COVID-19 BUSINESS UPDATE

TRANSCRIPT OF CONFERENCE CALL

1 April 2020

Start of Transcript

Operator: Thank you for standing by. Welcome to the Redbubble Limited Investor Update conference call. All participants are in a listen-only mode. There will be a presentation, followed by a question and answer session. If you wish to ask a question, you will need to press the star key, followed by the number 1 on your telephone keypad. I would now like to hand the conference over to Mr Paul Gordon, Company Secretary. Please go ahead.

Paul Gordon: Thank you. Good morning everyone here in Australia and good afternoon for our US investors. This is Paul Gordon, Company Secretary for Redbubble Group. Welcome to this investor call in relation to Redbubble Group's COVID-19 response and business update. With me on the line I have RB Group's Interim CEO, Martin Hosking and CFO, Emma Clark.

The key information for today's update is in the ASX announcement released to the market this morning. Please note that the financial information in the release and in the upcoming call are from internal management reports and have not been subject to audit. Martin and Emma will now speak and then we will open up to the floor for questions. This session is also being recorded. Before we start, I would like to call your attention to the safe harbour statements regarding forward looking information in our ASX release. That safe harbour statement also applies to this investor call. Now, I will pass on to Martin.

Martin Hosking: Thank you, Paul. Hello, everyone. We truly are in unprecedented times. A few months ago seems like several lifetimes. From all of us at the Redbubble Group, we hope that you and your loved ones are in good health. Our thoughts are also with the frontline workers, who are doing their best to keep us safe. As the situation unfolded, our top priority has been the health and safety of RB Group's employees and the broader community. We took early precautions to transition our workforce to remote work on 10 March. Across all four offices, our teams have demonstrated remarkable flexibility and adaptability in how they have move to work from home.

There has been no discernible adverse impact on business operations, reflective of the systems and infrastructure that we already had in place. RB Group's operations and supply chain is globally diverse and localised in our core geographies. There are existing redundancies from diversification even within those geographies. To date, both the business operations and the supply chain remain robust, with no discernible disruptions. The majority of our fulfillers are continuing to operate normally. There are no issues with blank inventory supplies at this stage. Shipping carriers also remain in operation. Of course, we continue to monitor the external situation closely, especially in the Group's larger markets such as the US and have enhanced contingencies to ensure continuity of supply.

As the situation continues unfolding, we are also keeping a close eye on the demand side. Sales have fluctuated since the second week of March, however the diversity and resilience of RB Group is evident, with sales holding up relatively well. While the retail demand outside of RB Group is much lower, consumers are having to shop more online and our product suite and fulfilment network position us well to meet this need.

Emma will speak more about what we've seen on demand and the prudent cost control measures that we're undertaking to preserve cash. Outside of COVID-19, the Board and the Executive have been focussed on the strategy required to drive growth and further actions to ensure that resources are aligned. These decisions have not been made yet and we will very carefully consider them in the context of the broader economic environment, our business performance and with regard to our commitment to both employees and the wider community during this time.

In addition, the search for a new permanent CEO will also be deferred until later this calendar year. I'm committed to serving the Company for as long as it takes. I also want to take the opportunity to farewell and thank Richard Cawsey who retired as Chair from the Redbubble Board yesterday. Richard was among our first group of investors in 2006 and has served on the Board for 10 years. I have deeply valued his leadership over all this time.

I also want to welcome and congratulate Anne Ward as the new Chair. Anne has served on the Board for the last two years and I look forward to continuing to work with her. In addition, a new Independent Non-executive Director is expected to be appointed to the Board.

Before passing on to Emma, I want to reiterate that the underpinnings of the business are strong and we are refocussing the strategy and operations to ensure we can sustain the business and thrive through the COVID-19 situation so that we are best positioned when external circumstances normalise. The current situation is unprecedented and remains rapidly evolving in RB Group's core geographies. We continue to keep a close watch, but all in all, as the owner of two online businesses with well-diversified global supply networks, we are resilient and well-positioned to handle the current circumstances.

