



SHaver SHOP

TRANSFORM YOURSELF™

ANNUAL GENERAL MEETING

**2022**

# 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](http://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 or 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 2022 Consolidated Financial Report 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 or other 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 and normalised financial information

This Presentation contains pro-forma and normalised financial information. The pro-forma and 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. This 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 normalised results across financial periods..

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.



# AGENDA

---

- 01** Chairman's Address, Mr Brodie Arnhold

---

- 02** CEO and MD's Address, Mr Cameron Fox

---

- 03** Items of business

---

- 04** General questions

---



# 01

---

CHAIRMAN'S ADDRESS  
MR BRODIE ARNHOLD

# SHAVER SHOP'S BOARD OF DIRECTORS

**Brodie Arnhold, Chair**



**Craig Mathieson**



**Trent Peterson**



**Debra Singh**



**Brian Singer**



**Cameron Fox, MD & CEO**

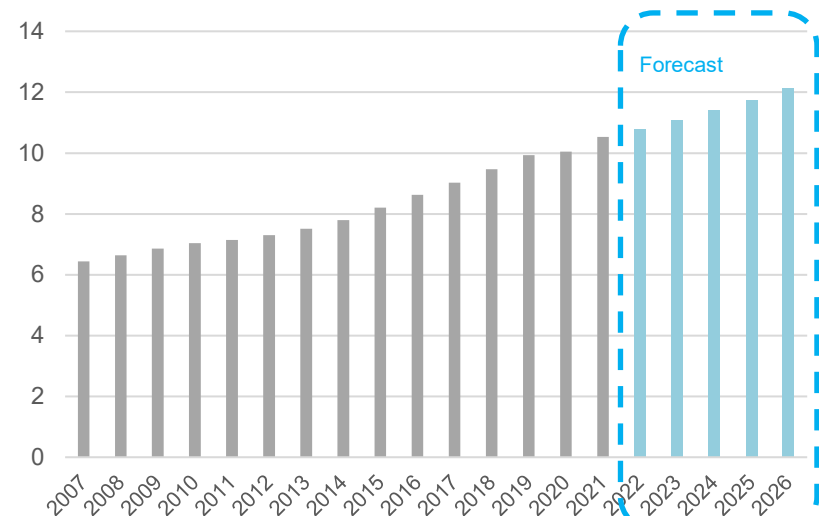


# BEAUTY & PERSONAL CARE IS A GROWING MASS MARKET

Beauty and personal care is a \$10B+ and growing industry in ANZ. As a global industry, it attracts leading global suppliers that bring new innovations to market every year. Increasing prevalence of social media and focus on health and beauty at home, is driving demand for DIY beauty and personal care products.

- > Beauty, personal care and wellness tend to be non-discretionary purchases for many individuals
- > COVID-19 has accelerated DIY adoption of personal care appliances and introduced new customers to these categories
- > Men's grooming market is estimated to be c.\$1B+ with growth driven by increased participation in male beauty regimes and facial/body hair trends
- > Significant innovation released every year from leading global brands like Philips, ghd, Braun, Wahl and many exciting new brands entering the market (e.g. Skull Shaver)
- > Social media is also supporting people's desire to look and feel good and putting more pressure on men to "keep up" and "maintain appearances"
- > SSG specialise in selling the most innovative and technically advanced products in our categories. These products provide our customers with the best outcomes and provide them with a genuine substitute, or complementary outcome, to the services available in salons, barbers, laser clinics and massage specialists

Beauty & Personal Care Market Growth (\$Am)



Source: Euromonitor International, Beauty & Personal Care in Australia, May 2022, management estimates

