

ASX ANNOUNCEMENT

20 October 2021

Kogan.com September quarter Gross Sales surge past \$300 Million
Strong growth in Gross Sales and Kogan First Members

Kogan.com Limited (the Company; Kogan.com; ASX: KGN) is pleased to announce that the Company continued to achieve strong growth during the three months ended 30 September 2021 (1QFY22), driven by accelerating growth in Kogan First memberships, optimised inventory position, strong growth in Kogan Marketplace and Mighty Ape.

1QFY22 highlights¹ across the Kogan Group (including Kogan.com and Mighty Ape)

- **Gross Sales** grew 21.1% YoY and 23.2% QoQ to \$330.5 million
- **Gross Profit** declined 1.7% YoY but grew 31.6% QoQ to \$52.5 million
- **Adjusted EBITDA²** was \$10.8 million
- **Active Customers** grew 30.7% YoY to 3,351,000 for Kogan.com. Mighty Ape had Active Customers of 748,000 as at 30 September 2021.
- **Kogan First** members³ grew 171.1% YoY and 64.4% QoQ to 197,000

Kogan.com continued executing its long term strategy of investing in technology, logistics capability, platform improvements, and Kogan First membership benefits, laying the foundations for future growth and further enhancing customer experience.

During 1QFY22, the Company focused on further scaling Kogan Marketplace and Kogan First, improving logistics and customer service, while also driving synergies through the successful integration of Mighty Ape. These initiatives have underpinned continued strong growth in Kogan.com's active customer base, up 30.7% YoY to 3.35 million Active Customers, cementing Kogan.com's position as one of the largest online shopping communities in Australia.

Kogan.com also resolved previous inventory pressures, and closed a number of inefficient overflow warehouses. This reduction in inventory levels led to the Company significantly reducing its warehousing costs, delivering an average Variable Cost saving of \$0.8 million per month in 1QFY22 compared to 4QFY21.

¹ All financial data for 1QFY22 referred to is unaudited. See Annexure 1 for further details.

² Adjusted EBITDA is a measure of the underlying performance of the business, it removes non-cash items including the unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. In respect of 1QFY22: there are significant equity-based compensation expenses driven by the recent awards of options after the Company's AGM in November 2020 and the inclusion of Mighty Ape Tranche 3 & 4 which are considered compensation for post-combination services, and as such, treated as employee remuneration. The Group will proportionately account for these expenses up until the respective payment dates.

³ Kogan First Members excludes Kogan First customers who are in a trial period, and includes only non-trial members.

Ongoing marketing investment in building the Kogan First membership program has contributed to the strong growth in the Kogan First membership base, which grew 171.1% YoY and 64.4% QoQ to 197,000 as at 30 September 2021, and over 210,000 as at the date of this Announcement.

Kogan.com Founder & CEO, Ruslan Kogan, said he was proud of the way in which the team remained focused on delighting customers in a dynamic business and social environment:

“When it comes to delighting our customers, we set a very high standard for ourselves, and I am proud of the way the Kogan.com team has continued to deliver on our mission of making the most in-demand products and services more affordable and accessible. While overcoming many challenges, the Kogan.com team has continued to deliver strong growth while investing in the future of the business and incubating new ways to deliver more value to our customers over the long term.”

The Company provides the following business update which, where applicable, is based on unaudited management accounts for 1QFY22. The update compares the 1QFY22 accounts to those of the prior corresponding period (1QFY21)⁴ and prior quarter (4QFY21)⁴:

- Active Customers grew 30.7% YoY to 3,351,000 for Kogan.com as at 30 September 2021
- Active Customers was 748,000 for Mighty Ape as at 30 September 2021
- Kogan First members of 197,000 as at 30 September 2021, grew 171.1% YoY and 64.4% QoQ
- Gross Sales grew 21.1% YoY and 23.2% QoQ to \$330.5 million
- Gross Profit declined 1.7% YoY but grew 31.6% QoQ to \$52.5 million
- Adjusted EBITDA² was \$10.8 million
- Inventories reduced from \$227.9 million (comprising \$191.8 million in warehouse, and \$36.1 million in transit) as at 30 June 2021 to \$194.3 million (comprising \$154.2 million in warehouse and \$40.1 million in transit) as at 30 September 2021.

⁴ 1QFY22 and 4QFY21 consolidation incorporates the results of both Kogan.com and Mighty Ape. 1QFY21 only includes the result of Kogan.com as this period was prior to the Mighty Ape Acquisition. See Annexure 1 for further details.

Annexure 1

Gross Sales

				YoY		QoQ	
Gross Sales	1QFY21	4QFY21	1QFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	Mvmt (%)
Kogan.com	273.0	237.2	294.8	21.8	8.0%	57.6	24.3%
Mighty Ape	n/a	31.1	35.7	35.7	100%	4.6	15%
Total	273.0	268.3	330.5	57.6	21.1%	62.3	23.2%

Kogan.com Gross Sales highlights

				YoY		QoQ	
Gross Sales	1QFY21	4QFY21	1QFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	Mvmt (%)
Marketplace	73.7	65.4	110.4	36.7	49.8%	45.0	68.8%
Exclusive Brands	101.3	89.7	102.8	1.5	1.5%	13.1	14.6%
Kogan First	1.6	2.5	5.9	5.9	258.8%	3.3	130.6%
Total	175.0	155.1	213.3	38.2	21.8%	58.2	37.5%

Gross Profit

				YoY		QoQ	
Gross Profit	1QFY21	4QFY21	1QFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	Mvmt (%)
Kogan.com	53.4	31.8	44.1	(9.3)	(17.4%)	12.3	38.8%
Mighty Ape	n/a	8.1	8.4	8.4	100.0%	0.3	3.6%
Total	53.4	39.9	52.5	(0.9)	(1.7%)	12.6	31.6%

Adjusted EBITDA²

				YoY		QoQ	
Adjusted EBITDA	1QFY21	4QFY21	1QFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	Mvmt (%)
Kogan.com	25.2	0.8	8.5	(16.6)	(66.2%)	7.7	1001.5%
Mighty Ape	n/a	2.4	2.3	2.3	100.0%	(0.1)	(3.8%)
Total	25.2	3.2	10.8	(14.3)	(57.0%)	7.6	240.7%

Authorised for release by the Board of Kogan.com Limited.

ENDS

For further information please contact:

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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 Travel, Kogan Money, Kogan Cars, Kogan Energy, Dick Smith, Matt Blatt and Mighty Ape. Kogan is a leading consumer brand renowned for price leadership through digital efficiency. The company is focused on making in-demand products and services more affordable and accessible.

For further information, please visit www.kogancorporate.com.