



FY24 Results

21 August 2024

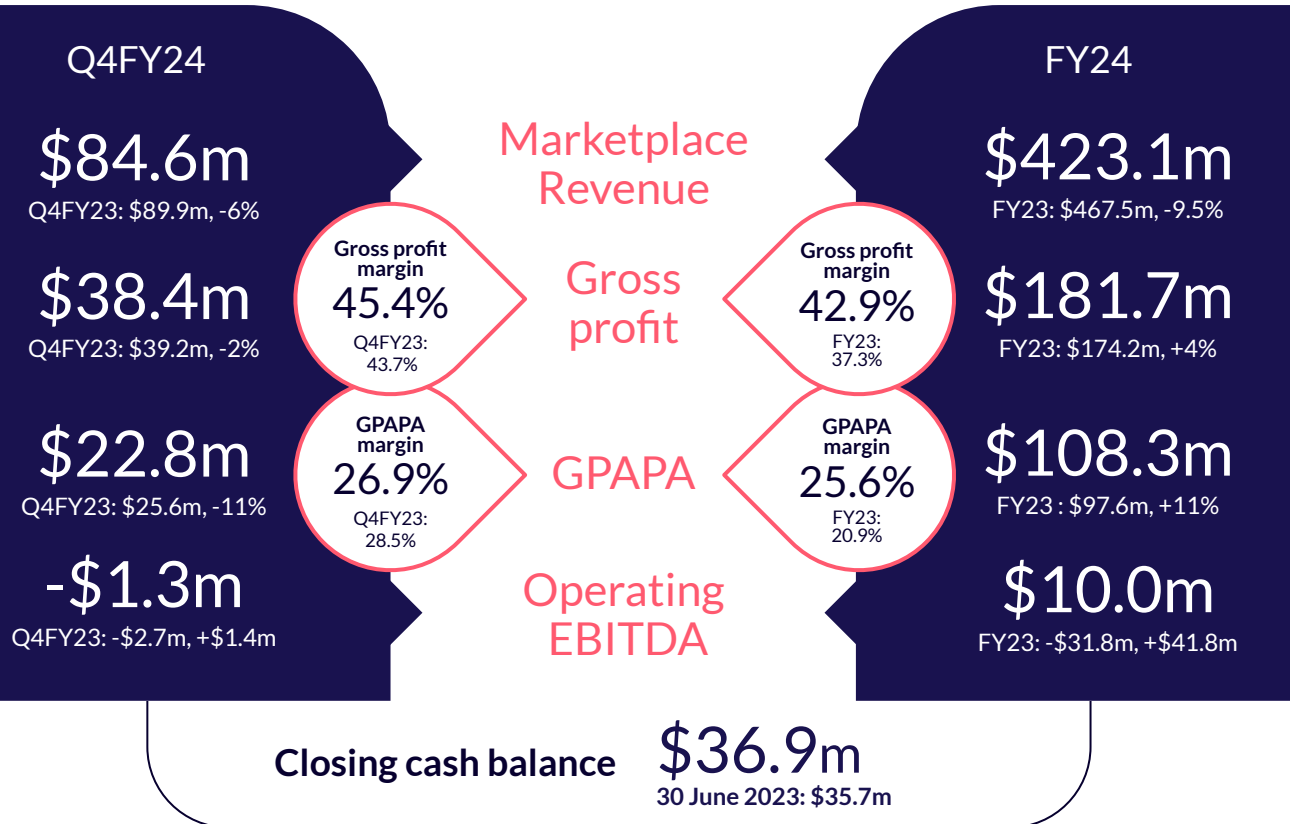


Our Vision

Global leader
for connecting digital
creators with their
customers



Financial highlights



Significant uplift in Gross Profit margin (+570 bps) and GPAPA margin (+470 bps) in FY24 on pcp

FY24 Operating EBITDA of \$10.0m, +\$41.8m turnaround on pcp due to improvement in unit economics and ongoing cost discipline

Achieved positive underlying cash flow¹ of \$0.9m in FY24, +\$47.8m turnaround on pcp

1. Underlying cash flow defined as operating EBITDA plus net interest earned, less lease related expenses, payments for capitalised development costs and property, plant and equipment (PPE).

