

FY 2016 Full Year Results Presentation

Presented by:

Martin Hosking – CEO
Chris Nunn – CFO



REDBUBBLE

Disclaimer

The material herein is a presentation of non-specific background information about the Company's current activities. It is information given 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.

Year in review

Martin Hosking- CEO



Executive Summary

Company listed on the ASX on 16 May 2016 as ticker code "RBL"

Redbubble had a strong year and finished FY2016 above expectations, meeting or exceeding all reported financial IPO forecast numbers:

- Revenue of \$114.6m vs \$114.5m forecast – Up 61.2% on FY2015
- Gross profit of \$39.0m vs \$38.5m forecast – Up 62.0% on FY2015
- EBITDA loss¹ \$8.7m vs \$10.6m forecast – Up 33.8% on FY2015
- Net loss after tax¹ \$17.8m vs \$19.7m forecast (before IPO costs)

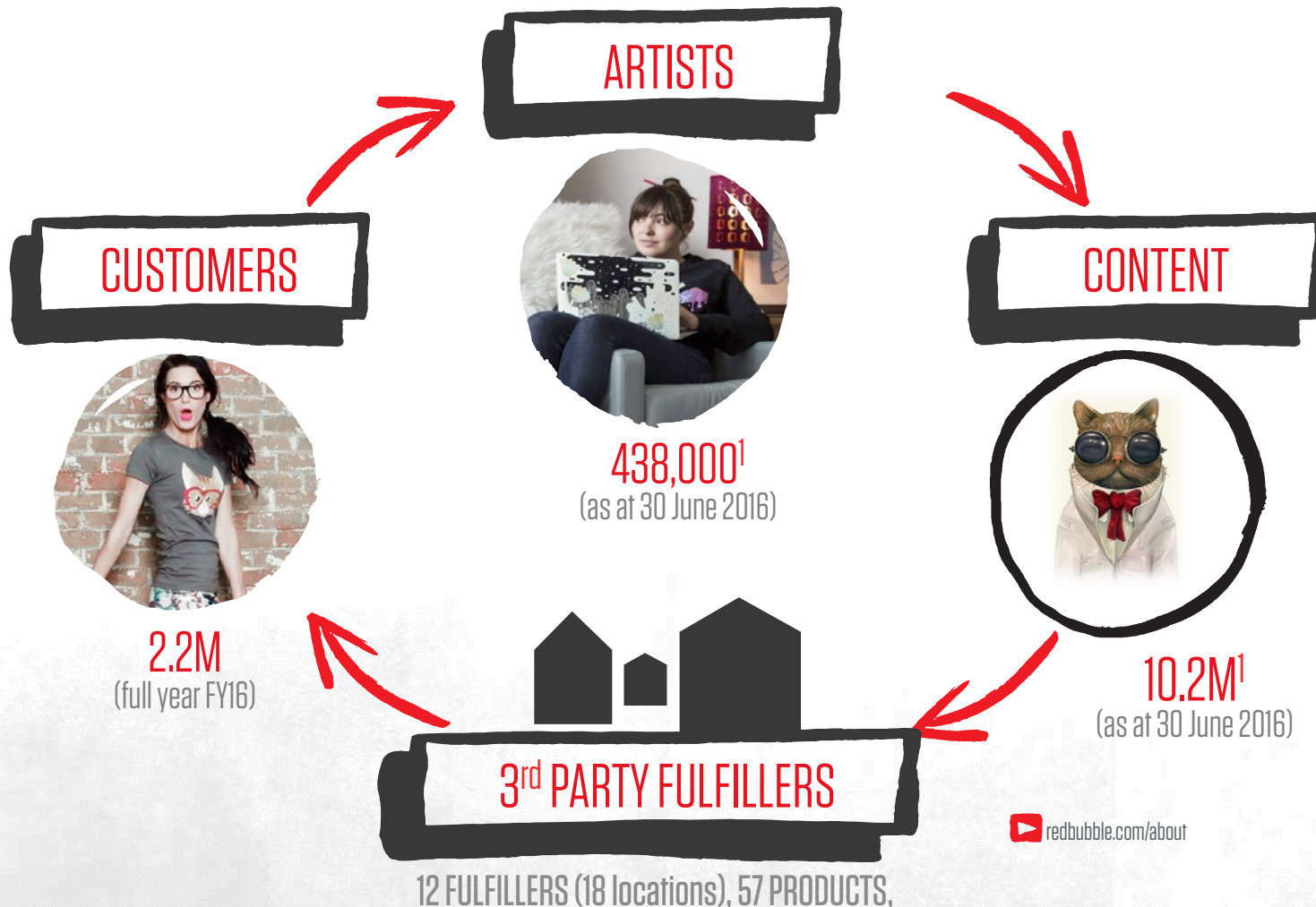
GTV², representing the value of marketplace transactions, came in at \$142.9m vs forecast of \$143.5m - Up 61.7% on FY2015

The Company continues to scale, meeting revenue targets with less cost than forecast, and to profitably acquire customers.

Growth initiatives have been delivered against plan

- 12 new physical products launched for the year
- German and French websites launched ahead of plan
- Significant website and mobile experience improvement
 - Improved checkout flow
 - Shopping cart upgrade and improved mobile functionality
 - New homepage with first personalisation capability
 - Mobile strategy on track

A brief recap on our business for investors hearing the story for the first time



 [redbubble.com/about](https://www.redbubble.com/about)

1. Net of removals
Source: Redbubble internal data
All \$'s are AUD throughout presentation and all years are Financial Year End 30 June

Strong growth in key measures FY2016 vs FY2015

	FY2015	FY2016	YOY growth	
Visits	103.1M	147.8M	43%	Continued work on Search Engine Optimisation and paid marketing effectiveness
Conversion rate¹	1.75%	1.87%	7%	
AOV²	\$49.6	\$52.6	6%	Customer and Selling Artist numbers both grow in line with delivery of growth initiatives
Customers	1.44M	2.20M	53%	
Selling Artists	95,500	154,300	62%	Driven by cart and mobile user experience improvements

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)

Source: Redbubble internal data

Results analysis

Chris Nunn - CFO



P&L Highlights

P&L	FY2015	FY 2016	Variance
(A\$M)	Full Year	Full Year	%
GTV	88.4	142.9	61.7%
Revenue	71.1	114.6	61.2%
Cost of sales	(47.0)	(75.6)	(60.8%)
Gross profit	24.1	39.0	61.8%
Gross profit margin	33.9%	34.0%	0.5%
Operating expenses ¹	(30.1)	(47.2)	(57.2%)
Other income/costs	(0.6)	(0.5)	11.6%
EBITDA (loss) ¹	(6.5)	(8.7)	(33.4%)
Depreciation & amortisation	(2.0)	(4.0)	(97.8%)
Finance costs	(0.2)	(1.8)	(678%)
Income tax	2.5	(3.4)	(236%)
Loss after tax ¹	(6.3)	(17.8)	(182%)

- FY2016 results met or exceeded IPO forecast at all levels
- FY2016 GTV driven by good progress across core growth initiatives
- FY2016 Gross profit grew in line with Revenue and margin maintained
- FY2016 operating expenses growth rate lower than revenue growth rate
- FY2016 Operating expenses includes \$7.7M paid marketing generating \$12.3M Gross profit
- FY2016 Finance cost includes transaction costs on CRPS and Convertible Notes converted to equity on IPO
- FY2016 Tax charge despite loss due to de-recognition of brought forward deferred tax assets

