

JB Hi-Fi Limited

FY22 Results Presentation



Agenda

1. Group Overview
2. JB HI-FI Australia
3. JB HI-FI New Zealand
4. The Good Guys
5. Group Balance Sheet and Cash Flow
6. Group FY23 Trading Update
7. Group Focus Areas
8. Investment Checklist

Terry Smart
Group CEO

Nick Wells
Group CFO

1.

Group Overview

Group Model

Two iconic Australian retail brands

JB HI-FI

THE GOOD GUYS®

Purpose

Help people with better ways to live,
learn, work, and play

Help families live better for less

Product offering

Leading retailer of **technology** and
consumer electronics

Leading retailer of **home appliances**
and consumer electronics

Target customer base / demographic

Strong position with a **young tech-
savvy** demographic

Strong position with **home-making
families**

Value proposition

Best **brands**, big **range**, low **prices**

Customer focus

Exceptional **customer service** provided by **passionate, knowledgeable
team members**

leveraging a **Group support function** and underpinned by 4 **key competitive advantages**

1

Scale

2

Low Cost
Operating Model

3

Multichannel
Capability

4

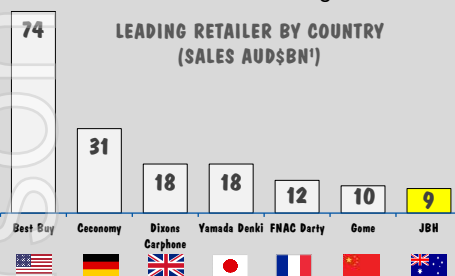
People and
Culture

Group Model

Underpinned by 4 key competitive advantages

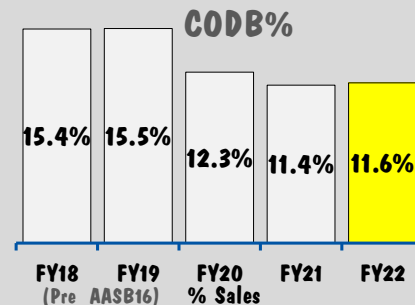
1 Scale

- #1 player in Australian Consumer Electronics and Home Appliance market
- Local and global relevance to suppliers
- Strong and engaged supplier relationships both locally and globally
- Large, engaged and diversified customer base across the two brands provides suppliers with the ability to execute promotions and new product launches at scale
- Young customer base drives ongoing brand importance to suppliers to maximise sales of new technology and innovation
- High volume website traffic provides significant marketing opportunities and reach
- Group function enables business to drive efficiencies across large cost base



2 Low Cost Operating Model

- Constant focus on productivity and minimising unnecessary expenditure
- Highly productive floor space with high sales per square metre
- Efficiency of model allows us to:
 - respond to market price activity and maintain focus on market share; and
 - compete effectively with traditional competitors and new market entrants



3 Multichannel Capability

- Focus on providing the customer with an integrated and frictionless shopping experience regardless of their chosen sales channel
- Customer choice on how to shop with us
 - In-store** - High quality store locations that provide convenience and easy access
 - Online** - High brand awareness and optimised digital experience drives high traffic through websites
 - Over the Phone** - Convenient and personalised sales experience giving customers ability to negotiate a deal
- Fast fulfilment, via in-store shopping, click and collect or delivery from the store network or HDCs
- Aftersales support via any channel provides confidence when buying
- National Commercial business supporting corporate, government and education customers



4 People and Culture

- Knowledgeable and passionate teams who put customers first and provide exceptional customer service
- Strong, overarching culture that also reflects the individual brand personalities
- Dynamic and flexible environment allows us to pivot the business quickly and adapt to any changing market conditions
- Highly engaged teams who have a connection with the business
- Diverse and inclusive workforce
- Unrelenting focus on health and safety



Generating sustainable long-term growth

The Group today released its FY22 Sustainability Report outlining our commitment to having a positive impact on our people, our community and our environment

Sustainability Policy focus areas

FY22 Achievements



Our People

- Diversity & inclusion
- Health, safety and wellbeing

- Continued to action a set of Diversity and Inclusion initiatives, to improve diversity in leadership and inclusion
- Launched a revised Parental Leave Policy which supports all primary carers regardless of gender and doubles the amount of paid parental leave from 6 to 12 weeks
- Continued focus on safety with mental health and wellbeing training programs



Our Communities

- Community investment
- Ethical Sourcing

- FY22 workplace giving donations totalling \$3.7 million and \$31.7 million since inception, across the JB Hi-Fi Helping Hands and The Good Guys Doing Good programs
- Updated and distributed our revised Group Ethical Sourcing Policy outlining the minimum standards we expect of our suppliers' labour, safety, environmental and ethical practices, including a new requirement for social compliance auditing



Our Environment

- Climate action
- Product & waste recycling

- Solar power generation installed in 14 stores in FY22 and 10 stores scheduled for FY23 as the Group works towards net-zero direct (scope 1 and 2) carbon emissions by 2030
- Improved the management and recycling of the waste generated by our operations
- Improvements in sustainable packaging across own brand products, in line with 2025 National Packaging Targets

The FY22 Sustainability Report can be found on the Group's investor website (<https://investors.jbhifi.com.au/>)

Group FY22 Performance

FY22 Group Performance

AUD	FY22	FY21	Growth		
Total sales (\$m)	9,232.0	8,916.1	315.9	3.5%	▲
Earnings before interest and tax (\$m)	794.6	743.1	51.6	6.9%	▲
Net profit after tax (\$m)	544.9	506.1	38.8	7.7%	▲
Earnings per share (basic ¢)	479.5	440.8	+39 cps	8.8%	▲
Dividend per share (¢)	316.0	287.0	+29 cps	10.1%	▲

- Total sales up 3.5% to \$9.23 billion
- Earnings before interest and tax (EBIT) up 6.9% to \$794.6 million
- Net profit after tax (NPAT) up 7.7% to \$544.9 million
- Earnings per share up 8.8% to 479.5 cps
- Final Dividend per share up 46.0 cps or 43.0% to 153.0 cps, bringing the total dividend for FY22 to 316.0 cps, up 29.0 cps or 10.1%
- Through the total dividend for FY22 and the FY22 Off-Market Share Buy-Back, the Group will have returned \$604 million to shareholders

Group FY22 Performance

FY22 Divisional Sales Performance

	FY 22	FY 21	Growth	
			\$m	%
Sales (\$m)				
- JB HI-FI Australia	6,196.5	5,956.8	239.7	4.0% ▲
- JB HI-FI New Zealand (NZD)	262.4	261.6	0.8	0.3% ▲
- The Good Guys	2,789.4	2,715.7	73.7	2.7% ▲
Total Sales (AUDm)	9,232.0	8,916.1	315.9	3.5% ▲

