

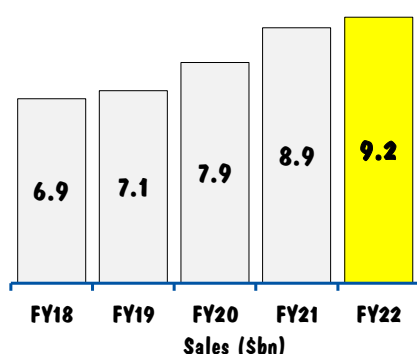
## COMPANY ANNOUNCEMENT

15 August 2022

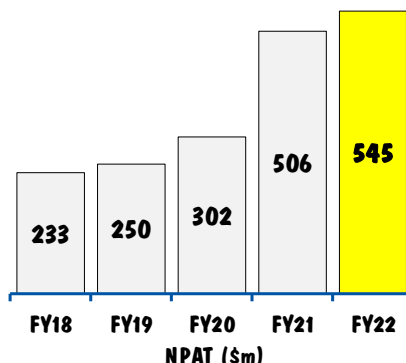
## JB Hi-Fi Limited Full Year 2022 Results

### FY22 Highlights

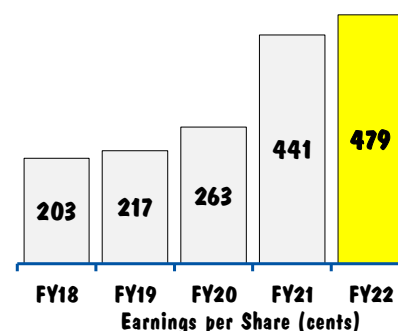
**Total sales up 3.5% to \$9.2b**



**NPAT up 7.7% to \$545m**



**EPS up 8.8% to 479.5 cps**



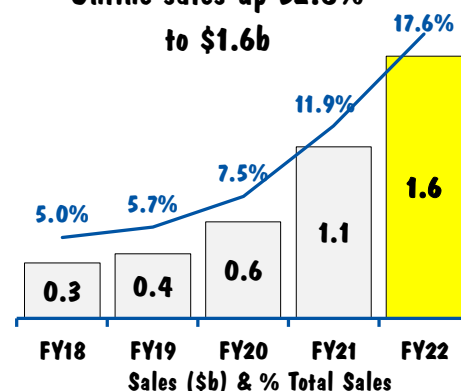
JB Hi-Fi Limited ("Group") today reports for the 12 months ending 30 June 2022 ("FY22"):

- Total sales up 3.5% to \$9.23 billion;
- Online sales up 52.8% to \$1.63 billion;
- Earnings before interest and tax (EBIT) up 6.9% to \$794.6 million;
- Net profit after tax (NPAT) up 7.7% to \$544.9 million;
- Earnings per share up 8.8% to 479.5 cps;
- Final Dividend per share up 46.0 cps or 43.0% to 153.0 cps, bringing the total dividend for FY22 to 316.0 cps, up 29.0 cps or 10.1%;
- Through the total dividend for FY22 and the FY22 Off-Market Share Buy-Back, the Group will have returned \$604 million to shareholders; and
- The Group today released its FY22 Sustainability Report that outlines the significant progress it has made across a number of initiatives towards its commitment to having a positive impact on its people, its communities and its environment.

Group CEO, Terry Smart said "We are pleased to report record sales and earnings for FY22. These results reinforce the enormous trust our customers have in our brands and the strength of our multichannel offer, which continues to provide customers with choice on how to shop."

The Group has continued to invest in its multichannel strategy across online and supply chain, including upgrades to its websites and distribution centres and expanded customer delivery options. Total online sales across the Group grew by 52.8% to \$1.63 billion, representing 17.6% of total sales. In the second half, with all stores open, online sales represented 11.9% of total sales.

**Online sales up 52.8% to \$1.6b**



## **FY22 Trading Performance**

### **JB HI-FI Australia**

Total sales increased by 4.0% to \$6.20 billion, with comparable sales up 3.4%. Sales momentum was strong through the year, particularly in the second half with sales up 11.7%, driven by continued heightened customer demand for consumer electronics and home appliance products. The key growth categories were Communications, Visual, Small Appliances, Smart Home and Accessories. Online sales grew 52.3% to \$1.19 billion or 19.2% of total sales.

