



**ASX RELEASE**

2 December 2022

ASX Market Announcements Office  
Australian Securities Exchange

**ANNUAL GENERAL MEETING – PRESENTATIONS**

Please refer to the attached Chairman's address to be delivered to shareholders at today's Annual General Meeting, together with the AGM presentation.

This announcement has been approved for release by the Board of Premier Investments Limited.

Yours faithfully,

**Marinda Meyer**  
Company Secretary  
Premier Investments Limited



**2 December 2022**

## **CHAIRMAN'S ADDRESS**

On behalf of the Premier Investments Limited ("Premier") Board, I would like to warmly welcome you to our Annual General Meeting for the 2022 financial year ("FY22").

After hosting our AGM virtually for the past few years due to the global pandemic, it really is a privilege to see and address many of you in person once again.

In 2022, the retail sector continued to face challenges presented by COVID-19. It required inventive solutions and nimble decision-making, as operational issues such as Government mandated lockdowns and complications across the international supply chain continued from the previous year.

To give you a sense of the scale of disruption during the first half of the 2022 financial year, Premier Retail lost around 43,000 trading days across its store network due to government-mandated lockdowns.

Your Board, our management team led by Richard Murray, and all of our company employees, have taken these challenges in their stride to deliver what I believe is another outstanding set of full year results for our shareholders.

It's important to acknowledge that today's AGM marks Richard's first full year as Premier Retail CEO. Last year we welcomed him to Premier shareholders as one of the best retailers in the country. Our strong 2022 results reflect a seamless transition of leadership to Richard, the unrelenting focus on execution by our management team and the commitment of all our executives and team members.

### **Outstanding financial performance**

For our 52 week financial year ended 30 July 2022, Premier delivered Net Profit After Tax ("NPAT") of \$285.2 million. This marks a 4.9% increase on FY21, despite FY21 being a longer trading year at 53-weeks. Compared with "pre-COVID" levels in FY19, Premier's FY22 NPAT is up 167%.

Premier Retail, our portfolio of seven iconic retail brands, contributed record Earnings before Interest and Tax ("EBIT") of \$352.5 million including significant items or \$335.0 million excluding significant items, up 10.1% on FY21<sup>1</sup>. Again, compared with FY19, Premier Retail's EBIT is up 100.2% from that reporting period.

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<sup>1</sup> Refer to the 2022 Premier Investments Limited Annual Report (page 9 of the Director's Report) for a reconciliation between EBIT and statutory reported operating profit before taxation for Premier Retail.

The strong Premier Retail profit contribution was delivered off a record \$1.497 billion in sales for FY22—a 5.2% increase on FY21.

The Group's five apparel brands delivered solid results, contributing \$807.9 million in sales, increasing 12.7% on our FY19 pre-covid benchmark.

Peter Alexander continues to remain a customer favourite. With its designer-led style, the brand remains a lifestyle and gifting staple across Australia and New Zealand, delivering sales of \$428.5 million in this financial year—that reflects an increase of 11.4% from FY21 and up 73% since FY19.

As we emerge from years of uncertainty and lockdowns, we are delighted to see schools across the globe re-open and with that, Smiggle sales rebound.

Smiggle delivered \$261.2 million in sales globally, an increase of 24.6% on last year. While lockdowns impacted performance in the first half, Smiggle saw a strong recovery in the second half across Australia and New Zealand with sales up 61.7%. Similarly in Europe and Asia, as school and tourism resumed, we saw a sales increase in these markets.

Smiggle's innovative collaborations also continued in FY22, with new products developed with Disney studios, BBC studios and Universal studios, as well as welcoming our very first sporting collaboration with the AFL.

### **Leading omni-channel offering**

The Group and our brands' financial performance has been underpinned by our strong operational foundations which have been meticulously established, and invested in, over many years, allowing our business to thrive in both stable and uncertain times.

Our omni-channel retail offering ensures our customers are delighted—no matter where or how they decide to shop with us. This superior customer experience is supported by Premier's:

- vast global network of over 1,100 bricks and mortar stores;
- our growing online channel;
- Continued investment in talent, technology and marketing; and
- Centralised distribution centres across four countries, with the Australian centre fully owned by the Company.

Premier Retail once again delivered record online sales, contributing \$340.1 million in FY22, up 14.3% on FY21. Premier's online channel creates a higher EBIT margin than the retail store channel, with online sales up fivefold in five years.

Significantly for each of the seven brands, the most viewed window and the largest store is in the brand's online channel. Our customers also value the Group's more than 1,100 bricks and mortar stores in six countries.

