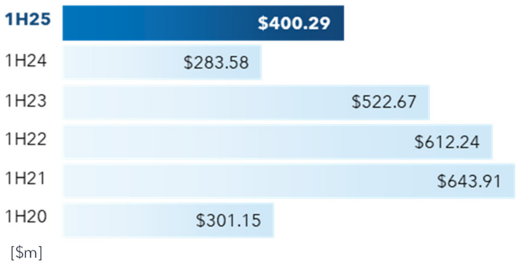
December 2024 (1H25) Results

Reported PBT of $400.29m

up ↑ $116.71m or +41.2%

Reported PBT

$400.29m

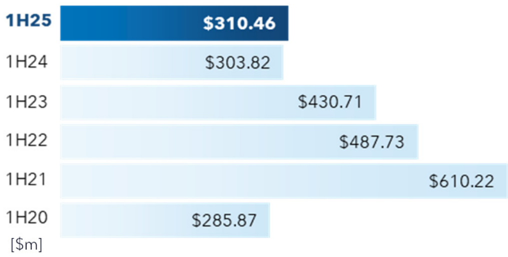


↑ **$116.71m** from 1H24

PBT

[excluding AASB 16 net impact and net property revaluations]

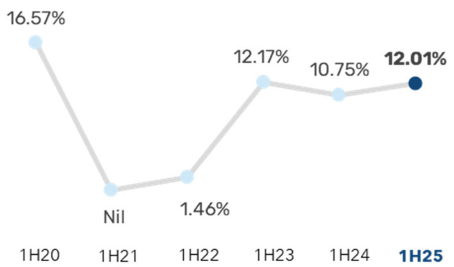
$310.46m



↑ **$6.64m** from 1H24

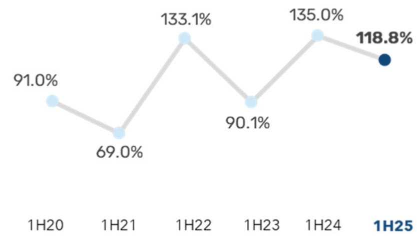
Net Debt to Equity %

12.01%



Cash Conversion %

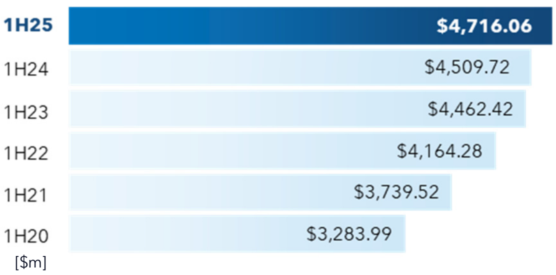
118.8%



[Calculated as: Operating Cash Flows (excluding interest & tax) ÷ EBITDA (excluding AASB 16 & net property revaluations)]

Net Assets

$4.72bn



↑ **$206.34m** from 1H24 5-YEAR CAGR **7.5%**

Total System Sales Revenue*

$4.83bn

↑ **$186.59m** from 1H24

*Comprised of Harvey Norman® overseas company-operated sales revenue and aggregated Harvey Norman®, Domayne® and Joyce Mayne® franchisee sales revenue in Australia. Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

Harvey Norman® Chairman, Gerry Harvey said "1H25 has delivered a solid result, with **reported PBT of $400.29 million, up by $116.71 million (+41.2%)** from $283.58 million in 1H24. Excluding the effects of AASB 16 Leases and net property revaluations, profit before tax for 1H25 was **$310.46 million, up by $6.64 million (+2.2%)** from 1H24."

"Total assets have surpassed the $8 billion milestone for the first-time, reaching $8.25 billion as at 31 December 2024. 66% of our asset base is comprised of quality, tangible assets, including an appreciating freehold property portfolio valued at $4.39 billion as at balance date. We have continued to deliver **sustainable growth in net assets**, **rising to $4.72 billion** as at 31 December 2024. Prudent and efficient working capital management across key segments has continued to deliver **strong operating cash flows of $448.10 million at a cash conversion ratio of 118.8%**. Our **net debt to equity ratio remains low and conservative at 12.01%**, down from 14.49% as at 30 June 2024. Our strong balance sheet, low gearing ratio and substantial cash reserves provides the flexibility and capacity to seize opportunities as they arise, and secure additional liquidity when needed." Mr. Harvey said.

In Australia, the **franchising operations segment PBT result was $180.28 million for 1H25, a substantial increase of $37.21 million (+26.0%), from $143.08 million in 1H24,** resulting in a **franchising operations margin of 5.40% for 1H25 compared to 4.52% in 1H24**. The improvement in the profitability of the franchising operations segment for 1H25 was primarily driven by higher revenue from franchise fees on the back of a 5.5% rise in aggregated franchisee sales revenue to $3.34 billion this half. As reported on 27/11/24 franchisee sales for the period 1 July 2024 to 31 October 2024 increased 3.2% (comparable up 3.1%) on the previous corresponding period, and for the months of November 2024 and December 2024 increased 9.0% (comparable up 8.6%) on November and December 2023. January 2025 sales increased 2.4% (comparable up 2.1%) on January 2024 and **further accelerated into February 2025 where the increase for the first 21 days of February 2025 was 7.2% (comparable up 7.0%) compared to the first 21 days of February 2024.**

Property ownership is a core pillar of our integrated model, delivering financial stability and operational efficiencies across our business. Our strong **freehold property portfolio is valued at $4.39 billion as at 31 December 2024** and has delivered a **property segment PBT of $165.81 million** for 1H25, an increase of $95.38 million from $70.43 million in 1H24. This is mainly due to a net revaluation increment of $84.71 million recorded this period due to growing investor confidence in the large-format retail market, sustained rental growth and record-low vacancy rates.

Our company-operated overseas retail segment result comprises 21.5% of total PBT excluding net property revaluations. Overseas retail profitability declined by $8.29 million (–10.9%) to **$67.89 million**. Overseas retail results were adversely impacted by the persistent macroeconomic headwinds in New Zealand that continue to dampen consumer and business confidence. The strategic expansion into England has come with significant country establishment costs this period, which places us in good stead for our plans to expand our retail footprint in the UK in the coming years.

Mr. Harvey stated, "We have made significant strides in enhancing our digital, online, and in-store experiences, alongside the strategic expansion of our global store network and targeted investments in key segments. Consumers continue to embrace the growing AI-PC market, with Harvey Norman® proudly enhancing its AI-foothold in the delivery of the Next Gen-AI technology range. The continuing innovation and mainstream adoption of Next Gen-AI PCs and devices are expected to drive further sales growth in the Home Appliances, Television, Audio, Mobile & Computer Technology categories throughout FY25 and beyond."

The Board has recommended the payment of a fully-franked interim dividend of 12.0 cents per share, to be paid on 1 May 2025 to shareholders registered on 3 April 2025. The details of this announcement will be made available on our website www.harveynormanholdings.com.au.

This document was authorised to be provided to the ASX by the Board of Directors of Harvey Norman Holdings Limited.

Yours faithfully,

CHRIS MENTIS
Company Secretary / CFO
28 February 2025