

Harvey Norman

HOLDINGS LIMITED | ACN 003 237 545



Paris

PRESENTATION OF RESULTS | 2024

FROM GRASSROOTS TO THE GAMES HARVEY NORMAN® SUPPORTING AUSTRALIAN ATHLETES



MADISON DE ROZARIO
PARA-ATHLETICS

JYE EDWARDS
ATHLETICS

SALLY FITZGIBBONS
SURFING

ARIARNE TITMUS
SWIMMING

CHRIS BOND
WHEELCHAIR RUGBY

JEFF DUNNE
BREAKING

MONTANA ATKINSON
PARA-SWIMMING

Australia

New Zealand

Singapore

Slovenia

Ireland

Northern Ireland

Malaysia

Croatia

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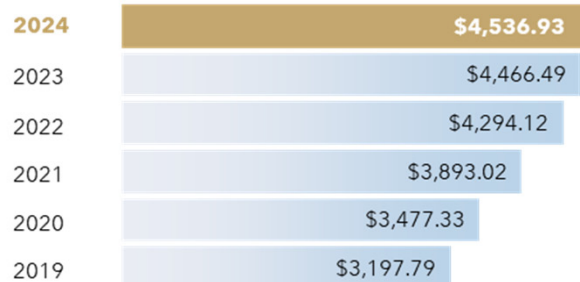
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JUNE 2024 (FY24) RESULTS

Net Assets

\$4.54bn

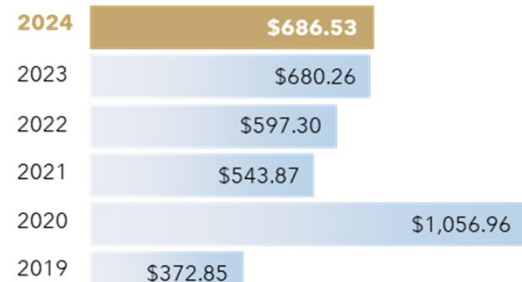


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↑ **\$70.44m** from FY23
 ↑ **\$1,339.14m** from FY19 | 5-YEAR CAGR **7.2%**

Operating Cash Flows

\$686.53m



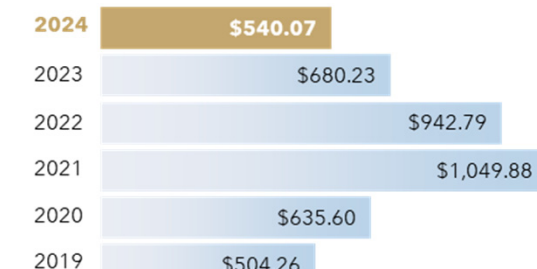
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↑ **\$6.27m** from FY23
 ↑ **\$313.69** from FY19 | 5-YEAR CAGR **13.0%**

PBT

[excluding AASB 16 net impact and net property revaluations]

\$540.07m

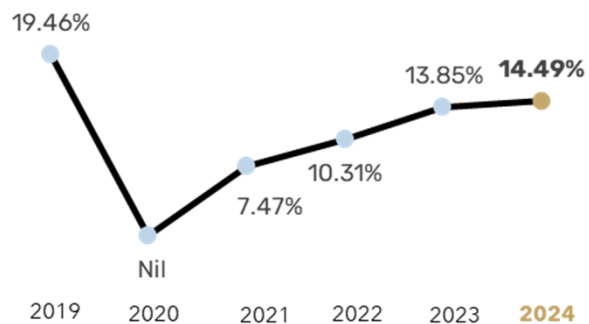


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↓ **\$140.17m** from FY23: 1H24 ↓ \$126.88m | 2H24 ↓ \$13.28m

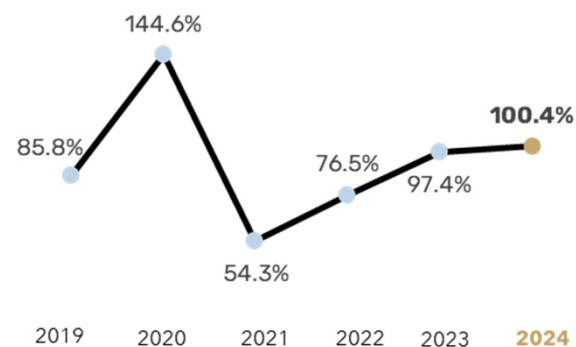
Net Debt to Equity %

14.49%



Cash Conversion %

100.4%



Improvement from **97.4%** in FY23

[Calculated as: Operating Cash Flows (excluding interest & tax) ÷ EBITDA (excluding AASB 16 & net property revaluations)]

Total System Sales Revenue*

\$8.86bn



↓ **\$330.79m** from FY23: 1H24 ↓ \$334.37m | 2H24 ↑ \$3.58m

*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.

FY24 RESULTS FOR ANNOUNCEMENT TO THE MARKET

EBITDA

\$898.26m

↓ **\$232.45m** or **-20.6%** from **\$1.131bn** in FY23
1H24 ↓ \$221.00m (-31.8%) | 2H24 ↓ \$11.45m (-2.6%)

EBITDA excluding AASB16 net impact and net property revaluations

\$686.61m

↓ **\$126.29m** or **-15.5%** from **\$812.90m** in FY23
1H24 ↓ \$113.80m (-23.2%) | 2H24 ↓ \$12.49m (-3.9%)

EBIT

\$652.67m

↓ **\$215.07m** or **-24.8%** from **\$867.74m** in FY23
1H24 ↓ \$224.42m (-39.9%) | 2H24 ↑ \$9.35m (+3.1%)

EBIT excluding AASB16 net impact and net property revaluations

\$592.96m

↓ **\$128.63m** or **-17.8%** from **\$721.59m** in FY23
1H24 ↓ \$116.43m (-26.1%) | 2H24 ↓ \$12.20m (-4.4%)

Total System Sales Revenue

\$8.86 bn

Aggregated headline franchisee sales revenue* **\$6.06bn**

Company-operated sales revenue **\$2.80bn**

*Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

HNHL Consolidated Revenue

\$4.11 bn

Sales of products to customers **\$2.80bn**

Revenues received from franchisees **\$1.08bn**

Revenues and other income items **\$227.12m**

REPORTED PBT

\$541.69m

↓ **\$234.39m** or **-30.2%** from **\$776.08m** in FY23
1H24 ↓ \$239.09m (-45.7%) | 2H24 ↑ \$4.69m (+1.9%)

PBT excluding AASB16 net impact and net property revaluations

\$540.07m

↓ **\$140.17m** or **-20.6%** from **\$680.23m** in FY23
1H24 ↓ \$126.88m (-29.5%) | 2H24 ↓ \$13.28m (-5.3%)

