

## **JB HI-FI LIMITED**

### **Transcript of the 2022 Annual General Meeting of Shareholders held at RACV City Club, 501 Bourke Street, Melbourne, Victoria 3000 and virtually via the Computershare Virtual Meeting Services platform on 27 October 2022 at 10.30 a.m.**

STEPHEN GODDARD:

Welcome to the JB Hi-Fi 2022 Annual General Meeting. My name is Stephen Goddard. I'm the Chairman of JB Hi-Fi Group and I'm your Chair for today's meeting. We have a quorum and I'm pleased to declare the meeting open.

This year sees our first hybrid AGM, and for the first time in three years, I'm delighted to be able to extend a warm welcome to our shareholders, proxies and guests who are attending in person, as well as those who are participating through the online meeting platform. Our meeting is being held on the lands of the Wurundjeri people of the Kulin nation and I wish to acknowledge them as the Traditional Custodians. I also would like to pay my respects to their Elders, past and present and emerging.

I would like to introduce my fellow Directors, Beth Laughton, Mark Powell, Geoff Roberts, Melanie Wilson, Richard Uechtritz and our Executive Directors Terry Smart and Nick Wells. Our company secretary, Doug Smith, is also in attendance, as is Travis Simkin of our auditors, Deloitte Touche Tohmatsu.

Obviously, as some attendees are attending online, there is a risk of technical difficulties. If this happens, it will be at my discretion whether we continue the meeting, or postpone or adjourn the meeting. The agenda for today's meeting is as follows - Procedural Issues, Summary of Items of Business and Voting Opens, Chairman's Address, Group CEO's Address, Further Information on each item of Business, Questions, Voting Closes and the Close of Meeting.

The Notice of Meeting dated 16th September 2022 has been made available to all shareholders and I will take it as read. I'll start by briefly setting out how the meeting will work. All shareholders and proxies attending the meeting, whether in person or online, have the ability to ask questions and submit votes.

Noting that questions may be submitted at different times by online participants and participants in person, we will answer questions on all items of business later in the meeting. For those attending the meeting online who wish to submit a written question, you may do so at any time during the meeting via the Q&A icon on your screen. Type your question in the text and then press the send button, I will then address your question at the relevant time. If you're attending in person or attending online but wish to ask a question verbally, please wait until that time to ask your question.

Voting today will be conducted by way of a poll on all items of business and Computershare will act as the independent returning officer. In order to provide you with enough time to vote, I will shortly open voting for all resolutions.

For those attending the meeting online and who are eligible to vote, when the poll opens a voting icon will be available on your screen. Selecting this icon will bring up a list of resolutions and present you with voting options. To cast your vote, simply select one of the options. There's no need to hit submit as the vote is automatically recorded.

Please ensure you cast a vote for all resolutions, you will receive a vote confirmation notification on your screen. To change or cancel your vote, click the link 'Click Here to Change Your Vote' at any time until the poll is closed.

Votes may be changed up to the time I declare voting is closed. For shareholders, proxies and corporate representatives attending in person, you vote by the scanning QR code that you received upon admission and following the instructions or by completing the yellow voting card that was provided to you upon admission. White cards are for visitors only who cannot vote or ask questions today. Shareholders with a green card are not entitled to vote on the items of business.

You can vote at any time after voting opens and I will warn you before I close voting at the end of the meeting.

Results of voting will be released to the ASX after the meeting and if you have any difficulties voting or submitting questions, please consult the online meeting guide (which can be accessed within the online platform or on the JB Hi-Fi Investors website) if you're attending online, or raise your hand if you're attending in person.

The items of business are as set out in the Notice of Meeting and are as follows - To receive and consider the financial and other reports for the financial year ending 30 June 2022; To vote on the re-election of Directors; To adopt the remuneration report; and To approve the allocation of restricted shares to each of the Executive Directors. I'll provide more detail on each of these items later in the meeting.

I now declare voting open on all items of business. The voting tab will soon appear. Please submit your votes at any time and I will give you a warning before I close voting.

We now move to my Chairman's Address.

The financial year ended 30 June 2022 ("FY22") was another strong year for JB Hi-Fi Limited and its subsidiaries (the "Group"), with the Group reporting record sales and earnings. The result reinforces the enormous trust our customers have in our brands and the strength of our multichannel offer, which continues to provide customers with choice on how to shop.

