



Investor Presentation

ASX: MYD
4 November 2020



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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

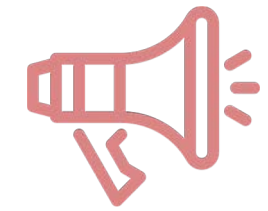
Non-IFRS financial measures

The Company uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this presentation as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measure that is referred to in this presentation is EBITDA. EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical capital structure and historical tax position of the Company. Management also use the terms Gross Sales or Gross Transaction Value, which represents the total value (unaudited) of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons but after deducting GST.

Although the Company believes that these measures provide useful information about the financial performance of the Company, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australia Accounting Standards and not as a replacement for them.

All dollar figures within this document represent Australian Dollars unless otherwise specifically stated.

Q1FY21 Trading Update



MyDeal listed on the ASX on 22 October 2020, following strongly supported \$40m IPO



Gross Sales¹ of ~\$56.7m in Q1FY21, up **317% YoY** (Gross Sales run rate of ~\$226.7m)



Number of Active Customers² up **268% YoY** to a record **669,897** as at 30 September 2020



Private label brands are rapidly expanding, having generated Gross Sales exceeding \$1.6m since launch in June 2020 and 30 September 2020 (targeting 35-40% gross margins)

1. "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value of transactions (unaudited) processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

2. "Active Customers" are customers who have bought products through the MyDeal platform during the last 12 months

Introduction to MyDeal

- MyDeal is one of Australia's leading online marketplaces for household goods (e.g. furniture, homewares)
- Scalable proprietary marketplace technology and capital lite business model
- MyDeal's private label brands provide affordable household goods to consumers through the MyDeal marketplace
- Significant existing and near-term growth opportunities

Presenters

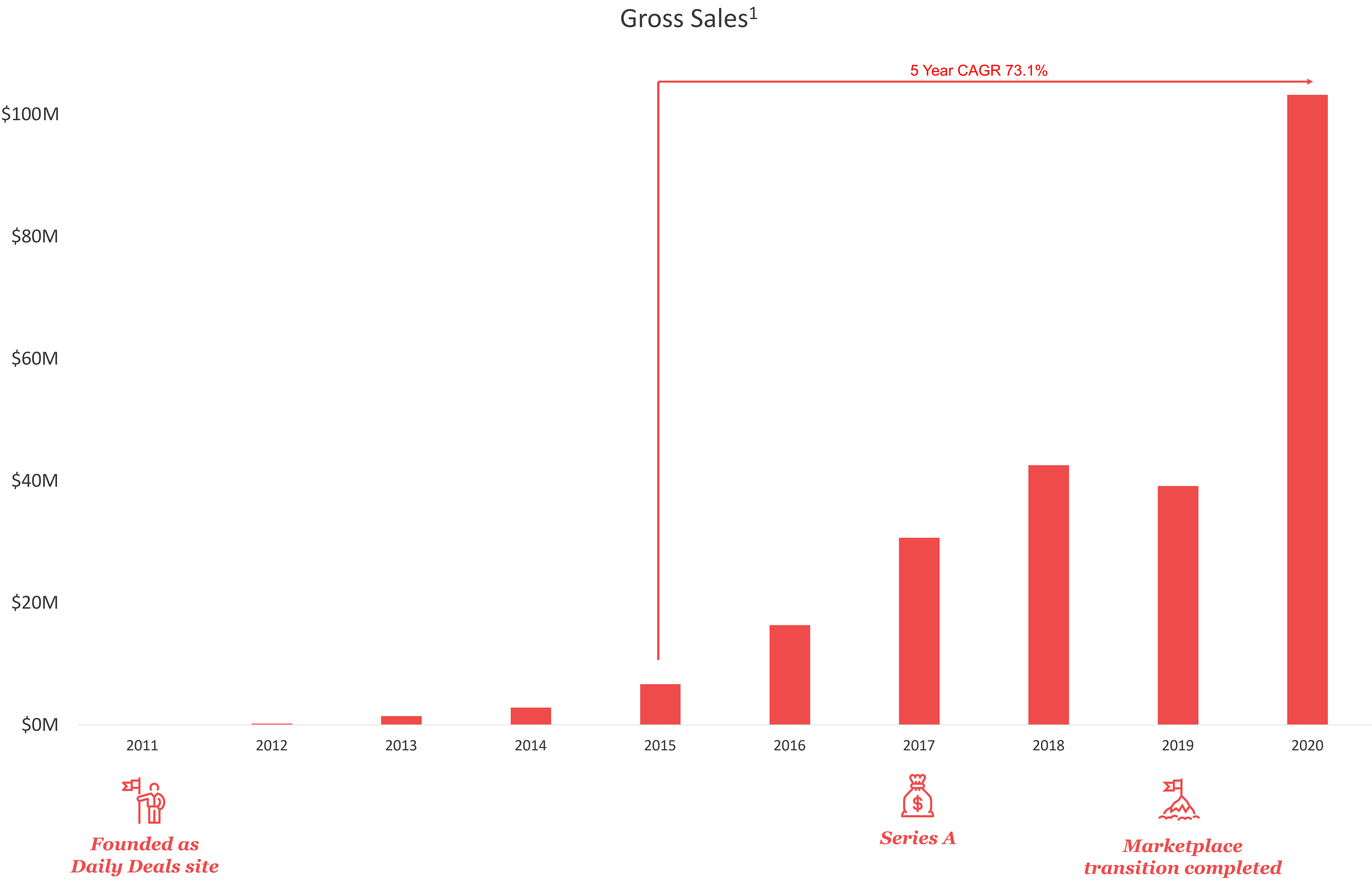


Sean Senvirtne
Founder & Managing Director



Joshua Mangan CA
COO & CFO

Our Journey



\$103m
GTV in FY20



6.6m Monthly
Visits in July 2020



500k
Email Database



Over 800 Active
Sellers¹



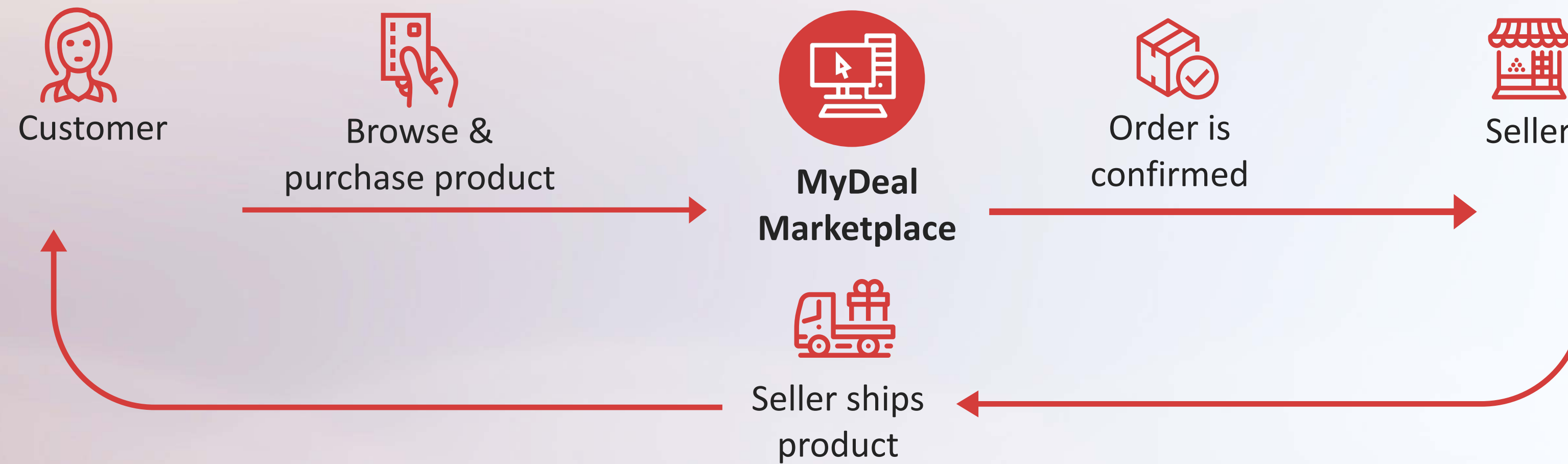
1m+ products
sold in FY20²

1. “Gross Sales” or “Gross Transaction Value” (“GTV”) is a non-IFRS metric that represents the total value of transactions (unaudited) processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

1. Active sellers defined as any seller that has made a sale in the last three months
2. Includes purchases that were refunded

