



Investor Presentation

FY2021 Results Update

19 August 2021

Redbubble Group (ASX: RBL; ADR: RDBBY) owns and operates the leading global online marketplaces, Redbubble.com and TeePublic.com, bringing more creativity into the world.

*The financial results have been audited and are on a delivered basis (unless otherwise noted). Strategic and operational metrics are from internal management reports and have not been subject to audit.

Record FY2021 Results

Gross Transaction Value

\$701m

↑ 48% floating
↑ 60% cc¹

Artist Revenue

\$104m

↑ 58% floating
↑ 70% cc¹

EBITDA

\$53m

↑ \$48m

Marketplace Revenue

\$553m

↑ 58% floating
↑ 71% cc¹

Gross Profit

\$223m

↑ 66% floating
↑ 79% cc¹

Cash Balance

\$99m

↑ \$41m



Spring Desert Night,
Tropical Rising Pink and Green Plant
Designed and sold by
moderntropical



Source: RB internal data.
All numbers, except for GTV, are on a delivered basis. GTV is a non-IFRS metric and is measured on a paid basis.
Growth rates are YoY, comparing to FY20. Cash balance change shown is for FY21, i.e from 1 July 2020 - 30 June 2021.
1. Constant currency basis.

1. Medium term aspiration



Tiger Sky
Designed and sold
by LauraGraves

Our Mission sits at the centre of what we do

Creating the
world's largest
marketplace for
independent artists



Worth the Climb
Designed and sold
by **cabinsupplyco**

Over the medium term, our aspiration is to drive top-line growth enabling a step change in scale and artist impact



Delivering value to artists
inspires them to create
more unique content

**Driving top line growth
through customer acquisition
and loyalty reinforces our
competitive position**

Scaling the network improves
the customer experience and
unit economics

Achieving this will create a step change in the scale of the business

Medium Term Aspiration

\$1.5b+

in Gross Transaction Value

\$1.25b

in Marketplace Revenue

\$250m

in Artist Revenue

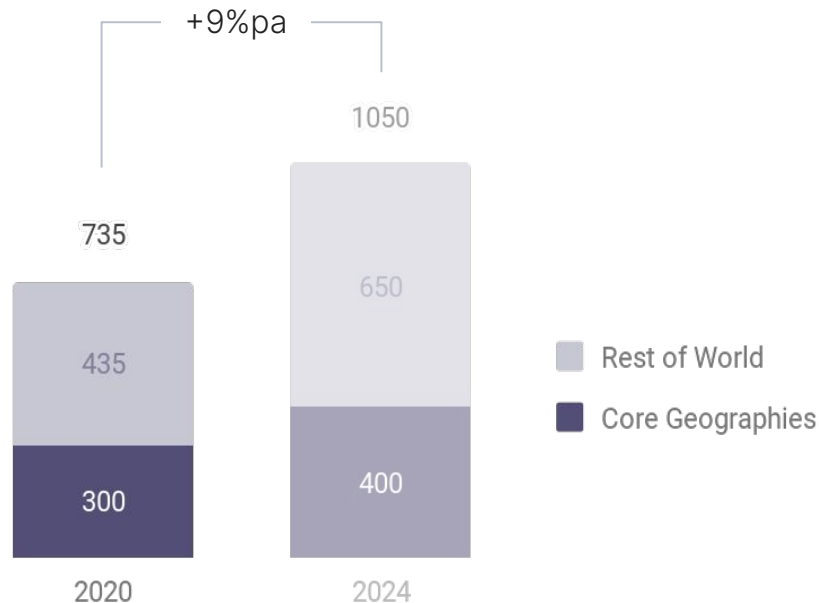
We believe this is achievable through organic investment and growth

We will look for M&A opportunities that will help to accelerate this aspiration

RB Group is uniquely positioned to be a significant winner in a ~US\$300b+ addressable market

eCommerce spend in addressable product categories¹

US\$b



Within our core market, ~35-40% customers are seeking something unique and meaningful

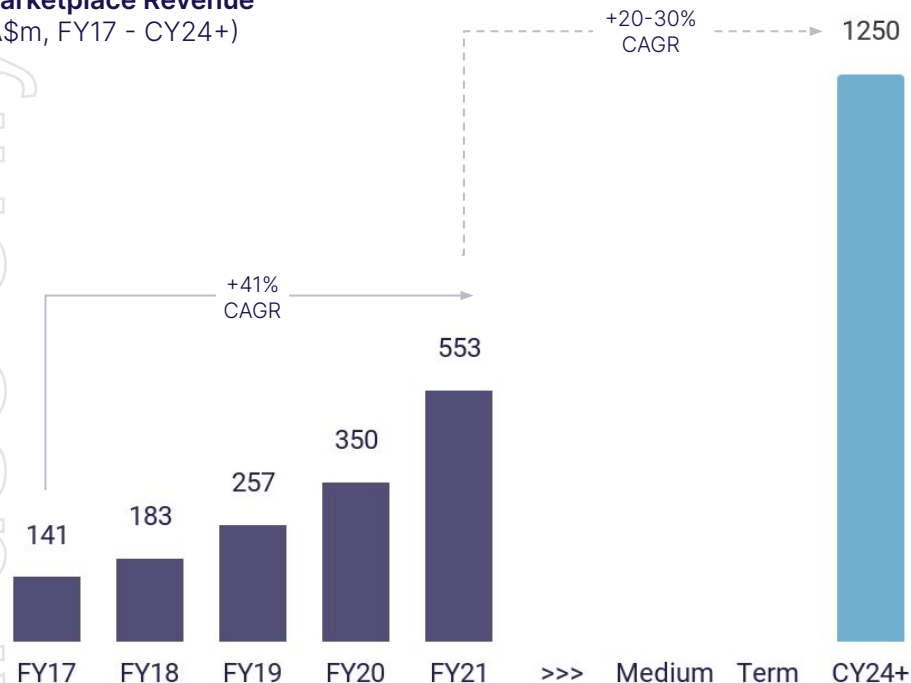
RB Group is supported by favourable macro trends

- > Structural shifts to eCommerce expected to endure
- > Increasing consumer demand for unique and meaningful products
- > Growing Creator Economy enables scalable, dynamic source of unique designs
- > Sustainability and corporate responsibility driving consumer and investor choice

Sources: Statista, Businesswire, U.S. Chamber of Commerce
1. Includes apparel, homewares, stationery, and art sold via e-commerce.

