

INVESTOR PRESENTATION

REDBUBBLE

February 2018

* Results subject to half year audit review

AGENDA



1	Redbubble: The Basics
2	10 Years of Solid Marketplace Growth
3	Strategic Focus on Accelerating Existing Dynamics
4	Financials and Forecasts

SUMMARY OF 1H FY2018 HIGHLIGHTS - Positive Momentum Continues



> $100 MILLION to artists[1] since inception



> 1 MILLION packages over Xmas



20% product pages on new faster platform



> 200,000 MAUs[2] on mobile app

HEALTHY MARKETPLACE METRICS

+33% SELLING ARTISTS to 219k

+40% UNIQUE CUSTOMERS[3] to 2.35 million

+39% SITE VISITS to 127.5 million

INCREASING GLOBAL RELEVANCE – Delivering Strong Top Line Growth in New Markets

TOTAL GTV	SPAIN	GERMANY	FRANCE
+32%	+110%	+95%	+50%

GOOGLE SHOPPING SKUS INCREASED FROM 25 MILLION TO 50 MILLION

REDBUBBLE

1. Aggregate earnings to artists since the inception of the business
2. Monthly Active Users
3. An unique customer is defined as an unique email address

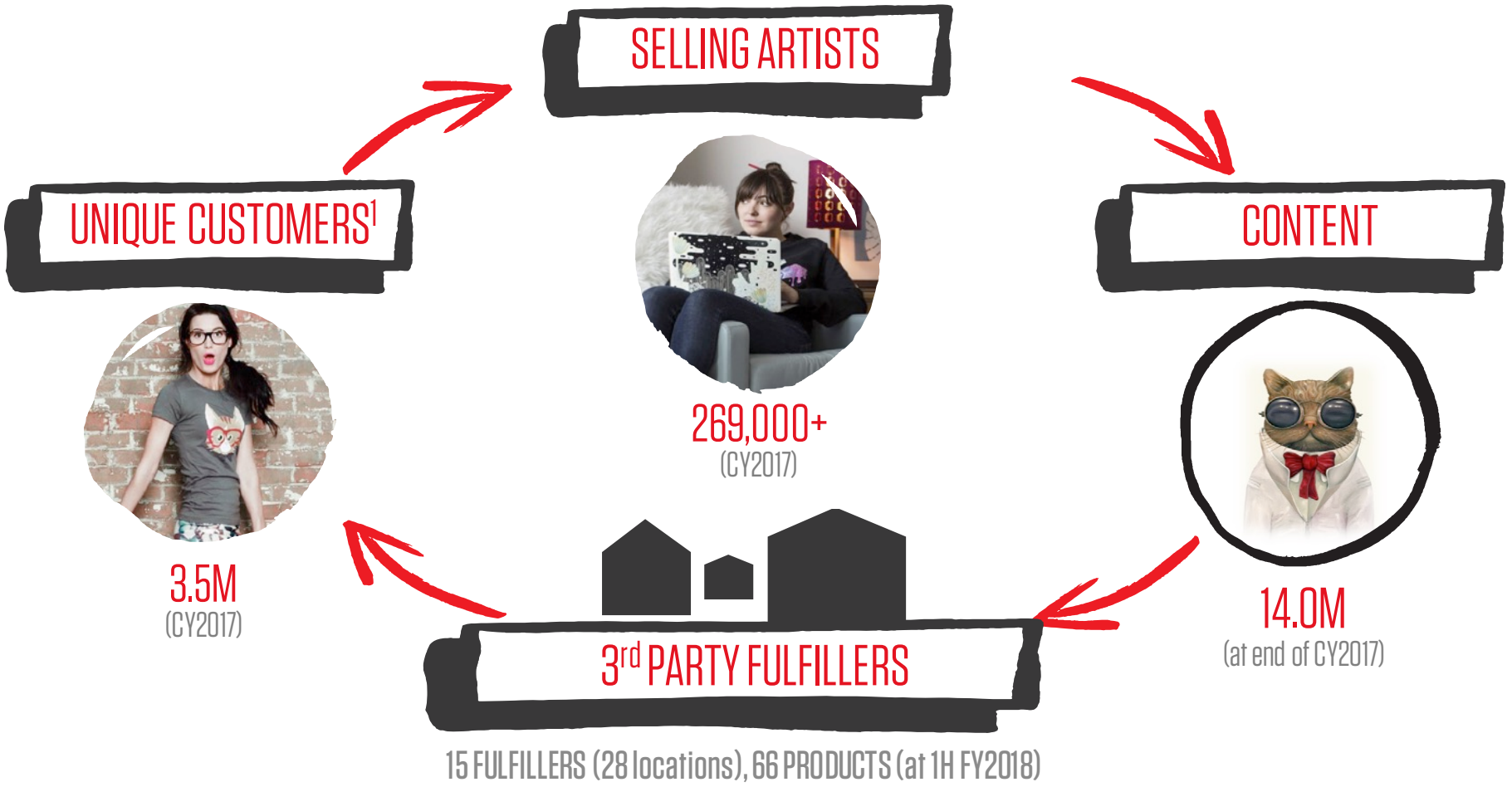


1. About Redbubble

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE

A RECAP ON THE RB STORY

A THREE-SIDED MARKETPLACE, FOUNDED IN 2006



1. A unique customer is defined as an unique email address

DRIVEN BY THREE MAJOR GLOBAL DISRUPTIONS

1. Consumer demand for the personally relevant
2. Cost and capability of print-on-demand and manufacturing-on-demand
3. The sharing economy of the Internet

COMPANY SNAPSHOT: REDBUBBLE LTD (ASX:RBL)

AS AT 1 February 2018 (unless stated otherwise)

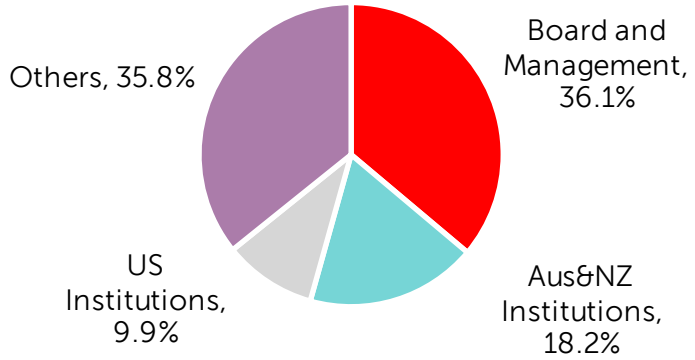
Capital Structure

Share Price (1 Feb 2018):	$1.60
Fully Paid Ordinary Shares:	208.4 million
Market Capitalisation:	$333.5 million
Net Cash (31 Dec 2017):	$46.3 million
Enterprise Value:	$287.1 million

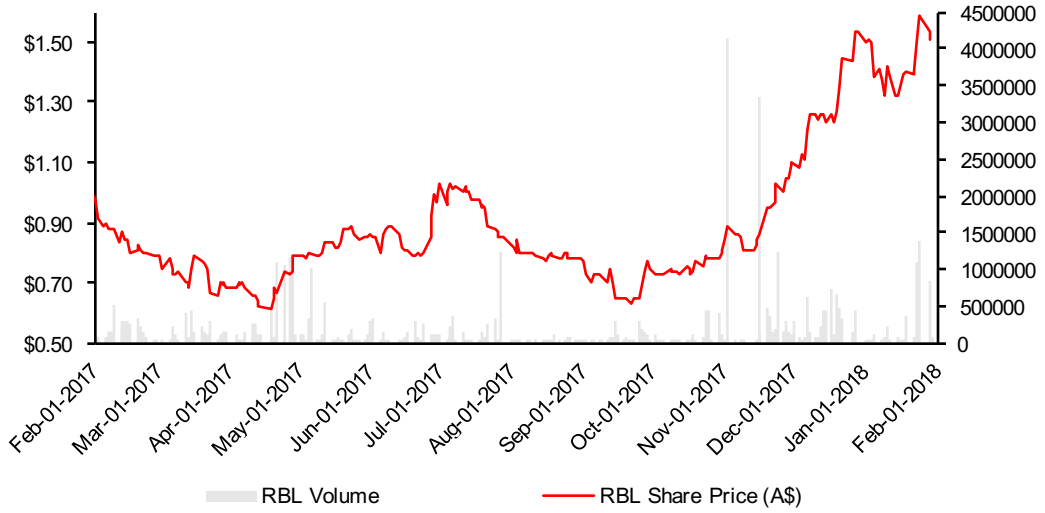
Board and Management

Mr Richard Cawsey:	Non-Executive Chairman
Mr Martin Hosking:	CEO and Managing Director
Mr Greg Lockwood:	Non-Executive Director
Mr Grant Murdoch:	Non-Executive Director
Dr Hugh Williams:	Non-Executive Director
Ms Jennifer Macdonald: From 22 February 2018	Non-Executive Director
Ms Anne Ward: From 24 March 2018	Non-Executive Director
Mr Barry Newstead:	Chief Operating Officer
Mr Chris Nunn:	Chief Financial Officer