REPORTED PROFIT AFTER TAX & NCI

\$352.45m

↓ **\$187.07m** or **-34.7%** from **\$539.52m** in FY23
1H24 ↓ \$165.89m (-45.3%) | 2H24 ↓ \$21.18m (-12.2%)

PAT excluding AASB16 net impact and net property revaluations & NZ deferred tax adj[▶]

\$372.85m

↓ **\$99.03m** or **-21.0%** from **\$471.88m** in FY23
1H24 ↓ \$87.43m (-29.0%) | 2H24 ↓ \$11.60m (-6.8%)

▶ excludes \$21.70m NZ deferred tax due to change in NZ tax legislation in FY24

Net Assets

\$4.54 bn

↑ **1.6%** from **\$4.466bn** in June 2023
↑ **41.9%** from **\$3.198bn** in June 2019

Basic Earnings Per Share

28.29c

↓ from **43.30c** in FY23

Dividend Per Share

(FULLY-FRANKED)

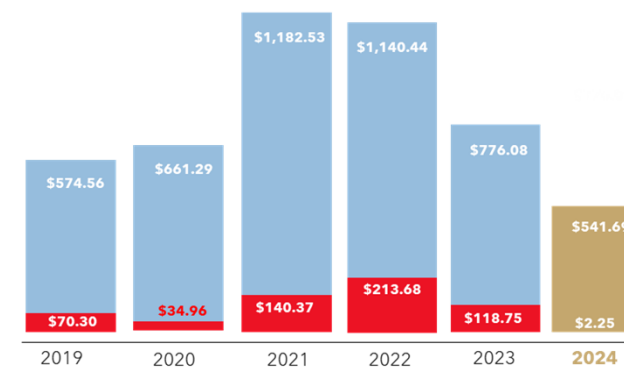
22.0c

↓ from **25.0c** for FY23

INTERIM **10.0c** FINAL **12.0c**

- **Strong balance sheet** with total assets of nearly **\$8 billion**, anchored by **\$4 billion** freehold property portfolio
- **\$4.54bn net assets**, up \$70.44m (+1.6%) from Jun-23 → **substantial 41.9% growth since Jun-19**
- **Prudent financial management** has resulted in an improved liquidity position and low net debt to equity ratio of 14.49% in FY24.
- **\$686.53m in operating cash flows**, up \$6.27m from FY23, with a **cash conversion of 100.4%**.
- **\$541.69m reported PBT**, down \$234.39m (-30.2%) from FY23 due to:
 - **\$4.11bn of total revenues**, down by \$165.21m (-3.9%) from FY23:
 - \$100.87m decrease in other income items mainly due to a reduction in the net revaluation adjustments by \$116.50m, from a net increment of \$118.75m for FY23 compared to an increment of \$2.25m for FY24
 - \$91.63m decrease in franchise fees received on the back of a -5.6% reduction in aggregated franchisee sales revenue to \$6.06bn
 - Offset by \$27.29m increase in company-operated sales revenue
 - **\$1.93bn of cost of sales**, up \$46.91m (+2.5%) from FY23 due to impact of new overseas company-operated stores
 - **\$1.65bn of total operating expenses**, up by \$25.01m (+1.5%) from FY23 due to:
 - increase partially attributed to inflation experienced across the 8 countries and new store openings
 - \$19.33m increase in finance costs
 - total operating expenses remained efficient at 18.6% of total system sales revenue for FY24
 - global marketing expenses were 4.4% of total system sales revenue in FY24
- Reported PBT declined in 1H24 by \$239.09m (-45.7%) from 1H23 before **significantly improving in the second half with a modest increase of \$4.69m (+1.9%) in 2H24** relative to 2H23.
- **\$540.07m PBT excluding the effects of AASB 16 and net property revaluations**, down by \$140.17m (-20.6%) from FY23, with 1H24 contributing \$126.88m (-29.5%) to the decrease, whilst improved performance in 2H24 saw a more moderate reduction of \$13.28m (-5.3%) compared to 2H23.
- **Effective tax rate of 33.98%** for FY24 vs 29.54% for FY23, includes a \$21.7m deferred tax expense adjustment in New Zealand resulting from a legislative change. Excluding this adjustment, effective tax rate would be 29.97% for FY24.

PROFIT BEFORE TAX AS REPORTED (\$M)



YEAR ENDED 30 JUNE (including property revaluations)

■ Denotes the contribution of net property revaluations to total PBT

PBT

(excluding AASB 16 net impact & net property revaluations)

\$540.07m

FY24 vs FY23

↓
-20.6%
(down \$140.17m)

1H24 vs 1H23

↓
-29.5%
(down \$126.88m)

2H24 vs 2H23

↓
-5.3%
(down \$13.28m)

OPERATING CASH FLOWS

\$686.53m

FY24 vs FY23

↑
+0.9%
(up \$6.27m)

FY24 vs FY19

↑
+84.1%
(up \$313.69m)

1H24 vs 1H23

↑
+45.8%
(up \$156.24m)

2H24 vs 2H23

↓
-44.2%
(down \$149.97m)

[5-year CAGR of 13.0%]

STRONG CASH CONVERSION 100.4%

FY24

100.4%

FY23

97.4%

Total Assets

\$7.93 bn

As at 30 June 2024



↑ **3.3%** up by \$256.04m from \$7.67bn in Jun-23
↑ **65.2%** up by \$3.13bn from \$4.80bn in Jun-19

[5-year CAGR of 10.6%]

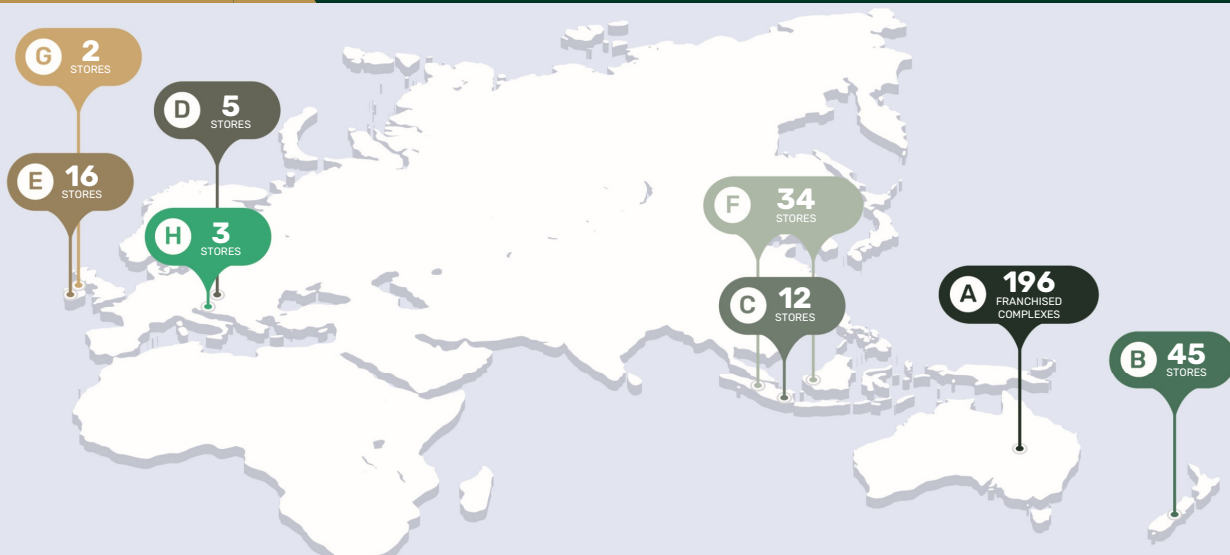
Net Assets

\$4.54 bn

As at 30 June 2024

↑ **1.6%** up by \$70.44m from \$4.47bn in Jun-23
↑ **41.9%** up by \$1.34bn from \$3.20bn in Jun-19

