

JB Hi-Fi Limited

HY19 Results Presentation



Agenda

1. **HY19 Financial Results**
 - i. **Group Performance Overview**
 - ii. **JB HI-FI Australia**
 - iii. **JB HI-FI New Zealand**
 - iv. **The Good Guys**
 - v. **Group Balance Sheet and Cash Flow**
2. **FY19 Trading Update and Outlook**
3. **Group Strategic Update**
4. **Investment Checklist**

Richard Murray
Group CEO

Nick Wells
Group CFO

1. HY19 Financial Results

i. Group Performance Overview

AUD	HY19	HY18	Growth	
Total sales (\$m)	3,843.7	3,689.8	153.9	4.2% ▲
Earnings before interest and tax (\$m)	236.6	225.8	10.8	4.8% ▲
Net profit after tax (\$m)	160.1	151.7	8.4	5.5% ▲
Earnings per share (basic ¢)	139.4	132.2	+7 cps	5.4% ▲
Dividend per share (¢)	91.0	86.0	+5 cps	5.8% ▲

1. HY19 Financial Results

i. Group Performance Overview

	HY19	HY18	Growth	
			\$m	%
Sales (\$m)				
- JB HI-FI Australia	2,591.3	2,476.0	115.3	4.7% ▲
- JB HI-FI New Zealand (NZD)	131.8	124.6	7.2	5.8% ▲
- The Good Guys	1,130.7	1,099.8	30.9	2.8% ▲
Total Sales (AUDm)	3,843.7	3,689.8	153.9	4.2% ▲
EBIT (\$m)				
- JB HI-FI Australia	191.9	183.7	8.2	4.5% ▲
- JB HI-FI New Zealand (NZD)	1.1	0.0	1.1	n/m ▲
- The Good Guys	43.7	42.0	1.6	3.9% ▲
Total EBIT (AUDm)	236.6	225.8	10.8	4.8% ▲
EBIT Margin (%)				
- JB HI-FI Australia	7.41%	7.42%	(1 bps)	▼
- JB HI-FI New Zealand	0.86%	0.02%	+84 bps	▲
- The Good Guys	3.86%	3.82%	+4 bps	▲
Total EBIT Margin (%)	6.16%	6.12%	+4 bps	▲

1. HY19 Financial Results

ii. JB HI-FI Australia

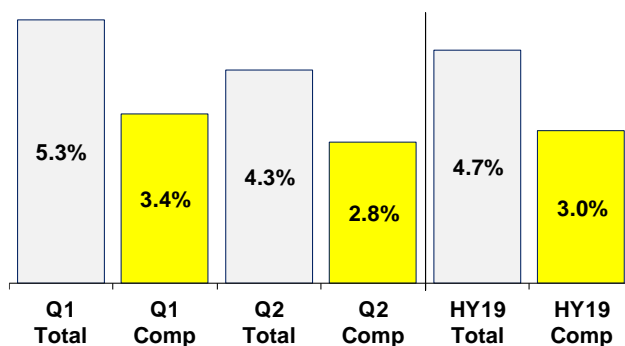
AUD	HY19	HY18	Growth
Sales (\$m)	2,591.3	2,476.0	4.7% ▲
Gross Profit (\$m)	573.6	545.3	5.2% ▲
Gross Margin (%)	22.13%	22.02%	+11 bps ▲
Cost of Doing Business (%)	13.96%	13.76%	+20 bps ▲
EBIT (\$m)	191.9	183.7	4.5% ▲
EBIT Margin (%)	7.41%	7.42%	(1 bps) ▼
Stores (#)	197	193 ²	+4 stores ▲

Sales

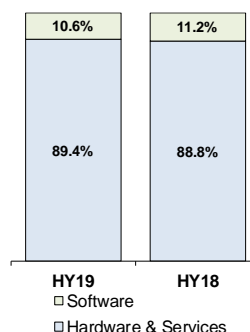
- Total sales grew by 4.7% to \$2.59 billion, with comparable sales up 3.0%. It was pleasing to see continued sales growth in Q2 as we cycled strong product releases in the pcp
- Hardware and Services¹ sales in HY19 were up 6.0%, with comparable sales up 4.4% driven by the Communications, Games Hardware, Audio, Fitness and Connected Technology categories
- Software sales were down 5.6% and on a comparable basis were down 7.2% as a result of the continued declines in the Movies and Music categories, partially offset by strong growth in the Games Software category
- Online sales in Australia for HY19 grew 21.0% (HY18: 40.6%) on the pcp to \$144.4 million or 5.6% of total sales (HY18: 4.8%), as we continue to invest in and evolve our Online offer
- The Solutions business recorded double digit sales growth and remains on track to deliver on the longer term aspirational sales target of approximately \$500 million per annum, through both organic growth and strategic acquisitions



Sales Growth



Sales Category Splits



¹ Hardware & Services is defined as all sales excluding the Music, Movies and Games Software categories