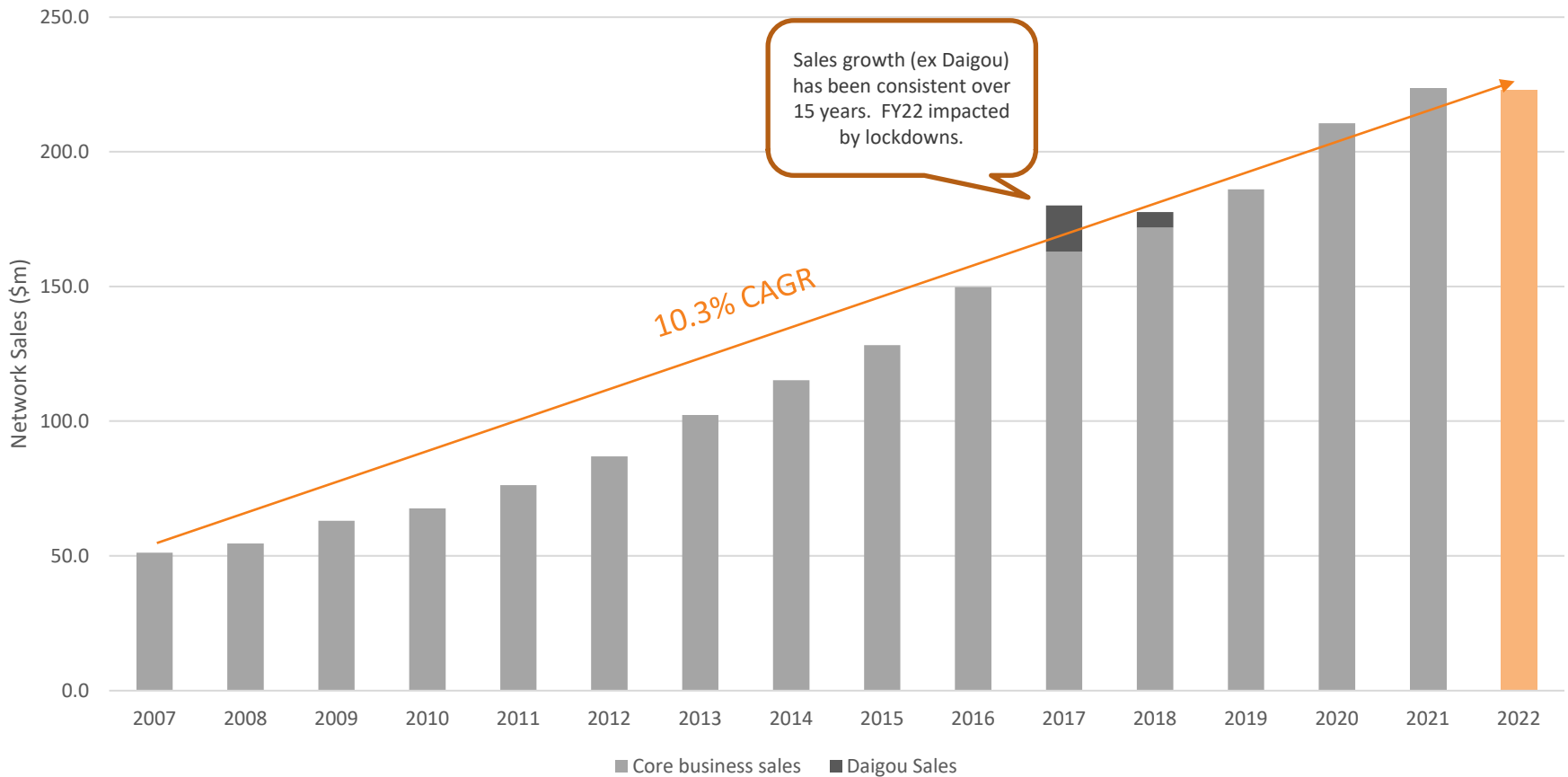
# OUR UNIQUE BUSINESS MODEL

---

<b>Customer Focus</b>	Customer service excellence driven by <b>unparalleled product knowledge</b> from passionate team members
<b>Product Range</b>	<b>Broadest and deepest range</b> of personal care and grooming appliances with <b>large contribution from exclusive products</b>
<b>Value Proposition</b>	<b>Exceptional pre and post-sales service, exclusive products, competitive pricing</b>
<b>Omni Channel</b>	Customers can choose to buy <b>in-store, websites, online marketplaces or on the phone</b>
<b>Brand Loyalty</b>	Increasingly seen as <b>the trusted destination</b> for men's and women's <b>personal care and grooming solutions</b> across ANZ
<b>Supplier Relationships</b>	<b>Strong, long-standing relationships</b> with <b>leading suppliers</b> in our core categories

