



WHERE THE WORLD RIDES®

BIKEEXCHANGE (ASX:BEX)

FY24 Q2 Business Update

31st January 2024





# Agenda

## BEX QUARTERLY BUSINESS UPDATE

01

Overview BEX

02

Q2 Performance

03

FY24 The Pathway Forward



Dominic O'Hanlon

Non-Executive Chair



Ryan McMillan

Chief Executive Officer



Kyle Ferreira

Chief Financial Officer







**BikeExchange** is an ASX-listed company with a unique online marketplace that is changing the way customers research, find and buy a bike.

**GLOBAL FOOTPRINT:**

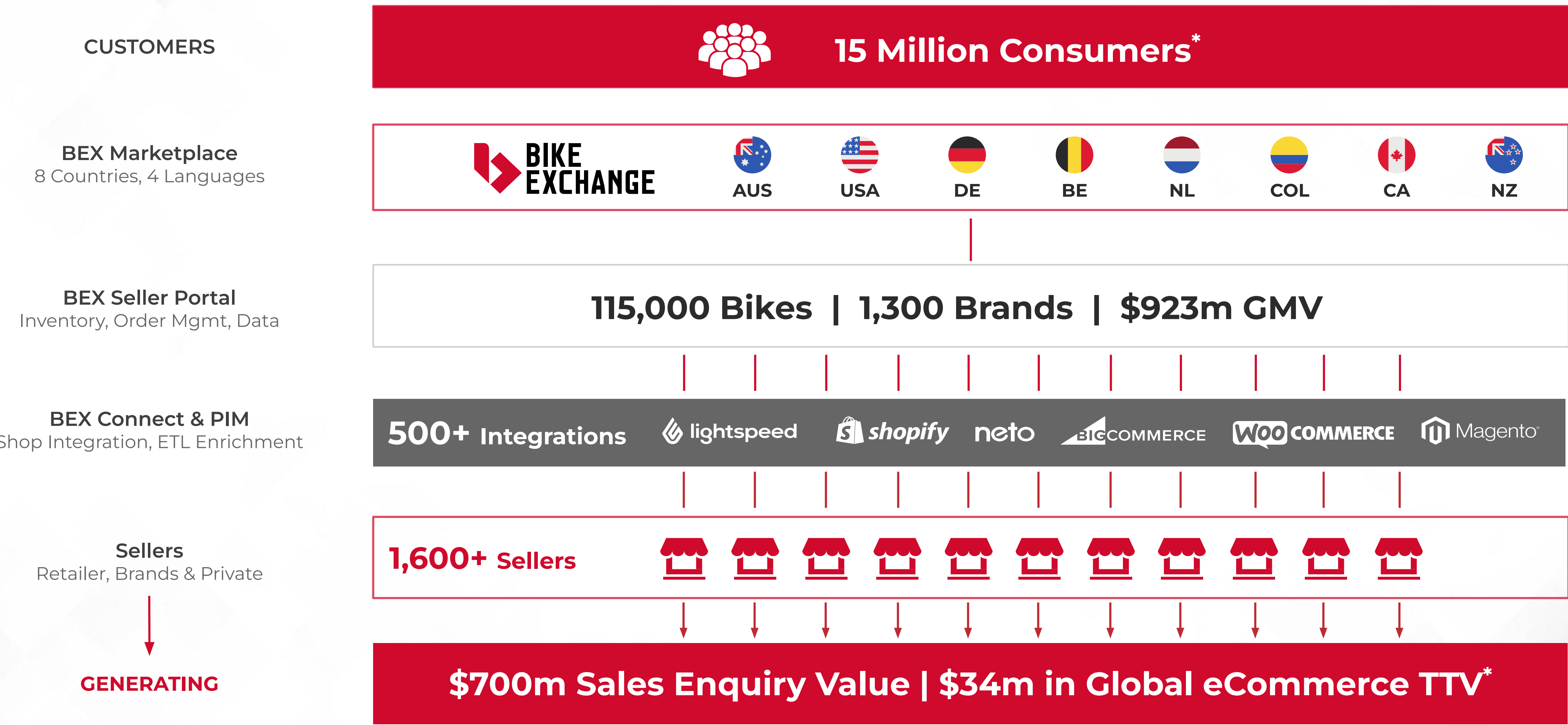
7 bike specific marketplaces operating in the worlds 3 largest regions with over 15 million annual users





