MICHAEL HILL

INTERNATIONAL LIMITED

FY26 Investor Presentation

Michael Hill turnaround strategy delivers record Group revenue

28 August 2026

ASX/NZX: MHJ

Disclaimer

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Agenda

FY26 Performance Overview
Jonathan Waecker
Chief Executive Officer

FY26 Financial Results
Elodie Guillaumond
Chief Financial Officer

FY27 Strategy and Trading Update
Jonathan Waecker
Chief Executive Officer

Closing & Q&A
All

FY26 Performance Overview

Jonathan Waecker

CHIEF EXECUTIVE OFFICER

Michael Hill turnaround delivers record Group revenue, EBIT up 57%, dividend restored

- **A new leadership team, in place and driving the reset.** We are focused on excellent retail fundamentals, listening to our customers, and listening to our people.
- **A simpler business, following a strategic simplification of the brand portfolio.** We have returned our focus back to where it belongs, on profitably growing Michael Hill.
- **A renewed focus on execution.** We have sharpened product curation and personalised ranges, tailored our go-to-market by market, clarified price architecture, improved promotional discipline, and strengthened the customer experience in every store.
- **The Bevilles reset is underway and gaining traction.** Same store sales, margin, and gross profit dollars all grew year on year in the second half.
- **The FY26 results demonstrate our turnaround strategy is working.** Sales grew in every market, comparable EBIT is up 57%, we've strengthened the balance sheet, restored the dividend, and made progress against every one of our growth engines.

FY26 Results Summary

Strong sales momentum and margin resilience resulted in significant profit growth.

Record Group Revenue

$655.7m

Up 4.1% in constant currency
Up 1.9% in AUD

Same Store Sales

5.2%[1]

Up in all markets
Up 3.0% in AUD

Gross Margin[2]

60.5%

Flat to prior year

Comparable EBIT[3]

$24.0m

Up 57%
on prior year

Net Debt

$5.5m

Down $36.3m
on prior year

Inventory

$189.7m

Down $9.4m on prior year
Productivity[5] up 13%

CODB%[4]

57.1%

Down 70 bps on
prior year

Final Dividend

2 cents

Compared to nil in
prior year

1. On a constant currency basis. 2. Excludes relevant one-off normalisations. 3. Comparable EBIT is an unaudited non-IFRS measure prepared on a normalised basis, as detailed in Appendix A.
4. Cost of doing business % is an unaudited non-IFRS measure calculated on a normalised basis, and excludes foreign exchange gains/losses, as a % of revenue.
5. Group Gross Margin Return on Investment (GMROI).

Strategic Growth Engines

The strategic agenda we set out at our Investor Day in April is already gaining traction.

Growth Engines	What We Did	Execution Proof Points
Canada Growth	• Canada-specific go-to-market behaviours.	• Record year, SSS up 7.0%, and online sales up 22%
Australia & NZ Productivity	• Lifted productivity of existing footprint.	• Australian SSS up 4.8%, NZ SSS up 3.6%.
Digital Acceleration	• Realigned online growth team to sharpen focus.	• Michael Hill online sales grew 10%.
Product Innovation	• Sharpened pricing and go-to-market flexibility. • Launched product newness across ranges.	• 15% of Michael Hill sales from "Made for You." • Inventory productivity[1] up 13%.
Services-led Differentiation	• Digitised Michael Hill Diamond Warranty. • Formed a dedicated Services team. • Re-launched bespoke service offering.	• Brilliance loyalty programme grew to 3.3m members. • GP$ from Brilliance members up 14%. • Bespoke jewellery capability in more than 40 stores.
Bevilles Reset	• Introduced new leadership, updated go-to-market approach with a clear focus on value segment.	• H2 returned to growth, as SSS improved from (4.6%) in H1 to 5.8% in H2, and gross margin grew 660 bps.
Becoming an AI-Powered Retailer	• Launched Retail Assist AI, providing instant knowledge to teams to better focus on customers.	• Proprietary Retail Assist AI now powers over 50% of all retail support enquiries.

[1] Group Gross Margin Return on Investment (GMROI)

SECTION 02

FY26 Financial Results

Elodie Guillaumond

CHIEF FINANCIAL OFFICER

FY26 Group Financial Results

Profit growth from stronger sales, resilient margins, and disciplined cost management.