Our Primary Business Model - Marketplace

Attractive & scalable marketplace business model

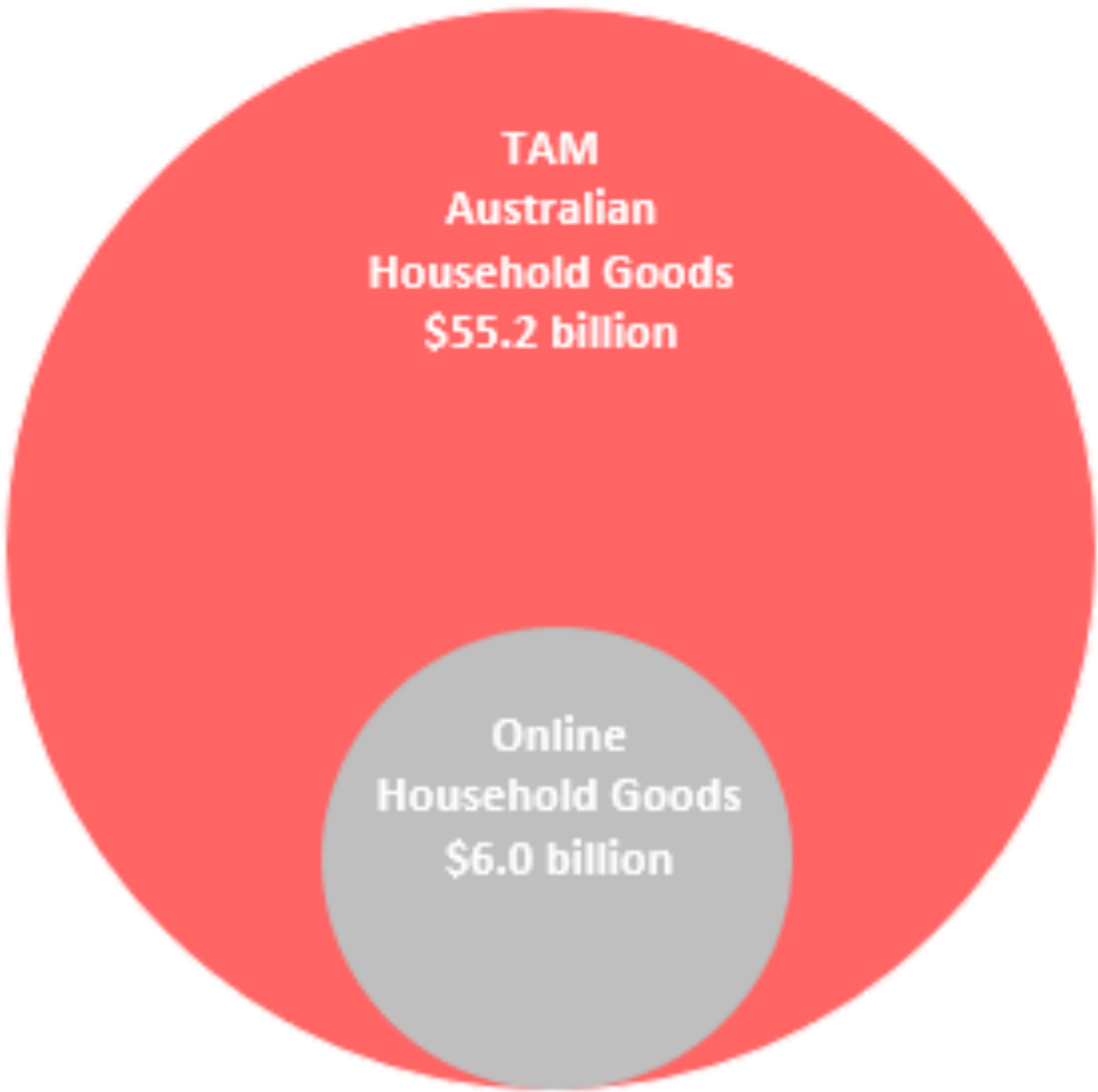


- ✓ Marketplace model facilitates transactions between consumers and suppliers
- ✓ Capital-lite model
- ✓ Low operational costs due to highly scalable proprietary technology and operations

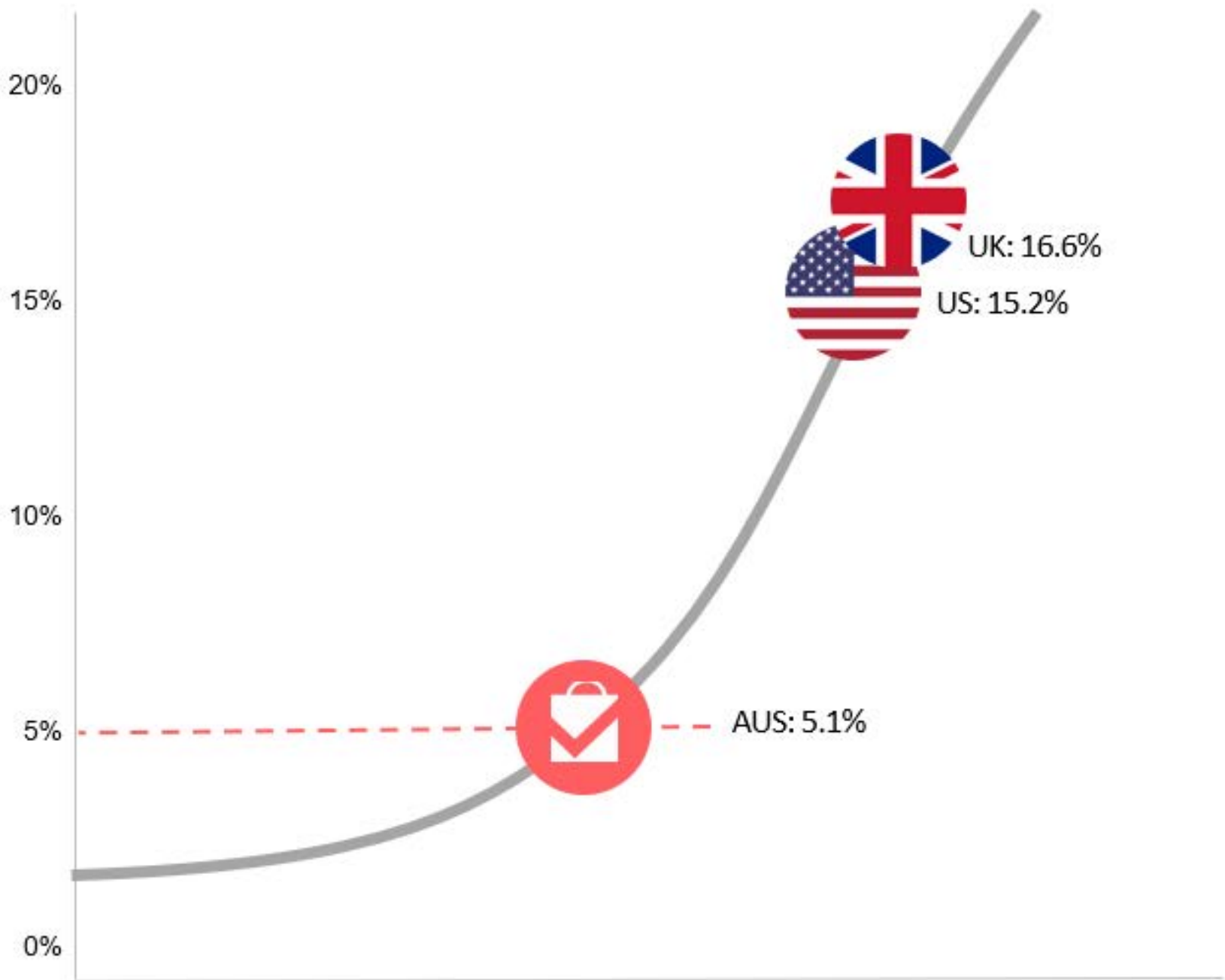
Industry Overview

- Significant growth is expected in Australia over the next 5 years due to improvements in technology and millennials entering the core demographic age
- Growth has accelerated through COVID-19 with online retail sales from March to June 2020 increasing by 116.1% compared to the corresponding period in 2019¹
- Online penetration rates in Australia for Furniture & Homeware sales are in their infancy compared to the UK and USA

Total Addressable Market (TAM)
Australian Household Goods^{2,3}



Online Sales Penetration for Furniture and Homewares⁴



Australian online retail sales up ~23.1% yoy in the 12 months to 30 June 2020¹



Australian online retail sales +80% (Jan – Jun 2020) to the pcp²



Online household goods market in Australia expected to increase 48% from 2019 to 2024³









1. ABS 8501.0 - Retail Trade, Australia, June 2020
2. ABS 8501.0 - Retail Trade, Australia, June 2020 (TAM – Australian Household Goods)
3. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) (TAM – Online Household Goods)
4. Euromonitor International – Home and Garden in Australia, 2020 edition (April 2020)

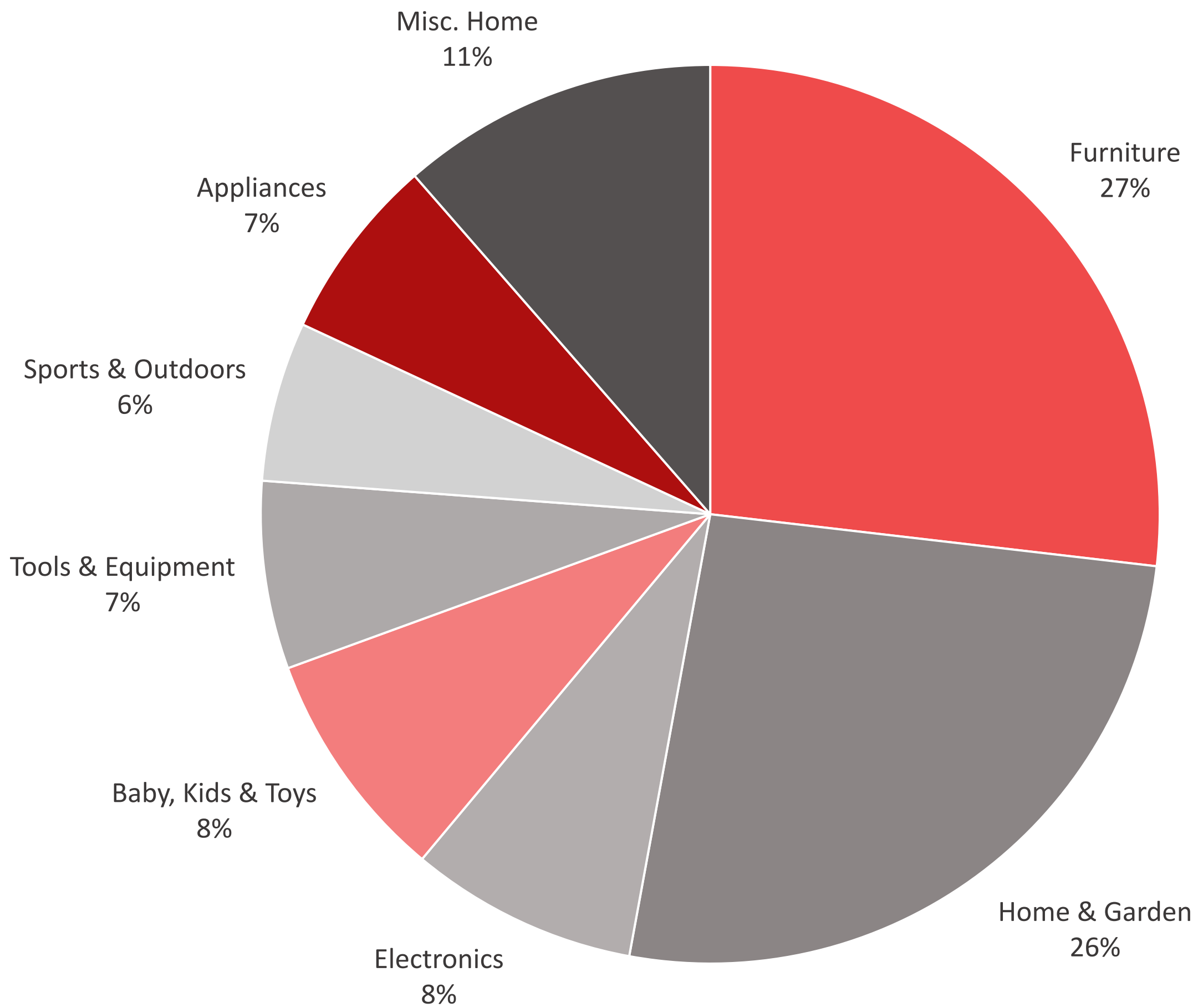
1. NAB Online Retail Sales Index, June 2020
2. ABS: 8501.0 - Retail Trade, Australia, June 2020
3. Euromonitor International – Retailing in Australia, 2020 edition (July 2020)

