



# INVESTOR DAY 2019



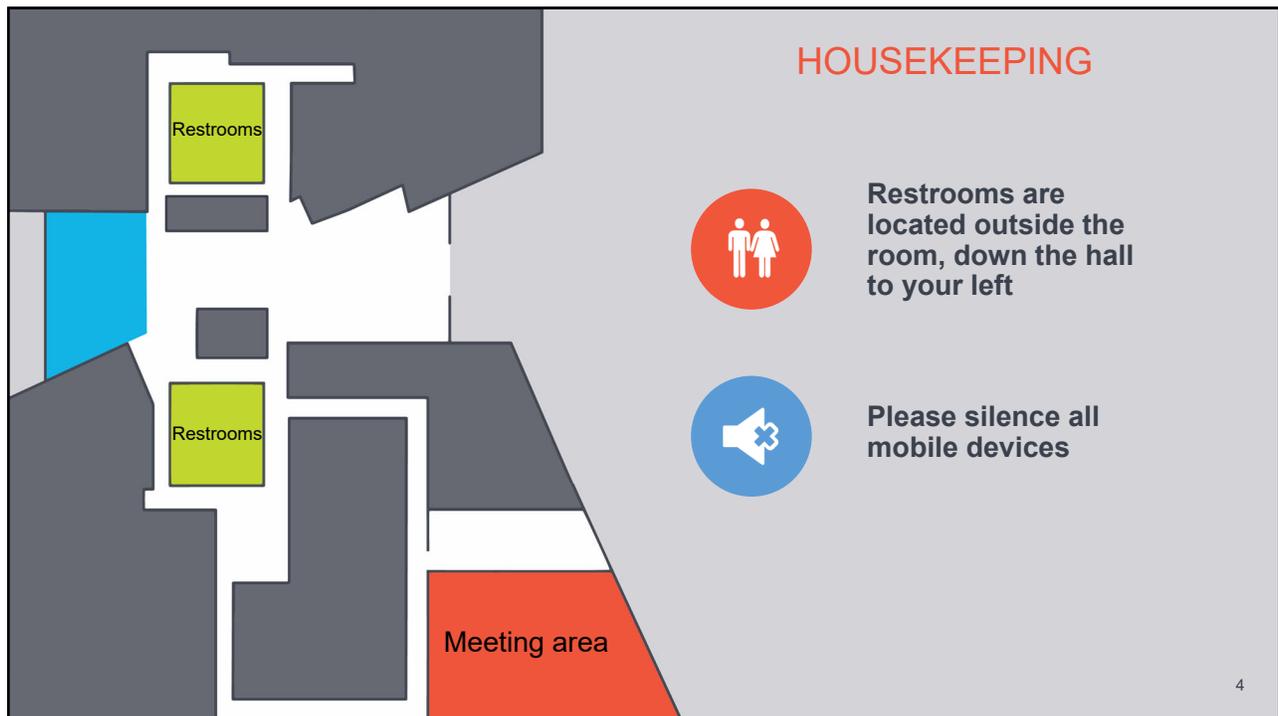
# INVESTOR DAY 2019

**JENNA MARVEL, MANAGER, INVESTOR RELATIONS**  
**AUGUST 7, 2019**

# AGENDA

AUGUST 7, 2019 8:30 AM – 12:00 PM

-  Overview | Robert Keane, Founder, Chairman and Chief Executive Officer, Cimpress
-  MCP | Maarten Wensveen, Executive Vice President and Chief Technology Officer, Cimpress
-  Vistaprint | Robert Keane, CEO; Maarten Wensveen, CTO; Sean Quinn, CFO
-  Upload and Print | Paolo Roatta, Senior Vice President and Chief Executive Officer, The Print Group
-  Coffee Break
-  National Pen | Peter Kelly, Executive Vice President and Chief Executive Officer, National Pen
-  BuildASign | Bryan Kranik, Senior Vice President and Chief Executive Officer, BuildASign
-  Capital Allocation | Sean Quinn, Executive Vice President and Chief Financial Officer, Cimpress
-  Q&A Session



# SAFE HARBOR STATEMENT

*The investor day presentations and accompanying commentary contain 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 but not limited to our expectations and projections for the growth and development of our business, markets, financial results, and cash flows on a consolidated basis and for each of our individual businesses and reporting segments; our estimates and expectations relating to the size of our market and opportunity; the development and anticipated effects of our mass customization platform and Vistaprint's ecommerce site; the anticipated effects of the reorganization of our Upload and Print businesses; planned changes in the Vistaprint business, including plans for advertising spend, and the anticipated effects of those changes; our estimates and plans for future investments in our business and acquisitions; our future cash and debt positions; and our expectations with respect to currency and taxes. 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 these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; our failure to execute our strategy; our inability to make the investments in our business that we plan to make or the failure of those investments to have the effects that we expect; our failure to manage the growth and complexity of our business; our ability to realize the benefits of our operational structure; our failure to promote and strengthen our brands; our failure to develop and deploy our mass customization platform or to realize the anticipated benefits of the platform; our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers; costs and disruptions caused by acquisitions and strategic investments; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; unanticipated changes in our markets, customers, or business; competitive pressures; loss of key personnel; our failure to maintain compliance with the covenants in our revolving credit facility and senior notes or to pay our debts when due; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; general economic conditions; and other factors described in our Form 10-Q for the fiscal quarter ended March 31, 2019 and the other documents we periodically file with the U.S. Securities and Exchange Commission.*



5

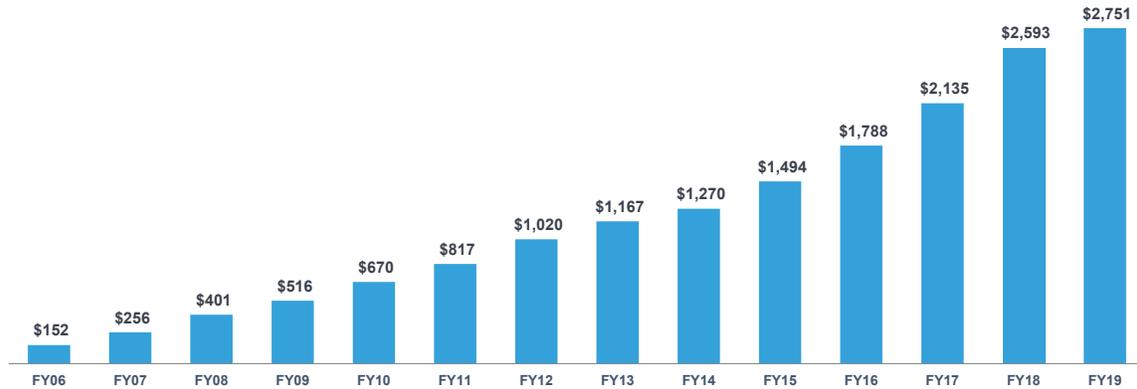


## INTRODUCTION & OVERVIEW

**ROBERT KEANE**  
**FOUNDER, CHAIRMAN & CEO**

# LONG TRACK RECORD OF MARKET DISRUPTION

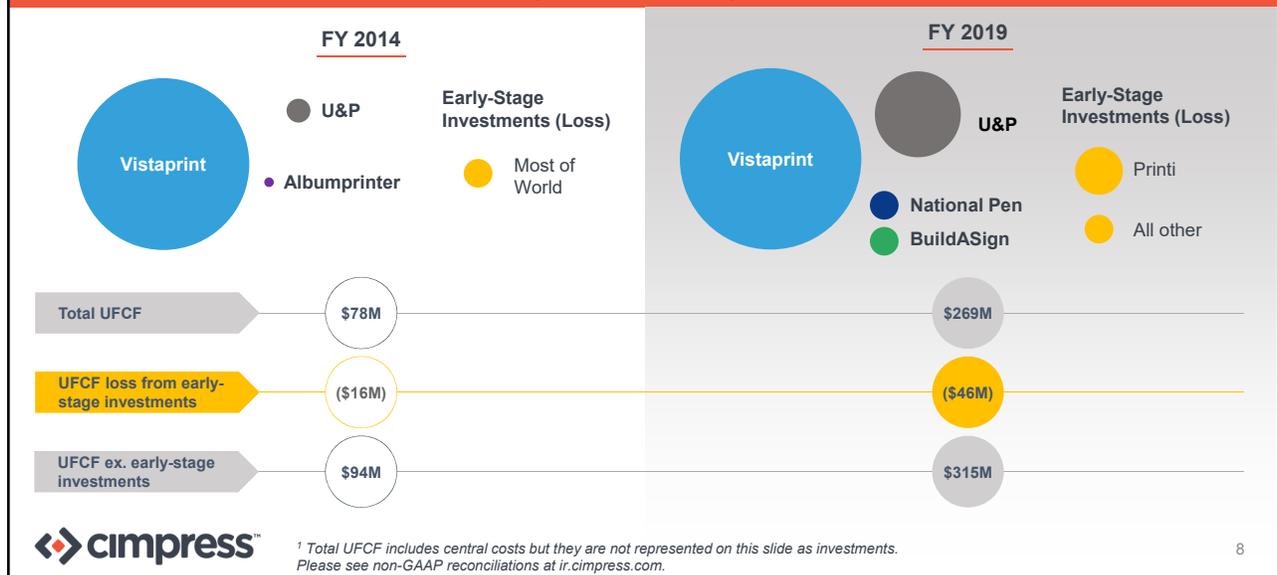
ANNUAL REVENUE, USD MILLIONS



7

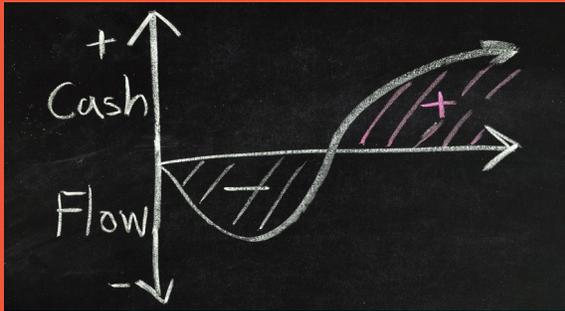
# EVOLUTION OF OUR BUSINESS<sup>1</sup>

Size of bubbles for each component directionally illustrative of % of total UFCF



8

## INTRINSIC VALUE PER SHARE



UFCF/diluted share that will occur between now and long-term future, discounted to reflect cost of capital

-

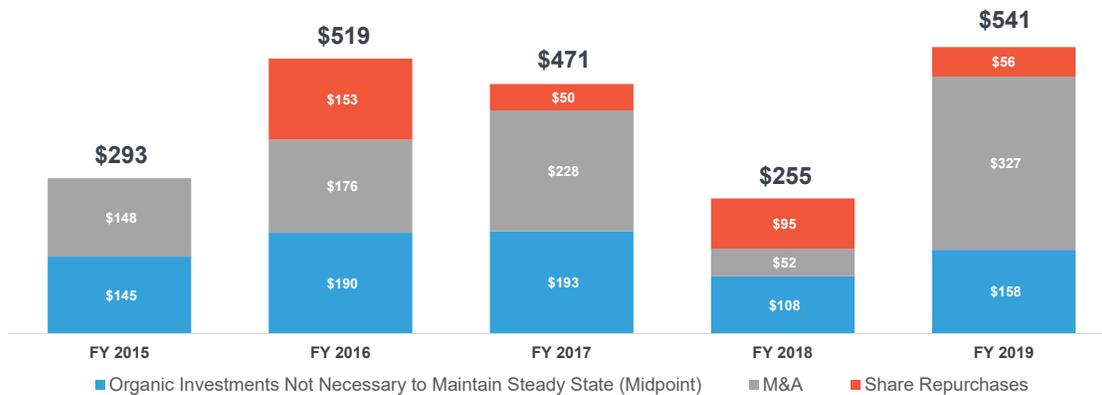
net debt per diluted share



9

## 5-YEAR CAPITAL ALLOCATION HISTORY (\$M)\*

**\$2.1B TOTAL, \$1.7B EX. SHARE REPURCHASES**



\* Excludes capital raises through equity sales

10

## TRACKING THE TRAJECTORY OF IVPS



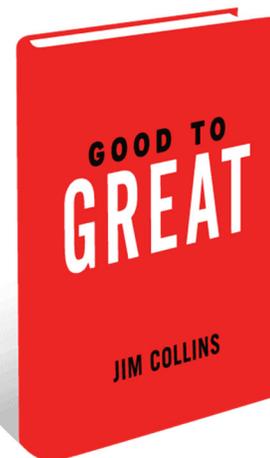
Over long periods of time, if we create value then we should grow the result of the following equation at a CAGR that is higher than our cost of capital:

$$\frac{(\text{SSFCF} \div \text{WACC}) - \text{net debt}}{\text{diluted shares outstanding}}$$

11

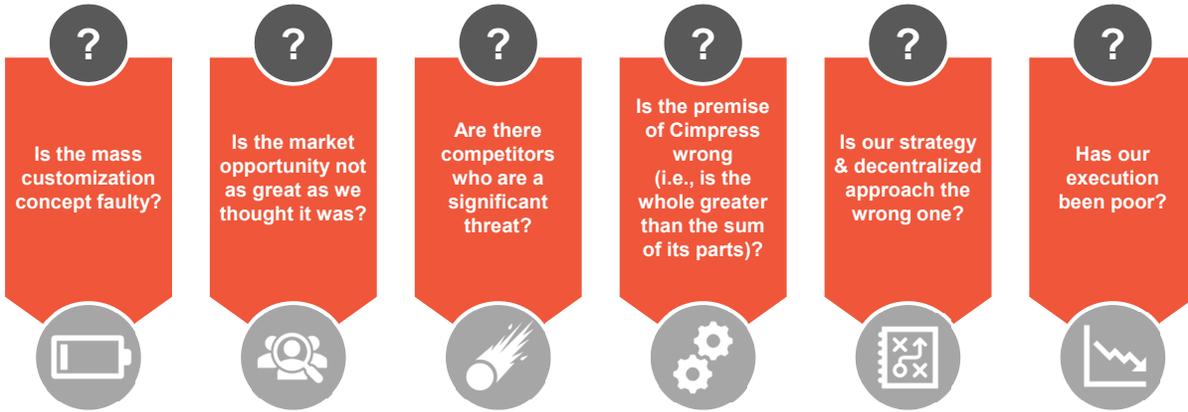
## CONFRONTING THE “BRUTAL FACTS”

“Every good-to-great company embraced what we came to call ‘The Stockdale Paradox’: you must maintain unwavering faith that you can and will prevail in the end, regardless of the difficulties, and at the same time, have the discipline to confront the most brutal facts of your current reality, whatever they might be.”

