

ASX ANNOUNCEMENT

24 February 2025

Kogan.com Ltd 1HFY25 Results

Return to strong growth and continued profitability

Kogan.com Ltd (The Company; Kogan Group; ASX:KGN) is pleased to announce its results for the half-year ended 31 December 2024 (1HFY25).

1HFY25 key items (vs 1HFY24):

- **Group Gross Sales¹ & Revenue** of \$492.5 million and \$272.7 million increased by 10.3% and 9.9%, respectively.
 - Underpinned by Kogan.com, which increased Gross Sales¹ and Revenue by 15.4% and 22.3%, respectively.
- **Group Active Customers² grew to over 3 million**, up 9.4% YoY to 3,002,000 as at 31 December 2024, reflecting a strengthening of market share.
 - Kogan.com Active Customers grew 15.7% to 2,345,000.
- **Group Gross Profit and Gross Margin** of \$106.0 million increased 18.3%, with Gross Margin growing to 38.9%, up 2.8pp.
 - Driven by Kogan.com, which increased Gross Profit and Gross Margin by 27.8% and 1.9pp, respectively.
- **Adjusted EBITDA³** grew 17.5% to \$25.3 million, and EBITDA grew 24.8% to \$24.2 million.
 - Driven by Kogan.com, which increased Adjusted EBITDA by 48.0% and EBITDA by 63.6%.
- **Adjusted EBIT³** grew 21.2% to \$19.0 million, and EBIT grew 36.7% to \$16.2 million.
 - Driven by Kogan.com, which increased Adjusted EBIT by 66.5% and EBIT by 94.9%.
- **Adjusted NPAT³** grew 7.9% to \$12.3 million, and Statutory NPAT grew 19.0% to \$10.3 million.
- **Adjusted Earnings per Share³** grew 11.3% to 12cps, and EPS grew 22.8% to 10cps.
- **FY25 Interim Dividend** of 7.0 cents per Ordinary Share has been declared, while balancing capital needs for growth and the intended recommencement of the Share Buy-Back.
- **Cash** of \$67.7 million and no debt as at 31 December 2024.
- **Inventories** of \$84.0 million as at 31 December 2024, with the increase being driven by top line growth.
- **Mighty Ape** platform upgrade was completed during the period, laying the foundation for new features and capabilities that will deliver growth in the medium and long term.

¹ Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other Verticals are not reflected in Revenue.

² Is the total Active Customers of Kogan.com and Mighty Ape who have purchased in the last twelve months from 1 January 2024, rounded down to the nearest thousand.

³ Measures the underlying performance of the business, removing non-cash items including unrealised FX gains/(losses), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of the FY24 Results Presentation for a detailed reconciliation of adjusting items.

Key drivers of 1HFY25 financial performance (vs 1HFY24)

- **Kogan.com:** produced Gross Sales and Revenue of \$414.8 million and Revenue of \$198.9 million, representing growth 15.4% and 22.3%, respectively.
 - Kogan.com Gross Sales & Revenue growth accelerated to 34.4% and 32.2% during the peak November and December trading period, through an optimised marketing strategy that delivered increased market share.
- **Kogan Products:** This division, which is made up of Exclusive and Third-Party brands, delivered strong growth. Revenue reached \$141.0 million, representing 21.7% growth, while Gross Profit increased 37.5% to \$27.8 million. These results reflect improved inventory health and improved product ranging.
- **Kogan Marketplace:** The Kogan Marketplace recorded Gross Sales of \$150.8 million and Revenue of \$14.8 million in 1HFY25, marking a return to strong growth of the platform. Gross Sales increased 16.7% on the PCP, while Revenue grew 20.2%, driven by an optimised marketing strategy implemented in late October 2024. The positive impact of this strategic shift is expected to continue supporting growth throughout the remainder of this financial year.
- **Kogan Verticals:** The Kogan Verticals recorded a record half of Revenue in 1HFY25, delivering 16.7% growth to \$11.3 million. In particular, the division recorded strong performances from Kogan Mobile and Kogan Energy.
- **Loyalty Programs:** The Kogan.com loyalty program continues to deliver value for our most loyal customers. Subscriber fees grew 24.2% to \$28.2 million. The period also included significant improvements to the Mighty Ape PRIMATE loyalty program, with early results supporting expected strong growth in the medium and long-term.
- **Kogan.com Advertising Platform:** Revenue grew 36.3% to \$2.1 million reflecting the positive results achieved by our Marketplace Sellers.
- **Mighty Ape:** Kogan.com's New Zealand subsidiary generated \$73.9 million of Revenue, Gross Profit of \$20.3 million and Adjusted EBITDA of \$1.9 million, in the half. These results represent a half that was significantly impacted by technical issues upon the upgrade of its website in late October 2024. The upgrade allowed for the launch of the Mighty Ape Marketplace, enhancement of the Mighty Ape PRIMATE loyalty program and other key improvements that are expected to underpin growth in the medium and long-term.
- **Inventories:** The Kogan Group inventories totalled \$84.0 million as at 31 December 2024, consisting of \$71.8 million of in-warehouse inventory and \$12.2 million of in-transit inventory. The increase in inventory reflects improved trading performance of the Kogan Products division.
- **Cash:** The Group held a cash balance of \$67.7 million as at 31 December 2024 with no external debt. The half included \$7.2 million being invested into the Share Buy-Back program and payment of the FY24 Final Dividend of \$6.6 million (net of the Dividend Reinvestment Plan).

