

# CETTIRE

Level 40/140 William Street  
Melbourne VIC 3000

## AGM Chair and CEO Addresses and CEO Presentation

**Melbourne, Victoria: 14 November 2024** – Cettire Limited (ASX: CTT) (“**Cettire**” or the “**Company**”), a global luxury online retailer, attaches the Chair and CEO addresses and CEO presentation to the AGM today.

*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 platform, offering a large selection of in-demand personal luxury goods via its website, [cettire.com](http://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](http://www.cettireinvestors.com)

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## **AGM Chair Address**

Cettire delivered strong performance, once again, in the 2024 financial year. Sales revenue increased by 78%, Adjusted EBITDA was \$32.5 million, Net profit after tax was \$10.5 million and its core operating metrics were well ahead of the prior year's performance. Cettire ended the year with over 690,000 customers, with over 60% of its revenues coming from repeat customers.

A number of significant milestones were achieved during the year including surpassing a million annual orders, recording our highest ever gross and net customer adds in a quarter and launching our domestic China platform.

Overall, we exited the financial year, having delivered strong growth while maintaining sound profitability and strong cash generation, a great achievement notwithstanding the head winds that emerged in the final quarter of the financial year. The impacts of softening demand in the global personal luxury sector accompanied with unprecedented clearance sales activity, became evident in Cettire's fourth quarter performance. Dean will speak to this in more detail in his address.

In addressing some of the concerns raised in the second half of the financial year, the Board and management felt it was important to conduct internal reviews and expand the FY24 audit to include in-depth assessments on the various public claims regarding Cettire's practices and processes. While these workstreams extended the completion of the audit beyond the release of Cettire's full year results in August, the in-depth review was an important process. The company's independent auditor issued an unqualified opinion on the expanded audit on 24 September 2024.

Notwithstanding the share price volatility and numerous distractions over the past six months, management is committed to enhancing stakeholder communications and delivering ongoing value to shareholders.

During the financial year, the Board reflected on the size and composition of the Board to ensure it remains fit for purpose as the company scales. We appointed a Board and executive search firm to assist in the recruitment process and pleasingly Jon Gidney and Caroline Elliott joined as Non-Executive Directors of the Company and both are standing for election at today's meeting.

Jon's strong financial background and solid understanding of global capital markets and Caroline's 25 year's experience in Non-Executive Director and corporate C-Suite roles across a range of sectors including retail, financial technology services and transport, are valuable additions to the Board.

In closing, Cettire's flexible and resilient business model positions us extremely well to execute on our strategy to maximise profitable growth. Our ongoing commitment to delivering value to our supply chain partners and customers along with our unwavering focus on remaining capital light and self-funding provides us with the greatest opportunity to grow our share of the significant online luxury market.

I would like to take this opportunity to thank my fellow Board members for their contribution during the year.

And on behalf of the Directors, I'd like to acknowledge and thank Founder and CEO Dean Mintz, CFO Tim Hume and all team members for their commitment to the business over the past year.

Lastly, thank you to our investors, customers, trading partners and all other stakeholders for their ongoing support of the Cettire business.

I look forward to the year ahead as the business continues to execute on its strategy.

—ENDS—

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## AGM CEO Address

Good morning everyone. Cettire's growth since inception has been extraordinary, which not only speaks to our customer and supplier value proposition, it also reflects the strength of demand for global personal luxury goods over the past 7 years.

Over the past 6 months, Cettire has been navigating through a more challenging external environment in the luxury market. Our focus during this time has been leveraging the inherent flexibility of our business model to address the various dynamics playing out across the sector.

More recently, this has included increasing emphasis on profit over growth and focusing on how we can maximise the key drivers of our business. Additionally, growing our relationships with suppliers, maximising our return on investment from marketing spend, exploring new ways to engage with our customers and continuing to enhance customer experience.

With this context, I'd like to take a few moments to reflect on some of the strong long-term fundamentals of the sector and provide added colour on the supply and demand dynamics that have been at play more recently.

