

NASDAQ: CRCT

Financial Results

Q3 2024
November 5, 2024

cricut[®]



Safe Harbor Statement

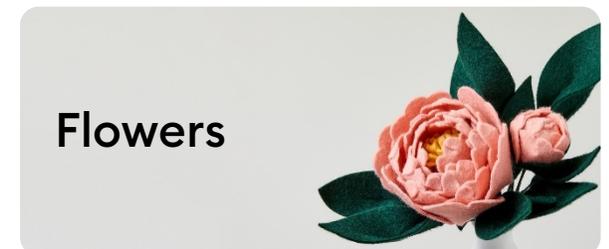
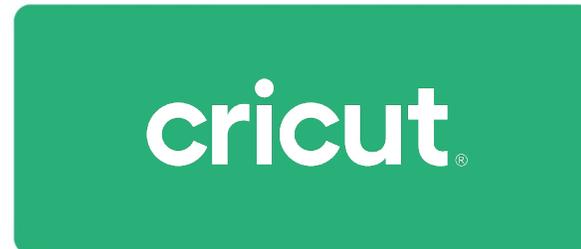
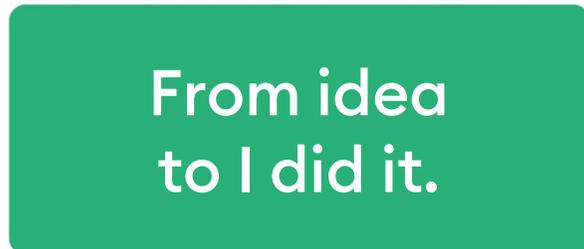
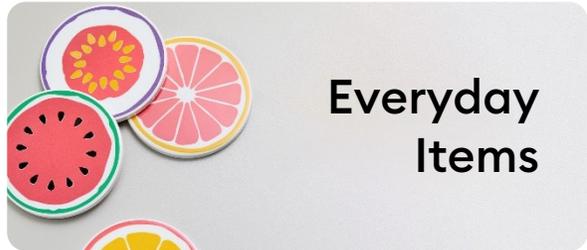
This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform 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,” “will” or similar terminology, and include our business opportunity, strategies, capital allocation plans, 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, or are incorporated by reference, under the heading “Risk Factors” in the most recent Form 10-K or 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 🔍



Q3 Highlights



Sales

- Total sales decreased 4% YoY
- International sales increased 2% YoY



Profitability

- Operating income \$10.6M or 6.3% of sales
- Q3 2024 was our 23rd consecutive quarter of GAAP profitability



