

ASX ANNOUNCEMENT

For Immediate Release

Shaver Shop Full Year FY2021 Results

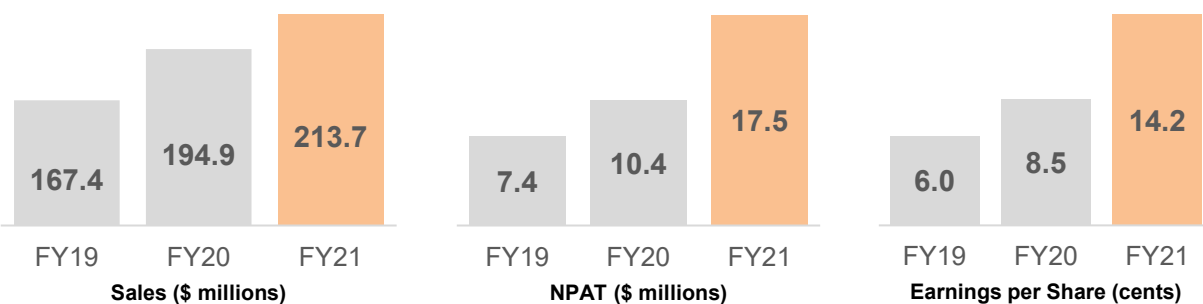
Melbourne, Tuesday, 31 August 2021 – Shaver Shop Group Limited (ASX: SSG) (Shaver Shop), the Australian specialty retailer of male and female personal grooming and beauty products, is pleased to announce its financial results for the year ended 30 June 2021 (FY2021).

FY2021 results highlights

Total Sales up 9.6% to \$213.7m

NPAT up 68.3% to \$17.5m

EPS up 66.2% to 14.2 cents



Shaver Shop today released its financial results for the year ended 30 June 2021. Highlights include:

- Net Profit after Tax (NPAT) up 68.3% to \$17.5 million
- EPS up 66.2% to 14.2 cents per share (FY2020 – 8.5 cents)
- Total sales up 9.6% to \$213.7 million
- Online sales up 41.1% to \$61.2 million to now represent 28.6% of total sales
- Gross profit margin up 240bps to 44.3%
- Operating cash flow of \$36.0 million
- Strong balance sheet with \$7.4 million net cash
- Final fully-franked dividend up 85% to 5.0 cents per share bringing FY21 dividends to 8.2 cents (up 71%)

Shaver Shop was not eligible for, and did not receive any, JobKeeper payments.

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

- Customer service excellence with average Net Promoter Score (NPS) of 89 (out of 100)
- Unwavering commitment to the health and safety of our team and customers
- The last 6 franchise stores were bought back, making Shaver Shop stores 100% corporate operated
- We continue to increase our market share
- Active online customers up c.120% to 490,000 at 30 June 2021
- 26 of our top 30 selling lines were sold exclusively at Shaver Shop
- Ongoing enhancements to our e-commerce, customer and fulfilment operations

Speaking about Shaver Shop's FY2021 performance, Mr Cameron Fox, CEO and Managing Director said, "I am incredibly proud of our team and the way they accepted and adapted to each challenge that was presented to them over the last 12 months."

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3149



Omni channel growth with online sales up 41.1% to \$61.2 million

Shaver Shop continued to invest in its omni-retail offering both through store refits in key doors as well as ongoing improvements to its online sales platforms. Online sales were up 41.1% to \$61.2 million with the online channel representing 28.6% of total sales in FY2021.

Mr Fox said, "The strength of Shaver Shop's multi-channel retail offering was evident throughout the year as demand patterns regularly shifted to accommodate the changes in government imposed restrictions in our retail network. Pleasingly despite these changes to our front of store operations, our model to fulfil online orders from the customer's local Shaver Shop store, means that we were able to retain high levels of employment and maintain strong team morale. This helped our stores to rebound strongly when restrictions ceased."

"Our multi-channel offering is core to Shaver Shop's strategy. To this end, as we continue our refit plans at key doors, we are also opening two new stores in H1 FY2022 in Bunbury, WA and Hervey Bay, QLD. This brings our total store numbers across Australia and New Zealand to 123. We will continue to pragmatically expand our store network where the commercial outcomes and returns are compelling."

Gross profit margins up 240 basis points to 44.3%

Mr Fox continued, "Our FY2021 financial results illustrate that our customer value proposition remains unique in the marketplace and particularly relevant when salons and barber shops are closed. We are experts across hair removal and personal care categories with continual training of our in-store teams at the heart of our differentiated model."

"We saw strong sales growth in these categories and through a disciplined promotional program we were able to balance volume and margin growth to drive significantly higher gross profit dollars. We also experienced strong sales growth in our massage category as we expanded our range to meet burgeoning demand."

Costs of doing business down 110 basis points to 25.8%

Shaver Shop maintained its focus on cost control with its costs of doing business as a percentage of sales reducing 110 basis points to 25.8%. Shaver Shop worked proactively and collaboratively with landlords during lockdown periods. In doing so, Shaver Shop received \$0.8m in rent abatements in FY2021 for stores that were significantly impacted by government imposed trading restrictions due to COVID-19. Shaver Shop also worked diligently to manage store rosters during periods of long term lockdowns which resulted in employment cost savings during the year. Partially offsetting this was a \$0.2 million increase (to \$0.4 million) in non-cash share-based expenses relating to the company's long term incentive plan.

