

29 October 2024

## MYER ANNOUNCES TRANSFORMATIONAL COMBINATION WITH APPAREL BRANDS TO CREATE A LEADING RETAIL PLATFORM ACROSS AUSTRALIA AND NEW ZEALAND

### HIGHLIGHTS

- Myer and Premier enter into binding agreement for transformational combination of Myer and Apparel Brands (Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E).
- Accelerates Myer's key strategic priorities and creates a leading Australian retail platform leveraging respective and complementary strengths of Myer and Apparel Brands.
- Delivers significantly enhanced scale and capabilities to drive growth, operating leverage and greater capacity to invest in growth across the combined Myer Group.
- Expected to deliver combination benefits of at least \$30 million earnings per annum on a run-rate basis over the short to medium term and deliver significant EPS accretion on a pro forma FY24 basis.
- Transaction is unanimously recommended by the Directors<sup>1</sup> of Myer.<sup>2</sup>
- Completion expected in early calendar year 2025 subject to Myer and Premier shareholders voting in favour of the transaction and customary conditions.

### TRANSACTION DETAILS

Myer Holdings Limited ("**Myer**" or "**the Company**") announces that following the successful completion of reciprocal confirmatory due diligence it has today entered into a binding Share Sale and Implementation Agreement ("**SSIA**") with Premier Investments Limited ("**Premier**") for a transformational combination of Myer and Apparel Brands ("**Proposed Combination**" or "**Transaction**").

Today's announcement follows Myer's ASX announcement on 24 June 2024, which noted it had approached Premier Investments Limited ("**Premier**") to explore a potential combination with Apparel Brands.

Under the SSIA, Myer will issue 890.5 million new, fully paid ordinary shares in Myer to Premier upon completion in consideration for Just Group Limited ("**JGL**") and the contribution of \$82 million of cash by Premier ("**Consideration Shares**"). Prior to completion, Premier will complete an internal corporate restructure with JGL to own Apparel Brands (consisting of Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E).

In addition, the Myer Board will declare before completion a fully franked dividend of 2.5 cents per share to existing Myer shareholders, provided all conditions to the Transaction have been satisfied.

Following issuance of the Consideration Shares, existing Myer shareholders (including Premier's existing stake) will own 48.5% of issued capital in Myer in addition to receiving a fully franked dividend of 2.5 cents per share (with total value of \$20.9 million). In return for the sale of Apparel Brands and the contribution of \$82 million of cash, Premier will receive 51.5% of issued capital in Myer. Immediately after completion, Premier will undertake an in specie distribution of all its Myer shares (being the Consideration Shares plus its existing shareholding in Myer) to eligible Premier shareholders on a pro rata basis, resulting in Premier shareholders becoming shareholders in Myer directly.

Following completion of the Transaction, it is expected that Century Plaza Investments and its associates ("**Century Plaza Group**"), Premier's largest shareholder and the private investment vehicle of Premier Chairman Solomon Lew, will become Myer's largest shareholder with a pro forma shareholding of 26.8%. Premier's current shareholding in Myer is 31.2%.

Following completion, it is intended that Mr Lew will be invited to join the Board of Myer Group as non-executive director representing Century Plaza Group. Olivia Wirth will continue to lead Myer Group as

<sup>1</sup> Excludes Mr Terry McCartney, who is also a director of Premier

<sup>2</sup> Subject to the receipt of a favourable determination by the Independent Expert for the Proposed Combination

Executive Chair. The Myer Group management team will be augmented with the addition of Apparel Brands' highly experienced executive team, including Managing Director of Apparel Brands, Teresa Rendo.

The Directors<sup>3</sup> of Myer unanimously recommend that Myer shareholders vote in favour of the Proposed Combination subject to the receipt of a favourable determination by the Independent Expert for the Proposed Combination<sup>4</sup>. Subject to this qualification, the Directors<sup>3</sup> confirm that they intend to vote any Myer shares they hold or control in favour of the transaction.

## COMPELLING STRATEGIC AND FINANCIAL RATIONALE

- Accelerates Myer's key strategic priorities.
- Delivers significantly enhanced scale to extract growth and operating leverage benefits.
- Opportunity to unlock full potential by bringing Apparel Brands into Myer's omni-channel ecosystem.
- Opportunity to leverage Myer's market-leading MYER one loyalty program and eCommerce platform across an enlarged customer base.
- Highly complementary customer base addressing key target customer demographics for Myer and driving cross-shop benefits.
- Expands exclusive and private label portfolio and strengthens Myer's brand management capability.
- Opportunity to leverage Apparel Brands' trade excellence in sourcing, design and distribution to drive efficiencies and improve margins.
- Expected to generate combination benefits of at least \$30 million earnings per annum on a run-rate basis over the short to medium term.
- Significant EPS accretion on a pro forma FY24 basis (after expected run-rate combination benefits).
- Enhanced balance sheet and greater capacity to invest in growth across the combined business.
- A larger and more diversified shareholder base with improved trading liquidity and access to capital.

## EXECUTIVE CHAIR'S COMMENT

Myer Executive Chair Olivia Wirth said:

*"The combination of Myer and Apparel Brands is transformational for our business. If approved by shareholders, it will create a leading retail group with more than 780 stores across Australia and New Zealand, with a large and highly engaged customer base and capital to fund future investment and growth."*

*"Myer and Apparel Brands have highly complementary store footprints and customers who will benefit from an expanded omni-channel ecosystem that enables them to engage with the Group's loved brands when and how they want."*

*"The combination will create significant opportunities to supercharge our leading MYER one loyalty program through greater reach, enriched data, enhanced cross-shop opportunities and increased personalisation to drive incremental sales growth."*

*"The combined business will also be well positioned to take advantage of capabilities in product development, design, sourcing and distribution to realise the full potential of Myer's Exclusive Brands and private label portfolio and deliver improved margins for the Group."*

<sup>3</sup> Excludes Mr Terry McCartney, who is also a director of Premier

<sup>4</sup> The Independent Directors are entitled to change their recommendation if the Independent Expert concludes (and continues to conclude) that the Transaction is neither fair nor reasonable or if a Director has determined, after receiving written legal advice from independent senior counsel, that it, by virtue of its relevant directors' duties, is required to change, withdraw, qualify or modify, or abstain from making their recommendation that Myer shareholders vote in favour of the Proposed Combination

## ABOUT APPAREL BRANDS

Apparel Brands is a leading specialty retailer in Australia and New Zealand with a portfolio comprising five of Australia's most loved retail brands (Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E), a network of 719 stores and over 5,500 team members.

In FY24, Apparel Brands generated sales of \$791m (with online sales representing ~16%) and EBIT (pre AASB-16) of \$76m.

