MICHAEL HILL

INTERNATIONAL LIMITED

FY26 RESULTS

MICHAEL HILL TURNAROUND DELIVERS RECORD REVENUE, EBIT[1] UP 57%, DIVIDEND RESTORED

ASX and NZX Announcement
Michael Hill International Limited
ASX/NZX: MHJ
Date of Announcement: 28 August 2026

Michael Hill International Limited (ASX/NZX: MHJ) today reported its results for the financial year ended 28 June 2026, delivering strong same store sales growth across all segments, a 57% increase in comparable EBIT, and the restoration of dividends.

RELEASE HIGHLIGHTS

- **Group revenue** reached a record $655.7m[2] (FY25: $643.7m), up 1.9% on prior year, and up 4.1% on a constant currency basis.
- **Same store sales**[3] **(SSS**) growth of 3.0% on prior year, and 5.2% on a constant currency basis with the first half momentum continuing through the second half:
  - Canada delivered another record performance, with SSS up 7.0% on prior year.
  - Australia delivered a strong performance, with SSS up 4.8% on prior year.
  - New Zealand delivered a marked acceleration from Q2, with SSS up 3.6% on prior year.
- **Online sales** grew to 8.7% of total sales.
- **Gross margin**[4] held flat at 60.5%, demonstrating the Group's ability to offset elevated precious metal costs while consumers continue to navigate cost-of-living pressures.
- **Cost of Doing Business**[5] **(CODB)** as a percentage of revenue is down 70 bps to 57.1% (FY25: 57.8%).
- **Comparable EBIT**[1] of $24.0m (FY25: $15.3m), up 57% on prior year.
- **Statutory Net Profit After Tax (NPAT)** of $10.0m (FY25: $2.1m), up 376% on prior year.
- **Group inventory** levels reduced by $9.4m to $189.7m, a reduction of 4.7% on prior year.
- **Group net debt** position of $5.5m (FY25: $41.9m), a $36.3m improvement on prior year.
- **Final dividend** declared of 2.0cps (FY25: nil).

Commenting on the turnaround delivering strong financial performance, Jonathan Waecker, Chief Executive Officer of Michael Hill International Limited, said:

> *"Michael Hill was founded on the simple idea that everyone deserves to wear quality jewellery and feel special wearing it, and this year we returned to that focus. We're listening more closely to our customers and our teams, we've simplified the business, and we've doubled down on quality jewellery made to be worn and given with confidence. As a result, sales are up across every market, profitability has improved sharply, Bevilles gained traction with a clear inflection between the halves, and we've restored the dividend. The turnaround is taking hold, there's still plenty more for us to do, and I'm incredibly proud of what our teams have delivered through a year of significant change."*

FY26 – GROUP BUSINESS & FINANCIAL PERFORMANCE

FY26 marked the beginning of a significant strategic and operational turnaround for the Michael Hill Group. Under new leadership, the Group has undertaken a strategic simplification of the business, sharpening its focus on its two core brands, Michael Hill and Bevilles. Building on this simplification, the Group has strengthened retail operating discipline and decision-making, refined its go-to-market strategies and strengthened its focus on customer outcomes. Together, these initiatives have generated meaningful momentum across the business and underpinned the improved performance delivered in FY26.

The Group delivered a materially stronger operating performance in FY26, with **comparable earnings before interest and tax (EBIT)** increasing 57% to $24.0m (FY25: $15.3m) against a challenging macroeconomic environment. The result reflected stronger sales, resilient gross margins despite elevated gold input costs, and disciplined management of operating expenses in an inflationary environment. These factors combined to improve operating leverage, increase cash generation and strengthen returns.

Group revenue grew to a record $655.7m (FY25: $643.7m), up 1.9% on the prior year and 4.1% on a constant currency basis. Same store sales grew 3.0%, and 5.2% on a constant currency basis, with the positive momentum of the first half continuing through the second half, and every market delivering same store sales growth.

Online is a key growth engine and grew 10% in Michael Hill on a constant currency basis, materially ahead of the physical network and with Canada again the standout with 22% growth. Our digital channel is now by far the largest store in the Michael Hill brand and is increasingly where customers discover and buy. For the Group, online now represents 8.7% of total revenue, growth was driven by improvements to the digital experience, which lifted both conversion and average transaction values. With penetration still below that of many comparable peers, management believes there is significant runway for further growth.

Gross margin of 60.5% was in line with the prior year, demonstrating the Group's ability to offset elevated precious metal costs, including gold achieving multiple record highs, through a stronger product mix and disciplined pricing execution.

