Shaver Shop Group Limited

FY 2017 HALF YEAR RESULTS

Management Presentation

24 FEBRUARY 2016

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For a reconciliation of the non-IFRS financial information contained in this Presentation to IFRS-compliant comparative information, refer to the Directors Report that forms part of the Shaver Shop Group Limited Consolidated Financial Report that has been lodged with the ASX. All dollar values in this Presentation are in Australian dollars (A$), unless otherwise specified.

1H FY17 KEY HIGHLIGHTS

Store sales	• Total Sales of $78.5m up 26.2% on prior corresponding period (pcp) • 1H FY17 LFL Network Sales growth -0.2% (pcp +14.0%) • LFL Corporate Store Sales growth -0.6% (pcp +12.9%) • Weakness in Hair Styling category in Dec '16 was the key driver in LFL sales decline vs Prospectus forecast
Earnings	• EBITDA of $10.0m in 1H FY17 up 5.3% (pcp $9.5m) • Gross profit margin flat at 42.5% (pcp – 42.5%) • Pro Forma Cost of Doing Business 32.2% of Sales (1H FY16 – 31.3%) • Pro forma NPAT $6.3m up 6.3% (1H FY16 - $5.9m)
Growth	• Opened 8 new greenfield sites (4 in Prospectus forecast) – net investment $0.9m (exc. stock) • Acquired 5 franchises (1 in Prospectus forecast) – net investment $2.9m (inc. net working cap) • 24 stores in maturity phase (<24 months old) (15 stores at 31 Dec 15) • Reviewing larger store formats given strong DFO performances and category expansion initiatives
Capital Structure	• Maiden interim dividend proposed of 1.6 cents per share • Net operating cash flow $16.3m in 1H FY17 (1HFY16 - $23.6m) – supplier payment timing • Net cash of $7.5m at 31 Dec 2016 ($7.3m gross debt) • $23 million debt facility in place ($15.7m available capacity)
Outlook	• Business model remains strong and differentiated with significant proportion of total sales coming from exclusive product lines • Maturing store profile, new greenfield opportunities and buybacks offer EBITDA growth upside • Current trading environment remains challenging with unprecedented sales volatility in Feb • FY17 full year EBITDA expected to be $12.0-$13.5m on retail sales of $128m to $133m

Variances refer to 1H FY17 results compared to pro-forma FY16 results

COMPANY BACKGROUND & COMPETITIVE ADVANTAGE

INTRODUCTION TO SHAVER SHOP

Shaver Shop aspires to be the leader in 'all things related to hair removal'

Company snapshot

> **Trusted and respected retail brand** founded in 1986

> **Quality brands at competitive prices**, supported by excellent product knowledge

> **Exclusive product range and outstanding service** provides differentiation and drives customer loyalty

> **Total Network Sales of $150 million** in FY16

> **108 stores across Australia and New Zealand** at 31 December 2016 (93 Corporate Stores, 15 Franchise)

> With the support of marketing campaigns **brand awareness is currently 82%**

> Category and market growth fuelled by consumers **desire to look and feel good**

> Fragmented competition with **no significant direct competitor** offering the full range of products provided by Shaver Shop

> Listed on ASX on 1 July 2016

HISTORY & COMPETITIVE ADVANTAGE

A wide range of quality brands, at competitive prices, supported by excellent staff product knowledge

2017 – Store network – 108. New e-commerce platform launched Feb '17

2016 – Store network reaches 100 (6 NZ stores) at 30 June 16. Shaver Shop IPO – 1 July

2015 – Store network – 90. Online sales ~6.5% of National Sales

2014 – Shaver Shop enters NZ with 3 stores

2012 – Store network – 70

2011 – Consortium of private investors acquires 80% of Shaver Shop. Expands wet shave range of products

2008 – Commences initiative to increase appeal of Shaver Shop across female and male demographics. Also enters long term hair removal market. Cameron Fox promoted to CEO

2006 – Cameron Fox joins Shaver Shop

2003 – Website launched

2000 – Store network – 16. Peter Claydon & Vince DeFazio become 1/3 owners with the Tyquin family

1996 – Expands interstate to Queensland, the first store outside of Victoria

1986 – Shaver Shop founded by Gary and Mary Tyquin

GROWTH DRIVER PROGRESS

BUSINESS GROWTH DRIVERS

1 Ongoing product innovation & exclusivity

- Continually evolving range to cater to changes in personal grooming styles, new fashion trends, and product innovations
- Continue to source new and innovative products on an exclusive release basis

2 Greenfield store rollout

- Intend to open 10 to 15 stores per year through FY2019
- Store rollout will be a mix of high quality shopping centre, strip shop, factory outlet, and airport stores

3 Franchise store buyback

- Shaver Shop will continue to assess the opportunity to buy back Franchise stores on a case-by-case basis
- There are 15 remaining franchises in the network

4 Wet Shave category growth

- Domestic Wet Shave market in Australia is worth c.$387 million
- Market share of ~3%; Shaver Shop sees opportunity to continue increasing market share in this large category

5 Store maturity profile

- Shaver Shop stores typically take 24 months to reach maturity
- Currently 24 stores across the network that are less than 24 months old (18 less than 12 months old)

6 Online sales growth

- Customers electing to shop anywhere, anytime, with online sales comprising 7% of total network sales
- Continually investing in digital platform to stay ahead of customers' expectations and creating a seamless omni-channel experience

7 Marketing activity

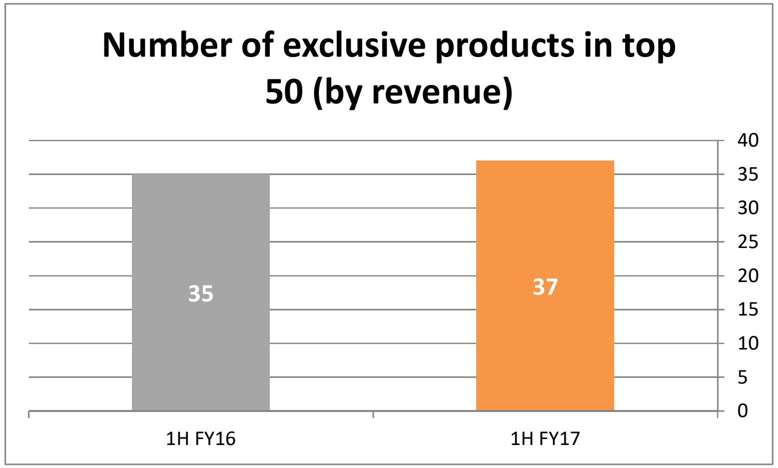
- Continue to perform targeted marketing campaigns (digital, catalogue) to drive overall brand awareness
- Continued integration of promotions across traditional, web and social media channels to position SSG as leader in key products and categories

