

# Harvey Norman

HOLDINGS LIMITED | ACN 003 237 545

**HARVEY NORMAN® PROUDLY SUPPORTING** *THE NEXT GENERATION OF WINTER PARA-ATHLETES*

**HALF YEAR  
RESULTS  
PRESENTATION**

DECEMBER  
2025

LYNN MAREE CULLEN  
PARA-BIATHLON &  
PARA-CROSS  
COUNTRY SKIING

TARYN DICKENS  
PARA-BIATHLON &  
PARA-CROSS  
COUNTRY SKIING

SEAN POLLARD  
PARA-SNOWBOARD

ETHAN JACKSON  
PARA-ALPINE SKIING

GEORGIA GUNEW  
PARA-ALPINE SKIING

GIGI  
ASSISTANCE  
DOG

🇦🇺 Australia  
🇳🇿 New Zealand

🇸🇬 Singapore  
🇸🇯 Slovenia

🇮🇪 Ireland  
🇬🇧 United Kingdom

🇲🇾 Malaysia  
🇭🇷 Croatia



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# 1H26 KEY HIGHLIGHTS

## Strong double-digit earnings & EPS growth

Profit Before Tax up	<b>16.5%</b>	to	<b>\$466.31M</b>
Profit Before Tax (excluding AASB16 net impact & net property revaluations) up	<b>20.1%</b>	to	<b>\$372.79M</b>
Basic Earnings Per Share (EPS) up	<b>15.3%</b>	to	<b>25.84cps</b>

### driven by: Cost discipline while maintaining brand presence

Marketing expenses flat while system sales up 6.9%

**3.8% 1H26** vs **4.0% 1H25**  
(Marketing expense as a % of System Sales Revenue)

Operating expenses as a % of system sales reduced

**17.8% 1H26** vs **18.0% 1H25**  
(Operating expense as a % of System Sales Revenue)

## Strong results from the franchising operations segment

Franchising operations PBT result up	<b>14.2%</b>	to	<b>\$205.93M</b>
Improvement in franchising operations margin	<b>5.89%</b> (in 1H26)	vs	<b>5.40%</b> (in 1H25)

## Substantial growth from overseas company-operated retail segment

**International diversification = major differentiator & competitive advantage, overseas operations comprise 25% of total PBT (excl property revaluations)**

A) Standout international performances:

New Zealand PBT result up	<b>32.3%</b>	to	<b>\$47.06M</b>
Singapore and Malaysia PBT result up	<b>27.9%</b>	to	<b>\$27.92M</b>
Ireland PBT result up	<b>40.0%</b>	to	<b>\$25.08M</b>
Slovenia & Croatia PBT result up	<b>102.6%</b>	to	<b>\$5.44M</b>

B) Continue to invest and expand categories and store network in the UK

## Solid momentum from Australian Franchisees & overseas company-operated stores drives +6.9% system sales growth to \$5.16BN

Aggregated headline franchisee sales revenue up	<b>4.8%</b>	to	<b>\$3.50BN</b>
Company-operated sales revenue up	<b>11.6%</b>	to	<b>\$1.66BN</b>

## \$5BN global property portfolio continues to deliver growth and stable earnings

Property segment PBT results up	<b>7.8%</b>	to	<b>\$178.82M</b>
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Supported by:

- net property revaluation adjustment of \$95.80M recognised in the income statement
- fair value increase of \$16.29M for NZ properties recorded in the balance sheet

## Very strong balance sheet: tangible asset-rich & conservatively geared

Net Assets up	<b>4.9%</b>	to	<b>\$4.95BN</b>
Total Assets up	<b>6.3%</b>	to	<b>\$8.77BN</b>
Low net debt-to-equity ratio of	<b>13.02%</b>		

## Strong operating cash flows

Ample cash reserves and strong operating cash flows of	<b>\$392.88M</b>
Cash conversion % of	<b>96.2%</b>

# 1H26 RESULTS FOR ANNOUNCEMENT TO THE MARKET

## EBITDA

**\$667.88m +14.9%**

↑ \$86.46m or 14.9% from \$581.42m in 1H25

EBITDA excluding AASB16 net impact and net property revaluations

**\$454.52m +16.9%**

↑ \$65.80m or 16.9% from \$388.72m in 1H25

## EBIT

**\$527.53m +14.4%**

↑ \$66.27m or 14.4% from \$461.26m in 1H25

EBIT excluding AASB16 net impact and net property revaluations

**\$399.94m +17.5%**

↑ \$59.49m or 17.5% from \$340.45m in 1H25

## Total System Sales Revenue

**\$5.16 bn +6.9%**

Aggregated headline franchisee sales revenue\* **\$3.50bn**

Company-operated sales revenue **\$1.66bn**

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

## HNHL Consolidated Revenue

**\$2.53 bn +10.5%**

Sales of products to customers **\$1.66bn**

Revenues received from franchisees **\$646.98m**

Revenues and other income items **\$221.60m**

## REPORTED PBT

**\$466.31m +16.5%**

↑ \$66.02m or 16.5% from \$400.29m in 1H25

PBT excluding AASB16 net impact and net property revaluations

**\$372.79m +20.1%**

↑ \$62.33m or 20.1% from \$310.46m in 1H25

## REPORTED PROFIT AFTER TAX & NCI

**\$321.91m +15.2%**

↑ \$42.52m or 15.2% from \$279.39m in 1H25

PAT excluding AASB16 net impact and net property revaluations

**\$256.19m +18.5%**

↑ \$39.91m or 18.5% from \$216.28m in 1H25

## Net Assets

**\$4.95 bn** ↑ 4.9% from \$4.72bn in Dec 24

## Basic Earnings Per Share

**25.84c** ↑ 15.3% from 22.42c in 1H25

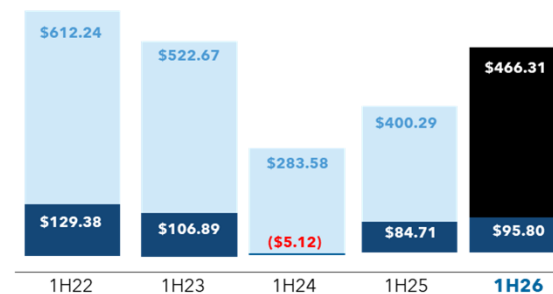
## Interim Dividend Per Share

(FULLY-FRANKED)