Our confidence is built on a strong track record of topline growth

Marketplace Revenue
(A\$m, FY17 - CY24+)

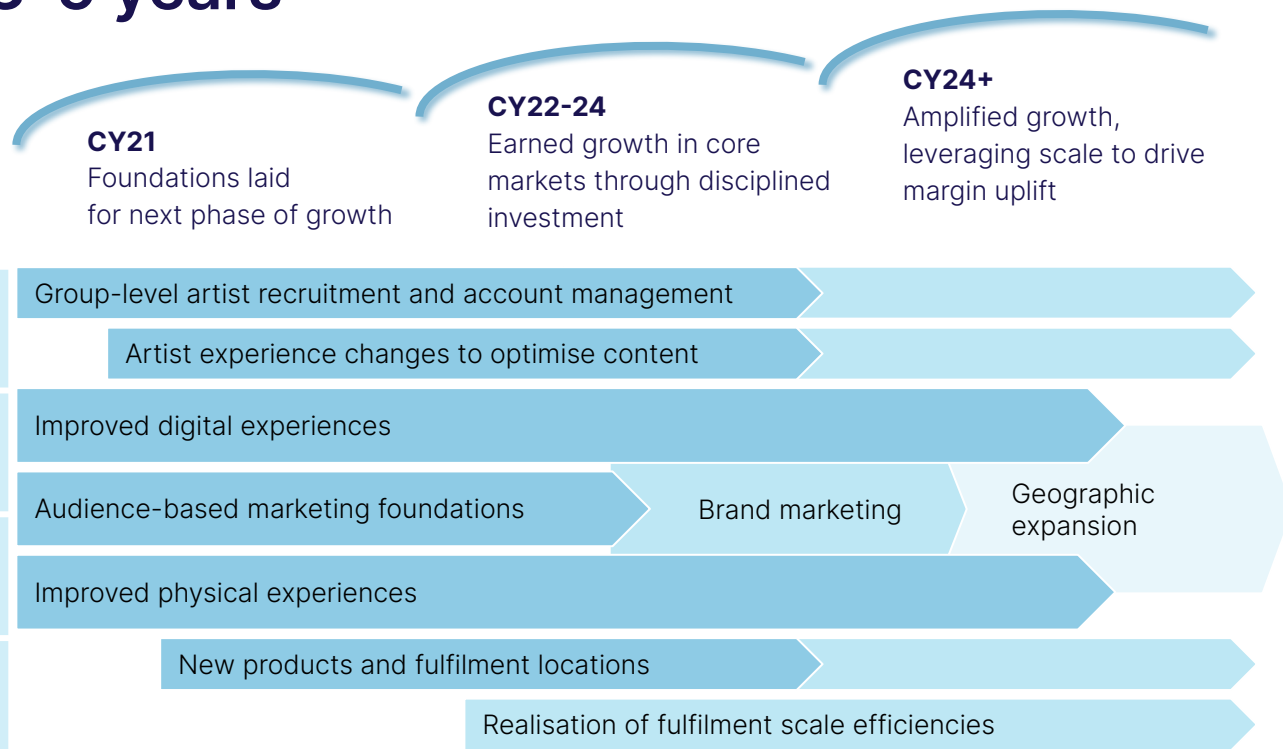


Source: RB internal data.

Designed and
sold by
Sophie Corrigan



Investment against strategic themes will be phased over the next 3-5 years



2. FY21 operational highlights



Hummingbirds and Bees
Designed and sold
by Cecilia Mok

Current focus is on four strategic themes to lay foundations for next phase of growth

1

Artist activation and engagement

Acquisition and engagement of artists to support growth and improvement of the library of unique content

2

User acquisition and transaction optimisation

Ongoing optimisation of user acquisition and transaction flows to drive uplift in overall user value

3

Customer understanding, loyalty and brand building

Deeper understanding of customers and their behaviour to create more compelling experiences and increased customer loyalty

4

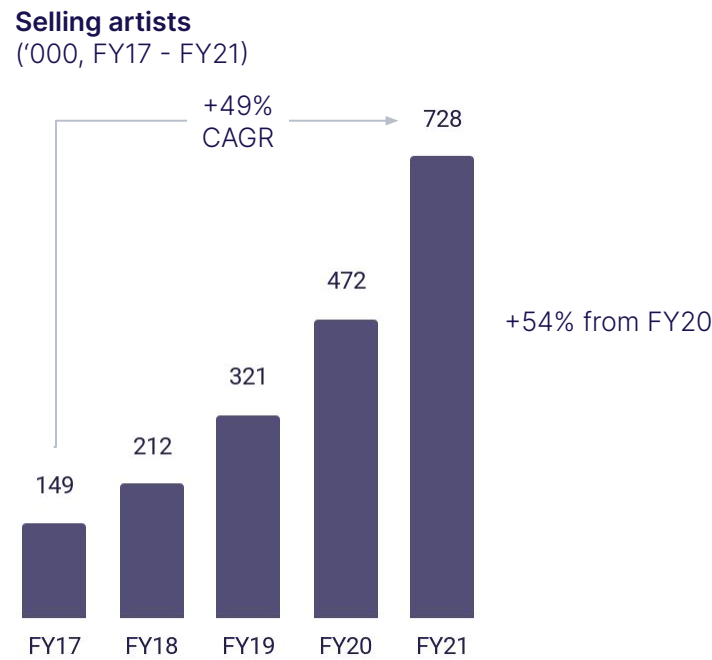
Product Range and 3rd Party fulfilment network

Addition and changes to available product range from 3rd Party fulfilment network to reinforce user acquisition and customer loyalty

