

ASX ANNOUNCEMENT

29 July 2024

Kogan.com July 2024 Business Update

Continued strong profitability as customers turn to Kogan.com during cost of living crisis

Kogan.com Ltd (the Company; the Business; Kogan.com; ASX:KGN) is pleased to announce another quarter of strong performance as the business continues to help customers through cost of living pressures.

For the first time ever, there are now more than half a million Kogan FIRST Subscribers¹. Kogan.com has returned to Revenue growth in the June quarter and has maintained strong profitability and a solid Balance Sheet through the completion of FY24.

Following the EOFY sales events, Kogan FIRST grew to over 502,000 Subscribers¹ at 30 June 2024, representing over 25% growth YoY. Kogan FIRST is delivering incredible value to more than half a million of the Company's most loyal customers, enhancing their shopping experience with exclusive discounts, benefits and rewards. The loyalty of these subscribers has helped return Kogan.com to Revenue growth in the June quarter. The Company notes that, while growth in Kogan FIRST has been seasonally strong in the June quarter, growth may moderate as the business cycles a period of high growth in the prior period.

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

"Cost of living pressures are driving customers to Kogan.com and we're working harder than ever to ensure we save our customers a lot of money. While Kogan FIRST Subscribers are saving a lot of money shopping online, they are also recognising that if their essential services like phone plan, electricity or NBN isn't with Kogan.com, then they're probably paying too much.

"It's incredible to reflect on the fact that we launched Kogan FIRST just four years ago. In that time, we have significantly expanded the program's benefits, and it's fantastic to see over half a million smart shoppers recognising this value. We provide them with exceptional deals on the most in-demand products and essential services.

"Having ended the financial year on a high, our team is thrilled to carry this momentum into FY25. We remain committed to consistently delivering even more remarkable value to our millions of customers every day."

¹ Kogan FIRST Subscribers excludes those in a trial period, and includes only non-trial subscribers.

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The Company provides the following update which, where applicable, is based on unaudited management accounts as at 30 June 2024. Additional details of the comparison of the June quarter to the PCP are provided in Annexure 1. A comparison of the full financial year to the PCP is provided in Annexure 2. The update below compares the 4QFY24 to 4QFY23:

- **Gross Sales** of \$184.1 million represents a decline of 1.5% on PCP, reflecting a positive trend on the preceding three quarters.
 - Kogan.com (excluding Mighty Ape) Gross Sales of \$154.6 million, grew 1.2% on PCP.
- **Revenue** of \$105.6 million reflects an increase of 0.2% on PCP.
 - Kogan.com (excluding Mighty Ape) Revenue of \$75.9 million, grew 6.8% on PCP.
- **Gross Profit** of \$39.9 million increased 1.5% on PCP.
- **Gross Margin** of 37.8% improved by 0.5pp on PCP.
- **Kogan FIRST Subscribers**¹ totalled over 502,000 as at 30 June 2024, compared to over 401,000 as at 30 June 2023, representing over 25% growth YoY.
- **Mighty Ape PRIMATE Subscribers**² totalled over 23,000 as at 30 June 2024, compared to over 17,000 as at 30 June 2023. This represents over 35% growth YoY.
- **Group Active Customers** were 2,609,000 as at 30 June 2024, consisting of 1,909,000 for Kogan.com and 700,000 for Mighty Ape.
- The Group's return to strong profitability continued in 4QFY24:
 - **Adjusted EBITDA**³ was \$9.5 million (4QFY23: \$6.8 million), leading to a full financial year result of \$40.0 million (FY23: \$6.8 million)
 - **Adjusted EBIT**³ was \$5.7 million (4QFY23: \$2.8 million), leading to a full financial year result of \$25.0 million (FY23: -\$9.8 million)
- The Company's Balance Sheet remained solid, underpinned by:
 - **Cash** totalling \$41.2 million, with no external debt, as at 30 June 2024. This quarter included continued investment in the share buy-back program and payment of the FY24 Interim Dividend.
 - **Inventories** totaled \$73.4 million as at 30 June 2024, comprising \$67.9 million in-warehouse and \$5.5 million in-transit.

