



Bank of America
Merrill Lynch
Emerging Stars Symposium

Nick Abboud
Managing Director & CEO

8 October 2015

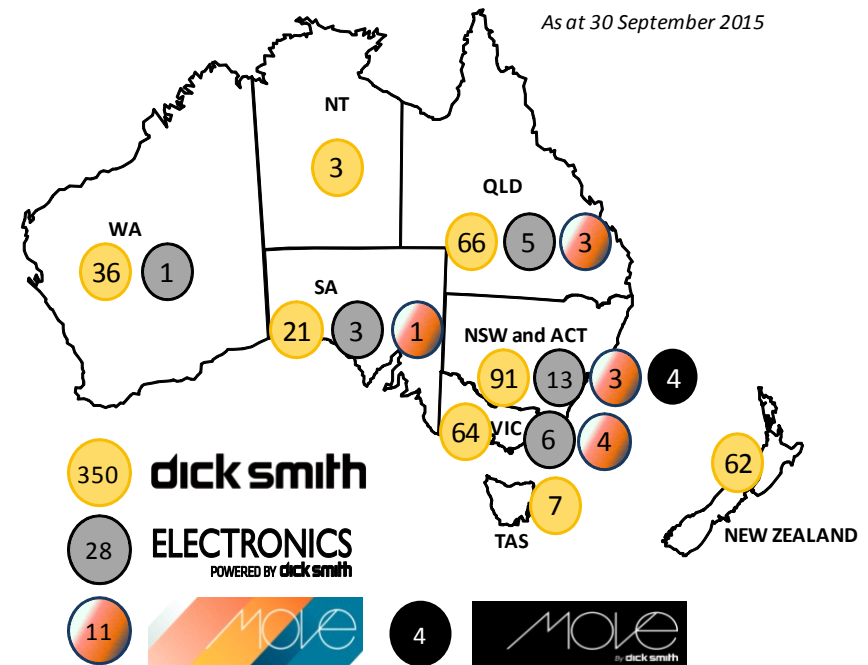
Growth Strategy – *designed to deliver sustainable results*

- ✓ **Store growth**
 - 15-20 new stores p.a. under Dick Smith and MOVE banners. Upside potential with Duty Free
- ✓ **Formats**
 - New formats such as MOVE and Duty Free considerably expand our demographic reach
- ✓ **Online**
 - Convenient shopping opportunity leverages store network to maximise 'disrupter' benefits
- ✓ **Private Label**
 - Differentiated product offering provides strong value proposition
- ✓ **Mobility**
 - Center piece of connectivity with strong replacement cycle
- ✓ **New categories**
 - Fitness & wearables and Small Appliances improving halo effect
- ✓ **Cost control**
 - Continued focus on driving lower cost to serve part of our DNA
 - Further opportunities across business. Will maintain store productivity

Store Growth – *leveraging largest store network*

- Fastest growing consumer electronics retailer with largest number of stores
- Since IPO, opened 70 stores (net) with 393 conveniently located stores in Australia & NZ
- Sustainable network of 420-430 stores by FY2017, with 15-20 new stores opening annually
- Will (and have) closed stores where dynamics not sustainable
- NZ network profitable. Strong focus on 5 year outlook before re-signing leases

	FY15	As at 30 September		
	28-Jun	Opened	Closed	Total
Australia				
Dick Smith	289	0	1	288
Electronics Powered by DS	28	0	0	28
MOVE	10	1	0	11
MOVE by Dick Smith	4	0	0	4
	331	1	1	331
New Zealand				
Dick Smith	62	0	0	62
	62	0	0	62
TOTAL	393	1	1	393



