

# PREMIER INVESTMENTS LIMITED

ABN 64 006 727 966

## Appendix 4D – Half Year Report

The information is given under ASX Listing Rule 4.2A.3

### Reporting periods

Current Reporting Period: 1 August 2021 to 29 January 2022 (1H22) (26 weeks)  
 Previous Corresponding Period: 26 July 2020 to 30 January 2021 (1H21) (27 weeks)

### Results for announcement to the market

		Percentage Change %		Amount A\$'000
Total Revenue from Ordinary Activities	down	1.93%	to	770,329
Profit from ordinary activities after tax attributable to members	down	13.03%	to	163,644
Net profit for the period attributable to members	down	13.03%	to	163,644
<b>Dividends</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
<i>Interim Dividend</i>				
Current period		46.0 cents		46.0 cents
Previous corresponding period		34.0 cents		34.0 cents
Record date for determining entitlements to the interim dividend:				22 June 2022
<b>Brief explanation of the figures reported above necessary to enable the figures to be understood:</b>				
The information presented above is based upon the accompanying consolidated half-year financial report for the 26 weeks ended 29 January 2022, whereas the comparative half-year represents a period of 27 weeks ended 30 January 2021. The table below provides further comparative information to better understand the 1H22 result:				
		<b>1H22 (26 weeks) \$'000</b>	<b>Growth on 1H21 (27 weeks) %</b>	<b>Growth on 1H20 (26 weeks) %</b>
Total Revenue from Ordinary Activities		\$770,329	-1.93%	+5.02%
Net profit for the period		\$163,644	-13.03%	+64.28%
Refer to the attached consolidated half-year financial report and accompanying investor presentation for further information. This consolidated half-year financial report is to be read in conjunction with the most recent consolidated Annual Financial Report for the 53 weeks ended 31 July 2021.				

## Other information

This report is based on the attached consolidated half-year financial report. Refer to the attached consolidated half-year financial report for a copy of the Independent Auditor's Review Report.

## Net tangible assets

	Current Reporting Period	Previous Corresponding Period
Net tangible assets per ordinary security <sup>1</sup>	\$4.99	\$4.06

## Dividends

Date the dividends are payable	27 July 2022
Record date to determine entitlements to the dividends	22 June 2022

### (a) Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim Dividend</b>			
Current period	46.0 cents	46.0 cents	Nil
Previous corresponding period	34.0 cents	34.0 cents	Nil

### (b) Interim dividends on all securities

	Current Reporting Period \$A'000	Previous Corresponding Period \$A'000
Ordinary securities	73,137	54,014
<b>Total</b>	<b>73,137</b>	<b>54,014</b>

### (c) Dividend reinvestment plans in operation

The dividend reinvestment plan does not apply to the interim dividend.

## Associates and joint venture entities

Name of Associate Entity	Current Reporting Period		Previous Corresponding Period	
	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000
Breville Group Limited	26.19%	\$20,349	26.27%	\$16,854

<sup>1</sup> Calculated as net assets, less intangible assets as per the accompanying balance sheet, divided by ordinary securities on issue at the end of the half-year. Includes right-of-use assets and lease liabilities resulting from the transition to AASB 16, as disclosed in the accompanying consolidated half-year financial report.

PREMIER INVESTMENTS LIMITED  
ABN 64 006 727 966  
AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT  
FOR THE 26 WEEKS 01 AUGUST 2021 TO  
29 JANUARY 2022

This half-year report should be read in  
conjunction with the Annual Report  
for the 53 weeks ended 31 July 2021

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT  
FOR THE 26 WEEKS ENDED  
29 JANUARY 2022

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## DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of Premier Investments Limited and its controlled entities (the "Group") for the 26 weeks 01 August 2021 to 29 January 2022 ("half-year"), together with the independent review report thereon.

### DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Solomon Lew	Chairman and Non-executive Director
David Crean	Deputy Chairman and Non-executive Director
Mark McInnes	Executive Director (Resigned: 19 August 2021)
Richard Murray	Executive Director (Appointed: 3 December 2021)
Timothy Antonie	Non-executive Director and Lead Independent Director
Sylvia Falzon	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	Non-executive Director
Michael McLeod	Non-executive Director

### COMPANY SECRETARY

Marinda Meyer

### EARNINGS PER SHARE

	26 WEEKS ENDED 29 JANUARY 2022	27 WEEKS ENDED 30 JANUARY 2021
	CENTS	CENTS
Basic earnings per share	102.97	118.50
Diluted earnings per share	102.41	117.95

### DIVIDENDS

During the half-year the following fully franked dividend was approved and paid:

2021 Final Dividend: 46 cents per share paid on 27 January 2022.

The directors have approved the following fully franked dividends:

2022 Interim Dividend: 46 cents per share payable on 27 July 2022.

### OPERATING AND FINANCIAL REVIEW

The Group recorded a net profit after income tax for the 26 weeks ended 29 January 2022 of \$163.6 million (27 weeks ended 30 January 2021 of \$188.2 million) – a decrease of 13.03% on the previous period. Total revenue for the Group amounted to \$770.3 million – a decrease of 1.93% on the previous period. Total revenue and other income amounted to \$770.4 million, a decrease of 3.19% on the previous period. The current reporting period, being 01 August 2021 to 29 January 2022, represents 26 weeks, whereas the comparative period, 26 July 2020 to 30 January 2021, represented 27 weeks.

A review of the operations and results of the Group for the half-year are set out in the half-year announcement and investor presentation for the 26 weeks ended 29 January 2022.

### ROUNDING

The company is a company of the kind specified in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016. In accordance with that ASIC instrument, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

## DIRECTORS' REPORT (CONTINUED)

### AUDITOR'S INDEPENDENCE DECLARATION

Attached on page 21 is a copy of the Auditor's Independence Declaration provided under section 307C of the *Corporations Act 2001* in relation to the review of the half-year financial report for the 26 weeks 1 August 2021 to 29 January 2022. This auditor's declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'S Lew.', is positioned above the printed name.

Solomon Lew

Chairman

24 March 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE 26 WEEKS 01 AUGUST 2021 TO 29 JANUARY 2022

	NOTES	CONSOLIDATED	
		26 WEEKS ENDED 29 JANUARY 2022	27 WEEKS ENDED 30 JANUARY 2021
		\$'000	\$'000
Revenue from contracts with customers	4	769,924	784,614
Other revenue	4	405	914
<b>Total revenue</b>		<b>770,329</b>	<b>785,528</b>
Other income	4	61	10,257
<b>Total revenue and other income</b>		<b>770,390</b>	<b>795,785</b>
Changes in inventories		(262,734)	(271,494)
Employee expenses		(169,302)	(158,550)
Lease rental (expenses) benefits	5	(272)	14,667
Depreciation, impairment and amortisation of non-current assets	5	(83,287)	(89,090)
Advertising and direct marketing		(11,724)	(9,915)
Finance costs	5	(4,583)	(6,277)
Other expenses		(29,508)	(29,853)
<b>Total expenses</b>		<b>(561,410)</b>	<b>(550,512)</b>
Share of profit of associate		20,349	16,854
Profit from continuing operations before income tax		229,329	262,127
Income tax expense	6	(65,685)	(73,955)
<b>Net profit for the period attributable to owners</b>		<b>163,644</b>	<b>188,172</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net loss on cash flow hedges		(3,594)	(7,141)
Foreign currency translation		1,023	(1,143)
Net movement in other comprehensive income of associates		3,274	(7,805)
Income tax on items of other comprehensive income	5	1,078	2,142
Other comprehensive income (loss) which may be reclassified to profit or loss in subsequent periods, net of tax		1,781	(13,947)
<b>Items not to be reclassified subsequently to profit or loss:</b>			
Net fair value (loss) gain on listed equity investment		(10,021)	9,287
Income tax on items of other comprehensive income	5	3,007	(2,786)
Other comprehensive (loss) income not to be reclassified to profit or loss in subsequent periods, net of tax		(7,014)	6,501
<b>Total other comprehensive loss, net of tax</b>		<b>(5,233)</b>	<b>(7,446)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO OWNERS</b>		<b>158,411</b>	<b>180,726</b>
<b>Earnings per share for profit attributable to ordinary equity holders of the parent:</b>			
Basic, profit for the year (cents per share)	9	102.97	118.50
Diluted, profit for the year (cents per share)	9	102.41	117.95

