



Shaver Shop Group Limited

2018 ANNUAL GENERAL MEETING

21 November 2018

IMPORTANT NOTICE & 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.

Normalised and pro forma financial information

This Presentation contains normalised financial information. The normalised 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 normalised 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.

TABLE OF CONTENTS

1

Introduction

2

Chairman's
address

3

CEO & MD's
address

4

Items of
business

1

INTRODUCTION

BOARD MEMBERS



Board Members

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

Other representatives

- Larry Hamson – CFO & Company Secretary
- Daniel Rosenberg – PwC Audit Partner



HOUSEKEEPING ITEMS



Admittance Cards

YELLOW CARDS – voting shareholders & proxies

BLUE CARDS – non-voting shareholders (i.e. shareholder that has already voted)

RED CARDS – for visitors

2

CHAIRMAN'S ADDRESS

BRODIE ARNHOLD

FY 2018 HIGHLIGHTS

**121 specialty
stores across ANZ**



**World Class In-store
Customer Service
NPS > 80**



**38 of top 50
products are
exclusive**



**Net debt \$8.4m
at 30 June 18**

**Brand
Awareness
87%**



**Fully franked
dividends of 4.2
cents per share**



**Operating cash flow
up 197% to
\$15.5m**



**Underlying
Corporate Store
L4L growth +1.6%**



3

CEO & MD'S ADDRESS

CAMERON FOX

2018 PERFORMANCE



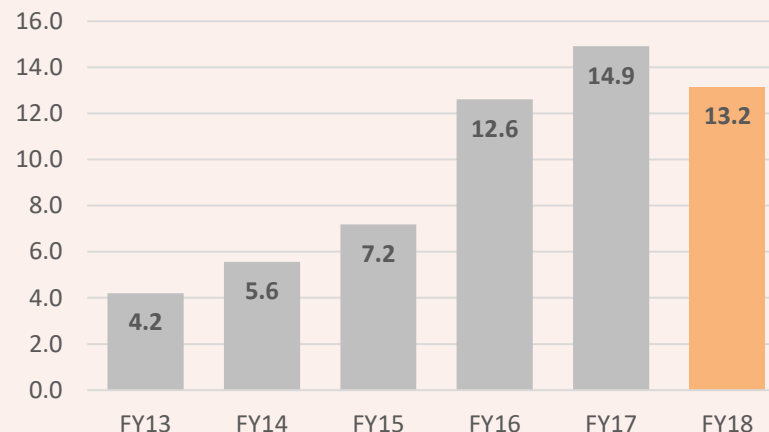
\$ millions	Pro Forma ¹	Normalised ²	Variance ³	Variance
	FY17	FY18	(\$)	(%)
Sales	142.6	154.9	12.4	8.7%
Gross profit	59.5	64.2	4.7	7.9%
Gross margin %	41.7%	41.4%	(0.3%)	(0.7%)
Franchise & other income	3.6	2.0	(1.5)	(43.3%)
Cost of doing business (CODB)	(48.2)	(53.0)	(4.9)	10.1%
EBITDA	14.9	13.2	(1.7)	(11.5%)
EBITDA margin %	10.4%	8.5%	(2.6%)	(24.6%)
Depreciation and amortisation	(1.4)	(2.1)	(0.6)	45.8%
Net finance costs	(0.4)	(0.5)	(0.0)	10.8%
Income tax expense	(4.0)	(3.4)	0.6	(14.3%)
NPAT	9.1	7.2	(1.8)	(20.2%)
Normalised basic EPS (cents) - weighted avg shares outstanding	7.3	5.8	(1.4)	(19.6%)
Franchise buyback tax benefit (\$m)	1.6	1.8	0.2	14.3%
Cash NPAT (after adjusting for tax benefit of franchise licence termination costs - 5 year amortisation)	10.6	9.0	(1.6)	(15.1%)
Normalised Cash EPS (cents)	8.5	7.3	(1.2)	(14.5%)

¹ Pro forma removes IPO relates costs (\$87k tax expense from FY17 reported results)

² Full description of normalisation adjustments are outlined in the Directors Report as well as in the Appendix to the FY2018 results presentation dated 23 Aug 18

³ Minor mathematical variances are due to rounding

Normalised EBITDA (\$m)



- Total sales up 8.7% to \$142.6m
 - Underlying (exc. Daigou) L4L sales growth +1.6%
 - Online sales up +47%
- FY18 EBITDA below FY17 due to
 - Lower net contribution from Daigou channel
 - Margin compression due in part to clearance activities in Hair Styling to make way for ghd range and realise slower moving lines
- Operating cash flow \$15.5m

