FY25H1 RESULTS

MICHAEL HILL

INTERNATIONAL LIMITED

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Certain statements in this report constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the anticipated or planned financial and operational performance of Michael Hill International Limited and its related bodies corporate (the Group). The words “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “might”, “anticipates”, “projects”, “assumes”, “forecast”, “likely”, “outlook”, “would”, “could”, “should”, “continues”, “estimates” or similar expressions or the negatives thereof, generally identify these forward- looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as the Group’s future results of operations; financial condition; working capital, cash flows and capital expenditures; and business strategy, plans and objectives for future operations and events, including those relating to ongoing operational and strategic reviews, sustainability targets, expansion into new markets, future product launches, points of sale and production facilities.

Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, they are not guarantees or predictions of future performance or statements of fact. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Group’s actual results, performance, operations or achievements or industry results, to differ materially from any future results, performance, operations or achievements expressed or implied by such forward-looking statements.

Such risks, uncertainties and other important factors include, among others: global and local economic conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; the Group’s plans or objectives for future operations or products, including the ability to introduce new jewellery and non-jewellery products; the ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the markets in which the Group operates; the protection and strengthening of the Group’s intellectual property rights, including patents and trademarks; the future adequacy of the Group’s current warehousing, logistics and information technology operations; changes in laws and regulations or any interpretation thereof, applicable to the Group’s business; increases to the Group’s effective tax rate or other harm to the Group’s business as a result of governmental review of the Group’s transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced to in this report.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements, as there can be no assurance the actual outcomes will not differ materially from the forward-looking statements in this report.

Except as required by applicable laws or regulations (including the ASX Listing Rules), the Group does not intend, and does not assume any obligation, to update any forward- looking statements contained herein. All subsequent written and oral forward-looking statements attributable to us or to persons acting on the Group’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

Michael Hill International Limited

CEO and CFO FY25H1 Update

- FY25H1 Performance Overview
- FY25H1 Financial Results
  - Group Results
  - Segment Results
- Current Trading Update
- Group Strategy
- Appendices

FY25H1 Performance Overview

- Macroeconomic pressures continued to impact consumer sentiment and discretionary retail trading conditions, particularly in New Zealand
- Our two largest segments Australia and Canada delivered growth
- Gross margin is starting to recover, underpinned by brand and product initiatives, despite ongoing challenging raw material costs
- Strong digital traffic, with customers embracing omni-channel, supported the increase in digital sales
- Significant progress on *Michael Hill* brand and product initiatives:
  - Opened second global flagship store in Bourke St, AU
  - Refurbished Queenstown, NZ store with the new brand identity
  - Successfully launched the Pendant Bar concept, with a focus on both build-your-own and ready-to-wear gifting
  - Elevated the quality of its sustainable “LAB.” diamonds

FY25H1 Group Results

- Group revenue (including Bevilles) was down 0.7%, and flat on a constant currency basis.
- Gross profit was down 0.9%
- Gross margin was broadly in line with FY24H1, despite higher input costs, particularly gold
- Compressed comparable EBIT, with higher annualised operating costs
- Active management of inventory delivered a reduction of $6.6m
- No interim dividend

	FY25H1	FY24H1	Change
Revenue	$360m	$363m	-0.7%
Gross Profit	$221m	$223m	-0.9%
Gross Margin	61.3%	61.5%	-20 bps
Comparable EBIT	$24.1m	$31.3m	-23%
Inventory	$213.2m	$219.8m	-$6.6m
Net Cash/(Debt)	($9.8m)	($11.6m)	+$1.8m
Total Dividend	-	AU1.75c	-AU1.75c
Store Network	294 (incl. 38 Bevilles)	302 (incl. 30 Bevilles)	-8

FY25H1 Segment Results

	Australia[1] (AUD)			Canada (CAD)			New Zealand (NZD)		
	FY25H1	FY24H1	Change	FY25H1	FY24H1	Change	FY25H1	FY24H1	Change
Revenue	**205m**	202m	+1.2%	**91m**	89m	+2.4%	**61m**	65m	-7.4%
Gross profit	**124m**	123m	+1.1%	**55m**	54m	+2.0%	**36m**	39m	-8.9%
Gross margin	**60.5%**	60.6%	-10 bps	**60.8%**	61.0%	-20 bps	**58.9%**	59.9%	-100 bps
Segment Comparable EBIT	**22.5m**	25.6m	-12.2%	**13.7m**	13.9m	-1.6%	**9.4m**	10.1m	-6.7%
Comparable EBIT as a % of statutory revenue	**11.0%**	12.7%	-170 bps	**15.1%**	15.7%	-60 bps	**15.6%**	15.5%	+10 bps
Store network	**166** (incl. 38 Bevilles)	171 (incl. 30 Bevilles)	-5	**83**	85	-2	**45**	46	-1