Share Registry (at 04 January 2018)



RBL Share Price (last 12 months as at 1 Feb 2018)



Sources: Miraqle, CapitalIQ



2. Healthy Marketplace

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE

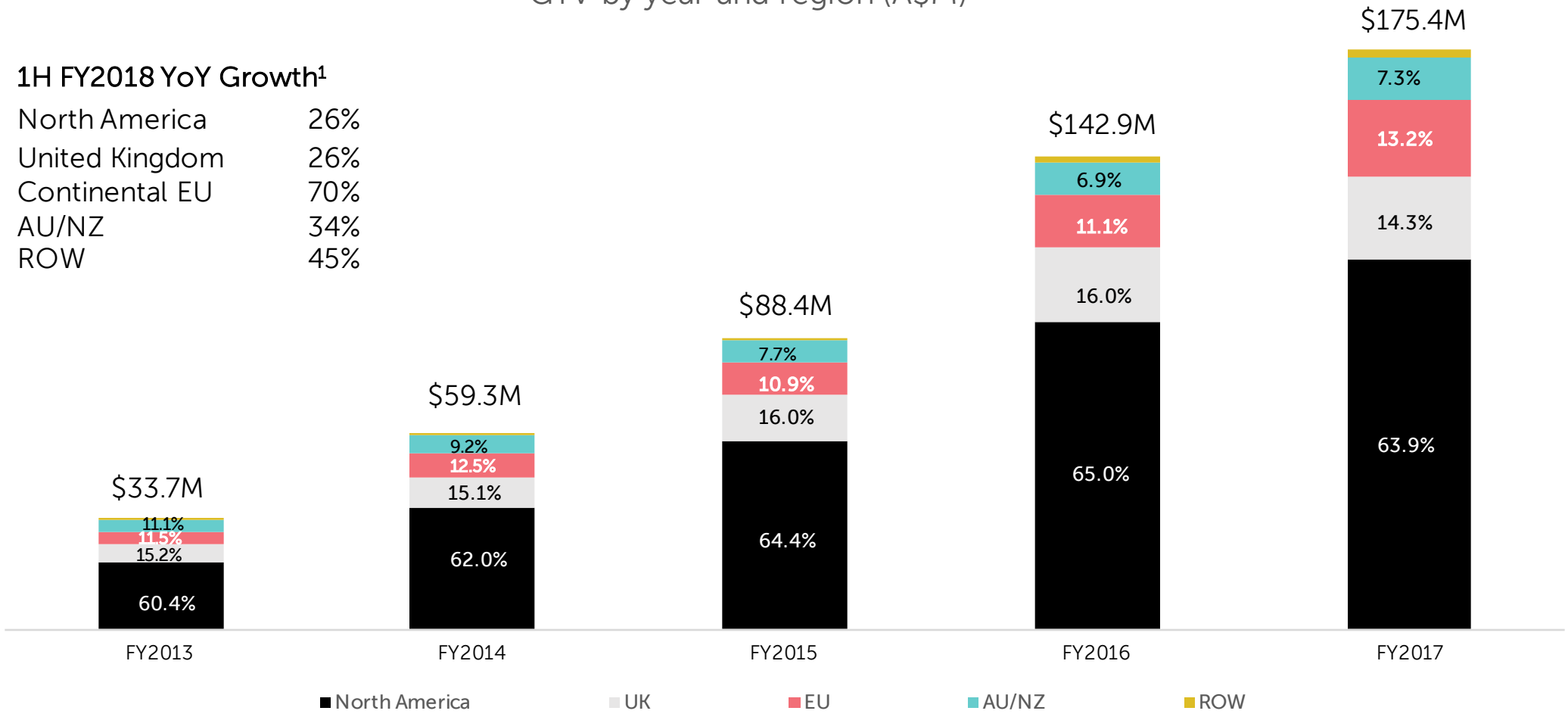
A FAST GROWTH GLOBAL COMPANY

93% SALES OUTSIDE AUSTRALIA

GTV by year and region (A$M)

1H FY2018 YoY Growth[1]

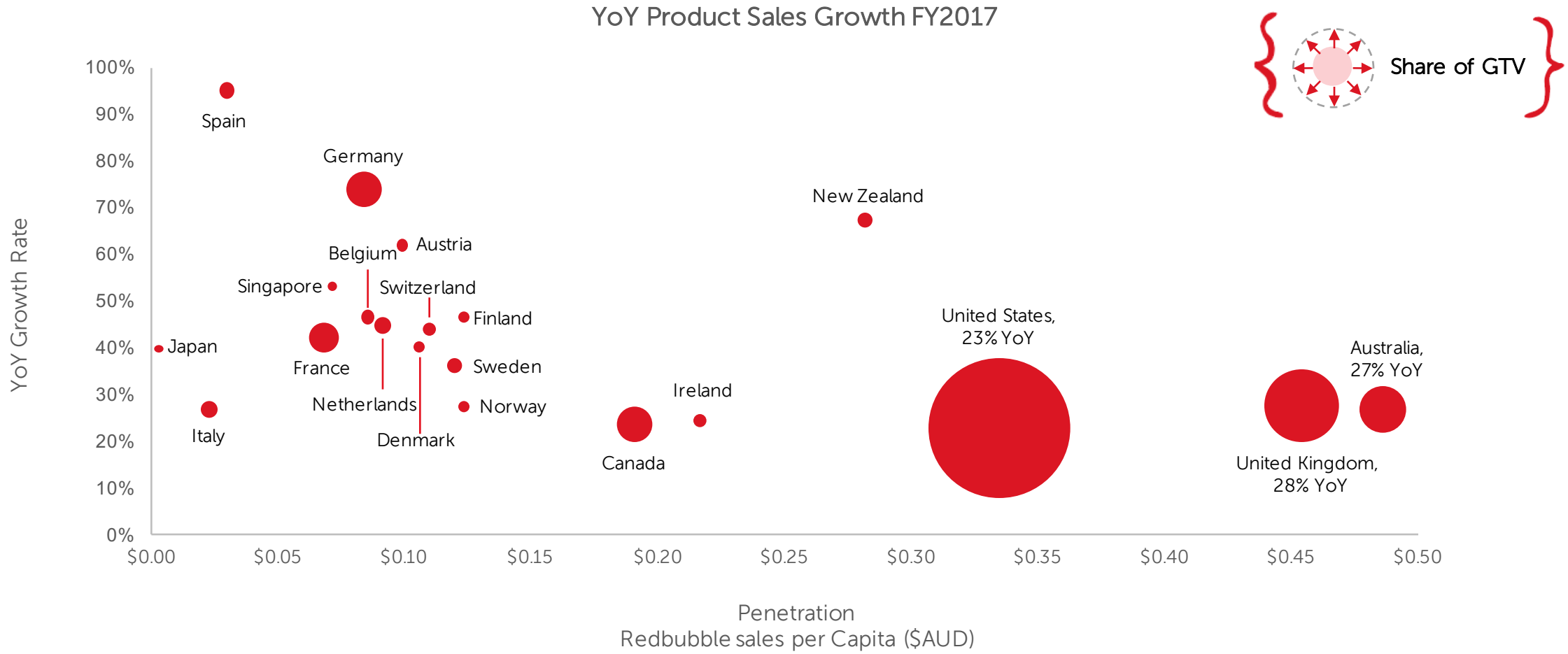
North America	26%
United Kingdom	26%
Continental EU	70%
AU/NZ	34%
ROW	45%



