



Guide to Reporting Changes Q1 FY2025

Overview

As previously described during our September 10, 2024 investor day presentation, Cimpress' Q1 FY2025 financial results reflect a change to our segment reporting. This guide provides details on what the change is, why we made it, and where investors should update their historical information to reflect the changes.

This is a change to our segment reporting only and does not have any impact on the accounting and reporting of consolidated financial results (i.e., no change to balance sheet, income statement, cash flow). This change is retroactively recast in our Q1 earnings document and financial and operating metrics on a quarterly basis back to Q1 FY2023. Prior to that period, the impact of a change would have been immaterial. This change to historical periods will also be recast in our 10-Q for Q1 FY2025.

What is changing and why?

We have changed the way we track financial results when our businesses buy and sell to and from each other. That has resulted in changes to segment revenue and revenue growth, gross profit and EBITDA.

With the change, both inter-segment revenue and inter-segment EBITDA will be a part of each segment's results, and those are eliminated from consolidated revenue and adjusted EBITDA. In the past, we only had inter-segment revenue eliminations, because with the prior approach, there was no difference between the inter-segment revenue and the amount of COGS that was cross charged to a business in another segment.

Under the new approach, a merchant business (one selling a product produced by another Cimpress business in a different segment) is cross charged the actual cost of fulfillment. A fulfiller business (one producing a product for another Cimpress business in a different segment) receives a mark up on the production costs (e.g., labor, materials) but not the shipping cost. That fulfiller profit is included in the fulfiller's segment results, but eliminated from consolidated reporting.

This change mirrors a change in our internal management reporting. The new approach allows our businesses to access the ultimate Cimpress cost of fulfillment for a given product (which used to include a markup on that cost) and therefore that ultimate Cimpress cost can be used to determine pricing, advertising spend, and other operational decisions. We have tested this approach for the past year and, based on that test, we believe this will help to accelerate cross-Cimpress fulfillment via the use of MCP and a marketplace approach across Cimpress.

The positive / (negative) change of the recast on annual results for FY2023 and FY2024 is as follows:

	FY2023		FY2024	
	Revenue	EBITDA	Revenue	EBITDA
Vista	\$0.9M	\$13.7M	\$0.9M	\$19.6M
PrintBrothers	\$0.6M	\$0.8M	\$1.5M	\$1.7M
The Print Group	\$(4.0)M	\$(4.0)M	\$(4.1)M	\$(4.1)M
National Pen	\$(0.5)M	\$(0.5)M	\$(2.2)M	\$(2.2)M
All Other Businesses	\$(1.0)M	\$(1.4)M	\$(2.4)M	\$(2.7)M
Elimination	\$4.0M	\$8.7M	\$6.3M	\$12.3M

Summary

We appreciate that these changes will create some housekeeping work for our investors and analysts in order to ensure historical models accurately reflect the changes. **To make this easier, any change in historically reported information is highlighted in yellow in the Q1 FY2025 financial and operating metrics posted on ir.cimpress.com in the same manner as this sentence.**

If you have any questions about these changes and how they should be reflected in the historical results you track, please email Meredith Burns or Colin Sprague at ir@cimpress.com.