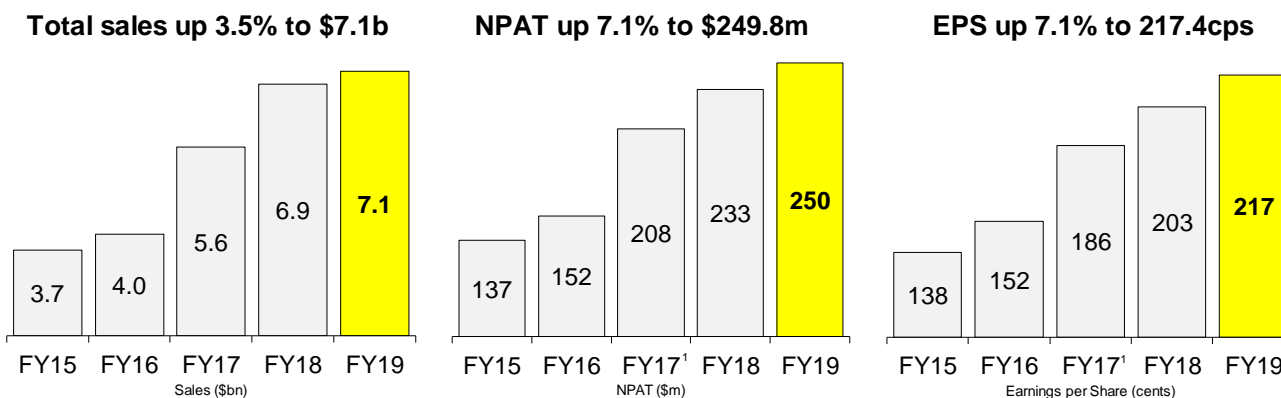


COMPANY ANNOUNCEMENT

12 August 2019

JB Hi-Fi Limited Full Year 2019 Results

FY19 Highlights



FY19 Trading Performance

JB Hi-Fi Limited ("Company") today reports net profit after tax (NPAT) up 7.1% to \$249.8 million (FY18: \$233.2 million) from \$7.1 billion of sales (FY18: \$6.9 billion) for the full year ended 30 June 2019 (FY19). Total sales growth for FY19 was 3.5% and EPS was up 7.1% to 217.4 cents per share (cps).

Group CEO, Richard Murray, said "We are pleased to have delivered record sales and earnings, with JB HI-FI Australia, JB HI-FI New Zealand and The Good Guys all delivering sales and earnings growth."

JB HI-FI Australia

Total sales grew by 4.1% to \$4.73 billion, with comparable sales up 2.8%. The key growth categories were Communications, Audio, Fitness, Games Hardware and Connected Technology. Online sales grew 23.0% to \$258.0 million or 5.5% of total sales, as the Online offer continues to evolve. 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.

Gross profit increased by 3.9% to \$1.05 billion resulting in a gross margin of 22.1%. CODB was 14.9%, up 7 bps on the pcp. Total operating costs remained well controlled as the business continued to focus on customer service, invest in strategic initiatives and manage increased volumes through the store network. The business's low CODB remains a competitive advantage and is maintained through a continued focus on productivity, minimising unnecessary expenditure and leveraging scale.

Sales growth, combined with cost control and lower depreciation as the business managed its investment in the store network, drove strong EBIT growth. EBIT was up 3.2% on the pcp to \$301.7 million with EBIT margin down 6 bps at 6.4%.

"It was a solid result for JB HI-FI Australia and a particularly pleasing finish to FY19 with strong sales in the key tax time promotional period." said Group CEO, Richard Murray.

JB HI-FI New Zealand

Total sales were up 2.0% to NZD236.2 million, with comparable sales up 8.2%. The key growth categories were Communications, Fitness, Audio and Small Appliances. Online sales in New Zealand grew 38.3% to NZD13.3 million or 5.6% of total sales as the business benefited from the improved Online platform. Gross margin was down 37 bps on the pcp at 17.3% and CODB was 16.7%, down 57 bps on the pcp. EBIT was (NZD1.9 million), up NZD1.0 million or 34.3% on the pcp.

