



ASX ANNOUNCEMENT

For Immediate Release

Shaver Shop Reports FY22 Results

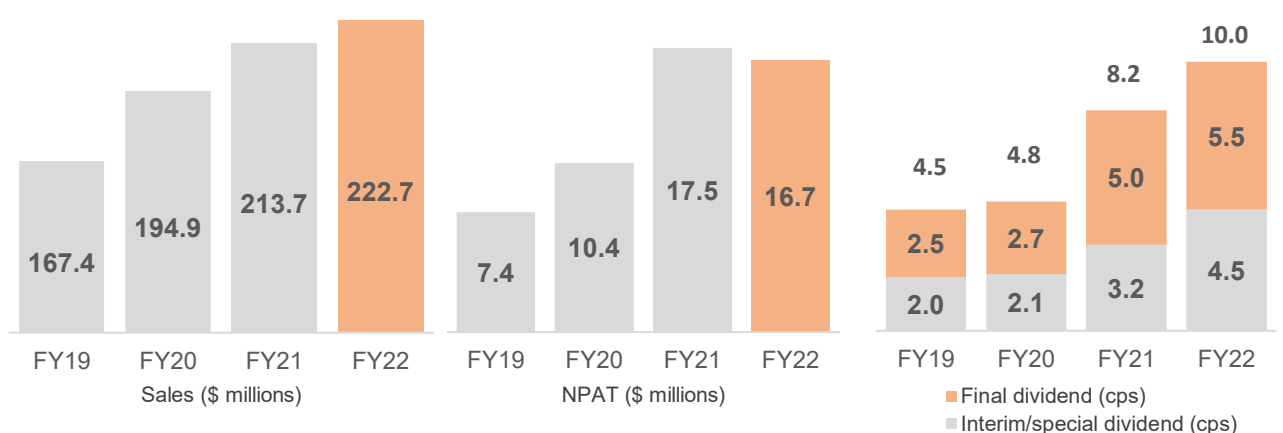
Melbourne, Monday, 22 August 2022 – Shaver Shop Group Limited (ASX: SSG) (Shaver Shop), the Australian specialty retailer of male and female personal grooming and beauty products, is pleased to announce its financial results for the year ended 30 June 2022.

FY22 Results Highlights

Total Sales up 4.2% to \$222.7m

NPAT of \$16.7m (down 4.5%)

FY22 dividends up 22% to 10.0 cents



Despite the volatility caused by COVID-19 across FY22, Shaver Shop recorded a very strong result reflecting continuing demand for its differentiated range of personal care and grooming products. The benefits of having a true multi-channel offering were once again evident with Shaver Shop being able to satisfy the strong demand for its products whether shops were closed during government-mandated lockdowns or when customers were more comfortable to return to traditional in-store shopping (most specifically in H2 FY22).

Given the impact of COVID-19 on Shaver Shop's results from FY20 through FY22, comparisons to FY19 (pre-pandemic) have also been provided:

	FY22	FY21	FY20	Pre-COVID FY19	1 Year Growth	2 Year Growth	3 Year Growth
	\$m	\$m	\$m	\$m	%	%	%
Total sales	\$222.7	\$213.7	\$194.9	\$167.4	+4.2%	+14.3%	+33.0%
Online sales (corporate stores)	\$75.7	\$61.2	\$43.4	\$20.7	+23.7%	+74.4%	+265.7%
NPAT (FY19 normalised)	\$16.7	\$17.5	\$10.4	\$7.4	-4.5%	+60.8%	+126.8%
Cash NPAT*	\$17.9	\$19.2	\$11.6	\$9.0	-6.5%	+54.3%	+100.1%
Basic EPS (cents per share)	13.2	14.2	8.5	6.0	-6.7%	+55.1%	+118.9%
DPS (cents per share) – declared	10.0	8.2	4.8	4.5	+22.0%	+108.3%	+122.2%
Net cash (debt) balance (30 June)	\$9.4	\$7.4	\$12.6	(\$6.4)	+27.0%	-25.4%	N/A

* Cash NPAT is reported NPAT plus the tax benefit Shaver Shop receives in relation to the tax deduction for franchise licence termination payments it has made on its historical buy-back of franchises. The franchise licence termination cost is amortised to taxable income over 5 years on a straight line basis.



