

30 January 2025

## Trading update

Articore Group Limited (Articore or the Group) provides an update ahead of the release of its financial results for the half year ended 31 December 2024 (1HFY25).<sup>1</sup>

### Overview

- While marketplace revenue (MPR) continued to decline, the Group has delivered a sustainable improvement in unit economics
- Following a restructure to combine the two marketplaces' operations, the Group has identified approximately \$12 million to \$14 million of annualised savings. FY25 opex now expected to be between \$89 million to \$92 million from \$96 million to \$100 million
- The Group has increased its FY25 gross profit after paid acquisition (GPAPA) margin guidance to 25% - 27%, previously 24% - 26%, and reaffirmed the Group's expectation to deliver positive underlying cash flow in FY25

Martin Hosking, Articore Group CEO said, "Despite our efforts to reverse the decline in the Redbubble's MPR, we are yet to see a meaningful improvement. TeePublic's 1HFY25 MPR is broadly inline with the prior year, which provides assurance that the Redbubble marketplace's issues are surmountable. To address the MPR decline and unlock synergies, we have combined marketplace operations under the former CEO of TeePublic, Vivek Kumar, a highly-experienced ecommerce executive.

"These changes enable us to reduce duplication, alongside our ongoing cost discipline, and are expected to drive a \$12 million to \$14 million reduction to the Group's opex on an annualised basis. These savings will be achieved by reducing the Group's workforce by approximately 17%, renegotiating contracts and reducing Group overheads. We are confident that the measures we are implementing now will have a near-term benefit, without compromising our long-term ambitions."

### New product launched

Mr Hosking also said, "We continue to explore opportunities to create additional revenue streams which leverage our distinctive assets. Last week, we launched a new product, Dashery, a platform that enables creators to further monetise their followings by selling print on demand merchandise to fans via their own store fronts. We will provide more detail on the launch with our half year results in February."

### 1HFY25 preliminary results

The following table details the Group's 1HFY25 unaudited financial metrics compared to the audited 1HFY24 financial metrics.

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<sup>1</sup> All 1HFY25 figures in this announcement are provided on an unaudited basis. The financial results (provided on a delivered basis unless otherwise noted) are from internal management reports. All references to dollar amounts or figures are in AUD unless stated otherwise.

	1HFY24	1HFY25	% change	%cc change
MPR	\$260.4m	\$230.4m	(12%)	(12%)
GPAPA	\$64.1m	\$55.4m	(14%)	(13%)
GPAPA margin	24.6%	24.0%	(0.6pp)	(0.5pp)
Opex	(\$50.6m)	(\$47.2m)	(7%)	(6%)

TeePublic delivered a sound performance in the first half, despite consumer sentiment remaining soft in the US, with MPR in line with 1HFY24. This was offset by a decline in Redbubble's MPR, as its performance continued to be impacted by a deterioration in traffic.

Operating costs were 7% lower in 1HFY25 than 1HFY24, reflecting the Group's disciplined approach.

### FY25 guidance and outlook

We expect trading conditions to continue to be soft in our key markets. In this environment, we will remain focused on optimising unit economics, maintaining cost discipline and maximising synergies across the Group.

Following improvements in unit economics in the second quarter, for FY25 we now expect the Group's GPAPA margin to be between 25% - 27% (previously 24% - 26%) and opex to be between \$89 million and \$92 million (previously \$96 million to \$100 million).

We continue to expect to deliver positive underlying cash flow in FY25.

### 1HFY25 Results

Articore will release its audited results for 1HFY25 on Thursday, 27 February 2025.

Martin Hosking (Group CEO and Managing Director) and Rob Doyle (Group CFO) will host a market briefing at 9.30am (AEDT) Thursday, 27 February 2025 | 2.30pm (PST) and 5.30pm (EST) on Wednesday, 26 February 2025.

Please register for the webcast via the following link: <https://webcast.openbriefing.com/atg-hyr-2025/>.

### For further information, please contact:

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## About Articore Group

Articore owns and operates the leading global online marketplaces, Redbubble.com and TeePublic.com. The Group's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags and wall art. 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.

Founded in 2006, Articore Group (ASX: ATG) was previously known as Redbubble Limited (ASX: RBL).

### **Forward-looking statements**

This announcement contains forward-looking statements in relation to the Articore Group, including statements regarding the Group's intent, belief, goals, objectives, initiatives, commitments or current expectations with respect to the Group's business and operations, market conditions, results of operations and financial conditions, products in research, and risk management practices. Forward-looking statements can generally be identified by the use of words such as "forecast", "estimate", "plan", "will", "anticipate", "may", "believe", "should", "expect", "project", "intend", "outlook", "target", "assume" and "guidance" and other similar expressions. The forward-looking statements are based on the Group's good faith assumptions as to the financial, market, risk, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions will prove to be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors, many of which are beyond the control of the Group, that could cause the actual results, performances or achievements of the Group to be materially different to future results, performances or achievements expressed or implied by the statements. Factors that could cause actual results to differ materially include: changes in government and policy; actions of regulatory bodies and other governmental authorities such as changes in taxation or regulation (or approvals under regulation); the effect of economic conditions; technological developments; and geopolitical developments.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as at the date of the announcement. The Group disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Except as required by applicable laws or regulations, the Group does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based. Any projections or forecasts included in this announcement have not been audited, examined, or otherwise reviewed by the independent auditors of the Group.

This announcement was authorised for release by Articore's Disclosure Committee.