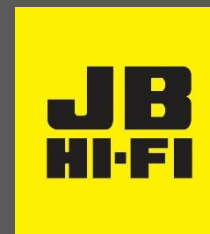


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JB Hi-Fi Limited

2018 Macquarie Australia Conference



Agenda

1. Trading and FY18 Outlook
2. The Group Model
3. Achievements in the last 12 months
4. Key focus areas for the next 12 months
5. Investment checklist

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1. Trading and FY18 Outlook

FY18¹ sales update:

JB Hi-Fi

- Q3 FY18 total sales growth was 6.8% (Q3 FY17: 10.8%) with comparable sales growth of 4.0% (Q3 FY17: 8.2%)
- YTD FY18 total sales growth was 9.0% (YTD FY17: 11.0%) with comparable sales growth of 6.3% (YTD FY17: 7.9%)

The Good Guys

- Q3 FY18 total sales growth was -1.3% (Q3 FY17: 2.6%) with comparable sales growth of -2.9% (Q3 FY17: 1.2%). The Good Guys sales growth improved over the quarter as the impact of cycling strong sales of Seasonal products (Air Conditioning) in the pcp lessened
- YTD FY18 total sales growth was 1.2% (YTD FY17: 0.1%) with comparable sales growth of 0.3% (YTD FY17: -0.9%)

Notes

1. All sales results were impacted by the timing of Easter year on year, with 1 less trading day in Q3 FY18 than the pcp

1. Trading and FY18 Outlook

FY18 Outlook:

- The Company reaffirms its FY18 sales guidance with total Group sales to be circa \$6.85 billion (JB HI-FI \$4.75 billion and The Good Guys \$2.1 billion)
- The JB Hi-Fi business continues to perform strongly and in line with expectations
- The Good Guys performance has been impacted by challenging conditions in the Home Appliance market, due to unfavourable weather conditions coupled with heightened price competition. This has had an adverse impact on gross margin in 2HY18 as we continue to focus on sales and market share
- As a result of the above, in FY18 the Company now expects total Group NPAT to be circa \$230 million (previous guidance of \$235 million to \$240 million)
- Whilst the challenging conditions in the Home Appliance market are expected to impact performance in the short term, we remain confident in the Group model and the medium and long term outlook for The Good Guys and JB Hi-Fi

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2. The Group Model

A dual branded retail combination

JB HI-FI

THE GOOD GUYS®

Product offering	Leading retailer of technology and consumer electronics	Leading retailer of home appliances and consumer electronics
Target customer base / demographic	Strong position with young/tech savvy demographics and Gen Ys/Millennials	Strong position with home-making demographic and families
Value proposition	Best brands at low prices	
Customer focus	Exceptional customer service	
Channels	In-store, online, commercial	

With 5 key enablers underpinning the Group model and providing a unique competitive advantage

i.

Scale

ii.

Low Cost Operating Model

iii.

Quality Store Locations

iv.

Supplier Partnerships

v.