[5-year CAGR of 7.2%]



We operate an integrated retail, franchise, property and digital system across 8 countries.

- A. Australia
- B. New Zealand
- C. Singapore
- D. Slovenia
- E. Ireland
- F. Malaysia
- G. Northern Ireland
- H. Croatia

Harvey Norman® Australian franchised retail and overseas company-operated retail operations are supported by an integrated retail, franchise, property & digital system

Australian Franchising Operations

- 196 franchised complexes in Australia comprising 556 independent franchisees
- FY24 Aggregated Franchisee Sales Revenue: \$6.06 billion
- FY24 Franchising Operations PBT: \$273.56 million

Overseas Company – Operated Retail

- 117 company-operated stores in 7 countries
- FY24 Overseas Company-Operated Revenue: \$2.63 billion
- FY24 Overseas Retail PBT: \$118.54 million
- Comprises 21.9% Total PBT (22.0% excluding property revaluations)

Strategic ‘Large-format’ Retail Property Portfolio

- 94 franchised complexes owned (48% of total)
- 470 diverse third-party tenants (large proportion ASX-listed)
- \$3.58 billion Australian investment property portfolio (largest single owner in Australia)
- FY24 Property PBT: \$160.56 million (including revaluations)
- 28 international owned retail property assets (24% of total)
- \$638.89 million overseas owner-occupied and investment property portfolio

Investment in Technology, Digital Transformation and IT Infrastructure Assets

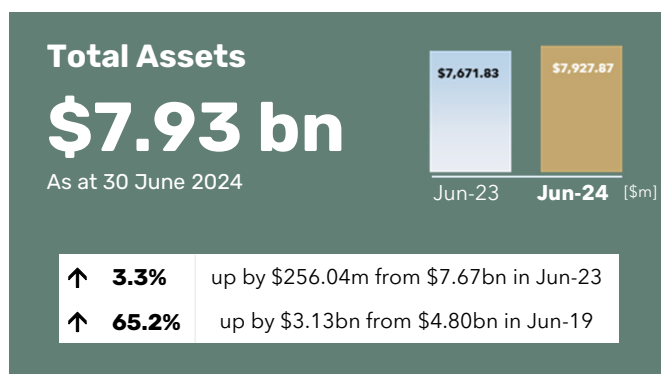
Online sales channel	Click & collect	Quick reserve	Store finder	Trak by Harvey Norman®	LiveChat

The consolidated entity operates an integrated retail, franchise, property and digital system, comprising three main strategic pillars:
1. Franchise – 2. Retail – 3. Property complemented by sustained investment in technology, digital transformation and IT infrastructure assets.

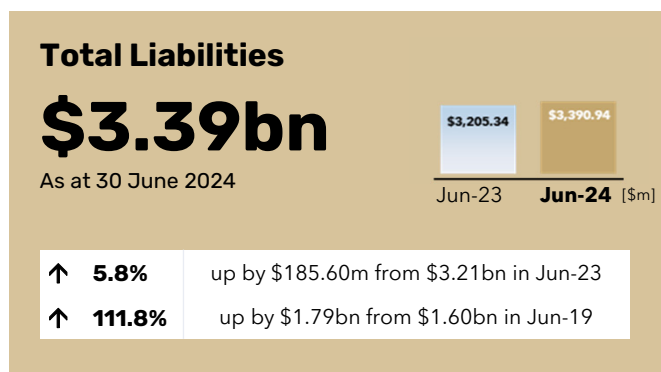
Franchising Operations Segment 1	REVENUE \$971.23m <hr/> FY24 vs FY23 ↓ -8.9% (down \$94.44m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↓ ↓ -14.0% -2.4% (down \$83.27m) (down \$11.17m)	TOTAL EXPENSES \$697.67m <hr/> FY24 vs FY23 ↑ +0.8% (up \$5.36m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↑ ↓ +3.2% -1.8% (up \$11.30m) (down \$5.94m)	PBT RESULT \$273.56m <hr/> FY24 vs FY23 ↓ -26.7% (down \$99.80m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↓ ↓ -39.8% -3.9% (down \$94.57m) (down \$5.23m)	Representing 50.7% of PBT excluding property revaluations [or 50.5% of Total PBT]
Overseas Company-Operated Retail Segment 2	REVENUE \$2.63bn <hr/> FY24 vs FY23 ↑ +1.2% (up \$31.10m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↑ ↑ +0.9% +1.6% (up \$12.06m) (up \$19.03m)	TOTAL EXPENSES \$2.51bn <hr/> FY24 vs FY23 ↑ +2.1% (up \$51.61m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↑ ↑ +2.8% +1.4% (up \$35.48m) (up \$16.13m)	PBT RESULT \$118.54m <hr/> FY24 vs FY23 ↓ -14.8% (down \$20.51m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -23.5% +7.4% (down \$23.42m) (up \$2.90m)	Representing 22.0% of PBT excluding property revaluations [or 21.9% of Total PBT]
Property Segment 3	REVENUE \$327.53m <hr/> FY24 vs FY23 ↓ -22.6% (down \$95.59m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -37.7% +1.0% (down \$97.17m) (up \$1.57m)	TOTAL EXPENSES \$166.97m <hr/> FY24 vs FY23 ↑ +10.2% (up \$15.51m) <hr/> 1H24 vs 1H3 2H24 vs 2H23 ↑ ↓ +26.2% -4.0% (up \$18.70m) (down \$3.19m)	PBT RESULT \$160.56m* <hr/> FY24 vs FY23 ↓ -40.9% (down \$111.10m) <hr/> 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -62.2% +5.6% (down \$115.86m) (up \$4.76m)	Representing 29.8% of PBT excluding property revaluations [or 29.6% of Total PBT]

[*negatively impacted by: net revaluation increment of \$2.25m in FY24 vs net revaluation increment of \$118.75m in FY23, a reduction of (\$116.50m)]