Record \$104m earned by artists across RB Group marketplaces in FY21

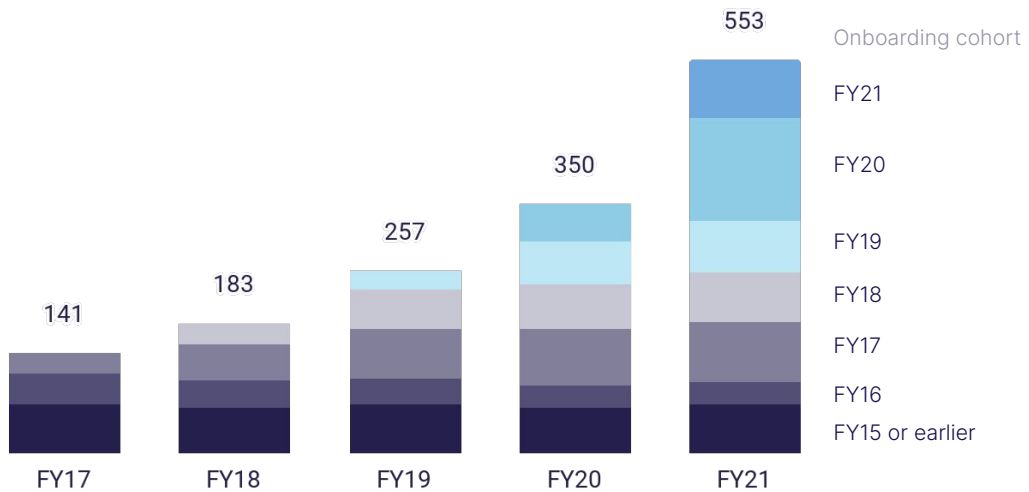
\$104m

Earned by artists in FY21
(up 58% YoY)



RB Group deepened investment in engaging the Artist Community, seeing both new and old cohorts flourish

Marketplace Revenue by artist cohort¹
(A\$m, FY17 - FY21)

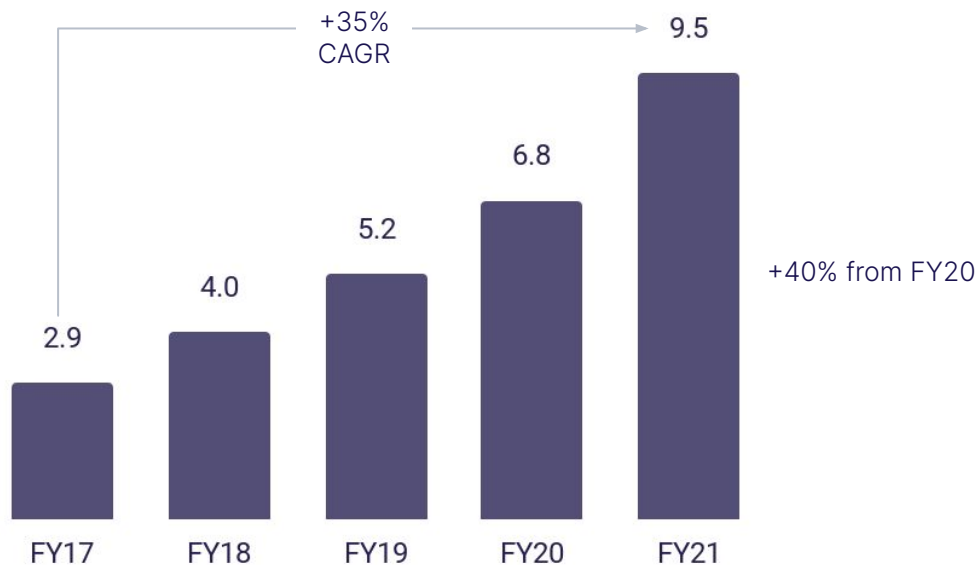


New artists added to marketplace growth in FY21, while earlier artist cohorts also saw significant growth

Group Artist function was established in H2 in order to actively manage acquisition and engagement of artist cohorts

Acquisition accelerated in FY21 delivering 9.5 million unique customers

Unique customers
(m, FY17 - FY21)

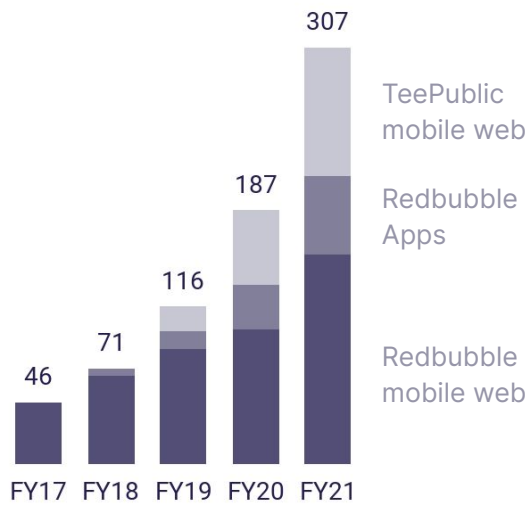


Customer acquisition highlights:

- Organic channels showed continued strength, in line with overall customer growth
- Google Ads a strong channel for growing new customers
- Affiliates and PR programs doubled in acquisition of new customers year on year
- Ongoing channel innovation to expand reach, adding podcasts and direct mail

Over half of sales are from mobile, with apps growing rapidly

Marketplace Revenue from Mobile, (A\$m, FY17 - FY21)

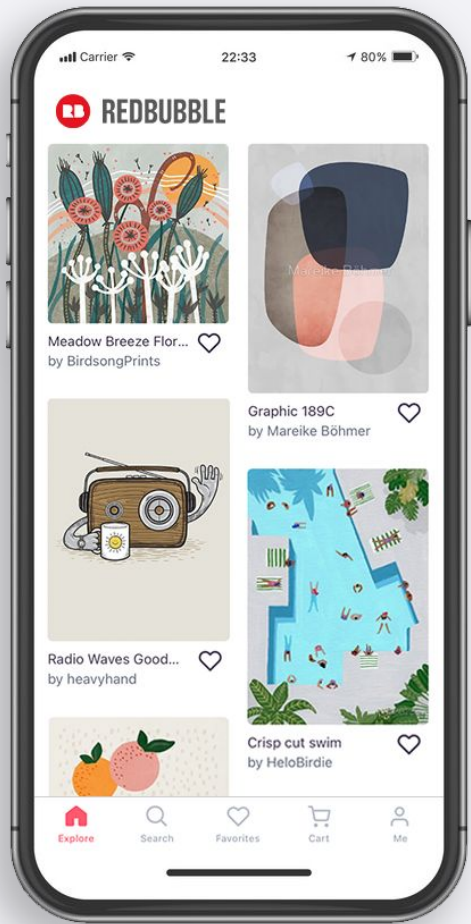


55%

Total Marketplace Revenue from mobile platforms in FY21

14%

Redbubble only Marketplace Revenue from apps in FY21 (up 77% YoY)