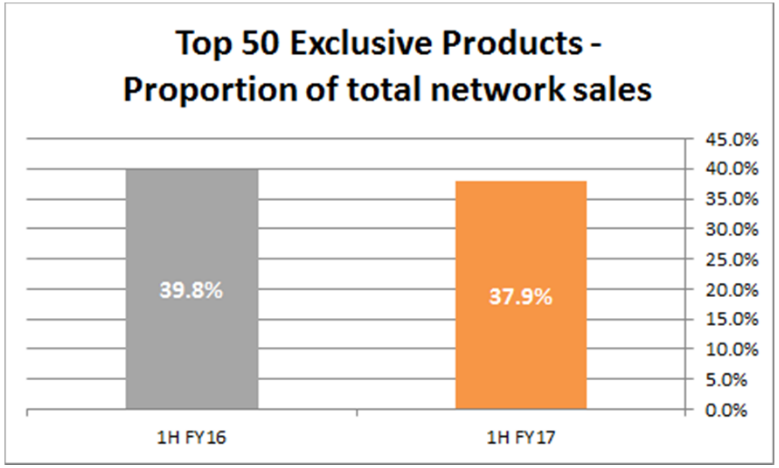
Growth Driver 1

PRODUCT INNOVATION & EXCLUSIVITY

37 of Shaver Shop's top 50 products are exclusive and generated 37.9% of total revenue in 1H FY17 (1H FY16 – 39.8%)

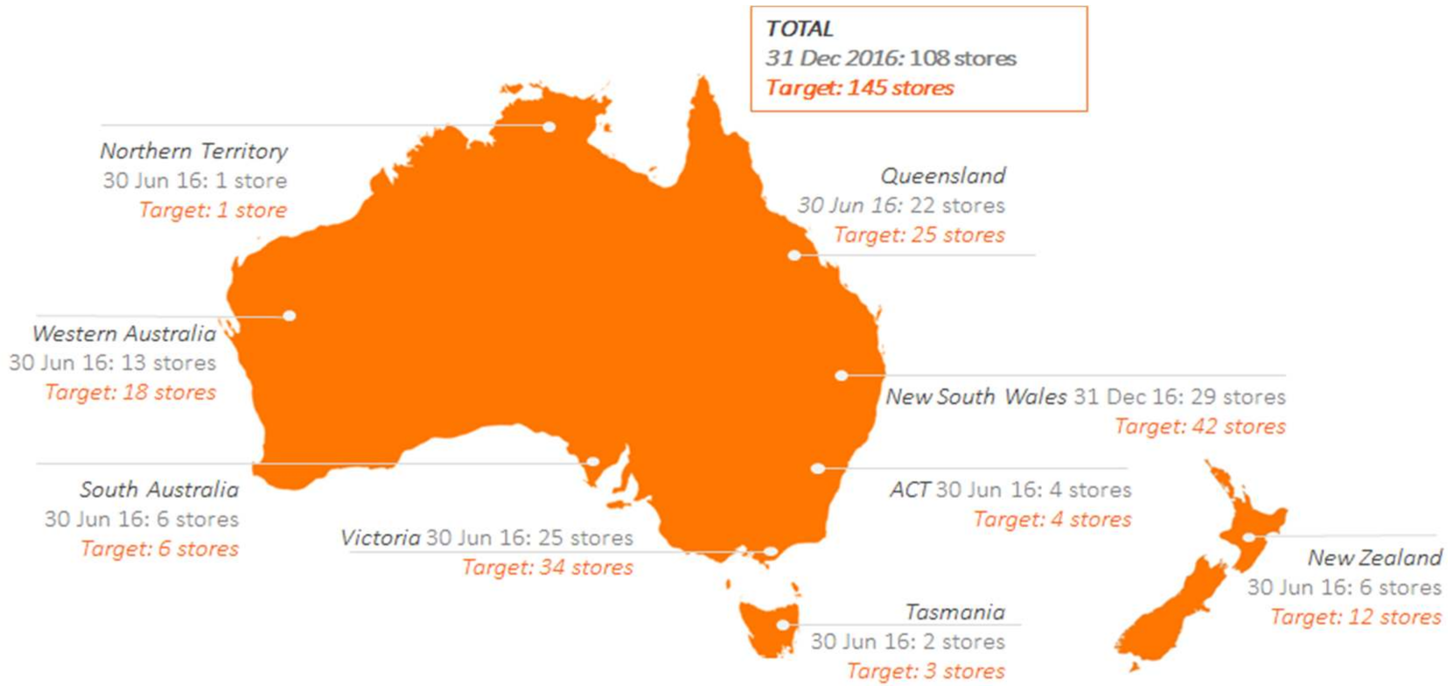
- Access to innovative & exclusive products remains a key driver of Shaver Shop's revenue and gross profit
- Expanded Female Beauty range with Foreo, Veet & Scholl
- Christmas FY17 had a broad range of innovation across several categories
- 37 of the top 50 products (by revenue) in the first half were exclusive and generated 37.9% of total network sales (1H FY16 – 35 products)
- Product exclusivity acts as a barrier to entry for new competitors (particularly at higher price points)
- Product knowledge and in-store service remain critical in aligning the right personal grooming product with the customer and maximising gross profit per sale
- Will continue to increase investment in staff training and development to drive continually improved in-store experience

