



FY21H1 RESULTS

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The Company does not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. All subsequent written and oral forward-looking statements attributable to us or to persons acting on the Company’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this presentation.

Michael Hill International Limited

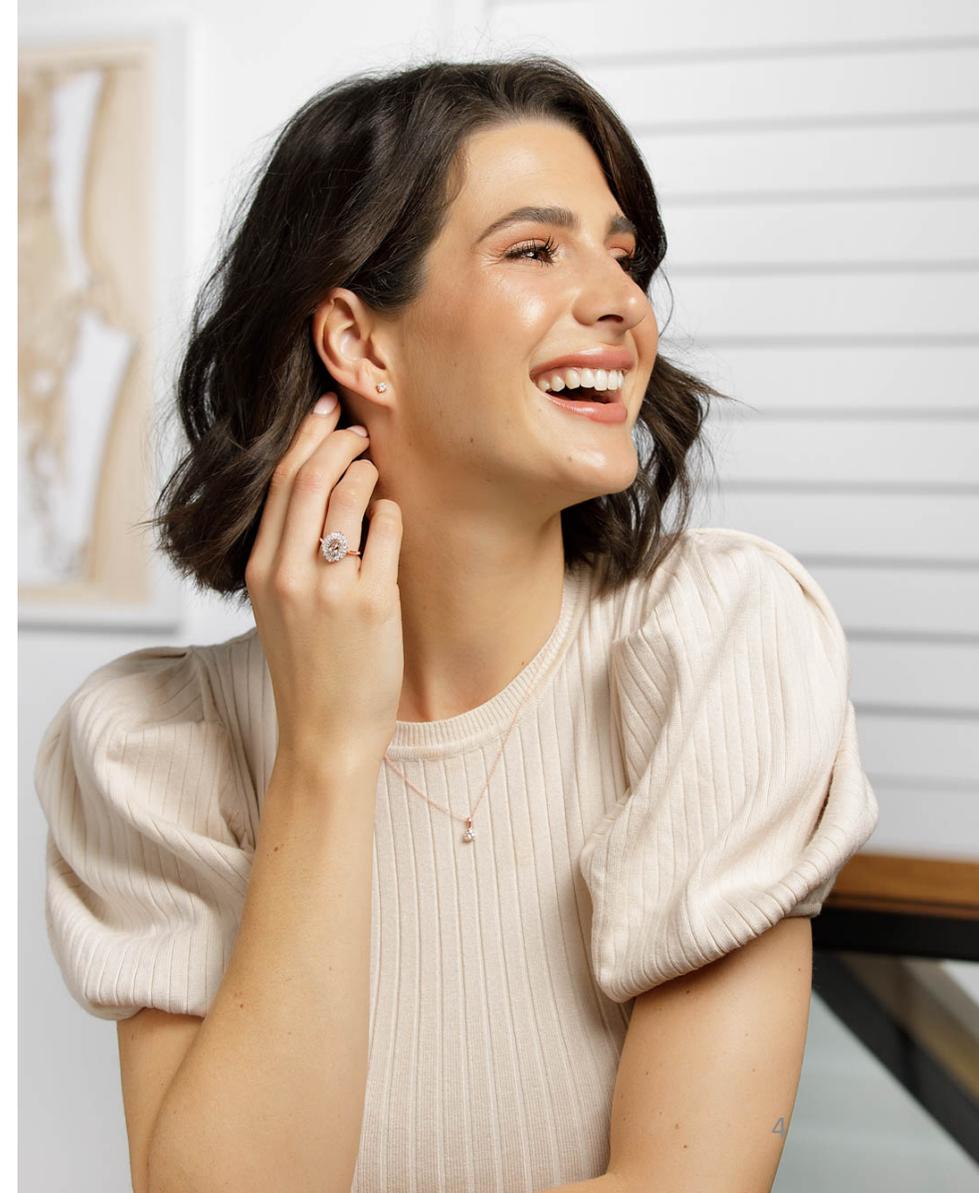
CEO and CFO FY21H1 Update

- FY21H1 Performance Overview
- FY21H1 Financial Results
 - Group Results
 - Key Performance Results
 - Retail Segment Results
- Strategy Update – Emphasis on Growth and Margin
- Outlook
- Appendix – AASB16 *Leases* Impact



FY21H1 Performance Overview

- FY20Q4 global store network shutdown
- Strong sales and margin delivery in Q1 while reopening the store network, and maintaining priority on health and safety protocols
- Restarted global supply chain and invested in Christmas inventory
- Prioritised key strategies that were “paused” for COVID-19 lockdown:
 - *Brilliance by Michael Hill*
 - New retail incentive scheme
 - Omni-channel initiatives
- Volatile trading conditions continued through the half, impacting all segments, with significant decline in foot traffic and 3,709 lost store trading days
- Transformational change agenda underpinned strong sales, margin and significant profit growth
- Continuing the journey to become a modern, differentiated, omni-channel jewellery brand



