

# SHAVER SHOP GROUP LIMITED

## Appendix 4D

### Half Year Report for the six months ended 31 December 2023

#### 1. Details of the reporting period and the prior corresponding period

Current period:	1 July 2023 to 31 December 2023
Prior corresponding period:	1 July 2022 to 31 December 2022

#### 2. Results for announcement to the market

		%	H1 FY 2024 \$'000	H1 FY 2023 \$'000
Revenue from ordinary activities	Down	-3.7%	127,050	131,916
Profit from ordinary activities after tax attributable to members	Down	-8.6%	12,480	13,652
Net profit after tax attributable to the members	Down	-8.6%	12,480	13,652

#### Brief explanation of basis of results

An explanation of the Company's reported and normalised results are contained in the Review of Operations in the Directors' Report accompanying the company's financial statements.

#### 3. Dividends

	Amount per ordinary share	Franked amount per ordinary share
Interim dividend – half year ended 31 Dec 2022	4.7 cents	4.7 cents
Final dividend – year ended 30 June 2023	5.5 cents	5.5 cents
Interim dividend – half year ended 31 Dec 2023	4.7 cents	4.7 cents

On 26 February 2024, the Directors declared a 100% franked interim dividend of 4.7 cents per share in respect of the half year ended 31 December 2023. Accordingly, this dividend is not provided for in the balance sheet at 31 December 2023. The record date and payment date in relation to the FY2024 interim dividend are as follows:

Record date for determining entitlement to the dividend (ordinary shares):	7 March 2024
Payment date of the interim dividend (ordinary shares):	21 March 2024

The company does not have a dividend reinvestment plan.

#### 4. Net tangible assets per security

	31 Dec 23	31 Dec 22
Net tangible asset backing per ordinary share	27.4 cents <sup>(1)</sup>	24.7 cents <sup>(1)</sup>

<sup>(1)</sup> Net tangible asset backing per ordinary share of 27.4 cents above is inclusive of right of use assets. The net tangible asset backing per ordinary share at 31 December 2023 would reduce to 16.4 cents (31 December 2022: 8.5 cents) if right of use assets were excluded, and right-of-use lease liabilities were included, in the calculation.

## **5. Entities over which control has been gained or lost during the period**

Not applicable.

## **6. Details of associates**

Not applicable.

## **7. Details of independent auditor's report**

In the Independent's Auditors Report attached to the Financial Report, there is no modified opinion, emphasis of matter or other matter paragraph.

## **8. Further information**

Additional Appendix 4D disclosure requirements can be found in the notes to the half year Financial Report as well as the half year Directors' Report. The information above should be read in conjunction with the accompanying Interim Financial Report of the Group for the half year ended 31 December 2023 and ASX market releases made during the period.

# SHAVER SHOP GROUP LIMITED

ABN: 78 150 747 649

## **INTERIM FINANCIAL REPORT**

**For the Half-Year Ended 31 December 2023**

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

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## **DIRECTORS' REPORT**

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Your directors present their report on the consolidated entity consisting of Shaver Shop Group Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023. Throughout the report, the consolidated entity is referred to as the "Group", the "Company" or "Shaver Shop".

### **Directors**

The following persons were directors of Shaver Shop Group Limited during the whole of the half-year and up to the date of this report:

Broderick Arnhold  
Cameron Fox  
Craig Mathieson  
Trent Peterson  
Brian Singer  
Debra Singh

### **Company Secretary**

Lawrence Hamson held the position of Company Secretary during the whole of the half-year and up to the date of this report.

### **Principal activities**

During the period, the principal activities of the Group consisted of the retailing of specialist personal care and grooming products across Australia and New Zealand, through 123 store locations (as at 31 December 2023), its websites and various online marketplaces. There were no significant changes in the nature of the Group's principal activities during the financial half-year.

