



21 March 2025

PREMIER INVESTMENTS 1H25 RESULTS

Premier Investments Limited (“Premier” or “the Group”) today released results for the 26 weeks ended 25 January 2025 (1H25).

Premier’s Chairman, Mr Solomon Lew, said:

“The Premier Board considers the 1H25 results announced today to be a credit to management in navigating very difficult times given the relative performance of competitors where trading conditions continued to be challenging,.

“Following the end of 1H25, Premier successfully completed the sale of the Apparel Brands to Myer which represents a significant development in the company’s history. Premier now ceases to own the Apparel Brands and no longer holds any interest in Myer shares. The Premier Board considers the transaction to be good for both companies in providing Myer and the Apparel Brands with a platform for future growth in which individual Premier shareholders may participate, while also unlocking immediate value for Premier and its shareholders.

“Premier currently continues to own the high margin, iconic brands of Peter Alexander and Smiggle. Both brands will fully focus on leveraging growth in existing markets and expanding their reach in new markets through further international expansion in the coming years. In addition, Premier continues to hold its substantial investment in Breville Group, strategic property ownership and significant cash reserves.

“The outcomes and value created for Premier shareholders in 1H25 represents the culmination of years of focus and investment in our brands through providing quality and exciting products to our customers while creating and unlocking value for our shareholders.

“Over the past five years Premier has distributed over \$850 million in fully franked dividends to Premier shareholders. This is in addition to the February 2025 in-specie distribution of \$1.03 billion value of Myer shares plus \$387 million in franking credits to Eligible Shareholders.¹”

Premier - continuing and discontinued operations

Premier delivered Statutory Net Profit After Tax (NPAT) of \$117.1 million The Statutory result includes:

- ▶ all seven retail brands (that is, the Apparel Brands plus Peter Alexander and Smiggle);
- ▶ significant one-off expenses and transaction costs associated with the sale of Apparel Brands;
- ▶ Premier’s equity accounted investment in Breville Group Limited (“Breville”); and
- ▶ Premier’s equity accounted investment in Myer Holdings Limited (“Myer”).

The seven retail brands delivered underlying EBIT of \$162.0 million (pre AASB16), global sales of \$857.8 million and gross margin of 62.7% for the half ².

¹ Refer to Premier’s Explanatory Booklet to shareholders, dated 17 December 2024 for further details regarding the transaction with Myer and the In-Specie Distribution.

² Results are stated pre AASB16 and excluding significant items. Refer to appendix A of the investor presentation for further information.

Continuing operations: Premier Retail + Investments

Premier delivered Net Profit Before Tax (NPBT) (excluding significant items) of \$148.4 million (down 12.7%) from its Continuing Operations in 1H25. Premier's Continuing Operations include:

- ▶ Premier Retail, which now comprises Peter Alexander and Smiggle; and
- ▶ Investments including Breville, Premier's portfolio of property and cash on hand.

At the end of 1H25, Premier's investment in Breville had a market value of \$1.33 billion (and a balance sheet value of \$373.8 million). At the end of the period, Premier had cash on hand of \$337 million (excluding the \$82 million retained by the Apparel Brands as part of the transaction with Myer).

Premier Retail (continuing operations) 1H25 highlights ³

- ▶ Sales of \$455.0 million (excluding Peter Alexander UK), down 1.8% on 1H24 in a challenging discretionary retail environment
 - Record Peter Alexander 1H25 sales of \$297.7 million, up 6.6% on 1H24 (excluding results from the 1H25 launch in PA UK)
 - Smiggle 1H25 global sales of \$157.3 million down 14.5% on 1H24
- ▶ Gross profit margin of 67.8%
- ▶ Underlying EBIT (pre AASB16) \$129.4 million and underlying EBIT margin of 28.4%
- ▶ Clean inventory position to start 2H25

Premier Retail Interim CEO John Bryce, said:

"The EBIT margins of the new Premier Retail group of Smiggle and Peter Alexander remain best in class, despite our customers in all markets continuing to be impacted by increased cost of living pressures. We are once again particularly pleased with the record half-year result of Peter Alexander."

"Premier Retail's iconic specialty retail brands of Smiggle and Peter Alexander continue to deliver exciting, innovative products to our customers with a focus on providing unique shopping experiences that delight."

"Looking ahead, Premier Retail is focused on the future growth opportunities of Peter Alexander and Smiggle with investment in new initiatives for these much-loved brands".

Peter Alexander

Peter Alexander delivered another record sales result for the half of \$297.7 million (excluding the results of the recently launched Peter Alexander UK), up 6.6% on 1H24. The record result was delivered across all of its product categories: Womens, Mens, Children, Plus-Size and Gifting.

Both the retail store network and online channels delivered strong growth. Four new stores opened in Australia during the half, and four existing stores were relocated or expanded to significantly improve customer shopping experience and broaden its customer base. During 1H25, Peter Alexander opened its new expanded flagship Chadstone store, unveiling a new and innovative store concept design. The Group's investment in expanding the outlet store channel continues to deliver results by further broadening the brand's customer base.

The Group is pleased to have launched Peter Alexander in the United Kingdom during 1H25. The first three UK stores and dedicated UK website launched during November 2024. The three stores are all in prime London shopping centres (Westfield London, Westfield Stratford and Kent Bluewater). Peter Alexander is investing in brand awareness in the UK market to establish this unique and innovative brand as the destination for lifestyle and gifting as it has become in Australia and New Zealand.

