



25 September 2024

PREMIER FY24 STRONG RESULT REAFFIRMS RESILIENCE IN CHALLENGING TIMES

PREMIER RETAIL EBIT (POST AASB16) OF \$340.9M¹; EBIT (PRE AASB16) OF \$325.9M

RECORD FINAL FULLY FRANKED ORDINARY DIVIDEND UP 16.7% TO 70 CPS

FY24 Highlights

- ▶ Premier Investments Limited (“Premier”, or “the Group”) statutory FY24 NPAT of \$257.9 million. Premier adjusted NPAT (non-IFRS) of \$244.4 million²
- ▶ Record final fully franked ordinary dividend of 70 cps, up 16.7% or 10 cents per share on FY23 ordinary dividend taking full year FY24 fully franked ordinary dividend to 133 cps
- ▶ Premier Retail FY24 EBIT (post AASB16) of \$340.9 million and \$325.9 million (pre AASB16)
- ▶ Premier Retail global sales of \$1.6 billion, down 2.9% on record FY23; and up 25.5% on ‘pre-COVID’ FY19. Gross Margin % up 35bps on FY23 and 67 bps on ‘pre-COVID’ FY19
- ▶ Record Peter Alexander sales of \$508.6 million – exceeding half a billion dollars for the first time. First three Peter Alexander United Kingdom stores and United Kingdom website confirmed to open by November 2024
- ▶ Clean inventory position to start FY25, with July 2024 inventory of \$217.9 million down \$13.3 million or 5.8% on July 2023
- ▶ Strategic Review continues to progress:
 - Premier has prioritised exploring Myer Holdings Limited’s (‘Myer’) approach of a proposed combination with Premier’s Apparel Brands business
 - Board continues to see merit in potential demerger of Peter Alexander and/or Smiggle
- ▶ At the end of FY24, Premier’s investment in Breville Group Limited (‘Breville’) had a market value of \$981.5 million (balance sheet value of \$347.2million). The investment in Myer had a market value of \$215.3 million (balance sheet value of \$161.0 million)
- ▶ FY24 closing cash on hand of \$409.5 million

Commentary

Premier’s Chairman, Mr Solomon Lew, said:

“FY24 has been another challenging year for discretionary retail. Notwithstanding the tough environment, Premier Retail delivered global sales of \$1.6 billion, an increase of 25.5% when compared to our pre-COVID FY19 business. Premier Retail yet again delivered a strong EBIT result of \$325.9 million, through careful management of gross margin and operational costs.

“In August 2023, the Premier Board embarked on a strategic review of Premier Retail. The last 12 months have highlighted significant future opportunities for each of Peter Alexander, Smiggle and the Apparel Brands. In June 2024, the Premier Board determined that the proposed combination of the Apparel Brands business with Myer warrants further consideration, and work has diligently taken place to analyse this proposal. The Board’s focus in assessing the proposal or any strategic review outcome will also be on creating shareholder value, whilst maintaining the potential and integrity of each of the businesses.”

¹ Premier Retail EBIT as presented in Appendix B of the accompanying FY24 Investor Presentation. 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 for a reconciliation.

² ‘Adjusted NPAT’ adjusts statutory NPAT for accounting entries in relation to equity accounting (i.e. Non-IFRS). Refer to Appendix B of the accompanying FY24 Investor Presentation for a reconciliation.

Premier Retail

Premier Retail delivered global sales for the year of \$1,595.3 million. Gross margin for the year increased 35bps to 62.6% with 2H24 gross margin up 94 bps on 2H23. Operational efficiencies largely offset inflationary pressures with cost of doing business up only 1.7% on FY23. Premier Retail reported EBIT (post-AASB 16) of \$340.9 million/ EBIT (pre-AASB16) of \$325.9 million.

Premier Retail Interim CEO John Bryce, said:

“As our customers in all markets continue to be impacted by increased cost of living pressures, Premier Retail’s strategy remains anchored on delivering value for customers in our products and shopping experience. We are particularly pleased with the result of Peter Alexander, surpassing half a billion dollars in annual sales in FY24, cementing the brand as a leading lifestyle and gifting brand in Australia and New Zealand.

