

MüDeal

FY22 RESULTS PRESENTATION

ASX: MYD

26 August 2022

ANOTHER RECORD YEAR; OUTPERFORMED GUIDANCE³

Execution of key initiatives driving record results

RECORD GROSS SALES¹, REVENUE AND ACTIVE CUSTOMERS²:



\$272.2m

Gross Sales
YoY growth

↑24.8%



1.052m

Active customers
YoY growth

↑17.6%



\$65.4m

Revenue
YoY growth

↑70.8%

Growth supported by customer acquisition and improvement in repeat transactions.

STRONG IN-STOCK MOMENTUM:



\$35.0m

Gross Sales
YoY growth

↑296.8%

IN-STOCK
REPRESENTS

17.0%

Gross Sales
in Q4 FY22

↑12.1pts

1. "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value of transactions (unaudited) processed by MyDeal (including marketplace and in-stock), on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.
2. An Active Customer is a customer that has made a purchase in the last twelve months.
3. FY22 Guidance included Gross Sales of \$270m, Revenue of ~\$64.0m and H1 FY22 Gross Margin 15.8% to be maintained for the full year.

ANOTHER RECORD YEAR; OUTPERFORMED GUIDANCE

Execution of key initiatives driving record results

ADOPTION OF MOBILE APP ACCELERATING:



DOWNLOADS

with app now representing
21% of total Gross Sales

JULY GROSS SALES

↑ **4.7%**
on PCP



MYDEAL & WOOLWORTHS GROUP ENTERED INTO SCHEME IMPLEMENTATION AGREEMENT 20 MAY 2022

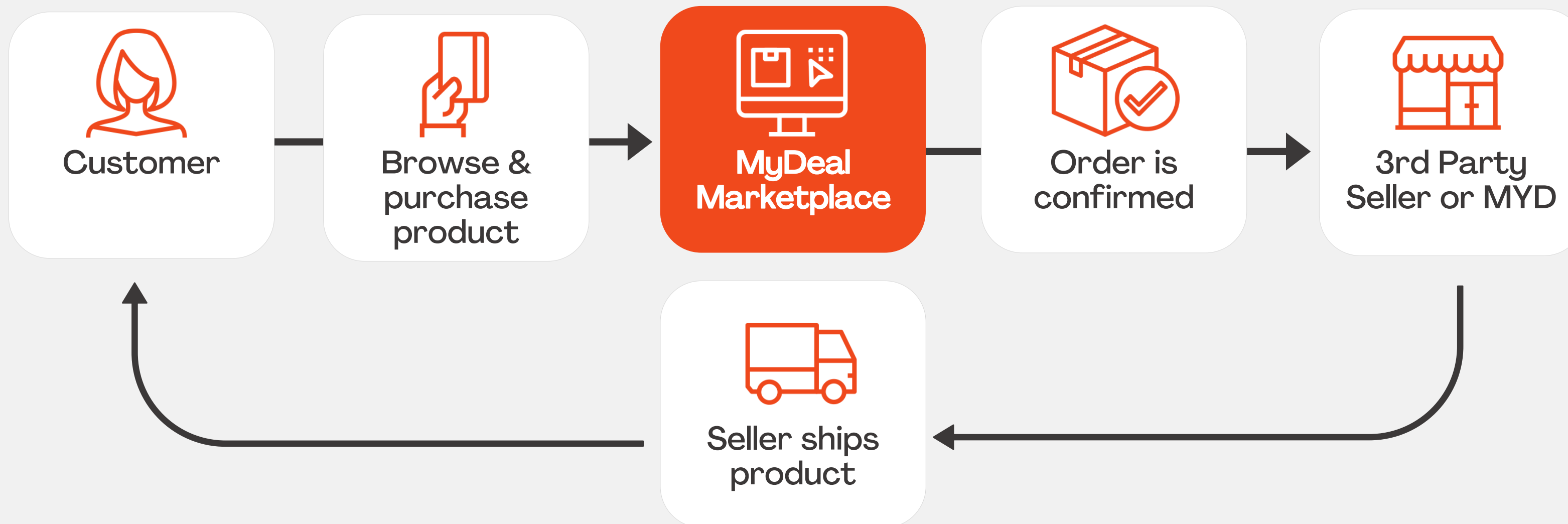
all cash consideration of

**\$1.05
PER SHARE**

MyDeal board unanimously
recommends in the absence
of a superior proposal

WHO WE ARE AT A GLANCE

Online marketplace and retailer specialising in home and lifestyle goods



Attractive Business Model

- Flywheel in progress with network effects attracting both customers and sellers
- Capital-lite model
- Scalable business driven by proprietary technology model

Competitive Advantage

- Value - lowest prices on comparable goods
- Range - >6m products and growing
- Service - seamless customer experience delivered through proprietary technology



1,373
Active Sellers¹



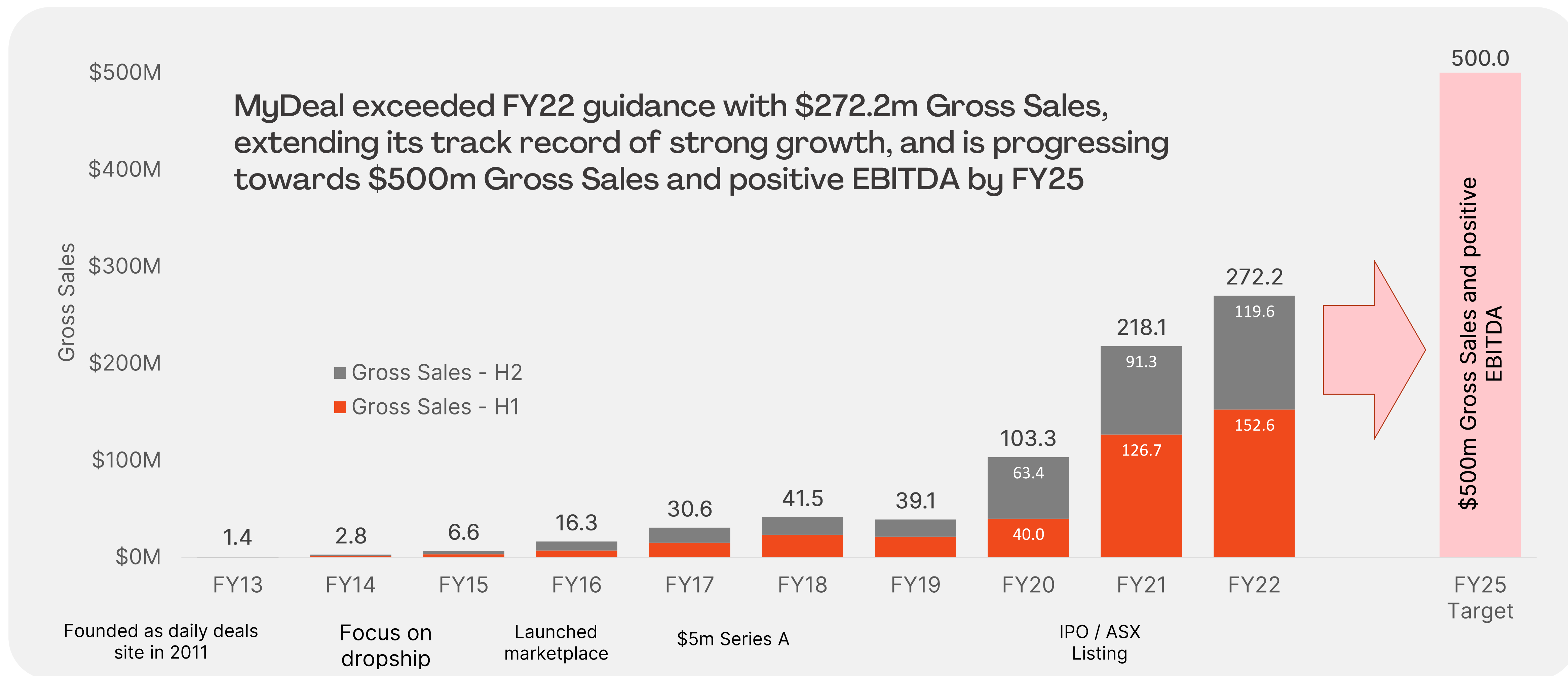
>6M
Products Listed



5.7m
Average Monthly
Website Visits

1. An "Active Seller" is a seller that has made a sale on the marketplace in the last three months.

CONTINUING TO BUILD SCALE AND PROGRESS TO PROFITABILITY



FY22 FINANCIAL HIGHLIGHTS

	FY21	FY22	YoY Growth
Gross Sales	\$218.1m	\$272.2m	24.8%
Revenue	\$38.3m	\$65.4m	70.8%
Active Customers	894,225	1,051,701	17.6%
Repeat transactions ¹	59.4%	64.6%	5.2 pts
Advertising % of Gross Sales (excl ATL) ²	10.6%	8.1%	2.5 pts