We would like to recognise and thank our team members across Australia and New Zealand who worked tirelessly to deliver this record result, remained focused on our customers and continued to adapt and respond to meet their needs. Our motivated, passionate, knowledgeable and highly trained staff continue to be our most important asset. We believe the Group is an employer of choice, with an inclusive, busy, enjoyable and, most importantly, safe working environment that helps us to continue to attract and retain high calibre people.

Turning to the Group's operating model, the Group comprises two leading retail brands: JB HI-FI, with a focus on Technology and Consumer Electronics; and The Good Guys, with a focus on Home Appliances and Consumer Electronics.

The value proposition for each brand centres around ranging the best brands at low prices supported by exceptional customer service across our store network, our online and phone channels, and through our commercial business.

The dual branded retail approach is underpinned by four key competitive advantages, being: scale; a low cost operating model; multichannel capability; and people and culture.

An integral part of the Group's ongoing strategy is to encourage innovation and diversification in our product range, merchandising formats, advertising, supply chain, property locations and our online offer, in a controlled and responsible manner to ensure that we remain current and relevant to our customers. We have a culture of embracing change, which is seen as a "natural" part of the business, and this approach provides opportunities to increase revenue, margin and productivity.

The Group's FY22 Sustainability Report, which can be found on the Group's investor website, outlines our commitment to having a positive impact on our people, our community and our environment. As set out in the Report, we are committed to: supporting our people and ensuring a safe, inclusive and respectful workplace, whilst always looking for ways to provide them with flexibility and opportunities to grow and develop; making a positive impact in the communities in which our team members live and work and working with our supply partners to protect and further human rights; and minimising the impact that our operations may have on the natural environment and pro-actively reducing our waste, energy consumption and emissions.

We are pleased with the progress made in these key areas of focus, which in FY22 included: solar power generation installed in 14 stores as the Group works towards net-zero direct (scope 1 and 2) carbon emissions by 2030; continuing to action a set of Diversity and Inclusion initiatives, to improve diversity in leadership and inclusion, including the launch of 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; workplace giving donations totalling \$3.7 million in FY22 and \$31.7 million since inception; continued focus on safety including mental health and wellbeing training programs; updated and distributed our revised Group Ethical Sourcing Policy, including a new requirement for social compliance auditing; and improvements in sustainable packaging across our own brand products in line with 2025 National Packaging Targets.

The Sustainability Report has received an overwhelmingly positive response from our team members.

In closing, the Board remains focused on building long term shareholder value. Since JB Hi-Fi Limited listed in October 2003: the JB Hi-Fi share price compound annual growth rate is 18.5% to 26 October 2022, compared to 3.9% on the ASX 200 Index over the same period; the earnings per share compound annual growth rate is 22.0%; and the dividend per share (fully franked) compound annual growth rate is 23.4%.

More recently, in the three years since 2019: the JB Hi-Fi share price compound annual growth rate is 4.8% to 26 October 2022, compared to 0.3% on the ASX 200 Index over the same period; the earnings per share compound annual growth rate is 30.2%; and the dividend per share (fully franked) compound annual growth rate is 30.6%.

I would like to take this opportunity to thank my fellow directors, the executive team and our store, warehouse and support teams for their unwavering commitment to the ongoing prosperity of your company and its shareholders.

I now invite Terry to address the meeting on the Group's operations.

TERRY SMART:

Thank you Stephen, and good morning ladies and gentlemen.

As we have said before, retailing is a dynamic and exciting industry and JB HI-FI and The Good Guys are market leaders in their respective sectors. The core of our proposition has always been, and will always remain, our unwavering focus on our customers. Our customers continue to turn to us for their technology and home appliance needs and our over 13,000 dedicated and knowledgeable team members across Australia and New Zealand continue to respond and adapt in an amazing manner to make sure we can meet these needs.

Turning to our last financial year's results, FY22 was a strong year for the Group with sales of \$9.23 billion, up 3.5% on the prior year, including Group online sales up 52.8% to \$1.63 billion. EBIT was up 6.9% to \$794.6 million and NPAT was up 7.7% to \$544.9 million. Earnings per share was up 8.8% to

479.5 cents per share and total dividends for FY22 were up 10.1%, or 29 cents per share, to 316 cents per share. The Group had 319 stores across Australia and New Zealand as at 30 June.