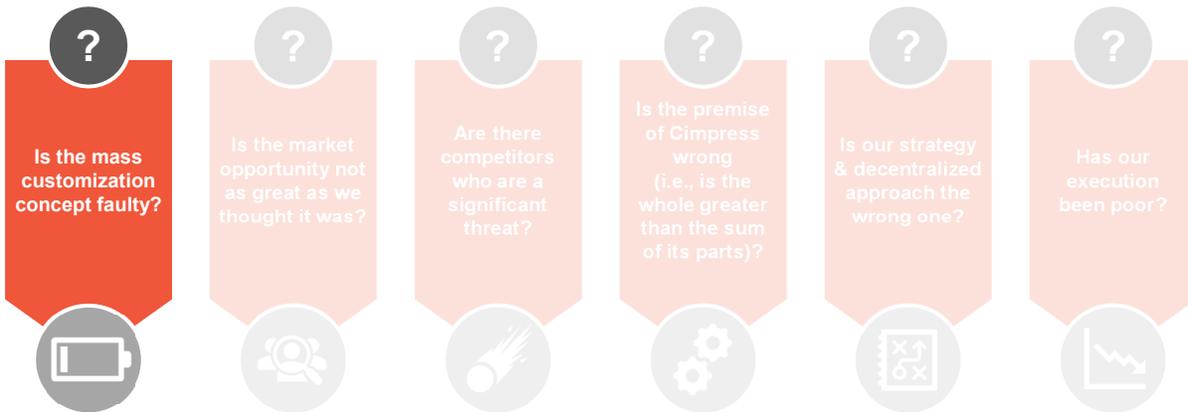


12

## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



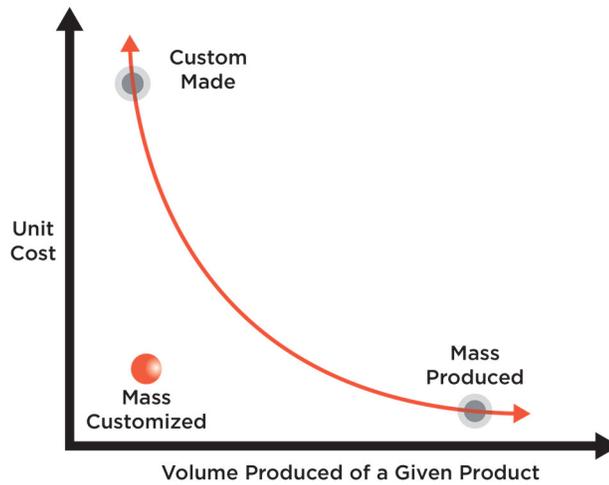
# MASS CUSTOMIZATION

*Producing goods and services to meet individual customers' needs with near mass production efficiency*

Tseng & Jiao, 2001

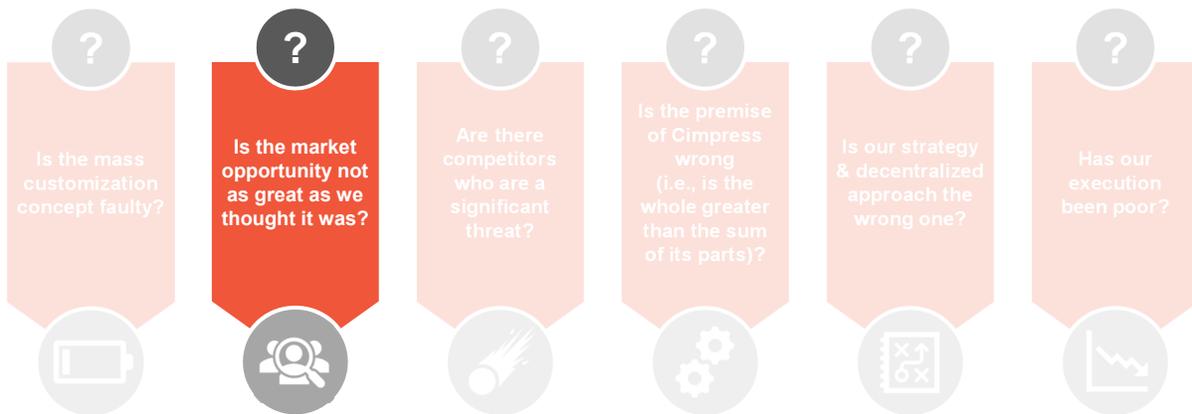
*Generating an infinite variety of goods and services, uniquely tailored to customers*

Stan Davis, 1987



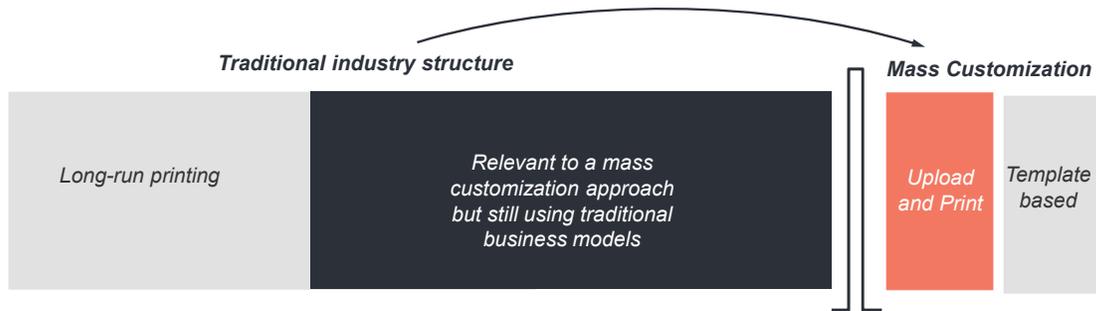
15

## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE "BRUTAL FACTS"



16

# OUR OPPORTUNITY



**Ongoing industry transition from traditional production to a mass customization paradigm**



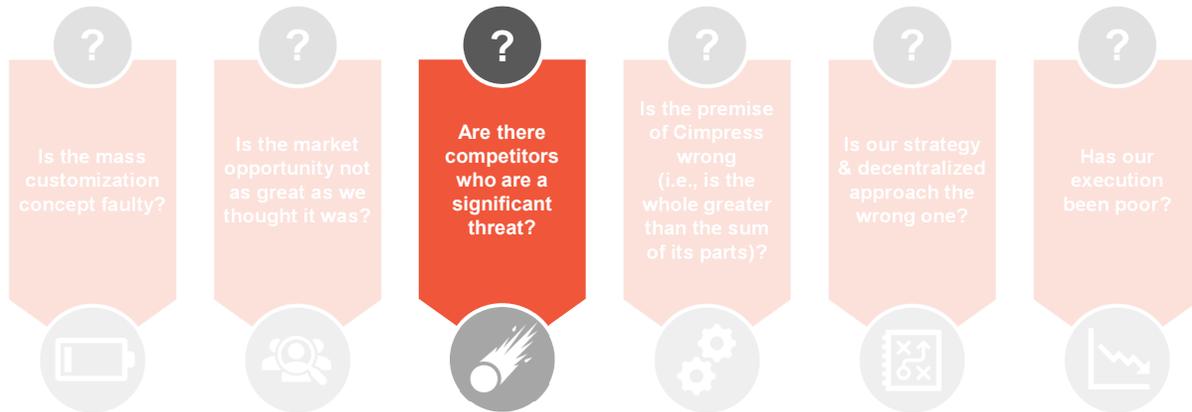
*Note: this is a conceptual graphic image only. The size of each market segment shown is only approximate and illustrative.*

17

**MARKETS WELL  
BEYOND  
TRADITIONAL  
PRINTING**



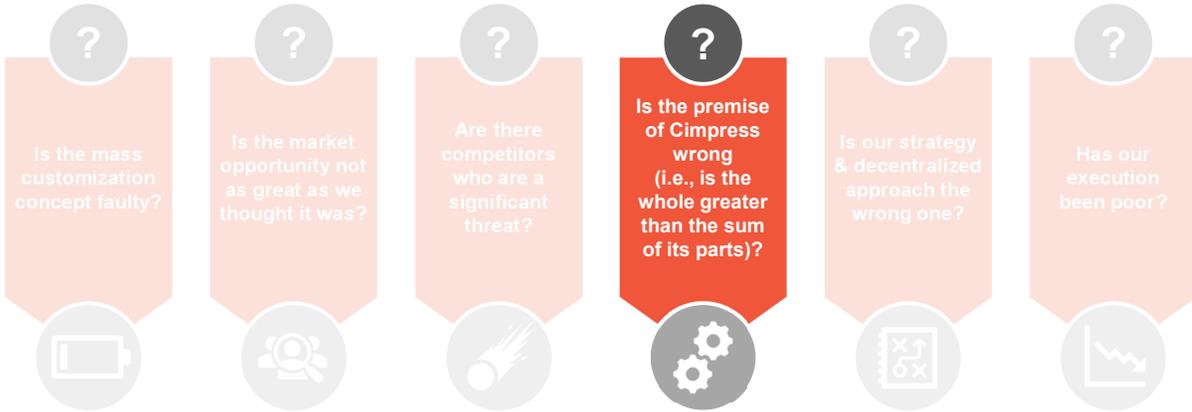
## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



## COMPETITIVE AND MARKET DYNAMICS

- No existential threat from one competitor
- But the markets our businesses operate in are more competitive which puts pressure on them to serve customers better and lower costs
- E-commerce norms have evolved and our businesses must keep pace

## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



21



## SHARED STRATEGIC CAPABILITIES

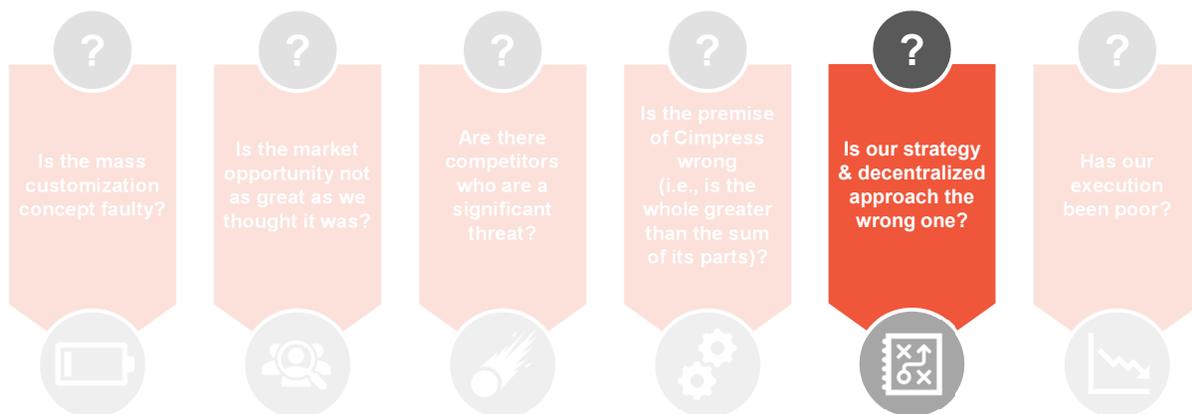
We drive competitive advantage across Cimpres through a select-few shared strategic capabilities that have the greatest potential to create Cimpres-wide value.



- Technology frameworks, architecture and microservices
- Central procurement
- Talent infrastructure in India
- Peer-to-peer knowledge sharing and talent rotation

23

## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



24

## OUR STRATEGY

Cimpress invests in and builds customer-focused, entrepreneurial, mass customization businesses for the long term, which we manage in a decentralized, autonomous manner.

We drive competitive advantage across Cimpress by investing in a select few shared strategic capabilities that have the greatest potential to create company-wide value.

We limit all other central activities to only those which absolutely must be performed centrally.



25

### DECENTRALIZATION:

#### STAYING SMALL AS WE GET BIG

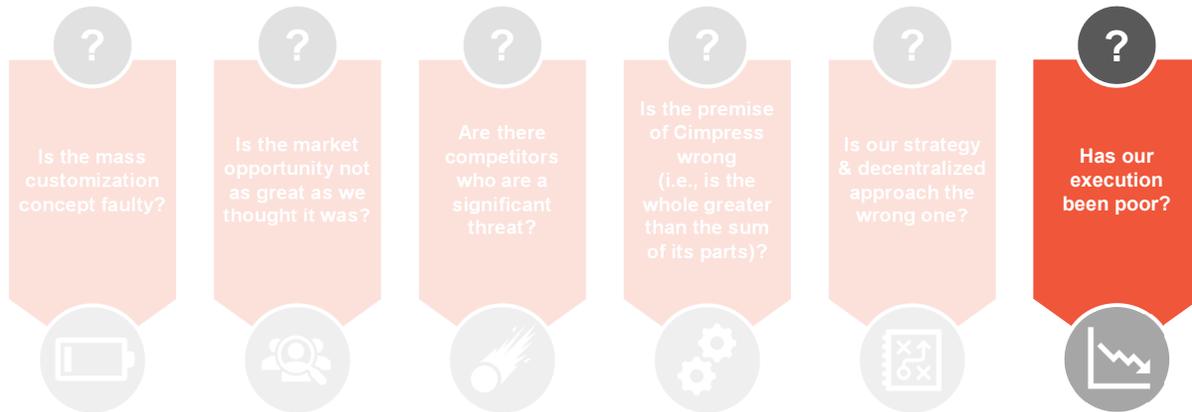
Autonomy enables our business to focus on customer needs, value proposition improvements, team member engagement and financial returns specific to their business.

- Better decisions, faster
- More entrepreneurial
- Clear accountability for customer satisfaction and investment returns
- Significantly lowered cost structure



26

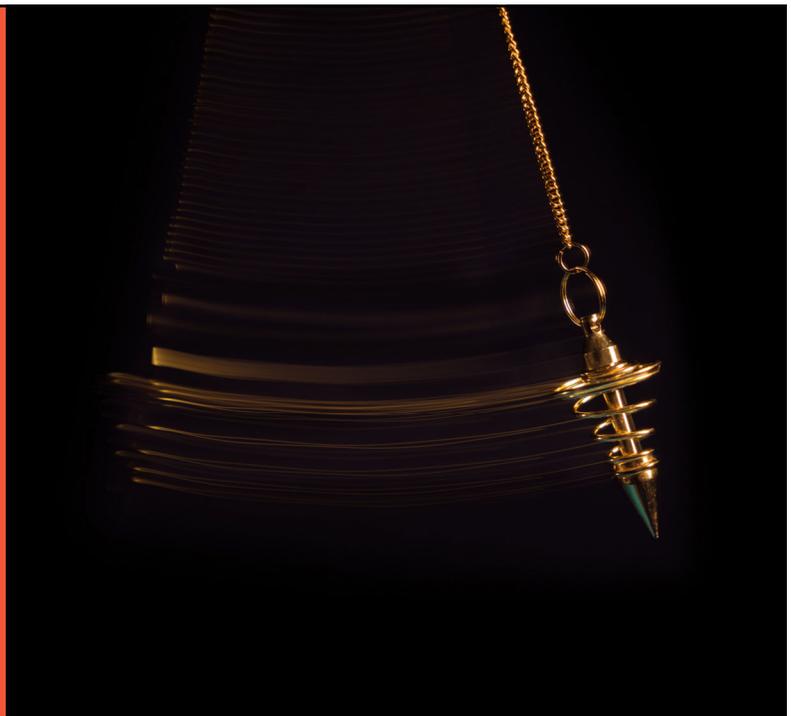
## QUESTIONS WE ASKED OURSELVES TO UNDERSTAND THE “BRUTAL FACTS”



27

### WHAT LED TO POOR EXECUTION?

- Our structural moves to heavily centralize and then decentralize distracted our teams from operational focus
- We also had execution errors



## LONG TERM INCENTIVE EVOLUTION

- Significant portion of central team leaders tied to PSUs
  - 100%\* of my compensation now in PSUs
- LTI for leaders in our businesses to be a mix of Cimpres and business-specific plans
  - Leaders of a business should share in the value they help create
  - In a few businesses, new plans for FY20 will be based on returns generated in that business using a valuation framework based on growth and EBITDA
  - Factors-in invested capital during the performance period
  - Minimum return threshold with significant upside above that



\*Other than the legally required minimum wage in Massachusetts

29

## TODAY'S PRESENTATIONS

**Maarten Wensveen**  
Mass Customization Platform

**Robert Keane, Maarten Wensveen & Sean Quinn**  
Vistaprint

**Paolo Roatta**  
Upload & Print

**Peter Kelly**  
National Pen

**Bryan Kranik**  
BuildASign

**Sean Quinn**  
Capital Allocation



30



# MASS CUSTOMIZATION PLATFORM

MAARTEN WENSVEEN, CTO

## WE'RE ACTIVE AND OPTIMIZING

FY16



- Built foundations
- Very initial connections made
- Minor synergies

FY17 & FY18



- Continuer foundation building
- Majority of transactions onto the platform
- Expanded yet still-small synergies