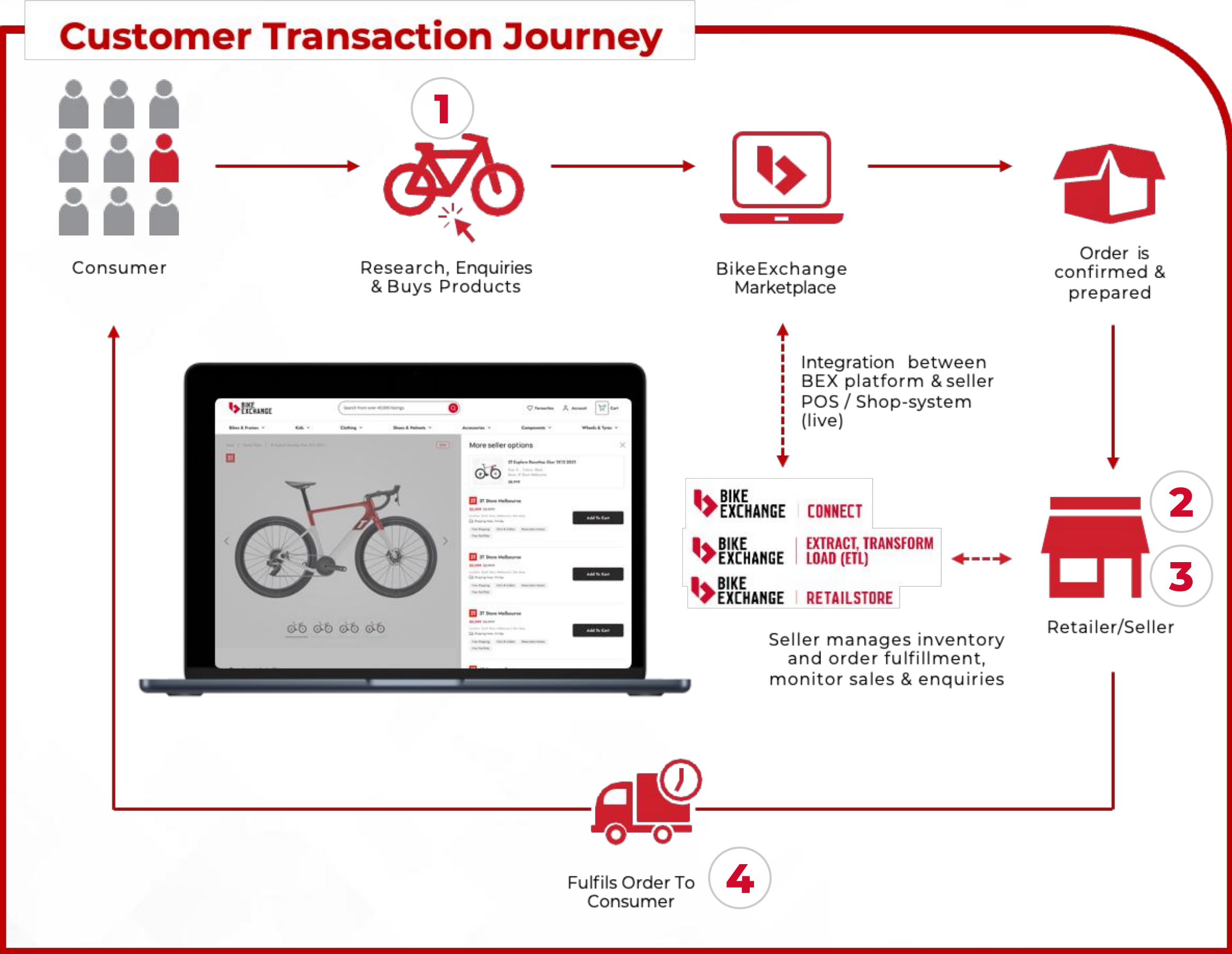
# BEX Overview

## HOW THE BEX ECOSYSTEM WORKS



# How BEX Makes Money

## CUSTOMER CENTRIC EXPERIENCE | SUSTAINABLE & GROWING MODEL



## Revenues by Category

- 1 eCommerce Transactional**  
Commission on transactions completed on BEX
  - 2 Recurring Subscriptions**  
Retail and Brand sellers pay a monthly recurring revenue subscription
  - 3 Media & Other**  
Includes private advert sales, content, marketing, integration & other B2B services
  - 4 Logistics**  
Revenue from Bike logistics services from consumers & sellers
- 
- P BEX Data Services** (Planned)  
Developing a subscription product for bike brands and retail providing access the strong data and insights capabilities
- P BEX Platform Services** (Planned)  
Combining BEX inventory, seller and shopfont technology capabilities to offer platform services into the bike industry







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**Q2 Performance**





# BEX Delivers Solid Revenue Growth & Marketplace Health Metrics

IMPROVES ITS EBITDA LOSS BY \$7.4M TO \$0.4M (VS. Q2, FY23), WITH CORE BUSINESS GENERATING A POSITIVE EBITDA PRE- CORPORATE COST ALLOCATIONS