# 16 YEAR GROWTH TREND

## 16 year total network sales growth



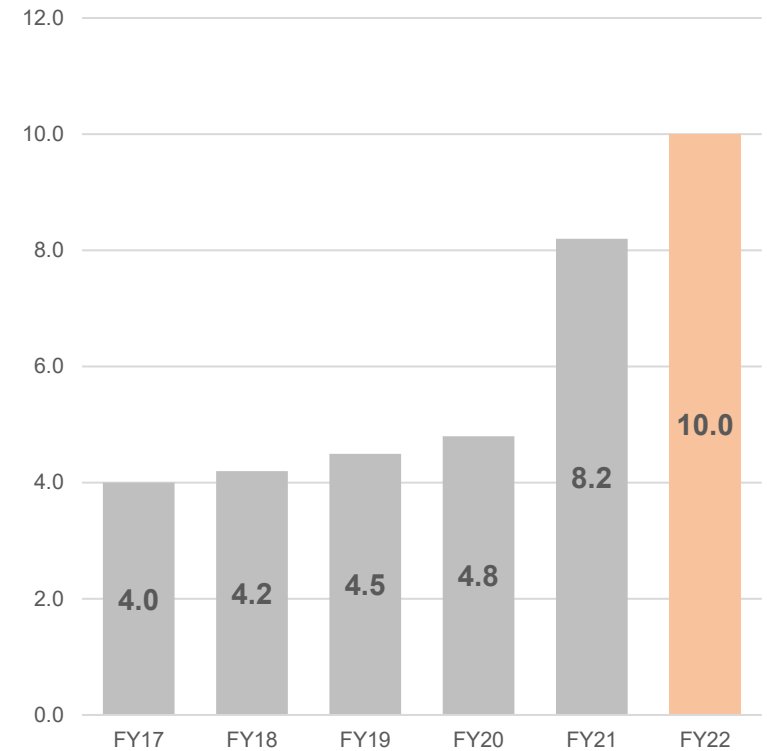


# FOCUS ON LONG TERM SHAREHOLDER VALUE

Closing share price (\$)



Total dividends (cps)





# 02

---

MD & CEO ADDRESS  
MR CAMERON FOX



# FINANCIAL HIGHLIGHTS

## Sales



- > Total sales up 4.2% to \$222.7 million (FY21 - \$213.7 million)
  - Like for like<sup>1</sup> sales up 3.5% including total online sales growth of 23.7%
  - Online sales represented 34.0% of total sales
- > In-store sales grew strongly in H2 FY22 as customers returned to their regular shopping habits (c. 6,200 in-store trading days lost to government lockdowns in FY22 – c.14% of available in-store trading days)

## Earnings



- > NPAT of \$16.7m (FY21 - \$17.5m)
  - FY22 NPAT up 126.8% vs pre-COVID (FY19) levels
- > Gross margin 43.9% - well above pre-COVID levels
- > OPEX well controlled with CODB 25.8% of sales (FY21 – 25.8%)
- > EPS of 13.2 cps (FY21 – 14.2 cps)
  - EPS up 119% vs FY2019 (pre-COVID 19)
- > Cash EPS of 14.2 cps (FY21 – 15.5 cps)

## Balance Sheet



- > Very strong financial position – net cash of \$9.4m at 30 June 22
- > Average stock on hand per store of c. \$183k at 30 Jun 22
  - Healthy inventory position and mix for multi-channel sales
- > Operating cash flow \$28.3m (AASB 16)
- > Return on capital employed 32.9%

