

ASX Announcement

18th June 2020

Temple & Webster Business Update

Temple & Webster (ASX: TPW), Australia's largest e-commerce company in the furniture and homewares market¹, today provided a business update.

The second half of FY20 (H2) has continued to trade strongly with revenue growing at 90% vs pcp, driven by strong growth in April and May as customers turned to online to fill their furniture and homewares needs. All major categories have experienced significant year on year growth.

As a result of the increased customer demand operating leverage has increased, leading to an EBITDA result of \$7.1m through to May 31.

Key highlights for FY20 (to 31 May) include:

- YTD Revenue up 68% to \$151.7m vs pcp
- YTD EBITDA up 668% to \$7.1m vs pcp
- Active customers² up 68% to 440,257
- Net Promoter Score has reached record levels (May 2020: 65%)
- Cash at May 31: \$29.2m

The strong trading in April and May has continued with June revenue tracking at +100% vs pcp.

Temple & Webster's financial position remains strong. The Group is profitable and cash flow positive, has a capital light/negative working capital business model and a debt-free balance sheet and remains best placed in the furniture and homewares market to take advantage of the structural shift from offline to online.

Temple & Webster CEO & Co-founder, Mark Coulter, said "as a team, we remain proud that we have played a small part in being able to help Australians set up their homes during this crisis. We can already see in our numbers that many of the customers who have never shopped with us before, and may be first time online shoppers in our category, have already returned and made repeat purchases. These customers are experiencing the benefits of our channel, including range, convenience and value."

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

² Active Customers are the number of unique customers who have transacted in the last twelve months (LTM).

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“We remain bullish about the longer-term shift from offline to online driven by changing customer preferences and demographics. 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 continues to resonate with our customers” said Coulter.

“Most of our team continues to work from home however we have started to make the transition back into a more flexible working environment based partly at home and partly in the office. We continue to work with our logistics partners and suppliers to ensure the safety of their staff and our customers. I would like to thank and acknowledge our team for their resilience and adaptability during these extraordinary months.”

The Company expects to report full year numbers for FY20 at the end of July.

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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 180,000 products on sale from hundreds of suppliers. The business runs an innovative drop-shipping model, whereby products are sent directly to customers by suppliers thereby 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.

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.

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