



# 2019 ANNUAL GENERAL MEETING

19 NOVEMBER 2019

# YOUR BOARD



**Greg Ridder**

Independent Non-Executive  
Chairman



**Ruslan Kogan**

Founder, CEO and Executive  
Director



**David Shafer**

CFO, COO and Executive  
Director



**Harry Debney**

Independent  
Non-Executive Director



**Michael Hirschowitz**

Independent Non-Executive  
Director

## CHAIRMAN'S ADDRESS



**Greg Ridder**, Independent Non-Executive Chairman

## FY19 RESULTS

**\$551.8m**

**Gross Sales**

▲ 12.0% on FY18

**\$30.1m**

**EBITDA**

▲ 15.6% on FY18

**\$17.2m**

**NPAT**

▲ 21.9% on FY18

**14.3 cps**

**Total Dividends**

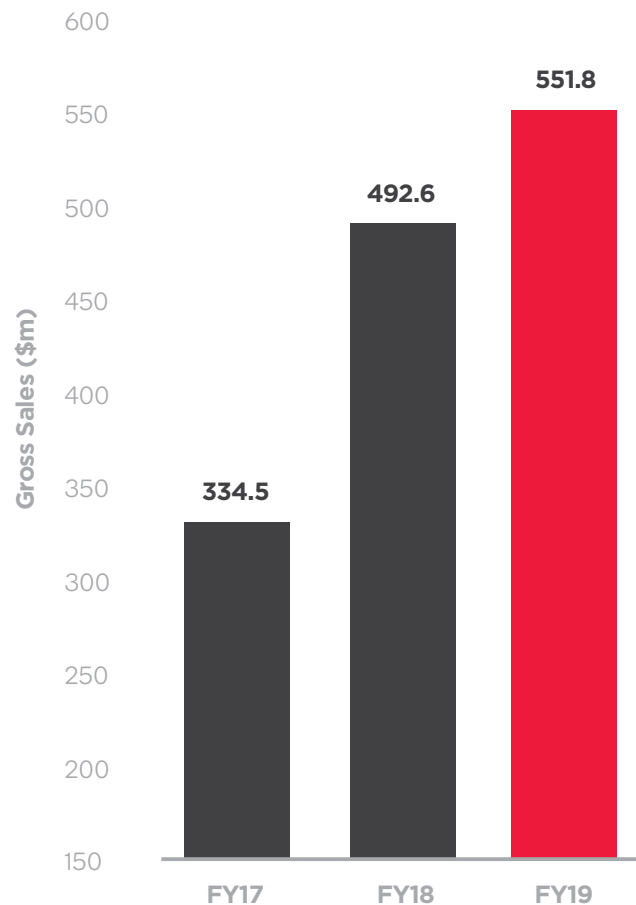
# CEO'S PRESENTATION



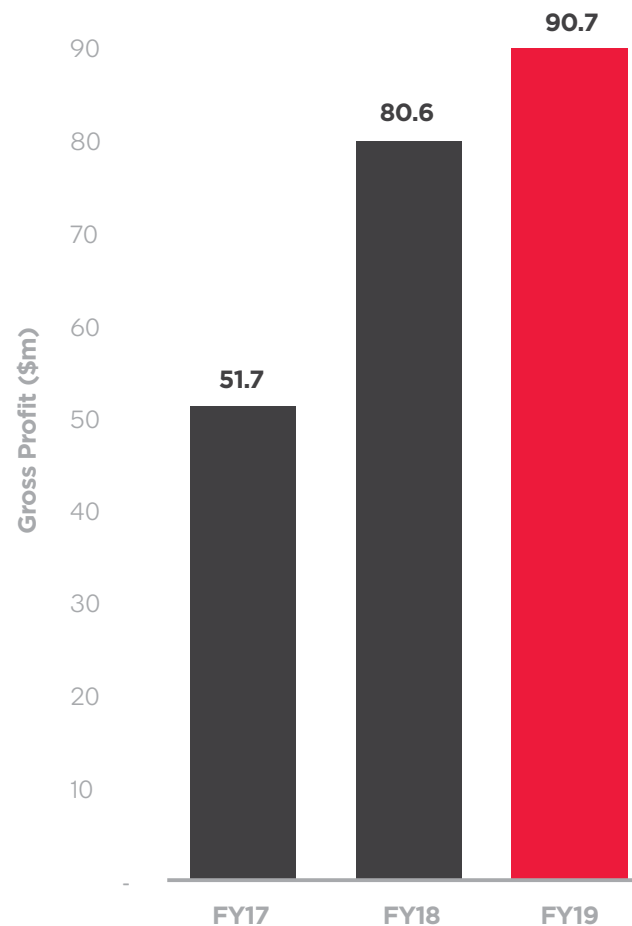
**Ruslan Kogan**, Founder, CEO and Executive Director

