

FY24
RESULTS

MICHAEL HILL

INTERNATIONAL LIMITED





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.

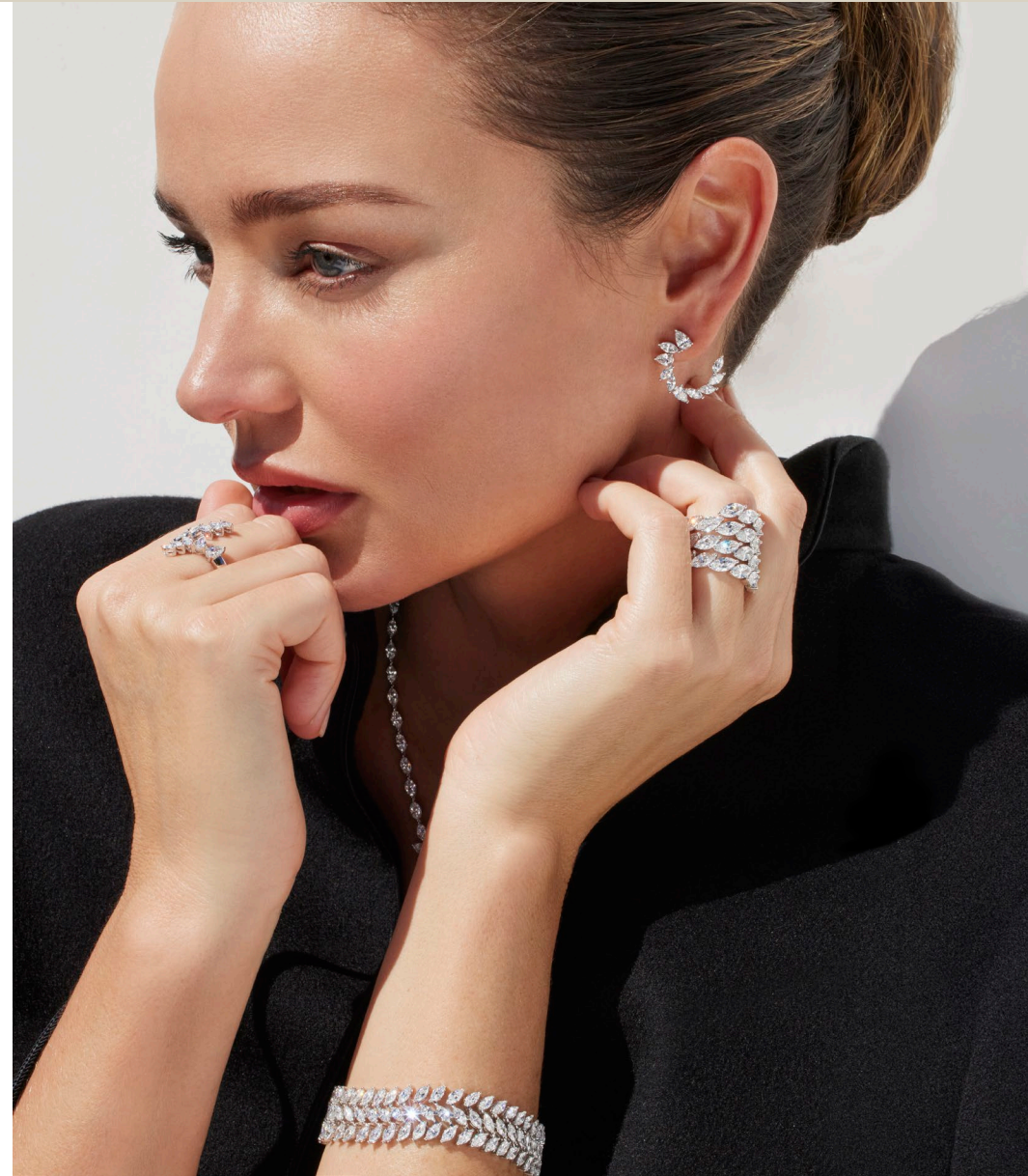
Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected. 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

CEO and CFO FY24 Update

- FY24 Performance Overview
- FY24 Financial Results
 - Group Results
 - Segment Results
- Current Trading Update
- Group Strategy
- Appendices



FY24 Performance Overview

- Challenging period for the business cycling record performance in FY23, yet still outperforming the market
- Margin under pressure due to input costs and market conditions
- Digital sales demonstrating a strong return to growth
- Significant progress on multi-brand strategy:
 - Complete refresh of the *Michael Hill* brand
 - First global brand ambassador, **Miranda Kerr**
 - Opened Michael Hill's first global flagship store, in Chadstone
 - Launched **re:new** sustainability ecosystem
 - Created the **Michael Hill Foundation**
- Expanded and integrated the recently acquired *Bevilles* brand
- Soft launch of *TenSevenSeven* bespoke ringbuilder
- Test & trial *Medley* pop-up kiosk



FY24 Group Results

- Group revenue (including Bevilles) was up 4%, on a 52-week basis
- Gross profit (including Bevilles) was down 2%, on a 52-week basis
- Gross margin settled, due to higher COGS & increased promotional activity
- Compressed comparable EBIT, with inflationary pressures impacting cost of doing business
- Active management of inventory delivered a reduction of ~\$7m
- Total dividend of AU1.75 cents per share

	FY24 ¹	FY23 ²	Change
Revenue	\$645m	\$619m	+4%
Statutory Revenue (FY23: 53-week basis)		\$630m	2%
Gross Profit	\$391m	\$399m	-2%
Statutory Revenue (FY23: 53-week basis)		\$404m	-3%
Gross Margin	60.6%	64.2%	-360bps
Comparable EBIT	\$15.9m	\$58.9m	-73%
Inventory	\$196m	\$203m	-\$7m
Net Cash/(Debt)	(\$39m)	\$8m	-\$47m
Total Dividend	AU1.75c	AU7.5c	-AU5.75c
Store Network	300	304	-4
	(including 36 Bevilles)	(including 26 Bevilles)	