Future frequency and content of business updates

Since its listing in July 2016, Kogan.com has provided quarterly business updates each January, April, July, and October, in addition to half-yearly (February), annual (August) and AGM (November) business updates. Following a review of general market practice, the Board has decided that this Announcement will be the last update provided in the current schedule and format. From FY25, the Company intends to change both the scheduled frequency and content of its business updates. The content of its updates will consolidate various individual components of Gross Sales, remove periodic updates to Balance Sheet items, and will no longer include regular updates on customer numbers and subscribers.

² Mighty Ape PRIMATE Subscribers excludes those 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)	4QFY23	4QFY24	Mvmnt (\$)	Mvmnt (%)
Products	57.3	61.6	4.3	7.4%
Marketplace	57.5	49.1	(8.4)	(14.6%)
Mighty Ape	34.0	29.5	(4.5)	(13.3%)
Verticals ⁴	28.3	30.1	1.8	6.4%
Kogan FIRST	8.1	12.2	4.1	50.3%
Advertising & Other	1.6	1.7	0.0	2.5%
Total	186.8	184.1	(2.7)	(1.5%)

Revenue (\$m)	4QFY23	4QFY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	71.1	75.9	4.8	6.8%
Mighty Ape	34.3	29.6	(4.7)	(13.6%)
Total	105.4	105.6	0.2	0.2%

Gross Profit (\$m)	4QFY23	4QFY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	30.7	31.8	1.2	3.8%
Mighty Ape	8.7	8.1	(0.6)	(6.9%)
Total	39.3	39.9	0.6	1.5%

Adjusted EBITDA ³ (\$m)	4QFY23	4QFY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	6.0	9.2	3.2	54.2%
Mighty Ape	0.9	0.3	(0.6)	(64.9%)
Total	6.8	9.5	2.7	38.7%

Adjusted EBIT ³ (\$m)	4QFY23	4QFY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	2.3	5.9	3.6	153.4%
Mighty Ape	0.4	(0.3)	(0.7)	(162.6%)
Total	2.8	5.7	2.9	105.7%

⁴ Verticals include Kogan Money and Kogan Insurance. Due to reporting restrictions from some Partners associated with these two Verticals, historical reporting of Kogan Insurance 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.

ANNEXURE 2

Gross Sales (\$m)	FY23	FY24	Mvmnt (\$)	Mvmnt (%)
Products	292.9	251.4	(41.6)	(14.2%)
Marketplace	260.1	228.6	(31.5)	(12.1%)
Mighty Ape	154.4	147.0	(7.5)	(4.8%)
Verticals ⁵	109.2	121.8	12.6	11.5%
Kogan FIRST	30.3	55.7	25.5	84.1%
Advertising & Other	2.8	4.5	1.7	62.1%
Total	849.7	808.9	(40.8)	(4.8%)

Revenue (\$m)	FY23	FY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	334.7	313.2	(21.5)	(6.4%)
Mighty Ape	154.8	146.5	(8.3)	(5.3%)
Total	489.5	459.7	(29.8)	(6.1%)

Gross Profit (\$m)	FY23	FY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	97.6	128.7	31.1	31.9%
Mighty Ape	39.0	39.8	0.8	2.0%
Total	136.6	168.4	31.9	23.3%

Adjusted EBITDA ³ (\$m)	FY23	FY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	(2.2)	32.6	34.9	n/a
Mighty Ape	9.0	7.4	(1.7)	(18.3%)
Total	6.8	40.0	33.2	487.6%

Adjusted EBIT ³ (\$m)	FY23	FY24	Mvmnt (\$)	Mvmnt (%)
Kogan.com	(17.0)	19.9	36.9	n/a
Mighty Ape	7.2	5.1	(2.1)	(29.5%)
Total	(9.8)	25.0	34.8	n/a

⁵ Verticals include Kogan Money and Kogan Insurance. Due to reporting restrictions from some Partners associated with these two Verticals, historical reporting of Kogan Insurance 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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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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