

NASDAQ: CRCT

Financial Results

Q3 2023
November 7, 2023

cricut[®]



Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” or similar terminology, and include our business opportunity, strategies, future financial results and long-term target model. These statements are based on and reflect our current expectations, estimates, assumptions and/or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance of Cricut Inc., will prove to be correct or that any of our expectations, estimates or projections will be achieved.

Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements including, but not limited to, risks and uncertainties associated with: our ability to attract and engage with our users; competitive risks; supply chain, manufacturing, distribution and fulfillment risks; international risks, including regulation and tariffs that have materially increased our costs and the potential for further trade barriers or disruptions; sales and marketing risks, including our dependence on sales to brick-and-mortar and online retail partners and our need to continue to grow online sales; risks relating to the complexity of our business, which includes connected machines, custom tools, hundreds of materials, design apps, e-commerce software, subscriptions, content, international production, direct sales, and retail distribution; risks related to product quality, safety and warranty claims and returns; risks related to the fluctuation of our quarterly results of operations and other operating metrics; risks related to intellectual property, cybersecurity and potential data breaches; risks related to our dependence on our Chief Executive Officer; risks related to our status as a “controlled company;” and the impact of economic and geopolitical events, natural disasters and actual or threatened public health emergencies, and any resulting economic slowdown from any of these events or other resulting interruption to our operations. These risks and uncertainties are described in greater detail under the heading “Risk Factors” in the most recent Form 10-Q that we have filed with the Securities and Exchange Commission (“SEC”).

In addition, certain risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. The forward-looking statements included in these materials are only made as of the date indicated on the relevant materials and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law.

I want to make...

prepare to be wowed 🔍



Apparel & Accessories



Stickers & Labels



Cards



Everyday Items



Flowers



From idea
to I did it.

cricut®

School
Supplies



Mugs & Drinkware



Gifts



Décor



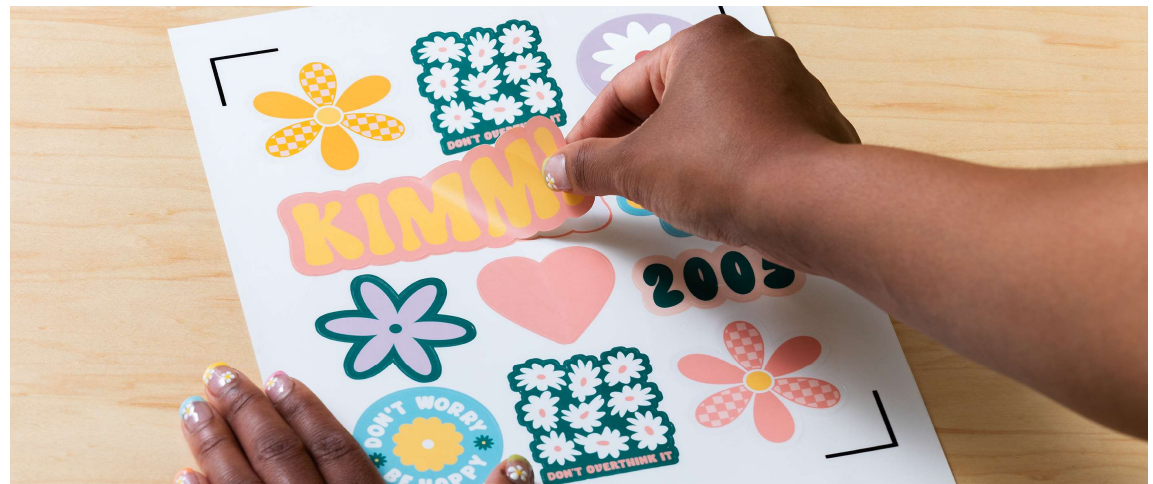
Parties



Cricut Joy Xtra™

Expanding the platform and cutting machine portfolio

- Make letter-sized projects on a machine mat and up to 4 feet long with Smart Materials
- Precisely cut around images printed by your inkjet printer to create full-color stickers and more
- Cuts 50+ materials
- Foils, writes, and draws
- Available as of September 7th

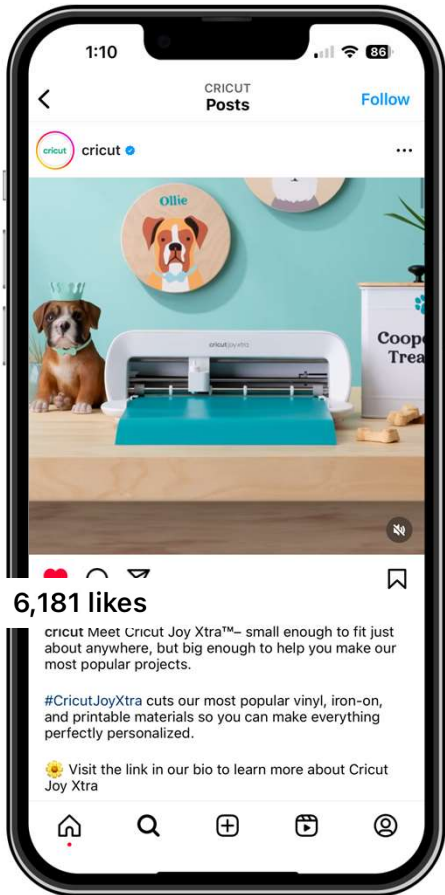


Cricut Venture™

**Empowering entrepreneurs,
organizations & serious crafters alike**

- Large-format cutting, writing, foiling, and scoring
- Commercial speed (up to 25" per second)
- Compatible with current Smart materials
- Enhanced software features in Design Space with a focus on UX
- Showcases our commitment to innovation
- Well positioned for education





