



Shaver Shop Group Limited

ANNUAL GENERAL MEETING

26 October 2017

IMPORTANT NOTICE AND DISCLAIMER

This management presentation (“Presentation”) has been prepared by Shaver Shop Group Limited ACN 150 747 649 (“Shaver Shop”) and contains general background information about Shaver Shop, its subsidiaries and their activities which is current at the date of this Presentation.

Summary Information

The information contained in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Shaver Shop or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). This Presentation should be read in conjunction with Shaver Shop’s other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au (Shaver Shop ASX Code: SSG). This Presentation is not intended to be relied upon as advice to investors or potential investors in Shaver Shop and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with our without professional advice, when deciding if an investment is appropriate.

Disclaimer

Neither Shaver Shop, its related bodies corporate nor any of their respective officers, directors, employees, advisers and agents (**Shaver Shop Parties**) warrant the accuracy or reliability of the information contained in this Presentation. To the maximum extent permitted by law, each of the Shaver Shop Parties disclaims any responsibility and liability flowing from the use of the information contained in this Presentation by any party. To the maximum extent permitted by law, the Shaver Shop Parties do not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this Presentation.

Past performance

Past performance, including past share price performance and historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of, and provides no guidance as to, future performance of Shaver Shop, including future share price performance. The historical information contained in this Presentation is not represented as being indicative of Shaver Shop’s views on its future financial condition and/or performance.

Forward looking statements

This Presentation contains certain forward looking statements and comments about future events, including Shaver Shop’s expectations about the performance of its business. Forward looking statements can generally be identified by the use of forward looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’ and other similar expressions. Indications of and any guidance on future earnings or financial position or performance of Shaver Shop are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Shaver Shop’s IPO Prospectus dated 7 June 2016, a copy of which is available at www.asx.com.au (Shaver Shop ASX Code: SSG), contains details of a number of key risks associated with an investment in Shaver Shop. Many of these risks are beyond the control of Shaver Shop. Should one or more of these risks or uncertainties materialise, or should any assumption underlying any forward looking statement contained in this Presentation prove incorrect, Shaver Shop’s actual results may differ materially from the plans, objectives, expectations, estimates, and intentions expressed in the forward looking statements contained in this Presentation. As such, undue reliance should not be placed on any forward looking statement.

Shaver Shop is providing the information contained in this Presentation as at the date of this Presentation and, except as required by law or regulation (including the ASX Listing Rules), does not assume any obligation to update any forward-looking statements contained in this Presentation as a result of new information, future events or developments or otherwise.

Pro forma financial information

This Presentation contains pro forma financial information. The pro forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Shaver Shop’s views on its future financial condition and/or performance. The pro forma financial information has been prepared by Shaver Shop in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

Shaver Shop uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information. Shaver Shop considers that this non-IFRS financial information is important to assist in evaluating Shaver Shop’s performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. In particular this information is important for comparative purposes with pro forma information in Shaver Shop’s Prospectus.

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.

CONTENTS

01

Welcome and introductions

02

Item 1 – Financial report
- Chairman’s address
- CEO & MD’s address

03

Items – 2 through 5

04

Conclusion



INTRODUCTIONS

SHAVER SHOP BOARD MEMBERS



BOARD MEMBERS

- > Brodie Arnhold, Chairman
- > Cameron Fox, CEO & Managing Director
- > Craig Mathieson
- > Trent Peterson
- > Brian Singer
- > Melanie Wilson

OTHER REPRESENTATIVES

- > Larry Hamson, Company Secretary
- > Daniel Rosenberg, PwC

WELCOME

2017 ANNUAL GENERAL MEETING



ADMITTANCE CARDS

- > **YELLOW CARDS** – voting shareholders & proxies
- > **BLUE CARDS** – non-voting shareholders (i.e. shareholder that has already voted)
- > **RED CARDS** – for visitors

NOTICE OF MEETING

ITEMS OF BUSINESS



1. To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2017.
2. To adopt the Remuneration Report for the year ended 30 June 2017
3. To elect Mr Trent Peterson as a Director
4. To elect Mrs Melanie Wilson as a Director
5. To approve the issue of securities under the Long Term Incentive Plan to Mr Cameron Fox, CEO and Managing Director



