



H1 FY21 Results Presentation

ASX: MYD
23 February 2021



H1 FY21 Business Update

MyDeal successfully executed a number of key initiatives in H1 FY21



RECORD GROWTH IN GROSS SALES¹ AND ACTIVE CUSTOMERS²:

Gross Sales and Active Customers up 217% and 205% respectively.

Growth supported by improvement in the conversion rate, higher average order value and repeat transactions.



PRIVATE LABEL RANGE IS RAPIDLY EXPANDING:

Gross Sales of \$4.3m and 43% gross margin.

Negotiated exclusive supply agreements on in-style products.

Geographically diversified our network of factories and partners into Vietnam, Taiwan and Indonesia.



CONTINUING TO INVEST IN TECHNOLOGY AND INNOVATION:

Launch of iOS and Android apps expected in H2 FY21.

Continuous expansion of our product and technology teams.



NEW PARTNERSHIPS TO ACCELERATE OUR SELLER BASE:

Added integrations and/or apps to third party platforms and aggregators.



ASX LISTING FOLLOWING STRONGLY SUPPORTED \$40M IPO:

IPO provides a healthy balance sheet to support our growth strategy.

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. An Active Customer is a customer that has made a purchase in the last twelve months.

H1 FY21 Highlights

	H1 FY20	H1 FY21	YoY Growth
Gross Sales	\$40.0m	\$126.7m	217%
Revenue	\$6.1m	\$21.2m	248%
Active Customers	266,570	813,764	205%
Cash	\$6.2m	\$48.1m	681%

H2 FY21 Outlook

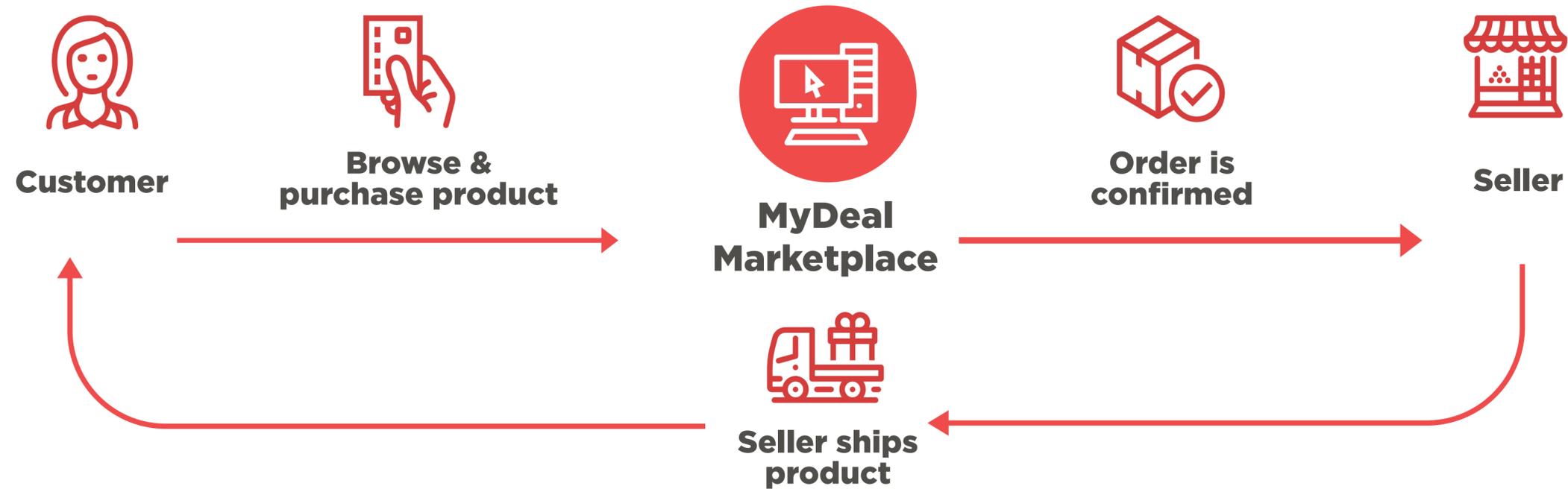
H2 has started strongly with January 2021 Gross Sales (unaudited) up 190% YoY. MyDeal remains focussed on:

- ✓ Customer acquisition;
- ✓ Expanding its private label range; and
- ✓ Launching its mobile apps for iOS and Android.



Who we are at a glance

Online marketplace specialising in household goods




930
 Active Sellers¹

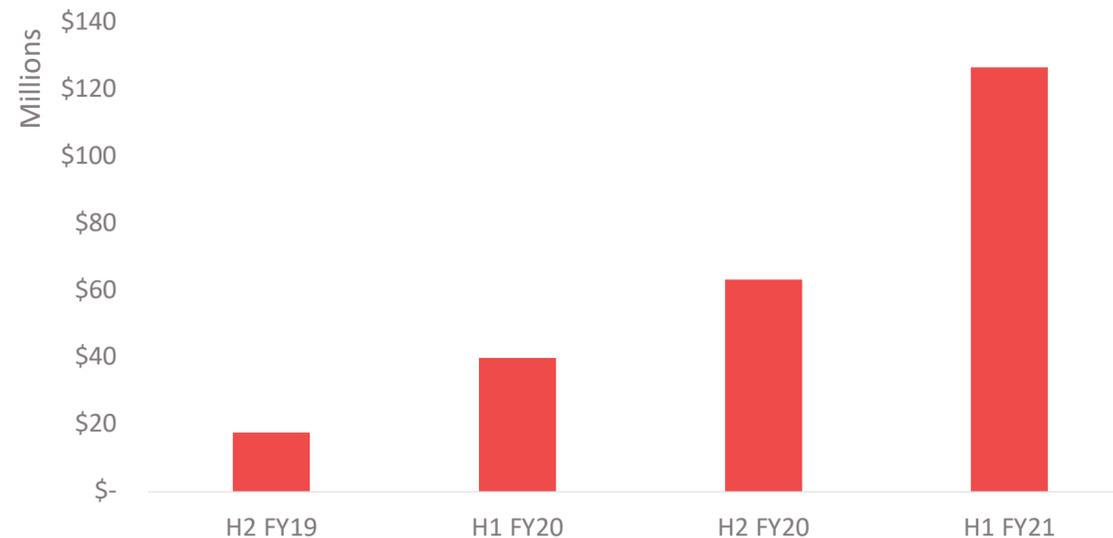

6M
 Products Listed


8.9m
 Monthly Website Visits
 (Nov)

Attractive Business Model

- Flywheel in progress with network effects attracting both customers and sellers
- Capital-lite model
- Scalable business driven by proprietary technology model

Strong Gross Sales growth



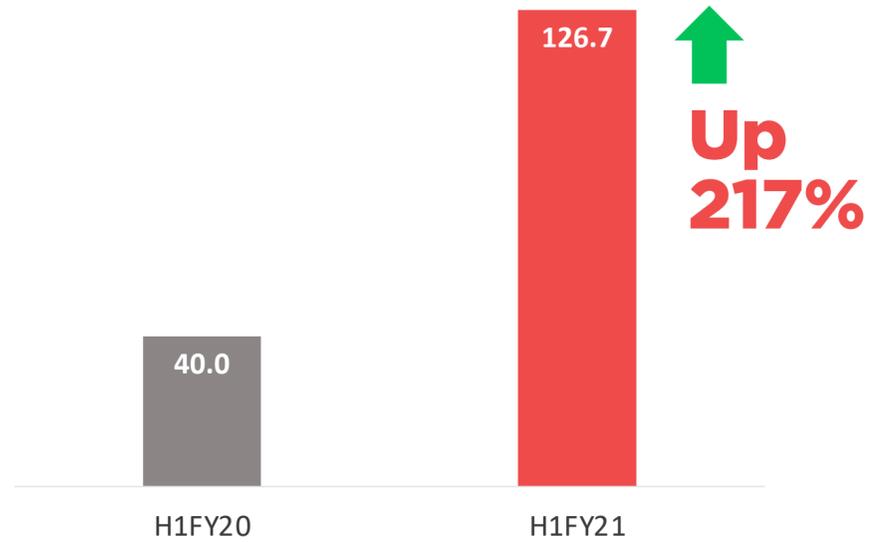
1. An Active Seller is a seller that has made a sale on the marketplace in the last three months.



