



20 March 2020

Company Announcements Office
Australian Securities Exchange

Premier Investments Limited – 2020 Half-year Results Presentation

Please find attached for immediate release to the market the half-year results presentation for the 26 weeks ended 25 January 2020 for Premier Investments Limited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M Meyer', written over a horizontal line.

Marinda Meyer
Company Secretary



Premier Investments Limited
2020 Half Year Results Overview
20 March 2020

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**Jay
Jays**

**Just
Jeans**

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portmans

smiggle

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PREMIER INVESTMENTS LIMITED 1H20 OVERVIEW

Group profit

- Net profit after tax (Pre AASB 16) of \$99.6 million, up 12.2% on 1H19¹
- Net profit before tax (Pre AASB 16) of \$136.9 million, up 12.4% on 1H19¹
- Record Premier Retail EBIT (Pre AASB 16) of \$126.1 million, up 10.7% on 1H19¹
- Record Premier Retail Sales of \$732.1 million up 7.6% on 1H19
 - LFL sales up 4.3% on 1H19 on a constant currency basis
 - Apparel Brands LFL sales up 7.5% on 1H19 on a constant currency basis
 - In Australia and New Zealand, LFL sales up 6.7% on a constant currency basis, with all 7 brands delivering LFL growth
 - Record Online sales up 28.4% on previous record 1H19
 - Record Peter Alexander sales up 11.1% on previous record 1H19
 - Record Smiggle global retail sales to consumers up 14.2% on previous record 1H19

Note:

1. The Statutory results for 1H20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for prior period comparison, 1H20 results disclosed in this presentation are pre adoption of AASB 16 (“Pre AASB 16”) and therefore exclude the impact of AASB16. Refer Appendix for reconciliations of Statutory and Pre AASB 16 results.



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Exceptional cash flow and strong balance sheet

- Net cash generated (operating cash flow less investing activities) for the half of \$133.0 million, up \$38.8 million or 41% on 1H19¹
- The strong cash flow allowed the group to:
 - Pay a record final FY19 dividend of \$58.6 million to shareholders;
 - Decrease debt by \$65.9 million to \$101.6 million; and
 - Increase cash on hand by \$9.5 million to \$199.8 million
- Balance sheet at end of 1H20 also shows:
 - Investment in associate (Breville Group Limited) of \$245.6 million. The market value of this investment on 25 January 2020 was \$707.4 million
 - Investment in Myer Holdings Limited of \$40.7 million
 - Investment in strategically-owned properties at St Kilda Road Melbourne (Premier Retail's global head office) and Premier Retail's Australian Distribution Centre of \$71.5 million, reflected at historical cost not their current market value
- Franking credit pool of \$210.4 million

Increased record ordinary interim dividend of 34 cps fully franked

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2 Premier Investments Limited summarised consolidated income statement

\$'M	1H20	1H19
<u>Results Pre AASB 16¹</u>		
Premier Retail EBIT	126.1	113.9
Premier Investments income from Associate (BRG)	13.9	12.2
Premier Investments other revenue (Interest, Dividend, Rent & Other)	3.4	3.8
Premier Investments expenses (ex Premier Retail)	(3.4)	(4.1)
Finance Costs	(3.1)	(4.0)
Net profit before tax Pre AASB 16¹	136.9	121.8
Income tax expense Pre AASB 16 ¹	(37.3)	(33.0)
Net profit after tax Pre AASB 16¹	99.6	88.8

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2 Premier Investments Limited summarised consolidated balance sheet

Balance Sheet	<i>Pre AASB16¹</i>	<i>Pre AASB16¹</i>
\$'M	25 Jan 2020	27 Jul 2019
Assets		
Cash and cash equivalents	199.8	190.3
Inventories ²	197.9	171.2
Property, plant and equipment	198.5	210.9
Other Assets	33.9	43.7
Deferred tax assets	43.9	40.4
Listed equity investment at fair value	40.7	46.9
Investment in associate	245.6	238.7
Intangible assets	826.8	826.6
Total assets	1,787.1	1,768.7
Liabilities		
Interest bearing loans and borrowings	101.6	167.5
Trade payables, provisions and other liabilities	237.6	188.1
Deferred tax liabilities	62.0	63.9
Total liabilities	401.2	419.5
Equity		
Contributed equity	608.6	608.6
Reserves	(15.2)	(10.9)
Retained earnings	792.5	751.5
Total equity	1,385.9	1,349.2

Notes:

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2. As a result of the earlier timing of Chinese New Year (25-Jan-2020) and the strategy to bring forward delivery of key 2H20 purchases for shipment before Chinese suppliers closed for this holiday period, 1H20 inventory reported at 25-Jan-2020 is 19% higher than the same time last year.



PREMIER RETAIL

3 Premier Retail - Delivers record result

- Record sales of \$732.1 million up 7.6% on 1H19
- Like-for-like (LFL) sales up 4.3% on 1H19 on a constant currency basis
- Record EBIT (Pre AASB 16) of \$126.1 million, up 10.7% on 1H19¹
- Record EBIT % to sales (Pre AASB 16) of 17.2%, up 48 bps on 1H19¹
- Record profit before tax (Pre AASB 16) of \$124.5 million, up 11.8% on 1H19¹
- Apparel Brands continuing to deliver strong sales growth momentum
 - 1H20 LFL sales growth of 7.5% was stronger than overall growth, with 21 unprofitable apparel stores closed during the last 12 months
 - 2 year LFL Sales Growth of 16.9% from 1H18 to 1H20
- In Australia and New Zealand, LFL sales up 6.7% on a constant currency basis, with all 7 brands delivering LFL growth
- Record Online sales of \$97.2 million, up 28.4% on a previous record 1H19
- Record Peter Alexander sales of \$144.8 million, up 11.1% on a previous record 1H19 underpinned by strong LFL growth
- Smiggle's Accelerated Growth Strategy, announced in September 2018, continued to be successfully delivered with performance in 1H20 far exceeding expectations
 - Record Smiggle global retail sales to consumers up 14.2% on previous record 1H19
 - Record reported Smiggle sales of \$193.7 million, up 8.3% on previous record 1H19