lilasclayground 2w
 Just got the joy original and wish I would have seen this one first. This size looks like exactly what I need!!! ❤️
 Reply

Jolanda Van Loon - van den Berg
 Could someone pick me up from the floor?? I just fell off my chair 😱

truepaperlove 7w
 Ooooh I am def buying this one 😍
 Reply
 — View 1 more reply

Eileen Berg Anderson
 This is on my list for the future. It's an amazing machine and will take my crafting to a whole new level.

livingwiththelamberts 7w
 Now this is a machine I need! Powerful but doesn't take up a lot of space
 Reply

Kristy Quinlan
 Game changer, gorgeous, literally so many amazing features! I need it! Wow! I have so many words lol

lovebird_heartworks 7w
 Immediately added this to my wish list! I am so excited about this!! 🤩⚡️🌟
 Reply

SLASH GEAR
 TECHNOLOGY
SlashGear's Most Innovative Products Of IFA 2023

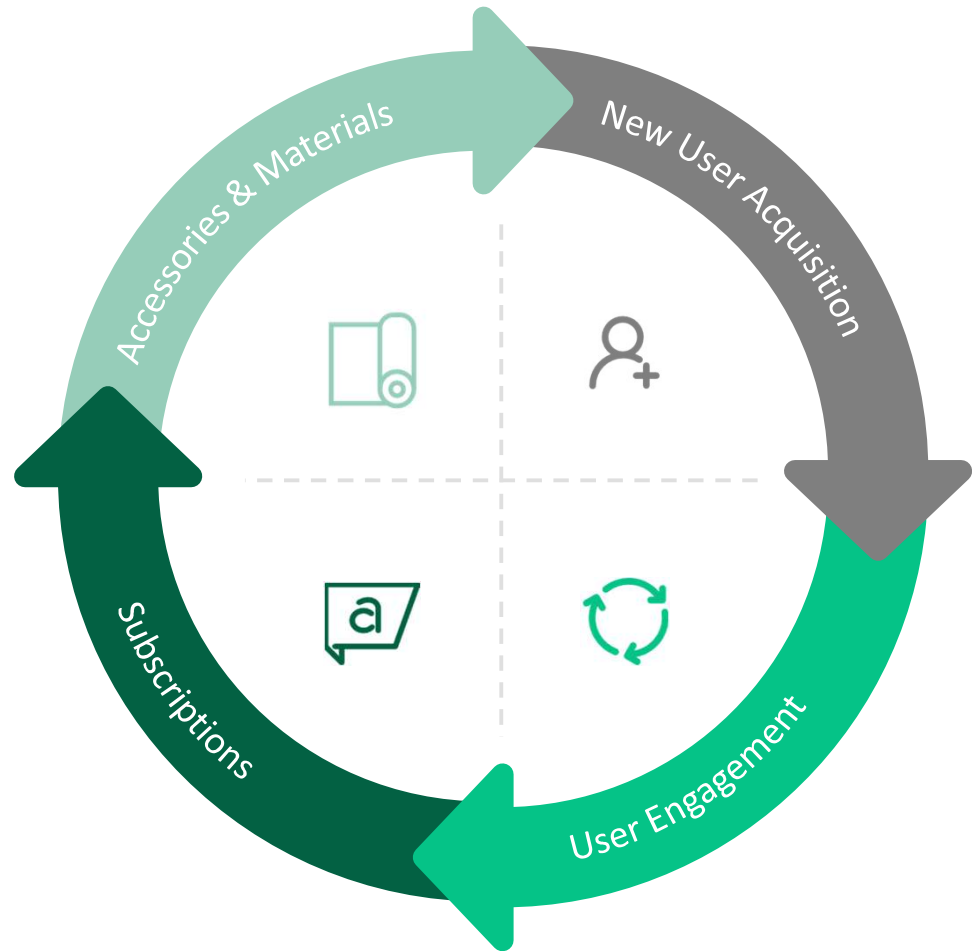
CNET Join/Login
 Tech Money Home Wellness Energy Home In
 Tech > Computing
Cricut Venture Review: A Giant Familiar Upgrade You Can Afford
 BY CHRIS BURNS

HOME > PRODUCT REVIEWS
Cricut Joy Xtra Review: The Small but Mighty Beginner Cutting Machine
 The Cricut Joy Xtra offers a compact, user-friendly approach to crafting without a huge investment, expanding on the original Joy's capabilities.
 BY JAMES HIRTZ PUBLISHED OCT 5, 2023