Teams across RB Group are continuing to work together, enabling artists and partners, consumers and fulfillers to connect. The Group is also maintaining its strategic focus across the key areas that are critical to marketplace growth and capturing the business's long-term potential. Over to Emma.

Emma Clark: Thank you, Martin. Likewise, to echo Martin's comments, I hope you have all been keeping well. Our teams are now in their fourth week of working from home and things are still running very smoothly thus far. I could not be more impressed with how everyone has taken to the new mode of working and how teams are staying engaged and productive.

Prior to coronavirus appearing, Redbubble Group's quarter to date year on year marketplace revenue growth had been stronger than the December 2019 quarter. From the second week of March and coinciding with the spread of COVID-19 globally, we began to see changes in demand. Daily performance has fluctuated. However overall, we have seen modest sales contraction over the past three weeks.

In the past few days, we have seen some improvement, which underscores the unpredictability of forecasting business impacts in the current environment. To date, the fluctuations in demand have been of a similar level at both the Redbubble and TeePublic branded marketplaces. The extent of the impact has also been fairly consistent across core geographies and product categories, which is to be expected, given the extraneous nature of the situation.

The Group is currently benefitting from strong currency tailwinds, especially as the AUD has lost significant value against the USD in the past few weeks. It is, however, important to note that some FX benefit will be lost as we go down the P&L because there are also a substantial amount of expenses in US dollars. However, we are less exposed than other sectors to the restricted and reduced people movement and social distancing measures. However, there does remain ongoing uncertainty as to the duration and impact on consumer sentiment and behaviour and therefore a flow-on impact to Redbubble Group's trading over the coming months.

Given this, we consider it appropriate to withdraw our guidance of expecting to grow Operating EBITDA year on year and achieve positive free cash flows in financial year 2020. As at 31 March to date, Redbubble is maintaining a solid financial position with a cash balance of $31 million with zero net debt. Given current business performance and the measures that we are taking, the Group does not currently anticipate raising additional equity or debt funding.

We are prioritising a number of tactical opportunities to reduce our cash burn, whilst maintaining ongoing business operations. Firstly, the cash component of the Non-executive Directors' remuneration will be reduced by 20%. Secondly, Martin's Interim CEO remuneration will also be reduced to $600,000 per annum, with an additional $300,000 per annum payable at the Redbubble Board's discretion, based on his achievements in key results areas. His remuneration will also be further impacted by another item that I will cover shortly.

We've implemented a hiring freeze on all new staff across the Group until further notice. We are reducing or have halted all discretionary spend across the Group also until further notice. Lastly, all Redbubble employees will be encouraged to move to 80% hours and pay wherever possible, so a 20% reduction on our employee cost base. The Redbubble Executive Team, including Martin, will also move to take a 20% pay reduction, but will remain working full time.

As Martin has previously mentioned, further cost control measures may also be considered in the coming months to ensure that resources are aligned to driving growth and reflective of the situation. We do recognise that the situation is fluid and evolving. We are closely monitoring the macro environment and the business signals that we're seeing. We're also controlling the levers that we can and have a firm idea of the things that we need to do to preserve cash.

We have been decisive in taking early measure against COVID-19 impacts. We continue to respond and manage our actions in an agile and pragmatic way. Further market updates related to the situation will be provided as appropriate. Thank you. We'll now open the lines to some questions.

Operator: Thank you. If you wish to ask a question, please press star 1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star 2. If you are on a speaker phone, please pick up the handset to ask your question. Your first question comes from Tim Piper from Royal Bank of Canada. Please go ahead.

Timothy Piper: (Royal Bank of Canada, Analyst) Morning, team. Thanks for the update. Just a question, is it possible to quantify the top line performance in March? I mean, it looks like the FX has about a 10% tailwind in the first few weeks of March. So, going by your comments of constant currency versus floating, is if fair to assume that in constant currency sales are down sort of 10% circa over those three weeks?