Premier Retail maintains its stance in not seeking to shut stores but remains focused in maintaining store profitability, with 75% of Premier's global network in holdover or with leases due to expire within 12 months.

With support from our valued landlords, Premier Retail has identified opportunities to refresh, upgrade, and expand its stores to cement the Group's long-term strength and brand performance, while simultaneously investing to maximise its online capabilities.

## **Strong balance sheet, supporting shareholder returns**

Premier maintains a strong balance sheet with cash on hand of \$471.3 million at the end of FY22 and property related debt of \$69.0 million, having repaid all operating debt during the year.

Premier's associate Breville Group Limited has also performed extremely well over the year increasing its associated accounting income to Premier by 13% compared to FY21. The business lead by CEO Jim Clayton is an Australian company leading the global small appliance industry with its innovate technology.

At the end of FY22, Premier's investment in Breville Group Limited had a market value of \$760.3 million while its 19.88% investment in Myer Holdings Limited was worth \$75.9 million.

In relation to our investment in Myer we are very pleased that Terry McCartney has recently been elected by Myer shareholders to the Myer Board.

As you know, Terry is a valued Non-Executive Director of Premier who is standing for re-election to our Board today. Terry's background is as one of the most experienced and successful Department Store leaders in Australia.

We believe Terry will make a much needed valuable contribution to the Myer Board – which we continue to believe lacks the relevant experience and knowledge to support the CEO and management team to realise the full potential of this iconic brand.

As the Board has previously noted, the current environment will present challenges for many businesses which may present new opportunities for the Group given the strength of its balance sheet.

In balancing these considerations, the Board has:

- approved a final fully franked ordinary dividend of 54 cents per share;
- approved a special fully franked dividend of 25 cents per share; and
- announced a 12-month on-market share buyback of up to \$50 million.

The full year ordinary and special dividends for FY22 total 125 cents per share, up 45 cents per share, or 56% on FY21. Shareholders will therefore be rewarded approximately \$199 million in fully franked dividends for FY22.

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

## **Looking ahead**

Premier Retail customers continue to respond favourably to the Group's 1H23 ranges. Global sales for the first 17 weeks of 1H23 are up 24.9% on 'pre-COVID' 1H20 sales. Last year's 1H22 sales patterns were significantly disrupted with the approximately 43,000 lost trading days occurring in the first quarter of 1H22, and stores experiencing a buoyant reopening at the start of the second quarter of last year. Noting the significant impact of these disruptions, global sales for the first 17 weeks of 1H23 are up 23.6% on 1H22.

Pleasingly, global sales for the last 5 weeks to date were tracking largely in line with last year, when stores re-opened after a nearly 4-month long lockdown.

Premier Retail has managed its logistics program effectively and is fully prepared for the 1H23 key trading periods ahead. The Group remains well positioned to take full advantage of the current momentum through the remaining critical first half trading periods of Christmas, Boxing Day and 'back-to-school' to drive sales and earnings growth on last year.

## **Acknowledgements**

As I have said before, Premier's consistently strong results do not happen by chance.

The challenges that have presented over the past three years have at times required swift and decisive action by our experienced Board and leadership team. Together their efforts have helped to protect and build on the success of our business for our people, our shareholders, and the many stakeholders who are reliant on a robust Premier business.

I am thankful to have the counsel and insight of such an experienced and cohesive group of fellow Directors.

Our outstanding results would not be possible without our 9,000-plus dedicated team members. Under Richard's leadership, our exceptional team delivers day after day for our customers, our communities, and our shareholders.

On behalf of the Board and all of our shareholders, I would like to say thank you to our remarkable and resilient team.

As we continue to navigate our way through the changing environment your Board is committed to ensuring that Premier remains well placed to continue to grow a sustainable, long-term business that continues to deliver strong returns for our shareholders.

Thank you for your attention and your ongoing support.

