



H1 FY2022 RESULTS PRESENTATION





01

H1 FY2022 HIGHLIGHTS

H1 FY2022 FINANCIAL HIGHLIGHTS

Sales



- > Total Sales up 2.8% to \$127.1m (H1 FY2021 - \$123.6m)
 - Total sales up 18.2% compared to H1 FY2020 (2 year growth)
 - 28% of available in-store trading days (6,169 days) lost to government imposed trading restrictions
- > Online sales up 37.2% to \$51.6m (2 year growth – 177.4%)
 - Online sales represented 40.6% of total revenue

Earnings



- > NPAT down 8.6% to \$13.1m (H1 FY2021 - \$14.3m)
 - NPAT up 76.4% vs H1 FY2020 (2 year growth)
- > No JobKeeper or Government wage subsidies received
- > Gross margin down 90bps to 43.8% compared to H1 FY2021
 - Gross margin up 250bps compared to H1 FY2020
- > OPEX well controlled
- > EPS down 9.4% to 10.6cps (H1 FY2021 – 11.7 cps)
 - EPS up 74.5% vs H1 FY2020 (2 year growth)
- > Cash EPS down 8.4% to 11.1 cps (FY2021 – 12.1 cps)

Balance Sheet



- > Very strong financial position
- > Net cash of \$36.3m at 31 Dec 21 (30 June 21 - \$7.4m)
- > Average stock on hand per store of c. \$200k at 31 Dec 21
 - Clean stock position
- > Operating cash flow \$42.7m (AASB 16) – consistent with prior years, H2 FY2022 expected to have negative operating cash flow due to supplier payments for XMAS stock purchases

Capital



- > Interim dividend up 41% to 4.5 cents per share (fully franked)
- > Continuing omni-retail investments driving increase in active customers and purchase frequency
- > 2 new store openings in H2 FY2022 (Claremont, WA & Hervey Bay, QLD)
- > 2 full store refits in H2 FY2022



OPERATIONAL HIGHLIGHTS

Customer Service



- > Safe & hygienic environment maintained in all stores
- > Store teams have managed exceptionally well with service metrics remaining at or near all time highs - average NPS of 88 for H1 FY2022
- > Foot traffic strong on re-opening in NSW and VIC through Black Friday but negatively impacted by omicron in the lead up to XMAS and through Boxing Day

Omni Retail



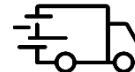
- > Increased shipping options for online customers
 - > More than 10% of online orders were for C&C in H1
- > Active online customers* up 48.7% to 650,000 – a new record
- > Returning online (only) customers represented to 66.2% of H1 FY2022 total online customers
- > Expanded brand offering to include: Therabody, Tidal Wave, American Crew; Tooletries

New Stores



- > Bunbury, WA opened in September 2021
- > Claremont, WA to open in March 2022
- > Relocation of Perth CBD store to Piccadilly St in March 2022
- > Hervey Bay, QLD planned to open in May 2022
- > Several NZ greenfield opportunities under evaluation

Fulfilment



- > Over 370,000 online orders were fulfilled by the store network in H1 FY2022
- > More than 96% of online orders picked and packed for dispatch within 24 hours of online order being placed

Team



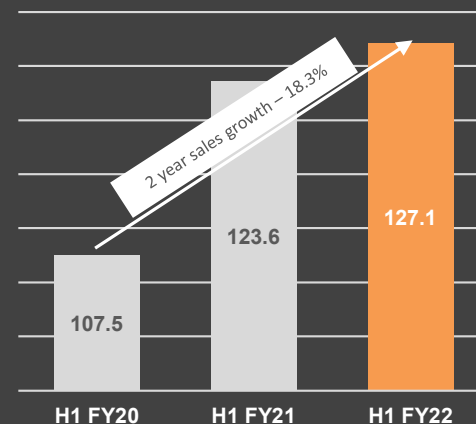
- > In-store teams have remained customer focused and resilient
- > Health and safety measures implemented and followed consistently across store network
- > Successfully managed through multiple short-term store closures and lockdowns

REVENUE DRIVERS

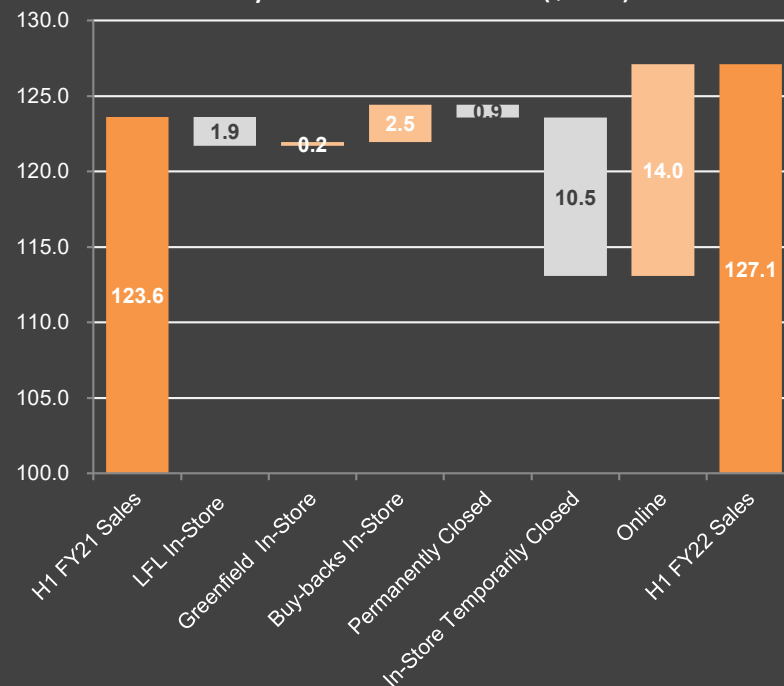
SSG's strong multi-channel offering enabled online sales to significantly offset lower in-store sales caused by Government mandated store closures in Q1 FY2022