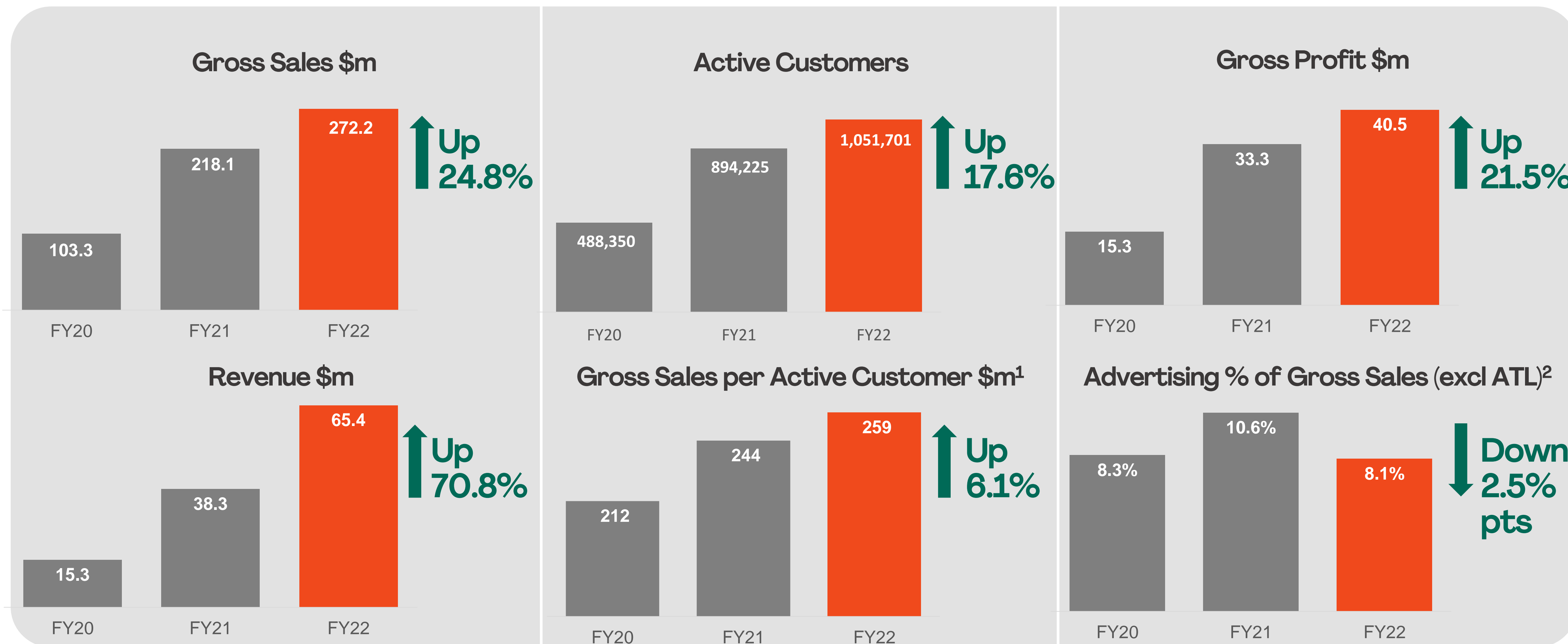
1. Repeat transaction relates to Q4 in FY21 and FY22 respectively

2. Advertising excludes \$3.1m of above the line brand related marketing during FY22.

FY22 Financial Results



STRONG PERFORMANCE ON ALL KEY METRICS



1. "Gross Sales per Active Customer" is calculated as Gross Sales for the relevant period divided by the number of Active Customers as at the end of the relevant period.

2. "Excludes above the line ('ATL') brand investment.

RECORD TOP LINE, INVESTMENT FOR SUSTAINABLE GROWTH

\$m	FY21	FY22
Gross Sales	218.1	272.2
Net Transaction Value ("NTV") ¹	204.6	255.2
Revenue	38.3	65.4
Gross Profit	33.3	40.5
Gross Profit Margin (% of NTV) ³	16.3%	15.9%
Other Income	0.1	(0.2)
<u>BAU Operating Expenses</u>		
Digital advertising	(23.0)	(22.0)
Wages (excluding SBP)	(5.1)	(9.5)
Distribution	(2.8)	(7.5)
Other	(6.6)	(9.2)
BAU EBITDA	(4.1)	(7.9)
<u>New Growth Investments</u>		
Branding investment	0.0	(3.1)
New marketplace investment	0.0	(0.9)
Adjusted EBITDA	(4.1)	(11.9)
Transaction costs and SBP ²	(0.4)	(2.3)
EBITDA	(4.5)	(14.2)

Commentary

Gross Sales of \$272.2m, up 24.8%, driven by growth in active customer base of 17.6%, increasing orders from repeat customers and higher average order value

Revenue of \$65.4m, up 70.8%, and above Gross Sales growth, driven by the accounting revenue recognition of in-stock sales versus marketplace commission structure

Gross Profit of \$40.5m, up 21.5%. Relatively stable H2 gross profit as a percentage of NTV³ at 15.9% (H1 FY22 15.8%)

BAU Operating Expenses includes digital advertising which reduced YoY from 11.3% to 8.7% of NTV driven by greater ROAS efficiency. Wages increase following expansion of team to 91 to support long term growth. Distribution costs increase in dollar terms but importantly reduced as a % of In-stock NTV from 33.0% to 22.3%. Other costs include investment in offshore customer service and merchant fees

New Growth Investments includes \$3.1m brand investment following the brand refresh and through the line campaign. MyDeal also invested \$0.9m in new marketplace technology

Fixed costs⁴ excluding growth investment increased as a % of NTV from 4.5% to 6.5%

BAU EBITDA loss of \$7.9m reflects the underlying performance of the group excluding new growth investments. Adjusted EBITDA loss of \$11.9m reflects BAU EBITDA less new growth investments but excluding transaction costs and non-cash Share Based Payment expense

¹ Net Transaction Value (NTV) is Gross Sales or Gross Transaction Value after deducting refunds, chargebacks, discounts and coupons.

² Represents IPO related costs not recognized through equity and share based payments expense

³ Due to the difference in revenue recognition between in-stock and marketplace sales, MyDeal believes gross profit (revenue less cost of sales) as a percentage of NTV represents a more relevant measure than take rate (revenue as a percentage of NTV) and will report this metric moving forward.

⁴ Fixed costs includes all costs excluding distribution, marketing, merchant fees, finance costs, tax, new marketplace investment and transaction & SBP costs.

STRONG BALANCE SHEET TO SUPPORT GROWTH STRATEGY

\$m	30 Jun 2021	30 Jun 2022
Cash	42.7	32.4
Receivables	0.4	0.4
Inventories	5.3	8.5
Other current assets	0.9	0.9
Total current assets	49.3	42.3
Intangible assets	2.0	3.8
Plant and equipment	0.3	0.7
Other assets	0.1	1.1
Total assets	51.6	47.9
Payables	19.1	27.2
Provisions	0.6	1.1
Other liabilities	1.1	2.1
Total current liabilities	20.7	30.3
Borrowings	0.0	0.0
Other provisions & Liabilities	0.1	0.5
Total liabilities	20.8	30.9
Net assets	30.8	17.1

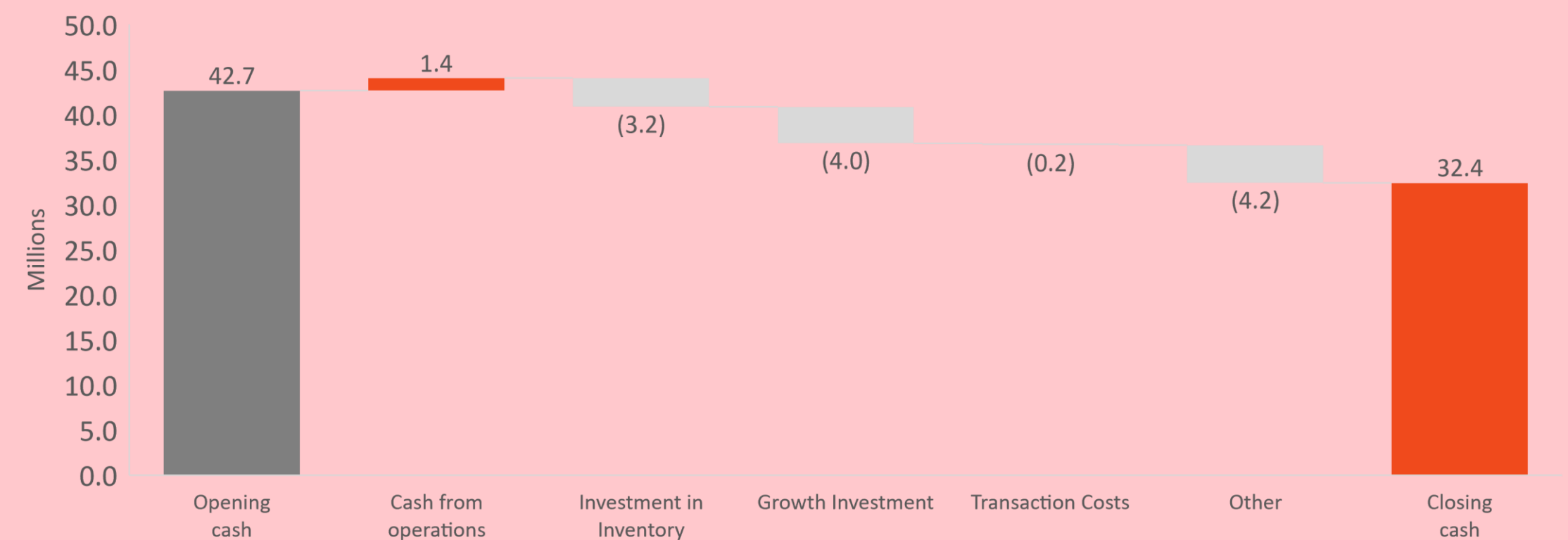
Commentary

Clean balance sheet with \$32.4m cash as at 30 June 2022 and no debt

Positive cash from operations driven by negative working capital marketplace model, offset by investment in in-stock inventory (\$3.2m), growth investment (\$4.0m) and transaction costs (\$0.2m)

Other cash outflows of (\$4.2m) include capitalised platform development costs of (\$3.2m) and investment in PP&E (\$0.7m)

