

ASX ANNOUNCEMENT

TRADING AND COVID-19 UPDATE

Melbourne, 14 May 2020 – Shaver Shop Group Limited (ASX: SSG), the Australian specialty retailer of male and female personal grooming and beauty products, provides an update on the impact of COVID-19.

Sales update

While store foot traffic and sales executed in our physical stores are down materially on prior year, the strength of our omni channel model, and appetite of our customers for ‘DIY personal grooming products’ has delivered a pleasing total sales result over the last 6 weeks and year to date. This performance has been delivered without the need for unusual levels of discounting and promotional activity.

	Last 6 weeks (1 Apr 20 to 10 May 20)	H2 FY20 18 weeks (1 Jan 20 to 10 May 20)	FY20 YTD (1 Jul 19 to 10 May 20)
SSG Sales Growth %			
Total SSG sales	32.1%	17.6%	14.3%
Like for like* sales (inc. online sales)	44.1%	17.8%	12.2%
Online sales growth	387%	171%	102%

* Like for like stores are those stores that were owned and operated by Shaver Shop on or before 1 July 2018 and that traded in the normal course (i.e. not affected by store closures, refits or center redevelopment activities) in the current and/or prior period. Like for like sales include online sales fulfilled through a like for like classified store.

Online channel performs strongly

Shaver Shop’s ongoing focus and investment in becoming the leading omni-channel retailer in its category has enabled the Company to benefit from a material surge in online demand for its personal care products. In the weeks following Shaver Shop’s last trading update on 24 March 2020, online sales increased by 387% in the six weeks from 1 April 2020 to 10 May 2020 to represent approximately 43% of total sales over that period – more than offsetting the material sales decline experienced across its physical store network. Total sales increased 32.1% in the six weeks from 1 April 2020 to 10 May 2020 and have increased 17.6% so far in H2 FY20.

Like for like corporate store sales (including online sales and adjusted for store closures) increased 44.1% in the in the last six weeks (1 April 2020 to 10 May 2020). Like for like sales growth for the first four and a half months of the second half were up 17.8% bringing FY20 year to date like for like sales growth to 12.2%.

Shaver Shop’s CEO and Managing Director, Mr Cameron Fox said, “Our investment in building our digital sales and fulfilment capabilities over recent years has proven invaluable over the last six weeks. I am delighted by the way our business has been able to quickly adapt to service the increased demand for DIY personal care products and accommodate the channel shift to transacting online.

“Pleasingly, the strong online sales trends that we saw in April have continued through Mother’s Day. As we have seen in previous economic downturns, our business is proving to be highly resilient as customers turn to Shaver Shop for their DIY grooming and personal care needs.”

Challenging in-store trade

As indicated in our announcement on 24 March 2019, Shaver Shop experienced a sustained decline in outside store foot traffic (down more than 50% in April 2020 vs April 2019) which has led to a material reduction in physical store sales.

Shaver Shop temporarily closed 11 of its 110 Australian corporate stores in late March and early April and closed all 7 New Zealand stores in accordance with government directives. These 11 Australian stores remain closed. 3 of the New Zealand stores re-opened in late April to process online orders following the move to alert level 3.

Shaver Shop has taken steps to redeploy as many full time and part time staff from these stores as possible. Decisions regarding the re-opening of those stores still closed will be made in due course based on health and safety considerations and other commercial matters specific to each location.

Having regard to the increasing proportion of online sales and the success of our omni-retail strategies, Shaver Shop will continue to evaluate the size and composition of its store network as retailers and landlords adjust to accelerated changes in customer shopping preferences.

COVID-19 Response

Shaver Shop's first priority remains the health and safety of our customers, team members and business partners. We fully support both government and community efforts to limit the spread of COVID-19 whilst supporting the economy. Shaver Shop's direct response to COVID-19 has included:

- Increase in store cleaning and sanitation measures
- Implementation of social distancing measures between customers and team members
- Cashless payments
- Adopting flexible working arrangements for support office staff
- Successfully established high volume centralized distribution capability for online orders
- Support for team members health and well-being through Shaver Shop's employee assistance programs

Shaver Shop will continue to implement measures required to protect the safety and health of all its stakeholders.

Director change

Shaver Shop today also announced the resignation of non-executive Director, Mrs Melanie Wilson.

Chairman of the Board, Mr Brodie Arnhold said, "The Board and Management team would like to thank Melanie for her contribution over the last four years as Shaver Shop has transitioned to become a leading omni channel retailer in the ANZ personal care market.

"We wish Melanie the best of luck and success with her future endeavors."

Outlook

On 24 March 2020, Shaver Shop withdrew its FY20 earnings guidance because of the trading uncertainty caused by the COVID-19 pandemic. While the Company is pleased with its performance over the last 6 weeks and year to date, in particular the strength of its online channel, there remains significant uncertainty regarding consumer demand as Shaver Shop enters its end of financial year promotional period. Shaver Shop remains well capitalised and is currently in a 'net cash' position with significant undrawn debt facilities available.

Shaver Shop's CEO and Managing Director said, "I would like to thank all our team members who have continued to uphold Shaver Shop's values and customer service excellence in this extraordinary time. I am extremely proud of your dedication and professionalism in adapting to our new health and safety protocols and continuing to put our customers first."

Approved by the Board.

-ENDS-

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