# FINANCIAL HIGHLIGHTS FY19

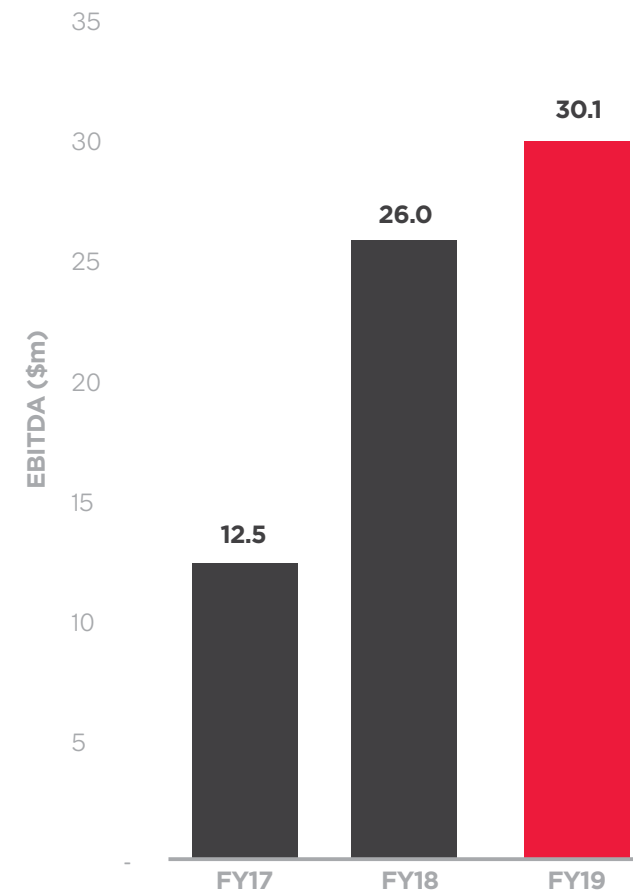
## Gross Sales<sup>1</sup>



## Gross Profit<sup>2</sup>



## EBITDA<sup>2</sup>



<sup>1</sup>Gross Sales was formerly referred to as GTV (Gross Transaction Value). The Company believes Gross Sales (formerly referred to as GTV) is a key metric of the business, given that transaction values of Kogan Marketplace, Kogan Mobile, and other New Verticals are not reflected in Revenue.

<sup>2</sup>The Company has applied AASB 15 & 16 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See Annexure 2 & 3 from 'Kogan.com FY19 Results Presentation', released on 20 August 2019, for a reconciliation of the FY19 impact.

