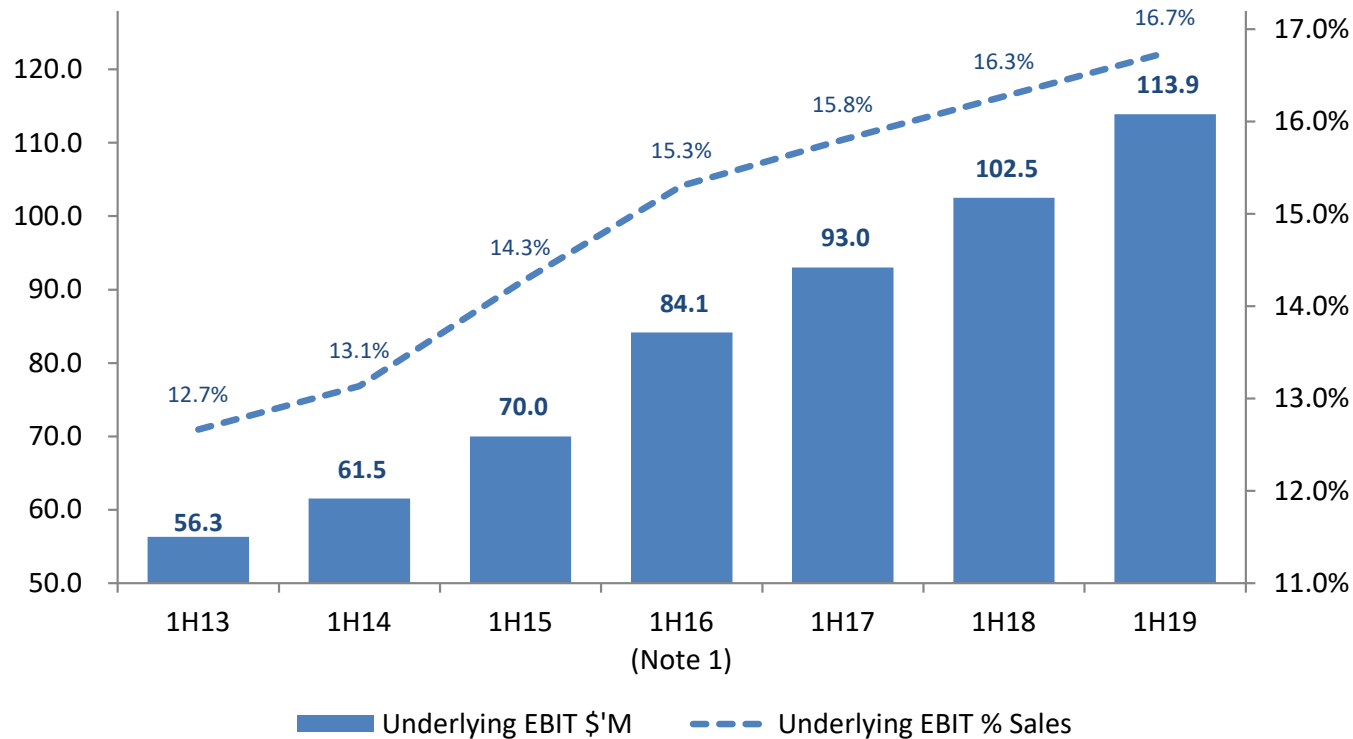
- 1H19 total cost of doing business (CODB) equates to 46.3% of sales (1H18 47.0%). Refer Appendix B for details regarding one-off items excluded from 1H18 underlying results
- Refer Appendix B for details regarding one-off items excluded from 1H18 underlying results

## 4

## Premier Retail 1H19 EBIT: strong growth continues

- 7 consecutive years of first half EBIT growth in the critical summer season
- 1H19 EBIT margin to Sales up 47 bps on 1H18
- Key gross margin and CODB strategies delivering

## Underlying EBIT – 7 Year History



Notes:

1. 1H16 excludes non-comparable 27<sup>th</sup> week which contributed \$6.6m in EBIT

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### Gross margin strategies continuing to deliver

- 1H19 results were achieved notwithstanding significant external headwinds in the apparel sector and with Brexit uncertainty in the United Kingdom, with retailers continuing to discount deeper and for longer to remain competitive
- Key long term foreign currency hedging policies allowing for merchandise planning
- Direct sourcing initiatives continuing to deliver benefits from new and existing suppliers
- Sourcing from new geographies continues
- Investing in better merchants and delivering better product remains the key focus area

The disciplined execution of markdown management was integral to delivering a clean inventory position at the end of 1H19

### CODB focus continues to deliver

- CODB **decreased by 68** bps as a percentage of sales to 46.3% in 1H19<sup>1</sup>
- Costs continue to be well controlled despite structural inflationary pressure
- Investment will continue in strategic growth initiatives including Online, Smiggle's international expansion and Peter Alexander

Note:

1. Refer page 8 for CODB details

**CODB – Store Profitability Focus**

- 16 stores closed during the last 12 months, a total of 101 stores closed over the last 6 years, as part of the ongoing program to close unprofitable stores
- As consumers continue to increase their online shopping, the focus continues on individual store profitability to drive shareholder returns. Where landlords do not continue to invest in overall shopping experiences and/or adjust their rent expectations in line with the performance of their own centres and the major shift in consumer behaviour, further store closures may be necessary
- Many landlords are offering other international and local fast fashion retailers significant capital and low rents to enter their centres during development. Unless those landlords offer Premier Retail the same capital and rent they are offering Premier Retail competitors, then Premier Retail will escalate the closure of all brands in those centres. Premier can more efficiently allocate capital and achieve shareholder returns from investment in the online channel, further international expansion of our key brands or opening in other shopping centres where landlords respect the nature of Premier Retail's seven brand portfolio
- As a direct result of unrealistic rent expectations and in a true symbol of the changing nature of the retail market, Premier Retail will close the original Just Jeans flagship store on Chapel Street (Victoria) in April-2019, which has traded for 48 years. Premier Retail's Dotti and Smiggle stores on Chapel Street will also close in 2019. In addition, Just Jeans announces the closure of its flagship store in Rundle Mall (South Australia) in 2H19, demonstrating the willingness of Premier Retail to walk away from stores with unrealistic rents that deliver unprofitable sales