8.0
 Cricut Venture

2023 priorities

- 1 New User Acquisition
- 2 User Engagement
- 3 Subscriptions
- 4 Accessories & Materials





Focus on new users

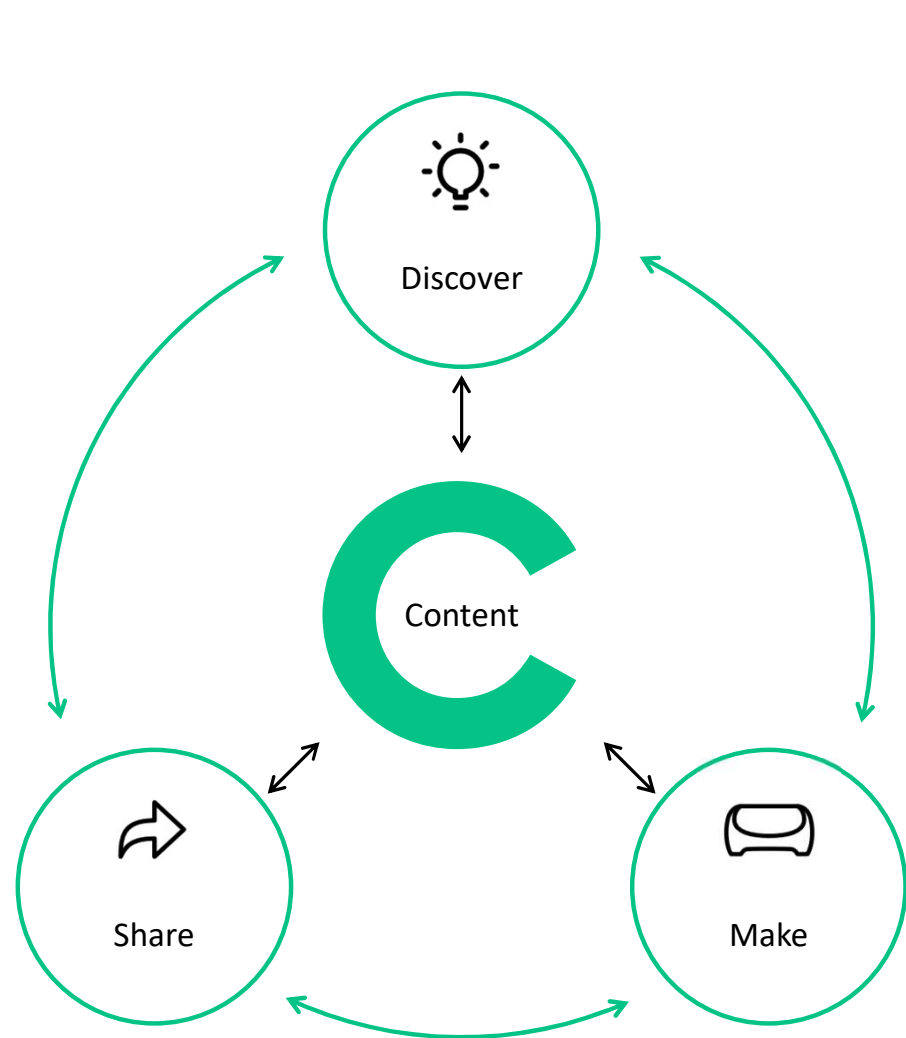
- 193K users added in Q3
- Healthy funnel continues into holidays
- Encouraging Prime Day results
- Deeper holiday promos will drive sales and product adoption



Discover → Make → Share

Engagement is more than cutting

- 3.6M+ engaged users
- YoY increase in number of days new members cut within their first 30 days after registering their machines
- Positive click-through-rate results for personalized content within Design Space
- Community projects will increasingly be a fresh source of inspiration and makeable content for subscribers

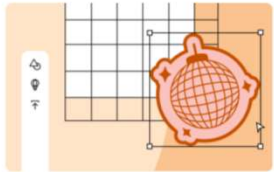




Discover → Make → Share

Step-by-step guidance

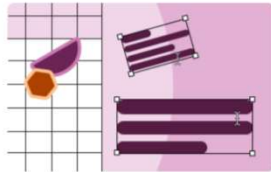
A great place to start—complete these fun, interactive exercises with the materials in your box.



Exercise 1: Make Your First Project

Cut a simple sticker with Smart Paper™.

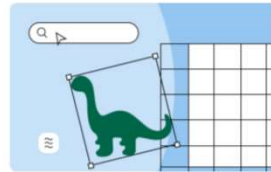
[Go to Exercise >](#)



Exercise 2: Edit Text & Attach

Edit text to create a custom decal using Smart Vinyl™.

