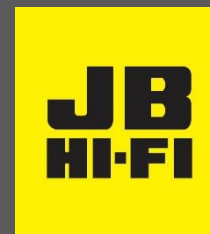


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JB Hi-Fi Limited

HY18 Results Presentation



Agenda

1. **Group Performance Overview**
2. **JB HI-FI**
3. **The Good Guys**
4. **Group Balance Sheet and Cash Flow**
5. **Outlook**

Richard Murray
Group CEO

Nick Wells
Group CFO

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1. Group Performance Overview

Financial highlights

AUD	HY18	HY17 ¹	Growth		
Total sales (\$m)	3,689.8	2,616.2	1,073.6	41.0%	▲
Earnings before interest and tax (\$m)	225.8	180.8	45.0	24.9%	▲
Net profit after tax (\$m)	151.7	125.4	26.3	21.0%	▲
Earnings per share (basic ¢)	132.2	116.3	+16 cps	13.7%	▲
Dividend per share (¢)	86.0	72.0	+14 cps	19.4%	▲

- NPAT of \$151.7 million, up 21.0% on underlying NPAT in the pcp (up 37.4% on statutory NPAT in the pcp)
- Interim dividend of 86 cents per share fully franked and in line with the current Group dividend payout ratio of 65%

¹ Unless otherwise stated, all HY17 results disclosed in this presentation are underlying results which exclude transaction fees and implementation costs totaling \$15.3m associated with the acquisition of The Good Guys in November 2016. Refer Appendix I for reconciliations of statutory and underlying results

1. Group Performance Overview

Divisional performance

	HY18	HY17 ^{1,2}	Growth	
			\$m	%
Sales (\$m)				
- JB HI-FI Australia	2,476.0	2,234.2	241.8	10.8% ▲
- JB HI-FI New Zealand (NZD)	124.6	125.1	(0.5)	(0.4%) ▼
- The Good Guys	1,099.8	263.1	836.7	318.0% ▲
Total Sales (AUDm)	3,689.8	2,616.2	1,073.6	41.0% ▲
EBIT (\$m)				
- JB HI-FI Australia	183.7	165.6	18.1	10.9% ▲
- JB HI-FI New Zealand (NZD)	0.0	1.0	(1.0)	(97.3%) ▼
- The Good Guys	42.0	14.3	27.8	194.7% ▲
Total EBIT (AUDm)	225.8	180.8	45.0	24.9% ▲
EBIT Margin (%)				
- JB HI-FI Australia	7.42%	7.41%	+1 bps	▲
- JB HI-FI New Zealand	0.02%	0.78%	(76 bps)	▼
- The Good Guys	3.82%	5.42% ³	(160 bps)	▼
Total EBIT Margin (%)	6.12%	6.91%	(79 bps)	▼

¹ Underlying results (refer to note 1 on page 3)

² The Good Guys was acquired on 28 November 2016. The Good Guys underlying results presented for HY17 are for the period of ownership (28 November 2016 to 31 December 2016)

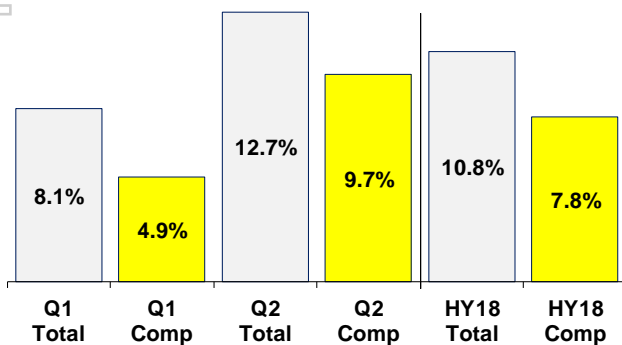
³ The Good Guys EBIT margin of 5.42% in HY17 reflects the seasonal impact of the month of December, refer note 2 above. EBIT Margin was 3.69% for the period 28 November 2016 to 30 June 2017

2. JB HI-FI

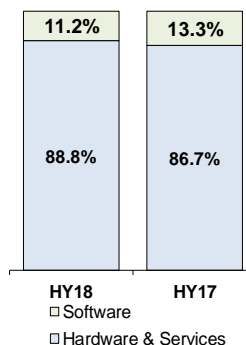
JB HI-FI Australia performance summary

AUD	HY18	HY17 ¹	Growth
Sales (\$m)	2,476.0	2,234.2	10.8% ▲
Gross Profit (\$m)	545.3	496.5	9.8% ▲
Gross Margin (%)	22.02%	22.22%	(20 bps) ▼
Cost of Doing Business (%)	13.76%	13.93%	(17 bps) ▼
EBIT (\$m)	183.7	165.6	10.9% ▲
EBIT Margin (%)	7.42%	7.41%	+1 bps ▲
Stores (#)	192	185 ²	+7 stores ▲

