



ASX ANNOUNCEMENT

24 July 2018

Kogan.com quarterly Cash Flow Statement and Trading Update

Kogan.com Limited (the Company; Kogan.com; ASX:KGN) today released its Appendix 4C Cash Flow Statement for the quarter ended 30 June 2018 (4QFY18).

The Company ended 4QFY18 with cash of \$41.99 million.

The Company advises that its accounts are currently being audited by the auditor, and detailed commentary on trading performance will be provided with the release of the full-year results next month. Nonetheless, Kogan.com is now pleased to advise:

- The Company produced a net operating cash flow of \$24.53 million in the quarter (4QFY18).
- Unaudited management accounts reflect the following sales performance:
 - Revenue growth in FY18 compared with FY17 is greater than 40% (FY17 revenue was \$289.5 million).
- Unaudited management accounts reflect the following earnings performance:
 - EBITDA growth in FY18 compared with FY17 is greater than 90%¹ (FY17 Pro Forma EBITDA was \$12.5 million).
- Kogan.com had Active Customers of 1,388,000 as at 30 June 2018 (compared with 955,000 as at 30 June 2017).
- The Company continued to strategically invest in marketing activities in 4QFY18, which are expected to provide a strong return on investment in the short term.
- The Company remains in a strong financial position as at 30 June 2018 -
 - Cash of \$41.99 million, and access to a \$10.0 million bank facility that remains undrawn.
 - Inventories of \$50.2 million (comprised of \$9.8 million of inventory

¹ This level of growth in EBITDA is calculated after expensing approximately \$1.1 million for vested and unvested at-risk equity-based compensation issued as part of the Kogan.com Equity Incentive Plan, and approximately \$0.8 million of short term incentive bonuses to senior staff in respect of FY18 outperformance.

in transit and \$40.4 million of inventory in warehouse). This represents a reduction in inventory of \$4.5 million since 31 March 2018.

- Trade & Other Payables of \$47.6 million, which represents an increase of \$16.8 million since 31 March 2018. The increase in trade payables (and consequent impact on operating cash flow) reflect seasonal impacts.

Kogan.com Founder & CEO Ruslan Kogan said -

“Kogan.com finished the financial year with a strong quarter of continued growth, as we execute our long term strategy,” Mr Kogan said.

“We are excited about all the growth initiatives we are implementing, as we continue to make the most in-demand products and services more accessible and affordable for our customers.”

The Company advises that today's Appendix 4C Cash Flow Statement is the Company's eighth and final such statement since listing in July 2016. The Company will be reporting its final results for FY18 in August, and will provide a further trading update at the Company's AGM in November.

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 and Kogan Travel. 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Kogan.com Ltd (**Kogan**)

ABN

ACN 612 447 293

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	113,983	427,302
1.2 Payments for		
(a) research and development	-	-
(b) inventory purchases and operating costs	(75,450)	(354,834)
(c) advertising and marketing	(6,211)	(20,861)
(d) leased assets	(240)	(895)
(e) staff costs	(3,796)	(14,258)
(f) administration and corporate costs	(1,383)	(5,381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	78	310
1.5 Interest and other costs of finance paid	(41)	(114)
1.6 Income taxes paid	(2,409)	(4,074)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	24,531	27,195

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26)	(130)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	(1,343)	(5,631)
	(e) other non-current assets	(428)	(1,476)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,797)	(7,237)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(10,001)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(10,001)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	19,251	32,028
4.2	Net cash from / (used in) operating activities (item 1.9 above)	24,531	27,195
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,797)	(7,237)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(10,001)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	41,985	41,985

Trade & Other payables, as well as deferred income, had a positive impact on the cash flow, with increases of \$16.8 million and \$4.1 million respectively, from 31 March 2018 to 30 June 2018. The increase in trade payables (and consequent impact on operating cash flow) and deferred income reflect seasonal impacts and the timing of the quarter end with 30 June 2018 falling on a weekend.

As at the end of the prior quarter (31 March 2018) the total inventories balance was \$54.7 million comprising \$9.0 million of inventory in transit and \$45.7 million of inventory on hand. As at 30 June 2018, the total inventories balance was \$50.2 million and was comprised of \$9.8 million of inventory in transit and \$40.4 million of inventory on hand.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	33,490	10,815
5.2	Call deposits	1,518	12
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	6,977	8,424
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	41,985	19,251

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(266)

-

Directors Fees in respect of the Non-Executive Directors (\$66,000), and salaries before tax and including superannuation (\$200,000) in respect of the Executive Directors of the Group.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(2,595)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Purchases from eStore warehousing. Kogan Australia Pty Ltd entered into a Logistic Services Agreement with eStore Logistics Pty Ltd ("eStore"), in a prior financial period, in relation to the provision of warehousing, distribution and logistics services by eStore to Kogan Australia. Ruslan Kogan is a minority shareholder and Director of eStore. The agreement was entered into on an arm's length basis.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	10,000	-
8.2 Credit standby arrangements	-	-
8.3 Other (see below)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 31 May 2016, the Group signed a multi-option facility agreement with Westpac Banking Corporation, maturing on 31 May 2019. The Facility includes a Cash Advance Facility, Trade Finance Facility and LC Facility with a total limit of \$10.0 million.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Inventory purchases and operating costs	(96,389)
9.3 Advertising and marketing	(4,768)
9.4 Leased assets	(295)
9.5 Staff costs	(3,811)
9.6 Administration and corporate costs	(839)
9.7 Other (finance & income tax costs)	(1,699)
9.8 Total estimated cash outflows	(107,801)

The estimated cash outflows for the next quarter represent management's current best estimate.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 24 July 2018

Print name: Adam Sutherland

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.