



**ASX RELEASE**

**27 January 2022**

**PREMIER RETAIL 1H22 TRADING UPDATE**

	<b>1H22 Premier Retail expectation</b>	<b>Growth on comparable 1H21 (excl significant items<sup>2</sup>)</b>	<b>Growth on comparable 1H20 (excl significant items<sup>2</sup>)</b>
Premier Retail sales	c. \$769 m	+0.5%	+5.0%
Online sales <i>(25% of total Premier Retail sales)</i>	c. \$195 m	+27.0%	+100.7%
Premier Retail EBIT <sup>1</sup>	\$209.5 m - \$211.5 m	+4.2% to +5.3%	+53.8% to +55.4%

Premier Investments Limited (“Premier” or “the Group”) today provides a 1H22 trading update in relation to its wholly owned retail segment, Premier Retail.

Premier Retail sales for the 26 weeks ending 29 January 2022 (1H22) are expected to be circa \$769 million. Premier is particularly pleased with this strong result given that the Group’s stores were closed for over 42,000 trading days during the half due to government mandates imposed in response to the COVID-19 pandemic.

Premier now expects Premier Retail 1H22 Earnings Before Interest and Tax (“EBIT”) for the 26-week period (pre AASB 16) to be in the range of \$209.5 million to \$211.5 million.

This result was driven by:

- Premier Retail’s total global sales of \$769 million, up 0.5% on 1H21
- Premier Retail’s online sales growth of 27.0% contributing 25% of total global sales (1H21: 20%; 1H20: 13%)
- The rebounding of Smiggle’s global business as children returned to school and COVID-19 restrictions eased
- Continued outstanding results from Peter Alexander and particularly solid results from Portmans
- Disciplined cost control, including reaching mutual agreements with landlords in respect of rent abatements to deal with the impact of the COVID-19 pandemic

Premier Retail CEO, Mr Richard Murray said: “Premier Retail has delivered another strong result despite the volatile trading environment. 1H22 remained challenging as businesses and consumers navigated their way through prolonged government mandated lockdowns. The Group has weathered the numerous logistical challenges during the half through meticulous planning and by taking full advantage of Premier’s owned Australian Distribution Centre. Reviews of the Group’s distribution centre capabilities in both Australia and New Zealand continue as part of a long-term strategy to meet ongoing demand as customers change their shopping behaviour in the wake of COVID-19.”

<sup>1</sup> The EBIT range is on a ‘pre-AASB 16 basis’.

<sup>2</sup> Comparable numbers are on a 26 week basis and excludes significant items (see appendix for further details).

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Due to the continued momentum in consumers' preference to shopping online, Premier Retail has kept its focus on maintaining each individual store's profitability. Pleasingly, over the course of the COVID-19 pandemic the majority of landlords - large and small – have recognised the change in consumer shopping behaviours, the material ongoing impact of the COVID-19 pandemic on the retail market and, equally, the sustained value and strength of Premier's seven iconic brands.

As a result, over the past two years Premier has been able to reach mutual agreements with many landlords which address the trading impact of the COVID-19 pandemic, and which appropriately rebase rents for the future.

It is not the Group's objective to close any stores. However, store closures are necessary and inevitable when landlords do not accept this shift in consumer behaviour.

Disappointingly, Premier Retail today announces that it will exit four stores in Mid-City Arcade in the Sydney CBD (Peter Alexander, Smiggle and Portmans in March 2022 and Just Jeans by no later than July 2023). These closures demonstrate the Group's previously announced intention to walk away from stores where landlords seek rents which are unrealistic and which do not reflect the market, particularly in those centres where customer foot traffic has been decimated by the pandemic.

The 1H22 Premier Retail estimated Sales and EBIT range for the 26 weeks ending 29 January 2022 are subject to finalisation, audit review and are based on a "pre AASB 16" basis. This trading update relates to Premier's wholly owned Premier Retail segment only and does not include any results from its investment division.

Premier expects to release its 1H22 results in late March 2022.

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

## **ENDS**

*For enquiries:*

### **Investors and Analysts**

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

### **Media**

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

**APPENDIX - Significant items reconciliation**

<b>\$'M</b>	<b>Expected 1H22 (26 weeks to 29 Jan 2022)</b>	<b>Actual 1H21 (27 weeks to 30 Jan 2021)</b>
<b>Premier Retail EBIT (pre AASB16)</b>	<b>209.5 to 211.5</b>	<b>237.8</b>
EBIT impact of non-comparable 27 <sup>th</sup> week in 1H21	-	(8.9)
Estimated COVID-19 related rent abatements, holdover rent benefits, UK business rates temporary relief	(15.5)	(26.1)
UK COVID-19 lockdown grants	-	(1.1)
Net 1H21 JobKeeper benefit (voluntarily returned to the ATO subsequent to 1H21)	-	(15.6)
<b>Comparable 26 week Premier Retail EBIT excluding significant items (pre AASB16)</b>	<b>194.0 to 196.0</b>	<b>186.1</b>