Key Categories on the Marketplace

MyDeal is strongest in products that are traditionally found in the home

Top sub-categories include:

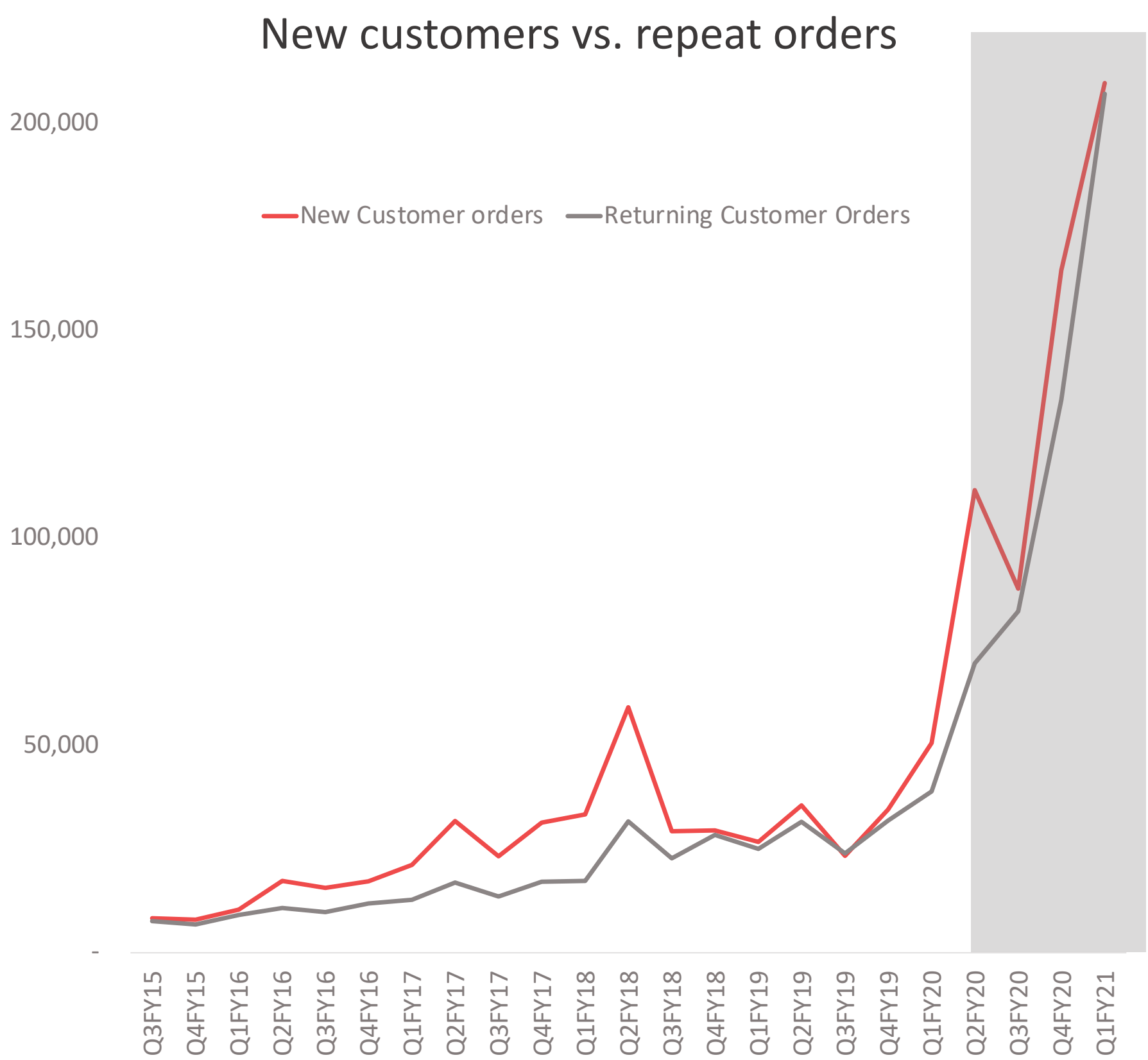
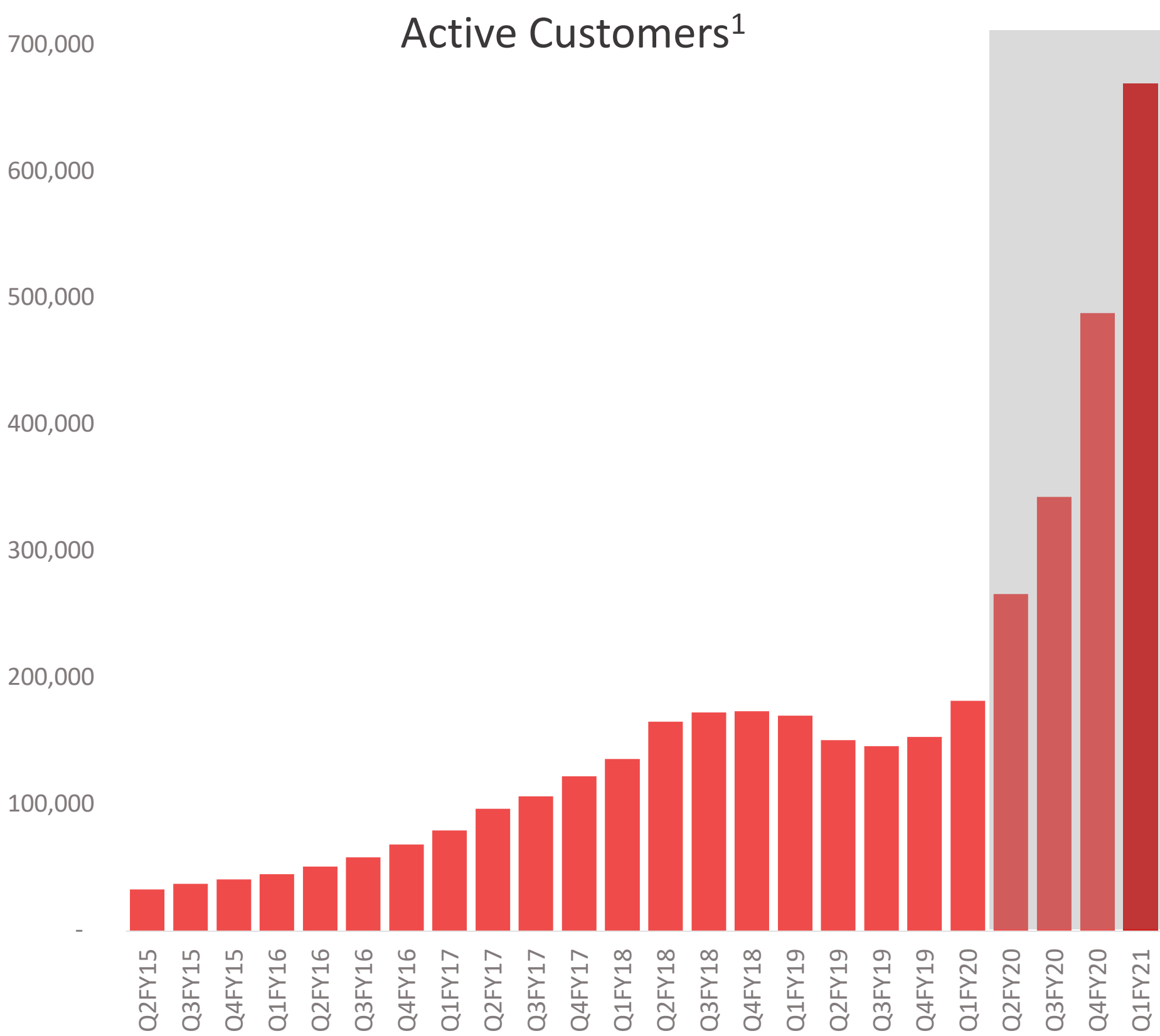
-  Bedroom Furniture
-  Manchester
-  Living Room Furniture
-  Kitchen Appliances
-  Mattresses
-  Outdoor Furniture
-  Dining Furniture
-  Animals & Pets



Online household goods represent a A\$6bn market in Australia¹

Customer Metrics

MyDeal has displayed strong growth in repeat customers with **~50% of transactions coming from repeat customers** in Q1FY21



