

INVESTOR PRESENTATION

July 2017 incorporating 4Q2017 and FY2017* Results



REDBUBBLE



AGENDA



1	About Redbubble
2	Healthy marketplace
3	Historical top-line growth
4	Customer acquisition
5	The opportunity
6	Growth themes and initiatives
7	Financials
8	Wrap up



1. About *Redbubble*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
MARKETPLACE

Redbubble Video

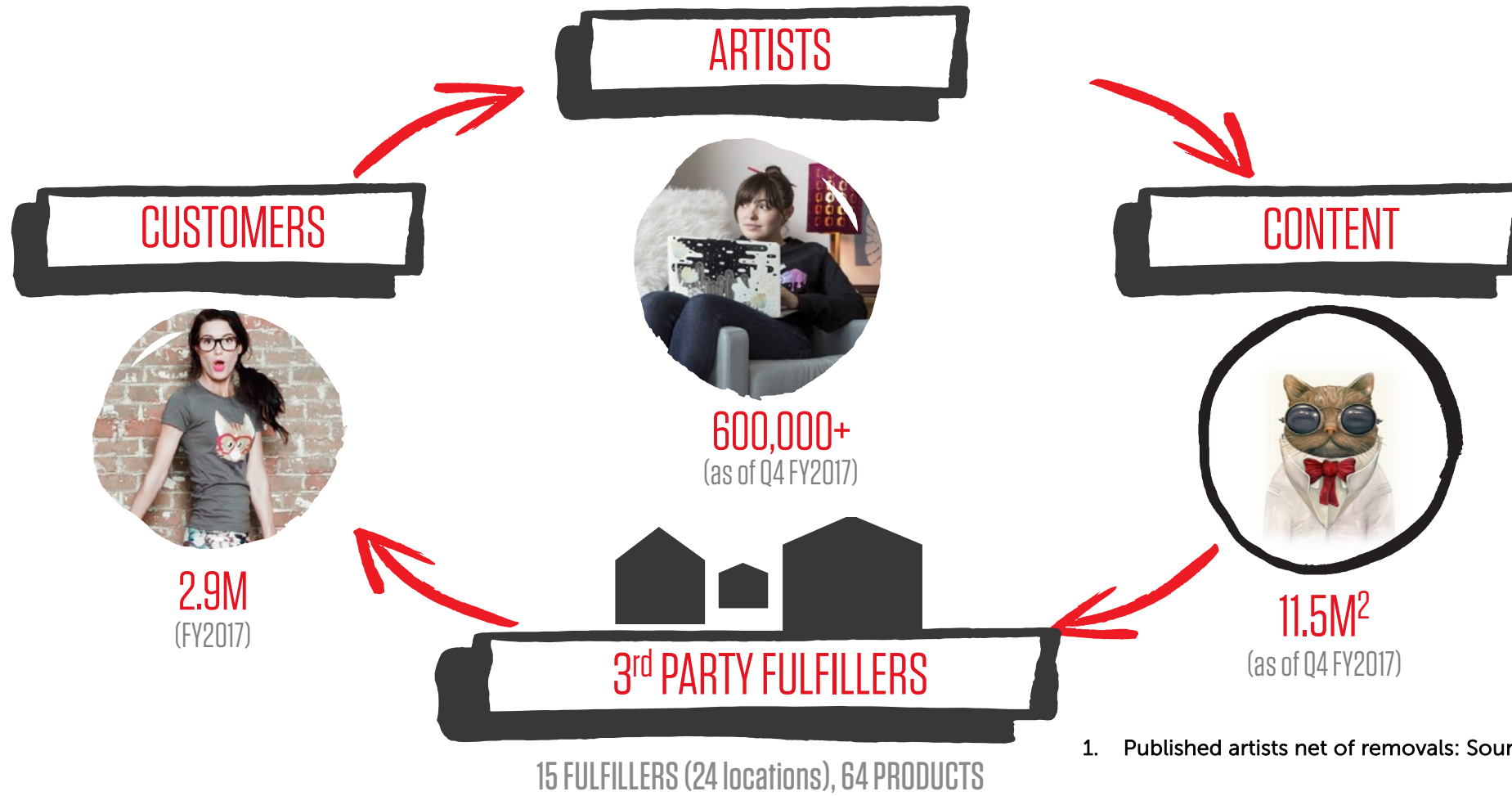
This is Redbubble



REDBUBBLE

A RECAP ON THE STORY

A THREE-SIDED MARKETPLACE, FOUNDED IN 2006 AND LISTED IN MAY 2016



1. Published artists net of removals: Source: Redbubble internal data

COMPANY SNAPSHOT: Redbubble Limited (ASX:RBL)

As at 21 July 2017 (unless stated otherwise)

Capital Structure:

Share Price (16 May 2017):	\$0.95
Fully Paid Ordinary Shares:	208.4 million
Market Capitalisation:	\$198.0 million
Issue Price (16 May 2017):	\$1.33
Net Cash (30 June 2017):	\$27.8million