	FY26	FY25	Change
Revenue	$656m	$644m	1.9%
Same Store Sales *(on a constant currency basis)*			*5.2%*
Gross profit[1]	$397m	$389m	1.9%
Gross margin[1]	60.5%	60.5%	Flat
CODB[2] as a % of revenue	57.1%	57.8%	(70bps)
Comparable EBIT[3]	$24.0m	$15.3m	57%
Comparable EBIT[3] *(on a constant currency basis)*			***68%***
Comparable EBIT[3] % *(as a % of revenue)*	3.7%	2.4%	130bps
Statutory NPAT	$10.0m	$2.1m	376%
Store network	281	287	(6)

- Record group revenue, with sales growth across every market in local currency and momentum building through the year.
- Gross margin held flat, supported by stronger product mix and improved pricing execution.
- Cost of doing business down 70 basis points, reflecting disciplined cost management in an inflationary environment.
- Comparable EBIT up 57% (68% on a constant currency basis).
- Store network optimisation continued: closing unprofitable stores, modernising our strongest, and opening new ones.

H2 EBIT improved $1.8m despite deferred revenue impact

- H2 comparable EBIT loss improved $1.8m to ($6.9) from ($8.7m) in FY25 H2.
- This was achieved despite $4.6m less deferred revenue from Professional Care Plans (PCP) being released in FY26 H2 vs FY25 H2, largely due to updated FY25 assumptions, including changes to repair patterns and cost indexation.
- Underlying PCP performance, as measured by the in-year value of plans sold, grew 1.2% in FY26, but the accounting standard recognises this revenue gradually over the life of the plan.
- PCP remains a key lever within our strategy and our services-led growth engine.

1. Excludes relevant one-off normalisations.
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3. Comparable EBIT is an unaudited non-IFRS measure prepared on a normalised basis, as detailed in Appendix A.

FY26 Australia Segment

Strong performance in our largest market.

	AU$		
	FY26	FY25	Change
Revenue	**372m**	363m	2.5%
Same Store Sales	**365m**	348m	4.8%
Gross profit[1]	**226m**	215m	4.8%
Gross margin[1]	**60.7%**	59.4%	130 bps
CODB[2] as a % of revenue	**51.0%**	52.0%	(100 bps)
Comparable EBIT[3]	**36.3m**	27.0m	34.4%
Comparable EBIT[3] *(as a % of revenue)*	**9.8%**	7.4%	240 bps
Store network	**157** (incl. 36 Bevilles)	160 (incl. 37 Bevilles)	(3)

- Same Store Sales up 4.8%.
- Higher sales and margin drove a healthy uplift in gross profit, delivering a 34.4% improvement in segment comparable EBIT.
- Gross margin up 130 basis points to 60.7%, driven by disciplined pricing, improved product mix, and a continued focus on profitable growth.
- Invested in the network, including a new store at Bondi Junction NSW, a refurbishment at Rundle Mall SA, and a relocation at Castle Towers NSW, with the refit programme delivering improvements in average transaction values, margin, and conversion rates above the network average.

Bevilles' H1 same store sales decline reversed in H2

- We saw a clear inflection between the halves, as Same Store Sales improved from a year-on-year decline of (4.6%) in FY26 H1 to year-on-year growth of 5.8% in FY26 H2.
- Gross margin was up 660 basis points in FY26 H2 versus FY26 H1.

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FY26 Canada Segment

Delivered another record performance in our fastest-growing market.

	CA$		
	FY26	FY25	Change
Revenue	**174m**	162m	7.3%
Same Store Sales	**169m**	158m	7.0%
Gross profit[1]	**105m**	98m	7.7%
Gross margin[1]	**60.3%**	60.1%	20 bps
CODB[2] as a % of revenue	**47.8%**	48.5%	(70 bps)
Comparable EBIT[3]	**21.9m**	18.9m	16.3%
Comparable EBIT[3] *(as a % of revenue)*	**12.6%**	11.6%	100 bps
Store network	**81**	82	(1)

- Same Store Sales up 7.0%, and online sales up 22%.
- Segment comparable EBIT up 16.3%.
- Gross margin improved by 20 bps to 60.3%, achieved through differentiated go-to-market activities.
- CODB was impacted by increased security costs.
- Bridal sales grew strongly, supporting the acquisition of premium customers with greater lifetime value.
- Invested in our flagship network with a new store at Pacific Centre, Vancouver, and a refurbishment at Yorkdale, Toronto, with stronger performance expected as a part of our refit programme.
- We continue to target an optimal footprint of 85 to 90 stores.
- Looking ahead to 2027, we plan to modernise five of our top six stores, extending our refreshed network across every major Canadian market: Toronto, Vancouver, Calgary, Edmonton.

