



### **Chair and CEO Addresses to Annual General Meeting**

**Melbourne, Australia; 26 October 2021**

Attached are the text of the Chair's address delivered by Anne Ward and the text of the CEO's address and accompanying slides delivered by Michael Ilcynski, at Redbubble Limited's (ASX:RBL) Annual General Meeting today, 26 October 2021.

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**This announcement was authorised for release to the ASX by the Redbubble Limited Board Chair.**

## **Chair's Address - 2021 AGM**

I now turn to my Chair's address to the meeting.

FY2021 marked my first full financial year as Board Chair and it was again, as we know, a challenging year for many parts of the world.

Over the past 18 months, the pandemic has had a profound effect on all our lives. It has changed how we live, work, travel and connect with friends, family and loved ones. It has also changed consumer behaviour and accelerated the shift to online platforms, including ours.

It was pleasing to see many countries in which we operate begin moving into a post-COVID era in the latter part of the year. It has been pleasing to see our business continue to perform strongly during this transition and retain many of the customers introduced to the Redbubble and TeePublic marketplaces during the pandemic.

As a result, the company achieved record financial results in FY2021. The results, which Mike will speak about shortly, are a testament to the Redbubble on-demand business model, a diversified and resilient fulfillment network, capable and committed management and staff, and a loyal community of Artists and creators.

Redbubble is a company with a mission to create the world's largest marketplaces for independent Artists and bring more creativity into the world. I'd like to take a moment to speak about the Artists who use our marketplaces.

Anyone who has visited the Redbubble platforms will appreciate the incredible range of work made available by talented Artists through our marketplaces. Despite the difficulties of FY2021, Artists continued to produce work in ever greater numbers and were rewarded by earning a total of \$104 million of artist revenue, which is the highest annual amount in the history of the company. Without these Artists, we could not fulfill our mission nor produce strong financial results for you, our shareholders.

A highlight for the company during the year was the appointment of our new CEO - Michael Ilczynski. Mike assumed the role in January 2021, taking the reins from our interim CEO and Redbubble co-founder Martin Hosking. I'd like to once again thank Martin for his willingness to continue as interim CEO while we conducted a global search which resulted in Mike's appointment.

With Mike's commencement and the articulation of Redbubble's medium term strategy and aspirations in April, the business has a very clear path forward for realising our growth ambitions in a large and growing addressable market. This next phase will require a combination of disciplined investments and focused execution as the company makes progress towards achieving our medium term aspirations and delivering longer term value.

We have also made changes to the structure and composition of the Executive Leadership Team, and the Group is building a team that can leverage the significant achievements to date, and scale Redbubble Group into its next phase of growth.

In addition, with the ever-increasing focus on environmental, social and governance issues, it is more important than ever that the Group continues to recognise the importance of ESG issues.

Redbubble's business model has always emphasised a small environmental footprint together with a strong focus on having a positive social impact. We continue to work to better understand our material ESG impacts and more clearly integrate ESG considerations into our strategy and decision making in the future.

In closing, my sincere thanks to my fellow Directors, to Mike and the Executive Leadership Team and the many committed employees of the Group for their ongoing contribution through another challenging year.

Finally, I would like to thank you, our shareholders. For those of you who have been with Redbubble for a while, we thank you for your continued support. For those who have joined us over the past 12 months, I would like to extend a warm welcome. Together, we look forward to sharing our progress with you in the coming years as the business strives towards its longer term growth potential.

I call on Mike to provide his CEO address to the meeting.

## **CEO Address -2021 AGM**

Thank you Anne.

I am delighted to be addressing my first AGM as CEO of Redbubble Limited.

Today, I will provide shareholders with an overview of Redbubble's performance in FY2021, which was a record year for the company and demonstrated the potential of the business when it is operating at scale.

Having been appointed less than a year ago, though, I would first like to share my impressions of the company.

As mentioned by Anne, I commenced with Redbubble in January 2021 and I want to thank everyone for the warm welcome that has been extended to me. The pandemic has, unfortunately, impacted significantly on how my first 9 months in the role have looked compared to normal times. As CEO, my usual approach would be to get out and meet the team, some of our Artists, our stakeholders such as the 3rd party fulfilment providers, and of course our investors. Travel restrictions and lockdowns have meant that I have not been able to meet many Redbubble and TeePublic staff in person. Nor have I been able to visit the fulfillment network or meet face to face with shareholders.

However, these circumstances have provided me the opportunity to see first hand how the Group is able to operate under incredibly difficult circumstances and it has shown to me that the Redbubble business model is resilient and scalable.

