25 September 2020

PREMIER INVESTMENTS NPAT OF $137.8 million, UP 29.0%

PREMIER RETAIL UNDERLYING EBIT OF $187.2 MILLION, UP 11.9%[1] [2]

FULL YEAR DIVIDEND OF 70 CPS

Highlights for FY20

- Premier Investments Group NPAT $137.8 million, up 29.0% on FY19
- Premier Retail Underlying EBIT up 11.9% to $187.2 million [1] [2]
- Premier Retail LFL sales up 7.6% (constant currency) with total sales of $1.22 billion down 4.3% on FY19
- Record Peter Alexander sales up 16.3% to $288.2 million
- Record Online sales of $220.4 million, up 48.8% on FY19 (2H20 up 70% on 2H19) and contributed 25.5% of 2H20 total Premier Retail sales
- Premier's stake in Breville at a market value of $1.0 billion as at 11 September 2020 (Balance sheet value $257.4 million)
- COVID-19 is accelerating the retail industry restructure. Premier Retail is best placed to maximise this customer led change through its highly profitable online channel and flexibility within its property portfolio. The acceleration of online has continued into FY21 with Premier Retail online sales up 92% for the first six weeks

Commentary

Premier Investments Chairman, Mr Solomon Lew, said:

"Throughout the devastating COVID-19 global health crisis, our absolute priority has and continues to be the safety and wellbeing of our teams and our customers. The Board and I are extremely proud of the dedication and professionalism displayed by all of our employees during these unprecedented times of hardship and uncertainty."

Premier Investments Limited ("Premier") today reported net profit after tax (NPAT) of $137.8 million for the 52 weeks ended 25 July 2020 up 29.0% on FY19 (FY19: $106.8 million).

Premier Retail delivered record underlying earnings before interest and tax (EBIT) of $187.2 million, up 11.9% (FY19: $167.3 million)[1] [2]. Premier Retail like for like ("LFL") sales were up 7.6% (constant currency) for the year with total sales down 4.3% to $1.22 billion (FY19: $1.27 billion). Premier Retail's underlying EBIT margin for the year was 15.4%.

Executive Director and Premier Retail CEO Mr Mark McInnes, said:

"Our record result during this global health crisis is no accident but rather a function of our targeted strategic investments over the last decade, our high quality culture and the commitment of our global teams together with the strong support of our suppliers.

"Premier Retail's FY20 underlying EBIT was delivered through two very different halves. In 1H20, ended 26 January 2020, Premier delivered record sales and EBIT, significantly outperforming the

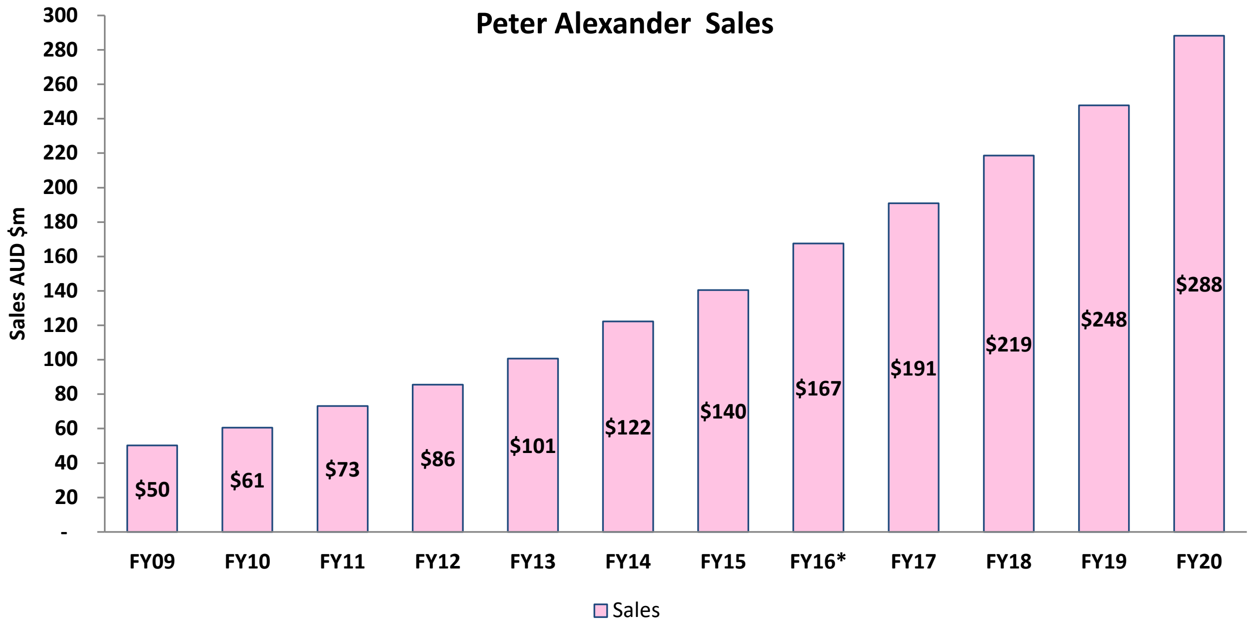
[1]The Statutory results for FY20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for prior period comparison, FY20 results disclosed in this presentation unless otherwise stated are pre adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer Premier Investments Limited FY20 results presentation for reconciliations of Statutory and Pre AASB 16 results.