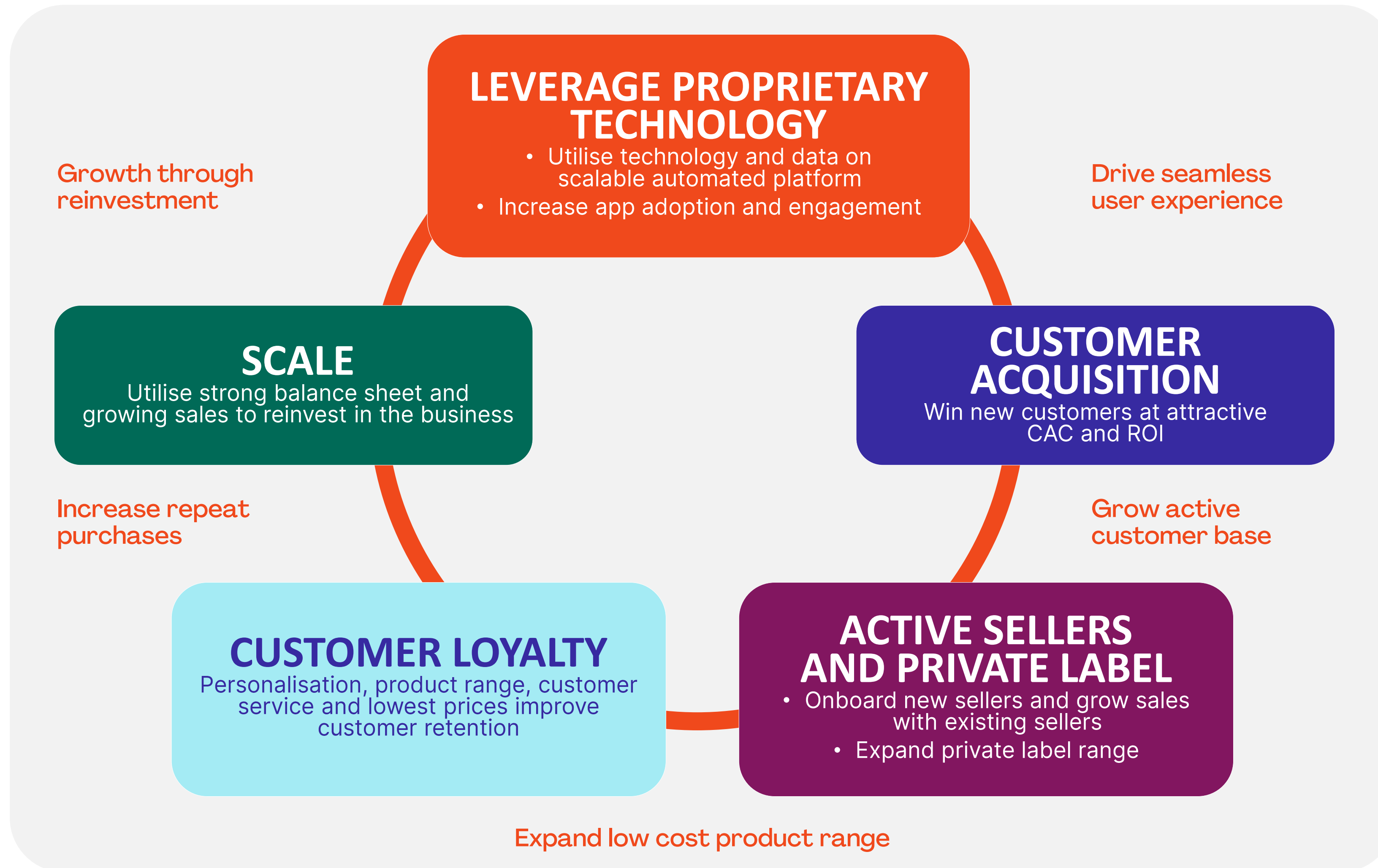
FY22 Net Cash Flow Movement \$m



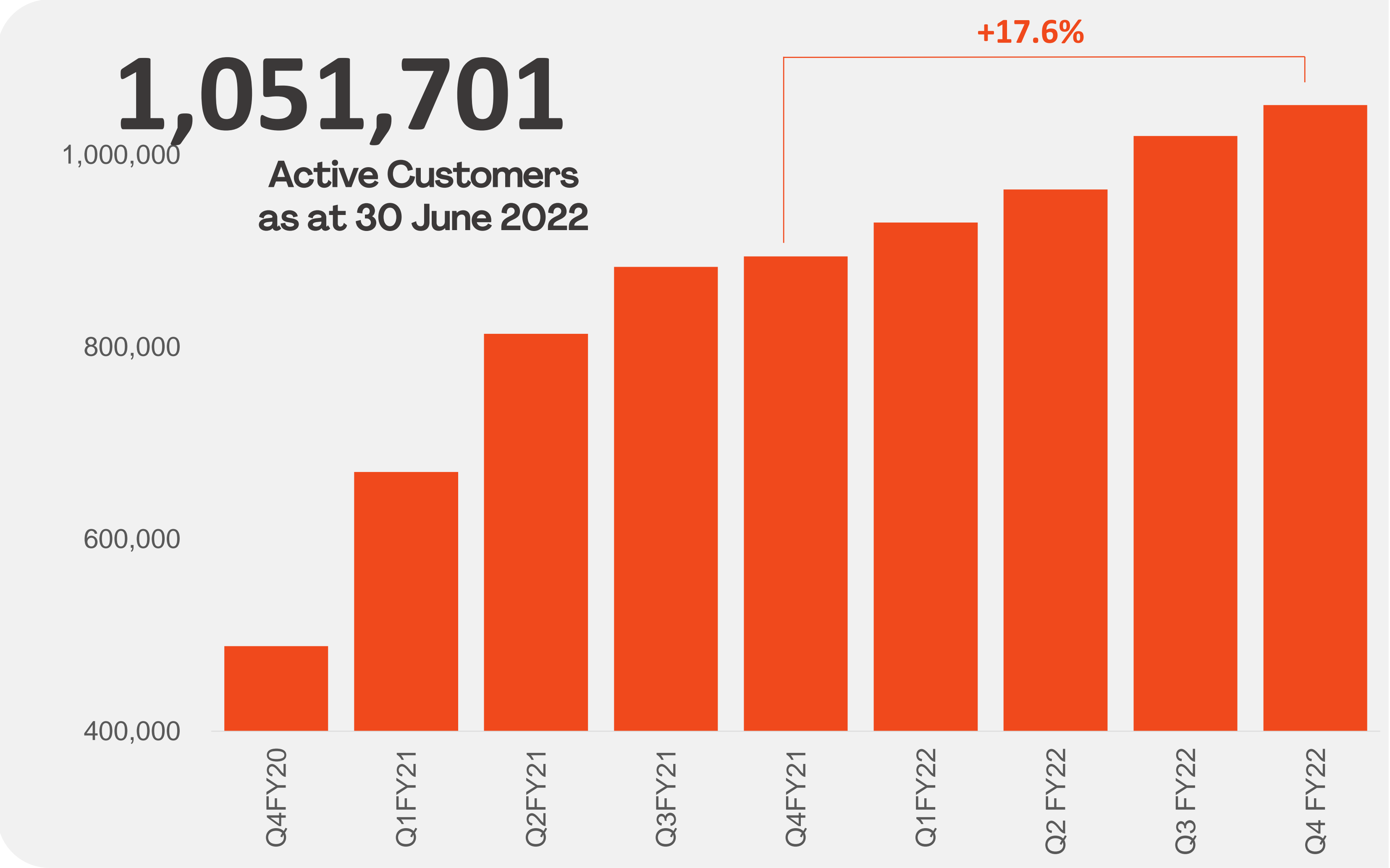



FY22 Operational Update

OPERATIONAL EXECUTION OF THE FLYWHEEL




CONTINUED GROWTH IN ACTIVE CUSTOMERS






1.8m
Transactions LTM



2.7m
Products Shipped LTM

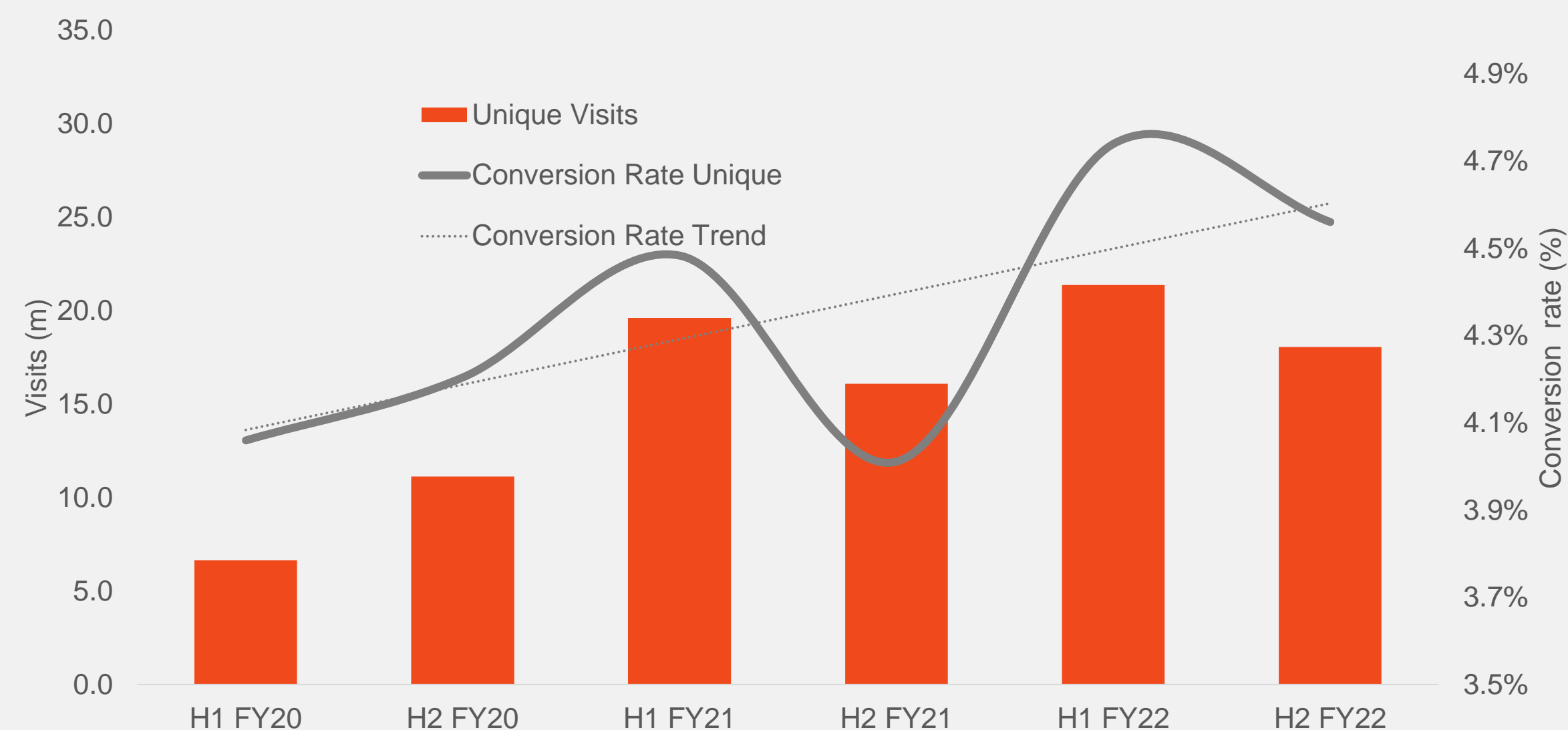


\$148 excl. GST
Avg. Order Value

PROVEN CUSTOMER ACQUISITION

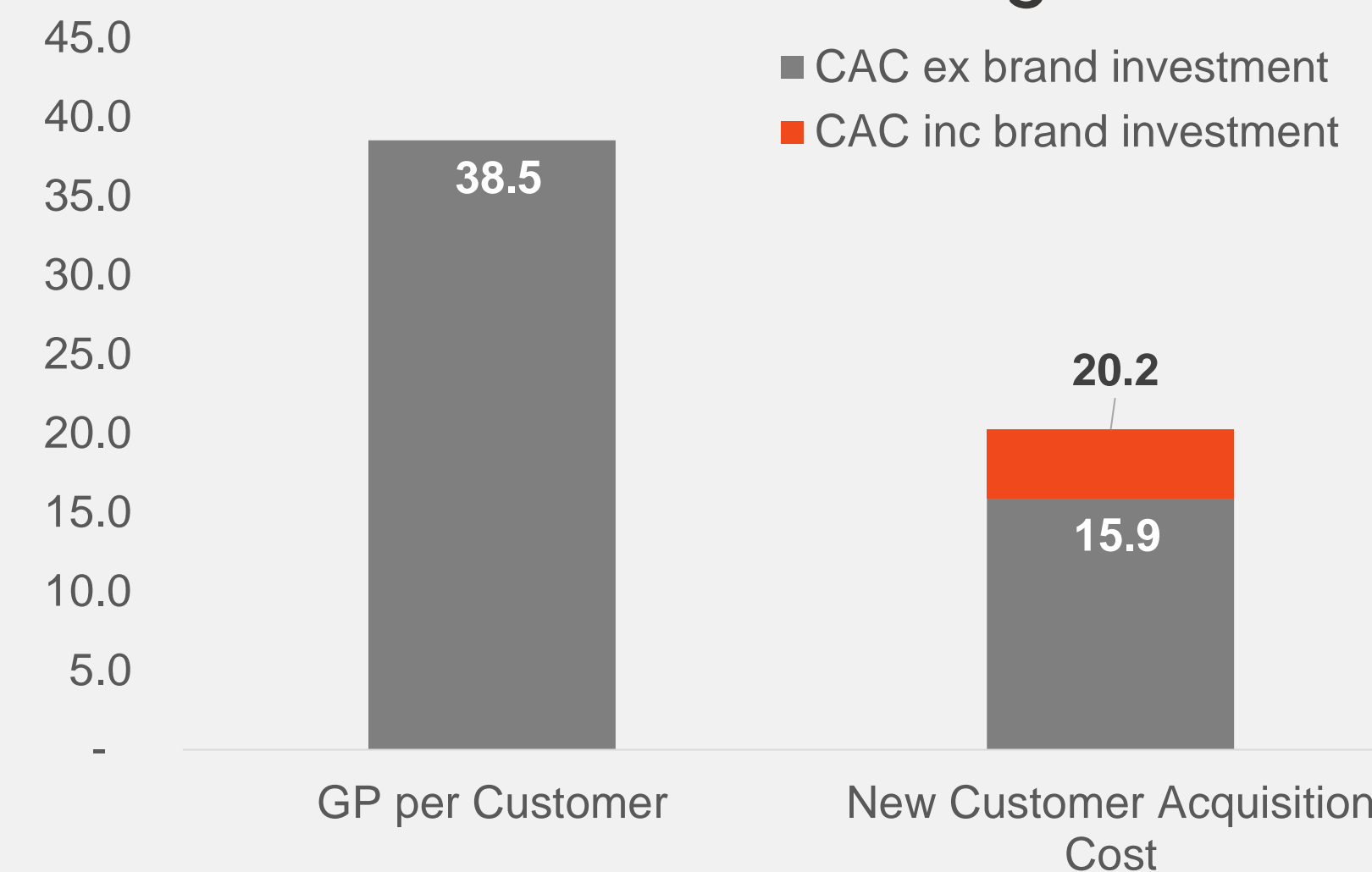
New customers continue to be profitable on first purchase

Unique Visits and Conversion Rate¹