Brand	Stores	FY24 Sales	Customer base
Just Jeans	237	\$294m	Male & Female; 25 - 55 years
Jay Jays	192	\$164m	Male & Female; 13 - 18 years
Portmans	92	\$145m	Female; 25 - 40 years
Dotti	106	\$112m	Female; 16 - 25 years
Jacqui E	92	\$76m	Female; 35 - 80+ years
<b>Total Apparel Brands</b>	<b>719</b>	<b>\$791m</b>	

## OVERVIEW OF THE COMBINED MYER GROUP

Pro forma FY24 before combination benefits (\$m unless otherwise stated)	Myer <sup>5</sup>	Apparel Brands <sup>6</sup>	Combined Myer Group
Total Sales	3,266 <sup>7</sup>	791	4,057
Operating Gross Profit	1,194	458	1,652
EBIT (pre AASB-16)	76 <sup>8</sup>	76	152
<i>EBIT margin (%)</i>	2.3%	9.7%	3.7%
EBIT (post AASB-16)	163 <sup>8</sup>	87	250
<i>EBIT margin (%)</i>	5.0%	11.0%	6.2%
Number of stores	64 <sup>9</sup>	719 <sup>10</sup>	783
Number of team members	11,800+ <sup>11</sup>	5,500+	17,300+

## NEXT STEPS

The Transaction is subject to a number of customary conditions including Myer and Premier shareholders voting in favour of the transaction, Myer and Premier each obtaining the requisite ASIC and ASX confirmations and executed ancillary agreements. Subject to the satisfaction of these conditions, the Transaction is expected to complete by early calendar 2025.

The current expected timetable for the Proposed Combination is as follows:

Milestone	Expected timing
Release of Notices of Extraordinary General Meeting by Myer and Premier	December 2024
Extraordinary General Meeting of Myer Shareholders	Late January 2025
Extraordinary General Meeting of Premier Shareholders	Late January 2025
Completion of Transaction	Early 2025

## ADVISERS

Myer has retained Barrenjoey Capital Partners as financial adviser and Clayton Utz as legal adviser in connection with the Transaction.

<sup>5</sup> Financial information sourced from Myer FY24 Results Presentation dated 20<sup>th</sup> September 2024

<sup>6</sup> Refer to pg. 14 of the Premier Investor Presentation

<sup>7</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million

<sup>8</sup> Excluding implementation costs and individually significant items

<sup>9</sup> Including eight sass & bide, Marcs and David Lawrence stores

<sup>10</sup> Store count as at July 2024

<sup>11</sup> Includes casual staff but excludes sass & bide, Marcs and David Lawrence staff

## MARKET BRIEFING

To provide an overview of the Proposed Combination in further detail, a presentation has also been released to the ASX today.

Myer's Executive Chair, Olivia Wirth will host a teleconference for investors and analysts today at 10:00am (Melbourne time).

Participants can register for the conference by clicking [here](#). Attendees will need to have the attached slides available for the call. An archive of the briefing will be available afterwards at: [myer.com.au/investor](http://myer.com.au/investor)

This announcement was authorised by the Board of Myer Holdings Limited.

-ends-

### For enquiries please contact:

Martin Barr, Corporate Affairs & Communications, +61 (0) 418 101 127



For personal use only

# MYMAYER

MY STORE



## Transformational Combination With Apparel Brands

Investor Presentation

29 OCTOBER 2024

**OLIVIA WIRTH**  
Executive Chair



## Important Information

**The information in this document is general only and does not purport to be complete. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements. Investors or potential investors should not rely on the information provided as advice for investment purposes, and it does not take into account their objectives, financial situation or needs.**

Investors and potential investors should make their own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

Myer, its related bodies corporate, officers and employees do not warrant the accuracy or reliability of the information in this document and do not accept responsibility or liability arising in connection with the use of or reliance on this document.

This document may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "project", "should", "could", "would", "target", "aim", "forecast", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance.

Forward-looking statements involve significant elements of subjective judgement and analysis and may or may not be correct. Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside Myer's control, and which may cause actual results or performance to differ materially from those expressed or implied in this document. As such, reliance should not be placed on any forward-looking statements.

Subject to law, Myer assumes no obligation to update, review or revise any information contained in this document, whether as a result of new information, future events or otherwise. Past performance cannot be relied upon as a guide to future performance.

Myer uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards (non-IFRS information), including, without limitation, total sales, comparable sales, OGP margin, CODB, EBITDA, total funds employed, net cash, working capital, operating cash flow and free cash flow, NPAT (excluding implementation costs and individually significant items) and other measures (including EBIT, EBITDA, CODB, CODB Margin and Tax) expressed to be excluding implementation costs and individually significant items or on a pre AASB-16 basis. These measures are used internally by management to assess the performance of Myer's business, make decisions on the allocation of Myer's resources and assess operational management.

Non-IFRS information has not been subject to audit or review, and should not be considered an indication of, or an alternative to, an IFRS measure of profitability, financial performance or liquidity.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Myer today announced that it has entered into a binding agreement to combine with Apparel Brands, leveraging our respective and complementary strengths to create a leading retail platform across Australia and New Zealand (the “Proposed Combination” or “Transaction”)

**MYER**





# Agenda

Transaction Overview

Myer's Strategic Vision: Today; Myer Tomorrow

Overview of Apparel Brands

Overview of the Combined Myer Group

Next Steps and Conclusion



# 01

## Transaction Overview

Myer's Strategic Vision: Today, Myer Tomorrow

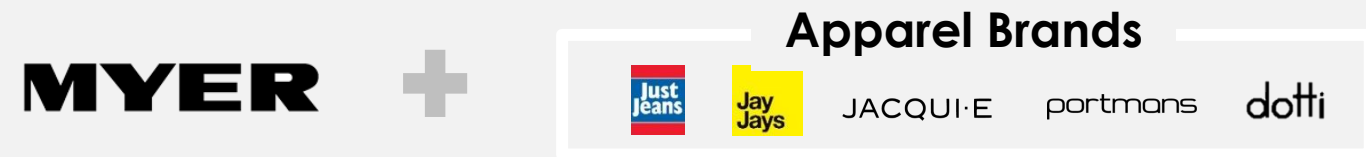
Overview of Apparel Brands

Overview of the Combined Myer Group

Next Steps and Conclusion



# Transaction summary



## TRANSACTION SUMMARY

Myer to issue 890.5m new, fully paid ordinary shares to Premier in consideration for **Apparel Brands** and the contribution of **\$82m of cash**

The Myer Board will declare before completion **a fully franked dividend of 2.5cps** to existing Myer shareholders, provided all conditions to the Transaction have been satisfied

Immediately after completion, Premier will **undertake an in specie distribution of all existing and new Myer shares** to eligible Premier shareholders on a pro rata basis

**Accelerates Myer's key strategic priorities** and is expected to deliver **combination benefits of at least \$30m earnings per annum on a run-rate basis** over the short to medium term and deliver **significant EPS accretion** on a pro forma FY24 basis<sup>1</sup>



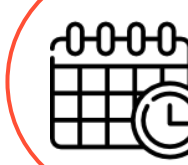
## OWNERSHIP, GOVERNANCE AND MANAGEMENT

**Century Plaza Group** will become Myer Group's largest shareholder with **pro forma ownership of 26.8%**. Premier's current shareholding in Myer is 31.2%