Average customer purchases 1.66x



Repeat customers purchase 3.28x on average



Ave. Order Value A\$154 inc. GST



~50% of Orders in Q1FY21 from Repeat Customers

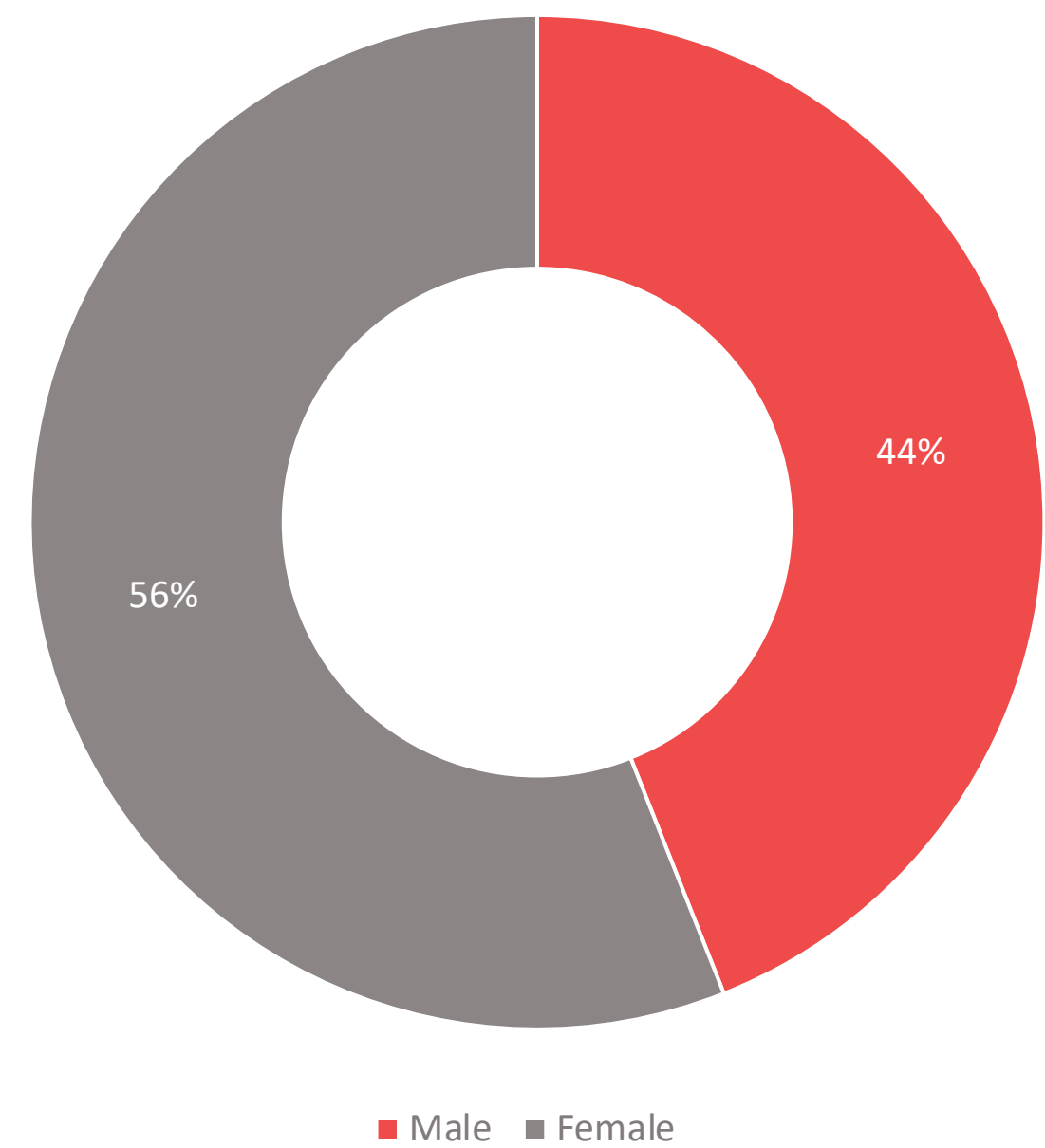
Increases in new customers and repeat orders are driving a fundamental shift in run rate growth

1. An active customer is defined as a customer that has purchased in the last 12 months

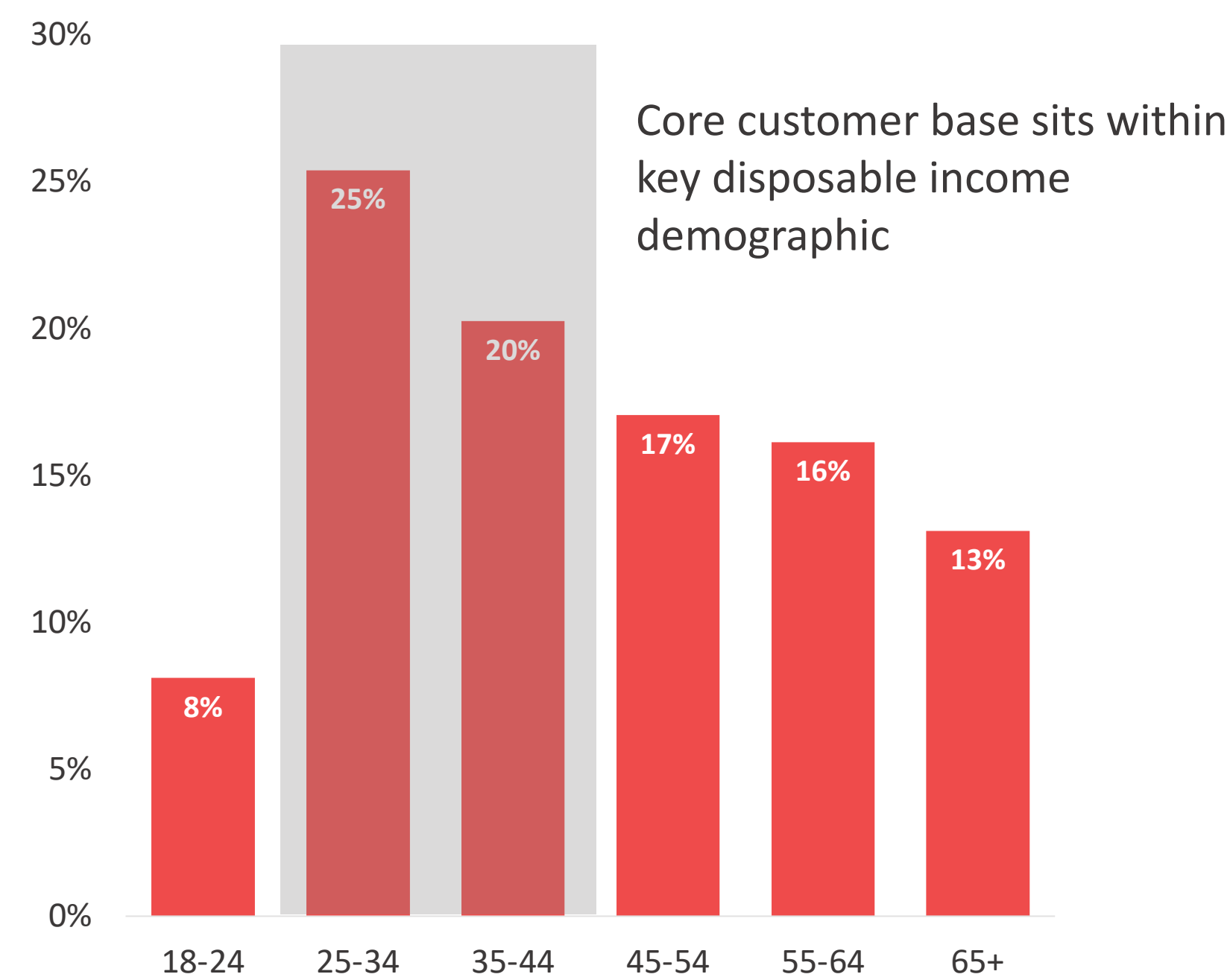
Customer Demographics

MyDeal’s huge range of quality and affordable products appeals to a diverse audience

