

**ASX Announcement**

21<sup>st</sup> August 2018

**Temple & Webster Full Year Results to 30 June 2018**

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 2018.

**Key Highlights**

- FY18 Revenue of \$72.6m
- Near break-even result with a Net Loss After Tax of \$21k
- FY18 cash flow positive with ending cash of \$9.9m and no debt
- H2 profitable with EBITDA of \$0.3m
- H2 Revenue up 25% year on year
- July FY19 Revenue up 34% year on year

Temple & Webster CEO Mark Coulter said, "two years ago we promised our shareholders we would reach profitability during calendar year 2018 without having to raise additional capital, and I am proud to say that we achieved this goal."

"The work performed on resetting the cost base, improving our gross margins and shipping costs, reducing our cost per first time customer and offshoring our customer care and other support staff has now set the business up for profitable growth. Importantly, we achieved our breakeven milestone through strong growth in both active customers and revenue in the second half."

"Our strong growth was across all of our major product categories, and in both our B2C and B2B customer groups. It is the result of a relentless pursuit of our vision to make the world more beautiful, one room at a time. Our strategy of being a category specialist, with a clear customer offering built around the largest range of furniture and homewares in the country, combined with the most inspirational content and the best customer service is working" said Coulter.

Other FY18 Highlights:

- Gross margin improved to 44.2% (up from 42.7%)
- Advertising cost as a % of sales improved to 11.2% from 12.7%
- Cost per first time customer fell to \$54 in H2 (down from \$58 in H1FY18)
- Contribution margin (margin after all variable costs including advertising & customer service) improved to 16.6% from 10.2%

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

### **Trading Update and Outlook**

Sales growth has accelerated into the new financial year, with July trading 34% up year on year. This positive momentum has continued into August.

While the Company will continue to strengthen its core offering, it will increasingly be investing in future growth opportunities. These include launching a mobile app to capitalise on the continued growth of mobile as a primary device, international expansion through a New Zealand pilot, expanding into new categories such as home improvement, and investing further into our B2B Trade & Commercial division.

“The next phase of our journey is all about growth, and it is great to see that our revenue growth has accelerated into the new financial year. With only ~4% of furniture and homewares being currently purchased online, we are well placed for strong growth for years to come.”

The Company remains confident of delivering its maiden full year profit in FY19.

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**For further information, please see our FY18 Results Presentation uploaded to the ASX today or contact:**

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### **About the Temple & Webster Group**

Temple & Webster is Australia’s leading online retailer of furniture and homeware.

Temple & Webster has over 125,000 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 drop ship range is complemented by a private label range which is sourced directly by Temple & Webster from overseas suppliers.

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