

**ASX Announcement**

30<sup>th</sup> January 2019

**Temple & Webster Half Year Results to 31 December 2018**

Temple & Webster (ASX: TPW), Australia's largest e-commerce company in the furniture and homewares market<sup>1</sup>, today released an investor presentation containing its half year results (pre-audit) for the period ending 31 December 2018 and January trading update.

**Key H1 FY19 Highlights<sup>2</sup>**

- Revenue of \$49.3m up 40% year on year
- EBITDA of \$0.9m, versus a loss of (\$0.5m) in the prior corresponding period
- Cash flow positive half, with ending cash of \$11.5m and no debt
- Active customers up 32% year on year
- Contribution margin (margin after all variable costs including advertising & customer service) improved to 16.5% (from 16.1% in H1 FY18)
- Advertising as % of sales fell to 10.9% (from 11.5% in the prior corresponding period)

Temple & Webster CEO Mark Coulter said, "I am pleased to announce a record half and our strongest results to date. We have grown both active customers and revenue per active customer to deliver 40% year on year revenue growth, which is encouraging given the broader retail market challenges occurring as a result of the housing market downturn."

"Interestingly, the continued strong performance of our furniture categories during the half suggests consumers are still willing to spend money on their homes, and that our positioning around affordable beauty is resonating well with our customers. 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.

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

<sup>2</sup> All numbers contained in this announcement are pre-audit

### **Trading Update and Outlook**

January trading has started strongly, with growth exceeding the H1 FY19 growth rate of 40%.

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. With only ~4% of furniture and homewares being currently purchased online, we are well placed for strong growth for years to come” said Coulter.

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

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**For further information, please see our H1 FY19 Investor Presentation uploaded to the ASX today or contact:**

Melissa Shawyer, PR Group  
M: +61 (0) 412 066 048  
[melissa@prgroup.com.au](mailto:melissa@prgroup.com.au)

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

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

Temple & Webster has over ~120,000 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.