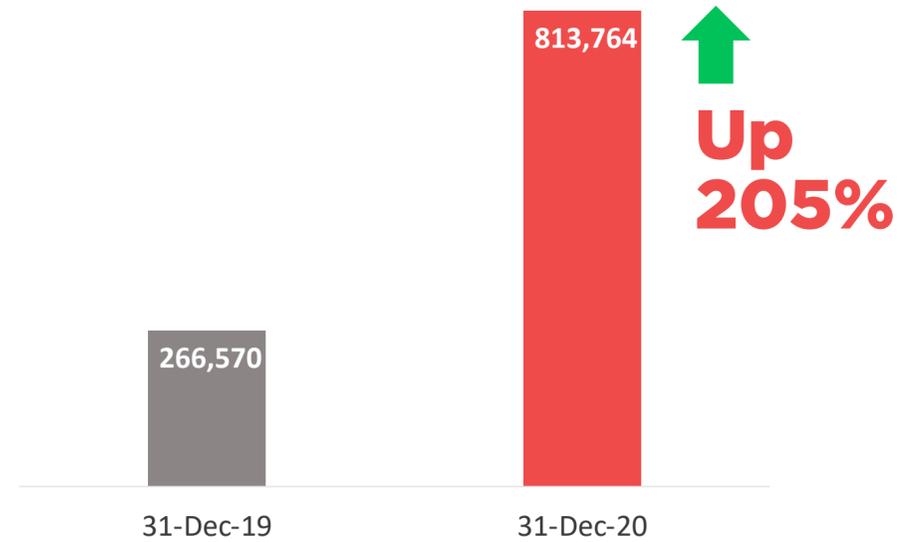
H1 FY21 Financial Results

Strong Growth Metrics

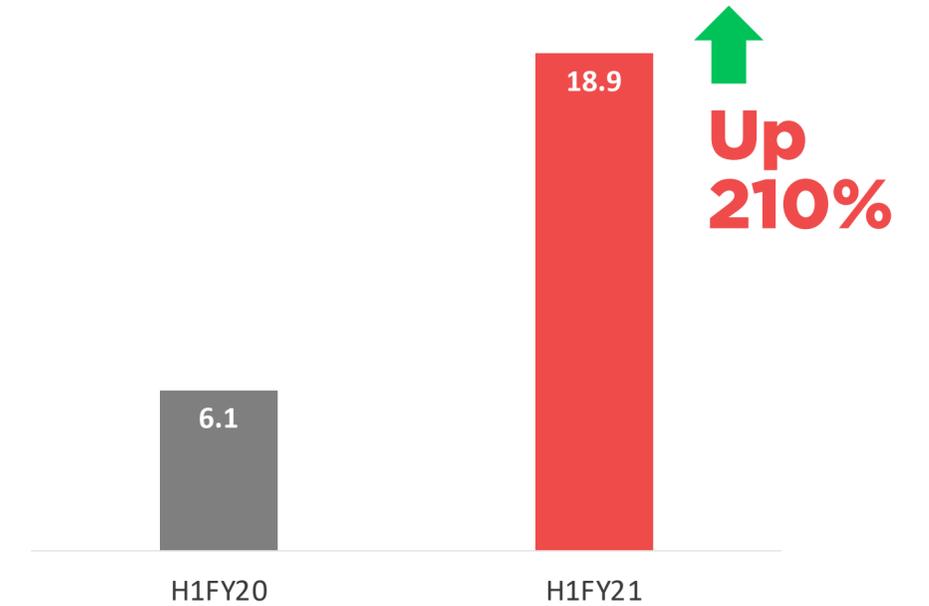
Gross Sales \$m



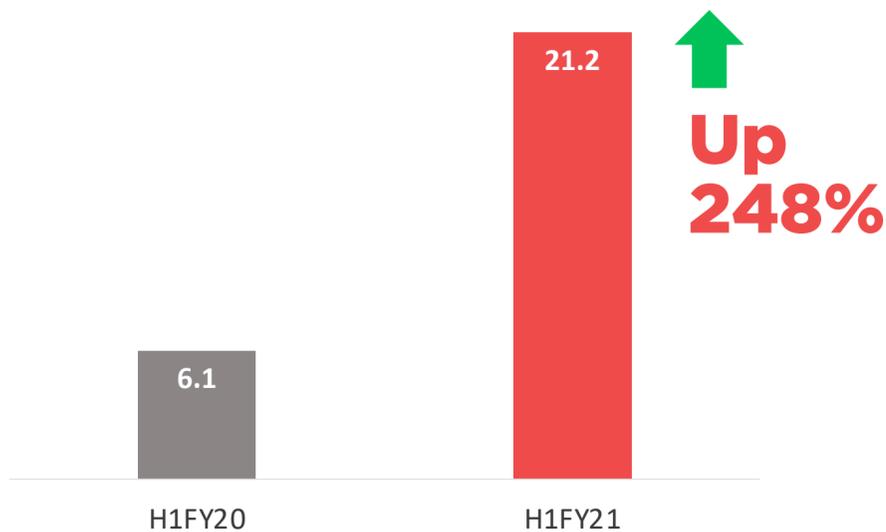
Active Customers



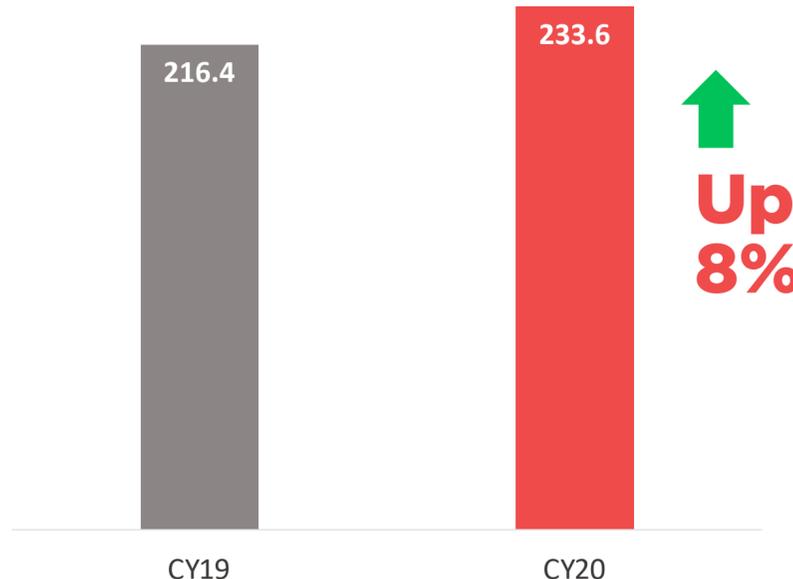
Gross Profit \$m



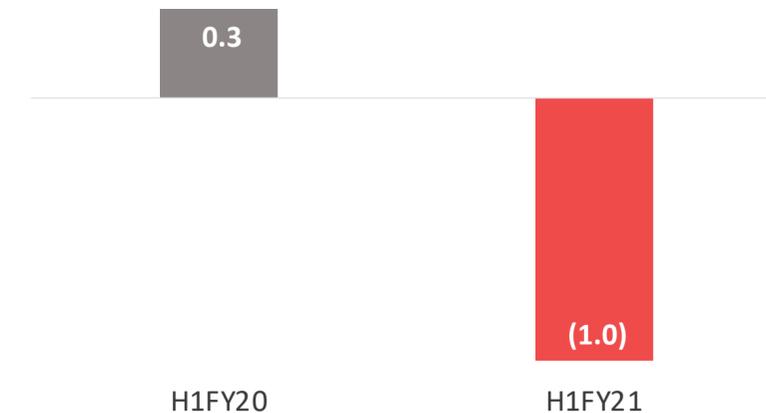
Revenue \$m



Gross Sales per Active Customer \$¹



Adjusted EBITDA² \$m



1. "Gross Sales per Active Customer" is calculated as Gross Sales for the relevant period divided by the number of Active Customers as at the end of the relevant period.
 2. "Adjusted EBITDA" is a non-IFRS measure that means earnings before interest, tax, depreciation and amortisation and IPO Transaction Costs recognised through equity.

Record Gross Sales

\$m	H1 FY20	H1 FY21
Gross Sales	40.0	126.7
Net Transaction Value (“NTV”) ¹	37.9	118.7
Revenue	6.1	21.2
Cost of Sales	-	(2.3)
Gross Profit	6.1	18.9
Other Income	0.2	0.5
Expenses		
Advertising expense	(3.3)	(13.9)
Wages expense	(1.3)	(2.0)
Other expenses	(1.3)	(4.9)
EBITDA	0.3	(1.4)
IPO Transaction Costs ²	-	0.4
Adjusted EBITDA	0.3	(1.0)

Key Metrics (%)	H1 FY20	H1 FY21
Gross Sales Growth	87.3%	217.2%
Revenue Growth	162.1%	248.3%
Gross Profit Margin (% of NTV)	16.1%	15.9%
Adjusted EBITDA (% of NTV)	0.9%	(0.8%)

Commentary

Record Gross Sales of \$126.7m up 217% YoY driven by continued growth in active customer base up 205% YoY and increasing orders from repeat customers.

Revenue of \$21.2m up 248% YoY. Revenue growth outpacing Gross Sales growth driven by the accounting revenue recognition of private label sales versus marketplace commission structure and an increase in advertising and fee income.

Gross Profit of \$18.9m up 210% YoY. Changes in seller mix offset by the impact of the higher margin private label range resulted in a small decline to overall gross profit as a percentage of NTV³ from 16.1% to 15.9%.

Marketing investment increased from 8.7% to 11.7% of NTV to support customer acquisition strategy. Launch of iOS and Android apps to strengthen non-paid acquisition and repeat purchases.

Other Expenses include distribution costs related to private label of \$1.2m driven by strong promotional support of the new range. These costs will be optimised as a percentage of sales as the range gains further traction and scale. Merchant fees grew inline with Gross Sales. Fixed costs⁴ reduced as a % of NTV from 5.8% to 3.1%. Further investment in team members planned for H2.