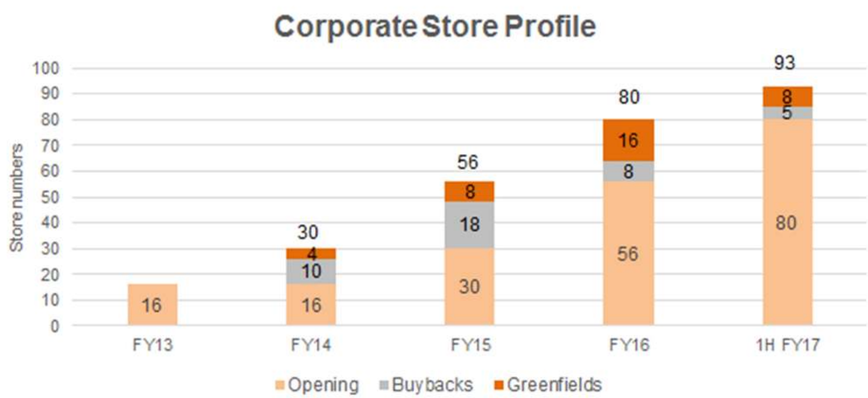


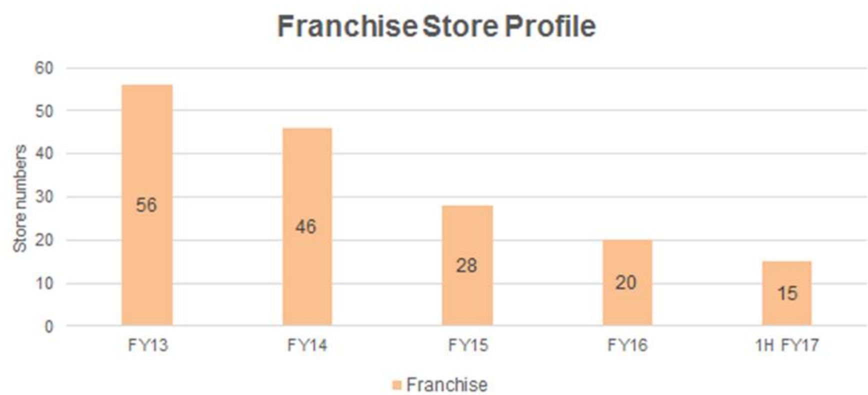


8 GREENFIELDS & 5 BUYBACKS IN 1H FY17

At 31 December 2016, 108 stores across Australia (102) and New Zealand (6) with further rollout potential







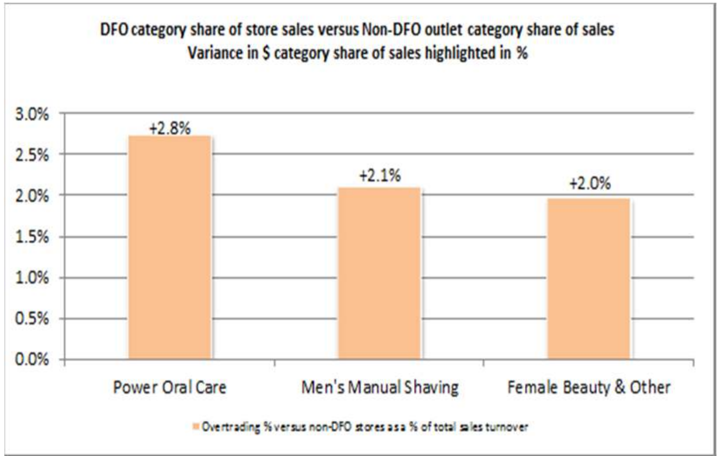
Growth Driver 2

DFO SUCCESS

New larger format stores have increased store flow and significantly increased linear wall space (especially important for wet shave merchandising)

- DFO performances have exceeded initial business sales expectations
- Gross margins are not materially different to traditional stores
- DFO outlets are significantly larger in space than a traditional SSG store;
  - Total space increases on average by an estimated +49%
  - Retail space increases on average by an estimated +43%
  - Linear wall space increases on average by an estimated +38%
- Increased usable space across DFO outlets supports expansion of categories where Shaver Shop has traditionally struggled to allocate appropriate amount of in-store space. Categories that appear to be benefiting from this increased category presence are as follows;
  - Men's manual shaving
  - Female Beauty
  - Power Oral Care
- Increased store space across DFO outlets also provides Shaver Shop the opportunity to support improved in-store ambience via:
  - Improved product category segmentation (less cluttered)
  - Easier/improved navigation across the store
  - Stronger, more powerful in-store displays
  - Increased space for on-site storage purposes
- Consumers at Shaver Shop DFO outlets still receive expert staff advice but with powerful in-store displays, greater room to `move' & browse in-store, stronger segmentation of categories that simplify decision making process and the occasional special buying "job lot" or category expansion trial (unique to DFO outlets)

AVERAGE STORE METRICS	AV. DFO STORE	AV. NON-DFO STORES	AV. VARIANCE IN %
TOTAL STORE SPACE m2	100	67	49%
TOTAL RETAIL SPACE m2	80	56	43%
LINEAR WALL SPACE m2	22	16	38%



Growth Driver 4

WET SHAVING CATEGORY OPPORTUNITY

Despite reduced share of overall business in 1H FY17, wet shave remains critical component of medium to long term growth

> While Dec QTR 16 wet shaving results were somewhat soft relative to prior year results, Gillette system blade franchise continues to remain healthy across Shaver Shop network

> Dec QTR 2015 wet shaving results supported by the launch of a new exclusive wet shaving barber range & supplier funded TVC activity across a blade sharpening device (which was not repeated over Dec QTR 2016)

> Increased share of space dedicated towards wet shaving at DFO locations along with expanded category ranges across blades including bulk packs, pre-shaving and post shaving products are logical extensions for Shaver Shop and viewed as critical to brand positioning and supporting new users, repeat purchase & increased basket size

> Female wet shaving category remains a logical extension for Shaver Shop (space permitting). SSG has already demonstrated an ability to execute powerful launches across female battery trimmers and electric lady shavers yet current presence in the wet shaving market is minimal

> New website with targeted EDM activity is a key enabler for repeat purchase. Subscription option is now functionally possible via new SSG website along with valuable business analytics

Wet Shaving Homesite DFO Store

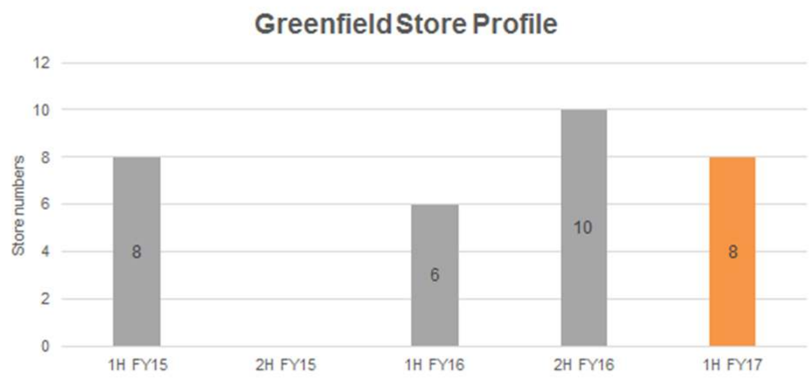
Wet Shaving Homesite DFO Store

Growth Driver 5

STORE MATURITY PROFILE

On target to roll out 10+ sites in FY17

- New store rollout continuing with 8 new sites secured in 1H FY17
- Brings total to 32 new stores launched since 1 July 2015 with 18 launched in the last 12 months
- Generally it takes a new store 24 months to reach its run-rate naturally leading to EBITDA margin pressure in the short term
- Should see benefit coming through in FY18 & FY19
- Continually assessing potential cannibalisation impact of existing bricks & mortar store sales as well as web sales risk
- Average new store investment relatively low:
  - Fitout – c. $175,000 gross (before landlord incentives)
  - Stock - $220,000 - $250,000
  - Lease typically 6 years