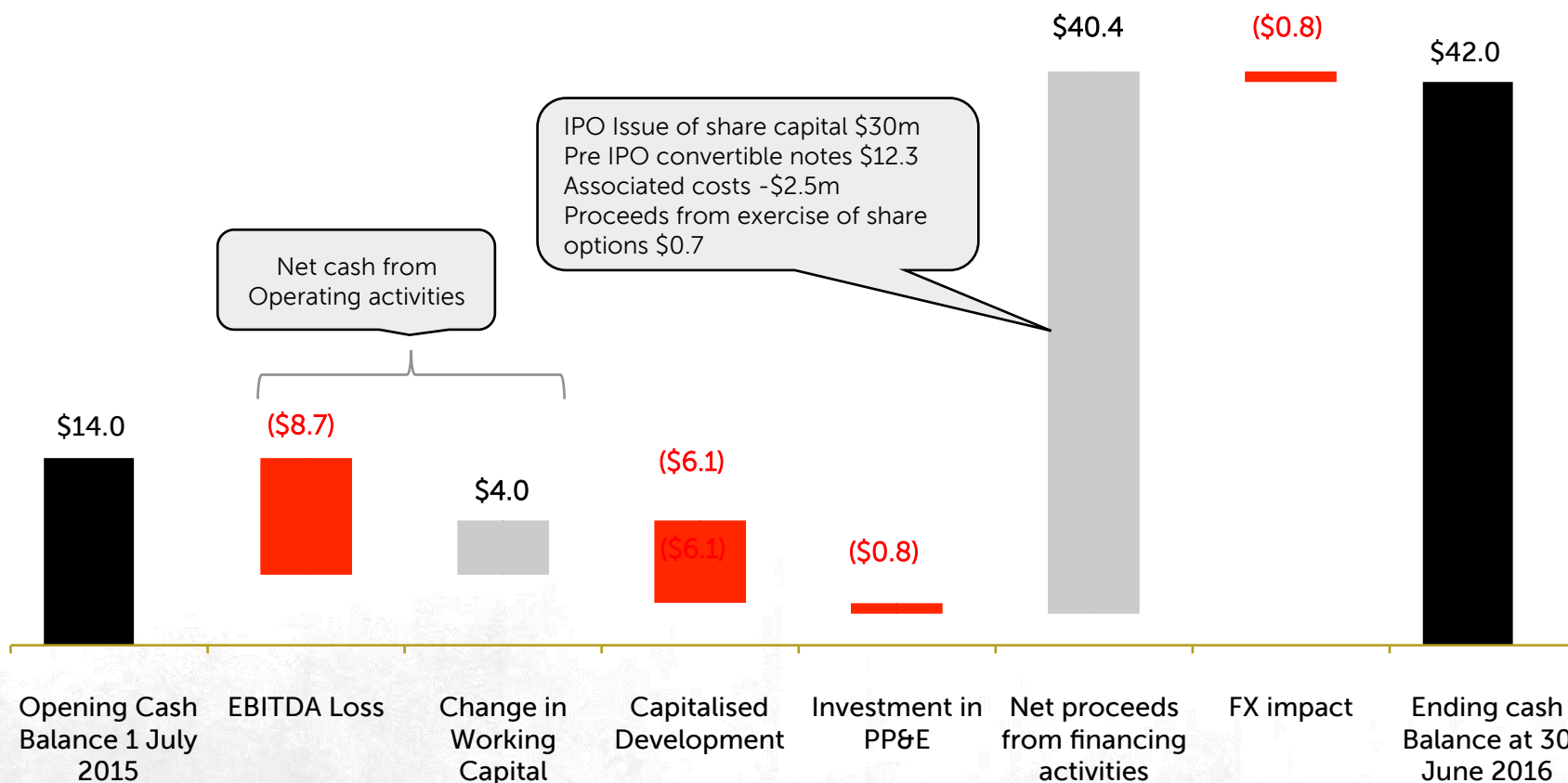
Cash flow summary

Cashflow	FY2015	FY 2016	Variance
(A\$M)	Full Year	Full Year	
Cash flows from operating activities			
Receipts from customers	87.9	145.4	65.5%
Payments to artists	(12.1)	(20.4)	(68.4%)
Payments to fulfillers	(45.19)	(74.9)	(65.7%)
Payments to other suppliers & employees	(29.9)	(54.9)	(83.8%)
Other	(0.6)	0.03	104%
Net cash from operating activities	0.2	(4.7)	(2,905%)
Net cash for investing activities	(5.2)	(6.9)	(34.2%)
Net cash from financing activities	15.0	40.4	169%
Net increase in cash	10.0	28.8	188%
Cash at beginning	4.6	14.0	202%
Exchange impact	(0.7)	(0.8)	(22.9%)
Cash at end	14.0	42.0	200%

- Allowing for timing differences, Receipts from customers growth is in line with Revenue growth
- Payment to fulfillers represents payments made to production, printer, shipping and transaction service providers
- Net cash for investing activities includes \$6.1M of capitalised development expenses (FY15: \$4.2M)
- Increase in net cash (refer next slide)

Redbubble is capital efficient

Cashflow waterfall (FY16, \$M)



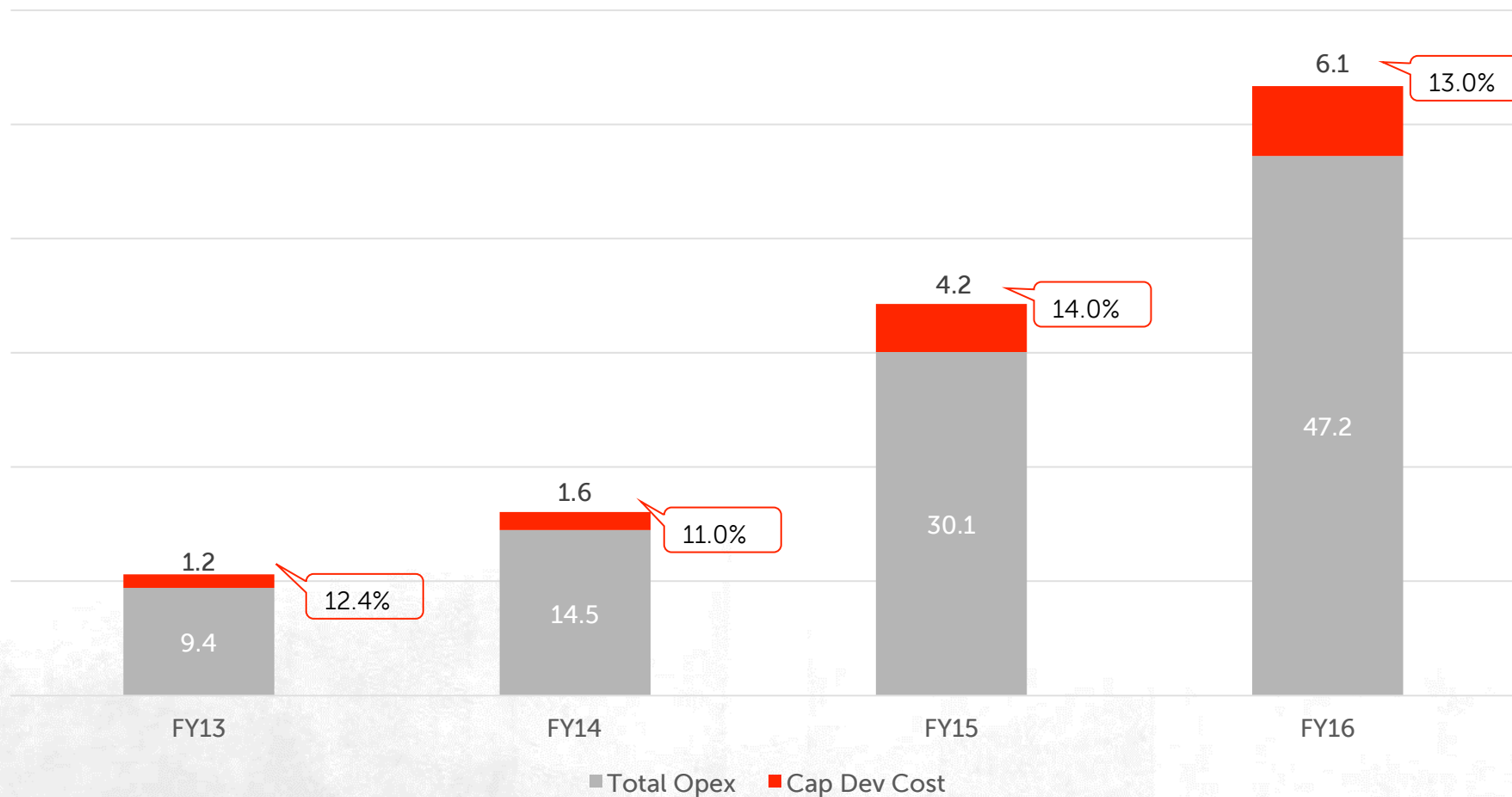
Balance sheet summary

BS	FY2015	FY 2016	Variance
(A\$M)	Full Year	Full Year	%
Total current assets	15.5	44.2	186%
Total non-current assets	11.7	11.4	(2.4%)
Total assets	27.2	55.6	105%
Total current liabilities	12.7	16.6	30.5%
Total non-current liabilities	15.2	0.1	(99.6%)
Total liabilities	27.9	16.7	(40.3%)
Net assets	(0.8)	39.0	5,221%
Contributed equity	9.5	67.9	607%
Other equity	1.1	2.3	114%
Accumulated losses	(11.4)	(31.2)	(178%)
Total equity	(0.8)	39.0	5,221%

- Balance sheet in a strong position due to IPO share capital raise of \$30.0M and Pre-IPO convertible notes of \$12.3M (gross of costs)
- Current liabilities includes trade payables of \$13.1M (FY15: \$10.3M) and Unearned income \$2.4M (FY15: \$1.7M). Unearned income represents sales made for which shipment has not occurred at balance date
- Redbubble has no debt.

Conservative and consistent capitalisation of development costs

Capitalised development cost v Opex¹ (FY16, \$M)



1. Employee Benefits + Marketing + Ops & Admin costs. Excludes IPO costs of \$2M

Operations update and Growth Strategy

Martin Hosking



Redbubble continues to see a strong sales growth trajectory

With a naturally hedged geographic mix



GTV (\$M) by Year & Quarter since launch

FY2016 GTV split by region

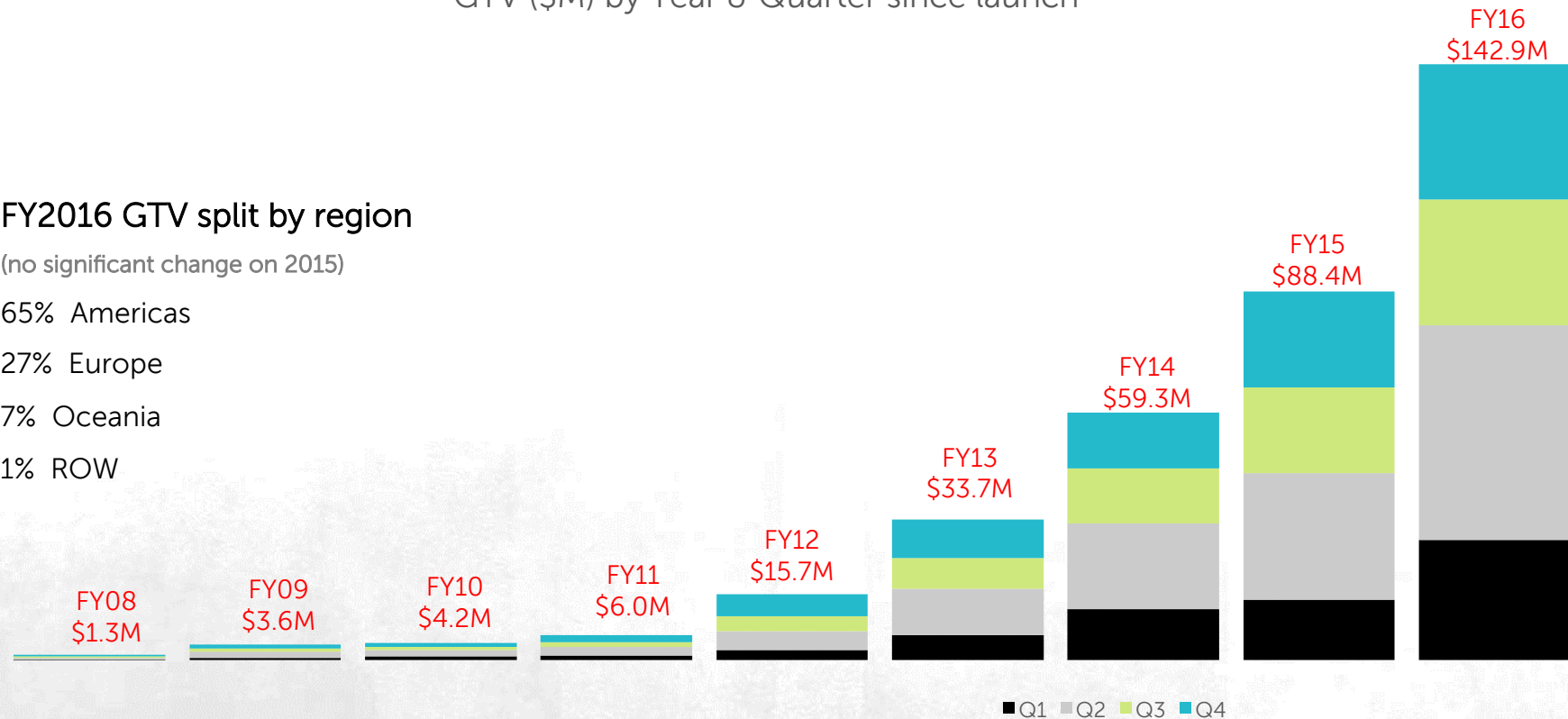
(no significant change on 2015)

