



Q2 Fiscal Year 2024

Quarterly Earnings Document

January 31, 2024

Dear Investor,

The combined impact of revenue growth, gross margin expansion, advertising leverage, and reduced operating expenses drove strong financial results in the second quarter that have increased our profitability and cash flow expectations for fiscal 2024.

Summary results for Q2 FY2024 compared to Q2 FY2023 are as follows:

- Consolidated revenue grew 9% on a reported basis and 6% on an organic constant-currency basis.
- Input costs in Q2 remained favorable relative to where we started the year, and our previously communicated cost reduction plans remain on track with approximately \$25 million of year-over-year savings remaining that will benefit our fiscal third quarter.
- Consolidated operating income increased \$74.1 million year over year to \$107.7 million.
- Adjusted EBITDA increased \$55.3 million year over year to \$166.4 million.
- Trailing-twelve-month operating income (loss) improved from \$(40.0) million at December 31, 2022 to \$183.5 million at December 31, 2023.
- Trailing-twelve-month adjusted EBITDA improved from \$228.2 million at December 31, 2022 to \$438.2 million at December 31, 2023.
- Operating cash flow for the quarter increased \$93.8 million year over year to \$174.9 million.
- Adjusted free cash flow increased \$96.2 million year over year to \$150.0 million. Two factors drove most of this improvement: higher adjusted EBITDA and higher net working capital inflows helped by the normalization of working capital trends.
- Our liquidity position is strong with cash and marketable securities of \$291.4 million at December 31, 2023 and full access to our \$250.0 million revolving credit facility.
- We purchased \$5.0 million notional value of our 7% senior notes for \$4.7 million during the second quarter.
- Net leverage decreased sequentially to 2.87 times trailing-twelve-month EBITDA as defined by our credit agreement compared to 5.52x one year ago.

Segment Commentary

Vista Q2 revenue grew 11% year over year on a reported basis and 9% on an organic constant-currency basis, fueled by the second consecutive quarter of growth in total customer count paired with the continued increase of revenue per customer. Revenue grew at similar constant-currency rates across all regions. Revenue growth was very strong across business products categories and we had stronger than expected year-over-year growth of 7% in our consumer product category. This was the first Q2 that we have grown the consumer product category since we began Vista's transformation journey in 2019 and made significant reductions in advertising and discounting that were disproportionately targeted at improving the returns on serving consumer customers. The growth across all categories in Q2 benefited from the combined improvements we've made over the last year, most notably in our customer experience. This is improving customer satisfaction, new customer acquisition cohorts, and customer lifetime value.

Revenue growth combined with improved costs contributed to an increase in Vista's segment EBITDA of \$48.0 million in Q2 FY2024, up 87% from the year-ago period. Gross profit per customer continued to grow year over year and Vista's gross margin improved over 400 basis points versus Q2 FY2023 to 56.4%. The gross margin improvement was primarily driven by lower input costs, efficiency gains, and experience improvements as well as a \$3 million indirect tax benefit. Vista's advertising spend as a percentage of revenue decreased approximately 100 basis points to 16.5% due to efficiency gains and focus. Operating expenses decreased by approximately \$6 million due to the reductions implemented in March 2023.

PrintBrothers and The Print Group (our combined Upload & Print businesses) Q2 revenue grew year over year by 11% and 4%, respectively, on a reported basis (or 9% for the combined businesses), and 5% and (1)%, respectively, on an organic constant-currency basis (or 3% for the combined businesses). These businesses are lapping strong revenue growth rates in the year-ago period that were influenced by price increases, but continue to see order growth. Similar to Q1, this order growth has been partially offset by customers purchasing lower quantities in certain product categories and headwinds in the reseller channel, which is more prominent in The Print Group.

Combined Upload & Print profitability expanded \$13.6 million, or 41%, from the year-ago period driven by lower input costs and operating expenses, as well as year-over-year currency benefits of \$2.6 million. Additionally, PrintBrothers benefited from a favorable timing item of \$2.6 million in cost of goods (offsetting a related Q1 negative impact) and \$1.5 million from the realization of government incentives.

National Pen delivered revenue growth of 8% on a reported basis and 5% on an organic constant-currency basis during Q2 FY2024. This growth was driven by strong results in National Pen's growing e-commerce business. Segment EBITDA expanded \$1.1 million year over year as a result of revenue growth and gross margin improvement.

All Other Businesses Q2 revenue was flat year over year on a reported and constant-currency basis. BuildASign continued to see softer sales of real estate-related products as well as home decor products. Printi revenue continued to grow. Segment EBITDA expanded from the year-ago period, driven by lower operating costs in BuildASign and savings from the FY2023 divestiture of our loss-making business in China.

Central and Corporate Costs decreased \$3.5 million year over year in Q2 FY2024 excluding unallocated share-based compensation as a result of savings from our recent cost reductions.

Outlook and Capital Allocation Commentary

One year ago, we introduced more explicit guidance than we traditionally provide in light of our elevated net leverage at that time and to be clear about our plans and expectations for profitability and cash flow growth. Since then, we have nearly halved our net leverage while still maintaining significant growth investments. This has been driven by a combination of returns from past investments, the focusing of our growth investments, restrained growth of operating expenses, and the easing of inflationary pressure on our input costs. With two quarters still remaining in the fiscal year, based on Cimpress' trailing-twelve month EBITDA of \$438.2 million and net leverage of 2.87 times trailing-twelve month EBITDA as defined by our credit agreement, we are at a run rate that exceeds our prior profitability and net leverage guidance established for FY2024.

We now expect consolidated FY2024 reported revenue growth (assuming recent currency rates) of at least 7% and organic constant-currency revenue growth of at least 5%. While Q2 revenue growth in Vista was above our expectations, revenue growth in Upload & Print and BuildASign in the first half of the year has been slower than planned and we expect that to continue for the remainder of the fiscal year.

We are increasing our FY2024 operating income guidance from at least \$206 million to at least \$230 million. We are increasing our FY2024 adjusted EBITDA guidance from at least \$425 million to at least \$455 million. This would bring FY2024 profitability above the historical annual high achieved in FY2020, but doing so with stronger revenue growth rates and higher levels of organic growth investment.

As a reminder, in Q3 FY2024 we expect an additional year-over-year benefit of approximately \$25 million from our March 2023 cost reductions, with no additional year-over-year benefit in Q4 FY2024. We also continue to expect a negative year-over-year impact from currency on our full-year adjusted EBITDA of about \$20 million. We recognized \$11.5 million of this in the first half of FY2024, leaving approximately \$8.5 million of negative impact in the second half of FY2024.

As further context for our profitability guidance, we've maintained a construct of "at least" for our full-year expectations. In the first half of FY2024, year-over-year growth in adjusted EBITDA was well above the net impact of cost savings and unfavorable currency headwinds previously disclosed, helped in part by benefit from items such as the favorable indirect tax ruling and realization of a government incentive. We do not expect this to repeat to such an extent in the second half of FY2024. While we believe there is opportunity for profit growth in the second

half of FY2024 beyond the net impact of expected year-over-year cost savings and unfavorable currency impact (together a net improvement of \$16.5 million), we will be lapping stronger adjusted EBITDA performance, particularly in Vista, as compared to the first half of last year.

Our expectations for the other components of adjusted free cash flow for FY2024 remain largely unchanged versus prior guidance. Therefore, we now expect adjusted EBITDA to convert to adjusted free cash flow at approximately 45%, an increase from 40% in our prior guidance.

Our board has authorized the repurchase of up to \$150 million of Cimpress shares. This authorization does not have an expiration date or a defined time frame for repurchases. Any share repurchases in the remainder of this fiscal year will be done with the expectation of exiting FY2024 with net leverage at or below approximately 3.0x trailing-twelve-month EBITDA, a reduction to our prior net leverage guidance of at or below 3.25x established at the beginning of the fiscal year. We evaluate share repurchases, as any other use of capital, relative to our view of the impact on our intrinsic value per share compared against other opportunities; therefore, any repurchases will be price dependent.

We continue to invest organically for growth at approximately the level we exited FY2023. For the foreseeable future, we do not expect meaningful increases to organic growth investment or to deploy significant capital to M&A. Therefore, looking ahead to next year, with the combination of our expected continued profitability expansion and the resultant free cash flow generation we expect to have the opportunity to continue to delever our balance sheet while also opportunistically allocating capital to share repurchases.

Over the last three quarters, we have purchased \$77.9 million notional value of our high-yield notes for \$69.5 million and we will continue to consider using excess liquidity to repurchase our debt.

Conclusion

We remain focused on execution and our team is incentivized to deliver against the guidance we have provided for the remainder of FY2024. We have significantly expanded profitability and free cash flow over the last year while still investing for growth to enhance our long-term prospects, underlying cash flow generation ability and intrinsic value per share. I remain grateful for your support as we strive to enhance the value we deliver to our customers and long-term investors.

Sincerely,



Robert S. Keane
Founder, Chairman & CEO

P.S. Sean and I look forward to taking your questions about our financial results on our public earnings call tomorrow, February 1, 2024 at 8:00 am ET, which you can join via the link on the events section of ir.cimpress.com. You may presubmit questions by emailing ir@cimpress.com, and you may also ask questions via chat during the live call.