Growth Driver 6

ONLINE SALES GROWTH

Websales were $6.6m in 1H FY17 or c.7% of total network sales

- New omni-channel focused e-commerce platform launched on 9 February 2017
- Decided to wait until after XMAS to launch new site in order to mitigate operational risk
- New platform offers:
  - Improved user interface (less clicks)
  - Mobile/tablet friendly
  - Gift card / coupon redemption
  - Customer data capture
  - Targeted EDM capabilities
  - Better integration with POS and order management systems
  - More flexible look and feel to drive improved branding
- Close to 60% of SSG website traffic is through mobiles and tablets with historically lower conversion rates than desktop
- Early signs from new website are encouraging
- Will continue to refine plans around targeted campaigns and loyalty program

Growth Driver 7

TARGETED MARKETING ACTIVITY

Significant investment in TV advertising in Q2 FY17 focussed on innovative and exclusive products to Shaver Shop

Remington Nano Trimmer

VS Crew Cut

Wahl Stainless Steel

Braun Series 9

Dafni

Smooth Skin Bare

Remington Quick Shave

VS Beard Designer

Remington Man Trim

Sleep RX

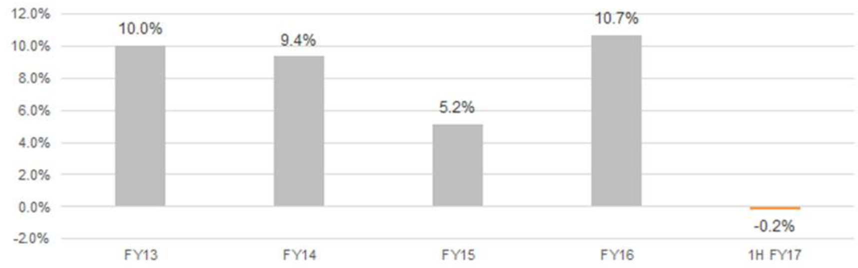
1H FY2017 BUSINESS PERFORMANCE

LFL NETWORK SALES[1] -0.2% IN 1H FY17

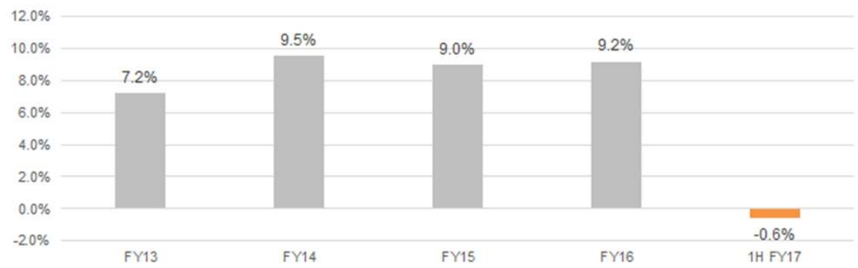
LFL Sales heavily impacted by lower Hair Styling category sales in December 2016 ($2.8m decline across network despite increase in store numbers over prior year)

- 1H Total Network LFL sales growth -0.2% (pcp +14.0%)
  - Corporate Store LFL sales growth -0.6% (pcp +12.9%)
  - Franchise Store LFL sales growth +0.4%
- Excluding Hair Styling Total Network LFL growth was 2.1% in 1H FY17
- LFL growth weak in WA and QLD – operational changes made
- Approximately 56% of corporate stores are now included in the LFL methodology
- 41 stores are not included as at 31 Dec 16:
  - 24 greenfield stores launched after 1 July 2015
  - 13 franchises bought back after 1 July 2015
  - 4 stores where shopping centre is undergoing redevelopment impacting traffic flows into centre

Total Network Sales – LFL Growth



Total Corporate Store Sales – LFL Growth

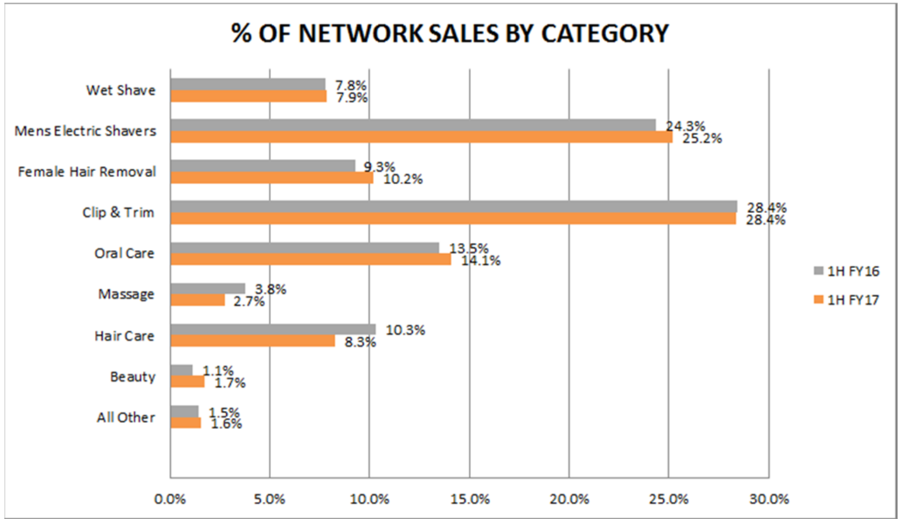


1) LFL sales growth is calculated as the percentage change in total sales (including applicable online sales) in a relevant period, compared to the total sales in the prior corresponding period, excluding stores that did not trade for both the whole of the period and / or the prior corresponding period or were subject to major shopping centre refurbishment activities affecting shopper traffic.

CATEGORY ANALYSIS

Hair removal categories performed in line (overall) with expectation, but weakness in complementary categories (Hair Styling and Massage)

- Hair removal like for like sales up 2.7%.
  - Mens Electric Shavers growth
  - Female Hair Removal growth (Long Term Hair Removal and Temporary Electric Female Hair Removal)
  - Clippers & Trimmers – flat – Crew Cut performed well in its 3rd year
  - Wet shave share lower largely due to reallocation of TV budget to innovative lines in other categories
- Complementary categories like for like sales down 6.9%.
  - Hair Care contribution down to 8.3% (pcp 10.3%) of total sales - weakness in Hair Styling (mostly in hair straighteners)
  - Massage down to 2.7% (pcp 3.8%) – lack of innovation

