

Investor Presentation

30 July 2019



RB Group operates the leading global online marketplaces, Redbubble and TeePublic, powered by over one million independent artists, bringing more creativity into the world

 * Results and figures are from internal management reports and have not been subject to audit




Why RB Group?

- Loved by consumers seeking personalised **creative adventures** with emerging brand and deepening relationships
- **On-demand content supply market leader** - valuable back catalog, generative artists, fan art partners, scaling 3P fulfilment/operations
- **Large addressable market** trending toward on-demand commerce
- **Flywheel effects** strengthening the moat
- Range of low risk **growth opportunities in core and adjacent**
- **Robust economics** as growth enables margin upside, opex leverage and positive cash flows
- **Management team that delivers:** ~6x gross profit growth since FY2014




RB Group operates two online marketplaces

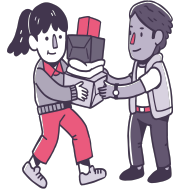
Supply side



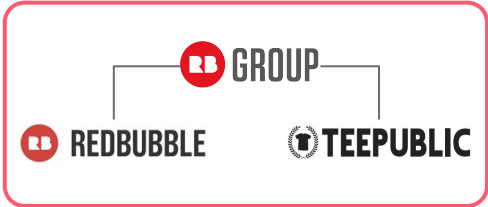
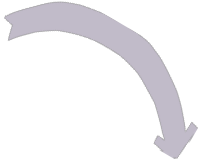
1.0 million artists
active on RB marketplaces



48 brands
on-boarded from content partners



32 3P product fulfilment locations
in global network



Demand side



5.4 million customers
bought from RB marketplaces

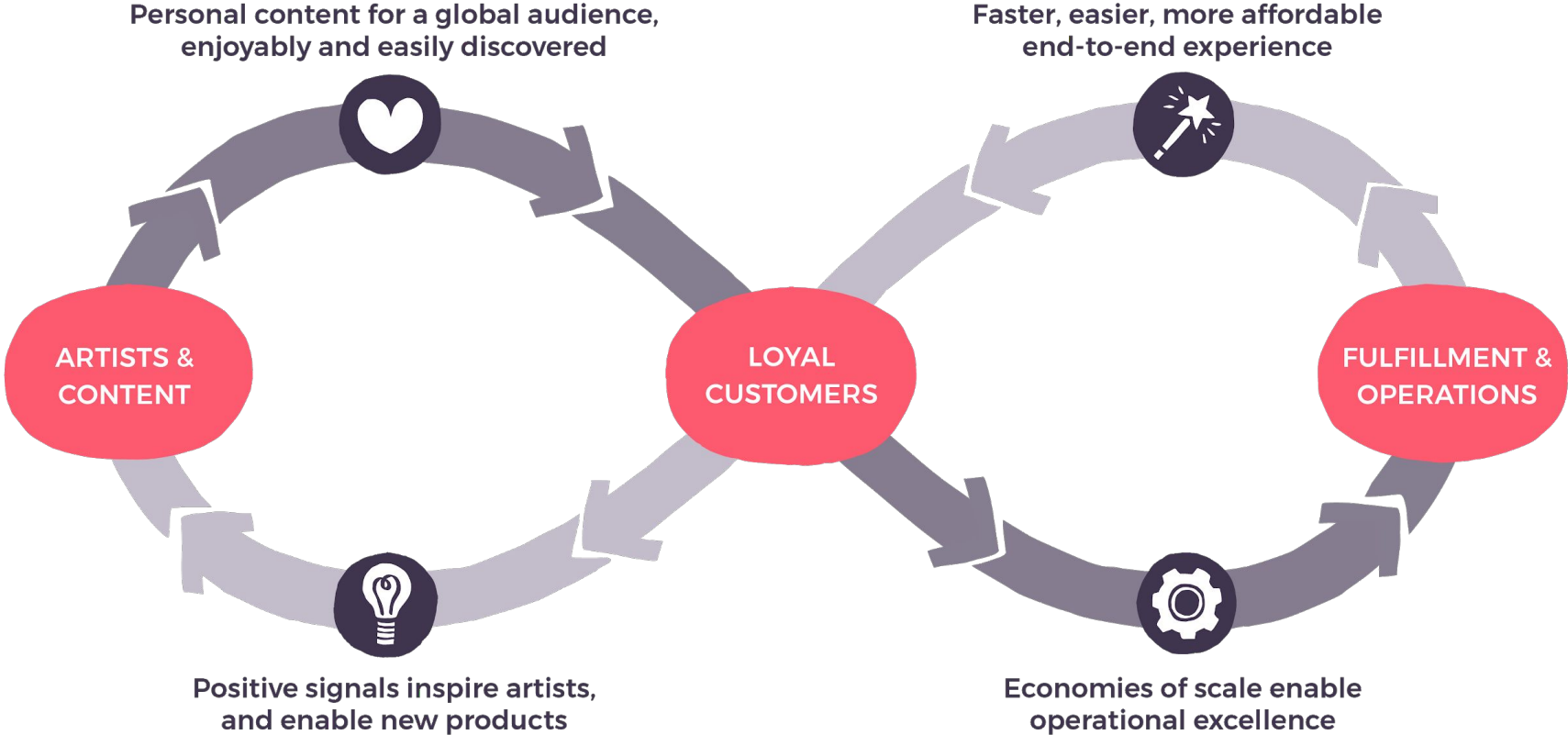


\$328m GTV
on awesome products



Note: As for FY2019, or as at 30 June 2019.

RB Group is a flywheel business



RB Group at forefront of a retail commerce revolution

RB Group connects authentic artists and content partners with millions of loyal customers enabling personalised adventures in creativity

Powered by the new gig economy



Enabled by on-demand technology



Tapping into shift towards personalisation

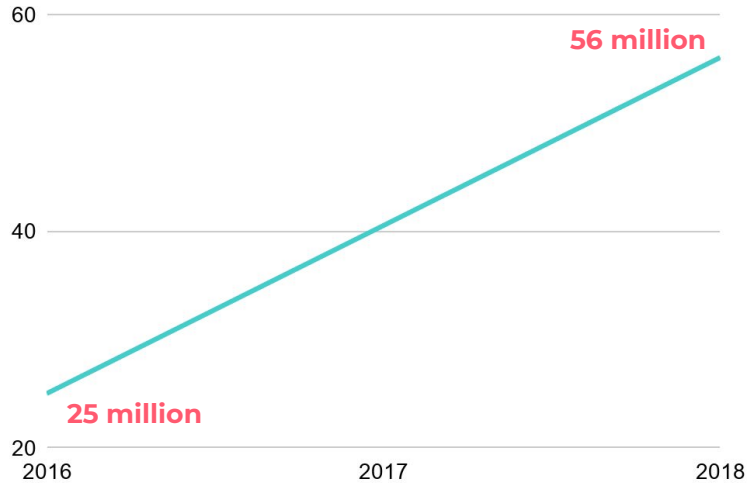


On-demand economy is just getting started

According to 2019 Mary Meeker report

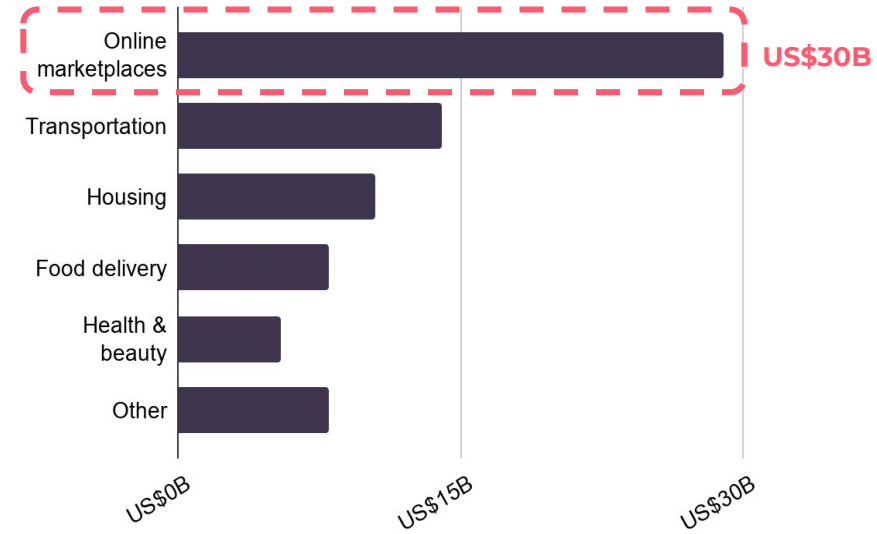
On-demand market has grown ~2x in two years and now has 56 million consumers in the US

On-demand consumers, US
(in millions, 2016 - 2018)



Online marketplaces capturing largest wallet share of US spend for on-demand products / services

On-demand products / services - US consumer spend
(in US\$ billions, 2017)



Source: BOND Internet Trends 2019 Report, Mary Meeker.



