



## Trading Update

- 1Q FY2022 financial results in line with expectations
- Improving underlying performance from July to September
- Redbubble reiterates FY2022 outlook provided in August

**Melbourne, Australia; 14 October 2021:** Redbubble Limited (ASX: RBL; ADR: RDBBY) today provided a trading update relating to the first quarter (1Q) ended 30 September 2021. 1Q FY2022 results came in line with expectations, with the business continuing to retain the majority of the accelerated revenue growth that occurred during FY2021. Redbubble also saw improving performance from July to September and reiterates the FY2022 outlook statements provided in August.

### 1Q FY2022 Financial Performance<sup>1</sup>

Redbubble's 1Q key financial metrics (with YoY growth rates, where applicable) are:

- GTV of \$142 million, down 21% (20% on a constant currency basis<sup>2</sup>)
- Marketplace Revenue<sup>3</sup> of \$106 million, down 28% (27% on a constant currency basis)
- Gross profit<sup>4</sup> of \$42 million, down 34% (33% on a constant currency basis)
- EBITDA of \$3.9 million, down 85% (91% on a constant currency basis)
- Operating cash inflow of \$11 million, compared to \$27 million in 1Q FY21
- Closing cash balance at 30 September 2021 of \$109 million

On a delivered basis, 1Q FY21 Marketplace Revenue included an \$8 million positive delivery date adjustment ("DDA") which was disclosed at the time. 1Q FY22 Marketplace Revenue was impacted by a \$2 million negative DDA.

Excluding masks<sup>5</sup> and on a paid basis, underlying 1Q FY22 Marketplace Revenue was down 6% (4% on a constant currency basis). As the quarter progressed, underlying Marketplace Revenue growth improved from negative 11% in July to negative 2% in September.

<sup>1</sup> The financial results are on a delivered basis (unless otherwise noted) and both these and any accompanying operating metrics are from internal management reports and have not been audited.

<sup>2</sup> "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 90% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources about 85% of its Marketplace Revenue in US dollars.

<sup>3</sup> Marketplace Revenue is total revenue less artist revenue (ie artist margin).

<sup>4</sup> Gross Profit is calculated based on Marketplace Revenue less fulfiller expenses, comprised of product and printing, shipping and transaction costs, and are equivalent to cost of goods sold.

<sup>5</sup> 1Q FY21 Marketplace Revenue included \$29 million and 1Q FY22 Marketplace Revenue included \$4 million of mask sales.

Level 3, 271 Collins Street, Melbourne VIC 3000

PO Box 274, Flinders Lane VIC 8009

Ph: +61 3 9650 0138

Redbubble Limited

ABN 11 119 200 592

Taking a longer term view, 1Q FY22 Marketplace Revenue was 55% higher than 1Q FY20, representing a two-year CAGR of 24%.

### **Operational Update**

The business continued to deliver initiatives and conduct experiments across the four key strategic themes:

- Launched Afterpay for customers in the US, Canada, UK and Australia
- 13 loyalty experiments completed with 7 showing early positive retention signals
- Search and recommendation experiment commenced to improve discoverability of new artists and works
- 18 new products and line extensions launched including dad hats, baseball caps, desk mats, mouse pads and iPhone 13 cases
- Increased localisation for 5 products at 4 fulfillers

A fuller update on operational and strategic initiatives will be provided with the half year update, as per usual practice.

### **Outlook**

Reiterating the outlook statements provided in August, Redbubble expects FY22 Marketplace Revenue to be slightly above FY21 underlying Marketplace Revenue<sup>6</sup>. The Group had also shared that Marketplace Revenue growth in 1H will likely be negative YoY with a steady return to YoY growth rates consistent with meeting its medium term aspirations from 2H.

Targeted investments will continue to be made and will affect Gross Margin, Marketing and OPEX lines.

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 its online marketplaces for consumers and extend Redbubble's global market leadership as the largest platform for independent artists.

Further information has been provided in the accompanying slides.

This announcement was authorised for release by Redbubble Limited's Board of Directors.

**Michael Ilczynski (CEO) and Emma Clark (CFO) will host an investor update conference call via live webcast this morning at 10.00am (AEDT) Thursday 14 October 2021 || 4.00pm (PDT) and 7.00pm (EDT) on Wednesday 13 October 2021.**

**Participants will need to PRE-REGISTER for the call via the link below:**

---

<sup>6</sup> Mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million.

<https://s1.c-conf.com/diamondpass/10017109-masnf22.html>

They will then receive a calendar invite and a unique code which is to be quoted when dialing into the call.

To ask a question, participants will need to dial “\*1” (star, 1) on their telephone keypad.

A full transcript and recording of the webcast will subsequently be made available on the Redbubble Group Investor Centre website: [shareholders.redbubble.com](https://shareholders.redbubble.com). The recording will also be available on [openbriefing.com](https://openbriefing.com).

