

COMPANY ANNOUNCEMENT

11 June 2020

FY20 trading update and guidance

JB Hi-Fi Limited ("Group") today provides an update on FY20 trading and the continuing impact of COVID-19 on its businesses.

The Group remains committed to supporting government and community efforts to limit the spread of COVID-19. The health and wellbeing of our team members, customers, business partners and the wider community is the Group's highest priority.

The Group has continued to invest in measures such as additional intensive cleaning, customer store traffic limits, hand sanitiser stations and protective screens at store counters to protect the health and safety of all people who work in or visit our premises.

Group CEO, Richard Murray, acknowledged the significant contribution of the Group's team members in what has been an unprecedented time.

"I would like to thank our over 12,000 team members who have done an incredible job in meeting the extraordinary challenges faced over the past few months. Our customers have continued to turn to us for their technology and home appliance needs and our team members have responded and adapted in an amazing manner to make sure we can do it safely and effectively."

"We are in the process of finalising a recognition program for our store team members to reflect their over and above efforts through this period and look forward to sharing this with our team before the end of the financial year."

FY20 sales and trading update

The Group sets out below FY20 year to date sales results:

Sales growth	1H20 reported		2H20 to date		FY20 YTD	
	Total	Comparable	Total	Comparable	Total	Comparable
JB HI-FI Australia	5.1%	4.4%	20.0%	20.0%	11.0%	10.7%
JB HI-FI New Zealand	0.8%	0.8%	(19.3%)	(19.3%)	(7.3%)	(7.3%)
The Good Guys	1.5%	0.6%	23.5%	23.5%	10.7%	10.3%

2H20 to date is the period 1 January 2020 to 31 May 2020, and FY20 YTD is the period 1 July 2019 to 31 May 2020

The Group has seen strong sales growth in 2H20 in JB HI-FI Australia and The Good Guys as customers spend more time working, learning and enjoying entertainment at home. Strong operating leverage from this elevated sales growth, combined with disciplined cost control, has more than offset the investment in additional operating costs associated with ensuring team members and customers remain safe during COVID-19. As a result, both JB HI-FI Australia and The Good Guys have seen strong earnings growth in 2H20 to date.

As announced previously, JB HI-FI New Zealand was impacted by temporary closures following New Zealand Government restrictions. JB HI-FI New Zealand has now resumed full trading. While the initial sales performance since reopening in New Zealand has been solid, given the ongoing challenging performance and expected continuing uncertainty in New Zealand the Group is in the process of reviewing the carrying value of certain JB HI-FI New Zealand assets. This review is expected to result in a non-cash impairment in JB HI-FI New Zealand of approximately \$25 million AUD (post tax) in FY20. This estimate is still to be finalised and subject to auditor review.

FY20 guidance

The Group previously withdrew its FY20 sales and earnings guidance as a result of the uncertainty arising from COVID-19.

Given the ongoing strong performance through April and May, and assuming no significant changes to trading performance or customer shopping patterns in the important June tax time period, the Group now expects:

- Total sales to be circa \$7.86 billion, comprising:
 - JB HI-FI Australia \$5.26 billion;
 - JB HI-FI New Zealand (NZD) \$0.22 billion; and
 - The Good Guys \$2.39 billion.
- Total NPAT¹, after New Zealand impairment, to be in the range of \$300 million to \$305 million, an increase of 20% to 22% on the pcp.

Authorised by the Board.

Media & Investors:
Richard Murray
Group Chief Executive Officer
03 8530 7303

Investors:
Nick Wells
Group Chief Financial Officer
03 8530 7303

¹ Pre application of AASB 16 Leases

For personal use only