MICHAEL HILL

INTERNATIONAL LIMITED

2026 ANNUAL GENERAL MEETING

THURSDAY 22 OCTOBER 2026

CHAIR'S ADDRESS

Today I will briefly reflect on the year just completed. Jonathan will then provide further detail on FY26 performance, the strategic priorities that will guide FY27 and a current trading update.

FY26 marked an important turning point for Michael Hill. Following a difficult period for the business and the broader retail sector, the Group has regained sales momentum across its markets, improved profitability and cash generation, and materially strengthened its balance sheet.

Notwithstanding the gains the business has made, the operating environment remains uncertain. Cost-of-living pressures continue to shape discretionary spending, while commodity prices, currency movements, interest rates and geopolitical developments continue to be difficult to predict. For a global jewellery retailer, elevated gold prices, the rapid evolution of laboratory-grown diamonds and the accelerating impact of technology reinforce the need to stay close to customers and to remain agile.

Against this backdrop, the work undertaken during FY26 to simplify the business and sharpen execution is beginning to be reflected in our results. We have focused the Group on the two brands where we see the greatest opportunity to create value: Michael Hill and Bevilles. This has brought greater clarity, stronger accountability and more disciplined deployment of resources.

For Michael Hill, our ambition is to make modern luxury accessible. The brand's nearly five decades of heritage in quality, creativity, service and trust provide a strong foundation. Our opportunity is to build on those strengths by growing the customer base, deepening relationships and ensuring each interaction is relevant, distinctive and personal.

Across the Group, technology, data and artificial intelligence will help our people make better decisions in areas such as planning, inventory allocation, customer engagement and frontline support. These capabilities support our people, enabling them to spend more time serving customers and creating outstanding experiences.

The Board's decision to restore the dividend reflects both our confidence in the trajectory of the business and our commitment to delivering sustainable returns to shareholders over time.

The Board declared and paid a final dividend of AU2.0 cents per share. The dividend has been enabled by materially improved operating performance and a stronger balance sheet. It does not change the discipline with which we manage capital. We will continue to balance shareholder returns with investment in the business and the flexibility to respond to changing market conditions.

This is my final AGM as Chair. It has been a privilege to represent Michael Hill shareholders and to work alongside the Hill family, my fellow directors, management teams and the thousands of people who have shaped this remarkable business.

The passing of our founder, Sir Michael Hill, last year was a profound loss to the Michael Hill community. Michael's entrepreneurial courage, creativity and instinctive understanding of customers created the business that we are privileged to serve. His legacy endures in our culture, our commitment to quality and design, and in the belief that jewellery helps people celebrate the moments that matter most.

My intention had been to conclude my tenure in mid-2025. However, given the significant changes facing the Group at that time, I agreed to remain longer to support continuity, oversee the appointment of our Chief Executive Officer and

help prepare the Company for its next chapter. I am delighted that Jonathan joined the business and confident in the clarity, pace and retail discipline he and the leadership team are bringing to the Group.

I am equally confident in Claudia Batten, who will succeed me as Chair on 28 November 2026. Claudia brings strategic insight, international and digital experience, energy, vision and strong governance capability. We have worked closely together over the last 18 months in preparation for this handover, and I am genuinely excited with the leadership partnership that Claudia and Jonathan have formed. Michael Hill is in great hands.

I would also like to acknowledge and thank all shareholders for your support of me and continued support and confidence in the Company.

I now invite Jonathan Waecker, our Chief Executive Officer, to address the meeting and discuss FY26 performance, the strategic priorities for FY27 and the current trading update.

CHIEF EXECUTIVE OFFICER'S ADDRESS

Good morning, and thank you for joining us. Today I'll cover the progress we've made resetting the business, our FY26 results, our strategic priorities, and how we've started FY27.

Let me start with the headline. In FY26 we delivered record Group revenue, grew comparable EBIT by 57%, and restored the dividend.

That tells us the turnaround is working. Here's how we got there.

When I joined in August last year, I spent my first weeks with our people, our customers and our stores. I wanted to understand what makes Michael Hill special, and where we'd lost focus.

What I heard took us back to the belief Michael Hill was founded on. Everyone deserves to wear quality jewellery, to feel special wearing it, and to feel welcome when they walk into our stores. Our teams never lost that belief. They've carried it through every store, every day, for decades. As a business, we needed to get back to it.

So that became our single focus. For us, it means everyday modern luxury: beautiful, quality jewellery people feel confident wearing, giving and celebrating with. A high bar on quality, from the piece itself to the box it comes in. And the warm, genuine hospitality that comes from our New Zealand heritage.

