



FY23 Results Presentation

22 August 2023

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CEO update.

Ruslan Kogan

Founder, CEO and Executive Director



FY23 Kogan Group highlights.

Kogan.com completes recalibration with sustained and improving profitability.

Evolution in business model

- For Kogan.com (excluding Mighty Ape), FY23 marks the first year that Gross Sales and Gross Profit contribution from our Platform-based Sales¹ outperformed our Product Divisions, with over 57% and 71% contribution, respectively. This signals an evolution towards a higher recurring income, lower risk and higher margin business.

Financial performance

- Our cash balance increased to \$65.4 million. In the prior period we had a net balance (after loans & borrowings) of \$31.2 million.
- We corrected our inventory down to \$68.2 million as at 30 June 2023, a reduction of over 57%. We now enter FY24 with inventory levels aligned to the current levels of demand.
- Gross Sales² & Revenue of \$844.8 million and \$489.5 million declined by 28.4% and 31.9%, respectively. The decline in topline performance can be attributed to the current trading conditions, as well as our reduction in inventory as discussed below.
- Gross Profit of \$136.6 million declined 26.0% year-on-year, impacted by the soft topline performance and suppressed margins in 1HFY23 in order to correct inventory levels.
- Gross Margin in FY23 improved 2.2pp year-on-year, and accelerated to an improved of 8.9pp in 2HFY23 year-on-year, following the correction to inventory levels and a proportional increase in Platform-based Sales¹.
- Adjusted EBITDA³ was \$6.8 million and EBITDA was \$(20.8) million.
- Adjusted NPAT³ was \$(7.7) million and Statutory NPAT was \$(25.9) million.

1. Refers to sales generated by Kogan Marketplace, Kogan First, Kogan Verticals and Advertising & Other Income. It excludes sales by Exclusive Brands, Third-Party Brands and Mighty Ape.
2. Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other Verticals are not reflected in Revenue.
3. Adjusted EBITDA and Adjusted NPAT exclude non-cash items such as unrealised gains/(losses), equity-based compensation and one-off non-recurring items.

FY23 Kogan Group highlights.

Kogan.com complete recalibration with sustained and improving profitability

Cost of doing business

- Cost reduction initiatives continued throughout FY23, with Group Variable and Marketing costs as a percentage of Gross Sales reducing to 8.0% in FY23, compared to 8.8% in FY22.

Platform performance

- Group Active Customers were 2,945,000 as at 30 June 2023, comprising 2,190,000 for Kogan.com and 755,000 for Mighty Ape.
- The proportion of Repeat Customers continued to grow, increasing to 72% during FY23 (FY22: 68%).

Strong performance from key initiatives

- Kogan First Subscribers¹ grew to over 401,000 as at 30 June 2023, compared to over 372,000 as at 30 June 2022. Subscriber numbers are expected to accelerate in growth following the expansion of the Kogan First program towards the end FY23.
- Verticals Revenue grew by over 6% year-on-year, with the return to growth of Kogan Mobile Australia being a highlight. Additionally, positive results in Kogan Mobile New Zealand, Kogan Money and Kogan Insurance all contributed significantly to the overall growth.
- Continued use of AI on our platform is delivering an improved shopping experience for our customers, increasing operational efficiency and achieving cost savings across the Business.

1. Kogan First Subscribers excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.

FY23 Kogan Group highlights.

Kogan.com completes recalibration with sustained and improving profitability

Mighty Ape

- The year marked the successful transition of Gracie MacKinlay to CEO of Mighty Ape, and the welcoming of Daniel Balasoglou, its new CFO.
- While Gross Sales and Revenue declined year-on-year by 5.9% and 5.3%, respectively, the Division grew Gross Margin and was awarded multiple customer service awards in the New Zealand market.
- The improvement in Gross Margins reflects the benefits of selling Kogan.com Exclusive Brands products, reducing international shipping rates and the expansion of Jungle Express deliveries. Adjusted EBITDA^{1,2} was \$9.0 million, Adjusted EBIT^{1,2} was \$7.2 million and Adjusted NPAT^{1,2} was \$5.0 million for the year.



Acquisitions

- The Business acquired Brosa, one of Australia’s largest online luxury furniture retailers, out of administration. The acquisition, for \$1.5 million funded from the Company’s cash reserves, involved the purchase of \$1.1 million worth of inventory and \$0.4 million of intellectual property, along with the provision of logistics support for thousands of customers with undelivered orders.



1. Values stated in AUD using the AU/NZ average rate from 1 July 2022 to 30 June 2023.
 2. Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT exclude non-cash items such as unrealised gains/(losses) and equity-based compensation.

2HFY23 Kogan Group results.

In the second half of the year our Gross Margin recovered, operating efficiency increased and we returned the Business to profitability.

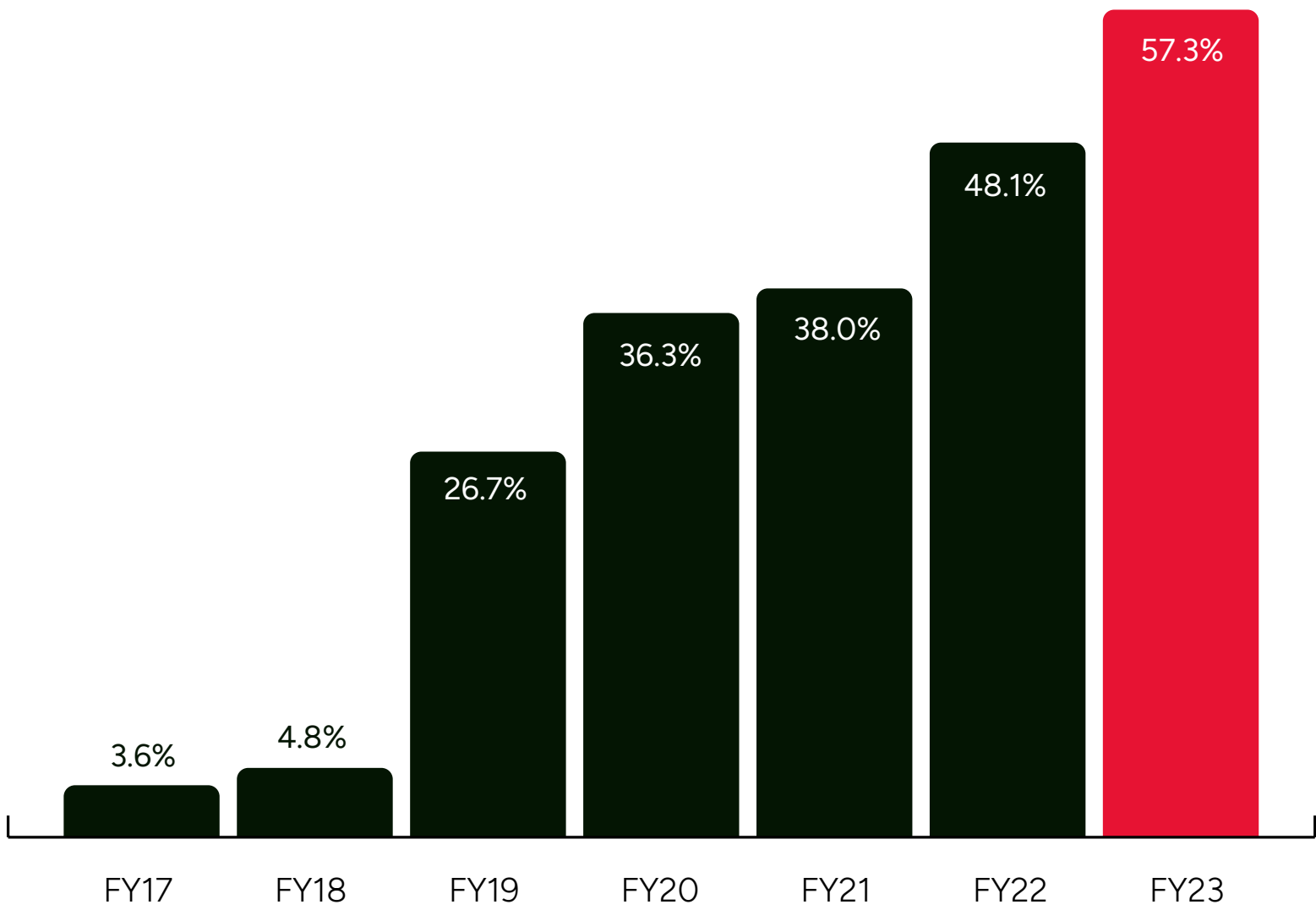
\$m	2HFY22	2HFY23	YoY Var (%)
Gross Sales	482.0	373.7	(22.5%)
Revenue	299.0	213.9	(28.4%)
Gross Profit	76.3	73.6	(3.6%)
<i>Gross Margin</i>	<i>25.5%</i>	<i>34.4%</i>	<i>8.9pp</i>
Variable costs ¹	(44.4)	(31.9)	(28.2%)
Fixed costs	(49.9)	(39.7)	(20.5%)
EBITDA	(19.8)	2.2	111.1%
Adjusted EBITDA	1.6	11.2	622.4%
NPAT	(23.6)	(2.0)	91.4%
Adjusted NPAT	(7.7)	1.9	125.0%
EPS	(0.22)	(0.02)	91.5%
Adjusted EPS	(0.07)	0.02	124.7%

1. Variable costs on this slide refer to selling fees, warehousing costs and marketing costs. On slide 17, Marketing costs are disclosed separately.

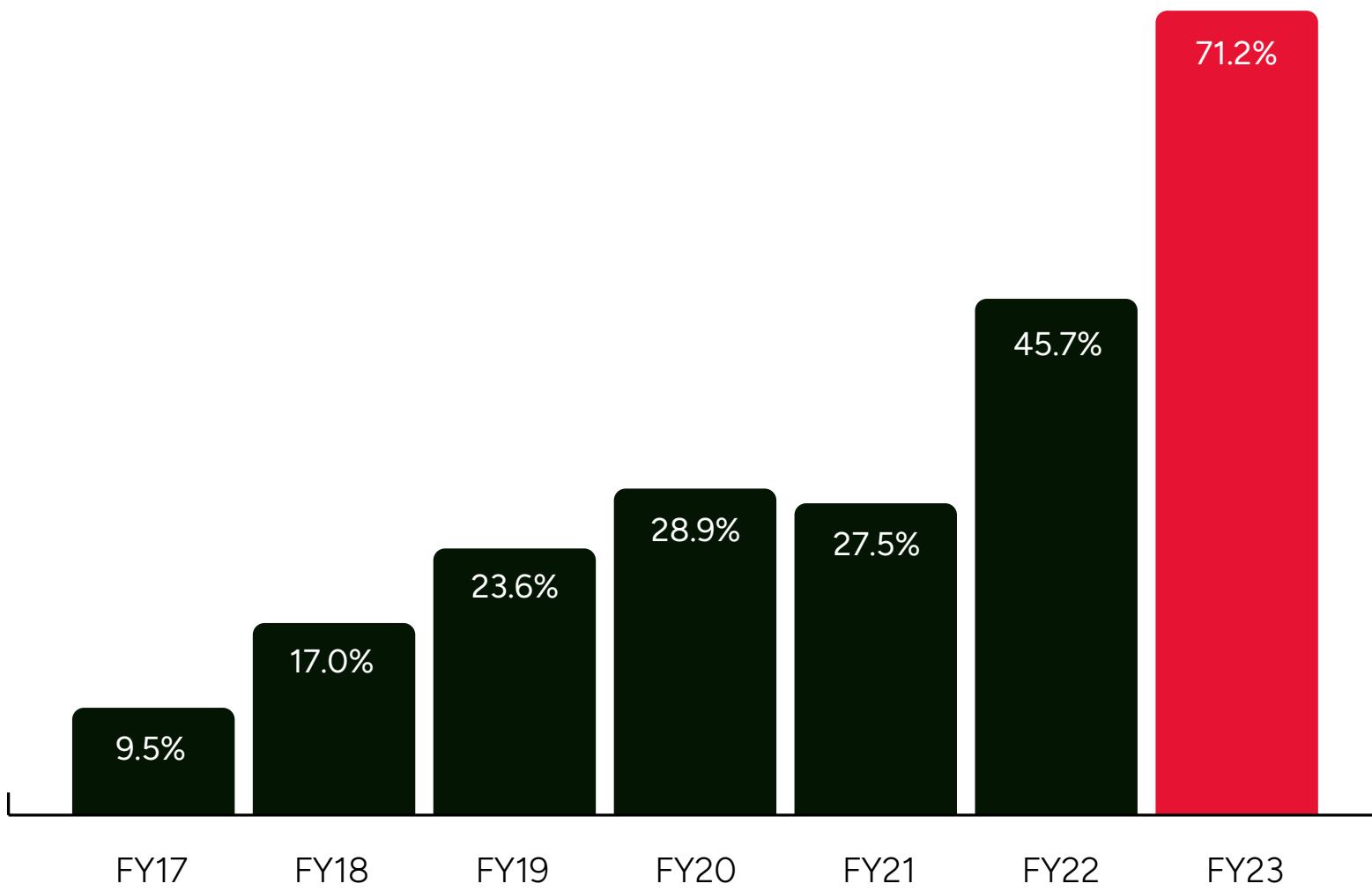
Kogan.com Platform-based Sales¹.