JB Hi-Fi Australia total sales grew by 4.0% to \$6.20 billion with strong sales momentum through the year driven by continued heightened customer demand for consumer electronics and home appliance products. The key growth categories were Communications, Visual, Small Appliances, Smart Home and Accessories. EBIT was up 4.2% to \$544.9 million with EBIT margin up 1 bp to 8.8%.

JB Hi-Fi New Zealand total sales were up 0.3% to NZD262.4 million. The key growth categories were Visual, Games Hardware and Smart Home. EBIT was up 51.7% to NZD8.8 million. Underlying EBIT, excluding the impact of impairments in the current and prior year, was NZD4.7 million, down NZD1.3 million.

The Group recently completed a strategic review of the JB Hi-Fi New Zealand business and believes there is a significant opportunity to grow and expand the business. Over the next three years, the Group will be investing in improving the JB Hi-Fi New Zealand customer offer, refreshing the store network, opening new stores and upgrading its online platform.

To lead the repositioning and growth of the New Zealand business, the Group has appointed Tim Edwards as Managing Director of JB Hi-Fi New Zealand. Tim previously worked at The Warehouse Group for more than a decade, including seven years as CEO of Noel Leeming, and brings deep local experience and long-standing relationships, combined with a passion for retail. We are delighted to welcome Tim to the Group and we look forward to growing our New Zealand business under his leadership.

The Good Guys total sales grew by 2.7% to \$2.79 billion with strong sales momentum through the year 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. EBIT was up 12.5% to \$241.4 million with EBIT margin up 75 bps to 8.7%.

The Group regularly reviews all aspects of its capital structure with a focus on maximising returns to shareholders whilst maintaining balance sheet strength and flexibility. In April 2022, The Group completed a \$250 million Off-Market Share Buy-Back and through the total dividend for FY22 and the FY22 Off-Market Share Buy-Back, the Group returned \$604 million to shareholders.

With regard to FY23 trading, for the period 1 July 2022 to 30 September 2022, total sales growth for JB HI-FI Australia was 14.6%, total sales growth for JB HI-FI New Zealand was 27.7% and total sales growth for The Good Guys was 12.3%.

Further detail can be found in the sales update released to the ASX today.

We are pleased with the start to FY23, with continued sales momentum and strong sales growth rates over a three-year period.

In an uncertain retail environment and with household budgets under increasing pressure, customers gravitate to trusted value-driven retailers. Our ongoing strategy of providing customers with the best value and outstanding service every day, will ensure our brands continue to deliver for our customers and remain a destination of choice into the future.

I look forward to another exciting and successful year in FY23.

STEPHEN GODDARD:

Thanks, Terry. Turning back to the items of business. Item 1 relates to the receipt and consideration of the financial and other reports for the financial year ended 30 June 2022. The Company's annual report which includes the financial report, directors' report, and auditor's report, as well as the company's corporate governance statement, has been made available to shareholders.

No formal resolution will be put to the meeting on this item and I will take the reports as read. Shareholders and proxies may ask questions in relation to the reports later in the meeting.

Item 2 on the agenda relates to the re-election of Mark Powell and Beth Laughton as Directors.

Item 2(a) relates to the re-election of Mark Powell. Mark was appointed to the Board in March 2017 and is a member of the Audit & Risk Management Committee and the Remuneration & Nominations Committee.

Following initial training and experience in underground coal mining, Mark has gained over 30 years executive experience in retail logistics and wholesale distribution in the UK, Spain, North America and Australia and New Zealand markets. This includes as UK Logistics Operations Director for Tesco PLC, running Wal-Mart Canada's Logistics Operations and as CEO of the Warehouse Stationery retail chain in New Zealand. Mark spent five years as Group CEO for the Warehouse Group, a New Zealand-listed company that includes Noel Leeming, New Zealand's largest technology and appliances retailer. He was also an advisor to the Board of The Good Guys for 18 months prior to the acquisition by JB Hi-Fi.

Mark is currently a Non-Executive Director and Chair of the ESG Committee of the NZX-listed Kiwi Property Group Limited, a Non-Executive Director of Bapcor Limited and Chair of its Nominations, Remuneration and ESG Committee. In 2021, he also joined the Board of 7-Eleven Australia, the 700+ convenience store chain, serving on both the Strategy and Audit, Compliance & Risk Committees. On 1st of November 2022, Mark will become a Non-Executive Director of the ASX and NZX-listed My Food Bag Group Limited. The Board considers Mark to be an Independent Director.

I'll now ask Mark to say a few words. Mark.