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 29 JANUARY 2022

	NOTES	CONSOLIDATED	
		29 JANUARY 2022 \$'000	31 JULY 2021 \$'000
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	11	468,634	523,356
Trade and other receivables		14,258	9,490
Inventories		221,500	208,760
Other financial instruments	12	2,663	7,073
Other current assets		10,249	10,326
<b>Total current assets</b>		<b>717,304</b>	<b>759,005</b>
<i>Non-current assets</i>			
Property, plant and equipment		131,460	137,798
Right-of-use assets	13	183,734	167,087
Intangible assets		827,084	827,004
Deferred tax assets		55,019	55,494
Listed equity investment at fair value	12, 14	68,584	63,462
Investment in associate	15	289,251	271,372
<b>Total non-current assets</b>		<b>1,555,132</b>	<b>1,522,217</b>
<b>TOTAL ASSETS</b>		<b>2,272,436</b>	<b>2,281,222</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade and other payables		161,781	164,269
Income tax payable		27,981	58,218
Interest-bearing liabilities	16	-	69,000
Lease liabilities	17	170,057	159,050
Provisions		48,222	45,610
Other financial instruments	12	-	815
Other current liabilities		18,033	15,120
<b>Total current liabilities</b>		<b>426,074</b>	<b>512,082</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	16	69,000	77,834
Deferred tax liabilities		72,340	68,319
Lease liabilities	17	73,248	78,435
Provisions		11,097	11,421
Other non-current liabilities		245	226
<b>Total non-current liabilities</b>		<b>225,930</b>	<b>236,235</b>
<b>TOTAL LIABILITIES</b>		<b>652,004</b>	<b>748,317</b>
<b>NET ASSETS</b>		<b>1,620,432</b>	<b>1,532,905</b>
<b>EQUITY</b>			
Contributed equity	18	608,615	608,615
Reserves		(12,981)	(10,001)
Retained earnings		1,024,798	934,291
<b>TOTAL EQUITY</b>		<b>1,620,432</b>	<b>1,532,905</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 FOR THE 26 WEEKS 01 AUGUST 2021 TO 29 JANUARY 2022

	<b>CONSOLIDATED</b>	
	<b>26 WEEKS ENDED 29 JANUARY 2022</b>	<b>27 WEEKS ENDED 30 JANUARY 2021</b>
NOTES	\$'000	\$'000
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Receipts from customers (inclusive of GST)	851,351	885,626
Payment to suppliers and employees (inclusive of GST)	(585,746)	(565,574)
Income taxes paid	(88,672)	(81,451)
Interest received	289	868
Borrowing costs paid	(2,070)	(2,475)
Interest on lease liabilities	(2,500)	(3,657)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>172,652</b>	<b>233,337</b>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Dividends received from investment in associate	4,927	7,482
Payment for property, plant and equipment	(3,614)	(1,086)
Payment for trademarks	(80)	(81)
Purchase of investments	(799)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>434</b>	<b>6,315</b>
<i>CASH FLOWS USED IN FINANCING ACTIVITIES</i>		
Equity dividends paid	(73,137)	(111,157)
Payment of principal of lease liabilities	(77,182)	(79,528)
Repayment of borrowings	(78,000)	-
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(228,319)</b>	<b>(190,685)</b>
<b>NET (DECREASE) INCREASE IN CASH HELD</b>	<b>(55,233)</b>	<b>48,967</b>
Cash at the beginning of the financial period	523,356	448,832
Net foreign exchange difference	511	(556)
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	<b>468,634</b>	<b>497,243</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 26 WEEKS 01 AUGUST 2021 TO 29 JANUARY 2022