### **Rounding of amounts**

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **Review of operations and financial results summary**

Sales for the first half ended 31 December 2023 decreased 3.7% to \$127.0 million (H1 FY2023: \$131.9 million). The decrease in total sales was due to lower in-store sales as foot traffic declined in shopping centres across Australia and New Zealand and consumer sentiment declined following the significant interest rate increases and cost of living impacts of the prior 24 months. Online sales were flat year over year at \$31.1 million representing 24.4% of total sales in H1 FY2024 (H1 FY2023: 23.5%).

Shaver Shop's net profit after income tax (NPAT) decreased 8.6% (or approximately \$1.2 million) to \$12.5 million (H1 FY2023: \$13.7 million) after subtracting income tax expense of \$5.3 million (H1 FY2023: \$6.3 million).

### **Non-IFRS measures**

The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business. Non-IFRS measures contained within this report are not subject to audit or review.

The Company's Statutory Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the Group for H1 FY2024 was \$26.0 million (H1 FY2023: \$28.1 million).

## **DIRECTORS' REPORT**

	Statutory Consolidated	
	H1 FY2024 \$000	H1 FY2023 \$000
<b>Profit after income tax from continuing operations (NPAT)</b>	<b>12,480</b>	<b>13,652</b>
Add back:		
Net finance costs related to bank debt	(183)	89
Net finance costs related to leases (AASB 16)	509	654
Income tax expense	5,308	6,300
<b>EBIT</b>	<b>18,114</b>	<b>20,695</b>
Depreciation and amortisation – property, plant & equipment and intangibles	988	954
Depreciation expense – leased right of use assets (AASB 16)	6,924	6,492
<b>EBITDA<sup>1</sup></b>	<b>26,026</b>	<b>28,141</b>

<sup>1</sup> Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is used as a measure of financial performance by excluding certain variables that affect operating profits but which may not be directly related to the underlying performance of the Group. EBITDA is not a measure of operating income, operating performance or liquidity under A-IFRS. Other companies may calculate EBITDA in a different manner to Shaver Shop. The above EBITDA reconciliation has not been audited.

### **Results Summary**

The table below compares the operating performance of Shaver Shop for H1 FY2024 against its result for H1 FY2023. The percentage change values shown in the table below are based on the Company's results to the nearest dollar.

	Consolidated		
	H1 FY2024 \$000	H1 FY2023 \$000	Change %
<b>Revenue</b>	<b>127,050</b>	<b>131,916</b>	<b>-3.7%</b>
Gross Profit	56,422	58,459	-3.5%
<i>Gross Margin</i>	44.4%	44.3%	0.2%
Operating expenses	(30,396)	(30,318)	0.3%
<b>EBITDA</b>	<b>26,026</b>	<b>28,141</b>	<b>-7.5%</b>
<i>EBITDA Margin</i>	20.5%	21.3%	-4.0%
<b>EBIT</b>	<b>18,114</b>	<b>20,695</b>	<b>-12.5%</b>
<i>EBIT Margin</i>	14.3%	15.7%	-9.1%
<b>NPAT</b>	<b>12,480</b>	<b>13,652</b>	<b>-8.6%</b>
Tax benefit associated with franchise buybacks	478	487	-1.8%
<b>NPAT – adjusted for franchise buyback tax benefit ("Cash NPAT")</b>	<b>12,958</b>	<b>14,139</b>	<b>-8.4%</b>
Weighted average shares – basic (millions)	128.2	127.0	1.0%
<b>Basic earnings per share – cents</b>	<b>9.7</b>	<b>10.8</b>	<b>-10.2%</b>
<b>Cash earnings per share – cents (Cash NPAT/weighted avg. shares)</b>	<b>10.1</b>	<b>11.1</b>	<b>-9.3%</b>

In H1 FY2024, Shaver Shop's consolidated sales decreased by 3.7% to \$127.0 million. The decline in sales was due to a decline in customer foot traffic and associated sales at Shaver Shop stores across Australia and New Zealand. While sales conversion (the percentage of customers that buy products after entering a Shaver Shop store) remained relatively consistent with the prior year, lower transaction volumes could not be fully offset by average transaction value growth. Online sales were flat compared to H1 FY2023 at \$31.1 million and represented 24.4% of total sales (H1 FY2023 – 23.5%).

