

JB Hi-Fi Limited

HY22 Results Presentation



Agenda

1. Group Overview
2. JB HI-FI Australia and JB HI-FI New Zealand
3. The Good Guys
4. Group Balance Sheet and Cash Flow
5. Group FY22 Trading Update
6. Investment Checklist

Terry Smart
Group CEO

Nick Wells
Group CFO

1.

Group Overview

Group Model

Two iconic Australian retail brands

JB HI-FI

THE GOOD GUYS®

Purpose

Help people with better ways to live,
learn, work, and play

Help families live better for less

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**, big **range**, low **prices**

Customer focus

Exceptional **customer service** provided by **passionate, knowledgeable
team members**

leveraging a **Group support function** and underpinned by 4 **key competitive advantages**

1

Scale

2

Low cost
operating model

3

Multichannel
Capability

4

People and
Culture

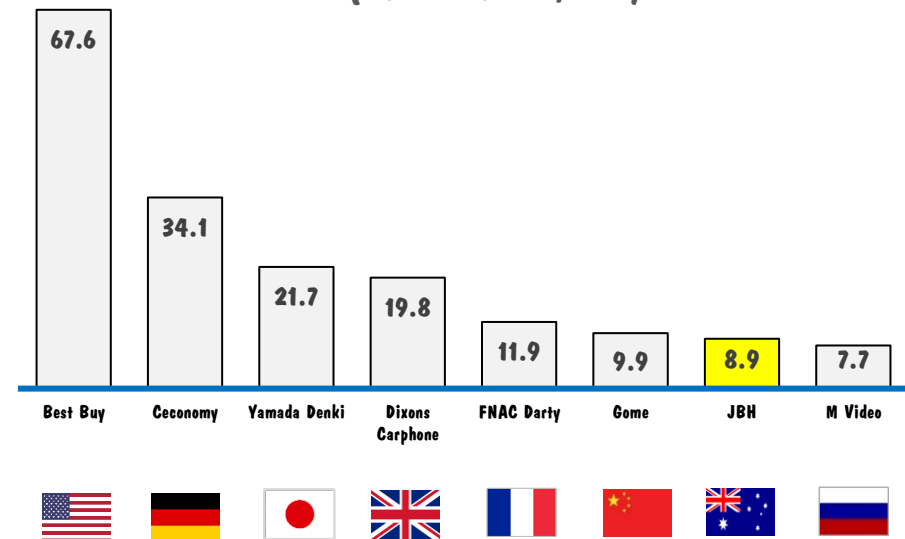
Group Model

Underpinned by 4 key competitive advantages

1 Scale

- #1 player in Australian Consumer Electronics and Home Appliance market
- Local and global relevance to suppliers
- Strong and engaged supplier relationships both locally and globally
- Large, engaged and diversified customer base across the two brands provides suppliers with the ability to execute promotions and new product launches at scale
- Young customer base drives ongoing brand importance to suppliers to maximise sales of new technology and innovation
- High volume website traffic provides significant marketing opportunities and reach
- Group function enables business to drive efficiencies across large cost base

LEADING RETAILER BY COUNTRY
(SALES AUD\$BN¹)



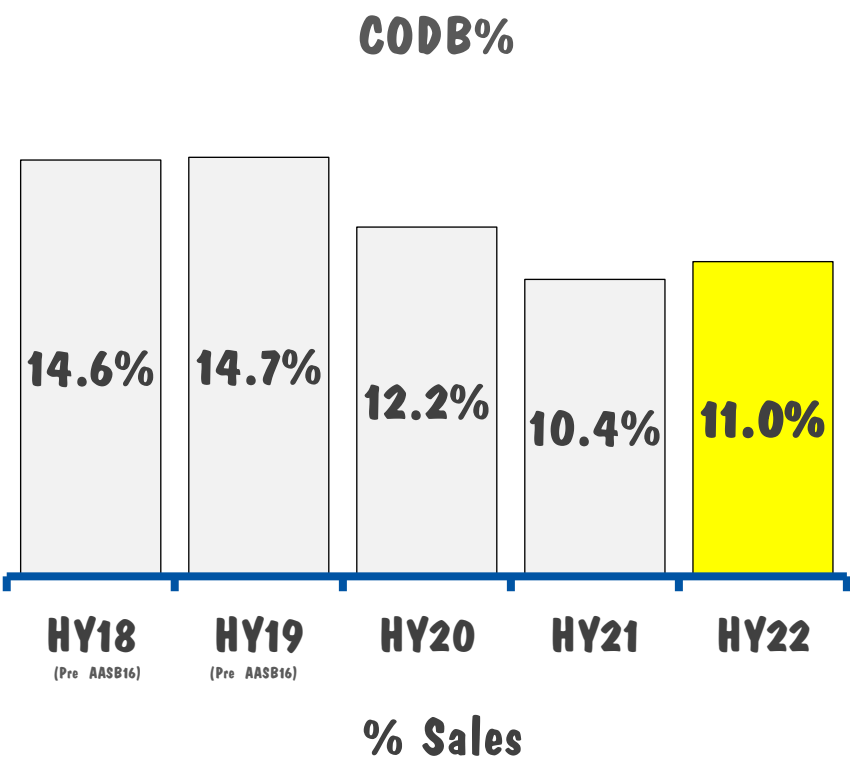
¹Source: Sales as reported in each company's most recent full year result translated to AUD.

Group Model

Underpinned by 4 key competitive advantages

2 Low Cost Operating Model

- Constant focus on productivity and minimising unnecessary expenditure
- Highly productive floor space with high sales per square metre
- Efficiency of model allows us to:
 - respond to market price activity and maintain focus on market share; and
 - compete effectively with traditional competitors and new market entrants



Group Model

Underpinned by 4 key competitive advantages

3 Multichannel Capability

- Focus on providing the customer with an integrated and frictionless shopping experience regardless of their chosen sale channel
- Customer choice on how to shop with us
 - In-store** - High quality store locations that provide convenience and easy access
 - Online** - High brand awareness and optimised digital experience drives high traffic through websites
 - Over the Phone** - Convenient and personalised sales experience giving customers ability to negotiate a deal
- Fast fulfilment, via in-store shopping, click and collect or delivery from the store network or HDCs
- Confidence when buying with security of knowing aftersales support via any channel
- National Commercial business supporting corporate, government and education customers