¹ FY17 are underlying results which exclude transaction fees and implementation costs totaling \$22.4m associated with the acquisition of The Good Guys in November 2016 and \$15.8m of fixed asset and goodwill impairments in New Zealand

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The Good Guys

Total sales grew by 2.2% to \$2.15 billion, with comparable sales up 0.9%. The key growth categories were Refrigeration, Laundry, Dishwashers, Televisions, Communications and Computers. Online sales grew 3.7% to \$130.9 million or 6.1% of total sales, with strong sales on The Good Guys website partially offset by a decline in third party marketplace sales.

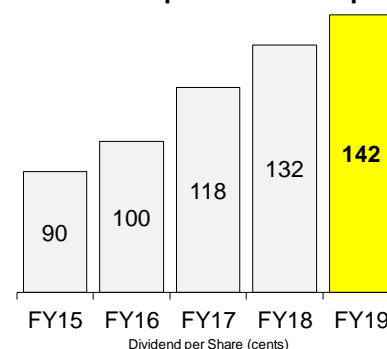
Gross profit was \$442.7 million with gross margin up 33 bps to 20.6%. 2HY19 gross margin was up 88 bps as the business benefited from initiatives put in place over the last twelve months and cycled strong price competition in the pcg. Sales growth, combined with gross margin expansion and lower depreciation as significant pre-acquisition IT investment is now fully amortised, drove strong EBIT growth. EBIT was up 19.8% on the pcg to \$72.9 million with EBIT margin up 50 bps to 3.4%.

“We are pleased to deliver positive comparable sales and strong earnings growth. In a competitive environment, we remained focused on sales and market share whilst stabilising gross margins and continuing to evolve the business. We enter the FY20 year excited by the opportunity to continue growing one of Australia’s leading retail brands.” said Group CEO, Richard Murray.

Capital Management

The Board has today declared a final dividend of 51 cps fully franked, bringing the total dividend for FY19 to 142 cps, up 10 cps on the prior year (FY18: 132 cps). The Board believes that the dividend payout ratio of 65% appropriately balances the distribution of profit to shareholders, the repayment of debt and the reinvestment of earnings for future growth. The final dividend will be paid on 6 September 2019. The record date for determining the entitlement is 23 August 2019.

Dividend up 7.6% to 142 cps



FY20 Trading Update and Outlook

July 2019 sales update:

- Total sales growth for JB HI-FI Australia was 4.1% (July 2018: 2.9%) with comparable sales growth of 3.2% (July 2018: 0.3%);
- Total sales growth for JB HI-FI New Zealand was -0.4% (July 2018: -2.1%) with comparable sales growth of -0.3% (July 2018: 3.4%); and
- Total sales growth for The Good Guys was -2.1% (July 2018: 2.7%) with comparable sales growth of -3.4% (July 2018: 1.4%).

FY20 Guidance:

In FY20 the Company expects total group sales to be circa \$7.25 billion, comprising:

- JB HI-FI Australia \$4.84 billion;
- JB HI-FI New Zealand (NZD) \$0.24 billion; and
- The Good Guys \$2.18 billion.

Group CEO, Richard Murray, said “I would like to recognise and thank our 12,500 team members across Australia and New Zealand who have delivered another record result in FY19. Our team members are our number one asset and our most important competitive advantage, their dedication and knowledge continues to delight our customers everyday.”

“Whilst we continue to see variability in the sales environment, we enter FY20 confident in our ability to execute and grow market share and look forward to another successful year.” said Group CEO, Richard Murray.

Media & Investors:

Richard Murray
Group Chief Executive Officer
03 8530 7303

Investors:

Nick Wells
Group Chief Financial Officer
03 8530 7303