



ASX ANNOUNCEMENT FOR IMMEDIATE RELEASE

SHAVER SHOP 2024 ANNUAL GENERAL MEETING

Melbourne, 14 November 2024

Shaver Shop Group Limited (ASX: SSG) the Australia and New Zealand specialty retailer of male and female personal grooming products, will today address shareholders at its 2024 Annual General Meeting to be held at Shaver Shop's national support office at Level 1, 1341 Dandenong Road, Chadstone, VIC, 3148.

Attached is a copy of the address to be delivered by the Chairman, Mr. Brodie Arnhold and the address to be delivered by the Chief Executive Officer and Managing Director, Mr. Cameron Fox.

Voting results from the meeting will be lodged with the ASX later today.

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

-ENDS-

For Further Media Information:

Cameron Fox, CEO and Managing Director
+61 3 9840 5900

For Investor Relations Information:

Larry Hamson, CFO and Company Secretary
+61 3 9840 5900



2024 Annual General Meeting Chairman's Address – Mr. Brodie Arnhold

Introduction

Good morning ladies and gentlemen. It's a pleasure to welcome you to Shaver Shop's 2024 Annual General Meeting. My name is Brodie Arnhold and I am the Chair of Shaver Shop Group Limited. On behalf of my fellow directors, welcome to today's proceedings. Our AGM is an important part of our calendar of events each year, most particularly with our shareholders. We are delighted for those that could attend in person today and we welcome your participation by asking any questions you may have about our business or the resolutions that will be put to vote at today's meeting.

Forward looking statements

I draw your attention to Slide 2 regarding forward looking statements contained in this presentation.

It is now 11am Melbourne time, the appointed time for holding this year's Annual General Meeting. Notice of this Meeting was duly given and the meeting has been properly convened. I am advised that we have a quorum and I therefore have the pleasure in declaring this meeting open.

We will turn to the items of business and voting later in the meeting. Please note that only shareholders, proxy holders or shareholder company representatives may vote. As with all prior meetings held since we listed on the ASX in mid-2016, voting on all resolutions will be conducted by way of a poll.

Questions regarding each item of business will be discussed prior to disclosing the Proxy votes received on each item. We will be taking all questions from the floor as well as responding to any questions that were sent in advance of the meeting.

Following our review of each item of business, general business questions will be taken.

Agenda

With that, let's now review the Agenda for today.

Following my address, Cameron Fox, Shaver Shop's CEO and Managing Director will provide an overview of the group's results for FY2024, update you on the progress Shaver Shop has made so far against its FY2025 key priorities, as well as provide a trading update.

After that, we will move into the formal part of the meeting and voting on the items of business that were listed in the Notice of Annual General Meeting.

I would now like to introduce you to your directors.

Shaver Shop's board of directors

For those of you that have been shareholders for some time now, your Board needs no introduction.

Craig Mathieson, CEO of the Mathieson Group, and I have been with the business since 2011 when, as part of a high-net-worth consortium Shaver Shop was acquired from the original founders of the business. Trent Peterson joined the Board just prior to our IPO. He is a highly experienced investment professional who comes with considerable experience in the retail sector. We are also very fortunate to have secured Debra Singh as a director



in 2020. Together we have a diverse set of skillsets that complement those of Shaver Shop's long-time CEO and Managing Director, Mr Cameron Fox.

I would also like to acknowledge and thank Brian Singer, who retired from the Shaver Shop board after 13 years of service on 30 Jun 2024. With his background in retailing, marketing and branding, he shared valuable insights throughout his tenure. On behalf of all shareholders and the Board, we wish Brian well during his well-deserved retirement.

Larry Hamson, our company secretary and chief financial officer is in attendance and Brad Peake, our current audit partner from PwC is available to answer any questions on our financial accounts at the appropriate time in the meeting. As part of due process, Management performed an audit tender process earlier this year that was overseen by our Audit and Risk Management Committee. Whilst there was no imperative to change auditors, and we continue to have a strong and healthy relationship with PwC, we have recommended to shareholders to change our auditor to Grant Thornton, subject to receiving the appropriate clearances and approvals. This is one of the resolutions that will be put to vote later in the meeting.

Also in attendance is Robert Sultan from Norton Rose Fulbright, who will assist if there are any technical questions for which we require legal advice during the meeting.

We also welcome the team from Link Market Services Limited, our share registry, who will be managing the voting process on all items of business.

