

ASX ANNOUNCEMENT

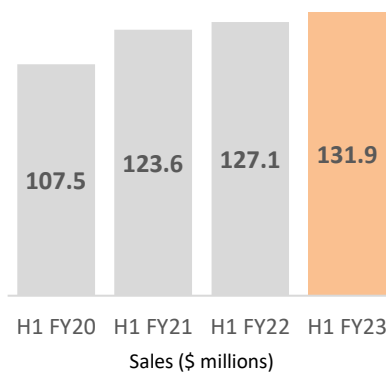
For Immediate Release

Shaver Shop Reports H1 FY23 Results

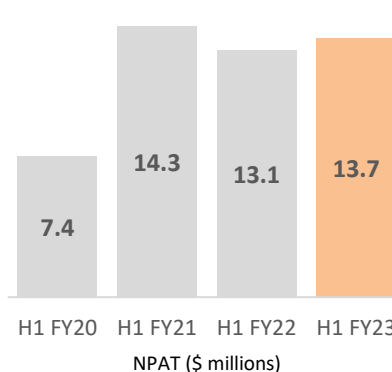
Melbourne, Tuesday, 21 February 2023 – Shaver Shop Group Limited (ASX: SSG) (Shaver Shop), the Australian specialty retailer of male and female personal grooming and beauty products, is pleased to announce its financial results for the half-year ended 31 December 2022 (H1 FY23).

H1 FY23 Results Highlights

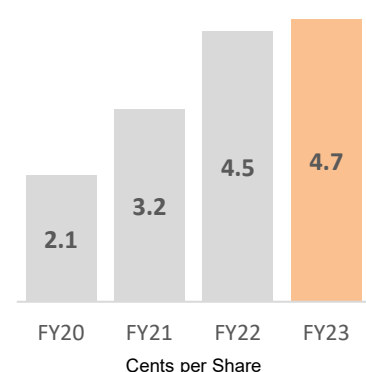
Total Sales up 3.8% to \$131.9m



NPAT up 4.5% to \$13.7m



Interim dividend up 4.4%



Shaver Shop reported record sales and gross profit for the half-year ended 31 December 2022 as customers continue to switch back to pre-pandemic shopping habits by shopping in store. In-store sales represented 76% of total sales of \$131.9 million for the half. Operating margins have been maintained with the increase in-store rosters (due to Shaver Shop cycling the government mandated store closures in H1 FY22 that led to significant reductions in store team hours), being offset by savings in online operating expenditures (including postage and merchant fees), leading to net profit after tax (NPAT) increasing 4.5% to \$13.7 million.

Given the impact of COVID-19 on Shaver Shop's results from H2 FY20 through FY22, comparisons to H1 FY20 (pre-pandemic) have also been provided:

	H1 FY23	H1 FY22	H1 FY21	Pre-COVID H1 FY20	1 Year Growth	2 Year Growth	3 Year Growth
	\$m	\$m	\$m	\$m	%	%	%
Total sales	\$131.9	\$127.1	\$123.6	\$107.5	+3.8%	+6.7%	+22.7%
Online sales (corporate stores)	\$31.1	\$51.6	\$37.5	\$18.6	-39.7%	-17.1%	+67.2%
NPAT	\$13.7	\$13.1	\$14.3	\$7.4	+4.5%	-4.2%	+85.1%
Cash NPAT*	\$14.1	\$13.7	\$14.7	\$8.1	+3.4%	-4.1%	+74.1%
Basic EPS (cents per share)	10.8	10.6	11.7	6.1	+1.9%	-8.3%	+76.0%
DPS (cents per share) – declared	4.7	4.5	3.2	2.1	+4.4%	+46.9%	+123.8%
Net cash (debt) balance (31 Dec)	\$34.1	\$36.3	\$41.1	\$8.4	-6.1%	-17.0%	+306.0%

* Cash NPAT is reported NPAT plus the tax benefit Shaver Shop receives in relation to the tax deduction for franchise licence termination payments it has made on its historical buy-back of franchises. The franchise licence termination cost is amortised to taxable income over 5 years on a straight line basis.



Shaver Shop's sales increased 3.8% and net profit grew 4.5% on H1 FY22. The results also are significantly above pre-pandemic levels with sales up 22.7% and NPAT up 85.1% vs H1 FY20.

Speaking about the financial results for the first half, Shaver Shop's Managing Director and CEO, Mr Cameron Fox said: "Shaver Shop delivered another strong half-year result with record sales and gross profit as well as delivering net profit up 4.5% to \$13.7 million. While trading in November and December came in a bit softer than we expected, we consciously chose not to chase sales at low margins, leading to a very pleasing gross profit margin of 44.3% for the half and a strong bottom line result."