RB Group has a huge addressable market

~US\$280B¹ Total global online market for Apparel and Homewares² to grow at 10- 14% p.a. to 2020

Within this market, **On-Demand Retail** is accelerating

- Personalised products on-demand will become more mainstream as technologies mature to support enhanced access to quality and affordable products



RB Group has <1% market share and growing (based on GTV)



Sources: Forbes, eMarketer, McKinsey and Company, AT Kearney, RB Group analysis with historical category growth rates applied.

Notes:

1. RB analysis of the total market of customers seeking creative expression on lifestyle products (apparel, electronic accessories, homewares and stationery) Apparel = US\$111B, Homewares = US\$172B.

2. Homewares = furniture and household goods such as kitchen and bathroom accessories, textile furnishings, office supplies and stationery.



**RB Group is leading the way for
creative adventures in commerce**



Consumers want a new kind of commerce

Long term trend towards personalised retail

Mass Retail today

The RB way

RB GROUP

Traditional retailers

- Undifferentiated sea of sameness
- Commoditised offerings
- Conformist brands
- Mass commerce



**Self
expression at
affordable
prices**

**Personalised
experience &
professional
service**

**Human
connection /
social good**



RB provides 'creative adventures' for consumers

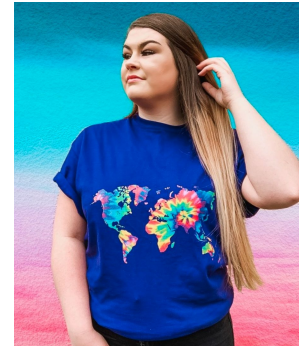
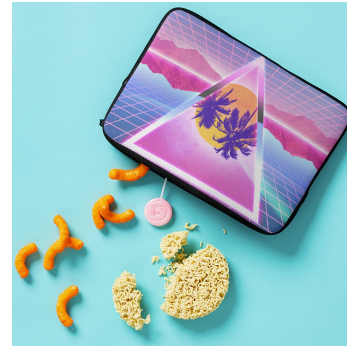
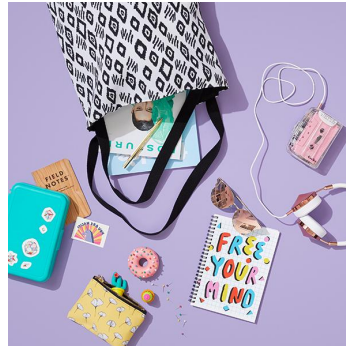
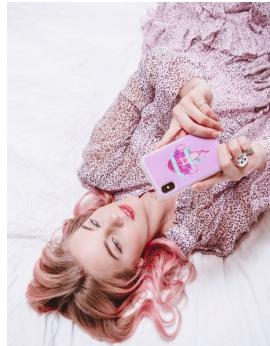
Our customers say...

Artistry at its coolest! Because you can wear it, it's your expression! - Jake, Canada

For people looking for options outside the ordinary. - Uli, Germany

A creative outlet for me to express my individuality - Audrey, US

Never what you'd expect. It's entirely different... You will see that the world is not boring. - Allison, Canada



Customers love their RB experiences

RB synonymous with creativity for consumers

In a recent visitor survey¹...

96% agreed that they enjoyed spending time on RB

93% agreed that RB encourages creativity

RB customers are loving their experiences

Strong Net Promoter Scores (NPS)^{2,3}

 REDBUBBLE

68

 TEEPUBLIC

52

Highly rated Redbubble iOS app



Rated **4.85⁵ / 5**



Source: RB internal data.

Notes:

1. Company analysis based on recent survey of visitors to Redbubble.

2. Redbubble NPS is a sales-weighted average for survey responses received during FY2019 (as approximated by responses to orders shipped one month earlier)

3. TeePublic NPS is based on CY2018 survey responses for all customers and may include some responses from customers who purchased 12 months ago, i.e. from Jan - Dec 2018

4. Based on average rating as displayed in the Apple app store as at 30 June 2019.



Artists can share and monetise creative content without risk or hassle

Traditional model

The RB Way



Before joining RB

- Difficulty in monetising creative talent
- Financial, production and shipping risk
- Limited audience reach



Monetise without financial risk

Focus on design only

Liberated from fulfilment

Global audience reach at human scale



RB has artist service in its DNA

In a recent artist survey¹...

88% extremely or very satisfied with tools & features for uploading and managing their artworks



RB artists say the marketplaces are...

Really fun and easy way to share and sell my art - Liz

I LOVE YOU! You are the most artist friendly - Ian

All I have to do is upload the design, and you do everything else - Christina

Reaching all the markets is one of the greatest benefits - Carla

A lot of creative people getting noticed - Mikael



Source: RB internal data.

Note:

1. Company analysis based on recent survey of Redbubble's target artists.

Content partners connecting with fans via RB platform

48 licensed brands and ~350,000 pieces of licenced content¹

Examples of brands on-boarded during FY19

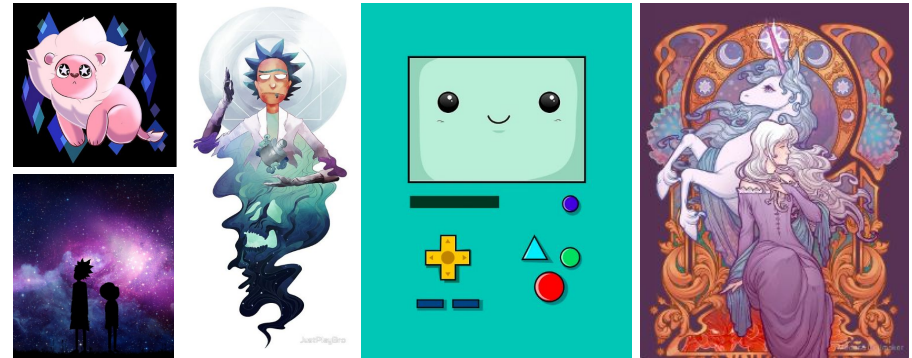
1Q FY19	ORPHAN BLACK	ZORRO™
2Q FY19	RICK AND MORTY	ALFRED HITCHCOCK
3Q FY19	Hell's Kitchen	SEVENTH UNIVERSE
4Q FY19	BILLIONS	STAR TREK on TeePublic

Partners say that RB marketplaces are...

“A superhighway that can take brands directly to some of their most passionate fans.

Licensors can use the marketplace[s] to increase loyalty, manage fan-generated content on the web, execute instant promotions to a wide base of people already enthusiastic about their brand, and more.”

- Long-time licensing executive



Notes:

1. As at the end of FY19. Content refers to product and work combinations.

2. Works featured above are: 'Number' by JustPlayBro, 'Minimalist Rick and Morty Space Design' by azy, 'SU - Starry Eyed Lion' Photographic Print by SharpieSam, 'BEEMO BOX' by JuanCharles, and Lady Amalthea - The Last Unicorn by Medusa Dollmaker.

Fulfilment network - large product range, professional service, timely delivery across 3 continents

Global supply network providing diverse product range and favourable customer experiences

32

Locations

3

Continents

94

Products¹

~3

Shipping days²

Flexibility in fulfilment network also has a number of other benefits

- **Margin improvement** via reduction of fulfilment and shipping charges
- Range of options for **new product launches**
- **Multiple fulfillers** for high volume products and locations
- **Increased sales at holiday peak** due to late delivery cut-offs
- **Natural hedge** on FX

Source: RB internal data.

Notes:

1. Excludes double counting of the same product on both Redbubble and TeePublic. Total of 126 if including overlaps.

2. On an FY19 basis in business days, the average shipping days experienced by Redbubble's US customers. Work is underway to align other core Redbubble markets and TeePublic data.

A man with a beard and short hair is shown from the chest up, holding a smartphone in his right hand. He is looking down at the phone's screen. The background is dark and textured, with some light-colored, misty or smoky elements. The overall lighting is dim, with some highlights on the man's face and shirt.