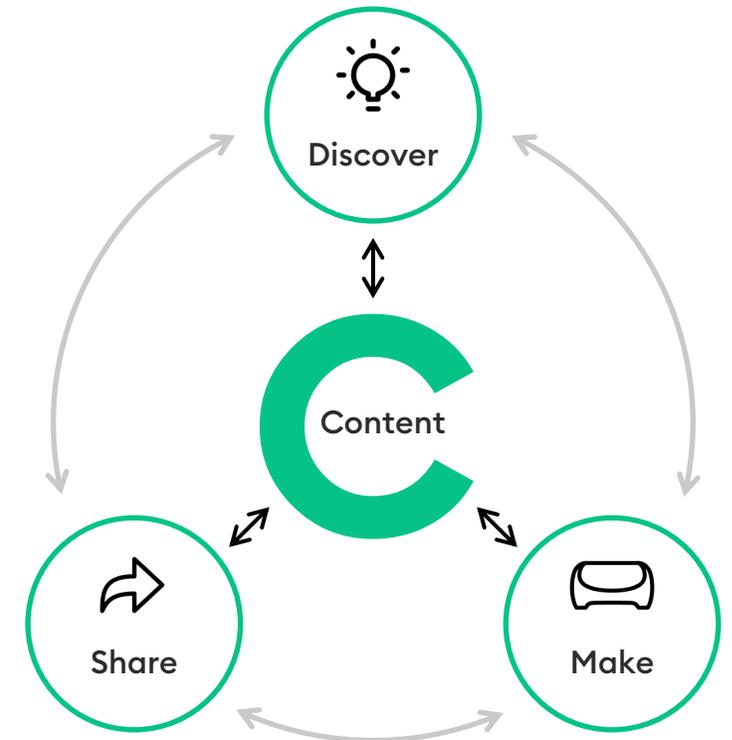
Subscriptions Growth

- Over 2.8M Paid Subscribers, up 5% YOY



Portfolio Mix

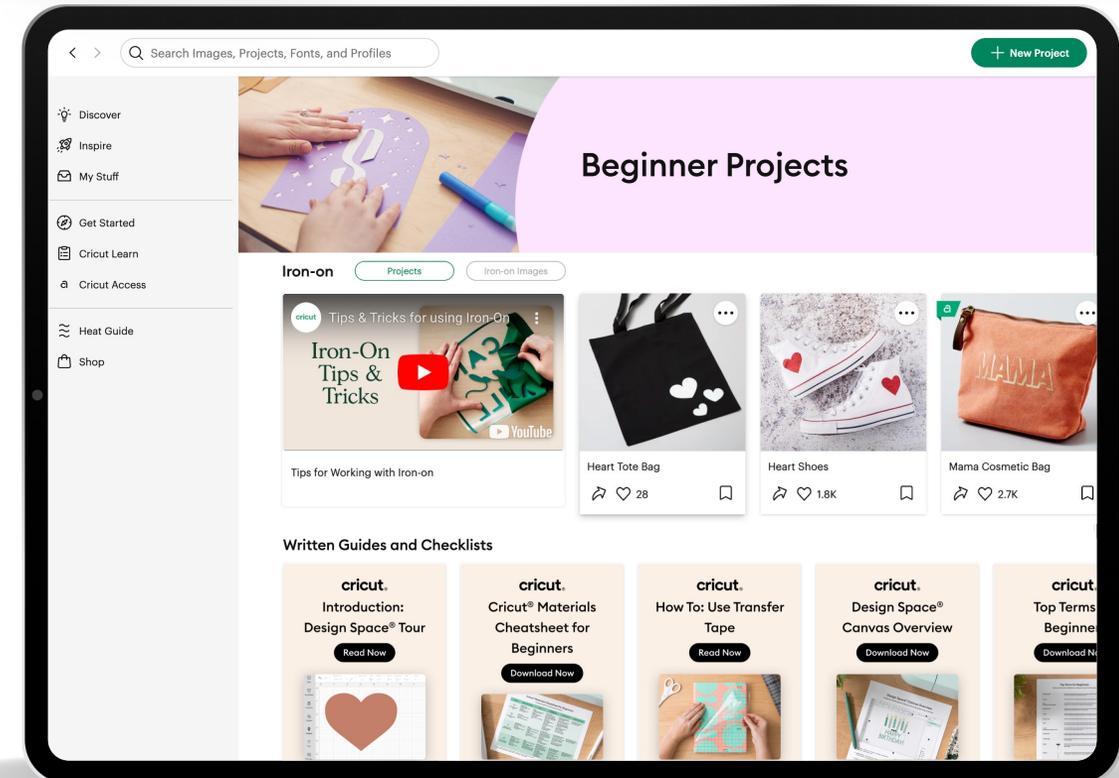
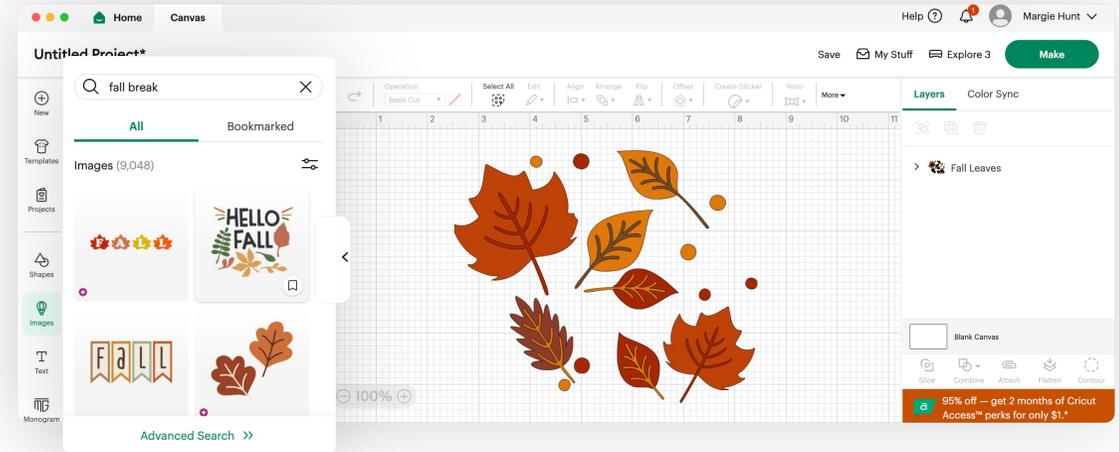
- Connected machines sales down 11% YOY
- Accessories and materials sales declined 3% YOY
- Increasing marketing to drive excitement, sales and acquisition