Sales Growth



Sales Category Splits



Sales

- Total sales grew by 10.8% to \$2.48 billion, with comparable sales up 7.8%
- Hardware and Services³ sales in HY18 were up 13.5%, with comparable sales up 10.4% driven by the Communications, Computers, Audio, Drones and Games Hardware categories
- Software sales were down 6.5% and on a comparable basis were down 9.3% as a result of an acceleration in the decline in the Movies category but partially offset by growth in the Games Software category
- Online sales in Australia for HY18 grew 40.6% (HY17: 40.4%) on the pcp to \$119.3 million or 4.8% of total sales (HY17: 3.8%), as we continue to invest in and improve our Online offer
- The Solutions business recorded double digit sales growth and remains on track to deliver on the longer term aspirational sales target of approximately \$500 million per annum, through both organic growth and strategic acquisitions

¹ Underlying results (refer to note 1 on page 3)

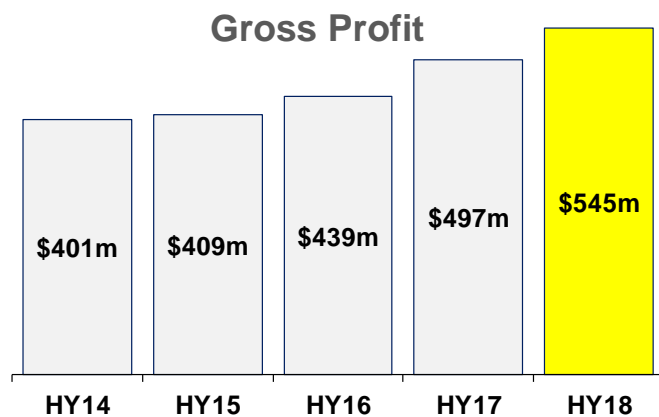
² As at 30 June 2017

³ Hardware & Services is defined as all sales excluding the Music, Movies and Games Software categories

2. JB HI-FI

JB HI-FI Australia performance summary

AUD	HY18	HY17 ¹	Growth
Sales (\$m)	2,476.0	2,234.2	10.8% ▲
Gross Profit (\$m)	545.3	496.5	9.8% ▲
Gross Margin (%)	22.02%	22.22%	(20 bps) ▼
Cost of Doing Business (%)	13.76%	13.93%	(17 bps) ▼
EBIT (\$m)	183.7	165.6	10.9% ▲
EBIT Margin (%)	7.42%	7.41%	+1 bps ▲
Stores (#)	192	185 ²	+7 stores ▲



¹ Underlying results (refer to note 1 on page 3)

² As at 30 June 2017

Gross Profit and Margin

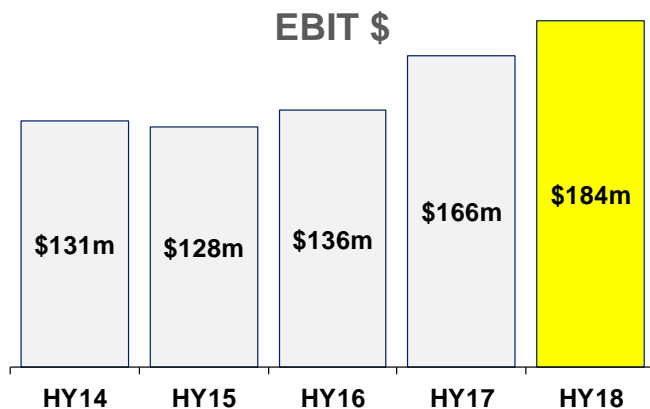
- Gross profit increased by 9.8% to \$545.3 million
- Gross margin was 22.0%, a 20 bps decrease on the pcp, primarily driven by:
 - sales mix, as we manage the growth of low margin categories and the decline in higher margin software categories; and
 - price investment to reinforce our market leadership
- We continue to be a sales led organisation with a focus on growing top line sales and gross profit dollars