# 5

## Premier Retail investing in growth

Premier Retail continues to invest in new stores, upgrades and refurbishments to deliver sustainable sales growth:

- 136 stores received capital investment, including 17 new stores and 4 Smiggle International Concessions opened in 1H19

In 1H19, **89%** of capital investment in Australia and New Zealand stores has been funded via landlord contributions



- 3 new concession stores opened in the United Kingdom
- 1 new concession store opened in Singapore
- 4 new stores opened in Australia
- 1 new store opened in the United Kingdom
- 1 new store opened in Malaysia
- 1 store relocated and refurbished in New Zealand
- 1 store relocated and refurbished in Australia



- 4 new stores opened in Australia
- 1 new store opened in New Zealand
- 1 store relocated and refurbished in Australia
- 1 store received a VM fixture upgrade



Smiggle Riccarton (NZ) – Relocated and refurbished in October 2018



Peter Alexander Forrest Chase (WA) - Opened November 2018



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# 5

## Premier Retail investing in growth

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- 2 new stores opened across Australia and New Zealand
- 1 store relocated and refurbished in Australia
- 5 stores refurbished in existing locations in Australia
- 96 stores received fixture upgrades in Australia

Just  
Jeans

- 3 stores refurbished in existing locations in Australia

Jay  
Jays

- 2 new stores opened in Australia
- 2 stores relocated and refurbished in Australia

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- 1 new store opened in New Zealand
- 1 store refurbished in existing location in Australia

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- 1 new store opened in New Zealand
- 3 stores relocated and refurbished in Australia



*Dotti Mt Maunganui (NZ) – Opened December 2018*



*Jay Jays Maroochydore (QLD) – Relocated and refurbished in November 2018*



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Just  
Jeans

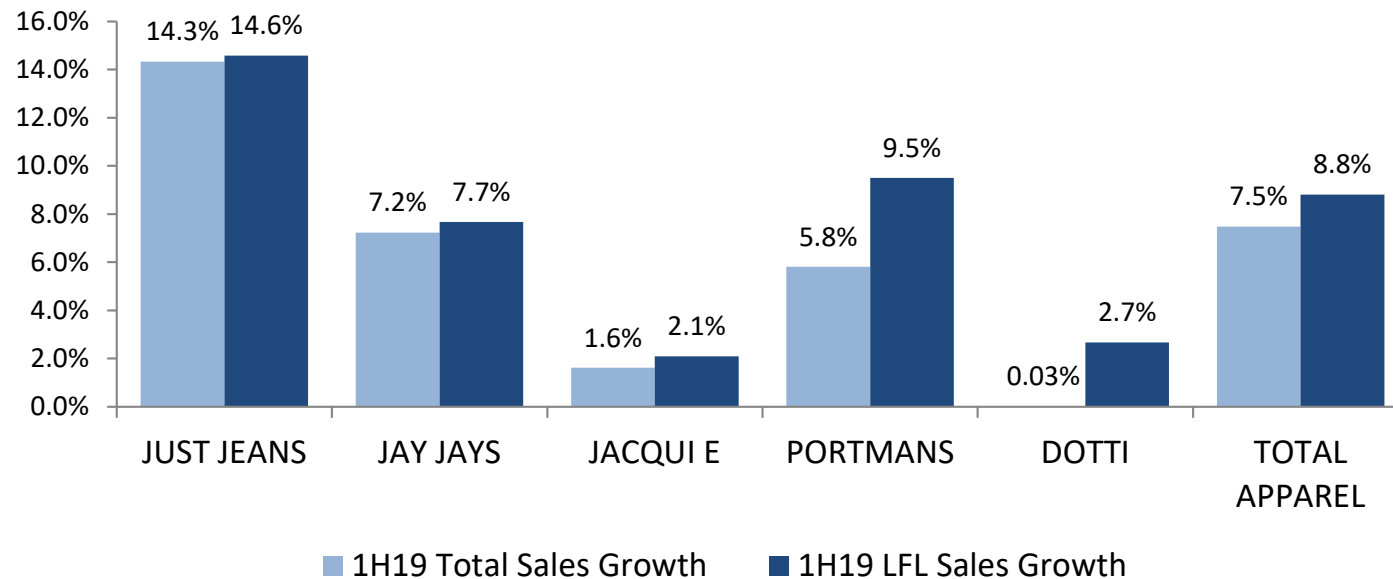
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## 6

## Apparel Brands deliver strong 1H19 sales growth

- Apparel Brands 1H19 sales up 7.5% on 1H18 to \$370.8 million, improving momentum on 2H18 sales growth of 5.5%
- Apparel Brands 1H19 LFL sales growth of 8.8% was stronger than overall growth, with 16 stores closed during the last 12 months as part of the ongoing program to close unprofitable stores
- Ongoing investment in product and merchandise teams delivering growth
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H19