- Conversion of site visit to transaction continues to improve in line with user experience, allowing for normal seasonality

LTM ROI in Marketing



- ROI remains profitable on first purchase
- Last 12 month ROI of 1.9x, with Higher AOV's offset by increases in customer acquisition cost (CAC) to \$20.2 driven by investment in brand. Excluding ATL \$3.1m LTM ROI was 2.4x based on CAC of \$15.9

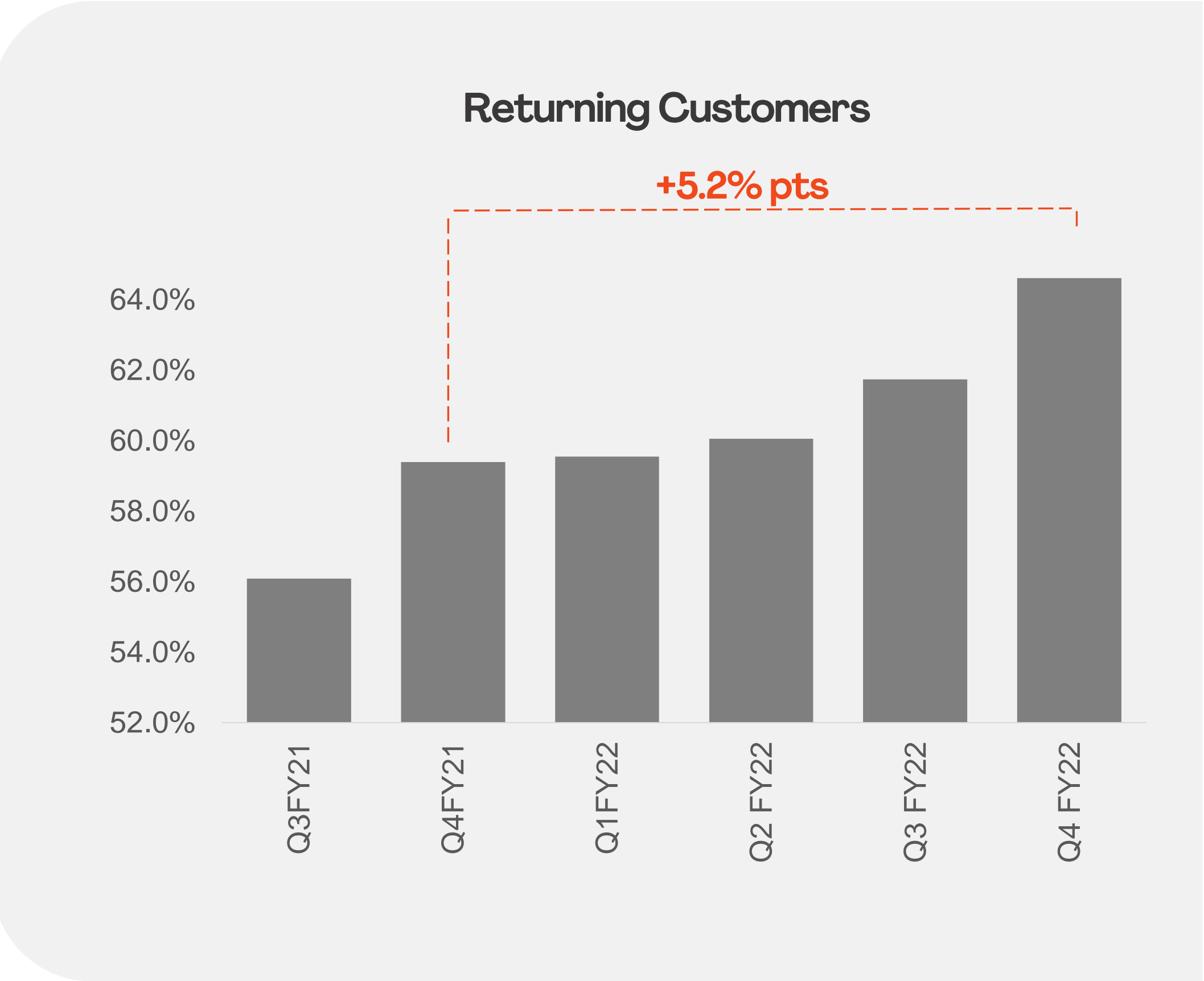
1. Number of transactions calculated as a percentage of unique visitors.