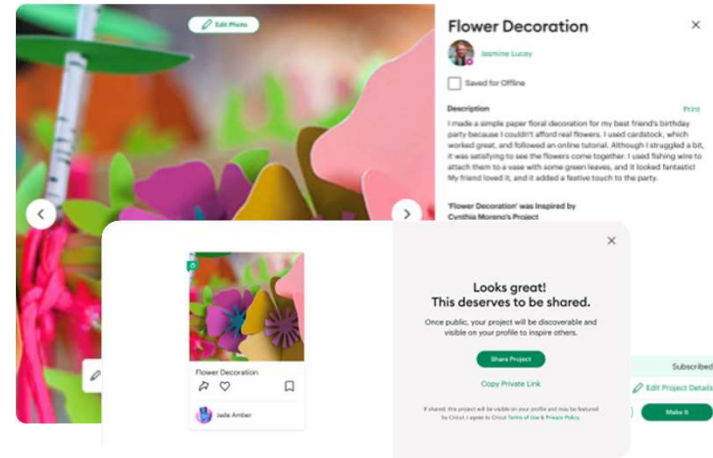
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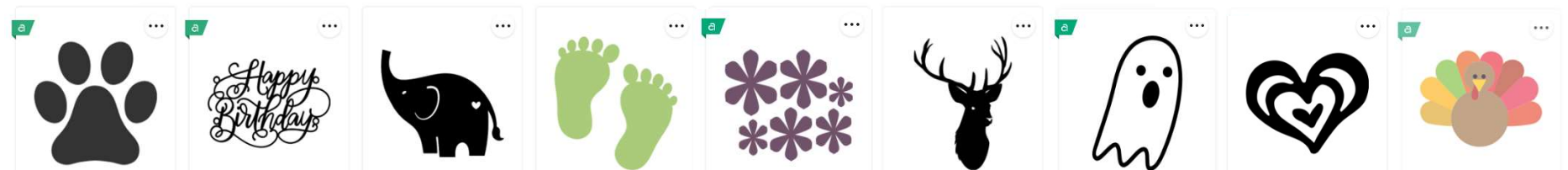
Exercise 3: Cut & Transfer Iron-On

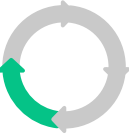
Make a custom heat transfer project using Smart Iron-On™.

[Go to Exercise >](#)



Images for You





cricut access.

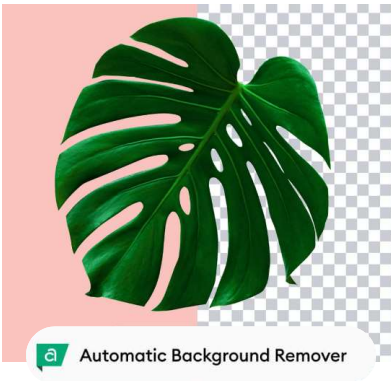
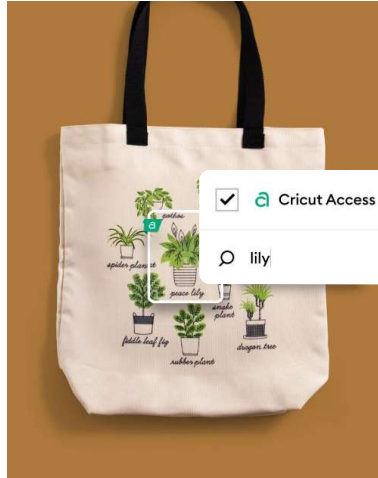
Making made easy. Try Cricut Access subscription, FREE for 30 days.

- Unlimited use of 500,000+ images
- 10% off cricut.com purchases
- Unlimited use of 700+ fonts
- \$10 off quarterly coupon
- 1,000+ ready-to-make projects
- Exclusive Design Space® features

Start Free Trial

Maybe Later


Pay as low as \$299/mo after the trial ends. Cancel any time.



Automatic Background Remover



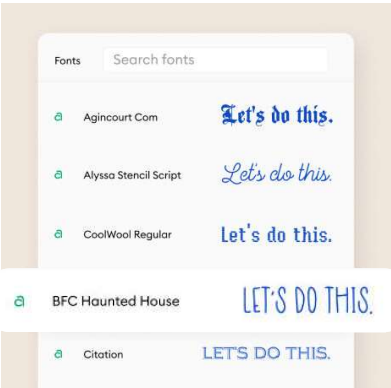
“This subscription has so much content. I use it almost daily and I love it.”

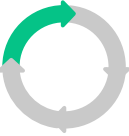
 Pauline

Positive outlook on subscriptions

~2.7M Paid subscribers
 ↑ 11% YoY

- In the month of October and thus far in November our paid subscriber count has been positive
- Roadmap includes premium design tools and content strategies
- As engagement efforts bear fruit, we expect to see a boost to subscriptions





