Annual Letter to Investors

July 28, 2021

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July 28, 2021

Dear Investor,

As always, the purpose of this annual investor letter is to reflect on our strategic progress and capital allocation effectiveness over the past year, and describe our ambitions for the coming year. Over the next week, we will share examples of our strategic progress, capital allocation assessment, leadership talent and future ambitions in our annual investor day. For a detailed look at our financial results please review our separate Q4 and FY2021 earnings document that we posted today on ir.cimpress.com.

We're at the end of a fiscal year that will be remembered for the pandemic's impact to our economy, customers, industry, business operations and personal lives. I am profoundly grateful and deeply proud of the way Cimpress team members pulled together to support and deliver value for each other, our customers, our long-term investors and society at large over the past year.

The pandemic depressed our financial results throughout the fiscal year yet we still delivered $2.6 billion in revenue, $349 million of adjusted EBITDA, and $283 million of unlevered adjusted free cash flow.[1] We demonstrated that, if and when necessary, we can rapidly pivot and reduce costs and deliver material cash flow even in an extremely adverse economic environment. Once we had stabilized our financial situation, especially in the second half of the fiscal year, we returned to building for the future by recruiting a significant number of talented new team members, driving innovation, and expanding our capabilities including in data, technology development and design while continuing to push for quality improvements and efficiency gains. Importantly, we also implemented a flexible capital structure that, in addition to lowering our weighted average cost of debt, allows us to continue to invest for the future even if we were to experience additional volatility.

Here are four takeaways from the last year that are relevant for our future:

- Our decentralized structure proved to be resilient under stress: Our decentralized structure enabled our businesses to react quickly and decisively to local restrictions, the care for the health and safety of our team members, and rapidly changing customer needs. They leveraged our select few shared strategic capabilities, Cimpress-wide financing, and each others' strengths in order to weather the storm better than they could have as stand-alone businesses. In other words, our choice to operate as a group of relatively autonomous businesses with only a few, but powerful, central capabilities, proved to work well in times of extreme market turbulence. This reinforced the advantages of the structure in the minds of team members across Cimpress, and should make our future execution even better.

- Constraints and incentives are powerful: The constraints we faced during the pandemic were harsh especially in those first weeks and months. When combined with the long-term orientation of our incentives, the clarity of what we collectively needed to achieve was never clearer. We learned quickly what we could do without and reduced costs accordingly. We learned how fast we can move when aligned around common objectives within the context of these constraints and incentives. We leveraged assets across Cimpress to launch many new products and product formats that helped customers react to the changing situation, generating revenue and profits to aid our recovery. We now know what's possible and don't need a pandemic in the future to move with that type of speed.

- Remote-first work is a new source of competitive advantage: During the pandemic, we pivoted to remote work and, for many team members, moved to a permanent remote-first model. We have been very intentional about our remote-first approach and are investing behind this way of working so that it becomes

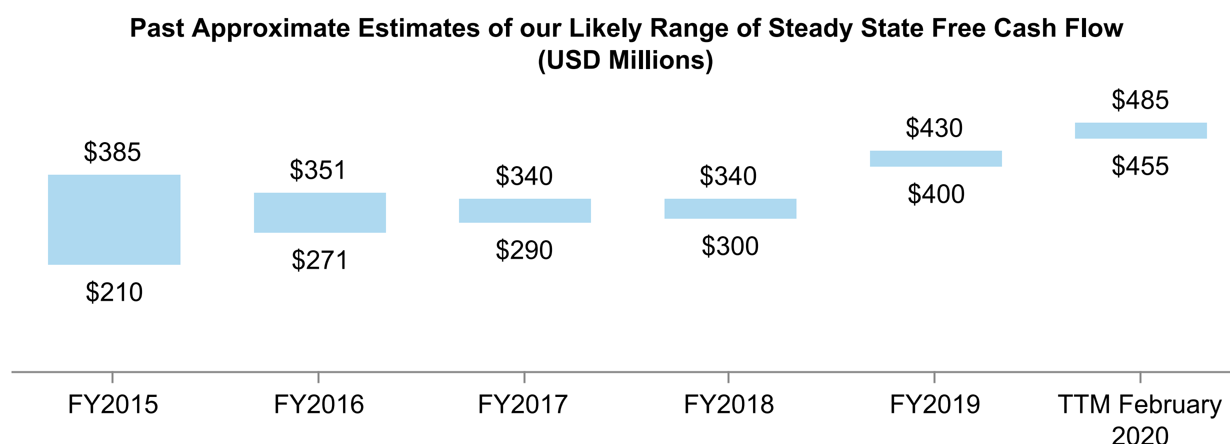
[1] Operating income in FY2021 was $124 million, operating cash flow was $265 million, adjusted free cash flow (a non-GAAP financial measure) was $166 million, and cash interest related to borrowing was $117 million. Please see reconciliation of non-GAAP measures at the end of this letter.

a competitive advantage to the recruitment, retention and engagement of top talent. We reshaped our office footprint accordingly, freeing up capital that we can redeploy into organic investment, including hiring and enhancing team member experience. Time will tell how these real-time case studies on moving away from traditional office cultures will work - early indicators for us are very positive.

- Giving back was never more important: Our businesses actively supported small businesses and communities around the world over the last year through grants, donations, advice, and products. We accelerated carbon pollution reduction targets by setting a net-zero carbon goal by 2040, we continued our high standards for using only responsibly harvested forest products and we implemented a plan to eliminate problematic plastics and to use much more recycled and recyclable content for packaging and products. We continued to increase the diversity of our team members and the inclusiveness of our company culture in recognition of the importance of these topics to team members and the pursuit of long-term value creation for customers and shareholders.

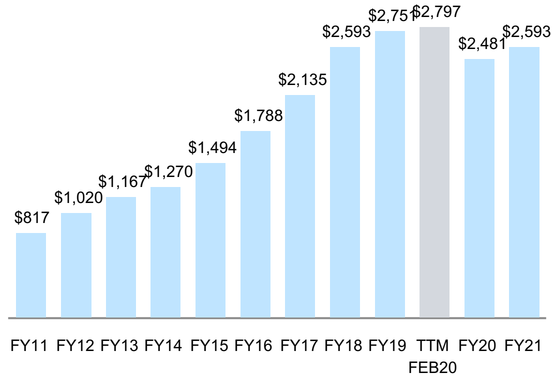
As we look to the chapter that comes after the pandemic, we are very optimistic. We operate in a massive and highly fragmented market that is undergoing a multi-decade shift from traditional offline suppliers to mass customization online players like Cimpress— and we are the clear market leader. The long-term trend toward e-commerce has accelerated, small business formation has increased, and we have the strategy, investments, and momentum to capture the opportunity in front of us. We are seeing positive results from the work we were doing prior to and through the pandemic. We know how to build long-term value by making it convenient and affordable for customers to place small, customized orders chosen from a vast combination of products and product attributes. As we begin FY2022 and see recent revenue results returning to pre-pandemic levels, we see a clear path to return to sustainable growth and improve our competitive position in FY2022 and beyond.

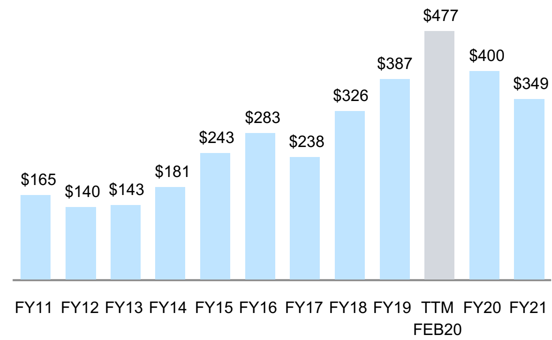
Please note that we have not published a steady state free cash flow (SSFCF) estimate for FY2021 because we cannot comfortably quantify what the impact of the pandemic was on the unlevered free cash flow component which is a critical part of our SSFCF estimate. Factors such as revenue volatility, temporary cost reductions, government incentives and many others directly impacted our unlevered free cash flow in FY2021. For reference, the chart below includes our SSFCF estimates for the multi-year period leading up to the start of the pandemic (this is identical to the version included in my letter to investors one year ago).

