

# TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660



## ASX Announcement

28 October 2016

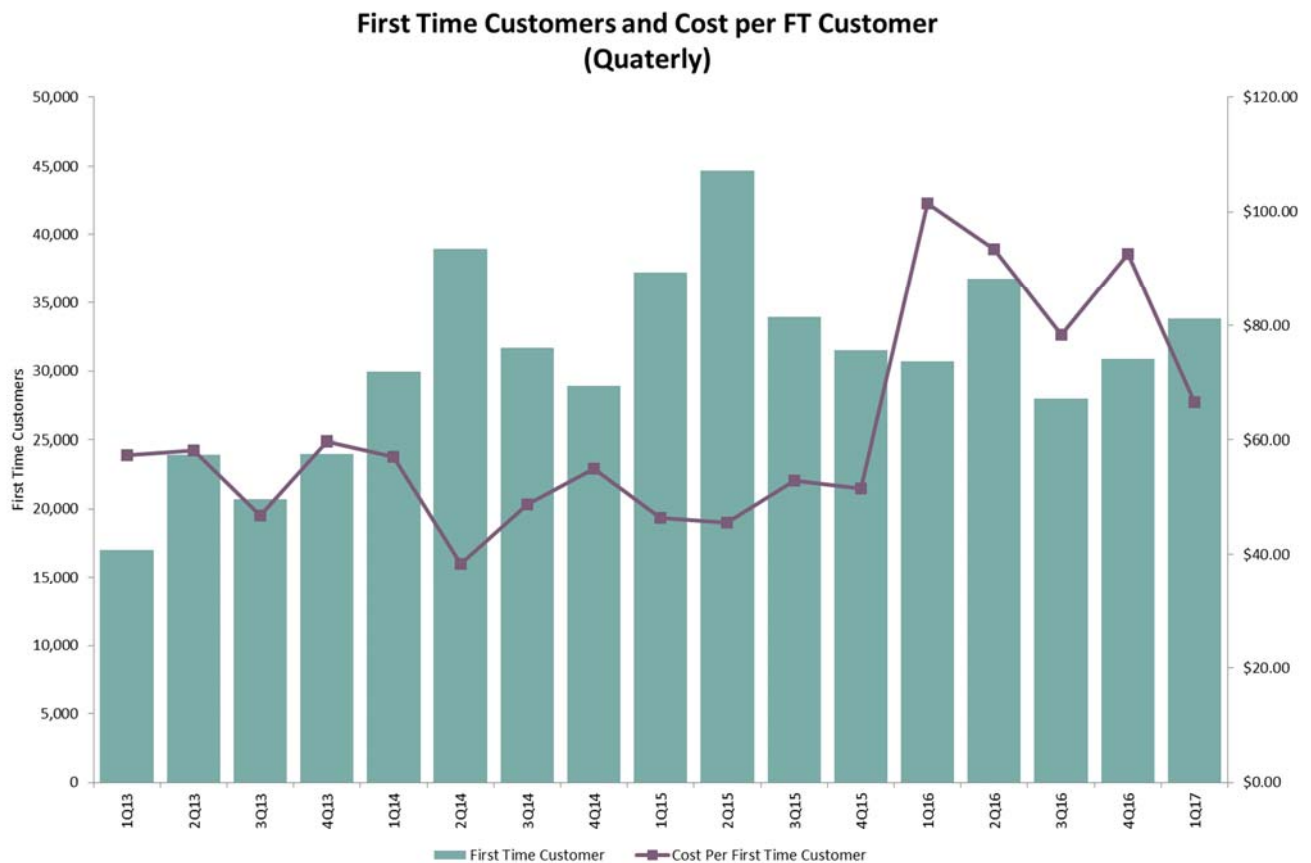
### Temple & Webster Group Limited (ASX:TPW) today released its Appendix 4C Cash Flow Statement for the first quarter 2017.

The business ended the first quarter with cash of \$13.8m.