Accessories & Materials

Positive trends from innovation and investments

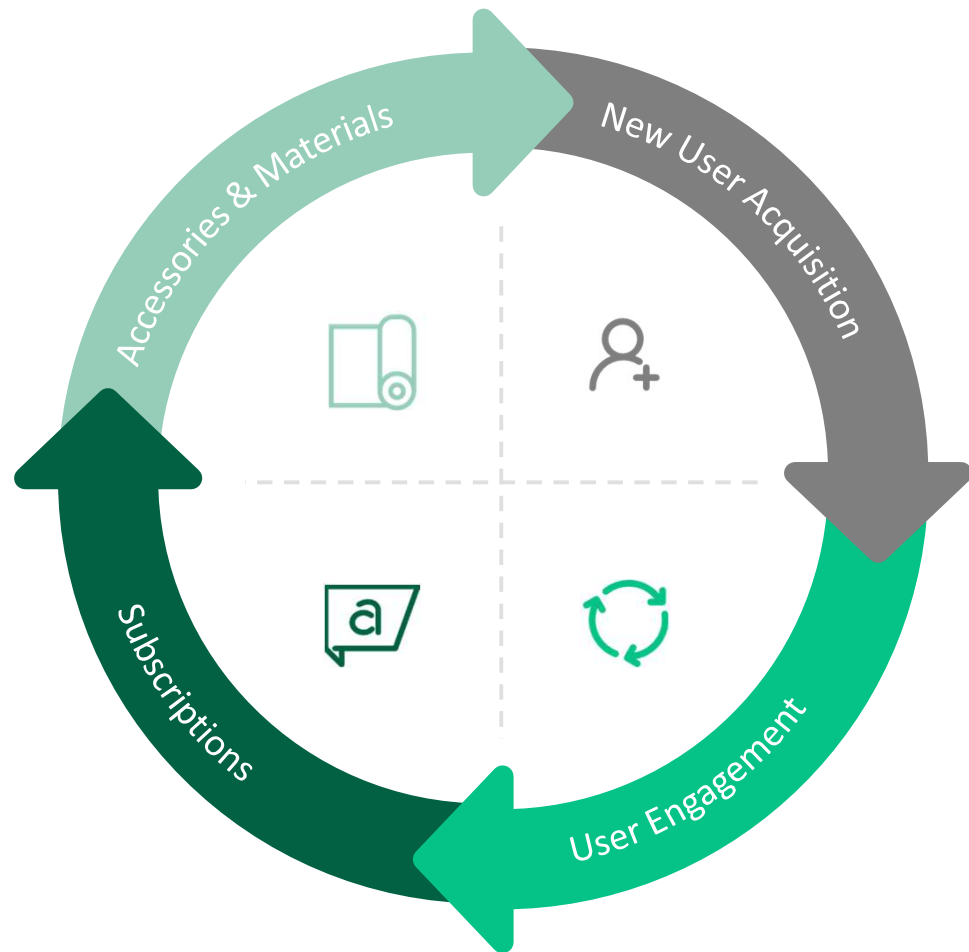
- Continue promotional cadence
- Optimizing products for lower costs that work seamlessly with our machines
- Intense focus on overall customer experience

New materials launched

- Printable materials – waterproof stickers, iron-on and vinyl
- Prismatic glitter iron-on