Gross profit increased by 4.7% to \$1.39 billion with gross margin up 15 bps to 22.4%, driven by strong improvements in key categories, particularly in the second half. Cost of doing business ("CODB") was 11.4%, up 21 bps on the pcp. The business' low CODB remains a competitive advantage and is maintained through a continued focus on productivity, minimising unnecessary expenditure and leveraging scale.

EBIT was up 4.2% to \$544.9 million with EBIT margin up 1 bp to 8.8%. Second half FY22 EBIT was up 30.7%, driven by elevated sales growth and improvement in gross margins.

### **JB HI-FI New Zealand**

Total sales were up 0.3% to NZD262.4 million, with comparable sales up 0.3%. Second half sales were up 6.3%. The key growth categories were Visual, Games Hardware and Smart Home. Online sales in New Zealand grew 56.7% to NZD43.3 million, or 16.5% of total sales.

Gross profit decreased by 2.1% to NZD45.7 million with gross margin down 43 bps to 17.4%. CODB was 12.8%, down 36 bps, and in absolute terms declined by 2.5% as store wages remained well controlled.

EBIT was up 51.7% to NZD8.8 million. Underlying EBIT, excluding the impact of impairments in the current and prior year, was NZD4.7 million, down NZD1.3 million.

### **The Good Guys**

Total sales increased by 2.7% to \$2.79 billion, with comparable sales up 2.2%. Sales momentum was strong through the year, particularly in the second half with sales up 6.7%, driven by continued heightened customer demand for consumer electronics and home appliance products. The key growth categories were Laundry, Portable Appliances, Floorcare, Dishwashers and Visual. Online sales were up 53.7% to \$397.0 million or 14.2% of total sales.

Gross profit increased by 6.8% to \$649.9 million with gross margin up 89 bps to 23.3%, driven by strong improvements in key categories, particularly in the second half. CODB was 11.8%, up 12 bps as store wages remained well controlled throughout the year.

EBIT was up 12.5% to \$241.4 million with EBIT margin up 75 bps to 8.7%. Second half FY22 EBIT was up 36.5%, driven by elevated sales growth and improvement in gross margins.

## **Executive Appointment – JB Hi-Fi New Zealand**

The Group recently completed a strategic review of the JB Hi-Fi New Zealand business and believes there is a significant opportunity to grow and expand the business.

To lead the repositioning and growth of the New Zealand business, the Group is pleased to announce the appointment of Tim Edwards as Managing Director of JB Hi-Fi New Zealand. Tim previously worked at the Warehouse Group for more than a decade, including seven years as CEO of Noel Leeming, and brings deep local experience and long-standing relationships, combined with a passion for retail.

Over the next three years, the Group will be investing in improving the JB Hi-Fi New Zealand customer offer, refreshing the store network, opening new stores and upgrading its online platform.

Group CEO, Terry Smart said "We are delighted to welcome Tim to the JB Hi-Fi Group. He is a proven retail executive with an outstanding track record, particularly in the New Zealand consumer electronics and technology market. We look forward to growing our New Zealand business under his leadership."

### Capital Management

The Board has today declared a final dividend of 153 cents per share (cps) fully franked, up 46 cps or 43.0%, bringing the total dividend for FY22 to 316 cps, up 29 cps or 10.1%, and representing 65% of NPAT.

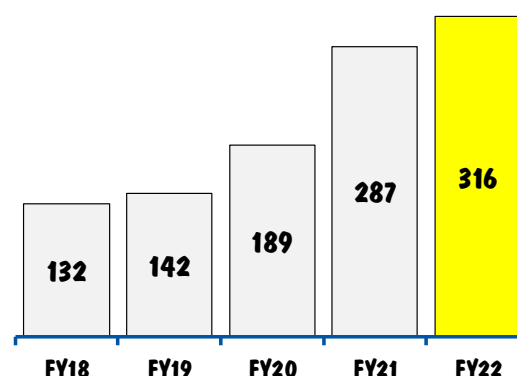
The final dividend will be paid on 9 September 2022. The record date for determining the entitlement for the final dividend is 26 August 2022.