Following the issuance of the Consideration Shares, **existing Myer** shareholders (including Premier's existing shareholding) will own **48.5%** of issued capital in Myer, while **Premier** will receive **51.5%** of issued capital in Myer

**Solomon Lew** will be invited to join Myer Group's Board as a non-executive director representing Century Plaza Group and **Olivia Wirth** will continue to lead Myer Group as Executive Chair

The Myer Group management team will be augmented with the addition of **Apparel Brands' highly experienced executive team**, including **Managing Director of Apparel Brands, Teresa Rendo**



## BOARD RECOMMENDATION, CONDITIONS AND TIMING

**Share Sale and Implementation Agreement** signed today

**Myer and Premier respective shareholder votes** planned for late January 2025

The Directors<sup>2</sup> of Myer **unanimously recommend** that Myer shareholders **vote in favour** of the Proposed Combination<sup>3</sup>

Transaction expected to **complete in early calendar year 2025** subject to Myer and Premier shareholders voting in favour of the Transaction and to satisfaction of customary conditions

Note: (1) After expected annual run-rate combination benefits of \$30m; (2) Excludes Mr Terry McCartney, who is also a director of Premier; (3) Subject to receipt of a favourable determination by the Independent Expert for the Proposed Combination.



# Compelling strategic and financial rationale

For personal use only



- ✓ Delivers **significantly enhanced scale** to extract **growth and operating leverage benefits**
- ✓ Opportunity to unlock **full potential** by bringing Apparel Brands into Myer's **omni-channel ecosystem**
- ✓ Opportunity to leverage Myer's **market-leading MYER one loyalty program** and **eCommerce platform** across an enlarged customer base
- ✓ **Highly complementary customer base** addressing key target customer demographics for Myer and driving cross-shop benefits
- ✓ **Expands exclusive and private label portfolio** and strengthens Myer's **brand management capability**
- ✓ Opportunity to leverage Apparel Brands' **trade excellence in sourcing, design and distribution** to drive efficiencies and improve margins
- ✓ Expected to generate **combination benefits of at least \$30m earnings per annum on a run-rate basis** over the short to medium term
- ✓ **Significant EPS accretion** on a pro forma FY24 basis (after expected run-rate combination benefits)
- ✓ Enhanced balance sheet and greater capacity to **invest in growth across the combined business**
- ✓ A larger and more diversified shareholder base, with **improved trading liquidity and access to capital**

# Overview of the combined Myer Group

The Proposed Combination delivers scale to support future growth and an enhanced ability to invest and innovate in a highly competitive and rapidly evolving retail market

Pro forma Combined Myer Group, before combination benefits, \$m unless otherwise stated	Myer <sup>1</sup>	Apparel Brands <sup>6</sup>	Combined Myer Group
Total Sales (FY24)	3,266 <sup>2</sup>	791	<b>4,057</b>
Operating Gross Profit (FY24)	1,194	458	<b>1,652</b>
EBIT (FY24, pre AASB-16)	76 <sup>3</sup>	76	<b>152</b>
Margin (%)	2.3%	9.7%	<b>3.7%</b>
EBIT (FY24, post AASB-16)	163 <sup>3</sup>	87	<b>250</b>
Margin (%)	5.0%	11.0%	<b>6.2%</b>
Number of stores	64 <sup>4</sup>	719	<b>783</b>
Number of team members	11,800+ <sup>5</sup>	5,500+	<b>17,300+</b>

Notes: (1) Financial information sourced from Myer FY24 Results Presentation dated 20<sup>th</sup> September 2024; (2) Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million; (3) Excluding implementation costs and individually significant items; (4) Including eight sass & bide, Marcs and David Lawrence stores; (5) Includes casual staff but excludes sass & bide, Marcs and David Lawrence staff; (6) Refer to pg. 14 of the Premier Investor Presentation.

For personal use only



# 02

Transaction Overview

**Myer's Strategic Vision: Today; Myer Tomorrow**

Overview of Apparel Brands

Overview of the Combined Myer Group

Next Steps and Conclusion



# Myer today: Myer has market-leading assets and capabilities

For personal use only

## Brand strength and **customer satisfaction**

**Iconic and highly reputable brand**, 7th most trusted brand in Australia, with 124 years of retailing heritage  
 A strong team culture with **highly engaged team members** delivering a record 85% in-store customer satisfaction  
 Comprehensive offering at a **wide range of price points** underpinning broad customer appeal

## Leading loyalty ecosystem

One of the **largest and most engaging programs in Australia** with over 10 million members and 77% of sales from members (tag rate), with 4.4 million transacting in last 12 months  
 When combined with pay with points partners CBA, Virgin and Amex, the loyalty ecosystem provides access to ~36 million members creating a **unique source of potential growth and revenue**

## Interconnected store network and online offer

**National network in prime locations** comprising 56 department stores and 4 DCs is difficult to replicate  
**Powerful multi-channel offer** with ~20% sales online and significant latent capacity available to support future growth ambitions with over 200 million website visits to myer.com.au per year

## Strong foundation for growth

**Solid revenue base** and **stabilised financial performance** provides a strong foundation for growth  
 Strong and identifiable growth strategy will **maximise future opportunities**



# Myer tomorrow: Our strategic priorities

- 1 | Appeal to new and underpenetrated **customer segments**

➤ Strong resonance with value-seekers – can better engage customers who want **more fashionable choices** and an **easy, enjoyable shopping "experience"**
- 2 | A focus on delivering **stronger product proposition** particularly across Apparel and Beauty

➤ Renewed focus on brand portfolio to appeal to a more fashion orientated customer and improve the private label offer, **strengthening margins** as well as offering customers a **point of difference** from competitors
- 3 | Expand Myer's **omnichannel and online** capabilities, sales and offer

➤ Growth in the Australian Apparel and Beauty sectors is predominantly **coming from online channels** – Myer is well-placed to capitalise
- 4 | Unlock further value through **MYER one** and loyalty ecosystem

➤ MYER one is a world-class loyalty brand – **expanding the program**, drive **greater personalisation capability** and **leverage its broader loyalty ecosystem**
- 5 | Deliver a **winning store experience** and deliver **greater productivity** across portfolio and new store formats

➤ Opportunity to **reset store proposition** against all catchments not only against flagships with significant **latent potential across "middle" of estate** and new store format developments
- 6 | Achieve **trade excellence across full value chain** to enable reinvestment in the business

➤ Continued **focus on delivering better efficiencies and margins across full value chain** and a **clear financial framework** that links future capital allocation to total shareholder return and enable prudent investment in growth

# Myer Group: The power of Myer and Apparel Brands combined

For personal use only

## ✓ Wide collection of brands for all Australians

- Curated and growing portfolio of Myer Exclusive Brands serving customer needs, with Apparel Brands reaching different shoppers complementary to Myer's customer base

