



ASX RELEASE

4 December 2020

ASX Market Announcements Office
Australian Securities Exchange

ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Please refer to the attached address to be delivered by the Chairman to shareholders at today’s virtual Annual General Meeting.

Yours faithfully,

Marinda Meyer
Company Secretary
Premier Investments Limited



4 December 2020

CHAIRMAN'S ADDRESS

On behalf of the Board, I would like to extend a warm welcome to all shareholders attending the virtual 2020 Annual General Meeting ("AGM") of Premier Investments Limited ("Premier").

Let me start by saying, it is unfortunate that we are unable to meet with shareholders in person today. In the interest of the health and safety of our team, shareholders, and the broader community, we must continue to adhere to public health advice and social distancing in the current environment.

Premier is a strong advocate for in-person AGMs as they provide an important and transparent forum for all shareholders to engage and interact with the Directors of their company in a meaningful and constructive manner. While circumstances prevent us from meeting in person this year, we look forward to the opportunity to meet again in person with shareholders in the near future.

PREMIER RETAIL'S RESILIENCE

Before I turn to the year in review let me begin on a very positive note – what is happening now. I am delighted to report that Premier Retail has achieved record trading, on Black Friday and Cyber Monday.

Globally, Premier Retail's online sales for the first 18 weeks of FY21 increased by 70% over the same period of last year.

I will say more about our online capability and potential later but one feature of Premier's performance through this channel is the significantly higher EBIT margins achieved than in our physical stores.

As I have said before, retail in concept should be straight forward. Having the product customers want, at the time they want it and at a price they are prepared to pay.

Sounds simple, but it is exceptionally hard to execute and achieve at any time - let alone the year we have just faced.

Through a combination of Board experience and outstanding management leadership our business is exceptionally well positioned as we move toward the critical holiday trading period.

Looking ahead, we are very optimistic. We have strong collections of wanted product for each of our brands, we have well managed inventory, and we have already seen a very positive customer response to this season's products, with a willingness to spend as evidenced by our recent record Black Friday and Cyber Monday trading results.

This, together with the re-opening of borders in Australia and the recent re-opening of our stores in England gives us reason to be optimistic during this all-important trading period. That said, this crucial season is not yet over, however we believe we are significantly better placed than our key competitors.

A YEAR OF TWO DISTINCT HALVES

2020 has been an incredibly difficult year for all Australians. Whilst globally it will forever be remembered as the year COVID-19 caused an unprecedented health and economic crisis, it was not the only external factor to impact the 2020 financial year.

The first half of 2020 saw Premier trading through Brexit uncertainty in the United Kingdom, protests in Hong Kong, devastating bushfires and floods in Australia and a continuing fall in the Australian Dollar, all before we had to contend with the global pandemic.

Through it all, Premier has prioritised the safety and wellbeing of our team members, customers, and all stakeholders. The strategic decisions taken by the Board over the past decade have positioned the Group strongly to withstand the myriad of challenges while ensuring the continued strength of our business.

Highlights of the first half included a number of records, including: record online sales, record Peter Alexander sales, record Smiggle global sales, and strong like-for-like sales growth across all of our apparel brands.

During the second half, global trading was severely impacted by COVID-19, but the Premier Retail team proved to be resilient in the face of adversity. We continued our performance of delivering year-on-year record financial results while maintaining the security of a strong balance sheet.

To demonstrate, the financial impact of COVID-19 at its peak, retail store sales were down 78.4% and global sales were down \$131.1 million on the prior comparable period between 11 March 2020 to 15 May 2020.

Notwithstanding this, the combination of the difficult decisions we made, together with the public policy actions by Governments in the markets we operate in to ensure employees remained connected to the Group throughout the crisis, have enabled Premier to bounce back to full employment.

ACCELERATING RETAIL INDUSTRY RESTRUCTURE

The global health crisis has been a major catalyst for accelerating the ongoing changes in consumer retail preferences.