It also reflects the ongoing skill, professionalism and fortitude of our staff. Despite all the macro events, and having been in lockdown for an extended period of time in some geographies, the performance of our people has been outstanding, showing their dedication to the company and the Artist community whose customers our marketplaces service. There is, undoubtedly, a lot of work for us to do - there are significant opportunities to improve the way we serve Artists and their customers, and to improve our operations and systems to enable us to scale and achieve our medium term aspirations, which I will speak to in a few moments.

I will now turn to the FY2021 results. Please note that the slides that I will be speaking to are a compilation from the full year results presentation which we shared in August.

## **FY2021 Results**

I am pleased to report that in FY2021 the Group achieved record financial results. In summary, at the Group level, Gross Transaction Value across the marketplaces was \$701 million for the year, up 48% year on year and up 60% on a constant currency basis, Marketplace Revenue was \$553 million, up 58% year on year and 71% on a constant currency basis and NPAT was \$31 million compared to a loss of \$9 million the previous year.

Importantly, FY2021 saw \$104 million earned by over 700,000 selling Artists across the Redbubble Group marketplaces. This is the highest annual amount ever earned by Artists using our platforms. We are all particularly proud of the record Artist revenue that was earned by this community of creative people. This is an incredibly important milestone as it took Redbubble 11 years to achieve more than \$100 million in total cumulative artist earnings. Whereas, over the course of FY2021, this was reached in under 12 months, a testament to the strong growth experienced by the business and the Artists we serve.

At year end, the Company had no debt and \$99 million in cash. That has increased to \$109 million as at 30 September 2021. This cash position provides strong financial foundations and strategic flexibility as we pursue our medium to longer term opportunity.

## **Strategic & Operational Update**

The record growth during the year was achieved through a clear and disciplined focus on our four key strategic themes:

1. artist activation and engagement;
2. user acquisition and transaction optimisation;
3. customer understanding, loyalty and brand building; and
4. physical products and the Third Party Fulfilment Network.

Investment in these areas is crucial to ongoing growth of the business and I will speak to each of these in turn.

## **Artist Activation and Engagement**

The record amount earned by Artists across the Redbubble Group marketplaces represents not only strong growth in the number of selling Artists during the year, but also the continued engagement of existing Artists. This demonstrates clearly the long-term value that Artists and their content bring to the marketplaces.

To enable us to take a more proactive and segmented approach to Artist acquisition and engagement, a Group level Artists function was established in the second half of the year and we expect this investment to impact this area in the years ahead.

## **User Acquisition and Transaction Optimisation**

9.5 million unique customers made purchases on our marketplaces during FY2021. This number is up 40% year on year and reflects strong organic growth through acquisition channels which continue to be a key source of competitive advantage. We also saw particularly strong growth in acquisition from Google Ads, affiliates and PR channels.

Over 50% of all sales on the platforms occurred via a mobile device, with Marketplace revenue on our apps growing 77% year on year during FY2021. During the year there was stronger engagement and retention of customers using our apps. It is important that we continue to invest in improving the customer experience for mobile device users to attract even more customers to these platforms.

## **Customer Understanding, Loyalty and Brand Building**

While the growth in unique customers during the year is very pleasing, customer loyalty is an important opportunity for the business. The rate of repeat purchases is a key loyalty metric and in FY2021, purchases by repeat customers made up 42% of marketplace revenue. We also saw that the rate of revenue growth from repeat customers exceeded that of first-time purchasers.

Our data also shows that those customers who first purchased on Redbubble during the second half of Calendar year 20 have demonstrated a 6 month repeat rate at the same level as those who were first acquired in the equivalent half pre-COVID, despite this cohort being significantly larger. This indicates to us that many of the gains made during COVID should be sustained as economies re-open.

## **Product Range and Third Party Fulfilment Network**

In FY2021, we saw the value of previous investments in the third party fulfillment network.

The network was able to maintain continuity of operations and supply in the face of surging demand, record holiday season volumes and constrained shipping conditions due to COVID. This was achieved without significantly compromising the customer experience.

We also continued to add new products to our range including jigsaw puzzles, aprons and magnets. In addition to the uplift achieved by expanding the range, we also saw improved customer acquisition and conversion through our focus on enhancing and refreshing some of the existing product range.

## **Medium Term Aspirations**

FY2021 showed we are on our way to “creating the world’s largest marketplace for independent artists”. This remains our mission, it drives our ambition, and we are passionately committed to it.

We believe our mission is supported by favourable macro trends and as such we are uniquely positioned to be a significant winner in a large and growing addressable market.