	30-Jun-24	30-Jun-23	Increase / (Decrease) \$	Increase / (Decrease) %
Total assets	\$7.93bn	\$7.67bn	\$256.04m	3.3%
Total liabilities	\$3.39bn	\$3.21bn	\$185.60m	5.8%
Equity	\$4.54bn	\$4.47bn	\$70.44m	1.6%

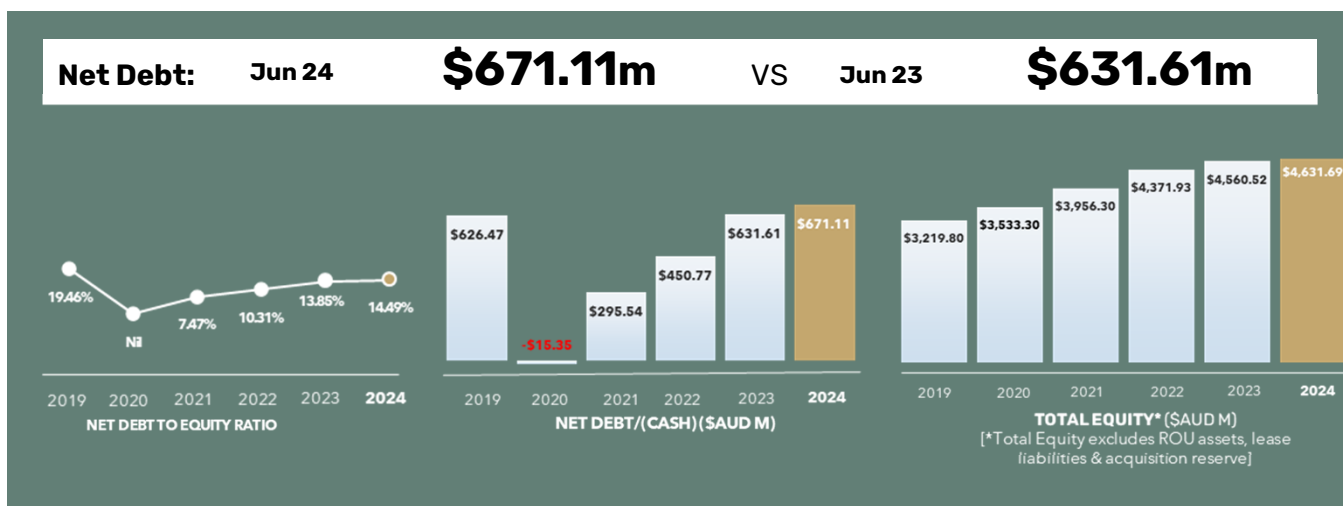
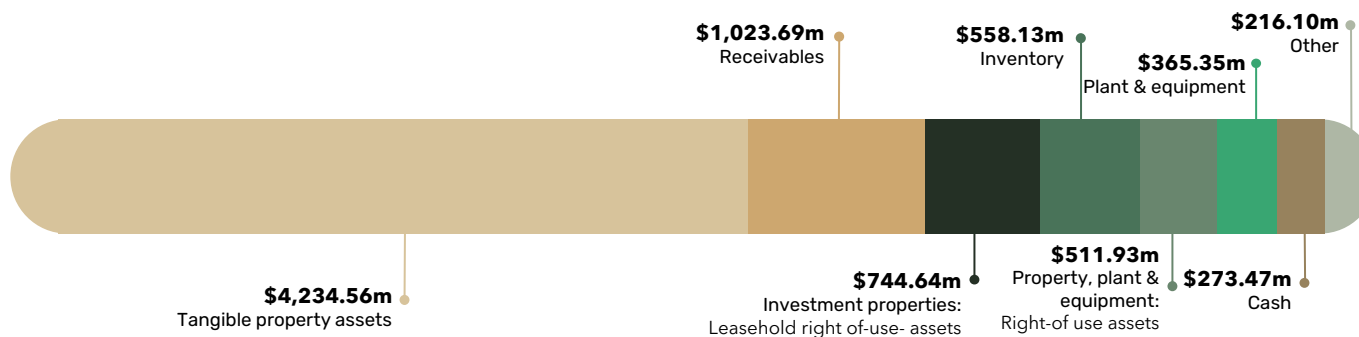


- **\$167.02m** increase in the value of the freehold investment property portfolio
 - primarily due to acquisition and refurbishment of new freehold investment properties in Australia and the construction of the new freehold franchised complexes at Macgregor (QLD) due to open in 1H25
 - **\$54.35m** increase in the property, plant and equipment
 - mainly due to the fit-out of 6 new company-operated stores in Malaysia and 2 new company-operated stores in New Zealand during FY24
 - construction costs were incurred in New Zealand for the development of 2 new stores due to open in FY25
 - fitout of new franchised complex at Belconnen (ACT) and the completion of premium refits at Balgowlah (NSW), Erina (NSW), Preston (VIC) and Cannington (WA)
 - **\$12.47m** increase in inventories
 - primarily driven by new overseas company-operated store openings during FY24
- Offset by;
- **\$56.96m** decrease in trade and other receivables
 - mainly due to a \$28.66m decrease in franchisee receivables from \$841.00m at Jun-23 to \$812.34m at Jun-24



- **\$94.22m** net increase in the interest-bearing loans and borrowings
 - primarily due to higher utilisation of the Syndicated Facility by \$85m
- **\$43.88m** increase in deferred tax liabilities
 - includes the recognition of deferred tax liabilities of approximately \$22m due to the legislative change in New Zealand effective 1 April 2024 to exclude tax deductions for future building depreciation expenses for owner-occupied properties in NZ

Composition of Total Assets of \$7.93bn



	30 June 2024	30 June 2023	Increase / (Decrease) \$	Increase / (Decrease) %
Net cash flows from operating activities	\$686.53m	\$680.26m	\$6.27m	0.9%
Net cash flows used in investing activities	(\$301.18m)	(\$333.48m)	\$32.30m	(-9.7%)
Net cash flows used in financing activities	(\$334.25m)	(\$379.08m)	\$44.83m	(-11.8%)
Net increase/(decrease) in cash & cash equivalents	\$51.10m	(\$32.30m)	\$83.40m	258%
Cash & cash equivalents at beginning of the period	\$202.06m	\$234.36m	(\$32.30m)	(-13.8%)
Cash & cash equivalents at end of the period	\$253.16m	\$202.06m	\$51.10m	25.3%

OPERATING CASH INFLOWS

Up by \$6.27m

from \$680.26m in FY23
to **\$686.53m** in FY24

- **\$37.85m** increase in net receipts from customers mainly due to a \$27.29m increase in sales from our company-operated stores.
- **\$113.20m** decrease in income taxes paid due to higher final tax payment made in FY23 attributable to FY22 taxable profits and the higher income tax instalment rate applied in Australia for FY23.