Demand for personal luxury goods globally has outpaced world GDP by a multiplier of 2 over the past 28 years. This has seen the sector grow from approximately US\$84 billion to over US\$400 billion over the same duration.

Notwithstanding a few short-lived periods of negative growth, it is clear that this sector is extremely resilient.

The longer-term outlook for global personal luxury, despite current headwinds, remains very strong. By 2030, the overall market is expected to reach US\$622bn, while the online segment is expected to represent over 30% of sales. Millennials and Gen Z consumers are also becoming more relevant, forecast to represent approximately 78% of luxury consumers by 2030.

When you consider the total addressable market today, sitting at around US\$400bn, and the expectation for this to grow to over \$600bn by 2030, Cettire has a significant opportunity over the long term to:

- Scale its business by growing with the overall luxury market;
- To leverage the ongoing penetration of online sales within the sector, which is expected to reach around \$200bn by 2030;
- To gain market share with fewer competitors operating in the sector following market consolidation; and
- To grow supply and demand with our differentiated value proposition.

For those of you who follow luxury companies, you will have more recently observed weaker trading performances across the sector from both a growth and earnings perspective. The latest trading update from some of the world's largest luxury conglomerates reported material declines in sales growth.

It's clear that the luxury market is currently facing challenges.

While the reasons for this are heavily debated, there are a handful of consistent comments across various participants in the sector including:

- The slowing of demand is cyclical. Luxury is cycling a period of very strong growth post the pandemic.
- Middle income and aspirational customers are being priced out due to significant price increases across luxury fashion and leather goods over past several years
- Impacts of a generational wealth shift to more discerning millennials and Gen Z customers who are questioning value for money.
- Slowing Chinese demand from Chinese nationals both abroad and at home which, prior to this, had been the largest driver of growth in the sector over two decades; and
- These effects have contributed to an imbalance of supply and demand, with supply outpacing demand.

Elevated inventory levels, combined with softening demand have translated to very aggressive promotional activity in recent periods as inventory holders have sought to generate cash and protect balance sheets.

Some of this behaviour has persisted into the Fall Winter season, however we have already observed changes in the wholesale buying patterns which should support improvements in the inventory dynamic. With a greater balance of supply and demand, we believe the pricing environment will improve in the coming months.

We have also seen some consolidation within the online luxury space, with Matchesfashion exiting the market in July 2024 and a recently announced merger between Mytheresa and Yoox Net-A-Porter. While consolidation can contribute to short term market volatility, it is supportive of a more stable environment over the longer term.

As many of you will know, Cettire carries minimal inventory, which is key to the long term differentiation of our business and a visible benefit in the current operating environment.

Other elements of our business model including our adaptable and flexible operating settings, our healthy cash balance and capital light growth, truly sets us apart from our competitors. Not to mention our highly capable and innovative team.

Notwithstanding our more modest growth and profitability in recent periods, we believe we have strongly outperformed much of the luxury sector as well as other online luxury players, many of whom appear to be facing challenges. We continue to rapidly take market share and grow relevance within the luxury supply chain.

Having said that, we are not entirely immune to the challenges in the luxury sector and have been working hard to mitigate any impacts on the business.

On the supply side...

We have seen continued resilience in our available inventories as we add additional suppliers, although the rate of growth in overall inventory has slowed in recent periods as individual suppliers have adjusted their buying in accordance with a more cautious consumer outlook.

While the inventory situation remains dynamic and will take time to play out, we believe the majority of the buying adjustment has already been made, providing scope for stabilisation and recovery of the supply and demand imbalance, sooner rather than later.

At the same time, Cettire has continued to experience very strong interest in new supply partnerships, which includes a number of major luxury brands. While these partnerships can take time to come to fruition, the pipeline of opportunities is as strong as it's ever been and we have been adding additional headcount to support this growth.

Our buying terms remain very competitive.

We are highly focused on further growing our supply chain which already aggregates more than \$2b of inventory across hundreds of supply partners globally.

With our very strong pipeline of new suppliers and our investment in our business development and commercial resources, we will be well positioned to scale the business once the sector restabilises.

