

**TEMPLE & WEBSTER GROUP LTD**  
ABN 69 608 595 660

**ASX Announcement**  
29<sup>th</sup> August 2017



## **Temple & Webster Full Year Results to 30 June 2017**

Temple & Webster (ASX: TPW), Australia's largest e-commerce company in the furniture and homewares market,<sup>1</sup> today released its full year results for the financial year ending 30 June 2017.

### **Key Highlights**

- FY17 Revenue of \$64.5m
- FY17 Revenue from Australian operations up 11% year on year<sup>2</sup>
- FY17 Net Loss Before Tax reduced to \$7.8m (from \$44.9m)
- 2HFY17 EBITDA loss from Australian operations narrowed to \$1.8m, from \$7.2m in the prior year corresponding period
- Q4 cash flow positive with ending cash of \$8.7m cash and no debt
- Clear path to profit, and platform in place for customer and revenue growth

The company reported revenue of \$64.5m (within its guidance of \$63.5 - \$64.5m) and an EBITDA loss of \$6.8m (within its guidance of \$6.8m - \$7.3m).

The Company ended the year with \$8.7m cash with no debt.

Temple & Webster CEO Mark Coulter said, "We had a great finish to the 2017 financial year, with the Group's EBITDA loss for the second half reducing to \$1.8m, from \$7.2m in the prior year corresponding period. As a result, Q4 was the Group's first cashflow positive quarter and the strongest quarter in our turnaround journey to date".

The Group's revised plan has now been implemented with all sites integrated under the single Temple & Webster brand and website. This simplification of the go-to-market strategy has allowed the Group to grow revenues while gaining operating leverage in gross margins, and variable and fixed operating costs.

"We continue to remain confident of reaching profitability during CY18 with FY19 being our first full year of profit. Given we have entered FY18 with a significantly reduced cash burn and a strong balance sheet we are also comfortable that we have the existing cash reserves to meet our current plans.

"With over 130,000 products for sale, Temple & Webster has the largest range of any retailer in our category in Australia. We have combined this massive range with the most inspirational content and world-class service. Our relentless focus to deliver beautiful solutions for our customers' homes and

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<sup>1</sup> Source: IBISWorld Industry Report OD4176 Online Household Furniture Sales in Australia May 2017

<sup>2</sup> Adjusted to exclude our Milan Direct business in the UK which was closed during H1

work spaces is the reason we are the number one online retailer in our category by quite a long way, and are now well-positioned to accelerate our growth in active customers and revenue” said Coulter.

**Other Highlights:**

- Gross margin % increased to 43.1% up from 40.0% (from Australian operations FY17 vs FY16)
- Furniture continues to outperform, representing ~60% of sales in FY17 (up from ~52% FY16)
- Cost per first time customer reduced to \$59, from \$89, a 34% improvement (H2FY17 vs H2FY16)
- Advertising cost as a % of sales improved to 12.7% from 19.4% (FY17 vs FY16)
- Fixed cost base reduction of ~18% (annualising H1FY17 vs H2FY17)

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**For further information on this announcement, please contact:**

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**About the Temple & Webster Group**

Temple & Webster is Australia’s leading online retailer for the home. We are famous for offering the greatest range, the most inspiring content and world-class service. Our vision is to make the world more beautiful, one room at a time. Our mission is to deliver beautiful solutions for our customers’ homes and workspaces.

Temple & Webster has over 130,000 products on sale from hundreds of suppliers. The business runs an innovative drop-shipping model, whereby products are sent directly to customers by suppliers thereby enabling faster delivery times, and reducing the need to hold inventory thereby allowing a larger product range.

The business also imports and sells furniture under the Milan Direct brand, which has almost 10 years of experience in sourcing and selling private label furniture in the online Australian market.

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