Gross profit margins increased 10 basis points to 44.4% (H1 FY2023: 44.3%) as Shaver Shop continued to focus on maximising gross profit dollars and reducing the levels of promotional discounting across its core men's and women's hair removal categories.

Total operating expenses increased \$0.1 million (or 0.3%) to \$30.4 million. The increase in operating expenses was driven by:

1. Higher employment costs largely driven by the 5.75% increase in the minimum wage from 1 July 2023 and the associated impact on the wage rates in the General Retail Industry Award in Australia;
2. Occupancy expenses increasing \$0.1 million as Shaver Shop did not receive any COVID related rent abatements (compared to \$0.15m that were recognized in H1 FY2023 when the agreements were finalized with landlords).

This incremental operating expense was offset by:

1. Lower marketing and advertising costs as Shaver Shop sought to optimise marketing expenditure and maximise the associated return on investment; and

## **DIRECTORS' REPORT**

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2. Lower postage costs and lower merchant fees associated with lower sales volumes generated by the business.

Shaver Shop's NPAT decreased 8.6% to \$12.5 million (H1 FY2023: \$13.7 million). Basic earnings per share decreased 1.1 cents per share to 9.7 cents (H1 FY2023: 10.8 cents) and cash earnings per share was 10.1 cents (H1 FY2023: 11.1 cents).

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. Following completion of Shaver Shop's franchise buyback strategy in FY2021, the Company's store network is fully corporate owned. Based on the franchise buy-backs completed, the expected reduction in cash tax payable for H1 FY2024, FY2024 and each subsequent financial year related to the franchises acquired is set out in the table below.

	H1 FY2024 \$000	FY2024 \$000	FY2025 \$000
Reduction in income tax payable	478	955	780

### *Cash Flow and Net Debt*

In H1 FY2024, Shaver Shop generated operating cash flow of \$34.9million (H1 FY2023 - \$39.0 million). The reduction in operating cash flow was due to a reduction in accounts payable (\$2.6 million) due to a change in supplier mix and associated payment terms as well as a \$1.5 million increase in inventory. As noted in Shaver Shop's FY2023 results, inventory levels were considered approximately \$2.0 million lower than optimal at 30 June 2023 and were replenished during H1 FY2024. Shaver Shop is a seasonal business with the first half of the financial year traditionally being stronger from an operating cash flow perspective due to the impact of Christmas and Boxing Day sales, as well as deferred payment terms received from suppliers, in relation to stock purchases for this period. Supplier payments for Christmas stock purchases are generally made in January and February leading to a significant operating cash outflow in the second half of the financial year.

Shaver Shop's net cash position (Cash less Bank Borrowings) at 31 December 2023 was \$31.9 million, an \$18.4 million increase from the 30 June 2023 balance of \$13.5 million and a decrease of \$2.2 million in comparison to the 31 December 2022 net cash position of \$34.1 million. The Company has an undrawn debt facility that provides up to \$29.5 million in available funding capacity. The debt facility matures on 31 July 2024 and was not used throughout H1 FY2024.

The Company's debt facility has three key covenants: the leverage ratio (Debt/EBITDA); the net worth ratio ((total assets – total liabilities) / total assets) and the Fixed Charge Cover ratio ((EBITDA + interest and depreciation associated with right of use assets + rent expense for operating leases)/(interest expense + depreciation and amortisation for right of use assets + rent expense for operating leases)). All banking covenants were within required thresholds in H1 FY2024 and are calculated using the previous lease accounting standard (AASB 117).