- > Total sales increased \$3.5 million (or 2.8%) to \$127.1m
 - Up 18.3% compared to H1 FY2020
- > Online sales were the key positive driver – up \$14.0 million or 37.2% vs pcp (up 177.4% vs 2 years ago)
- > Temporary store closures associated with COVID-19 restrictions resulted in \$10.5 million reduction in in-store sales in H1 FY2022
 - NSW and VIC, our largest markets by sales and store numbers, were the hardest hit losing more than 5,200 in-store trading days (c.53% of available in-store trading days)
- > LFL store sales were down \$1.9m in the half with in-store foot traffic materially down during our key Christmas and Boxing Day trading periods due to elevated COVID-19/omicron concerns
- > Franchise buybacks (6 shops re-acquired in NSW in Feb'21) continued to perform well in H1 FY22 (when open to customers)
- > Continuing to optimise store portfolio
 - 1 new store added in H1 FY2022 (Bunbury)
 - 2 stores were permanently closed in H1 FY2021 (Plenty Valley, VIC and Belrose, NSW)
 - 2 new stores committed for H2 FY2022

Total Sales Growth Trend



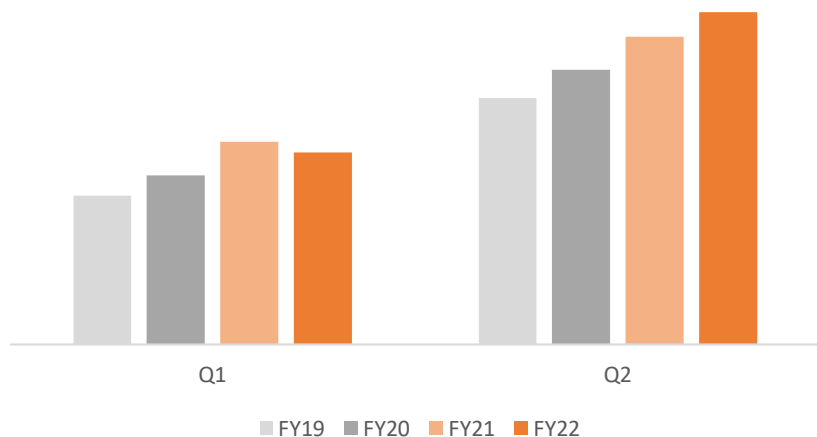
Key revenue drivers* (\$Am)



QUARTERLY SALES TRENDS ACROSS H1 FY2022

Store closures across NSW and VIC significantly impacted Q1 sales growth. Q2 sales rebounded strongly as stores re-opened but then softened significantly in mid to late December as COVID-19 concerns escalated

Quarterly Total Sales



FY22 Quarterly Total Sales Growth %

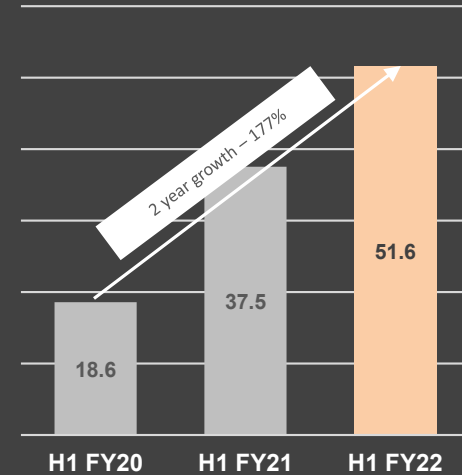
	vs FY21	vs FY20
Q1	-5.1%	13.7%
Q2	+8.0%	21.1%
TOTAL	2.8%	18.3%

STRONG ONLINE SALES PERFORMANCE

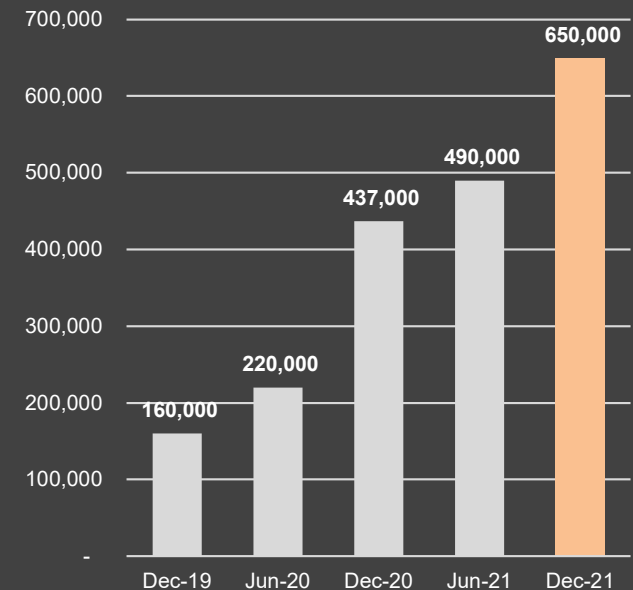
Online sales were up 37.2% to \$51.6 million and represented 40.6% of total sales in H1 FY2022

