

RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTING PERIOD

Reporting period:	26 weeks ending 28 December 2025
Previous reporting period:	26 weeks ending 29 December 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from contracts with customers	Up	3.0%	to	370,954
Earnings before interest and taxation (EBIT) ¹	Up	20.1%	to	38,863
Net profit after tax for the period attributable to members	Up	32.0%	to	22,257

¹ EBIT is unaudited non-IFRS information. Please refer to unaudited non-IFRS information in the Directors' Report for an explanation of unaudited non-IFRS information and a reconciliation of EBIT.

DIVIDENDS

	Amount per security	Franked amount per security
	cents per share	cents per share
Interim dividend for the year ended 28 June 2026	-	-
Final dividend for the year ended 29 June 2025	-	-
Interim dividend for the year ended 29 June 2025	-	-

NET TANGIBLE ASSETS

	28 December 2025	29 December 2024
	\$	\$
Net tangible asset ² backing per ordinary security	0.37	0.33

² Net tangible assets were calculated including the Group's right-of-use assets and lease liabilities recognised under AASB16 Leases.

COMPLIANCE STATEMENT

This report is based on accounts which have been reviewed by the auditor of Michael Hill International Limited. There have been no matters of disagreement and a report of the auditor's review appears in the half-year financial report.

This report should be read in conjunction with the annual report for the year ended 29 June 2025 and any public announcements made by Michael Hill International Limited in accordance with the continuous disclosure requirements arising under the *Corporations Act 2021 (Cth)*, ASX Listing Rules and NZX Listing Rules.

Your Directors present their report on the consolidated entity consisting of Michael Hill International Limited and the entities it controlled at the end of, or during, the half-year ended 28 December 2025.



R I Fyfe
 Chair

Brisbane
 27 February 2026

Webcast scheduled to take place at 7.30am (AEST) on Monday, 2 March 2026. Please use the following link to register.

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

Media & Investors:

Anthea Noble

General Manager - Investor Relations & Treasury

investor@michaelhill.com.au

<http://investor.michaelhill.com>

MICHAEL HILL INTERNATIONAL LIMITED

ABN 25 610 937 598

DIRECTORS' REPORT AND FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 28 DECEMBER 2025

TABLE OF CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	6
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	16
INDEPENDENT AUDITOR'S REVIEW REPORT	17

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 Group’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 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.

TERMINOLOGY

In this report, unless otherwise specified or appropriate in the context, the term “Company” refers to Michael Hill International Limited, the term “Group” or “Michael Hill Group” refer to the Company and its subsidiaries (as appropriate), and the use of “Michael Hill”, “Bevilles”, “TenSevenSeven” and “Medley” is reference to the relevant brand within the Michael Hill Group.

CORPORATE DIRECTORY

DIRECTORS

R I Fyfe B.Eng, F.E.N.Z., C.N.Z.M. *Chair*

C Batten LLB (Hons), B.Com *Deputy Chair*

Sir R M Hill K.N.Z.M. (leave of absence from 14 April 2025, until his passing on 29 July 2025)

E J Hill B.Com., M.B.A.

G W Smith B.Com., F.C.A., F.A.I.C.D.

D Whittle B.A., B.Com

A Slingsby B.A., PPL (HBS) (resigned as alternative non-executive director to Sir Richard Michael Hill on 29 July 2025, appointed 8 September 2025)

COMPANY SECRETARY

K Palethorpe LLB (Hons), BSc (Biochemistry) (Hons), GradDipLegalPrac, GradDipACGRM

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

34 Southgate Avenue
Cannon Hill QLD 4170
Australia

SHARE REGISTER

Computershare Investor Services Pty Ltd
Level 1
200 Mary Street
Brisbane QLD 4000
1300 552 270 (within Australia)
+61 3 9415 4000 (outside of Australia)

AUDITOR

Ernst & Young
Level 51
111 Eagle Street
Brisbane QLD 4000

SOLICITOR

Allens Linklaters
Level 26
480 Queen Street
Brisbane QLD 4000

BANKERS

ANZ Australia
ANZ New Zealand
Bank of Montreal
Commonwealth Bank of Australia
Royal Bank of Canada

