



1HFY24 Results Presentation

26 February 2024

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CEO update.

Ruslan Kogan

Founder, CEO and Executive Director

kogan
.com



1H FY24 Kogan Group highlights.

Strong operating leverage delivers growth in profitability.

Business model

- The transformation of the Kogan.com business model continued to progress, with Platform-based Sales¹ contribution increasing to 63.0% of Kogan.com (excluding Mighty Ape) Gross Sales² during the half. Revenue derived from Platform-based Sales¹ represents higher quality earnings for the business and drives improved profitability.

Financial performance

- Gross Sales² and Revenue of \$446.6 million and \$248.2 million, declined 5.6% and 9.9%, respectively. This reflects the strategy to reduce inventory (by 30.6% on the pcg) and focus on platform/software based subscription revenue.
- Gross Profit of \$89.5 million increased 42.2% on the pcg as Gross Margin improved to 36.1% for the half, up 13.2pp. The significant improvement is reflective of recovering profitability in the Kogan.com Product Division following the reduction of inventory at the end of FY23 and continued growth of Platform-based Sales¹ contribution.
- Cash totalled \$83.3 million, with strong operating cash flows in the half financing \$17.2 million of share buy-backs and the \$10.9 million payment for the final Mighty Ape acquisition tranche.
- Inventory at 31 December 2023 totalled \$68.3 million, consisting of \$58.2 million of in-warehouse inventory and \$10.1 million of in-transit inventory. The balance represents a reduction of 30.6% on the pcg.
- Adjusted EBITDA³ was \$21.5 million and EBITDA was \$19.4 million.
- Adjusted EBIT³ was \$14.0 million and EBIT was \$11.9 million.
- Adjusted NPAT³ was \$10.2 million and Statutory NPAT was \$8.7 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, Adjusted EBIT and Adjusted NPAT exclude non-cash items including unrealised gains/(losses) and equity-based compensation.

1H FY24 Kogan Group highlights.

Strong operating leverage delivers growth in profitability.

Cost of doing business

- Continued cost efficiency initiatives delivered a reduction in Operating Costs of 18.4% on the pcip. These initiatives largely revolved around logistics, services contracts and internal systems.

Platform performance

- Group Active Customers were 2,744,000 as at 31 December 2023, comprising 2,026,000 for Kogan.com and 718,000 for Mighty Ape.
- The percentage of Group Repeat Customers⁴ remained high at 69% for the half.

Operating leverage

- The Group has returned to strong operating leverage this half, consistent with our historical performance pre-COVID-19.
- Gross Margins improved to 36.1% (1H FY23: 22.8%).
- Delivered Margin improved to 32.2% (1H FY23: 18.6%).
- Contribution Margin improved to 21.5% (1H FY23: 9.8%).
- Adjusted EBITDA Margin improved to 8.7%, from a negative margin in the pcip.
- Adjusted EBIT Margin improved to 5.6% from a negative margin in the pcip.

4. Group Repeat customers refers to customers who have purchased more than once with Kogan.com or Mighty Ape.

1H FY24 Kogan Group highlights.

Strong operating leverage delivers growth in profitability.

Strong performance from key initiatives

- The Kogan FIRST program continued to deliver remarkable value to our most loyal customers. Kogan FIRST Subscribers⁵ grew to over 466,000 as at 31 December 2023, representing 15.3% growth YoY. During the period, Kogan FIRST Subscriber contribution⁶ drove over 62% of Gross Sales of Kogan.com (excluding Mighty Ape). To reflect the growing value our subscribers are receiving, the Company is today announcing an increase to the annual price of Kogan FIRST to \$129, from 8 April 2024.
- Verticals Revenue grew by 25.6% on the pcip.
- The new Advertising Platform was launched early in the half, allowing Kogan Marketplace Sellers to market their listings on our platform. In the half this delivered \$1.3 million in Revenue, and it's expected that the platform will continue to scale through 2H FY24.
- Mighty Mobile, offering prepaid mobile plans with unlimited data, was launched under the Mighty Ape brand in August 2023. The Vertical is gaining traction in its first months.

Mighty Ape

- The New Zealand subsidiary contributed \$87.1 million⁷ of Gross Sales in the half, an increase of 0.1% on the pcip. Gross Profit generated by Mighty Ape was \$22.5 million⁷, an increase of 4.3% on the pcip, as Gross Margin improved 1.3pp following the continued increase in private label product sales and improved efficiency in last-mile delivery operations. However Adjusted EBITDA did reduce 15.3% to \$5.7 million⁷, as Operational Costs increased following the opening of the new Christchurch warehouse and continued investment in internal systems.

5. Kogan FIRST Subscribers excludes those who are in a trial period, and includes only non-trial Subscribers.

6. 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.

7. Values stated in AUD using the AU/NZ average rate from 1 July 2023 to 31 December 2023.

1HFY24 Kogan Group results.

We have delivered on our promise to return the Group to strong profitability.

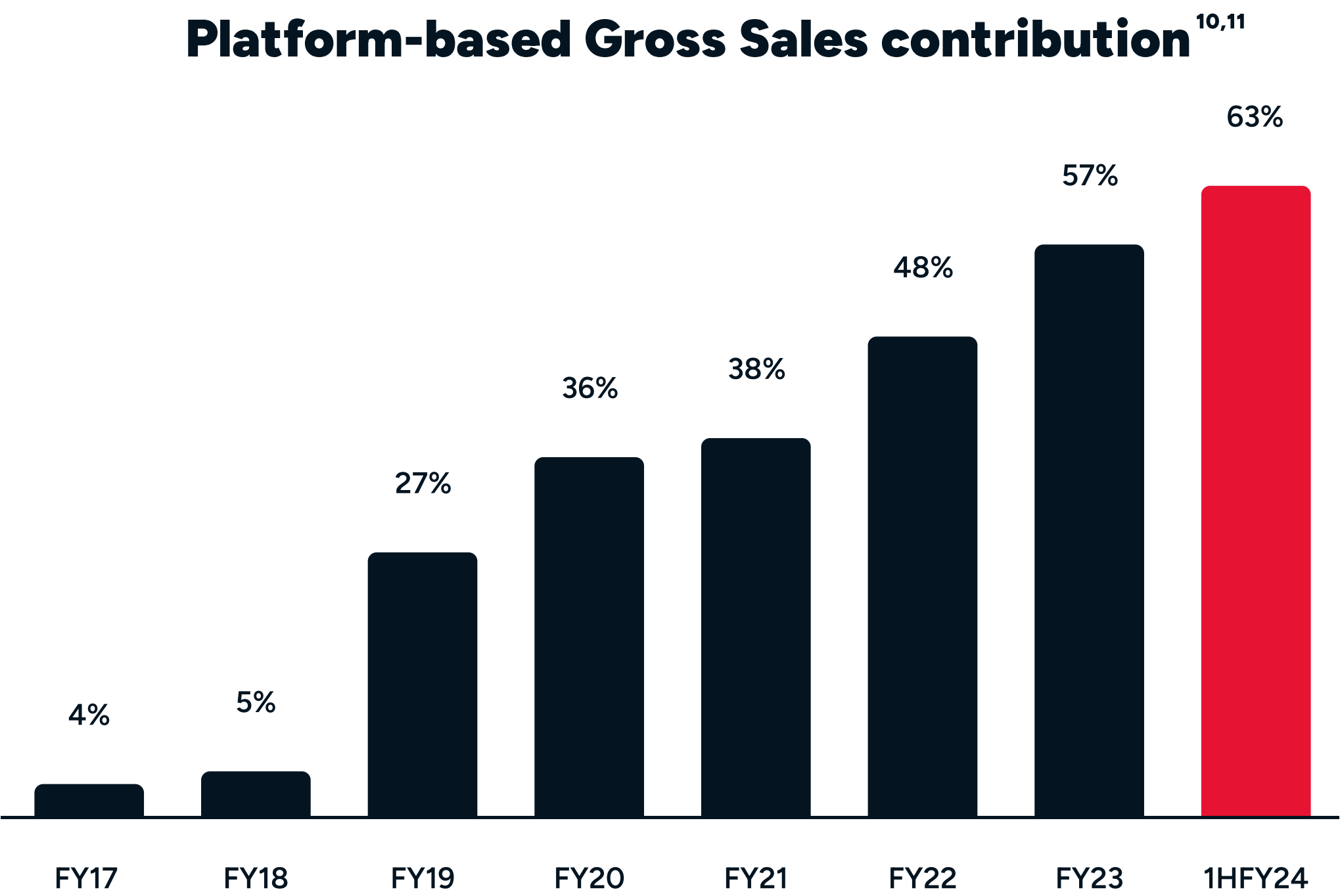
\$m	1HFY23	1HFY24	Var (%)
Gross Sales⁸	472.9	446.6	(5.6%)
Revenue	275.6	248.2	(9.9%)
Gross Profit	62.9	89.5	42.2%
<i>Gross Margin</i>	22.8%	36.1%	13.2pp/57.9%
Variable costs ⁹	(35.9)	(36.1)	0.6%
Fixed costs	(50.0)	(34.0)	(32.0%)
EBITDA	(23.0)	19.4	184.2%
Adjusted EBITDA	(4.4)	21.5	590.6%
EBIT	(31.3)	11.9	137.9%
Adjusted EBIT	(12.7)	14.0	210.1%
NPAT	(23.8)	8.7	136.4%
Adjusted NPAT	(9.6)	10.2	206.1%
EPS	(0.22)	0.08	137.6%
Adjusted EPS	(0.09)	0.10	209.6%

8. Due to reporting restrictions from some Partners associated with Kogan Insurance and Kogan Money, historical reporting of Kogan Insurance and Kogan Money Gross Sales were not complete. Following improvements in reporting to Kogan.com, Kogan Insurance Gross Sales have now been restated to disclose the entire value of Gross Sales achieved. With respect to Kogan Money, relevant Gross Sales reporting remains unavailable and so the commission value of Kogan Money has been included in its place.

