

ASX Announcement

13 February 2025

Temple & Webster Half Year Results and Trading Update

A\$m	H1 FY24	H1 FY25	Change
Revenue	253.8	313.7	+23.6%
Delivered Margin	80.8	101.5	+25.7%
EBITDA ¹	7.5	13.2	+76.3%
EBITDA Margin	2.9%	4.2%	+126 bps
Net Profit After Tax	4.1	9.0	+117.9%
Free Cash Flow ²	20.1	32.5	+61.4%

Overview

Temple & Webster Group Limited (**ASX:TPW** or the **Group**), Australia's leading online retailer for furniture and homewares,³ today released its Appendix 4D, Financial Report and Investor Presentation for the half year ended 31 December 2024 (**H1 FY25**).

H1 FY25 financial highlights:

- Revenue of \$314m, up 24% vs H1 FY24 (**pcp**), supported by growth in both new and repeat customers, and higher average order values
- Market share at an all-time high of 2.9% of the total Australian furniture and homewares market⁴
- EBITDA margin of 4.2%, above FY25 margin guidance range of 1 – 3%, reflecting scalability of the cost base
- NPAT of \$9.0m, up 118% vs pcp
- Free cash flow generation of \$32.5m, up 61% vs pcp
- Cash balance of \$139m as at 31 December 2024,⁵ with no debt

Temple & Webster CEO, Mark Coulter, said "Temple & Webster has again delivered a record half, with strong performance against all key metrics, against a challenging macro and consumer backdrop. We continue to deliver on our mission of providing beautiful items for the home at great value, as reflected in our strong revenue, active customer and market share growth."

¹ EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax

² Free cash flow calculated as Cash from Operating Activities less Payments for Plant & Equipment, Intangible Assets and Lease Liabilities; excludes any cash flows associated with share buy-backs and shares issuance

³ Source: IBISWorld Industry Reports: OD4176 Online Household Furniture Sales in Australia (September 2024), OD4174 Online Home Furnishing Sales in Australia (November 2024)

⁴ Source: ABS Retail Trade, Australia (December 2024)

⁵ Cash in transit of \$2.0m as of 31 December 2024 (30 June 2024: \$9.2m) was reclassified from Cash & Cash Equivalents to Other Current Assets. This change in presentation was made in both reporting periods, i.e., in the half year ended on 31 December 2024 and in the year ended on 30 June 2024

Other H1 FY25 highlights:

- Active customers at ~1.2 million, up 22% vs pcp
- Revenue per active customer up 2% vs pcp to \$470⁶
- Exclusive products now represent ~45% of total revenue
- AI now handling 60%+ of all customer pre- and post-sales support interactions, which has resulted in a greater than 50% reduction in customer care costs since H1 FY23
- Fixed costs as a percentage of revenue declined to 10.5%
- Home improvement sales grew 41% vs pcp

Capital Management

The Group achieved free cash flow generation of \$32.5m in H1 FY25, an increase of 61% vs pcp, demonstrating the strength of our asset light / negative working capital model.

Our cash balance was \$139m as at 31 December 2024, up from \$107.2m as at 30 June 2024,⁷ with no debt. The business remains well-capitalised and fully-funded to continue executing on its growth plans.

Our current on-market share buy-back program remains in place until June 2025.

Trading Update and Outlook

The market share gains and revenue growth demonstrated in H1 FY25 have continued into H2 FY25, with revenue up 16% year-on-year (from 1 January to 10 February 2025),⁸ despite the challenges of the cost-of-living crisis.

The February growth rate has accelerated to 19% year-on-year (from 1 February to 10 February 2025).⁹ We expect this trend to continue, given easing of comparison growth rates and the ability for us to use the margin flexibility we have built over the first half of the financial year.

EBITDA margin guidance for FY25 of 1 – 3% is reiterated, and we remain on-track towards our mid-term goal of \$1b+ in annual revenue.

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This announcement and the investor presentation to follow have been authorised by the board of directors.

⁶ Revenue per active customer = Last 12 months net revenue (excluding deferred revenue accounting adjustments) divided by active customers

⁷ Refer note 5

⁸ Revenue growth is based on checkout revenue which is pre-accounting adjustments (deferred revenue and refund provision)

⁹ Refer note 8

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Forward Looking Statements

Certain statements contained in this announcement are forward-looking statements or statements about future matters, including any indications of, and guidance or outlook on, the earnings, financial position and / or performance of Temple & Webster Group Limited. These statements involve known and unknown risks and uncertainties and other factors (many of which are beyond the control of Temple & Webster Group Limited) and involve significant elements of subjective judgement and assumptions as to future events (which may or may not be correct). No representation, warranty or assurance is given that the occurrence of any of the events expressed or implied in these statements will actually occur or that actual outcomes will not differ materially from the outcomes expressed or implied in these statements.

About the Temple & Webster Group

Temple & Webster is Australia's leading online retailer of furniture and homewares. Originally founded in 2011, Temple & Webster now 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. The business also offers customers a growing range of home improvement products, as well as Trade & Commercial solutions for business customers. Temple & Webster Group's registered office and principal place of business is Unit 2, 1-7 Unwins Bridge Road, St Peters, Sydney, Australia, and the company is listed on the Australian Securities Exchange (**ASX**) under the code TPW.