GS Investor Conference Presentation

Melbourne, Australia; 27 October 2021:Redbubble Limited (ASX: RBL)

The presentation for the Goldman Sachs Fifth Annual Emerging Technology Conference is attached.

For further information, please contact:

Louise Lambeth
Head of Investor Relations
louise.lambeth@redbubble.com

This announcement was authorised for release to the ASX by the Redbubble Limited CEO.

Investor Presentation

Presented by Michael Ilczynski, CEO

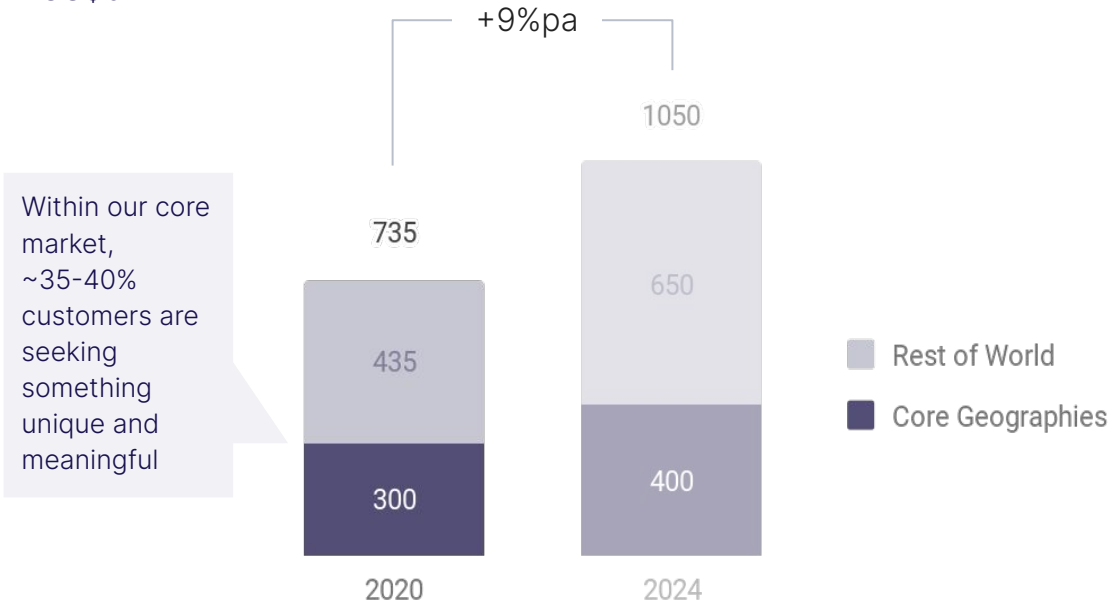
27 October

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.

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

eCommerce spend in addressable product categories[1]
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.

1. Business overview



Hummingbirds and Bees
Designed and sold
by **Cecilia Mok**

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**

Core strategic assets drive flywheel effects across Redbubble and TeePublic marketplaces



Leading Print-On-Demand marketplaces for independent artists

728,000 artists
sold on RB marketplaces in FY2021

Aggregated, growing demand

9.5m customers
totalling **$701m GTV** in FY2021

Scalable on-demand global 3rd party fulfilment

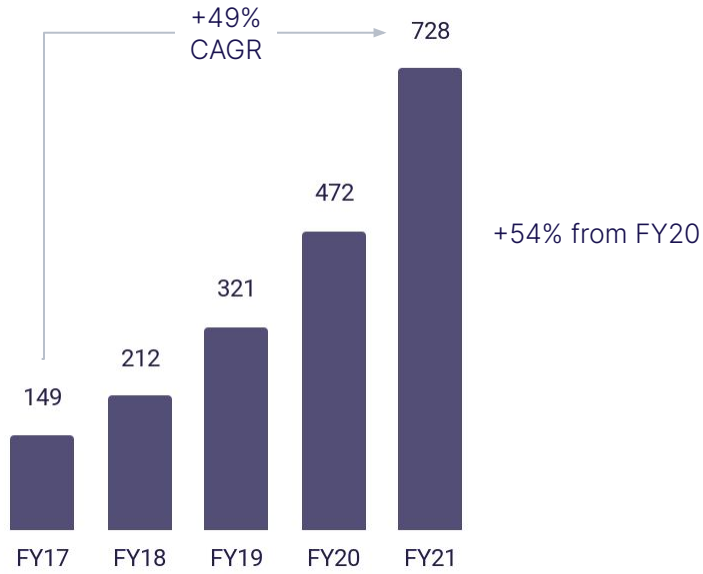
44 locations
across global fulfilment network as at FY2021