Multichannel Capability

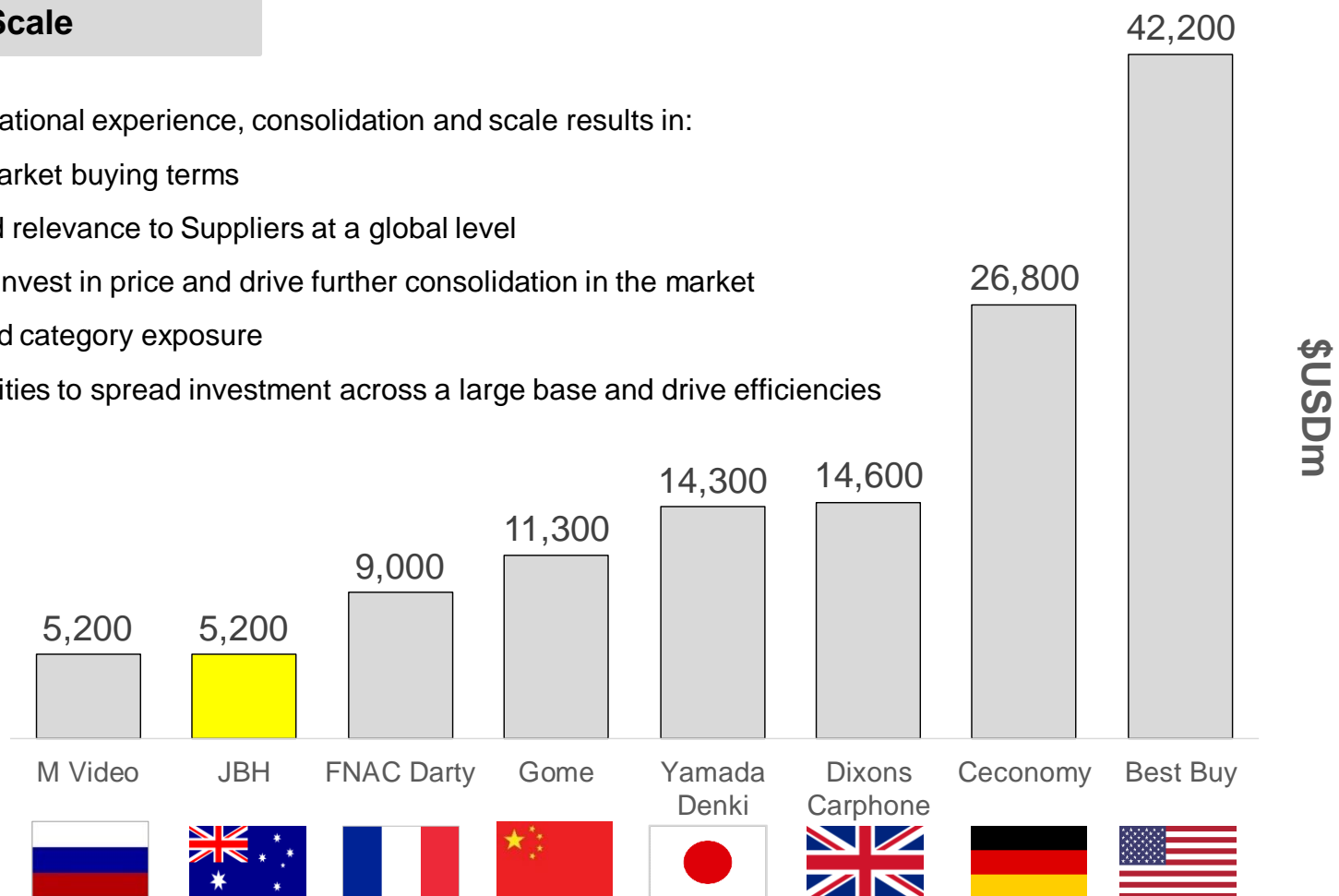
2 The Group Model

i.

Scale

Consistent with international experience, consolidation and scale results in:

- Best in market buying terms
- Increased relevance to Suppliers at a global level
- Ability to invest in price and drive further consolidation in the market
- Diversified category exposure
- Opportunities to spread investment across a large base and drive efficiencies



Source: JBH FY18 Sales guidance translated to USD and other companies' data as reported in their most recent full year result.

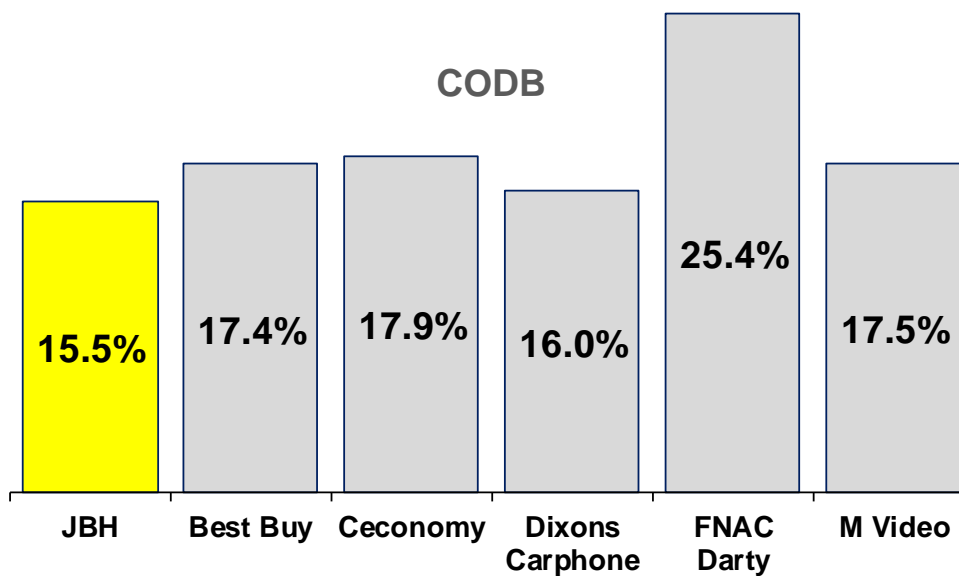
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2. The Group Model

ii.