	CONSOLIDATED							TOTAL \$'000
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	RETAINED EARNINGS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>At 01 August 2021</b>	<b>608,615</b>	<b>464</b>	<b>21,215</b>	<b>4,377</b>	<b>2,801</b>	<b>(38,858)</b>	<b>934,291</b>	<b>1,532,905</b>
Net profit for the period	-	-	-	-	-	-	163,644	163,644
Other comprehensive income (loss)	-	-	-	(2,516)	4,297	(7,014)	-	(5,233)
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	(2,516)	4,297	(7,014)	163,644	158,411
<b>Transactions with owners in their capacity as owners</b>								
Performance rights issued	-	-	2,253	-	-	-	-	2,253
Dividends paid	-	-	-	-	-	-	(73,137)	(73,137)
<b>Balance as at 29 January 2022</b>	<b>608,615</b>	<b>464</b>	<b>23,468</b>	<b>1,861</b>	<b>7,098</b>	<b>(45,872)</b>	<b>1,024,798</b>	<b>1,620,432</b>
<b>At 26 July 2020</b>	<b>608,615</b>	<b>464</b>	<b>19,359</b>	<b>(4,419)</b>	<b>5,781</b>	<b>(59,032)</b>	<b>776,680</b>	<b>1,347,448</b>
Net profit for the period	-	-	-	-	-	-	188,172	188,172
Other comprehensive income (loss)	-	-	-	(4,999)	(8,948)	6,501	-	(7,446)
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	(4,999)	(8,948)	6,501	188,172	180,726
<b>Transactions with owners in their capacity as owners</b>								
Performance rights issued	-	-	963	-	-	-	-	963
Dividends paid	-	-	-	-	-	-	(57,191)	(57,191)
<b>Balance as at 30 January 2021</b>	<b>608,615</b>	<b>464</b>	<b>20,322</b>	<b>(9,418)</b>	<b>(3,167)</b>	<b>(52,531)</b>	<b>907,661</b>	<b>1,471,946</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE 26 WEEKS ENDED 29 JANUARY 2022

### **1 CORPORATE INFORMATION**

The condensed consolidated half-year financial report of Premier Investments Limited for the half-year ended 29 January 2022 was authorised for issue in accordance with a resolution of the directors on 24 March 2022. Premier Investments Limited is a for profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX).

### **2 BASIS OF PREPARATION AND ACCOUNTING POLICIES**

#### ***i. BASIS OF PREPARATION***

The general purpose consolidated half-year financial report for the half-year ended 29 January 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the Annual Report for the 53 weeks ended 31 July 2021 and considered together with any public announcements made by Premier Investments Limited during the half-year ended 29 January 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for other financial instruments and listed equity investments at fair value through other comprehensive income, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated, as the company is a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

#### ***ii. BASIS OF CONSOLIDATION***

The consolidated half-year financial report comprise the financial statements of Premier Investments Limited and its subsidiaries as at 29 January 2022.

#### ***iii. COMPARATIVES***

The current reporting period of 01 August 2021 to 29 January 2022 represents 26 weeks and the comparative period of 26 July 2020 to 30 January 2021 represents 27 weeks.

When necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

#### ***iv. SIGNIFICANT ACCOUNTING POLICIES***

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the Group's Annual Report for the 53 weeks ended 31 July 2021, except for the impact of the adoption of new and revised accounting policies, as discussed below.

#### ***v. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS***

##### *Changes in accounting policies, disclosures, standards and interpretations*

Except as described below, the accounting policies applied by the Group in the half-year consolidated financial report are the same as those applied by the Group in its Annual Financial Report as at, and for, the 53 weeks ended 31 July 2021. The Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations relevant to the Group and its operations that are effective for the current reporting period, with no material impact on the consolidated half-year financial report of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

*v. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)*

Covid-19-Related Rent Concessions beyond 30 June 2021: Amendments to AASB 16

In April 2021, the AASB extended the period of application of the practical expedient relating to Covid-19-Related Rent Concessions to 30 June 2022. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, it has been extended. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

**3 SEASONALITY OF OPERATIONS**

The financial performance of the Group is exposed to seasonality in the volume of sales, such that the Group's financial performance is historically weighted in favour of the period to 29 January 2022. This seasonality reflects the additional retail sales generated during the Christmas trading period each year.