- > Continuing focus on delivering an engaging and personalized online shopping experience
- > Online transaction volumes increased 37.2% vs H1 FY2021 driven by higher website visits and strong sales conversion
- > Online average transaction values remain substantially above in-store transaction values (largely due to category mix)
- > Total active online customers increased 48.7% to 650,000 in the last 12 months
- > Returning customers represented 66.2% of total online sales in H1 FY2022 reflecting Shaver Shop's continued focus on delighting our customers with every visit
- > Shaver Shop processed more than 370,000 online transactions in H1 FY22
- > Increased range of shipping options (Same Day, Express, Standard, Click & Collect) helped manage postage delays during period periods
 - Click & Collect accounted for >10% of online sales in H1 FY22 and more than 35% in the week before Christmas
 - Additional logistics options to be added in H2 FY22

Online Sales Growth (\$m)



Active Online Customers*

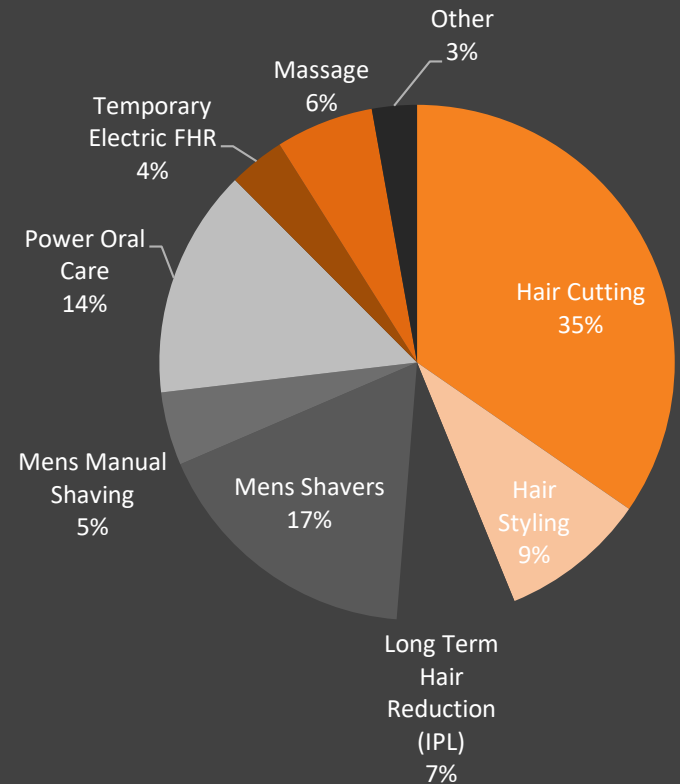


PRODUCT & CATEGORY MIX IS EVOLVING

Strong sales of Hair Cutting (Clip & Trim) products during extended lockdowns in Q1 FY2022, transitioned increasingly to Long Term Hair Removal, Massage and Power Oral Care in Q2 FY2022

- > 24 of the top 30 products by sales were exclusive to Shaver Shop in H1 FY2022
- > Hair Cutting remains SSG's strongest sales category with 35% of sales coming from this category (consistent with H1 FY2021)
- > Strong sales growth achieved in:
 - Massage
 - Power oral care
 - Long term hair removal solutions (IPL)
 - Fragrance (included in Other)
- > These growing categories generally have a lower than company average gross profit margins leading in-part to gross profit margins declining 90bps to 43.8% in H1 FY2022
- > Demand for shaving products expected to return as offices re-open across AU and NZ in H2 FY2022 and beyond
- > Continuing to seek to add complementary categories as well as complementary brands in existing categories

H1 FY2022 – Category Contribution by Sales (\$)





02

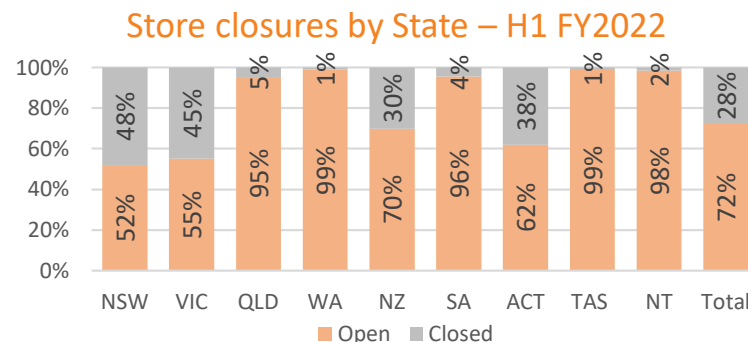
H1 FY2022 FINANCIAL RESULTS SUMMARY

PROFIT & LOSS

Profit & Loss A\$m	Reported H1 FY2022	Reported H1 FY2021	Variance (\$)	Variance (%)
Sales	127.1	123.6	3.5	2.8%
Gross profit	55.7	55.3	0.5	0.9%
<i>Gross margin %</i>	<i>43.8%</i>	<i>44.7%</i>	<i>-0.9%</i>	<i>(1.9%)</i>
Franchise & other income	0.0	0.8	(0.8)	(100.0%)
Cost of doing business (CODB)	(29.1)	(28.3)	(0.8)	2.8%
EBITDA	26.7	27.8	(1.1)	(4.0%)
<i>EBITDA margin %</i>	<i>21.0%</i>	<i>22.5%</i>	<i>-1.5%</i>	<i>(6.6%)</i>
Depreciation and amortisation	(7.2)	(6.9)	(0.3)	4.0%
EBIT	19.5	20.9	(1.4)	(6.6%)
<i>EBIT margin %</i>	<i>15.4%</i>	<i>16.9%</i>	<i>-1.5%</i>	<i>(9.2%)</i>
Net finance costs	(0.9)	(0.8)	(0.1)	9.6%
Income tax expense	(5.6)	(5.8)	0.2	(4.0%)
NPAT	13.1	14.3	(1.2)	(8.6%)
<i>NPAT margin %</i>	<i>10.3%</i>	<i>11.6%</i>	<i>-1.3%</i>	<i>(11.1%)</i>
Basic EPS (cents) - weighted avg shares outstanding	10.6	11.7	(1.1)	(9.4%)
Franchise buyback tax benefit	0.6	0.4	0.2	37.4%
Cash NPAT (after adjusting for tax benefit of franchise licence termination costs - 5 year amortisation)	13.7	14.7	(1.1)	(7.2%)
Cash EPS (cents)	11.1	12.1	(1.0)	(8.3%)

