



MEDIA RELEASE

SHAVER SHOP GROUP ANNOUNCES INTENTION TO LIST ON ASX

Melbourne, Tuesday 7 June, 2016 – Shaver Shop Group Limited ACN 150 747 649, ('Shaver Shop') the Australian specialty retailer of male and female personal grooming products, today lodged a prospectus with the Australian Securities and Investment Commission (ASIC) in relation to an initial public offering (IPO) and listing on the Australian Securities Exchange (ASX).

The lodgement of Shaver Shop's Prospectus follows a successful book-build on Friday 3 June 2016. The IPO will be fully underwritten raising \$98m at \$1.05 per share, with company's expected listing on the ASX on Friday 1 July 2016.

Since its establishment in 1986 primarily as a service centre for electric shavers, Shaver Shop has grown to become a market leader in hair removal and personal grooming, with no significant direct competitor providing its full product offering. The company currently has 99 owned and franchised stores across Australia and New Zealand (100 forecast by June 30 2016). Shaver Shop's principal product categories include electric shavers, clippers, trimmers, female hair removal and male wet shave items.

The company's continuing strong growth has been achieved by a number of initiatives, including; evolving the business model to appeal to a wider customer demographic, a well-considered store rollout program, a disciplined franchise store buy back program, and investment in ecommerce.

Shaver Shop Chairman, Brodie Arnhold, said: "A public listing is a significant milestone for a business that goes back almost 30 years, and will position Shaver Shop to expand in a rapidly growing industry across Australia and New Zealand. It is an exciting time to be part of the business and I am looking forward to being involved in the next phase of Shaver Shop's growth plans."

Shaver Shop aims to have more than 145 stores in Australia and New Zealand, and based on its current product offer the company estimates annual retail sales of its market segments to be over \$1 billion per annum in Australia.

Shaver Shop plans to continue its Greenfield expansion over the next three years. This focus on organic growth rather than acquisitions allows Shaver Shop to steadily and strategically expand its geographic footprint while maintaining a consistent retail offer and customer experience. As one of the leading retailers in its category Shaver Shop enjoys the advantage of being able to work closely with global manufacturers to source the latest products, many on an exclusive basis.

The Board of Shaver Shop has significant specialty retail experience. Shaver Shop's senior management team, led by CEO Cameron Fox, has a track record of delivering growth. The Company

is expecting a three year compound annual growth in sales and EBITDA of 66.9% and 43.7% respectively (FY13 to FY16F).

Proceeds from the Offer will be used to further strengthen Shaver Shop's financial position by repaying the majority of its outstanding bank debt at IPO. This will provide Shaver Shop with the increased capacity to execute its store rollout strategy in the near term. Proceeds will also be paid to those Existing Shareholders and Management Shareholders who sell Existing Shares and Management Sale Shares under the Offer.

Key drivers of Shaver Shop's growth are expected to be:

- **Continued product innovation:** source products that cater to the emerging demands of consumers within the hair removal and personal care categories.
- **Organic growth:** implement a strategic marketing plan to attract new customers and encourage repeat business underpinned by sales at recently opened stores reaching maturity.
- **Online sales:** driven by the convenience of shopping online; investment in search engine and digital marketing; website improvements and optimising tablet and mobile offers; focus on eBay as a sales channel.
- **Store rollout:** grow store network from a current total of 99 to 145 through Greenfield store rollouts that meets the company's investment hurdles.
- **Franchise store buy backs:** continue a disciplined buy back of franchise stores within Shaver Shop's investment criteria.
- **Wet shave category:** worth \$387 million and Shaver Shop has approximately 3% of the market and sees opportunities to increase market share.

Chief Executive Officer and Managing Director, Cameron Fox, said: "These key levers for delivering growth across the business are underpinned by longer term, structural drivers of demand for hair removal and personal grooming products, such as the increased consumer desire to look and feel good, as well as continued product innovation."

An Offer of approximately 93.4 million Shares is being made under the Prospectus. New Shareholders will hold approximately 74.6% of the Shares in the Company upon Completion of the Offer with Management and Board members retaining approximately 10.8%. Shaver Shop will have a market capitalization of approximately \$131.3 million upon Listing.

Canterbury Partners and Investec Australia Limited are acting as Financial Advisors to Shaver Shop in relation to the IPO. Ord Minnett Limited and Shaw and Partners Limited are joint Lead Managers. Legal advice is being provided by Norton Rose Fulbright Australia.