Adjusted EBITDA loss of \$1.0 resulting from successful customer acquisition strategy and investment in private label range.

¹ Net Transaction Value (NTV) is Gross Sales or Gross Transaction Value after deducting refunds, chargebacks, discounts and coupons.

² Represents IPO related costs not recognized through equity.

³ Due to the difference in revenue recognition between private label and marketplace sales, MyDeal believes gross profit (revenue less cost of sales) as a percentage of NTV represents a more relevant measure than take rate (revenue as a percentage of NTV) and will report this metric moving forward.

⁴ Fixed costs includes all costs excluding distribution, marketing, merchant fees, finance costs, tax and IPO transaction costs.

Strong cash balance to support our growth strategy

\$m	30 Jun 2020	31 Dec 2020
Cash	16.8	48.1
Receivables	0.7	1.1
Inventories	0.4	2.9
Other current assets	0.8	3.1
Total current assets	18.7	55.2
Intangible assets	0.2	1.0
Plant and equipment	0.1	0.1
Other assets	0.8	0.2
Total assets	19.8	56.6
Payables	13.7	18.1
Provisions	0.2	0.4
Other liabilities	1.6	3.5
Total current liabilities	15.5	22.0
Borrowings	3.1	-
Other provisions & Liabilities	0.2	0.1
Total liabilities	18.8	22.1
Net assets	1.1	34.5

Commentary

Strong cash position as at 31 December 2020 of \$48.1m (no debt) providing significant runway for execution of growth strategy

Positive cash from operations driven by negative working capital marketplace model, offset by investment in private label inventory (\$2.5m).

Q2 cash flow impacted by timing issues with higher portion of sales skewed to November and early December expected to reverse in H2.

Capital raise / IPO undertaken in October providing net proceeds of ~\$32.1m

H1 Net Cash Flow Movement \$m



A modern dining table with a glass top and a light wood base, flanked by two light wood chairs with woven seats. The table has a glass top and a light wood base. On the table, there is a small white plate with three lemons and a glass bottle. The chairs have a light wood frame and a woven seat. The scene is set in a bright, minimalist room with a light-colored wall and a light-colored rug.

