

ASX ANNOUNCEMENT

28 August 2023

BOOKTOPIA GROUP LIMITED (ASX: BKG) ANNOUNCES FY23 FULL-YEAR RESULTS

Booktopia Group Limited (ASX:BKG), an Australian online book retailer, has today released its audited results for the 12 months to 30 June 2023. The results reflect a challenging year with impacts from the company's transition to its new Customer Fulfilment Centre (CFC) in addition to the difficult economic climate, impacting revenue and earnings.

FY23 FINANCIAL RESULTS AT-A-GLANCE

- Revenue down 18% to \$197.6m
- Underlying EBITDA down 173% to (\$4.6m)
- NPAT loss of \$29m
- Gross Profit Margin up 0.5% to 27.1%
- Units shipped down 19.6% to 6.83m
- Average Order Value up 4.9% to \$79.29
- Average Customer Spend down 0.6% to \$134.13

Further information and results can be found in the Investor Presentation which is available on the company website.

FY23 RESULTS

Revenue was down 18% to \$197.6 million on 6.8 million units shipped delivering an underlying EBITDA loss of \$4.6 million and a statutory NPAT loss of \$29.0 million down from \$15.1 million in FY22. It should also be noted that this is the first full financial year of cycling through COVID impacts, when the company was well positioned to capitalise on the increased online consumer demand.

Despite revenue being down year-on-year, the Group is encouraged as it remains significantly up on its pre-COVID performance. As a better indicator, FY23 revenue (\$197.6 million) is 19.2% higher than FY20 (\$165.7 million) while the average customer spend (\$134.13) is 20.3% higher than the same period (\$111.43). This highlights the business overall remains on a growth trajectory, however it continues to adjust in a volatile climate.

As announced in January 2023, the Group has implemented a number of cost rationalisation and margin optimisation measures to help manage these economic headwinds with a reset of the cost base.

Depreciation and amortisation for the year increased due to the Group entering into a new lease for a CFC at South Strathfield, resulting in acceleration of \$10.3m of depreciation of certain assets at its Lidcombe facility.

FY24 FOCUS

The Group has invested in its new purpose-built CFC which will ultimately reduce operational costs, improve efficiencies and support future growth. The CFC is now operational. This forms an important pillar of the company's business strategy to optimise performance as it prepares for a busy Christmas trading period.

As advised earlier this year, the business has adopted a series of other initiatives to improve earnings by at least \$12 million from FY24. This includes strategic inventory and pricing initiatives, optimisation of freight recovery costs and rationalisation of lease obligations.

Booktopia Chief Executive Officer, David Nenke, said: "Over the next financial year, we will focus our attention on excelling in key areas that contribute to a best-in-class book buying experience which enables Booktopia to stand out in the market. Following measures taken earlier this year, we are already seeing a positive impact and with the benefit of these initiatives in place over a longer period, we have every confidence we can have a much stronger and profitable trading period.

Our recent equity raise of \$10.9 million, has provided further working capital, helping to increase available inventory for the important Christmas period as well as contribute to the successful transition to our new CFC. This is a key milestone for the business and will set us up to achieve operational efficiencies, which will ultimately help to transform the shopping experience we offer to our customers.

We are looking forward to launching a series of additional strategic initiatives in the coming months, which will expand the unique selection we offer to readers across ANZ, improve personalisation and user experience. The intent is to deliver higher levels of customer engagement, satisfaction and increase levels of website traffic, connecting the Booktopia brand to a broader audience than it has done before."

RESULTS TELECONFERENCE

The Group will hold a webcast briefing for investors with Chairman, Peter George, Chief Executive Officer, David Nenke and Chief Financial Officer, Fiona Levens.

The details of the briefing are:

DATE: Monday 28 August 2023

TIME: 2:00pm

REGISTRATION: Participants can join the live webcast event by using the link:

<https://webcast.openbriefing.com/bkg-fyr2023>. A conference call option is also available - those wishing to participate, will be required to pre-register. Participants will need to input their name, email and company to register for the teleconference. Pre-registration Link: <https://s1.conf.com/diamondpass/10032783-ygd6bv.html>. Participants will receive further details on registration. A transcript of the call will be announced to the ASX following the call.

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—ENDS—

This announcement was authorised by the Booktopia Group Board of Directors.

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