Emma Clark: Thanks, Tim, for the question. So, first thing to say about - because I know everyone will say give us the numbers, we are still actually on 31 March, we close on Pacific Standard Time. So, we're actually still seven hours from even stopping sales for 31 March. So, our quarter is not closed. So, that's why this is a business update and not a financial update. We will have a financial update as scheduled on 28 April. That's where we will have all of the numbers for everybody.

In terms of the sales impact, I mean, the way to think about it, so your point on currency conversion is correct. As I said, the sales before Corona were effectively tracking better at the consolidated level than the prior quarter, in terms of year on year growth. That's both on constant and on floating currency. In the time since the second week of March, when we've seen fluctuations in demand, we have seen a lot of the growth go out of the business for that period, if we're talking from a year on year perspective. But as we said, a lot of that - and to your point - has been cushioned by the AUD falling also during that period against the US dollar. So, on a floating basis, we're better than on a constant currency basis, quite a few more percentage points than what you would normally see, but we do not have the final numbers yet.

Timothy Piper: (Royal Bank of Canada, Analyst): Okay, got it, thanks. Just second question, just around priorities now for the second half. I mean, at the half things like SEO, social marketing, customer experience, new product launches were called out as priorities for the second half. Just with the current situation how do you see this now near-term, are you going to be more conservative, have some of those priorities now changed while this situation goes on?

Martin Hosking: I'll take that question. Thank you very much. We are, as we have highlighted, the Board and Executive are looking at the strategy for the company and alignment against that strategy. We are not anticipating and it's not looking at anything dramatic, it is focusing; I think this is a time of focus. It's particularly a focus on the fundamentals of the flywheel, what causes the flywheel to generate growth. As we've looked at that, it comes down to a relatively small number of things and particularly in our dialogue with TeePublic, clearly their flywheel is continuing to be strong while Redbubble's had not, so we're certainly drawing some lessons from that.

It does come down to a relatively simple number of things which we have identified from the key ones, an effective SEO strategy is certainly an effective way of ensuring those customers have the potential or are actually loyal, have a good experience and it also does come down to developing and ensuring the core relationship with the artists is strong. So it's not about any dramatic change but it is about focus and ensuring that we're doing the smallest number of things which have the most impact. That's particularly critical at this time.

I will say as well, of course, we are prioritising strategic initiatives which can drive GPAPA growth relatively quickly, including the way in which we're bidding and the search engine marking which we're doing, the way in which we're responding on email and making sure that that response is appropriate for this situation. We are seeing that in the context of the total situation which - that people are looking for the sorts of things which the Redbubble is and that Redbubble Group create and produce, or the artists create and product I should say - we don't create and produce anything clearly, but the artists create and produce.

So bringing that meaning, people were looking for that and so that is something which we are driving through tactical measures as well to engage with the artists and make sure we're engaging with the customers on stuff which they are looking for.

Timothy Piper: (Royal Bank of Canada, Analyst): Okay, sure. Just one final quick one, you mentioned that sales performance across the categories have been generally similar, is there anything more specific you can talk to there, maybe some categories like homewares, artware, artwork etc might be outperforming some more discretionary sectors such as apparel. I mean, what are you seeing there?

Emma Clark: Surprisingly we have not seen any changes in what people are purchasing from a product and category perspective. We have underlying trends in products, which we have spoken to you before about, like T shirts being on a declining trend and categories like homewares and wall art, where they have been very, very strong for a period of time now, about six months. Those trends still continue, when I'm talking about the impact, I'm talking really about the impact that Coronavirus has had, which I know is your question as well, which is has it been disproportionate amongst our categories. The answer is simply no, not at this stage. So when we're seeing the modest contraction we've seen that equally across all categories and when we've seen the recent strength we've seen that equally across all categories as well. So it doesn't appear to be that people are more or less likely to buy a t-shirt in the current circumstances for example.