- Sales momentum was strong through the year with total sales up 3.5% to \$9.2 billion
- Second half total sales were up 9.9% as Covid-19 restrictions eased and customers returned to shopping in-store, whilst continuing to shop online
- Online sales were up 52.8% to \$1.63 billion, representing 17.6% of total sales (FY21: 11.9%). In the second half, with all stores open, online sales represented 11.9% of total sales

Group FY22 Performance

FY22 Divisional Earnings Performance

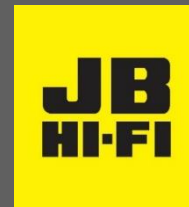
	FY22	FY21	Growth	
			\$m	%
EBIT (\$m)				
- JB HI-FI Australia	544.9	523.0	21.9	4.2% ▲
- JB HI-FI New Zealand (NZD)	8.8	5.8	3.0	51.7% ▲
- The Good Guys	241.4	214.7	26.8	12.5% ▲
Total EBIT (AUDm)	794.6	743.1	51.6	6.9% ▲
EBIT Margin (%)				
- JB HI-FI Australia	8.79%	8.78%	+1 bps	▲
- JB HI-FI New Zealand	3.37%	2.23%	+114 bps	▲
- The Good Guys	8.65%	7.90%	+75 bps	▲
Total EBIT Margin (%)	8.61%	8.33%	+27 bps	▲

- EBIT up 6.9% to \$794.6 million
- Second half FY22 EBIT up 33.4% driven by elevated sales growth and improvement in gross margins
- Strength of the model highlighted by our ability to continue to grow sales and EBIT despite the ongoing disruption to all areas of the business, including stores, online and supply chain

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JB HI-FI Australia



JB HI-FI Australia FY22 Performance

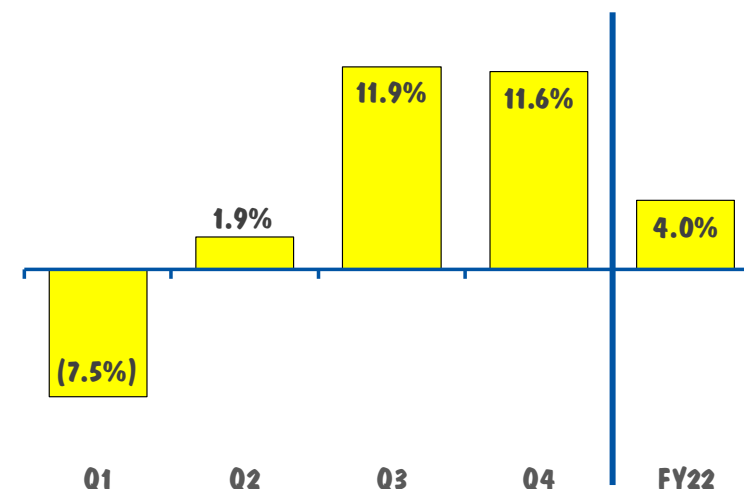
AUD	FY22	FY21	Growth
Sales (\$m)	6,196.5	5,956.8	4.0% ▲
Gross Profit (\$m)	1,387.7	1,325.2	4.7% ▲
Gross Margin (%)	22.40%	22.25%	+15 bps ▲
Cost of Doing Business (%)	11.40%	11.19%	+21 bps ▲
EBITDA (\$m)	681.4	658.5	3.5% ▲
EBITDA Margin (%)	11.00%	11.06%	(6 bps) ▼
EBIT (\$m)	544.9	523.0	4.2% ▲
EBIT Margin (%)	8.79%	8.78%	+1 bps ▲

JB HI-FI Australia FY22 Performance

FY22 Sales

- Total sales increased by 4.0% to \$6.20 billion, with comparable sales up 3.4%. Sales momentum was strong through the year, particularly in the second half with sales up 11.7%, driven by continued heightened customer demand for consumer electronics and home appliance products
- Hardware and Services¹ sales were up 5.0%, with comparable sales up 4.3%. The key growth categories were Communications, Visual, Small Appliances, Smart Home and Accessories
- Software sales were down 11.9% with comparable sales down 12.4% as a result of a decline in the Movies, Music and Games Software categories. Software sales were 4.7% of total sales (FY21: 5.5%)
- Online sales grew 52.3% (FY21: 93.0%) to \$1.19 billion or 19.2% of total sales (FY21: 13.1%). In the second half, with all stores open, online sales represented 12.5% of total sales
- The Commercial business recorded solid sales growth as we continue to improve the customer offer

TOTAL SALES GROWTH

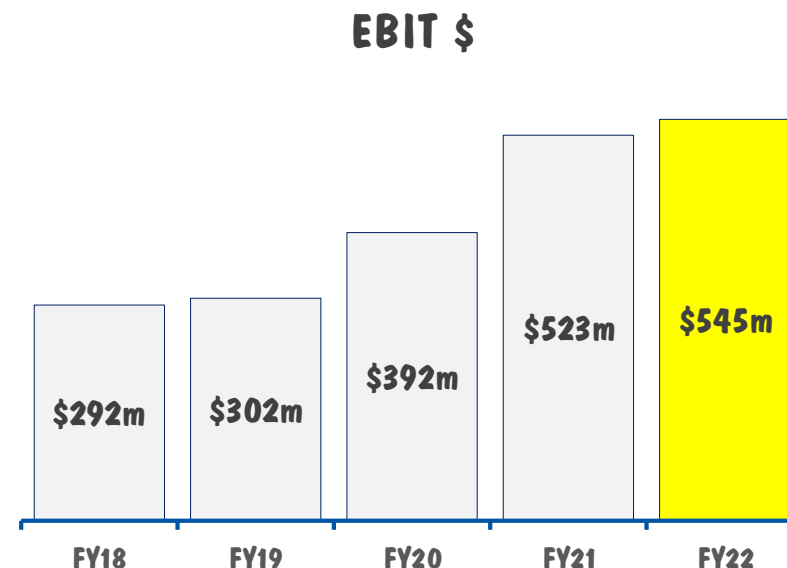


¹ Hardware and Services is defined as all sales excluding the Movies, Music and Games Software categories

JB HI-FI Australia FY22 Performance

FY22 Earnings

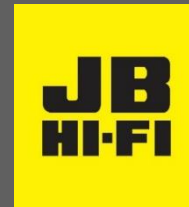
- FY22 gross profit increased by 4.7% to \$1.39 billion with gross margin up 15 bps to 22.4%, driven by strong improvements in key categories, particularly in the second half
- CODB was 11.4%, up 21 bps. CODB in absolute terms grew 6.0% with disciplined cost control throughout the year
- Depreciation increased by 0.8% with an increase in depreciation on right-of-use assets partially offset by a decline in depreciation on fixed assets
- EBIT was up by 4.2% to \$544.9 million with EBIT margin up 1 bp to 8.8%. Second half FY22 EBIT was up 30.7%, driven by elevated sales growth and improvement in gross margins



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3.