CONSOLIDATED	
26 WEEKS ENDED 29 JANUARY 2022 \$'000	27 WEEKS ENDED 30 JANUARY 2021 \$'000

**4 REVENUE AND OTHER INCOME**

*REVENUE*

Revenue from contracts with customers	769,924	784,614
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Revenue from contracts with customers are disaggregated as follows:

Australian market revenue being \$610,085,000; and International market revenue being \$159,839,000.

*OTHER REVENUE*

Membership program fees	76	139
Sundry revenue	30	25
Interest received	299	750
<b>TOTAL OTHER REVENUE</b>	<b>405</b>	<b>914</b>
<b>TOTAL REVENUE</b>	<b>770,329</b>	<b>785,528</b>

*OTHER INCOME*

Gain on investment in associate resulting from share issue	-	9,128
Royalty and licence fees	19	17
United Kingdom COVID-19 lockdown grants	-	1,068
Other	42	44
<b>TOTAL OTHER INCOME</b>	<b>61</b>	<b>10,257</b>
<b>TOTAL REVENUE AND OTHER INCOME</b>	<b>770,390</b>	<b>795,785</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

CONSOLIDATED	
26 WEEKS ENDED 29 JANUARY 2022 \$'000	27 WEEKS ENDED 30 JANUARY 2021 \$'000

**5 EXPENSES**

*LEASE RENTAL EXPENSES (BENEFITS)*

Variable lease expenses	5,382	1,912
Other lease expenses	7,491	7,315
COVID-19 related rent concessions	(9,136)	(13,161)
Other Australia and New Zealand holdover rent concessions	(3,465)	(9,218)
Other	-	(1,515)
<b>NET LEASE RENTAL EXPENSES (BENEFITS)</b>	<b>272</b>	<b>(14,667)</b>

*DEPRECIATION, IMPAIRMENT AND AMORTISATION*

Depreciation of property, plant and equipment	9,772	12,045
Depreciation of right-of-use assets	73,515	77,045
<b>TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION</b>	<b>83,287</b>	<b>89,090</b>

*FINANCE COSTS*

Interest on lease liability	2,500	3,657
Interest on bank loans and overdraft	2,083	2,620
<b>TOTAL FINANCE COSTS</b>	<b>4,583</b>	<b>6,277</b>

*OTHER EXPENSES*

Foreign exchange (gains) losses	(22)	666
Loss on investment in associate resulting from share issue	815	-
Net loss (gain) on disposal of property, plant and equipment	180	(2)

*DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME*

Net deferred tax movement on cash flow hedges	(1,078)	(2,142)
Net deferred tax movement on listed equity investment at fair value	(3,007)	2,786
<b>TOTAL INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME</b>	<b>(4,085)</b>	<b>644</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE 26 WEEKS ENDED 29 JANUARY 2022

CONSOLIDATED	
26 WEEKS ENDED 29 JANUARY 2022 \$'000	27 WEEKS ENDED 30 JANUARY 2021 \$'000

**6 INCOME TAX EXPENSE**

*A reconciliation between income tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:*

Accounting profit before income tax	229,329	262,127
At the Parent Entity's statutory income tax rate of 30% (2021: 30%)	68,799	78,638
Adjustments in respect of current income tax of previous years	-	69
Expenditure not allowable for income tax purposes	677	329
Effect of different rates of tax on overseas income	(3,244)	(1,282)
Income not assessable for income tax purposes	(496)	(3,688)
Other	(51)	(111)
<b>INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME</b>	<b>65,685</b>	<b>73,955</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

**7 OPERATING SEGMENTS**

*REPORTABLE SEGMENTS*

*Retail*

The retail segment represents the financial performance of a number of speciality retail fashion chains.

*Investment*

The investments segment represents investments in securities for both long-term and short-term gains, dividend income and interest.