2. JB HI-FI

JB HI-FI Australia performance summary

AUD	HY18	HY17 ¹	Growth
Sales (\$m)	2,476.0	2,234.2	10.8% ▲
Gross Profit (\$m)	545.3	496.5	9.8% ▲
Gross Margin (%)	22.02%	22.22%	(20 bps) ▼
Cost of Doing Business (%)	13.76%	13.93%	(17 bps) ▼
EBIT (\$m)	183.7	165.6	10.9% ▲
EBIT Margin (%)	7.42%	7.41%	+1 bps ▲
Stores (#)	192	185²	+7 stores ▲



¹ Underlying results (refer to note 1 on page 3)

² As at 30 June 2017

CODB

- Our low CODB remains a competitive advantage and is maintained through continued focus on productivity and minimising unnecessary expenditure
- CODB was 13.8%, down 17 bps on the pcp
- CODB in absolute terms grew 9.5%
- Total operating costs remained well controlled as we managed increased volumes through the store network driven by new products, Click and Collect, Online and Commercial order fulfilment

EBIT

- Strong sales growth, combined with operating cost leverage, drove strong EBIT growth. EBIT was up 10.9% on the pcp to \$183.7 million while EBIT margin was up 1 bps at 7.4%

Stores

- Seven new stores were opened in HY18

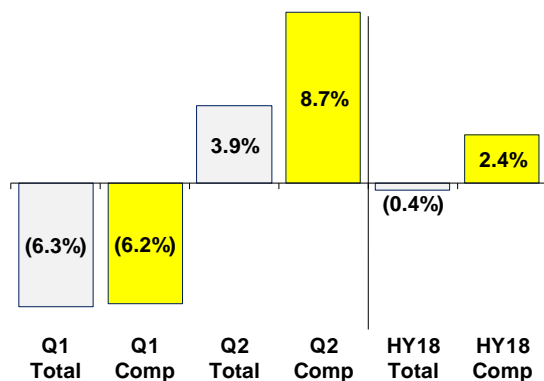


2. JB HI-FI

JB HI-FI New Zealand performance summary

NZD	HY18	HY17	Growth
Sales (\$m)	124.6	125.1	(0.4%) ▼
Gross Profit (\$m)	21.8	24.0	(9.2%) ▼
Gross Margin (%)	17.51%	19.20%	(169 bps) ▼
Cost of Doing Business (%)	16.31%	17.11%	(79 bps) ▼
EBIT (\$m)	0.0	1.0	(97.3%) ▼
EBIT Margin (%)	0.02%	0.78%	(76 bps) ▼
Stores (#)	15	16 ¹	(1 store) ▼

Sales Growth



- Total sales were down 0.4% to NZD124.6 million
- Comparable sales for HY18 were up 2.4%, with Q2 comparable sales up 8.7%
- Online sales in New Zealand for HY18 grew 89.8% on the pcp to NZD4.8 million or 3.8% of total sales (HY17: 2.0%) following the launch of the new website in August 2017
- Gross margin was down 169 bps on the pcp to 17.5%
- We continue to reposition the New Zealand business as part of our strategy to improve performance. One JB HI-FI store was closed and we have exited Whitegoods (JB HI-FI HOME) and rebranded the four stores to JB HI-FI
- The store closure impact to sales was NZD4.6 million and included in the HY18 result are one-off costs associated with the store closure and exit of Whitegoods of NZD0.4 million



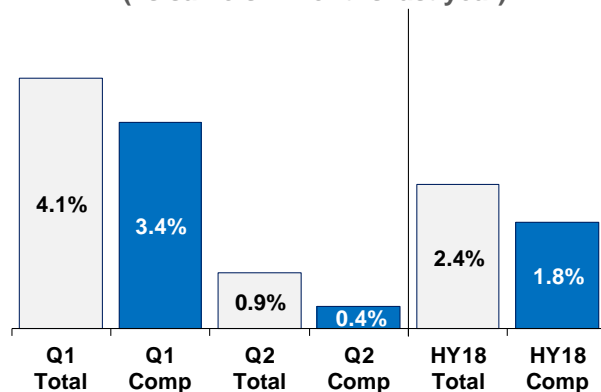
¹ As at 30 June 2017

3. The Good Guys

The Good Guys performance summary

AUD	HY18	HY17 ¹	Growth
Sales (\$m)	1,099.8	263.1	318.0% ▲
Gross Profit (\$m)	228.6	51.7	342.1% ▲
Gross Margin (%)	20.79%	19.65%	+113 bps ▲
Cost of Doing Business (%)	16.20%	13.52%	+268 bps ▲
EBIT (\$m)	42.0	14.3	194.7% ▲
EBIT Margin (%)	3.82%	5.42%	(160 bps) ▼
Stores (#)	104	102 ²	+2 stores ▲

