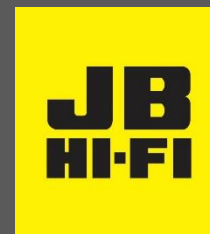


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JB Hi-Fi Limited

2019 Macquarie Australia Conference



Agenda

1. Trading and FY19 Outlook
2. The Group Model
3. FY19 Key Focus Areas update
4. FY20 Key Focus Areas
5. Investment checklist

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1. Trading and FY19 Outlook

FY19¹ sales update:

JB HI-FI Australia

- Q3 FY19 total sales growth was 2.6% (Q3 FY18: 7.5%) with comparable sales growth of 1.5% (Q3 FY18: 4.3%)
- YTD FY19 total sales growth was 4.1% (YTD FY18: 9.8%) with comparable sales growth of 2.7% (YTD FY18: 6.7%)

JB HI-FI New Zealand

- Q3 FY19 total sales growth was -1.2% (Q3 FY18: -4.4%) with comparable sales growth of 4.6% (Q3 FY18: -0.6%)
- YTD FY19 total sales growth was 3.7% (YTD FY18: -1.7%) with comparable sales growth of 10.2% (YTD FY18: 1.4%)

The Good Guys

- Q3 FY19 total sales growth was 2.2% (Q3 FY18: -1.3%) with comparable sales growth of 1.0% (Q3 FY18: -2.9%)
- YTD FY19 total sales growth was 2.6% (YTD FY18: 1.2%) with comparable sales growth of 1.3% (YTD FY18: 0.3%)

Notes

1. Easter adjusted FY19 sales results

1. Trading and FY19 Outlook

FY19 Outlook:

- The Company reaffirms its FY19 guidance with:
 - Total Group sales to be circa \$7.1 billion comprising:
 - JB HI-FI Australia \$4.73 billion;
 - JB HI-FI New Zealand (NZD) \$0.24 billion; and
 - The Good Guys \$2.15 billion.
 - Total Group NPAT to be in the range of \$237 million to \$245 million, an increase of 1.6% to 5.1% on the pcp

2. The Group Model

A dual branded retail combination

JB HI-FI

THE GOOD GUYS®

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** and Gen X demographics

Value proposition

Best brands at low prices

Customer focus

Exceptional customer service

Channels

In-store, online, commercial

With **5 key enablers underpinning the Group model** and providing a unique competitive advantage