¹ FY24: Includes Bevilles results for the entire reporting period

² FY23: Revenue and gross profit are restated on 52-week basis and includes Bevilles results from 1 June 2023

FY24 Segment Results

	Australia (AUD)			New Zealand (NZD)			Canada (CAD)		
	FY24 ¹	FY23 ²	Change	FY24	FY23 ²	Change	FY24	FY23 ²	Change
Revenue	359m	326m	+10.3%	115m	130m	-11.8%	157m	156m	+0.6%
Statutory Revenue (FY23: 53-week basis)		331m	+8.5%		132m	-13.3%		159m	-1.1%
Gross profit	217m	209m	+4.0%	68m	81m	-15.3%	95m	99m	-3.8%
Statutory Gross Profit (FY23: 53-week basis)		212m	+2.5%		82m	-16.5%		101m	-5.3%
Gross margin	60.4%	64.0%	-360 bps	59.6%	61.9%	-230 bps	60.6%	63.3%	-270 bps
Segment Comparable EBIT	29.6m	53.5m	-44.8%	14.6m	25.6m	-43.1%	18.8m	27.1m	-30.7%
Comparable EBIT as a % of statutory revenue	8.2%	16.2%	-800 bps	12.7%	19.4%	-670 bps	12.0%	17.1%	-510 bps
Store network	171	172	-1	44	46	-2	85	86	-1
	(inc. 36 Bevilles)	(incl. 26 Bevilles)							

- Australia revenue growth attributable to Bevilles acquisition
- Ongoing security measures experienced in New Zealand had a direct impact on earnings
- Canada delivered solid revenue results as it cycled record performance in FY23

¹ FY24: Includes Bevilles results for the entire reporting period

² FY23: Revenue and gross profit are restated on 52-week basis and AU includes Bevilles results from 1 June 2023

Current Trading Update

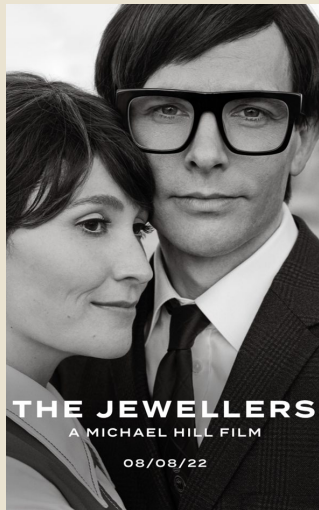


- For the first eight weeks of FY25, Group same store sales were **up 2.7%** on prior year, with same store sales for the:
 - Australian segment up 5.0%
 - Canadian segment up 4.0%
 - New Zealand segment down 6.2%
- Total sales for the Group were **up 3.2%** for the first eight weeks of FY25.