Sales Growth
(vs same six months last year)



- All performance indicators and ratios for HY17 are for the period of ownership¹, and reflect the seasonal impact of the month of December

Sales

- Total sales for the six months to 31 December 2017 were \$1.10 billion
- In HY17, we consolidated only one month's sales, as a result sales on a statutory basis were up 318.0%
- For comparative purposes for the same six months (July to December), total sales were up 2.4% with comparable sales up 1.8%
- Key growth categories were Seasonal Products, Cooking, Communications, Visual and Dishwashers
- Online sales for the period were down 1.7% to \$72.7 million or 6.6% of total sales

Gross Profit and Margin

- Gross profit was \$228.6 million with gross margin at 20.8%

¹ The Good Guys was acquired on 28 November 2016. The Good Guys underlying results (refer to note 1 on page 3) presented for HY17 are for the period of ownership (28 November 2016 to 31 December 2016)

² As at 30 June 2017

3. The Good Guys

The Good Guys performance summary

AUD	HY18	HY17 ¹	Growth
Sales (\$m)	1,099.8	263.1	318.0% ▲
Gross Profit (\$m)	228.6	51.7	342.1% ▲
Gross Margin (%)	20.79%	19.65%	+113 bps ▲
Cost of Doing Business (%)	16.20%	13.52%	+268 bps ▲
EBIT (\$m)	42.0	14.3	194.7% ▲
EBIT Margin (%)	3.82%	5.42%	(160 bps) ▼
Stores (#)	104	102 ²	+2 stores ▲

- All performance indicators and ratios for HY17 are for the period of ownership¹, and reflect the seasonal impact of the month of December

CODB

- CODB was 16.2%
- Total operating costs were in line with expectations and store wages remained well controlled

EBIT

- EBIT was \$42.0 million and in line with expectations

Stores

- Two new The Good Guys stores were opened during HY18 at Robina and Tingalpa



¹ The Good Guys was acquired on 28 November 2016. The Good Guys underlying results (refer to note 1 on page 3) presented for HY17 are for the period of ownership (28 November 2016 to 31 December 2016)

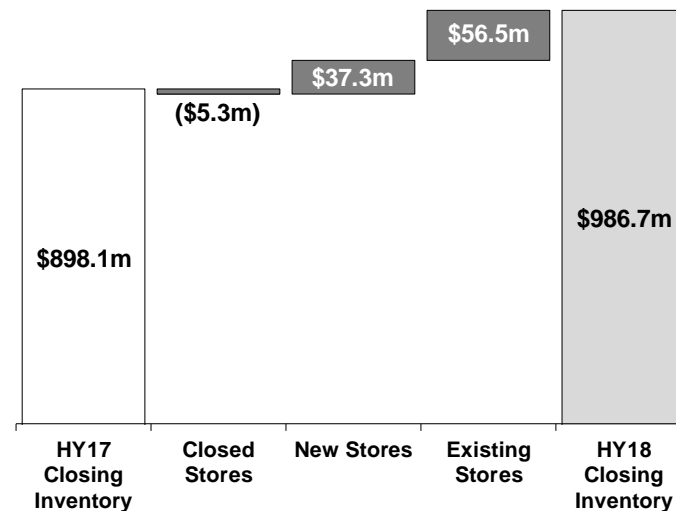
² As at 30 June 2017

4. Group Balance Sheet and Cash Flow

Group Balance Sheet

AUDm	HY18	FY17 ¹	HY17 ¹
Cash	182.7	72.8	124.5
Receivables	302.2	193.6	257.5
Inventories	986.7	859.7	898.1
Other	45.3	41.4	47.5
Total Current Assets	1,516.9	1,167.5	1,327.6
Fixed Assets	207.2	208.2	215.7
Intangibles & Goodwill	1,037.3	1,037.3	1,052.0
Other	47.7	46.8	46.5
Total Non-Current Assets	1,292.2	1,292.3	1,314.2
Total Assets	2,809.1	2,459.8	2,641.8
Payables	1,048.4	644.7	920.5
Other	268.6	240.7	269.2
Total Current Liabilities	1,317.0	885.4	1,189.7
Borrowings	374.2	558.8	423.4
Other	159.2	162.1	155.9
Total Non-Current Liabilities	533.4	720.9	579.3
Total Liabilities	1,850.4	1,606.3	1,769.0
Net Assets	958.7	853.5	872.8
Net Debt / (Net Cash)	191.5	486.0	299.0