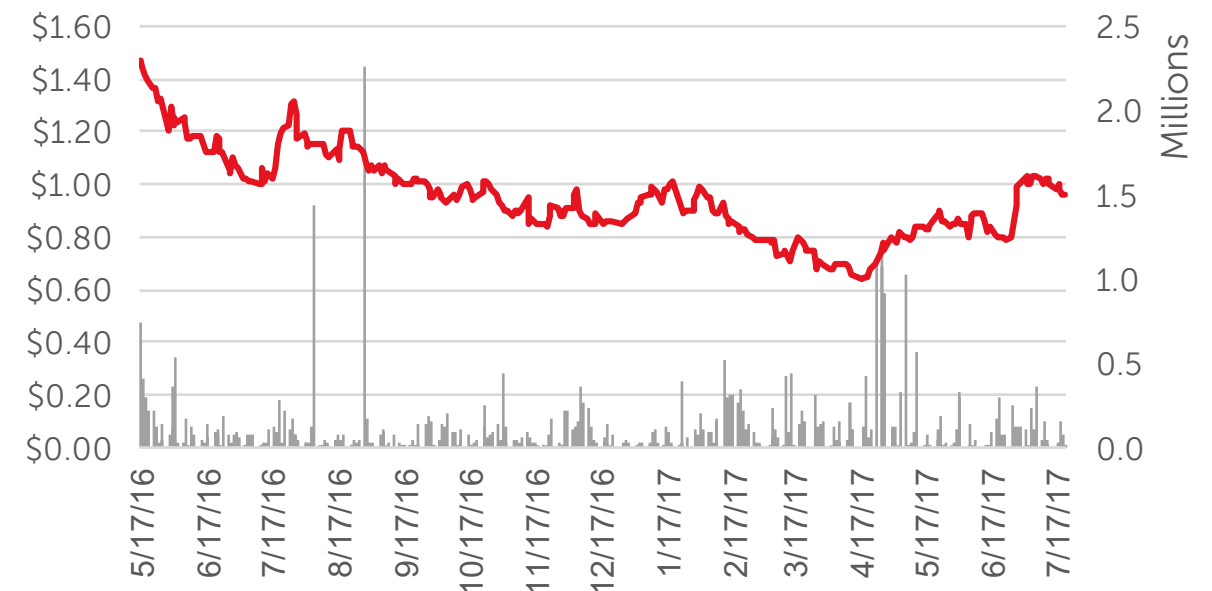
Shareholders (at 4 July 2017):

Board & Management:	36.7%
Top 20:	75.0%
Osmium Partners (recent investor):	7.6%
Acorn Capital (pre-IPO investor):	6.1%
Simon Baker (ex-director):	5.8%
Blackbird Ventures (pre-IPO investor):	5.5%

Board and Management:

Mr Richard Cawsey:	Non-executive Chairman
Mr Martin Hosking:	CEO and Managing Director
Ms Teresa Engelhard:	Non-executive Director
Mr Greg Lockwood:	Non-executive Director
Mr Grant Murdoch:	Non-executive Director
Dr Hugh Williams:	Non-executive Director

Mr Barry Newstead:	Chief Operating Officer
Mr Chris Nunn:	Chief Financial Officer





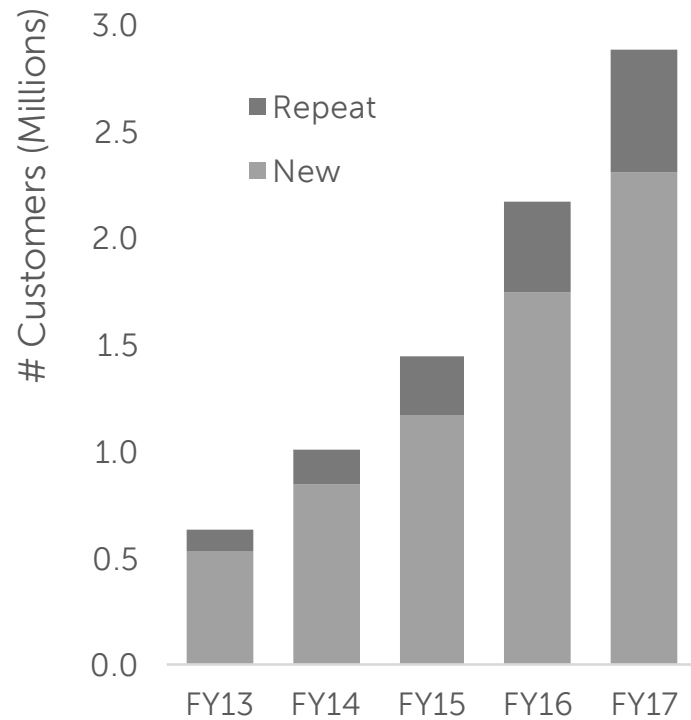
2. *Healthy Marketplace*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
MARKETPLACE