Low cost operating model

- Lowest cost of doing business (~15.5%) of major Australian listed retailers and international consumer electronics retailers
- Low cost of doing business enables:
 - Consistently low prices (gross margins of only ~22%)
 - Ability to respond to market price activity and maintain focus on market share
 - Ability to compete effectively with traditional competitors and new market entrants



Source: JBH FY17 Investor presentation and other companies' data as reported in their most recent full year result.

2. The Group Model

iii.

Quality store locations

JB Hi-Fi

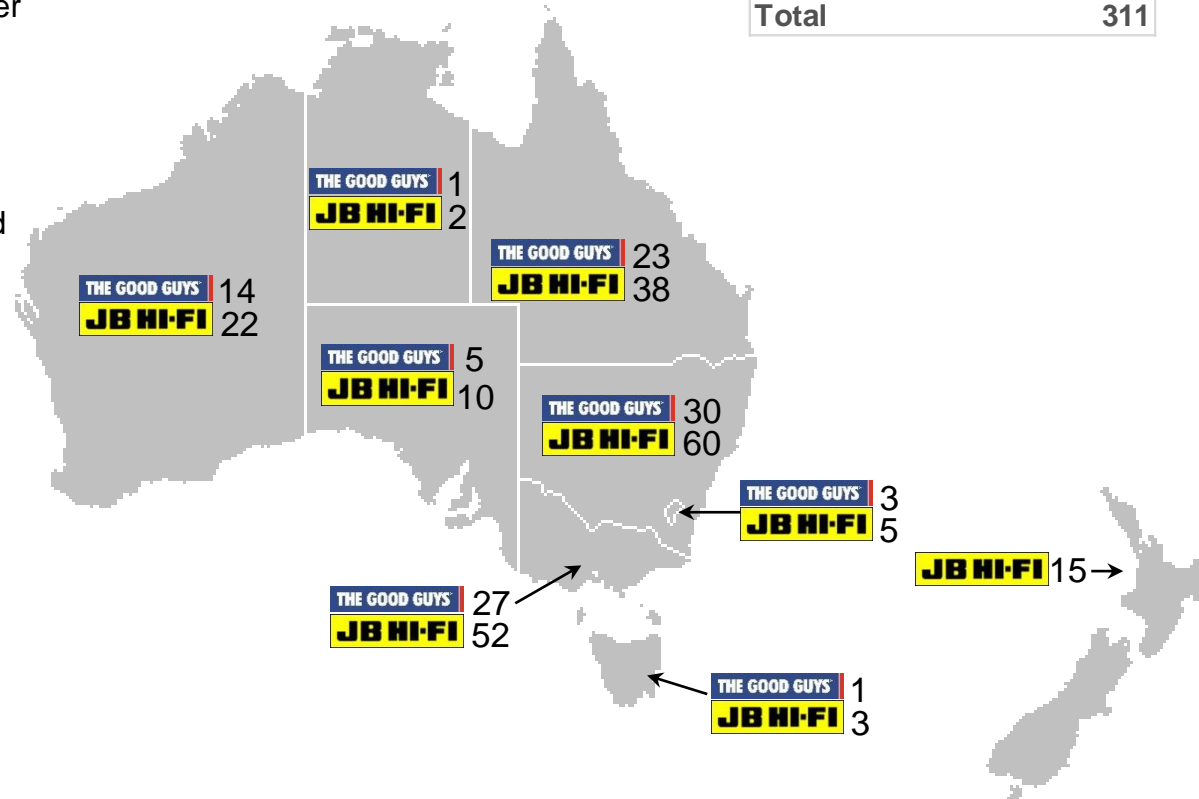
- High grade shopping centre, CBD and homemaker store locations
- High foot traffic and convenient locations
- Compact store size
- Dense displays, highly productive floor space and high sales per square metre

The Good Guys

- High grade homemaker and standalone store locations
- Destination locations, easily accessible
- Larger store size
- Open, easy to shop floor plan, focused on showcasing high consideration and higher value home appliance purchases

