



29 September 2022

PREMIER INVESTMENTS FY22 NPAT OF \$285.2 million

RECORD PREMIER RETAIL FY22 SALES OF \$1.5 BILLION

RECORD PREMIER RETAIL EBIT OF \$352.5 MILLION¹

RECORD FULL YEAR DIVIDENDS OF 125 CPS, UP 56.3%

ON-MARKET SHARE BUYBACK ANNOUNCED

FY22 Highlights

- ▶ Premier Investments Limited (“Premier”, or “the Group”) statutory FY22 NPAT of \$285.2 million, up 4.9% on FY21 and up 167% on ‘pre-COVID’ FY19
- ▶ Final fully franked ordinary dividend of 54 cps, and special fully franked dividend of 25 cps, taking total fully franked dividends for the full year to 125 cps, up 56.3% on FY21 and up 78.8% on FY19
- ▶ On-market share buyback of up to \$50 million announced
- ▶ Premier Retail Results:

	FY22 ²	Growth on FY21 ²	Growth on FY19 ²
Premier Retail sales	\$1,497.5 m	+5.2%	+17.8%
Online sales (22.7% of total Premier Retail sales)	\$340.1 m	+14.3%	+129.5%
Premier Retail Gross Profit	\$969.8 m	+6.0%	+23.3%
Premier Retail EBIT ¹	\$352.5 m	+2.8%	+149.3%
Premier Retail EBIT (excl significant and one-off items)	\$335.0 m	+10.1%	+100.2%

- ▶ Record Premier Retail global sales of \$1,497.5 million:
 - Sales up 5.2% on FY21 with 42,675 store trading days lost in 1H22
 - Global like-for-like sales up 5.4% on FY21
 - Record Peter Alexander sales of \$428.5 million, up 11.4% on FY21
 - Smiggle rebounds with sales of \$261.2 million, up 24.6% on FY21 (2H22 up 61.7%)
 - Online grows fivefold in five years (up 400% on FY17)
- ▶ Premier Retail gross margin of 64.8% up 52 bps on FY21
- ▶ Premier Retail EBIT margin of 22.4% up 100 bps on FY21
- ▶ Premier’s investment in Breville at a market value of \$760.3 million at 30 July 2022 (balance sheet value of \$312.2 million)
- ▶ All operating debt repaid during the year with FY22 closing cash on hand of \$471.3 million
- ▶ FY23 has opened strongly with total global sales for the first 7 weeks up 46.7% on 1H22

¹ Premier Retail EBIT of \$352.5 million includes significant items, as presented in Appendix B of the accompanying FY22 Investor Presentation. Premier Retail FY22 EBIT, excluding significant items, amounted to \$335.0 million.

² Except for Statutory NPAT, results are stated on a comparable 52 week period, pre-AASB16 and excluding significant items unless otherwise stated. Refer to Appendix B of the accompanying FY22 Investor presentation for a reconciliation of Statutory and Pre-AASB 16 results, including and excluding significant items.

Commentary

Premier's Chairman, Mr Solomon Lew, said:

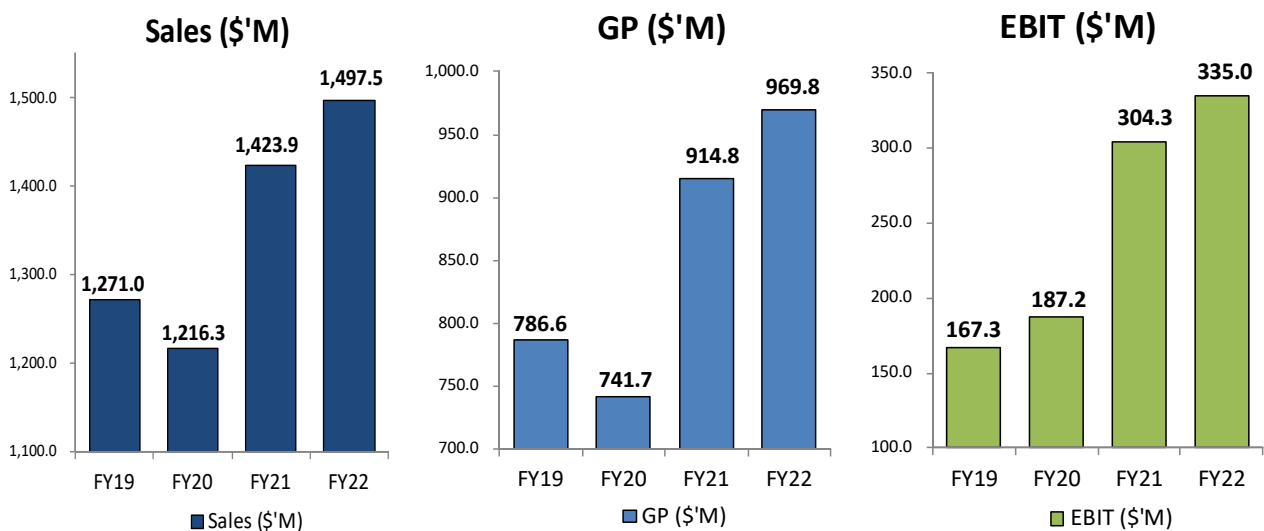
“Our team has delivered an impressive full year result for our shareholders, especially in the context of significant operational challenges that included Government mandated lockdowns, global supply chain complexities and omicron disruption. Premier Retail EBIT is up 10.1% on the prior year and is more than double pre-pandemic levels. This is testament to the seamless leadership transition to Richard Murray, the unrelenting focus on execution by our management team, and the commitment of our people.”

Premier Retail – Strong results driven by increased sales and gross margin

Premier Retail delivered global sales for the year of \$1,497.5 million, up 5.2% on FY21 and up 17.8% on 'pre-COVID' FY19. Like-for-like sales growth for the year was 5.4%. Premier is particularly pleased with this strong result given the Group's stores were closed for 42,675 trading days during the first half due to government mandated lockdowns imposed in response to the COVID-19 pandemic.

Premier Retail's gross profit for the year was \$969.8 million, an increase of 6.0% on FY21 and up 23.3% on FY19. Gross margin increased by 52 bps on FY21 (up 287 bps on FY19). Total cost of doing business decreased by 51 bps on FY21 and by 637 bps on FY19.

Premier Retail delivered EBIT of \$352.5 million (including significant items). Premier Retail EBIT excluding significant items was \$335.0 million, up 10.1% on FY21 and up 100.2% on FY19.



Executive Director and Premier Retail CEO Mr Richard Murray, said:

“The continuing challenges of the pandemic have been a focus in my first year with Premier, so it is deeply rewarding to announce a successful result to our stakeholders against the background of such a difficult environment. I acknowledge the hard work and dedication of our over 9,000 team members across our stores, distribution centres and support offices who deliver for our customers every day. Our portfolio of seven iconic brands has continued to perform, building on their distinctive market positions during the year. We continue to invest in our omni-channel offering, delighting our customers however they choose to engage with us.

“FY23 has started strongly, and we remain well-positioned to drive growth from our unique retail model.”

Peter Alexander – Powerful designer brand delivering record results

Peter Alexander delivered another record sales result for the year of \$428.5 million, up 11.4% on FY21 and up 73% on FY19.

Peter Alexander's unique design led product continues to excite customers. The brand has cemented its position as one of the leading lifestyle and gifting brands in Australia and New Zealand, driving increased full priced sales with less promotional activity.

The record sales result was driven by exceptional performance across all product categories, in particular its ongoing core programs as well as PA Plus and Childrenswear categories.

Peter Alexander customers enjoy a truly unique shopping experience through products that excite; world class instore theatre and store window displays; seamless online experiences and service teams who love and are immersed in the brand.