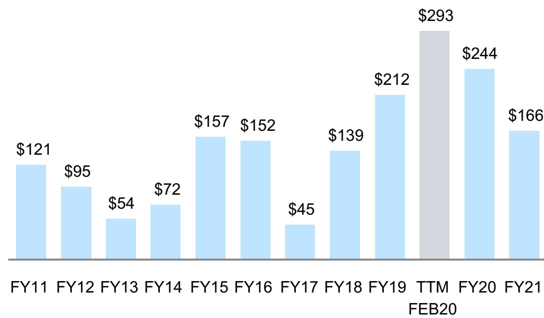


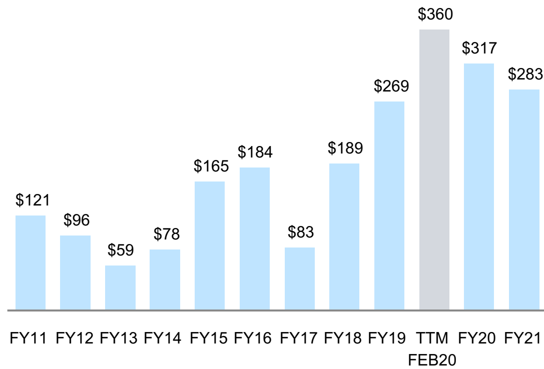
We anticipate continued volatility on the path to a full reopening including from the possibility of increased government restrictions. While we haven't disclosed an estimate for FY2021, based on recent bookings trends, the permanent cost reductions we have implemented, and the progress and investments we have made over the last year for which you'll hear tangible examples in our annual investor day, we believe we should be exiting FY2022 at a run rate of SSFCF similar to the levels we last estimated for the the twelve months ended in February 2020, with a clear trajectory toward sustained growth beyond that. More on this further below.

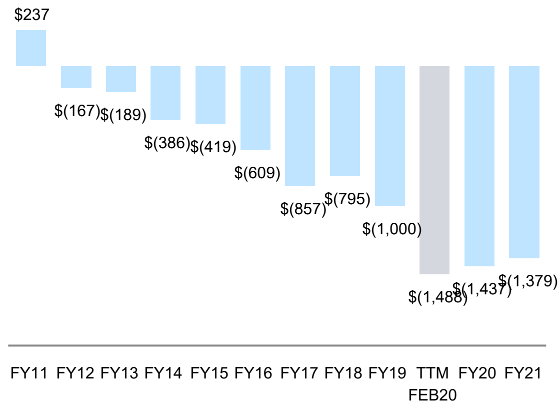
Historical and Recent Financial Measures[2,3]

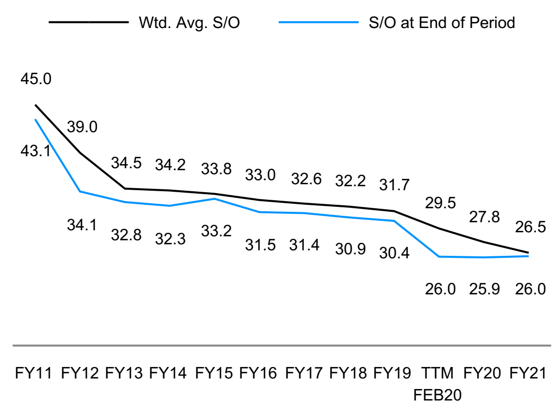












[2] Please see reconciliation of non-GAAP measures at the end of this letter.

[3] Weighted average shares outstanding for FY2017 and FY2021 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 those years was 31.3M and 26.0M, respectively.

Capital Allocation

The table below summarizes the capital allocation, other than debt repayment, that we have made over the past seven fiscal years, excluding investments we believed at the time to be required to maintain steady state (i.e., the chart includes our estimates of growth investments but not maintenance investments).

We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow at the rate of United States inflation.

We consider capital allocation to be any spend that does not pay back within twelve months on a net basis. We also include in the table below the capital we have raised via divestitures or partial-equity sales of businesses.

Capital Allocation
Excluding Organic Investments That We Believe Are Required to Maintain Steady State

Allocated Capital ($M)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020*	FY2021	7-Year Total*	Percent of 7-yr Total*
Growth investments	$145	$190	$193	$108	$158	$142	$130	$1,066	35%
M&A and similar equity investments	$148	$176	$228	$52	$327	$4	$60	$995	33%
Share repurchases	$—	$153	$50	$95	$56	$627	$—	$981	32%
Total capital deployed	**$293**	**$519**	**$471**	**$255**	**$541**	**$773**	**$190**	**$3,042**	**100%**
Capital raised via divestitures or partial-equity sales ($M)	**$—**	**$—**	**$—**	**$129**	**$12**	**$—**	**$—**	**$141**	**100%**

* Growth investments in the "FY2020" column reflect estimated spend for the trailing twelve months ended February 29, 2020 as that was the pre-pandemic period we used for our analysis last fiscal year.

Share Repurchases

We did not repurchase Cimpress shares during FY2021. Over the past 13 years we have allocated $1,499.4 million to repurchase 25.9 million shares at an average price per share of $57.84 inclusive of commissions, representing roughly half of the diluted shares outstanding at the beginning of that time frame.

We evaluate share repurchases in several ways. One is to compare our estimate of the intrinsic value per share (IVPS) of our shares relative to the price paid for a share, and to calculate the rate of return between those two numbers. Another is to look at our steady state free cash flow per share relative to the sum of (i) the price we paid per share and (ii) our net debt per share at the time of the evaluation. We overlay a point of view on our ability to grow this ratio in the future.

In light of the above methodologies and our confidence that we will return to and grow beyond our pre-pandemic levels of steady state free cash flow, we remain comfortable that our past share repurchases will deliver attractive returns on this allocated capital. We believe this statement to be true even for the shares we repurchased during FY2020 prior to the pandemic ($627.0 million to repurchase 5.0 million shares at an average price per share of $125.36 inclusive of commissions) with respect to nominal returns, although the opportunity cost of those repurchases was significant given the subsequent decrease in our share price and the expensive, although temporary, financing we took on to preserve flexibility at the height of pandemic uncertainty.

Due to the organic investment opportunities we have for FY2022, which we discuss in the next section, we don't expect to purchase additional Cimpress shares in the coming year. That being said, share repurchases have arguably been our best allocation of capital over the past ten to fifteen years. When we look beyond FY2022, we hope and expect that over the next decade we may have opportunities to allocate significant capital to share repurchases when valuation dislocations exist. If and when we do repurchase shares again, we will assess the potential to create value as we have done in the past using the methodologies described above, and we will continue to adhere to our commitment not to repurchase shares when our net leverage ratio (net debt to trailing-twelve-month EBITDA as defined by our senior secured credit agreement) is above 3.5x.

Organic Investments

The following tables include midpoint estimates of the impact of our historical growth investments on segment EBITDA and unlevered free cash flow. Note that the input to our SSFCF estimates is the impact to unlevered free cash flow, but we show the segment EBITDA view first because it is a significant component of the unlevered free cash flow view. From a segment EBITDA perspective, our growth investments outside of Vistaprint have decreased since their peak in FY2019 as we've substantially reduced the investment in our early-stage businesses while we've continued to invest in our other businesses and steadily increased investment in our mass customization platform. The same trend is in place from an unlevered free cash flow perspective, although the aggregate growth investment in technology through capitalized software is also evident. To the contrary, the tables below show the increased impact of growth investment on EBITDA and unlevered free cash flow in Vistaprint. We discuss specific investment areas for each component in our commentary below the tables.

SEGMENT EBITDA - ESTIMATED NET IMPACT[4] OF ORGANIC GROWTH INVESTMENTS[5]
$ in millions

VISTAPRINT ORGANIC GROWTH INVESTMENTS							
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**	**FY21**
Columbus (Vistaprint organic entry into promotional products)	26	35	26	—	—	—	—
New products and product extensions	—	4	18	Included below	Included below	Included below	Included below
LTV-based advertising and marketing infrastructure (see footnote 5)	14	12	15	16	34	9	46
Technology	7	9	10	5	5	7	5
Expansion of production & IT capacity	8	14	(1)	—	—	2	—
Other	—	3	14	3	6	19	3
VISTAPRINT TOTAL	**$54**	**$77**	**$82**	**$26**	**$46**	**$36**	**$54**
OTHER ORGANIC GROWTH INVESTMENTS							
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**	**FY21**
Upload and Print	6	10	12	7	5	—	5
National Pen	N/A	N/A	N/A	—	8	2	2
All Other Businesses	22	34	26	36	38	18	5
Mass Customization Platform (MCP)	15	24	20	19	22	24	27
Other Centrally Managed Investments	14	11	14	16	5	6	7
TOTAL OTHER THAN VISTAPRINT	**$57**	**$80**	**$72**	**$78**	**$77**	**$50**	**$46**
CIMPRESS TOTAL AT MIDPOINT	**$111**	**$157**	**$154**	**$104**	**$123**	**$86**	**$100**
CIMPRESS TOTAL ESTIMATED RANGE	**N/A**	**$116M - $196M**	**$155M - $205M**	**$97M - $137M**	**$122M - $152M**	**$70M - $100M**	**$85M - $115M**

[4] Note that the estimates presented regarding our investments in MCP are gross investments, prior to benefits we realize in year, i.e., not net investments like the other lines in these tables.