*ACCOUNTING POLICIES*

The accounting policies used by the Group in reporting segments internally is the same as those contained in note 2 of the most recent Annual Report and in the prior periods.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to the segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
29 JANUARY 2022 \$'000	30 JANUARY 2021 \$'000	29 JANUARY 2022 \$'000	30 JANUARY 2021 \$'000	29 JANUARY 2022 \$'000	30 JANUARY 2021 \$'000	29 JANUARY 2022 \$'000	30 JANUARY 2021 \$'000

*REVENUE AND OTHER INCOME*

Revenue	769,924	784,614	-	-	-	-	769,924	784,614
Other revenue	197	396	73,208	111,518	(73,000)	(111,000)	405	914
Other income	61	1,129	-	9,128	-	-	61	10,257
<b>Total revenue and other income</b>	<b>770,182</b>	<b>786,139</b>	<b>73,208</b>	<b>120,646</b>	<b>(73,000)</b>	<b>(111,000)</b>	<b>770,390</b>	<b>795,785</b>
<b>Total revenue and other income per the statement of comprehensive income</b>							<b>770,390</b>	<b>795,785</b>
<b>Profit before income tax expense</b>								
<b>Income tax expense</b>	<b>212,598</b>	<b>239,719</b>	<b>89,689</b>	<b>133,405</b>	<b>(72,958)</b>	<b>(110,997)</b>	<b>229,329</b>	<b>262,127</b>
Income tax expense							(65,685)	(73,955)
<b>Net profit after tax per the statement of comprehensive income</b>							<b>163,644</b>	<b>188,172</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

**7 OPERATING SEGMENTS (CONTINUED)**

RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
29 JANUARY 2022 \$'000	31 JULY 2021 \$'000	29 JANUARY 2022 \$'000	31 JULY 2021 \$'000	29 JANUARY 2022 \$'000	31 JULY 2021 \$'000	29 JANUARY 2022 \$'000	31 JULY 2021 \$'000

*ASSETS AND LIABILITIES*

Segment assets	976,020	1,006,557	1,413,500	1,420,029	(117,084)	(145,364)	2,272,436	2,281,222
Segment liabilities	513,784	622,906	172,424	187,845	(34,204)	(62,434)	652,004	748,317
Capital expenditure	3,261	8,579	-	-	-	-	3,261	8,579

CONSOLIDATED	
26 WEEKS ENDED 29 JANUARY 2022 \$'000	27 WEEKS ENDED 30 JANUARY 2021 \$'000

**8 DIVIDENDS PAID**

*DIVIDEND APPROVED AND PAID DURING THE PERIOD:*

Final fully franked dividend for the financial year ended 31 July 2021: 46 cents per share (2020: 36 cents per share)	73,137	57,191
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*DIVIDEND APPROVED AND NOT RECOGNISED AS A LIABILITY:*

Interim fully franked dividend for the period ended 29 January 2022: 46 cents per share (2021: 34 cents per share)	73,137	54,014
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**9 EARNINGS PER SHARE**

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculations of earnings per share are as follows:

Net profit after tax	163,644	188,172
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NUMBER OF SHARES '000	NUMBER OF SHARES '000
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Weighted average number of ordinary shares used in calculating:

- basic earnings per share	158,922	158,795
- diluted earnings per share	159,794	159,538

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this half-year financial report.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 29 JANUARY 2022

### 10 IMPAIRMENT TESTING

#### INTANGIBLE ASSETS – GOODWILL AND BRAND NAMES

After initial recognition, goodwill and indefinite-life brand names acquired in a business combination are measured at cost less any accumulated impairment losses. Goodwill and brand names are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill and brand names were subject to a full annual impairment test as at 31 July 2021. A review of indicators of impairment relating to goodwill and brand names was performed as at 29 January 2022. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 29 January 2022.

The Annual Report for the 53 weeks ended 31 July 2021 detail the most recent annual impairment tests undertaken for both brand names and goodwill. The Group's impairment tests for goodwill and brand names are based on value-in-use calculations. The key assumptions used to determine the recoverable amounts for the cash-generating units to which brand names and goodwill relate, are disclosed in the 31 July 2021 Annual Report.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items are subject to impairment testing at each reporting period. As at 29 January 2022, no impairment expense has been recognised for the period (2021: \$nil). The financial statements for the 53 weeks ended 31 July 2021 detail the key assumptions used to determine the recoverable amounts of property, plant and equipment.