[2] Refer to Appendix for details regarding significant and other one-off items excluded from underlying results

broader retail market. In 2H20 the Group was severely impacted by COVID-19 and our result has been delivered by a nimble, flexible and dedicated team who have been prepared to make the very hard decisions for the long term health of the Group."

Peter Alexander – Powerful Brand Delivers a Record Result

Peter Alexander is a powerful brand in Australia and New Zealand delivering a record FY20 result.



Peter Alexander delivered record sales, up 16.3% to $288.2 million - underpinned by strong LFL sales growth in both Australia and New Zealand.

The strength of the brand was clearly demonstrated in Australia during the key Mothers' Day week (week ended 2 May 2020). Peter Alexander online sales alone with all 122 stores closed due to the COVID-19 health crisis were up 18% on the prior year's total sales when all stores and online were open.

Pleasingly Peter Alexander has continued its very strong trading performance with total sales for the first six weeks of FY21 up 40% on the comparable period last year despite Melbourne metropolitan stores being closed for the entire time.

Peter Alexander is extremely well placed as the leading gift destination for the upcoming Christmas trading period.

Apparel Brands – Well Positioned for Future Growth

In 1H20, the Apparel Brands delivered LFL sales growth of 7.5% with overall sales growth of 6.1% over 1H19. The two year 1H20 LFL sales growth for the Apparel Brands was 16.9% over 1H18.

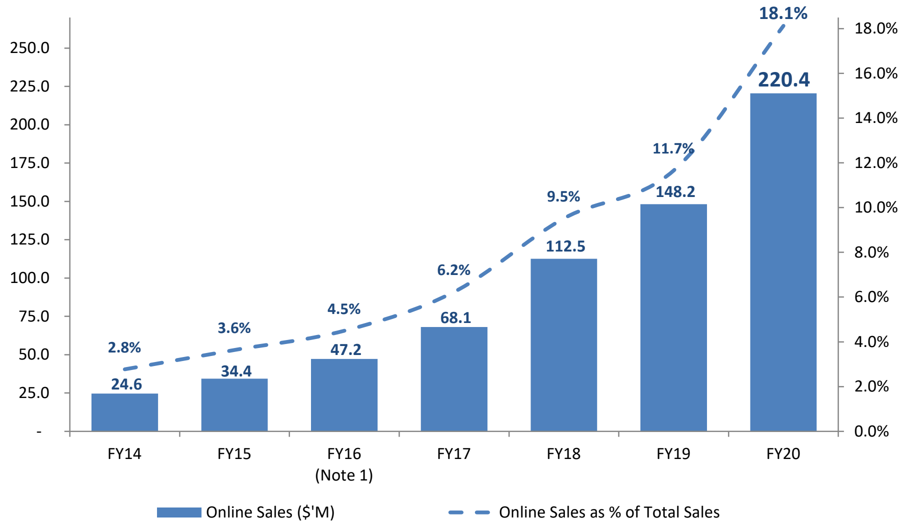
In the final ten weeks of 2H20, as stores re-opened and some regions of Australia and New Zealand gradually returned to "business as usual", the Apparel Brands delivered LFL sales growth of 14.1% on the comparable period in 2H19.

All five apparel brands are well positioned to deliver future growth.

Online – Delivers Record Sales and EBIT

Premier Retail delivered record online sales of $220.4 million in FY20, up 48.8% (FY19: $148.2 million). The online business contributed 18.1% of the total Premier Retail sales for the year and 25.5% of total sales for the second half. Second half online sales were up 70% on 2H19.

Full Year Online Sales Growth



Online continues to deliver significantly higher EBIT margin than the retail store channel.

The online business is extremely well placed for the upcoming Black Friday, Cyber Monday and Christmas trading period. Significant online sales growth has continued into FY21 with online sales for the first six weeks up 92% on the comparable period last year.