[5] Note that Vistaprint's "LTV-based advertising and marketing infrastructure" includes the cost of many marketing-related teams delivering core parts of our strategy, including user experience, data and analytics, and design. Additionally, investments in Vistaprint Corporate Solutions, Vistaprint India and Vistaprint Japan are included in All Other Businesses through FY2019. Starting in FY2020, these businesses moved into our Vistaprint business, and so our estimated investments in these businesses are included in Vistaprint's "Other" category for the trailing-twelve-month period ended February 29, 2020. Additionally, we exclude $5 million of VIDA EBITDA losses from the growth investments within the "TTM Feb20" column above.

UNLEVERED FREE CASH FLOW[6] - ESTIMATED NET IMPACT OF ORGANIC GROWTH INVESTMENTS[7]
$ in millions

VISTAPRINT ORGANIC GROWTH INVESTMENTS							
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**	**FY21**
Columbus	34	36	26	—	—	—	—
New products and product extensions	14	8	18	Included below	Included below	Included below	Included below
LTV-based advertising and marketing infrastructure (see footnote 7)	13	12	15	16	32	9	49
Technology	8	11	10	9	11	14	13
Expansion of production & IT capacity	14	34	11	8	10	12	1
Other	8	3	15	5	6	17	4
VISTAPRINT TOTAL	**$91**	**$104**	**$95**	**$38**	**$59**	**$52**	**$67**

OTHER ORGANIC GROWTH INVESTMENTS							
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**	**FY21**
Upload and Print	6	10	18	14	8	14	4
National Pen	N/A	N/A	N/A	2	13	7	7
All Other Businesses	26	42	42	29	49	28	12
Mass Customization Platform (MCP)	14	27	24	22	25	28	34
Other Centrally Managed Investments	8	7	14	3	4	5	6
TOTAL OTHER THAN VISTAPRINT	**$54**	**$86**	**$98**	**$70**	**$99**	**$82**	**$63**

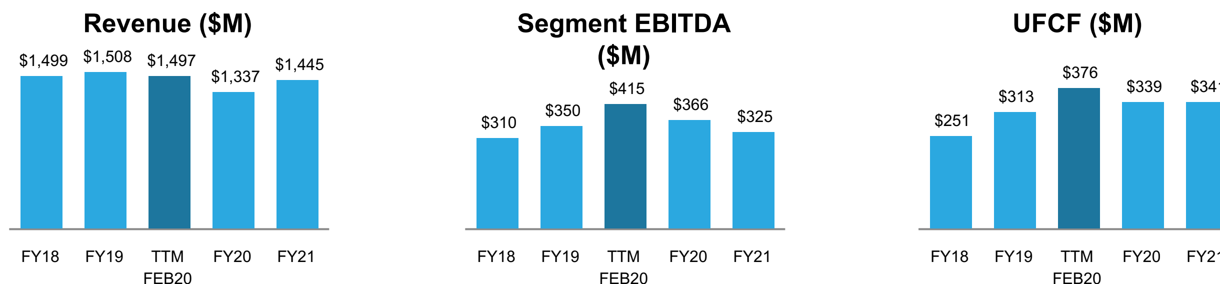
CIMPRESS TOTAL AT MIDPOINT	**$145**	**$190**	**$193**	**$108**	**$158**	**$134**	**$130**
CIMPRESS TOTAL ESTIMATED RANGE	**N/A**	**$150M - $230M**	**$168M - $218M**	**$88M - $128M**	**$143M - $173M**	**$119M - $149M**	**$115M - $145M**

[6] Note that the estimates presented regarding our investments in MCP are gross investments, prior to benefits we realize in year, i.e., not net investments like the other lines in these tables.
[7] Note that Vistaprint's "LTV-based advertising and marketing infrastructure" includes the cost of many marketing-related teams delivering core parts of our strategy, including user experience, data and analytics, and design. Additionally, investments in Vistaprint Corporate Solutions, Vistaprint India and Vistaprint Japan are included in All Other Businesses through FY2019. Starting in FY2020, these businesses moved into our Vistaprint business, and so our estimated investments in these businesses are included in Vistaprint's "Other" category for the trailing-twelve-month period ended February 29, 2020. Additionally, we exclude $4 million of VIDA UFCF losses from the growth investments within the "TTM Feb20" column above.

Assessment of Capital Allocation by Component

Below we assess recent performance by component. The charts for each component are revenue, segment EBITDA (our segment measure of profitability, which includes share-based compensation expense), and unlevered free cash flow (which adds capital expenditures, capitalized software, cash taxes and changes in net working capital, but excludes share-based compensation expense). As we did in last year's letter, we include the results from the trailing-twelve-month period ended February 28, 2020 to show a pre-pandemic comparison that reflects a full year of strategic changes in Vistaprint and other businesses announced in January 2019.

Vistaprint

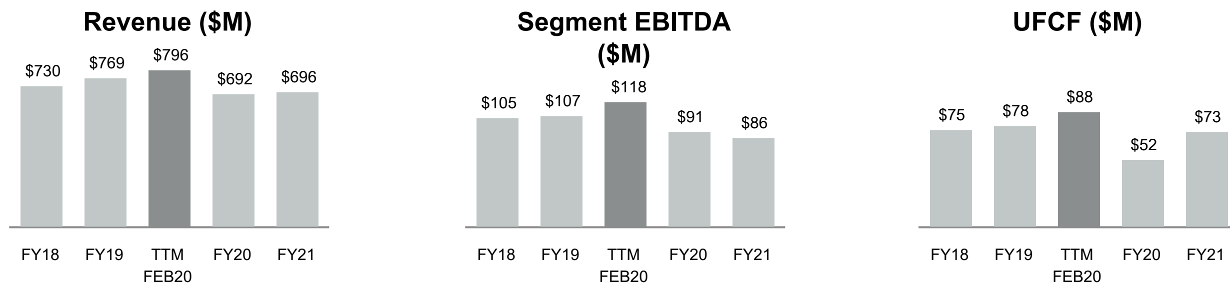


In January 2019 we announced significant changes in Vistaprint that I covered extensively in past letters. Vistaprint has progressed enormously since that time. Although that momentum is not obvious in our financial results over the last year because of the pandemic, it was certainly still there under the surface. In FY2021 we accelerated investments in building foundational basics while also turning to investments to significantly improve the value we deliver to our customers. We made steady progress in our transition to our new technology platform, which we have launched in eight countries as of the end of FY2021. We have made continuous improvements to our capabilities, products, services, and processes that have ultimately led to better customer value. As an example, our focus on improving the customer experience in FY2021 reduced our complaint rate to the lowest level in nine years and has driven our product satisfaction score to an all-time record high. Despite the pandemic's impact on our customer count this past year, we see these changes show up in meaningful improvements in per customer economics over the last two years.

Our north star for Vistaprint is to be the expert design and marketing partner for small businesses and you'll hear more about that at our upcoming investor day. Vistaprint's market is huge and we believe the investments we have made and will continue to make in FY2022 as we move from transactions to relationships will allow us to capture more share with existing customers, acquire and serve larger and higher value customers, and deliver expertise and products for both physical and digital marketing. The UFCF from Vistaprint was approximately $341 million in FY2021, net of organic growth investments of $57 million to $77 million. This does not include the $36 million of capital to acquire 99designs this year with another $45 million payable in the third quarter of FY2022. We are happy with the new talent and capabilities that 99designs has brought us, and we are excited about what we will build together in the coming years.

Subject to pacing of investment based on the results of our recent investments and the overall post-pandemic recovery, for FY2022 we plan to increase our organic growth investment in Vistaprint significantly. This will occur as we experience the annualized impact of the increased investment from the second half of FY2021 and continue to invest in talent across data and analytics, user experience and technology, product development, performance advertising, upper-funnel brand spend and sponsorships, new product introduction and design capabilities. These investments are being made by high-performing teams with increasing customer focus and with clarity on the need to measure and to drive strong financial returns. Vistaprint's past and current data and technology investments are an enabler to rich, personalized customer experiences, rapid new product introduction, quality improvements, full-spectrum design capabilities and a focus on moving from selling items to customers to offering relevant solutions and being a partner to customers through their entire journey as a small business.