Group Strategy – Emphasis on Sales & Margin Growth

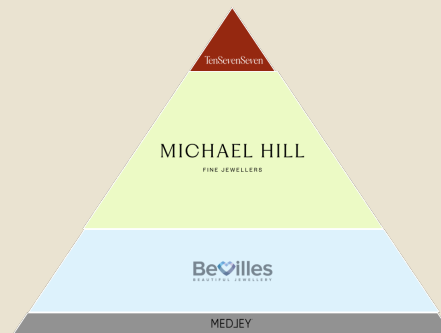
2020 – 2023

**Reposition
Michael Hill
Brand**



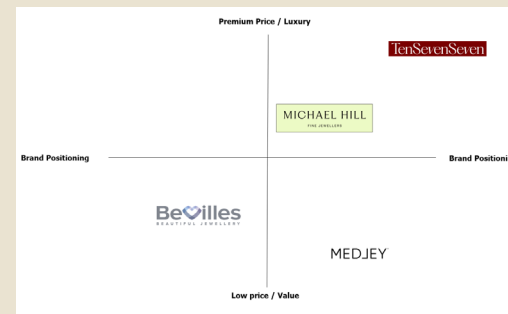
2023 – 2024

**Establish
Portfolio of
Brands**



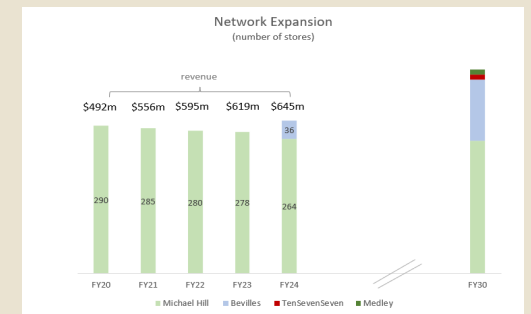
2024 – 2025

**Product &
Brand
Proposition**



2025 – 2030

**Network
Expansion &
Productivity**



Reposition Michael Hill Brand, 2020 - 2023

Brand & Loyalty

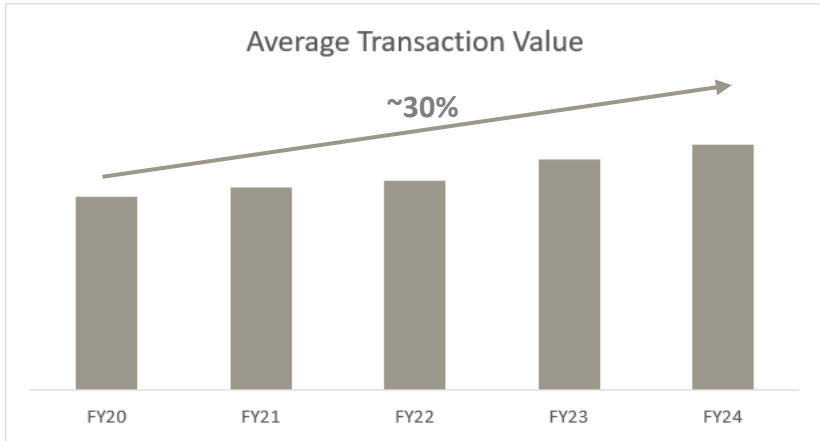
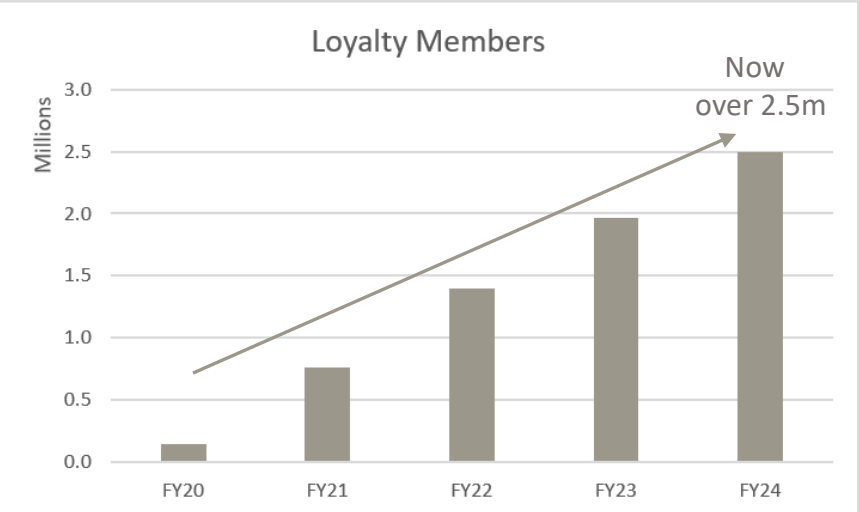
Contemporary premium jewellery brand, leveraging best-in-class loyalty program



Product Evolution

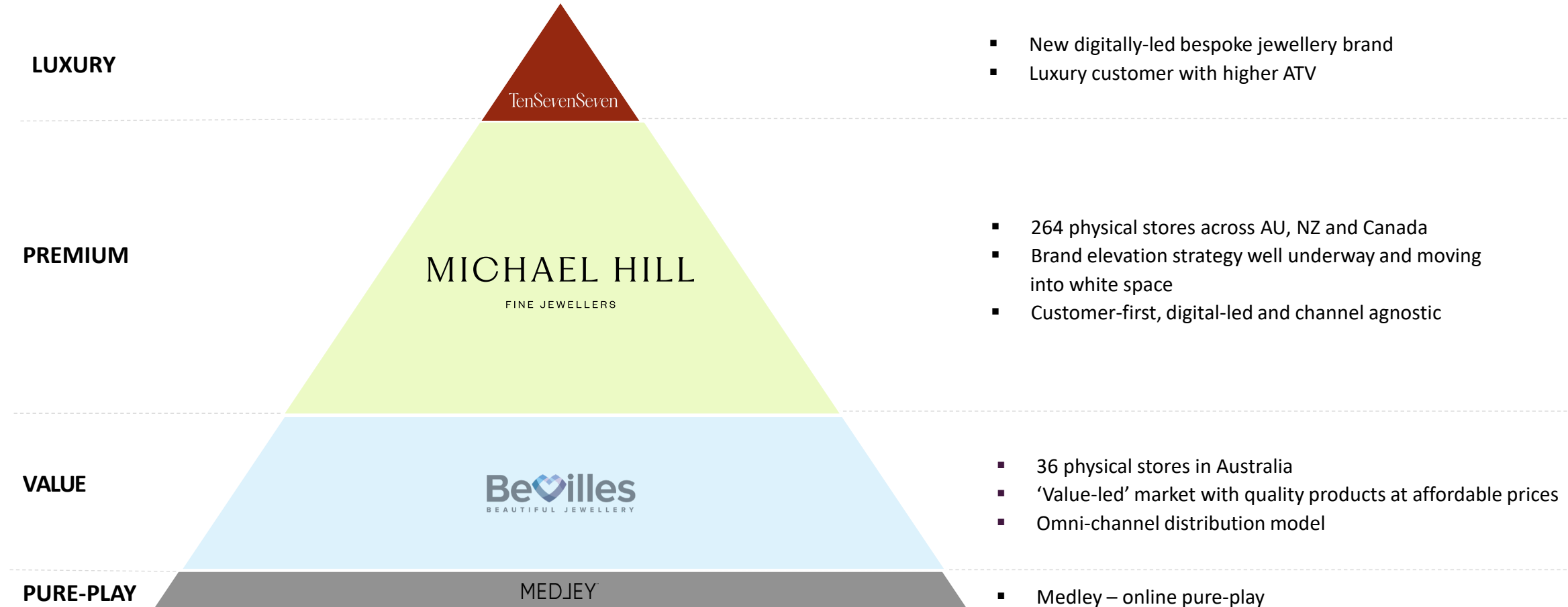
Premium yet accessible, with diamonds at our core

"The Jeweller that cares"



