



2023 Annual General Meeting

23 November 2023

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Your Board.



Greg Ridder

Independent Non-Executive Chairman



Janine Allis

Independent Non-Executive Director



David Shafer

CFO, COO and Executive Director



Harry Debney

Independent Non-Executive Director



James Spenceley

Independent Non-Executive Director



Ruslan Kogan

Founder, CEO and Executive Director

Chairman's address.

Greg Ridder

Independent Non-Executive Chairman



FY23 Kogan Group results.

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Evolution to a majority Platform-based Sales model¹

Over 401,000 Kogan FIRST Subscribers²

Right-sized inventory
Inventories reduced to \$68.2m in total, aligned with current levels of demand.

Gross Margin of 34.4% in 2HFY23

Improved 8.9pp in 2HFY23 following the removal of excess inventory

Strong Balance Sheet

With all external debt repaid, and \$65.4 million of cash at 30 June 2023

\$11.2m Adj. EBITDA³

in 2HFY23, growth of 622.4% YoY

1. Refers to Kogan.com only (excluding Mighty Ape).
2. Kogan First Subscribers excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.
3. Adjusted EBITDA excludes non-cash items such as unrealised gains/(losses) and equity-based compensation and one-off non-recurring items.

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CEO's address.

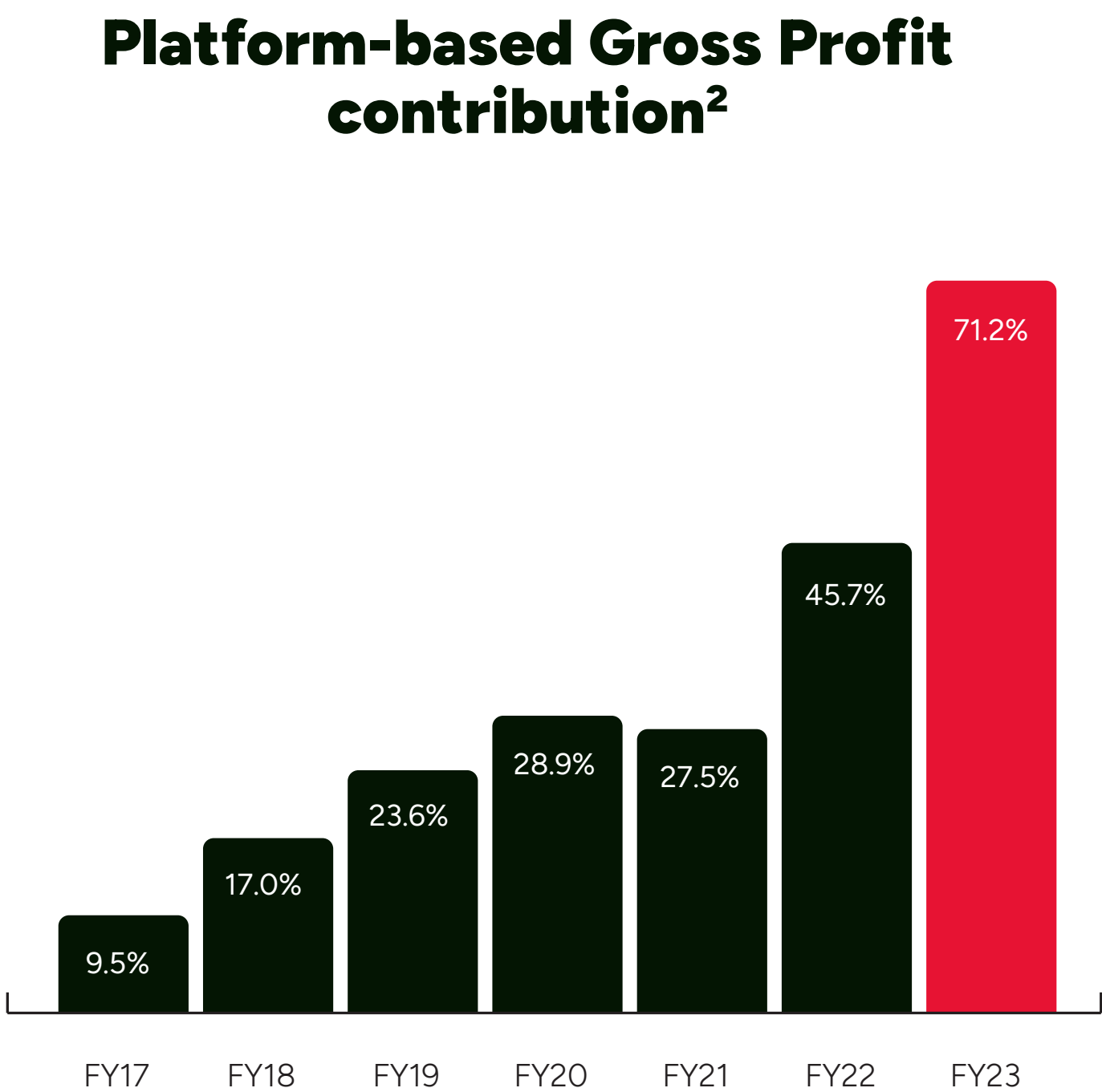
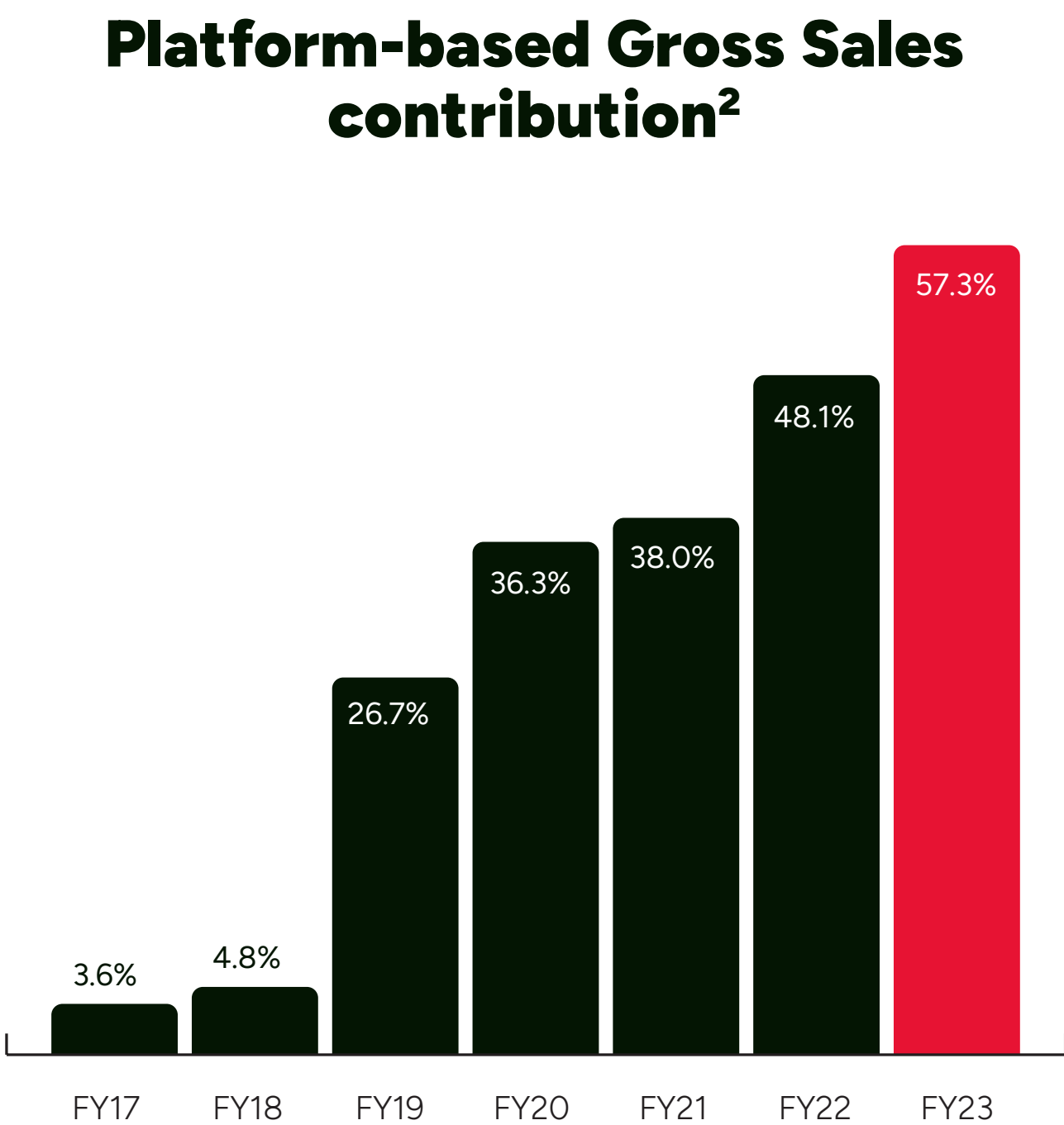
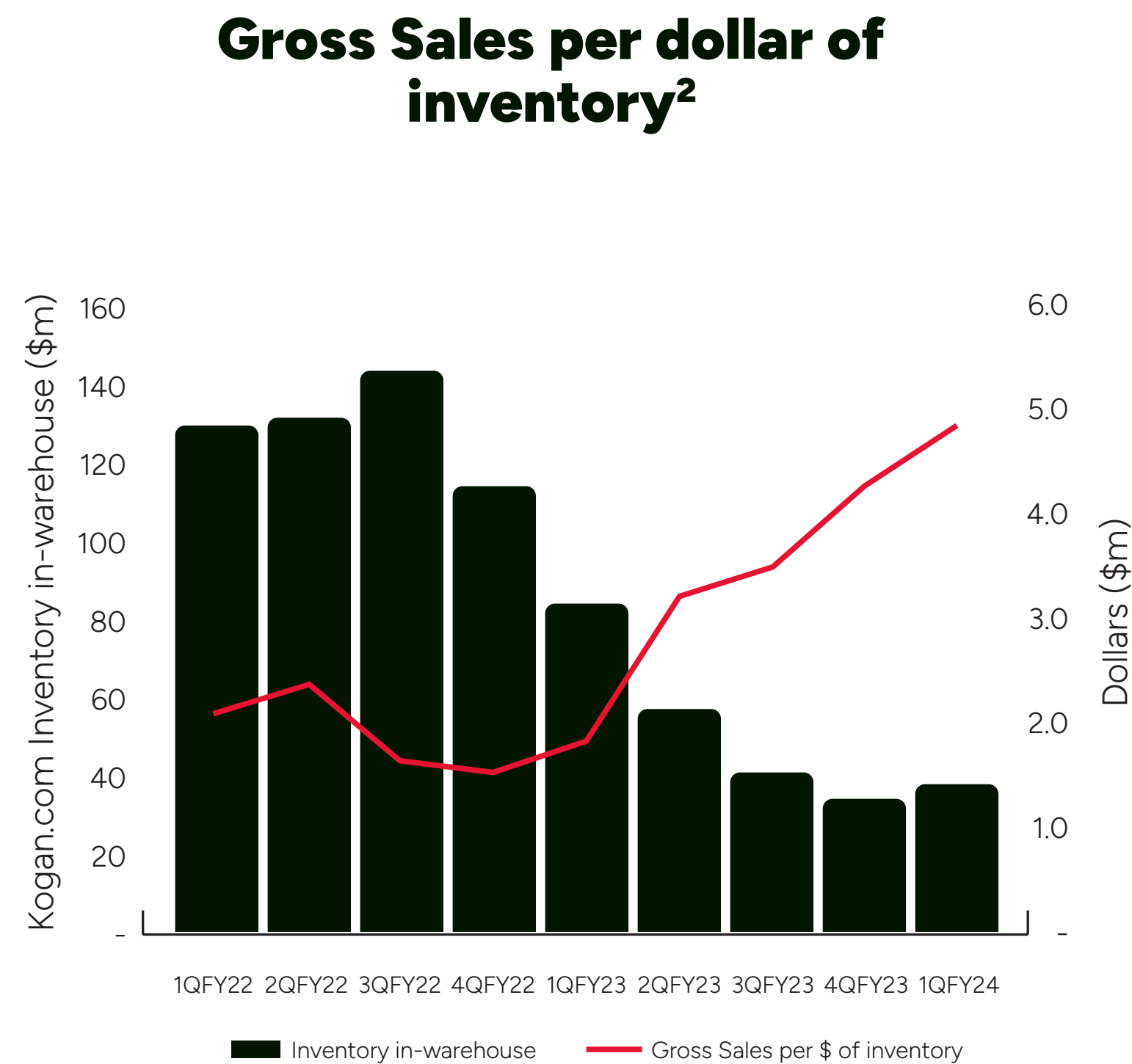
Ruslan Kogan

Founder, CEO and Executive Director



Kogan.com Platform-based Sales¹.

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



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.