Offset by:

- **\$112.26m** decrease in net receipts from franchisees mainly due to higher funding requested by franchisees to fund their inventory purchases during 2H24 to respond to the higher demand from franchisee customers.
- **\$31.49m** increase in payments to suppliers and employees due to new store openings and a general increase in operating costs due to inflation.

OUTFLOWS FROM INVESTING ACTIVITIES

Down by \$32.30m

from \$333.48m in FY23
to **\$301.18m** in FY24

- **\$27.60m** in net repayments from loans in FY24 compared to net loans granted in FY23 of \$22.64m.

Offset by:

- **\$10.92m** increase in payments for the purchase of listed securities.
- **\$4.50m** increase in the purchase of property, plant and equipment and intangible assets.

OUTFLOWS FROM FINANCING ACTIVITIES

Down by \$44.83m

from \$379.08m in FY23
to **\$334.25m** in FY24

- **\$105.91m** reduction in dividends paid

Offset by:

- **\$65m** reduction in the proceeds received from the syndicated facility.

Aggregated sales increase / (decrease) in constant local currencies:

Total Sales	Local Currency	1H24 vs 1H23	2H24 vs 2H23	FY24 vs FY23
Australian Franchisees*	\$ AUD	(-9.7%)	(-0.6%)	(-5.6%)
New Zealand	\$ NZD	(-6.1%)	(-6.4%)	(-6.2%)
Slovenia & Croatia	€ EURO	(-6.0%)	8.7%	0.6%
Ireland	€ EURO	(-2.3%)	4.4%	0.5%
Northern Ireland	£ GBP	(-7.7%)	(-11.0%)	(-9.2%)
Singapore	\$ SGD	(-3.1%)	(-0.2%)	(-1.8%)
Malaysia	MYR	2.6%	13.9%	8.2%

Total franchisee sales*

Year ended 30 June 2024

\$6.06bn ↓ -5.6% on FY23

Comparable franchisee sales*

Year ended 30 June 2024

\$6.03bn ↓ -6.0% on FY23

Comparable Sales increase / (decrease) in constant local currencies:

Comparable Sales	Local Currency	1H24 vs 1H23	2H24 vs 2H23	FY24 vs FY23
Australian Franchisees*	\$ AUD	(-10.2%)	(-1.0%)	(-6.0%)
New Zealand	\$ NZD	(-7.8%)	(-9.0%)	(-8.4%)
Slovenia & Croatia	€ EURO	(-12.1%)	3.8%	(-4.9%)
Ireland	€ EURO	(-2.7%)	4.4%	0.3%
Northern Ireland	£ GBP	(-7.7%)	(-11.0%)	(-9.2%)
Singapore	\$ SGD	(-2.8%)	(-0.2%)	(-1.6%)
Malaysia	MYR	(-6.9%)	4.3%	(-1.3%)

Total System Sales Revenue of

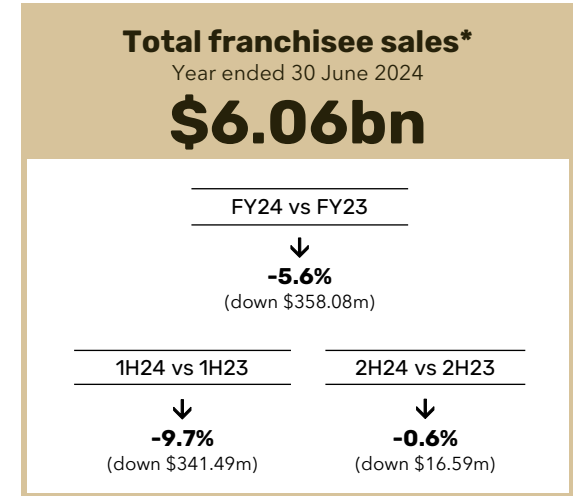
\$8.86bn for FY24

Comprised of aggregated Franchisee sales in Australia plus Company-Operated sales in New Zealand, Slovenia, Croatia, Ireland, Northern Ireland, Singapore and Malaysia:

Aggregated Franchisee sales* revenue of **\$6.06bn**
Company-Operated sales revenue of **\$2.80bn**

* Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity. Harvey Norman®, Domayne® and Joyce Mayne® retail sales in Australia are made by independently owned franchisee businesses that are not consolidated with the consolidated entity's results. Australian franchisee aggregated sales revenue is provided to the market as it is a key indicator of the performance of the franchising operations segment.

- Aggregated franchisee sales revenue for FY24 were \$6.06 billion, a decrease of 5.6% from \$6.42 billion in FY23. The second half of FY24 outperformed the first half, with a minimal decrease of only 0.6% compared to a 9.7% reduction for 1H24.
- 1H24 Australian franchisee sales decreased by 9.7% to \$3.16 billion relative to 1H23. 1H23 was buoyed by the normalisation of retail trading conditions following two years of COVID-related disruptions.
- Significant improvement during 2H24, a slight decrease of 0.6% to \$2.89 billion relative to 2H23 due to the steady performance of franchisees within the Electrical, Mobile & Computer Technology categories that delivered modest sales growth relative to 2H23.
- Franchisees in Australia have a significant opportunity to benefit from the growth in the emerging AI-PC market, and the continuing innovation of products is expected to drive sales growth in the Home Appliances, Mobile & Computer Technology categories throughout FY25 and beyond.



NEXT GEN AI

AT Harvey Norman

Copilot+PC

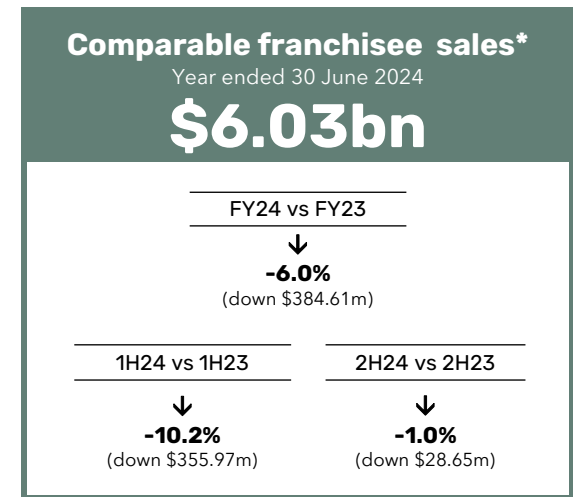
A New AI Era begins

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Continuously learning, always personal with Next Gen AI.
- Security**
Next Gen AI stays on your PC, making your data more secure without compromising performance.
- Multi-Day Battery***
Power through your work-day school day with Next Gen AI. *Based on usage guidelines with average usage and other factors.
- Productivity**
Powerful processing tools make every task easier with Next Gen AI.