2107

ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Mr Brodie Arnhold

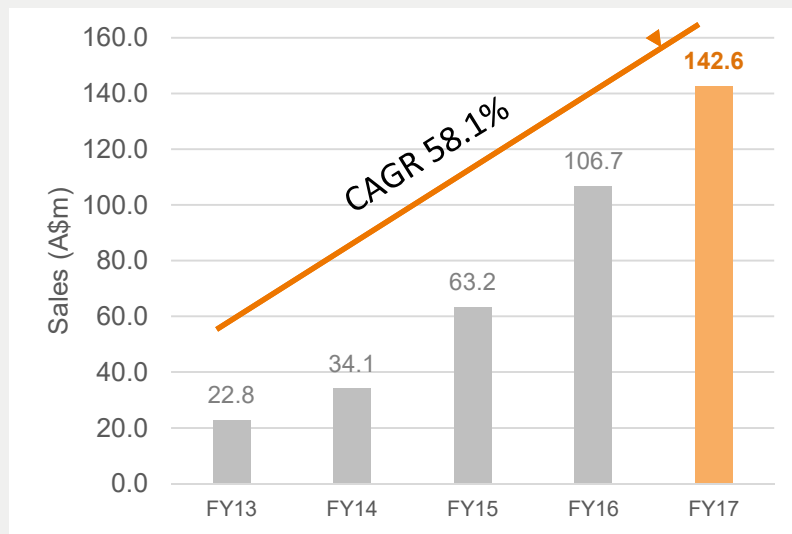
01.

COMPANY OVERVIEW

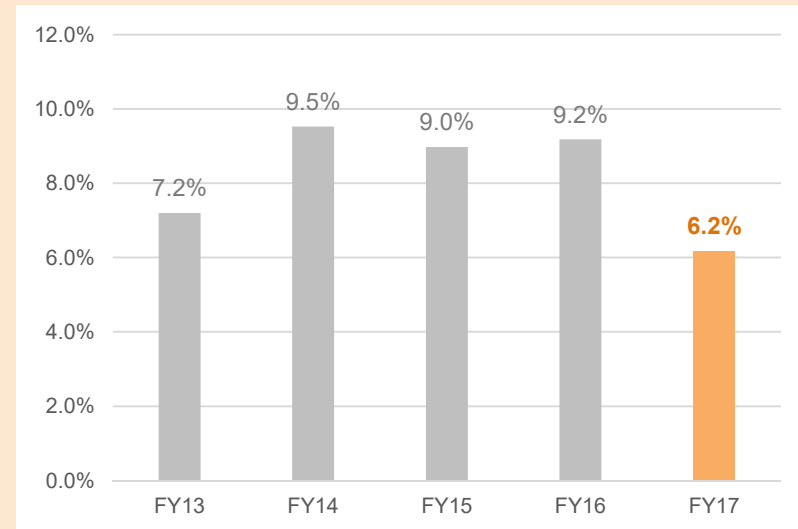
KEY PERFORMANCE TRENDS



Reported Sales (\$m)



Corporate Store like for like sales growth* (%)

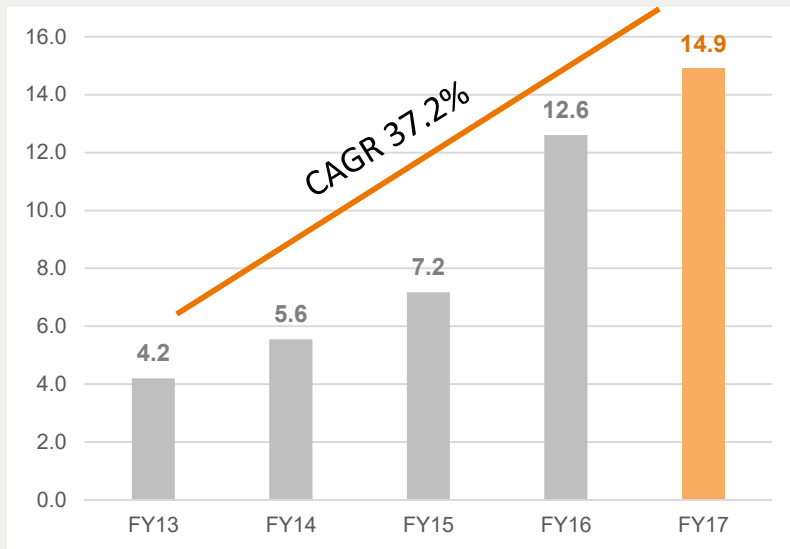


* LFL sales growth is calculated as the percentage change in total sales (including applicable online sales) in a relevant period, compared to the total sales in the prior corresponding period, excluding stores that did not trade for both the whole of the period and / or the prior corresponding period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

