



FY18 RESULTS PRESENTATION

17 AUGUST 2018

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CEO Update

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CEO Update

Ruslan Kogan
Founder & CEO

FY18 HIGHLIGHTS

Kogan.com more than doubled earnings in FY18 compared with FY17, and has laid the foundation for future growth in both existing Product Divisions and New Verticals by growing the Kogan brand and customer base and entering into new strategic partnerships.

FINANCIAL OUTPERFORMANCE

- More than doubled FY17 Pro Forma EBITDA¹ in FY18, achieving EBITDA of \$26.0 million in FY18

GROWING BRAND

- 1,388,000 Active Customers – 45.3% increase from prior year

STRONG GROWTH FROM KEY INITIATIVES

- Kogan Mobile continues to achieve strong results
- Successful investments in marketing and inventory driving strong results

NEW VERTICALS LAUNCHED

- Kogan Insurance launched in 1QFY18
- Kogan Health launched in 3QFY18
- Kogan Internet launched in 4QFY18
- Kogan Life launched in 4QFY18
- Kogan Pet launched in 4QFY18
- Kogan Mobile New Zealand to launch in FY19

DIVIDENDS

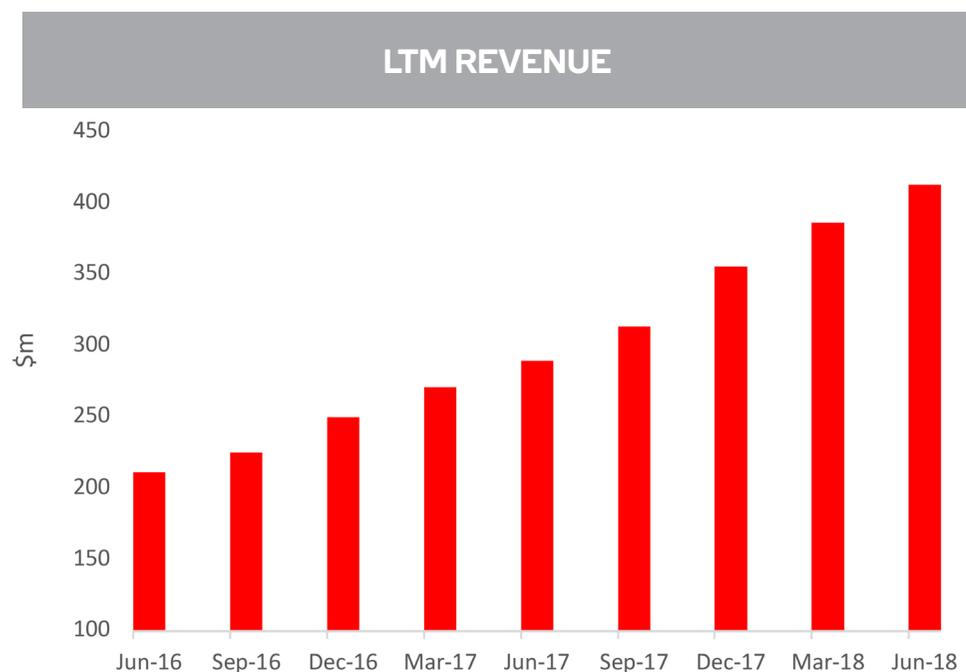
- Final dividend announced of 6.1 cents per share, fully franked, resulting in 13.0 cents per share of total dividends in FY18 (FY17: 7.7 cents)

Notes:
1. The FY17 Pro Forma results represent the results of the business after removing the impact of transaction costs relating to the IPO, as set out in Annexure 3 of the FY17 Results Presentation (released to ASX on 18 August 2017). The impact of mark-to-market on unrealised foreign exchange contracts has not been removed from EBITDA in FY17, which is consistent with the treatment in FY18.

FY18 RESULTS

EBITDA of \$26.0 million exceeded FY17 EBITDA¹ by 108.0%.

	FY17	FY18	FY18 vs FY17 Variance
GTV	334.5	492.6	47.3%
Revenue \$m	289.5	412.3	42.4%
Gross Margin	17.9%	19.5%	1.6pp/8.9%
EBITDA ¹ \$m	12.5	26.0	108.0%

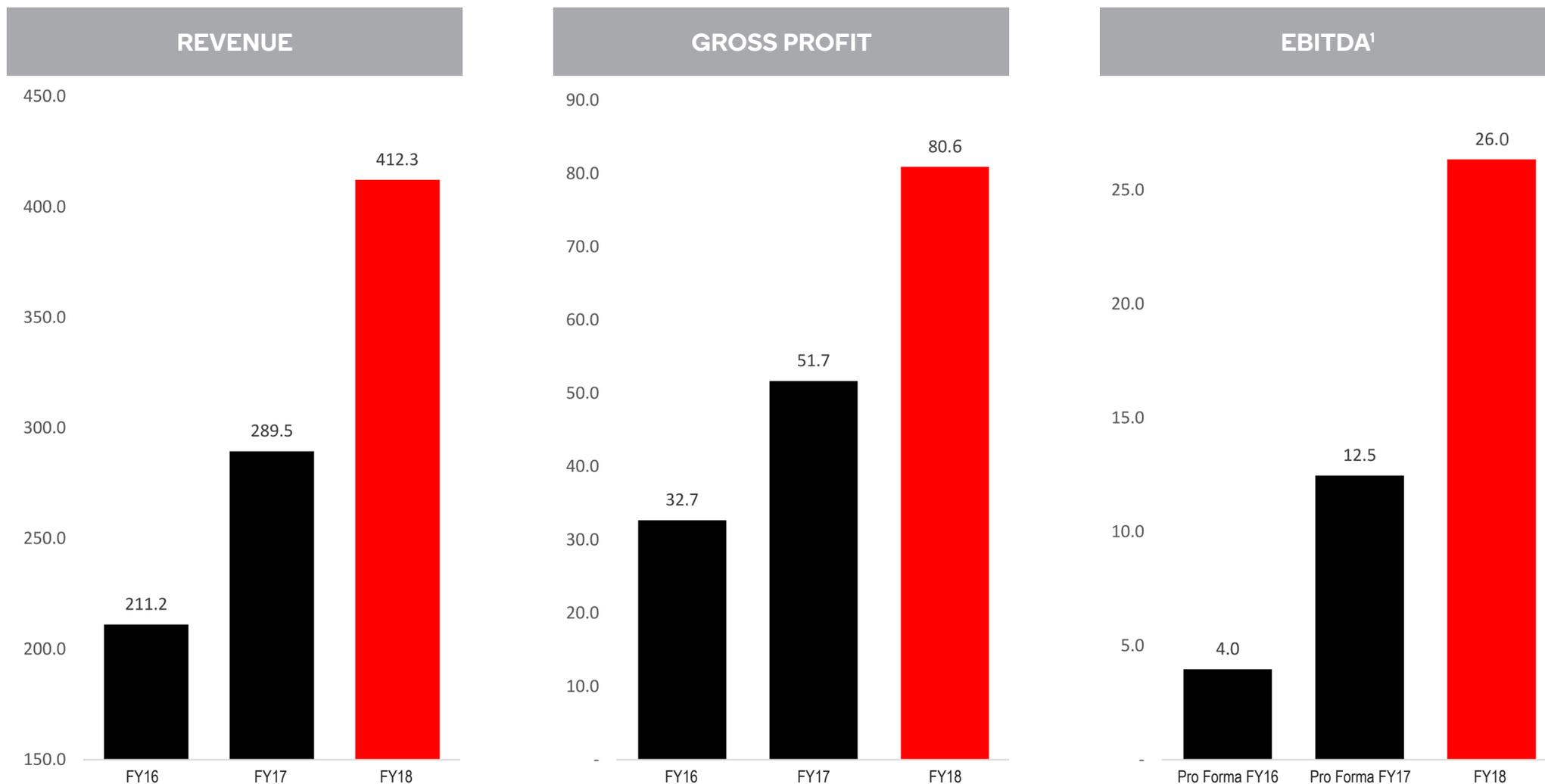


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FINANCIAL HIGHLIGHTS

Kogan.com has more than doubled earnings, again. Kogan.com has grown its market share to now represent ~2% of Australian online retail².