1

Scale

2

Low Cost Operating Model

3

Quality Store Locations

4

Supplier Partnerships

5

Multichannel Capability

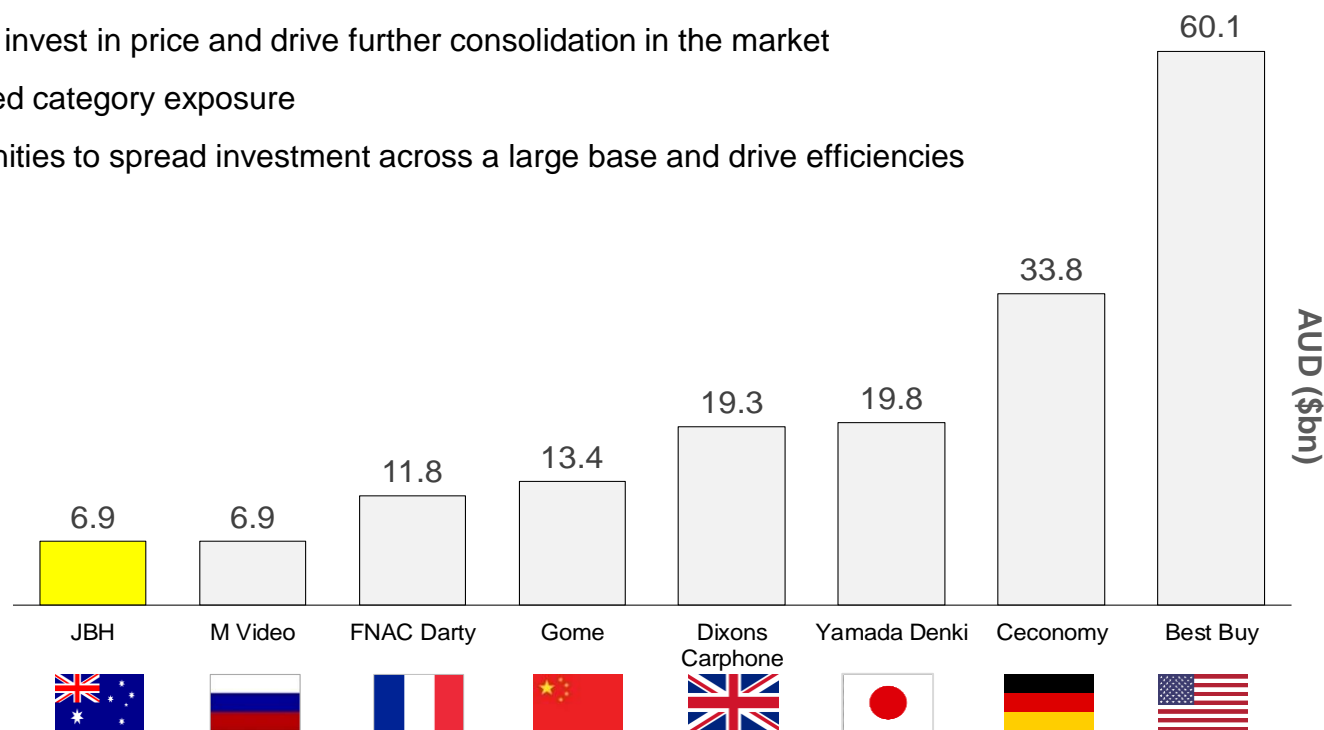
2. The Group Model

1

Scale

Consistent with international experience, consolidation results in a clear leader in each key market. The benefits of scale lead to:

- Best in market buying terms
- Increased relevance to Suppliers at a global level
- Ability to invest in price and drive further consolidation in the market
- Diversified category exposure
- Opportunities to spread investment across a large base and drive efficiencies



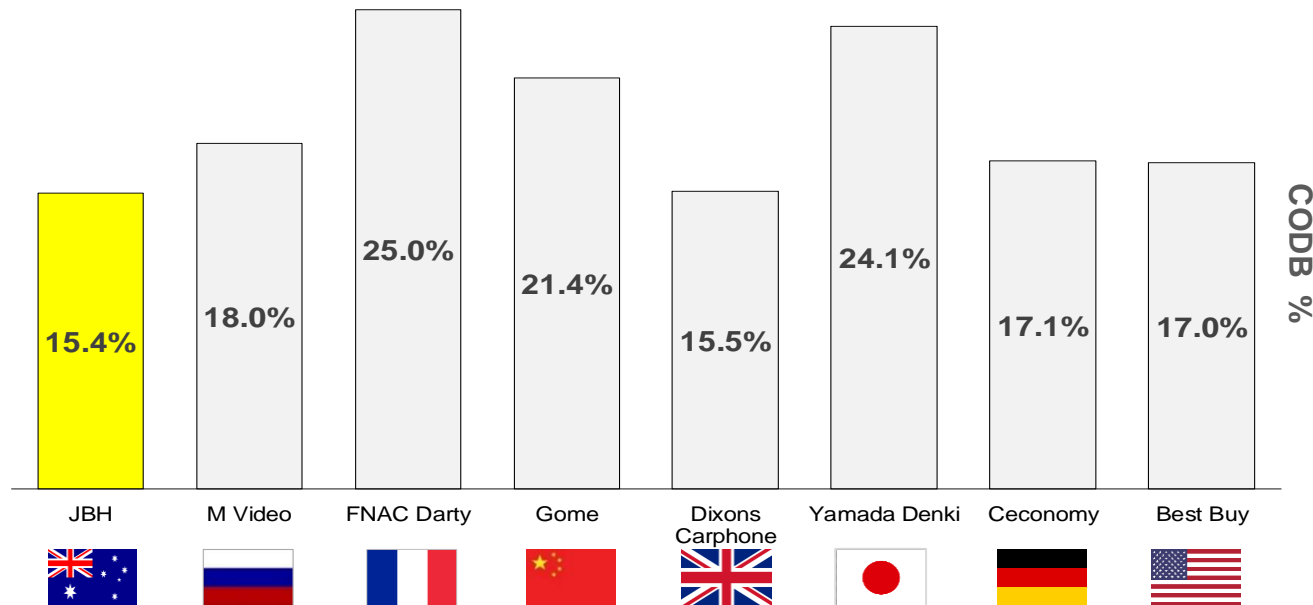
Source: Sales as reported each companies' most recent full year result translated to AUD.