## ✓ Fast-growing customer loyalty program

- Opportunity to enhance customer loyalty by expanding MYER one, a world-class retail loyalty program, across an enlarged customer base and retailer network
- Accelerated growth underpinned by growing advanced data capabilities
- Strong penetration of MYER one allows for accelerated cross-shop opportunity (40%)<sup>2</sup>

## ✓ Advanced fashion design, sourcing and distribution

- Leveraging Apparel Brands' trade excellence across the sourcing value chain
- Greater opportunity to leverage extensive global supply base with deep design and sourcing experience, getting product to market faster and more efficiently

## ✓ Experienced and enhanced management team

- Combined executive leadership brings deep expertise in ANZ retail, sourcing, design, support services, operations and customer experience

## ✓ Vast fashion retail footprint, both online and offline

- Myer's and Apparel Brands' combined footprint of 783<sup>1</sup> stores will increase access for a greater proportion of the population
- Stronger omni-channel potential given combined eCommerce scale

## ✓ Enhanced scale, revenue and balance sheet

- Ability to leverage scale to deliver combination benefits and improve operating leverage
- Enhanced balance sheet and greater capacity to invest in growth
- A larger and more diversified shareholder base, with improved trading liquidity and access to capital

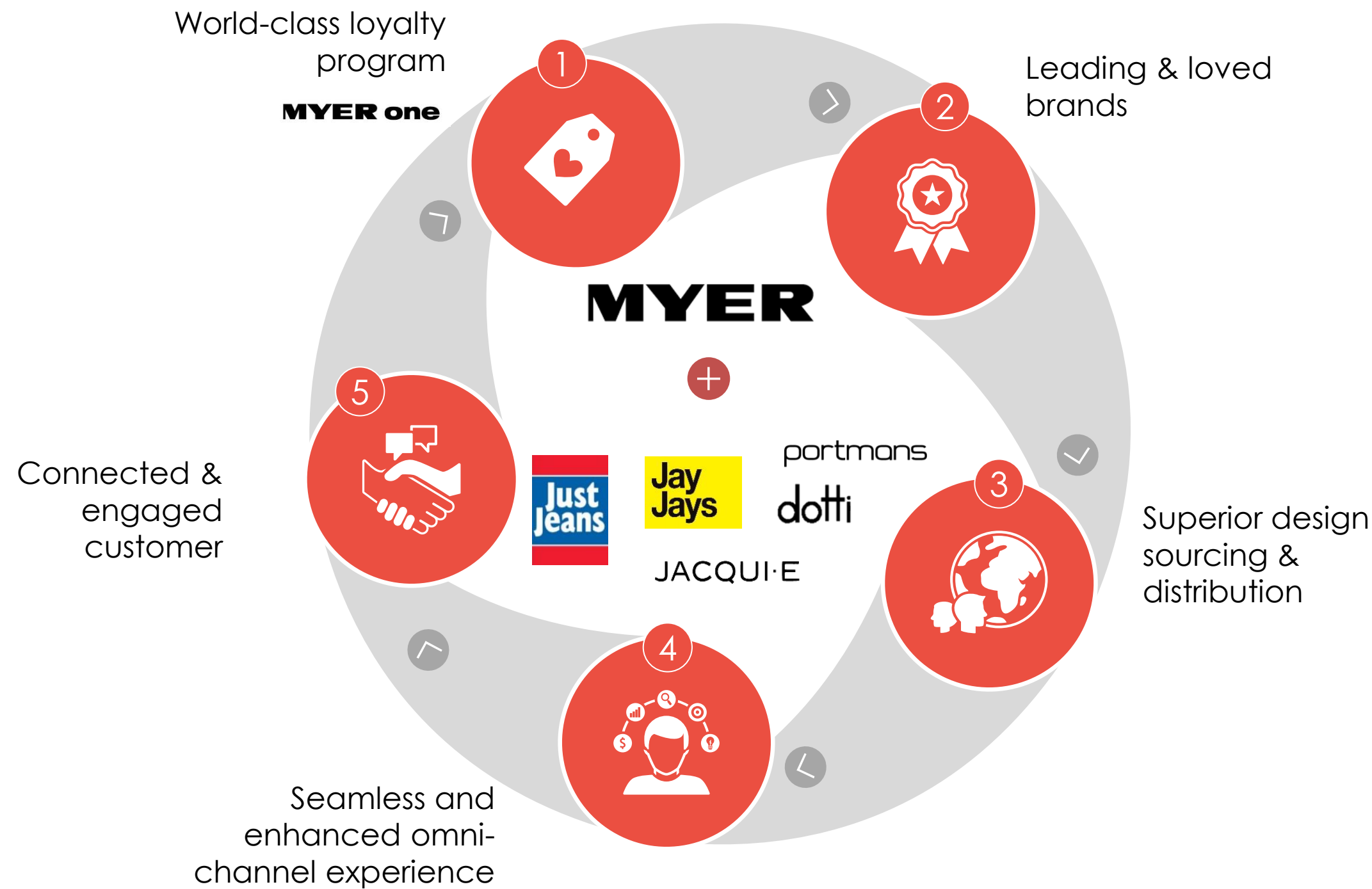
Note: (1) Including eight sass & bide, Marcs and David Lawrence stores; (2) Based on analysis commissioned from CommBank IQ by Myer.



# Myer Group's advantage

Growth will come from new and more engaged customers, driven by MYER one, an enhanced product offering and stronger omni-channel capability

## Myer Group's retail "engine"...



## ...is driven by MYER one and the connected customer

- 1 Our **expanded loyalty program attracts customers and welcomes them to transact** with us more often
- 2 Attractive and complementary **brands** appeal to a **broader customer base**
- 3 The combined Myer Group's joint **design, sourcing and distribution** capability enables faster speed to market and **stronger margins**
- 4 Expansive **network of stores plus the eCommerce platform** enables a seamless customer experience, increasing **conversion rate and basket size**
- 5 We learn more about our **connected and engaged customers**, enabling **personalised** offers and more informed business decision making via **MYER one**



# 03

Transaction Overview

Myer's Strategic Vision: Today; Myer Tomorrow

**Overview of Apparel Brands**

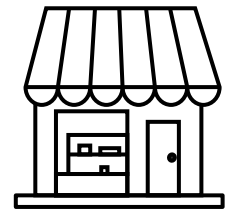
Overview of the Combined Myer Group

Next Steps and Conclusion



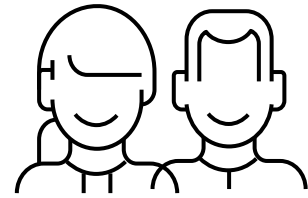
# Overview of Apparel Brands

Apparel Brands is a leading specialty retailer in Australia and New Zealand with five iconic brands



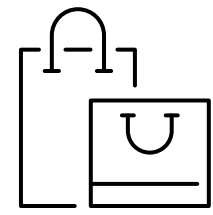
**719**

Stores



**5,500+**

Team members



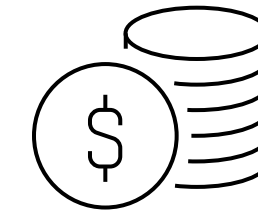
**\$791m**

FY24 sales



**58%**

FY24 GP margin



**9.7%**

FY24 EBIT margin<sup>1</sup>



**16.4%**

FY24 online sales



**\$294m**

FY24 sales



**\$164m**

FY24 sales



**\$145m**

FY24 sales



**\$112m**

FY24 sales



**\$76m**

FY24 sales

Note: (1) Presented on a pre AASB-16 basis.