To showcase the brand's wide product offering, new and larger format stores have been identified as a runway for future growth. Peter Alexander has recently expanded three stores. Four new stores have also been confirmed to open in 1H23 as part of the next wave of store openings.

Smiggle – Powerful global brand rebounding

Smiggle delivered global sales of \$261.2 million in FY22, up 24.6% on FY21 with 2H22 sales up 61.7% on 2H21. The key to Smiggle's success is children attending school. As schools have reopened, Smiggle sales are rebounding. Smiggle is the ultimate children's destination for school essentials. From backpacks, water bottles and lunchboxes to pens and pencil cases, Smiggle is the original creator of all things fun, colourful and on-trend.

Australia and New Zealand brand performance has been very strong, delivering total and like-for-like sales growth across both markets and all states for 2H22 and FY22. In our overseas markets, the resumption of tourism has had a positive impact on European and Asian stores in key tourist locations. Europe brand sales performance for the year has continued to rebound and surpass expectations. The Asian market's performance has also bounced back in 2H22 with children returning to school. Smiggle's international wholesale markets have delivered record second half and full year results with strong demand from both existing and new partners.

Smiggle continued to have successful collaborations during FY22 with Disney studios, BBC studios, Universal studios and its first successful sporting collaboration with the Australian Football League (AFL). Further exciting collaborations will be launching in 1H23 and beyond.

Globally, Smiggle has opened 1H23 strongly in all markets and channels particularly in the all-important 'back to school' markets across the Northern Hemisphere.

Apparel Brands – Well positioned to deliver future growth

The Group's five iconic apparel brands delivered sales for the year of \$807.9 million, an increase of 12.7% on FY19, notwithstanding the significant impacts of Government mandated lockdowns in Australia and New Zealand during the first half of FY22. Pleasingly, the apparel brands gained momentum in the second half.

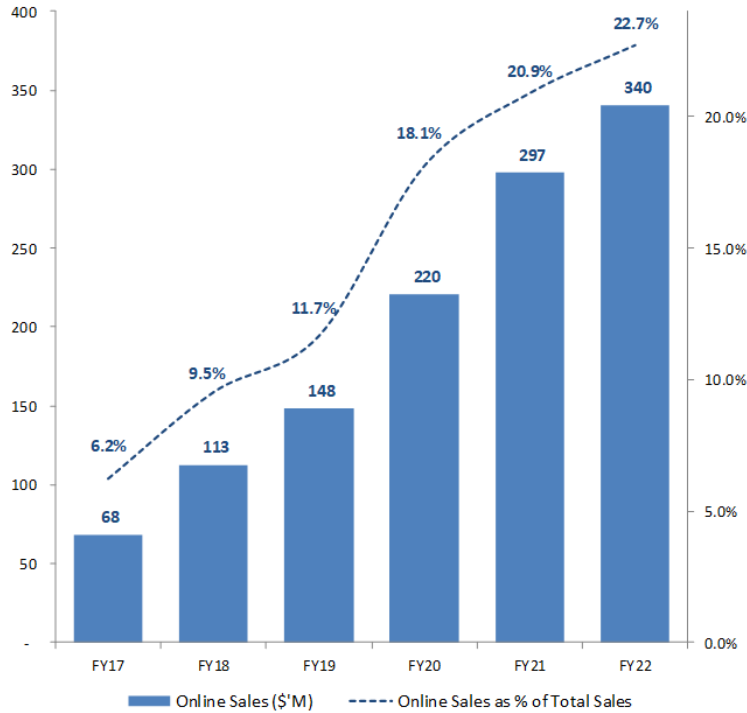
Portmans delivered a stand-out performance with record sales for the year of \$156.7 million, up 11.7% on FY21. Just Jeans has grown sales 38% over the past four years to \$293.6 million. Jay Jays delivered its second best result of the past decade. Dotti and Jacqui E both delivered sales in line with last year.

A disciplined focus on inventory management has resulted in a clean inventory position for all brands to commence FY23.