POWERED BY

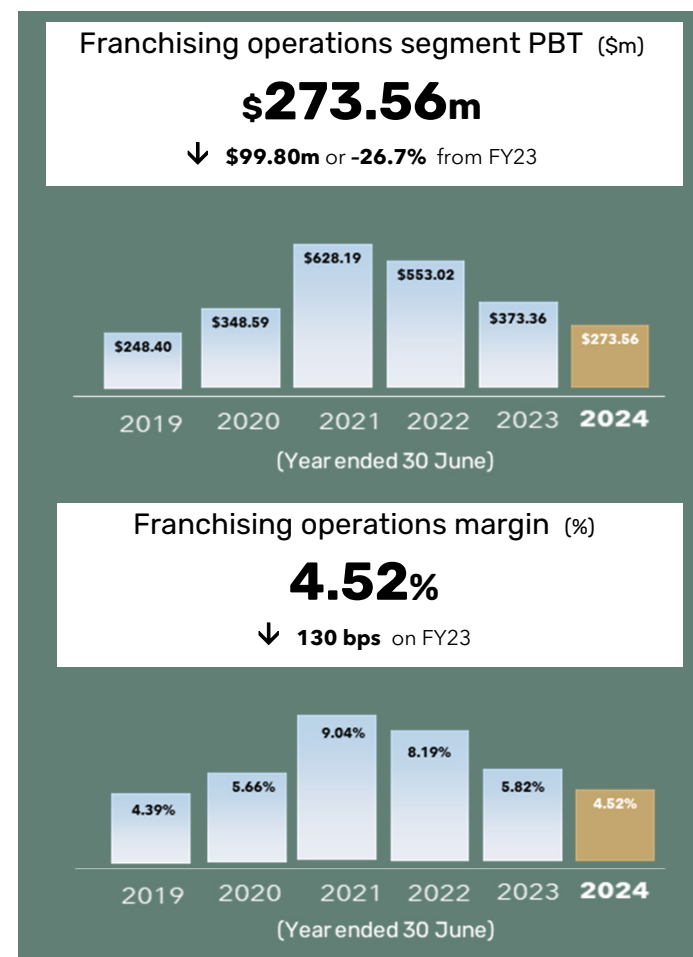


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	30 June 2024	30 June 2023	Increase / (Decrease) \$	Increase / (Decrease) %
Franchising operations segment revenue	\$971.23m	\$1,065.67m	(\$94.44m)	(-8.9%)
Aggregated franchisee headline sales revenue*	\$6.06bn	\$6.42bn	(\$358.08m)	(-5.6%)
Franchising operations segment PBT	\$273.56m	\$373.36m	(\$99.80m)	(-26.7%)
Franchising operations margin % [calculated as franchising operations segment PBT ÷ aggregated franchise sales revenue]	4.52%	5.82%	(130bps)	

*Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

- The franchising operations segment PBT decreased by \$99.80m (-26.7%) to \$273.56m for FY24 from \$373.36m in FY23.
- Majority of the decline was in 1H24 which was down by \$94.57m (-39.8%) on 1H23 before improving significantly in 2H24, mainly driven by stronger franchisee sales performance in 4Q24, delivering only a slight decrease of \$5.23m (-3.9%) on 2H23.
- \$94.44m decrease in franchising operations segment revenues attributable to:
 - lower franchise fees received by \$105m on the back of a -5.6% reduction in aggregated franchisee sales revenue in FY24 vs FY23
- Offset by:
 - higher rent and outgoings received from franchisees by \$11.82m (+4.2%)
 - higher interest to administer franchisee financial accommodation facilities
- \$5.36m increase in costs to operate the franchising operations segment mainly due to:
 - \$7.26m higher finance costs due to increased costs of borrowing and higher average utilisation of financing facilities throughout the year.
 - Increase in bonus gift cards by \$9.54m. Overall marketing spend has remained relatively consistent with the previous year and remains efficient at 5.6% of Australian franchisee sales revenue.
 - The net impact of AASB 16 Leases was a net gain of \$1.40m in FY24 compared to a net expense of \$23.40m, a turnaround of \$24.80m, due to a reduction in the discount rates and the higher rental income applied in the fair value assessment of the right-of-use assets within the leasehold investment property portfolio at 30 June 2024.



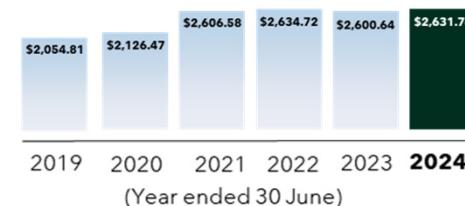
Overseas retail segment PBT result	30 June 2024	30 June 2023	Increase / (Decrease) \$	Increase / (Decrease) %
Retail - New Zealand	\$67.98m	\$80.69m	(\$12.71m)	(-15.8%)
Retail - Singapore & Malaysia	\$35.66m	\$40.07m	(\$4.40m)	(-11.0%)
Retail - Ireland & Northern Ireland	\$12.08m	\$10.66m	\$1.42m	13.3%
Retail - Slovenia & Croatia	\$2.82m	\$7.63m	(\$4.81m)	(-63.1%)
Total overseas retail segment PBT result	\$118.54m	\$139.06m	(\$20.51m)	(-14.8%)

Overseas Retail Segment Comprises 22.0%

of PBT excluding property revaluations

21.9% of Total PBT

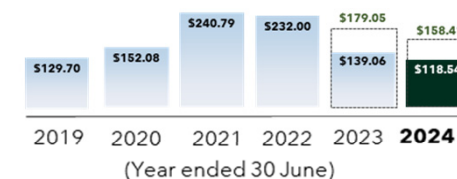
Aggregated overseas retail revenue (\$AUD M)



(Year ended 30 June)

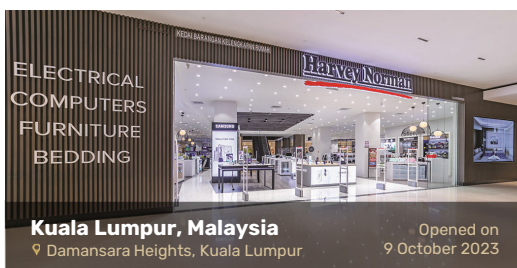
Aggregated overseas retail PBT result (\$AUD M)

□ FY24 and FY23 results excluding brand licence fees



(Year ended 30 June)

New overseas stores opened in FY24



New Zealand

- Sales for FY24 declined by \$52.42m (-5.2%) to \$952.69m for FY24, from \$1.01bn in FY23 as macroeconomic headwinds continued to worsen in NZ.
- Retail result was \$67.98m for FY24, down by \$12.71m (-15.8%) from \$80.69m in FY23.
- Lower sales, coupled with contracted gross margins due to discounting and higher operating costs from rising inflation and new store openings, have resulted in lower retail profit.
- 2 new stores to be opened at Papanui in October 2024 and Ravenswood in November 2024.
- The solid balance sheet of the NZ business enables it to remain well-positioned to capitalise on potential opportunities and improvements in the discretionary retail environment.

