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Premier Investments Limited
2021 Full Year Results Overview
23 September 2021

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AUSTRALIA

NEW
ZEALAND

UNITED
KINGDOM

PREMIER INVESTMENTS LIMITED FY21 OVERVIEW

Group result

- Statutory net profit after tax of \$271.8 million, up 97.3% on FY20²
- Premier Retail sales of \$1,443.2 million, up 18.7% on FY20²
 - Global LFL sales up 15.9% on FY20 on a constant currency basis
 - Record Peter Alexander sales of \$388.2 million, up \$100.0 million or 34.7% on previous record FY20²
 - Record Online sales of \$300.7 million, up \$80.3 million or 36.4% on a previous record FY20² and contributed 20.8% of total FY21 sales (FY20: 18.1%)
 - Record Apparel Brands sales of \$841.6 million, up 25.3% on FY20²
- Record Premier Retail Gross Profit of \$927.9 million, up \$186.2 million or 25.1% on FY20²
- Record Premier Retail Gross Margin up 331 bps to 64.3%
- Premier Retail EBIT (Pre AASB 16) of \$351.9 million, up 88.0% on FY20 Underlying EBIT^{1,2}
- Premier Retail EBIT % to sales (Pre AASB 16) of 24.4%, up 900 bps on FY20 Underlying result^{1,2}
- Premier Retail Profit before tax (Pre AASB 16) of \$350.0 million, up 89.8% on FY20 Underlying result^{1,2}
- Premier Retail Profit before tax (Post AASB 16) of \$352.1 million, up 91.4% on FY20 Underlying result²

Note:

1. The Statutory results for FY21 and FY20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for historical comparison, FY21 and FY20 results in this release, unless otherwise stated, are pre-adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer to Appendix B for reconciliations of Statutory and Pre AASB 16 results and one off items excluded from the Underlying FY20 results.
2. FY21 includes a 53rd week which contributed \$19.1 million in sales and \$7.9 million in EBIT. All FY21 sales, margin and profit information contained in this release (except LFL sales, or where otherwise stated) are for the period of 53 weeks ended 31 July 2021 (FY20: 52 weeks ended 25 July 2020).



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Strong balance sheet

- Strong balance sheet at end of FY21 shows:
 - Investment in associate (Breville Group Limited) of \$271.4 million. The market value of this investment is \$1.2 billion (*as at 31 July 2021*)
 - Cash on hand of \$523.3 million
 - Investment in strategically-owned properties at St Kilda Road Melbourne (Premier Retail's global head office) and Premier Retail's Australian Distribution Centre of \$74.2 million, reflected at historical cost less accumulated depreciation, not their current market value
 - Investment in Myer Holdings Limited of \$63.5 million
- Franking credit pool of \$231.3 million

2 Premier Investments Limited summarised consolidated income statement

| \$'M | FY21 | FY20 |
|---|--------------|--------------|
| Premier Retail EBIT - underlying ^{1,2} | 351.9 | 187.2 |
| Premier Investments income from Associate (BRG) | 23.9 | 17.7 |
| Premier Investments other revenue (Interest, Rent & Other) | 5.3 | 6.3 |
| Premier Investments expenses (ex Premier Retail) | (7.8) | (7.7) |
| Finance costs ¹ | (4.9) | (5.6) |
| AASB16 Impact on net profit before tax ¹ | 2.1 | (0.4) |
| Underlying net profit before tax | 370.5 | 197.5 |
| One-off COVID-19 impairment of store assets and associated costs ¹ | - | (31.4) |
| One-Off COVID-19 gain on closeout of hedge book ¹ | - | 13.2 |
| One-off gain from the equity accounting impact of BRG share issue | 9.1 | 15.9 |
| Reported net profit before tax | 379.6 | 195.2 |
| Income tax expense | (107.8) | (57.4) |
| Reported net profit after tax | 271.8 | 137.8 |

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Balance Sheet**\$'M****31 Jul 2021****25 Jul 2020****Assets**

Cash and cash equivalents

523.3

448.8

Inventories

208.8

156.6

Property, plant and equipment

137.8

155.1

Right of Use assets

167.1

231.8

Other assets

26.8

40.9

Deferred tax assets

55.5

66.9

Listed equity investment at fair value

63.5

18.1

Investment in associate

271.4

257.4

Intangible assets

827.0

826.9

Total assets**2,281.2****2,202.5****Liabilities**

Interest bearing liabilities

146.8

146.7

Lease liabilities

237.5

303.9

Trade payables and other liabilities

180.5

169.9

Provisions

57.0

48.9

Income tax payable

58.2

66.2

Interim dividend payable

-

54.0

Deferred tax liabilities

68.3

65.4

Total liabilities**748.3****855.0****Total equity****1,532.9****1,347.5**



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PREMIER RETAIL

- Premier Retail EBIT (Pre AASB 16) of \$351.9 million, up 88.0% on FY20 Underlying EBIT^{1,2}
- Premier Retail EBIT % to sales (Pre AASB 16) of 24.4%, up 900 bps on FY20 Underlying result^{1,2}
- Premier Retail Profit before tax (Pre AASB 16) of \$350.0 million, up 89.8% on FY20 Underlying result^{1,2}
- Premier Retail Profit before tax (Post AASB 16) of \$352.1 million, up 91.4% on FY20 Underlying result²
- Premier Retail sales of \$1,443.2 million, up 18.7% on FY20²
 - Global LFL sales up 15.9% on FY20 on a constant currency basis
 - Record Peter Alexander sales of \$388.2 million, up \$100.0 million or 34.7% on previous record FY20²
 - Record Online sales of \$300.7 million, up \$80.3 million or 36.4% on a previous record FY20² and contributed 20.8% of total FY21 sales (FY20: 18.1%)
 - Record Apparel Brands sales of \$841.6 million, up 25.3% on FY20²
- Record Premier Retail Gross Profit of \$927.9 million, up \$186.2 million or 25.1% on FY20²
- Record Premier Retail Gross Margin up 331 bps to 64.3%
- In the midst of a global pandemic, in mid-2020 Premier Retail made the strategic decision to significantly invest in inventory and build the supply chain to be in stock for the critical summer trading period including Black Friday, Christmas and January sales period. This strategy continued into 2H21, investing in wanted inventory for Easter, April school holidays, Mother's Day and the winter season, ensuring a strong in stock position delivering strong sales and gross margin growth across all brands. This strategy of investing in inventory has continued into FY22.