728,000 artists earned a record $104m selling across RB Group marketplaces

$104m

Earned by artists in FY21
(up 58% YoY)

Selling artists
('000, FY17 - FY21)



+54% from FY20

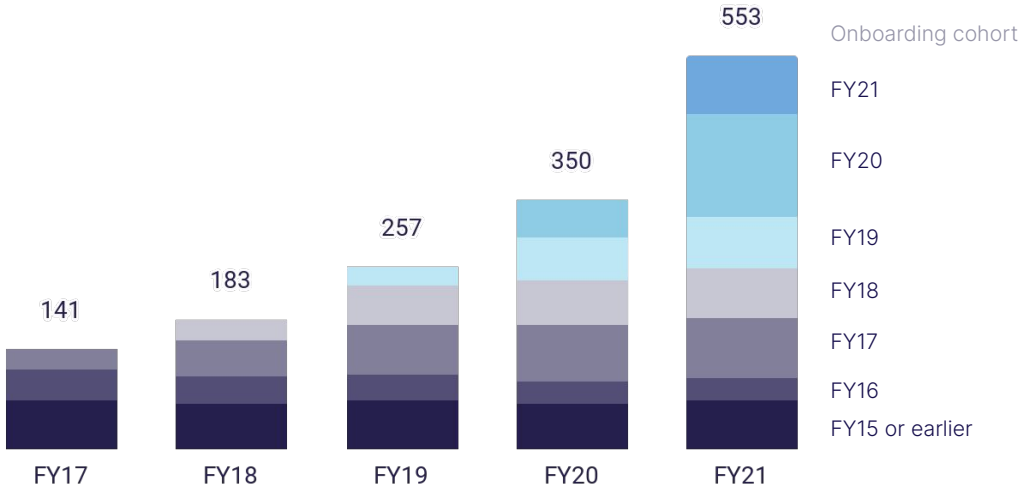
Connected Creative
Designed and sold by
Micklyn



Source: RB internal data.

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

Marketplace Revenue by artist cohort[1]
(A$m, FY17 - FY21)



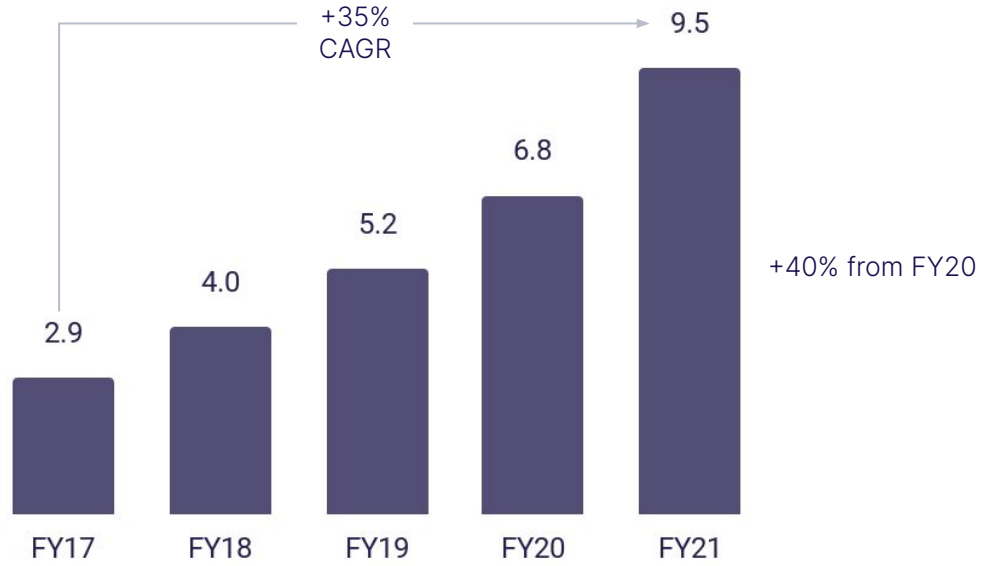
New artists added to marketplace growth in FY21, while earlier artist cohorts also saw significant growth

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

Source: RB internal data.
1. TeePublic artists onboarded prior to incorporation in FY17 assumed to be onboarded in FY17 cohort.