*Comparative figures for H1 FY2021 and H1 FY2020 have been adjusted for change in accounting policy related to customisation and configuration costs for cloud based software. See Appendices to presentation and notes to financial statements for further detail.

- > Sales up 2.8% to \$127.1m (up 18.2% vs H1 FY2020*)
 - Online sales up 37.2% to \$51.6m (41% of total sales)
 - 28% (or 6,169 days) of available in-store trading days in H1 FY22 lost due to government imposed restrictions
- > GP% down 90bps to 43.8% (up 250bps vs H1 FY2020)
- > OPEX well controlled - up 2.7% vs H1 FY2021
 - CODB as a percentage of sales constant at 22.9%
- > EBIT down 6.6% (up 66.8% vs H1 FY2020)
- > NPAT \$13.1m down 8.6% (up 76.6% vs H1 FY2020)
- > EPS 10.6cps down 1.1 cents vs H1 FY2021 (up 74.5% vs H1 FY2020)
- > Cash EPS 11.1 cents down 8.4% on H1 FY2021

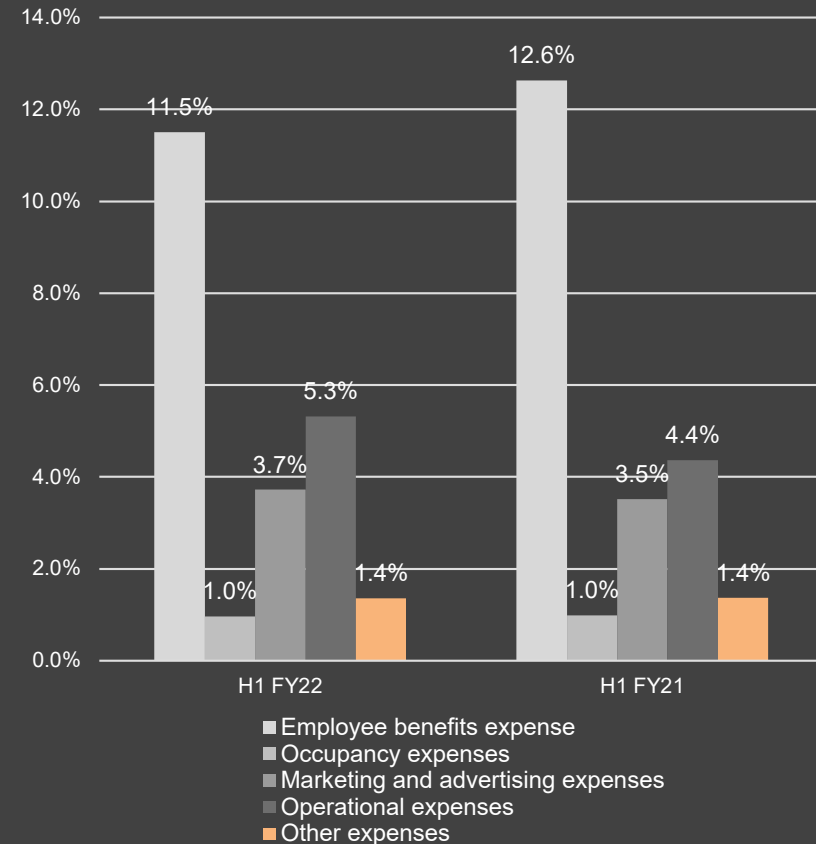


OPEX WELL CONTROLLED

Total OPEX as a % of sales was flat in H1 FY2022 at 22.9% (H1 FY2021 – 22.9%)