Note:

1. The Statutory results for FY21 and FY20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for historical comparison, FY21 and FY20 results in this release, unless otherwise stated, are pre-adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer to Appendix B for reconciliations of Statutory and Pre AASB 16 results and one off items excluded from the Underlying FY20 results
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3 Premier Retail performance

| | Pre AASB16 ^{1,2} 53 weeks to 31 Jul 2021 | Pre AASB16 ^{1,2} 52 weeks to 25 Jul 2020 | Var LY |
|--------------------------------|---|---|---------------|
| \$'000 | | | |
| Sales | 1,443,174 | 1,216,316 | +18.7% |
| LFL sales (constant currency) | 15.9% | 7.6% | |
| Gross Profit | 927,903 | 741,735 | +25.1% |
| Gross margin (%) | 64.3% | 61.0% | 331bps |
| Employee Expenses | (335,046) | (246,556) | +35.9% |
| % sales | 23.2% | 20.3% | 295bps |
| Rent | (158,029) | (205,256) | -23.0% |
| % sales | 11.0% | 16.9% | -593bps |
| Channel Optimisation | - | (8,719) | -100.0% |
| % sales | 0.0% | 0.7% | -72bps |
| Advertising & Direct Marketing | (18,510) | (14,171) | +30.6% |
| % sales | 1.3% | 1.2% | 12bps |
| Depreciation & Amortisation | (24,452) | (32,113) | -23.9% |
| % sales | 1.7% | 2.6% | -95bps |
| Impairment | - | (5,025) | -100.0% |
| % sales | 0.0% | 0.4% | -41bps |
| Other Cost of Doing Business | (45,503) | (44,102) | +3.2% |
| % sales | 3.2% | 3.6% | -47bps |
| Other income | 5,569 | 1,380 | |
| UNDERLYING EBIT | 351,932 | 187,173 | +88.0% |
| | 24.4% | 15.4% | 900bps |
| Borrowing Costs | (1,967) | (2,755) | -28.6% |
| UNDERLYING PBT | 349,965 | 184,418 | +89.8% |
| | 24.2% | 15.2% | 909bps |

FY21 Rent Expense rebased to 13.5% of Sales

As a result of the accelerating retail industry restructure underway, during FY21 Premier Retail was able to reach mutual agreement with key landlords that has appropriately rebased the Group's normalised rent at 13.5% of sales on a 52 week period (down 339 bps on FY20) recognising the long term financial strength of Premier Investments and its seven iconic brands.

In addition to the benefits of rebasing the rent, during FY21 Premier Retail also reached mutual agreement with key landlords on \$19.5 million worth of COVID-19 abatements and \$10.0 million in benefits in relation to stores previously in hold over.

The rent expense in FY21 was further decreased by \$4.6 million due to the UK government providing temporary relief from business rates compared to FY20. In FY22, ongoing relief to March 2022 continues at a lower level than in FY21

Notes:

- The Statutory results for FY21 and FY20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for historical comparison, FY21 and FY20 results in this release, unless otherwise stated, are pre-adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer to Appendix B for reconciliations of Statutory and Pre AASB 16 results, one off items excluded from the Underlying FY20 results and significant items in FY21.
- FY21 includes a 53rd week which contributed \$19.1 million in sales and \$7.9 million in EBIT



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4 Premier Retail – Results driven by Sales and Gross Margin

- Premier Retail has seven iconic brands each with a strong, distinctive and competitive market position
- Premier Retail Sales of \$1,443.2 million, up \$226.9 million or 18.7% on FY20 (17.1% on a comparable 52 week basis)
- Record Premier Retail Gross Margin up 331 bps to 64.3% in FY21
- Record Premier Retail Gross Profit up \$186.2 million or 25.1% on FY20
- Premier Retail strategies continue to deliver:
 - Better merchants developing better products
 - High quality inventory delivering more full-priced sales with less promotional activity
 - Long term foreign currency hedging strategies allowing for long term merchandise planning
 - Long term relationships with key suppliers and direct sourcing initiatives providing incremental benefits
 - Significant investment in inventory ensuring in stock position of wanted product across all brands



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5 Peter Alexander – Delivers \$100 million sales growth in one year



Peter Alexander - a unique and much loved designer brand

5 Peter Alexander – Powerful designer brand delivering record results

- Record FY21 sales of \$388.2 million, up a record \$100.0 million or 34.7% on FY20, underpinned by strong LFL growth both in stores and online
- Peter Alexander delivered three year sales growth of 77.5% from FY18 to FY21 and over 400% sales growth in the past 10 years
- Peter Alexander's unique design led product, combined with the Group's strategic decision early in the global health crisis to be in stock for the critical gift giving periods has enabled the brand to deliver increased full priced sales with much less promotional activity delivering significantly higher gross margins in FY21
- All Peter Alexander channels delivered exceptional growth across both Australia and New Zealand – online, full priced & outlet stores - including several outstanding results from suburban and regional retail stores
- Peter Alexander's record sales result was driven by exceptional performance across all product categories
 - Womenswear
 - Menswear
 - Childrenswear
 - PA Plus
 - Footwear
 - Gift & Home Fragrance



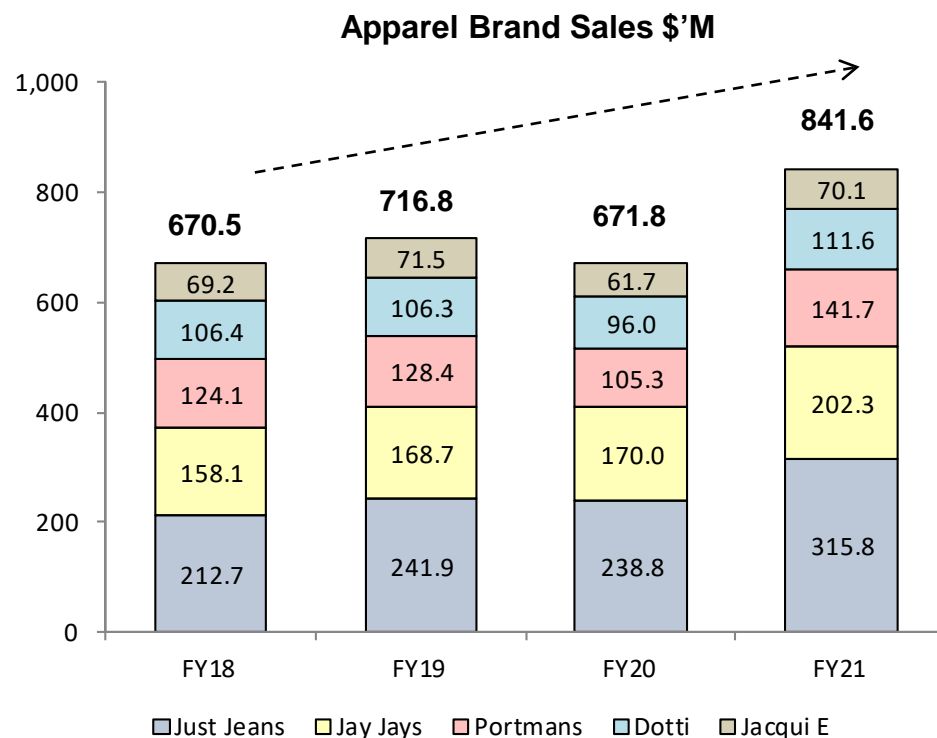
5 Peter Alexander – Powerful designer brand delivering record results