Upload and Print Businesses[8]



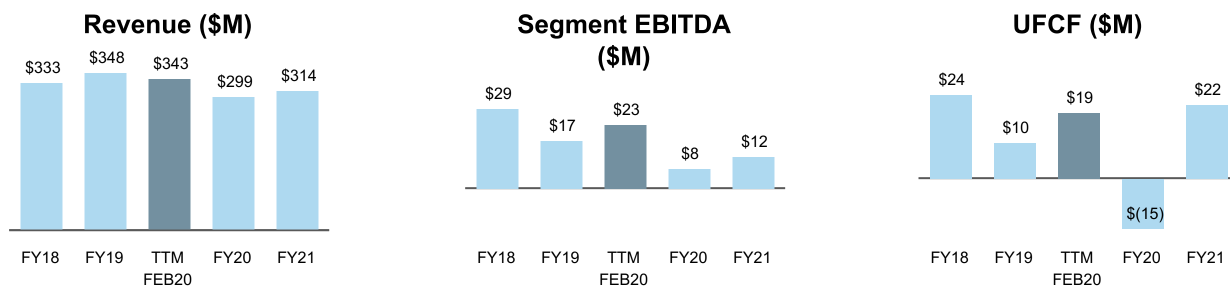
This group consists of seven different businesses that we have acquired, plus relatively minor equity investments in suppliers (€503 million total investment consideration between FY2014 and FY2021). The total investment includes payments and minority equity purchases completed to date.

Upload and Print businesses generated approximately €55 million in UFCF in FY2021 (net of reductions to reflect the partial equity ownership of certain businesses in the group), a yield of approximately 11% on the €503 million of consideration we have paid to date that was depressed by the pandemic impact. This is net of organic growth investments of €3 million to €4 million in FY2021. Our Upload and Print businesses are organized into two reportable segments, each centered around a business with significant supply chain and other advantages.

All seven businesses are based in Europe and the resurgence of COVID-19 caused two waves of lockdowns across all markets, severely impacting revenue for all businesses. Given the top-line stress we experienced, FY2021 initiatives in Upload and Print largely centered around developing long-term foundations of our businesses. For example: enriching our product ranges, reducing costs, investing in software and production technology and driving intra-Cimpress wholesale transactions via the Cimpress MCP marketplace.

In FY2022, these businesses plan to invest to drive further competitive advantages in customer offering and experience as well as production and supply chain benefits. Compared to FY2021, we expect the EBITDA impact of growth investments to be slightly higher in FY2022 along with an uptick in capital expenditures for new product introduction and innovation.

National Pen



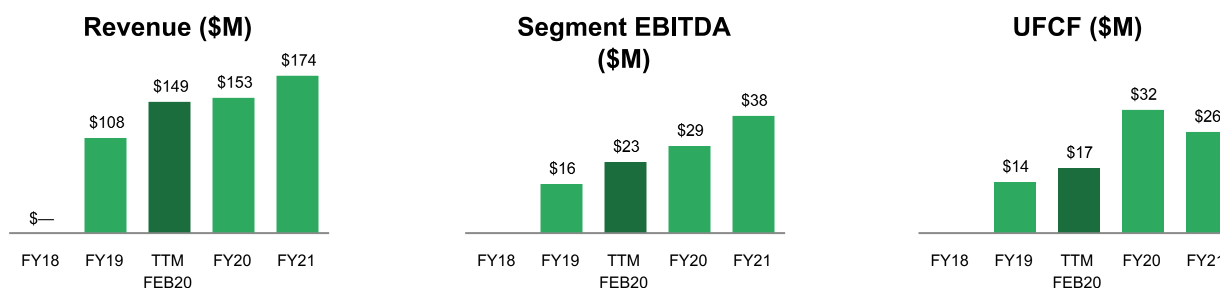
National Pen was hit quite hard by the pandemic given the nature of its business connected to in-person events. Despite the prolonged COVID-19 disruption, throughout FY2021 National Pen continued to invest in and advance its core strategic initiatives while also pivoting quickly to launch products to serve customer needs and deliver an

[8] Upload and Print businesses combine the results of two segments: PrintBrothers and The Print Group, and eliminates intercompany revenue within the group as if these businesses were in a single segment. Please see non-GAAP reconciliations at the end of this document.

important part of the supply chain for face masks including those sold through Vistaprint. The business also saw continued development and expansion of e-commerce and technology teams and successfully migrated many markets outside of North America to a new e-commerce platform, with North America to follow in FY2022. National Pen has made steady progress on its increased shift to and focus on e-commerce channels, which we believe will be a key determiner in achieving acceptable returns on our total invested capital. We acquired National Pen for $211 million on December 31, 2016. The UFCF in FY2021 was $22 million, or 10% of consideration paid. This is an improvement from FY2020, but still below FY2018 results. UFCF was net of organic growth investments of $6 million - $8 million that we believe are not required to maintain steady state. Additionally, National Pen incurred costs for pandemic-related inventory write-downs that decreased FY2021 segment EBITDA by $8 million and UFCF by $2 million.

In FY2022, we expect that growth investment in National Pen will be roughly consistent with investment levels in the prior two years.

BuildASign[9]



We acquired 99% of BuildASign in October 2018 for $271 million. In the fourth quarter of FY2021, BuildASign allocated $17 million of capital to acquire 81% of a fast growing business located in the U.S. whose product capabilities we expect to benefit BuildASign and other Cimpress businesses in North America via intra-Cimpress wholesale supply relationships. The contribution of that business was not material to BuildASign's FY2021 results.

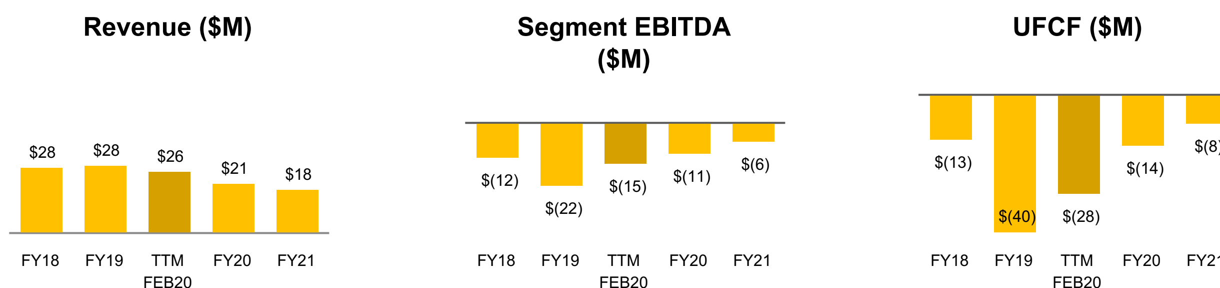
The UFCF of BuildASign for FY2021 was $26 million, or 10% of the total investment consideration (excluding the recent acquisition as it was not yet contributing to BuildASign's FY2021 financial results due to its timing), net of organic growth investments of $3 million - $4 million. BuildASign had its best financial year ever in FY2021 while growing revenue and EBITDA 13% and 33% year over year, respectively. Pro forma revenue and EBITDA was 23% and 78% higher than in FY2019, respectively (as if we had owned BuildASign for the full year in 2019).[10] This growth has been driven by great execution and leveraging the shared strategic capabilities of Cimpress. While divisions of BuildASign like signs and apparel saw market downturns due to the pandemic, we were able to capitalize on strong demand for home decor products, as well as pandemic-specific signage use cases such as graduation lawn signs or re-opening signage. BuildASign also successfully partnered with our National Pen business in producing canvas for our west coast customers, a partnership that enabled us to generate an additional 8% in total canvas unit growth during the Q2 holiday season.

In FY2022, we expect BuildASign's net organic growth investments to be similar to recent years.

[9] BuildASign is the largest component of our All Other Businesses segment.

[10] We acquired BuildASign in October 2018, the second quarter of FY2019. Charts above reflect reported figures. FY2021 reported revenue and EBITDA was 61% and 138% higher, respectively, due in part to acquisition timing.

Early-Stage Investments[11]



As demonstrated in the charts above, over the last two years we have significantly reduced the segment EBITDA and UFCF investment of our early-stage businesses. This was driven by the reduced scope of these investments, including the divestment of VIDA in FY2020 and rationalization of the focus in Printi, as well as continued scale. These remain small, entrepreneurial initiatives with high degrees of risk but, if successful, significant upside.