THE MARKETPLACE IS SCALING RAPIDLY

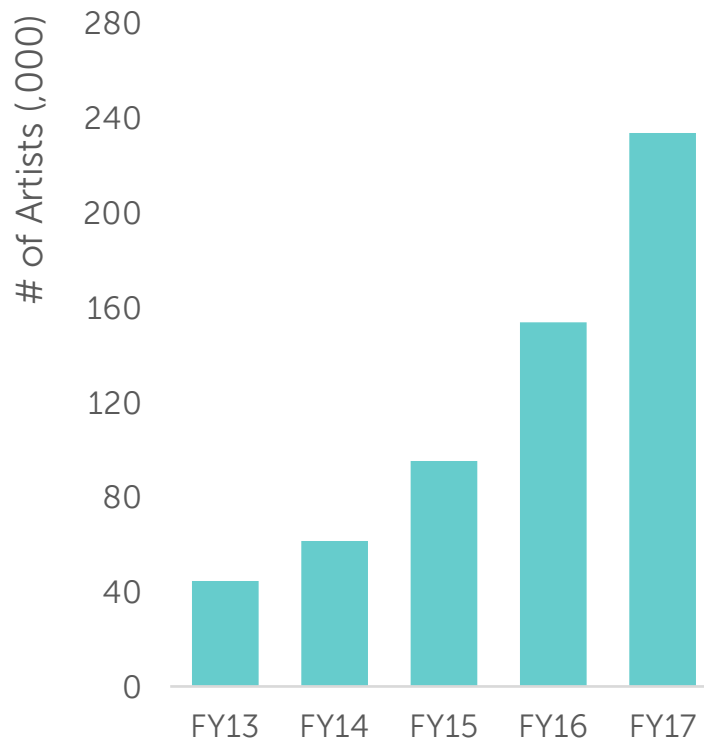
CONSISTENT GROWTH IN CUSTOMERS, ARTISTS AND FULFILLERS

New and Repeat Customers



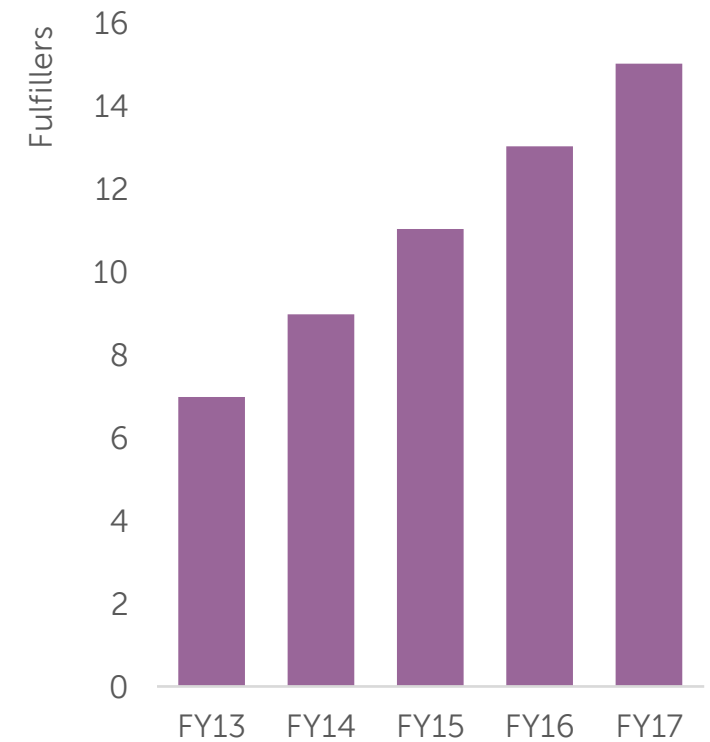
*LARGE AND GROWING
CUSTOMER BASE*

Selling Artists



*SUSTAINABLE,
LOW COST ARTIST COMMUNITY*

Fulfillers



*DIVERSE,
LOCALISED MANUFACTURING*

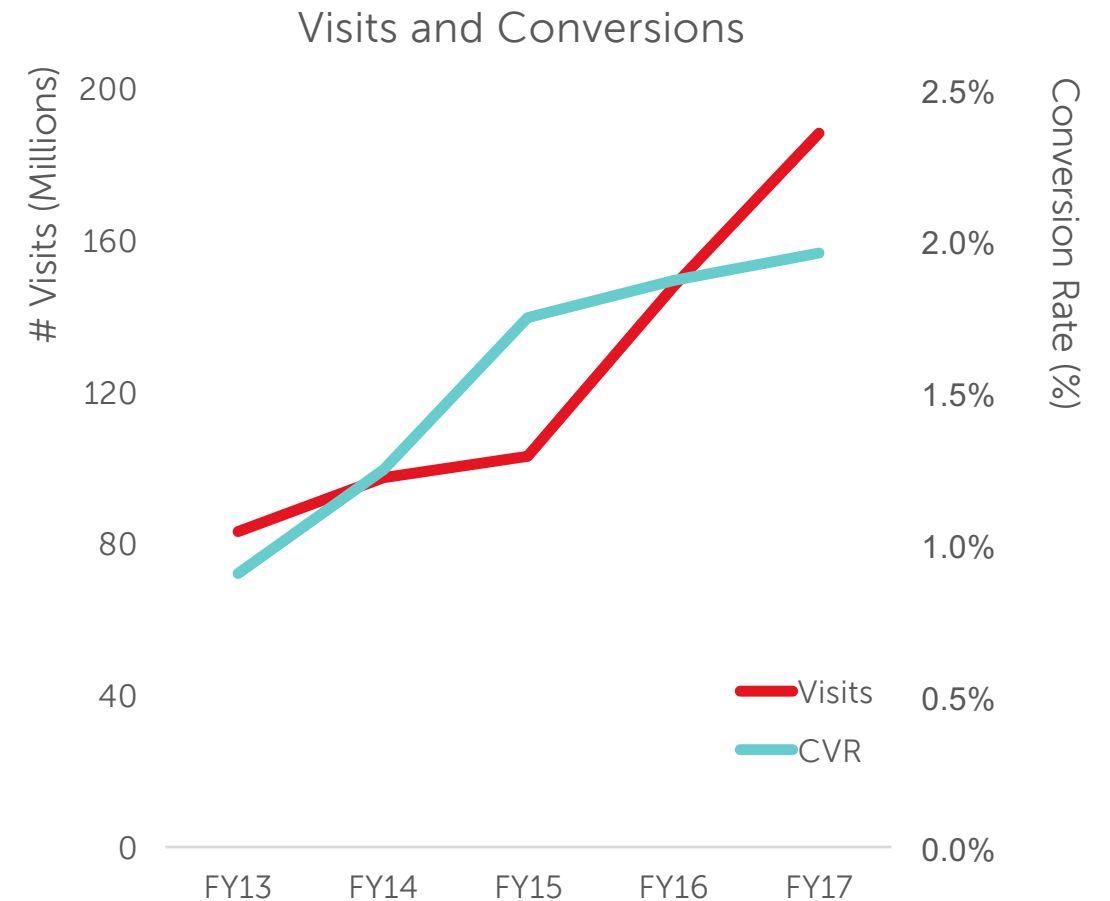