### *Dividends paid or recommended*

On 21 September 2023, the Company paid a final dividend in respect of the FY2023 financial year totaling \$6.9 million, which represented a dividend of 5.5 cents per share, fully franked.

On 26 February 2024, the directors of the Company approved an interim dividend of 4.7 cents per ordinary share fully franked, consistent with the prior corresponding period (H1 FY2023 - 4.7 cents per share fully franked). The total amount of the dividend is \$6.2 million based on the total number of ordinary shares outstanding and is due to be paid on 21 March 2024 to shareholders of record on 7 March 2024. The dividend has not been provided for in the half-year financial statements.

### *Events after the reporting date*

Subsequent to the end of the financial half, the directors approved a fully franked dividend of 4.7 cents per share to shareholders of record on 7 March 2024. The dividend payment date is 21 March 2024.

No other matters or circumstances have arisen since the end of the financial half which significantly affected or could significantly affect the operations of the Group.

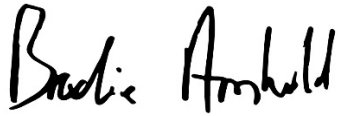
## DIRECTORS' REPORT

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### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



Broderick Arnhold  
Director

Melbourne  
26 February 2024





## Auditor's Independence Declaration

As lead auditor for the review of Shaver Shop Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Shaver Shop Group Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Brad Peake'.

Brad Peake  
Partner  
PricewaterhouseCoopers

Melbourne  
26 February 2024

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

		31 December 2023	31 December 2022
	Note	\$	\$
Revenue from continuing operations		127,049,870	131,915,970
Cost of goods sold		<u>(70,628,241)</u>	<u>(73,457,351)</u>
<b>Gross profit from corporate owned retail stores</b>		<b>56,421,629</b>	58,458,619
Employee benefits expense		(18,878,387)	(17,912,458)
Depreciation and amortisation expense	10	(7,911,539)	(7,445,834)
Marketing and advertising expenses		(3,613,432)	(4,365,871)
Occupancy expenses		(1,765,451)	(1,635,226)
Operational expenses		(4,799,464)	(4,925,883)
Other expenses		(1,338,685)	(1,478,133)
Finance costs (net)	10	<u>(326,003)</u>	<u>(743,203)</u>
<b>Profit before income tax</b>		<b>17,788,668</b>	19,952,011
Income tax expense		<u>(5,308,473)</u>	<u>(6,299,848)</u>
<b>Profit for the half-year</b>		<b>12,480,195</b>	13,652,163
<b>Items that may be reclassified to profit or loss when specific conditions are met</b>			
Exchange differences on translating foreign operations		<u>14,976</u>	53,896
<b>Other comprehensive income for the half-year</b>		<b>14,976</b>	53,896
<b>Total comprehensive income for the half-year</b>		<b>12,495,171</b>	13,706,059
Profit attributable to:			
Members of the parent entity		12,480,195	13,652,163
Total comprehensive income attributable to:			
Members of the parent entity		12,495,171	13,706,059
		Cents	Cents
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>			
Basic earnings per share (weighted average shares)	11	9.7	10.8
Diluted earnings per share (weighted average shares)	11	9.5	10.4