JB HI-FI New Zealand



JB HI-FI New Zealand FY22 Performance

NZD	FY22	FY21	Growth
Sales (\$m)	262.4	261.6	0.3% ▲
Gross Profit (\$m)	45.7	46.6	(2.1%) ▼
Gross Margin (%)	17.40%	17.83%	(43 bps) ▼
Cost of Doing Business (%)	12.75%	13.12%	(36 bps) ▼
EBITDA (\$m)	12.2	12.3	(0.9%) ▼
EBITDA Margin (%)	4.64%	4.70%	(6 bps) ▼
EBIT (\$m)	8.8	5.8	51.7% ▲
EBIT Margin (%)	3.37%	2.23%	+114 bps ▲
Underlying EBIT (\$m) ¹	4.7	6.0	(22.1%) ▼
Underlying EBIT Margin (%)	1.77%	2.28%	(51 bps) ▼

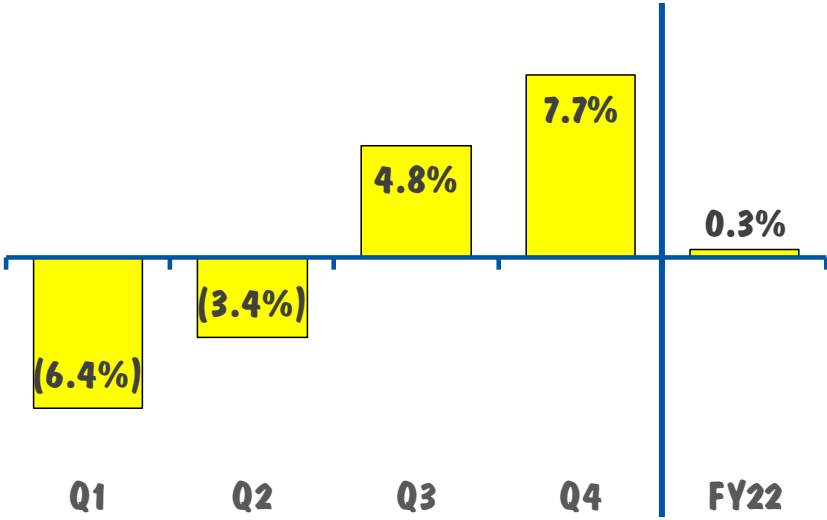
¹ Underlying EBIT represents EBIT adjusted for the add back of non-cash impairment losses associated with right-of-use assets and fixed assets of NZD3.3 million (FY21: NZD6.5 million), minus depreciation of NZD7.5 million (FY21: NZD6.3 million) that would have been recognised if right-of-use assets and fixed assets had not been impaired

JB HI-FI New Zealand FY22 Performance

FY22 Sales

- Total sales increased by 0.3% to NZD262.4 million, with comparable sales up 0.3%. Second half sales were up 6.3%
- Hardware and Services¹ sales were down 0.1%, with comparable sales down 0.1%. The key growth categories were Visual, Games Hardware and Smart Home
- Software sales were up 5.9% with comparable sales up 5.9%. Software sales were 7.4% of total sales (FY21: 7.1%)
- Online sales grew 56.7% to NZD43.3 million or 16.5% of total sales (FY21: 10.6%). In the second half, with all stores open, online sales represented 11.0% of total sales

TOTAL SALES GROWTH



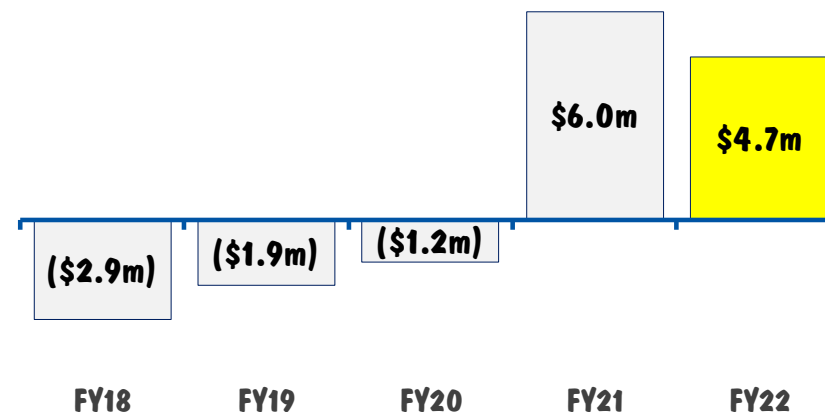
¹ Hardware and Services is defined as all sales excluding the Movies, Music and Games Software categories

JB HI-FI New Zealand FY22 Performance

FY22 Earnings

- Gross margin down 43 bps to 17.4%
- CODB was 12.8%, down 36 bps, and in absolute terms declined by 2.5% as store wages remained well controlled
- EBITDA was NZD12.2 million, down 0.9%
- EBIT was up 51.7% to NZD8.8 million with EBIT margin up 114 bps to 3.4%
- Underlying EBIT, excluding the impact of impairments in the current and prior year (refer page 15), was NZD4.7 million, down NZD1.3 million

UNDERLYING EBIT NZD



4.