2. New Customer Acquisition Cost is calculated as the total marketing spend for FY22 x 51.2% (being the estimated percentage of marketing spent on new customer acquisition) divided by the number of new customers during FY22.

3. Gross Profit per Customer is calculated as total Gross Profit for FY22 divided by the total number of customers that transacted in FY22.

INCREASING CUSTOMER LOYALTY

64.6% of transactions now from returning customers, with average orders per customer of 2.1x (FY21: 1.7x)



Satisfied customers

MyDeal.com.au
Reviews 48,563 • Excellent
★★★★★ 4.3 ⓘ
✓ VERIFIED COMPANY

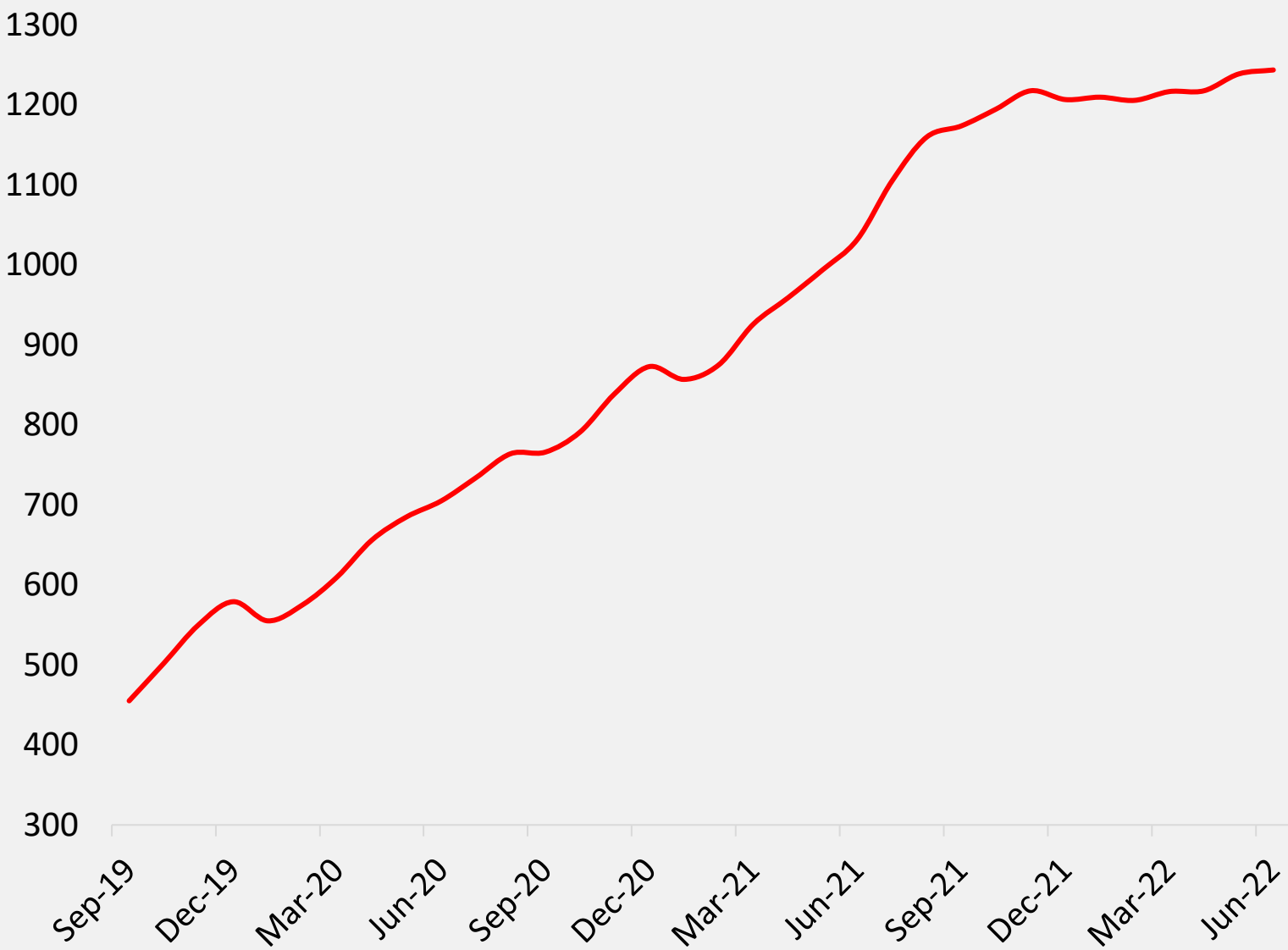
MyDeal.com.au
www.mydeal.com.au
★★★★★ 4.1 from 16,198 reviews · [View Statistics](#)

1. Average Orders per Customer is calculated by taking the total number of transactions in FY22 divided by total active customers in FY22

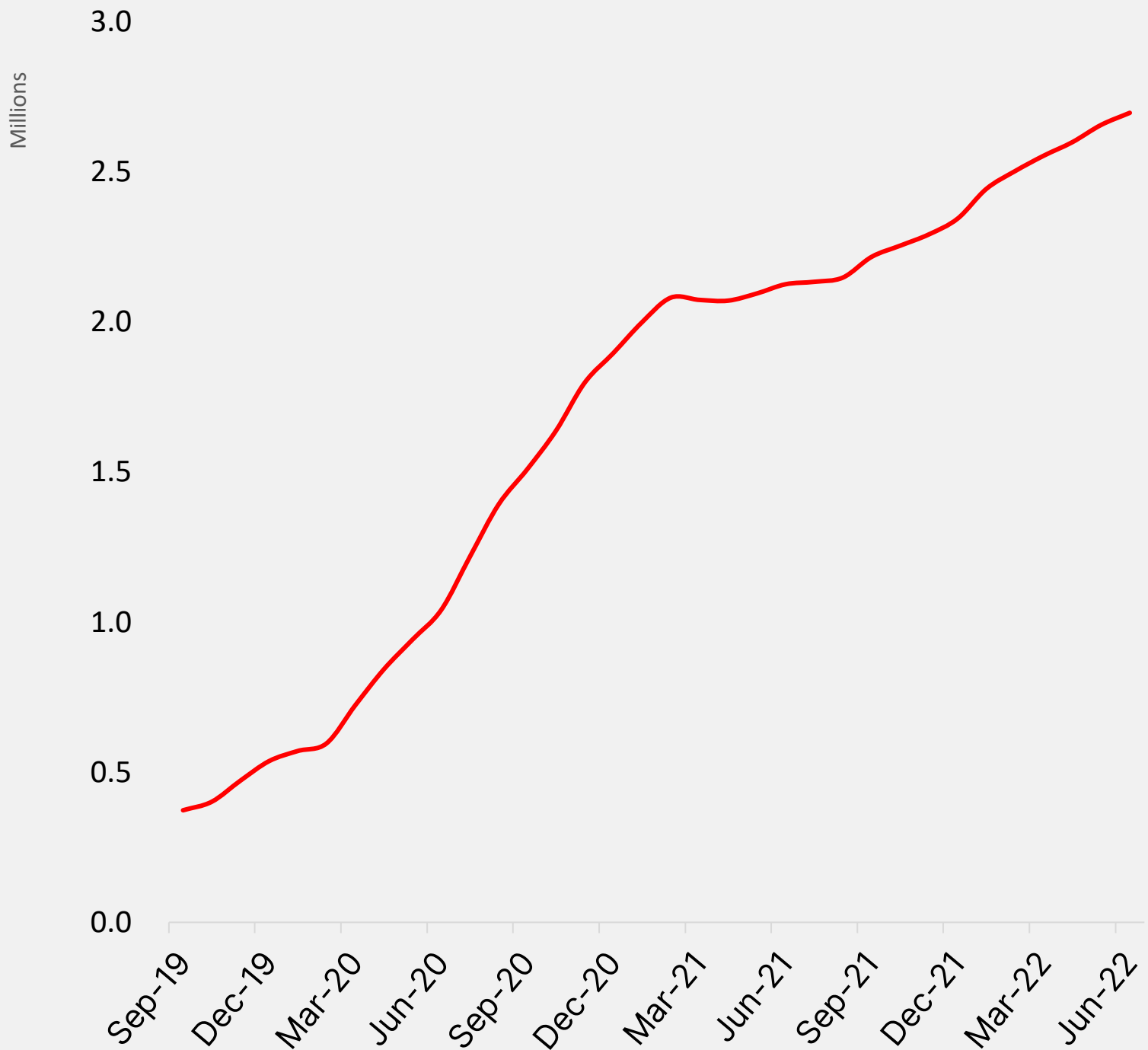
MARKETPLACE METRICS

Our proprietary technology has allowed us to rapidly increase our seller base and product range.