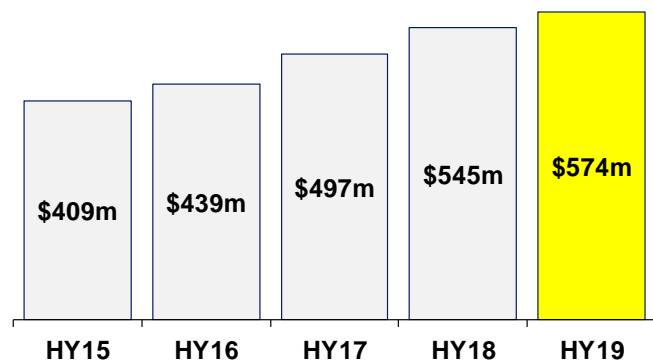
² As at 30 June 2018

1. HY19 Financial Results

ii. JB HI-FI Australia

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Stores (#)	197	193 ¹	+4 stores ▲

Gross Profit



Gross Profit and Margin

- We are a sales led organisation with a focus on growing top line sales and gross profit dollars
- Gross profit increased by 5.2% to \$573.6 million. Gross margin was 22.1%, an 11 bps increase on the pcp driven by sales mix
- We continue to leverage our scale, enabling us to manage our changing sales mix by balancing brands and categories with different margins

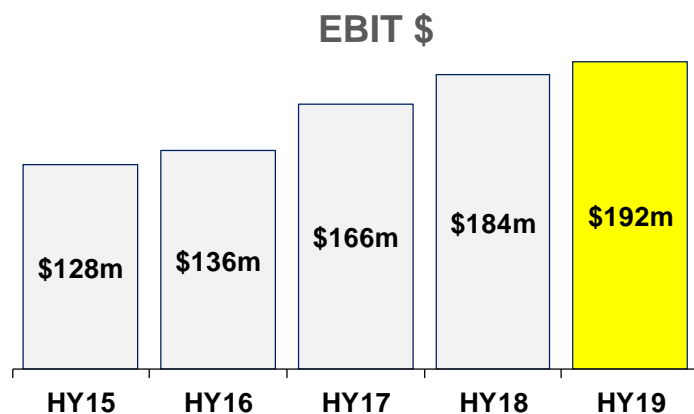


¹ As at 30 June 2018

1. HY19 Financial Results

ii. JB HI-FI Australia

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Gross Profit (\$m)	573.6	545.3	5.2% ▲
Gross Margin (%)	22.13%	22.02%	+11 bps ▲
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EBIT Margin (%)	7.41%	7.42%	(1 bps) ▼
Stores (#)	197	193¹	+4 stores ▲



CODB

- Our low CODB remains a competitive advantage and is maintained through our continued focus on productivity, minimising unnecessary expenditure and leveraging our scale
- CODB was 14.0%, up 20 bps on the pcp
- CODB in absolute terms grew 6.2%
- Total operating costs remained well controlled as we continue to focus on our customer service, invest in strategic initiatives and manage increased volumes through the store network

EBIT

- Sales growth, combined with gross margin expansion and lower depreciation as we managed our investment in the store network, drove solid EBIT growth. EBIT was up 4.5% on the pcp to \$191.9 million while EBIT margin was flat on the pcp at 7.4%

Stores

- Four new stores were opened in HY19 at Coomera (QLD), Midland Gate (WA), Warriewood (NSW) and Sydney Airport Domestic Terminal (NSW)

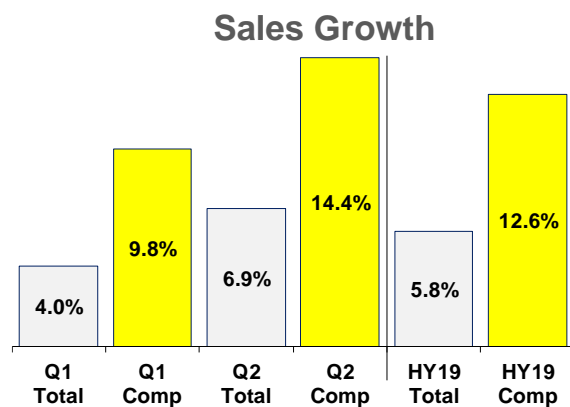


¹ As at 30 June 2018

1. HY19 Financial Results

iii. JB HI-FI New Zealand

NZD	HY19	HY18	Growth
Sales (\$m)	131.8	124.6	5.8% ▲
Gross Profit (\$m)	23.1	21.8	5.8% ▲
Gross Margin (%)	17.51%	17.51%	+0 bps ▲
Cost of Doing Business (%)	15.66%	16.31%	(65 bps) ▼
EBIT (\$m)	1.1	0.0	n/m ▲
EBIT Margin (%)	0.86%	0.02%	+84 bps ▲
Stores (#)	14	15 ¹	(1 store) ▼