Martin Hosking: Just as we're talking about product, it is worth noting that even though people are working from home we were able to launch a new product which is the pins which are showing the potential, the strength of the business, they're performing well.

I'm also just aware that I may have got cut off when I was talking about the supply chain. The point was the point which was actually made in the release, the supply chain is solid and with a high degrees of resilience and redundancy and so we're not seeing any major issues in the supply chain, just so people have got that point.

Timothy Piper: (Royal Bank of Canada, Analyst): Okay, thanks for that and all the best.

Martin Hosking: Thank you very much.

Operator: Thank you. Your next question comes from Grace Fulton from Goldman Sachs. Please go ahead.

Grace Fulton: (Goldman Sachs, Analyst) Hi, Martin and Emma, thanks for taking my questions. I just wanted to sort of drill down a bit more on Tim's initial question and your comments around the performance in the second week of March. You mentioned that sales have shown modest signs of contraction, so at a Group level you've had modest negative growth. Could you maybe just talk a bit more about how it's been between the two marketplaces? Because obviously in the second quarter Redbubble was substantially lower than TeePublic and you mentioned that the quantum of the change has been similar, so just whether Redbubble is negative but TeePublic was still positive in that period.

Emma Clark: Thanks, Grace. That's a good question. So when I'm talking about things remaining relatively consistent, it's based off where they are percentage-wise at the start, so it's a relative comment. So what we have seen is - which, as I said, not surprising given the external nature of the situation, so we have seen both marketplaces impacted to the same degree.

So if Redbubble has had a contraction, TeePublic has had a contraction, clearly they're off different growth bases but they've had a similar level of contraction, in fact it's very, very highly correlated. So what we've seen at one marketplace we're seeing at the other almost 100%. So that doesn't mean that TeePublic, for example, goes from 80% growth to 0% and Redbubble goes from 0% to -5%; it's relative to where they started. So if they've contracted 10% or 20% they've contracted off their opening positions and points in terms of existing growth rates going into this. Does that make sense?

Grace Fulton: (Goldman Sachs, Analyst) Okay, so the change in percentage growth rate is essentially the same but they've started from a different growth rate.

Emma Clark: Yes, exactly.

Grace Fulton: (Goldman Sachs, Analyst) Okay. Also just in terms of the cash balance, I know you've got the deferred TeePublic payment coming up, could you just confirm that that is still happening in May, and given the changes in the exchange rate, how large do you expect it to be in Australian dollars?

Emma Clark: Yes, we are still making that payment in May as per our expectations and agreements. It's US $5.6 million. In terms of hedging and how we're going to make that payment, we have been accumulating US dollar balances for quite a few months now so we will actually be making that payment out of US dollar sales that are then - so there's no currency conversion so there's been no need to hedge that payment.

Grace Fulton: (Goldman Sachs, Analyst) Also in terms of your comment that you don’t anticipate needing any debt or equity funding, could you just talk through how you're thinking about the duration of the disruption, because obviously that comment is to an extent dependent on how long you expect these impacts to last.

Emma Clark: Yes, it's the question for which no one actually has the answer at the moment, Grace. So obviously we say we are currently anticipating not needing to do either of those things, but we do that without knowing how long this is going to go for. We don't have any special forecasting abilities any more than anyone else on this call does about the duration and the extent.

What we would say is that the cost measures that we have announced today combined with the impacts that we're seeing on our business are sufficient to see us through. Clearly if sales performance was to degrade or this was to go longer than Christmas, we would need to take further action and there are further actions that we can take prior to looking at debt or equity raising as well. So we have some further actions that we can take if it does get worse. At the moment we've simply matched the action to the impact that we're seeing, which does see us through even if it does go on for quite a few months.

Grace Fulton: (Goldman Sachs, Analyst) Okay, so you mentioned Christmas, so about December this year is where you are worked out that you'll be fine from a planning perspective.

Emma Clark: Correct.

