

ASX ANNOUNCEMENT

28 July 2022

Kogan.com Business Update

Kogan.com Limited (the Company; the Business Kogan.com; ASX: KGN) is pleased to announce another year of record Gross Sales and the return to positive quarterly Adjusted EBITDA¹ in 4QFY22 following successful ongoing recalibration of operating costs.

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

"Times are changing. In uncertain times, people don't want to alter their lifestyle but they are happy to shift the way they shop. We know that in an environment where great value becomes even more important, Kogan.com serves an important need."

"Our Business was built for this. Efficiency and speed has been at the core of how the Kogan.com team operates for 16 years now. We're honoured that there are millions of Active Customers in the Group that have seen the value we provide. When the Australian public was asked to vote for their favourite online retailer, Kogan.com was voted the Australia Post ORIAS People's Choice Retailer of the Year for the sixth year in a row. This is perfect validation of the value we create for the people that matter most - our customers."

"We're not resting on our laurels though. We are making the Business leaner to enable us to pass on cost efficiencies to customers in the form of lower prices. A leaner company means we discontinue parts of the Business that are not delivering value to customers or shareholders, and also gives us the flexibility to respond to significant ongoing changes in the macro environment."

The Company provides the following update which, where applicable, is based on unaudited management accounts as at 30 June 2022. The update compares the FY22 results to FY21² and also FY20:

- **Gross Sales** grew by 0.1% above FY21, and a CAGR³ of more than 23% since FY20
- **Gross Profit** declined by 9.4% below FY21, however a CAGR of more than 20% since FY20
- **Adjusted EBITDA** was \$19.1m for FY22
- **Group Active Customers**⁴ grew to 3,972,000, with Kogan.com Active Customer CAGR of 21% since FY20

¹ Adjusted EBITDA is a measure of the underlying performance of the business. It removes non-cash items including any unrealised gains/losses, equity-based compensation and one-off non-recurring items. In respect of FY22, amongst other items, there continues to be provision for the payment of the Mighty Ape acquisition tranches.

² The consolidated results for FY21 includes 7 months of Mighty Ape following its acquisition in December 2020.

³ The Company believes that the Compound Annual Growth Rate (CAGR) between FY20 and FY22 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.

⁴ Total Active Customers of Kogan.com and Mighty Ape who have purchased in the last 12 months from 1 July 2021, rounded down to the nearest thousand.

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- **Kogan First members** have grown by 210% since FY21 to over 372,000
- As at 30 June 2022 the Company increased the net cash position (total cash less drawn debt) to \$31.2m, from \$12.8m at the end of FY21
- Total inventories were \$161.1m, with \$139.2m in warehouse and \$21.9m in transit. This reflects a significant unwinding of inventories from total inventories of \$227.9m at the end of FY21

Annexure 1

Gross Sales

				FY22 vs FY20		FY22 vs FY21	
Gross Sales (\$m)	FY20	FY21	FY22	Mvmt (\$)	CAGR (%)	Mvmt (\$)	Mvmt (%)
Exclusive Brands	249.0	393.6	335.1	86.1	16.0%	(58.4)	(14.8%)
Third-Party Brands	243.0	287.2	192.3	(50.6)	(11.0%)	(94.9)	(33.0%)
Kogan Marketplace	158.3	302.3	363.8	205.5	51.6%	61.4	20.3%
Mighty Ape	n/a	80.3	164.2	164.2	n/a	83.9	104.5%
Kogan Mobile Australia	87.8	74.2	68.5	(19.3)	(11.7%)	(5.7)	(7.7%)
Advertising income	7.4	5.6	9.2	1.7	11.1%	3.6	63.5%
Kogan First	3.5	9.2	19.0	15.5	133.9%	9.8	107.1%
Other	23.3	26.6	27.9	4.6	9.5%	1.3	4.9%
Total	772.3	1,179.0	1,180.0	407.7	23.6%	1.0	0.1%

Gross Profit

				FY22 vs FY20		FY22 vs FY21	
Gross Profit (\$m)	FY20	FY21	FY22	Mvmt (\$)	CAGR (%)	Mvmt (\$)	Mvmt (%)
Kogan.com	126.5	183.8	145.6	19.1	7.3%	(38.1)	(20.8%)
Mighty Ape	n/a	19.9	38.9	38.9	n/a	19.1	95.8%
Total	126.5	203.7	184.6	58.1	20.8%	(19.1)	(9.4%)

Adjusted EBITDA¹

				FY22 vs FY20		FY22 vs FY21	
Adjusted EBITDA (\$m)	FY20	FY21	FY22	Mvmt (\$)	CAGR (%)	Mvmt (\$)	Mvmt (%)
Kogan.com	49.7	54.9	6.9	(42.7)	(62.6%)	(48.0)	(87.4%)
Mighty Ape	n/a	6.9	12.2	12.2	n/a	5.3	77.0%
Total	49.7	61.8	19.1	(30.5)	(37.9%)	(42.7)	(69.0%)

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.com is a leading Australian consumer brand renowned for price leadership through digital efficiency. The Company is focused on making in-demand products and services more affordable and accessible.