Net cash of \$7.4 million and no debt

Shaver Shop ended FY2021 with \$7.4 million in cash, no debt and a \$30 million undrawn debt facility. Shaver Shop maintained its track record of delivering strong cash flow conversion with operating cash flow of \$36.0 million. This was used to return \$9.9 million of cash to shareholders through dividends as well as invest \$14.8 million in the acquisition of the last 6 franchise stores in the network.

FY2021 dividends up 71% to 8.2 cents

Shaver Shop's board today declared a fully-franked final dividend of 5.0 cents per share. This brings total FY2021 dividends to 8.2 cents, up 71% on the FY2020 declared dividends of 4.8 cents. Total dividends for FY2021 represented 60% of NPAT and 55% of Cash NPAT.

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Given the dynamic nature of the current retail environment, Shaver Shop’s board continues to balance the desire to maximise returns to shareholders whilst maintaining strength and flexibility during this period of constantly changing trading conditions.

Growth drivers

The fundamental trends underpinning Shaver Shop’s growth remain intact including:

- Increasing use of social media enhancing people’s desire to look and feel good on a daily basis;
- The continuing trend towards DIY personal care and grooming solutions for men and women; and
- The increasing acceptance of online shopping.

Shaver Shop will continue to benefit from these trends and is focused on continuing to gain market share through:

- Securing access to new and innovative products
- Ongoing focus on exclusive product lines and ranges
- Expansion into new categories and new suppliers
- Channel switching opportunities
- Leveraging our growing customer database
- Greenfield site opportunities (particularly in NZ)
- Continued investment in staff training and customer service excellence

Trading Update and FY2022 Outlook

The following table summarises Shaver Shop’s FY2022 year to date (YTD) sales for the period from 1 July 2021 to 27 August 2021.

Sales Growth (%)	YTD	
	vs FY21	vs FY20
Total Sales*	-7.3%	+15.8%
Like for like ¹ sales (inc online sales)	+0.5%	+28.7%
Online sales	+52.8%	+368.1%

* YTD total sales are down -7.3% vs FY2021, which equates to approximately -\$2.3 million and YTD total sales are up +15.8% vs FY2020, which equates to approximately +\$4.0 million vs FY2020.

Shaver Shop has experienced significant volatility in sales as a result of government imposed trading restrictions due to COVID-19. Whilst year to date sales have declined versus FY2021, Shaver Shop has seen a 15.8% sales uplift on a 2 year basis despite Shaver Shop losing 41% (or 2,844 days) of in-store trading days due to government imposed restrictions associated with the COVID-19 pandemic.

The number of States in lockdown together with the length of the associated lockdown in each State has a distinct impact on sales generated in that State. As lockdowns in NSW and VIC have extended through August, Shaver Shop has experienced an acceleration in sales performance into the end of the month. Speaking about the recent sales trends, Mr Fox said, “Over the last couple of weeks, in key NSW and VIC States, we have seen rising demand in categories that resembles what we experienced at the start of the pandemic in April 2020. This is driving an improvement in sales growth compared to July 2021 as well as supporting healthy gross profit margins.”

Online sales have been a key driver of Shaver Shop’s FY2022 year to date sales performance, up 52.8% versus last year and up 368.1% compared to two years ago. Category mix and Shaver Shop’s promotional plans are supporting

¹ Like for like sales are sales for those stores that were owned and operated by Shaver Shop for all of FY20 and FY21. It therefore excludes any franchise buy-backs, new stores or stores that were permanently closed in FY20 or FY21. Where any like for like stores were temporarily closed for in-store trade (e.g. due to COVID restrictions) for any day in FY20, FY21 or FY22, the in-store sales (if any) and any online sales on those days have been excluded from like for like sales in all periods.

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healthy gross profit margins (albeit lower than the comparable result in FY2021 but higher than the comparable period in FY2020).

Historically, when stores have re-opened following lockdowns, trading performance has been pleasing. We expect to see demand for DIY hair removal and personal care products remain elevated and for Shaver Shop to capture more of that demand as our stores open in due course.

Mr Fox continued, "Today's retail environment is one of the most challenging that we've experienced in our 35 year history. Despite that, I am incredibly proud of the passion and loyalty that our team members have displayed as we continue to change and adapt to the dynamic retail landscape. Shaver Shop remains in an attractive and growing market segment. We have a very strong financial position and a unique multi-channel retail model. With our customer service focus, the exceptional product knowledge of our team, our differentiated product range and our ongoing omni-retail investments, we continue to have confidence in Shaver Shop's future outlook."

Due to the ongoing uncertainties caused by COVID-19 and the importance of the Christmas and Boxing Day week shopping periods to its annual results, Shaver Shop does not currently consider it appropriate to provide FY2022 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 121 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 an eBay store.

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.

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