

# JB Hi-Fi Limited

## FY24 Results Presentation



# Agenda

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1. Group Overview
2. JB HI-FI Australia
3. JB HI-FI New Zealand
4. The Good Guys
5. Group Balance Sheet and Cash Flow
6. Group FY25 Trading Update
7. Acquisition of e&s
8. Group Focus Areas
9. Investment Checklist

**Terry Smart**  
Group CEO

**Nick Wells**  
Group CFO

# **1.**

## **Group Overview**

# The group model

## Two iconic 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

Channels

220+ Stores

Online

Over the Phone Sales

JB HI-FI Business

JB HI-FI Education

100+ Stores

Online

Over the Phone Sales

TGG Commercial

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

Known for **passionate, knowledgeable team members**  
Exceptional customer service

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

- Strong and engaged supplier relationships, importance to suppliers 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

### 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

### 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
  - **Stores** - High quality store locations that provide convenience and easy access
  - **Online** - High brand awareness and optimised digital experience drives high traffic through websites
  - **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 big and bulky home delivery centres
- Aftersales support via any channel provides confidence when buying
- National Commercial business supporting corporate, government and education customers

### 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

# Generating sustainable long-term growth

The Group today released its FY24 Sustainability Report outlining our commitment to having a positive impact on our people, our community and our environment

## Sustainability Policy focus areas

## FY24 Progress

### Our People



- Diversity & inclusion
- Health, safety and wellbeing

- Continued to improve gender diversity across the Group, with an increase in the number of women in leadership positions at Board, Senior Management and Store Management levels
- Continued to invest in leadership development, that included launching a new women in leadership program in Australia and New Zealand
- Ongoing focus on safety including mental health and wellbeing, psychosocial hazard and aggressive customer training programs

### Our Communities



- Community investment
- Ethical sourcing
- Data security and privacy

- FY24 workplace giving donations totalling \$4.2 million and \$39.9 million since inception
- JB HI-FI Helping Hands program won the gold award for the best workplace giving program of the year at the 2023 Annual Workplace Giving Excellence Awards
- The Good Guys Doing Good program welcomed two new charities, Clean Up Australia and Black Dog Institute, to the program
- Engaged an additional 68 suppliers on modern slavery, reviewed social compliance audits of 74 factories on our supplier watchlist and completed an on-site review of 5 factories supplying our JB HI-FI private label products

### Our Environment



- Climate action
- Product & waste recycling

- Solar power generation installed in 7 stores in FY24, bringing the total number of stores to 30 and added 'Green Power' to the Group's energy mix, as the Group continues to work towards net-zero direct (scope 1 and 2) carbon emissions by 2030
- Improved JB Hi-Fi's core private label range packaging, with 100% recyclable packaging used across 77% of the range (up from 56% in FY23)
- JB HI-FI Australia transitioned to 100% recyclable paper bags, with all single use plastic bags now phased out nationally
- Completed the implementation of battery, phone and small e-waste recycling kiosks in JB HI-FI Australia and The Good Guys stores, with 16 tonnes of batteries and e-waste received for recycling

The FY24 Sustainability Report can be found on the Group's investor website (<https://investors.jbhifi.com.au/>)

# Group FY24 Performance

## FY24 Group Performance

AUD	FY24	FY23	Growth	
Total sales (\$m)	9,592.4	9,626.4	(34.0)	(0.4%) ▼
Earnings before interest and tax (\$m)	647.2	769.0	(121.8)	(15.8%) ▼
Net profit after tax (\$m)	438.8	524.6	(85.8)	(16.4%) ▼
Earnings per share (basic ¢)	401.4	479.9	(78 cps)	(16.4%) ▼
Ordinary Dividend per share (¢)	261.0	312.0	(51 cps)	(16.3%) ▼

In addition to the FY24 results, the Group has today announced it has:

- Entered into an agreement to acquire E. & S. Trading Co. (Discounts) Pty. Ltd. (“e&s”), with an initial acquisition of 75% of e&s for cash consideration of \$47.8 million
- Declared a special dividend of 80 cps fully franked, or \$87.5 million, and together with the final dividend, will distribute \$200 million to shareholders

# Group FY24 Performance

## FY24 Group Performance

	FY24	FY23	Growth	
			\$m	%
<b>Sales (\$m)</b>				
- JB HI-FI Australia	6,609.9	6,546.1	63.8	1.0% ▲
- JB HI-FI New Zealand (NZD)	327.9	292.1	35.9	12.3% ▲
- The Good Guys	2,679.1	2,813.0	(133.9)	(4.8%) ▼
<b>Total Sales (AUDm)</b>	<b>9,592.4</b>	<b>9,626.4</b>	<b>(34.0)</b>	<b>(0.4%) ▼</b>
<b>EBIT (\$m)</b>				
- JB HI-FI Australia	491.2	551.9	(60.7)	(11.0%) ▼
- JB HI-FI New Zealand (NZD)	(2.3)	4.4	(6.7)	n/m ▼
- The Good Guys	158.1	213.0	(54.9)	(25.8%) ▼
<b>Total EBIT (AUDm)</b>	<b>647.2</b>	<b>769.0</b>	<b>(121.8)</b>	<b>(15.8%) ▼</b>
<b>EBIT Margin (%)</b>				
- JB HI-FI Australia	7.43%	8.43%	(100 bps)	▼
- JB HI-FI New Zealand	(0.69%)	1.52%	(221 bps)	▼
- The Good Guys	5.90%	7.57%	(167 bps)	▼
<b>Total EBIT Margin (%)</b>	<b>6.75%</b>	<b>7.99%</b>	<b>(124 bps)</b>	<b>▼</b>





**2.**

**JB HI-FI Australia**



# JB HI-FI Australia FY24 Performance

AUD	FY24	FY23	Growth
Sales (\$m)	6,609.9	6,546.1	1.0% ▲
Gross Profit (\$m)	1,467.8	1,481.4	(0.9%) ▼
Gross Margin (%)	22.21%	22.63%	(42 bps) ▼
Cost of Doing Business (%)	12.61%	12.07%	+54 bps ▲
EBITDA (\$m)	634.1	690.9	(8.2%) ▼
<i>EBITDA Margin (%)</i>	9.59%	10.55%	(96 bps) ▼
EBIT (\$m)	491.2	551.9	(11.0%) ▼
<i>EBIT Margin (%)</i>	7.43%	8.43%	(100 bps) ▼