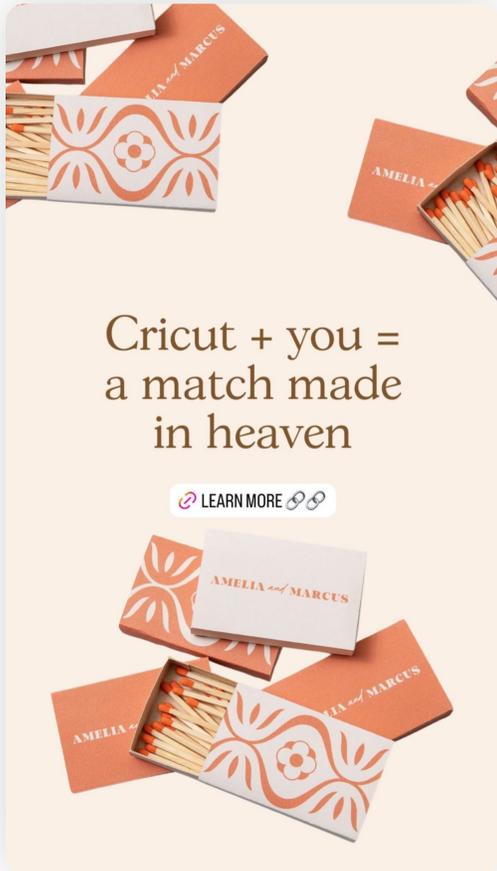


Improving engagement by focusing on the user experience

Improvement in leading indicator metrics for Onboarders

- Nearly 50% YoY increase in new users who successfully connect their machine within the first 5 minutes of the connection process
- YoY increase in users who...
 - completed a project on their first day
 - completed several projects in their first week
- Further expansion of content library
- Leading indicators for long-term engagement





TODAY ON THE SHOW SHOP WELLNESS PARENTS FOOD LIFE TODAY PLAZA

Cricut Explore Air 2 Cutting Machine



Explore Air 2 Cutting Machine

\$177.95 ~~\$249.00~~ AT WALMART



Reading Corner Wall Decor

cricut Cricut

Subject Cubbies Labels

cricut Cricut

Pencil Holder

cricut Cricut

cricut.

Make their day with a custom backpack.

Browse Projects



4 Best Smart Cutter Machines, Tested and Reviewed

Whether you're in the market for a new Cricut or are looking to upgrade to a Glowforge, these are the best cutter machines you can buy.



Best Overall: Cricut Maker 3

Once

What We Like

- Machine and software are both very intuitive
- Image and project library is best in class
- Mat not always required (but you can use it if you want)
- Fast, accurate cuts

What We Don't Like

- * Not the cheapest cutter, but look for sales

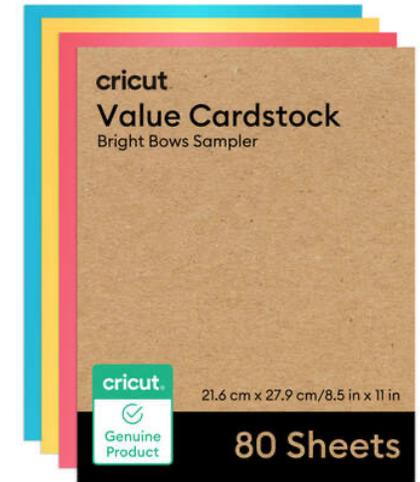
Reaching new users

- Market Mix Analysis shows positive impact on machine sales and attractive ROI
- Increased traffic to cricut.com, indicative of marketing success
- Deeper promotional strategy is working to drive connected machine growth