1. Excludes relevant one-off normalisations.
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FY26 New Zealand Segment

Delivered a marked acceleration, as the return to growth over Christmas was sustained through the second half.

	NZ$		
	FY26	**FY25**	**Change**
Revenue	**112m**	109m	3.1%
Same Store Sales	**109m**	105m	3.6%
Gross profit[1]	**65m**	64m	2.7%
Gross margin[1]	**58.0%**	58.3%	(30 bps)
CODB[2] **%**	**45.6%**	45.7%	(10 bps)
Comparable EBIT[3]	**14.0m**	13.7m	2.4%
Comparable EBIT[3] (as a % of revenue)	**12.5%**	12.6%	(10 bps)
Store network	**43**	45	(2)

- Same Store Sales up 3.6% for the year.
- This performance reflects a deliberate decision to fund additional customer-facing initiatives, including reinvestment into team and localised product ranges.
- Gross margin was largely flat at 58.0% (FY25: 58.3%), reflecting an intentional focus on adapting our offer to the trading environment, balanced by a positive contribution from bridal, which delivered strong growth in both sales and gross profit.
- The network finished the year with 43 stores (FY25: 45), reflecting two store closures.
- Subsequent to year end, we relocated our Auckland CBD flagship store in July 2026, and plan to open one further net new store in H1 FY27.

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Strengthened Balance Sheet

Disciplined working capital management reduced debt.

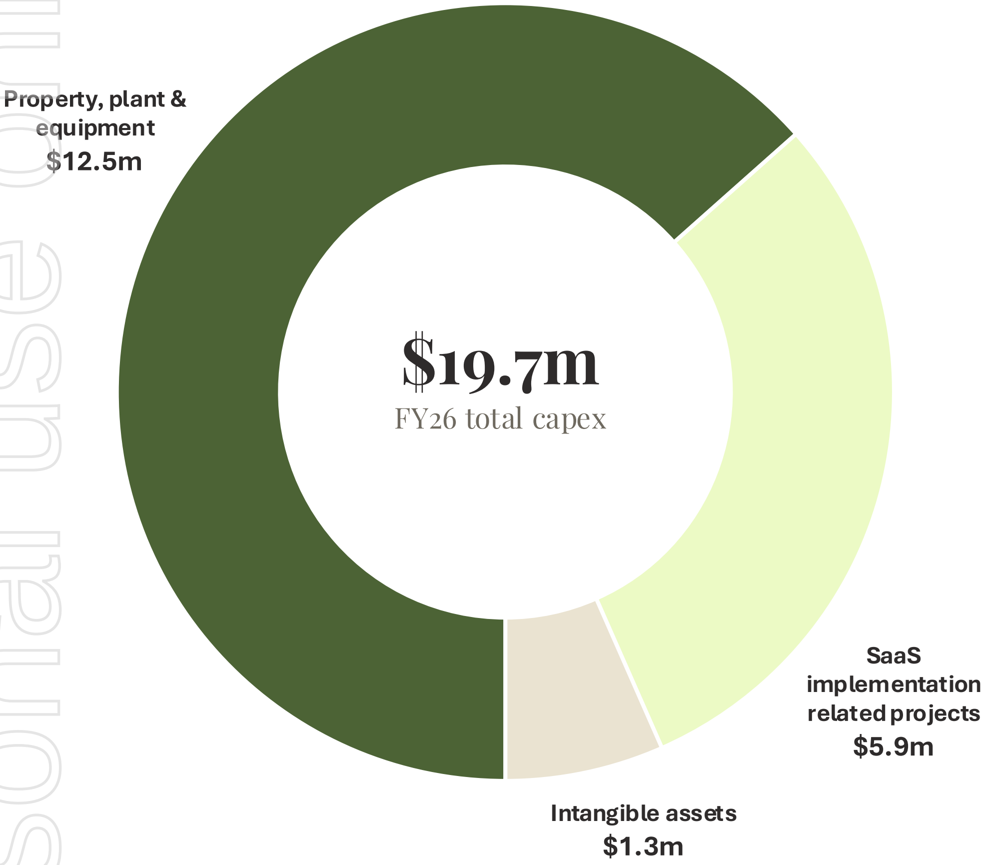
$Million	FY26	FY25
Cash and cash equivalents	14.5	10.2
Inventories	189.7	199.1
PP&E and Intangible assets	92.3	100.4
Right-of-use assets	109.8	121.5
Other assets	79.0	87.2
Total assets	**485.2**	**518.4**
Trade and other payables	81.5	68.7
Borrowings	20.0	52.1
Lease liabilities	126.5	141.4
Other liabilities	84.1	85.6
Total liabilities	**312.1**	**347.8**
Net assets	**173.1**	**170.6**
Net cash/(debt)	**(5.5)**	**(41.9)**