Temporary store closures and ongoing government implementation of social distancing and “stay at home” measures have rapidly increased the trend toward customers shopping online. It is underscored by the 70% growth experienced in the Group’s online business during the second half of the year, contributing more than 25% of Premier Retail’s total sales at a significantly higher EBIT margin than the retail store channel.

Our performance and our online channel growth have not been an accident. Over the past nine years, Premier has made significant investment in a wholly owned and fully integrated distribution centre, supported by digital capability, and IT infrastructure.

The Group today has world class customer facing platforms operating in three countries. We believe we can continue to capture an increasing share of changing consumer preferences to shop online by continuing to invest in technology, people and marketing that will maximise our result.

PREMIER DELIVERS FOR SHAREHOLDERS

In FY20, Premier again delivered for its shareholders with a Net Profit After Tax of \$137.8 million, an increase of 29% on FY19. Premier Retail contributed a record underlying Earnings Before Interest and Tax¹ ("EBIT") of \$187.2 million to this result, up 11.9% on 2019. It is important to recognise that this represents the ninth consecutive year of Premier Retail delivering growth in underlying earnings.

The consistency of Premier Retail growth, together with the significant increase in the value of our investment in Breville Group Limited ("Breville"), has meant that the total shareholder returns of your company have materially and consistently outperformed the ASX 200. Page 24 of our 2020 Annual Report shows that between 2011 and the end of FY20, Premier total shareholder return was up 299% compared to the 84% increase in the ASX 200 over the same time frame.

The significant returns shareholders have enjoyed over many years, is testament to the strategies and actions of the senior leadership team and your experienced Board.

BALANCE SHEET AND SHAREHOLDER RETURNS

Maintaining a strong balance sheet has always been a priority for your Board.

The balance sheet is in an even stronger position following the FY20 financial performance, with cash on hand at year-end totalling \$448.8 million. Our robust financial position also reflects our investment holding in Breville at \$257.4 million in line with Accounting Standards on investments in associates. The fair market value of this investment at year-end was \$947.9 million.

Having carefully considered Premier's strong performance and balance sheet position, the Board approved a fully franked final dividend of 36 cents per share, payable on 28 January 2021. The total FY20 fully franked dividends of 70 cents per share are in line with the previous financial year.

LEADERSHIP AND GOVERNANCE

Premier's Board and management team have remained focused and adaptable in response to the current environment.

Our swift response to the global health crisis, and indeed our outstanding performance would not have been possible without the exceptional dedication, commitment, and hard work of our people.

On behalf of the Board, I sincerely thank each of our more than 9,000 team members for their professionalism, patience, flexibility, and positive attitude in the face of such unprecedented adversity.

I would also like to thank Premier Retail CEO Mark McInnes for his outstanding leadership and vision, and also recognise the tireless work of his senior management team in ensuring we could continue to outperform despite the truly challenging COVID-19 operating environment.

To my fellow Directors, a sincere thank you for your commitment, counsel, and contributions. The insight from decades of experience has been and continues to be particularly valuable in these uncertain times.

In closing, I would like to thank all of you – our shareholders – for your attention and interest today and for entrusting us with your continued support and investment in Premier.

¹ Refer to the 2020 Premier Investments Limited Annual Report (page 9 of the Director's Report) for a reconciliation between underlying EBIT and statutory reported operating profit before taxation for Premier Retail.



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Premier Investments Limited
Annual General Meeting
4 December 2020



