Profit Before Tax of $466.31m
up ↑ $66.02m or +16.5%

HIGHLIGHTS			
Half-Year Ended 31 December	**1H26**	**1H25**	**Variance**
System Sales Revenue ($m)	**$5,161.70**	$4,828.66	+6.9%
Earnings Before Interest & Tax ($m)	**$527.53**	$461.26	+14.4%
Profit Before Tax ($m)	**$466.31**	$400.29	+16.5%
Profit After Tax & Non-Controlling Interests ($m)	**$321.91**	$279.39	+15.2%
Basic Earnings Per Share (cps)	**25.84**	22.42	+15.3%
Interim Dividend (fully-franked) (cps)	**14.5**	12.0	+20.8%

Harvey Norman Holdings Limited today announced a strong result for the half-year ended 31 December 2025 (1H26), delivering **profit before tax of $466.31 million, an increase of $66.02 million (+16.5%)** compared with $400.29 million in 1H25. Excluding net property revaluations and the impact of AASB 16 Leases, profit before tax **increased to $372.79 million, up $62.33 million (+20.1%)** on the prior corresponding period, reflecting improved earnings contributions across franchising operations, overseas retail businesses and the property portfolio.

Chairman Mr. Gerry Harvey said the result reflected the strength of the integrated retail, franchising and property model, delivered against a competitive retail backdrop. *"This is a very solid first-half result, with profit growth driven by higher system sales, disciplined cost control and strong performances across our franchising operations and overseas retail businesses."*

Total system sales revenue increased by 6.9% to $5.16 billion, supported by growth across both Australian franchisees and overseas company-operated retail businesses. Aggregated Australian franchisee sales increased by 4.8% to $3.50 billion, reflecting continued demand across technology-led categories, particularly AI-enabled computing and mobile devices, alongside steady performance in core homemaker categories. Company-operated sales increased by 11.6% to $1.66 billion, supported by new store openings, a full six-month contribution from stores opened in FY25, and improved trading performance across established store networks. *"Australian franchisees grew sales, and our overseas retail businesses continued to increase sales and overall profitability."* Mr. Harvey said.

Operating discipline remained a key feature of the half, with **total operating expenses reduced to 17.8% of system sales**, compared with **18.0% in 1H25**, while marketing expenses remained flat, representing 3.8% of system sales, down from 4.0% in the prior corresponding period.

The **franchising operations segment delivered a strong profit before tax of $205.93 million**, **an increase of $25.65 million (+14.2%)** compared with 1H25, with **margins expanding to 5.89% from 5.40%**.

The **overseas company-operated retail segment delivered profit before tax of $92.09 million, up $24.20 million (+35.6%)**, with strong performances across New Zealand, Ireland, Slovenia, Croatia and our highest-ever first half profit from Singapore and Malaysia. This was partially offset by the expected establishment losses associated with expansion in the UK. *"Our overseas retail businesses delivered meaningful profit growth this half, reflecting improved trading conditions in several markets, disciplined execution and the benefits of recent store investments. The UK continues to progress as expected, with the Merry Hill flagship building brand presence during its establishment phase."* Mr. Harvey said.

The **property segment delivered profit before tax of $178.82 million**, **an increase of $13.00 million (+7.8%)**, supported by rental growth, low vacancy and continued stability across the large-format retail property portfolio. In addition, a $16.29 million fair value increment was recognised in the balance sheet for the property portfolio in New Zealand.

The balance sheet strengthened further during the half, with **total assets increasing by $519.27 million (+6.3%) to $8.77 billion**, while **net assets increased by $232.76 million (+4.9%) to $4.95 billion**. The business remains conservatively geared, with a **net debt to equity ratio of 13.02%**, providing substantial financial flexibility.

Operating cash flows were $392.88 million, with a **cash conversion ratio of 96.2%**, reflecting higher inventory funding to support sales growth, partially offset by stronger cash receipts from company-operated retail sales and franchise fees. *"Our balance sheet is strong, tangible asset-rich and conservatively geared. This provides us with the flexibility to support growth, navigate changing market conditions and continue investing in the business while maintaining disciplined capital management."* Mr. Harvey said.

In Australian dollars, aggregated **system sales revenue increased by 4.6% for the period 1 January 2026 to 31 January 2026** relative to the prior corresponding period, with **comparable system sales increasing by 4.3%**. Mr. Harvey said early trading momentum had continued into the second half of the financial year. *"Sales momentum has continued into January 2026 across Australian franchisees and overseas retail operations."*

The Board has recommended the payment of a fully-franked interim dividend of 14.5 cents per share, to be paid on 1 May 2026 to shareholders registered on 2 April 2026. 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
27 February 2026