**14.5c** ↑ 20.8% from 12.0c for 1H25

- **\$466.31m reported PBT, up \$66.02m (+16.5%)** compared with 1H25, driven by improved earnings from Australian franchising operations, stronger performance across overseas company-operated retail businesses and stable income from the Group's property portfolio
- **\$372.79m PBT excluding net property revaluations and net impact of AASB 16 Leases**, up by **\$62.33m (+20.1%)** from 1H25
- **\$5.16bn total system sales revenue, up 6.9%**
  - **Aggregated Australian franchisee sales rose 4.8% to \$3.50bn**, reflecting the continued strength of franchisees in Home, Lifestyle and Tech
  - **Company-operated retail sales increased 11.6% to \$1.66bn**, supported by a full 6-months trade for stores opened in FY25, 3 new stores in Asia, and improved trading performance across established stores in New Zealand, Ireland, Slovenia and Croatia
- **\$2.53bn consolidated revenue**, reflecting higher retail sales revenue, increased franchisee-derived income, and net property revaluation increments of \$96.26m
- **Total operating expenses reduced to 17.8% of total system sales**, down from 18.0% in 1H25. Expenses remained controlled relative to sales expansion, underpinned by disciplined cost management. Global marketing expenses remain flat at 3.8% of system sales in 1H26 vs 4.0% in 1H25.
- **\$205.93m franchising operations PBT result, up 14.2%**, with margins expanding to 5.89% (1H25 5.40%)
- **\$92.09m overseas company-operated PBT result, up 35.6%**, with strong profit growth across New Zealand, Ireland, Singapore, Malaysia, Slovenia and Croatia, partially offset by establishment losses in UK during its scaling phase
- **\$178.82m property segment PBT result, up 7.8%**, due to net revaluation increases, rental growth, low vacancy and continued stability across the Australian large-format retail property portfolio
- **\$8.77bn total assets**, predominantly comprised of high-quality tangible assets including a \$4.67bn global freehold property portfolio
- **Net assets increased to \$4.95bn, up 4.9%** and net debt-to-equity ratio remains low at 13.02%, reflecting conservative gearing, disciplined capital management and solid operating cashflows
- Operating cash flows and cash conversion were slightly lower in 1H26 mainly due to higher inventory funding to support sales growth particularly in the premium technology categories

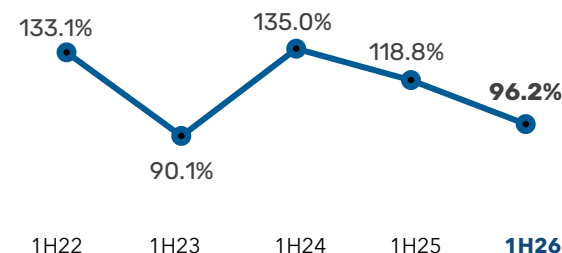
## PROFIT BEFORE TAX AS REPORTED (\$M)



HALF-YEAR ENDED 31 DECEMBER (including property revaluations)

■ Denotes the contribution of net property revaluations to total PBT

## Cash Conversion %

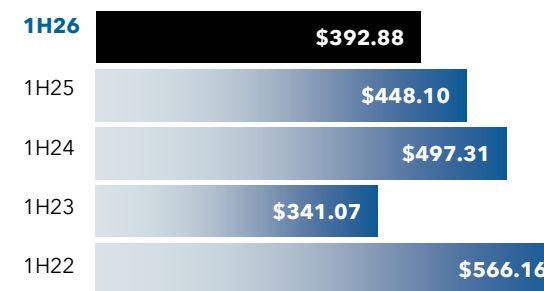


### Continued strong cash conversion

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

## Operating Cash Flows

### \$392.88m



[\$m]

**Profit After Tax & Non-Controlling Interests:**

## \$321.91m

↑ \$42.52m or +15.2% from 1H25

**Effective Tax Rate:**

## 29.83%



Australia  
**196**  
franchised complexes



New Zealand  
**43**  
stores



Singapore  
**12**  
stores



Slovenia  
**5**  
stores



Ireland  
**16**  
stores



Malaysia  
**39**  
stores



Croatia  
**3**  
stores



United Kingdom  
**3**  
stores

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

### Australian Franchising Operations

- **196 franchised complexes in Australia comprising 554 independent franchisees**
- **1H26 Aggregated Franchisee Sales Revenue\***: \$3.50 billion
- **1H26 Franchising Operations Revenue**: \$588.30 million
- **1H26 Franchising Operations PBT**: \$205.93 million

\* Sales made by franchisees do not form part of the financial results of the consolidated entity