On 11 April 2022, the Group completed a \$250 million Off-Market Share Buy-Back comprising a \$232.4 million fully franked dividend (92.9%) and \$17.6 million capital component (7.1%).

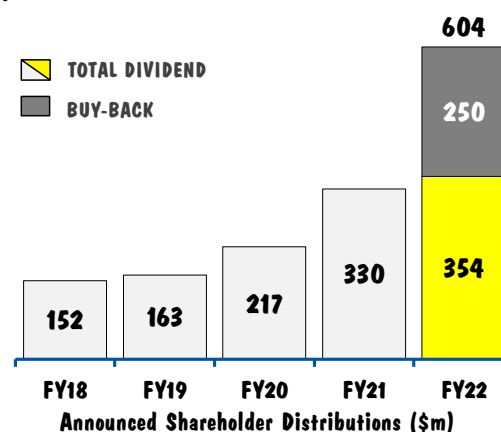
Through the total dividend for FY22 and the FY22 Off-Market Share Buy-Back, the Group will have returned \$604 million to shareholders.

The Group continues to maintain a strong balance sheet, with closing net cash of \$66.2 million at 30 June 2022. 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.

### Total dividend up 10.1% to 316 cps



### \$604m to be returned to Shareholders



### Generating sustainable long-term growth

The Group today released its FY22 Sustainability Report outlining the Group's commitment to having a positive impact on its people, its community and its environment.

As set out in the Report, the Group is committed to:

- Supporting its **people** and ensuring a safe, inclusive and respectful workplace, whilst always looking for ways to provide them with flexibility and opportunities to grow and develop;
- Making a positive impact in the **communities** in which its team members live and work and working with its supply partners to protect and further human rights; and
- Minimising the impact that its operations may have on the natural **environment** and pro-actively reducing its waste, energy consumption and emissions.

The Group is pleased with the progress made in these key areas of focus, which in FY22 included:

- Solar power generation installed in 14 stores as the Group works towards net-zero direct (scope 1 and 2) carbon emissions by 2030;
- Continued to action a set of Diversity and Inclusion initiatives, to improve diversity in leadership and inclusion, including the launch of a revised Parental Leave Policy which supports all primary carers regardless of gender and doubles the amount of paid parental leave from 6 to 12 weeks;
- Workplace giving donations totalling \$3.7 million in FY22 and \$31.7 million since inception;
- Continued focus on safety including mental health and wellbeing training programs;
- Updated and distributed its revised Group Ethical Sourcing Policy, including a new requirement for social compliance auditing; and
- Improvements in sustainable packaging across its own brand products in line with 2025 National Packaging Targets.

The FY22 Sustainability Report can be found on the Group's investor website (<https://investors.jbhifi.com.au/>).

**FY23 Trading Update**

**July 2022 Sales Update**

The Group provides the following sales update, for the period 1 July 2022 to 31 July 2022:

- Total sales growth for JB HI-FI Australia was 9.7% (July 2021: -12.4%) with comparable sales growth of 9.2% (July 2021: -12.6%);
- Total sales growth for JB HI-FI New Zealand was -0.9% (July 2021: 8.1%) with comparable sales growth of -0.9% (July 2021: 8.1%); and
- Total sales growth for The Good Guys was 7.8% (July 2021: -6.4%) with comparable sales growth of 7.8% (July 2021: -6.9%).

The Group is pleased with its start to FY23, with continued sales momentum and strong sales growth rates over a three-year period.

Group CEO, Terry Smart said, “As we enter an increasingly uncertain retail environment and household budgets come under further pressure, customers will gravitate to trusted value-driven retailers. Our ongoing strategy of providing customers with the best value and outstanding service every day, will ensure our brands continue to deliver for our customers and remain a destination of choice into the future.”

Terry added “I would again like to thank our over 13,000 dedicated team members who remain focused on the customer and continue to adapt and respond to meet their needs.”

Authorised by the Board.

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