9. Variable costs on this slide refer to selling fees, warehousing costs and marketing costs. On slide 16, Marketing costs are disclosed separately.

Kogan.com Platform-based Sales.¹⁰

We continued to grow the contribution from our Platform-based Sales, delivering higher quality earnings and increased profitability.



As Kogan.com continues to increase contribution from Platform-based Sales, the Group also took the first step to replicate the business model within the Mighty Ape brand, launching Mighty Mobile. Mighty Mobile has introduced prepaid mobile plans with unlimited data to the New Zealand market.

10. 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.

11. Represents Kogan.com only (excluding Mighty Ape).

Delighting our customers.

We have maintained a significant proportion of repeat shoppers across the Group, demonstrating the strength of our much loved brands.

Kogan Group Active Customers

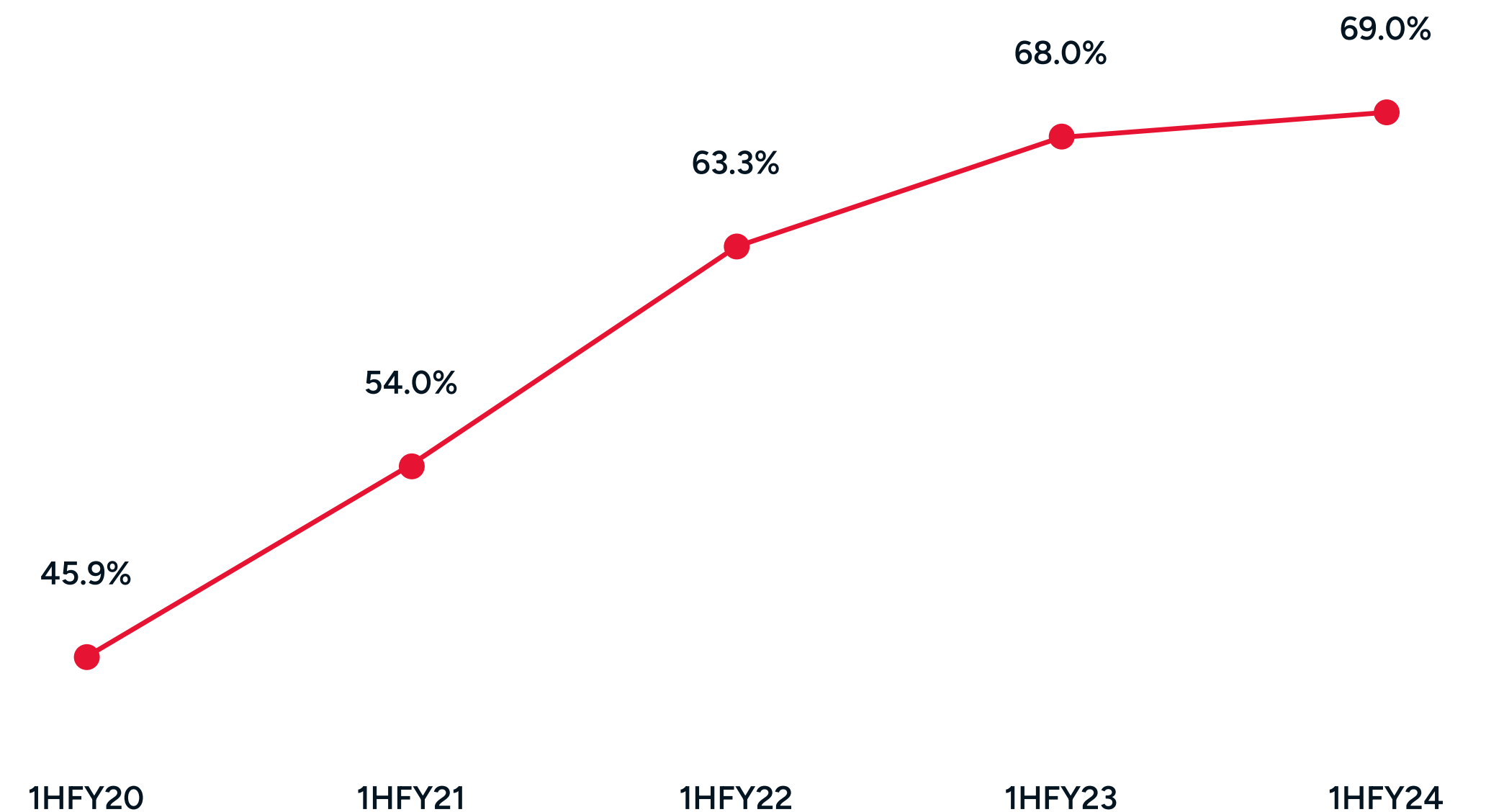


2,744,000
Group Active Customers

Group Active Customers consisted of 2,026,000 within Kogan.com and 718,000 within Mighty Ape.

Proportion of Group Repeat Customers¹²

Kogan Group Repeat Customers (%)

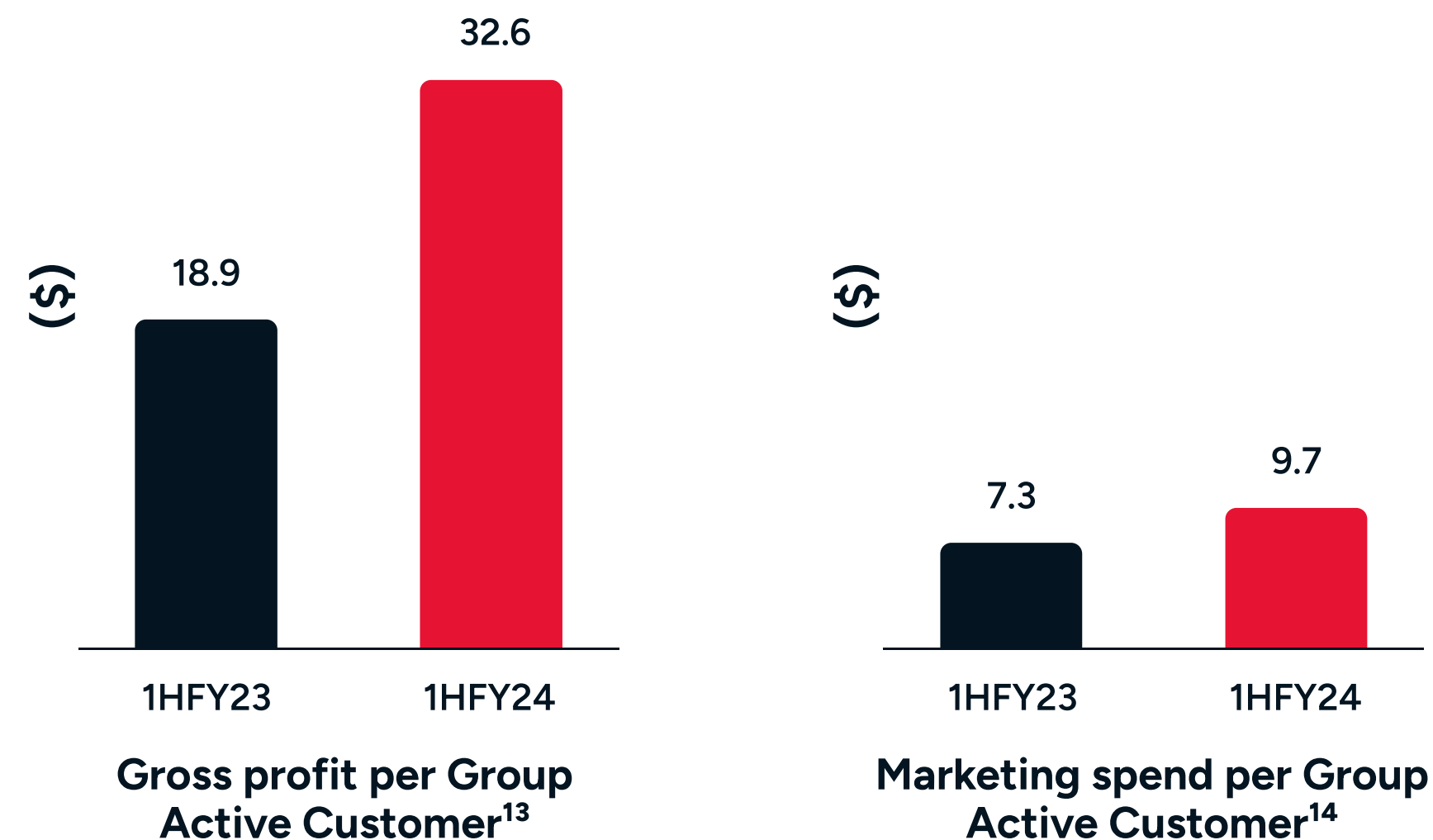


12. Group Repeat Customers refers to customers who have purchased more than once with Kogan.com or Mighty Ape.

Marketing proficiency.