### Overseas Company - Operated Retail

- **121 company-operated stores in 7 overseas countries**
- **3 new company-operated stores in 1H26:**  
**Malaysia** - Kiara Bay, Kuala Lumpur (Oct-25), Gurney Plaza, Penang (Dec-25); **Singapore** - Punggol Coast Mall, Punggol Way (Aug-25)
- **1H26 Overseas Company-Operated Revenue**: \$1.599 billion
- **1H26 Overseas Retail PBT**: \$92.09 million
- **Comprises 19.8% Total PBT** [24.9% excluding property revaluations]

### Strategic 'Large-format' Retail Property Portfolio

- **99 franchised complexes owned** (50.5% of total)
- **480 diverse third-party tenants** (large proportion ASX-listed)
- **\$3.98 billion Australian investment property portfolio** (largest single owner in Australia)
- **1H26 Property PBT**: \$178.82 million (including revaluations)
- **29 international owned retail property assets** (24% of total)
- **\$671.67 million overseas owner-occupied and investment property portfolio**

**NEXT GEN Ai**  
AT Harvey Norman®



Online sales channel



Click & collect



Quick reserve



Store finder



Trak by Harvey Norman®



LiveChat

**Investment in Technology, Digital Transformation and IT Infrastructure Assets**

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.

<p><b>Franchising Operations Segment</b></p> <p>1</p>	<p><b>REVENUE</b> <b>\$588.30m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+8.8%</b> (up \$47.37m)</p>	<p><b>TOTAL EXPENSES</b> <b>\$382.37m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+6.0%</b> (up \$21.72m)</p>	<p><b>PBT RESULT</b> <b>\$205.93m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+14.2%</b> (up \$25.65m)</p>	<p><b>FRANCHISING OPERATIONS MARGIN of 5.89%</b></p> <p>Representing <b>55.6%</b> of PBT excluding property revaluations [or <b>44.2%</b> of Total PBT]</p>
<p><b>Overseas Company-Operated Retail Segment</b></p> <p>2</p>	<p><b>REVENUE</b> <b>\$1.599bn</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+12.9%</b> (up \$182.86m)</p>	<p><b>TOTAL EXPENSES</b> <b>\$1.507bn</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+11.8%</b> (up \$158.66m)</p>	<p><b>PBT RESULT</b> <b>\$92.09m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+35.6%</b> (up \$24.20m)</p>	<p>Representing <b>24.9%</b> of PBT excluding property revaluations [or <b>19.8%</b> of Total PBT]</p>
<p><b>Property Segment</b></p> <p>3</p>	<p><b>REVENUE</b> <b>\$277.03m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+6.6%</b> (up \$17.04m)</p>	<p><b>TOTAL EXPENSES</b> <b>\$98.22m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+4.3%</b> (up \$4.03m)</p>	<p><b>PBT RESULT</b> <b>\$178.82m</b></p> <hr/> <p>vs 1H25</p> <p>↑ <b>+7.8%</b> (up \$13.00m)</p>	<p><b>\$4.67bn</b> Freehold Property Portfolio</p> <p>Representing <b>22.4%</b> of PBT excluding property revaluations [or <b>38.3%</b> of Total PBT]</p>

	31 DECEMBER 2025	31 DECEMBER 2024	Increase / (Decrease) \$	Increase / (Decrease) %
Total assets	\$8.77bn	\$8.25bn	\$519.27m	6.3%
Total liabilities	\$3.82bn	\$3.54bn	\$286.50m	8.1%
Equity	\$4.95bn	\$4.72bn	\$232.76m	4.9%

## Total Assets

**\$8.77 bn**

As at 31 December 2025



↑ **6.3%** up by \$519.27m from \$8.25bn in Dec-24

- **\$265.38m** increase in the value of the freehold investment property portfolio:
  - primarily due to \$166.16m net property revaluation increments over the past 12 months
  - acquisition of a new freehold investment property and ongoing refurbishments across Australian Freehold assets
  - opening of a new franchised complex at Geelong (VIC) and relocation of 2 franchised complexes from leasehold sites to new freehold sites in 1H26
- **\$71.11m** increase in cash and cash equivalents:
  - reflects the consolidated entity's continued focus on maintaining strong liquidity and substantial cash reserves
- **\$45.44m** increase in trade and other receivables:
  - primarily driven by a \$53.53m rise in receivables from franchisees, due to higher funding requests from franchisees to support their inventory purchases in response to franchisee sales growth
- **\$32.17m** increase in inventories of company-operated stores:
  - primarily driven by new store openings over the last 12 months
- **\$18.54m** increase in property, plant and equipment:
  - mainly due to the fit-out of new company operated stores that opened in 1H26 and 2H25: 2 in Singapore and 3 in Malaysia
  - fit-outs of 3 new franchised complexes at Geelong (VIC), Bathurst (NSW) and Warragul (VIC)