MARK POWELL:

Thank you, Stephen. Stephen has well covered my background there, so I won't go through that. It is really an honour and privilege to stand for re-election today as a Non-Executive Director at JB HiFi. I think my background is well suited to the company.

And what I would say though is that JB is an outstanding organisation. I've seen inside a lot of retailers and the customer, people and execution focus of this business is second to none. And my desire is to help carry that on into the future and contribute that. So, yeah, as I said, it's a privilege and honour to put myself forward. Thank you.

STEPHEN GODDARD:

Thanks, Mark. The proxy votes received in advance of the meeting on this resolution are as follows on the screen.

Item 2(b) relates to the re-election of Beth Laughton. Beth was appointed to the Board in May 2011, became Chair of the Audit & Risk Management Committee in June 2012 and is also a member of the Company's Remuneration & Nominations Committee.

After qualifying as a chartered accountant, Beth spent over 25 years in corporate finance providing mergers and acquisitions advice and arranging equity funding for companies in a range of industries, including specialty retail. For 12 years, her primary focus was on information technology, telecommunications and entertainment.

She's a member of the Board of GPT Funds Management and Chair of its Audit, Risk & Compliance Committee and a Non-Executive Director of Shopping Centres Australasia Proprietary Limited and Chair of its Audit, Risk Management & Compliance Committee. Beth was previously a member of the Defence SA Advisory Board and a Non-Executive Director of Port Adelaide Maritime Corporation, a Non-Executive Director and Chair of the Audit Committee of both Sydney Ferries and CRC Care Proprietary Limited, and a Non-Executive Director of the ASX-listed Australand Property Group companies.

The Board considers Beth to be an independent Director. I'll now hand over to Beth to say a few words.

**BETH LAUGHTON:**

Thank you, Stephen. Good morning, everyone. I'm very pleased to be here today to seek your endorsement of my election as an Independent Non-Executive Director of JB Hi-Fi Limited. Stephen has already outlined my experience and sadly 25 years plus even further, I think it's starting to show up in my photograph now actually.

I have bizarrely ended up on a number of property boards. But interestingly, as a consequence of that, a number of the... I actually have a lot of observations around the broader retail sector because some of them are tenants. And I should add, I don't see any of the leasing transactions. But over my career, I have spent a lot of time observing and advising companies in the retail and, as Stephen said, the ICT and entertainment sectors.

As a Director of JB Hi-Fi, I have endeavoured to bring my role insights from my various extensive executive career. And I have a very strong commitment to continuous improvement. And I think that aligns very nicely with the approach that JB and the team have, to constantly reinforcing the quality that they apply to the execution and strategy of their retail operations, and the constant assessment of one's own and others' approach to how they operate in the business.

Obviously as Chair of the Audit and Risk Committee, which is the role I tend to take on my other boards, I have a very strong focus on audit compliance and risk management, both in a sort of a procedural sense, but also in the strategic sense, which we'd like to think that we align our risk with strategy. I have strong remuneration governance.

And over the last few years, as everyone has been focusing on the evolving reporting and approach to sustainability, I've taken that on as a mantra to understand as much as I possibly can and to obviously help guide the approach that JB Hi-Fi takes to sustainability. And whilst I don't take much credit for the Sustainability Report, I do endorse Stephen's comments about the quality of the

reporting that the team have produced and will continue to improve upon. There is a big challenge coming forward, though, in that area.

Everyone is expecting a sustainability reporting framework to be introduced in the near future, that will start with environmental and it will roll out to a whole range of other sustainability initiatives.

And my hope is that as Chair of the Audit & Risk Committee at JB, I can add significant value to that process and to assist the team in bringing to you, the shareholders, their ambition around sustainability and their achievements that they will continue to achieve over time. So, I appreciate your support for my election and thank you for your time.

STEPHEN GODDARD:

Thanks, Beth. The proxy votes received in advance of the meeting on this resolution are as follows.

Item 3 relates to the adoption of the Remuneration Report which is contained within the Company's annual report.

Further information, including information regarding voting on this resolution and the two-strikes rule is set out in the Notice of Meeting. Please note that a vote on this resolution is advisory only and does not bind the Directors of the Company.

Again, I'll take the report as read. Shareholders and proxies may ask questions in relation to the reports later in the meeting and can vote at any time before I declare voting as closed. The proxy votes received in advance of the meeting on this resolution are as follows.