Store Summary

JB Hi-Fi Australia	192
JB Hi-Fi New Zealand	15
The Good Guys	104
Total	311



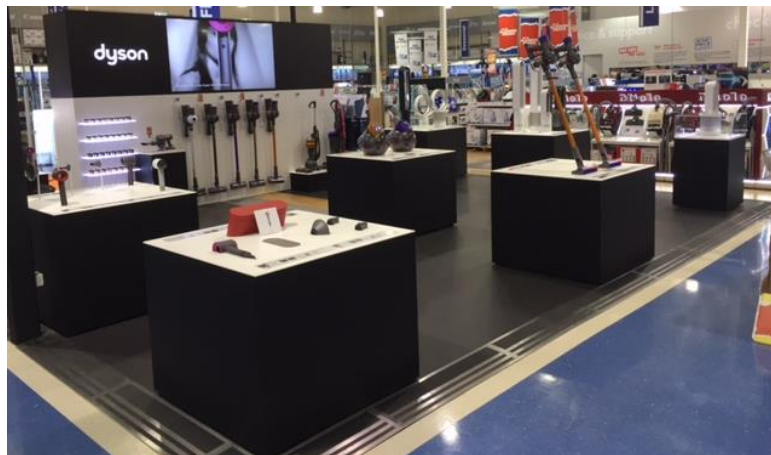
Store numbers as at Dec 31, 2017

2. The Group Model

iv.

Supplier partnerships

- Strong and lasting partnerships with all major suppliers, scale on a global level
- Quality store locations provide suppliers high visibility for their product
- Knowledgeable staff assist to inform the customer of product benefits, particularly important for new product launches and features
- Dual brand retail approach:
 - provides ranging and merchandising optionality to suppliers
 - ability to execute strategic initiatives at scale

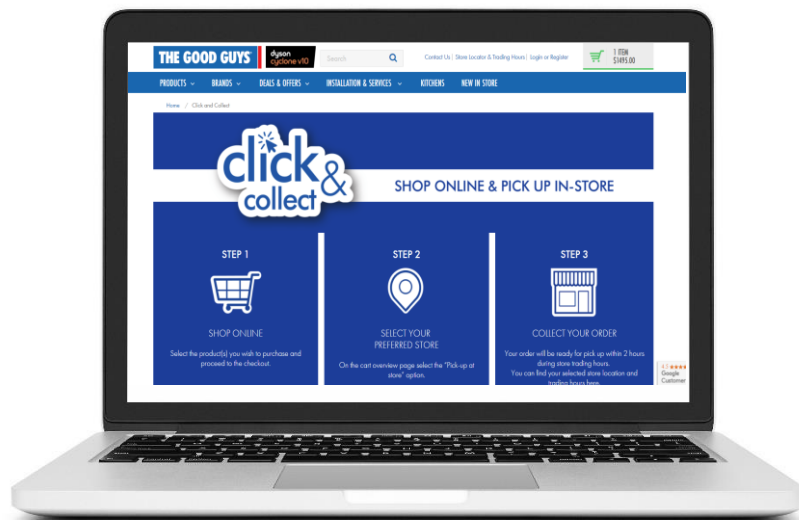


2. The Group Model

v.

Multichannel capability

- Continued investment in online ensures we give consumers choice on how to transact with JB HI-FI and The Good Guys (i.e. in store, mobile or desktop)
- Integrated, high quality in-store and online offer is critical as retail continues to evolve
- High engagement in-store experience and negotiability drives a high level of research online and buy in store
- Store network provides:
 - the ability to get goods to online customers quickly, via delivery from store or click and collect; and
 - online customers confidence in after sales service and support



3. Achievements in the last 12 months

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GROUP

- Group operating model developed
- Shared capability and efficiencies across the Group
- Alignment of policy and procedures
- Group reporting developed
- Support function management integrated
- Commercial businesses integrated
- Synergy realisation commenced

JB HI-FI

- Category Evolution:
 - Drones
 - Home security
 - Communications
- Website redesign
- Delivery choices - 3 hour, same day, next day, standard
- Click and collect – 95% available within 2 hours
- Digital receipts
- Improved store technology
- New PDAs

THE GOOD GUYS

- New executive team in place
- Increased customer transactions (Comp and total)
- Improved in-store conversion
- Managed transition from JVP to Store Managers
- Support Office restructure completed
- Revised commission structure designed
- Sales performance program developed
- Improved reporting

4. Key focus areas for the next 12 months

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GROUP

- Group sales and market share
- Group supply chain design and development
- Continued synergy realisation
- Work with suppliers to create value at a Group level
- Leverage Group data

JB HI-FI

- Category Evolution:
 - PC gaming
 - Connected technology and home automation
 - Communications
- Services expansion
- E-commerce platform migration
- Personalisation

THE GOOD GUYS

- Continued focus on sales – increase ASP
- Store relays - focus on adjacencies, improved traffic flow and core home appliances categories
- Improving visual merchandising standards
- Implement revised commission structure
- Increase supplier engagement
- Improve delivery options

5. Investment Checklist

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

QUESTIONS