The Good Guys

The Good Guys FY22 Performance

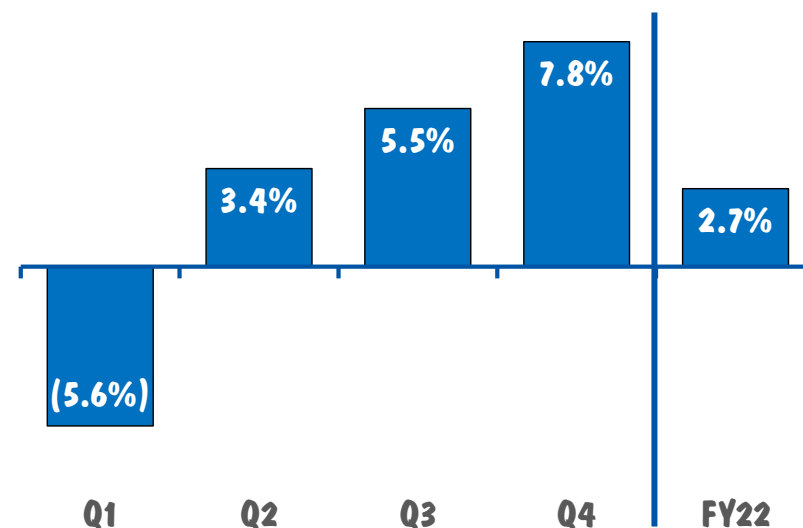
AUD	FY22	FY21	Growth
Sales (\$m)	2,789.4	2,715.7	2.7% ▲
Gross Profit (\$m)	649.9	608.6	6.8% ▲
Gross Margin (%)	23.30%	22.41%	+89 bps ▲
Cost of Doing Business (%)	11.79%	11.67%	+12 bps ▲
EBITDA (\$m)	321.1	291.7	10.1% ▲
<i>EBITDA Margin (%)</i>	11.51%	10.74%	+77 bps ▲
EBIT (\$m)	241.4	214.7	12.5% ▲
<i>EBIT Margin (%)</i>	8.65%	7.90%	+75 bps ▲

The Good Guys FY22 Performance

FY22 Sales

- Total sales increased by 2.7% to \$2.79 billion, with comparable sales up 2.2%. Sales momentum was strong through the year, particularly in the second half with sales up 6.7%, driven by continued heightened customer demand for consumer electronics and home appliance products
- The key growth categories were Laundry, Portable Appliances, Floorcare, Dishwashers and Visual
- Online sales were up 53.7% to \$397.0 million or 14.2% of total sales (FY21: 9.5%). In the second half, with all stores open, online sales represented 10.8% of total sales

TOTAL SALES GROWTH

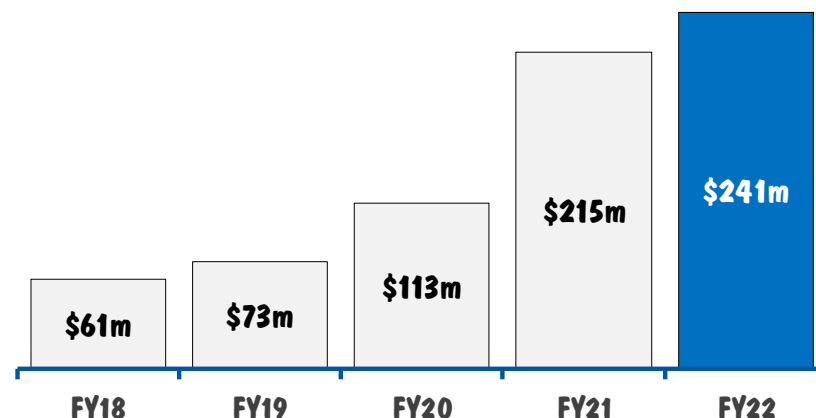


The Good Guys FY22 Performance

FY22 Earnings

- Gross profit was \$649.9 million with gross margin up 89 bps to 23.3%, driven by strong improvements in key categories, particularly in the second half
- CODB was 11.8%, up 12 bps, and in absolute terms grew 3.8% as store wages remained well controlled throughout the year
- Depreciation grew by 3.3% with an increase in both depreciation on right-of-use assets and depreciation on fixed assets
- EBIT was up by 12.5% to \$241.4 million with EBIT margin up 75 bps to 8.7%. Second half FY22 EBIT was up 36.5%, driven by elevated sales growth and improvement in gross margins

EBIT \$



5.

Group Balance Sheet And Cash Flow

Group Balance Sheet and Cash Flow

Group Balance Sheet

AUDm	FY22	FY21
Cash	125.6	263.2
Receivables	132.6	102.8
Inventories	1,135.3	938.8
Other	31.2	35.7
Total Current Assets	1,424.7	1,340.5
Fixed Assets	169.0	169.0
Intangibles & Goodwill	1,031.4	1,031.4
Other	74.7	69.3
Right of Use Asset	461.6	536.3
Total Non-Current Assets	1,736.7	1,806.0
Total Assets	3,161.4	3,146.5
Payables	721.6	668.6
Other	417.7	410.6
Lease Liabilities	167.0	167.3
Total Current Liabilities	1,306.3	1,246.5
Borrowings	59.4	-
Other	137.4	127.6
Lease Liabilities	378.0	464.0
Total Non-Current Liabilities	574.8	591.6
Total Liabilities	1,881.1	1,838.1
Net Assets	1,280.3	1,308.4
Net Debt / (Net Cash)¹	(66.2)	(263.2)
Net Working Capital	121.2	1.8

- Inventory at June finished at \$1.14 billion, up 20.9% or \$196.5 million year on year, as inventory availability continued to improve from the low closing inventory positions in FY21 and FY20 that have resulted from Covid-19 related supply shortages. As compared to FY19, Inventory was up 28.0% vs sales growth of 30.1% over the same period
- Inventory turnover was down 137 bps to 6.9x (FY21: 8.3x), but up 63 bps on FY19 (FY19: 6.3x)
- Payables, which ordinarily would move in line with inventory, were up 7.9% or \$53.0 million year on year as supply improved and inventory was purchased earlier to replenish inventory levels
- As a result, at 30 June net working capital has returned to historical levels

¹ Net Debt / (Net Cash) excluding AASB 16 Lease Liability

Group Balance Sheet and Cash Flow

Group Cash Flow Statement

AUDm	FY22	FY21
EBITDA	1,013.9	961.6
Change in Working Capital	(119.4)	(241.0)
Net Interest Paid on Borrowings	(0.6)	(1.7)
Interest on lease liabilities	(18.7)	(21.3)
Income Tax Paid	(264.4)	(158.7)
Other	16.5	19.7
Net Cash Flow from Operations	627.4	558.7
Purchases of P&E (net)	(57.4)	(57.7)
Net Cash Flow from Investing	(57.4)	(57.7)
Proceeds / (Repayment) of borrowings	59.4	-
Repayment of lease liabilities	(177.6)	(168.9)
Off-market share buy-back	(250.6)	-
Shares acquired by the employee share trust	(28.2)	(10.2)
Dividends Paid	(310.2)	(310.2)
Net Cash Flow from Financing	(707.2)	(489.3)
Net Change in Cash Position	(137.2)	11.7
Effect of exchange rates	(0.4)	(0.0)
Cash at the end of Period	125.6	263.2
Free Cash Flow¹	392.4	332.0
Net Debt / (Net Cash) at the end of Period²	(66.2)	(263.2)