KEY PRIORITIES



1. Leading omni-retail capabilities
 - Online now represents c.10% of total sales
 - Consistent customer engagement
 - New CRM and associated loyalty and targeting capabilities
2. Passionate and high performing teams
 - Ongoing specialist product and sales training
 - Recruit and retain talent across the business
3. Product innovation and exclusivity
 - Strong supplier relationships
 - Maintain and grow exclusive opportunities
4. Evolving and engaging in-store experience
 - Continue to trial and adapt in-store experience to inspire and engage our customers
5. New stores and franchise buy-backs
 - Maintain disciplined approach



TRADING UPDATE & OUTLOOK

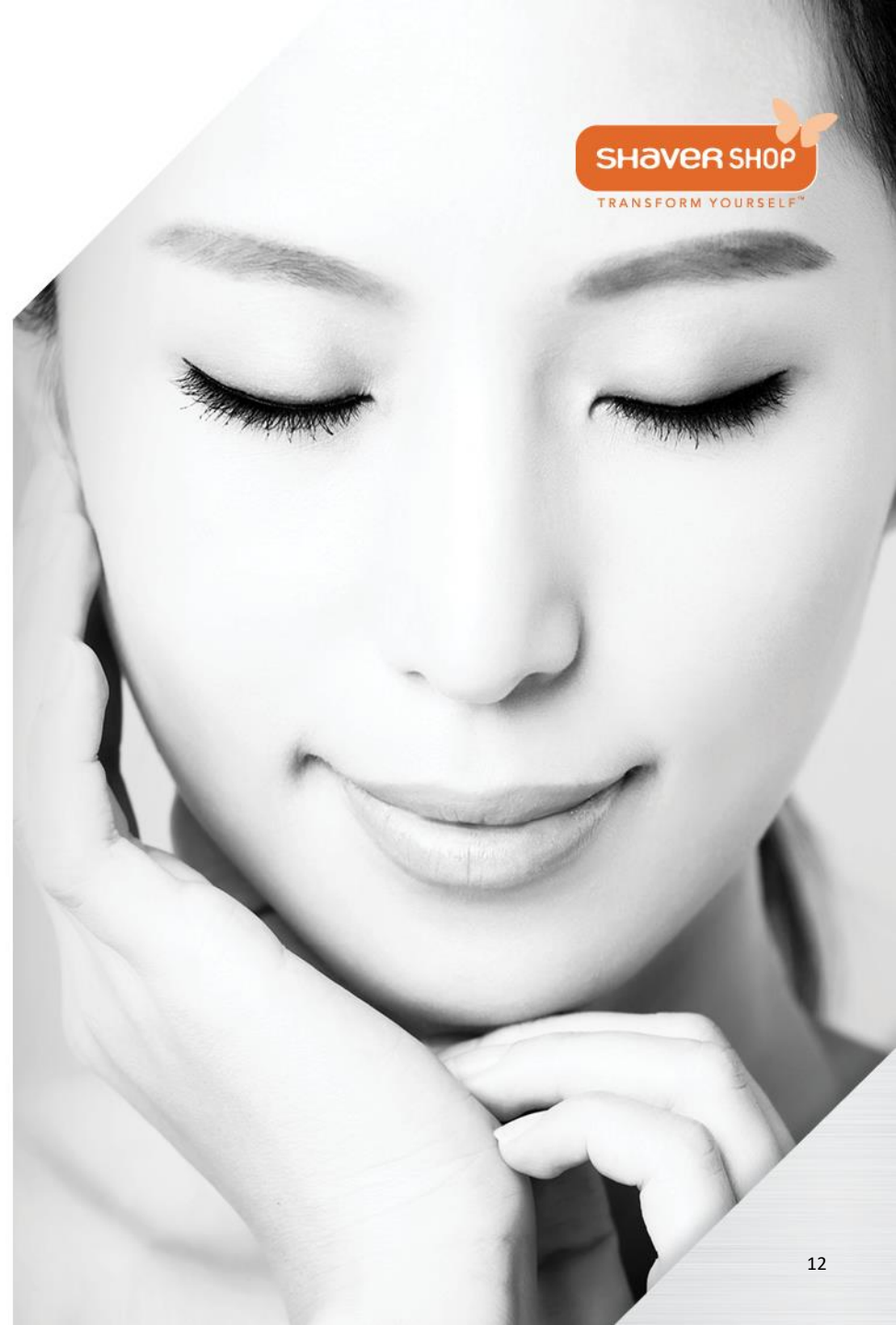


Trading Update

- Over the first four months of the financial year, Shaver Shop's EBITDA performance is in-line with its internal targets
- Shaver Shop is a seasonal business with material sales and earnings contributions coming from the upcoming Christmas and Boxing Day trading periods

Outlook

- Shaver Shop reiterates the guidance ranges provided in its FY18 results presentation that is expected to deliver an EBITDA result between \$12.0 million and \$14.5 million



THANK YOU