9.5 million unique customers shopped across RB Group marketplaces last year

Unique customers
(m, FY17 - FY21)



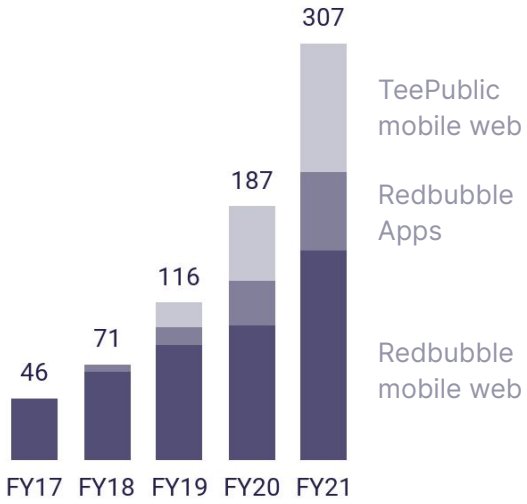
Customer acquisition highlights:

- 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

Source: RB internal data.

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

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

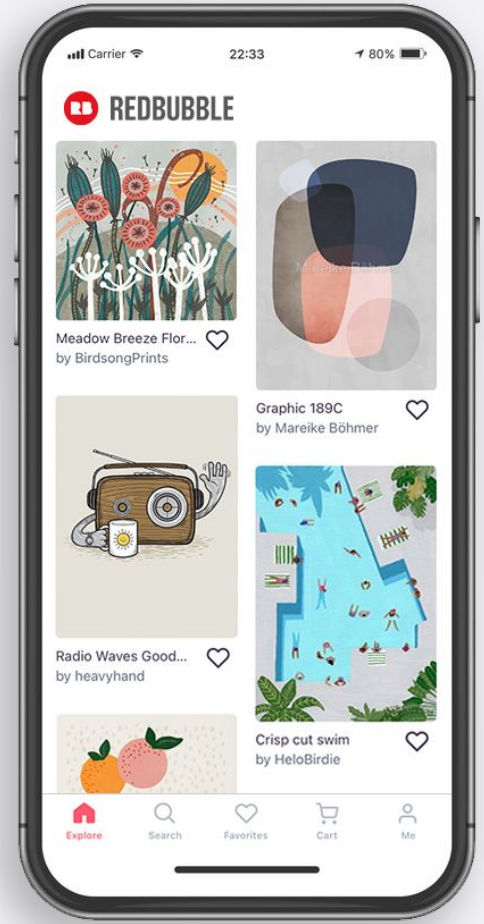


55%

Total Marketplace Revenue from mobile platforms in FY21

14%

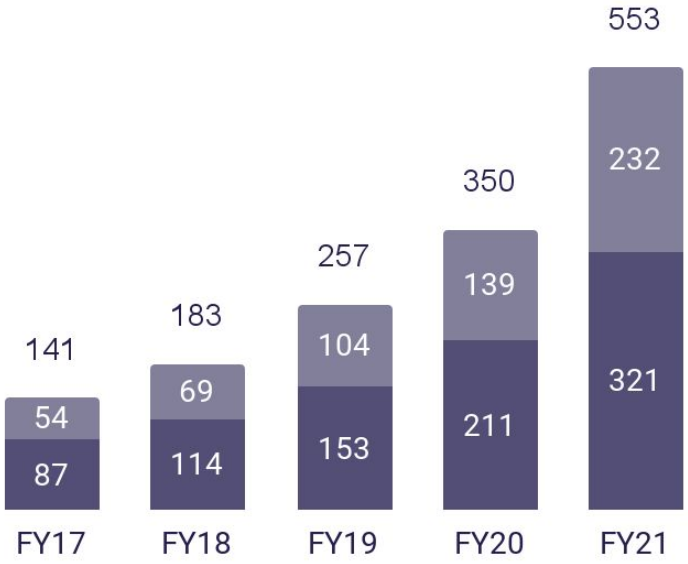
Redbubble only Marketplace Revenue from apps in FY21
(up 77% YoY)



Source: RB internal data.