With that, let's now move onto slide 6 and the more formal part of my address today. A copy of Cameron's and my speech together with these slides is available on the ASX and from our investor relations website should you wish to revisit any items in the future.

Shaver Shop snapshot

Shaver Shop was founded back in 1986 as a repair shop for men's electric shavers. For almost 4 decades now the business has evolved to become a market leader across both men's and women's personal care and grooming appliances with significant market share across premium brands at higher price points. It's a market that we expect will continue to grow over the medium to long term supported by the trend towards DIY personal care and grooming from the home.

We now own and operate all 125 stores across the network having successfully completed our franchise buyback program back in 2021. The decision to make the network 100% corporate owned has proven to be a good one, with customer service standards, range and offering being more consistent across the entire network. We feel this has further enhanced our brand reputation and the loyalty of our customers.

Our business model is unique and highly service oriented. We work hard to differentiate our product and category range with exclusive products that are only available at Shaver Shop. We also focus on training our in-store teams to be experts in all the products we sell. This means we are able to offer our customers an engaging, informative and enjoyable shopping experience that we believe is not available from any other retailer across our core hair removal categories. It is also a model that we believe is difficult to replicate.

Our in-store capabilities will always remain core to our DNA, however we have built a strong online presence to complement this. Just shy of one-quarter of all sales come from online and because we distribute all online sales from the nearest store to the customer, we also offer strong post sales service where customers can seek advice or return products at their local Shaver Shop outlet.

Our business is sound with a conservatively geared balance sheet and with strong cash generation. This has allowed us to continue paying a healthy dividend to shareholders. We distributed more than 80% of our net

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3148



profit (or 10.2 cents per share) to shareholders by way of fully franked dividends while continuing to invest in our business in FY2024.

We also have a highly experienced executive leadership team with an average tenure of more than 10 years.

So overall, Shaver Shop is a healthy, specialist retail business that operates in an attractive segment that we believe will continue to grow over the medium to long term.

With that, let's move onto slide 7 which addresses the business fundamentals that we believe will underpin our continued growth as well as our strategic priorities for driving incremental growth from the business over the coming years.

Shaver Shop growth drivers

Shaver Shop has many attractive business fundamentals:

1. Firstly, the market segments that we operate in have been growing over many years, and we expect will continue to do so, particularly in men's grooming where men, particularly younger men, are increasingly comfortable with having a personal beauty regime. In addition, our global supplier partners continue to invest millions of dollars in R&D each year to bring the latest innovations to market so that customers can get the look they want from the comfort of their home rather than going to the beauty salon or barber.
2. Because we are the only specialist retailer of a material size in our core categories in Australia and New Zealand, we invest heavily in product training to ensure we are clearly seen as the experts in the categories we sell, providing exceptional customer service that drives brand loyalty. Across many of the categories we sell, we are the clear market leader with greater market share at higher price points than our competitors.
3. Whether you choose to purchase online or in-store, we want our customers to experience an engaging and enjoyable shopping experience – something we take pride in delivering.
4. Our store network has been consistently profitable over many years. We have no unprofitable stores in the network and are now working to optimise profitability across the network through store refits and relocations within existing centres.
5. The combination of our market understanding and the insights gained from being a specialist retailer in the categories we sell, means we can leverage this knowledge and knowhow to identify product and category opportunities that others might miss, while also mitigating risks to drive increased profitability.
6. And finally, as I mentioned earlier, we've built a sound business with a conservatively geared balance sheet that we are looking to leverage now to drive incremental growth.

Moving onto our three growth priorities:

1. Being the market leader in our core categories means we will be targeted by competitors who want to replicate the success we've experienced over many years. We appreciate this, and are actively taking steps to further differentiate our offering with additional exclusive lines and brands. Pleasingly, we have recently announced a number of initiatives that we expect will deliver incremental shareholder returns including:
 - a. Executing a 5-year agreement for the exclusive rights to the Skull Shaver range of products across ANZ

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3148



- b. The launch of Shaver Shop's first true private brand – Transform U. Cameron will talk more to the progress of this initiative a little later.
 - c. We have also added a significant number of innovative, new brands to our range in the last six months including Epilady, Silk'n and Jericho.
2. In addition to brand expansion, we are looking to broaden our relevance by considering category creep opportunities that complement our existing offering. We've done this successfully in the past where we have added a curated range of fragrances and skin care products that can naturally drive increased basket size and transaction values over key gift giving periods.
3. Finally, with the amount of activity in sourcing new and differentiated products, we need to continue evolving our store design so that we can merchandise properly and continue delivering our customers an engaging and enjoyable shopping experience.