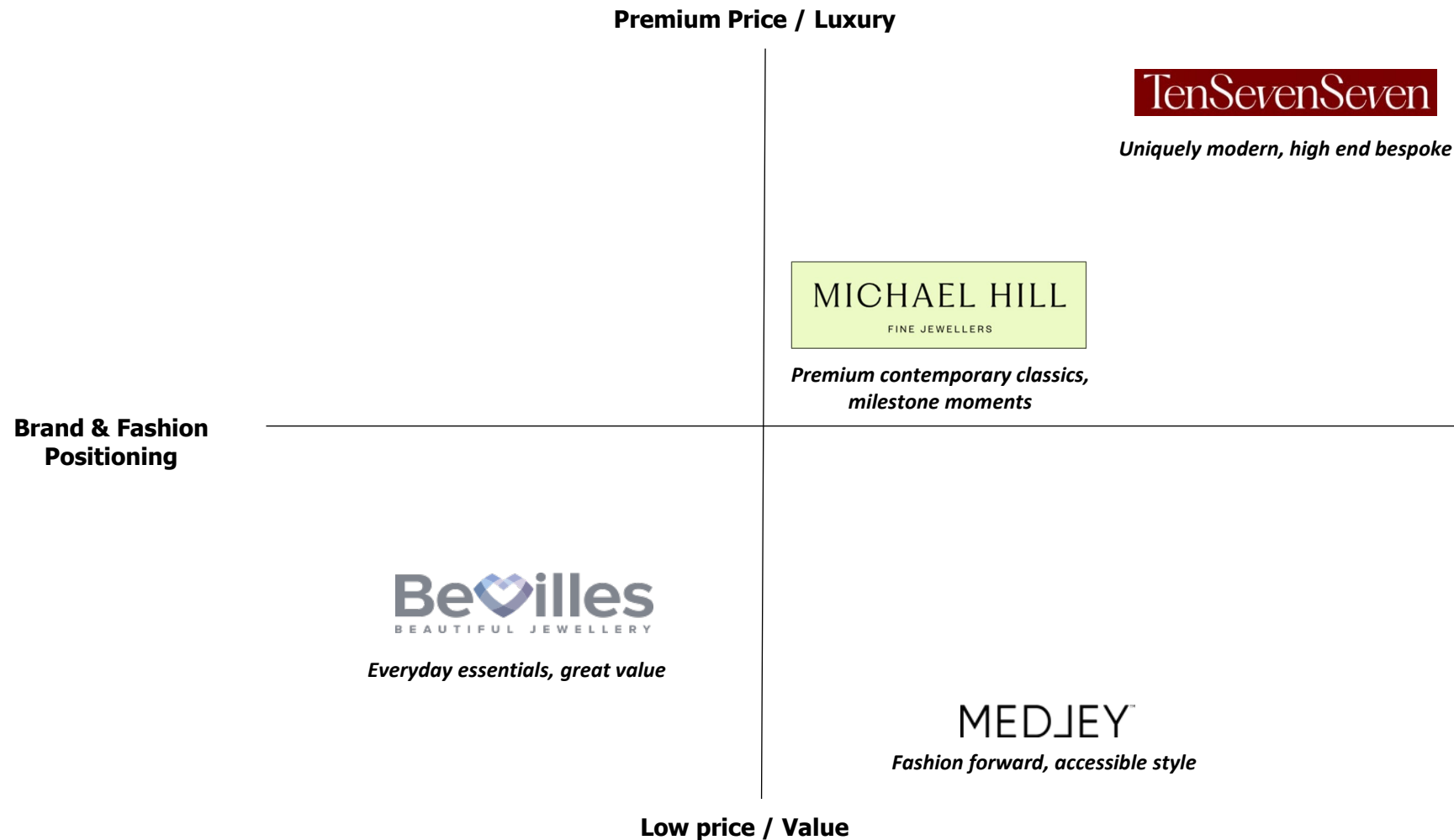
Establish Portfolio of Brands, 2023 - 2024

Michael Hill Group now services all significant customer segments of the fine jewellery category, and delivers multiple new growth pipelines.



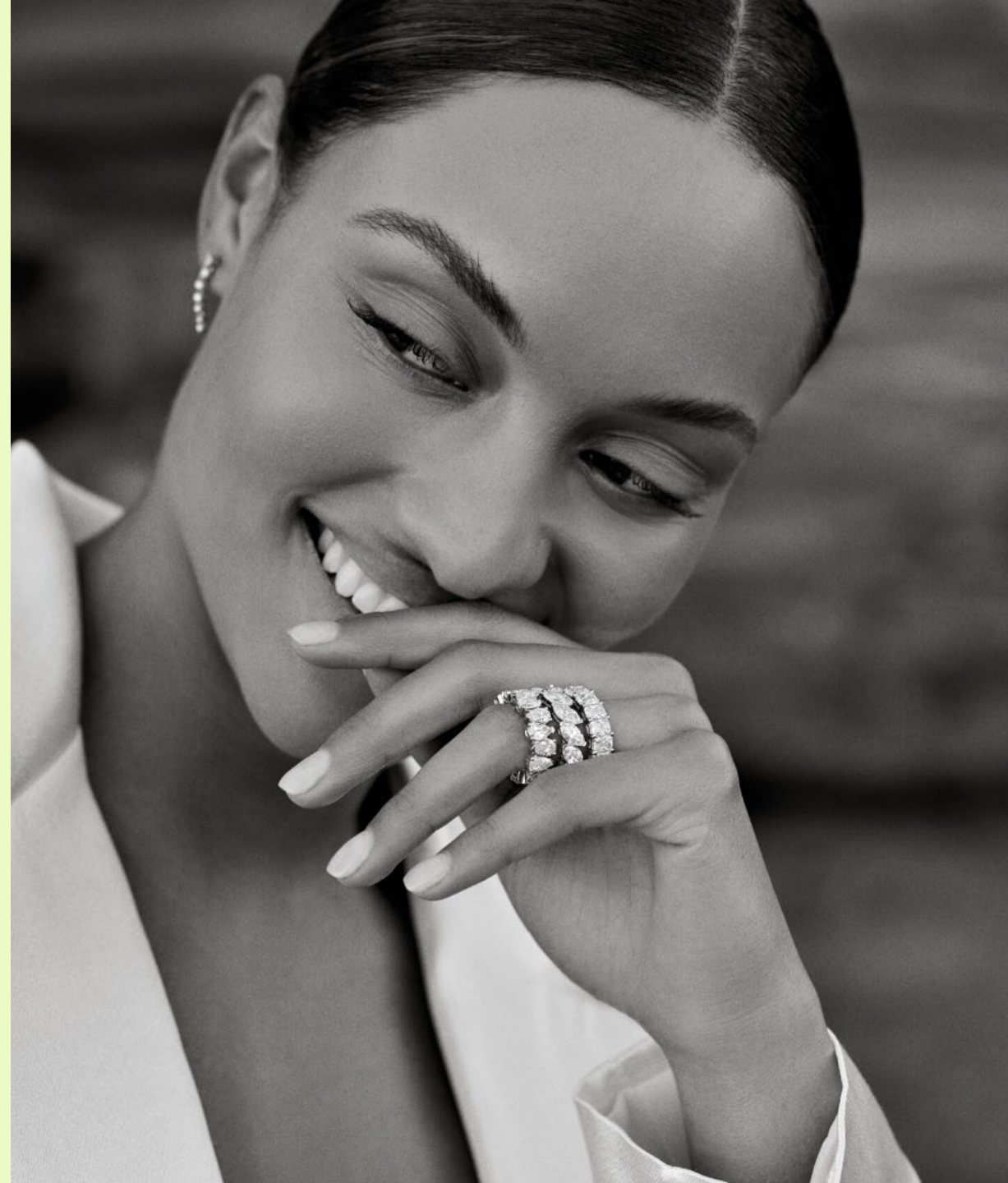
Product & Brand Proposition, 2024 - 2025