FY23 marks the first year that Gross Sales and Gross Profit from our Platform-based Sales¹ has outperformed our Product Division.

Platform-based Gross Sales contribution²



Platform-based Gross Profit contribution²



This evolution is a pivotal transformation within the Business, marking a shift towards a business model with lower risk, lower cost-of-doing-business, lower inventory, higher margin and higher recurring income.

1. Refers to sales generated by Kogan Marketplace, Kogan First, Kogan Verticals and Advertising & Other Income. It excludes sales by Exclusive Brands, Third-Party Brands and Mighty Ape.
2. Represents Kogan.com only (excluding Mighty Ape).

Delighting our customers.

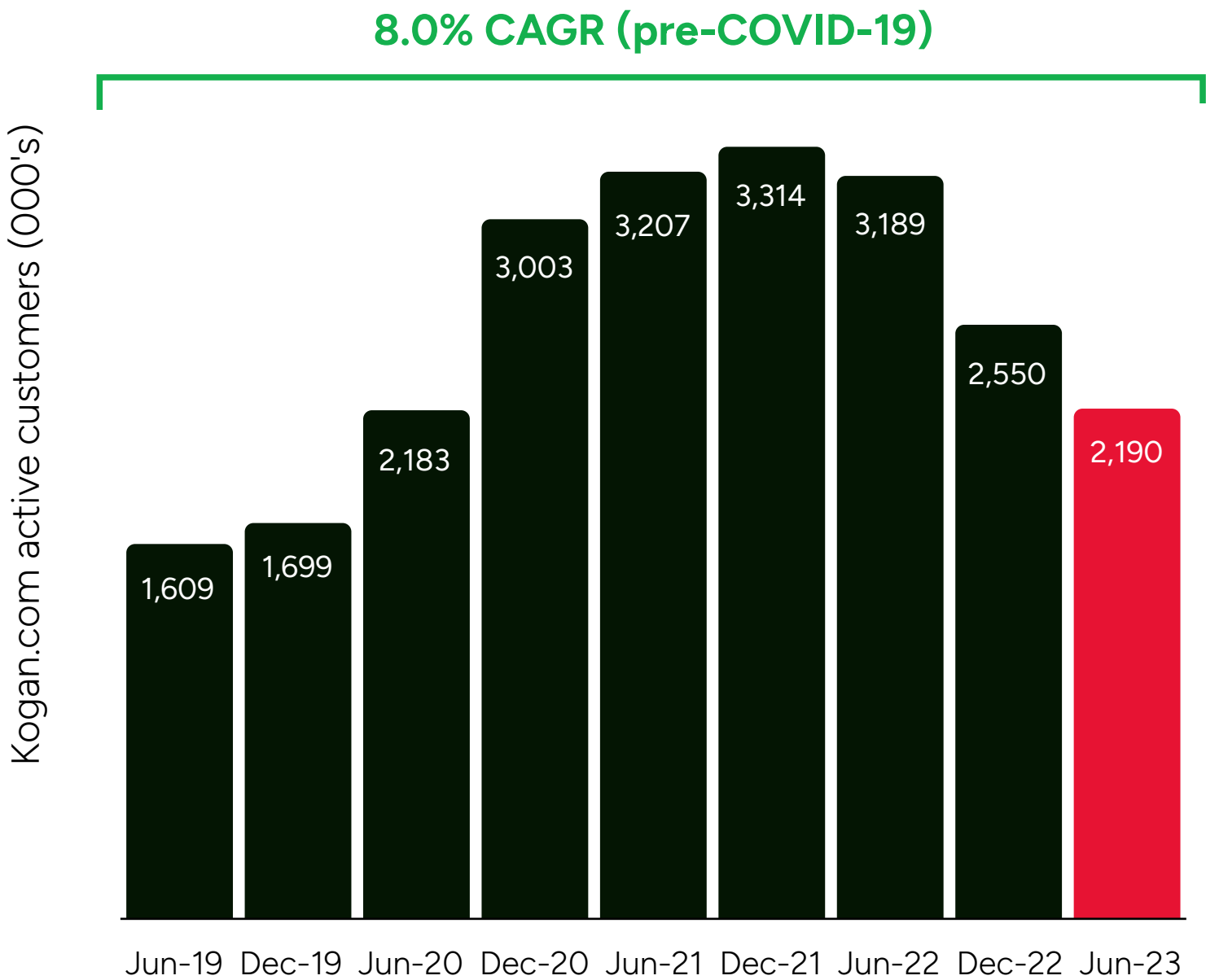
Our customer base consists of millions of shoppers and we have a dedicated and loyal group of customers.



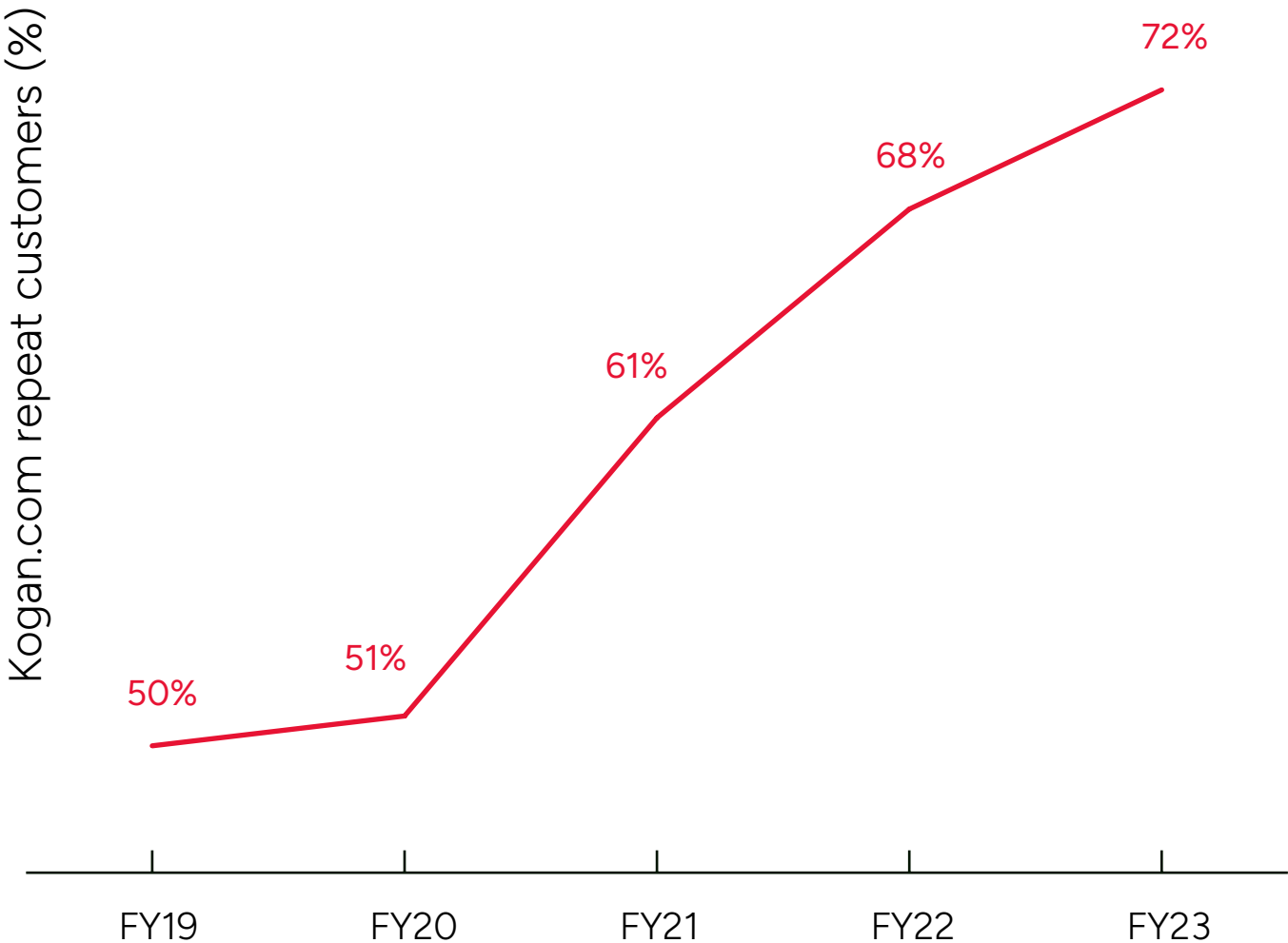
2,945,000
Group Active Customers

A deep dive into Kogan.com (excluding Mighty Ape) shows a continued growth in Active Customers on pre-COVID levels, with a CAGR of 8.0% versus Jun-19.

Kogan.com active customers¹



Proportion of Repeat Customers^{1,2,3}

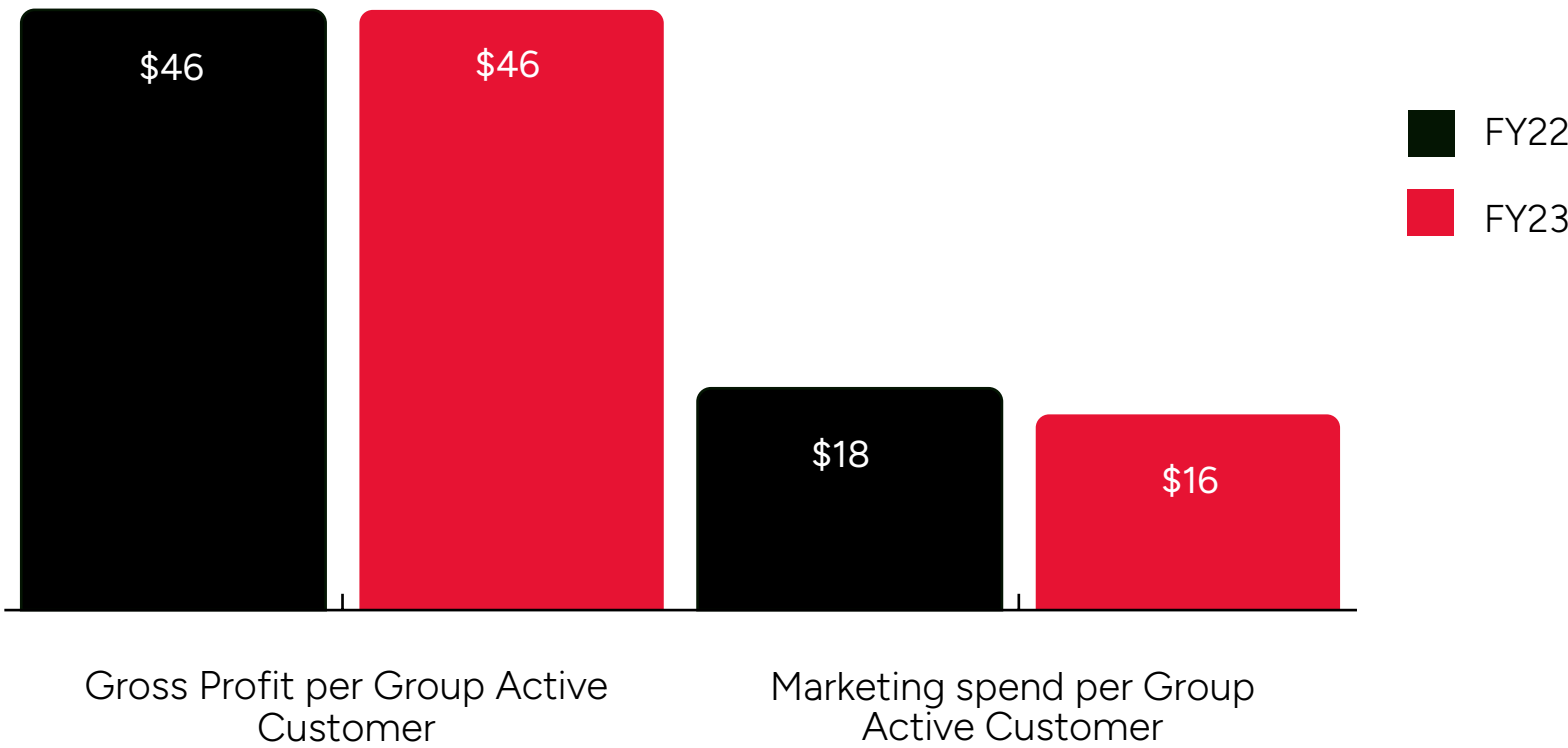


1. Graph refers only to Kogan.com Active Customers, and excludes Mighty Ape.
2. FY19 and FY20 only includes Kogan.com as Mighty was acquired in FY21.
3. Repeat Customers refers to customers who have purchased more than once with Kogan.com.

