

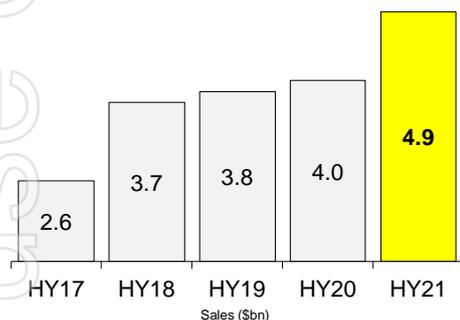
## COMPANY ANNOUNCEMENT

15 February 2021

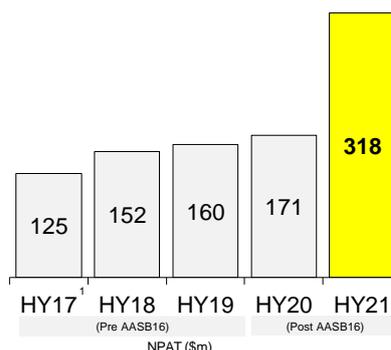
# JB Hi-Fi Limited Half Year 2021 Results

### HY21 Highlights

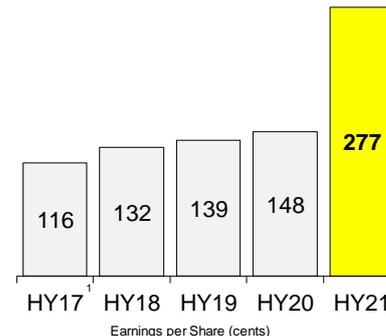
Total sales up 23.7% to \$4.9b



NPAT up 86.2% to \$317.7m



EPS up 86.2% to 276.5cps



JB Hi-Fi Limited ("Group") today reports for the 6 months ending 31 December 2020:

- Total sales up 23.7% to \$4.9 billion;
- Online sales up 161.7% to \$678.8 million;
- EBIT up 76.0% to \$462.8 million;
- Net profit after tax (NPAT) up 86.2% to \$317.7 million;
- EPS up 86.2% to 276.5 cps; and
- Interim dividend up 81.8% to 180 cps.

In addition to the strong financial metrics above, other highlights include:

- Absolute commitment to the **health, safety and wellbeing of team members and customers** throughout Covid-19;
- Continued **investment in online and supply chain operations**, including upgrades to the Group's websites and expanded delivery and warehouse options;
- Following the launch of our Sustainability Plan in FY20, the Group continued its **focus** on having a positive impact on its **people**, its **community** and its **environment**; and
- **\$1.7m** raised as part of workplace giving programs in the half, with JB HI-FI's Helping Hands program **winning** Workplace Giving Australia's 2020 Best Overall Program and Best Innovation awards.

Group CEO, Richard Murray, said "We are pleased to report record sales and earnings for HY21, in what has been an extraordinary period. Our continued focus on the customer, and investments in our online business and our supply chain, have enabled us to seamlessly meet our customers' increased demand both in-store and online."

Richard added "I would like to thank our over 13,000 team members who have continued to do an incredible job and worked tirelessly throughout this period. As I have said before, our team members are our number one asset and our most important competitive advantage; their dedication and deep product knowledge continues to delight our customers every day."

### HY21 Trading Performance

#### JB HI-FI Australia

Total sales grew by 23.3% to \$3.36 billion, with comparable sales up 24.2%. Sales momentum was strong through the half, with continued elevated customer demand for consumer electronics and home appliance

<sup>1</sup> HY17 are underlying results which exclude transaction fees and implementation costs totalling \$15.3m associated with the acquisition of The Good Guys in November 2016.

products. The key growth categories were Communications, Computers, Visual, Games Hardware and Small Appliances. Online sales grew 201.9% to \$515.6 million or 15.4% of total sales.

Gross profit increased by 22.7% to \$737.4 million with gross margin down 9 bps to 22.0%, driven primarily by sales mix. Cost of doing business ("CODB") was 10.1%, down 180 bps on the pcp. The business's low CODB remains a competitive advantage and is maintained through a continued focus on productivity, minimising unnecessary expenditure and leveraging scale.

Elevated sales growth and disciplined cost control resulted in strong earnings growth. EBIT was up 57.5% on the pcp to \$329.8 million with EBIT margin up 214 bps to 9.8%.

**JB HI-FI New Zealand**

Total sales were up 9.1% to NZD144.9 million, with comparable sales up 9.1%. The key growth categories were Visual, Games Hardware, Small Appliances and Computers. Online sales in New Zealand grew 69.2% to NZD16.3 million, or 11.3% of total sales. Gross margins declined 23 bps to 17.1% and CODB was 11.9%, down 117 bps on the pcp. EBIT was NZD6.9 million and on an underlying basis, when excluding the benefit of a reduction in depreciation of NZD2.8 million arising from a non-cash impairment of assets in FY20, EBIT was NZD4.1 million, up 173.0%.