FY19 & Beyond



Today

- Begin to realize systematic synergies in cost and revenue

Build platform foundation

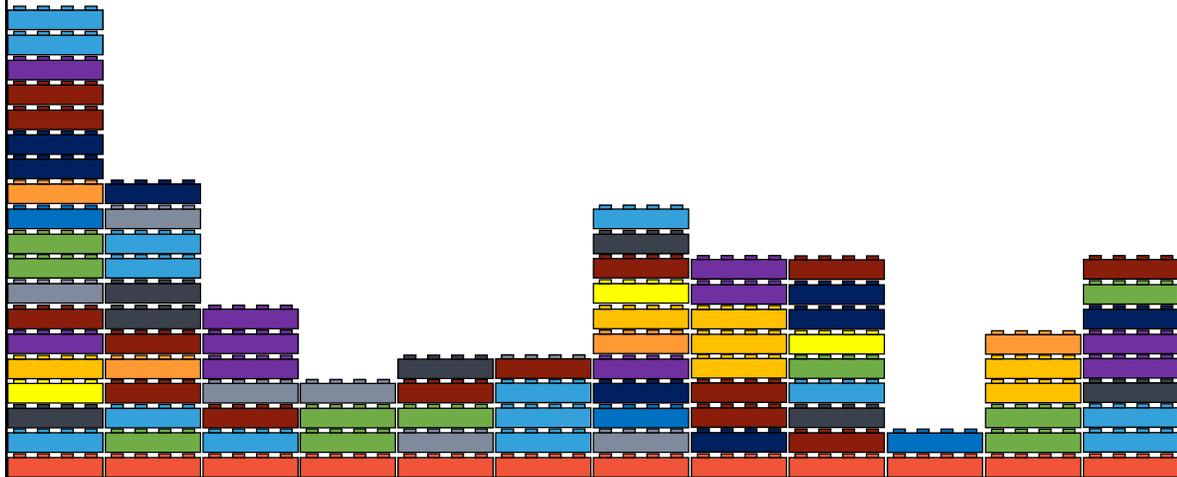
Activate & scale platform

Begin platform optimization

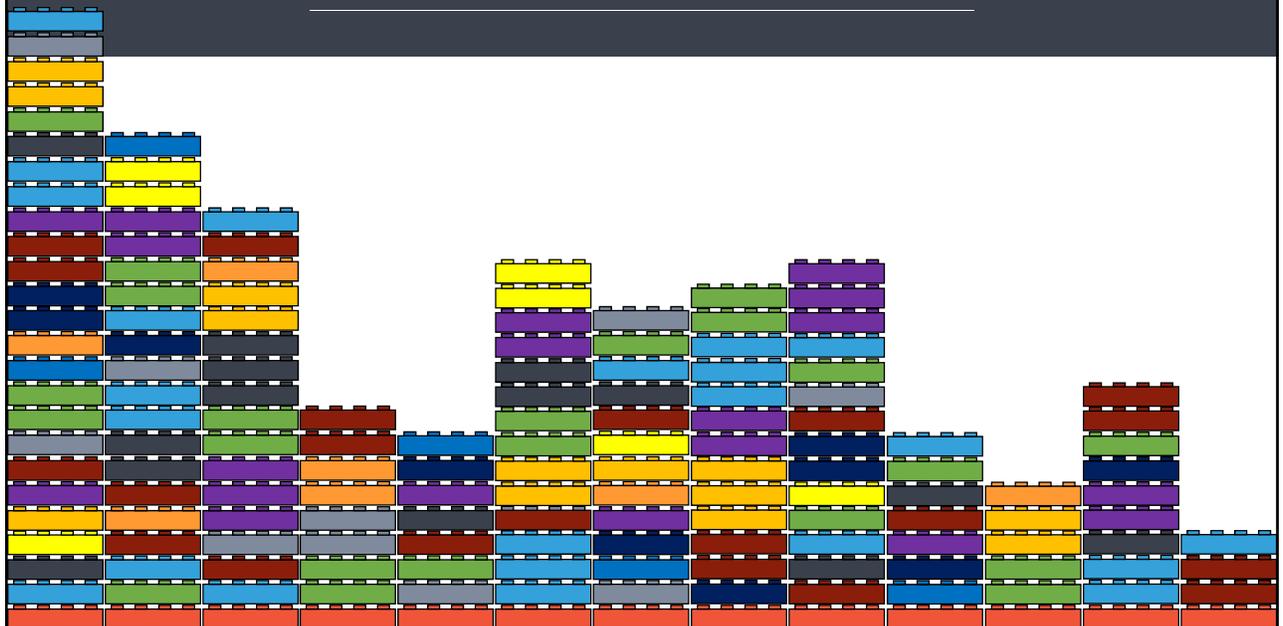


32

# AUGUST 2018...

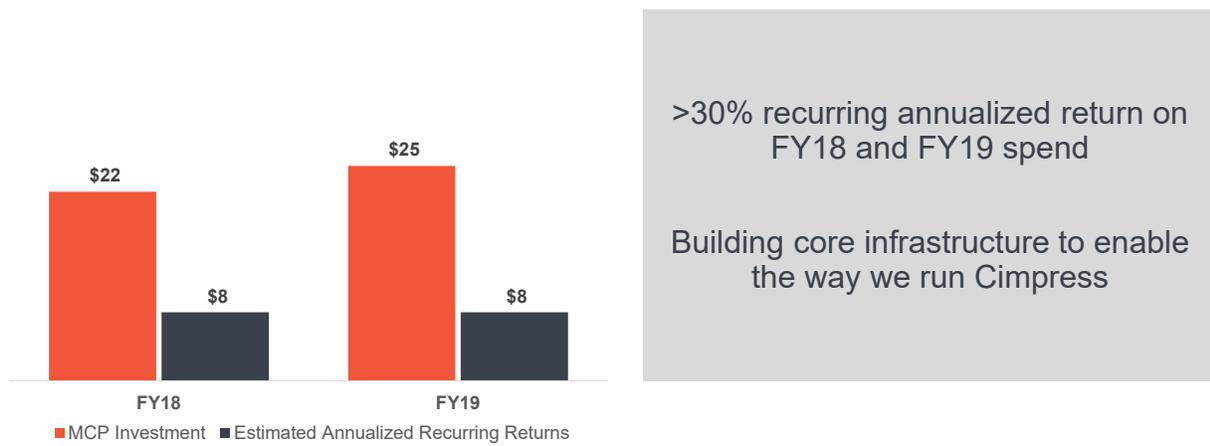


# TODAY



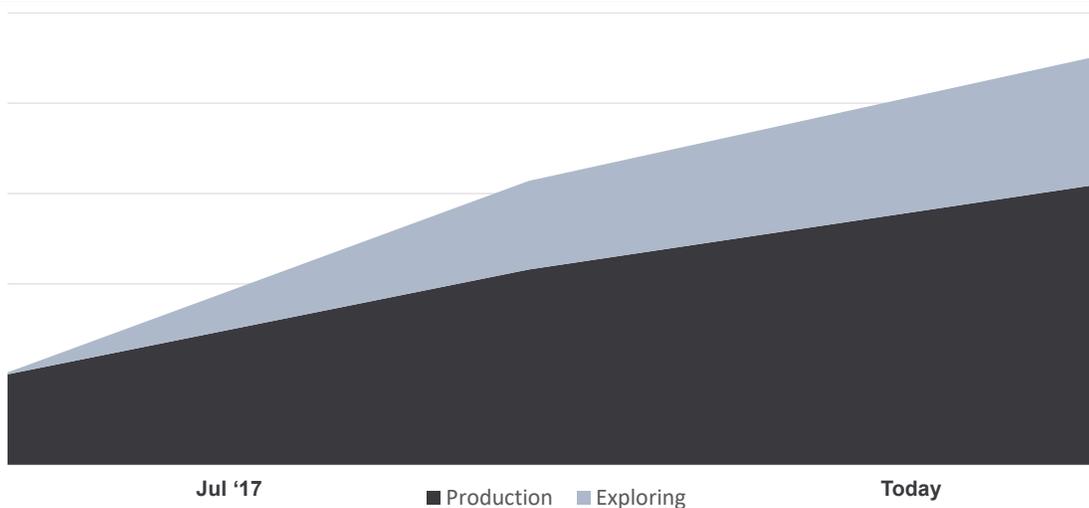
## RECENT MCP INVESTMENT DRIVING ATTRACTIVE ROI

Recent MCP Investment Returns (\$M)



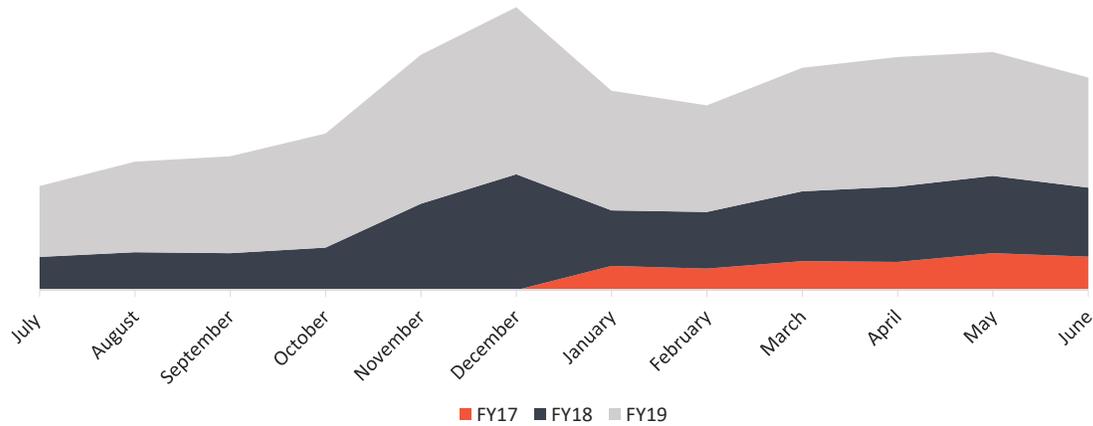
35

## MCP SERVICES BEING USED



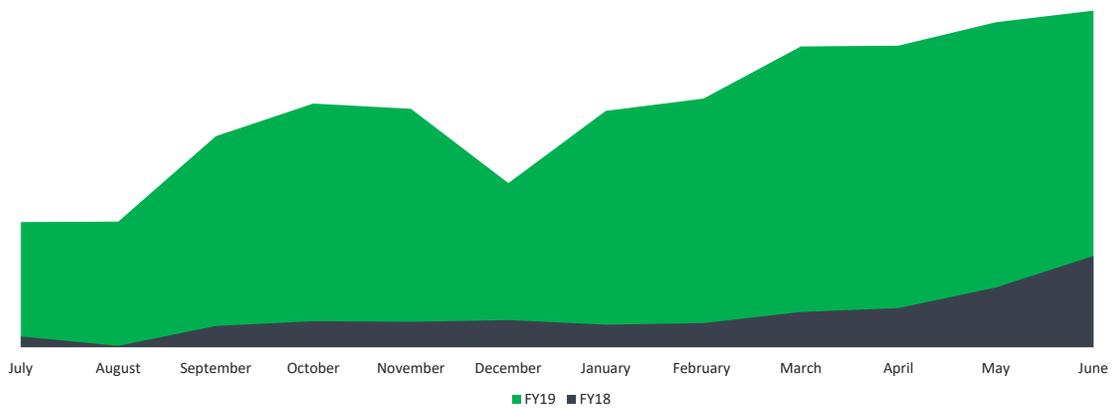
36

## MARKETPLACE ORDERS INCREASE AS MORE BUSINESSES ADOPT, TRANSACT, AND NEW PRODUCTS ARE INTRODUCED



37

## EUROPEAN MARKETPLACE ORDER VOLUME GROWTH



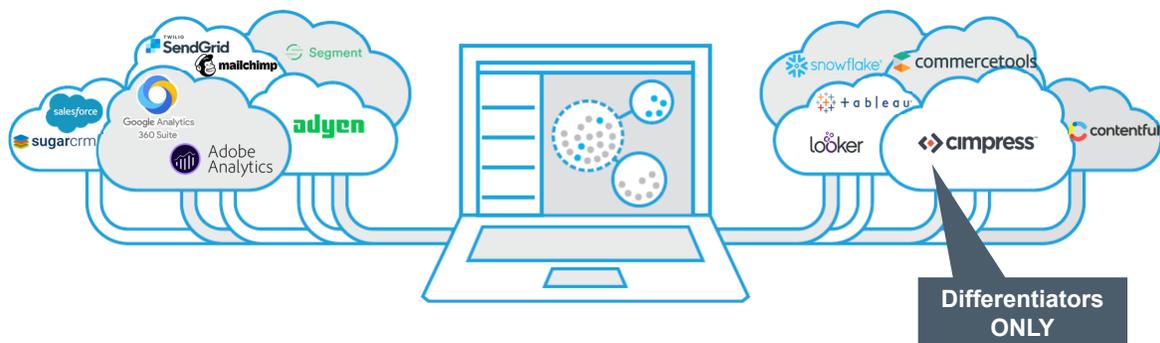
38

# OUR E-COMMERCE APPROACH



## LATELY, WE EXPANDED MCP INTO E-COMMERCE FRONT END

Our approach: leverage best of breed API-first solutions, with multiple SaaS options & integrated MCP services. We focus only on building differentiators.

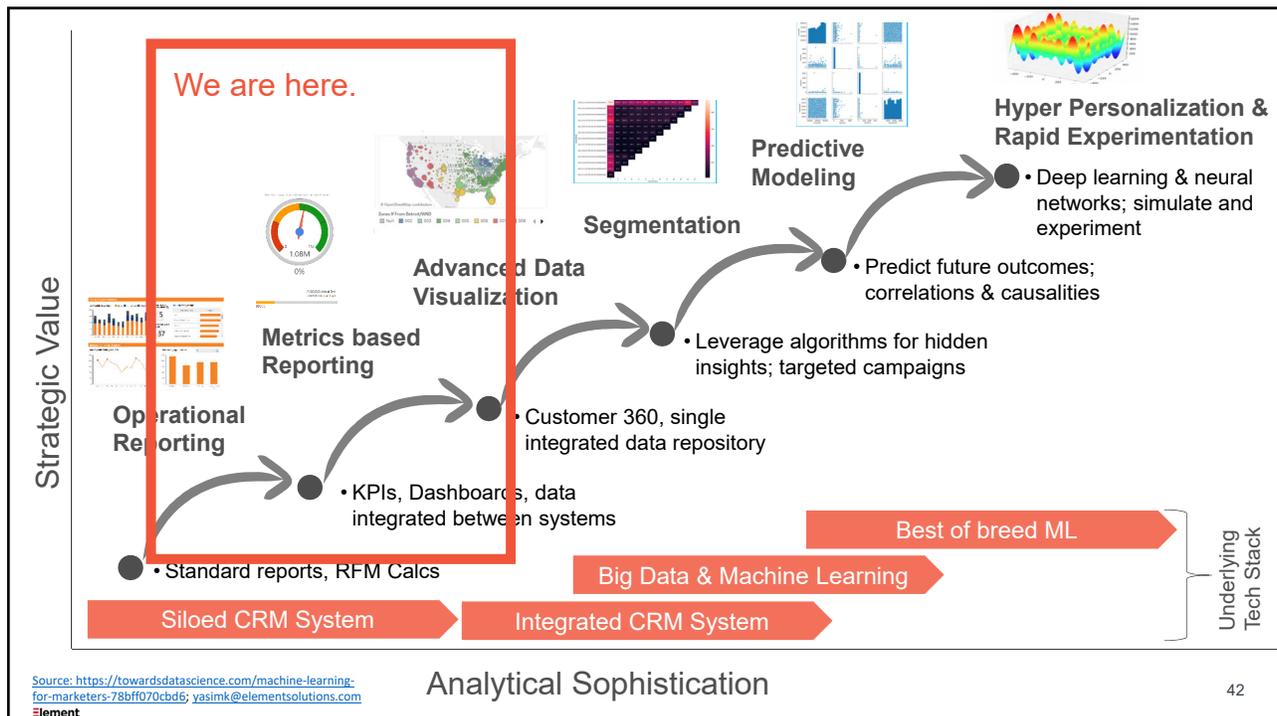


40

But e-commerce technology is a foundation, not the goal.

Data will power our businesses' future value creation.

In the future, CimCommerce will enable full spectrum of analytics sophistication.