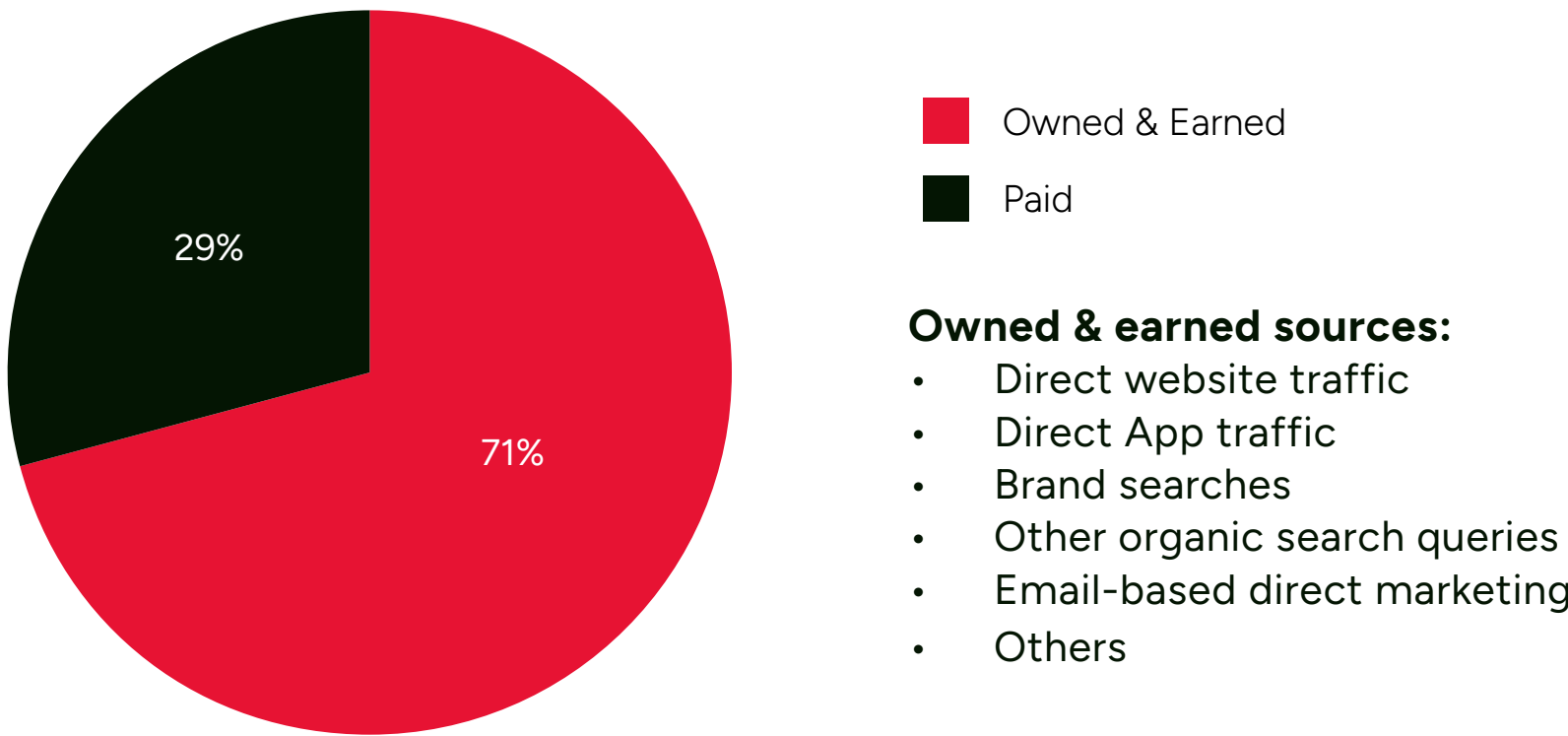
Marketing proficiency.

We have achieved improving efficiency in our marketing and increased proportion of direct traffic flow.

Group Marketing^{1,2} ROI



Kogan.com traffic - owned & earned vs paid³



Return on investment in marketing

In FY23, we have successfully improved the efficiency of our marketing activities. This outcome can be attributed to our ongoing commitment to enhancing our platform, leading to a growing proportion of returning customers.

Owned & Earned vs Paid

Owned & earned traffic increased to 71% of all traffic (FY22: Owned & earned: 65%, Paid: 35%), being reflective of the increase in repeat proportion of customer to the platform. We expect our owned & earned traffic to continue to improve as Kogan First Subscribers continue to grow.

1. 12 month Gross Profit divided by Group Active Customers
2. 12 month marketing spend divided by Group Active Customers
3. Chart reflects Kogan.com only (excluding Mighty Ape).

AI leadership & efficiency.

Our in-house built propriety systems enable us to utilise AI where it counts, enhancing our operation and customer experience.

Now

- State of the art **recommendation engines** to present customers with next best purchase options.
- **Automated behavioural marketing** based on customer behaviour and event based AI insights.
- Internal process optimisation through **leveraging GPT models** in drafting documents, analysing data.
- Increasing developer productivity through **AI powered coding assistants**.
- **Optimised product listing creation** for organic search discoverability and persuasive customer content

New

- Leveraging **Vector Space embeddings** to improve **search relevance** of our proprietary search engine serving & indexing millions of products for our customers.
- LLM fully automated customer service experience enabling our customers to self-serve their most common requests in a responsive, always-available interface - expected to **reduce CX workload by over 50%**.
- Using AI to **summarise the key information of product reviews** for our customers and using generative AI to improve the review-writing experience.

Next

- Experimenting with image generation and adjustments to **create dynamic in-situ product placement** and allow customers to preview elements of products in multiple generated environments.
- **Dynamically generating editorial page content** for categories, products and search results driven by AI insights.



Midjourney prompt:
TV is placed on a stylish cabinet in a scandinavian style lounge room.



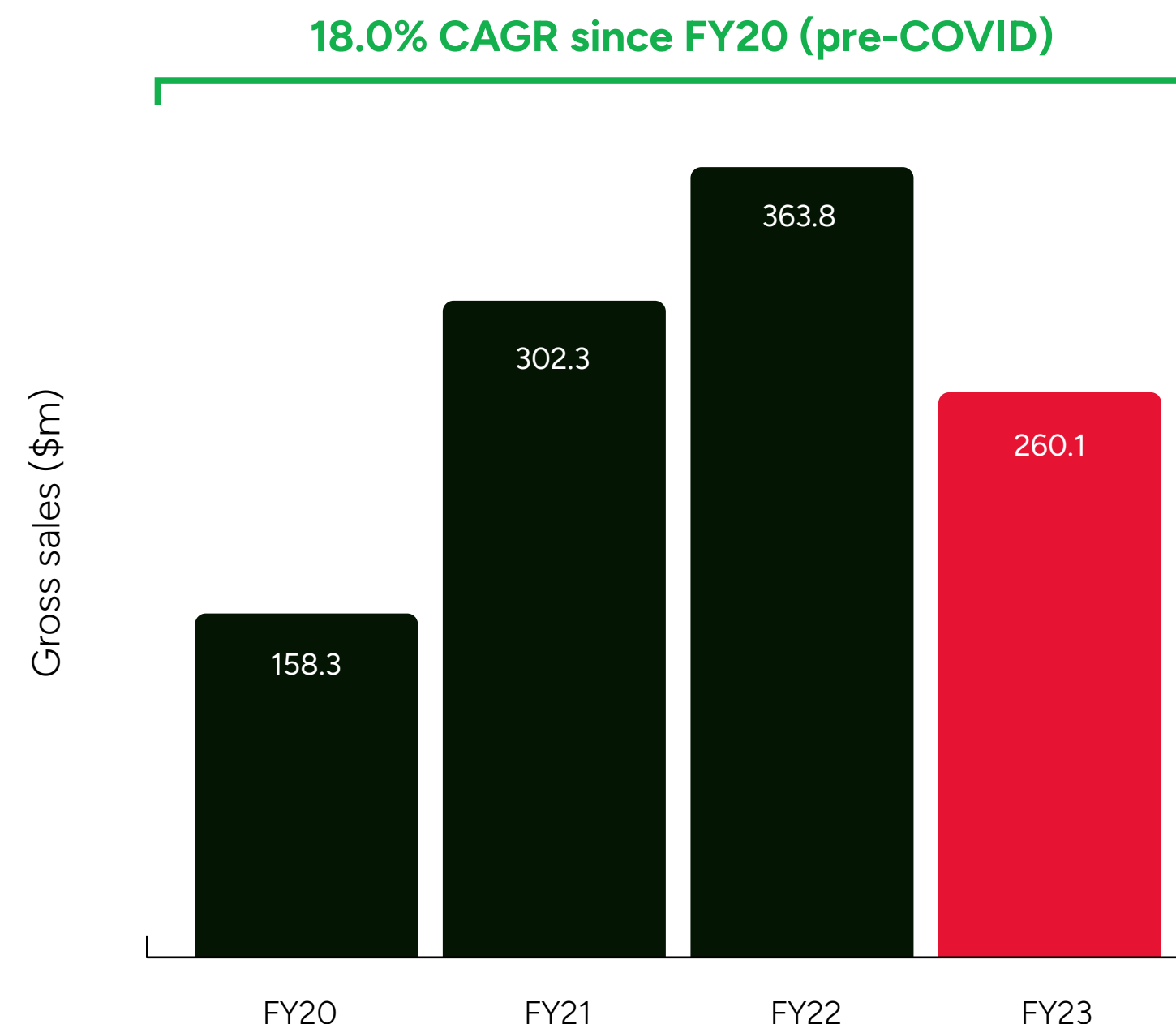
Kogan Marketplace.

The long-term growth of Kogan Marketplace continued with improved economics in FY23.

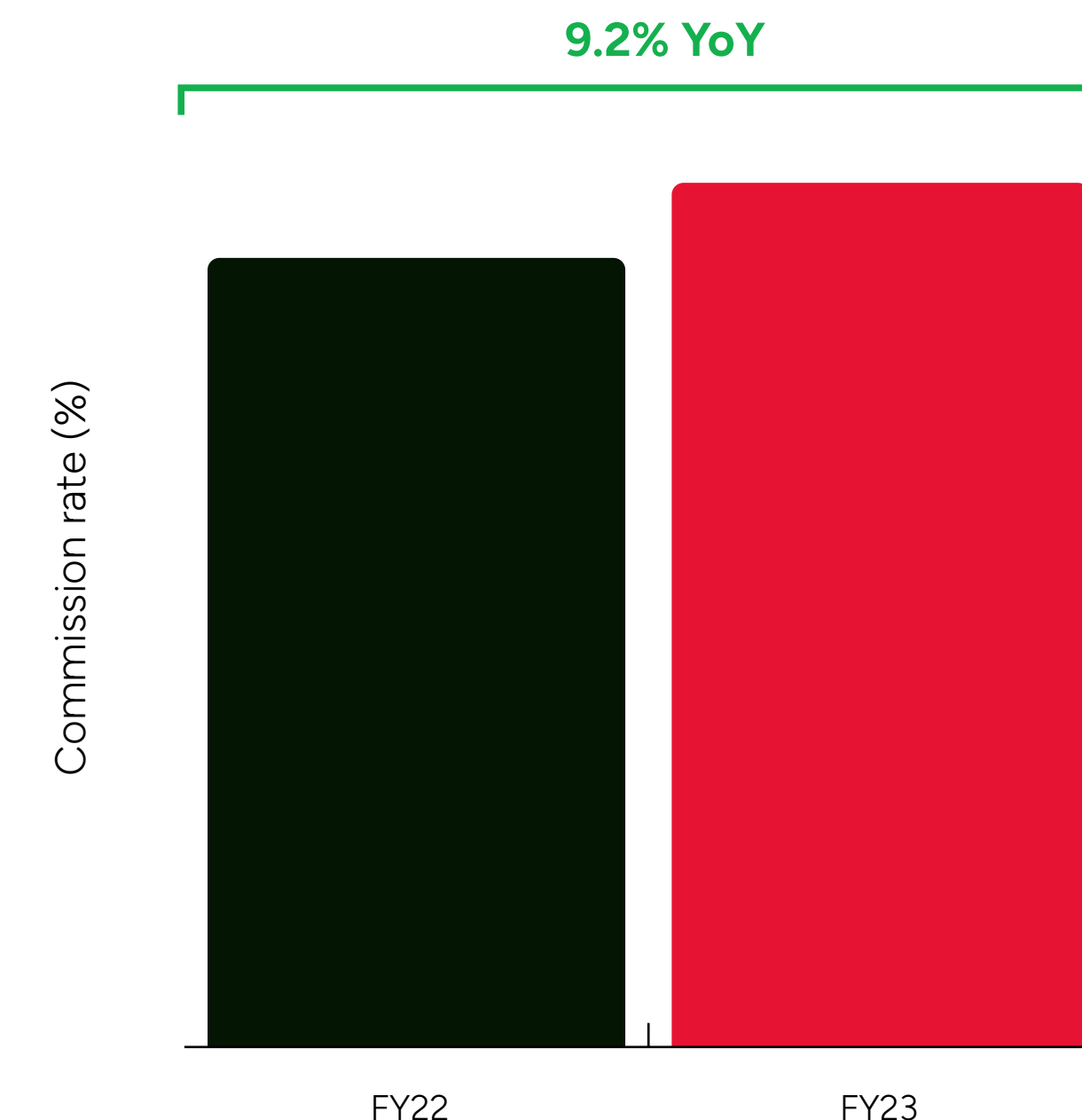
Top-line performance of the Kogan Marketplace declined from COVID-period highs in the prior years, in line with the broader online retail market. Our key initiatives have focused on the performance of our Marketplace Sellers, with a view to improving the experience for our customers.

