



ASX ANNOUNCEMENT

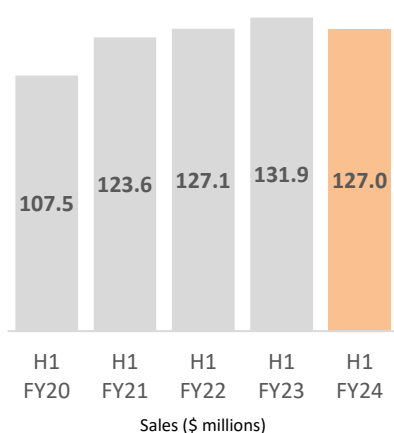
For Immediate Release

Shaver Shop Reports H1 FY24 Results

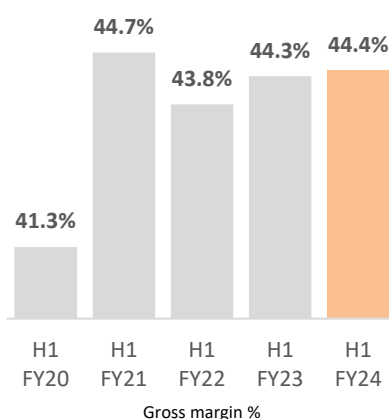
Melbourne, Monday, 26 February 2024 – Shaver Shop Group Limited (ASX: SSG) (Shaver Shop), the Australian specialty retailer of male and female personal grooming and beauty products, is pleased to announce its financial results for the half-year ended 31 December 2023 (H1 FY24).

H1 FY24 Results Highlights

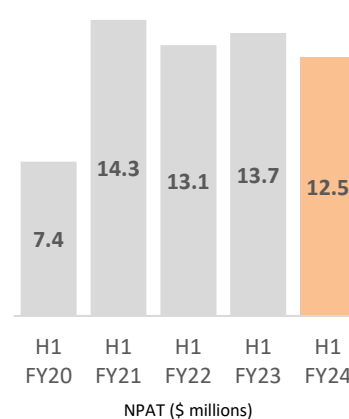
Sales of \$127.0 million



Gross margin up 10bps to 44.4%



NPAT of \$12.5 million



Shaver Shop reported the following results for H1 FY24:

- Total sales of \$127.0 million (down 3.7%)
- Net profit after tax (NPAT) of \$12.5 million (down 8.6%)
- Basic earnings per share of 9.7cps;
- Operating cash flow of \$34.9 million; and
- Interim FY24 dividend of 4.7 cps (100% franked)

Shaver Shop's sales performance versus FY23 has gradually improved over FY24 from a decline of 6.2% in Q1 FY24 to a decline of 1.9% in Q2 FY24. Compared to H1 FY20 (pre-pandemic) NPAT was up 68% to \$12.5 million reflecting Shaver Shop's attractive market position and continuing solid demand after the pandemic for the Company's core offering of men's and women's personal grooming products.

Shaver Shop's Managing Director and CEO, Mr Cameron Fox said: "Shaver Shop has delivered another solid half despite a more challenging retail environment. Our strong execution of promotional activity over the December quarter including Black Friday, was accompanied by a systematic approach to align stock levels, staff training and merchandising activity. -Our customer service measures were also well above internal targets, allowing us to mitigate the impact of significantly reduced shopping centre footfall on both our top and bottom lines."

"We did a good job balancing value for money offers to customers with maximising gross profit dollars, leading to our gross margin percentage increasing 10 basis points to 44.4% across the first half. This is the second highest level in the last 5 years, and was achieved despite some of our higher margin categories experiencing more subdued demand after several years of significant growth."

Shaver Shop Group Limited (ACN 150 747 649)

Level 1, Chadstone Tower One, 1341 Dandenong Road, Chadstone, VIC, 3148



Mr Fox continued: “Overall, we are satisfied with our first half result despite the more challenging retail environment. We remain proud of our teams ongoing commitment to customer excellence. Our net promoter score ended the half at 88.6 out of 100, and we improved our sales conversion results over the course of the half.”