Then we focused on execution. We sharpened our ranges, ensuring customers could more easily find the products they were looking for. We tailored how we go to market in each country, recognising that customer needs and preferences are not the same across our markets. We clarified our pricing and tightened our promotions, creating greater consistency and trust in our value proposition. We also brought a renewed focus on operational excellence and accountability, ensuring we executed the fundamentals of retail better every day. And importantly, we gave our store teams a much stronger voice in how we run the business, listening more closely to those closest to our customers. Together, these changes helped bring customer obsession back to the centre of our decision-making and have resonated strongly with customers.

We also strengthened the team leading this work. Toni Zehrer joined as Chief Product Officer in January, after senior merchandising roles at Signet, the world's largest jewellery retailer. Elodie Guillaumond joined as Chief Financial Officer in February, most recently CFO Retail at Ampol.

At Bevilles, we took the same approach. We listened to customers and teams, brought in new leadership, simplified the offer, and focused clearly on winning in value. After a difficult first half, Bevilles returned to sales / profit growth in the second half.

Across the Group, sales grew in every market, and our balance sheet is stronger.

We're 14 months into this reset. There's more to do, and I see real opportunity ahead.

FY26 Group Results

Turning to the results.

We delivered record Group revenue of $655.7 million, up 4.1% in constant currency and 1.9% in Australian dollars. Same store sales grew 5.2% in constant currency and 3.0% in Australian dollars, and we grew in every market we operate in.

We did that while protecting margin. Gross margin held at 60.5%, even as precious metal costs rose and our customers felt real cost of living pressure. At the same time, we brought our cost of doing business down 70 basis points to 57.1% of revenue, despite inflation.

Put together, that lifted comparable EBIT by 57% to $24.0 million.

Statutory net profit after tax was $10.0 million. Most of the gap comes from $6.1 million in non-cash write-offs, largely from closing Medley and TenSevenSeven, which we announced at our Investor Day in April. It was the right call. Focusing on Michael Hill and Bevilles makes us a simpler business and puts our energy where the growth is.

And as Rob outlined, the Board declared a final dividend of 2.0 cents per share, after no final dividend last year.

It is important to note that while customers bought more of our Professional Care Plans this year, with sales up 1.2%, the accounting rules spread that revenue over the life of each plan, and when we updated our assumptions on repairs and costs, we recognised $4.6 million less this year. Even with that, we narrowed our seasonal second half loss by $1.8 million.

We've also strengthened the balance sheet. Net debt fell by $36.3 million to $5.5 million. We're carrying less stock, with inventory down $9.4 million to $189.7 million, and that stock is working harder, with inventory productivity up 13%.

Finally, we kept reshaping our store network. We closed stores that weren't making money, opened in strong locations like Bondi Junction and Pacific Centre in Vancouver, and refitted key stores including Rundle Mall and Yorkdale. We finished the year with 281 stores, six fewer than last year, and a stronger network for it. Our refitted stores are already showing us what's possible, with higher average sales, margin and conversion than the rest of the network.

Strategic Direction

At our Investor Day in April, we set out four levers to drive profitable growth. I want to show you where each one stands, and what comes next.

The first is store productivity. Our stores are making more money, with gross profit per store up 4%. Our refitted stores are leading the way, with higher average sales, margin and conversion than the rest of the network.

The second is sales growth. We're growing both in our stores and beyond them. Same store sales grew 5.2% in constant currency, with growth in every market, and Michael Hill online sales grew 10%. Our Professional Care Plans add a services business that keeps customers coming back long after their first purchase.

The third is gross profit. You've already seen that we held margin through record precious metal prices.

The fourth is operating leverage. We lowered our cost of doing business while still investing in our store teams and our customers. As we grow, that discipline means more of every extra dollar of sales reaches the bottom line.

To bring this ambition to life, we know we're better off focusing on doing fewer things very well. And that's exactly what we're doing.

The positioning for our Michael Hill brand is best captured by a simple idea: making modern luxury accessible.

We believe the best way to deliver on this is by focusing on three priorities: growing customers, growing profit, and growing engagement. All three are underpinned by a strong foundation of people, culture, and operating discipline.

Growing customers means expanding our reach, across channels and across markets.

Growing profit means growing in a disciplined way, strengthening margins while keeping a clear focus on cost.

And growing engagement means deepening our relationship with customers, through expanding our investments into services, loyalty, and better customer experiences, both in store and online.

Together, these three priorities form the core of how we measure success across the business.

Delivering them means raising performance standards across the organisation, and using our data and emerging AI capabilities to make stronger decisions, faster.

And it's important our incentives reinforce this. Our Group Executive incentives are aligned to our EBIT ambition and to the strategic outcomes we're driving.

Similarly, our purpose for Bevilles is clear: deliver the look for less.

Following the reset, our strategy to do that is intentionally simple: win on value, move fast, and run lean.

Winning on value means making the value unmistakable for our customers. Great product, incredible prices, strong promotions, and making sure when someone walks past Bevilles, there is a reason to come in.

