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ASX RELEASE

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PREMIER RETAIL 2H21 AND FY21 TRADING UPDATE

Premier Retail today announces that total global sales for the first 18 weeks of 2H21 ended 5 June 2021 were up 70.0% on the comparable period of 2H20 and up 15.8% on the comparable 18 weeks of 2H19. The strong trading momentum announced in Premier Investment Limited's ("**Premier**") 1H21 result has continued to date.

The Group's trading during the all-important Easter School Holiday trading period was particularly strong. Critically, the Group also delivered a record Mother's Day and May result as Premier Retail successfully cycled the re-opening of all its Australian and New Zealand stores which were closed due to Government directions at the end of March 2020 because of the COVID-19 health crisis.

The current trading environment remains extremely volatile given the ongoing COVID-19 impact on the Group's global operations. Subject to macro-economic trading conditions remaining strong, no further significant COVID-19 Government mandated store closures or significant COVID-19 social movement restrictions where stores remain open but customers may not feel comfortable and safe shopping in store, Premier now expects Premier Retail FY21 EBIT for the 53 weeks ending 31 July 2021 to be in the range of $340 million to $360 million (pre-AASB 16). This range represents an increase of:

- between 82% and 92% on the underlying FY20 EBIT of $187.2 million (52 weeks ended 25 July 2020), and
- between 103% and 115% on the underlying FY19 EBIT of $167.3 million (52 weeks ended 27 July 2019).

Executive Director and Premier Retail CEO Mr Mark McInnes said: "Today's FY21 EBIT upgraded range will represent another record result for Premier's shareholders. The strategic decision taken last year by the Chairman and I to build our supply chain and significantly invest in wanted inventory for Easter, April school holidays, Mother's Day and the winter season has ensured we are in stock, delivering strong sales and gross margin growth across all our brands.

"The Group has successfully enabled customers to shop seamlessly either online or in-store during the COVID-19 health crisis. This has been achieved through the long-term strategic investments made in our online capability combined with our ability to reach mutual agreements with landlords to appropriately rebase rents."

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The expected FY21 EBIT range is currently being driven by:

- Strong customer demand for the winter product ranges across all brands;
- Strong online sales growth and highly profitable online performance;
- Exceptional gross margin expansion with 2H21 season to date up over 380 bps on both 2H20 and 2H19; and
- Strong cost control culture including continuing to reach agreements with landlords that appropriately rebase the Group's rent expense.

Premier Retail is delighted to announce that all 122 Smiggle stores in the United Kingdom and the Republic of Ireland have re-opened during April and May 2021, having been closed during Government mandated shutdowns for January, February and March 2021. Pleasingly, since re-opening trading has been in line with expectations. In Asia, Smiggle has remained severely impacted due to ongoing COVID-19 Government mandated restrictions which the Group believes will continue until at least the end of the financial year.

In Victoria, the Group closed its 228 stores on 27 May 2021 in line with Victorian Government mandated restrictions. Pleasingly, 49 of those stores in Regional Victoria re-opened on Friday 4 June 2021 and the balance of Melbourne Metropolitan stores will re-open today (11 June 2021).

Premier's Chairman Mr Solomon Lew said: "Throughout the devastating and ongoing COVID-19 health crisis, our absolute priority continues to be safety and wellbeing of our teams and our customers. The expected record FY21 EBIT result in today's announcement is a great credit to the experience and dedication of our entire global Premier Retail team and our exceptional executive management, led by CEO Mark McInnes. The Board and I are extremely proud of our entire Premier Retail team, and their diligence during these challenging times".

The estimated FY21 EBIT will be subject to external audit following the completion of the financial year. The above trading update relates to Premier's wholly owned Premier Retail segment and does not include any results from its investment segment.

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

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For enquiries:

Investors and Analysts

Mark Middeldorf
Premier Investments Limited
Tel: +61 3 9650 6500

Media

Lauren Thompson Mob: +61 438 954 729
Jon Snowball Mob: +61 477 946 068