CONSOLIDATED	
29 JANUARY 2022 \$'000	31 JULY 2021 \$'000

### 11 CASH AND CASH EQUIVALENTS

*Reconciliation of cash and cash equivalents:*

Cash at bank and in hand	333,984	385,815
Short-term deposits	134,650	137,541
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>468,634</b>	<b>523,356</b>

### 12 FINANCIAL INSTRUMENTS

#### FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in either the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability, which is accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Fair value is calculated using quoted prices in active markets for identical assets or liabilities.
Level 2	Fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as process) or indirectly (derived from prices).
Level 3	Fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE 26 WEEKS ENDED 29 JANUARY 2022

12 FINANCIAL INSTRUMENTS (CONTINUED)

*FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)*

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

	CONSOLIDATED			
	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<i>29 January 2022</i>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	68,584	-	-	68,584
Foreign exchange contracts	-	2,663	-	2,663
	<b>68,584</b>	<b>2,663</b>	-	<b>71,247</b>
<i>31 July 2021</i>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	63,462	-	-	63,462
Foreign exchange contracts	-	7,073	-	7,073
	<b>63,462</b>	<b>7,073</b>	-	<b>70,535</b>
<i>FINANCIAL LIABILITIES</i>				
Interest rate swaps	-	815	-	815
	-	<b>815</b>	-	<b>815</b>

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and interest rates, in accordance with the Group's financial risk management policies. The majority of the Group's inventory purchases are denominated in US Dollars, and in order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase US Dollars.

The fair value of the listed equity investment at the reporting date is determined by reference to quoted market bid prices in active markets.

Foreign exchange contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spread between the respective currencies.

Interest rate swaps are measured based on forward interest rates from observable yield curves at the end of the respective reporting period, and contract interest rates, which have been discounted at a rate that incorporates the credit risk of the counterparties.

At the reporting date, the fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying values. The carrying value of interest-bearing liabilities approximates the fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

CONSOLIDATED	
29 JANUARY 2022 \$'000	31 JULY 2021 \$'000

**13 RIGHT-OF-USE ASSETS**

Opening balance	167,087	231,790
Additions / Remeasurements	90,082	86,621
Depreciation expense	(73,515)	(152,301)
Exchange rate differences	80	977
<b>TOTAL RIGHT-OF-USE ASSETS</b>	<b>183,734</b>	<b>167,087</b>

**14 LISTED EQUITY INVESTMENT AT FAIR VALUE**

The listed equity investment comprises a non-derivative equity instrument not held for trading and relates to an equity investment in Myer Holdings Limited. The Group has made the irrevocable election to designate the listed equity investment as 'fair value through other comprehensive income', as it is not held for trading, with only dividends recognised in profit or loss. Accordingly, the investment is accounted for at fair value through other comprehensive income, without subsequent reclassification of gains or losses nor impairment to profit or loss.

The fair value of equity investments in listed securities is determined by reference to quoted market bid prices at the close of business on the reporting date.

During the reporting period, the Group acquired a further 4.11% investment in Myer Holdings Limited, taking the total investment to 19.88%. At the end of the reporting period the fair value of this listed equity investment is reflected as \$68.6 million (31 July 2021: \$63.5 million).

**15 INVESTMENT IN ASSOCIATE**

Premier Investments Limited holds 26.19% (31 July 2021: 26.27%) of Breville Group Limited, a company incorporated in Australia whose shares are quoted on the ASX. Premier accounts for its investment in Breville Group Limited using the equity method of accounting.

Premier's share of profit after tax of its associate for the period was \$20,349,000 (30 January 2021: \$16,854,000). Dividends received from the investment in associate for the half-year amounted to \$4,927,000 (30 January 2021: \$7,482,000).

As at 29 January 2022, the fair value of the Group's interest in Breville Group Limited as determined based on the quoted market price was \$1,051,917,000 (31 July 2021: \$1,173,460,000).

During the period, a loss of \$815,000 (30 January 2021: gain of \$9,128,000) was recorded in other expenses resulting from an issue of shares by the associate, and the corresponding impact on the Group's method of equity accounting.

