SHAVER SHOP
TRANSFORM YOURSELF™

Shaver Shop Group Limited

1H FY18 RESULTS

INVESTOR PRESENTATION

23 February 2018

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01.

KEY BUSINESS HIGHLIGHTS

1H FY18 SNAPSHOT

Like for like sales up 5.5%, and normalised cash NPAT up 16.9% to $8.1m

Sales up
19.0%
to $93.4m

Like for Like Sales Growth
+5.5%

4 Franchise Buybacks

Norm.* Gross Profit Margin
41.5%

Norm.* EBITDA*
up 16.3%
to $11.7m

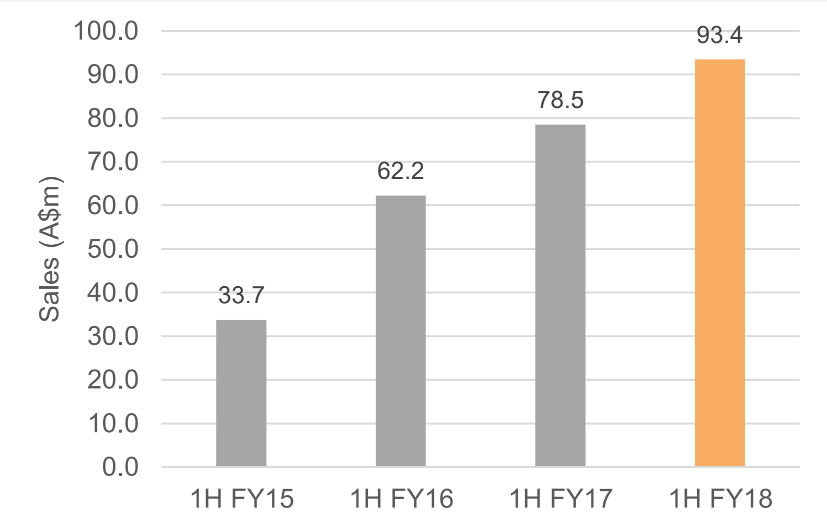
Normalised Cash NPAT $8.1m
up 16.9%

Interim Dividend
1.8 cps
fully franked

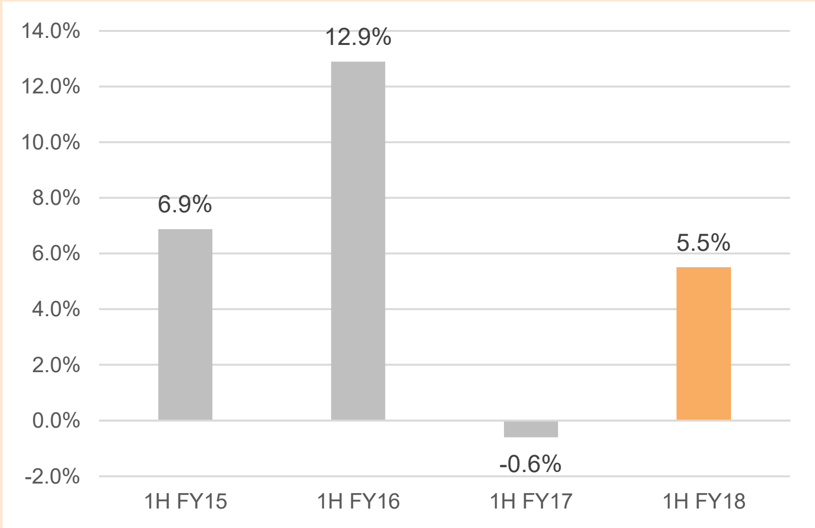
* 1H FY18 reported results adjusted for one-off impact of supplier liquidations. A reconciliation of the reported to normalised result is provided in the Appendix to this presentation.

PERFORMANCE TRENDS

Sales up 19% to $93.4m



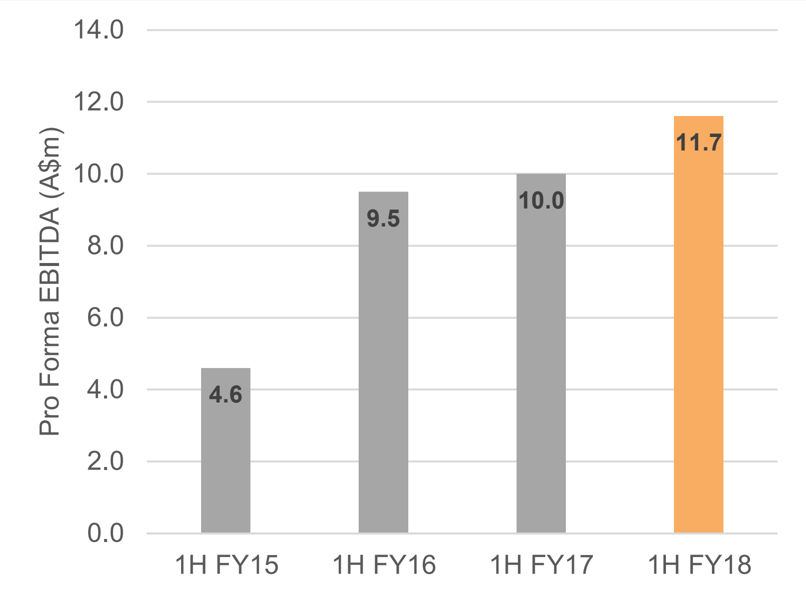
Corporate Store like for like sales return to growth*, at 5.5%