As a percentage of revenue, **Group Cost of Doing Business (CODB)** reduced by 70bps to 57.1% (FY25: 57.8%). The improvement reflected disciplined cost management across the Group, which enabled reinvestment in team while supporting stronger sales performance. Our proprietary Retail Assist AI now powers over 50% of all retail support enquiries, providing instant knowledge to teams to better focus on customers.

As part of the strategic simplification announced at our Investor Day on 14 April 2026, the Group undertook decisive action to focus on its two core brands, Michael Hill and Bevilles. As a result, the Group recognised non-cash write-offs of $6.1m, largely relating to the closure of Medley and TenSevenSeven which has been excluded from comparable EBIT[1]. This simplifies the Group's operating model and allows management to concentrate resources and attention on driving profitable growth across its core brands.

Group inventory reduced by $9.4m to $189.7m, down 4.7% on the prior year, reflecting a deliberate plan to improve stock productivity. Group Gross Margin Return on Investment (GMROI) improved 13% over the year, meaning the reduction was driven by better inventory management and stronger clearance sell-thru. The Group activated a partnership with Impact Analytics to build AI-driven demand forecasting and planning, further improving inventory productivity and allocation across the network.

The Group ended the year with closing **net debt** of $5.5m (FY25: $41.9m), a material improvement of $36.3m on the prior year, reflecting disciplined cash and working capital management through the year including successful negotiation of new supplier terms with a key partner.

The year saw the successful opening of four MH flagship stores: Rundle Mall, Adelaide (refurbishment), Bondi Junction, Sydney (new store), Yorkdale, Toronto (refurbishment), and Pacific Centre, Vancouver (new store); with all stores incorporating our new brand design and a modernised in-store customer experience, with the refit programme delivering improvements in average transaction values and conversion rates above the network average. During the year, the store network reduced by a net total of six stores, taking the network to 281 across all markets (FY25: 287).

RETAIL SEGMENT PERFORMANCE

AUSTRALIA (INCLUDING BEVILLES) DELIVERED A STRONG PERFORMANCE

Retail segment revenue increased by 2.5% to $371.8m (FY25: $362.6), and same store sales increased by 4.8% for the year, with second half same store sales up by 4.4% on the prior comparable period.

Gross margin increased by 130 bps to 60.7% (FY25: 59.4%), driven by disciplined pricing, an improved product mix and a continued focus on profitable growth, demonstrating the ability to increase sales without compromising margin. Higher sales and gross margin drove a healthy uplift in gross profit, largely underpinning the improvement in Australian comparable EBIT.

Within this result, the Bevilles business gained traction with a clear inflection between the halves, demonstrating the effectiveness of the brand's turnaround strategy. After year-on-year declines in the first half, **same store sales, gross margin, and gross profit dollars** all returned to growth in the second half, with same store sales up 5.8% in FY26H2 against a 4.6% decline in FY26H1, gross margin grew by 660 basis points in FY26H2 vs FY26H1.

The Australian store network finished the year with 157 stores, including 36 Bevilles stores (FY25: 160 including 37 Bevilles stores), with 4 store closures (Michael Hill: 3, Bevilles: 1) and one new store for Michael Hill.

CANADA DELIVERED ANOTHER RECORD PERFORMANCE

Retail segment revenue increased by 7.3% to CA$174.2m (FY25: CA$162.4m), and same store sales increased by 7.0% for the year, with second half same store sales up by 7.6% on the prior comparable period. This segment delivered another year of record sales, reflecting the effectiveness of our strategy, the strength of the proposition and the commitment of our team members.

Gross margin improved by 20 bps to 60.3% (FY25: 60.1%), achieved through targeted country-specific go-to-market initiatives. The Canadian segment delivered particularly strong growth in bridal sales, outpacing other segments and supporting the acquisition of higher-value customers. This performance is strategically important, as bridal customers typically generate higher lifetime value and support future purchasing across multiple categories, contributing to sustained profitable growth over time.

It remains our fastest-growing market and our clearest growth opportunity. During the year we opened a new flagship store at Pacific Centre in Vancouver, our second Canadian flagship, reflecting the confidence we have to invest in growth with a focus on extending this momentum.

During the year, one store opened and two stores closed, resulting in 81 stores at year end (FY25: 82).

NEW ZEALAND DELIVERED A MARKED ACCELERATION FROM Q2

Retail segment revenue increased by 3.1% to NZ$112.4m (FY25: NZ$109.0m), and same store sales increased by 3.6% for the year. The second half delivered marked acceleration in growth, with same store sales up by 5.6% on the prior comparable period. The performance reflects the decision to fund investments into teams and customer-facing initiatives enhancing the customer experience and supporting sales growth.

Gross margin was 58.0% (FY25: 58.3%), reflecting a deliberate focus on adapting our offer to the trading environment. This was balanced with a higher contribution from bridal, which delivered strong growth in both sales and gross profit.