H1 FY21 Operational Update

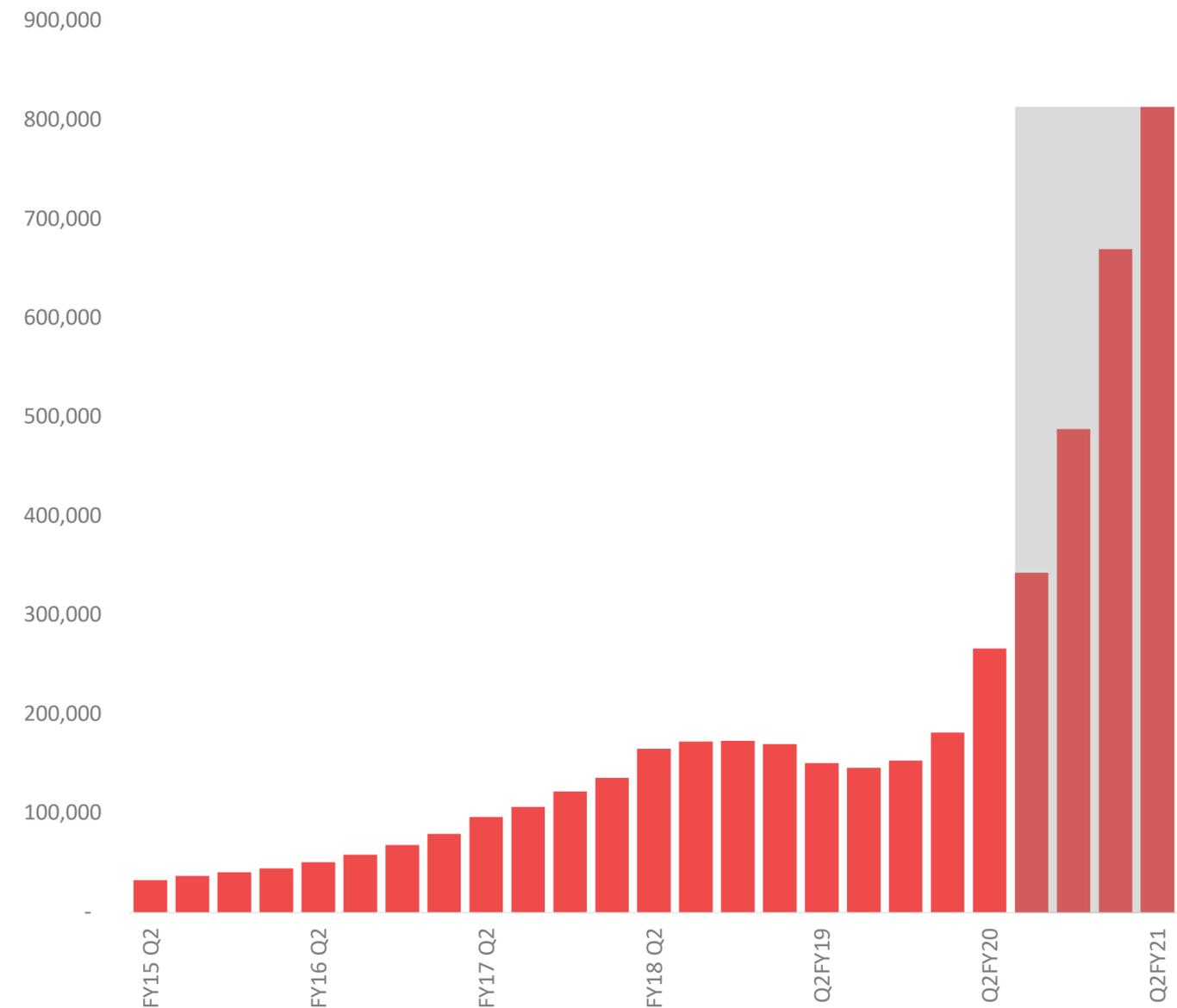
Active Customers up 205% YoY



813,764

Active Customers

Active Customers



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

Repeat transactions driven by increased customer satisfaction

Even with record customer acquisition, 52.7% of transactions in Q2 FY21 were from returning customers.

PRODUCT REVIEW FOR BUSINESSES

MyDeal.com.au

www.mydeal.com.au

★★★★★ 3.9 from 7,652 reviews · [View Statistics](#)

★ Trustpilot

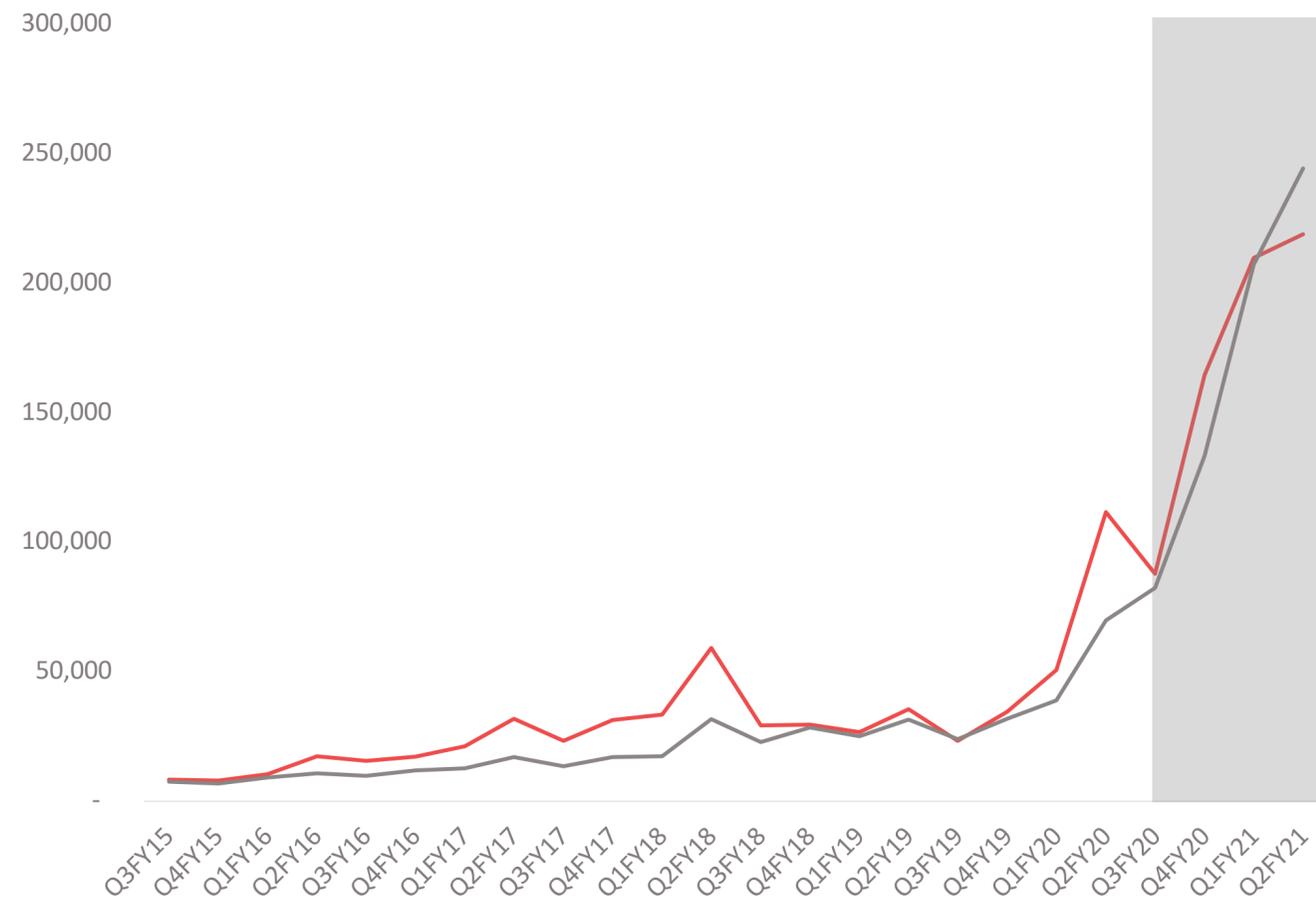
MyDeal.com.au

Reviews 30,577 • Great

★★★★★ 4.1 ⓘ

MyDeal Money Back Guarantee
Get the item you ordered or get your money back. [Learn more](#) »

New Customer vs. **Returning Customer** Orders



1.81

Avg. Orders per Customers¹
(up 17% YoY)



