



**ASX ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

Melbourne, 31 March 2021

Shaver Shop Group Limited (ASX: SSG) ("Shaver Shop") will be presenting at the Market Eye ConsumerOpps 2021 conference at 3:00pm on 31 March 2021.

Attached is the presentation that will be delivered by Shaver Shop's Managing Director and CEO, Mr Cameron Fox.

Approved by the Managing Director and CEO, and CFO & Company Secretary.

Yours faithfully

Larry Hamson
Chief Financial Officer and Company Secretary



SHaver SHOP

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Shaver Shop Group Limited

**Market Eye ConsumerOpps 2021
Conference**

31 March 2021

2021

Shaver Shop Background & Competitive Advantages



Shaver Shop is Australia's premier destination for men's and women's personal care and grooming solutions with an industry leading omni-retail offering

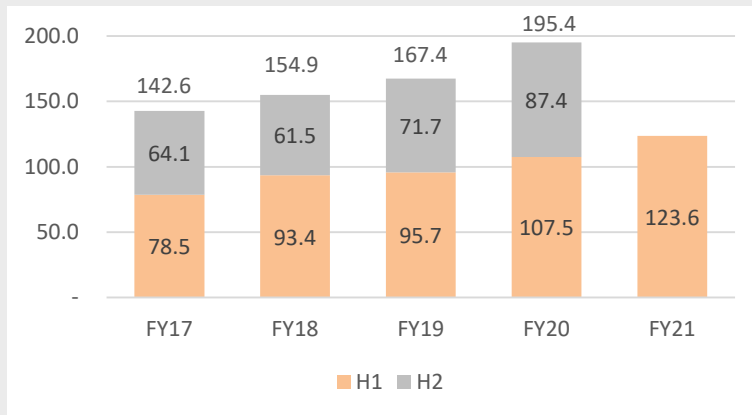
- > 35 year heritage and focus on core hair removal categories
- > Strong brand awareness as a destination for men's and women's personal care and grooming solutions
- > Large and growing market - \$7.8B addressable market across ANZ – driven by DIY personal care trends
- > Fragmented competition with no pure play competitor of scale in core categories
- > Significant investment in staff training – our store teams are product experts that deliver exceptional customer experiences in-store (H1 FY21 NPS score – 89.5 across ANZ)
- > 121 corporate owned stores across Australia (114 stores) and New Zealand (7 stores)
- > Significant range of exclusive products (24 of top 30 products by sales were exclusive to SSG in H1 FY21)
- > True omni-channel offering with 30% of total sales now generated from online with strong potential to grow further
- > Strong cash flow generation and balance sheet – undrawn \$30m debt facility
- > Consistently increasing dividend payout since IPO – FY21 Interim Dividend up 52% to 3.2cps (100% franked)



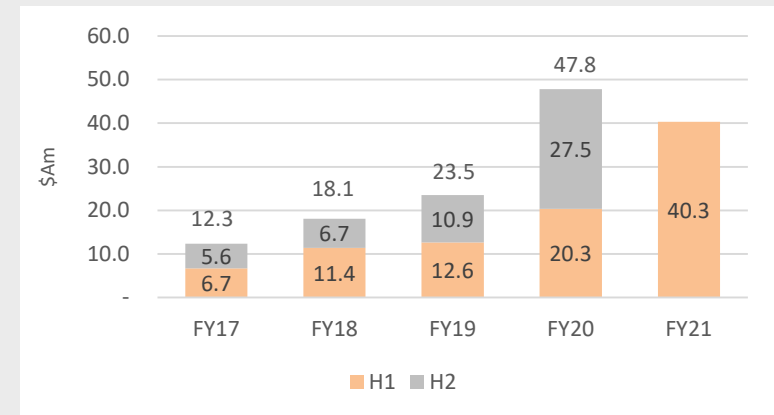
Sales, earnings and dividend growth

Highly successful omni-retail initiatives have driven 27 months of consecutive like for like sales growth (since Jan 2019) and uplifts in NPAT and dividend payments

