

ASX ANNOUNCEMENT

24 April 2024

Kogan.com April 2024 Business Update

Continues strong profitability

Kogan.com Ltd (the Company; the Business; Kogan.com; ASX:KGN) is pleased to announce continued strong profitability through 3QFY24, maintenance of a healthy Balance Sheet, and continued growth in its loyalty program, Kogan FIRST.

Kogan FIRST grew to over 472,000 Subscribers at 31 March 2024. This represents growth of over 16% YoY. The Business has continued to deliver immense value through the program to its most loyal customers, and expects the strong growth to continue.

Founder and CEO of Kogan.com, Ruslan Kogan, said:

"Kogan FIRST has become the north star for the business, creating immense value for our loyal customers. We deliver remarkable value to our loyal members, and in so doing ensure that members come to Kogan first!"

"Kogan FIRST is the best way to take advantage of our remarkable value on the most in demand products and essential services. Almost half a million smart shoppers recognise this!"

"I'm excited to announce today that we continue to grow the benefits through the program, launching Kogan Travel hotel deals. As of today, Kogan Travel now offers the best value domestic and international hotel stays and packages with exclusive pricing for Kogan FIRST Subscribers. If you have some travel coming up, we encourage you to compare our prices and start saving."

"Our team is committed to delivering remarkable value to millions of customers and help them combat the cost-of-living, so they can live their best lives."

The Company provides the following update which, where applicable, is based on unaudited management accounts as at 31 March 2024. The update compares the 3QFY24 to 3QFY23:

- **Gross Sales** of \$178.3 million reflects a decline of 6.2% PCP following a recalibration to our quality of Revenue and focus on Platform-based Sales¹, which resulted in a significant reduction in inventories YoY. The reduction in inventories has been discussed at length in recent announcements made by the Company, and follows the Company's plan to reposition itself into a more capital-light business.
- **Revenue** of \$105.9 million reflects a decline of 2.4% PCP, and is a result of the recalibration of Revenue quality and inventories right-sizing outlined above.
- **Gross Profit** of \$39.0 million increased 13.8% PCP, driven by an improved Gross Margin.
- **Gross Margin** of 36.8% improved by 5.2pp PCP, underpinned by a larger contribution from Platform-based Sales¹ and improved profitability of in-warehouse inventory sales after the prior sell-through of excess inventory.

¹ Refers to sales generated by Kogan Marketplace, Kogan FIRST, Kogan Verticals, Mighty Ape Verticals and Advertising & Other Income. It excludes Exclusive Brands, Third-Party Brands and Mighty Ape.

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- **Platform-based Sales**¹ contributed 61.6% of Gross Sales in 3QFY24.
 - The new Advertising Platform is continuing to scale, generating \$0.8 million in Revenue during the period.
 - **Group Active Customers** were 2,660,000 as at 31 March 2024, consisting of 1,950,000 for Kogan.com and 710,000 for Mighty Ape.
 - **Kogan FIRST Subscribers**² totalled over 472,000 as at 31 March 2024, compared to over 407,000 as at 31 March 2023. Kogan FIRST membership cost was increased from \$99 to \$129 on 8 April 2024.
 - The Group's return to strong profitability continued:
 - **Adjusted EBITDA**³ was \$9.0 million (3QFY23: \$4.4 million)
 - **Adjusted EBIT**³ was \$5.3 million (3QFY23: \$0.2 million)
 - The Company's Balance Sheet remains strong, underpinned by:
 - **Cash** totalling \$34.1 million, with no external debt, as at 31 March 2024, compared to net cash (after loans & borrowings) of \$49.1 million as at 31 March 2023. This result was achieved after completing the Mighty Ape Tranche 4 payment (being the final tranche) of \$10.9 million and investing \$33.8 million into the Company's Share Buy-Back program over the past 12 months.
 - **Inventories** totalling \$71.1 million as at 31 March 2024, comprising \$61.1 million in-warehouse and \$10.0 million in-transit. The inventory balance represents a YoY reduction of 9.2%.

² Kogan FIRST Subscribers excludes Kogan FIRST customers who are in a trial period, and includes only non-trial subscribers.

³ Adjusted EBITDA and Adjusted EBIT excludes non-cash items such as unrealised gains/(losses) and equity-based compensation.

ANNEXURE 1

Gross Sales (\$m)	3QFY23	3QFY24	3QFY23 vs 3QFY24	
			Mvmt (\$)	Mvmt (%)
Kogan Marketplace	60.4	50.3	(10.2)	(16.8%)
Exclusive Brands	39.8	37.4	(2.4)	(6.0%)
Mighty Ape	33.4	30.4	(3.1)	(9.2%)
Third-Party Brands	19.8	19.4	(0.4)	(2.2%)
Kogan FIRST	7.7	9.7	2.0	26.1%
Kogan Mobile Australia	18.9	20.6	1.7	8.8%
Kogan Energy	3.5	3.0	(0.5)	(14.8%)
Kogan Internet	2.7	2.9	0.2	6.1%
Kogan Mobile New Zealand	1.0	1.8	0.8	78.2%
Kogan Money ⁴	0.8	0.4	(0.4)	(52.4%)
Kogan Insurance ⁴	0.6	1.4	0.8	132.7%
Advertising & Other	1.2	1.1	(0.1)	(9.5%)
Total	190.0	178.3	(11.7)	(6.2%)

Gross Profit (\$m)	3QFY23	3QFY24	3QFY23 vs 3QFY24	
			Mvmt (\$)	Mvmt (%)
Kogan.com	25.5	29.8	4.3	16.8%
Mighty Ape	8.7	9.2	0.4	5.0%
Total	34.3	39.0	4.7	13.8%

Adjusted EBITDA ³ (\$m)	3QFY23	3QFY24	3QFY23 vs 3QFY24	
			Mvmt (\$)	Mvmt (%)
Kogan.com	3.0	7.7	4.7	159.1%
Mighty Ape	1.4	1.3	(0.0)	(3.3%)
Total	4.4	9.0	4.7	107.6%

Adjusted EBIT ³ (\$m)	3QFY23	3QFY24	3QFY23 vs 3QFY24	
			Mvmt (\$)	Mvmt (%)
Kogan.com	(0.7)	4.6	5.3	740.8%
Mighty Ape	0.9	0.7	(0.2)	(25.7%)
Total	0.2	5.3	5.1	2503.9%

⁴ 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.

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ENDS

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About Kogan.com:

Kogan.com is a portfolio of retail and services businesses that includes Kogan Retail, Kogan Marketplace, Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Energy, Kogan Travel, Dick Smith, Matt Blatt, Mighty Ape and Brosa. Kogan.com is a leading consumer brand renowned for price leadership through digital efficiency. The Company is focused on helping customers live their best lives by delivering remarkable value.

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