Delivered first phase of turnaround in FY24

FY24 Priorities

Achievements



New name and organisational restructure:
Group and two operating companies

Provided greater insights into the performance of each marketplace and enhanced sharing of knowledge and expertise across the Group



Leverage core strengths to return both marketplaces to profitable growth

Both marketplaces delivered significant margin expansion and positive operating EBITDA and underlying cash flow in FY24



Focus on narrow set of priorities

Refocused team on initiatives to drive better unit economics and more effective marketing spend resulting in profit and margin improvement



Substantial reduction in operating expenditure

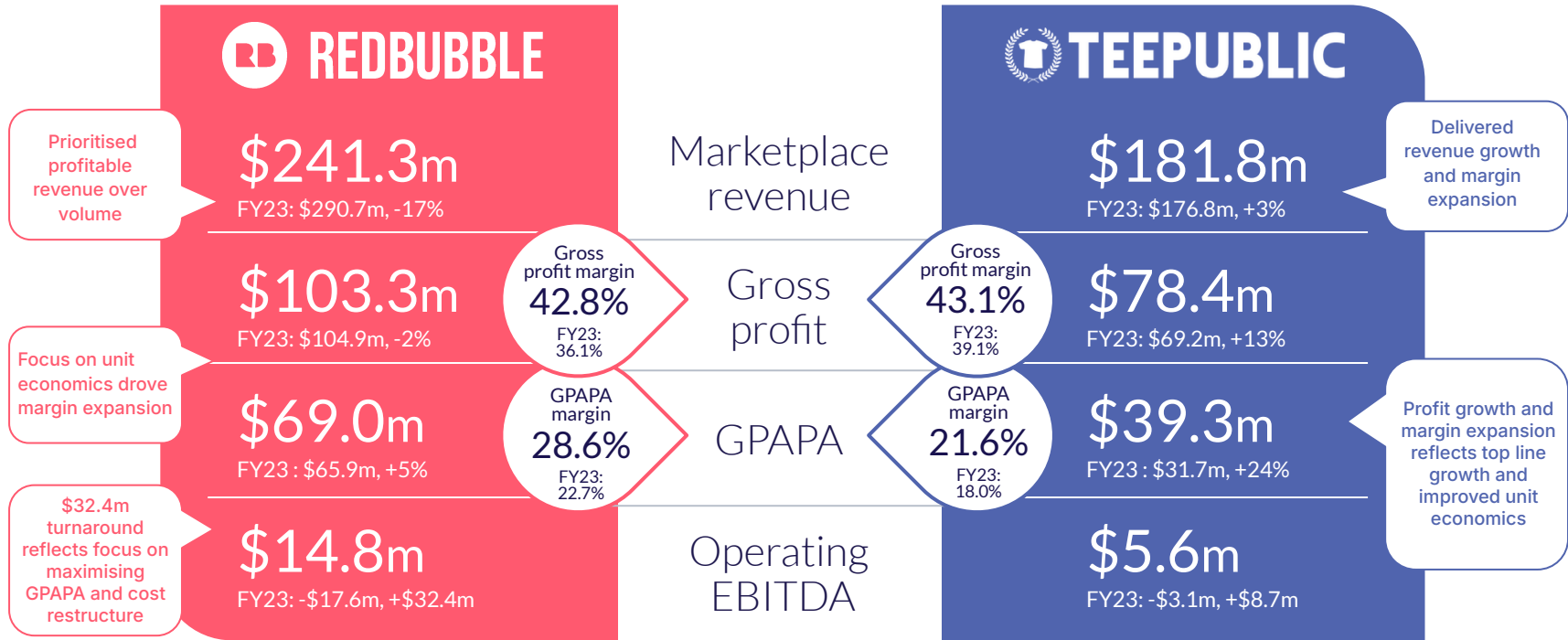
Ongoing cost discipline and full benefit from FY23 cost restructure delivered \$31m opex reduction in FY24 on pcp



Significant leadership renewal

Renewed Board and executive brought new capabilities and experience that will be leveraged to drive future growth opportunities

FY24 marketplace highlights



Both marketplaces delivered positive underlying cash flow in FY24

Marketplace updates



Redbubble update



Customer on Redbubble

Pick any subject you like, and I bet you'll be able to find art on that subject, created in a style that appeals to you. Not only that, but you can usually find the art you like on tee shirts, wall art, mugs, notebooks, magnets, and a bunch of other items.