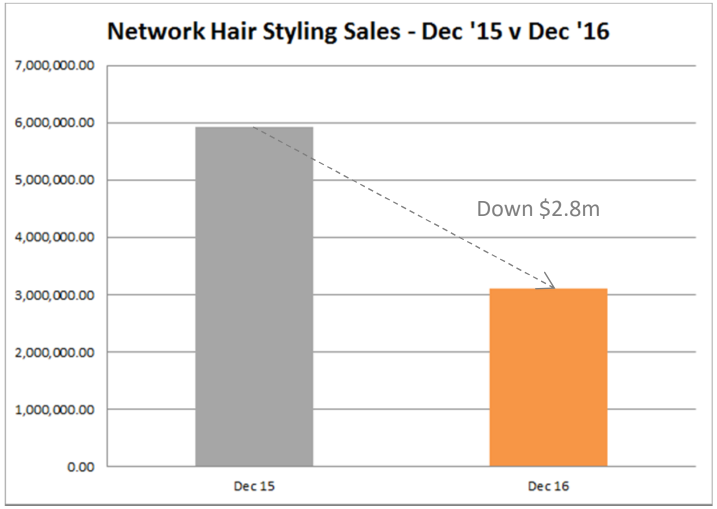


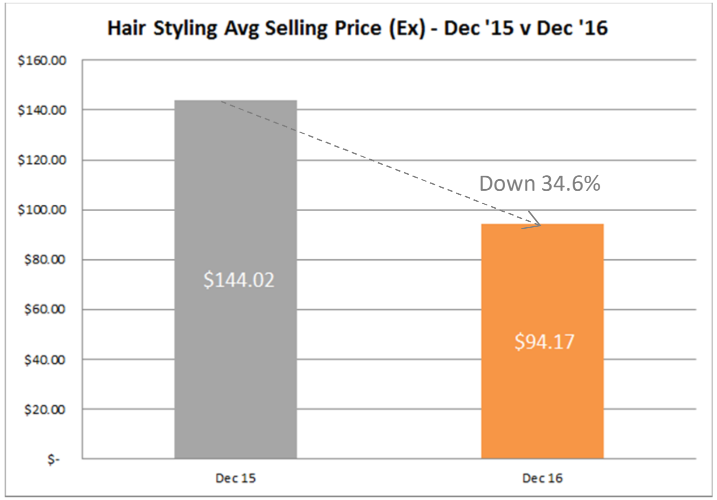
* Total network (corporate and franchise store sales)

HAIR STYLING CATEGORY PERFORMANCE

While category performance versus expectation was disappointing, Dafni remains a core component in Shaver Shop's female product offering

- Total network sales of Hair Styling products decreased 47.4% (or $2.8m) during the month of December compared to prior year predominantly due to cycling on the back of very successful Dafni launch in Oct' 15
- All Dafni range (Original, Go and Special Edition) were in the top 10 selling products for December contributing 5.8% (in aggregate) of total network sales in the month
- Significantly stronger promotional program (online, TV, print, cinema)
- Underestimated rate of progression of Dafni through its product lifecycle
- Hair Styling ASP declined 34.6% in Dec '16 vs pcp following new global price repositioning by Dafni
- Lower Dafni sales volumes also had an impact on basket size of Hair Styling products
- Dafni cycling risk significantly decreases in 2H FY17
  - 71% of FY16 Dafni sales generated in 1H FY16





AVERAGE INVENTORY PER STORE

To capitalise on Xmas and Boxing Day trading season, deliberate investments were made driving Q2 FY17 stock levels above average

- Q2 FY17 average monthly closing inventory per corporate store $348k (Q2 FY16 - $312k)
- Increase in average stock levels in Q2, due to:
    - Better stock readiness into Christmas this year (more Oct/Nov and less December deliveries)
    - Deliberate increase in stock in Dec '16 with one supplier on favourable terms (c. $4m purchase of in late December) – timing only as stock would have been purchased in H2
    - Higher stock level of Hair Styling products than expected
- Stock levels back to similar level as Feb '16
- Average stock level per store expected to increase in FY17 due to category expansion initiatives, increased proportion of DFO formats, higher value COGS on new lines, and targeted product purchases

1H FY17 FINANCIAL HIGHLIGHTS

1H FY17 VS 1H FY16 PERFORMANCE

26.2% top line growth and steady gross margin. NPAT up 6.3%

$000's	Pro Forma 1H FY16	Actual 1HFY17	Variance ($)	Variance (%)
Sales	**62,197**	**78,481**	**16,283**	**26.2%**
Gross profit	**26,434**	**33,324**	**6,890**	**26.1%**
Gross margin %	42.5%	42.5%	0.0%	(0.1%)
Franchise & other income	2,568	1,996	(573)	(22.3%)
Cost of doing business (CODB)	(19,479)	(25,297)	(5,818)	29.9%
EBITDA	**9,524**	**10,023**	**499**	**5.2%**
EBITDA margin %	15.3%	12.8%	(2.5%)	(16.6%)
Depreciation and amortisation	(410)	(670)	(260)	63.3%
Net finance costs	(392)	(229)	164	(41.7%)
Income tax expense	(2,793)	(2,825)	(33)	1.2%
NPAT	**5,929**	**6,300**	**371**	**6.3%**
EPS (cents) - post IPO shares outstanding	**4.7**	**5.0**	**0.3**	**6.3%**
Cash NPAT (after adjusting for tax benefit of franchise licence termination costs - 5 year amortisation)	**6,427**	**6,940**	**513**	**8.0%**

> NB. Actual cash tax paid in FY17 will be significantly lower than accounting income tax expense due to ATO Private Ruling allowing franchise termination right value coming from Franchise Buybacks to be deductible over 5 years. Forecast cash benefit in FY17 – $1.28m. See Appendix for further details.

SUMMARY OF PRO FORMA REVENUE AND EBITDA

EBITDA growth impacted significantly by lower Christmas sales and incremental marketing spend

Revenue - $78.5m up 26.2%

Growth in sales versus 1H FY16 primarily driven by increase in Corporate Stores:

> 18 new greenfield stores since 1 January 2016 (8 in 1H FY17)

> 7 franchise buybacks since 1 January 2016 (5 in 1H FY17)