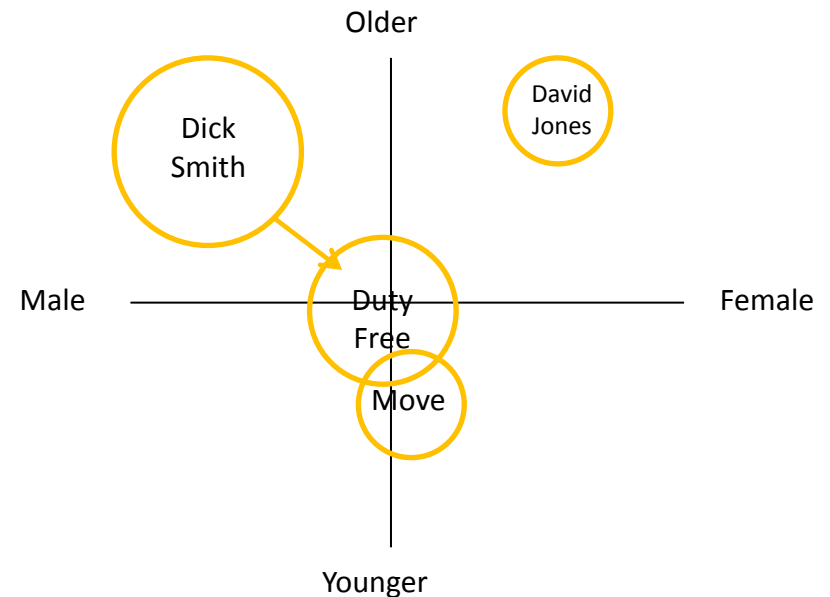
Store formats – *reaching all demographics*

Dick Smith

- Competitive advantage remains location and service
- Full range of sought after brands across the network
 - Major retailer of Apple, Samsung, Oppo, Go Pro & Fitbit
- Range enhancements attracting a more balanced customer mix
 - Improved attractiveness to non-traditional customer through fitness and small appliances
 - Increasingly able to leverage this foot traffic into purchases within the 'traditional' Dick Smith range
- Computers, phones and accessories biggest sellers
- Strong growth in Fitness & TVs

Move

- Achieving critical mass, with 12 stores in Australia (including recent store openings)
- Audio, Fitness and Accessories the biggest selling items
- Achieving business case expectations, with sales maturation expected to be 3 years



Store formats – *reaching all demographics*

Duty Free (MOVE by Dick Smith)

- Caters to travellers of all age groups
- 4 locations at Australia's premier tourist gateway
- Move into premier location in December 2015 as part of new terminal layout
- Featuring key core categories: Mobility, Office, Entertainment & Accessories
- Audio, Fitness and Accessories the biggest selling items
- Performance since taking over in February 2015 ahead of our \$50m annual sales guidance



Electronics Powered by Dick Smith

- Focus on a more affluent female customer
- Key products include Apple, large format TVs, Bose



Omni-channel – *'disrupter' becoming mainstream*

Online sales doubled to more than 8% of retail sales

- One of Australia's leading omni-channel retailers
- Well placed to achieve 10% of sales online by FY2017

Comprehensive omni-channel platform integrating multiple sites

- DS AU & NZ; David Jones; MOVE; eBay; Catch of the Day; Westfield, Trade Me & Groupon
- Driving online customer base into in-store repeat sales

Sustainable competitive advantage

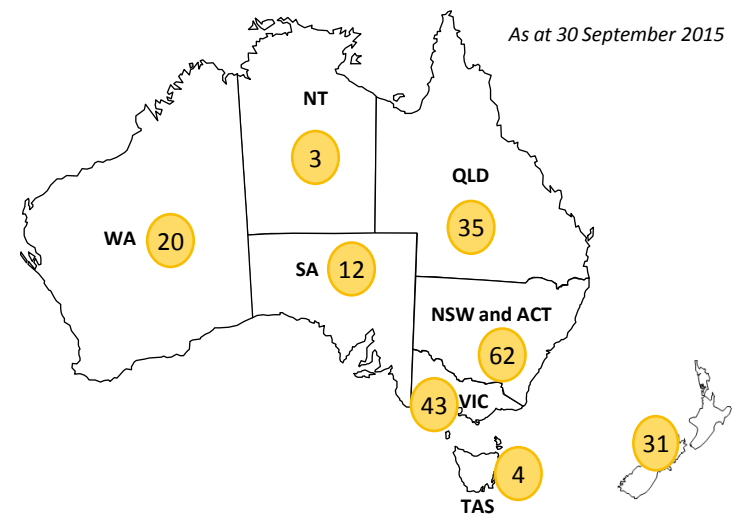
- Leveraging Australasia's largest consumer electronics store network
- Lower freight, fulfilment costs and speedier delivery