Notes:

1. The FY17 Pro Forma results represent the results of the business after removing the impact of transaction costs relating to the IPO, as set out in Annexure 3 of the FY17 Results Presentation (released to ASX on 18 August 2017). The impact of mark-to-market on unrealised foreign exchange contracts has not been removed from EBITDA in FY17, which is consistent with the treatment in FY18. The FY16 Pro Forma results are consistent with the FY16 Investor Presentation (released to ASX on 23 August 2016).

2. Australia Post estimates that the Australians spent \$21.3 billion buying goods online in 2017: https://auspost.com.au/content/dam/auspost_corp/media/documents/2018-ecommerce-industry-paper-inside-australian-online-shopping.pdf

WHO WE ARE

We have built a company that allows us to be agile, bold and innovative. Our growing portfolio of businesses enables us to scale with minimal capital requirements.

kogan.com

1,388,000
Active Customers 

kogan
retail

kogan
travel

kogan
mobile

kogan
mobilenz

kogan
internet

kogan
insurance

kogan
health

kogan
life

kogan
pet

kogan
marketplace

Additional Channels

dick smith

ebay

amazon.com.au

trademe 

SOME RECENT AWARDS

Kogan has received various awards and recognition in FY18.

Back to back winner of the People's Choice Award at the Australia Post Online Retail Industry Awards (ORIAS)



Over 1,100 Retailers were considered and over 240,000 Australian consumers voted



Kogan TVs won the Televisions 2018 Value For Money Award



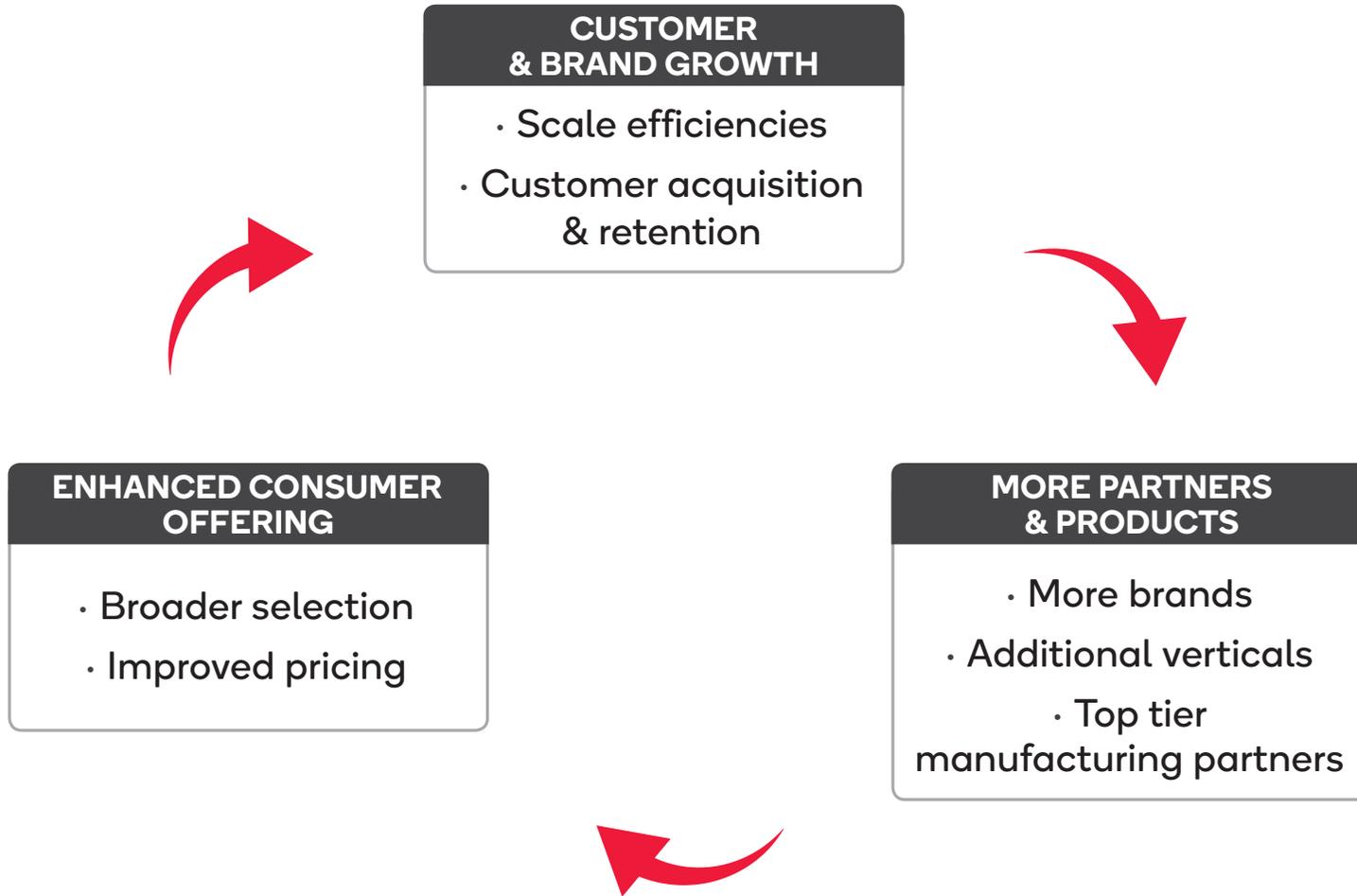
"Aussie brand Kogan was the only television brand to achieve a five-star review for value for money"

Kogan Steam Mops won the 2017 Most Satisfied Customers Award



"Kogan brand steam mops were voted the best overall, receiving 5 out of 5 stars across most categories"