**For further information, please contact:**

Louise Lambeth – Head of Investor Relations

[louise.lambeth@redbubble.com](mailto:louise.lambeth@redbubble.com)

**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, Redbubble.com and TeePublic.com. 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.

**Forward-looking Statements**

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 Redbubble Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.



# FY2022 1Q Trading Update

14 October 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 are on a delivered basis (unless otherwise noted) and both these and any accompanying operating metrics are from internal management reports and have not been audited.

# 1Q FY22 Financial Summary

Gross Transaction Value

**\$142m**

↓ 21% floating    ↑ 25% 2-yr CAGR floating  
↓ 20% cc<sup>1</sup>        ↑ 28% 2-yr CAGR cc

Artist Revenue

**\$21m**

↓ 26% floating    ↑ 24% 2-yr CAGR floating  
↓ 25% cc<sup>1</sup>        ↑ 26% 2-yr CAGR cc

EBITDA

**\$3.9m**

↓ \$22m            ↑ 2.4m since 1Q FY20

Marketplace Revenue

**\$106m**

↓ 28% floating    ↑ 24% 2-yr CAGR floating  
↓ 27% cc<sup>1</sup>        ↑ 27% 2-yr CAGR cc

Gross Profit

**\$42m**

↓ 34% floating    ↑ 28% 2-yr CAGR floating  
↓ 33% cc<sup>1</sup>        ↑ 31% 2-yr CAGR cc

Cash Balance

**\$109m**

↑ \$24m            ↑ 72m since 1Q FY20

Crystal Bohemian  
Honeycomb Cubes  
Designed and sold by  
Micklyn



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 FY21 and the 2-yr CAGR is measured from 1Q FY20.

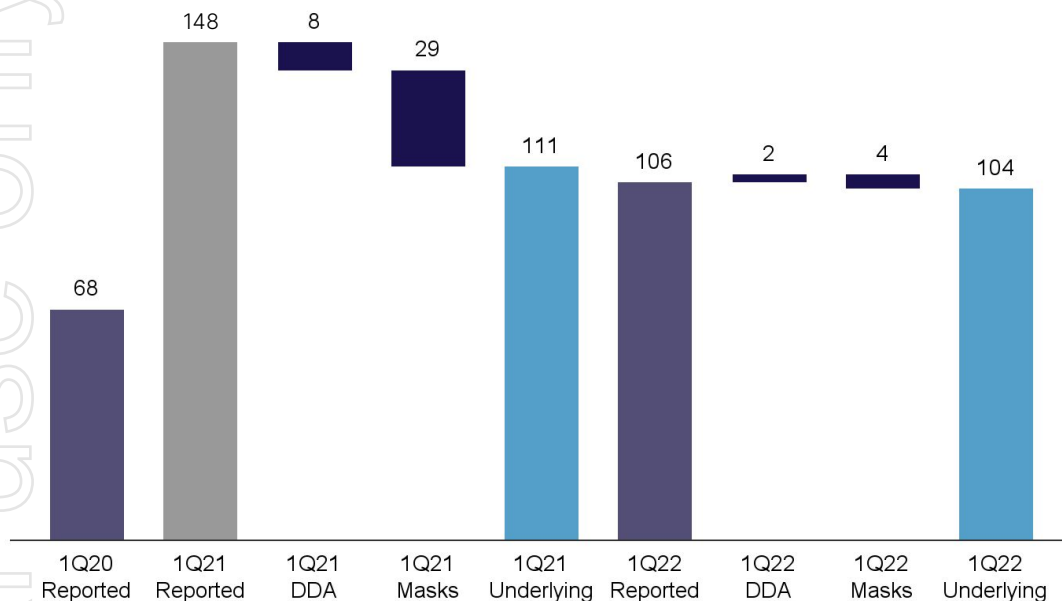
Cash balance change shown is from 1 October 2019 and 1 October 2020 to 30 September 2021.

1. Constant currency basis.

# 1Q FY22 in line with expectations

## Marketplace Revenue

(A\$m, 1Q20 - 1Q22)



Source: RB internal data.

1Q FY21 Marketplace Revenue included \$29 million of mask sales and a \$8 million positive delivery date adjustment ("DDA") which was disclosed at the time. 1Q FY22 underlying Marketplace Revenue excludes \$4 million of mask sales and a \$2 million negative DDA