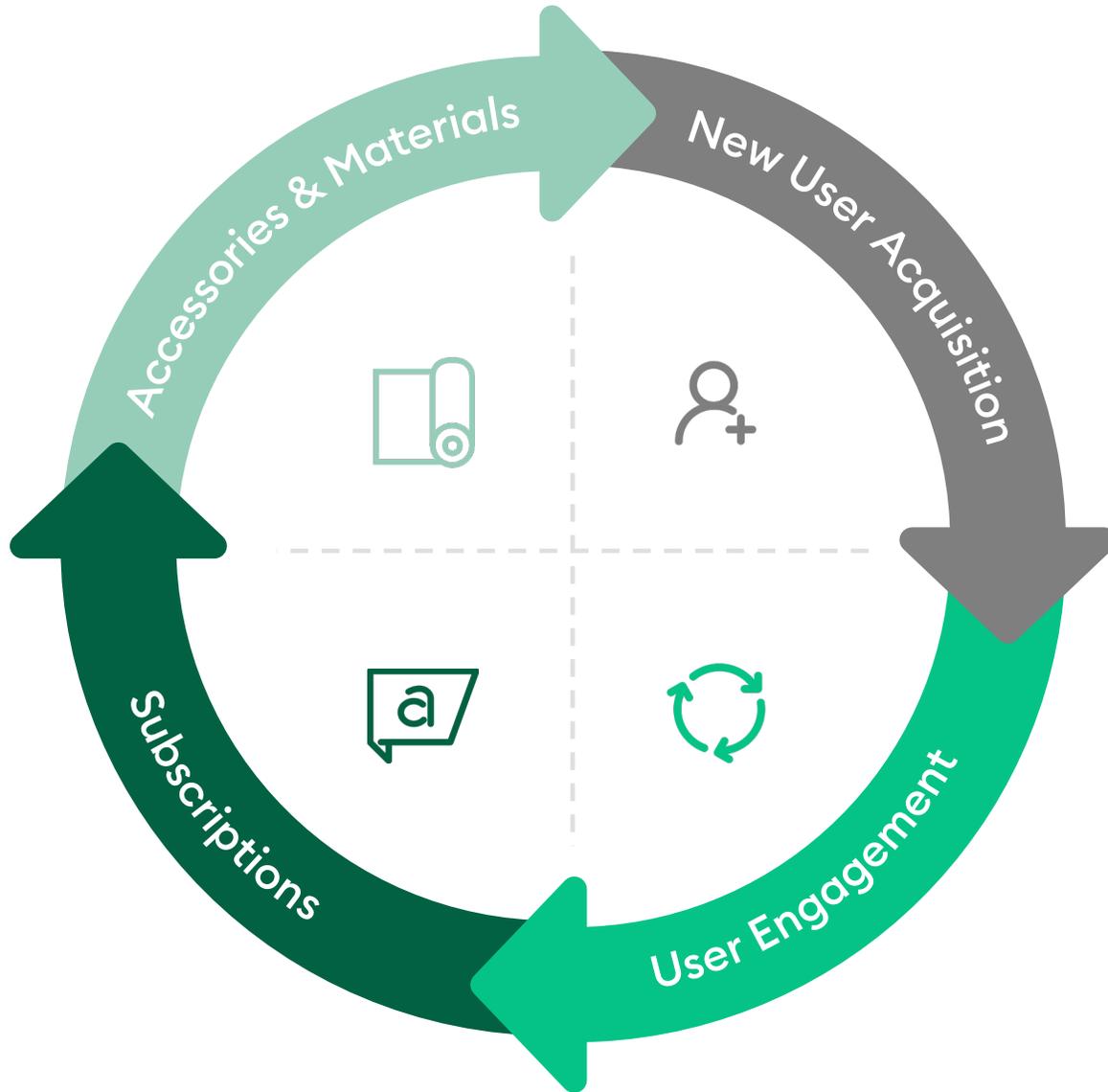
Accessories & Materials

Continued transformation through innovation and investments

- Additional Cricut Value Material SKUs launched due to consumer demand
- Reengineering products that prioritize affordability and that work seamlessly with our machines
- Additional innovation, products and cost reductions coming in the quarters ahead
- Intense focus on overall customer experience and generating renewed excitement



Make even more



Growth opportunities as the category leader

Clear opportunities to reaccelerate consumer excitement for the brand and category

- Attract more new users to buy connected machines
- Reverse weakening engagement trends
- Re-inject enthusiasm among our users
- More effective competitors in accessories and materials

