

ASX Announcement
13 February 2024

Temple & Webster Half Year Results and Trading Update

Temple & Webster (ASX: TPW), Australia's leading pure play online retailer for furniture and homewares¹, today released its Appendix 4D, Half Year Report and Results Presentation for the half year ended 31 December 2023.

Financial highlights:

- Revenue of \$254m for the half, up 23%, driven by growth in repeat and first-time customers
- EBITDA of \$7.5m for the half with an EBITDA margin of 2.9%, at the top end of full year guidance (1-3%)
- Closing cash balance of \$114m and no debt as at 31 December 2023
- Strong start to the second half with trading up 35% vs pcp² (1st Jan to 11th Feb)
- Business has crossed the 1m Active Customers milestone for the first time in Feb 2024 (unique customers in the last 12 months)

Temple & Webster CEO, Mark Coulter, said: "Temple & Webster delivered a record half, with revenue up 23% to \$254m. This was in the face of some of the toughest headwinds to our category we have ever seen due to the current economic conditions. Pleasingly, our growth was driven by both first-time customers and repeat customers, which led to us crossing the 1 million Active Customer mark in February this year. This means that our amazing range, great value proposition and incredible service has resonated with 1 million Australians in the last 12 months."

Strategic Priorities

In August this financial year, TPW outlined a strategy to target annual sales of \$1b+ within 3-5 years, with a focus on five key strategic priorities, being:

1. Becoming the top-of-mind brand in the furniture & homewares category;
2. Generating the majority of revenue from exclusive products;
3. Developing market-leading capabilities around technology, AI and data;
4. Lowering our fixed costs % to obtain a price and margin advantage;
5. Building scale through adjacent growth plays, including Home Improvement and Trade & Commercial (B2B).

Temple & Webster CEO, Mark Coulter, said: "We are making good progress against each of our strategic priorities. This half we commenced our first integrated above-the-line brand campaign, with promising early results, including a significant increase in our share of branded searches. Our

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

² 'pcp' refers to prior corresponding period

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private label division launched 500 new products across all of our key categories, and we have increased exclusivity of our best-selling products. We continue to invest in our AI and data capabilities and have retained our market leading conversion rate among the retailers dedicated to the home. Both of our longer-term growth plays delivered double digit growth, while our fixed cost as a % of sales decreased even after investment in our team.”

“Our goal is to achieve scale as quickly as possible while remaining profitable, and our EBITDA result of \$7.5m for the first half of the year, even after costs associated with the above-the-line brand investment, gives us confidence to invest in growth to take further market share. The online market remains under-penetrated in Australia, and we continue to take advantage of this once-in-a-generation opportunity to capitalise on the long-term structural shift to online.”

Trading update and outlook

The strong momentum in the first half has continued into the second half, with revenue from the 1st January to the 11th February up 35% vs pcp driven by both first-time and repeat customers.

Our balance sheet has further strengthened with cash of \$114m and no debt, even after the additional brand investment and the buyback program. This gives the business optionality to pursue opportunities that may arise, continue deploying funds in support of our growth plans and fund sensible capital management initiatives such as our ongoing share buy-back program.

Temple and Webster reaffirms its EBITDA margin guidance for FY24.

CFO Transition

After eight years in the role of Chief Financial Officer, Mark Tayler has advised the board of his intention to step down as CFO. Mr Tayler will remain with Temple & Webster, with a focus on investor relations and helping drive the Group’s broader growth strategy.

Temple & Webster CFO, Mark Tayler, said: “Working as the CFO of Temple & Webster has been an incredible journey. Helping steer an amazing team through once-in-a-lifetime challenges, to emerge in the market leadership position we hold today, has been very rewarding. I’m excited to be staying with the company and helping it achieve the next big milestone of \$1 billion in sales.”

Temple & Webster CEO, Mark Coulter, said: “On behalf of the Board, the co-founders and the Tempster team, I’d like to extend our thanks to Mark for his exceptional contribution and commitment over the past eight years as Chief Financial Officer. He has been an instrumental part of Temple & Webster’s success as we have grown to become Australia’s largest pure play online retailer of furniture and homewares, and a great business partner to myself. Importantly, Mark is not going anywhere, so we will still get to benefit from his insights and knowledge.”

The Board has commenced a search process and Mr Tayler will remain in his current role until his replacement has started which will support an orderly and seamless transition to the new CFO.

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This announcement has been authorised by the board of directors.

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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 2, 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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