Speaking about Shaver Shop's FY22 results, its Managing Director and CEO, Mr Cameron Fox said: "The long-term trend towards DIY personal care and grooming is continuing with demand for our core hair removal categories remaining strong on the back of last year's record result. Pleasingly, the second half of FY22 also saw the return of more in-store shoppers, something our store teams relish and thrive upon, leading to our customer satisfaction scores remaining at world class levels and in-store sales returning to growth versus the prior corresponding period."

During FY22, Shaver Shop lost approximately 6,200 in-store trading days (or approximately 14% of available in-store trading days) to government-mandated lockdowns associated with COVID-19.

Mr Fox continued: "One of the most pleasing aspects of our financial result, was our ability to maintain very strong gross profit margins at 43.9%. This exceptional result was driven through category mix as well as a highly disciplined approach to discounting, particularly for our exclusive range of products. Exclusives accounted for more than 50% of Shaver Shop's sales and almost 60% of our gross profit, illustrating our differentiation as well as our market strength. We will continue to apply the learnings gained over the last two years to our price setting approach in the future."

"Our net profit of \$16.7 million was the second highest result in the company's 36-year history and was at the top-end of the guidance range provided in June." On 11 June 2022, Shaver Shop advised that it expected net profit after tax to be in the range of \$16.25 million to \$16.75 million.

"Overall, I couldn't be prouder of our teams who continued to live and breathe Shaver Shop's values throughout the year by delivering exceptional customer service in the face of some very challenging circumstances. With the return of face-to-face training in July and some new brand launches before Christmas, I'm excited by the prospects for delivering another strong result in FY23," Mr Fox said.

Shaver Shop's business has grown substantially compared to pre-pandemic levels. Sales have increased 33.0% compared to FY19 and net profit after tax is up 126.8% as consumers focused on health, wellness and personal care products that could be used at home.

In addition to the strong financial results, other highlights include:

- Customer satisfaction scores continue to be world class with average Net Promoter Score (NPS) of 88.4 (out of 100)
- Opened two new stores: Bunbury, WA and Claremont, WA
- New Zealand stores continue to perform strongly with increased Shaver Shop brand awareness with the intention of opening additional stores to drive economies of scale in FY23 and beyond

Net cash of \$9.4m with no debt

Shaver Shop remains in a very secure financial position with \$9.4 million cash in the bank at 30 June 2022 and undrawn bank facilities amounting to \$30.0 million. FY22 operating cash flow was \$28.3 million which was used in part to return \$11.8 million in fully-franked dividends to shareholders.



FY22 dividends (100% franked) up 22.0% to 10.0 cents (5.5 cent final dividend announced – up 10.0%)

Shaver Shop's Board of Directors today announced a fully-franked final dividend of 5.5 cents up 10.0% on last year's final dividend. The dividend is to be paid on 20 September 2022 to shareholders of record on 6 September 2022. This is in addition to the 4.5 cent (100% franked) FY22 interim dividend paid in March 2022.

Mr Cameron Fox said, "Shaver Shop's Board is very pleased to once again announce an increase in our dividend payout to shareholders. This brings FY2022's total dividends to 10.0 cents per share and represents an attractive dividend yield. In coming to its decision to once again increase the dividend, the Board considered Shaver Shop's strong financial position and operating cash flow, its resilient business model, the current macroeconomic environment as well as the desire to retain flexibility to invest further into the business should attractive opportunities present themselves."