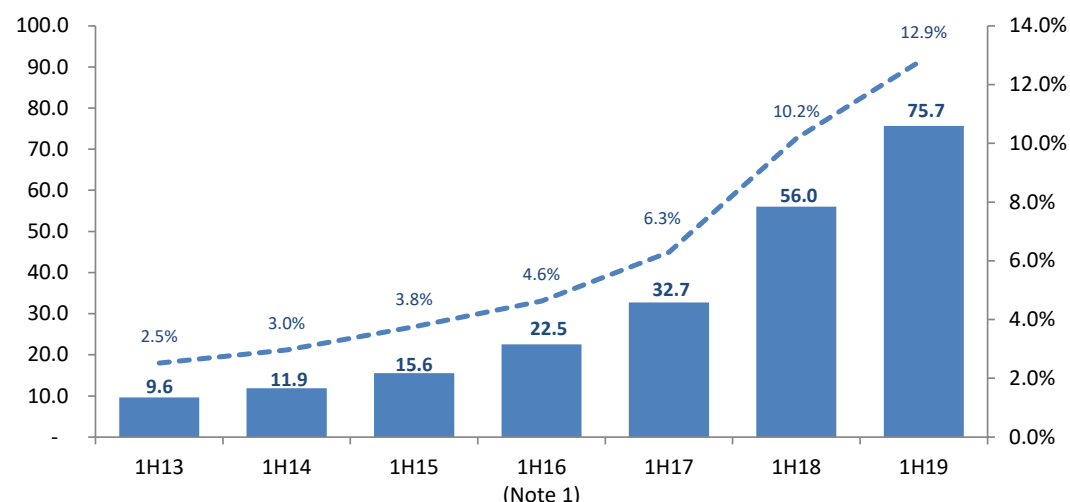


# 7

## Online – delivers record first half sales

- Record 1H19 Online sales of \$75.7 million, up 35.2% on a previous record 1H18
- Online sales growing to 12.9% of the respective markets' sales in 1H19
- 2013 investment in centralised and specifically customised Australian Distribution Centre servicing 100% order fulfilment of 100% of Premier Retail products in Australia
- Online channel continues to deliver significantly higher EBIT margin than the Group average
- All global sites continuing to deliver strong growth with all brands outperforming the market
- Major investment continues in technology, people and new marketing initiatives to deliver a world class platform and customer experience, including full upgrade of our mobile, tablet and desktop website platform for all 7 brands completed in 2H18
- New Zealand Websites to be launched in 2H19 for Smiggle, Just Jeans, Portmans and Jacqui E, in addition to the rapidly growing Peter Alexander and Dotti Online businesses already in New Zealand

### Online Sales Growth



Online Sales (\$'M)

Online sales as % of the sales in countries & brands with a transactional website

Note:

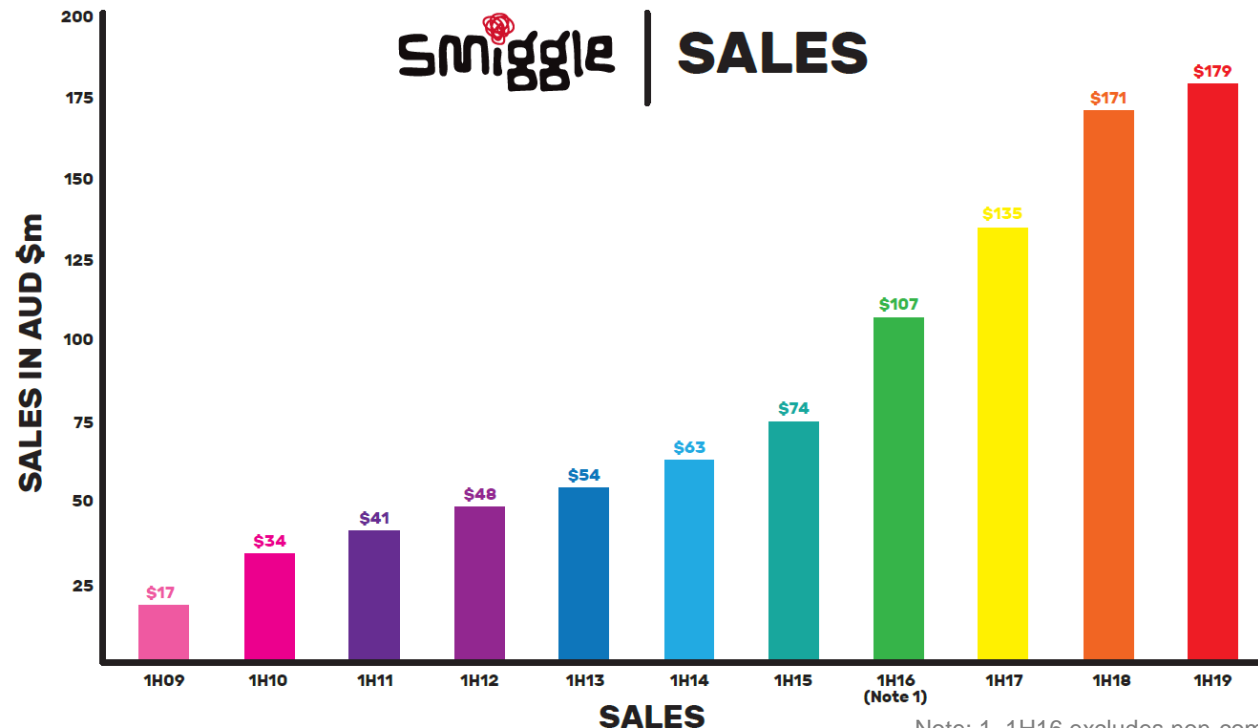
1. 1H16 excludes non-comparable 27<sup>th</sup> week of sales



## 8

## Smiggle: Brand expansion continues to deliver record results

- Record 1H19 Smiggle sales of \$178.8 million
- 1H19 Asia sales up 34.8% (up 112% over two years)
- 6 new stores and 4 new concessions opened globally in 1H19 as accelerated growth strategy shifts to less capital intensive channels than company owned stores
- Pathways to Accelerated Global Growth Strategy underway, today announcing partnerships with leading iconic retailers via wholesale and online channels with significant new exposure of the brand to a combined population of over 775 million in ten additional countries of distribution