SUMMARY CONSOLIDATED RESULTS: THREE-YEAR TREND

\$ in thousands, except percentages

REVENUE BY REPORTABLE SEGMENT, TOTAL REVENUE AND INCOME FROM OPERATIONS:

	Q2 FY2022	Q2 FY2023	Q2 FY2024	YTD FY2022	YTD FY2023	YTD FY2024
Vista	\$ 448,114	\$ 437,736	\$ 485,151	\$ 797,594	\$ 807,105	\$ 881,798
PrintBrothers	137,694	148,598	165,148	263,051	281,297	317,369
The Print Group	90,130	89,336	93,268	162,950	166,159	173,807
National Pen	124,717	120,621	130,572	193,981	202,287	217,827
All Other Businesses	57,719	59,998	60,283	105,590	111,825	112,083
Inter-segment eliminations	(8,658)	(11,087)	(13,059)	(15,851)	(20,056)	(24,227)
Total revenue	\$ 849,716	\$ 845,202	\$ 921,363	\$1,507,315	\$1,548,617	\$1,678,657
Reported revenue growth	9 %	(1)%	9 %	10 %	3 %	8 %
Organic constant currency revenue growth	9 %	5 %	6 %	9 %	9 %	5 %
Income from operations	\$ 85,981	\$ 33,578	\$ 107,679	\$ 102,920	\$ 15,611	\$ 141,779
Income from operations margin	10 %	4 %	12 %	7 %	1 %	8 %

EBITDA BY REPORTABLE SEGMENT ("SEGMENT EBITDA") AND ADJUSTED EBITDA:

	Q2 FY2022	Q2 FY2023	Q2 FY2024	YTD FY2022	YTD FY2023	YTD FY2024
Vista	\$ 90,766	\$ 55,157	\$ 103,176	\$ 157,686	\$ 85,894	\$ 177,600
PrintBrothers	18,605	19,509	28,341	34,888	34,500	48,167
The Print Group	16,358	13,681	18,442	30,747	25,901	32,050
National Pen	31,599	24,783	25,865	23,551	23,486	17,562
All Other Businesses	6,264	5,406	7,983	11,155	11,584	14,441
Total segment EBITDA	\$ 163,592	\$ 118,536	\$ 183,807	\$ 258,027	\$ 181,365	\$ 289,820
Central and corporate costs	(32,803)	(35,569)	(32,084)	(65,825)	(71,104)	(64,212)
Unallocated share-based compensation	(1,900)	1,767	(3,883)	(3,031)	2,724	(3,535)
Exclude: share-based compensation expense ¹	12,505	11,547	17,649	23,511	22,022	30,102
Include: Realized gains (losses) on certain currency derivatives not included in segment EBITDA	674	14,901	945	(2,998)	21,770	2,995
Adjusted EBITDA	\$ 142,068	\$ 111,182	\$ 166,434	\$ 209,684	\$ 156,777	\$ 255,170
Adjusted EBITDA margin	17 %	13 %	18 %	14 %	10 %	15 %
Adjusted EBITDA year-over-year (decline) growth	(1)%	(22)%	50 %	(10)%	(25)%	63 %

¹ SBC expense listed above excludes the portion included in restructuring-related charges to avoid double counting.

SUMMARY CONSOLIDATED RESULTS: THREE-YEAR TREND (CONTINUED)

\$ in thousands, except where noted

CASH FLOW AND OTHER METRICS:

	Q2 FY2022	Q2 FY2023	Q2 FY2024	YTD FY2022	YTD FY2023	YTD FY2024
Net cash provided by (used in) operating activities	\$ 143,344	\$ 81,126	\$ 174,946	\$ 179,911	\$ 55,875	\$ 217,200
Net cash provided by (used in) investing activities	(64,100)	(5,526)	(19,569)	(77,281)	(106,569)	(30,395)
Net cash provided by (used in) financing activities	(39,006)	(100,935)	(12,090)	(49,357)	(112,715)	(47,155)
Adjusted free cash flow ^{1,2}	109,844	53,721	149,961	123,847	1,504	160,889
Cash interest, net ²	34,619	32,806	39,591	48,286	45,792	60,481

COMPONENTS OF ADJUSTED FREE CASH FLOW:

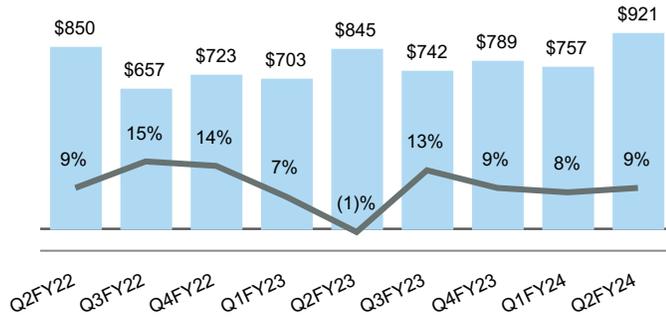
	Q2 FY2022	Q2 FY2023	Q2 FY2024	YTD FY2022	YTD FY2023	YTD FY2024
Adjusted EBITDA	\$ 142,068	\$ 111,182	\$ 166,434	\$ 209,684	\$ 156,777	\$ 255,170
Cash restructuring payments	(244)	(1,896)	(1,223)	(244)	(9,827)	(6,938)
Cash taxes	(8,058)	(6,909)	(10,640)	(15,825)	(11,166)	(26,434)
Other changes in net working capital and other reconciling items	44,197	11,555	59,966	34,582	(34,117)	55,883
Purchases of property, plant and equipment	(17,915)	(14,732)	(11,390)	(26,539)	(26,490)	(33,955)
Capitalization of software and website development costs	(16,495)	(13,916)	(13,947)	(32,134)	(29,246)	(28,344)
Proceeds from sale of assets ¹	910	1,243	352	2,609	1,365	5,988
Adjusted free cash flow before cash interest, net	\$ 144,463	\$ 86,527	\$ 189,552	\$ 172,133	\$ 47,296	\$ 221,370
Cash interest, net ²	(34,619)	(32,806)	(39,591)	(48,286)	(45,792)	(60,481)
Adjusted free cash flow^{1,2}	\$ 109,844	\$ 53,721	\$ 149,961	\$ 123,847	\$ 1,504	\$ 160,889

¹ During the three months ended September 30, 2023, we revised our adjusted free cash flow metric to include proceeds from the sale of assets, which we believe provides useful information regarding the return on tangible or intangible assets which were used in operations. We have revised our presentation of all prior periods presented to reflect our revised adjusted free cash flow metric.

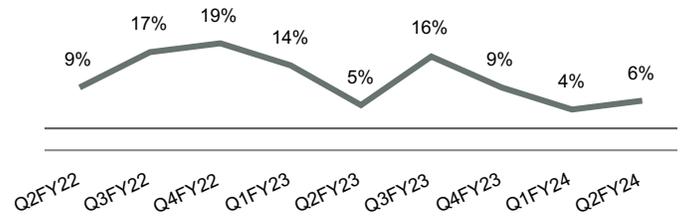
² Cash interest, net is cash interest payments, partially offset by cash interest received on our cash and marketable securities. Prior to the third quarter of FY2023, we showed only the cash interest payments related to our borrowing activity in this chart in our earnings materials. We have recast all periods in the chart above to include the interest received.

INCOME STATEMENT HIGHLIGHTS

Revenue & Reported Revenue Growth (Decline)



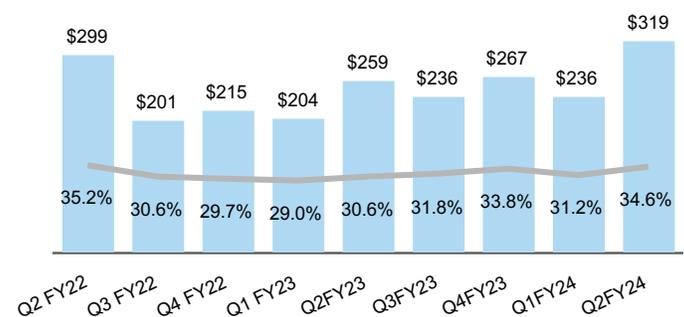
Organic Constant-Currency Revenue Growth



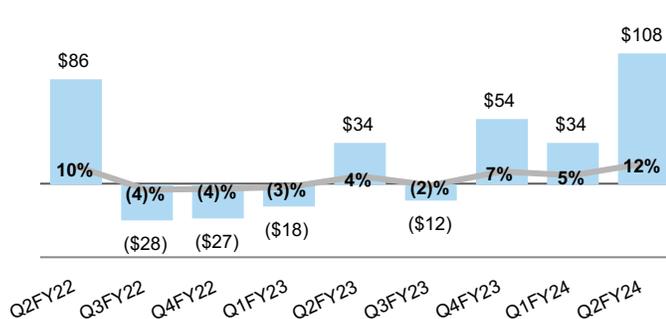
Gross Profit (\$M) & Gross Margin (%)



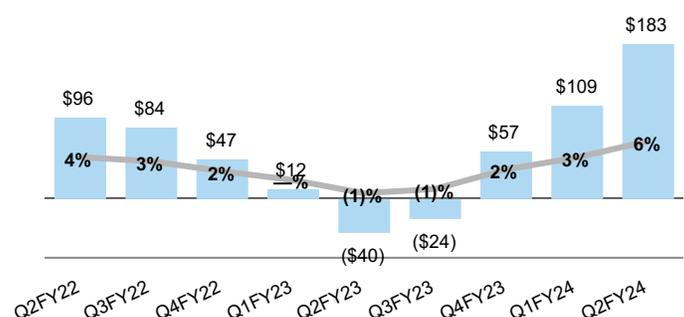
Contribution Profit (\$M) & Contribution Margin (%)



GAAP Operating Income (Loss) (\$M) & Margin (%) (Quarterly)



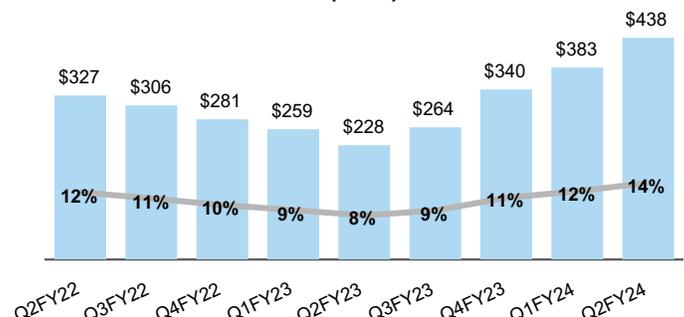
GAAP Operating Income (Loss) (\$M) & Margin (%) (TTM)