## Capital



- > Final dividend up 10.0% to 5.5 cents per share (fully franked) bringing FY22 dividends to 10.0 cents per share (up 22.0%)
- > Attractive dividend yield
- > Network optimisation continuing with 2 new stores, 2 full store refits, 3 relocations and 2 stores closed in FY22



# OPERATIONAL HIGHLIGHTS

## Customer Service



- > Store teams continue to deliver exceptional customer service with avg. NPS score of c. 88.4 (out of 100) in FY22
- > Customers increasingly returning to stores but foot traffic remains well below pre-COVID levels
- > Sales conversion remains very high
- > Return to in-person training of store teams

## Omni Retail



- > Increased shipping options for online customers
  - > c.10% of online orders were click & collect
  - > Launch of priority (Doordash) delivery option in H2 FY22
- > Active online customers increased 32.6% to c. 650,000
- > Expanded brand offering
- > Expanded online marketplace distribution via differentiated range strategy

## Fulfilment



- > Over 630,000 online orders were fulfilled by the store network in FY22 (more than 1,700 orders per day)
- > Launched priority (Doordash) delivery option in H2 FY22
- > Almost 97% of online orders picked and packed ready for courier collection within 24 hours of order being placed

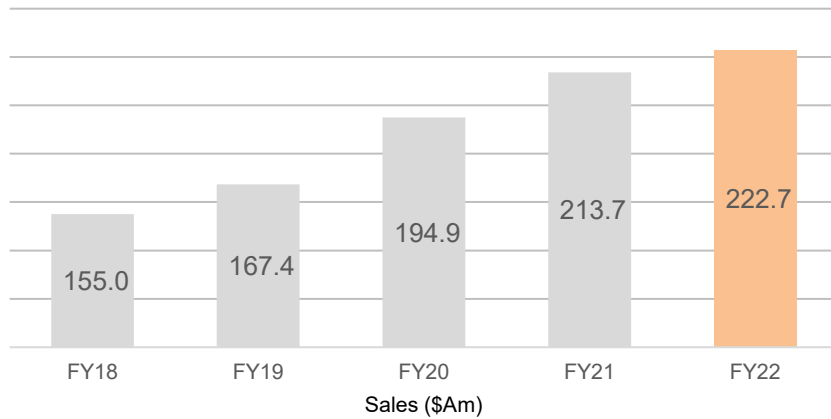
## Team



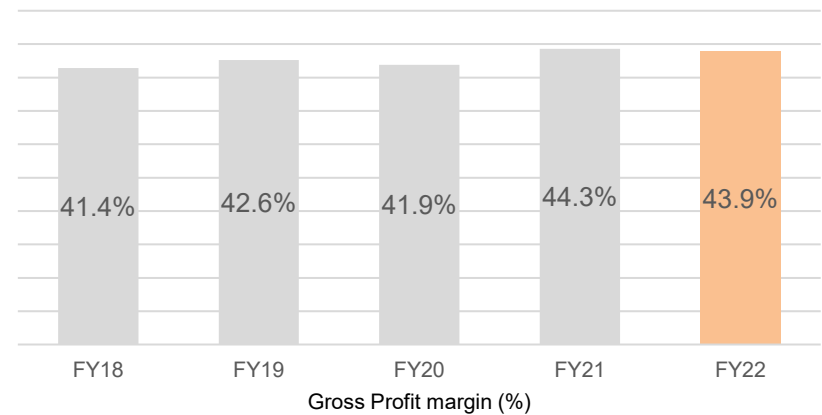
- > In-store teams have remained customer focused and resilient
- > Health and safety measures implemented and followed consistently across store network
- > Successfully managed through multiple short-term store closures and lockdowns
- > FY22 employee engagement survey result of 91.21% (highest level achieved – despite pandemic disruption)