65% Americas

27% Europe

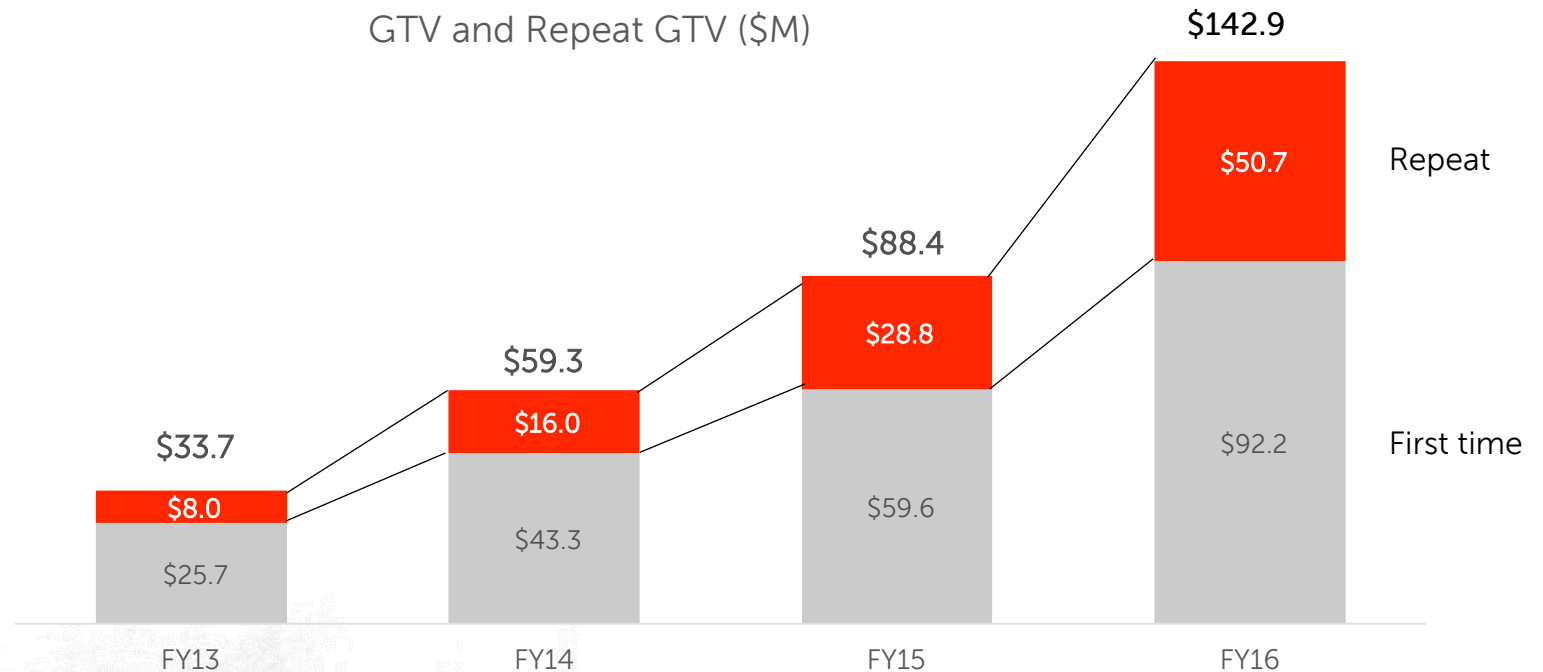
7% Oceania

1% ROW



Redbubble continues to drive growth through repeat business

76% growth in Repeat GTV YOY for FY2016



YOY GTV Growth	Total	114%	76%	49%	62%
	Repeat	117%	101%	79%	76%

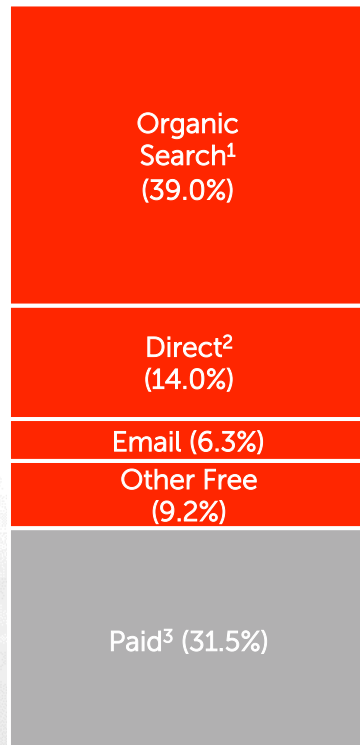
Redbubble grows strongly with low customer acquisition costs

All paid channels are GP accretive, 68.5% of FY2016 traffic is from free sources

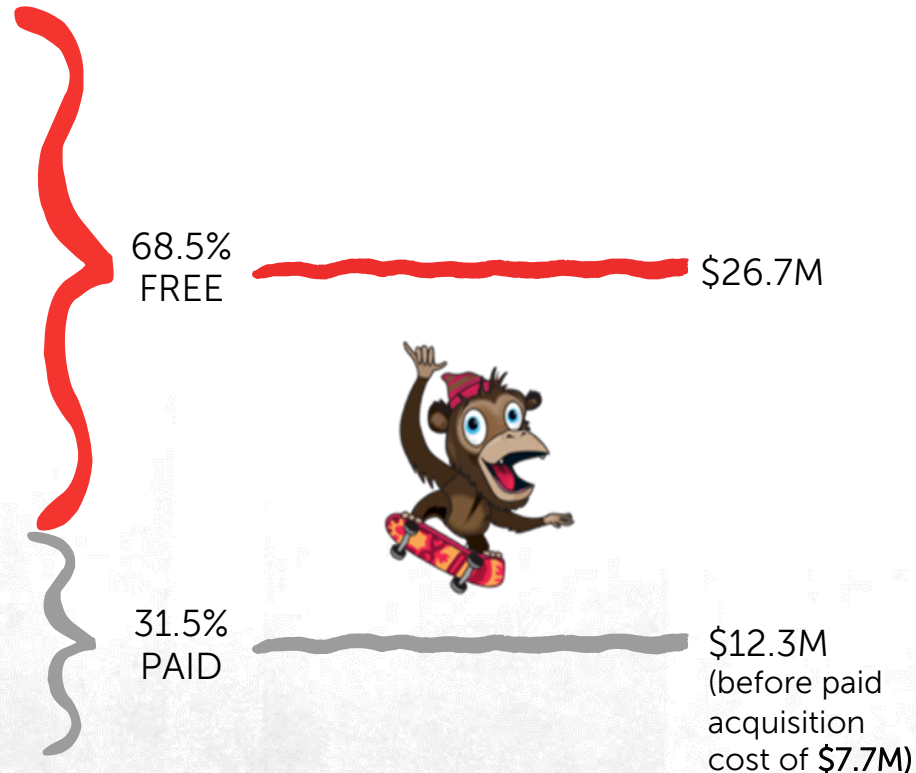
Organic growth fuels sales....

....with all channels profitable on first purchase

Sales by source (FY16)



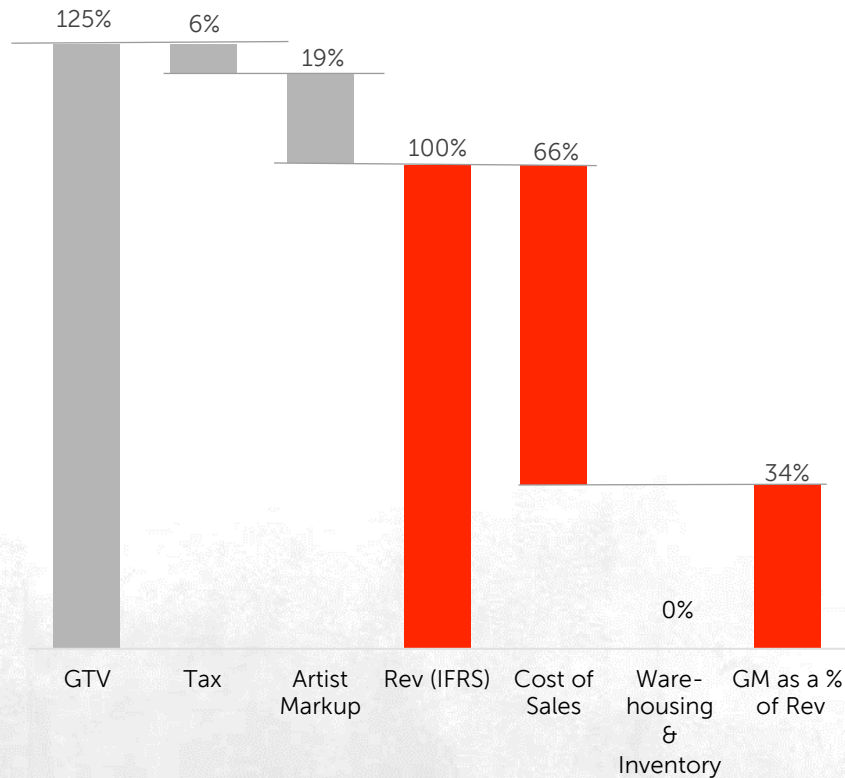
Gross Profit (FY16)