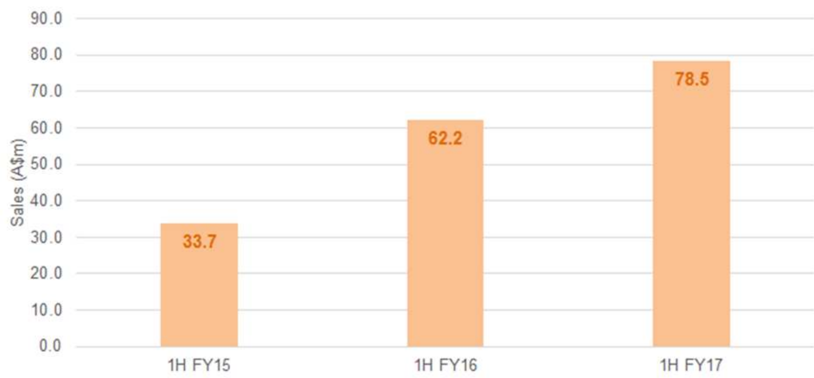
EBITDA - $10.0m up 5.3%

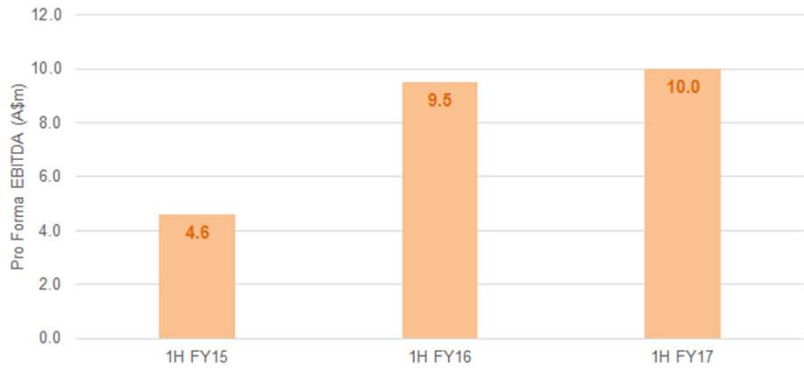
EBITDA growth was impacted by

> Lower December sales (down $1.7m vs expectation) – little to no ability to reduce OPEX to offset gross profit impact given Christmas period

> Deliberate increase in Marketing and Advertising in Q4 focussed on key products (especially Dafni)

> NZ earthquake saw an impact to store performances across NZ in November and December





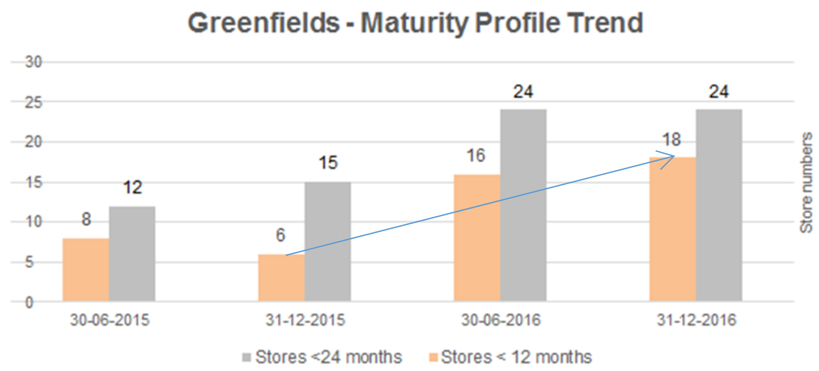
Corporate stores at 31 Dec	42	68	93
Buybacks		20	7
Greenfields		6	18

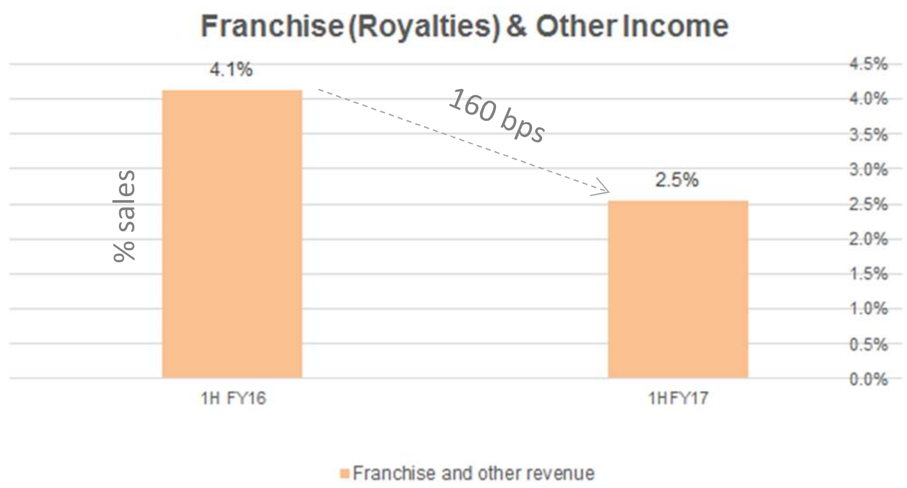
Revenue based on Corporate store revenue. EBITDA based on consolidated earnings.

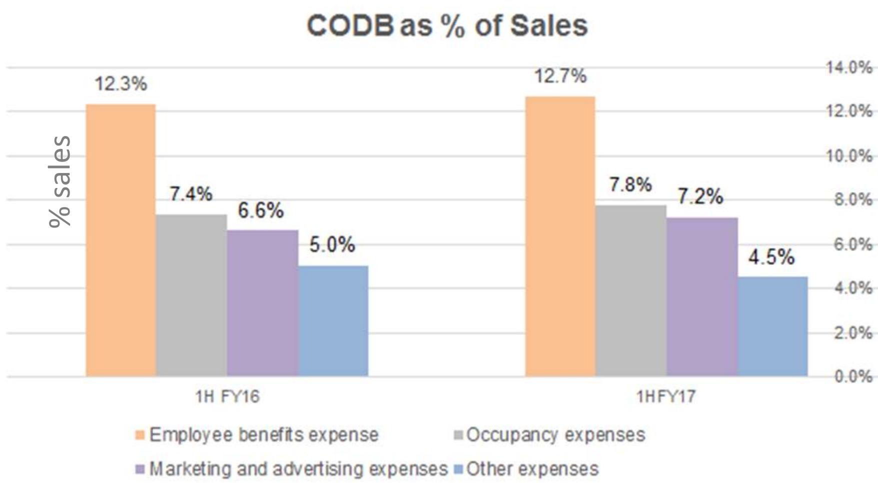
COSTS OF DOING BUSINESS & EBITDA MARGINS

EBITDA margins have been naturally impacted by continuation of franchise buyback program (160bps impact) and greenfield rollout strategy

- EBITDA margins lower due to four key factors:
  - Franchise Buyback activity (lower royalties off a higher Corp Store sales base – 100% margin) – 160 bps
  - Significant increase in proportion of greenfields < 12 months old (low to mid single digit EBITDA margins in 1st 12 months)
  - Increased marketing (Dafni/Crew Cut)
  - Lower Hair Styling sales in Dec '16 on relatively fixed cost base