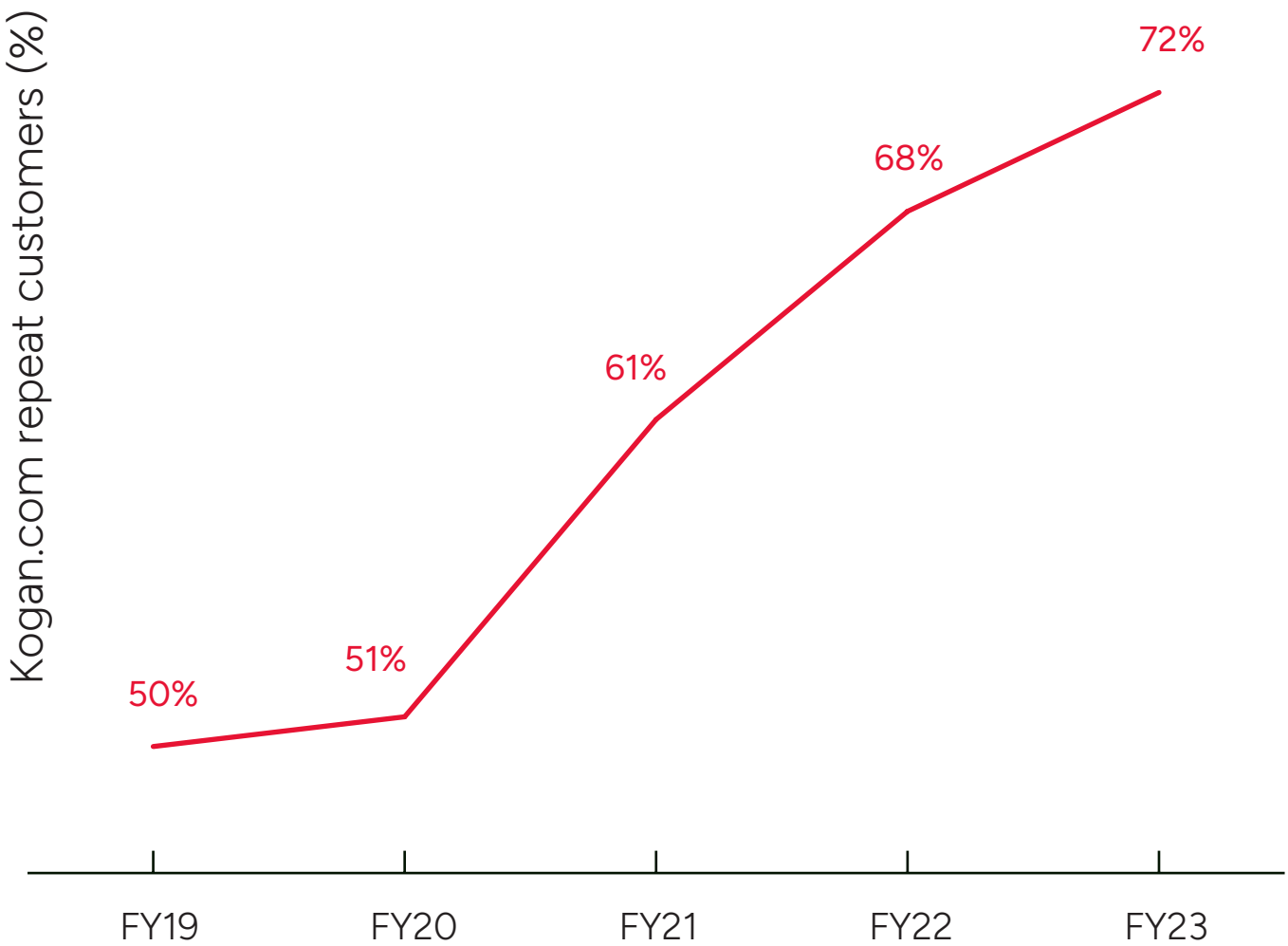
Our customer base consists of millions of shoppers and we have a dedicated and loyal group of customers.



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.

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.

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.



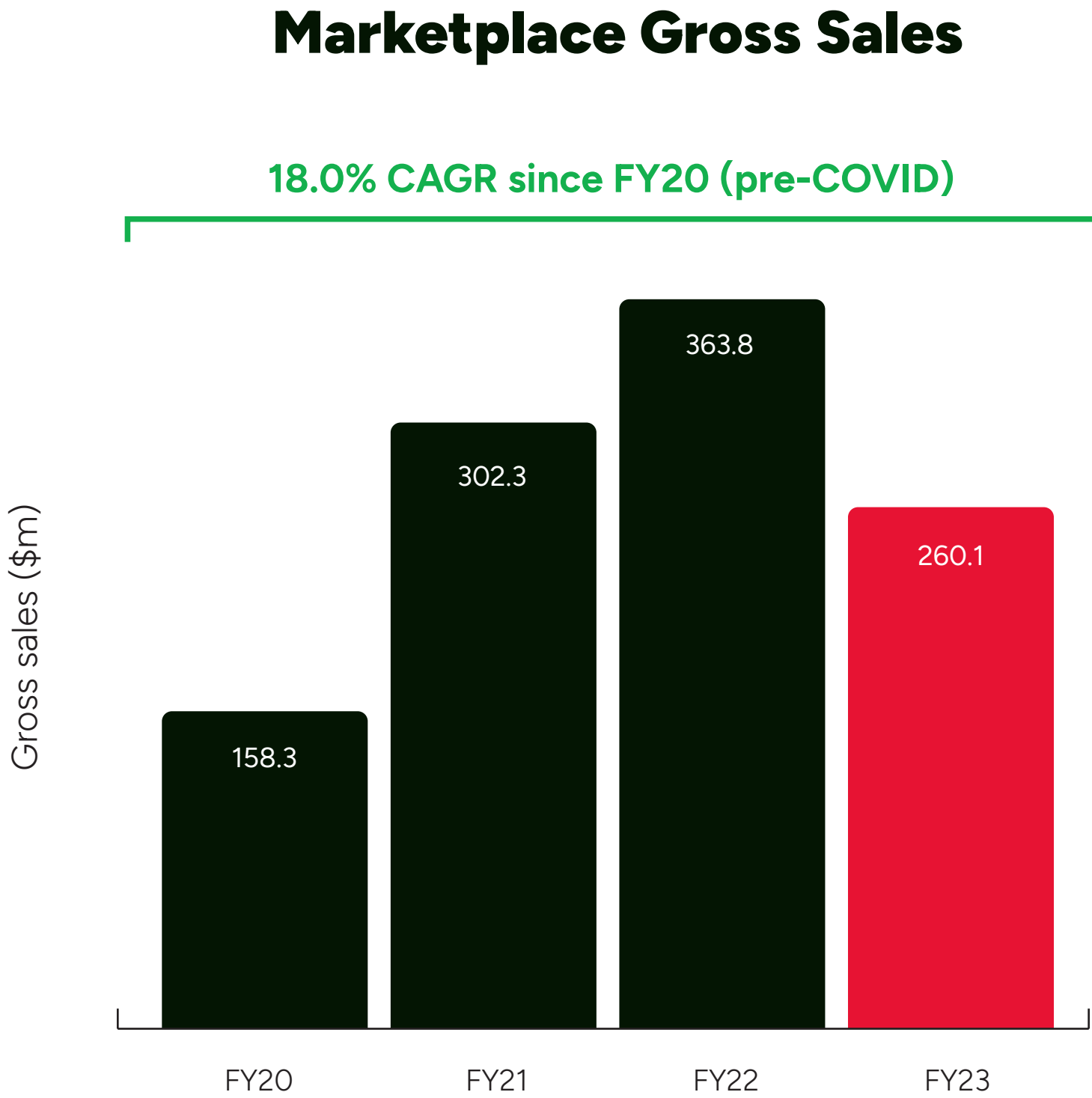
Midjourney prompt:
TV is placed on a stylish cabinet in a scandinavian style lounge room.



