



JB HI-FI LIMITED
60 CITY ROAD
SOUTHBANK VIC 3006
ABN: 80 093 220 136
www.jbhifi.com.au

COMPANY ANNOUNCEMENT

3 May 2023

Macquarie Conference Presentation

Please see attached the Presentation to today's Macquarie Conference as authorised by the Group CEO, Terry Smart.

Doug Smith
Company Secretary

JB Hi-Fi Limited

2023 Macquarie Australia Conference



Agenda

1. The group model
2. Group focus areas update
3. Creating a long-term sustainable business
4. Group sales update
5. Investment checklist

1.

The group model

The group model

Two iconic retail brands



Purpose

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

Help families live better for less

Core Product offering

technology and consumer electronics

home appliances and consumer electronics

Channels

200+ locations	Online	JB HI-FI Business	JB HI-FI Education	Phone Sales
----------------	--------	-------------------	--------------------	-------------

100+ locations	Online	TGG Commercial	Phone Sales
----------------	--------	----------------	-------------

Target customer base

young tech-savvy demographic

home-making families

Value proposition

Known and trusted for value
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

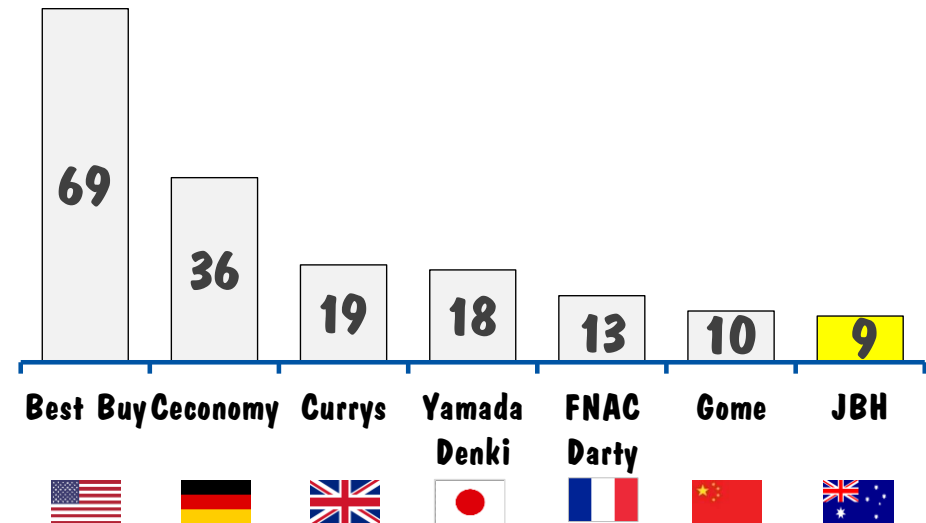
The group model

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)



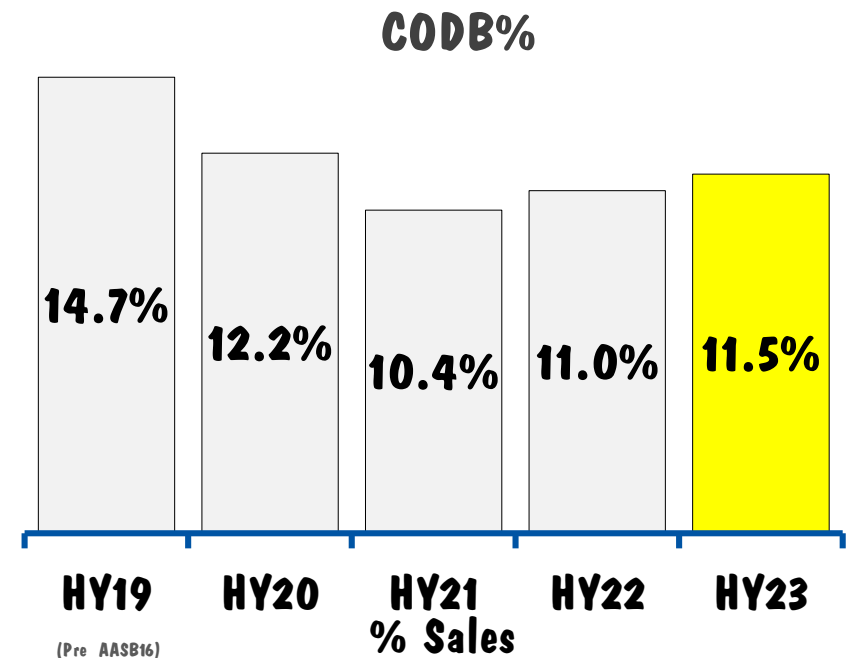
¹Source: Sales as reported in each company's most recent full year result translated to AUD.