Pay & Collect available in all stores

- allows staff to up-sell and attach on approx. 50% of online sales

Store fulfilment from 210 locations

- Expanding to over 300 before Christmas
- Further enhancement opportunities in driving attachment



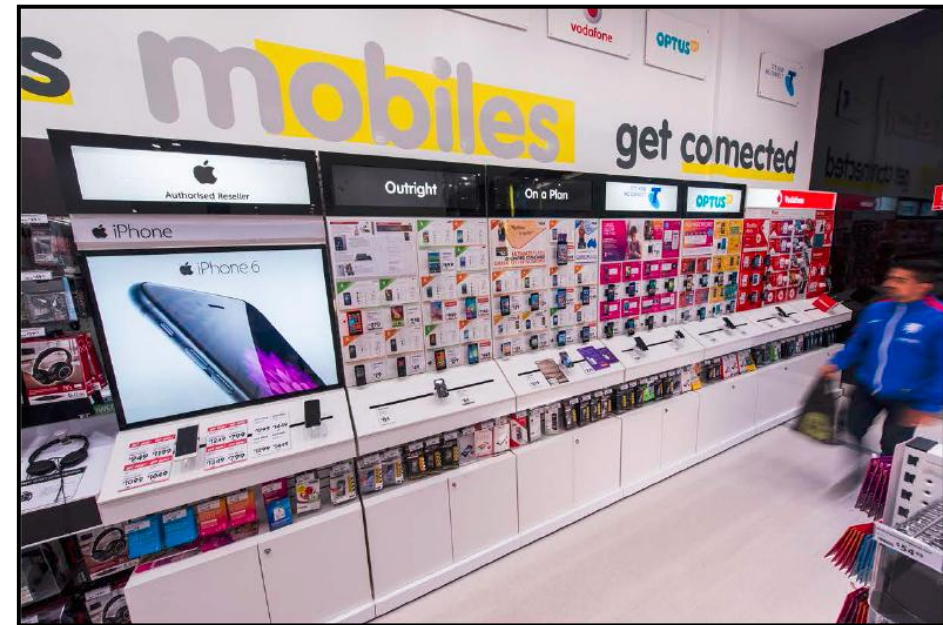
Private Label – *Strong value proposition*

- Private Label penetration >12.5% of sales
 - TVs, Audio & MOVE accessories enjoyed strong growth
- Good, Better, Best ranging attracting customers
- Pricing hierarchy of premium MOVE range resonating well with customers
- 40% increase in product range, reflecting consumers' strong desire for quality Private Label
- Well placed to benefit from fall in AUD
 - Strong stock levels of non-aging product
 - Lower pricing to national brands - mix shift beneficiary
- On track to drive penetration to >15% of sales by FY2017



Mobility – *center piece of connectivity*

- Mobile phones to increasingly be the center of consumer connectivity
- Dick Smith is well placed to provide customer needs
- Only major retailer offering prepaid options across all major networks in Australia
- Continue to grow market share
- Strong share in prepaid and unlocked (sim free) phones
- New product accessibility benefited outright sales & prepaid
- Post-paid performance consistent with expectations
- Attractive longer-term category