Financial Results





Q3 2024 financial highlights

Revenue

\$167.9M

-4%

YoY Decrease

Operating Income¹

\$10.6M

-55%

YoY Decrease

6.3%

of Total Revenue

Net Income

\$11.5M

-33%

YoY Decrease

6.8%

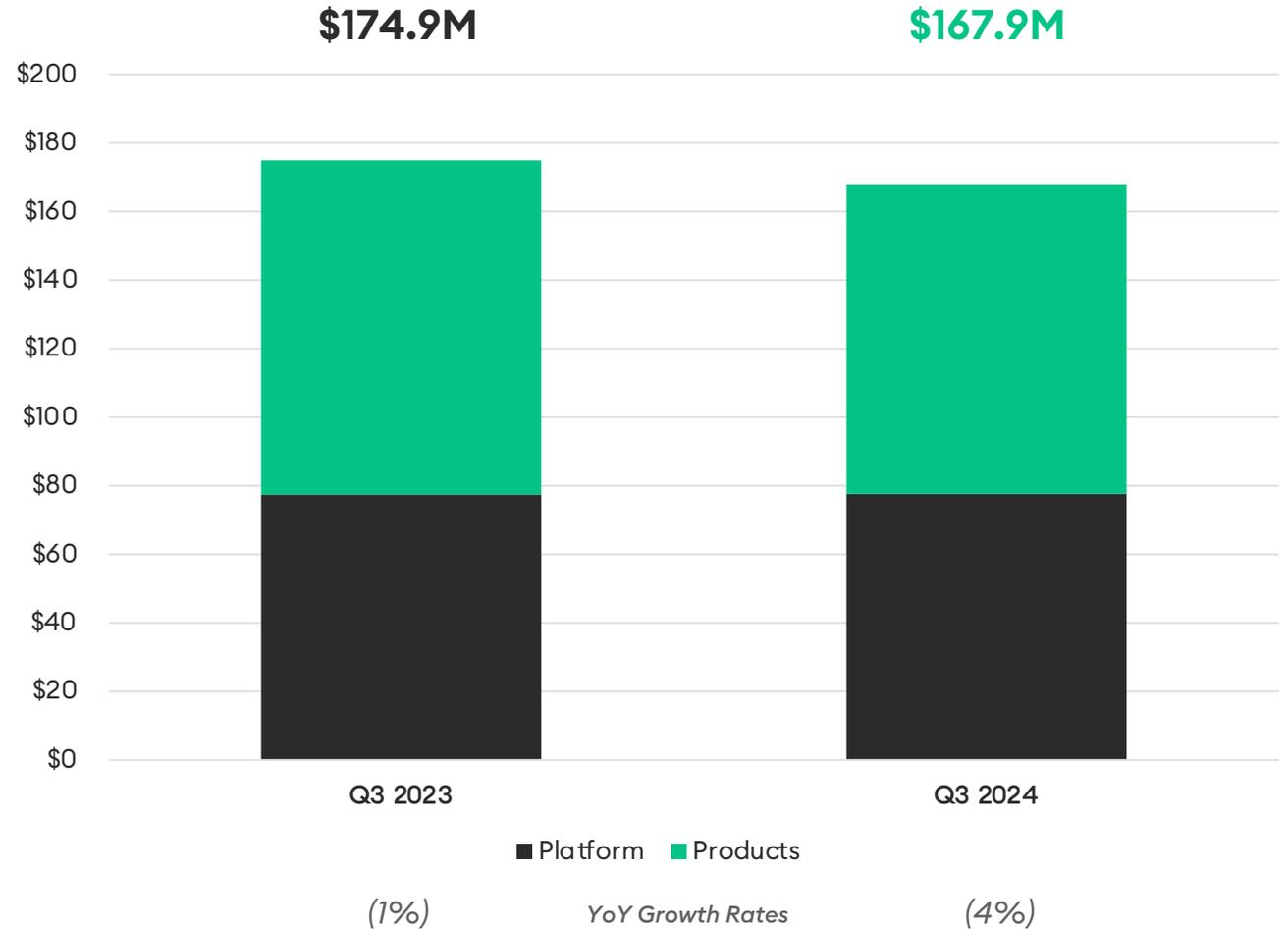
of Total Revenue

Did you know? Q3 2024 was our 23rd consecutive quarter of GAAP profitability

1. Q3 2024 Operating Income includes \$11.9 million of stock-based compensation expense.

Revenue breakdown

- Platform revenue **increased slightly** YoY
- Products revenue **declined 7%** YoY
 - Connected Machines revenue **declined 11%** YoY
 - Accessories & Materials revenue **declined 3%** YoY
- International revenue **increased 2%** YoY