\$158 incl. GST
Avg. Order Value

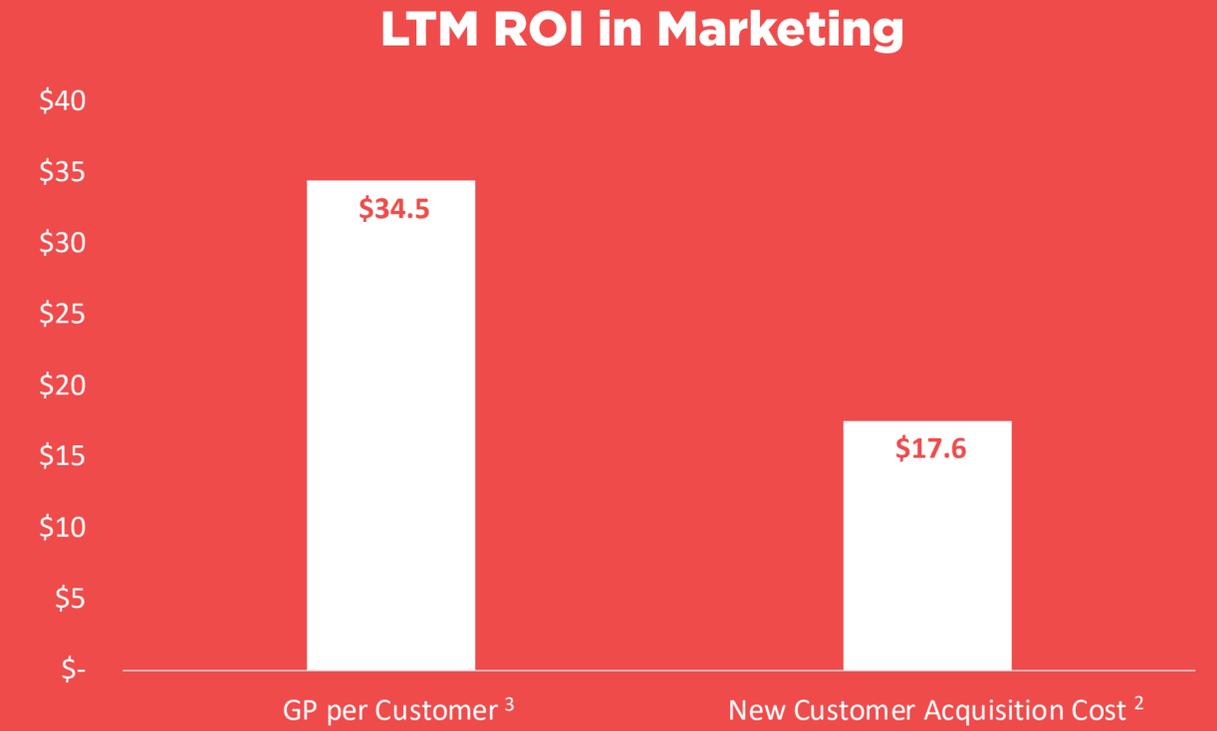
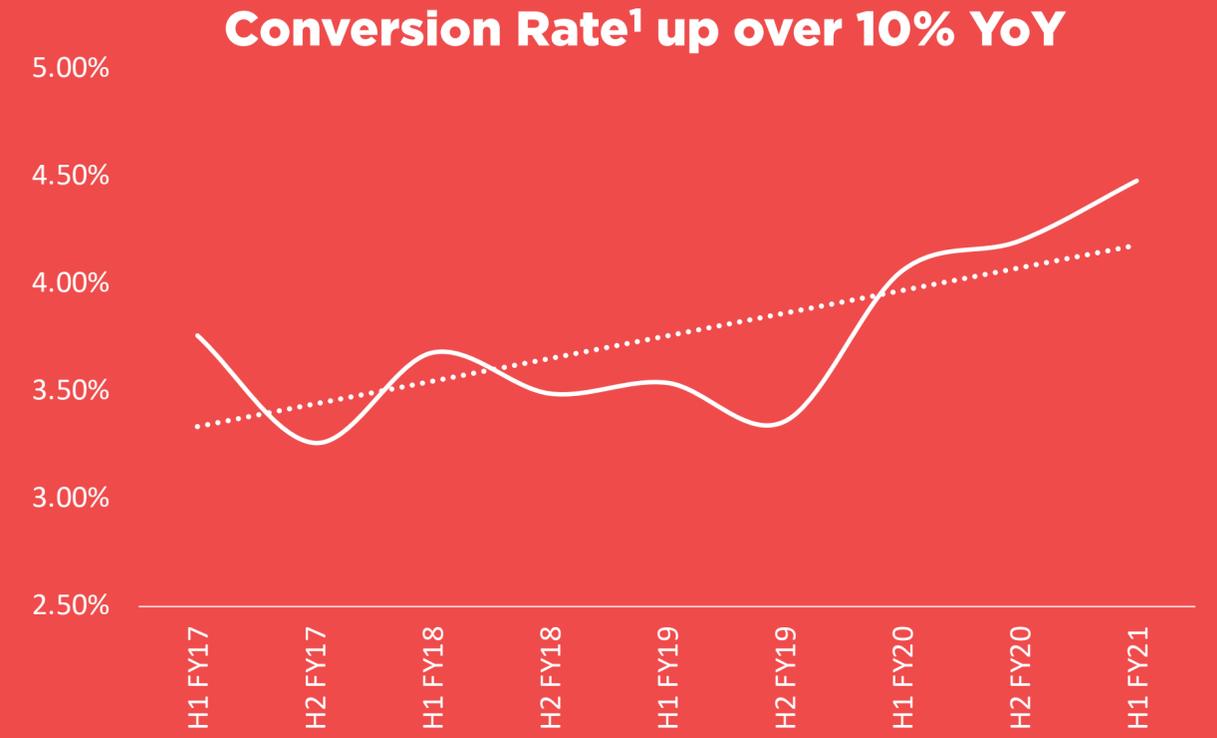
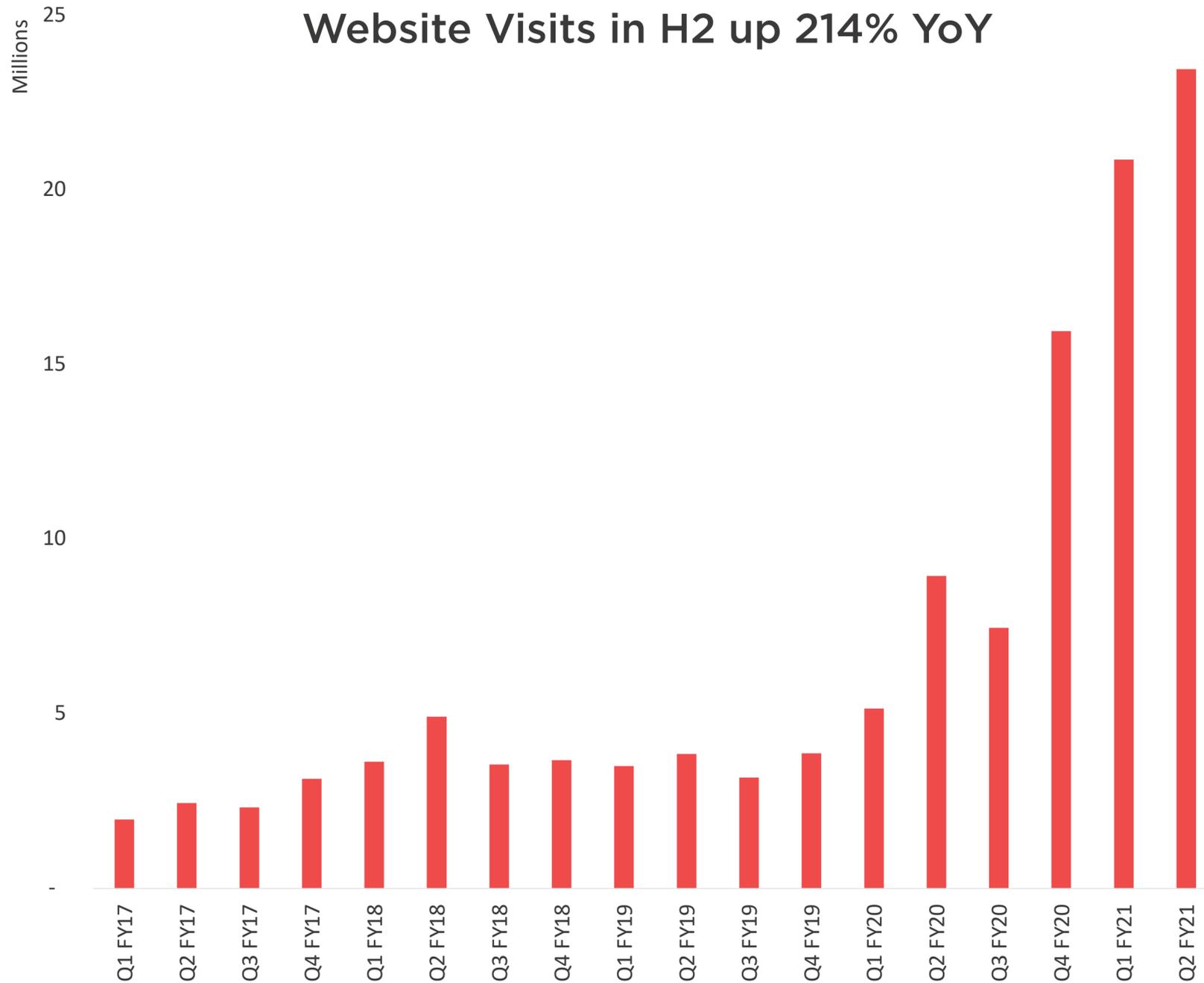


