



ASX ANNOUNCEMENT

SHAVER SHOP MEETS FY16 PROJECTIONS AND REMAINS WELL POSITIONED TO ACHIEVE FY17 PROSPECTUS FORECAST

Key Financial Highlights

- Consolidated revenue up 68.7% to \$106.7m (Prospectus forecast - \$106.2m)
- Like for like total store network growth 10.7% (Prospectus forecast – 10.4%)
- Pro forma gross profit margin up 91 basis points on FY15 to 42.8% (Prospectus forecast – 42.7%)
- Consolidated pro forma EBITDA up 75.6% to \$12.6m (Prospectus forecast - \$12.5m)
- Consolidate pro forma NPAT up 87.5% to \$7.5m (Prospectus forecast - \$7.5m)
- Completed 4 franchise buybacks since 1 July 2016 (Prospectus forecast – 1 in FY17)
- Secured 4 additional greenfield sites to bring FY17 forecast to 8 (Prospectus forecast – 4 in FY17)
- Opened 100th Shaver Shop store in June 2016
- Strong financial position with pro forma net debt of \$2.0m at 30 June 2016 (Prospectus Forecast - \$4.1m net debt)

Pro forma financial results exclude the impact of one-off IPO transaction costs expense, and (with the exception of interest expense) estimate the impact on the financial results for the year and previous corresponding period as if the Company had undertaken an IPO and become a listed company at the beginning of each financial period. Refer to the Company's Appendix 4E and Directors' Report (dated 25 August 2016) for a reconciliation between statutory and pro forma financial results.

Melbourne, Thursday, 25 August 2016 – Shaver Shop Group Limited (ASX: SSG) ('Shaver Shop' or the 'Company') the Australian specialty retailer of male and female personal grooming products, today announced its full year results for the fiscal year ended 30 June 2016.

Commenting on the results, Shaver Shop's Managing Director and CEO, Cameron Fox, said: "Shaver Shop's 2016 full year result is pleasing and reflects the continuation of the company's successful strategy that we've been executing over the last five years. We have worked hard to deliver another solid year of L4L sales growth while at the same time growing our corporate store network and increasing brand awareness."

"We opened 16 new stores across Australia and New Zealand growing the total Shaver Shop network to 100 stores – a terrific milestone for our business. We also continued to increase our penetration into the wet shave, hair styling and power oral care categories broadening our consumer appeal for both males and female shoppers."

"We continued to buyback franchise stores, acquiring 8 in the year, bringing our total number of corporate owned stores to 80 at 30 June."

Shaver Shop generated strong sales growth, up 68.7% to \$126.7 million and grew pro forma EBITDA 75.6% to \$12.6 million driven by the company's strategy to buyback franchises, increase its overall store numbers as well as drive strong like for like sales growth. Like for like sales for the corporate store network was 9.2% for the full year.

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, VIC, 3149



Shaver Shop's balance sheet is very sound. After using proceeds from its IPO to repay \$15.2 million of bank debt, pro forma net debt was \$2.0m at 30 June 2016. The company has also secured a new \$23 million facility to support its ongoing franchise buyback and new store rollout plans.

Outlook

Commenting on the outlook for the 2017 financial year, Cameron Fox said: "With the successful ASX listing now complete, we are back in business building mode. Our strategy has not changed so I am pleased to report that since 30 June, like for like sales have been in-line with our forecasts, we've bought back four franchise stores, and we now have definitive plans to open eight new store locations this financial year. "

"Consistent with our track record to date, we don't expect each new store rollout will deliver significant incremental EBITDA in its first year of operation, but we're confident of them achieving our return on capital employed target of at least 20% as they mature over 2 to 3 years."

"With the underlying business continuing to perform as expected and the increase in corporate owned stores, the Board of Shaver Shop remains confident in achieving its full year forecast results."

Forecast FY17 pro forma EBITDA was \$14.7 million in the Company's prospectus, 16.9% above the company's FY16 pro forma result.

Mr Fox continued: "Shaver Shop is continuing its commitment to deliver improved shareholder value by aspiring to be the market leader in all things related to hair removal. We are investing in new stores, an improved online customer experience as well as increased training for our staff through our new national training facility."

"With the additional franchise buybacks and new store launches announced today, our total store network will expand to 108, of which 92 will be corporate owned. We have six stores now open in New Zealand are now starting to see the financial benefits of this increased critical mass. Our target remains to get to 145 stores within 3 years across Australian and New Zealand, so we are progressing well against that goal."

In summary Mr Fox said: "Shaver Shop is at an exciting stage in its development because without changing the strategy, we can still see significant opportunity for growth of the business in ANZ and maintaining our competitive edge. We pride ourselves on product knowledge and superior customer service to ensure our customers get the right products for their personal needs. "

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