



ASX ANNOUNCEMENT

27 January 2022

Kogan.com 1H FY22 Business Update

Gross Sales and Revenue exceeded FY21's record first half

Kogan.com Limited (the Company; Kogan.com; ASX: KGN) is pleased to announce a record first half operating performance, as Kogan.com Group's relentless pursuit of providing more choice, value and faster delivery to its customers, underpinned continued strong growth in Gross Sales and Revenue.

In addition, the Kogan First loyalty program reached 274,000 members at the end of the half and is growing rapidly, further building the community of loyal active members, and the Kogan.com Group now has over four million Active Customers.

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

"Over four million Aussie and Kiwi shoppers have recently experienced the choice, value, and delivery benefits of the Kogan.com Group. Every decision and action we take is for our customers, and the world class Kogan team jumps out of bed every morning to create a great experience for online shoppers. We have continued to re-invest in our customers through the Kogan First loyalty program to offer the best deals on a wide range of products, delivered quickly and efficiently. After launching late last year, Kogan Delivery Services is already making an impact with more than 100,000 orders delivered directly to customers since launch. As always we're obsessed with the long term, and our ever-improving customer experience continues to underpin business success."

The key highlights for 1HFY22 are outlined below. 1HFY22 financial results are unaudited, and are compared to audited 1HFY21 results¹:

- **Active Customers** grew to over 4,000,000, with more than 10% growth YoY in Kogan.com active customers to 3,314,000, and Mighty Ape had 757,000 Active Customers as at 31 December 2021.
- **Kogan First members** grew 176% YoY to 274,000 as at 31 December 2021, and 38.5% since 30 September 2021.
- **Gross Sales** of \$698.0 million grew more than 9% YoY, and a CAGR² of more than 46% since 1HFY20. Year-on-year performance was driven by the continuously accelerating Kogan Marketplace, our loyalty program Kogan First, as well as Kogan Energy and Kogan Mobile New Zealand. Growth in these areas was partially offset by a decline in both our Exclusive Brands and Third-Party Brands divisions which had extreme growth in the prior year.
- **Kogan Marketplace** continued its rapid scaling, achieving more than \$200 million (\$221.1 million) in Gross Sales in the half for the first time ever, up 28.7% YoY.
- **Gross Profit**³ was impacted by continuing supply chain interruptions as a result of the current COVID situation and associated fluctuations in demand, resulting in a decline of just over 4% YoY to \$112.4 million, but achieved growth on 1HFY20 with a CAGR² of more than 50%.
- **Operational Costs** during the half were impacted by COVID related interruptions resulting in increased logistic costs. Additionally, the Business continued to significantly invest in marketing to grow the platform, achieve Active Customer growth and scale the Kogan First loyalty program.
- **Adjusted EBITDA**⁴ was \$21.7 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 \$196.8 million (comprising \$158.5 million in warehouse and \$38.3 million in transit) as at 31 December 2021.
- As at 31 December 2021 the Company had a strong capital position, with net cash (total cash less drawn debt) of \$39.7 million, after having funded the Tranche 2 payment in respect of the Mighty Ape Acquisition of A\$29.9 million during the half.

¹ 1HFY22 consolidation incorporates the results of both Kogan.com and Mighty Ape. 1HFY21 consolidation incorporates the results of both Kogan.com and Mighty Ape (results of Mighty Ape included for the month of December 2020). See Annexure 1 for further details.

² The Company believes that the Compound Annual Growth Rate (CAGR) between 1HFY20 and 1HFY22 is a useful metric to consider the underlying growth of the business, given the volatility over the COVID period. For further details please refer to Annexure 1 below.

³ Gross Profit relating to 1HFY21 has been restated to include inventory related items originally recorded as 'Other Costs' in the Profit & Loss Statement released on 26 February 2021. This remapping was undertaken during the full year FY21 audit and was reflected in the FY21 Financial Statements. The restatement had no impact to Revenue, EBITDA, Adjusted EBITDA or Net Profit After Tax for 1HFY21. The Gross Profit comparison is on a like for like basis.

⁴ 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.

Annexure 1

Gross Sales (\$m)

				1HFY22 vs 1HFY21		1HFY22 vs 1HFY20	
Gross Sales	1HFY20	1HFY21	1HFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	CAGR (%)
Kogan.com	323.4 ⁵	618.3	602.4	(15.9)	(2.6%)	279.0	36.5%
Mighty Ape ⁶	n/a	19.9	95.6	75.7	380.4%	95.6	100.0%
Total	323.4	638.2	698.0	59.8	9.4%	374.6	46.9%

Kogan.com Gross Sales highlights (\$m)

				1HFY22 vs 1HFY21		1HFY22 vs 1HFY20	
Gross Sales	1HFY20	1HFY21	1HFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	CAGR (%)
Kogan Marketplace	58.4	171.8	221.1	49.3	28.7%	162.7	94.6%
Kogan First	1.4	4.1	10.7	6.5	159.2%	9.3	179.1%
Advertising & other	5.0	4.1	8.1	4.0	96.7%	3.2	28.0%
Kogan Energy	0.5	4.4	6.6	2.2	48.7%	6.0	249.4%
Kogan Mobile NZ	0.2	0.5	1.0	0.6	118.3%	0.8	127.2%

Gross Profit (\$m)³

				1HFY22 vs 1HFY21		1HFY22 vs 1HFY20	
Gross Profit	1HFY20	1HFY21	1HFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	CAGR (%)
Kogan.com	49.9	112.2 ³	90.9	(21.3)	(19.0%)	41.0	34.9%
Mighty Ape ⁶	n/a	5.4	21.6	16.2	299.6%	21.6	100.0%
Total	49.9	117.6³	112.4	(5.2)	(4.4%)	62.5	50.1%

Adjusted EBITDA (\$m)⁴

				1HFY22 vs 1HFY21		1HFY22 vs 1HFY20	
Adjusted EBITDA ⁴	1HFY20	1HFY21	1HFY22	Mvmt (\$)	Mvmt (%)	Mvmt (\$)	CAGR (%)
Kogan.com	18.2	48.8	14.6	(34.2)	(70.1%)	(3.6)	(10.5%)
Mighty Ape ⁶	n/a	2.9	7.1	4.3	147.3%	7.1	100.0%
Total	18.2	51.7	21.7	(30.0)	(58.0%)	3.5	9.2%

⁵ 1HFY20 has been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

⁶ Mighty Ape was purchased in December 2020. As such, Mighty Ape results for the 1HFY21 reflect only one month of performance, being December 2020.

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

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For further information please contact:

relations@kogancorporate.com

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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.