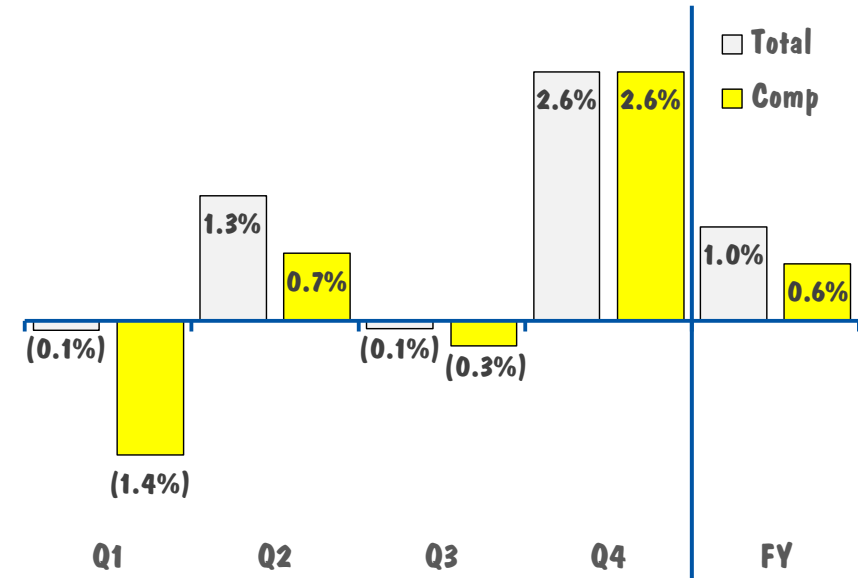


# JB HI-FI Australia FY24 Performance

## FY24 Sales

- Total sales increased by 1.0% to \$6.61 billion, with comparable sales up 0.6%, driven by continued customer demand for technology and consumer electronics products, and supported by well-executed Black Friday, Boxing Day and Tax Time promotional periods
- The key growth categories were Mobile Phones, Small Appliances, Cameras, Games Hardware and Services. Software sales (Music, Movies and Games) were 3.6% of total sales (FY23: 4.1%)
- Online<sup>1</sup> sales increased by 2.8% to \$1.03 billion or 15.5% of total sales (FY23: 15.3%)

## SALES GROWTH BY QUARTER

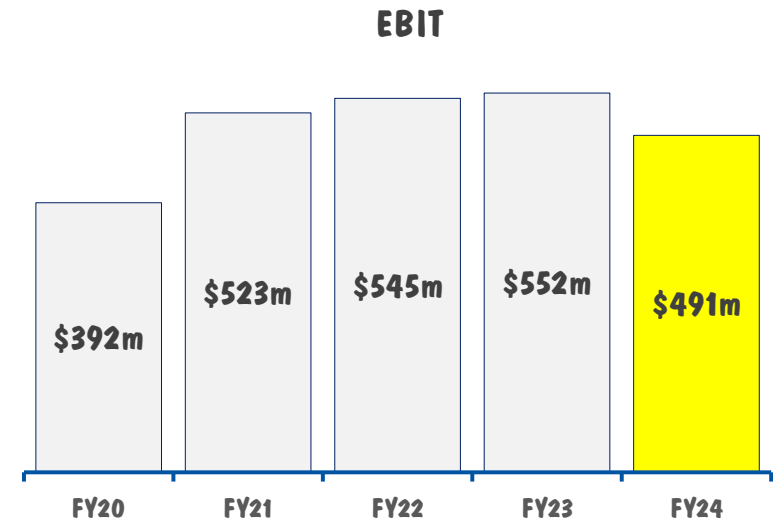


<sup>1</sup> Online sales, including web chat and over the phone sales

# JB HI-FI Australia FY24 Performance

## FY24 Earnings

- Gross profit decreased by 0.9% to \$1.47 billion with gross margin down 42 bps to 22.2%, driven by sales mix and increased levels of on-floor discounting
- CODB was 12.6%, up 54 bps, and in absolute terms grew 5.5%, with disciplined cost control helping to manage inflationary cost pressures
- Depreciation increased by 2.8% with an increase in depreciation on right-of-use assets offset by a decline in depreciation on fixed assets
- EBIT decreased by 11.0% to \$491.2 million with EBIT margin down 100 bps to 7.4%





**3.**

**JB HI-FI New Zealand**



# JB HI-FI New Zealand FY24 Performance

NZD	FY24	FY23	Growth
Sales (\$m)	327.9	292.1	12.3% ▲
Gross Profit (\$m)	55.5	46.7	18.8% ▲
Gross Margin (%)	16.93%	16.00%	+93 bps ▲
Cost of Doing Business (%)	15.59%	14.18%	+141 bps ▲
EBITDA (\$m)	4.4	5.3	(17.1%) ▼
<i>EBITDA Margin (%)</i>	1.35%	1.82%	(48 bps) ▼
EBIT (\$m)	(2.3)	4.4	n/m ▼
<i>EBIT Margin (%)</i>	(0.69%)	1.52%	(221 bps) ▼
Underlying EBIT (\$m) <sup>1</sup>	(5.5)	(2.2)	(146.7%) ▼
<i>Underlying EBIT Margin (%)</i>	(1.68%)	(0.77%)	(92 bps) ▼

<sup>1</sup> Underlying EBIT represents EBIT adjusted for depreciation of NZD3.2 million (FY23: NZD6.7 million) that would have been recognised if right-of-use assets and fixed assets had not been impaired in previous years

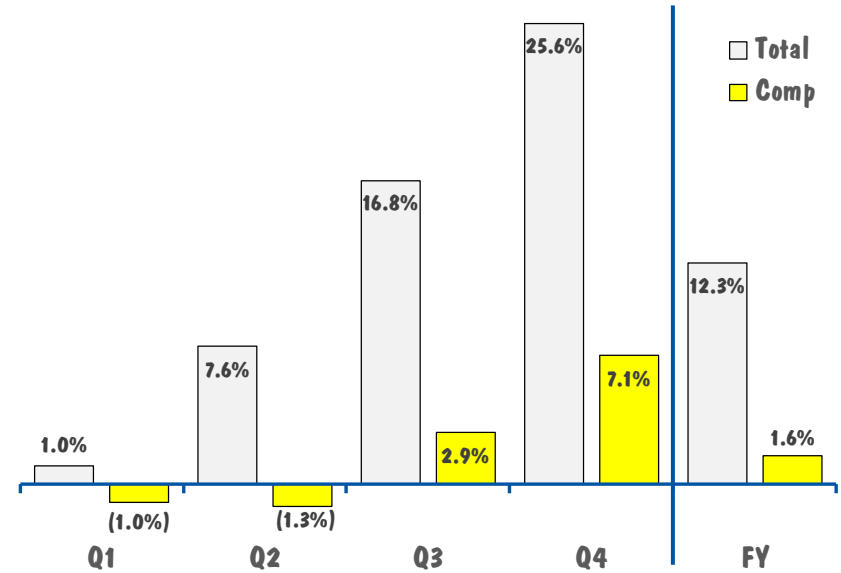


# JB HI-FI New Zealand FY24 Performance

## FY24 Sales

- Total sales increased by 12.3% to NZD327.9 million, with comparable sales up 1.6%
- The key growth categories were Mobile Phones, Audio, Games Hardware, IT and Small Appliances. Software sales (Music, Movies and Games) were 5.6% of total sales (FY23: 6.4%)
- Online sales increased by 32.4% to NZD42.6 million or 13.0% of total sales (FY23: 11.0%)
- 5 new stores were opened in FY24<sup>1</sup>