Focused on continued long-term growth





Financial Results

Q3 2023 financial highlights

Revenue

\$174.9M

-1%
YoY Decrease

Operating Income¹

\$23.7M

+36%
YoY Increase
13.5%
of Total Revenue

Net Income

\$17.2M

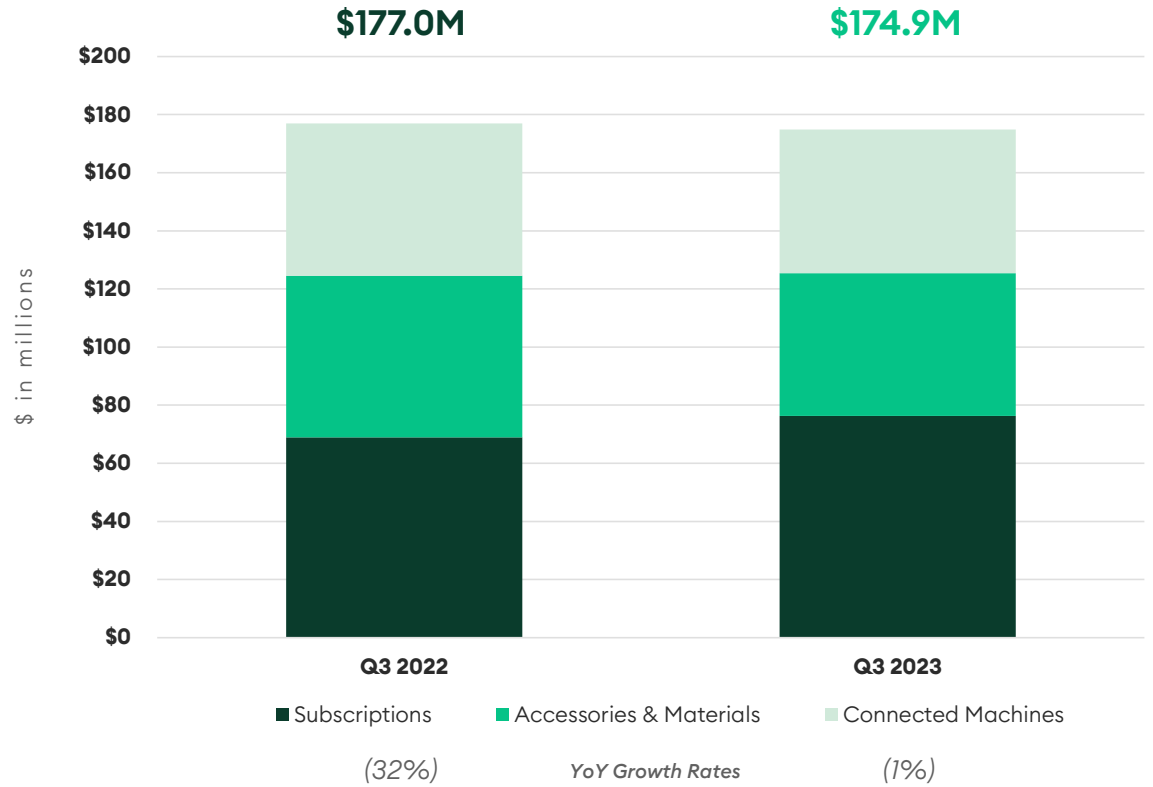
+38%
YoY Increase
9.8%
of Total Revenue

Did you know? Q3 was our 19th consecutive quarter of GAAP profitability

1. Q3 2023 Operating Income includes \$12.5 million of stock-based compensation expense.

Revenue breakdown

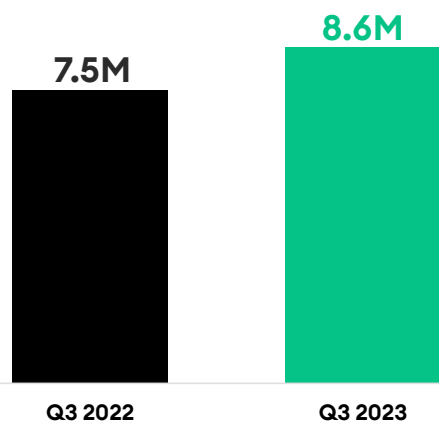
- Connected Machine revenue in Q3 **declined 6%** YoY
- Accessories & Materials revenue in Q3 **declined 12%** YoY
- Subscription revenue in Q3 **grew 11%** YoY
- International revenue in Q3 **grew 36%** YoY and **grew 15%** sequentially to \$37.6M



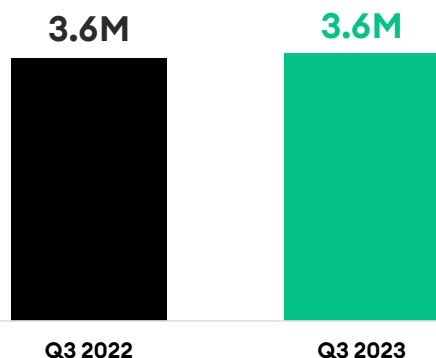
Growing user base



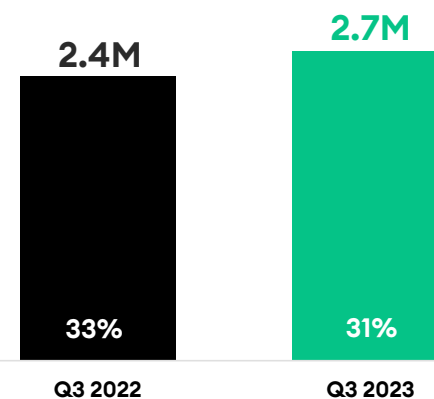
Users



Engaged Users



Paid Subscribers¹



1. Paid subscriber attach rate = percentage of total users that were paid subscribers to Cricut Access or Cricut Access Premium as of quarter end.