In April of this year, I shared our medium-term aspirations in a Letter to Shareholders. These aspirations are focused on driving a step-change in the impact we have for Artists, and in the scale of the business by growing our core topline metrics.

Our Ambition is to grow Gross Transaction Value to \$1.5 billion p.a. and Marketplace Revenue to \$1.25 billion p.a. which would enable us to significantly impact the Artist community by increasing Artist revenue to \$250 million p.a.

Our willingness to openly set and share these aspirations, and our confidence in our ability to achieve these in the years ahead is reinforced by the Group’s track record of topline growth. This track record enables us to look ahead with confidence as we aspire towards a CAGR of 20-30% over the next 4-5 years.

## **Near term outlook**

Looking ahead, I know that progress may not occur in a linear fashion, and there are likely to be various challenges along the way. None of this, however, will take away from the opportunity we have and the potential for the business.

A few weeks ago, we reiterated our outlook statements for FY22 provided in August, and also shared our first quarter results and some operational highlights. During the quarter, the business recorded first quarter Marketplace Revenue was \$106 million down 28% and 27% on a constant currency basis year on year when looking at the headline numbers only. At an underlying level, we exclude masks and delivery date timing adjustments, resulting in an underlying Marketplace revenue number of \$104m, which is 6% below prior year on a floating basis, and only 4% on a constant currency basis. Given the unprecedented events of the last 18 months, we also look to the fact that these results were more than 55% greater than Q1 FY20, and so on a two year view the CAGR was positive 24%, demonstrating the significant growth in the business over the last two years.

I won't repeat all of the P&L metrics here as we provided them only a couple weeks ago. I do want to underscore that we are pleased the quarterly results came in line with expectations, with the business continuing to retain the majority of the accelerated growth and resultant revenue that occurred during FY21. Underlying MPR in July on a paid basis was down 11% vs July last year, with this improving to just negative 2% for September vs September. This trend coupled with the operational progress we are making gives us confidence about the near term outlook, and we are also using this opportunity to reiterate the full year Revenue and EBITDA guidance provided in August.

Redbubble is a business with some truly unique assets and competitive position, with compelling opportunities and many growth levers in the medium to longer term. We are well placed to deliver on the medium-term aspirations we have set ourselves for the benefit of the community of Artists, their customers, our staff and you, our shareholders.

I would like to close by thanking the talented and resilient teams at Redbubble and TeePublic for their commitment and dedication and ability to adapt to these trying times and to Anne and the Board for their ongoing confidence and support.

Together, we believe a continued and consistent focus on investing in order to scale and grow our marketplaces is the optimal path for the business right now, and the best way to generate maximal long-term shareholder value, and I would like to thank all of our shareholders for your continued support on this path.



# AGM CEO Presentation

## FY2021

26 October 2021

Redbubble Group (ASX: RBL; ADR: RDBBY) owns and operates the leading global online marketplaces, Redbubble.com and TeePublic.com, bringing more creativity into the world.

\*The financial results have been audited and are on a delivered basis (unless otherwise noted). Strategic and operational metrics are from internal management reports and have not been subject to audit.

# 1. FY21 financial results

Dogtor  
Designed and sold  
by Obinsun



# Record FY2021 Results

Gross Transaction Value

**\$701m**

↑ 48% floating  
↑ 60% cc<sup>1</sup>

Artist Revenue

**\$104m**

↑ 58% floating  
↑ 70% cc<sup>1</sup>

EBITDA

**\$53m**

↑ \$48m

Marketplace Revenue

**\$553m**

↑ 58% floating  
↑ 71% cc<sup>1</sup>

Gross Profit

**\$223m**

↑ 66% floating  
↑ 79% cc<sup>1</sup>

Cash Balance

**\$99m**

↑ \$41m



Spring Desert Night,  
Tropical Rising Pink and Green Plant  
Designed and sold by  
**moderntropical**



Source: RB internal data.  
All numbers, except for GTV, are on a delivered basis. GTV is a non-IFRS metric and is measured on a paid basis.  
Growth rates are YoY, comparing to FY20. Cash balance change shown is for FY21, i.e from 1 July 2020 - 30 June 2021.  
1. Constant currency basis.

