

Redbubble Group (RBL.ASX)

Presented by Barry Newstead, CEO




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 quoted in AUD (unless otherwise specified) and are from internal management reports and have not been subject to audit




RB Group operates two online marketplaces


Supply side



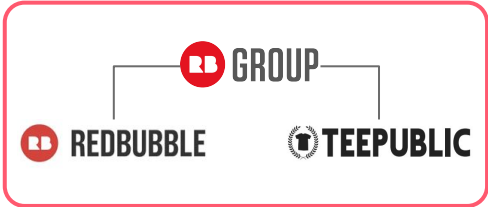
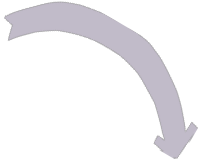
1.0 million artists
active on RB marketplaces



48 brands
on-boarded from content partners



32 3P product fulfilment locations
across 3 continents



Demand side



5.4 million customers
bought from RB marketplaces



\$328m GTV
on 94 awesome products



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

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



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)



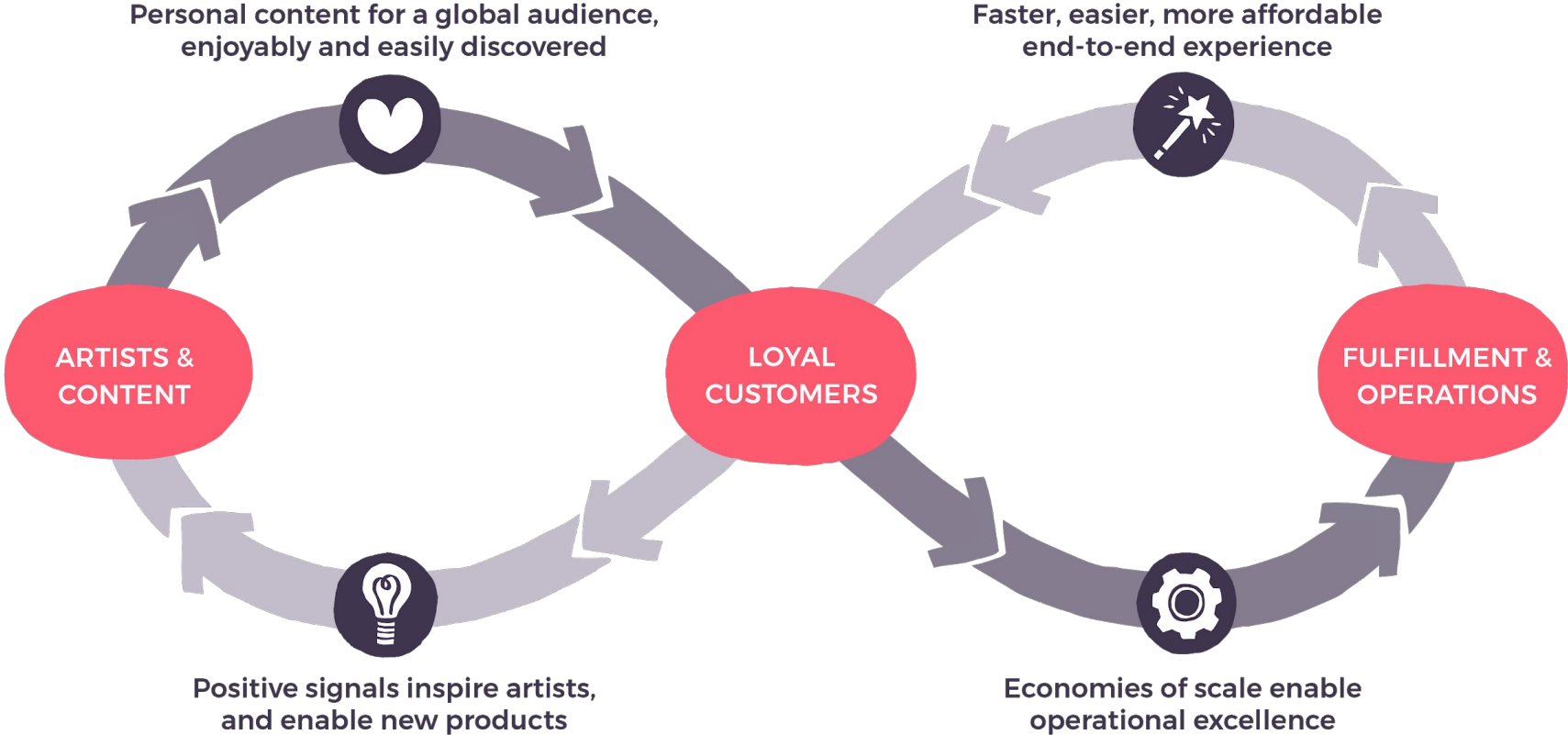
Sources: Forbes, eMarketer, McKinsey and Company, ATKearney, RB Group analysis with historical category growth rates applied.

