

ASX Announcement

13th August 2024

Temple & Webster Full Year Results, Trading Update and CFO Appointment

Temple & Webster (ASX: TPW), Australia's leading pure-play online retailer for furniture and homewares¹, today released its Appendix 4E, audited financial results and investor presentation for the year ended 30 June 2024.

Financial highlights:

- Record FY24 revenue of \$498m, up 26% year on year ('yoy')
- Growth was driven by active customers which were up 31% to an all-time high of 1.1 million
- FY25 has started strongly with trading up 26%² (1st July – 11th August) yoy
- EBITDA (excluding one-off costs)³ of \$13.1m at a 2.6% margin was at the top end of guidance
- Asset light, negative working capital model drove free cash flow ('FCF') of +\$25m⁴
- Closing cash balance of \$116m and no debt
- On track for \$1b+ in mid-term annual sales target

Temple & Webster CEO, Mark Coulter, said: "despite significant cost-of-living pressures, Temple & Webster has once again bucked the trend with another great set of results for FY24. Revenue was up 26% year on year in a market that was down ~4%⁵ which shows the strength in our product offering and the value we offer. Pleasingly, we were able to deliver these results with EBITDA (excluding one-off costs) at the top end of our guidance and a closing cash balance in excess of \$100m, with no debt, meaning we are fully funded to execute on all of our growth plans.

"Our mid-term target is to reach \$1b+ in annual sales and we are progressing well against our strategic goals, which includes developing leading AI/data capabilities in our category. Our internal AI team has developed a Generative AI ('Gen AI') 'solutions in a box', which is now powering a suite of tools from product recommendations to live chat interactions with customers. Already, we have seen millions of dollars of cost base savings, and conversion rate improvements of >10%⁶ due to the AI initiatives that are live on site."

Other FY24 Highlights

- Repeat customers now making up 57% of all orders
- More than 850 new private label products were added in FY24 with new ranges across key categories including Home Improvement
- Growth horizons of B2B and Home Improvement grew strongly up 27% and 26% respectively
- At 30 June, we had ~900k lifetime downloads of our iOS and Android apps

¹ Source: IBISWorld Industry Reports: OD4176 Online Household Furniture Sales in Australia, OD4174 Online Home Furnishing Sales in Australia

² Revenue growth is based on checkout revenue which is pre-accounting adjustments (deferred revenue and refund provision)

³ EBITDA is a non IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax. The above result excludes one-off costs pertaining to a write-down of Renovai investment

⁴ Free cash flow refer to net cash flow pre-financing and investing activities (share buyback outflows and investment in Renovai)

⁵ Source: ABS 8501.0 Retail Trade, Australia (year ended 30 June 24 against prior corresponding period)

⁶ Statistically significant results from A/B testing using Sitespect

Trading update and outlook

FY25 has started strongly with revenue from the 1st of July to the 11th of August up 26%⁷ year on year.

Mark Coulter said: "We continue to execute on our ambition of growing market share and establishing Temple & Webster as the go to brand for the next generation of home shopper. At our mid-term target of \$1b+ in annual sales, we believe our strategic moats around range, being a top-of-mind brand, data & AI capabilities, low fixed costs and new growth plays will be firmly entrenched.

"Our \$30m on-market buyback will continue to improve shareholder returns in the absence of more accretive opportunities, with ~200k shares bought back at a total cost of ~\$1.8m since the 17th of June 2024.

"We are well funded to execute on our strategy with \$116m of cash and no debt and remain committed to our goal of becoming Australia's largest retailer of furniture and homewares."

CFO Appointment

Temple & Webster also announces the appointment of Cameron Barnsley as Chief Financial Officer, effective from the 2nd of September 2024.

Cameron joins Temple & Webster from Morgan Stanley where he spent the last 16 years, most recently as Executive Director and Head of Technology (Australia) in its Investment Banking division. He brings considerable financial services experience, having advised companies in the technology and ecommerce sectors globally in relation to mergers and acquisitions, capital raisings, capital management and strategic projects.

Mark Coulter said: "We are delighted to welcome Cameron to the Temple & Webster team. Cameron's experience in capital markets and advising companies on their growth strategies, both locally and internationally, will be invaluable in TPW's next phase of growth. We've known Cameron professionally for years and know he'll work seamlessly with the team, supported by Mark Tayler in his new position focused on IR and growth and long-term team member Chris Berner (deputy CFO)."

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This announcement has been authorised by the board of directors.

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⁷ Revenue growth is based on checkout revenue which is pre-accounting adjustments (deferred revenue and refund provision)

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. These statements involve known and unknown risks and uncertainties and other factors (many of which are beyond the control of Temple & Webster) 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 largest pure play 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 Trade & Commercial division services the B2B market, offering exclusive product ranges, procurement, styling, specialised delivery and installation services by a dedicated support team. The Group also offers a huge range of home improvement products that customers need to renovate and redecorate their homes.

Temple & Webster Group's registered office and principal place of business is Building 2, 1-7 Unwins Bridge Road, St Peters, Sydney, Australia and is listed on the Australian Securities Exchange under the code TPW.