# HEAR FROM BUSINESSES ON REAL RETURNS



43

**Vistaprint**

Robert Keane, Maarten Wensveen and Sean Quinn



## Agenda

- 1 Vistaprint Evolution
- 2 Market Dynamics, Strengths and Weaknesses
- 3 Transformation Journey
- 4 Recent Progress on Improvement Areas
- 5 Looking Ahead to FY2020



# Vistaprint created & won a market

Images below are from a 2001 Vistaprint investor presentation

### Bridging of Two Print-Paradigms

Serve the SRFC market using the quality and cost of high-volume printing

**High-Volume Industrial Printing**



Cost per 1000 square inches: \$0.15 to \$0.60

**VistaBridge**

- Intensive graphics-transmission
- Extreme-volume print workflow
- RGB-CMYK color synchronization
- High-volume e-commerce backbone
- Real time layout optimization
- Production automation software
- WYSIWYG HTML

**Short-Run Full-Color Printing**



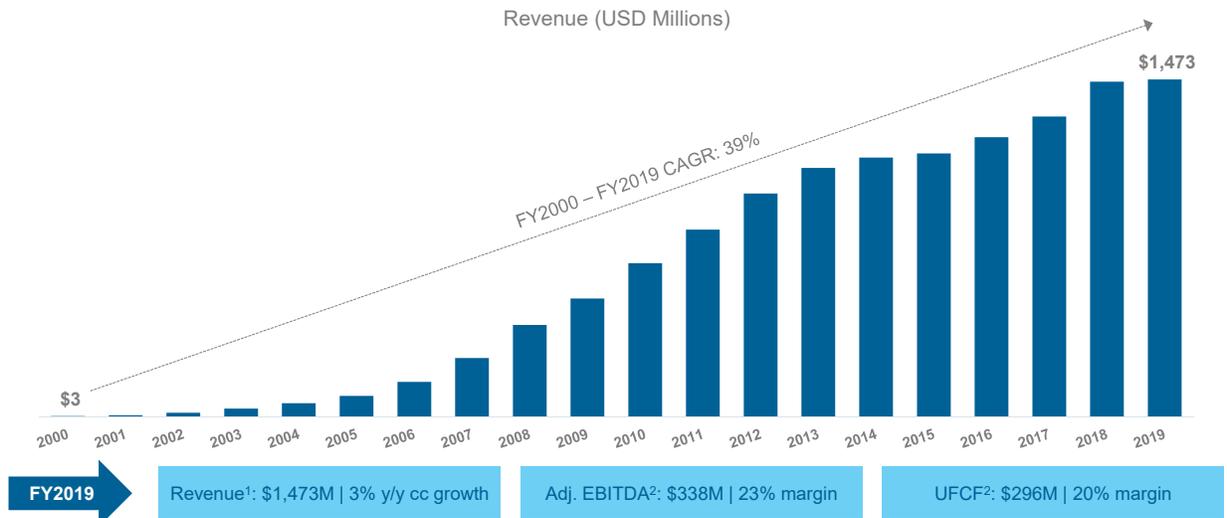
Cost per 1000 square inches: \$20.00 & higher

### WebTop Publishing



- Definition
  - 'Design-to-printing press' client-server DTP with the browser serving as the client
- Patented combination of:
  - Downloaded design and authoring application that executes in the browser
  - Server-based prepress translation programs
- Critical advantages for e-printing of graphic-intensive documents
  - Real-time element manipulation
  - Easy document-uploading
  - Intuitive MS Office GUI
  - XML document transmission

# History of organic growth and strong profitability



<sup>1</sup> FY2019 reported revenue growth for Vistaprint was 1%; <sup>2</sup> FY2019 EBITDA for Vistaprint includes \$5M of share-based compensation expense treated as cash; this is excluded from UFCF.



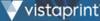
# Vistaprint in summary

- 20 year heritage of organic growth
- \$1.5 billion revenues
- Strong profits & cash flow
- Integrated graphic templates & studio
- 20 country-specific sites
- Over 15M customers / year
- 6,500 team members
- Large-scale software-driven manufacturing operations

50



# Market Dynamics



## Strengths

Our brand has evolved to stand for more than low price; market tailwinds

Relative Perceptions of Vistaprint – Non-customers <sup>1</sup>			
Metric	FY2016	FY2017	FY2018
Value for money			
Lowest price			
Wide selection of products			
Quality			
Trust			

**STRENGTHS**

- Value for money
- Lowest price
- Wide selection of products

**MANTAINED GAINS**

- Quality
- Trust

**\$30 billion market shifting online**

**Serving microbusinesses well is hard and capital intensive**

● Key strength   ● Some strength   ● Average performance   ● Key challenge

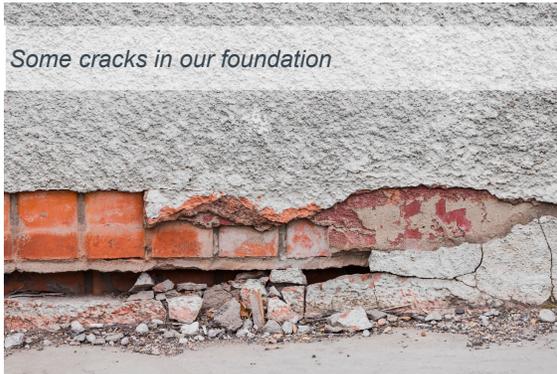
vs. competition

<sup>1</sup> Source: Vistaprint Brand Tracker, 2016, 2017, 2018.

52

## Weaknesses

Former strengths in data and technology have deteriorated even as the world rapidly advanced



Some cracks in our foundation



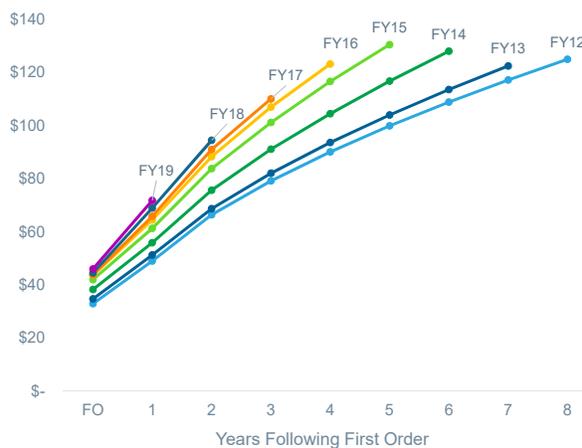
Competition has increased with capital availability



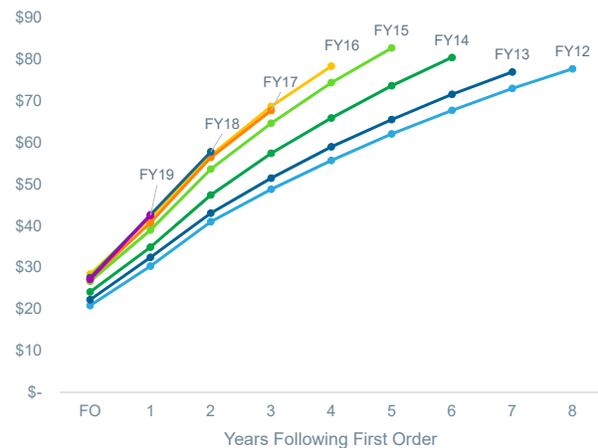
E-commerce bar continually being raised

## Cohort gross profit stagnant since FY2016

Cumulative Bookings per Customer



Cumulative Gross Profit per Customer



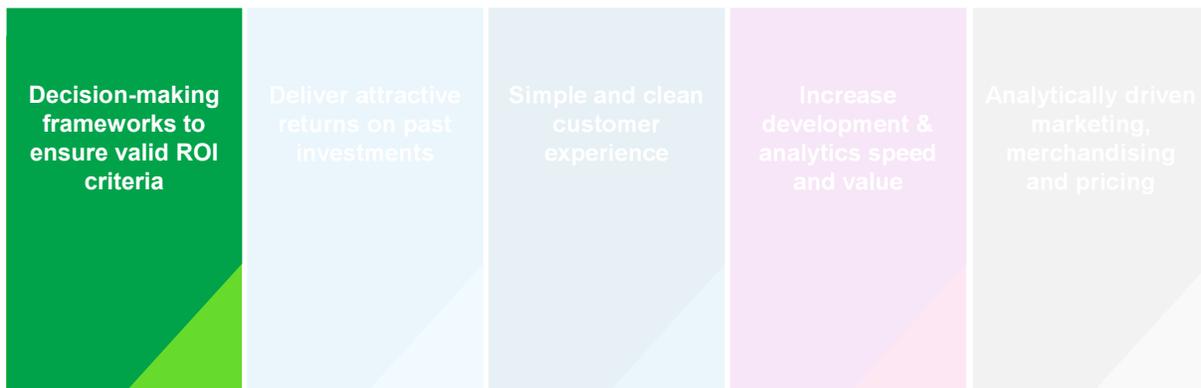
Acquisition Cohorts: based on new customers acquired in each fiscal year and their cumulative Bookings \$s and GP \$s of the cohort divided by the number of new customers following their first order. Does not include Digital, Webs, Partner Revenue from Offers, Services, Products and Referrals and Columbus (Promotique). All amounts in USD translated at currency rates stated in the non-GAAP reconciliation for investor day at [ir.cimpress.com](http://ir.cimpress.com)



## Near-term improvement areas identified in January



## Near-term improvement areas identified in January



## Analytic approach to improve returns on advertising

### Spend Reductions

**Q3 - Q4 FY19:**  
"Brute Force"



Using existing models, significantly shorten payback constraint to 12 or 24 months, depending on the channel

**Q1 FY20 and Beyond:**  
New Models



Roll out new models and tools that incorporate all costs; hire additional talent to support more programmatic spend and multiple parallel iterative testing

### Improved Efficiency of Spend



Modest reinvestment in most efficient channels



Improved landing pages and paid search image improvements

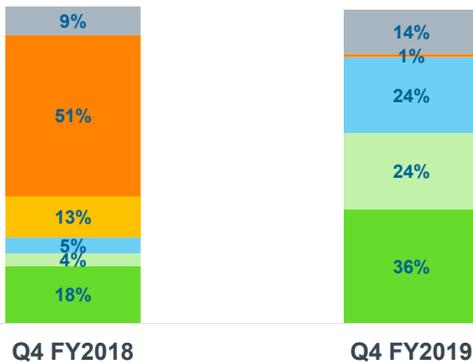


Testing alternative advertising to improve return

## Improving efficiency of advertising spend in Q4 FY2019

Percent of Ad Spend by Payback Period with Updated Methodologies

■ 0 - 12 months      ■ 12 - 24 months  
■ 24 - 36 months    ■ 36 - 48 months  
■ 48 months+        ■ Not Attributed



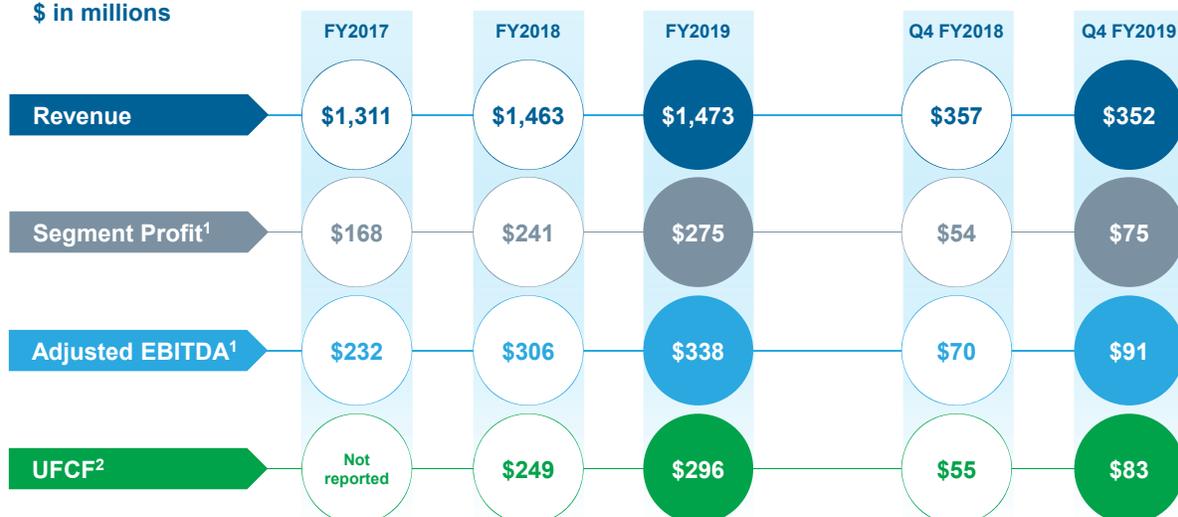
## Current outlook for Vistaprint advertising spend

- Year-over-year reductions for two more quarters
- After that, trajectory depends on multiple factors:
  - Conversion rate and LTV impact of other changes
  - Relative performance of new tests
  - Other investment opportunities
- Too early to predict long term trends
- Whatever the direction, heightened awareness of the need to ensure rigorous analytics



## Recent financial impact of advertising spend reductions

\$ in millions

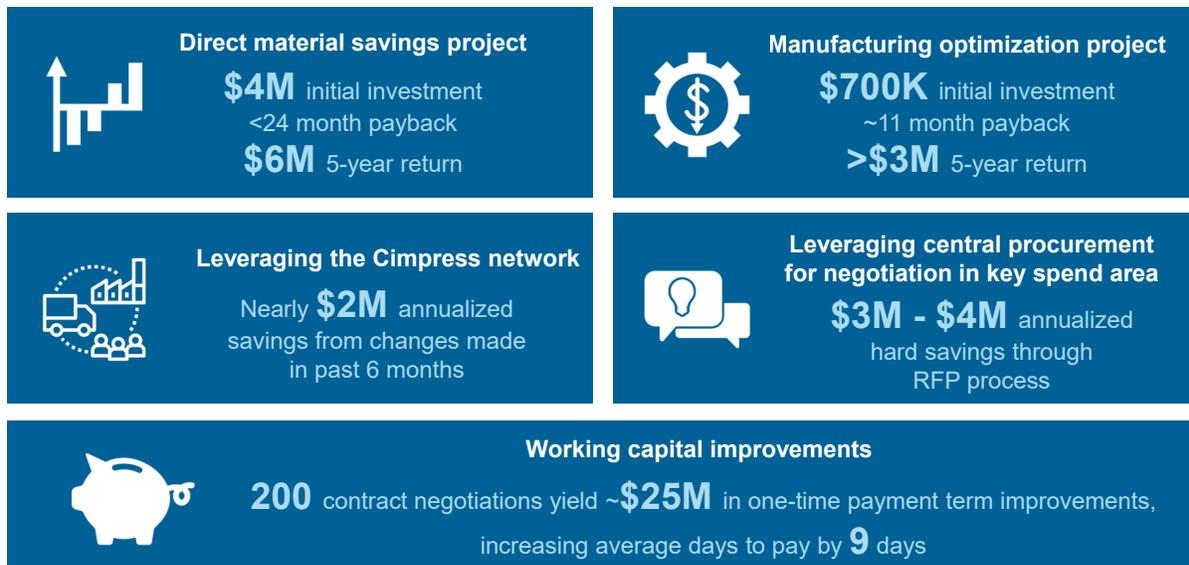


<sup>1</sup> Segment EBITDA and segment profit includes share-based compensation expense treated as cash. For Vistaprint, this was \$8M, \$6M, and \$5M in FY2017, FY2018 and FY2019, respectively.  
<sup>2</sup> UFCF excludes share-based compensation expense.

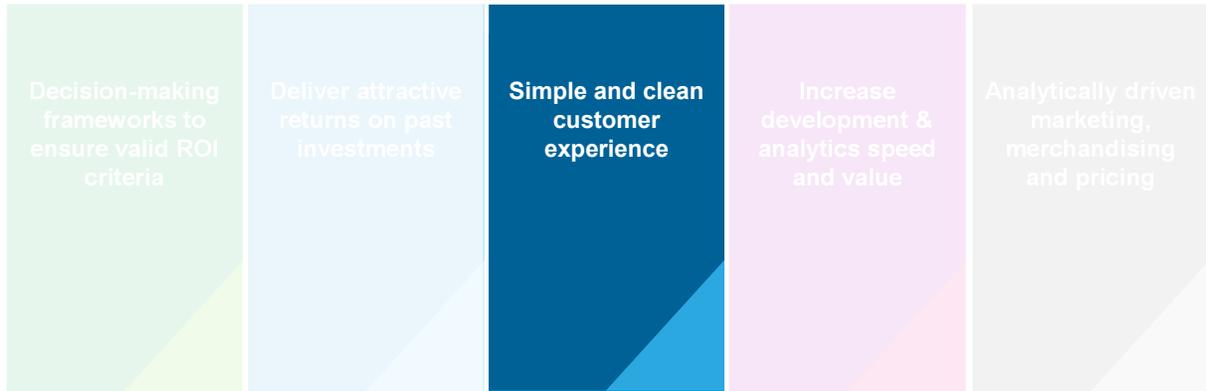
## Near-term improvement areas identified in January



## Emphasis on operational optimization

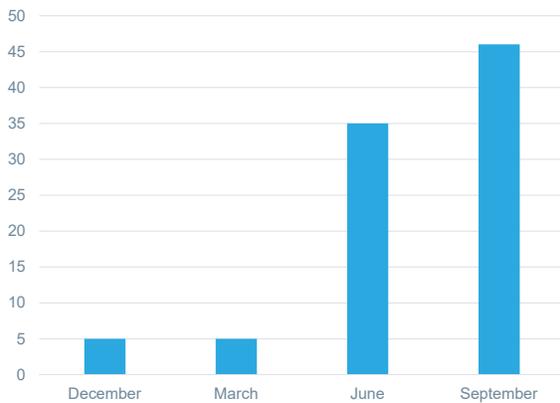


## Near-term improvement areas identified in January



## Resources to fix huge number of minor glitches

Team Members Dedicated to Backlog of Customer Experience "Death by 1,000 Cuts"



Examples of Glitches

-  Broken links
-  Confusing navigation and page layout
-  Poor product description copy
-  Insufficient product imagery
-  Displaying sizing options that are incompatible with customer design choices

# Dozens of minor improvements to navigation

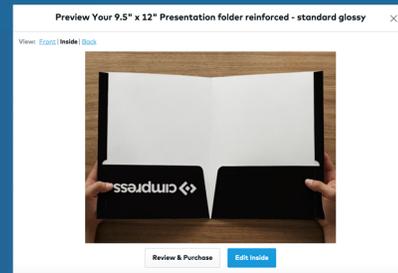
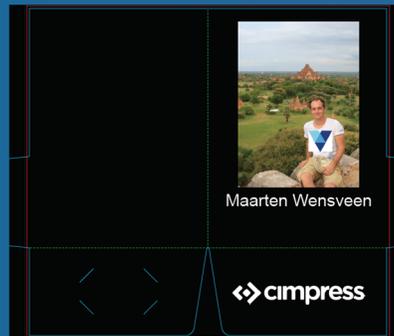
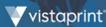
The image shows two versions of the Vistaprint website navigation bar. The top version shows the 'Clothing, Bags & Promo' category highlighted with a green box. The bottom version shows the updated navigation with 'Clothing & Bags' and 'Promotional Products' highlighted with a green box, and the 'Cart' icon updated to show 1 item.

