



FY25H1  
RESULTS  
MICHAEL HILL  
INTERNATIONAL LIMITED



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# Michael Hill International Limited

## CEO and CFO FY25H1 Update

- FY25H1 Performance Overview
- FY25H1 Financial Results
  - Group Results
  - Segment Results
- Current Trading Update
- Group Strategy
- Appendices



# FY25H1 Performance Overview

- Macroeconomic pressures continued to impact consumer sentiment and discretionary retail trading conditions, particularly in New Zealand
- Our two largest segments Australia and Canada delivered growth
- Gross margin is starting to recover, underpinned by brand and product initiatives, despite ongoing challenging raw material costs
- Strong digital traffic, with customers embracing omni-channel, supported the increase in digital sales
- Significant progress on *Michael Hill* brand and product initiatives:
  - Opened second global flagship store in Bourke St, AU
  - Refurbished Queenstown, NZ store with the new brand identity
  - Successfully launched the Pendant Bar concept, with a focus on both build-your-own and ready-to-wear gifting
  - Elevated the quality of its sustainable “LAB.” diamonds



# FY25H1 Group Results

- Group revenue (including Bevilles) was down 0.7%, and flat on a constant currency basis.
- Gross profit was down 0.9%
- Gross margin was broadly in line with FY24H1, despite higher input costs, particularly gold
- Compressed comparable EBIT, with higher annualised operating costs
- Active management of inventory delivered a reduction of \$6.6m
- No interim dividend

	<b>FY25H1</b>	<b>FY24H1</b>	<b>Change</b>
<b>Revenue</b>	\$360m	\$363m	-0.7%
<b>Gross Profit</b>	\$221m	\$223m	-0.9%
<b>Gross Margin</b>	61.3%	61.5%	-20 bps
<b>Comparable EBIT</b>	\$24.1m	\$31.3m	-23%
<b>Inventory</b>	\$213.2m	\$219.8m	-\$6.6m
<b>Net Cash/(Debt)</b>	(\$9.8m)	(\$11.6m)	+\$1.8m
<b>Total Dividend</b>	-	AU1.75c	-AU1.75c
<b>Store Network</b>	294 <small>(incl. 38 Bevilles)</small>	302 <small>(incl. 30 Bevilles)</small>	-8

# FY25H1 Segment Results

	Australia <sup>1</sup> (AUD)			Canada (CAD)			New Zealand (NZD)		
	FY25H1	FY24H1	Change	FY25H1	FY24H1	Change	FY25H1	FY24H1	Change
Revenue	<b>205m</b>	202m	+1.2%	<b>91m</b>	89m	+2.4%	<b>61m</b>	65m	-7.4%
Gross profit	<b>124m</b>	123m	+1.1%	<b>55m</b>	54m	+2.0%	<b>36m</b>	39m	-8.9%
Gross margin	<b>60.5%</b>	60.6%	-10 bps	<b>60.8%</b>	61.0%	-20 bps	<b>58.9%</b>	59.9%	-100 bps
Segment Comparable EBIT	<b>22.5m</b>	25.6m	-12.2%	<b>13.7m</b>	13.9m	-1.6%	<b>9.4m</b>	10.1m	-6.7%
Comparable EBIT as a % of statutory revenue	<b>11.0%</b>	12.7%	-170 bps	<b>15.1%</b>	15.7%	-60 bps	<b>15.6%</b>	15.5%	+10 bps
Store network	<b>166</b> <small>(incl. 38 Bevilles)</small>	171 <small>(incl. 30 Bevilles)</small>	-5	<b>83</b>	85	-2	<b>45</b>	46	-1

- Australian segment achieved revenue growth with five fewer stores
- Canada delivered yet another record performance
- External economic factors continue to present challenging retail conditions in New Zealand

<sup>1</sup> Includes Bevilles

# Current Trading Update



- For the first seven weeks of FY25H2, Group same store sales were **up 3.2%** on prior year, with same store sales for the:
  - Australian segment up 3.8%
  - Canadian segment up 6.7%
  - New Zealand segment down 1.9%
- Total sales for the Group were **up 1.7%** for the first seven weeks of FY25H2.