1.9M

Products Shipped LTM

1. Average Orders per Customer is calculated by taking the total number of transactions in CY20 by first time customers acquired in Q3FY20, divided by the number of first time customers acquired in Q3FY20.

Proven Customer Acquisition



1. Number of transactions calculated as a percentage of unique visitors.
 2. New Customer Acquisition Cost is calculated as the total marketing spend for CY20 x 62.5% (being the estimated percentage of marketing spent on new customer acquisition) divided by the number of new customers during CY20.
 3. Gross Profit per Customer is calculated as total Gross Profit for CY20 divided by the total number of customers that transacted in CY20.

Marketplace Metrics

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

Number of Unique Monthly Sellers



Number of Monthly Unique Products Sold

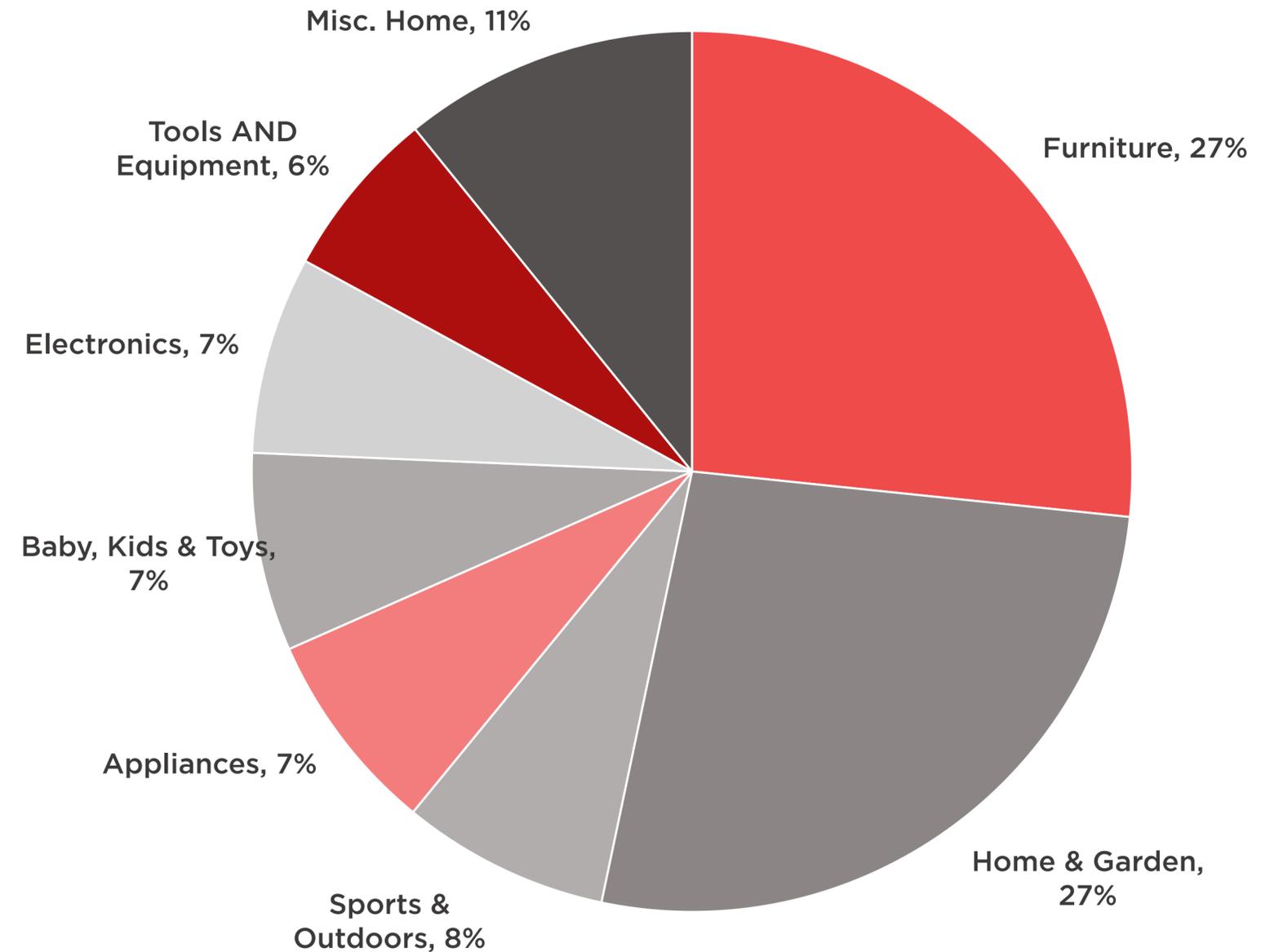


Key Categories on the Marketplace

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



Strategy & Outlook

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
- Online penetration rates in Australia for Furniture & Homeware sales are in their infancy compared to the UK and USA