The 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



The 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 sales 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
- Aftersales support via any channel provides confidence when buying
- National Commercial business supporting corporate, government and education customers



The 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 and its purpose
- Diverse and inclusive workforce
- Unrelenting focus on health and safety



2.

Group focus areas update

Group focus areas update

1. Multichannel

Ensuring we continue to seamlessly meet our customers' differing shopping requirements

Stores

- Continue to focus on the in-store experience and engagement
- Constant category and store layout evolution
- Continued data driven evaluation of new store opportunities
- Additional smaller 'curated range' store expansion opportunity
- 5 new JB HI-FI stores opened in FY23 including smaller curated range stores in Parkmore (VIC) and the Gold Coast International Airport and a regional JB HI-FI HOME offer in Nowra (NSW)



Online

- Significant web traffic can be further leveraged to drive additional sales opportunities and stickiness
- Extending the aisle in relevant adjacencies
- Focus on improving customer conversion and online spend
- Always evolving delivery options to provide greater choice & convenience for shoppers



Group focus areas update

1. Multichannel - continued

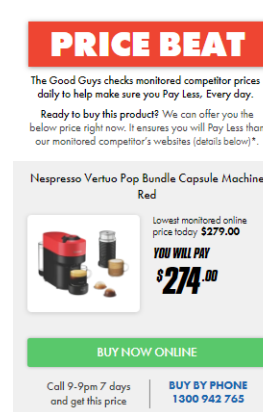
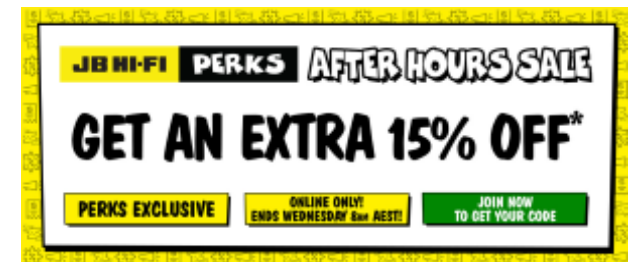
Ensuring we continue to seamlessly meet our customers' differing shopping requirements

Multi to Omni Channel

- Connecting customer data across all channels to create a consistent, predictable and more personalised experience
- Tailor messaging and offers to customers based on known preferences to drive sales
- National launch of the JB Perks membership program for JB Hi-Fi Australia, with 554k customers joining the program since launch in November 2022

New ways to engage and deal

- Continue to develop new and convenient ways for customers to interact with the brands
 - Over the phone sales with price negotiation
 - Online live chat
 - The Good Guys Online "Price Beat"
 - JB TV / The Good Guys Facebook



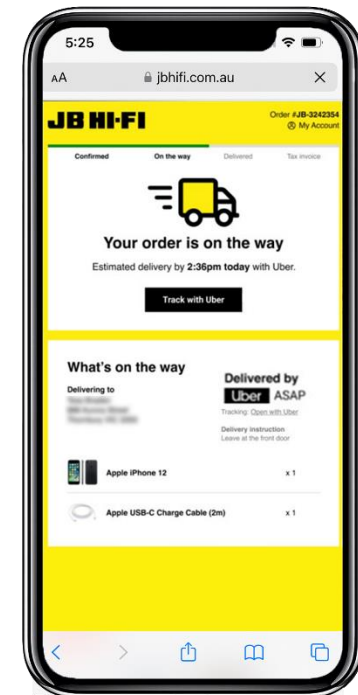
Group focus areas update

2. Supply Chain

Continued investment in a fit for purpose Group Supply Chain that supports In-store and Online fulfillment