RB Group is focused on deeper relationships to grow and build scale

FY2019 RB Group operational summary

ARTISTS & CONTENT

Active works

24.1m

▲44%

Selling artists

369k

▲37%

LOYAL CUSTOMERS

Mobile Marketplace Revenue (MP Rev) growth

47%

(45% of MP Rev)

Unique Customers

5.4m

▲20%

Repeat MP Rev growth

36%

(40% of MP Rev)

Marketing as % of MP Rev

10.5%

▲1.4pp

 REDBUBBLE

Members % of Redbubble MP Rev¹

29%

▲13pp

Active Members on Redbubble

5.7m

▲52%

Member MP Rev / Active Member

\$11.30

▲38%

FULFILLMENT & OPERATIONS

Customer NPS²

 REDBUBBLE

68

▲3pts

 TEEPUBLIC

52

Take rate³

29.1%

▲1.8pp

Gross Profit margin⁴

36.8%

▲1.8pp

Note: Metrics shown are for the twelve months ending 30 June 2019, with growth rates shown on a Year on Year basis, as compared to the twelve months ending 30 June 2018. Definitions provided in the Appendix.

1. Marketplace Revenue from Members comes from Redbubble only and contribution is measured on a Redbubble basis only.

2. Redbubble NPS is a sales-weighted average for survey responses received during FY2019 (as approximated by responses to orders shipped one month earlier). TeePublic NPS is not updated since last shown, and based on CY2018 survey responses for all customers and may include some responses from customers who purchased 12 months ago, i.e. from Jan - Dec 2018.

3. Take rate is Gross Profit as % of Gross Transaction Value. Gross Transaction Value less Taxes and Artist Revenue is equal to Marketplace Revenue.

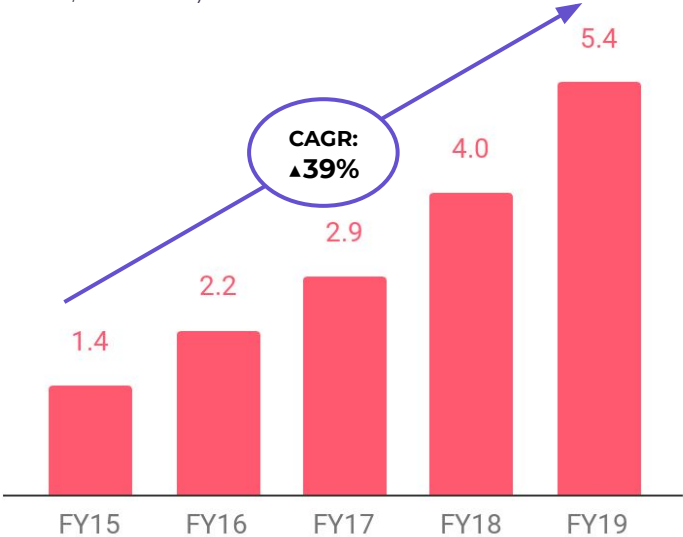
4. Based on Marketplace Revenue.

Large and growing base of delighted customers

With upside potential from deeper relationships

RB marketplaces are online shopping destinations for 5.4 million unique customers

Unique customers¹
(in millions, FY15 - FY19)



Customers are really enjoying their experiences across both Redbubble and TeePublic...

Net Promoter Scores (NPS)^{2,3}



... and there is further upside from improving customer engagement and loyalty

1.1 average orders
per customer per year

Source: RB internal data.

Note:
1. Defined as an unique email address. Does not account for overlaps between Redbubble and TeePublic.
2. Redbubble NPS is a sales-weighted average for survey responses received during FY2019 (as approximated by responses to orders shipped one month earlier)
3. TeePublic NPS is based on CY2018 survey responses for all customers and may include some responses from customers who purchased 12 months ago, i.e. from Jan - Dec 2018

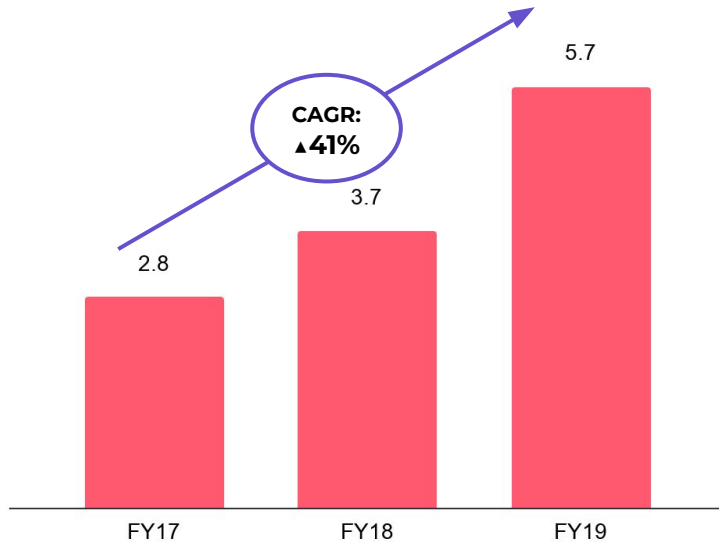


Deepening relationships with customers

68% CAGR in Redbubble sales from members

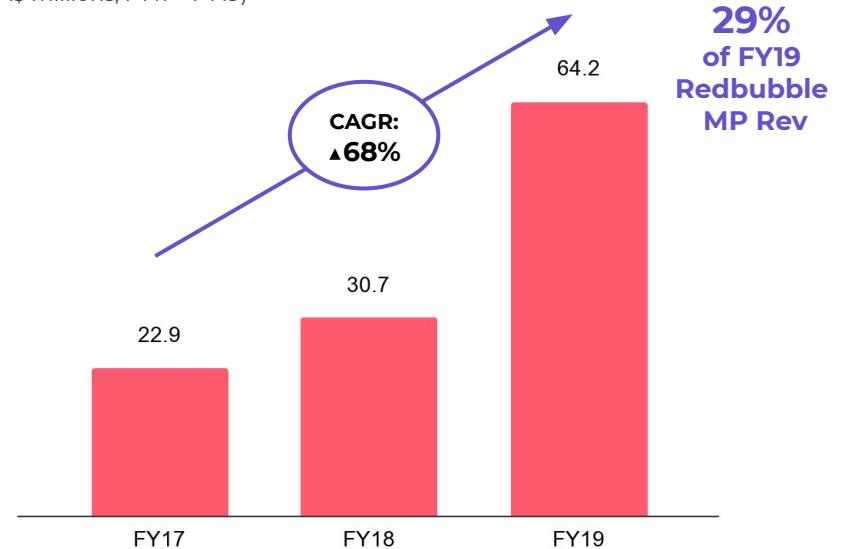
Accelerating base of active members¹ on Redbubble as customers convert to membership

Active members on Redbubble within each period (in millions, FY17 - FY19)



Redbubble sales¹ from members growing strongly and now contributing a meaningful share

Redbubble Marketplace Revenue from Members per period (A\$ millions, FY17 - FY19)



Source: RB internal data.

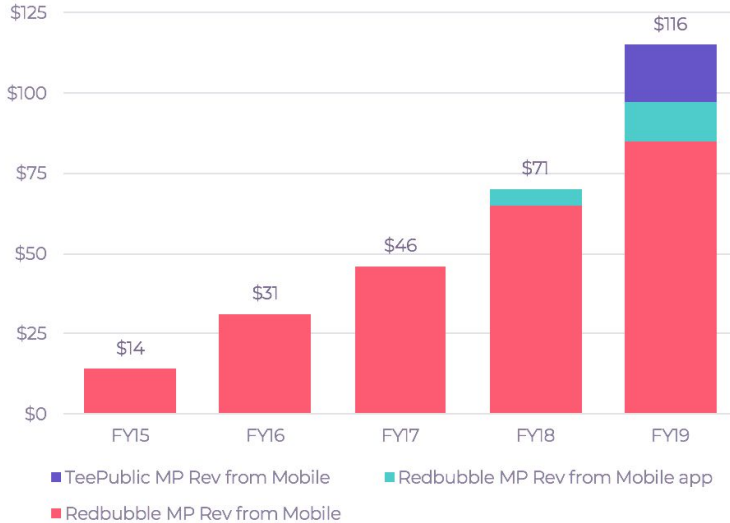
Note:

1. Total web and app members visiting Redbubble and Marketplace Revenue from Redbubble members within each period.

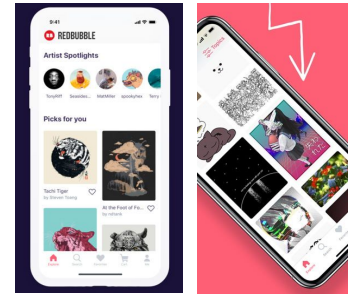
Mobile powering growth and iOS app enhancing loyalty

Sales from mobile continue to grow across both brands

Marketplace Revenue from Mobile
(A\$m, FY15 - FY19)

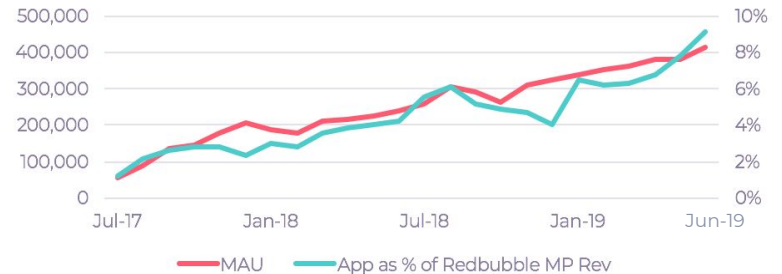


Redbubble mobile iOS app loved by users and scaling rapidly since mid-2017



Rated 4.85¹ / 5
★★★★★
Top 100² shopping app

Monthly active users (MAU) and % of Redbubble Marketplace Revenue (mid-2017 - Jun-2019 by month)



Source: RB internal data and information available from the Apple app store.

Notes:

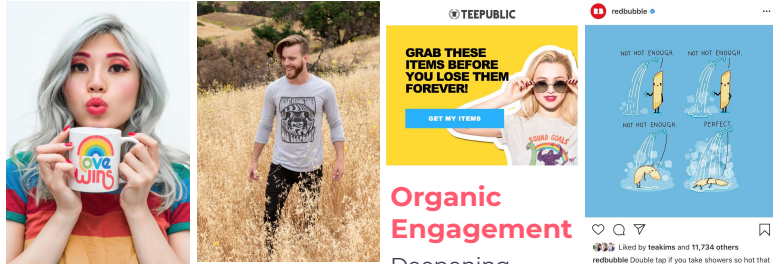
1. Based on average rating as displayed in the Apple iOS app store, as at 30 June 2019.

2. Based on US ranking displayed for all Apple iOS apps categorised as Shopping, as at 30 June 2019.

Marketing efforts diversified across multiple channels

Shifting from generic search driven to branded deeper relationships

Marketing efforts focused on customer acquisition powered by brand



Organic Engagement

Deepening relationships via organic social, personalised emails & app notifications - boosting direct traffic

Organic Coverage

Work continuing to regain organic non-branded search rankings

Brand Associated Campaigns

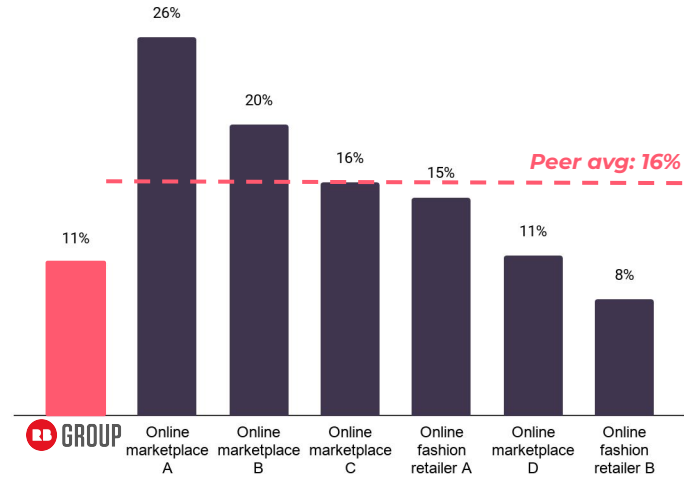
Reaching customers via branded-paid search, affiliates and influencers

Online Paid Channels

Acquiring customers profitably through display, paid social, and transactional ad channels

Marketing spend better than e-commerce peers at larger scale with sustained efficiency of spend

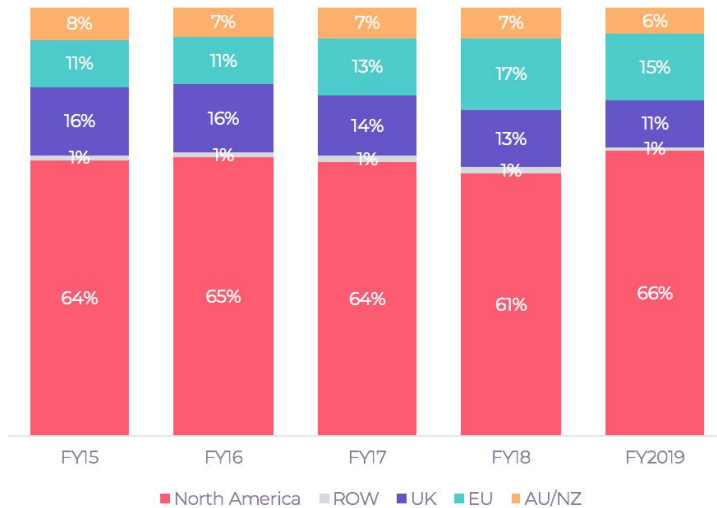
Marketing / advertising spend % of Marketplace Revenue or equivalent (% , last fiscal year)



New geographies and products major drivers of growth and diversification

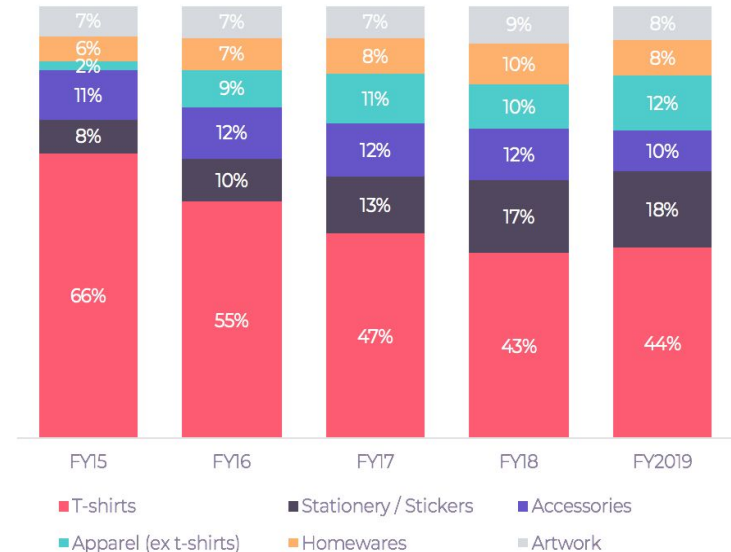
Redbubble growth in EU supported by new languages with similar opportunity for TeePublic

Geographic contribution
(% of Marketplace Revenue, FY15 - FY19)



Scalable new product launches to further growth across the Group

Product contribution
(% of Marketplace Revenue, FY15 - FY19)



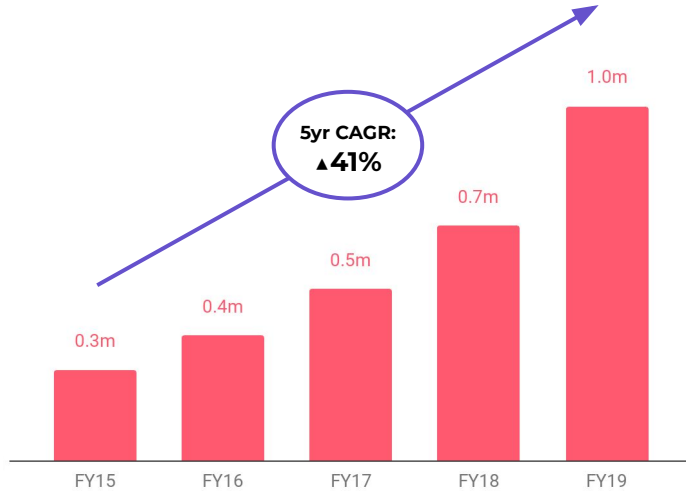
Source: RB internal data.