## SALES GROWTH BY QUARTER



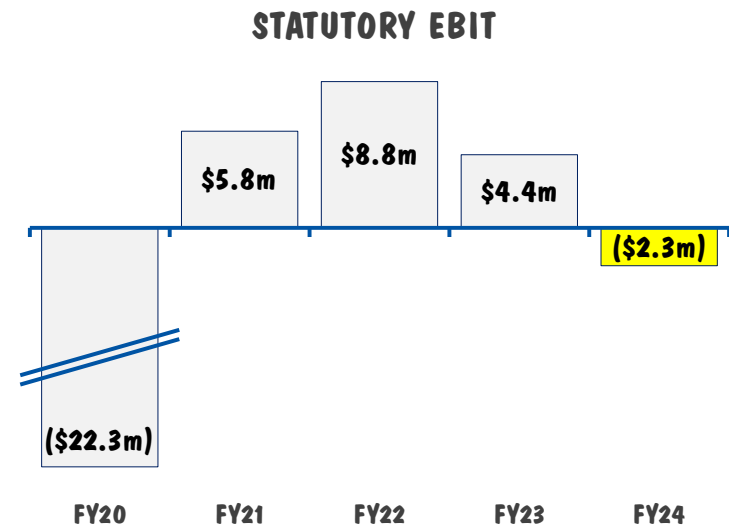
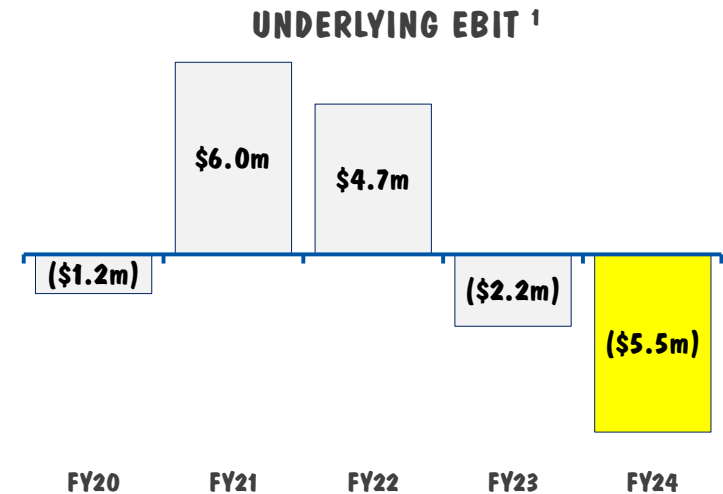
<sup>1</sup> 3 standard format stores and 2 international airport stores



# JB HI-FI New Zealand FY24 Performance

## FY24 Earnings

- Gross profit increased by 18.8% to NZD55.5 million with gross margin up 93 bps to 16.9%, an improvement off a low base in the pcp
- CODB was 15.6%, up 141bps. In absolute terms CODB grew 23.4% as we continue to invest in new stores and strategic initiatives, with comparable CODB up 5.1%
- EBITDA was NZD4.4 million, down 17.1%
- EBIT was negative NZD2.3 million, down NZD6.7 million
- Underlying EBIT, adjusted for depreciation that would have been recognised if right-of-use assets and fixed assets had not been previously impaired, was negative NZD5.5 million, down NZD3.3 million



<sup>1</sup> For FY20 to FY24, underlying EBIT represents EBIT adjusted for depreciation that would have been recognised if right-of-use assets and fixed assets had not been impaired





# 4.

## The Good Guys

# The Good Guys FY24 Performance

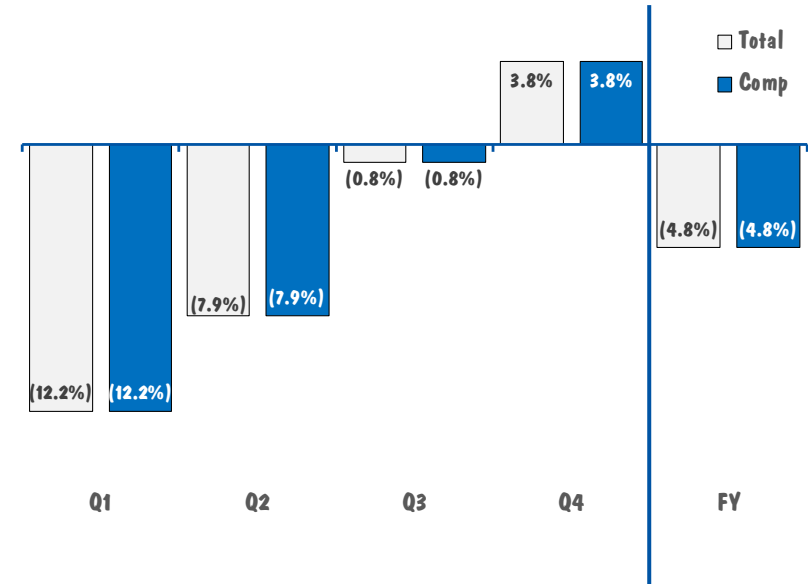
AUD	FY24	FY23	Growth
Sales (\$m)	2,679.1	2,813.0	(4.8%) ▼
Gross Profit (\$m)	621.2	658.4	(5.6%) ▼
Gross Margin (%)	23.19%	23.40%	(22 bps) ▼
Cost of Doing Business (%)	14.00%	12.83%	+117 bps ▲
EBITDA (\$m)	246.1	297.4	(17.3%) ▼
<i>EBITDA Margin (%)</i>	9.19%	10.57%	(139 bps) ▼
EBIT (\$m)	158.1	213.0	(25.8%) ▼
<i>EBIT Margin (%)</i>	5.90%	7.57%	(167 bps) ▼

# The Good Guys FY24 Performance

## FY24 Sales

- Total sales decreased by 4.8% to \$2.68 billion, with comparable sales down 4.8%
- The brand's core Home Appliance categories remained resilient, with the Consumer Electronics categories softer cycling elevated demand in the pcp
- Online<sup>1</sup> sales increased by 1.3% to \$387.2 million or 14.5% of total sales (FY23: 13.6%)