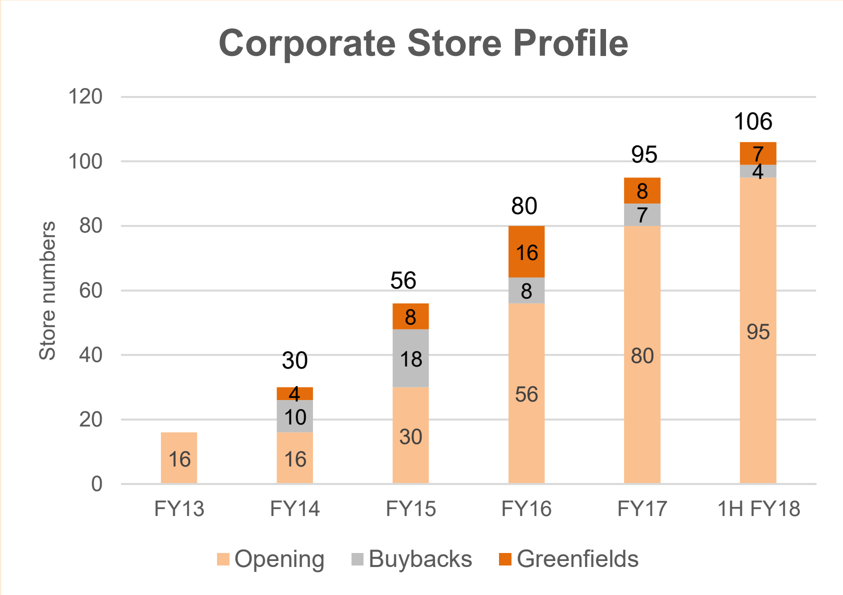
* LFL sales growth is calculated as the percentage change in total sales (including applicable online sales) in a relevant period, compared to the total sales in the prior corresponding period, excluding stores that did not trade for both the whole of the period and / or the prior corresponding period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

PERFORMANCE TRENDS (CONT'D)

Norm. EBITDA up 16.3% to $11.7m

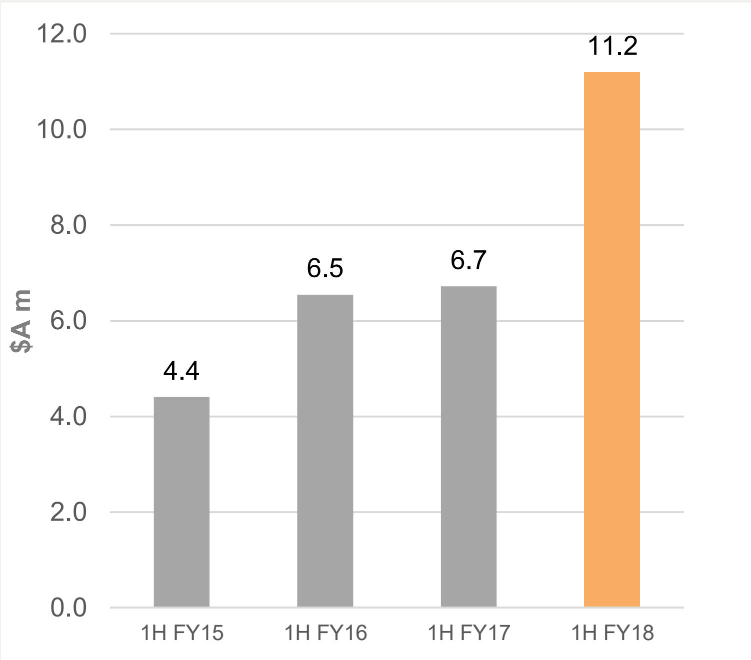


Corporate stores up to 106



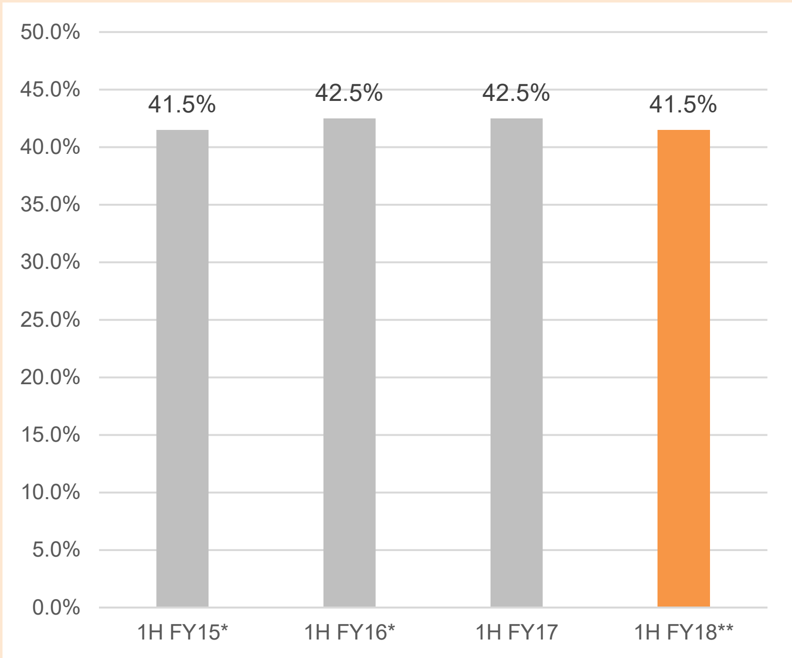
PERFORMANCE TRENDS (CONT'D)

Websales[1] up 66.6% to $11.2m – now c.10% of total sales



[1] Reflects Total Network Websales (Corporate Store and Franchise Store)

Gross margin % declined c.100 bps in 1H FY18



*1H FY15 and 1H FY16 gross margin result reflects pro-forma actuals (as per Prospectus)
** 1H FY18 gross margin results reflects normalised result

02.