Increased ROI on marketing while maintaining a high proportion of owned & earned traffic.

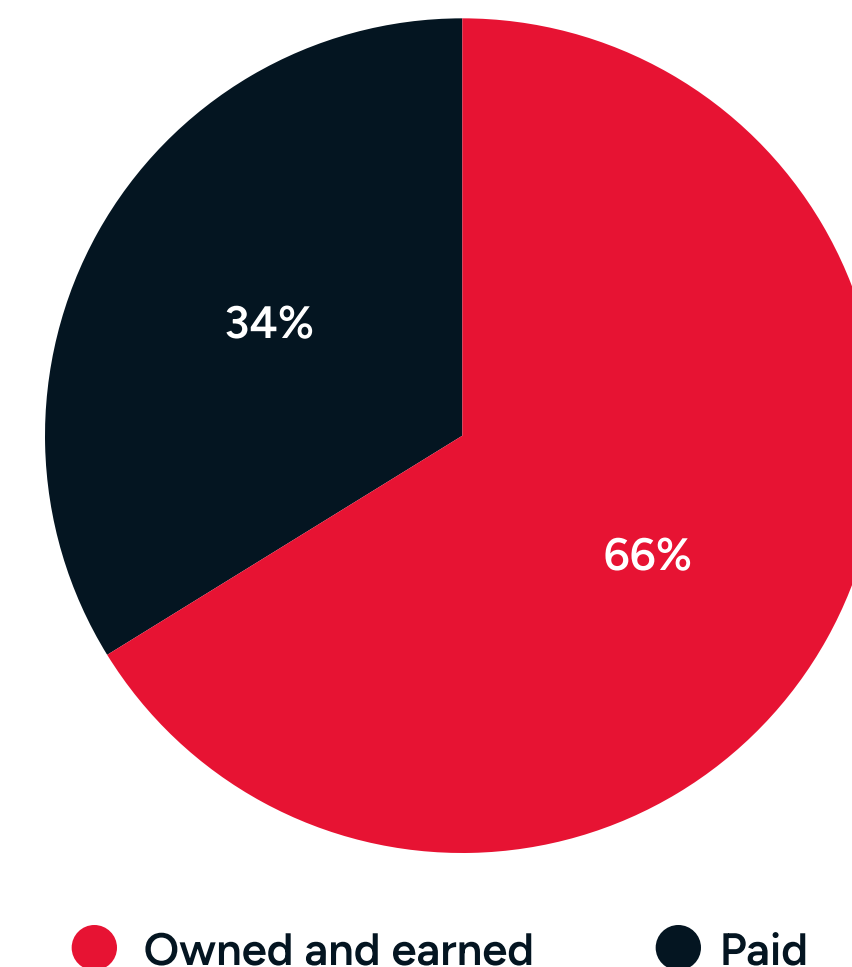
Group Marketing ROI



Return on investment in marketing

Kogan.com launched a number of offline marketing campaigns across television, radio and print media, as we continue to explore new ways of building the Brand. As a result, marketing spend increased in the half. Improvement in profitability ensured we achieved an increase in ROI on our marketing spend.

1HFY24 Group Traffic - Owned & Earned vs Paid



Owned & Earned Sources

- Direct website traffic
- Direct App traffic
- Brand searches
- Other organic search queries
- Email-based direct marketing
- Others

Owned & Earned vs Paid

Owned & earned traffic for the Group was high at 66%, as the Group maintained a high proportion of Repeat Customers.

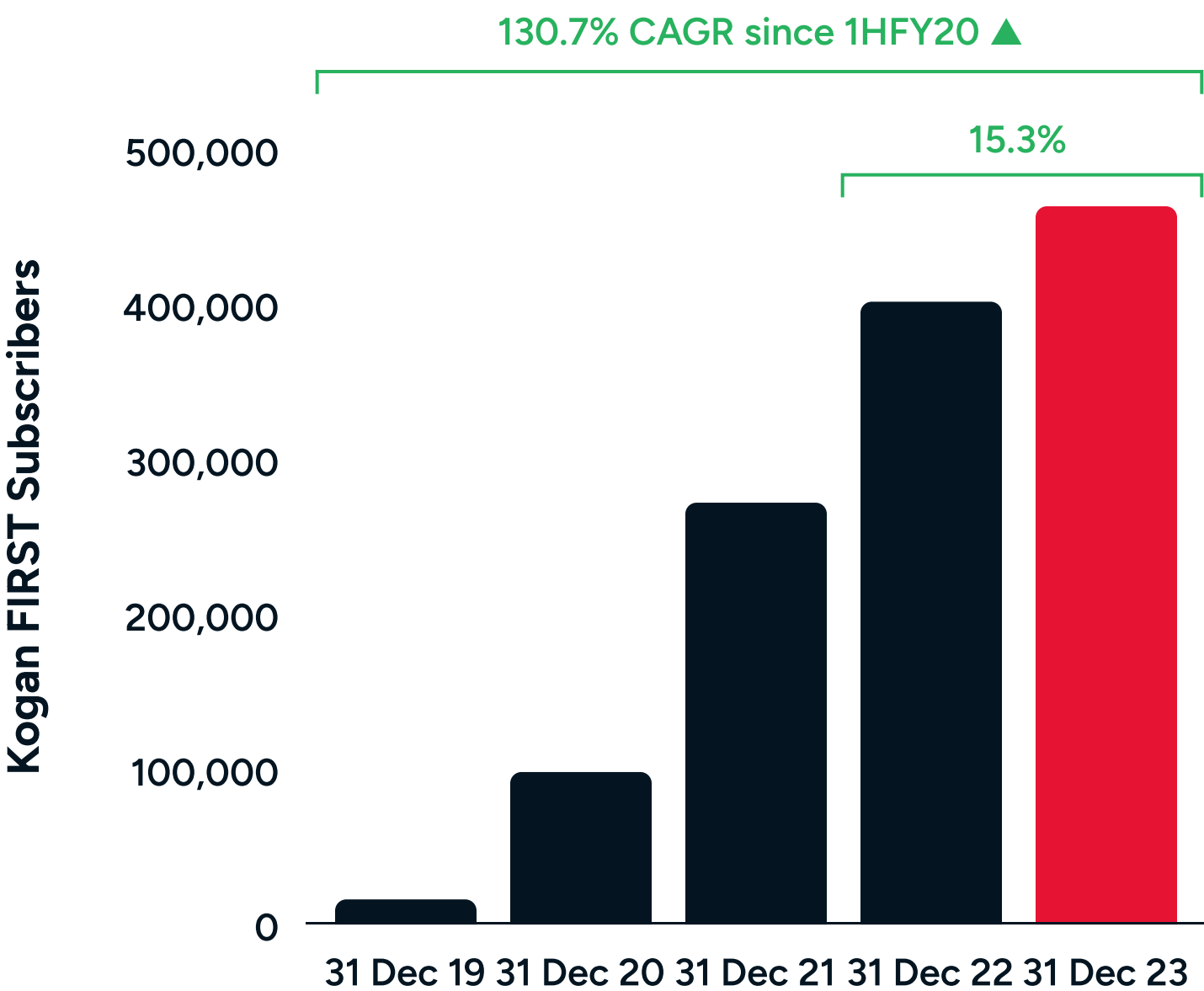
As the Kogan FIRST and Mighty Ape Primate loyalty programs continue to grow, we anticipate this proportion to increase.

13. 6-month Gross Profit divided by Group Active Customers

14. 6-month marketing spend divided by Group Active Customers

Double digit growth in the program as Subscribers demonstrate increased buying behaviour.