WEBSITES

www.michaelhill.com.au
www.michaelhill.co.nz
www.michaelhill.ca
www.michaelhill.com
www.medleyjewellery.com.au
www.bevilles.com.au
www.watchesgalore.com.au
www.tensevenseven.com
http://investor.michaelhill.com

EMAIL

online@michaelhill.com.au

DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of Michael Hill International Limited ACN 610 937 598 ('Michael Hill International' or the 'Company') and all controlled subsidiaries for the half-year ended 28 December 2025. The half-year ended 28 December 2025 is a 26-week period (30 June 2025 to 28 December 2025) compared to the half-year ended 29 December 2024 which was also a 26-week period (1 July 2024 to 29 December 2024).

DIRECTORS

The following persons were Directors of Michael Hill International Limited during the financial period and up to the date of this report:

R I Fyfe

C Batten

Sir R M Hill (leave of absence from 14 April 2025, until his passing on 29 July 2025)

E J Hill

G W Smith

D Whittle

A Slingsby (resigned as alternative non-executive director to Sir Richard Michael Hill on 29 July 2025, appointed 8 September 2025)

PRINCIPAL ACTIVITIES

The Group operates predominantly in the retail sale of jewellery and related services sector in Australia, Canada and New Zealand.

There were no significant changes in the nature of the Group's activities during the half-year ended 28 December 2025.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the Group's operations and the expected results of operations have been included in the Review of Operations and Group Business Performance sections of this report.

REVIEW OF OPERATIONS

The Group achieved the following key outcomes for the half-year ended 28 December 2025:

KEY FINANCIAL RESULTS

- Comparable EBIT* of \$31.0m, up +28.6% on prior year.
- Group sales of \$371.0m, up +3.0% on prior year.
- Same store sales (SSS) growth of +3.8% on prior year:
 - Canada achieved another record sales performance with SSS growth of +6.1% on prior year.
 - Australia delivered a strong sales performance with SSS growth of +4.8% on prior year.
 - New Zealand reversed previous SSS declines, growing by +1.8% on prior year.
- Gross margin broadly flat at 61.2%, as increases in gold, silver, and other metal input costs were offset by enhanced overall product mix and focused promotional activity.
- Group inventory levels reduced by \$11.3m to \$201.9m, a reduction of -5.3% on prior year.
- Group net cash position of \$20.7m at the half, a \$30.5m improvement on the (\$9.8m) net debt position at the prior year.
- The Board has decided that no interim dividend will be declared for the half year, however the Board intends to return to dividends at the full year results, subject to current trading conditions continuing and in line with the Company's dividend policy.

**Comparable EBIT is unaudited non-IFRS information. Please refer to unaudited non-IFRS information section in this report for an explanation of unaudited non-IFRS information and a reconciliation of Comparable EBIT.*

CURRENT TRADING UPDATE

For the first eight weeks of FY26H2, Group sales were up 4.5%, and Group same store sales were up 6.0% on prior year. For same store sales (in local currency):

- Australian segment up 6.5%,
- Canadian segment up 13.0%, and
- New Zealand segment up 7.1%.

FY26H1 - GROUP BUSINESS PERFORMANCE

The Group delivered a materially stronger operating performance in FY26H1, with comparable earnings before interest and tax increasing 28.6% to \$31.0m for the half year ended 28 December 2025. The uplift was primarily driven by higher sales volumes, which generated an additional \$6.3m in gross profit. This outcome reflects renewed go-to-market initiatives with product and pricing playing a key role to partially offset continued pressure from elevated input costs - particularly gold. Importantly, disciplined cost management ensured operating expenses were controlled in an inflationary environment, enhancing operating leverage and contributing to the improvement in earnings.

For the half, the Group delivered revenue of \$371.0m, up 3.0%, supported by solid performances in Australia and Canada and a return to positive sales growth in New Zealand. Group same store sales increased by +3.8% in local currency, reflecting excellence in execution of product, brand and promotional initiatives.