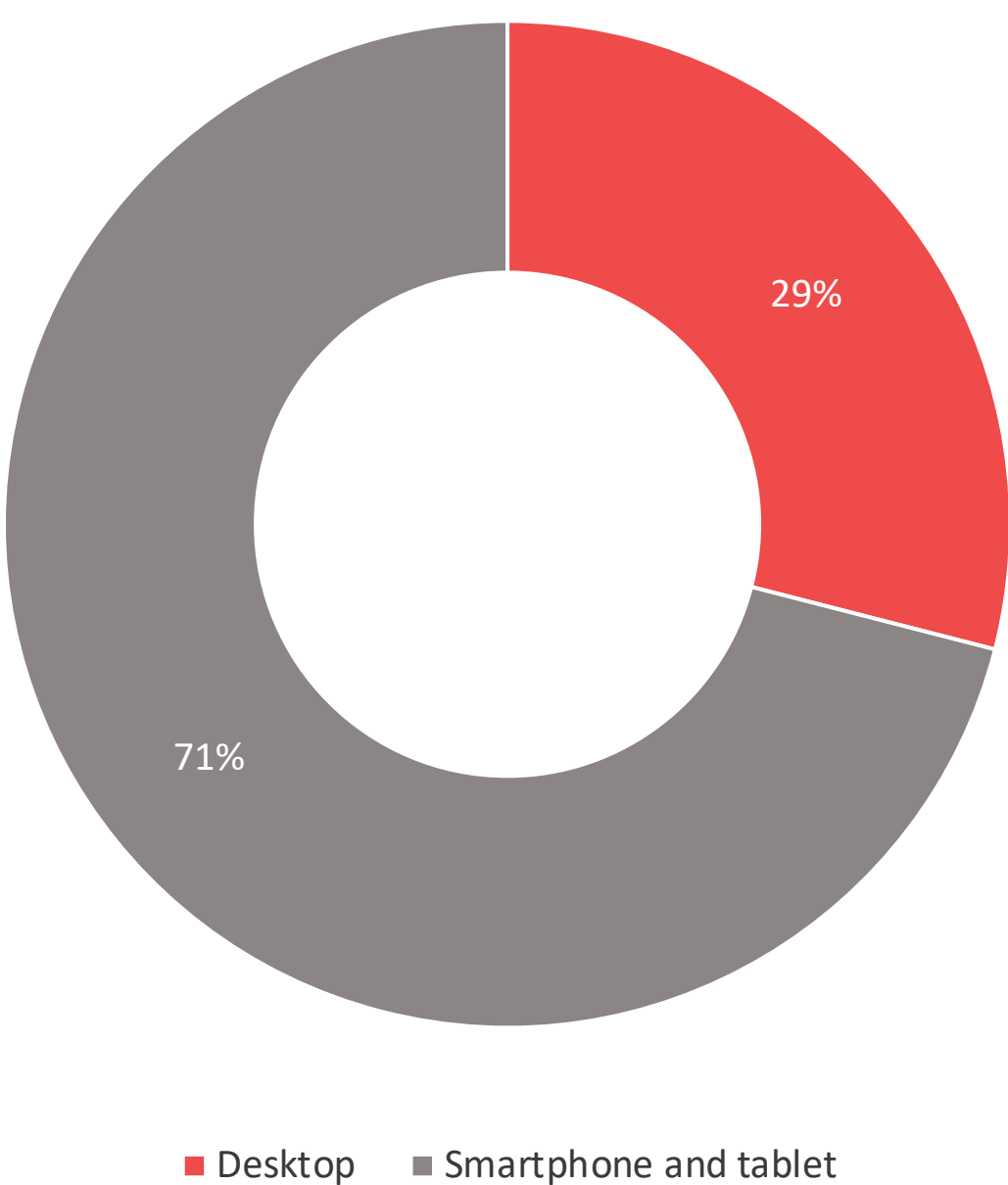
Gender¹



Age Groups¹



Devices¹

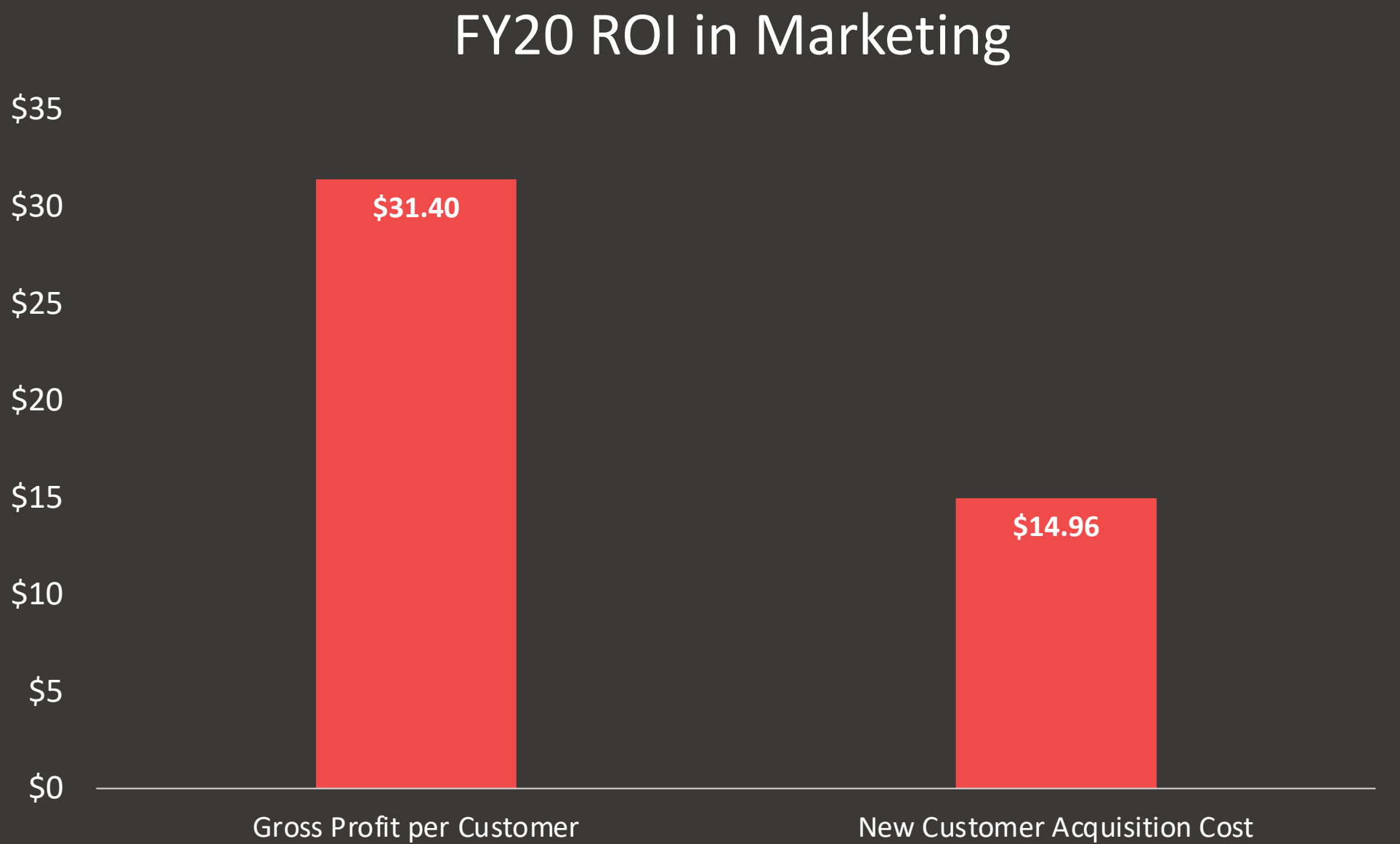
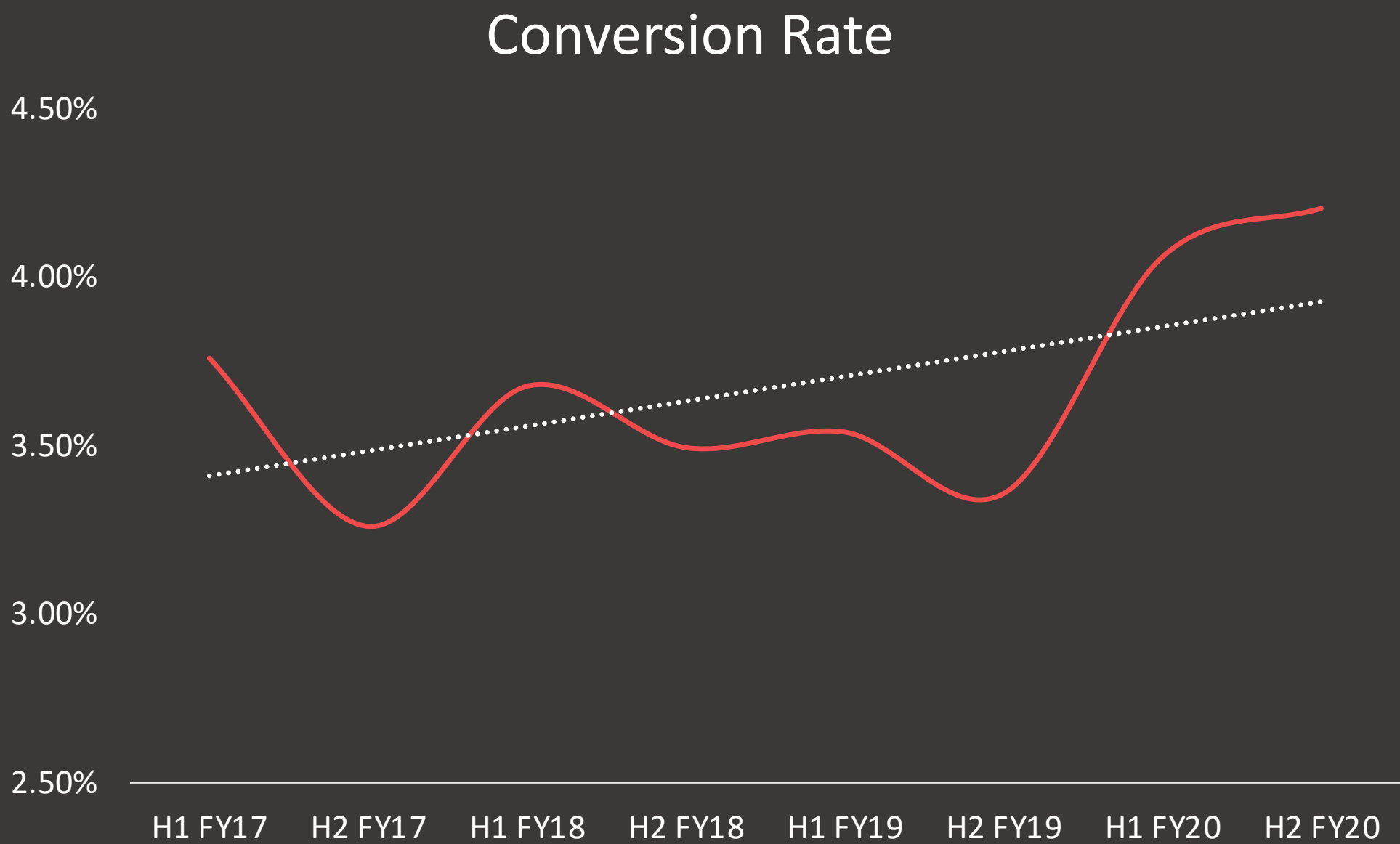


MyDeal will be able to capitalise on the shift to mobile by launching its Mobile Apps