User base dynamics



Active Users

5.93M

5.89M

Q3 2023

Q3 2024



90-Day
Engaged Users

3.6M

3.5M

Q3 2023

Q3 2024



Paid Subscribers

2.7M

2.8M

Q3 2023

Q3 2024

Gross margin

Q3 2024 Contributing Factors

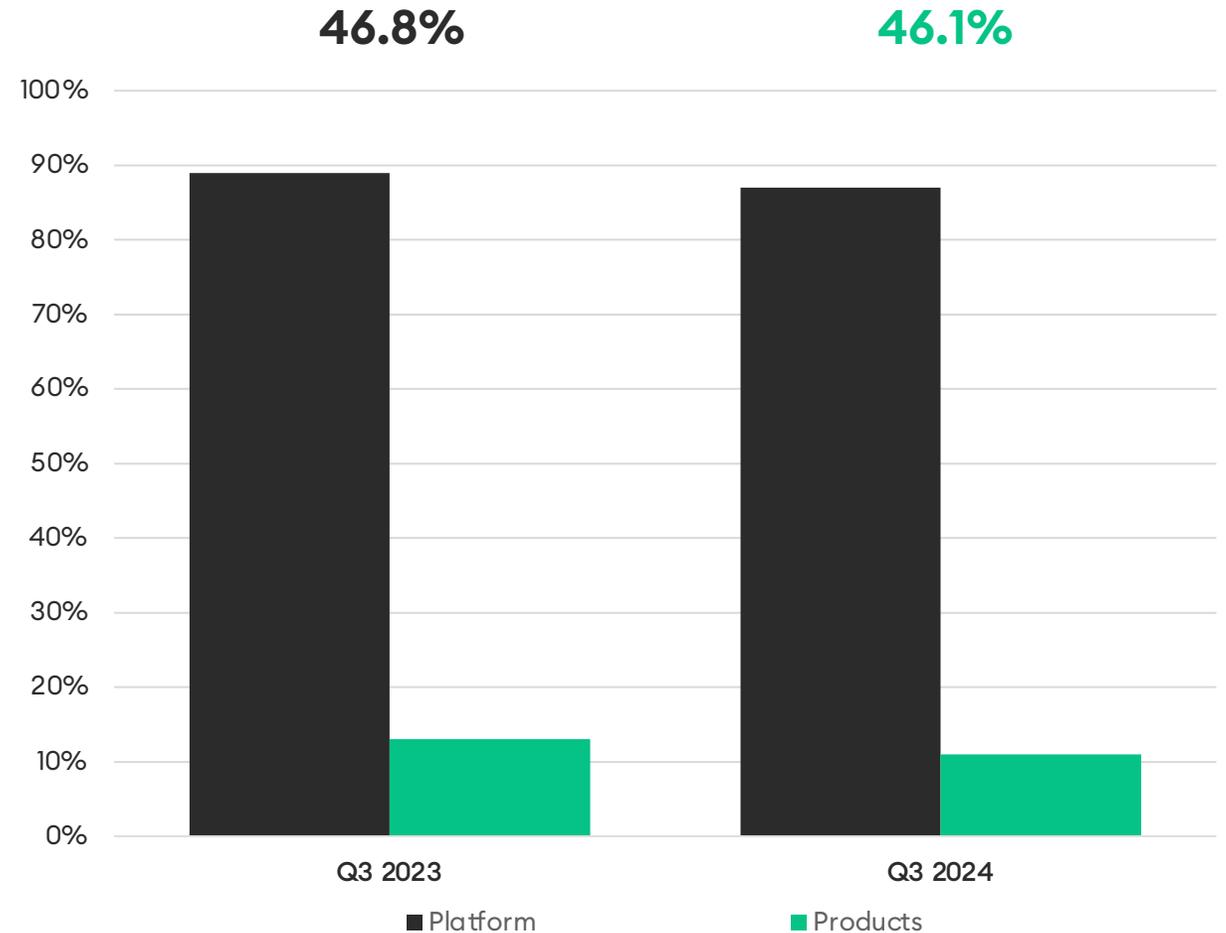
Platform Margins

- Slight decline due to higher software development costs and higher hosting fees

Products Margins

- Decrease primarily due to increased promotional activity, offset partially by less inventory reserves