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 a flywheel business

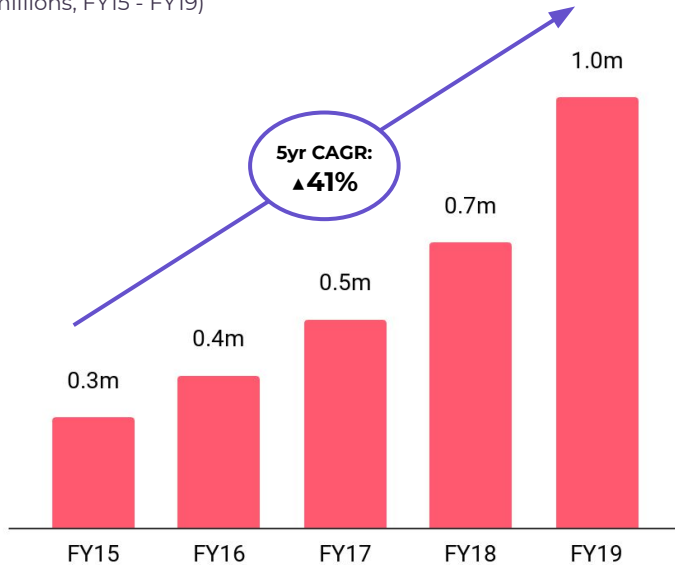


RB is propelled by a large artist community

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:

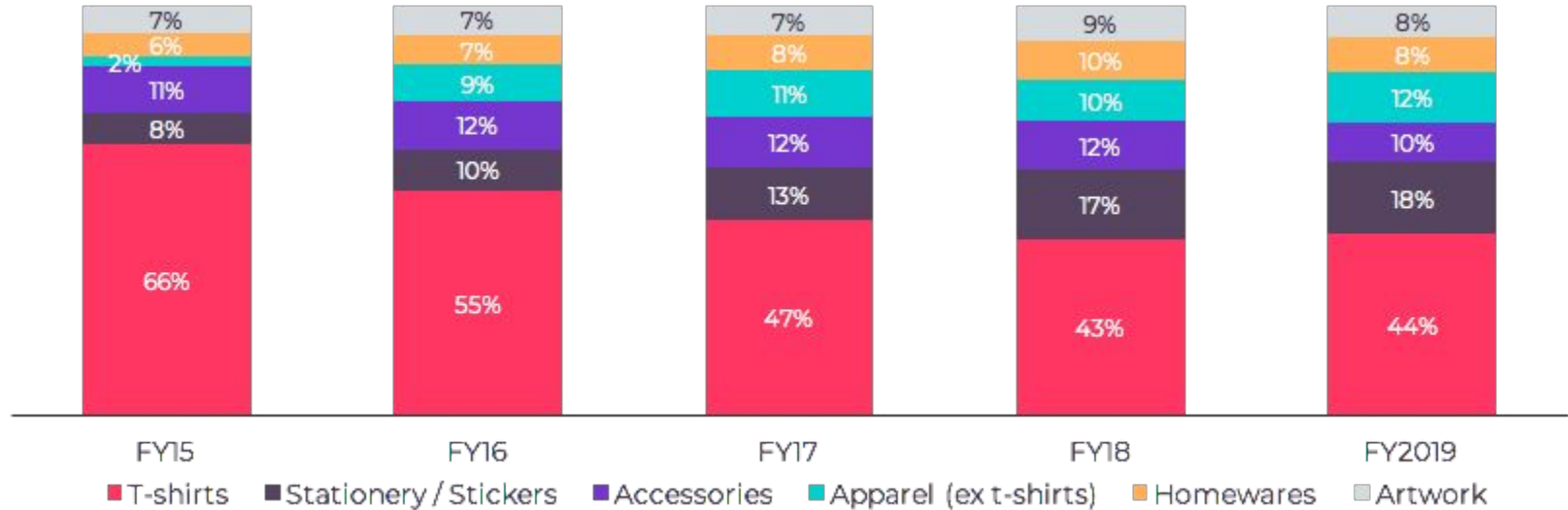
1. As at FY19.