Creator on Redbubble

Redbubble is amazing in allowing anyone with any creative juices to whip up and sell a wide variety of products with their own personal thoughts, flair, and imagination in simple-to-follow instructions.

FY24 operational metrics

Selling artists

575k

FY23: 569k

Artist earnings
\$51.2m

FY23:
\$65.0m

Customers

4.2m

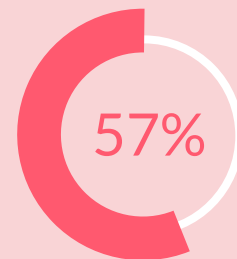
FY23: 5.0m

Designs sold

4.1m

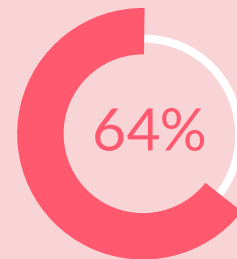
FY23: 4.8m

FY24 financial metrics



Marketplace revenue contribution

FY23: 62%



GPAPA contribution

FY23: 67%

Optimising the Redbubble flywheel to return to profitable revenue growth



Goal	Ensure we have the right content that can be discovered	Attract and retain customers	Optimising margins and continued cost discipline
Actions	<ul style="list-style-type: none"> ✓ Successfully controlled surge of low-value content ✓ AI-based search enabling better discovery of long tail ✓ Focused offsite marketing on the best-performing content ⚙ Mobilising artists to fill content gaps 	<ul style="list-style-type: none"> ✓ Increased promotions, offered free shipping on stickers in US ✓ New products and line extensions ⚙ Scaling paid marketing spend while maintaining profitability ⚙ Growing email, SMS channels to increase repeat purchases 	<ul style="list-style-type: none"> ✓ Rolled out DORS, facilitating competition among fulfillers ✓ Localised production and renegotiated relationships with third party shippers ✓ Reduced fixed costs (employment, software)

% of new works sold up 45% on pcp in June

Paid marketing spend down 12% in FY24 vs pcp

Gross profit margin up 670 bps in FY24 on pcp, opex down 35%

Improving one side of the flywheel creates a positive reinforcing impact on other side

TeePublic update



Customer on TeePublic

I Love TeePublic because you offer a variety of content that is relatable to my life. You also provide sizes for people who have a little more to love. Lol. I love expressing myself via tee shirts!!!



Creator on TeePublic

You brought tears to my eyes. I have loved art from a young age. My family always told me to pursue other careers because they said I couldn't make a living from it. I had almost given up my dreams of being an creator, but TeePublic changed that!