FINANCIAL RESULTS

1H FY18 VS 1H FY17

Normalised* cash NPAT up 16.9% to $8.1m driven by 19.0% sales growth and 16.3% growth in normalised EBITDA

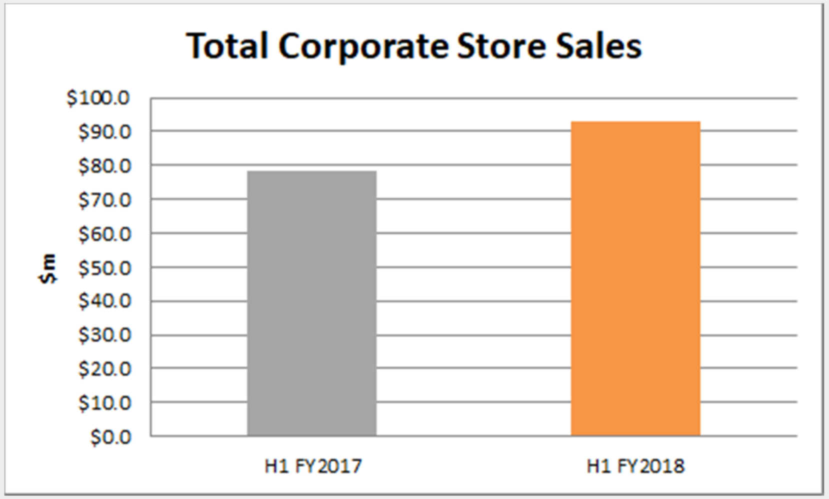
$000's	Reported 1H FY17	Normalised* 1HFY18	Variance ($)	Variance (%)
Sales	**78,481**	**93,426**	**14,945**	**19.0%**
Gross profit	**33,324**	**38,755**	**5,430**	**16.3%**
Gross margin %	42.5%	41.5%	(1.0%)	(2.4%)
Franchise & other income	1,996	1,284	(712)	(35.7%)
Cost of doing business (CODB)	(25,297)	(28,378)	(3,081)	12.2%
EBITDA	**10,024**	**11,660**	**1,637**	**16.3%**
EBITDA margin %	12.8%	12.0%	(0.8%)	(6.4%)
Depreciation and amortisation	(670)	(1,010)	(340)	50.8%
Net finance costs	(229)	(262)	(33)	14.6%
Income tax expense	(2,825)	(3,165)	(340)	12.0%
NPAT	**6,300**	**7,224**	**924**	**14.7%**
Normalised basic EPS (cents) - weighted avg shares outstanding	**5.0**	**5.8**	**0.7**	**14.8%**
Franchise buyback tax benefit	640	890	250	39.1%
Cash NPAT (after adjusting for tax benefit of franchise licence termination costs - 5 year amortisation)	**6,940**	**8,114**	**1,174**	**16.9%**

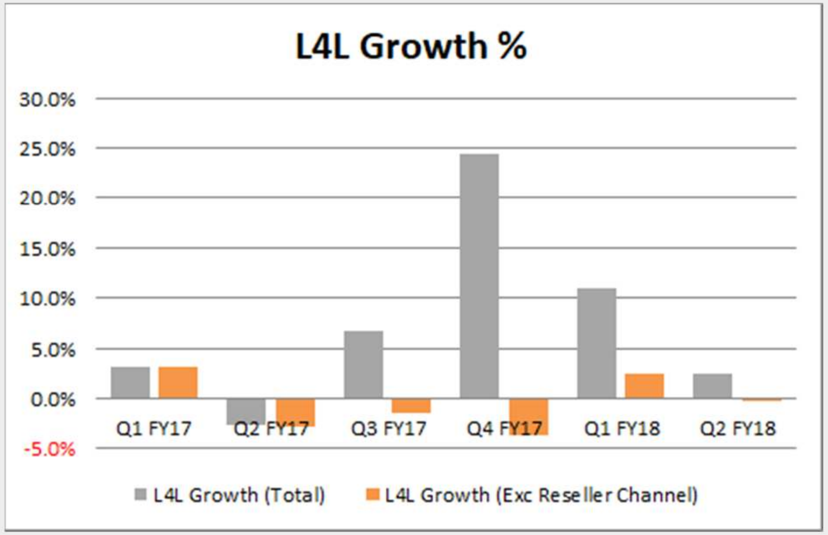
> Actual cash tax paid in FY18 will be significantly lower than accounting income tax expense due to ATO Private Ruling allowing franchise termination right value coming from Franchise Buybacks to be deductible over 5 years. Forecast cash benefit in FY18 – $1.78m.

* 1HFY18 results have been normalised for the one-off impact of a supplier liquidation that resulted in the write-off of $337k in marketing and rebates receivable as well as $154k in stock (total impact $491k). A reconciliation of reported to normalised results is provided in the Appendix to this presentation.

TOTAL SALES UP 19.0%

- Total sales up 19.0% to $93.4 million; LFL sales growth of 5.5%
  - Underlying Corporate Store LFL sales growth (exc. multi-unit reseller channel) of +0.7%
- Total sales growth driven by LFL sales growth and 13 additional Corporate Stores
- December LFL sales and margins were soft leading to underlying LFL sales decline in Q2 FY18 (-0.3%)
- Corporate Stores outperformed Franchise Stores during the half
- Total network websales were up 66.6% (to c. 10% of total sales) due to website enhancements and strong contribution from expanded marketplace offering
- Multi-unit reseller channel contribution continued to decline from Q1 through Q2 FY18
- Strong sales growth from Female Beauty, Hair Cutting (Trimmers) and Power Oral Care, offset category weakness in Hair Styling and Long Term Hair Removal solutions





GROSS PROFIT GROWTH

Normalised gross profit increased 16.3% to $38.8 million. Strong sales growth was offset partially by c.100 basis point reduction in gross margin %