Group Performance Indicators

	FY22	FY21
Fixed Charge Ratio ³	4.8x	4.6x
Interest Cover ³	602.1x	228.4x
Gearing Ratio ³	0.1	0.0
Return on Invested Capital	65.5%	71.1%

- Operating cash flows and operating cash conversion were impacted by increases to working capital to replenish inventory levels from the low FY21 and FY20 closing positions, but remains strong over three years
- Capex was in line with FY21 as we continued to invest in the store portfolio, our online offerings and strategic initiatives
- \$250 million returned to shareholders via the Off-Market Share Buy-Back
- Closing Net Cash was \$66.2m at 30 June

¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and Repayment of lease liabilities

² Net Debt / (Net Cash) excluding AASB 16 Lease Liability

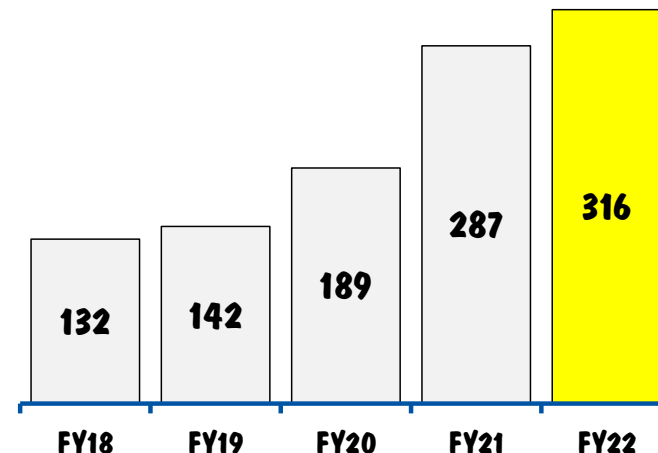
³ Pre AASB16

Group Balance Sheet and Cash Flow

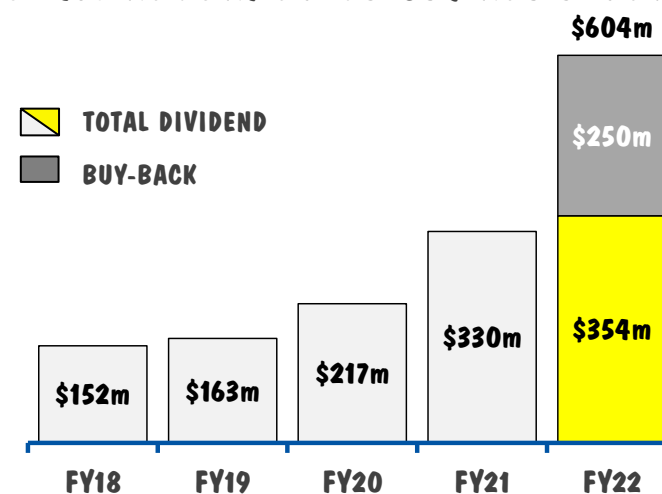
Capital Management

- The final dividend is 153 cents per share (cps) fully franked, up 46 cps or 43.0%, bringing the total dividend for FY22 to 316 cps, up 29 cps or 10.1%, and representing 65% of NPAT
- The record date for the final dividend is 26 August 2022, with payment to be made on 9 September 2022
- \$250 million Off-Market Share Buy-Back completed on 11th April 2022, comprising a \$232.4 million fully franked dividend (92.9%) and \$17.6 million capital component (7.1%)
- Through the total dividend for FY22 and the FY22 Off-Market Share Buy-Back, the Group will have returned \$604 million to shareholders
- The Group continues to maintain a strong balance sheet, with closing net cash of \$66.2 million at 30 June. The Board will continue to regularly review the Group's capital structure with a focus on maximising returns to shareholders and maintaining balance sheet strength and flexibility

TOTAL DIVIDEND UP 10.1% TO 316 CPS



\$604m RETURNED TO SHAREHOLDERS



6.

Group FY23 Trading Update

Group FY23 Trading Update

July 2022 sales update

- The Group provides the following sales update for the period 1 July 2022 to 31 July 2022
 - Total sales growth for JB HI-FI Australia was 9.7% (July 2021: -12.4%) with comparable sales growth of 9.2% (July 2021: -12.6%)
 - Total sales growth for JB HI-FI New Zealand was -0.9% (July 2021: 8.1%) with comparable sales growth of -0.9% (July 2021: 8.1%)
 - Total sales growth for The Good Guys was 7.8% (July 2021: -6.4%) with comparable sales growth of 7.8% (July 2021: -6.9%)
- The Group is pleased with its start to FY23, with continued sales momentum and strong sales growth rates over a three-year period

7.

Group Focus Areas

Group Focus Areas

1. Multichannel

Catering for our customers' differing shopping journeys

Stores

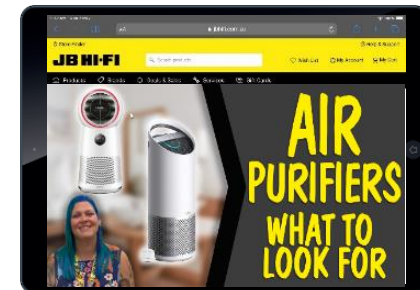
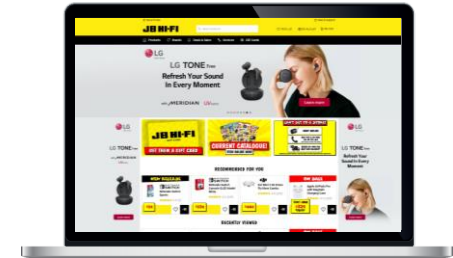
- Continue to focus on the in-store experience and engagement
- Constant category and store layout evolution
- Continued data driven evaluation of new store opportunities, including additional smaller 'curated range' stores

Online

- Continue to invest in e-Commerce platforms to improve customer experience
- Focus on improving customer conversion and online spend
- Always evolving delivery options to provide greater choice & convenience for shoppers

New ways to engage and deal

- Continue to develop new and convenient ways for customers to interact with the brands
 - Over the phone sales with price negotiation
 - Live chat on JB Hi-Fi Australia website
 - JB TV, with over 24 million Facebook views in the last 12 months, creates new ways to engage and educate customers
 - The Good Guys Facebook page engaging with over 450,000 customers each week