# STRONG 5 YEAR GROWTH TREND

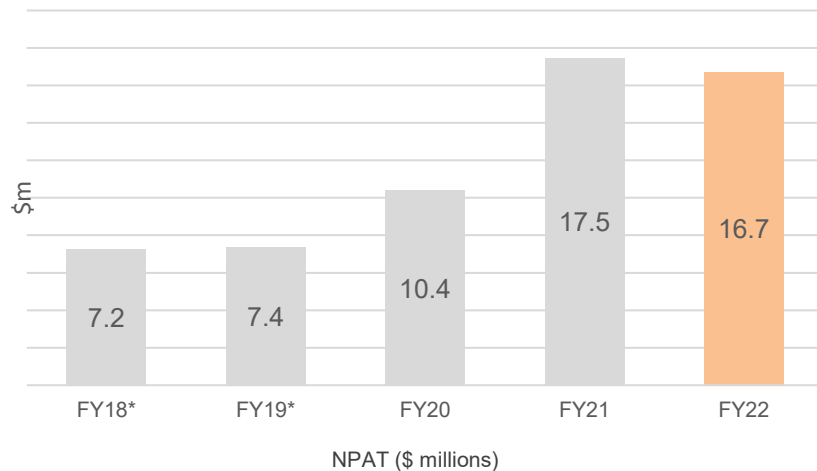
Sales up 4.2% to \$222.7m



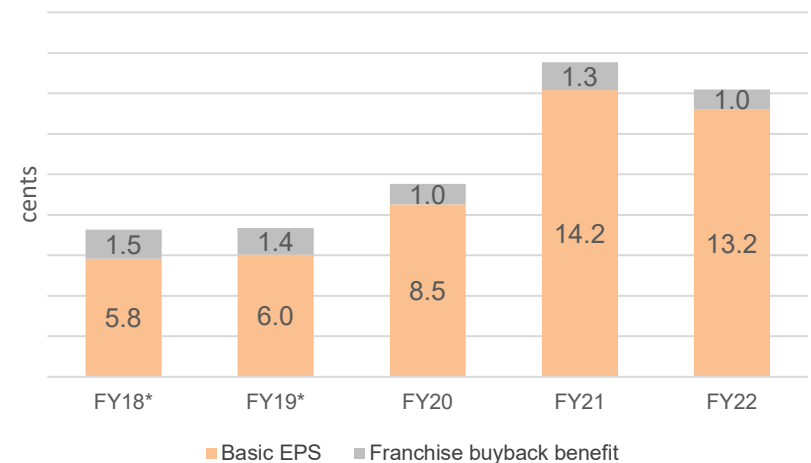
Gross profit margin 43.9% - near all time highs



Second highest NPAT result in SSG's history at \$16.7m



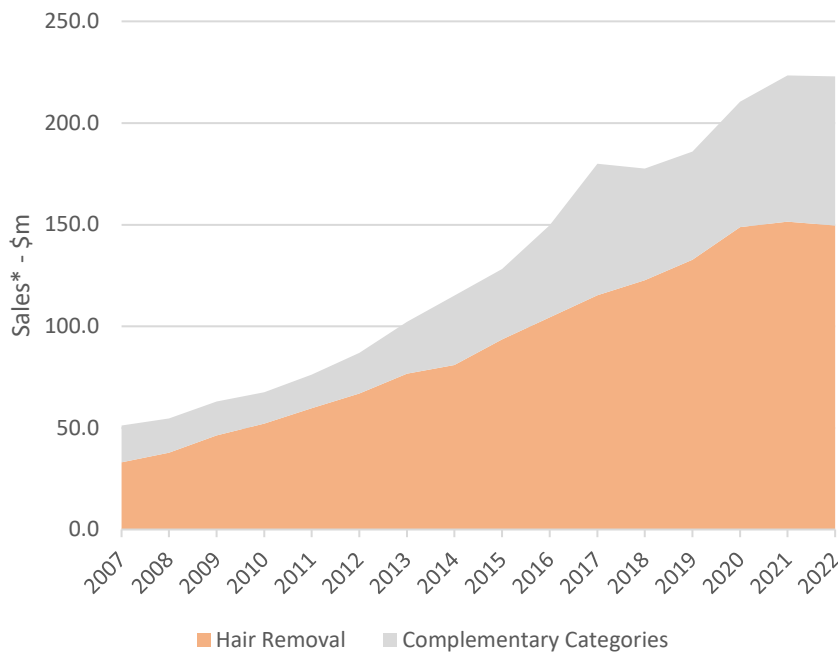
Basic EPS of 13.2 cents per share with Cash EPS of 14.2 cents



