

Shoply Ltd - ASX:SHP

24 July 2015

## ASX and Media Release

### Another quarter of record sales revenue

Shoply Limited (ASX: SHP) is pleased to present its consolidated Quarterly Cash Flow Report for the quarter ended 30 June 2015. Key highlights include:

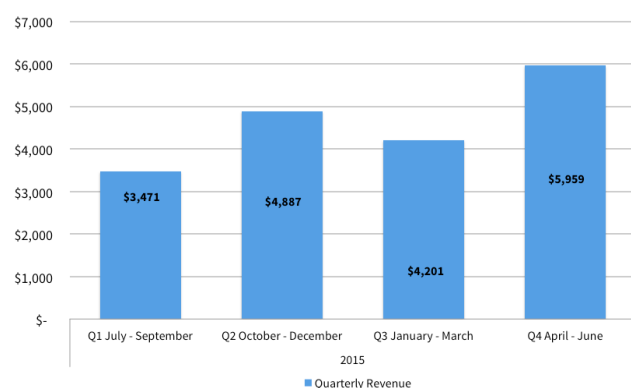
- Record quarterly cash receipts of \$6.0 million for the quarter, up 28% on previous quarter
- Shoply exceeded forecast annual revenue of \$18m, up 99% on FY14
- Positive operating cash flow of \$0.2 million
- Integration of eStore acquisition and operational consolidation
- Cash at bank at 30 June of \$2.4 million

Commenting on the result, Shoply CEO Simon Crean said, "We are extremely pleased to announce that Shoply achieved another record quarter of sales revenue, generating \$6.0 million and surpassing our revenue forecast of \$18 million for the 2015 financial year. In doing so, the Company also produced a positive operating cash flow of \$0.2 million over the quarter.

"In addition, this quarter saw gross margin improvements from eStore and Warcom synergies, and cost reductions resulting from a consolidation in occupancy costs."

### Strong sales momentum continuing in conjunction with operational efficiencies

Increased end of financial year spending generated strong trading across the Shoply group for the quarter. Cash receipts from customers were up 28 per cent on the previous quarter to \$6.0 million (Q3: \$4.2 million). In addition, overall gross margin improvement was driven by synergies between the eStore and Warcom stores and further investment in relationships with supplier partners. Shoply generated revenues of \$18.5 million (unaudited) in the 2015 financial year.



### eStore integration update

The integration of eStore into the Shoply group is now largely complete. Over the quarter, supplier synergies and negotiations drove operational efficiencies within the business. This was further enhanced through the consolidation of eStore, Warcom and the Shoply corporate operations into a single location providing annual savings in occupancy costs for the Company.

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Mr Lorenzo Coppa vended eStore into the Shoply group in March this year and joined the Shoply Board in June. Mr Coppa has 25 years' experience and knowledge of online retail markets, making him an extremely valuable addition to the Shoply Board.

### Positive operating cash inflow

Net operating cash inflow for the quarter was \$0.2 million, highlighting a positive trend towards becoming operationally cash-flow positive. This trend is being driven by increased sales and carefully managed operating costs. Over the quarter, major costs included working capital, staff and advertising, all of which remain in line with management expectations.

### Investing activity cash flow

During the quarter Shoply made the final payment of \$253k for the purchase of the eStore assets. It also invested a further \$144k in intellectual property in the form of enhancements to the Shoply operating platform and the purchase of the shoply.com domain name. Net investing outflow for the quarter was \$436k.

### Cash at bank

Cash at bank as at 30 June 2015 was \$2.4 million, down from \$2.6m following the purchase of eStore, and investments related to office fit-out and the Shoply platform.

### Outlook

Shoply is confident of continued organic growth through the 2016 financial year as it further consolidates its operations and achieves additional operational efficiencies. Shoply has set the foundations during its first full year as a pure play online retailer and is very well positioned for further growth.

Shoply CEO Simon Crean said, "The Shoply team has delivered significant revenue growth over the past 12 months, and surpassed its revenue forecast of \$18 million for FY15. Looking ahead to FY16, the Company will continue its dual track growth strategy.

"The Shoply management team look forward to delivering on another year of significant growth."

### -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 JUNE 2015**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A' 000
1.1 Receipts from customers	5,959	19,426
1.2 Payments for (a) staff costs	(675)	(2,101)
(b) advertising and marketing	(187)	(828)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(4,822)	(16,713)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	42
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	-	(23)
1.7 Other (provide details if material)	-	(23)
-GST Paid	(70)	6
<b>Net operating cash flows</b>	<b>212</b>	<b>(196)</b>

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

	Current quarter \$A'000	Year to date (12 months) \$A' 000
1.8 Net operating cash flows (carried forward)	<b>212</b>	<b>(196)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(144)	(300)
(d) physical non-current assets	(39)	(51)
(e) other non-current assets	(253)	(549)
<b>1.10 Proceeds from disposal of:</b>		
(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)	-	-
<b>Net investing cash flows</b>	<b>(436)</b>	<b>(900)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(224)</b>	<b>(1,096)</b>
<b>1.15 Cash flows related to financing activities</b>		
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 (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(224)</b>	<b>(1,096)</b>
1.21 Cash at beginning of quarter/year to date	2,637	3,509
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>2,413</b>	<b>2,413</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	44
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	2,238	2,480
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details) Cash held in separate bank account, rental guarantee.	175	157
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,413</b>	<b>2,637</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  
 24 July 2015

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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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