FY24 operational metrics

Selling artists

136k

FY23: 96k

Artist earnings
\$18.7m

FY23:
\$22.6m

Customers

2.4m

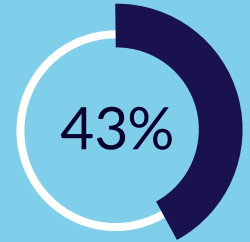
FY23: 2.5m

Designs sold

1.5m

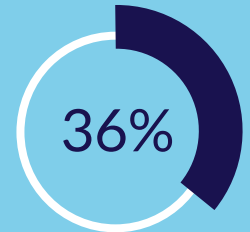
FY23: 1.4m

FY24 financial metrics



Marketplace revenue contribution

FY23: 38%



GPAPA contribution

FY23: 33%

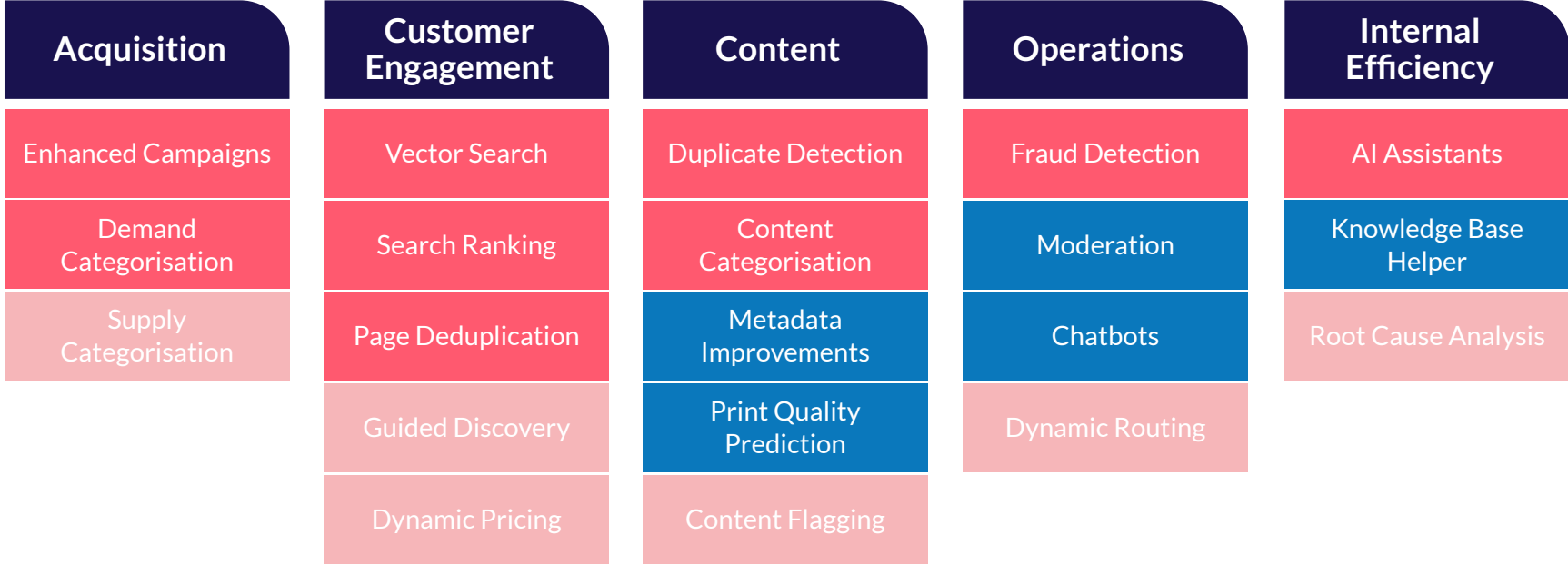
Leverage strong foundation to expand global footprint and product offering



Goal	Improving Artists' Customer experience	Attract and retain customers	Optimising our supply chain
Actions	<ul style="list-style-type: none"> Introduce new incentives for top artists to drive incremental traffic and orders Increased focus on adding more Creators selling merchandise via TeePublic 	<ul style="list-style-type: none"> Launch advanced account features including "favouriting" to drive higher customer engagement Introduce new product page (PDP) and navigation to improve conversion rate Expanded bundling offer to increase order size 	<ul style="list-style-type: none"> Further increased reallocation of volume to lower cost third party fulfillers Continued localisation of supply chain in non-US markets Expanded product range to include hats
	Selling artists grew by 41% on pcp	New customers orders up 4.4% on pcp in Q4	Gross profit margin up 400 bps on pcp in FY24

Improving one side of the flywheel creates a positive reinforcing impact on other side

AI is driving operational efficiencies and enhancing the user experience



Active Use

In Discovery / Development

Potential Future Opportunities

FY24
financial
overview



4QFY24 and FY24 Group profit and loss statement

P&L (A\$M)	4QFY23	4QFY24	% change	FY23	FY24	% change
Total revenue	106.0	98.9	(7%)	555.1	493.0	(11%)
MPR	89.9	84.6	(6%)	467.5	423.1	(10%)
Gross profit	39.2	38.4	(2%)	174.2	181.7	4%
Gross profit margin	43.7%	45.4%	1.8pp	37.3%	42.9%	5.7pp
Paid acquisition	(13.6)	(15.7)	15%	(76.6)	(73.4)	(4%)
GPAPA	25.6	22.8	(11%)	97.6	108.3	11%
GPAPA margin	28.5%	26.9%	(1.6)pp	20.9%	25.6%	4.7pp
Brand awareness project	0.0	0.0	100%	(6.8)	0.0	(100%)
Operating expenses	(28.4)	(24.1)	(15%)	(122.6)	(98.3)	(20%)
Operating EBITDA	(2.7)	(1.3)	51%	(31.8)	10.0	131%
Other income/expenses	(2.2)	(1.2)	(47%)	(8.9)	(6.5)	(27%)
EBITDA	(4.9)	(2.5)	49%	(40.7)	3.5	109%
Depreciation & amortisation	(3.1)	(3.4)	9%	(10.7)	(13.8)	28%
EBIT	(8.0)	(5.9)	27%	(51.4)	(10.3)	80%