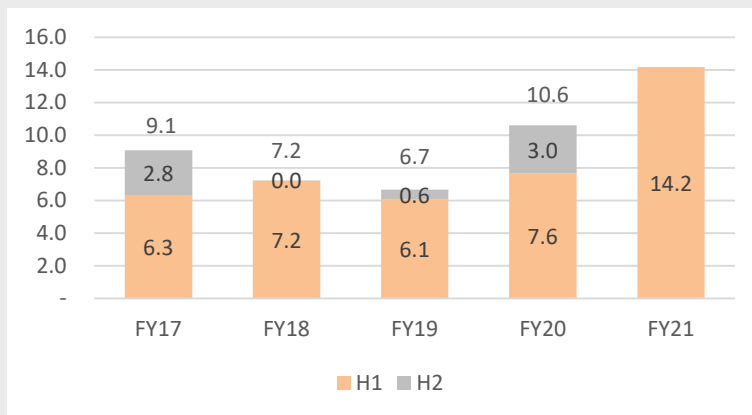
Consistent sales growth (A\$m)



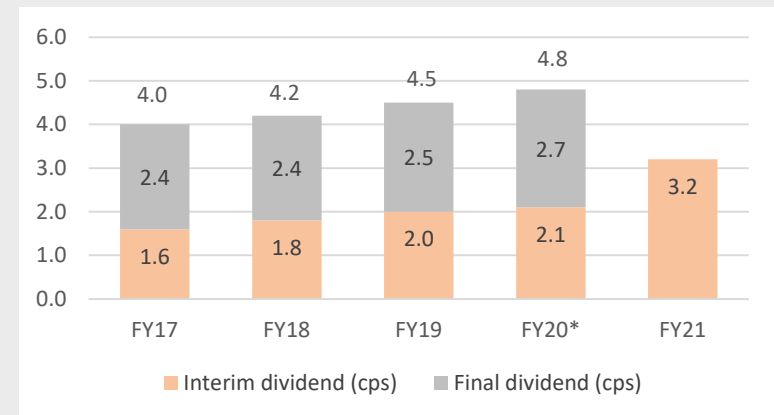
Network online sales >30% of total sales



Strong NPAT¹ growth (A\$m)



Consistent dividend growth (cps)

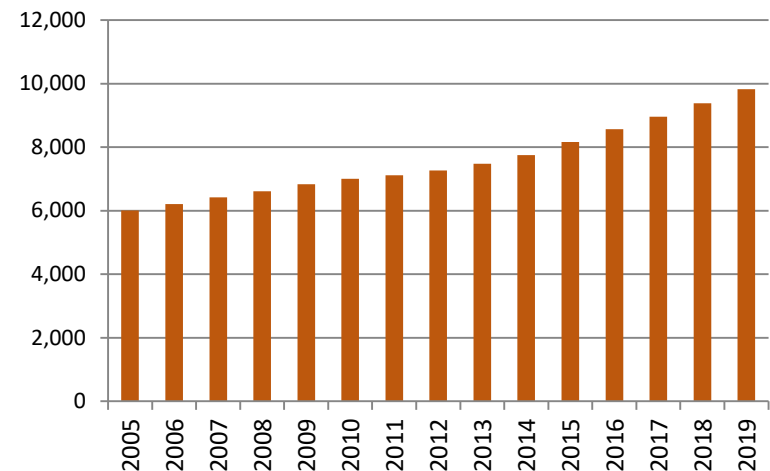


Large and growing market

Shaver Shop is a market leader with plans to further growth market share

- > Healthy, beauty and personal care market is estimated to be \$10B+ in Australia & New Zealand
- > Product categories straddle all age groups and demographics (hair cutting, hair styling, oral care, skincare, etc...)
- > COVID-19 has accelerated DIY adoption of personal care appliances and introduced new customers to these categories
- > Men's grooming market is \$1B+ with growth driven by increased social acceptance of male beauty regimes and facial/body hair trends
- > Shaver Shop's retail model is unique – focused on males and females of all ages and supported by product expertise and exclusivity, customer service and omni-retail excellence
- > Shaver Shop estimates it currently has c.3% market share of its total addressable market

Beauty & Personal Care Market Growth (\$Am)



Source: Euromonitor International, Beauty & Personal Care in Australia, June 2020, management estimates

Total Addressable Market Estimate	A\$m
Total beauty & personal care market	10,511
Less: excluded categories	(2,709)
Total Addressable market	7,802