RB is propelled by a large artist community

Who continue to contribute to a large library of content

Large and growing community of ~1 million independent artists

Active artists
(in millions, FY15 - FY19)



✧ **Growing content library**

24.1 million¹

Active art works

✧ **Evergreen content a vital asset**

~60% of revenue¹

From works published for 1+ years

✧ **Large group of top artists**

~80% of sales

Made by 33,000 artists¹

✧ **Negligible artist acquisition costs**

✧ **Strong artist retention**

3.3 years

Average artist tenure²



Source: RB internal data.

Notes:

1. As at FY19.

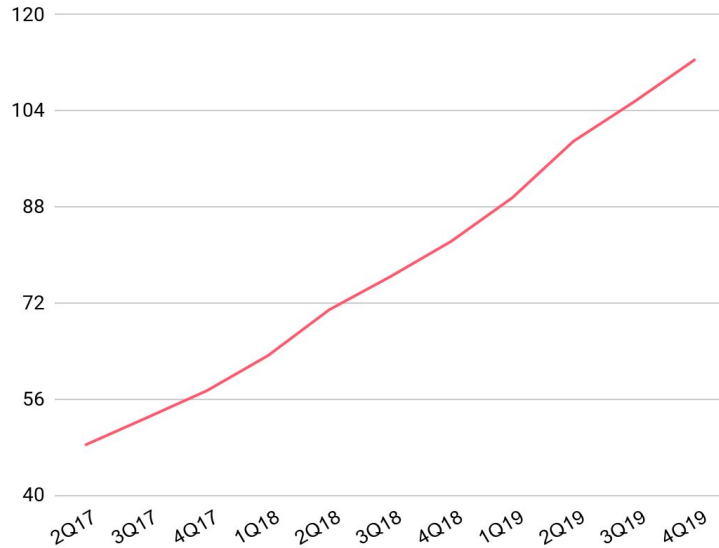
2. Based on the average tenure of all active artists as at FY19.

Authentic sellers powering the marketplaces

Tend to offer high quality, original works which resonate with customers

Continuing to grow core segment of high performing authentic sellers¹

Total authentic sellers
('000, 3QFY17 - 4QFY19)



Sales from this segment growing strongly and represent significant contributions to the topline

76%

of Redbubble FY19 sales made by authentic sellers

39%

Redbubble FY19 growth in sales by authentic sellers²



Source: RB internal data.

Notes:

1. Quarterly count of Redbubble artists who have met the criteria to be authentic sellers. TeePublic artists are yet to be segmented.

2. Redbubble Product Revenue is used as a proxy for Redbubble sales and does not include shipping income.

Effective take rate¹ of ~\$29 for \$100 of GTV²

RB benefits from a favourable working capital cycle



\$100

\$97.3

GTV



0

1-3 days

~2 weeks

~4 weeks

~3 months

\$29.1



**RB Group
take rate**

Outflows

\$2.7

Payment
Platform



\$15.3

Artist



\$46.6

Fulfillers



\$6.4

Tax



Source: RB internal data. Analysis based on FY19 figures.

Notes:

1. Take rate is Gross Profit as % of Gross Transaction Value.

2. Gross Transaction Value. Gross Transaction Value less Taxes and Artist Revenue is equal to Marketplace Revenue.

FY19¹ - a year of growth, scaling and shift to profitability

Marketplace Revenue²

\$257m
▲34% CC³

Gross Profit

\$95m
▲41% CC³

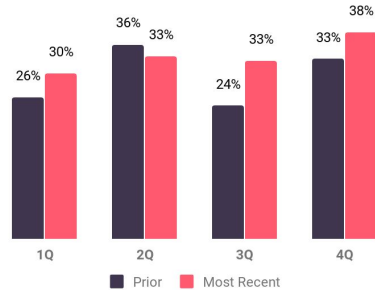
Operating EBITDA

\$3.8m
▲\$7.7m

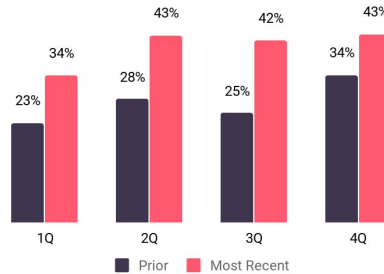
Free Cash Flow⁴

(\$3.1m)
▲56%

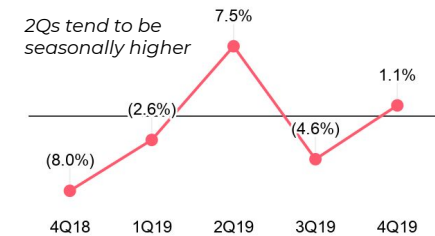
Marketplace Revenue² growth CC³



Gross Profit growth CC³



Operating EBITDA margins



Notes:

1. Includes eight months of TeePublic contributions, from 01 Nov 2018.

2. Marketplace Revenue is Total Revenue less Artist Revenue (i.e. Margin).

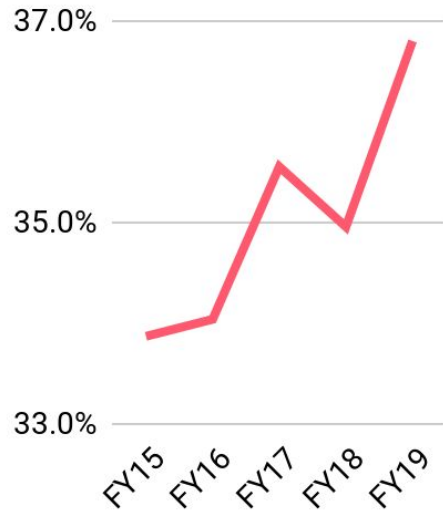
3. "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 94% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources most of its Marketplace Revenue in US dollars but a constant currency adjustment has not been made to its current period contributions as TeePublic is not included in the prior period figures.

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

Economies of scale emerging at current size

GP margins gradually rising as supply chain efficiencies continue

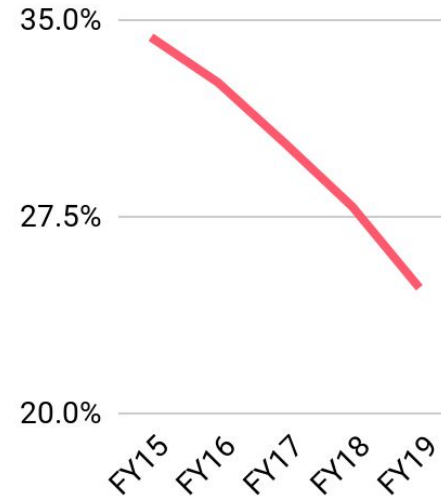
Gross Profit as % of Marketplace Revenue
(%, FY15 - FY19)



- Increased scale generating optionality within fulfiller and shipping network
- Sustainable and ongoing margin improvement

Sustainable reduction in core operating costs as % of sales

Operating expenses as % of Marketplace Revenue
(%, FY15 - FY19)



- Disciplined management of cost base
- Automation slowing cost growth
- Focus on efficient growth investments

A top-down view of a desk with various stationery items. In the center is a light blue notebook with a white tab that says "LET'S WRITE". The notebook is decorated with several stickers: a girl in a purple dress, a colorful brain, a bear, and a penguin. To the left is a white notebook with a blue cover and a ruler. Above it is a small white notepad with a paperclip and a pen. To the right is a large light blue folder or notebook with a small green and white sticker. Below it are two blue pencils. In the bottom left corner, there are two crumpled pieces of white paper. The background is a solid light blue color.