¹ As at 30 June 2018



Sales

- Total sales were up 5.8% to NZD131.8 million, with comparable sales up 12.6%
- The key growth categories were Communications, Games Hardware, Fitness and Accessories
- Online sales in New Zealand for HY19 grew 65.4% on the pcp to NZD7.9 million or 6.0% of total sales (HY18: 3.8%) as we continue to benefit from the improved Online platform launched in August 2017

Gross Profit and Margin

- Gross margin was flat on the pcp at 17.5%

COB

- COB was 15.7%, down 65 bps on the pcp driven by strong comp sales growth. COB in absolute terms grew 1.5%

EBIT

- EBIT was NZD1.1 million, up NZD1.1 million on the pcp

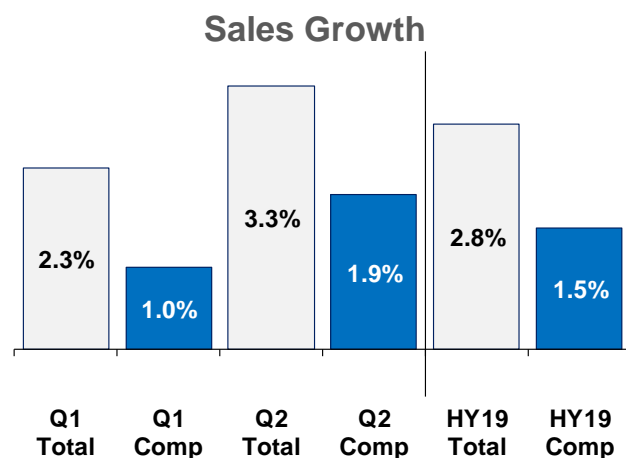
Stores

- One loss making store was closed in July 2018

1. HY19 Financial Results

iv. The Good Guys

AUD	HY19	HY18	Growth
Sales (\$m)	1,130.7	1,099.8	2.8% ▲
Gross Profit (\$m)	233.2	228.6	2.0% ▲
Gross Margin (%)	20.62%	20.79%	(16 bps) ▼
Cost of Doing Business (%)	16.18%	16.20%	(2 bps) ▼
EBIT (\$m)	43.7	42.0	3.9% ▲
EBIT Margin (%)	3.86%	3.82%	+4 bps ▲
Stores (#)	105	103 ¹	+2 stores ▲



¹ As at 30 June 2018

Sales

- Total sales grew by 2.8% to \$1.13 billion, with comparable sales up 1.5%
- The key growth categories were Refrigeration, Laundry, Floorcare, Televisions, Communications, and Computers
- Online sales on The Good Guys website grew strongly however a decline in third party marketplace sales resulted in HY19 Online sales being down 2.4% (HY18: up 1.7%) on the pcp to \$70.7 million or 6.3% of total sales (HY18: 6.6%)
- We saw good growth in Commercial sales, off a low base, as the team start to leverage the benefits of a combined Group Commercial function



1. HY19 Financial Results

iv. The Good Guys

AUD	HY19	HY18	Growth
Sales (\$m)	1,130.7	1,099.8	2.8% ▲
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Gross Margin (%)	20.62%	20.79%	(16 bps) ▼
Cost of Doing Business (%)	16.18%	16.20%	(2 bps) ▼
EBIT (\$m)	43.7	42.0	3.9% ▲
EBIT Margin (%)	3.86%	3.82%	+4 bps ▲
Stores (#)	105	103¹	+2 stores ▲

Gross Profit and Margin

- Gross profit was \$233.2 million with gross margin at 20.6%, slightly down on the pcp but a significant improvement from the performance in the second half of FY18

CODB

- CODB was 16.2% and in absolute terms grew 2.7%
- Total operating costs were in line with expectations and store wages remained well controlled

EBIT

- Sales growth, combined with lower depreciation as significant pre-acquisition IT investment is now fully amortised, drove solid EBIT growth. EBIT was up 3.9% on the pcp to \$43.7 million while EBIT margin was 4 bps up on the pcp at 3.9%

Stores

- Two new stores were opened during HY19 at Springvale (VIC) and Moore Park (NSW)