Shaver Shop Network Sales (FY20) **211**

Implied market share **2.7%**

Source: Euromonitor international, management estimates

Growth initiatives

Increase market share

- Utilise DIY trend to enhance brand exposure through online, social and traditional channels
- Target 1 million customer database within 24 months
- Increase female category mindshare
- Maximise blog impact to drive SEO and brand connection
- Selectively increase online marketplace participation

Increase existing customer value

- Maintain service excellence to drive repeat business
- Increase transaction frequency using smart targeting
- Enhance knowledge of our customer through linking in-store and online customer data
- Basket size optimisation through checkout
- Increased use of Buy-Now-Pay-Later options to increase transaction value

Product innovation & expansion

- Secure launches of the latest innovative products
- Maintain/secure new exclusivity arrangements for core lines
- Leverage category expertise to curate depth and breadth of personal care offering

Digital Excellence

- Use data and AI to drive unique Shaver Shop online customer experience
- Continue to streamline user interface
- Increase online interactivity and inspirational content
- Leverage existing and new IT platforms to drive further operational efficiency

Omni-Retail Approach Drives Better Customer Experience

Stores are core to Shaver Shop's omni-retail strategy

- > Conveniently located stores located in major shopping centres across ANZ
- > Personal nature of our core hair removal category and technical nature of the products mean store teams are pivotal in the sales process
- > Store teams are product experts that provide advice, educate and inspire our customers
- > Strong post sales support and service
- > Online fulfillment from nearest location to customer (121 mini DCs across ANZ) reduces total stock requirement, facilitates Click & Collect, and utilises latent resource during non-peak trading periods

Online sales channel is helping us better understand our customer

- > Leveraging digital marketing spend across SEO, SEM and Social
- > Consistently improving user experience through on-site experimentation leading to improved sales conversion
- > "How to" section of the website is constantly evolving to answer pre and post-sale customer queries
- > Significant opportunity remains to drive sales growth from customer database through smart retargeting
- > Ultimate aim is to provide same exceptional service online and in-store

STRONG CONTRIBUTION MARGINS FROM ONLINE AND IN-STORE CHANNELS



Consistent and strong contribution margins from online and in-store results in Shaver Shop being 100% aligned in delivering best possible customer experience across all channels

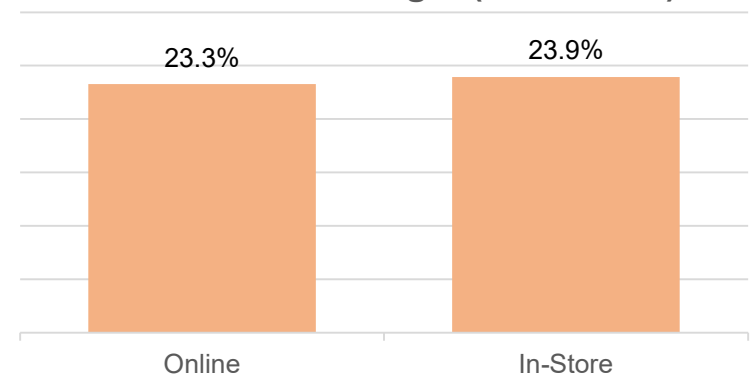
- > Average transaction values are higher online, however category mix and higher direct costs reduce online contribution margin %

Online contribution = Online GP less all online distribution costs, transaction fees, online marketing and estimated percentage of in-store employment and occupancy costs

In-store contribution = In-store GP less transaction fees, TV and catalogue marketing, and balance of in-store employment and occupancy costs

- > Comparable contribution margin means Shaver Shop benefits from both in-store and online omni-retail investments and can optimise marketing expenditure across both channels

Contribution Margin (% of sales)



Note: Contribution margins are estimates based on H1 FY21 results.