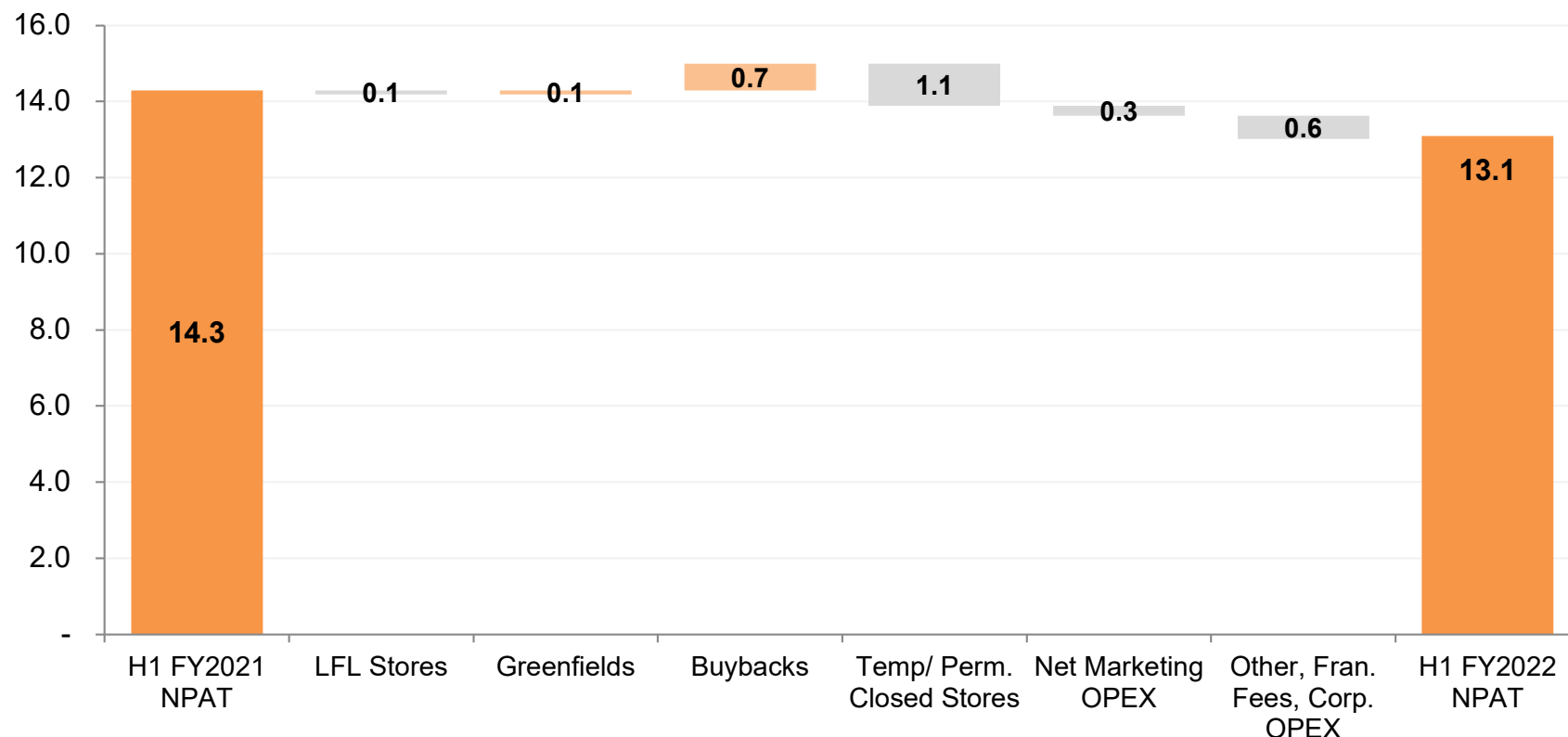
- > Shaver Shop remained agile during H1 FY2022 adjusting OPEX spend to reflect the changing retail dynamics caused by COVID-19
- > OPEX mix changed slightly in H1 FY2022 with employment costs as a % of sales decreasing 110bps to 11.5% due to lower rosters associated with increased number of store closures in H1 FY2022
- > This was offset by a 90bps increase in operational costs to 5.3% of sales associated with higher postage and other variable costs as customers moved to online shopping and delivery
- > Marketing and advertising, occupancy costs and other expenses were relatively consistent year over year
 - Occupancy costs benefited from c. \$500k in rent abatements negotiated and agree with landlords due to government-mandated store closures (consistent with H1 FY2021)
- > Except for new store openings and the related operational costs, no material changes to OPEX requirements anticipated in H2 FY2022 and beyond

Operating expenses as % of total sales



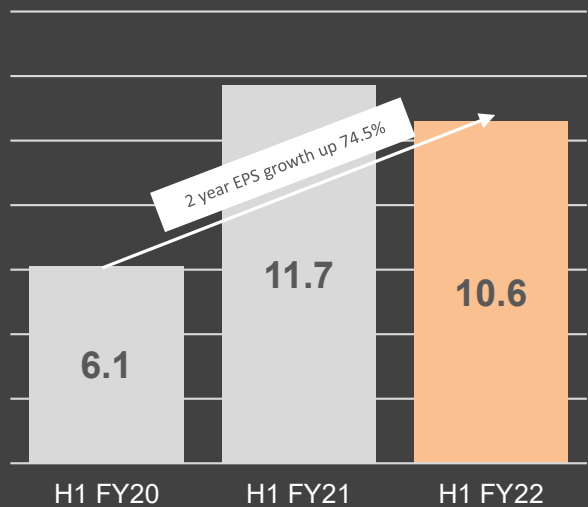
NPAT DOWN 8.6% OR \$1.2M DUE TO GOVERNMENT MANDATED STORE CLOSURES ACROSS H1 FY22

Key Drivers of NPAT (\$Am)

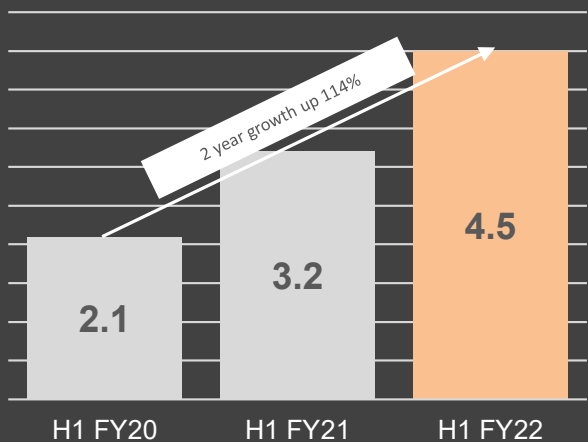


NB. The above NPAT drivers are Management estimates and based on the monthly allocation of expenses across store types and internal departments. Profit results for LFL stores, greenfields and buybacks for H1 FY2022 and H1 FY2021 have been reclassified to Temporary/Permanently Closed stores during the periods they were closed to in-store customers so that the store classification is consistent across both periods.