Premier Retail Omni Channel – Delighting customers however they choose to shop

Premier Retail delivered record online sales of \$340.1 million in FY22, contributing 22.7% of total Group sales for the year, and up 14.3% on the previous record result in FY21. The online channel continues to deliver significantly higher EBIT margin than the retail store channel. During the year, the Group launched a Smiggle website in Singapore - the Group's first website in Southeast Asia. The online channel is now operating 15 websites across four countries.

Online Sales – Fivefold growth over the past five years



Premier Retail's strategy is to delight customers however they choose to engage and shop, whether this is in-store or online.

Premier Retail will continue to invest in people, technology, and marketing to drive continuous improvement to our world class platforms and customer experience. Significantly for each of the seven brands the most viewed window and the largest store is the brand's online channel.

Customers also value the Group's more than 1,100 bricks and mortar stores in six countries. Premier Retail does not seek to close stores but maintains an unrelenting focus on store profitability.

Premier Retail's landlords recognise the long-term strength of Premier and its seven iconic brands. Over the past two years, the Group has continued to reach mutual agreement with key landlords that ensures Premier's size and scale are recognised in leasing agreements.

With the appropriate landlord support, opportunities exist to refresh, upgrade and/or expand stores across all brands over the next three to five years.

Premier Retail maintains maximum flexibility in reviewing each stores' profitability, with over 75% of its global store network either in holdover or with leases expiring in less than 12 months.

Support Centre, Sourcing & Supply Chain – Leveraging Synergies

Premier Retail's seven iconic brands and omni-channel offering leverage synergies from its centralised sourcing & supply chain function and support centre.

The Group continues to build on existing long standing supplier relationships, and also seeks to build relationships with new suppliers, all while underpinning product innovation, quality, and value.

Premier has continued its progress in how it responsibly manages its end to end sourcing decisions including partnering with ELEVATE, an independent global audit and compliance provider.

During the year the Group updated its Modern Slavery statement and published its Living Wage statement. In August 2022, Peter Alexander, Jay Jays, Portmans, Dotti and Jacqui E joined Just Jeans in becoming members of 'Better Cotton'.

Premier Retail operates centralised distribution centres in four countries owning its Australian centre. These distribution centres have enabled the business to be agile and scale up operations in response to customer shopping behaviours across channels. Over the past 12 months, additional distribution centre space has been leased in both Melbourne and Auckland to support ongoing growth and further drive efficiencies.

Reviews of the Group's distribution centre capabilities in both Australia and New Zealand continue as part of a long-term growth strategy.

Premier Retail – Portfolio of Iconic Brands

Premier Retail is well positioned for future growth:

- ▶ FY22 Sales of \$1.5 billion, up 17.8% on 'pre-COVID' FY19 sales
- ▶ FY22 EBIT (excluding significant items) of \$335.0 million up 100% on 'pre-COVID' FY19
- ▶ Portfolio of 7 iconic brands each with a strong, distinctive and competitive market position
- ▶ Omni-channel – driving seamless customer experience across all channels
- ▶ Leveraging synergies from centralised support functions
- ▶ Supported by Premier Investments' Board and capital

1H23 Trading and Outlook

1H23 has opened strongly. Total sales for the first 7 weeks are up 46.7% on 1H22, noting that 1H22 sales were significantly impacted by temporary store closures due to COVID-19. Total sales for the first 7 weeks are up 21.5% on 'pre-COVID' 1H20 sales.

The strong start to 1H23 and clean inventory position has given the Group confidence that it is well positioned to drive sales through the critical Black Friday, Cyber Monday, Christmas, Boxing Day Sales and 'Back to School' trading periods ahead.