OUR VIRTUOUS CYCLE

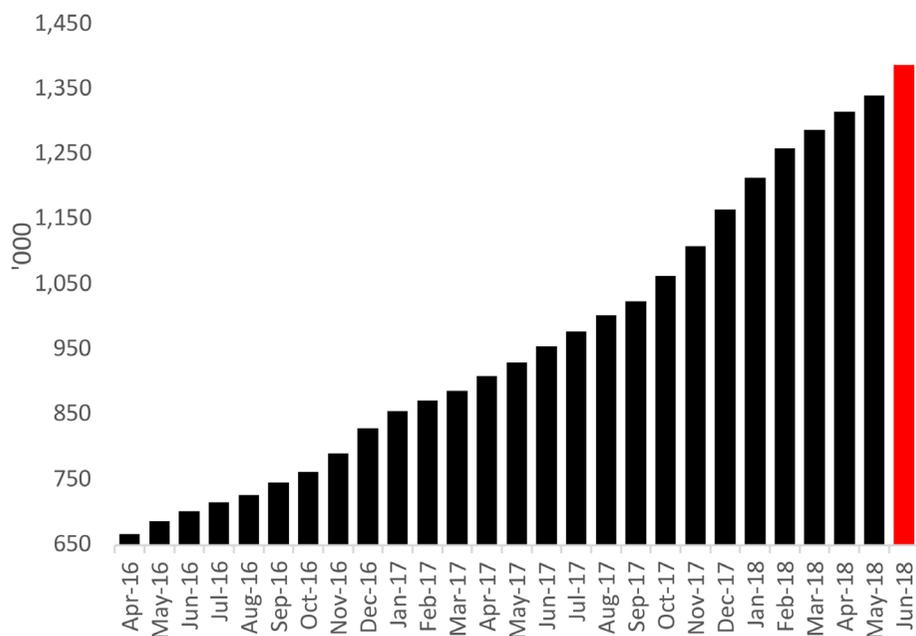


BUILDING THE KOGAN BRAND

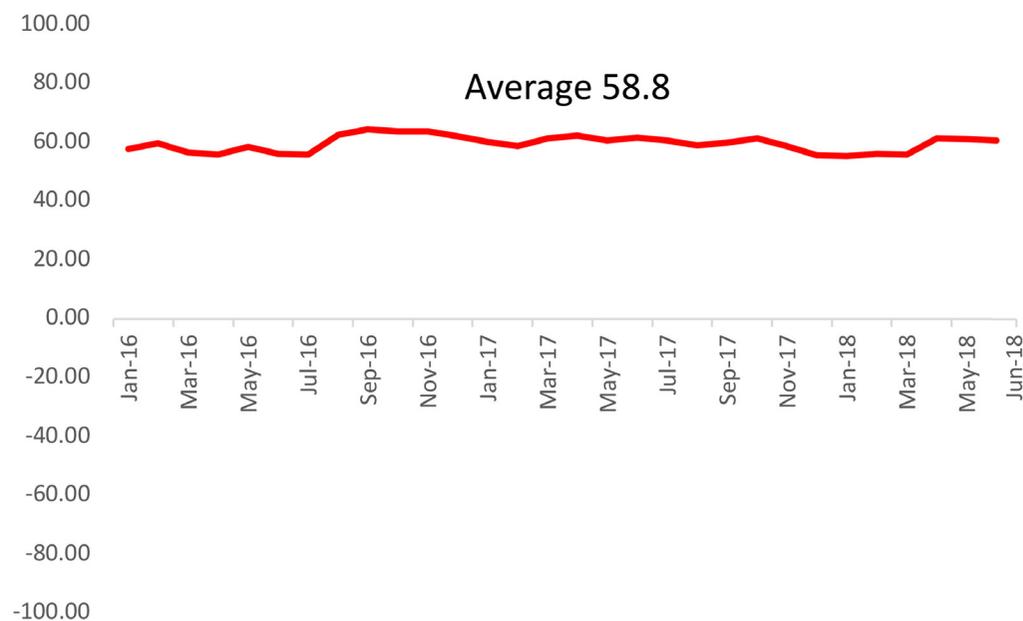
In the twelve months to June 2018, the business achieved 45.3% growth in Active Customers².

	Jun-17	Dec-17	Jun-18	Jun-17 vs Jun-18 Variance
Active Customers	955,000	1,166,000	1,388,000	45.3%

ACTIVE CUSTOMERS



NET PROMOTER SCORE¹



Notes:

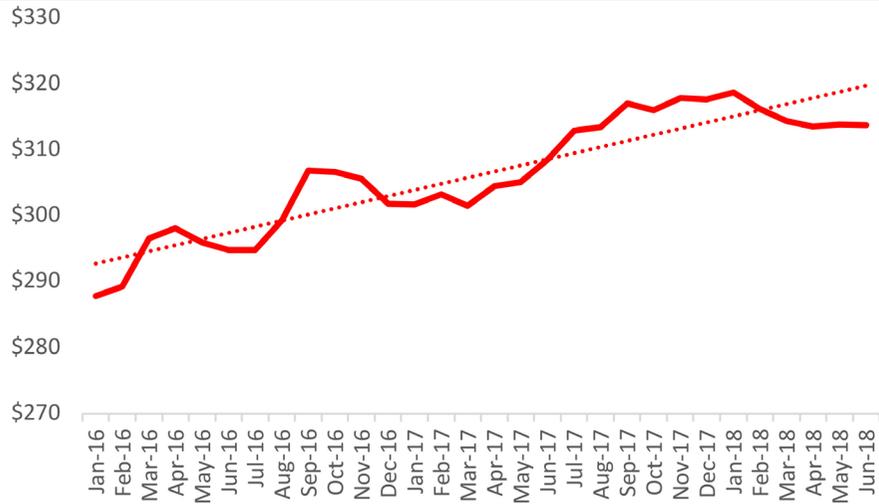
1. Net Promoter Score (NPS) is calculated based on answers to the question, "How likely is it that you would recommend Kogan.com to a friend or colleague?" Kogan.com measures its NPS as the percentage of customers who are "promoters" rating its products and services 9 or 10 out of a possible 10, less the percentage of "detractors", rating its products and services 0 to 6 out of a possible 10. The maximum possible NPS is 100, and the minimum possible NPS is -100.

2. Active Customers only includes customers that transacted through our Retail websites - it does not include the customers from our additional verticals.

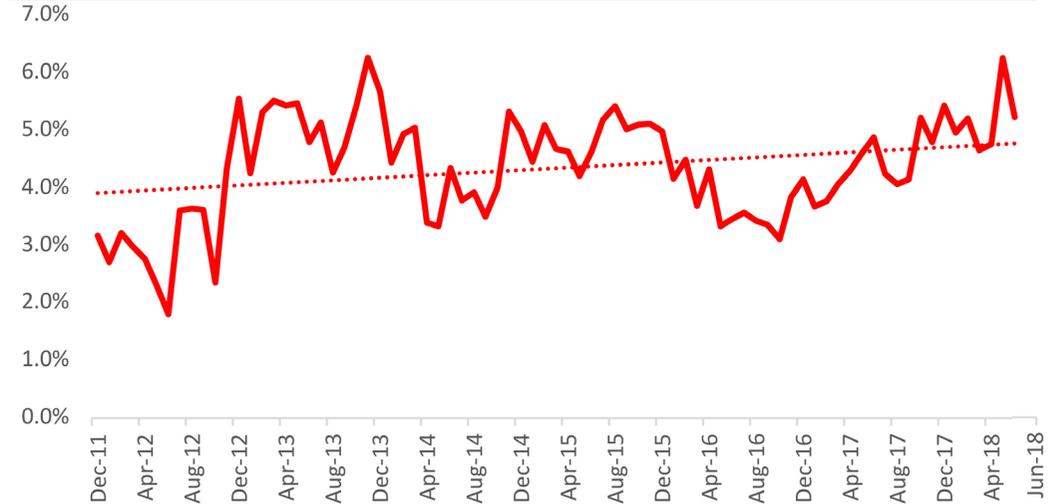
BUILDING THE KOGAN BRAND

As our consumer offer improves, average revenue per customer is trending up, and a large percentage of traffic continues to come from free sources.

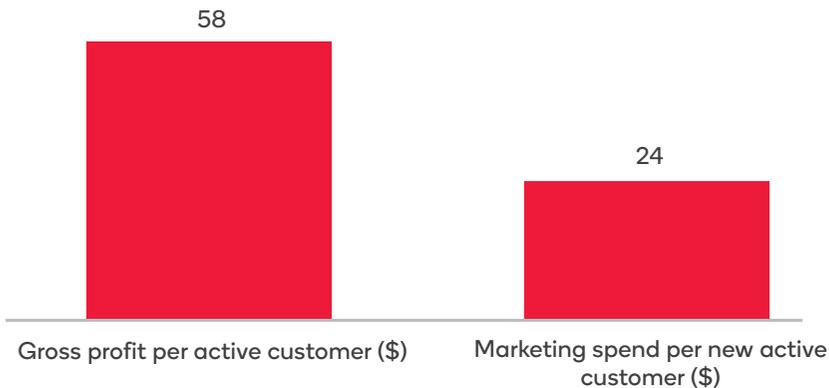
ANNUAL REVENUE PER CUSTOMER¹



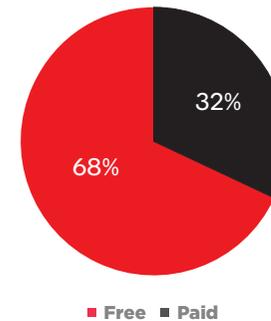
CONVERSION RATE³



LTM RETURN ON INVESTMENT IN MARKETING²



TRAFFIC - FREE (BRAND DRIVERS) VS PAID MARKETING



FREE SOURCES

- Direct website traffic
- Direct App traffic
- Brand searches
- Other organic search queries
- Email based marketing
- Mobile push notifications
- Desktop push notifications