Kogan FIRST Subscribers¹⁵



Kogan FIRST contribution¹⁶

62.9%
in 1HFY24

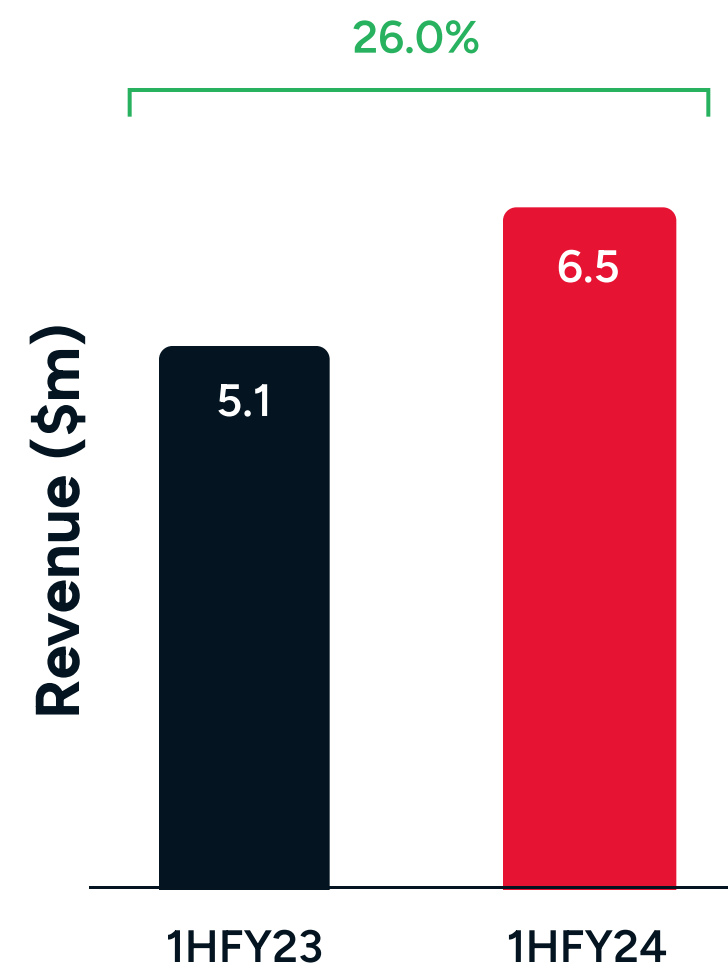
- The Kogan FIRST loyalty program included over 466,000 Subscribers at 31 December 2023, versus over 404,000 Subscribers at 31 December 2022.
- Kogan FIRST Subscribers drove over 62% of Gross Sales on the Kogan.com platform.
- The Kogan FIRST program delivers millions of dollars worth of benefits in the form of Kogan reward credits, exclusive member deals, every day discounts, free shipping, priority Customer Service and double Qantas points. In order to continue supporting this remarkable value, the Kogan FIRST Annual Subscription will increase to \$129.00 from 8 April 2024.

15. Kogan FIRST Subscribers excludes Kogan FIRST customers who are in a trial period, and includes only non-trial subscribers.
16. 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.

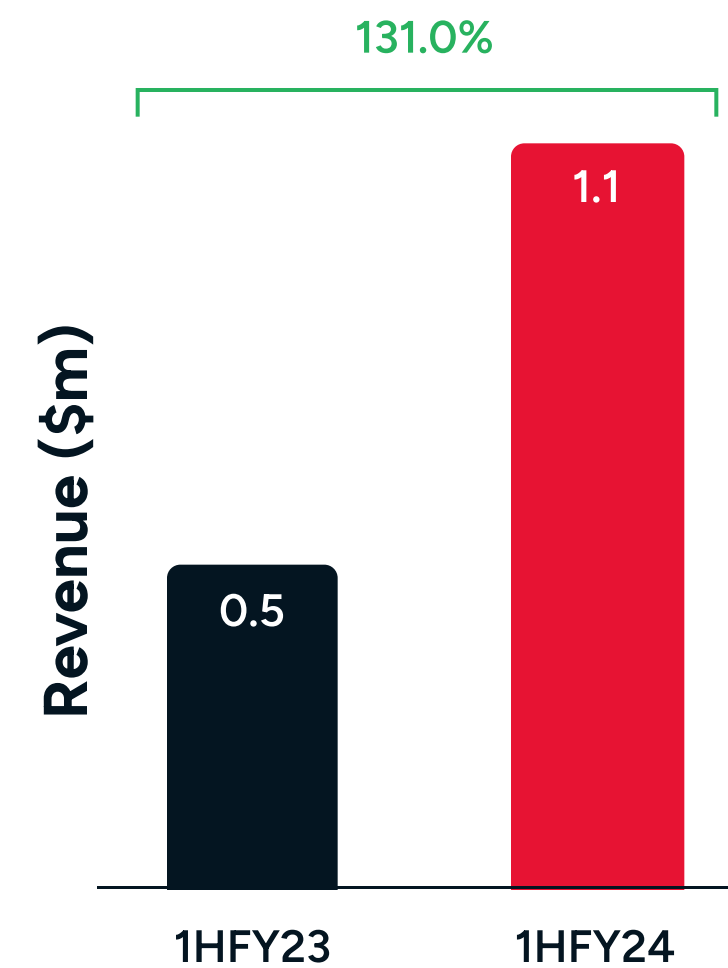
Kogan Verticals.

Revenue from Kogan Verticals collectively grew 25.6% on the pcip.