Delivering exceptional customer experiences

Omni-retail strategy demands consistent service levels through every channel

In-store

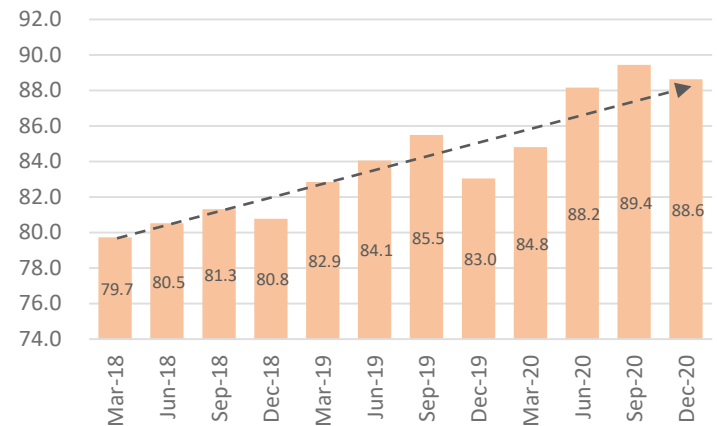
- > Customer service excellence has, and will always be, Shaver Shop's top priority – it's in our DNA
- > In-store service metrics are world class and at all time highs
 - NPS score +89 (out of 100)
 - CX score +9.7 (out of 10)
- > Staff training remains top priority and is a key differentiator in our core categories
- > Continuously improving store layout and merchandising to better attract and engage with our customers

Online

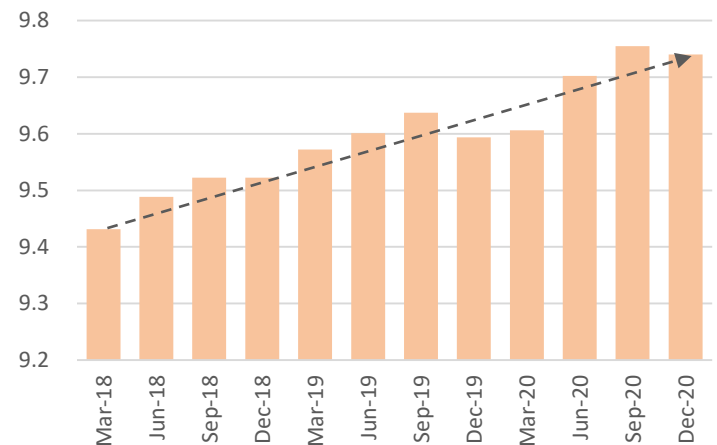
- > In-store fulfilment on average within 12 hours of order receipt
- > Increased choice of fulfilment/collection options for online orders (Standard/Express/Same Day/Click & Collect)
- > Improved customer service resourcing to manage increased inbound queries from online customers
- > Streamlined website user experience
- > Multiple payment options including Buy Now Pay Later