“In this challenging retail environment, our FY24 EBIT result of \$325.9 million reflects our team’s ongoing focus on inventory productivity and operational efficiencies. Our gross margins continued to strengthen through the second half of FY24, up 94 bps on 2H23, and we open FY25 with a clean inventory position, down \$13.3 million or 5.8% on July 2023. Looking ahead, each of Peter Alexander, Smiggle and the Apparel Brands are focused on their future growth paths with investment in exciting new initiatives set to further strengthen our much-loved brands.”

Peter Alexander delivered another record sales result for the year of \$508.6 million, up 6.2% on FY23 and up 105.3% on ‘pre-COVID’ FY19. This is the first year that Peter Alexander has surpassed half a billion dollars in sales. The record result was driven across all its product categories: Womens, Mens, Children, Plus-Size and Gifting.

Both the retail store network and online channels delivered strong growth. Nine new stores opened during FY24, and nine existing stores were relocated or expanded to improve customer shopping experience and broaden its customer base.

Peter Alexander is delighted to confirm plans to launch this unique brand in the United Kingdom. The first three UK stores and dedicated UK website are confirmed to open by November 2024. The three stores are all in prime London shopping centres (Westfield London, Westfield Stratford and Kent Bluewater). Peter Alexander has identified up to ten new UK store opportunities in the short term as part of the initial launch plans.

During 1H25, Peter Alexander plans to open four new stores and relocate or expand four existing stores in Australia and New Zealand. The relocations include the opening of the new expanded flagship Chadstone store in October 2024. The footprint of this relocated store will increase by over 50% and will be the first Peter Alexander store with a new innovative store concept design planned for rollout in future store investment.

Smiggle delivered global sales of \$296.0 million for FY24 during a challenging global discretionary retail environment, with the Smiggle customer particularly exposed to increased cost of living pressures in all global markets. Sales for the year were down 7.4% on the record FY23 sales result and down 3.4% on pre-COVID FY19. Despite these difficult conditions, Smiggle delivered its FY24 sales result trading as a more efficient business, with 43 fewer stores than in FY19. 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.

The Group's five Apparel Brands comprise Just Jeans, Jay Jays, Portmans, Dotti and Jacqui-E, operating across 719 stores in Australia and New Zealand, as well as online. Collectively the Apparel Brands delivered sales for the year of \$790.7 million, a decrease of 6.4% on a record FY23. In 2H24 the Apparel Brands showed improved momentum with sales down 4.5%. Continuous improvement in product ranges and sourcing combined with a relentless focus on inventory productivity delivered improvement in 2H24 gross margins compared to 2H23.

Premier Retail is excited to announce the launch of a new customer loyalty program across all five Apparel Brands in October 2024. The existing loyalty program only available to Just Jeans customers in Australia was launched in 2006, and currently has 1.8 million members. The existing program delivers higher sales and transaction values when compared to non-member sales, reinforcing the potential value in offering a loyalty program across all five brands in both Australia and New Zealand. The new five-brand loyalty program will build brand engagement and further encourage cross shopping between the Apparel Brands. The loyalty program will also provide the Apparel Brands business with valuable data and customer insights to deliver more relevant offerings and improve customer experiences.

The Apparel Brands will commence unveiling new and improved store design formats in 1H25, providing customers with an enhanced in-store shopping experience. Just Jeans and Jacqui-E will unveil its new store designs in November 2024, while progress continues on new store design formats for Dotti, Portmans and Jay Jays.

Premier Retail's strategy is to delight customers however they choose to engage and shop – both in store and online. Premier Retail delivered online sales of \$315.3 million in FY24 representing 19.8% of total group sales in line with FY23. The Group opened 36 new stores in FY24 finishing the year with 1,163 physical stores across six countries.

There are opportunities to establish new stores and to enhance, upgrade or expand existing stores across all brands over the next three years with the appropriate support from landlords.

The Group is commencing FY25 with a clean inventory position, with inventory down \$13.3 million, or 5.8% on July 2023. The clean inventory position puts the Group in the best position to commence the first half of FY25, and the all-important trading periods ahead. As customer shopping patterns continue to migrate towards key promotional periods across Black Friday, Christmas and Boxing Day sale periods, the Group's Australian sales for the first 7 weeks of 1H25 are up 0.2% on the prior comparable period. The Group's overall global sales for the first 7 weeks of 1H25 are down 3.5% compared to the prior comparable period. Strong gross margins continued to be delivered during the first 7 weeks of 1H25.

