

## Shoply Ltd - ASX:SHP

17 October 2014

### ASX and Media Release

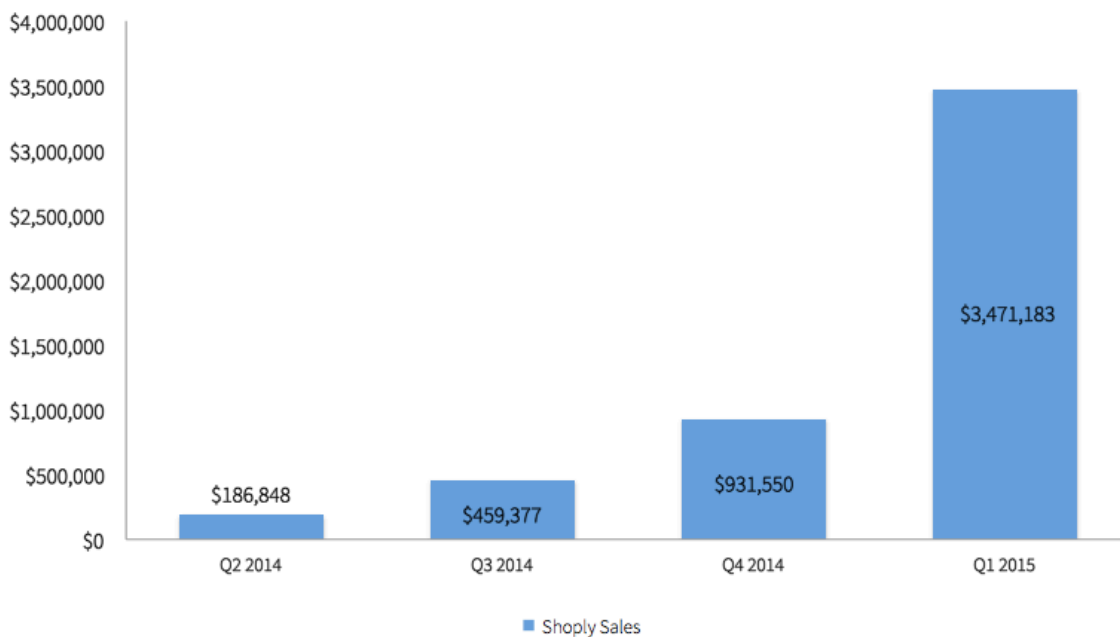
## Shoply achieves record quarterly sales revenue – up 273%

Shoply Limited (**Shoply** or the **Company**) is pleased to present its consolidated Quarterly Cash Flow Report for the quarter ended 30 September 2014. Key highlights include:

- Record sales revenue of \$3.5m for the quarter – up 273% quarter-on-quarter
- Cash receipts up 232% to \$3.6 million in the quarter
- Continued investment in acquisition integration
- Increased inventory holdings to \$1.8m in preparation for peak Christmas period

Commenting on the result, Shoply CEO Simon Crean said, “The results achieved in the September quarter highlight the progress that Shoply is making as a pure-play online retailer. We are pleased to say that our recent acquisitions are performing in line with our expectations and are allowing us to invest further in personnel and inventory so that Shoply can continue on its growth trajectory.”

The chart below presents the rapid growth of Shoply’s sales over the previous four quarters. The Company anticipates that another record sales result will be achieved in the December 2014 quarter.



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Receipts from customers were up 232 per cent on the previous quarter to \$3.6 million (up from \$1.1 million); this increase was driven largely by sales from Your Home Depot and Warcom which were acquired in mid-June 2014.

Net operating cash outflow for the September quarter was \$0.6 million following significant investment in staff and advertising, reflective of the increased size of the Shoply business with Your Home Depot and Warcom now fully integrated. The Company also invested in inventory, increasing it by 20%, to support the Christmas sales period.

During the quarter \$0.4m of annualised operating costs were removed from the Company through the reduced reliance on contracted services and migrating the Wow Baby (wowbaby.com.au) and Toy Store (toystore.com.au) operations to NSW. The benefits of these savings will be realised over the coming quarters.

Net investing cash outflow for the quarter was \$0.1 million, which was invested in the redevelopment of the Your Home Depot web and mobile sites. The new mobile sites will be released in November 2014.

Cash at bank as at 30 September 2014 was \$2.9m.

The Company is also very pleased to have appointed Mr Graeme Lay as Chief Financial Officer during September. Mr Lay is a Certified Practising Accountant with a MBA (Deakin University). He has 26 years of accounting experience in a variety of industries and has prior experience in an ASX listed company as CFO and Company Secretary.

## Outlook

During the September quarter and in the current quarter, Shoply has been further developing and integrating the customer facing online stores and consolidating its backend operations to prepare for Christmas and anticipated strong continued growth.

## Shoply building momentum

Shoply's strategy to become a leading Australian online shopping company continues to build momentum with another quarter of significant revenue growth. The Company remains committed to an aggressive growth plan, through both organic and acquisition opportunities in targeted market segments.

## Another quarter of record growth anticipated

The current quarter is expected to be a significant period for Shoply, with sales volumes anticipated to achieve record levels in the weeks immediately prior to Christmas. The Company is prepared and well positioned for the expected increased level of activity.

## Relaunch of YourHomeDepot.com.au web and mobile sites

Approximately 50 per cent of customers shopping at YourHomeDepot.com.au are doing so from a mobile device. Shoply will be relaunching YourHomeDepot.com.au to enable it to support the increasingly varied mobile devices through which consumers are shopping. These changes will make purchasing on mobile devices simpler and is expected to have a positive impact on revenue.

## Pursuing further acquisitions

Shoply continues to explore the market for further suitable acquisition opportunities in targeted market segments.

Shoply CEO Simon Crean said "We remain very excited about the growth prospects for Shoply. The focus going forward will continue to be on growing revenues, whilst also investing in the business to achieve further scale. We look forward to providing shareholders an update following the Christmas period."

**-ENDS**

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**About Shoply Limited**

Shoply's objective is to be a leading ASX listed online shopping company. Shoply is rapidly executing a dual, organic and acquisitive growth strategy, acquiring or creating positions in attractive retail categories.

<http://www.shoply.com.au>

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

**Shoply Limited**

ABN

**93 085 545 973**

Quarter ended ("current quarter")

**30 September 2014**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 3 months) \$A'000
1.1 Receipts from customers	3,597	3,597
1.2 Payments for (a) staff costs	(578)	(578)
(b) advertising and marketing	(155)	(155)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(3,436)	(3,436)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	12	12
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(564)</b>	<b>(564)</b>

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date ( 3 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(564)</b>	<b>(564)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(71)	(71)
(d) physical non-current assets	(8)	(8)
(e) other non-current assets/assets purchased	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(79)	(79)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(643)</b>	<b>(643)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Capital Raising Cost)	-	-
	-	-
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	<b>(643)</b>	<b>(643)</b>
1.21 Cash at beginning of quarter/year to date	3,509	3,509
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>2,866</b>	<b>2,866</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	36
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	5,000	-
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,721	3,509
4.2 Deposits at call	145	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>2,866</b>	<b>3,509</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

**Simon Crean**  
 Chief Executive Officer  
 17 October 2014

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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