Retail Industry Restructure Accelerating due to COVID-19

Globally, the temporary closure of retail stores and the ongoing government implementation of social distancing in each of the countries and markets we operate, has significantly changed customer shopping behaviour. Consumers are increasingly choosing to shop online in this highly uncertain environment.

Over the past nine years, Premier has made significant investment in its fully integrated online channel and is well placed to maximise this significant swing in customer shopping preference.

Premier Retail today has:

- Seven brands each with a strong, distinctive, and competitive market position
- A world class customer facing website platform trading in three countries
- A fully integrated and owned Australian distribution centre
- Significant investment in digital capability
- Significant investment in online technology and IT infrastructure
- Significant investment in dedicated teams focused on online growth
- Delivered 2H20 Online sales growth of 70% contributing 25.5% of total Premier Retail 2H20 sales

As noted, Premier Retail's online business has a significantly higher EBIT margin than the retail store channel.

The accelerated swing in customer preference to shopping online has further increased Premier Retail's focus on each store's profitability. Premier Retail has closed 137 stores over the past seven years, demonstrating its willingness to walk away from stores with unrealistic rents that deliver unprofitable sales.

Premier Retail has maximum flexibility in reviewing each store's profitability, with over 70% of its stores in Australia and New Zealand either in holdover or with leases expiring in 2020.

While it is not Premier Retail's objective to close any stores, should landlords not accept the major shift in consumer shopping behaviour and adjust their rents according to consumer shopping preferences, store closures will be inevitable. Premier Retail's underlying FY20 EBIT result includes a $8.7 million channel optimisation expense to potentially close up to 350 stores in Australia and New Zealand. [3] In addition, the Group has taken the necessary store asset impairments to close stores if suitable rental agreements cannot be reached.[2]

Mr Mark McInnes, said:

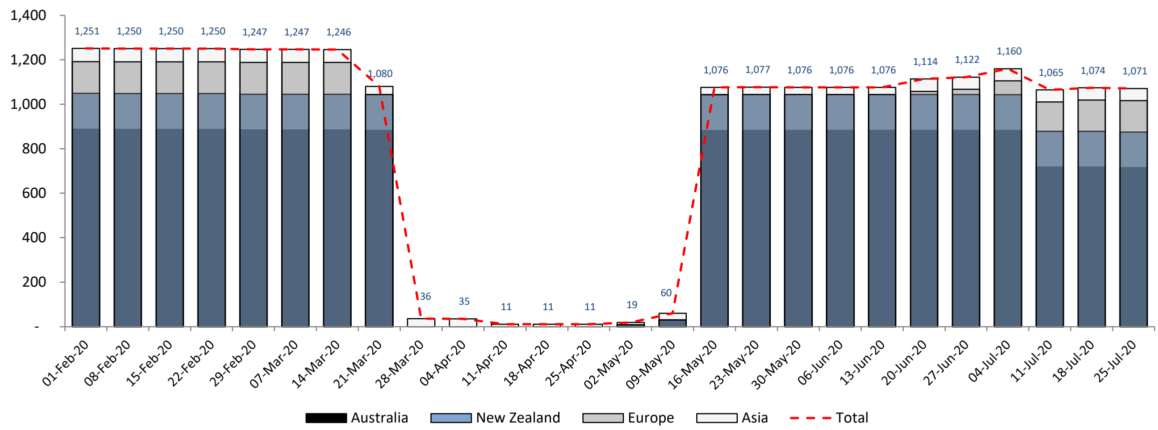
"Premier Retail's highly profitable online capability and the flexibility of our property portfolio, combined with the decisions we have taken in response to COVID-19, leave the Group best placed to maximise our position in the accelerating retail industry restructure."

COVID-19 Impacts on 2H20 Results

Premier's 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. The devastating global impact of the COVID-19 health crisis resulted in the very difficult decision to temporarily shut down Premier Retail's global operations on 26 March 2020 and stand down over 9,000 employees. At the time there was no certainty of when Premier's business would be able to reopen and there was no wage subsidy scheme in existence in Australia.

The financial impact of COVID-19 was most severe during the period 11 March 2020 to 15 May 2020, with retail store sales down 78.4% and global sales down $131.1 million on the comparable period in 2H19.