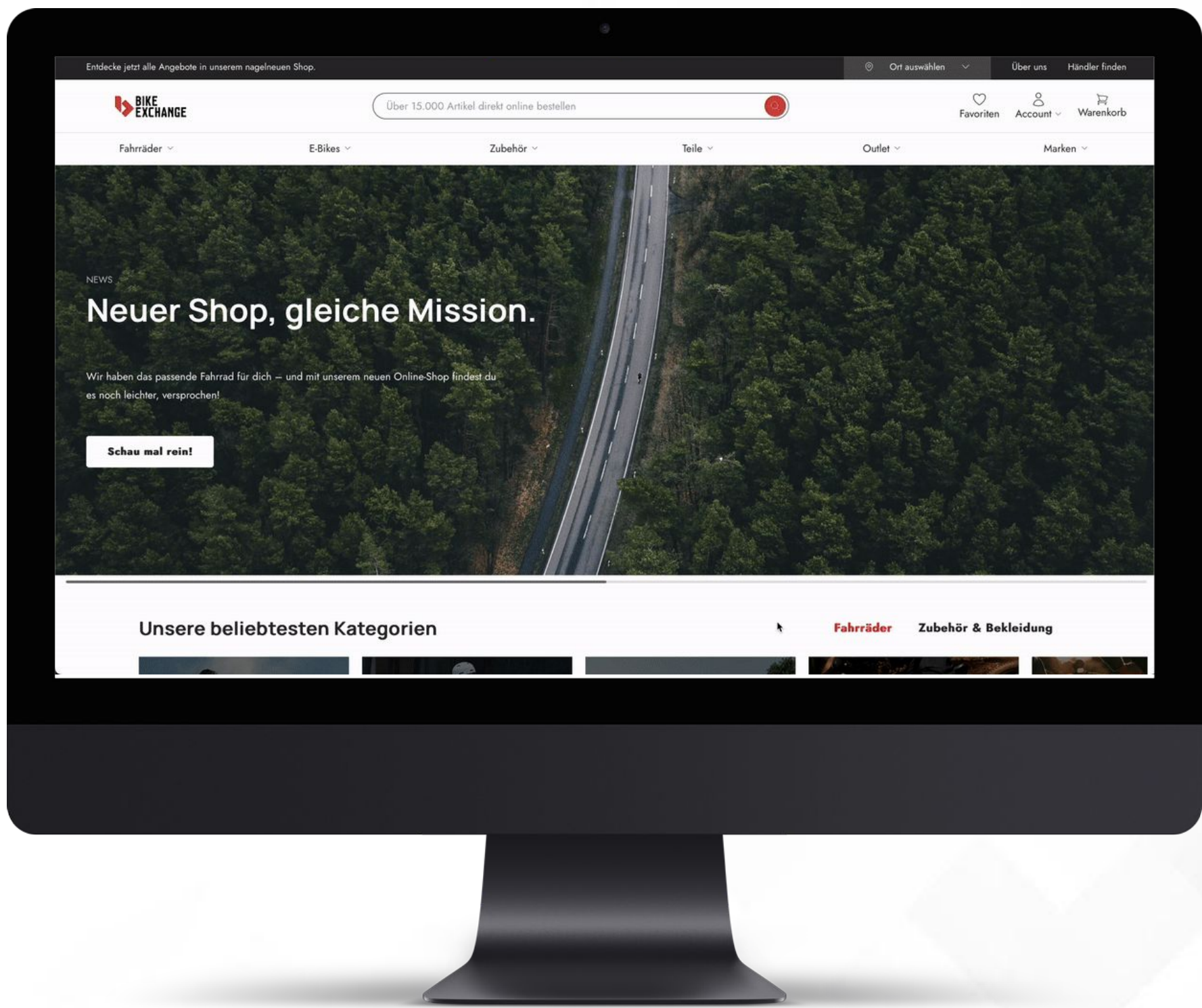
## Key Q2 2024 vs Q2 2023 Highlights



## New AI Consumer Platform Live



The new platform is live in BEX's largest market Germany, underpinning eCommerce growth and increasing on page conversion of the \$700m sales enquiry value running through the platform





# Other Q2 Highlights

## KEY STEPS FORWARD, ALIGNED TO OUR STRATEGIC PLAN

1

### North America Transforms, Generates Breakeven EBITDA\*

BEX transforms NA operations, growing net revenues of its revamped Marketplace, 3PL and boxed delivery business to deliver a positive EBITDA (pre corporate overheads) of \$25k in Q2 FY24, up from \$840k Loss in Q2, FY23

2

### Achieved 46% Net Revenue Growth in Europe

Europe increased net revenues by 46% to \$1.1m pcp, with the EU marketplace team able to implement and drive improved performance with its new consumer storefront

3

### Growth Delivered Off a 37% Reduction in Operating Expenditure

BEX has delivered its +60% increase in net revenues off a 37% reduced operating expenditure base, driven by savings in employment costs (-25%) and other operating costs (-72%) pcp

4

### New B2B Platform Launched to Support Digital Acquisition

BEX launched its new B2B Platform and Digital Content Hub to support brand and retail seller acquisition. The CMS and blog platform supports the European, North American and Australian regions in 3 languages

5

### Preparation Complete, set to launch Belgium and Holland Consumer Platforms

Following the successful launch of Germany, preparations are nearing completion for the AI Consumer Platform in Belgium, and Holland with Australia and the United States to be rolled out over the coming half year

