



## ASX ANNOUNCEMENT

For Immediate Release

# Shaver Shop H1 FY22 Results

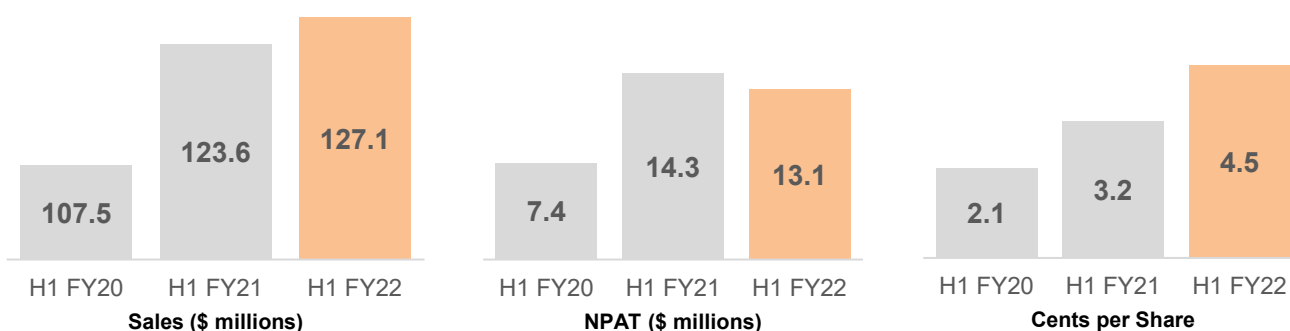
**Melbourne**, Monday, 21 February 2022 – Shaver Shop Group Limited (ASX: SSG) (Shaver Shop), the Australian specialty retailer of male and female personal grooming and beauty products, is pleased to announce its financial results for its half-year ended 31 December 2021 (H1 FY22).

### H1 FY22 results highlights

**Total Sales up 2.8% to \$127.1m**

**NPAT of \$13.1m (down 8.6%)**

**Dividend up 40.6% to 4.5 cents**



Given the impact of COVID-19 on Shaver Shop's H1 FY22 and H1 FY21 results, comparisons to H1 FY20 (pre-pandemic) have also been provided:

	H1 FY22	H1 FY21	H1 FY20	1 Year Growth	2 Year Growth
	\$m	\$m	\$m	%	%
Total sales	\$127.1	\$123.6	\$107.5	+2.8%	+18.3%
Online sales (corporate stores)	\$51.6	\$37.6	\$18.6	+37.2%	+177.4%
NPAT	\$13.1	\$14.2	\$7.4	-8.6%	+76.2%
Cash NPAT*	\$13.7	\$14.7	\$8.0	-7.2%	+71.2%
EPS (cents per share)	10.6	11.7	6.1	-9.8%	+74.5%
DPS (cents per share)	4.5	3.2	2.1	+40.6%	+114.3%
Net cash balance (31 December)	\$36.3	\$41.1	\$12.6	-11.7%	+188.1%

\* Cash NPAT is reported NPAT plus the tax benefit Shaver Shop receives in relation to the tax deduction for franchise licence termination payments it has made on its historical buy-back of franchises. The franchise licence termination cost is amortised to taxable income over 5 years on a straight line basis.

Shaver Shop recorded very strong financial results for H1 FY22 with elevated customer demand continuing across a number of its core categories. The strength of Shaver Shop's multi-channel offering was reflected in total sales increasing 2.8% to \$127.1 million, despite Shaver Shop losing 28% of available in-store trading days across its store network (6,169 days), due to government-mandated store closures associated with COVID-19. Online sales increased 37.2% to \$51.6 million representing 40.6% of total sales and a new first half record for the business.

Compared with the comparative period two years ago (H1 FY20), all of Shaver Shop's financial metrics improved significantly. Most notably, online sales increased 177.4%, net profit after tax (NPAT) increased 76.2%, earnings per share (EPS) increased 74.5% and interim dividends per share (DPS) increased 114.3%.

**Shaver Shop Group Limited (ACN 150 747 649)**

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



Shaver Shop remains in a very secure financial position with \$36.3 million cash in the bank at 31 December 2021 and an undrawn \$30 million debt facility available.

Speaking about Shaver Shop's H1 FY22 performance, Managing Director and CEO, Mr Cameron Fox said, "I remain delighted with the way our business has performed in what was the most challenging operating environment I've experienced in my 15 years with the business. I am most proud of our team, who once again proved their resilience and adaptability in successfully managing through short and long term store closures, supply chain and staff availability challenges, as well as the pressures brought about by the significant growth in our online business. With all these potential distractions, our focus on delighting customers once again shone through with customer satisfaction scores staying at world class levels."

In addition to the strong financial results, other highlights include:

- Customer satisfaction scores continue to be world class with average Net Promoter Score (NPS) of 88 (out of 100)
- Opened one new store in Bunbury, WA and secured two new store openings for H2 FY22
- Active online customers up 48.7% to 650,000 at 31 December 2021 (vs 31 Dec 20)
- 24 of our top 30 selling lines were sold exclusively at Shaver Shop
- New Zealand stores continue to perform strongly with increased Shaver Shop brand awareness

#### **Multi-channel offering resonates with online sales up 37.2% to \$51.6 million**

The advantages of Shaver Shop's multi-channel offering across its core categories was once again evident in H1 FY22. As stores went into extended lockdowns across NSW and VIC due to COVID-19 trading restrictions, customers quickly transitioned to shopping online. Website sales accelerated when lockdowns were confirmed to be long-term in nature, and subsequently, as government restrictions lifted across the month of October, in-store sales rebounded strongly. This culminated with another record breaking Black Friday and Cyber Week trading period for Shaver Shop.