- Australian segment achieved revenue growth with five fewer stores
- Canada delivered yet another record performance
- External economic factors continue to present challenging retail conditions in New Zealand

[1] Includes Bevilles

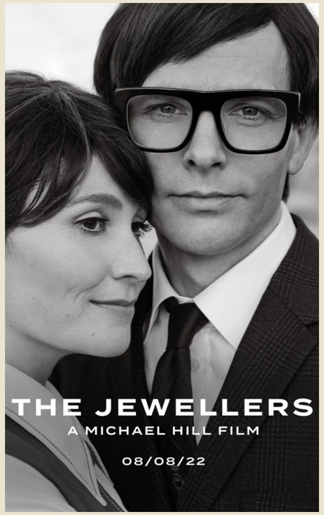
Current Trading Update

- For the first seven weeks of FY25H2, Group same store sales were **up 3.2%** on prior year, with same store sales for the:
    - Australian segment up 3.8%
    - Canadian segment up 6.7%
    - New Zealand segment down 1.9%
- Total sales for the Group were **up 1.7%** for the first seven weeks of FY25H2.

Group Strategy, the path to 2030

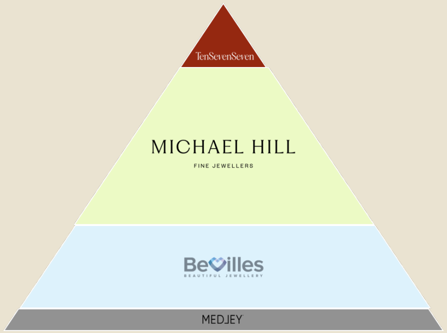
