

ASX Announcement

25 Feb 2021

Temple & Webster Half Year Results to 31 December 2020

Temple & Webster (ASX: TPW), Australia's largest pure play online retailer in the furniture and homewares market¹, today released its Appendix 4D, Half Year Report and Results Presentation for the period ending 31 December 2020.

PLEASE NOTE THERE ARE NO MATERIAL CHANGES TO THE RESULTS CONTAINED WITHIN THE H1 INVESTOR PRESENTATION LODGED WITH THE ASX ON THE 2ND FEBRUARY.

Key H1 FY21 Highlights

- H1 revenue of \$161.6m up 118% year on year
- EBITDA of \$14.8m, versus \$2.3m in prior corresponding period (up 556%)
- NPAT result of \$12.2m, versus \$2.9m in the prior corresponding period (noting last year received an income tax benefit of \$0.9m versus an income tax expense of \$2.4m this year)
- Cash flow positive half with ending cash balance of \$85.7m (including proceeds of a \$40m placement)
- Active customers up 102% to 678k
- Trade and Commercial division grew 89% year on year
- First ~\$3 million day in November (checkout revenue²)
- Significant increase in brand awareness due to a national TV campaign
- 12-month marketing ROI in line with the prior period at ~2.6x
- Fixed cost as a % of sales decreased from 11.6% to 7.5% (vs pcp), demonstrating continued operating leverage

¹ Source: IBISWorld Industry Report OD4176 Online Household Furniture Sales in Australia

² Checkout revenue is pre accounting adjustments (deferred revenue, refund provisioning)

Trading Update and Outlook

The second half has started strongly, with YoY revenue growth of 118% to Feb 23.

We continue to experience strong tailwinds, including:

- the ongoing adoption of online shopping
- an acceleration of these trends due to COVID-19
- an increase in discretionary income due to travel restrictions
- the recovery of the housing market and unemployment levels

As previously communicated, we are prioritising a high-growth strategy by:

- accelerating our investment in digital and above the line marketing to outgrow the market
- using price and promotions to drive first time customers
- investing in our people to strengthen our technology, data & personalisation, private label, and delivery experience moats
- growing our B2B sales and operational teams

This strategy will accelerate the achievement of our stated goal to become the largest retailer of furniture and homewares in our home market, similar to our international peers.

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This announcement has been authorised by the board of directors.

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About the Temple & Webster Group

Temple & Webster is Australia's leading online retailer of furniture and homewares.

Temple & Webster has over 200,000 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, allowing for 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.

Temple & Webster's registered office and principal place of business is Unit 1a, 1-7 Unwins Bridge Road, St Peters, Sydney, Australia and is listed on the Australian Securities Exchange under the code TPW.