SALES GROWTH BY QUARTER

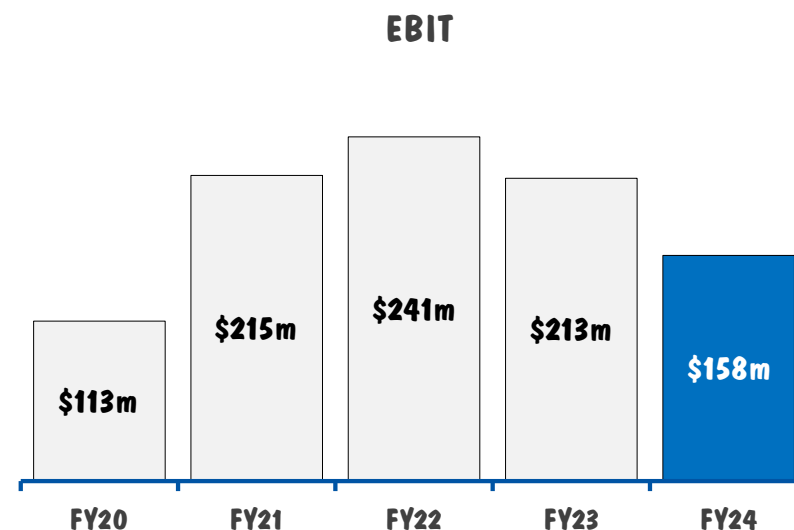


<sup>1</sup> Online sales, including web chat and over the phone sales

# The Good Guys FY24 Performance

## FY24 Earnings

- Gross profit was \$621.2 million with gross margin down 22 bps to 23.2%, driven by increased on-floor discounting
- CODB was 14.0%, up 117 bps, and in absolute terms grew 3.9%, with disciplined cost control helping to manage inflationary cost pressures
- Depreciation grew by 4.3% with an increase in both depreciation on right-of-use assets and depreciation on fixed assets
- EBIT was down by 25.8% to \$158.1 million with EBIT margin down 167 bps to 5.9%



**5.**

**Group Balance Sheet  
And Cash Flow**

# Group Balance Sheet and Cash Flow

## Group Balance Sheet

AUDm	FY24	FY23
Cash	317.7	177.3
Receivables	135.1	146.5
Inventories	1,093.6	1,040.9
Other	39.9	34.6
<b>Total Current Assets</b>	<b>1,586.3</b>	<b>1,399.3</b>
Fixed Assets	196.9	182.8
Intangibles & Goodwill	1,031.4	1,031.4
Other	103.7	91.3
Right of Use Asset	568.3	530.1
<b>Total Non-Current Assets</b>	<b>1,900.3</b>	<b>1,835.6</b>
<b>Total Assets</b>	<b>3,486.6</b>	<b>3,234.9</b>
Payables	720.8	660.5
Borrowings	15.0	-
Other	392.4	350.3
Lease Liabilities	182.6	174.1
<b>Total Current Liabilities</b>	<b>1,310.8</b>	<b>1,184.9</b>
Borrowings	-	49.8
Other	156.9	149.4
Lease Liabilities	459.8	431.2
<b>Total Non-Current Liabilities</b>	<b>616.7</b>	<b>630.4</b>
<b>Total Liabilities</b>	<b>1,927.5</b>	<b>1,815.3</b>
<b>Net Assets</b>	<b>1,559.1</b>	<b>1,419.6</b>
<b>Net Cash / (Net Debt)<sup>1</sup></b>	<b>302.7</b>	<b>127.5</b>
<b>Net Working Capital</b>	<b>76.0</b>	<b>116.2</b>

- Inventory was \$1.09 billion, up 5.1% or \$52.7 million year on year
- Inventory turnover was up 14 bps to 7.0x (FY23: 6.8x)
- Payables, which ordinarily would grow in line with inventory, were up 9.1% or \$60.3 million year on year, as strong tax time sales drove incremental buying in June to replenish inventory levels
- As a result, at 30 June net working capital was below normal levels

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

# Group Balance Sheet and Cash Flow

## Group Cash Flow Statement

AUDm	FY24	FY23
<b>EBITDA</b>	<b>884.3</b>	<b>993.2</b>
Change in working capital	40.2	5.0
Net interest received / (paid) on borrowings	9.3	0.7
Interest on lease liabilities	(29.2)	(21.9)
Income tax paid	(177.7)	(282.5)
Other	25.6	22.1
<b>Net Cash Flow from Operations</b>	<b>752.6</b>	<b>716.4</b>
Purchases of P&E (net)	(74.4)	(71.7)
<b>Net Cash Flow from Investing</b>	<b>(74.4)</b>	<b>(71.7)</b>
(Repayment) / proceeds from borrowings	(34.8)	(10.0)
Payment of lease liabilities	(187.6)	(182.8)
Off-market share buy-back	-	(0.3)
Shares acquired by the employee share trust	(17.0)	(17.3)
Dividends paid	(298.5)	(382.7)
<b>Net Cash Flow from Financing</b>	<b>(537.9)</b>	<b>(593.1)</b>
Net Change in Cash Position	140.3	51.6
Effect of exchange rates	0.1	0.1
<b>Cash at the end of Period</b>	<b>317.7</b>	<b>177.3</b>
<b>Free Cash Flow <sup>1</sup></b>	<b>490.6</b>	<b>461.9</b>
<b>Net Cash / (Net Debt) at the end of Period <sup>2</sup></b>	<b>302.7</b>	<b>127.5</b>

<sup>1</sup> Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and Repayment of lease liabilities

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

<sup>3</sup> Pre AASB16

## Group Performance Indicators

	FY24	FY23
Fixed Charge Ratio <sup>3</sup>	3.9x	4.5x
Interest Cover <sup>3</sup>	327.3x	170.9x
Gearing Ratio <sup>3</sup>	0.0	0.1
Return on Invested Capital	51.5%	59.5%

- Operating cash flows and operating cash conversion continue to be strong
- Capex was \$74.4 million, up 3.8% or \$2.7 million year on year, with investment in the store portfolio, online and strategic initiatives
- Net Cash was \$302.7 million, driven by continued strong cash generation and the low net working capital position