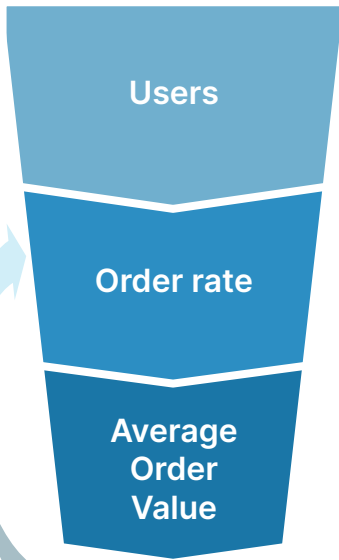


Internal use only

Investment and experimentation across the funnel providing insights into future opportunities

only
de
s
at

Transaction funnel



Repeat Rate

Repeat was 42% of MPR in FY21

Source: RB internal data.

Experiments and releases in FY21

Expanding reach into social channels, and improving audience targeting to drive ad efficiency

Potential for conversion gains shown in free/reduced shipping costs and delivery dates experiments

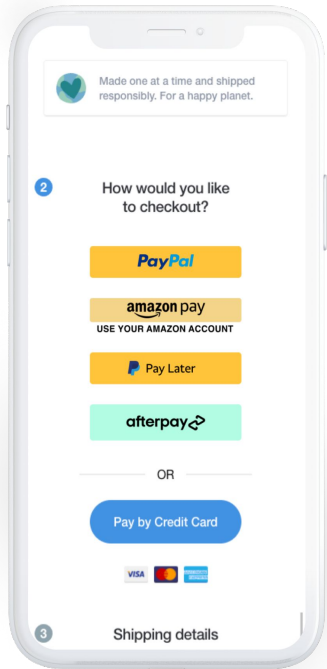
Early signs of significant AOV uplift from release of Buy Now Pay Later functionality

Example Results

New audience of **3.5m** reached through new podcasts ads 

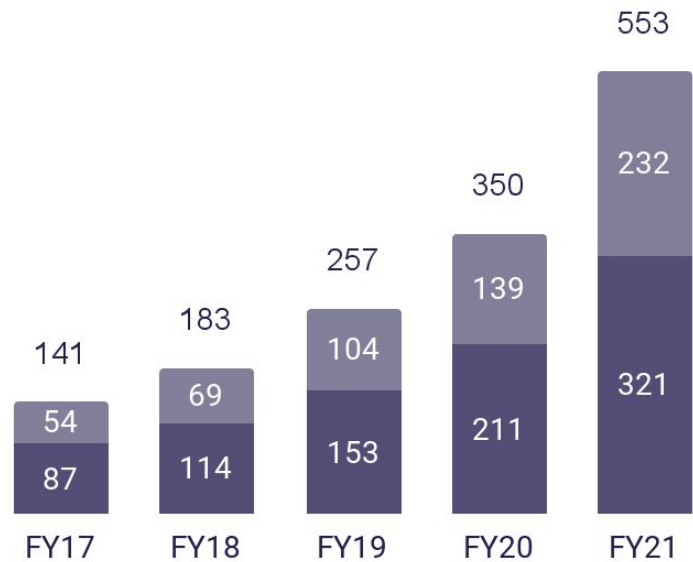
Up to **40%** Conversion gains with free shipping

Early signs of up to **50%** AOV uplift from BNPL users



Repeat purchases made up 42% of MPR, with steady repeat purchase despite growth in customer base in FY21

Marketplace Revenue by purchase type
(A\$m, FY17 - FY21)



Repeat purchases
+67% from FY20

First purchases
+52% from FY20

Cohort of new customers
acquired in 1H21 was

+62%

larger than prior year, with repeat
purchasing at the same rate as
prior cohorts

Foundational investment was made into a Customer Data Platform

Customer Data Platform (CDP) investment will enable:

1. Improved audience understanding and targeting
2. Better cohort-based CAC and LTV measurement

Recent Facebook remarketing experiment using CDP showed

+33% Click through rate
+17% Return on Ad Spend

Redbubble and Teepublic both investing to structure first party data to ensure marketing continuity as ATT and other privacy changes roll out

Migrating to a new engagement platform enabled:

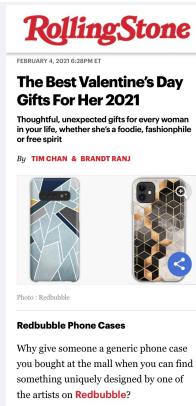
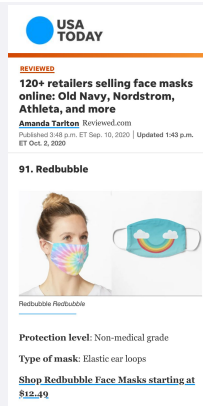
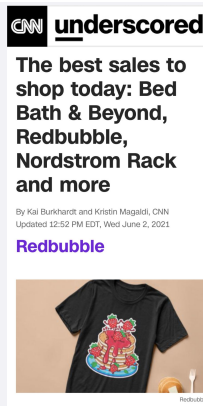
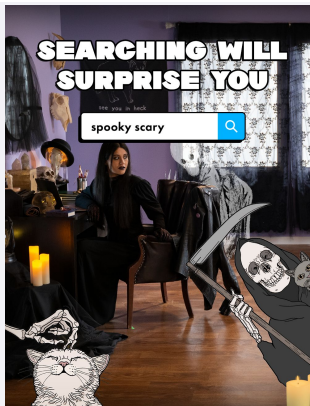
>30x Increase in Push notification opt-in rate



How to hygge like a cat
Designed and sold
by **Micklyn**



Brand positioning is resonating with media and target audiences



Both marketplaces are conducting experiments with branded commercials for target audiences