- The design, sourcing and supply chain teams adapted to the changing times with long term suppliers supporting these altered work practices to accommodate the fast moving environment
- Peter Alexander customers enjoy a truly unique shopping experience:
 - Products that excite
 - World class store window displays and online experience
 - Service teams who love and are immersed in the brand
 - Instore theatre
- The creative direction of the marketing program positions Peter Alexander as one of the leading lifestyle brands in Australia & New Zealand
- The continued creative involvement of Peter Alexander as Founder & Creative Director in collaboration with a strong team, under the leadership of Judy Coomber (Managing Director Peter Alexander & Dotti), has allowed the brand to maintain the design lead, look, feel and consistency of the much loved heritage of the Peter Alexander brand



6 Apparel Brands – record sales & well positioned to deliver future growth

- Record Apparel Brands sales of \$841.6 million, up 25.3% on FY20
- Apparel Brands FY21 LFL sales growth of 18.7%
- Apparel Brands delivered three year sales growth of 25.5% from FY18 to FY21
- Significant sales growth and gross margin improvement delivered through:
 - Better merchants delivering better products
 - High quality inventory delivering more full priced sales with less promotional activity
 - Long term foreign currency hedging strategies allowing for merchandise planning
 - Long term relationships with key suppliers and direct sourcing initiatives continue to deliver incremental benefits
- Strong consumer demand and reduced promotional activity in FY21 drove above trend gross margins



**All Apparel Brands have a distinct and competitive market position
and are all well positioned to deliver future growth**

7 Online – record result with FY21 Sales surpassing \$300 million

- Record online sales of \$300.7 million, up \$80.3 million or 36.4% on a previous record FY20 and contributed 20.8% of total FY21 sales (FY20: 18.1%)
- 2013 investment in centralised and specifically customised Australian Distribution Centre servicing 100% order fulfilment of 100% of Premier Retail products in Australia has enabled the business to be agile and scale up operations in response to unprecedented customer demand providing the group with significant operating leverage
- Plans have progressed to expand the 100% owned Australian Distribution Centre in calendar 2022 to meet ongoing demand resulting from the accelerating industry restructure as customers increasingly choose to shop online
- Under the leadership of Georgia Chewing (Group General Manager – eCommerce & Marketing), major investment continues in people, technology, digital marketing and distribution centres whilst continuing to deliver a world class platform and customer experience
- Online channel continues to deliver significantly higher EBIT margin than the retail store network providing significant operating leverage for future growth

Online Sales Growth



Record online sales contributed 20.8% of total FY21 sales at a significantly higher EBIT margin than the retail store network

8 Industry Restructure Accelerating – Online growth accelerating

- COVID-19 continues to influence customer shopping behaviours, accelerating shopping preferences to the online channel due to rolling government mandated store closures and global social distancing practices
- Premier has continued to make significant investment in its fully integrated online channel
- Today, Premier Retail is best placed to take advantage of the accelerating industry restructure underway with:
 - Seven iconic brands each with a strong, distinctive and competitive market position
 - World class customer facing website platforms trading in three countries
 - A fully integrated and owned Australian distribution centre
 - Significant investment in digital capability
 - Significant investment in online technology and infrastructure
 - Significant investment in dedicated teams focused on online growth
 - Delivered FY21 online sales growth up 36.4% on FY20 and contributing 20.8% of total FY21 sales

The Online channel continues to deliver significantly higher EBIT margin than the retail store network providing significant operating leverage for future growth



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8 | Industry Restructure Accelerating – Maximising channel profitability

- The accelerated customer preference to shopping online has further increased Premier Retail's focus on each store's profitability. Premier Retail has closed 158 stores over the past seven years, including 46 stores in the last 12 months, demonstrating its unrelenting focus on individual store profitability.
- While it is not Premier Retail's objective to close any stores, should landlords not accept the major shift in consumer shopping behaviour and adjust their rents according to customer shopping preferences, store closures will be inevitable.
- Pleasingly many landlords recognise the long term financial strength of Premier Investments and its seven iconic brands. During FY21, Premier Retail's property division under the leadership of Josh Molloy (Global Head of Property) was able to reach mutual agreement with key landlords that appropriately rebased the Group's normalised rent to 13.5% of sales (on a 52 week basis), a reduction of 339 bps on FY20.
- 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.

