



10 May 2023

Redbubble Group accelerating its return to cash flow positive

Redbubble Limited (ASX:RBL) and its subsidiaries (the Group) announces that they are implementing further cost-reduction measures to accelerate the return to cash flow positive.¹

The Group is aiming to reduce its operating expenditure by a further \$13 million to \$15 million on an annualized basis.² The majority of the cost savings will be achieved by reducing the Group's workforce by approximately 23% or 75 roles.

Martin Hosking, the Group's CEO and Managing Director, said, "Since being appointed CEO, my primary focus has been returning the Group to profitability as soon as possible. It has become clear that to achieve this, we need to further reduce our cost base. As a result, we have made the difficult decision to remove a number of roles from the Group.

"As part of this process, we have restructured our business to more clearly define the Group function and two operating companies, Redbubble and TeePublic. We expect this new structure will allow each marketplace to operate more efficiently and effectively, with a greater focus on their individual strengths and unique value propositions. We have also ensured that we have retained the necessary capability to continue to make targeted investments in initiatives, which have delivered, or we anticipate will deliver a financial benefit in the near term.

"We believe that the steps we are taking today will best position us to bring forward our return to cash flow positive. Once achieved, we will be on a strong footing to explore future growth opportunities to unlock the Group's tremendous potential."

FY23 Guidance

The Group reaffirms its FY23 MPR guidance for MPR to be slightly below FY22 MPR and its FY23 GPAPA margin guidance to be between 18% and 20%.³

While the majority of the financial benefit of the cost-reduction announced today is expected to be realized from the beginning of FY24, the Group now expects its FY23 operating expenditure to be

¹ Cash flow positive is defined as positive operating EBITDA less payments for capitalized development costs, leases and property, plant and equipment (PPE). All references to dollar amounts or figures are unaudited and in AUD unless stated otherwise.

² This does not include one-off restructure costs of approximately \$3.0 million.

³ Refer to guidance contained in the Group's Trading Update announced to ASX on 20 April 2023. The guidance assumes that there is not a significant change to current levels of consumer demand, foreign exchange rates or geographic and product mix.



between \$125 million and \$130 million.⁴ This does not include one-off restructure costs of approximately \$5.1 million.⁵

This announcement was authorized for lodgment by the Redbubble Limited Board.

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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, Redbubble.com and TeePublic.com. 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 the artists' 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 Redbubble Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement. Redbubble Group disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Redbubble Group disclaims any responsibility to update or revise any forward-looking statements to reflect any change in Redbubble Group's financial condition, status or affairs or any change in the events, conditions, or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this announcement have not been audited, examined, or otherwise reviewed by the

⁴ Refer to guidance contained in the Group's Trading Update announced to ASX on 20 April 2023.

⁵ Includes restructure costs related to January restructure of \$2.1 million and \$3.0 million related to the initiative announced today.



independent auditors of Redbubble Group. You must not place undue reliance on these forward-looking statements.