+31% increase in click through rate for Redbubble brand commercial relative to other video campaigns

Redbubble continues to drive strong PR engagement

333 PR articles published in FY21

4.5B impression reach through PR

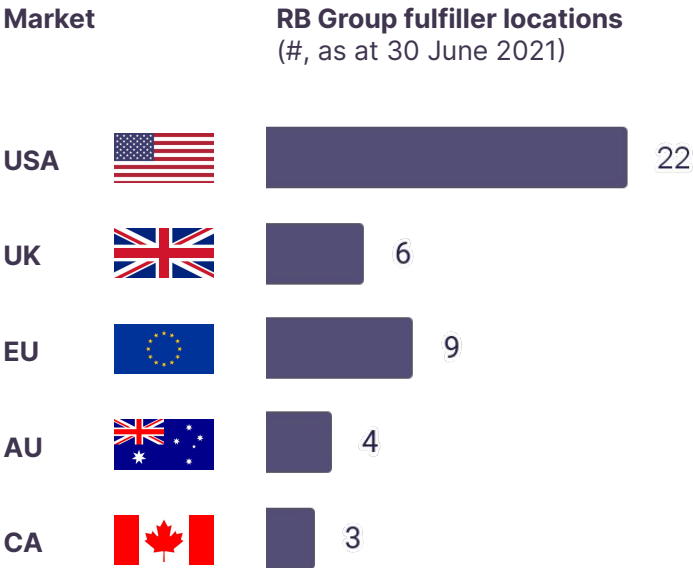
The localised 3P fulfilment network proved resilient and scalable through the rapid growth of FY21

Prior year investments into the network enabled the business to respond to COVID in an agile way:

- Dynamic order routing across the network
- Largely automated new fulfiller location onboarding
- Strong relationships facilitating new product launches
- Continued localisation

Record volumes serviced through the network in FY21:

- 11.6 million packages shipped (up 47%)
- 87% on time delivery (up 8%)
- NPS¹ of 50



Physical product range changes delivered acquisition and conversion gains, along with quality uplift to drive repeat

Designed and sold by LittleClyde



Launch and refresh products to access more of the addressable market

New products launched

- Aprons
- Jigsaws
- Magnets
- Kids & Fitted Masks

\$11m additional MPR from new products

Align existing styles with our target audience to improve conversion

+7% CVR uplift on products with targeted lifestyle previews

+30% increase in MPR from tri-blend tees by adding 4 new colours

Deliver consistently great physical product experiences to drive repeat

Variants and improvements:

- Fitted mask
- Flat mask strap changes
- Poster packaging improvements

+15% CVR uplift from halving poster delivery dates

FY21 achievements

First POD marketplace to launch caps at scale



Designed and sold by Andy Westface and Chestify



3. FY21 financial performance

Dogtor
Designed and sold
by Obinsun



Record FY2021 Results

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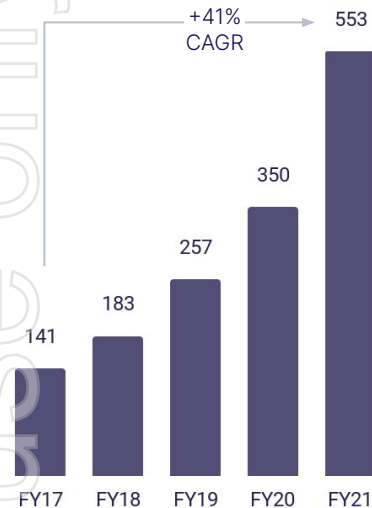
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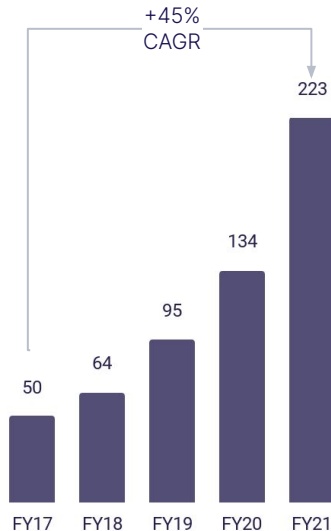
1. Constant currency basis.

Strong growth continuing to underpin key P&L lines

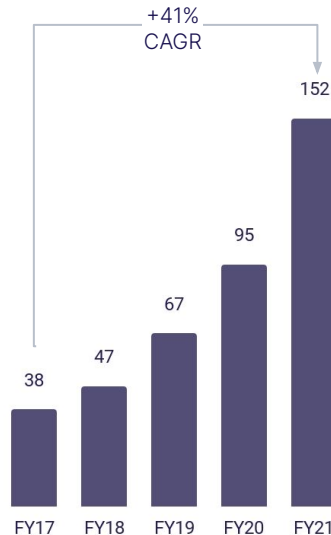
Marketplace Revenue
(A\$m, FY17 - FY21)



GP
(A\$m, FY17 - FY21)



GPAPA
(A\$m, FY17 - FY21)



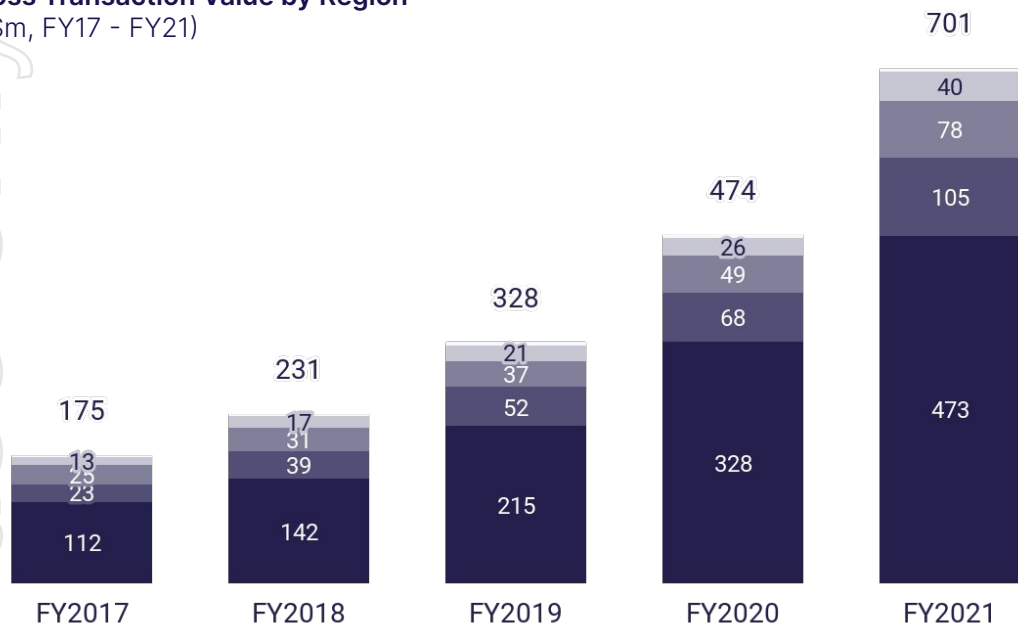
RB Group is built on a strong track record of growth