**The group remains best placed to maximise channel profitability
through the accelerating retail industry restructure**



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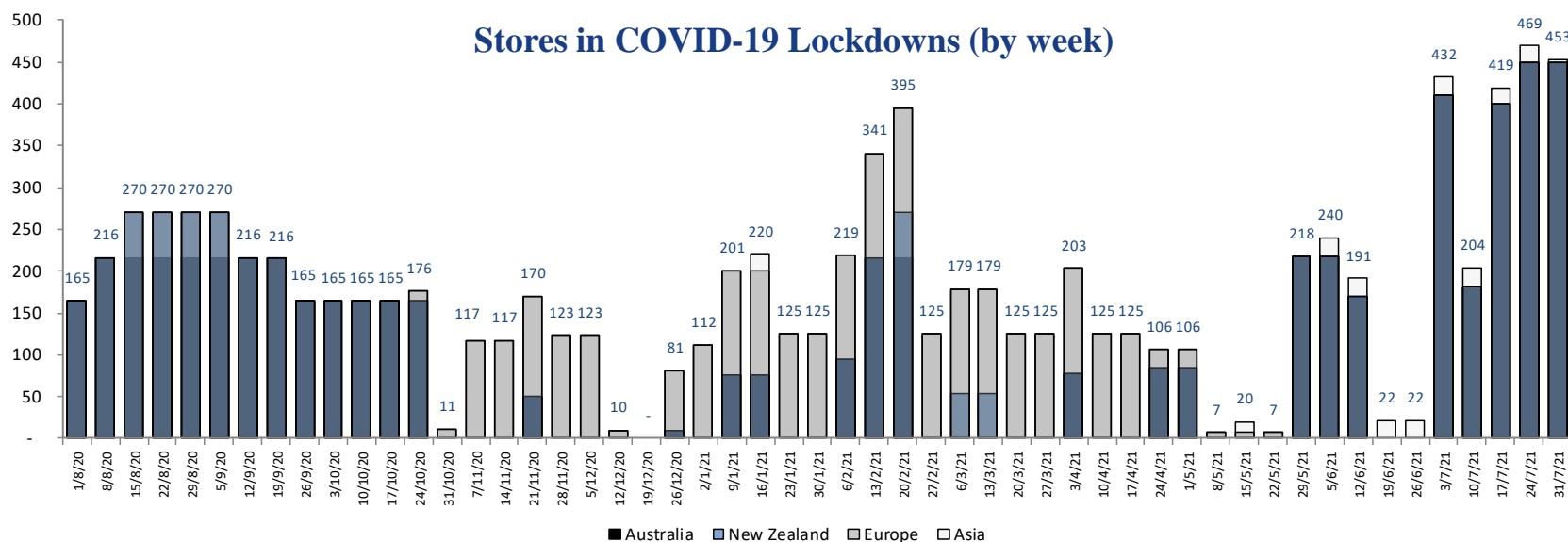


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9 COVID-19 impacts on FY21 results

- For 52 of the 53 trading weeks in FY21, it was government mandated that Premier Retail temporarily close stores in various regions across Australia, New Zealand, Europe and Asia. This resulted in 50,581 lost retail store trading days
- On average, 176 stores were forced into temporary closures in any given week of FY21, adding immense operational complexity across every aspect of the entire business. Mandated store closures further increased from late June, with over 400 stores closed in the final key trading weeks of the reporting period in July 2021
- The impact of COVID-19 continued to be particularly severe on the Smiggle Global business in FY21
 - Smiggle Europe stores were closed for a total of over 5 months across 2 separate shutdown periods in FY21, including key trading periods across Black Friday and Christmas
 - Schools closed for extended periods of time with families no longer feeling safe shopping in stores



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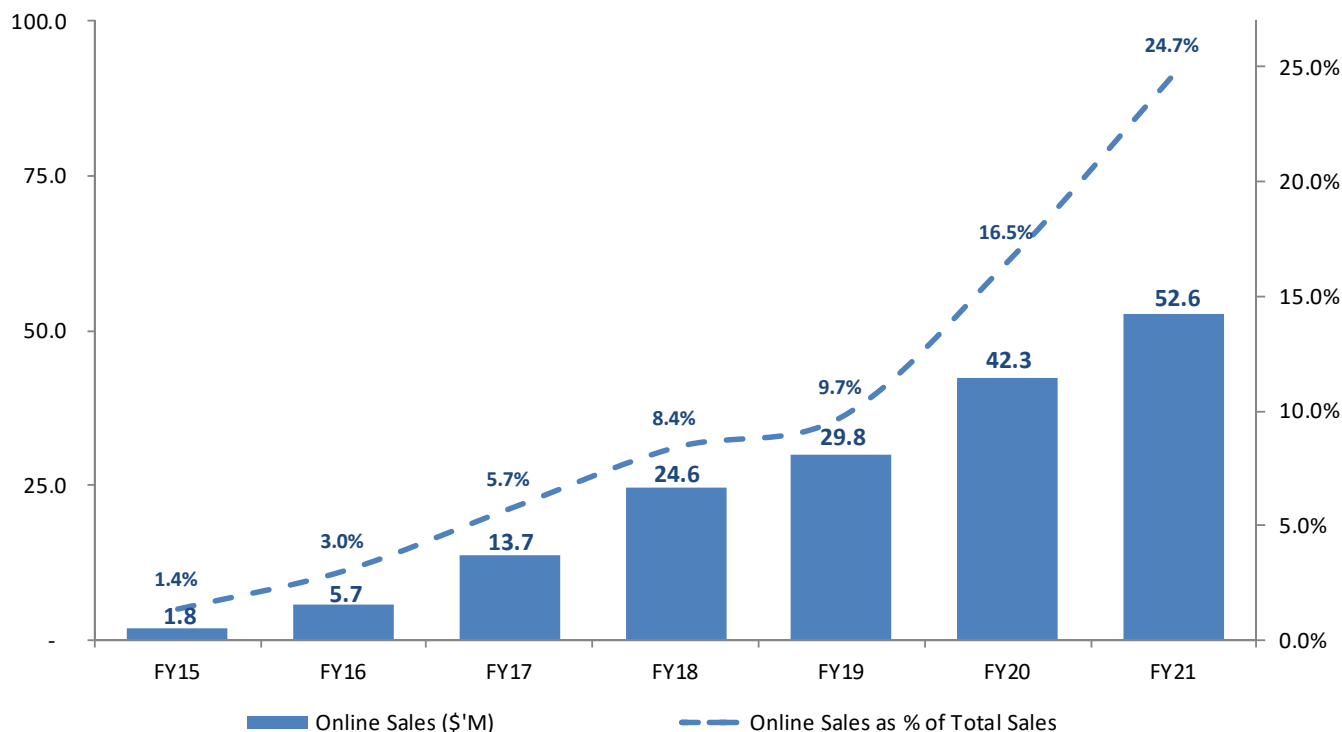


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10 Smiggle – A powerful global brand delivers record online sales

- Smiggle delivered record global online sales in FY21 of \$52.6 million, up 24.4% on FY20, and contributed 24.7% of total Smiggle FY21 sales (FY20: 16.5%)
- Record online sales across all proprietary sites in Australia, New Zealand and UK
- Online channel continues to deliver significantly higher EBIT margin than the retail store channel
- Significant investment continues in Smiggle's global online opportunity