## Total Liabilities

**\$3.82bn**

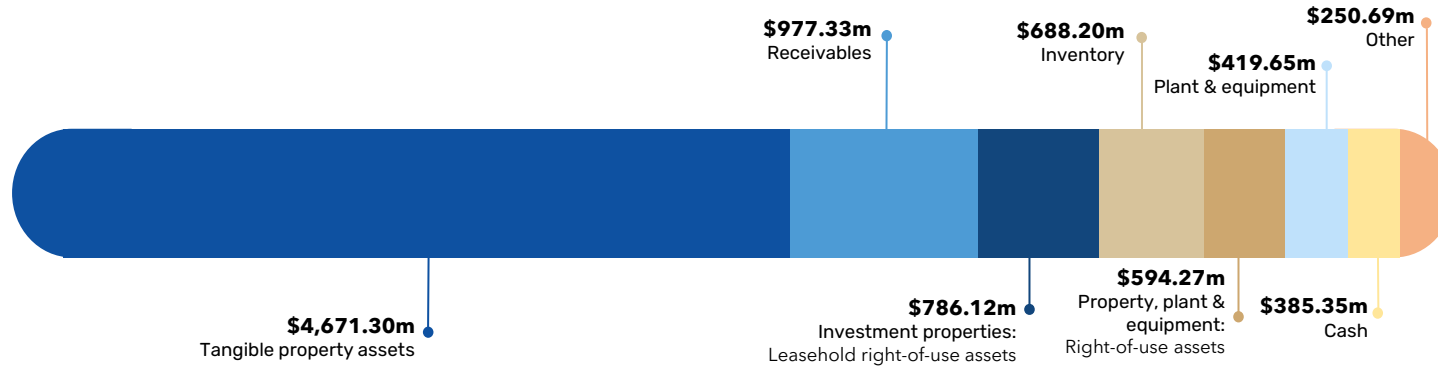
As at 31 December 2025



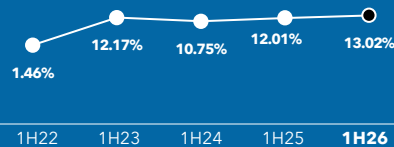
↑ **8.1%** up by \$286.50m from \$3.54bn in Dec-24

- **\$145m** net increase in syndicated facility:
  - higher utilisation of syndicated facility from \$740m as at Dec-24 to \$885m as at Dec-25
- **\$62.94m** increase in deferred tax liabilities
  - primarily due to the \$166.16m increase in the fair value of freehold investment properties over the past 12 months

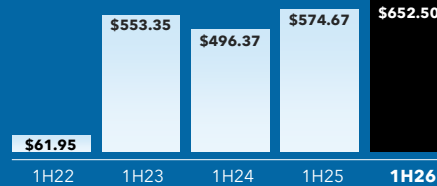
## Composition of Total Assets of \$8.77bn



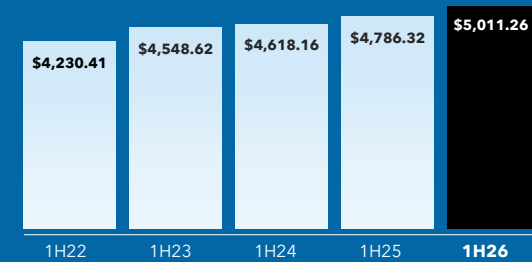
**Net Debt: Dec 25 \$652.50m VS Dec 24 \$574.67m**



NET DEBT/ TO EQUITY RATIO



NET DEBT/(CASH) (\$AUD M)



TOTAL EQUITY\* (\$AUD M)

[\*Total Equity excludes ROU assets, lease liabilities & acquisition reserve]

	31 DECEMBER 2025	31 DECEMBER 2024	Increase / (Decrease) \$	Increase / (Decrease) %
Net cash flows from operating activities	\$392.88m	\$448.10m	(\$55.22m)	(-12.3%)
Net cash flows used in investing activities	(\$126.92m)	(\$125.14m)	(\$1.78m)	(-1.4%)
Net cash flows used in financing activities	(\$159.98m)	(\$277.26m)	\$117.28m	42.3%
Net increase in cash & cash equivalents	\$105.98m	\$45.70m	\$60.28m	131.9%
Cash & cash equivalents at beginning of the period	\$279.30m	\$253.16m	\$26.14m	10.3%
Cash & cash equivalents at end of the period	\$385.28m	\$298.86m	\$86.42m	28.9%

## OPERATING CASH INFLOWS

**Down by \$55.22m**

from \$448.10m in 1H25  
to **\$392.88m** in 1H26

- **\$168.74m** higher payments to suppliers & employees due to new store openings as well as full 6- months of trading from stores opened during FY25 and category expansion in the UK
- **\$34.67m** decrease in receipts from franchisees despite growth in franchisee sales, primarily due to increased utilisation of existing financial accommodation arrangements used by franchisees to fund higher inventory purchases
- **\$32.71m** increase in tax paid, consistent with higher taxable earnings generated during the period

### Offset by:

- **\$189.23m** increase in receipts from customers driven by higher sales volumes

## OUTFLOWS FROM INVESTING ACTIVITIES

**Up by \$1.78m**

from \$125.14m in 1H25  
to **\$126.92m** in 1H26

- **\$23.76m** increase in investment in construction and refurbishment of freehold investment properties
- **\$21.12m** reduction in net receipts from the purchase and sale of listed securities

### Offset by:

- **\$42.49m** reduction in payments for the purchase of property, plant and equipment and intangible assets

## OUTFLOWS FROM FINANCING ACTIVITIES

**Down by \$117.28m**

from \$277.26m in 1H25  
to **\$159.98m** in 1H26

- **\$95m drawdown** of the syndicated facility in 1H26 compared to a **repayment of \$105m** in 1H25

### Offset by:

- **\$48.80m** decrease in proceeds from other borrowings
- **\$31.15m** higher dividend payments

## Aggregated System Sales increase / (decrease) in local currencies:

Total Sales	Local Currency	1H26 vs 1H25
Australian Franchisees*	\$ AUD	4.8%
New Zealand	\$ NZD	8.1%
Slovenia & Croatia	€ EURO	13.5%
Ireland	€ EURO	5.9%
United Kingdom	£ GBP	84.9%
Singapore	\$ SGD	6.3%
Malaysia	MYR	8.5%

## Comparable System Sales increase / (decrease) in local currencies:

Comparable Sales	Local Currency	1H26 vs 1H25
Australian Franchisees*	\$ AUD	4.7%
New Zealand	\$ NZD	7.3%
Slovenia & Croatia	€ EURO	13.5%
Ireland	€ EURO	5.9%
United Kingdom	£ GBP	17.8%
Singapore	\$ SGD	2.6%
Malaysia	MYR	3.3%

### Total System Sales Revenue of

# \$5.16bn for 1H26

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

Aggregated Franchisee sales revenue \* of **\$3.50bn**  
Company-Operated sales revenue of **\$1.66bn**

\* 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.