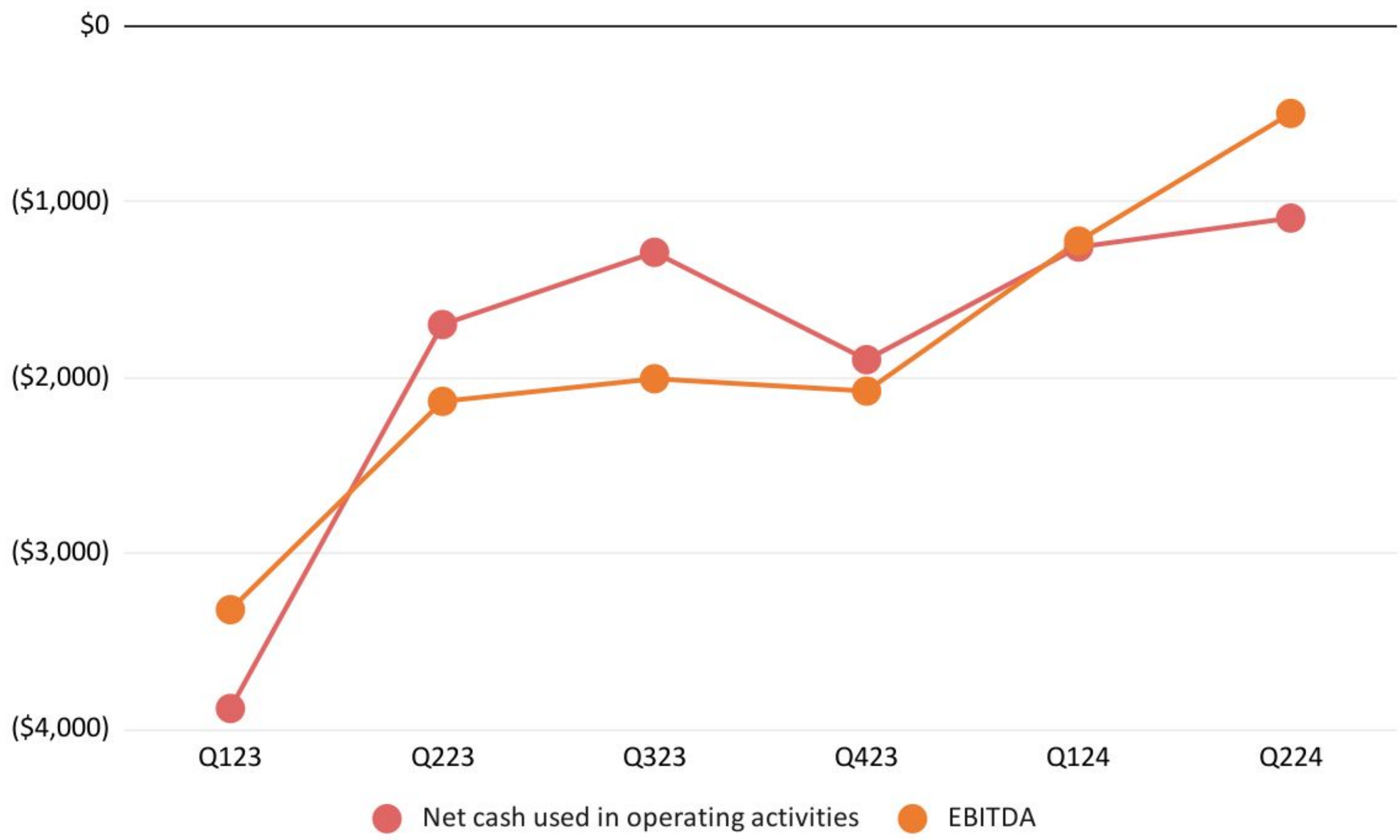
\* North America operations include BikeExchange Inc, Kitzuma Corp & BikeExchange Canada Inc. (dissolved May 2023) subsidiaries. EBITDA excludes corporate overhead allocations and impairment.





# Quarterly EBITDA & Operating Cash Movement

EBITDA (PRE IMPAIRMENT) HAS IMPROVED BY 86% AND NET CASH USED IN OPERATING ACTIVITIES HAS REDUCED BY 72% OVER THE LAST 6 QUARTERS



\*EBITDA excludes impairment losses





# FY24, Q2 EBITDA

## Q2 FY24 EBITDA LOSS

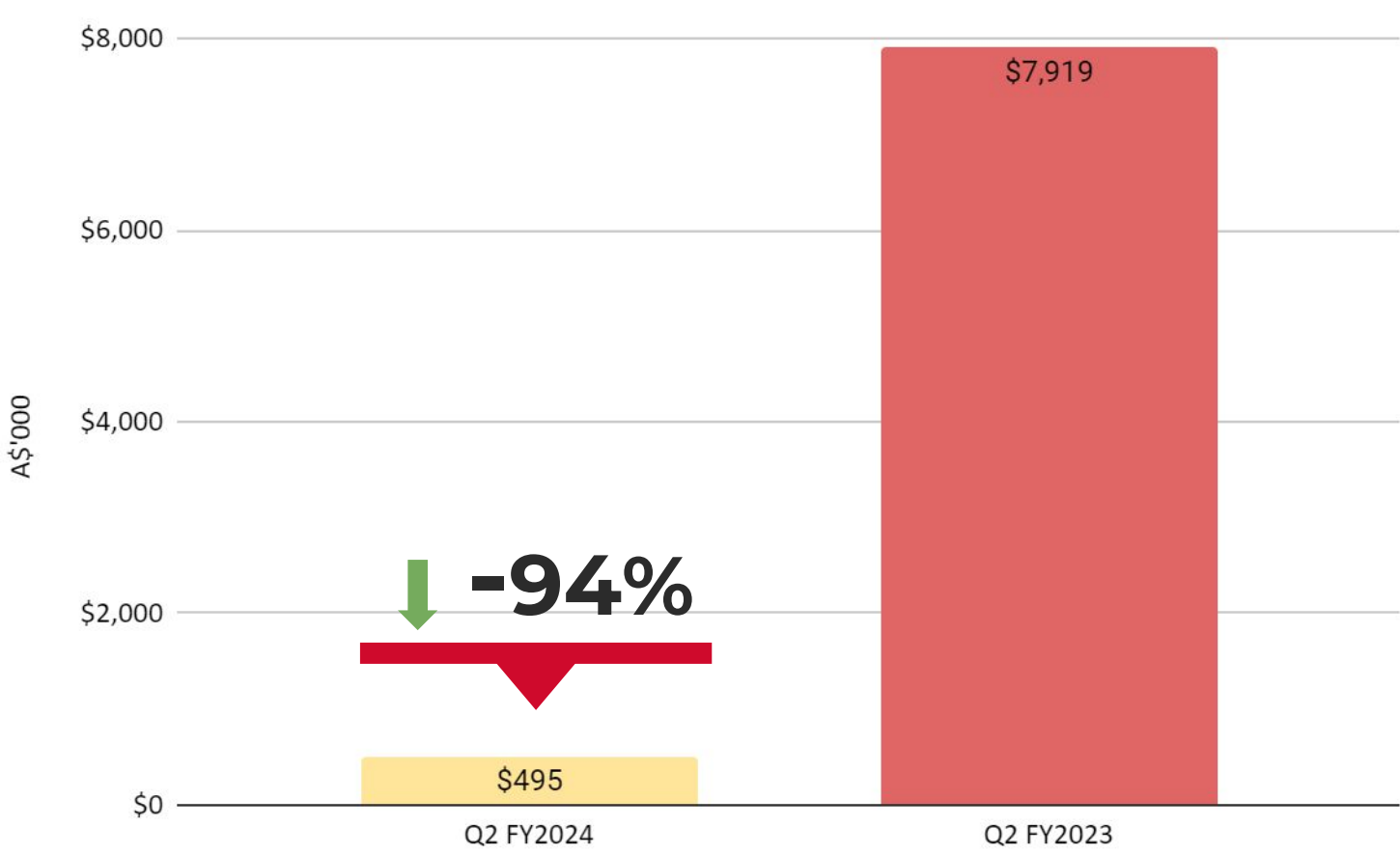
A\$'000	Q2 FY2024	Q2 FY2023	Variance	Variance %
Group TTV	9,362	8,139	1,223	15%
Revenue	2,158	2,042	116	6%
Other income	371	80	291	363%
Cost of sales	(277)	(810)	532	(66%)
Employment costs	(1,324)	(1,648)	325	(20%)
Marketing costs	(308)	(358)	49	(14%)
Other operating costs	(1,010)	(1,446)	436	(30%)
Impairment losses	-	(5,710)	5,710	(100%)
Share based payments	(45)	(70)	25	(35%)
Total Costs	(2,965)	(10,041)	7,077	(70%)
EBITDA (all operations)	(436)	(7,919)	7,483	(94%)
Share based payments	45	70		
EBITDA before share based payments	(391)	(7,849)	7,458	(95%)