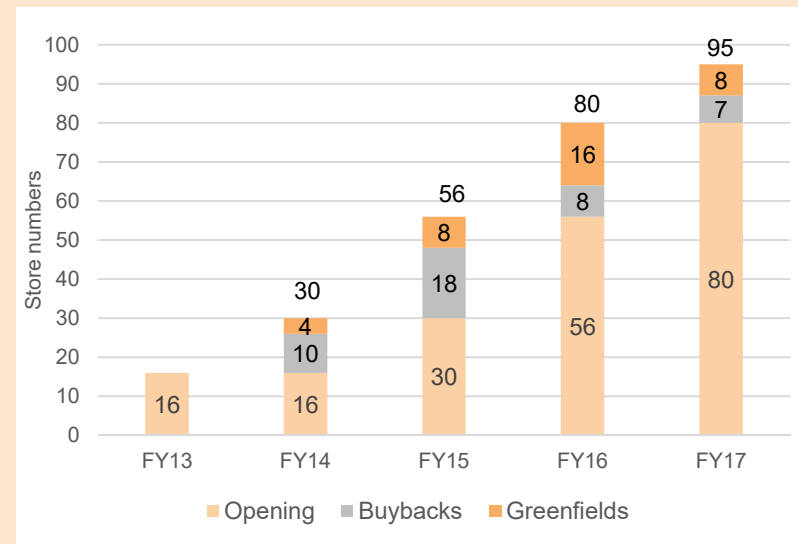
KEY PERFORMANCE TRENDS (CONT'D)



Pro forma EBITDA (\$m)



Corporate Store Profile (#)



> At 30 June each year

CORNERSTONES OF SHAVER SHOP'S BUSINESS

ESTABLISHED FOR OVER 30 YEARS



1

Specialty category leadership

- > High market share – particularly at top price points
- > 110 locations across ANZ
- > Offer all key brands in category – one-stop
- > Strong online presence and improving

2

Excellent service & product knowledge

- > Experienced leaders and buying team
- > Specialist sales and product training for store staff
- > Innovation drives the category and Shaver Shop sales priorities

3

Product innovation & exclusivity

- > 36 of top 50 products by sales are exclusive to SSG*
- > Solid and cooperative supplier relationships
- > Nimble sales approach
- > Trusted partner of key brands

4

Attractive growth category

- > Long term category growth c.6.4%**
- > Comprehensive and expanding range (innovation)
- > “In-home” (DIY) personal care growing
- > Personal beauty/uniqueness preferences growing

5

Disciplined retail execution

- > No significant pure-play competitor
- > Consistency of offer and strong site selection
- > Multi-channel flexibility
- > Proven systems & supply chain

* FY17 Shaver Shop Network Sales

**Source: Euromonitor International Limited: Personal Care Appliances in Australia 2016 Edition, CAGR from 2001 to 2015

FY2017 SNAPSHOT

Shaver Shop had a strong finish to FY2017 beating its Prospectus forecast with EBITDA up 18.0% to \$14.9 million

Sales up
33.6%
to \$142.6m



Like for Like Sales
Growth
6.2%



7 Franchise
Buybacks



Gross Profit
Margin
41.7%

EBITDA*
up 18.0%
to \$14.9m



Pro Forma
NPAT \$9.1m
up 20.7%

Final
Dividend
2.4 cps
fully franked

* Comparison is to pro forma FY16 results

03.