Group Focus Areas

1. Multichannel - continued

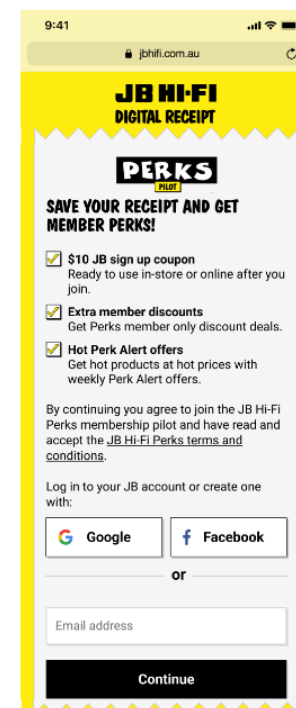
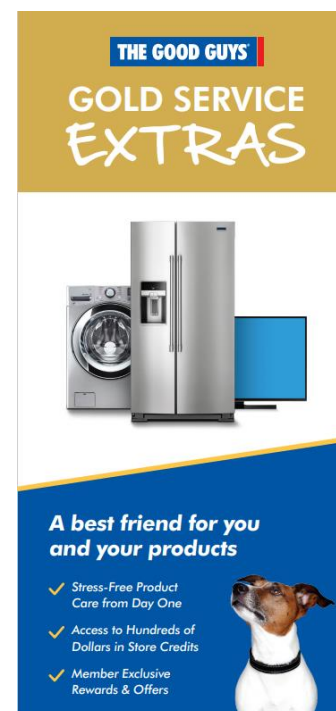
Continue to leverage our strong brand awareness

Leverage website visitation and database

- Significant web traffic, with 5.8 million¹ average total weekly sessions across the Group and www.jbhifi.com.au being the 7th most visited retail website in Australia²
- Large contactable database, with over 9 million customers across the group

Personalising the customer experience

- Connecting customer data across all channels to create a consistent, predictable and more personalised experience
 - Trial of membership program for JB Hi-Fi Australia called JB Perks
 - Continue to evolve The Good Guys Gold Services Extras program
- Tailor messaging and offers to customers based on known preferences



¹ Source: Google Analytics

² Source: Similarweb Apr'22-Jun22 by total visitors

Group Focus Areas

2. Supply Chain

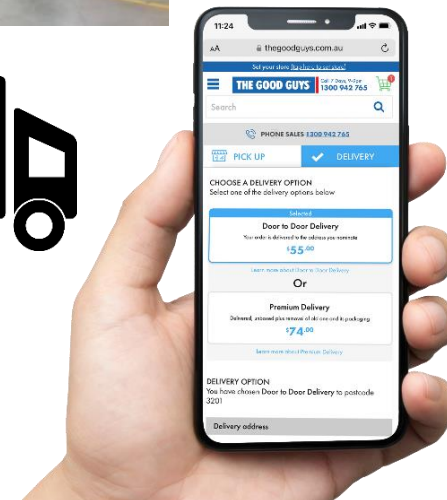
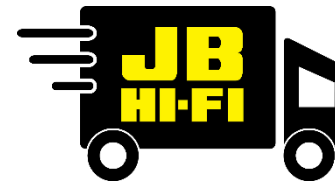
Continued investment in a fit for purpose Group Supply Chain that supports our customers' needs

Fast and
flexible
delivery
options

- Launch of improved delivery options for The Good Guys customers focusing on increased certainty, transparency and choice
- Launch of on-demand delivery service, in partnership with Uber in JB HI-FI Australia to complement our existing fulfillment offer that includes
 - 1 hour Click & Collect
 - Next Day, via our closed network courier solution
 - Standard delivery
- Continue to review the Supply Chain network to ensure it remains fit for purpose, evolves with our multichannel strategy and continues to improve the customer experience

Big and
bulky
enablement

- Continue the roll out of our Big and Bulky Home Delivery Centres ("HDC") that enable an improved customer experience and greater stock efficiency, and reinforces our safety first approach
 - Newcastle HDC to open FY23
 - Brisbane and Perth to relocate to larger facilities in FY23



Group Focus Areas

3. Commercial

Setting our Commercial Businesses for the next phase of growth

Evolving
the Brand

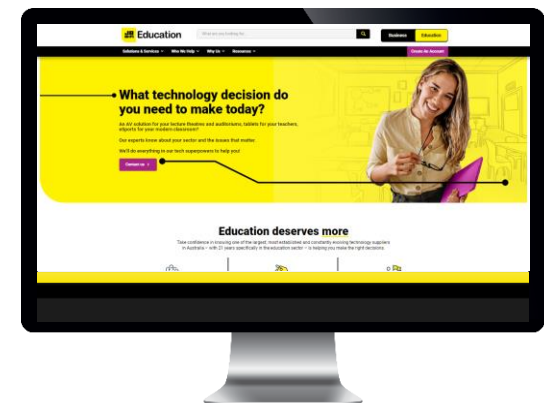
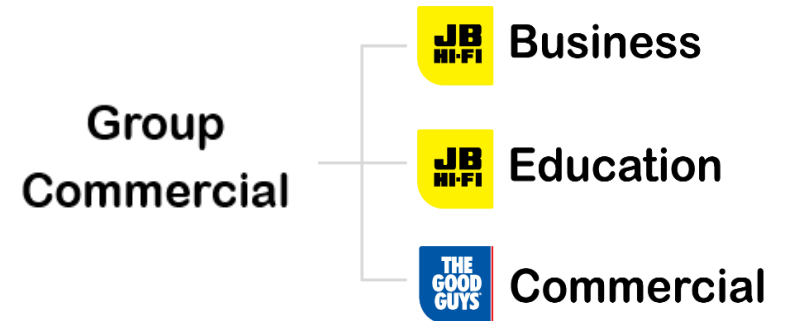
- Repositioning from previous “JB HI-FI Solutions” branding to 3 new brands to align to our key market segments
 - JB HI-FI Business
 - JB HI-FI Education
 - The Good Guys Commercial

Channel
development

- New E-commerce platform providing
 - improved user experience from onboarding to order fulfilment
 - greater access to SMB markets
- Expansion of dedicated Telco Business channel

Deliver a
better
customer
experience

- Tailored products and services for businesses, governments and education
- Omnichannel experience for all businesses – small, medium and large
- Greater integration – dual brands, range and operating synergies