\* Based on unaudited management accounts for the Quarter ended December 2023

## 94% reduction in EBITDA\* Loss on PCP

BEX operations transformed during the last year with EBITDA improvement of more than \$7.4m for the quarter from:

- Restructure of BEX Core operations, cut in headcount and investment in technology
- Exit from loss making Kitzuma door delivery and Colombian operations
- Reduction of ave. monthly EBITDA loss (excl. impairment) from \$0.73m in Q2 FY23 to \$0.15m in Q2 FY24

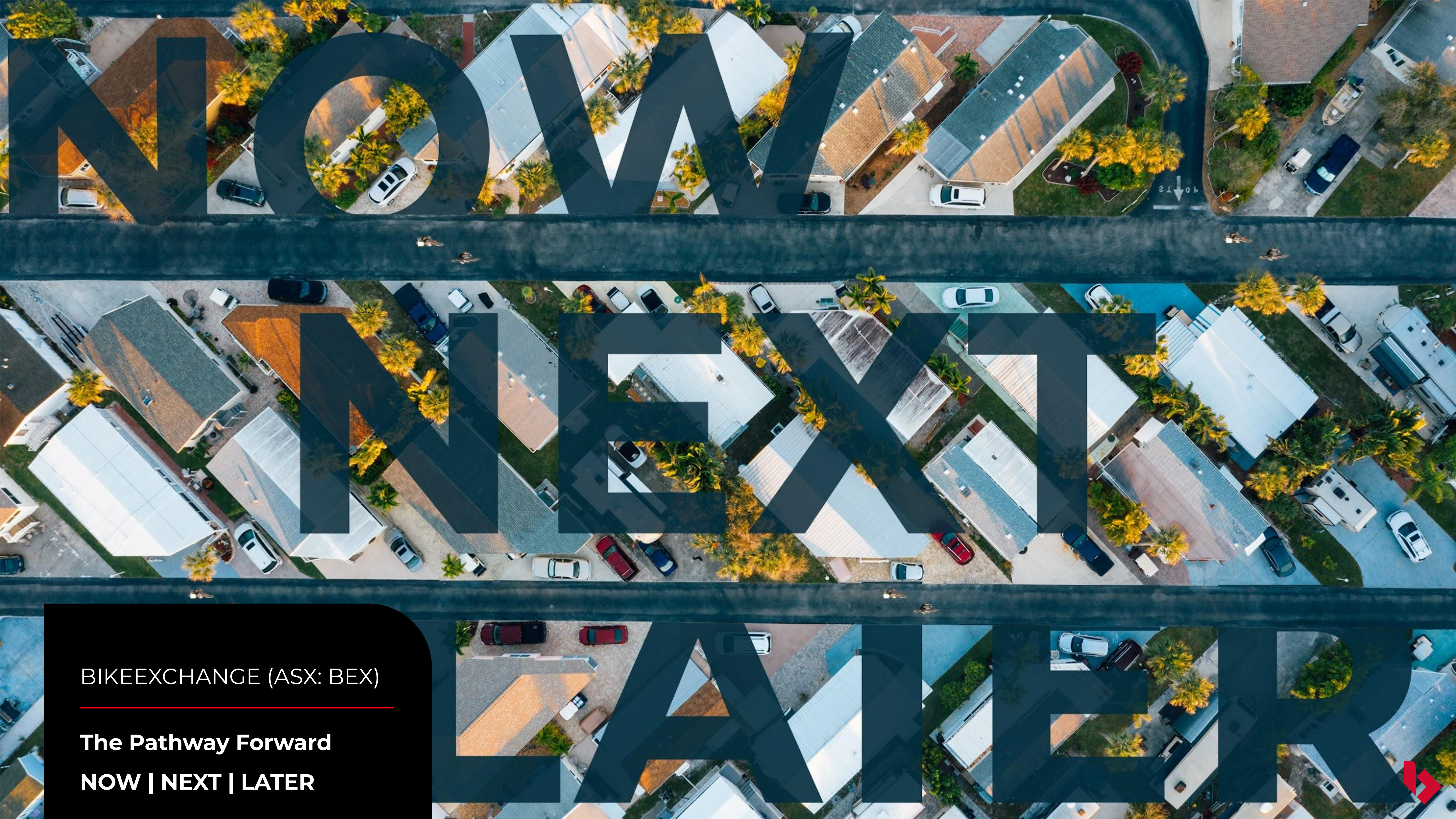


## 95% reduction in Normalised EBITDA\* Loss on PCP

- EBITDA before share based payments improved by 95% to \$391k in Q2 FY24
- BEX focus: executing via new consumer storefront & growing revenue of new cost base







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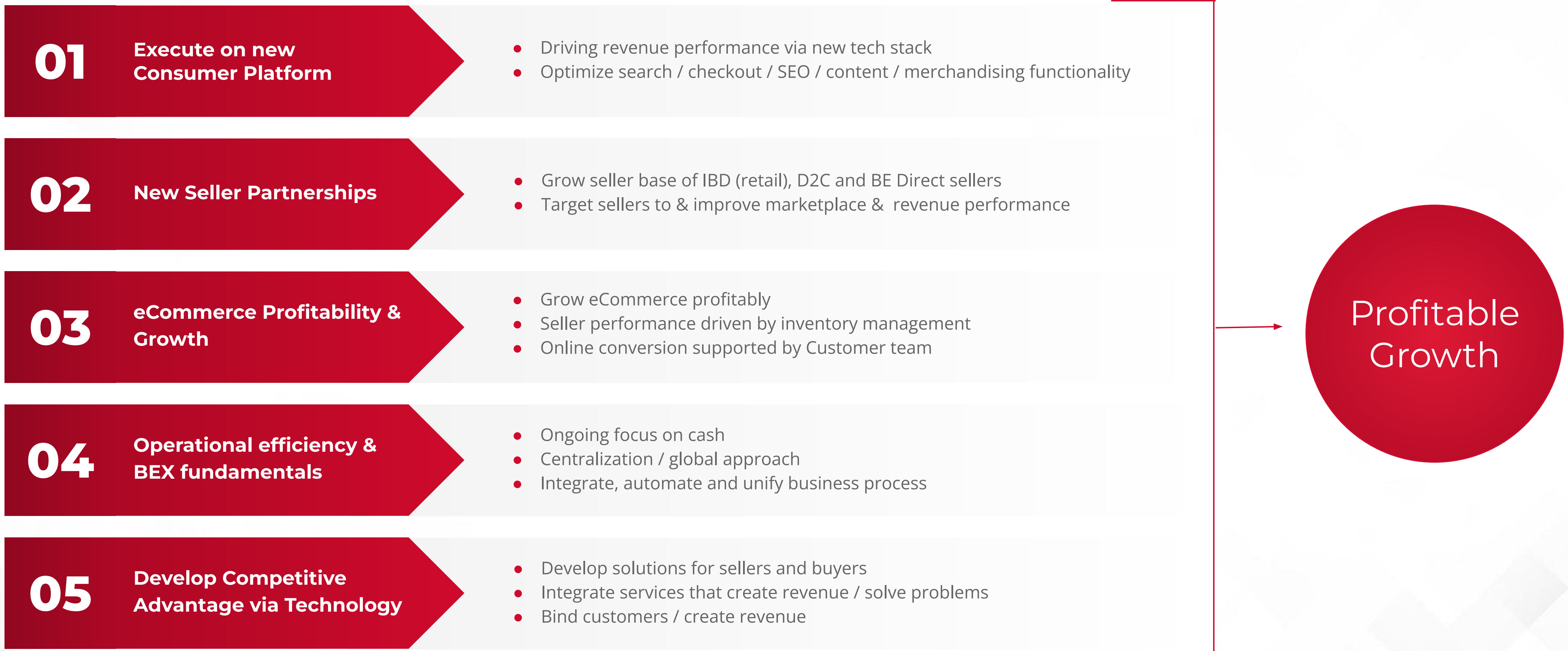
The Pathway Forward  
**NOW | NEXT | LATER**