On the demand side...

Notwithstanding the continued growth in our supply and our strong procurement terms, our proposition to the customer has adjusted to remain relevant and competitive against a backdrop of heightened promotional activity from both brands and 3rd party inventory holders. To stimulate demand, an increased portion of our margin has been passed to the consumer via our own promotions. We also observed higher CACs in the 4th quarter of FY24 due to our competitors and the brands themselves looking to engage with similar audiences to stimulate demand. This translated to lower returns on investment in that period.

We have adjusted our marketing spend downwards accordingly as we have sought to increase emphasis on profit in the current year. We have also increased focus on driving sales from our existing customer base.

We are currently exploring new marketing channels and are working on opportunities to build on the loyalty from our existing customers, including enhancing our offering in order to create the best possible user experience. Some examples include how we present products and providing greater visibility of the process from purchase to delivery as well as marketing opportunities beyond the traditional paid digital channels.

In summary, the business is well positioned to deliver through cycle profitability and to re-accelerate when conditions normalise

In our recent trading update, the metrics reflect many of the challenges I have outlined today.

As we stated at the end of FY24, given the uncertainty of how long the current promotional environment and challenging demand dynamics would continue, our focus has been on protecting Cettire's profitability. What we delivered in Q1 reflects this strategy.

Looking forward, some of the factors currently impacting the sector and Cettire should dissipate over time.

- It is hard to see the level of promotional activity continuing indefinitely, as profitability will once again be the priority of the various players in global luxury
- We expect supply and demand dynamics to rebalance with future seasons inventory levels reflecting the new norm; and
- A resurgence in creative direction across the sector with potentially lower year on year price increases will drive stronger demand over the medium term

Since Cettire was listed, we have consistently described our business model as one that is set up to sustainably deliver profitable growth.

We have also been clear that in this challenging environment we are increasing emphasis on profit relative to growth.

We will however continue to remain relevant in this period, and participate in promotional activity, albeit very cautiously. It is a delicate balancing act that has our full focus over the coming quarter, particularly as we work through the major sale days and festive season.

For the remainder of 2025 we are focused on delivering:

- improved delivered margins while remaining relevant in the sector
- growth that is reflective of our lower investment in marketing; and
- improving EBITDA margins protecting our bottom line.

Cettire's business model will sustain the business over the long term regardless of what is happening in the broader market. With our strategic mandate to drive profitable growth, what we can assure you is that, while our growth and earnings will fluctuate depending on what is happening around us, we will leverage the flexibility inherent in our business model to ensure we remain self funded, low cost and capital light.

To conclude by reiterating why we are well positioned to deliver value to you, our shareholders.

It is the attractive and resilient industry dynamics we operate in.

It is our sustainable business model that is built to drive profitable growth.

It is our large and growing supply chain along with our geographically diverse and loyal global customer base.

And most importantly it is our world leading global team that is focused on creating value. I would like to sincerely thank them all for their hard work and dedication to Cettire.