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

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

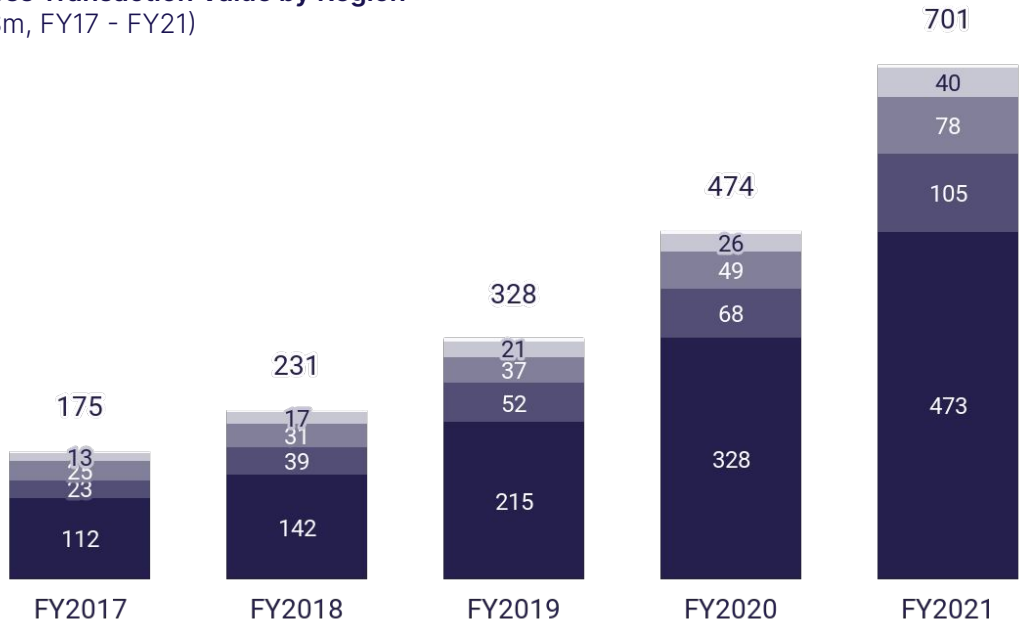
+62%

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

Source: RB internal data.