Online retail was estimated to be 12.6% of total retail trade in CY20¹

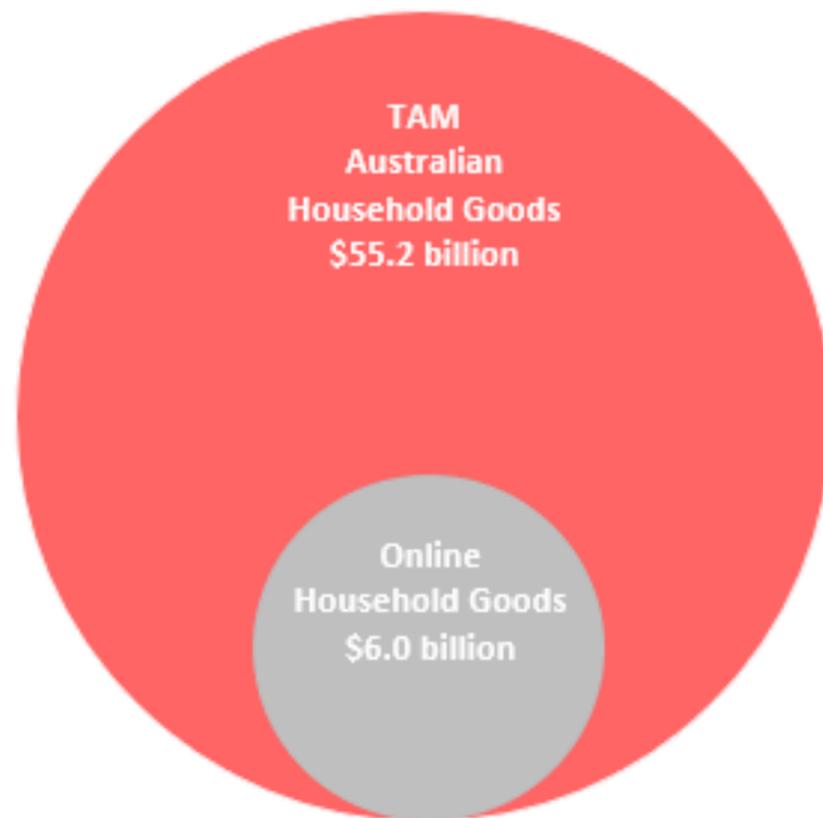


Australian online retail sales +59% in CY20²

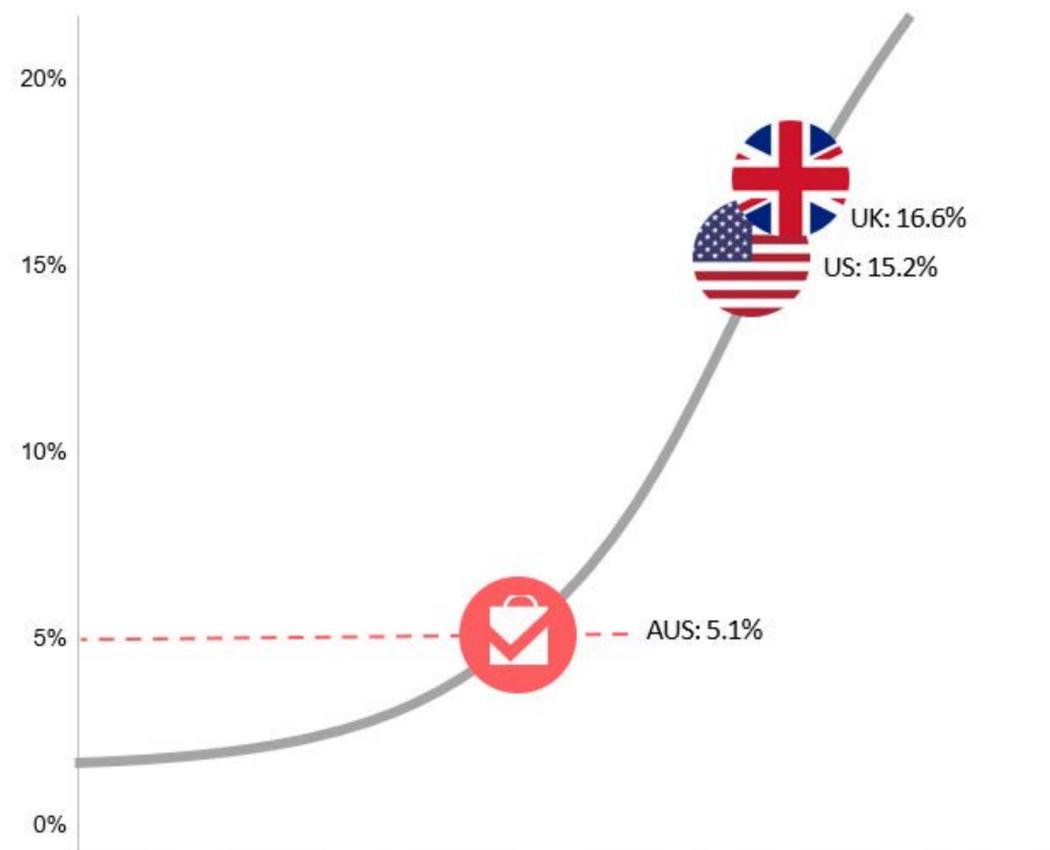


Online household goods market in Australia expected to increase 48% from 2019 to 2024³

Total Addressable Market (TAM) Australian Household Goods^{1,2}



Online Sales Penetration for Furniture and Homewares³



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

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

Aspiration and Strategy

Our vision is to make life more affordable for all Australians by offering **price leadership** on the **largest range** of household goods such as furniture and homewares.

Brand & Marketing

- ✓ Brand identity: everything for your home and value
- ✓ AI & data driven marketing
- ✓ Customer acquisition and conversion rate optimisation
- ✓ Brand marketing

Loyalty & Retention

- ✓ Personalisation and customer lifecycle marketing
- ✓ Mobile-first approach
- ✓ Loyalty program
- ✓ Deliver great customer experiences

Private Label

- ✓ Higher margins on key product lines
- ✓ Offer competitive pricing
- ✓ Leverage proprietary data to identify product and pricing gaps



Our strategy is underpinned by the utilisation of **technology and data** (including AI and machine learning) on a **scalable and automated platform.**

Growth Initiatives



Launch Native App

Launch iOS and Android apps that will improve the mobile shopping experience, reduce marketing costs and increase customer retention.



Personalisation & Data

Improve discovery by recommending relevant products, categories, brands and sellers at scale using real time 1-to-1 AI technology.



Loyalty Program

Launch loyalty rewards program that incentivises customers to make repeat purchases.



Expand Private Label

Recruit buyers and operational staff to expand the product range.



Brand

Define the look, feel and key demographic of the brand, and brand marketing to increase awareness.