Board of Directors



Solomon Lew
Chairman & Non-Executive
Director



Dr. David Crean
Deputy Chairman & Non-
Executive Director



Mark McInnes
Executive Director



Timothy Antonie
Non-Executive Director &
Lead Independent Director



Sylvia Falzon
Non-Executive Director



Sally Herman
Non-Executive Director



Henry Lanzer AM
Non-Executive Director



Michael McLeod
Non-Executive Director



Terrence McCartney
Non-Executive Director

Agenda

1. Chairman's address
2. Resolutions

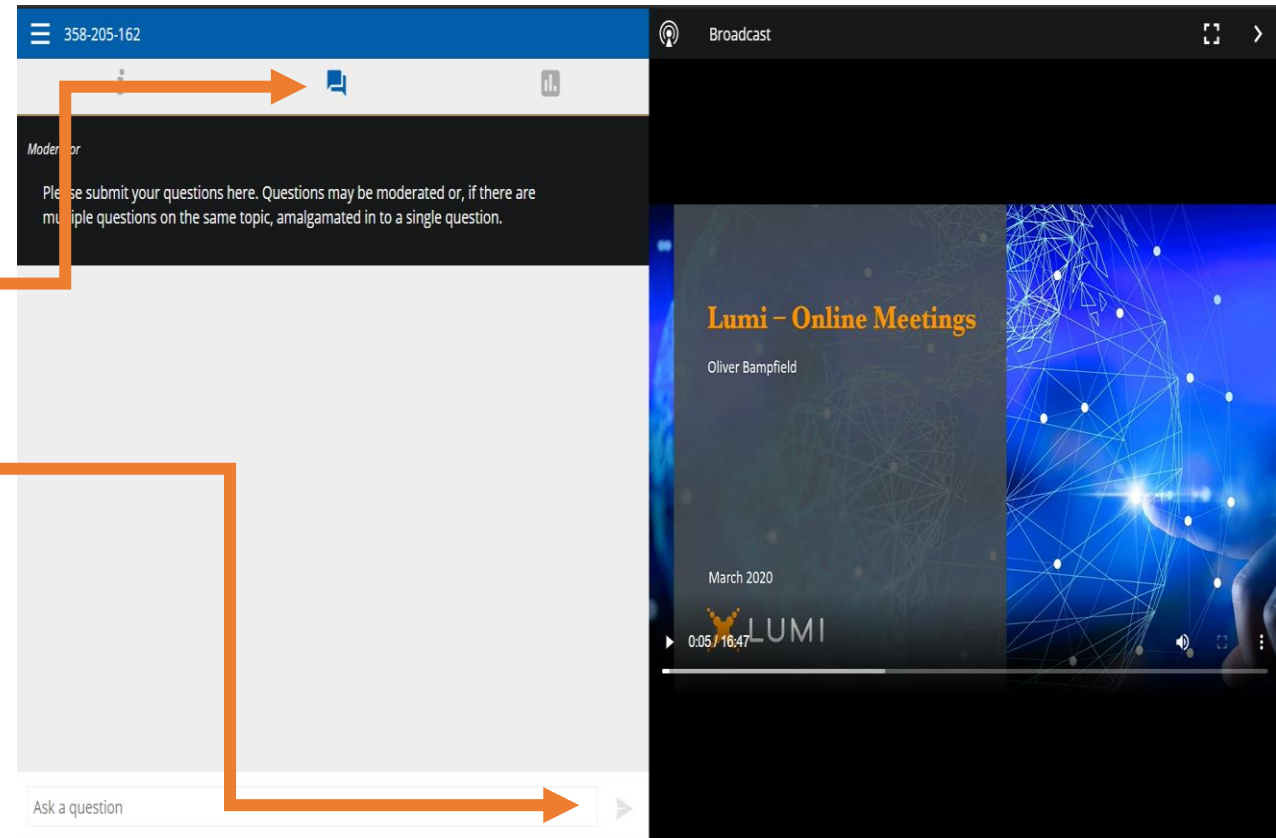


Online attendees — question process

- When the Question function is available, the Q&A icon will appear at the top of the app



- To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- Your question will be sent immediately for review



Online attendees — voting process

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



- To vote simply select the direction in which you would like to cast your vote, the selected option will change colour
- There is no submit or send button, your selection is automatically recorded