Note: 1. 1H16 excludes non-comparable 27<sup>th</sup> week of sales



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# 8

## Smiggle Pathways to Global Growth update

**Smiggle announced in September 2018 a plan to accelerate global growth from 4 major channels**

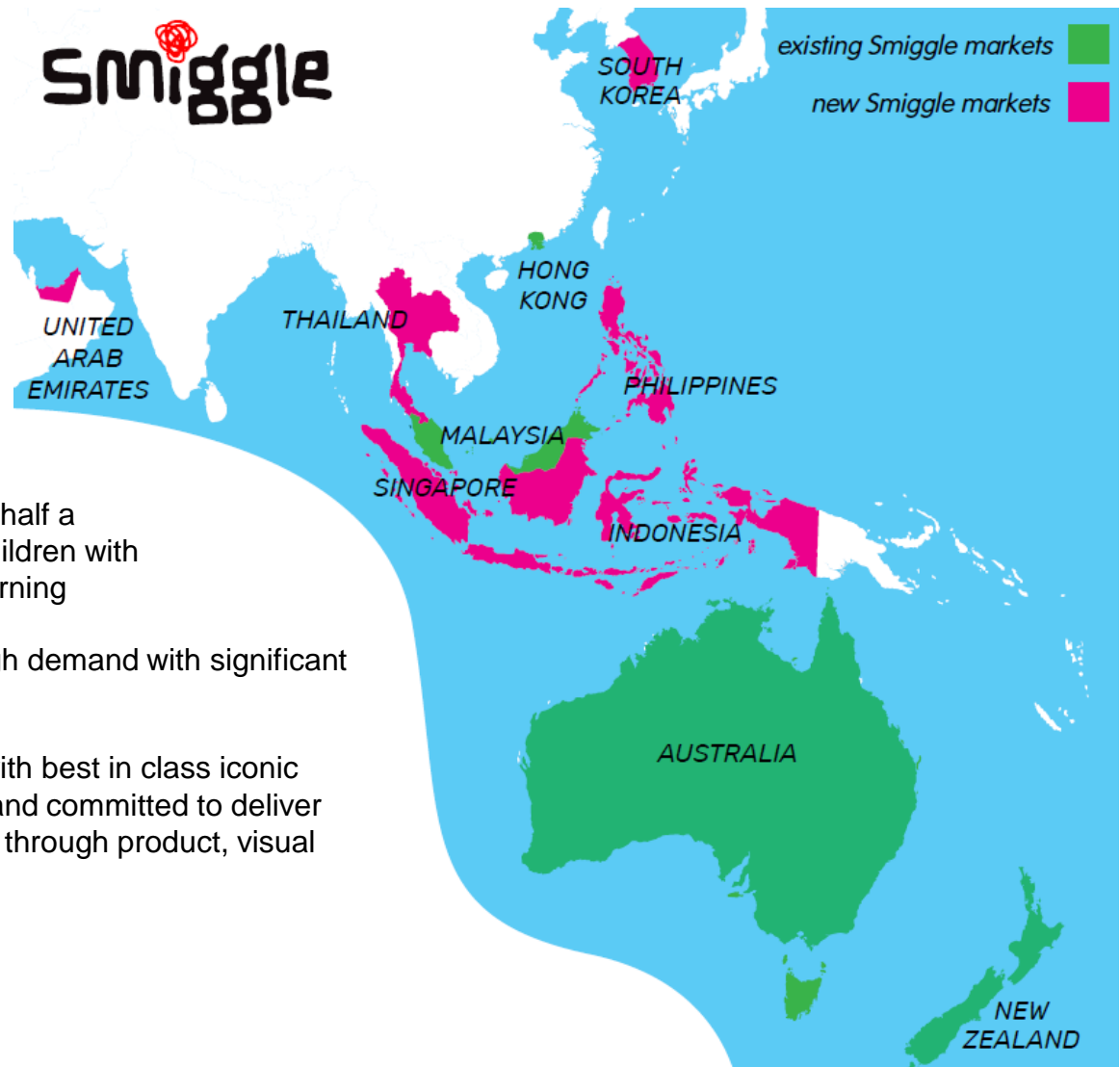
1. Wholesale in markets where Smiggle has a significant opportunity but chooses not to or will unlikely operate company owned standalone stores
2. Online growth, both proprietary and third party
3. Concession partnerships with iconic global retailers
4. New Store growth through the continued rollout of standalone stores where the economics and shareholder returns are attractive



## 8 Smiggle Pathways to Global Growth update – Wholesale Asia/Middle East

### Wholesale Update – Asia/Middle East

- The brand today announces the launch of the Smiggle wholesale business, partnering with 5 iconic retailers across Asia and the Middle East
- **5 new countries, 5 iconic retailers, initial roll-out launching in 100+ doors from July 2019**
- South Korea, Thailand, Indonesia, Philippines, United Arab Emirates
- Exposure to a new population of almost half a billion with a high proportion of young children with a strong emphasis on education and learning
- Smiggle is already well known and in high demand with significant requests to enter into these markets
- The brand's focus has been to partner with best in class iconic local retail operators who are obligated and committed to deliver Smiggle's high brand integrity standards through product, visual merchandising and brand presentation



# 8

## Smiggle Pathways to Global Growth update – Wholesale Asia/Middle East

### Wholesale Update – Philippines

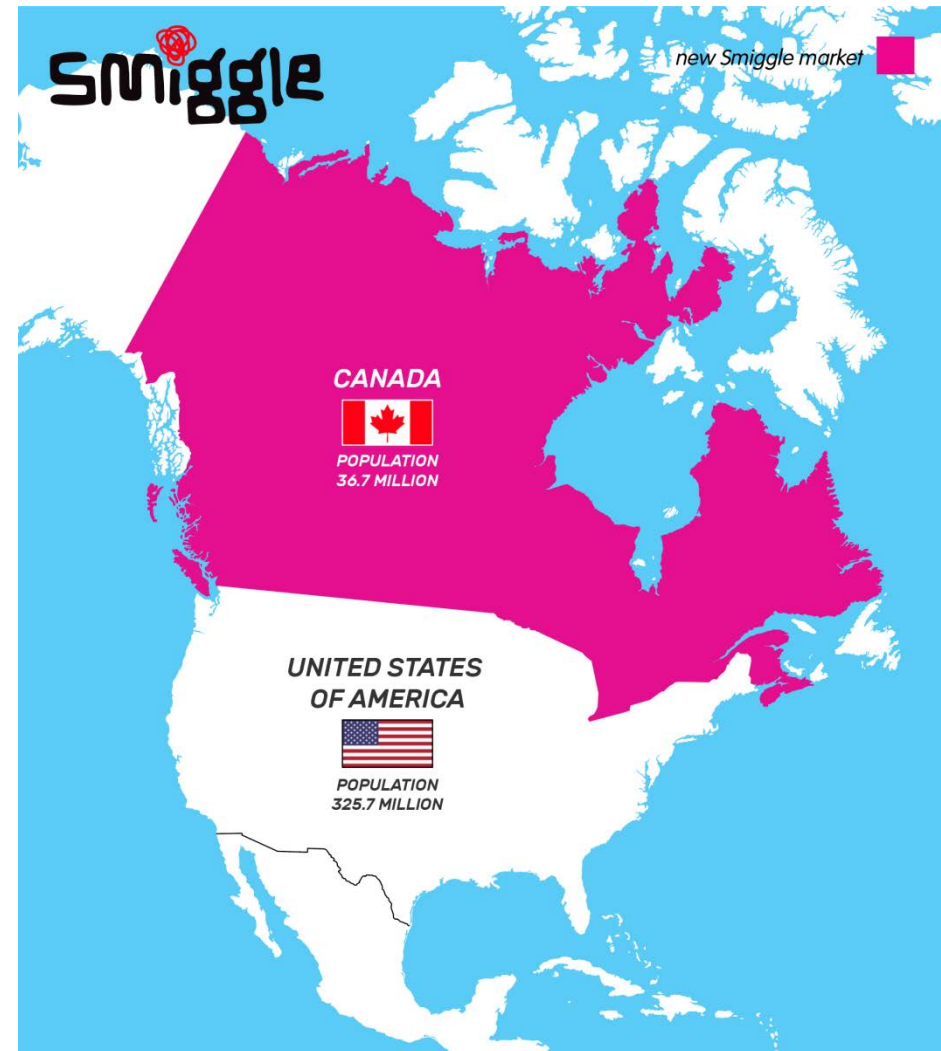
- Successful trial in first wholesale market with local iconic retail partner in the Philippines in January 2019
- First class execution of Smiggle's high brand integrity expectations, through zero compromise on product, visual merchandising and brand presentation standards
- Smiggle is already well known and in high demand in this country due to the brand's exposure in Singapore, Malaysia and Hong Kong
- The Philippines has a population of over 100 million, with 35 million or 35% of the population within the 0-14 age bracket
- Education and learning highly coveted and a nation of stationery lovers with English spoken as one of the two national and official languages