Operating cash flow of \$34.9 million leading to net cash balance of \$31.9 million (no debt)

Shaver Shop generated operating cashflow of \$34.9 million in H1 FY24. This was down 10.7% on the prior year due to changes in supplier payment terms (caused by changes in supplier mix) as well as the need to replenish stock to targeted levels by approximately \$2 million after stronger than expected sales leading into the end of FY23 (as highlighted in Shaver Shop’s FY23 results presentation). Shaver Shop has taken steps over the last 4 years to streamline its procurement and stock replenishment processes. Despite an increase in the number of stores in its network, this has led to a \$7.1 million reduction in stock compared to 31 December 2019 and a significant improvement in stock turn.

Shaver Shop typically generates higher operating cashflow in the first half of the financial year given it secures extended trading terms for Christmas stock purchases. As a result, the second half generally results in net operating cash outflows due to supplier payments in January and February for Christmas purchases.

Interim dividend maintained at 4.7 cps fully franked

Shaver Shop’s Board of Directors today announced a 4.7 cent fully franked interim dividend (H1 FY23 – 4.7 cents). Commenting on the dividend announcement, Mr Fox said: “The Board’s decision to maintain the dividend payout at 4.7 cents fully-franked and increase our dividend payout ratio, reflects our confidence in the fundamentals of Shaver Shop’s business as well as its future potential. Our balance sheet is still in exceptional shape allowing us to continue investing in our business to drive growth as well as to evaluate other accretive capital investment opportunities.”

Investing for growth

Shaver Shop currently operates 123 corporate stores across Australia and New Zealand. In December 2023, Shaver Shop re-opened its flagship Chadstone store after relocating to a temporary site within the centre in March 2023 whilst the centre underwent a refurbishment. The company will continue to operate two stores at Chadstone pending the complete re-opening of the section of the shopping centre currently being redeveloped. Shaver Shop anticipates closing its temporary Chadstone location in May 2024. Shaver Shop will also be updating the look and feel of its Woden, ACT and Chapel St, VIC locations in the second half.

In addition to refreshing the look of its stores to reflect the latest branding, Shaver Shop has been preparing to go-live with a new software platform in H2 FY24 that will improve in-store and online operational efficiency as well as enhance customer experience. This new solution is a core component of Shaver Shop’s future operating architecture and is intended to go-live across all stores by 30 June 2024.

Trading Update

Total sales for the period from 1 January 24 to 22 February 24 (H2 period to date “H2 TD”) versus the prior comparative period is set out in the table below:

Sales Growth (%) – 1 Jan 24 to 22 Feb 24	vs FY23
Total sales	+0.9%
Like for like sales	-0.7%



Shaver Shop's sales growth rate has improved to +0.9% so far in the third quarter of FY24 (compared to the sales declines posted in Q1 and Q2 FY24 of -6.2% and -1.9%, respectively). Shopping centre foot traffic remains significantly lower than last year, however this is being more than offset by higher average transaction values and improved shopfront conversion leading to in-store sales growth. Gross profit margins remain in-line with the comparative FY23 period.

CEO and MD, Cameron Fox said, "Shaver Shop remains extremely well positioned and we're encouraged by the early signs of growth in the second half. Our business continues to deliver a unique and engaging shopping experience for our personal care and grooming customers which is underpinned by exceptional customer service, value for money offers and a highly differentiated range. This model has worked very successfully for Shaver Shop in the past and I am confident this will remain the case, as we move through the rest of FY24 and beyond."

Mr Fox continued, "Our store teams will always be our most important asset and continue to deliver exceptional service as evidenced by our outstanding net promoter scores. The passion and dedication they bring to the business is a core reason for our ongoing success and we are thankful for their contributions."

Approved for release by the Board.

-ENDS-

For further information:

Corporate & Media:

Cameron Fox, CEO & Managing Director
P: +61 3 9840 5900

Investors:

Larry Hamson, CFO & Company Secretary
P: +61 3 9840 5900

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 123 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.