Grace Fulton: (Goldman Sachs, Analyst) Also just with all the global retail shutdowns, a lot of basically all these retailers are having to move to solely operating online, have you noticed any changes in pricing pressure and also customer acquisition costs with Google, Facebook prices increasing?

Martin Hosking: I can take that one. The answer is we've actually - at the moment we're finding out customer acquisition costs have been improving slightly, so we haven't seen any increased demands specifically as a consequence of the changes which were made. I will - one needs to be aware that these are pretty large organisations in general who are not that adaptable and so we haven't yet seen what you're suggesting.

Grace Fulton: (Goldman Sachs, Analyst) Thanks, I'll jump back in the queue.

Operator: Thank you. Your next question comes from John Lewis from Osmium. Please go ahead.

John Lewis: (Osmium Partners, Analyst) Hi, guys, good afternoon. I got on a few minutes late but I guess one of the questions, I just saw something today that for Google, Facebook, Snapchat and Twitter that there may be quite a drop for ad revenue. I guess one of the questions I had is do you see any opportunities in a tighter constrained market where you could put some capital that works to really drive your business? I'm just curious what you’re seeing there.

Martin Hosking: Thank you, John, that's a good continuation from the follow-on question because that's what we have seen is that rather than there being increased demand for advertising there has actually been reduced demand online and so we are able to take advantage of that. So at the moment we have been doing so in a very tactical way and making sure that we're responding and we're bidding as effectively and as efficiently as possible driving GPAPA growth.

We will continue to be looking at that very closely in relation to balancing out our cash requirements so we're not looking at moving to what we might consider lifetime value, customer value or something like that, given our cash resources. But it does give us room to be ensuring we're building, getting maximum customer - getting ourselves in front of as many customers as possible. So yes, I think it does create an opportunity for us to make sure that we're taking advantage of the - what we're seeing at the moment or lower advertising costs and we are responding to that.

John Lewis: (Osmium Partners, Analyst) Okay, that's helpful. I saw an interesting report from Cowen that thought that their ad revenue might come in 17% to 20% lower for those four companies for 2020, so there may be some opportunities on the horizon for you to put more capital to work.

I guess it might be too early right now beyond the cycle but have you guys huddled up on figuring out where you can go on offence to actually grow the business? I know right now it's a period of kind of let's just get our feet underneath us given all these tremendous changes, but I guess one of the questions I would ask for you guys are an industry leader, how do you - again, it might be too early, maybe it's May or June or July thought process, but what could you do to go on offence to more meaningfully grow your business, or do you need opportunities to think about that?

Martin Hosking: John you've hit it completely correctly. Right now we are on defence, you're right, we're responding to the immediate situation, we're trying to understand the immediate situation and make sure that the business is positioned to survive. The purpose of this announcement today, exactly what you're identifying, which we've put out there, we are very conscious of the potential reality of the business thriving through the current situation, and we will be - and we, the Executive and the Board, will be looking at that very consistently as we're going through - as we move from this period through to the next period. You're quite correct, it is something we support, we are focused on.

John Lewis: (Osmium Partners, Analyst): Okay, thank you.

Operator: Thank you. Your next question comes from Ivor Ries from Morgan Financial. Please, go ahead.

Ivor Ries: (Morgan Financial, Analyst) Good morning. My question for Emma, first, on the outflows, normally a June quarter is an outflow quarter from operating cashflow point of view. Is there any reason why June quarter outflows will be different in terms of the normal - relative to the scale of the business, in the June quarter?

Emma Clark: No. So, seasonal patterns and cycle trends in that regard still remain intact. The only obviously massive caveat that I would put over that answer is, we have no idea what trading is going to be like over the

April to June period, given what's happening externally at the moment. Forecasting is proving to be, as with all organisations, somewhat challenging. That being said, all other things there being equal, there is no change from - in terms of a seasonal trend, so the expectation should be the same as prior year.