Cameron will update you on the significant progress we have made in executing these priorities over the last four to five months. We are entering an exciting time for the business with many of these initiatives coming to life in-store and online in the next few weeks.

Closing share price since IPO

Your Board is focussed on driving attractive medium to long term returns for shareholders and pleasingly we are now seeing some positive momentum in the share price of late. The share price appreciation shown on this graph is complemented by the healthy, fully-franked dividend payout we have been making the last few years.

Management and the Board will remain focussed on the factors we can control. Of course, the upward trajectory in shareholder returns we are seeking will not be linear, but we hope our strong track record continues to build shareholder confidence.

The Board continues to provide overall guidance, oversight and governance to the Shaver Shop business. Over recent years, we have chosen to maintain a more conservatively geared balance sheet. Some of this capital is now being used to invest in the strategic growth priorities discussed on the prior slide and that we expect will drive incremental shareholder returns over the medium to long term. These investments are also designed to maintain Shaver Shop's leading market position in our core categories.

So in summary, Shaver Shop remains extremely well positioned as a business. While we have not been immune to the impact of the high interest rates and cost of living crisis of the last two years, we have a core offering that remains highly relevant and resilient throughout the economic cycle. Looking forward to the next 12 months, we are hopeful that we are on the cusp of consumer sentiment and demand improving with lower cost inflation leading to some softening of interest rates. That said, we will remain resolutely focussed on driving the Shaver Shop business forward - strategically, operationally and financially – so that we end this financial year, in an even better position than where we are today.

In conclusion, I would like to thank our shareholders, customers, suppliers and team members for your ongoing support of Shaver Shop's business. I will now hand you over to Cameron Fox, our Managing Director and CEO.

Thank you.



MD and CEO Address - Mr. Cameron Fox

Thanks Brodie.

I'd like to welcome everyone in attendance today and, like Brodie, would like to thank all shareholders and our team members for your ongoing support of the business.

We remain in quite a challenging retail environment where consumers are highly price and value conscious with shopping intensity increasingly focused around key promotional events like Black Friday, the lead up to Christmas and of course Boxing Day week. We aren't the only retailer seeing these trends, which means having a differentiated offering is just as important as being price competitive and ensuring we offer consumers attractive value for money.

FY24 highlights

Shaver Shop delivered another solid set of financial results in 2024. Our sales were \$219 million, down around 2.3%. Our multi-channel offering continues to resonate with customers, with online sales representing approximately 23% of total sales for the year or approximately \$51 million. Generally speaking, our operational metrics remained solid with net promoter score remaining world class at around 89 out of a possible 100.

Despite some changes in category mix towards lower margin categories, gross profit margins remained high at around 44.4%, the second highest level in the company's history, and we were able to extract operating cost savings across key lines in our P&L which meant our net profit after tax was \$15.1 million.

Operating cashflow improved \$1.9 million to \$34.1 million which supported another healthy dividend payout of 10.2 cents per share or returning approximately \$12.8 million to shareholders.

As Brodie mentioned, our balance sheet remains in exceptional shape. We had \$13.3 million of net cash at 30 June 2024. Our stock position is also very clean which allowed us to turn our stock investment into cash approximately 5 to 6 times last year.

The acquisition of the exclusive rights to Skull Shaver as well as the investments we are making in building the pipeline of Transform U products in stores means we expect our net cash balance will decline in FY25 assuming we continue paying dividends at the same rate as the prior two years. We see this investment as a sound business decision that we expect will drive incremental returns over the medium to long term that may also reduce some of the strategic and operational risks we face.

FY25 key priorities

At our full year results, we outlined our key priorities for FY25 and I'm pleased to advise we've already made significant progress in executing against these initiatives over the last two months or so.

Firstly, the launch of the Transform U private brand is accelerating with the first product lines hitting store shelves at the beginning of November. It's early days, but the initial signs are encouraging. Over the coming 2-3 weeks, a significant number of additional Transform U product lines will be arriving in store in time for Black Friday and Christmas. We are cautiously optimistic about this new brand's performance and look forward to updating the market and our shareholders about this important launch at our first-half results presentation in February.