# Optimized booklets for enhanced product clarity and customer understanding

The image compares two versions of the Vistaprint booklet product page. The left page shows a standard product listing with a small image and text. The right page shows an optimized product listing with a larger image, more detailed text, and a clear call to action.

## Reduction in reprints and improved customer satisfaction

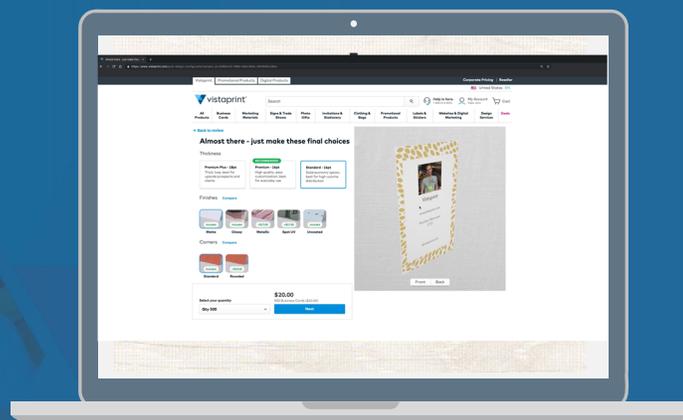
Rapid Incoming Design Inspection Tool flags customer design errors before printing – reducing manufacturing reprints and waste and improving customer satisfaction while reducing CARE calls



69

## Improved site experience

3D modeling and rendering techniques to show customers a much more realistic preview of what their product



70

## Improved site experience

Prepress automation ensures high quality printing on dark substrates



## Reduction in crop mark errors

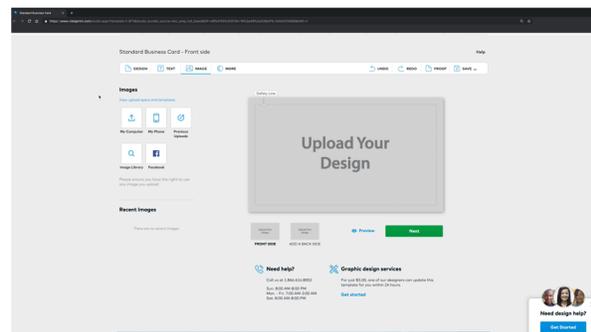
### Original Customer Artwork: Full Bleed Image



These crop marks are not intended to be printed and are typically added to aid manual print processes. When this happens, the printed product will include the crop marks and the customer will be disappointed.

### New Technology Solution

We automatically detect and use the crop marks for auto placement and also remove them so the customer gets what they intended.



## Near-term improvement areas identified in January



## Multi-year investment in new technology platform



	Current Technology	New Platform
Primary objective	Expand product breadth and depth	Unlock data and iterative testing capabilities Equal or better ability to expand product range
% of code in microservices	~40%	100%
% of tech teams focused on maintenance activities	~80%	<30%
Product info model	2001 model which doesn't extend beyond a narrow product range	MCP model already proven to scale in Upload and Print and National Pen
Roll out approach	Product-based, U.S. first	Small market first; iterative build and learn, then launch in successively larger markets
Opportunity cost	Everything in the right column	Near-term enhancements to existing site in largest markets

## Near-term improvement areas identified in January

Decision-making frameworks to ensure valid ROI criteria

Deliver attractive returns on past investments

Simple and clean customer experience

Increase development & analytics speed and value

Analytically driven marketing, merchandising and pricing

# Building systems and processes to support decisions

Examples of work done in the last six months not dependent on new e-commerce stack



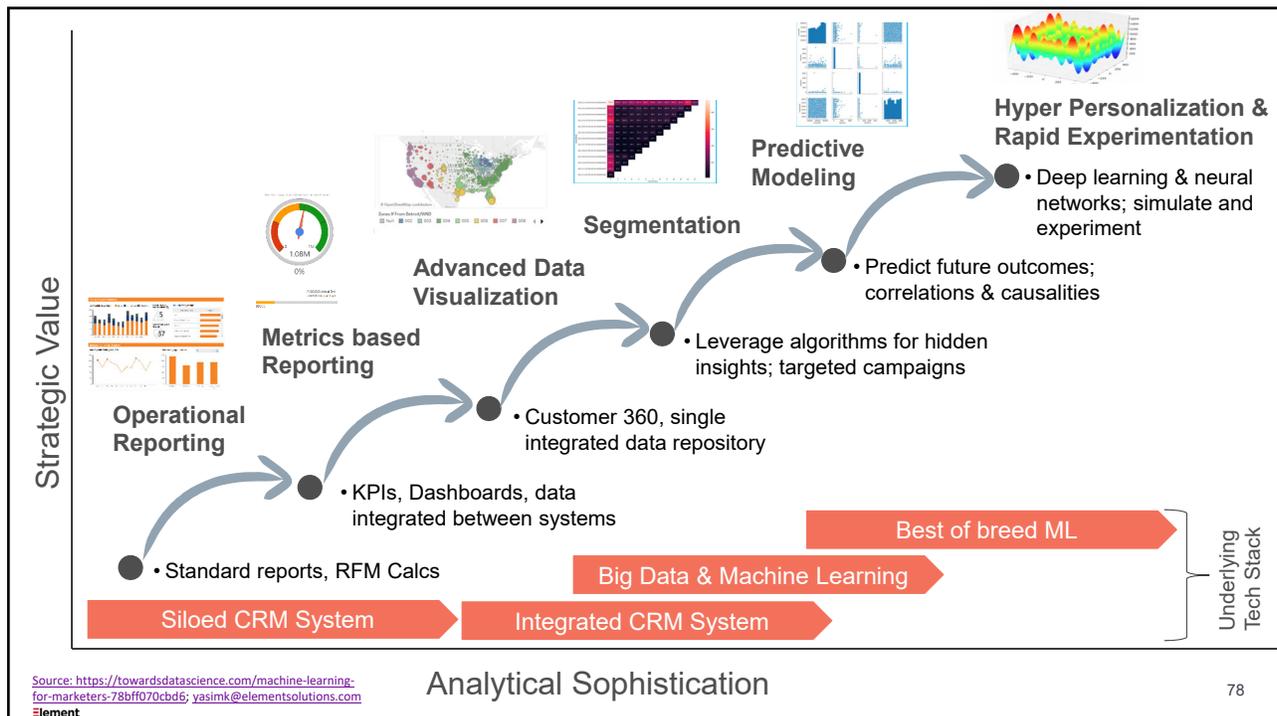
Building up a data science and analytical bench in all areas of our business



Data infrastructure improvements to help update product recommendation model and customer value model



Channel reporting upgrades where not tied to the monolith; improved channel incrementality testing

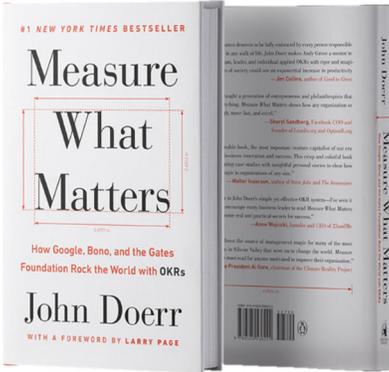




# Looking Ahead to FY2020

## Clarity of objectives and evolving organizational structure

Objectives and Key Results



## Executive recruiting progress

- Recruited three high-caliber executives who will be joining in the coming months:
  - President, North America
  - President, International
  - Chief Marketing Officer
- Also recruiting a Chief Data Officer with a strong pipeline of candidates
- Plan to continue to recruit additional talent and engage outside service providers at a higher rate than normal during this period of significant change

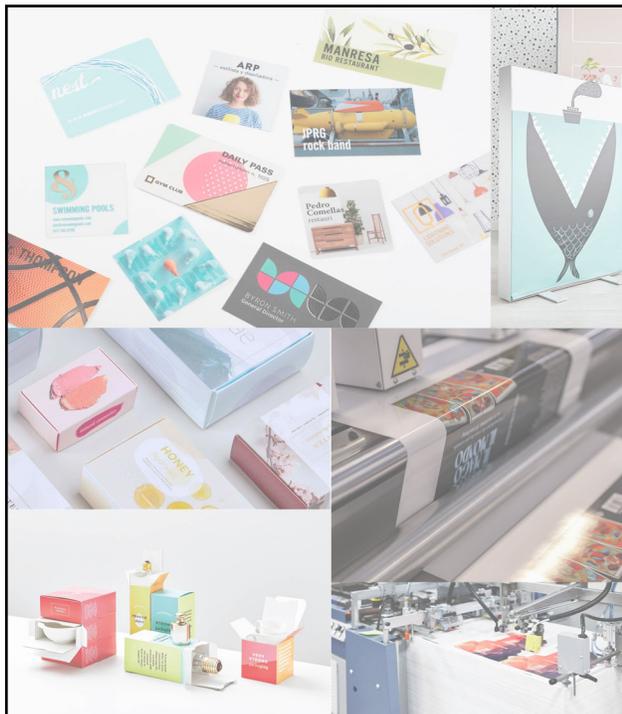
## FY2020 operational outlook

- Hyper-focused on foundational basics
- Technology investments should gain major traction but won't drive material upside until FY2021 and beyond
- Y/Y advertising spend reductions likely through at least Q2
- Culture and organizational change management ongoing and gaining momentum
- Continued recruiting and onboarding for key roles
- Expect flat to negative revenue growth for FY2020
  - Getting the above done right should open up opportunity to change that in the future



# UPLOAD AND PRINT

PAOLO ROATTA, SENIOR VICE PRESIDENT



## Agenda

- Recent market dynamics
- Realignment of businesses
- FY2019 accomplishments
- Financial update
- FY2020 investments & priorities

## OUR CUSTOMERS: GRAPHIC ARTS PROFESSIONALS



 cimpres™

85

## RECENT MARKET DYNAMICS

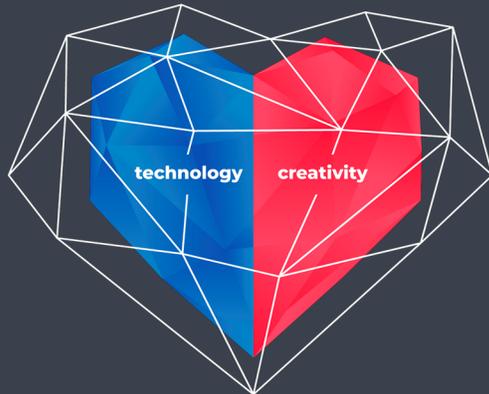
- Evolution of the market from purely traditional suppliers toward multiple competitors leveraging mass customization and e-commerce puts pressure on price, speed, customer expectations and quality
- As the model has become better understood and more prevalent, and online advertising approaches more common, the competition has become more intense
- Price-focused competition continues to come from a handful of venture-backed players trying to gain a foothold in the market through aggressive pricing and marketing tactics
- Our businesses are operating under the assumption that this pressure will last forever from one competitor or another, and we remain hyper-focused on improving the customer value proposition and lowering costs

 cimpres™

86

## CUSTOMER VALUE IN A VERY COMPETITIVE MARKET

Opportunity to deliver value to customers



Our advantages versus the competition



Growing steadily



Delivering significant profit



Leveraging production advantages



Innovation budget



Willing to invest for the long term

87

## REALIGNMENT OF UPLOAD AND PRINT BUSINESSES

In Q4 FY2019 we completed the realignment of the Upload and Print businesses into two subsidiary groups in order to:

- Position our senior executive leaders closer to front-line operations of these businesses
- Lower costs
- Drive incentives, culture, priorities and technologies that improve customer and financial outcomes

### PRINTBROTHERS



### THE PRINT GROUP



88

## ADVANTAGES & OPPORTUNITY FROM RE-ORG INTO TWO GROUPS

### The whole is greater than the sum of its parts



- Leveraging common assets
- Sharing knowledge and innovation
- New product introduction
- Smart allocation of production volume to improve customer value and reduce cost
- Planning for longer-term specialization in production facilities



89

### FY2019 ACCOMPLISHMENTS: LEVERAGING ASSETS

Better leverage the synergies between plants and allocate production volumes among the different plants.



**FY2019  
ACCOMPLISHMENTS:  
KNOWLEDGE SHARING**

—  
Closer interaction among businesses facilitates exchange of know-how and sharing of data



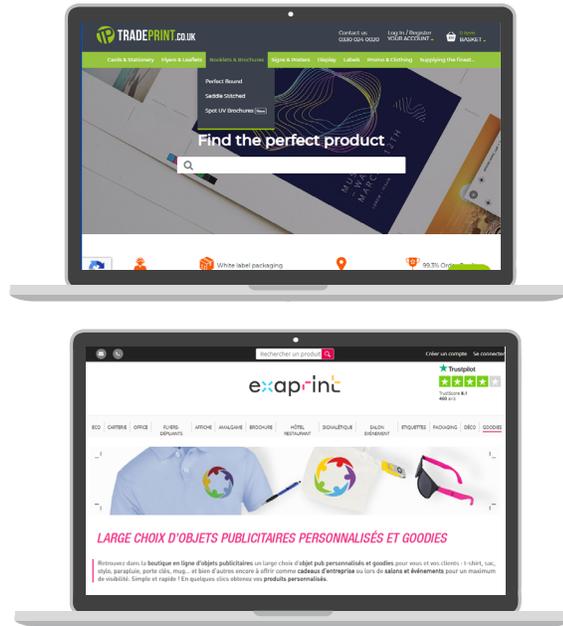
91

**FY2019 BENEFITS FROM  
LEVERAGING CIMPRESS'  
SHARED STRATEGIC  
CAPABILITIES**



## MCP CIMCOMMERCE EXPANSION

Launch new digital experience from the ground up by leveraging the Mass Customization Platform



93

## NEW PRODUCT INTRODUCTION

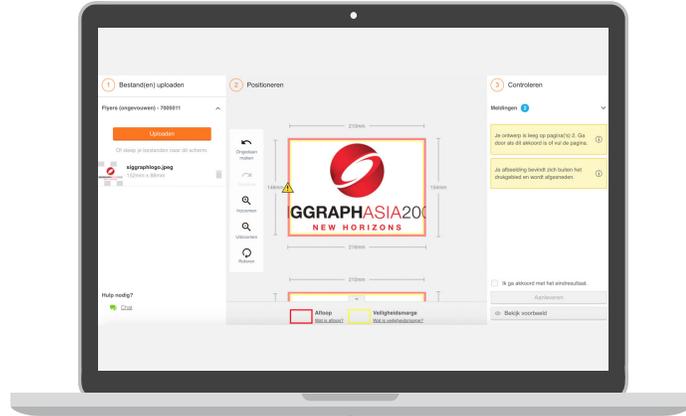
MCP's marketplace function enables the introduction of stickers and labels through our network of businesses



94

## IMPROVED SITE EXPERIENCE

File Check tool leverages MCP's Cimpress Designer for a robust customer self-serve experience



95

## DRIVE LOWER FULFILLMENT COSTS & AVOID IT EXPENSE

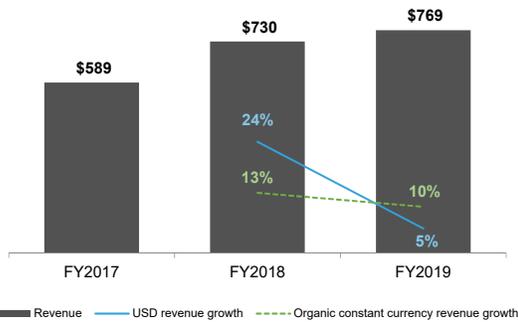
Leveraging entire MCP Shipping suite of services to reduce vendor fees, alleviate outages, and gain insight into accurate carrier invoicing. Also, allows for self-serve set up of new fulfillment locations.