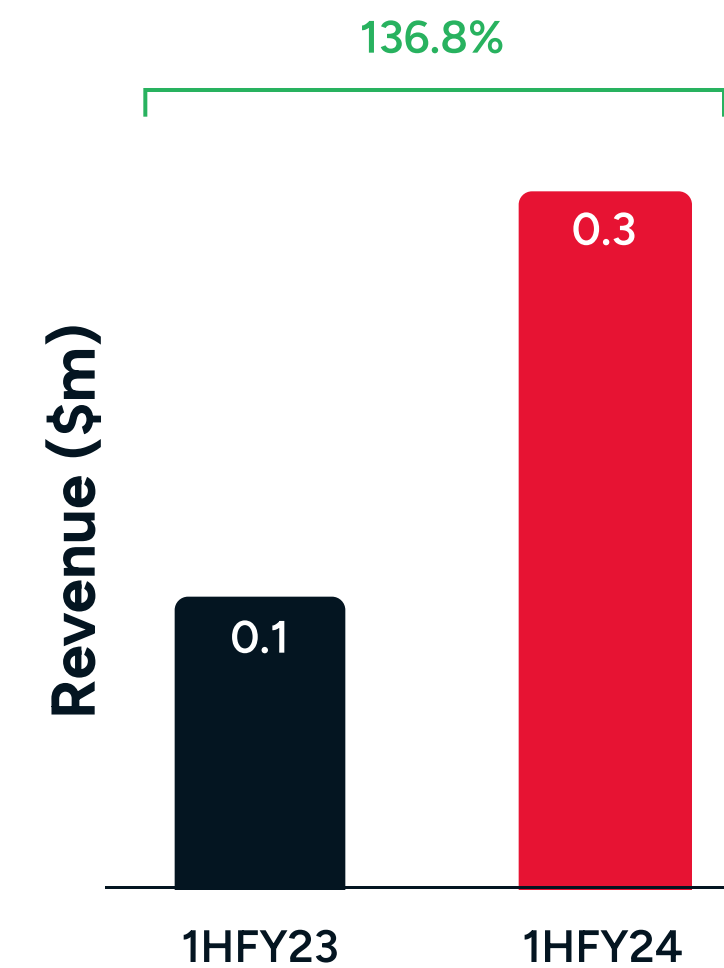
Kogan Mobile Australia



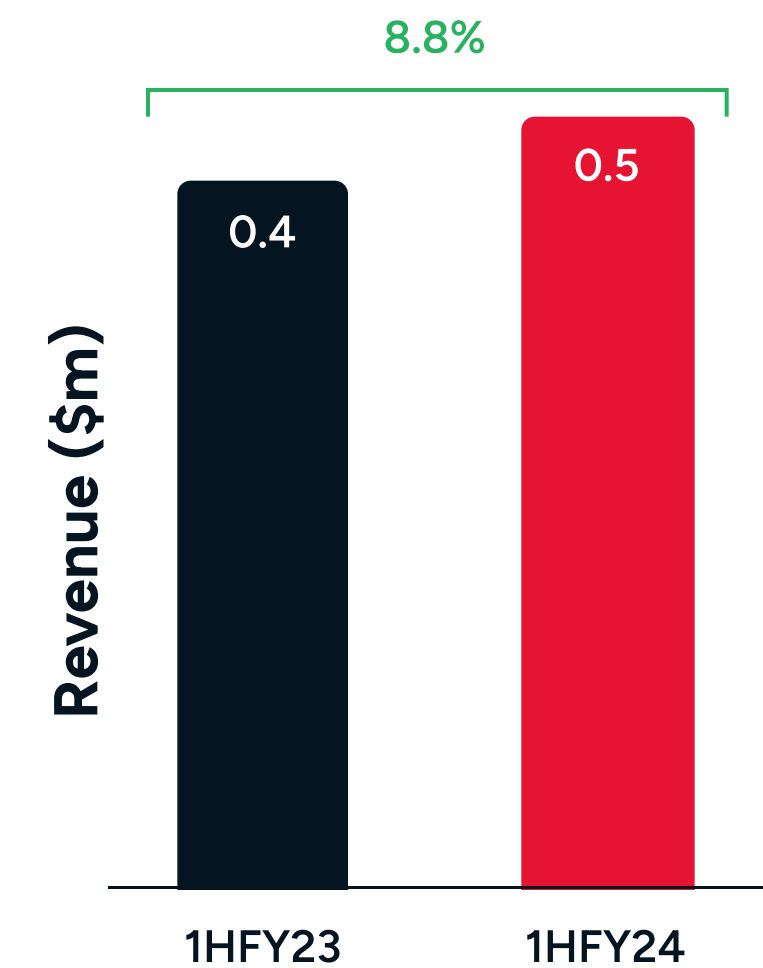
Kogan Mobile New Zealand



Kogan Insurance



Kogan Internet



- The Kogan Verticals is a key component to the diversification and strength of our business model. The Verticals deliver strong cash flows and require little capital investment as we leverage our brand.
- We anticipate continued growth as we progress through 2HFY24 as well as assess potential opportunities to offer new Verticals in the future.

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Financial update.

David Shafer

CFO, COO and Executive Director



Kogan Group 1HFY24 P&L.

We have delivered a half of strong profitability.

\$m	1HFY23	1HFY24	Mvmt %
Gross Sales	472.9	446.6	(5.6%)
Revenue	275.6	248.2	(9.9%)
Cost of sales	(212.6)	(158.7)	(25.4%)
Gross Profit	62.9	89.5	42.2%
Gross Margin	22.8%	36.1%	13.2pp/57.9%
Variable costs	(11.6)	(9.6)	(17.9%)
Marketing costs	(24.2)	(26.5)	9.5%
Contribution profit	27.1	53.5	97.3%
Contribution margin	9.8%	21.5%	11.7pp/119.1%
People costs	(39.1)	(24.3)	(38.0%)
Other costs	(10.9)	(9.7)	(10.6%)
Total operating costs	(85.8)	(70.1)	(18.4%)
Unrealised (loss)	(0.1)	(0.1)	22.6%
EBITDA	(23.0)	19.4	184.2%
EBITDA margin	(8.3%)	7.8%	16.1pp/193.5%
Unrealised gain/(loss)	1.4	(0.1)	
Realised (loss) on Wonderfi shares	(1.7)	-	
Equity-based compensation	(14.2)	(2.1)	
Bitbuy.com domain sale	(0.1)	-	
Mighty Ape Tranche 4 acquisition costs	(4.0)	-	
Adjusted EBITDA	(4.4)	21.5	590.6%
Depreciation	(4.5)	(3.7)	(17.5%)
Amortisation	(3.9)	(3.8)	(1.9%)
EBIT	(31.3)	11.9	137.9%
Adjusted EBIT	(12.7)	14.0	210.1%
Interest (expense)/income	(0.6)	0.5	182.8%
(Loss)/Profit before tax	(31.9)	12.4	138.7%
Income tax benefit/(expense)	8.1	(3.7)	(145.4%)
NPAT	(23.8)	8.7	136.4%
Adjusted NPAT	(9.6)	10.2	206.1%
EPS	(0.22)	0.08	137.6%
Adjusted EPS	(0.09)	0.10	209.6%

Key drivers of Kogan Group performance.

Our 1HFY24 results illustrate the high margin business model we built over many years.

Gross Sales & Revenue

- The Company recorded Gross Sales of \$446.6 million and Revenue of \$248.2 million. The decline in both can be attributed to the strategic transition to Platform-based Sales¹⁷ as well as our reduction in surplus inventory to realign the business with current trading conditions.
- 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, Mighty Mobile, Kogan FIRST, Advertising & Other income.
- The Group did achieve growth in Revenue in Kogan Verticals, driven by Kogan Mobile, Kogan Insurance and Kogan Internet. Additionally, the new Advertising Platform rapidly grew, delivering \$1.3 million in Advertising Income in the half.

Gross Profit & Gross Margin

- 1HFY24 Gross Profit of \$89.5 million increased 42.2% on the pcp while Gross Margin of 36.1% showed improvement of 13.2pp, driven by the recovery of Product Division profitability and the continued growth of Platform-based Sales¹⁷ contribution.
- Gross Margin in the pcp was largely impacted by the aggressive sell-through of inventory in order to realign the Business with current trading conditions. This realignment was completed at the end of FY23.

Platform performance

- Group Active Customers were 2,744,000 as at 31 December 2023. Kogan.com had 2,026,000 Active Customers while Mighty Ape had 718,000 Active Customers.

17. 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.

Key drivers of Kogan Group performance.

Our 1H FY24 results illustrate the high margin business model we built over many years.

Product Division

- The Product Division, being our Exclusive Brands and Third-Party Brands, Revenue declined by a collective 25.8% on the pcp. A key factor to the performance has been the reduction in inventory levels which has seen the cycling of a period with surplus inventory and elevated promotional activity. Pleasingly, profitability of the division has returned and we expect this to continue into 2H FY24.

Kogan Marketplace

- Kogan Marketplace Gross Sales declined by 9.1% on the pcp, however Revenue declined by 3.3% on the pcp, reflecting challenging trading conditions being partially offset by continued improvement in the economics of the Division.
- Through the Kogan Marketplace, we introduced the Kogan Advertising Platform this half. The platform allows Kogan Marketplace Sellers to market their products on the Kogan.com and Dick Smith sites, and increase their chances to sell their product to our millions of customers. The new platform delivered \$1.3 million in Advertising Income in the half, and is expected to continue growing through 2H FY24.

Kogan FIRST & Mighty Ape Primate

- Kogan FIRST continues to grow, delivering Revenue of \$22.7 million in the half, an increase of 109.7% on the pcp. These results were delivered following an increase in Subscribers of 15.3% on the pcp to over 466,000 as at 31 December 2023.
- The Mighty Ape Primate loyalty program received renewed focus this half, seeing the Subscriber base grow to over 24,000 from 16,000. As we continue to grow this loyal group of Mighty Ape customers, we anticipate increased benefits for the business.

Key drivers of Kogan Group performance.

Our 1HFY24 results illustrate the high margin business model we built over many years.

Mighty Ape

- We delivered Gross Sales of \$87.1 million in the six-month period to 31 December 2023, remaining relatively flat in comparison to the pcg.
- Improved profitability was achieved through increased private label sales and improved economics for last-mile delivery services, helping to deliver Gross Profit growth of 4.3% on the pcg resulting in \$22.5 million at a margin of 26.3%.
- Operational costs increased on the pcg, as we continue to invest in the team, infrastructure and systems that are expected to deliver long-term benefits for the business. These include the new Christchurch warehouse and distribution centre and ongoing implementation of a new Warehouse Management System.

Variable Costs

- Variable costs reduced by over 17% on the pcg, as the realignment of inventory in the business allowed for a combination of consolidation and reduction of our logistics network. Most of the anticipated cost reductions have now been achieved, however we will continue to finalise further cost reductions in 2HFY24.

Investment 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.

Key drivers of Kogan Group performance.

Our 1HFY24 results illustrate the high margin business model we built over many years.

People & Other Costs

- The value of Equity-based Compensation reduced significantly on the pcp following the vesting of the Executive Remuneration Options granted during the 2020 AGM. People costs also no longer include the Mighty Ape acquisition tranche 4 costs following the final payment having been completed in October 2023.
- Excluding the above two mentioned items, People Costs did increase slightly YoY, reflective of the continued investment in our team and wage inflation.
- Other costs reduced by 10.6% on the pcp and reflects a reduction across services contracts and IT expenses as the Business continued to review Operating Costs to further optimise where possible.