Strategic Review Update

Premier Retail is well positioned to maximise future EBIT growth with the brands identifying key growth paths for the future.

- ▶ Peter Alexander:
 - Identified 20+ additional opportunities for new and larger format stores in existing markets
 - Exploring future offshore market opportunities including the opening of Peter Alexander UK in November 2024
- ▶ Smiggle:
 - Identified 10+ opportunities for new stores in existing 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)
- ▶ Apparel Brands:
 - Continuous improvement in product, sourcing and margin
 - New loyalty program planned to launch in October 2024 enhancing the customer experience, building brand engagement and awareness
 - Optimising the store portfolio and exploring new store formats

The Group's strategic review has continued to progress under the leadership of the Premier Board supported by UBS, ABL and an in-house lead project team.

Following Myer's proposal to explore a potential combination of Myer with Premier's Apparel Brands business, as announced on 24 June 2024, Premier has prioritised exploring that opportunity and the value which might be created for Premier shareholders, as well as delivering strong operational performance in a challenging retail environment.

The Board continues to see merit in the potential demerger of Peter Alexander and Smiggle, however, due to the current prioritisation of the proposal received from Myer, the Board is no longer working towards the demerger of Smiggle by the end of January 2025. The ultimate timing of any demerger of Peter Alexander and/or Smiggle will depend on the outcome of the current discussions with Myer.

Any transaction with Myer and/or any demerger of Peter Alexander and/or Smiggle will be subject to further review and final Board approval as well as regulatory and shareholder approval. Further information will be released when appropriate.

Premier maintains a strong Balance Sheet

- ▶ An investment in Breville with a market value of \$981.5 million at the end of the year (balance sheet reflects an equity accounted value of \$347.2 million) having received \$11.5 million in fully franked dividends during the year
- ▶ An investment in Myer with a market value of \$215.3 million at the end of the year (balance sheet reflects an equity accounted value of \$161.0 million) having received \$9.5 million in fully franked dividends during the year
- ▶ Cash on hand of \$409.5 million at end of the year 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 \$69.6 million (not reflective of the current market values)

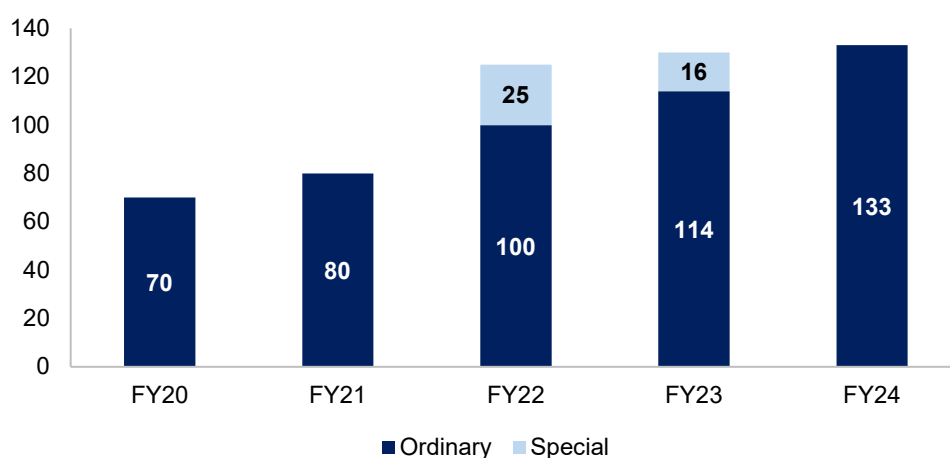
Premier Dividends

Premier’s Chairman, Mr Solomon Lew, said:

“Premier is pleased to have delivered yet again for its shareholders in a challenging retail environment. The Board continues to explore ways to maximise shareholder value. The Board has decided to reward shareholders with a record final fully franked ordinary dividend of 70 cents per share, up 16.7% on last year, and taking full year dividends to 133 cents per share, an increase of 16.7% on last year.”

The approved final ordinary dividend will be payable on 8 January 2025, with a record date of 11 December 2024.

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



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

ENDS

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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: 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.

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