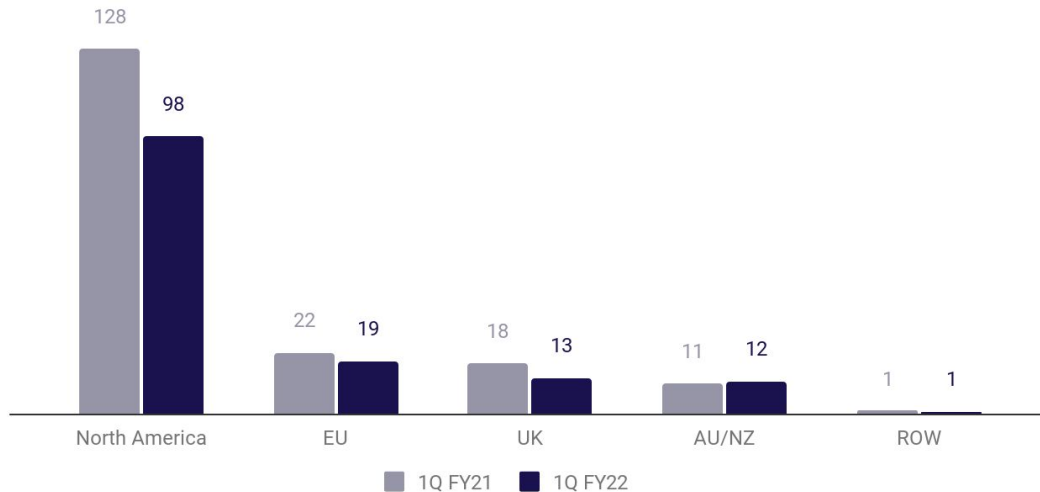
As expected, 1Q FY22 underlying Marketplace Revenue<sup>1</sup> growth was down 6% YoY (4% cc)

As the quarter progressed, underlying Marketplace Revenue growth, excluding mask sales, improved from negative 11% in July to negative 2% in September

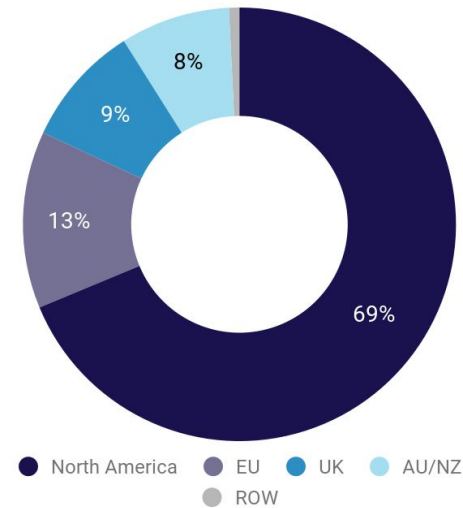
Taking a longer term view, 1Q FY22 Marketplace Revenue was 55% higher than 1Q FY20, representing a two-year CAGR of 24%

# Truly global business well positioned across multiple regions emerging from lockdown

Gross Transaction Value by Region  
(A\$m, 1Q21 - 1Q22)

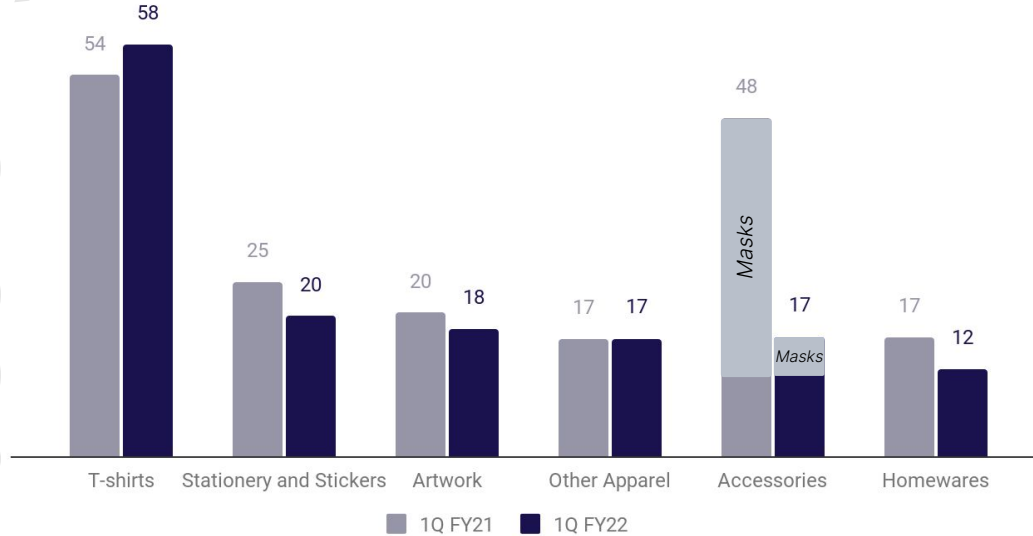


% Contribution by Region  
(%, 1Q22)