Gross margin remained broadly in line with the prior year at 61.2%, as record high gold and silver input costs were effectively offset by enhanced product mix and disciplined pricing execution.

During FY26H1, our product initiatives played a meaningful role in supporting trading performance. The introduction of new collections including Vermeil, Lume LAB and the Earring Bar - aimed to drive customer interest and maintain brand freshness, while the continued broadening of our Pendant Bar range further enhanced the instore experience, supporting customer engagement. At the same time, our focus on showcasing exceptional quality at attainable price points strengthened our overall value proposition. Complementing these initiatives, the expansion of our curated Christmas gift sets ensured we met diverse customer needs during peak gifting periods, supporting momentum across our major markets throughout the half.

A number of working capital initiatives have been undertaken during the half including successful negotiation of new supplier terms with a key partner and a focus on improving stock efficiency leading to a reduction in inventory holdings by \$11.3m to \$201.9m.

During the half, the business advanced its customer experience agenda through the establishment of a new Auckland Distribution Centre, which began operating in early FY26. This investment improves fulfilment speed and accuracy, reduces time to customer, and strengthens service levels across channels.

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. During the half, the store network reduced by a net total of two stores, taking the network to 285 across all markets (FY25H2: 287). During the calendar year 2025, the store network reduced by a net total of nine stores (FY25H1: 294).

SEGMENT RESULTS

The operational segments below reflect the performance of the Group's retail operations in each geographic segment. The segments include trading activity from our online channels presence and our Canadian in-house credit function. The segments exclude revenue and expenses that do not relate directly to the relevant retail segments, and are treated as unallocated. These predominantly relate to corporate costs and Australian based support costs, but also include the manufacturing activities, warehouse and distribution, interest and company tax.

The results below are expressed in local currency.

AUSTRALIA RETAIL PERFORMANCE (INCLUDING BEVILLES)

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
OPERATING RESULTS (AU \$'000)		
Revenue	209,060	204,730
Gross profit	126,973	123,935
Gross margin	60.7%	60.5%
Comparable EBIT	27,512	22,512
Comparable EBIT as a % of revenue	13.2%	11.0%

Retail segment revenue increased by 2.1% to AU\$209.1m for the half, and increased by 4.8% on a same store basis, underpinned by positive growth in the Michael Hill brand.

Gross margin for the half increased by 20 bps to 60.7%.

During the half, the Australian network opened one and closed one MH store, resulting in 160 stores, including 37 Bevilles stores.

CANADA RETAIL PERFORMANCE

OPERATING RESULTS (CA \$'000)	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Revenue	96,328	90,682
Gross profit	59,227	55,108
Gross margin	61.5%	60.8%
Comparable EBIT	15,941	13,672
Comparable EBIT as a % of revenue	16.5%	15.1%

Retail segment revenue increased by 6.2% to CA\$96.3m for the half, and increased by 6.1% on a same store basis. This strong outcome reflects the continued execution of the Canadian team, delivering another record performance and demonstrating the business's ability to consistently gain market share in a competitive environment.

Gross margin for the half increased by 70 bps to 61.5%.

During the half, there was no change to the Canadian network, remaining at 82 stores.

NEW ZEALAND RETAIL PERFORMANCE

OPERATING RESULTS (NZ \$'000)	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Revenue	61,987	60,548
Gross profit	36,111	35,690
Gross margin	58.3%	58.9%
Comparable EBIT	9,599	9,446
Comparable EBIT as a % of revenue	15.5%	15.6%

Retail segment revenue increased by 2.4% to NZ\$62.0m for the half, and increased by 1.8% on a same store sales basis. This result demonstrates improving momentum in New Zealand, driven by focused go-to-market initiatives and disciplined retail execution, alongside a gradually strengthening economy.

Gross margin for the half decreased by 60 bps to 58.3%.

During the half, two stores were closed, resulting in 43 stores.