Group Model

Underpinned by 4 key competitive advantages

4 People and Culture

- Knowledgeable and passionate teams who put customers first and provide exceptional customer service
- Strong, overarching culture that also reflects the individual brand personalities
- Dynamic and flexible environment allows us to pivot the business quickly and adapt to any changing market conditions
- Highly engaged teams who have a connection with the business
- Diverse and inclusive workforce
- Unrelenting focus on health and safety



Generating sustainable long-term growth

The Group is committed to having a positive impact on our people, our community and our environment

Sustainability Policy focus areas

HY22 Achievements

Our People



- Diversity & inclusion
- Employee health and safety
- Employee engagement, communication and employment practices
- Responsible business

- Prioritised the safety of team members through Covid-19, including support to team members directly impacted by Covid-19
- Continued to action a set of Diversity and Inclusion initiatives, to improve diversity in leadership and inclusion
- Continued focus on Safety with mental health and wellbeing training programs

Our Communities



- Community investment
- Ethical Sourcing

- HY22 workplace giving donations totalling \$1.8 million and \$29.9 million since inception
- Released our second Modern Slavery Statement outlining the actions that we are taking to address the risk of modern slavery
- Continued to work with our suppliers to embed our Ethical Sourcing Policy
- Commenced engagement with the “Investors Against Slavery and Trafficking” initiative

Our Environment



- Product & waste recycling
- Packaging
- Emissions & energy

- Solar power generation installed in 10 stores in HY22 as the Group works towards net-zero direct carbon emissions by 2030
- Continued to explore waste reduction, re-use and recycling initiatives led by the Group’s operational waste and recycling working group
- Improvements in sustainable packaging across own brand products, in line with 2025 APCO Packaging Targets

Group HY22 Performance

HY22 Group Performance

AUD	HY22	HY21	Growth vs HY21		HY20	Growth vs HY20	
Total sales (\$m)	4,861.8	4,941.2	(79.4)	(1.6%) ▼	3,995.2	866.6	21.7% ▲
Earnings before interest and tax (\$m)	420.5	462.8	(42.3)	(9.1%) ▼	263.0	157.5	59.9% ▲
Net profit after tax (\$m)	287.9	317.7	(29.8)	(9.4%) ▼	170.6	117.3	68.8% ▲
Earnings per share (basic ¢)	250.6	276.5	(26 cps)	(9.4%) ▼	148.5	+102 cps	68.8% ▲
Dividend per share (¢)	163.0	180.0	(17 cps)	(9.4%) ▼	99.0	+64 cps	64.6% ▲

- Group sales down 1.6% to \$4.9 billion but up 21.7% over a two-year period
- Group EBIT down 9.1% to \$420.5 million but up 59.9% over a two-year period
- NPAT down 9.4% to \$287.9 million but up 68.8% over a two-year period
- EPS down 9.4% to 250.6 cps but up 68.8% over a two-year period
- Interim Dividend per share of 163.0 cps
- The Board today announced a capital return of up to \$250 million to shareholders by way of an off-market buy-back

Group HY22 Performance

HY22 Divisional Sales Performance

	HY22	HY21	Growth vs HY21		HY20	Growth vs HY20	
			\$m	%		\$m	%
Sales (\$m)							
- JB HI-FI Australia	3,290.5	3,355.7	(65.2)	(1.9%) ▼	2,722.4	568.1	20.9% ▲
- JB HI-FI New Zealand (NZD)	138.4	144.9	(6.5)	(4.5%) ▼	132.8	5.6	4.2% ▲
- The Good Guys	1,439.4	1,450.5	(11.1)	(0.8%) ▼	1,147.5	291.9	25.4% ▲
Total Sales (AUDm)	4,861.8	4,941.2	(79.4)	(1.6%) ▼	3,995.2	866.6	21.7% ▲

- Sales down 1.6% to \$4.9 billion, but up 21.7% over a two-year period with continued heightened customer demand for both consumer electronics and home appliance products
- Strong sales growth in all brands over a two year period as we continued to drive sales across all channels - in-store, online, phone and commercial
- Well planned and executed promotional programs throughout the half including Black Friday and Christmas
- The Group has continued to invest in online and supply chain operations, including upgrades to its websites and distribution centres and expanded delivery options. Online sales were up 62.6% to \$1.1 billion, representing 22.7% of total sales (HY21: 13.7%). Excluding sales during the periods where stores were temporarily closed in HY22, online sales represented 14.0% of total sales (HY21: 10.3%)

Group HY22 Performance

HY22 Divisional Earnings Performance

	HY22	HY21	Growth vs HY21			HY20	Growth vs HY20	
			\$m	%			\$m	%
EBIT (\$m)								
- JB HI-FI Australia	292.4	329.8	(37.4)	(11.3%) ▼		209.3	83.1	39.7% ▲
- JB HI-FI New Zealand (NZD)	7.3	6.9	0.4	6.0% ▲		1.5	5.8	391.7% ▲
- The Good Guys	121.1	126.6	(5.4)	(4.3%) ▼		52.3	68.9	131.8% ▲
Total EBIT (AUDm)	420.5	462.8	(42.3)	(9.1%) ▼		263.0	157.5	59.9% ▲
EBIT Margin (%)								
- JB HI-FI Australia	8.89%	9.83%		(94 bps) ▼		7.69%		+120 bps ▲
- JB HI-FI New Zealand	5.28%	4.76%		+52 bps ▲		1.12%		+416 bps ▲
- The Good Guys	8.42%	8.72%		(31 bps) ▼		4.55%		+386 bps ▲
Total EBIT Margin (%)	8.65%	9.37%		(72 bps) ▼		6.58%		+207 bps ▲

- EBIT down 9.1% to \$420.5 million, but up 59.9% over a two-year period
- Strong EBIT growth across all brands over a two-year period with significant operating leverage driven by the elevated sales growth, management of gross margins and disciplined cost control over the two-year period
- Strength of the model highlighted by our ability to respond and adapt to the challenges resulting from Covid-19, with all areas of the business, including stores, supply chain and online, demonstrating resilience despite the ongoing disruption



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2.