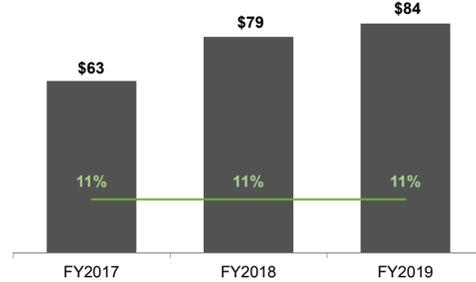
96

# FINANCIAL RESULTS

UPLOAD AND PRINT  
COMBINED REVENUE (\$M)<sup>1</sup>



UPLOAD AND PRINT  
COMBINED PROFIT (\$M) & MARGIN (%)<sup>1</sup>



<sup>1</sup> Combined revenue and profit for our PrintBrothers and The Print Group. Please see reconciliation of non-GAAP measures at [ir.cimpres.com](http://ir.cimpres.com).

97

# UPLOAD AND PRINT INVESTMENT RETURNS TO DATE

€494M consideration paid<sup>1</sup>

FY2019 results<sup>2</sup>:



<sup>1</sup> Total consideration, net of cash acquired, including earn-outs and deferred payments, as well as an adjustment for PrintBrothers equity sale.  
<sup>2</sup> UFCF net of reductions to reflect the partial equity ownership in certain businesses in the group. Segment profit, our GAAP measure for segment reporting, on a combined basis for PrintBrothers and The Print Group, was \$84 million in FY2019 and includes 100% of the results of all businesses. SSFCF adds back estimate for range of investments not necessary to maintain steady state. Euro to USD currency exchange translated at FY2019 average rate of 1.14.

98

## FY2020 PRIORITIES

1

Continued innovation that drives customer value through speed, product breadth, service

2

Drive cash flow via synergies and operational improvements

3

MCP technology to drive data-driven decisions, new product introduction

4

Long-term commitment; ready and willing to invest in the near term to accelerate our leadership



99



# COFFEE BREAK

WEBCAST PARTICIPANTS: WE WILL RETURN SHORTLY



# NATIONAL PEN

PETER KELLY, EVP AND CEO

**NATIONAL PEN COMPANY**  
*Your image is our business!*

## Agenda

Brief overview of National Pen

Industry dynamics

Our strategy

FY2019 challenges & progress

Investment returns to date

FY2020 key focus areas

**NATIONAL PEN COMPANY**  
*Your image is our business!*



## NATIONAL PEN OVERVIEW

- Founded in 1966, National Pen is the largest provider of customized writing instruments in the B2B space
- In FY2019, National Pen served ~1.5 million hard-to-reach small and medium businesses who rely on our promotional products for marketing and advertising
- Small minimum order quantities at low prices suitable for the target market
- Scale has allowed vertical integration and a globally integrated value chain, leading to significant customer value advantages
- Broad product range and currently markets more than 30,000 customized individual SKUs
- Go to market across multiple channels: direct mail, telemarketing operations and growing e-commerce



**NATIONAL PEN COMPANY**  
*Your image is our business!*

103

## INDUSTRY DYNAMICS

- Majority of the market is still served via fragmented, less-efficient traditional business models
- The promotional products, apparel and gifts (PPAG) space is roughly \$30B in North America and Europe
- The promotional products industry has been a late adopter of online marketing and has only recently begun to benefit from mass customization, so competitive capabilities for small order sizes are less mature
- Evolution of the market toward mass customization puts pressure on price, speed, customer expectations and quality – we believe we will continue to benefit from this dynamic over time
- PPAG market is growing at roughly 5%, meaning National Pen has been gaining market share despite lower than expected revenue growth in FY2019
- That said, more and more players are entering the market, which increases paid search costs

**NATIONAL PEN COMPANY**  
*Your image is our business!*

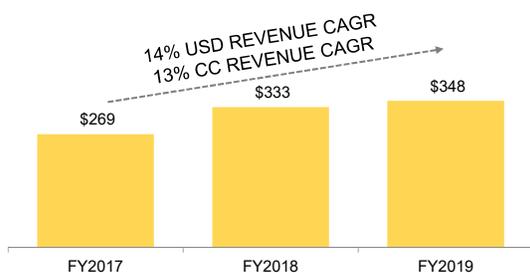
104

# OUR STRATEGY TO DRIVE LONG-TERM SUCCESS

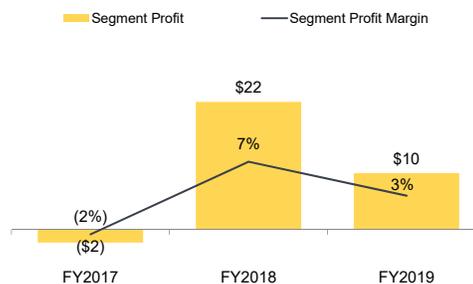
- Long-term strategy remains the same despite disappointing FY2019
- We are working to exploit and extend every advantage we have
  - Understand and deliver against customer needs
  - Modernize and modularize legacy technology
  - Leverage data to improve customer experience and financial outcomes
  - Relentlessly drive down cost of production
  - Drive efficiencies in operating expense
- Cimpress' select-few shared strategic capabilities help our businesses win

# RECENT FINANCIAL RESULTS

REVENUE (\$M) & GROWTH<sup>1,2</sup> (%)



SEGMENT PROFIT (\$M) & SEGMENT PROFIT MARGIN<sup>3</sup> (%)



FY2018 was a particularly strong year for National Pen and FY2019 was a particularly tough year.  
Our constant-currency revenue growth CAGR from FY2017 to FY2019 was 13%.

<sup>1</sup> FY2017 reported revenue was \$113M and FY2018 reported revenue growth for National Pen was 196% since we did not own this business for the full FY2017.  
<sup>2</sup> FY2018 pro forma organic constant-currency revenue growth excludes discontinued operations and incorporates prior-year periods before Cimpress acquired National Pen.  
<sup>3</sup> FY2017 segment profit is for partial year of ownership and does not include National Pen's seasonal peak (December quarter).  
 \* Please see reconciliation of non-GAAP financial measures at [ir.cimpress.com](http://ir.cimpress.com).

## PRIMARY CONTRIBUTORS TO THE DISAPPOINTING FY2019 FINANCIAL RESULTS

FY2019 ISSUE	FY2020 CORRECTIVE ACTION
 Aggressive prospecting	Smooth and reduce prospecting activity
 Contact center strategy / going too deep on customer file	Refine contact strategy for lowest performing customer segments
 Mail delivery issues	Transition mail prep from Mexico to Europe

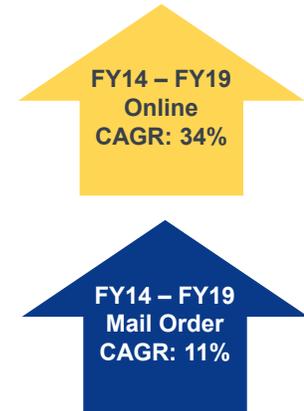
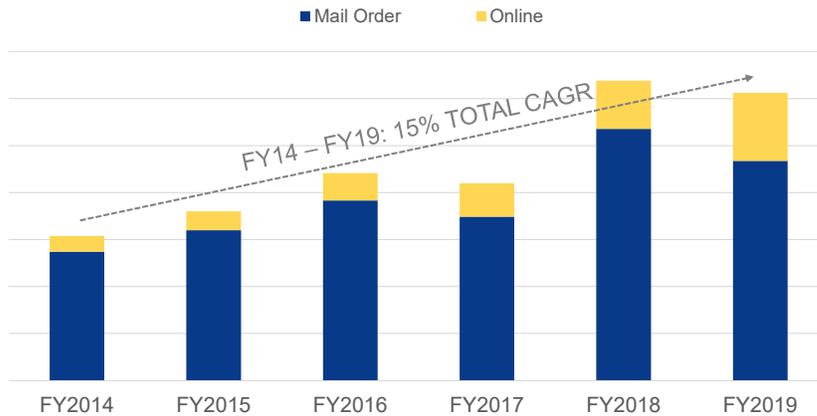
## MULTI-CHANNEL MARKETING APPROACH IMPORTANT TO SUCCESS



- Multi-channel approach – majority of revenue is still derived from traditional mail order business with rapidly growing online channel
- Take orders through mail, telesales, and increasingly drive customers online
- Mailings provide scalable customer acquisition and retention at attractive financial returns
- Despite lower-than-expected returns on mailings in 1H FY19, we expect these campaigns will deliver ROI above hurdle rate
- Helps to negate growing cost per click on Google keywords

# ONLINE SALES CHANNEL GROWING RAPIDLY

NEW CUSTOMERS ACQUIRED BY SALES CHANNEL



**NATIONAL PEN COMPANY**  
*Your image is our business!*

109

# FY2019 PROGRESS

**NATIONAL PEN COMPANY**  
*Your image is our business!*

## E-COMMERCE PROGRESS IN FY2019



**People**  
(Team, Culture, Workspace)



**Product**  
(Product Selection, Vendor Relationships, Merchandising Strategy)



**Price**  
(Competitive Offers, MOQs)



**Platform**  
(Stability, Site speed, UX, Marketing Technology)



**Promotion**  
(SEM, SEO, Social Media, Content, Email)

- New e-commerce platform rolled out in 6 markets in Europe
- Learning from pilot launches in smaller geographies, iterating and testing before rolling out in additional locations
- Increased skillset of team members and expanded teams globally
- FY2019 online growth of 18%

## BUILDING INFRASTRUCTURE FOR FUTURE GROWTH



Launched continuous improvement program to focus on improved customer experience



Increased customer service levels, technology infrastructure and graphics services by leveraging teams in low-cost / high-performing geographies



Sourced local production capabilities for mail campaigns in Europe to mitigate risk and lower cost



Expanded product offering and decoration technologies

# CIMPRESS SYNERGIES

**NATIONAL PEN COMPANY**  
*Your image is our business!™*

## ACHIEVED AND POTENTIAL FUTURE BENEFITS

### ✓ Inside National Pen

- Freight contract
- Fulfillment in Japan
- Product sales to Vistaprint
- Procurement savings
- Offshore service operations
- E-commerce funding and speed
- Leverage Cimpres India for IT infrastructure support
- Manufacturing systems
- Tax synergies

### ✓ To others in Cimpres

- Access to National Pen products
- Vistaprint pen upgrade
- Japan facility absorption

### ↻ Future Opportunities

- National Pen sourcing in China
- National Pen mail capabilities

**NATIONAL PEN COMPANY**  
*Your image is our business!™*

114

# LEVERAGING CIMPRESS TECHNOLOGY

**NATIONAL PEN COMPANY**  
*Your image is our business!™*

## PREPRESS DEVELOPMENTS

MCP-enabled prepress automation allows for 10x the output of designs per day and reduced cost per design by 90% for certain design categories

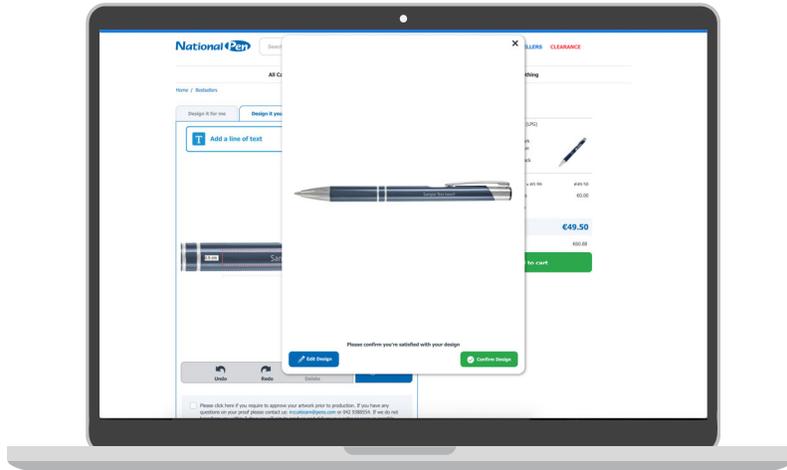


**NATIONAL PEN COMPANY**  
*Your image is our business!™*

116

## CIMPRESS DESIGNER AND SCENEMAKER

- Adoption of MCP's Cimpres designer and scene maker
- Focus to improve customer site experience during personalization

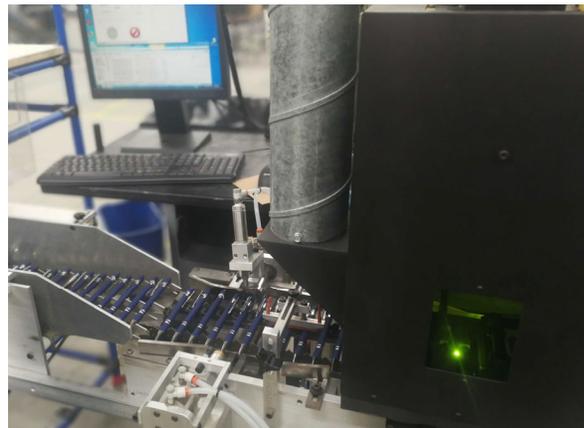


**NATIONAL PEN COMPANY**  
*Your image is our business!*

117

## PRODUCTION AUTOMATION

- MCP technology directs shop floor workflows and reduces process variances to yield higher and smoother throughput
- Automatic prioritization of order flow
- Greater visibility of order status
- Improved service to customers over time



**NATIONAL PEN COMPANY**  
*Your image is our business!*

118

# INVESTMENT RETURNS TO DATE

**NATIONAL PEN COMPANY**  
Your image is our business!™

## INVESTMENT RETURNS TO DATE

\$211M of investment consideration<sup>1</sup>

FY2018 results<sup>2</sup>:    FY2019 results<sup>2</sup>:

	FY2018 results <sup>2</sup> :	FY2019 results <sup>2</sup> :
Group revenue	\$333M	\$348M
UFCF	\$24M	\$11M
UFCF yield vs. consideration	~11%	~5%
Non-steady-state investments	~\$2M	~\$13M
SSFCF	~\$26M	~\$24M
SSFCF yield vs. consideration	~12%	~11%

UFCF from National Pen was \$11M in FY2019, net of investments.

This does not include National Pen dependent synergies recognized in other Cimpress businesses.

**NATIONAL PEN COMPANY**  
Your image is our business!™

<sup>1</sup> Inclusive of costs of transfer of intellectual property;

<sup>2</sup> National Pen Segment Profit, our GAAP profit measure for segment reporting, was \$22 million in FY2018 and \$10 million in FY2019.

# FY2020 PLANS

 NATIONAL PEN COMPANY  
*Your image is our business!*<sup>™</sup>

## FY2020 KEY AREAS OF FOCUS



### Financial:

- We expect lower revenue growth and higher profits in FY2020 as a result of our efforts



### Sales & Marketing:

- Continued expansion of new e-commerce platform to larger markets
- Improve customer intelligence and modeling competencies
- Increased focus on higher levels of personalization



### Operational:

- Expansion of local mail preparation in Europe
- Product and decorating technology expansion
- Vertical integration and operational excellence
- Production automation



### Customer Experience:

- Adopt continuous improvement program in key areas of the business to drive improved customer journey

 NATIONAL PEN COMPANY  
*Your image is our business!*<sup>™</sup>

122

# BUILDASIGN

BRYAN KRANIK, CEO

Build A Sign

## AGENDA

---

- Overview
- Market dynamics
- Competitive advantages
- Benefits of joining Cimpress
- Financial returns
- FY2020 plans

Build A Sign

124

## WHO IS BUILDASIGN?

- Offers wide variety of products at industry-leading prices, fast delivery speeds and outstanding customer service
- Founded in 2005 in Austin, TX
- Serves 1 million consumer, small business and enterprise customers annually
- Strengths in e-commerce marketing, data analytics and manufacturing have driven strong revenue growth, profitability and free cash flow
- FY19 pro forma revenue of \$140M and adjusted EBITDA of \$22M
- Over 400 team members today

### SIGNS AND GRAPHICS



### HOME DECOR



### CUSTOM APPAREL



### ENTERPRISE SALES



Build A Sign

<sup>1</sup> BuildASign was acquired on October 1, 2018, and therefore, we only had nine months of reported results in FY2019 for this business. BuildASign's reported revenue and adjusted EBITDA for the nine months in FY2019 that we owned them was \$108M and \$16M, respectively.