Note:

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3 Premier Retail performance

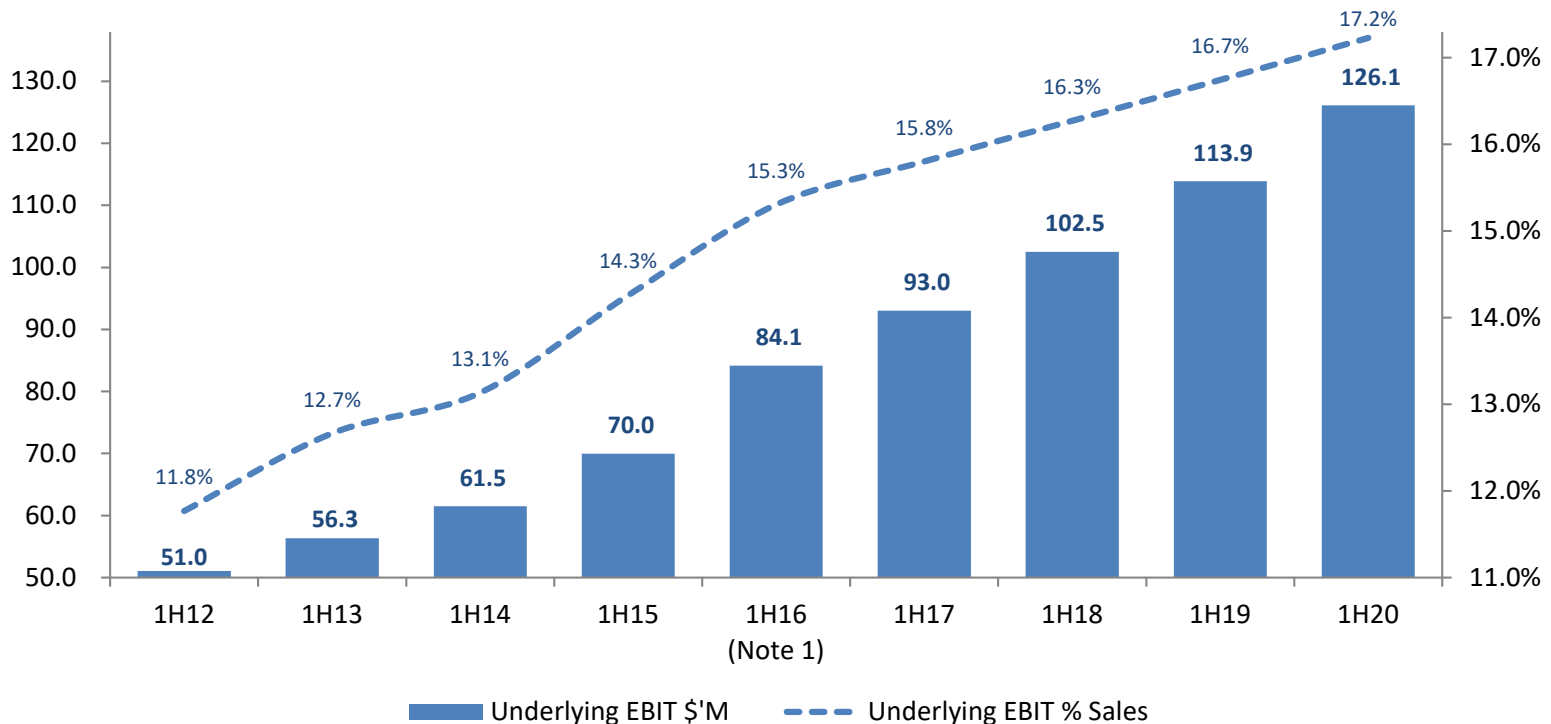
	<u>Pre AASB16²</u>	<u>Pre AASB16²</u>	
\$'000	26 weeks to 25 Jan 2020	26 weeks to 26 Jan 2019	Var LY
Sales	732,074	680,201	+7.6%
<i>LFL sales (constant currency)</i>	4.3%	4.6%	
Gross Profit	457,834	428,662	+6.8%
<i>Gross margin (%)</i>	62.5%	63.0%	-48bps
Employee Expenses ¹	(163,231)	(157,102)	+3.9%
<i>% sales</i>	22.3%	23.1%	-80bps
Rent ¹	(116,400)	(116,640)	-0.2%
<i>% sales</i>	15.9%	17.1%	-125bps
Advertising & Direct Marketing ¹	(8,928)	(9,206)	-3.0%
<i>% sales</i>	1.2%	1.4%	-13bps
Depreciation, Amortisation & Impairment ¹	(21,074)	(14,887)	+41.6%
<i>% sales</i>	2.9%	2.2%	69bps
Other Cost of Doing Business ¹	(22,634)	(17,255)	+31.2%
<i>% sales</i>	3.1%	2.5%	55bps
Other income	559	323	
EBIT	126,126	113,895	+10.7%
	17.2%	16.7%	48bps
Borrowing Costs	(1,625)	(2,556)	-36.4%
PBT	124,501	111,339	+11.8%
	17.0%	16.4%	64bps

Note:

- 1H20 total cost of doing business (Pre AASB 16) equates to 45.4% of sales (1H19 46.3%)
- The Statutory results for 1H20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for prior period comparison, 1H20 results disclosed in this presentation are pre adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer Appendix for reconciliations of Statutory and Pre AASB 16 results

4 Premier Retail – Delivers 8 consecutive years of growth

- 8 consecutive years of first half EBIT growth in the critical summer season
- 1H20 EBIT margin to Sales (Pre AASB 16) up 48 bps on 1H19
- Key Gross Margin and CODB strategies delivering



Notes:

1. 1H16 excludes non-comparable 27th week which contributed \$6.6m in EBIT
2. The Statutory results for 1H20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for prior period comparison, 1H20 results disclosed in this presentation are pre adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer Appendix for reconciliations of Statutory and Pre AASB 16 results



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4 Premier Retail - Delivers record result

Gross Margin Strategies continue to deliver

- During the reporting period, Premier Retail traded through Brexit uncertainty in Britain, protests in Hong Kong, devastating bushfires in Australia and a continuing fall in the Australian dollar. These pressures claimed many other retail businesses across Australia and the globe. Despite these factors, Premier Retail has delivered record sales and profits with exceptional cashflows allowing continued targeted investment and remains uniquely positioned to pursue growth and deliver returns for loyal shareholders
- Long term foreign currency hedging strategies allowed for merchandise planning
- Direct sourcing initiatives continued 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 delivery of better product and disciplined execution of markdown management was integral to delivering a clean inventory position at the end of 1H20

CODB Focus continues to deliver

- CODB (Pre AASB 16) **decreased by 94 bps** as a percentage of sales to 45.4% in 1H20¹
- Costs continue to be well controlled despite structural inflationary pressure
- Investment will continue in strategic growth initiatives including Smiggle's Accelerated Growth Strategy, Online and Peter Alexander

Note:

1. Refer page 9 for CODB details



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4 Premier Retail - Delivers CODB reduction of 94 bps

CODB – Store Profitability Focus

- 33 stores closed during the last 12 months, a total of 134 stores closed over the last 7 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, as well as offering failed retailers lower rents. 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, in the last 12 months Premier Retail has closed:
 - 3 prime CBD stores in Auckland (New Zealand)
 - 3 stores in the once iconic shopping precinct of Chapel Street (Victoria)
 - Just Jeans flagship store in Rundle Mall (South Australia)
 - 2 Portmans flagship stores in Bondi (New South Wales) and Queens Plaza (Queensland) shopping centresdemonstrating the willingness of Premier Retail to walk away from stores with unrealistic rents that deliver unprofitable sales

5 Premier Retail – Investment continues in store network

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

158 stores received capital investment, including 12 new stores and 6 new Smiggle International Concessions opened in 1H20

In 1H20, 96% of capital investment in Australia and New Zealand stores has been funded via landlord contributions



Peter Alexander Helensvale (QLD) New Store - 8th November 2019



- 4 new concession stores opened in Malaysia
- 1 new concession store opened in Singapore
- 1 new concession store opened in Hong Kong
- 1 concession store relocated and refurbished in United Kingdom
- 1 new store opened in Hong Kong
- 126 stores received fixture upgrades



- 3 new stores opened across Australia
- 1 store relocated and refurbished in Australia
- 2 stores refurbished in existing locations in Australia



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



- 1 store relocated and refurbished in Australia
- 4 stores refurbished in existing locations across Australia & New Zealand



- 1 new store opened in Australia



- 3 stores refurbished in existing locations in Australia



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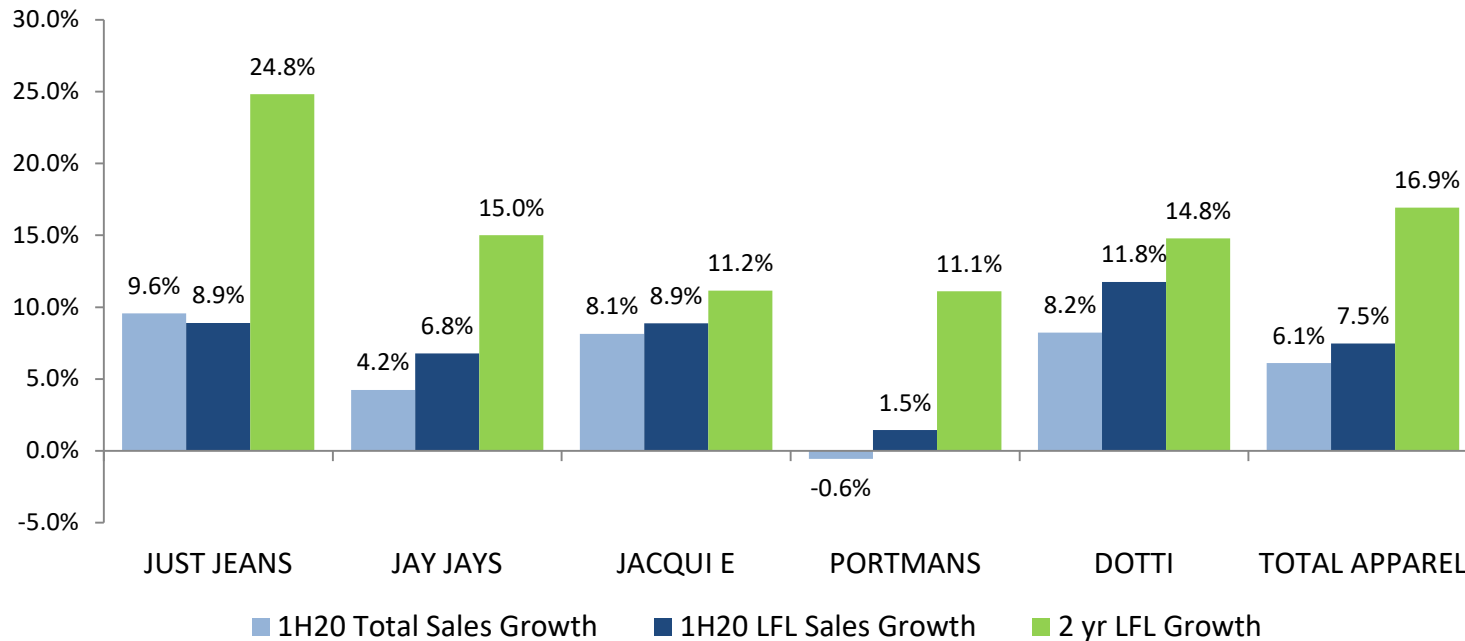