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

RB competes in six categories with new products a driver of growth

Scalable new product launches to further growth across the Group

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



Source: RB internal data.

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

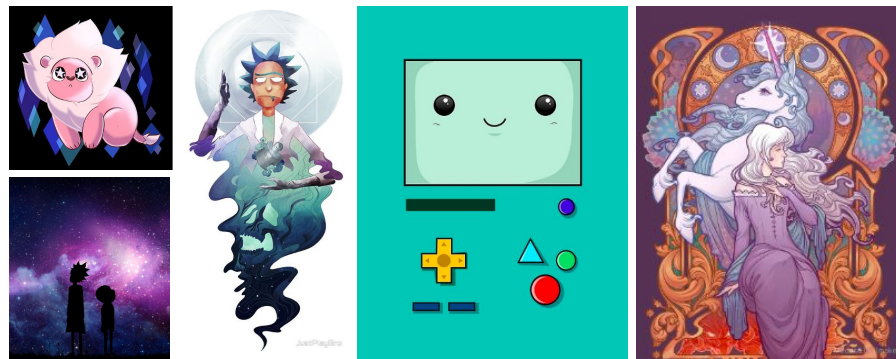
1Q FY19	ORPHAN BLACK	ZORRO™
2Q FY19	RICK AND MORTY	ALFRED HITCHCOCK
3Q FY19	Hell's Kitchen	SEVENTH UNIVERSE
4Q FY19	BILLIONS	STAR TREK on TeePublic

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.

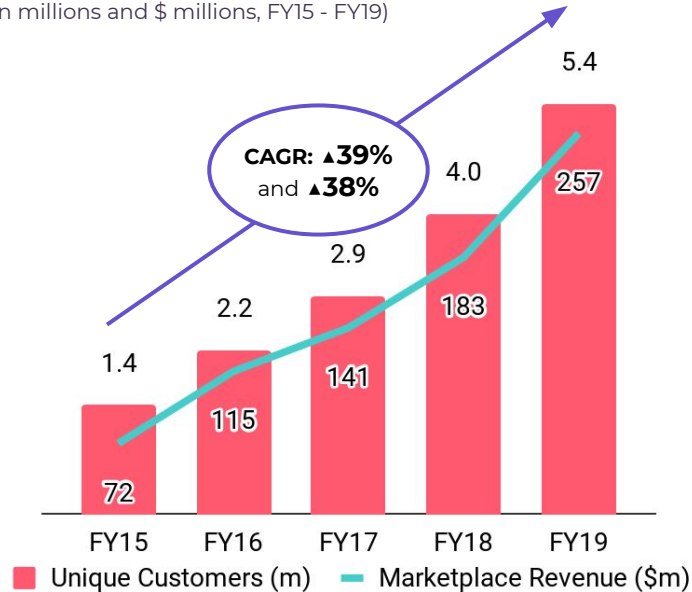
2. Works featured above are: 'Number' by JustPlayBro, 'Minimalist Rick and Morty Space Design' by azcy, 'SU - Starry Eyed Lion' Photographic Print by SharpieSam, 'BEEMO BOX' by JuanCharles, and Lady Amalthea - The Last Unicorn by Medusa Dollmaker.