# FY24: Profitable Growth Underpinned by Technology

## 5 STRATEGIC PILLARS TOWARDS PROFITABLE GROWTH





# Growth Underpinned by Technology

FY24 - EXECUTE ON NEW CUSTOMER STOREFRONT

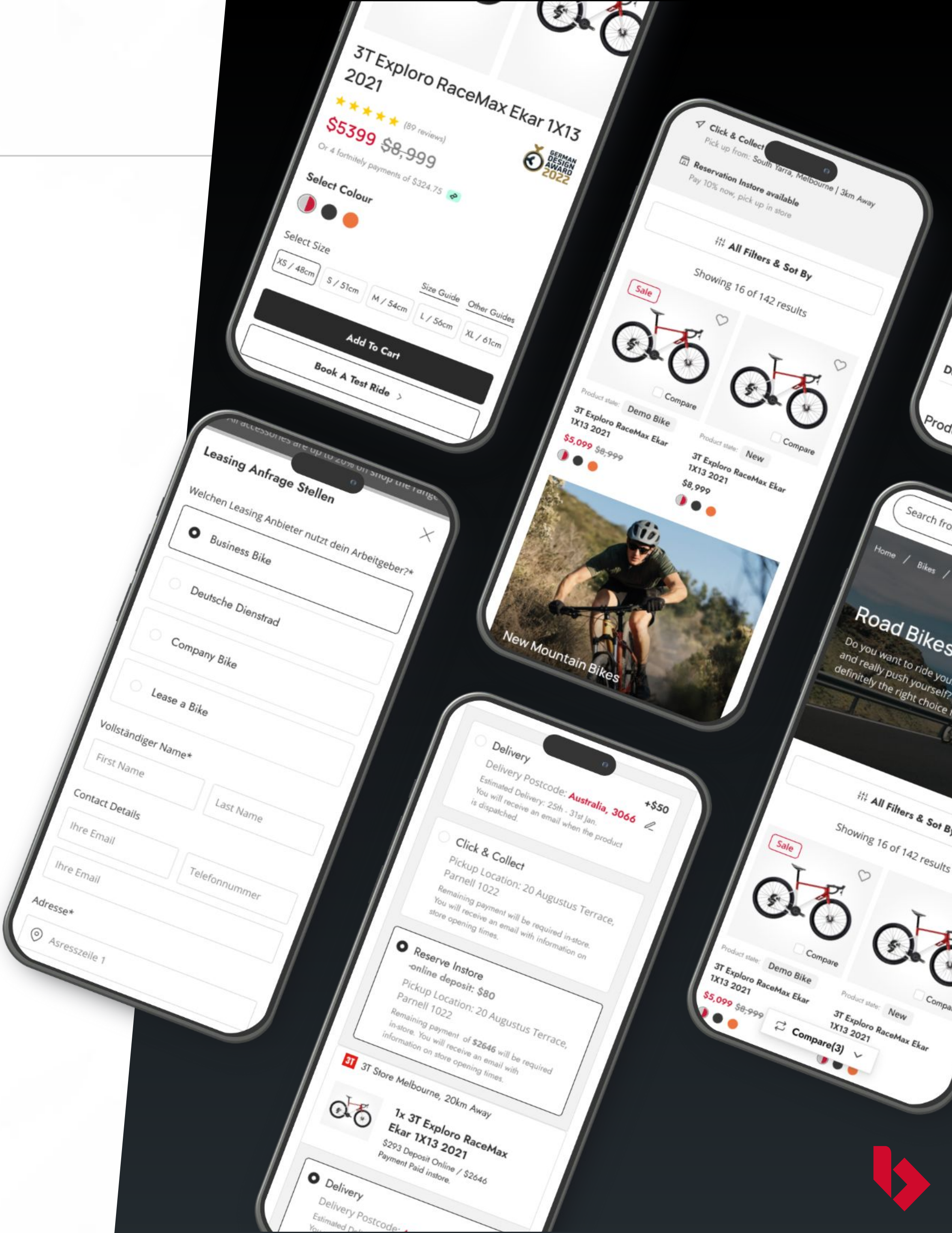
## Technology Execution

LAUNCH, ITERATE & OPTIMISE  
ONPAGE CONVERSION  
SCALE



## Marketplace Execution

RIGHT SELLERS  
RIGHT PRODUCTS & PRICES  
MARKETPLACE HEALTH METRICS

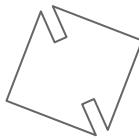




# What Success Looks Like

## OPERATIONS & CORPORATE


### OPERATIONS



### CORPORATE





- 
- Improved EBITDA loss by \$7.4m to \$0.4M, with the core business generating a positive EBITDA pre-corporate cost allocations
  - Proprietary AI Consumer Platform live in largest market and driving improved on-page conversion of 700m consumer enquiries
  - Achieves +46% Growth in Net Revenue in its largest vertical Europe & transforms North American vertical to generate Breakeven EBITDA
  - Improved operating results and cash position incl. 7 consecutive quarters of improved EBITDA performance Q3, FY22 - Q2 FY24
  - Focus continues to be on our base business and driving to a positive EBITDA

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## Summary





A full-page background image showing a mountain biker in mid-air on a trail. The trail is marked with orange safety tape that has "MAXXIS" and "SIXXAM" printed on it. The setting is a forest with many thin, bare trees and some trees with light brown autumn leaves. The ground is covered in fallen leaves and some moss.

# THANK YOU

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AU | BE | CA | CO | DE | NZ | US | Cycling Emporium | Kitzuma