**RB Group has clear priorities for
generating growth and scale**

Clear opportunities to propel flywheel for growth

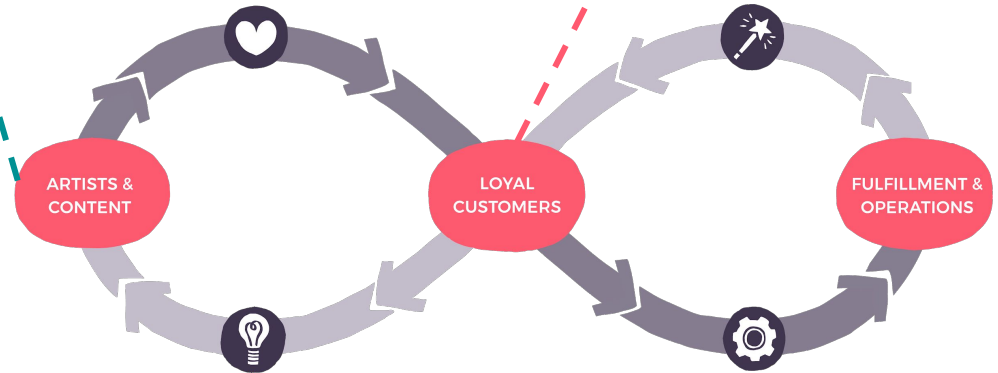
4 key initiatives aligned with core

Artists & Content

- 1 Authentic content
- 2 New products

Customers

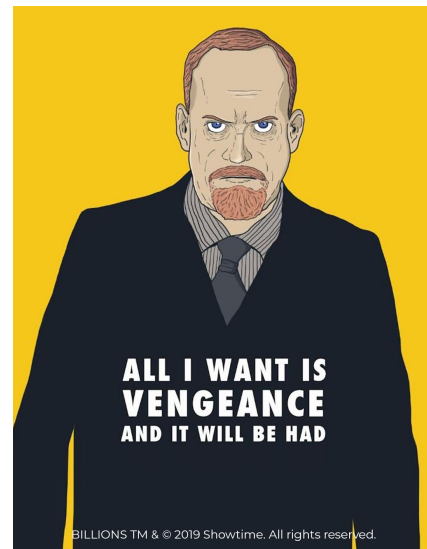
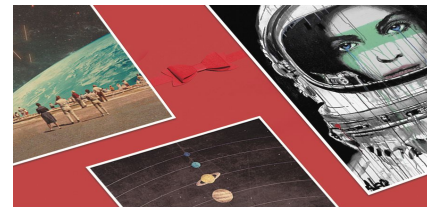
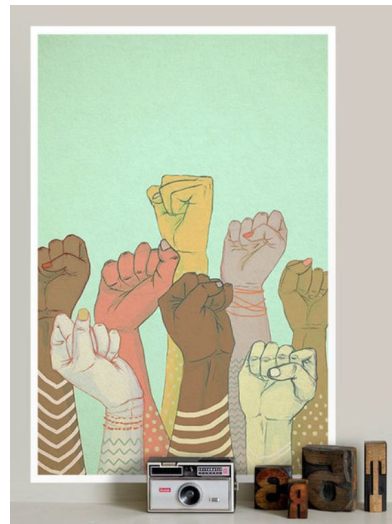
- 3 Deeper relationships
- 4 Brand-driven customer growth



1 Authentic artists and enriching content

Fostering artists' commercial success and developing pipeline of fan art partnerships

- Scale content partnerships
- Increase marketing effectiveness of authentic sellers
- Launch of artist dashboard + features to improve engagement and efficacy



2 New product launches expand market reach

Recent investments expected to reduce engineering time and resources required

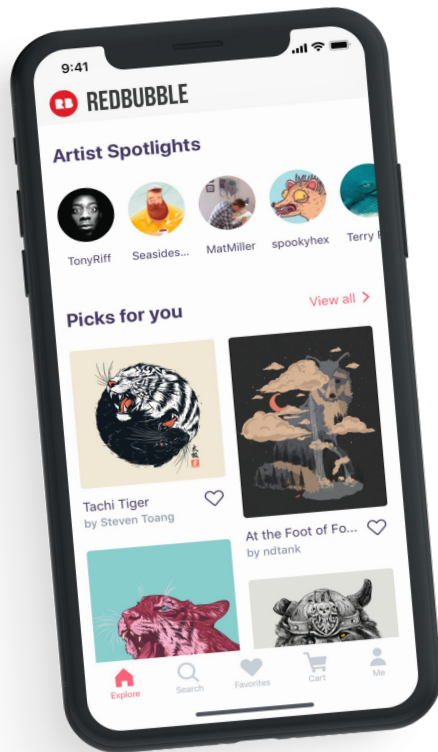
- 5 new products and working on additional 5+ products in CY19
- Enabling faster new product launches
- Supporting more localisation via onboarding of new fulfillers



3 Growing customer membership with personalisation

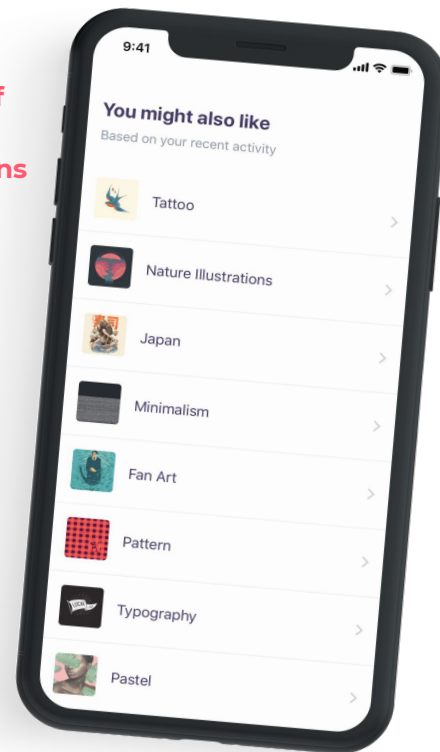
Starting to deliver on the potential of deeper relationships and increased loyalty

- Opportunity for increasing customer retention and repurchase rates
- Building engaged membership base
- Expand to Android
- Enhanced search relevancy and personalisation



Introduction of
personalised
recommendations

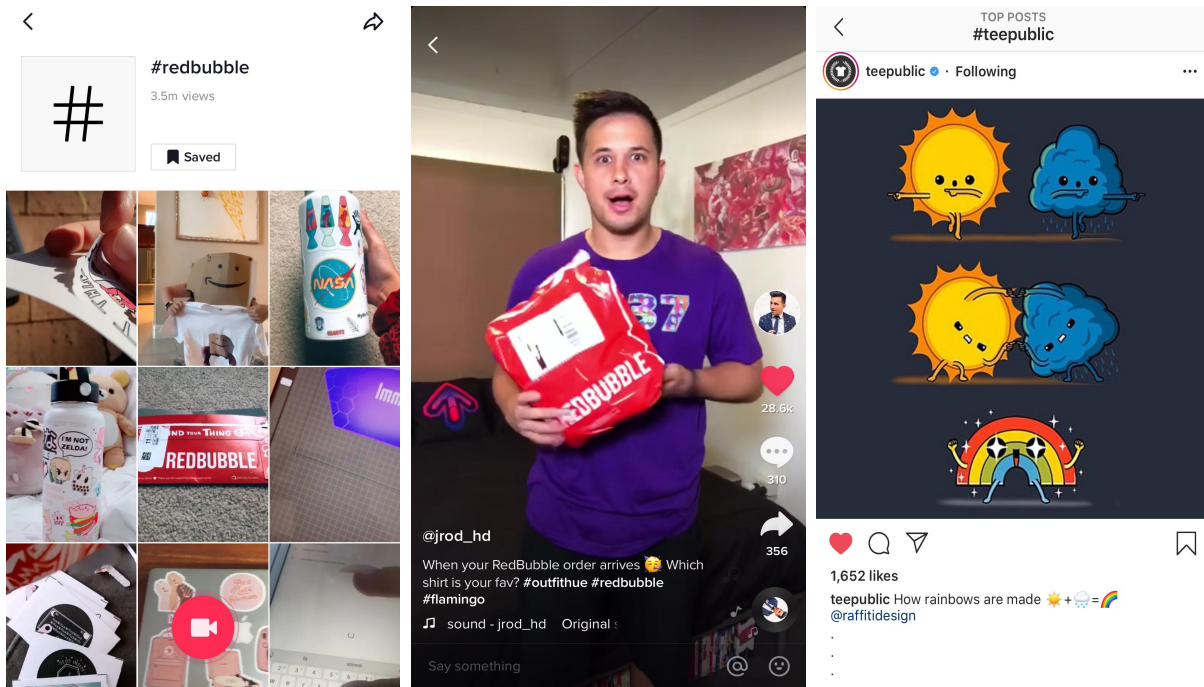
♥ Members
also love to
save their
favourites



4 Scaling customer growth powered by brand

Whilst acquiring customers profitably

- Stronger brand awareness to drive customer acquisition and retention
- Diversification from historical 3P channels
- Disciplined shift from transactional toward LTV-based marketing
- Grow TeePublic in Europe