Growth in gross profit $, while margin % contracted:

> Significant growth in Female Beauty category (up 389%) – lower than average margins relative to company average

> Growth in Power Oral Care category

> Stronger growth in product sales with suppliers that have lower average margins (in part driven by supplier innovation cycle)

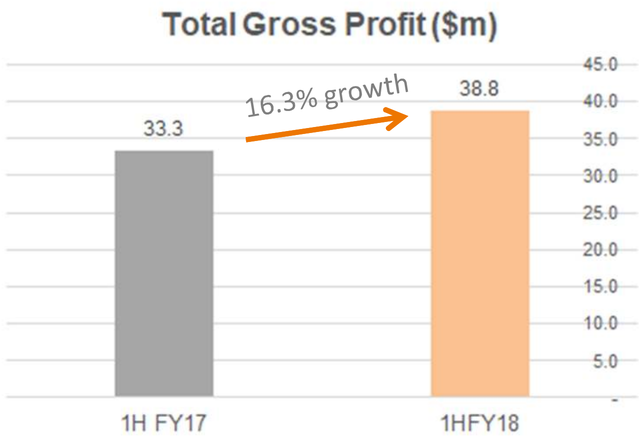
> Multi-unit reseller channel sales in 1H FY18 (volume discounts)

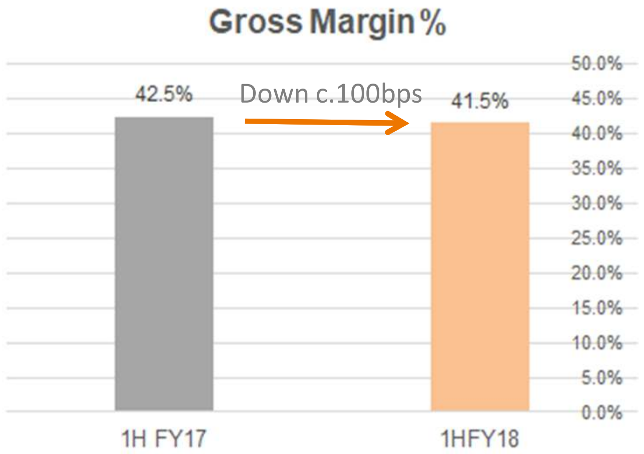
> Lower than expected sales contribution from Mens Electric Shavers

> Increased promotional activity in December:

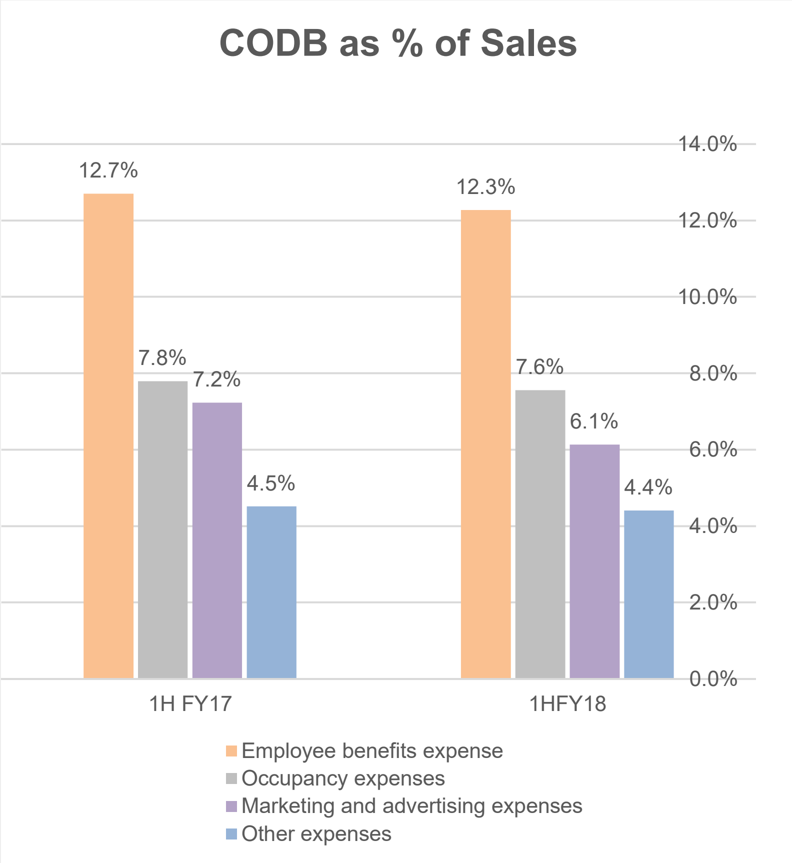
 – Mens Electric Shavers – Star Wars range

 – Hair Styling - Dafni





IMPROVED COST OF DOING BUSINESS



CODB% down to 30.4% (PCP: 32.2%)

> Normalised* CODB decreased c.180 bps to 30.4% of sales in 1H FY18

> Marketing and head office employment costs scaling across a larger corporate store footprint