**JB HI-FI Australia and
New Zealand**

JB HI-FI Australia HY22 Performance

AUD	HY22	HY21	Growth vs HY21	HY20	Growth vs HY20
Sales (\$m)	3,290.5	3,355.7	(1.9%) ▼	2,722.4	20.9% ▲
Gross Profit (\$m)	716.3	737.4	(2.9%) ▼	600.8	19.2% ▲
Gross Margin (%)	21.77%	21.98%	(21 bps) ▼	22.07%	(30 bps) ▼
Cost of Doing Business (%)	10.79%	10.08%	+71 bps ▲	11.88%	(109 bps) ▼
EBITDA (\$m)	361.4	399.3	(9.5%) ▼	277.5	30.2% ▲
EBITDA Margin (%)	10.98%	11.90%	(92 bps) ▼	10.19%	+79 bps ▲
EBIT (\$m)	292.4	329.8	(11.3%) ▼	209.3	39.7% ▲
EBIT Margin (%)	8.89%	9.83%	(94 bps) ▼	7.69%	+120 bps ▲

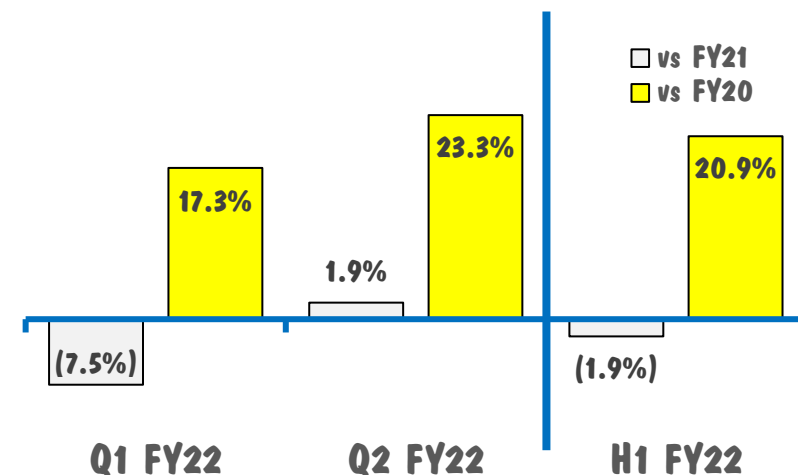
JB HI-FI Australia HY22 Performance

HY22 Sales

- Total sales declined by 1.9% on HY21 to \$3.29 billion, with comparable sales down 2.5%. Over a two-year period total sales were up 20.9% with comparable sales up 20.8%. Sales momentum was strong through the half, with continued heightened customer demand for consumer electronics and home appliance products
- Hardware and Services¹ sales were down 0.7% on HY21, with comparable sales down 1.2%. The growth categories in the half were the Small Appliances, Smart Home, Games Hardware, Accessories and Visual categories
- Software sales were down 21.2% with comparable sales down 22.5% as a result of a decline in the Movies, Music and Games Software categories. Software sales were 5.0% of total sales (HY21: 6.2%)
- Online sales grew 59.9% (HY21: 201.9%) to \$823.9 million or 25.0% of total sales (HY21: 15.4%). Excluding sales during the periods where stores were temporarily closed in HY22, online sales represented 15.1% of total sales (HY21: 11.3%). Our ability to scale and maintain a high level of customer service and on-time delivery via our diversified fulfilment model was very pleasing
- The Commercial business recorded solid sales growth as we continue to expand our product and service offering

¹ Hardware & Services is defined as all sales excluding the Movies, Music and Games Software categories

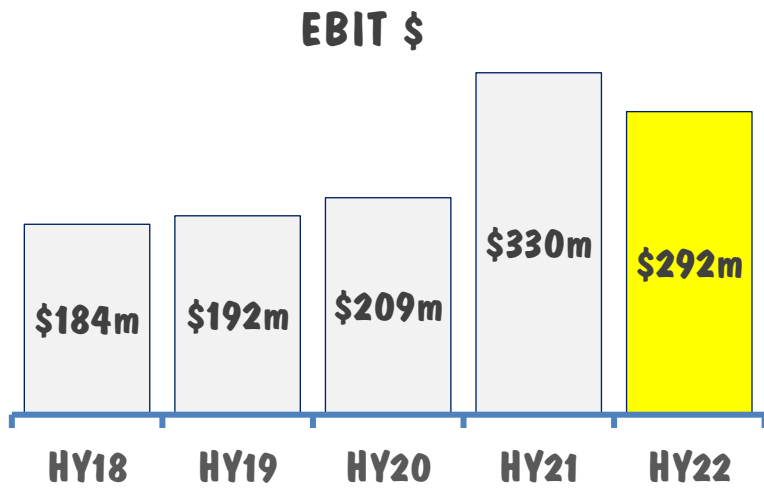
TOTAL SALES GROWTH



JB HI-FI Australia HY22 Performance

HY22 Earnings

- HY22 gross profit declined on HY21 by 2.9% to \$716.3 million with gross margin down 21 bps to 21.8%
- CODB was 10.8%, up 71 bps. CODB in absolute terms grew 5.0% with disciplined cost control throughout the half
- Depreciation declined by 0.7% with a decrease in depreciation on both right-of-use assets and fixed assets
- EBIT was down on HY21 by 11.3% to \$292.4 million with EBIT margin down 94 bps to 8.9%. Over a two-year period, EBIT was up 39.7% with EBIT margin up 120 bps



JB HI-FI New Zealand HY22 Performance

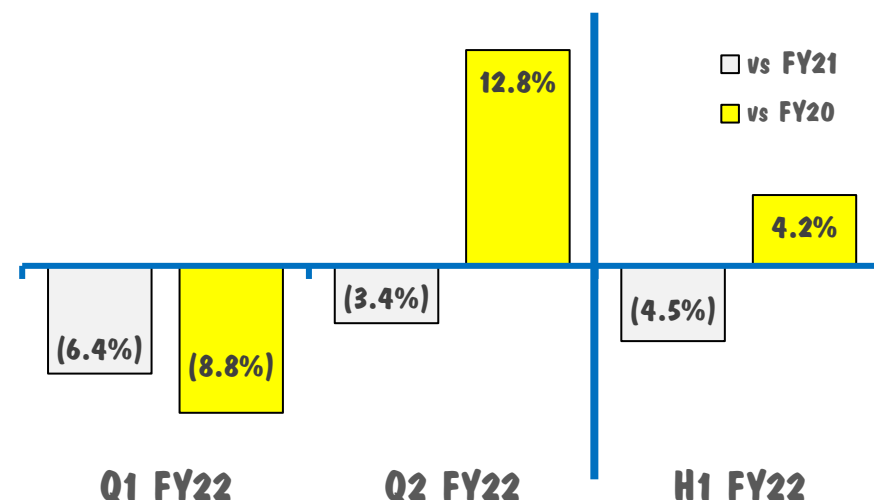
NZD	HY22	HY21	Growth vs HY21	HY20	Growth vs HY20
Sales (\$m)	138.4	144.9	(4.5%) ▼	132.8	4.2% ▲
Gross Profit (\$m)	24.2	24.8	(2.4%) ▼	23.0	5.0% ▲
Gross Margin (%)	17.49%	17.13%	+37 bps ▲	17.36%	+14 bps ▲
Cost of Doing Business (%)	12.16%	11.85%	+31 bps ▲	13.02%	(86 bps) ▼
EBITDA (\$m)	7.4	7.6	(3.4%) ▼	5.8	28.2% ▲
EBITDA Margin (%)	5.33%	5.28%	+6 bps ▲	4.34%	+100 bps ▲
EBIT (\$m)	7.3	6.9	6.0% ▲	1.5	391.7% ▲
EBIT Margin (%)	5.28%	4.76%	+52 bps ▲	1.12%	+416 bps ▲