- Australian franchisee sales for 1H26 increased by 4.8% to \$3.50bn for 1H26
- Comparable franchisee sales revenue for 1H26 was \$3.47bn, an increase of 4.7% from 1H25
- Franchisee sales momentum was strong through the early and mid-stages of 1H26, with sales up 6.5% to 20 November 2025 on the prior corresponding period (as previously disclosed on 26 November 2025) and remained positive through the December peak trading period. With the Christmas trading period representing a significant proportion of first-half sales, the delivery of growth through this period underscores the resilience of the franchised model
- Performance for the half was driven by technology-led categories, with franchisee sales benefiting from increased consumer adoption of AI-enabled devices and continued demand for the Next Gen-AI offering supported by the omni-channel model and in-store expertise
- Electrical, Furniture and Bedding franchisees delivered growth throughout the half, highlighting underlying demand for core homemaker products
- Overall, Australian franchisees delivered a well-balanced first-half performance, with growth achieved across key categories, and ongoing alignment with emerging technology and AI adoption

## Total franchisee sales\*

Half-year ended 31 December 2025

**\$3.50bn** ↑ **4.8%**  
increase of \$159.63m  
vs 1H25

## Comparable franchisee sales\*

Half-year ended 31 December 2025

**\$3.47bn** ↑ **4.7%**  
increase of \$156.31m  
vs 1H25

\* 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.



Harvey Norman® Melton, NSW, Australia

	1H26	1H25	Increase / (Decrease) \$	Increase / (Decrease) %
Franchising operations segment revenue	\$588.30m	\$540.94m	\$47.37m	8.8%
Aggregated franchisee headline sales revenue*	\$3.50bn	\$3.34bn	\$159.63m	4.8%
Franchising operations segment PBT	\$205.93m	\$180.28m	\$25.65m	14.2%
Franchising operations margin % [calculated as franchising operations segment PBT ÷ aggregated franchise sales revenue]	5.89%	5.40%	49bps	

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

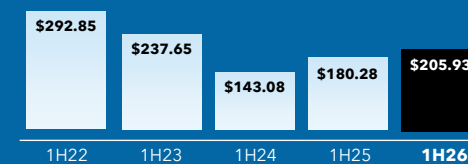
The franchising operations segment PBT increased by **\$25.65m** (+14.2%) due to:

- **\$47.37m** (+8.8%) rise in franchising operations segment revenues:
  - \$41.38m increase in revenue from franchise fees on the back of a 4.8% rise in aggregated franchisee sales revenue to \$3.50bn for the period
  - \$1.22m increase in rent and outgoings received from franchisees occupying leased properties
- **\$21.72m** (+6.0%) increase in costs to operate the franchising operations segment mainly due to:
  - \$11.96m deterioration during 1H26, particularly in the December quarter, due to higher discount rates applied in the fair value assessment of right-of-use assets within the leasehold investment property portfolio, leading to a net reduction of \$6.77m in 1H26, compared with a net increase of \$5.19m for 1H25.
  - Franchisor continued to invest in promoting and enhancing the Harvey Norman®, Domayne® and Joyce Mayne® brands, including assisting franchisees through targeted customer initiatives. This investment was primarily in the form of bonus gift cards, which increased by \$3.69m compared with the prior corresponding period.

**Franchising operations segment PBT (\$m)**

**\$205.93m**

↑ **\$25.65m** or **+14.2%** from 1H25

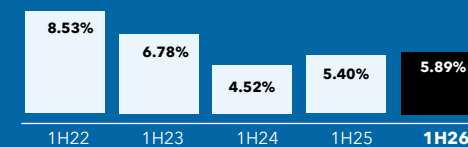


(Half-year ended 31 December)

**Franchising operations margin (%)**

**5.89%**

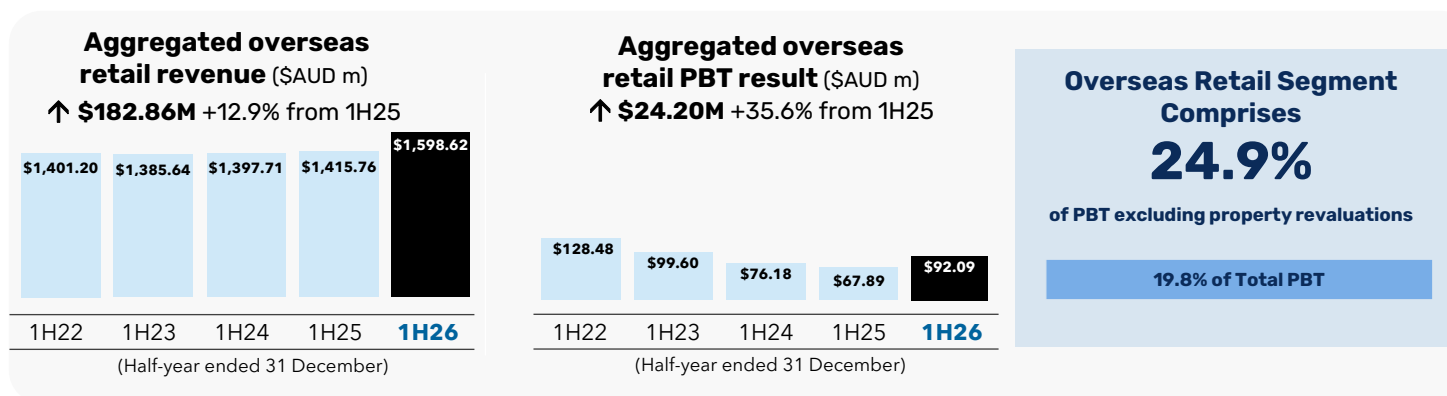
↑ **49 bps** from 5.40% in 1H25



(Half-year ended 31 December)