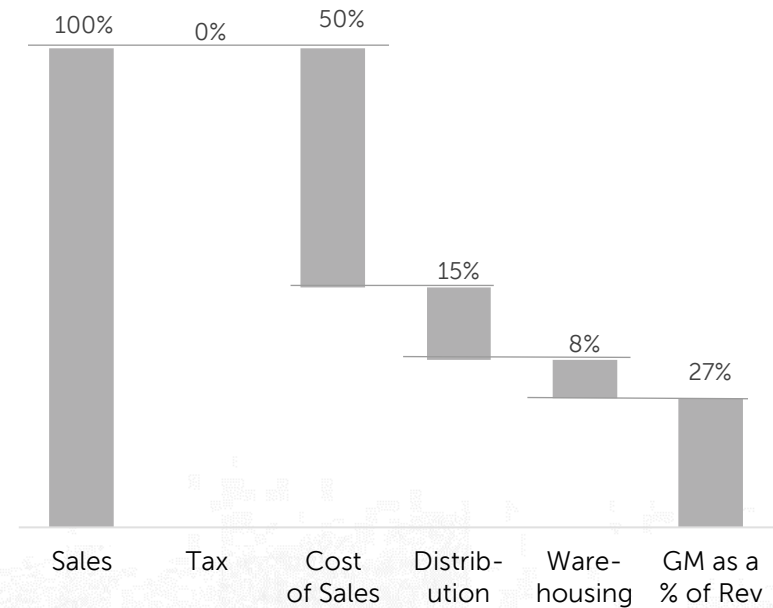
Scalable cash generating model

Redbubble margin analysis vs typical e-commerce retailer

RB Cash Generating Model FY16



Global Internet Retailer¹



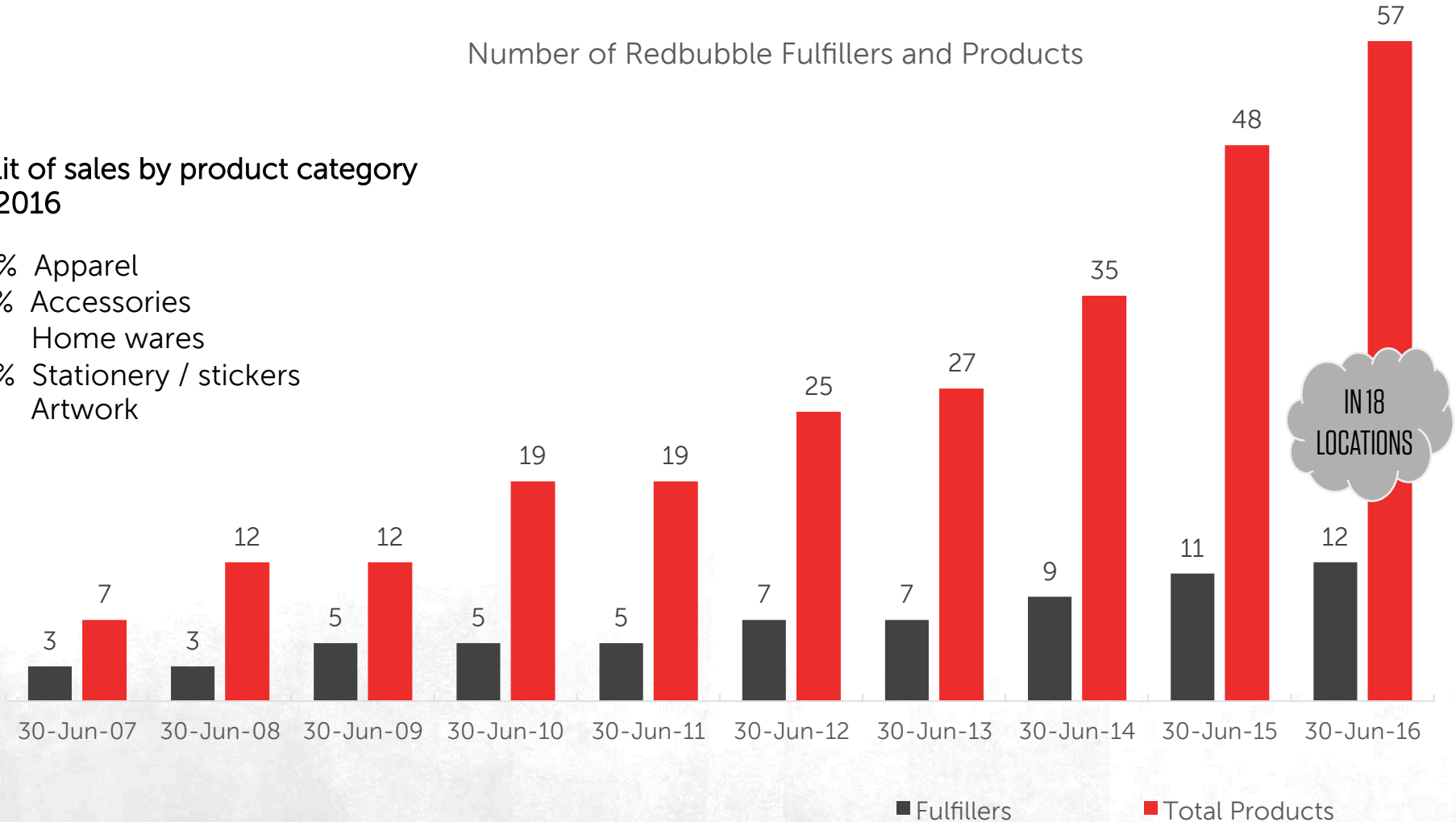
Adding more products and fulfillers

Enabling the business to scale, improve customer experience and reduce risk

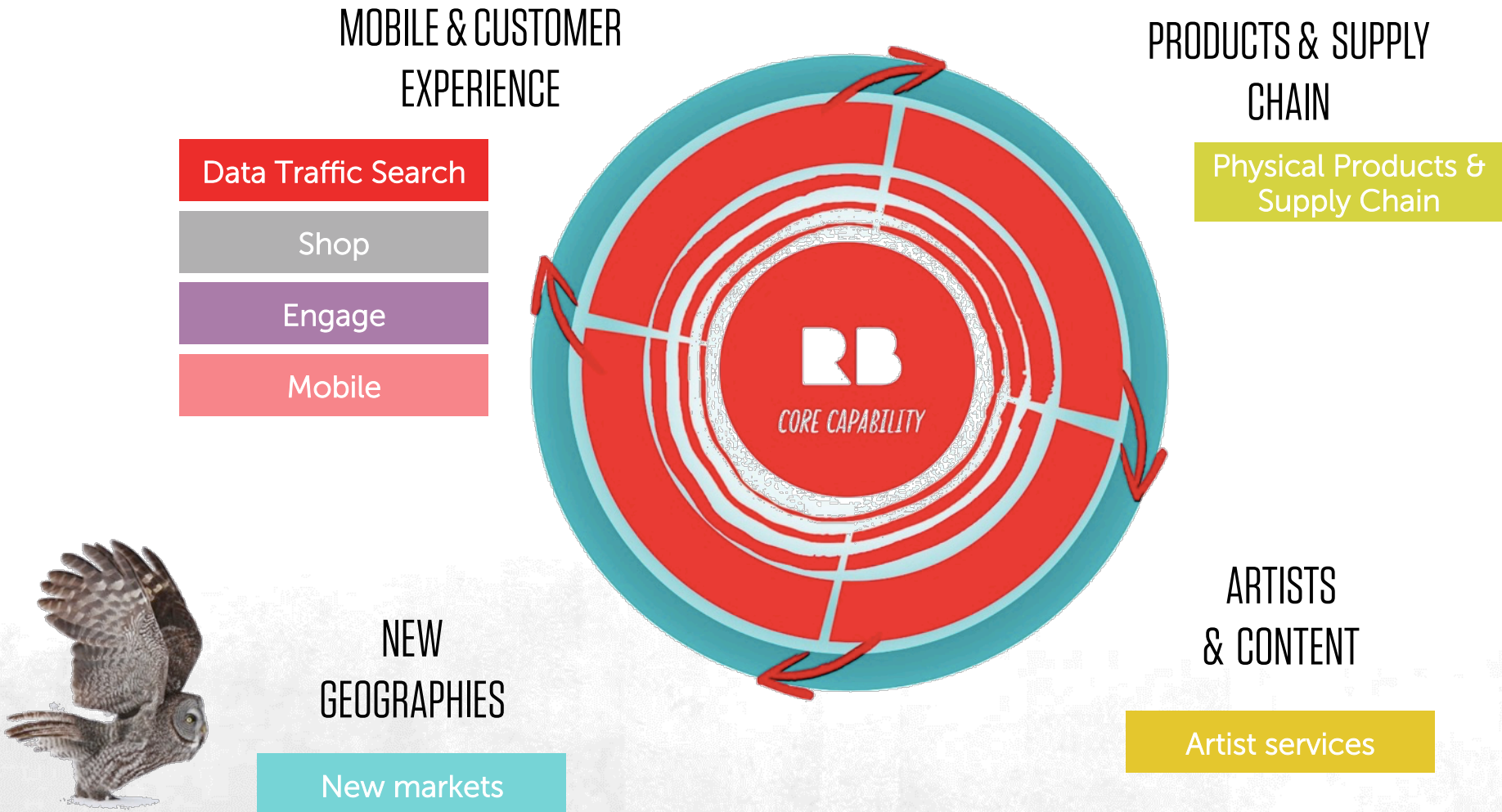
Number of Redbubble Fulfillers and Products

Split of sales by product category FY2016

63% Apparel
12% Accessories
7% Home wares
10% Stationery / stickers
7% Artwork



The strategic plan is about reinforcing the marketplace dynamics



Summary of delivery for 2016

Data Traffic Search

- Categorised search leading to improving rankings and traffic flow
- New, more targeted feed into Google Shopping and Facebook
- Dynamic product add platform

Products & Supply Chain

- 12 new physical products (3 lines discontinued)
- 1 new fulfillment partner
- Moved 8 physical products to local fulfillers

Shop

- Significant improvement in the shopping experience

New Markets

- Launched German language site (March) & French (June)

Engage

- Introduction of new personalisation of site and “browseability”

Mobile

- Delivered vastly improved user experience and checkout flow

Artist

- Ongoing Artist recruitment, lower payment thresholds

Planned for H1 2017

Data Traffic Search

- Improve search relevancy onsite and with Google
- Google Shopping and Facebook integration upgrades
- New email platform

Product & Supply Chain

- 6 new physical products focused on home and gift giving for holiday
- Continued localisation of fulfillment (EU focus)
- Improve speed of new product launch process

Shop

- Shift focus to website speed improvements

New Markets

- Focus on growth of German, French and Spanish language markets

Engage

- Improve personalisation of site and “browseability”

Mobile

- Focus on mobile web browser experience

Artist

- Improve the flow of traffic from Artist social activity (>400k artists)



Redbubble has enjoyed exceptional growth and is scaling profitability on the back of strong fundamentals.

Massive Global Market

Redbubble is part of a massive fast growing global market (online apparel, accessories, stationary and home wares). Redbubble estimates these markets at US \$22b. RB's current market share is negligible.