Kogan Marketplace launched the new Advertising Platform at the end of FY23, which allows the opportunity for Marketplace Sellers to increase prominence on our platform. We anticipate this platform to scale quickly in FY24 following promising initial adoption in the first weeks of FY24.

Marketplace Gross Sales



Marketplace profitability



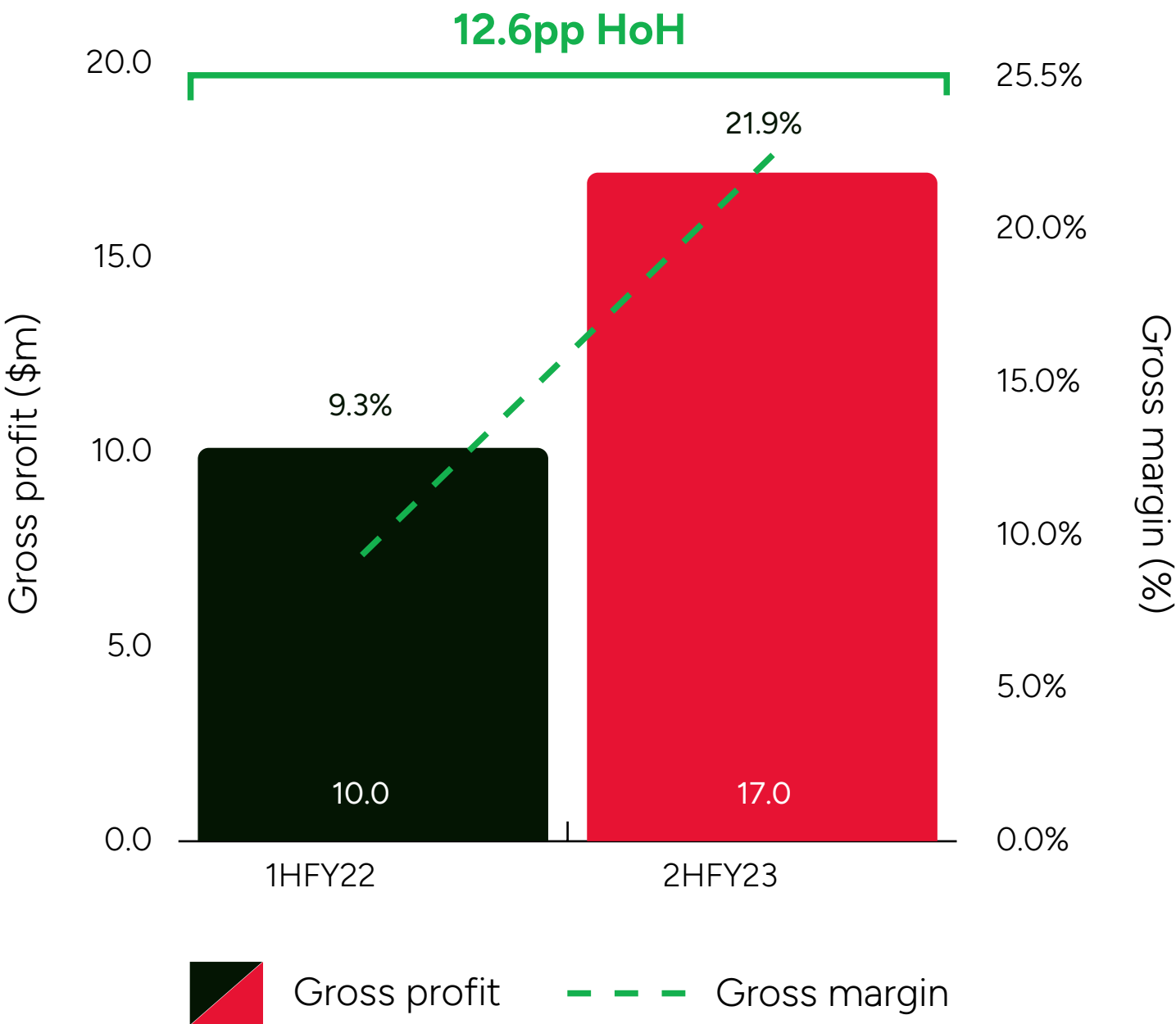
Exclusive brands.

Following the correction to inventory levels, Gross Margin rapidly recovered.

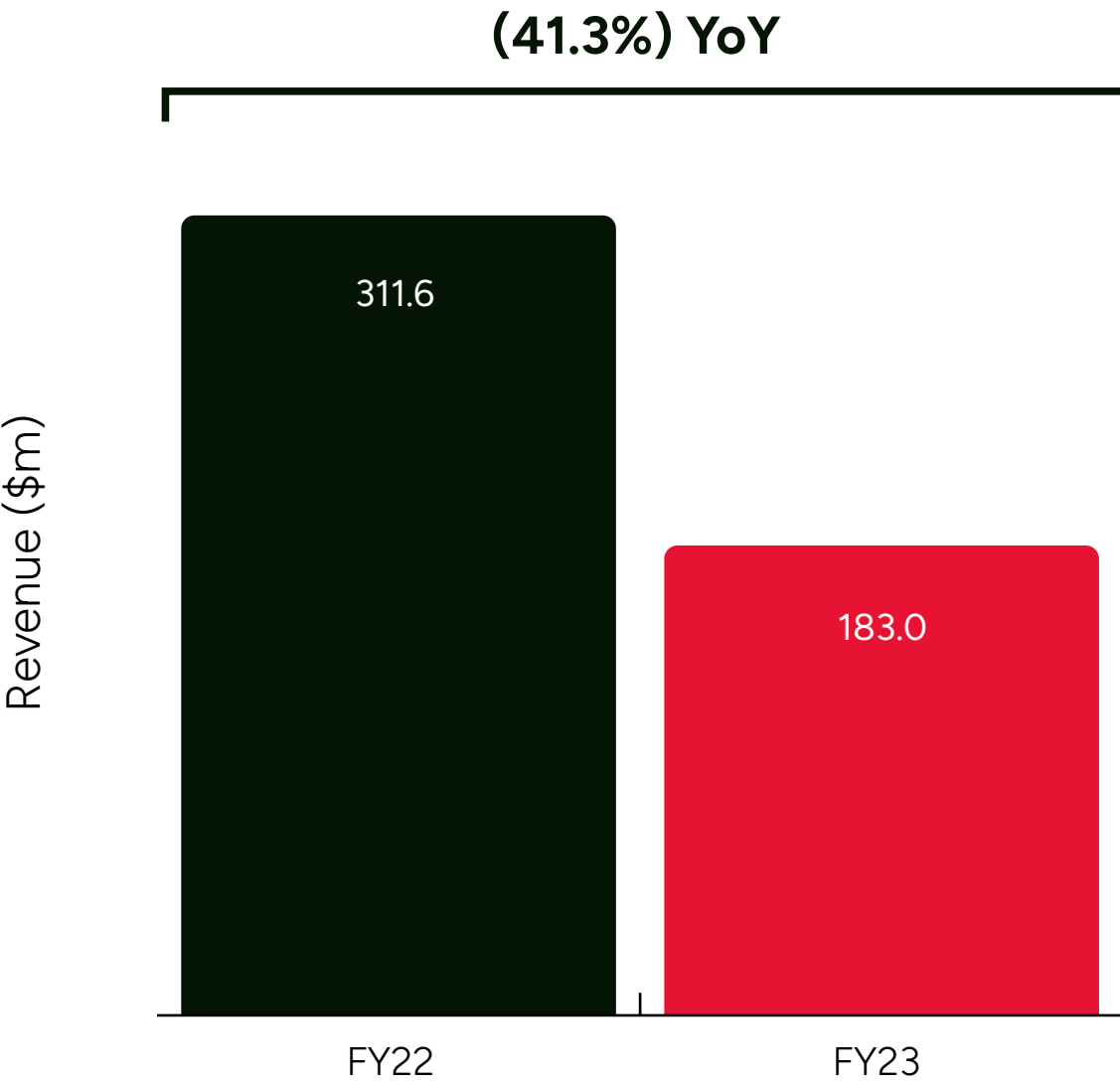
In FY23, our Exclusive Brands team reduced the number of unique SKUs we invest in by over 38%, in order to only invest in the most in-demand products.

By doing so, topline performance has been impacted, compounded by soft trading conditions, but also achieved rapid recovery in profitability following the correction in inventory levels and improvement in quality of inventory.

Recovering profitability in 2HFY23



Soft trading conditions impacted Revenue in FY23



Kogan FIRST.

Over 401,000 Subscribers enjoyed the many benefits of our loyalty program in FY23.