GROWTH PLANS & CAPITAL STRUCTURE

3 YEAR GROWTH PLANS



Organic

- > Like for like sales and earnings growth
- > Grow multi-unit reseller channel
- > c. 25-30 new stores across ANZ – FY18 to FY20 – case by case review
- > Continue online sales growth
- > Brand awareness and female category expansion
- > CRM activities and subscription program

Other

- > Franchise buybacks
- > International
- > Potential synergistic bolt-on acquisition

STRONG BALANCE SHEET & CASH FLOW



- > Low gearing – net debt of \$9.3m at 30 June 2017 (gross debt - \$11.8m)
- > \$11.2m remaining debt capacity (\$23m facility in place)
- > Net debt to EBITDA ratio – 0.6x
- > Strong operating cash flow
- > Average new store investment (inc. stock) approx. \$300-330k
- > ATO Private Ruling and associated tax deduction on Franchise Buybacks elevates cash ROIC
- > FY17 return on shareholders equity 15.4%

DISCIPLINED CAPITAL MANAGEMENT



- > Focus on maximising shareholder value in a sustainable manner
- > Amended dividend policy to payout approx. 50% of “Cash NPAT”
 - Full year dividends (interim and final) of 4.0 cents/share (100% franked) – c.47% payout ratio of Cash NPAT
- > Establishing on-market share buyback program
 - Up to 10% of outstanding shares
 - Complements dividend policy
 - Appropriate mechanism to return capital to shareholders at this time
 - Will seek to use free cash flow to complete share buyback to the extent practicable
 - Reflects confidence in business fundamentals



2107
ANNUAL GENERAL MEETING
**CEO & MD'S
ADDRESS**

Mr Cameron Fox

01.

FY17 FINANCIAL RESULTS

FINANCIAL RESULTS SUMMARY

FY17 Key highlights

- > Achieved prospectus forecast
- > Strong top line growth supported by 6.2% like for like sales growth
- > Network online sales up 9.4% to \$11.7m
- > Successful foray into multi-unit reseller channel in 2H FY17 contributed to rate of like for like sales growth
- > Pro forma EBITDA up 18.0% to \$14.9m
- > Utilised a portion of the 2H FY17 EBITDA upside to accelerate investment in on-line capabilities, IT systems, specialist expertise and targeted brand building activities
- > Pro forma NPAT up 20.7% to \$9.1m



SHAVER SHOP MET OR EXCEEDED ALL KEY PROSPECTUS MEASURES



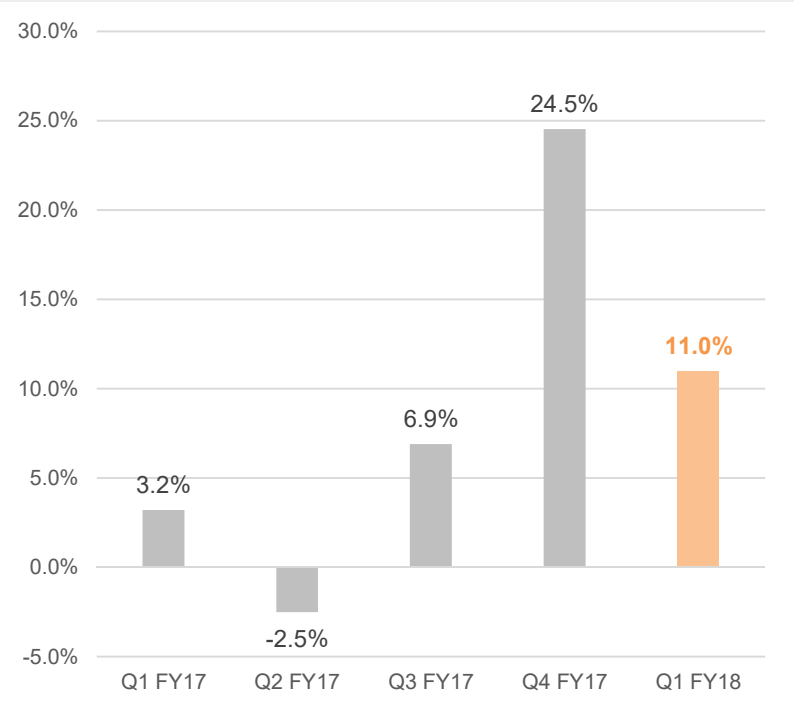
\$000's	Prospectus Forecast FY17	Pro Forma Actual FY17	Variance (\$)	Variance (%)
Sales	127,119	142,568	15,449	12.2%
Gross profit	54,379	59,473	5,094	9.4%
Gross margin %	42.8%	41.7%	(1.1%)	(2.5%)
Franchise & other income	3,664	3,570	(94)	(2.6%)
Cost of doing business (CODB)	(43,305)	(48,173)	(4,868)	11.2%
EBITDA	14,738	14,870	132	0.9%
EBITDA margin %	11.6%	10.4%	(1.2%)	(10.0%)
Depreciation and amortisation	(1,336)	(1,408)	(72)	5.4%
Net finance costs	(313)	(407)	(94)	29.9%
Income tax expense	(3,979)	(3,974)	5	(0.1%)
NPAT	9,110	9,082	(28)	(0.3%)
		-		
EPS (cents) - weighted average shares outstanding	7.3	7.3	-	-
Cash tax benefit (franchise licence termination)	1,109	1,565	456	41.1%
Cash NPAT (after adjusting for tax benefit of franchise licence termination costs - 5 year amortisation)	10,219	10,646	428	4.2%