Inventory Bridge – HY17 to HY18



- Group inventory levels were in line with expectations, with inventory turnover in HY18 at 6.2x
- Similar to prior half years, the 31 December payables and net debt / (net cash) positions are heavily influenced by the timing of Christmas inventory purchasing

¹ The comparative balances have been restated to reflect the finalisation of the accounting for the acquisition of The Good Guys

4. Group Balance Sheet and Cash Flow

Group Cash Flow Statement

AUDm	HY18	HY17
Statutory EBITDA	256.3	188.5
Change in Working Capital	179.3	117.0
Net Interest Paid	(8.5)	(0.1)
Income Tax Paid	(58.9)	(34.2)
Other	5.4	4.8
Net Cash Flow from Operations	373.7	276.1
Purchases of P&E (net)	(30.2)	(20.0)
Investments (net of cash acquired)	-	(846.5)
Net Cash Flow from Investing	(30.2)	(866.5)
Free Cash Flow¹	343.5	256.1
Proceeds / (Repayment) of borrowings	(183.8)	315.0
Proceeds from issue of equity	2.8	395.2
Share issue costs	-	(9.0)
Dividends Paid	(52.8)	(36.7)
Other	-	(1.5)
Net Cash Flow from Financing	(233.8)	663.0
Net Change in Cash Position	109.7	72.6
Effect of exchange rates	0.2	(0.0)
Cash at the end of Period	182.7	124.5

Group Performance Indicators

	HY18	HY17
Fixed Charge Ratio	3.0x	3.6x
Interest Cover	27.2x	66.0x
Gearing Ratio	0.9	1.4
Return on Invested Capital	19.6%	15.4%

- Operating cash conversion continues to be strong
- Capex remains well controlled as we continue to invest in the store portfolio and digital initiatives

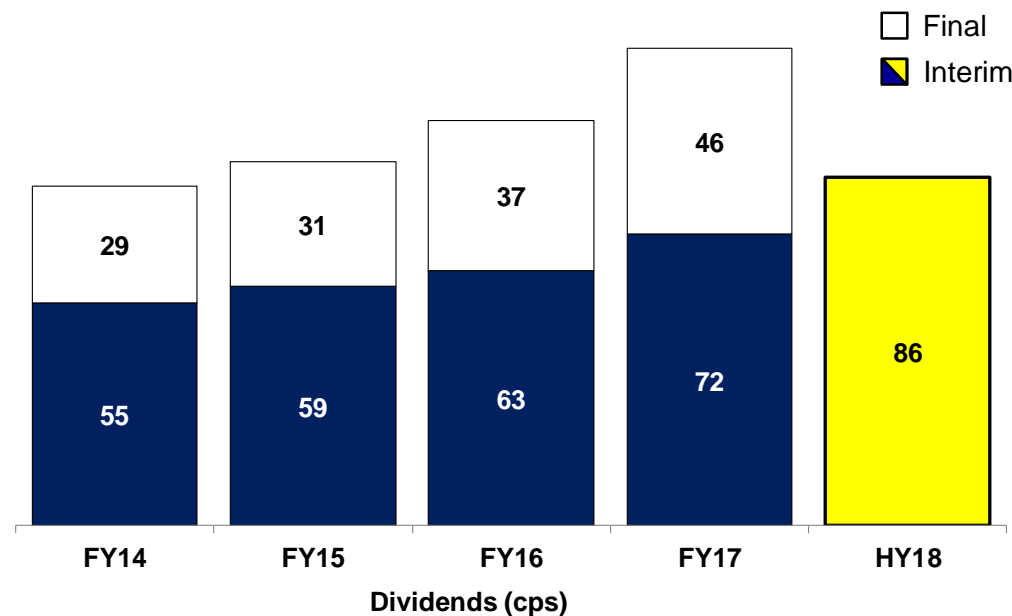
¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net)

4. Group Balance Sheet and Cash Flow

Capital Management

- The Board regularly reviews its capital structure with a focus on maximising returns to shareholders and believes the current dividend payout ratio of 65% appropriately balances the distribution of profit to shareholders and the reinvestment of earnings for future growth
- The interim dividend is 86 cents per share (cps) fully franked, up 14 cps from the pcp, representing 65% of NPAT. The record date for the interim dividend is 23 February 2018, with payment to be made on 9 March 2018