Adjusted EBITDA (\$M) & Margin (%) (Quarterly)



Adjusted EBITDA (\$M) & Margin (%) (TTM)

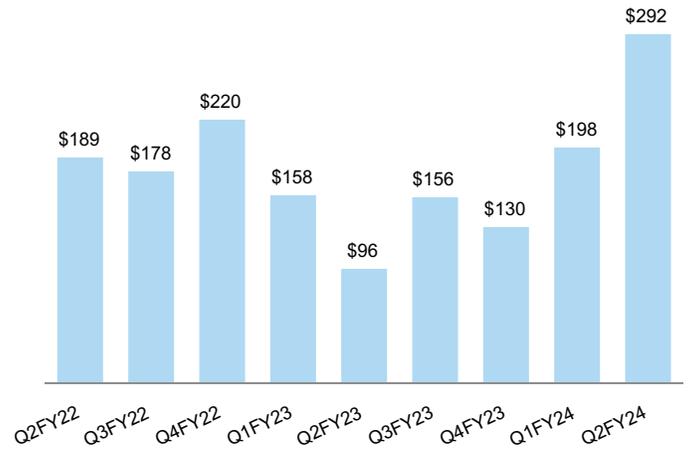


CASH FLOW

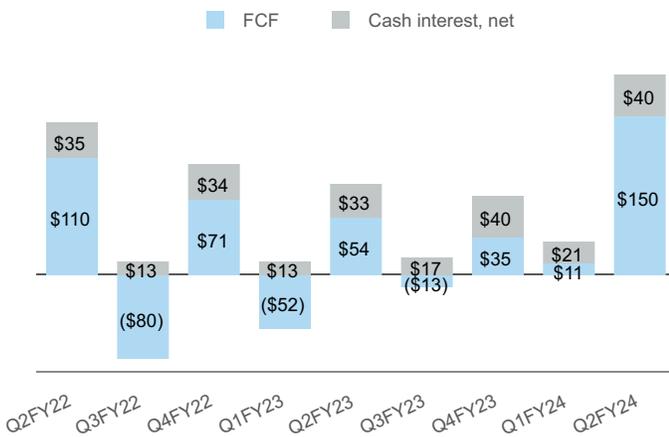
Cash Flow from Operations (\$M) (Quarterly)



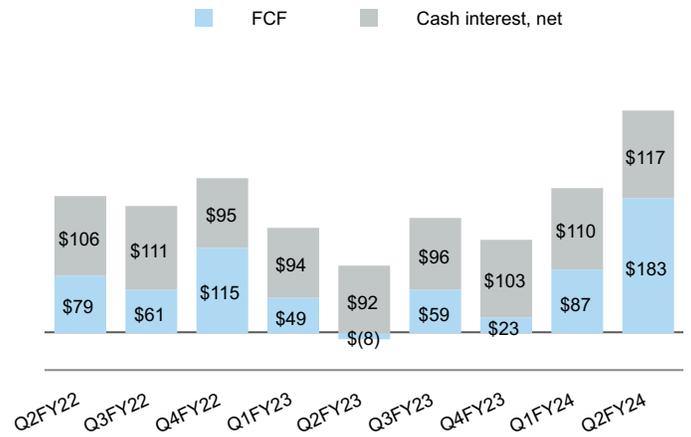
Cash Flow from Operations (\$M) (TTM)



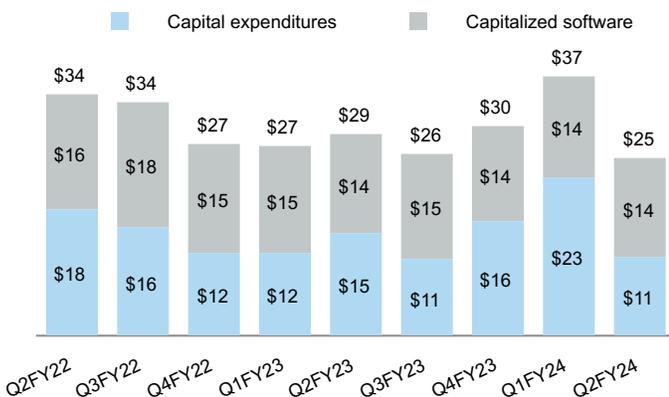
Adjusted Free Cash Flow & Cash Interest, Net (\$M) (Quarterly)



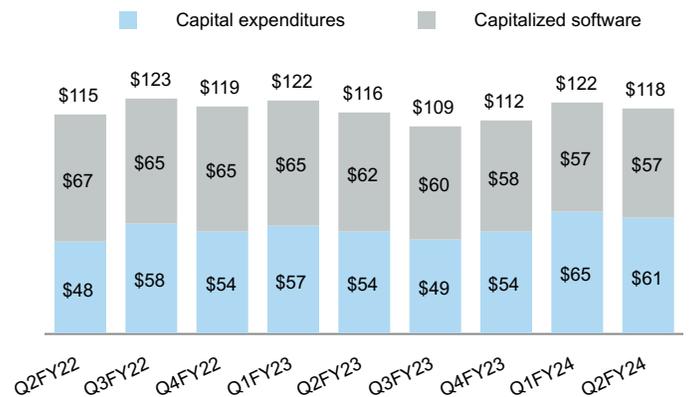
Adjusted Free Cash Flow & Cash Interest, Net (\$M) (TTM)



Capital Expenditures & Capitalization of Software & Website Development Costs (\$M) (Quarterly)



Capital Expenditures & Capitalization of Software & Website Development Costs (\$M) (TTM)



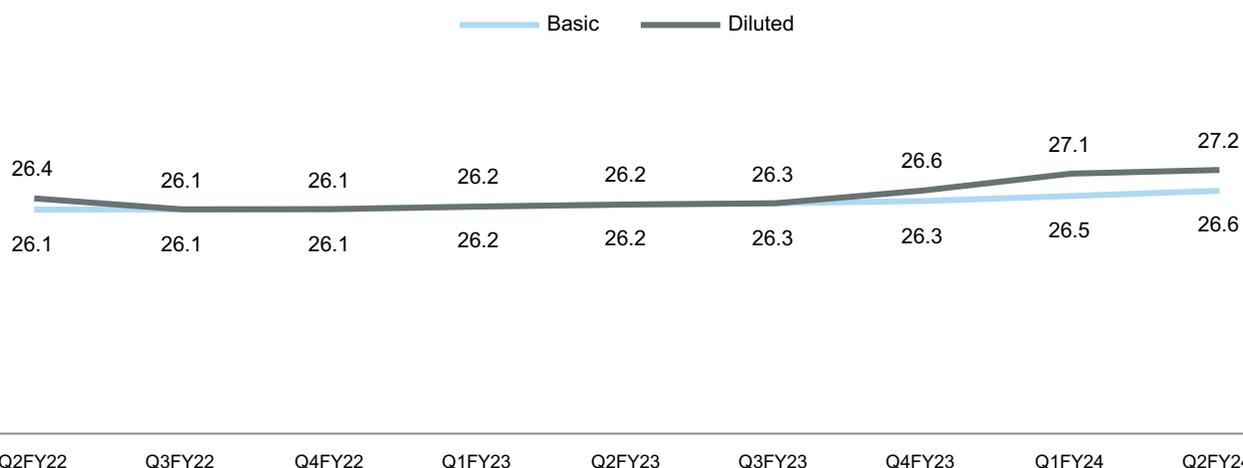
CAPITAL STRUCTURE

Net Debt (1)

(\$M)	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Cash / equivalents	\$ 231	\$ 162	\$ 277	\$ 132	\$ 111	\$ 115	\$ 130	\$ 125	\$ 274
Marketable securities	\$175	\$108	\$50	\$124	\$102	\$75	\$43	\$23	\$17
HY notes	(\$600)	(\$600)	(\$600)	(\$600)	(\$600)	(\$600)	(\$548)	(\$527)	(\$522)
Term loans	(\$1,129)	(\$1,121)	(\$1,097)	(\$1,076)	(\$1,100)	(\$1,103)	(\$1,099)	(\$1,087)	(\$1,098)
Revolver	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Other debt	(\$10)	(\$9)	(\$8)	(\$7)	(\$7)	(\$8)	(\$7)	(\$6)	(\$6)
Net debt	(\$1,333)	(\$1,461)	(\$1,378)	(\$1,427)	(\$1,494)	(\$1,520)	(\$1,481)	(\$1,473)	(\$1,335)

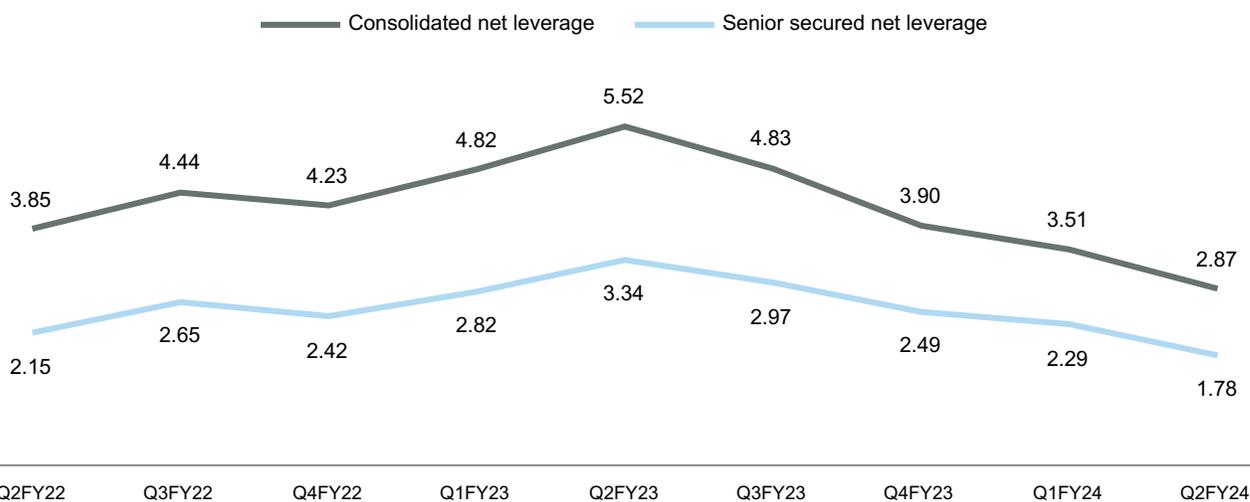
(1) Excludes debt issuance costs, debt premiums and discounts. Values may not sum to total due to rounding.