New categories – *‘Connected Home by Dick Smith’*

- The ‘Connected Home by Dick Smith’ rolling out in 100 stores this month, leveraging competitive footprint
- Access Small appliance category, worth \$1.7 billion p.a. and expected to grow strongly, as it becomes ‘connected’ to the internet
- Ranging adjacent to fitness with ~10-15% of store footprint, replacing under-performing categories
- Early days, but pleased with initial indications



New categories – *Small Appliances, big opportunity*

- Dick Smith ranging leading brands including Breville, Delonghi, Dyson, Kambrook, Nespresso and Philips
- With the next generation of products, consumers will be able to operate small appliances in the home directly from their electronic (mobility) devices

Kitchen Appliances

Processors
Mixers
Blenders



Beverage

Coffee
Kettles
Juicers



Electrical Cooking

Fryers
Rice Cookers
Slow Cookers
Toasters
Microwaves



Seasonal

Fans
Electric Heaters



Linen Care

Irons
Steam Stations



Floor Care

Vacuum Cleaners
Steam Mops



Mates Rates – *indicative of efficiency improvement*

Where we are



Launched Dec '14

- Instore signup
- Email receipts
- Facebook custom audiences
- Triggered campaigns for online customers

Where we will be

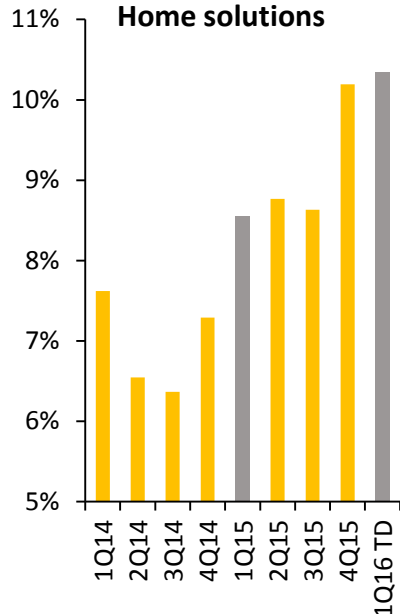
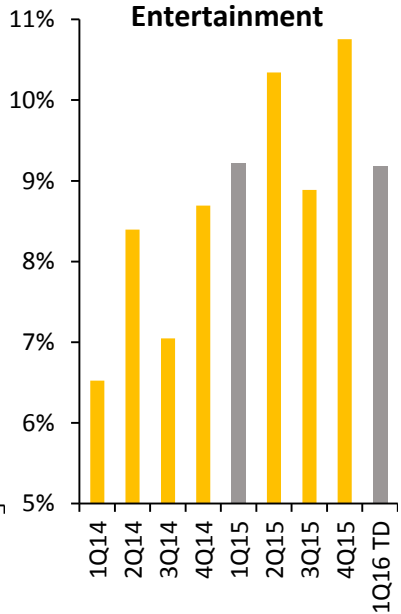
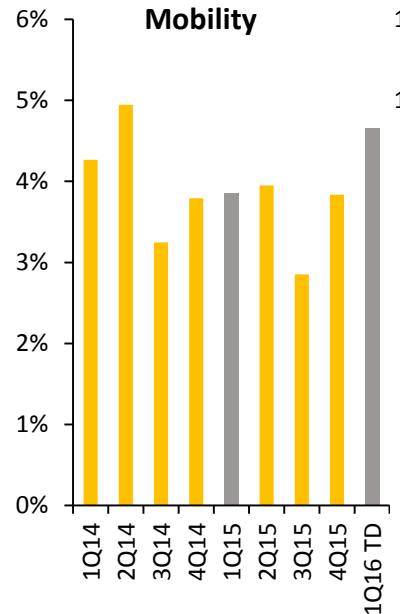
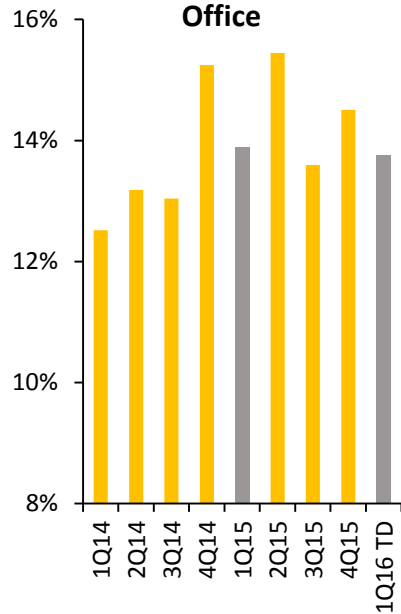
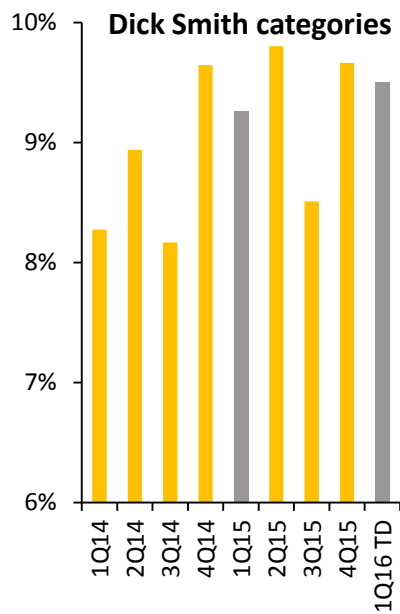
- Omni-channel triggered campaigns
- Advanced segmentation & analytics
- Depth of customer data
- Partnerships with key brands for post-purchase marketing