CAPITAL MANAGEMENT

During the half, 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. In addition, the business remained committed to a reduced capital expenditure profile across both technology and stores, reducing the inventory profile across the business and implementing working capital efficiencies, and finished the half with a positive net cash position of \$20.7m, an improvement of \$30.5m on prior year (closing net debt FY25H1: \$9.8m).

The Board has decided that no interim dividend will be declared for the half year. Restoring a consistent and sustainable dividend to shareholders remains a priority for the Board. Reflecting the continued improvement in the Group's balance sheet and trading performance, the Board intends to return to dividends at the full year results, subject to current trading conditions continuing and in line with the Company's dividend policy.

NON-IFRS FINANCIAL INFORMATION

This report contains certain non-IFRS financial measures of historical financial performance. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards. The measures therefore may not be directly comparable with other companies' measures. Many of the measures used are common practice in the industry in which the Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Securities and Investments Commission (ASIC) to promote full and clear disclosure for investors and other users of financial information, and minimise the possibility of those users being misled by such information.

The measures are used by management and directors for the purpose of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the drivers of the business, performance and trends, as well as the position of the Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance. Consequently, non-IFRS measures are used by the Directors and management for performance analysis, planning, reporting and incentive setting. These measures are not subject to audit.

The non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Earnings before interest and tax (EBIT)
- Comparable EBIT
- Significant item

COMPARABLE EBIT

Comparable EBIT has been calculated as follows:

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Reported EBIT	38,863	32,364
Add back costs relating to:		
Board and CEO transition costs	492	-
Employee restructure costs	140	272
Bevilles integration costs	-	696
Less items relating to:		
Impact of AASB16 <i>Leases</i>	(7,483)	(6,280)
Impact of IFRIC SaaS-related guidance	(1,044)	64
Litigation judgement	-	(3,031)
Comparable EBIT	30,968	24,085

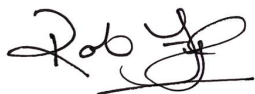
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is included in this report.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relation to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The report is made on 27 February 2026 in accordance with a resolution of Directors.



R I Fyfe

Chair

Brisbane

27 February 2026



**Shape the future
with confidence**

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Auditor's independence declaration to the Directors of Michael Hill International Limited

As lead auditor for the review of the half-year financial report of Michael Hill International Limited for the half-year ended 28 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Michael Hill International Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Rebecca Burrows".

Rebecca Burrows
Partner
27 February 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	HALF-YEAR ENDED	
		28 December	29 December
		2025	2024
		\$'000	\$'000
Revenue from contracts with customers	2	370,954	360,169
Other income		1,551	1,335
Cost of goods sold		(143,784)	(139,282)
Employee benefits expense		(95,080)	(93,277)
Occupancy costs		(8,126)	(8,911)
Marketing expenses		(22,465)	(23,246)
Selling expenses		(14,035)	(13,685)
Impairment of property, plant and equipment and other assets		(431)	(209)
Depreciation and amortisation expense		(30,523)	(31,720)
Loss on disposal of property, plant and equipment		(100)	(218)
Administrative expenses		(8,399)	(7,049)
Other expenses		(10,574)	(11,436)
Finance expenses		(8,026)	(8,720)
Profit before income tax		30,962	23,751
Income tax expense		(8,705)	(6,889)
Profit for the half-year		22,257	16,862
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising during the half-year		(2,613)	977
Other comprehensive income for the half-year, net of tax		(2,613)	977
Total comprehensive income for the half-year		19,644	17,839
Total comprehensive income for the half-year is attributable to:			
Owners of Michael Hill International Limited		19,644	17,839
Earnings per share for profit attributable to the ordinary equity holders of the Company:		cents	cents
Basic earnings per share		5.78	4.38
Diluted earnings per share		5.65	4.31