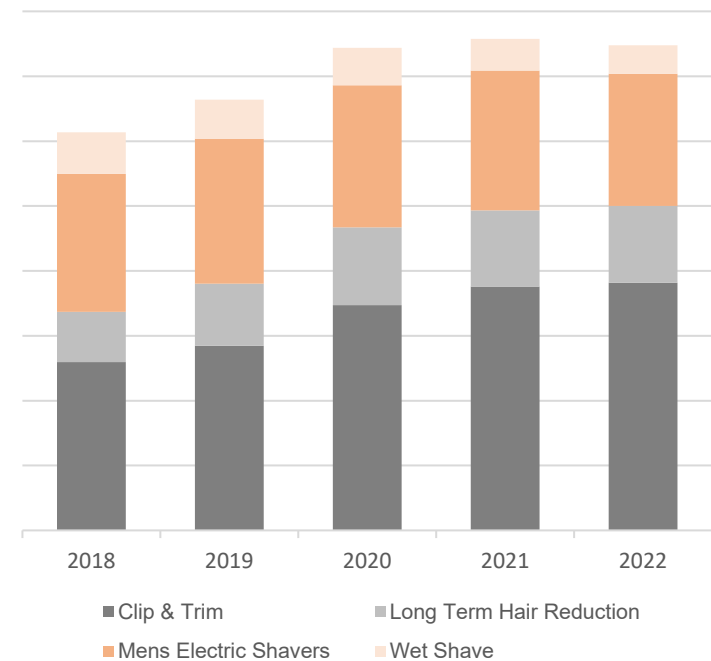
# STRONG GROWTH TREND IN HAIR REMOVAL & COMPLEMENTARY CATEGORIES

Underlying trends have been consistently strong in both core Hair Removal (Clippers, Trimmers, Shavers, Long-Term Hair Reduction) and Complementary Categories (Oral Care, Hair Styling, Beauty, Massage, etc...). Despite concerns about demand pull-forward through COVID, both Hair Removal and Complementary Categories are continuing to grow. As expected, after 2 years of soft sales in FY21 and FY22, Men's Electric Shavers and Wet Shave, growing strongly now that offices have re-opened.