Large and growing base of delighted RB customers

With upside potential from deeper relationships

RB marketplaces are online shopping destinations for 5.4 million unique customers

Unique customers¹ and Marketplace Revenue (in millions and \$ millions, FY15 - FY19)



Customers love their experiences on both Redbubble and TeePublic...

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

 REDBUBBLE

68

 TEEPUBLIC

52

... 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 a 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)

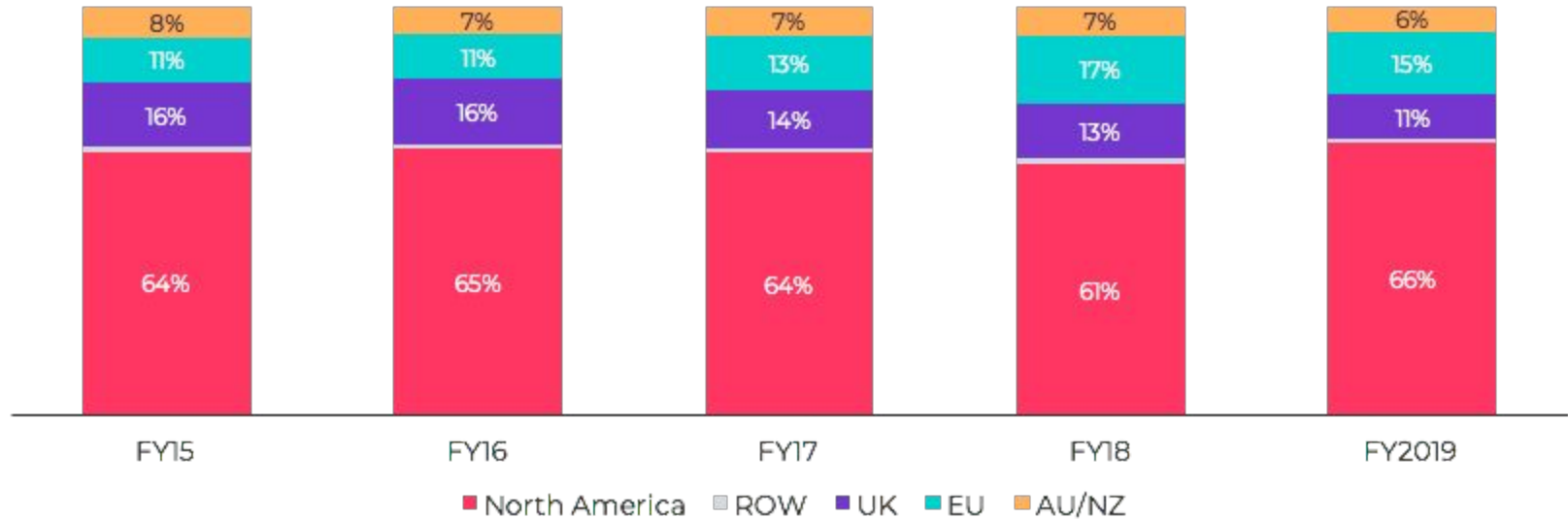
3. TeePublic NPS is based on CY2018 survey responses for all customers and may include some responses from customers who purchased 12 months ago, i.e. from Jan - Dec 2018