# Distinctive fashion brands catering to a broad customer set

Apparel Brands' five iconic fashion brands each with their unique offerings and distinctive market positions cater to a broad and highly complementary customer base



Established 1970

**Male & Female  
(25-55 years)**

- Extensive sizing options and great service define our stores
- National brand offerings (e.g., Levi's, GAP, Calvin Klein)
- Wide range of fits and styles for "everybody"



Established 1978

**Male & Female  
(13-18 years)**

- Licensed image collaborations that evolve with latest trends
- Digital / influencer campaigns to reach target youth customers

portmans



Established 1946

**Female  
(25-40 years)**

- Elevate quality, versatile essentials designed for every occasion
- Luxe look and feel at a competitive price

dotti



Established 1981

**Female  
(16-25 years)**

- Captures latest trends for a fast-moving customer
- Affordable range, making a fashionable outfit accessible to all

JACQUI·E



Established 1950

**Female  
(35-80+ years)**

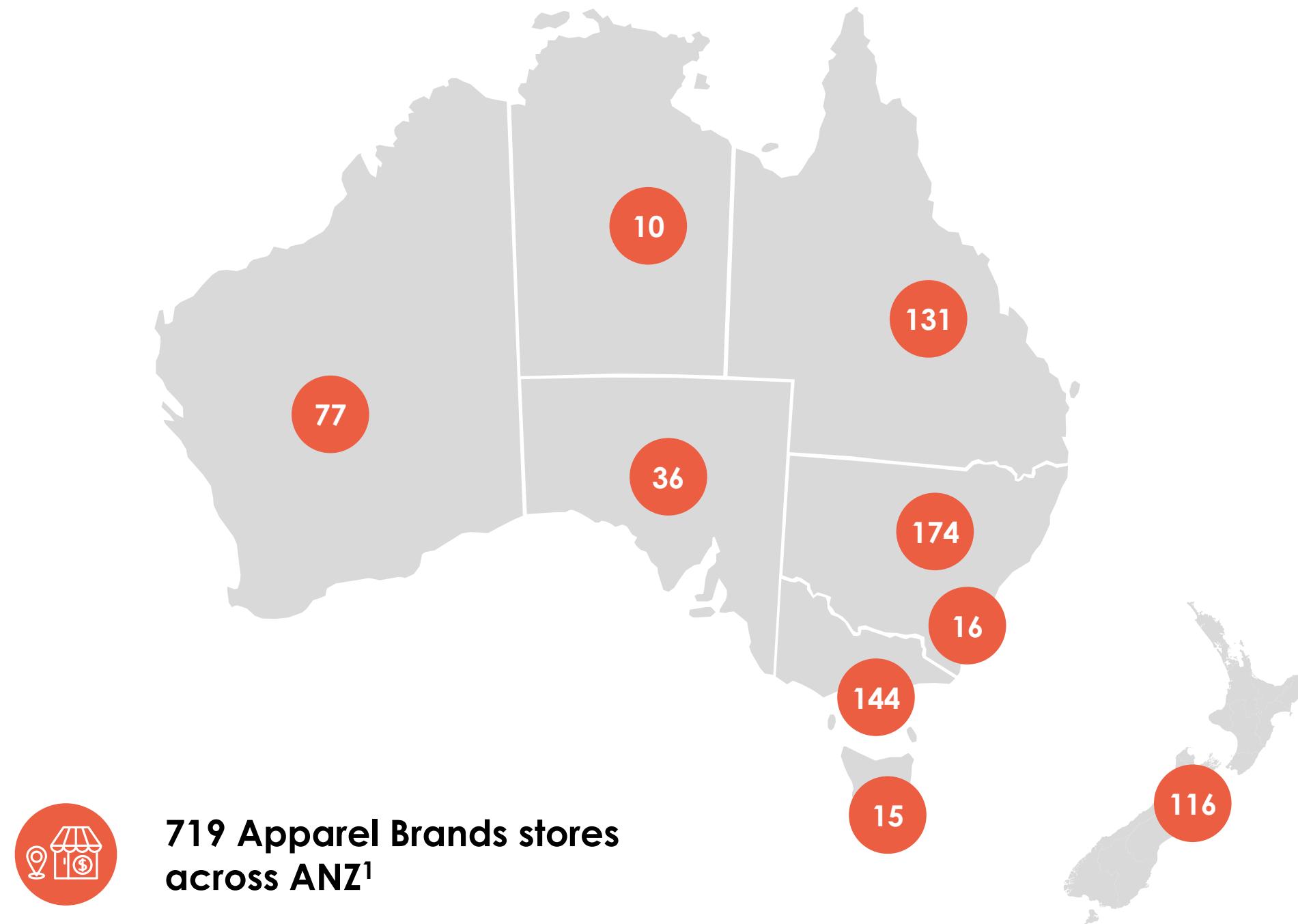
- Quality fashionable womenswear for work, home and special occasions
- In-store service focused on personalised style advice



# Extensive specialty retail store network across ANZ

Apparel Brands has strong national coverage, with stores located in all major retail centres across ANZ and a multi-brand online platform