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	AS AT		
		28 December	29 December	29 June
		2025	2024	2025
		\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents		51,656	27,571	10,248
Trade and other receivables	4	14,691	14,258	14,653
Inventories		201,895	213,161	199,099
Current tax receivables		9,778	3,191	7,419
Contract assets	2	1,164	1,033	438
Other current assets		8,995	6,133	6,217
Total current assets		288,179	265,347	238,074
Non-current assets				
Trade and other receivables	4	1,727	1,327	1,232
Right-of-use assets	3	122,853	126,707	121,470
Property, plant and equipment		53,729	57,882	52,938
Intangible assets		45,954	56,396	47,463
Deferred tax assets		50,854	49,492	56,911
Contract assets	2	88	199	123
Other non-current assets		608	287	184
Total non-current assets		275,813	292,290	280,321
Total assets		563,992	557,637	518,395
LIABILITIES				
Current liabilities				
Trade and other payables	4	115,567	93,092	68,685
Lease liabilities	3	41,129	39,658	38,784
Contract liabilities	2	18,419	20,427	16,785
Provisions		9,999	12,293	10,215
Current tax liabilities		884	1,349	827
Deferred revenue		333	272	270
Deferred consideration		-	1,194	-
Total current liabilities		186,331	168,285	135,566
Non-current liabilities				
Lease liabilities	3	98,586	106,763	102,601
Contract liabilities	2	50,200	53,626	49,984
Borrowings	5	31,000	37,400	52,100
Provisions		8,128	6,822	7,525
Total non-current liabilities		187,914	204,611	212,210
Total liabilities		374,245	372,896	347,776
Net assets		189,747	184,741	170,619
EQUITY				
Contributed equity	6	12,858	12,826	12,850
Reserves		(1,687)	833	1,450
Retained profits		178,576	171,082	156,319
Total equity		189,747	184,741	170,619

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTES	CONTRIBUTED EQUITY	SHARE BASED PAYMENTS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED PROFITS	TOTAL EQUITY
Attributable to owners of Michael Hill International Limited		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2024		12,763	1,078	(1,180)	154,220	166,881
Profit for the half-year		-	-	-	16,862	16,862
Currency translation differences		-	-	977	-	977
Total comprehensive income for the half-year		-	-	977	16,862	17,839
Transactions with members in their capacity as owners:						
Issue of share capital on exercise of share rights	6	63	(63)	-	-	-
Transfer option reserve on forfeiture of vested options		-	(17)	-	-	(17)
Share-based payments expense		-	38	-	-	38
		63	(42)	-	-	21
Balance at 29 December 2024		12,826	1,036	(203)	171,082	184,741
Balance at 30 June 2025		12,850	1,329	121	156,319	170,619
Profit for the half-year		-	-	-	22,257	22,257
Currency translation differences		-	-	(2,613)	-	(2,613)
Total comprehensive income for the half-year		-	-	(2,613)	22,257	19,644
Transactions with members in their capacity as owners:						
Issue of share capital on exercise of share rights	6	8	(8)	-	-	-
Share-based payments expense		-	(516)	-	-	(516)
		8	(524)	-	-	(516)
Balance at 28 December 2025		12,858	805	(2,492)	178,576	189,747

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	HALF-YEAR ENDED	
		28 December	29 December
		2025	2024
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST and sales taxes)		420,812	413,832
Payments to suppliers and employees (inclusive of GST and sales taxes)		(297,133)	(324,189)
		123,679	89,643
Interest received		125	(9)
Other revenue received		78	1,228
Interest paid		(2,676)	(2,930)
Leasing interest paid	3	(5,072)	(5,523)
Income tax paid		(4,954)	(6,563)
Net GST and sales taxes paid		(16,388)	(18,152)
Net cash inflow from operating activities		94,792	57,694
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	144
Payments for property, plant and equipment		(8,391)	(5,295)
Payments for intangible assets		(686)	(869)
Net cash outflow from investing activities		(9,077)	(6,020)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		74,000	38,400
Repayment of borrowings		(95,100)	(59,900)
Principal portion of lease payments	3	(24,097)	(22,851)
Net cash outflow from financing activities		(45,197)	(44,351)
Net increase in cash and cash equivalents		40,518	7,323
Cash and cash equivalents at the beginning of the financial year		10,248	20,174
Effects of exchange rate changes on cash and cash equivalents		890	74
Cash and cash equivalents at the end of the half-year		51,656	27,571