Expected decrease in MPR due to focus on profitable revenue over volume with the rate of decline moderating during the 2HFY24

Focus on unit economics delivered GP growth and substantial margin expansion in FY24. Marginal decline in 4QFY24 due to cycling of initiatives implemented in the pcip

GPAPA growth and margin expansion in FY24 reflected GP improvement

Increased investment in marketing spend at both marketplaces in 4QFY24 with ongoing focus on driving effectiveness

Significant reduction in opex reflects benefits from FY23 cost out program and ongoing disciplined cost management

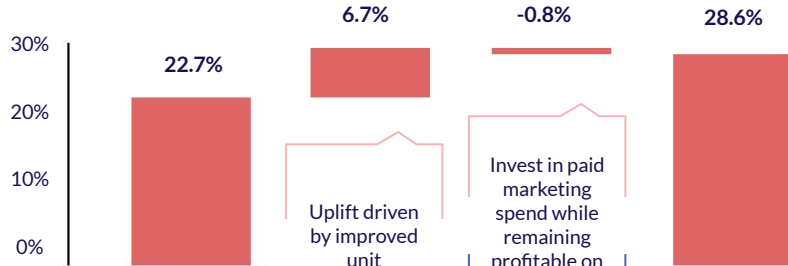
Measures outlined above delivered \$41.8m turnaround in Operating EBITDA on pcip

GPAPA margin expansion and significant cost savings drive increased profitability

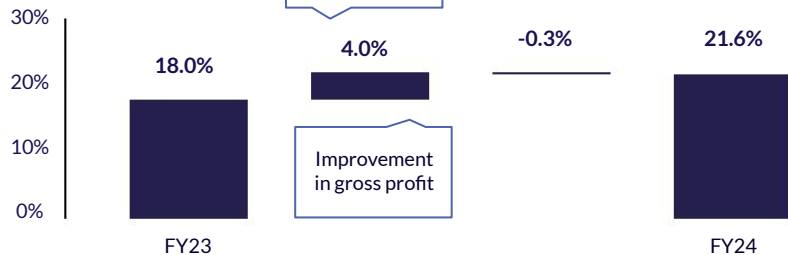
Key drivers of GPAPA margin improvement

(FY23 to FY24)