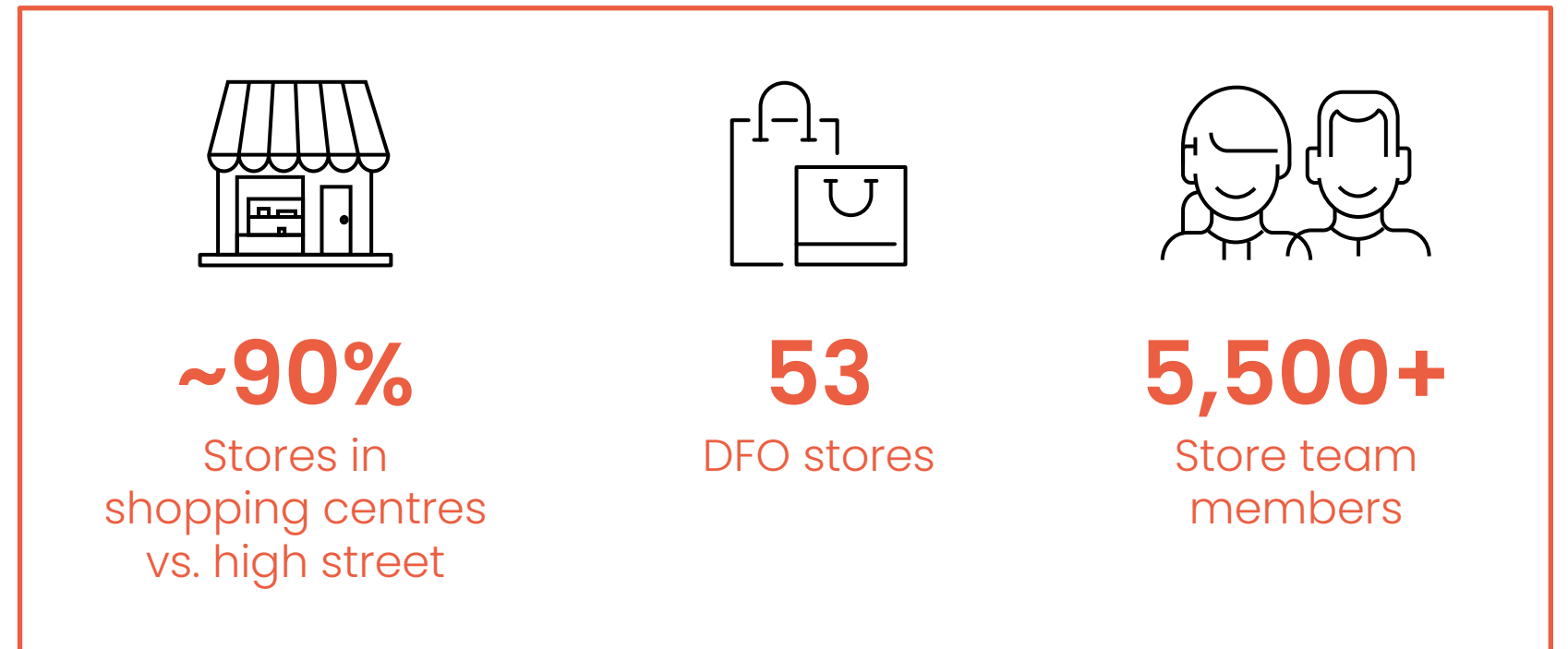
For personal use only



Number of stores by brand<sup>1</sup>

Just Jeans	Jay Jays	portmans	dotti	JACQUIE
237	192	92	106	92

Key store network facts



Note: (1) As at July 2024.

# Best-in-class retail and trade excellence

Apply Apparel Brands' retail operating principles to drive operational excellence of Myer Group

## Applying Apparel Brands' retail operating principles...

- 1 Anchored in a "customer-first" strategy
- 2 Deliver a diverse and differentiated range of high-quality products
- 3 Establishing and maintaining strong brand DNA for each label
- 4 Disciplined and agile approach to product design, planning and sourcing
- 5 Maintain strong manufacturing supplier relationships
- 6 Disciplined approach to property and cost management to deliver best in class operating margin and efficiency



## ...to deliver:

Desired exclusive and private label brands with strong brand DNA and product market fit

Wide range of high quality and great value products for all target customer demographics

Growth, expanded GP and EBIT margins, store productivity and online penetration



Delivered by a **highly experienced** management team with a **strong track record of consistently delivering strong operational and financial outcomes**



# 04

Transaction Overview

Myer's Strategic Vision: Today; Myer Tomorrow

Overview of Apparel Brands

**Overview of the Combined Myer Group**

Next Steps and Conclusion



# Combination of highly complementary store footprints to create a leading omni-channel retailer of scale

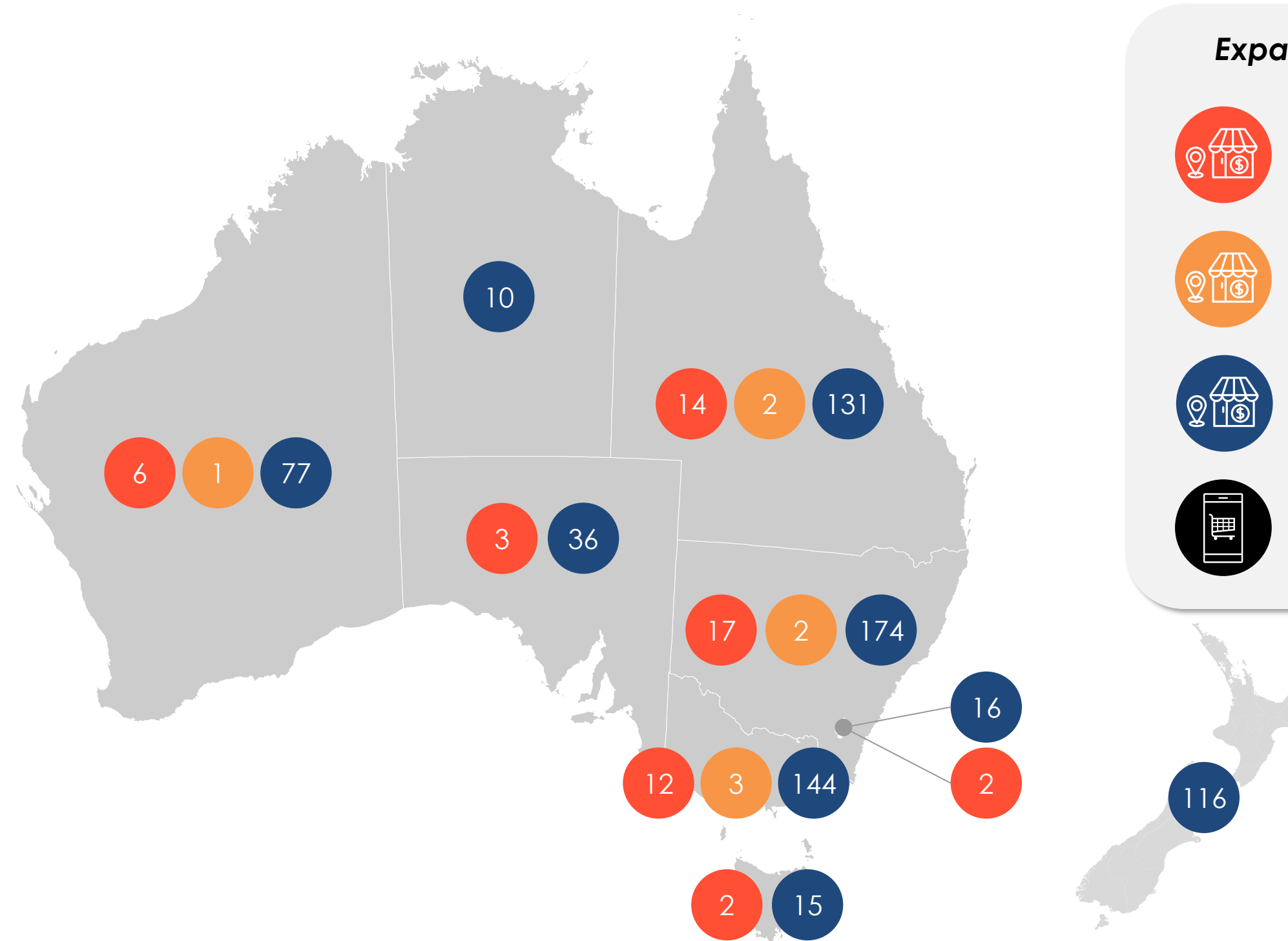
Combined store network of 783 stores across Australia and New Zealand

**Highly complementary** store footprints across Australia and New Zealand





Extensive combined footprint of **783 stores**

**National coverage** in all key metropolitan and regional locations

Extensive store network **underpins omni-channel** ecosystem



**Expanded omni-channel offering:**

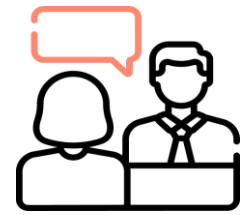
-  **56 Myer stores**
-  **8 sass & bide, Marcs & David Lawrence stores<sup>1</sup>**
-  **719 Apparel Brands stores**
-  **Online**

Note: (1) Store numbers after planned store closures in 2025.