1. Google Analytics

Proven Customer Acquisition

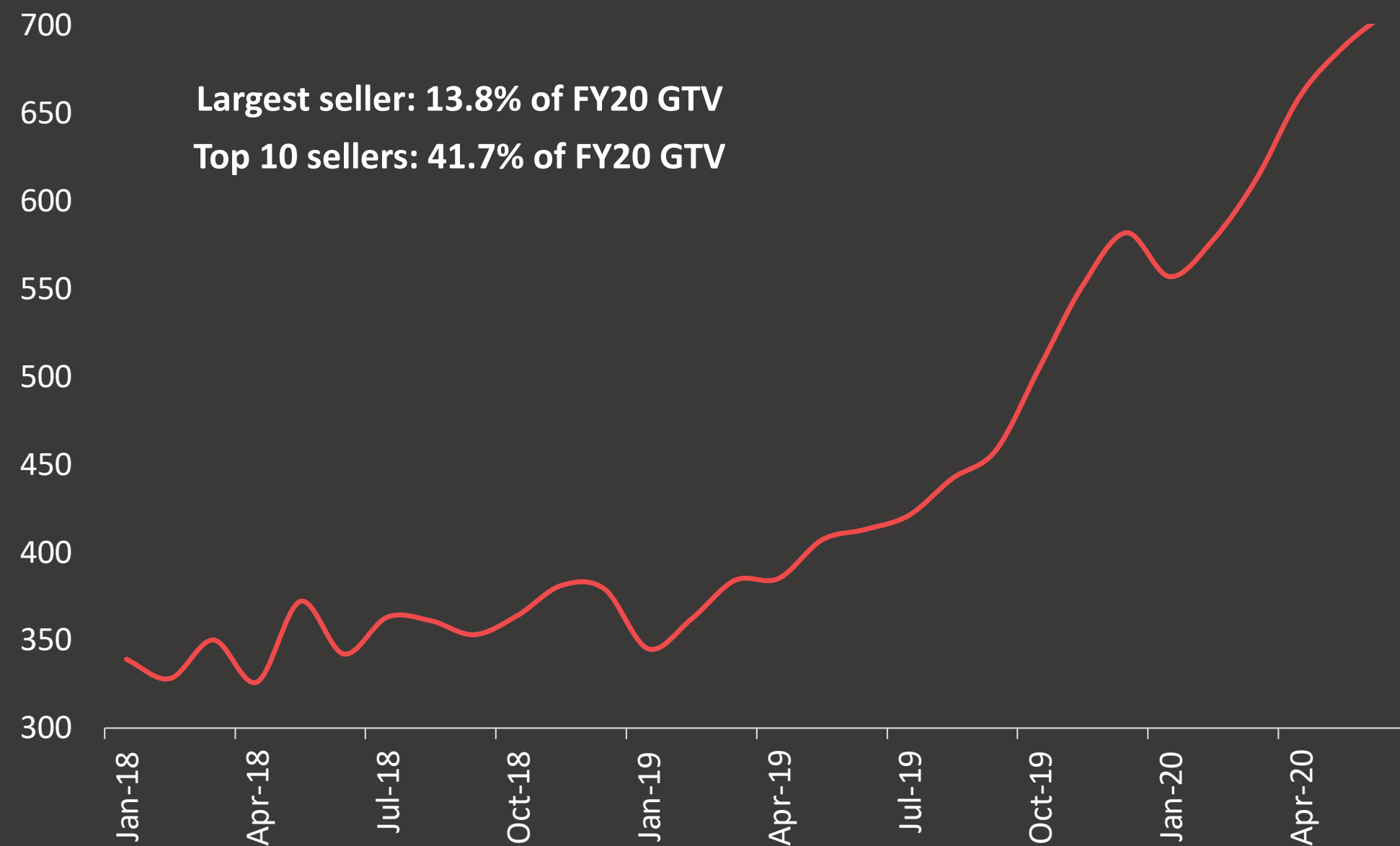
The utilisation of artificial intelligence has enabled rapid customer acquisition whilst maintaining ROI



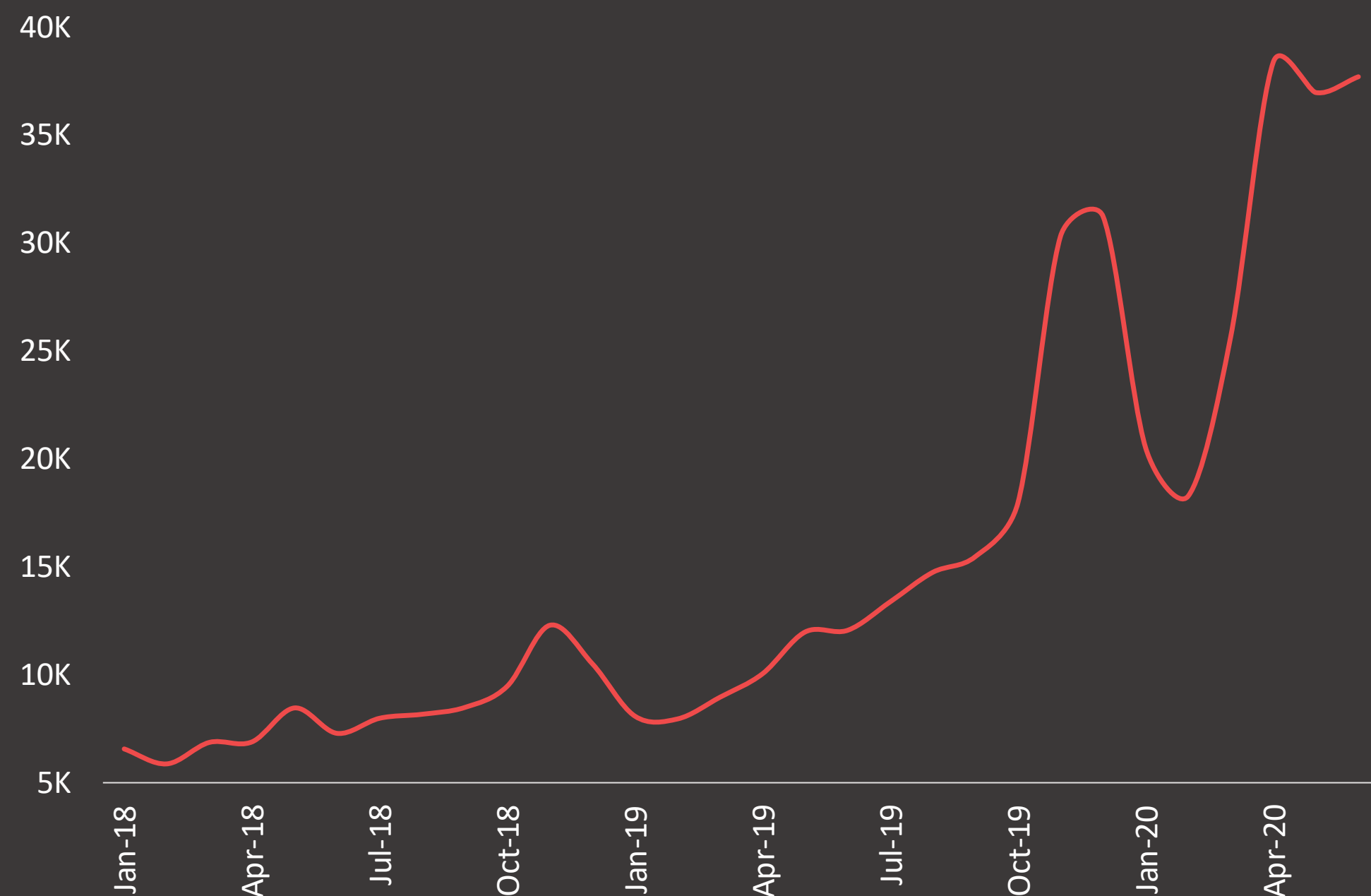
Marketplace Metrics

Our proprietary technology has allowed us to rapidly increase our seller base and product range.

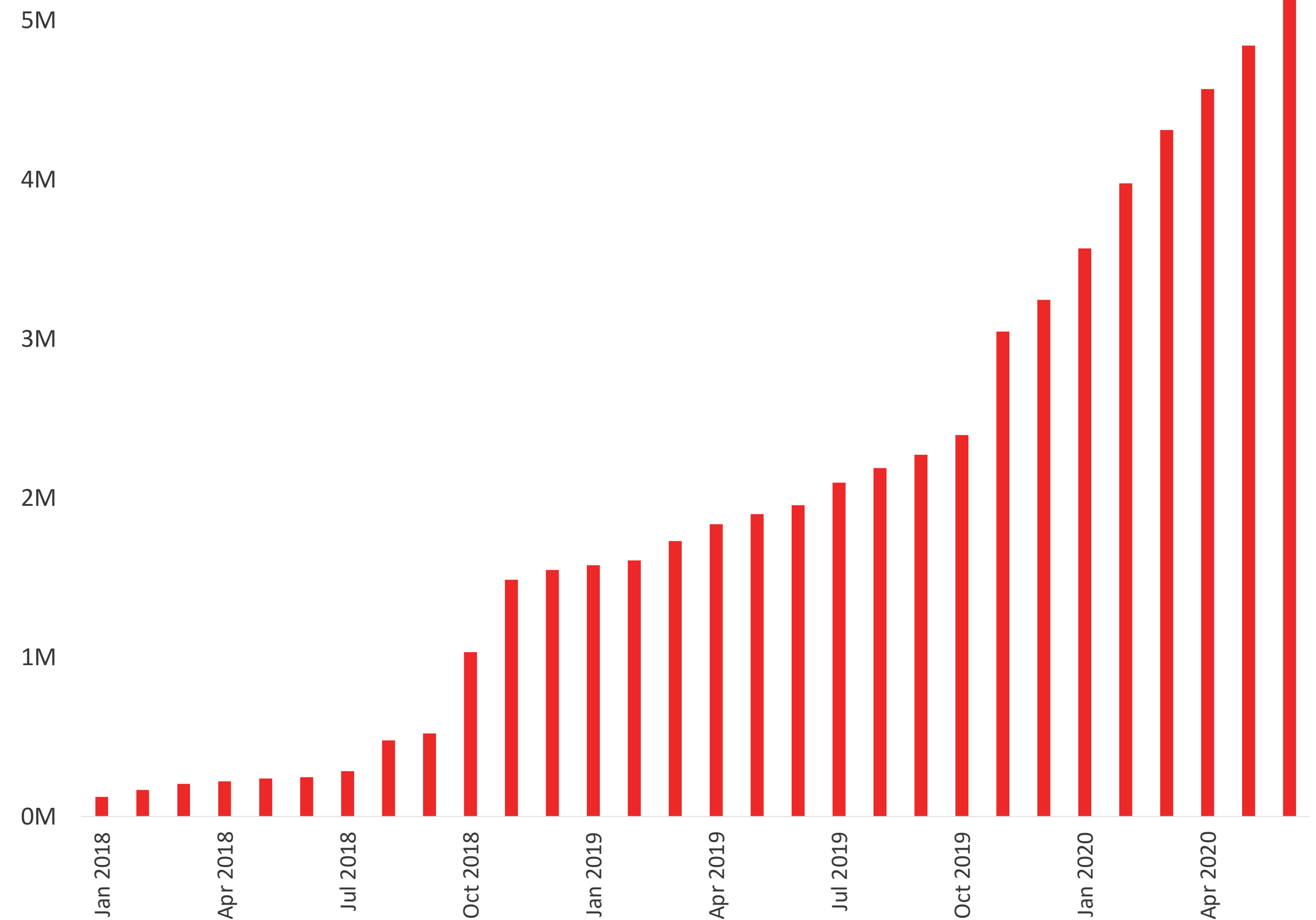
Unique Monthly Sellers



Unique SKUs Sold



Number of SKUs Offered on MyDeal



Growth Expansion – Private Label

MyDeal's private label business, Duke Living, aims to leverage proprietary marketplace data to offer quality products at affordable prices

- ✓ Strong supply relationships
- ✓ Just In Time (JIT) inventory model and outsourced warehousing to reduce capital requirements
- ✓ Flexibility to sell goods through other marketplaces (e.g. eBay, Amazon) to drive volume

Duke Living aims to drive margin expansion for the wider MyDeal business by targeting 35-40% gross margin on sales



Strategic Growth Initiatives and Opportunities



Native App

Build an iOS and Android app that will improve the mobile shopping experience, reduce marketing costs and increase customer stickiness.



