

# SHAVER SHOP GROUP LIMITED

## Appendix 4E

### Preliminary Final Report

#### Results for Announcement to the Market

Year ended 30 June 2017 (Previous corresponding period: Year ended 30 June 2016)

#### Statutory Result Summary

|   |    | %      |    | 2017<br>\$'000 | 2016<br>\$'000 |
|---|----|--------|----|----------------|----------------|
| Revenue from ordinary activities                                  | Up | +33.6  | to | 142,568        | 106,711        |
| Profit from ordinary activities after tax attributable to members | Up | +133.4 | to | 8,994          | 3,854          |
| Net profit after tax attributable to the members                  | Up | +133.4 | to | 8,994          | 3,854          |

The figures reported above represent the statutory results of the company. As a result, the results of FY2017 and FY2016 include transaction costs related to the company's Initial Public Offering (IPO) on the Australian Securities Exchange on 1 July 2016. Shaver Shop's pro forma results for the year in comparison to the prior year are presented below.

#### Dividends

| Dividend  | Amount per<br>ordinary share | Franked<br>amount per<br>ordinary share |
|---|------------------------------|---|
| 2017 interim dividend   | 1.6 cents                    | 1.6 cents                               |
| 2017 final dividend (resolved – not provided for at 30 June 2017) | 2.4 cents                    | 2.4 cents                               |

The record date for determining the entitlement to the final dividend is 10 October 2017. The payment date in respect of the final dividend is 24 October 2017.

The company does not have a dividend reinvestment plan.

#### Pro-forma Result Summary

The financial results set out below include reference to pro forma results to exclude the impact of transaction costs related to Shaver Shop's IPO and include costs associated with the business operating as a publicly listed entity as disclosed in the Company's prospectus dated 7 June 2016. The Directors believe the presentation of non-IFRS financial measures such as pro forma results and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying performance of the business and can be directly compared to the forecasts given in the Prospectus. Non-IFRS financial measures contained within this report are not subject to audit or review.

## Calculation of Statutory EBITDA

|  | 2017<br>\$'000 | 2016<br>\$'000 |
|--|----------------|----------------|
| <b>Profit after income tax from continuing operations</b>                    | <b>8,994</b>   | <b>3,854</b>   |
| <b>Add back (subtract):</b>  |                |                |
| Income tax (benefit) / expense   | 4,061          | 1,628          |
| Net finance costs  | 407            | 1,043          |
| Depreciation and amortisation expense  | 1,408          | 936            |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b> | <b>14,870</b>  | <b>7,461</b>   |

EBITDA is a measure of financial performance by excluding certain variables that affect operating profits but which may not be directly related to all financial aspects of the operations of the group. EBITDA is not a measure of operating income, operating performance or liquidity under A-IFRS. Other companies may calculate EBITDA in a different manner to Shaver Shop.

## Reconciliation of Statutory EBITDA to Pro Forma EBITDA

The table below reconciles the statutory EBITDA result to the pro forma result for the 2017 and 2016 financial years. This illustrates the full year results from the business had the operating structure that is in place following completion of the IPO, been in place since 1 July 2015. One-off transaction costs associated with the IPO and prior corporate development activities have been removed to better present the underlying result of operations of the business. There were no pro forma adjustments to EBITDA in FY2017.

|                                       | 2017<br>\$'000 | 2016<br>\$'000 |
|---------------------------------------|----------------|----------------|
| <b>EBITDA</b>                         | <b>14,870</b>  | <b>7,461</b>   |
| <b>Add back (subtract):</b>           |                |                |
| IPO transaction costs                 | -              | 4,438          |
| Management IPO incentives             | -              | 901            |
| Rebates in stock                      | -              | 285            |
| One-off advisory costs                | -              | 40             |
| Incremental costs as a public company | -              | (521)          |
| <b>Pro forma EBITDA</b>               | <b>14,870</b>  | <b>12,604</b>  |

## Reconciliation of Statutory NPAT to Pro Forma NPAT

The table below reconciles the statutory NPAT result to the pro forma NPAT result for the 2017 and 2016 financial years. This illustrates the full year results from the business had the operating structure that is in place following completion of the IPO, been in place since 1 July 2015. One-off transaction costs associated with the IPO and prior corporate development activities have been removed to better present the underlying result of operations of the business.

|  | 2017<br>\$'000 | 2016<br>\$'000 |
|--|----------------|----------------|
| <b>Profit after income tax from continuing operations</b>                            | <b>8,994</b>   | <b>3,854</b>   |
| <b>Add back (subtract):</b>  |                |                |
| IPO transaction costs  | -              | 4,438          |
| Management IPO incentives  | -              | 901            |
| Rebates in stock   | -              | 285            |
| One-off advisory costs   | -              | 40             |
| Incremental costs as a public company  | -              | (423)          |
| Tax effect   | -              | (1,572)        |
| Tax expense on management IPO incentives   | 87             | -              |
| <b>Pro forma profit after income tax from continuing operations (Pro forma NPAT)</b> | <b>9,081</b>   | <b>7,523</b>   |

In FY2017, the Company recognised income tax expense of \$87k in relation to management incentives associated with the Company's IPO and listing on the ASX on 1 July 2017. This income tax expense was not included in the Prospectus Forecast for FY2017.

The table below summarises the pro forma results of the business for its 2017 financial year in comparison to the prior corresponding period in 2016.

|  |           | %            | 2017<br>\$'000   | 2016<br>\$'000   |
|--|-----------|--------------|------------------|------------------|
| <b>Pro forma Revenue</b>   | <b>Up</b> | <b>+33.6</b> | <b>142,568</b>   | <b>106,711</b>   |
| <b>Pro forma EBITDA</b>  | <b>Up</b> | <b>+18.0</b> | <b>14,870</b>    | <b>12,604</b>    |
| <b>Pro forma NPAT</b>  | <b>Up</b> | <b>+20.7</b> | <b>9,081</b>     | <b>7,523</b>     |
| <b>Pro forma diluted EPS (shares outstanding at 30 June)</b>     | <b>Up</b> | <b>+20.0</b> | <b>7.2 cents</b> | <b>6.0 cents</b> |
| <b>Pro forma basic EPS (weighted average shares outstanding)</b> | <b>Up</b> | <b>-18.0</b> | <b>7.3 cents</b> | <b>8.9 cents</b> |

For further information please refer to the attached financial statements and Investor Presentation accompanying this report.

### **Basis of Preparation**

This report is based on the consolidated financial statements which have been audited. The audit report, which was unqualified, is included within the Company's Financial Report which accompanies this Appendix 4E.

### **Other information required by Listing Rule 4.3A**

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2017 Financial Report.