Items 4(a) and 4(b) relate to the allocation of restricted shares to the Executive Directors, Terry Smart and Nick Wells. Further information including the terms of the allocation and the associated KPIs is set out in the explanatory notes included in the Notice of AGM. And I will take that information as read.

Shareholders and proxies may ask questions in relation to these items later in the meeting and can vote at any time before I declare voting closed. The proxy votes in advance of the meeting on item 4(a) are as follows.

And the proxy votes received in advance of the meeting on item 4(b) are also as follows.

We'll now take questions from shareholders. Questions submitted online in writing will be read out by Doug Smith, our Company Secretary.

To ask a question verbally online, please follow the instructions shown below the broadcast window on the online platform. Our Company Secretary will say your name and then direct you to ask your question. If you have questions from the floor, please raise your hand and wait for the microphone to arrive before stating your name and organisation and asking your questions.

And questions will be answered by the relevant Director, Executive or Travis Simkin from our auditors. After the questions, I'll close voting. And as I said at the beginning of the meeting, it's a pleasure to have people in person for the first time in three years. So, I think we'll start with questions from the floor. We've got Steve.

STEVE VAN EMMERIK:

Thank you, Mr Chairman. I'm Steve Van Emmerik I'm the company volunteer, company monitor for the Australian Shareholders' Association. So, I vote the shares of our members, and the number of proxies puts us in the top 20 shareholders. So, that's great. Firstly, congrats on another good year. Yeah, really good company. I've got three questions. Do you want me to ask them all off the bat or do you want me to break them up?

STEPHEN GODDARD:

Why don't we do one at a time?

STEVE VAN EMMERIK:

OK, the first question is on diversity. There's no females in the key management positions and there's two out of eight on the Board. That's 25%. The ASA guidelines are around 40%. And I guess a lot of companies of a similar size do have a higher proportion of females. Just wondering if you can give us a bit of colour on where you might be going in this area.

STEPHEN GODDARD:

Sure. Thanks, Steve. Look, starting with the Board, we were actually very close to 30% last year and appointed Nick Wells to the Board as our Finance Director, which reflects the standing with which Nick is held both within the business, his importance to the Company, and how he's regarded outside.

So, in fact, that's taken us to 25%. We have a commitment in our Sustainability Report to get to 30%, which is the ASX guideline. I know some are at 40%, but the ASX corporate guideline is 30%. We've got a commitment to get to 30% of female representatives on the Board by June next year.

Look, to be honest, we haven't moved as quickly on that as we might given the change there been within our company and the volatility of the industry. So, we've had a CEO leave, a new CEO join, a Finance Director join, my predecessor left, we had the very unfortunate untimely passing of Wai Tang. So, we've had quite a bit of change. And through a period of COVID-related disruption, we felt stability was the best, but we have a commitment to get there by June 2023.

In terms of the broader business, we've made real strides. I mean, as an electronics business, we've come from, perhaps, behind the pack in the broader marketplace. But the team led by Terry has done an enormous amount of work in terms of improving diversity, through a range of programs from female in leadership programs that we have within our business, we've got a competency program that actually takes all gender bias out of it.

And we're seeing real..... and we've made some senior appointments within our business of women in key roles, for example, in the general manager merchandise role of The Good Guys. So, we're making real steps. Look, it is going to take time. So, our store manager population that are female within JB have moved from 20% last year to 24%. So, we're on the rise. And I think our progress is assured given the quality of work that's taking place.

STEVE VAN EMMERIK:

Yep, thank you. Second question is on Item 4, the allocation of restricted shares for Terry and Nick there. You only had about an 81% "for" vote there. We actually voted for, but we kind of can see



two sides of the argument there. Would you like to give a bit of colour about why did people vote against there?

STEPHEN GODDARD:

Sure. Look, it's based on the VRP program, which is a little different to the standard LTI program. We think it's fit for purpose within our company. It has an annual target that can be set at the beginning of each year. So, when we're in volatile trading conditions like we've been in the last three years, to set a target, based on the latest information, that's both achievable but challenging for management, yet rewarding for shareholders, we think drives the best outcome for the business, we'd like to think that's part of our success in the last couple of years.

And also in terms of the program, it means that one-year target is set, it acts as a retention plan by delivering 75% of those shares, over years, two, three and four. So, management have to stay to receive the benefits of that program. They own the shares, albeit they're restricted, and it makes our management think like shareholders, because the more value we create in the shares, the more dividends we pay, is of value to our management and to shareholders.