- Topline grew at CAGR of +41% since FY17
- GP and GPAPA growth showing scalable unit economics

Dynamic responses to macro shifts drove record growth during FY21

Truly global with opportunities to expand across all geographies

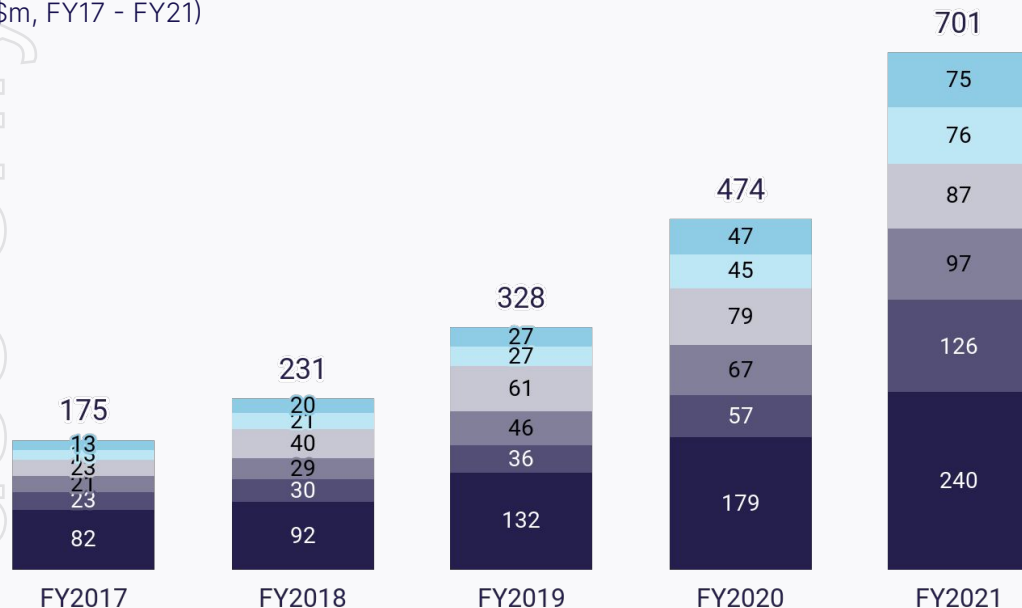
Gross Transaction Value by Region
(A\$m, FY17 - FY21)



Region	% Total business	FY20-21 YoY
North America	67%	44%
EU	15%	54%
UK	11%	59%
AU/NZ	6%	56%
ROW	1%	34%

Growth across all product categories is driving further diversification

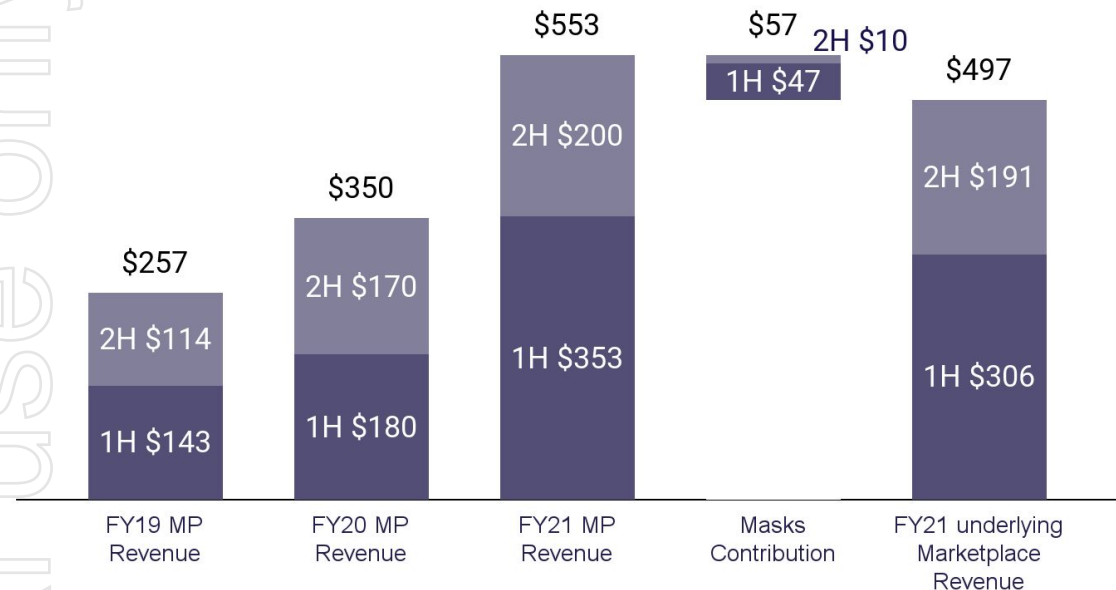
Gross Transaction Value by Product Category
(A\$m, FY17 - FY21)



Category	% Total business	FY20-21 YoY
Artwork	11%	60%
Homewares	11%	68%
Stationery and Stickers	12%	11%
Other Apparel	14%	46%
Accessories	18%	119%
T-shirts	34%	34%

FY21 benefited by masks sales, particularly in 1H

Marketplace Revenue
(A\$m, FY19 - FY21)



FY21 underlying Marketplace Revenue growth still strong at 47% ex. masks¹

FY21 Marketplace Revenue substantially affected by seasonality with 64% of MPR in 1H vs 36% in 2H

Source: RB internal data.