Weighted Average Shares Outstanding (Millions) (2)



(2) Basic and diluted shares are the same in certain periods where we reported a GAAP net loss.

Consolidated Net Leverage Ratios (3)

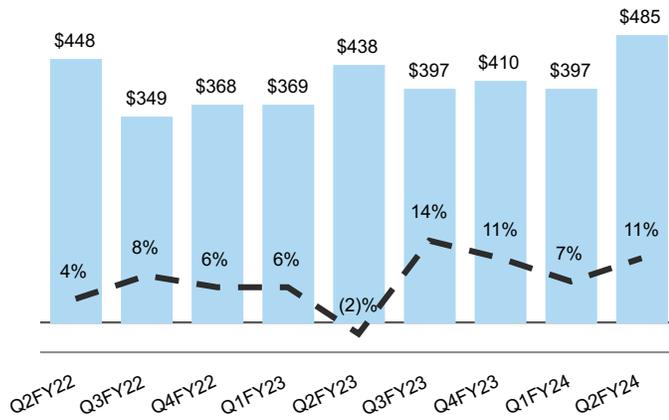


(3) Consolidated Net Leverage Ratios as calculated per our credit agreement definitions.

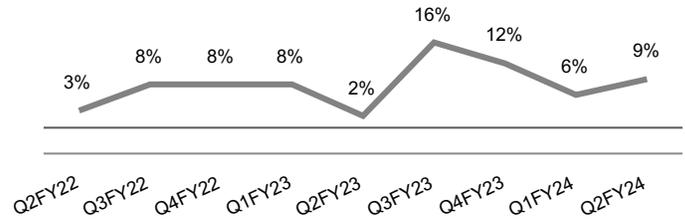
SEGMENT RESULTS

VISTA

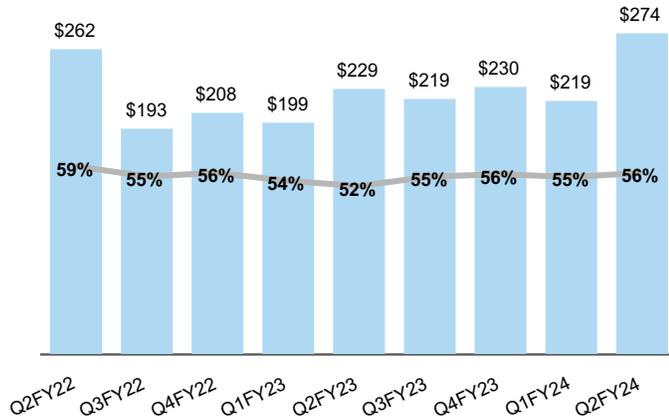
Revenue (\$M) & Reported Revenue Growth Quarterly



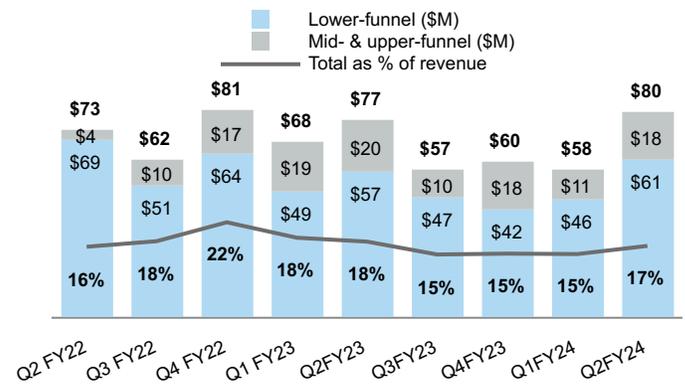
Organic Constant-Currency Revenue Growth Quarterly



Gross Profit (\$M) & Gross Margin (%) Quarterly

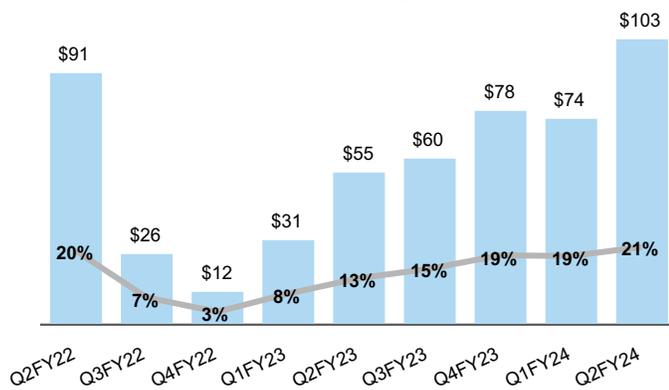


Advertising (\$M) & as % of Revenue Quarterly (1)



(1) Values may not sum to total due to rounding.

Segment EBITDA (\$M) & Segment EBITDA Margin (%) Quarterly

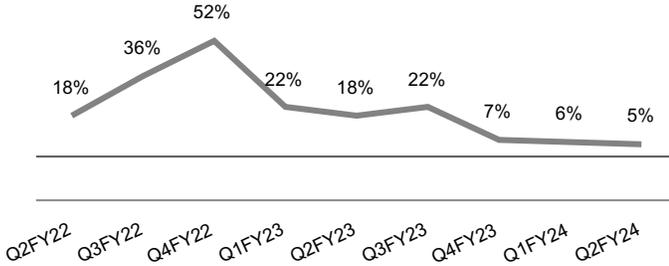


PRINTBROTHERS:

Revenue (\$M) & Reported Revenue Growth Quarterly



Organic Constant-Currency Revenue Growth Quarterly



Gross Profit (\$M) & Gross Margin (%) Quarterly



Segment EBITDA (\$M) & Segment EBITDA Margin (%) Quarterly

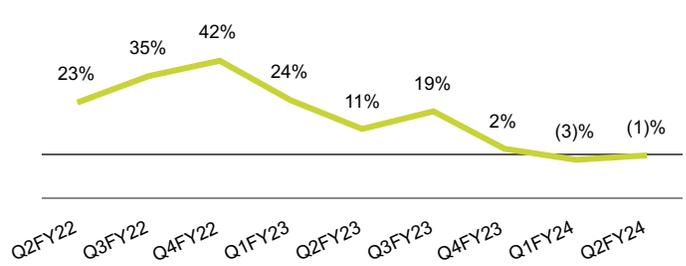


THE PRINT GROUP:

Revenue (\$M) & Reported Revenue Growth Quarterly



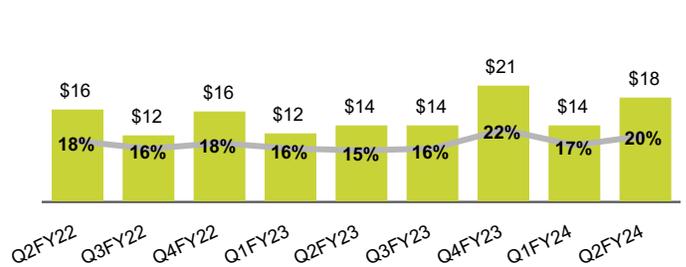
Organic Constant-Currency Revenue Growth Quarterly



Gross Profit (\$M) & Gross Margin (%) Quarterly

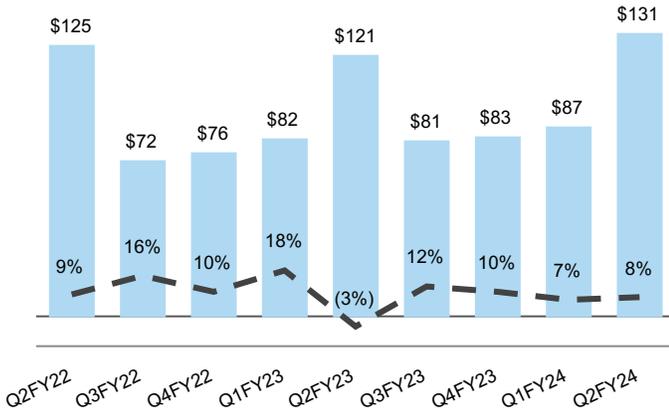


Segment EBITDA (\$M) & Segment EBITDA Margin (%) Quarterly

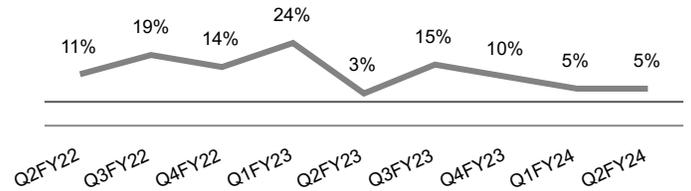


NATIONAL PEN

Revenue (\$M) & Reported Revenue Growth Quarterly



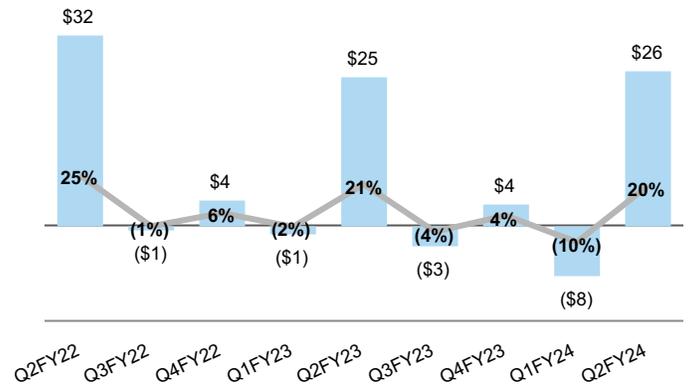
Organic Constant-Currency Revenue Growth Quarterly



