

ASX ANNOUNCEMENT

23 October 2019

Kogan.com Business Update

Rapid New Vertical expansion ahead of schedule

1QFY20 HIGHLIGHTS

- Kogan Mobile NZ, Kogan Money Credit Cards, Kogan Money Super, and Kogan Energy all launched ahead of schedule
- New agreement with Corporate Travel Management Limited (ASX:CTD) regarding travel services
- Exclusive Brands revenue grew by more than 35% on prior year
- Kogan Marketplace continued to show strong growth in 1QFY20
- **Gross Sales** grew by more than 16% on prior year
- **Gross Profit** grew by more than 28% on prior year
- **Operating Costs** grew by less than 3% on prior year

Kogan.com Limited (the Company; Kogan.com; ASX:KGN) is pleased to provide a business update for the first quarter of FY20 (1QFY20). The quarter saw the launch of key New Verticals Kogan Money Super, Kogan Mobile NZ, Kogan Energy and Kogan Money Credit Cards. Each of these Verticals is underpinned by a strong commercial partnership with a top tier incumbent provider that focuses on providing customers with a market leading offer. 1QFY20 also saw strong growth in Exclusive Brands and continued momentum in Kogan Marketplace.

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 affordable and accessible:

"The first quarter of FY20 saw our team continue to execute our long term plan to drive better value and choice for our customers. The team delivered the launch of many initiatives that have been a focus in our business for a long time."

"Each of Kogan Mobile NZ, Kogan Money Credit Cards, Kogan Money Super and Kogan Energy represents the entry by Kogan.com into a substantial and lucrative market that is ripe for disruption."

"The customer value that Kogan.com is offering in each of these new markets is clear. Kogan Mobile NZ is already shaking up the New Zealand prepaid market, Kogan Money Credit Cards is offering the best value consumer credit card in Australia. Kogan Money Super is offering ultra low fee index-based funds, and Kogan Energy has some of the lowest cost renewable energy deals in the market."

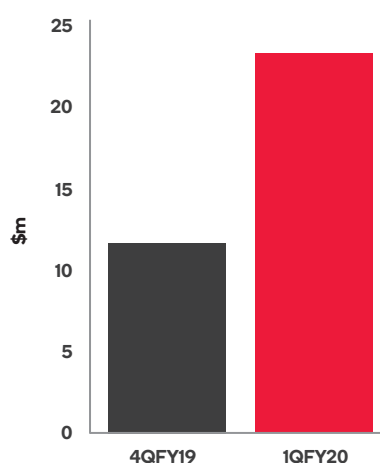
"The Kogan.com team continues to build an innovative, efficient, agile and resilient business. We are obsessed about delivering our customers better value, and look forward to the key Christmas quarter with confidence."

"The product range available on our site is the biggest it's ever been, our service is the best it's ever been and we have the widest logistics network out of any eCommerce company in Australia -- all this means our customers will get their Christmas orders faster and cheaper than ever before. We're actually a little worried Santa will spill his milk and cookies when he sees our lineup for Christmas."

The Company provides the following business update which, where applicable, is based on unaudited management accounts:

- Kogan.com achieved 14.0% year-on-year Active Customer growth. The Company had Active Customers of 1,653,000 as at 30 September 2019 (compared with 1,450,000 as at 30 September 2018).
- Exclusive Brands revenue in 1QFY20 grew by more than 35% compared to the prior corresponding period (1QFY19).
- Kogan Mobile Active Customers grew 14.4% year-on-year, as at 30 September 2019. Revenue for Kogan Mobile during 1QFY20 grew by more than 20% compared to 1QFY19.
- Kogan Internet Active Customers grew 347.5% year-on-year, as at 30 September 2019.
- Kogan Insurance revenue during 1QFY20 grew by more than 20% compared to 1QFY19.
- Kogan Marketplace growth continued during 1QFY20. In its second full quarter, Kogan Marketplace achieved Gross Sales as shown below:

Kogan Marketplace Gross Sales



- Third Party Brands revenue in 1QFY20 declined materially from those in 1QFY19 largely due to a continued decline in handset sales (including Apple and Huawei) and the growth of Kogan Marketplace.
- The Company has entered into an agreement with Corporate Travel Management Limited (ASX:CTD) that will see the Company offer Kogan Travel branded travel services, including flights, cars and holiday packages, during FY20.
- The Company delivered the launch of the following key New Verticals:

New Vertical

Forecast Launch Date

Actual Launch Date

Kogan Money Super

By 31 December 2019

21 August 2019

Kogan Mobile NZ

By 31 December 2019

3 September 2019

Kogan Energy

By 31 December 2019

10 September 2019

Kogan Money Credit Cards

By 31 December 2019

2 October 2019

Comparing unaudited management accounts for 1QFY20 to those of 1QFY19:

- Gross Sales grew by more than 16%.
- Gross Profit grew by more than 28%.
- Operating Costs grew by less than 3% (Marketing Costs, People Costs, Variable Costs and Other Costs).

Based on unaudited management accounts, as at 30 September 2019, the Company had cash of \$7.2 million, total inventories of \$79.4 million (comprised of \$64.2 million inventory in warehouse and \$15.2 million of inventory in transit), no bank debt, and an undrawn debt facility of \$30.0 million.

ENDS

For further information please contact:

relations@kogancorporate.com

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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 Kogan Travel. Kogan is a leading consumer brand renowned for price leadership through digital efficiency. The company is focused on making in-demand products and services more affordable and accessible.