Customer Satisfaction (NPS) +89



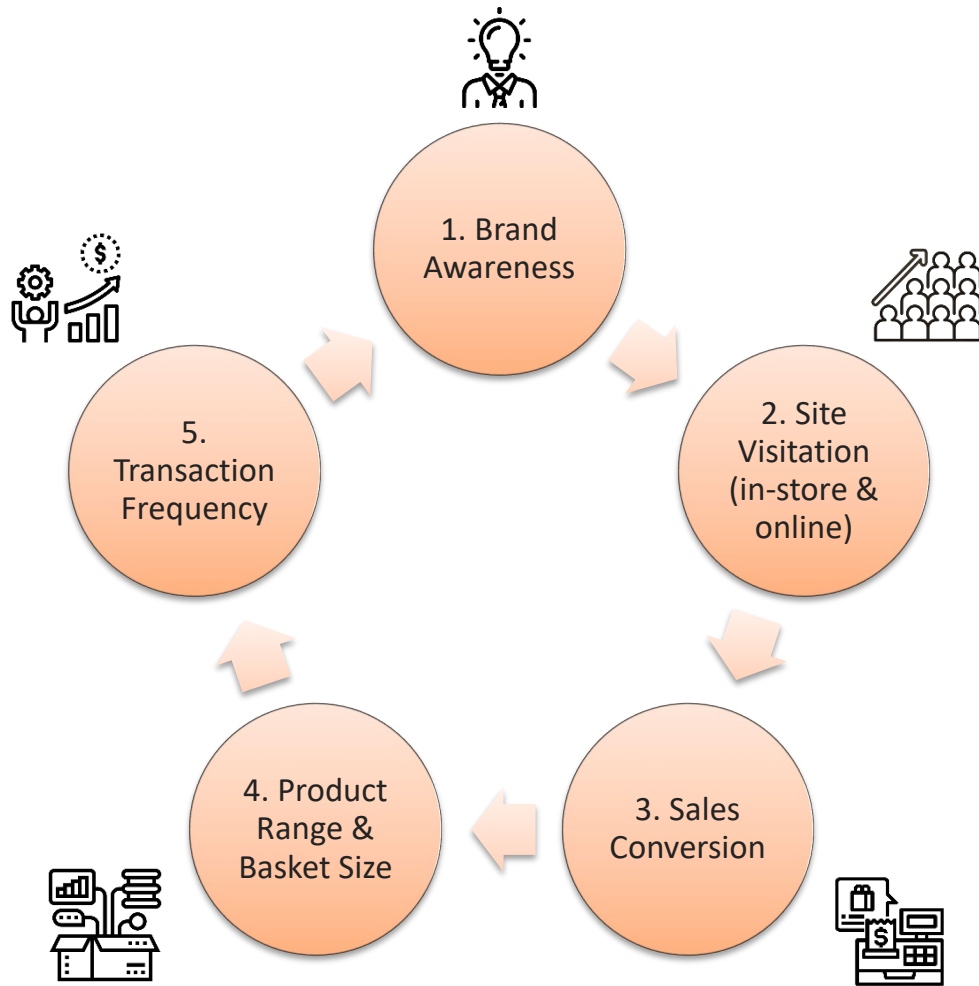
Customer Experience (CX) +9.7 / 10



Driving Customer Lifetime Value



'Always On' omni-retail initiatives are constantly evolving to grow customer lifetime value



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1. Increasing brand awareness by targeted marketing

- > Shaver Shop's brand is now recognized as a leading destination for men's and women's personal grooming appliances
- > Significant dollar investment by Shaver Shop in promoting the category through TV, digital, social and print media
- > Marketing plans are sales channel agnostic (i.e. in-store vs online)
- > Marketing and promotional activity primarily aligned behind core hair removal categories and exclusive lines
- > Maximise organic search results through website content
- > Increasing exposure to online marketplaces
- > Exciting opportunity to grow brand awareness in NZ including rollout of 5-6 new stores

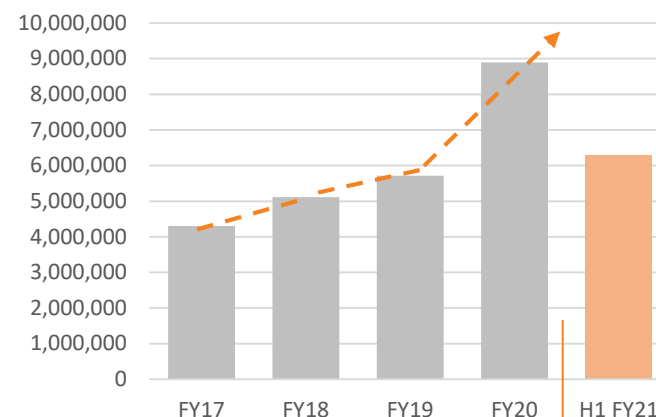




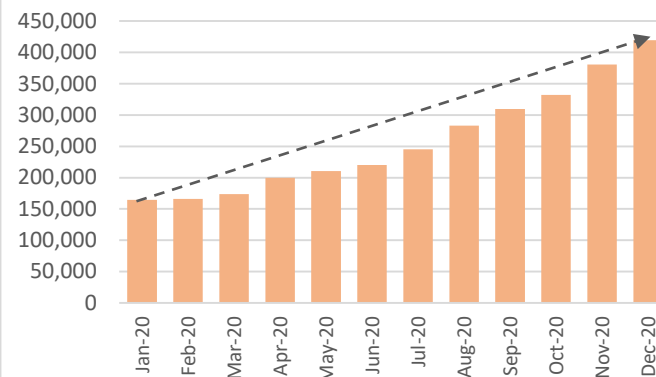
2. Growing online visitation and active customer base

- > Online site visits have been growing strongly for many years
- > COVID-19 has accelerated two trends the Shaver Shop benefits from:
 - DIY personal care and grooming
 - Online shopping
- > Over 400,000 active online customers in CY2020
- > Over 2 million in-store transactions in CY2020
- > COVID-19 has introduced Shaver Shop to significant numbers of new customers and enabled Shaver Shop to increase its “opt-in” marketing database to over 600,000 members (340,000 at 31 Dec 19)
- > Huge potential to grow “opt-in” database as customer details can now be gathered and matched for in-store transactions
 - Early indications that approx. 25% of in-store customers prefer e-mail receipts (vs paper) – environmental consideration and easier to save for warranty purposes
- > Key demographic opportunity is 19-34 year olds due to highest annual spend on personal care AND SSG’s brand equity is relatively lower
- > Investing in SEO, SEM, Social and affiliate marketing to drive in-store and online traffic
- > Leveraging partner and affiliate relationships to increase brand awareness and traffic growth