## 2. FY21 strategic & operational highlights



Hummingbirds and Bees  
Designed and sold  
by Cecilia Mok

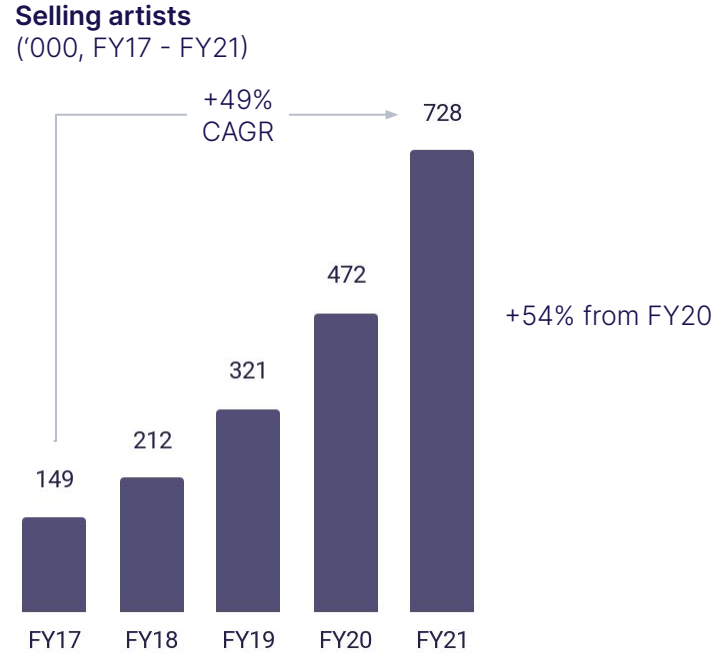
# Current focus is on four strategic themes to lay foundations for next phase of growth

1	<b>Artist activation and engagement</b>	Acquisition and engagement of artists to support growth and improvement of the library of unique content
2	<b>User acquisition and transaction optimisation</b>	Ongoing optimisation of user acquisition and transaction flows to drive uplift in overall user value
3	<b>Customer understanding, loyalty and brand building</b>	Deeper understanding of customers and their behaviour to create more compelling experiences and increased customer loyalty
4	<b>Product Range and 3rd Party fulfilment network</b>	Addition and changes to available product range from 3rd Party fulfilment network to reinforce user acquisition and customer loyalty

# Record \$104m earned by artists across RB Group marketplaces in FY21

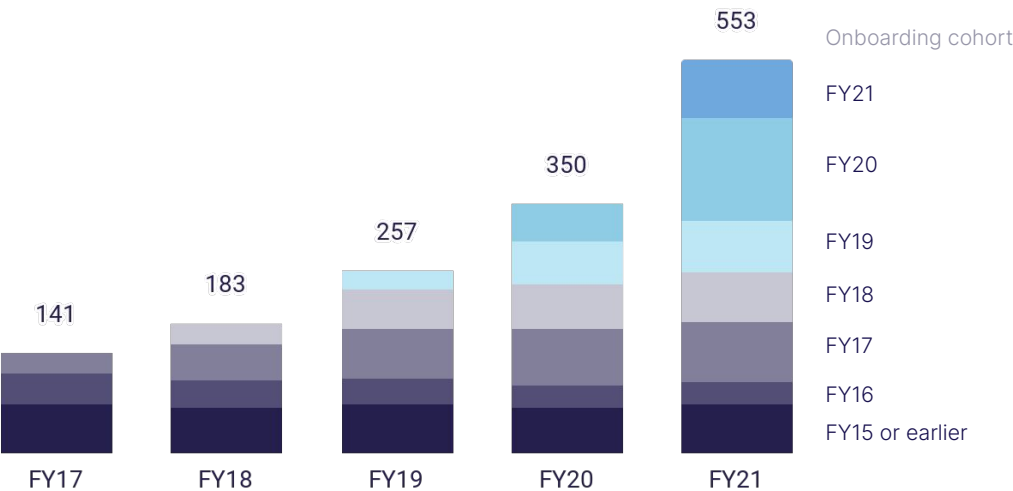
\$104m

Earned by artists in FY21  
(up 58% YoY)



# RB Group deepened investment in engaging the Artist Community, seeing both new and old cohorts flourish

Marketplace Revenue by artist cohort<sup>1</sup>  
(A\$m, FY17 - FY21)



New artists added to marketplace growth in FY21, while earlier artist cohorts also saw significant growth