RB is focused on growing four regions

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

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



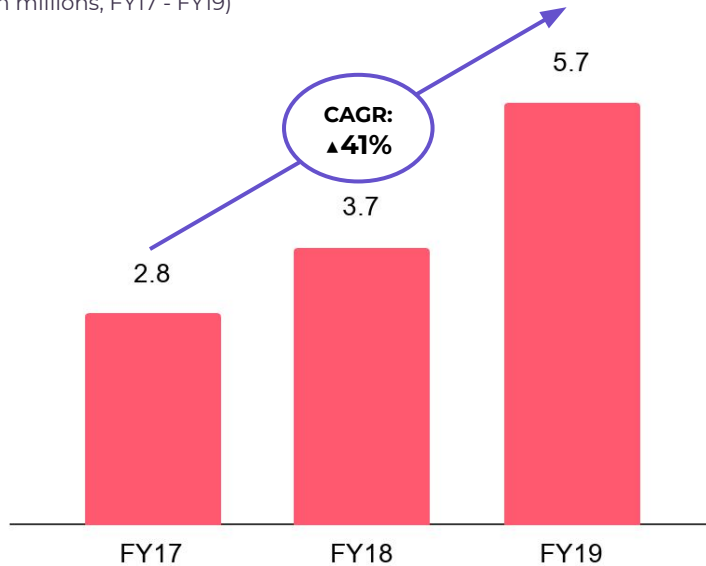
Source: RB internal data.

RB is building deeper relationships with customers

Shift from earlier transactional orientation

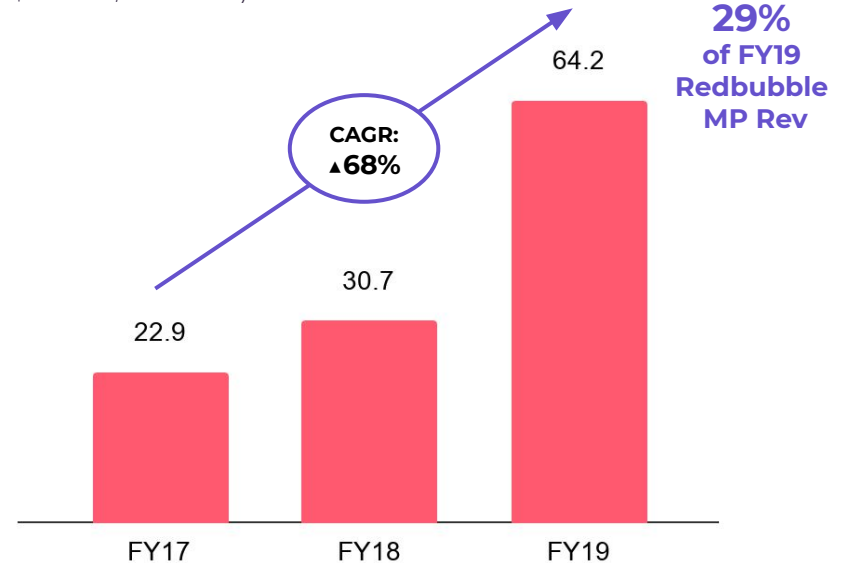
Accelerating base of active members¹ on Redbubble as customers convert to membership

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.



Attractive economics: take rate¹ of 29%

RB benefits from a favourable working capital cycle



Inflows

\$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.

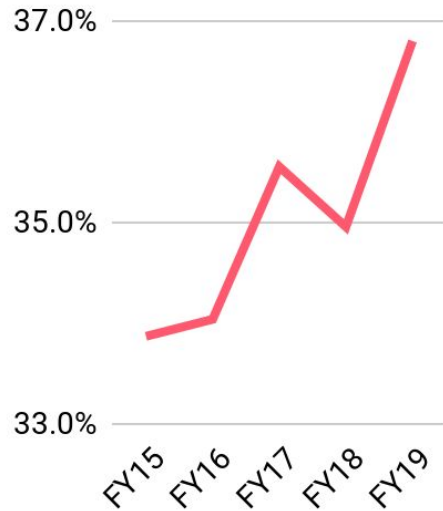
2. Gross Transaction Value. Gross Transaction Value less Taxes and Artist Revenue is equal to Marketplace Revenue.