Supply Chain

- Highly focused on customer delivery solutions
- Launched 'on-demand' delivery service, in partnership with Uber in JB HI-FI Australia in September 2022 with strong initial take-up and 37 minute average delivery time
- Launched improved delivery options for The Good Guys customers focusing on increased certainty, transparency and choice
- Continue the roll out of our Big & Bulky Home Delivery Centres ("HDC") that enable an improved customer experience and greater stock efficiency, and reinforce our safety first approach
 - Newcastle HDC opened and Brisbane relocated to larger facilities in 2HY23
 - Perth to relocate to larger facility in FY24
- Continue to review the Supply Chain network to ensure it remains fit for purpose, evolves with our multichannel strategy and continues to improve the customer experience



Group focus areas update

3. Commercial

Developing our Commercial businesses for future growth

Evolving the Brand

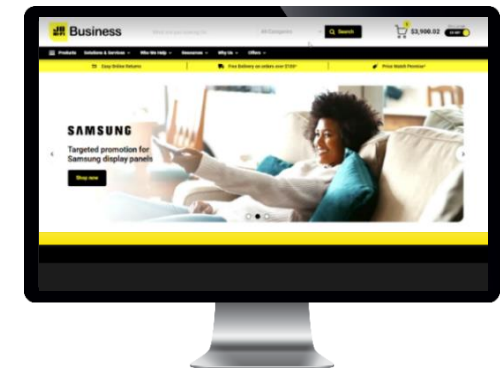
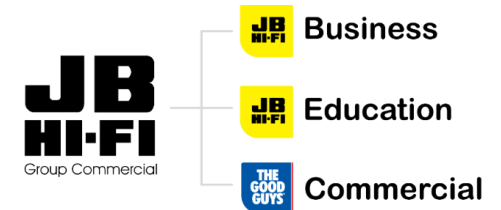
- Evolving the brand to align to our key market segments
 - JB Hi-Fi Business
 - JB Hi-Fi Education
 - The Good Guys Commercial
- Targeting growth in small to medium sized business sectors

Value Proposition

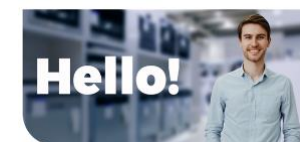
- National proposition in a fragmented market
- Leveraging the Group's retail proposition of best brands, biggest range & lowest prices as well as the Group's store network and supply chain and marketing capabilities
- Augmented by access to extended business ranges, value-added-services and expert teams to support businesses and education providers

Deliver a better customer experience

- Expert support via help desk and direct access to account managers with continued investment in our sales team and inside sales channel
- Continued investment in eCommerce program, integrating legacy platforms and enabling self-service transactions
- Expansion of product range, integration with supplier catalogues, improving stock availability and fast quotations
- Fast online fulfillment, order tracking and integration with store Click and Collect (within 1 hour)



Commercial



What technology decision do you need to make today?

Request a free JB Hi-Fi Business account and enjoy access to hundreds of best brands, commercial pricing, our rapid delivery network, business solutions experts and more.

[Request an account](#)



Group focus areas update

4. New Zealand

Opportunity to grow and expand the business

Grow the
existing retail
base

- Refresh the store network to deliver an improved in-store customer shopping experience and engagement
- 7 existing store relays completed in FY23 and the relocation of stores at Queen St & Hamilton in early FY24
- Improve quality of sale and conversion
- Work closely with our supply partners to improve our product offer
- Expand Services offer
- Increased focus on retail execution is delivering strong market share gains

New store
rollout

- Actively identifying potential new store opportunities to expand our reach
- Targeting 3-5 new stores per year



Group focus areas update

4. New Zealand - continued

Opportunity to grow and expand the business

Grow
Multichannel
capability

- Evolve our multichannel offer including
 - The re-platforming of the JB HI-FI New Zealand website to Shopify in FY24 and
 - Developing Commercial channel

Strengthen local
team

- Successful transition to new MD
- Investment in key hires to strengthen local capability and support growth
- Continue to focus on the learning and development of our team members