Commenting on the Company's performance over 1HFY25, Founder and CEO Ruslan Kogan said:

"Having returned the Company to profitability in FY24, I'm pleased to report today that we have built on that momentum and returned the business to strong sales growth in 1HFY25. This was achieved through disciplined execution, operational efficiencies, and strategic initiatives that we expect will continue to drive sustainable growth into the future.

"As our customers continue to navigate the ongoing cost-of-living crisis, we are committed to easing the burden by offering market-leading prices on the most in-demand products and essential services. By leveraging our scale and strong supplier relationships, we deliver remarkable value. From everyday essentials to the latest technology and exclusive member benefits, we remain focused on helping our millions of customers live their best lives."

Trading Update

Key items from the January 2025 management accounts are provided below. The Company will present trading updates for Kogan.com and Mighty Ape results individually during the period of Mighty Ape's recovery.

- Group Gross Sales of \$80.4 million (+24.9% YoY)
 - Kogan.com Gross Sales of \$70.8 million (+30.8% YoY)
 - Mighty Ape Gross Sales of \$9.6 million (-6.6% YoY)
- Group Adjusted EBITDA of \$3.0 million (-38.1% YoY)
 - Kogan.com Adjusted EBITDA of \$3.6 million (-13.2% YoY) reflected an Adjusted EBITDA Margin of 11.4%, and included the continuation of increased marketing investment to drive growth and capture market share.
 - Mighty Ape Adjusted EBITDA of -\$0.6 million (-182.8% YoY).

Mighty Ape leadership transition

The Board has accepted the resignation of Daniel Balasoglou and thanks him for his contributions during his tenure both as Mighty Ape CFO and subsequently Mighty Ape CEO. Robert McEwan, the current General Manager of Operations and Customer Service, will take over as Managing Director of Mighty Ape, in the coming period as part of a transition plan.

Board Renewal

After joining the Board of the Company at the IPO in 2016, Greg Ridder and Harry Debney have expressed their respective intentions to retire from the Board in a staggered manner after their current terms expire. This means that Greg will be retiring at the 2025 AGM (following a 9 year term), and Harry will be retiring at the 2026 AGM (following a 10 year term). This process will allow for an efficient transition to the new Board members and time for an appropriate transfer of knowledge. To support this transition, the Board has commenced a search for two additional non-executive directors to join the Board in 2025.

FY25 Interim Dividend

Reflecting a profitable financial performance in the half, the Board has declared a fully franked interim dividend of 7.0 cents per Ordinary Share. In addition, the Board intends to resume the share buy-back program.

The Dividend Reinvestment Plan (DRP) will apply to the interim dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

Investor briefing

A presentation of the 1H FY25 results as well as a briefing session for investors and analysts will be held at 10:30 am (AEDT) today. Participants can register for the briefing session via:

www.koganpresentation.com.

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

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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.