**16 INTEREST-BEARING LIABILITIES**

The Group has non-current, secured interest bearing liabilities of \$69 million as at 29 January 2022.

A \$19 million borrowing is secured by a mortgage over Land and Buildings, representing the National Distribution Centre in Truganina, Victoria. During the half-year ended 29 January 2022, this borrowing was refinanced and is repayable in full at the end of 5 years, being January 2027.

A \$50 million borrowing is secured by a mortgage over Land and Buildings, representing an office building in Melbourne, Victoria. During the half-year ended 29 January 2022, this borrowing was refinanced and is repayable in full at the end of 5 years, being December 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 26 WEEKS ENDED 29 JANUARY 2022

CONSOLIDATED	
29 JANUARY 2022 \$'000	31 JULY 2021 \$'000

17 LEASE LIABILITIES

Opening balance	237,485	303,889
Additions / Remeasurements	93,101	87,569
Interest expense	2,500	6,676
Payments	(77,182)	(137,180)
COVID-19 related rent concessions	(9,136)	(19,521)
Other Australia and New Zealand holdover rent concessions	(3,465)	(4,527)
Other	-	(1,550)
Exchange rate differences	2	2,129
<b>TOTAL LEASE LIABILITIES</b>	<b>243,305</b>	<b>237,485</b>

*Comprising of:*

Current lease liability	170,057	159,050
Non-current lease liability	73,248	78,435
<b>TOTAL LEASE LIABILITIES</b>	<b>243,305</b>	<b>237,485</b>

COVID-19 RELATED RENT CONCESSIONS

The Group has adopted the practical expedient issued by the Australian Accounting Standards Board whereby it has not accounted for rent concessions which are a direct consequence of the COVID-19 pandemic as lease modifications. Instead, the Group recognised these concessions in the statement of comprehensive income for the half-year ended 29 January 2022 as a variable amount as and when incurred.

The practical expedient may be applied where the following conditions apply:

- The changed lease payments were substantially the same or less than the payments prior to the rent concession;
- The reductions only affect payments which fall due before 30 June 2022; and
- There has been no substantive change in the terms and conditions of the lease.

CONSOLIDATED	
29 JANUARY 2022 \$'000	31 JULY 2021 \$'000

18 CONTRIBUTED EQUITY

Ordinary shares – issued	608,615	608,615
<b>TOTAL CONTRIBUTED EQUITY</b>	<b>608,615</b>	<b>608,615</b>

NUMBER OF SHARES '000	NUMBER OF SHARES '000
-----------------------------	-----------------------------

*Movements in issued shares during the period:*

Balance at start of the period	158,864	158,724
Shares issued during the period (i)	129	140
<b>Balance at end of the period</b>	<b>158,993</b>	<b>158,864</b>

(i) 129,077 shares (31 July 2021: 139,524) were issued in relation to the performance rights plan.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE 26 WEEKS ENDED 29 JANUARY 2022

### **19 COMMITMENTS AND CONTINGENCIES**

As at 29 January 2022, Just Group Limited has bank guarantees and outstanding letters of credit totalling \$4,909,079 (31 July 2021: \$4,267,668).

Just Group Limited has a \$160 million term debt facility of which \$nil (31 July 2021: \$78 million) was drawn as at 29 January 2022.

### **20 EVENTS AFTER THE REPORTING DATE**

On 24 March 2022, the directors approved an interim ordinary dividend of 46 cents per share fully franked.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Premier Investments Limited we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group for the half-year ended 29 January 2022 are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the financial position as at 29 January 2022 and the performance for the period ending on that date of the Group;
  - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board,



Solomon Lew

Chairman

24 March 2022



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## Auditor's independence declaration to the directors of Premier Investments Limited

As lead auditor for the review of the half-year financial report of Premier Investments Limited for the half-year ended 29 January 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Premier Investments Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Glenn Carmody', written over a faint rectangular stamp.

Glenn Carmody  
Partner  
24 March 2022



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## Independent auditor's review report to the members of Premier Investments Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Premier Investments Limited and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 29 January 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 29 January 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 29 January 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.





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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst & Young*

Ernst & Young

Glenn Carmody  
Partner  
Melbourne  
24 March 2022