



## 2024 Annual General Meeting

22 November 2024

### Chair's address

#### SLIDE 4: Chair's address

I'd now like to take a moment to reflect on some of our key milestones and achievements in FY24. I'm pleased to say that we continued on the path of sustainable growth and profitability. We served over 2.6 million customers and recorded Adjusted EBITDA of \$40.0 million, all while maintaining a healthy Balance Sheet and rewarding our Shareholders through dividends and a share buy-back program. These outcomes demonstrate the results of a streamlined and efficient strategy that keeps customers and shareholders at the forefront.

#### SLIDE 5: Chair's address (continued)

A major feature of our strategy has been growing our Platform-based Sales, which accounted for 62% of Kogan.com's (excluding Mighty Ape) Gross Sales. With minimal overheads and a high margin, these sales are a significant driver of profitability. Our team has been successful in optimising this approach, positioning us to remain competitive and agile in an evolving market.

A driving force of our platform-based sales was Kogan FIRST, our loyalty program. This program has proven to be a win-win, allowing us to foster customer loyalty by offering exclusive benefits like free shipping, member discounts, reward credits and prize giveaways. The strong growth in Kogan FIRST Subscribers reinforces the value of the program, and it's a key component in our strategy for deepening customer engagement.

Our Verticals, offering essential services like telecommunications, utilities, insurance and credit cards, had a record year, growing by over 20% to reach \$20 million. This year we added Mighty Mobile to the business, which we plan will be the first of a number of new Verticals to be introduced under the Mighty Ape brand.

Financially, we completed the year debt-free and with over \$41 million of cash, continued our share-buy back program, and reintroduced dividends totalling 15 cents-per-share in respect of the financial year. This speaks to our commitment to creating shareholder value through both disciplined capital management and strategic reinvestment in the business.

None of what I have just covered would have been possible without our exceptional team. Their commitment, resilience and passion have been at the heart of our achievements this year. Through every challenge, they have shown remarkable dedication to delivering value for our customers and driving results for our shareholders. On behalf of the Board, thank you for your hard work and contribution to Kogan.com's success. We couldn't have achieved such a successful year without you.

Looking forward to FY25, the Board and I are confident that our focus on operational efficiency and strategic growth will yield continued positive results. With strong fundamentals and a clear vision for the future, Kogan.com is well-positioned for another successful year.

Now I would like to extend an invitation to our Founder and CEO, Ruslan Kogan, to address the meeting.

### **SLIDE 7: CEO's Address**

This year one of our biggest highlights has been the remarkable growth of our loyalty programs, Kogan FIRST and Mighty Ape PRIMATE. We achieved substantial increases in both programs, reinforcing our mission to build a loyal community of shoppers who achieve great savings on all the products that help them live their best lives. These loyal customers contributed to over 61% of our Gross Sales for Kogan.com (excluding Mighty Ape). Additionally, our Mighty Ape PRIMATE program also achieved impressive growth, with subscriptions increasing by more than 35%.

These programs are more than just loyalty initiatives, they're key drivers of sustainable growth. They enhance our marketing efficiency, foster repeat purchases, and create lasting relationships with our customers. As we move forward, we'll continue to expand the value we offer under these programs, further strengthening the value we offer to our loyal customers.

In FY24, our Platform-based Sales played an essential role in our top-line performance, contributing 62% of Kogan.com's (excluding Mighty Ape) Gross Sales. Platform-based Sales, which includes Marketplace, Verticals, and the new Advertising Platform, are a key critical component of our business model. This focus on high-margin, capital-light revenue streams has not only delivered remarkable value for customers, it's driven profitability and positioned us to scale efficiently.

We expanded our platform-based revenue streams this year, adding Mighty Mobile and the Kogan Advertising Platform. Both have shown encouraging early performance, reinforcing the value of a diversified, platform-based revenue model. These additions are part of our long-term strategy to create scalable, high-margin revenue streams that benefit from recurring engagement.

Another key achievement this year was our improved inventory position. We reduced our average inventory levels by 40% in the year. This reduction allowed us to manage capital more efficiently while continuing to invest in the most in-demand products. The result of this was a 39% increase in Gross Profit of our Products Divisions.

Our Products Division returned to Revenue growth in the fourth quarter, a testament to our commitment to delivering a compelling product offering. As I will later highlight, we have managed to continue this positive momentum into the new financial year.

We achieved Adjusted EBITDA of \$40 million, up from \$6.8 million in the previous year. This improvement was not only the result of increased topline performance, but also significantly improved operating leverage, which we expect to continue in FY25.

With a strong financial position and Balance Sheet, we were able to reintroduce dividends for our Shareholders this year. We announced a total dividend of 15 cents per Ordinary Share, fully franked, along with the continuation of our share buy-back program.

#### **SLIDE 8: CEO's Address (continued)**

Focusing now on the new financial year, I'm pleased to provide you with a trading update covering July to October 2024. Our results thus far demonstrate continued topline growth compounded by strong operating leverage to deliver strong profitability.

Our diversified business model underpins the growth in Gross Sales and Revenue. Each division, particularly the Products Division, Kogan FIRST, Kogan Mobile, and our Advertising Platform, drove the topline increase.

Improved margins in our Products Division were a major factor in our Gross Margin expansion. This was achieved through healthier inventory levels and an optimised product mix, helping to provide remarkable value for our customers while also delivering profitability.

Our continued focus on operational efficiency has translated into strong growth in Adjusted EBITDA and Adjusted EBIT, reaching \$14.7 million and \$10.6 million, respectively, over the first four months of FY25 - representing year-on-year growth of 55.2% and 95.8%. This growth reflects well-managed operating costs, as we best utilise and manage capital.

In October 2024, we re-platformed the Mighty Ape website, setting the stage for an enhanced user experience and better interaction with customers. This initiative included the launch of Mighty Ape Marketplace and additional offers for Mighty Ape PRIMATE Subscribers, with a new mobile app for Mighty Ape set to launch in the coming months. We now enter the peak sales period for FY25, which includes Black Friday, Christmas and Boxing Day sales. Our year-on-year

Gross Sales growth has accelerated in the first 20 days of November, with customers being delighted by our strong offerings from the Products Division and Kogan Marketplace Sellers.

As I look to the future, I'm very optimistic about the opportunities that lie ahead. Our strategy remains focused on growing our Platform-based Sales, expanding our Products Division, and enhancing our loyalty programs. We believe this approach positions us well for continued success, even in a competitive and rapidly changing environment.

Finally, a huge thank you to the team at Kogan.com. Your commitment to delivering on our strategy and vision has been instrumental for achieving such a successful year. To our Shareholders, I look forward to chatting with many of you after today's formalities are completed.

I will now hand back to our Chair for the formal business of today.

Thank you.