

MICHAEL HILL

INTERNATIONAL LIMITED

ASX AND NZX ANNOUNCEMENT

FY26H1 Trading Update and Results Release Date

27 January 2026

Michael Hill International Limited (ASX/NZX: MHJ) today provides a trading update for the 26-week period ended 28 December 2025, based on preliminary and unaudited numbers.

- **Comparable EBIT** – FY26H1 Group comparable EBIT is anticipated to be in the range of \$27m to \$30m, up +12% to +24% on LY (FY25H1: \$24.1m).
- **Group sales** – For the half, Group sales were \$370.3m (FY25H1: \$359.1m) delivering growth of +3.1% on LY, and on a same store basis of +3.8%. On a same store sales basis (in local currency), Canada achieved another record sales performance with +6.1% growth, Australia delivered a strong sales performance up +4.8%, and New Zealand reversed previous same store sales declines, growing by +1.8%.
- **Gross margin** – For the half, group gross margin is expected to be broadly flat to LY (FY25H1 61.3%), as record-high gold, silver, and other metal input costs were offset by enhanced overall product mix and focused promotional activity.
- **Inventory levels** – Group inventory levels are expected to be ~\$11m lower than LY at ~\$203m (FY25H1: \$214m), as part of a deliberate plan to improve working capital efficiency.
- **Capital Management** – As previously announced, the business successfully refinanced its existing debt facility on improved margins for an additional two years, with its long-term banking partner, ANZ and introduced a new lender, CBA. The half finished with a positive net cash position of ~\$20m, an improvement of ~\$30m on LY (closing net debt FY25H1: \$10m).
- **Store portfolio management** – The half saw the successful opening of three MH flagship stores, Rundle Mall, Adelaide (refurbishment), Bondi Junction, Sydney (new store) and Yorkdale, Toronto (refurbishment), with all stores incorporating our new brand design and a modernised in-store customer experience. For Michael Hill, three stores were closed (AU: 1, NZ: 2) and one new AU store was opened, taking the network to 248 (AU: 123, NZ: 43, CA: 82). For the half, the Bevilles (AU) store network remained at 37. The Group network was 285 stores at the end of the half across all markets (FY25H2: 287, FY25H1: 294).
- **Investor Day** – The business will host an Investor Day on Tuesday 14th April 2026 at its Global Head Office in Cannon Hill, QLD. More details will be released closer to the date.

Commenting on the result, CEO of Michael Hill International Limited, Jonathan Waecker said:

“Under new leadership, the Group delivered profitable quarter-on-quarter growth, driven by significant performance improvements in the final 10 weeks of the half, resulting in a materially improved trading trajectory relative to the early FY26 trading update presented at the October AGM.

“A sharper focus on execution, and the early impact of actions taken to stabilise and strengthen the business, delivered a markedly improved performance through the half. During the critical Christmas trading period, a strong focus on driving customer demand, combined with more disciplined product planning, store operations, and targeted promotional activity, delivered profitable net sales growth while maintaining margin. This translated into a meaningful uplift in EBIT year on year, alongside disciplined working capital management, including a significant reduction in inventory, resulting in the Group returning to a positive net cash position at the half.

“Just as importantly, these results reflect how our teams have embraced change and executed with greater focus and pace. Across the business, our people have shown real agility, leaning into new ways of working, challenging legacy processes, and lifting the quality of execution in everything we do. Stronger leadership alignment, improved operational discipline, and a highly engaged team give us confidence in our continued focus on delivering profitable sales growth and building momentum across all markets.

“I look forward to providing further details on our first half performance at our investor briefing on 2 March 2026.”

Revenue for retail operations for **FY26H1**:

		\$m Last Year	\$m This Year	% Var
Segment Same Store Sales in local currency				
Australia segment	AUD	196.8	206.3	4.8%
Canada segment	CAD	89.1	94.5	6.1%
New Zealand segment	NZD	58.8	59.9	1.8%
Group Same Store Sales	AUD	350.0	363.3	3.8%
Segment Total Sales in local currency				
Australia segment	AUD	204.9	209.8	2.4%
Canada segment	CAD	90.4	96.0	6.2%
New Zealand segment	NZD	60.5	62.0	2.4%
Group Sales	AUD	359.1	370.3	3.1%
Exchange rates used for FY26H1:				
Canada		0.90	0.92	
New Zealand		1.10	1.15	

The above figures are prior to final accounting adjustments and are unaudited. Revenue/Sales figures stated above include the PCP revenue recognised during the period and sales through our store and online channels. The PCP income recognition pattern is based on existing estimates and is subject to ongoing management review and adjusted at half-year/year-end as required.

Group and Australian segment sales include Bevilles sales in Last Year and This Year. Comparable EBIT is unaudited, pre-AASB16, pre-IFRIC SaaS-related adjustments, and with normalisations.

FY26H1 Release of results date and webcast details

The Company intends to release its half year financial results for the 26-week period ended 28 December 2025 on Friday 27 February 2026.

An investor briefing on the results is scheduled for 7:30am (Brisbane, Qld time) on Monday 2 March 2026. Please note that the webcast page will not be available until 6:30am (Brisbane, Qld time) and it is advised that you join at least 5 minutes before the meeting commences.

The webcast link for the briefing call on Monday 2 March 2026:

<https://meetings.lumiconnect.com/300-712-451-544>

This announcement is authorised for release by the Board.

ENDS

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ABOUT MICHAEL HILL INTERNATIONAL LIMITED

Michael Hill was founded by Sir Michael Hill in 1979 when he opened his first jewellery store in Whangarei, New Zealand. The Group currently has 285 stores globally across Australia, New Zealand, and Canada. The Group's global headquarters, including its wholesale and manufacturing divisions, are located in Brisbane, Australia. The Company is listed on the ASX (ASX:MHJ) and the NZX (NZX:MHJ).

www.investor.michaelhill.com

Disclaimer

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.

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