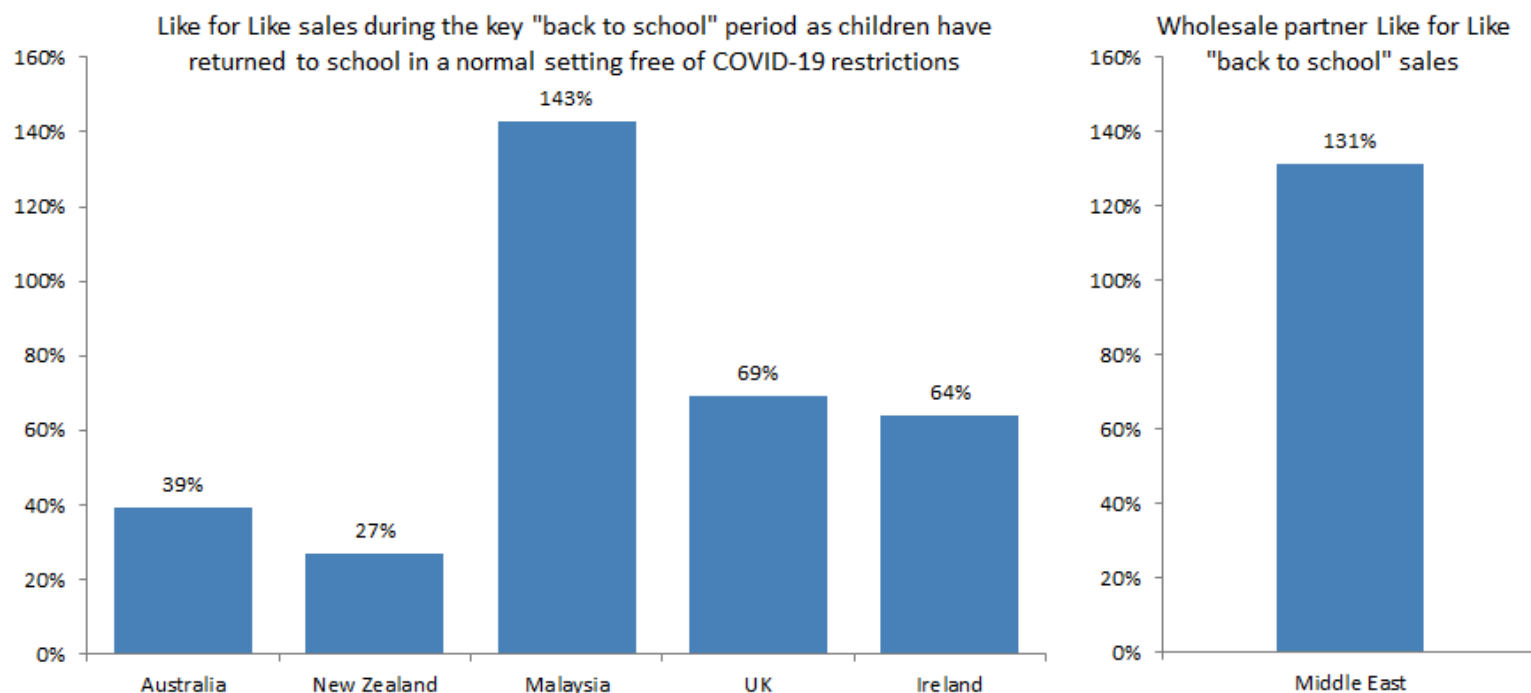


10 Smiggle – Powerful global brand flourishing where children are back at school

- Smiggle is a powerful global brand
- In countries and markets where schools have reopened under easing COVID-19 restrictions, the brand is flourishing

The key to Smiggle's success is children attending school

- In the key 'back to school' periods as children have returned to school, Smiggle has demonstrated its unique product competitive advantage by delivering LFL sales growth up 39% in Australia, up 27% in New Zealand and up 143% in Malaysia
- Despite the ongoing impact of COVID-19 throughout FY21, the brand's true strength was proven, delivering full year LFL sales growth up 5.7% in Australia, with all states recording LFL sales growth, and up 6.3% in New Zealand



10 Smiggle – Powerful global brand flourishing where children are back at school

Smiggle International

- During FY21, the impact of COVID-19 continued to be particularly severe on a global brand such as Smiggle, with government mandated retail store and school closures for extended periods of time across all Smiggle Retail and Wholesale markets, together with the prolonged closure of international borders
- The UK and Republic of Ireland have experienced a severely disrupted past year of retail store closures and remote home learning, with stores closed for 5 months of the financial year
- By mid May 2021 all stores in Europe resumed trading, and since restrictions have been fully eased from end July onwards and as consumers in both markets feel increasingly confident with high national rates of vaccination, sales performance has surpassed expectations
- With children back in the classroom there has been a very strong response to Smiggle's product offering for 'back to school' essentials, with sales for the key back to school period in 1H22 significantly ahead of expectations. Retail LFL sales growth up 69% in the UK and up 64% in Ireland, delivering record back to school sales results and selling at full margins without the need to discount
- This positive response in the Northern Hemisphere gives every confidence that the business in the Southern Hemisphere will bounce back strongly as restrictions ease, children return to the classroom and retail and wholesale stores are able to reopen
- In the Wholesale channel, for the key back to school period in 1H22, in the Middle East where children have returned to school in highly vaccinated societies, sales have significantly exceeded expectations delivering record sales and LFL growth up 131%
- This strong Middle East performance gives the group confidence that the Wholesale channel will flourish in an environment under easing COVID-19 restrictions



10 Smiggle – Powerful global brand starting to rebound

Smiggle has been strategically positioned for maximum EBIT growth as sales rebound due to the decisions the Group has previously taken to reset Smiggle International's asset base

- Impaired all Smiggle store assets in Asia and Europe in 2H20
- Closed the final four Smiggle Hong Kong retail stores in 1H21
- Closed 17 stores in United Kingdom in 1H21, with a further 4 closed in 2H21
- In all stores that remain open at lease end, Smiggle UK has reached agreement with landlords on turnover rent which is at a significantly lower % to sales than existing leases
- In addition, Smiggle UK has negotiated maximum flexibility with short term notice periods and will continue to benefit from reduced business rates to end March 2022
- Continued significant investment in Smiggle's highly profitable global online presence
- John Cheston (Managing Director Smiggle) continues to lead and inspire a high-quality management team

