



## Half Year FY2022 Update

- Confirms 1H FY22 preliminary financial metrics and FY22 outlook provided on 18 January 2022
- Continuing investments in 2H in line with Redbubble's medium term growth and margin aspirations, which remain unchanged
- Redbubble has grown at a 5-year CAGR of 30% since 1H FY18, and there is strong confidence in the longer term opportunity to grow and scale the business

**Melbourne, Australia; 16 February 2022:** Redbubble Limited (ASX: RBL; ADR: RDBBY) today released its half year results<sup>1</sup> for the six months ended 31 December 2021. This follows the release of these results on a preliminary and unaudited basis on 18 January 2022.

### 1H FY2022 Financial Performance

Redbubble's 1H FY22 financial metrics (with YoY growth rates, where applicable) are:

- GTV of \$381 million, down 14% (14% on a constant currency basis<sup>2</sup>)
- Marketplace Revenue<sup>3</sup> of \$288 million, down 18% (18% on a constant currency basis)
- Underlying Marketplace Revenue<sup>4</sup> of \$283m, down 5% (5% on a constant currency basis)
- Gross profit<sup>5</sup> of \$108 million, down 25% (25% on a constant currency basis)
- EBITDA of \$8 million, down 84% (87% on a constant currency basis)
- EBIT of \$2.3 million, down 95% (97% on a constant currency basis)
- NPAT loss of \$1.0 million, compared to a profit of \$41 million in 1H FY21
- Operating cash inflow of \$51 million, compared to \$80 million in 1H FY21
- Closing cash balance at 31 December 2021 of \$143 million

Detailed commentary of 1H financial performance was provided in the 18 January 2022 update. The business has experienced a step change in scale over the past two years. Viewed across the longer term, 1H Marketplace Revenue has grown at 60% since 1H FY20 (68% on a constant currency basis), and at a 5-year CAGR of 30% since 1H FY18.

<sup>1</sup> The financial results have been audit reviewed and are on a delivered basis (unless otherwise noted). Strategic and operational metrics are from internal management reports and have not been audit reviewed.

<sup>2</sup> "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 91% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources about 88% of its Marketplace Revenue in US dollars.

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

<sup>4</sup> 1H FY21 Marketplace Revenue included \$46 million and 1H FY22 Marketplace Revenue included \$8 million of mask sales. 1H FY21 also included a \$10 million delivery date adjustment and 1H FY22 included a \$3 million delivery date adjustment.

<sup>5</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.

## 1H FY2022 Operational Highlights

During 1H, key marketplace metrics continued to grow (with YoY and 2-year growth rates, where applicable):

- 634,000 selling artists across the two marketplaces, up 21% YoY, the largest number of selling artists during this period
- 5.3 million unique customers, down 15% YoY, up 43% compared to 1H FY20
- 45% of Marketplace Revenue from repeat purchases<sup>6</sup>, up from 40% in 1H FY21
- 58% of sales from mobile platforms, with 15% of Redbubble<sup>7</sup> Marketplace Revenue from apps
- 8.1 million active members<sup>8</sup> on Redbubble<sup>9</sup>, down 12% YoY, but up 53% compared to 1H FY20
- 21+ million units<sup>10</sup> fulfilled and shipped, down 18% YoY, up 32% compared to 1H FY20

## Strategic & Business Update

Redbubble Group is the owner and operator of two unique and very difficult to replicate marketplaces, and offers a compelling investment opportunity:

- World's largest on-demand marketplaces for independent artists
- Strong unit economics enables exceptional returns at scale
- Uncapped upside given massive addressable markets
- Multiple high potential growth levers
- Energised and focused management and team

Redbubble continues to execute against four strategic themes:

- Artist activation and engagement
- User acquisition and transaction optimisation
- Customer understanding, loyalty and brand building
- Product range and 3rd party fulfilment network

Increased investments are focused on initiatives to grow revenue, improve scale and drive momentum across the flywheel. In turn, this will help to strengthen Redbubble's competitive position and increase margins, enabling the company to continue on its mission to create the world's largest marketplace for independent artists, bringing more creativity into the world.

## Outlook

The business will be continuing near term investments utilising existing cash reserves to enable future growth. Redbubble now expects FY22 Marketplace Revenue to be slightly below FY21 underlying Marketplace Revenue<sup>11</sup>. FY22 EBITDA margin as a percent (%) of Marketplace Revenue is now expected to be negative low single digits.

Redbubble Group CEO, Michael Ilczynski, said: "I am confident of the tremendous potential for the Redbubble Group. To capture this, we will continue to invest in our technology platforms, artist and customer experiences, and our brands."

<sup>6</sup> Based on Marketplace Revenue earned from purchases made by repeat customers who have previously purchased, regardless of the date of their initial purchase. These repeat customers represent the sum of existing + reactivated customers.

<sup>7</sup> For the Redbubble marketplace only. Excludes TeePublic.

<sup>8</sup> Active members are unique members who visited either the web or app platform while logged in at least once during the period.

<sup>9</sup> For the Redbubble marketplace only. Excludes TeePublic.

<sup>10</sup> Every item in an order counts as one (i.e. an order with 2x stickers and 1x t-shirt will count as 3 units).

<sup>11</sup> Mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million.

We have multiple growth levers and through our process of targeted experimentation and disciplined investment, we believe we can deliver sustainable above-system growth. Our strong cash balance allows us to continue investing in order to realise the potential upside that can be unlocked by aggressively pursuing this opportunity.

We remain committed to our medium term aspirations to grow GTV to more than \$1.5 billion, to grow Artist Revenue to \$250 million, and to produce Marketplace Revenue of \$1.25 billion per annum. EBITDA margin is also expected to expand significantly over the medium-term with top-line growth.”

Further information has been provided in the Investor Presentation also released today.

This announcement was authorised for lodgment by Redbubble Limited’s Board of Directors.

**Michael Ilczynski (CEO) and Emma Clark (CFO) will host a conference call via live webcast this morning at 10.00am (AEDT) Wednesday 16 February 2022 || 3.00pm (PST) and 6.00pm (EST) on Tuesday 15 February 2022. Participants will need to PRE-REGISTER for the call via the link below:**

**<https://s1.c-conf.com/diamondpass/10019654-p1n7808.html>**

They will then receive a calendar invite and a unique code which is to be quoted when dialling 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.