So, we think it's a good program. And look, our REM report has been voted, as you've seen, with the numbers somewhere between 94 and 98% for the last three years, but not everyone loves our VRP, because it doesn't have three-year targets. And one of the proxies has actually said, "I'm happy to support it, it seems to be working, but I'm actually going to recommend voting against the allocation of shares as almost a protest".

And I think with that, that's why we're at 81%. We're about 82% last year, it's a 50% threshold, but we think that's what it is. For us to get the vast majority of people supporting our REM report is really important and we think that's appropriate.

STEVE VAN EMMERIK:

Yeah, great. And the last question's a topical one, cybersecurity. Obviously, you know, retail facing business, a lot of customers I know, I've had to change my credit card twice in the last six months and looked up some website. I think my email's been stolen six times.

Do you hold customer data? Are you gonna delete the stuff you don't need? And what are your general plans in this area given it's, yeah, obviously, a big problem?

STEPHEN GODDARD:

Yeah. Thanks, Steve. Look, it's a matter of seriousness for the business obviously, and what's happened in recent times has just reinforced that. We hold very little customer data that is sensitive, such as licence numbers or passport numbers.

So, there's very little of that and that's certainly held securely. We do hold customer names and addresses and phone numbers and we take this as a matter of real importance. So, in fact, we've had audit committees and board meetings in the last couple of days, where we've spent quite a bit of time on this.

We do regular testing, where we get people to try and penetrate our systems, we try and ensure we have all of the right techniques that you need, such as multi-factor authorisation to get people into

the system, we restrict the number of people that have access to the core. It takes a lot of attention, a lot of our effort and we believe we're in pretty good shape.

But it's one that we have to be absolutely vigilant on going forward. And you've got our commitment that as a company, we plan to do that.

STEVE VAN EMMERIK:

OK. Thank you. That's all my questions.

STEPHEN GODDARD:

Thanks, Steve and just to also comment, thanks Mike for your time as ASA representative as well, you've been fair with us and we appreciate the interactions that we've have over the course, before the AGM and at the AGM.

So, Mike and Steve, thank you. Other questions from the floor?

LEONARD LEVY:

Thank you. My name is Leonard Levy. I'm a private investor. Now, could you give us an indication please, of where you see the growth areas in the next 12 months and up to the next 36 months?

STEPHEN GODDARD:

I think I might let Terry answer that.

TERRY SMART:

Yeah, look, obviously, we're coming off some fairly significant sales driven by COVID. But we still continue to have opportunities where we're continuing to roll out stores in the JB Hi-Fi brand. We're experimenting with some smaller footprint stores with JB, so we still trialling that to understand how that may go.

New Zealand has now come up on the radar as being a growth opportunity. And you've seen some good results, early results coming out of New Zealand. And then when it comes to products, the benefit of this business is we operate in technology and technology is constantly changing.

So, sometimes it's hard to sit here and say, "Here's what in 24 months is gonna be the big sell or the big growth item." It's because it's just all the suppliers are constantly innovating, constantly driving new products into the market. And they need to do that to survive. It's great for us because our consumer just loves new technology.

So, to give you the answer what it is, is hard. But I can say things like gaming consoles continue to be really strong, phones, we've just had a really strong launch from Apple and Samsung and Google. For that matter, we'll continue to see those next year as well. So, hopefully that gives you a bit of colour. There's still growth coming from the business.

STEPHEN GODDARD:

Thanks, Terry. Thank you. Other questions from the floor?

PATRICK ERWIN:

Patrick Erwin is my name, shareholder. Can you give us some colour as to why New Zealand has

been so difficult for so long and perhaps explain how your new initiative is going to change that there?

STEPHEN GODDARD:

I might just make a couple of introductory comments and then hand over to Terry. Look, it has been a challenge for us. And it's been largely break-even over the course of the last number of years. And I think being a number three or four in any market is difficult. You take JB, what it means in Australia and then you transfer it to New Zealand, and people who haven't grown up with JB don't necessarily have the same appreciation. So, we've taken our time to assess it.

Obviously, we couldn't get to New Zealand in the last couple of years, but Terry and Nick have both been there in recent times and are pretty committed to our approach. So, I think, if Terry would like to add a bit of colour as to the market?