Source: Redbubble internal data

1. GTV growth in each region measured in AUD

SIGNIFICANT GROWTH POTENTIAL ACROSS ALL MARKETS

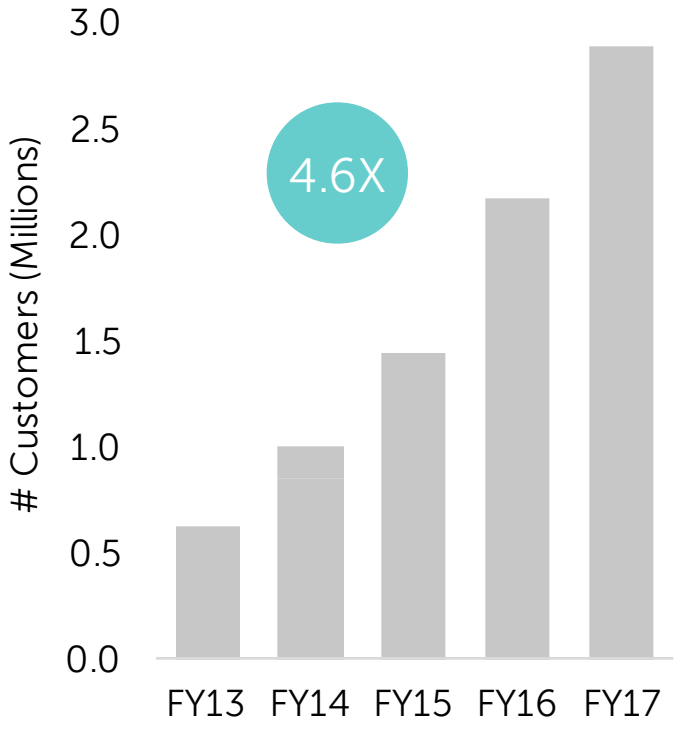


Source: Redbubble internal data and publicly available population information.

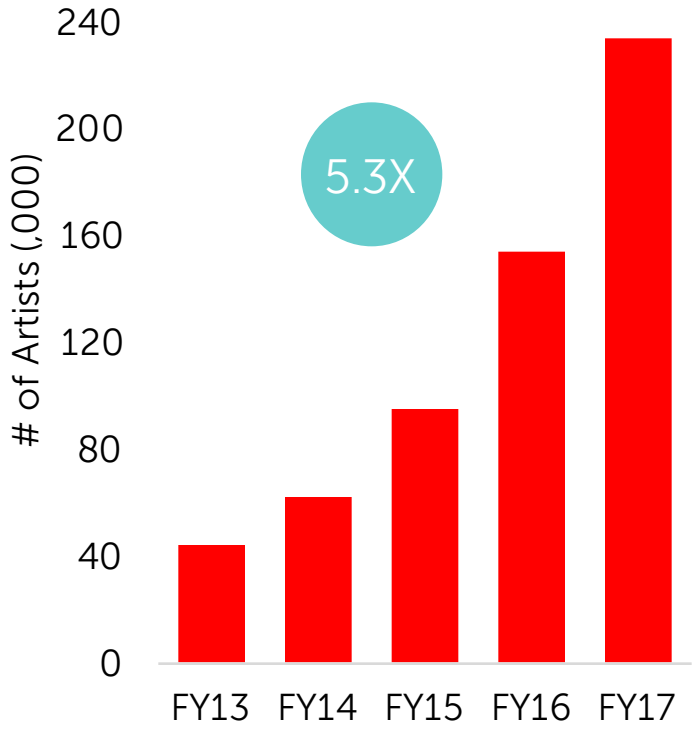
STRONG & HEALTHY MARKETPLACE DYNAMICS

CONSISTENT GROWTH IN CUSTOMERS, ARTISTS AND FULFILLERS

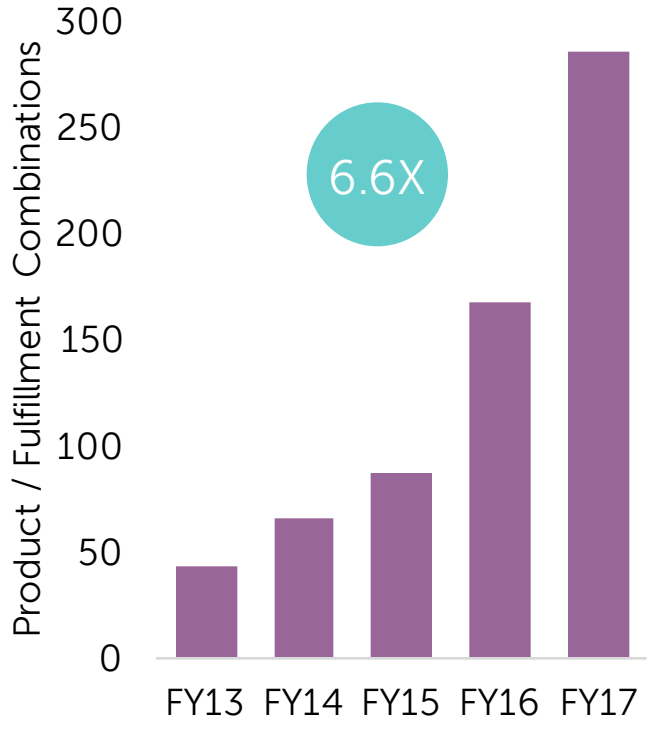
Unique Customers[1]



