

ASX Announcement

23 July 2019

Kogan.com Business Update

Kogan.com Limited (the Company; Kogan.com; ASX:KGN) is pleased to advise that the final quarter of FY19 saw a strong first full quarter of contribution from the Kogan Marketplace, continued strong growth in Exclusive Brands, significant preparatory work to launch key new verticals in 1H FY20 (Kogan Mobile NZ, Kogan Credit Cards and Kogan Super), the entry into a new partnership to launch Kogan Energy in 1H FY20, and the launch of Kogan Cars.

Kogan.com Founder & CEO, Ruslan Kogan, said the team is relentlessly pursuing it's goal to make the most in-demand products and services more accessible and affordable:

"In contrast to what has been reported as a tough retail environment, we have been able to grow the business and earnings while investing significantly in the Kogan.com customer experience and enabling our long term strategy. Our team has continued to delight our customers while delivering a solid quarter of trading.

"The launch of Kogan Marketplace is proving to be a transformational step for our business. Marketplace gained momentum during the quarter and we have been overwhelmed by the response from both sellers and customers. Our team is working hard to onboard the backlog of sellers who want to reach the Kogan customer base.

"We have a very exciting pipeline of new business units that will delight our customers in even more ways and bring more competition to some very important industries. We will soon be launching Kogan Credit Cards, Kogan Super, and Kogan Mobile New Zealand. We also launched Kogan Cars just before the end of June, and formed a strong partnership to power Kogan Energy which is set to launch before the end of calendar year 2019.

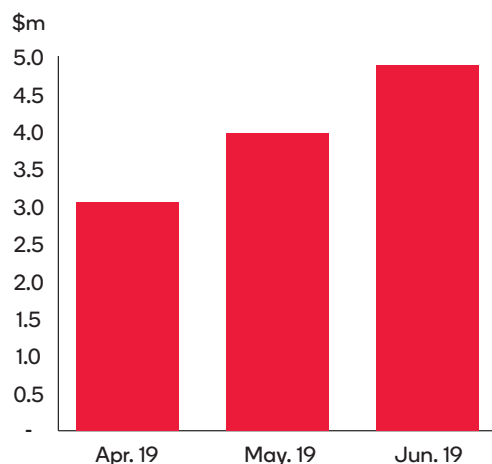
“We have continued to invest in our platform and logistics capability and these investments enable us to deliver our products faster, cheaper and to more locations. Kogan.com now leverages 13 fulfillment centres, which enables us to delight our customers.

“The Kogan.com team is continuing to build an innovative, efficient, agile and resilient business. We are obsessed about delivering our customers better value, and look forward to the start of the new financial year with confidence in our team, and our business strategy.”

The Company advises that its FY19 accounts are currently being audited, and detailed commentary on trading performance will be provided with the release of the full-year results next month. Nonetheless, Kogan.com provides the following business update which, where applicable, is based on unaudited management accounts:

- Kogan.com achieved 15.9% year-on-year Active Customer growth. The Company had Active Customers of 1,609,000 as at 30 June 2019 (compared with 1,388,000 as at 30 June 2018).
- Kogan Mobile active customers grew 24.4% year-on-year, as at 30 June 2019. Commission-based revenues for Kogan Mobile during the second half of FY19 (2HFY19) grew by more than 5% compared to the prior corresponding period (2HFY18).
- Kogan Internet, grew active customers by 273% year-on-year, as at 30 June 2019, after another strong quarter of promotional activity driving accelerated customer growth.
- Kogan Insurance commission-based revenues for 2HFY19 grew by more than 100% compared to 2HFY18.
- Exclusive Brands revenues in 2HFY19 grew by more than 30% compared to 2HFY18. The Company is also pleased to advise that, following the launch of the Exclusive Brands White Goods & Built-in Kitchen Appliance Category in 2018, that category is currently the second largest category for the Exclusive Brands division.

- Kogan Marketplace launched in 3QFY19. In its first full quarter, Kogan Marketplace achieved Gross Transaction Values as shown below:



- The Company has formed a US-domiciled subsidiary with a view to supplying wholesale Exclusive Brand products to US-based retailers. First orders from large US-based retailers have been received.
- The Company has expanded its logistics footprint to 13 fulfillment centres. This enables the business to continue scaling and delighting customers with faster and cheaper delivery while servicing more locations.

Comparing unaudited management accounts for 2HFY19 to those of 2HFY18:

- Gross Transaction Value growth was more than 9% (this includes the transaction values of Kogan Marketplace, Kogan Mobile, Kogan Internet, Kogan Insurance and Kogan Travel, in addition to Kogan Retail).
- Gross Profit growth was more than 12%.
- Operating costs reduced by more than 2% (Marketing Costs, People Costs, Variable Costs and Other Costs).
- EBITDA growth was more than 25%.

Based on unaudited management accounts, as at 30 June 2019, the Company had cash of \$27.5 million, total inventories of \$75.7 million (comprised of \$67.3 million inventory in warehouse and \$8.4 million of inventory in transit), and no bank debt

ENDS

For further information please contact:
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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 and KoganTravel. Kogan 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.