Gross Profit (\$M) & Gross Margin (%) Quarterly



Segment EBITDA (Loss) (\$M) & Segment EBITDA (Loss) Margin (%) Quarterly

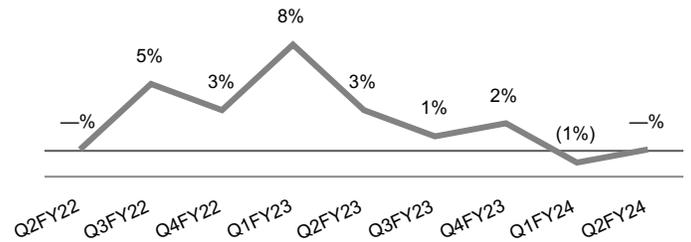


ALL OTHER BUSINESSES

Revenue (\$M) & Reported Revenue Growth Quarterly



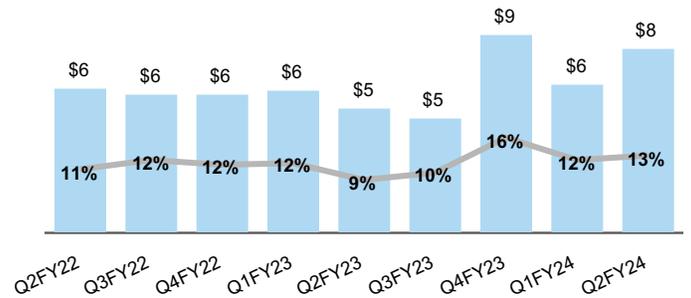
Organic Constant-Currency Revenue Growth Quarterly



Gross Profit (\$M) & Gross Margin (%) Quarterly



Segment EBITDA (\$M) & Segment EBITDA Margin (%) Quarterly



CENTRAL AND CORPORATE COSTS

**Central and Corporate Costs (\$M)
Quarterly**

- Corporate Costs
- Central Operating Costs
- MCP Investment
- Unallocated SBC



**Central and Corporate Costs (\$M)
TTM**

- Corporate Costs
- Central Operating Costs
- MCP Investment
- Unallocated SBC



CURRENCY IMPACTS

Changes in currency rates positively impacted our year-over-year reported revenue growth in Q2 FY2024 by 300 basis points. There are many natural expense offsets in local currencies in our business, so the net currency impact to our bottom line is less pronounced than it is to revenue.

We enter into currency derivative contracts to hedge the risk for certain currencies where we have a net adjusted EBITDA exposure. We do not apply hedge accounting to these hedges, which increases the volatility of the gains or losses that are included in our net income from quarter to quarter. Realized and unrealized gains or losses from these hedges are recorded in Other income (expense), net, along with other currency-related gains or losses. The realized gains or losses on certain hedging contracts are added to our adjusted EBITDA to show the economic impact of our hedging activities.

Our Other income (expense), net was (\$0.4) million in Q2 FY2024, mainly driven by:

- Realized gains on certain currency hedges intended to hedge EBITDA were \$0.9 million in Q2. These realized gains affect our net income, adjusted EBITDA, and adjusted free cash flow. They are not allocated to segment-level EBITDA.
- Other net losses were \$1.3 million in Q2, primarily related to unrealized net losses on the revaluation of currency derivatives, and intercompany, cash and debt balances. These are included in our net income but most material unrealized gains and losses are excluded from our adjusted EBITDA.

On the right side of this page is a table describing the directional net currency impacts when compared to the prior-year period, as well as a table describing impacts to segment EBITDA.

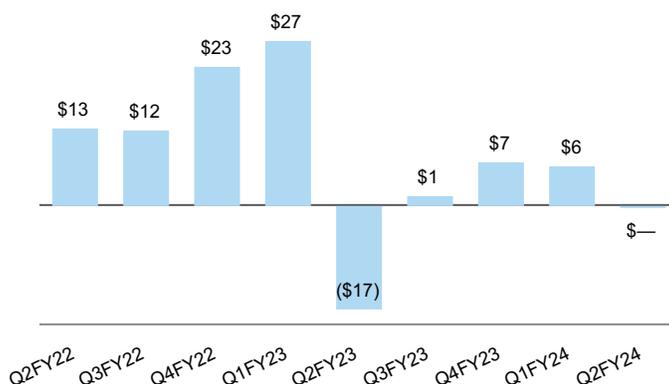
Financial Measure	Y/Y Impact from Currency*	
	Q2 FY2024	YTD FY2024
Revenue	Positive	Positive
Operating income	Positive	Positive
Net income	Positive	Negative
Adjusted EBITDA	Negative	Negative
Adjusted free cash flow	Negative	Negative

*Net income includes both realized and unrealized gains or losses from currency hedges and intercompany loan balances. Adjusted EBITDA includes only realized gains or losses from certain currency hedges. Adjusted free cash flow includes realized gains or losses on currency hedges as well as the currency impact of the timing of receivables, payments and other working capital settlements. Revenue, operating income and segment EBITDA do not reflect any impacts from currency hedges or balance sheet translation.

Segment EBITDA	Y/Y Impact from Currency*	
	Q2 FY2024	YTD FY2024
Vista	\$3.6M	\$4.3M
Upload & Print	\$2.6M	\$5.1M
National Pen	Neutral	(\$1.6)M
All Other Businesses	Neutral	Neutral

*Realized gains or losses on currency hedges that we include in adjusted EBITDA are not allocated to segment-level EBITDA.

Other Income (Expense), Net (\$M)



Realized Gains (Losses) on Certain Currency Derivatives Intended to Hedge EBITDA (\$M)



CIMPRESS PLC
CONSOLIDATED BALANCE SHEETS
(unaudited in thousands, except share and per share data)

	December 31, 2023	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 274,208	\$ 130,313
Marketable securities	17,239	38,540
Accounts receivable, net of allowances of \$7,470 and \$6,630, respectively	63,222	67,353
Inventory	104,635	107,835
Prepaid expenses and other current assets	118,730	96,986
Total current assets	578,034	441,027
Property, plant and equipment, net	276,901	287,574
Operating lease assets, net	69,228	76,776
Software and website development costs, net	97,822	95,315
Deferred tax assets	11,773	12,740
Goodwill	790,967	781,541
Intangible assets, net	90,617	109,196
Marketable securities, non-current	—	4,497
Other assets	32,647	46,193
Total assets	<u>\$ 1,947,989</u>	<u>\$ 1,854,859</u>
Liabilities, noncontrolling interests and shareholders' deficit		
Current liabilities:		
Accounts payable	\$ 343,997	\$ 285,784
Accrued expenses	265,461	257,109
Deferred revenue	45,113	44,698
Short-term debt	11,083	10,713
Operating lease liabilities, current	20,403	22,559
Other current liabilities	21,649	24,469
Total current liabilities	707,706	645,332
Deferred tax liabilities	44,611	47,351
Long-term debt	1,600,942	1,627,243
Operating lease liabilities, non-current	51,550	56,668
Other liabilities	81,704	90,058
Total liabilities	2,486,513	2,466,652
Redeemable noncontrolling interests	13,392	10,893
Shareholders' deficit:		
Preferred shares, nominal value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, nominal value €0.01 per share, 100,000,000 shares authorized; 44,604,367 and 44,315,855 shares issued; 26,633,120 and 26,344,608 shares outstanding, respectively	621	615
Treasury shares, at cost, 17,971,247 for both periods presented	(1,363,550)	(1,363,550)
Additional paid-in capital	560,019	539,454
Retained earnings	297,590	235,396
Accumulated other comprehensive loss	(47,223)	(35,060)
Total shareholders' deficit attributable to Cimpres plc	(552,543)	(623,145)
Noncontrolling interests	627	459
Total shareholders' deficit	(551,916)	(622,686)
Total liabilities, noncontrolling interests and shareholders' deficit	<u>\$ 1,947,989</u>	<u>\$ 1,854,859</u>

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited in thousands, except share and per share data)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Revenue	\$921,363	\$845,202	\$1,678,657	\$1,548,617
Cost of revenue (1)	463,423	455,393	862,206	833,128
Technology and development expense (1)	79,961	77,723	154,291	152,198
Marketing and selling expense (1, 2)	211,843	205,148	404,031	406,078
General and administrative expense (1)	48,793	49,791	97,134	103,863
Amortization of acquired intangible assets	9,181	12,362	19,067	24,712
Restructuring expense (1)	483	11,207	149	13,027
Income from operations	107,679	33,578	141,779	15,611
Other (expense) income, net	(391)	(17,392)	6,028	10,005
Interest expense, net	(30,588)	(28,597)	(59,788)	(53,403)
Gain on early extinguishment of debt	349	—	1,721	—
Income (loss) before income taxes	77,049	(12,411)	89,740	(27,787)
Income tax expense	16,795	126,129	24,917	135,494
Net income (loss)	60,254	(138,540)	64,823	(163,281)
Add: Net (income) attributable to noncontrolling interest	(2,149)	(1,460)	(2,164)	(2,160)
Net income (loss) attributable to Cimpres plc	<u>\$58,105</u>	<u>(\$140,000)</u>	<u>\$62,659</u>	<u>(\$165,441)</u>
Basic net income (loss) per share attributable to Cimpres plc	<u>\$2.18</u>	<u>(\$5.34)</u>	<u>\$2.36</u>	<u>(\$6.31)</u>
Diluted net income (loss) per share attributable to Cimpres plc	<u>\$2.14</u>	<u>(\$5.34)</u>	<u>\$2.31</u>	<u>(\$6.31)</u>
Weighted average shares outstanding — basic	<u>26,609,929</u>	<u>26,234,747</u>	<u>26,539,349</u>	<u>26,206,782</u>
Weighted average shares outstanding — diluted	<u>27,179,073</u>	<u>26,234,747</u>	<u>27,129,264</u>	<u>26,206,782</u>