# Highly complementary customer base to drive cross-shop benefits

By encompassing Apparel Brands into the MYER one ecosystem, we believe there is immediate benefits to both business models leveraging our current ecosystem and capability



## Greater reach

- Larger pool of customers given the complementary nature of customer groups
- Opportunity to leverage Myer's expanded data ecosystem and partnerships to reach new Apparel Brands customers



## Enriched data

- Augment data with more actionable insights
- Identify collective growth potential (via AI / ML models, customer demand profiling etc.)
- Improve business efficiency through insight-led decision making



## Cross-shop

- Deeper understanding of cross-shop opportunities across fashion brands switching between Myer and Apparel Brands
- Ability to trade into similar or adjacent categories or "occasions"
- Offer more fashion options for existing younger Myer customers



## Rewards and recognition

- Stronger reward ecosystem to drive increased purchase frequency
- Increased life-time value via lifecycle management and personalisation

# Significantly enhanced scale and profitability metrics

Pro forma Combined Myer Group, before combination benefits, \$m unless otherwise stated	Myer <sup>1</sup>	Apparel Brands <sup>2</sup>	Combined Myer Group	Change vs. Myer
Total Sales (FY24)	3,266 <sup>3</sup>	791	<b>4,057</b>	<b>24%</b>
Operating Gross Profit (FY24)	1,194	458	<b>1,652</b>	<b>38%</b>
Margin (%)	36.6%	57.9%	<b>40.7%</b>	<b>+4.1ppt</b>
EBIT (FY24, pre AASB-16)	76 <sup>4</sup>	76	<b>152</b>	<b>101%</b>
Margin (%)	2.3%	9.7%	<b>3.7%</b>	<b>+1.4ppt</b>
EBIT (FY24, post AASB-16)	163 <sup>4</sup>	87	<b>250</b>	<b>54%</b>
Margin (%)	5.0%	11.0%	<b>6.2%</b>	<b>+1.2ppt</b>

Notes: (1) Financial information sourced from Myer FY24 Results Presentation dated 20<sup>th</sup> September 2024; (2) Refer to pg. 14 of the Premier Investor Presentation; (3) Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million; (4) Excluding implementation costs and individually significant items.



# Significant benefits to be generated from the combination

At least \$30m of annual run-rate combination benefits could be achieved from multiple categories

Category	Description
<b>MYER one expansion</b>	<ul style="list-style-type: none"> <li>Extend Myer's market leading loyalty program to Apparel Brands and gain valuable customer insights to drive incremental sales</li> </ul>
<b>DC / logistics optimisation</b>	<ul style="list-style-type: none"> <li>Optimise latent capacity across the distribution centre and logistics network</li> </ul>
<b>Myer Exclusive Brands</b>	<ul style="list-style-type: none"> <li>Accelerate full potential of Myer Exclusive Brands through enhanced product development and sourcing capabilities</li> </ul>
<b>Myer specialty brands</b>	<ul style="list-style-type: none"> <li>Leverage scale and Apparel Brands' brand expertise to improve performance of sass &amp; bide, Marcs &amp; David Lawrence</li> </ul>
<b>Store network enhancement</b>	<ul style="list-style-type: none"> <li>Enhance Myer and Apparel Brands' combined footprint to drive further operating leverage and efficiencies</li> </ul>
<b>Sourcing optimisation</b>	<ul style="list-style-type: none"> <li>Scale opportunities through combined sourcing function</li> </ul>
<b>Omni-channel benefits</b>	<ul style="list-style-type: none"> <li>Leverage Myer's exceptional eCommerce capabilities to drive Apparel Brands' online penetration and incremental sales</li> </ul>
<b>Cost management</b>	<ul style="list-style-type: none"> <li>Leverage disciplined cost management approach to drive efficiencies</li> </ul>
<b>Financing cost savings</b>	<ul style="list-style-type: none"> <li>Intention to explore a refinancing in the near term and generate annual savings in interest and financing costs</li> </ul>
<b>Total</b>	<b>Expected to generate combination benefits of at least \$30m earnings p.a. on a run-rate basis over the short to medium term</b>

For personal use only



# 05

Transaction Overview

Myer's Strategic Vision: Today; Myer Tomorrow

Overview of Apparel Brands

Overview of the Combined Myer Group

**Next Steps and Conclusion**



# Transaction timetable

Milestone	Expected date
Release of Notices of Extraordinary General Meeting by Myer and Premier	Late December 2024
Extraordinary General Meeting of Myer Shareholders	Late January 2025
Extraordinary General Meeting of Premier Shareholders	Late January 2025
Completion of Transaction	Early 2025

For personal use only

## Conclusion

A transformational combination between Myer and Apparel Brands to create a leading retail platform and generate substantial strategic and financial benefits

- ✓ Delivers **significantly enhanced scale** to extract **growth and operating leverage benefits**
- ✓ Opportunity to unlock **full potential** by bringing Apparel Brands into Myer's **omni-channel ecosystem**
- ✓ Opportunity to leverage Myer's **market-leading MYER one loyalty program** and **eCommerce platform** across an enlarged customer base
- ✓ **Highly complementary customer base** addressing key target customer demographics for Myer and driving cross-shop benefits
- ✓ **Expands exclusive and private label portfolio** and strengthens Myer's **brand management capability**
- ✓ Opportunity to leverage Apparel Brands' **trade excellence in sourcing, design and distribution** to drive efficiencies and improve margins
- ✓ Expected to generate **combination benefits of at least \$30m earnings per annum on a run-rate basis** over the short to medium term
- ✓ **Significant EPS accretive** on a pro forma FY24 basis (after expected run-rate combination benefits)
- ✓ Enhanced balance sheet and greater capacity to **invest in growth across the combined business**
- ✓ A larger and more diversified shareholder base, with **improved trading liquidity and access to capital**