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ANNUAL GENERAL MEETING  
2 DECEMBER 2022

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# Premier Board of Directors



Solomon Lew  
Chairman & Non-Executive  
Director



Dr. David Crean  
Deputy Chairman & Non-  
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



Terrence McCartney  
Non-Executive Director



Michael McLeod  
Non-Executive Director



Richard Murray  
Premier Retail CEO &  
Executive Director



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# AGENDA

1. Chairman's address
2. Resolutions



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1.  
Chairman's  
Address







# FY22 Financial highlights

+4.9% on LY  
+167% on 'pre-COVID' FY19

Group  
Statutory NPAT  
**\$285.2 million**



+10.1% on LY  
+100.2% on 'pre-COVID' FY19

Premier Retail  
EBIT\*  
**\$335.0 million**

*\* Excl significant items*



+5.2% on LY  
+ 17.8% on 'pre-COVID' FY19

Premier Retail Sales  
**\$1,497.5 million**



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# FY22 Financial highlights – Premier Retail



+12.7% on  
'Pre-COVID'  
FY19

Apparel Brand Sales  
**\$807.9** million

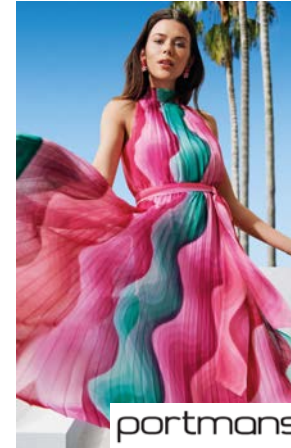
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Jay Jays



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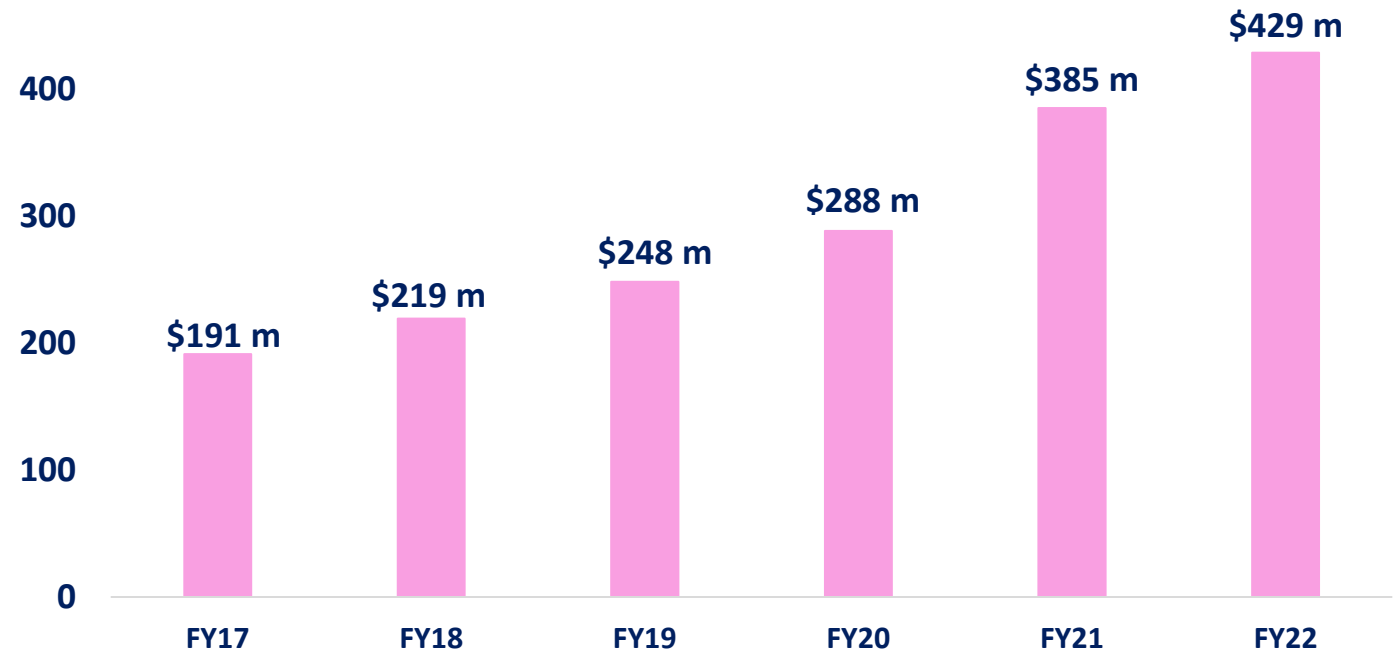


Just  
Jeans

# FY22 Financial highlights – Premier Retail



**+11.4%**  
**PETER ALEXANDER**  
Record Annual  
**SALES**  
**\$428.5 million**



# FY22 Financial highlights – Premier Retail



SMIGGLE sales rebound as schools re-open across the globe.