Gross margin

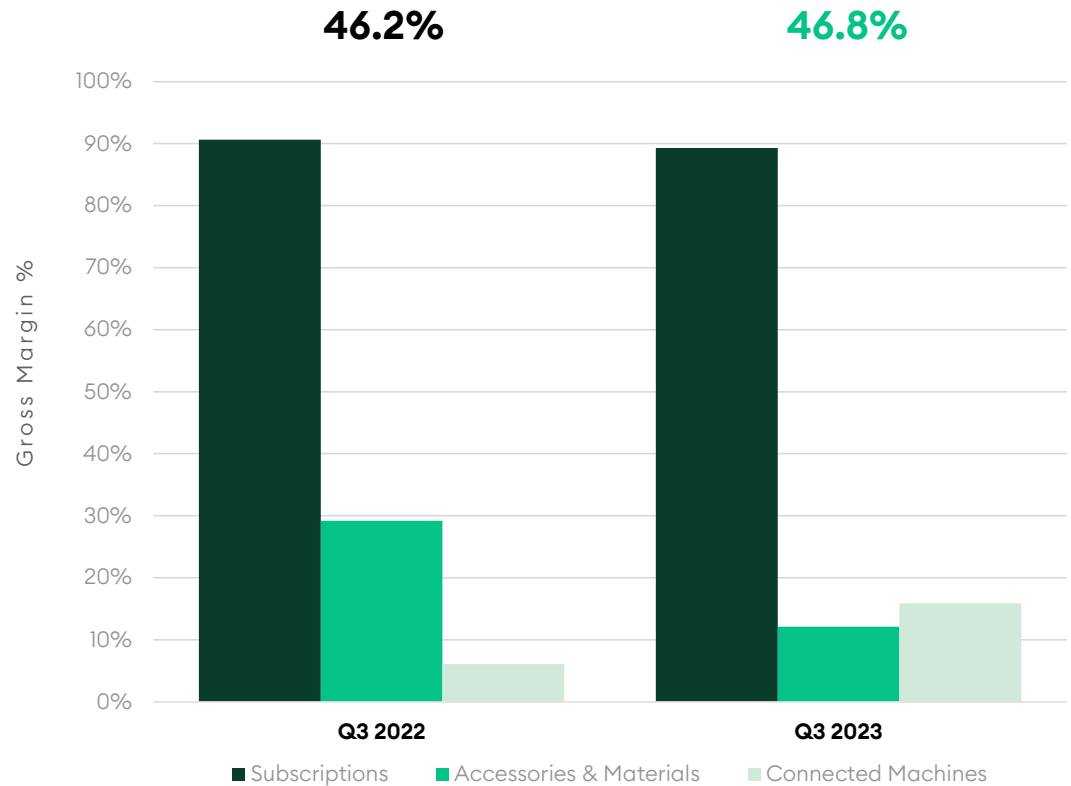
Contributing Factors

Connected Machine Margins

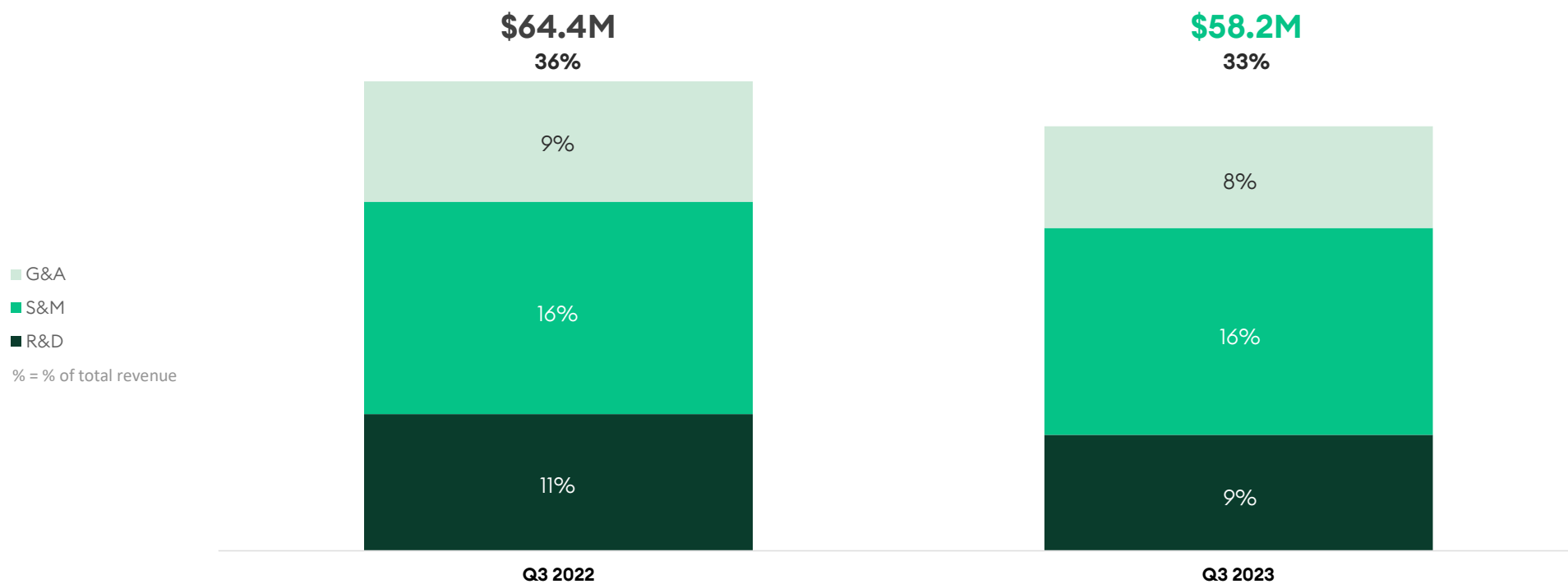
- Positive mix shift towards newer Connected Machine models and fewer entitlements
- Impacted by higher fixed costs as a percentage of revenue in warehousing and operations expense

Accessories & Materials Margins

- Impacted by excess inventory reserve write-downs and higher fixed costs as a percentage of revenue in warehousing and operations expense