# Group Balance Sheet and Cash Flow

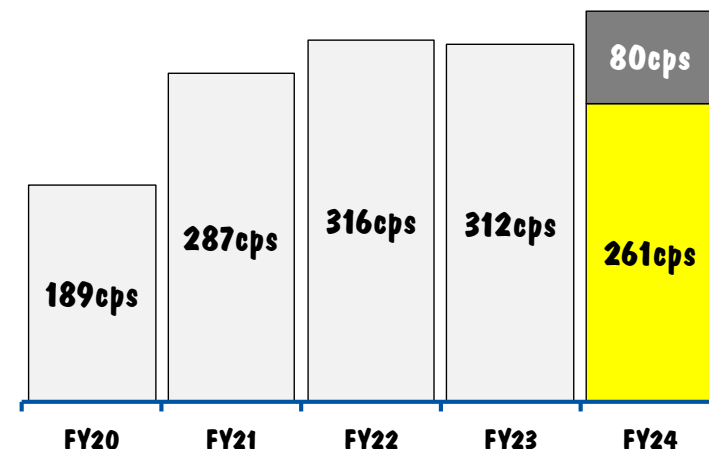
## Capital Management

- The final dividend is 103 cents per share (cps) fully franked, down 12 cps or 10.4%
- The total ordinary dividend for FY24 was 261 cps, down 51 cps or 16.3%, and representing 65% of NPAT

## Special Dividend

- As a result of the Group's continued strong financial performance and cashflow generation, the Group has an elevated net cash position and a significant franking credit balance
- Taking this into account, the Board has today declared a special dividend of 80 cps fully franked. The combined final dividend and special dividend will distribute \$200 million to shareholders, while continuing to provide the Group with balance sheet capacity to invest in organic and inorganic opportunities
- The record date for the final dividend and special dividend is 23 August 2024, with payment to be made on 6 September 2024
- The Board will continue to regularly review the Group's capital structure with a focus on maximising returns to all shareholders and maintaining balance sheet strength and flexibility

## FY24 ORDINARY DIVIDEND OF 261 CPS & SPECIAL DIVIDEND OF 80 CPS





**6.**

**Group FY25 Trading Update**

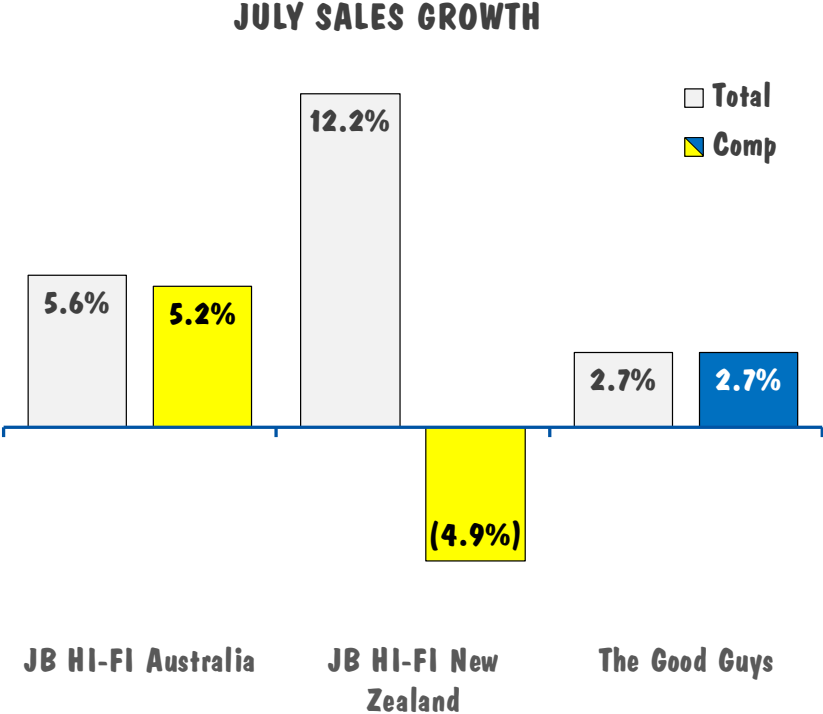
# Group FY25 Trading Update

## July 2024 sales update

The Group provides the following sales update for the period 1 July 2024 to 31 July 2024

- Total sales growth for JB HI-FI Australia was 5.6% with comparable sales growth of 5.2%
- Total sales growth for JB HI-FI New Zealand was 12.2% with comparable sales growth of -4.9%
- Total sales growth for The Good Guys was 2.7% with comparable sales growth of 2.7%

Sales are in line with the Group's expectations, with sales momentum in Australia continuing into July



# **7.**

## **Acquisition of e&s**

# Acquisition of e&s



The Group has entered into an agreement to acquire e&s, a highly complementary premium home appliance retailer

## e&s Overview

- Established in 1962 by the Sinclair family
- Premium offering across the kitchen, laundry and bathroom product segments
- 10 showrooms in Victoria and Online, plus 1 showroom in ACT to open in August 2024, delivering highly personalised customer service, both pre and post purchase
- Strong delivery capability
- Established commercial offering in Victoria servicing builders, developers and architects, with recent opening in ACT
- FY24 revenue of circa \$230m revenue and normalised pre AASB16 EBITDA of circa \$7m

## Strategic Rationale

e&s is highly complementary to the Group's existing brands, providing the Group with new and expanded customer segments and product categories, including:

- the premium home appliance customer and category;
- the bathroom category;
- the large commercial construction customer; and
- boutique and volume builders and architects.

The Group expects to be able to continue to grow e&s, both in Victoria and nationally.

## Transaction Details

- Initial acquisition of 75% for cash consideration of \$47.8 million on a cash-free / debt-free basis
- Put and call option arrangement in place for the acquisition of the remaining 25% in September 2029
- Rob Sinclair to continue as Managing Director of the business
- The acquisition will be funded through existing cash reserves
- Completion of the acquisition is subject to customary completion conditions and is expected to occur in September 2024



**8.**

**Group Focus Areas**



# Group Focus Areas

The Group continues to leverage and evolve its unique offer and capabilities

Group Focus Areas	FY25 Actions
Retail Execution & Value promotion	<ul style="list-style-type: none"> <li>▪ <b>Enhance Visual Merchandising:</b> Refine and improve in-store visual merchandising practices to ensure an engaging shopping experience</li> <li>▪ <b>Improve Conversion Rates:</b> Maximize existing customer traffic by enhancing conversion rates</li> <li>▪ <b>Solid Promotional Strategy:</b> Focus on a strong promotional program, especially during key sales events like Black Friday and Boxing Day</li> <li>▪ <b>Drive value:</b> Maintain a focused approach on actively promoting and demonstrating our exceptional value to customers</li> <li>▪ <b>Operational Efficiencies:</b> Drive operational efficiencies to reinvest in customer-facing roles and comprehensive team member training</li> </ul>
Multichannel growth	<ul style="list-style-type: none"> <li>▪ <b>New Store Openings:</b> Open two new JB HI-FI Australia stores and one The Good Guys store in FY25</li> <li>▪ <b>Expand Membership Program:</b> Continue to leverage the JB Perks membership program and grow the existing base of 1.6 million customers</li> <li>▪ <b>Launch Online Marketplace:</b> Recently launched a Marketplace on the JB HI-FI Australia website to capitalise on significant web traffic and expand our range in core categories</li> <li>▪ <b>Enhance Sales Channels:</b> Grow our phone, chat, and video sales channels to meet customer’s changing shopping needs</li> </ul>
New Zealand expansion	<ul style="list-style-type: none"> <li>▪ <b>New Store Openings:</b> Targeting 5 new stores in FY25</li> <li>▪ <b>Develop Commercial Sales:</b> Identify and cultivate opportunities for commercial sales</li> <li>▪ <b>Improve Gross Margins:</b> Leverage the growth in retail sales to enhance overall profit margins</li> <li>▪ <b>Invest in People and Systems:</b> Continue investing in our workforce and systems to support ongoing growth</li> </ul>