Selling Artists

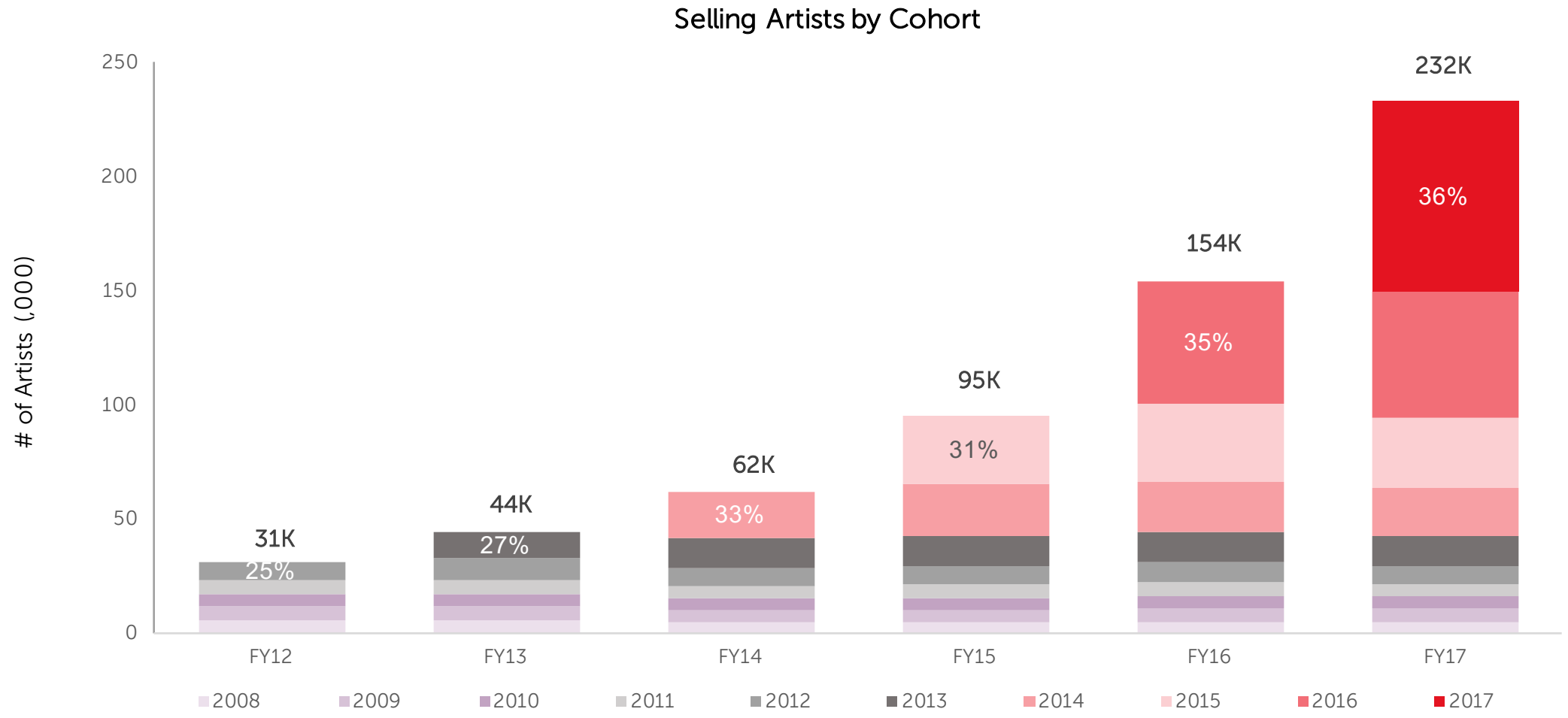


Product / Fulfilment Combinations[2]



1. A unique customer is defined as a unique email address
2. Number of fulfilment locations multiplied by average number of products per location

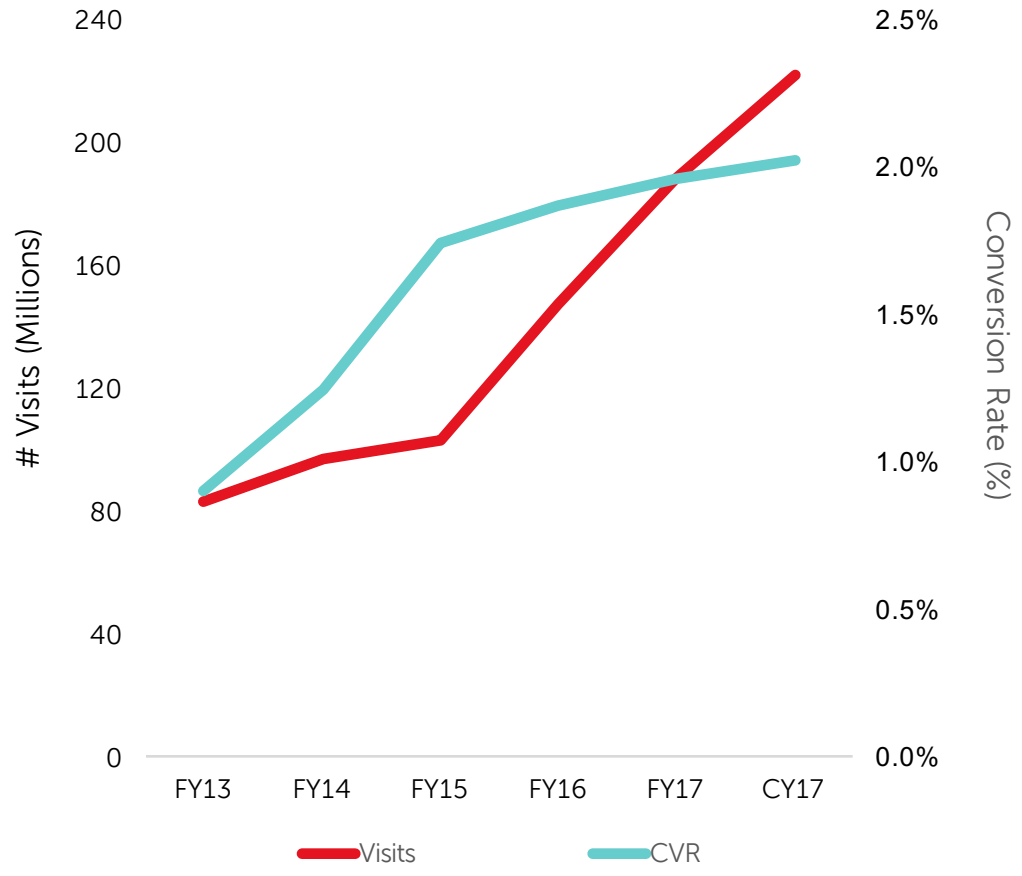
>60% SELLING ARTISTS ARE ALREADY ON THE PLATFORM



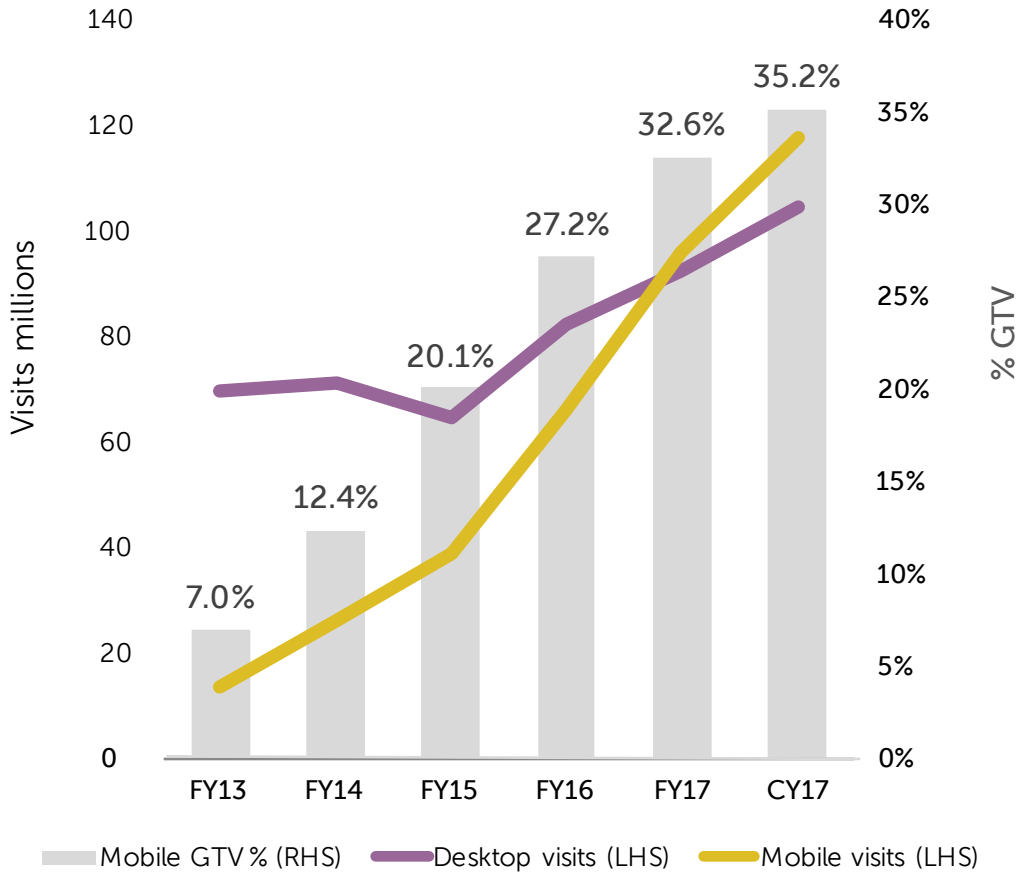
REDBUBBLE Source: Redbubble internal data