The accompanying notes form part of these financial statements

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	31 December 2023	30 June 2023
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	<b>31,927,795</b>	13,471,437
Trade and other receivables	<b>5,268,444</b>	2,131,793
Inventories	<b>25,976,594</b>	21,959,590
<b>TOTAL CURRENT ASSETS</b>	<b>63,172,833</b>	37,562,820
NON-CURRENT ASSETS		
Property, plant and equipment	5 <b>11,670,354</b>	10,839,362
Right-of-use assets	<b>14,497,077</b>	17,635,700
Deferred tax assets	<b>3,397,993</b>	4,382,792
Intangible assets	6 <b>54,449,874</b>	54,233,038
<b>TOTAL NON-CURRENT ASSETS</b>	<b>84,015,298</b>	87,090,891
<b>TOTAL ASSETS</b>	<b>147,188,131</b>	124,653,712
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	<b>33,546,403</b>	14,601,192
Lease liabilities	7 <b>9,060,902</b>	10,620,151
Employee benefits	<b>2,926,444</b>	2,785,066
Current tax payable	<b>1,884,696</b>	1,059,380
Other liabilities	<b>30,879</b>	30,139
<b>TOTAL CURRENT LIABILITIES</b>	<b>47,449,324</b>	29,095,928
NON-CURRENT LIABILITIES		
Lease liabilities	7 <b>9,205,031</b>	11,083,885
Other liabilities	<b>160,494</b>	177,145
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,365,525</b>	11,261,030
<b>TOTAL LIABILITIES</b>	<b>56,814,849</b>	40,356,958
<b>NET ASSETS</b>	<b>90,373,282</b>	84,296,754
<b>EQUITY</b>		
Issued capital	9 <b>50,275,510</b>	50,275,510
Reserves	<b>2,907,550</b>	2,400,932
Retained earnings	<b>37,190,222</b>	31,620,312
<b>TOTAL EQUITY</b>	<b>90,373,282</b>	84,296,754

The accompanying notes form part of these financial statements

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Note	Ordinary Shares \$	Retained Earnings \$	Other Reserves \$	Total \$
<b>Balance at 1 July 2023</b>	<b>50,275,510</b>	<b>31,620,312</b>	<b>2,400,932</b>	<b>84,296,754</b>
<b>Profit for the period</b>	-	<b>12,480,195</b>	-	<b>12,480,195</b>
Other comprehensive income	-	-	<b>14,976</b>	<b>14,976</b>
<b>Total comprehensive income for the half-year</b>	-	<b>12,480,195</b>	<b>14,976</b>	<b>12,495,171</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	-	<b>(6,910,285)</b>	-	<b>(6,910,285)</b>
Employee share schemes – value of employee services	-	-	<b>491,642</b>	<b>491,642</b>
<b>Balance at 31 December 2023</b>	<b>50,275,510</b>	<b>37,190,222</b>	<b>2,907,550</b>	<b>90,373,282</b>

Note	Ordinary Shares \$	Retained Earnings \$	Other Reserves \$	Total \$
Balance at 1 July 2022	49,492,703	27,589,330	1,551,477	78,633,510
Profit for the period	-	13,652,163	-	13,652,163
Other comprehensive income	-	-	53,896	53,896
<b>Total comprehensive income for the half-year</b>	-	<b>13,652,163</b>	<b>53,896</b>	<b>13,706,059</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	-	<b>(6,847,739)</b>	-	<b>(6,847,739)</b>
Employee share schemes – value of employee services	<b>782,807</b>	-	<b>392,857</b>	<b>1,175,664</b>
Balance at 31 December 2022	<b>50,275,510</b>	<b>34,393,754</b>	<b>1,998,230</b>	<b>86,667,494</b>

The accompanying notes form part of these financial statements

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**

	31 December 2023	31 December 2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (inclusive of GST)	<b>139,410,474</b>	143,842,057
Payments to suppliers and employees (inclusive of GST)	<b>(100,737,940)</b>	(99,931,333)
	<b>38,672,534</b>	43,910,724
Interest received	<b>295,426</b>	55,978
Interest paid – borrowings	<b>(112,432)</b>	(218,776)
Interest paid – leases	<b>(508,997)</b>	(653,657)
Income taxes paid	<b>(3,490,864)</b>	(4,055,275)
Net cash inflows (outflows) from operating activities	<b>34,855,667</b>	39,038,994
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment and intangible assets	<b>(2,069,384)</b>	(1,679,686)
Contributions to new premises fitouts	<b>253,035</b>	580,000
Net cash inflows (outflows) from investing activities	<b>(1,816,349)</b>	(1,099,686)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal elements of lease payments	<b>(7,672,675)</b>	(7,136,473)
Dividends paid	<b>(6,910,285)</b>	(6,847,739)
Proceeds from sale of shares	-	782,807
Net cash inflows (outflows) from financing activities	<b>(14,582,960)</b>	(13,201,405)
Net increase in cash and cash equivalents held	<b>18,456,358</b>	24,737,903
Cash and cash equivalents at beginning of the half-year	<b>13,471,437</b>	9,395,910
Cash and cash equivalents at end of the half-year	<b>31,927,795</b>	34,133,813