Trading Update and FY2023 Outlook

The following table summarises Shaver Shop's H1 FY2023 sales growth rates year to date (YTD - 1 July 2022 to 18 August 2022) against the three prior comparative periods. Comparative growth rates have also been shown versus FY21 and FY20 to try to show the difference in growth rates from COVID-19 impacted (FY22 and FY21) and non-COVID-19 impacted (FY20) trading periods.

Sales Growth (%)	H1 FY23 To Date		
	vs FY22	vs FY21	vs FY20
Total sales	+19.2%	+6.3%	+35.6%
In-store sales	+82.7%	+18.3%	+20.5%
Online sales	-46.0%	-21.3%	+138.6%

The FY22 and FY21 comparative periods in the above table were characterised by a significant number of Shaver Shop's stores in NSW (FY22) and Victoria (FY22 and FY21) being closed due to government-mandated lockdowns arising from the global pandemic. During these periods, Shaver Shop experienced significant growth in online sales. Snap government-imposed lockdowns in other States also occurred in the FY22 comparative period. As a result, day to day comparisons in sales growth rates, particularly when looking at in-store and online channel sales, tend to be quite volatile.

Speaking about Shaver Shop's recent trading activity, Mr Fox said, "We've had a pleasing start to the new financial year with total sales up 19.2% on FY22 and up 35.6% on the pre-pandemic result from FY20. What is really exciting, is that we are once again seeing the return of shoppers in-store with in-store sales up 82.7% on last year. Our store teams are absolutely our key competitive advantage and a huge part of the reason we have high customer satisfaction scores and ongoing customer loyalty."

Mr Fox continued, "We couldn't be happier that our in-store sales are more than offsetting softness online. In-store is where the magic happens for Shaver Shop. We are comping two years when a significant portion of our store network was closed. We now have this terrific opportunity to re-engage, and connect more deeply with, both existing and new customers alike, who are happy, like we are, to be back to more traditional shopping."

Gross profit margins over the first seven weeks of FY23 have also remained well above long-term averages with strong sales from Shaver Shop's higher margin Men's Electric Shaver and Beard Trimming ranges being supported by a disciplined approach to discounting across all categories.

"Looking forward to FY23, our priorities are very clear. We will continue to invest in our store teams through face-to-face training and development activities. We had our first State-based training sessions in July – the first in more than 24 months – and the energy from the teams was incredible. We are working with both current and some new



suppliers to ensure our personal care, beauty and grooming ranges continue to be the broadest and most relevant in the industry. I am looking forward to sharing some exciting news on this front in due course. Lastly, Black Friday, Christmas and Boxing Day planning is well progressed with the expectation that we will be able to have a pandemic-free run into these key trading events.”

Due to the ongoing uncertainties and trading volatility caused by COVID-19 as well as the seasonal contribution Christmas trading has on Shaver Shop’s full year results, Shaver Shop is not in a position to provide FY2023 sales and earnings guidance at this time.

Approved for release by the Board.

-ENDS-

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About us

Shaver Shop Group Limited (ASX: SSG) is an Australian and New Zealand speciality retailer of male and female personal grooming products, and aspires to be the market leader in ‘all things related to hair removal’.

There are currently 122 Shaver Shop stores across Australia and New Zealand. The Company also sells products via its websites www.shavershop.com.au and www.shavershop.net.nz, and as well as on the eBay, Amazon, TradeMe and MyDeal online marketplaces.

Shaver Shop offers customers a wide range of quality brands, at competitive prices, supported by excellent staff product knowledge. The Company’s specialist knowledge and strong track record in the personal grooming segment enables it to negotiate exclusive products with suppliers.

Shaver Shop sources products from major manufacturers who seek to create functional and innovative products to meet customers’ needs and wants in the hair removal and personal care product categories. The Company’s core product range comprises male and female hair removal products such as electric shavers, clippers and trimmers, and wet shave items. Complementary to its core product range, Shaver Shop retails various products across the oral care, hair care, massage, air treatment, and beauty categories.