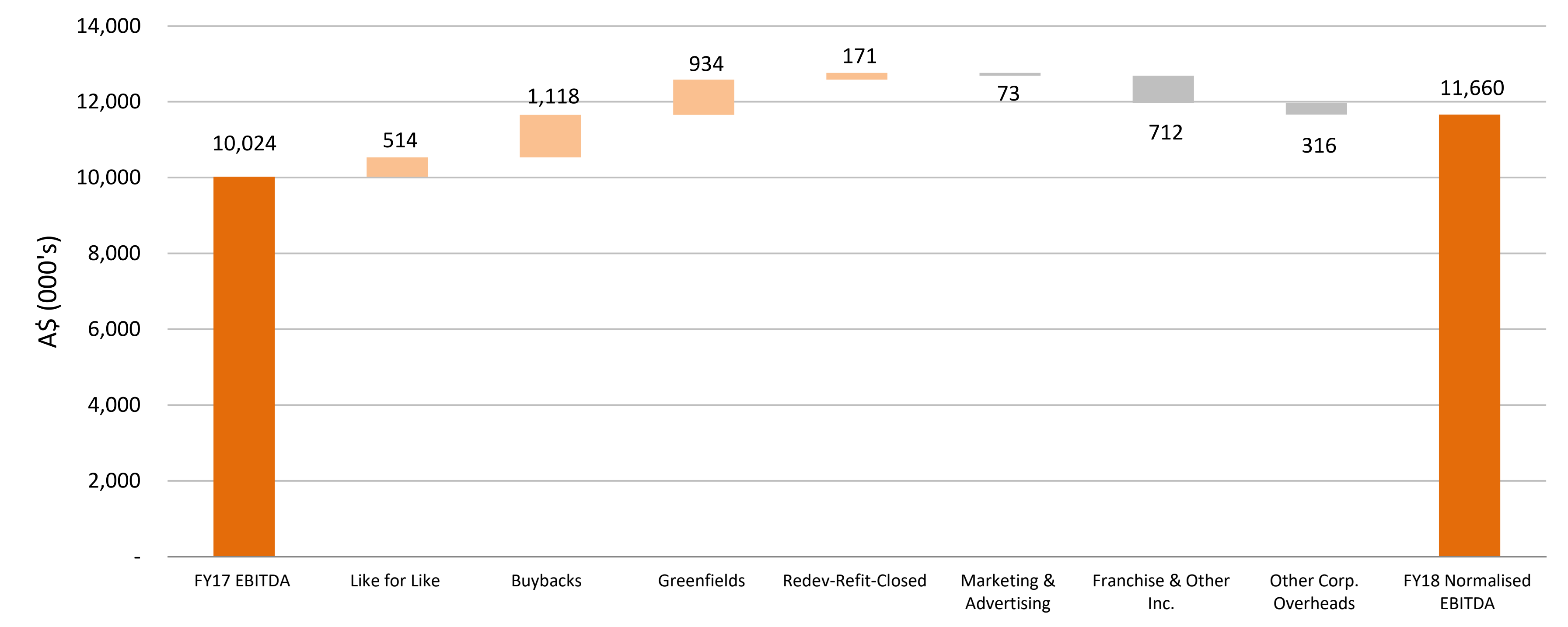
> Occupancy costs relatively flat

– focus on ensuring rent renewals are reflective of changing foot traffic patterns within shopping centres

* Normalised to exclude bad debt provision related to supplier liquidation in 1H FY18 ($337k)

EBITDA BRIDGE

Normalised EBITDA increased 16.3% to $11.7m. Buyback and greenfield stores were strong contributors in the half.



- LFL store EBITDA up $514k - sales growth of 5.5% offset by decline in norm. GP% c. -100 bps
- Franchise buybacks delivered $1.1m incremental EBITDA
- Greenfields delivered $934k incremental EBITDA
- Franchise & Other income decline reduced number of franchises in network and associated royalties
- Achieving operating cost leverage in Marketing & Advertising and Head Office Employment costs

STRONG BALANCE SHEET

$000's	Statutory 31-Dec-16	Statutory 30-Jun-17	Statutory 31-Dec-17
Cash	14,852	2,389	9,510
Inventory	31,063	29,123	36,625
Other assets	54,804	56,341	62,688
Total assets	**100,718**	**87,853**	**108,823**
Trade payables	31,070	13,014	33,421
Interest bearing liabilities	7,324	11,824	7,324
Other liabilities	2,859	3,932	3,459
Total liabilities	**42,374**	**28,770**	**46,119**
Net assets	**58,344**	**59,083**	**62,702**

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Low gearing and high liquidity

- Net cash of $2.2m at 31 Dec 17
- $15.7m of unutilised debt capacity
- Increase in inventory (+$5.6m):
  - 13 additional Corporate Stores (c.$4.5m)
  - Softer December sales than forecast
  - Offset by one-off stock investment in pcp due to Philips' terms renegotiation
- Expect inventory to normalise to c.$250k per store by 30 June 2018

STRONG CASH FLOW GENERATION

$'000	1H FY17	1H FY18	Variance ($)
EBITDA	10,023	11,169	1,146
Change in working capital and other	6,236	12,008	5,772
Income tax payments	(1,154)	(1,409)	(255)
Net cash flow from operating activities	**15,105**	**21,769**	**6,663**
Payments for franchise store buy backs	(2,859)	(4,644)	(1,785)
CAPEX (net of landlord contributions)	(1,895)	(1,854)	41
Net cash flow before financing activities	**10,351**	**15,271**	**4,919**
Net finance costs	(229)	(262)	(33)
Dividends paid	-	(3,010)	(3,010)
Share buy-back	-	(378)	(378)
IPO related transaction costs	(1,804)	-	1,804
Borrowings drawdown / (repayment)	2,200	(4,500)	(6,700)
Net cash flow	**10,518**	**7,121**	**(3,397)**
Opening Cash Position	**4,334**	**2,389**	
Closing Cash Position	**14,852**	**9,510**	

Operating cash flow up 44% to $21.8m

> H1 is seasonally strong due to extended Christmas trading terms

> Strong operating cash flow enabled:

- Purchase of 4 franchise stores
- 7 new greenfield stores and investments in technology transformation initiatives
- $3.0m fully franked dividend
- $4.5m bank debt repayment
- Commencement of on-market share buy-back

RETURN AND CAPITAL RATIOS

	Actual 1H FY17	Actual 1H FY18
Number of corporate stores	93	106
Norm. earnings per share (EPS) - cents	5.0	5.8
Norm Cash EPS - cents	5.5	6.5
Pro Forma net cash ($A m)	7.5	2.2
Leverage ratio (avg. net cash (debt) / MAT EBITDA)	0.3	(0.2)
Interim dividend - fully franked (cents)	1.6	1.8

Strong capital position

> Significant debt covenant headroom

> Low gearing

> Norm Cash EPS up 17.0%

> 1H FY18 interim dividend up 12.5% to 1.8 cps fully franked (pcp: 1.6cps)

> Dividend policy - payout of approximately 50% of "Cash NPAT" (i.e. after adjusting for tax benefit from franchise licence termination deduction)

03.