2020 – 2023

Reposition Michael Hill Brand



2023 – 2024

Establish Portfolio of Brands

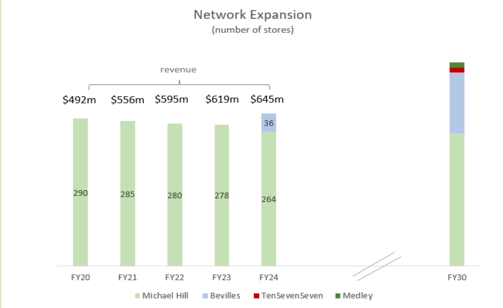


2024 – 2025

Product & Brand Proposition

2026 – 2030

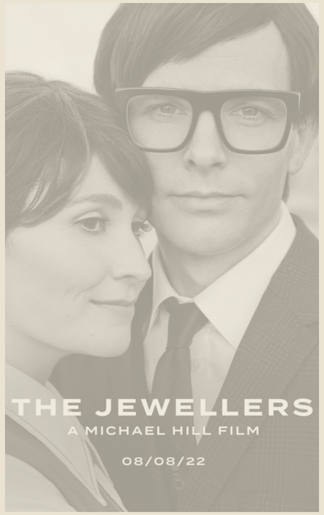
Network Expansion & Productivity



Group Strategy – the path to 2030

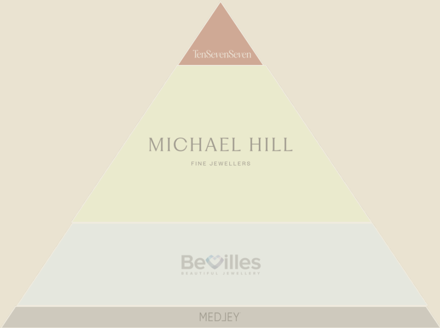
2020 – 2023

Reposition Michael Hill Brand



2023 – 2024

Establish Portfolio of Brands



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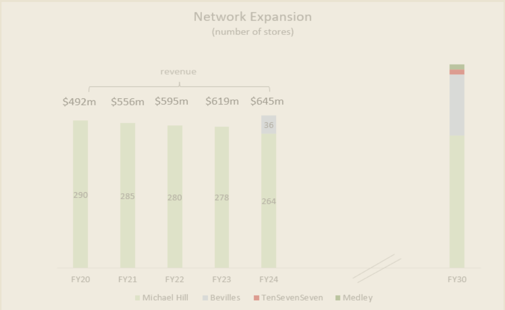
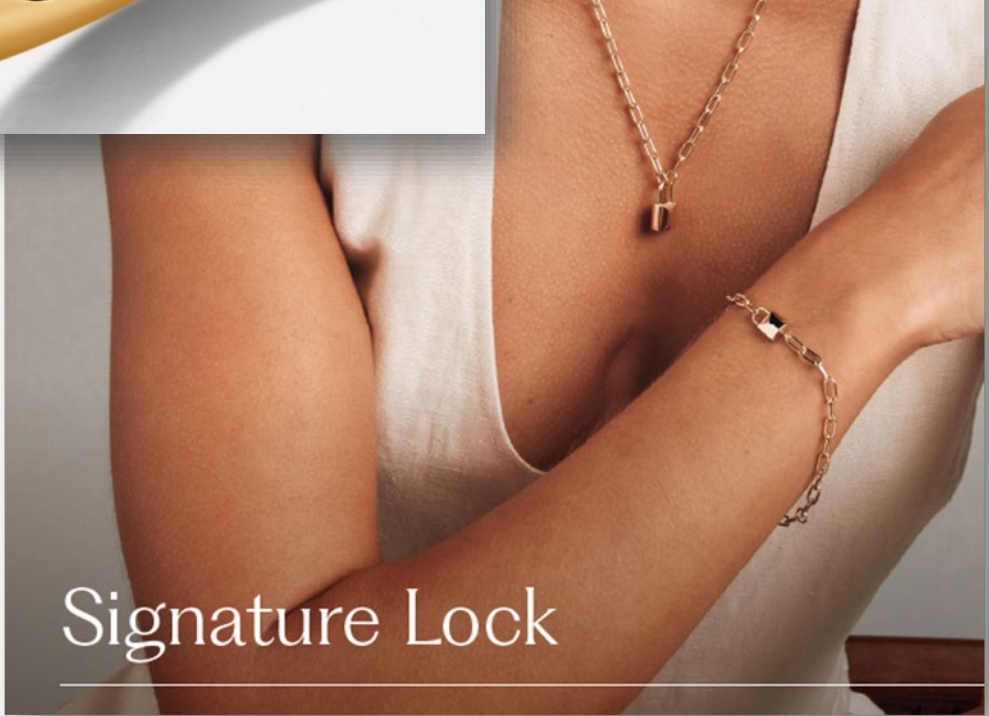


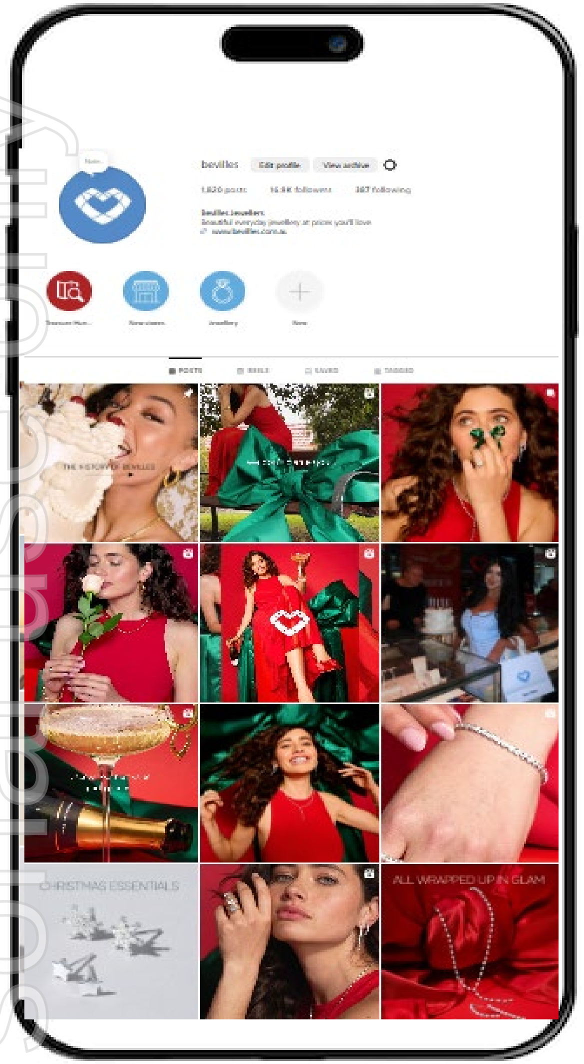
Product & Brand Proposition, 2024 - 2025