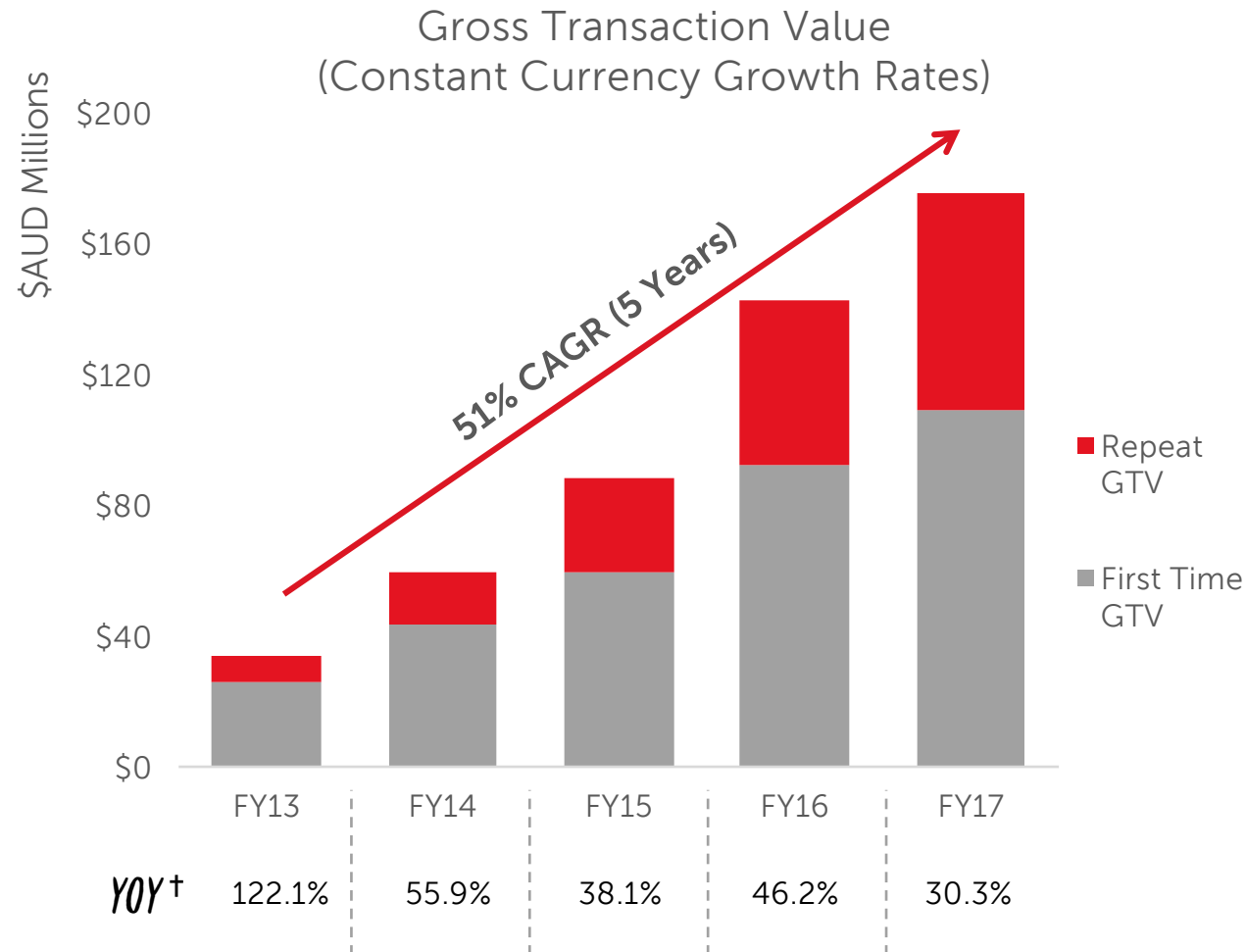


3. *Historical* *Top-line growth*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
MARKETPLACE

RB HAS HAD STRONG TOP-LINE GROWTH

GTV GROWTH DRIVEN BY VISITS AND CONVERSION RATE IMPROVEMENTS





4. *Customer Acquisition*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
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GROWS STRONGLY WITH LOW CUSTOMER ACQUISITION COSTS