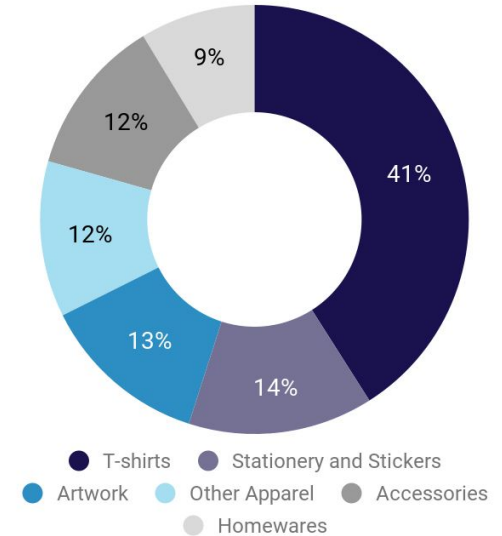


# Positive YoY growth seen in largest product category

Gross Transaction Value by Product Category  
(A\$m, 1Q21 - 1Q22)



% Contribution by Product Category  
(%, 1Q22)





# Outlook

Reiterating the outlook statements provided in August, Redbubble expects FY22 Marketplace Revenue to be slightly above FY21 underlying Marketplace Revenue<sup>1</sup>

The Group had also shared that Marketplace Revenue growth in 1H will likely be negative YoY with a steady return to YoY growth rates consistent with meeting it's medium term aspirations from 2H

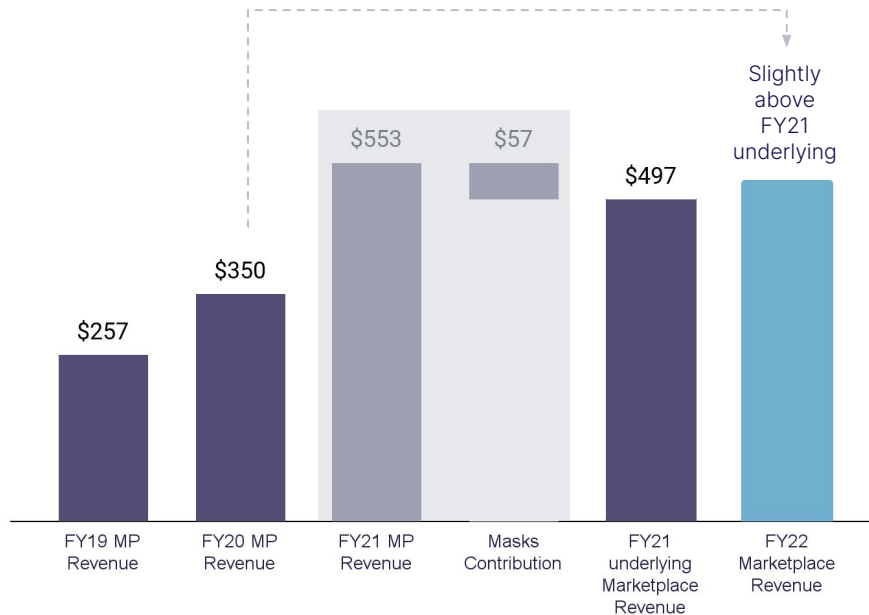
Targeted investments will continue to be made and will affect Gross Margin, Marketing and OPEX lines

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 its online marketplaces for consumers and extend Redbubble's global market leadership as the largest platform for independent artists

## Marketplace Revenue

(A\$m, FY19 - FY22)



<sup>1</sup> Mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million.

## Q&A



Cat in planter  
Designed and sold by  
**michelledraws**

# 1Q Income Statement Summary - RB Group

P&L (A\$M)	1Q		YOY (1Q FY22 v 1Q FY21)	2-year CAGR (1Q FY22 v 1Q FY20)
	FY21	FY22	Growth	Growth
Total Revenue	175.8	126.7	(28%)	24%
Less: Artist Revenue	(28.3)	(20.8)	(26%)	24%
Marketplace (MP) Revenue	147.5	105.9	(28%)	24%
Gross Profit	64.5	42.4	(34%)	28%
GP % (on MP Revenue)	43.7%	40.0%	(3.7)pp	2.2pp
Paid Acquisition (Marketing)	(15.1)	(15.3)	2%	53%
GPAPA (Gross Profit after Paid Acquisition)	49.4	27.1	(45%)	18%
GPAPA % (on MP Revenue)	33.5%	25.5%	(8.0)pp	(2.7)pp
Operating Expenses	(21.1)	(23.4)	11%	19%
Other Income/Expenses <sup>1</sup>	(2.7)	0.2	(106%)	n/a
EBITDA	25.7	3.9	(85%)	64%
Depreciation & Amortisation <sup>2</sup>	(3.6)	(2.9)	(18%)	0%
EBIT	22.1	0.9	(96%)	n/a

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

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

## 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

The information in this investor update is in summary form and does not purport to be complete. Investors or potential investors should seek their own independent advice. This material is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of a particular investor. These should be considered when deciding if a particular investment is appropriate.

## Forward-looking Statements

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.