Truly global with opportunities to expand across all geographies

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

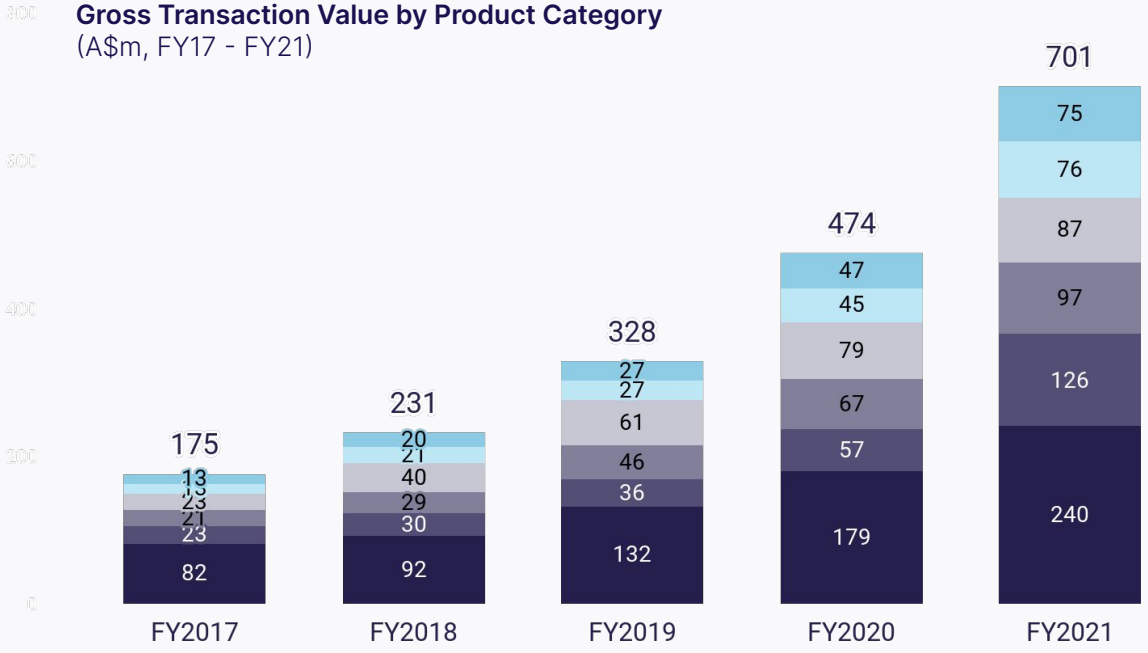


Region	% Total business	FY20-21 YoY
ROW	1%	34%
AU/NZ	6%	56%
UK	11%	59%
EU	15%	54%
North America	67%	44%

Source: RB internal data.

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%

Source: RB internal data

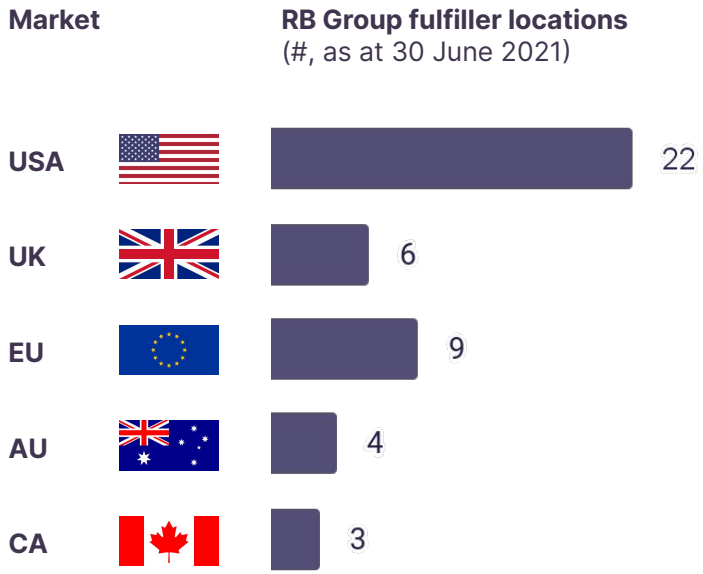
Localised 3P fulfilment network enables effective scaling, whilst providing agility and resilience

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 localistion

Record volumes serviced through the network in FY21:

- 11.6 million packages shipped (up 47%)
- 87% on time delivery (up 8%)
- NPS[1] of 50



Source: RB internal data
1. For Redbubble only. Calculated on a weighted basis across the core regions for FY21 i.e. from July 2020 - June 2021.