The accompanying notes form part of these financial statements

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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### **1 Basis of Preparation**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Shaver Shop Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Except as outlined in the Notes that follow, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Where necessary, and as a result of a change in the classification of certain expenses during the current year, comparative amounts in the statement of profit and loss have been reclassified for consistency with current year presentation.

### **2 Critical Accounting Estimates and Judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving significant estimates or judgements are estimates surrounding indicators of impairment and net realisable value of inventory.

### **3 Profit and loss information**

#### *Income tax*

Income tax expense is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2023 is 29.8%, compared to 31.6% for the six months ended 31 December 2022.

### **4 Segment reporting**

The Group operates within one reportable segment, being retail store sales of specialist personal grooming products through their corporate and online stores. The chief operating decision maker for the Group is the Chief Executive Officer. The revenue disclosed in the consolidated statement of comprehensive profit and loss all relates to this one operating segment. The Group is not reliant on any single customer. As at 31 December 2023, the Group operated 115 Corporate Stores in Australia (2022: 115) and 8 Corporate Stores in New Zealand (2022: 7) for a total of 123 Corporate Stores.

**SHAVER SHOP GROUP LIMITED**  
**31 DECEMBER 2023**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**5 Property, plant and equipment**

	31 December 2023 \$	30 June 2023 \$
<b>PLANT AND EQUIPMENT</b>		
Capital works in progress		
At cost	373,392	361,887
Plant and equipment		
At cost	21,865,274	20,742,954
Accumulated depreciation	<u>(11,580,687)</u>	<u>(10,810,850)</u>
Total plant and equipment	<u>10,284,587</u>	<u>9,932,104</u>
Computer equipment		
At cost	1,935,102	1,400,327
Accumulated depreciation	<u>(948,900)</u>	<u>(884,524)</u>
Total computer equipment	<u>986,202</u>	<u>515,803</u>
Improvements		
At cost	37,823	40,478
Accumulated depreciation	<u>(11,650)</u>	<u>(10,910)</u>
Total leasehold improvements	<u>26,173</u>	<u>29,568</u>
<b>Total property, plant and equipment</b>	<b><u>11,670,354</u></b>	<b><u>10,839,363</u></b>

*Movements in Carrying Amounts*

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half-year:

	Capital Works in Progress \$	Plant and Equipment \$	Computer Equipment \$	Improvements \$	Total \$
<b>Half-Year ended 31 December 2023</b>					
Opening net book amount	361,887	9,932,104	515,803	29,568	10,839,362
Additions	373,392	851,478	554,390	-	1,779,260
Disposals	-	(36,895)	-	-	(36,895)
Transfers	(361,887)	361,887	-	-	-
Depreciation expense	-	(827,267)	(84,038)	(3,395)	(914,700)
Foreign exchange movements	-	3,280	47	-	3,327
<b>Closing net book amount</b>	<b><u>373,392</u></b>	<b><u>10,284,587</u></b>	<b><u>986,202</u></b>	<b><u>26,173</u></b>	<b><u>11,670,354</u></b>

\* Reclassed to Intangible Assets

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6 Intangible Assets

	31 December 2023 \$	30 June 2023 \$
Intangible asset works in progress		
Cost	272,125	-
Goodwill		
Cost	53,309,577	53,309,577
Brand Names		
Cost	1,450,497	1,450,053
Accumulated amortisation and impairment	(883,514)	(847,066)
Net carrying value	<u>566,983</u>	602,987
Software		
Cost	412,211	394,211
Accumulated amortisation and impairment	(111,022)	(73,737)
Net carrying value	<u>301,189</u>	320,474
Total Intangibles	<u><u>54,449,874</u></u>	<u>54,233,038</u>