## Canada

- Smiggle announces the launch of the brand through an iconic retailer in Canada in mid to late 2019
- The brand will launch in three major cities as well as on the retailer's online platform
- This will give Smiggle its first exposure in a key North American market
- The brand's iconic partner is obligated and committed to deliver Smiggle's high brand integrity standards through product, visual merchandising and brand presentation

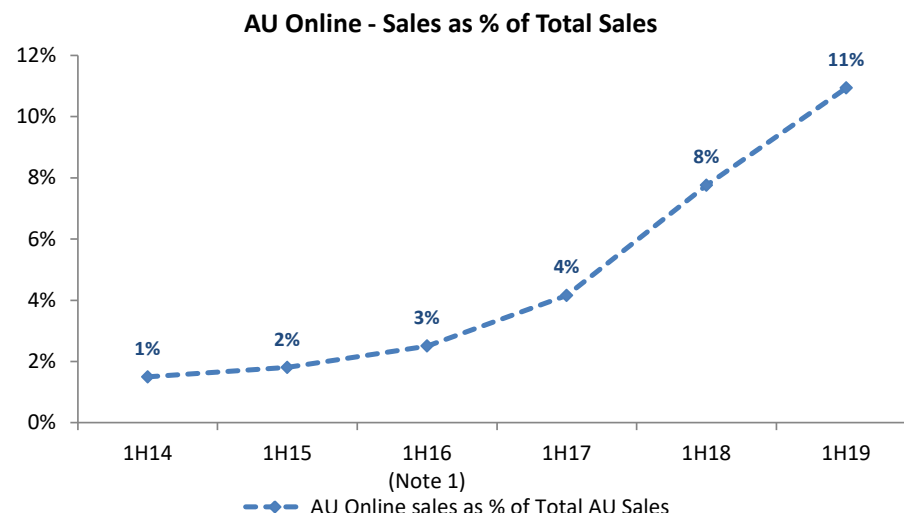
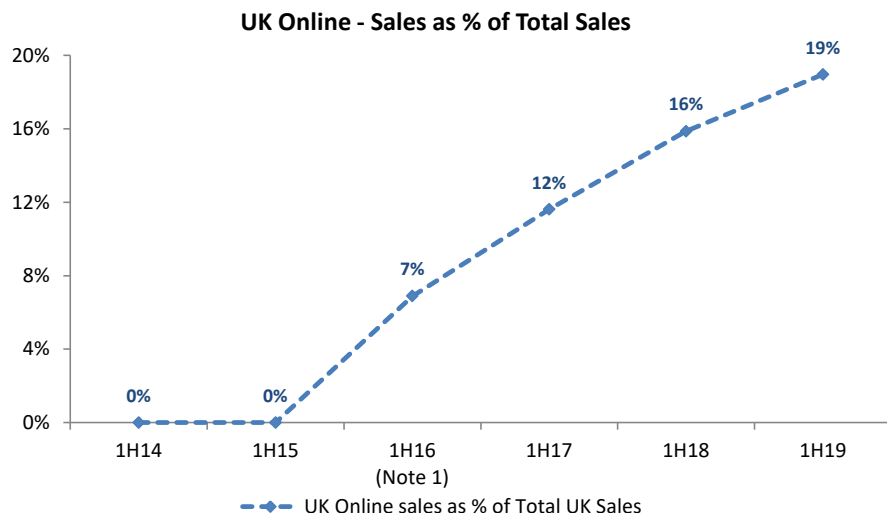


# 8

## Smiggle Pathways to Global Growth update - Online

### Online Update

- Online growth in 1H19 across Smiggle's proprietary websites continues to exceed our expectations
- 1H19 Online sales in countries with a transactional website exceeded 15% of sales, with UK online sales 19% of total UK sales and Australia online sales 11% of total Australia sales as consumers increasingly shop this channel
- Continued investment across the existing business in Australia and the UK
- Smiggle remains on track to launch a transactional website in NZ in 2H19



### Online Update

- Smiggle launched on third party transactional websites with Selfridges in August 2018 and Harrods in November 2018, with over 50% of customers shopping from locations outside of the UK from both sites
- **Smiggle today announces the launch on Amazon across Europe in 2H19. The four new European countries the brand will have a presence in have a combined population of over 250 million**
- France, Germany, Italy, Spain
- Ongoing negotiations with Alibaba and with other key global leaders, focusing on countries in which the brand does not currently operate but is in high demand
- The online channel delivers a significantly higher EBIT margin than the brand average



