

## ASX ANNOUNCEMENT

25 October 2023

### Kogan.com returns to quarterly growth and continues to improve profitability

Kogan.com Limited (the Company; the Business; Kogan.com; ASX: KGN) is pleased to announce the continuous improvement in the Company's profitability. Further, the Company has delivered growth in quarterly Gross Sales for the first time since 1QFY22 after a period of planned consolidation (excluding the Black Friday and Christmas quarters).

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

*"This most recent quarter has been full of excitement for Kogan.com. In addition to returning the Business to a position of continuous profitability growth and financial strength, we've been busy delivering new ways to delight our customers. This quarter we launched Mighty Mobile, under the Mighty Ape brand. Through Mighty Mobile, we have introduced the first ever unlimited-data mobile plans in New Zealand.*

*"This quarter we welcomed many more smart shoppers to our loyalty program, Kogan FIRST, enabling the growth of that program to more than 440,000 Kogan FIRST Subscribers<sup>1</sup> at the end of the quarter. We are continuously enhancing the value we deliver to our most loyal customers, and look forward to welcoming many more subscribers to the program.*

*"As we now approach the busiest time of the year with Black Friday, Christmas and Boxing Day, our team recognises that many of our millions of Aussie and Kiwi customers are continuing to face cost of living pressures. We are confident that the incredible deals we have lined up over the coming months will help in these tough economic times, as we continue to deliver on our promise of making the most in-demand products and services more affordable and accessible."*

The Company provides the following update which, where applicable, is based on unaudited management accounts as at 30 September 2023. The update compares the 1QFY24 results to 1QFY23:

- **Gross Sales** of \$189.2 million reflected a decline of 6.5% YoY following the significant reduction in inventories YoY (discussed below). However, quarterly sales reflected the return to growth QoQ for the first time since 1QFY22 (excluding the Black Friday and Christmas quarters) (See *Figure 1*). As a result, the Company believes that the planned period of consolidation within the Company has concluded.
- **Gross Profit** of \$37.4 million increased 19.5% YoY, driven by a growing Gross Margin.
- **Gross Margin** of 36.3% improved 9.8pp YoY, underpinned by the sell through of excess inventory and a growing proportion of Platform-Based Sales<sup>2</sup>.
- **Platform-Based Sales**<sup>2</sup> contribution for Kogan.com (excluding Mighty Ape) grew to 65.0% of Gross Sales and 75.1% of Gross Profit in 1QFY24 (see *Figure 2*). The recently launched Advertising Platform, which delivers an improved shopping experience for both our customers and Marketplace Sellers is growing rapidly.
- **Group Active Customers** were 2,864,000 as at 30 September 2023 (Kogan.com had 2,114,000 Active Customers and Mighty Ape had 750,000 Active Customers).
- **Kogan FIRST Subscribers**<sup>1</sup> totalled over 440,000 as at 30 September 2023, compared to over 385,000 as at 30 September 2022.

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<sup>1</sup> Kogan FIRST Subscribers excludes Kogan First customers who are in a trial period, and includes only non-trial subscribers.

<sup>2</sup> Refers to sales generated by Kogan Marketplace, Kogan First, Kogan Verticals and Advertising & Other Income. It excludes Exclusive Brands, Third-Party Brands and Mighty Ape.

- Demonstrating the sustained return to profitability of the Group:
  - **Adjusted EBITDA**<sup>3</sup> was \$8.0 million in 1QFY24 compared to \$(0.3) million in 1QFY23, and EBITDA was \$6.9 million 1QFY24 compared to \$(9.6) million in 1QFY23.
  - **Adjusted EBIT**<sup>3</sup> was \$4.0 million in 1QFY24 compared to \$(4.1) million in 1QFY23, and EBIT was \$2.8 million in 1QFY24 compared to \$(13.8) million in 1QFY23.
- The Company continued to maintain a strong Balance Sheet, underpinned by:
  - **Cash** totalling \$56.8 million as at 30 September 2023 with no external debt, compared to a net cash balance (after loans & borrowings) of \$23.8 million as at 30 September 2022. The growth in the cash balance YoY has been delivered after the total repayment of bank debt, completion of Mighty Ape Tranche 3 payment, and the payment of \$19.7 million in respect of the share buy-back program that commenced in May 2023.
  - **Inventories** totalling \$72.2 million as at 30 September 2023, comprising \$63.7 million in-warehouse and \$8.5 million in-transit. The inventory balance represents a reduction YoY of 45.3% and aligns to the prevailing trading-conditions.