(1) Share-based compensation is allocated as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Cost of revenue	\$ 229	\$ 176	\$ 396	\$ 369
Technology and development expense	5,700	4,267	9,909	7,308
Marketing and selling expense	3,089	1,752	5,307	4,211
General and administrative expense	8,631	5,352	14,490	10,134
Restructuring expense	—	493	—	649

(2) Marketing and selling expense components are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Advertising	\$ 122,899	\$ 116,225	\$ 230,625	\$ 224,989
Payment processing	16,441	14,726	30,762	27,594
All other marketing and selling expense	72,503	74,197	142,644	153,495

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited in thousands)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Operating activities				
Net income (loss)	\$ 60,254	\$ (138,540)	\$ 64,823	\$ (163,281)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	39,089	40,874	79,031	81,816
Share-based compensation expense	17,649	12,040	30,102	22,671
Deferred taxes	(997)	117,951	(2,115)	116,927
Gain on early extinguishment of debt	(349)	—	(1,721)	—
Unrealized loss on derivatives not designated as hedging instruments included in net income (loss)	11,129	39,921	4,868	25,897
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	(12,548)	(4,233)	(10,663)	(4,982)
Other non-cash items	459	9,750	(770)	11,908
Changes in operating assets and liabilities, net of effects of businesses acquired:				
Accounts receivable	4,730	3,995	2,521	(5,465)
Inventory	5,710	10,185	5,309	(26,249)
Prepaid expenses and other assets	(3,333)	(16,327)	881	(13,176)
Accounts payable	77,226	22,973	55,017	10,960
Accrued expenses and other liabilities	(24,073)	(17,463)	(10,083)	(1,151)
Net cash provided by operating activities	<u>174,946</u>	<u>81,126</u>	<u>217,200</u>	<u>55,875</u>
Investing activities				
Purchases of property, plant and equipment	(11,390)	(14,732)	(33,955)	(26,490)
Business acquisitions, net of cash acquired	—	(498)	—	(498)
Capitalization of software and website development costs	(13,947)	(13,916)	(28,344)	(29,246)
Proceeds from the sale of assets	352	1,243	5,988	1,365
Purchases of marketable securities	—	—	—	(84,030)
Proceeds from maturity of held-to-maturity investments	5,416	22,377	25,916	32,330
Net cash used in investing activities	<u>(19,569)</u>	<u>(5,526)</u>	<u>(30,395)</u>	<u>(106,569)</u>
Financing activities				
Proceeds from borrowings of debt	347	—	520	10,000
Payments of debt	(3,891)	(3,330)	(7,675)	(16,586)
Payments for early redemption of 7% Senior Notes due 2026	(4,656)	—	(24,471)	—
Payments of debt issuance costs	—	(28)	—	(51)
Payments of purchase consideration included in acquisition-date fair value	—	—	—	(225)
Proceeds from issuance of ordinary shares	6	—	88	—
Payments of withholding taxes in connection with equity awards	(1,784)	(158)	(10,188)	(2,370)
Payments of finance lease obligations	(2,112)	(1,852)	(4,880)	(4,264)
Purchase of noncontrolling interests	—	(95,567)	—	(95,567)
Purchase of ordinary shares	—	—	(549)	(3,652)
Net cash used in financing activities	<u>(12,090)</u>	<u>(100,935)</u>	<u>(47,155)</u>	<u>(112,715)</u>
Effect of exchange rate changes on cash	5,722	8,644	4,245	1,765
Change in cash held for sale	—	(4,130)	—	(4,130)
Net increase (decrease) in cash and cash equivalents	<u>149,009</u>	<u>(20,821)</u>	<u>143,895</u>	<u>(165,774)</u>
Cash and cash equivalents at beginning of period	125,199	132,100	130,313	277,053
Cash and cash equivalents at end of period	<u>\$ 274,208</u>	<u>\$ 111,279</u>	<u>\$ 274,208</u>	<u>\$ 111,279</u>

ABOUT NON-GAAP FINANCIAL MEASURES:

To supplement Cimpress' consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Cimpress has used the following measures defined as non-GAAP financial measures by Securities and Exchange Commission, or SEC, rules: Constant-currency revenue growth, constant-currency revenue growth excluding revenue from acquisitions and divestitures made during the last twelve months, constant-currency gross profit growth, adjusted EBITDA, adjusted free cash flow and cash interest, net:

- Constant-currency revenue growth is estimated by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar.
- Constant-currency revenue growth excluding revenue from acquisitions and divestitures made during the past twelve months excludes the impact of currency as defined above. The organic constant-currency growth rate excludes 99designs revenue from Q2 FY2021 through Q1 FY2022, Depositphotos/VistaCreate revenue from Q2 FY2022 through Q1 FY2023, and the revenue from several small acquired businesses for the first year after acquisition.
- Constant-currency gross profit growth is estimated by translating all non-U.S. dollar denominated revenue and cost of revenue generated or incurred in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar.
- Adjusted EBITDA is defined as GAAP operating income plus depreciation and amortization plus share-based compensation expense plus proceeds from insurance not already included in operating income plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less the gain or loss on purchase or sale of subsidiaries as well as the disposal of assets.
- Adjusted free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value, gains on proceeds from insurance, and proceeds from the sale of assets.
- Cash interest, net is cash paid for interest, less cash received for interest.

These non-GAAP financial measures are provided to enhance investors' understanding of our current operating results from the underlying and ongoing business for the same reasons they are used by management. For example, for acquisitions we believe excluding the costs related to the purchase of a business (such as amortization of acquired intangible assets, contingent consideration, or impairment of goodwill) provides further insight into the performance of the underlying acquired business in addition to that provided by our GAAP operating income. As another example, as we do not apply hedge accounting for certain derivative contracts, we believe inclusion of realized gains and losses on these contracts that are intended to be matched against operational currency fluctuations provides further insight into our operating performance in addition to that provided by our GAAP operating income. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of Non-GAAP Financial Measures" included at the end of this document. The tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliation between these financial measures.

CONSTANT-CURRENCY REVENUE GROWTH RATES
(Quarterly)

Total Company	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	9 %	15 %	14 %	7 %	(1)%	13 %	9 %	8 %	9 %
Currency impact	2 %	4 %	7 %	8 %	7 %	3 %	— %	(4)%	(3)%
Revenue growth in constant currency	11 %	19 %	21 %	15 %	6 %	16 %	9 %	4 %	6 %
Impact of TTM acquisitions, divestitures & JVs	(2)%	(2)%	(2)%	(1)%	(1)%	— %	— %	— %	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	9 %	17 %	19 %	14 %	5 %	16 %	9 %	4 %	6 %

Vista	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	4 %	8 %	6 %	6 %	(2)%	14 %	11 %	7 %	11 %
Currency impact	1 %	2 %	4 %	4 %	4 %	2 %	1 %	(1)%	(2)%
Revenue growth in constant currency	5 %	10 %	10 %	10 %	2 %	16 %	12 %	6 %	9 %
Impact of TTM acquisitions, divestitures & JVs	(2)%	(2)%	(2)%	(2)%	— %	— %	— %	— %	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	3 %	8 %	8 %	8 %	2 %	16 %	12 %	6 %	9 %

PrintBrothers	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	13 %	28 %	36 %	6 %	8 %	16 %	9 %	15 %	11 %
Currency impact	5 %	9 %	18 %	17 %	12 %	5 %	(2)%	(9)%	(6)%
Revenue growth in constant currency	18 %	37 %	54 %	23 %	20 %	21 %	7 %	6 %	5 %
Impact of TTM acquisitions	— %	(1)%	(2)%	(1)%	(2)%	1 %	— %	— %	— %
Revenue growth in constant currency excl. TTM acquisitions	18 %	36 %	52 %	22 %	18 %	22 %	7 %	6 %	5 %

The Print Group	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	18 %	26 %	25 %	6 %	(1)%	13 %	4 %	5 %	4 %
Currency impact	5 %	9 %	17 %	18 %	12 %	6 %	(2)%	(8)%	(5)%
Revenue growth in constant currency	23 %	35 %	42 %	24 %	11 %	19 %	2 %	(3)%	(1)%

National Pen	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	9 %	16 %	10 %	18 %	(3)%	12 %	10 %	7 %	8 %
Currency impact	2 %	3 %	4 %	6 %	6 %	3 %	— %	(2)%	(3)%
Revenue growth in constant currency	11 %	19 %	14 %	24 %	3 %	15 %	10 %	5 %	5 %

All Other Businesses	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	4 %	10 %	5 %	8 %	4 %	1 %	2 %	— %	— %
Currency impact	1 %	(1)%	(1)%	— %	(1)%	— %	— %	(1)%	— %
Revenue growth in constant currency	5 %	9 %	4 %	8 %	3 %	1 %	2 %	(1)%	— %
Impact of TTM acquisitions and divestitures	(5)%	(4)%	(1)%	— %	— %	— %	— %	— %	— %
Revenue growth in constant currency excl. TTM acquisitions & divestitures	— %	5 %	3 %	8 %	3 %	1 %	2 %	(1)%	— %

Note: Total company revenue growth in constant currency excluding TTM acquisitions, divestitures and joint ventures for all periods excludes the impact of currency. The organic constant-currency growth rate excludes 99designs revenue in Q1 FY2022, Depositphotos/VistaCreate revenue from Q2 FY2022 through Q1 FY2023, and the revenue from several small acquired businesses for the first year after acquisition.