These actions leave Smiggle International best placed to rebound and grow

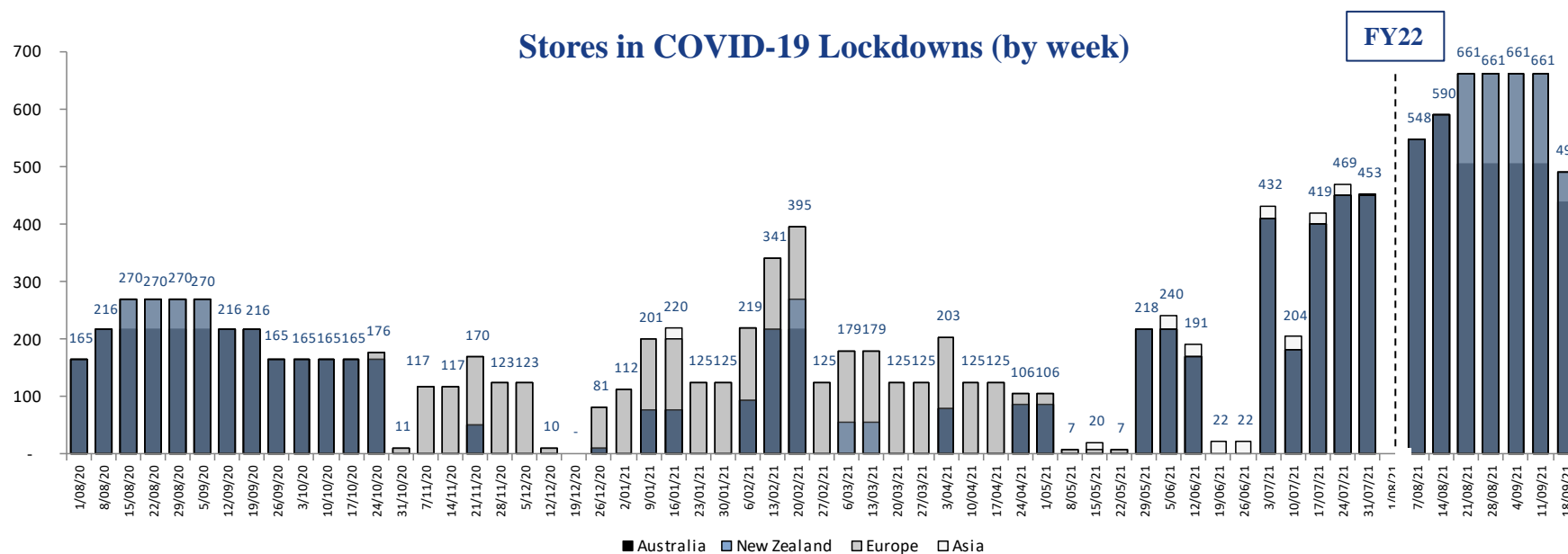
The brand is delivering strong LFL growth in countries and markets where schools have reopened and these markets are living under easing COVID-19 restrictions



Smiggle is a powerful global brand starting to rebound

11 COVID-19 impacts on first 7 weeks trading in FY22

- The group's retail store network continues to be impacted by various government mandated store closures. The group has had 661 stores temporarily closed across Australia and New Zealand through the majority of the month of August and into early September, representing 56% of the global retail store network. Pleasingly, the group has since progressively been able to re-open over 170 of these stores in the past two weeks
- The sales fallout from these retail store closures have been partially mitigated by the Group's strong global online sales (up 44.6%) and the rebounding of Smiggle Europe. For this 7-week period total global sales were down 9.5%
- Premier Retail has a proven track record to appropriately manage cost structures across the business in response to ever changing macroeconomic conditions. The Group's online business continues to accelerate with an EBIT margin significantly higher than the store network



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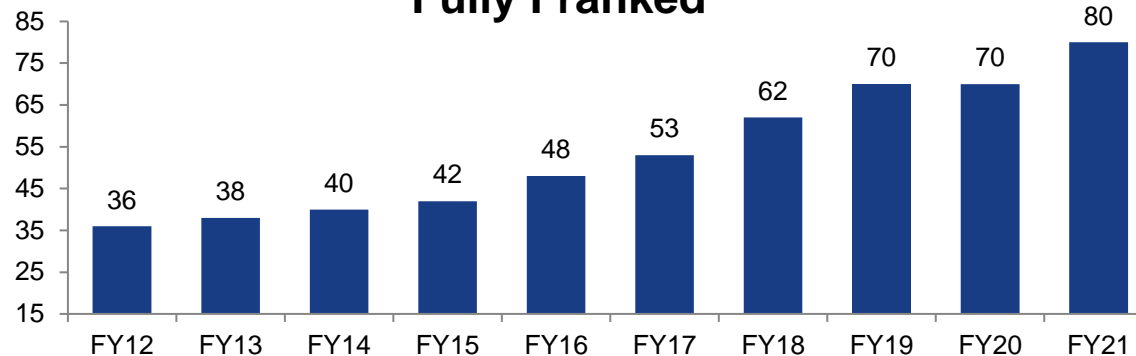
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12 Dividends

- The Premier Board remains optimistic about the group's ability to deliver in the all-important 2nd Quarter as the COVID-19 vaccination roll out across Australia and New Zealand increases, however, also recognises the business is operating in highly uncertain times
- The Board also 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, the Board has approved a final dividend of 46 cps fully franked, up 27.8% (FY20 Final: 36 cps)
- Total full year ordinary dividends of 80 cps fully franked, up 14.3% (FY20: 70 cps)
- The final dividend will be payable on 27 January 2022

Premier Investments
Full Year Ordinary Dividends per Share
(cents)
Fully Franked



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PREMIER RETAIL

Appendix A: BRAND BY BRAND PERFORMANCE

Highlights

- Record FY21 sales of \$388.2 million, up a record \$100.0 million or 34.7% on FY20, underpinned by strong LFL growth both in stores and online
- Peter Alexander's unique design led product, combined with the Group's strategic decision to be in stock for the critical gift giving periods has enabled the brand to deliver increased full priced sales with much less promotional activity delivering significantly higher gross margins in FY21
- The continued creative involvement of Peter Alexander as Founder & Creative Director in collaboration with a strong team, under the leadership of Judy Coomber (Managing Director Peter Alexander & Dotti), has allowed the brand to maintain the design lead, look, feel and consistency of the much loved heritage of the Peter Alexander brand

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$388.2m | | | |
| Var LY | +34.7% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 108 | - | - | 108 |
| New Zealand | 15 | - | - | 15 |
| Myer Concession | 17 | - | - | 17 |
| | 140 | - | - | 140 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- Record FY21 sales of \$315.8 million, up a record \$77.0 million or 32.2% on FY20, underpinned by strong LFL growth both in stores and online
- Sales up 48.5% over 3 years from FY18 to FY21
- Online Sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio
- Just Jeans – the group's iconic original brand - has a strong, distinctive and competitive market position and is well positioned for future growth