## 8

## Smiggle Pathways to Global Growth update – Concession

### Concession Update

- The concession strategy enables the brand to leverage the foot traffic generated by the iconic retail partner without the need for long term leases and at a fraction of the capital employed to open standalone stores
- The concession model for Smiggle is extremely capital light with the deployment of capital at one tenth of an average store



Harrods, London – opened August 2018



Selfridges Oxford Street Store, London – opened May 2018



# 8

## Smiggle Pathways to Global Growth update – Concession

### Concession Update

Smiggle now operating across 3 Selfridges department stores and Harrods in the UK

- Launched in Selfridges London Oxford Street in May 2018
- Launched in Selfridges Trafford Manchester in August 2018
- Launched in Selfridges Birmingham in November 2018
- Launched in Harrods London in August 2018



Harrods, London – opened August 2018



Selfridges Oxford Street Store, London – opened May 2018

# 8

## Smiggle Pathways to Global Growth update – Concession

### Concession Update

2 concessions opened in Singapore, with initial results ahead of expectations

- Launched in Metro Causeway Point, Singapore in December 2018
- Launched in Robinson's Raffles City, Singapore in March 2019

Smiggle sees opportunity for further concession rollout globally, including in established markets. Premier will update the market as and when commercial terms are finalised.



*Metro Causeway Point, Singapore – opened November 2018*



## 8

## Smiggle Pathways to Global Growth update – New standalone stores

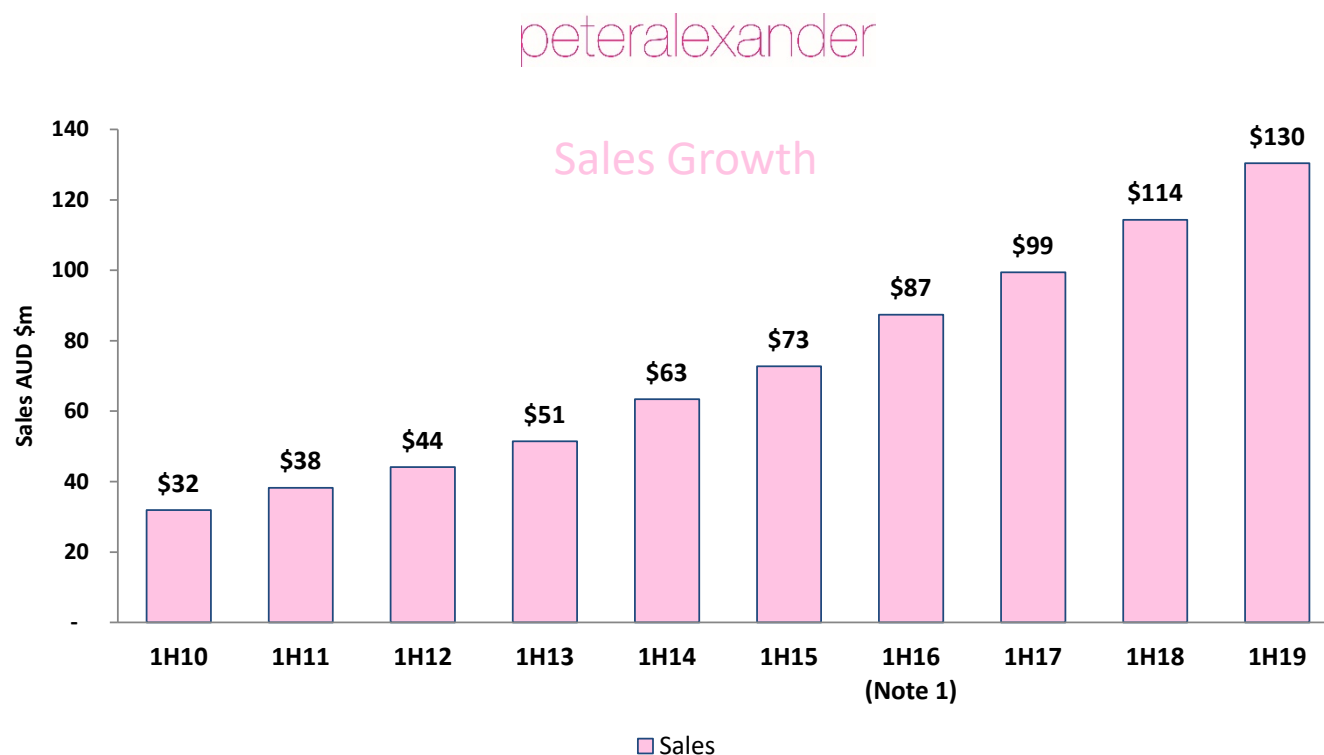
### New standalone store update

- 6 new stores opened globally in 1H19
- The brand will continue to explore compelling opportunities to open standalone stores in existing markets where commercial terms and returns on investment are attractive for shareholders
- Whilst standalone stores remain a key focus for the brand, with the ever evolving world of retail and the profound speed of growth into new channels, including online, the number of standalone stores and wholesale or concessions may be interchangeable by country as the focus will always be on delivering the highest returns on investment for shareholders with the lowest capital employed



## 9

## Peter Alexander performing strongly



Note:

1. 1H16 excludes non-comparable 27<sup>th</sup> week of sales



# 9

## Peter Alexander performing strongly

- Record 1H19 Sales up 14.1% to \$130.4 million with strong total and LFL sales in both Australia and New Zealand
- 5 new stores opened in 1H19: Cockburn (WA), Blacktown (NSW), Forrest Chase (WA), Moonee Ponds (VIC) and Mt Maunganui (NZ)
- Online has continued to deliver exceptional growth well ahead of the market
- Peter Alexander continues to be a major destination for gifting, with innovative product design & packaging positioning the brand as truly unique in the market
- Continued expansion of P.A. Plus sizes and children's sleepwear following strong sales performance of these categories





## 9

## Peter Alexander 2020 Growth Plan ahead of expectations

- Sales of \$234.7 million for the 12 months to January 2019 are well ahead of the strategic plan targeting annual sales in excess of \$250 million by FY20
- The brand has opened 26 new stores in the last 18 months, well ahead of the 2020 Growth Plan to open 40 stores in 3 years
- 4 new stores confirmed to open in 2H19:
  - Merrylands (NSW) Mar-19
  - Central Square (VIC) May-19
  - Canberra Factory Outlet (ACT) May-19
  - Rhodes (NSW) May-19