Ireland & Northern Ireland

- Aggregated sales revenue for Ireland & Northern Ireland increased by \$42.45m (+6.5%) from \$650.97m in FY23 to \$693.42m in FY24.
- Aggregated retail result for Ireland & Northern Ireland increased by \$1.42m (+13.3%) in FY24, from \$10.66m in FY23 to \$12.08m in FY24. If the intercompany brand licence fees were excluded from the results in both years, the segment result would have been \$23.41m in FY24, an increase of \$8.70m (+59.2%) from FY23.

Ireland

- Sales for FY24 increased by \$42.90m (+6.8%) to \$674.78m, from \$631.88m in FY23 mainly due to 6.2% appreciation in the EUR relative to AUD. Sales in local currency increased to €408.98m (+0.5%) in FY24 from €406.87m in FY23.
- A substantial growth of \$323.20m (+91.9%) from the pre-pandemic sales of \$351.59m in FY19, with a 5-year CAGR of 13.9%.
- Retail profit for FY24 was \$16.39m, an increase of \$3.64m (+28.5%) from \$12.76m in FY23.
- If the intercompany brand licence fees were excluded from the results in both years, the Irish segment would have generated a result of \$27.73m, an increase of \$10.93m (+65.0%) from FY23.

Northern Ireland

- Sales for FY24 decreased by \$0.45m to \$18.64m, from \$19.09m in FY23 due to 7.5% appreciation in the GBP relative to AUD. Sales in local currency decreased to £9.70m in FY24 from £10.68m in FY23.
- NI recorded a loss of \$4.31m for FY24, compared to a loss of \$2.09m for FY23.

Singapore & Malaysia

- Aggregated sales revenue for Asia combined was \$707.72m, an increase of \$25.31m (+3.7%) from \$682.42m in FY23.
- Aggregated retail result for Asia was \$35.66m for FY24, a decrease of \$4.40m (-11.0%) from \$40.07m in FY23. If the intercompany brand licence fees were excluded from the results in both years, the Asian segment would have generated a result of \$47.35m, a decrease of \$4.06m (-7.9%) from FY23.

Malaysia

- Sales were \$308.18m, an increase of \$19.00m from FY23, assisted by a 3.9% appreciation in the SGD relative to AUD this year.
- Sales in SGD increased by S\$6.73m (+2.5%) to S\$272.40m in FY24 mainly due to the contribution of the 6 new store openings and the full-year contribution from the 1 Utama Shopping Centre, Selangor. Comparable sales in Malaysia marginally reduced by -1.3% in local currency.

Singapore

- Sales for FY24 were \$382.96m, an increase of \$7.94m from FY23, but were down in local currency by S\$6.03m (-1.8%) to S\$338.50m in FY24 from S\$344.53m in FY23.

Slovenia & Croatia

- Aggregated sales revenue for Slovenia and Croatia increased by \$13.93m (+6.9%) from \$201.52m in FY23 to \$215.44m in FY24.
- Aggregated retail result for Slovenia and Croatia decreased by \$4.81m (-63.1%) from \$7.63m in FY23 to \$2.82m in FY24. If the intercompany brand licence fees were excluded from the results in both years, the segment result would have been \$3.75m in FY24, a decrease of \$6.37m (-62.9%) from FY23.

Slovenia

- Sales were \$146.04m for FY24, down by \$3.15m (-2.1%) from \$149.19m in FY23.
- An increase of \$30.35m (+26.2%) from the pre-pandemic levels in FY19, with a 5-year CAGR of 4.8%.
- Retail profit for FY24 was \$6.32m, a \$3.65m decrease (-36.6%) from \$9.97m in FY23.
- If the intercompany brand licence fees were excluded from the results in both years, the Slovenian result would have been \$7.26m, a reduction of \$5.21m (-41.8%) from FY23.

Croatia

- Sales were \$69.40m for FY24, increasing by \$17.08m (+32.6%) from \$52.33m in FY23 due to a full year contribution of the third store that opened at Rijeka in April 2023. Comparable sales increased by 3.4% in local currency.
- Increased operating costs from the Rijeka store and overall inflation have resulted in a loss in Croatia of \$3.50m in FY24 compared to a loss of \$2.34m in FY23.

	30 June 2024	30 June 2023	Increase / (Decrease) \$	Increase / (Decrease) %
Property segment revenue	\$327.53m	\$423.13m	(\$95.59m)	(-22.6%)
Net property revaluation (decrement) / increment	\$2.25m	\$118.75m	(\$116.50m)	(-98.1%)
Property segment EBITDA	\$203.05m	\$308.40m	(\$105.36m)	(-34.2%)
Property segment result before tax	\$160.56m	\$271.66m	(\$111.10m)	(-40.9%)

Property Segment Revenue

\$327.53m

[negatively impacted by net revaluation increment of \$2.25m in FY24 vs increment of \$118.75m in FY23, a reduction of (\$116.50m)]

FY24 vs FY23

↓
-22.6%
(down \$95.59m)

1H24 vs 1H23

↓
-37.7%
(down \$97.17m)

2H24 vs 2H23

↑
+1.0%
(up \$1.57m)

Property Segment PBT

\$160.56M

FY24 vs FY23

↓
-40.9%
(down \$111.10m)

1H24 vs 1H23

↓
-62.2%
(down \$115.86m)

2H24 vs 2H23

↑
+5.6%
(up \$4.76m)

- This decrease was primarily due to a reduction in net property revaluation adjustments by \$116.50m from a net increment of \$118.75m for FY23 to an increment of \$2.25m for FY24.
 - There has been a slight softening of large format retail (LFR) capitalisation rates in FY24 due to the material increases in the cash rate that have put downward pressure on capital values across all asset classes. However, this was offset by rental growth.
 - This was offset by an increase in rent and outgoings received from freehold properties by \$15.25m due to higher market rentals and very low vacancy rates during FY24.
 - This has meant that fair values of the property portfolio have remained largely stable during the year.
-
- The decrease is mainly due to a lower net revaluation increment recognised this year by \$116.50m.
 - Excluding net property revaluations in both years, the property segment result would have been \$158.31m for FY24 compared to \$152.91m for FY23, an increase of \$5.40m (+3.5%) mainly due to rental growth this year.