Site Optimisation

Optimise the website to increase conversion rates and average order value.



Loyalty Program

Continue to develop and enhance our loyalty rewards program that incentivises customers to make repeat purchases.



Personalisation & Data

Implement a multi-channel marketing platform that will enable us to target customers with relevant and engaging content/offers at the right time.



Establish the Brand

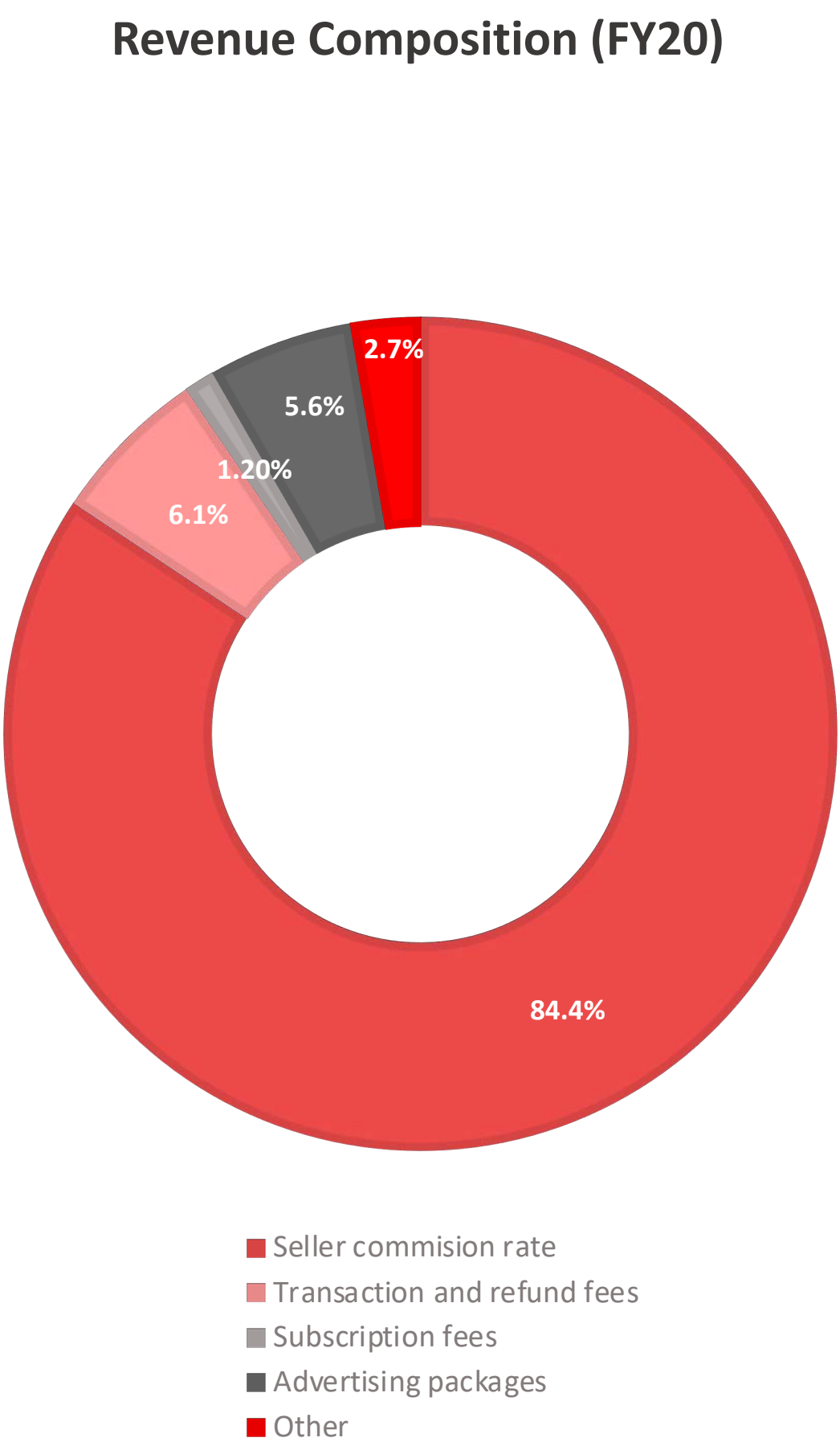
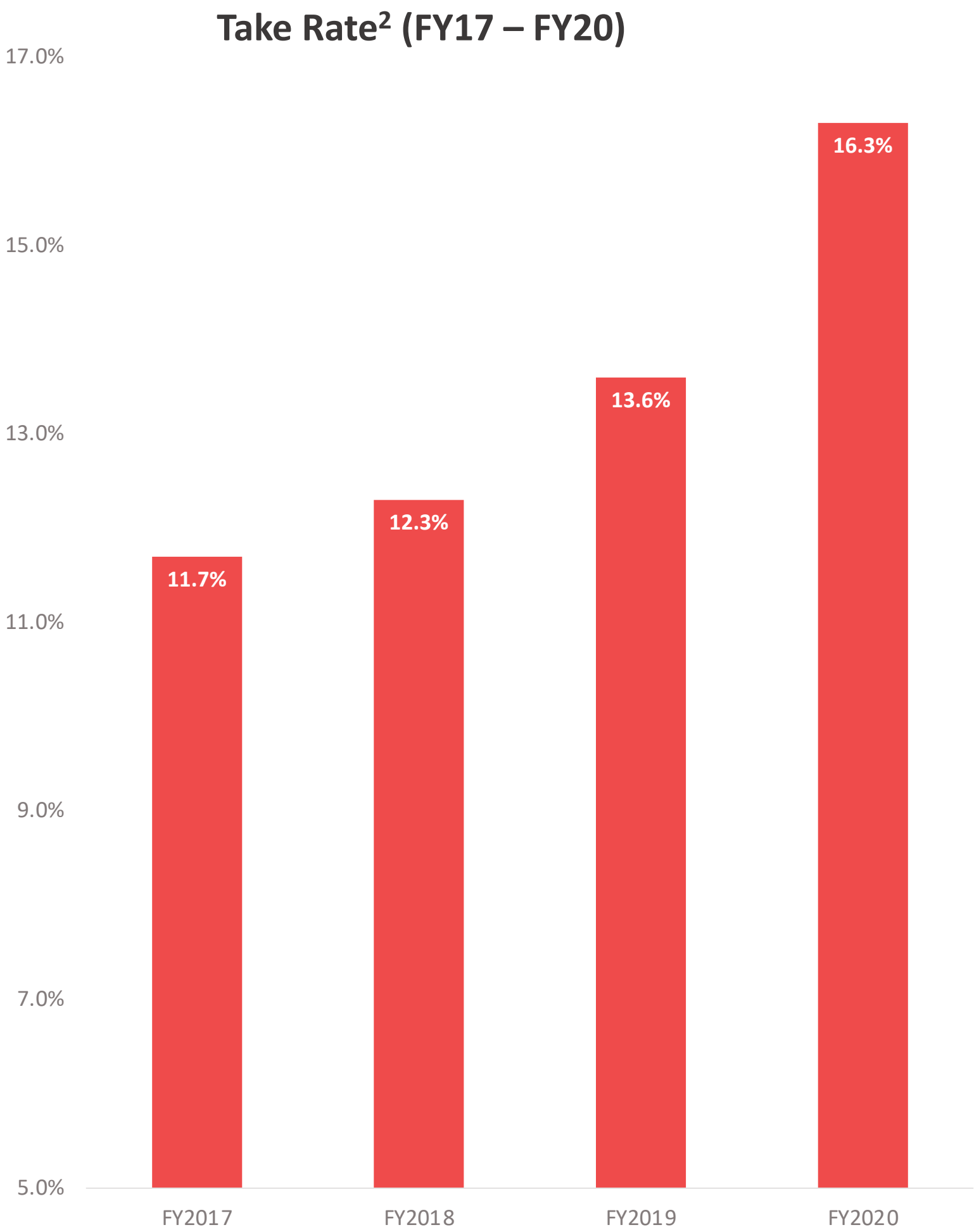
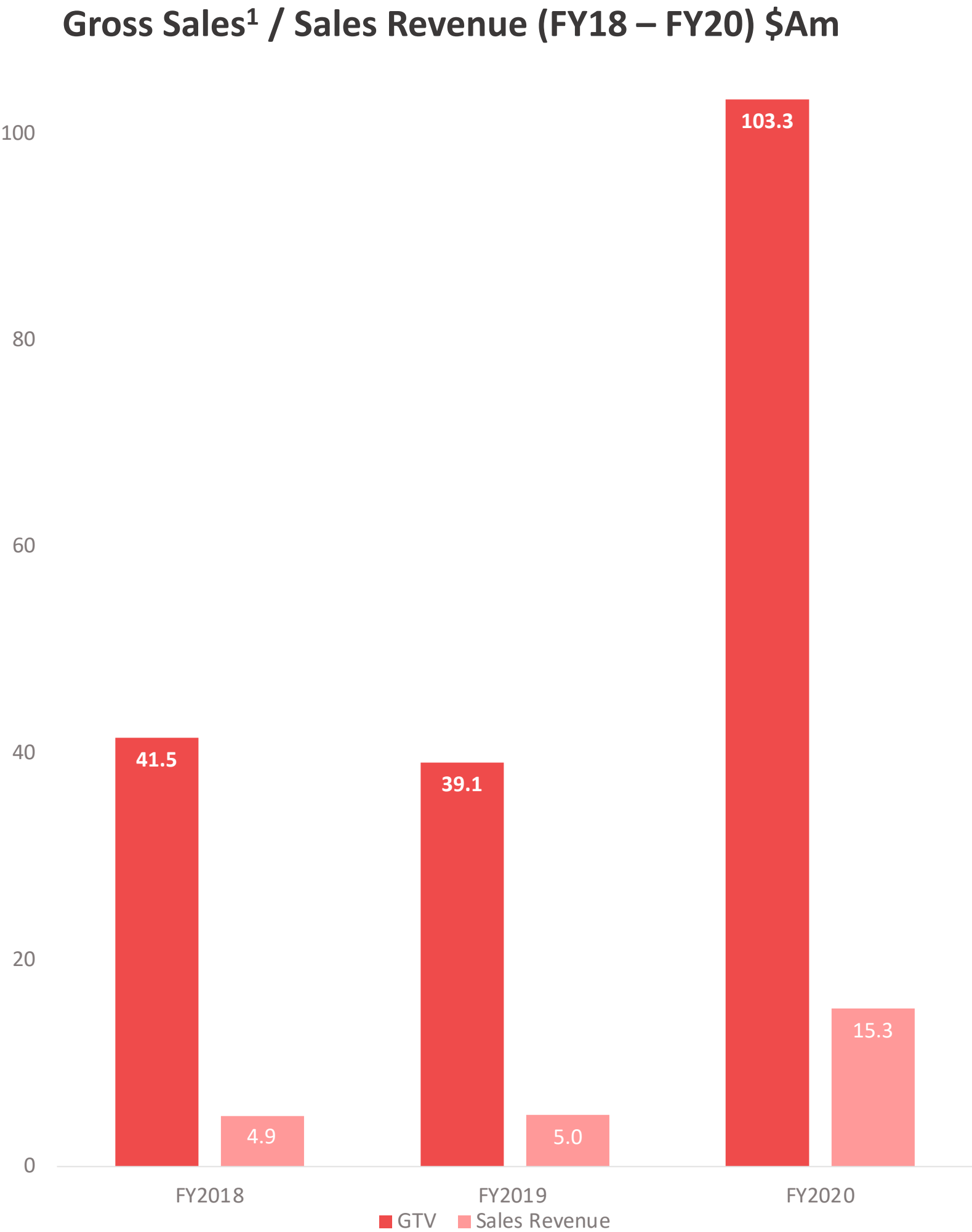
Define the look, feel and key demographic of the brand. Update all messaging on website, emails, and social channels.