On-track to exceed 10m website visits



Active Customer Growth¹

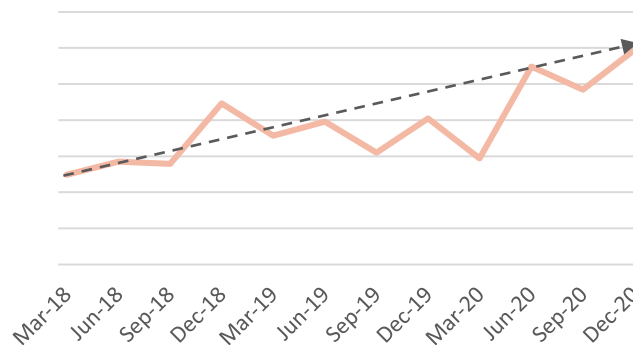




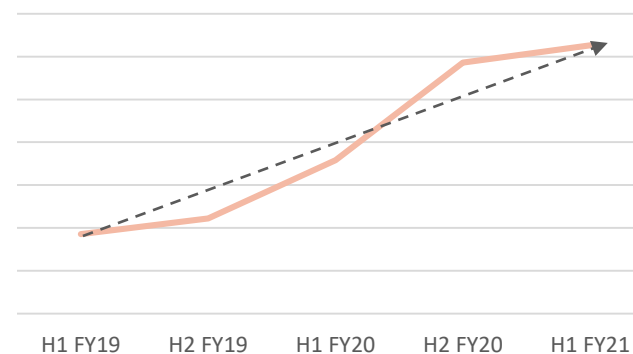
3. Increasing sales conversion

- > Key in-store initiatives include:
 - Relentless focus on product and sales training for store teams
 - Continuous improvement on key service metrics
 - Optimising store rosters with foot traffic trends
 - Offering relevant Buy Now Pay Later solutions
- > Key online initiatives include:
 - Targeted e-mail and online marketing to discrete customer cohorts
 - Ongoing website refinements to enhance user experience
 - Increased educational content including more blog content
 - Ongoing improvements for mobile and tablet users
 - Further streamlining the checkout process (one touch)
 - Increased choice in customer fulfilment
 - Now offering Standard, Express, Same Day delivery and Click & Collect options
 - Further options being evaluated

In-store sales conversion uplift



Online sales conversion uplift





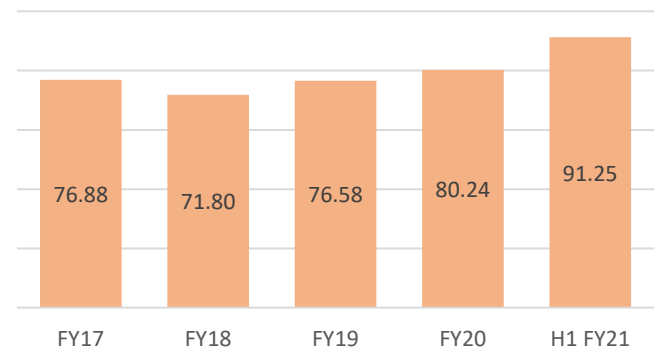
4. Product range & basket size

- > Shaver Shop brand has strong equity and increasingly recognised as *the destination* for men's and women's personal grooming
- > Approx. 50% of our customers are women but usually buying for men
- > Two key strategies to increase basket size:
 - Increase awareness among male and female shoppers of breadth or range
 - Category extensions in adjacent areas
- > Opportunities for online channel to increase adjacent categories for incremental purchase:
 - Men's and women's skincare – natural extension
 - Skin rejuvenation consumables – already a strong player in appliances
 - Fragrance – natural addition to gifting portfolio that has worked very well to date
 - Massage and wellness
- > Dynamic product recommendations now live on websites – adjusts product presentation based on browsing and purchase history
- > Increased contribution of online sales is supporting growth in average basket size as transaction values are higher online due to category mix