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 helping our Marketplace Sellers implement ongoing improvements in customer experience as we prepare to resume top-line growth from current levels.



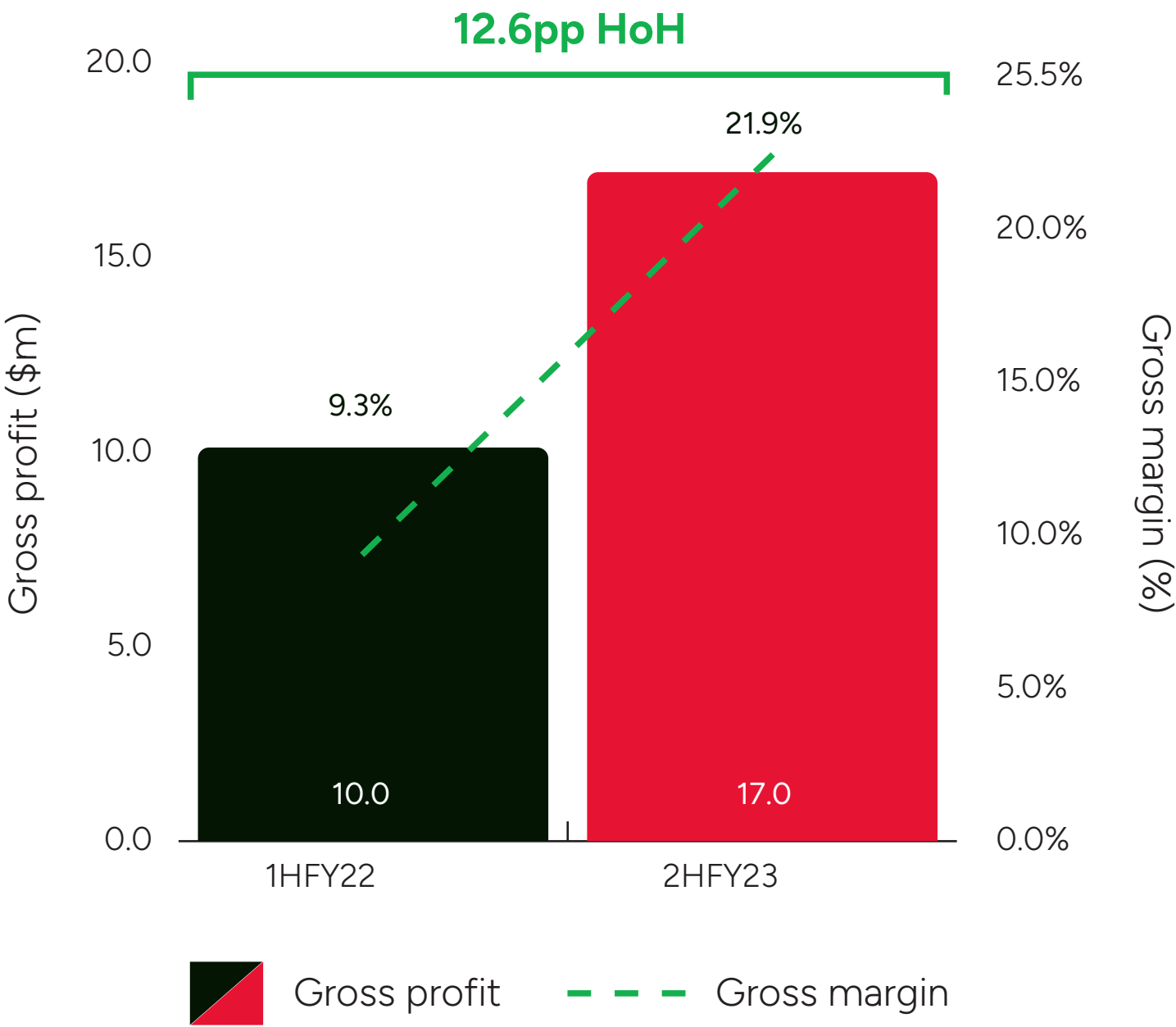
Exclusive Brands.

Following the correction to inventory levels, Gross Margin rapidly recovered in 2HFY23.

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



Kogan FIRST.

Over 401,000 Subscribers enjoyed the many benefits of our loyalty program in FY23, and grew to over 440,000 Subscribers at the end of October 2023.