# Group Focus Areas

The Group continues to leverage and evolve its unique offer and capabilities

Group Focus Areas	FY25 Actions
<i>Commercial growth</i>	<ul style="list-style-type: none"><li>▪ <b>Expand Customer Base:</b> Continue to grow our active customer base across corporate, government, and education sectors</li><li>▪ <b>Leverage new AI Device opportunity:</b> Leverage our scale and reach to drive sales of new AI-enabled devices</li><li>▪ <b>Integrate with Retail:</b> Continue to integrate with the retail business, focusing on business customer lead generation and enhancing the delivery experience</li></ul>
<i>Supply Chain optimisation</i>	<ul style="list-style-type: none"><li>▪ <b>Enhance Delivery Options:</b> Focus on creating best-in-class customer experiences including launching a new transport management system</li><li>▪ <b>Optimize Inventory Flow:</b> Improve inventory flow during peak trade periods to enhance stock availability and ensure staff safety</li><li>▪ <b>Streamline Bulky Product flow:</b> Improve the flow of bulky products into regional stores to maximise in stock positions and ensure staff safety</li><li>▪ <b>Review Supply Chain Network:</b> Continuously review the supply chain network to ensure it aligns with our multichannel strategy and enhances the customer experience</li></ul>

**8.**

# **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 

# Appendices

# Appendix I

## Group Profit and Loss – Breakdown

AUDm	FY24				FY23				Growth
	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	
<b>Sales</b>	6,609.9	327.9	2,679.1	<b>9,592.4</b>	6,546.1	292.1	2,813.0	<b>9,626.4</b>	<b>(0.4%) ▼</b>
Gross Profit	1,467.8	55.5	621.2	2,140.4	1,481.4	46.7	658.4	2,182.5	(1.9%) ▼
<i>Gross Margin</i>	22.21%	16.93%	23.19%	22.31%	22.63%	16.00%	23.40%	22.67%	(36 bps) ▼
EBITDA	634.1	4.4	246.1	884.3	690.9	5.3	297.4	993.2	(11.0%) ▼
Depreciation on Fixed Assets	34.5	1.3	19.2	54.9	37.4	0.1	17.7	55.2	(0.6%) ▼
Depreciation on Right of Use Assets	108.4	5.4	68.8	182.2	101.6	0.8	66.6	169.0	7.8% ▲
<b>EBIT</b>	491.2	(2.3)	158.1	<b>647.2</b>	551.9	4.4	213.0	<b>769.0</b>	<b>(15.8%) ▼</b>
<i>EBIT Margin</i>	7.43%	(0.69%)	5.90%	6.75%	8.43%	1.52%	7.57%	7.99%	(124 bps) ▼
Interest on Lease Liabilities	17.5	1.5	10.3	29.2	13.4	0.4	8.1	21.9	32.9% ▲
Net Interest on Borrowings	-	-	-	(9.4)	-	-	-	(0.0)	n/m ▲
<b>Profit before Tax</b>	473.7	(3.7)	147.8	<b>627.4</b>	538.5	4.0	204.9	<b>747.1</b>	<b>(16.0%) ▼</b>
Tax Expense				188.6				222.5	(15.2%)
<b>NPAT</b>				<b>438.8</b>				<b>524.6</b>	<b>(16.4%) ▼</b>
<b>Headline Statistics:</b>									
Dividends per share (¢)				261.0				312.0	(16.3%) ▼
Earnings per share (basic ¢)				401.4				479.9	(16.4%) ▼
Cost of Doing Business	12.61%	15.59%	14.00%	13.10%	12.07%	14.18%	12.83%	12.35%	+74 bps ▲
Stores	205	19	106	330	202	14	106	322	+8 stores

# Appendix II

## a) 5 year Group Profit and Loss

AUDm	FY24	FY23	FY22	FY21	FY20
<b>Sales</b>	<b>9,592.4</b>	<b>9,626.4</b>	<b>9,232.0</b>	<b>8,916.1</b>	<b>7,918.9</b>
Gross Profit	2,140.4	2,182.5	2,080.4	1,977.2	1,694.1
<i>Gross Margin</i>	22.31%	22.67%	22.53%	22.18%	21.39%
EBITDA	884.3	993.2	1,013.9	961.6	718.0
Depreciation on Fixed Assets	54.9	55.2	53.8	54.8	59.9
Depreciation on Right of Use Assets	182.2	169.0	165.5	163.7	174.8
<b>EBIT</b>	<b>647.2</b>	<b>769.0</b>	<b>794.6</b>	<b>743.1</b>	<b>483.3</b>
<i>EBIT Margin</i>	6.75%	7.99%	8.61%	8.33%	6.10%
Interest on Lease Liabilities	29.2	21.9	18.7	21.3	24.9
Net Interest on Borrowings	(9.4)	(0.0)	0.6	1.8	10.4
<b>Profit before Tax</b>	<b>627.4</b>	<b>747.1</b>	<b>775.3</b>	<b>720.0</b>	<b>448.0</b>
Tax Expense	188.6	222.5	230.4	213.9	145.7
<b>NPAT</b>	<b>438.8</b>	<b>524.6</b>	<b>544.9</b>	<b>506.1</b>	<b>302.3</b>
<b>Headline Statistics:</b>					
Dividends per share (¢)	261.0	312.0	316.0	287.0	189.0
Earnings per share (basic ¢)	401.4	479.9	479.5	440.8	263.1
Cost of Doing Business	13.10%	12.35%	11.55%	11.39%	12.33%