Global Stores Trading by week



Reserve Bank governor Dr Philip Lowe said regarding JobKeeper (14 August 2020): "…the priority is jobs…Making sure that employment relationships are protected and people are kept in jobs and are in position to come back when the business recovers – that's my focus"

Due to the devasting impact on Premier Retail's sales from the COVID-19 health crisis, the Group became eligible for a range of global government subsidy programs, across seven countries, designed to keep people in jobs. Eligible Premier team members received wage subsidies in full while they were not working. In addition, in Australia, many of Premier's casual work force and

[2] Refer to Appendix for details regarding significant and other one-off items excluded from underlying results
[3] Due to COVID-19 temporary closures, Premier Retail paid no rent during April whilst stores were closed. In line with Accounting Standards the group has fully expensed the global contracted rent for May-July. However, Premier Retail only paid gross rent of $59.2m during 2H20 while rent negotiations with landlords are still being finalised (12.2% of 2H20 sales)

many of its part time work force received subsidy payments in excess of their normal working arrangements in accordance with the rules of the government scheme. The funds Premier received were used to support standing up its employees as stores gradually reopened under COVID-19 safe plans. This ensured that Premier was able to fulfill the governments' objectives of keeping people in jobs and connected to their employers amidst a global pandemic.

The impact of COVID-19 was particularly severe on the Smiggle business as schools were closed for long periods of time, international borders were shut across all Smiggle Retail and Wholesale markets, and families no longer felt safe shopping with children in store during a once in a century global health crisis.

To ensure Smiggle is best placed to rebound and grow post COVID-19 the Group will:

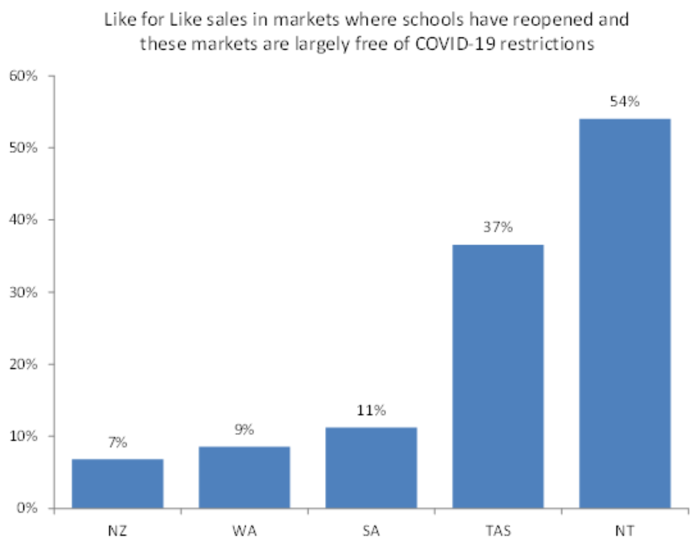
- Close the final four Smiggle Hong Kong retail stores by 31 October 2020
- Close up to 55 Smiggle stores out of 131 stores in the United Kingdom in FY21 and impair 100% of all UK store assets
- Impair all Smiggle International stores assets in Hong Kong, Singapore, Malaysia and the Republic of Ireland
- Continue to significantly invest in Smiggle's highly profitable global online presence

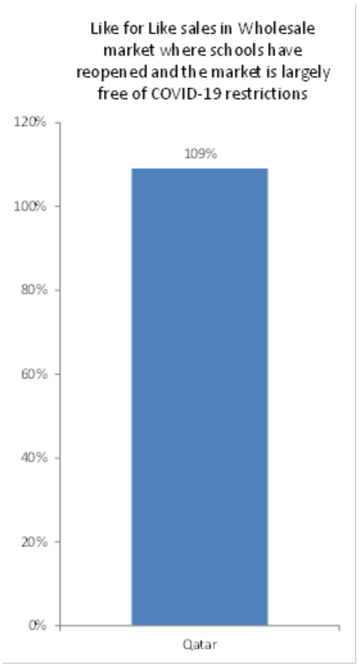
These decisions, due to COVID-19, will best position Smiggle International to rebound and grow in line with previously announced multi-channel growth strategies: Online, Wholesale, Concession, and Retail stores.

Smiggle – strong global brand flourishing where children are back at school

Smiggle is a powerful global brand. In 1H20, Smiggle delivered record sales to consumers up 14.2% on 1H19. In 2H20, Smiggle's highly profitable online channel delivered record sales up 57.0% representing 24.9% of Smiggle 2H20 sales. Demonstrating the strength of Smiggle's online power, upon re-opening the UK website in the week ended 20 June 2020 with 118 stores still closed due to COVID-19 health crisis, UK online sales alone were up 13.4% on the prior year sales when all stores and online were open.

The key to Smiggle's success is children attending school. In countries and markets where schools have re-opened and these markets are largely free of COVID-19 restrictions the brand is flourishing. Since children have returned to school and stores have reopened, LFL sales are up: 7% in New Zealand, 9% in Western Australia, 11% in South Australia, 37% in Tasmania, 54% in Northern Territory and in the Wholesale channel, up 109% in Qatar.