KEY GROWTH DRIVERS

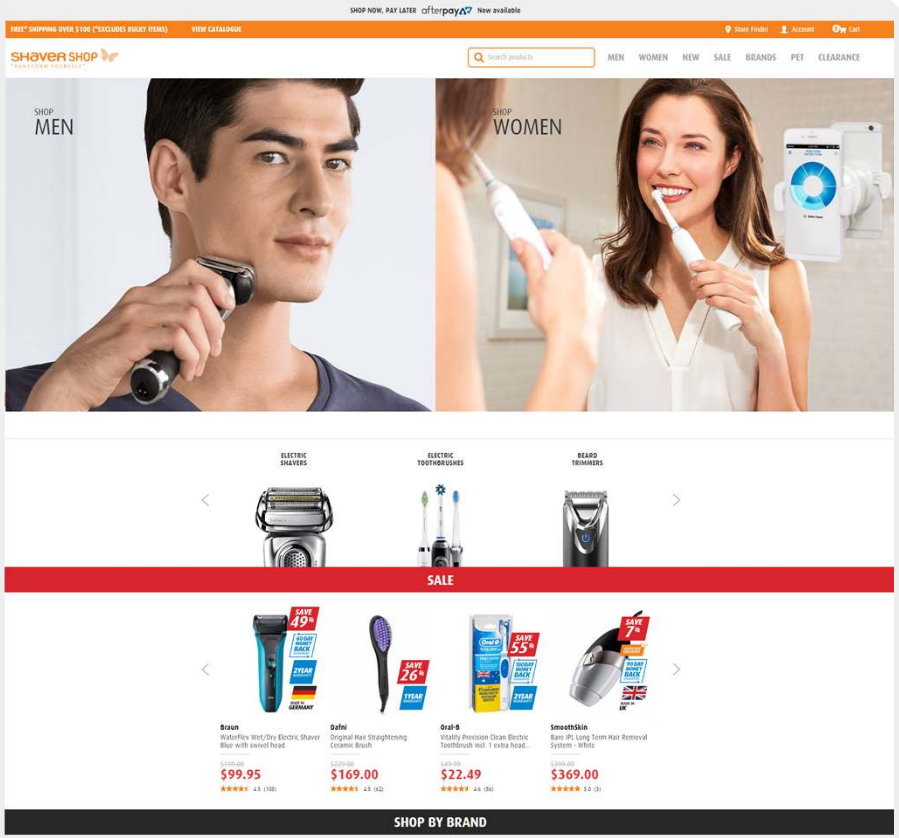
STRONG WEBSALES GROWTH UP 66.6%

> Ongoing investments in our digital platform to enhance the way customers engage with Shaver Shop:
  - Improved user experience including single click checkout
  - Customer product reviews & ratings
  - Buy-now pay later options
  - Click & collect trial
  - Broadened marketplace offering
  - Cart abandonment follow up
  - Enhanced e-mail campaigns
  - Search engine optimisation
  - New Zealand site upgrade

> Websales now represent c.10% of network sales

> Soft launch of subscription program in H1 FY18

> Creating a seamless multi-channel platform for our customers to shop with us anytime, anyway remains a key strategic imperative



TECHNOLOGY TRANSFORMATION INITIATIVES

- Shaver Shop is implementing technology solutions to drive sales growth, improved customer experience as well as operating efficiency
- A number of projects underway:
  - Launching new CRM for omnichannel view of customer in H2 FY18
  - Implemented new foot traffic monitoring system in H1 FY18 to drive increased customer conversion and improve knowledge of customer traffic patterns
  - In-store automation of buy-now pay later option that is currently available online
  - Enhanced demand planning and procurement solution
  - Automation of previous manual processes to drive operational efficiencies across the business

EXCEPTIONAL GROWTH IN FEMALE CATEGORIES

- Female beauty category up c.388% and now represents c.8% of corporate sales
  - Strong sales of Stylpro in lead up to Christmas
  - Foreo supply remains constrained
- Launched Dyson Supersonic™ in Q2 FY18
  - Hair Styling category sales declined 25% (LFL)
  - Dyson sales did not offset price and volume decline in Dafni
- Maintaining focus on increasing relevance to female customers
- Exciting new brand announcements expected in H2

NEW (GREENFIELD) STORE ROLLOUT

7 GREENFIELD STORES OPENED IN 1H FY18

> Greenfield stores overall are meeting returns target

> Continuing to refine new store formats

> 1 new store committed in late H2 FY18 – Bundaberg (NSW)

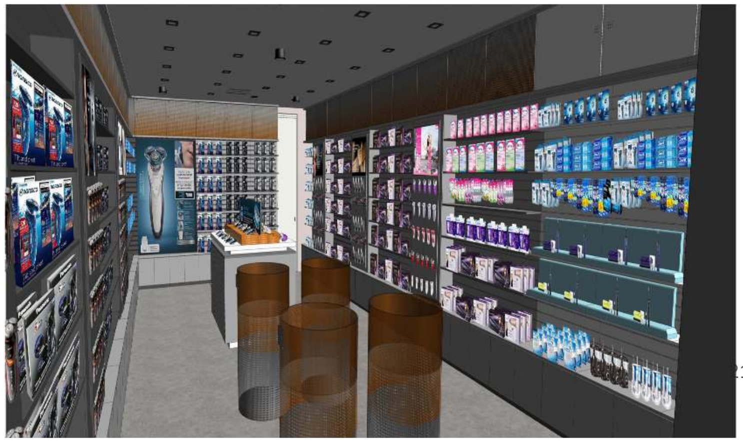
> Belrose site – further time required to determine larger store format and home maker centre potential

