

CETTIRE

Level 40/140 William Street
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Rapid, profitable growth, achieving FY23 Adjusted EBITDA of \$29.3 million

Melbourne, Australia: 10 August 2023 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online retailer, today released its results for the 12 months ended 30 June 2023 (FY23).

FY23 highlights (vs FY22):

- Gross revenue¹ up 87% to \$539.2 million
- Sales revenue up 98% to \$416.2 million
- Active customers² up 63% to ~423k, with year-on-year growth accelerating since Apr-23
- 58% of gross revenue from repeat customers (FY22: 50%)
- Delivered margin up 156% to \$95.6 million
- Paid customer acquisition expenses 8.0% of sales revenue (FY22: 14.9%)
- Adj. EBITDA³ of \$29.3 million (FY22: \$(21.5) million)
- Statutory EBITDA of \$25.8 million; Statutory NPAT of \$16.0 million
- Ongoing localisation initiatives in progress, underpinning next wave of growth
- FY24 outlook:
 - Operating to maximise profitable revenue growth, whilst also self-funding
 - Positive trading momentum continues into FY24 as healthy demand remains; growing online luxury penetration provides supportive backdrop
 - Positive Adjusted EBITDA during Jul-23 as sales revenue increased by approximately +120%⁴ versus the pc⁵
- The Company will host an investor webinar today, Thursday 10 August 2023 at 10.30 AEST. [Click here to register](#)

Commenting on the FY23 results, Cettire’s Founder & CEO, Dean Mintz, said:

“FY23 has been another year of tremendous growth and transformation for Cettire. Through strong execution against our strategy to maximise profitable revenue growth, Cettire grew rapidly whilst also delivering significant profitability and cash generation.

Cettire is a highly nimble business, with a largely flexible cost base. This enables us to adjust quickly to market conditions and optimise performance. The pace at which we have been able to drive improved performance through FY23 is something I am particularly proud of.

¹ Gross revenue is revenue net of GST/VAT/sales taxes but is exclusive of returns from customers; Sales revenue is gross revenues net of allowances and returns from customers

² Active customers are unique customers who have made a purchase on the platform in the last 12 months

³ Cettire uses Adjusted EBITDA as a non-IFRS measure of business performance which excludes share-based payments, unrealised FX loss / (gain), loss/ (gain) on FX contracts and other items

⁴ Revenue growth in July is pre-accounting adjustments (deferred revenue and refund provisioning)

⁵ Prior corresponding period

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Cettire stands out from other software and technology-enabled businesses globally for its ability to consistently grow rapidly, whilst achieving attractive levels of profitability and capital efficiency. We are very well positioned to continue to grow share of the personal luxury goods market.”

In FY23, active customers increased 63% to over 423,000. The Company has experienced a further acceleration in active customer growth since its April market update, achieving record quarterly net active customer additions in Q4 FY23. This was driven by continued strength in customer acquisitions and improvements in retention. Repeat customers accounted for 58% of gross revenues (FY22: 50%), with higher average spend per order and increased order frequency for this customer group.

The sustained strength in repeat customer purchasing behaviour continues to provide the Company with confidence to invest in pursuit of global growth. Paid acquisition of 8.0% of sales revenue during the year reflects more conservative operating settings as well as geographic and channel optimisation (FY22: 14.9%). Similarly, a moderation in brand investment to \$3.3 million illustrates an increased focus on channels with nearer term payback (FY22 \$11.8 million).

Delivered margin increased by 156% vs the pcp to \$95.6 million, representing 23.0% of sales revenue (FY22: 17.8%). This demonstrates successful execution against several cost optimisation initiatives outlined at FY22 results, which reduced fulfilment cost per order, supplemented by a higher average order value.

Operating cash flow for the year was \$36.5 million, driven by FY23 operating surplus (cash profit) and favourable working capital dynamics given Cettire’s capital light business model, which continues to provide a tail wind through this ongoing rapid growth phase. Year-end cash was \$46.3 million, with zero financial debt.