¹ As at 30 June 2018

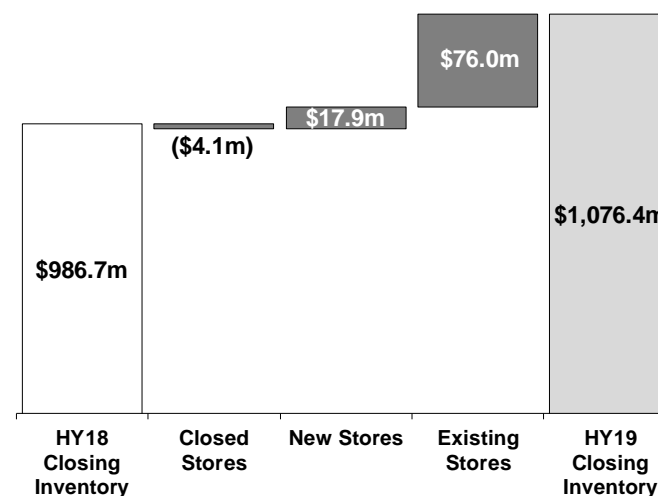
1. HY19 Financial Results

v. Group Balance Sheet and Cash Flow

Group Balance Sheet

AUDm	HY19	FY18	HY18
Cash	117.1	72.0	182.7
Receivables	307.7	204.7	302.2
Inventories	1,076.4	891.1	986.7
Other	41.2	42.7	45.3
Total Current Assets	1,542.4	1,210.5	1,516.9
Fixed Assets	206.8	198.0	207.2
Intangibles & Goodwill	1,037.3	1,037.3	1,037.3
Other	50.5	45.9	47.7
Total Non-Current Assets	1,294.6	1,281.2	1,292.2
Total Assets	2,837.0	2,491.7	2,809.1
Payables	1,015.5	665.3	1,048.4
Other	291.6	251.9	268.6
Total Current Liabilities	1,307.1	917.2	1,317.0
Borrowings	330.8	469.4	374.2
Other	143.9	157.5	159.2
Total Non-Current Liabilities	474.7	626.9	533.4
Total Liabilities	1,781.8	1,544.1	1,850.4
Net Assets	1,055.2	947.6	958.7
Net Debt	213.7	397.4	191.5

Inventory Bridge – HY18 to HY19



- Inventory turnover in HY19 was 6.1x (HY18: 6.2x). The additional inventory carried at 31 December 2018 sold through in early January 2019, with inventory levels now consistent with the prior year
- Payables reduced year on year due to the earlier purchasing of inventory for the Black Friday promotional period

1. HY19 Financial Results

v. Group Balance Sheet and Cash Flow

Group Cash Flow Statement

AUDm	HY19	HY18
Statutory EBITDA	264.3	256.3
Change in Working Capital	84.5	179.3
Net Interest Paid	(6.5)	(8.5)
Income Tax Paid	(58.6)	(58.9)
Other	(3.4)	5.4
Net Cash Flow from Operations	280.3	373.7
Purchases of P&E (net)	(36.4)	(30.2)
Net Cash Flow from Investing	(36.4)	(30.2)
Free Cash Flow¹	243.9	343.5
Proceeds / (Repayment) of borrowings	(139.2)	(183.8)
Proceeds from issue of equity	1.8	2.8
Shares acquired by the employee share trust	(8.9)	-
Share issue costs	-	-
Dividends Paid	(52.8)	(52.8)
Net Cash Flow from Financing	(199.1)	(233.8)
Net Change in Cash Position	44.8	109.7
Effect of exchange rates	0.3	0.2
Cash at the end of Period	117.1	182.7
Net Debt at the end of Period	213.7	191.5

¹ Free Cash Flow = Net Cash Flow from Operations less Purchases of P&E (net)

Group Performance Indicators

	HY19	HY18
Fixed Charge Ratio	2.9x	3.0x
Interest Cover	33.2x	27.2x
Gearing Ratio	0.8	0.9
Return on Invested Capital	18.6%	19.6%

- Operating cash flows and operating cash conversion continue to be strong, with the reduction year on year due to the increased inventory levels and timing of purchases year on year at 31 December
- Capex remains well controlled as we continue to invest in the store portfolio, our digital offers and strategic initiatives
- We expect Net Debt at 30 June 2019 to be in the range of \$320 million to \$350 million, a reduction of circa \$50 million to \$80 million year on year