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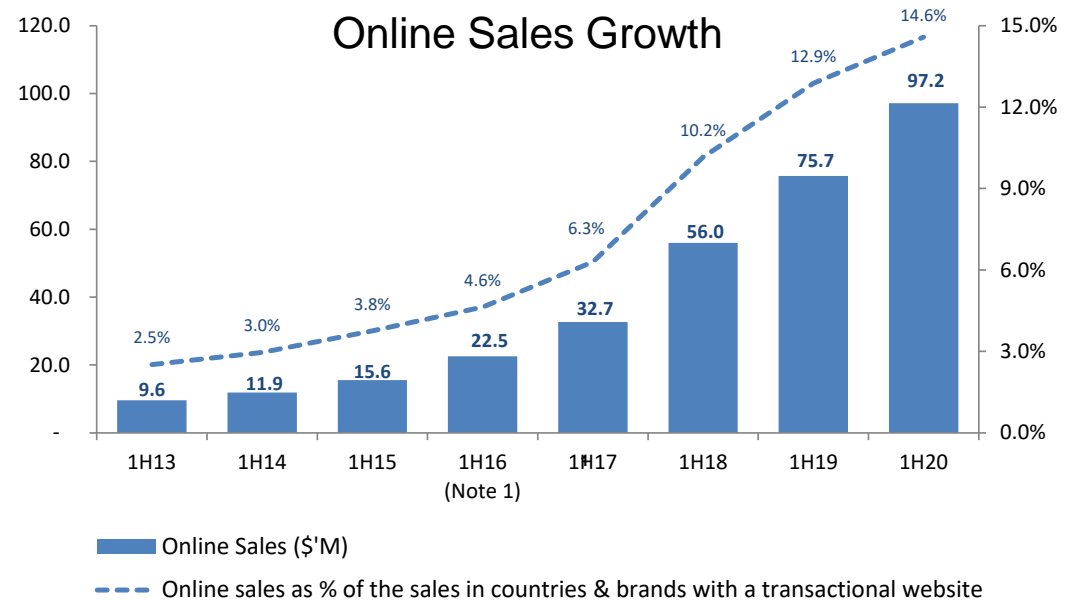
6 Apparel Brands - Deliver strong 1H20 sales growth

- Apparel Brands 1H20 LFL sales growth of 7.5% was stronger than overall sales growth, with 21 stores closed during the last 12 months as part of the ongoing program to close unprofitable stores
- Apparel Brands have delivered 2 year LFL Sales Growth of 16.9% from 1H18 to 1H20
- Apparel Brands 1H20 sales up 6.1% on 1H19 to \$393.5 million
- Ongoing investment in product and merchandise teams delivering growth
- Focus on better product and disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H20



7 Online - Delivers record sales

- Record Online sales of \$97.2 million, up 28.4% on a previous record 1H19
- Online sales growing to 14.6% of the respective markets' sales in 1H20
- New Zealand Websites successfully launched in 2H19 for Smiggle, Just Jeans, Portmans and Jacquie E, in addition to the rapidly growing Peter Alexander and Dotti Online businesses already in New Zealand, far exceeded expectations in 1H20
- 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



Note:

1. 1H16 excludes non-comparable 27th week of sales



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Smiggle delivers record 1H20 global retail sales up 14.2%

- Record global retail sales including wholesale partners sales to consumers up 14.2% on 1H19
- Record reported revenue in 1H20 of \$193.7 million up 8.3% on 1H19
- The four pathways to growth strategy previously announced is far exceeding expectations
- Wholesale growth is far exceeding expectations
- The four pathways to growth deliver significant global brand presence and a much higher EBIT margin with materially less capital, generating far higher cash flows than the originally planned multi country own store rollout



8 Wholesale - roll out far exceeding expectations

Wholesale Update - existing partners

- At the end of 1H20 Smiggle is represented in over 250 doors in 9 countries with a combined population of over 700 million – well ahead of our previously announced target to grow to 350+ doors within 12-24 months
- In addition to being represented in South Korea, Thailand, Indonesia, Philippines, United Arab Emirates, Canada and Qatar, during 1H20 Smiggle launched in two new countries, Pakistan and Oman
- Retail sales to consumers from our wholesale partners across all 9 countries during 1H20 have far exceeded all expectations



