

## **Harris Technology Group Limited**

### **ASX:HT8**

10 November 2016

### **ASX and Media Release**

#### **Chairman's Address to Shareholders 2016 Annual General Meeting**

Good afternoon. My name is Andrew Plympton, and I am the Chairman of Harris Technology Group Limited. On behalf of the Company, I welcome you to our 2016 Annual General Meeting. I would like to take this opportunity to address shareholders on the Group's activities and progress during the financial year ended 30 June 2016, and on our 2017 initiatives.

The 2016 financial year represented a period of significant growth and transition for the Group, with results reflecting the Group's continuing capital investment in building a scalable operating platform, and expenditure relating to developing associated capabilities. In March 2016, we identified an opportunity to merge with the Anyware and Harris Technology Group.

The merger was successfully completed after the financial year in July 2016. Since then, we have been focussed on integrating and consolidating the diverse businesses of the merged entity, and executing post-merger optimisation initiatives. As part of this strategy, we have rationalised warehouse locations, improved and developed IT systems, undertaken full brand and product category reviews of previous underperforming businesses, and discontinued old product ranges.

These optimisation initiatives have already delivered a number of cost benefits and synergies to the Group, and we have been successful in streamlining overheads, increasing operational efficiencies, and gradually increasing our margins. We continue to work on developing new products and ideas, and aligning ourselves with new and innovative partners to increase our product range and distribution profile.

Though trading results under the umbrella of the merged Group are limited at this stage, they have been promising to date. Whilst gross turnover for the first quarter of the 2017 financial year was slightly below budget, it is pleasing to note that our first quarter ended with revenue demonstrating a trend towards growth. It is also pleasing to report that overall Group margins for our first quarter exceeded budget expectations on average by 1.5%, providing EBITDA in line with budget.

We are now well positioned to progress our expansion strategy through organic and acquisitive growth; to this end we continue to explore suitable complementary acquisition opportunities to add scale to our business.

I would like to thank all shareholders for their continued support of the Company, and thank my fellow board members and all of the Company's management, staff and contractors for their efforts over the year.

**-ENDS**

#### **Andrew Plympton**

Chairman

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