

## COMPANY ANNOUNCEMENT

6 May 2020

### Q3 FY20 sales update and COVID-19 update

JB Hi-Fi Limited ("Group") today provides an update on Q3 FY20 sales and the impact of COVID-19 on its businesses.

The Group remains committed to supporting government and community efforts to limit the spread of COVID-19. The health and wellbeing of our team members, customers, business partners and the wider community is the Group's highest priority.

The Group has continued to invest in additional measures to protect the health and safety of all people who work in or visit our premises, including:

- additional and intensive cleaning of all stores, offices and distribution centres;
- customer store traffic limits and management processes;
- social distancing practices in high traffic areas such as counter queues;
- cashless transactions;
- installation of protective screens at store counters and distribution centres;
- installation of permanent hand sanitiser stations at store entrances;
- restricting travel and meetings;
- adopting flexible working arrangements; and
- support for team members health and wellbeing through the Group's employee assistance programs.

#### Australian businesses update

The JB HI-FI Australia and The Good Guys retail stores, online and commercial businesses remain open and continue to provide customers with the products they need to live, work and learn through COVID-19.

In response to the shift in foot traffic away from airports, CBD locations and tier one shopping centres, the JB HI-FI Australia business has closed three airport stores and seven stores in CBD locations. Team members from these locations have been redeployed across the store network. All of The Good Guys stores have remained open. Performance across both brands has remained strong with elevated sales growth driven by homemaker and free-standing stores and a significant acceleration in online.

The Group is pleased with how its online businesses have scaled and maintained a high level of customer service and on-time delivery, during a period of significantly increased volume. Both JB HI-FI and The Good Guys will continue to monitor and evolve their store, commercial and online offerings in line with changes to customer shopping habits.

#### New Zealand business update

As announced on 26 March 2020, following the New Zealand Government's introduction of alert level 4 restrictions that limited all 'non-essential' businesses, JB HI-FI New Zealand's 14 stores, online and commercial operations were closed on the 26 March 2020.

On 2 April 2020 JB HI-FI New Zealand's online and commercial businesses were able to resume trading to provide customers with a limited number of 'essential' products by contactless home delivery as permitted by government policy. Following the move to alert level 3 restrictions on 28 April 2020, the JB HI-FI New Zealand online and commercial businesses have now resumed trading across all products, with fulfilment by both contactless home delivery and contactless click and collect. JB HI-FI New Zealand's 14 stores remain closed to customers but are operating to fulfil online and commercial sales.

The JB HI-FI New Zealand business does not make a material financial contribution to the Group, with FY19 sales of NZD \$236 million, representing approximately 3 per cent of the Group's total annual sales, and an FY19 EBIT loss of \$1.9m.

**Q3 FY20 Sales Update**

Following the trading update provided on 23 March 2020, the Group saw an acceleration in sales in late March as customers prepared for a potential increase in government restrictions. Set out below are the full Q3 FY20 sales results:

Sales growth	Q3 FY20		Q3 FY20 YTD	
	Total	Comparable	Total	Comparable
JB HI-FI Australia	11.6%	11.3%	6.9%	6.4%
JB HI-FI New Zealand	-3.3%	-3.3%	-0.4%	-0.4%
The Good Guys	13.9%	13.9%	5.4%	4.9%

Q3 FY20 is 1 January 2020 to 31 March 2020 and Q3 FY20 YTD is 1 July 2019 to 31 March 2020

The Group has seen strong sales growth in Australia continue into April and early May as JB HI-FI and The Good Guys continue to provide customers with the home appliances and technology products they need for working, learning and entertainment whilst at home.

**Balance sheet position**

The Group continues to take a conservative approach to the management of its balance sheet and to further strengthen its liquidity position the Group has received credit approval for an additional \$260m of committed short term debt facilities on favourable terms. The Group does not currently anticipate that these facilities will be required to be drawn upon but considers it prudent to secure these additional facilities in this uncertain environment. The Group appreciates the ongoing support of its banking syndicate.

**Outlook**

As announced on 23 March 2020, the Group withdrew its FY20 sales and earnings guidance as a result of the uncertainty arising from COVID-19. Given the ongoing disruption to customer shopping patterns and the uncertainty as the Group enters the important end of financial year trading period, the Group continues to consider it appropriate to not provide FY20 guidance at this time.

Group CEO, Richard Murray, said "I would like to thank our over 12,000 team members who are doing an incredible job in what is an unprecedented time. Our customers have turned to us for their technology and home appliance needs as they adapt to these unique circumstances, and our team members have responded and adapted in an amazing manner to make sure we can do it safely and effectively. While the outlook for the remainder of the financial year is uncertain, we continue to be in a strong financial and operational position."

Authorised by the Board.

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