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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.

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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



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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 <small>(incl. 38 Bevilles)</small>	302 <small>(incl. 30 Bevilles)</small>	-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 <small>(incl. 38 Bevilles)</small>	171 <small>(incl. 30 Bevilles)</small>	-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

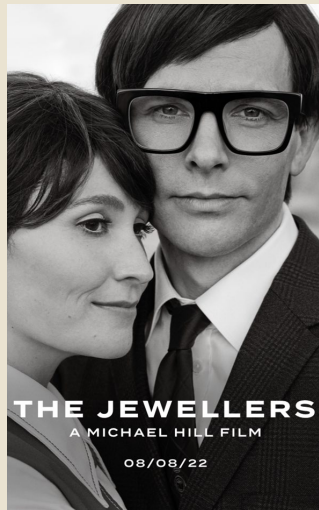


- For the first seven weeks of FY25H2, Group same store sales were **up 3.2%** on prior year, with same store sales for the:
 - Australian segment up 3.8%
 - Canadian segment up 6.7%
 - New Zealand segment down 1.9%
- Total sales for the Group were **up 1.7%** for the first seven weeks of FY25H2.

Group Strategy, the path to 2030

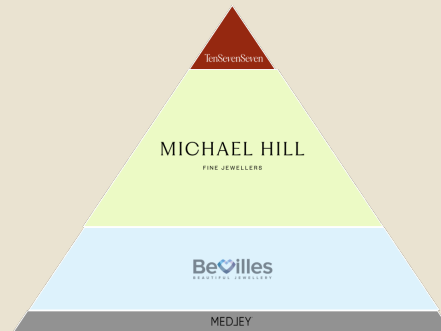
2020 – 2023

**Reposition
Michael Hill
Brand**



2023 – 2024

**Establish
Portfolio of
Brands**



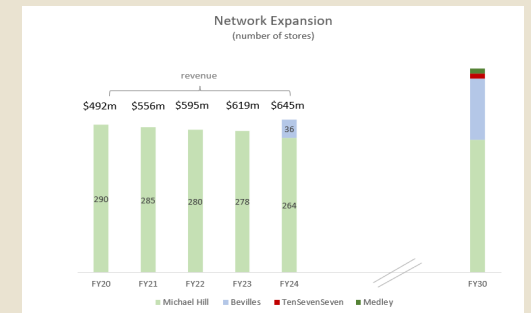
2024 – 2025

**Product &
Brand
Proposition**



2026 – 2030

**Network
Expansion &
Productivity**



Group Strategy – the path to 2030