HY18 dividend up 19.4% to 86 cps



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5. Outlook

Outlook

January 2018 sales update:

- Total sales growth for JB HI-FI was 6.9% (January 2017: 9.8%) with comparable sales growth of 4.5% (January 2017: 7.2%)
- Total sales growth for The Good Guys was -3.5% (January 2017: 5.0%) with comparable sales growth of -4.7% (January 2017: 3.5%). The Good Guys sales growth in January was impacted by cycling strong sales of Seasonal products (Air Conditioning) in the pcp

FY18 Guidance:

- In 2HY18 we expect our focus on sales and market share, and continuing changes to sales mix, to result in sales growth exceeding gross profit dollar growth. As a result, in FY18 the Company expects:
 - total Group sales to be circa \$6.85 billion (JB HI-FI \$4.75 billion and The Good Guys \$2.1 billion)
 - total Group NPAT to be in the range of \$235 million to \$240 million, an increase of 13.1% to 15.5% on underlying NPAT in the pcp

Appendix I

a) Group underlying EBIT reconciliation

AUDm	HY18	HY17
Statutory EBIT	225.8	165.5
<i>Adjustments</i>		
- Transaction Fees	-	14.1
- Implementation Costs	-	1.2
<i>Total Adjustments</i>	-	15.3
Underlying EBIT	225.8	180.8

b) Group underlying NPAT reconciliation

AUDm	HY18	HY17
Statutory NPAT	151.7	110.4
<i>Adjustments</i>		
- Transaction Fees	-	14.1
- Implementation Costs	-	1.2
<i>Total Adjustments</i>	-	15.3
- Tax impact	-	(0.4)
<i>Total After Tax Adjustments</i>	-	15.0
Underlying NPAT	151.7	125.4

c) Group underlying CODB reconciliation

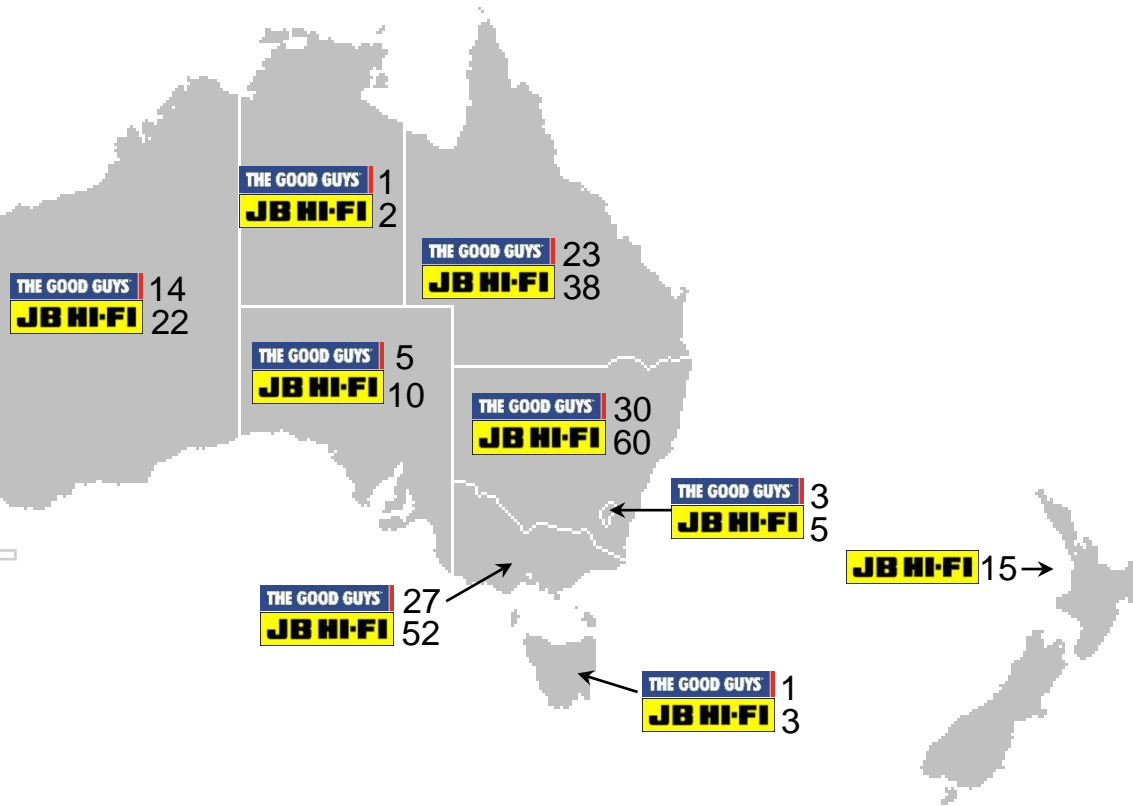
AUDm	HY18	HY17
Other income (ex interest received)	(0.4)	(0.1)
Sales and marketing expenses (App 4D)	357.4	249.3
Occupancy expenses (App 4D)	151.2	101.2
<i>less depreciation, amortisation & impairment</i>	(27.9)	(20.5)
Administration expenses (App 4D)	22.8	15.8
<i>less depreciation & impairment</i>	(2.6)	(2.6)
Other expenses (App 4D)	37.1	24.2
Underlying CODB	537.6	367.2
Sales	3,689.8	2,616.2
Underlying CODB (% of sales)	14.57%	14.04%