2. The Group Model

2

Low cost operating model

- Lowest cost of doing business (15.4%) of major Australian listed retailers and international consumer electronics retailers
- Low cost of doing business enables:
 - Consistently low prices (gross margins of only ~21.5%)
 - Ability to respond to market price activity and maintain focus on market share
 - Ability to compete effectively with traditional competitors and new market entrants



Source: CODB% as reported each companies' most recent full year result translated to AUD. Calculation is operating costs less depreciation as a percentage of sales.

2. The Group Model

3

Quality store locations

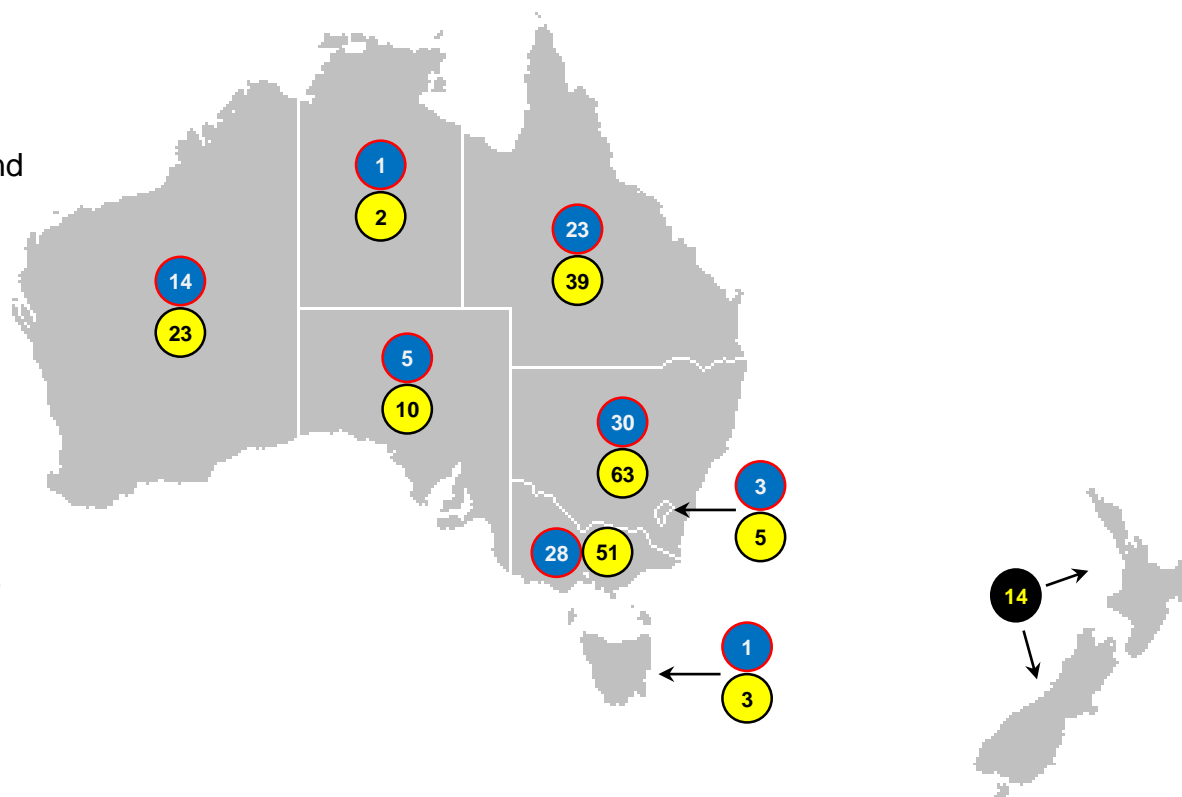
JB HI-FI

- High grade shopping centre, CBD and homemaker store locations
- High foot traffic and convenient locations
- Compact store size
- Dense displays, highly productive floor space and high sales per square metre

The Good Guys

- High grade homemaker and standalone store locations
- Destination locations, easily accessible
- Larger store size
- Open, easy to shop floor plan, focused on showcasing high consideration and higher value home appliance purchases

Store Summary	
JB HI-FI Australia	196
JB HI-FI New Zealand	14
The Good Guys	105
Total	315



2. The Group Model

4

Supplier partnerships

- Strong and lasting partnerships with all major suppliers, scale on a global level
- Quality store locations provide suppliers high visibility for their product
- Knowledgeable staff assist to inform the customer of product benefits, particularly important for new product launches and features
- Dual brand retail approach:
 - provides ranging and merchandising optionality to suppliers
 - ability to execute strategic initiatives at scale



2. The Group Model

5

Multichannel capability

- Continued investment in online ensures we give consumers choice on how to transact with JB HI-FI and The Good Guys (i.e. in-store, mobile or desktop)
- Integrated, high quality in-store and online offer is critical as retail continues to evolve
- High engagement in-store experience and negotiability drives a high level of research online and buy in-store
- Store network provides:
 - the ability to get goods to online customers quickly, via delivery from store or “click and collect”; and