Moving fast means behaving like a great value retailer. Spotting what customers are responding to, chasing winners, turning inventory quickly, reacting to trends and opportunities, and not allowing complexity or process to slow us down.

And running lean means being incredibly disciplined behind the scenes. Buying brilliantly, sourcing brilliantly, controlling costs, improving inventory productivity, and making every dollar we invest in the business work harder.

But underneath all of that is something just as important: how we operate together. Higher standards. Faster decisions. Clearer accountability. Less complexity. More action. Because the strategy only comes alive through the decisions all of us make every single day.

Strategic Growth Engines for FY27

Building on the progress in FY26, our priorities for FY27 remain sharp.

In Canada, we are increasing investment in marketing and productive inventory to build awareness and capitalise on recent productivity gains. We plan to refit five of our top six stores while actively exploring new sites.

In Australia and New Zealand, we are refreshing stores through lower-cost fitouts, including the Auckland flagship and a new New Zealand store planned for the first half. We are also resetting marketing and go-to-market activity, supported by increased investment in productive inventory.

In digital, we will continue to invest in the online channel and customer experience, including expanded Buy Online, Pick Up In-Store capability and enhanced clienteling tools for frontline teams.

In product, we are focused on capturing the full diamond opportunity. Laboratory-grown diamonds will support growth, while natural diamonds reinforce our premium positioning. We will strengthen design leadership, introduce newness and improve availability in value-driven categories and limited releases.

In services, we will expand personalisation, custom and bespoke experiences, while improving aftercare experiences and product care plans.

The Bevilles reset will continue under new leadership and with an updated go-to-market approach for the value segment.

Finally, we will continue our journey to becoming an AI-powered retailer through a people-first approach: mindset first, skillset second and toolset third. Our AI-driven demand forecasting and planning capability will support further gains in inventory productivity and agility.

FY27 Trading Update

Turning now to current trading and how we've started FY27.

In the first 16 weeks of the year, up through Sunday 18 October, Group same store sales were up 6.6% in constant currency and up 2.3% in Australian dollars.

We grew in every market. In local currency, Canada was up 11.3%, Australia 4.0% and New Zealand 7.1%. And we are holding gross margins in line with last year.

We also know that the first 16 weeks have been a much tougher trading environment than a year ago, particularly in Australia, our largest market. Interest rates there have risen four times this year, and we know our customers are feeling it in their household budgets. These figures tell us that our go-to-market is on the right track, and that our strategy is starting to work.

You can see it in our product. Our new colour, bridal and tennis bracelet ranges, backed by new campaigns and in-store events, are bringing in new customers and bringing back existing ones.

Our focus from here stays firmly on profitable growth: growing our gross profit dollars, managing our inventory carefully, and keeping an eye on CODB.

Building Momentum into Christmas

And with Christmas ahead of us, that brings me to the part of the year I'm most looking forward to.

We're heading into our biggest trading period with momentum. Same store sales growth has picked up in all three markets since the first eight weeks of the year, which means we're entering the all-important Christmas trading period stronger than we started the year.

And we've built a Christmas range I'm genuinely proud of. This quarter we're bringing customers 68% more new pieces than last year, across our most important categories: earrings and studs, tennis bracelets, engagement and bridal, with even more in men's, coloured stones, Michael Hill Watches and silver.

We've also listened to our customers and our stores about value. So alongside that newness, we've more than doubled our core everyday lines, including pieces designed specifically for Christmas, and introduced sharp entry prices that welcome new customers into Michael Hill. It's everyday modern luxury, made easier to give.

And this Saturday, we launch our first Michael Hill Advent Calendar. When our team revealed it to our store managers, you could feel the excitement in the room. It's different, it's fun, it gives customers a reason to discover us, and it's exactly the kind of new idea I want us to keep testing.

We're also continuing to invest in our stores. Our new Auckland flagship on Queen Street opened in July. Rouse Hill in Sydney reopens next week, and our new store in Richmond in New Zealand alongside with our reopening at Galleria in Perth both open in November.

Christmas is our biggest trading period, and there's plenty still ahead of us. But we've done the work, and our teams are ready.

Bevilles is heading into Christmas with momentum too.

Same store sales are ahead of last year, and Bevilles continues to win market share in a declining jewellery market. Just as importantly, gross profit is growing faster than sales, so this is profitable growth.

The team has built a much stronger Christmas range, with more than 500 new products, including new Waterproof Jewellery and refreshed men's and religious ranges, and gifts at every price. We've also partnered with Jules Robinson for the next 12 months, with exclusive collections launching before Christmas. It introduces Bevilles to a large and highly engaged new audience.

Every store has been reset, with a layout tailored to its own customers. Add a new Black Friday offer and our proven events, Diamond Rush, VIP Day and Super Saturday, and Bevilles is ready for its most important weeks of the year.