Redbubble

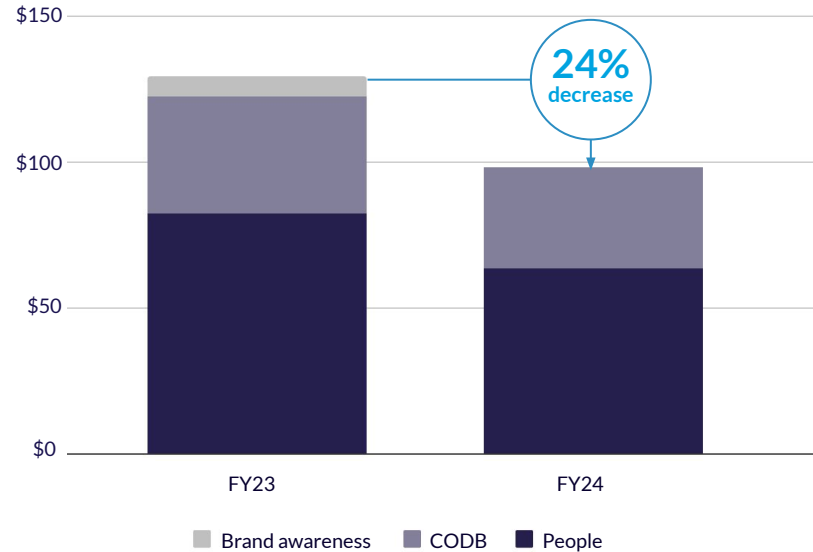


TeePublic



Operating expenditure

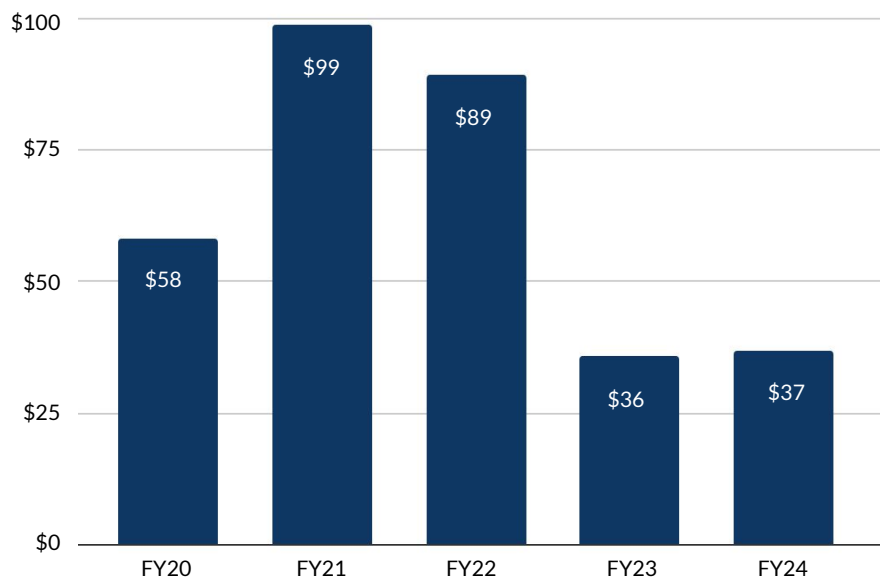
(FY23 to FY24)



Delivered positive underlying cash flow in FY24

Closing cash balance

(millions, FY20- FY24)



Positive underlying cash flow of \$0.9m delivered in FY24, \$47.8m turnaround on pcp

Closing cash balance of \$36.9m, up 3% on pcp

Launch of on-market buyback in June 2024 was an important capital management initiative that reflects confidence in the future performance of the Group

Strategy and Outlook



New growth will build on the Group vision and leverage core strategic assets

Group vision

Global leader
for connecting
digital creators
with their
customers

Strategic assets

Leading network of creators
with commercial content

Scaled and growing global
fulfillment network

Superior unit economics

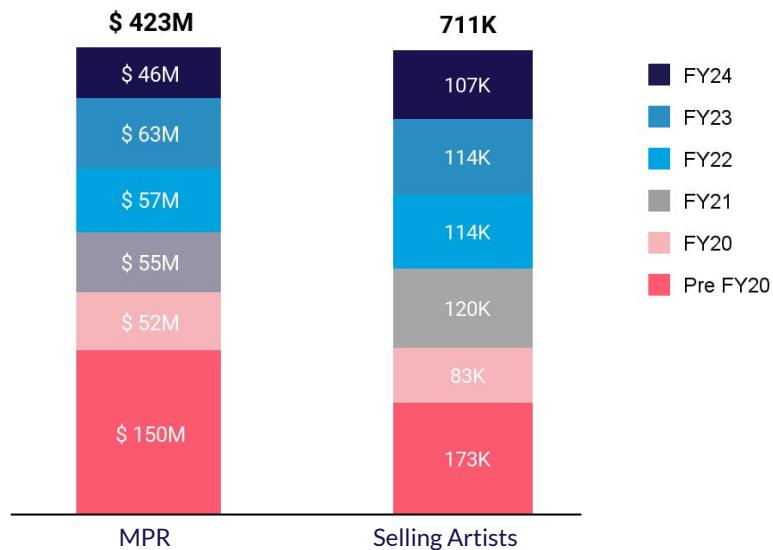
How strategic
assets will be
leveraged

- ▶ Provide additional revenue streams for existing creator segments
- ▶ Expand into new creator segments

Leveraging solid base of new and existing creators

Selling artists profile¹

(millions, FY24)



Large community of active selling artists with solid base of long term contributors to marketplace

\$150m or >30% of MPR from long standing creators who have been on the platform since Pre-FY20