#### Movements in carrying amounts of intangible assets

	Capital Works in Progress \$	Software \$	Brand names \$	Goodwill \$	Total \$
<b>Half-Year ended 31 December 2023</b>					
Opening net book amount	-	320,474	602,987	53,309,577	54,233,038
Additions	272,125	18,000	-	-	290,125
Amortisation	-	(37,285)	(36,265)	-	(73,550)
Foreign exchange movements	-	-	261	-	261
<b>Closing net book amount</b>	<u><u>272,125</u></u>	<u><u>301,189</u></u>	<u><u>566,983</u></u>	<u><u>53,309,577</u></u>	<u><u>54,449,874</u></u>

### 7 Financial assets and liabilities

This table provides a summary of the Group's financial instruments, how they are classified and measured and reference to relevant disclosures in the financial statements. The Group holds the following financial instruments at the end of the financial reporting period.



**SHAVER SHOP GROUP LIMITED**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

	<b>31 December 2023</b>	<b>30 June 2023</b>
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	<b>31,927,795</b>	13,471,437
Trade receivables	<b>5,268,444</b>	2,131,793
	<b>37,196,239</b>	15,603,230

	<b>31 December 2023</b>	<b>30 June 2023</b>
	\$	\$
<i>Financial liabilities</i>		
Trade and other payables	<b>33,546,403</b>	14,601,192
Lease liabilities – current	<b>9,060,902</b>	10,620,151
Income tax payable - current	<b>1,884,696</b>	1,059,380
Other liabilities – current	<b>30,879</b>	30,139
Lease liabilities – non-current	<b>9,205,031</b>	11,083,885
Other liabilities – non-current	<b>160,494</b>	177,145
	<b>53,888,405</b>	37,571,892

Shaver Shop has access to total debt of \$29.5 million through a trade finance facility of \$10 million and a term debt facility of \$19.5 million. The term debt and trade finance facilities have a maturity date of 31 July 2024 and were undrawn throughout H1 FY2024. Shaver Shop also has a \$0.5 million bank guarantee facility.

The Company's debt facilities have three key covenants: the leverage ratio (Debt/EBITDA); the net worth ratio ((total assets – total liabilities) / total assets) and the Fixed Charge Cover ratio ((EBITDA + interest and depreciation associated with right of use assets + rent expense for operating leases)/(interest expense + depreciation and amortisation for right of use assets + rent expense for operating leases)). All banking covenants were within the bank's thresholds in H1 FY2024.

**8 Dividends**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$	\$
Final 2023 fully franked ordinary dividend of 5.5 cents per share (2022: 5.5 cents fully franked)	<b>6,910,285</b>	6,847,739
Proposed interim 2024 fully franked ordinary dividend of 4.7 cents per share (2023: 4.7 cents fully franked)	<b>6,157,587</b>	6,157,587

The proposed interim dividend for 2024 was declared after the end of the reporting period and therefore has not been provided for in the condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9 Issued Capital

	31 December 2023 \$	30 June 2023 \$
131,012,494 (30 June 2023: 131,012,494) Ordinary shares	50,275,510	50,275,510

#### *Movements in share capital*

	31 December 2023 \$	30 June 2023 \$
At the beginning of the reporting period	50,275,510	49,492,703
On-market sale of unvested LTI shares	-	782,807
At the end of the reporting period	<u>50,275,510</u>	<u>50,275,510</u>

	31 December 2023 No.	30 June 2023 No.
Number of shares outstanding		
At the beginning of the reporting period	131,012,494	131,012,494
Changes during the period	-	-
At the end of the reporting period	<u>131,012,494</u>	<u>131,012,494</u>