1. Based on Marketplace Revenue ex. Masks in both FY20 and FY21.

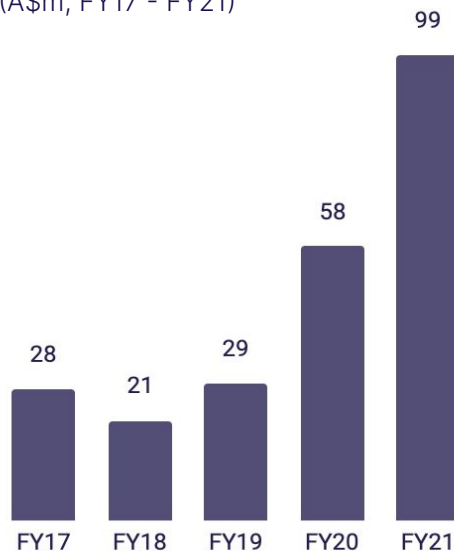
Strong balance sheet provides flexibility to accelerate growth

Cash Balance

\$99m

up \$41m

Closing cash balance
(A\$m, FY17 - FY21)



\$99m cash at bank with nil debt provides ample flexibility to:

- Accelerate mid-term growth through investments across four key strategic themes
- Fund M&A opportunities
- Consider options for capital management

Other Balance Sheet related items:

- Revenue yet to be recognised: \$9m
- Off Balance Sheet tax losses: \$37m

Business model also benefits from a favourable working capital cycle

4. Near term outlook

Hey Jupiter
Designed and sold by
leafandpetal



Outlook

In the near term, Redbubble will cycle strong prior period comparatives, particularly as mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million

Redbubble expects FY22 Marketplace Revenue to be slightly above FY21 underlying Marketplace Revenue

- 1H FY22 Marketplace Revenue growth will likely be negative YoY as the business cycles a particularly strong prior period (due to COVID and including masks, 1H FY21 saw 96% growth and 105% on a constant currency basis)
- From 2H FY22, Redbubble expects a steady return to YoY growth rates consistent with meeting its medium term aspirations.

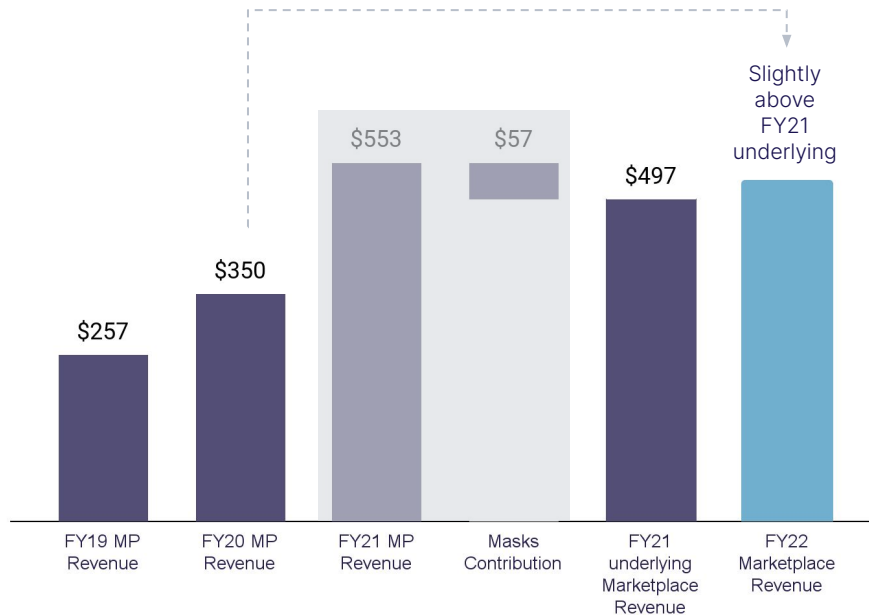
Targeted investments will continue to be made and will affect Gross Margin, Marketing and OPEX lines. Investments in FY22 will focus on key aspects of the customer experience, both digital and physical. These are aimed at driving cumulative increases in users, order rate, average order value and repeat rate

As noted in April, EBITDA margin as a percent of Marketplace Revenue is expected to be in the mid single digit range for FY22, with EBITDA margin expected to expand over the medium-term with top-line growth

The business remains confident and excited about the medium to longer-term opportunity to grow strongly and extend Redbubble's global market leadership as the largest marketplace for independent artists

Marketplace Revenue

(A\$m, FY19 - FY22)



Building margin and bottom line improvement as the business scales

	CY20	CY24+	Implications
Artist Revenue	98.6	\$250m+	Step change in value for Artists
Marketplace Revenue	521.7	\$1.25b+	Grow MPR at CAGR of 20-30%
GP (% of MPR)	40.7%	40-42%	Grow the product portfolio while maintaining similar margin structures
Marketing (%)	12.3%	12-15%	Increase overall marketing spend to include investment in Brand Marketing
Operating expenses (%)	16.8%	12-15%	Realise scale efficiencies in core systems and processes
EBITDA (%)	9.5%	13-18%	In the short-term EBITDA as a percent of MPR is expected to be in the mid single digit range over an annual period

Depending on what investment phase the company is in, operating expenses as a percentage of MPR will vary, and the range has been updated to reflect this dynamic.