NB. Pro forma actual FY17 EBITDA includes \$0.3m of executive bonuses – not in prospectus forecast

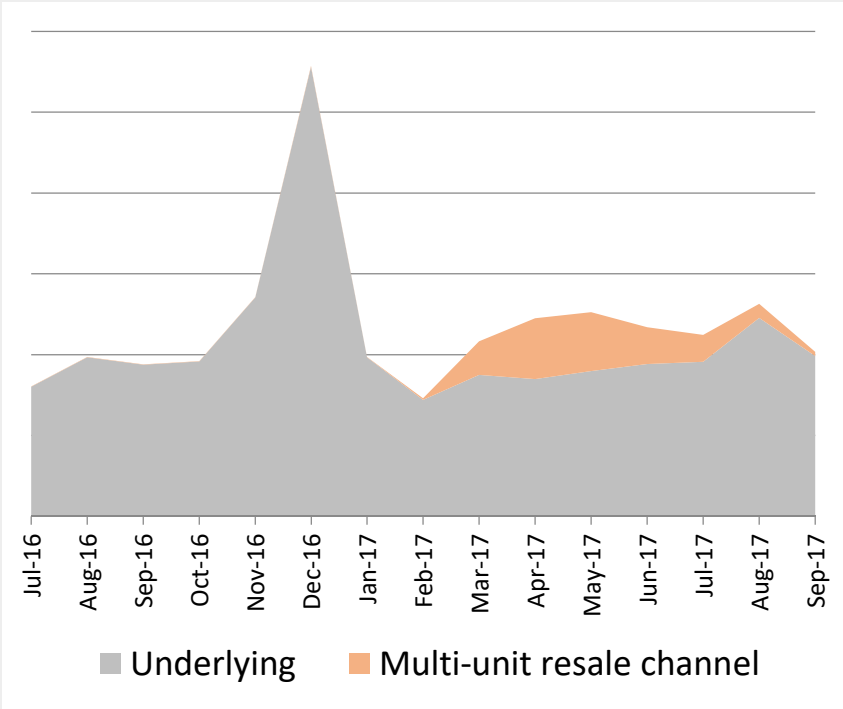
SALES TREND



Corporate Stores Quarterly like for like sales trend



Multi-unit resale channel Sales contribution



03.

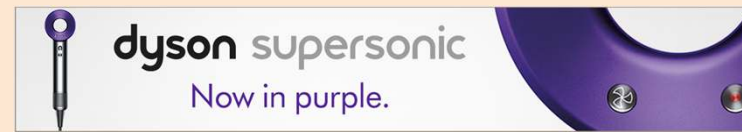
FY18 GROWTH INITIATIVES

PROMISING CHRISTMAS PROGRAM



Key category developments

- > Dyson Supersonic expected to offset Dafni comparable sales risk
- > Men's Electric Shaver Star Wars launch
- > Beard trimmer innovation
- > Wet Shave range expansion and subscription offering
- > Long Term Hair Removal – range expansion