*Peter Alexander Mt Maunganui (NZ) - Opened Dec 2018*

## Smiggle delivers record 1H19 Sales, announcement of key global partnerships

- Record 1H19 Smiggle sales of \$178.8 million
- Record 1H19 performance in Asia with sales up 34.8% (up 112% over two years), with more than half of the brand's global top 20 stores for sales coming from the three Asia markets
- Pathways to Global Growth Strategy underway, today announcing partnerships with leading iconic retailers via wholesale and online channels with significant new exposure of the brand to a combined population of over 775 million in ten additional countries of distribution
  - **Smiggle today announces wholesale partnerships across six new countries with six iconic retailers, with the initial roll-out launching in 100+ doors from July 2019 onwards**
  - **Smiggle today announces the launch on Amazon across Europe in 2H19. The four new countries the brand will have a presence in have a combined population of over 250 million**
- John Cheston (Managing Director: Smiggle) continues to lead a strong and capable management team that is establishing and developing the pathways to growth through the accelerated multi-format global growth strategy



### Peter Alexander performing strongly

- Record 1H19 Sales up 14.1% to \$130.4 million with strong total and LFL sales in both Australia and New Zealand
- Sales of \$234.7 million for the 12 months to January 2019 well ahead of the strategic plan targeting **annual sales in excess of \$250 million by FY20**
  - 26 new stores opened in the last 18 months, well ahead of the 2020 Growth Plan to open 40 stores in 3 years
  - Continued expansion of P.A. Plus sizes and children's sleepwear following strong sales performance of these categories
  - Continued investment and growth from online
- Strong and focused management team led by Judy Coomber (Managing Director: Peter Alexander and Dotti) and Peter Alexander (Creative Director: Peter Alexander)

### Online strategy delivering

- Record 1H19 Online sales of \$75.7 million, up 35.2% on a previous record 1H18
- Online sales growing to 12.9% of the respective markets' sales in 1H19, compared to 10.2% for 1H18
- Online channel continues to deliver significantly higher EBIT margin than the Group average
- All global sites continuing to deliver strong growth with all brands outperforming the market
- Major investment continues in technology, people and new marketing initiatives to deliver a world class platform and customer experience
- New Zealand websites to be launched in 2H19 for Smiggle, Just Jeans, Portmans and Jacqui E, in addition to the rapidly growing Peter Alexander and Dotti Online businesses already in New Zealand
- Strong and focused management team led by Georgia Chewing (Group General Manager: Internet and Marketing) continuing to grow and innovate the business

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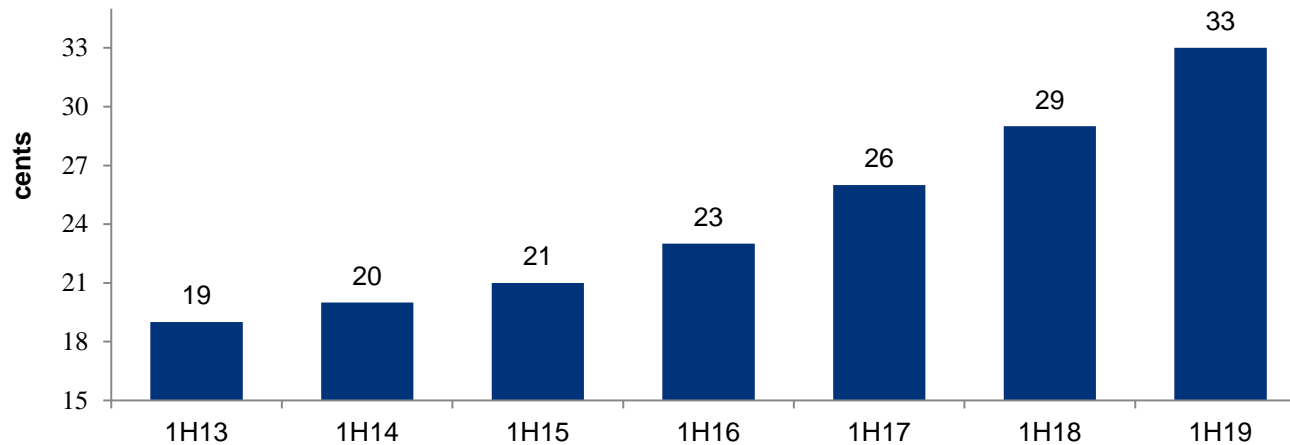


**DIVIDEND**



- Due to the continued strength of the Premier Balance Sheet and the strong performance of Premier Retail, the Premier Board has declared an increased record interim dividend of 33 cps fully franked, up 4 cps (13.8%) on 1H18 (1H18 Interim: 29 cps). The interim ordinary dividend will be payable on 14 June 2019.
- The Premier Board will continue to review its Capital Management.

**Premier Investments  
Interim Ordinary Dividends per Share (cents)  
Fully Franked**



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# PREMIER RETAIL

## Appendix A: BRAND BY BRAND PERFORMANCE

## Highlights

- Record 1H19 Smiggle sales of \$178.8 million
- Record 1H19 performance in Asia with sales up 34.8% (up 112% over two years), with more than half of the brand's global top 20 stores for sales coming from the three Asia markets
- Pathways to Global Growth Strategy underway, today announcing partnerships with leading iconic retailers via wholesale and online channels with significant new exposure of the brand to a combined population of over 775 million in ten additional countries of distribution
- 6 new stores and 4 new concessions opened globally in 1H19 as accelerated growth strategy shifts to less capital intensive channels than company owned stores

## Overview of Results

Sales	\$178.8m
Var LY	+4.8%

Store movements	Jul 18	Open	Close <sup>1</sup>	Jan 19
Australia/NZ	155	4	-	159
Asia	51	1	1	51
Asia Concession	-	1	-	1
Europe	140	1	-	141
Europe Concession	1	3	-	4
<b>Global</b>	<b>347</b>	<b>10</b>	<b>1</b>	<b>356</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures



## Highlights

- Record 1H19 sales up 14.1% to \$130.4 million with strong total and LFL sales in both Australia and New Zealand
- Sales of \$234.7 million for the 12 months to January 2019 well ahead of the 202 Growth Plan **targeting annual sales in excess of \$250 million by FY20**
  - 26 new stores opened in the last 18 months, well ahead of the 2020 Growth Plan to open 40 stores in 3 years
  - Continued expansion of P.A. Plus sizes and children's sleepwear following strong sales performance of the categories
  - Continued investment and growth from Online

## Overview of Results

Sales	\$130.4m			
Var LY	+14.1%			
Store movements	Jul 18	Open	Close <sup>1</sup>	Jan 19
Australia	95	4	-	99
New Zealand	14	1	-	15
Myer Concession	20	-	-	20
	<b>129</b>	<b>5</b>	<b>-</b>	<b>134</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures



## Highlights

- 1H19 Sales up 14.3% to \$122.7m in a particularly pleasing result for the group's original brand founded in 1970
- 1H19 LFL sales up 14.6% were stronger than overall sales growth
- 1 store was closed in the last 12 months as part of the ongoing program to close unprofitable stores
- Just Jeans has a strong, distinctive and competitive market position
- Differentiation through the international branded denim business where investment in width of range, instock of sizes and personal service continues to deliver a great competitive advantage
- Ongoing investment in better merchants to drive further growth

## Overview of Results

Sales	\$122.7m			
Var LY	+14.3%			
<b>Store movements</b>	<b>Jul 18</b>	<b>Open</b>	<b>Close<sup>1</sup></b>	<b>Jan 19</b>
Australia	197	-	-	197
New Zealand	45	-	1	44
	<b>242</b>	<b>-</b>	<b>1</b>	<b>241</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

## Highlights

- 1H19 Sales up 7.2% to \$92.2 million delivering a strong operating result for the brand
- 1H19 LFL sales up 7.7% were stronger than overall sales growth
- 4 stores were closed in the last 6 months as part of the ongoing program to close unprofitable stores
- Jay Jays has a strong, distinctive and competitive market position
- Investment to continue across existing 1.3 million digital touchpoints with customers across Email, Instagram, Facebook, Twitter, Snapchat and YouTube to maximise customer potential
- Ongoing investment in better merchants to drive further growth
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H19

## Overview of Results

Sales	\$92.2m			
Var LY	+7.2%			
Store movements	Jul 18	Open	Close <sup>1</sup>	Jan 19
Australia	177	2	2	177
New Zealand	34	-	2	32
	<b>211</b>	<b>2</b>	<b>4</b>	<b>209</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

## Highlights

- 1H19 sales up 5.8% to \$65.9 million
- 1H19 LFL sales up 9.5% were stronger than overall sales growth
- 5 stores were closed in the last 12 months as part of the ongoing program to close unprofitable stores
- 1H19 Online sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio
- Portmans has an extremely strong and distinctive market position
- Investment to continue in social media to maximise customer potential
- Ongoing investment in better merchants to drive further growth
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H19

## Overview of Results

Sales	\$65.9m			
Var LY	+5.8%			
Store movements	Jul 18	Open	Close <sup>1</sup>	Jan 19
Australia	87	-	-	87
New Zealand	12	1	1	12
	<b>99</b>	<b>1</b>	<b>1</b>	<b>99</b>

Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures



# A | JACQUI-E

## Highlights

- 1H19 Sales up 1.6% to \$37.0 million
- 1H19 LFL sales up 2.1% were stronger than overall sales growth
- 1 stores was closed in the last 12 months as part of the ongoing program to close unprofitable stores
- Jacqui E has an extremely strong and distinctive market position
- Ongoing investment in better merchants to drive further growth
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H19

## Overview of Results

Sales	\$37.0m
Var LY	+1.6%

Store movements	Jul 18	Open	Close <sup>1</sup>	Jan 19
Australia	78	-	-	78
New Zealand	20	1	1	20
	<b>98</b>	<b>1</b>	<b>1</b>	<b>98</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures



## Highlights

- The appointment of Judy Coomber to role of Managing Director Peter Alexander and Dotti, together with the return of Deanna Moylan to the group as Dotti Group General Manager in March 2018 reporting to Judy, is delivering a turnaround in performance
- 1H19 LFL sales up 2.7% were stronger than overall sales, with improvement in profit margins being delivered through changes to sourcing strategy
- 5 stores were closed in the last 12 months as part of the ongoing program to close unprofitable stores
- Capital investment in new store concepts continued in 1H19, largely funded by landlords
  - New store concept investment at Melton (VIC) and Mt Maunganui (NZ), and also at the relocation and refurbishment of Maroochydore (QLD)
  - 5 stores refurbished in existing locations in Australia
  - 96 stores received fixture upgrades in Australia

## Overview of Results

Sales	\$53.1m			
Var LY	+0.03%			
<b>Store movements</b>	<b>Jul 18</b>	<b>Open</b>	<b>Close<sup>1</sup></b>	<b>Jan 19</b>
Australia	98	1	3	96
New Zealand	20	1	1	20
	<b>118</b>	<b>2</b>	<b>4</b>	<b>116</b>



Note:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

# B Appendix

## Notes regarding significant and other one-off items excluded from 1H18 underlying results

- Premier's 1H18 underlying EBIT and underlying NPBT excludes costs incurred in relation to its investment in Myer Holdings Limited (\$0.9m) including preparation for legal action; costs incurred regarding the Melbourne Head Office move of Premier Retail to Premier Investments owned property of \$2.0m (Premier Investments \$1.8m; Premier Retail \$0.2m) and one-off costs investing in Smiggle Europe Expansion of \$0.3m, all included within 'Total expenses' in the statutory accounts. Premier did not incur any one-off costs in 1H19.

## 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: significant, one-off items, non-recurring costs, like for like sales, underlying EBIT, underlying NPBT and underlying NPAT.
- Any non-IFRS financial information is clearly labelled to differentiate it from reported/IFRS financial information. Premier Investments 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 Investments' 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.
- 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 of this document about future events. 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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portmans

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