Commenting on Shaver Shop's record gross profit result for the half, Mr Fox said: "Over the last few years, we have continued to focus on making our store teams trusted experts in the products we sell and delighting our customers by providing an engaging shopping experience. We have also continued to curate a differentiated and largely exclusive personal care and grooming range that offers great value for money. One of the outcomes of pursuing this strategy has been an improved gross profit margin that has consistently been above pre-pandemic levels."

Mr Fox continued: "Shaver Shop continues to be very well placed. Our exclusive ranges contributed 51% of sales and close to 60% of gross profit in the half. Sales contribution was also broadly spread, with no one product or category dominating sales or profit contribution. We have strong liquidity and no debt, a conservative balance sheet, and a proven management team with long tenure and experience in growing the business."

"Our store teams also did a great job of offsetting the significant foot traffic declines we saw across shopping centres in November and December by increasing sales conversion and providing exceptional customer service."

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

- Customer satisfaction scores continue to be world class with average Net Promoter Score (NPS) of 88.4 (out of 100);
- Opened two new stores: Hervey Bay, QLD and a second (temporary) store in Chadstone, VIC in December 2022 (to service customers when our primary store is closed for the centre's redevelopment from May 2023);
- Closed one store: Elizabeth, SA to accommodate tenancy changes requested by the landlord. In discussions to re-open in a new site at Elizabeth in late Q4 FY23;
- Secured one new site at Bayfair, NZ that is scheduled to open in late Q4, FY23. NZ store openings remain a key priority for growth in the region.

Operating cash flow of \$39.0 million with net cash of \$34.1 million (no debt)

H1 FY23 operating cash flow was \$39.0 million. Shaver Shop ended the half with \$34.1 million in cash and cash equivalents and no debt. The strong cash balance will reduce significantly in January and February as the Company pays for its Christmas stock purchases.

In H1 FY23, Shaver Shop renegotiated its debt facilities. The Company now has access to \$29.5 million in debt funding through a \$19.5 million term debt facility as well as a \$10.0 million trade finance facility. Both facilities have a maturity date of 31 July 2024 and are currently undrawn.



Interim dividend (100% franked) up 4.4% to 4.7 cents per share

Shaver Shop's Board of Directors today announced a fully-franked interim dividend of 4.7 cents, up 4.4% on last year's interim dividend of 4.5 cents, also fully-franked. The dividend is to be paid on 16 March 2023 to shareholders of record on 2 March 2023.

Mr Cameron Fox said, "The increase in the interim dividend to 4.7 cents fully-franked represents the sixth consecutive increase in the interim dividend since our IPO in 2016. The Board is very focussed on improving shareholder returns. At the same time, we wish to preserve balance sheet strength to the weather any macroeconomic headwinds that arise, as well as retain the flexibility to pursue growth opportunities."

Trading Update and FY2023 Outlook

The following table summarises Shaver Shop's H2 FY2023 sales growth rates year to date (H2 FY23 To Date - 1 Jan 2023 to 18 February 2023) against the three prior comparative periods. Comparative growth rates have been shown versus FY21 and FY20 to try to show the difference in growth rates from COVID-19 impacted (FY22 and FY21) and non-COVID-19 impacted (FY20) trading periods. All financial information is based on unaudited management accounts.

Sales Growth (%) – 1 Jan 23 to 18 Feb 23	H2 FY23 To Date		
	vs FY22	vs FY21	vs FY20
Total sales	-2.1%	+0.3%	+16.7%
In-store sales	+7.6%	+6.5%	+6.7%
Online sales	-24.6%	-16.0%	+69.7%

From 1 January 23 to 18 February 2023, total sales were down 2.1% on the comparative FY22 period, which represents a moderate improvement in the sales growth rates observed in November and December.

Men's and women's beauty and personal care remains an attractive segment. With rising interest rates and other costs of living, Shaver Shop offers budget conscious DIY alternatives to going to the barber or beauty salon with products that are relevant for all demographics.

Gross profit margins over H2 FY23 to date have remained well above long-term averages and above last year's result over the 1 January to 18 February comparative period.

Speaking about Shaver Shop's recent trading activity, Mr Fox said, "We love the fact that customers are choosing to return to Shaver Shop's stores and experience the exceptional and differentiated in-store service we pride ourselves in."

"While trading has remained softer than expected at the start of the second half, our strategy to focus on driving profitable sales has continued to achieve its objectives with gross profit dollars increasing across the first seven weeks versus the prior comparative period."

Mr Fox continued, "Looking towards the remainder of the second half, our focus remains on delighting our customers, maximising profits for shareholders, and maintaining or increasing market share in our core categories."

Having regard to the continuing uncertain macroeconomic environment and the potential impact on demand from cost of living pressures and interest rate rises, it is not appropriate for Shaver Shop to provide FY23 sales or profit 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 122 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 as well as on the eBay, Amazon, TradeMe and MyDeal online marketplaces.

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.