THANK YOU



# CETTIRE

2024 ANNUAL GENERAL MEETING  
14 NOVEMBER 2024

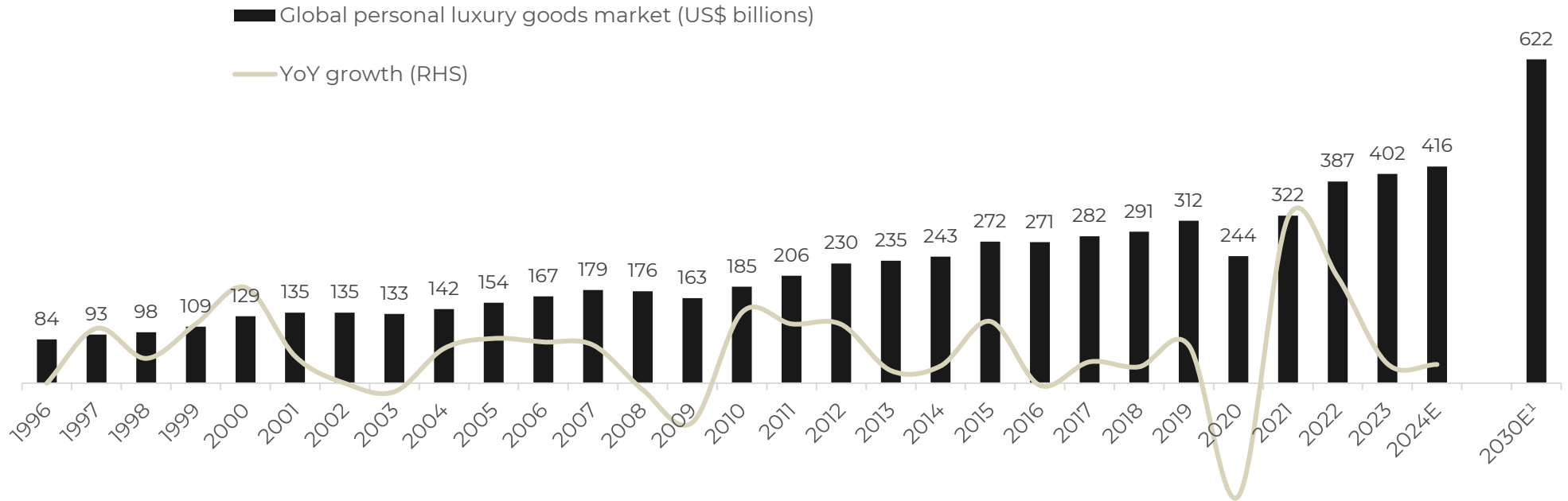


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# FOUNDER & CEO ADDRESS

# STRONG LONG-TERM FUNDAMENTALS OF GLOBAL LUXURY MARKET

## Global personal luxury goods market



Globally outpaced GDP –  
2x multiplier

Market expected to reach  
US\$622bn by 2030<sup>1</sup>

Online segment expected to  
reach US\$196bn as Millennials  
and Gen Z cohorts grow

Source: Bain & Company and Altagamma: Long Live Luxury: Converge to Expand through Turbulence, 2024  
Data converted from Euro to USD at an exchange rate of 1.11 as at 20 August 2024

1. Based on midpoint of 2030F estimates

# SHORT TERM CHALLENGES EVIDENT IN CURRENT OPERATING ENVIRONMENT

## Slowing demand is cyclical

Cycling strong, post-COVID growth – between 2021 and 2023 CAGR for the personal luxury sector was 12% - more than double what it has been over the past 28 years

## Middle income and aspirational customers being priced out

In recent years, annual double digit price increases across luxury fashion and leather goods