³ Results are stated pre AASB16 and excluding significant items. Refer to appendix A of the investor presentation for further information.

Peter Alexander continues to have a significant runway for the further growth in its core markets. Two new stores and four relocations/expansions into larger formats have already been confirmed to open in 2H25 across Australia and New Zealand. Over 15 further opportunities have been identified for both new and/or larger format stores in Australia/New Zealand in the near term. A new loyalty program tailored for the Peter Alexander customers is currently being developed in order to further enhance the customer experience and drive sales.

Smiggle

Smiggle delivered global sales of \$157.3 million for 1H25, down 14.5% on 1H24, during a challenging global discretionary retail environment, with the Smiggle customer particularly exposed to increased cost of living pressures in all global markets.

At the end of the half, the brand operated 307 stores across its 'proprietary markets' of Australia, New Zealand, United Kingdom, Ireland, Singapore and Malaysia. Management is focused on the opportunity to grow the proprietary business across existing regions by a further 10+ stores in the near term.

Smiggle's wholesale partnerships continue to evolve with enhanced expansion through the opening of standalone stores. The established wholesale channel strategy is paving the way for future expansion in new markets.

Smiggle is a global brand with a presence in over 20 countries, and is well placed across all regions to rebound and maximise sales as global economic confidence returns. The brand remains committed to providing customers with innovative and quality products and continues to explore growth opportunities in existing markets and through the evolving wholesale channel. A long runway remains for future product collaborations with industry leading film studios and sporting codes that are aligned to Smiggle's core customers, values and philosophy.

Improving sales momentum early in 2025, with an encouraging back-to-school campaign delivering positive sales growth in both Australia and New Zealand across the key 5 week campaign period from January into February.

Focus on future EBIT growth

Premier Retail is commencing 2H25 with a clean inventory position. Pleasingly, Premier Retail global sales (excluding Peter Alexander UK) for the first 5 weeks of 2H25 are up 1.8% compared to the prior comparable period.

Premier Retail is well positioned to fully focus on local and international growth opportunities to maximise future EBIT growth for these two high margin brands.

► Peter Alexander:

- Over 15 additional opportunities for new and/or larger format stores in Australia and New Zealand
- Following its UK launch in November 2024, Peter Alexander is investing in brand awareness in the UK, establishing as a destination for lifestyle and gifting, ahead of further store rollout
- Development underway on a loyalty program tailored for the Peter Alexander customer planned to launch in CY25, further enhancing the customer experience and engagement

► Smiggle:

- Over 10 opportunities for new stores in existing 'proprietary' markets
- Continues to explore future offshore markets both as future 'owned stores' and the evolving 'wholesale' channel (both store-in-store and stand-alone stores)
- Investment underway in customer research and a review of the existing loyalty program

Strong Balance Sheet

Premier maintains a strong Balance Sheet leading into 2H25 including:

- ▶ An investment in Breville with a market value of \$1.33 billion at the end of 1H25 (balance sheet reflects an equity accounted value of \$373.8 million), having received \$6.2 million in fully franked dividends during the half;
- ▶ Cash on hand of \$337 million at end of the half and property related debt of \$69.0 million
- ▶ 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 \$68.9 million (not reflective of the current market values)

Premier In-Specie Distribution of Myer Shares

On 6 February 2025, Premier successfully completed the In-Specie Distribution⁴ of the Distribution Shares (resulting from the sale of the Apparel Brands Business to Myer) to Eligible Shareholders, and, in the case of Ineligible Shareholders, the Sale Agent. As a result, Eligible Shareholders received 7.2021 Myer shares for every 1 Premier share held as at the Distribution Record Date of 30 January 2025.

The In-Specie Distribution was effected by way of Capital Reduction and Distribution Dividend. As a result of the In-Specie Distribution, Premier no longer holds any interest in Myer Shares.

The market value of the In-Specie Distribution of Myer shares was calculated at \$1.03 billion. The In-Specie Distribution was calculated at \$6.46 per Premier share of which the Capital Reduction Amount was calculated as \$0.81 per Premier share, and the Distribution Dividend calculated as \$5.65 per Premier share.

The Premier Board determined that the \$5.65 Distribution Dividend per Premier share be fully franked, fully utilising Premier's franking account balance, and resulting in Premier Shareholders receiving \$2.42 per share in franking credits, or a total of \$387.1 million in distributed franking credits.

The Board has taken this substantial distribution made on 6 February 2025 to shareholders into account when considering an interim dividend. The Board makes dividend decisions in line with the best interests of Premier shareholders and have therefore not declared an interim dividend. The Premier Board expects to return to declaring dividends at the time of Premier's FY25 release in September 2025 and the Board will continuously evaluate Premier's dividend and capital management policies in the best interest of shareholders.

The Premier Board fully recognises the owners of the company are its shareholders who place capital at risk in the expectation of the Board and management delivering consistently strong shareholder returns. In the past 5 years Premier shareholders have received over \$850 million in fully franked dividends in addition to the above mentioned In-Specie Distribution of \$1.03 billion in Myer shares plus \$387.1 million in franking credits distributed in February 2025.

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

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⁴ Capitalised terms in this section have the same meaning as in the Explanatory Booklet for Premier Shareholders, dated 17 December 2024.

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: Adjusted net profit after tax, 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. 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.