## WHO WE ARE

kogan.com

kogan  
**FIRST** ✓

kogan  
retail

kogan  
travel

kogan  
mobile

kogan  
mobilenz

kogan  
internet

kogan  
insurance

kogan  
life insurance

kogan  
pet insurance

kogan  
health

kogan  
cars

kogan  
marketplace

kogan  
energy

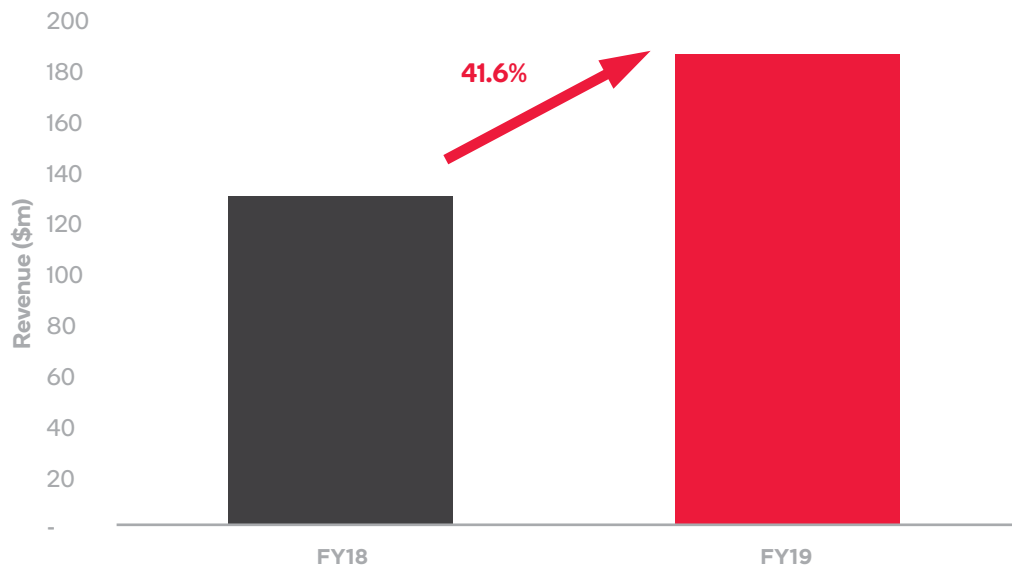
kogan  
money

kogan  
super

kogan  
credit cards

# EXCLUSIVE BRANDS STRATEGY

Strong YoY Growth in Exclusive Brands Revenue in FY19 and 1QFY20



Exclusive Brands growth rate increased YoY and benefits from:

- Full control of the end-to-end supply chain
- Strong competitive advantage
- Building trusted brands renowned for “value”
- Compelling consumer offering
- White goods as a new core category
- 13+ years’ experience

Strong performance has continued in 1QFY20 with Exclusive Brands revenue growing by more than 35% compared to the prior corresponding period (1QFY19).

kogan KOMODO bubbli CERTA ovela Scharfen nutriVance

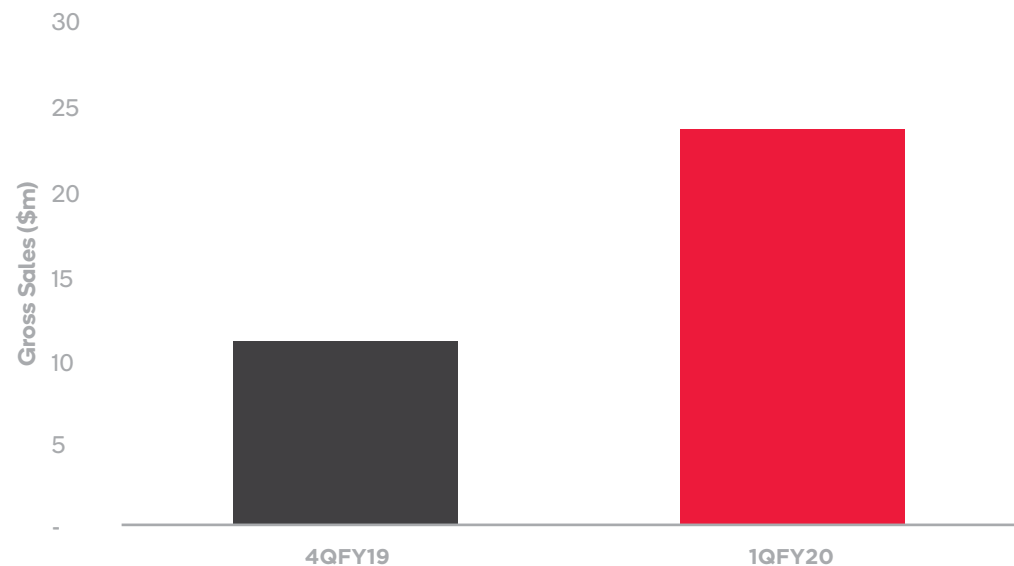
COOKMASTER Trafalgar FORTIS VOSTOK SHANGRI-LA BELLA VITA

Pestill ERGO LUX orbis ESTELLE KROMO Pawever Pets UGG OUTBACK CLOTHING CO.