Free shipping



Exclusive specials



Kogan rewards



Everyday discounts

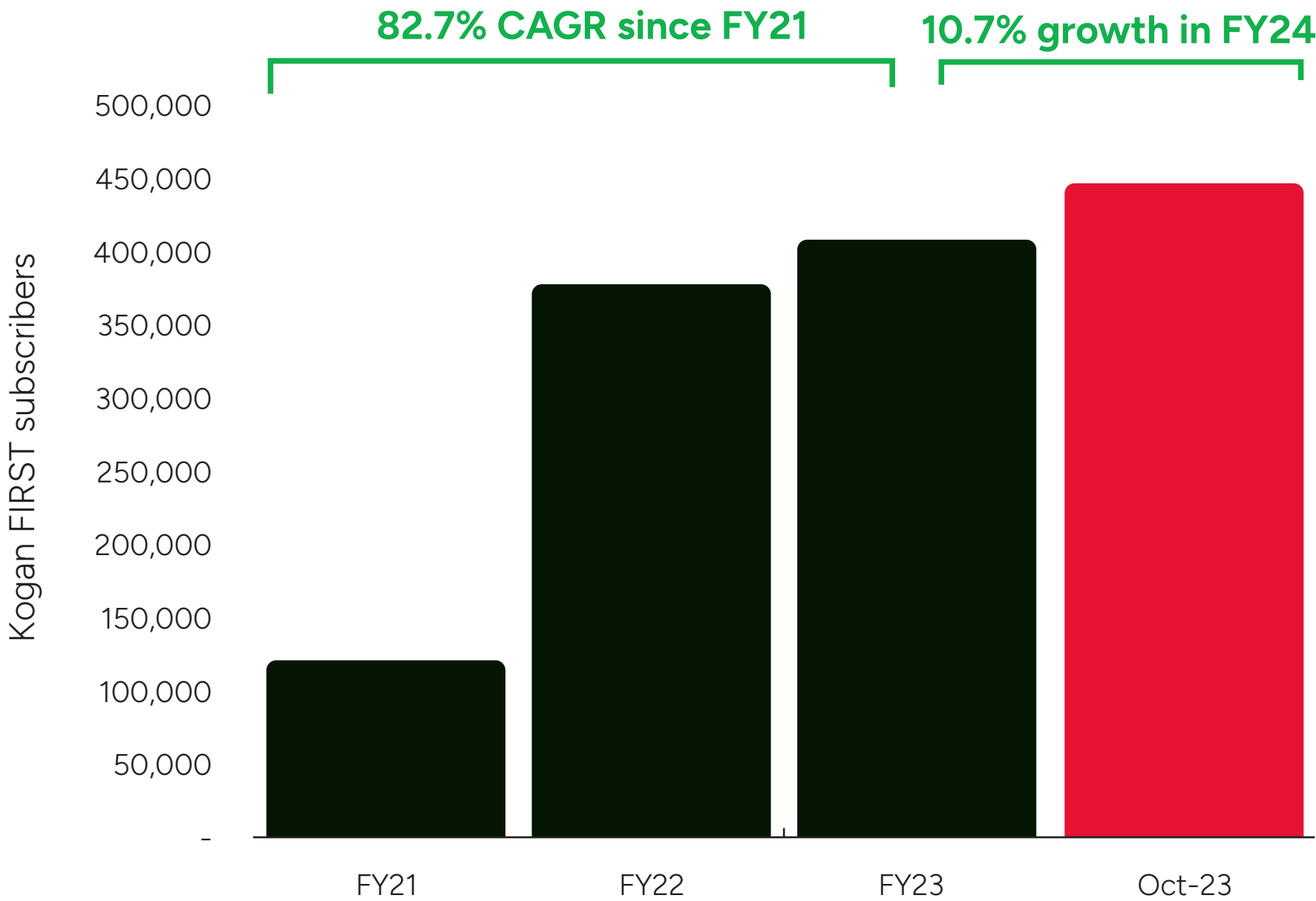


Priority service

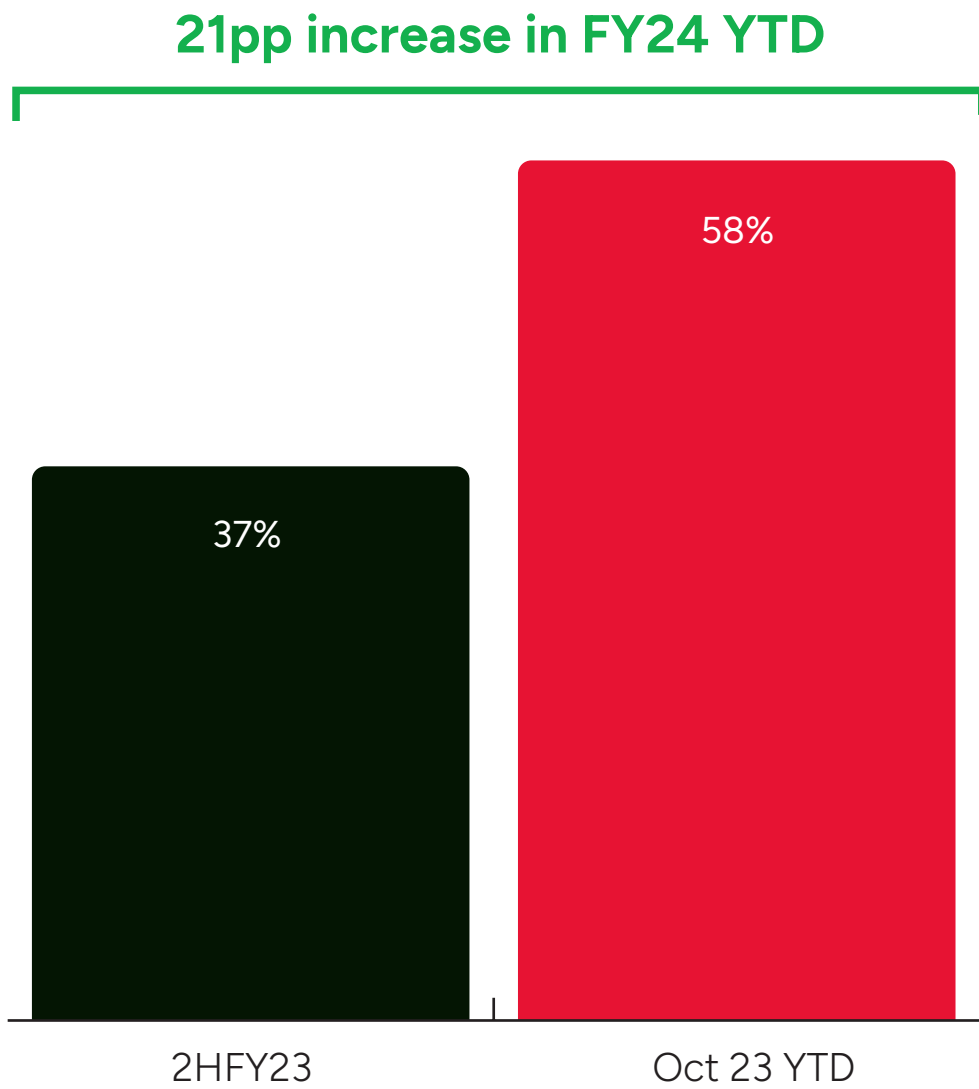
The strong growth achieved in the Kogan FIRST program is due to the value it delivers.

This comes in the form of every day discounts, free shipping, Kogan Reward Credits, Qantas Points and the opportunity to participate in prize giveaways.