Ivor Ries: (Morgan Financial, Analyst) Right, okay. In terms of relative market shares, versus competitors, I'm just wondering if there's any - has been any movement in this latest quarter?

Emma Clark: We haven't seen anything as yet. Obviously, we don't announce our quarter until the end of April, and presumably most of our competitors are going to be announcing their quarter around the same time. Most of our competitors have not given market updates, so we don't have any particular insight into how they're travelling through this situation at the present time.

Ivor Ries: (Morgan Financial, Analyst) Thank you.

Operator: Thank you. Once again, if you wish to ask a question, please press star-one on your telephone and wait for your name to be announced. Your next question comes from Owen Humphries from Canaccord. Please go ahead.

Owen Humphries: (Canaccord, Analyst) G'day guys, and thanks for taking my question. I'll try to be quick here. Just Emma, on your fixed cost base, your - if you look at the first half for the Group, it was running at around that $37 million mark, excluding CapEx. Just with your initiatives, where are we expecting that cost base to now land on a run rate basis?

Emma Clark: I haven't actually provided an updated view on that, Owen. A very good question, though. We will provide that at the end of April. What I would say, and you know about this as well as I do, that the employee expense base is the largest part of our operating expense base. Therefore, obviously taking everyone 20% down on that is going to be a substantial amount. The only thing I would say in terms of devil in the detail, is that in Australia we need to request our employees to do that, and they need to actually agree and amend their employment conditions. They do have to sign into it, so we're obviously hoping for a very high take-up rate. As I said, that will result in a material reduction in our expenses, but we still have to go through that process, which we're doing at the moment.

Martin Hosking: I just would also, just within the theme, just noting the volatility as well. We're not saying how long we're locking in that 20% reduction for at this point. It will depend upon how the circumstances evolve over the period of time. If, in the event we see a sustained demand for an extended period of time, we will revisit that. Just be aware, it's not something which you can lock into forever.

Owen Humphries: (Canaccord, Analyst) Given potentially lower revenue base in the next quarter or two, what are we doing on the fulfiller front? If you go through your P&L, we kind of get the top line. From a March perspective, it just talks about the marketing spend. I'm guessing the lower CAC is offset by potentially a lower conversion rate. So, look-through percentage of marketing of revenue's probably flat, but if you talk about your gross profit margins, are you seeing the potential to push through lower pricing with your fulfillers, as they take a bit of the pain through this process?

Emma Clark: Well, I think - so a couple of them mentioned that, Owen. First of all, our marketplace is also dependent upon the health of all the others that participate in our marketplace. So, doing any kind of pressure re pricing and pushing our fulfillers to the wall at a time where they themselves are suffering, is a bit like kicking an own goal to a certain extent. We do balance that off.

That being said, there's definitely been more appetite from some partners in our fulfillment network to do some co-promotions. We haven't actually changed our promotion strategy as a result of Covid-19. We have kept with our scheduled set of promotions. As we said to you previously, we're actually trying to slowly reduce the overall number of promotions that we have. That remains intact. That's obviously a margin protective strategy.

In addition to that, as I said, some of the fulfillers are looking at doing some co-promotions with us which will mean that hopefully we get a win-win, which is a bit of a better benefit in terms of demand lines for Redbubble extra volume to the fulfillers, and everyone shares in the extra volume. We're planning on doing that across April and May.

There are definitely opportunities that are coming up through this set of circumstances, and where they make sense financially we are taking them up and pursuing them. We're not necessarily going to go out and, for want of a better term, just go out and gouge our fulfillers.

Owen Humphries: (Canaccord, Analyst) Maybe just a last quick question, if you go across your competitor set, that are online, are you seeing any of them act potentially irrationally on the pricing front? Are they lowering their pricing through this time to drive demand?

Emma Clark: No. Obviously we're still pretty early in all this, but so far we haven't seen our competitors go to lower pricing. We have seen an uptick in promotions online in general, but we haven't necessarily seen people who have got a competing t-shirt dropping the price of that t-shirt to try and get extra volume. That being said, it's early. We may see that in the future. We just have not seen that yet.