JB HI-FI New Zealand HY22 Performance

HY22 Sales

- Total sales declined by 4.5% on HY21 to NZD138.4 million, with comparable sales down 4.5%. Over a two-year period total sales were up 4.2% with comparable sales up 4.2%
- Hardware and Services¹ sales were down 4.7% on HY21, with comparable sales down 4.7%. The key growth categories were the Games Hardware, Visual and Smart Home categories
- Software sales were down 2.0% with comparable sales down 2.0% as a result of declines in the Movies and Games Software partially offset by growth in Music. Software sales were 7.7% of total sales (HY21: 7.5%)
- Online sales grew 81.5% to NZD29.6 million or 21.4% of total sales (HY21: 11.3%). Excluding sales during the periods where stores were temporarily closed in HY22, online sales represented 11.8% of total sales (HY21: 10.4%)

TOTAL SALES GROWTH

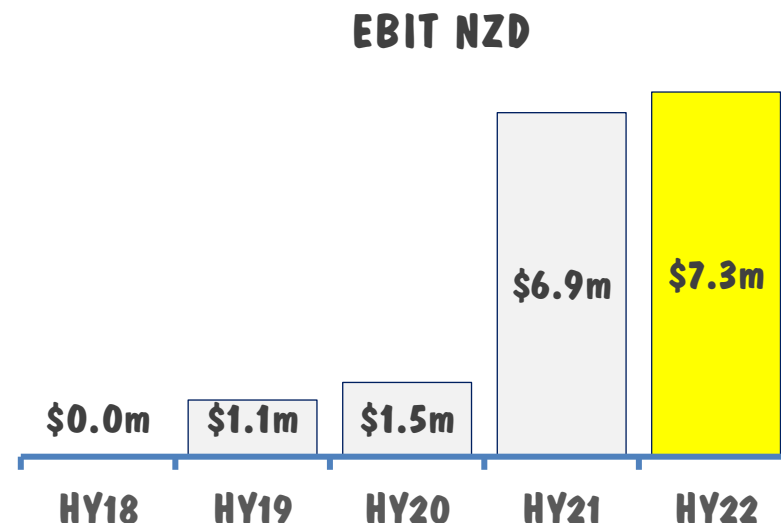


¹ Hardware & Services is defined as all sales excluding the Movies, Music and Games Software categories

JB HI-FI New Zealand HY22 Performance

HY22 Earnings

- Gross margin was up 37 bps to 17.5%
- CODB was 12.2%, up 31 bps, but in absolute terms declined by 2.0% as store wages remained well controlled. JB Hi-Fi New Zealand received NZD0.5m from the New Zealand Government's wage subsidy scheme, which supported team member wages while the New Zealand stores were closed
- EBITDA was NZD7.4 million, down 3.4%
- EBIT was up on HY21 by 6.0% to NZD7.3 million with EBIT margin up 52 bps to 5.3%



3.

The Good Guys



The Good Guys HY22 Performance

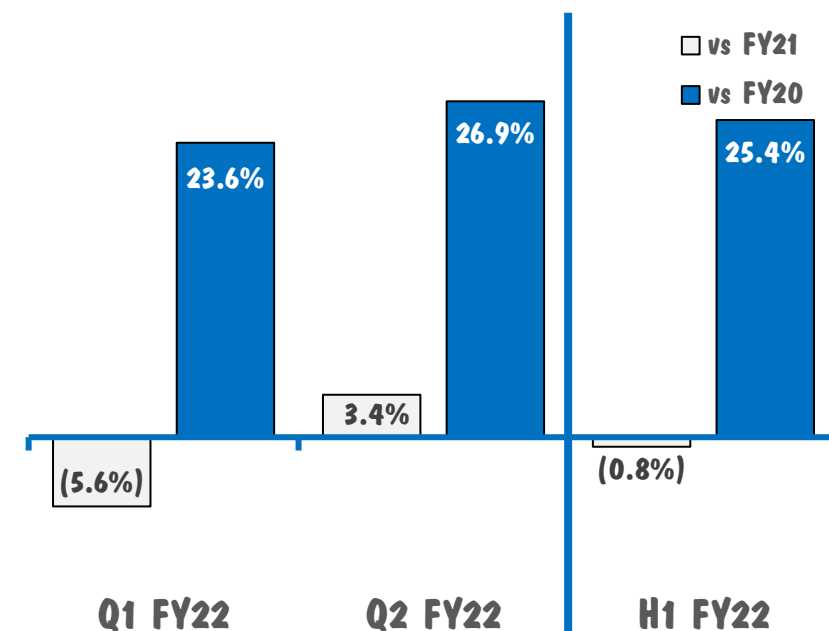
AUD	HY22	HY21	Growth vs HY21	HY20	Growth vs HY20
Sales (\$m)	1,439.4	1,450.5	(0.8%) ▼	1,147.5	25.4% ▲
Gross Profit (\$m)	324.9	324.6	0.1% ▲	237.6	36.8% ▲
Gross Margin (%)	22.58%	22.38%	+19 bps ▲	20.71%	+187 bps ▲
Cost of Doing Business (%)	11.42%	10.98%	+45 bps ▲	12.93%	(151 bps) ▼
EBITDA (\$m)	160.5	165.4	(3.0%) ▼	89.2	79.9% ▲
EBITDA Margin (%)	11.15%	11.41%	(25 bps) ▼	7.78%	+338 bps ▲
EBIT (\$m)	121.1	126.6	(4.3%) ▼	52.3	131.8% ▲
EBIT Margin (%)	8.42%	8.72%	(31 bps) ▼	4.55%	+386 bps ▲