Earnings per Share Growth (cents)



Interim Dividend Growth (cents)



EPS & DIVIDEND GROWTH

Consistent interim dividend growth supported by strong EPS results

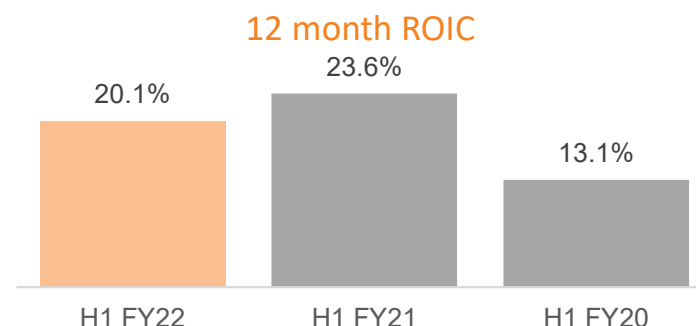
- > Strong H1 FY2022 EPS result at 10.6 cents, up 74.5% vs 2 years ago
- > Interim dividend 4.5 cents (fully franked), up 1.3 cents or 40.6%
 - Interim dividend up 114% vs 2 years ago
 - Record date – 17 March 2022
 - Payment date – 31 March 2022
- > Intention is to continue increasing dividends to shareholders provided no opportunity for greater value exists and subject to dividend policy
- > Dividend policy is to payout approximately 60-80% of Cash Net Profit after Tax
- > Also seeking to balance interim and final dividend payouts

STRONG FINANCIAL POSITION

A\$m	AASB 16 31-Dec-21	AASB 16 30-Jun-21	AASB 16 31-Dec-20
Cash	36.3	7.4	41.1
Trade & other receivables	5.6	3.6	0.9
Lease receivables	-	-	1.8
Inventory	24.6	18.1	23.5
Plant & Equipment	10.4	10.6	10.2
Right of use assets	23.9	21.3	23.4
Goodwill & Intangibles	54.4	54.0	44.7
Other assets	7.8	7.8	5.1
Total assets	163.1	122.8	150.7
Trade payables	46.4	19.2	41.2
Interest bearing liabilities	-	-	-
Lease liabilities	28.8	26.4	30.3
Other liabilities	6.9	4.6	6.3
Total liabilities	82.2	50.2	77.8
Net assets	80.9	72.6	72.9

Comparative figures for FY2021 have been adjusted for change in accounting policy related to customisation and configuration costs for cloud based software. See notes to financial statements for further detail.

- > Net cash position (no debt) \$36.3m at 31 Dec 21
 - Up \$28.9m from 30 June 21 reflecting strong H1 FY2022 trading performance and extended trading terms from suppliers for Christmas stock purchases (consistent with prior years)
 - \$30m undrawn debt facility maturing 31 Jul 2022
- > Inventory of \$24.6 million is c. \$200k per store and relatively consistent with 31 Dec 2020 result
- > Trade payables balance up \$27.5m compared to 30 June 21
 - Balance will reduce in H2 FY2022 as suppliers payments for Christmas stock purchases are made in January and February 2022 (consistent with prior years)
- > Net assets \$80.9 million at 31 December 21
- > Strong returns on invested capital (ROIC) – 20.1% for the 12 months ending 31 December 21



* ROIC = 12 month NPAT divided by end of period net assets

OPERATING CASH FLOW \$42.7M

A\$m	H1 FY2022	H1 FY2021	Variance
NPAT	13.1	14.3	(1.2)
Non-cash items:			-
Depreciation and amortisation expense	7.2	6.9	0.3
Change in working capital and other	22.5	20.1	2.4
Net cash flow from operating activities	42.7	41.3	1.5
Payments for franchise store buy backs	-	-	-
CAPEX (net of landlord contributions)	(0.7)	(1.1)	0.4
Net cash flow before financing activities	42.0	40.2	1.8
Dividends paid	(6.2)	(5.9)	(0.3)
Lease payments - principal	(6.8)	(5.8)	(1.0)
Borrowings drawdown / (repayment)	-	-	-
Net cash flow	29.0	28.4	0.5
Opening Cash Position - 30 June	7.4	12.6	(5.3)
Closing Cash Position - 31 Dec	36.3	41.1	(4.7)

- > Shaver Shop's business model continues to generate strong operating cash flows enabling increased returns to shareholders through dividends while continuing to invest for growth
- > Investments for growth have included:
 - Omni-retail capabilities
 - New stores
 - Refitting/relocating key doors
- > Strong financial position and cash flow has also enabled Shaver Shop to consistently increase dividends
 - H1 FY2022 net cash flow includes return of \$6.2m to shareholders via 5.0 cent fully franked FY2021 final dividend
 - Shaver Shop's Board has approved a fully franked FY2022 interim dividend of 4.5 cents per share (c. \$5.8m return to shareholders) – 40.6% increase on FY2021 interim dividend of 3.2 cents (fully franked)
 - NB. H1 FY2021 dividend payments include FY2020 final dividend as well as H2 FY2020 Special Dividend (declared in lieu of cancelled H1 FY2020 interim dividend)
- > Shaver Shop's Board will continue to prudently manage its capital to maximise shareholder returns