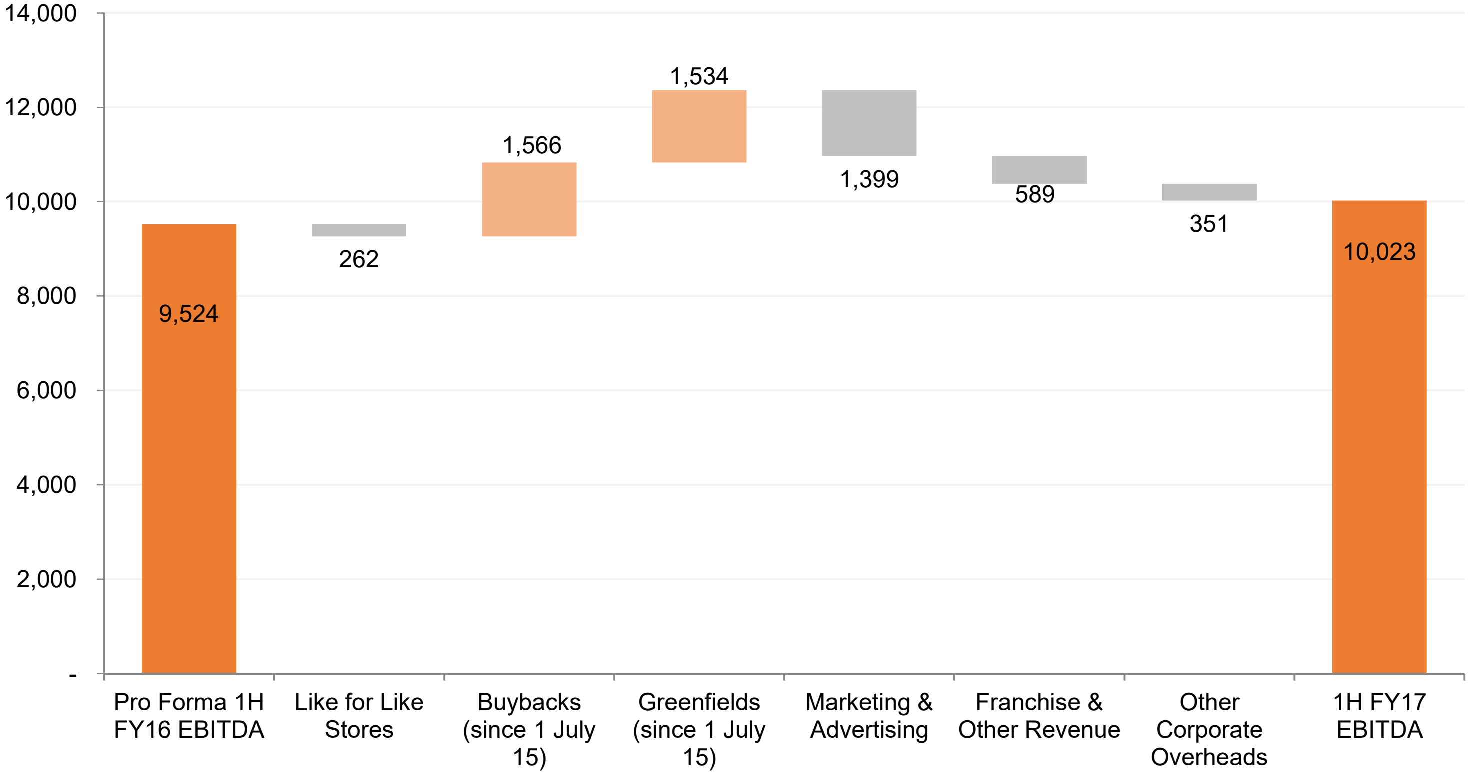






EBITDA BRIDGE – 1H FY16 TO 1H FY17

EBITDA increased $0.5m vs LYA driven primary by investments in Greenfield and Buyback stores in the last 18 months



- Corporate LFL growth -0.6%
- 7 buybacks between 31 Dec 15 and 31 Dec 16
- 18 greenfield store launches between 31 Dec 15 and 31 Dec 16
- Lower royalty contributions from franchises due to FY16/17 buybacks
- Increased marketing expenditure due to 4.4% advertising royalty and deliberate increased expenditure leading into Christmas 2016

CONSOLIDATED STATUTORY BALANCE SHEET

Strong financial position with flexibility to undertake additional buybacks if they meet our investment criteria

$000's	Statutory 30-Jun-16	Statutory 31-Dec-16	Change %
Cash	4,334	14,852	243%
Inventory	18,115	31,063	71%
Other assets	48,441	55,628	15%
Total assets	**73,992**	**101,542**	**37%**
Trade payables	13,903	31,070	123%
Interest bearing liabilities	5,124	7,324	43%
Other liabilities	1,970	2,859	45%
Total liabilities	**21,947**	**43,198**	**97%**
Net assets	**52,045**	**58,344**	**12%**

- Balance sheet remains strong
- Net cash $7.5m (increase in gross debt associated with repurchase of franchises in 1H FY17)
- Inventory position up 71% from June due to: a) 13 more corporate stores; b) seasonally higher stock levels associated with Christmas; c) deliberate purchase of stock at favourable terms near 31 Dec 16
- Trade payables increased due to normal extended supplier trading terms around Christmas and increased stock levels

CONSOLIDATED CASH FLOW

Net cash flow $10.5m in 1H FY17 (Pro-Forma - $12.3m – excluding IPO costs). Timing of supplier payments compared to 1HFY16 lowered operating cash flow v 1H FY16. No full year impact.

$'000	Pro Forma 1H FY16	Actual 1H FY17	Variance ($) FY16
EBITDA	9,524	10,023	499
Change in working capital	14,056	6,236	(7,820)
Net cash flow from operating activities before investing activities, financing activities and tax	**23,580**	**16,259**	**(7,321)**
Payments for franchise store buy backs	(4,065)	(2,859)	1,206
CAPEX (net of landlord contributions)	(1,353)	(1,895)	(542)
Net cash flow before financing activities and tax	**18,162**	**11,505**	**(6,657)**
Income tax payments	(460)	(1,154)	(694)
IPO related transaction costs	-	(1,804)	(1,804)
Net finance costs	(392)	(229)	163
Borrowings drawdown / (repayment)	2,950	2,200	(750)
Net cash flow before dividends	**20,260**	**10,518**	**(9,742)**
Dividends paid	-	-	-
Net cash flow	**20,260**	**10,518**	**(9,742)**
Opening Cash Position	**625**	**4,334**	**3,709**
Closing Cash Position	**20,885**	**14,852**	**(6,033)**

> Operating cash flow was $16.3m in 1H FY17 (1H FY16 – $23.6m). Difference due to timing of supplier payments.

> Significantly larger proportion of Christmas supplier payments made in January '16 v January '17. 54% of Q2 purchases paid in Jan' 16 vs 34% in Jan '17 ($8.0m impact)

> Net tax payments were $1.15m in 1H FY17 v tax expense of $2.7m due in part to lower cash tax rate from franchise termination right deductions (see DTA on balance sheet). Estimated FY17 cash tax benefit - $1.28m.

