

CETTIRE

Level 40/140 William Street
Melbourne VIC 3000

Rapid, profitable growth delivering H1 Adjusted EBITDA of \$16.7 million

Melbourne, Victoria: 7 February 2023 – Cettire Limited (ASX: CTT) (“Cettire” or the “Company”), a global luxury online retailer, is pleased to announce its results for the six months ended 31 December 2022 (“H1-FY23”).

H1-FY23 highlights:

- **Gross revenue of \$242.7 million, +57% versus prior corresponding period (“pcp”)**
- **Sales revenue of \$187.7 million, +65% versus pcp**
- **Adjusted EBITDA of \$16.7 million, 8.9% margin**
- **Statutory EBITDA of \$13.9 million; statutory NPAT of \$8.0 million**
- **Delivered margin of 25.1%; paid customer acquisition expenses 7.9% of sales revenue**
- **\$53.3 million net cash balance as at 31 December 2022**
- **Operating to maximise profitable revenue growth, whilst self-funding**
- **Positive trading momentum continued into H2-FY23 as the demand environment remains healthy**
 - **Positive Adjusted EBITDA achieved during January as sales revenue increased by greater than +80% versus pcp**
 - **Continue to target EBITDA positive in H2-FY23**
- **Investor webinar to be held today, at 10.30 am – Tuesday, 7 February 2023 ([click here to register](#))**

Commenting on the Company’s performance in H1-FY23, Cettire’s Founder and CEO, Dean Mintz, said:

“It has been an exceptional half for Cettire as we continue to grow rapidly while delivering significant profitability. We remain laser focused on executing our strategy to maximise profitable revenue growth. I am particularly pleased that we have been able to continue our growth trajectory while cycling a period of significant marketing investment in Q2-FY22. Having successfully executed against the strategy outlined at our FY22 results, the H1-FY23 result highlights the potential of our unique business model as well as the benefits of our proprietary technology platform as we continue to scale globally.”

Profitable growth continues

Cettire demonstrated strong momentum across key trading metrics during H1-FY23:

A\$m unless stated	H1-FY23	H1-FY22	Growth vs pcp
Gross revenue ¹	242.7	154.1	57%
Sales revenue	187.7	113.7	65%
Delivered margin	47.0	24.7	90%
Adjusted EBITDA ²	16.7	(9.9)	N/a
Adjusted EBITDA margin	8.9%	(8.7)%	+17.6pp
Average order value (A\$)	759	712	7%
Active customers ³	313,982	208,721	50%
Gross revenue from repeat customers	56%	46%	

¹ Gross revenue is revenue net of GST/VAT but prior to returns from customers; Sales revenue is gross revenue net of allowances and returns from customers

² Cettire uses Adjusted EBITDA as a non-IFRS measure of business performance which excludes expenses associated with the IPO, share-based payments, unrealised FX movements and loss/ (gain) on FX forward contracts

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

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Cettire demonstrated a continuation of the strong revenue and profitability trends reported in the Q1-FY23 and AGM trading updates.

Gross revenue increased by 57% vs the pcg to \$242.7 million, driven by growth in both order volume and average order value. Sales revenue increased by 65% vs the pcg to \$187.7 million, reflecting the increase in gross revenue and a decrease in the returns rate to 22.6% (H1-FY22: 26.2%).

Delivered margin increased by 90% vs the pcg to \$47.0 million, representing 25.1% of sales revenue. This demonstrates successful execution on the cost optimisation initiatives outlined at FY22 results, which reduced fulfilment cost per order and was supplemented by a higher average order value.

Through effective execution and continued refinements to its marketing strategy, the Company drove significant efficiencies in marketing investments. Paid acquisition costs decreased to 7.9% of sales revenue (H1-FY22: 16.1%).

Leveraging the Company's lean operating cost structure with revenue growth and attractive unit economics translated into significant improvements in operating profitability, with Adjusted EBITDA of \$16.7 million or 8.9% of sales revenue (H1-FY22: \$(9.9) million).

Operating cash flow increased 192% vs the pcg to \$35.8 million (H1-FY22: \$12.3 million), with growth underpinned by the Company's operating profitability, exceptional sales growth, capital light business model and attractive working capital profile.

At 31 December 2022, Cettire had a cash balance of \$53.3 million and zero debt, providing balance sheet flexibility to capitalise on multiple attractive global growth opportunities.

Business update

Cettire's localisation initiatives, enabled by its proprietary storefront software, remain a key strategic priority to increase penetration in emerging markets⁴. In accordance with its localisation strategy, during H1-FY23, the Company commenced deployment of multi-language features via the release of a Chinese language site. A Chinese language version of the mobile apps is also now live. In addition, Cettire broadened its partnership with Klarna to selected European markets including the UK. The localisation strategy has facilitated further rapid growth in emerging markets, with H1-FY23 gross revenues in these markets increasing by 101% vs the pcg. Emerging markets accounted for 25% of gross revenue during the period.⁵

During the period, Cettire again experienced strong growth across its global supply chain, with the available inventory now surpassing \$1.2 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 a commercial agreement with Zegna, which enables the direct integration of products from the Zegna brand into Cettire's platform.

Importantly, targeted investment in Cettire's proprietary technology platform continues to develop the Company's capability, while reinforcing its competitive advantage. During the half, Cettire continued to add to its world-class engineering team in an environment where many technology companies are decreasing headcount, demonstrating Cettire's confidence in the outlook.

⁴ "Established" includes top 3 markets of Australia, U.S. & UK. "Emerging" includes all other markets

⁵ Metrics are pre-accounting adjustments (deferred revenue and refund provisioning)

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Trading update and outlook

The Company continues to experience a healthy demand environment across its geographic footprint.

In light of the above, Cettire's positive trading momentum has continued into H2-FY23:

- January 2023 sales revenue increased by greater than +80% versus pcg; and
- EBITDA positive during January 2023.

The Company continues to operate the business to maximise profitable revenue growth while also self-funding. Near term investment priorities are customer acquisition, technology investment, building organisational capability.

Cettire will be operated to be EBITDA positive in H2-FY23.

Investor webinar

The Company will host an investor webinar with Founder & CEO Dean Mintz and CFO Tim Hume at 10.30 am AEDT today – Tuesday, 7 February 2023 – to discuss the results.

Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_SgH0nu0xThuD57vU-Nnmew

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

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Further Information

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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 400,000 products of clothing, shoes, bags, and accessories. Visit: www.cettireinvestors.com