2. Medium term aspiration



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

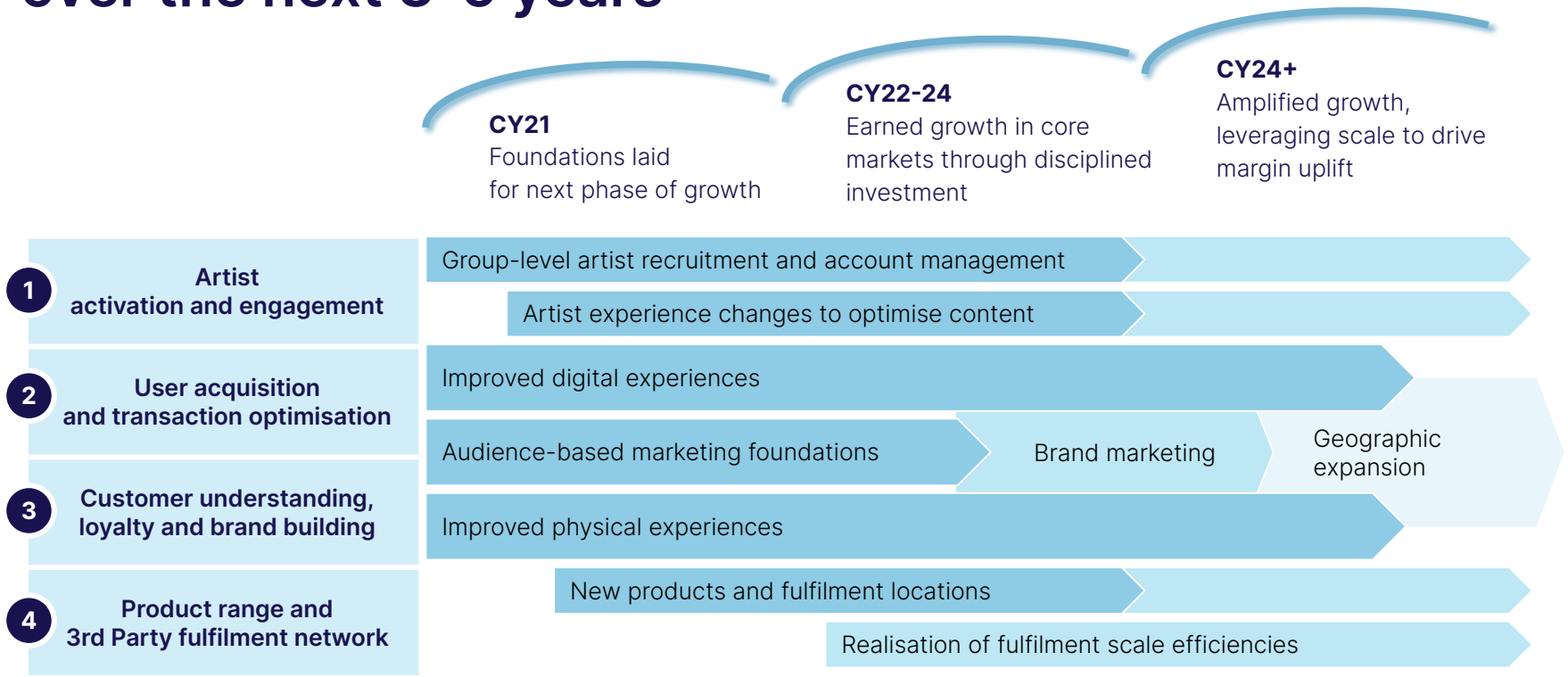
$1.25b
in Marketplace Revenue

$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

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



Building margin and bottom line improvement as the business scales

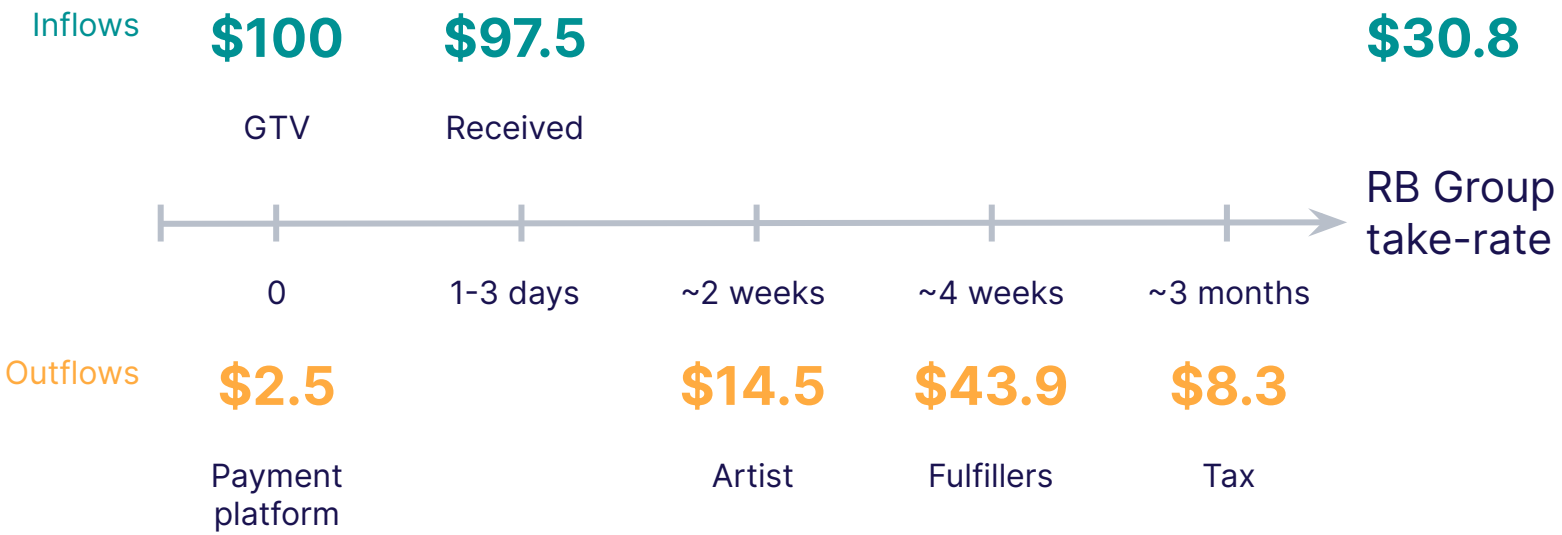
	CY20	CY24+	Implications
Artist Revenue	98.6	$250m+	Step change in value for Artists
Marketplace Revenue	521.7	$1.25b+	Grow MPR at CAGR of 20-30%
GP (% of MPR)	40.7%	40-42%	Grow the product portfolio while maintaining similar margin structures
Marketing (%)	12.3%	12-15%	Increase overall marketing spend 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