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE OVERVIEW

1	Segment information
2	Revenue
3	Leases
4	Financial assets and liabilities
5	Borrowings
6	Contributed equity
7	Dividends
8	Commitments
9	Related parties
10	Events occurring after the end of the reporting period
11	Summary of accounting policies and significant estimates and judgements

1 SEGMENT INFORMATION

Management have determined the operating segments based on the reports reviewed by the Board and Executive Management team (chief operating decision makers (CODM)) that are used to make strategic decisions. The Board and Executive Management team consider, organise and manage the business primarily from a geographic perspective, being the country of origin where the sale and service was performed. The amounts provided to the Board and Executive Management team in respect of total assets and liabilities are measured in a manner consistent with the financial statements. These reports do not allocate total assets or total liabilities based on the operations of each segment or by geographical location.

The Group's operations are in three geographical segments: Australia, Canada and New Zealand.

The Corporate and other segment includes revenue and expenses that do not relate directly to the relevant Michael Hill Group retail segments. These predominantly relate to refining income, head office staff sales, corporate costs and Australian based support costs, but also include manufacturing activities, warehouse and distribution, interest and company tax. Inter-segment pricing is at arm's length or market value and inter-segment revenue is eliminated on consolidation.

TYPES OF PRODUCTS AND SERVICES

Michael Hill International Limited and its controlled entities operate predominantly in the sale of jewellery and related services.

MAJOR CUSTOMERS

Michael Hill International Limited and its controlled entities sell goods and provide services to a number of customers from which revenue is derived. There is no single customer from which the Group derives more than 10% of total consolidated revenue.

SEGMENT RESULTS

	Australia	Canada	New Zealand	Corporate & other	Group pre-adjustments	Adjustments	Michael Hill Group
Half-year ended 28 December 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External customers	209,060	105,894	54,923	1,077	370,954	-	370,954
Total revenue	209,060	105,894	54,923	1,077	370,954	-	370,954
Income/(expenses)							
Cost of goods sold	(82,087)	(40,786)	(22,922)	2,011	(143,784)	-	(143,784)
Employee benefits expense	(46,319)	(19,961)	(10,672)	(15,965)	(92,917)	(2,163)	(95,080)
Occupancy costs	(21,982)	(8,668)	(4,515)	(940)	(36,105)	27,979	(8,126)
Impairment/(reversal) of property, plant and equipment and other assets	(233)	(167)	(40)	9	(431)	-	(431)
Depreciation and amortisation expense	(6,356)	(3,355)	(1,651)	(1,473)	(12,835)	(17,688)	(30,523)
Segment EBIT*	27,361	17,415	8,413	(22,853)	30,336	8,527	38,863
Segment net profit/(loss) before tax	27,259	17,415	8,413	(25,580)	27,507	3,455	30,962

	Australia	Canada	New Zealand	Corporate & other	Group pre-adjustments	Adjustments	Michael Hill Group
Half-year ended 29 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External customers	204,730	99,491	55,042	906	360,169	-	360,169
Total revenue	204,730	99,491	55,042	906	360,169	-	360,169
Income/(expenses)							
Cost of goods sold	(80,795)	(39,036)	(22,597)	3,146	(139,282)	-	(139,282)
Employee benefits expense	(46,815)	(19,312)	(10,297)	(14,580)	(91,005)	(2,272)	(93,277)
Occupancy costs	(22,588)	(8,565)	(4,532)	(779)	(36,464)	27,553	(8,911)
Impairment/(reversal) of property, plant and equipment and other assets	103	(96)	(52)	(163)	(209)	-	(209)
Depreciation and amortisation expense	(6,807)	(3,590)	(1,866)	(1,422)	(13,685)	(18,035)	(31,720)
Segment EBIT*	21,785	15,045	8,573	(19,255)	26,148	6,216	32,364
Segment net profit/(loss) before tax	21,655	15,045	8,573	(22,215)	23,058	693	23,751

*EBIT is unaudited non-IFRS information. Please refer to unaudited non-IFRS information in the Directors' Report for an explanation of unaudited non-IFRS information and a reconciliation of EBIT.