Overseas retail segment PBT result	1H26	1H25	Increase / (Decrease) \$	Increase / (Decrease) %
Retail - New Zealand	\$47.06m	\$35.57m	\$11.49m	32.3%
Retail - Singapore & Malaysia	\$27.92m	\$21.82m	\$6.10m	27.9%
Retail - Ireland	\$25.08m	\$17.92m	\$7.17m	40.0%
Retail - United Kingdom	(\$13.41m)	(\$10.10m)*	(\$3.31m)	(-32.7%)
Retail - Slovenia & Croatia	\$5.44m	\$2.68m	\$2.75m	102.6%
<b>Total overseas retail segment PBT result</b>	<b>\$92.09m</b>	<b>\$67.89m</b>	<b>\$24.20m</b>	<b>35.6%</b>

\*Merry Hill, England store opened Oct-24 (not a full half)



## New overseas stores opened in 1H26



Opened on 8 August 2025  
Located in Punggol Coast Mall



Opened on 1 October 2025  
Located in The Beat at Kiara Bay



Opened on 15 December 2025  
Located in Gurney Plaza

### New Zealand

- Sales for 1H26 increased by \$28.38m (+5.8%) to \$516.25m for 1H26, from \$487.87m in 1H25.
- Sales were assisted by a full 6-month's trade of the two full-format stores opened in the prior year at Papanui (October 2024) and Ravenswood (November 2024). This was partially offset by the 3 closures during 2H25 and the closure of the outlet store at Tower Junction, Christchurch (July 2025).
- NZ retail profit for 1H26 was \$47.06m, up by \$11.49m (+32.3%) from 1H25.
- The increase in retail profit was driven by higher sales volumes. The Electrical category delivered market share gains, while the Computers category benefited from strong demand across the Harvey Norman® Net Gen-AI technology range. Operating leverage improved, with disciplined cost control allowing profit growth to exceed sales growth.
- The NZ balance sheet remains strong, bolstered by a significant property portfolio valued at \$453.94m. During 1H26, the portfolio recorded a net increase in fair value of \$15.83m, of which \$16.29m was recognised as an uplift in equity in the balance sheet.

### Ireland

- Sales for 1H26 increased by \$60.44m (+15.1%) from \$399.97m to \$460.40m.
- Sales performance in 1H26 reflected stronger execution, with improved outcomes across all key categories. Furniture, Bedding and Electrical benefited from improved conversion and product availability, while the Mobile Phone & Computer Technology categories delivered a standout performance on the back of sustained laptop demand, driven by new product launches and the continued momentum of the Harvey Norman® Next Gen AI-range.
- Retail profit for 1H26 was \$25.08m, an increase of \$7.17m (+40.0%) from \$17.92m in 1H25.

### United Kingdom

#### Northern Ireland

- Sales for 1H26 increased by \$3.33m to \$14.80m, from \$11.47m in 1H25. The improvement primarily reflects the re-introduction of the Computer and Electrical categories, with Holywood trading for a full 6-month period and the Boucher Road store re-opening in November 2025.
- Northern Ireland recorded a loss of \$2.43m for 1H26, compared to a loss of \$3.46m for 1H25. The reduced loss reflects higher sales contributions from reinstated categories, partially offset by temporary disruption to trading during refurbishment works at Boucher Road location.

#### England

- Sales for 1H26 increased by \$10.44m to \$13.68m. The increase primarily reflects the benefit of a full 6-month trading period in 1H26, compared with a partial period in the prior half following the store's opening in Oct-24, together with growing brand awareness in the region.
- Merry Hill store recorded a loss of \$10.98m in 1H26 compared with a loss of \$6.64m in 1H25, which reflected a shorter initial trading period. The increase in loss reflects the transition to a cost base consistent with a full-format flagship operation, while revenue continues to build as brand awareness and customer traction develop.
- We are on track to open a second store in England in April 2026 at the Gracechurch Shopping Centre in Sutton Coldfield, Birmingham and are in advanced lease negotiations for a third site within the West Midlands region.

### Singapore & Malaysia

- Aggregated sales revenue for Asia combined was \$407.87m, an increase of \$44.24m (+12.2%) from \$363.63m in 1H25.
- Aggregated retail result for Asia was \$27.92m for 1H26, an increase of \$6.10m (+27.9%) from \$21.82m in 1H25.

#### Malaysia

- Sales were \$186.87m, an increase of \$25.43m (+15.8%) from \$161.44m in 1H25. Growth was supported by contributions from newly opened stores (2 new company-operated stores during 1H26), a full six-month contribution from stores opened in FY25, and improving like-for-like performance, with comparable store sales increasing by 3.3% in local currency.
- Sales momentum was broad-based, led by market share gains in the Electrical category and stronger demand in Computers, reflecting successful execution of the Harvey Norman® Next Gen-AI technology range. The renovated and expanded Mid Valley flagship store, which celebrated its first anniversary during the half, continued to enhance brand visibility and drive customer traffic in one of Malaysia's highest-performing retail locations.

