

2021 RESULTS

EBITDA

\$1.457 billion

Increase of \$512.46 million from FY20

Reported PBT

\$1.183 billion

Increase of \$521.24 million from FY20

Income Tax Expense

\$336 million

Increase of \$160.42 million from FY20

SYSTEM SALES REVENUE

Total System Sales Revenue

\$9.721 billion

Increase of \$1.263 billion from FY20

HARVEY NORMAN HOLDINGS LIMITED

Year Ended 30 June 2021

REPORTED PROFIT BEFORE TAX UP 78.8%
REPORTED PROFIT AFTER TAX & NCI UP 75.1%

EBITDA \$1.457bn ^{UP BY} <u>54.2%</u> FROM \$944.67m in FY20	EBITDA Excluding AASB 16 net impact and net property revaluations \$1.147bn ^{UP BY} <u>54.4%</u> FROM \$742.47m in FY20
EBIT \$1.233bn ^{UP BY} <u>71.0%</u> FROM \$721.08m in FY20	EBIT Excluding AASB 16 net impact and net property revaluations \$1.059bn ^{UP BY} <u>61.7%</u> FROM \$654.86m in FY20
REPORTED PBT \$1.183bn ^{UP BY} <u>78.8%</u> FROM \$661.29m in FY20	PBT Excluding net property revaluations \$1.042bn ^{UP BY} <u>66.4%</u> FROM \$626.33m in FY20
REPORTED PROFIT AFTER TAX & NCI \$841.41m ^{UP BY} <u>75.1%</u> FROM \$480.54m in FY20	PROFIT AFTER TAX & NCI Excluding net property revaluations \$743.12m ^{UP BY} <u>63.0%</u> FROM \$456.00m in FY20

YEAR ENDED 30 JUNE 2021

RECORD FINANCIAL RESULTS	Variance to FY20	FY21
<i>Offshore company-operated Harvey Norman® retail sales revenue</i>	+22.9% (comp +17.0%)	\$2.539bn
<i>Aggregated Headline Franchisee Sales Revenue*</i>	+12.8% (comp +12.9%)	\$6.952bn
Total Aggregated Company-Operated and Franchisee Sales Revenue	+15.3% (comp 13.9%)	\$9.491bn
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	+54.2%	\$1.457bn
Reported Profit Before Tax (PBT)	+78.8%	\$1.183bn
<i>PBT excluding net property revaluations</i>	+66.4%	\$1.042bn
Reported Profit After Tax and Non-Controlling Interests (PAT&NCI)	+75.1%	\$841.41m
<i>PAT&NCI excluding net property revaluations</i>	+63.0%	\$743.12m
Net Assets	+12.0%	\$3.893bn
Earnings Per Share	+72.3%	67.53 cents
Net Debt to Equity Ratio	Net debt of \$295.54m vs net cash of \$15.35m in FY20	7.47%
Total Fully-Franked Dividend for FY21 of 35.0 cents (FY20: 24.0 cents)	+45.8%	\$436.10m

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

COVID-19 has continued to severely impact communities around the globe, affecting retail trade with government-imposed temporary closures, restrictions to consumer mobility, reduced trading hours and strict social distancing mandates. The number one priority during these tumultuous times for the Board of Harvey Norman Holdings Limited (ASX:HVN) has been to keep our customers safe, protect our staff and enable them to do their job in a safe manner. The Board commends the continued efforts of franchisees, franchisee staff, local management and team members across 8 countries, for maintaining, upholding and enhancing their COVID-Safe Plans and Practices throughout this prolonged period of uncertainty.

HVN announced today that profit before tax for the year ended 30 June 2021 was \$1.183 billion, an increase of \$521.24 million or up 78.8%, from \$661.29 million in the previous year. Excluding the impact of net property revaluation adjustments, profit before tax was \$1.042 billion for the year ended 30 June 2021, compared to \$626.33 million for the prior year, an increase of \$415.82 million or 66.4%. Net profit after tax and non-controlling interests was \$841.41 million this year, up \$360.87 million, from \$480.54 million in the previous year, representing a 75.1% increase.

The Australian franchising operations segment delivered a record profit result of \$628.19 million, an increase of \$279.60 million or 80.2%, from \$348.59 in the previous year. The offshore company-operated retail segment has also excelled, generating profits of \$240.79 million across 7 overseas countries, up by \$88.72 million or 58.3%. The property segment remains strong with real, tangible property assets exceeding \$3 billion, and achieving a property segment profit of \$291.54 million, up by \$118.35m or 68.3%.

Harvey Norman® Chairman, Gerry Harvey said "The solid results delivered in the 2021 financial year is a testament to the strength and resilience of the integrated retail, franchise, property and digital strategy, and its ability to adapt and transition to the challenging retail landscape and continue to navigate the uncertainties presented by COVID-19. The results achieved this year demonstrates that customers continue to engage strongly with our brands and feel comfortable and safe shopping in our expansive, spacious overseas company-owned and Australian franchised complexes, with easy direct access to large showrooms and warehouses, or the various flexible 'Contactless Click & Collect' and 'Contactless Delivery' options on offer. We have continued to invest in technology, digital transformation and infrastructure to enable our overseas company-owned stores and Australian franchisees to enhance their 'Shop Safe' capabilities and bolster their customer-centric strategies."

The balance sheet of the consolidated entity remains robust, anchored by real property assets and a strong working capital position. The value of net assets increased by \$415.69 million or 12.0% to \$3.89 billion as at 30 June 2021, from \$3.48 billion as at 30 June 2020.

Harvey Norman® Chairman, Gerry Harvey said "The solid cash flows generated from operating activities has enabled us to build our brand overseas and grow our businesses, refurbish our existing stores and invest in new property acquisitions and paydown external debt. Our net debt to equity ratio remains low at 7.47% as at 30 June 2021."

Rolling lockdowns in most States and Territories of Australia have affected sales in July and August 2021, even though contactless click and collect and home delivery are operating for customers from 192 Australian franchised complexes. Over 15 million people, or approximately 58% of the Australian population, are currently in lockdown. However, we expect spending to recover quickly as we saw when lockdown restrictions were eased in our overseas markets due to pent-up demand. Malaysia closed from 1 June 2021 due to large outbreaks of COVID-19 in the country. Malaysian stores commenced limited opening to customers from 21 August 2021. On 18 August 2021, New Zealand went into Level 4 lockdown with no store click and collect permitted, but contactless home delivery allowed. Our other 5 countries have been open in July and August 2021.

Harvey Norman® Chairman, Gerry Harvey said "Today, we released a retail trading update with aggregated sales for Australian franchisees and overseas company-operated stores from 1 July 2021 to 26 August 2021. With the exception of Malaysia which was significantly affected by the lockdowns during this period, these reflect a continued elevated customer demand with solid headline sales growth rates ahead of the comparable period in July and August 2019."

The Board has recommended the payment of a fully-franked final dividend of 15.0 cents per share, to be paid on 15 November 2021 to shareholders registered on 18 October 2021. 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