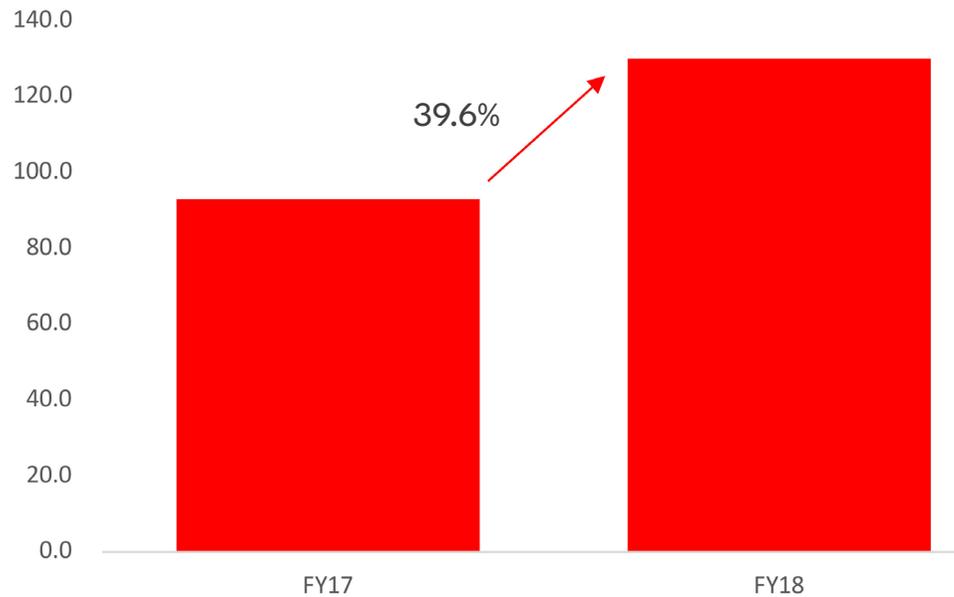
Notes:

1. Revenue per customer is revenue (ex GST) within the prior 365 days/no. of Active Customers within the prior 365 days.
2. LTM Gross Profit/LTM Active Customers as at 30 June 2018; FY18 marketing costs/sum of quarterly new Active Customers in FY18.
3. Conversion rate is defined as the number of transactions divided by unique visitors from Core Website Channels.

EXCLUSIVE BRANDS STRATEGY

Exclusive Brands continue to demonstrate strong growth, as we continue to meet strong consumer demand across a wide-array of products.

STRONG YOY GROWTH IN EXCLUSIVE BRANDS REVENUE



Our Exclusive Brands business benefits from:

- Full control of the end-to-end supply chain;
- Strong competitive advantage;
- Compelling consumer offering; and
- 12 years' experience.

kogan

KOMODO

bubli

CERTA

ovela

Scharfen

COOKMASTER

Trafalgar

FORTIS

VOSTOK

SHANGRI-LA

BELLA VITA

Pestill

ERGOLUX

orbis

ESTELLE

KROMO

Pawever Pets

kogan.com

Financial Update

David Shafer
CFO/COO

FY18 RESULTS

Kogan.com is focussed on building a price leading retailer of goods and services, that can sustainably deliver growing profits to shareholders by driving digital efficiency and maintaining low overheads.

\$m	FY18
GTV	492.6
Gross Sales	433.2
Revenue	412.3
Cost of Sales	(331.7)
Gross Profit	80.6
Gross margin %	19.5%
Variable Costs	(14.1)
Marketing	(19.9)
People Costs	(15.5)
Other Expenses	(5.1)
EBITDA	26.0
<i>EBITDA Margin (%)</i>	<i>6.3%</i>
EBITDA before equity based compensation ²	27.1
Depreciation & amortisation	(5.3)
EBIT	20.7
Profit Before Tax	21.0
Income Tax Expense	(6.9)
NPAT	14.1
NPATA¹	15.2

OVERVIEW

GTV includes the Gross Sales for Kogan Retail, and also the transaction value of the New Verticals, whereas Revenue reflects the revenue for Kogan Retail, and only the commissions received for the New Verticals, with the exception of Kogan Travel.

Gross margin is presented after all costs relating to freight and warranty. Kogan is focussed on maintaining its price leadership position.

People costs in FY18 include \$1.1 million of costs relating to vested and unvested equity based compensation, plus \$0.8 million of short term incentive bonuses arising as a result of FY18 outperformance.

Excluding the equity-based compensation expense, EBITDA was \$27.1 million.

NPATA represents NPAT plus the non-cash amortisation of the Dick Smith Assets. As at 30 June 2018, these assets are now fully amortised.

Notes:
 1. NPATA refers to NPAT plus the non-cash amortisation of the Dick Smith Assets. As at the end of FY18, the Dick Smith Assets have been fully amortised.
 2. FY18 People Costs include an expense of \$1.1 million for vested and unvested equity-based compensation issued as part of the Kogan.com Equity Incentive Plan.

FY18 RESULTS COMPARED TO FY17

As gross margin expands, and overheads are kept relatively stable, the business is starting to experience significant operating leverage.

\$m	FY17 ¹	FY18	% Variance
GTV	334.5	492.6	47.3%
Gross Sales	308.9	433.2	40.3%
Revenue	289.5	412.3	42.4%
Cost of Sales	(237.8)	(331.7)	39.5%
Gross Profit	51.7	80.6	55.9%
Gross margin %	17.9%	19.5%	1.6pp/8.9%
Variable Costs	(10.5)	(14.1)	34.3%
Marketing	(10.6)	(19.9)	87.7%
People Costs	(12.2)	(15.5)	27.0%
Other Expenses	(5.9)	(5.1)	-13.6%
EBITDA¹	12.5	26.0	108.0%
<i>EBITDA Margin (%)</i>	4.3%	6.3%	2.0pp/46.5%
Depreciation & amortisation	(3.8)	(5.3)	39.5%
EBIT	8.7	20.7	137.9%
Profit Before Tax	9.1	21.0	130.8%
Income Tax Expense	(2.4)	(6.9)	187.5%
NPAT	6.7	14.1	110.4%
NPATA²	8.1	15.2	87.7%

Notes:

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2. NPATA refers to NPAT plus the non-cash amortisation of the Dick Smith Assets. As at the end of FY18, the Dick Smith Assets have been fully amortised.

OVERVIEW

GTV growth of 47.3% versus Revenue growth of 42.4% is driven by Kogan Mobile, Kogan Insurance and Kogan Internet transaction values, which are not recorded as revenue.

Revenue growth of 42.4% (\$122.8 million) was driven by growth across all Product Divisions, Active Customers and New Verticals. Kogan Mobile grew by 233.3%, and successful implementation of the Exclusive Brands strategy led to YoY revenue growth of 39.6% in that Product Division.

Gross margin increased by 1.6pp to 19.5% as a result of rapid growth in New Verticals and continued strong growth in the Partner Brands Product Division.

Variable Costs increased by less than revenue, indicating some efficiency improvements in warehousing and transaction costs.

Given strong ROI metrics, the Company took the decision to invest further in Marketing, which is expected to have benefits over the short to medium term.

Much of the increase in People Costs YoY related to equity based compensation expenses, and short term incentive bonuses arising as a result of FY18 outperformance.

EBITDA margin increased by 2.0pp to 6.3% as the business is benefitting from ongoing operating leverage. This resulted in a more than doubling of prior year earnings.

KEY DRIVERS OF KOGAN.COM FY18 FINANCIAL PERFORMANCE

Ongoing implementation of strategy to grow brand, accelerate New Verticals, on-board new Partner Brands and invest in inventory, in order to continue to build an exceptional portfolio of businesses.

BRAND GROWTH

▶ The business achieved strong growth in Active Customers in the last 12 months of 433,000 (45.3%). At 30 June 2018, the business had 1,388,000 Active Customers.

ROI on marketing expenditure continues to exceed expectations and the business has invested in this in FY18. Strong NPS & effective, targeted marketing helped drive revenue growth year on year and build our customer base.