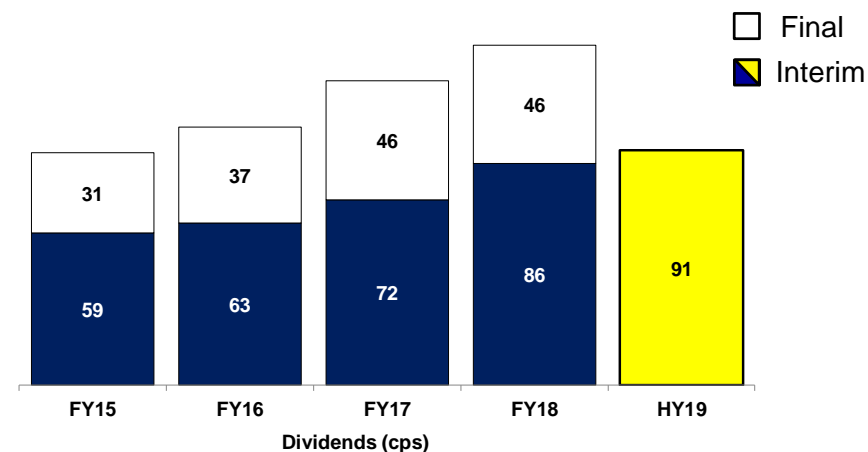
1. HY19 Financial Results

v. Group Balance Sheet and Cash Flow

Capital Management

- The Board has today declared an interim dividend of 91 cents per share (cps) fully franked, up 5 cps from the pcp, representing 65% of NPAT. The record date for the interim dividend is 22 February 2019, with payment to be made on 8 March 2019
- The Board has recently reviewed the Company's capital structure and believes the interim dividend payout ratio of 65% appropriately balances the distribution of profit to all shareholders, the repayment of debt and the reinvestment of earnings for future growth
- The Board will continue to regularly review the Company's capital structure with a focus on maximising returns to shareholders and maintaining balance sheet strength and flexibility

HY19 dividend up 5.8% to 91 cps



2. FY19 Trading Update and Outlook

January 2019 sales update:

- Total sales growth for JB HI-FI Australia was 3.0% (January 2018: 7.5%) with comparable sales growth of 1.5% (January 2018: 4.8%)
- Total sales growth for JB HI-FI New Zealand was -1.8% (January 2018: -2.0%) with comparable sales growth of 4.1% (January 2018: 2.1%)
- Total sales growth for The Good Guys was 1.8% (January 2018 : -3.5%) with comparable sales growth of 0.3% (January 2018 : -4.7%)
- We continue to see positive sales growth, however in the Christmas quarter and January we have seen increased volatility and a bias in customer purchasing towards key promotional periods

FY19 Guidance:

- In FY19 the Company expects:

Stores

- To open five JB HI-FI Australia stores (1HY19: four, 2HY19: one) and two The Good Guys stores (1HY19: two, 2HY19: nil)
- To close two JB HI-FI Australia stores (1HY19: nil, 2HY19: two) and one JB HI-FI New Zealand store (1HY19: one, 2HY19: nil)

Sales

- Total Group sales to be circa \$7.1 billion, comprising:
 - JB HI-FI Australia \$4.73 billion;
 - JB HI-FI New Zealand (NZD) \$0.24 billion; and
 - The Good Guys \$2.15 billion

Profit

- Total Group NPAT to be in the range of \$237 million to \$245 million, an increase of 1.6% to 5.1% on the pcp

3. Group Strategic Update

i. 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 a **young tech savvy** demographic

Strong position with **home-making families** and Gen X demographics

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

1

Scale

2

Low Cost Operating Model

3

Quality Store Locations

4

Supplier Partnerships

5

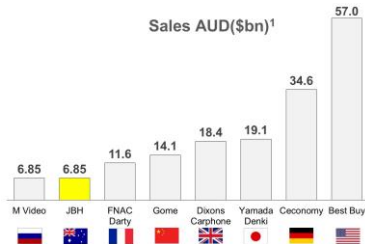
Multichannel Capability

3. Group Strategic Update

i. The Group Model - 5 key enablers

1 Scale

- #1 player in fragmented Australian market
- Global supplier relevance
- Ability to maintain focus on market share and absorb margin pressure during periods of heightened market price activity and consolidation
- Diversified category exposure
- Spread investments across a large base and drive efficiencies

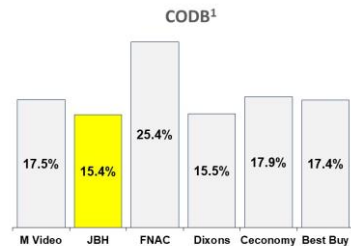


2 Low Cost Operating Model

Lowest CODB of any major Australian listed retailer and international consumer electronics retailer

Enabler for:

- Low prices (gross margins of only ~21.5%)
- Ability to compete effectively with traditional competitors and new market entrants



3 Quality Store Locations

JB HI-FI

- High grade shopping centres, CBD, homemaker centres
- High foot traffic and convenient locations
- Productive floor space with high sales per square metre

The Good Guys

- High grade homemaker centres and standalones
- Destination locations
- Showcase high consideration and higher value Home Appliances



4 Supplier Partnerships

- Strong partnerships with all major suppliers, scale on a global level
- Store locations and high traffic websites provide suppliers with high visibility for their product
- Knowledgeable staff assist to inform the customer of product benefits
- Dual brand retail approach provides:
 - Ranging and merchandising optionality
 - Ability to execute strategic initiatives at scale



5 Multichannel Capability

- Integrated, high quality in-store and online offer
- In-store experience drives a high level of research online and buy in store
- Multichannel approach provides customers with choice on how to transact with us
- Store network provides:
 - Fast online fulfillment, via delivery from store or click and collect
 - Online customers with after sales service and support



¹ Source: JBH FY18 Sales and CODB and other companies' data as reported in their most recent full year result translated to AUD.