During the year, two stores closed, resulting in 43 stores at year end (FY25: 45).

DIVIDEND RESTORED

As a result of the improvement in operating performance and the strength of the Company's balance sheet, 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. This decision reflects the Board's increased confidence in the progress of the turnaround and the Group's focus on building a simpler, stronger, and more sustainable business.

Commenting on the Board's decision to restore the dividend, Rob Fyfe, Chair of Michael Hill International Limited, said:

> *"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"*

CHAIR SUCCESSION AND BOARD RENEWAL

As part of our broader reset, we are also refreshing skills and capability across both the executive team and the Board, with succession planning a key focus.

Rob Fyfe has advised the Board of his intention to retire as a Director and Chair of the Company, effective 28 November 2026. The Board has appointed current Non-Executive Director Claudia Batten to succeed Mr Fyfe as Chair from 28 November 2026.

The Board is also pleased to announce the appointment of two new Non-Executive Directors who bring highly complementary skills and deep leadership experience: Karen Bozic, an experienced retail and consumer executive who has held senior leadership roles across some of Australia's most recognised consumer brands, including Woolworths, BIG W, Ampol and Rebel Sport; and Mark Bayliss, who brings extensive audit, risk and governance expertise, together with significant executive and board experience across listed and private equity-backed companies.

These changes, together, strengthen the Board's capability and support its long-term succession planning.

CURRENT TRADING UPDATE

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 SSS up 9.8% on last year.
- Australian segment SSS up 1.7% on last year.
- New Zealand segment SSS up 3.3% on last year.

Management expects continued profitable growth through the year.

NOTES

[1] Comparable EBIT is an unaudited non-IFRS measure prepared on a normalised basis. Further information on the reconciliation of comparable to the statutory result is contained in the Directors' report.
[2] Unless otherwise stated, all dollar amounts are in AU$ terms.
[3] Same store sales reflect sales through store and online channels on a comparable trading day basis and are unaudited.
[4] Excludes relevant one-off normalisations.
[5] Cost of doing business is an unaudited non-IFRS measure calculated on a normalised basis and excludes foreign exchange gains/losses.

MICHAEL HILL

INTERNATIONAL LIMITED

FY26 RELEASE OF RESULTS WEBCAST DETAILS

An investor briefing on the results is scheduled for 8:00am (Brisbane, Qld time) on Monday 31 August 2026. Please note that the webcast page will not be available until 7:00am (Brisbane, Qld time) and it is advised that you join at least 5 minutes before the meeting commences.

Webcast link for Monday 31 August 2026:
https://meetings.lumiconnect.com/300-037-987-913

MACHINE-READABLE FINANCIAL TABLES

The following tables provide selected FY26 financial and operating data in structured, machine-readable format. Amounts are in the currency shown; percentages and movements are as disclosed in this release, and the footnotes apply to the numbers below.

Release Highlights — FY26 Full Year

Metric	FY26	FY25	Movement
Group revenue (AU$m)	655.7	643.7	+1.9%
Revenue growth — constant currency	—	—	+4.1%
Same store sales growth	—	—	+3.0%
Same store sales growth — constant currency	—	—	+5.2%
Online sales as % of total sales	8.7%	8.6%	+10 bps
Gross margin	60.5%	60.5%	0 bps
Cost of Doing Business as % of revenue	57.1%	57.8%	–70 bps
Comparable EBIT (AU$m)	24.0	15.3	+57%
Statutory NPAT (AU$m)	10.0	2.1	+376%
Inventory (AU$m)	189.7	199.1	–4.7%
Net debt (AU$m)	5.5	41.9	–36.3
Final dividend (AU cents per share)	2.0	nil	Restored

Retail Segment Performance — FY26 Full Year

Segment	FY26 Revenue	FY25 Revenue	Revenue Growth	SSS Growth	Gross Margin FY26	Gross Margin FY25
Australia (including Bevilles)	AU$371.8m	AU$362.6m	+2.5%	+4.8%	60.7%	59.4%
Canada	CA$174.2m	CA$162.4m	+7.3%	+7.0%	60.3%	60.1%
New Zealand	NZ$112.4m	NZ$109.0m	+3.1%	+3.6%	58.0%	58.3%

This announcement is authorised for release by the Board.

— ENDS —

INVESTOR CONTACTS

Role	Name & Title	Phone	Email
Investors	Elodie Guillaumond Chief Financial Officer	+61 7 3114 3500	elodie.guillaumond@michaelhill.com.au
Investors & Media	Anthea Noble GM — Investor Relations & Treasury	+61 438 770 704	anthea.noble@michaelhill.com.au

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 281 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.

Michael Hill International Limited

ABN 25 610 937 598

34 Southgate Avenue, Cannon Hill, QLD 4170