With the Michael Hill Group multi-brand strategy now in place, each brand is uniquely positioned for different segments and price propositions, and its own strategic priorities.



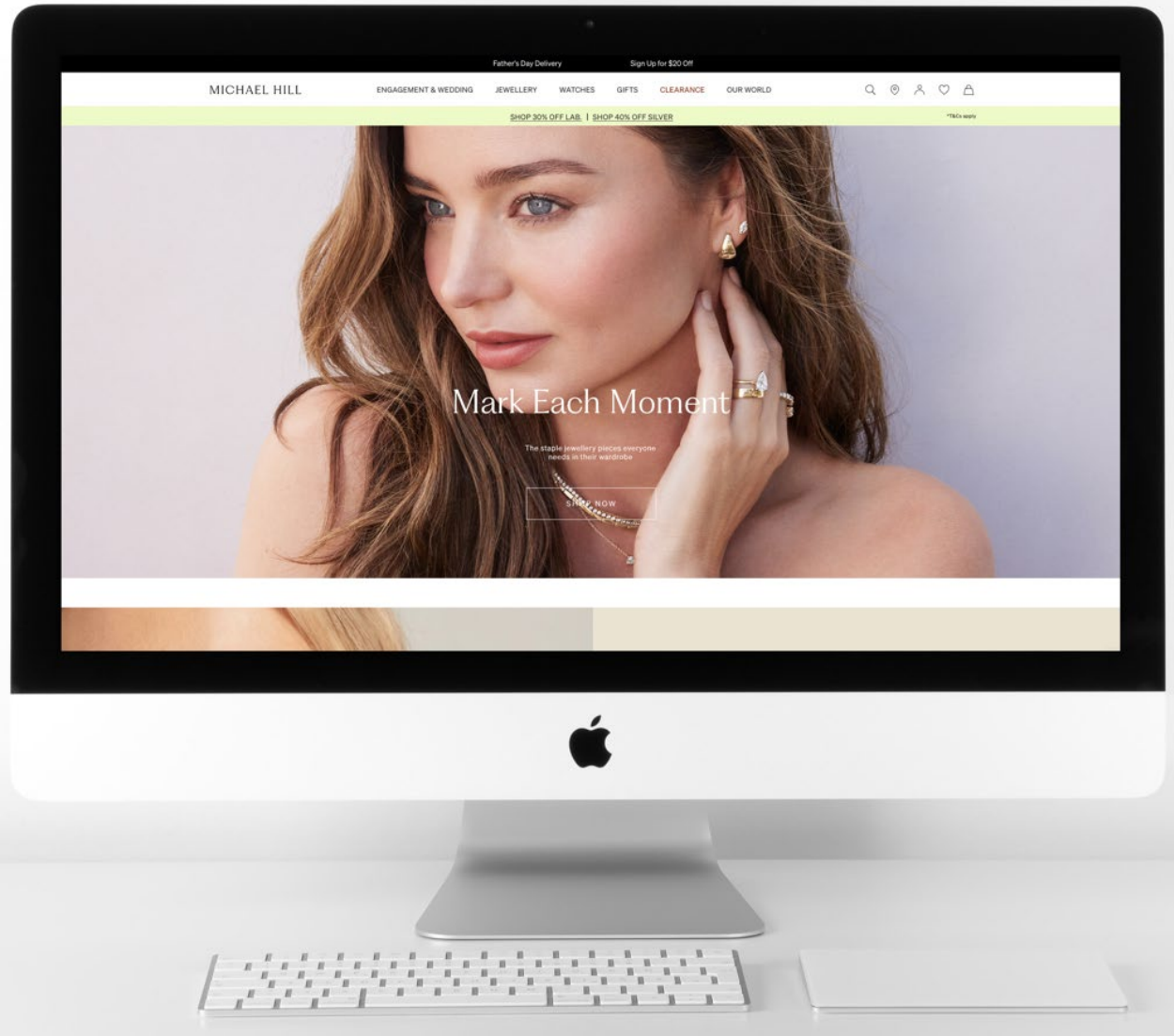
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FINE JEWELLERS



Product & Brand Proposition, 2024 - 2025

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FINE JEWELLERS



Product & Brand Proposition, 2024 - 2025

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FINE JEWELLERS



Product & Brand Proposition, 2024 - 2025

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FINE JEWELLERS



Signature Lock



THE MICHAEL HILL FOUNDATION

The Michael Hill Foundation represents our ongoing commitment to meaningful change, and our dedication to a better world.