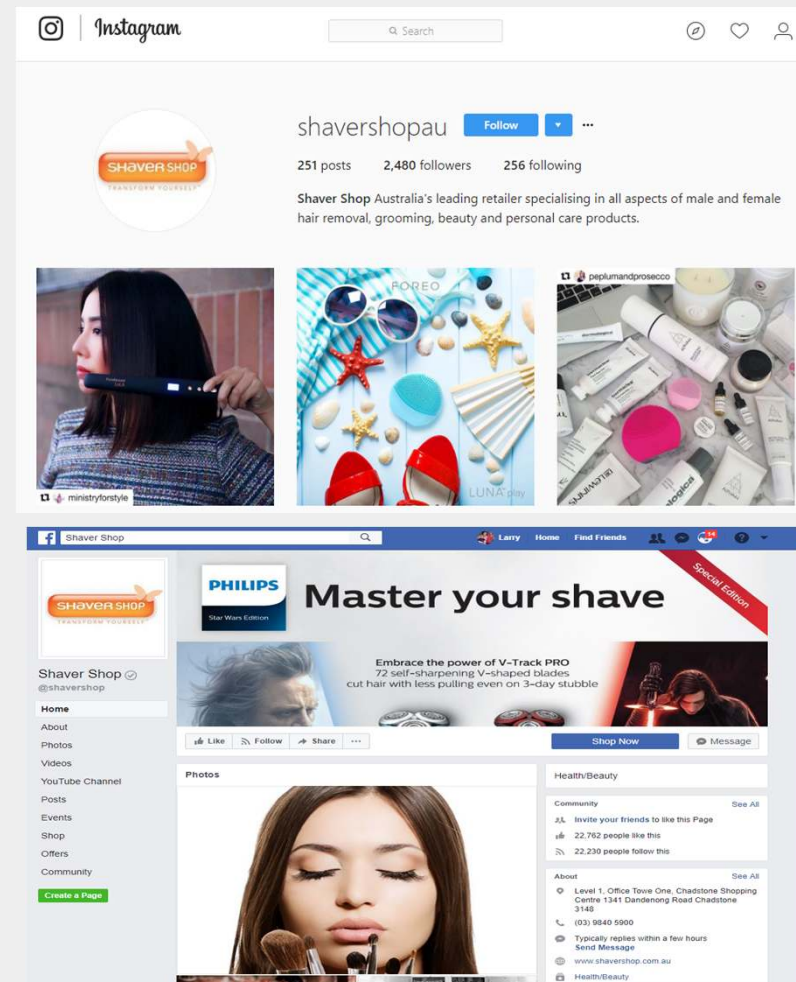


E-COMMERCE INITIATIVES



Key initiatives

- > Ongoing enhancement to range of products available online
- > Omni channel view of customer
- > Subscription offer
- > Click & collect
- > Back-office integration to POS and Australia Post
- > Personalised web campaigns
- > Increasing social media resource and focus



BRAND REALIGNMENT A BEAUTY DESTINATION 'MORE FOR HER'



Exciting range expansion with global brands



Recent developments

- > Launched Dyson Supersonic™ in Q1 FY18
- > StylPro launched exclusively in Q4 FY17
- > Dafni exclusivity retained through Christmas 2017
- > Foreo launched in Q2 FY17
- > Veet and Scholl brands launched Q2 FY17



ADDITIONAL CORPORATE STORES

Greenfield store rollout

- > 95 corporate stores at 30 June 2017
- > 7 new stores to open prior to Christmas and one in 2H FY18
- > Pilot of 200 sq m store at Belrose home maker centre
- > Targeting 20%+ Return on Capital Employed



GREENFIELD: MOUNT DRUITT, NSW



Franchise buybacks

- > The Glen, VIC completed late September
- > Erina Fair, NSW agreed to complete 31 October 17
- > Maintaining a disciplined investment approach
- > Timing of further franchise buybacks remain difficult to predict



GREENFIELD: ALBURY, NSW

MULTI-UNIT RESALE CHANNEL



Early but encouraging sales of additional lines into this channel

- > Continuing to increase knowledge about this channel
- > Cautiously optimistic of demand for broader range of product across multiple categories
- > Delivering focused marketing campaigns to key customers
- > Dedicating additional resource and investment to maximise opportunity
- > More complex supply side, demand and regulatory dynamics

03.

