

CETTIRE

Level 40/140 William Street
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Rapid, profitable growth, achieving FY24 Adjusted EBITDA of \$32.5 million

Melbourne, Victoria: 29 August 2024 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online platform, today released its preliminary full year results for the period ended 30 June 2024 (“FY24”).

FY24¹ Financial Highlights (vs FY23)

- **Gross Revenue: Increased by 81% to \$978.3 million.**
- **Sales Revenue: Up 78% to \$742.3 million.**
- **Active Customers: Grew by 64% to approximately 692,000.**
- **Repeat Customers: Accounted for 61% of gross revenue (FY23: 58%).**
- **Delivered Margin: Increased by 62% to \$155.0 million, representing 21% of sales revenue.**
- **Paid customer acquisition expenses: Increased to 9.5% of sales revenue (FY23: 8.0%)**
- **Adjusted EBITDA: Increased to \$32.5 million from \$29.3 million, with an Adjusted EBITDA margin of 4.4%.**
- **Statutory EBITDA: \$24.3 million.**
- **Net Profit After Tax (Statutory): \$10.5 million.**
- **Cash Position: Ended the year with \$79.0 million in cash (FY23: \$46.3 million) and zero financial debt.**

The Company will host an investor webinar today, Thursday, 29 August 2024 at 10.30am AEST. [Click here to register](#)

Commenting on the FY24 results, Cettire’s Founder & CEO, Dean Mintz, said:

“It’s pleasing to have delivered another strong performance in FY24. Our relentless focus on strategic growth and operational excellence resulted in considerable year-on-year growth in active customers, sales revenue, adjusted EBITDA and cash.

We have continued to grow our share of the global online luxury goods market and are extremely pleased with our strengthened position at the end of FY24. Not only did approximately 270,000 net new customers purchase from the platform during the year, but existing customers, on average, purchased more and spent more per order, demonstrating the growing loyalty of our customer base.

Today’s results highlight the strong traction our platform is gaining globally, while also demonstrating the benefits of our capital-light and cost-efficient business model, enabling us to grow the business while remaining profitable and self-funding.

Looking forward, our vision is clear. We aim to continue scaling the business in a sustainable and profitable manner, leveraging our strengths in technology, supply chain, and market insights to deliver value to all stakeholders.”

¹ All metrics unaudited

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A\$m unless stated (unaudited)	FY24	FY23	Growth vs pcip
Gross revenue ²	978.3	539.2	81%
Sales revenue ²	742.3	416.2	78%
Delivered margin	155.0	95.6	62%
Adjusted EBITDA ³	32.5	29.3	11%
Adjusted EBITDA margin	4.4%	7.0%	-2.6pp
Average order value (A\$)	798	747	7%
Active customers ⁴	692,287	423,253	64%
Gross revenue from repeat customers	61%	58%	+3pp

Strong performance metrics achieved in FY24

Gross revenue increased by 81% to \$978.3 million, while sales revenue increased by 78% to \$742.3 million, reflecting a returns rate of 24% (FY23: 23%).

In FY24, active customers increased 64% to over 692,000, which continued to be driven by success in customer acquisition and year on year improvements in retention. Repeat customers accounted for 61% of gross revenues (FY23: 58%), with higher average spend per order and increased order frequency for this customer group. The ongoing growth in active customers and the sustained strength in repeat customer purchasing behaviour demonstrates Cettire's proposition is continuing to resonate strongly with customers.

In the final quarter of FY24, Cettire observed more challenging market conditions, evidenced by a softening demand environment, increased promotional activity entering the Spring Summer 24 sale period and impacts of competitor clearance activity.

Notwithstanding the impact of increased growth investment, Cettire achieved full year adjusted EBITDA growth of 11% to \$32.5 million and increased its delivered margin by 62% versus the prior corresponding period to \$155.0 million. This represented 21% of sales revenue, a slight decline on the prior year.

Operating cash flow for the year was \$63.0 million, driven by FY24 operating surplus (cash profit) and favourable working capital dynamics. Cettire's capital light business model continues to provide a tail wind as the Company further penetrates established and emerging markets.

Year-end cash was \$79.0 million (increase of \$32.7 million vs FY23), with zero financial debt. During the period the Company invested \$10.3 million in share purchases through the Cettire's employee benefit share trust to optimise capital management while supporting Cettire's ongoing growth objectives. This supports the Company's strategy to attract and retain top talent by offering long-term performance

² Cettire uses gross revenue as a non-IFRS measure of business performance and represents revenue net of GST/VAT/sales taxes but is before refunds to customers; Sales revenue is gross revenues net of allowances and refunds to customers

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 Active Customers are unique customers who have made a purchase in the last 12 months

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incentives and enhances Cettire's flexibility in meeting future vesting requirements without the need to issue additional shares.

Update on audit and revenue recognition accounting policy

The Company notes that Cettire's financial audit for the year ended 30 June 2024 is progressing.

This year's audit is taking longer than in prior years as a result of the Company taking the initiative to conduct more comprehensive processes following recent market commentary, and the auditor (Grant Thornton) likewise undertaking additional audit procedures on an expanded scope.

