

HARVEY NORMAN® HOLDINGS LIMITED

PROFIT AFTER TAX UP 19.4%

PROFIT AFTER TAX (EXCL. AASB 16 & REVALS) UP 30.9%

REPORTED PBT	PBT <small>Excluding AASB 16 net impact and net property revaluations</small>
\$661.29m	\$635.60m
↑ \$86.73m (↑ 15.1%) FROM \$574.56m IN 2019	↑ \$131.35m (↑ 26.0%) FROM \$504.26m IN 2019
REPORTED PROFIT AFTER TAX & NCI	PROFIT AFTER TAX & NCI <small>Excluding AASB 16 net impact and net property revaluations</small>
\$480.54m	\$462.16m
↑ \$78.22m (↑ 19.4%) FROM \$402.32m IN 2019	↑ \$109.08m (↑ 30.9%) FROM \$353.09m IN 2019
EBITDA	EBITDA <small>Excluding AASB 16 net impact and net property revaluations</small>
\$944.67m	\$742.47m
↑ \$256.07m (↑ 37.2%) FROM \$688.60m IN 2019	↑ \$124.18m (↑ 20.1%) FROM \$618.30m IN 2019
EBIT	EBIT <small>Excluding AASB 16 net impact and net property revaluations</small>
\$721.08m	\$654.86m
↑ \$117.74m (↑ 19.5%) FROM \$603.34m IN 2019	↑ \$121.82m (↑ 22.9%) FROM \$533.04m IN 2019

YEAR ENDED 30 JUNE 2020

RECORD FINANCIAL RESULTS

	Variance to FY19	FY20
Offshore company-operated Harvey Norman® retail sales revenue	+3.7% (comp +2.1%)	\$2.07bn
Aggregated Headline Franchisee Sales Revenue*	+8.9% (comp +9.1%)	\$6.16bn
Total Aggregated Company-Operated and Franchisee Sales Revenue	+7.6% (comp 7.2%)	\$8.23bn
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	+37.2%	\$944.67m
Reported Profit Before Tax (PBT)	+15.1%	\$661.29m
PBT excluding AASB 16 Leases net impact & net property revaluations	+26.0%	\$635.60m
Reported Profit After Tax and Non-Controlling Interests (PAT&NCI)	+19.4%	\$480.54m
PAT&NCI excluding AASB 16 Leases net impact & net property	+30.9%	\$462.16m
Net Assets	+8.7%	\$3.48bn
Earnings Per Share	+15.5%	39.19c
Net Debt to Equity Ratio	Improved from 19.46% in June 2019	NIL

* Sales made by Harvey Norman®, Domayne® and Joyce Mayne® franchisees in Australia do not form part of the financial results of the consolidated entity

Harvey Norman Holdings Limited (ASX: HVN) announced today that net profit after tax and non-controlling interests for the year-ended 30 June 2020 was \$480.54 million, up \$78.22 million, from \$402.32 million in the previous year, representing a 19.4% increase.

Profit before tax was \$661.29 million, an increase of 15.1% from \$574.56 million in the previous year. Excluding the incremental higher expenses from the first-time adoption of AASB 16 Leases and net property revaluation adjustments, profit before tax would have been \$635.60 million for the year ended 30 June 2020, compared to \$504.26 million for the prior year, an increase of \$131.35 million or 26.0%.

Harvey Norman[®] Chairman, Gerry Harvey said "Globally, the 2020 financial year was a year of unique challenges. The drought and bushfires last summer, followed by COVID-19, had a significant impact in the 8 countries where we, or our franchisees, trade."

"Pleasingly, customers continued to engage strongly with our brands and importantly, as we are in the lifestyle / home retail space, the customer was appreciative of the shopping experience, spaciousness and easy parking at the physical franchised complexes and stores, whilst embracing the ease of connection to our brands digitally and the important convenience of home delivery and click and collect. The results achieved in 2020, are a testament to the strength of our model."

Harvey Norman[®]'s balance sheet continues to prove its strength, anchored by real property assets and a strong working capital position. The value of net assets increased 8.74% to \$3.48 billion as at 30 June 2020, from, \$3.2 billion as at 30 June 2019.

As at 30 June 2020, Harvey Norman[®] was in a net cash position of \$15.35 million, compared to a net debt position of \$626.47 million as at 30 June 2019. The net debt to equity ratio for 2020 was NIL, compared to a net debt to equity ratio of 19.46% in 2019.

Harvey Norman[®] Chairman, Gerry Harvey said "The robust cash flows generated from operating activities of over a billion dollars this year, coupled with the stringent measures implemented during FY20 to preserve cash, were used to paydown external debt. At 30 June 2020, the consolidated entity had \$685 million of unused, available financing facilities, and is therefore well-placed to respond to challenges as they arise."

The Board has recommended the payment of a fully-franked final dividend of 18.0 cents per share, to be paid on 2 November 2020 to shareholders registered on 12 October 2020.

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