Important Statistics

Offer Price	\$1.05
Total number of New Shares to be issued under the Offer (oversubscriptions will not be accepted)	38.9 million
Total number of Existing Shares and Management Sale Shares to be sold under the Offer	54.5 million
Total number of Shares to be offered under the Offer	93.4 million
Amount to be raised under the Offer	98.0 million
Total number of Shares on issue on Completion of the Offer ²	125.1 million
Implied market capitalisation at the Offer Price ³	131.3 million
Implied enterprise value at the Offer Price ⁴	135.5 million
Enterprise value to pro forma forecast FY17 EBITDA multiple ^{4,5}	9.2x
Offer Price to pro forma forecast FY17 NPAT per Share multiple ⁶	14.4x
Indicative annual dividend yield (based on a dividend payout ratio of 50% and pro forma forecast FY17 NPAT) ^{2,7}	3.5%

1. This table contains Forecast Financial Information and information derived from Forecast Financial information. Forecast Financial Information is set out in section 4.4 to 4.6 of the Prospectus, and is prepared on the basis of the best estimate assumptions set out in sections 4.8.1 and 4.8.2. It should be read in conjunction with the discussion of the Pro Forma Historical Financial Information in section 4.4 to 4.6 of the Prospectus, as well as the sensitivities set out in Section 4.9, and the risk factors set out in section 5. This table also contains non-IFRS financial measures, which are discussed in section 4.3 of the Prospectus.

2. Excluding the 1,300,000 Plan Shares which are to be offered by the Company to Management under the LTI Plan within the 12 month period after Listing. Please refer to sections 6.3.1.4 and 9.6 of the Prospectus for further information.

3. Calculated as the number of Shares on issue on completion of the Offer multiplied by the Offer Price per Share. Shares may trade below the Offer Price upon Listing.

4. Enterprise value is calculated as the market capitalisation at the Offer Price plus forecast net debt as at 30 June 2016 as set out in section 4.5.2 of the Prospectus.

5. This ratio is commonly referred to as an EV/EBITDA ratio. The EV/EBITDA ratio is calculated as the enterprise value divided by pro forma forecast EBITDA for the relevant period (refer to section 4.4 of the Prospectus for more details about the pro forma forecast FY16 and FY17 EBITDA).

6. This ratio is commonly referred to as a forward price to earnings ratio, or forward PE ratio. A forward PE ratio is calculated as the Offer Price divided by pro forma forecast NPAT for the relevant period divided by total Shares on issue immediately after Completion of the Offer (refer to sections 4.4 of the Prospectus for more details for more details about the pro forma forecast FY16 and FY17 NPAT).

7. Indicative annual dividend yield is calculated as the implied dividend per Share based on the Company's target dividend payout ratio of 50% and the pro forma forecast FY17 NPAT, divided by the Offer Price. The payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors. For information on the Company's dividend policy, see section 4.10 of the Prospectus. See section 4.4 of the Prospectus for information about the pro forma forecast FY17 NPAT.

Indicative dates

Prospectus Date	Tuesday 7 June 2016
Opening date for retail offer	Wednesday 22 June 2016
Closing time for retail offer	5pm, Monday 27 June 2016
Settlement	Monday 27 June 2016
Issue and transfer of Shares (Completion of the Offer)	Tuesday 28 June 2016
Expected despatch of holding statements	Wednesday 29 June 2016
Expected commencement of trading of Shares on ASX (normal settlement basis)	Friday 1 July 2016

Dates may change

The above dates are indicative only and may be subject to change. Unless indicated, all times and dates are to Melbourne, Australia time. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary the dates and times of the Offer (including, subject to the ASX Listing Rules and the Corporations Act, to extend the Offer, close the Offer early, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion) in each case without notifying any recipient of this Prospectus or any Applicants. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

The offer of shares is made by Shaver Shop Group Limited ACN 150 747 649 and Shaver Shop SaleCo Limited ACN 612 518 831 under a Prospectus lodged with the Australian Securities and Investments Commission (ASIC). A copy of the Prospectus can be viewed or downloaded online at <http://www.shavershop.com.au>. The Prospectus is also available to Australian resident investors in electronic form at the Offer website, <https://events.miraqle.com/shavershop-ipo>.

Eligible investors should consider the Prospectus and read it in full in deciding whether to acquire shares. If you want to acquire shares in the IPO, you must complete the relevant application form, which accompanies the Prospectus.

For potential investors seeking further information about the offer, please call the Shaver Shop Offer Information line on 1800 500 095 (toll free within Australia) or +61 1800 500 095 (outside Australia).

-ENDS-

For Further Media Information:

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