The Foundation encompasses two key areas of focus:
Empowering Women and Nature Restoration

Through continual initiatives and key charity partnerships, we are dedicated to empowering the lives of women and conserving and restoring nature in our localities, working towards our sustainability targets for 2030.



re:new



Our sustainable jewellery ecosystem.

re:cycle

Give your precious metals a new lease on life with our gold and platinum recycling program. Make a sustainable choice, while trading in for a store gift card.

re:store

Repair and restore your Michael Hill jewellery and watches and see them shine anew (future: any jewellery).

re:imagine

Love your stone, but outgrown the size? Trade in your Michael Hill diamond and upgrade your size for even more sparkle.

Product & Brand Proposition, 2024 - 2025



Step into the Ring

Boxing Day makes it possible **65% OFF**

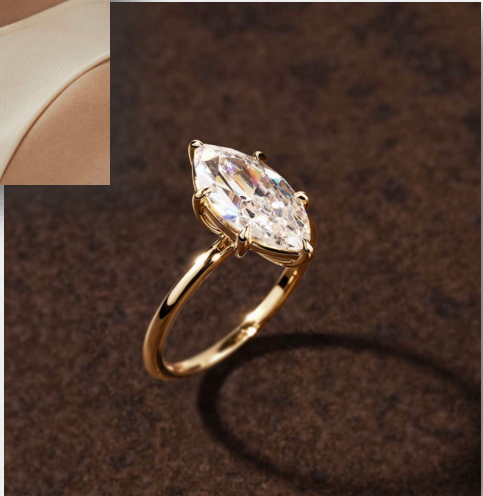
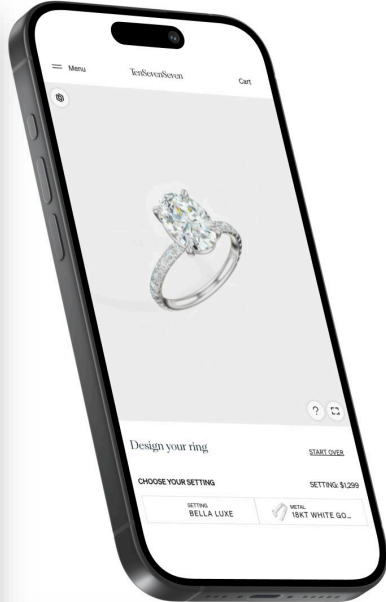
1.00CT DIAMONDS TDW

\$699 | Was \$1099

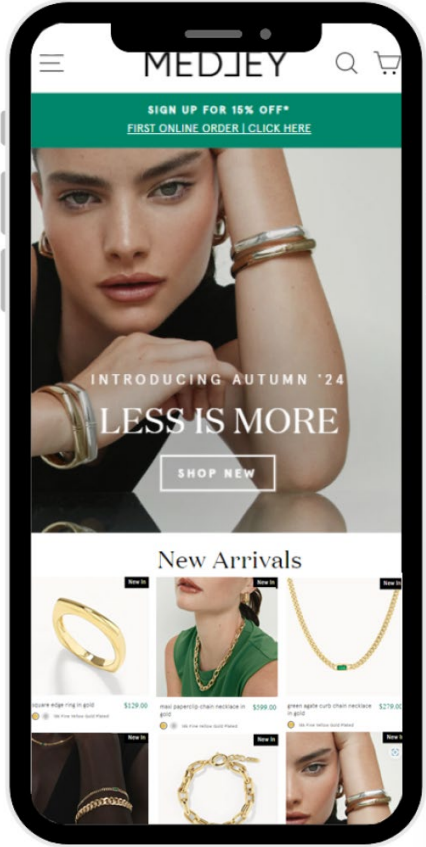
977395 *On sale until 25/12/2024 or while stock lasts. Item featured is a 'Super Buy' and is excluded from all other promotions. *Carat (ct) TDW = Total diamond weight.

