

CETTIRE

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Cettire Confirms China Launch, Provides FY24 Update

Melbourne, Australia: 24 June 2024 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online platform, today provides the following update on its China market launch and FY24 metrics.

China launch

The Company confirms its direct platform in mainland China has now launched via www.cettire.cn. The local platform was launched on Sunday 23 June and the Company is already processing orders.

Commenting on the China launch, Cettire’s Founder and CEO, Dean Mintz said: “As the world’s largest luxury market, China is an important strategic opportunity for Cettire. The launch of our direct platform represents the culmination of considerable preparation and development from our dedicated team and our partners. We intend to be measured in our approach to the market, with a broadening of our channel proposition over time as we seek to build presence.”

FY24 update

Cettire has continued to experience strong, broad-based revenue growth during Q4 FY24, driving increased penetration and market share in the online global personal luxury goods market.

For FY24, the Company is expecting to deliver significant year-on-year growth in active customers, sales revenue, Adjusted EBITDA and cash. Further, gross revenue contribution from repeat customers has increased through the course of the financial year.

Notwithstanding this, during the last several weeks as Spring Summer 24 has entered the promotion period, the operating environment within global online luxury has become more challenging. Multiple listed luxury businesses have described softening demand trends and increased promotional activity (over and above the typical seasonal promotions), leading to a tougher margin environment. Cettire’s financial performance during Q4 FY24 to-date has also been impacted by these developments.

As a result, Cettire expects the following ranges for FY24 metrics:

Unaudited metrics	FY24	Growth vs pcp
Sales revenue (A\$m)	735 – 745	77 – 79%
Marketing to sales ratio	Low double digits per cent	
Adjusted EBITDA ¹ (A\$m)	32 – 35	24 – 36%

Cettire’s Founder and CEO, Dean Mintz, said:

“With FY24 nearing completion, we are expecting to report considerable growth in revenue and Adjusted EBITDA for the year. Not only does this highlight the strong traction that our platform is gaining both on the supply and demand side, but it also illustrates our efficient cost structure. We are incredibly pleased with these results –

¹ 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

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including our strengthened position in the global luxury marketplace – all of which have been achieved organically.

The Company's updated checkout also continues to perform strongly. We have observed stable conversion rates in the US since the updates were implemented in mid-March. Further, during Q4-FY24, US sales of high value² items have outpaced lower value items.

Overall customer retention continues to improve, with the proportion of gross sales from repeat customers in Q4-FY24 to date increasing versus Q3, demonstrating that Cettire's proposition continues to resonate with customers.

Since our market update in mid-April, however, we have observed more challenging market conditions. A softening demand environment and an increase in promotional activity has been visible across our footprint, particularly in the last several weeks as the market has entered the Spring Summer 24 sale period. Additionally, we believe the market is currently being impacted by clearance activity as certain players exit parts of the market.

To continue to expand our market share, Cettire has selectively participated in the promotional activity, leading to an increase in marketing costs relative to sales and a decline in delivered margin percentage."

Commenting further, Mr Mintz said: "Despite a recent softening of market conditions, the overall opportunity in online luxury remains compelling, supported by industry consolidation.

Cettire is well positioned to capitalise on the opportunity in online luxury given the resilience and flexibility of its business, which is underpinned by a large and diverse supply chain, geographic diversity and a capital light model with minimal inventory risk.

The Company continues to grow rapidly, is profitable and cash generative. Cettire has access to extensive inventory levels and remains focused on maximising profitable revenue growth, whilst also self-funding."

Cettire will provide FY24 detailed financials with release of its full year FY24 results, which is expected to be in the second half of August 2024.

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

—ENDS

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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

² High value items above US\$800