WITH ALL PAID CHANNELS PROFITABLE ON FIRST PURCHASE



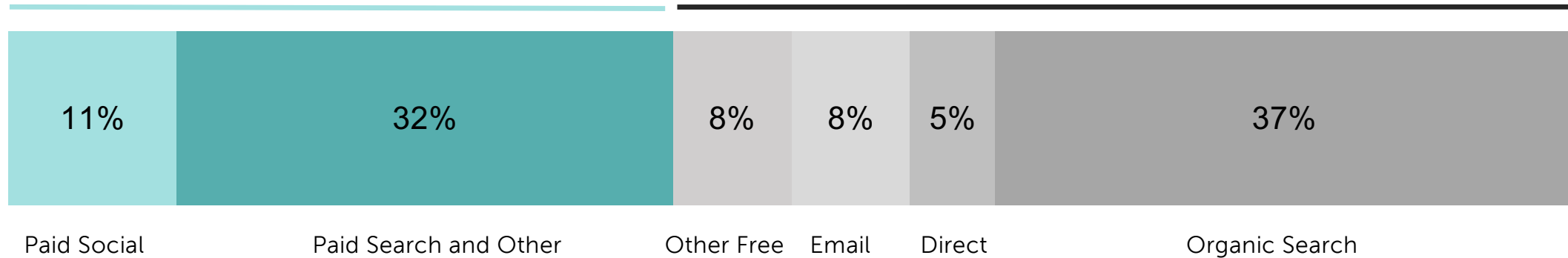
FY2017 TRAFFIC



42% - Paid



58% - Free



1. Organic Search = traffic to the site originating from search click through that we do not pay for
 2. Direct = Traffic coming directly to the RB homepage
 3. Paid = Traffic from sources we pay for (Google ads, Facebook ads, etc.)
- Source: Redbubble internal data

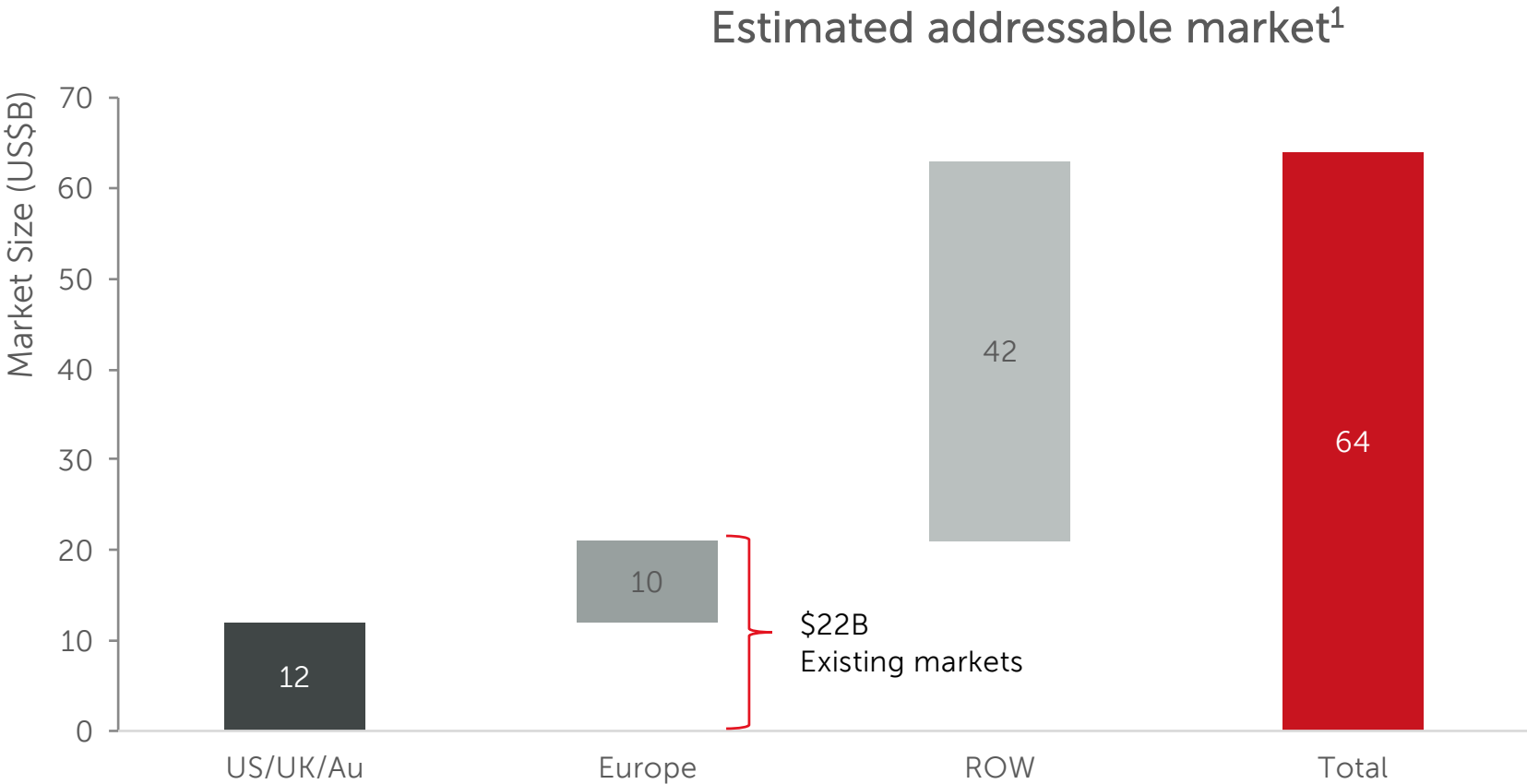


5. *The Opportunity*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
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SUSTAINABLE GROWTH NOT SUBJECT TO A MARKET CEILING