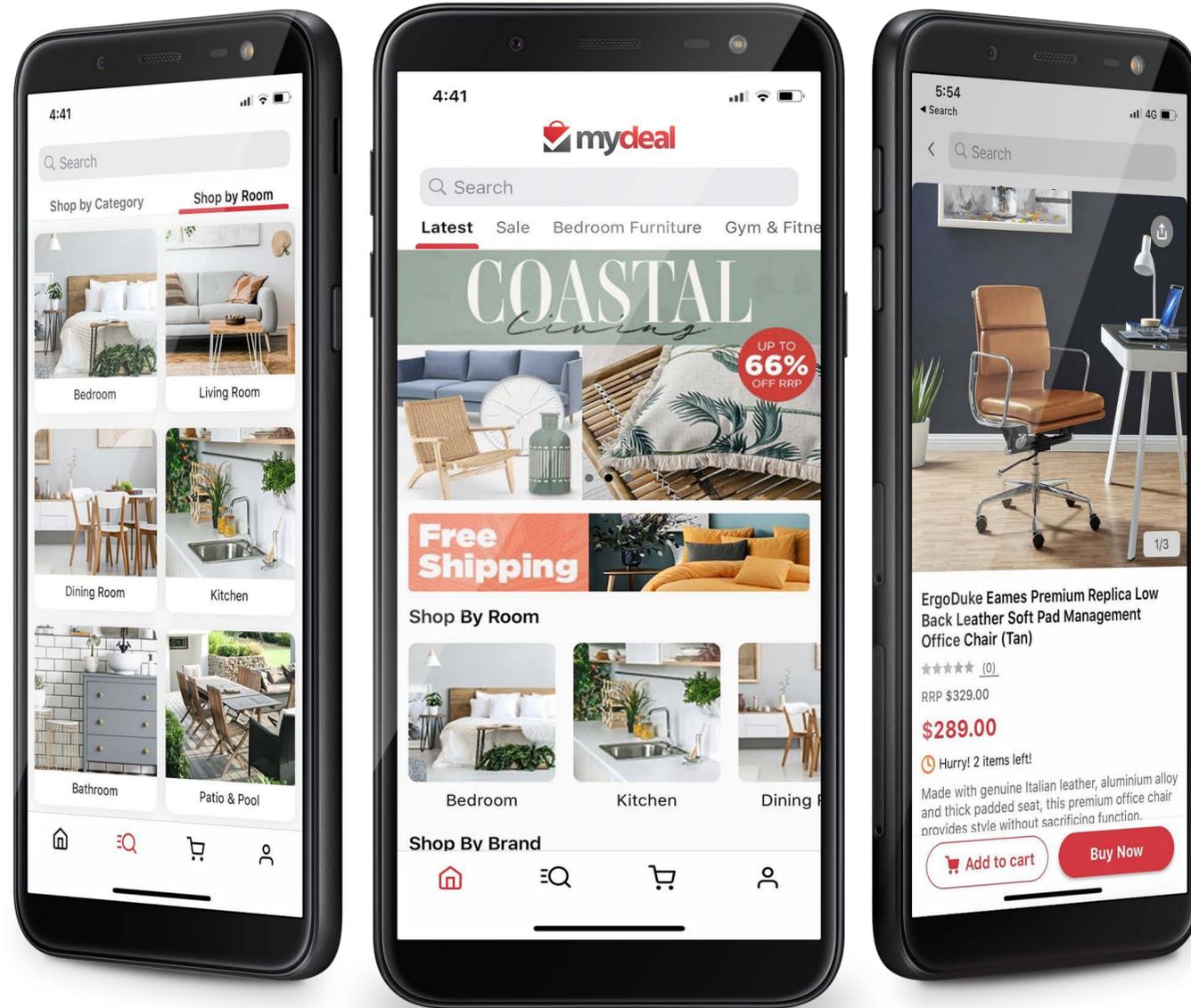


Onboard New Sellers

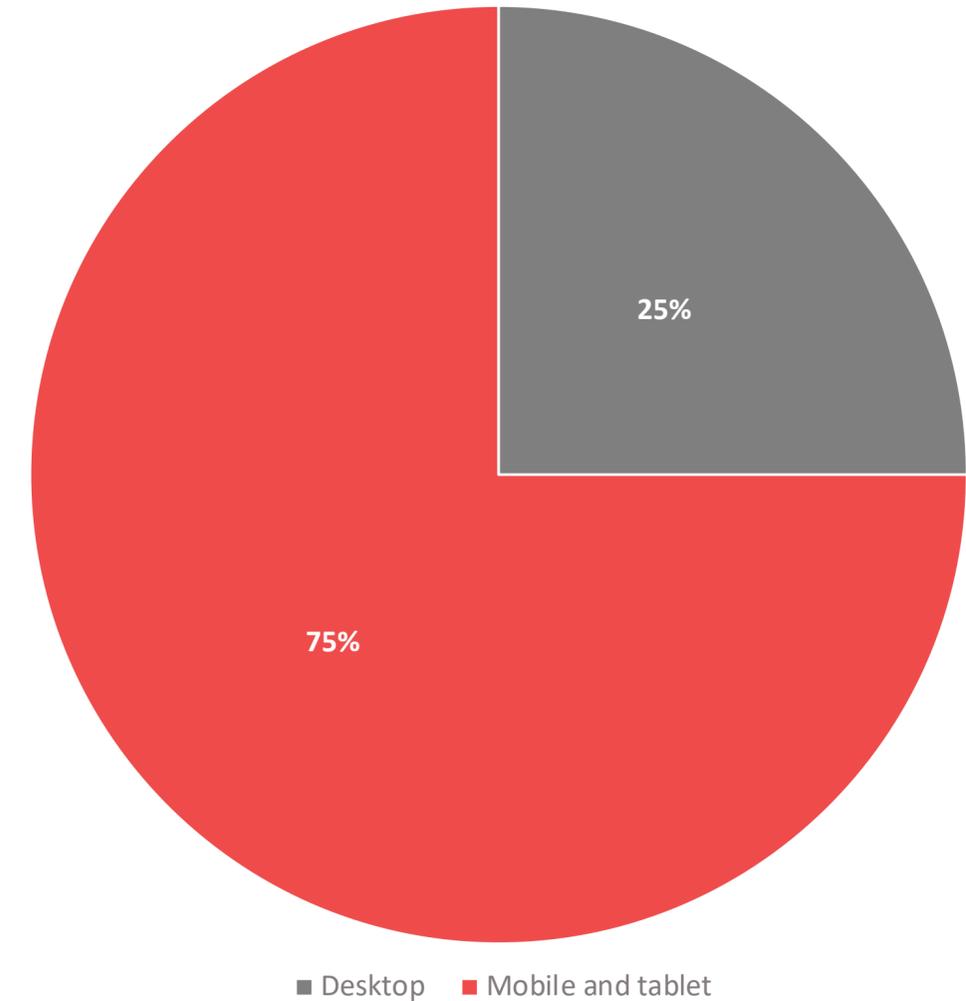
Attract and onboard new sellers to grow product range.

Mobile Apps

MyDeal is on track to launch its iOS and Android Apps in H2 FY21.



Website Visits by Device¹



MyDeal believes it can capitalise on its mobile traffic by launching its Mobile Apps.

Private Label

MyDeal aims to leverage proprietary marketplace data to offer quality private label products at competitive prices whilst enjoying higher gross margins (target 35-40%).

- ✓ On track to more than double product range in H2 FY21
- ✓ Negotiated exclusivity with suppliers on certain in-style products
- ✓ Geographically diversified our network of factories and partners into Vietnam, Taiwan and Indonesia.



\$4.3m

Gross Sales in H1



43%

Gross Margins in H1



237

Products



A modern dining table and chairs set in a bright room. The table is round and dark, with a sleek, tapered pedestal base. It is surrounded by two dark, modern chairs with curved backs and perforated seats. On the table, there are two white mugs, a bowl of lemons, and a pink vase with a green plant. In the background, there is a window with a view of greenery, a framed abstract painting, and a stack of books on a white ledge. The floor is light wood, and a white rug is partially visible under the table.

Q&A

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



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Thank You.