A\$m unless stated	FY23	FY22	Growth vs pcp
Gross revenue ¹	539.2	287.8	87%
Sales revenue ¹	416.2	209.9	98%
Delivered margin	95.6	37.4	156%
Adjusted EBITDA ³	29.3	(21.5)	N/a
Adjusted EBITDA margin	7.0%	(10.2)%	+17.2pp
Average order value (A\$)	747	702	6%
Active customers ²	423,253	260,249	63%
Gross revenue from repeat customers	58%	50%	+8.0pp

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Business update

Localisation of Cettire's platform remains a key strategic priority to drive penetration in its emerging markets. During FY23, the Company commenced deployment of multi-language features, including Chinese, Japanese and Spanish language sites. The localisation strategy has facilitated further rapid growth within its emerging markets, with FY23 gross revenues in these markets increasing by 140% vs the pcp. Emerging markets accounted for 27% of gross revenue during the period (FY22: 21%).

Much of Cettire's localisation efforts have focused on the Chinese market launch. Due to the scale and significance of the opportunity, the Company has taken a disciplined approach to setting up its Chinese proposition, doing so in a way that affords Cettire the greatest optionality around channels to market.

The opportunity to grow penetration in Cettire's top-three established markets (US, UK, Australia) also remains substantial. Established markets continued to perform strongly, increasing gross revenues by 77% vs the pcp, led by the US market which grew in-line with the Group.

Cettire expects the overall revenue base to continue to broaden as the Company further localises its proposition and grows its presence beyond established markets.

During the year, Cettire again achieved significant ongoing growth across its global supply chain, with the value of available inventory significantly expanding to approximately \$2 billion. In line with Cettire's strategy to provide a platform for all members of the supply chain, the Company added additional direct luxury brand supply relationships, including the commercial agreement with Zegna announced 15 December 2022, to directly integrate and sell its products on the Cettire platform.

Organisational capability continues to grow. In particular, Cettire has made several additional key engineering hires with world class pedigree during the period. The Company intends to continue to selectively build its technology talent where appropriate.

Cettire's Founder & CEO, Dean Mintz, said:

"We have considerable momentum in the supply chain as our compelling supplier proposition gains traction. Our focus is on continuing to drive penetration across the supply chain, which in turn enables us to better serve our customers."

FY24 Outlook and July trading update

In the coming year, Cettire will continue to focus on maximising profitable revenue growth, whilst also self-funding.

Cettire has continued to experience a healthy demand environment across its geographic footprint, illustrating the resilience of global luxury spend. The Company remains excited about the structural shift of luxury spend online, providing ongoing potential to expand its addressable market.

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The Company is pleased to announce that positive trading momentum has continued into FY24, evidenced by the following observations through July 2023:

- Further acceleration in active customers growth rate to 67% versus the pcg;
- Sales revenue increased approximately 120%⁶ versus the pcg; and
- Adjusted EBITDA profitability has been maintained.

Commenting on the Company's sustained start to FY24 and outlook, Mr Mintz, said:

"We are pleased by the early trading in FY24, with all our key markets performing strongly. Cettire is well positioned for another strong year of growth and profitability. We are well advanced in our preparations for China market entry, which remains a very attractive market opportunity and offers significant incremental growth potential."

Results webinar

Founder & CEO Dean Mintz and CFO Tim Hume will host an investor webinar at 10.30 am AEST on Thursday, 10 August 2023 to discuss the results. Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_vkbJq5HvQg-xabfK2hCJTww

Questions can be pre-submitted to sam@nwrcommunications.com.au or asked via the Q&A function during the webinar.

After registering, you will receive a confirmation email containing information about joining the webinar.

This document has been authorised for release by the Directors of Cettire Limited.

— ENDS

⁶ Revenue growth in July is pre-accounting adjustments (deferred revenue and refund provisioning)

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About Cettire

Launched in 2017, Cettire is a global online retailer, offering a large selection of in-demand personal luxury goods via its website, cettire.com. Cettire has access to an extensive catalogue of more than 2,500 luxury brands and 500,000 products of clothing, shoes, bags, and accessories. Visit: www.cettireinvestors.com

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