d) Group underlying EPS reconciliation

	HY18	HY17
Underlying NPAT (AUDm)	151.7	125.4
Weighted average number of ordinary shares (m)	114.7	107.9
Underlying EPS	132.2	116.3

Appendix II

311 stores across Australia and New Zealand¹



Group store reconciliation

	FY17	HY18			Total
		Opened	Converted	Closed	
Australia					
JB HI-FI	126	7	-	-	133
JB HI-FI HOME	59	-	-	-	59
	185	7	-	-	192
New Zealand					
JB HI-FI	12	-	4	(1)	15
JB HI-FI HOME	4	-	(4)	-	-
	16	-	-	(1)	15
JB HI-FI TOTAL	201	7	-	(1)	207
THE GOOD GUYS	102	2	-	-	104
TOTAL	303	9	-	(1)	311
Store type:					
JB HI-FI	138	7	4	(1)	148
JB HI-FI HOME	63	-	(4)	-	59
THE GOOD GUYS	102	2	-	-	104
	303	9	-	(1)	311
Store format:					
Shopping centre	117	3	-	(1)	119
Other	186	6	-	-	192
	303	9	-	(1)	311

¹ As at 31 December 2017

Appendix III

a) Group Profit and Loss

AUDm	HY18	HY17 ¹	HY16	HY15	HY14
Sales	3,689.8	2,616.2	2,116.8	1,965.1	1,939.9
Gross Profit	793.9	571.1	459.6	427.3	419.6
<i>Gross Margin</i>	<i>21.52%</i>	<i>21.83%</i>	<i>21.71%</i>	<i>21.74%</i>	<i>21.63%</i>
EBITDA	256.3	203.9	157.9	148.7	150.3
Depreciation & Amortisation	30.5	23.1	19.7	18.8	17.4
EBIT	225.8	180.8	138.2	130.0	132.9
<i>EBIT Margin</i>	<i>6.12%</i>	<i>6.91%</i>	<i>6.53%</i>	<i>6.61%</i>	<i>6.85%</i>
Net Interest	8.1	1.4	1.7	2.9	3.9
Profit before Tax	217.7	179.5	136.4	127.1	129.0
Tax Expense	66.0	54.1	41.2	38.5	38.6
NPAT	151.7	125.4	95.2	88.5	90.3
Headline Statistics:					
Dividends per share (¢)	86.0	72.0	63.0	59.0	55.0
Earnings per share (basic ¢)	132.2	116.3	95.0	89.4	90.5
Cost of doing business	14.57%	14.04%	14.25%	14.17%	13.88%

¹ Underlying results (refer to note 1 on page 3)