Kogan FIRST subscribers¹



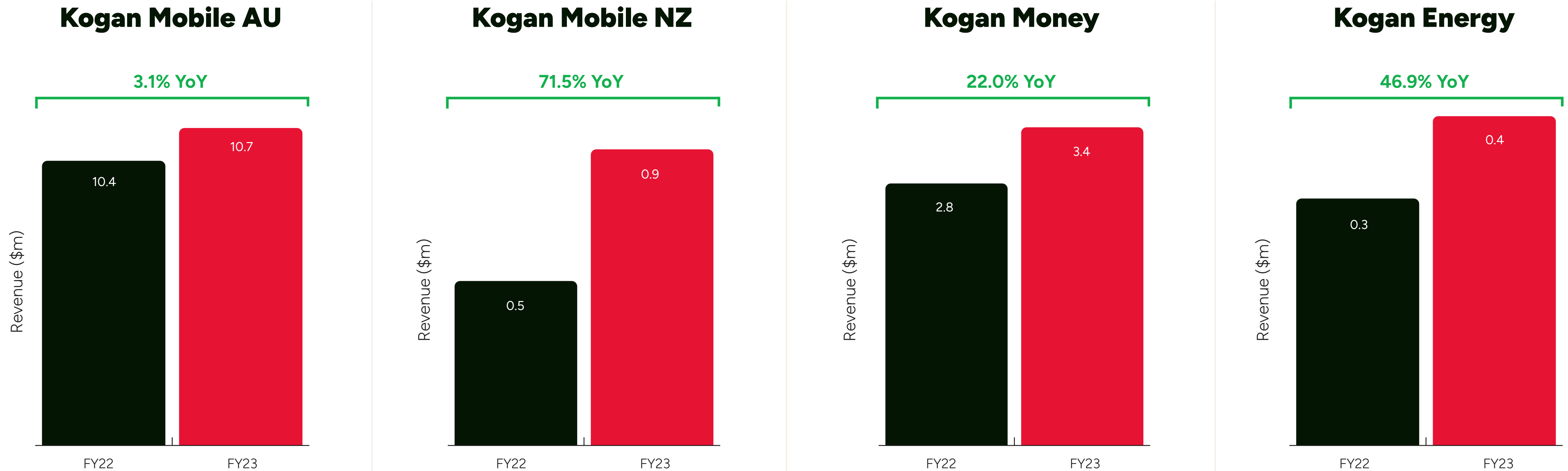
Kogan FIRST Subscriber contribution²



¹ Kogan First Subscribers excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.
² Kogan FIRST Subscriber contribution measures the proportion of Gross Sales generated from Kogan FIRST Subscribers within Kogan.com (excluding Mighty Ape), calculated as Kogan.com only (excluding Mighty Ape) Gross Sales value purchased by Kogan FIRST Subscribers divided by total Kogan.com only (excluding Mighty Ape) Gross Sales value.

Kogan Verticals.

All key Verticals 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.

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



Cost-of-living pressures in New Zealand impacted top-line performance, however margins improved.

Through this challenging period of trading, our team continued to deliver for our customers, culminating in being awarded the number 1 rank in Kantar's Customer Leadership Index. The award took into account service delivery, customer centricity, brand clarity and offer excellence.

We continued to invest in long-term strategic projects, improving our logistics network and IT systems.

The first major project to be delivered in FY24 was the launch of Mighty Mobile, the first prepaid mobile plan with unlimited data in New Zealand.

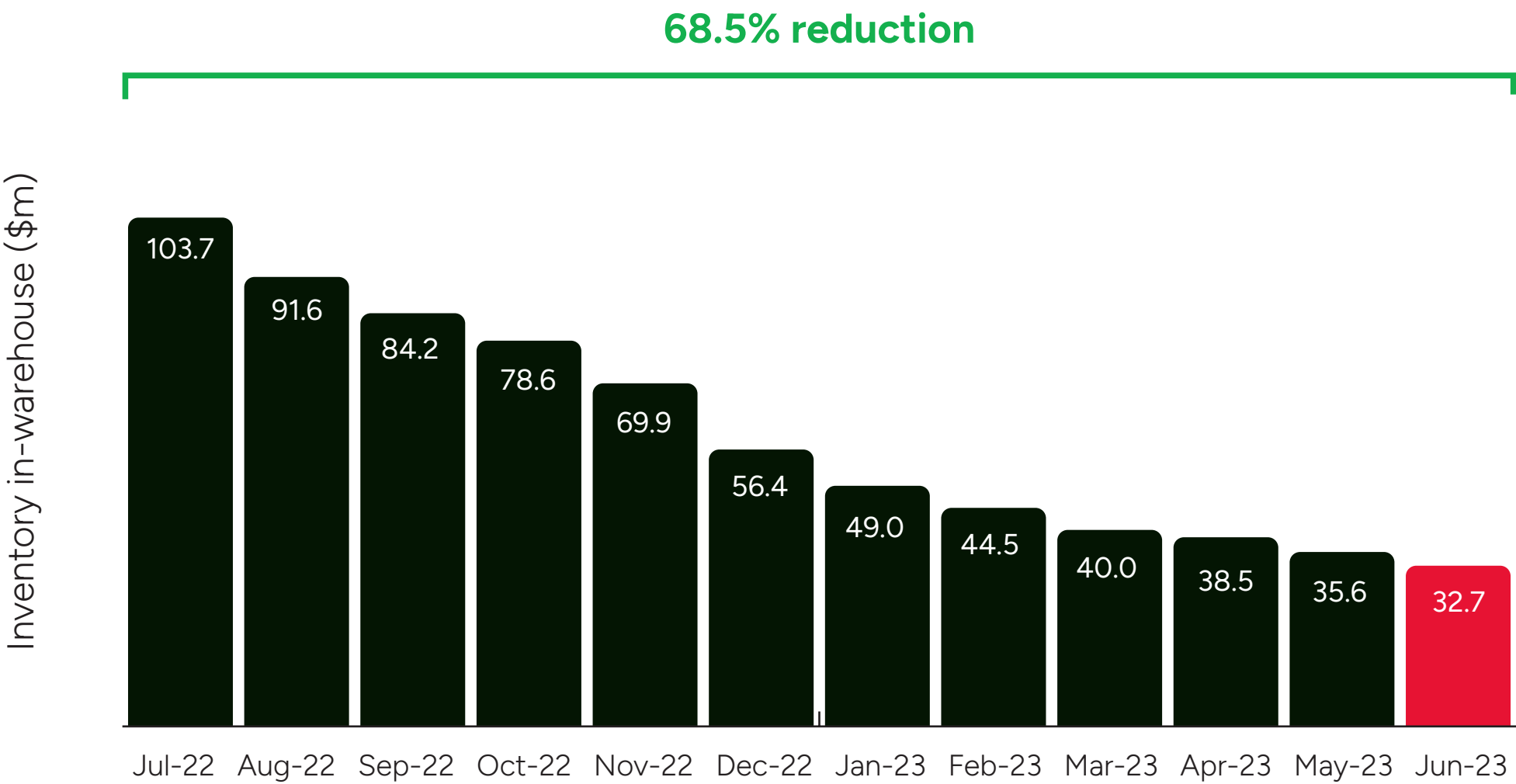
Mighty Ape financial highlights

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%)