PRODUCT DIVISIONS

▶ Product Divisions achieved YoY revenue growth of 40.5% as we continue to expand our product offering, on-board new & market-leading brands and leverage digital efficiencies to bring best-in-market offers to consumers. The Partner Brands Product Division is now a larger contributor to Gross Profit than the Global Brands Product Division. Exclusive Brands continues to be the largest contributor to Gross Profit.

NEW VERTICALS

▶ Kogan Mobile continues to achieve strong results with YoY growth in Gross Profit of 233.3%, resulting in a Gross Profit contribution of \$12 million in FY18. Due to the commission-based model, Kogan Mobile incurs minimal operating costs, with marketing being the key cost.

During FY18 we launched Kogan Insurance, Kogan Health, Kogan Pet & Kogan Life, all of which fall under the Kogan Insurance umbrella, and Kogan Internet. These New Verticals achieved gross profit of \$0.8 million, of which \$0.6 million was generated by Kogan Internet.

KEY DRIVERS OF KOGAN.COM FY18 FINANCIAL PERFORMANCE

High performing team aligned with the interests of shareholders.

GROSS MARGIN IMPROVEMENT

▶ Continued rapid growth in Kogan Mobile & strong growth in the Partner Brands Product Division drove gross margin improvement YoY. Kogan Mobile gross profit increased as a % of overall gross profit from 7.0% in FY17 to 14.9% in FY18. Partner Brands achieved YoY revenue growth of 46.0% & represented 20.5% of overall gross profit. Exclusive Brands continues to be the largest contributor of Gross Profit, representing 44.2% in FY18.

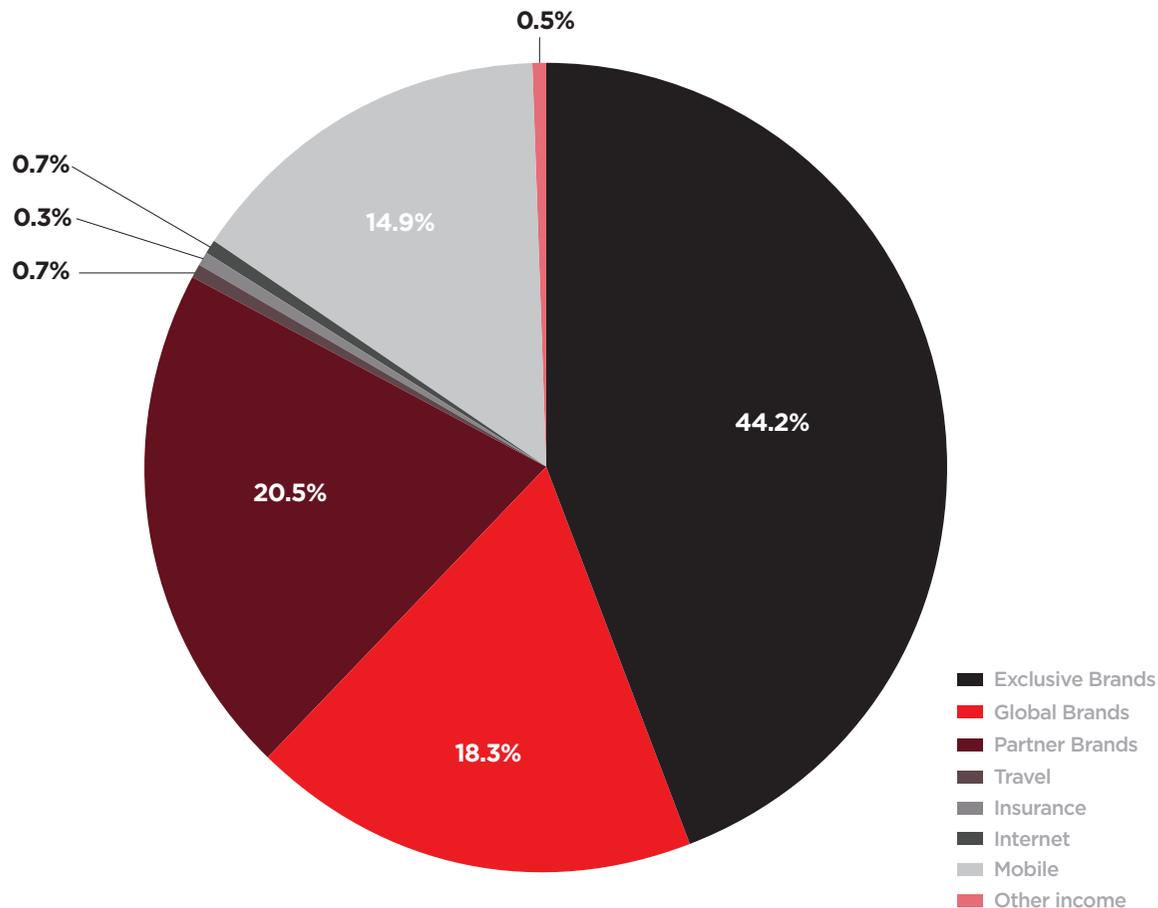
INVESTMENT IN PEOPLE

▶ The business has made strategic investments in people, in order to retain key talent and align their interests with shareholders. Short-term and long-term incentives remain in place and people costs have increased YoY. People costs in FY18 include \$1.1 million of costs relating to vested and unvested equity-based compensation, plus \$0.8 million of short term incentive bonuses arising as a result of FY18 out-performance – collectively these costs reflect much of the YoY People Cost increase.

FY18 GROSS PROFIT PRODUCT & BUSINESS MIX

Kogan Mobile increased as a % of gross profit to 14.9% from 7.0% in FY17. Exclusive Brands continues to be the largest contributor to Gross Profit.

FY18 GROSS PROFIT MIX



Gross margin improvement was driven by mix shift. Kogan Mobile achieved significant YoY growth, accounting for a higher % of overall gross profit than in FY17.

All Product divisions achieved significant YoY revenue growth, which boosted overall Gross Profit.

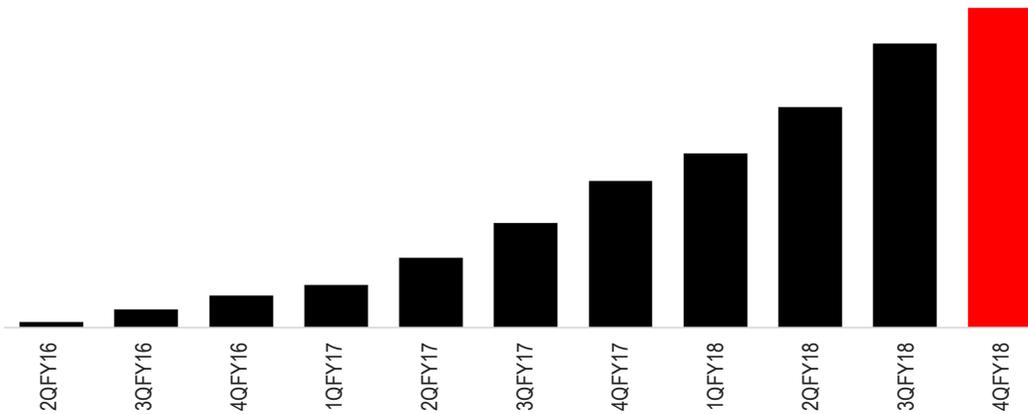
Partner Brands is now a larger contributor to Gross Profit than Global Brands. Exclusive Brands continues to be the largest contributor to Gross Profit.