# Group Strategy, the path to 2030

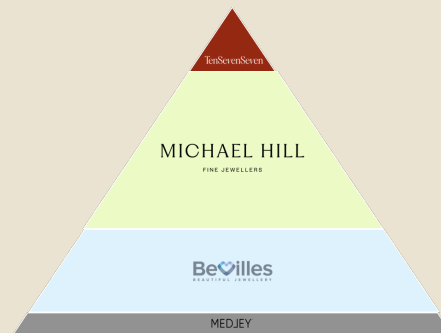
2020 – 2023

**Reposition  
Michael Hill  
Brand**



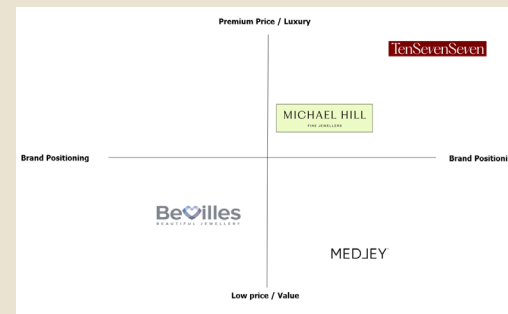
2023 – 2024

**Establish  
Portfolio of  
Brands**



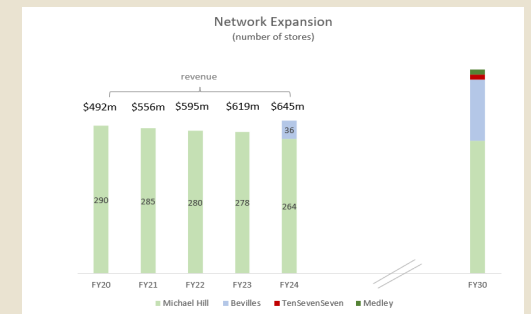
2024 – 2025

**Product &  
Brand  
Proposition**



2026 – 2030

**Network  
Expansion &  
Productivity**

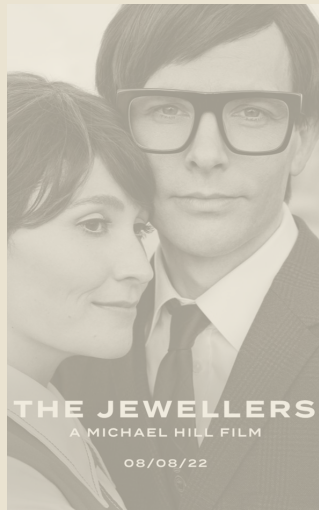




# Group Strategy – the path to 2030

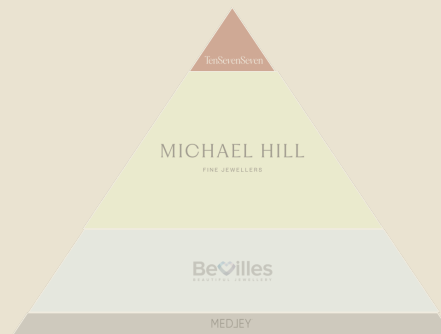
2020 – 2023

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Michael Hill  
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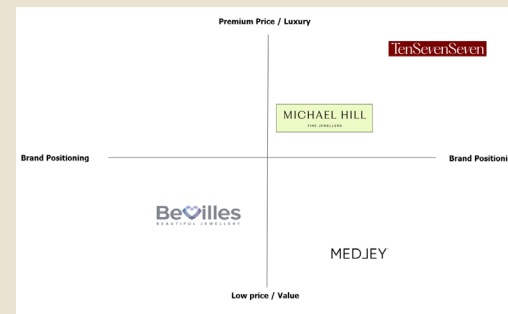
2023 – 2024