# KOGAN MARKETPLACE

## Strong Initial Performance of Kogan Marketplace



The launch of Kogan Marketplace is proving to be a transformational step for the Company. Kogan Marketplace was launched during 3QFY19 and has received positive responses from both sellers and customers. In Oct-19, Gross Sales from Kogan Marketplace grew to \$9.0 million.

The Kogan.com team is currently working to integrate Kogan Marketplace with popular eCommerce platforms including Magento and Shopify, which we expect will accelerate onboarding of Marketplace sellers.

# PORTFOLIO BUSINESS - MARKET

| Portfolio Business       | Partner                             | Launch date     | Market size                         | Achieved greater than 1% market share? |
|--------------------------|-------------------------------------|-----------------|-------------------------------------|--|
| Kogan Retail             | n/a                                 | FY06            | \$23.7 billion <sup>1</sup>         | ✓                                      |
| Kogan Internet           | Vodafone                            | Launched 4QFY18 | 15.5m premises <sup>2</sup>         | -                                      |
| Kogan Insurance          | Hollard                             | Launched 1QFY18 | \$48.0 billion <sup>3</sup>         | -                                      |
| Kogan Health             | Medibank                            | Launched 3QFY18 | \$25.3 billion <sup>4</sup>         | -                                      |
| Kogan Life               | Greenstone                          | Launched 4QFY18 | \$63.0 billion <sup>5</sup>         | -                                      |
| Kogan Pet                | PetSure                             | Launched 4QFY18 | \$490 million <sup>6</sup>          | -                                      |
| Kogan Mobile             | Vodafone                            | Launched 2QFY16 | 20.0m users <sup>7</sup>            | ✓                                      |
| Kogan Mobile NZ          | Vodafone                            | Launched 1QFY20 | 3.8m users <sup>8</sup>             | -                                      |
| Kogan Money Home Loans   | Pepper & Adelaide Bank              | Launched 2QFY19 | \$83.5 billion <sup>9</sup>         | -                                      |
| Kogan Money Super        | Mercer                              | Launched 1QFY20 | 15.6 million accounts <sup>10</sup> | -                                      |
| Kogan Money Credit Cards | Citi                                | Launched 2QFY20 | 16.0 million cards <sup>11</sup>    | -                                      |
| Kogan Cars               | Eclipx                              | Launched 4QFY19 | 1.2 million cars <sup>12</sup>      | -                                      |
| Kogan Energy             | Powershop (part of Meridian Energy) | Launched 1QFY20 | \$47.0 billion <sup>13</sup>        | -                                      |