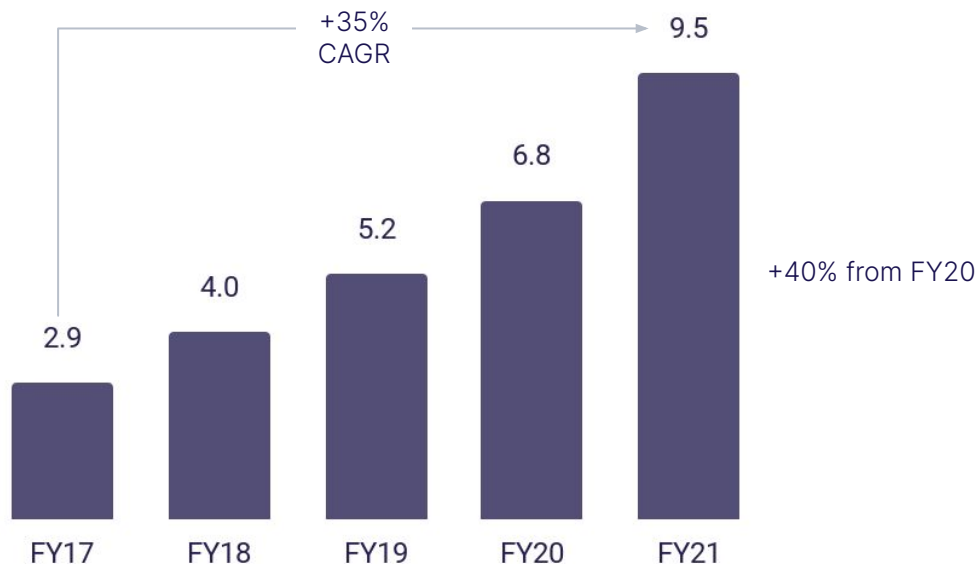
Group Artist function was established in H2 in order to actively manage acquisition and engagement of artist cohorts



Source: RB internal data.  
1. TeePublic artists onboarded prior to incorporation in FY17 assumed to be onboarded in FY17 cohort.

## Acquisition accelerated in FY21 delivering 9.5 million unique customers

Unique customers  
(m, FY17 - FY21)

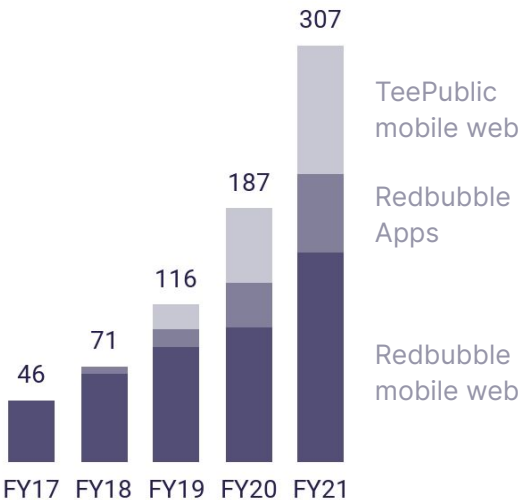


### Customer acquisition highlights:

- Organic channels showed continued strength, in line with overall customer growth
- Google Ads a strong channel for growing new customers
- Affiliates and PR programs doubled in acquisition of new customers year on year
- Ongoing channel innovation to expand reach, adding podcasts and direct mail

# Over half of sales are from mobile, with apps growing rapidly

Marketplace Revenue from Mobile, (A\$m, FY17 - FY21)