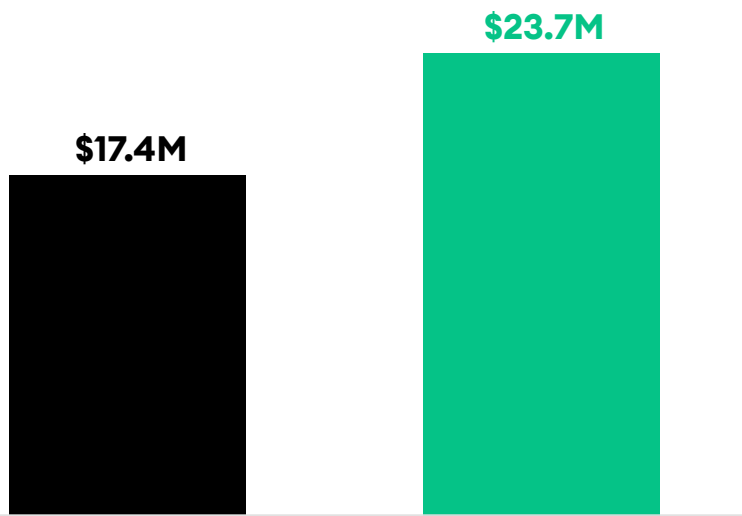


Operating expense



Operating income and net income

\$ Operating Income



Q3 2022

9.8%

*Operating
Margins*

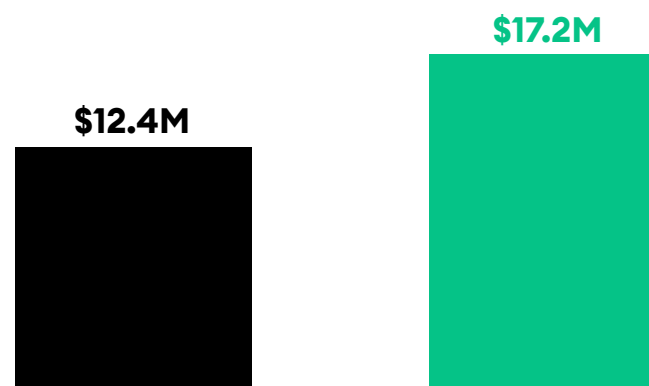
YoY Growth

Q3 2023

13.5%

+36%

\$ Net Income



Q3 2022

7.0%

*Net Income
Margins*

YoY Growth

Q3 2023

9.8%

+38%

Balance Sheet and Cash Flow highlights



Cash, equivalents
as of 9/30/23

\$173.6M

Cash, cash equivalents,
marketable securities

\$300.0M

Untapped credit line



Cash Flow generated from
Operations 9/30/23 YTD

\$196.0M

vs \$0.6M PY YTD



Share Repurchase
Program & Dividend

\$347K

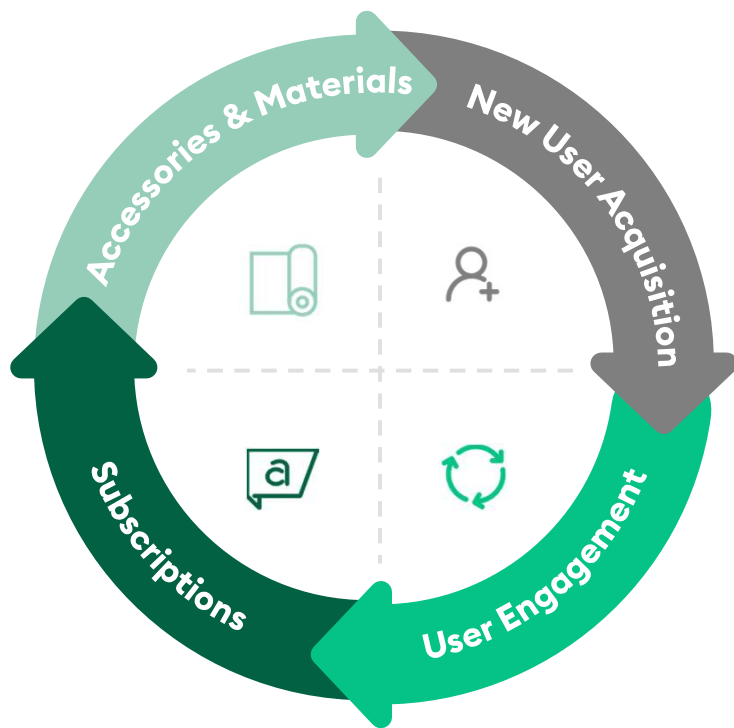
Used to purchase 39K shares in Q3

\$234.6M¹

Special dividend paid in Q3 23

1. \$232.2 million was distributed on July 17, 2023, while the remainder will be paid upon vesting of restricted shares.

Forward looking commentary



- Continue conservative approach to planning.
- Expect second half revenue to be softer as a percentage of full year revenues and lower sequential growth rate in Q4 compared to historical norms.
- Anticipate increase in Paid Subscriber count from Q3 to Q4.
- Deeper promotions and comprehensive marketing on Connected Machines in Q4.
- Expect FY23 Operating Margin similar to FY22.
- Committed to long-term annual operating margin targets of 15%-19%.

Let's make.



Long-term target model

As % of Revenue	FY20	FY21	FY22	Long-Term Targets
Gross Margin	35%	35%	39%	37 - 38%
R&D Expense	4%	6%	9%	7 - 8%
S&M Expense	7%	10%	15%	8 - 10%
G&A Expense	3%	4%	7%	3 - 4%
Operating Margin	21%	15%	9%	15 - 19%