> Overall net cash flow $10.5m for 1H FY17 ($12.3m excluding one-off IPO related transaction costs)

SUMMARY & FY2017 OUTLOOK

FY 2017 OUTLOOK

Shaver Shop is executing its growth plans and is in a strong position despite choppy retail environment in January and February

- Shaver Shop is in a strong position to increase shareholder value:
  - Unique business model with access to exclusive products
  - 8 new greenfield sites in 1H FY17 (24 stores yet to reach maturity)
  - 5 franchise buybacks in 1H FY17
  - New e-commerce platform launched to drive omni-channel customer experience
  - Increasing brand awareness – up to 82%
  - Strong cash generation
  - Solid balance sheet
  - Successful category expansion initiatives particularly in Female Beauty products
  - Anecdotal feedback from suppliers suggests Shaver Shop increased market share in core hair removal categories
- 1H FY17 trading performance was disappointing due to inability to replicate strong Dafni sales realised in 1H FY17
- Retail environment in January and February has been challenging with unprecedented volatility in daily sales metrics
- Having regard to the dynamic environment, Shaver Shop expects FY17 EBITDA to be between $12.0m to $13.5m

APPENDICES

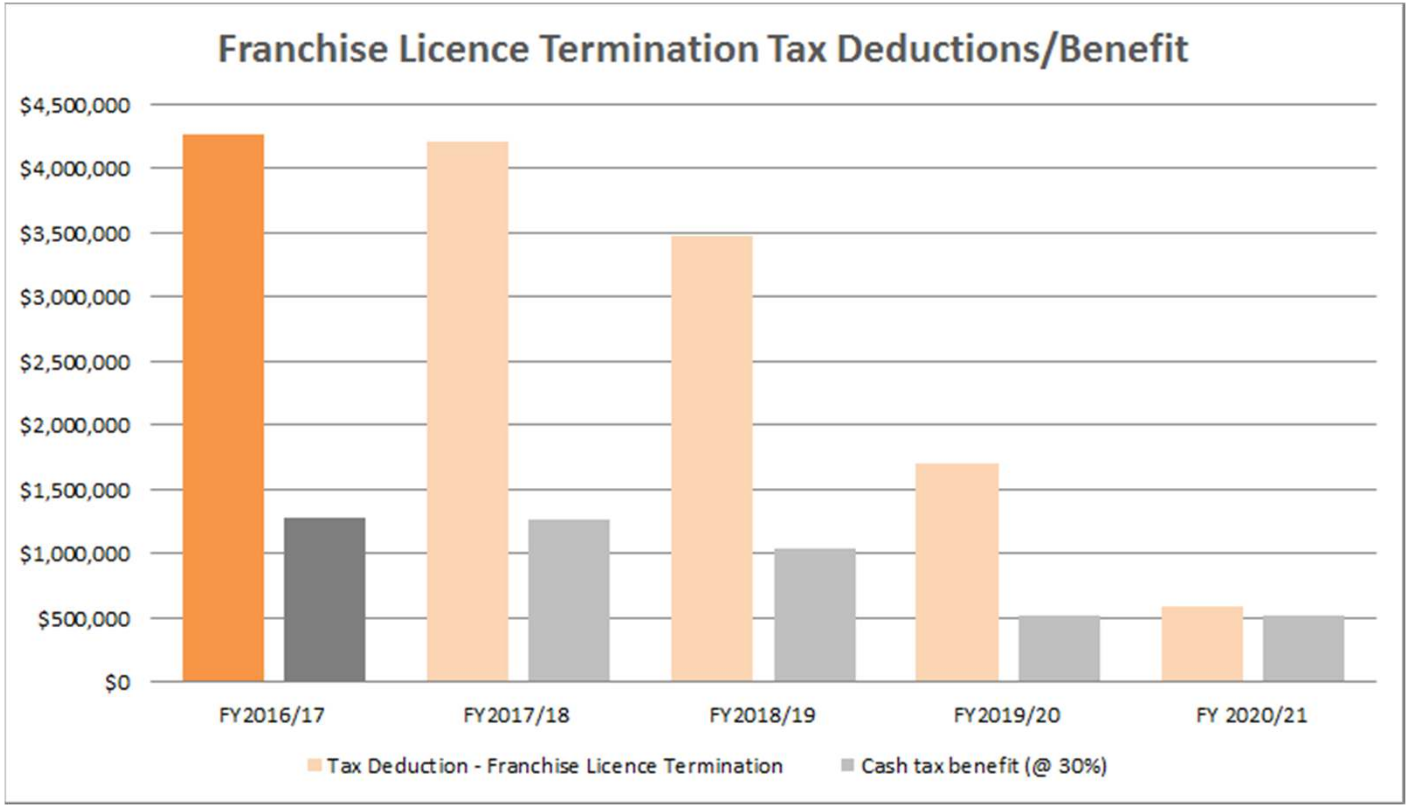
KEY OPERATING METRICS

	Forma 1H FY15	Pro Forma 1H FY16	Reported 1H FY17
Number of corporate stores	42	68	93
Number of franchise stores	42	22	15
Total stores	84	90	108
Corporate store sales ($'000)	33,713	62,197	78,481
Franchise store sales ($'000)	41,563	26,739	19,801
Total network sales ($'000)	75,276	88,936	98,282
Corporate store LFL sales growth %	6.9%	12.9%	-0.6%
Franchise store LFL sales growth %	2.0%	15.3%	0.4%
Total network LFL sales growth %	3.6%	14.0%	-0.2%
Sales growth %	na	84.5%	26.2%
Gross profit margin %	41.5%	42.5%	42.5%
Employee benefits expense as a % of sales	14.8%	12.3%	12.7%
Occupancy expenses as % of sales	7.7%	7.4%	7.8%
Marketing and advertising expenses as % of sales	10.9%	6.6%	7.2%
EBITDA margin	13.6%	15.3%	12.8%
EBIT margin	12.7%	14.7%	11.9%

LFL sales growth is calculated as the percentage change in total sales (including applicable online sales) in a relevant period, compared to the total sales in the prior corresponding period, excluding stores that did not trade for both the whole of the period and / or the prior corresponding period or were subject to major shopping centre refurbishment activities affecting shopper traffic.

CASH TAX PAYMENTS VS TAX EXPENSE

ATO private ruling relating to franchise buyback licence termination significantly reduces Shaver Shop's cash tax payments over the next 5 years



> Cash tax payments expected to be closer to 20% of earnings before tax in FY17 after accounting for tax deduction from franchise licence terminations

> Cash tax benefit in FY17 forecast to be $1.28m with a similar value in FY18, and c.$1.0m in FY19 (assuming no further buybacks are undertaken)

SHAVER SHOP

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