8 Wholesale partners all delivering on the brand's high standards



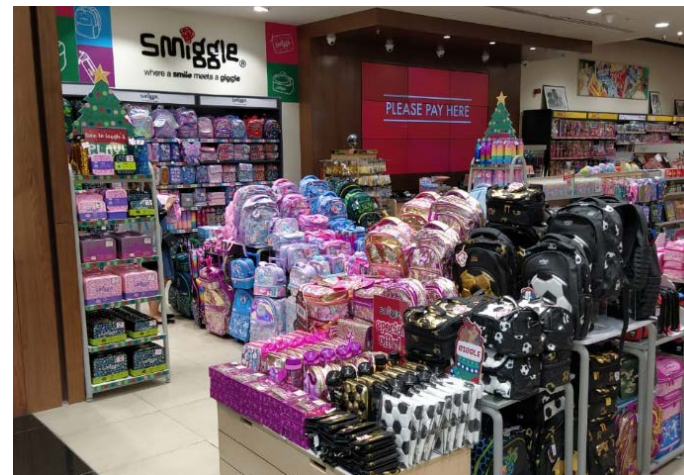
Qatar



Kuwait



Oman



United Arab Emirates

8 Wholesale partners all delivering on the brand's high standards



Indonesia



Philippines



Thailand

8 Wholesale partners all delivering on the brand's high standards



Canada



Pakistan



South Korea

8 Smiggle - Disney: first ever global collaboration a huge success

Smiggle collaboration with Disney

- Highly successful first ever global collaboration with Disney studios
- Frozen 2 and Star Wars ranges launched to coincide with movie releases worldwide
- Results and response from Smiggle fans have far exceeded expectations
- Huge potential and runway for growth for further collaborations with world renowned iconic movie studios that are aligned to Smiggle's core consumers, values and philosophy



Smiggle Oxford Street London, UK – Disney Frozen 2 Launch



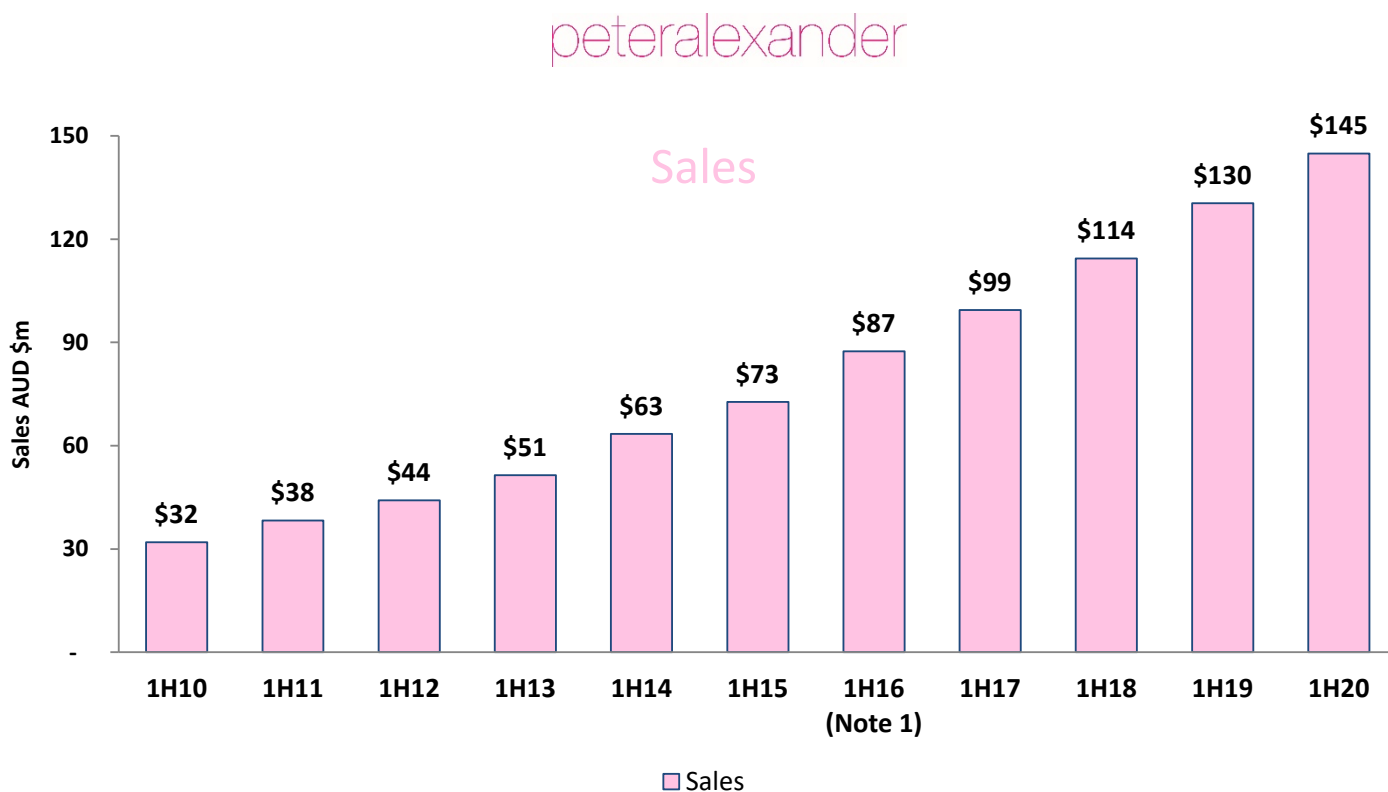
8 Smiggle summary – record results

Smiggle summary

- Record global retail sales including wholesale partners sales to consumers up 14.2% on 1H19
- Record revenue in 1H20 of \$193.7 million up 8.3% on 1H19
- The four pathways to growth strategy previously announced is far exceeding expectations and delivers significant global brand exposure and a much higher EBIT margin with materially less capital, generating far higher cash flows than the originally planned multi country own store rollout
- Smiggle is clear on which wholesale markets it will enter next and will announce these further countries and number of doors as and when commercial terms are finalised
- Smiggle maintains a unique market position to drive long term global growth with a long runway for further collaborations with world renowned iconic movie studios that are aligned to Smiggle's core consumers, values and philosophy