CONSTANT-CURRENCY REVENUE GROWTH RATES (CONT.)
(Quarterly)

Upload and Print (\$M)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
PrintBrothers reported revenue	\$ 137.7	\$ 120.0	\$ 143.9	\$ 132.7	\$ 148.6	\$ 139.6	\$ 157.6	\$ 152.2	\$ 165.1
The Print Group reported revenue	\$ 90.1	\$ 75.4	\$ 91.3	\$ 76.8	\$ 89.3	\$ 85.5	\$ 95.3	\$ 80.5	\$ 93.3
Upload and Print inter-segment eliminations	\$ (0.2)	\$ (0.4)	\$ (0.2)	\$ (0.1)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.2)
Total Upload and Print revenue in USD	\$ 227.6	\$ 195.0	\$ 235.0	\$ 209.4	\$ 237.7	\$ 224.9	\$ 252.7	\$ 232.6	\$ 258.2

Upload and Print	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Reported revenue growth	15 %	27 %	32 %	6 %	4 %	15 %	7 %	11 %	9 %
Currency impact	5 %	9 %	17 %	18 %	13 %	5 %	(2)%	(8)%	(6)%
Revenue growth in constant currency	20 %	36 %	49 %	24 %	17 %	20 %	5 %	3 %	3 %
Impact of TTM acquisitions	— %	(1)%	(2)%	(1)%	(2)%	1 %	— %	— %	— %
Revenue growth in constant currency excl. TTM acquisitions	20 %	35 %	47 %	23 %	15 %	21 %	5 %	3 %	3 %

CONSTANT-CURRENCY REVENUE GROWTH RATES
(YTD)

Total Company	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Reported revenue growth	10 %	3 %	8 %
Currency impact	1 %	7 %	(3)%
Revenue growth in constant currency	11 %	10 %	5 %
Impact of TTM acquisitions, divestitures & JVs	(2)%	(1)%	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	9 %	9 %	5 %

Vista	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Reported revenue growth	5 %	1 %	9 %
Currency impact	— %	4 %	(1)%
Revenue growth in constant currency	5 %	5 %	8 %
Impact of TTM acquisitions, divestitures & JVs	(3)%	— %	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	2 %	5 %	8 %

PrintBrothers	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Reported revenue growth	19 %	7 %	13 %
Currency impact	2 %	15 %	(7)%
Revenue growth in constant currency	21 %	22 %	6 %
Impact of TTM acquisitions, divestitures & JVs	— %	(2)%	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	21 %	20 %	6 %

CONSTANT-CURRENCY REVENUE GROWTH RATES (CONT.)
(YTD)

The Print Group	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Reported revenue growth	14 %	2 %	5 %
Currency impact	2 %	15 %	(7)%
Revenue growth in constant currency	16 %	17 %	(2)%
Impact of TTM acquisitions, divestitures & JVs	— %	— %	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	16 %	17 %	(2)%
National Pen	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Reported revenue growth	6 %	4 %	8 %
Currency impact	1 %	7 %	(3)%
Revenue growth in constant currency	7 %	11 %	5 %
Impact of TTM acquisitions, divestitures & JVs	— %	— %	— %
Revenue growth in constant currency ex. TTM acquisitions, divestitures & JVs	7 %	11 %	5 %

EBITDA (LOSS) BY REPORTABLE SEGMENT ("SEGMENT EBITDA")

(Quarterly, in millions)

	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Vista	\$ 90.8	\$ 25.5	\$ 12.1	\$ 30.7	\$ 55.2	\$ 60.4	\$ 77.8	\$ 74.4	\$103.2
PrintBrothers	18.6	12.4	19.5	15.0	19.5	15.9	20.5	19.8	28.3
The Print Group	16.4	11.9	16.0	12.2	13.7	13.6	20.6	13.6	18.4
National Pen	31.6	(0.9)	4.2	(1.3)	24.8	(3.3)	3.6	(8.3)	25.9
All Other Businesses	6.3	6.0	6.0	6.2	5.4	5.0	8.6	6.5	8.0
Total segment EBITDA (loss)	\$163.6	\$ 55.0	\$ 57.8	\$ 62.8	\$118.5	\$ 91.6	\$131.0	\$106.0	\$183.8
Central and corporate costs ex. unallocated SBC	(32.8)	(34.3)	(37.0)	(35.5)	(35.6)	(38.4)	(31.9)	(32.1)	(32.1)
Unallocated SBC	(1.9)	(1.8)	(2.0)	1.0	1.8	3.9	1.2	0.3	(3.9)
Exclude: share-based compensation included in segment EBITDA	12.5	12.7	13.6	10.5	11.5	7.2	10.4	12.5	17.6
Include: Realized gains (losses) on certain currency derivatives not included in segment EBITDA	0.7	2.0	5.4	6.9	14.9	4.8	3.2	2.1	0.9
Adjusted EBITDA^{2,3}	\$142.1	\$ 33.6	\$ 37.8	\$ 45.6	\$111.2	\$ 69.1	\$113.9	\$ 88.7	\$166.4
Depreciation and amortization	(45.3)	(43.7)	(42.3)	(40.9)	(40.9)	(39.8)	(40.9)	(39.9)	(39.1)
Share-based compensation expense ¹	(12.5)	(12.7)	(13.6)	(10.5)	(11.5)	(7.2)	(10.4)	(12.5)	(17.6)
Certain impairments and other adjustments	2.7	(0.3)	6.5	(3.5)	0.9	0.5	(5.0)	(0.5)	(0.6)
Restructuring-related charges	(0.3)	(3.4)	(10.2)	(1.8)	(11.2)	(30.1)	(0.6)	0.3	(0.5)
Realized (gains) losses on currency derivatives not included in operating income	(0.7)	(2.0)	(5.4)	(6.9)	(14.9)	(4.8)	(3.2)	(2.1)	(0.9)
Total income (loss) from operations	\$ 86.0	\$(28.4)	\$(27.2)	\$(18.0)	\$ 33.6	\$(12.2)	\$ 53.9	\$ 34.1	\$107.7
Operating income (loss) margin	10 %	(4)%	(4)%	(3)%	4 %	(2)%	7 %	5 %	12 %
Operating income (loss) year-over-year growth	(9)%	81 %	(401)%	(206)%	(61)%	57 %	298 %	290 %	221 %

¹SBC expense listed here excludes the portion included in restructuring-related charges to avoid double counting.

²This metric uses the definition of adjusted EBITDA as outlined above and therefore does not include the pro-forma impact of acquisitions, divestitures or the annualized benefit from actioned cost saving initiatives; however, our debt covenants allow for the inclusion of pro-forma impacts to adjusted EBITDA.

³Adjusted EBITDA includes 100% of the results of our consolidated subsidiaries and therefore does not give effect to adjusted EBITDA attributable to noncontrolling interests. This is to most closely align to our debt covenant and cash flow reporting.

ADJUSTED EBITDA
(Quarterly, in millions)

	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
GAAP operating income (loss)	\$86.0	(\$28.4)	(\$27.2)	(\$18.0)	\$33.6	(\$12.2)	\$53.9	\$34.1	\$107.7
Depreciation and amortization	\$45.3	\$43.7	\$42.3	\$40.9	\$40.9	\$39.8	\$40.9	\$39.9	\$39.1
Share-based compensation expense ¹	\$12.5	\$12.7	\$13.6	\$10.5	\$11.5	\$7.2	\$10.4	\$12.5	\$17.6
Certain impairments and other adjustments	(\$2.7)	\$0.3	(\$6.5)	\$3.5	(\$0.9)	(\$0.5)	\$5.0	\$0.5	\$0.6
Restructuring related charges	\$0.3	\$3.4	\$10.2	\$1.8	\$11.2	\$30.1	\$0.6	(\$0.3)	\$0.5
Realized gains (losses) on currency derivatives not included in operating income	\$0.7	\$2.0	\$5.4	\$6.9	\$14.9	\$4.8	\$3.2	\$2.1	\$0.9
Adjusted EBITDA^{2,3}	\$142.1	\$33.6	\$37.8	\$45.6	\$111.2	\$69.1	\$113.9	\$88.7	\$166.4

ADJUSTED EBITDA
(YTD, in millions)

	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
GAAP operating income (loss)	\$102.9	\$15.6	\$141.8
Depreciation and amortization	\$89.7	\$81.8	\$79.0
Share-based compensation expense ¹	\$23.5	\$22.0	\$30.1
Certain impairments and other adjustments	(\$3.5)	\$2.5	\$1.1
Restructuring related charges	\$—	\$13.0	\$0.1
Realized gains (losses) on currency derivatives not included in operating income	(\$3.0)	\$21.8	\$3.0
Adjusted EBITDA^{2,3}	\$209.7	\$156.8	\$255.2

ADJUSTED EBITDA
(TTM, in millions)

	TTM Q2FY22	TTM Q3FY22	TTM Q4FY22	TTM Q1FY23	TTM Q2FY23	TTM Q3FY23	TTM Q4FY23	TTM Q1FY24	TTM Q2FY24
GAAP operating income (loss)	\$96.3	\$83.5	\$47.3	\$12.4	(\$40.0)	(\$23.8)	\$57.3	\$109.4	\$183.5
Depreciation and amortization	\$177.1	\$177.9	\$175.7	\$172.2	\$167.8	\$163.9	\$162.4	\$161.4	\$159.6
Share-based compensation expense ¹	\$47.0	\$50.2	\$49.8	\$49.2	\$48.3	\$42.8	\$39.7	\$41.7	\$47.8
Proceeds from insurance	\$0.1	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Certain impairments and other adjustments	\$16.4	(\$3.9)	(\$9.7)	(\$5.5)	(\$3.7)	(\$4.5)	\$6.9	\$4.0	\$5.5
Restructuring related charges	(\$0.5)	\$3.3	\$13.6	\$15.7	\$26.6	\$53.3	\$43.8	\$41.6	\$30.9
Realized gains (losses) on currency derivatives not included in operating income	(\$9.5)	(\$5.5)	\$4.4	\$15.0	\$29.2	\$32.0	\$29.7	\$24.9	\$10.9
Adjusted EBITDA^{2,3}	\$326.9	\$305.5	\$281.1	\$259.0	\$228.2	\$263.7	\$339.8	\$383.0	\$438.2

¹SBC expense listed here excludes the portion included in restructuring-related charges to avoid double counting.