TERRY SMART:

Yeah. One thing, we did do a review. And one thing in New Zealand is our brand does resonate really well. So, the consumers love the brand. They do have trouble accessing it due to locations. We don't have a great deal of locations and I know we have had locations in the past.

But one of the big key drivers is leadership. And what really convinced us to double down in New Zealand was getting hold of, or Tim Edwards joining the business, and Tim's just got enormous experience in the New Zealand market, he's got great passion for retail, we're already seeing some great early results. That gives us the enthusiasm to get back in there, refresh our stores, open some more stores to give access to consumers, refresh the website and under Tim's leadership.

So, I've got to say, this whole business has been built on great quality people. And it's definitely what Tim brings to New Zealand.

STEPHEN GODDARD:

Thanks, Terry. Thanks for the question. Other questions from the floor? I think we have a few online, we might go to that for the moment. Doug, would you like to read them out?

DOUG SMITH:

Thanks, Chairman. One for Terry first from Lindsey Sherman of Simlin, Pty Limited. Page 20 of the Annual Report states – "The Group also provides information technology and consulting services." Can you please provide a typical customer and an example of the services you provide? What percentage of total revenue does this service comprise? How do the margins compare?

TERRY SMART:

Sorry, you may need just clarify it?

DOUG SMITH:

Sorry....."The Group also provides information technology and consulting services. Can you please provide a typical customer? And an example of the services you provide? What percentage of total revenue does this service comprise? And how do margins compare?"

TERRY SMART:

Yeah. The IT services is through our commercial division. Unfortunately, I don't have, know, off the top of my head the exact percentage, but it is a very small percentage of overall commercial business. The reason we offer that is sometimes when you're selling the hardware as we do, you do need to attach a service to that. And so it's more around selling the hardware and therefore, you know, just providing some service that those consumers may need. And that may be imaging laptops, providing some programs that they require in schools to utilise the laptops, but it's actually a very small percentage of the overall business, so yeah.

STEPHEN GODDARD:

Thanks, Terry. Doug, any others?

DOUG SMITH:

The next question is from Stephen Mayne. "Did any of the five main proxy advisors, ACSI, Ownership Matters, Glass Lewis, ISS and ASA recommend a vote against any of today's resolutions? Thank you for disclosing the proxies early to the ASX. Were the director protests gender-related at 16% against LTI resolutions? Are you proposing to adjust these?"

STEPHEN GODDARD:

Thanks for the question. Look, I think I answered that earlier about one of the proxy advisors that recommended voting against the allocation of shares. That's the only one that voted against any of the items. So, we're not going to take any further action on that, it's been a clear majority. And as I say, a vote of, I think this year, 94% for the REM Report, in past years, past couple of years 97% to 98%, the vast majority of our shareholders are supportive of our approach. Other questions?

DOUG SMITH:

Next question from Stephen Mayne. "When disclosing the outcome of voting on all resolutions today, could you please advise the ASX how many shareholders voted for and against each item, similar to what happens with a scheme of arrangement? This will provide a better gauge of retail shareholder sentiment on all resolutions and was a voluntary disclosure initiative adopted by the likes of Metcash, Allen and Dexus last year and Tabcorp agreed to do it after yesterday's AGM. You've got easy access to this data. So, why not release the detail of how us retail shareholders voted?"

STEPHEN GODDARD:

Look, thanks for the question, Stephen. To be honest, we're a very straightforward company, we disclose as required by the ASX and the corporate guidelines and the regulators, and that's what we do. So, that's not required. It's not our intention to do so.

DOUG SMITH:

Thanks, Chairman. "Another question from Stephen Mayne. Given the interesting discussions across a range of topics today, could the Chair undertake to make an archived copy of the webcast plus a full transcript of proceedings available on the Company's website? The likes of Nine, AGL, ASX, ANZ, Cimic, Domino's, G8 Education and Lendlease all produced their first AGM transcripts in 2021. Will you follow suit today?"

STEPHEN GODDARD:

Yes, we'll be putting it on the website. So, you'll have a full transcript and a full recording.

DOUG SMITH:

Thank you. Next question is from Stephen Mayne. "Rather than dealing with Q&A as one job lot, could you next year please follow the agenda? There is no drop-down box to select an individual resolution or general business when lodging online questions via the Computershare platform. GUD is also having a hybrid AGM at the RACV right now with Computershare and they offered the drop-down box. So, clearly this is a choice you have made to reduce the focus of today's discussion. It's a simple case of following the agenda. You don't discuss everything at once at board meetings so please don't do it at the AGM."