+24.6% on PY

SMIGGLE Global  
Sales

\$261.2 million

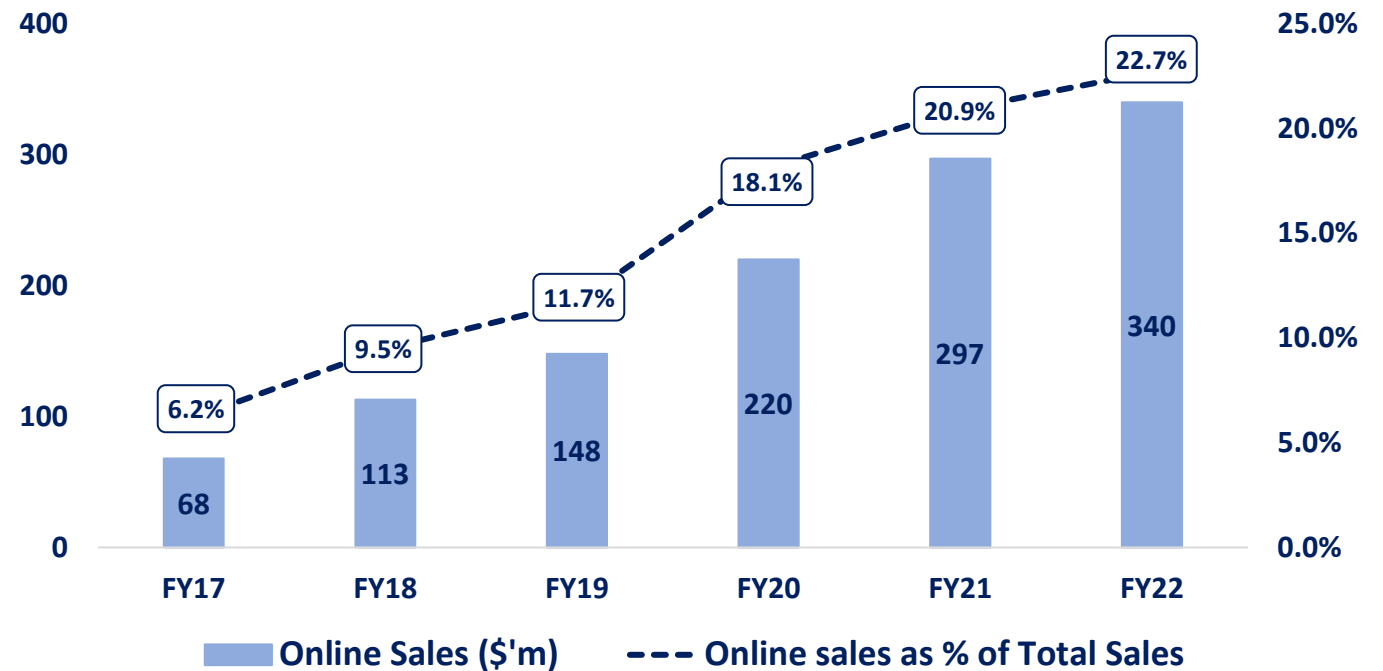




# FY22 Financial highlights – Premier Retail



Online Channel Sales \$'m





# Balance sheet and shareholder returns

Cash on Hand at  
end FY22

**\$471.3**  
million

Market value of  
**Breville** Investment at  
end FY22

**\$760** million

Accounting value of investment at  
30 July 2022 - \$312.2 million

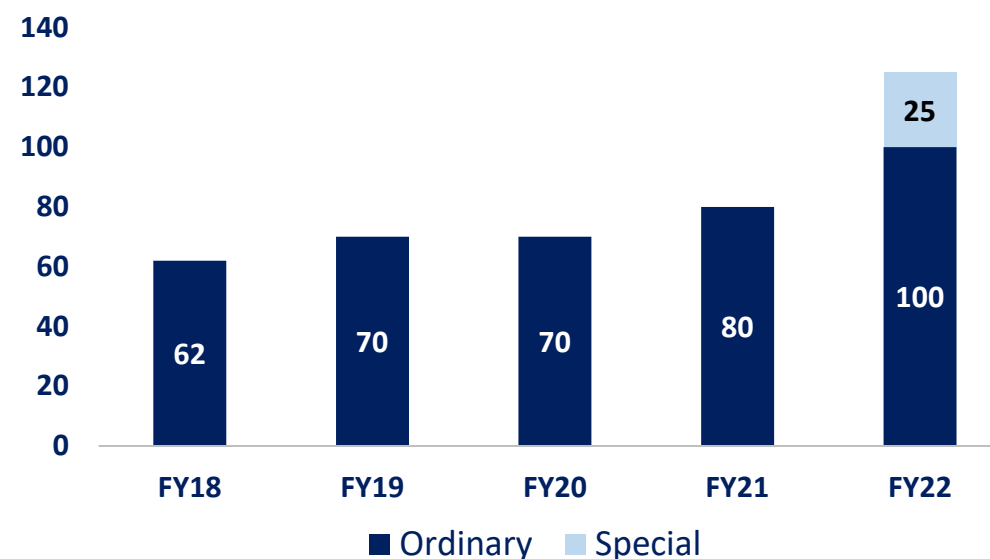
Market value of **Myer**  
Investment at end  
FY22

**\$75.9** million

Record FY22 ordinary  
and special dividend.

