

CETTIRE

Level 40/140 William Street
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Cettire achieves profitable Q1 growth amid optimisation of operating settings and increased emphasis on profitability

Melbourne, Australia: 29 October 2024 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online platform, is pleased to provide an update on its trading performance for the quarter ended 30 September 2024 (Q1 FY25).

Q1 FY25 highlights (vs Q1 FY24):

- Sales revenue of \$155.0 million, an increase of 22% versus the prior corresponding period (“pcp”)
- Significant focus throughout the quarter on optimising operating settings against backdrop of softer global luxury demand
- Delivered margin of 17% reflecting continuation of heightened promotional activity, particularly in July and August
- Adjusted EBITDA¹ of \$2.0 million, representing an improvement of \$1.6 million on Q4 FY24
- Improving profitability over the course of the quarter, culminating in September adjusted EBITDA margin >5%, supported by reduction in marketing investment relative to sales revenue
- Active customers increased 43% versus pcp while revenue from repeat customers and average order value improved year on year

Trading update

Cettire experienced strong momentum across key trading and operational metrics over Q1 FY25:

Unaudited metrics	Q1 FY25	Q1 FY24	Growth vs pcp
Gross revenue (A\$m) ²	198.1	167.4	18%
Sales revenue (A\$m) ²	155.0	127.1	22%
Average order value (A\$)	777	731	6%
Active customers ³	698,066	487,289	43%
Gross revenue from repeat customers	67%	59%	

Commenting on the Company’s performance over Q1 FY25, Cettire’s Founder and CEO, Dean Mintz, said:

“Over the course of the first quarter we addressed the softer trading conditions and continued heightened promotional activity in the global luxury sector by optimising operating settings to reflect our increased emphasis on profitability.”

¹ 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

² Gross revenue is revenue net of GST/VAT/sales taxes but is exclusive of customer refunds; Sales revenue is gross revenues net of allowances and customer refunds

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

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Improvements to both delivered margin and adjusted EBITDA were realised towards the end of the quarter as the benefits of our strategy materialised.

Sales revenue growth of 22% represents continued growth in market share, notwithstanding a progressive reduction in marketing investment, which represented around 8% of sales revenue in the period. Customer lifetime value metrics improved year-on-year, with higher AOV and repeat customers contributing 67% of gross revenues, while the US was our fastest growing established market.

By adjusting our operating settings throughout July and August, we successfully offset some of the external industry pressures, enabling Cettire to exit the quarter with enhanced profitability in September, while still achieving underlying growth in an otherwise challenging global luxury demand environment. Not only does this demonstrate our ability to generate and protect through-the-cycle profits, it also positions Cettire well as we head into peak seasonal trade.

The Company's net cash balance was approximately \$66 million at period end (Q1 FY24: \$59 million).

Our business model, which benefits from low fixed costs, minimal inventory risk and a large and growing supply chain, provides us with significant flexibility to deliver relative sales growth and profit outperformance within the online luxury sector, further underlining our differentiated investment value proposition.

As a result of our increased emphasis on profitability, we have continued to invest cautiously, with marketing costs reducing as a percentage of sales revenue during October. Notwithstanding the proportional reduction in marketing spend and the fact that we are cycling a very strong comparator FY24 period, in the first half of October we were able to achieve around 5 per cent revenue growth.

Looking forward, we are confident underlying demand for luxury will remain resilient and will ultimately improve in the next 6-12 months. The luxury sector's growing total addressable market and our differentiated business model provides Cettire with significant runway to deliver on its strategy to drive profitable growth and continue to scale its platform globally."

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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