3. Group Strategic Update

ii. JB HI-FI Group – FY19 Key Focus Areas Update

	Focus Area	Update
Group Merchandising	Establish a Group Merchandise function led by Cameron Trainor as Managing Director Group Merchandise	<ul style="list-style-type: none"> • Function established • Supplier benchmarking undertaken monthly to identify underperformance • Ongoing development of reporting and analysis tools
Group Supply Chain Strategy	Enable a better customer experience delivered through a cost effective, fit for purpose supply chain solution	<ul style="list-style-type: none"> • Review completed in December • Validation of review initiatives underway
Co-locate our Support Offices	Bringing together of the JB Hi-Fi and The Good Guys support offices to a joint location in Southbank, Melbourne	<ul style="list-style-type: none"> • Fit out in progress • Relocation scheduled for April

3. Group Strategic Update

ii. JB HI-FI – FY19 Key Focus Areas Update

	Focus Area	Update
Sales	Continued focus on driving sales - instore, online and commercial	<ul style="list-style-type: none"> • Positive HY19 comparable sales
Category evolution	Gaming, Telco and Connected Tech	<ul style="list-style-type: none"> • New store format trialled at Westfield Sydney • Recent store openings have included new Gaming, Telco and Connected Tech offerings
eSports	Melbourne eSports Open partnership	<ul style="list-style-type: none"> • First eSports Open held in Melbourne in September as part of our three year deal • Strong brand representation
New Zealand	Continue to execute on strategy to improve performance	<ul style="list-style-type: none"> • Strong Comp sales & EBIT growth • New MD in place • Improved Online offer and performance
Services	Design and implement an expanded Services offer	<ul style="list-style-type: none"> • Trial of TV install service offering completed in January
eCommerce	eCommerce platform migration to enhance multi-channel offer	<ul style="list-style-type: none"> • Shopify Plus platform in testing • Roll out expected during 2019
Personalisation	Leverage customer data to personalise marketing and customer experiences	<ul style="list-style-type: none"> • New EDM platform in place • Continued focus on expanding digital receipt database and connecting instore and online customer data

3. Group Strategic Update

ii. The Good Guys – FY19 Key Focus Areas Update

	Focus Area	Update
Sales	Continued focus on driving sales - instore, online and commercial	<ul style="list-style-type: none"> • Positive HY19 comparable sales
Category evolution	Technology enabled Home Appliances	<ul style="list-style-type: none"> • Connected appliances are continuing to grow and are contributing to ASP growth
Store relays	Focus on adjacencies, improved traffic flow and showcasing the home appliance categories	<ul style="list-style-type: none"> • Circa 30% of stores have been fully relayed providing customers with a better instore experience
Visual merchandise	Improving visual merchandising standards, delivering greater consistency across the store network	<ul style="list-style-type: none"> • All stores have been re-merchandised with consistent guidelines in place across the network ensuring greater consistency between stores
Store remuneration	Implement revised in-store commission structure	<ul style="list-style-type: none"> • New commission structure in place across all categories
Supplier relationships	Partner with suppliers to bring brands to life in-store and online	<ul style="list-style-type: none"> • Good support from suppliers with an increased investment in branded fixtures and fittings
Delivery options	Design and implement improved delivery options across all channels	<ul style="list-style-type: none"> • Continued work in progress

4. 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



Appendix I

Group Profit and Loss - Breakdown

AUDm	HY19				HY18				Growth
	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	JB HI-FI AUST	JB HI-FI NZ (NZD)	TGG	Group	
Sales	2,591.3	131.8	1,130.7	3,843.7	2,476.0	124.6	1,099.8	3,689.8	4.2% ▲
Gross Profit	573.6	23.1	233.2	828.0	545.3	21.8	228.6	793.9	4.3% ▲
<i>Gross Margin</i>	22.13%	17.51%	20.62%	21.54%	22.02%	17.51%	20.79%	21.52%	+3 bps ▲
EBITDA	211.8	2.4	50.3	264.3	204.5	1.4	50.4	256.3	3.1% ▲
Depreciation & Impairment	19.9	1.3	6.6	27.7	20.7	1.4	8.4	30.5	(9.2%) ▼
EBIT	191.9	1.1	43.7	236.6	183.7	0.0	42.0	225.8	4.8% ▲
<i>EBIT Margin</i>	7.41%	0.86%	3.86%	6.16%	7.42%	0.02%	3.82%	6.12%	+4 bps ▲
Net Interest				6.7				8.1	(16.9%) ▼
Profit before Tax				229.9				217.7	5.6% ▲
Tax Expense				69.8				66.0	5.7%
NPAT				160.1				151.7	5.5% ▲
Headline Statistics:									
Dividends per share (¢)				91.0				86.0	5.8% ▲
Earnings per share (basic ¢)				139.4				132.2	5.4% ▲
Cost of doing business	13.96%	15.66%	16.18%	14.67%	13.76%	16.31%	16.20%	14.57%	+10 bps ▲
Stores	197	14	105	316	193 ¹	15 ¹	103 ¹	311 ¹	+5 stores ▲