High Entry Barriers

The Redbubble marketplace attracts more artists and customers in a reinforcing cycle that is difficult for new entrants to compete against and further extends market leadership.

Scaleable Business Model

As the marketplace, Redbubble does not generate the content or undertake fulfillment. This provides for a strong cash cycle as demonstrated by scaling to \$100M in revenue in 2014 with just \$8.7M in external capital.

Low Customer Acquisition Costs

The marketplace provides low customer acquisition costs averaging \$5c for every \$1 of GTV in FY 2016. The diverse, growing and enduring content library attracts customers cost effectively via search, social and repeat customers.

Riding Shift in Consumer Tastes

Redbubble has strong structural tailwinds from consumers preferences moving towards the more personal, creative and individually relevant and away from the mass produced and mass marketed.

Multiple Growth Accelerants

Existing capabilities provide multiple means to drive growth including: new products, new geographies, user experience improvements and remarketing to drive repeat customers.

Redbubble re-affirms FY2017 guidance

Redbubble expects to see continued strong top-line growth and increasing scaling through FY2017.

We are intending that Operating expenses will increase at approximately half the rate of Revenue growth.

On this basis Redbubble is re-affirming the guidance provided in the May 2016 IPO Prospectus. Specifically:

- Revenue of \$172.2M up from \$114.6M
- Gross margins maintained at 34%
- Gross Profit of \$58.7M up from \$39.0M
- EBITDA loss of \$1.3M down from \$8.7m¹

Risks to these forecasts are as detailed in Redbubble's May 2016 prospectus.



FY 2016 supporting information

The smaller details



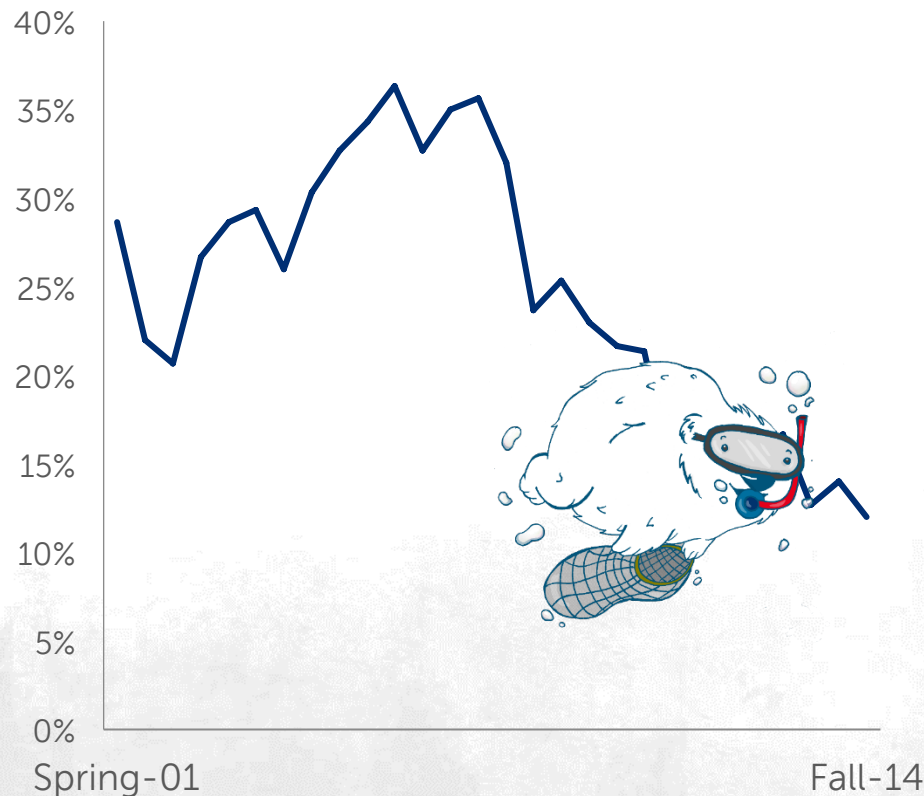
The Redbubble mission

**REDBUBBLE IS CREATING THE WORLD'S
LARGEST MARKETPLACE FOR INDEPENDENT ARTISTS,
BRINGING  MORE CREATIVITY 
INTO THE WORLD**

Riding the wave of consumers seeking personal style

The success of Redbubble has been driven by a change in consumer sentiments

Market Share of Brand Logos



Reflected in Attitudes

- Individuality, creatively expressed, is the new cool
- Tribalism is the new conformity

& Lifestyle choices

- Clothing (de-branded, retro, edgy)
- Body art (tattoos, piercings)
- Consumables (craft beers, new labels, slow food, Etsy)
- Media (social, user generated, shared)
- Travel (Airbnb, Uber, Lyft)

A distinctive offer to a large consumer base

Consumers come to Redbubble to buy what they cannot get elsewhere

67%

Of sales from works that sold 50 times or less

42%

Sales from works that are >6mths old

63

NPS (Jun 2016)

Key Customer Stats

"I'VE BEEN USING REDBUBBLE FOR ALL MY GIFTS (BIRTHDAY AND CHRISTMAS)! I LOVE FINDING INCREDIBLY EXCLUSIVE AND UNIQUE ITEMS THAT YOU NORMALLY WOULDN'T FIND IN A TRADITIONAL STORE!"

62% *

Under 35

57% *

Female

36%

Repeat purchase % of GTV FY2016

76% Growth in Repeat GTV



Customer comments

I love how Redbubble provides independent artists with a platform for selling their work. The customer service, quality, and range of pieces is amazing too!
Coppelia via Delighted

I love your site because I can find one original product to the next. Which makes gift giving so easy and the people who I love feel very special. I purchased a Alma Lee duvet cover for my bed. It is not only beautiful but is comfy and a pleasure to sleep under a piece of art. I got a bunch of cards for people to just say Hi, Happy Birthday, Merry Christmas, ect and they are all so funny and just special for that person. I love you Redbubble,
Susan via Delighted

It was just an awesome experience. The products are beyond unique, you can't find certain tshirts, throw pillow cases, or iPad cases anywhere else. And the quality of the tshirts are great, not cheap like some other sites. Very much worth the money.
David via Delighted

Thank you @redbubble for existing, you're the only place I've ever seen merch for my favorite book series.
Leena via Twitter

Every interaction I have with @redbubble is an example of customer service done well. Such a pleasure to buy from them. David via Twitter

Have designs for pretty much everything I can think of.
Tyler via Delighted

I bought this t-shirt for my grandson. He couldn't believe that I found exactly what he was looking for! Thanks RedBubble!
You were the only place that had it!
Dana via Delighted

Redbubble is overflowing with wonderful and creative designs that offer so much for reasonable prices. I am a very happy repeat customer who is looking forward to my next purchase
Nichole via Delighted

ARTISTS - With a huge & loyal group of creative sellers

Strong growth in selling artists drives the network

438,000

Total Selling Artists
30 June 2016

Key Artist Stats

154,300

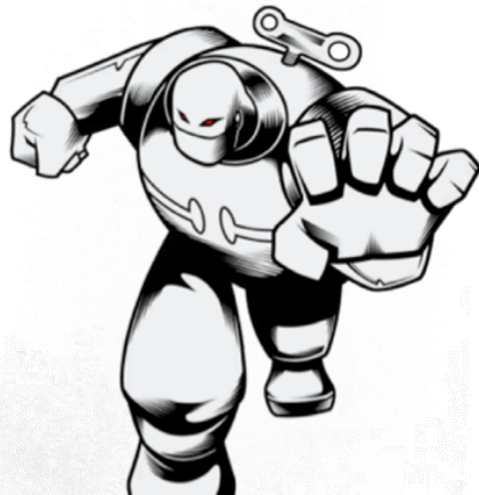
Creatives with sales
In FY2016
Up 62% YOY

40%

Artists who sold in FY2007 are
still selling in FY2016

36%

of creatives exclusive
to Redbubble¹



\$54,006

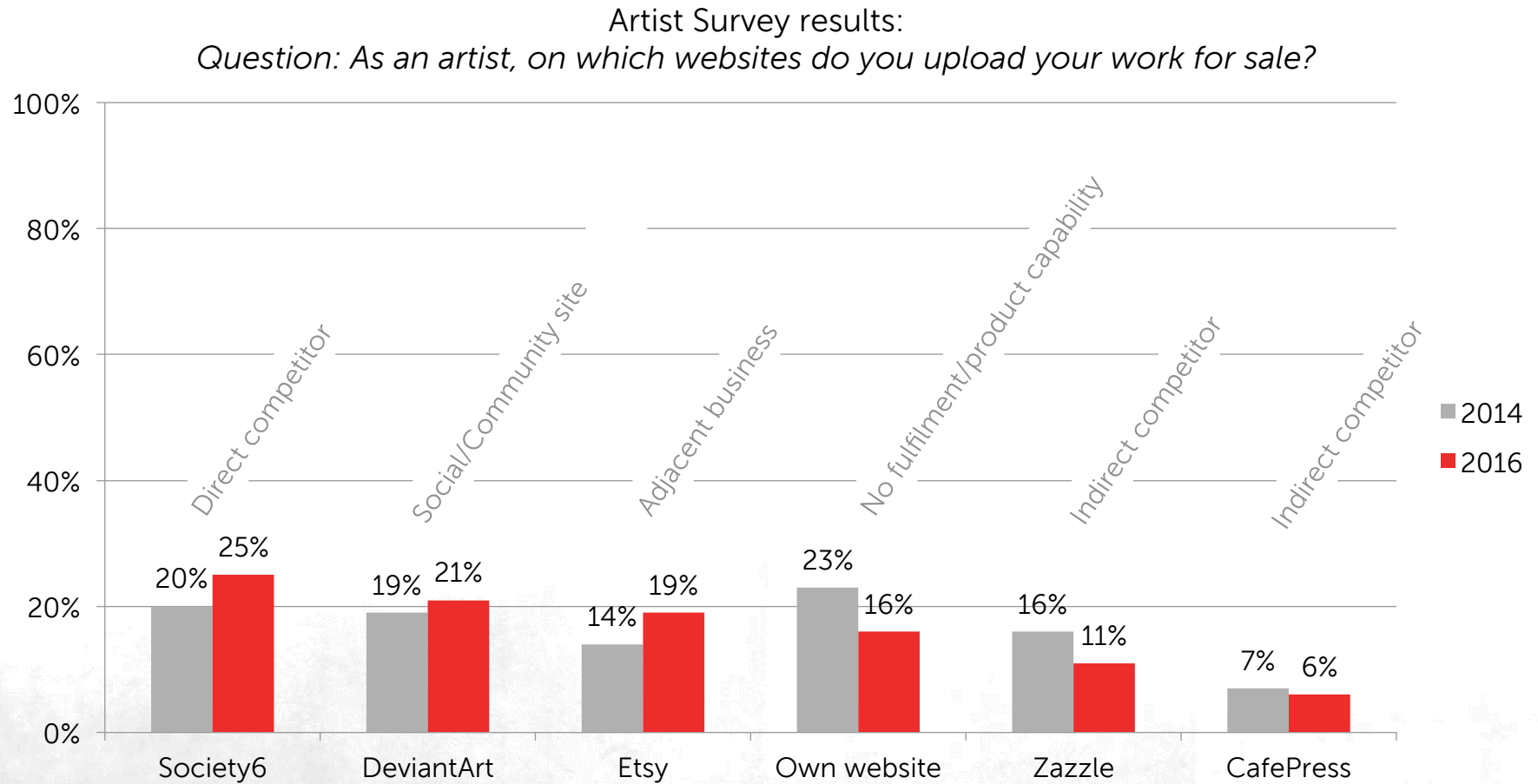
Top earning creative
in FY16

20,000
Q1 FY2013

98,000
Q4 FY2016



Competition for Artists amongst primary competitors remains low



Source: Redbubble 2014 and 2016 Artist Surveys

Artist comments

I feel more of a personal connection to RB, than other similar websites to be honest. It's the personal touch!
Kim, Netherlands