Even with the effects of the pandemic, Printi consumed less cash in FY2021 than in FY2020 and significantly less than FY2019. The business is a market leader for upload and print in Brazil and is growing despite the economic and social trauma in Brazil from the pandemic.

YSD, based in China, demonstrated its capabilities with an impressive list of third-party customers this past year. As was the case at the end of FY2020, in FY2021 YSD continued to be instrumental to our pandemic response, supporting multiple Cimpress businesses like Vistaprint, Pixartprinting and National Pen in their supply chain automation for custom masks during the pandemic. The YSD team is in the process of pivoting the business model to more directly leverage the technology and supply chain expertise that was demonstrated via the mask project. YSD's investment level remains small and is driven by continued investment in software development.

Central Investments

The Cimpress mass customization platform (MCP) has demonstrated significant value before and during the pandemic. It allowed our businesses to remain nimble in supporting our customers when uncertainty hit about whether specific production facilities could remain open. It also helps improve our efficiency while customer demand is lower than usual because it opens up opportunities to shift volume between our businesses more freely than if all facilities were operating at capacity. In FY2021, we increased investment in MCP in multiple domains like e-commerce and artwork technology. In FY2022, we expect another modest increase in investment in MCP as we believe this gross investment will continue to drive returns in our businesses that help them accelerate revenue growth and/or drive efficiency gains. Our central procurement team, working in concert with our businesses, helps drive material cash and cost savings under normal circumstances, and they have also driven great value during our pandemic response, both in terms of partnering with suppliers to preserve liquidity as well as sourcing for new product introduction and maintaining the reliability of our supply chain.

Summary & Conclusion

While the impact of the pandemic blurred the evidence of our progress that we believe would have otherwise been evident in our FY2021 financial results, our advantages throughout Cimpress building off of the momentum we had prior to the pandemic have only become clearer. Thanks to an improved competitive position, a team with demonstrated ability to execute well, and the investments we have made over the last years, as we turn to FY2022 I am optimistic about returning to sustained revenue growth and growth of our intrinsic value per share. Earlier I wrote that we believe we should be exiting FY2022 at a run rate of SSFCF similar to the levels we last estimated for the the twelve months ended in February 2020, with a clear trajectory toward sustained growth beyond that. There are a number of things that give me confidence in this, let me share a few:

[11] Early-stage investments are part of our All Other Businesses segment.

- We have removed over $30 million of annual cash costs from our structure and are more efficient as a result.

- We have further improved the efficiency of our advertising spend, particularly in the Vistaprint business. Even as we layer on additional growth investments in this area, each dollar is expected to go farther than it did in the TTM February 2020 period. And we see more opportunity to make further improvement.

- The per-customer metrics in Vistaprint have improved through many of the investments we have been making in that business. We have built many tools that help people throughout the business test, learn and make better decisions. We are strengthening our design offering from "do it yourself" to "do it with help" to "do it for me" in ways that should allow us to attract and convert more customers, retain existing customers for longer, and capture additional share of wallet than we do today. And our new platform launches have begun to unlock new product introduction and personalization opportunity, which should help us serve our customers better and further earn their trust. As such, we believe improving customer lifetime value will be a strong lever for growth and will economically justify an acceleration of new customer acquisition in Vistaprint in the coming years.

- We expect that physical products will maintain their relevance even as some aspects of our world become more digital. During the pandemic, we saw significant growth in physical products that made a big personal impact, such as graduation lawn signs or canvas prints. The move toward online ordering for food delivery created demand for printed menus and packaging. Many small e-commerce sellers are making an impression with in-box marketing materials and attractive custom packaging. And business cards, signs, flyers and other products are becoming more connected, with QR codes that bring a customer to a website or catalog or enable contactless payment. All of these applications accelerated during the pandemic, and we expect they will continue beyond it. That is in addition to the return of in-person events that have driven traditional demand for physical products, which has begun to tick up and customer sentiment and intent to purchase has increased recently.

- Finally, our senior most team members' incentives are aligned to those of our long-term shareholders and over the last two years we have increased our talent density. In many of our businesses, these long-term incentives are centered around achieving above-hurdle rate returns on invested capital for each business. At the Cimpress-level and in Vistaprint, including for myself, our performance share program incentives are centered on long-term shareholder returns above a hurdle rate. While these programs have been in place for a number of years, over the next few years we will begin to have annual cycles of measurement opportunities meaning that those running our businesses and central teams are as motivated as ever to execute to deliver these returns.

I greatly value the partnership of our long-term shareholders and our debt holders. I am optimistic that together we will succeed in driving great value for customers, team members, society, and you who have entrusted your capital with us.

Sincerely,

Robert Keane
Founder, Chairman & CEO
Cimpress plc

July 28, 2021

APPENDICES

Historical Estimates of Steady State Free Cash Flow

As we regularly emphasize, Cimpress' uppermost financial objective is to maximize our intrinsic value per share. We believe we can approximate the rate of growth of our IVPS by comparing, across long periods of time, the result of the following formula:

([SSFCF divided by our WACC] - net debt) / diluted shares outstanding

Note that the output of the above formula is not an estimate of our IVPS because the SSFCF component does not include the value of growth investment, past and future, that is not yet impacting our SSFCF, whereas the net debt component does include the cumulative investments.

We provide below a table of historical values for the components of the formula and we encourage shareholders to make their own estimates. Note that the last column is the trailing twelve months ended February 29, 2020, just prior to Cimpress' results being heavily impacted by the pandemic other than pro forma net debt and weighted average diluted shares outstanding which are as of June 30, 2020.

in millions	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**TTM Feb20***
When we made this estimate	**July 2015**	**July 2016**	**July 2017**	**July 2018**	**July 2019**	**July 2020**
High estimate of SSFCF	$385	$351	$340	$340	$430	$485
Low estimate of SSFCF	$210	$271	$290	$300	$400	$455
Pro forma net debt*	$413	$601	$750	$795	$1,001	$1,437
Weighted average diluted shares outstanding**	33.8	33.0	32.6	32.2	31.7	27.8

* Pro forma net debt and weighted average diluted shares outstanding in the TTM Feb20 column are as of June 30, 2020. Since it is a weighted average for the fiscal year, the weighted average diluted shares outstanding as of June 30, 2020 do not fully reflect the FY2020 repurchases. The number of actual shares outstanding on June 30, 2020 was 25.9 million. Total dilutive shares from options, RSUs and warrants was 1.3 million shares, although net dilution will be less.
**Please see details in net debt per share appendix.

In order to create economic value, net of our cost of capital, we need to grow the result of this equation at a compounded annual growth rate that is higher than our cost of capital. In my letter to you last year we said that the result of the above formula for the trailing-twelve-month period ended in February 2020 was significantly improved over FY2019 and very significantly improved over FY2018.

How We Think About Intrinsic Value Per Share

Our uppermost financial objective is to maximize our IVPS. We do not publicly disclose our internal IVPS range estimates because of their judgment-based nature and because we assume that shareholders who take a long-term perspective will each make their own estimates of the value of a share of Cimpress. However, I would like to explain the process by which we internally establish an IVPS range estimate so you understand how we, as the stewards of the capital you entrust to us, think about this very important subject.

We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share.

Any estimate of part (a) is inherently subjective and based on forward-looking projections. That is why we say that our definition of IVPS is based on our best judgment. Please note my use of many qualifying terms throughout this letter such as "estimated", "range", "approximate" and "judgment". The future is inherently unknowable so our commentary should be understood in the context of these qualifying terms.

We use two methods to estimate part (a) of our IVPS equation. We establish multiple scenarios, so each of these approaches generates a range based on several present values. We try to be prudent and realistic in our forecasts.

We then look at the range of all the outputs across the two methods, discuss and debate the merits and weaknesses of each output, and then make a range-based judgment call.

The first of these two methods is a classic discounted cash flow ("DCF") financial model. We forecast key line items in our income statement and cash flow statements based on past trends, and our beliefs about how those trends will progress in the future. We typically project these ten fiscal years into the future, and in the last year establish a terminal value by dividing that year's projected UFCF by our WACC. We then discount all of this back to today at our WACC, then divide by the number of diluted shares.