FIRST



Free shipping



Exclusive specials



Kogan rewards



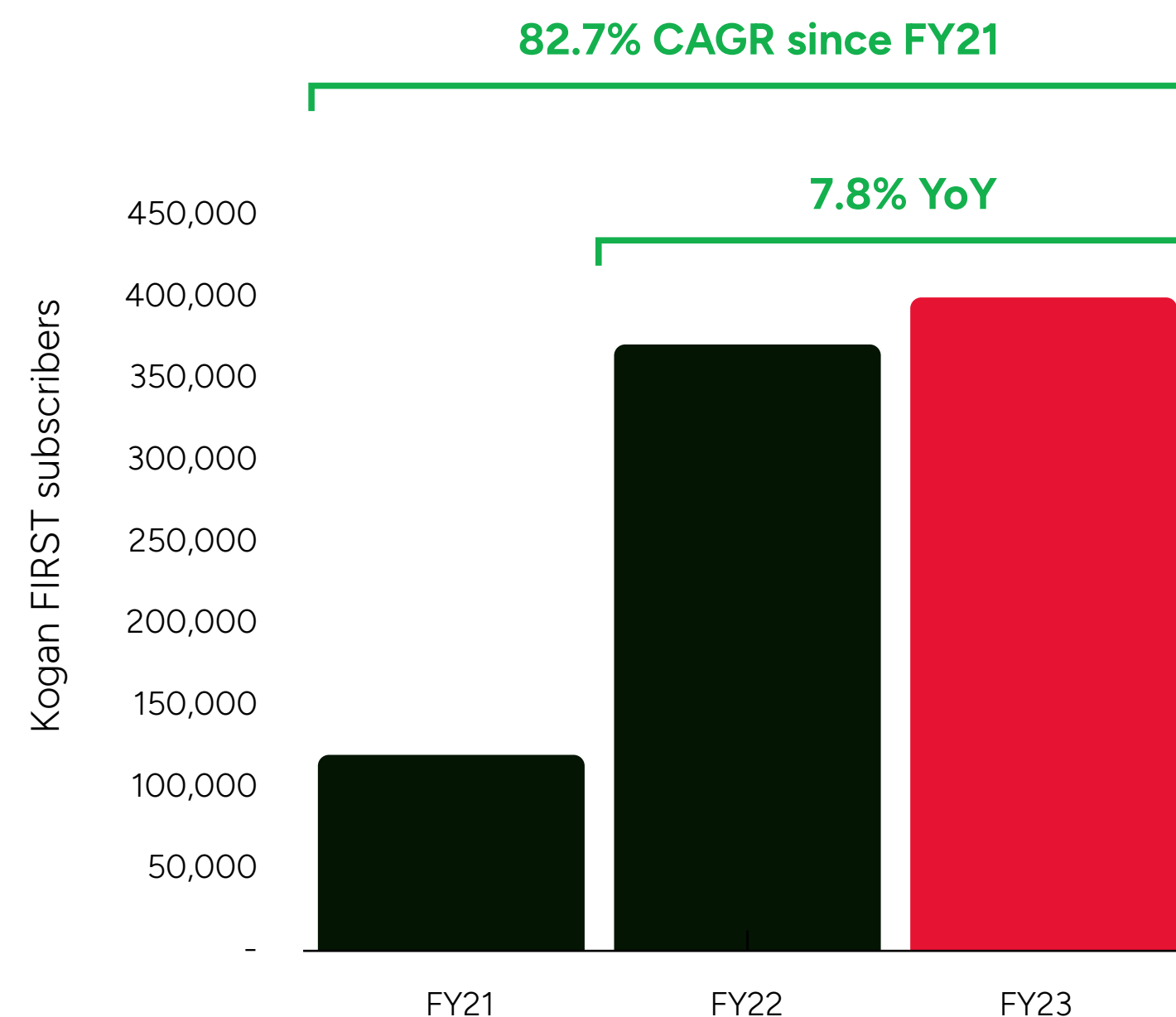
Everyday discounts



Priority service

- The Kogan First loyalty program included over 401,000 Subscribers at the end of FY23. It is these Subscribers who are driving our increasing proportion of repeat customers and improving economics on marketing spend.
- In addition to the YoY growth in Subscribers, a price increase towards the commencement of 2HFY23 has contributed to Revenue growth from Kogan First of \$10.8 million (69.6%).
- Kogan First Subscribers receive millions of dollars worth of benefits in the form of Kogan reward credits, exclusive member deals, every day discounts, free shipping, priority Customer Service and entries into our giveaway competitions. The Business expects an acceleration in Kogan First Subscriber growth in FY24 following the continued expansion of benefits available in the program.

Kogan FIRST subscribers¹



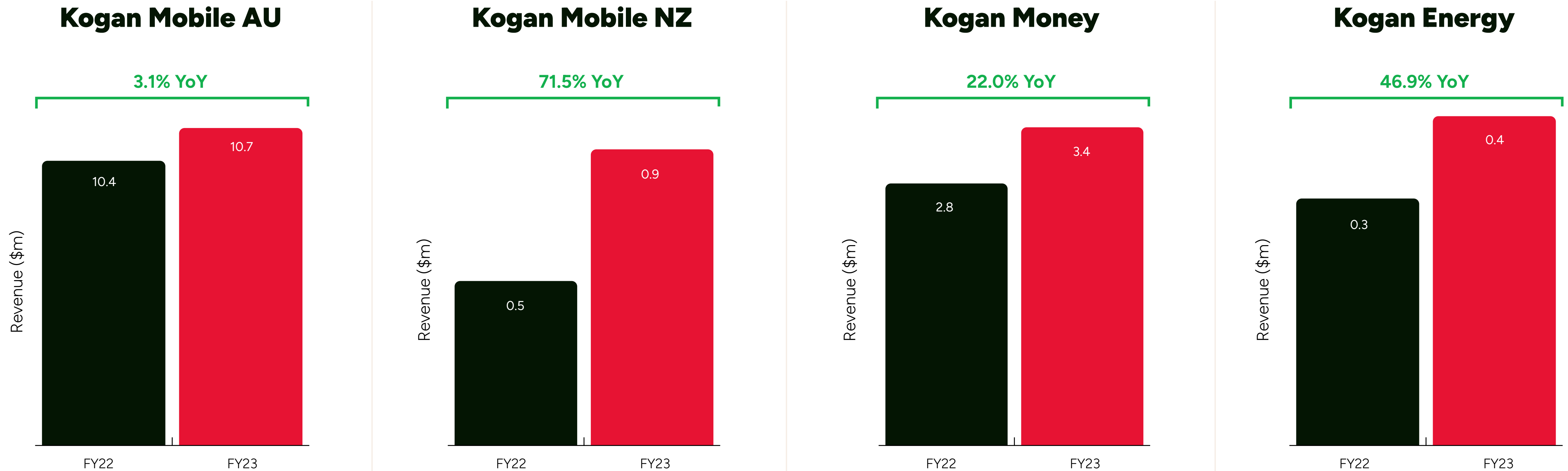
New initiatives to grow the program



¹ Kogan First Subscribers excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.

Kogan Verticals.

Our key Verticals all grew in FY23.



- Revenue for our larger Verticals all grew in FY23. In particular, Kogan Mobile Australia, our largest Vertical, returned to sustained growth.
- Kogan Mobile New Zealand accelerated growth in customer numbers by 83.6% YoY. New Zealanders are continuing to see the incredible value we have introduced to the market and momentum is continuing in FY24.
- The Kogan Money result is being driven by our Kogan Money Credit Card growing customers by 40.8% YoY.
- The Business anticipates continued growth in all of these Verticals in FY24, as well as the introduction of additional Verticals during the year.

Financial update.

David Shafer

CFO, COO and Executive Director



Kogan Group 2HFY23 P&L.

A return to profitability in 2HFY23 demonstrates the impact of the recalibration and evolution of the business.

\$m	2HFY22	2HFY23	YoY Var %
Gross Sales	482.0	373.7	(22.5%)
Revenue	299.0	213.9	(28.4%)
Cost of Sales	(222.6)	(140.3)	(37.0%)
Gross Profit	76.3	73.6	(3.6%)
Gross Margin	25.5%	34.4%	8.9pp/34.8%
Other Income	(0.0)	-	
Variable costs ¹	(13.7)	(7.7)	(43.8%)
Marketing costs	(30.8)	(24.2)	(21.2%)
Contribution profit	31.9	41.7	30.7%
Contribution margin	10.7%	19.5%	8.8pp/82.6%
People costs	(39.9)	(28.0)	(29.9%)
Other costs	(10.1)	(11.7)	16.8%
Total operating costs	(94.3)	(71.6)	(24.1%)
Unrealised gains/(losses)	(1.8)	0.2	(110.2%)
EBITDA	(19.8)	2.2	111.1%
EBITDA margin	(6.6%)	1.0%	7.7pp/115.4%
Unrealised gains/(losses)	(1.8)	0.6	
Realised (loss) on Wonderfi shares	0.0	(0.4)	
Equity-based compensation	(13.0)	(17.1)	
Bitbuy.com domain sale	(0.0)	-	
Mighty Ape Tranches 3 & 4	(6.6)	7.9	
Adjusted EBITDA	1.6	11.2	622.4%
Depreciation & amortisation	(9.9)	(8.2)	(17.0%)
EBIT	(29.8)	(6.0)	79.7%
Adjusted EBIT	(8.4)	3.0	135.4%
Interest	(0.7)	(0.1)	(89.3%)
Profit before tax	(30.4)	(6.1)	79.9%
Income tax benefit	6.8	4.1	
NPAT	(23.6)	(2.0)	91.4%
Adjusted NPAT	(7.7)	1.9	125.0%
EPS	(0.22)	(0.02)	91.5%
Adjusted EPS	(0.07)	0.02	124.7%

Kogan Group FY23 P&L.

FY23 was significantly impacted in 1HFY23 by the need to right-size inventory in the Business.

\$m	FY22	FY23	YoY Var %
Gross Sales	1,180.0	844.8	(28.4%)
Revenue	718.5	489.5	(31.9%)
Cost of Sales	(534.1)	(352.9)	(33.9%)
Gross Profit	184.4	136.6	(26.0%)
<i>Gross Margin</i>	<i>25.7%</i>	<i>27.9%</i>	<i>2.2pp</i>
Other Income	5.1	-	(100.0%)
Variable costs ¹	(32.5)	(19.3)	(40.7%)
Marketing costs	(71.2)	(48.5)	(32.0%)
Contribution profit	85.8	68.8	(19.8%)
<i>Contribution margin</i>	<i>11.9%</i>	<i>14.1%</i>	<i>2.1pp/17.7%</i>
People costs	(85.5)	(67.1)	(21.6%)
Other costs	(19.9)	(22.6)	13.6%
Total operating costs	(204.0)	(157.5)	(22.8%)
Unrealised gains/(losses)	(2.2)	0.1	(104.4%)
EBITDA	(21.8)	(20.8)	4.5%
<i>EBITDA margin</i>	<i>(3.0%)</i>	<i>(4.2%)</i>	<i>1.2pp/40.1%</i>
Unrealised gains/(losses)	(2.2)	2.0	
Realised (loss) on Wonderfi shares	-	(2.1)	
Equity-based compensation	(26.6)	(31.3)	
Bitbuy.com domain sale	5.1	(0.1)	
Mighty Ape Tranches 3 & 4	(17.0)	3.9	
Adjusted EBITDA	18.9	6.8	(64.0%)
Depreciation & amortisation	(19.2)	(16.6)	(13.6%)
EBIT	(41.0)	(37.4)	8.8%
Adjusted EBIT	(0.3)	(9.8)	(>1,000%)
Interest	(1.7)	(0.7)	60.6%
Profit before tax	(42.7)	(38.1)	10.9%
Income tax benefit	7.3	12.2	
NPAT	(35.5)	(25.9)	27.1%
Adjusted NPAT	(2.9)	(7.7)	(168.9%)
EPS	(0.33)	(0.24)	27.2%
Adjusted EPS	(0.33)	(0.07)	(168.4%)

Key drivers of the Kogan Group performance.

2HFY23 performance illustrates the significant turn around achieved.

Gross sales & revenue

- The Company recorded Gross Sales of \$844.8 million and Revenue of \$489.5 million. These results are both down on the prior year as a result of soft trading conditions brought on by cost-of-living pressures and interest rate rises throughout the year.
- Gross Sales reflects the total transactional value of Kogan Retail, Mighty Ape, Kogan Marketplace, Kogan First and Kogan Verticals. Revenue reflects the accounting Revenue of Kogan Retail, Mighty Ape and only the seller-based fees or commissions received (that is the platform-based revenue) from Kogan Marketplace, Kogan Verticals, Kogan First and Advertising income.
- Revenue performance during the period was driven by growth in Kogan First, a return to growth of Kogan Mobile Australia, as well as the rapid growth of Kogan Mobile New Zealand, Kogan Money and Kogan Energy. This was offset predominantly by declines in Revenue in our Product Divisions, Kogan Marketplace and Mighty Ape, due to the reasons mentioned previously.

Gross profit & gross margin

- FY23 Gross Profit of \$136.6 million declined 26.0% year-on-year while Gross Margin of 27.9% showed improvement of 2.2pp year-on-year, largely driven by the recovery in margin in the second half of the financial year.
- Gross Profit was largely impacted by the aggressive sell-through of inventory in the first half of the financial year to realign the Business with current trading conditions.
- Gross Margin expanded to 34.4% in 2HFY23, an improvement of 8.9pp year-on-year, and resulted in 2HFY23 Gross Profit being largely in line with the prior year, notwithstanding the Revenue decline.

Platform performance

- Group Active Customers were 2,945,000 as at 30 June 2023. Kogan.com had 2,190,000 Active Customers while Mighty Ape had 755,000 Active Customers.

Key drivers of the Kogan Group performance.

2HFY23 performance illustrates the significant turn around achieved.

Product divisions

- During the year the Company corrected inventory levels, which involved unprecedented levels of discounting. This significantly impacted Gross Margins particularly in 1HFY23, for both Exclusive Brands and Third-Party Brand sales. The Business has now aligned inventory with current market conditions and has already seen a significant improvement in 2HFY23, and this is expected to continue in FY24.

Kogan Marketplace

- Kogan Marketplace Gross Sales declined 28.5% year-on-year due to soft market conditions. However, overall seller-fees reduced by a lesser percentage due to improvements in seller management and experience. The team also grew the platform rapidly in New Zealand, having launched the platform there in late June 2022.

Kogan FIRST

- The Kogan First loyalty program grew to over 401,000 Subscribers as at 30 June 2023, with Revenue increasing to \$26.3 million, up 69.6% year-on-year. The Business has continued to work on new benefits and features for the program which are expected to see an acceleration in growth of Kogan First in FY24.