The Good Guys HY22 Performance

HY22 Sales

- Total sales declined by 0.8% on HY21 to \$1.44 billion, with comparable sales down 1.3%. Over a two-year period total sales were up 25.4% with comparable sales up 24.7%. Sales momentum was strong through the half, with continued heightened customer demand for consumer electronics and home appliance products
- The key growth categories were Portable Appliances, Floorcare Laundry, Dishwashers and Cooking
- Online sales were up 69.8% to \$251.3 million or 17.5% of total sales (HY21: 10.2%). Excluding sales during the periods where stores were temporarily closed in HY22, online sales represented 11.8% of total sales (HY21: 7.9%). Our ability to scale and maintain a high level of customer service and on-time delivery via our diversified fulfilment model was very pleasing

TOTAL SALES GROWTH

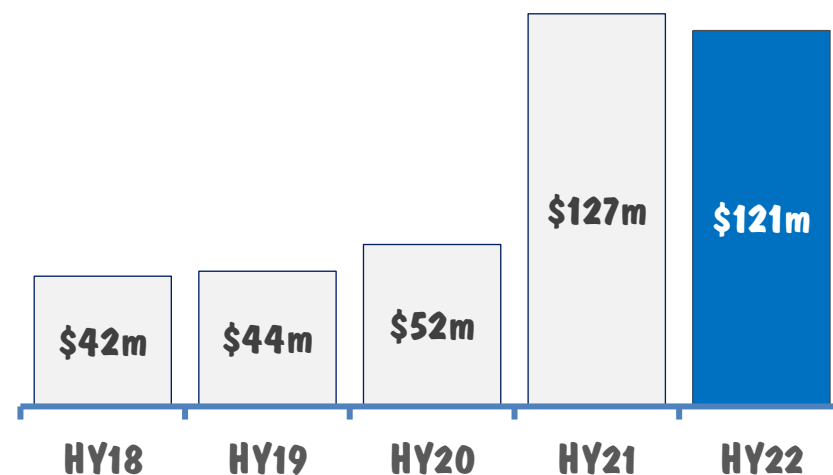


The Good Guys HY22 Performance

HY22 Earnings

- Gross profit was \$324.9 million with gross margin up 19 bps to 22.6%, driven by strong improvements in key categories
- CODB was 11.4%, up 45bps, and in absolute terms grew 3.3% as store wages remained well controlled throughout the half
- Depreciation grew by 1.4% with an increase in depreciation on right-of-use assets partially offset by a decline in depreciation on fixed assets
- EBIT was down on HY21 by 4.3% to \$121.1 million with EBIT margin down 31 bps to 8.4%. Over a two-year period, EBIT was up 131.8% with EBIT margin up 386 bps.

EBIT \$



4.

Group Balance Sheet And Cash Flow

Group Balance Sheet and Cash Flow

Group Balance Sheet

AUDm	HY22	FY21	HY21	HY20
Cash	844.5	263.2	472.8	76.8
Receivables	109.4	84.9	110.9	124.4
Inventories	1,064.8	938.8	1,135.4	1,132.3
Other	32.0	35.7	35.4	37.6
Total Current Assets	2,050.7	1,322.6	1,754.5	1,371.1
Fixed Assets	171.7	169.0	170.7	189.5
Intangibles & Goodwill	1,031.4	1,031.4	1,031.4	1,031.4
Other	74.5	69.3	69.6	59.7
Right of Use Asset	518.9	536.3	586.4	724.0
Total Non-Current Assets	1,796.5	1,806.0	1,858.1	2,004.6
Total Assets	3,847.2	3,128.6	3,612.6	3,375.7
Payables	1,211.7	650.7	1,077.4	762.9
Other	442.2	410.6	411.6	288.3
Lease Liabilities	174.6	167.3	168.1	162.7
Total Current Liabilities	1,828.5	1,228.6	1,657.1	1,213.9
Borrowings	-	-	-	292.3
Other	131.2	127.6	123.5	123.7
Lease Liabilities	433.2	464.0	514.0	648.5
Total Non-Current Liabilities	564.4	591.6	637.5	1,064.5
Total Liabilities	2,392.9	1,820.2	2,294.6	2,278.5
Net Assets	1,454.2	1,308.4	1,318.0	1,097.3
Net Debt / (Net Cash)¹	(844.5)	(263.2)	(472.8)	215.5
Net Working Capital	(480.1)	1.8	(204.8)	180.1

- Inventory at December finished at \$1,065 million, down \$71 million year on year, as a result of continued Covid-19 related supply shortages. Inventory turnover was down 64 bps to 7.5x (HY21: 8.2x)
- As compared to HY20, Inventory was down \$68 million or 6.0% vs sales growth of 21.7% over the same period
- Payables, which ordinarily would move in line with inventory, were up significantly year on year due to increased purchasing of inventory late in Q2 to meet the heightened customer demand and replenish inventory levels
- As a result, at 31 December net working capital was c.\$600m below historical levels

¹ Net Debt / (Net Cash) excluding AASB 16 Lease Liability

Group Balance Sheet and Cash Flow

Group Cash Flow Statement

AUDm	HY22	HY21	HY20
EBITDA	529.0	571.9	372.1
Change in Working Capital	482.3	(34.6)	(17.7)
Net Interest Paid on Borrowings	(0.1)	(1.0)	(4.8)
Interest on lease liabilities	(9.7)	(11.1)	(12.8)
Income Tax Paid	(158.4)	(85.0)	(57.7)
Other	7.1	6.6	5.2
Net Cash Flow from Operations	850.2	446.7	284.5
Purchases of P&E (net)	(30.9)	(28.0)	(26.2)
Net Cash Flow from Investing	(30.9)	(28.0)	(26.2)
Proceeds / (Repayment) of borrowings	-	-	(147.0)
Repayment of lease liabilities	(87.0)	(84.0)	(80.1)
Proceeds from issue of equity	-	0.1	1.1
Shares acquired by the employee share trust	(27.9)	(10.2)	(16.2)
Dividends Paid	(122.9)	(103.4)	(58.6)
Other	-	-	-
Net Cash Flow from Financing	(237.8)	(197.5)	(300.8)
Net Change in Cash Position	581.5	221.2	(42.5)
Effect of exchange rates	(0.2)	0.1	(0.0)
Cash at the end of Period	844.5	472.8	76.8
Free Cash Flow¹	732.3	334.8	178.1
Net Debt / (Net Cash) at the end of Period²	(844.5)	(472.8)	215.5

¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and repayment of lease liabilities

