



FY2020 Financial Results

Melbourne, Australia; 21 August 2020: Redbubble Limited (ASX: RBL; ADR: RDBBY) today released its full year results for the year ended 30 June 2020. 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 audited.

FY2020 Financial Performance

Redbubble Group's ("RB Group" or "Group") FY2020 financial metrics (with YoY growth rates¹, where applicable) are:

- Marketplace Revenue of \$349 million, up 36% (29% on a constant currency basis²)
- Gross profit of \$134 million, up 42% (36% on a constant currency basis)
- GPAPA of \$95 million, up 40% (34% on a constant currency basis)
- Operating EBITDA³ of \$15.3 million, up 141% (123% on a constant currency basis)
- EBITDA of \$5.1 million, up 358% (886% on a constant currency basis)
- Free cash inflow of \$38 million⁴, compared to an outflow of \$0.2 million in FY2019⁵, resulting from the Group's increasing profitability and working capital advantage
- Closing cash balance at 30 June 2020 of \$58 million

During 4Q FY2020, growth and profitability accelerated:

- 4Q20 Marketplace Revenue of \$103 million, up 73% on 4Q19 (64% on a constant currency basis)
- Gross profit grew 88% and GPAPA grew 83% in 4Q20 compared to 4Q19, outpacing topline growth, driven by margin expansion and paid efficiency
- 4Q20 recorded Operating EBITDA of \$8.4 million and EBITDA of \$7.4 million

With a diversified network of 37 fulfillers across 10 countries and 41 locations, the Group fulfills products close to customers, keeping shipping timelines and costs competitive. During FY2020, fulfillment capacity was added in Europe, Canada and the United States.

¹ FY2020 YoY growth rates based on TeePublic contributions from 1 Nov 2018.

² "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 94% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources about 89% of its Marketplace Revenue in US dollars.

³ Operating EBITDA excludes non-cash share-based payments, currency gains/losses, rent expenses (as per AASB 16 effective 1 July 2019), depreciation and amortisation. Comparative figures have been adjusted accordingly on a like for like basis. 4Q and FY2020 Operating EBITDA also includes the impact of \$2.2m related to one-off reorganisation costs.

⁴ Aggregate operating and investing cash flows excluding consideration for TeePublic.

⁵ The AASB 16 change also increased FY2020 free cash flows by \$3.6 million. The FY2019 comparative figures have been adjusted upwards by \$2.9 million to apply the same treatment to the prior period.

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RB Group's marketing efforts maintained efficiency with FY2020 marketing spend at 11.4% of Marketplace Revenue.

Operating expenses for the year were \$79.3m. This includes a one off \$2.2m provision for the organisational restructure announced on 25 June 2020.

Strategic & Business Update

Key metrics and highlights⁶ for FY2020 include:

- 511k selling artists, up 51% and artist earnings were \$67 million, up 35%
- 6.8 million unique customers, up 30%
- Repeat sales accounted for 40% of Marketplace Revenue
- Launch of 16 new products across the Group in FY2020, including face masks in April 2020
- Redbubble app sales saw growth of 159% in FY2020 and represented 12.6% of Redbubble Marketplace Revenue in FY20

FY2021 has started strongly with July Marketplace Revenue growth of 132% (133% on a constant currency basis) and similar sales levels in the first two weeks of August, measured on a paid basis⁷. Given ongoing uncertainty about COVID-19, RB Group will not be providing forward-looking guidance.

Teams are focused on 4 key initiatives to propel profitable growth:

- 1) Artist acquisition, activation and retention
- 2) User acquisition and transaction optimisation
- 3) Customer understanding, loyalty and brand building
- 4) Further physical product and fulfilment network expansion.

RB Group CEO, Martin Hosking, said: "RB Group's on-demand fulfilment model and differentiated consumer offerings provide us with distinctive advantages. The strong financial performance follows from these fundamentals. It has been pleasing to see the acceleration of existing trends in the last few months. 2021 represents a year of opportunity for the business. We are positioned to build on a decade of momentum and aggressively pursue the global opportunity presented by the shift to online activity and increasing adoption of ecommerce platforms."

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.

Martin Hosking (CEO) and Emma Clark (CFO) will host an investor update conference call via live webcast this morning at 10.00am (AEST) Friday 21 August 2020 || 5.00pm (PDT) and 8.00pm (EDT) on Thursday 20 August 2020.

⁶ Sourced from RB internal data.

⁷ Delivery date adjustment to be made according to AASB 15 to align to statutory reporting requirements. This will reduce the amount of revenue recognised in the period due to timing differences in periods of high growth.

Participants will need to PRE-REGISTER for the call via the link below:

<https://s1.c-conf.com/diamondpass/10008819-invite.html>

They will then receive a calendar invite and a unique code which is to be quoted when dialing 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 RB Group Investor Centre website: shareholders.redbubble.com. The recording will also be available on openbriefing.com.

For further information, please contact:

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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.

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 RB Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.