125

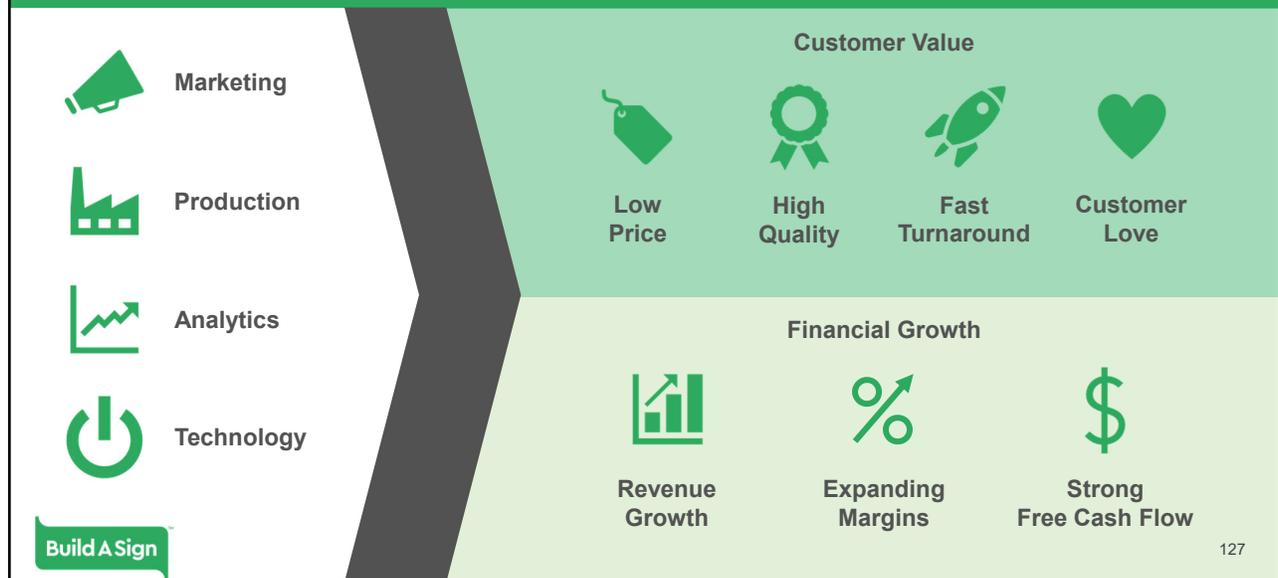
## MARKET DYNAMICS

- Key product categories benefiting from mass customization
  - Signage market is highly fragmented and is migrating towards web-to-print and mass customization providers
  - Photo upload home décor market largely online and growing
  - Mass customization bringing price points down, making it more accessible to customers and harder for traditional players to compete

Build A Sign

126

## COMPETITIVE ADVANTAGES



## BENEFITS OF JOINING CIMPRESS

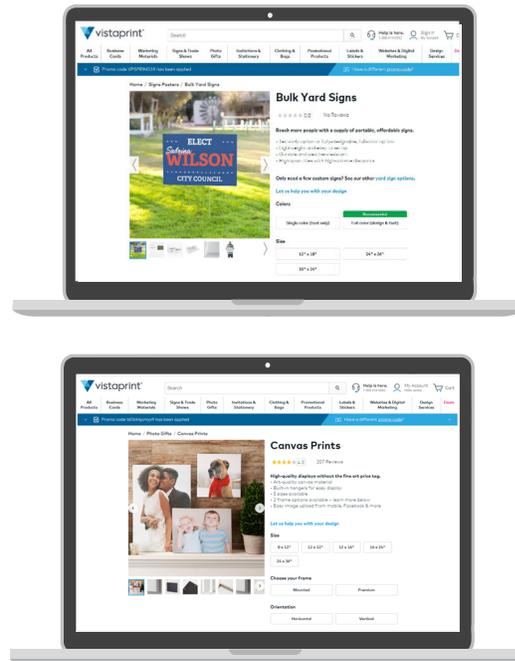
BENEFITS TO CIMPRESS	BENEFITS TO BUILDASIGN
<ul style="list-style-type: none"> <li>• Profitable, growing platform that we believe will drive strong returns relative to investment consideration</li> <li>• Added scale in signage category, which Cimpres already had some strength in through Vistaprint and several Upload and Print businesses</li> <li>• Added new and lower-cost capabilities</li> <li>• Talented team that is highly committed to the success of the business</li> <li>• Significant tax synergies</li> </ul>	<ul style="list-style-type: none"> <li>• Shared cultural values in serving customers, power of compounding, and use of technology and data for long-term value creation</li> <li>• Access to scale advantages in procurement</li> <li>• Sell new products from other Cimpres businesses, and vice-versa, enabled through MCP</li> <li>• Leverage other MCP microservices</li> <li>• Expanded talent pool, infrastructure and knowledge sharing</li> </ul>

128

# FASTER NEW PRODUCT INTRODUCTION

MCP's marketplace capabilities quickly enabled BuildASign manufactured products to be added to the MCP catalog for sale by sister companies.

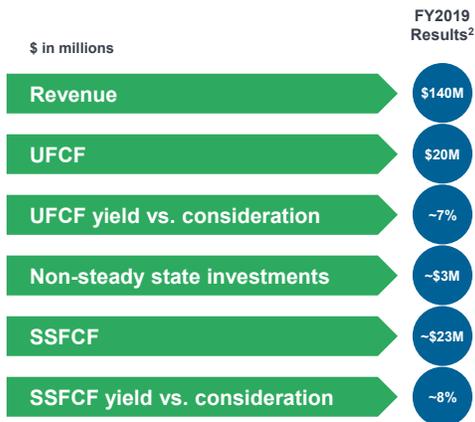
Build A Sign



129

## FY2019 PRO FORMA FREE CASH FLOW YIELD

\$271M<sup>1</sup> consideration paid



UFCF from BuildASign was \$20M in FY2019, net of investments.

This does not include tax synergies recognized in other Cimpress businesses as a result of the transaction.

Build A Sign

<sup>1</sup> Consideration net of cash for 99% ownership;  
<sup>2</sup> BuildASign Segment Profit, our GAAP profit measure for segment reporting, was \$12 million in FY2019.

130

## FY2020 FOCUS AREAS

- Adopt MCP microservices & marketplace to enable:
  - Expanded fulfillment for Vistaprint
  - Sourcing of new products from Vistaprint & National Pen
  - Enhanced customer experience on our websites
- Continue to identify new customer acquisition vehicles to bring our expanding product set to market
- Complete production capacity expansion

Build A Sign

131



# CAPITAL ALLOCATION

**SEAN QUINN**

**EVP AND CHIEF FINANCIAL OFFICER**

## AGENDA

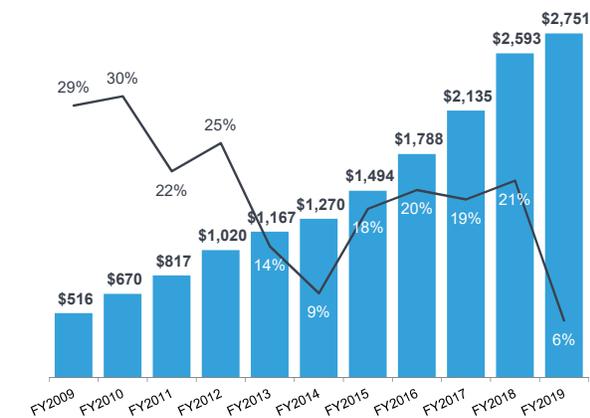
- Financial highlights
- Investment returns
- Steady state free cash flow
- Capital allocation philosophy
- Sources of value creation
- Housekeeping



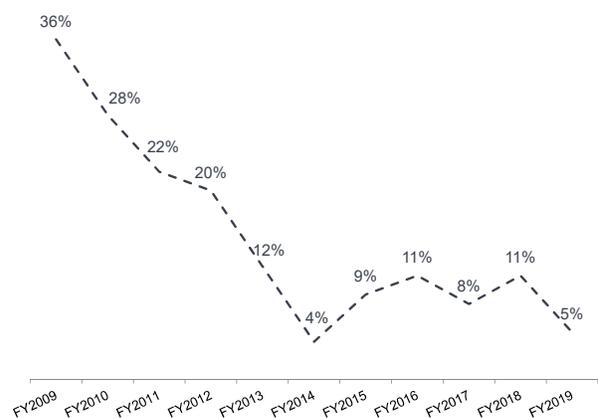
133

## REVENUE

### REVENUE & REPORTED REVENUE GROWTH (\$M)



### ORGANIC CONSTANT-CURRENCY REVENUE GROWTH



Please see reconciliation of non-GAAP financial measures at [ir.cimpress.com](http://ir.cimpress.com).

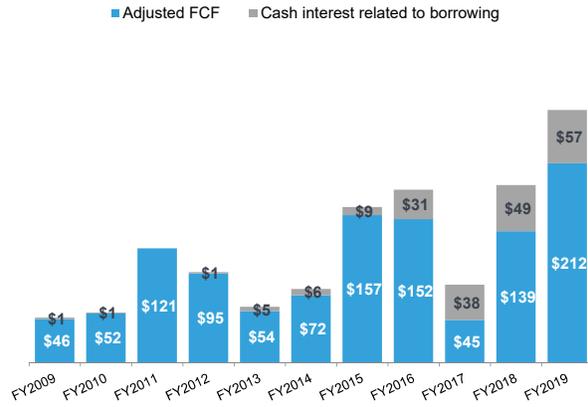
134

# CASH FLOW

CASH FLOW FROM OPERATIONS (\$M)



ADJUSTED FREE CASH FLOW & CASH INTEREST RELATED TO BORROWING (\$M)



Please see reconciliation of non-GAAP financial measures at [ir.cimpres.com](http://ir.cimpres.com).

135

# PROFITABILITY

GAAP OPERATING INCOME (\$M)



ADJUSTED EBITDA (\$M)

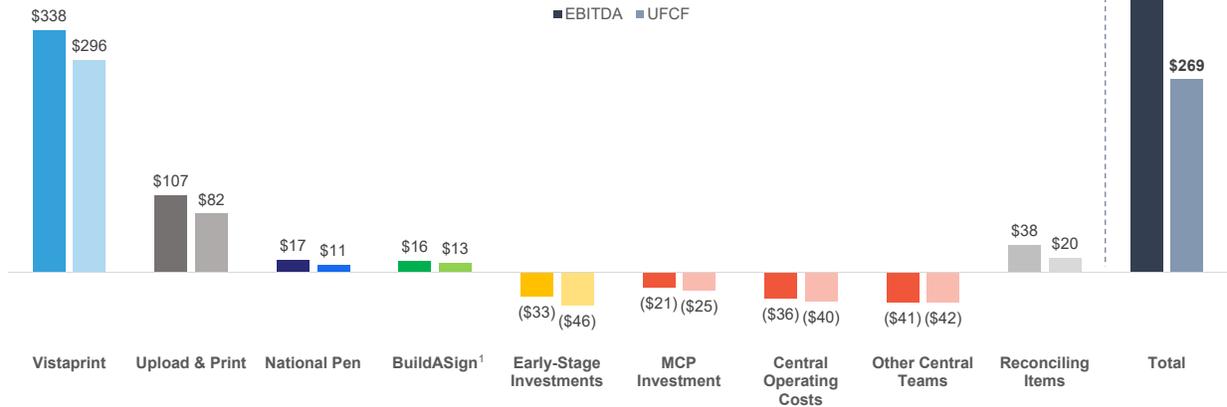


Please see reconciliation of non-GAAP financial measures at [ir.cimpres.com](http://ir.cimpres.com).

136

## FY2019 FINANCIAL RESULTS BY COMPONENT

### EBITDA AND UNLEVERED FREE CASH FLOW BY COMPONENT (\$M)

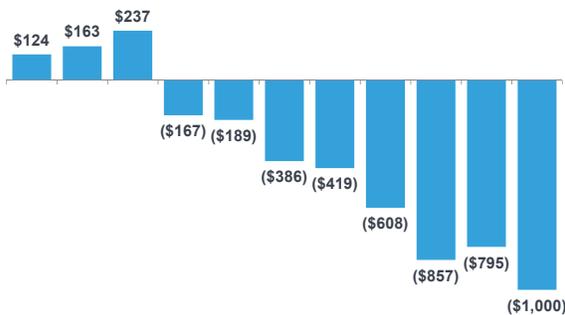


<sup>1</sup> BuildASign was acquired on October 1, 2018, and therefore, we are only showing nine months of results in FY2019 for that business. Please see reconciliation of non-GAAP financial measures at [ir.cimpres.com](http://ir.cimpres.com).

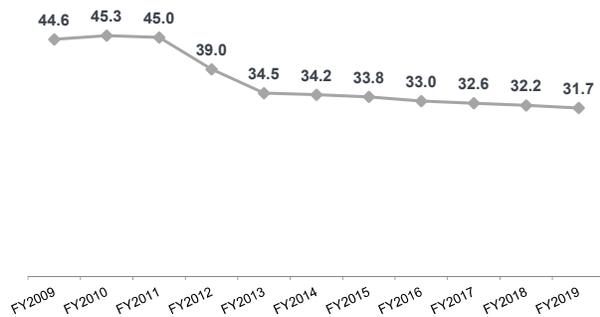
137

## NET DEBT AND SHARE COUNT

### NET CASH (DEBT)<sup>1</sup> (\$M)



### DILUTED SHARES OUTSTANDING<sup>2</sup> AS OF JUNE 30 (M)



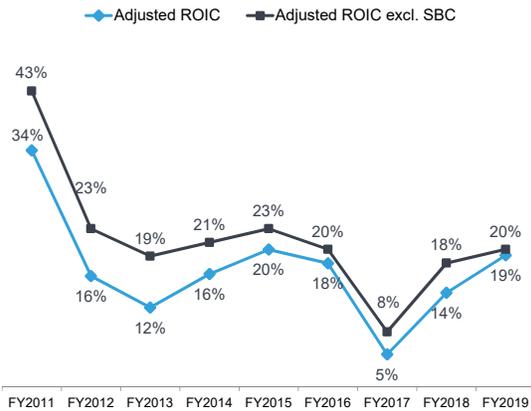
<sup>1</sup> Net (debt) is defined as the sum of our credit facility debt, senior unsecured notes and other debt less cash and cash equivalents.

<sup>2</sup> Weighted average shares outstanding for FY2017 represent the number of shares we would have reported if we recorded a profit instead of a loss that year. The basic weighted shares outstanding we reported that year was 31.3M.

138

# ROIC INFLUENCED BY MANY FACTORS

## ADJUSTED ROIC



### - What is weighing on FY19 adjusted ROIC?

- Early-stage investments
- Past Vistaprint advertising and other organic investments
- Reduced National Pen profitability
- BuildASign invested capital without a full year of profit in the numerator

### + What is driving improvements to FY19 ROIC?

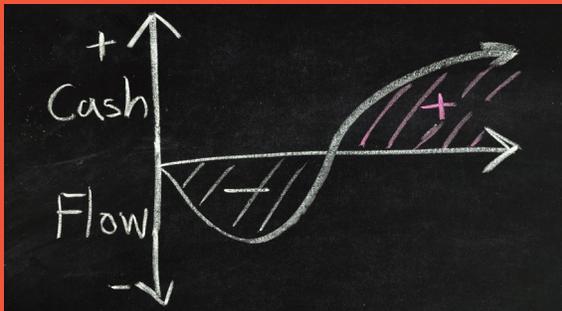
- + Growth of U&P profit relative to invested capital
- + Improved Vistaprint results in the back half of FY2019
- + Reduced costs through decentralization and restructurings
- + Favorable currency in FY2019
- + Lower cash taxes (aided by acquisitions)



Please see reconciliation of non-GAAP financial measures at [ir.cimpress.com](http://ir.cimpress.com).