Number of Unique Monthly Sellers



Number of Monthly Products Shipped LTM



2.7m
Products Shipped



MAROPOST

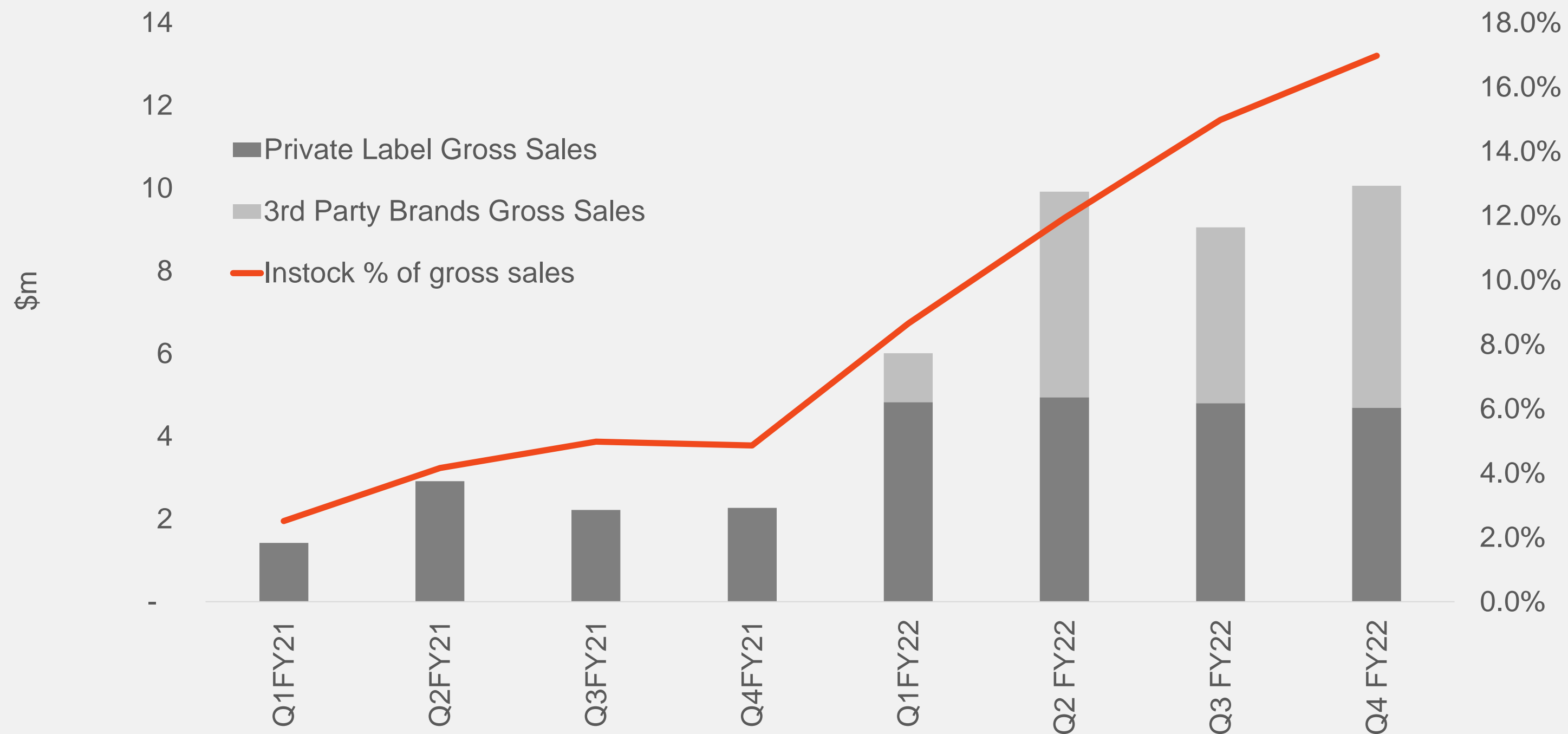


shopify

Turn-key integrations with many
major ecommerce platforms
and channel partners

IN-STOCK: PRIVATE LABEL + 3RD PARTY BRANDS

In-stock showing strong momentum growing 296.8% YoY



- Strong and consistent Private Label performance with Gross Sales of \$19.3m in FY22 (FY21: \$8.8m)
- 3rd Party Brands Gross Sales of \$15.8m from a standing start helped drive in-stock sales to 17% of Gross Sales in Q4 FY22
- Continued opportunity to expand the range as the business scales

Key In-stock Metrics



\$35.0m

Gross Sales
(FY21: \$8.8m)



28.0%

Gross Profit % of NTV
(Target: 30-40%)

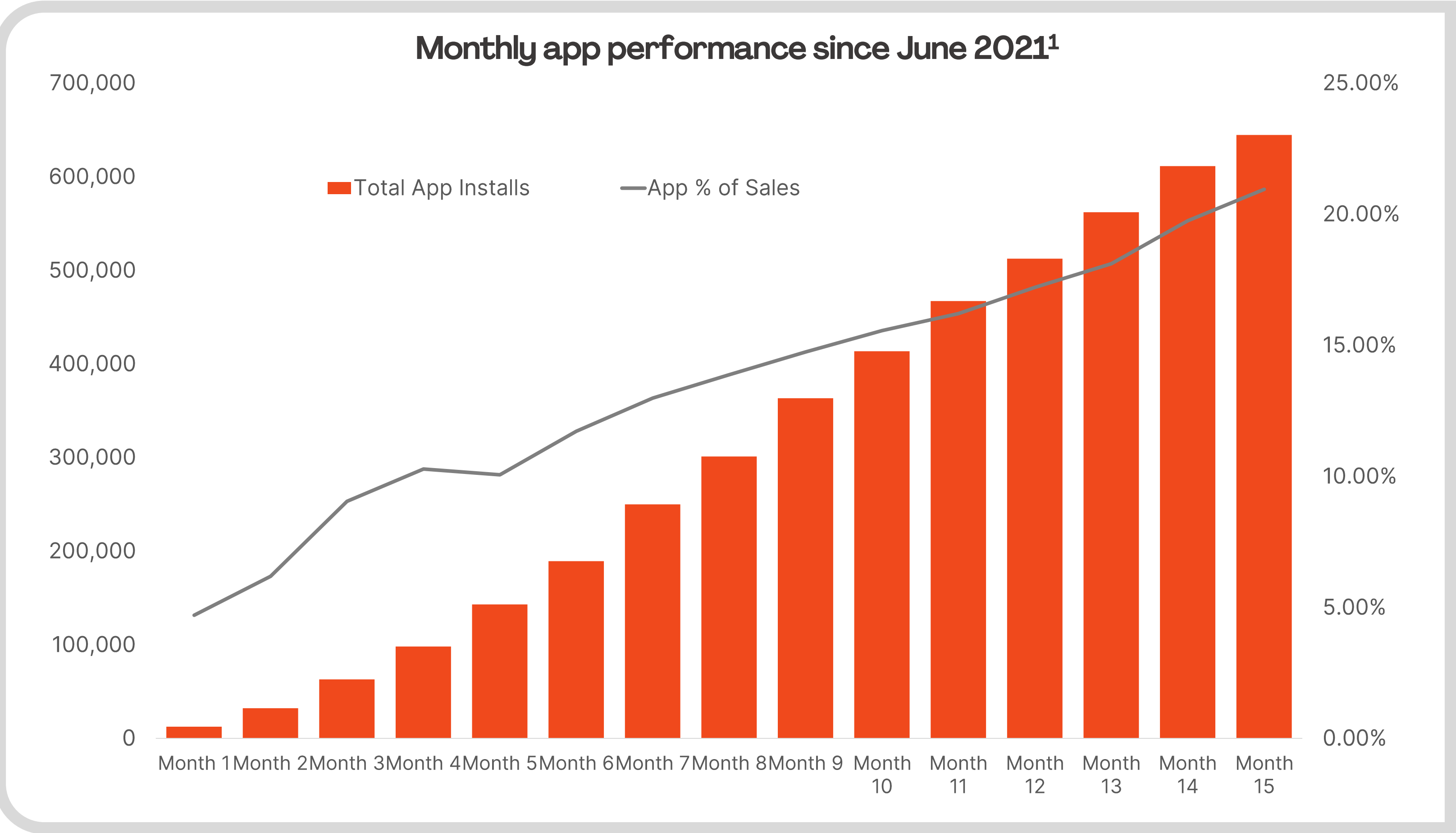


1,946

Product SKUs

MOBILE APPS

Rapid growth in app downloads is driving an increasing percentage of sales through the app