KOGAN MOBILE



Kogan Mobile achieved strong YoY growth in Gross Profit and Active Customers

KOGAN MOBILE AUSTRALIA - ACTIVE CUSTOMERS

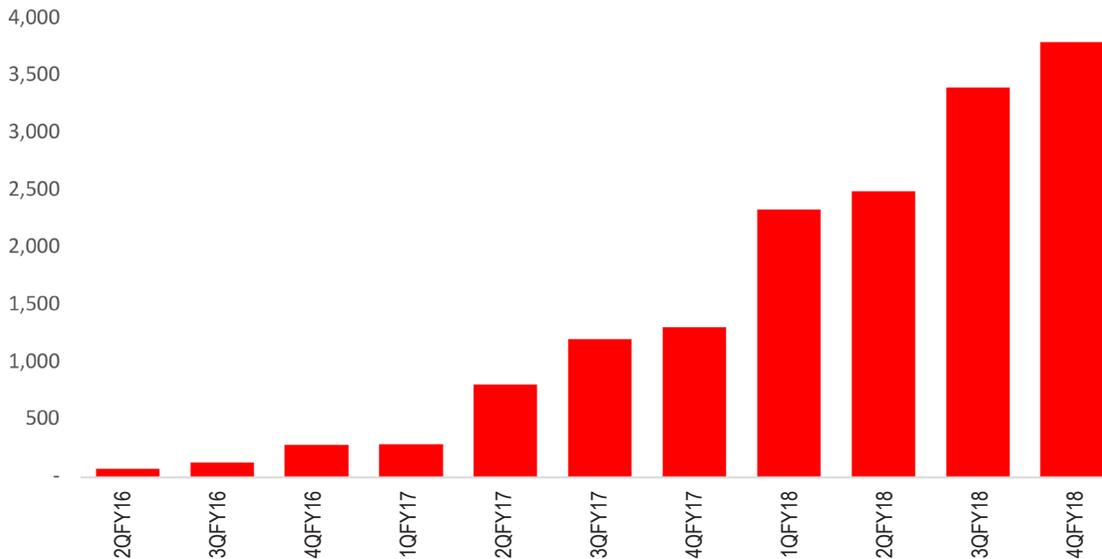


Kogan Mobile achieved Gross Profit of \$12.0 million in FY18. Kogan Mobile brought on ~ 1% of the total number of mobile phone users in Australia¹ within 2 years of launching, and is approaching 2%.

The success of Kogan Mobile demonstrates the strength of the Kogan brand in powering New Verticals.

Kogan Mobile New Zealand is a business division currently being prepared for launch in FY19. This project further expands the strong commercial relationship with Vodafone. There are more than 3.8 million mobile phone connections in New Zealand².

KOGAN MOBILE AUSTRALIA - QUARTERLY GROSS PROFIT (\$'000S)



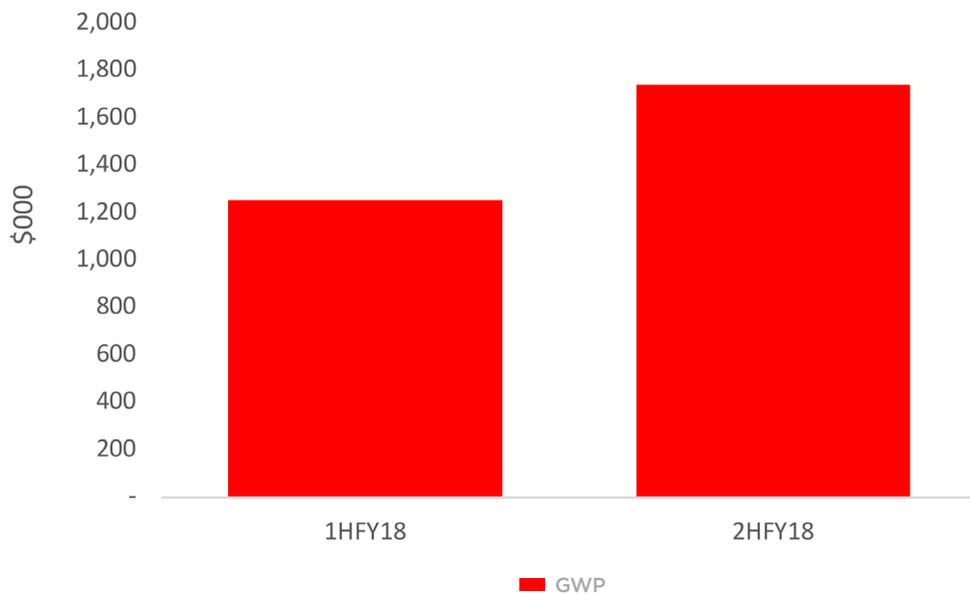
Notes:

1. Source: According to Statista, there were forecast to be 19.7 million mobile phone users in Australia in 2017

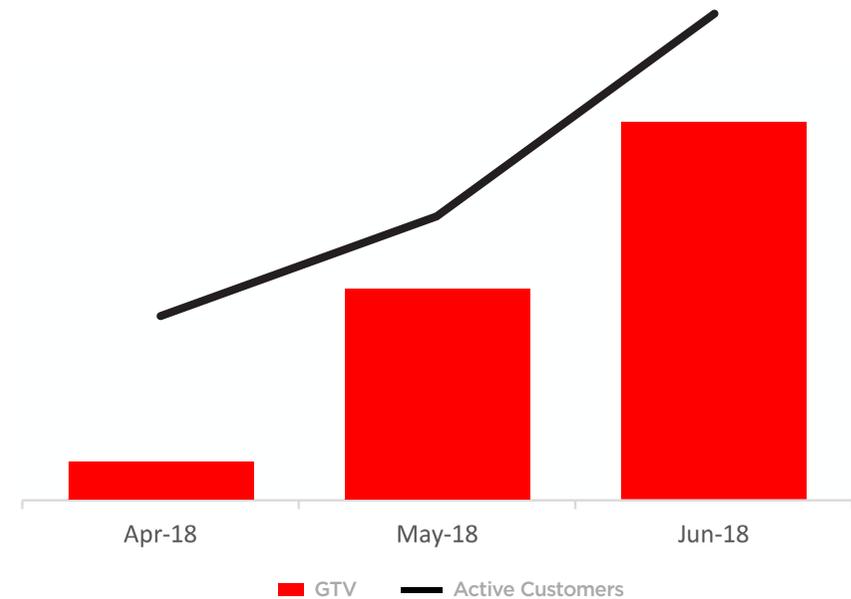
2. Source: Stats NZ - New Zealand is going mobile - 10 October 2017

NEW VERTICALS LAUNCHED IN FY18

KOGAN INSURANCE GROSS WRITTEN PREMIUMS



KOGAN INTERNET GTV & ACTIVE CUSTOMERS (SINCE LAUNCH)



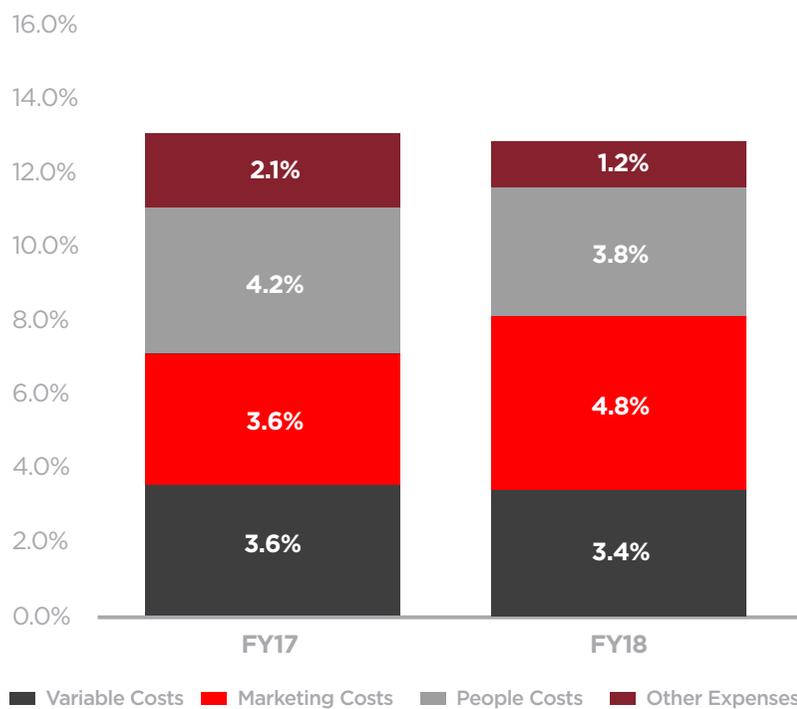
Kogan Insurance includes the new insurance verticals launched in 2HFY18 – Kogan Health, Kogan Pet & Kogan Life, as well as the general insurance offering launched in August 2017. Kogan.com is focussed on working with our Partners in Kogan Insurance to implement strategies to accelerate Kogan Insurance growth in FY19.