# Appendix II

## b) 5 year JB HI-FI Australia Profit and Loss

AUDm	FY24	FY23	FY22	FY21	FY20
<b>Sales</b>	<b>6,609.9</b>	<b>6,546.1</b>	<b>6,196.5</b>	<b>5,956.8</b>	<b>5,318.9</b>
Gross Profit	1,467.8	1,481.4	1,387.7	1,325.2	1,169.0
<i>Gross Margin</i>	22.21%	22.63%	22.40%	22.25%	21.98%
EBITDA	634.1	690.9	681.4	658.5	525.6
Depreciation on Fixed Assets	34.5	37.4	38.9	39.7	38.7
Depreciation on Right of Use Assets	108.4	101.6	97.6	95.7	95.4
<b>EBIT</b>	<b>491.2</b>	<b>551.9</b>	<b>544.9</b>	<b>523.0</b>	<b>391.5</b>
<i>EBIT Margin</i>	7.43%	8.43%	8.79%	8.78%	7.36%
Interest on Lease Liabilities	17.5	13.4	10.9	12.4	15.3
<b>Profit before Tax</b>	<b>473.7</b>	<b>538.6</b>	<b>534.0</b>	<b>510.6</b>	<b>376.2</b>
<b>Headline Statistics:</b>					
Cost of Doing Business	12.61%	12.07%	11.40%	11.19%	12.10%
Stores	205	202	199	197	197

# Appendix II

## c) 5 year JB HI-FI New Zealand Profit and Loss

NZDm	FY24	FY23	FY22	FY21	FY20
<b>Sales</b>	<b>327.9</b>	<b>292.1</b>	<b>262.4</b>	<b>261.6</b>	<b>222.8</b>
Gross Profit	55.5	46.7	45.7	46.6	36.8
<i>Gross Margin</i>	16.93%	16.00%	17.40%	17.83%	16.54%
EBITDA	4.4	5.3	12.2	12.3	5.2
Depreciation on Fixed Assets	1.3	0.1	0.5	0.9	7.5
Depreciation on Right of Use Assets	5.4	0.8	2.8	5.6	19.9
<b>EBIT</b>	<b>(2.3)</b>	<b>4.4</b>	<b>8.8</b>	<b>5.8</b>	<b>(22.3)</b>
<i>EBIT Margin</i>	(0.69%)	1.52%	3.37%	2.23%	(10.01%)
Interest on Lease Liabilities	1.5	0.4	0.4	0.4	0.6
<b>Profit before Tax</b>	<b>(3.7)</b>	<b>4.0</b>	<b>8.5</b>	<b>5.4</b>	<b>(22.9)</b>
<b>Headline Statistics:</b>					
Cost of Doing Business	15.59%	14.18%	12.75%	13.12%	14.21%
Stores	19	14	14	14	14
<b>Underlying EBIT</b>	<b>(5.5)</b>	<b>(2.2)</b>	<b>4.7</b>	<b>6.0</b>	<b>(1.2)</b>
<i>Underlying EBIT Margin</i>	(1.68%)	(0.77%)	1.79%	2.29%	(0.54%)

# Appendix II

## d) 5 year The Good Guys Profit and Loss

AUDm	FY24	FY23	FY22	FY21	FY20
<b>Sales</b>	<b>2,679.1</b>	<b>2,813.0</b>	<b>2,789.4</b>	<b>2,715.7</b>	<b>2,388.8</b>
Gross Profit	621.2	658.4	649.9	608.6	490.2
<i>Gross Margin</i>	23.19%	23.40%	23.30%	22.41%	20.52%
EBITDA	246.1	297.4	321.1	291.7	187.4
Depreciation on Fixed Assets	19.2	17.7	14.4	14.3	14.0
Depreciation on Right of Use Assets	68.8	66.6	65.3	62.8	60.6
<b>EBIT</b>	<b>158.1</b>	<b>213.0</b>	<b>241.4</b>	<b>214.7</b>	<b>112.9</b>
<i>EBIT Margin</i>	5.90%	7.57%	8.65%	7.90%	4.72%
Interest on Lease Liabilities	10.3	8.1	7.4	8.6	9.1
<b>Profit before Tax</b>	<b>147.8</b>	<b>204.9</b>	<b>234.0</b>	<b>206.1</b>	<b>103.8</b>
<b>Headline Statistics:</b>					
Cost of Doing Business	14.00%	12.83%	11.79%	11.67%	12.67%
Stores	106	106	106	105	105

# Appendix II

## e) 5 year Group Balance Sheet

AUDm	FY24	FY23	FY22	FY21	FY20
Cash	317.7	177.3	125.6	263.2	251.5
Receivables	135.1	146.5	132.6	102.8	220.3
Inventories	1,093.6	1,040.9	1,135.3	938.8	739.3
Other	39.9	34.6	31.2	35.7	34.7
<b>Total Current Assets</b>	<b>1,586.3</b>	<b>1,399.3</b>	<b>1,424.7</b>	<b>1,340.5</b>	<b>1,245.8</b>
Fixed Assets	196.9	182.8	169.0	169.0	172.3
Intangibles & Goodwill	1,031.4	1,031.4	1,031.4	1,031.4	1,031.4
Other	103.7	91.3	74.7	69.3	60.6
Right of Use Asset	568.3	530.1	461.6	536.3	642.2
<b>Total Non-Current Assets</b>	<b>1,900.3</b>	<b>1,835.6</b>	<b>1,736.7</b>	<b>1,806.0</b>	<b>1,906.5</b>
<b>Total Assets</b>	<b>3,486.6</b>	<b>3,234.9</b>	<b>3,161.4</b>	<b>3,146.5</b>	<b>3,152.3</b>
Payables	720.8	660.5	721.6	668.6	854.1
Borrowings	15.0	-	-	-	-
Other	392.4	350.3	417.7	410.6	327.8
Lease Liabilities	182.6	174.1	167.0	167.3	164.0
<b>Total Current Liabilities</b>	<b>1,310.8</b>	<b>1,184.9</b>	<b>1,306.3</b>	<b>1,246.5</b>	<b>1,345.9</b>
Borrowings	-	49.8	59.4	-	-
Other	156.9	149.4	137.4	127.6	123.1
Lease Liabilities	459.8	431.2	378.0	464.0	577.6
<b>Total Non-Current Liabilities</b>	<b>616.7</b>	<b>630.4</b>	<b>574.8</b>	<b>591.6</b>	<b>700.7</b>
<b>Total Liabilities</b>	<b>1,927.5</b>	<b>1,815.3</b>	<b>1,881.1</b>	<b>1,838.1</b>	<b>2,046.6</b>
<b>Net Assets</b>	<b>1,559.1</b>	<b>1,419.6</b>	<b>1,280.3</b>	<b>1,308.4</b>	<b>1,105.7</b>
<b>Net Cash / (Net Debt)<sup>1</sup></b>	<b>302.7</b>	<b>127.5</b>	<b>66.2</b>	<b>263.2</b>	<b>251.5</b>
<b>Net Working Capital</b>	<b>76.0</b>	<b>116.2</b>	<b>121.2</b>	<b>1.8</b>	<b>(239.9)</b>