Total Gross Margin

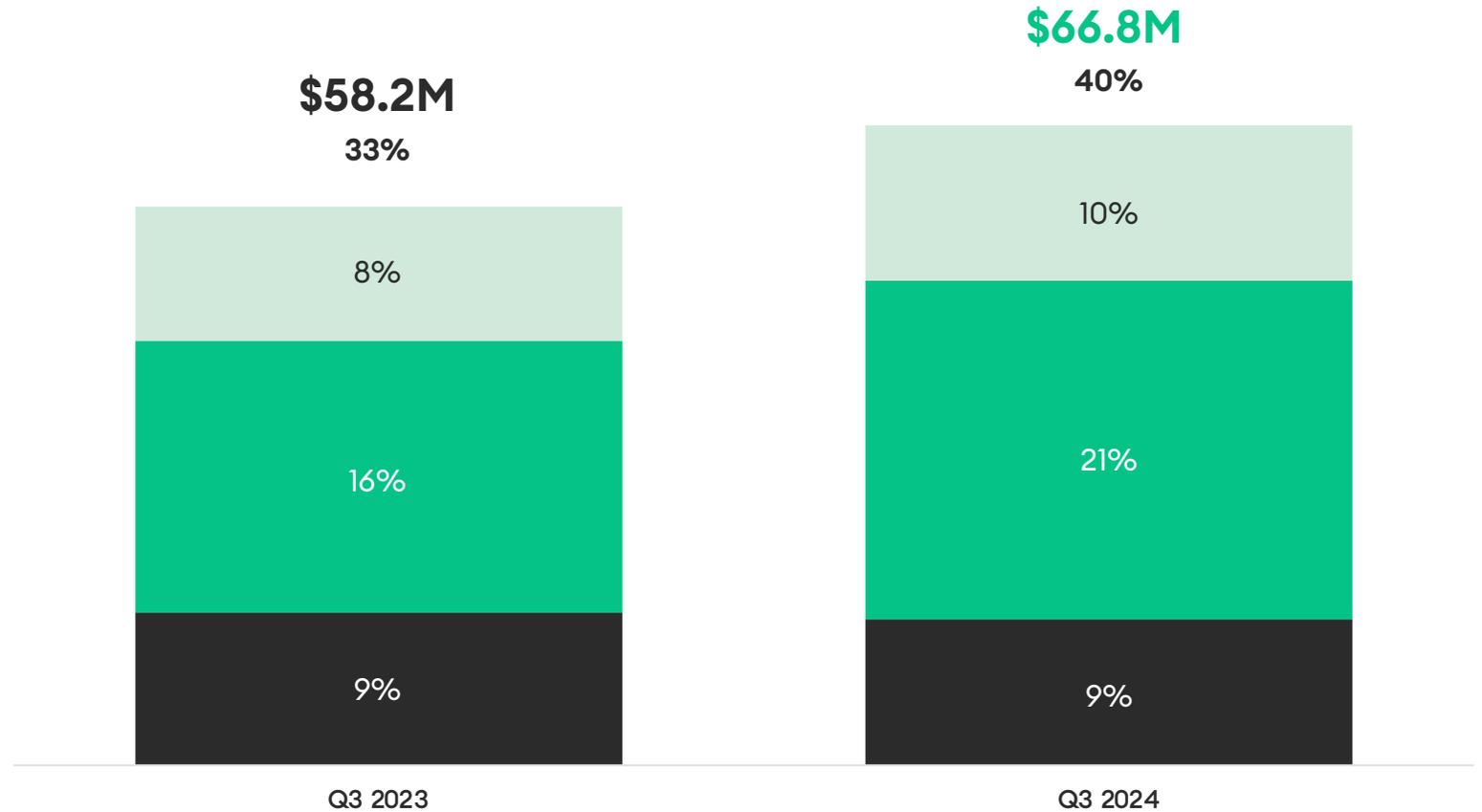


Operating expense

- Increased marketing spend to drive excitement and engagement
- Q3 2023 benefitted from a net bad debt reversal of \$4.5M