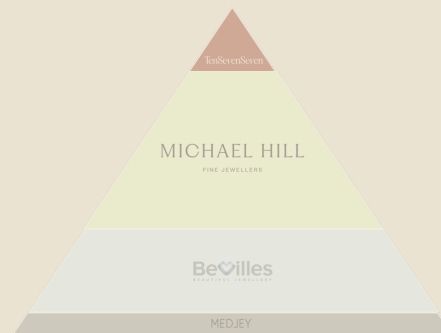
2020 – 2023

**Reposition
Michael Hill
Brand**



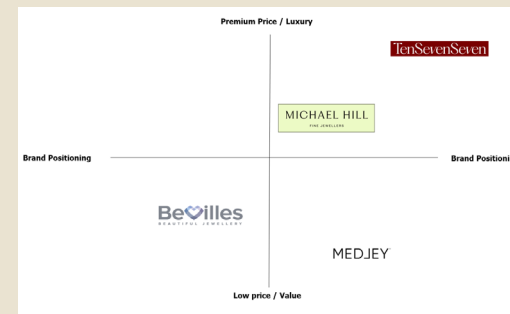
2023 – 2024

**Establish
Portfolio of
Brands**



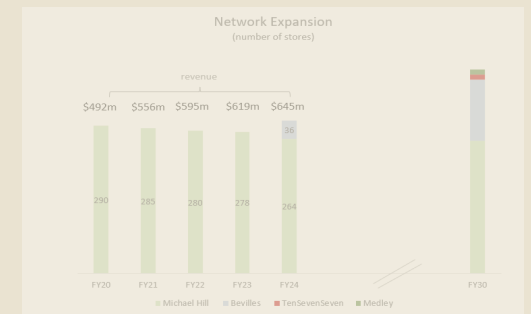
2024 – 2025

**Product &
Brand
Proposition**



2026 – 2030

**Network
Expansion &
Productivity**



Product & Brand Proposition, 2024 - 2025

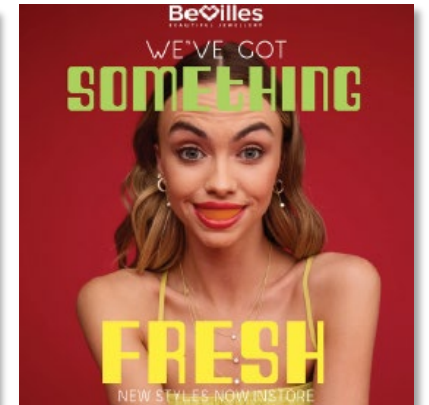
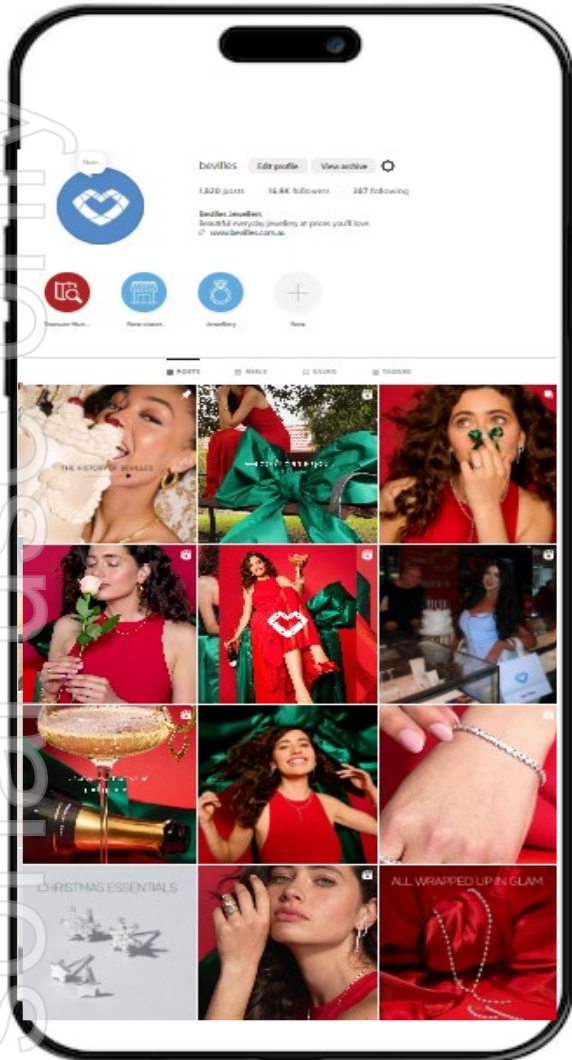
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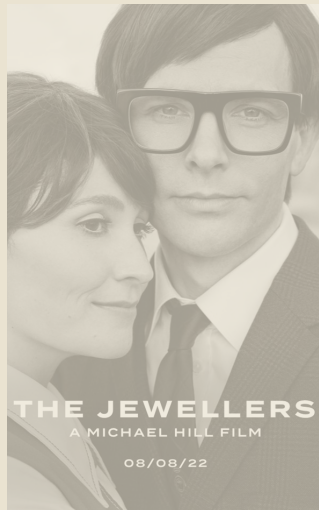
Product & Brand Proposition, 2024 - 2025



Group Strategy – the path to 2030

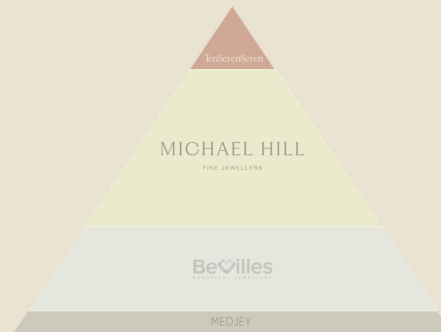
2020 – 2023

**Reposition
Michael Hill
Brand**



2023 – 2024

**Establish
Portfolio of
Brands**



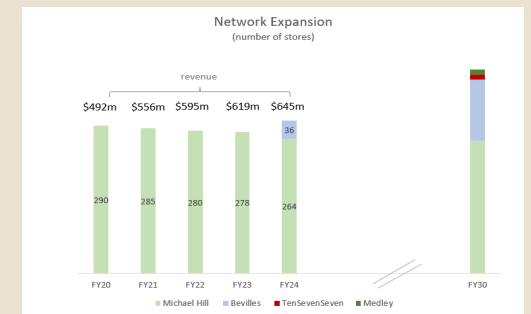
2024 – 2025

**Product &
Brand
Proposition**



2026 – 2030

**Network
Expansion &
Productivity**



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

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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

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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 <i>Leases</i>	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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