TRADING UPDATE & OUTLOOK

TRADING UPDATE

Like for like sales up +9.9% over first 16 weeks (to 20 October) of FY18 and approx. +3% underlying like for like sales growth (excluding multi-unit reseller channel)



- > Solid start to FY18 and promising Christmas promotional program
 - Successful Father’s Day campaign and start to October
 - Launch of Dyson Supersonic is complete and is meeting expectations to date
- > Multi-unit sales channel opportunity remains encouraging – early days
 - Supply uncertainty remains for the products sold into this channel in H2 FY17
 - Several new products have been sold into this channel albeit at significantly lower sales levels than experienced in H2 FY17.
- > Continuing to execute growth strategy
 - 8 greenfields locked-in for FY18 (7 to open prior to Christmas)
 - 2 franchise buybacks “locked” for 1H FY18 with in principle agreement (subject to legal documentation) for 2 further buybacks (4 in total)
 - Webstore enhancements continuing
- > Digital investments underway to improve operational effectiveness & support future growth
 - Foot traffic conversion solution rolled out across all stores
 - Staff sales and product training tool implemented to support 2017 Christmas program
- > Sound capital position with strong cash flows
 - Paid FY17 final dividend (100% franked) of 2.4 cents/share (4.0 cents (100% franked) for FY17)
 - On-market share buy-back of up to 10% of share capital announced



2107

ANNUAL GENERAL MEETING

ORDINARY BUSINESS

2017 ANNUAL GENERAL MEETING



REMINDER

- > **YELLOW CARDS** – voting shareholders & proxies – can ask questions
- > **BLUE CARDS** - non-voting shareholders – can ask questions (i.e. shareholder that has already voted)
- > **RED CARDS** – for visitors (cannot ask questions or vote)

CONDUCT OF A POLL



- > To be conducted at the end of the meeting following consideration and discussion of all items of business

ITEM 1. FINANCIAL REPORT



- > “To receive and consider the Financial Report, Directors’ Report and Auditor’s Report of the Company and its controlled entities for the financial year ended 30 June 2017.”
- > **Note:** *There is no vote on this item of business.*

ITEM 2. REMUNERATION REPORT



>To consider and, if thought fit, to pass the following resolution:

“That the Remuneration Report (which forms part of the Directors’ Report) in respect of the financial year ended 30 June 2017 be adopted.”

>**Note:** *This resolution is advisory only and does not bind the Directors or the Company.*

ITEM 2. REMUNERATION REPORT

PROXIES RECEIVED



Proxies Received	# votes
For:	59,645,270
Against:	7,471,455
Open:	49,834

ITEM 3. ELECTION OF DIRECTOR – MR TRENT PETERSON



>To consider, and if thought fit, to pass the following resolution:

“That Trent Peterson, in accordance with rule 66.2 of the Company’s constitution and, being eligible, offers himself for election as a Director of the Company.”

ITEM 3. ELECTION OF MR T PETERSON PROXIES RECEIVED



Proxies Received	# votes
For:	82,189,445
Against:	7,335,155
Open:	633,005

ITEM 4. ELECTION OF DIRECTOR – MRS MELANIE WILSON



>To consider, and if thought fit, to pass the following resolution:

“That Melanie Wilson, in accordance with rule 66.2 of the Company’s constitution and, being eligible, offers herself for election as a Director of the Company.”

ITEM 4. ELECTION OF MRS M WILSON PROXIES RECEIVED



Proxies Received	# votes
For:	76,635,975
Against:	12,888,625
Open:	633,005

ITEM 5. APPROVAL OF ISSUE OF SECURITIES UNDER LONG TERM INCENTIVE (LTI) PLAN TO MR CAMERON FOX, CEO AND MANAGING DIRECTOR



>To consider and, if thought fit, to pass the following resolution:

“That for the purpose of the ASX Listing Rule 10.14 and all other purposes, approval is given for the issue to the CEO and Managing Director of the Company, Mr Cameron Fox, of up to 750,000 LTI Shares as a long-term incentive on the terms and conditions and in the manner set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.”

ITEM 5. APPROVAL OF ISSUE OF SECURITIES TO MR C FOX UNDER LTI PLAN

PROXIES RECEIVED



Proxies Received	# votes
For:	78,665,252
Against:	7,793,374
Open:	631,005

SHAVER SHOP 2017 ANNUAL GENERAL MEETING

THANK YOU