9 Peter Alexander – Delivers record result



Notes:

1. 1H16 excludes non-comparable 27th week of sales



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9 Peter Alexander – Strong growth continued

- Record Sales up 11.1% to \$144.8 million underpinned by strong LFL sales growth in both Australia and New Zealand
- 7 new stores opened in 1H20: Chatswood West (NSW), Hornsby (NSW), Eastgardens (NSW), Fashion Spree (NSW), Helensvale (QLD), Perth DFO (WA) and Loganholme (QLD)
- 96% of capital investment in Australian stores has been funded via landlord contributions
- All new stores trading above expectations in 1H20
- The online channel continued to deliver impressive growth well ahead of the market, with EBIT margin far higher than the brand average
- Children's sleepwear continued to deliver strong double digit growth with a strong response to the expansion of online only options - 30% of all children's options are available online only
- P.A. Plus continued to deliver outstanding results with online only options representing 48% of the range and making a significant contribution to overall sales



Smiggle record result

- Record global retail sales including wholesale partners sales to consumers up 14.2% on 1H19
- Record revenue in 1H20 of \$193.7 million up 8.3% on 1H19
- The four pathways to growth strategy previously announced is far exceeding expectations and delivers significant global brand exposure and a much higher EBIT margin with materially less capital, generating far higher cash flows than the originally planned multi country own store rollout
- Wholesale far exceeding expectations with Smiggle brand at end 1H20 represented in over 250 doors in 9 countries with a combined population of over 700 million – well ahead of our previously announced target to grow to 350+ doors within 12-24 months
- Smiggle maintains a unique market position to drive long term brand growth
- Huge runway for further collaborations with world renowned iconic movie studios that are aligned to Smiggle's core consumers, values and philosophy

Peter Alexander – Delivers record result

- Record Sales up 11.1% to \$144.8 million underpinned by strong LFL sales growth in both Australia and New Zealand
- Strong and focused management team led by Judy Coomber (Managing Director: Peter Alexander and Dotti) and Peter Alexander (Creative Director: Peter Alexander)

Online – Delivers record result

- Record Online sales of \$97.2 million, up 28.4% on a previous record 1H19
- Online sales growing to 14.6% of the respective markets' sales in 1H20
- 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 successfully 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, far exceeded expectations in 1H20
- Strong and focused management team led by Georgia Chewing (Group General Manager: Internet and Marketing) continuing to grow and innovate the business

- Our absolute priority is the safety and wellbeing of our teams and we will continue to support all customers and communities in the countries we operate in.
- Premier Retail closed 1H20 with 19% more inventory than 1H19. This solid opening and current inventory position is a function of increased inventory investment to support strong sales growth following a record 1H20 as well as the strategic decision to bring forward production and deliveries in advance of Chinese New Year.
- Over the past 9 years the Group has significantly diversified sourcing within China and to multiple countries outside of China. In addition, over that same timeframe, our strategic investment in high quality merchants has meant at this stage, as our Chinese factories have reopened over the past 4 weeks, we have been able to secure the majority of the balance of our 2H20 inventory with only minor increases in supply chain costs.
- It is impossible to predict or forecast the nature and impact of COVID-19 on consumption and supply chains in each of the countries we operate. In this environment our high quality management team are focussed, flexible and nimble to respond to all unfolding scenarios.
- Landlords have a major role to play to ensure retailers can operate in the short term for the long term benefit of all stakeholders. Since the outbreak of COVID-19 we have closed 2 stores in Hong Kong, and we are prepared to close many more stores globally if landlords do not respond to the current crisis. In Australia and New Zealand close to 70% of stores are already in holdover or with leases expiring in 2020 providing the Group with maximum flexibility.
- At this stage from what we know today trade has been impacted in the following ways:
 - Smiggle Hong Kong, Singapore and Malaysia trade has been and is currently severely disrupted
 - Smiggle Ireland and United Kingdom trade has deteriorated significantly since the European outbreak and the announcement of a global pandemic
 - Trade in all brands in Australia and New Zealand has been impacted in tourist stores, stores historically supported by international students and more recently by the announcement of a global pandemic
 - There could be an impact on Gross Margin as we clear inventory in each market to respond to consumption patterns.
- We have detailed cost and supply chain mitigation strategies underway which will be deployed depending on the way in which the challenges we face evolve. There could be significant hardship right across our business. We have been transparent in describing the ever evolving impacts on our group. At this stage it is not currently possible to estimate the extent of these impacts on the group's current and future earnings.
- Despite the uncertainty surrounding COVID-19, Premier Investments Limited has:
 - A strong balance sheet, with cash on hand of \$199.8 million
 - Distinctive brands that have delivered a record 1H20 result
 - A very experienced Board and a high quality Management team

The Group will be ready to bounce back as soon as possible.