Economies of scale emerging at current size

GP margins gradually rising as supply chain efficiencies continue

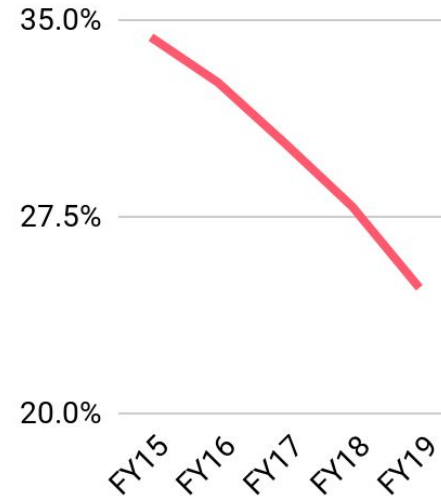
Gross Profit as % of Marketplace Revenue
(%, FY15 - FY19)



- 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

Summary of TeePublic acquisition performance

RB Group generating scale and growth benefits across both platforms



Realised \$1.3m of benefits in FY19¹

- Diversifying supply chain to enable fulfilment cost savings from joint scale and mitigate network risk
- Implementing features and other changes from shared insights
- Expansion of Content Partnership brands to TeePublic
- Leveraging Group functions in Marketplace Integrity, Finance, Legal and People & Culture

...with more benefits to be delivered as integration continues to progress

- Extend on savings with greater integration of supply chains
- Enhance artist tools and services and enable easier access to share content across both brands
- Build shared marketing and cross-brand planning
- Share localisation capabilities to support TeePublic's growth ex-US
- Collaborate on new product insights and launches

Notes:

1. Benefits captured from date of acquisition to end of FY19 (eight months from 1st Nov 2018 to 30 June 2019) and considered Operating EBITDA accretive.

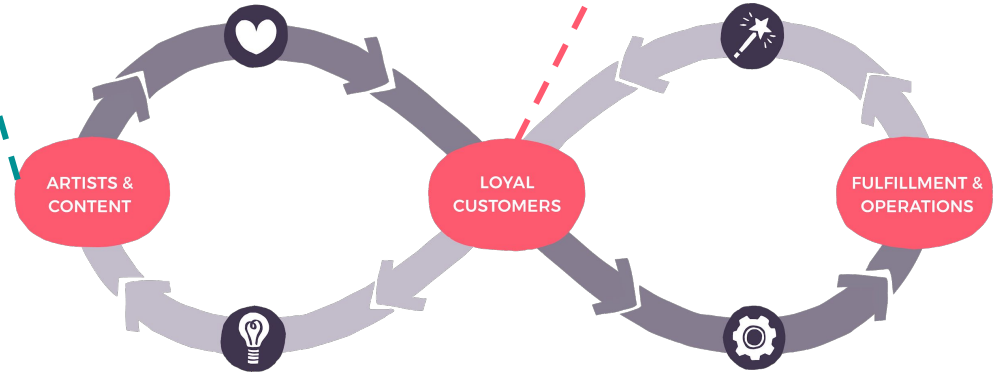
Clear opportunities to propel flywheel for growth

Artists & Content

- 1 Authentic content
- 2 New products

Customers

- 3 Deeper relationships
- 4 Brand-driven customer growth



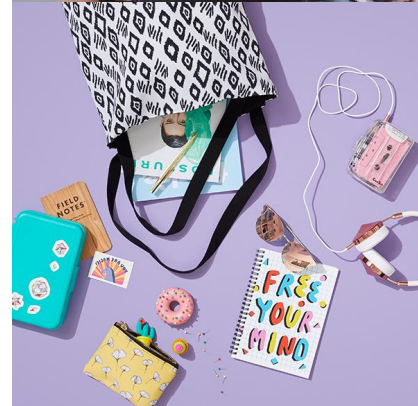
Adjacent growth horizons

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



RB investment opportunity

- 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





THANK YOU



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