Mighty Ape

- The year marked the successful transition of Gracie MacKinlay to CEO of Mighty Ape, and the welcoming of Daniel Balasoglou, its new CFO. While Gross Sales and Revenue declined year-on-year by 5.9% and 5.3%, respectively, the Division grew Gross Margin and was awarded multiple customer service awards in the New Zealand market. The improvement in Gross Margins reflects the benefits of selling Exclusive Brands products, and the expansion of Jungle Express deliveries. Adjusted EBITDA was \$9.0 million, Adjusted EBIT was \$7.2 million and Adjusted NPAT was \$5.0 million for the year. In FY24, Mighty Ape expects to launch its first Vertical, and commence its evolution toward Platform-based Sales.

Key drivers of the Kogan Group performance.

2HFY23 performance illustrates the significant turn around achieved.

Variable costs

- As inventory levels progressively corrected, the Business focused on cost reduction initiatives to recalibrate the Cost of Doing Business (CODB). Group Variable & Marketing costs as a percentage of Gross Sales reduced to 8.0% in FY23, compared to 8.8% in FY22. The improvements in operational efficiency are anticipated to continue in FY24.

Investments in our team

- Kogan.com has strategically invested in its team members to recognise and motivate key talent while ensuring their interests are aligned with our Shareholders. In doing so, long-term incentives have been maintained.

People & other costs

- People Costs have reduced, as we continue to align the Business with the prevailing market conditions. The reduction in team size is a function of allowing for natural attrition and reviewing costs incurred with our third-party service providers.
- The increase in Other Costs includes \$2.1 million of realised loss on Wonderfi Shares sold (received as payment for the Bitbuy domain sale¹), and our ongoing investment in our IT infrastructure to ensure the best possible experience for our customers.

Statutory NPAT

- Statutory NPAT of \$(25.9) million was significantly impacted by suppressed margins in 1HFY23 in order to right-size our inventory, non-cash equity based compensation and the continued provision for the likely payment of Mighty Ape Tranche 4 acquisition payable.

1. Refer to the ASX release 'Domain sale re Bitbuy' on 14 December 2021 for full details.

Key drivers of the Kogan Group performance.

2HFY23 performance illustrates the significant turn around achieved.

Adjusted EBITDA¹, Adjusted EBIT¹ & Adjusted NPAT¹

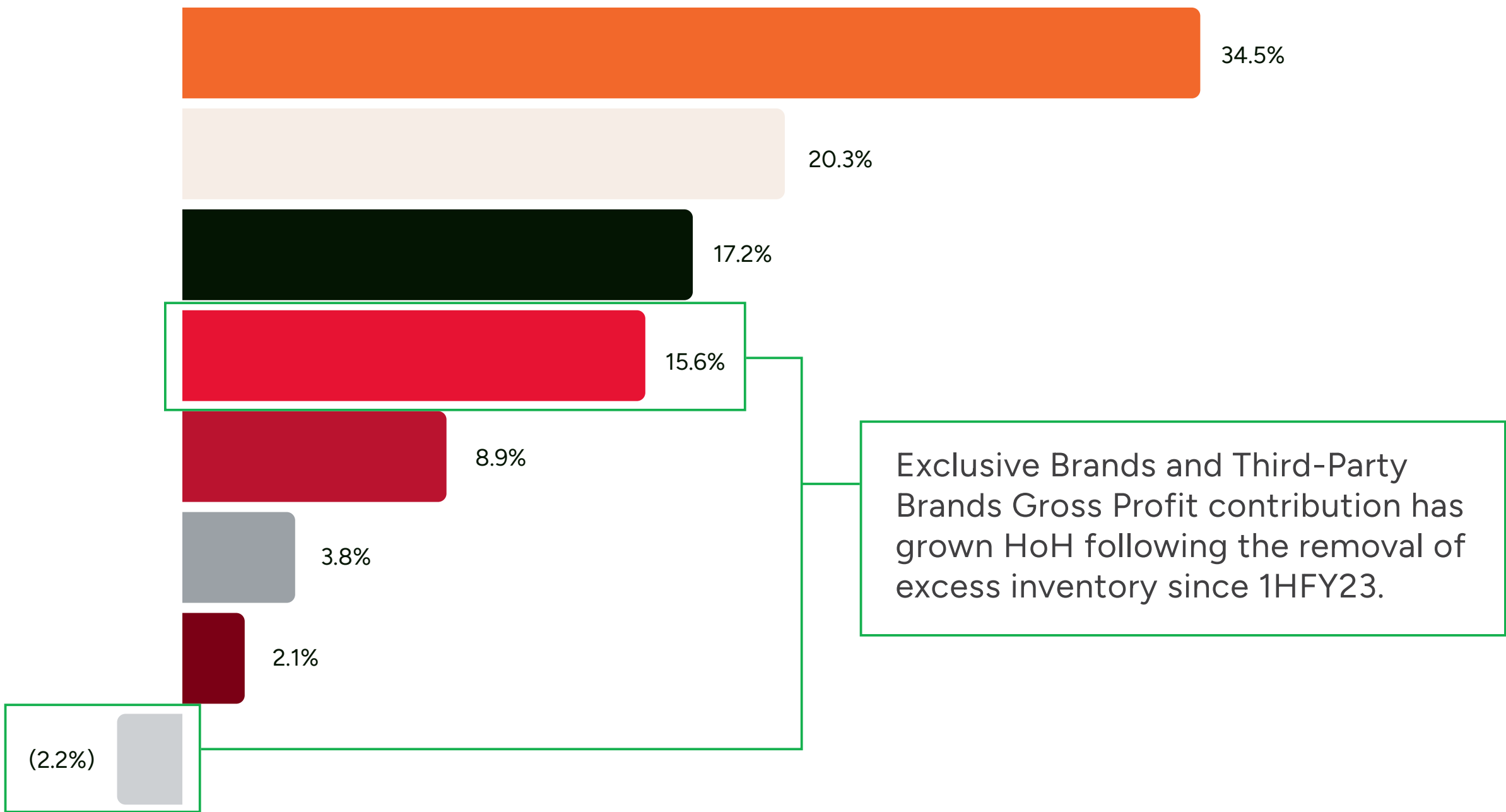
- These adjusted metrics measure the underlying performance of the Business, removing non-cash items including unrealised gains/(losses), equity-based compensation and one-off non-recurring items. As such, these metrics may provide a useful indication of the underlying trading performance of the Company.
- Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT was \$6.8 million, \$(9.8) million and \$(7.7m), respectively, for FY23. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
- Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT, were all positive in 2HFY23, benefitted from the recalibration of the Business. Result achieved were \$11.2 million, \$3.0 million and \$1.9 million, respectively.

1. Adjusted EBITDA and Adjusted NPAT exclude non-cash items such as unrealised gains/(losses), equity-based compensation and one-off non-recurring items.

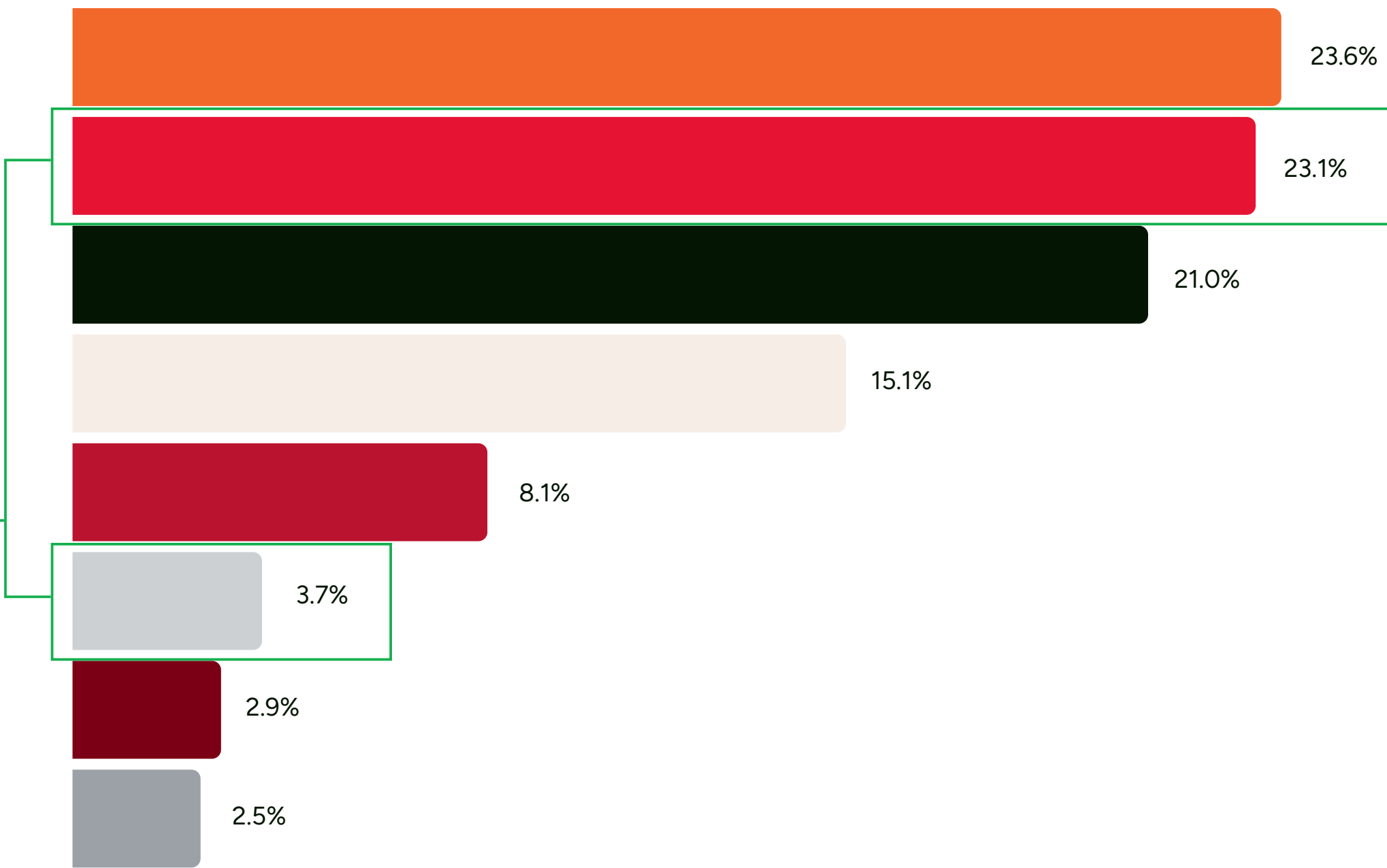
FY23 Gross Profit by business division.

Gross Profit contribution of our Product Division has significantly recovered following the correction of inventory in 1HFY23. We expect further recovery in FY24.