Kogan Internet launched during April 2018, and has some of the most competitively priced NBN plans in the market. Kogan.com has a strong commercial relationship with Vodafone, and there is a joint ambition to grow Kogan Internet significantly in FY19.

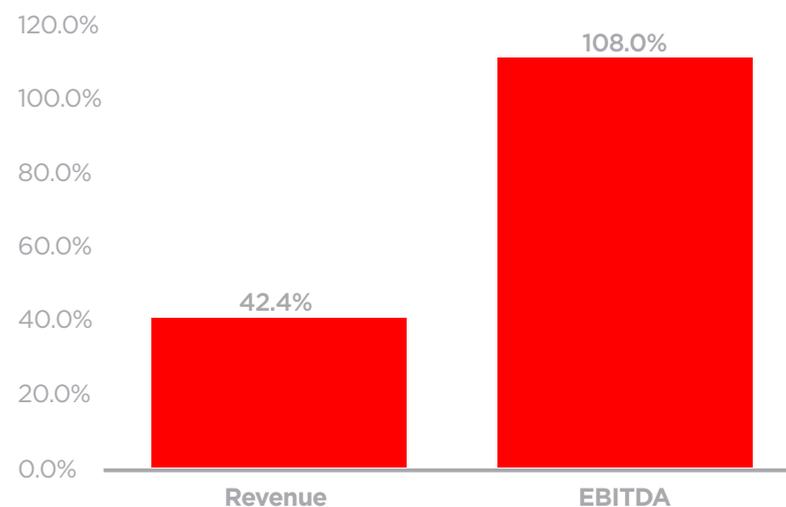
OPERATING LEVERAGE

Acceleration of EBITDA materially outpaced revenue in FY18, as the business is experiencing significant operating leverage

OPERATING COSTS BREAKDOWN
FY17¹ – FY18
(as a % of revenue)



OPERATING LEVERAGE
YOY % INCREASE IN REVENUE AND EBITDA



The business continues to invest in marketing, following better than expected ROI. Effective and targeted marketing is a key component of our growth strategy.

With the exception of marketing, all other operating costs decreased as a % of revenue YoY.

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NET ASSET SUMMARY

Strong balance sheet with \$42.6 million of cash¹ at 30 June 2018

\$m	Jun-18
CURRENT ASSETS	
Cash and cash equivalents ¹	42.6
Trade and other receivables	5.7
Inventories	50.2
Financial assets	0.6
Total current assets	99.0
NON-CURRENT ASSETS	
Property, plant and equipment	0.4
Intangible assets	6.5
Total non-current assets	6.9
Total assets	106.0
CURRENT LIABILITIES	
Trade and other payables	46.0
Current tax liability	3.2
Loans and borrowings	-
Provisions	0.9
Deferred income	7.3
Deferred tax liability	0.6
Total current liabilities	58.1
NON-CURRENT LIABILITIES	
	0.1
Total liabilities	58.2
NET ASSETS	47.9

Inventories of \$50.2 million comprised of:

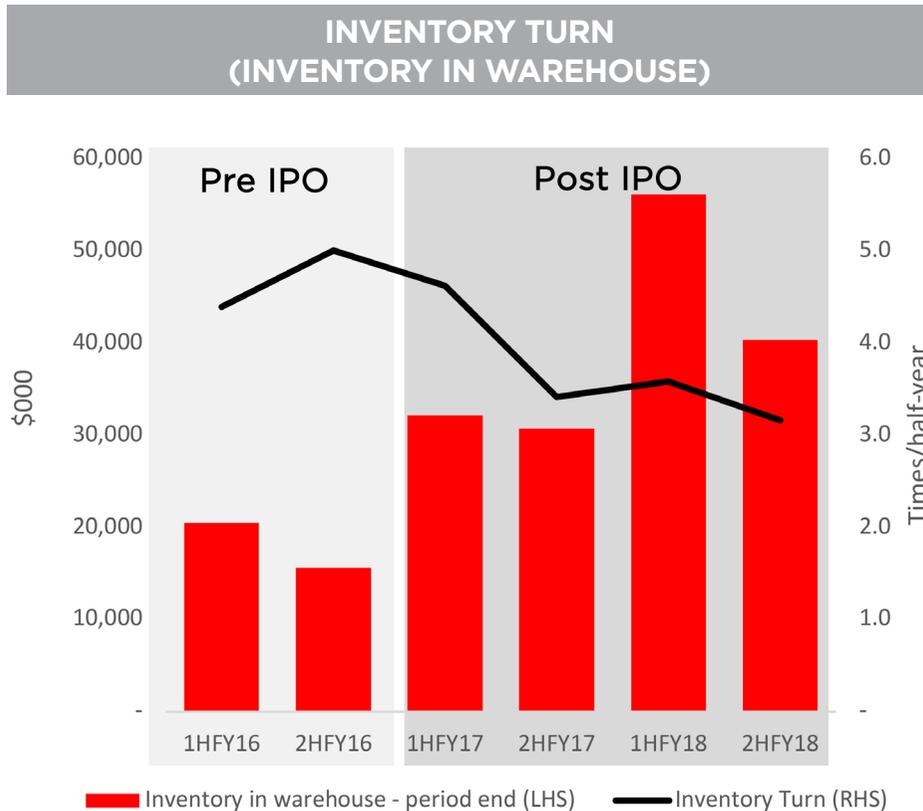
- \$40.4 million of inventory in warehouse; and
- \$9.8 million of inventory in transit.

79.9% of inventory in warehouse was less than 120 days old, and more than 99.4% of inventory in warehouse was less than 365 days old.

Notes:
 1. Cash and cash equivalents is \$0.6 million higher than reported in the Company's Appendix 4C and quarterly cash flow (released to ASX on 24 July 2018) due to a reclassification of certain items from Trade and other receivables to Cash and cash equivalents.

INVENTORY TURN

The business continues to invest in inventory to support revenue growth, range expansion and meet consumer demand



Inventory in warehouse has increased significantly following investment post IPO to meet consumer demand, support revenue growth and range expansion. Despite the significant increase in inventory levels, inventory turn per half-year has been broadly stable since 2HFY17, at between 3 and 4 times, demonstrating the strong sell-through of the inventory purchased.

FY18 STATUTORY CASH FLOW

The business achieved operating cash conversion of 122.9% in FY18

\$m	Statutory FY18
Statutory EBITDA	26.0
Non-cash items in EBITDA ¹	(0.2)
EBITDA excluding non-cash items	25.8
Change in net working capital	5.9
Operating cash flow before capital expenditure	31.7
Purchase of PP&E	(0.1)
Investment in intangibles	(7.1)
Cash flow before financing and taxation	24.5
<i>Operating cash conversion %²</i>	<i>122.9%</i>

OVERVIEW

The business generated operating cash flow before capital expenditure of \$31.7 million in FY18, resulting in an operating cash conversion of 122.9%.

Net working capital decreased by \$5.9 million in FY18. Given 30 June 2018 fell on a Saturday, this resulted in higher deferred income and payables at 30 June 2018.

Notes:

1. Non-cash items include: mark to market on outstanding foreign exchange contracts at 30 June 2018 and equity based compensation expenses forming part of People Costs.
2. Operating cash conversion is calculated as Operating cash flow before capital expenditure/EBITDA excluding non-cash items.

Outlook

FY19 & BEYOND

In FY19, we expect continued brand growth, deeper market penetration in existing portfolio businesses and to launch new portfolio businesses.