Appendix



Crystal Bohemian Honeycomb Cubes
Designed and sold by
Micklyn

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



Source: RB internal data. Analysis based on FY21 figures, on a paid basis without delivery date adjustments.

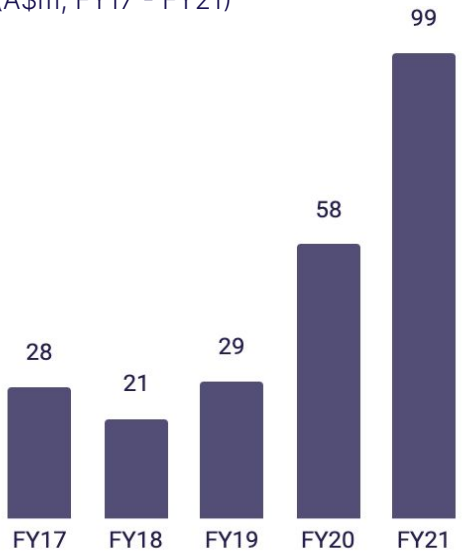
Strong balance sheet provides flexibility to accelerate growth

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

Business model also benefits from a favourable working capital cycle

Source: RB internal data.

Outlook

Reiterating the outlook statements provided in August, Redbubble expects FY22 Marketplace Revenue to be slightly above FY21 underlying Marketplace Revenue[1]

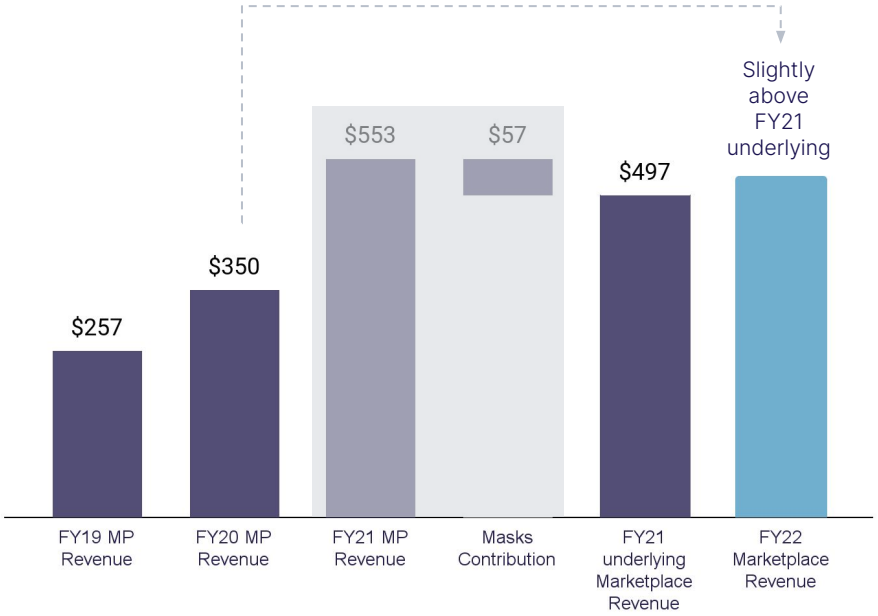
The Group had also shared that Marketplace Revenue growth in 1H will likely be negative YoY with a steady return to YoY growth rates consistent with meeting its medium term aspirations from 2H

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 and extend Redbubble's global market leadership as the largest marketplace for independent artists

Marketplace Revenue
(A$m, FY19 - FY22)



1. Mask sales contributed $57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of $497 million.

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.

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