Appendix III

b) Group Profit and Loss - Breakdown

AUDm	HY18				HY17 ¹				Growth
	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	
Sales	2,476.0	124.6	1,099.8	3,689.8	2,234.2	125.1	263.1	2,616.2	41.0% ▲
Gross Profit	545.3	21.8	228.6	793.9	496.5	24.0	51.7	571.1	39.0% ▲
<i>Gross Margin</i>	22.02%	17.51%	20.79%	21.52%	22.22%	19.20%	19.65%	21.83%	(31 bps) ▼
EBITDA	204.5	1.4	50.4	256.3	185.3	2.6	16.1	203.9	25.7% ▲
Depreciation & Amortisation	20.7	1.4	8.4	30.5	19.6	1.6	1.9	23.1	32.3% ▲
EBIT	183.7	0.0	42.0	225.8	165.6	1.0	14.3	180.8	24.9% ▲
<i>EBIT Margin</i>	7.42%	0.02%	3.82%	6.12%	7.41%	0.78%	5.42%	6.91%	(79 bps) ▼
Net Interest				8.1				1.4	489.1% ▲
Profit before Tax				217.7				179.5	21.3% ▲
Tax Expense				66.0				54.1	22.1%
NPAT				151.7				125.4	21.0% ▲
Headline Statistics:									
Dividends per share (¢)				86.0				72.0	19.4% ▲
Earnings per share (basic ¢)				132.2				116.3	13.7% ▲
Cost of doing business	13.76%	16.31%	16.20%	14.57%	13.93%	17.11%	13.52%	14.04%	+53 bps ▲
Stores	192	15	104	311	185 ²	16 ²	102 ²	303 ²	+8 stores ▲

¹ Underlying results (refer to note 1 on page 3)

² As at 30 June 2017

Appendix III

c) Group Balance Sheet

AUDm	HY18	HY17 ¹	HY16	HY15	HY14
Cash	182.7	124.5	101.4	68.1	44.9
Receivables	302.2	257.5	146.1	150.5	127.6
Inventories	986.7	898.1	621.5	572.6	588.1
Other	45.3	47.5	9.7	5.7	4.7
Total Current Assets	1,516.9	1,327.6	878.7	796.8	765.4
Fixed Assets	207.2	215.7	185.5	190.4	185.4
Intangibles & Goodwill	1,037.3	1,052.0	85.3	85.6	85.1
Other	47.7	46.5	20.7	17.1	17.0
Total Non-Current Assets	1,292.2	1,314.2	291.5	293.2	287.5
Total Assets	2,809.1	2,641.8	1,170.2	1,090.0	1,052.9
Payables	1,048.4	920.5	604.9	593.4	525.6
Other	268.6	269.2	128.1	108.6	110.7
Total Current Liabilities	1,317.0	1,189.7	733.0	702.0	636.3
Borrowings	374.2	423.4	-	-	49.5
Other	159.2	155.9	31.4	31.8	33.8
Total Non-Current Liabilities	533.4	579.3	31.4	31.8	83.3
Total Liabilities	1,850.4	1,769.0	764.3	733.8	719.6
Net Assets	958.7	872.8	405.8	356.2	333.3
Net Debt / (Net Cash)	191.5	299.0	(101.4)	(68.1)	4.5

¹ The comparative balances have been restated to reflect the finalisation of the accounting for the acquisition of The Good Guys

Appendix III

d) Group Cash Flow

AUDm	HY18	HY17	HY16	HY15	HY14
Statutory EBITDA	256.3	188.5	157.9	148.7	150.3
Change in Working Capital	179.3	117.0	134.4	146.6	(45.8)
Net Interest Paid	(8.5)	(0.1)	(1.7)	(2.7)	(3.7)
Income Tax Paid	(58.9)	(34.2)	(33.6)	(29.0)	(25.9)
Other	5.4	4.8	2.6	1.8	3.3
Net Cash Flow from Operations	373.7	276.1	259.6	265.5	78.3
Purchases of P&E (net)	(30.2)	(20.0)	(28.6)	(27.5)	(20.7)
Investments (net of cash acquired)	-	(846.5)	-	(2.4)	(3.0)
Net Cash Flow from Investing	(30.2)	(866.5)	(28.6)	(29.9)	(23.7)
Free Cash Flow	343.5	256.1	231.0	238.0	57.6
Borrowings / (Repayments)	(183.8)	315.0	(140.0)	(180.0)	(75.1)
Proceeds from issue of Equity	2.8	395.2	5.0	2.5	19.6
Share buy-back	-	-	(13.2)	(5.0)	-
Share issue costs	-	(9.0)	-	-	-
Dividends Paid	(52.8)	(36.7)	(30.9)	(28.8)	(22.0)
Other	-	(1.5)	0.1	-	-
Net Cash Flow from Financing	(233.8)	663.0	(179.0)	(211.3)	(77.4)
Net Change in Cash Position	109.7	72.6	52.0	24.3	(22.8)
Effect of exchange rates	0.2	(0.0)	0.3	0.3	0.4
Cash at the end of Period	182.7	124.5	101.4	68.1	44.9