Adjustments

The segment disclosures are prepared excluding the impact of AASB16 *Leases* and IFRIC SaaS guidance. An adjustment column representing these entries has been included for the purposes of reconciliations to statutory results.

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Segment net profit/(loss) before tax	27,507	23,058
Employee benefits expense	(2,163)	(2,272)
Occupancy costs	27,979	27,553
Other income/(expenses)	399	(1,030)
Depreciation and amortisation expense	(17,688)	(18,035)
Finance expenses	(5,072)	(5,523)
Group net profit/(loss) before tax	30,962	23,751

2 REVENUE

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Revenue from sale of goods and repair services	355,567	344,535
Revenue from Professional Care Plans (PCP)	14,434	14,678
Interest and other revenue from in-house customer finance program	334	285
Revenue from Lifetime Diamond Warranty (LTDW)	619	671
Total revenue from contracts with customers	370,954	360,169

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

	Australia	Canada	New Zealand	Corporate & other	Total
Half-year ended 28 December 2025					
Timing of revenue recognition	\$'000	\$'000	\$'000	\$'000	\$'000
At a point in time	200,668	101,220	52,602	1,077	355,567
Over time	8,392	4,674	2,321	-	15,387
	209,060	105,894	54,923	1,077	370,954
Half-year ended 29 December 2024					
Timing of revenue recognition	\$'000	\$'000	\$'000	\$'000	\$'000
At a point in time	196,231	94,879	52,519	906	344,535
Over time	8,499	4,612	2,523	-	15,634
	204,730	99,491	55,042	906	360,169

ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

	28 December 2025	29 June 2025
	\$'000	\$'000
Right of return assets	1,091	347
Deferred PCP bonuses	161	214
Total contract assets	1,252	561
Deferred service revenue - PCP	60,340	60,146
Deferred service revenue - Lifetime Diamond Warranty	6,154	5,968
Right of return liabilities	2,125	655
Total contract liabilities	68,619	66,769

3 LEASES

	28 December 2025	29 June 2025
	\$'000	\$'000
RIGHT-OF-USE ASSETS		
Right-of-use assets	395,336	374,163
Less: Accumulated depreciation	(272,483)	(252,693)
	122,853	121,470
LEASE LIABILITIES		
Current	41,129	38,784
Non-current	98,586	102,601
	139,715	141,385
AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Right-of-use assets	Lease liabilities
	\$'000	\$'000
Balance as at 30 June 2025	121,470	141,385
Additions	21,718	21,768
Lease modifications agreed during the half-year	3,465	2,130
Depreciation and amortisation expense	(22,410)	-
Interest expense	-	5,072
Lease repayments	-	(29,169)
Foreign currency translation	(1,389)	(1,472)
Balance as at 28 December 2025	122,853	139,715

4 FINANCIAL ASSETS AND LIABILITIES

Set out below is an overview of financial assets and liabilities, other than cash and short-term deposits, held by the Group as at 28 December 2025 and 29 June 2025:

	28 December 2025	29 June 2025
	\$'000	\$'000
FINANCIAL ASSETS AT AMORTISED COST		
Trade and other receivables	16,418	15,885
FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables	115,567	68,685

5 BORROWINGS

	28 December 2025			29 June 2025		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	-	31,000	31,000	-	52,100	52,100
	-	31,000	31,000	-	52,100	52,100

In December 2025, the Company refinanced its debt facility for an additional availability period of two years, maturing on 31 August 2028. This facility is funded by ANZ Banking Group and Commonwealth Bank of Australia. The financial arrangement includes a \$90m core facility and a \$20m seasonal uplift for four months from 15 September each year. Each subsidiary of the Group guarantees the Company's obligations under the facility.

The facility also contains terms that are typical for a transaction of this nature including conditions for repayment, financial covenants, guarantee provisions, representations and warranties made by the borrowers, information undertakings, cancellation and termination of the facility and events of default.