¹ As at 30 June 2018

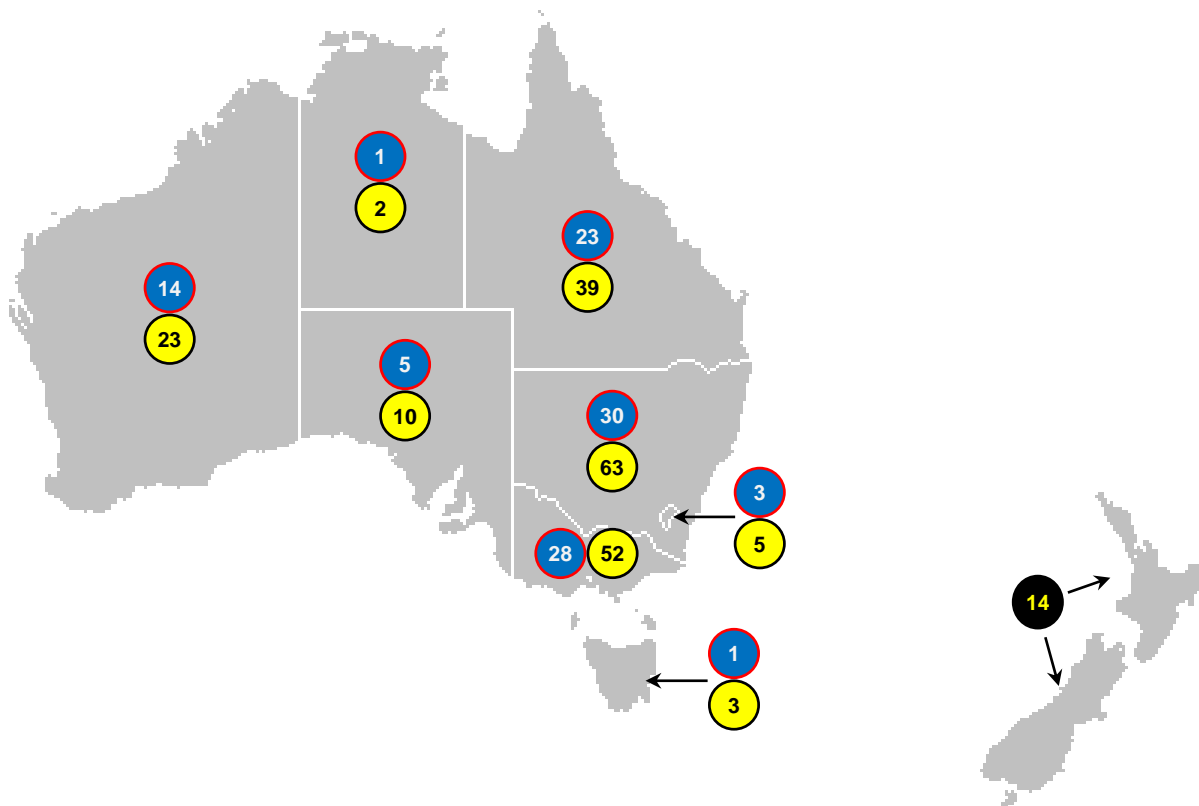
Appendix II

Group CODB reconciliation

AUDm	HY19	HY18
Other income (ex interest received)	(0.7)	(0.4)
Sales and marketing expenses (App 4D)	379.3	357.4
Occupancy expenses (App 4D)	151.4	148.4
<i>less depreciation, amortisation & impairment</i>	(23.3)	(25.1)
Administration expenses (App 4D)	24.6	25.6
<i>less depreciation & impairment</i>	(4.4)	(5.4)
Other expenses (App 4D)	36.9	37.1
CODB	563.7	537.6
Sales	3,843.7	3,689.8
CODB (% of sales)	14.67%	14.57%

Appendix III

316 stores across Australia and New Zealand



Group store reconciliation

	FY18	HY19			Total
		Opened	Converted	Closed	
Australia					
● JB HI-FI	134	4	-	-	138
● JB HI-FI HOME	59	-	-	-	59
	193	4	-	-	197
New Zealand					
● JB HI-FI	15	-	-	(1)	14
● JB HI-FI HOME	-	-	-	-	-
	15	-	-	(1)	14
JB HI-FI TOTAL	208	4	-	(1)	211
● THE GOOD GUYS	103	2	-	-	105
TOTAL	311	6	-	(1)	316
Store type:					
JB HI-FI	149	4	-	(1)	152
JB HI-FI HOME	59	-	-	-	59
THE GOOD GUYS	103	2	-	-	105
	311	6	-	(1)	316
Store format:					
Shopping centre	120	3	-	-	123
Other	191	3	-	(1)	193
	311	6	-	(1)	316