Product & Brand Proposition, 2024 - 2025

TenSevenSeven

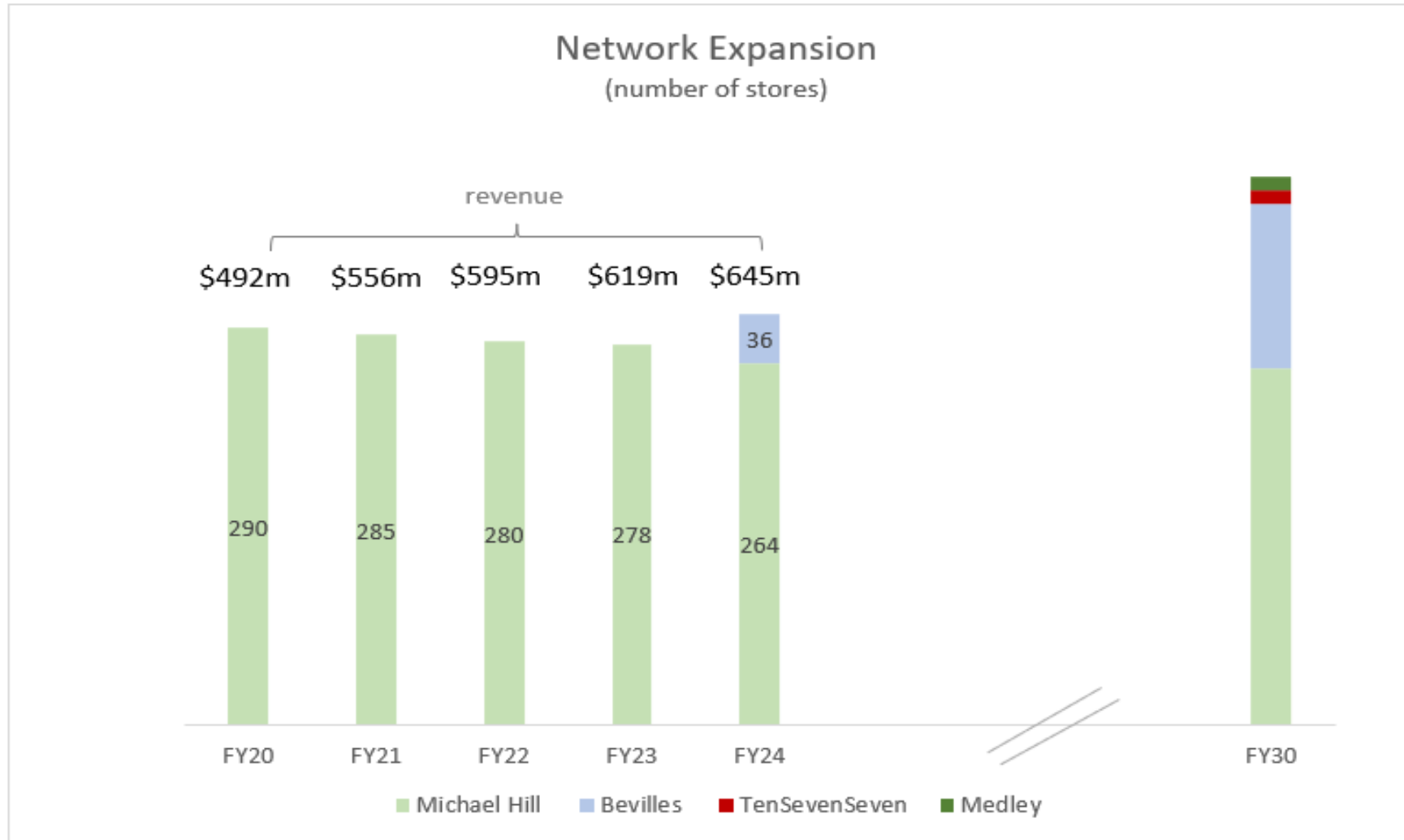


MEDJEY



Network Expansion & Productivity, 2025 - 2030

With each brand uniquely positioned, the Group will be well-placed to grow revenue and profits through a more productive and expanded distribution network.



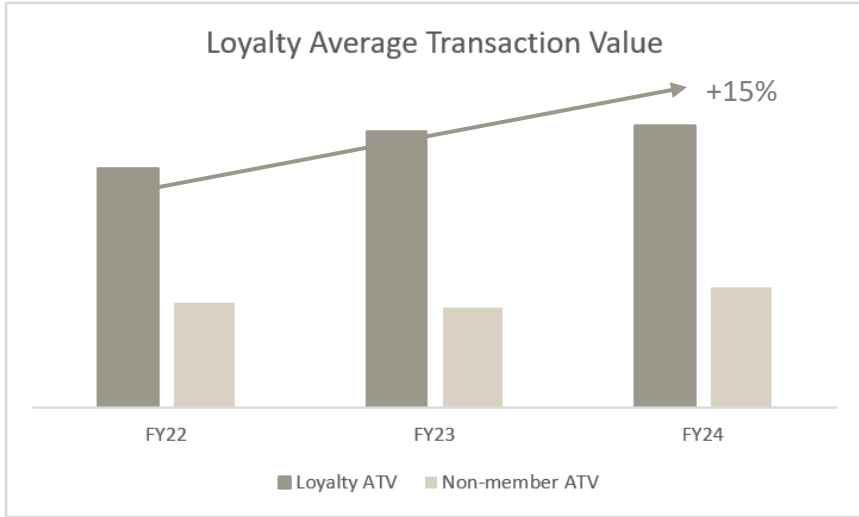
Network Expansion & Productivity, 2025 - 2030