² Net Debt / (Net Cash) excluding AASB 16 Lease Liability

³ Pre AASB16

Group Performance Indicators

	HY22	HY21
Fixed Charge Ratio ³	4.4x	4.2x
Interest Cover ³	621.7x	217.5x
Gearing Ratio ³	0.0	0.0
Return on Invested Capital	69.0%	54.8%

- Operating cash flows and operating cash conversion are up significantly due to the reduction in net working capital
- Capex remains in line with expectations as we continue to invest in the store portfolio, our online offerings and strategic initiatives
- Closing Net Cash was \$844.5m at 31 December. After net working capital reverts to historical levels and the payment of the interim dividend and the buy-back, we expect to maintain a strong balance sheet position

Group Balance Sheet and Cash Flow

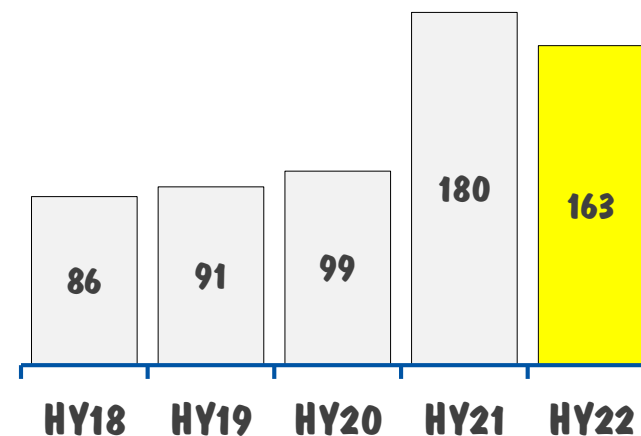
Capital Management

- The interim dividend is 163 cents per share (cps) fully franked, down 17 cps or 9.4% and represents 65% of NPAT
- The record date for the final dividend is 24 February 2022, with payment to be made on 11 March 2022

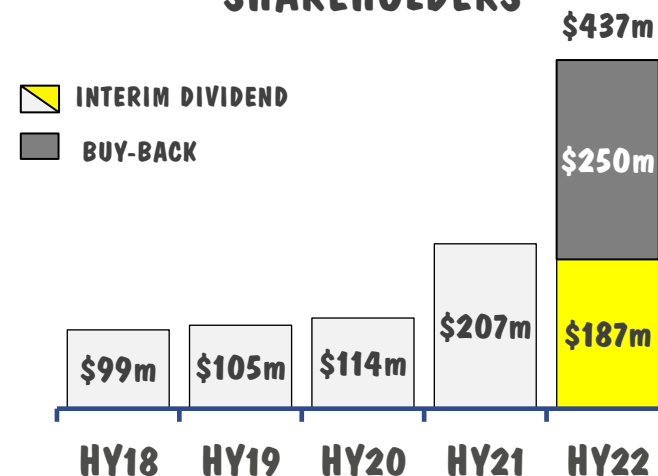
Buy-Back

- The Board today announced a capital return of up to \$250m to shareholders by way of an off-market buy-back
- As a result of the continued strong financial performance and cashflow generation, the Group has surplus capital and a significant franking credit balance
- After considering a number of ways to return capital, an off-market buy-back was deemed the most efficient and value enhancing
- The resulting reduction in shares on issue is expected to improve earnings per share and return on equity, which will benefit ongoing shareholders
- The buy-back reflects the Board's commitment to maximising returns to all shareholders, whilst maintaining an optimal capital structure that maintains balance sheet strength and flexibility

HY22 DIVIDEND OF 163 CPS



UP TO \$437m TO BE RETURNED TO SHAREHOLDERS



Group Balance Sheet and Cash Flow

Up to \$250m return of capital by way of an Off-Market Buy-Back

Off-Market Buy-Back

- Off-Market Buy-Back of up to \$250m
- The buy-back will be conducted via a tender process
- Discount of between 8% to 14% of market price¹
- Capital component of \$3.18
- Balance is a fully franked dividend
- Buy-Back funded from cash reserves and/or debt facilities
- Distribution of approximately \$99m³ of franking credits
- More information available in the Buy-Back Booklet on the ASX Announcements platform

Timetable²

Announcement of Buy-Back	14 February
Last day that Shares can be acquired on market to be eligible to participate in the Buy-Back and to qualify for franking credit entitlements in respect of the Buy-Back consideration	22 February
Buy-Back Ex-Entitlement Date	23 February
Buy-Back Record Date	24 February
Tender Period opens	7 March
Closing Date	8 April
Buy-Back Date (Announcement of Buy-Back Price and scale back (if any))	11 April
Buy-Back price paid to Shareholders	20 April

¹The market price is calculated as the Volume Weighted Average Price of JB Hi-Fi ordinary shares on the ASX over the five trading days up to and including the closing date of the buy-back.

²While JB Hi-Fi does not anticipate any changes to these dates and times, it reserves the right to vary them by announcement to the ASX.

³Assuming a Buy-Back size of \$250 million and a Buy-Back Price of \$43.00 (a discount of 14% to a Market Price of \$50.00)

Important Notice: The Buy-Back information in this presentation does not constitute a legally binding offer capable of acceptance by shareholders. Shareholders who are eligible to participate in the Buy-Back will be sent a Buy-Back Booklet on or around 14 February 2022, which will contain all of the relevant details and terms of the Buy-Back and instructions on how to participate. Any person who resides outside of Australia and New Zealand or who is (or who is acting for the account or benefit of a person who is) in the United States, a US Person (within the meaning of Regulation S under the United States Securities Act of 1933) or a resident of Canada, will not be permitted to participate in the Buy-Back and the Buy-Back Booklet must not be distributed to them. JB Hi-Fi may, in its absolute discretion, also decide not to proceed with the Buy-Back or to vary the size of the Buy-Back, subject to a number of factors, such as shareholder demand, market conditions and future capital requirements.

5.

Group FY22 Trading Update

Group FY22 Trading Update

January 2022 sales update and outlook

- The Group provides the following sales update for the period 1 January 2022 to 31 January 2022:

Sales Growth January FY22	Comparable		Total	
	vs FY21	vs FY20	vs FY21	vs FY20
JB HI-FI Australia	3.6%	22.2%	4.3%	22.4%
JB HI-FI New Zealand (NZD)	(1.8%)	19.5%	(1.8%)	19.5%
The Good Guys	1.9%	16.4%	2.5%	17.0%

- In January, despite the disruption to our supply chain and operations as a result of Covid-19, we continued to see heightened customer demand and strong sales growth rates over a two-year period
- Whilst we are pleased with the start to the second half, in view of the ongoing uncertainty arising from Covid-19, we do not currently consider it appropriate to provide FY22 sales and earnings guidance

6.