Launched during FY20

## Notes:

- Source: <https://www.ibisworld.com.au/industry-trends/market-research-reports/thematic-reports/online-shopping.html>
- Number of households connected or ready to connect to the NBN at Jun 2019. Source: <https://www2.nbnco.com.au/content/dam/nbnco2/2019/documents/how-we-aretracking/nbn-june-2019-monthly-progress-report-v2.pdf>
- Source: [https://www.apra.gov.au/sites/default/files/quarterly\\_general\\_insurance\\_performance\\_statistics\\_highlights\\_-\\_march\\_2019.pdf](https://www.apra.gov.au/sites/default/files/quarterly_general_insurance_performance_statistics_highlights_-_march_2019.pdf)
- Source: <https://www.ibisworld.com.au/industry-trends/market-research-reports/financial-insurance-services/health-insurance.html>
- Source: <https://www.ibisworld.com.au/industry-trends/market-research-reports/financial-insurance-services/life-insurance.html>
- Source: Canstar - [www.canstar.com.au/pet-insurance/how-much-do-we-spend-on-our-pets/](http://www.canstar.com.au/pet-insurance/how-much-do-we-spend-on-our-pets/)
- Source: <https://www.statista.com/statistics/274677/forecast-of-mobile-phone-users-inaustralia/>
- Source: [http://archive.stats.govt.nz/browse\\_for\\_stats/industry\\_sectors/information\\_technology\\_and\\_communications/isp-2017-mobile-connections-story.aspx](http://archive.stats.govt.nz/browse_for_stats/industry_sectors/information_technology_and_communications/isp-2017-mobile-connections-story.aspx)
- Source: <https://www.ibisworld.com.au/industry-trends/market-research-reports/thematic-reports/mortgages.html>
- Source: <https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-statistics-data/Multiple-super-accounts-data/>
- Source: <https://qsuper.qld.gov.au/news-hub/articles/2018/03/13/04/46/credit-cards-the-stats>
- Source: <https://www.caradvice.com.au/714908/vfacts-2018-annual-sales-wrap/>
- Source: <https://www.ibisworld.com.au/industry-trends/market-research-reports/electricity-gas-water-waste-services/electricity-retailing.html>

# SOME RECENT AWARDS

Three-peat! Third year running winner of the Peoples Choice Award at the Australia Post Online Retail Industry Awards (ORIAS)



Over 1,350 Retailers were considered and over 285,000 Australian consumers voted in 2019.



## MOZO Experts Choice Awards for Kogan Internet, Kogan Money & Kogan Life Insurance

Kogan Internet



Kogan Money Home Loans



Kogan Life Insurance

## Finder Award for Best Prepaid SIM – Kogan Mobile Extra Large 30 Day Plan



# CURRENT TRADING - NOVEMBER UPDATE

## YoY Unaudited Gross Sales, Gross Profit and Operating Costs Growth During YTD FY20

|                              | Jul-Sep 2019 | Oct 2019 |
|------------------------------|--------------|----------|
| Gross Sales <sup>1</sup>     | +16.0%       | +18.5%   |
| Gross Profit <sup>1</sup>    | +28.1%       | +22.9%   |
| Operating Costs <sup>1</sup> | +2.6%        | -8.6%    |

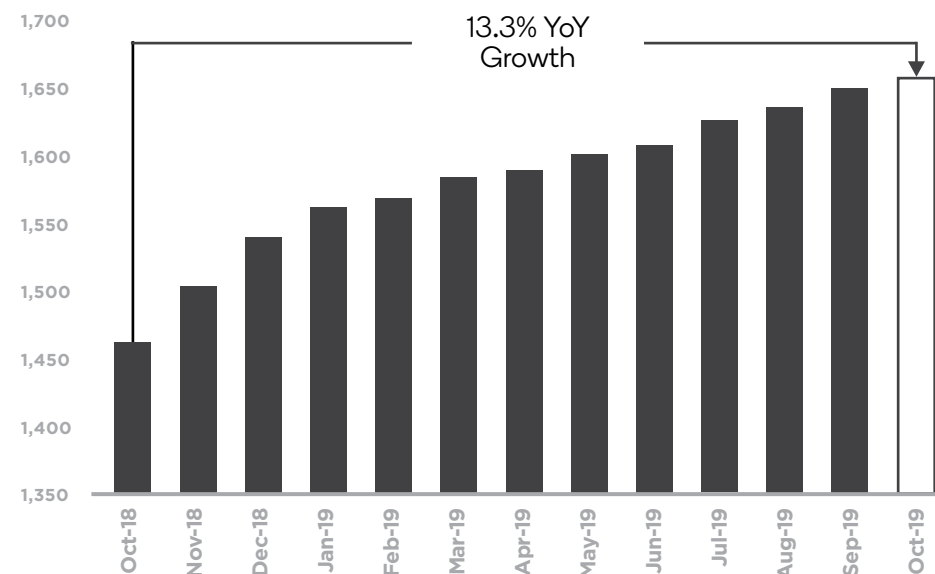
### Gross Sales<sup>1</sup>

- In the first four months of the financial year, we have seen strong performance from Exclusive Brands and Kogan Marketplace.
- We are now entering the very important Christmas trading period. November and December are typically the most important months of the year for the business, with strong performance in these months in the prior years.