The remaining substantive audit matter is a technical review of revenue recognition. Since its IPO, the Company has adopted a revenue recognition policy whereby it recognises revenue as a principal not an agent, and revenue is recognised as the gross selling price net of rebates, discounts and refunds (refer to Note 2, Significant Accounting Policies, Revenue recognition, in Cettire's 2023 Annual Report and Note 2 of Cettire's 2024 Preliminary Final Report).

The technical review is nuanced and ongoing and, in particular, is considering whether, as the business evolves, Cettire should continue to recognise revenue as principal or as an agent. Grant Thornton is in the process of completing its assessment of this policy in order to finalise its audit of the 2024 financial statements.

The Company believes that its current treatment is appropriate and the FY24 preliminary financial report has been prepared on the basis that Cettire is the principal. Following the completion of the technical review, if there was to be a change in this accounting policy, Cettire would recognise revenue as an agent. In practice, this would likely result in recognition of only the Company's margin as revenue. We note that although any adoption of such an alternate interpretation and policy would reduce revenue, it would not impact reported earnings nor cash flows nor represent a change in the legal basis for the Group's contractual relationships with suppliers and customers. Additional disclosure would also be required regarding Gross Merchandise Value to ensure consistency with historical presentation of financial statements.

Cettire is working closely with Grant Thornton to enable them to finalise their audit.

FY24 business highlights

The core elements of Cettire's business model and enhanced organisational capabilities continued to deliver strategic outcomes for the business in FY24. Highlights from the year included further momentum across Cettire's supply chain and execution of the Company's localisation strategy.

Supply Chain momentum:

- Growing supply chain with strong governance across high-quality suppliers, providing over \$2 billion of stock across over 2,500 brands.
- Hundreds of suppliers, providing brand depth and diversity, with the top performing brand in FY24 representing only ~5% of gross revenue.

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- Wholesale channel continues to represent around 50% of the global personal luxury goods market, and continues to demonstrate growth in value terms, making it fundamental to long term distribution.

Localisation strategy driving market penetration and diversity:

- Presence in a broad mix of countries, creating greater diversity across different regional markets.
- Gross revenue from established markets continued to grow strongly at 70% on pcp.
- Revenue from emerging markets accelerated rapidly, now representing 31% of revenue.
- Proprietary storefront software enabling localisation strategy success:
 - Cettire now available in 54 countries, offering 7 different languages, 17 currencies and many localised payment options.

Entered China Domestic market:

- Launch of direct platform in mainland China on 23 June 2024, via www.cettire.cn.
- Focused on growing presence in a disciplined and measured way.

Evolving organisational capability:

- Team of over 70 people, increasing year on year to keep pace with business growth and maturity.
- FY24 hiring focused on engineering, operations and customer service roles – engineering now representing around a third of the workforce.
- New Board member appointed in July 2024 and new hires in other areas such as marketing, communications, finance and commercial to follow.

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

“Our unwavering pursuit to deliver on our strategy has served us well to date and underscores the many achievements in FY24. Our continued focus on driving profitable revenue growth while expanding our global footprint and remaining self-funding is key to the long term sustainability of our business.

With strong relationships across our diverse and growing supplier base, our unrivalled proprietary technology and the efforts of our highly talented and nimble Cettire team, I am extremely confident we will continue to successfully deliver on our strategic objectives.”

FY25 outlook and July trading update

Since the start of FY25, the global luxury sector has continued to experience softer trading conditions. Increased promotional activity remains prevalent as the remaining inventory from the Spring Summer 2024 season cycles through the system. Clearance sales activity by participants in the online segment exiting parts of the market continued in July.

Our business model is highly flexible, enabling quick adaptation to market conditions and cycles. We continue to operate the business to maximise profitable revenue growth whilst also self-funding – with increased emphasis on profitability in FY25.

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Expectations for the first quarter of FY25, ending 30 September 2024 are:

- Continued healthy revenue growth – sales revenue tracking ~20%⁵ higher year-on-year through July and August 2024⁶
- Improving refund rate vs FY24
- Lower marketing spend (as % of sales revenue), compared with FY24 – adjustments being made to optimise settings
- Adjusted EBITDA positive

Commenting on the Company's FY25 outlook, Mr Mintz, said:

"Our focus in the near term is to increase emphasis on profitability over growth, particularly while market conditions remain soft. Longer term, we see the strong fundamentals of the growing US\$400billion luxury market and its ongoing structural shift to online, providing Cettire with significant runway to scale the business.

Cettire has flexibility to adjust operating settings to varying market conditions. Cettire's ability to leverage its highly competitive business model has seen sales revenue organically grow 30 times in the past 5 years, while generating cash and profit in 4 of the last 5 years, with zero financial debt.

This proven track record, along with Cettire's large and diverse supply chain, global customer footprint and minimal inventory risk, provides great confidence in our ability to adjust quickly to varying market conditions and changes to localised demand.

Given the resilience and flexibility of its business model, Cettire is equipped to capitalise on the significant opportunity in today's online luxury sector and well positioned to deliver long term value to shareholders and all of its stakeholders."

Results webinar

Founder & CEO Dean Mintz and CFO Tim Hume will host an investor webinar at 10.30am AEST today, Thursday, 29 August 2024, to discuss the results. Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_-E_8mKVUTGGoxNBzO7xYHA

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

--ENDS--

⁵ Growth rate versus corresponding period in FY24 unaudited sales revenue

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

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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