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



# Appendix II

## f) 5 year Group Cash Flow

AUDm	FY24	FY23	FY22	FY21	FY20
<b>EBITDA</b>	<b>884.3</b>	<b>993.2</b>	<b>1,013.9</b>	<b>961.6</b>	<b>718.0</b>
Change in working capital	40.2	5.0	(119.4)	(241.0)	402.1
Net interest received / (paid) on borrowings	9.3	0.7	(0.6)	(1.7)	(10.4)
Interest on lease liabilities	(29.2)	(21.9)	(18.7)	(21.3)	(24.9)
Income tax paid	(177.7)	(282.5)	(264.4)	(158.7)	(118.2)
Other	25.6	22.1	16.5	19.7	14.7
<b>Net Cash Flow from Operations</b>	<b>752.6</b>	<b>716.4</b>	<b>627.4</b>	<b>558.7</b>	<b>981.3</b>
Purchases of P&E (net)	(74.4)	(71.7)	(57.4)	(57.7)	(43.0)
<b>Net Cash Flow from Investing</b>	<b>(74.4)</b>	<b>(71.7)</b>	<b>(57.4)</b>	<b>(57.7)</b>	<b>(43.0)</b>
(Repayment) / proceeds from borrowings	(34.8)	(10.0)	59.4	-	(440.0)
Payment of lease liabilities	(187.6)	(182.8)	(177.6)	(168.9)	(161.8)
Off-market share buy-back	-	(0.3)	(250.6)	-	-
Shares acquired by the employee share trust	(17.0)	(17.3)	(28.2)	(10.2)	(32.9)
Dividends Paid	(298.5)	(382.7)	(310.2)	(310.2)	(172.3)
Other	-	-	-	-	1.2
<b>Net Cash Flow from Financing</b>	<b>(537.9)</b>	<b>(593.1)</b>	<b>(707.2)</b>	<b>(489.3)</b>	<b>(805.8)</b>
Net Change in Cash Position	140.3	51.6	(137.2)	11.7	132.5
Effect of exchange rates	0.1	0.1	(0.4)	(0.0)	(0.2)
<b>Cash at the end of Period</b>	<b>317.7</b>	<b>177.3</b>	<b>125.6</b>	<b>263.2</b>	<b>251.5</b>
<b>Free Cash Flow<sup>1</sup></b>	<b>490.6</b>	<b>461.9</b>	<b>392.4</b>	<b>332.0</b>	<b>776.5</b>

<sup>1</sup> Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net) and Repayment of lease liabilities

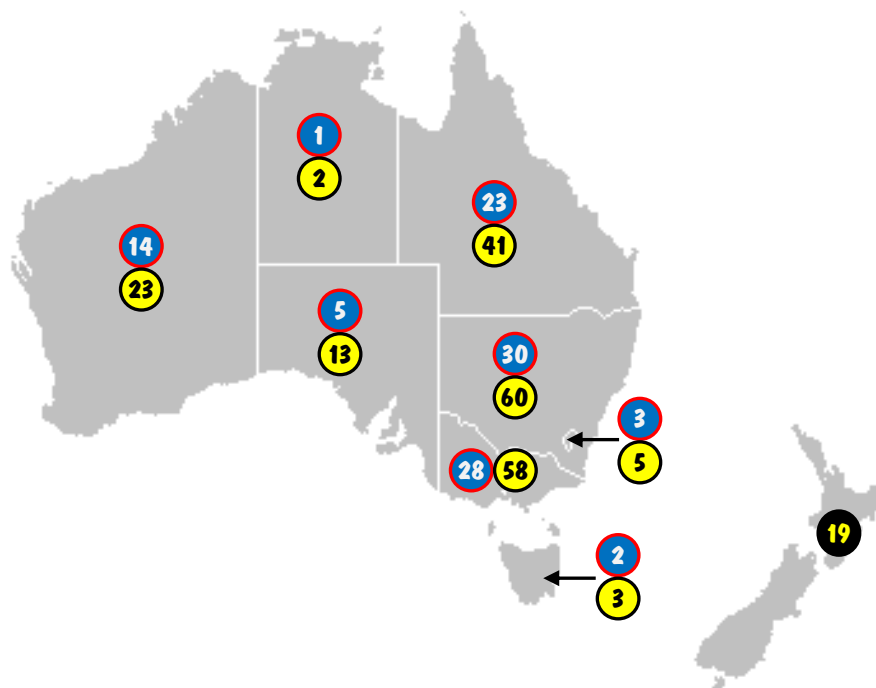
# Appendix II

## g) 5 year Group CODB reconciliation

AUDm	FY24	FY23	FY22	FY21	FY20
Other income (ex interest revenue)	(1.8)	(3.2)	(2.2)	(1.3)	(2.5)
Sales and marketing expenses	1,039.1	978.3	881.1	845.8	809.2
Occupancy expenses	328.0	321.8	302.8	293.6	313.7
<i>less depreciation, amortisation &amp; impairment</i>	(225.8)	(214.8)	(210.1)	(207.6)	(224.1)
Administration expenses	48.1	46.0	41.8	41.3	41.7
<i>less depreciation &amp; impairment</i>	(11.2)	(9.4)	(9.2)	(10.9)	(10.6)
Other expenses	79.8	70.6	62.3	54.7	48.7
<b>CODB</b>	<b>1,256.2</b>	<b>1,189.3</b>	<b>1,066.4</b>	<b>1,015.7</b>	<b>976.2</b>
Sales	9,592.4	9,626.4	9,232.0	8,916.1	7,918.9
<b>CODB (% of sales)</b>	<b>13.10%</b>	<b>12.35%</b>	<b>11.55%</b>	<b>11.39%</b>	<b>12.33%</b>

# Appendix III

330 stores across Australia and New Zealand<sup>1</sup>



## Group store reconciliation

	FY23	FY24			Total
		Opened	Converted	Closed	
<b>Australia</b>					
● JB HI-FI	140	4	-	(3)	141
● JB HI-FI HOME	62	2	-	-	64
	<b>202</b>	<b>6</b>	<b>-</b>	<b>(3)</b>	<b>205</b>
<b>New Zealand</b>					
● JB HI-FI	14	5	-	-	19
● JB HI-FI HOME	-	-	-	-	-
	<b>14</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>JB HI-FI TOTAL</b>	<b>216</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>224</b>
● <b>THE GOOD GUYS</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106</b>
<b>TOTAL</b>	<b>322</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>330</b>
<b>Store type:</b>					
JB HI-FI	154	9	-	(3)	160
JB HI-FI HOME	62	2	-	-	64
THE GOOD GUYS	106	-	-	-	106
	<b>322</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>330</b>
<b>Store format:</b>					
Shopping centre	128	3	-	(1)	130
Other	194	8	-	(2)	200
	<b>322</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>330</b>

<sup>1</sup> As at 30 June 2024

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