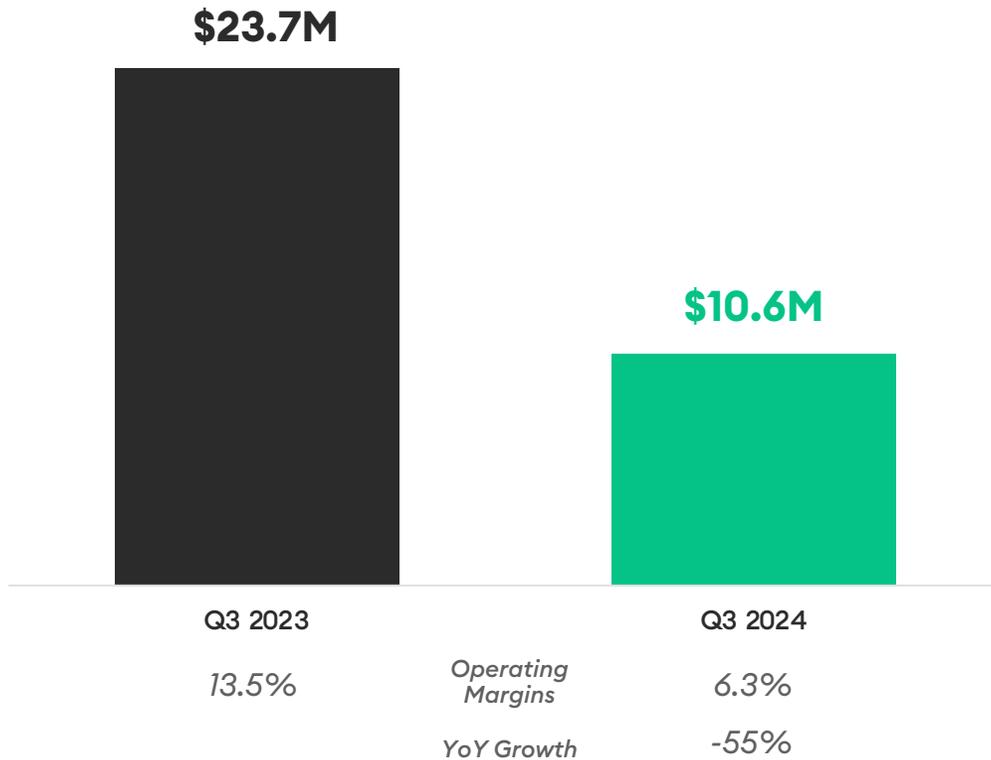
■ G&A
■ S&M
■ R&D

% = % of total revenue

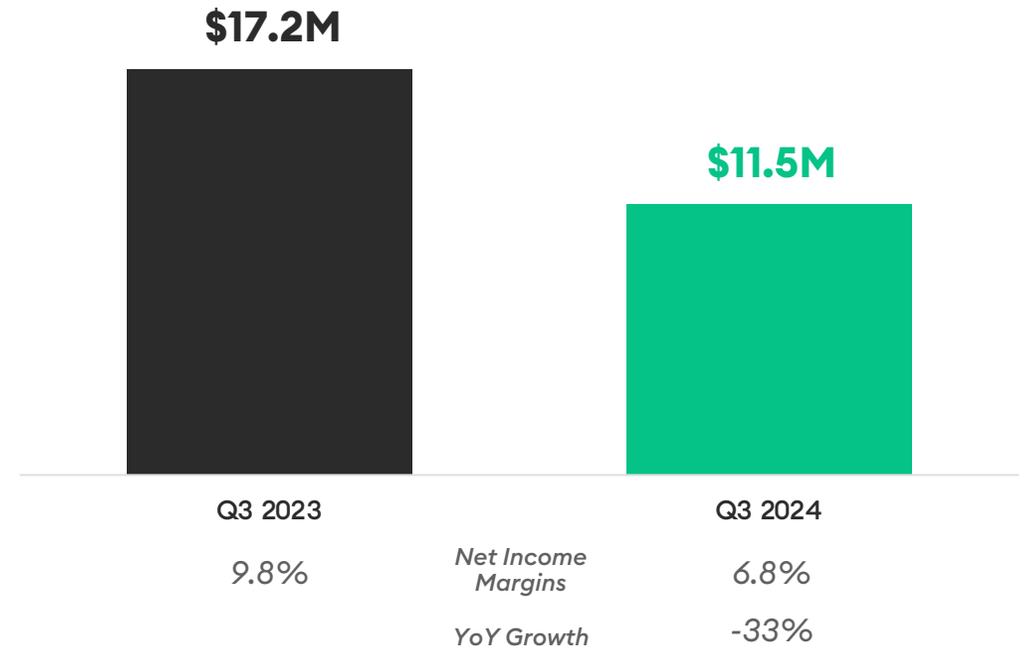


Operating income and net income

\$ Operating Income



\$ Net Income



Balance Sheet and Cash Flow highlights



Cash, equivalents
as of 9/30/24

\$246.9M

Cash, cash equivalents,
marketable securities

\$300.0M

Untapped credit line



Cash Flow generated
from Operations
9/30/24 YTD

\$162M

vs \$196M PY YTD



Share Repurchase
Program & Dividends

\$10.3M

Used to purchase 1.8M
shares in Q3 with \$30.8M
remaining after Q3

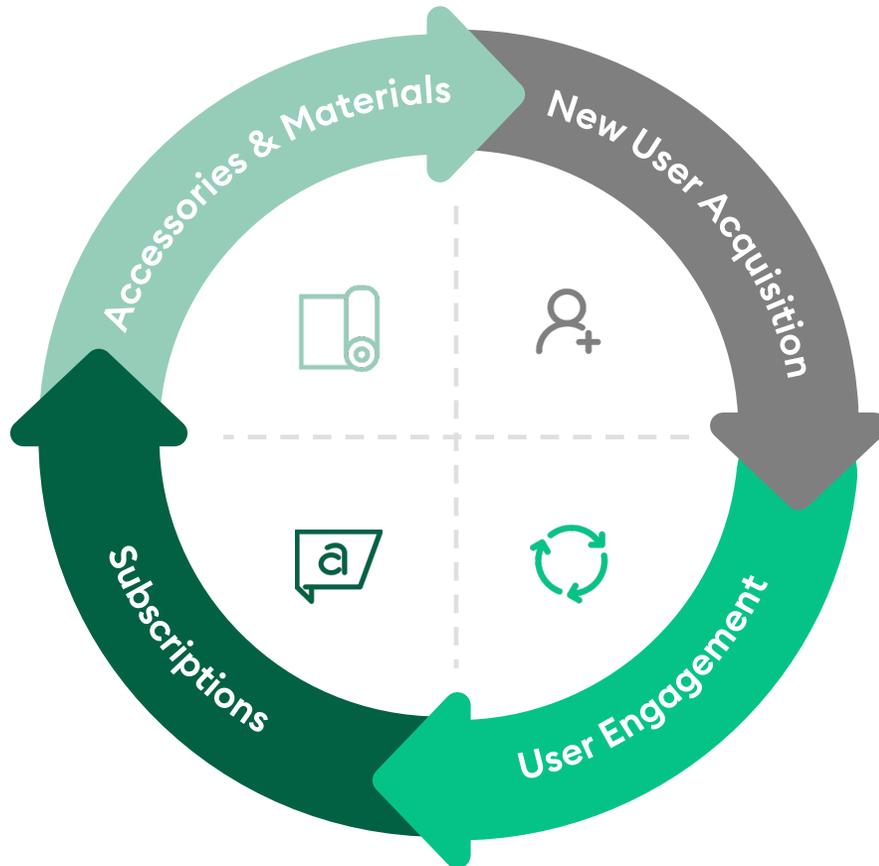
\$108M

Dividends paid in July of \$0.50
per share (\$0.40 special and \$0.10
recurring semi-annual per share)

\$22M

Board of Directors approved a semi-annual
dividend payment of \$0.10 per share for
shareholders of record on January 7, 2025
and payable January 21, 2025.

Forward looking commentary



- Total company sales likely will be down Q4 YoY and given the first three quarters of the year, expect sales will decline for the full year.
- Expect paid subscribers to grow compared to Q4 2023 and expect Platform revenue to be up slightly.
- Expect continued sales pressure on our Products segment.
- Continue deeper promotions and comprehensive marketing on Connected Machines in 2024 with early signs of bearing fruit.
- Expect some incremental improvement in operating margins in FY24 compared to FY23.
- Committed to long-term annual operating margin targets of 15%-19% when at scale.

Taiwan



Let's make.



India



US

Germany



Netherlands



Japan