

Harvey Norman[®]

HOLDINGS LIMITED | ACN 003 237 545

Annual General Meeting

27 November 2019



Kezie Apps
Captain - NSW Women's
State of Origin Team

Ali Briginshaw
Captain - Queensland Women's
State of Origin Team

FINANCIAL ACHIEVEMENTS FOR FY2019

- **8.4% increase in Reported Profit Before Tax (PBT)** to \$574.56 million.
- **Robust Net Assets of \$3.2 billion**, a substantial 8.8% increase from prior year.
- **\$3 billion of Property assets.** All investment properties are reviewed to fair market value every 6 months to ensure compliance with applicable regulations and our investment property valuation policy.
- **18% PBT return on net assets.**
- **4.5% increase in Earnings Per Share (EPS)** to 34.70 cents.
- **Dividend yield was 8.1%**, based on the HVN share price of \$4.07 and a dividend of 33 cents.
- **Net debt to equity ratio a conservative 19.46%**, an improvement from 25.5% last year.

OFFSHORE ACHIEVEMENTS FOR FY2019

- **23% of total consolidated PBT** now comes from overseas company-operated stores
- **Over \$2 billion of offshore retail revenue**, up by 9.7%
- **Record offshore retail profit of \$129.70 million**, up by 11.7%.
- **18% PBT return on net assets.**
- **4.5% increase in Earnings Per Share (EPS)** to 34.70 cents.
- At the end of June there were 90 Harvey Norman® company-operated stores. The intention is to open up to 21 new stores overseas within the next 2 years.
- 17 new stores will be in Malaysia and Singapore.

FLAGSHIP / PREMIUM GLOBAL STRATEGY

- 2019 delivered the completion of our 8-country Flagship Strategy.
- Our premium strategy has been underway overseas for the past 3 years.
- We will start to rollout the premium strategy in Australia and NZ this financial year.

KATIE PAGE

CEO

Global Overview

MALAYSIA

AN OVERVIEW

The fastest growing country
for Harvey Norman®

MALAYSIA: A PLATFORM FOR EXPANSION & GROWTH

	Malaysia	Australia
Population	32.6 million	25.3 million
2025 Population Projection	35.5 million	27.9 million
Median Age	28.6 years	37.3 years
Average Household Size	4	2.6
GDP Growth	4.74%	1.4%
Unemployment	3.3%	5.2%
Stores	21 <small>Plus 2 new stores to open in the next 2 weeks</small>	194

Malaysia's economy has been on an upward trajectory since 2010. Based on the estimated GDP growth rate of 4.8%, Malaysia is poised to enter the 'global middle class' of developed nations by 2024.

MALAYSIA: STORE OPENINGS – CALENDAR 2019

JOHOR BAHRU

MID VALLEY SOUTHKEY July 2019 42,289sq.ft
IPC TOPPEN November 2019 53,003sq.ft

KUALA LUMPUR

IOI CITY MALL Premium refit 46,083sq.ft
MID VALLEY Premium refit 39,568sq.ft

IPOH

IPOH PARADE To open on 30th November 2019 42,072sq.ft

PENANG

QUEENSBAY Premium refit 27,053sq.ft
BATU KAWAN To open in December 2019 49,547sq.ft

KOTA BAHRU

AEON MALL November 2019 42,289sq.ft

SARAWAK

MIRI April 2019 42,675sq.ft

UPCOMING STORE OPENINGS

IRELAND

Galway
60,000sq.ft

Sligo
43,600sq.ft

CROATIA

Pula
75,800sq.ft

MALAYSIA

A further 8 sites under review and negotiation

SINGAPORE

2 new sites confirmed with a 3rd site under negotiation

**ROLLOUT OF
PREMIUM STRATEGY
IN AUSTRALIA &
NEW ZEALAND**

PREMIUM STRATEGY

- Our premium strategy has been tested and proven to be successful overseas.
- We plan to start rolling the premium format out in Australia and New Zealand as new franchised complex and store refits are due.
- The premium refit of the Cairns franchised complex is currently underway.
- Premium refits of the franchised complexes located at Campbelltown, Balgowlah, Preston and Aspley will commence post-Christmas in Australia and Mt. Wellington and Hamilton in New Zealand.

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ONLINE | MOBILE | LOCAL STORE