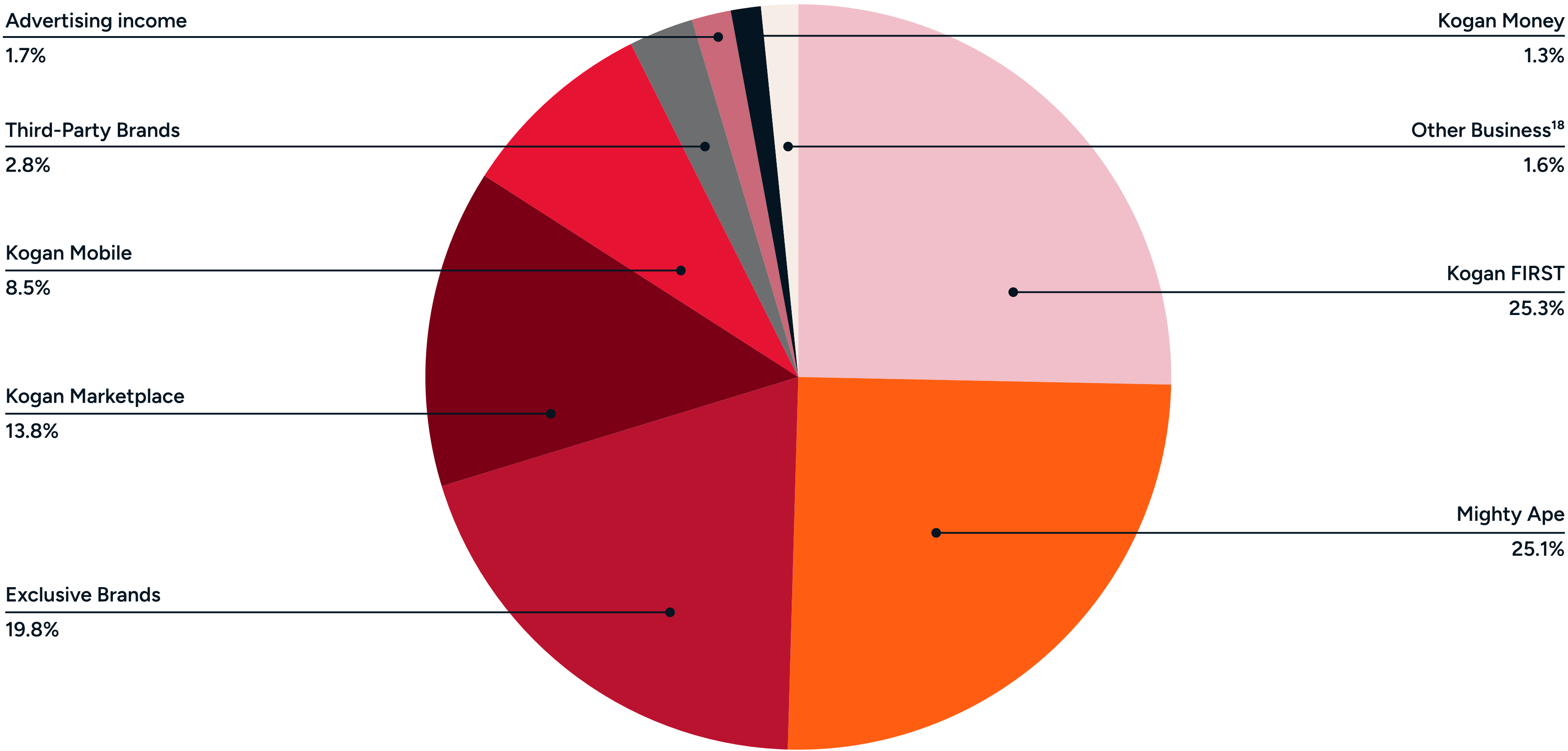
Bottom line profitability metrics

- These adjusted metrics measure the underlying performance of the Business, removing non-cash items, namely unrealised gains/(losses) and equity-based compensation. As such, these metrics may provide a useful indication of the underlying trading performance of the Company.
- Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT were \$21.5 million, \$14.0 million and \$10.2 million, respectively, for 1HFY24. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
- The value of adjusting items reduced significantly in 1HFY24, resulting in a small variance between Adjusted and non-Adjusted metrics. EBITDA, EBIT and Statutory NPAT were \$19.4 million, \$11.9 million and \$8.7 million, respectively. It is expected that this smaller delta will continue into the future given that previously large one-off items such as the Mighty Ape acquisition and significant Executive Retention Options have been completed.

1HFY24 Gross Profit by Business Division.

Kogan FIRST is now the largest contributor of Gross Profit for the Group. Advertising income is being driven by the new Advertising Platform and is expected to grow quickly.

1HFY24 Gross Profit contribution

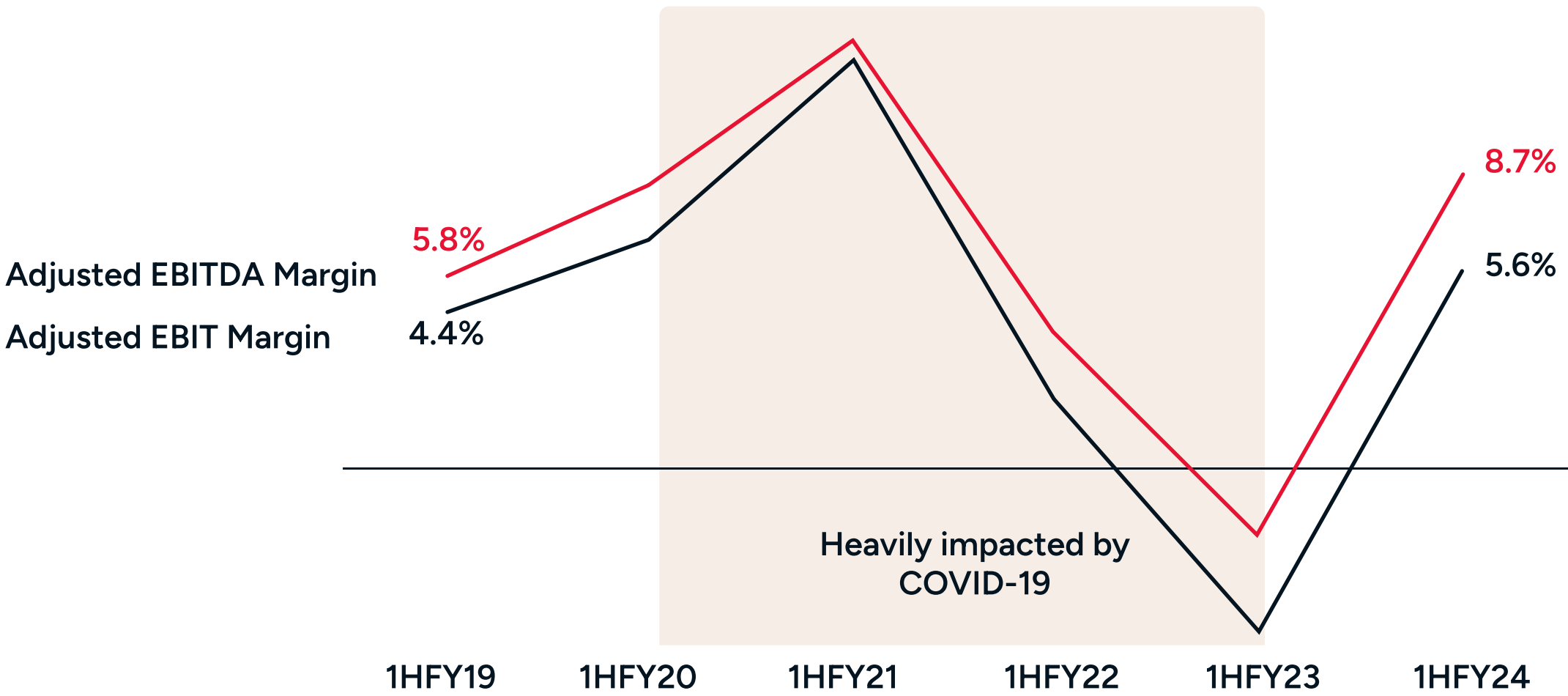
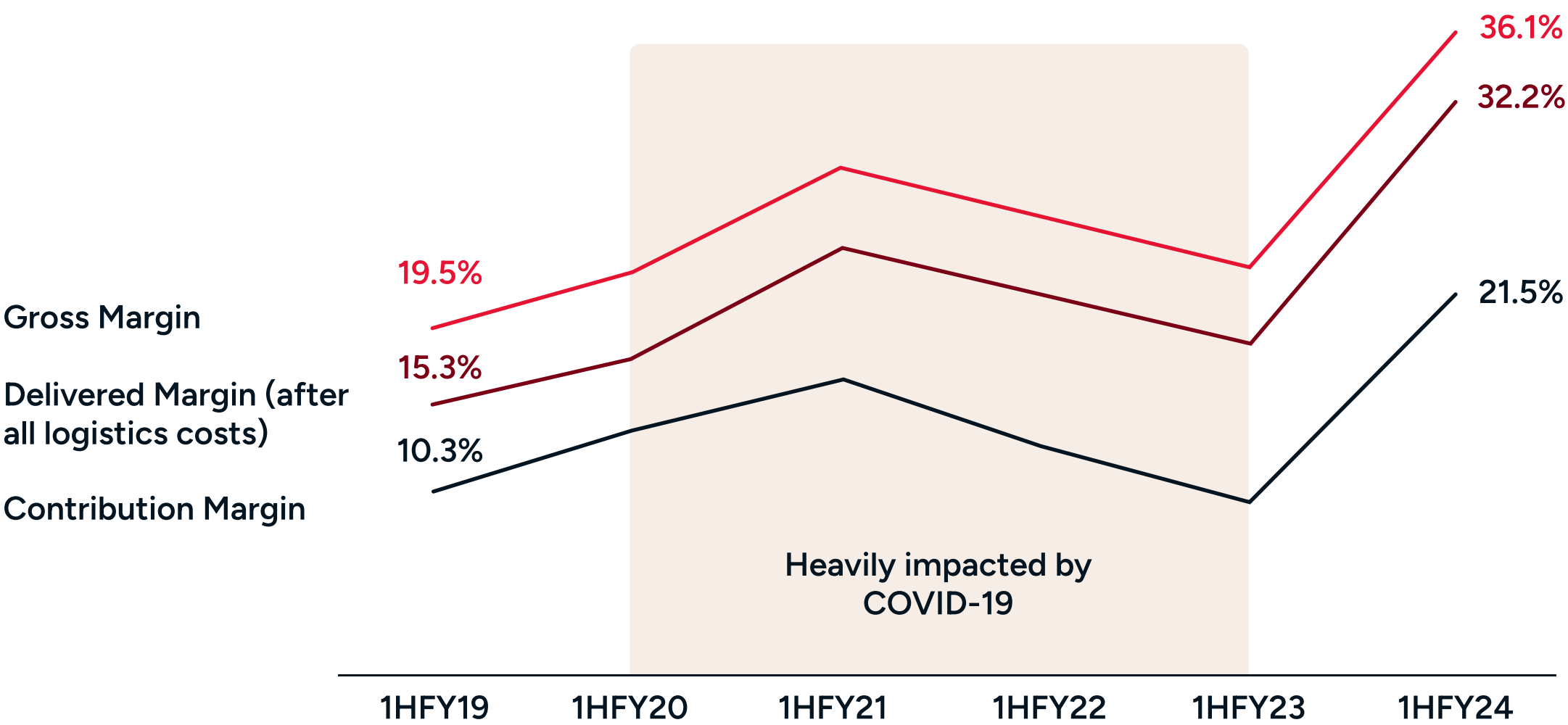