#### Singapore

- Sales for 1H26 were \$211.47m, an increase of \$19.77m (+10.3%) from \$191.70m in 1H25.
- Growth reflected contributions from the new Punggol Coast Mall store (opened in August 2025), Lot One Shoppers' Mall store (opened in June 2025) and improved underlying performance across the established portfolio, partially offset by the closure of the Centrepoint store during the half.
- Sales momentum was underpinned by stronger performance across key product categories, led by continued demand for the Harvey Norman® Next Gen-AI technology offering in Computers, alongside improved outcomes across Electrical and Furniture.

### Slovenia & Croatia

- Aggregated sales revenue for Slovenia and Croatia increased by \$27.55m (+23.5%) from \$117.47m in 1H25 to \$145.02m in 1H26.
- Aggregated retail result for Slovenia and Croatia increased by \$2.75m (+102.6%) from \$2.68m in 1H25 to \$5.44m in 1H26.

#### Slovenia

- Sales were \$96.44m for 1H26, up by \$17.20m (+21.7%) from \$79.24m in 1H25. Growth was led by strong performance across Furniture, Audio Visual, Small Appliances and Computers, with particularly strong momentum in technology categories driven by continued adoption of Next Gen-AI laptops and premium consumer electronics.
- The retail segment in Slovenia delivered a profit of \$6.25m in 1H26, a \$2.04m increase (+48.7%) from \$4.20m in 1H25. Operating expenses increased in line with sales growth, reflecting higher employee-related costs and mandated wage related increases, offset by improved operating leverage.

#### Croatia

- Sales were \$48.58m for 1H26, increasing by \$10.35m (+27.1%) from \$38.23m in 1H25.
- The Croatian retail segment incurred a reduced loss of \$0.81m in 1H26, compared with a loss of \$1.52m in 1H25, representing an improvement of 46.7%.

	31 December 2025	31 December 2024	Increase / (Decrease) \$	Increase / (Decrease) %
Property segment revenue	\$277.03m	\$260.00m	\$17.04m	6.6%
Net property revaluation adjustments	\$95.80m	\$84.71m	\$11.09m	13.1%
Property segment EBITDA	\$204.64m	\$191.29m	\$13.35m	7.0%
Property segment result before tax	\$178.82m	\$165.81m	\$13.00m	7.8%

### Property Segment Revenue

**Up by \$17.04m** or 6.6% from \$260.00m in 1H25 to **\$277.03m in 1H26**

### Property Segment Result Before Tax

**Up by \$13.00m** or 7.8% from \$165.81m in 1H25 to **\$178.82m in 1H26** (mainly due to impact of net property revaluation adjustments)

- Property segment revenues increased due to net property revaluation adjustments by \$11.56m, from a net increment of \$84.71m for 1H25 compared to an increment of \$96.26m for 1H26
  - This net revaluation increment can be attributed to the solid performance delivered by the Australia large-format retail portfolio, with continued income growth and stable valuations, reinforcing the resilience of the LFR asset class. The uplift in Australian investment property values during the half was primarily driven by portfolio-level income growth and leasing outcomes, coupled with modest firmer capitalisation rates. Key contributors included higher market rents achieved through positive leasing spreads on renewals and new leases, improved occupancy following the leasing of previously vacant space, and incremental income generated from targeted asset optimisation and repurposing initiatives.
  - Rent and outgoings received from freehold properties have also increased by \$5.84m or 3.9% due to higher market rentals and lower vacancy rates
- 
- The increase is mainly due to the net revaluation adjustments recognised this period
  - The net property increment adjustment increase of \$11.09m is offset by an increase in property-related operating costs by \$4.03m
  - Excluding net property revaluations for both periods, the property segment result would have been \$83.02m for 1H26 compared to \$81.11m for 1H25, an increase of \$1.91m, or 2.4%, mainly due to rental growth this period

Composition of freehold property segment assets	December 2025	# 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]
<b>(1) Investment Properties (Freehold)</b>					
- Australia	\$3,978.10m	99	48	\$96.26m	-
- New Zealand	\$44.67m	-	5	(\$0.07m)	-
- Ireland	\$31.20m	-	1	-	-
<b>Total Investment Properties (Freehold)</b>	<b>\$4,053.97m</b>	<b>99</b>	<b>54</b>	<b>\$96.19m</b>	<b>-</b>
<b>(2) Owner–Occupied Land &amp; Buildings</b>					
- Australia	\$11.10m	-	1	-	-
- New Zealand	\$409.27m	22	4	(\$0.39m)	\$16.29m
- Singapore	\$21.02m	-	2	-	-
- Slovenia	\$120.02m	5	1	-	-
- Ireland	\$28.58m	2	-	-	-
- Croatia	\$16.92m	-	1	-	-
<b>Total Owner–Occupied Land &amp; Buildings</b>	<b>\$606.91m</b>	<b>29</b>	<b>9</b>	<b>(\$0.39m)</b>	<b>\$16.29m</b>
<b>(3) Joint Venture Assets</b>	<b>\$10.43m</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Total Freehold Property Segment Assets</b>	<b>\$4,671.30m</b>	<b>128</b>	<b>71</b>	<b>\$95.80m</b>	<b>\$16.29m</b>