Target

Over 2 million

Members by June 2016

Market share – *growing in key areas*



- Continue to grow share in key categories

- Reduced computer promotional activity kept share flat

- Strong tablet growth

- Growing share through unlocked, contracts

- Audio (particularly headphones) driving above industry growth

- Fitness growth 2.5x market
- Navigation & cameras de-emphasis continues

Source: GfK Retail Management Australia Summary. 1Q16TD is July & August



Questions

Disclaimer

Forward looking statements: This presentation contains certain forward-looking statements, including with respect to the financial condition, results of operations and businesses of Dick Smith Holdings Limited (**DS**) and certain plans and objectives of the management of DS. Forward-looking statements can generally be identified by the use of words including but not limited to “project”, “foresee”, “objectives”, “plan”, “expect”, “aim”, “intend”, “anticipate”, “believe”, “estimate”, “may”, “should”, “will” or similar expressions. Indications of plans, strategies and objectives of management, sales and financial performance are also forward looking statements.

All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of DS, which may cause the actual results or performance of DS to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements apply only as of the date of this presentation.

Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian, New Zealand and global economic environment and capital market conditions, the cyclical nature of the retail industry, the level of activity in Australian and New Zealand retail industries, fluctuation in foreign currency exchange and interest rates, competition, DS’s relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect DS’s business, including consumer law, and operational risks. The foregoing list of important factors and risks is not exhaustive.

No representation or warranty (express or implied) is given or made by any person (including DS) in relation to the accuracy, likelihood of achievement or reasonableness of any forward looking statements or the assumptions on which the forward looking statements are based. DS does not accept responsibility or liability arising in any way for errors in, omissions from, or information contained in this presentation.

DS disclaims any obligation or undertaking to release any updates or revisions to the Information to reflect any new information or change in expectations or assumptions after the date of this presentation, except as may be required under applicable securities law.

Disclaimer and third party information: To the fullest extent permitted by law, no representation or warranty (express or implied) is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the **Information**). The Information may include information derived from public or third party sources that has not been independently verified.

Investment decisions: Nothing contained in the Information constitutes investment, legal, tax or other advice. The Information does not take into account the investment objectives, financial situation or particular needs of any investor, potential investor or any other person. You should take independent professional advice before making any investment decision.

All statutory numbers referred to in this presentation have been audited.

Adjustments made between statutory and pro forma results were made in accordance with ASIC Guidance Statement RG230.