- **Net debt** closed at $5.5m (FY25: $41.9m), an improvement of $36.3m, with significant headroom ahead of peak seasonal inventory build for Christmas, and was mainly driven by four factors:
  - disciplined inventory management,
  - stronger cash generation from improved sales and strong margins,
  - a one-off Australian income tax refund of $7.5m in FY26 H2,
  - continued cost discipline, and improved supplier terms.
- **Inventory** down $9.4m to $189.7m, with inventory productivity[1] up 13%, driven by better inventory management and stronger clearance sell-through.
- **Trade and other payables** increased, supported by favourable supplier terms, incentive accruals, and increased deposits for "Made For You" custom orders.
- **Intangible assets** reduced by the non-cash write-off relating to TenSevenSeven.
- **Balance sheet strength** gives us flexibility to invest more into inventory and capital expenditure to support continued growth, while also providing for a sustainable return to dividends.

1. Group Gross Margin Return on Investment (GMROI)

Disciplined Capital Deployment

Capital expenditure remained disciplined and in line with prior year.



- Capital expenditure and SaaS implementation costs of $19.7m in FY26, in line with FY25.
- A deliberate shift from technology investment to store experience, including new fit-outs and refurbishments supporting the measured rollout of our new store format, with the refit programme delivering improvements in average transaction values and conversion rates above the network average.
- Built and refreshed 14 stores during the year, including 4 flagship stores, enhancing customer experience and brand presentation.
- Store experience improvements included mobile point-of-sale and enhanced visual merchandising.
- FY27 capital expenditure and SaaS costs are expected to increase to approximately $25m, funding further store refreshes and investment in AI-driven inventory planning and merchandise allocation.
- Disciplined, returns-focused capital allocation remains in place, prioritising high-return investment in stores and customer experience while maintaining strong cash generation and balance sheet strength.

Dividend Restored

Commitment to delivering sustainable returns to shareholders over time.

The Board has decided to declare a final dividend of **AU2.0 cents per share**, partially franked (50%) for Australian purposes, with partial New Zealand imputation credits (50%) and with conduit foreign income.

“Restoring the dividend reflects the Board's commitment to delivering sustainable returns to shareholders over time. The 2.0 cent second half dividend is enabled by a materially stronger balance sheet and improved operating performance, which has continued into the first eight weeks of FY27”