Investment Checklist

Investment Checklist

Unique and relevant brands		Unique team culture and unrivalled customer service	
Flexible business model – history of category growth and development		Multichannel capability built around high quality store portfolio	
Diversity of product categories across brands		Experienced management team	
Scale operator, market leader		High return on invested capital	
Global best in class metrics including low cost of doing business and high sales per square metre		Shareholder return focused – through proactive capital management and dividend policies	

Appendices

Appendix I

a) Group Profit and Loss

AUDm	HY22	HY21	HY20	HY19 (Pre AASB16)	HY18 (Pre AASB16)
Sales	4,861.8	4,941.2	3,995.2	3,843.7	3,689.8
Gross Profit	1,064.4	1,085.2	860.2	828.0	793.9
Gross Margin	21.89%	21.96%	21.53%	21.54%	21.52%
EBITDA	529.0	571.9	372.1	264.3	256.3
Depreciation & Impairment	108.5	109.1	109.1	27.7	30.5
EBIT	420.5	462.8	263.0	236.6	225.8
EBIT Margin	8.65%	9.37%	6.58%	6.16%	6.12%
Interest on Lease Liabilities	9.7	11.1	12.8	-	-
Net Interest on Paid Borrowings	0.3	1.2	5.0	6.7	8.1
Profit before Tax	410.5	450.5	245.2	229.9	217.7
Tax Expense	122.6	132.8	74.6	69.8	66.0
NPAT	287.9	317.7	170.6	160.1	151.7
Headline Statistics:					
Dividends per share (¢)	163.0	180.0	99.0	91.0	86.0
Earnings per share (basic ¢)	250.6	276.5	148.5	139.4	132.2
Cost of doing business	11.01%	10.39%	12.22%	14.67%	14.57%

Appendix I

b) Group CODB reconciliation

AUDm	HY22	HY21	HY20
Other income (ex interest revenue)	(1.8)	(1.0)	(0.8)
Sales and marketing expenses	448.3	433.9	407.3
Occupancy expenses	148.5	146.1	149.4
<i>less depreciation, amortisation & impairment</i>	(103.8)	(103.7)	(104.6)
Administration expenses	20.7	21.0	21.3
<i>less depreciation & impairment</i>	(4.7)	(5.4)	(4.5)
Other expenses	28.2	22.5	20.0
CODB	535.4	513.3	488.1
Sales	4,861.8	4,941.2	3,995.2
CODB (% of sales)	11.01%	10.39%	12.22%

Appendix I

c) 5 year Group Balance Sheet

AUDm	HY22	HY21	HY20	HY19 (Pre AASB16)	HY18 (Pre AASB16)
Cash	844.5	472.8	76.8	117.1	182.7
Receivables	109.4	110.9	124.4	103.5	106.4
Inventories	1,064.8	1,135.4	1,132.3	1,076.4	986.7
Other	32.0	35.4	37.6	41.2	45.3
Total Current Assets	2,050.7	1,754.5	1,371.1	1,338.2	1,321.1
Fixed Assets	171.7	170.7	189.5	206.8	207.2
Intangibles & Goodwill	1,031.4	1,031.4	1,031.4	1,037.3	1,037.3
Other	74.5	69.6	59.7	50.5	47.7
Right of Use Asset	518.9	586.4	724.0	-	-
Total Non-Current Assets	1,796.5	1,858.1	2,004.6	1,294.6	1,292.2
Total Assets	3,847.2	3,612.6	3,375.7	2,632.8	2,613.3
Payables	1,211.7	1,077.4	762.9	807.8	852.6
Other	442.2	411.6	288.3	295.1	268.6
Lease Liabilities	174.6	168.1	162.7	-	-
Total Current Liabilities	1,828.5	1,657.1	1,213.9	1,102.9	1,121.2
Borrowings	-	-	292.3	330.8	374.2
Other	131.2	123.5	123.7	143.9	159.2
Lease Liabilities	433.2	514.0	648.5	-	-
Total Non-Current Liabilities	564.4	637.5	1,064.5	474.7	533.4
Total Liabilities	2,392.9	2,294.6	2,278.5	1,577.6	1,654.5
Net Assets	1,454.2	1,318.0	1,097.3	1,055.2	958.7
Net Debt / (Net Cash)¹	(844.5)	(472.8)	215.5	213.7	191.5
Net Working Capital	(480.1)	(204.8)	180.1	50.9	(50.0)

¹ Net Debt / (Net Cash) excluding AASB 16 Lease Liability

Appendix I

d) 5 year Group Cash Flow

AUDm	HY22	HY21	HY20	HY19 (Pre AASB16)	HY18 (Pre AASB16)
EBITDA	529.0	571.9	372.1	264.3	256.3
Change in Working Capital	482.3	(34.6)	(17.7)	84.5	179.3
Net Interest Paid on Borrowings	(0.1)	(1.0)	(4.8)	(6.5)	(8.5)
Interest on lease liabilities	(9.7)	(11.1)	(12.8)	-	-
Income Tax Paid	(158.4)	(85.0)	(57.7)	(58.6)	(58.9)
Other	7.1	6.6	5.2	(3.4)	5.4
Net Cash Flow from Operations	850.2	446.7	284.5	280.3	373.7
Purchases of P&E (net)	(30.9)	(28.0)	(26.2)	(36.4)	(30.2)
Investments (net of cash acquired)	-	-	-	-	-
Net Cash Flow from Investing	(30.9)	(28.0)	(26.2)	(36.4)	(30.2)
Borrowings / (Repayments)	-	-	(147.0)	(139.2)	(183.8)
Repayment of lease liabilities	(87.0)	(84.0)	(80.1)	-	-
Proceeds from issue of Equity	-	0.1	1.1	1.8	2.8
Shares acquired by the employee share trust	(27.9)	(10.2)	(16.2)	(8.9)	-
Share issue costs	-	-	-	-	-
Dividends Paid	(122.9)	(103.4)	(58.6)	(52.8)	(52.8)
Other	-	-	-	-	-
Net Cash Flow from Financing	(237.8)	(197.5)	(300.8)	(199.1)	(233.8)
Net Change in Cash Position	581.5	221.2	(42.5)	44.8	109.7
Effect of exchange rates	(0.2)	0.1	(0.0)	0.3	0.2
Cash at the end of Period	844.5	472.8	76.8	117.1	182.7
Free Cash Flow¹	732.3	334.8	178.1	243.9	343.5

¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and repayment of lease liabilities

Appendix II

e) Group Profit and Loss – Breakdown

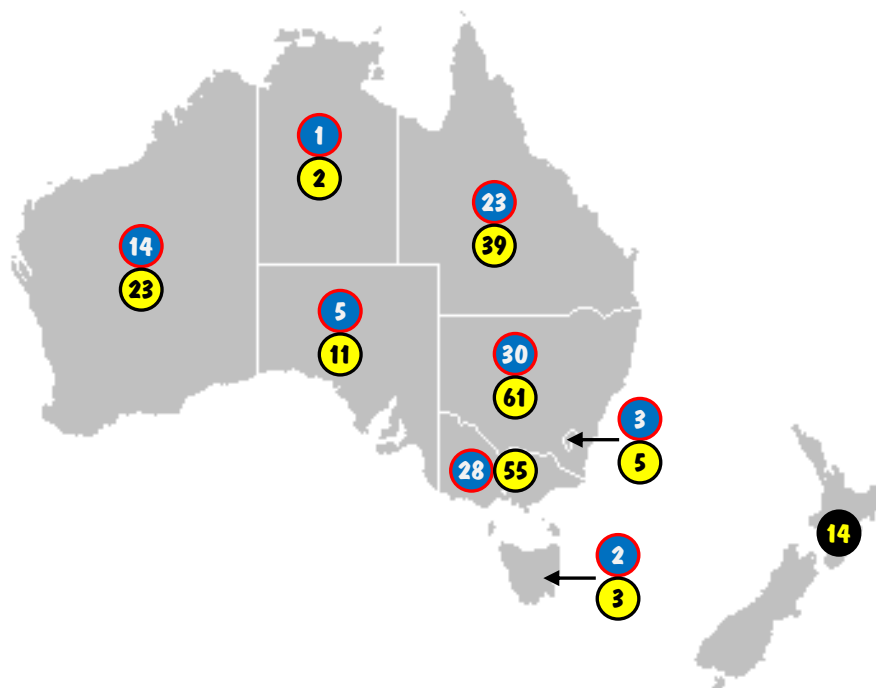
AUDm	HY22				HY21				Growth vs HY21	HY20				Growth vs HY20
	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group		JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	
Sales	3,290.5	138.4	1,439.4	4,861.8	3,355.7	144.9	1,450.5	4,941.2	(1.6%) ▼	2,722.4	132.8	1,147.5	3,995.2	21.7% ▲
Gross Profit	716.3	24.2	324.9	1,064.4	737.4	24.8	324.6	1,085.2	(1.9%) ▼	600.8	23.0	237.6	860.2	23.7% ▲
Gross Margin	21.77%	17.49%	22.58%	21.89%	21.98%	17.13%	22.38%	21.96%	(7 bps) ▼	22.07%	17.36%	20.71%	21.53%	+36 bps ▲
EBITDA	361.4	7.4	160.5	529.0	399.3	7.6	165.4	571.9	(7.5%) ▼	277.5	5.8	89.2	372.1	42.2% ▲
Depreciation & Impairment	69.0	0.1	39.4	108.5	69.5	0.8	38.9	109.1	(0.6%) ▼	68.1	4.3	37.0	109.1	(0.6%) ▼
EBIT	292.4	7.3	121.1	420.5	329.8	6.9	126.6	462.8	(9.1%) ▼	209.3	1.5	52.3	263.0	59.9% ▲
EBIT Margin	8.89%	5.28%	8.42%	8.65%	9.83%	4.76%	8.72%	9.37%	(72 bps) ▼	7.69%	1.12%	4.55%	6.58%	+207 bps ▲
Interest on Lease Liabilities	5.7	0.2	3.8	9.7	6.4	0.2	4.5	11.1	(12.7%) ▼	7.9	0.3	4.6	12.8	(23.9%) ▼
Net Interest Paid on Borrowings	-	-	-	0.3	-	-	-	1.2	(78.1%) ▼	-	-	-	5.0	(94.8%) ▼
Profit before Tax	286.7	7.1	117.3	410.5	323.4	6.7	122.1	450.5	(8.9%) ▼	201.4	1.2	47.6	245.2	67.4% ▲
Tax Expense				122.6				132.8	(7.7%) ▼				74.6	64.3% ▼
NPAT				287.9				317.7	(9.4%) ▼				170.6	68.8% ▲
Headline Statistics:														
Dividends per share (¢)				163.0				180.0	(9.4%) ▼				99.0	64.6% ▲
Earnings per share (basic ¢)				250.6				276.5	(9.4%) ▼				148.5	68.8% ▲
Cost of doing business	10.79%	12.16%	11.42%	11.01%	10.08%	11.85%	10.98%	10.39%	+62 bps ▲	11.88%	13.02%	12.93%	12.22%	(121 bps) ▼
Stores	199	14	106	319	197 ¹	14 ¹	105 ¹	316 ¹	+3 stores	197 ²	14 ²	105 ²	316 ²	+3 stores

¹ As at 30 June 2021

² As at 30 June 2020

Appendix III

319 stores across Australia and New Zealand¹



Group store reconciliation

	FY21	HY22			
		Opened	Converted	Closed	Total
Australia					
JB HI-FI	137	2	-	-	139
JB HI-FI HOME	60	-	-	-	60
	197	2	-	-	199
New Zealand					
JB HI-FI	14	-	-	-	14
JB HI-FI HOME	-	-	-	-	-
	14	-	-	-	14
JB HI-FI TOTAL	211	2	-	-	213
THE GOOD GUYS	105	1	-	-	106
TOTAL	316	3	-	-	319
Store type:					
JB HI-FI	151	2	-	-	153
JB HI-FI HOME	60	-	-	-	60
THE GOOD GUYS	105	1	-	-	106
	316	3	-	-	319
Store format:					
Shopping centre	127	1	(1)	-	127
Other	189	2	1	-	192
	316	3	-	-	319

¹ As at 31 December 2021

Important Notice and Disclaimer

The material in this presentation is general background information about JB Hi-Fi Limited (ACN 093 220 136) (JB Hi-Fi) and its activities current as at the date of the presentation, 14th February 2022. It is information given in summary form and does not purport to be complete. It should be read in conjunction with JB Hi-Fi's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, which are available at www.asx.com.au. Information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not consider the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors, and consult with their own legal, tax, business and/or financial advisor in connection with any investment decision.

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