03

TRADING UPDATE & OUTLOOK

TRADING UPDATE & OUTLOOK

- Following a period of softer demand in December and early January as concerns over the COVID-19 omicron variant and case numbers peaked, trading conditions have improved in late January and February as customers increasingly return to shopping centres
- A summary of sales results for the period from 1 January 2022 through 17 February 2022 and FY22 YTD is set out below:

	H2 To Date*		Fiscal Year To Date	
	vs FY21	vs FY20	vs FY21	vs FY20
Total sales growth	6.2%	22.6%	3.3%	18.7%
Like for like ¹ sales growth (inc online sales)	0.0%	16.8%	2.9%	21.4%
Online sales growth	23.8%	149.6%	35.4%	178.1%

* H2 to date sales growth reflects the recognition of a larger quantum of late December online sales deferred into H2 FY22 (vs prior years) due to postage delays for online orders made prior 31 Dec 2021. No impact to YTD growth calculations.

- Despite the recent improvement in customer traffic at shopping centres, traffic remains subdued compared to pre-COVID 19 levels. However, shopper propensity to spend remains elevated
- H2 to date category mix is relatively consistent with Q2 FY2022, leading to gross profit margins lower than the comparative FY2021 period and above the comparative FY2020 (pre-COVID-19) levels
- Store service metrics have remained strong throughout with elevated in-store sales conversion complemented by world class customer satisfaction scores
- Despite staff shortages caused by COVID-19 isolation requirements, Shaver Shop has been able to adapt and continue to trade all stores in H2 FY022 to date
- Shaver Shop has not experienced any material supply chain issues and does not expect any material impact in the second half
- Shaver Shop is opening two new stores in Australia in H2 FY2022 with promising new store opportunities in NZ being evaluated
- With a differentiated specialty retail offering centred around passionate store teams that continually delight our customers, Shaver Shop remains well positioned to deliver strong second half sales and earnings results
- Having regard to the uncertain retail trading environment caused by COVID-19, Shaver Shop is not in a position to provide FY2022 sales or earnings guidance at this time



INVESTMENT SUMMARY

- ✓ Segment leader in both online and in-store
- ✓ Large and growing market driven by changing consumer preferences and new product innovation
- ✓ COVID-19 has accelerated DIY personal care adoption and introduced new customers to Shaver Shop
- ✓ Differentiated & resilient specialty retail business model
 - Service excellence and unparalleled product knowledge
 - Product exclusivity
 - Competitive pricing
- ✓ Significant potential to further increase market share
- ✓ Strong brand awareness in Australia (NZ still low)
- ✓ Proven and highly profitable omni-retail model
- ✓ Fully-owned corporate store network (121 stores across ANZ) following acquisition of the last 6 franchises in February 2021
- ✓ Clean balance sheet – no debt – with strong cash conversion
- ✓ Experienced management team
- ✓ Strong focus on investing for growth and improving total shareholder returns
- ✓ Attractive dividend yield



04

APPENDICES

KEY METRICS SUMMARY

Comparable Accounting (AASB 16)	Reported H1 FY2022	Reported H1 FY2021
Number of corporate stores	121	116
Number of franchise stores	-	6
Total stores	121	122
Corporate store sales (\$m)	127.1	123.6
Franchise store sales (\$m)	-	8.4
Total network sales (\$'000)	127.1	132.0
Corporate store LFL sales growth % ¹	3.6%	19.6%
Franchise store LFL sales growth % ¹	0.0%	5.9%
Corporate store total sales growth %	2.8%	12.3%
Gross profit margin %	43.8%	44.7%
Employee benefits expense as a % of sales	11.5%	12.6%
Occupancy expenses as % of sales (AASB 16)	1.0%	1.0%
Marketing and advertising expenses as % of sales	3.7%	3.5%
Operational expenses as % of sales	5.3%	4.4%
Other expenses as % of sales	1.4%	1.4%
EBITDA margin	21.0%	22.5%
EBIT margin	15.4%	16.9%
NPAT margin	10.3%	11.6%

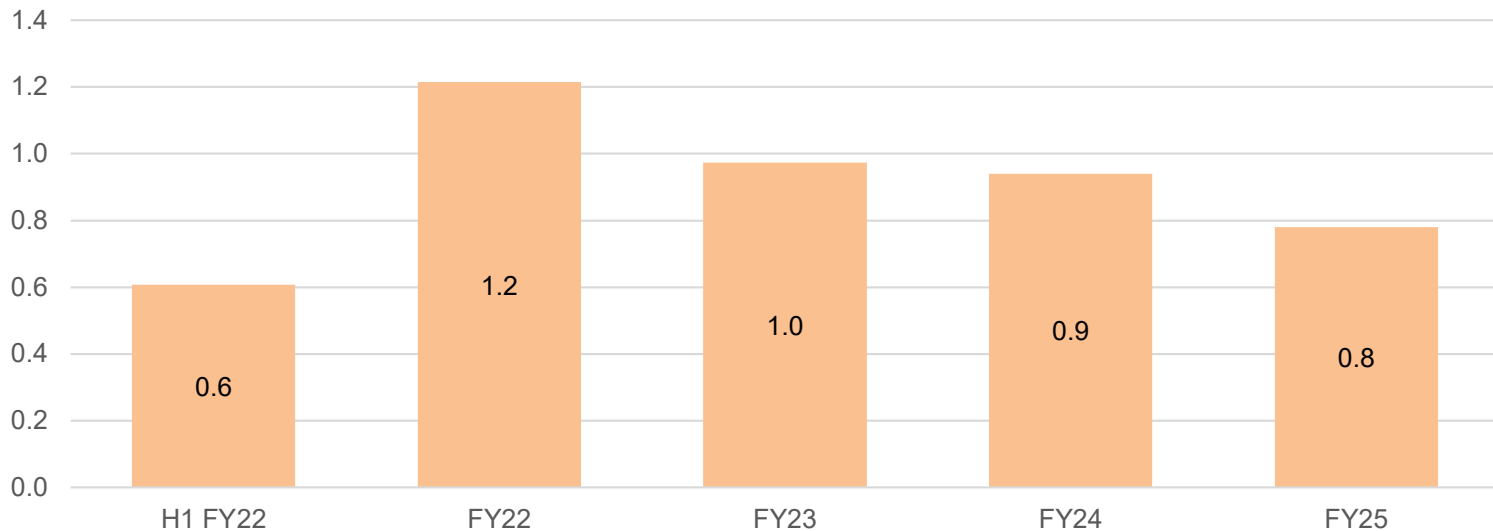
¹ Like for like sales are sales for those stores that were owned and operated by Shaver Shop for all of FY20 and FY21. It therefore excludes any franchise buy-backs, new stores or stores that were permanently closed in FY20 or FY21. Where any like for like stores were temporarily closed for in-store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