Group Focus Areas

4. New Zealand

Strategic review completed with opportunity to grow and expand the business

Executive Appointment

- Tim Edwards has joined as Managing Director of JB HI-FI New Zealand
- Tim has previously worked at the Warehouse Group for more than a decade, including seven years as CEO of Noel Leeming
- Tim brings deep local experience and long-standing relationships, combined with a passion for retail

Growth Initiatives

- Refresh the store network
- Extend customer reach by opening more stores
- Evolve our multichannel offer including the re-platforming of the JB HI-FI New Zealand website to Shopify
- Work closely with our supply partners to improve our product offer
- Continue to focus on the learning and development of our team members and invest in new team members to support growth



Group Focus Areas

5. Retail execution

Continuing to leverage our core customer proposition of great value and experience

Delivering
value to the
customer

- **Strong brand loyalty** to continue to drive awareness and traffic to the brands
- Leverage our **low price** and discount heritage
- Utilise our scale and supplier relationships to continue to create **best in market offers and promotions**
- Use the breadth of our **range, brands and price points** to give customers choice to trade up or trade down
- **Knowledgeable team members** educate and engage to create an entertaining and unique in-store experience

Leveraging
the
efficiency
and resilience
of the model

- Multi brand, direct from supplier inventory sourcing model allows for **flexibility** and ability to adjust ranging and order volumes rapidly
- **Low cost culture** with a focus on minimising unnecessary expenditure
- **Diverse** product categories, brands and store locations
- The importance of **physical stores** in the higher involvement product shopping journeys
- **Strong online offer** with multiple delivery options provides customers with convenience

ON SALE

FFALCON
FFalcon 43UF3 43" 4k Ultra HD
Android TV [2021]
★★★★☆ 4.3 (103)

20% OFF^A LG COMPUTERS & MONITORS! (ENDS 31ST AUG)

**TICKET \$449
\$349
\$50 OFF^A**

HOT BUY!
SOLT 60CM
DISHWASHER - STEEL
**HOT BUY!
\$395**

8.

Investment Checklist

Investment Checklist

Unique and relevant brands		Unique team culture and unrivalled customer service	
Flexible business model – history of category growth and development		Multichannel capability built around high quality store portfolio	
Diverse and resilient product categories across brands		Experienced management team	
Scale operator, market leader		High return on invested capital	
Global best in class metrics including low cost of doing business and high sales per square metre		Shareholder return focused – through proactive capital management and dividend policies	

Appendices

Appendix I

a) Group Profit and Loss

AUDm	FY22	FY21	FY20	FY19 (Pre AASB16)	FY18 (Pre AASB16)
Sales	9,232.0	8,916.1	7,918.9	7,095.3	6,854.3
Gross Profit	2,080.4	1,977.2	1,694.1	1,527.1	1,470.3
<i>Gross Margin</i>	<i>22.53%</i>	<i>22.18%</i>	<i>21.39%</i>	<i>21.52%</i>	<i>21.45%</i>
EBITDA	1,013.9	961.6	718.0	429.1	411.7
Depreciation & Impairment	219.3	218.5	234.7	56.2	61.1
EBIT	794.6	743.1	483.3	372.8	350.6
<i>EBIT Margin</i>	<i>8.61%</i>	<i>8.33%</i>	<i>6.10%</i>	<i>5.25%</i>	<i>5.11%</i>
Interest on Lease Liabilities	18.7	21.3	24.9	-	-
Net Interest on Paid Borrowings	0.6	1.8	10.4	13.6	16.1
Profit before Tax	775.3	720.0	448.0	359.3	334.5
Tax Expense	230.4	213.9	145.7	109.5	101.3
NPAT	544.9	506.1	302.3	249.8	233.2
Headline Statistics:					
Dividends per share (¢)	316.0	287.0	189.0	142.0	132.0
Earnings per share (basic ¢)	479.5	440.8	263.1	217.4	203.1
Cost of doing business	11.55%	11.39%	12.33%	15.47%	15.44%

Appendix I

b) Group CODB reconciliation

AUDm	FY22	FY21
Other income (ex interest revenue)	(2.2)	(1.3)
Sales and marketing expenses	881.1	845.8
Occupancy expenses	302.8	293.6
<i>less depreciation, amortisation & impairment</i>	(210.1)	(207.6)
Administration expenses	41.8	41.3
<i>less depreciation & impairment</i>	(9.2)	(10.9)
Other expenses	62.3	54.7
CODB	1,066.4	1,015.7
Sales	9,232.0	8,916.1
CODB (% of sales)	11.55%	11.39%

Appendix I

c) 5 year Group Balance Sheet

AUDm	FY22	FY21	FY20	FY19 (Pre AASB16)	FY18 (Pre AASB16)
Cash	125.6	263.2	251.5	119.2	72.0
Receivables	132.6	102.8	220.3	254.4	204.7
Inventories	1,135.3	938.8	739.3	886.7	891.1
Other	31.2	35.7	34.7	34.6	42.7
Total Current Assets	1,424.7	1,340.5	1,245.8	1,294.9	1,210.5
Fixed Assets	169.0	169.0	172.3	191.5	198.0
Intangibles & Goodwill	1,031.4	1,031.4	1,031.4	1,037.3	1,037.3
Other	74.7	69.3	60.6	43.5	45.9
Right of Use Asset	461.6	536.3	642.2	-	-
Total Non-Current Assets	1,736.7	1,806.0	1,906.5	1,272.3	1,281.2
Total Assets	3,161.4	3,146.5	3,152.3	2,567.2	2,491.7
Payables	721.6	668.6	854.1	672.7	665.3
Other	417.7	410.6	327.8	272.8	251.9
Lease Liabilities	167.0	167.3	164.0	-	-
Total Current Liabilities	1,306.3	1,246.5	1,345.9	945.5	917.2
Borrowings	59.4	-	-	439.1	469.4
Other	137.4	127.6	123.1	138.5	157.5
Lease Liabilities	378.0	464.0	577.6	-	-
Total Non-Current Liabilities	574.8	591.6	700.7	577.6	626.9
Total Liabilities	1,881.1	1,838.1	2,046.6	1,523.1	1,544.1
Net Assets	1,280.3	1,308.4	1,105.7	1,044.1	947.6
Net Debt / (Net Cash)¹	(66.2)	(263.2)	(251.5)	319.9	397.4
Net Working Capital	121.2	1.8	(239.9)	160.1	133.1