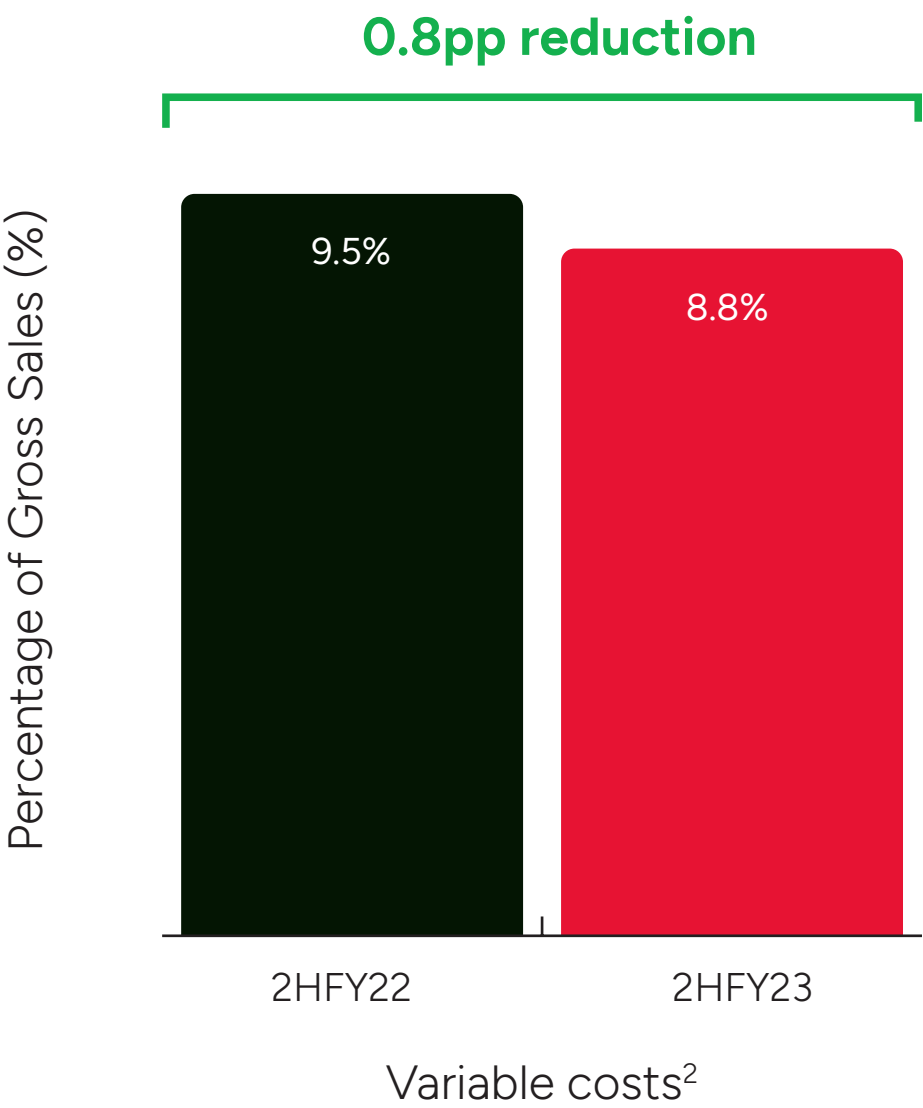
Kogan.com operating cost efficiencies.

The reduction in inventory has underpinned operational efficiency gains.

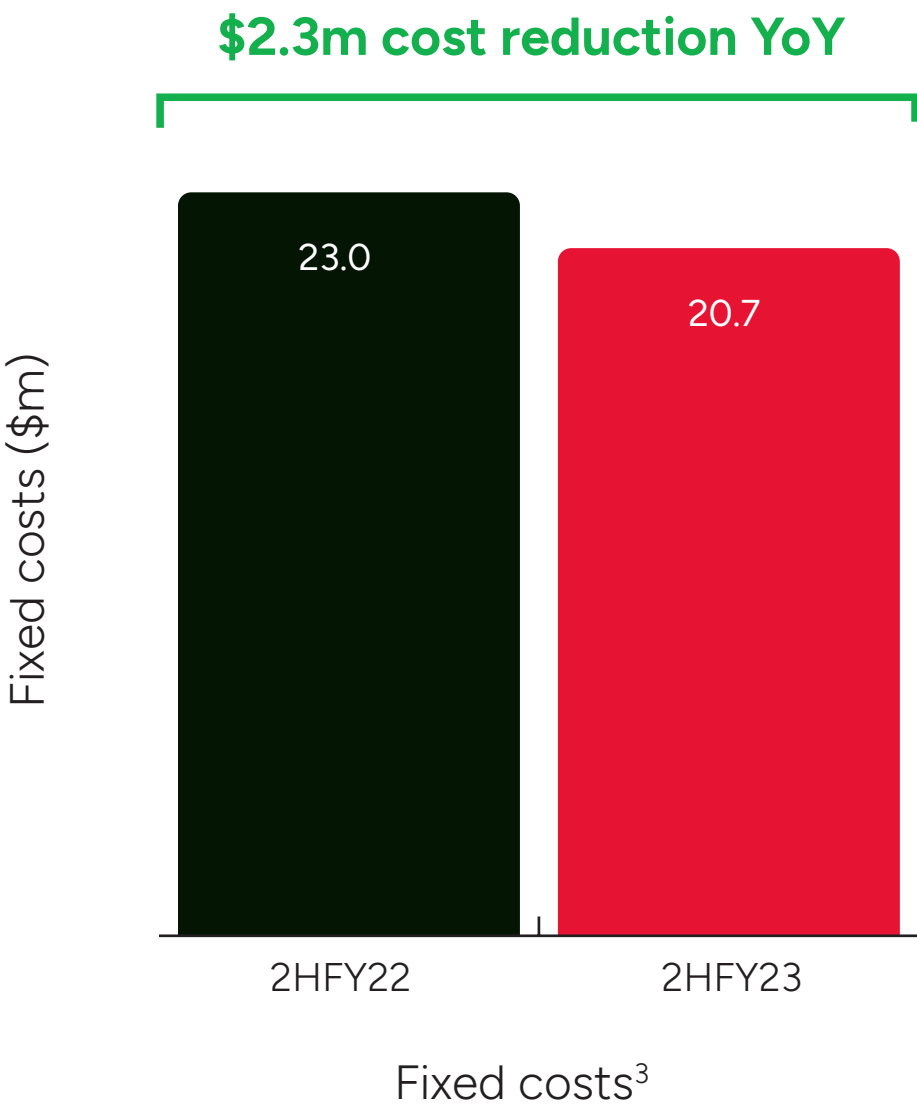
Kogan.com¹ in-warehouse inventory



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.