**Establish  
Portfolio of  
Brands**



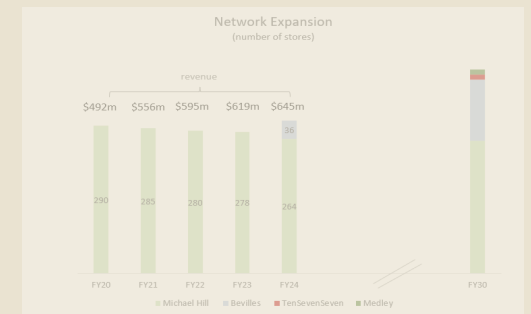
2024 – 2025

**Product &  
Brand  
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2026 – 2030

**Network  
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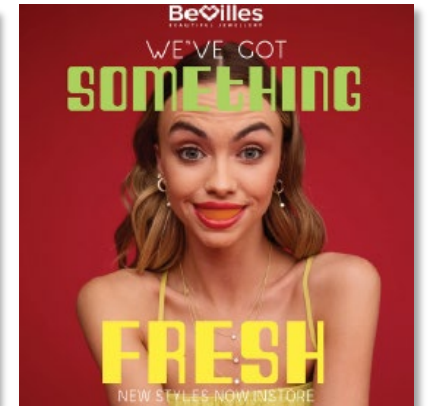
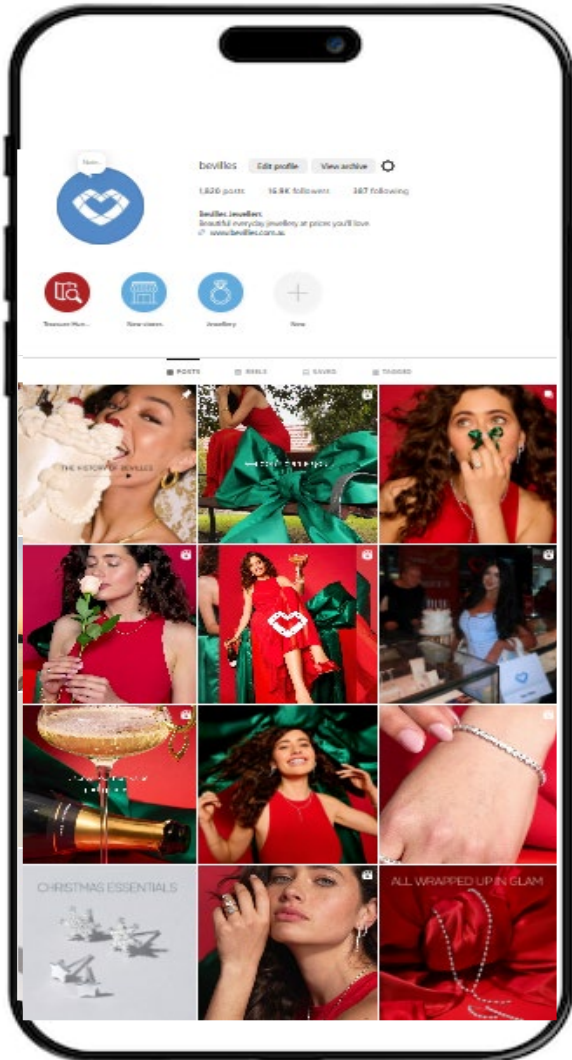
# Product & Brand Proposition, 2024 - 2025

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FINE JEWELLERS



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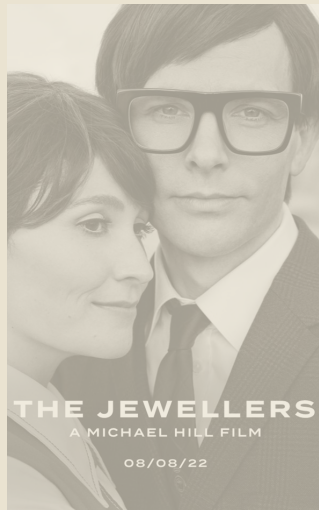
# Product & Brand Proposition, 2024 - 2025