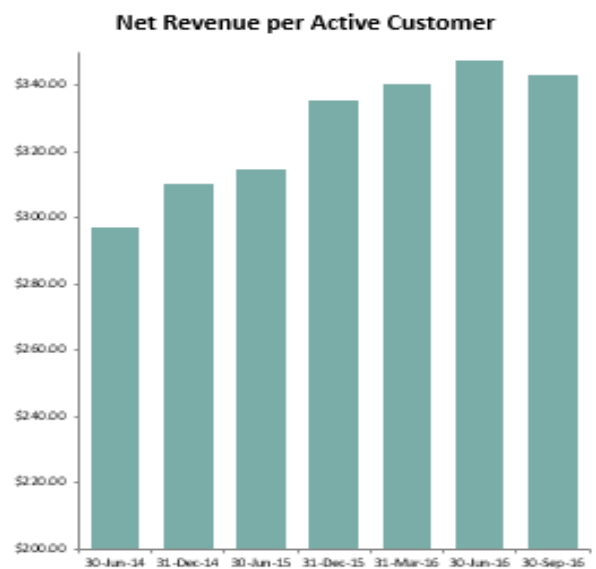
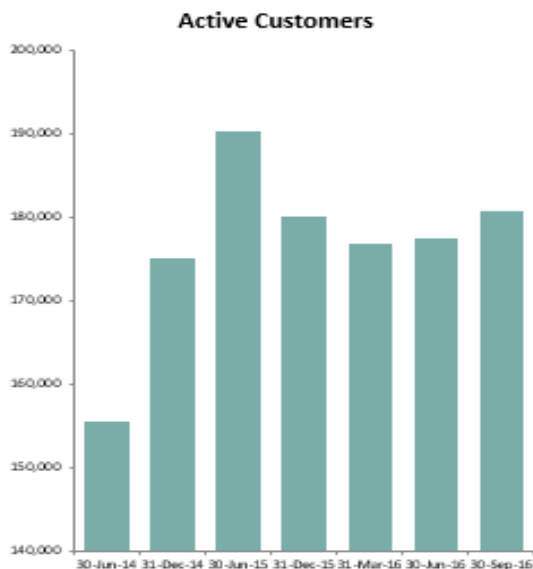
Co-founder and newly appointed CEO Mark Coulter said, "Our Revised Business Plan continues to deliver results, with active customers, first time customers and revenue continuing to grow. Our marketing efforts are also gaining traction, with customer acquisition costs reducing significantly. Most pleasingly, our revenue growth is also delivering more margin with a 10% improvement in margin (year on year) due to margin enhancement initiatives across the Group."

The key highlights for Q1 FY17 were:

- Revenue for Q1 FY17 was \$16.5m which is up ~4% year on year with margins up ~10% year on year
- First time customers are growing year on year (Q1 FY17 vs Q1 FY16), while the costs to acquire these customers have fallen by ~25% over the same period



- The redeployment of our marketing spend to the channels which we are most familiar with (mainly digital), we added new internal & external resources into the marketing function including a new CMO and we changed our digital marketing agency
- Growth in active customers has continued into Q1 FY17 with revenue per active customer continuing to trend well up year on year



- The group paid the final consideration payment to Wayfair (US) of \$2m relating to the Wayfair Australia acquisition in FY16
- Cash burn reduction continues to reduce with each month continuing to better than the last

Co-founder and CEO Mark Coulter said " while I am most pleased with our continued customer and sales growth which shows that our customers are responding to our mission to deliver beautiful solutions for their homes and work spaces, it is also great to see our underlying cash burn improve materially. Our monthly loss has improved by over 40% within 6 months and continues to improve month-to-month. Our recent trajectory, gives me confidence that we are on track with our Revised Business Plan to deliver double digit revenue growth this year, and reach profitability during CY18."

### About the Temple & Webster Group:

The Temple & Webster Group is one of Australia's leading online retailers of furniture and homewares. The Group's vision is to deliver beautiful solutions for our customers and be the first-place Australians turn to when shopping for the home & work spaces, and currently operates the Temple & Webster and Milan Direct platforms.

Temple & Webster provides one of the largest marketplaces for furniture and homewares with over 140,000 products on sale from over 700 suppliers. The business runs an innovative drop-shipping model, whereby products are sent directly to customers by suppliers thereby enabling faster delivery times, reducing the need to hold inventory allowing a larger product range.

Milan Direct is one of Australia's largest online retailers of furniture which has operations in Australia and the UK, with almost 10 years of experience in sourcing private label products under the Milan Direct brand.

The Temple & Webster Group is headquartered in Sydney, Australia and is listed on the Australian Securities Exchange under the code TPW.

## 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**

Temple & Webster Group Ltd

**ABN**

69 608 595 660

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	17,992	17,992
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(13,946)	(13,946)
(c) advertising and marketing	(2,477)	(2,477)
(d) leased assets	(4)	(4)
(e) staff costs	(3,495)	(3,495)
(f) administration and corporate costs	(782)	(782)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	103	103
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,609)</b>	<b>(2,609)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(31)	(31)
(b) businesses (see item 10)	(2,000)	(2,000)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,031)</b>	<b>(2,031)</b>

<b>3. Cash flows from financing activities</b>		
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	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	18,437	18,437
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,609)	(2,609)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2,031)	(2,031)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>13,797</b>	<b>13,797</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,497	4,497
5.2	Call deposits	9,300	9,300
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,797</b>	<b>13,797</b>

**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

<b>Current quarter \$A'000</b>
79
-

Gross payments of directors' fees (excluding superannuation, payroll tax and workers compensation).

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

<b>Current quarter \$A'000</b>
-
-

n/a

8. <b>Financing facilities available</b> <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	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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.		
n/a		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	16,601
9.3 Advertising and marketing	2,685
9.4 Leased assets	4
9.5 Staff costs	3,384
9.6 Administration and corporate costs	901
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>23,575</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	Wayfair Australia Pty Ltd	
10.2 Place of incorporation or registration	Australia	
10.3 Consideration for acquisition or disposal	Deferred consideration of \$2,000,000 relating to the acquisition of Wayfair Australia Pty Ltd	
10.4 Total net assets	\$6,072,508	
10.5 Nature of business	Online furniture and homewares retailer	

**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: .28 October 2016

Print name: ....Michael Egan.

**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.