

# MICHAEL HILL

INTERNATIONAL LIMITED

## ASX AND NZX ANNOUNCEMENT

FY26H1 RESULTS

### SALES AND PROFIT GROWTH ACROSS ALL SEGMENTS

27 February 2026

Michael Hill International Limited (ASX/NZX: MHJ) today announced its financial results for the half year ended 28 December 2025.

#### Release Highlights:

- **Comparable EBIT<sup>1</sup> of \$31.0m**, up +28.6% on prior year.
- **Group sales of \$371.0m**, up +3.0% on prior year.
- **Same store sales<sup>2</sup> (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.
- **For the first eight weeks of FY26H2, Group SSS were up 6.0% on prior year**, with growth across all markets, in local currency with:
  - Australian segment **+6.5%**
  - Canadian segment **+13.0%**, and
  - New Zealand segment **+7.1%**.
- **Investor Day** to be held at Michael Hill's Global Head Office in Cannon Hill, Qld on Tuesday 14 April 2026.

<i>\$m unless stated</i>	<i>FY26 H1</i>	<i>FY25 H1</i>	<i>Movement</i>
Group revenue	371.0	360.2	↑ 3.0%
Gross margin (%)	61.2%	61.3%	↓ 10 bps
Comparable EBIT	31.0	24.1	↑ 28.6%
Statutory NPAT	22.3	16.9	↑ 32.0%
Interim dividend	Nil	Nil	—
Inventory	201.9	213.2	↓ 11.3
Net cash / (debt)	20.7	(9.8)	↑ 30.5
Store network (no.)	285	294	↓ 9

#### Commenting on the Company's half year results, CEO Jonathan Waecker, said:

*"Since joining the business in August, I have spent most of my time in stores and with our teams and customers. The feedback was consistent, that when we simplify how we operate, stay close to the customer and focus on retail fundamentals, performance improves."*

*"Over the half, we acted on that by tightening our product focus, improving our go-to-market, clarifying expectations in stores, and improving how we communicate across our teams. Momentum built through the Christmas trading period, and we saw that come through in stronger sales and improved comparable EBIT. This consistent customer-centric focus has also delivered organic growth across the network, resulting in a broader customer base choosing Michael Hill. Pleasingly, positive sales performance has continued into the first eight weeks of the second half, with group same store sales up 6%."*

*“Most importantly, this result reflects the work of our teams. Their willingness to adapt, execute consistently and build on what is working gives me the confidence that we are strengthening the business and creating a more sustainable platform for growth.”*

### **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).

### **Retail Segment Performance**

#### **Australia (including Bevilles)**

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 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 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.

### **Chair of Michael Hill International Limited, Rob Fyfe said:**

*“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.”*

### **Investor Day**

With the commencement of our new CEO, Jonathan Waecker, the business is taking the opportunity to revisit and reset the Group’s strategy, which will be introduced to the market during our Investor Day to be held at its Global Head Office in Cannon Hill, Qld on Tuesday 14 April 2026.

### **FY26H2 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%.

### **CEO of Michael Hill International Limited, Jonathan Waecker said:**

*“While we remain mindful of current economic conditions, the first half demonstrates that consistent execution of retail fundamentals is translating into improved performance for the Group.*

*“At our Investor Day in April we will provide clarity on how the business will build on its current trading momentum and deliver sustainable, profitable growth over time.”*

### **Analyst and investor call**

An investor briefing on the results is scheduled for **7:30am (AEST) on Monday 2 March 2026**.

Please note that the webcast page will not be available until 6:30am (AEST) and it is advised that you join at least 5 minutes before the meeting commences. Participants are encouraged to register online in advance. Once registered you will be able to download a calendar invite link.

The webcast link for the briefing call on Monday 2 March 2026:

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

If prompted, please enter the meeting ID: 300-712-451-544

The webcast link to the briefing will also be available on the ‘events’ section of the investor centre website at:

<https://investor.michaelhill.com>

## Important Notes

<sup>1</sup> Comparable EBIT is unaudited, excludes the impact of AASB16 *Leases* and IFRIC SaaS guidance, and with normalisations. Further information on the reconciliation of comparable to the statutory result is contained in the Directors' report and investor presentation. <sup>2</sup>Same store sales reflect sales through store and online channels on a comparable trading day basis and are unaudited.

This announcement is authorised for release by the Board.

– ENDS –

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## ABOUT MICHAEL HILL INTERNATIONAL LIMITED

Michael Hill International was founded by Sir Michael Hill in 1979 when he opened his first jewellery store in Whangarei, New Zealand. The Group currently has 285 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).

For more information:

[investor.michaelhill.com](http://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 at the time of publishing, 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.

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