

ASX Announcement
30th July 2019

Temple & Webster Full Year Results to 30 June 2019

Temple & Webster (ASX: TPW), Australia's largest e-commerce company in the furniture and homewares market¹, today released an investor presentation containing its full year results (pre-audit) for the period ending 30 June 2019 and July trading update.

Key FY19 Highlights²

- Revenue of \$101.6m up ~41% year on year
- EBITDA of \$1.1m, versus a loss of (\$0.7m) in the prior corresponding period
- Cash flow positive year with ending cash of \$13.5m and no debt
- Active customers up 37% year on year
- Contribution margin (margin after all variable costs including advertising & customer service) at 15.9% (versus target of >15%)
- Advertising as % of sales fell to 10.9% (from 11.3% in the prior corresponding period)
- First \$1 million day in June (checkout revenue³)

Temple & Webster CEO Mark Coulter said, "I am pleased to announce our first full year of profit off the back of record revenue growth."

"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. Despite broader retail challenges we continue to buck the trend with record active customer growth, and our first \$1 million day in June" said Coulter.

Other FY19 Highlights:

- Gross margin improved to 44.6% (up from 44.1%)
- Record active customer growth, with customer acquisition metrics remaining strong

¹ IBISWorld Industry Report OD4176 Online Household Furniture Sales in Australia

² All numbers contained in this announcement are pre-audit

³ Checkout revenue is pre accounting adjustments (deferred revenue, refund provisioning)

- Range increased by 25% to 150,000+ products
- New by appointment showroom opened for Trade & Commercial customers
- New platform features launched including personalisation, shop the look functionality
- Customer satisfaction at record levels

Trading Update and Outlook

July trading has started strongly, with revenue growth in line with FY19.

While the Company will continue to strengthen its core offering, it will also be increasing investment into future growth opportunities, while staying profitable. These include launching a mobile app to capitalise on the continued growth of mobile as a primary device, continued range growth including private label, expanding the group's logistics capabilities and investing further into our B2B Trade & Commercial division.

"Now is the time to reinvest, to take advantage of a once in generation structural shift towards online. This reinvestment strategy supports Temple & Webster's stated goal of becoming the first place Australians turn to when shopping for their homes and work spaces" said Coulter.

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For further information, please see our FY19 Investor 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 150,000 products on sale from hundreds of suppliers. The business runs an innovative drop-shipping model, whereby products are sent directly to customers by suppliers, 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.