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ADJUSTED FREE CASH FLOW

(Quarterly, in millions)

	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Net cash provided by (used in) operating activities	\$143.3	(\$48.2)	\$87.8	(\$25.3)	\$81.1	\$12.6	\$61.8	\$42.3	\$174.9
Purchases of property, plant and equipment	(\$17.9)	(\$15.6)	(\$11.9)	(\$11.8)	(\$14.7)	(\$11.0)	(\$16.3)	(\$22.6)	(\$11.4)
Capitalization of software and website development costs	(\$16.5)	(\$17.7)	(\$15.4)	(\$15.3)	(\$13.9)	(\$14.9)	(\$13.6)	(\$14.4)	(\$13.9)
Proceeds from sale of assets ²	\$0.9	\$1.6	\$10.3	\$0.1	\$1.2	\$0.5	\$2.8	\$5.6	\$0.4
Adjusted free cash flow^{1,2}	\$109.8	(\$79.9)	\$70.8	(\$52.2)	\$53.7	(\$12.8)	\$34.7	\$10.9	\$150.0

Reference:

Value of finance leases	\$2.7	\$0.2	\$3.3	\$2.4	\$6.2	\$5.8	\$5.9	\$0.4	\$1.8
Cash restructuring payments	\$0.2	\$—	\$—	\$7.9	\$1.9	\$5.0	\$22.3	\$5.7	\$1.2
Cash paid for interest	\$35.3	\$13.8	\$34.6	\$15.1	\$35.8	\$20.0	\$43.2	\$24.2	\$42.4
Cash received for interest	(\$0.7)	(\$0.8)	(\$1.0)	(\$2.1)	(\$3.0)	(\$3.0)	(\$3.4)	(\$3.3)	(\$2.8)
Cash interest, net¹	\$34.6	\$13.0	\$33.6	\$13.0	\$32.8	\$17.0	\$39.7	\$20.9	\$39.6

ADJUSTED FREE CASH FLOW

(YTD, in millions)

	YTD Q2FY22	YTD Q2FY23	YTD Q2FY24
Net cash provided by operating activities	\$179.9	\$55.9	\$217.2
Purchases of property, plant and equipment	(\$26.5)	(\$26.5)	(\$34.0)
Capitalization of software and website development costs	(\$32.1)	(\$29.2)	(\$28.3)
Proceeds from sale of assets	\$2.6	\$1.4	\$6.0
Adjusted free cash flow	\$123.8	\$1.5	\$160.9

Reference:

Value of finance leases	\$3.6	\$8.6	\$2.2
Cash restructuring payments	\$0.2	\$9.8	\$6.9
Cash paid for interest	\$49.7	\$50.8	\$66.6
Cash received for interest	(\$1.4)	(\$5.0)	(\$6.2)
Cash interest, net¹	\$48.3	\$45.8	\$60.5

¹ Cash interest, net is cash interest payments, partially offset by cash interest received on our cash and marketable securities. Prior to this quarter, we showed only the cash interest payments related to our borrowing activity in this chart in our earnings materials. We have recast all periods in the chart above to include the interest received.

² During the quarter ended September 30, 2023 we revised our definition of adjusted free cash flow to include proceeds from the sale of assets. We have recast all periods in the chart above to include the benefit from the proceeds from sale of assets. The Q2FY22 amounts above exclude the cash received for the sale of a manufacturing facility in which a finance lease purchase option was exercised immediately preceding the sale. The outflow for the purchase option exercise was included in the payments for finance lease obligations within the US GAAP Statement of Cash Flows, which is excluded from our definition of Adjusted Free Cash Flow and therefore the proceeds from the sale of this asset have been excluded, as well.

ADJUSTED FREE CASH FLOW
(TTM, in millions)

	TTM Q2FY22	TTM Q3FY22	TTM Q4FY22	TTM Q1FY23	TTM Q2FY23	TTM Q3FY23	TTM Q4FY23	TTM Q1FY24	TTM Q2FY24
Net cash provided by operating activities	\$189.0	\$178.0	\$219.5	\$157.7	\$95.5	\$156.3	\$130.3	\$197.8	\$291.6
Purchases of property, plant and equipment	(\$48.3)	(\$57.9)	(\$54.0)	(\$57.2)	(\$54.0)	(\$49.4)	(\$53.8)	(\$64.6)	(\$61.2)
Capitalization of software and website development costs	(\$66.6)	(\$65.5)	(\$65.3)	(\$65.0)	(\$62.4)	(\$59.6)	(\$57.8)	(\$56.9)	(\$56.9)
Proceeds from sale of assets ²	\$4.9	\$6.4	\$14.5	\$13.0	\$13.3	\$12.2	\$4.7	\$10.2	\$9.3
Adjusted free cash flow^{1,2}	\$79.0	\$60.9	\$114.7	\$48.5	(\$7.6)	\$59.5	\$23.4	\$86.5	\$182.8

Reference:

Value of new finance leases	\$10.4	\$5.1	\$7.0	\$8.6	\$12.1	\$17.7	\$20.3	\$18.3	\$13.9
Cash restructuring payments	\$2.8	\$2.7	\$0.3	\$8.2	\$9.8	\$14.9	\$37.1	\$34.9	\$34.3
Cash paid for interest	\$108.4	\$114.2	\$98.1	\$98.8	\$99.2	\$105.4	\$114.0	\$123.1	\$129.8
Cash received for interest	(\$2.3)	(\$2.7)	(\$3.2)	(\$4.6)	(\$6.9)	(\$9.0)	(\$11.5)	(\$12.7)	(\$12.6)
Cash interest, net¹	\$106.1	\$111.5	\$94.9	\$94.2	\$92.4	\$96.3	\$102.5	\$110.4	\$117.2

¹ Cash interest, net is cash interest payments, partially offset by cash interest received on our cash and marketable securities. Prior to this quarter, we showed only the cash interest payments related to our borrowing activity in this chart in our earnings materials. We have recast all periods in the chart above to include the interest received.

² During the quarter ended September 30, 2023 we revised our definition of adjusted free cash flow to include proceeds from the sale of assets. We have recast all periods in the chart above to include the benefit from the proceeds from sale of assets. The Q2FY22 amounts above exclude the cash received for the sale of a manufacturing facility in which a finance lease purchase option was exercised immediately preceding the sale. The outflow for the purchase option exercise was included in the payments for finance lease obligations within the US GAAP Statement of Cash Flows, which is excluded from our definition of adjusted free cash flow and therefore the proceeds from the sale of this asset have been excluded, as well.

CONSTANT-CURRENCY REVENUE GROWTH OUTLOOK

	FY2024 (at least...)
Reported revenue growth (using recent currency rates)	7%
Currency impact	(2)%
Impact of TTM acquisitions, divestitures & JVs (as of January 31, 2024)	—%
Organic constant-currency revenue growth	5%

ADJUSTED EBITDA OUTLOOK (in millions)

	FY2024 (at least...)
GAAP operating income (loss)	\$230.5
Depreciation and amortization	\$156.3
Share-based compensation expense ¹	\$65.2
Certain impairments and other adjustments ²	\$1.1
Restructuring related charges	\$0.1
Realized gains (losses) on currency derivatives not included in operating income	\$1.8
Adjusted EBITDA^{2,3}	\$455.0

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SAFE HARBOR STATEMENT:

This earnings commentary contains statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including our expectations for the growth and development of our businesses, revenue growth, profitability, income, cash flows, net leverage, and other financial results, including our outlook for fiscal year 2024; our expectations with respect to our cost reductions; our expectations with respect to currency exchange rates; and our plans for capital allocation.

Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by the forward-looking statements in this document as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts and estimates are based; the development, duration, and severity of supply chain constraints and inflation; our failure to execute on the transformation of the Vista business; the failure of our cost reductions to affect our financial results as expected; costs and disruptions caused by acquisitions; the failure of the businesses we acquire or invest in to perform as expected; our inability to make investments in our businesses and allocate our capital as planned or the failure of those investments and allocations to achieve the results we expect; loss of key personnel or our inability to hire and retain talented personnel; our failure to develop and deploy our mass customization platform or the failure of the mass customization platform to drive the performance, efficiencies, and competitive advantage we expect; unanticipated changes in our markets, customers, or businesses; disruptions caused by political instability and war in Ukraine, Israel, or elsewhere; our failure to attract new customers and retain our current customers; our failure to manage the growth and complexity of our business; changes in the laws and regulations, or in the interpretation of laws and regulations, that affect our businesses; our ability to maintain compliance with our debt covenants and pay our debts when due; general economic conditions; and other factors described in our Form 10-K for the fiscal year ended June 30, 2023 and the other documents we periodically file with the U.S. SEC.

In addition, the statements and projections in this quarterly earnings document represent our expectations and beliefs as of the date of this document, and subsequent events and developments may cause these expectations, beliefs, and projections to change. We specifically disclaim any obligation to update any forward-looking statements. These forward-looking statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this document.