1HFY23 Gross Profit contribution



2HFY23 Gross Profit contribution



- Mighty Ape

Exclusive brands
- Kogan FIRST

Marketplace
- Kogan Mobile

Third-party brands
- Kogan Money

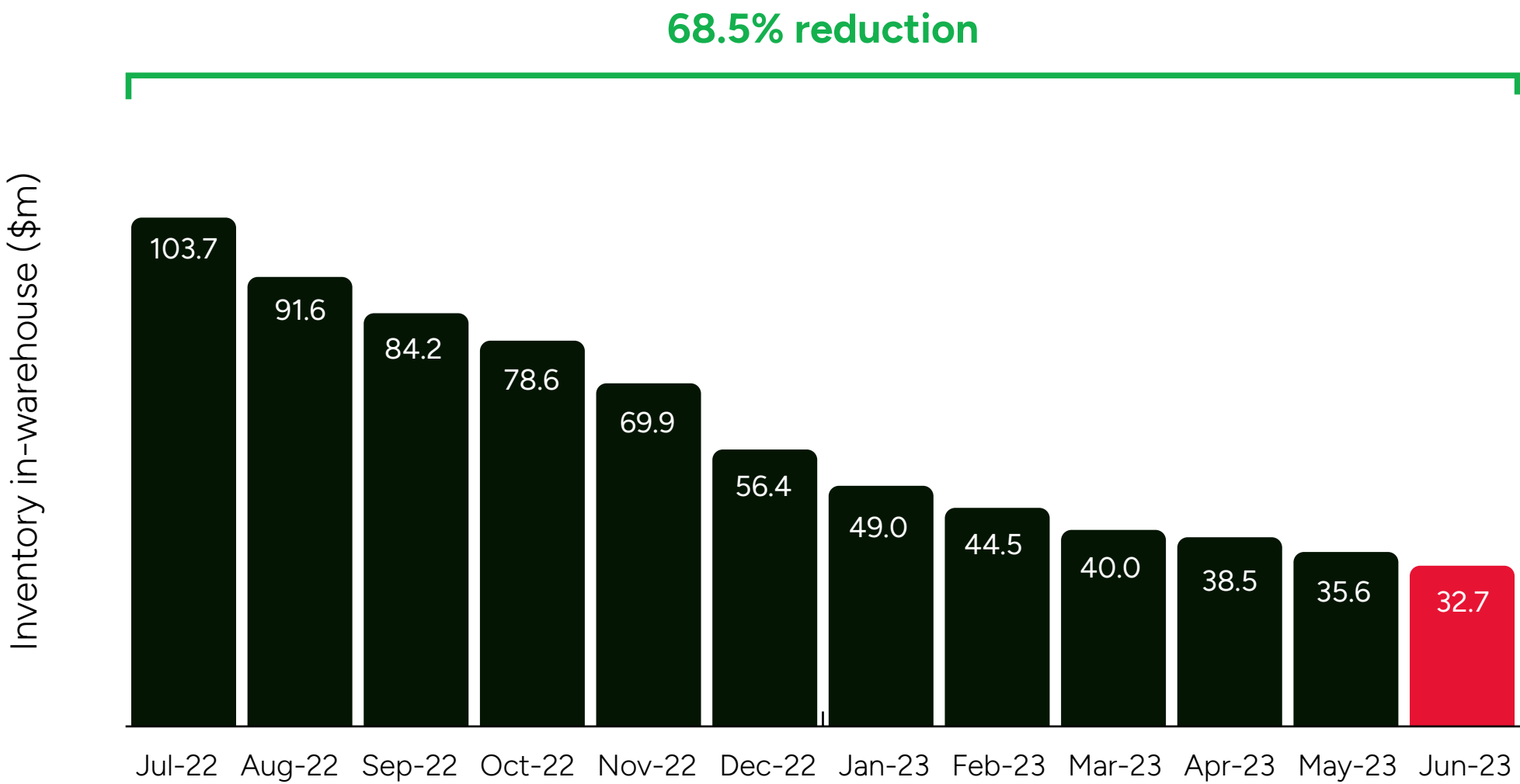
Other business¹

1. Other Business includes Advertising, Kogan Travel, Kogan Insurance, Kogan Internet, Kogan Cars and Kogan Energy.

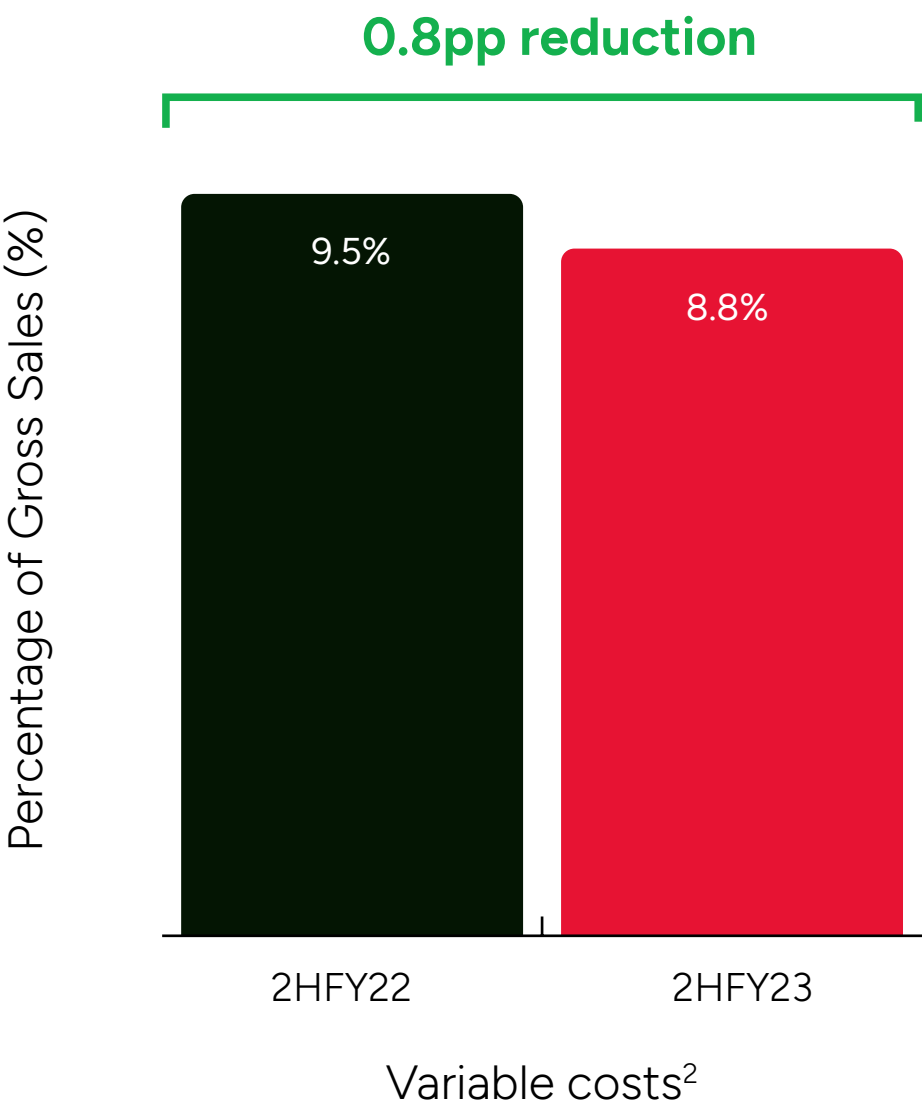
Kogan.com cost of doing business.

The reduction in inventory has allowed for operational efficiencies to be realised.

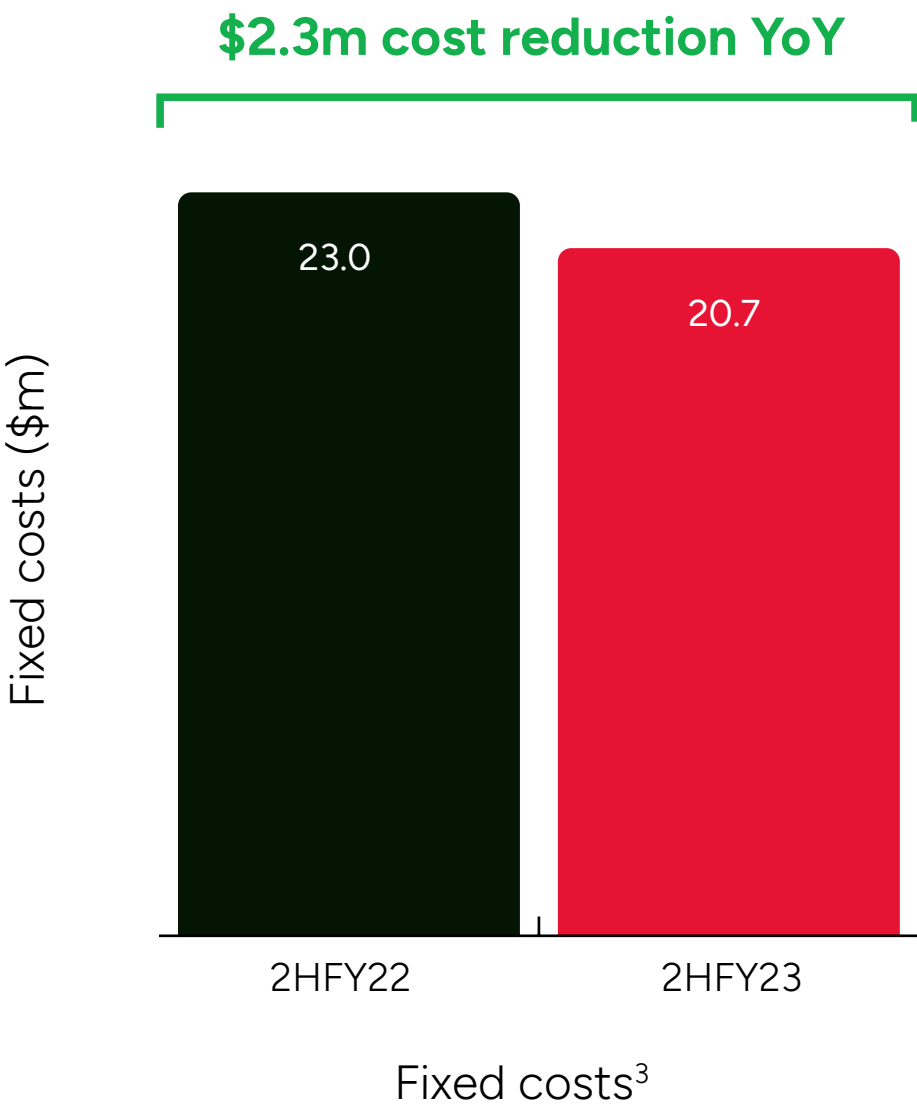
Kogan.com¹ in-warehouse inventory



Kogan.com¹ variable costs



Kogan.com¹ fixed costs



As trading conditions have continued to soften, we took measures to right-size our inventory levels and reduce our operating costs. These initiatives have delivered savings across our entire business, with further efficiencies expected to materialise through FY24.

1. Kogan.com only (excluding Mighty Ape)
2. Refers to Variable costs and Marketing costs for Kogan.com only (excluding Mighty Ape). Variable costs consist of warehousing and selling fees.
3. Refers to People costs and Other costs for Kogan.com only (excluding Mighty Ape). People costs excludes non-cash equity-based compensation and Mighty Ape Tranche payments. Other costs includes IT, accounting, legal and compliance costs.

Our Mighty Ape business continued to deliver resilient results for the Group in challenging trading conditions, and commenced projects with long-term benefits.



Continuing cost-of-living pressures and interest rate rises in New Zealand meant that Gross Sales and Revenue faced headwinds, reducing by 5.9% and 5.3%, respectively.

Gross Margin improved as a result of an increase of Exclusive Brand product sales.

Jungle Express now operates across Auckland, Wellington and most recently expanded to Christchurch. The expansion of Jungle Express provides a superior delivery experience for our customers and produces better economics for the business.

Adjusted EBITDA reduced year-on-year as we continue to make strategic investments in operations and infrastructure, that are expected to produce long-term benefits for the Group. The latest projects include the proposed expansion of our warehousing facilities to Christchurch to allow for additional range, reduction in delivery costs and faster last-mile delivery, as well as the launch of Mighty Mobile in 1HFY24.

Mighty Ape financial highlights

A\$m	FY22	FY23	YoY Mvmt%
Gross Sales	164.2	154.4	(5.9%)
Revenue	163.4	154.8	(5.3%)
Gross Profit	39.1	39.0	(0.1%)
Gross Margin	23.9%	25.2%	1.3pp/5.4%
EBITDA	12.3	8.7	(29.4%)
EBITDA Margin	7.5%	5.6%	(1.9pp)/(25.5%)
Adjusted EBITDA	12.3	9.0	(26.7%)
Adjusted NPAT	7.3	5.0	(32.1%)

Kogan Group balance sheet.

The Group completed the year with a strong cash position and zero bank debt.

The Group has a strong capital position, with total cash of \$65.4 million. This is compared to a net cash balance (after loans & borrowings) of \$31.2 million as at 30 June 2022.

The correction to inventories was completed during the year, achieving a reduction of \$91.7 million, to end the year with \$68.2 million in total inventory. This balance comprised of:

- \$60.6 million in-warehouse; and
- \$7.6 million in-transit.

The reduction in inventory has led to a significant recovery in operational efficiency through our warehousing and marketing costs, with further improvements anticipated to materialise in FY24.

Acquisition payables reflects Tranche 4 of the Mighty Ape acquisition at 30 June 2023 and Tranches 3 & 4 of the Mighty Ape acquisition at 30 June 2022. The Business completed the Tranche 3 payment during 1HFY23.

Strong operating cash flows allowed for the repayment of \$36.0 million of loans & borrowings to end the period with no debt.

	30 June 2022	30 June 2023
Current assets		
Cash	66.2	65.4
Trade and other receivables	8.1	8.5
Inventories	159.9	68.2
Current tax asset	0.7	0.8
Other financial assets	0.5	0.1
Total current assets	235.5	142.9
Non-current assets		
Property, plant and equipment	24.6	17.2
Intangible assets	45.8	41.8
Deferred tax assets	8.1	25.8
Goodwill	46.3	46.3
Total non-current assets	124.8	131.2
Total assets	360.3	274.1
Current liabilities		
Trade and other payables	83.0	61.4
Acquisition payables	29.1	11.0
Lease liability	7.7	7.5
Provisions	4.0	4.6
Deferred income	13.8	13.2
Total current liabilities	137.6	97.7
Non-current liabilities		
Lease liability	15.0	8.2
Deferred income and provisions	0.3	0.5
Loans and borrowings	34.9	-
Total non-current liabilities	50.1	8.7
Total liabilities	187.7	106.4
Net Assets	172.6	167.7

Kogan group cashflow.

Operating cash flows grew as the Business increased profitability.

