

INVESTOR UPDATE

1H FY2017 results* and company metrics

23 January 2017

* Results remain subject to audit review



REDBUBBLE

First half results* show continued growth in revenues reflected strongly at Gross Profit level.....

P&L	1H FY16	1H FY17	1H FY17 v 1H FY16	
(A\$M)			Reported Growth	Constant Currency Growth 1
GTV	80.3	98.6	22.8%	31.3%
Revenue	62.3	78.7	26.3%	34.3%
Cost of Sales	(41.8)	(50.4)	20.5%	27.8%
Gross Profit	20.5	28.3	38.1%	47.7%
GP Margin	32.9%	36.0%	9.3%	9.9%
Paid Acquisition costs	(4.2)	(6.6)	55.0%	59.2%
Gross Profit (after Paid Acquisition)	16.3	21.7	33.7%	44.6%
Operating Expenses	(19.3)	(21.2)	9.3%	12.4%
Other Income/Expenses	(1.2)	(1.7)	43.1%	41.0%
EBITDA Loss	(4.2)	(1.1)	(75.0)%	(115.5)%

...with operating leverage being reflected in the improvement in EBITDA

1. Constant currency numbers are derived by taking the original currency value and converting it at the same exchange rate used for the comparison period.

* Source is Redbubble internal unaudited management accounts and remains subject to audit review

Year on Year Quarterly analysis

P&L *	1Q FY16	1Q FY17	YoY Growth	2Q FY16	2Q FY17	YoY Growth
(A\$M)			Reported			Reported
GTV	28.7	36.1	25.7%	51.5	62.5	21.2%
Revenue	23.0	28.9	25.6%	39.3	49.8	26.7%
Cost of Sales	(15.3)	(18.4)	20.4%	(26.6)	(32.0)	20.6%
Gross Profit	7.7	10.5	35.8%	12.8	17.8	39.5%
GP Margin	33.7%	36.4%	8.1%	32.4%	35.7%	10.1%
Paid Acquisition	(1.9)	(2.3)	24.3%	(2.3)	(4.2)	79.8%
Gross Profit (after Paid Acquisition)	5.9	8.2	39.5%	10.4	13.6	30.5%
Operating Expenses	(8.7)	(9.7)	12.2%	(10.7)	(11.4)	6.9%
Other Income/Expenses	(0.5)	(0.8)	66.7%	(0.7)	(0.9)	27.4%
EBITDA (Loss)/Profit	(3.3)	(2.3)	28.6%	(1.0)	1.3	234.2%

Gross Profit growth and prudent expense management contributing to a positive EBITDA in Q2

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Key Metrics

	1H FY2016	1H FY2017	YOY growth
GTV¹	\$80.3M	\$98.6M	22.8%
Repeat GTV²	\$27.3M	\$36.8M	34.9%
Visits	75.1M	91.6M	21.9%
Conversion⁴	2.00%	2.21%	10.3%
AOV³	\$53.10	\$48.70	-8.2%
Customers	1.25M	1.68M	33.8%
Selling Artists	106,700	164,300	54.0%

- GTV increased 31.3% on constant currency basis

- Repeat GTV represents 37.3% of total GTV up from 34.0% in 1H FY2016

- AOV decline almost entirely due to weakness in Revenue currencies vs AUD

1. GTV (Gross Transaction Value) = Total receipts from customers less fraud, refunds and chargebacks
 2. Repeat GTV = GTV earned from customers who have previously purchased from Redbubble
 3. AOV: Average Order Value (Order sales / Order count)
 4. Conversion rate is the percentage of visits to the site that result in a purchase being made
 Source: Redbubble internal data

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