Q&A



Cat in planter
Designed and sold by
michelledraws

Appendix

Crystal Bohemian Honeycomb Cubes
Designed and sold by
Micklyn



4Q & FY21 Income Statement Summary - RB Group

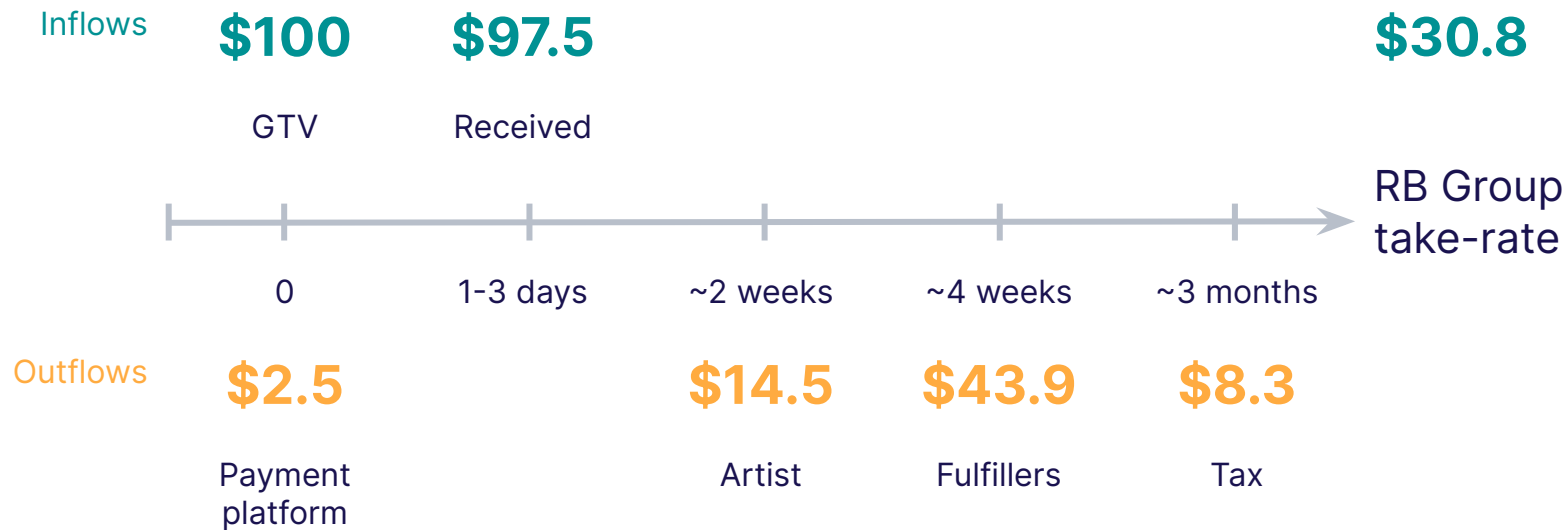
P&L (A\$M)	4Q		YOY (4Q FY21 v 4Q FY20)	2-year CAGR (4Q FY19 - 4Q FY21)	FY		YOY (YTD FY21 v YTD FY20)
	FY20	FY21	Growth	Growth	FY20	FY21	Growth
Total Revenue	123.0	115.8	(6%)	27%	416.3	657.3	58%
Less: Artist Revenue ¹	(19.9)	(18.7)	(6%)	28%	(66.0)	(104.0)	58%
Marketplace (MP) Revenue	103.1	97.0	(6%)	27%	350.3	553.3	58%
Gross Profit	42.6	39.0	(8%)	31%	134.4	222.7	66%
GP % (on MP Revenue)	41.3%	40.2%	(1.1)pp	2.0pp	38.4%	40.3%	1.9pp
Paid Acquisition (Marketing)	(11.7)	(12.8)	10%	49%	(39.8)	(71.2)	79%
GPAPA (Gross Profit after Paid Acquisition)	30.9	26.2	(15%)	24%	94.5	151.5	60%
GPAPA % (on MP Revenue)	30.0%	27.0%	(3.0)pp	(1.6)pp	27.0%	27.4%	0.4pp
Operating Expenses	(22.8)	(23.2)	1%	22%	(79.3)	(88.7)	12%
Other Income/Expenses ²	(1.0)	(1.3)	29%	(33%)	(10.1)	(10.0)	(1%)
EBITDA	7.1	1.7	(76%)	n/a	5.1	52.7	930%
Depreciation & Amortisation ³	(3.5)	(3.2)	(9%)	8%	(13.7)	(13.3)	(3%)
EBIT	3.6	(1.5)	(142%)	n/a	(8.6)	39.4	48.0

1. Prior year Artist Revenue numbers have been adjusted to reflect reallocation of delivery date adjustments between Marketplace Revenue and Artist Revenue.

2. Includes non-cash share-based payments and currency gains/losses.

3. Includes rent expenses (as per AASB 16 effective 1 July 2019).

RB Group has a favourable working capital cycle, with high take-rate of ~\$30.8 for \$100 of GTV



Glossary

- **Gross Transaction Value (GTV):** Gross Transaction Value less Taxes and Artist Revenue is equal to Marketplace Revenue.
- **Marketplace Revenue:** Total Revenue less Artist Revenue (i.e. margin)
- **Constant currency:** reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 93% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources about 88% of its Marketplace Revenue in US dollars.
- **Selling artists:** currently active artists (i.e. not suspended or deleted) who sold a currently published work during the period; does not account for overlaps between Redbubble and TeePublic
- **Unique customers:** defined as an unique email address; does not account for overlaps between Redbubble and TeePublic
- **Repeat purchases:** based on Repeat Marketplace Revenue earned from purchases made by customers who have previously purchased from any third-party seller through the marketplace, regardless of the date of their initial purchase
- **BNPL:** Buy Now Pay Later
- **CAC:** Customer Acquisition Cost
- **LTV:** Lifetime Value
- **ATT:** App Tracking Transparency
- **Net Promoter Score (NPS):** for Redbubble only. Calculated on a weighted basis across the core regions for FY21 i.e. from July 2020 - June 2021.
- **New products contribution to FY:** Marketplace Revenue earned from sales of products launched within the financial year
- **Take rate:** Gross Profit as % of Gross Transaction Value. Gross Transaction Value less Taxes and Artist Revenue is equal to Marketplace Revenue.

About Redbubble Group

Founded in 2006, the Redbubble Group incorporates Redbubble Limited and its subsidiaries, including TP Apparel LLC (TeePublic). The Redbubble Group owns and operates the leading global online marketplaces hosted at Redbubble.com and TeePublic.com, powered by over one million independent artists. The Redbubble Group's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags, wall art and so on. Through the Redbubble and TeePublic marketplaces, independent artists are able to profit from their creativity and reach a new universe of adoring fans. For customers, it's the ultimate in self-expression. A simple but meaningful way to show the world who they are and what they care about.

Disclaimer

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This announcement includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of RB Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.