

CETTIRE

Level 40/140 William Street
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Rapid, profitable growth continues in H1-FY24, achieving Adjusted EBITDA of \$26.1m

Melbourne, Australia: 7 February 2024 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online platform, is pleased to announce its results for the six months ended 31 December 2023 (“H1-FY24”).

H1-FY24 highlights:

- Gross revenue¹ of \$460.5 million, +90% versus prior corresponding period (“pcp”)
- Sales revenue¹ of \$354.3 million, +89% versus pcp
- Active customers³ +83% to ~576k, with further growth acceleration since Sep-23
- Delivered margin of 23.2%; paid customer acquisition expenses 8.9% of sales revenue
- Adjusted EBITDA² of \$26.1 million, 7.4% margin; Adjusted NPAT² \$16.4 million
- Statutory EBITDA of \$22.4 million; statutory NPAT of \$12.8 million
- \$100 million net cash balance as at 31 December 2023, providing flexibility to capitalise on growth opportunities and explore capital management initiatives
- Operating to maximise profitable revenue growth, whilst also self-funding
- Positive trading momentum continued into H2-FY24 as the demand environment remains healthy
 - Positive Adjusted EBITDA⁴ achieved during January as gross revenue⁴ increased by approximately +80% versus pcp
- Investor webinar to be held today, at 10.30am Wednesday, 7 February 2024 ([click here to register](#))

A\$m unless stated ⁴	H1-FY24	H1-FY23	Growth vs pcp
Gross revenue ¹	460.5	242.7	90%
Sales revenue ¹	354.3	187.7	89%
Delivered margin	82.2	47.0	75%
Adjusted EBITDA ²	26.1	16.7	56%
Adjusted EBITDA margin	7.4%	8.9%	-1.5pp
Average order value (A\$)	791	759	4%
Active customers ³	575,888	313,982	83%
Gross revenue from repeat customers	58%	56%	+2.0pp

Commenting on the Company’s performance in H1-FY24, Cettire’s Founder and CEO, Dean Mintz, said:

“Cettire delivered an exceptional result for H1-FY24. During the period, we experienced broad-based momentum across both Established and Emerging Markets, supported by our localisation initiatives and marketing execution.

¹ Gross revenue is revenue net of GST/VAT/sales taxes but before customer refunds; Sales revenue is gross revenues net of allowances and customer refunds.

² Cettire uses Adjusted EBITDA and Adjusted NPAT 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.

³ Active customers are those who have made a purchase in the last 12 months.

⁴ Unaudited metrics

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Notably, we observed an acceleration in growth in revenue and active customers through the December quarter, while continuing to deliver significant profitability and cash generation.

I believe this is our strongest trading half since Cettire went public several years ago and further demonstrates the uniqueness of our business model, the benefits of our proprietary technology platform and the strength of our execution. Our proposition is clearly resonating with both the demand and supply side of our platform as we continue to rapidly penetrate the global personal luxury goods market.

Due to the sustained profitability and build up in cash balance, the Company has the flexibility to capitalise on growth opportunities and explore capital management initiatives."

Profitable growth continues

Gross revenue increased by 90% vs the pcp to \$460.5 million, driven by growth in both order volume and average order value. Sales revenue increased by 89% vs the pcp to \$354.3 million, reflecting a returns rate of 23.1% (H1-FY23: 22.6%).

Repeat customers accounted for 58% of gross revenues (H1-FY23: 56%), with higher average spend per order and increased order frequency for this customer group.

The sustained strength in repeat customer purchasing behaviour and attractive market environment, combined with the Company's strong financial position, continue to provide the Company with confidence to invest in the pursuit of global growth. During the period, Cettire increased paid acquisition investment to 8.9% of sales revenue (H1-FY23: 7.9%), supporting the rapid revenue growth.

At period end, active customers increased to 575,888 (+83% vs the pcp). Q2-FY24 was a record for quarterly net active customer additions, driven by strong conversion of the increased marketing investment to new customer adds and a significant improvement in 12-month retention.

Delivered margin increased by 75% vs the pcp to \$82.2 million, representing 23.2% of sales revenue. The Company experienced a year-on-year increase in fulfilment costs as a proportion of sales revenue, partially impacted by a stronger EUR.

Leveraging the Company's lean operating cost structure, revenue growth and strong unit economics Cettire achieved sustained operating profitability, with Adjusted EBITDA of \$26.1 million or 7.4% of sales revenue (H1-FY23: \$16.7 million).

Operating cash flow increased 81% vs the pcp to \$65.0 million (H1-FY23: \$35.8 million). This was driven by 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.

At 31 December 2023, Cettire had a cash balance of ~\$100 million and zero debt, providing balance sheet flexibility to capitalise on multiple attractive global growth opportunities and explore capital management.

Business update

Cettire's localisation initiatives, enabled by its proprietary storefront software, remain a key strategic priority to increase penetration in emerging markets. During H1-FY24, the Company focused on scaling localisation features deployed during FY23, including multi-language and localised payment options. This strategy has facilitated further rapid growth within emerging markets, with H1-FY24 gross revenues in these markets increasing by 138% vs the pcp. Emerging markets contributed 31% of gross revenue during the period (H1-FY23: 25%). Established markets also continued to perform strongly, increasing gross revenues by 74% vs the pcp.

As part of its localisation strategy, the Company continues to focus on China market readiness, including the preparations for launch of a direct channel to consumers in the market. This has included re-platforming Cettire to enable the Company to operate scalably and seamlessly inside and outside of China's firewall.

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During the half, Cettire also directed increased engineering focus and resource towards core customer experience improvements. Several new features were deployed across the mobile apps and web store to enhance direct revenue opportunities and address potential customer friction points. The Company is encouraged by the early customer response to these features.

Cettire continues to achieve significant ongoing growth across its global supply chain, with the value of available inventory significantly expanding to greater than \$2 billion, further strengthening the Company's overall customer proposition.

Trading update and outlook

The Company is pleased to announce that positive trading momentum has continued into H2-FY24, evidenced by the following observations through January 2024⁴:

- January 2024 gross revenue increased approximately +80% versus pcp; and
- Adjusted EBITDA profitability has been maintained.

In H2-FY24, Cettire will continue to focus on maximising profitable revenue growth, whilst also self-funding.

Investor webinar

The Company will host an investor webinar with Founder & CEO Dean Mintz and CFO Tim Hume at 10.30 am AEDT today – Wednesday, 7 February 2024 – to discuss the results.

Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_zozp5dXftBykuFNzrEt4Cg

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

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About Cettire

Launched in 2017, Cettire is a global online platform, 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