- **The consolidated entity continues to be the largest owner of LFR (Large-Format Retail) real estate in the Australian market.**
- As at 31 December 2025, the Australian freehold investment property portfolio increased to \$3.98bn, up from \$3.72bn at 31 December 2024, representing growth of \$260.83 million over the past 12 months. During 1H26, a net revaluation increment of \$96.26 million was recognised across 33 investment properties, together with capital additions and refurbishments completed during the period.
- The net revaluation increment can be attributed to higher market rents achieved through positive leasing spreads on renewals and new leases, improved occupancy following the leasing of previously vacant space, and incremental income generated from targeted asset optimisation and repurposing initiatives.
- 196 franchised complexes across Australia, with 99 complexes (50.5%) owned by the consolidated entity and leased to Harvey Norman®, Domayne® and Joyce Mayne® franchisees and other complementary third-party tenants. The portfolio benefits from broad geographic diversification across metropolitan and major regional locations and is anchored by established homemaker destinations and growth corridors with supportive catchment dynamics.
- Over 480 third-party tenants across diverse categories including food, lifestyle, hardware, medical, pet and automotive, with a significant proportion being ASX-listed and national retailers.
- The depth and diversity of tenancy mix, together with longer average lease terms and high occupancy levels, continues to underpin income growth, valuation resilience and the strategic importance of property ownership within our integrated operating model.
- Globally, we have 121 company-operated stores across 7 overseas countries. 29 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 \$671.67m, increasing in value by \$11.54m over the past 12 months.

## Composition of the Leasehold Property Portfolio:

Composition of leasehold property portfolio	Right-of-Use Assets Dec 2025	Lease Liabilities Dec 2025	# of Leased Retail Property Assets	# of Leased Other Property Assets
<b>(1) Leases of Properties Sub-Leased to External Parties</b>				
- Australia	\$786.12m	\$832.49m	97	209
<b>(2) Leases of Owner-Occupied Properties and Plant and Equipment Assets</b>				
- Australia	\$48.68m	\$64.57m	-	18
- New Zealand	\$134.36m	\$150.61m	21	37
- Singapore & Malaysia	\$296.50m	\$229.65m	51	19
- Slovenia & Croatia	\$21.46m	\$24.02m	3	1
- Ireland	\$89.01m	\$115.11m	14	15
- United Kingdom	\$4.25m	\$10.09m	3	2
<b>Total Leases of Owner-Occupied Properties and Plant and Equipment Assets</b>	<b>\$594.27m</b>	<b>\$594.05m</b>	<b>92</b>	<b>92</b>
<b>Total Leasehold Property Portfolio</b>	<b>\$1,380.38m</b>	<b>\$1,426.54m</b>	<b>189</b>	<b>301</b>

## 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
<b>Property, plant and equipment:</b> Right-of-use asset depreciation expense	\$40,456	-	<b>\$40,456</b>
<b>Investment properties (leasehold):</b> Right-of-use asset fair value re-measurement	-	\$45,315	<b>\$45,315</b>
<b>Finance costs:</b> Interest on lease liabilities	\$12,257	\$21,815	<b>\$34,072</b>
<b>Total AASB 16 Expenses Recognised</b>	<b>\$52,713</b>	<b>\$67,130</b>	<b>\$119,843</b>
<b>Less:</b> Lease payments made during 1H26 (excluding variable lease payments and short-term, low-value leases)	(\$52,897)	(\$60,705)	<b>(\$113,602)</b>
<b>Other Adjustments</b>	(\$3,964)	-	<b>(\$3,964)</b>
<b>AASB 16 Net (Increase) / Decrease in PBT for 1H26</b>	<b>(\$4,148)</b>	<b>\$6,425</b>	<b>\$2,277</b>

- In **Australia**, we intend to relocate 1 franchised complex to a new freehold site in 2H26 and intend to complete 3 further franchised complex relocations in FY27. We intend to open 1 new franchised complex in FY27. During 1H26, the refit program has continued, with 3 refits currently in progress. Over the next 12 months, we intend to commence a further 5 refits.
- In the **United Kingdom**, our second store in West Midlands, located at the Gracechurch Shopping Centre in Sutton Coldfield, is scheduled to open in April 2026. We are currently in advanced lease negotiations for a third site within the West Midlands region, which we anticipate opening in FY27.
- In **Croatia**, we have acquired land in East Zagreb to develop a new Harvey Norman® Flagship store which is expected to open in 2027.
- In **Malaysia**, we have signed 6 new store leases. We expect to open 1 new store in 2H26 and 2 new stores are expected to open during FY27.

## Retail Trading Update:

The growth reported for aggregated franchisee sales and sales of overseas company-operated stores for 1H26 has continued into January 2026. Australian franchisees and each overseas retail business delivered increases in headline sales for January 2026 relative to January 2025, both in \$AUD and in their respective local currencies.

Aggregated system sales increase/(decrease) in local currencies from 1 January 2026 to 31 January 2026 vs 1 January 2025 to 31 January 2025:

1 January 2026 to 31 January 2026 vs 1 January 2025 to 31 January 2025		% increase / (decrease) calculated in local currencies	
Country		Total %	Comparable %
<b>Australian Franchisees</b>	\$ AUD	<b>3.5</b>	3.6
<b>New Zealand</b>	\$ NZD	<b>7.6</b>	9.3
<b>Slovenia &amp; Croatia</b>	€ EUR	<b>8.3</b>	8.3
<b>Ireland</b>	€ EUR	<b>8.0</b>	8.0
<b>United Kingdom</b>	£ GBP	<b>34.6</b>	14.8
<b>Singapore</b>	\$ SGD	<b>8.7</b>	4.0
<b>Malaysia</b>	MYR	<b>1.9</b>	(-2.5)