FY21H1 Group Results

- Delivered significant increase to NPAT and EBIT
- Unwavering focus on cost truly embedded in business
- Decisive working capital management resulted in a significant improvement in net cash position
- Focused inventory management
- Interim dividend of AU 1.5 cents per share
- Active management of global store network



	FY21H1	FY20H1	Change
Revenue	\$319.9m	\$329.5m	-2.9%
Gross Profit	\$200.5m	\$203.4m	-1.5%
EBIT	\$58.9m	\$35.3m	+66.9%
EBIT - % of revenue	18.4%	10.6%	+780bps
NPAT	\$39.0m	\$21.4m	+82.1%
Interim Dividend	AU 1.5c	AU 1.5c	Flat
Inventory	\$170.6m	\$200.1m	-\$29.5m
Net Cash/(Debt)	\$90.3m	\$0.4m	+\$89.9m
Store Network	289	304	-15

FY21H1 Key Performance Results

\$58.9m

EBIT
FY20H1: \$35.3m



+6.3%

GROUP
SAME STORE
SALES GROWTH



62.7%

GROUP
GROSS MARGIN
FY20H1: 61.7%



\$18.5m

DIGITAL SALES
+102%



38.4%
BRANDED COLLECTION
SALES
FY20H1: 35.4%



289

STORE
NETWORK
FY20H1: 304

1

STORE
CLOSED
IN FY21H1

+12.0%

AUSTRALIA
SAME STORE
SALES GROWTH



+2.8%

NEW ZEALAND
SAME STORE
SALES GROWTH



+3.6%

CANADA
SAME STORE
SALES GROWTH



Michael Hill Segment Results

	Australia (AUD)			New Zealand (NZD)			Canada (CAD)		
	FY21H1	FY20H1	Change	FY21H1	FY20H1	Change	FY21H1	FY20H1	Change
Revenue	175.1m	174.2m	+0.5%	69.3m	69.9m	-0.9%	75.2m	79.9m	-5.9%
Gross profit	107.6m	104.3m	+3.2%	42.3m	41.1m	+2.9%	46.3m	46.5m	-0.5%
Gross margin	61.4%	59.9%	+150 bps	61.1%	58.8%	+230 bps	61.5%	58.2%	+330 bps
Segment EBIT*	43.9m	22.7m	+93.6%	20.3m	14.5m	+40.1%	14.2m	7.9m	+78.7%
EBIT as a % of revenue	25.1%	13.0%	+1210 bps	29.2%	20.7%	+850 bps	18.8%	9.9%	+890 bps
Store Network	154	165	-11	49	52	-3	86	87	-1

- Australian revenue performance a credit to the segment given 2,567 lost trading days
- New Zealand also resilient given the Auckland closures
- Extended store closures in Canada impacting total revenue
- Segment gross margins up by 150 bps to 330 bps

* Pre-AASB 16 Leases



Strategy Update - Emphasis on Growth and Margin



Strategy Update - Emphasis on Growth and Margin



Brand

Modern, differentiated, omni-channel jewellery brand



Digital

Digital-first



Retail Fundamentals

Elevated productivity and customer experience



Omni-channel

Customer-led & channel agnostic



Loyalty

Your love for jewellery rewarded



Product Evolution

Uniquely Michael Hill



Cost Conscious Culture

Unwavering focus on costs



Endless
BY CHRISTINE HILL

Outlook



Appendix A: AASB 16 *Leases* Impact

(AUD million)	FY21H1 Stat	Impact of AASB 16	FY21H1 pre-AASB 16	FY20H1 pre-AASB 16	Change pre-AASB 16
Revenue	319.9		319.9	329.5	-2.9%
Cost of sales	-119.4		-119.4	-126.1	-5.3%
Gross profit	200.5		200.5	203.4	-1.5%
Employee benefits expense	-80.6		-80.6	-82.9	-2.9%
Occupancy costs	-11.4	17.0	-28.4	-30.8	-8.0%
Marketing expenses	-17.0		-17.0	-20.5	-17.2%
Selling expenses	-9.4		-9.4	-12.2	-22.3%
Other income/(expenses)	2.5		2.4	-15.8	-115.1%
EBITDA	84.6	17.0	67.5	41.2	64.0%
Depreciation and amortisation expenses	-25.7	-17.5	-8.2	-9.6	-14.5%
EBIT	58.9	-0.5	59.4	31.6	87.8%
Finance expenses	-3.8	-3.4	-0.3	-1.1	-72.4%
Profit before tax	55.1	-3.9	59.1	30.5	93.9%



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