



# ASX ANNOUNCEMENT

For immediate release

## SHAVER SHOP SECURES EXCLUSIVE SKULL SHAVER DISTRIBUTION AGREEMENT

**Melbourne**, 7 June 2024 – Shaver Shop Group Limited (ASX: SSG), the Australian specialty retailer of men’s and women’s personal grooming and beauty products, is pleased to advise that it has secured the exclusive rights to distribute and sell Skull Shaver’s full range of men’s and women’s personal grooming appliances and accessories across Australia and New Zealand.

Skull Shaver’s core business is in the men’s head shaving category. Skull Shaver is well known to Shaver Shop and has been a key supplier for approximately 5 years. Skull Shaver has delivered outstanding sales growth in ANZ since their launch with Shaver Shop in 2019. Together, we have established Skull Shaver as a leading brand in the market, driven by products that perform, have excellence in design, and innovative marketing (e.g. refer Skull Shaver 2023 Super Bowl advertisement), coupled with our high service store environment across 123 specialty stores, plus our category leading online channel.

As an indicator of the current appeal of Skull Shaver products to our customers, Shaver Shop’s top three selling hair clipper products (in FY2024 year to date) are from Skull Shaver.

Key aspects of the exclusive agreement include:

- Initial term of 5 years commencing on 1 July 2024, with a renewal mechanism for an additional 5 years.
- Shaver Shop will pay an up-front fee of US\$2.25 million on commencement, and a further fee of US\$2.5 million on renew (after 5 years).
- Shaver Shop will receive a material reduction in its current Skull Shaver cost of goods, providing an opportunity for increased gross margin.
- Shaver Shop will receive exclusive distribution rights to sell Skull Shaver products in both Australia and New Zealand (in-store and on-line).

Shaver Shop expects the arrangement to be earnings accretive in the first full year of the agreement, with a payback period of approximately three years. Shaver Shop will use available cash-on-hand to pay the up-front exclusivity fee.

Shaver Shop’s Managing Director and CEO, Mr Cameron Fox said, “We are thrilled to have locked in an exclusive licence with Skull Shaver which reflects the strength of our partnership, our valued role as a market leader in Australia, and our commitment to working in partnership with the world’s best brands in our key product categories. This agreement creates long term alignment between our organisations to continue to drive growth in our market.”

Mr. Fox continued, “Securing this exclusive agreement with Skull Shaver is consistent with our existing strategy. The arrangement further solidifies Shaver Shop’s position as the leading destination for premium men’s grooming products in ANZ.

We offer our customers the greatest breadth and depth of quality, sought-after, personal grooming products and brands as well as deliver an exceptional shopping experience. Securing exclusivity with leading brands who deliver product and marketing innovation in our core product categories has been a strategic focus of



Shaver Shop for many years. The sales and gross profit contribution from these exclusive products and brands continues to be a core part of our business model and success.”

Skull Shaver’s product range continues to expand and diversify into other product segments beyond head shavers, including men’s beard trimmers, shaving brushes, and lady shavers. Shaver Shop expects the Skull Shaver brand will keep innovating and expanding its range into the future. Shaver Shop is also seeing strong sales growth in Skull Shaver consumable products, including replacement shaver heads, which are recommended to be replaced every three to six months.

For leading international brands, Shaver Shop offers a single partner with online and offline reach for their products to be presented in a high service store environment spanning 123 stores, and our online channel. This sales presence is complemented by our extensive marketing activities, proprietary database and social media channels. This enables international brands to focus their resources on their largest markets (e.g. USA, Europe, Asia), continued product innovation, and keeps their operations and strategy in ANZ simple. We are the only, pure-play, player in our category able to offer these arrangements at scale in ANZ.

In closing, Mr Fox said, “The exclusive distribution agreement with Skull Shaver is perfectly aligned with our strategy and we are confident will deliver strong returns on investment. We look forward to continuing to work closely with the Skull Shaver team in the years ahead to further build on the mutual success we have experienced to date in this region.”

Authorised for release by the Board of Shaver Shop Group Limited.

-ENDS-

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