VISITS AND MOBILE DRIVE GROWTH

Visits and Conversion

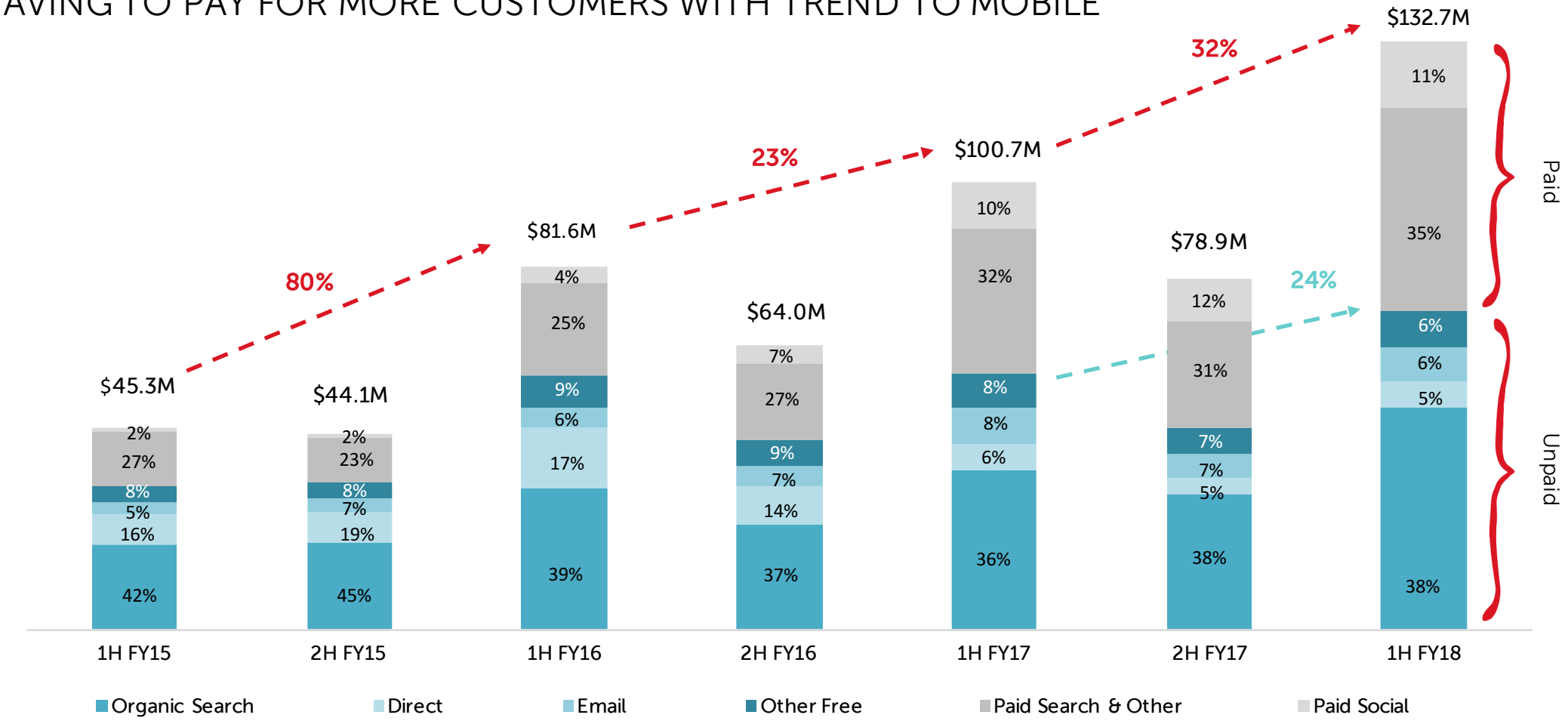


Desktop & Mobile visits and Mobile GTV %



GROWING UNPAID AND OPTIMISING PAID CHANNELS

BUT HAVING TO PAY FOR MORE CUSTOMERS WITH TREND TO MOBILE



	1H FY15	2H FY15	1H FY16	2H FY16	1H FY17	2H FY17	1H FY18
Unpaid%	71%	75%	70%	67%	58%	57%	54%
Paid%	29%	25%	30%	33%	42%	43%	46%

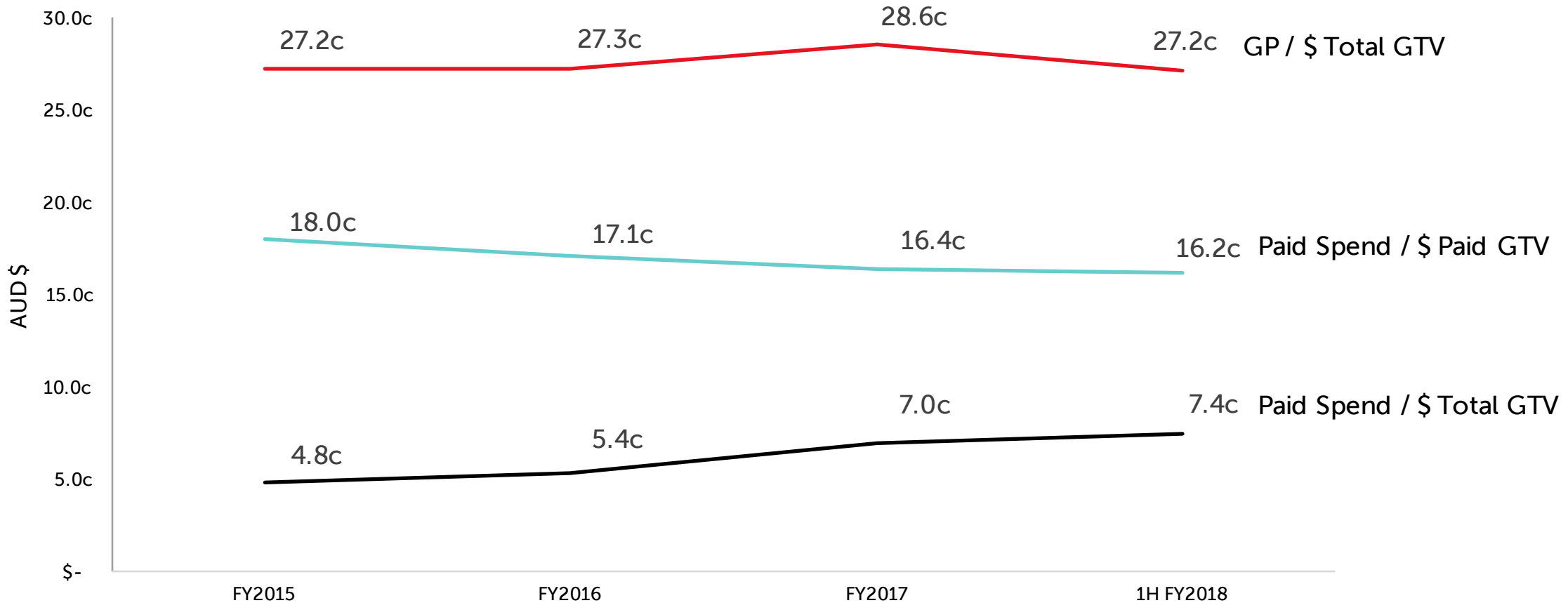
1. Organic Search = traffic to the site originating from search click through that we do not pay for
2. Direct = Traffic coming directly to the RB homepage
3. Paid = Traffic from sources we pay for (Google ads, Facebook ads, etc.)