139

# INTRINSIC VALUE PER SHARE



(a)  
UFCF/diluted share  
that will occur  
between now and  
long-term future,  
discounted to  
reflect cost of  
capital

-

(b)  
net debt per  
diluted share



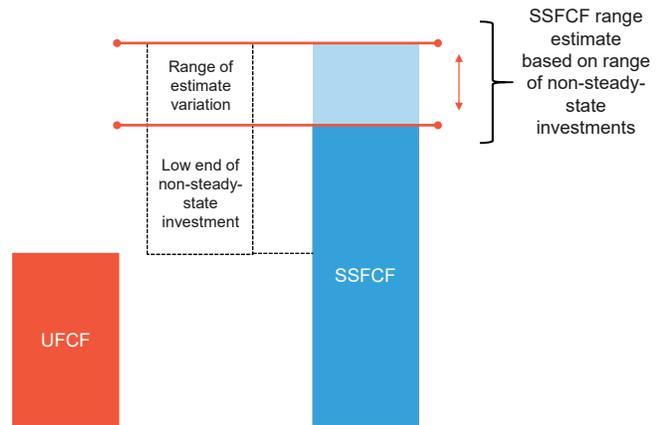
140

# STEADY-STATE FREE CASH FLOW (SSFCF)

Steady state is having a sustainable and defensible business that is capable of growing after-tax unlevered free cash flow per share at the rate of U.S. inflation over the long term

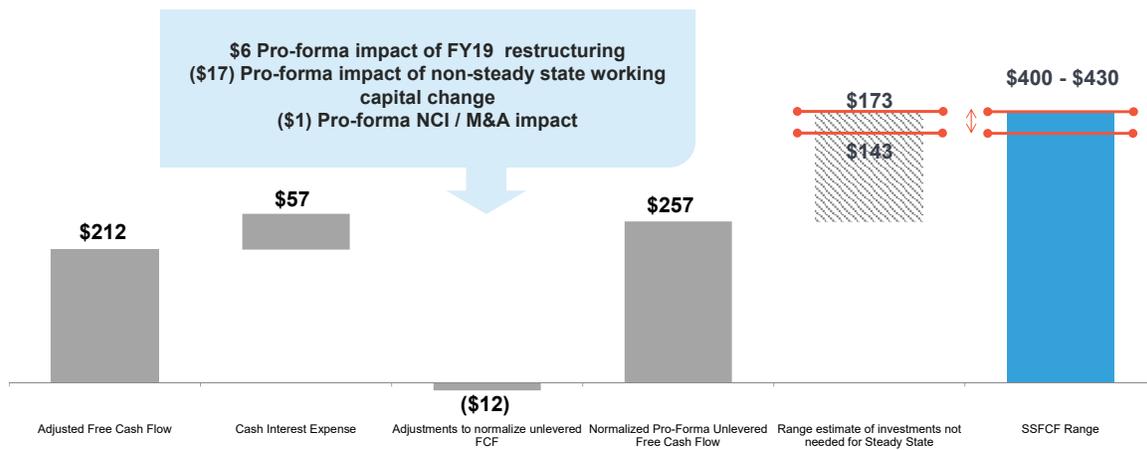


## CONCEPTUAL SSFCF CALCULATION



141

## FY2019 SSFCF RANGE ESTIMATE



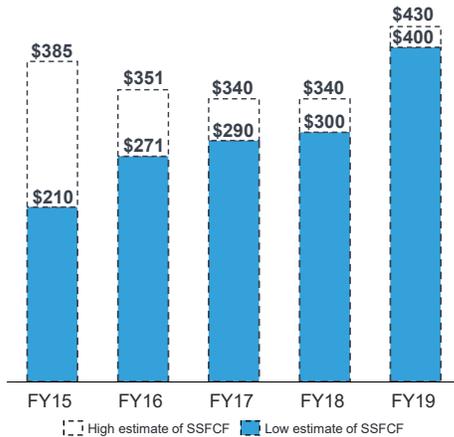
In USD, millions



Please see reconciliation of non-GAAP financial measures at [ir.cimpress.com](http://ir.cimpress.com).

142

## EVOLUTION OF OUR SSFCF RANGE ESTIMATES



In USD, millions



We have not retroactively changed or narrowed the range from our past analyses. Please see reconciliation of non-GAAP financial measures at [ir.cimpress.com](http://ir.cimpress.com).

143

- Believe the precision of our estimates is increasing as we gain experience
- Adjust each year for non-steady-state impacts like restructuring and net working capital
- May take some time for several of our past growth investments to materially impact our SSFCF estimates (e.g., early-stage investments)
- Decentralization has increased accountability for and focus on driving returns

## CAPITAL ALLOCATION PHILOSOPHY



- We endeavor to invest large amounts of capital at returns materially above our WACC
- Any use of cash that is expected to require more than 12 months to return our invested capital is considered a corporate level allocation of capital. We outline for you the non-steady state portion of this capital.
- We see many opportunities for investment that meet our return hurdles, which results in a portfolio of investments including M&A, share repurchases, and organic investments
- Investments have varying profiles of risk/return levels and payback periods
- Balanced by debt guardrails, execution bandwidth, and desire for dry powder

144

## FUTURE VALUE CREATION

### ORGANIC INVESTMENTS

### M&A

### SHARE REPURCHASES

### DEBT REPAYMENT



145

## FUTURE VALUE CREATION

*FY2020 Non-Steady-State Investment: \$135M*

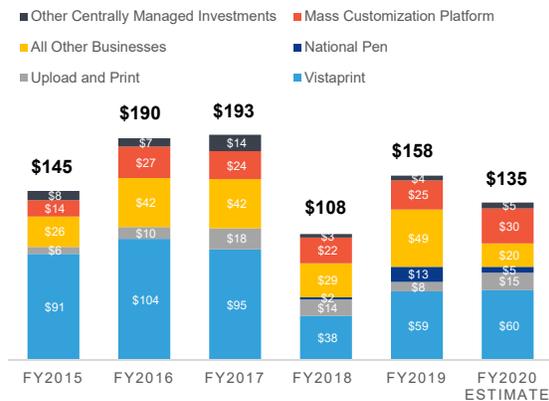
### ORGANIC INVESTMENTS

- Some multi-year organic investments starting to bear fruit
- Still investing significantly into our businesses

**\$23M reduction in non-steady-state investments from FY2019 to FY2020 driven by:**

- Significant decrease in early-stage investments
- Full year impact of Vistaprint advertising reductions (vs. half year in FY2019)
- Reduced investment in National Pen (including not repeating the poor return advertising from Q2 FY2019)
- Partially offset by an increase in growth CAPEX in Upload and Print businesses, and increased Vistaprint technology spend

### IMPACT OF INVESTMENTS ON UNLEVERED FCF (\$M) *Portion Not Needed in a Steady State*

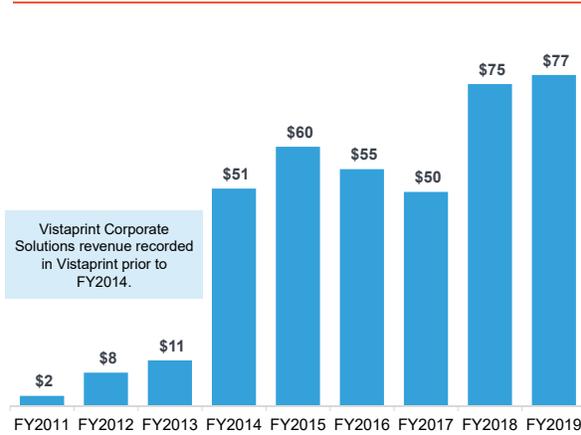


146

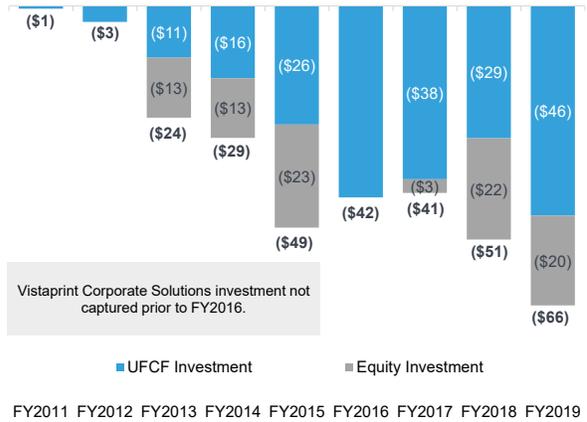
# EARLY-STAGE INVESTMENTS HISTORY

INCLUDES VISTAPRINT INDIA, VISTAPRINT JAPAN, VISTAPRINT CORPORATE SOLUTIONS, PRINTI, YSD (CHINA) AND VIDA

## REVENUE (\$M)



## UFCF & EQUITY INVESTMENT (\$306M)



\* Revenue and UFCF includes 100% of the results of businesses in the All Other Businesses segment, excluding Albumprinter which was divested in August 2017, and BuildASign which was acquired on October 1, 2018. UFCF excludes working capital changes. Cimpres' equity investments reflect actual ownership percentage of these businesses throughout the periods presented. FY2018 equity investment has been updated to include the value of cash loaned to Printi's founders during that period. The value of these loan receivables was written down in FY2019 when the redemption value of the collateralized equity decreased.

147

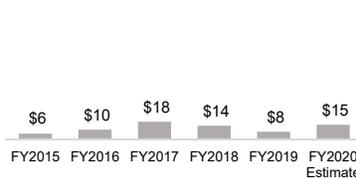
# ORGANIC INVESTMENTS AT MIDPOINT(\$M)

Portion Not Necessary to Maintain a Steady State / Unlevered Free Cash Flow Impact

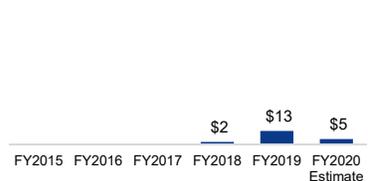
## VISTAPRINT<sup>1</sup>



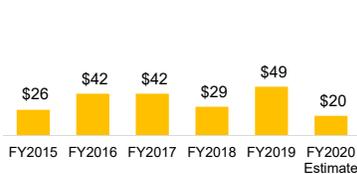
## UPLOAD AND PRINT



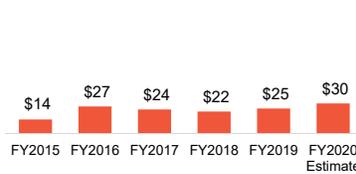
## NATIONAL PEN<sup>2</sup>



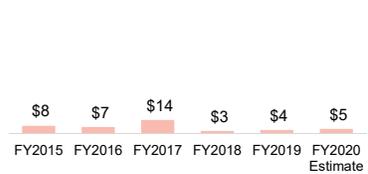
## ALL OTHER BUSINESSES<sup>1</sup>



## MASS CUSTOMIZATION PLATFORM



## OTHER CENTRALLY MANAGED INVESTMENTS



<sup>1</sup> Note that investments in Vistaprint Corporate Solutions, Vistaprint India and Vistaprint Japan are included in All Other Businesses through fiscal year 2019. Starting in fiscal year 2020, our estimated investments in these businesses are included in Vistaprint's "Other" category, corresponding to a change in reporting structure.  
<sup>2</sup> National Pen was acquired on December 30, 2016, and therefore, we did not have any organic investments for them prior to FY2018.

148

## FUTURE VALUE CREATION

Taking a break from material M&A



### M&A

- Taking a break from material M&A in the near-term to focus our capital and management time on our current business
- Eventually, we would expect there will be significant opportunity to allocate capital here
- 5-year total allocation to M&A: \$931M

M&A and Equity Investments



149

## FUTURE VALUE CREATION

Comfortable with current debt levels relative to TTM EBITDA

Historical Leverage Ratio



- Diverse business
- Discretionary spend that can be ramped up or down
- Proven ability to de-lever
- ~40% of equity in Board discussions with no incentive to take undue risk

### DEBT REPAYMENT

- Leverage increased post BuildASign acquisition
- Flexible capital structure allows for debt repayment when excess cash is available



<sup>1</sup> As defined by our debt covenants

150

# CAPITAL STRUCTURE

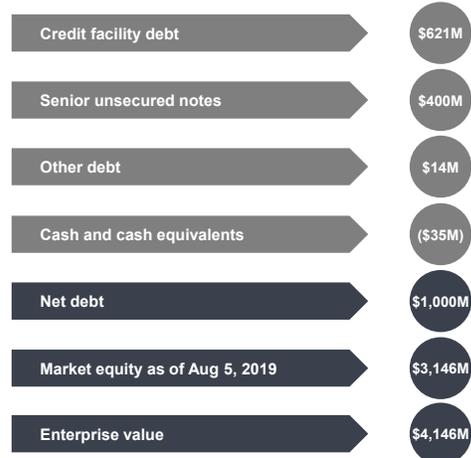
## AVAILABLE CAPITAL ON CREDIT FACILITY (\$M)



- Well positioned for the long-term with increasing access to capital because of our expanding profitability
- Capital available to deploy if we see good opportunities for high returns
- We will remain disciplined in our investment approach
- Flexibility to pay down credit facility if desired



As of June 30, 2019 (except market equity):



151

# FUTURE VALUE CREATION

Shares repurchased through FY2019<sup>1</sup> (M)

## SHARES REPURCHASED:

20.9 million<sup>1</sup> – 41%

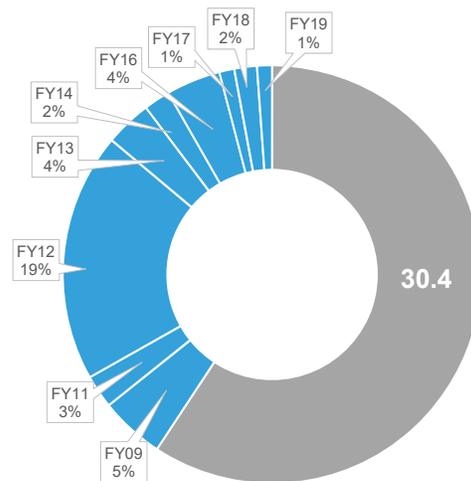
Total cost of \$872.4 million at \$41.70/share<sup>1</sup>

## CURRENT SHARES OUTSTANDING:

30.4 million – 59%

## SHARE REPURCHASES

- Continue to represent attractive opportunity for future value creation
- Take up little management bandwidth



<sup>1</sup> Inclusive of transaction costs

152

# HOUSEKEEPING



## REVENUE OUTLOOK

### ORGANIC, CONSTANT-CURRENCY

#### Vistaprint<sup>1</sup>



Flat to negative growth in FY2020.

#### Upload & Print<sup>2</sup>



Roughly consistent with growth over past two years (i.e., high-single-digit to low-double-digit growth) for the foreseeable future.

#### National Pen



Flat to low-single-digit growth in FY2020.

#### BuildASign



High-single-digit to low-double-digit growth for the foreseeable future.

#### Early-Stage Businesses<sup>3</sup>



Revenue growth for these early-stage businesses will continue to be volatile, but the change in revenue is not expected to be material to Cimpress' consolidated results in FY2020.



<sup>1</sup> This includes our expectations of pro-forma growth inclusive of Vistaprint India, Vistaprint Japan and Vistaprint Corporate Solutions into Vistaprint;

<sup>2</sup> When viewed as an aggregate percentage growth across PrintBrothers and The Print Group reportable segments;

<sup>3</sup> Includes the early-stage businesses that remain in this segment (Printi, VIDA and YSD in China). We continue to expect revenue growth to remain volatile as these early-stage businesses pivot and evolve.

## ADDITIONAL FY2020 ITEMS

<b>Organic Growth</b>	VIDA and BuildASign will be included in the organic revenue growth number starting in Q1 FY2020 and Q2 FY2020, respectively.
<b>New Leasing Standard Adoption</b>	Starting in Q1 FY2020, we will adopt the new lease accounting standard ASC 842, which will move our operating leases onto our balance sheet. The new standard will change the classification of our build-to-suit leases as operating leases, for our Waltham, Massachusetts and Dallas, Texas building leases. The new standard will not have a material impact on our income statement and no impact on how we calculate leverage for debt covenant purposes.
<b>Currency</b>	The net impact of currency in FY2019 was a greater than \$20M benefit to adjusted EBITDA and UFCF. In FY2020, based on current rates we expect to continue to have significant realized gains from currency hedging contracts, although expect the net year-over-year impact of currency on operating income, adjusted EBITDA, and UFCF to be slightly negative.



155

## Q&A SESSION