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BALANCE SHEET & DIVIDENDS

11 Balance Sheet strength

Exceptional cash flow and strong balance sheet

- Net cash generated (operating cash flow less investing activities) for the half of \$133.0 million, up \$38.8 million or 41% on 1H19
- The strong cash flow allowed the group to:
 - Pay a record final FY19 dividend of \$58.6 million to shareholders;
 - Decrease debt by \$65.9 million to \$101.6 million; and
 - Increase cash on hand by \$9.5 million to \$199.8 million
- Balance sheet at end of 1H20 also shows:
 - Investment in associate (Breville Group Limited) of \$245.6 million. The market value of this investment on 25 January 2020 was \$707.4 million
 - Investment in Myer Holdings Limited of \$40.7 million
 - Investment in strategically-owned properties at St Kilda Road Melbourne (Premier Retail's global head office) and Premier Retail's Australian Distribution Centre of \$71.5 million, reflected at historical cost not their current market value
- Franking credit pool of \$210.4 million

Note:

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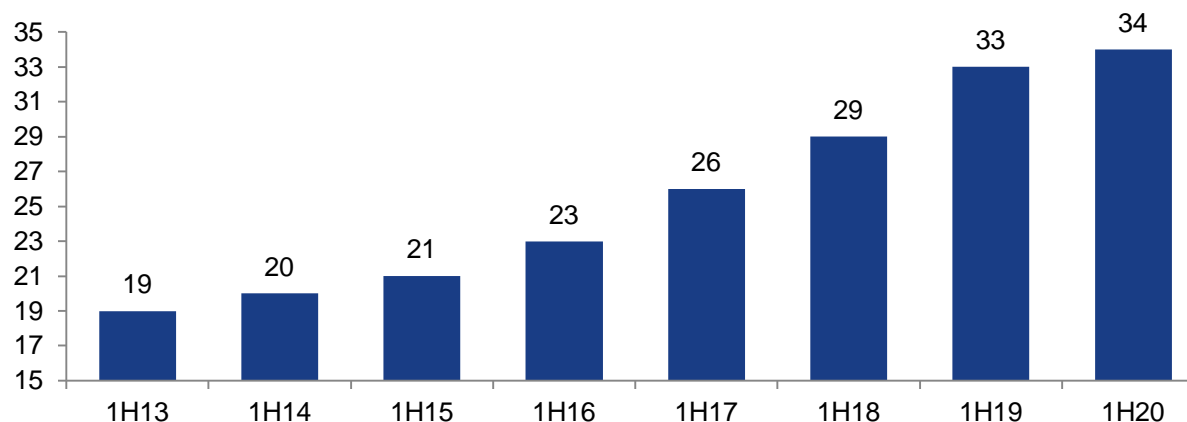


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- Due to the 1H20 record Premier results, the continued strengthening of Premier's balance sheet and the Board's confidence in the long term strategies of both the Premier Retail business and the Breville business, the Premier Board has approved an increased record interim ordinary dividend of 34 cents per share fully franked (1H19: 33 cps)
- The interim ordinary dividend will be payable on 30 September 2020

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





PREMIER RETAIL

Appendix A: BRAND BY BRAND PERFORMANCE

Highlights

- Record global retail sales including wholesale partners sales to consumers up 14.2% on 1H19
- Record revenue in 1H20 of \$193.7 million up 8.3% on 1H19
- The four pathways to growth strategy previously announced is far exceeding expectations
- Smiggle brand at end 1H20 represented in over 250 wholesale doors in 9 countries with a combined population of over seven hundred million – well ahead of our previously announced target to grow to 350+ doors within 12-24 months

Overview of Results

Sales	\$193.7m			
Var LY	+8.3%			
Store movements¹	Jul 19	Open	Close²	Jan 20
Australia/NZ	155	-	1	154
Asia	49	1	-	50
Asia Concession	3	6	-	9
Europe	141	-	2	139
Europe Concession	4	-	-	4
Global Stores	352	7	3	356
<i>Wholesale Doors</i>				250



Note: 1. Store movements table reflects standalone and concession stores within Global Stores; Wholesale Doors as at Jan 20 are listed separately

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

Highlights

- Record Sales up 11.1% to \$144.8 million underpinned by strong LFL sales growth in both Australia and New Zealand
- All Peter Alexander departments delivered solid LFL growth in 1H20, with an outstanding Christmas and January sale period
- Strong and focused management team led by Judy Coomber (Managing Director: Peter Alexander and Dotti) and Peter Alexander (Creative Director: Peter Alexander)

Overview of Results

Sales	\$144.8m			
Var LY	+11.1%			
Store movements	Jul 19	Open	Close ¹	Jan 20
Australia	102	7	1	108
New Zealand	15	-	-	15
Myer Concession	20	-	-	20
	137	7	1	143



Notes:

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

Highlights

- 1H20 Sales up 9.6% to \$134.4m - a particularly pleasing result for the group's original brand now celebrating its 50th anniversary
- 1H20 LFL sales up 8.9%.
- 2 year LFL Sales up 24.8% from 1H18 to 1H20
- 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
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H20

Overview of Results

Sales	\$134.4m			
Var LY	+9.6%			
Store movements	Jul 19	Open	Close¹	Jan 20
Australia	195	3	-	198
New Zealand	45	-	-	45
	240	3	-	243



Notes:

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

Highlights

- 1H20 Sales up 4.2% to \$96.1 million delivering a strong result for the brand
- 1H20 LFL sales up 6.8% - stronger than overall sales growth
- 2 year LFL Sales up 15.0% from 1H18 to 1H20
- 10 stores were closed in the last 18 months as part of the ongoing program to close unprofitable stores. The closure of these stores is EBIT positive for the brand despite the headline loss of sales in these stores
- Jay Jays has a strong, distinctive and competitive 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 2H20

Overview of Results

Sales	\$96.1m			
Var LY	+4.2%			
Store movements	Jul 19	Open	Close¹	Jan 20
Australia	177	-	1	176
New Zealand	31	-	2	29
	208	-	3	205



Notes:

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

Highlights

- 1H20 Sales up 8.2% to \$57.5 million
- 1H20 LFL sales up 11.8% were stronger than overall sales, with continued improvement in profit margins being delivered through changes to sourcing strategy.
- 2 year LFL Sales up 14.8% from 1H18 to 1H20
- 11 stores were closed in the last 18 months as part of the ongoing program to close unprofitable stores. The closure of these stores is EBIT positive for the brand despite the headline loss of sales in these stores
- Online Sales continued to grow ahead of the market with this channel delivering significantly higher EBIT margin than the Brand average
- Improved product assortment and availability in core programmes together with a focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position to commence 2H20