Secondly, the Skull Shaver brand continues to go from strength to strength with sales continuing to grow strongly over the course of the first half and exceeding expectations so far. As mentioned at our full year results in August, we see the Skull Shaver exclusive licence and distribution arrangement being the test case for executing

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3148



similar agreements with global manufacturers that want to enter the ANZ market. Shaver Shop can offer these manufacturers a turnkey solution to establish their brand without many of the risks and uncertainties they might otherwise face if trying to do it themselves. So the continued success of Skull Shaver is highly relevant to this aspect Shaver Shop's longer term strategy.

Our new Silk'n and Epilady brands for long term hair removal are also now in store. These are new game changing technologies that overcome many of the limitations that impacted previous IPL treatments in that they can be effectively used on a broader range of skin tones and hair colours. These are exclusive brands for Shaver Shop across ANZ that once again drive our category leadership in this key growth category.

In terms of store design, we have continued to evolve the look and feel of our stores to be more contemporary as well as making it simpler and more enjoyable for our customers to shop with us.

As our range expands, this can increase pressure on how we can appropriately merchandise our range, most particularly in some of our smaller stores. So in some cases, we looking to expand our footprint. A good example of this is at our Frankston store which has almost doubled in size. From what was previously quite a cramped layout, we can now present and offer our full product range whilst also improving the way our store teams engage and interact with customers on the floor.

Our network refresh is also continuing across the country having just refurbished our Woden, ACT and Cairns, QLD locations to reflect our latest brand standards.

In addition to store refits, three new stores will open in the first half and one has closed. The first new store opened in the growing Busselton, WA region. The second was in Port Macquarie, NSW and the most recent addition, which opens tomorrow, is in Manawa Bay and will bring total stores in New Zealand to 9. We also chose to rationalise our presence in the Melbourne CBD with the closure of our Melbourne Central location. Unfortunately, the Melbourne CBD has never really recovered to the extent we expected post COVID so we expect this decision, while difficult to make, will drive incremental sales into the remaining CBD locations at Lonsdale Street and South Wharf.

Private brand update

As mentioned back in August, the strategy to launch our own private brand was born out of gaps that we saw in our range at various price points, that were unable to be filled readily by our existing supplier partners.

These existing global suppliers like Proctor & Gamble, Philips and Panasonic remain crucial for our business and as a result we do not expect Transform U will garner a meaningful share of business this year.

That said, we are encouraged by the early sales of the first Transform U products that arrived in stores earlier this month but we are certainly not getting ahead of ourselves. This is a long-term strategy for the business and one that we don't expect will drive significant incremental sales or profitability this financial year.

We worked hard over the last 12 to 18 months to make sure that any products being sold under the Transform U brand met three key criteria:

1. First and foremost, these products had to offer incredible value for money;
2. Secondly, the products needed to perform well and do the job that they were intended to do. For hair cutting appliances, the performance criteria generally requires having the right combination of high quality blades, motors that are fast and powerful, as well as having a battery that recharges quickly and lasts a long time.
3. The last of our key criteria was that the products met our customer's quality expectations. To satisfy ourselves of this, we tested the products rigorously to ensure they were reliable with many of the products that we tested, ultimately not making the cut.

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3148



As outlined at in our FY24 results presentation, we expect the initial pipeline fill will require around \$2 million to \$3 million incremental investment in stock with sell through determining how quickly this gets replenished.

So overall, we've made great progress in launching Transform U over the last 2-3 months, but there is still so much more to be done to ensure this is successful over the longer term.

Trading update and outlook

That brings me to our trading update for the first four months of FY25 (year to date):

Total sales have declined 1.3% so far this year with like for like sales down 1.0%. It should be noted that the timing of Click Frenzy has changed once again this year –moving from October last year back into the traditional November timing this year. This has led to more volatility in comparative sales results and is a contributor to our online sales being down 6.1% year to date vs FY24.

Based on our sensors, foot traffic within shopping centres remains well down on last year but we have been able to offset this through a combination of improved sales conversion and average transaction values leading to year-to-date in-store sales being roughly flat on last year.

Pleasingly gross profit margins have improved leading to gross profit dollars being flat versus last year across the first four months. With the launch of Transform U and our activities to source additional innovative brands on an exclusive basis, we are hopeful this will support gross margin expansion over the medium term.

We are now entering into our key trading period for the year. Our promotional programs are set and our sales teams are well prepared.

Consistent with prior years, and having regard to the materiality of the upcoming Black Friday, Christmas and Boxing Day trading periods to our half and full-year results, it is not appropriate to provide full year sales or earnings guidance at this time.

That concludes my presentation. Thank you for your ongoing support and for attending our AGM today. I will now hand you back to Brodie.