¹ Net Debt / (Net Cash) excluding AASB 16 Lease Liability

Appendix I

d) 5 year Group Cash Flow

AUDm	FY22	FY21	FY20	FY19 (Pre AASB16)	FY18 (Pre AASB16)
EBITDA	1,013.9	961.6	718.0	429.1	411.7
Change in Working Capital	(119.4)	(241.0)	402.1	(16.9)	(6.6)
Net Interest Paid on Borrowings	(0.6)	(1.7)	(10.4)	(13.1)	(14.5)
Interest on lease liabilities	(18.7)	(21.3)	(24.9)	-	-
Income Tax Paid	(264.4)	(158.7)	(118.2)	(116.4)	(114.8)
Other	16.5	19.7	14.7	18.9	16.3
Net Cash Flow from Operations	627.4	558.7	981.3	301.6	292.1
Purchases of P&E (net)	(57.4)	(57.7)	(43.0)	(59.1)	(54.0)
Net Cash Flow from Investing	(57.4)	(57.7)	(43.0)	(59.1)	(54.0)
Borrowings / (Repayments)	59.4	-	(440.0)	(30.5)	(89.7)
Repayment of lease liabilities	(177.6)	(168.9)	(161.8)	-	-
Off-market share buy-back	(250.6)	-	-	-	-
Shares acquired by the employee share trust	(28.2)	(10.2)	(32.9)	(8.8)	-
Dividends Paid	(310.2)	(310.2)	(172.3)	(157.4)	(151.6)
Other	-	-	1.2	1.3	2.2
Net Cash Flow from Financing	(707.2)	(489.3)	(805.8)	(195.4)	(239.1)
Net Change in Cash Position	(137.2)	11.7	132.5	47.1	(1.0)
Effect of exchange rates	(0.4)	(0.0)	(0.2)	0.0	0.2
Cash at the end of Period	125.6	263.2	251.5	119.2	72.0
Free Cash Flow¹	392.4	332.0	776.5	242.6	238.1

¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and Repayment of lease liabilities

Appendix II

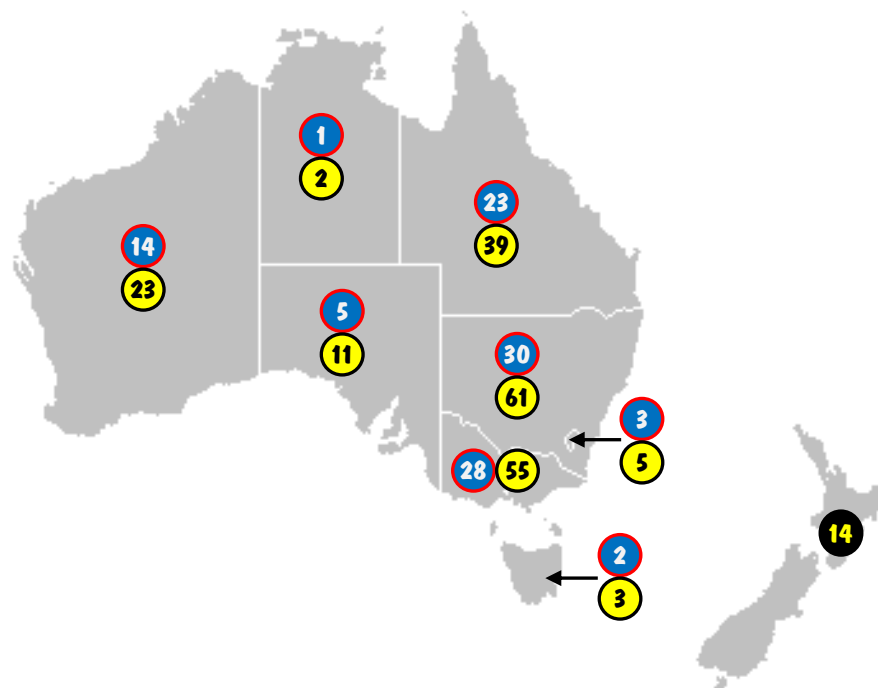
Group Profit and Loss – Breakdown

AUDm	FY22				FY21				Growth vs FY21
	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	
Sales	6,196.5	262.4	2,789.4	9,232.0	5,956.8	261.6	2,715.7	8,916.1	3.5% ▲
Gross Profit	1,387.7	45.7	649.9	2,080.4	1,325.2	46.6	608.6	1,977.2	5.2% ▲
Gross Margin	22.40%	17.40%	23.30%	22.53%	22.25%	17.83%	22.41%	22.18%	+36 bps ▲
EBITDA	681.4	12.2	321.1	1,013.9	658.5	12.3	291.7	961.6	5.4% ▲
Depreciation & Impairment	136.5	3.3	79.7	219.3	135.5	6.5	77.1	218.5	0.4% ▲
EBIT	544.9	8.8	241.4	794.6	523.0	5.8	214.7	743.1	6.9% ▲
EBIT Margin	8.79%	3.37%	8.65%	8.61%	8.78%	2.23%	7.90%	8.33%	+27 bps ▲
Interest on Lease Liabilities	10.9	0.4	7.4	18.7	12.4	0.4	8.6	21.3	(12.2%) ▼
Net Interest Paid on Borrowings	-	-	-	0.6	-	-	-	1.8	(69.1%) ▼
Profit before Tax	534.0	8.5	234.0	775.3	510.6	5.4	206.1	720.0	7.7% ▲
Tax Expense				230.4				213.9	7.7%
NPAT				544.9				506.1	7.7% ▲
Headline Statistics:									
Dividends per share (¢)				316.0				287.0	10.1% ▲
Earnings per share (basic ¢)				479.5				440.8	8.8% ▲
Cost of doing business	11.40%	12.75%	11.79%	11.55%	11.19%	13.12%	11.67%	11.39%	+16 bps ▲
Stores	199	14	106	319	197	14	105	316	+3 stores

Appendix III

319 stores across Australia and New Zealand¹

Group store reconciliation



FY21	FY22			
	Opened	Converted	Closed	Total
Australia				
JB HI-FI	137	2	-	139
JB HI-FI HOME	60	-	-	60
	197	2	-	199
New Zealand				
JB HI-FI	14	-	-	14
JB HI-FI HOME	-	-	-	-
	14	-	-	14
JB HI-FI TOTAL	211	2	-	213
THE GOOD GUYS TOTAL	105	1	-	106
	316	3	-	319
Store type:				
JB HI-FI	151	2	-	153
JB HI-FI HOME	60	-	-	60
THE GOOD GUYS	105	1	-	106
	316	3	-	319
Store format:				
Shopping centre	127	1	(1)	127
Other	189	2	1	192
	316	3	-	319

¹ As at 30 June 2022

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