 - online customers confidence in after sales service and support



3. FY19 Key Focus Areas Update

Group

	Focus Area	Update
Group Merchandising	Establish a Group Merchandise function led by Cameron Trainor as Managing Director Group Merchandise	<ul style="list-style-type: none"> • Function established • Supplier benchmarking undertaken monthly to identify underperformance • Ongoing development of reporting and analysis tools
Group Supply Chain Strategy	Enable a better customer experience delivered through a cost effective, fit for purpose supply chain solution	<ul style="list-style-type: none"> • Review completed in December • Validation of review initiatives underway
Co-locate our Support Offices	Bringing together of the JB Hi-Fi and The Good Guys support offices to a joint location in Southbank, Melbourne	<ul style="list-style-type: none"> • Relocation completed in April

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3. FY19 Key Focus Areas Update

JB HI-FI

	Focus Area	Update
Sales	Continued focus on driving sales - in-store, online and commercial	<ul style="list-style-type: none"> • Positive YTD FY19 comparable sales
Category evolution	Gaming, Telco and Connected Tech	<ul style="list-style-type: none"> • New store format trialled at a number of stores • Recent store openings have included new Gaming, Telco and Connected Tech offerings
eSports	Melbourne eSports Open partnership	<ul style="list-style-type: none"> • First eSports Open held in Melbourne in September 2018 as part of our three year deal • Strong brand representation
New Zealand	Continue to execute on strategy to improve performance	<ul style="list-style-type: none"> • Strong Comp sales & EBIT growth • New MD in place • Improved Online offer and performance
Services	Design and implement an expanded Services offer	<ul style="list-style-type: none"> • Trial of TV install service offering completed in January 2019
eCommerce	eCommerce platform migration to enhance multi-channel offer	<ul style="list-style-type: none"> • Shopify Plus platform in testing
Personalisation	Leverage customer data to personalise marketing and customer experiences	<ul style="list-style-type: none"> • New EDM platform in place • Continued focus on expanding customer database and connecting in-store and online customer data