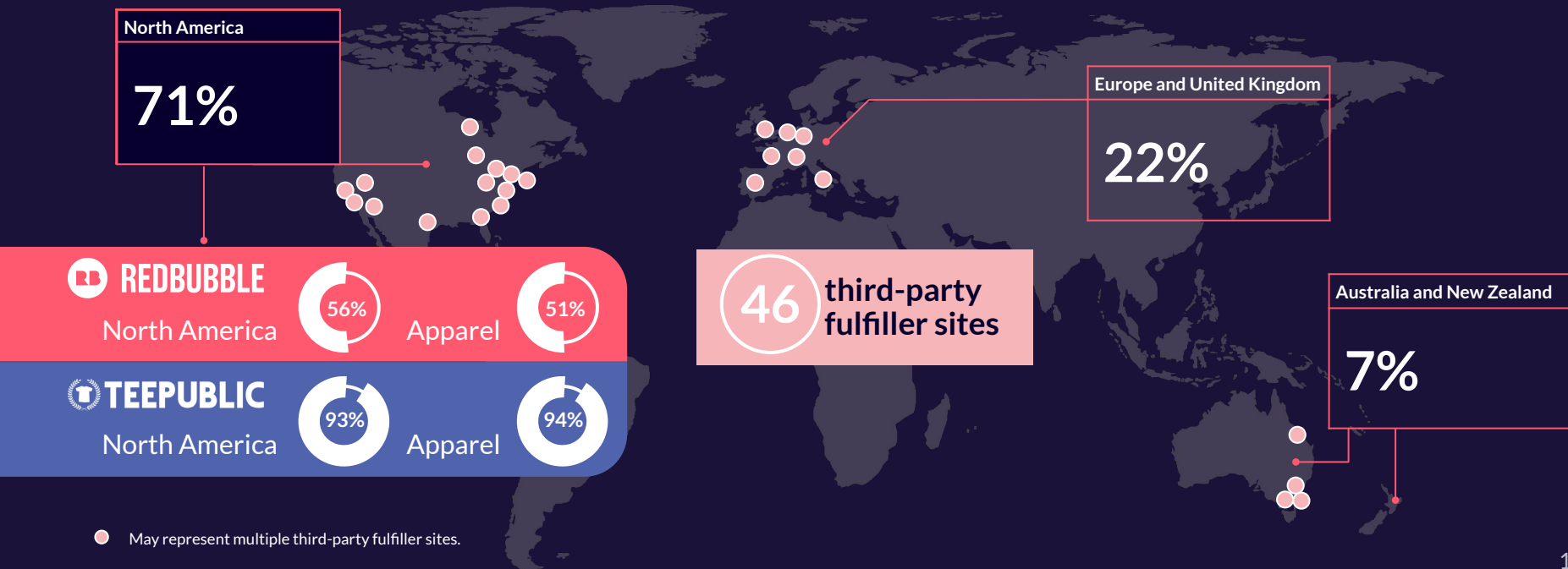
~\$50m of MPR from new creators who joined the platform during FY24

¹Note there may be some duplication across marketplaces.

Two distinct marketplaces operating at a global scale

Geographic Diversity

(% of gross transaction value)



FY25 priorities and guidance

Build on solid foundations established in FY24 to deliver the next phase of growth.

- Extract maximum value from both marketplaces by optimising COGS and paid marketing activities
- Maintain cost discipline and maximise synergies across the Group
- Remain underlying cash flow positive
- Invest in organic opportunities serving new and existing creators beyond existing marketplaces

FY25 Guidance¹

- GPAPA margin of 24-26%
- Operating expenditure of \$96m-\$100m
- Positive underlying cash flow



1. Our ability to achieve this aim is highly dependent on various factors including consumer demand, foreign exchange rates, geographic and product mix.