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$315.8m | | | |
| Var LY | +32.2% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 198 | - | 2 | 196 |
| New Zealand | 44 | - | - | 44 |
| | 242 | - | 2 | 240 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- FY21 sales of \$202.3 million up 19.0% on FY20, underpinned by strong LFL growth both in stores and online
- Sales up 28.0% over 3 years from FY18 to FY21
- Online Sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio
- Jay Jays has a strong, distinctive and competitive market position and is well positioned for future growth

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$202.3m | | | |
| Var LY | +19.0% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 176 | - | 1 | 175 |
| New Zealand | 29 | - | 2 | 27 |
| | 205 | - | 3 | 202 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- Record FY21 sales of \$141.7 million, up a record \$36.5 million or 34.6% on FY20, underpinned by strong LFL growth both in stores and online
- Online Sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio
- Portmans has an extremely strong and distinctive market position and is well positioned for future growth, particularly looking beyond the current temporary exodus of workers from CBD areas during the COVID-19 health crisis

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$141.7m | | | |
| Var LY | +34.6% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 85 | 1 | 2 | 84 |
| New Zealand | 11 | - | - | 11 |
| | 96 | 1 | 2 | 95 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- FY21 sales of \$111.6 million, up 16.3% on FY20, underpinned by strong LFL growth both in stores and online
- Continued improvement in gross margins being delivered through ongoing changes to sourcing strategy
- Online Sales continued to grow ahead of the market with this channel delivering significantly higher EBIT margin than the Brand average
- Dotti has a strong, distinctive and competitive market position and is well positioned for future growth

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$111.6m | | | |
| Var LY | +16.3% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 92 | - | 3 | 89 |
| New Zealand | 19 | - | 1 | 18 |
| | 111 | - | 4 | 107 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- FY21 sales of \$70.1 million, up 13.6% on FY20, underpinned by strong LFL growth both in stores and online
- While Jacqui E continues to be significantly impacted by the temporary exodus of workers from CBD areas during the COVID-19 health crisis, the FY21 sales growth demonstrates the long term strength of the brand
- In regions living with easing COVID-19 social distancing restrictions, Jacqui E sales were significantly stronger
- Online Sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio
- Jacqui E has an extremely strong and distinctive market position and is well positioned for future growth

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$70.1m | | | |
| Var LY | +13.6% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia | 76 | - | - | 76 |
| New Zealand | 20 | - | 1 | 19 |
| | 96 | - | 1 | 95 |



Notes:

1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Highlights

- The key to Smiggle's success is children attending school. In countries and markets where schools have re-opened under easing COVID-19 restrictions the brand is flourishing
- The brand's strength has been demonstrated in FY21 with strong LFL sales growth across all states in Australia up 5.7% and New Zealand up 6.3%, and in the key Back to School periods as children were able to return to school strong LFL Sales up 39% in Australia, up 27% in New Zealand and up 143% in Malaysia
- This momentum has continued into FY22 with a strong Back to School performance in Europe with retail LFL Sales up 69% in the UK and up 64% in Ireland. Record Wholesale Back to School performance in Middle East with retail LFL Sales up 131%
- Smiggle delivered record global online sales in FY21 of \$52.6 million, up 24.4% on FY20, and contributed 24.7% of total Smiggle FY21 sales (FY20: 16.5%)
- Smiggle is a powerful global brand starting to rebound

Overview of Results

| | | | | |
|------------------------|---------------|-------------|--------------------------|---------------|
| Sales | \$213.4m | | | |
| Var LY | -16.8% | | | |
| Store movements | Jul 20 | Open | Close¹ | Jul 21 |
| Australia/NZ | 150 | - | 3 | 147 |
| Asia | 46 | - | 8 | 38 |
| Asia Concession | 9 | - | 2 | 7 |
| Europe | 138 | - | 20 | 118 |
| Europe Concession | 4 | - | 1 | 3 |
| Global Stores | 347 | - | 34 | 313 |



Note 1. Store movements table reflects permanent store closures only, and does not include temporary store closures

Appendix B: Impact of AASB 16 and other information



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Appendix: Implementation of lease accounting standard AASB 16

- The new lease accounting standard AASB 16 was adopted at the start of the FY20 reporting period effective from 28 July 2019
- The implementation of AASB 16 has significantly changed reported results, however the standard does not have a significant economic impact on the company, net cash flows, debt covenants or shareholder value
- The impact of AASB 16 on the FY20 and FY21 reported statutory results compared to “Pre AASB 16” results (i.e. excluding the impact of the new standard) is summarised on the following page



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Appendix: Premier Investments Limited Profit and Loss impact of AASB 16

| Profit & Loss | <u>Pre AASB16</u> | | | <u>Post AASB16</u> | | |
|---|----------------------------|----------------------------|---------------|----------------------------|------------------|----------------------------|
| | 53 weeks to 31 Jul 2021 | 52 weeks to 25 Jul 2020 | Var LY | 53 weeks to 31 Jul 2021 | AASB16 Impact | 52 weeks to 25 Jul 2020 |
| \$'M | | | | | | |
| Sales | 1,443.2 | 1,216.3 | +18.7% | 1,443.2 | | 1,216.3 |
| Gross Profit | 927.9 | 741.7 | +25.1% | 927.9 | | 741.7 |
| Employee Expenses | (334.8) | (247.6) | +35.2% | (334.8) | | (247.6) |
| Operating Lease rental expense | (153.6) | (201.0) | -23.6% | 7.5 | 161.1 | (17.5) |
| Advertising & Direct Marketing | (18.5) | (14.2) | +30.3% | (18.5) | | (14.2) |
| Depreciation, Amortisation & Impairment | (26.0) | (74.9) | -65.3% | (178.3) | (152.3) | (250.0) |
| Other Cost of Doing Business | (52.1) | (50.8) | +2.5% | (52.1) | | (50.8) |
| Other revenue and income | 15.5 | 32.6 | -52.5% | 15.5 | | 32.6 |
| Share of profit of associate | 23.9 | 17.7 | +35.0% | 23.9 | | 17.7 |
| EBIT | 382.4 | 203.5 | +87.9% | 391.2 | 8.8 | 211.9 |
| Borrowing Costs | (4.9) | (5.6) | -12.5% | (11.6) | (6.7) | (16.7) |
| PBT | 377.5 | 197.9 | +90.8% | 379.6 | 2.1 | 195.2 |

Refer to Appendix 4E and notes to the full year financial report for further details