Figure 1: Kogan Group Gross Sales

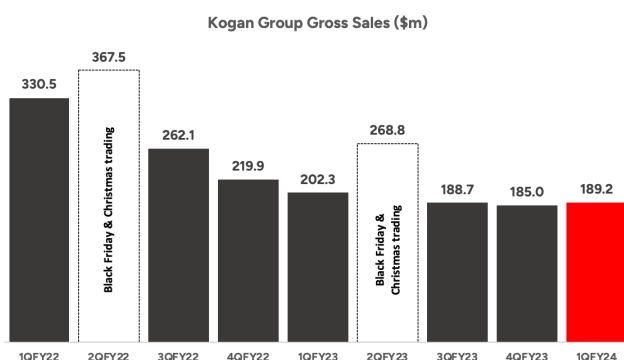
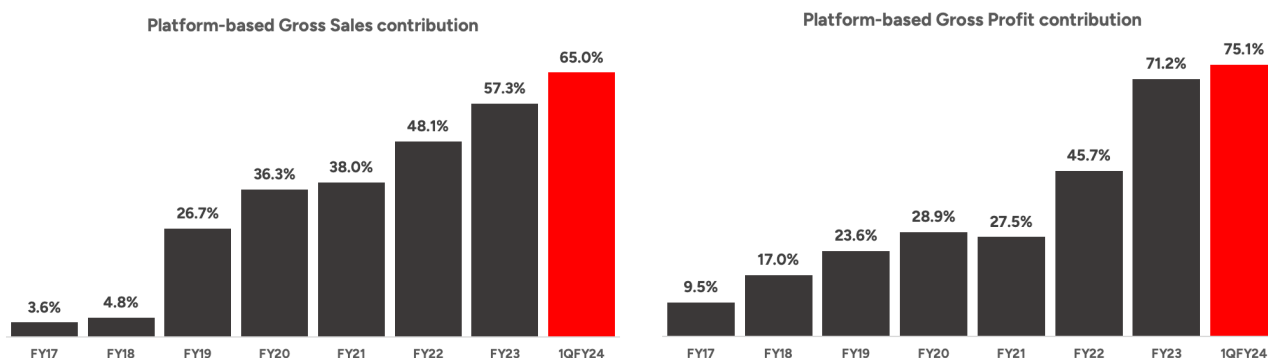


Figure 2: Kogan.com (excluding Mighty Ape) Platform-Based Sales<sup>2</sup>



<sup>3</sup> 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.

## Annexure 1

### Gross Sales

			1QFY23 vs 1QFY24	
Gross Sales (\$m)	1QFY23	1QFY24	Mvmt (\$)	Mvmt (%)
Kogan Marketplace	62.3	56.8	(5.4)	(8.7%)
Exclusive Brands	51.6	35.7	(15.9)	(30.8%)
Mighty Ape	34.7	35.4	0.6	1.8%
Third-Party Brands	24.2	18.1	(6.1)	(25.0%)
Kogan First	6.2	17.4	11.2	179.9%
Kogan Mobile Australia	14.1	15.9	1.9	13.2%
Kogan Energy	5.2	4.8	(0.4)	(7.1%)
Kogan Internet	2.8	2.7	(0.1)	(4.8%)
Kogan Mobile New Zealand	1.0	1.9	0.9	87.4%
Advertising & Other Income	0.3	0.5	0.2	77.4%
<b>Total</b>	<b>202.3</b>	<b>189.2</b>	<b>(13.1)</b>	<b>(6.5%)</b>

### Gross Profit

			1QFY23 vs 1QFY24	
Gross Profit (\$m)	1QFY23	1QFY24	Mvmt (\$)	Mvmt (%)
Kogan.com	22.8	28.9	6.1	26.8%
Mighty Ape	8.5	8.5	(0.0)	(0.1%)
<b>Total</b>	<b>31.3</b>	<b>37.4</b>	<b>6.1</b>	<b>19.5%</b>

### Adjusted EBITDA<sup>1</sup>

			1QFY23 vs 1QFY24	
Adjusted EBITDA (\$m)	1QFY23	1QFY24	Mvmt (\$)	Mvmt (%)
Kogan.com	(2.5)	6.8	9.3	371.3%
Mighty Ape	2.2	1.2	(1.0)	(47.4%)
<b>Total</b>	<b>(0.3)</b>	<b>8.0</b>	<b>8.3</b>	<b>2602.9%</b>

### Adjusted EBIT<sup>1</sup>

			1QFY23 vs 1QFY24	
Adjusted EBIT (\$m)	1QFY23	1QFY24	Mvmt (\$)	Mvmt (%)
Kogan.com	(5.8)	3.3	9.1	155.7%
Mighty Ape	1.8	0.7	(1.1)	(59.9%)
<b>Total</b>	<b>(4.1)</b>	<b>4.0</b>	<b>8.0</b>	<b>197.4%</b>

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

ENDS

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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 Cars, Kogan Energy, Dick Smith, Matt Blatt, Mighty Ape and Brosa. 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.