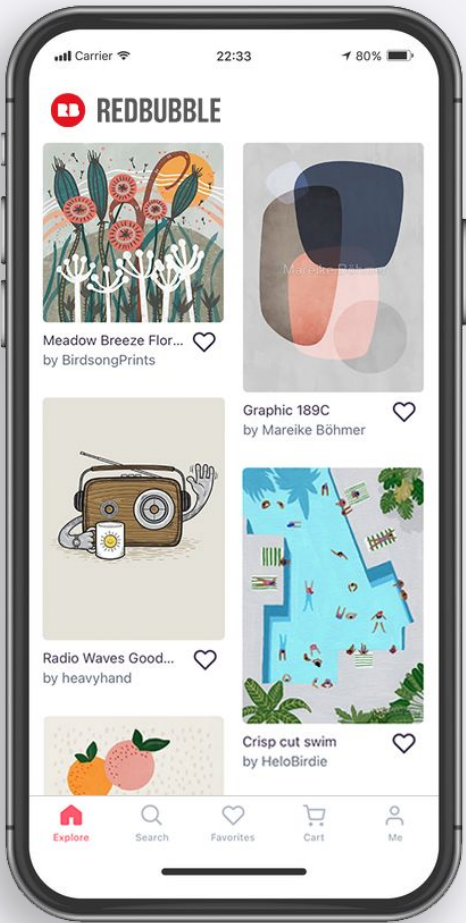


55%

Total Marketplace Revenue from mobile platforms in FY21

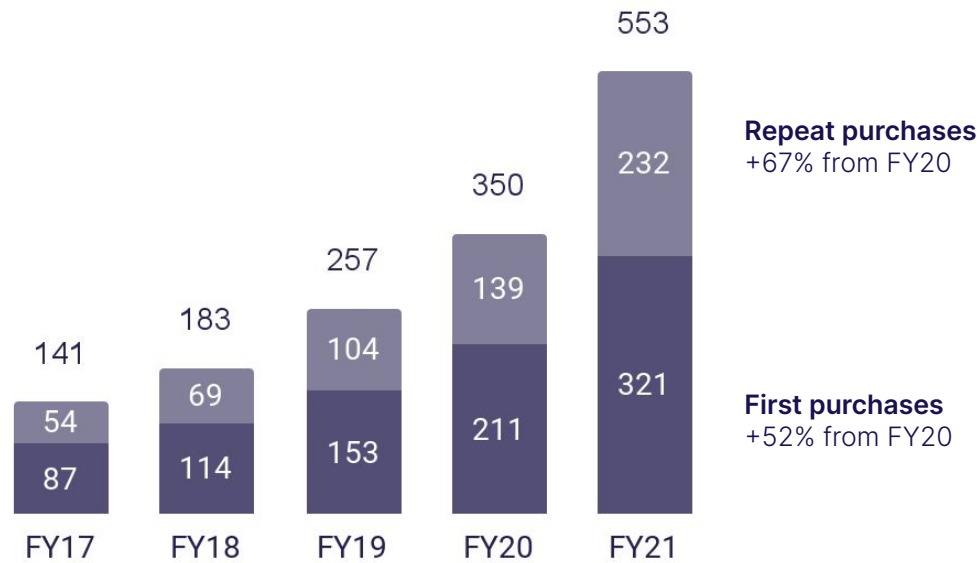
14%

Redbubble only Marketplace Revenue from apps in FY21 (up 77% YoY)



# Repeat purchases made up 42% of MPR, with steady repeat purchase despite growth in customer base in FY21

Marketplace Revenue by purchase type  
(A\$m, FY17 - FY21)



Cohort of new customers  
acquired in 1H21 was

+62%

larger than prior year, with repeat  
purchasing at the same rate as  
prior cohorts

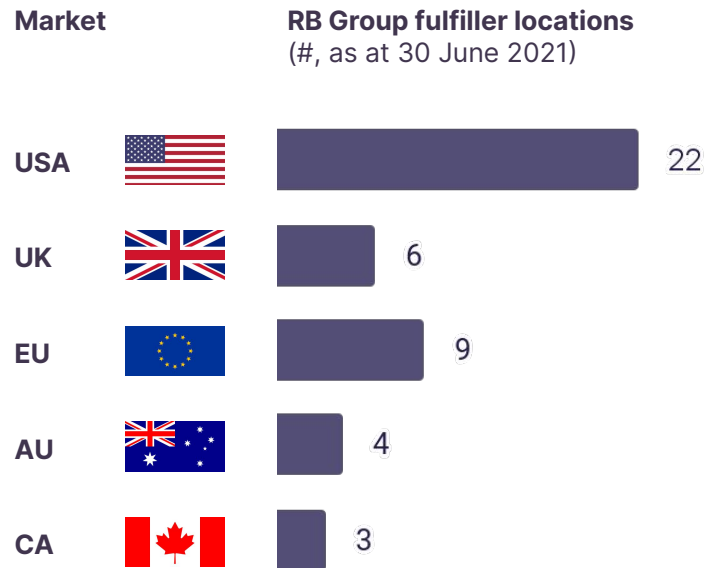
## The localised 3P fulfilment network proved resilient and scalable through the rapid growth of FY21

Prior year investments into the network enabled the business to respond to COVID in an agile way:

- Dynamic order routing across the network
- Largely automated new fulfiller location onboarding
- Strong relationships facilitating new product launches
- Continued localisation

Record volumes serviced through the network in FY21:

- 11.6 million packages shipped (up 47%)
- 87% on time delivery (up 8%)
- NPS<sup>1</sup> of 50



# Physical product range changes delivered acquisition and conversion gains, along with quality uplift to drive repeat

Designed and sold by LittleClyde



**Launch and refresh products to access more of the addressable market**

*FY21 achievements*

New products launched

- Aprons
- Jigsaws
- Magnets
- Kids & Fitted Masks

**\$11m** additional MPR from new products

**Align existing styles with our target audience to improve conversion**

**+7%** CVR uplift on products with targeted lifestyle previews

**+30%** increase in MPR from tri-blend tees by adding 4 new colours

**Deliver consistently great physical product experiences to drive repeat**

Variants and improvements:

- Fitted mask
- Flat mask strap changes
- Poster packaging improvements

**+15%** CVR uplift from halving poster delivery dates

### 3. Medium term aspiration



Tiger Sky  
Designed and sold  
by LauraGraves

# Our Mission sits at the centre of what we do

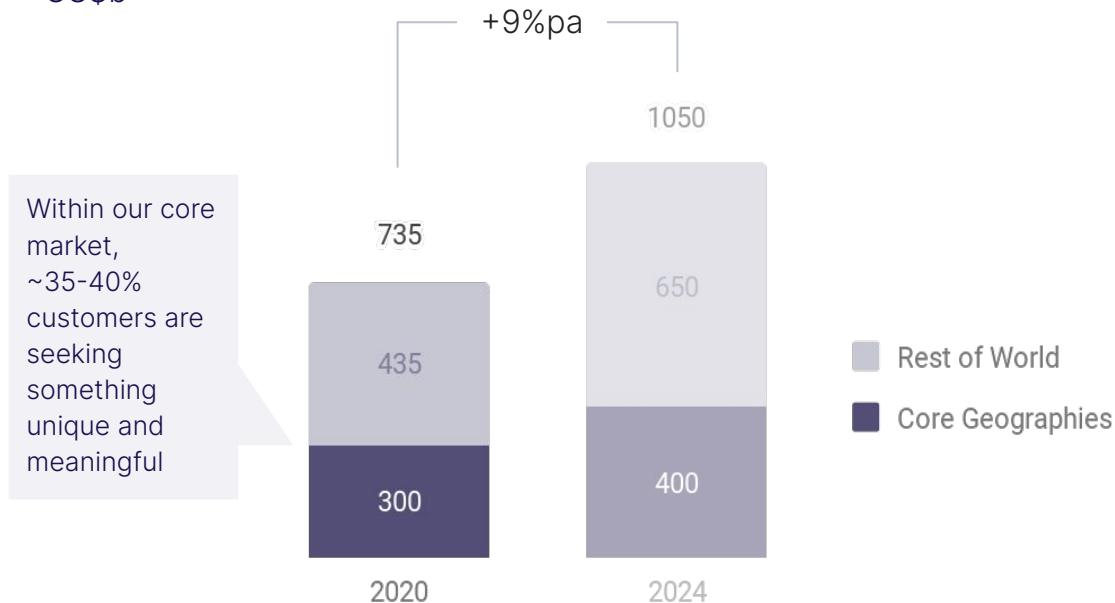
Creating the  
world's largest  
marketplace for  
independent artists



Worth the Climb  
Designed and sold  
by **cabinsupplyco**

# RB Group is uniquely positioned to be a significant winner in a ~US\$300b+ addressable market

eCommerce spend in addressable product categories<sup>1</sup>  
US\$b



**RB Group is supported by favourable macro trends**

- > Structural shifts to eCommerce expected to endure
- > Increasing consumer demand for unique and meaningful products
- > Growing Creator Economy enables scalable, dynamic source of unique designs
- > Sustainability and corporate responsibility driving consumer and investor choice



Sources: Statista, Businesswire, U.S. Chamber of Commerce  
1. Includes apparel, homewares, stationery, and art sold via e-commerce.