645k
Apps Installed¹



21%
of total Sales²

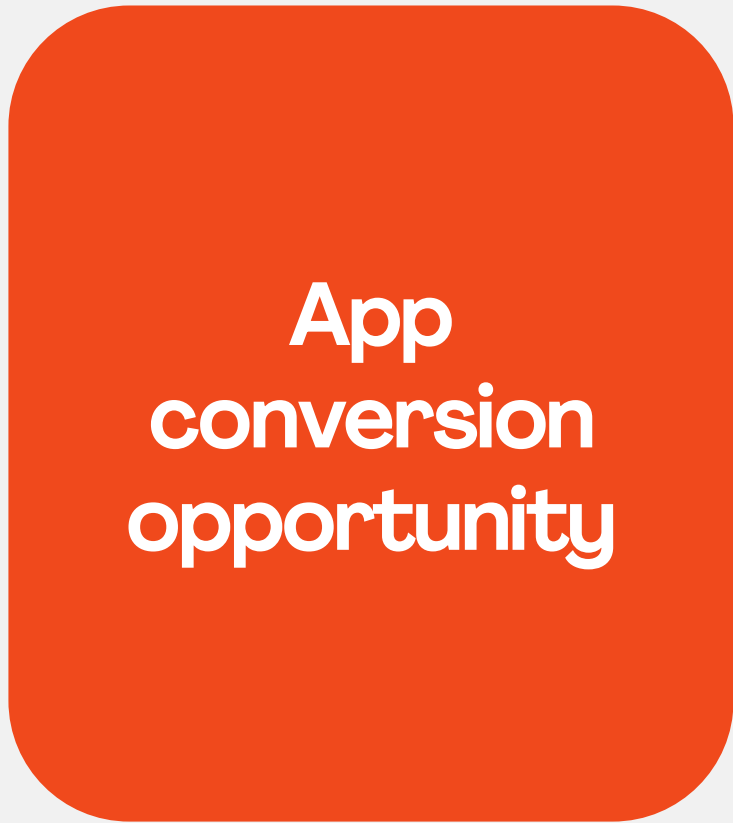
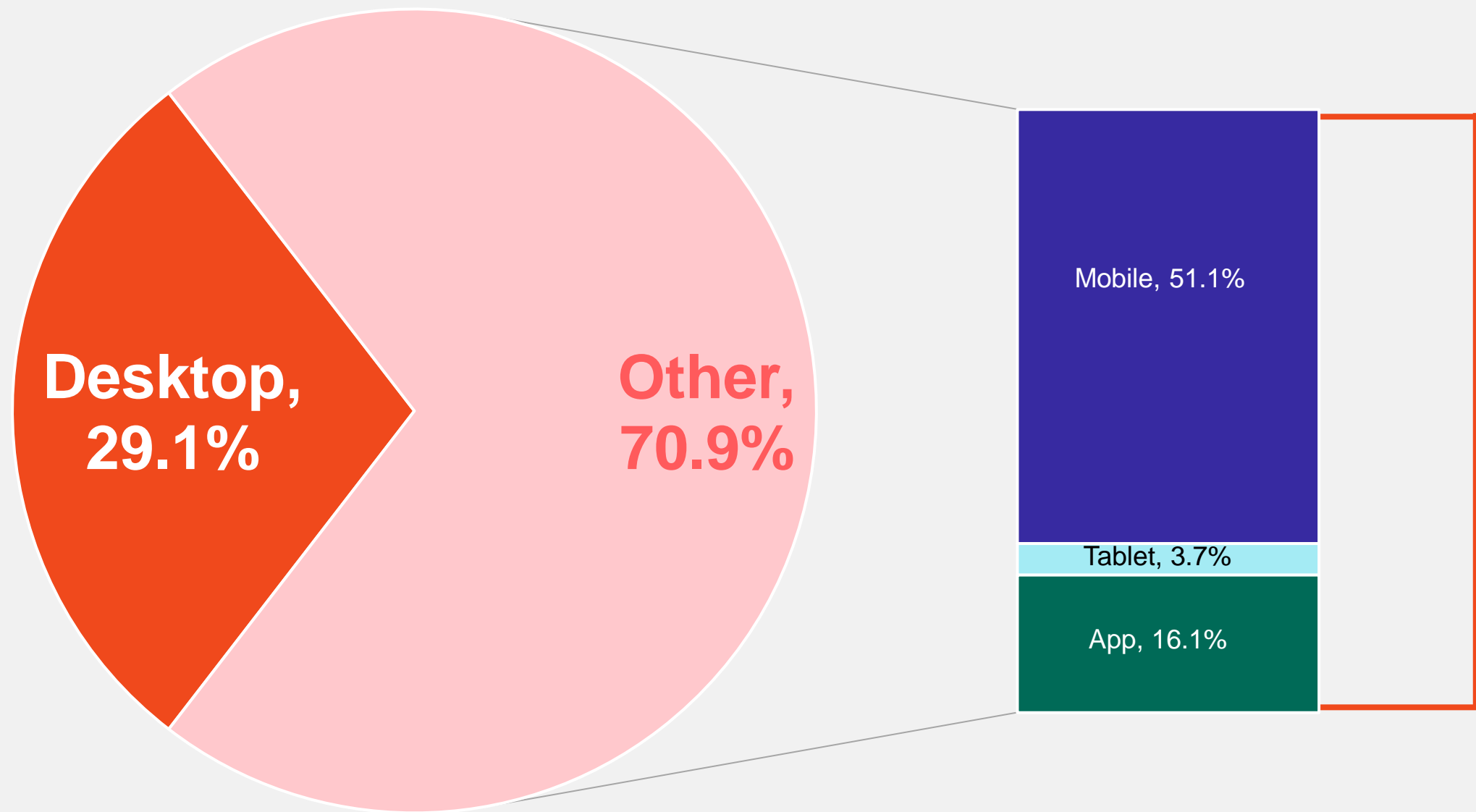
1. Data based on 4 week periods. As at 3 July 2022

2. Weekly app Gross Sales as a percentage of total Gross Sales as at 3 July 2022

MOBILE APPS

Significant opportunity remains to convert mobile and web traffic to app visits

App users offer higher ROI through lower CAC and more frequent purchasing



1. App traffic as a percentage of total traffic in FY22. Google Analytics

Strategy & Outlook



INDUSTRY OVERVIEW

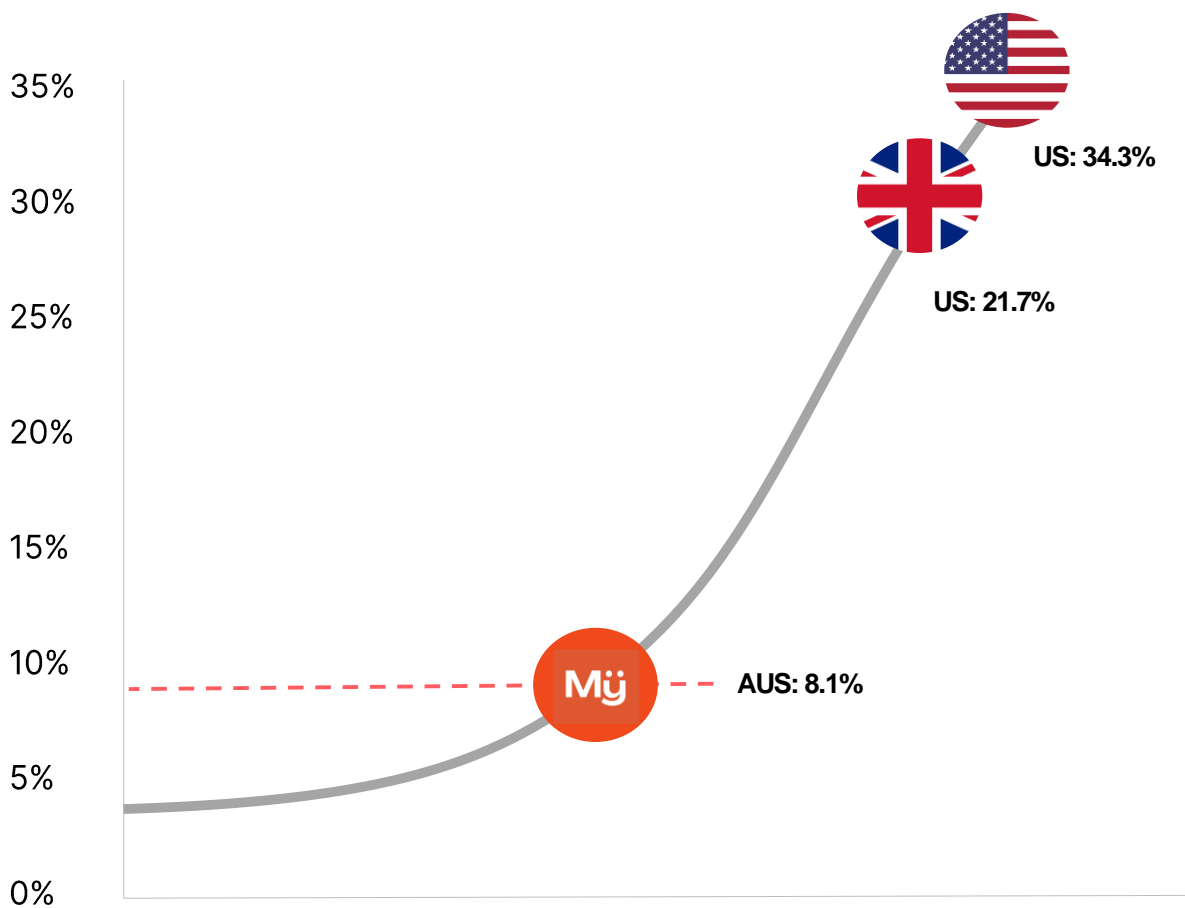
Australian ecommerce remains significantly underpenetrated compared to the UK and USA

- Significant growth is expected in Australia over the next 5 years with improvements in technology and millennials entering the core demographic age for home and lifestyle goods

**Total Addressable Market (TAM)
Australian Household Goods^{1,2}**



**Online Sales Penetration for
Furniture and Homewares^{3,4}**



1. ABS 8501.0 - Retail Trade, Australia, June 2022 (TAM – Australian Household Goods)
 2. Euromonitor International – Retailing in Australia, 2022 edition (February 2022) (TAM – Online Household Goods),
 3. Euromonitor International – Retailing in Australia, 2022 edition (February 2022), Retailing in US (Feb 2022), Retailing in the UK (February 2022)
 4. Euromonitor International – Home and Garden in Australia, 2022 edition (February 2022) , Home and Garden in US (February 2022), Home and Garden in the UK (February 2022)



Online retail was estimated to be 20.2% of total retail trade in 2022¹



Online household goods market in Australia expected to increase 52.5% from 2021 to 2026²

1. Euromonitor International – Retailing in Australia, 2022 edition (February 2022)
 2. Euromonitor International – Retailing in Australia, 2022 edition (February 2022)

PROPOSED ACQUISITION BY WOOLWORTHS

MyDeal and Woolworths Group have entered into a Scheme Implementation Agreement under which Woolworths Group agree to acquire 80.2% of issued capital in MyDeal.

All-cash consideration of \$1.05 per share represents 62.8% premium to closing price prior to the announcement and 5% premium to IPO price.

Sean Senvirtne, and other key management personnel, to retain a 19.8% holding and will continue to lead the business.

MyDeal Board unanimously recommends MyDeal shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Independent Expert has concluded that the Scheme is in the best interests of MyDeal shareholders, in the absence of a superior proposal.