1. CHAIRMAN'S ADDRESS





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Jay Jays



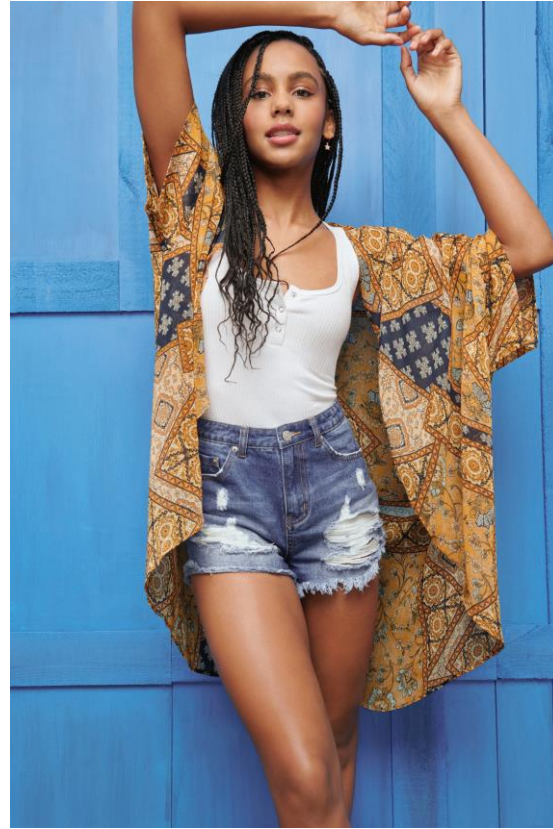
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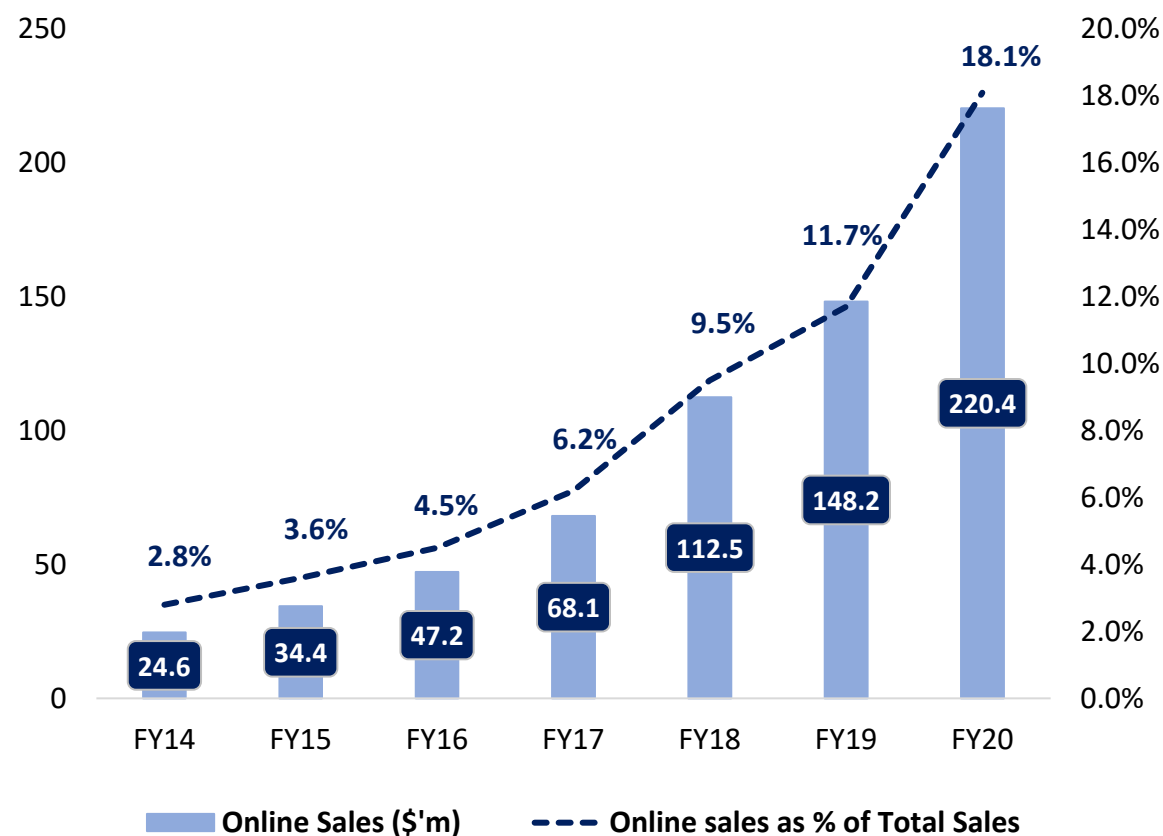
AUSTRALIA