Source: Redbubble internal data

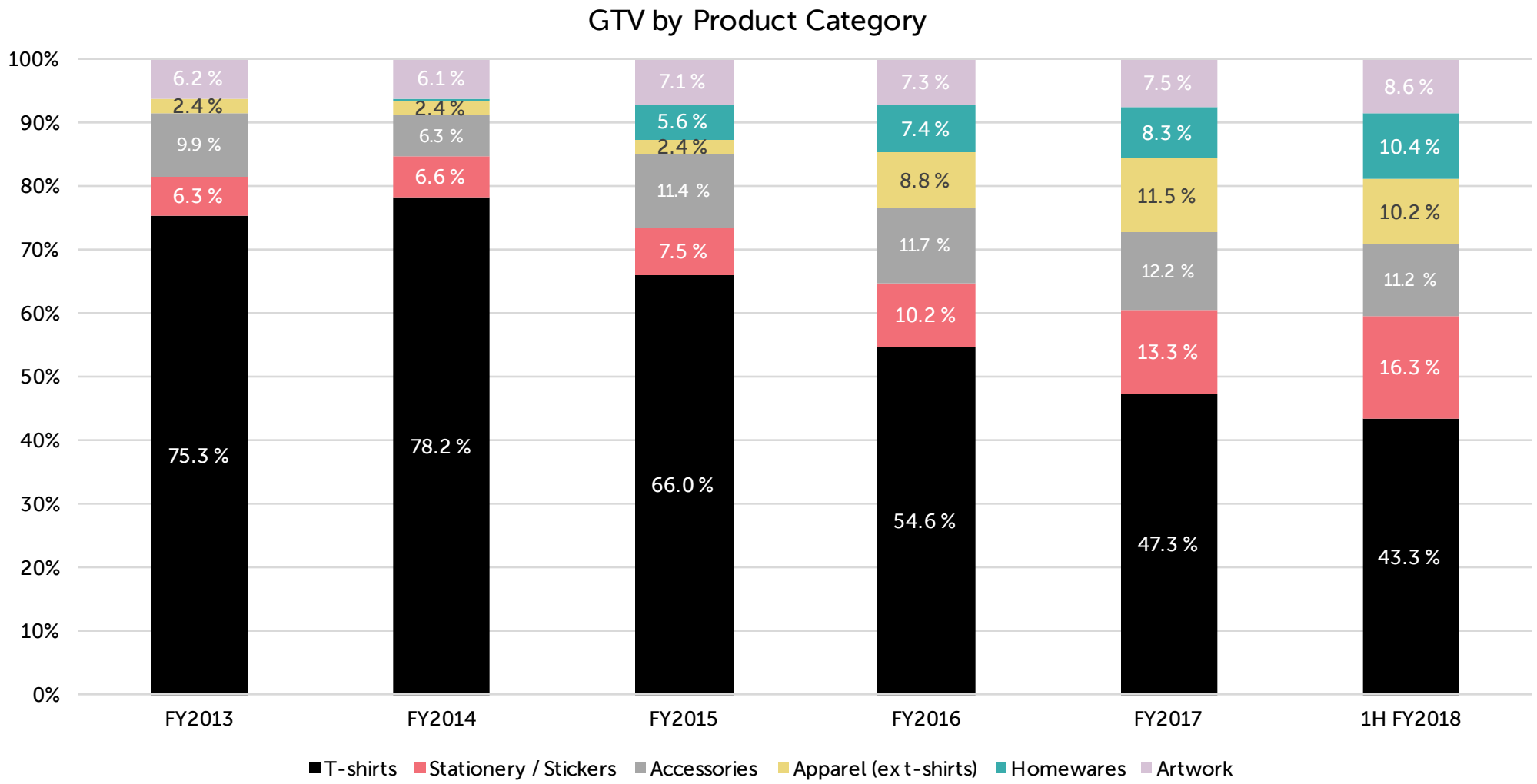
PAID MARKETING DOLLARS BEING SPENT MORE EFFICIENTLY

WITH ALL PAID CHANNELS PROFITABLE ON FIRST PURCHASE

Gross Profit v. Paid Spend to generate a $ of Total GTV or a $ Paid GTV



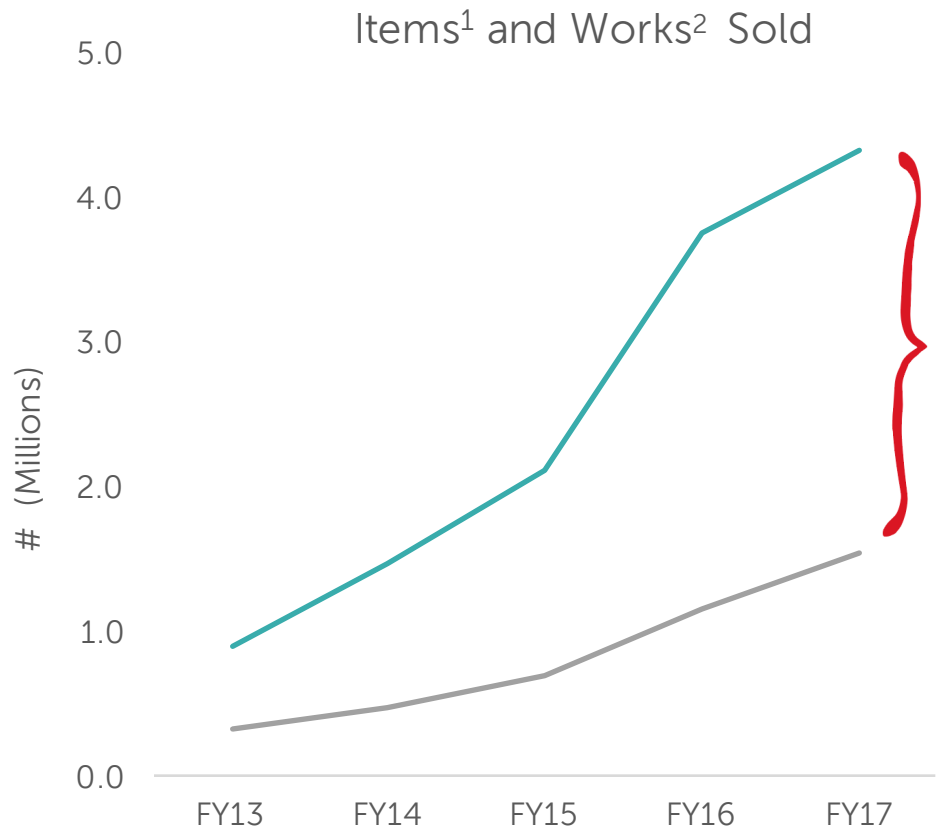
DIVERSIFIED PRODUCT RANGE & RAPID GROWTH IN NEW CATEGORIES



Source: Redbubble internal data

HUGE CONTENT LIBRARY & PRODUCTS PROVIDE INCREASING LEVERAGE

~60% OF SALES ARE FROM ENDURING CONTENT



4.3M Unique items[1] sold → Diversifying the range of items broadens potential customer base