ESTIMATED ADDRESSABLE MARKET IN EXCESS OF US\$60 BILLION



Global online market:

Apparel = US\$81B

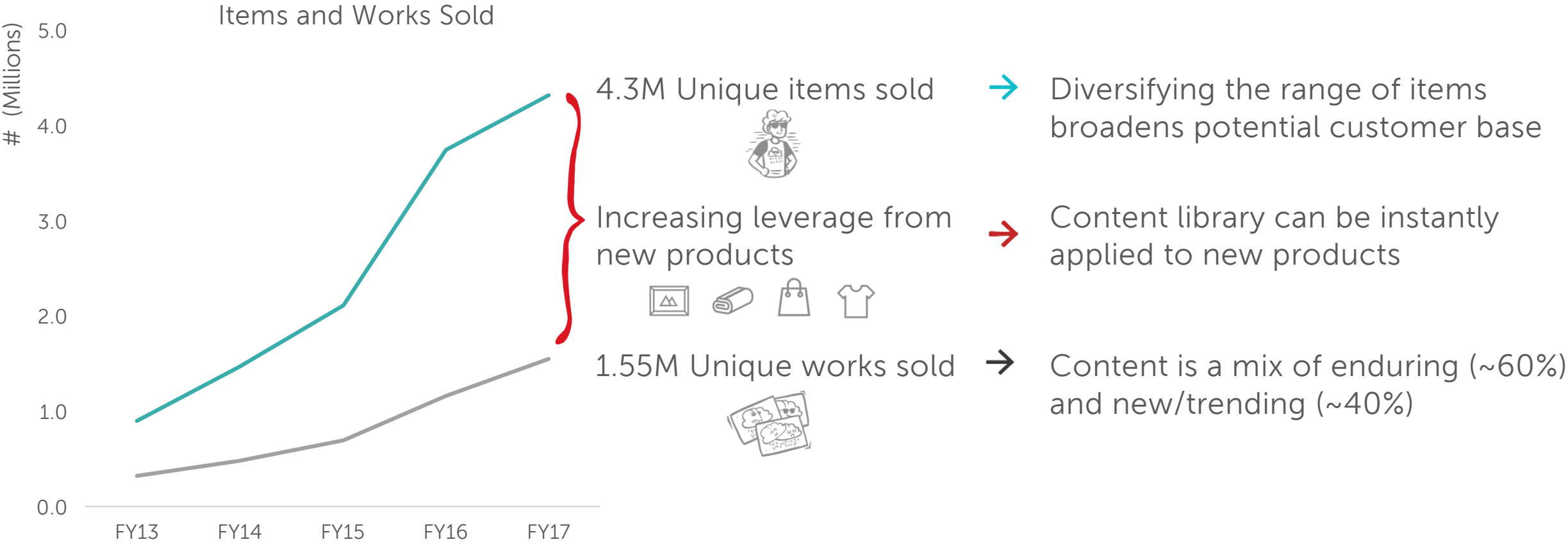
Homewares² = US\$131B

Both of these large online markets expected to grow at between 10 and 14% per annum through to 2020

1. Redbubble analysis of the total market of customers seeking creative expression on lifestyle products (apparel, electronic accessories, homewares and stationery)
2. Homewares = furniture and household goods such as kitchen and bathroom accessories, textile furnishings, office supplies and stationery