Group focus areas update

5. Retail Execution

Well placed in a tougher market to leverage our proposition that centres on value and service

Delivering value to the customer

- Leverage our **low price** and discount heritage
- Utilise our scale and supplier relationships to continue to create **best in market offers and promotions**
- Use the breadth of our **range, brands and price points** to give customers choice to trade up or trade down
- **Knowledgeable team members** educate and engage to create an entertaining and unique in-store experience
- Staying highly focused on actively proving our **great value offering** to our customer

Leveraging the efficiency of the model

- **Low cost culture** with a focus on minimising unnecessary expenditure
- **Diverse** product categories, brands and store locations
- Well managed stock position with **high stock turns and low weeks' cover**
- **Flexible business model** with the ability to respond quickly to changes in the consumer environment



3.

**Creating a long-term sustainable
business**

Creating a long-term sustainable business

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

Sustainability Policy focus areas

FY23 YTD Achievements



Our People

- Diversity & inclusion
- Health, safety and wellbeing

- Continued to action a set of initiatives to improve diversity in leadership and inclusion
- Launched the JB Hi-Fi Group “Speak Up” campaign to encourage our teams to raise any issues impacting their feelings of inclusion, respect and safety at work
- Ongoing focus on safety including mental health and wellbeing training programs
- Continued low team member turnover



JB HI-FI THE GOOD GUYS

Speak Up. We're listening.

Why Speak Up?
We're committed to building on our workplace culture and continuing to ensure everyone feels respected, included and safe at work every day.

What is Speak Up?
It's about encouraging you to call out any issue that impacts your feelings of inclusion, your safety and respect in the workplace. It's knowing that if you bring forward a concern, we will listen and support you.

Who should Speak Up?
If you see or experience behaviour that makes you feel uncomfortable or unsafe, you should Speak Up.

How to Speak Up

Talk directly to the person involved, if you feel comfortable.	Talk to your manager, another manager or with HR.
--	---

We'll support you
We'll listen and support you. We'll take your concerns seriously and address them. Let's work together to build on our culture and ensure we all feel comfortable to Speak Up.

Scan here to find your HR contact.

Creating a long-term sustainable business

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

Sustainability Policy focus areas

FY23 YTD Achievements



Our Communities

- Community investment
- Ethical Sourcing

- FY23 YTD workplace giving donations totalling \$3.0 million and \$34.7 million since inception
- Released our third Modern Slavery Statement outlining the actions that we are taking to address the risk of modern slavery
- Updated our Ethical Sourcing Policy with a number of enhancements including the requirement for social compliance auditing



Creating a long-term sustainable business

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

Sustainability Policy focus areas



Our Environment

- Climate action
- Product & waste recycling

FY23 YTD Achievements

- Solar power generation installed in 10 stores in FY23 YTD bringing the total number of stores to 25 as the Group works towards net-zero direct (scope 1 and 2) carbon emissions by 2030
- Improved the management and recycling of the waste generated by our operations
- Continued improvements in sustainable packaging across own brand products, in line with 2025 National Packaging Targets



4.

Group sales update

Group sales update

- The Group provides the following sales update for the period 1 January 2023 to 31 March 2023 (“Q3 FY23”):

Q3 FY23 Sales Growth	vs FY22		vs Pre Covid FY19
	Comparable	Total	Total
JB HI-FI Australia	(0.1%)	0.8%	38.8%
JB HI-FI New Zealand (NZD)	10.8%	10.8%	30.1%
The Good Guys	(3.8%)	(3.8%)	22.4%

Q3 FY23 YTD Sales Growth	vs FY22		vs Pre Covid FY19
	Comparable	Total	Total
JB HI-FI Australia	5.8%	6.5%	38.6%
JB HI-FI New Zealand (NZD)	14.5%	14.5%	24.2%
The Good Guys	3.8%	3.8%	32.1%

- The Group is pleased with the Q3 FY23 trading result, with sales continuing to be well above pre Covid FY19. As anticipated, sales growth has started to moderate from the elevated levels seen in the first half of FY23, but our trusted value-based offerings have continued to resonate with our customers and grown our market share

5.

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 
Diverse and resilient 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 

QUESTIONS