Premier Balance Sheet

Premier maintains a strong balance sheet with:

- ▶ An investment in Breville Group Limited with a market value of \$760.3 million at the end of FY22 (balance sheet reflects an equity accounted value of \$312.2 million)
- ▶ Cash on hand of \$471.3 million at end of FY22 and property related debt of \$69.0 million having repaid all Premier Retail operating debt during FY22
- ▶ Premier's strategic ownership of properties at St Kilda Road (the global Premier Retail head office) and Premier Retail's Australian Distribution Centre valued at a combined historical cost less depreciation of \$72.7 million (not reflective of the current market values)
- ▶ A \$75.9 million investment in Myer Holdings Limited at the end of FY22

Premier Dividends and Capital Management

The Premier Board remains optimistic about the Group's ability to continue to deliver for shareholders while also recognising that the Group is operating in highly uncertain times. The Board notes that the environment, whilst challenging for many businesses, may present new opportunities for the Group given the strength of its balance sheet.

In balancing these considerations and to reward shareholders, the Board has:

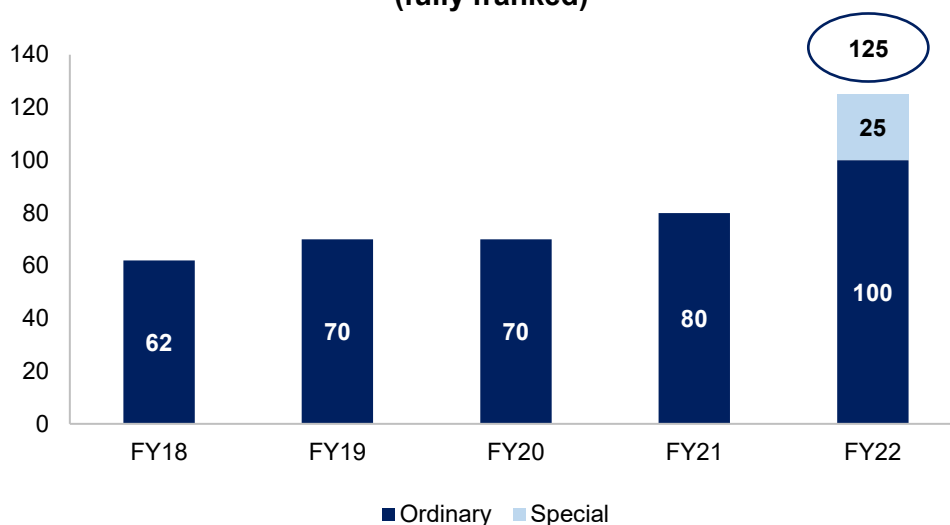
- ▶ Approved a final fully franked ordinary dividend of 54 cps taking full year ordinary dividends to 100 cps fully franked, up 25% on FY21
- ▶ Approved a special fully franked dividend of 25 cps
- ▶ Announced a 12-month on-market share buyback of up to \$50 million

Premier continues to have a strong and robust balance sheet which favourably positions the Company to consider a range of capital management initiatives in the future, including additional dividends and/or share buybacks. It also enables the Group to take advantage of the uncertain operating environment and share market dislocations which may present new opportunities for the Group.

The ordinary and special dividends for the full year total 125 cps, fully franked, up 45 cps or 56% on FY21 dividends. For FY22, shareholders will therefore be rewarded approximately \$199 million in fully franked dividends (FY21: \$127 million; FY20: \$111 million).

The approved final dividend and special dividend will be payable together on 25 January 2023, with a record date of 11 January 2023.

**Full year ordinary and special dividends per share
(fully franked)**



The on-market share buyback recognises the significant market volatility at present and will allow Premier to opportunistically and flexibly acquire shares which will in turn deliver earnings per share accretion and increase total shareholder returns.

The total number of shares to be purchased under the on-market share buyback will be dependent on business and market conditions and Premier may, at its discretion, vary the size of the on-market share buyback.

Premier will continue to explore opportunities to maximise shareholder returns into the future.

This announcement, together with the accompanying investor presentation, has been approved for release by the Board of Premier Investments Limited.

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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 (LFL) sales and Earnings Before Interest and Tax (EBIT).

Any non-IFRS financial information is clearly labelled to differentiate it from reported/IFRS financial information. Premier 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 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.