

28 February 2025

## Harris Technology announces H1 FY25 results

### H1 FY25 Highlights:

- **\$7.0M Sales Revenue, down 20.9% YoY**
- **\$2.6M Gross Profit, up 10.7% YoY**
- **34.9% Gross Product Margin, up from 27.1% in H1 FY24**
- **Increase in margins due to reduction in new IT products range and growth of Refurbished tech product sales**
- **\$1.1M cash on hand with \$5.9M undrawn facility**

Pure-Play online retailer Harris Technology Group Limited (ASX: HT8) ("Harris Technology" or "the Company") has released its financial results for the 6 months ended 31 December 2024 (H1 FY25).

Sales revenue of \$7.0 million represented a decline from the previous corresponding period (\$8.8M) but was reflective of strategic changes aimed at shifting focus toward high-margin refurbished IT products and other niche imported goods. Initiatives were made to reduce inventory of new IT products which have faced demand pullbacks over the past 18 months in line with macroeconomic pressures that have impacted the retail industry in Australia.

During this quieter period for Harris Technology's flagship IT products business, the Company has steadily expanded its footprint in the Refurbished tech category. When the Refurbished division was launched, it mostly sourced laptops and monitors. By the end of H1 FY25, products now include laptops, monitors, hard drives, routers, servers, PCs and docking stations.

This expansion of the Refurbished division contributed notably towards Harris Technology achieving gross product margin of 34.9% in H1 FY25 which was an increase on the previous corresponding period (27.1%). It continued a strong uptrend over the past 18 months since Harris Technology underwent a strategic initiative to pull back inventory, prioritising margins ahead of revenue.

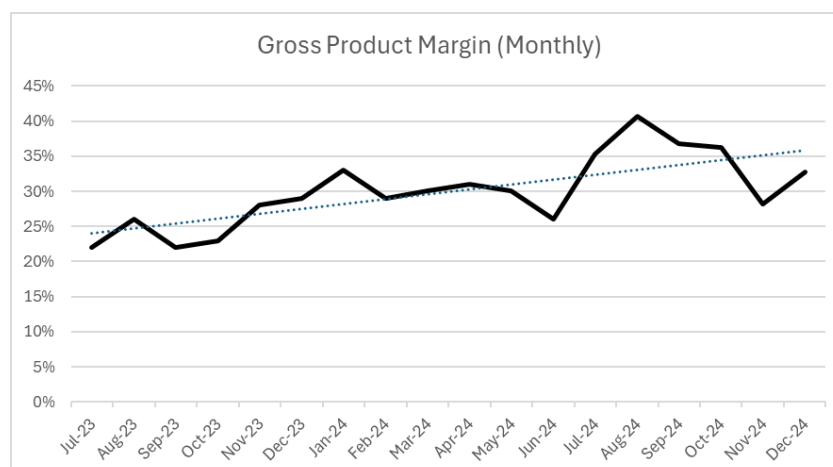


Image 1: Harris Technology Monthly Gross Product Margin (%), July 2023 to December 2024

Gross profit of \$2.6 million was a 10.7% increase on the previous year (\$2.4M) despite the reduction in revenue, reflecting positive outcomes from the focus on higher-margin tech products which has seen the Refurbished division scale up.

In H1 FY25, the Refurbished tech division increased its operating floor space at Harris Technology's warehouse facility and will continue to increase through H2 FY25 with the scaling back of Household inventory to divert resources towards the higher-margin Refurbished division.

At the end of H1 FY25, the company reported 3.4M inventory on hand. This included \$2.8 million worth of inventory purchased during the December quarter to align with management's targets for inventory turnover and cash flow liquidity, aimed at addressing the challenges posed by the ongoing subdued conditions in the retail industry.

A (\$0.3M) net loss after tax was recorded for H1 FY25, representing a 56% YoY improvement (\$0.7M), further reflecting Harris Technology's focus on growing the Refurbished tech division.

Harris Technology CEO, Garrison Huang said: "While revenue has softened due to macroeconomic pressures, our strategic pivot towards higher-margin Refurbished tech products is already delivering tangible benefits.

"We have significantly improved our gross margin and profitability, showcasing the resilience of our business model through our ability to swiftly adapt to shifting consumer demand. Amid cost-of-living pressures, which led to a pullback in discretionary spending on new IT products, our Refurbished product line has gained considerable traction. These products are increasingly appealing due to their cost-effectiveness and sustainability benefits. Over the next 12 months, we aim to further scale this segment by leveraging our trusted brand and strong presence across all major eCommerce channels."

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>.

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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](http://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](http://www.ht.com.au) and via the major online platforms such as Amazon, Kogan, Catch and eBay etc.*