At the Company's Annual General Meeting on 9 November 2023, shareholders approved a new Executive Long Term Incentive (LTI) Plan (the "Plan"). Under this new Plan, the Company issued 1,350,000 Performance Share Rights to participants on 24 November 2023. In total, 2,610,000 rights for shares have been issued across FY2023 and FY2024. In accordance with the Plan, executives are awarded rights to ordinary shares that will vest after a period of three years subject to the achievement of specific performance hurdles for earnings per share (EPS). There is no exercise price for the shares. These were the first rights issued by the Company. The previous Loan Share Long Term Incentive Plan will remain in place until all shares issued to participants under that plan have either vested with the participants or compulsorily divested in accordance with the terms of that plan.

### 10 Expenses

	31 December 2023 \$	31 December 2022 \$
<i>Depreciation and amortisation</i>		
Property, plant and equipment	914,700	884,788
Right-of-use assets	6,923,289	6,492,022
Intangible assets	73,550	69,024
Total depreciation and amortisation	<u>7,911,539</u>	<u>7,445,834</u>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Finance costs (net)*

Interest expense on borrowings and trade finance facilities	<b>112,432</b>	145,524
Interest expense on lease liabilities	<b>508,997</b>	653,657
Interest income on bank deposits	<b>(295,426)</b>	(55,978)
Total finance costs (net)	<b>326,003</b>	743,203

**11 Earnings per Share**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$	\$
Profit from continuing operations	<b>12,480,195</b>	<b>13,652,163</b>
Earnings used to calculate basic EPS from continuing operations	<b>12,480,195</b>	<b>13,652,163</b>

As at 31 December 2023, there are 2,783,336 (2022: 4,025,522) unvested shares issued under the Company's Loan Share Long Term Incentive Plan. These have vesting criteria and therefore are only included in diluted share calculations. In addition at 31 December 2023, the Company had 2,610,000 Performance Share Rights that were issued under the Company's new Executive Long Term Incentive Plan in FY2023 and FY2024. These Performance Share Rights also have vesting conditions. The weighted average impact of the FY2023 and FY2024 Performance Share Rights are classified as contingently issuable ordinary shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time. As the conditions have not been satisfied as at the end of the period, these contingently issuable ordinary shares have not been included in the calculation of diluted earnings per share.

*Calculation of weighted average number of diluted shares*

	<b>31 December 2023</b>	<b>30 June 2023</b>
	No.	No.
Weighted average number of ordinary shares used for calculating basic earnings per share	<b>128,229,158</b>	128,229,158
Adjustment for weighted average number of LTI Plan shares issued (unvested shares)	<b>2,783,336</b>	2,783,336
<b>Weighted average number of ordinary shares issued and potential ordinary shares used in calculating diluted earnings per share</b>	<b>131,012,494</b>	131,012,494

**12 Events After Reporting Date**

Subsequent to the end of the financial half, the directors declared a dividend of 4.7 cents per share fully franked to shareholders of record on 7 March 2024. The dividend payment date is 21 March 2024.

## **DIRECTORS' DECLARATION**

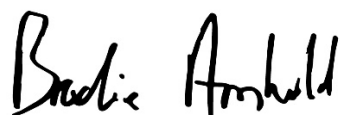
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In the directors' opinion:

- a) the financial statements and notes, as set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date and
- b) there are reasonable grounds to believe that Shaver Shop Group Limited will be able to pay its debts as and when they become due and payable.

In the Directors' opinion, there are reasonable grounds to believe that the Company and its subsidiaries which have entered into a Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the directors.



Broderick Arnhold  
Director

Melbourne  
26 February 2024



## ***Independent auditor's review report to the members of Shaver Shop Group Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Shaver Shop Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the condensed consolidated balance sheet as at 31 December 2023, the condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Shaver Shop Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Brad Peake*

Brad Peake  
Partner

Melbourne  
26 February 2024