New product/range additions



Average Transaction Value (ATV) Growth

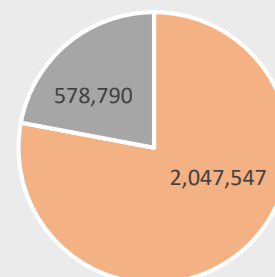




5. Increase transaction frequency

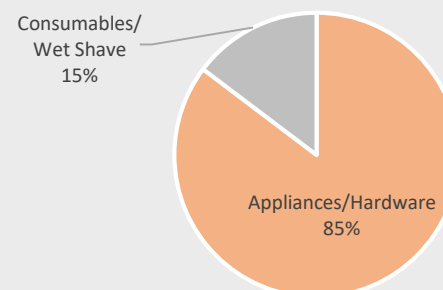
- > Latest market research and CRM data indicates customers purchase from Shaver Shop every 12-18+ months
- > Shaver Shop fulfilled over 2.6 million orders in CY2020
- > 85% of sales in CY2020 were for personal care appliances/hardware
- > Most product categories have an important consumable element:
 - Hair Cutting – Trimmer/Clipper Guard spray, oils, blades, guides
 - Men's Shavers – Shaver Guard spray, pre/post shave, foils/cutters
 - Power Oral Care – toothbrush refills, toothpaste, flosser tips
 - Hair Styling – detangling, shine serum, heat protect spray, pomade
 - Female Hair Removal – Lady Guard spray, blades, waxes, pre/post shave
 - Wet Shave – handles, blades, pre/post shave, beard oils/balms
 - Other – skincare, fragrance
- > Average GP margins for consumables are c.400-500bps higher than company average margins
- > Sales journeys/reminders newly implemented (Mar '21) to proactively retarget online customers who have purchased appliances with relevant consumables
- > Shaver Shop implementing initiatives to increase transaction frequency with customers to drive consumable purchases to c. 20%-25% share of total sales within 2-3 years
 - Incremental sales upside estimated to be c. \$10m - \$20m p.a.

Shaver Shop filled over 2.6 million orders in CY2020 across in-store and online



■ In Store ■ Web Sales

Consumables currently represent c. 15% of CY2020 Sales



Investment Summary

- ✓ 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)
- ✓ Omni-retail initiatives have been highly successful with significant upside still expected
- ✓ Franchise buybacks completed in Feb '21 should deliver \$1.5m to \$1.6m of NPAT in FY22.
- ✓ Clean balance sheet – no debt – with strong cash conversion
- ✓ Experienced management team
- ✓ Strong focus on investing for growth and improving total shareholder returns

Important notice and disclaimer

This management presentation (“Presentation”) has been prepared by Shaver Shop Group Limited ACN 150 747 649 (“Shaver Shop”) and contains general background information about Shaver Shop, its subsidiaries and their activities which is current at the date of this Presentation.

Summary Information

The information contained in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Shaver Shop or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). This Presentation should be read in conjunction with Shaver Shop’s other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au (Shaver Shop ASX Code: SSG). This Presentation is not intended to be relied upon as advice to investors or potential investors in Shaver Shop and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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Forward looking statements

This Presentation contains certain forward looking statements and comments about future events, including Shaver Shop’s expectations about the performance of its business. Forward looking statements can generally be identified by the use of forward looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’ and other similar expressions. Indications of and any guidance on future earnings or financial position or performance of Shaver Shop are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Shaver Shop’s 2019 Consolidated Financial Report contains details of a number of key risks associated with an investment in Shaver Shop. Many of these risks are beyond the control of Shaver Shop. Should one or more of these or other risks or uncertainties materialise, or should any assumption underlying any forward looking statement contained in this Presentation prove incorrect, Shaver Shop’s actual results may differ materially from the plans, objectives, expectations, estimates, and intentions expressed in the forward looking statements contained in this Presentation. As such, undue reliance should not be placed on any forward looking statement.

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Pro forma and normalised financial information

This Presentation contains pro forma and normalised financial information. The pro forma and normalised financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Shaver Shop’s views on its future financial condition and/or performance. This financial information has been prepared by Shaver Shop in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

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For a reconciliation of the non-IFRS financial information contained in this Presentation to IFRS-compliant comparative information, refer to the Directors Report that forms part of the Shaver Shop Group Limited Consolidated Financial Report that has been lodged with the ASX. All dollar values in this Presentation are in Australian dollars (A\$), unless otherwise specified.



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