NEW
ZEALAND

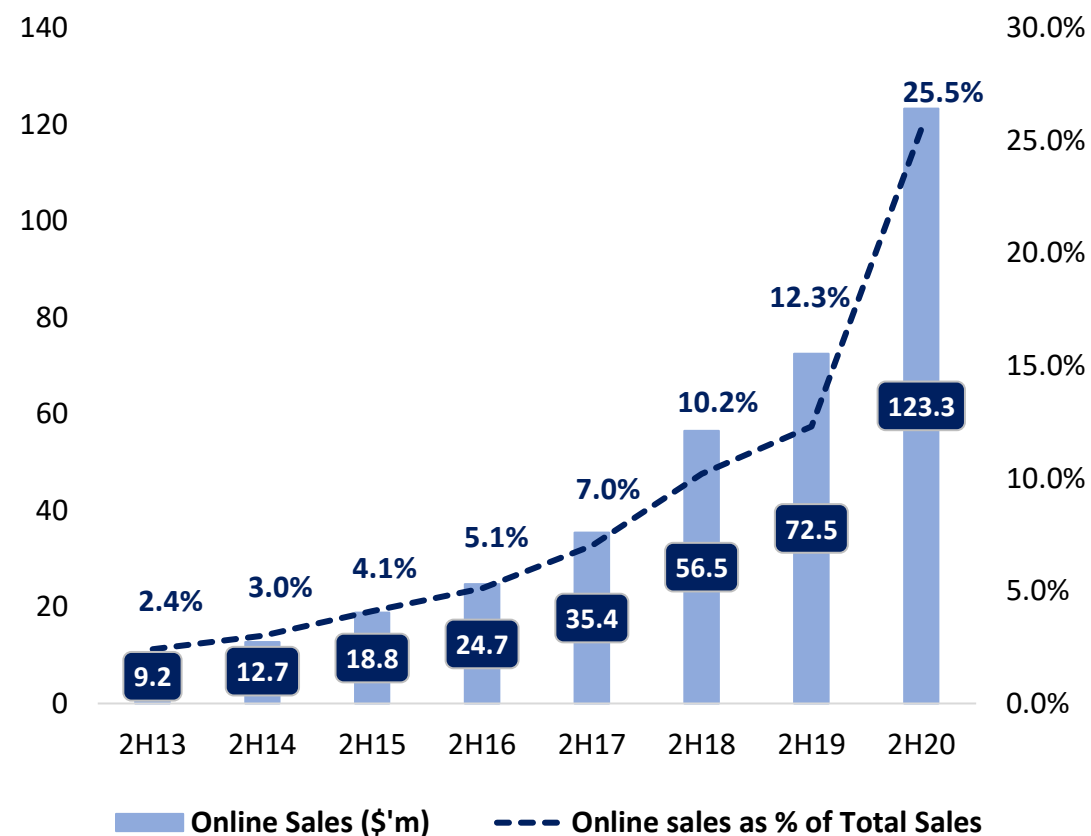
UNITED
KINGDOM

Online – accelerating retail industry restructure

Full year Online Sales Growth




2H Online Sales Growth



FY20 Financial highlights

Statutory NPAT
\$137.8 million


29%




Premier Retail Sales
\$1,216.3 million

Like-For-Like
Sales²

7.6%



¹ Pre AASB16

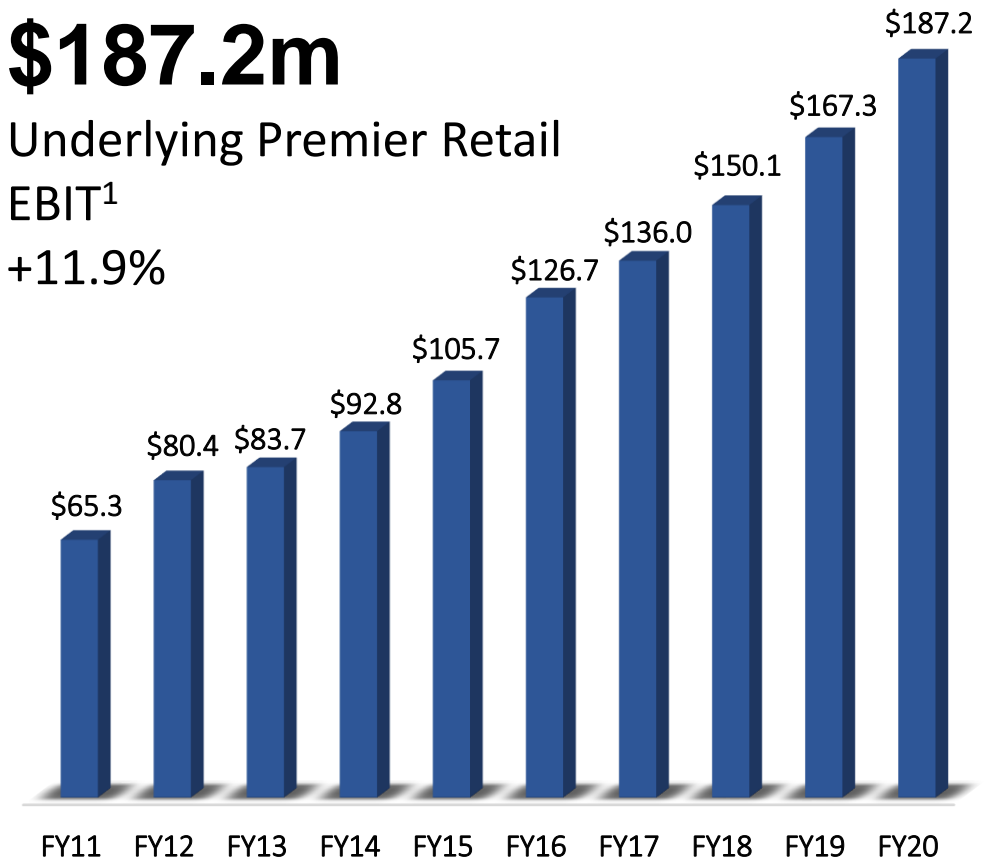
² On a constant currency basis

\$187.2m

Underlying Premier Retail

EBIT¹

+11.9%



UNDERLYING EBIT HISTORY

\$ millions

Balance sheet and shareholder returns

up \$259.6m

Increased
cash on hand

\$448.8 million



Market value of Breville
Investment at end FY20

\$948 million

Accounting value of investment at
25 July 2020 - \$257.4 million

St Kilda HQ and AU
Distribution Centre

\$70.8 million¹

Franking Credits

\$196.7 million

FY20 Dividends

Total of **70** cps²
Fully Franked Flat on
FY19



¹ Reflected at historical cost

² Interim 1H20 dividend of 34 cps paid 30 September 2020. Final 2H20 dividend of 36 cps payable on 28 January 2021



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Smiggle



2. RESOLUTIONS



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Thank you for
your online
attendance



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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.

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

- Please refer to the 2020 Premier Investments Limited Annual Report (page 9 of the Director's Report) for a reconciliation between underlying EBIT and statutory reporting operating profit before taxation for Premier Retail (retail segment).

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.