### Contribution from Hair Removal and Complementary Categories



### Hair Removal Categories - Sales\* Contribution

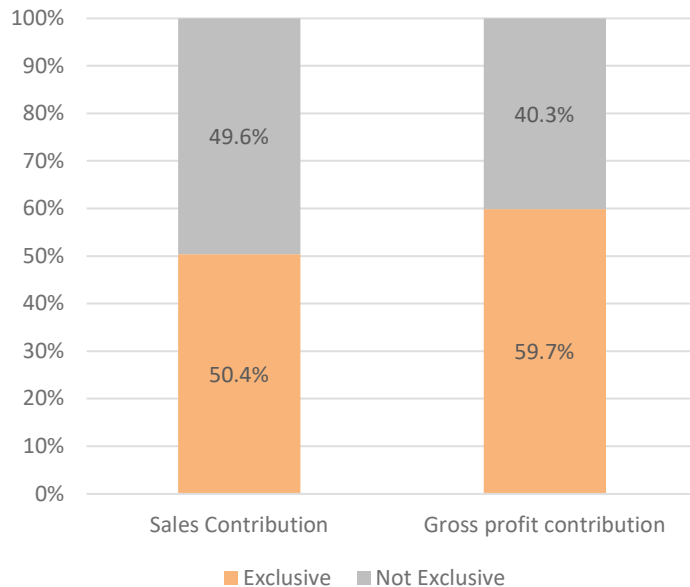


# SHAVER SHOP EXCLUSIVE PRODUCTS GENERATED MORE THAN 50% OF SALES AND APPROX. 60% OF GROSS PROFIT

Shaver Shop has one of the broadest ranges of men's and women's personal care and grooming appliances in Australia and New Zealand. Shaver Shop is leveraging its brand awareness and differentiated product range to improve pricing power and increase gross profit margins.

## Strong contribution from exclusive products

Exclusive vs Non-Exclusive Sales & GP\$ Contribution\*



\* Based on results from 1 July 21 to 30 June 2022.

Shavers



Trimmers



Clippers



Oral Care



IPL



Hair Styling



# FY2023 PRIORITIES AND PROGRESS

## Range and Product Expansion

- Continue to introduce new brands and expand on existing product ranges that drive incremental customers and category sales
- Launched Cloud 9 luxury hair styling range as well as Foreo skincare and beauty range across all stores

## Social Media Presence

- Continue to develop social media activity across diverse range of platforms
- Ramp up in activity planned in lead up to Black Friday, Christmas and Boxing Day

## Face to Face Training of Store Teams

- State based training resumed in July and October
- Strong supplier support and engagement
- Passion and knowledge of store teams remains a key competitive advantage

## Expand NZ Store Presence and Increase Brand Recognition

- Visited NZ in Q1 and identified centre priorities
- Working with landlords to secure sites on commercially sensible terms

## Maintain Strong Financial Position and Cash Flows

- Maintained net cash position across Q1
- Clean inventory position with stock levels in line with internal targets
- No material supply chain concerns

## Maintain World Class Customer Service Metrics

- Average NPS score of 89.0 (out of 100) over the first 4 months of FY2023
- Average Customer Experience score of 9.7 (out of 10)



# TRADING UPDATE AND OUTLOOK

- > Shaver Shop has experienced a strong start to FY23 with the table below summarising the key year to date (YTD - 1 July 22 to 6 November 2022) trading results versus comparative COVID-impacted (FY22 and FY21) and non-COVID impacted (FY20) trading periods:

YTD (1 July 22 to 6 November 22)	vs FY22	vs FY21	vs FY20
Total sales growth*	13.0%	11.8%	30.4%
In-store sales growth	80.3%	29.1%	19.2%
Online sales growth	-53.1%	-25.7%	102.3%

\* YTD total sales are up 13.0% vs FY2022, which equates to approximately \$8.5 million. In February 2021, Shaver Shop acquired the last six franchises to become a fully corporate owned network.

- > Demand for Shaver Shop's products continued to be strong YTD with total sales growth of 13.0% versus the prior comparative period and 30.4% versus the pre-pandemic levels of FY2020
- > Over the last two weeks, Shaver Shop has started to cycle the very strong post-lockdown sales experienced in FY22 and FY21 (particularly in FY22 when NSW, VIC and ACT stores re-opened but also in FY2021 when VIC re-opened). Total sales over this period have moderated but remain above pre-pandemic levels
- > Customers progressively returning to pre-pandemic shopping preferences with in-store sales up 80.3% YTD vs FY22
- > Gross profit margins consistently up on prior year and well above long-term average of 42% to 43%
- > Inventory position remains clean and in-line with expectation in the lead up to the key Q2 sales events. Compelling offers and promotions are locked-in for our key trading periods across November and December
- > Having regard to the importance of Black Friday, Christmas and Boxing Day trading to Shaver Shop's annual financial results, as well as the uncertain impact on demand potentially caused by recent interest rate rises and cost of living increases, it is not appropriate for Shaver Shop to provide FY23 sales or profit guidance at this time