## Impacts of generational wealth shift to discerning millennials and Gen Z

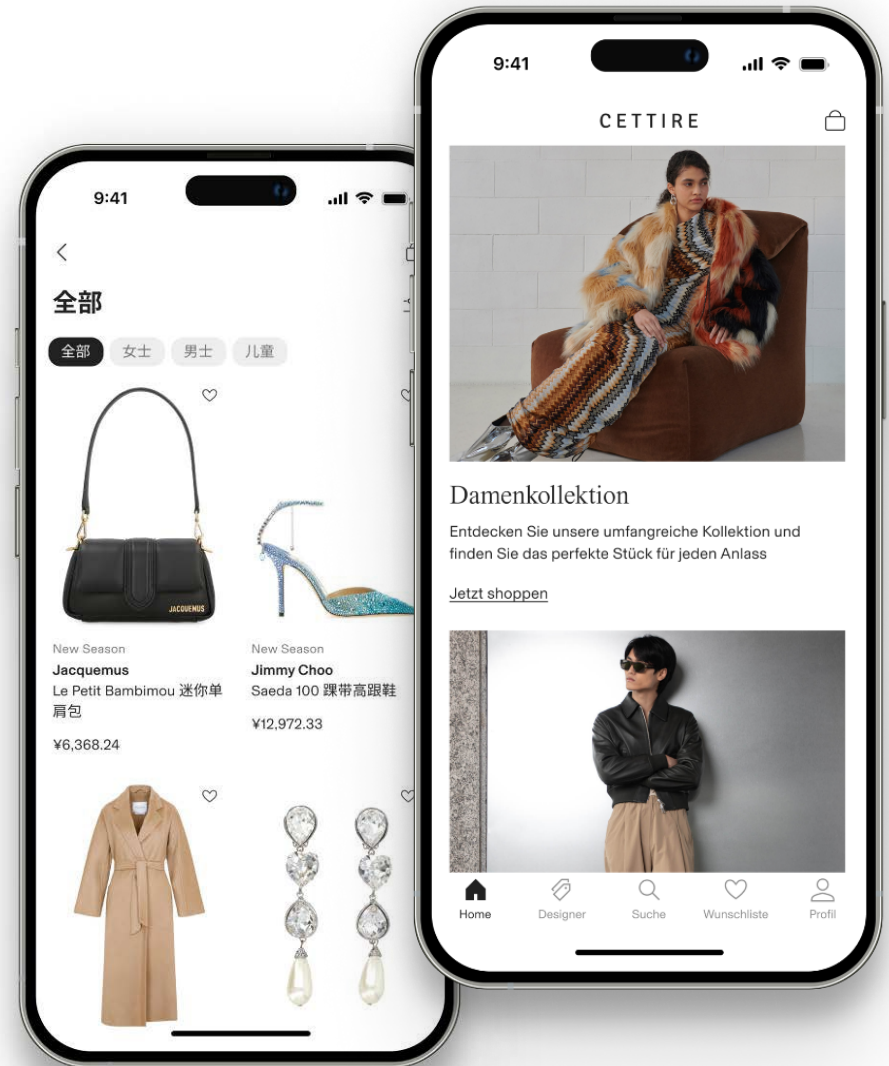
Millennials and Gen Z represented 65% of the total global luxury goods market in 2023, up from 44% in 2019

## Slowing demand from Chinese nationals domestic and abroad

Chinese consumer was largest driver of growth over past two decades

## Supply and demand imbalance

With demand slowing in recent periods, an oversupply of inventory built up leading to unprecedented promotional activity



Source: Bain & Company and Altagamma: Long Live Luxury: Converge to Expand through Turbulence, 2024

# CETTIRE BUSINESS MODEL CREATES BUFFER TO EXTERNAL CHALLENGES



Capital-light business model with low fixed cost structure



Adaptable operating settings, flexible in delivering profitable revenue growth through cycles



Balance sheet and cash generation that delivers flexibility to adapt to market challenges and opportunities



Uncompromising strategy to remain self-funded



Hundreds of high-quality suppliers providing access to inventory that supports one of the largest online luxury goods offering in the world



Highly capable dedicated team with an innovation mind set, laser focused on delivering strategic objectives

## Q1 FY24 key metrics

**+18%**

Gross revenue<sup>1</sup>  
to \$198.1m

**+22%**

Sales revenue<sup>1</sup>  
to \$155.0m

**+43%**

Active customers<sup>2</sup>  
to 692k

**\$777**

AOV up 6%

**67%**

Gross revenue from repeat  
customers up from 59%

## Cettire strategic priorities during Q1 FY25

Continued participation in promotional activity to remain competitive with market

Reduction in marketing investment as returns were substandard

Protecting bottom line through increased emphasis on profitability

Note: all growth metrics represent year on year growth vs Q1 FY24, unless specified

1. 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
2. Active Customers are unique customers who have made a purchase in the last 12 months

# CETTIRE POSITIONED WELL TO DEIVER SHAREHOLDER VALUE

- 1 Attractive and resilient industry dynamics
- 2 Sustainable self funding business model built to drive capital efficient profitable growth with minimal inventory
- 3 Automated proprietary technology enabling strategic flexibility, adaptability and scalability
- 4 Large and growing supply chain partnerships that deliver mutual value and leading brand and product catalogue
- 5 Geographically diverse customer base that benefits from Cettire's unique offering
- 6 World leading global organisational capabilities focused on creating value.

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