Composition of freehold property segment assets	June 2024	# of owned retail property assets	# of owned other property assets	Net increase/ (decrease) in fair value (income statement)	Net increase/ (decrease) in fair value (equity)
(1) Investment Properties (Freehold)					
– Australia	\$3,581.47m	94	47	\$7.09m	-
– New Zealand	\$40.42m	-	5	-	-
– Ireland	\$28.72m	-	1	(\$1.84m)	-
Total Investment Properties (Freehold)	\$3,650.61m	94	53	\$5.25m	-
(2) Owner–Occupied Land & Buildings					
– Australia	\$11.25m	-	1	-	(\$2.00m)
– New Zealand	\$404.46m	21	1	(\$2.53m)	(\$7.39m)
– Singapore	\$32.68m	-	2	-	\$7.36m
– Slovenia	\$107.78m	5	1	-	\$7.12m
– Ireland	\$24.84m	2	-	(\$0.47m)	-
Total Owner–Occupied Land & Buildings	\$581.00m	28	5	(\$3.00m)	\$5.09m
(3) Joint Venture Assets	\$2.95m	-	8	-	-
Total Freehold Property Segment Assets	\$4,234.56m	122	66	\$2.25m	\$5.09m

- **The consolidated entity continues to be the largest owner of LFR real estate in the Australian market.**
- Our Australian freehold investment property portfolio has grown to \$3.58bn as at 30 June 2024, rising by \$138.47m (+4.0%) during FY24. This increase is due to capital additions and refurbishments during the current year and a modest net revaluation increment of \$7.09m for 76 Australian freehold investment properties that were subject to revaluation.
- 196 Australian franchised complexes geographically spread throughout the country, with a local Harvey Norman®, Domayne® and Joyce Mayne® branded store located within close proximity to customers. 94 franchised complexes (48% of total), and their associated warehouses, are owned by the consolidated entity, which are then leased to external parties, including Harvey Norman®, Domayne® and Joyce Mayne® franchisees.
- Our LFR centres also accommodate a complimentary mix of over 470 third-party tenants that are diversified across a variety of different categories including Food, Lifestyle & Other Service Retailers, Hardware, Medical, Pharmacies, Pets and Auto related products, a large proportion of these are ASX-listed and are national retailers that support the underlying value of our properties.
- The current sentiment in the LFR market is reasonably positive, and many are expecting a return to stability and confidence within the retail investment market. Strong population growth propelled by high net migration as well as the solid labour market is expected to support LFR spending.
- Globally, we have 117 company-operated stores across 7 countries. 28 of the stores located overseas (24% of total) are owned by the consolidated entity. The aggregate value of the overseas owner-occupied and investment property portfolio is \$638.89m, increasing in value by \$42.24m or 7.1% during FY24.

Composition of the Leasehold Property Portfolio:

Composition of leasehold property portfolio	Right-of-use asset June 2024	Lease liabilities June 2024	# of leased retail property assets	# of leased other property assets
(1) Leases of Properties Sub-Leased to External Parties				
– Australia	\$744.64m	\$809.36m	102	199
(2) Leases of Owner-Occupied Properties and Plant and Equipment Assets				
– Australia	\$43.32m	\$59.22m	-	16
– New Zealand	\$111.49m	\$127.99m	24	35
– Singapore & Malaysia	\$237.10m	\$183.61m	46	21
– Slovenia & Croatia	\$23.63m	\$26.03m	3	2
– Ireland & Northern Ireland	\$96.38m	\$128.84m	16	16
Total Leases of Owner-Occupied Properties and Plant and Equipment Assets	\$511.93m	\$525.69m	89	90
Total Leasehold Property Portfolio	\$1,256.57m	\$1,335.05m	191	289

Financial Impact of AASB 16 Leases on the Consolidated Income Statement:

Financial impact of AASB 16 leases:	Leases of owner-occupied properties \$000	Leases of properties Sub-leased to external parties \$000	Total leases \$000
Property, plant and equipment: Right-of-use asset - Depreciation expense	\$72,813	-	\$72,813
Investment properties (leasehold): Right-of-use asset - Fair value re-measurement	-	\$76,213	\$76,213
Finance costs: Interest on lease liabilities	\$21,123	\$36,964	\$58,087
Total AASB 16 Expenses Recognised	\$93,936	\$113,177	\$207,113
Less: Lease payments made during FY24 (excluding variable lease payments and short-term, low-value leases)	(\$92,981)	(\$115,318)	(\$208,299)
Other adjustments	\$1,861	(\$46)	\$1,815
AASB 16 Net Decrease in PBT for FY24	\$2,816	(\$2,187)	\$629

- In **Malaysia**, we opened 6 new stores during FY24. We anticipate opening up to 10 new stores during FY25, and it is still our intention to grow to 80 stores in Malaysia by the end of 2028.
- In **New Zealand**, the full-format store at Tauriko, Tauranga in the North Island was opened on 11 December 2023. We are on track to open 2 new full-format stores in 1H25 at Papanui in October 2024 and Ravenswood in November 2024, both in the Christchurch region of the South Island.
- In June 2024, a decision was made to cease the proposed expansion plans into **Budapest, Hungary** due to unfavourable conditions.
- In January 2024, we announced the expansion of the Harvey Norman® brand in the **United Kingdom** with the signing of a lease at Merry Hill, located in the West Midlands region in England. We intend to open the 57,000 sq. ft. Harvey Norman® Merry Hill flagship store in October 2024.
- There is an intention to open a second store in the West Midlands, UK, during FY26 with lease negotiations currently underway.
- In **Australia**, we opened 1 franchised complex at Belconnen, ACT, on 3 November 2023 as planned, whilst 1 franchised complex has been delayed from 2H24 to 1H25. For FY25, the present intention is to open 2 new franchised complexes and relocate 2 franchised complexes to new sites, both of which are new freehold properties.
- During FY24, the premium refit program has continued with the completion of the refits at Harvey Norman® Balgowlah (NSW), Harvey Norman® Preston (VIC), Harvey Norman® Erina (NSW) and Harvey Norman® Cannington (WA) this year. There are 2 premium refits currently in progress located at Penrith (NSW) and Marion (SA), and we intend to commence a further 2 premium refits during FY25.

Retail Trading Update:

Aggregated sales increase/(decrease) in local currencies from 1 July 2024 to 31 July 2024 vs 1 July 2023 to 31 July 2023:

1 Jul 2024 to 31 Jul 2024 vs 1 Jul 2023 to 31 Jul 2023		% increase / (decrease) calculated in local currencies	
Country		Total %	Comparable %
Australian Franchisees	\$ AUD	3.5	3.3
New Zealand	\$ NZD	(-9.0)	(-9.5)
Slovenia & Croatia	€ EUR	7.0	7.1
Ireland	€ EUR	(-0.3)	(-0.3)
Northern Ireland	£ GBP	(-5.7)	(-5.7)
Singapore	\$ SGD	(-2.3)	(-2.3)
Malaysia	MYR	9.7	(-2.6)