Mr Fox said, "Our business remains highly resilient with demand for personal care and grooming solutions continuing whether our stores were trading normally or were only fulfilling online orders. Online sales represented 40.6% of our total sales in the first half with more than 370,000 online orders completed. Our clear preference is for stores to remain open because customers get first-hand experience of the outstanding passion and expertise of Shaver Shop's store teams."

"Our online store also continues to go from strength to strength with increasing site visitation, elevated conversion and high average transaction values in the first half continuing to drive strong contributions margins from our digital channel. Active online customers increased almost 50% to 650,000 in the 12 months to 31 December 21, presenting an exciting opportunity to turn these into loyal, repeat customers in the future."

#### **Gross profit margins down 90 basis points to 43.8% (up 250 basis points vs two years ago)**

Mr Fox continued, "Gross profit margins were 43.8% in H1 FY22, one of the highest results achieved for the business. While this is down 90 basis points from the exceptional result recorded last year, it is up 250 basis points compared to two years ago.

"We maintained our disciplined approach to pricing and promotional activity on exclusive lines, as well as being fiercely competitive to retain or increase market share on trade wide models. This was particularly true across Black Friday and Cyber Week in the second quarter where price competition in a few of our non-core categories was particularly aggressive.

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“And while we had some short term stock availability issues with selected lines, we were able to manage this through either switch selling to equivalent models or working closely with suppliers to expedite logistics.”

### **Net cash of \$36.3 million and no debt**

Shaver Shop generated strong operating cash flow of \$42.7 million in H1 FY22 (31 Dec 20 - \$41.3 million) leading to a net cash balance of \$36.3 million (31 Dec 20 - \$41.1 million) and no debt at the end of the half. Consistent with prior years, Shaver Shop receives extended trading terms from several suppliers for Christmas stock purchases and as a result, expects the current cash balance to materially reduce in January and February as these suppliers are paid.

### **Interim dividend up 40.6% to 4.5 cents (100% franked)**

Having regard to Shaver Shop’s solid financial position, strong trading performance and operating cash flows, Shaver Shop’s board today approved a fully-franked interim dividend of 4.5 cents per share (up from 3.2 cents fully-franked last year).

The significant increase in dividend payout reflects the desire of Shaver Shop’s board to continue to maximise returns to shareholders whilst maintaining balance sheet strength and flexibility during this period of constantly evolving trading conditions.

### **Trading Update and FY2022 Outlook**

The following table summarises Shaver Shop’s H2 FY22 to date (1 January 2022 to 17 February 2022) and year to date (YTD) sales growth rates for the periods to 17 February 2022.

Sales Growth (%)	H2 FY22 To Date*		YTD	
	vs FY21	vs FY20	vs FY21	vs FY20
Total Sales	6.2%	22.6%	3.3%	18.7%
Like for like <sup>1</sup> sales (inc online sales)	0.0%	16.8%	2.9%	21.4%
Online sales	23.8%	149.6%	35.4%	178.1%

\* H2 FY22 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.

Shaver Shop has experienced significant volatility in sales as a result of government-imposed trading restrictions due to COVID-19 as well as recent concerns regarding the spread of the omicron variant. With Australia’s and New Zealand’s high vaccination rates, Shaver Shop is hopeful that any new COVID variants will not require trading restrictions to be reimposed.

Speaking about Shaver Shop’s recent trading history, Mr Fox commented, “After an excellent Black Friday, the rise of the omicron variant in December significantly softened demand through our most critical trading period of the year – the 10 days before Christmas as well as Boxing Day week. Subdued demand continued through the first half of January, but pleasingly has been recovering with total sales now up 6.2% through the first seven weeks of the second half.

“Looking forward, Shaver Shop remains in a very strong position. We are a market leader across ANZ in the attractive and growing personal care and grooming segment. Our specialty focus sets us apart by offering exclusive

<sup>1</sup> 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 trade (e.g. due to COVID restrictions) for any day in FY20, FY21 or FY22, the in-store sales (if any) and any online sales on those days have been excluded from like for like sales in all periods.



access to many of the latest new product launches as well as by having expert product knowledge in our store teams. Our New Zealand business continues to perform very well with several new stores under consideration. We are also looking to selectively open new stores in Australia, evidenced by our decision to open locations at Claremont, WA and Hervey Bay, QLD in the second half. Finally, Shaver Shop has been a beneficiary of COVID-19 with many new customers being introduced to both our online and in-store offerings. This puts us in a fantastic position to convert these new customers into loyal, repeat customers that shop with us for all their personal grooming needs.

Due to the ongoing uncertainties and trading volatility caused by COVID-19, Shaver Shop is not in a position to provide FY2022 sales and earnings guidance at this time.

Approved for release by the Board.

-ENDS-

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**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 121 Shaver Shop stores across Australia and New Zealand. The Company also sells products via its websites [www.shavershop.com.au](http://www.shavershop.com.au) and [www.shavershop.net.nz](http://www.shavershop.net.nz), and an eBay store.

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.