18. Other Business includes Kogan Insurance, Kogan Internet, Kogan Energy and Mighty Mobile.

Kogan Group Operating Leverage.

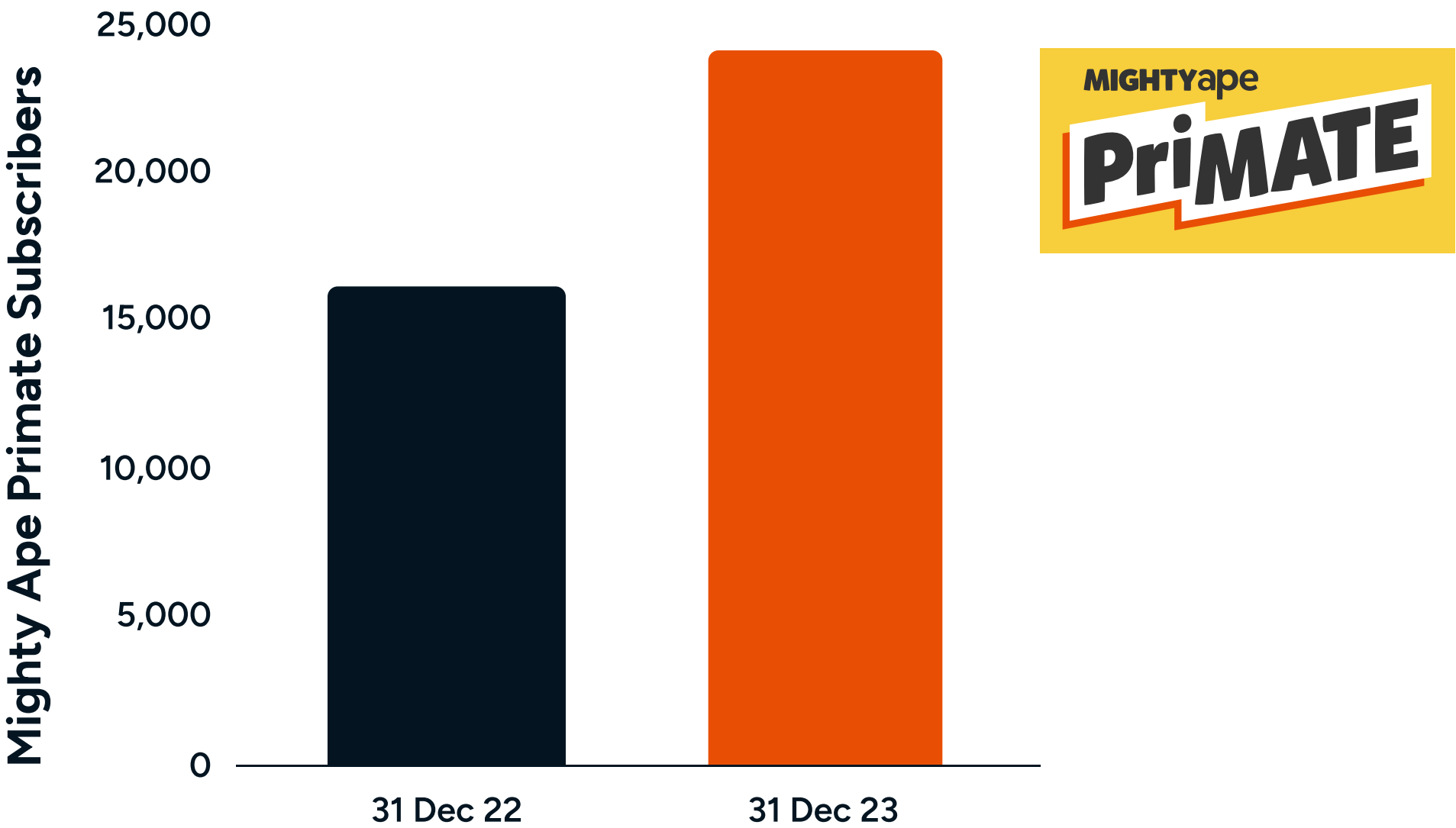
The Group is now exceeding historical operating leverage across multiple metrics and has returned to positive margins at the bottom line.

	1HFY19	1HFY20	1HFY21	1HFY22	1HFY23	1HFY24
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Margin	19.5%	22.7%	28.4%	25.8%	22.8%	36.1%
Delivered Margin (after all logistics costs)	15.3%	17.8%	24.0%	21.3%	18.6%	32.2%
Marketing costs	5.0%	4.0%	7.4%	9.6%	8.8%	10.7%
Contribution Margin	10.3%	13.8%	16.6%	12.8%	9.8%	21.5%
Fixed costs	4.7%	5.8%	6.4%	13.2%	18.1%	13.7%
EBITDA margin	5.8%	7.6%	9.4%	(0.5%)	(8.3%)	7.8%
Adjusted EBITDA margin	5.8%	8.4%	12.5%	4.1%	(1.6%)	8.7%
EBIT margin	4.5%	5.8%	8.5%	(2.7%)	(11.4%)	4.8%
Adjusted EBIT margin	4.4%	6.5%	11.6%	1.9%	(4.6%)	5.6%



Significant projects were delivered during the half that are expected to have long term benefits.

Mighty Ape Financials			
A\$m	1H FY23	1H FY24	Mvmt %
Gross Sales	87.0	87.1	0.1%
Revenue	86.4	85.6 ¹⁹	(1.0%)
Gross Profit	21.6	22.5	4.3%
Gross Margin	25.0%	26.3%	1.3pp/5.4%
EBITDA	6.4	5.7	(11.0%)
EBITDA Margin	7.4%	6.7%	(0.8pp)/(10.1%)
Adjusted EBITDA	6.8	5.7	(15.3%)
Adjusted NPAT	4.1	3.3	(20.5%)



The half has seen the Mighty Ape brand land two key projects, being:

- A new warehouse and distribution centre in Christchurch. The new facility will allow for quicker and more economical last mile delivery to New Zealand’s South Island. Additionally, it will assist in achieving further logistics synergies with Kogan.com. The facility, having just been opened, is expected to be fully operational during 2H FY24.
- The first Vertical under the Mighty Ape Brand was launched in the half, Mighty Mobile. Mighty Mobile offers prepaid mobile plans with unlimited data, the first to do so in New Zealand. We expect this Vertical to grow rapidly and pave the way for further Mighty Ape Verticals in the future.

Additionally, we renewed our focus on the Mighty Ape Primate loyalty program, growing Primate Subscribers to over 24,000 as at the end of the half, from over 16,000 at the start of the period. The program provides free delivery or discounted same-day delivery, Priority Support and Exclusive Deals.