Holy moly, I sell my artwork on a lot of different sites, but my success on Redbubble is leaps and bounds ahead of any of the other websites. It is crazy because Redbubble is the only one that let's me set my royalty. Thank you for being the BEST at what you do.
Kelly, USA

One of the nicest things I've found about Redbubble is the fact that you actually seem to care about artists and the people behind the work.
Michaela, Canada

I've really been enjoying some of the recent updates and additions to the site, from new products, to new tools that make getting my designs on said products a relatively smooth and intuitive process. I think you guys do a great job keeping the artist experience smooth, pleasing
Val, USA

Redbubble has been very good to me and is definitely the best website in it's category. I've tried most of the others but have found Redbubble to be far superior as it is incredibly easy to upload, the community is much more open and friendly and I've earned much more money through it than any other site..
Tom, Australia

RB has the best customer service, the best team and best everything on the market...and yes, the best user experience as well!
Dorottya, Hungary

The transformation (of the English website) into German was made really well. I already liked the texts in the English version a lot.
Daniel, Germany

I am a big fan of the Redbubble community. Congrats! Your work are really great! The improve of Redbubble is notable. Each time I feel more sure suggesting Redbubble for friends designers, artist and photographer.
Kiko, Mexico

Leadership

World class team across Melbourne and San Francisco



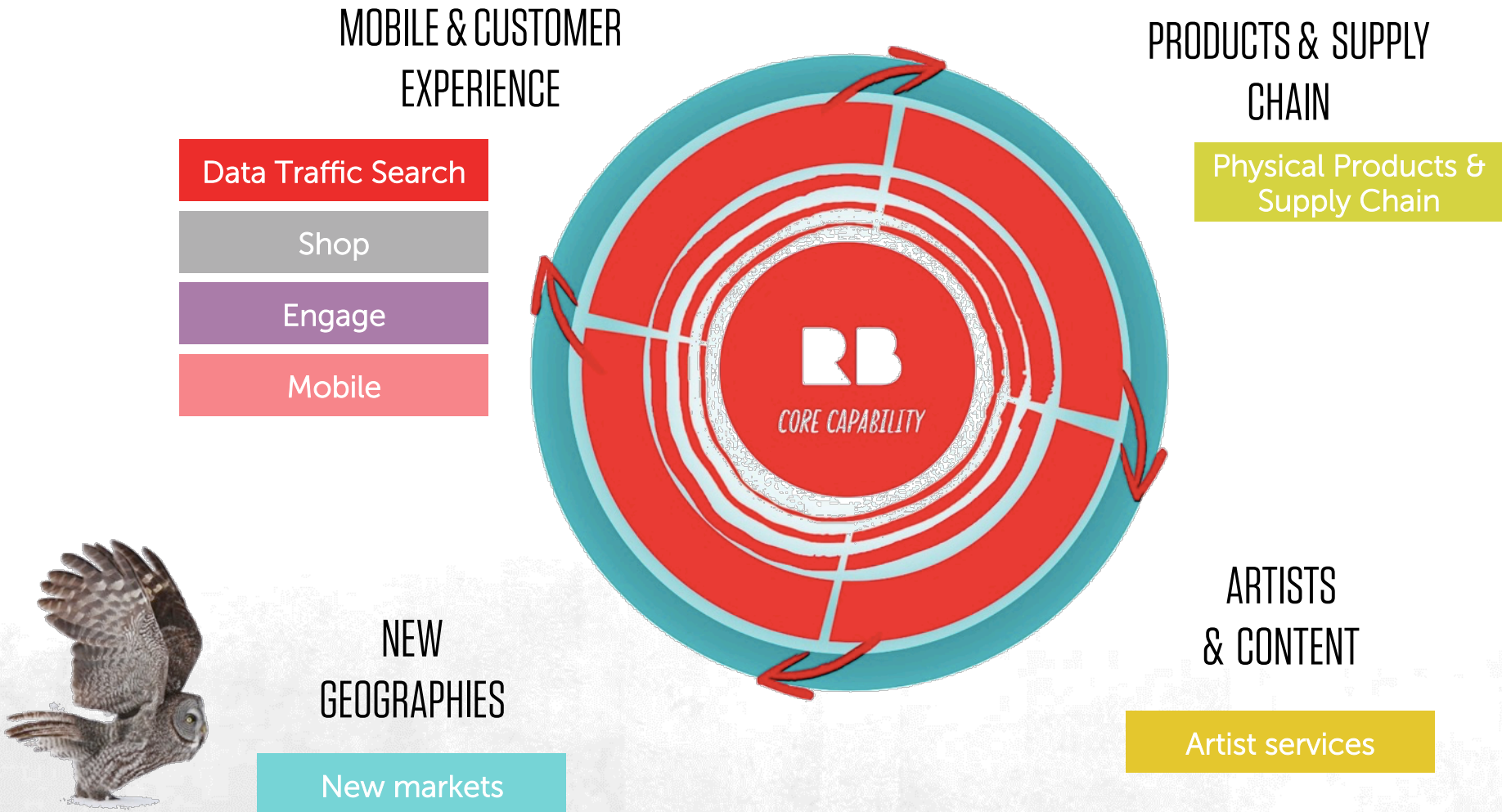
MANAGEMENT

- **Martin Hosking (CEO & Director) Mel:**
DFAT, McKinsey, Looksmart, Aconex
- **Barry Newstead (COO) Mel:**
BCG, Australia Post, Wikipedia
- **Chris Nunn (CFO) Mel:**
Coopers & Lybrand, Merrill Lynch, MacarthurCook, Centro Properties Group (Restructure)
- **Rob Baumert (Chief Fulfilment & Analytics Officer) SF:**
Ballard Power, Xcellis, Grattan Group Capital
- **Corina Davis (General Counsel) SF:**
Milstein Adelman, McCurdy & Fuller, Mendes & Mount
- **Vanessa Freeman, (CP&C), Mel:**
McKinsey, Pacific Brands
- **Victor Kovalev, (Chief Technology Officer) Mel:**
Indiegogo, Yelp, VMware

BOARD

- **Richard Cawsey:** Morgan Stanley, St George, Centrepont Alliance, DenaliVP
- **Teresa Engelhard:** Mohr Davidow Ventures, Jolimont Capital
- **Stephanie Tilenius:** eBay/PayPal, Google, Kleiner Perkins
- **Greg Lockwood:** Founder Piton Capital (UK)
- **Grant Murdoch:** ALS, OzForex, QIC, University of Queensland, EY