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3. FY19 Key Focus Areas Update

The Good Guys

	Focus Area	Update
Sales	Continued focus on driving sales - in-store, online and commercial	<ul style="list-style-type: none"> Positive YTD FY19 comparable sales
Category evolution	Technology enabled Home Appliances	<ul style="list-style-type: none"> Connected appliances are continuing to grow and are contributing to ASP growth
Store relays	Focus on adjacencies, improved traffic flow and showcasing the home appliance categories	<ul style="list-style-type: none"> Circa 30% of stores have been fully relayed providing customers with a better in-store experience
Visual merchandise	Improving visual merchandising standards, delivering greater consistency across the store network	<ul style="list-style-type: none"> All stores have been re-merchandised with consistent guidelines in place across the network ensuring greater consistency between stores
Store remuneration	Implement revised in-store commission structure	<ul style="list-style-type: none"> New commission structure in place across all categories
Supplier relationships	Partner with suppliers to bring brands to life in-store and online	<ul style="list-style-type: none"> Good support from suppliers with an increased investment in branded fixtures and fittings
Delivery options	Design and implement improved delivery options across all channels	<ul style="list-style-type: none"> Continued work in progress

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4. FY20 Key Focus Areas

Group

Focus Area

Group Merchandising

Implementation of a Group wide entry level Television offer
Enhance supplier engagement
Consolidate brand data and drive market insights

Group Supply Chain Strategy

Proof of concept trial of consolidated Big and Bulky home delivery centres

New co-located Support Office

Share best practice
Leverage each team's respective strengths
Look for opportunities to harmonise processes and technology

Commercial Business (JB HI-FI Solutions & The Good Guys Commercial)

Build brand awareness and strengthen supplier partnerships
Build out ICT Services capability
Implement systems and tools to support growth

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4. FY20 Key Focus Areas

JB HI-FI

Focus Area

Sales	Continued focus on driving sales - in-store, online and commercial
Category evolution	Gaming – rollout of in-store gaming experience zones Telco – partner with Telstra to create an enhanced telco offer Connected Tech – establish leading position in the market
New Zealand	Continue to execute on strategy to improve performance
Services	National rollout of TV install service Trial of Connected Technology install services
eCommerce	Migrate eCommerce platform to Shopify Plus to enhance multi-channel offer
Personalisation	Leverage customer data to personalise marketing, improve customer experience and deliver targeted offers
Productivity	Simplify processes and drive productivity, with a focus on improved stock flow into store and back of house operations

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4. FY20 Key Focus Areas

The Good Guys

Focus Area

	Focus Area
Sales	Continued focus on driving sales - in-store, online and commercial
Category evolution	Connected Home Appliances - establish leading position in the market Cooking – improve offer and in-store experience Telco – expand offering to include services
Store relays	Continue the store relay program that focuses on adjacencies, improved traffic flow and showcasing the home appliance categories
Delivery options	Utilise Group supply chain capability to provide customers enhanced delivery options
Supplier relationships	Continue to build on supplier relationships Work with suppliers to create branded in-store displays and improved visual merchandising
Productivity	Roll out of technology to streamline in-store sales processes Leverage multichannel capability to further connect the online and in-store experience

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5. Investment Checklist

Unique and relevant brands



Flexible business model – history of category growth and development



Diversity of product categories across brands



Scale operator, market leader



Global best in class metrics including low cost of doing business and high sales per square metre



High quality store portfolio



Multichannel capability



Experienced management team



High return on invested capital



Shareholder return focused – through proactive capital management and dividend policies



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QUESTIONS