# Over the medium term, our aspiration is to drive top-line growth enabling a step change in scale and artist impact



Delivering value to artists  
inspires them to create  
more unique content

**Driving top line growth  
through customer acquisition  
and loyalty reinforces our  
competitive position**

Scaling the network improves  
the customer experience and  
unit economics

# Achieving this will create a step change in the scale of the business

## Medium Term Aspiration

**\$1.5b+**

**in Gross Transaction Value**



**\$1.25b**

**in Marketplace Revenue**

**\$250m**

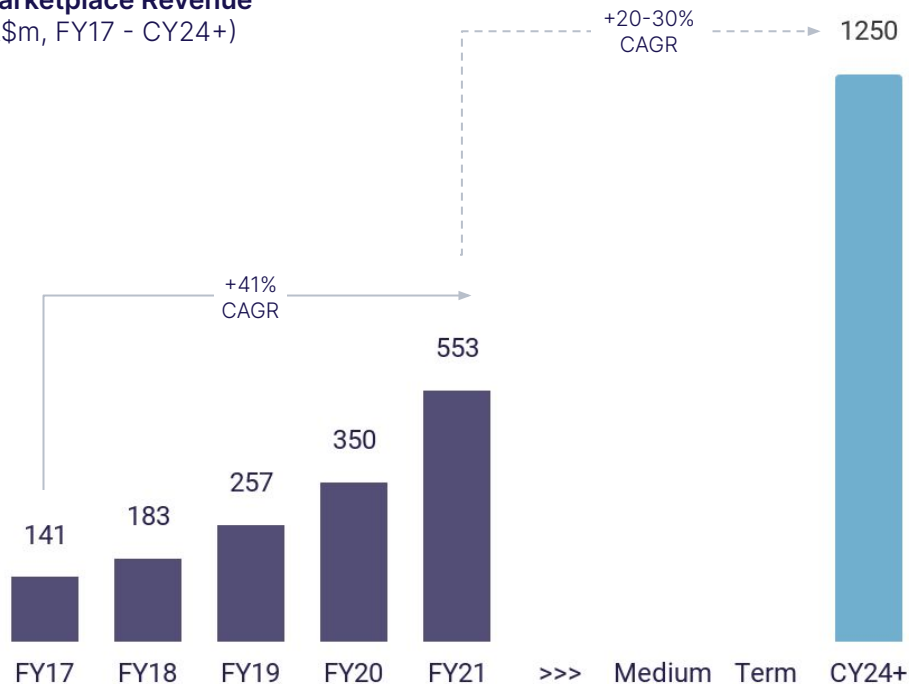
**in Artist Revenue**

We believe this is achievable through organic investment and growth

We will look for M&A opportunities that will help to accelerate this aspiration

# Our confidence is built on a strong track record of topline growth

Marketplace Revenue  
(A\$m, FY17 - CY24+)



Source: RB internal data.

Designed and  
sold by  
Sophie Corrigan



## 4. Near term outlook

Hey Jupiter  
Designed and sold by  
**leafandpetal**



# Outlook

Reiterating the outlook statements provided in August, Redbubble expects FY22 Marketplace Revenue to be slightly above FY21 underlying Marketplace Revenue<sup>1</sup>

The Group had also shared that Marketplace Revenue growth in 1H will likely be negative YoY with a steady return to YoY growth rates consistent with meeting its medium term aspirations from 2H

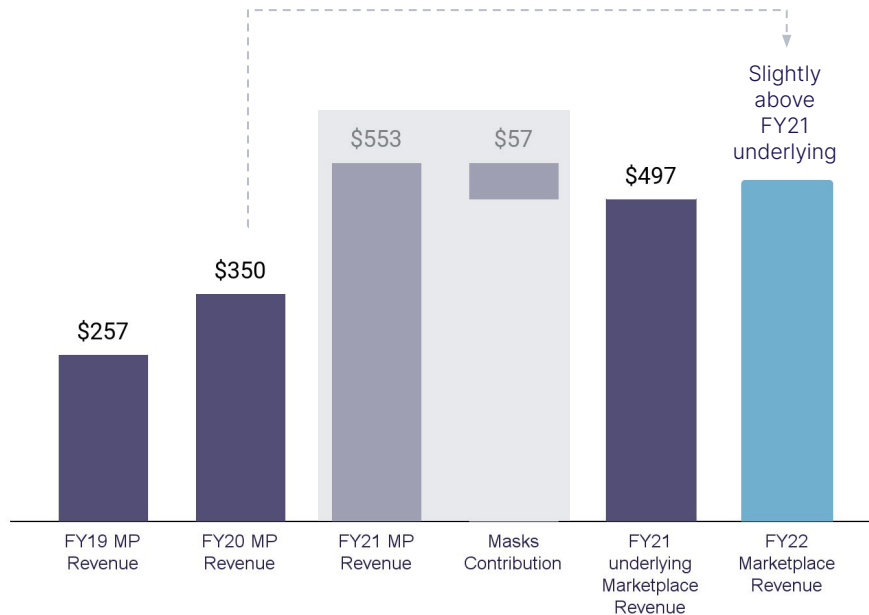
Targeted investments will continue to be made and will affect Gross Margin, Marketing and OPEX lines

EBITDA margin as a percent of Marketplace Revenue is expected to be in the mid single digit range for FY22, with EBITDA margin expected to expand over the medium-term with top-line growth

The business remains confident and excited about the medium to longer-term opportunity to grow strongly and extend Redbubble's global market leadership as the largest marketplace for independent artists

## Marketplace Revenue

(A\$m, FY19 - FY22)



1. Mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million.

Thank You