The second method is based on steady state unlevered free cash flow ("SSFCF"). We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow at the rate of United States inflation. SSFCF is an estimate that is inherently based on many subjective business judgments and approximations, so you should consider our statements about this concept to be directional range estimates that are definitely not specific or precise. This approach is not traditional but we believe it to be useful and informative. In our experience, we typically find that our estimates of IVPS are lower using the SSFCF method than the DCF method. For the SSFCF method, our process is to establish:

i. An estimated range of what value exists in Cimpress today assuming no more of our past investments turn cash generative (or negative) and assuming we were to stop investing for growth beyond steady state. We establish this estimated range by dividing the upper and lower bounds of our range estimate of SSFCF by our WACC to derive a high and low enterprise value prior to accounting for future returns on capital which we have deployed or will deploy which are not yet contributing to our SSFCF.

ii. An estimated range of future returns from our past and future capital allocation (other than organic investments required to maintain steady state) whose returns do not yet show up in our SSFCF. We discount those to their present value using our WACC. This second component addresses our view that a major portion of our estimate of IVPS derives from us having a large set of attractive investment opportunities for the foreseeable future and that we can fund such investments thanks to our significant SSFCF combined with our financing capacity.

iii. Add the results from "i." and "ii." together to estimate a range of values, which we divide by the number of diluted shares.

While part "ii." is a material part of any IVPS calculation, it necessitates significant assumptions about the future which often times are well-intentioned but lead to overly optimistic estimates of returns that have yet to materialize. For retrospective assessments of the compounded annual growth rate (CAGR) of IVPS over extended periods (such as the FY15 to FY19 assessment discussed in this letter) we therefore use only part "i." as the value which we divide by the number of diluted shares.

As discussed previously, we allocate capital based on our estimates of the present value of any given potential investment, discounted by our hurdle rates and selected within the context of alternative uses of that capital. For example, we do not protect or favor the maintenance of SSFCF in our existing businesses as part of our capital allocation processes. As with all capital allocation choices, we would make such investments only if we believe that they will both meet or exceed relevant hurdle rates and will be the best choice relative to alternative uses of that capital. We would rather accept that such a portion of our business is mature and declining and use the cash flows that are generated from it to invest elsewhere. The fact that we currently invest large amounts of capital into the maintenance of steady state reflects our belief in the strong returns available to us in our current business.

Capital Allocation Approach

We can deploy capital via organic investments, share repurchases, acquisitions and equity investments, debt reduction, and the payment of dividends. Please note, however, that we do not intend to pay dividends for the foreseeable future. Our sources of capital are the cash we generate from our businesses, the issuance of debt, the issuance of equity, and the divestiture of assets. We consider capital to be fungible across all of these categories. In other words, we do not favor one over the other, but rather seek to grow our IVPS by allocating capital across these categories in function of the relative returns of current and expected future opportunities.

We define corporate-level deployment of capital as any investment of money that we expect to require more than twelve months to return 100% or more of the investment. You should assume this definition for all of our references to capital allocation. We delegate to our businesses and central teams (and do not centrally seek to limit or optimize) capital allocation decisions which our operational executives expect to pay back in less than twelve months. We then hold each operating unit accountable for delivering an aggregate level of unlevered free cash flow that (a) takes into account the negative cash flow from corporate-level capital allocation, and (b) is net of any sub-12-month-payback investments they chose to make on a decentralized basis.

We evaluate our IVPS in U.S. dollars so we hold ourselves responsible for long-term, consolidated financial results in U.S. dollars. That being said, we hold our individual businesses accountable to financial results in the currencies that are most relevant to those businesses. We believe that, over the long term, most currencies will fluctuate both up and down relative to the the U.S. dollar and that, on average and over the long term, those fluctuations will neutralize most of the impact of shorter-term currency volatility. We seek to reduce short- and medium-term currency volatility at an aggregate level either naturally or with our hedging program so that we have time to react to significant changes for our debt covenants.

We currently estimate our WACC to be 8.5%, unchanged from previous years. We seek to have a weighted average return on our portfolio of deployed capital, net of failures, that is materially above our WACC. In support of this objective, we vary the hurdle rates that we use at the time of investment decisions in function of our judgment of the risks to various types of investment. For example, we require only 10% for highly predictable organic investments located in Europe, North America or Australia such as the replacement or expansion of capital equipment for profitable and growing businesses, 15% for M&A of established, growing, profitable companies, and 25% for risky investments such as our investments in our portfolio of early-stage businesses. At the time that we make any given investment we expect to deliver a return that is above its relevant hurdle rate, preferably well above.

As much as we would like to operate in a hypothetical world in which we didn't make capital allocation errors, we believe that innovation and risk taking are critical to value creation so we do not seek to avoid investment risk nor are we able to prevent failure at the level of individual investment projects. We report to you our failures as well as our successes so that you can evaluate our performance in light of our overall weighted average portfolio of investments.

We recognize that a portfolio of investments that exceeds WACC does not necessarily mean, by itself, that we have made good capital allocation decisions. We need to compare our returns against the opportunity cost of potentially higher returns that might have come from deploying the same capital into even higher-returning opportunities of a similar risk level. This more stringent measure of performance clarifies the cost of mistakes, which we have made in the past. Also, as we have noted in the past, we can make mistakes when we raise capital. This understanding of the true cost of equity issuance is a central reason why the performance mechanisms of our share-based compensation vehicles directly link potential payout and its associated dilution to the equity returns that Cimpress delivers to long-term shareholders after such dilution.

Organic Investments

The organic capital that we have allocated, and that we plan to continue to allocate, directly reduces our UFCF. We nonetheless organically deploy significant amounts of capital because we believe that we can deliver weighted average returns on this investment portfolio that are above (preferably well above) our WACC. Doing so would, in turn, increase our IVPS.

Many of our investments begin to return cash in the same fiscal year as their initial investment so, where practical from a tracking perspective, the investment estimates we provide in this letter represent our net investment, not the gross investment. All numbers in the tables in this letter are rounded estimates. Because we cannot precisely estimate the rate of investment or precisely isolate the returning cash flows of most of our investments, and because we may make changes to our plans during the course of the future fiscal year based on new information we may receive, both historical and planned numbers in these annual letters should be considered only as directional and approximate.

To avoid complexity in the presentation and reconciliation of figures which we include in public documents, we describe these investments as a reduction to UFCF before tax effects and prior to working capital changes. However, internally, we endeavor to evaluate investment decisions based on our forecasts of discounted unlevered free cash flow, i.e., after both tax and changes to working capital.

Acquisitions & Early-Stage Investments

Acquisitions of Established Businesses

In our view, acquisitions and equity investments are risky investments that, if successful, can produce attractive returns on large amounts of capital and/or fortify the competitive position of our existing businesses. We also believe that transactions in which we acquire less than 100% of a business can be attractive under the right circumstances since such structures may help us to align, motivate and retain co-owners and/or partners who are important to driving strong performance for Cimpress. For most acquisitions or equity investments of established, growing, profitable businesses, at the time we make that investment we typically apply a 15% hurdle rate.

We may also divest and/or sell all or a portion of the equity of a given business when we believe we could deploy our capital more productively elsewhere, or when we believe that doing so will bring important benefits in terms of our relationship with third parties who are important to the success of that business.

Early-Stage Investments

For investments in nascent businesses, we typically use a 25% ROIC hurdle to reflect the materially higher risk associated with that allocation of capital. In the past, we have invested to build a portfolio of fast-growth, profitable businesses that, a decade into the future, contribute a significant portion of Cimpress' growth and which, at the portfolio level, net of inevitable failures, would have generated attractive ROIC on a magnitude that could "move the needle" of value creation at the Cimpress-wide level. We have noted in the past that we have failed spectacularly at that ambition and we have, as such, drastically reduced our early-stage investments and do not expect to allocate significant capital to them any time soon.

Share Repurchases & Issuance

Share repurchases have been a large category of capital allocation for Cimpress over the years. We do not repurchase shares with the objective of offsetting share dilution. Rather, we do so opportunistically and at times when we believe it will yield investment returns in excess of our WACC and believe it is a relatively more attractive use of capital than other current or anticipated capital allocation opportunities.

We have repurchased and issued, and may also in the future repurchase or issue, shares to cover obligations under our equity compensation plans, for acquisitions or similar transactions, and for other purposes. For example, for acquisition-related earn-outs and other purchase obligations like deferred payments for non-controlling interests, we often structure the obligation to be payable in cash or shares at Cimpress' option.

When we issue shares, we are willing to do so at prices that are at or below our estimate of our IVPS if we believe the return for the investment of the capital from the equity issuance will be higher than any loss of value we expect to incur from issuing shares below their intrinsic value.

Our choice to repurchase or issue shares is guided by the above principles and by a variety of other debt covenant and legal requirements. Because of the complexity of these criteria, periods in which we issue or buy back shares, or in which we do not do so, should not necessarily be considered as an indication of our views on our IVPS relative to the share price.