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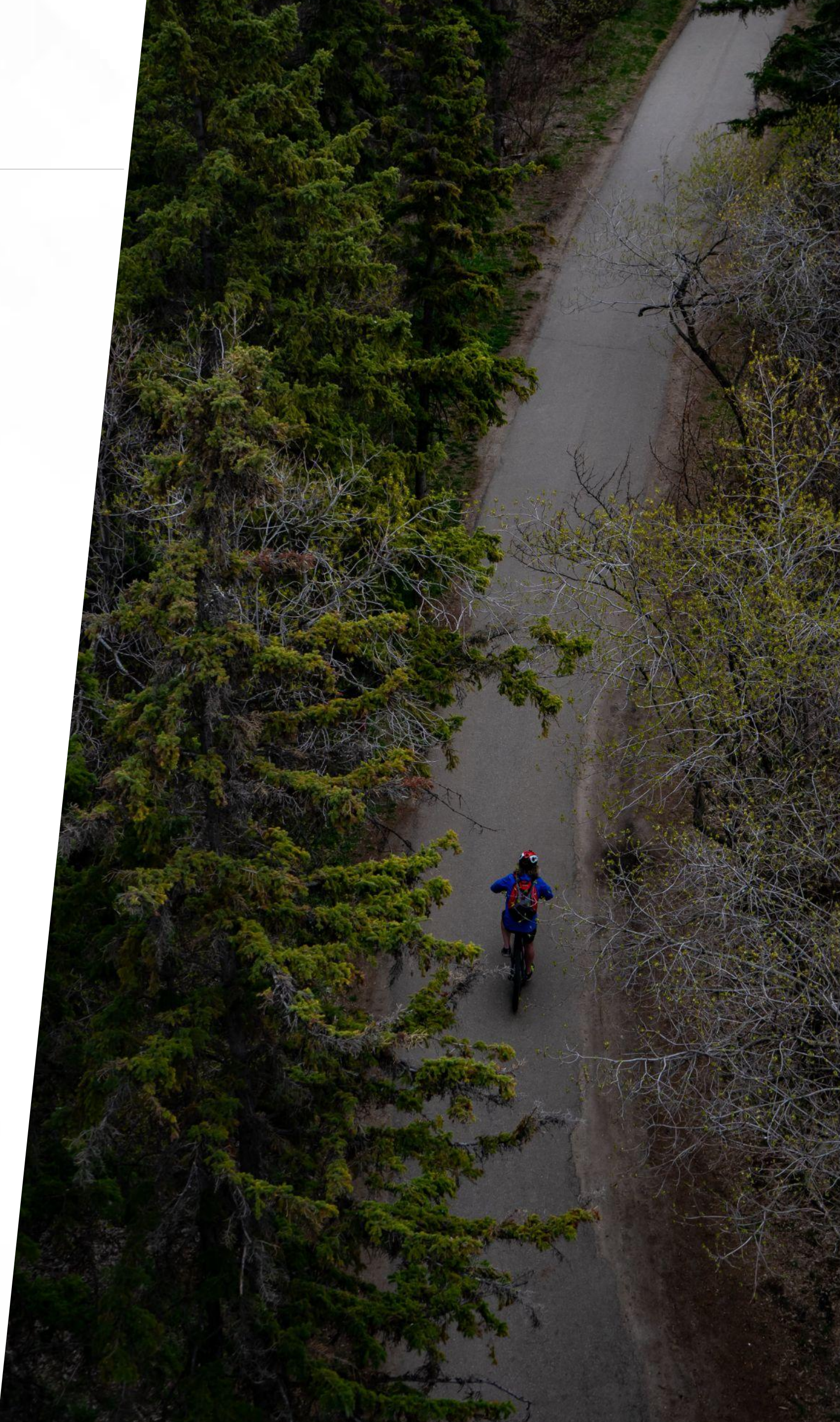
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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 15.

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# Basis of preparation

## Basis of preparation

The information contained in this presentation is based on the historical financial information (BEX Financial Information) for the BikeExchange Limited Group and should be read in conjunction with the BikeExchange Ltd FY23 Annual Report. It has not been reviewed or audited by the Group's auditor, RSM Partners.

The BEX Financial Information in this presentation is that of BikeExchange Limited Group which is made up of a consolidation of all entities within the Group.

BikeExchange Limited generated no revenues and acts as an investment holding company. The presentation presents the consolidated results of BikeExchange Limited and the BikeExchange Ltd Group for Q2 FY24 as well as comparatives for Q2 FY23, based on the unaudited management accounts for the quarter ended 31 December 2023.

## Non-IFRS financial information

BikeExchange's results are reported under Australian International Financial Reporting Standards (AIFRS). This presentation also includes certain non-AIFRS measures including "KPIs", and "look through". These measures are used internally by management to assess the performance of our business and our Joint ventures, make decisions on the allocation of resources and assess operational management. Non-AIFRS measures have not been subject to audit or review. The following non-AIFRS measures are defined below:

- **Total Transaction Value (TTV)** is the aggregate of revenues, net of sales taxes, generated from display/media sales, retail subscriptions and other online sales and the gross merchandise value for e-Commerce transactions that are executed on the BikeExchange network of websites.
- **Average Revenue per account (ARPA)** is the total revenue for the period for subscriptions earned from retailers and affiliates divided by the average number of paying retailers accessing BikeExchange network of websites for the period.
- **Unique Monthly sellers (Sellers)** is the average number of retailers for the period who fulfilled at least 1 e-Commerce order in a individual month.
- **Traffic** represents total unique sessions visiting the Group's network of sites across the period.
- **E-commerce transactions** are the total number of e-Commerce transactions occurring on BikeExchange network of websites in each period. A transaction is defined as a single item or basket of items paid for in a single payment transaction through the BikeExchange network of websites.
- **Average Order Value (AOV)** is the gross merchandise value for e-Commerce transactions that transact on the BikeExchange network of websites divided by the number of e-Commerce transactions for the financial period.
- **Average Commission Rate** - calculated as e-Commerce commission revenue divided by the gross e-Commerce transaction value for all transactions across the relevant period.
- **Prior corresponding period (pcp)** means the equivalent period in the previous financial year.