For personal use only

# Questions



# Appendix





# Transaction summary

For personal use only

<p><b>Transaction structure overview</b></p>	<ul style="list-style-type: none"> <li>• Myer to issue 890.5 million new, fully paid ordinary shares in Myer to Premier Investments Limited ("<b>Premier</b>") upon completion in consideration for Just Group Limited ("<b>JGL</b>") and the contribution of \$82 million of cash by Premier ("<b>Consideration Shares</b>")</li> <li>• Prior to completion, Premier will complete an internal corporate restructure, with JGL to own Apparel Brands (consisting of Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E)</li> <li>• In addition, the Myer Board has agreed to declare a fully franked pre-completion dividend of 2.5 cents per share to existing Myer shareholders, provided all conditions to the Transaction have been satisfied</li> <li>• Immediately after completion, Premier will undertake an in specie distribution of all its Myer shares (being the Consideration Shares plus its existing shareholding in Myer) to eligible Premier shareholders on a pro rata basis, resulting in Premier's eligible shareholders becoming shareholders in Myer directly</li> <li>• Following completion of the Transaction, it is expected that Century Plaza Investments and its associates ("<b>Century Plaza Group</b>"), Premier's largest shareholder and the private investment vehicle of Premier Chairman Solomon Lew, will become Myer's largest shareholder, with a pro forma shareholding of 26.8%. Premier's current shareholding in Myer is 31.2%.</li> </ul>
<p><b>Key conditions</b></p>	<ul style="list-style-type: none"> <li>• See next page</li> </ul>
<p><b>Board and management</b></p>	<ul style="list-style-type: none"> <li>• Following completion, it is intended that Mr Lew will be invited to join the Board of Myer Group as a non-executive director representing Century Plaza Group</li> <li>• Olivia Wirth will continue to lead the combined Myer Group as Executive Chair</li> <li>• The Myer Group management team will be augmented with the addition of Apparel Brands' highly experienced executive team, including Managing Director of Apparel Brands, Teresa Rendo</li> </ul>
<p><b>Myer Board recommendation</b></p>	<ul style="list-style-type: none"> <li>• The Directors<sup>1</sup> of Myer unanimously recommend that Myer shareholders vote in favour of the Proposed Combination, subject to the receipt of a favourable determination by the Independent Expert for the Proposed Combination<sup>2</sup></li> <li>• Subject to these qualifications, each Myer Director<sup>1</sup> has confirmed that they intend to vote any shares that they hold or control in favour of the Proposed Combination</li> </ul>
<p><b>Transaction timing</b></p>	<ul style="list-style-type: none"> <li>• Subject to the conditions outlined above, the Proposed Combination is expected to complete in early calendar year 2025</li> </ul>

Notes: (1) Excludes Mr Terry McCartney, who is also a director of Premier; (2) The Directors are entitled to change their recommendation if the Independent Expert concludes (and continues to conclude) that the Transaction is neither fair nor reasonable or if a Director has determined, after receiving written legal advice from independent senior counsel, that it, by virtue of its relevant directors' duties, is required to change, withdraw, qualify or modify, or abstain from making their recommendation that Myer shareholders vote in favour of the Proposed Combination.

# Overview of Share Sale and Implementation Agreement

<b>Consideration</b>	<ul style="list-style-type: none"> <li>Myer to issue 890.5 million new, fully paid ordinary shares in Myer to Premier Investments Limited ("Premier") upon completion in consideration for Just Group Limited ("JGL") and the contribution of \$82 million of cash by Premier ("Consideration Shares"). There will be no cash consideration.</li> </ul>
<b>Conditions precedent</b>	<ul style="list-style-type: none"> <li>The Proposed Combination is subject to a number of conditions ("Conditions Precedent"), including:             <ul style="list-style-type: none"> <li>Myer and Premier shareholders voting in favour of the transaction;</li> <li>Myer and Premier each obtaining the requisite ASIC and ASX confirmations;</li> <li>Premier completing an internal corporate restructure, with JGL to own Apparel Brands (consisting of Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E); and</li> <li>entry into binding long-form documentation in relation to certain transitional services, website arrangements and separation arrangements, in each case based on agreed term sheets.</li> </ul> </li> </ul>
<b>Pre-completion conduct</b>	<ul style="list-style-type: none"> <li>The SSIA includes obligations on each party to procure that, subject to customary exceptions, its business is conducted in the ordinary course of business in the period between signing and completion (the "Pre-Completion Conduct Obligations").</li> </ul>
<b>In specie distribution</b>	<ul style="list-style-type: none"> <li>After completion, Premier will undertake an in specie distribution of all of its Myer shares (being the Consideration Shares plus its existing shareholding in Myer) to eligible Premier shareholders on a pro rata basis.</li> </ul>
<b>Termination</b>	<ul style="list-style-type: none"> <li>Either party may terminate the SSIA if:             <ul style="list-style-type: none"> <li>a Condition Precedent is unable to be satisfied within the agreed period;</li> <li>there is an insolvency event in respect of the other party;</li> <li>the other party is in material breach of any warranty given by that party that is material in the context of the Transaction taken as a whole and the breach is not capable of remedy or otherwise not remedied within a 14-day period; or</li> <li>the other party is in material breach of its Pre-Completion Conduct Obligations detailed above and the breach is not capable of remedy or is otherwise not remedied within a 14-day period.</li> </ul> </li> </ul>

For personal use only



# Summary of Transitional Services Agreement

For personal use only

<p><b>Services</b></p>	<ul style="list-style-type: none"> <li>• From Premier to Myer: ecommerce and marketing, finance, IT, People &amp; Culture, certain Retail Operations, Supply Chain and Distribution Centre (DC) services</li> <li>• From Myer to Premier: property management and management services from retail operations</li> <li>• Any incidental services (not new, separate services)</li> </ul>
<p><b>Term</b></p>	<ul style="list-style-type: none"> <li>• 12 months</li> <li>• Ability to extend for up to a further 12 months (subject to any "Ceased Services", where Premier stops utilising such services itself)</li> </ul>
<p><b>Fees (Services)</b></p>	<ul style="list-style-type: none"> <li>• Fees will be set by reference to the FY24 expense level of the Just Group, inclusive of on-costs</li> <li>• Where services are extended, fees set at actual cost plus 10%</li> <li>• Staff redundancy costs fall where they lie (with option for counterparty to take on relevant employees)</li> </ul>
<p><b>Fees (Distribution Centers)</b></p>	<ul style="list-style-type: none"> <li>• Set figure amount for DC services (store and online fulfilment) based on FY24 units, with increases charged on a rate per unit (aligned with FY24)</li> <li>• Costs of freight (transport) between DC, stores and customers charged through</li> <li>• Covers Just Group business as usual – not adding Myer brands etc</li> <li>• If extended, fees set at cost plus 10%</li> </ul>
<p><b>Scope</b></p>	<ul style="list-style-type: none"> <li>• Best endeavours to provide Services to same standard, availability and volumes as in prior 12 months</li> <li>• List of IT projects to be agreed and actioned during term of TSA</li> <li>• Protocols to be agreed about certain services, such as data management</li> </ul>