

27 August 2021

Harris Technology announces FY21 Results

Highlights:

- \$41.8M revenue, a 206% increase (FY20: \$13.6M)
- \$1.75M net profit after tax, a 73.6% increase (FY20: \$1.0M)
- Net assets of \$7.66M, turnaround from FY20 net liabilities of \$3.9M
- Number 1 marketplace seller on Amazon Australia since July 2020
- Major growth on eBay Australia with \$1M monthly sales achieved in June 2021

Harris Technology Group Limited (ASX: HT8) is pleased to release its Annual Report and audited accounts for the year ended 30 June 2021. The reporting period completes a 3-year turnaround strategy to transition Harris Technology to a pure-play online retailer while leveraging its strong brand which has provided Australians with tech products for more than 30 years.

Transitioning Harris Technology away from the traditional retail model, eliminating the use of retail shopfronts, has delivered these exceptional results highlighted by a 73.6% increase in net profit after tax to \$1.75 million.

The 206% increase in revenue can be partially attributed to growth in the online sector. Harris Technology had already begun a pivot to become a pure-play online retailer prior to the COVID-19 pandemic. This ensured the company was able to move with agility and respond quickly to consumer trends which saw new revenue streams from its personal protective equipment (PPE) range at the start of the reporting period. Expansion into the Gaming category also assisted revenue growth as gaming emerged as one of the most popular forms of entertainment during lockdowns.

Increased sales have also been facilitated by Harris Technology's expansion into other new product categories beyond its traditional range of IT and Consumer Electronics. This strategy of product expansion will be further explored in FY22, as well as the planned entry into private label goods.

Harris Technology CEO, Garrison Huang said, "This excellent result was achieved despite increased competition in both the tech retail and online retail spaces which had an impact on margins, but as a pure-play online retailer, it was pleasing that Harris Technology was able to maintain margins circa 18% with a rapidly growing presence across all major eCommerce marketplaces."

"Going forward, Harris Technology is uniquely positioned to take advantage of the strong and sustained trend towards online shopping. We continue to benefit from new online traffic from marketing programs launched by platform owners and should continue to do so with planned expansion into new product categories."

Current lockdowns in Sydney and Melbourne are providing similar tailwinds to the online retail sector seen during the early stages of the pandemic. Harris Technology is also in the process of launching a new website to capture more organic search engine traffic while optimising backend logistics. This will improve our own online marketing and enable better customer shopping experiences over the coming year.

Harris Technology has continued to invest in its inventory to the value of \$10.7M as of 30 June 2021 (FY20: \$3.3M). By securing these highly in demand products due to the global chipset shortage, the company is well positioned to turn over higher volumes of products in the coming months. This will also be accommodated by a proposed upgrade in warehouse facilities in November 2021 to consolidate 4 small warehouses into 1 large complex that will improve operating logistics and optimise rental expenditure for better use of space.

Harris Technology welcomes investors to join the HT8 investor mailing list for Company updates, industry research and investor discounts by subscribing at: <http://ht8.com.au/subscribe>.

For more information, contact:
Garrison Huang
info@ht.com.au

This announcement has been authorised for ASX release by HT8 Chairman, Alan Sparks.

About Harris Technology Group Limited

Harris Technology Group Limited is a publicly listed company on the Australia Securities Exchange (ASX code: HT8). The Company's main business is the eCommerce business of Harris Technology (HT) - www.ht.com.au. Harris Technology is a well-known brand with a 30+ year history in IT/CE retail market covering a very wide range of IT products for small and medium businesses in Australia. Harris Technology was previously owned by Officeworks under Wesfarmers and prior to this, it was owned by Coles Myer Group. Harris Technology no longer operates any physical shopfronts - all businesses of Harris Technology are conducted online both on www.ht.com.au and via the major online platforms such as Amazon, Kogan, Catch and eBay etc.