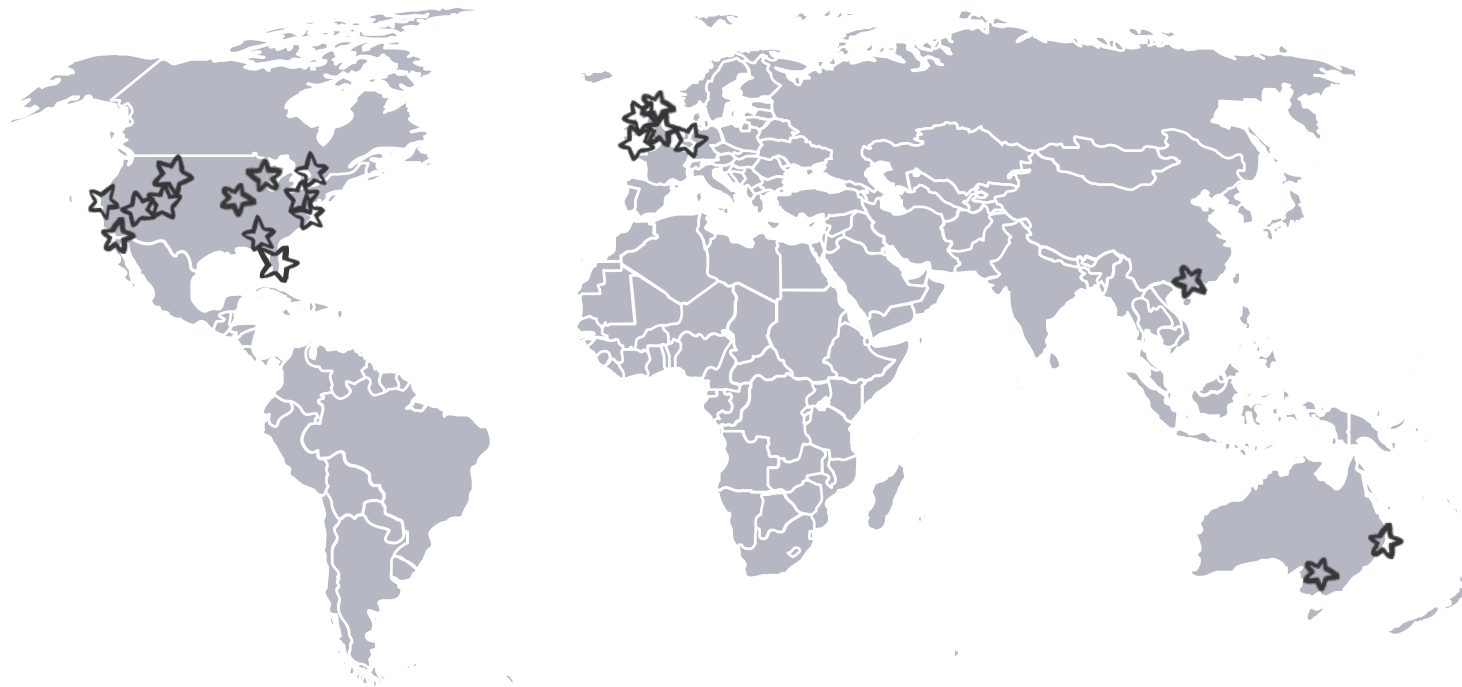
HUGE CONTENT LIBRARY & PRODUCTS PROVIDE INCREASING LEVERAGE

~60% OF SALES ARE FROM ENDURING CONTENT



PRODUCTION IS LOCALISED IN OUR PRIMARY MARKETS

WITH GAINS IN MARGIN, CONVERSION AND CUSTOMER EXPERIENCE



★ 24

FULFILMENT
CENTRES

👕 64

PRODUCTS

📍 6

COUNTRIES



Localisation of production has
**REDUCED GLOBAL AVERAGE
DELIVERY TIME**
by a full day in the last 12 months,
resulting in:

- ★ **MARGIN IMPROVEMENT**
via reduction of shipping charges
- ★ **CONVERSION UPLIFT** from
improved delivery times
- ★ **NPS GAINS** from better service
experience
- ★ **SYSTEMIC REDUNDANCY**
against fulfiller failure



REDBUBBLE

Source: Redbubble internal data

6. *Growth Initiatives*

BUILDING A HIGH GROWTH,
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4 BIG THEMES FOR CY2017

STAY FOCUSED ON STRENGTHENING MARKETPLACE DYNAMICS

Efficient **GLOBAL ACQUISITION**

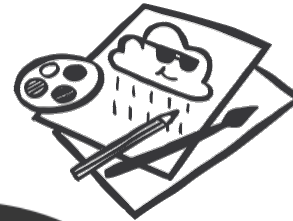
of new customers & artists

- ✓ Increase leverage of content library into paid channels (search, Facebook)
- 📍 Improvements in organic acquisition (social, search)



Enhancing **SCALABILITY** across the business

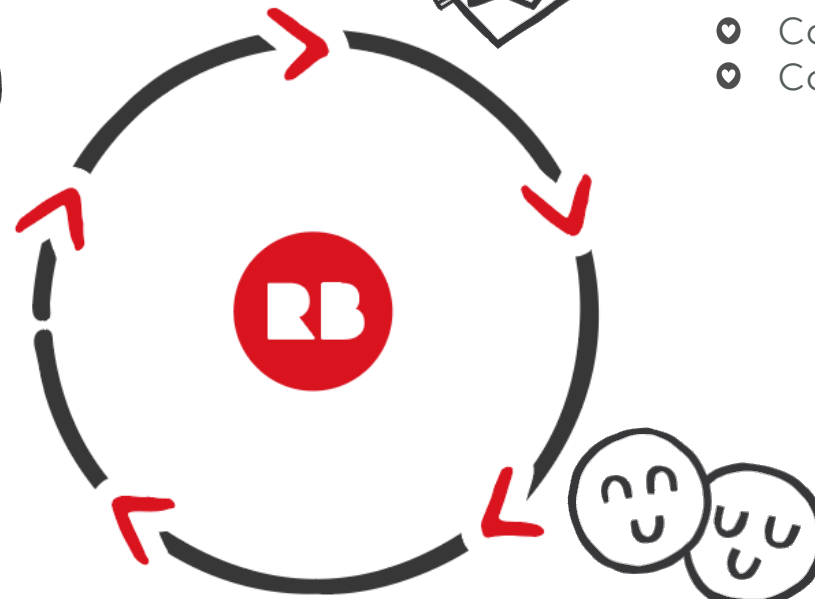
- ✓ EBITDA improvements of up to \$3 million p.a. from operational efficiencies
- 📍 Faster core platform – critical for mobile experience



Enhancing ability **TO FIND YOUR THING**

to enrich experiences

- 📍 Personalised content recommendations
- 📍 Content discovery journey
- 📍 Content partnerships



Developing **DEEPER RELATIONSHIPS** with our customers

- ✓ Mobile app for rich, habitual browsing experience
- 📍 Upgrading account creation to enable personalisation

WITH A FINAL OBJECTIVE FOR CUSTOMERS

- ♥ More buyers acquired more profitably
- ♥ Seeing ever more content from more artists & partners
- ♥ With a personalised mobile discovery & shopping experience for all visitors
- ♥ Forming a mobile habit resulting in more orders from more loyal customers
- ♥ Supported by best-in-class site speed

...