# 03

---

## ITEMS OF BUSINESS



## CONDUCT OF A POLL

---

A POLL WILL BE CONDUCTED AT THE END OF THE MEETING FOLLOWING CONSIDERATION AND DISCUSSION OF ALL ITEMS OF BUSINESS

# 1. ANNUAL 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 2022.”

**There is no vote on this item of business.**





## 2. ADOPTION OF REMUNERATION REPORT

“That the Remuneration Report (which forms part of the Directors’ Report in respect of the financial year ended 30 June 2022 be adopted.”

## 2. ADOPTION OF REMUNERATION REPORT - VOTING

---

Proxies Received	# votes	% votes
For	38,130,912	97.94%
Open	319,101	0.82%
Against	484,699	1.24%
Abstain <sup>1</sup>	55,979	n/a

The Chair of the Meeting intends to vote all available proxies **in favour** of this resolution.

<sup>1</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes



### 3. RE-ELECTION OF MR. BRODIE ARNHOLD

“That Brodie Arnhold, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rules 14.4 and 14.5 and, being eligible for election, be elected as a Director of the Company.”

### 3. RE-ELECTION OF MR. BRODIE ARNHOLD - VOTING

---

Proxies Received	# votes	% votes
For	54,132,604	97.78%
Open	403,338	0.73%
Against	827,360	1.49%
Abstain <sup>1</sup>	4,550	n/a

The Chair of the Meeting intends to vote all available proxies **in favour** of this resolution.

<sup>1</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes





## 4. RE-ELECTION OF MR. BRIAN SINGER

---

“That Brian Singer, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rules 14.4 and 14.5 and, being eligible for election, be elected as a Director of the Company.”

## 4. RE-ELECTION OF MR. BRIAN SINGER - VOTING

---

Proxies Received	# votes	% votes
For	54,842,192	99.07%
Open	407,888	0.74%
Against	108,772	0.20%
Abstain <sup>1</sup>	9,000	n/a

The Chair of the Meeting intends to vote all available proxies **in favour** of this resolution.

<sup>1</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes

## 5. APPROVAL OF SHAVER SHOP SHOP EXECUTIVE LONG TERM INCENTIVE PLAN

---

“That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the Shaver Shop Executive Long Term Incentive Plan and the issue of Securities under that plan, on the terms and conditions in the Explanatory Notes.”



## 5. APPROVAL OF SHAVER SHOP EXECUTIVE LONG TERM INCENTIVE PLAN - VOTING

Proxies Received	# votes	% votes
For	47,565,946	96.92%
Open	320,404	0.65%
Against	1,189,538	2.42%
Abstain <sup>1</sup>	60,430	n/a

The Chair of the Meeting intends to vote all available proxies **in favour** of this resolution.

<sup>1</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes

## 6. APPROVAL OF ISSUE OF SECURITIES UNDER THE SHAVER SHOP EXECUTIVE LONG TERM INCENTIVE PLAN TO MR CAMERON FOX, CEO & MANAGING DIRECTOR

---

“That for the purposes of the ASX Listing Rule 10.14 and all other purposes, Shareholder approval is given for the issue to the CEO and Managing Director of the Company, Mr Cameron Fox, of up to 420,000 Performance Share Rights as a long-term incentive on the terms and conditions in the Explanatory Notes accompanying this Notice of Annual General Meeting.”



## 6. APPROVAL OF ISSUE OF SECURITIES TO MR CAMERON FOX, CEO & MANAGING DIRECTOR - VOTING

Proxies Received	# votes	% votes
For	48,850,547	96.43%
Open	616,005	1.22%
Against	1,190,430	2.35%
Abstain <sup>1</sup>	139,829	n/a

The Chair of the Meeting intends to vote all available proxies **in favour** of this resolution.

<sup>1</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes



# 04

---

## GENERAL QUESTIONS

THANK YOU

---