### Gross Profit<sup>1</sup>

- Gross Profit has increased by more than 20% in both Q1 FY20 and Oct-19 due to the continued strong performance of Exclusive Brands and Kogan Marketplace, as well as Advertising income.

## Active Customers of 1,662,000 as at 31 Oct 19



### Operating Costs<sup>1</sup>

- Marketing costs have decreased due to the efficiencies gained with the operation of our new proprietary marketing platform.
- Variable costs have increased following the expansion of our logistics footprint (we now have distribution centres) and growth in inventory, but year-on-year growth of these costs reduced in October.
- People and Other Costs have also grown, notwithstanding that overall headcount is relatively stable. This is driven by the expensing of equity-based compensation.

<sup>1</sup>Gross Sales, Gross Profit and Operating Costs are based on unaudited management accounts.

# Resolutions

# ORDINARY BUSINESS

## ITEM 1

## FINANCIAL STATEMENTS & REPORTS

The first item of business is to receive and consider the Annual Financial Report together with the Directors' and Auditor's Reports for the period ended 30 June 2019.

# ORDINARY BUSINESS

## ITEM 2

### ADOPTION OF THE REMUNERATION REPORT

The second item of business is to consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Company adopt the Remuneration Report for the year ended 30 June 2019 in accordance with Section 250R (2) of the Corporations Act.”

# PROXY VOTING RESULTS

## ITEM 2

## ADOPTION OF THE REMUNERATION REPORT

|                                     | Number     | % <sup>2</sup> |
|-------------------------------------|------------|----------------|
| For                                 | 35,095,921 | 98.98          |
| Against                             | 269,330    | 0.76           |
| Open - Nominated Chair <sup>1</sup> | 64,508     | 0.18           |
| - Other nomination                  | 28,305     | 0.08           |
| Abstain                             | 211,938    |                |

Notes:

1. To be voted in favour of the resolution

2. Of proxies cast



# ORDINARY BUSINESS

## ITEM 3

## ELECTION OF DIRECTORS

### 3.1 Re-election of Mr Greg Ridder

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Greg Ridder, who retires in accordance with clause 23.10 of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, be re-elected as a Director of the Company.”

# PROXY VOTING RESULTS

## ITEM 3.1

## RE-ELECTION OF MR GREG RIDDER AS DIRECTOR

|                                     | Number     | % <sup>2</sup> |
|-------------------------------------|------------|----------------|
| For                                 | 54,997,171 | 85.48          |
| Against                             | 9,251,628  | 14.38          |
| Open - Nominated Chair <sup>1</sup> | 62,691     | 0.10           |
| - Other nomination                  | 28,305     | 0.04           |
| Abstain                             | 386,465    |                |

Notes:

1. To be voted in favour of the resolution

2. Of proxies cast

# ORDINARY BUSINESS

## ITEM 3

## ELECTION OF DIRECTORS

### 3.2 Election of Director - Mr Michael Hirschowitz

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Michael Hirschowitz, who retires in accordance with clause 23.6 of the Company’s Constitution and, being eligible, be elected as a Director of the Company.”

# PROXY VOTING RESULTS

## ITEM 3.2

## ELECTION OF DIRECTOR - MR MICHAEL HIRSCHOWITZ

|                                     | Number     | % <sup>2</sup> |
|-------------------------------------|------------|----------------|
| For                                 | 63,203,330 | 97.99          |
| Against                             | 1,205,477  | 1.87           |
| Open - Nominated Chair <sup>1</sup> | 63,059     | 0.10           |
| - Other nomination                  | 28,305     | 0.04           |
| Abstain                             | 226,089    |                |

Notes:

1. To be voted in favour of the resolution

2. Of proxies cast

k<sup>o</sup>gan.com