MICHAEL HILL
FINE JEWELLERS



Product & Brand Proposition, 2024 - 2025

Bevilles
BEAUTIFUL JEWELLERY



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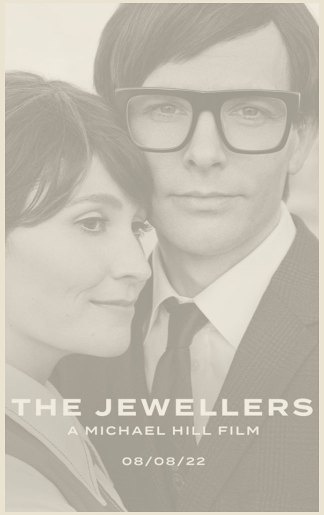

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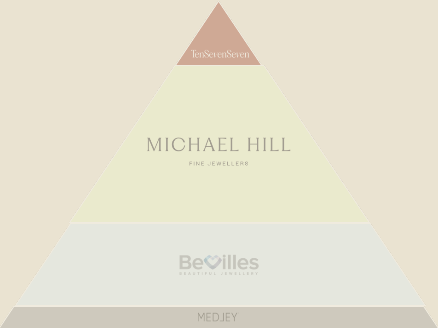
Establish Portfolio of Brands



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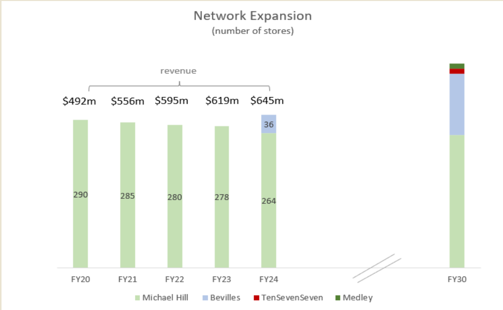

Strategic priorities over the next 12 months

1. Embedding the repositioning of the Michael Hill brand across all markets

2. Internal strategic review of New Zealand to improve performance

3. Reinforce retail fundamentals, brand identity and awareness of the Bevilles brand, in preparation for expansion

Q & A

You are able to listen to Q&A via this platform.

If you would like to ask a question, please click on **‘Request to Speak’** button at the bottom of the broadcast window. If you are in full screen broadcast mode, you will need to minimise to see this button.

Click **‘Join Queue’.**

If prompted, allow access to your microphone.

Follow the audio prompts to test your microphone.

Appendices

Appendix A: Bridge from Comparable EBIT to Reported EBIT

Calculated as follows:

(AUD million)	FY25H1	FY24H1
Comparable EBIT	**24.1**	**31.3**
Impact of AASB16 *Leases*	6.3	5.5
Impact of IFRIC SaaS-related guidance	-0.1	-2.7
Litigation judgement	3.0	-4.0
Bevilles acquisition transaction costs	-	-1.1
Bevilles integration costs	-0.7	-
Employee restructure costs	-0.3	-0.2
Reported EBIT	**32.4**	**28.8**

Appendix B: AASB16 *Leases* & SaaS Impact

(AUD million)	FY25H1 Stat	Impact of AASB16 & SaaS	FY25H1 pre-adjustments	FY24H1 pre-adjustments	Change pre-adjustments
Revenue	360.2	-	360.2	362.7	-0.7%
Cost of sales	-139.3	-	-139.3	-139.7	-0.3%
Gross profit	**220.9**	-	**220.9**	**223.0**	**-0.9%**
Employee benefits expense	-93.3	-2.3	-91.0	-91.0	+0.0%
Occupancy costs	-8.9	27.6	-36.5	-35.1	+3.9%
Marketing expenses	-23.2	-	-23.2	-22.5	+3.3%
Selling expenses	-13.7	-	-13.7	-13.1	+4.5%
Other income/(expenses)	-17.7	-1.0	-16.7	-22.3	-25.3%
EBITDA	**64.1**	**24.3**	**39.8**	**39.0**	**+2.1%**
Depreciation and amortisation expenses	-31.7	-18.0	-13.7	-13.0	+5.3%
EBIT	**32.4**	**6.2**	**26.1**	**26.0**	**+0.6%**
Interest income	0.1	-	0.1	0.1	+7.0%
Finance expenses	-8.7	-5.5	-3.2	-1.9	+68.3%
Profit before tax	**23.8**	**0.7**	**23.1**	**24.2**	**-4.7%**

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