> 25 stores remain in maturity phase (<24 months old) as at 31 December 2017

> Total network on track for 116 stores by 30 June 2018

– 110 in Australia (9 franchises)

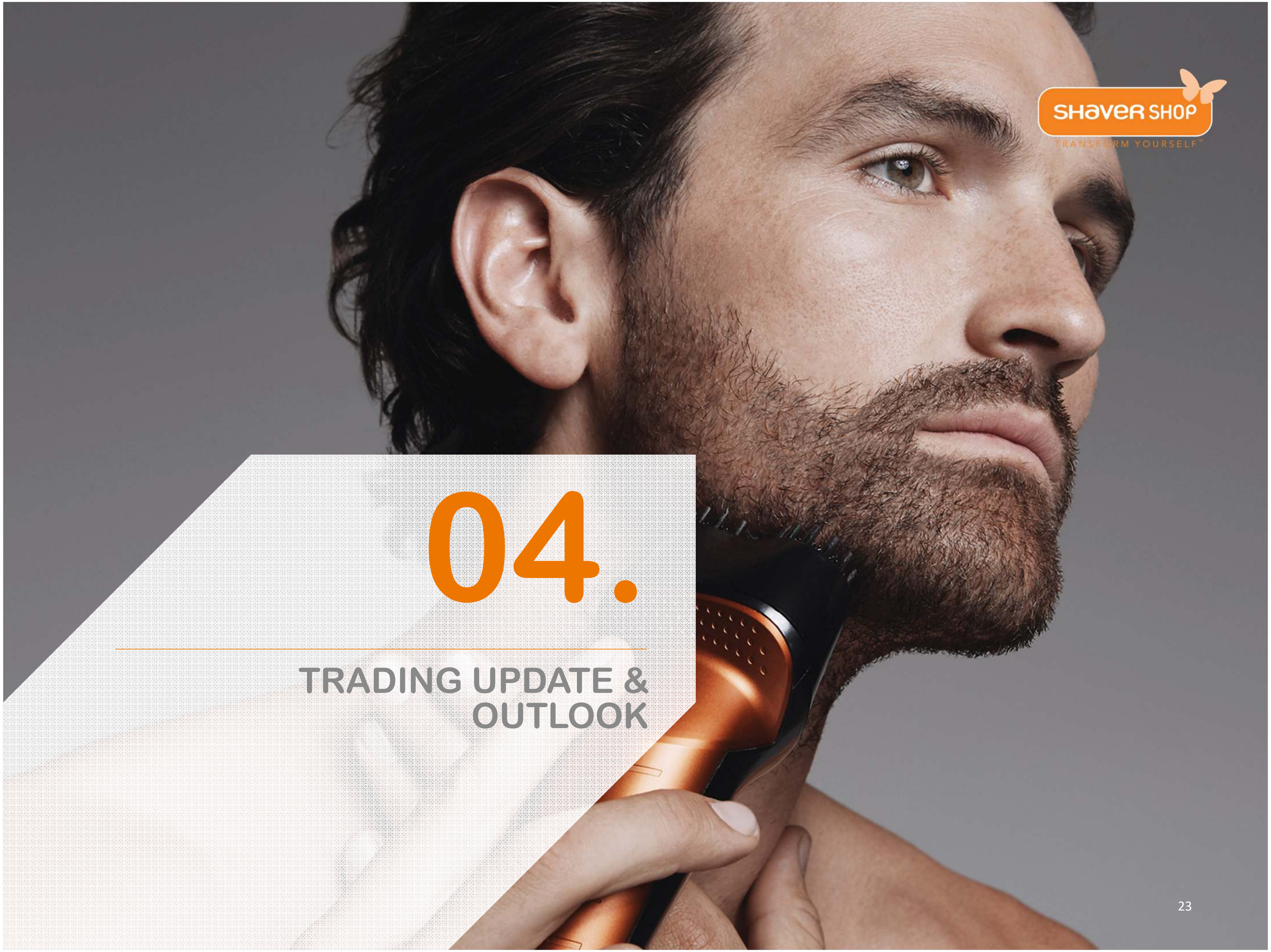
– 6 in New Zealand



FRANCHISE BUYBACKS

4 franchise buybacks completed in H1 FY18

- 9 franchises remaining in store network (4 owners)
- Penrith Plaza (NSW), Bankstown (NSW) acquired in late November 2017
- Remaining franchise stores are amongst the largest stores (by sales) and well run making it more difficult to buyback at attractive multiples
- Will retain a disciplined, ROI-based, investment approach



04.