The strategic plan is about reinforcing the marketplace dynamics



Six new products launched since January



iPhone Wallet



A-line
Dress



Triblend
Tee



Chiffon
Top

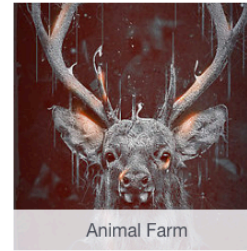


Contrast
Tank

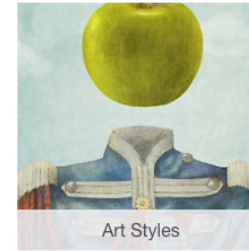


Heavy Tee

New homepage



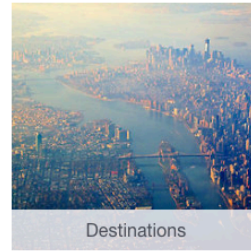
Animal Farm



Art Styles



Colors



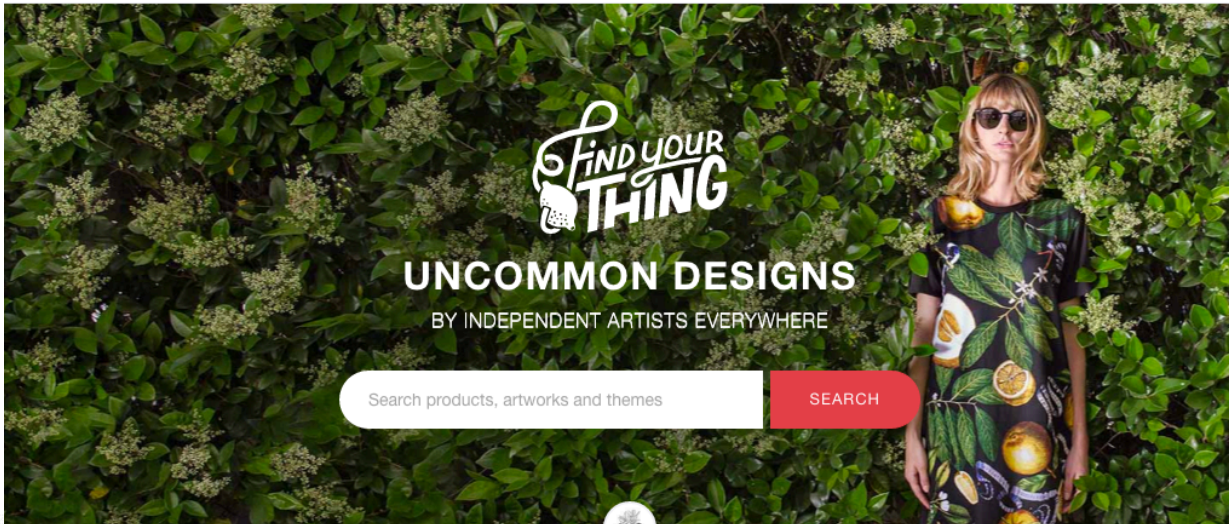
Destinations



Search products, artworks and themes



MEN'S WOMEN'S KIDS CASES & SKINS STICKERS WALL ART HOME DECOR STATIONERY BAGS GIFT CERTIFICATES

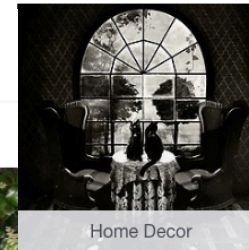


Search products, artworks and themes

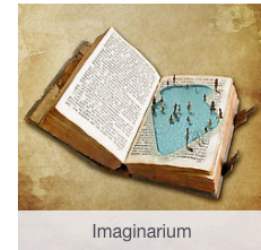
SEARCH



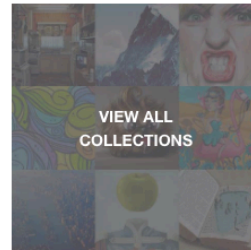
Lemon Tree by Fifikoussout



Home Decor



Imaginarium



Feed

Found Following Activity



Proto(ea)
by Anneke Gillette

A\$28.00



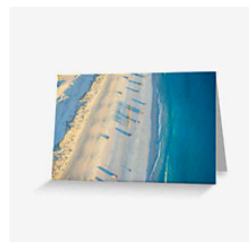
Play With Me
by Brandon C. Bader

A\$28.00



Florem Ignis
by Rebekie Bennington

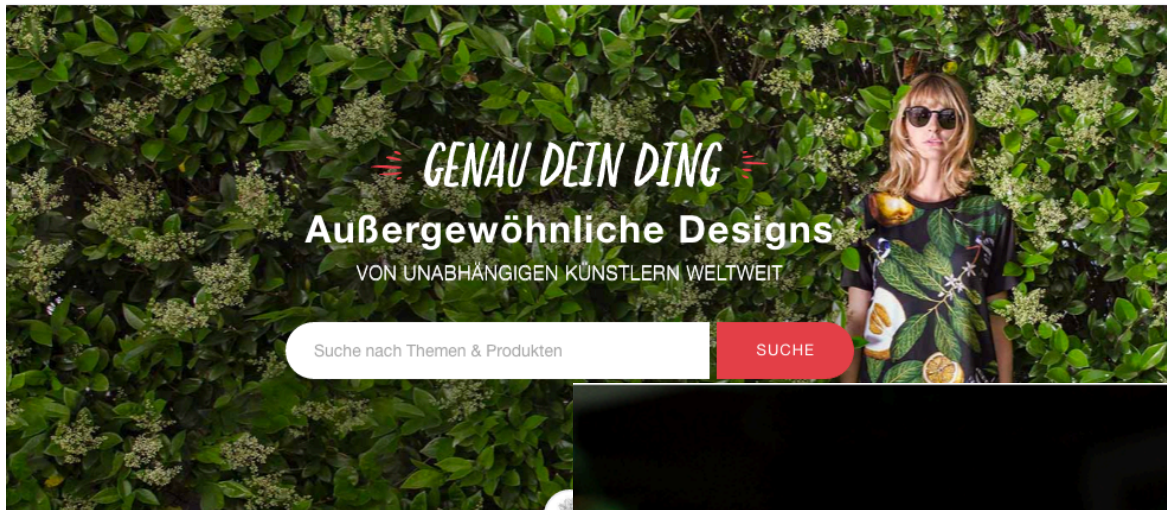
A\$28.21



Two new local language sites

GERMAN

MÄNNER FRAUEN KINDER HÜLLEN & SKINS STICKER WANDBILDER WOHNEN SCHREIBWAREN TASCHEN GESCHENKGUTSCHEINE



FRENCH

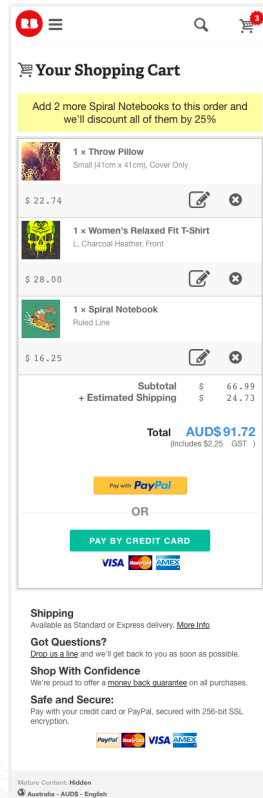


Spanish in trial
phase

New Cart + Checkout

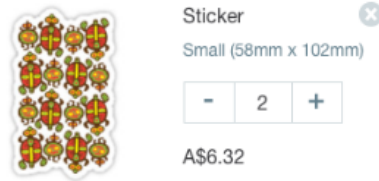
New Cart

Old Cart

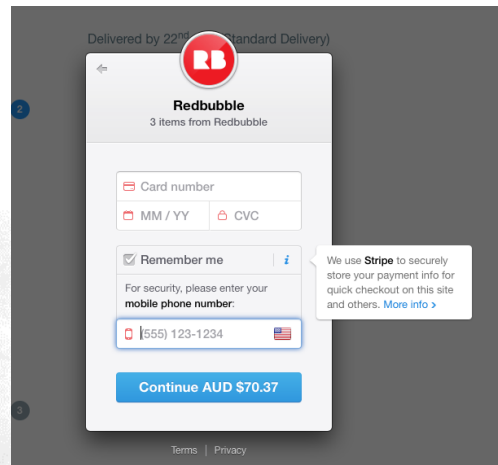


Page Reloads for Remove/QTY
No product images
Slow on mobile devices
Separate Cart & Checkout

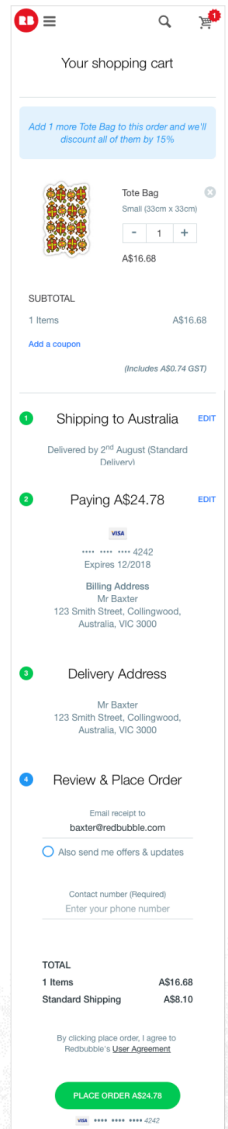
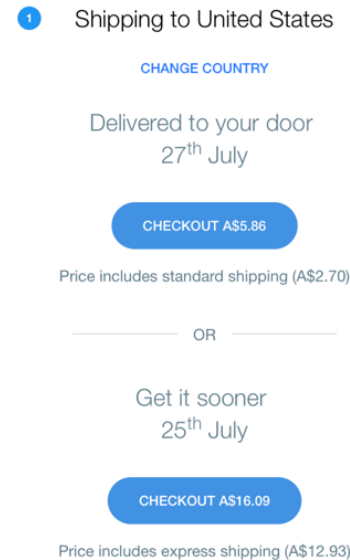
Better UX for QTY/Remove



