

ASX Announcement

16th August 2022

Temple & Webster Full Year Results and Trading Update

Temple & Webster (ASX: TPW), Australia's largest pure play online retailer in the furniture and homewares market¹, today released its Appendix 4E, Annual Report and Investor Presentation for the year ended 30 June 2022.

Key highlights of the 2022 financial year

- Revenue of \$426.3m is 31% up on last year and 142% on a 2-year period, which equates to a 55% 2-year CAGR
- EBITDA margin of 3.8% is at the high end of our 2-4% target range, this includes an investment of \$1.7m in the Group's new home improvement site; The Build (www.thebuid.com.au)
- Net Profit Before Tax (which is a better like-for-like comparison than NPAT due to tax adjustments) of \$13.2m, down 31% on last year but represents a 2-year CAGR of 29% vs FY20
- Customer metrics remain strong:
 - Active customers grew 21% to a total of 940k
 - Revenue per active customer grew 6%, 8th consecutive quarter of growth
 - 12-month ROI on marketing remains healthy at ~2x
- Trade and Commercial division grew 39%, despite challenging market conditions
- Home improvement category grew 61%, with the Build performing strongly in its first few operating months
- Closing cash balance grew to \$101.0m, with no debt

Temple & Webster CEO, Mark Coulter, said "despite some significant domestic and global challenges, Temple & Webster has once again bucked the trend to deliver a great set of numbers. Revenue was 31% up on last year and 142% on a 2-year period, which equates to a 55% 2-year CAGR, EBITDA was up 38% on a similar 2-year CAGR basis. Due to careful margin and cost base management, we were able to drive an EBITDA margin result at the top end of our 2-4% guidance, even in these challenging retail conditions, and after our investment into The Build."

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

“We believe our flexible business model, our proposition around a great quality range at affordable prices, and our commitment to customer satisfaction and happiness will resonate even more strongly with customers during these tougher times,” said Coulter.

Trading update and outlook

Given FY23 cyclical headwinds, we have accelerated some of our margin optimisation and cost management programs. As such, we are upgrading our EBITDA margin % guidance for FY23 from 2-4% to a 3-5% range. This profitability range is after our investment into The Build, which demonstrates the increasing operating leverage of the core business.

Inventory levels heading into FY23 remain strong with all metrics (ageing, \$ value, GMROI) in line or better than internal targets.

Timing of lockdowns during FY22 will make year on year growth comparisons volatile during the first half. This can be seen with July trading down 21% year on year, and August (to 14th) trading 17% down year on year. Importantly, this trading is ahead of our internal estimates, and month-to-month seasonality suggests a return to double digit growth during FY23 once we finish lapping COVID lockdowns from the year before.

We remain committed to our profitable growth strategy. We’re confident we have the people, platforms, brand and business model to achieve our goal of becoming Australia’s largest retailer of furniture and homewares.

- ends -

This announcement has been authorised by the board of directors.

Melissa Shawyer, PR Group
M: +61 (0) 412 066 048
melissa@prgroup.com.au

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.

The Build by Temple & Webster (www.thebuild.com.au) is a pure play online retailer for home improvement. Sharing the same mission as its leading furniture and homewares sister site Temple & Webster, The Build helps Australians make their homes more beautiful and turn home renovators' visions into reality by providing the biggest and best range, a beautiful and easy shopping experience, and inspirational content.

Temple & Webster Group'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.