Rob Fyfe, Chair

SECTION 03

FY27 Strategy and Trading Update

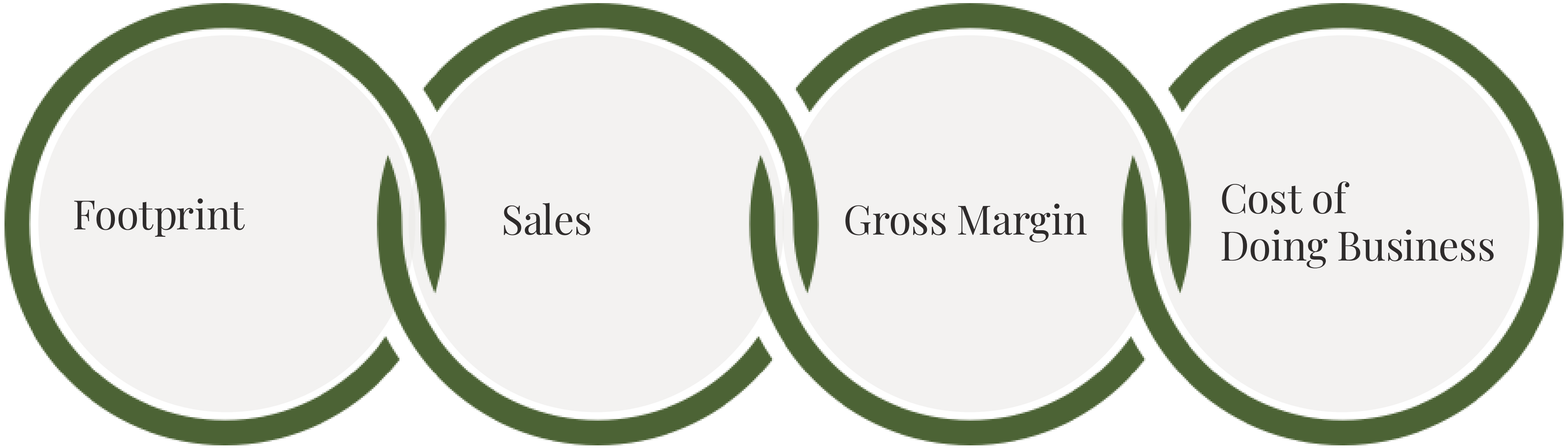
Jonathan Waecker

CHIEF EXECUTIVE OFFICER

Driving Profitable Growth

All four levers progressed: stronger store productivity, sales growth, steady margins, and lower cost of doing business.

IMPROVED STORE PRODUCTIVITY	DIVERSIFIED REVENUE GROWTH	GROSS PROFIT IMPROVEMENT	OPERATING LEVERAGE IMPROVEMENT



FY26 Progress:	Gross Profit per store up 4% Inventory Productivity up 13% across the Group[1]	Online Sales up 10%[2,3] Same Store Sales up 5.2%[2] (up 3% in AUD)	Held flat at 60.5% demonstrating resilience in a challenging macro environment	Down -70 bps

1. Group Gross Margin Return on Investment (GMROI) 2. Constant currency 3. Michael Hill brand, across all segments

We've Simplified The Business

We start FY27 with a focused two-brand portfolio, built to drive profitable growth.

FROM

5 Brands

TenSevenSeven

MEDLEY

MICHAEL HILL

Bevilles

WATCHES GALORE

TO

2 Brands

MICHAEL HILL

- AUSTRALIA
- CANADA
- NEW ZEALAND

Bevilles

- AUSTRALIA

Our Purpose

Making modern luxury accessible.

MICHAEL HILL

Making Modern Luxury Accessible

Our strategy for Michael Hill is to focus on growing customers, profit, and engagement.

Grow Customers.

Win more customers, scaling Michael Hill beyond $700M.

Grow Profit.

Set a new standard for profitability at Michael Hill.

Grow Engagement.

Turn our service into a defining reason customers choose Michael Hill.

People, culture and operating model.

Raise our performance standards and decision discipline to unlock growth.

The Look For Less

Our strategy for Bevilles is to win on value, to move fast, and to run lean.

Win on Value.

Deliver unmistakable customer value.

Move Fast.

Maximise inventory velocity and return on capital.

Run Lean.

Create structural advantage.

People, culture and operating model.

Raise our performance standards and decision discipline to unlock growth.

Product Design & Innovation

The product strategy we set out at Investor Day continues to sharpen for FY27.

MICHAEL HILL

- **Creating Products That Drive Demand and Excitement.** Value-driven categories, limited releases, and focused product storytelling.
- **Innovating At Scale Across Key Growth Areas.** Men's, Basics, Bridal, and Michael Hill Watches.
- **Expanding Personalisation, Custom, and Bespoke Experiences.** Creating emotionally driven product journeys.
- **Innovating Through Intelligent Design.** Elevating perceived quality through design, materials, and craftsmanship.
- **Capturing the Full Diamond Opportunity:**
    - Premium Lab grown diamonds capture growth.
    - Natural Diamonds reinforce our premium positioning.
- **Driving Inventory Productivity and Agility.**

Bevilles

- **Product Design Engineered for Value.** "The Look for Less", compelling quality, protecting margin.
- **Commercial Agility and Efficiency.** Opportunistic buys, disciplined retail fundamentals.