Our total net cash balance (after loans and borrowings) increased by \$34.2 million, to a total of \$65.4 million at 30 June 2023. The year included:

- The payment of Tranche 3 of the Mighty Ape acquisition, being \$14.2 million;
- Repayment of loans & borrowings totaling \$36.0 million;
- Share buy-backs of \$10.8 million (ongoing); and
- Payment of the Brosa acquisition purchase price of \$1.5 million.

Cashflow from operating activities	FY22	FY23
Receipts from customers	745.0	509.9
Payments to suppliers and employees	(678.5)	(432.3)
Interest received	-	0.9
Finance costs paid	(1.7)	(2.0)
Income tax paid	(3.0)	(5.6)
Net cash provided by operating activities	61.8	70.9
Cashflow from investing activities		
Purchase of property, plant and equipment	(1.5)	(0.4)
Purchase of intangible assets	(4.1)	(3.8)
Disposal of intangible assets	2.7	-
Disposal of financial assets	-	0.4
Business Acquisition net of acquired cash	(29.9)	(14.2)
Net cash (used in) investing activities	(32.8)	(18.1)
Cashflow from financing activities		
Repayment of loans & borrowings	(49.0)	(36.0)
Draw down on debt facility	5.0	1.0
Transaction costs on debt facility	(0.0)	-
Payments of shares bought back	-	(10.8)
Repayment of lease liabilities	(10.3)	(8.0)
Net cash (used in) financing activities	(54.2)	(53.8)
Net (decrease) in cash held	(25.2)	(1.0)
Cash and cash equivalents at beginning of the financial year	91.7	66.2
Effects of exchange rate changes on cash	(0.3)	0.2
Cash and cash equivalents at end of the financial year	66.2	65.4

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FY24 strategy & update.

Ruslan Kogan

Founder, CEO and Executive Director



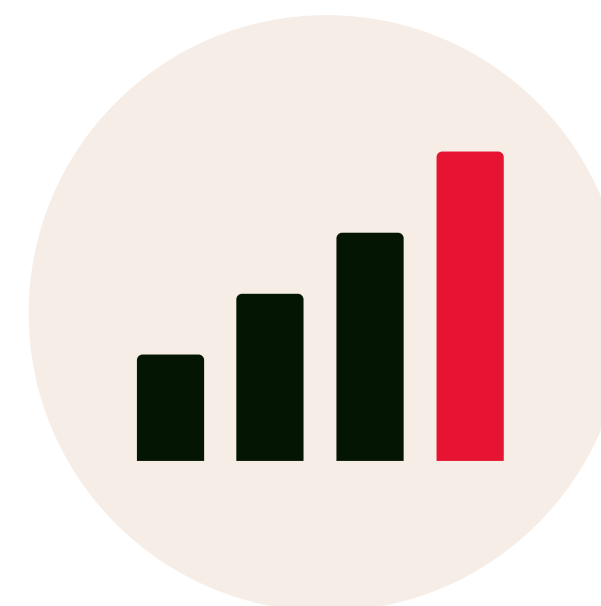
FY23 Kogan Group trading update, outlook & dividend.

Overview

- Consistent with prior years, the Company will not be providing earnings guidance. However, it will provide regular business updates during the year.
- July 2023 unaudited management accounts showed Adjusted EBITDA of \$3.5 million.
- With consideration of the on-going share buy-back, which is scheduled to complete on 10 May 2024, the Board has not declared a FY23 Dividend.

In FY24, we expect:

- Accelerated growth in Kogan First Subscribers
- Continued growth in our Verticals
- Growth in Kogan Marketplace
- Growth in the recently introduced Advertising Platform
- Launch of a new Vertical in New Zealand
- Continued improvement in our Product Division's profitability



Thank you.

Questions?

1HFY2x: the 6 months ended 31 December 20xx.

2HFY2x: the 6 months ended 30 June 20xx.

Adjusted EBITDA: earnings before interest, tax, depreciation, amortisation, unrealised gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

Adjusted EBIT: earnings before interest, tax, unrealised gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

Adjusted NPAT: net profit after tax and before unrealised gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

CAGR: Compound Annual Growth Rate.

Contribution Margin: Gross Profit less other income, variable costs and marketing costs divided by Revenue.

Core Website Channels: Kogan.com, Kogan Apps (iPhone and Android), Dick Smith and Matt Blatt Assets.

EBIT: earnings before interest and tax.

EBITDA: earnings before interest, tax, depreciation and amortisation.

EBITDA Margin: EBITDA divided by Revenue.

EPS: earnings per share.

Exclusive Brands: products sold under brands owned by Kogan.com.

FYxx: financial year ended 30 June 20xx.

Gross Margin: Gross Profit divided by Revenue.

Gross Profit: Revenue less cost of goods sold.

Gross Sales: is the gross transaction value, on a cash basis, of products and services sold, of Kogan Retail, Kogan Marketplace and the Verticals.

Group Active Customers: are the total Active Customers of Kogan.com and Mighty Ape who have purchased in the last twelve months from 1 July 202x, rounded to the nearest thousand.

Kogan.com Active Customers: unique customers who have purchased in the last twelve months from 1 July 202x on the Kogan.com platform, rounded down to the nearest thousand.

Kogan Cars: Vertical launched in 4QFY19 offering competitive prices on new-car purchases.

Kogan Energy: Vertical launched in 1HFY20 offering low cost power and gas whilst allowing customers to easily track their energy usage on-demand, in partnership with Shell Energy Operations Pty Ltd.

Kogan First: our loyalty program offering subscribers free/upgraded express shipping along with special offers across thousands of our products.

Kogan First Subscribers: excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.

Kogan Insurance: Vertical launched in 1QFY18 offering Insurance online. In FY23, our partnership transitioned to QBE.

Kogan Internet: Vertical launched in 4QFY18 offering NBN plans via Vodafone's fixed line NBN network.

Kogan Life: Vertical launched in 4QFY18 offering life insurance online.

Kogan Marketplace: a platform launched in 3QFY19 for sellers and buyers to complete transactions on Kogan.com, with commission-based Revenue being earned by Kogan.com.

- Kogan Mobile Australia:** launched in 2QFY16, vertical offering pre-paid mobile phone plans available online using TPG’s mobile network in Australia.
- Kogan Mobile New Zealand:** Vertical launched in 1HFY20 offering pre-paid mobile phone plans available online using Vodafone’s mobile network in New Zealand.
- Kogan Money Credit Cards:** Vertical launched in 1HFY20 offering a competitively priced credit card with compelling loyalty incentives for customers to shop on Kogan.com and elsewhere. Kogan Money Credit Cards are offered in partnership with NAB.
- Kogan Money Super:** Vertical launched in 1HFY20 offering a new no frills, ultra low fee Australian super fund, in partnership with Mercer.
- Kogan Pet:** Vertical launched in 4QFY18 offering pet insurance online.
- Kogan Retail:** Exclusive Brands and Third-Party Brands sales through the Core Website Channels and eBay, Amazon.com.au, TradeMe and other platforms.
- Kogan Travel:** Vertical offering online holiday packages and hotel and cruise bookings. This Vertical was closed on 30 June 2023.
- Kogan Travel Insurance:** was relaunched in 1HFY23, in partnership with Cover-More
- Kogan Verticals:** Kogan Cars, Kogan Energy, Kogan Insurance, Kogan Internet, Kogan Life, Kogan Mobile Australia, Kogan Mobile New Zealand, Kogan Money, Kogan Pet, Kogan Super, Kogan Travel and Kogan Travel Insurance.
- Mighty Ape:** refers to Mighty Ape Ltd.
- Mighty Ape Customers:** unique customers who have purchased in the last twelve months from 1 July 202x on the Mighty Ape platform, rounded down to the nearest thousand.
- Marketplace Active Sellers:** Sellers who are integrated with our Marketplace and have recorded at least one sale.
- Operating leverage:** the efficiency by which a business converts its Revenue into Net Profit.
- Partners:** refers to the companies Kogan.com has conducted business with.
- Platform-based Sales:** refers to sales generated by Kogan Marketplace, Kogan First, Kogan Verticals and Advertising & Other Income. It excludes Exclusive Brands, Third-Party Brands and Mighty Ape.
- Product Division:** means Exclusive Brands and Third-Party Brands.
- Repeat Customers:** refer to customers who have purchased more than once with the Business.
- Repeat Orders:** refer to orders placed during the period by Active Customers who had previously transacted with the Business at the time of their order.
- The Business:** refers to Kogan.com Ltd.
- The Company:** refers to Kogan.com Ltd.
- The Group:** refers to Kogan.com Ltd and its subsidiaries, including Mighty Ape Ltd.
- The Presentation:** refers to this document, titled ‘Kogan.com - FY23 Results Presentation’.
- Third-Party Brands:** products sold under brands owned by third parties, which are sourced domestically in Australia and internationally.
- Unique customers:** the number of distinct customers who have purchased in the last twelve months.
- YoY:** year-on-year.

Annexure 1.

FY23 Revenue by Business Division

	FY22	FY23	YoY
\$m	Revenue	Revenue	Revenue Var %
Exclusive Brands	311.6	183.0	(41.3%)
Third-Party Brands	176.6	82.2	(53.5%)
Product Divisions	488.2	265.2	(45.7%)
Mighty Ape	163.4	154.8	(5.3%)
Kogan Marketplace	30.6	23.9	(22.2%)
Kogan Mobile	10.9	11.6	6.4%
Kogan First	15.5	26.3	69.6%
Advertising income	4.2	1.6	(61.5%)
Kogan Money	2.8	3.4	22.0%
Other business ¹	2.9	2.7	(5.4%)
Total	718.5	489.5	(31.9%)

1. Other Business includes Kogan Travel, Kogan Insurance, Kogan Internet, Kogan Cars and Kogan Energy.

Annexure 2.

Reconciliation to Kogan Group FY23 Adjusted EBITDA and Adjusted NPAT

Adjusted EBITDA and Adjusted NPAT are measures of the underlying performance of the Business, they remove non-cash items including the unrealised gain/(loss), equity-based compensation and one-off non-recurring items including the profit from sale of the Bitbuy.com domain. In respect of FY23 the below items have been adjusted:

- **Unrealised gain/(loss):** unrealised loss at year end related to shares still held and open forward foreign exchange contracts.
- **Equity-based compensation:** significant equity-based compensation expenses driven largely by the award of options after the Company's AGM in November 2020. These options were granted to Ruslan Kogan, CEO, and David Shafer, CFO & COO, with a strike price of \$5.29¹.
- **Mighty Ape purchase - Tranche 4:** refers to the provision for the likely payment of Mighty Ape Tranche 4 purchase price instalment as part of the Sale Agreement, which is contingent on the Mighty Ape Founder & former CFO remaining with the Business until the delivery of the financial year 2023 result. In line with accounting standards, Tranches 4 payment will be considered as compensation for post-combination services, and as such, treated as employee remuneration for accounting purposes. The Group will proportionately account for these expenses up until the respective payment dates.
 - For Australian income tax purposes, amounts paid for the acquisition of Mighty Ape shares are considered as capital in nature and are therefore non-deductible, rather increasing the tax cost base of the shares. No deferred tax asset is recognised due to it being probable that the temporary difference will not reverse in the foreseeable future.
- **Bitbuy.com domain sale:** relates to the profit on the sale of the domain name bitbuy.com. For full details of the transaction, refer to the ASX release 'Domain sale re Bitbuy' on 14 December 2021.

	Unadjusted	Unrealised (gain)/loss	Realised loss on Wonderfi shares	Equity-based compensation	Mighty Ape purchase - tranches 3 & 4	Bitbuy.com domain sale	Adjusted
Revenue	489.5						489.5
Cost of sales	(352.9)						(352.9)
Gross Profit	136.6						136.6
<i>Gross margin</i>	27.9%						27.9%
Variable costs	(19.3)						(19.3)
Marketing costs	(48.5)						(48.5)
People costs	(67.1)			31.3	(3.9)		(39.7)
Other costs	(22.6)	(1.9)	2.1				(22.3)
Total operating costs	(157.5)						(129.7)
Unrealised gain/(loss)	0.1	(0.1)				0.1	0.0
EBITDA	(20.8)						6.8
<i>EBITDA margin</i>	(4.2%)						1.4%
Depreciation & amortisation	(16.6)						(16.6)
EBIT	(37.4)						(9.8)
Interest	(0.7)						(0.7)
Loss before tax	(38.1)						(10.4)
Income tax benefit/(expense)	12.2	0.6	(0.6)	(9.4)		(0.0)	2.8
NPAT	(25.9)						(7.7)

1. The share price of Kogan.com Ltd at the close of day on 21.08.2023 was \$5.71.