Acquisitions

Acquire businesses that complement the company's vision.

Revenue Metrics



Take rate increased to 16.3% in FY20, 19.9% higher than the FY19

1. "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value of transactions (unaudited) processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

2. "Take rate" represents sales revenue (commissions, subscription fees, transaction fees, refund fees, advertising revenue and private label sales) as a percentage of Net Transaction Value ("NTV") (GTV after deducting refunds, chargebacks, discounts and coupons).

Key Operating Metrics

	Pro Forma FY2018	Pro Forma FY2019	Pro Forma FY2020
Gross Transaction Value (GTV) (\$A)	41,497,609	39,051,222	103,316,957
<i>GTV growth</i>	35.8%	(5.9%)	164.6%
Net Transaction Value (\$A)	39,553,641	36,596,829	93,964,503
<i>NTV growth</i>	34.3%	(7.5%)	156.8%
Sales revenue (\$A)	4,853,675	4,961,221	15,335,680
<i>Sales revenue growth</i>	40.3%	2.2%	209.1%
Average order value (AOV) (\$A)	\$165.4	\$168.4	\$139.9
<i>AOV growth</i>	(9.4%)	1.8%	(16.9%)
Take rate	12.3%	13.6%	16.3%
Unique visitors	6,667,745	6,418,725	17,199,501
<i>Unique visitors growth</i>	41.3%	(3.7%)	168.0%
Conversion rate	3.8%	3.6%	4.3%
<i>Conversion rate growth</i>	6.1%	(4.0%)	18.8%
Transactions	250,831	231,872	738,433
<i>Transactions growth</i>	49.9%	(7.6%)	218.5%

Commentary

- Growth of GTV by 164.6% to \$103m in FY20
- Annualised GTV run rate of \$166m in Q4FY20
- Sales revenue reflects the take rate (16.3% for FY20) of NTV
- Take rate increased to 16.3% in FY20 supported by the introduction of new fees including:
 - Transaction fees
 - Subscription fees
 - Refund fees
 - Sale of advertising packages
 - Seller commission

Operating Statement

A\$000	Pro Forma FY2018	Pro Forma FY2019	Pro Forma FY2020
Gross Transaction Value	41,497.6	39,051.2	103,317.0
GTV growth	35.8%	(5.9%)	164.6%
Net Transaction Value	39,553.6	36,596.8	93,964.5
Sales revenue	4,853.7	4,961.2	15,335.7
Other revenue	644.3	439.7	427.0
Revenue	5,498.0	5,400.9	15,762.7
Revenue growth	40.3%	(1.8%)	191.9%
Advertising expense	2,098.0	1,835.0	8,575.1
Merchant fees	459.3	442.6	1,472.9
Wages expense	4,280.1	3,268.0	3,573.3
Occupancy expense	12.7	25.1	74.5
Professional fees	286.8	178.1	368.1
Software expenses	412.6	507.6	1,147.3
Other expenses	871.8	887.4	1,034.5
Pro Forma EBITDA	(2,923.4)	(1,743.0)	(483.1)
Depreciation and amortisation	218.0	223.6	286.2
EBIT	(3,141.4)	(1,966.6)	(769.3)
Finance costs	14.8	10.6	19.0
Profit before tax	(3,156.2)	(1,977.2)	(788.3)
Income tax benefit	804.1	543.7	825.6
Net profit after tax	(2,352.1)	(1,433.5)	37.3

Commentary

Revenue

- FY2020 increase underpinned by:
 - Upgraded platform infrastructure to onboard new sellers at scale
 - Leveraging artificial intelligence to maximise return on investment for its advertising initiatives
 - New revenue streams introduced in FY19: transactions fees, advertising revenue, subscription fees, onboarding fees and private label products
 - Impact of COVID-19 in the 2H FY2020 may have accelerated the adoption rate of online retail
- FY2018 and FY2019, the Company focused on operational transformation and cost control to increase its business efficiencies

Expenses

- The Company's total operating expenses in FY2019 reflected a decrease of 15% attributable to advertising expenses and employee benefits expenses

Pro Forma Cash Flow

A\$000	Pro Forma FY2018	Pro Forma FY2019	Pro Forma FY2020
Cash flow from operating activities			
Receipt from customers	44,756.3	41,371.1	106,603.9
Payment to suppliers and employees	(49,188.6)	(42,747.8)	(95,763.5)
Interest received	68.4	32.8	22.1
Interest paid	(14.8)	(10.6)	(0.1)
Net cash provided by / (used in) operating activities	(4,378.7)	(1,354.5)	10,862.3
Cash flow from investing			
Payment for plant and equipment	(6.1)	(6.5)	(45.1)
Payment for intangibles	(98.4)	(22.6)	(278.7)
Net cash used in investing activities	(104.5)	(29.1)	(323.8)
Cash flow from financing activities			
Proceeds from borrowings	0.0	0.0	2,950.0
Repayment of borrowings	(12.0)	(13.6)	(24.9)
Principal portion of lease payment	(123.9)	(163.5)	(149.6)
Net cash used in financing activities	(135.8)	(177.1)	2,775.5
Reconciliation of cash			
Cash at beginning of the financial year	5,034.0	2,287.9	2,330.0
Net increase / (decrease) in cash held	(4,619.1)	(1,560.7)	13,314.0
Cash at end of financial year	414.9	727.3	15,644.0

Commentary

- MyDeal is a highly cash generative business, this is underpinned by the following:
 - A scalable marketplace business model
 - Positive cash generation from working capital cycle
 - Low levels of capital expenditure

Pro Forma Statement of Position

A\$000	Pro Forma 30 June 2020	Commentary
Cash	37,817.6	<div> <ul style="list-style-type: none"> A strong cash position with negligible debt, providing MyDeal with the flexibility to invest in and execute its growth plan Negative working capital position – operating a positive operating cash cycle </div>
Receivables	736.7	
Inventories	11,635.0	
Other current assets	782.4	
Total current assets	50,971.7	
Intangible assets	220.0	
Plant and equipment	69.4	
Lease asset	280.7	
Deferred tax asset	550.1	
Total non-current assets	1,120.2	
Total assets	52,092.0	
Payables	13,694.6	
Borrowings	12.7	
Provisions	226.3	
Lease liability	152.3	
Current tax liability	32.5	
Other liabilities	1,385.6	
Total current liabilities	15,504.0	
Provisions	34.8	
Lease liability	154.5	
Total non-current liabilities	189.3	
Total liabilities	15,693.3	
Net assets	36,398.7	
Share capital	40,562.2	
Accumulated losses	(4,163.6)	
Total equity	36,398.7	

MyDeal Accolades

#6
AFR Fast 100, 2017



#16
Deloitte Fast 50, 2017



Online Retailer of the Year
Optus MyBusiness Awards, 2017



Sean – Entrepreneur Award
Optus MyBusiness Awards, 2017



#7
Smart 50, 2017



Finalist
AFR's Aspire Awards, 2016



Braintree Top 50 E-commerce Platforms,
2016



#13
BRW Fast 100, 2016



Best Bootstrapped Initiative
ORIAS, 2017



Thank You.