CHANGE IN ACCOUNTING POLICY RECONCILIATION CLOUD SOFTWARE CUSTOMISATION COSTS

\$Am	Expensing of cloud software				Reversal of cloud software				Expensing of cloud software				Reversal of cloud software			
	Reported H1 FY2022	cloud config. costs	cloud software amortisation	Comparative H1 FY2022	Reported H1 FY2021	cloud config. costs	cloud software amortisation	Comparative H1 FY2021	Reported H1 FY2020	cloud config. costs	cloud software amortisation	Comparative H1 FY2020	Reported H1 FY2020	cloud config. costs	cloud software amortisation	Comparative H1 FY2020
Sales	127.1			127.1	123.6			123.6	107.5			107.5				107.5
Cost of goods sold	(71.4)			(71.4)	(68.4)			(68.4)	(63.1)			(63.1)				(63.1)
Gross profit	55.7		-	55.7	55.3		-	55.3	44.4		-	44.4		-		44.4
Gross margin %	43.8%			43.8%	44.7%			44.7%	41.3%			41.3%				41.3%
Franchise and other revenue	0.0			0.0	0.8			0.8	0.8			0.8				0.8
Employee benefits expense	(14.6)			(14.6)	(15.6)			(15.6)	(15.3)			(15.3)				(15.3)
Occupancy expenses	(1.2)			(1.2)	(1.2)			(1.2)	(1.6)			(1.6)				(1.6)
Marketing and advertising expenses	(4.7)			(4.7)	(4.3)			(4.3)	(3.8)			(3.8)				(3.8)
Operational expenses	(6.8)			(6.8)	(5.4)			(5.4)	(4.1)			(4.1)				(4.1)
Other expenses	(1.7)			(1.7)	(1.5)	(0.2)		(1.7)	(1.0)	(0.6)		(1.6)		(0.6)		(1.6)
Overhead expenses	(29.1)	-	-	(29.1)	(28.1)	(0.2)	-	(28.3)	(26.0)	(0.6)	-	(26.5)			-	(26.5)
EBITDA	26.7	-	-	26.7	28.0	(0.2)	-	27.8	19.2	(0.6)	-	18.7			-	18.7
EBITDA margin	21.0%			21.0%	22.6%			22.5%	22.6%			17.4%				17.4%
Depreciation and amortisation	(0.9)			(0.9)	(1.5)		0.4	(1.1)	(1.4)		0.3	(1.1)				(1.1)
Depreciation - right of use assets (leases)	(6.2)			(6.2)	(5.8)			(5.8)	(5.8)			(5.8)				(5.8)
EBIT	19.5	-	-	19.5	20.7	(0.2)	0.4	20.9	12.0	(0.6)	0.3	11.7				11.7
Net finance costs - borrowings	(0.1)			(0.1)	(0.1)			(0.1)	(0.2)			(0.2)				(0.2)
Net finance costs - lease liabilities	(0.8)			(0.8)	(0.8)			(0.8)	(0.9)			(0.9)				(0.9)
Profit before income tax	18.6	-	-	18.6	19.9	(0.2)	0.4	20.1	10.9	(0.6)	0.3	10.6				10.6
Income tax expense	(5.6)		-	(5.6)	(5.8)	0.1	(0.1)	(5.8)	(3.3)	0.2	(0.1)	(3.2)				(3.2)
NPAT	13.1	-	-	13.1	14.2	(0.1)	0.3	14.3	7.6	(0.4)	0.2	7.4				7.4
Basic EPS (cents) - weighted avg shares outstanding	10.6	-	-	10.6	11.6	(0.1)	0.2	11.7	6.2	(0.3)	0.1	6.1				6.1

TAX BENEFIT – FRANCHISE LICENCE TERMINATION

Franchise buy-back tax benefit (\$m)



Shaver Shop receives a tax deduction over five years for the cost of franchise right terminations that occur through its franchise buy-back program. This improves operating cash flow for the Group by reducing income tax payable for the five year tax period following each buy-back. In February 2021, Shaver Shop acquired the remaining six franchises in the network for \$13.0 million plus stock on hand. Based on the franchise buy-backs completed to date (including the final six franchises that were acquired in early February 2021), the expected reduction in cash tax payable for H1 FY2022, FY2022 and each subsequent financial year related to the franchises acquired is set out above.

THANK YOU