**The Good Guys**

Total sales grew by 26.4% to \$1.45 billion, with comparable sales up 26.4%. Sales momentum was strong through the half, with continued elevated customer demand for home appliance and consumer electronics products. The key growth categories were Refrigeration, Portable Appliances, Laundry, Floorcare, Televisions and Computers. Online sales were up 86.1% to \$148.0 million or 10.2% of total sales, as strong sales on The Good Guys website were partially offset by a decline in third party marketplace sales.

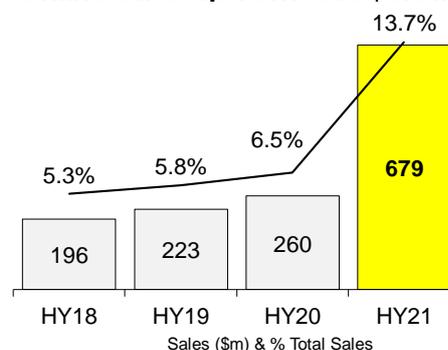
Gross profit was \$324.6 million with gross margin up 167 bps to 22.4%, driven by strong improvements in key categories. CODB was 11.0%, down 195 bps as store wages remained well controlled throughout the half. Strong operating leverage from the elevated sales growth and disciplined cost control drove strong EBIT growth. EBIT was up 142.1% on the pcp to \$126.6 million with EBIT margin up 417 bps to 8.7%.

**Online & Supply Chain**

The Group continued to invest in its online and digital offerings, including upgrades to its websites. Total online sales across the Group grew by 161.7% to \$678.8 million, representing 13.7% of total sales. Excluding Victorian sales during the period where stores were temporarily closed, online sales represented 10.3% of total sales.

The Group's online offerings are supported and enhanced by its supply chain and logistics capabilities. The Group is pleased with how its online and supply chain operations have scaled, and maintained a high level of customer service and on-time delivery, during a period of significantly increased volume.

**Online sales up 161.7% to \$679m**



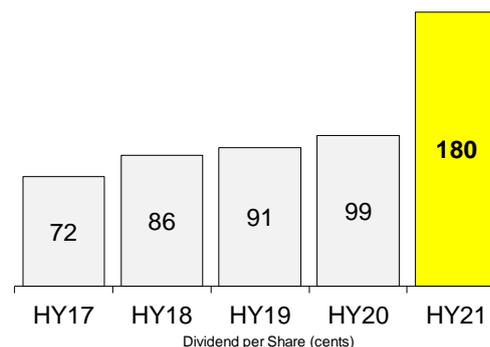
**Capital Management**

The Board has today declared an interim dividend of 180 cps fully franked, up 81 cps or 81.8% and representing 65% of NPAT.

The Board will continue to regularly review the Group's capital structure with a focus on maximising returns to shareholders and maintaining balance sheet strength and flexibility.

The interim dividend will be paid on 12 March 2021. The record date for determining the entitlement for the interim dividend is 26 February 2021.

**Interim dividend up 81.8% to 180 cps**



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**Generating sustainable long-term growth**

In FY20 the Group adopted a Sustainability Plan, outlining the Group’s commitment to having a positive impact on its people, its community and its environment.

The Group is committed to:

- developing its **people** and providing them with a safe and respectful workplace, whilst looking for ways to improve work flexibility and inclusion;
- giving back to the **communities** within which its team members live and work; and
- minimising the impact of waste and greenhouse gases generated by its operations on the natural **environment**.

The Group is pleased with the progress made in these key areas of focus, which in HY21 included:

- Roll out of an updated Equal Opportunity and Workplace Behaviour policy to all store team members;
- Launching a Support Office Wellbeing and Mental Health program, with support from The Resilience Project;
- Workplace giving donations totalling \$1.7 million and \$26.1 million since inception;
- The launch of a new workplace giving charity partner, Earth Squad that comprises “2040” and “Carbon8” and focuses on supporting initiatives that have a significant impact on the environment;
- Continuing to work with suppliers to embed our ethical sourcing policy;
- Partnering with a supplier to trial 100% recyclable and sustainable packaging for selected products;
- Continuing to explore environmental initiatives, including solar power generation and e-waste recycling; and
- Establishing an operational waste and recycling working group.

**FY21 Trading Update**

**January 2021 sales update and outlook**

- Total sales growth for JB HI-FI Australia was 17.3% (January 2020: 6.5%) with comparable sales growth of 18.6% (January 2020: 6.0%);
- Total sales growth for JB HI-FI New Zealand was 21.7% (January 2020: -1.6%) with comparable sales growth of 21.7% (January 2020: -1.6%); and
- Total sales growth for The Good Guys was 14.1% (January 2020: 1.4%) with comparable sales growth of 14.1% (January 2020: 1.4%).

Strong sales momentum has continued into January across all brands. Whilst the Group is pleased with its start to the second half, in view of the ongoing uncertainty arising from Covid-19, the Group does not currently consider it appropriate to provide FY21 sales and earnings guidance.

Group CEO, Richard Murray said “I would again like to recognise and thank our team members across Australia and New Zealand who have delivered another record result. In what is an uncertain environment we continue to adapt and respond and, with a number of opportunities ahead of us, we remain excited by the outlook for the business.”

Authorised by the Board.

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