Appendix IV

a) Group Profit and Loss

AUDm	HY19	HY18	HY17 ¹	HY16	HY15
Sales	3,843.7	3,689.8	2,616.2	2,116.8	1,965.1
Gross Profit	828.0	793.9	571.1	459.6	427.3
<i>Gross Margin</i>	<i>21.54%</i>	<i>21.52%</i>	<i>21.83%</i>	<i>21.71%</i>	<i>21.74%</i>
EBITDA	264.3	256.3	203.9	157.9	148.7
Depreciation & Impairment	27.7	30.5	23.1	19.7	18.8
EBIT	236.6	225.8	180.8	138.2	130.0
<i>EBIT Margin</i>	<i>6.16%</i>	<i>6.12%</i>	<i>6.91%</i>	<i>6.53%</i>	<i>6.61%</i>
Net Interest	6.7	8.1	1.4	1.7	2.9
Profit before Tax	229.9	217.7	179.5	136.4	127.1
Tax Expense	69.8	66.0	54.1	41.2	38.5
NPAT	160.1	151.7	125.4	95.2	88.5
Headline Statistics:					
Dividends per share (¢)	91.0	86.0	72.0	63.0	59.0
Earnings per share (basic ¢)	139.4	132.2	116.3	95.0	89.4
Cost of doing business	14.67%	14.57%	14.04%	14.25%	14.17%

¹ HY17 are underlying results which exclude transaction fees and implementation costs totaling \$15.3m associated with the acquisition of The Good Guys in November 2016

Appendix IV

b) Group Balance Sheet

AUDm	HY19	HY18	HY17	HY16	HY15
Cash	117.1	182.7	124.5	101.4	68.1
Receivables	307.7	302.2	257.5	146.1	150.5
Inventories	1,076.4	986.7	898.1	621.5	572.6
Other	41.2	45.3	47.5	9.7	5.7
Total Current Assets	1,542.4	1,516.9	1,327.6	878.7	796.8
Fixed Assets	206.8	207.2	215.7	185.5	190.4
Intangibles & Goodwill	1,037.3	1,037.3	1,052.0	85.3	85.6
Other	50.5	47.7	46.5	20.7	17.1
Total Non-Current Assets	1,294.6	1,292.2	1,314.2	291.5	293.2
Total Assets	2,837.0	2,809.1	2,641.8	1,170.2	1,090.0
Payables	1,015.5	1,048.4	920.5	604.9	593.4
Other	291.6	268.6	269.2	128.1	108.6
Total Current Liabilities	1,307.1	1,317.0	1,189.7	733.0	702.0
Borrowings	330.8	374.2	423.4	-	-
Other	143.9	159.2	155.9	31.4	31.8
Total Non-Current Liabilities	474.7	533.4	579.3	31.4	31.8
Total Liabilities	1,781.8	1,850.4	1,769.0	764.3	733.8
Net Assets	1,055.2	958.7	872.8	405.8	356.2
Net Debt / (Net Cash)	213.7	191.5	299.0	(101.4)	(68.1)

Appendix IV

c) Group Cash Flow

AUDm	HY19	HY18	HY17	HY16	HY15
Statutory EBITDA	264.3	256.3	188.5	157.9	148.7
Change in Working Capital	84.5	179.3	117.0	134.4	146.6
Net Interest Paid	(6.5)	(8.5)	(0.1)	(1.7)	(2.7)
Income Tax Paid	(58.6)	(58.9)	(34.2)	(33.6)	(29.0)
Other	(3.4)	5.4	4.8	2.6	1.8
Net Cash Flow from Operations	280.3	373.7	276.1	259.6	265.5
Purchases of P&E (net)	(36.4)	(30.2)	(20.0)	(28.6)	(27.5)
Investments (net of cash acquired)	-	-	(846.5)	-	(2.4)
Net Cash Flow from Investing	(36.4)	(30.2)	(866.5)	(28.6)	(29.9)
Free Cash Flow	243.9	343.5	256.1	231.0	238.0
Borrowings / (Repayments)	(139.2)	(183.8)	315.0	(140.0)	(180.0)
Proceeds from issue of Equity	1.8	2.8	395.2	5.0	2.5
Shares acquired by the employee share trust	(8.9)	-	-	-	-
Share buy-back	-	-	-	(13.2)	(5.0)
Share issue costs	-	-	(9.0)	-	-
Dividends Paid	(52.8)	(52.8)	(36.7)	(30.9)	(28.8)
Other	-	-	(1.5)	0.1	-
Net Cash Flow from Financing	(199.1)	(233.8)	663.0	(179.0)	(211.3)
Net Change in Cash Position	44.8	109.7	72.6	52.0	24.3
Effect of exchange rates	0.3	0.2	(0.0)	0.3	0.3
Cash at the end of Period	117.1	182.7	124.5	101.4	68.1