MICHAEL HILL
FINE JEWELLERS



“Store of the future” becomes a reality

Network Expansion & Productivity, 2025 - 2030



Loyalty members have ~80% higher ATV



Network Expansion & Productivity, 2025 - 2030

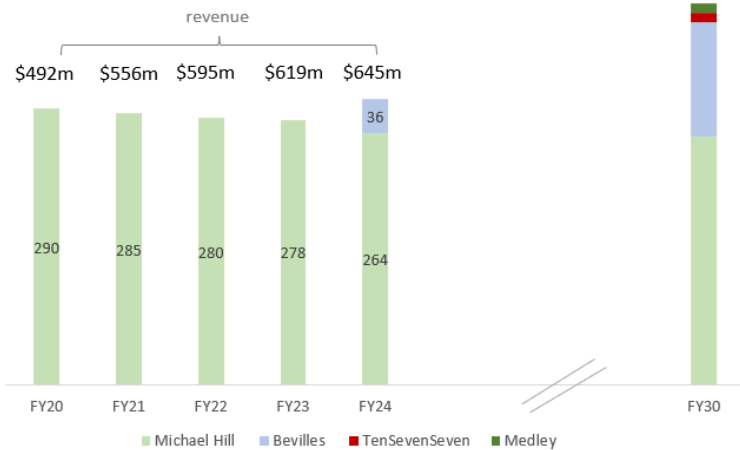
New Stores



Conversion Stores

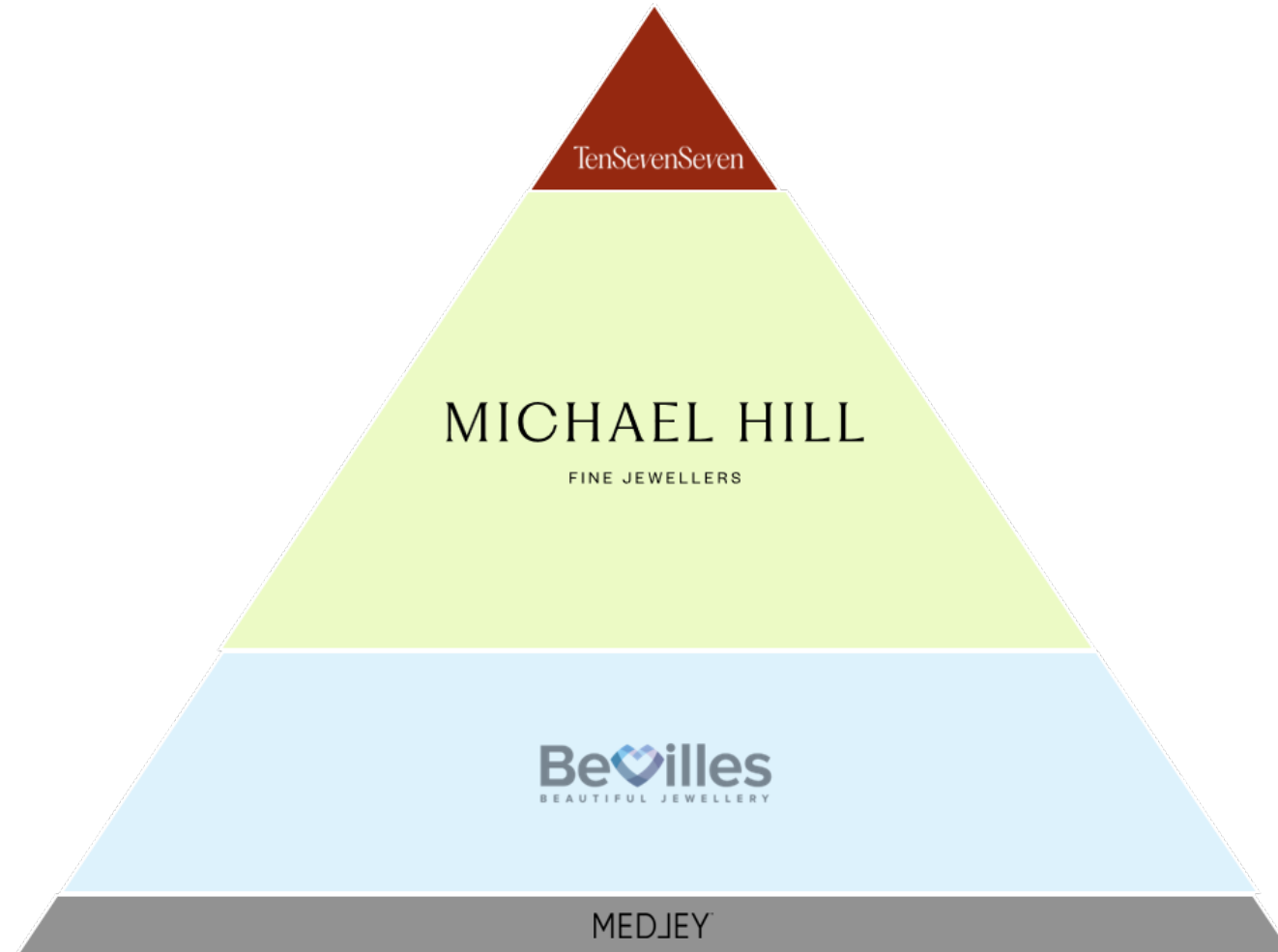


Network Expansion (number of stores)



Leveraging Group Capabilities

The multi-brand strategy is underpinned by a philosophy of leveraging group capabilities to drive productivity across all brands.



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.



Appendices



Appendix A: Bridge from Comparable EBIT to Reported EBIT

Calculated as follows:

(AUD million)	FY24	FY23
Comparable EBIT	15.9	58.9
Impact of AASB16 <i>Leases</i>	10.1	10.0
Impact of IFRIC SaaS-related guidance	-4.4	-7.3
Litigation judgement	-4.0	-
Bevilles acquisition transaction costs	-	-2.0
Bevilles integration costs	-2.4	-
Employee restructure costs	-1.0	-0.7
Reported EBIT	14.0	58.9



Appendix B: AASB16 Leases & SaaS Impact

(AUD million)	FY24 Stat	Impact of AASB16 & SaaS	FY24 pre-adjustments	FY23 pre-adjustments	Change pre-adjustments
Revenue	644.9	-	644.9	629.6	+2.4%
Cost of sales	-254.0	-	-254.0	-225.1	+12.8%
Gross profit	390.9	-	390.9	404.4	-3.3%
Employee benefits expense	-182.7	-5.9	-176.7	-165.2	+7.0%
Occupancy costs	-13.5	58.1	-71.6	-61.1	+17.1%
Marketing expenses	-42.1	-	-42.1	-44.2	-4.8%
Selling expenses	-22.3	-	-22.3	-20.9	+7.0%
Other income/(expenses)	-48.2	-5.1	-43.1	-34.4	+25.1%
EBITDA	82.2	47.1	35.2	78.7	-55.3%
Depreciation and amortisation expenses	-68.0	-41.4	-26.6	-22.5	+18.4%
EBIT	14.2	5.7	8.6	56.2	-84.8%
Finance expenses	-14.6	-10.6	-4.0	-0.3	+1,046.7%
Profit before tax	-0.4	-5.0	4.6	55.9	-91.7%



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