Smiggle will continue to make significant investment in its highly profitable global online and wholesale presence. Smiggle is set to rebound and grow in a post COVID-19 environment.

Balance Sheet and Dividends

The operating results for the year generated net cash (operating cash flow less payments of lease liabilities and investing activities) of $339.3 million during the year, up $216.0 million on FY19.

The operating cash flows as well as other key actions taken by Premier has allowed the Group to:

- **Increase cash** on hand by $258.6 million to $448.8 million (FY19: $190.3 million)
- **Decrease interest-bearing debt** by $20.8 million to $146.7 million (FY19: $167.5 million)

In August 2020, Breville Group Limited ("Breville") announced its FY20 results and updated the market on its strategies. The Premier Board is delighted with the success of Breville and strongly believes in the future growth of this business. The market value of Premier's holding in Breville was $1.0 billion as at 11 September 2020. The associated equity accounting value of Premier's stake in Breville is reflected at only $257.4 million on Premier's balance sheet.

Premier's balance sheet also includes its $18.1 million investment in Myer Holdings Limited and its strategically owned properties at St Kilda Road (the global Premier Retail head office) and Premier Retail's Australian Distribution Centre. The value of these two properties on Premier's balance sheet reflect their historical cost of $70.8 million and not their current market value.

Premier's 1H20 interim dividend of 34 cents per share fully franked (as announced on 20 March 2020) will be paid on 30 September 2020. The Premier Board has approved a final FY20 dividend of 36 cps fully franked taking full year dividends to 70 cents per share in line with last year. The final dividend will be payable on 28 January 2021 with a record date of 7 January 2021. In making the decision to approve the final dividend, the Board considered the impact of wage subsidies on the profit and cash position of the Group and determined that the net global government subsidies received were not required for the payment of the final dividend.

It is impossible to predict or forecast the nature and impact of the COVID-19 health crisis on consumption. Notwithstanding the uncertain global operating environment Premier Investments is extremely well placed having:

- Seven brands each with a strong, distinctive, and competitive market position
- A fully integrated and highly profitable online channel to maximise the accelerating retail industry restructure
- Delivered a record Premier Retail underlying FY20 EBIT
- An extremely strong balance sheet including a $1.0 billion investment in Breville
- A high calibre Board and management team that remains focused, flexible and nimble to respond to all unfolding scenarios.

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: 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.

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. 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.

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.

Notes regarding significant and other one-off items excluded from Premier Retail underlying results

FY20: One-Off COVID-19 gain on closeout of hedge book: $13.2m income

The devastating global impact of the COVID-19 health crisis resulted in the very difficult decision to temporarily shut down Premier Retail's global operations by 26 March 2020 with no certainty of when the business would be able to reopen. During the time of this uncertainty, the group closed out its USD currency hedge books realising a $13.2 million gain.

FY20: One-off COVID-19 impairment of store assets and associated costs: $31.4m

The COVID-19 health crisis has accelerated the retail industry restructure already underway. The temporary global closures of stores and ongoing government implementation of social distancing measures due to COVID-19 has significantly impacted customer shopping behaviour. Customers are increasingly choosing to shop online in this highly uncertain macro-environment. Given these changed consumer behaviours, the Group reviewed each retail store's future estimated cash flows and considered the possibility of a continued adverse impact on future estimated cash flows as a result of the COVID-19 pandemic. Furthermore, consideration was given to the fact that the Group has maximum flexibility within its current retail store portfolio, given that over 70% of its Australian and New Zealand store leases are currently in holdover, or are due to expire within 2020. As a result of the uncertain future trading environment of traditional bricks-and-mortar stores due to COVID-19, together with the accelerating growth of the online channel, the Group has recognised an impairment loss on store plant and equipment during the second half of the year of $26.2 million and associated costs of $2.8m.

An impairment loss of $2.4 million was recognised in relation to the Group's right-of-use assets during the current financial year. The impairment loss relates to the closure of Hong Kong retail stores writing down the associated right-of-use assets to their recoverable amount.

FY19 One-off UK Brexit accelerated depreciation and associated costs: $25.9m

As a result of the economic and political uncertainty in the United Kingdom, and the impact of these uncertainties on the landlord and retail markets in particular, the Group reviewed its depreciation methods for its United Kingdom store plant and equipment. The changed method resulted in an accelerated depreciation charge in the previous financial year of $21.0 million. Other expenses associated with the Group's review of its United Kingdom lease break options amounted to $4.8 million and have been disclosed as "other expenses"