STEPHEN GODDARD:

Look, we had this discussion to be honest and felt that, because people online can enter a question at any time, it could be actually quite distracting to then revert back to those items. So, we understood that's how many companies, most companies that in fact, are handling of this AGM. Seeing it is our first hybrid meeting. So, we'll take that feedback on board. Our intention is absolutely not to restrict any questions we hear until the questions finish. So, there's no question about that. You can ask anything at any time and we'll deal with it.

DOUG SMITH:

Thanks, Stephen. Next question from Ms Estelle Cook. "Do you think recent events have helped to get people buying for more local companies in Australia and New Zealand?"

STEPHEN GODDARD:

Terry?

TERRY SMART:

Look, I just think it's very hard to ascertain why people are buying. But there's no doubt that just COVID has absolutely, people have been focused on their homes, have been focused very much internally on themselves and have been buying in significant quantities. We've seen some great sales results coming through. Are they favouring Australian companies? We'd like to think so. That would be good for us.

STEPHEN GODDARD:

Thanks, Terry. Doug, any other questions online?

DOUG SMITH:

One more question from Stephen Mayne. "A few years ago, at one of those poorly attended low-cost JB Hi-Fi AGM's held at the Computershare Conference Centre in Abbotsford, someone at the top table gloated that JB's rent bill was only 2% of sales, the lowest of any retailer in Australia. What is that figure today? And have we been able to negotiate rent reductions from Westfield due to COVID?"

STEPHEN GODDARD:

Well, a couple of comments. Thanks again, Stephen, for the question. I've been with JB since 2016, I've never seen anyone gloat. So, I think that's a misrepresentation from my perspective of the

commentary we make. We're proud of our company, we're proud of our results, we like to think of ourselves as humble achievers. So, that's my first comment.

Secondly, you can see in our financial statements, the level of occupancy cost that's within our business. So, I'm not planning to go into much detail on that. And of course, over the last couple of years, whilst we did have some store shutdowns, no question about that, our team really turned on a dime and moved to delivery. So, some of our team members, we hired vans, we got them to deliver to our customers. So, in fact, our stores were very productive as part of our business, to be able to still support our customers' requirements during a period of much difficulty for many people. So, it wasn't really a focus for us. I know that's been a hot topic in other areas where there's been some contention between retailers and landlords and really not for us.

DOUG SMITH:

Thanks, Stephen. Another one from Stephen Mayne. "Why did we give up the free AGM conference facilities offered by Computershare? Please stick with RACV, which is a great venue."

STEPHEN GODDARD:

(LAUGHS) Well, traditionally, we've been at Computershare, as you say in Abbotsford. I mean, it's pretty easy access to get to Abbotsford, there's good parking around there as well. It's under refurbishment. So, that has been our intention. It's simply not available to us this year. And so we're at the RACV. We'll make the call next year and let you know. But maybe not quite convenient enough for Stephen to attend in person. But we'll see how that goes next year. Any other questions?

DOUG SMITH:

Another question from Stephen Mayne. "The Federal Government has introduced changes to Industrial Relations laws into the Federal Parliament this week, which business groups are criticising. Are we worried? What are our current enterprise agreement arrangements? And what proportion of our staff are members of a union? How many unions do we deal with in Australia?"

STEPHEN GODDARD:

Terry?

TERRY SMART:

So, we've still got to do a lot of work to understand, but the basics are that we pay award wages. So, we don't have any enterprise bargaining agreements. It's award wages and we don't have unions, very little union activity through the organisation.

DOUG SMITH:

Thanks. That's all the questions we have online.

STEPHEN GODDARD:

Any other questions from the floor? Alright. Let's move on. Thank you for that, ladies and gentlemen. If you haven't voted already, please cast your votes now.

A reminder that for those attending the meeting online, you can vote by selecting the voting icon, for those attending in person you can vote by the scanning the QR code that you received upon

admission, or by completing the yellow voting card that was provided to you upon admission and holding it up for collection.

OK. Thank you everyone, voting is now closed. The voting results from the meeting will be released to the ASX later today. On behalf of the Board, I'd like to thank you for participating in today's AGM.

I now declare the meeting closed.

I invite you to join the Directors of the Company for refreshments outside this room in the registration area. And we'd be delighted to see you and shake your hand for the first time in three years.

So, thanks for attending.

(AUDIENCE APPLAUSE)