Overview of Results

Sales	\$57.5m			
Var LY	+8.2%			
Store movements	Jul 19	Open	Close¹	Jan 20
Australia	93	1	2	92
New Zealand	19	-	-	19
	112	1	2	111



Notes:

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

Highlights

- 1H20 Sales up 8.1% to \$40.0 million
- 1H20 LFL sales up 8.9% - stronger than overall sales growth
- 2 year LFL Sales up 11.2% from 1H18 to 1H20
- 3 stores were closed in the last 18 months as part of the ongoing program to close unprofitable stores. The closure of these stores is EBIT positive for the brand despite the headline loss of sales in these 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 2H20

Overview of Results

Sales	\$40.0m			
Var LY	+8.1%			
Store movements	Jul 19	Open	Close ¹	Jan 20
Australia	77	-	1	76
New Zealand	20	-	-	20
	97	-	1	96



Notes:

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

Highlights

- 1H20 LFL sales up 1.5% - stronger than overall sales growth
- 2 year LFL Sales up 11.1% from 1H18 to 1H20
- 4 stores were closed in the last 18 months as part of the ongoing program to close unprofitable stores. The closure of these stores is EBIT positive for the brand despite the headline loss of sales in these stores
- 1H20 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 2H20

Overview of Results

Sales	\$65.5m			
Var LY	-0.6%			
Store movements	Jul 19	Open	Close¹	Jan 20
Australia	86	-	-	86
New Zealand	11	-	-	11
	97	-	-	97



Notes:

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

Appendix B: Impact of AASB 16 and other information



peteralexander



dotti

smiggle

JACQUIE



portmans

THE **JUST** GROUP

B

Appendix: Implementation of lease accounting standard AASB 16

- The new lease accounting standard AASB 16 was adopted at the start of the 1H20 reporting period effective from 28 July 2019
- The implementation of AASB 16 has significantly changed reported results, however the standard does not have an economic impact on the company, net cash flows, debt covenants or shareholder value
- The Group has adopted AASB 16 using a modified retrospective approach. Under the transition provisions of the new standard, comparative information has not been restated
- The impact of AASB 16 on the 1H20 reported statutory results compared to “Pre AASB 16” results (i.e. excluding the impact of the new standard) is summarised on the following pages

B

Appendix: Premier Investments Limited Profit and Loss impact of AASB 16

Profit & Loss	Statutory			Statutory	
	<u>Pre AASB16</u>	<u>Pre AASB16</u>		<u>Post AASB16</u>	
\$'M	26 weeks to 25 Jan 2020	26 weeks to 26 Jan 2019	Var LY	26 weeks to 25 Jan 2020	AASB16 Impact
Sales	732.1	680.2	+7.6%	732.1	
Gross Profit	457.8	428.7	+6.8%	457.8	
Employee Expenses	(163.7)	(157.7)	+3.8%	(163.7)	
Operating Lease rental expense	(114.0)	(114.6)	-0.5%	(23.1)	90.9
Advertising & Direct Marketing	(8.9)	(9.2)	-3.0%	(8.9)	
Depreciation, Amortisation & Impairment	(21.7)	(15.6)	+39.4%	(106.6)	(84.9)
Other Cost of Doing Business	(25.3)	(20.3)	+24.4%	(25.3)	
Other revenue and income	1.8	2.3	-21.8%	1.8	
Share of profit of associate	13.9	12.2	+13.9%	13.9	
EBIT	139.9	125.8	+11.2%	145.9	6.0
Borrowing Costs	(3.0)	(4.0)	-23.8%	(9.1)	(6.1)
PBT	136.9	121.8	+12.4%	136.8	(0.1)
Income tax expense	(37.3)	(33.0)	+13.0%	(37.2)	0.1
NPAT	99.6	88.8	+12.2%	99.6	

B

Appendix: Premier Investments Limited Balance Sheet impact of AASB 16

Balance Sheet \$'M	Statutory		Statutory	
	<i>Pre AASB16</i> 25 Jan 2020	<i>Pre AASB16</i> 27 Jul 2019	<i>Post AASB16</i> 25 Jan 2020	<i>AASB16</i> <i>Impact</i>
Assets				
Cash and cash equivalents	199.8	190.3	199.8	
Inventories ²	197.9	171.2	197.9	
Property, plant and equipment	198.5	210.9	198.5	
Right of Use Assets	-	-	335.4	335.4
Other Assets	33.9	43.7	33.9	
Deferred tax assets	43.9	40.4	44.0	0.1
Listed equity investment at fair value	40.7	46.9	40.7	
Investment in associate	245.6	238.7	245.6	
Intangible assets	826.8	826.6	826.8	
Total assets	1,787.1	1,768.7	2,122.6	335.5
Liabilities				
Interest bearing loans and borrowings	101.6	167.5	101.6	
Lease Liability	-	-	381.9	381.9
Trade payables, provisions and other liabilities	237.6	188.1	191.5	(46.1)
Deferred tax liabilities	62.0	63.9	62.0	-
Total liabilities	401.2	419.5	737.0	335.8
Equity				
Contributed equity	608.6	608.6	608.6	
Reserves	(15.2)	(10.9)	(15.5)	(0.3)
Retained earnings	792.5	751.5	792.5	
Total equity	1,385.9	1,349.2	1,385.6	(0.3)

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 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. 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.
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