Debt Issuance & Repayment

We view debt as an important source of capital that, when maintained at manageable levels, helps us maximize our IVPS. We believe that the calculated entrepreneurial risk-taking inherent in our capital allocation is fully compatible with our commitment to maintain reasonable levels of debt because each individual investment we make is small relative to our overall financial performance.

Given our fluctuating needs for capital, we often choose to deploy capital to the reduction of debt.

We greatly value our debt investors and believe that Cimpress represents a compelling issuer of bonds and a strong customer for financial institutions.

Net Debt per Share

We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. The following table provides our calculation of part (b).

Net Debt Per Share (USD Millions Except Per Share Data)

	FY2015 (June 30, 2015)	FY2016 (June 30, 2016)	FY2017 (June 30, 2017)	FY2018 (June 30, 2018)	FY2019 (June 30, 2019)	TTM Feb 2020	FY2020 (June 30, 2020)	FY2021 (June 30, 2021)
Total debt, excluding debt issuance costs	$523	$686	$883	$839	$1,036	$1,537	$1,482	$1,765
Cash and equivalents	$104	$77	$26	$44	$35	$49	$45	$183
Marketable securities, current and non-current	$7	$8	$—	$—	$—	$—	$—	$203
Net debt, excluding debt issuance costs	$413	$601	$857	$795	$1,001	$1,488	$1,437	$1,379
Adjustment for proceeds from sale of Albumprinter*	$—	$—	$(107)	$—	$—	$—	$—	$—
Pro-forma net debt	$413	$601	$750	$795	$1,001	$1,488	$1,437	$1,379
Weighted average diluted shares outstanding**	33.8	33.0	32.6	32.2	31.7	29.5	27.8	26.5
Pro-forma net debt per share	$12.21	$18.20	$23.01	$24.69	$31.58	$50.44	$51.74	$52.03

* USD estimate made using July 25, 2017 USD/Euro spot rate of 1.1655. This adjustment was made prior to the sale date and the calculation has not been updated to show the proceeds in FY2018, when the sale was actually completed.
** Weighted average shares outstanding for FY2017 and FY2021 represent the number of shares we would have reported on the face of our income statement had we been in a profit position for FY2017 and FY2021 instead of a loss position. The 'basic' weighted shares outstanding reported on our income statement was 31.3 million for FY2017 and 26.0 million for FY2021.

Non-GAAP Reconciliations

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: adjusted EBITDA, adjusted free cash flow, unlevered free cash flow and trailing-twelve-month return on invested capital:

- Adjusted EBITDA is defined as operating income plus depreciation and amortization (excluding depreciation and amortization related to our Waltham, Massachusetts office lease) plus share-based compensation expense plus proceeds from insurance plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less interest expense related to our Waltham, Massachusetts office lease less gain on purchase or sale of subsidiaries.
- 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, plus gains on proceeds from insurance.
- Unlevered free cash flow is adjusted free cash flow before cash interest related to borrowing. Cash interest related to borrowing excludes the portion of cash interest expense expense related to our Waltham, Massachusetts office

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, as we have become more acquisitive over recent years 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 our currency forward 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 "Reconciliation of Non-GAAP Financial Measures" included at the end of this letter. 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.

Reconciliation of Non-GAAP Financial Measures

Consolidated Adjusted EBITDA
Annual, in $ millions

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TTM Feb 20	FY2020	FY2021
GAAP operating income (loss)	$93.1	$55.2	$ 46.1	$ 85.9	$ 96.3	$ 78.2	$ (45.7)	$ 157.8	$163.6	$235.7	$ 56.0	$ 123.5
Depreciation and amortization	$50.6	$59.4	$ 64.3	$ 72.3	$ 97.5	$ 132.1	$ 159.7	$ 169.0	$173.0	$171.0	$ 167.9	$ 173.2
Waltham, MA lease depreciation adjustment	$—	$—	$ —	$ —	$ —	$ (3.4)	$ (4.1)	$ (4.1)	($4.1)	($1.4)	$ —	$ —
Share-based compensation expense	$21.7	$25.4	$ 32.9	$ 27.8	$ 24.1	$ 23.8	$ 42.4	$ 49.1	$18.3	$25.5	$ 33.3	$ 37.0
Proceeds from insurance	$—	$—	$ —	$ —	$ —	$ 4.0	$ 0.8	$ 0.7	$—	$—	$ —	$ 0.1
Interest expense associated with Waltham, MA lease	$—	$—	$ —	$ —	$ —	$ (6.3)	$ (7.7)	$ (7.5)	($7.2)	($2.4)	$ —	$ —
Earn-out related charges	$—	$—	$ —	$ 2.2	$ 15.3	$ 6.4	$ 40.4	$ 2.4	$—	$—	$ (0.1)	$ —
Certain impairments and other adjustments	$—	$—	$ —	$ —	$ —	$ 41.8	$ 9.6	$ 2.9	$10.7	$10.9	$ 104.6	$ 20.5
Gain on purchase or sale of subsidiaries	$—	$—	$ —	$ —	$ —	$ —	$ —	$ (47.9)	$—	$—	$ —	$ —
Restructuring related charges	$—	$—	$ —	$ —	$ 2.5	$ 0.4	$ 26.7	$ 15.2	$12.1	$11.0	$ 13.5	$ 1.6
Realized gains (losses) on currency derivatives not included in operating income	$—	$—	$ —	$ (7.0)	$ 7.5	$ 5.9	$ 16.5	$ (11.4)	$20.3	$26.6	$ 24.5	$ (6.9)
Adjusted EBITDA[1,2]	**$165.4**	**$140.0**	**$ 143.4**	**$ 181.1**	**$ 243.1**	**$ 282.8**	**$ 238.4**	**$ 326.1**	**$386.5**	**$477.0**	**$ 399.8**	**$ 349.1**

[1] This letter uses the definition of adjusted EBITDA as outlined above and therefore does not include the pro-forma impact of acquisitions or divestitures; however, our debt covenants allow for the inclusion of pro-forma impacts to adjusted EBITDA.
[2]Adjusted 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.

Consolidated Free Cash Flow and Unlevered Free Cash Flow
Annual, in $ thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Net cash provided by operating activities	$165,149	$146,749	$141,808	$153,739	$242,022	$247,358
Purchases of property, plant and equipment	($37,405)	($46,420)	($78,999)	($72,122)	($75,813)	($80,435)
Purchases of intangible assets not related to acquisitions	($205)	($239)	($750)	($253)	($250)	($476)
Capitalization of software and website development costs	($6,290)	($5,463)	($7,667)	($9,749)	($17,323)	($26,324)
Payment of contingent consideration in excess of acquisition-date fair value	$—	$—	$—	$—	$8,055	$8,613
Proceeds from insurance related to investing activities	$—	$—	$—	$—	$—	$3,624
Adjusted free cash flow	**$121,249**	**$94,627**	**$54,392**	**$71,615**	**$156,691**	**$152,360**
Plus: cash paid during the period for interest	$219	$1,487	$4,762	$6,446	$8,520	$37,623
Less: interest expense for Waltham lease	$—	$—	$—	$—	$—	($6,287)
Unlevered free cash flow	**$121,468**	**$96,114**	**$59,154**	**$78,061**	**$165,211**	**$183,696**

Consolidated Free Cash Flow and Unlevered Free Cash Flow (continued)
Annual, in $ thousands

	FY2017	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Net cash provided by operating activities	$ 156,736	$ 192,332	$ 331,095	$ 395,292	$ 338,444	$ 265,221
Purchases of property, plant and equipment	$ (74,157)	$ (60,930)	$ (70,563)	$ (51,795)	$ (50,467)	$ (38,524)
Purchases of intangible assets not related to acquisitions	$ (197)	$ (308)	$ (64)	$ (42)	$ —	$ —
Capitalization of software and website development costs	$ (37,307)	$ (40,847)	$ (48,652)	$ (50,472)	$ (43,992)	$ (60,937)
Payment of contingent consideration in excess of acquisition-date fair value	$ —	$ 49,241	$ —	$ —	$ —	$ —
Proceeds from insurance related to investing activities	$ —	$ —	$ —	$ —	$ —	$ —
Adjusted free cash flow	**$ 45,075**	**$ 139,488**	**$ 211,816**	**$ 292,983**	**$ 243,985**	**$ 165,760**
Plus: cash paid during the period for interest	$ 45,275	$ 56,614	$ 63,940	$ 66,596	$ 72,906	$ 116,977
Less: interest expense for Waltham lease	$ (7,727)	$ (7,489)	$ (7,236)	$ —	$ —	$ —
Unlevered free cash flow	**$ 82,623**	**$ 188,613**	**$ 268,520**	**$ 359,579**	**$ 316,891**	**$ 282,737**