Owen Humphries: (Canaccord, Analyst) Okay, thanks guys for the update.

Operator: Thank you. Once again, if you wish to ask a question, please press star and one on your telephone and wait for your name to be announced. Your next question comes from Kieran Kennedy from Mirrabooka. Please go ahead.

Kieran Kennedy: (Mirrabooka Investments, Analyst) Yes, hello Martin and Emma. The question I had in mind was just in terms of content partnerships. I guess a sense of whether you're a reasonably attractive channel for some of those partnerships in a pretty disrupted world, and whether that might bring forward some of those opportunities, or whether it actually delays them because it's not the demand environment to be launching new initiatives?

Martin Hosking: I think you've got it, Kieran. Those two factors are at play. At the moment, we're certainly - we're in the second of those factors. At the moment, people are just responding tactically. How they respond strategically is yet to play out, so I can't say exactly how those will play out over the next period of time.

Kieran Kennedy: (Mirrabooka Investments, Analyst) Right, but you think as the dust settles in whatever world we're in over the next few quarters, that would help some of those conversations?

Martin Hosking: That would clearly be the hope, Kieran.

Kieran Kennedy: (Mirrabooka Investments, Analyst) Yes, okay thank you.

Operator: Thank you. Once again, if you wish to ask a question please press star-one on your telephone and wait for your name to be announced. We will now pause momentarily, if anyone wishes to enter the queue.

Your next question comes from Mark Susanto from Wylde Street Investments. Please go ahead.

Mark Susanto: (Wylde Street Investments, Analyst) Hi guys. Just a couple of questions. The first one around the move to four-day week. What do you see the impact of the business for that?

Martin Hosking: Yes, thank you. Clearly, it's a factor which we have taken into account. The simple reality is that - for us as a business, is that the flywheel itself drives most activities in the short-term that drive sales. We don't see it having - what people are doing on a day-to-day basis has more impact medium-term than it does in the immediate term, with some obviously notable exceptions within the marketing - in the marketing area.

We don't anticipate the move to a four-day week will have any impact on immediate activity. Combined with the fact that, as we've highlighted, we're moving to more focused strategy. The more focused strategy is designed to drive - to identify those areas - the least number of things which have the most impact. Our expectation of net-net over all of that is that we will continue to - we will move towards a higher growth - onto a higher growth trajectory by doing a smaller number of things. The move to the four-day week is not to - should not be impacting that.

Emma Clark: The other comment that I would make is that I think we were probably one of the first companies to move to fully work from home and close down our offices. People have been very, very productive. When we first moved to work from home, I was a bit worried that productivity would take a hit. That has not been the case at all.

Mark Susanto: (Wylde Street Investments, Analyst) Okay. Thanks. The other question that I have is, I think the announcement around Merch by Amazon closing or - pausing for the time being, do you see that having any impact on yourself?

Martin Hosking; Mark, we - merch brands had been seen as a major threat to Redbubble. Over the last 12 to 18 months, or probably 12 months, it had become clear there's much less of a threat. The reason being, is that they haven't attracted the artists. So, just like you may be aware of the site called Etsy, Amazon tried a competitive product. It wasn't able to get traction, in their case, of craftspeople. In our case, they haven't been able to get traction with the artists, and so it hasn't been a major threat. Their focus has been on sports brands and doing very traditional merch, which is not the marketplace which we play in.

Mark Susanto: (Wylde Street Investments, Analyst) Okay, thanks for that.

Operator: Thank you. There are no further questions. I would like to now hand back to Mr Hosking for closing remarks.

Martin Hosking: I will be quick, because I thank you and I really appreciate your time, and I appreciate so many people dialling into this call. I want to wish everyone all the very best, and you and those you care about keep well during these times. We look forward to speaking to you again at our scheduled third quarter release at the end of April. Thank you very much and keep well.

End of Transcript