Strategic Growth Engines for FY27

Building on FY26, our priorities remain sharp for the year ahead.

Growth Engines	Initiatives
Canada Growth	• Increased investment in marketing to build awareness and inventory to capitalise on productivity gains. • Refitting five of our top six stores, while actively exploring at least two new sites.
Australia & NZ Productivity	• Refreshing stores with lower-cost fitouts, incl. new Auckland Flagship & new NZ store opening in H1 FY27. • Resetting marketing and go-to-market, with increased investment in productive inventory.
Digital Acceleration	• Continued investment in online channel and experience, including expanded Buy Online Pickup In-Store. • Enhanced clienteling to equip frontline teams for consistent, integrated retail.
Product Innovation	• Capturing the full diamond opportunity: lab diamonds driving growth, natural diamonds reinforcing premium. • Strengthening design leadership, with clearer creative direction, strong launches and focused storytelling. • Introducing newness and improved availability, with a focus on value-driven categories and limited releases.
Services-led Differentiation	• Expanding personalisation, custom, and bespoke experiences across the network. • Improving high-engagement services, including aftercare experiences and product care plans.
Bevilles Reset	• Continued focus under new leadership, with an updated go-to-market approach for the value segment.
Becoming an AI-Powered Retailer	• A people-first approach: mindset first, skillset second, toolset third, using AI as a force multiplier for our teams. • Deploying AI-powered planning and merchandising tools to support inventory productivity and agility.

Current Trading Update

Sales improvement for the first eight weeks of FY27

- We are seeing a year-on-year sales improvement through the first eight weeks of FY27, despite an uncertain macroeconomic environment, with gross margins also strengthening over the prior year.

- Group same store sales up 4.4% on a constant currency basis, flat in AUD. In local currency:
  - Canadian segment same store sales grew 9.8%
  - Australian segment same store sales grew 1.7%
  - New Zealand segment same store sales grew 3.3%

- Management expects continued profitable growth through the year.

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.

MICHAEL HILL

INTERNATIONAL LIMITED

Thank You

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Appendix A: Bridge from Comparable EBIT to Reported EBIT

Calculated as follows:

(AUD million)	FY26	FY25
Comparable EBIT	**24.0**	**15.3**
Impact of AASB16 *Leases*	12.0	11.4
Impact of IFRIC SaaS-related guidance	2.5	(0.9)
Litigation judgement	0.3	3.0
Strategic review & simplification	(6.1)	-
Bevilles Brand Impairment	-	(7.4)
Bevilles integration costs	-	(1.0)
Transition costs	(1.0)	(0.4)
Employee restructure costs	(0.6)	(1.2)
Reported EBIT	**31.1**	**18.9**

Appendix B: AASB16 *Leases* & SaaS Impact

(AUD million)	FY26 Stat	Impact of AASB16 & SaaS	FY26 pre-adjustments	FY25 pre-adjustments	Change pre-adjustments
Revenue	655.7	-	655.7	643.7	1.9%
Cost of sales	(259.4)	-	(259.4)	(254.2)	2.0%
Gross profit	**396.3**	**-**	**396.3**	**389.5**	**1.8%**
Employee benefits expense	(183.2)	3.8	(179.4)	(175.3)	2.3%
Occupancy costs	(16.1)	(55.8)	(71.9)	(72.4)	(0.7%)
Marketing expenses	(36.0)	-	(36.0)	(37.5)	(3.9%)
Selling expenses	(25.3)	-	(25.3)	(24.8)	2.2%
Other income/(expenses)	(41.6)	0.7	(40.9)	(44.0)	(7.2%)
EBITDA	**94.1**	**(51.3)**	**42.8**	**35.4**	**20.8%**
Depreciation and amortisation expenses	(63.0)	36.8	(26.2)	(27.0)	(3.2%)
EBIT	**31.1**	**(14.5)**	**16.6**	**8.4**	**98.3%**
Finance expenses	(13.4)	9.7	(3.7)	(5.5)	(33.0%)
Profit before tax	**17.7**	**(4.8)**	**12.9**	**2.9**	**350.7%**


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