UFCF by Segment
Annual, in $ thousands

Vistaprint	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Segment EBITDA	**$ 309,783**	**$ 349,697**	**$ 414,615**	**$ 366,334**	**$ 324,715**
Capital Expenditures	$ (35,998)	$ (32,820)	$ (18,981)	$ (15,986)	$ (12,332)
Capitalized Software	$ (23,457)	$ (23,369)	$ (21,083)	$ (18,381)	$ (28,297)
SBC expense treated as cash	$ 7,384	$ 6,153	$ 4,294	$ 7,101	$ 10,165
Other Reconciling items[1]	$ (6,232)	$ 13,023	$ (3,040)	$ 8	$ 46,424
Unlevered free cash flow	**$ 251,480**	**$ 312,684**	**$ 375,805**	**$ 339,076**	**$ 340,676**

Upload & Print	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
PrintBrothers Segment EBITDA	$ 41,129	$ 43,474	$ 51,096	$ 39,373	$ 43,144
The Print Group Segment EBITDA	$ 63,529	$ 63,997	$ 66,871	$ 51,606	$ 43,126
Combined Upload & Print Segment EBITDA	**$ 104,658**	**$ 107,471**	**$ 117,967**	**$ 90,979**	**$ 86,270**
Capital Expenditures	$ (16,212)	$ (11,429)	$ (18,339)	$ (21,451)	$ (15,456)
Capitalized Software	$ (4,010)	$ (4,114)	$ (3,405)	$ (2,474)	$ (3,068)
SBC expense treated as cash	$ 944	$ 952	$ 701	$ 946	$ 703
Other Reconciling items[1]	$ (10,788)	$ (15,166)	$ (8,540)	$ (16,000)	$ 4,087
Combined Upload & Print unlevered free cash flow	**$ 74,592**	**$ 77,714**	**$ 88,384**	**$ 52,000**	**$ 72,536**

UFCF by Segment (continued)
Annual, in $ thousands

National Pen	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Segment EBITDA	**$ 29,438**	**$ 17,299**	**$ 23,403**	**$ 7,605**	**$ 11,644**
Capital Expenditures	$ (6,565)	$ (8,346)	**$ (4,518)**	$ (5,016)	$ (3,603)
Capitalized Software	$ (1,482)	$ (3,624)	$ (3,866)	$ (3,290)	$ (3,115)
SBC expense treated as cash	$ 543	$ 824	$ 866	$ 1,155	$ 931
Other Reconciling items[1]	$ 2,432	$ 4,052	$ 3,019	$ (14,996)	$ 15,737
Unlevered free cash flow	**$ 24,366**	**$ 10,205**	**$ 18,904**	**$ (14,541)**	**$ 21,594**

All Other Businesses	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Segment EBITDA	**$ (10,603)**	**$ (6,317)**	**$ 8,189**	**$ 17,474**	**$ 31,707**
BuildASign Segment EBITDA	*$ —*	*$ 15,986*	*$ 22,980*	*$ 28,670*	*$ 37,968*
Early-Stage Investments Segment EBITDA	*$ (12,169)*	*$ (22,303)*	*$ (14,791)*	*$ (11,196)*	*$ (6,261)*
Albumprinter Segment EBITDA[2]	*$ 1,566*	*$ —*	*$ —*	*$ —*	*$ —*

BuildASign	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Segment EBITDA	**n/a**	**$ 15,986**	**$ 22,980**	**$ 28,670**	**$ 37,968**
Capital Expenditures	n/a	$ (4,096)	$ (4,589)	$ (3,656)	$ (4,786)
Capitalized Software	n/a	$ (1,480)	$ (2,200)	$ (2,023)	$ (2,283)
SBC expense treated as cash	n/a	$ 267	$ 383	$ 622	$ 528
Other Reconciling items[1]	n/a	$ 2,824	$ 516	$ 8,055	$ (5,335)
Unlevered free cash flow	**n/a**	**$ 13,500**	**$ 17,091**	**$ 31,668**	**$ 26,091**

Early-Stage Investments	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Segment EBITDA	**$ (12,169)**	**$ (22,303)**	**$ (14,791)**	**$ (11,196)**	**$ (6,261)**
Capital Expenditures	$ (848)	$ (12,956)	$ (2,886)	$ (587)	$ (680)
Capitalized Software	$ (322)	$ (1,446)	$ (2,503)	$ (1,662)	$ (1,463)
SBC expense treated as cash	$ 109	$ 234	$ 233	$ —	$ —
Other Reconciling items[1]	$ 385	$ (3,545)	$ (8,289)	$ (894)	$ 283
Unlevered free cash flow	**$ (12,846)**	**$ (40,016)**	**$ (28,236)**	**$ (14,338)**	**$ (8,121)**

[1] "Other reconciling items" includes net working capital changes and estimated tax allocation.
[2] Albumprinter was divested on August 31, 2017.

Net Cash (Debt)
Annual, in $ thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Cash and cash equivalents	$ 236,552	$ 62,203	$ 50,065	$ 62,508	$ 103,584	$ 77,426
Less: Short-term debt	$ —	$ —	$ (8,750)	$ (37,575)	$ (21,057)	$ (21,717)
Less: Long-term debt	$ —	$ (227,037)	$ (227,037)	$ (406,994)	$ (493,039)	$ (656,794)
Less: Debt issuance costs and debt discounts	$ —	$ (1,963)	$ (2,963)	$ (3,490)	$ (8,940)	$ (7,386)
Net cash (debt)	**$ 236,552**	**$ (166,797)**	**$ (188,685)**	**$ (385,551)**	**$ (419,452)**	**$ (608,471)**

	FY2017	FY2018	FY2019	TTM Feb 2020	FY2020	FY2021
Cash and cash equivalents	$ 25,697	$ 44,227	$ 35,279	$ 49,068	$ 45,021	$ 183,023
Plus: marketable securities (current)	$ —	$ —	$ —	$ —	$ —	$ 152,248
Plus: marketable securities (non-current)	$ —	$ —	$ —	$ —	$ —	$ 50,713
Less: Short-term debt	$ (28,926)	$ (59,259)	$ (81,277)	$ (60,094)	$ (17,933)	$ (9,895)
Less: Long-term debt	$ (847,730)	$ (767,585)	$ (942,290)	$ (1,460,438)	$ (1,415,657)	$ (1,732,511)
Less: Debt issuance costs and debt discounts	$ (5,922)	$ (12,585)	$ (12,018)	$ (16,136)	$ (48,587)	$ (22,450)
Net cash (debt)	**($856,881)**	**($795,202)**	**($1,000,306)**	**($1,487,599)**	**($1,437,156)**	**($1,378,872)**

About Cimpress
Cimpress plc (Nasdaq: CMPR) invests in and builds customer-focused, entrepreneurial, mass customization businesses for the long term. Mass customization is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency. Cimpress businesses include BuildASign, Drukwerkdeal, Exaprint, National Pen, Pixartprinting, Printi, Vistaprint and WIRmachenDRUCK. To learn more, visit http://www.cimpress.com.

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Risks Related to Our Business
This investor letter 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 but not limited to our expectations for the growth and development of our business, financial results, cash flows, and competitive position; our expectations with respect to our markets and opportunity after the pandemic, including our expectations for economic recovery; our estimates and expectations relating to our unlevered free cash flow, share price, and intrinsic value per share; planned investments in our business and the expected effects of those investments; our expected returns on share repurchases; National Pen's planned e-commerce migration and the expected effects of the migration on National Pen's business and financial results; the evolution of Vistaprint's design offering and the expected effects of the evolution; and our expectations for the future relevance and continued acceleration of sales of physical products. 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; the development, duration, and severity of the COVID-19 pandemic; our failure to anticipate and react to the effects of the pandemic on our customers, supply chain, markets, team members, and business; loss or unavailability of key personnel or our inability to hire and retain talented personnel; 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 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; unanticipated changes in our markets, customers, or business; competitive pressures; our failure to maintain compliance with the covenants in our debt documents 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-K for the fiscal year ended June 30, 2020, our Form 10-Q for the fiscal quarter ended September 30, 2020 and the other documents we periodically file with the U.S. Securities and Exchange Commission.

In addition, the statements and projections in this letter represent our expectations and beliefs as of the date of this letter, 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 letter.