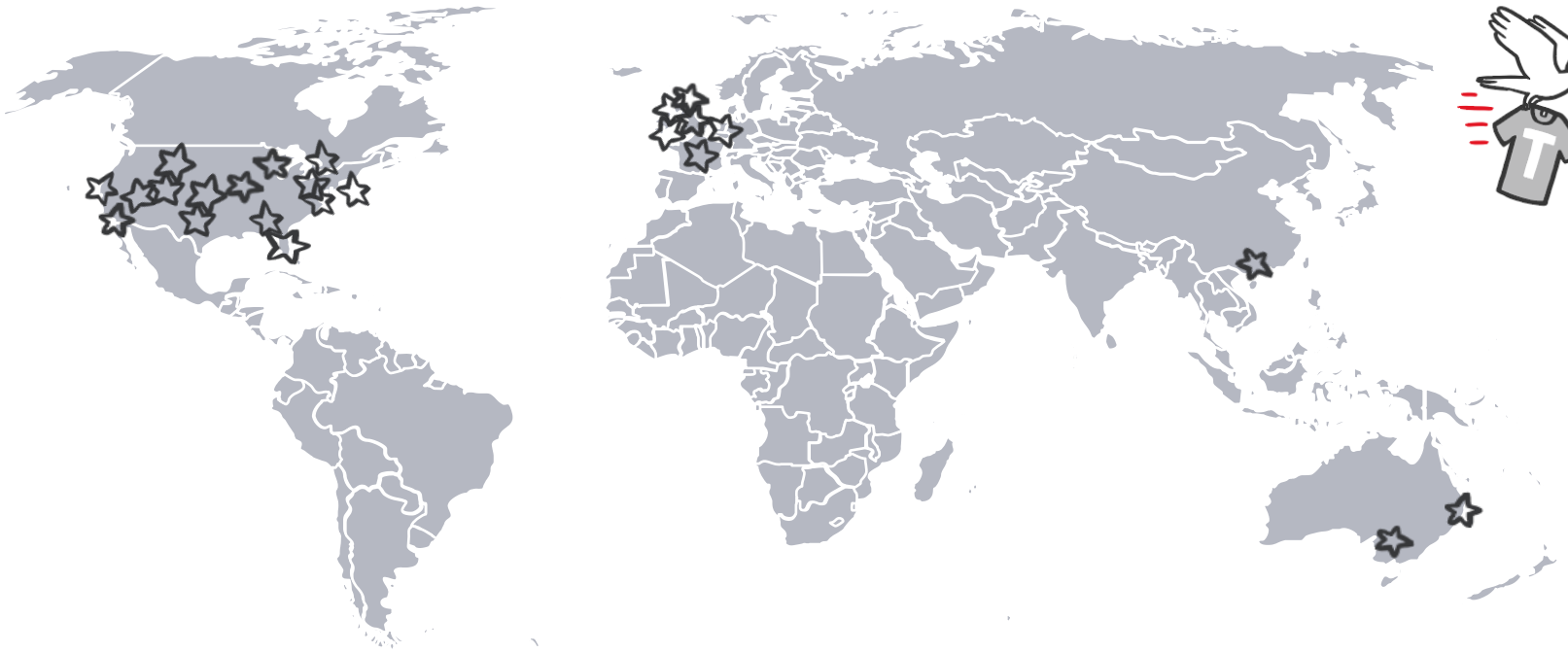
Increasing leverage from new physical products → Content library can be instantly applied to new products

1.55M Unique works[2] sold → Content is a mix of enduring (~60%) and new/trending (~40%)

Source: Redbubble internal data
1. An Item is a combination of physical product and artist work
2. A Work is simply a single artist image

PRODUCTION IS LOCALISED IN THE PRIMARY MARKETS

WITH GAINS IN MARGIN, CONVERSION, CUSTOMER EXPERIENCE & NETWORK REDUNDANCY



309
PRODUCT/FULFILMENT COMBINATIONS[1]

28
FULFILMENT LOCATIONS

6
COUNTRIES

Localisation of production has **REDUCED GLOBAL AVERAGE DELIVERY TIME** by a full day in FY17, 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
- Further **NATURAL HEDGE**

REDBUBBLE

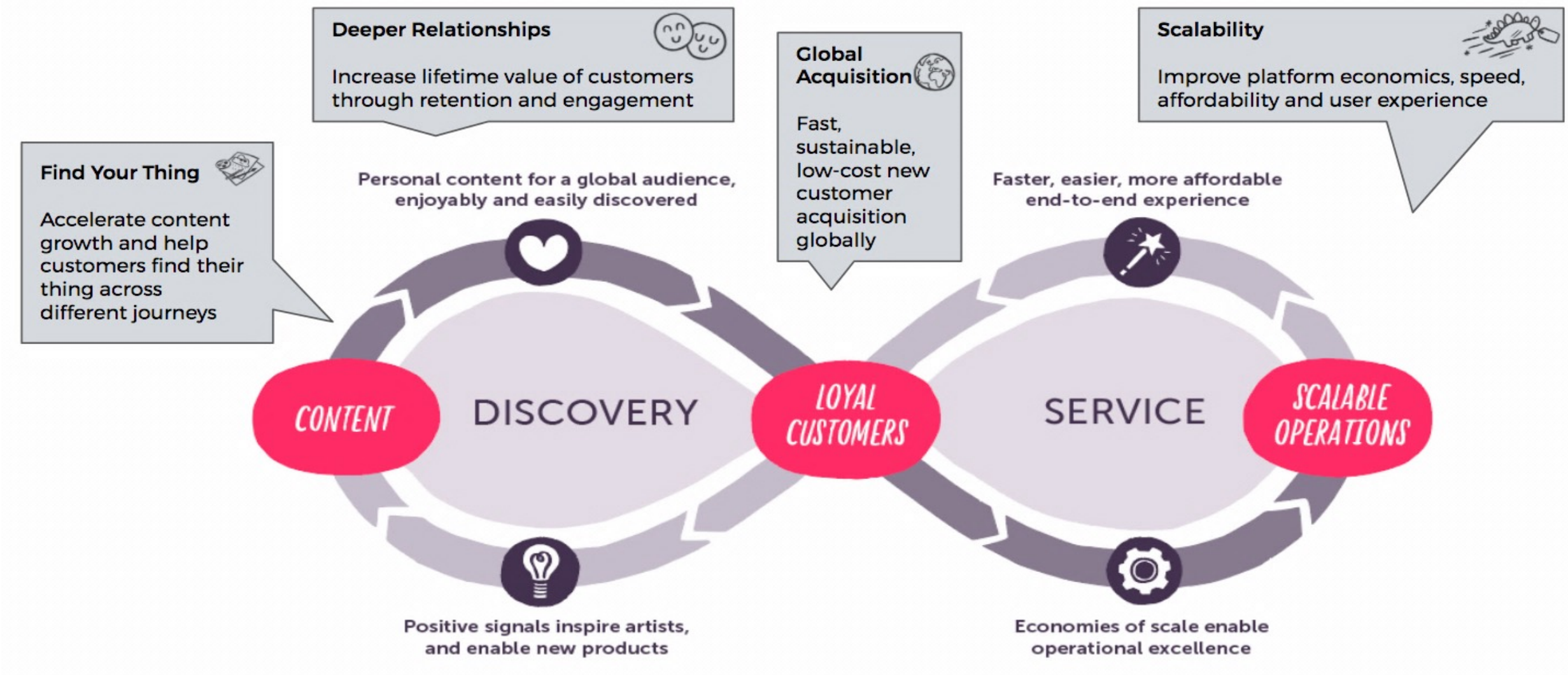
Source: Redbubble internal data, updated to 1H FY2018
1. Number of fulfilment locations multiplied by average number of products per location



3. Strategic Focus

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE

THE REDBUBBLE FLYWHEEL OF AWESOMENESS





4. Strong Financials

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE

2Q & 1H FY2018 INCOME STATEMENT SUMMARY

P&L (A$M)	2Q	2Q	YoY (2Q18 v 2Q17)		1H	1H	YoY (1H18 v 1H17)	
	FY17	FY18	Growth	CC Growth[1]	FY17	FY18	Growth	CC Growth[1]
GTV	$62.5	$84.2	34.7%	34.7%	$98.6	$129.8	31.7%	33.1%
Revenue	$49.8	$67.0	34.6%	35.5%	$78.7	$102.3	30.0%	32.0%
Gross Profit	$17.8	$22.7	27.8%	28.1%	$28.3	$35.3	24.7%	26.1%
GP Margin	35.7%	33.9%	(5.1%)	(5.4%)	36.0%	34.5%	(4.1%)	(4.5%)
Paid Acquisition	$(4.2)	$(5.9)	40.3%	42.9%	$(6.6)	$(9.6)	47.0%	50.7%
Gross Profit (after Paid Acquisition) (GPAPA)	$13.6	$16.8	23.9%	23.5%	$21.7	$25.7	18.0%	18.6%
GPAPA Margin	27.3%	25.1%	(8.0%)	(8.8%)	27.6%	25.1%	(9.2%)	(10.1%)
Operating Expenses	$(11.4)	$(12.8)	12.3%	13.2%	$(21.2)	$(23.1)	9.1%	10.5%
Operating EBITDA	$2.2	$4.0	85.0%	79.8%	$0.6	$2.6	332.4%	325.4%
Other Income/Expenses	$(0.9)	$(0.8)	(9.2%)	27.7%	$(1.7)	$(1.5)	(9.4%)	2.8%
EBITDA Profit/(Loss)	$1.3	$3.2	149.8%	99.2%	$(1.1)	$1.1	202.5%	299.8%

- GTV growing at >30% on both floating and constant currency basis for 2Q & 1H
- Relative Revenue growth in 1H impacted by higher sales tax component in GTV from faster growing European markets
- GP Margin lower due to seasonal product mix and pricing and promotional initiatives
- Benefits of higher base volumes and already negotiated fulfiller discounts to assist underlying GP Margin to rebound in 2H
- Operating leverage evident in 1H ratio of Revenue growth to aggregate of Paid Acquisition and Operating Expenses growth of 1.6x
- Operating EBITDA up $2.0M compared to 1H FY2017

1. "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes.