Stripe for Credit Cards with Remember Me

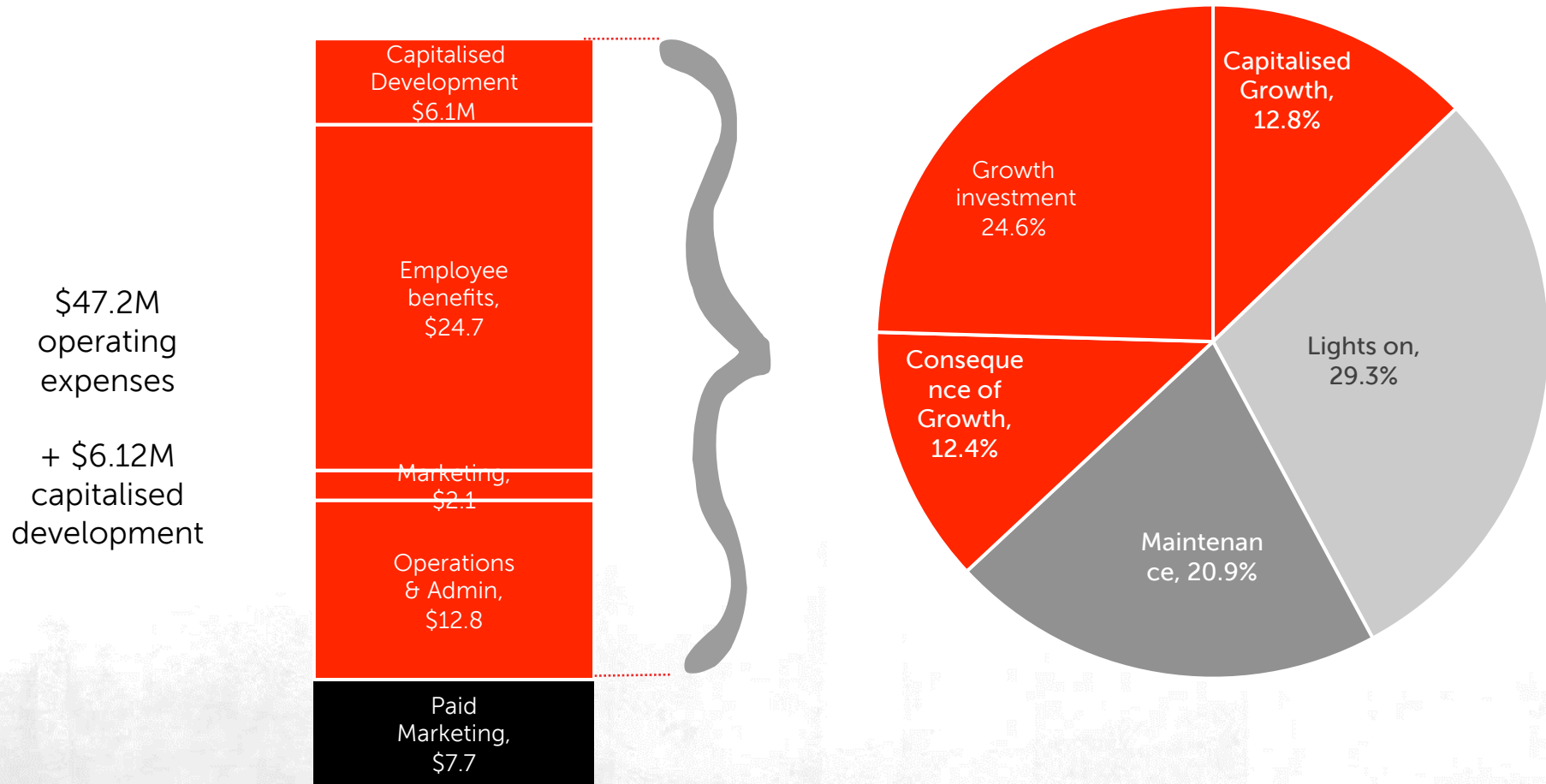


Shipping Method with Delivery Dates



Opex is significantly focused on growth initiatives

Goal is to drive sustainable, long term value



* Excludes IPO costs of \$2M

Estimate based on FY2016 spend

Strong growth in all measures for Mobile and Desktop

		FY2015	FY2016	YOY growth
Desktop	Visits	54.8M	70.4M	28%
	Conversion rate ¹	2.29%	2.52%	10%
	AOV ²	\$50.8	\$53.2	5%
Mobile	Visits	38.5M	65.9M	71%
	Conversion rate ¹	1.00%	1.18%	18%
	AOV ²	\$47.1	\$51.4	9%

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)

Source: Redbubble internal data

Tracking to Forecast with EBITDA ahead of target as Redbubble scales

Achieved FY2016 revenue and gross profit targets with less Operating expenses than anticipated

P&L	FY2015	FY2016 ¹				FY 2017
(A\$M)	Full Year	1H Actual ²	2H Actual	Full Year Actual	Full Year Forecast	Forecast
GTV	88.4	80.3	62.6	142.9	143.5	214.9
Revenue	71.1	62.3	52.2	114.6	114.5	172.2
Cost of Sales	(47.0)	(41.8)	(33.7)	(75.6)	(76.0)	(113.5)
Gross Profit	24.1	20.5	18.5	39.0	38.5	58.7
GP Margin	33.9%	32.9%	35.4%	34.0%	33.6%	34%
Operating Expenses ³	(30.1)	(24.4)	(22.8)	(47.2)	(48.7)	(60.0)
Other Income/ Costs	(0.6)	(0.3)	(0.1)	(0.5)	0.0	0
EBITDA (loss)	(6.5)	(4.2)	(4.5)	(8.7)	(10.1)	(1.3)

1. Redbubble is a highly seasonal retail business, experiencing large sales volumes at Christmas

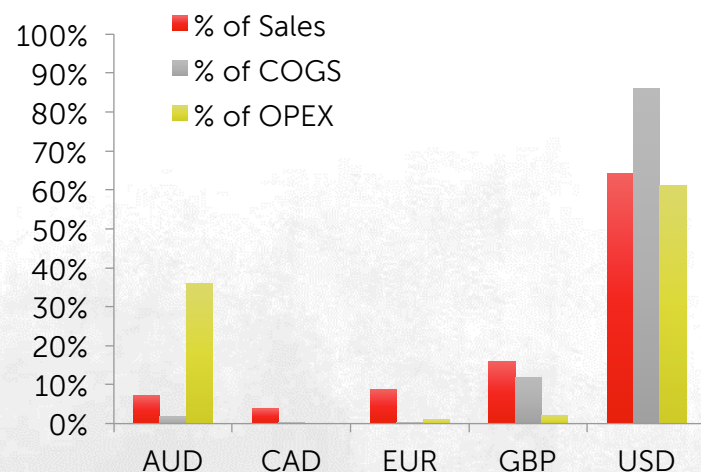
2. FY 16 2H Actual, FY and FY Forecast exclude Offer transaction costs

Source: Redbubble internal data

Offshore FX exposure but with significant natural hedge

- Redbubble collects and remits payment in 5 currencies (USD, AUD, GBP, EUR & CAD)
- FX impact is greatest at GTV level but is muted at EBITDA level
- Localised production in US, UK (and now Europe) provides partial natural hedge against currency fluctuations at the Gross profit level
- No production currently in Canada, although this is in the pipeline
- Operating expenses in US, and increasingly in UK and Europe, provides further hedge at the EBITDA level

Distribution of Sales and Costs By Currency



Impact of current exchange rates on FY17 forecast

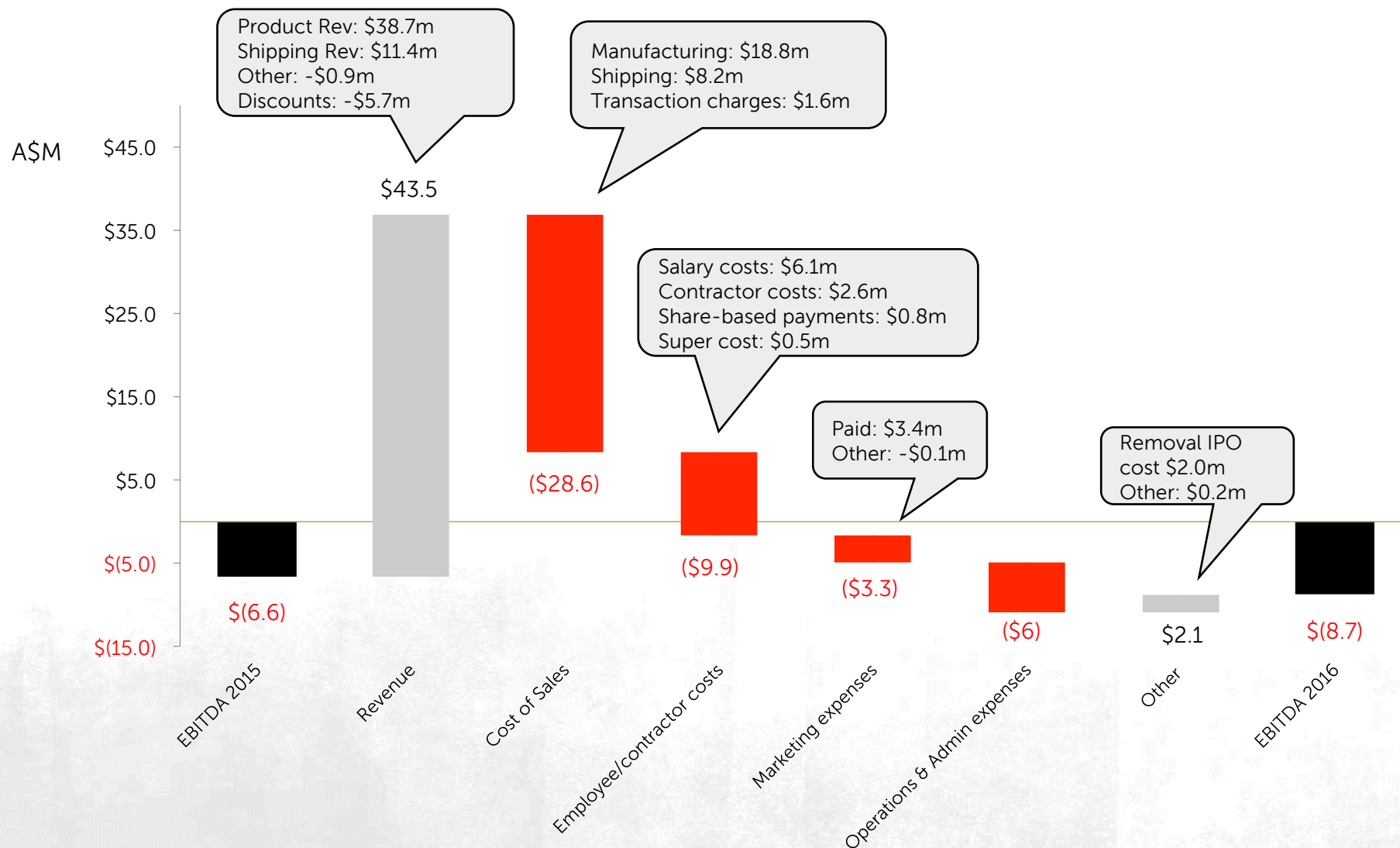
	USD	GBP	EUR	CAD	TOTAL
IPO rate	\$0.74	\$0.51	\$0.67	\$1.00	
Current rate *	\$0.77	\$0.58	\$0.68	\$0.98	
GTV (A\$M)	-\$4.82	-\$3.48	-\$0.35	\$0.15	-8.5
GP (A\$M)	-\$0.90	\$0.04	-\$0.25	\$0.12	-0.99
EBITDA (A\$M)	\$0.25	\$0.39	-\$0.23	\$0.11	0.53

Relative to FY17 forecast

* Exchange rates as at 19th August 2016

FY 2015 vs FY 2016 EBITDA bridge

(Year on year movements)



Year on year Q3 and Q4 analysis, demonstrates scaling of the business

P&L	Q3			Q4		
(A\$M)	Q3 FY15	Q3 FY16	Growth	Q4 FY15	Q4 FY16	Growth
GTV	20.6	30.3	47.2%	23.0	32.3	40.4%
Revenue	16.4	26.2	59.2%	18.3	26.1 ¹	42.8%
Cost of Sales	(11.3)	(17.2)	51.8%	(11.9)	(16.6)	39.0%
Gross Profit	5.1	9.0	75.6%	6.3	9.5	50.1%
GP Margin	31.1%	34.3%	10.3%	34.7%	36.5%	5.1%
Operating Expenses	(6.9)	(10.4)	49.9%	(10.7)	(12.5) ²	16.8%
Other Income/ Costs	(0.3)	0.1	124.2%	(0.0)	(0.2)	(476%)
EBITDA (loss)	(2.0)	(1.3)	36.0%	(4.4)	(3.2)	27.7%

1. The QoQ growth in GTV is not reflected at the Revenue level because Revenue is recognised on date of shipment whilst GTV is recognised on date of sale. At December 2015, there was a larger than usual delay in Christmas shipping which gave rise to an improved Q3 Revenue result as compared to GTV.

2. Excludes Offer transaction costs of \$2.0m

Source: Redbubble internal data