SELECTIVE & OPPORTUNISTIC M&A



LAUNCH ADDITIONAL BUSINESS VERTICALS



PORTFOLIO BUSINESS - MARKET

Portfolio Business	Partner	Launch date	Market size	Achieved greater than 1% market share?
Kogan Retail	n/a	FY06	\$21.3 billion ¹	✓
Kogan Internet	Vodafone	Launched 4QFY18	10.9m premises ²	-
Kogan Insurance	Hollard	Launched 1QFY18	\$43.0 billion ³	-
Kogan Health	Medibank	Launched 3QFY18	\$26.0 billion ⁴	-
Kogan Life	Greenstone	Launched 4QFY18	\$66.0 billion ⁵	-
Kogan Pet	PetSure	Launched 4QFY18	\$490 million ⁶	-
Kogan Mobile	Vodafone	Launched 2QFY16	19.7m users ⁷	✓
Kogan Mobile NZ	Vodafone	FY19	3.8m users ⁸	-

Notes:

1. Australia Post estimates that the Australians spent \$21.3 billion buying goods online in 2017:

https://auspost.com.au/content/dam/auspost_corp/media/documents/2018-ecommerce-industry-paper-inside-australian-online-shopping.pdf

2. Source: NBN Corporate Plan 2017 and NBN Weekly Progress Report (8 June 2017)

3. Source: KPMG General Insurance Industry Review 2017 - Gross Written Premiums

4. Source: IBISWorld Health Insurance - Australia Market Research Report November 2017

5. Source: IBISWorld Life Insurance - Australia Market Research Report October 2017

6. Source: Canstar - www.canstar.com.au/pet-insurance/how-much-do-we-spend-on-our-pets/

7. Source: <https://www.statista.com/statistics/274677/forecast-of-mobile-phone-users-in-australia/>

8. Source: http://archive.stats.govt.nz/browse_for_stats/industry_sectors/information_technology_and_communications/isp-2017-mobile-connections-story.aspx

FY19 OUTLOOK

FY19 will see the scaling up of New Verticals, and further growth in the Active Customer base



The Board will not be providing formal EBITDA guidance for FY19. However, the Board will provide an update on trading performance of the business at the Company's AGM in November.

IN FY19, WE EXPECT:

- Growth of Active Customer base
- Growth in Exclusive Brands
- Growth in Partner Brands
- Growth in Kogan Mobile
- Growth in Kogan Health, Kogan Life, Kogan Pet and Kogan Internet

DIVIDEND

The Board has declared a fully franked final dividend of 6.1 cents per share, which represents 80% of NPATA.

	DPS (cents)	Franking (%)	Record date	Payment date
Final dividend	6.1	100.0	24 August 2018	7 September 2018

	FY17	FY18	Growth
Dividend per share (cents)	7.7	13.0	68.8%

GLOSSARY

1HFYxx: the six months ended 31 December 20xx.

2HFYxx: the six months ended 30 June 20xx.

3QFYxx: the three months ended 31 March 20xx.

4QFYxx: the three months ended 30 June 20xx.

Active Customers: unique customers who have purchased in the last twelve months from X date, rounded to the nearest thousand.

Active Subscribers: unique subscribers as at 30 June 2018, rounded to the nearest million.

Cancellations and Refunds: occur when customers cancel an order before it is despatched (cancellations) or when customers return products to Kogan.com following delivery due to a defect or change of mind (refunds).

Core Website Channels: Kogan.com, Kogan Apps (iPhone and Android) and Dick Smith Assets.

Dick Smith Assets: certain Dick Smith online assets acquired in April 2016 for \$2.6 million.

EBIT: earnings before interest and tax.

EBITDA Margin: EBITDA divided by revenue.

EBITDA: earnings before interest, tax, depreciation and amortisation.

Exclusive Brands (formerly referred to as Private Label): products sold under brands owned by Kogan.com.

FYxx: Financial year ended 30 June 20xx.

Gross Margin: Gross Profit divided by revenue.

Gross Profit: revenue less cost of goods sold.

Gross Sales: represents sales of products and services, including delivery income and before deducting Cancellations and Refunds.

GTV: Gross transaction value, on a cash basis, of products and services sold, before deducting Cancellations and Refunds, but after deducting GST.

GWP: Gross written premium of insurance policies sold under Kogan Insurance, Kogan Health, Kogan Pet and Kogan Life, before deducting Cancellations and Refunds, but after deducting GST.

Historical and Forecast Financial Information: Statutory and Pro Forma Financial Information for FY15, FY16, FY17 and FY18.

Inventory Turn: cost of goods sold in the period divided by the average inventory in the period.

Kogan Health: New Vertical launched in 3QFY18 offering health insurance online.

Kogan Insurance: New Vertical launched in FY18 offering Insurance online.

Kogan Internet: New Vertical launched in 2HFY18 offering NBN plans via Vodafone's fixed line NBN network.

Kogan Life: New Vertical launched in 2HFY18 offering life insurance online.

GLOSSARY

Kogan Mobile: New Vertical offering pre-paid mobile phone plans available online using Vodafone's mobile network in Australia.

Kogan Mobile New Zealand: New Vertical due to launch in FY19 offering pre-paid mobile phone plans available online using Vodafone's mobile network in New Zealand.

Kogan Pet: New vertical launched in 2HFY18 offering pet insurance online.

Kogan Retail: product sales through the Core Website Channels and eBay, Amazon.com.au, TradeMe and other platforms.

Kogan Travel: New vertical offering online holiday packages and hotel and cruise bookings.

LTM: last twelve months.

New Verticals: Kogan Travel, Kogan Mobile, Kogan Insurance, Kogan Internet, Kogan Health, Kogan Life, Kogan Pet.

NPATA: Net profit after tax but before amortisation of the Dick Smith Assets.

Product Division: means Exclusive Brands, Partner Brands, and Global Brands

Pro Forma EBITDA: represents the results of the business after Pro Forma adjustments, consistent with Prospectus Pro Forma.

Partner Brands (formerly referred to as Third Party Branded Domestic): brands owned by third parties, for which products are sourced domestically in Australia.

Global Brands (formerly referred to as Third Party Branded International): brands owned by third parties, for which products are sourced internationally.

Working Capital: total of trade and other receivables, inventories and prepayments which are included within other assets, less trade and other payables, deferred income, employee benefits and current provisions.

YoY: year on year

ANNEXURE 1

FY18 RECONCILIATION OF GROSS SALES TO REVENUE

At 30 June 2018, presales were \$7.3 million, representing Gross Sales yet to be dispatched.

\$m	FY18
Gross Sales	433.2
Change in presales ¹	(2.2)
Refunds and cancellations	(18.7)
Statutory revenue	412.3

Notes:

1. Change in presales relates to the movement in deferred income, which is recognised on product sales that are yet to be dispatched, but for which cash has been received.

ANNEXURE 2

FY18 GROSS SALES & REVENUE BY PORTFOLIO BUSINESS

95.1% of total revenue was generated by the product divisions.

\$m	FY17		FY18		YoY revenue growth %
	Gross Sales	Revenue	Gross Sales ¹	Revenue	
Exclusive Brands	97.5	93.1	137.0	130.0	39.6%
Global Brands	126.7	118.2	173.0	163.2	38.1%
Partner Brands	73.5	67.8	102.2	99.0	46.0%
Product Divisions	297.7	279.1	412.2	392.2	40.5%
Travel	6.9	6.2	7.8	6.9	11.3%
Insurance	-	-	0.3	0.3	n/a
Internet	-	-	0.6	0.6	n/a
Mobile	3.6	3.6	12.0	12.0	233.3%
Total	308.2	288.9	432.8	411.9	42.6%
Other Income	0.6	0.6	0.4	0.4	-33.3%
Total	308.8	289.5	433.2	412.3	42.4%

Notes:

1. A reconciliation of Gross Sales to Revenue is provided in Annexure 1.