The covenants are calculated and reported to the banks quarterly on a pre-AASB16 *Leases* basis. The principal covenants relating to capital management are: fixed cover charge ratio, debt to EBITDA, debt to capitalisation, and borrowing base ratio. Failure to comply with financial covenants may, if not remedied or waived in accordance with the facility documentation, constitute an event of default, upon which the lenders may have the right to declare loans and borrowings immediately due and payable. There have been no breaches of these covenants for the quarters up to and including 28 December 2025.

6 CONTRIBUTED EQUITY

MOVEMENTS IN ORDINARY SHARES	Number of shares	Total \$'000
	Balance at 1 July 2024	384,623,963
Rights converted	128,995	63
Balance at 29 December 2024	384,752,958	12,826
Balance at 30 June 2025	384,819,276	12,850
Rights converted	23,326	8
Balance at 28 December 2025	384,842,602	12,858

7 DIVIDENDS

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
	\$'000	\$'000
Ordinary shares		
No final dividend was declared with respect to the year ended 29 June 2025 (30 June 2024: Nil)	-	-
No interim dividend was declared with respect to year end 28 June 2026 (29 June 2025: Nil)	-	-
	-	-

8 COMMITMENTS

The following sets out the various lease contracts that the Group has entered into and have yet to commence as at 28 December 2025.

	Within one year	One to five years	Greater than five years	Total
	\$'000	\$'000	\$'000	\$'000
Future lease payments for non-cancellable lease contracts	452	2,945	1,095	4,492

9 RELATED PARTIES

	HALF-YEAR ENDED	
	28 December 2025	29 December 2024
Related party transactions	\$	\$
Annual sponsorship of the Hill Family Foundation for Arts and Music	35,459	36,544

10 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No other matters or circumstances have occurred subsequent to half-year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

11 SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES AND JUDGEMENTS

(A) BASIS OF PREPARATION

The consolidated financial statements of Michael Hill Group for the half-year ended 28 December 2025 have been prepared in accordance with Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Act 2001 (Cth).

These consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 29 June 2025 and any public announcements made by Michael Hill International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth), ASX Listing Rules and NZX Listing Rules.

Michael Hill International Limited (the Company) is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The Group's principal activity is the sale of jewellery and related services.

The financial statements have been prepared on a historical cost basis. The consolidated financial statements provide comparative information in respect of the previous period.

For reporting purposes, the Group adopts a weekly 'retail calendar' closing each Sunday. The current 26 week reporting period ended on 28 December 2025.

Due to the seasonal nature of selling jewellery and related services, higher revenues and operating profits are usually expected in the first half of the financial year. Accordingly, inventory levels and working capital levels are higher at the end of the first half of the financial year than at the end of the financial year. A comparative half-year balance sheet has been included in the consolidated statement of financial position. This information is provided to allow for a better understanding of the results. However, management has concluded that this is not 'highly seasonal' in accordance with AASB134.

These consolidated financial statements of Michael Hill Group for the 26 weeks ended 28 December 2025 were authorised for issue in accordance with a resolution of directors on 27 February 2026.

(B) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the consolidated interim financial statements of the Group are consistent with those of the previous financial year. These policies have been consistently applied to both periods presented, unless otherwise stated. Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

Several other amendments and interpretations apply for the first time in the period, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(C) SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are consistent with those disclosed in the annual report for the year ended 29 June 2025. The areas involving a higher degree of judgement or complexity and the estimates and assumptions applied are consistent with those disclosed in the annual report for the year ended 29 June 2025.

DIRECTORS' DECLARATION

The directors declare that in their opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Group's financial position as at 28 December 2025 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made on 27 February 2026 in accordance with a resolution of the directors.



Rob Fyfe
Chair

Brisbane
27 February 2026



**Shape the future
with confidence**

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent auditor's review report to the members of Michael Hill International Limited

Conclusion

We have reviewed the accompanying half-year financial report of Michael Hill International Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 28 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 28 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to review of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**Shape the future
with confidence**

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Rebecca Burrows

Rebecca Burrows
Partner
Brisbane
27 February 2026