12-month **on-market**  
**share buyback** of up  
to \$50 million.

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



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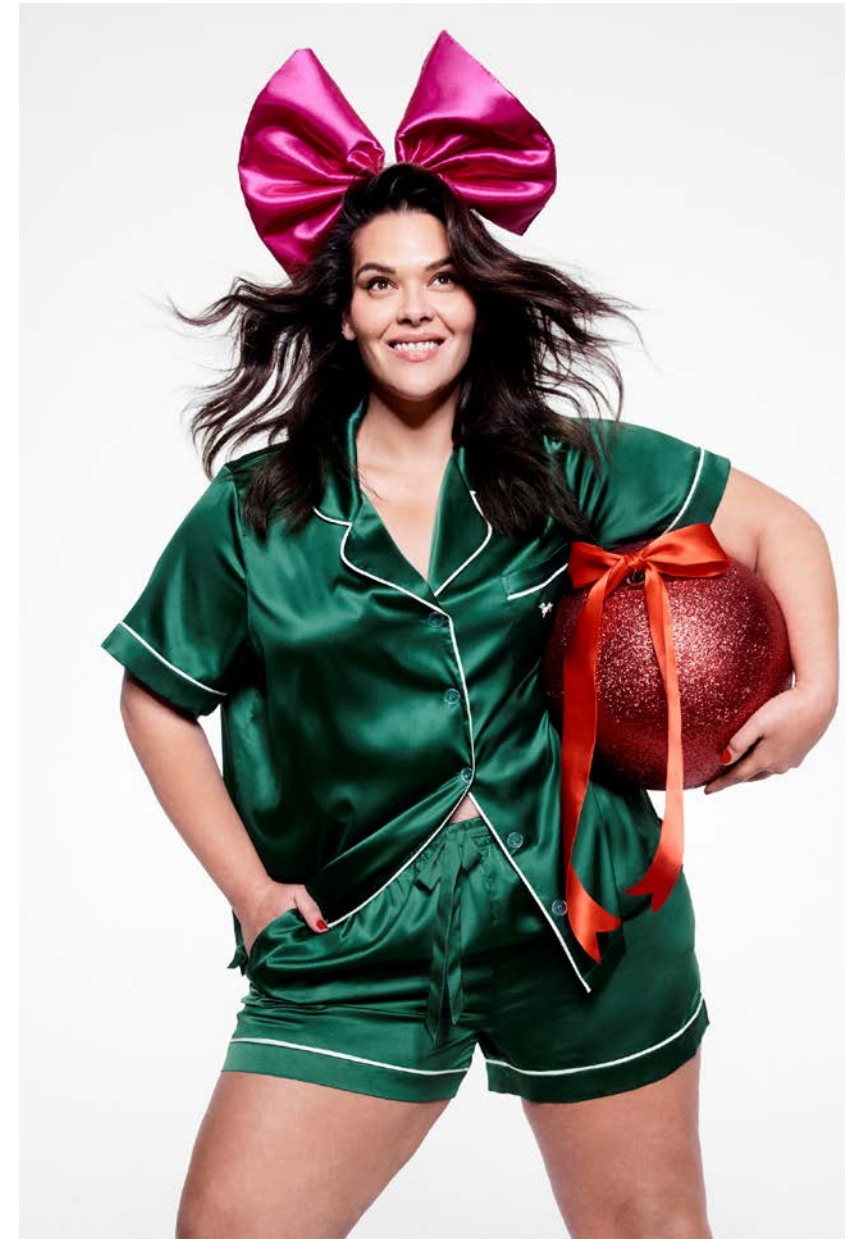


## 2. Resolutions





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**Thank you for your  
attendance**





# 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 and EBIT.
- 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 EBIT

- Please refer to the 2022 Premier Investments Limited Annual Report (page 9 of the Director's Report) for a reconciliation between 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.