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Appendix: Premier Retail Profit and Loss impact of AASB 16

| | <i>Pre AASB16^{1,2}</i> | | | <i>Post AASB16^{1,2}</i> | | |
|--------------------------------|---------------------------------|----------------------------|---------|----------------------------------|-------------------------------|----------------------------|
| \$'000 | 53 weeks to 31 Jul 2021 | 52 weeks to 25 Jul 2020 | Var LY | 53 weeks to 31 Jul 2021 | AASB16 Impact ² | 52 weeks to 25 Jul 2020 |
| Sales | 1,443,174 | 1,216,316 | +18.7% | 1,443,174 | | 1,216,316 |
| LFL sales (constant currency) | 15.9% | 7.6% | | 15.9% | | 7.6% |
| Gross Profit | 927,903 | 741,735 | +25.1% | 927,903 | | 741,735 |
| Gross margin (%) | 64.3% | 61.0% | 331bps | 64.3% | | 61.0% |
| Employee Expenses | (335,046) | (246,556) | +35.9% | (335,046) | | (246,556) |
| % sales | 23.2% | 20.3% | 295bps | 23.2% | | 20.3% |
| Rent | (158,029) | (205,256) | -23.0% | 6,462 | 164,491 | (18,467) |
| % sales | 11.0% | 16.9% | -593bps | -0.4% | | 1.5% |
| Channel Optimisation | - | (8,719) | -100.0% | - | | (8,719) |
| % sales | 0.0% | 0.7% | -72bps | 0.0% | | 0.7% |
| Advertising & Direct Marketing | (18,510) | (14,171) | +30.6% | (18,510) | | (14,171) |
| % sales | 1.3% | 1.2% | 12bps | 1.3% | | 1.2% |
| Depreciation & Amortisation | (24,452) | (32,113) | -23.9% | (180,004) | (155,552) | (208,045) |
| % sales | 1.7% | 2.6% | -95bps | 12.5% | | 17.1% |
| Impairment | - | (5,025) | -100.0% | - | | (5,025) |
| % sales | 0.0% | 0.4% | -41bps | 0.0% | | 0.4% |
| Other Cost of Doing Business | (45,503) | (44,102) | +3.2% | (45,503) | | (44,102) |
| % sales | 3.2% | 3.6% | -47bps | 3.2% | | 3.6% |
| Other income | 5,569 | 1,380 | | 5,569 | | 1,380 |
| UNDERLYING EBIT | 351,932 | 187,173 | +88.0% | 360,871 | 8,939 | 198,030 |
| | 24.4% | 15.4% | 900bps | 25.0% | | 16.3% |
| Borrowing Costs | (1,967) | (2,755) | -28.6% | (8,757) | (6,790) | (14,055) |
| UNDERLYING PBT | 349,965 | 184,418 | +89.8% | 352,114 | 2,149 | 183,975 |
| | 24.2% | 15.2% | 909bps | 24.4% | | 15.1% |

Notes:

- The Statutory results for FY21 and FY20 reflect the adoption of the new Accounting Standard AASB 16 Leases. To allow for historical comparison, FY21 and FY20 results in this release, unless otherwise stated, are pre-adoption of AASB 16 ("Pre AASB 16") and therefore exclude the impact of AASB16. Refer to Appendix B for one off items excluded from the Underlying FY20 results.
- FY21 includes a 53rd week which contributed \$19.1 million in sales and \$7.9 million in EBIT



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Appendix: Premier Retail Significant Items

| \$'M | FY21 |
|---|--------------|
| Premier Retail EBIT | 351.9 |
| Impact of 53rd week | (7.9) |
| COVID-19 related rent concessions | (19.5) |
| Other Australia and New Zealand holdover rent concessions | (10.0) |
| UK Rates temporary Relief (COVID-19) | (4.6) |
| UK COVID-19 lockdown grants | (4.6) |
| Premier Retail EBIT excluding significant items | 305.3 |

Refer to Appendix 4E and notes to the full year financial report for further details

Notes:

1. FY21 includes a 53rd week which contributed \$19.1 million in sales and \$7.9 million in EBIT



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Notes regarding significant and other one-off items excluded from Premier Retail underlying results

FY21: Employee Expenses - JobKeeper

During all COVID-19 temporary store closures, Premier Retail's focus has been on the health and safety of our teams and the communities in which we operate. Premier recognises that the Australian Federal Government's JobKeeper initiative was fundamental to keeping employees and employers connected during the once in a century health crisis. On 3 May 2021, Premier announced that it will voluntarily return the \$15.6 million FY21 net JobKeeper wage subsidy benefit that it received under the scheme rules to the Australian Taxation Office. As a result, Premier recorded no net JobKeeper benefit in its FY21 financial statements. The Group was not eligible for the second phase of the Australian Government JobKeeper scheme from 28 September 2020 onwards.

Over and above any obligations, and despite not being eligible for "JobKeeper 2" from 28 September 2020 onwards, Premier Retail continued to pay its full time and part time Australian team members their contracted hours whilst those teams were unable to work due to various state government mandated temporary store closures from October 2020 through until the time in July 2021 when the Federal Government made its temporary COVID disaster payment scheme available directly to impacted team members.

FY20: One-Off COVID-19 gain on closeout of hedge book: \$13.2m income

The devastating global impact of the COVID-19 health crisis resulted in the very difficult decision to temporarily shut down Premier Retail's global operations by 26 March 2020 with no certainty of when the business would be able to reopen. During the time of this uncertainty, the group closed out its USD currency hedge books realising a \$13.2 million gain.

FY20: One-off COVID-19 impairment of store assets and associated costs: \$31.4m

The COVID-19 health crisis has accelerated the retail industry restructure already underway. The temporary global closures of stores and ongoing government implementation of social distancing measures due to COVID-19 has significantly impacted customer shopping behaviour. Customers are increasingly choosing to shop online in this highly uncertain macro-environment. Given these changed consumer behaviours, the Group reviewed each retail store's future estimated cash flows and considered the possibility of a continued adverse impact on future estimated cash flows as a result of the COVID-19 pandemic. Furthermore, consideration was given to the fact that the Group has maximum flexibility within its current retail store portfolio, given that over 70% of its Australian and New Zealand store leases are currently in holdover, or are due to expire within 2020. As a result of the uncertain future trading environment of traditional bricks-and-mortar stores due to COVID-19, together with the accelerating growth of the online channel, the Group has recognised an impairment loss on store plant and equipment during the second half of the year of \$26.2 million and associated costs of \$2.8m.

An impairment loss of \$2.4 million was recognised in relation to the Group's right-of-use assets during the current financial year. The impairment loss relates to the closure of Hong Kong retail stores writing down the associated right-of-use assets to their recoverable amount.

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, underlying EBIT, underlying NPBT and underlying NPAT.
- 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.

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.
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