Kogan Group trading - November 2023 updated.

Monthly top line growth was achieved in October 2023 for the first time since January 2022.

Key financial items

Unaudited Accounts	Oct 2023	
	Results	Var YoY
Gross Sales (\$m)	66.7	2.1%
Gross Profit (\$m)	13.9	49.3%
Gross Margin (%)	36.6%	12.9pp
Adjusted EBITDA (\$m)	1.5	328.5%

Unaudited Accounts	YTD FY24 (Jul - Oct 2023)	
	Results	Var YoY
Gross Sales (\$m)	255.8	(4.4%)
Gross Profit (\$m)	51.4	25.0%
Gross Margin (%)	36.4%	10.3pp
Adjusted EBITDA (\$m)	9.5	1852.3%

Key highlights:

- This monthly Gross Sales result reflects the first time that monthly sales have grown YoY since January 2022. The result was driven by strong performances from Marketplace, Verticals, Kogan First and acceleration of the Advertising Platform.
- Profitability of the business continues to improve, reflected in strong growth in Gross Profit.
- Overheads in October were higher than planned, driven by marketing investments and one-off items.
- Launch of the Advertising Platform through the Kogan Marketplace, discussed further on page 17 of this Presentation.
- Platform-based Sales continue to grow, contributing 63.9% of Kogan.com Gross Sales and 73.5% of Kogan.com Gross Profit for FY24 YTD.
- The successful launch of Mighty Mobile, the first Vertical launched under the Mighty Ape Brand, introducing the first prepaid unlimited-data plans in New Zealand.

Kogan.com Advertising Platform.

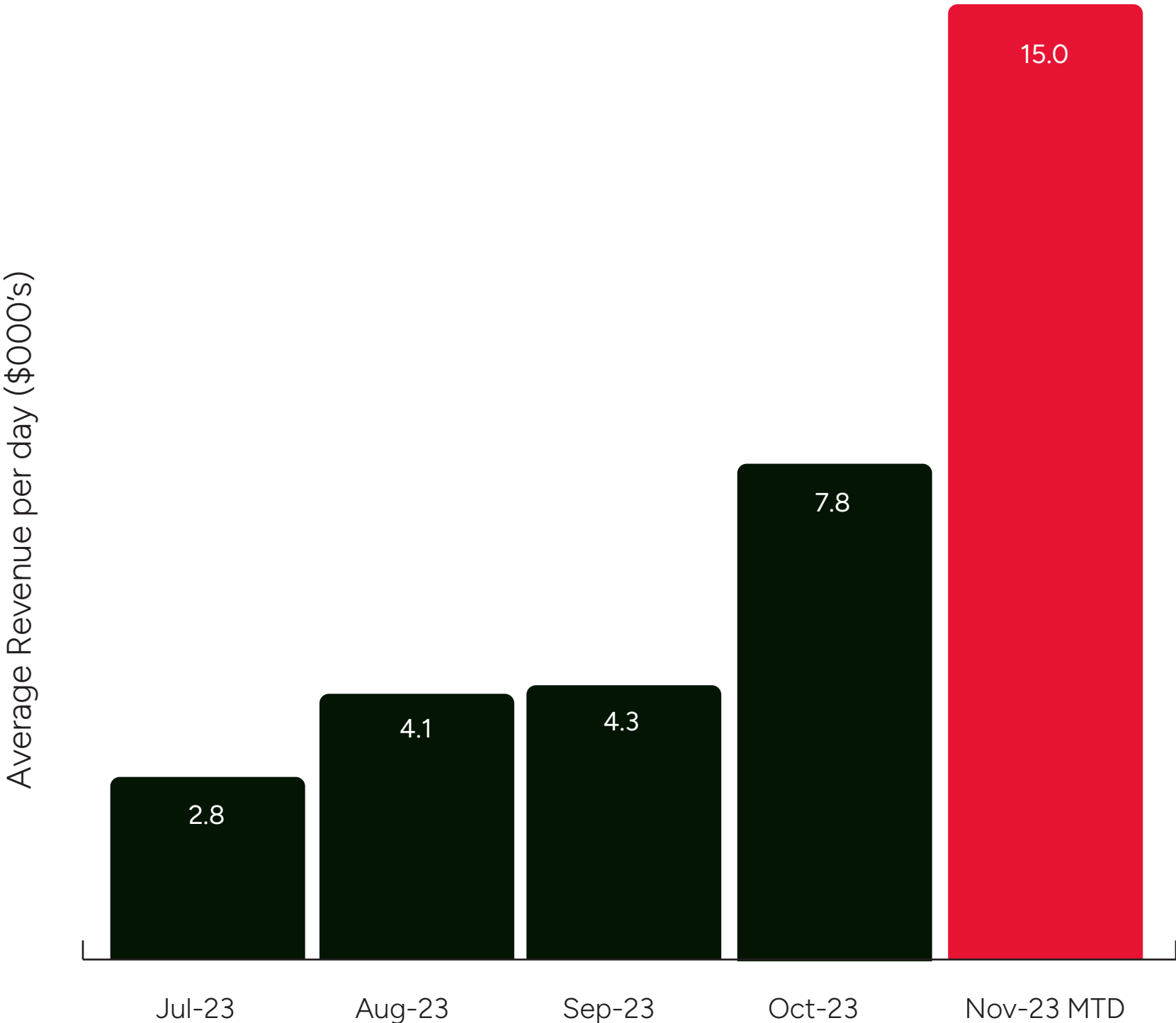
We are seeing significant traction on our new Advertising Platform.

At the end of FY23, we launched a new Advertising Platform, which gives the opportunity for Marketplace Sellers and partners to reach more customers.

In the first few months since launch, we've received positive feedback, with revenue from the platform growing significantly and we have many features and enhancements still planned.

As more advertisers experience the benefits of the platform we expect the Advertising Platform to continue to grow.

Kogan.com Advertising Platform Revenue¹



1. Revenue from the new Advertising Platform is disclosed within Advertising & Other Income in the Group's regular Business Updates. Other sources of Revenue included within Advertising & Other Income relates to non-platform based sources.

Questions.

k^ugan
.com