Timeline

20-May	Deal announced
3-Aug	Scheme booklet lodged
6-Sep	Scheme meeting EGM

BIG W JOINS MYDEAL MARKETPLACE

- BigW joins MyDeal Marketplace
- Launched August 2022
- 10,000+ products



ASPIRATION AND STRATEGY

MyDeal continues to target \$500m Gross Sales and positive EBITDA by FY25 through:

Building the biggest and best range of home and lifestyle products

- Continue to invest in in-stock ranging - both Private Label and Third Party Brands
- Invest in technology to accommodate all sell-side arrangements (e.g. dropship)

Investing in customer loyalty

- Mobile-first approach including increasing mobile app adoption
- Personalisation and customer lifecycle marketing
- Loyalty program

Making MyDeal famous

- Build on momentum following brand refresh
- Invest in above the line marketing to support efficiency of customer acquisition

Becoming marketplace of choice for all stakeholders

- Build on strong enduring relationships with brands, sellers and suppliers
- Build tools and reporting to support our stakeholders
- Invest in people and culture
- Talk to our stakeholders and understand their needs

GROWTH INITIATIVES



Promote Native App

Drive traffic through the iOS and Android apps to improve mobile shopping experience, reduce marketing costs and increase customer retention



Expand In-Stock

Expand branded range



Leverage proprietary marketplace technology

Continued rollout of Amazed marketplace



Personalisation & Data

Improve discovery by recommending relevant products, categories, brands and sellers at scale using real time 1-to-1 AI technology



Brand & Marketing

Maintain multi channel brand and advertising campaigns to increase awareness. Heightened focus on SEM, affiliates & social



B2B Sales

Roll out commercial/B2B sales offering



Onboard New Sellers

Attract and onboard new sellers to grow product range



Retail Media Sales

Audience monetisation by leveraging owned media properties



Loyalty Program

Launch loyalty rewards program that incentivises customers to make repeat purchases



Appendices

APP 1: KEY CATEGORIES ON THE MARKETPLACE

MyDeal is strongest in products that are traditionally found in the home.

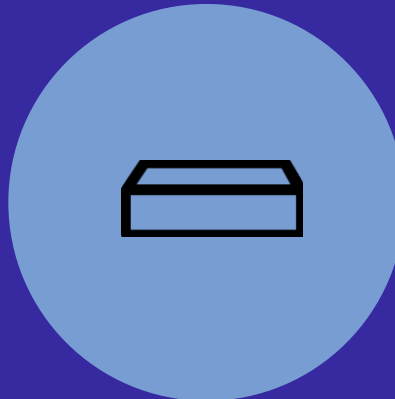
Top sub-categories include:



Bed and Bath



Bedroom Furniture



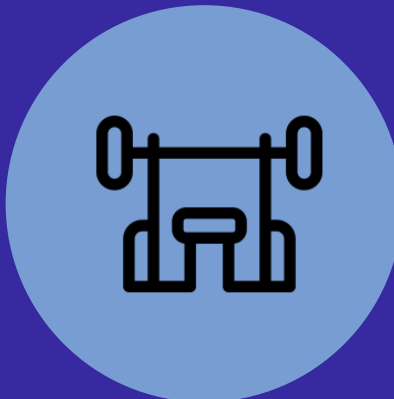
Mattresses



Living Room Furniture



Outdoor Furniture



Gym and Fitness



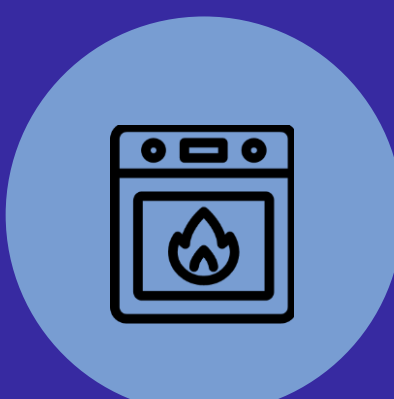
Dining Furniture



Office Furniture



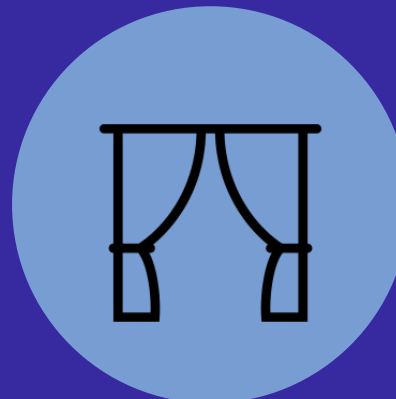
Outdoor Living



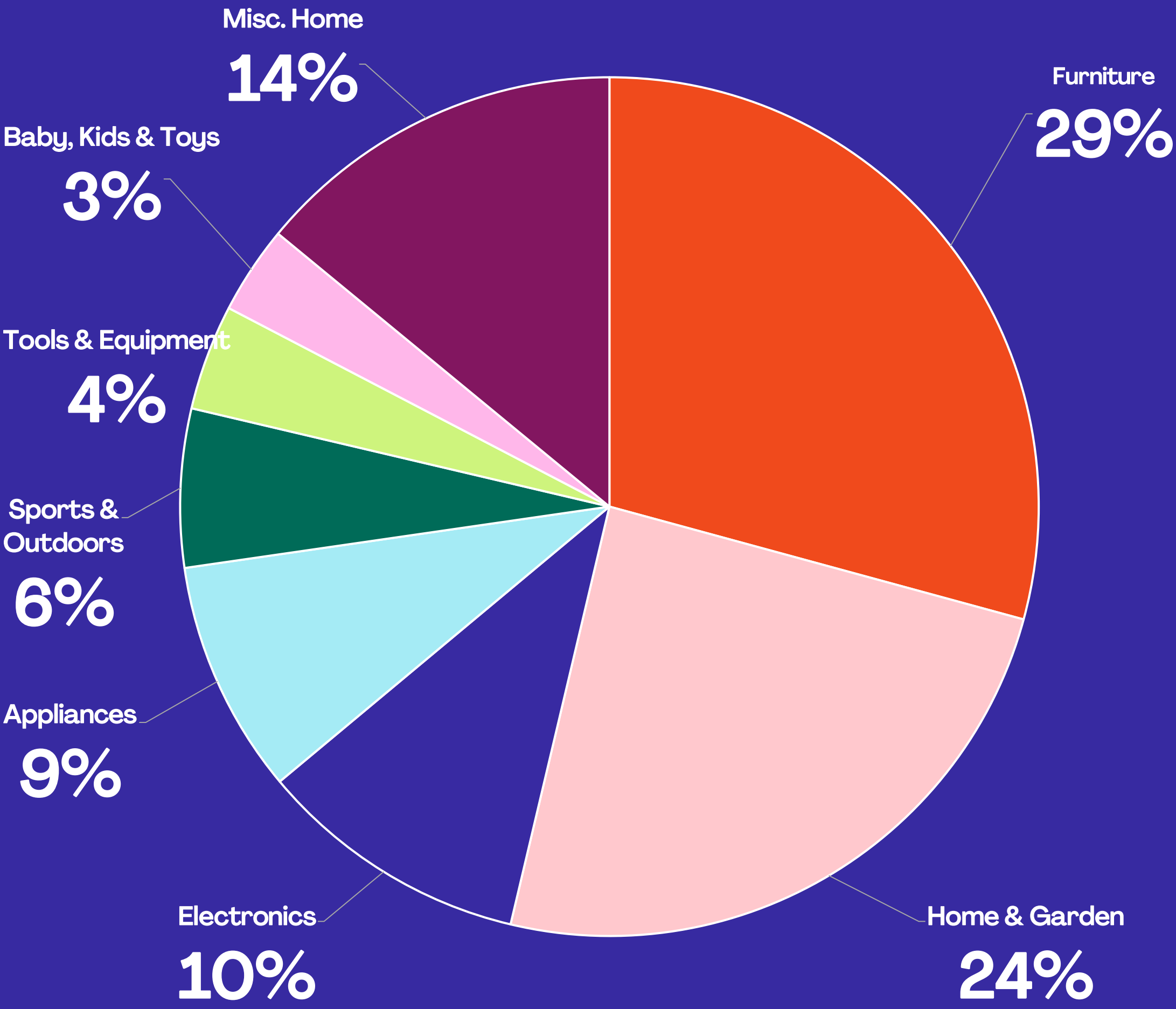
Kitchen Appliances



Animals & Pets



Home Decor



APP 2: SEGMENT RESULTS

Reportable Segment 30 June 2022

\$m	Marketplace	In-Stock	Unallocated	Consolidated
Gross Sales	237.2	35.0	-	272.2
Net Transaction Value ("NTV")	221.5	33.7	-	255.2
Revenue	31.1	34.3	-	65.4
Gross Profit	31.1	9.4	-	40.5
Gross Profit Margin (% of NTV)	14.0	28.0	-	15.9
Other Income	-	-	(0.1)	(0.1)
Unallocated expenses	-	-	(56.5)	(56.5)
Loss before tax	31.1	9.4	(56.6)	(16.1)
Income Tax Expense	-	-	0.6	0.6
Loss after Tax	31.1	9.4	(56.0)	(15.5)
EBITDA	31.1	9.4	(54.7)	(14.2)

Reportable Segment 30 June 2021

\$m	Marketplace	In-Stock	Unallocated	Consolidated
Gross Sales	209.2	8.8	-	218.1
Net Transaction Value ("NTV")	196.1	8.5	-	204.6
Revenue	29.6	8.7	-	38.3
Gross Profit	29.6	3.7	-	33.3
Gross Profit Margin (% of NTV)	15.1	44.4	-	16.3
Other Income	-	-	0.1	0.1
Unallocated expenses	-	-	(38.8)	(38.8)
Loss before tax	29.6	3.7	(38.7)	(5.3)
Income Tax Expense	-	-	(0.6)	(0.6)
Loss after tax	29.6	3.7	(39.2)	(5.9)
EBITDA	29.6	3.7	(37.8)	(4.5)

DISCLAIMER

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Although the Company believes that these measures provide useful information about the financial performance of the Company, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australia Accounting Standards and not as a replacement for them. All dollar figures within this document represent Australian Dollars unless otherwise specifically stated.

**Thank
You.**