Adjacent growth horizons

- **Artist services**
- **Wholesale on-demand**
- **Asia expansion**
- **Selective white labeling**
- **Retail footprint**
- **Disciplined inorganic pursuits**



RB Group investment highlights

RB Group has a revolutionary vision:

RB Group connects authentic artists and content partners with millions of loyal customers for adventures in creativity that transform the retail commerce experience

- **Targeting long term growth focused on large addressable market**
- **Flywheel effects supporting market leadership and providing strong moat**
- **Clear opportunities to diversify customer acquisition via brand, shift towards deeper relationships, expand content partnerships, and add new products**
- **Track record of successful growth in the near term and economics will continue to improve with scale and cash discipline**



Appendices

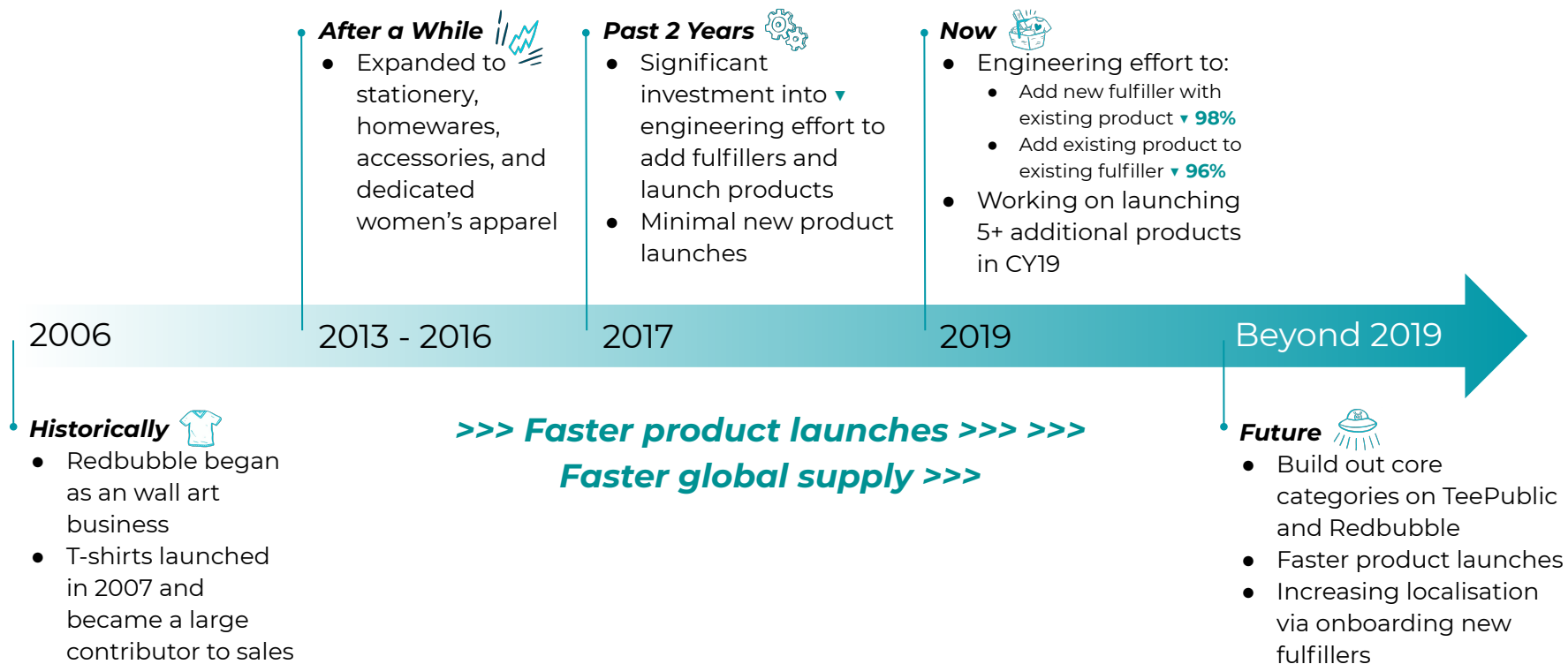
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Fostering artists' commercial success and developing pipeline of fan art partnerships



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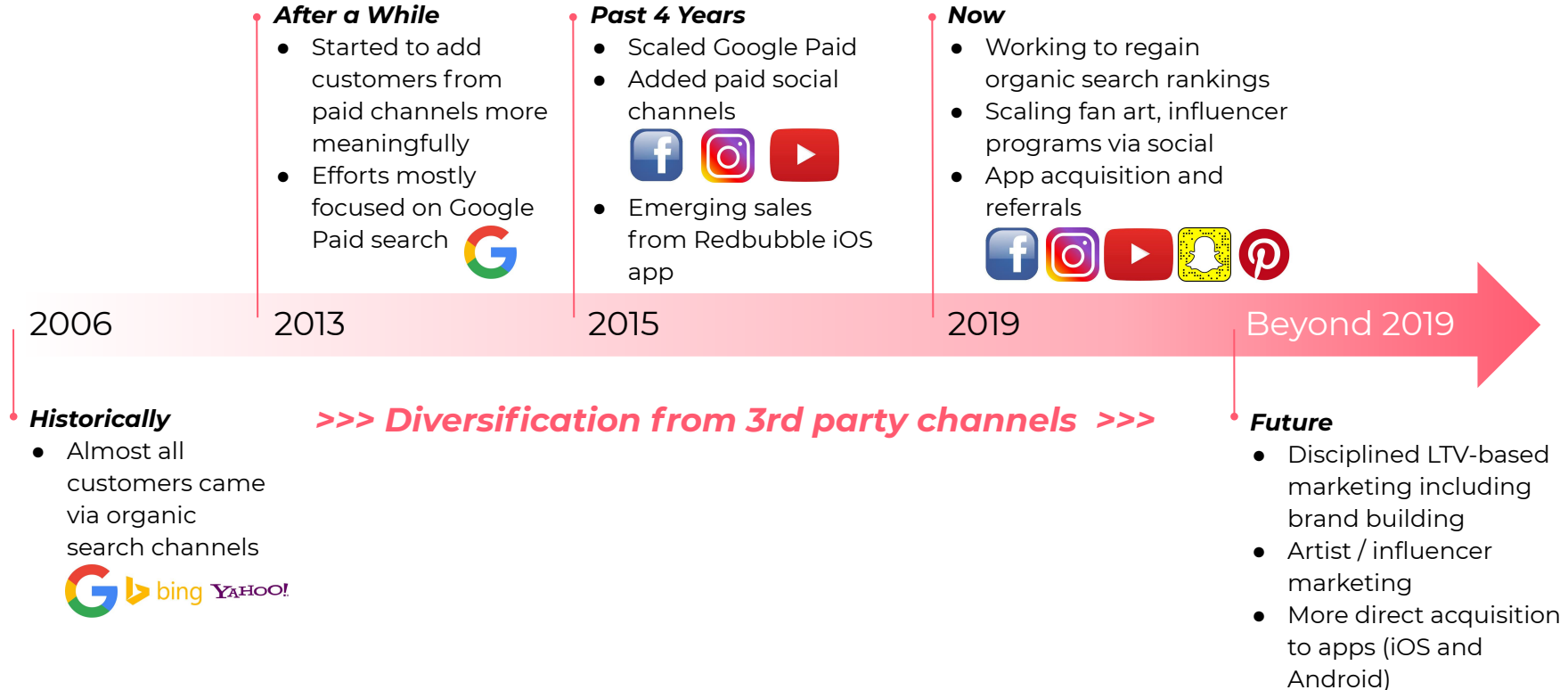
3 Growing customer membership with personalisation

Starting to deliver on the potential of deeper relationships and increased loyalty