Source: Redbubble internal unaudited management accounts

2Q & 1H FY2018 KEY MARKETPLACE METRICS

	2Q FY2017	2Q FY2018	YOY growth	1H FY2017	1H FY2018	YOY growth
GTV[1]	$62.5M	$84.2M	34.7%	$98.6M	$129.8M	31.7%
Mobile GTV	$19.4M	$31.3M	61.0%	$30.3M	$47.9M	58.1%
Repeat GTV[2]	$23.0M	$31.0M	34.5%	$36.8M	$48.2M	30.9%
Visits	49.6M	70.4M	42.0%	91.6M	127.5M	39.3%
Conversion rate	2.55%	2.53%	-0.6%	2.21%	2.22%	0.3%
AOV[3]	$49.5	$47.3	-4.6%	$48.7	$45.9	-5.7%
Customers[4]	1.10M	1.55M	41.5%	1.68M	2.35M	40.2%
Repeat Customers[5]	0.35M	0.51M	45.3%	0.52M	0.75M	43.6%
Selling Artists	136,300	183,500	34.6%	164,300	218,800	33.1%

- GTV growth at 34.7% for 2Q and 33.1% for 1H on constant currency basis[6]
- 61.0% YoY growth in 2Q Mobile GTV particularly strong, more than double Desktop's GTV growth of 23.8% for the quarter
- Visits growth driven by ~50% increase in both organic searches and mobile traffic with associated effect on conversion
- Lower AOV caused by increasing product share of lower value sticker items. 1H AOV comparison also includes small FX effect
- Marketplace metrics of Visits, Customers and Selling Artists all remain healthy

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, regardless of the date of their initial purchase
3. AOV: Average Order Value (Order sales / number of orders)
4. Customers are unique customers counting only once however many times they have bought on Redbubble during the period
5. Repeat customers are customers who have purchased more than once on Redbubble, regardless of the date of their initial purchase
6. "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes

SUMMARY: A GLOBAL AUSTRALIAN GROWTH STOCK



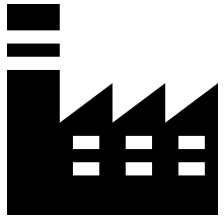
1. GLOBAL LEADER RIDING 3 MAJOR DISRUPTIONS
2. SCALING RAPIDLY ON BACK OF FUNDAMENTALS
3. PROXIMATE TO BREAKEVEN

On strong momentum, Redbubble is reaffirming its previous guidance of moving into ongoing operating EBITDA profitability late in FY2018.

Appendix

UNIQUE REDBUBBLE BUSINESS MODEL

INSIGNIFICANT CAPITAL INVESTMENT (PP&E)



NO INVENTORY RISK



NO DISTRIBUTION COSTS



POSITIVE WORKING CAPITAL CYCLE



NO WAREHOUSING COSTS



POSITIVE CASH CYCLE



Inflows	$100 GTV	$96.7	PRODUCT SHIPPED & REVENUE EARNED[1]			
Days	0	1 - 2	1 - 3	7	32	85 - 90
Out-flows	- $3.30 PAYMENT PLATFORM			- $15.0 ARTIST	- $48.50 FULFILLERS	- $4.70 TAX

$28.60

CASH GENERATED BEFORE OPERATING EXPENSES











REDBUBBLE

Analysis based on FY17

1. Revenue earned is GTV less artist margin and tax (i.e.. $79.80 on $100 GTV)

1H FY2018 MOBILE AND DESKTOP KEY METRICS

		1H FY2017	1H FY2018	YOY growth
Desktop[3]	Visits	46.3M	58.3M	25.8%
	% of Total visit	50.6%	45.7%	-4.9% pts
	Conversion rate[1]	3.00%	3.01%	0.5%
	AOV[2]	$49.2	$46.7	-5.2%
Mobile	Visits	45.3M	69.3M	53.0%
	% of Total visit	49.4%	54.3%	4.9% pts
	Conversion rate[1]	1.41%	1.55%	10.1%
	AOV[2]	$47.6	$44.6	-6.1%

Source: Redbubble internal data

1. Conversion rate is the percentage of visits to the site that result in a purchase being made
2. AOV: Average Order Value (Order sales / Order count)
3. Includes Tablet

WHAT WE HAVE DELIVERED DURING 1H FY2018

	FIND YOUR THING	DEEPER RELATIONSHIPS	GLOBAL ACQUISITION	SCALABILITY
Goals	Accelerate growth in high value, discoverable content, mitigating piracy	Build a personalised mobile experience for our members	Sustainable, low-cost, global new customer acquisition	Reinvest in a faster platform, lower prices and faster delivery
Allocation of Engineering Resources	30%	30%	10%	30%
Highlights	✓ Improved search and browsing experience ✓ English language search pages (~20% of all views) moved to a new and faster platform ✓ Site features enabling partnerships between rights holders and artists	✓ Continued scaling of the app, login & signup, and push notifications ✓ Synchronisation of favorites enabled across different devices ✓ Personalised content feed enhancements using new ranking algorithm	✓ Optimised organic search ✓ Google inventory expanded from 25 million to 50 million SKUs ✓ Expanded German payment options and trust signals	✓ Rolled out new and faster platform for all T-Shirt products on mobile and desktop in English ✓ 5 new product launches ✓ 4 new fulfiller locations on-boarded
Success Indicators	• Speed of a mobile search query increased more than 2x	• 200,000 Monthly Active Users (MAUs)[1] on mobile app	• > 1.8 million new customers during 1H FY2018	• Ability to increase site capacity on Black Friday and to support high loads on Cyber Monday foundation for auto-scaling

WE WILL CONTINUE TO DELIVER AGAINST OUR STRATEGIC INITIATIVES

	FIND YOUR THING	DEEPER RELATIONSHIPS	GLOBAL ACQUISITION	SCALABILITY
Goals	Accelerate growth in high value, discoverable content, mitigating piracy	Build a personalised mobile experience for our members	Sustainable, low-cost, global new customer acquisition	Reinvest in a faster platform, lower prices and faster delivery

Focus Areas	• Continue to strengthen value proposition for artists and rights holders
	• Make it easier for high quality content to be created and found
	• Reduce and rapidly remove low quality/IP infringing content
		• Transform the user experience and data platform for Redbubble members
		• Continue to encourage customer loyalty
			• Sustain growth and profitability of new user acquisition through organic and paid channels	• Drive profitability through operational scale and pricing/promotion optimisation
				• Drive speed in our platforms with a priority focus on:
				  • Systems that enable faster addition of new products and fulfillers
				  • Continuation of work to migrate key site pages and key systems to new faster, more scalable platform

Success Indicators	• New user conversion • Orders per user	• Improved revenue per user • Enhanced member experience	• European market growth • Paid channel growth and ROI	• Page speed improvements • Increased GTV from new products


THANK YOU

DISCLAIMER

The material herein is a presentation of information 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.

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