Supplementary information



4QFY24 and FY24 profit and loss statement

P&L(A\$M)	4QFY23	4QFY24	% change	% cc change	FY23	FY24	% change	% cc change
Total revenue	106.0	98.9	(7%)	(8%)	555.1	493.0	(11%)	(14%)
Less: artist revenue	(16.2)	(14.3)	(12%)	(13%)	(87.6)	(69.9)	(20%)	(23%)
MPR	89.9	84.6	(6%)	(7%)	467.5	423.1	(10%)	(12%)
Underlying adjustment ⁽¹⁾	-	-	n/a	n/a	-	(2.7)	n/a	n/a
Gross profit ⁽¹⁾	39.2	38.4	(2%)	(3%)	174.2	181.7	4%	1%
Gross profit margin	43.7%	45.4%	1.8pp	1.8pp	37.3%	42.9%	5.7pp	5.7pp
Paid acquisition	(13.6)	(15.7)	15%	14%	(76.6)	(73.4)	(4%)	(6%)
GPAPA ⁽¹⁾	25.6	22.8	(11%)	(12%)	97.6	108.3	11%	7%
GPAPA margin	28.5%	26.9%	(1.6)pp	(1.6)pp	20.9%	25.6%	4.7pp	4.6pp
Brand awareness project	0.0	0.0	100%	100%	(6.8)	0.0	(100%)	(100%)
Operating expenses	(28.4)	(24.1)	(15%)	(16%)	(122.6)	(98.3)	(20%)	(21%)
Operating EBITDA	(2.7)	(1.3)	51%	51%	(31.8)	10.0	131%	127%
Other income/expenses	(2.2)	(1.2)	(47%)	(30%)	(8.9)	(6.5)	(27%)	(28%)
EBITDA ⁽¹⁾	(4.9)	(2.5)	49%	43%	(40.7)	3.5	109%	106%
Depreciation & amortisation	(3.1)	(3.4)	9%	8%	(10.7)	(13.8)	28%	27%
EBIT ⁽¹⁾	(8.0)	(5.9)	27%	21%	(51.4)	(10.3)	80%	78%
Interest income/expense	0.0	0.1	(277%)	(271%)	(0.2)	0.1	(171%)	(167%)
Tax expense	(1.1)	(0.4)	(63%)	(64%)	(2.6)	(1.4)	(45%)	(45%)
Net profit/(loss) after tax ⁽¹⁾	(9.1)	(6.2)	31%	27%	(54.2)	(11.6)	79%	77%

1. The FY24 statutory results include a one-off release of an accrual that has been excluded in this investor presentation for the purpose of assessing the Group's FY24 performance on a like-for-like basis. This table shows the impact this has on underlying gross profit, GPAPA, EBITDA, EBIT and Net Profit/(Loss) after tax. These underlying results and the numbers presented in this investor presentation differ from the statutory financial statements by this amount. Gross profit, gross profit margin, GPAPA, GPAPA margin, operating EBITDA, EBITDA and EBIT are non-IFRS measures. Non-IFRS measures are unaudited.

Reconciliation of segment results

(A\$M)	FY23	FY24	% change
Redbubble MPR	290.7	241.3	(17%)
TeePublic MPR	176.8	181.8	3%
Articore MPR	467.5	423.1	(10%)
Redbubble gross profit	104.9	103.3	(2%)
TeePublic gross profit	69.2	78.4	13%
Articore gross profit	174.2	181.7	4%
Redbubble GPAPA	65.9	69.0	5%
TeePublic GPAPA	31.7	39.3	24%
Articore GPAPA	97.6	108.3	11%
Redbubble operating EBITDA	(17.6)	14.8	184%
TeePublic operating EBITDA	(3.1)	5.6	283%
Corporate costs	(11.1)	(10.4)	(7%)
Articore operating EBITDA	(31.8)	10.0	131%

Glossary

Term	Definition
\$	All references to dollar amounts or figures are in AUD unless stated otherwise
1H/2H	First or second half of the financial year
1Q/2Q/3Q/4Q	First, second, third or fourth quarter of the financial year
AI	Artificial intelligence
Selling artists	Number of active artists who sold a product printed with their art during reporting period. Does not account for duplication across operating companies.
b	Billion
bps	Basis points
CODB	Cost of doing business
COGS	Cost of goods sold
Constant currency (cc)	Reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 89% of its marketplace revenue in currencies other than Australian dollars. TeePublic sources about 90% of its marketplace revenue in US dollars
CY	Calendar year
Designs sold	Number of artists' designs that have sold on at least one product during reporting period
DORS	Dynamic order routing system
EBITDA	Earnings before interest, tax, depreciation and amortisation. This is a non-IFRS measure and is unaudited
FY	Financial year
GP	Gross profit. This is non-IFRS measure and is unaudited
GPAPA	Gross profit after paid acquisition. This is a non-IFRS measure and is unaudited
GTV	Gross transaction value less taxes and artist revenue is equal to marketplace revenue. This is a non-IFRS measure and is unaudited
MPR	Marketplace revenue. Total revenue less artist revenue
m	Million
pcp	Prior corresponding period
Underlying cash flow	Operating EBITDA plus net interest earned, less lease related expenses, payments for capitalised development costs and property, plant and equipment (PPE)
US	United States of America
YoY	Year on year

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