

2023 Results Announcement

“We have delivered a substantial 40% growth in net assets since the beginning of the pandemic, rising to \$4.47 billion as at 30 June 2023.”

Harvey Norman® Chairman, Gerry Harvey

EBITDA

\$1,130.71m

2023	\$1,130.71
2022	\$1,436.56
2021	\$1,457.14
2020	\$944.67
2019	\$688.60

[\$m]

↓ \$305.85m from FY22

↑ \$442.11m from FY19

4-YEAR CAGR **13.2%**

Reported PBT

\$776.08m

2023	\$776.08
2022	\$1,140.44
2021	\$1,182.53
2020	\$661.29
2019	\$574.56

[\$m]

↓ \$364.36m from FY22

↑ \$201.52m from FY19

4-YEAR CAGR **7.8%**

Reported NPAT & NCI

\$539.52m

2023	\$539.52
2022	\$811.53
2021	\$841.41
2020	\$480.54
2019	\$402.32

[\$m]

↓ \$272.01m from FY22

↑ \$137.20m from FY19

4-YEAR CAGR **7.6%**

Operating Cash Flows

\$680.26m

2023	\$680.26
2022	\$597.30
2021	\$543.87
2020	\$1,056.96
2019	\$372.85

[\$m]

↑ \$82.96m from FY22

↑ \$307.41m from FY19

4-YEAR CAGR **16.2%**

Net Assets

\$4.466bn

2023	\$4,466.49
2022	\$4,294.12
2021	\$3,893.02
2020	\$3,477.33
2019	\$3,197.79

[\$m]

↑ \$172.37m from FY22

↑ \$1,268.70m from FY19

4-YEAR CAGR **8.7%**

Total System Sales Revenue*

\$9.193bn

2023	\$9,192.93
2022	\$9,557.59
2021	\$9,720.71
2020	\$8,457.53
2019	\$7,891.08

[\$m]

↓ \$364.66m from FY22

↑ \$1,301.84m from FY19

4-YEAR CAGR **3.9%**

*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.

PBT

Excluding net impact of AASB 16 and property revaluations

\$680.23m

FY22	FY19	1H23 vs 1H22	2H23 vs 2H22
↓ -27.8% (down \$262.56m)	↑ +34.9% (up \$175.98m)	↓ -11.7% (down \$57.02m)	↓ -45.2% (down \$205.54m)

Net Assets

40% increase in net assets from pre-covid position in June 19. 4% increase since June 22.

\$4.47bn

FY22	FY19
↑ +4.0% (up \$172.37m)	↑ +39.7% (up \$1.27bn)

Versatile & adaptable operating model and organic expansion in existing countries delivered a 40% growth in net assets since FY19. **[4-year CAGR of 8.7%]**

Harvey Norman® Chairman, Gerry Harvey said “We have delivered a **substantial 40% growth in net assets** since the beginning of the pandemic, rising to **\$4.47 billion** as at 30 June 2023. Our balance sheet remains strong with total assets of \$7.67 billion, anchored by a \$4 billion property portfolio. Our prudent financial management has resulted in ample liquidity and a **low net debt to equity ratio of 13.85%**, providing us with the capacity to access additional liquidity as required. Our **operating cash flows are strong at \$680.26 million for FY23, delivering a cash conversion ratio of 97.4%**. This was achieved by a significant improvement in working capital in 2H23 with operating cash flows growing by \$308.05 million compared to 2H22, a cash conversion ratio of 108.4% in the 2nd half.”

HVN today announced a PBT of **\$776.08 million** for FY23, a decrease of \$364.36 million or -31.9% from \$1.140 billion in FY22. PBT is still well above pre-pandemic levels growing by \$201.52 million or 35.1% from FY19, delivering a **4-year CAGR of 7.8%**. PBT excluding the net effects of AASB 16 and property revaluations was **\$680.23 million** for FY23, a reduction of -27.8% from FY22, but increased by 34.9% compared to FY19, a **4-year CAGR of 7.8%**.

Our company-operated overseas retail stores result comprises 21% of total PBT excluding net property revaluations. Overseas retail profitability declined this year by \$92.94 million, or -40.1%, to **\$139.06 million**, primarily due to the macroeconomic headwinds and significant deterioration in business and consumer confidence in New Zealand, a contraction in trading conditions in Europe and the normalisation of margins and operating costs globally in the post-COVID environment. When compared to FY19, the overseas retail segment PBT result exceeded pre-pandemic levels by \$9.35 million, or 7.2%.

In Australia, the franchising operations segment PBT result was **\$373.36 million** for FY23, a decrease of \$179.66 million, or -32.5%, from \$553.02 million in FY22, generating a **franchising operations margin of 5.82%** for FY23 compared to 8.19% in FY22. When compared to the pre-pandemic levels of FY19, the franchising operations segment PBT result increased by **\$124.96 million, or 50.3%**, from \$248.40 million, with a **4-year CAGR of 10.7%**, and the franchising operations margin was 143 basis points, or 32.6%, higher than the margin for FY19 of 4.39%.

Mr. Harvey said “We are confident in the quality of the Harvey Norman®, Domayne® and Joyce Mayne® brands and the solid market position of our Australian franchisees and overseas company-operated stores. We are committed to delivering stable returns and sustainable growth for our stakeholders and are well-placed to benefit from any upturn in trading conditions and any growth that may arise from the home renovation cycle, new home starts and net migration increases. We are on track to deliver our Malaysian expansion plan as announced last year, and are committed to strengthening our brands and global footprint.”

The Board has recommended the payment of a fully-franked final dividend of 12.0 cents per share, to be paid on 13 November 2023 to shareholders registered on 16 October 2023. 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