



ASX RELEASE

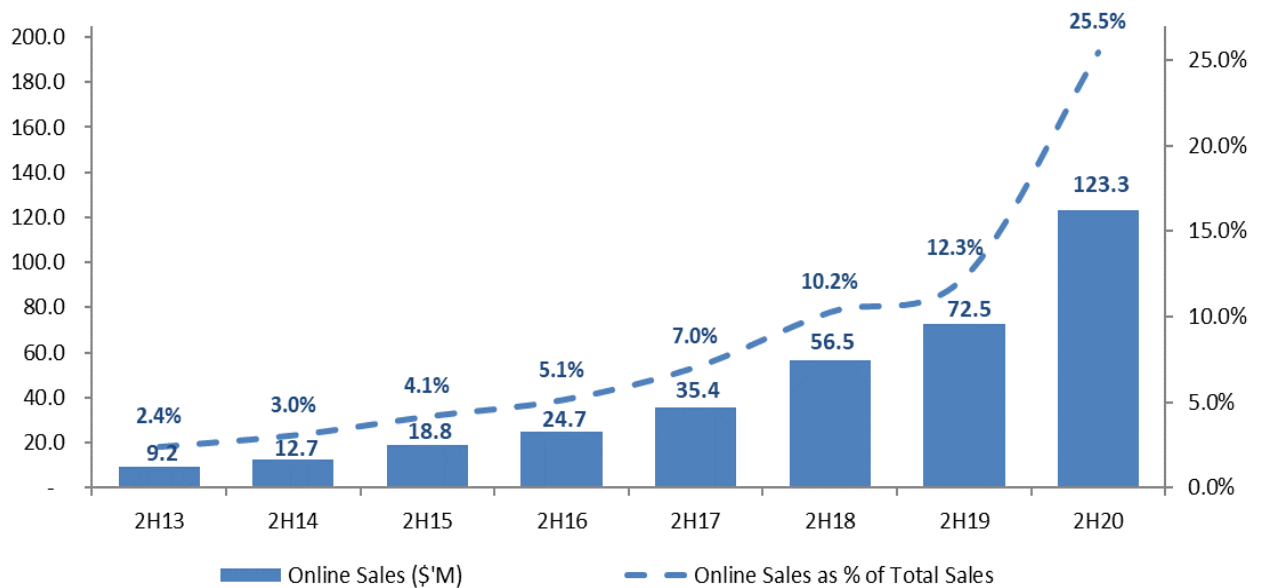
13 August 2020

Premier Retail Trading Update

Following Premier Retail's record 1H20 result, Premier Retail today provides an update on trading for 2H20 (26 weeks ended 25 July 2020).

As a direct result of the impacts of COVID-19, Premier Retail global sales for 2H20 were \$484.2 million, down \$106.5 million or 18.0% on 2H19. Despite the headline drop in sales and related decline in gross profit, Premier Retail's online sales and EBIT growth have continued to accelerate to deliver record earnings.

Premier Retail 2H online sales and online sales as % of total sales



Premier Retail's online sales of \$123.3 million for 2H20 were up \$50.8 million or 70% on 2H19 and contributed 25.5% of Premier Retail's total 2H20 sales (2H19: 12.3%). Premier Retail's online sales deliver significantly higher EBIT margin than the EBIT margin of the retail store network. Full year FY20 online sales were \$220.4 million, up 48.8% on FY19 and contributed 18.1% of Premier Retail's total FY20 sales (FY19: 11.7%).

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Premier Retail now expects 2H20 EBIT to be between \$58.7 million and \$59.7 million, up between \$5.2 million and \$6.2 million or between 9.7% and 11.7% on 2H19, as a combined result of:

- The very difficult decision to shut down its global operations and the significant benefit of the subsequent hard cost out programs;
- The very significant online EBIT growth achieved;
- Strong sales growth and subsequent significant gross margin from wanted product since gradual re-opening globally; and
- Maximising the significant various global government rent and wage subsidy schemes announced only after Premier Retail's global shut down (26 March 2020).

As a result of the strong second half EBIT, Premier Retail now expects FY20 EBIT to be between \$184.8 million and \$185.8 million (FY19 underlying EBIT: \$167.3 million), up between \$17.5 million (10.5%) and \$18.5 million (11.0%) on FY19.

Premier Investments Limited has and continues to maintain a strong balance sheet. The above trading update relates to Premier Investments Limited's wholly owned Premier Retail segment and does not include any results from its investment division.

The sales and EBIT numbers stated in this release are subject to audit, based on a "pre-AASB 16" basis and do not take into account potential asset value impacts resulting from COVID-19.

Premier Investments Limited expects to release FY20 results in late September 2020.

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

ENDS

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