19. Revenue includes those derived from both retail activity as well as the new Vertical, Mighty Mobile.

Kogan Group Balance Sheet.

We completed the 1HFY24 with a strong Balance Sheet.

\$m	Dec-22	Dec-23
CURRENT ASSETS		
Cash	85.0	83.3
Trade and Other Receivables	9.6	10.1
Inventories	98.3	68.3
Current tax asset	1.0	0.0
Other financial assets	0.0	0.0
Total current assets	193.9	161.7
NON-CURRENT ASSETS		
Property, plant and equipment	25.4	24.7
Intangible assets	44.0	39.6
Deferred tax asset	22.0	25.9
Goodwill	46.3	46.3
Total non-current assets	137.8	136.6
Total assets	331.7	298.3
CURRENT LIABILITIES		
Trade and Other Payables	90.4	84.8
Other financial liabilities	0.1	0.0
Acquisition payables	18.1	0.0
Lease liability	8.6	5.8
Loans and borrowings	1.1	0.0
Provisions	4.5	5.0
Deferred income	19.9	23.0
Current tax liability	0.0	1.9
Total current liabilities	142.6	120.5
NON-CURRENT LIABILITIES		
Lease liability	15.0	16.2
Deferred income and provisions	0.4	0.5
Loans and borrowings	9.9	0.0
Total non-current liabilities	25.3	16.7
Total liabilities	167.8	137.3
Net Assets	163.8	161.0

The Business continued to maintain a strong Balance Sheet as at 31 December 2023.

The Balance Sheet was underpinned by a cash balance of \$83.3 million, growing from a net cash balance (after loans & borrowings) of \$74.0 million as at 31 December 2022.

Inventories held by the Group were well aligned with the prevailing trading conditions, ending the half with \$68.3 million. This consisted of:

- \$58.2 million inventory in-warehouse
- \$10.1 million inventory in-transit

The strength of the Balance Sheet is further demonstrated by:

- the payment of the Mighty Ape acquisition tranche 4 of \$10.9 million;
- reduction in Loans & Borrowings and Trade & Other Payables on the prior corresponding period; and
- investment of \$28.0 million to the Share buy-back program over the last 12-months.

Kogan Group Cash Flow Statement.

A strong cash balance with no external debt.

Cash flows from Operating Activities	1HFY23	1HFY24
Receipts from customers	295.4	257.3
Payments to suppliers and employees	(226.0)	(204.6)
Interest received	0.3	1.0
Finance costs paid	(1.3)	(0.5)
Income tax paid	(6.1)	(1.1)
Net cash provided by operating activities	62.3	52.0
Cash flows from Investing activities		
Purchase of property, plant and equipment	(0.2)	(1.5)
Purchase of intangible assets	(2.0)	(1.6)
Disposal of intangible assets	0.0	0.0
Disposal of Financial Assets	0.3	0.0
Business Acquisition net of acquired cash	(14.2)	(10.9)
Net cash (used in) investing activities	(16.2)	(14.0)
Cash flows from financial activities		
Repayment of loans & borrowings	(25.0)	0.0
Draw down on debt facility	1.1	0.0
Repayment of lease liabilities	(4.0)	(3.1)
Payments for shares bought back	0.0	(17.2)
Net cash (used in) financing activities	(28.0)	(20.3)
Net increase in cash held	18.2	17.7
Cash and cash equivalents at beginning of the period	66.2	65.4
Effects of exchange rate changes on cash	0.6	0.1
Cash and cash equivalents at end of the period	85.0	83.3

We completed the half with \$83.3 million in cash with no external debt. The half included:

- Strong Operating Cash flows driven by a return to strong profitability and growth in our Platform-based Sales;
- The Tranche 4 (final) payment of the Mighty Ape acquisition, being \$10.9 million; and
- Investment of \$17.2 million into the Share buy-back program (ongoing).

2HFY24 Trading Update & Outlook.

Ruslan Kogan

Founder, CEO and Executive Director



2HFY24 Kogan Group trading update and outlook.

Overview

- Consistent with prior years, the Company will not be providing earnings guidance. However, it will provide regular business updates during the year.
- January 2024 unaudited management accounts showed Adjusted EBITDA of \$4.9 million.

In 2HFY24, we expect:

- Continued growth of Platform-based Sales contribution
- Improving Gross Margin and Operating Leverage
- Continued improvement in our Product Division's profitability
- Accelerated growth of the Advertising Platform and Mighty Mobile
- Further enhancement and growth of Kogan FIRST
- Maintenance of a strong Balance Sheet



Interim Dividend.

The Board has declared a fully franked Interim Dividend of 7.5 cents per share. The Dividend Reinvestment Plan (DRP) will apply to the Interim Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

	DPS (cents)	Franking (%)	Record date	Election date ²⁰	Payment date
Dividend per Ordinary Share (cents)	7.5	100.0	15 April 2024	16 April 2024	31 May 2024

20. The date by which an eligible Shareholder must have notified Kogan.com Ltd that it will participate in the DRP.

Glossary.

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

Adjusted EBITDA: earnings before interest, tax, depreciation and amortisation and excludes 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 and tax and excludes 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 excludes 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, Matt Blatt, Brosa and Mighty Ape 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.

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, Mighty Ape, Kogan Marketplace, Kogan FIRST, Kogan Verticals, Advertising Income, Mighty Mobile and the commission of Kogan Money (due to limitations of Kogan Money Gross Sales reporting).

Group Active Customers: are the total Active Customers of Kogan.com and Mighty Ape who have purchased in the last twelve months from 1 January 2023, rounded down to the nearest thousand.

Kogan.com Active Customers: unique customers who have purchased in the last twelve months from 1 January 2023 either on the Kogan.com platform, rounded down to the nearest thousand.

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.

Glossary.

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 Vodafone's mobile network in Australia.

Kogan Mobile New Zealand: Vertical launched in 1HFY20 offering pre-paid mobile phone plans available online using One NZ'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. In FY22 our partnership transitioned to 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 paused on 30 June 2023.

Kogan Verticals: Kogan Credit Cards, Kogan Energy, Kogan Insurance, Kogan Internet, Kogan Life, Kogan Mobile Australia, Kogan Mobile New Zealand, Kogan Money, Kogan Pet, Kogan Super and Kogan Travel.

Mighty Ape: refers to Mighty Ape Ltd.

Mighty Ape Customers: unique customers who have purchased in the last twelve months from 1 January 2023 on the Mighty Ape platform, rounded down to the nearest thousand.

Mighty Mobile: Launched in August 2023, this represents Mighty Ape's first Vertical, offering prepaid mobile plans with unlimited data in the New Zealand market.

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.

pcp: prior corresponding period, being 1HFY24 versus 1HFY23.

Platform-Based Sales: 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.

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/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 - 1HFY24 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.

Annexure 1.

1HFY24 Revenue by Business Division.

\$m	1HFY23 Revenue	1HFY24 Revenue	Variance (%)
Exclusive Brands	105.2	79.2	(24.7%)
Third-Party Brands	50.9	36.6	(28.0%)
Product Division	156.1	115.9	(25.8%)
Kogan Marketplace	12.8	12.3	(3.3%)
Mighty Ape	86.4	85.5	(1.1%)
Kogan FIRST	10.8	22.7	109.7%
Kogan Mobile	5.6	7.6	35.0%
Kogan Money	1.3	1.2	(8.6%)
Advertising income	0.9	1.6	75.7%
Other business ²¹	1.6	1.5	(8.7%)
Total	275.6	248.2	(9.9%)

21. Other Business includes Kogan Insurance, Kogan Internet, Kogan Energy and Mighty Mobile.

Annexure 2.

Reconciliation to Kogan Group Adjusted EBITDA and Adjusted NPAT.

\$m	Unadjusted	Unrealised loss	Equity-based compensation	Adjusted
Revenue	248.2			248.2
Cost of sales	(158.7)			(158.7)
Gross Profit	89.5			89.5
Gross Margin	36.1%			36.1%
Variable costs	(9.6)			(9.6)
Marketing costs	(26.5)			(26.5)
People costs	(24.3)		2.1	(22.2)
Other costs	(9.7)			(9.7)
Total operating costs	(70.1)			(68.0)
Unrealised gain/(loss)	(0.1)	0.1		0.0
EBITDA	19.4			21.5
Depreciation	(3.7)			(3.7)
Amortisation	(3.8)			(3.8)
EBIT	11.9			14.0
Interest	0.5			0.5
Profit before tax	12.4			14.5
Income tax expense	(3.7)	(0.0)	(0.6)	(4.3)
NPAT	8.7			10.2
EPS	0.08			0.10

Adjusted EBITDA, Adjusted EBIT 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 1HFY24 the below items have been adjusted:

- **Unrealised loss:** unrealised loss at half-year end related to shares still held and open forward foreign exchange contracts.
- **Equity-based compensation:** relates to Performance Rights and Options granted to team members as a form of long-term incentive.