4 Scaling customer acquisition powered by brand

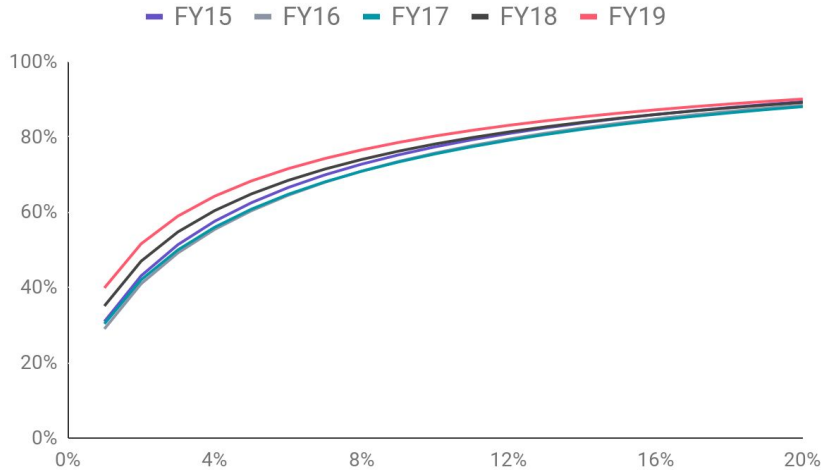
Whilst acquiring customers profitably



At REDBUBBLE 33,000 artists or 10% of selling artists represented 80% of earnings in FY19

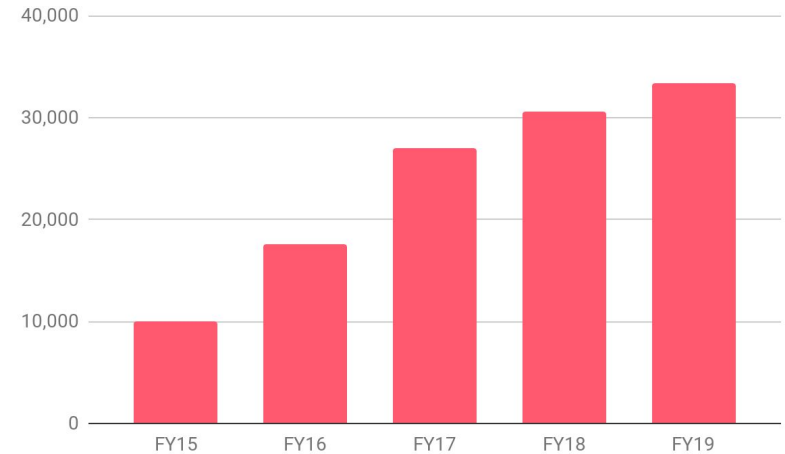
80% of sales are consistently made by top 10-12% of artists...

Distribution of product revenue across selling artists¹
(FY15 - FY19)



...Whilst the number of top selling artists has continued to increase substantially

of artists contributing 80% of product revenue¹
(FY15 - FY19)

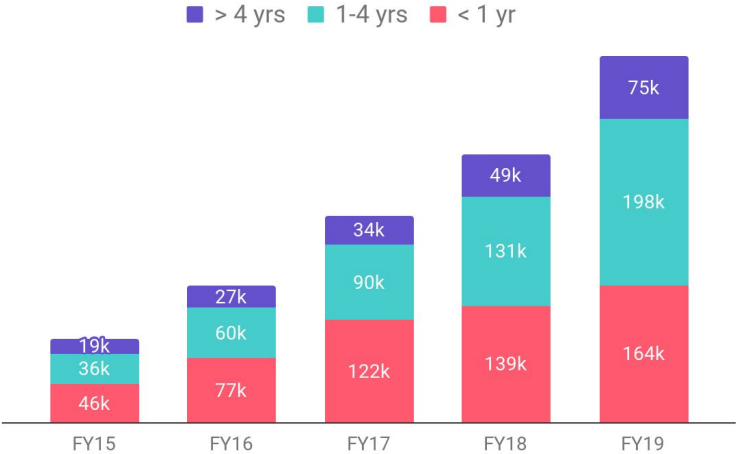


Loyal and growing artist base powers the market

Who also benefit from the multiplying effect of new products

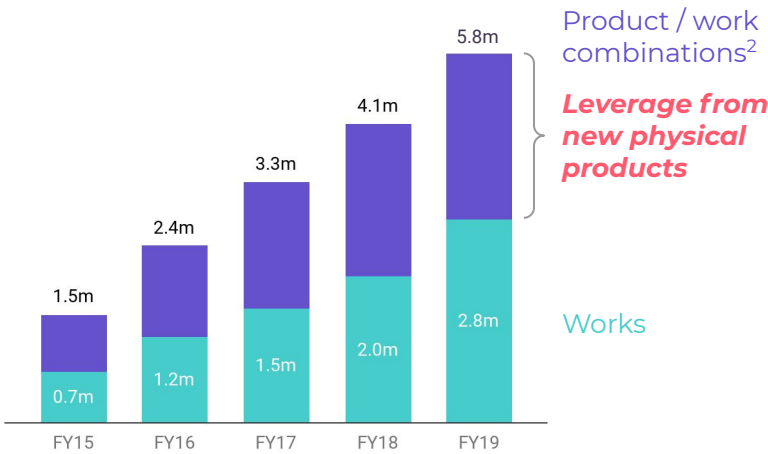
Number of selling artists continues to grow, with strong acquisition and retention

Selling artists by tenure¹
(thousands, FY15 - FY19)



New physical product launches will continue having a multiplying effect on our library

Unique content² sold
(m, FY15 - YTD FY19)



Source: RB internal data.

Notes:
1. Excludes self-purchasing, tenure taken exactly at time of sale (as opposed to grouping within yearly cohorts only)
2. Distinct products defined by differing consumer need e.g., iPhone 7 case considered separate from iPhone 8 case, but different sized greeting cards not distinguished.



Long tail content is growing and remains a vital asset

With negligible acquisition or retention cost

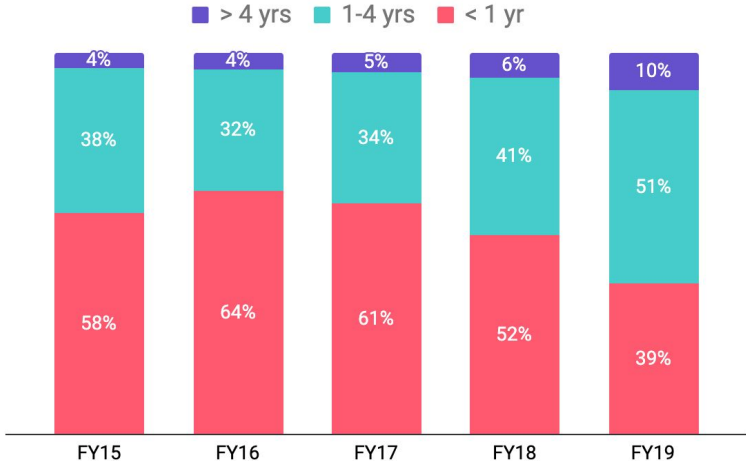
Library scaling rapidly and accumulating as a durable asset across the Group

Active art work library size¹
(m works, FY15 - FY19)



~60% of works sold this year have been published for over a year

Product revenue by age of work²
(% of product revenue, FY15 - FY19)



Source: RB internal data.

Notes:

1. Measured at end of the period.

2. Age of works taken exactly at time of sale (as opposed to grouping within yearly cohorts only)

Operational metric definitions

- **Active works:** currently published works (i.e. available for sale to the public) at the end of the period; does not account for overlaps between Redbubble and TeePublic
- **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
- **Authentic sellers:** defined as those artists that tend to upload high quality, original works which resonate well with customers. Data Science work during 2018 has helped identify this critical segment at Redbubble and significant development investment has been focused on increasing the output of this group. TeePublic's artists are yet to be segmented
- **Sales from authentic sellers:** based on Redbubble Product Revenue (i.e. does not include shipping income) from authentic sellers at Redbubble.
- **Unique customers:** defined as an unique email address; does not account for overlaps between Redbubble and TeePublic
- **Repeat Marketplace Revenue growth:** year on year growth of Repeat Marketplace Revenue is Group Marketplace Revenue earned from customers who have previously purchased, regardless of the date of their initial purchase
- **Sales from members:** based on Redbubble Marketplace Revenue from Redbubble members only
- **Members as % of Redbubble Marketplace Revenue:** Marketplace Revenue from member purchases divided by total Redbubble Marketplace Revenue from all purchases for the period
- **Active members on Redbubble:** unique members who visited either the web or app platform while logged in at least once during the period
- **Member Marketplace Revenue per active member:** Marketplace Revenue from member purchases divided by active members for the period
- **Redbubble NPS:** Sales-weighted average NPS for survey responses received during the period (as approximated by responses to orders shipped one month earlier)
- **TeePublic NPS:** Based on CY2018 survey responses for all customers and may include some responses from customers who purchased 12 months ago, i.e. from Jan - Dec 2018

Disclaimer

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