# Group Strategy – the path to 2030

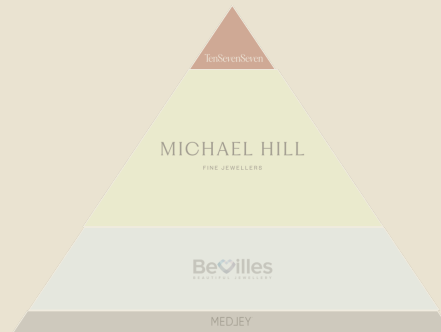
2020 – 2023

**Reposition  
Michael Hill  
Brand**



2023 – 2024

**Establish  
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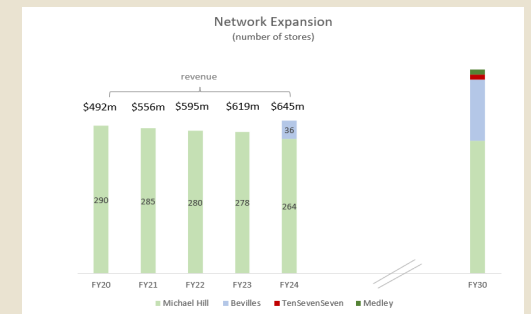
2024 – 2025

**Product &  
Brand  
Proposition**



2026 – 2030

**Network  
Expansion &  
Productivity**



# Strategic priorities over the next 12 months

**1. Embedding the repositioning of the Michael Hill brand across all markets**

**2. Internal strategic review of New Zealand to improve performance**

**3. Reinforce retail fundamentals, brand identity and awareness of the Bevilles brand, in preparation for expansion**

# Q & A

You are able to listen to Q&A via this platform.

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Click **'Join Queue'**.

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Follow the audio prompts to test your microphone.



# Appendices



# Appendix A: Bridge from Comparable EBIT to Reported EBIT

Calculated as follows:

(AUD million)	FY25H1	FY24H1
<b>Comparable EBIT</b>	<b>24.1</b>	<b>31.3</b>
Impact of AASB16 <i>Leases</i>	6.3	5.5
Impact of IFRIC SaaS-related guidance	-0.1	-2.7
Litigation judgement	3.0	-4.0
Bevilles acquisition transaction costs	-	-1.1
Bevilles integration costs	-0.7	-
Employee restructure costs	-0.3	-0.2
<b>Reported EBIT</b>	<b>32.4</b>	<b>28.8</b>





# Appendix B: AASB16 Leases & SaaS Impact

(AUD million)	FY25H1 Stat	Impact of AASB16 & SaaS	FY25H1 pre-adjustments	FY24H1 pre-adjustments	Change pre-adjustments
Revenue	360.2	-	360.2	362.7	-0.7%
Cost of sales	-139.3	-	-139.3	-139.7	-0.3%
<b>Gross profit</b>	<b>220.9</b>	-	<b>220.9</b>	<b>223.0</b>	<b>-0.9%</b>
Employee benefits expense	-93.3	-2.3	-91.0	-91.0	+0.0%
Occupancy costs	-8.9	27.6	-36.5	-35.1	+3.9%
Marketing expenses	-23.2	-	-23.2	-22.5	+3.3%
Selling expenses	-13.7	-	-13.7	-13.1	+4.5%
Other income/(expenses)	-17.7	-1.0	-16.7	-22.3	-25.3%
<b>EBITDA</b>	<b>64.1</b>	<b>24.3</b>	<b>39.8</b>	<b>39.0</b>	<b>+2.1%</b>
Depreciation and amortisation expenses	-31.7	-18.0	-13.7	-13.0	+5.3%
<b>EBIT</b>	<b>32.4</b>	<b>6.2</b>	<b>26.1</b>	<b>26.0</b>	<b>+0.6%</b>
Interest income	0.1	-	0.1	0.1	+7.0%
Finance expenses	-8.7	-5.5	-3.2	-1.9	+68.3%
<b>Profit before tax</b>	<b>23.8</b>	<b>0.7</b>	<b>23.1</b>	<b>24.2</b>	<b>-4.7%</b>



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