➔ Attracting more artists, generating more content to sell to more customers



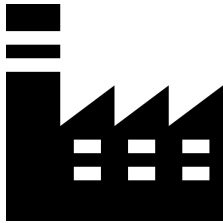
7. *Strong Financials*

BUILDING A HIGH GROWTH,
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UNIQUE **BUSINESS MODEL**



INSIGNIFICANT CAPITAL INVESTMENT (PP&E)



NO INVENTORY RISK



NO DISTRIBUTION COSTS



POSITIVE WORKING CAPITAL CYCLE



NO WAREHOUSING COSTS



4Q2017 and FY2017 P&L summary

P&L (A\$M)	4Q				Full year			
	FY16	FY17	Growth	CC Growth ¹	FY16	FY17	Growth	CC Growth ¹
GTV	\$32.3	\$38.7	19.6%	23.3%	\$142.9	\$175.4	22.8%	30.3%
Revenue *	\$26.1	\$30.9	18.6%	22.3%	\$114.6	\$141.0	23.0%	30.1%
Cost of Goods Sold *	\$(16.6)	\$(19.7)	19.0%	21.6%	\$(75.6)	\$(90.8)	20.2%	26.7%
Gross Profit	\$9.5	\$11.2	18.0%	23.4%	\$39.0	\$50.1	28.5%	36.8%
GP Margin	36.5%	36.3%			34.0%	35.6%		
Paid Acquisition	\$(1.8)	\$(3.1)	71.4%	72.0%	\$(7.7)	\$(12.2)	59.9%	63.8%
Gross Profit (after Paid Acquisition) (GPAPA)	\$7.7	\$8.1	5.6%	12.1%	\$31.3	\$37.9	20.8%	30.2%
GPAPA Margin	29.6%	26.4%			27.4%	26.9%		
Operating Expenses	\$(9.8)	\$(11.2)	13.9%	14.6%	\$(37.4)	\$(43.1)	15.3%	18.0%
Operating EBITDA	\$(2.1)	\$(3.0)	(44.7%)	(23.6%)	\$(6.0)	\$(5.2)	13.6%	44.2%
Other Income/Expenses	\$(1.1)	\$(0.7)	(39.2%)		\$(2.7)	\$(3.1)	15.5%	
EBITDA (Loss)/Profit	\$(3.2)	\$(3.7)	(16.2%)	(12.3%)	\$(8.7)	\$(8.3)	4.7%	29.0%

- Key financial measures in line with or better than guidance
- Strong 4Q GP Margin bolstered by some one-offs as in FY2016. **Underlying GP at year end around 35.8%**
- Paid acquisition costs continuing to increase with shift to mobile but profitability per \$ spend maintained
- Whilst not evident in 4Q in isolation due to prior period paid acquisition being low, operating leverage emerging with slowing operating expense growth
- Overall impact of FX on Operating EBITDA < \$50,000

4Q2017 and FY2017 Key Metrics

	4Q FY2016	4Q FY2017	YOY growth	YTD FY2016	YTD FY2017	YOY growth
GTV¹	\$32.3M	\$38.7M	19.6%	\$142.9M	\$175.4M	22.8%
Repeat GTV²	\$12.4M	\$15.4M	23.8%	\$50.7M	\$66.6M	31.2%
Visits	36.7M	48.8M	33.0%	147.8M	188.4M	27.4%
Conversion³	1.72%	1.65%	-4.2%	1.87%	1.96%	4.6%
AOV⁴	\$51.3	\$48.1	-6.2%	\$51.6	\$47.54	-7.9%
Customers⁵	0.55M	0.70M	27.7%	2.2M	2.9M	32.8%
Selling Artists	97,800	134,800	37.8%	154,300	233,000	51.0%

- Healthy market place maintained in growth of repeat GTV, and # of customers, selling artists and visits
- Conversion rate impacted by accelerating transition to lower-converting mobile
- Lower AOV continues to be predominantly as a result of strong AUD

1. GTV (Gross Transaction Value) = Total receipts from customers less fraud, refunds and chargebacks

2. Repeat GTV = GTV earned from customers who have previously purchased from Redbubble

3. Conversion rate is the percentage of visits to the site that result in a purchase being made

4. AOV: Average Order Value (Order sales / Order count)

5. The numbers disclosed in the April 2017 4C release for 3QFY17 for Customers were actually orders and not unique customers. The correct numbers of unique customers for 3QFY17 were 750,000 (up 36.9%) and for YTD FY17 were 2,130,000 (up 34.4%).



8. *Wrap* *up*

BUILDING A HIGH GROWTH,
SUSTAINABLE AND DIVERSIFIED
MARKETPLACE

POSITIONED FOR LOW RISK LONG-TERM GROWTH...



1

HIGH GROWTH

- Leading global marketplace
- 10 consecutive years of growth
- Enormous addressable market
- Opportunities on many dimensions

2

DIVERSIFIED

- Fresh and enduring content
- From global artists
- Range of product offering
- From geographically dispersed fulfillers

3

SUSTAINABLE

- Capital efficiency from outsourcing and business model
- Manufacturing outsourced
- Positive cash cycle
- Low customer and artist acquisition costs
- Strong balance sheet



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