TRADING UPDATE & OUTLOOK

TRADING UPDATE

- Total like for like sales growth of +0.8% for the period 1 January to 15 February 2018 (Underlying LFL sales down -0.3%)
- Sales and margin softness experienced in December continued in January
  - Total Corporate Store LFL sales declined -0.8% in January (Underlying LFL sales down -1.1%)
  - Sales softness in higher margin Mens Electric Shavers and Long Term Hair Reduction categories
  - Promotional activity undertaken to achieve optimal stock levels during higher traffic periods
  - Female Beauty and Power Oral Care continue to perform well (lower than average GP margins)
- Improving performance in February with total like for like sales growth in-line with target (to 15 Feb). Gross margins have improved in February but still slightly below target.
  - Total like for like sales up +4.8% (Underlying like for like sales up +1.7%) – to 15 Feb
- Negotiated strong promotional campaigns with major suppliers for H2 FY18
- Reduced average stock levels per store to c.$275k at mid Feb 2018

KEY INITIATIVES IN H2 FY18

1. Major new supplier launch (Q4)
2. Launch of fully functioning CRM and omni-channel customer view
3. Continued expansion across female beauty category – including launch of own brand range
4. Introduction of buy-now pay later option in-store (Q4)
5. Technology transformation project
6. Phase II of subscription program
7. Continued investment across e-commerce imperatives

SUMMARY & OUTLOOK

Summary

> Strong H1 financial results, even with weak December

> Maintaining customer focus and investing further to enhance in-store and online experience as well as drive productivity

> Increased relevance to female customers, albeit some high growth lines are at lower than average margins and changing sales mix is reducing GP margins

> Major supplier addition contracted for Q4 FY18 launch

> 1.8 cent fully franked interim dividend

FY18 Outlook

> Start to 2H FY18 trading has been softer than expected but improving through February

> Begin cycling significantly higher comparative sales results in late February due to prior year contribution from multi-unit reseller channel

> Having regard to recent trading results and evolving category mix, FY18 normalised EBITDA is expected to be in the range between $13.0 and $15.5 million

05.

APPENDICES

1H FY18 KEY HIGHLIGHTS

Solid like for like sales and earnings growth in 1H FY18 in a challenging December retail environment

Store sales	• **Total Sales up 19.0%** to $93.4m on prior corresponding period (pcp) • 1H FY18 **LFL Corporate Store Sales growth +5.5%** (pcp -0.6%), Franchise +0.8% (pcp +0.4%) • **YTD network web sales growth +66.6%** on the back of continued investments in e-commerce capability • 7 new greenfield stores launched in 1H FY18
Earnings	• **Normalised EBITDA up 16.3% to $11.7m** in 1H FY18 (pcp $10.0m) • **Normalised gross profit margin 41.5%** (pcp – 42.5%) down c.100 bps (product/category mix & multi-unit sales) • Normalised **Cost of Doing Business 30.4% of sales** (pcp – 32.2%) down c.180 bps • **Normalised cash NPAT $8.1m up 16.9%** (pcp - $6.9m)
Growth	• **Net CAPEX - $1.9m** - opened 7 new greenfield sites, ongoing e-commerce and technology investments • **Completed 4 franchise buybacks** – net investment $4.5m (including net working cap) • **Moderation in "Multi-unit" reseller channel contribution** (versus 2H FY17) • **Omni-channel technology transformation continuing** across CRM, e-commerce, finance & operations
Capital Structure	• **1H FY18 operating cash flow up 44% to $21.8m** (pcp $15.1m) • **Net cash $2.2m** at 31 December 2017 (gross debt $7.3m) • **Low gearing** – gross debt $7.3m following $4.5m debt repayment in 1H FY18 • **Interim dividend up 12.5% – 1.8 cents per share fully-franked** (pcp 1.6 cents per share fully franked) • **On-market share buyback announced in Oct 2017**

Variances refer to FY17 actual and pro forma (where applicable) results compared to pro-forma FY16 results

KEY PERFORMANCE METRICS

	Reported 1H FY17	Normalised 1H FY18
Number of corporate stores	93	106
Number of franchise stores	15	9
Total stores	108	115
Corporate store sales ($'000)	78,481	93,426
Franchise store sales ($'000)	19,801	13,997
Total network sales ($'000)	98,282	107,423
Corporate store LFL sales growth %	-0.6%	5.5%
Franchise store LFL sales growth %	0.4%	0.8%
Corporate store sales growth %	26.2%	19.0%
Gross profit margin %	42.5%	41.5%
Employee benefits expense as a % of sales	12.7%	12.3%
Occupancy expenses as % of sales	7.8%	7.6%
Marketing and advertising expenses as % of sales	7.2%	6.1%
EBITDA margin	12.8%	12.0%
EBIT margin	11.9%	11.4%

NORMALISED P&L 1H FY18

$A 000s	Reported 1HFY18	Normalisation	Normalised 1H FY18
Sales	**93,426**		**93,426**
Cost of goods sold	(54,826)	154	(54,672)
Gross profit	**38,601**	**154**	**38,755**
Gross margin %	***41.3%***		***41.5%***
Franchise and other revenue	**1,284**		**1,284**
Employee benefits expense	(11,466)		(11,466)
Occupancy expenses	(7,062)		(7,062)
Marketing and advertising expenses	(5,732)		(5,732)
Other expenses	(4,456)	337	(4,119)
Overhead expenses	**(28,715)**	**337**	**(28,378)**
EBITDA	**11,169**	**491**	**11,660**
EBITDA margin	***12.0%***		***12.5%***
Depreciation and amortisation	(1,010)		(1,010)
EBIT	**10,159**	**491**	**10,650**
Net finance costs	(262)		(262)
Profit before income tax	**9,898**	**491**	**10,389**
Income tax expense	(3,018)	(147)	(3,165)
NPAT	**6,880**	**344**	**7,224**
Basic EPS (cents) - weighted avg shares	**5.5**	**0.3**	**5.8**

- In September 2017, two of Shaver Shop's new suppliers (the suppliers were related parties) went into liquidation
- Shaver Shop was owed $337k by the supplier and had c.$154k of stock on hand. Both of which have been fully provided for in Shaver Shop's reported 1H FY18 results.
- In its 31 year history, this type of loss is unprecedented both in its nature as well as its quantum.

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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.

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1H FY18 RESULTS
INVESTOR PRESENTATION

THANK YOU